



Spokane Employees' Retirement System

March 31, 2019 Performance Report

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Section 1



THE POWELL PIVOT

The year 2018 ended with a steep selloff in global equity markets coupled with a significant decline in domestic interest rates. As we highlighted in recent commentary, the negative market sentiment appeared to reflect diverging views between the Fed and the broader financial markets with respect to projected future economic growth and inflation. The tension created by these diverging views came to a flash point in the final quarter of 2018.

During the first week in January, Fed Chairman Jerome Powell made a public statement at the American Economic Association annual meeting in which he emphasized that the Fed would be “patient” in raising rates and “flexible” with respect to managing the Fed’s balance sheet. In the eyes of most investors this represented a significant shift in the Fed’s policy. A shift that has become affectionately known as the “Powell Pivot”. With the benefit of hindsight and disclosure of minutes from the November FOMC meeting, it appears that the Fed members had actually come to this “patient” and “flexible” perspective on policy much earlier than most investors understood. In reality, Powell’s pivot speech in January was not a sudden change in policy at all, but rather an attempt to clarify the Fed’s earlier position.

Pivot or not, this time the financial markets got the message. The Fed was acknowledging the signs of slower growth and their plans to be more dovish going forward. The result was a sudden rebound in equity markets. The domestic equity market, as represented by the S&P 500 Index, fell nearly 20% between late September and Christmas Eve only to rebound over 20% by the end of 1Q2019. Credit spreads rebounded as well, sending the broader investment grade bond market up nearly 3% and high yield bonds up over 7% for the quarter. While equity markets and credit spreads largely retraced their moves from last quarter, domestic and global interest rates have not followed suit. Slowing global growth prospects and lower inflation expectations have actually pushed global rates even lower.

How low can rates go? While bond yields in the US remain in positive territory, we are increasingly witnessing negative yields in other parts of the world. Negative yields are a fairly unusual occurrence in economic history. Purchasing bonds with a negative yield means that investors are willing to pay borrowers to keep their money. So why would investors be willing to pay borrowers to keep their money? In most cases the borrowers are local governments and investors are seeking out the perceived safety of these governments during times of extreme economic uncertainty. In the current slowing growth environment, investors are increasingly willing to pay for safety. At the end of 1Q19 nearly 30% of global government bonds were trading with negative yields. Japan is the poster child for negative yields, with nearly 70% of its government debt trading at negative yields. Some 40% of European government debt now trades at negative yields.

How do negative global yields impact domestic investors? While the Fed will set short-term rates here in the US, global demand will set longer-term interest rates. With nearly 30% of global government bonds trading at negative yields, there would appear to be very little competition for US government debt in a global marketplace. With little competition you would expect higher demand (higher prices) and hence lower yields to persist.

GLOBAL ECONOMIC LANDSCAPE

- The US economy gained 196,000 jobs in March, well above the 150,000 jobs that is cited as a baseline for economic expansion. Healthcare, leisure and hospitality sectors accounted for nearly half of those gains. Retail and manufacturing were the laggards in the most recent report, showing actual job losses during the period.
