



**HYAS**  
GROUP

## **Spokane Employees' Retirement System**

June 30, 2018 Performance Report

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# Section 1



#### TRADE WARS – “THE SAGA CONTINUES”

In our first quarter market commentary, we touched on initially proposed trade sanctions and the risks of an escalating trade war between the US and China. Escalation continued during the second quarter and broadened in geographic scope. Incredibly, the historical meeting between US President Donald Trump and North Korean Supreme Leader Kim Jong-Un was largely overshadowed by the G7 summit in Quebec. The summit was marked by pointed disagreement between the US and other members on tariff levels and ended with the President leaving early and declining to endorse the joint statement from the summit. Shortly afterward, the US declared tariffs on Canada, Mexico, and the European Union on steel, aluminum and other products. Concurrently, but for different reasons, the US also announced that it would be implementing tariffs on a wider list of Chinese products in response to concerns about intellectual property theft. The recipients quickly responded in-kind, with tariffs on approximately \$75 billion worth of American products.

The US exports roughly \$2.3 trillion worth of goods and services annually, over 30 times the value of the US products in question. Exports in turn are a relatively small component of GDP, which itself stands at roughly \$20 trillion in nominal terms. US personal consumption, the major component of GDP, has grown at an average annual rate of nearly \$500 billion. This is not to say that these trade impediments will not be harmful to some or ineffective on their targeted industries, rather their aggregate significance does not seem to have been given a proper context (\$75 billion being slightly less than the annual gross domestic product of the state of New Hampshire). Despite the recent escalation of trade sanctions, the US financial markets have largely shrugged off any concerns. This would seem to reflect the relatively modest size of current sanctions and the strength of the US economy.

History indicates that trade wars restrict long-term economic growth; the strength of the US economy provides the current administration with unique short-term leverage in its attempts to extract concessions from trading partners. The current administration looks poised to accept short-term pain, particularly in domestic agricultural production, in the pursuit of reduced long-term global trade imbalances, improved intellectual property rights and increased domestic manufacturing jobs. The current administration is also betting that the US economy can absorb the impacts of bilateral economic sanctions better than its trading partners. Economic figures would appear to back this up. The US economy is not only the largest economy in the world, it's also one of the most diverse and dynamic. US personal consumption represents more than 70% of \$20 trillion in domestic GDP while total exports represent just over 10% of the total. In short, the US is arguably economically positioned to better withstand the impacts of “tit-for-tat” trade sanctions. While that may be true from an economic position, it may be difficult for the current administration to survive extended protectionist policies. China would appear uniquely positioned to politically outlast any administration subject to public opinion/election. For now, the financial markets appear largely dismissive of the risk inherent in a long-term trade war and content to label the recent escalation as largely posturing.

## GLOBAL ECONOMIC LANDSCAPE

- The US economic expansion is entering its 10<sup>th</sup> year, the second longest on record.
- The domestic economy added 213,000 jobs in June, but an influx of new jobseekers saw the unemployment rate climb from 3.8 to 4.0 percent. Wage growth has been trending up modestly, but the current 2.7% growth rate remains well below the 6.2% 50-year average.
- In response to a continued strong labor market, the Federal Reserve increased the monthly rate at which its combined holdings of Treasury and Agency securities “roll-off”, from \$20 billion in March to \$30 billion in May to \$40 billion in June. The European Central Bank also announced on June 14<sup>th</sup> that it will reduce its monthly net purchases of €30 billion to none by year-end. These actions may reduce pricing pressure on conservative fixed income securities.
- Five-year US inflation expectations nudged up from 1.92% to 2.07% during the second quarter. Recent quarter-by-quarter fluctuations in expectations have generally been lower than in years past; suggesting the markets believe the Fed will keep annual price increases close to its 2% target.
- Eurozone growth topped 2.5% in 2017, the fastest growth rate in over a decade. However, the first quarter of 2018 saw a modest slowdown. While growth in the Eurozone and UK continues to be positive, the slower growth rates are tempering investor expectations for 2018.
- At the same time, Eurozone unemployment continues to tick down to the lowest levels (8.4%) in nearly 10 years.
- Growth in Asia is also showing signs of slowing. The Chinese government recently announced an annualized economic growth target of 6.5% for the remainder of 2018, down from 6.9%. This slowdown is set to coincide with efforts to reduce bad debt in the financial system while closing inefficient factories. The central government also intends to shrink its budget deficit to 2.6% of GDP from the current 3.0%.

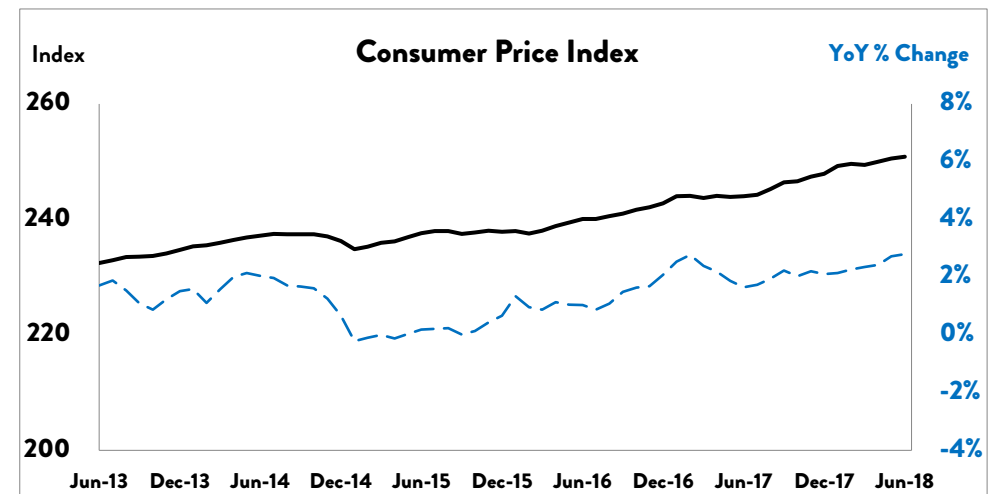
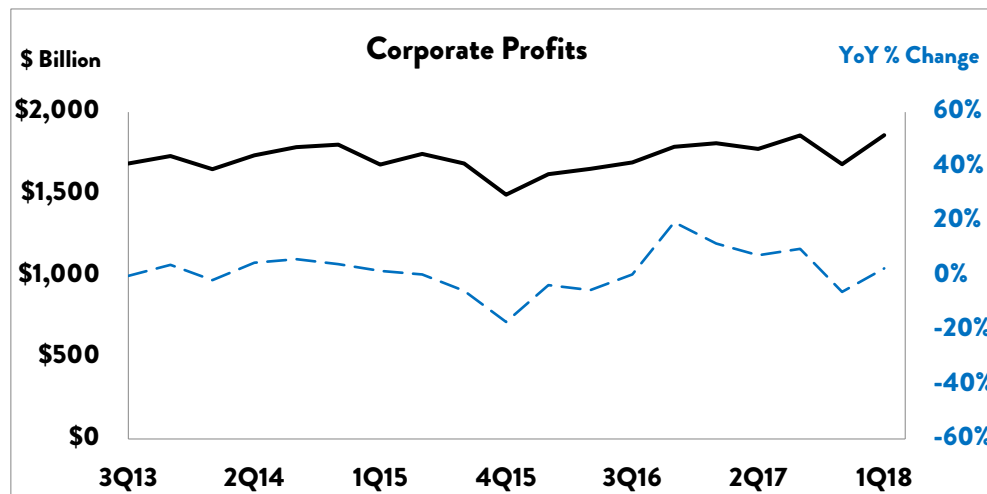
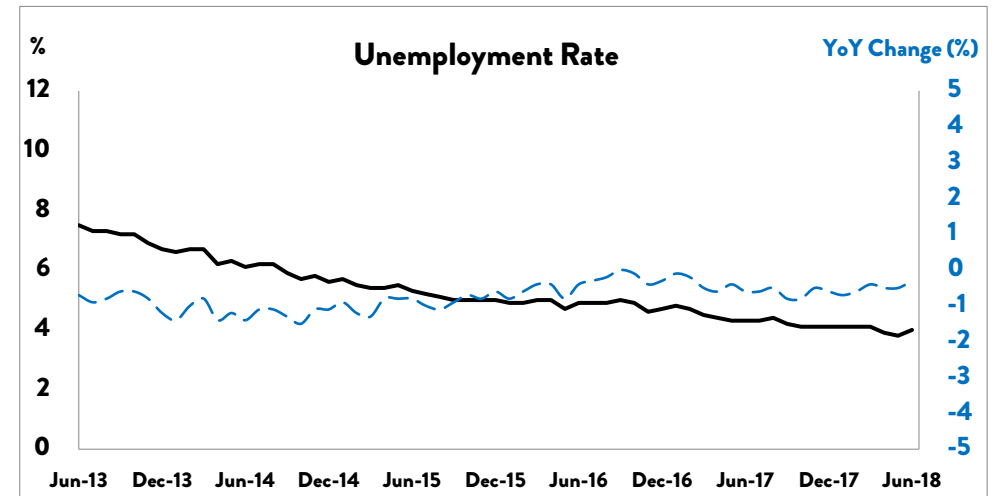
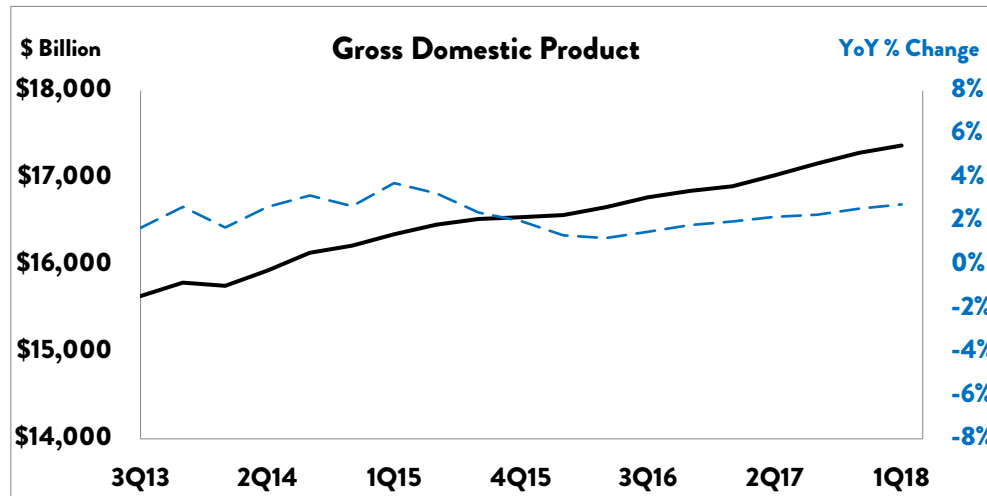
## GLOBAL FINANCIAL MARKETS

- The S&P 500 Index currently trades at 16.1x forward earnings, exactly equal to the 25-year average. Absolute earnings reached another high at the end of the most recent quarter, noting that 43% of those earnings are generated from outside the US. Profit margins remain at 20-year highs.
- Strong earnings and profit margins have led to high levels of cash on corporate balance sheets. Flush with cash, dividend payouts and share buybacks are at 20-year highs. In addition, capital expenditures and M&A remain at elevated levels.
- Small Cap stocks handily outpaced mid and large cap stocks for the quarter and year-to-date periods. Growth stocks continue to dominate value stocks.
- The domestic yield curve continues to flatten as the Fed increases short-term rates and the long end of the curve remains largely unchanged. The current 5-year Treasury yields 2.7% while the 30-year Treasury yields 3.0%. A flat yield curve suggests that investors are skeptical about the durability of the current late stage expansion.
- The global bond market has grown from just over \$10 trillion to over \$100 trillion in the last 30 years. The US bond market has gone from representing 61% of the total market to 36%. Other developed market exposure has held steady at just over 40% while emerging market debt has increased from nearly zero to over 20% of the global bond market.
- Global markets are increasingly struggling to interpret the impact of an escalating trade war. International developed equity markets broadly lagged US markets while emerging markets were particularly hard hit this quarter.

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## 2Q2018 Economic Data



Labor Market Statistics (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	213,000	351,000	14,000	210,533	Jun-18
Unemployment Rate	4.0%	7.5%	3.8%	5.3%	Jun-18
Median Unemployment Length (Weeks)	6.6	18.4	6.6	11.9	Jun-18
Average Hourly Earnings	\$26.98	\$26.98	\$23.99	\$25.38	Jun-18

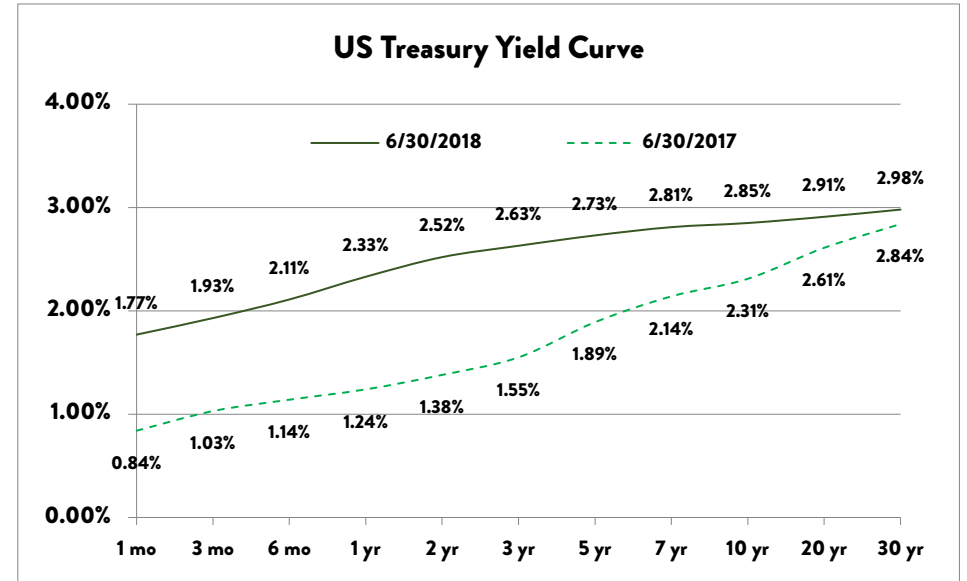
Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$2.86	\$3.70	\$1.79	-22.6%	Jun-18
Spot Oil	\$67.87	\$106.57	\$30.32	-36.3%	Jun-18
Case-Shiller Home Price Index	211.2	211.2	157.8	33.9%*	May-18
Medical Care CPI	486.3	486.3	425.0	14.4%*	Jun-18

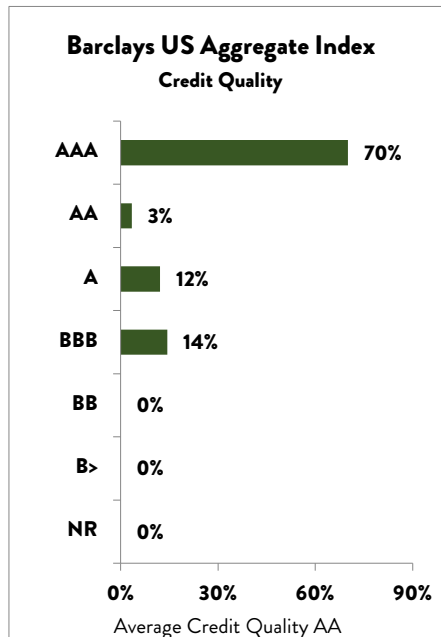
\*% Off Low

# 2Q2018 Bond Market Data

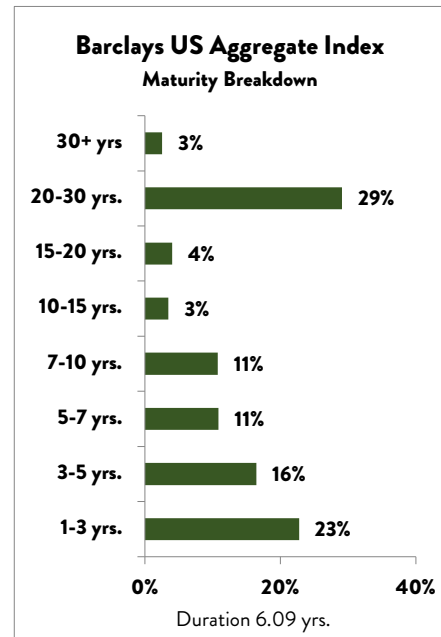
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.42%	0.73%	1.20%	0.57%	0.36%	0.32%
Barclays US Aggregate	-0.16%	-1.62%	-0.40%	1.72%	2.27%	3.72%
Barclays Short US Treasury	0.46%	0.78%	1.29%	0.72%	0.48%	0.49%
Barclays Int. US Treasury	0.06%	-0.69%	-0.76%	0.62%	1.03%	2.43%
Barclays Long US Treasury	0.31%	-3.00%	-0.13%	3.40%	4.55%	6.05%
Barclays US TIPS	0.77%	-0.02%	2.11%	1.93%	1.68%	3.03%
Barclays US Credit	-0.88%	-2.99%	-0.65%	2.86%	3.37%	5.15%
Barclays US Mortgage-Backed	0.24%	-0.95%	0.15%	1.46%	2.25%	3.54%
Barclays US Asset-Backed	0.42%	0.03%	0.44%	1.26%	1.44%	3.24%
Barclays US 20-Yr Municipal	0.93%	-0.60%	2.70%	3.71%	4.68%	5.36%
Barclays US High Yield	1.03%	0.16%	2.62%	5.53%	5.51%	8.19%
Barclays Global	-2.78%	-1.46%	1.36%	2.58%	1.50%	2.58%
Barclays International	-4.76%	-1.31%	2.78%	3.23%	0.88%	1.76%
Barclays Emerging Market	-2.40%	-3.84%	-1.04%	4.05%	4.46%	6.62%



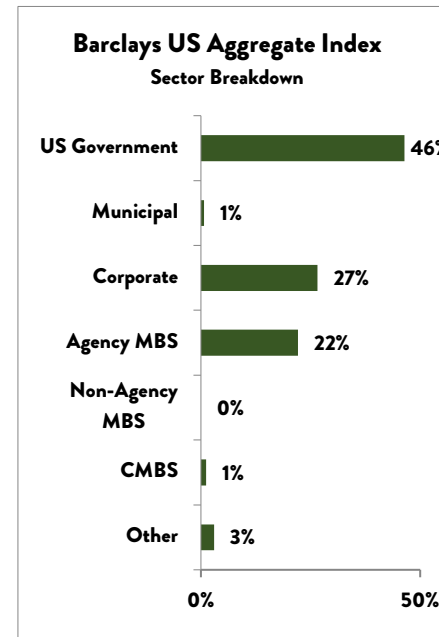
Source: Department of US Treasury



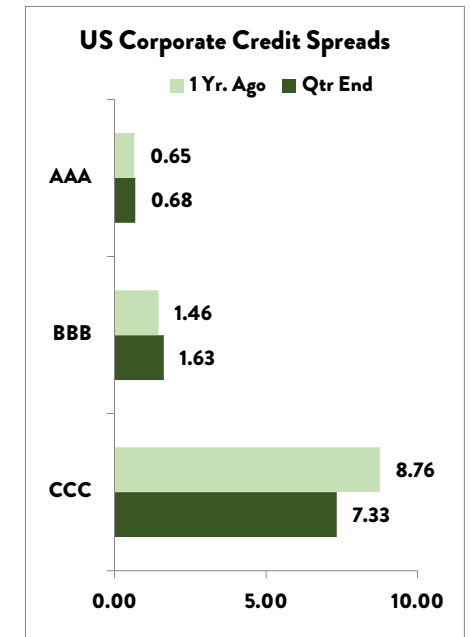
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

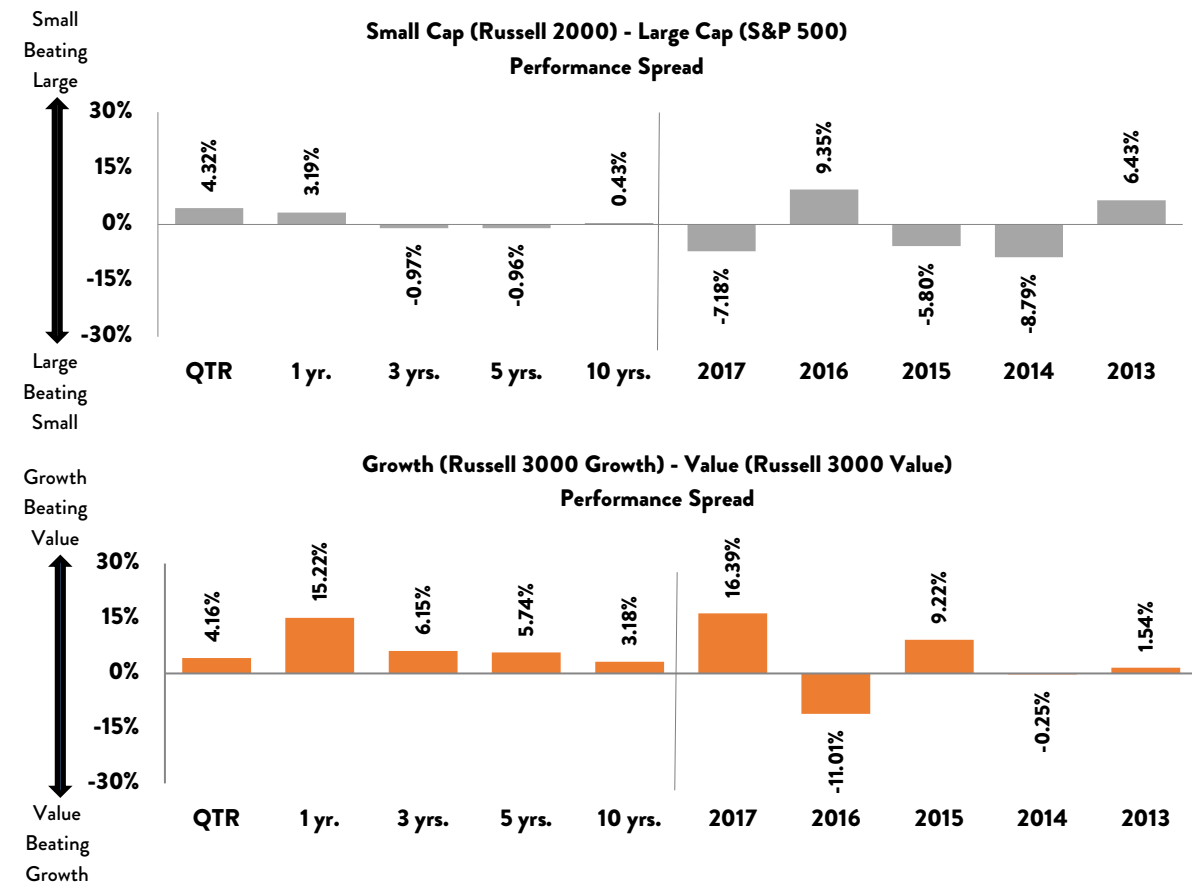
# 2Q2018 US Equity Market Data

## Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	YTD	1 Yr.
S&P 500 Index	6%	Energy	13.48%	6.81%	20.99%
	13%	Consumer Discretionary	8.17%	11.52%	23.55%
	26%	Information Technology	7.09%	10.87%	31.30%
	3%	Real Estate	6.13%	0.81%	5.02%
	3%	Utilities	3.74%	0.32%	3.41%
	14%	Health Care	3.09%	1.83%	7.11%
	3%	Materials	2.58%	-3.08%	9.90%
	2%	Telecom Services	-0.94%	-8.35%	1.39%
	7%	Consumer Staples	-1.54%	-8.55%	-3.93%
	14%	Financials	-3.16%	-4.09%	9.65%
10%	Industrials	-3.18%	-4.69%	5.34%	
S&P Midcap 400 Index	5%	Energy	25.73%	16.69%	40.21%
	10%	Real Estate	12.61%	5.29%	6.70%
	9%	Health Care	11.87%	18.71%	18.92%
	5%	Utilities	7.92%	4.16%	9.15%
	13%	Consumer Discretionary	4.59%	0.91%	13.11%
	3%	Consumer Staples	4.48%	0.90%	6.05%
	7%	Materials	2.92%	-1.45%	9.80%
	16%	Information Technology	1.35%	5.45%	17.79%
	15%	Industrials	-0.70%	-3.26%	11.60%
	0%	Telecom Services	-1.60%	-0.22%	-14.62%
16%	Financials	-2.01%	0.08%	10.46%	
S&P Smallcap 600 Index	4%	Energy	22.47%	10.15%	28.20%
	1%	Telecom Services	16.38%	11.54%	10.91%
	12%	Health Care	15.43%	30.47%	46.63%
	3%	Consumer Staples	12.83%	6.20%	19.86%
	6%	Real Estate	12.31%	0.79%	3.39%
	15%	Consumer Discretionary	10.53%	8.65%	21.86%
	2%	Utilities	7.92%	1.96%	12.10%
	15%	Information Technology	6.16%	7.68%	11.57%
	19%	Industrials	5.38%	5.44%	20.88%
	17%	Financials	4.89%	6.98%	16.49%
5%	Materials	4.03%	1.86%	13.84%	

## Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	3.43%	2.65%	14.37%	11.93%	13.42%	10.17%
Russell 1000 Value	1.18%	-1.69%	6.77%	8.26%	10.34%	8.49%
Russell 1000 Growth	5.76%	7.25%	22.51%	14.98%	16.36%	11.83%
Russell Mid Cap	2.82%	2.35%	12.33%	9.58%	12.22%	10.23%
Russell Mid Cap Value	2.41%	-0.16%	7.60%	8.80%	11.27%	10.06%
Russell Mid Cap Growth	3.16%	5.40%	18.52%	10.73%	13.37%	10.45%
Russell 2000	7.75%	7.66%	17.57%	10.96%	12.46%	10.60%
Russell 2000 Value	8.30%	5.44%	13.10%	11.22%	11.18%	9.88%
Russell 2000 Growth	7.23%	9.70%	21.86%	10.60%	13.65%	11.24%
Russell 3000	3.89%	3.22%	14.78%	11.58%	13.29%	10.23%
DJ US Select REIT	9.99%	1.82%	4.23%	7.71%	8.29%	7.63%





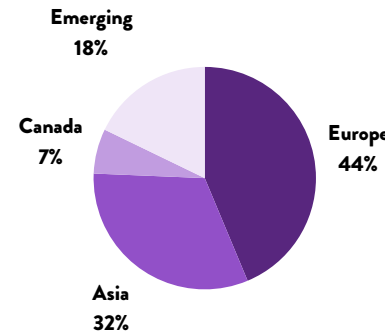
# 2Q2018 International Market Data

## Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
<b>MSCI ACWI ex-US</b>	<b>-2.61%</b>	<b>-3.77%</b>	<b>7.28%</b>	<b>5.07%</b>	<b>5.99%</b>	<b>2.54%</b>
<b>MSCI EAFE</b>	<b>-1.24%</b>	<b>-2.75%</b>	<b>6.84%</b>	<b>4.90%</b>	<b>6.44%</b>	<b>2.84%</b>
<b>Europe</b>	<b>-1.27%</b>	<b>-3.23%</b>	<b>5.28%</b>	<b>4.22%</b>	<b>6.21%</b>	<b>2.36%</b>
United Kingdom	2.95%	-1.05%	10.02%	3.09%	4.94%	2.66%
Germany	-3.95%	-7.39%	2.55%	5.26%	6.41%	2.53%
France	-0.46%	-0.13%	9.85%	8.66%	8.23%	2.33%
<b>Pacific</b>	<b>-1.35%</b>	<b>-2.02%</b>	<b>9.91%</b>	<b>6.37%</b>	<b>6.93%</b>	<b>3.96%</b>
Japan	-2.84%	-2.03%	10.51%	6.25%	7.37%	3.54%
Hong Kong	-1.18%	-2.53%	9.18%	6.45%	9.80%	7.69%
Australia	5.20%	-1.27%	8.73%	7.10%	4.96%	3.50%
<b>Canada</b>	<b>4.67%</b>	<b>-3.02%</b>	<b>9.12%</b>	<b>4.54%</b>	<b>4.08%</b>	<b>0.66%</b>
<b>MSCI EM</b>	<b>-7.96%</b>	<b>-6.66%</b>	<b>8.20%</b>	<b>5.60%</b>	<b>5.01%</b>	<b>2.26%</b>
<b>MSCI EM Latin America</b>	<b>-17.75%</b>	<b>-11.15%</b>	<b>-0.16%</b>	<b>2.00%</b>	<b>-2.39%</b>	<b>-3.68%</b>
<b>MSCI EM Asia</b>	<b>-5.85%</b>	<b>-5.06%</b>	<b>10.09%</b>	<b>7.31%</b>	<b>8.26%</b>	<b>5.62%</b>
<b>MSCI EM Eur/Mid East</b>	<b>-8.80%</b>	<b>-7.15%</b>	<b>4.89%</b>	<b>1.94%</b>	<b>-3.04%</b>	<b>-5.20%</b>
<b>MSCI ACWI Value ex-US</b>	<b>-3.84%</b>	<b>-5.28%</b>	<b>4.64%</b>	<b>3.51%</b>	<b>4.75%</b>	<b>2.03%</b>
<b>MSCI ACWI Growth ex-US</b>	<b>-1.42%</b>	<b>-2.28%</b>	<b>9.90%</b>	<b>6.56%</b>	<b>7.18%</b>	<b>3.01%</b>
<b>MSCI ACWI Sm Cap ex-US</b>	<b>-2.60%</b>	<b>-2.94%</b>	<b>10.57%</b>	<b>7.94%</b>	<b>8.98%</b>	<b>5.77%</b>

## Regional Exposure

MSCI ACWI ex-USA

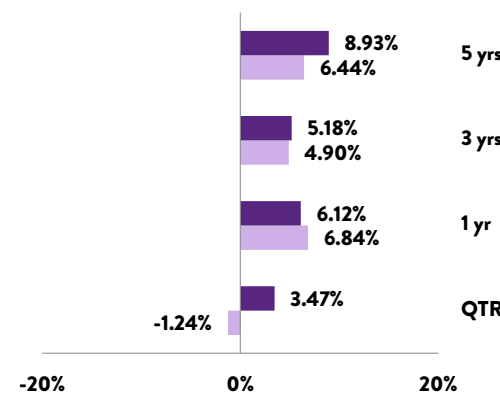


## Top 10 Countries (MSCI AC World ex-USA)

Japan	17%
UK	12%
China	9%
France	7%
Germany	7%
Canada	6%
Switzerland	5%
Australia	5%
South Korea	4%
Taiwan	3%

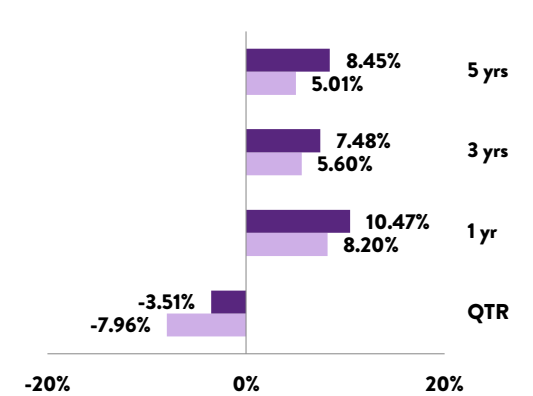
## MSCI EAFE Index Return

Local US\$



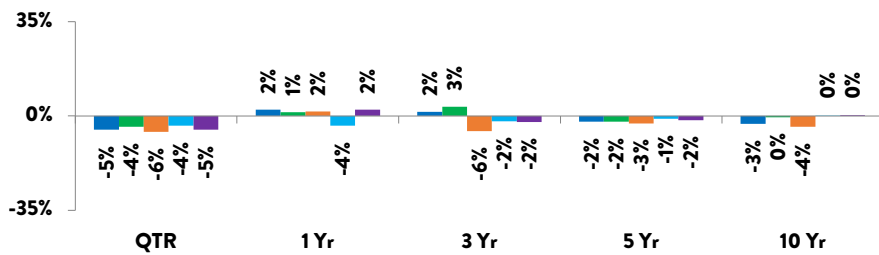
## MSCI Emerging Index Return

Local US\$



## Foreign Currency v. US\$ Returns

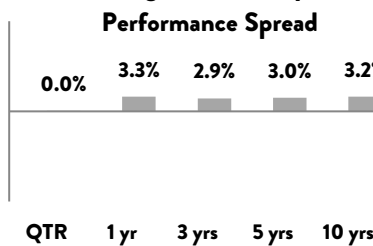
Euro Japanese Yen Pound Sterling Swiss Franc Chinese Yuan



Exchange Rates	QTR	1Q18	4Q17	3Q17	2Q17	1Q17
<b>Japanese Yen</b>	110.71	106.20	112.69	112.64	112.40	111.41
<b>Euro</b>	0.86	0.81	0.83	0.85	0.88	0.93
<b>British Pound</b>	0.76	0.71	0.74	0.75	0.77	0.80
<b>Swiss Franc</b>	0.99	0.95	0.97	0.97	0.96	1.00
<b>Chinese Yuan</b>	6.62	6.27	6.51	6.65	6.78	6.88

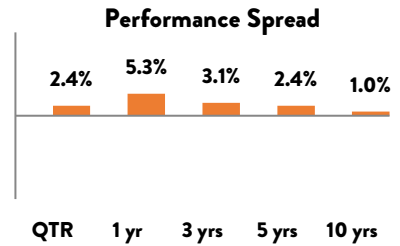
## MSCI ACWI Ex US Large v. Small Cap Performance Spread

Small Beating Large Large Beating Small



## MSCI ACWI Ex US Value v. Growth Performance Spread

Growth Beating Value Value Beating Growth



# Historical Market Returns

Ranked by Performance

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	2Q18
Emerging Markets 55.82%	Emerging Markets 25.55%	Emerging Markets 34.00%	Emerging Markets 32.14%	Emerging Markets 39.42%	US Bonds 5.24%	Emerging Markets 78.51%	Small Cap 26.85%	Core Real Estate 14.96%	Emerging Markets 18.22%	Small Cap 38.82%	Large Cap 13.68%	Core Real Estate 13.95%	Small Cap 21.30%	Emerging Markets 37.28%	Small Cap 7.66%	Small Cap 7.75%
Small Cap 47.25%	Intl 20.91%	Commod. 21.36%	Intl 26.65%	Intl 16.65%	Global Bonds 4.79%	High Yield 58.21%	Mid Cap 25.48%	TIPS 13.56%	Mid Cap 17.28%	Mid Cap 34.76%	Mid Cap 13.21%	Large Cap 1.38%	High Yield 17.12%	Intl 27.19%	Core Real Estate 3.82%	Large Cap 3.43%
Intl 40.83%	Mid Cap 20.22%	Core Real Estate 20.15%	Small Cap 18.37%	Commod. 16.23%	Cash 1.39%	Intl 41.45%	Emerging Markets 18.88%	US Bonds 7.84%	Intl 16.83%	Large Cap 32.39%	Core Real Estate 11.44%	US Bonds 0.55%	Mid Cap 13.79%	Large Cap 21.83%	Large Cap 2.65%	Mid Cap 2.82%
Mid Cap 40.06%	Small Cap 18.33%	Intl 16.62%	Large Cap 15.79%	Core Real Estate 14.84%	TIPS -2.35%	Mid Cap 40.48%	Commod. 16.83%	Global Bonds 5.64%	Small Cap 16.35%	Intl 15.29%	US Bonds 5.97%	Cash 0.03%	Large Cap 11.95%	Mid Cap 18.52%	Mid Cap 2.35%	Core Real Estate 1.81%
High Yield 28.97%	Global Balanced 12.18%	Mid Cap 12.65%	Core Real Estate 15.27%	TIPS 11.64%	Core Real Estate -10.70%	Small Cap 27.17%	Core Real Estate 15.26%	High Yield 4.98%	Large Cap 16.00%	Global Balanced 14.46%	Small Cap 4.89%	TIPS -1.43%	Commod. 11.76	Global Balanced 15.87%	Cash 0.73%	High Yield 1.03%
Large Cap 28.68%	Core Real Estate 12.00%	Large Cap 4.91%	Mid Cap 15.26%	Global Bonds 9.48%	Global Balanced -24.51%	Large Cap 26.46%	High Yield 15.12%	Large Cap 2.11%	High Yield 15.81%	Core Real Estate 12.95%	TIPS 3.64%	Global Balanced -1.45%	Emerging Markets 11.18%	Small Cap 14.65%	High Yield 0.16%	TIPS 0.77%
Global Balanced 24.27%	High Yield 11.13%	Small Cap 4.55%	Global Balanced 14.53%	Global Balanced 9.07%	High Yield -26.16%	Global Balanced 20.49%	Large Cap 15.06%	Cash 0.06%	Global Balanced 11.06%	High Yield 7.44%	Global Balanced 3.17%	Mid Cap -2.43%	Core Real Estate 7.76%	High Yield 7.50%	Commod. 0.00%	Cash 0.42%
Commod. 23.93%	Large Cap 10.88%	Global Balanced 4.16%	High Yield 11.85%	US Bonds 6.97%	Small Cap -33.79%	Commod. 18.91%	Intl 11.15%	Global Balanced -0.97%	Core Real Estate 9.76%	Cash 0.07%	High Yield 2.45%	Global Bonds -3.15%	Global Balanced 5.38%	Global Bonds 7.39%	TIPS -0.02%	Commod. 0.40%
Global Bonds 12.51%	Global Bonds 9.27%	Cash 3.25%	Global Bonds 6.64%	Mid Cap 5.60%	Commod. -35.65%	TIPS 11.41%	Global Balanced 9.40%	Mid Cap -1.55%	TIPS 6.98%	US Bonds -2.02%	Global Bonds 0.59%	Small Cap -4.41%	TIPS 4.68%	Core Real Estate 6.66%	Global Balanced -0.19%	Global Balanced 0.09%
TIPS 8.40%	Commod. 9.15%	TIPS 2.84%	Cash 4.85%	Large Cap 5.49%	Large Cap -37.00%	Global Bonds 6.93%	US Bonds 6.54%	Small Cap -4.18%	Global Bonds 4.32%	Global Bonds -2.60%	Cash 0.04%	High Yield -4.46%	Intl 4.50%	US Bonds 3.54%	Global Bonds -1.46%	US Bonds -0.16%
Core Real Estate 8.28%	TIPS 8.46%	High Yield 2.74%	US Bonds 4.33%	Cash 4.44%	Mid Cap -41.46%	US Bonds 5.93%	TIPS 6.31%	Commod. -13.32%	US Bonds 4.21%	Emerging Markets -2.60%	Emerging Markets -2.18%	Intl -5.66%	US Bonds 2.65%	TIPS 3.01%	US Bonds -1.62%	Intl -2.61%
US Bonds 4.10%	US Bonds 4.34%	US Bonds 2.43%	Commod. 2.07%	High Yield 1.87%	Intl -45.53%	Cash 0.16%	Global Bonds 5.54%	Intl -13.71%	Cash 0.08%	TIPS -8.61%	Intl -3.86%	Emerging Markets -14.90%	Global Bonds 2.09%	Commod. 1.70%	Intl -3.77%	Global Bonds -2.78%
Cash 1.03%	Cash 1.44%	Global Bonds -4.49%	TIPS 0.41%	Small Cap -1.57%	Emerging Markets -53.33%	Core Real Estate -30.40%	Cash 0.15%	Emerging Markets -18.42%	Commod. -1.06%	Commod. -9.52%	Commod. -17.00%	Commod. -24.60%	Cash 0.25%	Cash 0.71%	Emerging Markets -6.66%	Emerging Markets -7.96%

Global Balanced is composed of 60% MSCI World Stock Index, 35% Barclays Global Aggregate Bond Index, and 5% US 90-Day T-Bills.

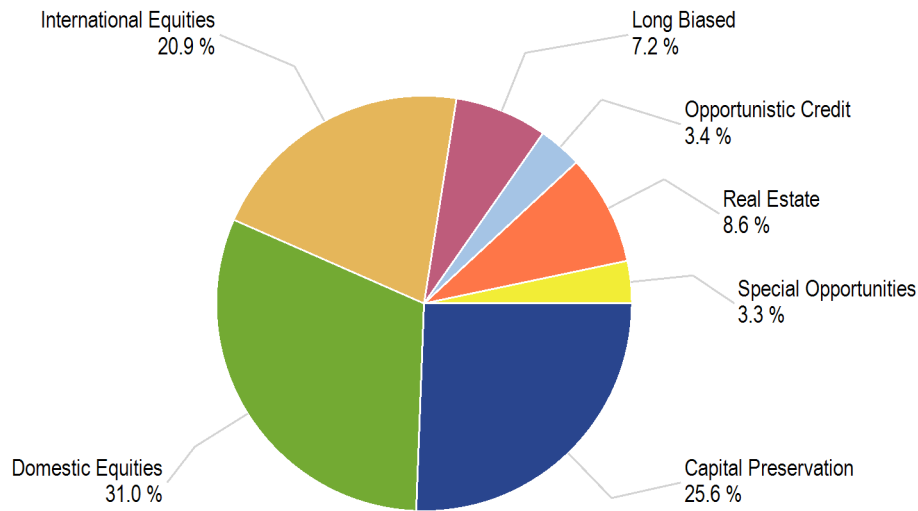
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# Section 2

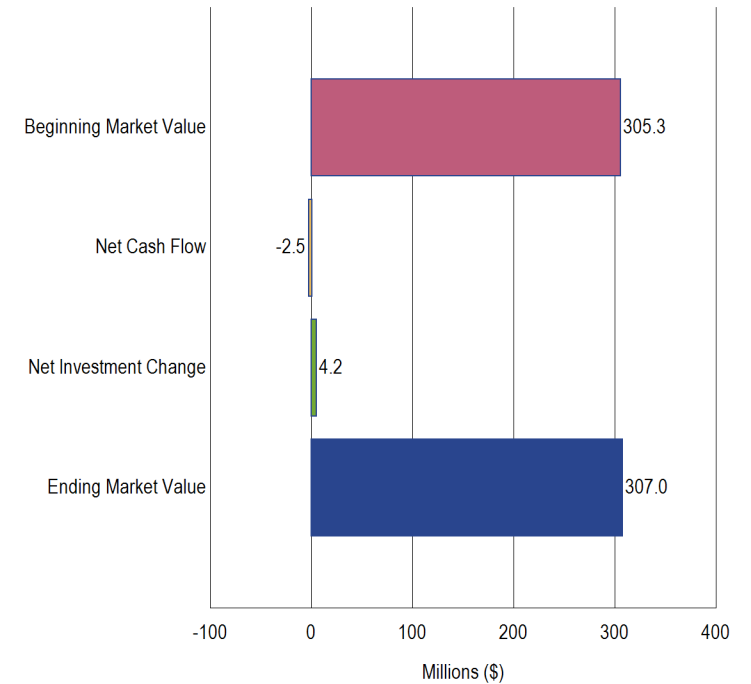
# Spokane Employees' Retirement System

As of June 30, 2018

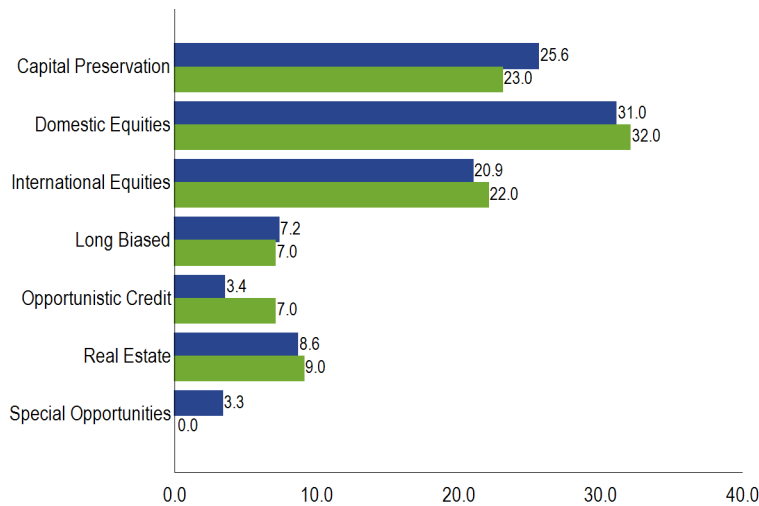
Current Allocation



Current Quarter



Actual vs Target Allocation (%)



## Current Market Value:

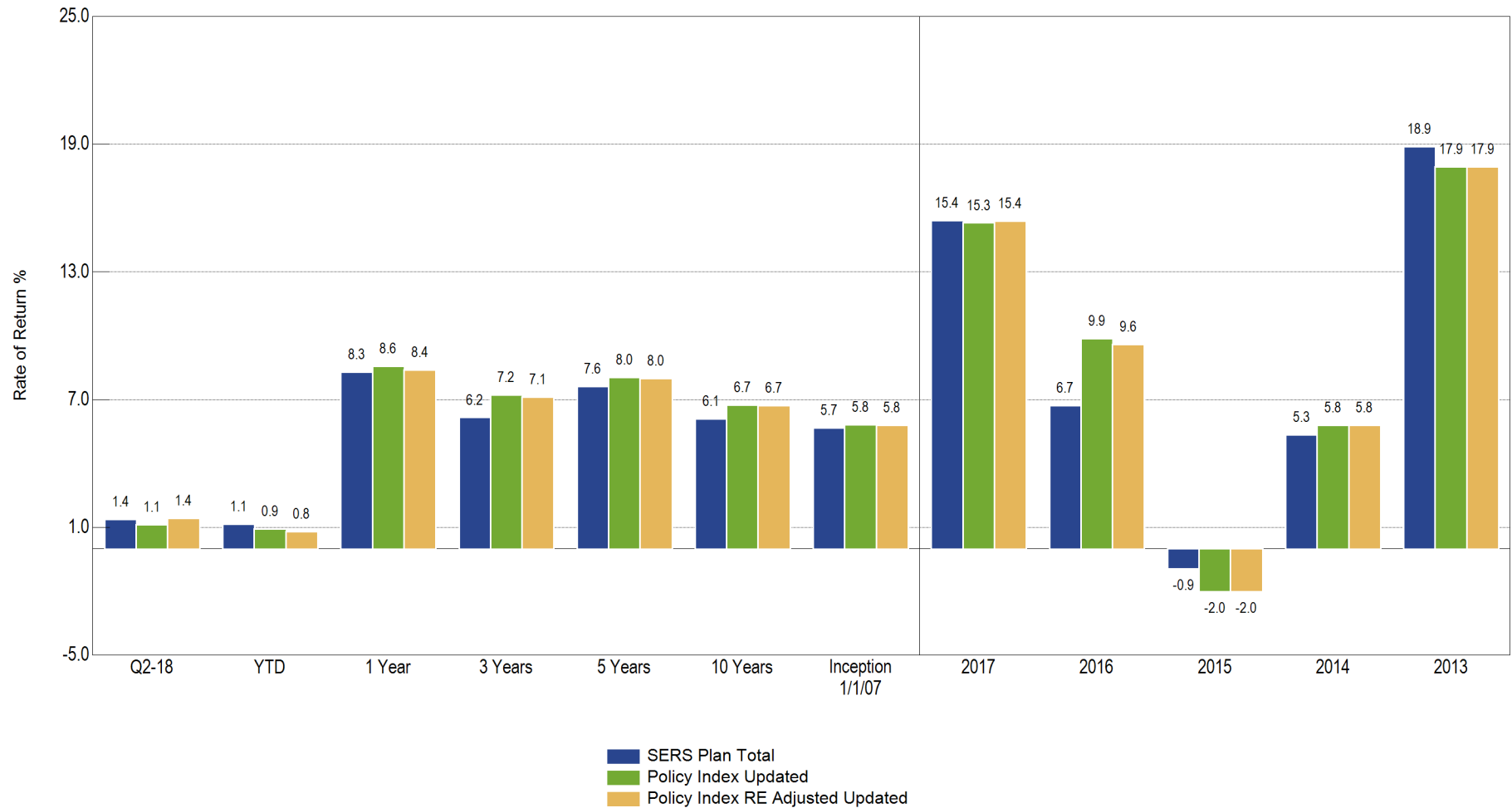
**\$306,967,012**

### Policy Index

Index	Weight
US 90 Day T-Bill	0%
Barclays US Aggregate Bond Index	10%
Barclays Corporate High Yield Index	5%
HFRI FOF Conservative Index	8%
S&P 500 Index	21%
Russell 2500 Index	11%
MSCI ACWI ex-US Index	15%
MSCI ACWI ex-US Small Cap Index	4%
MSCI Emerging Markets Free Index	3%
HFRI FOF Composite Index	7%
HFRI Distressed Restructuring Index	7%
NCREIF - ODCE Index	9%

Actual Policy

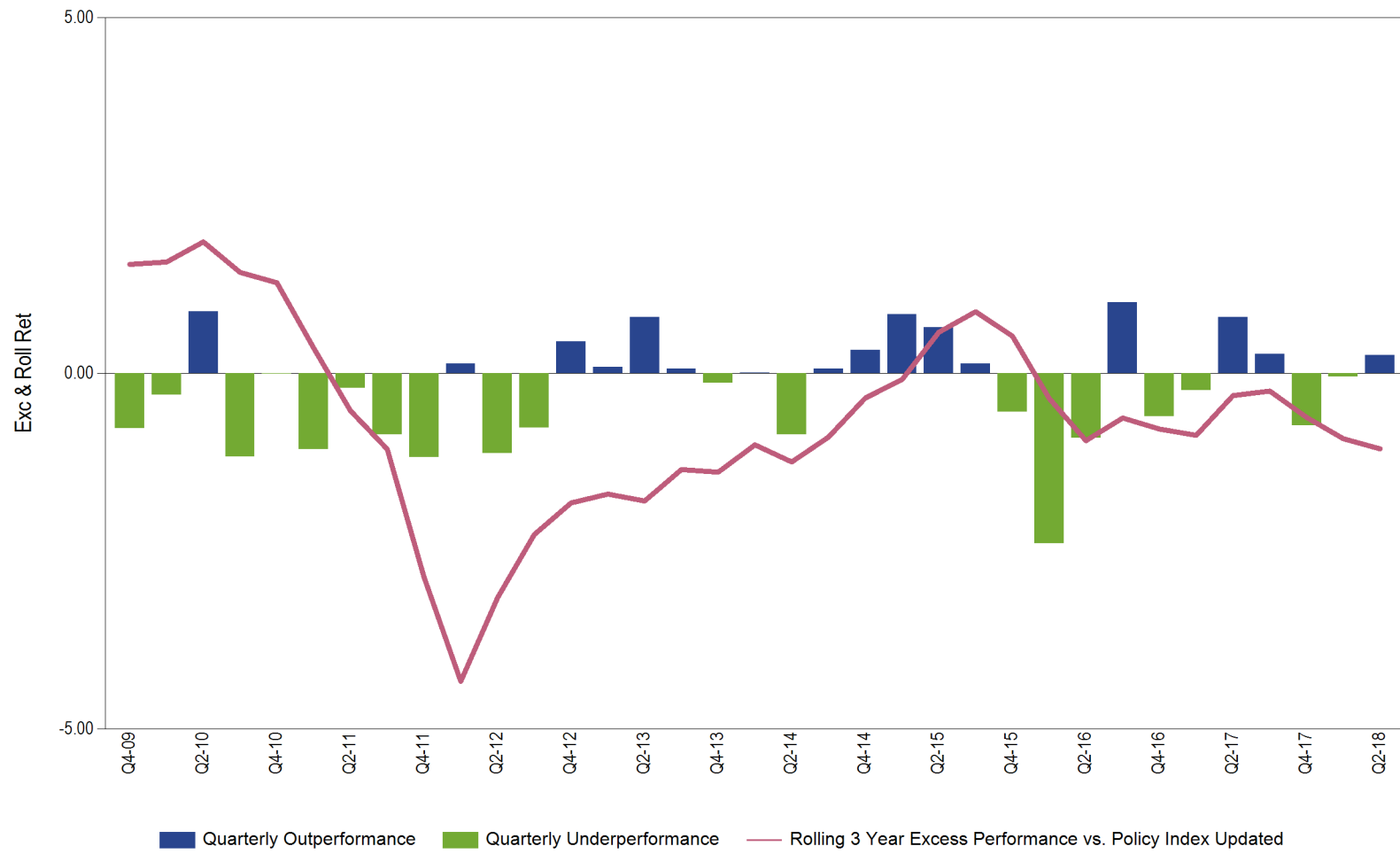
Return Summary



Performance Net of Fees

Performance greater than 1 year is annualized

Rolling Annualized Excess Performance



# Spokane Employees' Retirement System

As of June 30, 2018

## RISK RETURN STATISTICS

January 01, 2007 Through June 30, 2018

	SERS Plan Total	Policy Index Updated
<b>RETURN SUMMARY STATISTICS</b>		
Number of Periods	46	46
Maximum Return	12.42	16.64
Minimum Return	-14.46	-17.38
Annualized Return	5.67	5.82
Total Return	88.65	91.57
Annualized Excess Return Over Risk Free	4.96	5.10
Annualized Excess Return	-0.14	0.00
<b>RISK SUMMARY STATISTICS</b>		
Beta	0.86	1.00
Upside Deviation	5.98	7.41
Downside Deviation	9.15	10.40
<b>RISK/RETURN SUMMARY STATISTICS</b>		
Annualized Standard Deviation	10.84	12.43
Alpha	0.15	0.00
Sharpe Ratio	0.46	0.41
Excess Return Over Market / Risk	-0.01	0.00
Tracking Error	2.62	0.00
Information Ratio	-0.05	--
<b>CORRELATION STATISTICS</b>		
R-Squared	0.97	1.00
Correlation	0.98	1.00

Market Proxy: Policy Index Updated

Risk-Free Proxy: 91 Day T-Bills



# Spokane Employees' Retirement System

As of June 30, 2018

## Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Inception (%)	Inception Date
<b>SERS Plan Total</b>	<b>1.38</b>	<b>1.14</b>	<b>8.30</b>	<b>6.15</b>	<b>7.61</b>	<b>6.10</b>	<b>15.40</b>	<b>6.71</b>	<b>-0.94</b>	<b>5.34</b>	<b>18.89</b>	<b>11.70</b>	<b>-2.80</b>	<b>5.67</b>	<b>Jan-07</b>
Policy Index Updated	<u>1.12</u>	<u>0.93</u>	<u>8.56</u>	<u>7.21</u>	<u>8.05</u>	<u>6.74</u>	<u>15.29</u>	<u>9.86</u>	<u>-2.00</u>	<u>5.79</u>	<u>17.92</u>	<u>13.18</u>	<u>0.47</u>	<u>5.82</u>	Jan-07
Over/Under	0.26	0.21	-0.26	-1.06	-0.44	-0.64	0.11	-3.15	1.06	-0.45	0.97	-1.48	-3.27	-0.15	
70/30 ACWI/Barclays Aggregate Bond	0.33	-0.72	7.36	6.34	7.34	5.47	17.50	6.42	-1.30	4.77	14.87	12.66	-2.67	4.97	Jan-07
InvestorForce All DB \$250mm-\$1B Net Rank	17	26	29	64	48	60	42	74	47	63	8	61	97	43	Jan-07
<b>Capital Preservation</b>	<b>0.37</b>	<b>0.21</b>	<b>2.44</b>	<b>3.94</b>	<b>3.30</b>	<b>--</b>	<b>5.85</b>	<b>8.12</b>	<b>-1.74</b>	<b>1.65</b>	<b>2.70</b>	<b>--</b>	<b>--</b>	<b>3.40</b>	<b>Jul-12</b>
Capital Preservation Index	<u>0.53</u>	<u>-0.10</u>	<u>1.84</u>	<u>2.64</u>	<u>3.26</u>	<u>3.89</u>	<u>4.60</u>	<u>5.43</u>	<u>-0.58</u>	<u>4.23</u>	<u>3.33</u>	<u>6.66</u>	<u>3.22</u>	<u>3.42</u>	Jul-12
Over/Under	-0.16	0.31	0.60	1.30	0.04		1.25	2.69	-1.16	-2.58	-0.63			-0.02	
<b>Domestic Equity</b>	<b>4.43</b>	<b>3.88</b>	<b>14.47</b>	<b>9.96</b>	<b>12.62</b>	<b>--</b>	<b>19.86</b>	<b>10.91</b>	<b>-0.32</b>	<b>11.10</b>	<b>36.38</b>	<b>--</b>	<b>--</b>	<b>14.17</b>	<b>Jul-12</b>
Domestic Equity Index	<u>4.22</u>	<u>3.63</u>	<u>15.06</u>	<u>11.41</u>	<u>13.08</u>	<u>10.42</u>	<u>20.11</u>	<u>13.92</u>	<u>-0.06</u>	<u>11.44</u>	<u>33.91</u>	<u>16.67</u>	<u>0.55</u>	<u>14.57</u>	Jul-12
Over/Under	0.21	0.25	-0.59	-1.45	-0.46		-0.25	-3.01	-0.26	-0.34	2.47			-0.40	
All Cap Blend MStar MF Rank	31	29	35	50	35	--	37	70	33	38	35	--	--	44	Jul-12
<b>International Equity Total</b>	<b>-2.84</b>	<b>-3.60</b>	<b>6.78</b>	<b>6.13</b>	<b>7.30</b>	<b>4.55</b>	<b>28.45</b>	<b>3.91</b>	<b>-1.32</b>	<b>-3.58</b>	<b>20.93</b>	<b>18.48</b>	<b>-13.72</b>	<b>4.77</b>	<b>Apr-07</b>
International Equity Index	<u>-3.35</u>	<u>-4.00</u>	<u>8.02</u>	<u>5.70</u>	<u>6.44</u>	<u>3.13</u>	<u>29.35</u>	<u>5.34</u>	<u>-5.49</u>	<u>-3.63</u>	<u>13.48</u>	<u>17.36</u>	<u>-15.20</u>	<u>2.92</u>	Apr-07
Over/Under	0.51	0.40	-1.24	0.43	0.86	1.42	-0.90	-1.43	4.17	0.05	7.45	1.12	1.48	1.85	
Foreign MStar MF Rank	65	67	58	37	39	33	42	24	67	32	56	55	57	18	Apr-07
<b>Long Biased</b>	<b>4.05</b>	<b>5.43</b>	<b>9.82</b>	<b>1.44</b>	<b>2.91</b>	<b>--</b>	<b>1.19</b>	<b>-2.99</b>	<b>4.04</b>	<b>3.62</b>	<b>9.56</b>	<b>--</b>	<b>--</b>	<b>4.14</b>	<b>Jul-12</b>
HFRI Fund of Funds Composite Index	<u>0.41</u>	<u>0.68</u>	<u>5.13</u>	<u>1.93</u>	<u>3.45</u>	<u>1.40</u>	<u>7.77</u>	<u>0.51</u>	<u>-0.27</u>	<u>3.36</u>	<u>8.96</u>	<u>4.79</u>	<u>-5.72</u>	<u>4.08</u>	Jul-12
Over/Under	3.64	4.75	4.69	-0.49	-0.54		-6.58	-3.50	4.31	0.26	0.60			0.06	
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17	21.83	11.96	1.38	13.69	32.39	16.00	2.11	14.59	Jul-12
<b>Opportunistic Credit</b>	<b>1.64</b>	<b>2.46</b>	<b>5.76</b>	<b>6.96</b>	<b>--</b>	<b>--</b>	<b>7.08</b>	<b>14.52</b>	<b>2.35</b>	<b>2.32</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.86</b>	<b>Oct-13</b>
HFRI ED: Distressed/Restructuring Index	<u>2.68</u>	<u>2.94</u>	<u>6.10</u>	<u>4.83</u>	<u>4.07</u>	<u>4.53</u>	<u>6.25</u>	<u>15.15</u>	<u>-8.06</u>	<u>-1.39</u>	<u>14.05</u>	<u>10.12</u>	<u>-1.79</u>	<u>3.76</u>	Oct-13
Over/Under	-1.04	-0.48	-0.34	2.13			0.83	-0.63	10.41	3.71				3.10	

Capital Preservation Index: Barclays Aggregate: 43.5%; HFRI Conservative: 34.8%; Barclays High Yield: 21.8%

Domestic Equity Index: S&P 500: 65.63%; Russell 2500: 34.37%

International Index: MSCI ACWI ex US: 68.2%; MSCI ACWI ex US Small Cap: 18.2%; MSCI Emerging Mkts: 13.6%

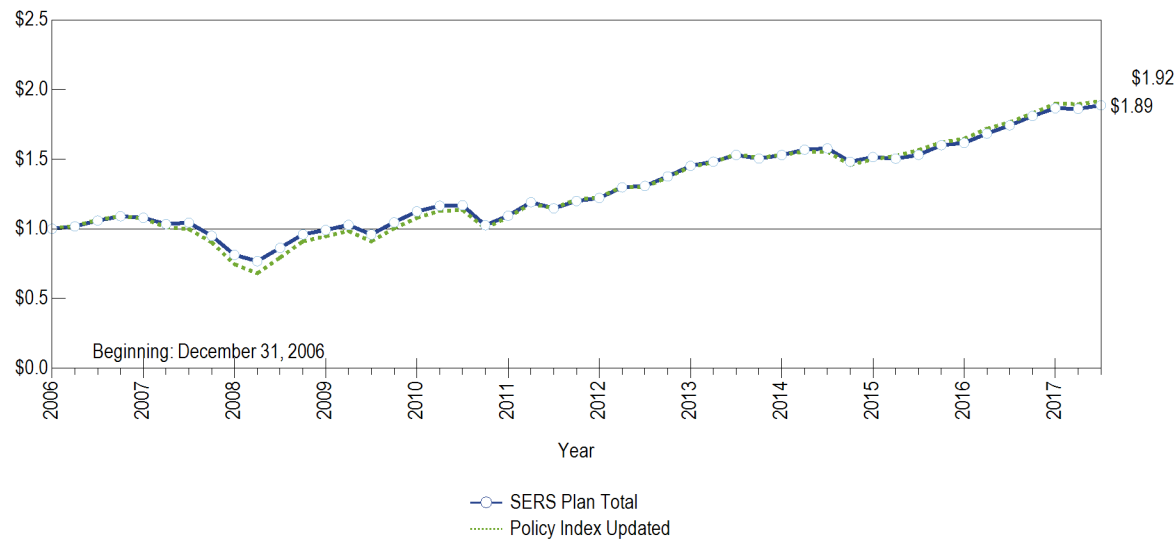
# Spokane Employees' Retirement System

As of June 30, 2018

## Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	Inception (%)	Inception Date
<b>Real Estate Total</b>	3.03	2.60	8.10	9.39	10.35	8.28	10.01	8.09	6.66	25.00	8.71	15.17	9.44	23.35	5.27	Apr-07
NCREIF-ODCE	2.05	4.30	8.44	9.36	11.03	5.29	7.62	8.76	15.02	12.48	13.94	10.94	15.99	16.36	5.87	Apr-07
Over/Under	0.98	-1.70	-0.34	0.03	-0.68	2.99	2.39	-0.67	-8.36	12.52	-5.23	4.23	-6.55	6.99	-0.60	
FTSE NAREIT All REIT	8.32	1.10	4.78	9.23	8.98	8.46	9.27	9.28	2.29	27.15	3.21	20.14	7.28	27.58	4.90	Apr-07
US Real Estate Equity Rank	98	13	11	23	10	67	11	32	7	94	7	98	62	89	66	Apr-07
<b>Special Opportunities</b>	-0.34	0.08	7.30	-3.57	8.71	--	25.32	-21.90	2.13	25.88	31.60	--	--	--	8.67	Jul-12
Russell 3000	3.89	3.22	14.78	11.58	13.29	10.23	21.13	12.73	0.48	12.56	33.55	16.42	1.02	16.93	14.62	Jul-12
Over/Under	-4.23	-3.14	-7.48	-15.15	-4.58		4.19	-34.63	1.65	13.32	-1.95				-5.95	

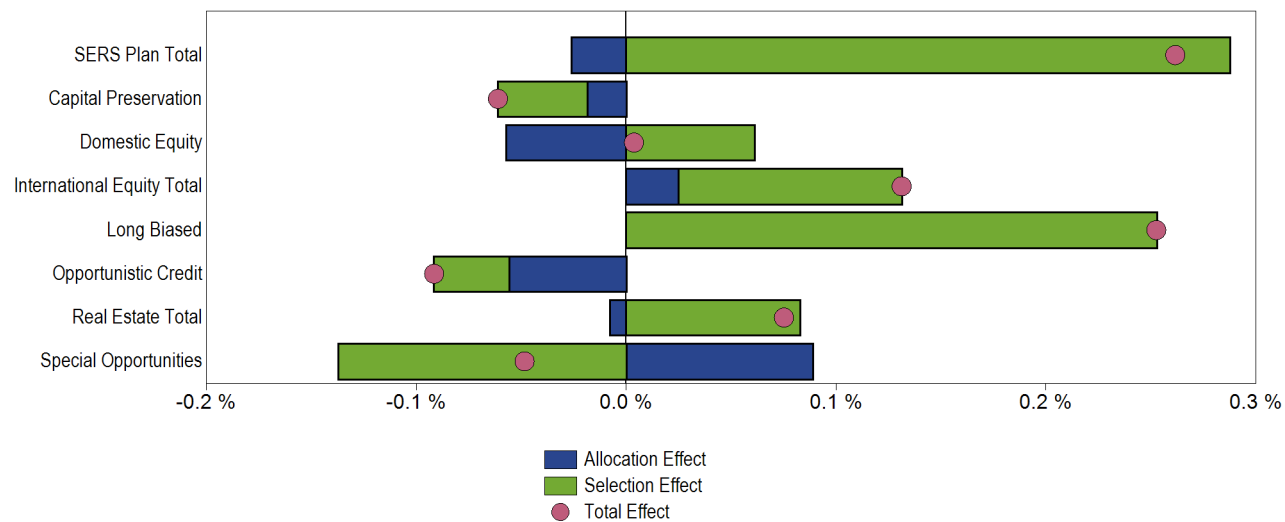
Growth of a Dollar



**Attribution Summary**  
**3 Months Ending June 30, 2018**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Capital Preservation	0.4%	0.5%	-0.2%	0.0%	0.0%	-0.1%
Domestic Equity	4.4%	4.2%	0.2%	0.1%	-0.1%	0.0%
International Equity Total	-2.8%	-3.4%	0.5%	0.1%	0.0%	0.1%
Long Biased	4.1%	0.4%	3.7%	0.3%	0.0%	0.3%
Opportunistic Credit	1.6%	2.7%	-1.0%	0.0%	-0.1%	-0.1%
Real Estate Total	3.0%	2.1%	1.0%	0.1%	0.0%	0.1%
Special Opportunities	-0.3%	3.9%	-4.2%	-0.1%	0.1%	0.0%
<b>Total</b>	<b>1.4%</b>	<b>1.1%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.3%</b>

**Attribution Effects**  
**3 Months Ending June 30, 2018**

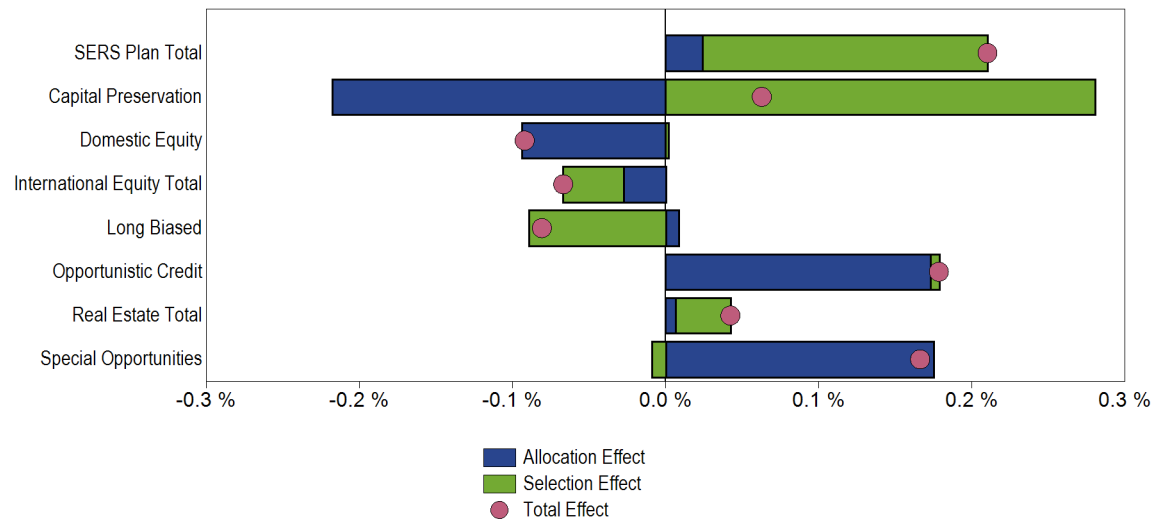


Attributions reflect new policy index

**Attribution Summary**  
**1 Year 6 Months Ending June 30, 2018**

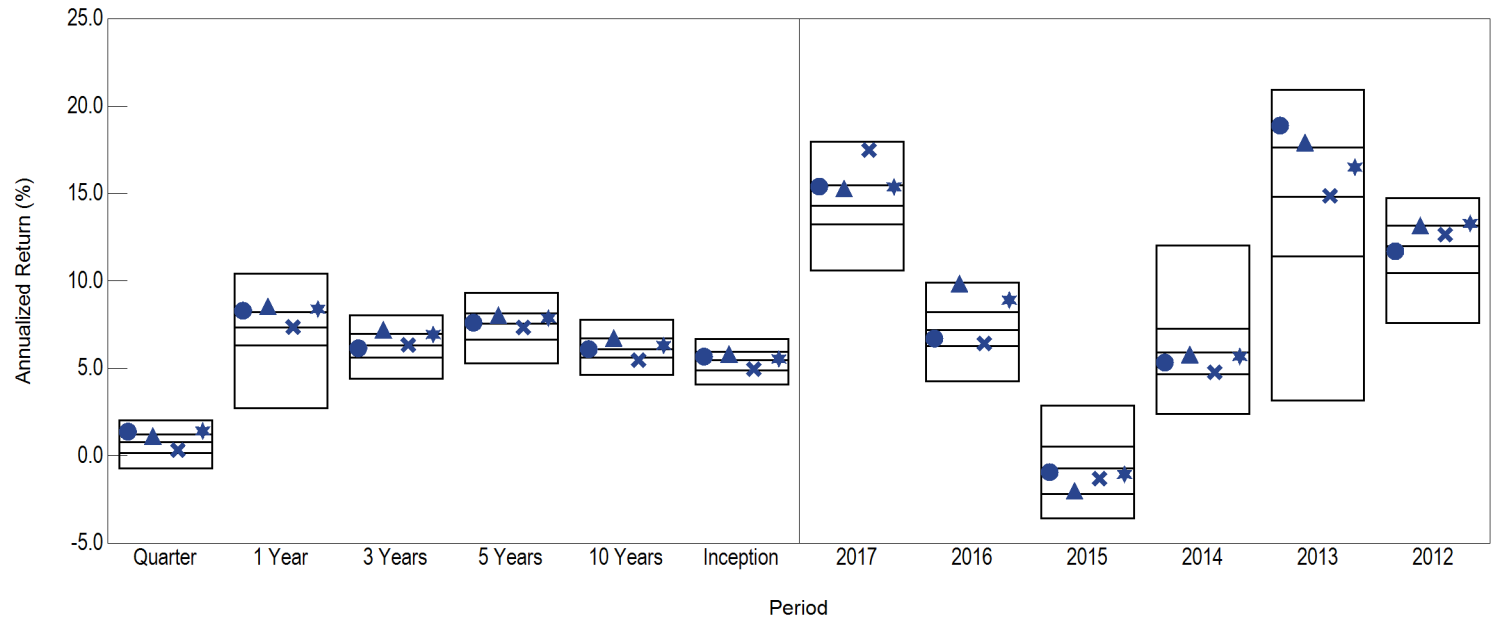
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Capital Preservation	4.0%	3.0%	1.0%	0.3%	-0.2%	0.1%
Domestic Equity	15.7%	15.7%	0.0%	0.0%	-0.1%	-0.1%
International Equity Total	15.3%	15.5%	-0.2%	0.0%	0.0%	-0.1%
Long Biased	4.4%	5.6%	-1.2%	-0.1%	0.0%	-0.1%
Opportunistic Credit	6.4%	6.2%	0.2%	0.0%	0.2%	0.2%
Real Estate Total	8.4%	8.0%	0.4%	0.0%	0.0%	0.0%
Special Opportunities	16.3%	16.1%	0.2%	0.0%	0.2%	0.2%
<b>Total</b>	<b>10.8%</b>	<b>10.6%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.2%</b>

**Attribution Effects**  
**1 Year 6 Months Ending June 30, 2018**



Attributions reflect new policy index

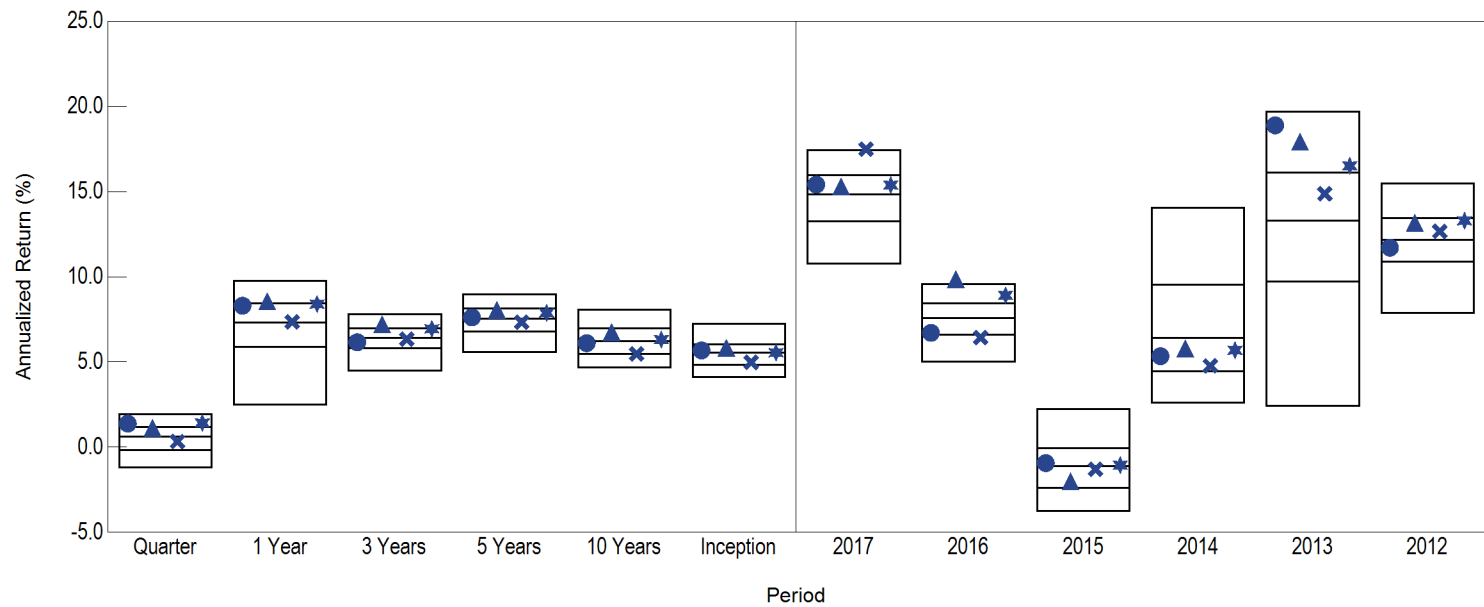
InvestorForce All DB \$50mm-\$250mm Net Return Comparison  
Ending June 30, 2018



Return (Rank)

	Quarter	1 Year	3 Years	5 Years	10 Years	Inception	2017	2016	2015	2014	2013	2012
5th Percentile	2.0	10.4	8.0	9.3	7.8	6.7	18.0	9.9	2.9	12.0	20.9	14.8
25th Percentile	1.3	8.3	7.0	8.2	6.8	6.0	15.5	8.3	0.6	7.3	17.7	13.2
Median	0.8	7.4	6.3	7.6	6.1	5.5	14.3	7.2	-0.7	6.0	14.9	12.0
75th Percentile	0.2	6.4	5.7	6.7	5.7	4.9	13.3	6.3	-2.1	4.7	11.4	10.5
95th Percentile	-0.7	2.8	4.4	5.3	4.7	4.1	10.7	4.3	-3.5	2.4	3.2	7.6
# of Portfolios	327	325	308	291	240	229	326	321	330	285	268	261
● SERS Plan Total	1.4 (21)	8.3 (24)	6.2 (58)	7.6 (50)	6.1 (54)	5.7 (41)	15.4 (27)	6.7 (66)	-0.9 (55)	5.3 (66)	18.9 (17)	11.7 (55)
▲ Policy Index Updated	1.1 (32)	8.6 (20)	7.2 (19)	8.0 (31)	6.7 (27)	5.8 (33)	15.3 (29)	9.9 (6)	-2.0 (72)	5.8 (54)	17.9 (24)	13.2 (26)
✕ 70/30 ACWI/Barclays Aggregate Bond	0.3 (70)	7.4 (51)	6.3 (50)	7.3 (57)	5.5 (80)	5.0 (74)	17.5 (8)	6.4 (73)	-1.3 (60)	4.8 (74)	14.9 (50)	12.7 (36)
* Policy Index RE Adjusted	1.4 (21)	8.4 (23)	6.9 (28)	7.9 (35)	6.3 (44)	5.5 (50)	15.4 (28)	8.9 (14)	-1.1 (57)	5.7 (56)	16.5 (36)	13.3 (23)

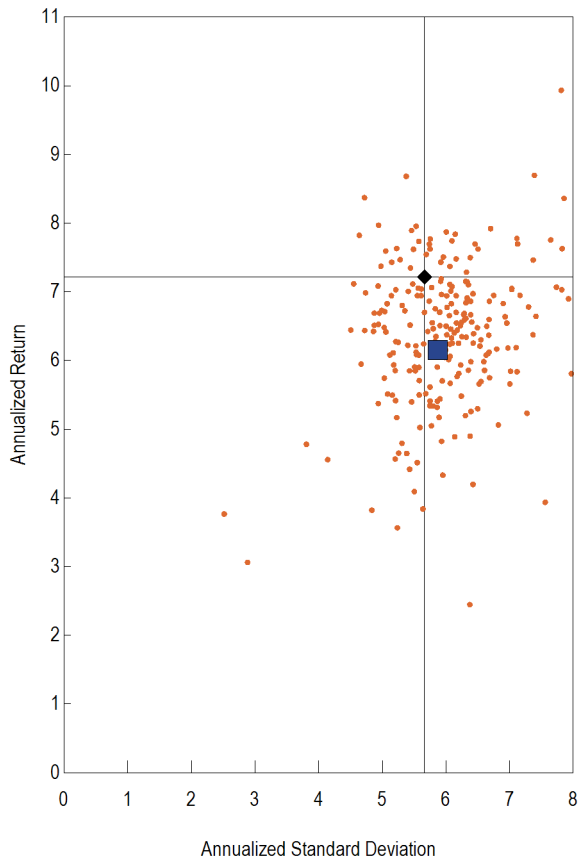
InvestorForce All DB \$250mm-\$1B Net Return Comparison  
Ending June 30, 2018



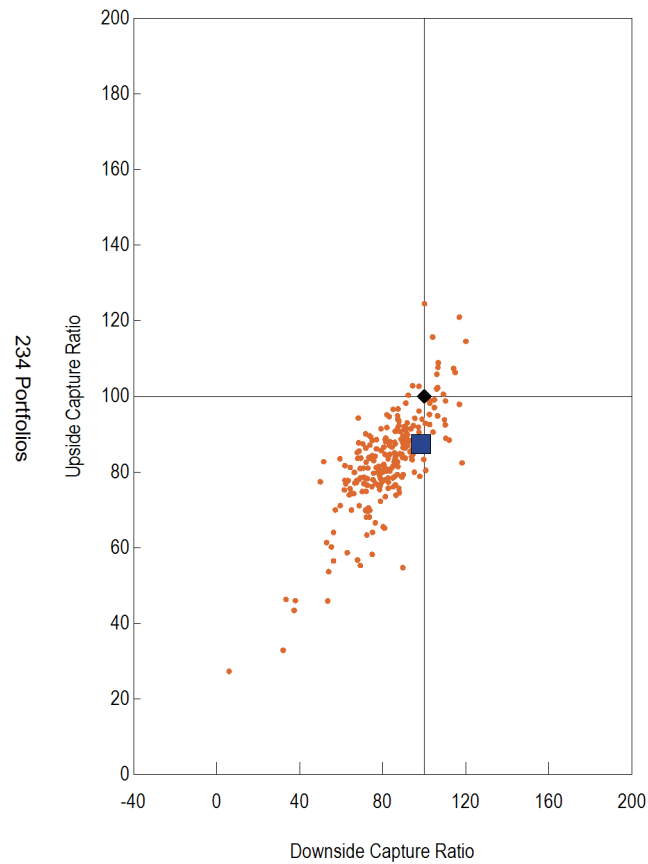
**Return (Rank)**

<b>5th Percentile</b>	1.9	9.8	7.8	9.0	8.1	7.2	17.4	9.6	2.2	14.1	19.7	15.5
<b>25th Percentile</b>	1.2	8.5	7.0	8.2	7.0	6.1	16.0	8.5	0.0	9.6	16.1	13.5
<b>Median</b>	0.7	7.3	6.5	7.6	6.3	5.6	14.9	7.6	-1.1	6.4	13.3	12.2
<b>75th Percentile</b>	-0.2	5.9	5.9	6.8	5.5	4.9	13.3	6.6	-2.4	4.5	9.8	10.9
<b>95th Percentile</b>	-1.1	2.5	4.5	5.6	4.7	4.2	10.8	5.1	-3.7	2.6	2.5	7.9
<b># of Portfolios</b>	242	240	234	224	178	169	237	248	231	212	190	178
<b>● SERS Plan Total</b>	1.4 (17)	8.3 (29)	6.2 (64)	7.6 (48)	6.1 (60)	5.7 (43)	15.4 (42)	6.7 (74)	-0.9 (47)	5.3 (63)	18.9 (8)	11.7 (61)
<b>▲ Policy Index Updated</b>	1.1 (31)	8.6 (23)	7.2 (17)	8.0 (30)	6.7 (33)	5.8 (37)	15.3 (43)	9.9 (4)	-2.0 (69)	5.8 (61)	17.9 (14)	13.2 (32)
<b>× 70/30 ACWI/Barclays Aggregate Bond</b>	0.3 (60)	7.4 (50)	6.3 (56)	7.3 (61)	5.5 (78)	5.0 (73)	17.5 (4)	6.4 (78)	-1.3 (56)	4.8 (73)	14.9 (37)	12.7 (43)
<b>* Policy Index RE Adjusted</b>	1.4 (16)	8.4 (27)	6.9 (30)	7.9 (39)	6.3 (48)	5.5 (52)	15.4 (42)	8.9 (15)	-1.1 (50)	5.7 (61)	16.5 (23)	13.3 (29)

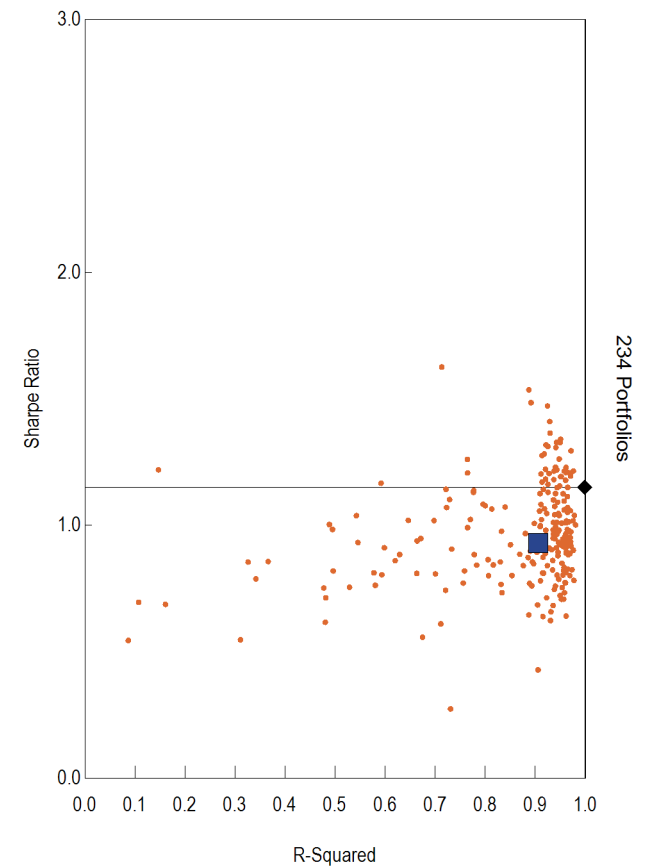
Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2018



Upside Capture Ratio vs. Downside Capture Ratio  
3 Years Ending June 30, 2018



Sharpe Ratio vs. R-Squared  
3 Years Ending June 30, 2018

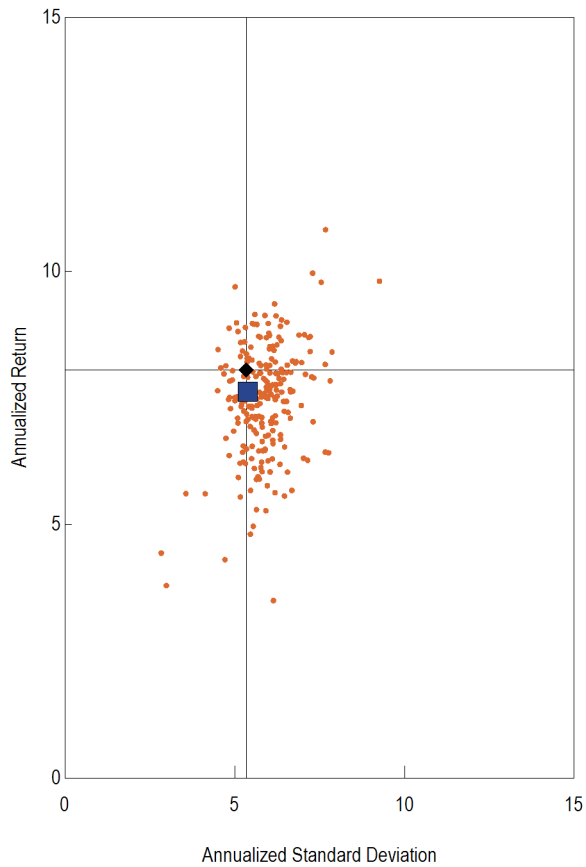


- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

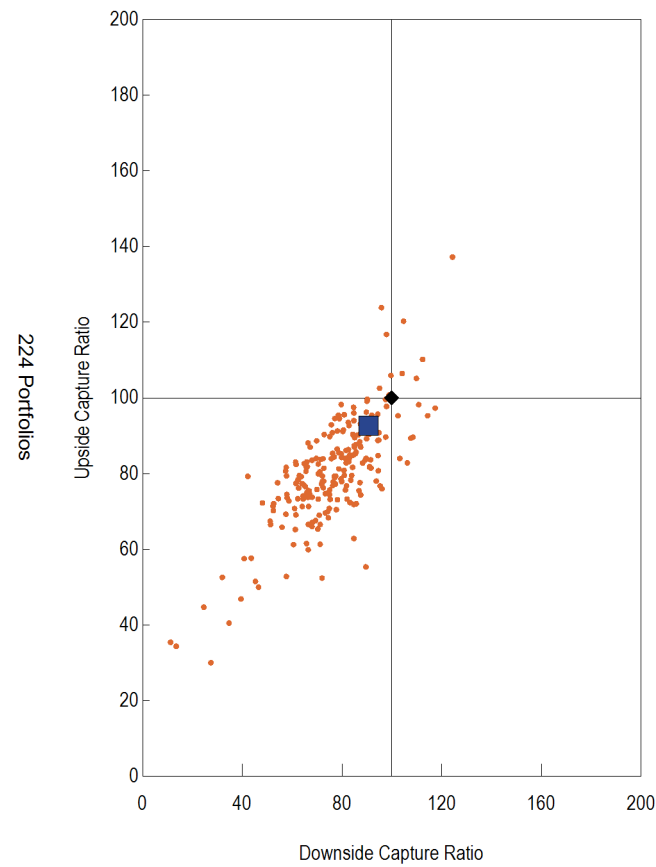
- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

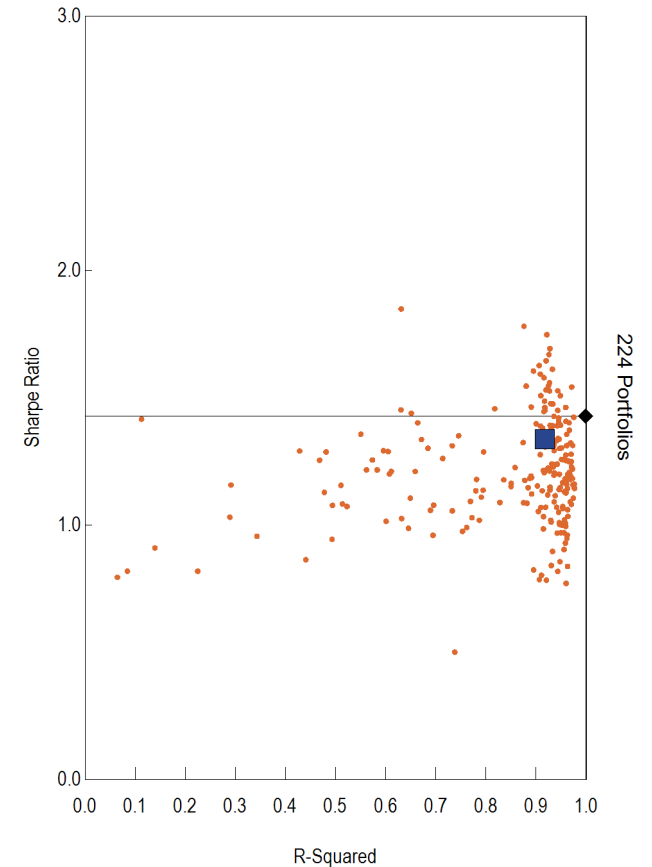
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2018



Upside Capture Ratio vs. Downside Capture Ratio  
5 Years Ending June 30, 2018



Sharpe Ratio vs. R-Squared  
5 Years Ending June 30, 2018



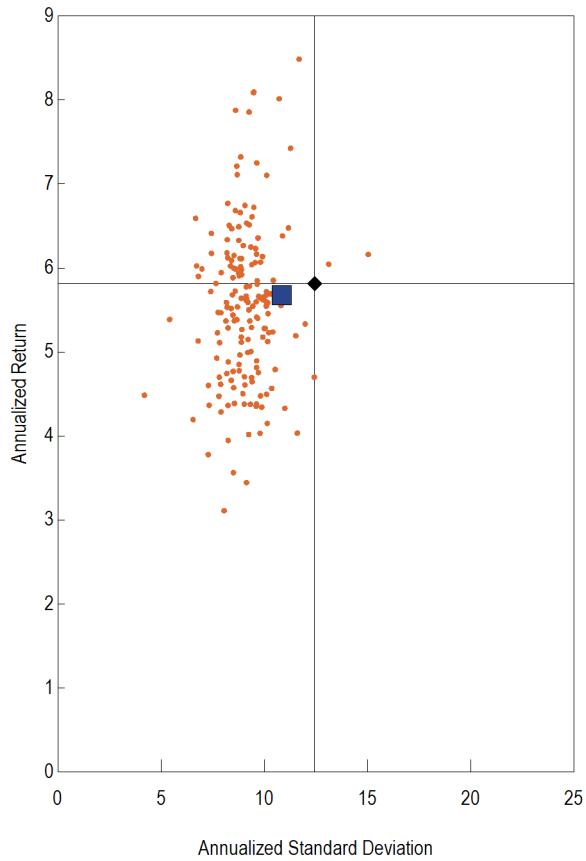
- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

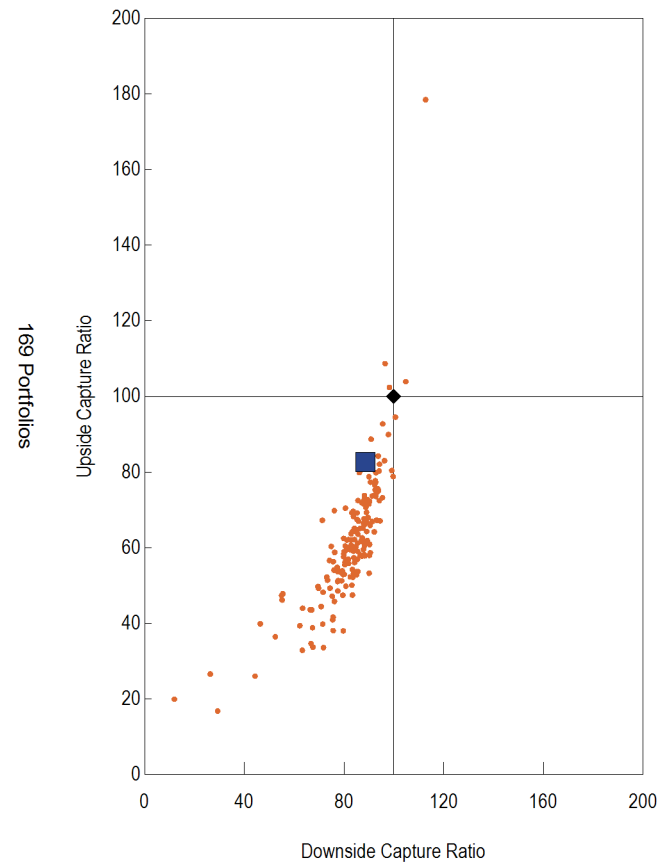
- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net



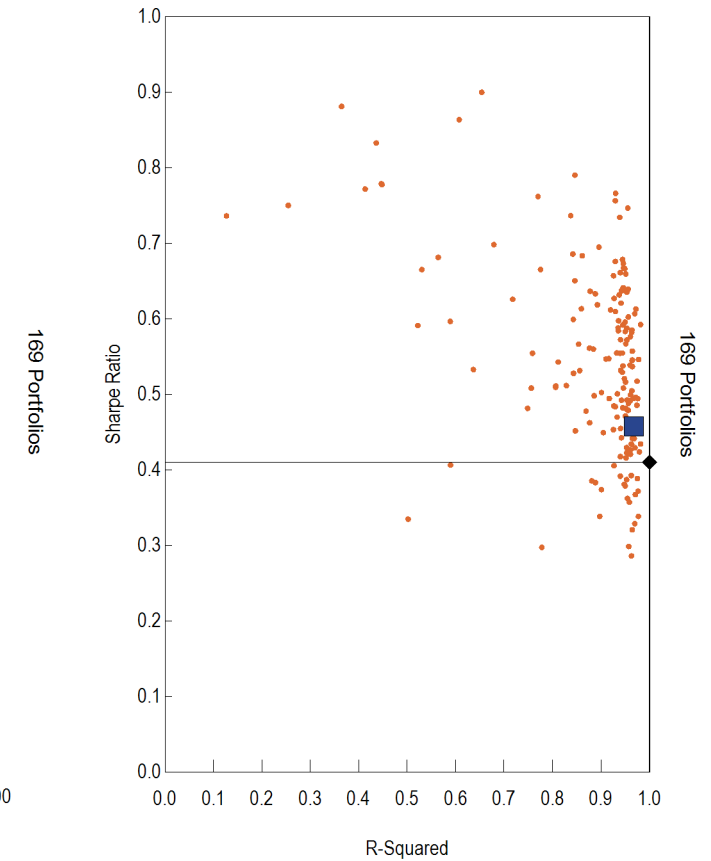
Annualized Return vs. Annualized Standard Deviation  
11 Years 6 Months Ending June 30, 2018



Upside Capture Ratio vs. Downside Capture Ratio  
11 Years 6 Months Ending June 30, 2018



Sharpe Ratio vs. R-Squared  
11 Years 6 Months Ending June 30, 2018



- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

# Spokane Employees' Retirement System

As of June 30, 2018

## Asset Class Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
<b>Capital Preservation</b>	0.37	0.21	2.44	3.94	3.30	5.85	8.12	-1.74	1.65	2.70	--	3.40	Jul-12
Capital Preservation Index	0.53	-0.10	1.84	2.64	3.26	4.60	5.43	-0.58	4.23	3.33	6.66	3.42	Jul-12
Over/Under	-0.16	0.31	0.60	1.30	0.04	1.25	2.69	-1.16	-2.58	-0.63		-0.02	
<b>Total Return Bond</b>	-0.31	-1.68	-0.12	--	--	4.20	--	--	--	--	--	-0.05	Sep-16
BBgBarc US Aggregate TR	-0.16	-1.62	-0.40	1.72	2.27	3.54	2.65	0.55	5.97	-2.02	4.21	-0.67	Sep-16
Over/Under	-0.15	-0.06	0.28			0.66						0.62	
Intermediate-Term Bond MStar MF Rank	66	60	43	--	--	38	--	--	--	--	--	48	Sep-16
<b>High Yield</b>	0.36	-0.25	2.65	5.10	4.42	8.22	16.67	-7.05	0.68	7.00	14.35	5.36	Jul-12
BBgBarc US High Yield TR	1.03	0.16	2.62	5.53	5.51	7.50	17.13	-4.47	2.45	7.44	15.81	6.17	Jul-12
Over/Under	-0.67	-0.41	0.03	-0.43	-1.09	0.72	-0.46	-2.58	-1.77	-0.44	-1.46	-0.81	
High Yield Bond MStar MF Rank	73	55	35	28	66	18	13	92	70	51	69	57	Jul-12
<b>Absolute Return</b>	0.89	1.92	4.19	4.66	4.13	5.33	7.75	0.29	3.15	4.65	6.68	4.29	Jul-12
HFRI FOF: Conservative Index	1.06	1.63	4.16	1.92	3.02	4.12	1.89	0.37	3.14	7.70	4.22	3.70	Jul-12
Over/Under	-0.17	0.29	0.03	2.74	1.11	1.21	5.86	-0.08	0.01	-3.05	2.46	0.59	
BBgBarc US Aggregate TR	-0.16	-1.62	-0.40	1.72	2.27	3.54	2.65	0.55	5.97	-2.02	4.21	1.77	Jul-12
<b>Domestic Equity</b>	4.43	3.88	14.47	9.96	12.62	19.86	10.91	-0.32	11.10	36.38	--	14.17	Jul-12
Domestic Equity Index	4.22	3.63	15.06	11.41	13.08	20.11	13.92	-0.06	11.44	33.91	16.67	14.57	Jul-12
Over/Under	0.21	0.25	-0.59	-1.45	-0.46	-0.25	-3.01	-0.26	-0.34	2.47		-0.40	
All Cap Blend MStar MF Rank	31	29	35	50	35	37	70	33	38	35	--	44	Jul-12
<b>Domestic Large Cap Equity</b>	3.34	2.13	13.70	9.56	12.45	22.54	8.24	-0.32	12.85	34.81	15.42	8.11	Apr-07
S&P 500	3.43	2.65	14.37	11.93	13.42	21.83	11.96	1.38	13.69	32.39	16.00	8.22	Apr-07
Over/Under	-0.09	-0.52	-0.67	-2.37	-0.97	0.71	-3.72	-1.70	-0.84	2.42	-0.58	-0.11	
Large Blend MStar MF Rank	38	48	49	68	51	24	83	53	39	26	56	37	Apr-07
<b>Domestic Small/Mid Equity</b>	6.49	7.28	15.87	10.60	12.90	14.91	15.37	-0.39	8.69	38.60	--	14.62	Jul-12
Russell 2500	5.71	5.46	16.24	10.30	12.29	16.81	17.59	-2.90	7.07	36.80	17.88	14.40	Jul-12
Over/Under	0.78	1.82	-0.37	0.30	0.61	-1.90	-2.22	2.51	1.62	1.80		0.22	
SMID Blend MStar MF Rank	30	18	29	30	15	39	75	10	24	34	--	23	Jul-12

# Spokane Employees' Retirement System

As of June 30, 2018

## Asset Class Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
<b>International Equity Total</b>	-2.84	-3.60	6.78	6.13	7.30	28.45	3.91	-1.32	-3.58	20.93	18.48	4.77	Apr-07
International Equity Index	-3.35	-4.00	8.02	5.70	6.44	29.35	5.34	-5.49	-3.63	13.48	17.36	2.92	Apr-07
Over/Under	0.51	0.40	-1.24	0.43	0.86	-0.90	-1.43	4.17	0.05	7.45	1.12	1.85	
Foreign MStar MF Rank	65	67	58	37	39	42	24	67	32	56	55	18	Apr-07
<b>International Large Cap Equity</b>	-2.71	-3.80	5.92	6.09	8.10	27.50	4.02	-1.13	-1.38	24.43	--	10.07	Jul-12
MSCI ACWI ex USA	-2.61	-3.77	7.28	5.07	5.99	27.19	4.50	-5.66	-3.87	15.29	16.83	7.23	Jul-12
Over/Under	-0.10	-0.03	-1.36	1.02	2.11	0.31	-0.48	4.53	2.49	9.14		2.84	
Foreign Large Blend MStar MF Rank	56	68	59	16	7	31	23	56	12	14	--	8	Jul-12
<b>International Small/Mid Cap Equity</b>	-0.73	-0.95	14.41	8.96	9.11	37.08	-0.68	7.56	-12.10	28.79	--	11.08	Jul-12
MSCI ACWI xUS Small (net)	-2.60	-2.94	10.57	7.94	8.98	31.65	3.91	2.60	-4.03	19.73	18.52	10.11	Jul-12
Over/Under	1.87	1.99	3.84	1.02	0.13	5.43	-4.59	4.96	-8.07	9.06		0.97	
<b>Emerging Markets Equity</b>	-6.02	-5.77	2.37	3.29	3.32	23.58	7.03	-8.73	-2.07	6.06	--	4.60	Jul-12
MSCI Emerging Markets	-7.96	-6.66	8.20	5.60	5.01	37.28	11.19	-14.92	-2.19	-2.60	18.22	4.65	Jul-12
Over/Under	1.94	0.89	-5.83	-2.31	-1.69	-13.70	-4.16	6.19	0.12	8.66		-0.05	
Diversified Emerging Mkts MStar MF Rank	10	25	82	81	76	94	56	16	49	14	--	57	Jul-12
<b>Long Biased</b>	4.05	5.43	9.82	1.44	2.91	1.19	-2.99	4.04	3.62	9.56	--	4.14	Jul-12
HFRI Fund of Funds Composite Index	0.40	0.67	5.12	1.93	3.45	7.77	0.51	-0.27	3.36	8.96	4.79	4.08	Jul-12
Over/Under	3.65	4.76	4.70	-0.49	-0.54	-6.58	-3.50	4.31	0.26	0.60		0.06	
S&P 500	3.43	2.65	14.37	11.93	13.42	21.83	11.96	1.38	13.69	32.39	16.00	14.59	Jul-12
<b>Opportunistic Credit</b>	1.64	2.46	5.76	6.96	--	7.08	14.52	2.35	2.32	--	--	6.86	Oct-13
HFRI ED: Distressed/Restructuring Index	2.69	2.95	6.11	4.83	4.07	6.25	15.15	-8.06	-1.39	14.05	10.12	3.76	Oct-13
Over/Under	-1.05	-0.49	-0.35	2.13		0.83	-0.63	10.41	3.71			3.10	
<b>Real Estate Total</b>	3.03	2.60	8.10	9.39	10.35	10.01	8.09	6.66	25.00	8.71	15.17	5.27	Apr-07
NCREIF-ODCE	2.05	4.30	8.44	9.36	11.03	7.62	8.76	15.02	12.48	13.94	10.94	5.87	Apr-07
Over/Under	0.98	-1.70	-0.34	0.03	-0.68	2.39	-0.67	-8.36	12.52	-5.23	4.23	-0.60	
FTSE NAREIT All REIT	8.32	1.10	4.78	9.23	8.98	9.27	9.28	2.29	27.15	3.21	20.14	4.90	Apr-07
US Real Estate Equity Rank	98	13	11	23	10	11	32	7	94	7	98	66	Apr-07
<b>Special Opportunities</b>	-0.34	0.08	7.30	-3.57	8.71	25.32	-21.90	2.13	25.88	31.60	--	8.67	Jul-12
Russell 3000	3.89	3.22	14.78	11.58	13.29	21.13	12.73	0.48	12.56	33.55	16.42	14.62	Jul-12
Over/Under	-4.23	-3.14	-7.48	-15.15	-4.58	4.19	-34.63	1.65	13.32	-1.95		-5.95	

# Spokane Employees' Retirement System

As of June 30, 2018

## Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Inception (%)	Inception Date
<b>Capital Preservation</b>															
Sterling Core Bond	-0.18	-1.59	0.05	2.28	2.86	4.58	4.33	3.75	0.54	5.99	-0.97	6.14	6.73	0.04	Aug-16
BBgBarc US Aggregate TR	<u>-0.16</u>	<u>-1.62</u>	<u>-0.40</u>	<u>1.72</u>	<u>2.27</u>	<u>3.72</u>	<u>3.54</u>	<u>2.65</u>	<u>0.55</u>	<u>5.97</u>	<u>-2.02</u>	<u>4.21</u>	<u>7.84</u>	<u>-0.70</u>	Aug-16
Excess Return	-0.02	0.03	0.45	0.56	0.59	0.86	0.79	1.10	-0.01	0.02	1.05	1.93	-1.11	0.74	
Intermediate-Term Bond MStar MF Rank	46	52	35	29	27	30	34	40	29	35	35	66	51	49	Aug-16
Hotchkis & Wiley High Yield	0.49	-0.12	2.80	4.96	5.16	--	8.24	16.02	-4.30	1.09	8.71	17.96	2.28	4.39	Jun-15
BBgBarc US High Yield TR	<u>1.03</u>	<u>0.16</u>	<u>2.62</u>	<u>5.53</u>	<u>5.51</u>	<u>8.19</u>	<u>7.50</u>	<u>17.13</u>	<u>-4.47</u>	<u>2.45</u>	<u>7.44</u>	<u>15.81</u>	<u>4.98</u>	<u>4.86</u>	Jun-15
Excess Return	-0.54	-0.28	0.18	-0.57	-0.35		0.74	-1.11	0.17	-1.36	1.27	2.15	-2.70	-0.47	
High Yield Bond MStar MF Rank	65	50	33	32	28	--	17	20	61	65	20	11	72	31	Jun-15
<b>Absolute Return</b>															
Post Lmtd Term High Yield	0.67	0.32	1.12	2.35	3.53	5.76	3.19	5.66	0.84	2.96	7.49	9.61	6.16	5.36	Jun-10
HFRI FOF: Conservative Index	<u>1.02</u>	<u>1.59</u>	<u>4.12</u>	<u>1.91</u>	<u>3.01</u>	<u>1.22</u>	<u>4.12</u>	<u>1.89</u>	<u>0.37</u>	<u>3.14</u>	<u>7.70</u>	<u>4.22</u>	<u>-3.55</u>	<u>3.00</u>	Jun-10
Excess Return	-0.35	-1.27	-3.00	0.44	0.52	4.54	-0.93	3.77	0.47	-0.18	-0.21	5.39	9.71	2.36	
BBgBarc US Aggregate TR	-0.16	-1.62	-0.40	1.72	2.27	3.72	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	2.73	Jun-10
Rimrock Low Volatility Offshore	0.70	1.81	3.25	2.70	2.89	6.80	4.40	4.90	-1.90	2.31	7.82	11.33	2.29	5.09	Jun-10
HFRI FOF: Conservative Index	<u>1.02</u>	<u>1.59</u>	<u>4.12</u>	<u>1.91</u>	<u>3.01</u>	<u>1.22</u>	<u>4.12</u>	<u>1.89</u>	<u>0.37</u>	<u>3.14</u>	<u>7.70</u>	<u>4.22</u>	<u>-3.55</u>	<u>3.00</u>	Jun-10
Excess Return	-0.32	0.22	-0.87	0.79	-0.12	5.58	0.28	3.01	-2.27	-0.83	0.12	7.11	5.84	2.09	
BBgBarc US Aggregate TR	-0.16	-1.62	-0.40	1.72	2.27	3.72	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	2.73	Jun-10
Castine Partners	2.17	4.33	9.03	11.74	9.25	6.55	9.34	15.57	6.57	7.48	6.16	2.53	2.14	7.05	Jun-11
HFRI FOF: Conservative Index	<u>1.02</u>	<u>1.59</u>	<u>4.12</u>	<u>1.91</u>	<u>3.01</u>	<u>1.22</u>	<u>4.12</u>	<u>1.89</u>	<u>0.37</u>	<u>3.14</u>	<u>7.70</u>	<u>4.22</u>	<u>-3.55</u>	<u>2.69</u>	Jun-11
Excess Return	1.15	2.74	4.91	9.83	6.24	5.33	5.22	13.68	6.20	4.34	-1.54	-1.69	5.69	4.36	
BBgBarc US Aggregate TR	-0.16	-1.62	-0.40	1.72	2.27	3.72	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	2.57	Jun-11
Polar Long Short Fund	-0.22	0.19	2.62	3.88	3.94	4.68	4.20	6.60	1.73	3.46	5.60	4.42	2.02	4.27	Sep-11
HFRI FOF: Conservative Index	<u>1.02</u>	<u>1.59</u>	<u>4.12</u>	<u>1.91</u>	<u>3.01</u>	<u>1.22</u>	<u>4.12</u>	<u>1.89</u>	<u>0.37</u>	<u>3.14</u>	<u>7.70</u>	<u>4.22</u>	<u>-3.55</u>	<u>3.40</u>	Sep-11
Excess Return	-1.24	-1.40	-1.50	1.97	0.93	3.46	0.08	4.71	1.36	0.32	-2.10	0.20	5.57	0.87	
BBgBarc US Aggregate TR	-0.16	-1.62	-0.40	1.72	2.27	3.72	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	2.10	Sep-11
American Beacon Flexible Bond Inst	-1.67	-0.38	0.74	1.64	1.32	--	5.03	3.83	-2.73	1.32	-1.19	9.01	--	1.80	Apr-17
BBgBarc US Aggregate TR	<u>-0.16</u>	<u>-1.62</u>	<u>-0.40</u>	<u>1.72</u>	<u>2.27</u>	<u>3.72</u>	<u>3.54</u>	<u>2.65</u>	<u>0.55</u>	<u>5.97</u>	<u>-2.02</u>	<u>4.21</u>	<u>7.84</u>	<u>0.83</u>	Apr-17
Excess Return	-1.51	1.24	1.14	-0.08	-0.95		1.49	1.18	-3.28	-4.65	0.83	4.80		0.97	

# Spokane Employees' Retirement System

As of June 30, 2018

## Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Inception (%)	Inception Date
<b>Domestic Equity</b>															
<b>Large Cap Equity</b>															
Hotchkis & Wiley Diversified Value I	3.24	-0.21	9.81	8.72	11.08	9.59	18.39	19.94	-7.90	12.74	36.54	19.78	-5.67	11.50	Sep-08
Russell 1000 Value	<u>1.18</u>	<u>-1.69</u>	<u>6.77</u>	<u>8.26</u>	<u>10.34</u>	<u>8.49</u>	<u>13.66</u>	<u>17.34</u>	<u>-3.83</u>	<u>13.45</u>	<u>32.53</u>	<u>17.51</u>	<u>0.39</u>	<u>9.42</u>	Sep-08
Excess Return	2.06	1.48	3.04	0.46	0.74	1.10	4.73	2.60	-4.07	-0.71	4.01	2.27	-6.06	2.08	
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17	21.83	11.96	1.38	13.69	32.39	16.00	2.11	11.44	Sep-08
Large Value MStar MF Rank	8	26	36	43	27	20	23	9	90	20	14	8	87	6	Sep-08
Vanguard Institutional Index	3.42	2.63	14.33	11.90	13.39	10.17	21.79	11.93	1.37	13.65	32.35	15.98	2.09	10.17	Jun-08
S&P 500	<u>3.43</u>	<u>2.65</u>	<u>14.37</u>	<u>11.93</u>	<u>13.42</u>	<u>10.17</u>	<u>21.83</u>	<u>11.96</u>	<u>1.38</u>	<u>13.69</u>	<u>32.39</u>	<u>16.00</u>	<u>2.11</u>	<u>10.17</u>	Jun-08
Excess Return	-0.01	-0.02	-0.04	-0.03	-0.03	0.00	-0.04	-0.03	-0.01	-0.04	-0.04	-0.02	-0.02	0.00	
Large Blend MStar MF Rank	28	29	33	11	17	26	32	28	24	21	45	41	23	26	Jun-08
MFS Blended Research Core	2.90	1.01	12.32	9.25	12.60	9.90	20.83	8.57	1.34	12.44	36.37	15.68	2.21	14.29	Dec-11
S&P 500	<u>3.43</u>	<u>2.65</u>	<u>14.37</u>	<u>11.93</u>	<u>13.42</u>	<u>10.17</u>	<u>21.83</u>	<u>11.96</u>	<u>1.38</u>	<u>13.69</u>	<u>32.39</u>	<u>16.00</u>	<u>2.11</u>	<u>14.99</u>	Dec-11
Excess Return	-0.53	-1.64	-2.05	-2.68	-0.82	-0.27	-1.00	-3.39	-0.04	-1.25	3.98	-0.32	0.10	-0.70	
Large Blend MStar MF Rank	55	70	62	75	49	42	58	81	25	44	16	51	22	55	Dec-11
Jackson Square Large Cap Growth Eq	3.88	5.42	18.52	9.05	13.24	10.88	28.42	-5.03	5.19	12.76	34.81	16.51	8.04	13.54	Sep-12
Russell 1000 Growth	<u>5.76</u>	<u>7.25</u>	<u>22.51</u>	<u>14.98</u>	<u>16.36</u>	<u>11.83</u>	<u>30.21</u>	<u>7.08</u>	<u>5.67</u>	<u>13.05</u>	<u>33.48</u>	<u>15.26</u>	<u>2.64</u>	<u>16.19</u>	Sep-12
Excess Return	-1.88	-1.83	-3.99	-5.93	-3.12	-0.95	-1.79	-12.11	-0.48	-0.29	1.33	1.25	5.40	-2.65	
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17	21.83	11.96	1.38	13.69	32.39	16.00	2.11	14.32	Sep-12
Large Growth MStar MF Rank	73	71	65	89	78	39	52	96	44	29	43	38	1	80	Sep-12

# Spokane Employees' Retirement System

As of June 30, 2018

## Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Inception (%)	Inception Date
<b>Small/Mid Cap Equity</b>															
Sterling Mid Cap Value	1.80	0.95	7.63	8.32	10.79	11.38	14.27	16.97	-1.71	5.85	46.25	12.50	-3.37	11.62	Sep-08
Russell MidCap Value	2.41	-0.16	7.60	8.80	11.27	10.06	13.34	20.00	-4.78	14.75	33.46	18.51	-1.38	11.22	Sep-08
Excess Return	-0.61	1.11	0.03	-0.48	-0.48	1.32	0.93	-3.03	3.07	-8.90	12.79	-6.01	-1.99	0.40	
Russell MidCap	2.82	2.35	12.33	9.58	12.22	10.23	18.52	13.80	-2.44	13.22	34.76	17.28	-1.55	12.08	Sep-08
Mid-Cap Value MStar MF Rank	61	36	52	49	35	13	37	69	19	87	2	85	49	34	Sep-08
Vanguard Mid Cap Index	2.57	2.58	12.09	9.21	12.30	10.11	19.25	11.22	-1.34	13.76	35.17	16.01	-1.95	13.99	Sep-09
Russell MidCap	2.82	2.35	12.33	9.58	12.22	10.23	18.52	13.80	-2.44	13.22	34.76	17.28	-1.55	14.02	Sep-09
Excess Return	-0.25	0.23	-0.24	-0.37	0.08	-0.12	0.73	-2.58	1.10	0.54	0.41	-1.27	-0.40	-0.03	
Custom Vanguard Mid Cap Index	2.58	2.60	12.12	9.25	12.35	9.91	19.30	11.25	-1.28	13.83	35.27	15.47	-2.32	13.86	Sep-09
Mid-Cap Blend MStar MF Rank	58	37	44	37	26	40	16	74	19	7	47	62	35	18	Sep-09
Vanguard Mid Cap Growth	4.73	8.97	20.38	7.90	11.75	10.16	22.01	0.44	0.21	10.86	34.15	14.84	1.17	9.91	Jun-14
Russell MidCap Growth	3.16	5.40	18.52	10.73	13.37	10.45	25.27	7.33	-0.20	11.90	35.74	15.81	-1.65	11.02	Jun-14
Excess Return	1.57	3.57	1.86	-2.83	-1.62	-0.29	-3.26	-6.89	0.41	-1.04	-1.59	-0.97	2.82	-1.11	
Mid-Cap Growth MStar MF Rank	40	25	39	83	75	47	72	93	41	21	61	47	22	71	Jun-14
Frontier Phocas Small Cap Value I	4.71	3.61	12.52	9.56	11.97	11.13	8.17	23.31	-4.35	7.19	45.63	9.75	-5.99	13.24	Dec-11
Russell 2000 Value	8.30	5.44	13.10	11.22	11.18	9.88	7.84	31.74	-7.47	4.22	34.52	18.05	-5.50	13.71	Dec-11
Excess Return	-3.59	-1.83	-0.58	-1.66	0.79	1.25	0.33	-8.43	3.12	2.97	11.11	-8.30	-0.49	-0.47	
Russell 2000	7.75	7.66	17.57	10.96	12.46	10.60	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18	14.52	Dec-11
Small Value MStar MF Rank	78	48	42	42	18	21	60	71	36	23	3	95	75	49	Dec-11
Vanguard Small Cap Index	6.21	5.99	16.51	10.47	12.41	11.29	16.25	18.32	-3.63	7.53	37.80	18.26	-2.65	14.19	Sep-09
Russell 2000	7.75	7.66	17.57	10.96	12.46	10.60	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18	13.64	Sep-09
Excess Return	-1.54	-1.67	-1.06	-0.49	-0.05	0.69	1.60	-2.99	0.78	2.64	-1.02	1.91	1.53	0.55	
Custom Vanguard Small Cap Index	6.20	5.97	16.47	10.43	12.39	10.97	16.24	18.26	-3.68	7.54	37.77	17.48	-3.15	13.94	Sep-09
Small Blend MStar MF Rank	49	37	32	39	33	22	15	68	42	15	56	22	49	24	Sep-09

# Spokane Employees' Retirement System

As of June 30, 2018

## Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Inception (%)	Inception Date
Champlain Small Cap	11.55	13.78	19.86	15.37	14.43	12.37	10.90	27.93	-0.65	4.43	36.61	11.06	4.01	12.39	Sep-08
Russell 2000	<u>7.75</u>	<u>7.66</u>	<u>17.57</u>	<u>10.96</u>	<u>12.46</u>	<u>10.60</u>	<u>14.65</u>	<u>21.31</u>	<u>-4.41</u>	<u>4.89</u>	<u>38.82</u>	<u>16.35</u>	<u>-4.18</u>	<u>11.01</u>	Sep-08
Excess Return	3.80	6.12	2.29	4.41	1.97	1.77	-3.75	6.62	3.76	-0.46	-2.21	-5.29	8.19	1.38	
Russell 2000 Growth	7.23	9.70	21.86	10.60	13.65	11.24	22.17	11.32	-1.38	5.60	43.30	14.59	-2.91	12.38	Sep-08
Small Blend MStar MF Rank	3	1	9	2	5	3	65	8	11	60	68	88	5	16	Sep-08
Bridge City Small Growth	11.31	11.73	21.15	17.03	17.78	--	15.82	24.90	6.81	7.06	40.81	10.99	3.16	17.73	Dec-11
Russell 2000 Growth	<u>7.23</u>	<u>9.70</u>	<u>21.86</u>	<u>10.60</u>	<u>13.65</u>	<u>11.24</u>	<u>22.17</u>	<u>11.32</u>	<u>-1.38</u>	<u>5.60</u>	<u>43.30</u>	<u>14.59</u>	<u>-2.91</u>	<u>15.50</u>	Dec-11
Excess Return	4.08	2.03	-0.71	6.43	4.13		-6.35	13.58	8.19	1.46	-2.49	-3.60	6.07	2.23	
Russell 2000	7.75	7.66	17.57	10.96	12.46	10.60	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18	14.60	Dec-11
Small Growth MStar MF Rank	23	48	56	7	3	--	77	5	4	15	61	79	10	11	Dec-11

# Spokane Employees' Retirement System

As of June 30, 2018

## Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Inception (%)	Inception Date
<b>International Equity</b>															
Artisan International Value	-2.61	-5.65	2.77	5.29	7.83	8.47	24.06	5.74	-1.49	-0.39	30.72	22.48	-6.98	9.52	Sep-08
MSCI ACWI ex USA Value	-3.84	-5.28	4.64	3.51	4.75	2.03	22.66	8.92	-10.06	-5.10	15.04	16.97	-13.20	4.43	Sep-08
Excess Return	1.23	-0.37	-1.87	1.78	3.08	6.44	1.40	-3.18	8.57	4.71	15.68	5.51	6.22	5.09	
MSCI ACWI ex USA	-2.61	-3.77	7.28	5.07	5.99	2.54	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71	5.24	Sep-08
Foreign Large Value MStar MF Rank	44	76	74	25	11	1	41	29	45	2	1	8	7	1	Sep-08
<b>EuroPacific Growth R6</b>															
MSCI ACWI ex USA	-2.61	-3.77	7.28	5.07	5.99	2.54	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71	2.54	Jun-08
Excess Return	-0.21	1.95	2.07	1.44	2.35	2.28	3.98	-3.49	5.18	1.58	5.29	2.81	0.40	2.28	
Foreign Large Blend MStar MF Rank	60	16	4	10	5	13	6	53	42	18	50	28	43	13	Jun-08
<b>Victory Trivalent International Small Cap</b>															
MSCI ACWI xUS Small (net)	-2.60	-2.94	10.57	7.94	8.98	5.77	31.65	3.91	2.60	-4.03	19.73	18.52	-18.50	11.40	Aug-15
Excess Return	1.85	2.12	4.03	1.05	3.37	1.28	5.48	-4.61	5.60	3.83	13.25	5.80	6.95	0.33	
MSCI ACWI ex USA	-2.61	-3.77	7.28	5.07	5.99	2.54	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71	8.48	Aug-15
Foreign Small/Mid Growth MStar MF Rank	23	68	38	56	17	42	43	36	60	26	24	22	25	47	Aug-15
<b>Berens Global Value Ltd</b>															
MSCI Emerging Markets	-7.96	-6.66	8.20	5.60	5.01	2.26	37.28	11.19	-14.92	-2.19	-2.60	18.22	-18.42	0.94	Dec-07
Excess Return	2.05	1.70	-4.91	-1.80	-1.33	-0.56	-13.47	-3.96	6.08	0.69	8.76	-7.45	4.35	0.65	
MSCI ACWI ex USA	-2.61	-3.77	7.28	5.07	5.99	2.54	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71	1.38	Dec-07



# Spokane Employees' Retirement System

As of June 30, 2018

## Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	Inception (%)	Inception Date
<b>Long Biased</b>															
Weatherlow Offshore	2.50	4.41	9.08	2.52	4.83	3.73	5.67	0.99	1.49	4.91	13.56	8.47	-5.89	3.88	Mar-08
HFRI Fund of Funds Composite Index	0.39	0.66	5.11	1.92	3.45	1.40	7.77	0.51	-0.27	3.36	8.96	4.79	-5.72	1.55	Mar-08
Excess Return	2.11	3.75	3.97	0.60	1.38	2.33	-2.10	0.48	1.76	1.55	4.60	3.68	-0.17	2.33	
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17	21.83	11.96	1.38	13.69	32.39	16.00	2.11	9.61	Mar-08
<b>Opportunistic Credit</b>															
Beach Point Select Fund	1.64	2.46	5.76	7.04	7.34	--	7.08	14.52	2.58	2.35	15.93	17.58	--	6.95	Oct-13
HFRI ED: Distressed/Restructuring Index	2.72	2.98	6.14	4.84	4.08	4.53	6.25	15.15	-8.06	-1.39	14.05	10.12	-1.79	3.77	Oct-13
Excess Return	-1.08	-0.52	-0.38	2.20	3.26		0.83	-0.63	10.64	3.74	1.88	7.46		3.18	
HFRX Distressed Securities Index	-0.81	-6.20	-5.67	0.68	1.21	-2.94	3.14	19.72	-11.14	0.42	5.37	0.94	-8.04	0.84	Oct-13
<b>Real Estate</b>															
SERS Principal Global Investors REIT	6.69	1.11	6.03	8.90	9.64	9.08	8.89	6.40	4.19	32.23	3.91	16.99	9.03	5.73	Dec-06
FTSE NAREIT All REIT	8.32	1.10	4.78	9.23	8.98	8.46	9.27	9.28	2.29	27.15	3.21	20.14	7.28	4.98	Dec-06
Excess Return	-1.63	0.01	1.25	-0.33	0.66	0.62	-0.38	-2.88	1.90	5.08	0.70	-3.15	1.75	0.75	
US Real Estate Equity Rank	83	51	18	38	28	44	24	70	54	37	26	87	72	51	Dec-06
Prime Property LLC	1.80	3.84	8.35	9.62	11.60	5.71	8.67	9.31	14.53	14.08	16.17	11.68	16.18	6.02	Oct-17
NCREIF - ODCE NET	1.82	3.83	7.48	8.38	10.02	4.33	6.66	7.79	13.91	11.46	12.90	9.79	14.96	5.75	Oct-17
Excess Return	-0.02	0.01	0.87	1.24	1.58	1.38	2.01	1.52	0.62	2.62	3.27	1.89	1.22	0.27	
US Real Estate Equity Rank	99	7	10	21	3	98	25	20	1	99	1	99	2	7	Oct-17
<b>Special Opportunities</b>															
OrbiMed Partners II	-0.34	0.08	7.29	-3.58	8.75	11.35	25.30	-21.91	2.14	25.88	32.19	16.19	8.28	10.36	Dec-10
MSCI World Healthcare Index	2.78	1.52	4.88	3.19	10.63	10.18	19.80	-6.81	6.60	18.10	36.27	17.54	9.46	13.00	Dec-10
Excess Return	-3.12	-1.44	2.41	-6.77	-1.88	1.17	5.50	-15.10	-4.46	7.78	-4.08	-1.35	-1.18	-2.64	
NASDAQ Biotech Index	3.08	3.14	6.91	-3.26	14.16	16.18	21.63	-21.35	11.77	34.40	65.97	32.29	12.08	18.83	Dec-10
S&P Composite 1500 Health Care	3.80	3.28	8.60	6.49	14.38	13.20	22.47	-2.05	7.41	24.79	42.19	18.35	11.88	16.42	Dec-10

**Non-Marketable Securities Overview**  
As of March 31, 2018

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Metropolitan Real Estate Partners V	2007	\$2,000,000	\$1,885,000	\$2,044,149	\$221,361	\$2,265,510	\$115,000	94.25%	3.52

**Time and Dollar Weighted Returns**

	Q1-18	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Metropolitan Real Estate Partners V							
Time Weighted	-0.79%	-0.79%	-8.01%	-1.80%	0.15%	5.49%	7.26%
Money Weighted	-0.79%	-0.79%	-8.14%	0.07%	3.00%	12.19%	12.95%
NCREIF Property Index	1.70%	1.70%	7.13%	7.20%	8.73%	9.71%	10.00%

	2017	2016	2015	2014	2013	2012	Inception 11/30/07
Metropolitan Real Estate Partners V							
Time Weighted	-7.81%	4.86%	9.75%	20.70%	14.26%	13.32%	-4.78%
Money Weighted	-7.45%	3.86%	11.04%	19.67%	13.59%	13.15%	3.52%
NCREIF Property Index	6.98%	7.97%	13.33%	11.81%	10.99%	10.54%	6.38%

**Time-Weighted Return** - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

**Internal Rate of Return** - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

**Non-Marketable Securities Overview**  
As of June 30, 2018

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Morrison Street Fund IV Q, LP	2012	\$5,200,000	\$5,038,214	\$7,101,578	\$358,777	\$7,460,355	\$161,786	96.89%	16.13

**Time and Dollar Weighted Returns**

Morrison Street Fund IV Q, LP	Q2-18	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Time Weighted	-1.76%	0.84%	1.87%	9.51%	12.08%	14.09%	13.82%
Money Weighted	-1.76%	0.71%	1.69%	14.23%	17.44%	19.24%	16.79%
NCREIF Property Index	1.81%	3.54%	7.20%	7.09%	8.26%	9.41%	9.77%

Morrison Street Fund IV Q, LP	2017	2016	2015	2014	2013	Inception 7/1/12
Time Weighted	5.19%	21.19%	18.03%	18.77%	19.04%	15.81%
Money Weighted	5.79%	23.73%	17.41%	18.88%	18.85%	16.13%
NCREIF Property Index	6.98%	7.97%	13.33%	11.81%	10.99%	9.93%

Contributions paid into Morrison Street Fund IV Q, LP are higher than what is reflected on the Manager statement.

This is due to the interest charge of \$122,762.15 paid at the time of initial investment.

Therefore the Unfunded Commitment also varies from the Manager statement.

**Time-Weighted Return** - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

**Internal Rate of Return** - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

**Non-Marketable Securities Overview**  
As of June 30, 2018

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Morrison Street Fund V, LP	2014	\$6,080,000	\$5,960,493	\$4,017,309	\$3,938,385	\$7,955,694	\$119,507	98.03%	12.03

**Time and Dollar Weighted Returns**

Morrison Street Fund V, LP	Q2-18	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	-0.67%	2.38%	11.38%	12.28%	13.27%
Money Weighted	-0.62%	2.73%	12.10%	12.83%	13.84%
NCREIF Property Index	1.81%	3.54%	7.20%	7.09%	8.26%
Morrison Street Fund V, LP	2017	2016	2015	2014	Inception 6/30/14
Time Weighted	18.03%	11.10%	11.89%		10.76%
Money Weighted	17.74%	11.31%	13.31%		12.03%
NCREIF Property Index	6.98%	7.97%	13.33%	11.81%	9.41%

**Time-Weighted Return** - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

**Internal Rate of Return** - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

**Non-Marketable Securities Overview**

As of June 30, 2018

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Real Estate	Morrison Street Debt Opportunities Fd LP	2017	\$5,000,000	\$4,514,838	\$508,899	\$4,367,764	\$4,876,663	\$485,162	90.30%	6.93

**Time and Dollar Weighted Returns**

Morrison Street Debt Opportunities Fd LP	Q2-18	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	2.47%	4.65%	10.15%		
Money Weighted	2.48%	4.72%	10.36%		
NCREIF - ODCE NET	1.82%	3.83%	7.48%	7.19%	8.38%
Morrison Street Debt Opportunities Fd LP	2017	2016	2015	2014	Inception 12/31/16
Time Weighted	4.47%				6.13%
Money Weighted	5.28%				6.93%
NCREIF - ODCE NET	6.66%	7.79%	13.91%	11.46%	7.04%

**Time-Weighted Return** - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

**Internal Rate of Return** - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

**Non-Marketable Securities Overview**  
As of June 30, 2018

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Special Situations	Orbimed Royalty Opportunities	2011	\$5,000,000	\$5,000,000	\$2,860,682	\$2,950,595	\$5,811,277	\$0	100.00%	4.70

**Time and Dollar Weighted Returns**

	Q2-18	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Orbimed Royalty Opportunities							
Time Weighted	1.53%	12.65%	12.64%	-5.82%	-1.20%	1.79%	3.23%
Money Weighted	1.53%	12.67%	12.61%	-6.27%	-0.50%	2.78%	3.83%
HFRI Fund of Funds Composite Index	0.40%	0.67%	5.12%	5.80%	1.93%	2.43%	3.45%
S&P 500	3.43%	2.65%	14.37%	16.12%	11.93%	10.78%	13.42%

	2017	2016	2015	2014	2013	2012	Inception 9/1/11
Orbimed Royalty Opportunities							
Time Weighted	4.47%	-20.87%	9.95%	9.99%	6.17%	12.99%	6.05%
Money Weighted	4.57%	-17.15%	9.99%	10.00%	6.90%	14.12%	4.70%
HFRI Fund of Funds Composite Index	7.77%	0.51%	-0.27%	3.36%	8.96%	4.79%	3.22%
S&P 500	21.83%	11.96%	1.38%	13.69%	32.39%	16.00%	14.86%

**Time-Weighted Return** - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

**Internal Rate of Return** - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

**Non-Marketable Securities Overview**  
As of June 30, 2018

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Absolute Return	Orbimed Royalty Opportunities II	2015	\$5,000,000	\$3,792,500	\$1,063,508	\$3,140,966	\$4,204,474	\$1,207,500	75.85%	9.53

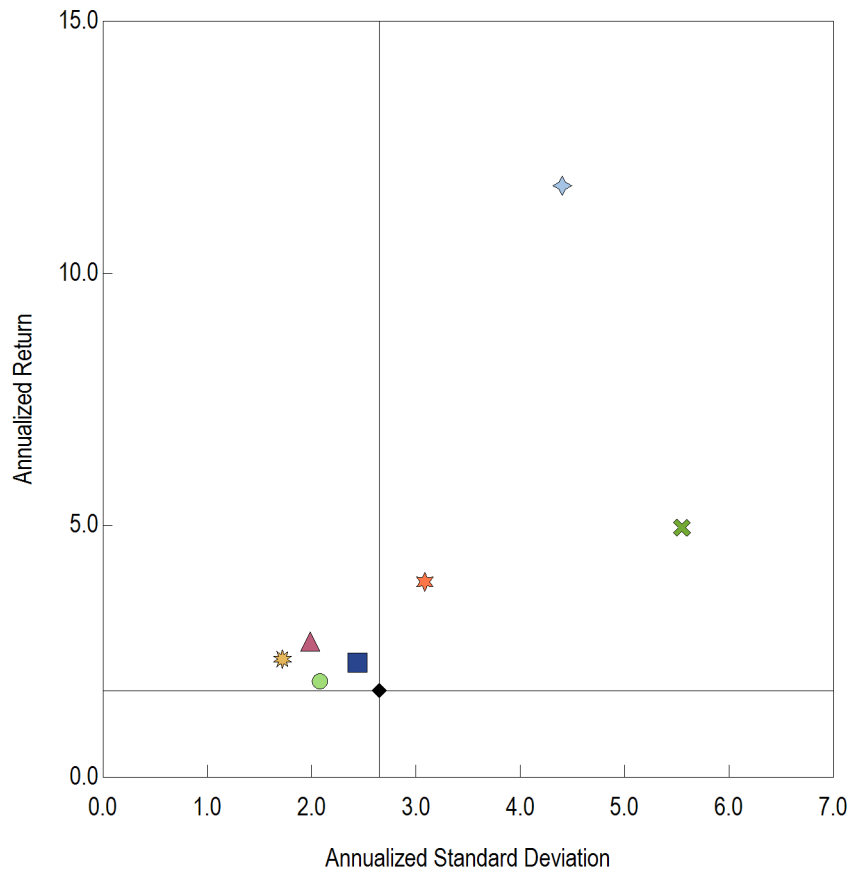
**Time and Dollar Weighted Returns**

	Q2-18	YTD	1 Yr	2 Yrs	3 Yrs
Orbimed Royalty Opportunities II					
Time Weighted	0.05%	4.77%	11.58%	7.99%	12.14%
Money Weighted	0.06%	4.66%	11.63%	9.29%	9.92%
HFRI Fund of Funds Composite Index	0.40%	0.67%	5.12%	5.80%	1.93%
S&P 500	3.43%	2.65%	14.37%	16.12%	11.93%
Orbimed Royalty Opportunities II	2017	2016	2015	2014	Inception 4/1/15
Time Weighted	12.28%	0.60%			10.38%
Money Weighted	12.85%	-0.05%			9.53%
HFRI Fund of Funds Composite Index	7.77%	0.51%	-0.27%	3.36%	1.84%
S&P 500	21.83%	11.96%	1.38%	13.69%	11.06%

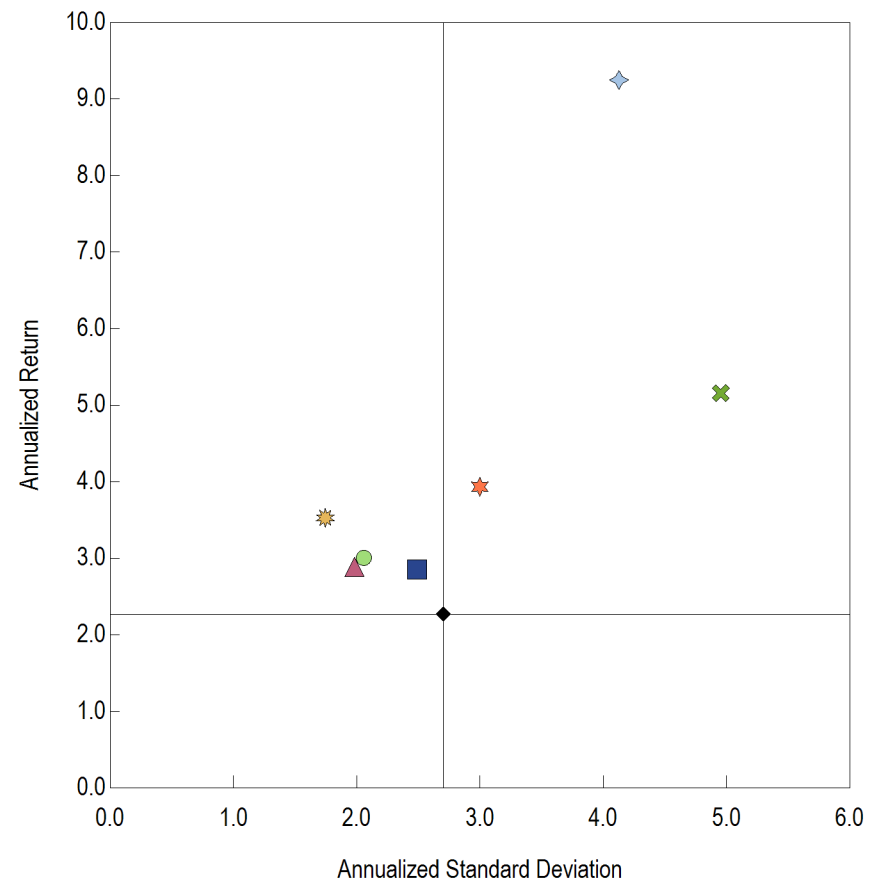
**Time-Weighted Return** - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for the timing of each external flow.

**Internal Rate of Return** - The IRR (also referred to as the dollar-weighted return) differs from the TWR in that it calculates the return rate at which the present value of cash outflows equals the present value of cash inflows. Its distinguishing characteristic is that this methodology is generally viewed to better accommodate the extreme cash flows and changes in market values that often accompany private equity or private real estate investments.

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2018



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2018

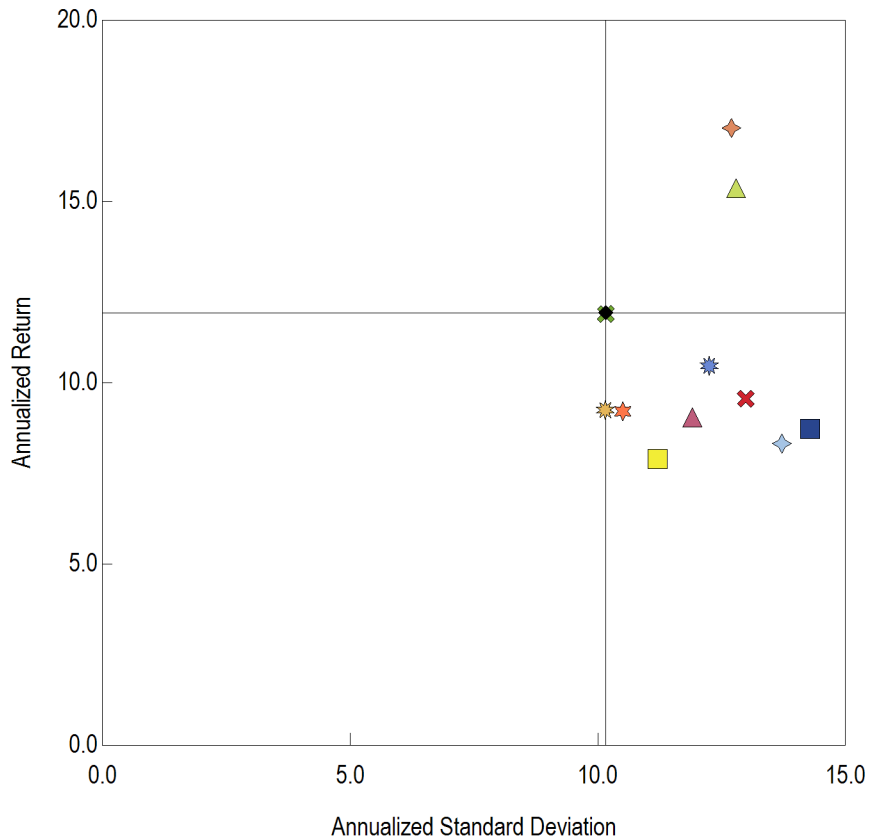


- Sterling Core Bond
- ✕ Hotchkis & Wiley High Yield
- ⚡ Post Lmtd Term High Yield
- ▲ Rimrock Low Volatility Offshore
- ◆ Castine Partners
- ★ Polar Long Short Fund
- ◆ BBgBarc US Aggregate TR
- HFRI FOF: Conservative Index

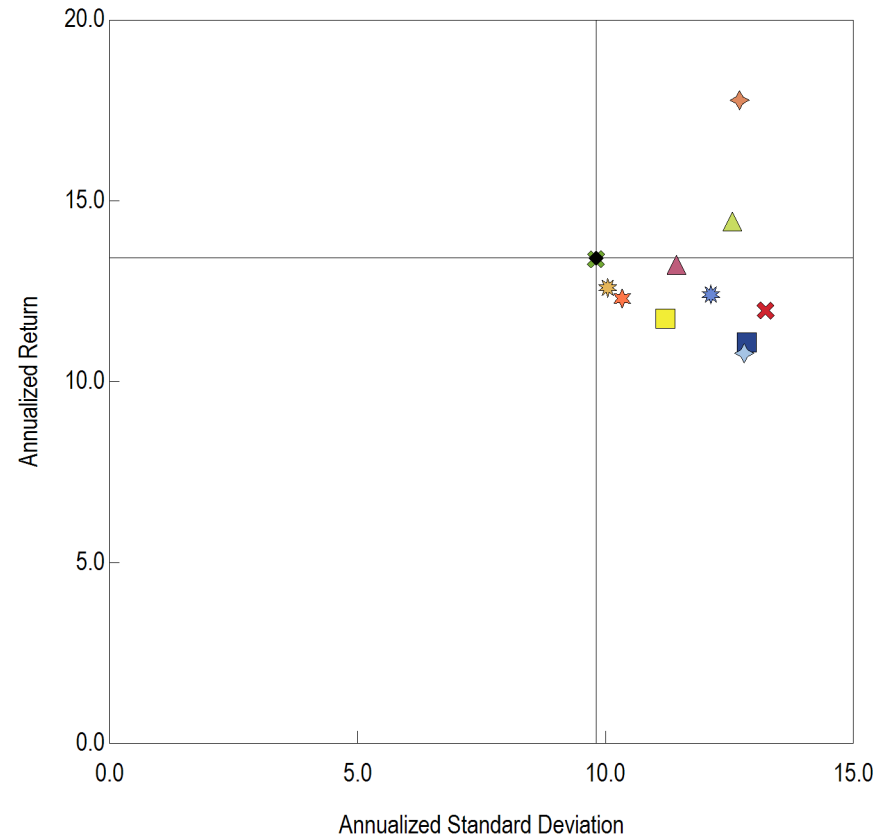
- Sterling Core Bond
- ✕ Hotchkis & Wiley High Yield
- ⚡ Post Lmtd Term High Yield
- ▲ Rimrock Low Volatility Offshore
- ◆ Castine Partners
- ★ Polar Long Short Fund
- ◆ BBgBarc US Aggregate TR
- HFRI FOF: Conservative Index



Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2018



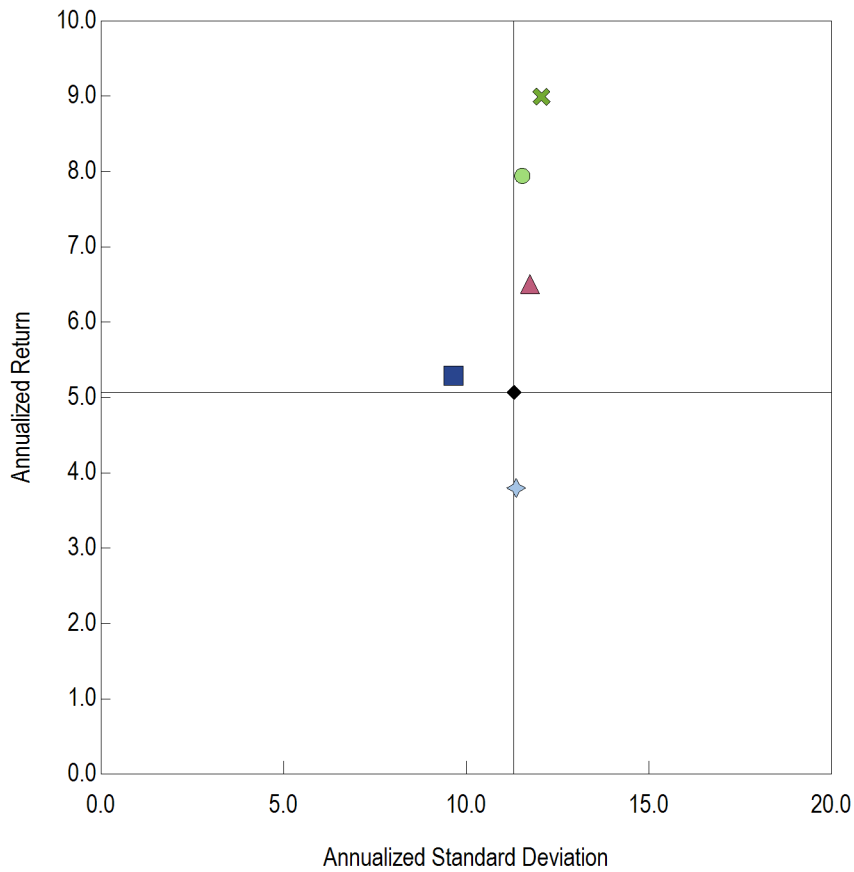
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2018



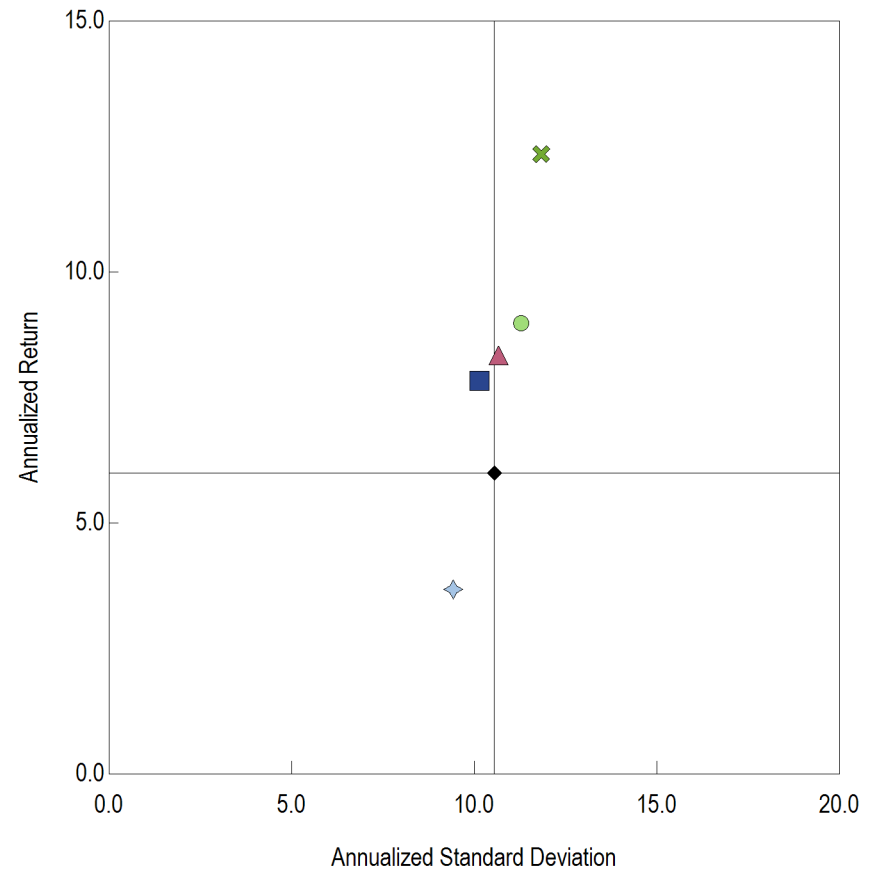
- Hotchkis & Wiley Diversified Value I
- ✱ Vanguard Institutional Index
- ✱ MFS Blended Research Core
- ▲ Jackson Square Large Cap Growth Eq
- ◆ Sterling Mid Cap Value
- ★ Vanguard Mid Cap Index
- Vanguard Mid Cap Growth
- ✱ Frontier Phocas Small Cap Value I
- ✱ Vanguard Small Cap Index
- ▲ Champlain Small Cap
- ◆ Bridge City Small Growth
- ◆ S&P 500

- Hotchkis & Wiley Diversified Value I
- ✱ Vanguard Institutional Index
- ✱ MFS Blended Research Core
- ▲ Jackson Square Large Cap Growth Eq
- ◆ Sterling Mid Cap Value
- ★ Vanguard Mid Cap Index
- Vanguard Mid Cap Growth
- ✱ Frontier Phocas Small Cap Value I
- ✱ Vanguard Small Cap Index
- ▲ Champlain Small Cap
- ◆ Bridge City Small Growth
- ◆ S&P 500

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2018



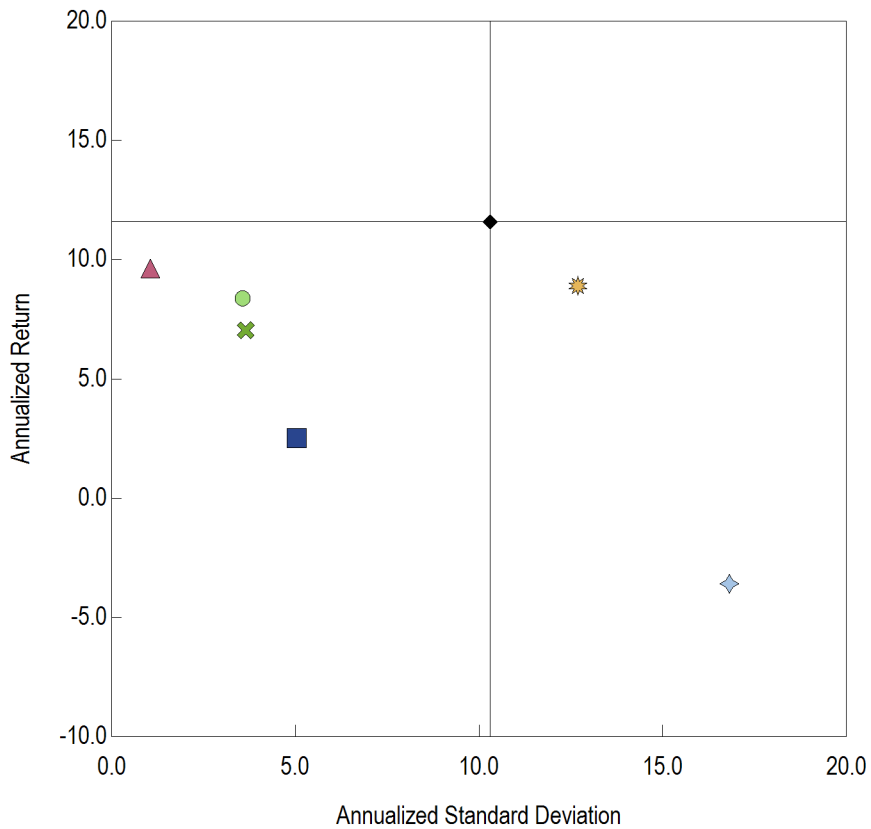
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2018



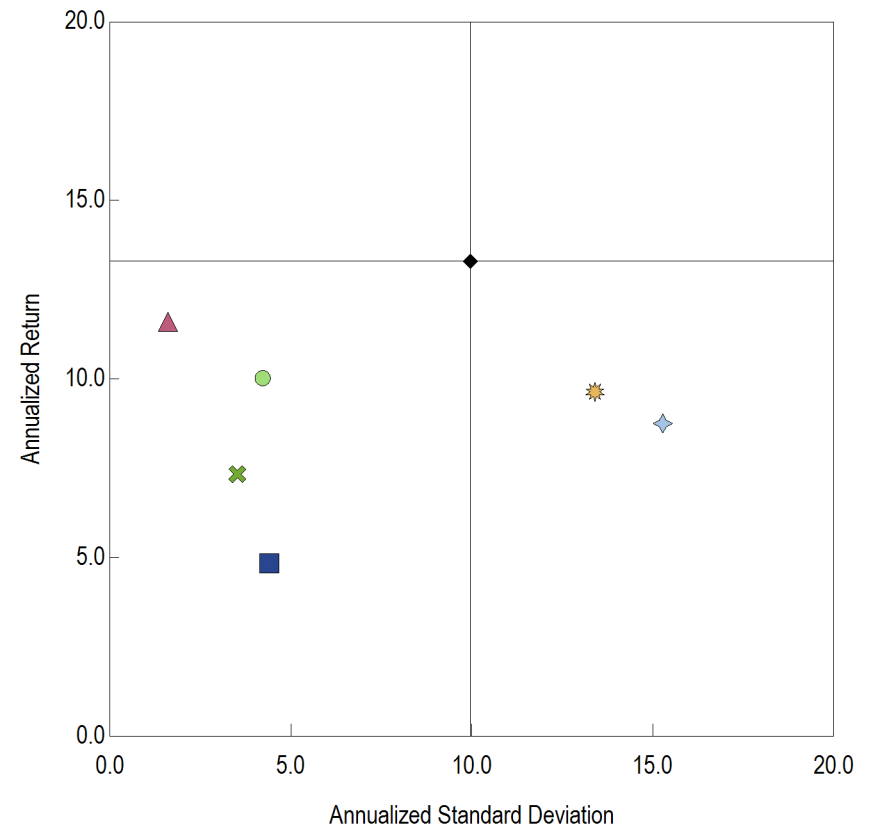
- Artisan International Value
- ✕ Victory Trivalent International Small Cap
- ▲ EuroPacific Growth R6
- ◆ Berens Global Value Ltd
- ◆ MSCI ACWI ex USA
- MSCI ACWI xUS Small (net)

- Artisan International Value
- ✕ Victory Trivalent International Small Cap
- ▲ EuroPacific Growth R6
- ◆ Berens Global Value Ltd
- ◆ MSCI ACWI ex USA
- MSCI ACWI xUS Small (net)

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2018



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2018



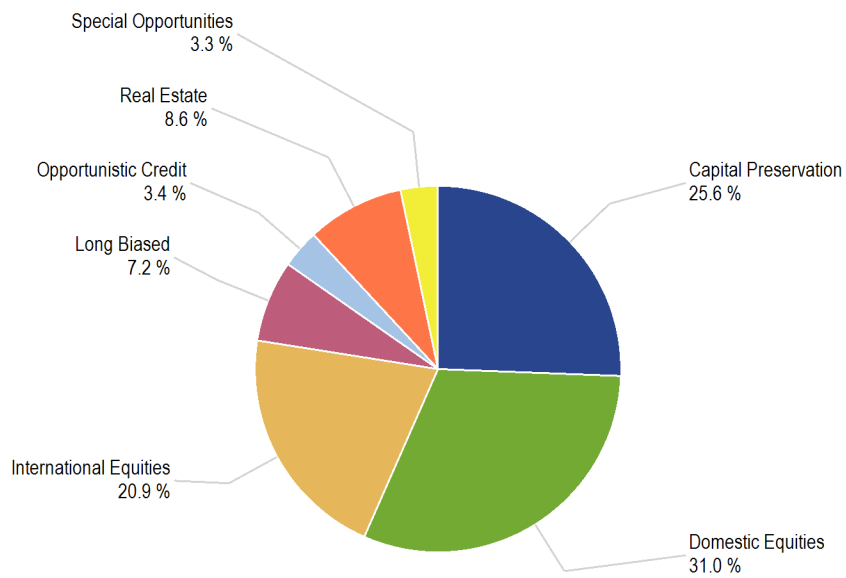
- Weatherlow Offshore
- ✱ Beach Point Select Fund
- ✱ SERS Principal Global Investors REIT
- ▲ Prime Property LLC
- ◆ OrbiMed Partners II
- ◆ Russell 3000
- NCREIF - ODCE NET

- Weatherlow Offshore
- ✱ Beach Point Select Fund
- ✱ SERS Principal Global Investors REIT
- ▲ Prime Property LLC
- ◆ OrbiMed Partners II
- ◆ Russell 3000
- NCREIF - ODCE NET

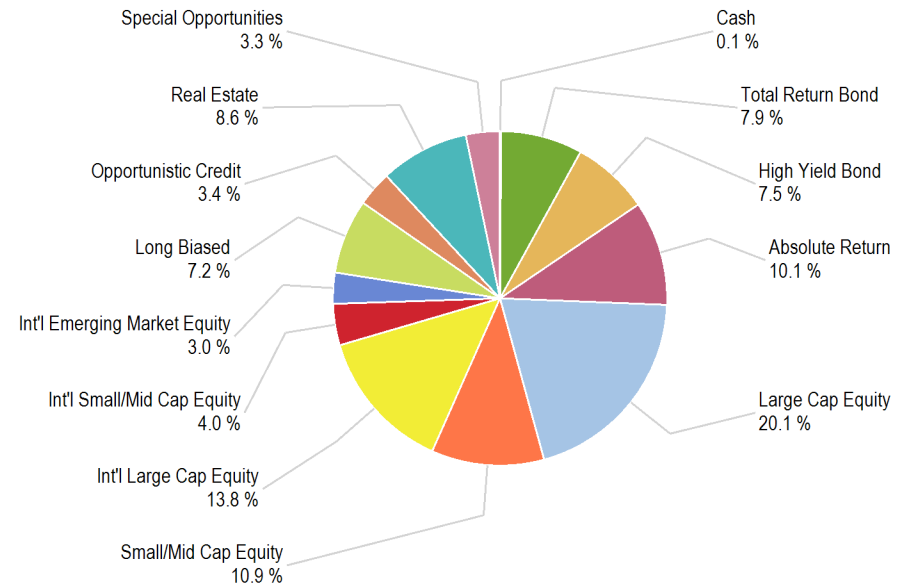
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# Section 3

Current Allocation



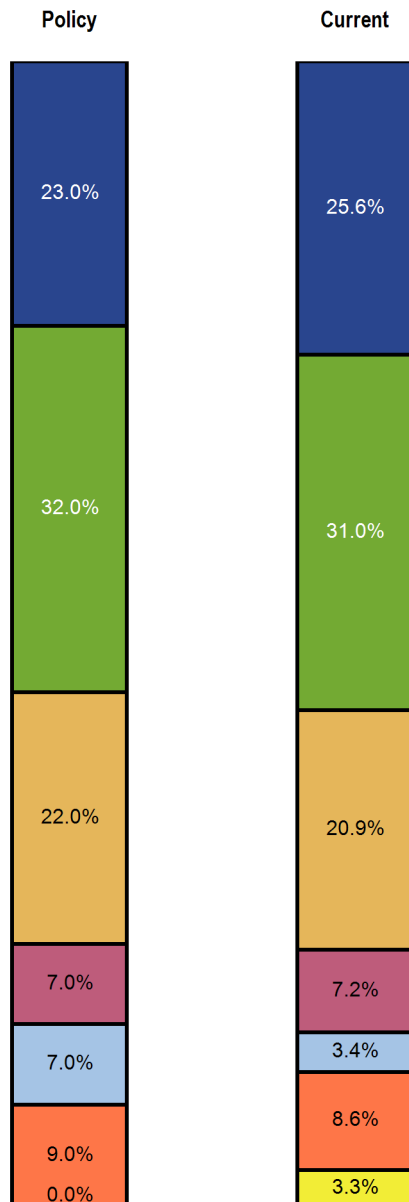
Current Implementation Allocation



# Spokane Employees' Retirement System

As of June 30, 2018

## Asset Allocation vs. Target



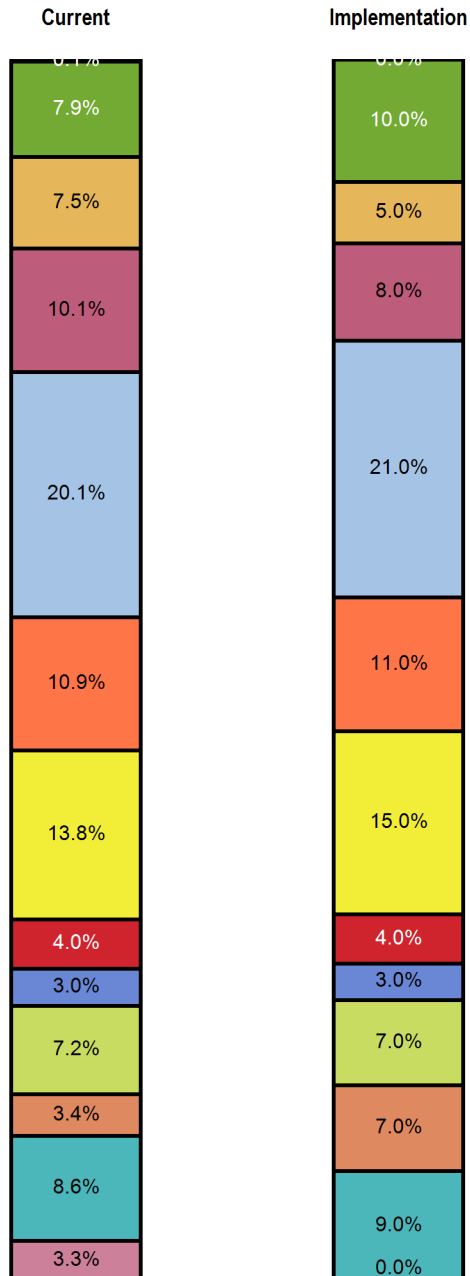
	Inv Pol Stmt	%	Inv Pol Stmt Range	Current	%	Difference	%
Capital Preservation	\$70,602,413	23.0%	20.0% - 26.0%	\$78,450,228	25.6%	\$7,847,815	2.6%
Domestic Equities	\$98,229,444	32.0%	29.0% - 35.0%	\$95,181,221	31.0%	-\$3,048,223	-1.0%
International Equities	\$67,532,743	22.0%	19.0% - 25.0%	\$64,210,097	20.9%	-\$3,322,646	-1.1%
Long Biased	\$21,487,691	7.0%	4.0% - 10.0%	\$22,206,956	7.2%	\$719,265	0.2%
Opportunistic Credit	\$21,487,691	7.0%	4.0% - 10.0%	\$10,547,535	3.4%	-\$10,940,156	-3.6%
Real Estate	\$27,627,031	9.0%	6.0% - 12.0%	\$26,320,867	8.6%	-\$1,306,164	-0.4%
Special Opportunities	\$0	0.0%	0.0% - 10.0%	\$10,050,109	3.3%	\$10,050,109	3.3%
<b>Total</b>	<b>\$306,967,012</b>	<b>100.0%</b>		<b>\$306,967,012</b>	<b>100.0%</b>		

## Actual vs. Target



# Spokane Employees' Retirement System

As of June 30, 2018



## Asset Allocation on June 30, 2018

	Actual	Actual	Target
Cash	\$306,799	0.1%	0.0%
Total Return Bond	\$24,098,127	7.9%	10.0%
High Yield Bond	\$22,990,186	7.5%	5.0%
Absolute Return	\$31,055,117	10.1%	8.0%
Large Cap Equity	\$61,608,545	20.1%	21.0%
Small/Mid Cap Equity	\$33,572,675	10.9%	11.0%
Int'l Large Cap Equity	\$42,465,183	13.8%	15.0%
Int'l Small/Mid Cap Equity	\$12,382,794	4.0%	4.0%
Int'l Emerging Market Equity	\$9,362,121	3.0%	3.0%
Long Biased	\$22,206,956	7.2%	7.0%
Opportunistic Credit	\$10,547,535	3.4%	7.0%
Real Estate	\$26,320,867	8.6%	9.0%
Special Opportunities	\$10,050,109	3.3%	0.0%
<b>Total</b>	<b>\$306,967,012</b>	<b>100.0%</b>	<b>100.0%</b>



# Spokane Employees' Retirement System

As of June 30, 2018

## Asset Allocation vs. Target

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
<b>Capital Preservation</b>	<b>\$70,602,413</b>	<b>23.0%</b>	<b>20.0% - 26.0%</b>	<b>\$78,450,228</b>	<b>25.6%</b>	<b>\$7,847,815</b>	<b>2.6%</b>	<b>Yes</b>
Cash	\$0	0.0%	0.0% - 2.0%	\$306,799	0.1%	\$306,799	0.1%	Yes
Fidelity Instl Govt Money Market				\$306,799	0.1%			
<b>Total Return Bond</b>	<b>\$30,696,701</b>	<b>10.0%</b>	<b>8.0% - 12.0%</b>	<b>\$24,098,127</b>	<b>7.9%</b>	<b>-\$6,598,574</b>	<b>-2.1%</b>	<b>No</b>
Sterling Core Bond				\$24,098,127	7.9%			
<b>High Yield Bond</b>	<b>\$15,348,351</b>	<b>5.0%</b>	<b>3.0% - 7.0%</b>	<b>\$22,990,186</b>	<b>7.5%</b>	<b>\$7,641,835</b>	<b>2.5%</b>	<b>No</b>
Hotchkis & Wiley High Yield				\$22,990,186	7.5%			
<b>Absolute Return</b>	<b>\$24,557,361</b>	<b>8.0%</b>	<b>6.0% - 10.0%</b>	<b>\$31,055,117</b>	<b>10.1%</b>	<b>\$6,497,756</b>	<b>2.1%</b>	<b>No</b>
Polar Long/Short Fund				\$6,695,987	2.2%			
Post Lmted Term High Yield				\$6,018,082	2.0%			
Rimrock Low Volatility Offshore				\$9,854,503	3.2%			
Castine Partners				\$8,092,142	2.6%			
American Beacon Flexible Bond				\$394,403	0.1%			
<b>Domestic Equities</b>	<b>\$98,229,444</b>	<b>32.0%</b>	<b>29.0% - 35.0%</b>	<b>\$95,181,221</b>	<b>31.0%</b>	<b>-\$3,048,223</b>	<b>-1.0%</b>	<b>Yes</b>
Large Cap Equity	\$64,463,073	21.0%	19.0% - 23.0%	\$61,608,545	20.1%	-\$2,854,527	-0.9%	Yes
Hotchkis & Wiley Div Value I				\$15,911,271	5.2%			
Vanguard Institutional Index				\$10,648,522	3.5%			
MFS Blended Research Core				\$18,328,201	6.0%			
Jackson Square Large-Cap Growth Equity				\$16,720,551	5.4%			

## Spokane Employees' Retirement System

As of June 30, 2018

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
<b>Small/Mid Cap Equity</b>	<b>\$33,766,371</b>	<b>11.0%</b>	<b>9.0% - 13.0%</b>	<b>\$33,572,675</b>	<b>10.9%</b>	<b>-\$193,696</b>	<b>-0.1%</b>	<b>Yes</b>
Sterling Mid Cap Value				\$6,210,719	2.0%			
Vanguard Mid Cap Index				\$4,033,760	1.3%			
Vanguard Mid Cap Growth				\$4,855,627	1.6%			
Frontier Sm Cap Value I				\$4,177,909	1.4%			
Vanguard Small Cap Index				\$912,207	0.3%			
Bridge City Small Growth				\$6,933,009	2.3%			
Champlain Small Cap				\$6,449,446	2.1%			
<b>International Equities</b>	<b>\$67,532,743</b>	<b>22.0%</b>	<b>19.0% - 25.0%</b>	<b>\$64,210,097</b>	<b>20.9%</b>	<b>-\$3,322,646</b>	<b>-1.1%</b>	<b>Yes</b>
Int'l Large Cap Equity	\$46,045,052	15.0%	13.0% - 17.0%	\$42,465,183	13.8%	-\$3,579,869	-1.2%	Yes
EuroPacific Growth R6				\$21,395,388	7.0%			
Artisan Int'l Value				\$21,069,794	6.9%			
Int'l Small/Mid Cap Equity	\$12,278,680	4.0%	2.0% - 6.0%	\$12,382,794	4.0%	\$104,113	0.0%	Yes
Victory Trivalent International Small Cap				\$12,382,794	4.0%			
Int'l Emerging Market Equity	\$9,209,010	3.0%	1.0% - 5.0%	\$9,362,121	3.0%	\$153,110	0.0%	Yes
Berens Global Value				\$9,362,121	3.0%			
<b>Long Biased</b>	<b>\$21,487,691</b>	<b>7.0%</b>	<b>4.0% - 10.0%</b>	<b>\$22,206,956</b>	<b>7.2%</b>	<b>\$719,265</b>	<b>0.2%</b>	<b>Yes</b>
Long Biased	\$21,487,691	7.0%	4.0% - 10.0%	\$22,206,956	7.2%	\$719,265	0.2%	Yes
Weatherlow Offshore				\$16,115,395	5.2%			
OrbiMed Royalty Opps II				\$3,140,966	1.0%			
OrbiMed Royalty Opportunities				\$2,950,595	1.0%			
<b>Opportunistic Credit</b>	<b>\$21,487,691</b>	<b>7.0%</b>	<b>4.0% - 10.0%</b>	<b>\$10,547,535</b>	<b>3.4%</b>	<b>-\$10,940,156</b>	<b>-3.6%</b>	<b>No</b>
Opportunistic Credit	\$21,487,691	7.0%	4.0% - 10.0%	\$10,547,535	3.4%	-\$10,940,156	-3.6%	No
Beach Point Select Fund LP				\$10,547,535	3.4%			

## Spokane Employees' Retirement System

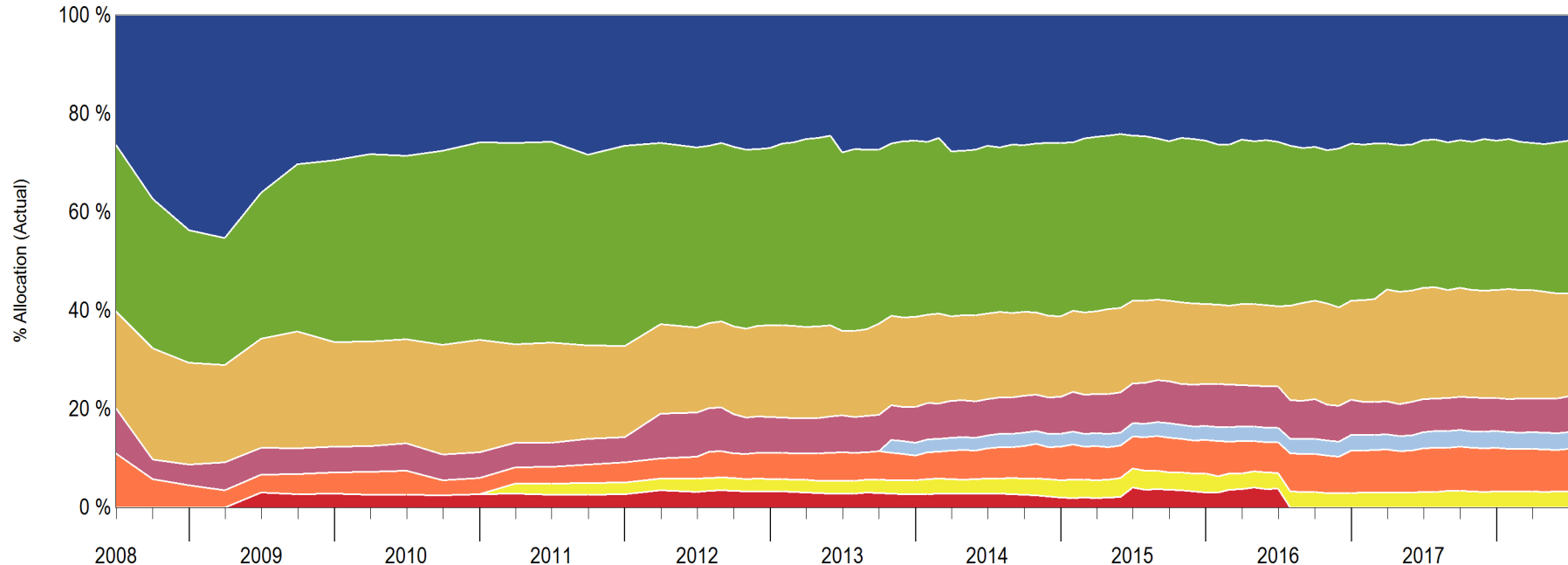
As of June 30, 2018

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
<b>Real Estate</b>	<b>\$27,627,031</b>	<b>9.0%</b>	<b>6.0% - 12.0%</b>	<b>\$26,320,867</b>	<b>8.6%</b>	<b>-\$1,306,164</b>	<b>-0.4%</b>	<b>Yes</b>
Real Estate	\$27,627,031	9.0%	6.0% - 12.0%	\$26,320,867	8.6%	-\$1,306,164	-0.4%	Yes
Principal Global Investors REIT				\$10,264,716	3.3%			
Morrison Street Fund IV				\$382,418	0.1%			
Metropolitan Realty V				\$213,569	0.1%			
Morrison Street Fund V				\$3,996,002	1.3%			
Morrison Street Debt Opportunities Fund LP				\$4,282,487	1.4%			
Morgan Stanley Prime Property Fund				\$7,181,676	2.3%			
<b>Special Opportunities</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0% - 10.0%</b>	<b>\$10,050,109</b>	<b>3.3%</b>	<b>\$10,050,109</b>	<b>3.3%</b>	<b>Yes</b>
Special Opportunities	\$0	0.0%	0.0% - 10.0%	\$10,050,109	3.3%	\$10,050,109	3.3%	Yes
Orbimed Partners II				\$10,050,109	3.3%			
<b>Total</b>	<b>\$306,967,012</b>	<b>100.0%</b>		<b>\$306,967,012</b>	<b>100.0%</b>			

# Spokane Employees' Retirement System

As of June 30, 2018

Asset Allocation History  
10 Years Ending June 30, 2018



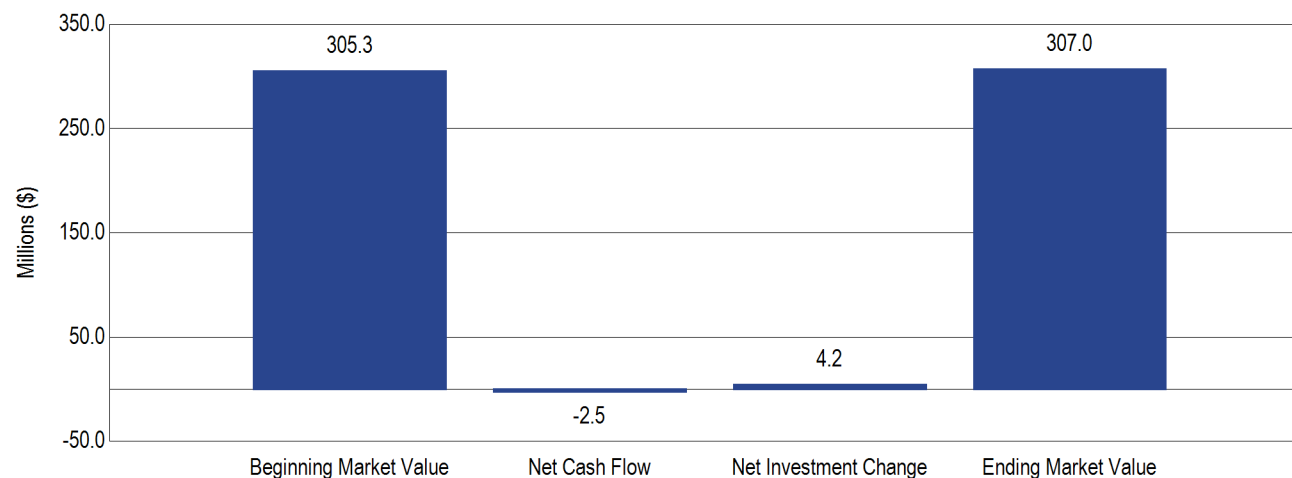
37.	43.	45.	36.	30.	29.	28.	28.	27.	25.	26.	25.	28.	26.	26.	26.	26.	27.	25.	27.	26.	26.	26.	24.	24.	25.	25.	25.	25.	26.	26.	26.	25.	25.	25.	26.	25.	25.	26.	25.	
30.	26.	25.	29.	33.	36.	38.	37.	39.	40.	40.	40.	38.	40.	36.	36.	36.	36.	38.	36.	35.	35.	33.	34.	33.	35.	35.	33.	32.	33.	33.	33.	31.	32.	29.	29.	29.	30.	29.	31.	
22.	20.	19.	22.	23.	21.	21.	21.	22.	22.	20.	20.	19.	18.	18.	17.	17.	18.	18.	17.	18.	17.	17.	17.	16.	16.	16.	16.	16.	20.	20.	22.	22.	22.	22.	21.	22.	20.			
4.0	4.2	5.6	5.4	5.2	5.2	5.2	5.6	5.2	5.2	4.9	4.8	5.3	5.2	9.1	8.9	7.9	7.3	7.1	7.5	7.3	7.2	7.4	7.4	7.5	7.5	8.0	8.1	8.5	8.5	8.4	8.3	8.0	7.2	6.7	6.7	6.7	6.7	6.9	7.2	
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.6	2.6	2.6	2.7	2.6	2.7	2.7	2.9	2.8	2.9	3.0	3.0	3.1	3.1	3.4	3.4	3.3	3.4	3.3	3.4	
5.7	4.5	3.5	3.7	4.1	4.3	4.6	4.8	3.0	3.3	3.3	3.5	3.7	4.1	4.1	4.4	5.1	5.4	5.4	5.8	5.8	5.0	5.8	6.1	6.6	6.8	6.9	6.4	7.1	6.9	6.5	6.3	7.7	8.7	8.7	8.8	9.0	8.9	8.6	8.6	
--	--	--	--	--	--	--	--	--	0.0	2.1	2.2	2.4	2.4	2.5	2.7	2.6	2.5	2.5	2.6	2.8	2.8	2.9	3.0	3.3	3.5	3.7	3.9	3.6	3.8	3.2	3.1	3.2	2.9	3.0	3.2	2.9	3.0	3.2	3.3	3.3
--	--	0.0	3.0	2.7	2.8	2.6	2.6	2.5	2.7	2.8	2.6	2.6	2.7	3.5	3.2	3.4	3.2	3.1	2.8	2.9	2.7	2.8	2.9	2.6	2.0	1.9	4.1	3.6	3.1	3.8	3.9	--	--	--	--	--	--	--	--	

■ Capital Preservation   
 ■ International Equities   
 ■ Long Biased   
 ■ Opportunistic Credit   
 ■ Real Estate   
 ■ Special Opportunities   
 ■ Commodities  
■ Domestic Equities

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# Section 4

Change in Market Value  
From April 01, 2018 To June 30, 2018



Cash Flow Summary

	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
American Beacon Flexible Bond	1,616,596.10	0.00	-1,200,000.00	-1,200,000.00	-22,193.28	394,402.82
Artisan Int'l Value	21,929,698.74	0.00	-300,000.00	-300,000.00	-559,904.33	21,069,794.41
Beach Point Select Fund LP	10,377,444.00	0.00	0.00	0.00	170,091.00	10,547,535.00
Berens Global Value	9,961,660.15	0.00	0.00	0.00	-599,539.60	9,362,120.55
Bridge City Small Growth	6,229,182.75	0.00	0.00	0.00	703,825.83	6,933,008.58
Castine Partners	7,917,413.99	0.00	0.00	0.00	174,727.60	8,092,141.59
Champlain Small Cap	5,778,529.75	0.00	0.00	0.00	670,915.79	6,449,445.54
EuroPacific Growth R6	22,315,890.83	0.00	-300,000.00	-300,000.00	-620,502.52	21,395,388.31
Fidelity Instl Govt Money Market	130,398.00	9,077,809.48	-8,904,068.35	173,741.13	2,659.37	306,798.50
Frontier Sm Cap Value I	3,989,798.99	0.00	0.00	0.00	188,109.83	4,177,908.82
Hotchkis & Wiley Div Value I	15,411,927.94	0.00	0.00	0.00	499,343.08	15,911,271.02
Hotchkis & Wiley High Yield	23,155,545.15	750,000.00	-1,000,000.02	-250,000.02	84,640.54	22,990,185.67
Jackson Square Large-Cap Growth Equity	16,096,474.43	0.00	0.00	0.00	624,076.92	16,720,551.35

# Spokane Employees' Retirement System

As of June 30, 2018

	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Metropolitan Realty V	223,117.56	0.00	-7,792.77	-7,792.77	-1,756.24	213,568.55
MFS Blended Research Core	17,810,973.53	0.00	0.00	0.00	517,227.33	18,328,200.86
Morgan Stanley Prime Property Fund	7,122,625.01	0.00	0.00	0.00	59,050.88	7,181,675.89
Morrison Street Debt Opportunities Fund LP	4,272,453.21	0.00	-93,424.21	-93,424.21	103,457.82	4,282,486.82
Morrison Street Fund IV	398,717.00	0.00	-9,456.27	-9,456.27	-6,842.73	382,418.00
Morrison Street Fund V	4,565,408.00	0.00	-542,655.92	-542,655.92	-26,750.08	3,996,002.00
Orbimed Partners II	10,084,807.00	0.00	0.00	0.00	-34,698.00	10,050,109.00
OrbiMed Royalty Opportunities	2,669,585.66	0.00	-58,171.18	-58,171.18	339,180.52	2,950,595.00
OrbiMed Royalty Opps II	2,555,125.38	650,000.00	-189,225.25	460,774.75	125,065.87	3,140,966.00
Polar Long/Short Fund	6,686,241.57	0.00	0.00	0.00	9,745.64	6,695,987.21
Post Lmtd Term High Yield	5,980,053.41	0.00	0.00	0.00	38,028.90	6,018,082.31
Principal Global Investors REIT	9,613,258.02	0.00	0.00	0.00	651,457.88	10,264,715.90
Rimrock Low Volatility Offshore	9,775,029.72	0.00	0.00	0.00	79,472.86	9,854,502.58
Sterling Core Bond	24,171,993.24	0.00	0.00	0.00	-73,866.41	24,098,126.83
Sterling Mid Cap Value	6,103,225.94	0.00	0.00	0.00	107,493.12	6,210,719.06
Vanguard Institutional Index	10,296,303.84	0.00	0.00	0.00	352,218.35	10,648,522.19
Vanguard Mid Cap Growth	4,634,609.46	0.00	0.00	0.00	221,017.05	4,855,626.51
Vanguard Mid Cap Index	3,932,764.57	0.00	0.00	0.00	100,995.13	4,033,759.70
Vanguard Small Cap Index	858,893.30	0.00	0.00	0.00	53,313.85	912,207.15
Victory Trivalent International Small Cap	12,872,707.79	0.00	-400,000.02	-400,000.02	-89,914.22	12,382,793.55
Weatherlow Offshore	15,731,420.40	0.00	0.00	0.00	383,974.56	16,115,394.96
<b>Total</b>	<b>305,269,874.43</b>	<b>10,477,809.48</b>	<b>-13,004,793.99</b>	<b>-2,526,984.51</b>	<b>4,224,122.31</b>	<b>306,967,012.23</b>



# Section 5

## Statistic Definitions

<b>Annualized Standard Deviation</b>	A statistic used to measure the portfolio's volatility. A statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.
<b>Downside / Upside Deviation</b>	Standard deviation makes no distinction between the "good" or upside deviations, and the "bad" or downside deviations. Both upside and downside deviations have an equal influence on the calculation of standard deviation. Downside deviation seeks to remedy this by ignoring all of the "good" observations and by instead focusing on the "bad" returns. Conversely, Upside deviation ignores all of the "bad" observations and instead focuses on the "good" returns.
<b>Alpha</b>	Measures the relationship between the portfolio performance and the performance of another or benchmark index and equals the excess return while the other portfolio or benchmark index is zero.
<b>Beta</b>	Measures the systematic market risk and is equal to the change in portfolio performance in relation to the change in portfolio performance/index performance.
<b>R-Squared</b>	The "goodness of fit" to a benchmark. The percentage of a manager's return that is "explained" by the benchmark.
<b>Tracking Error</b>	Tracking Error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking Error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.
<b>Information Ratio</b>	The Information Ratio is a measure of the risk-adjusted return of a financial security (or asset or portfolio). It is defined as expected active return divided by tracking error, where active return is the excess return and tracking error is the annualized standard deviation of the excess returns.
<b>Sharpe Ratio</b>	Sharpe Ratio is a measure of the excess return per unit of risk in an investment asset or a trading strategy. A higher Sharpe ratio indicates you are receiving more return for the level of risk taken.
<b>Downside Capture Ratio</b>	Measures manager's performance in down markets relative to a particular benchmark. A down-market is defined as those periods (months or quarters) in which market return is < 0.
<b>Upside Capture Ratio</b>	Measures manager's performance in up markets relative to a particular benchmark. An up-market is defined as those periods (months or quarters) in which market return is > 0.
<b>Annualized Excess Return over Risk Free</b>	Difference between the portfolio and the risk-free benchmark's return, annualized.
<b>Annualized Excess Return</b>	Difference between the portfolio and the benchmark's return, annualized.
<b>Correlation</b>	A statistic that measures the degree to which two data series move in relation to each other. The higher the correlation the more the data series move in tandem. Correlation ranges from +1 (perfect correlation), to -1 (perfect negative correlation), with zero indicating no correlation at all.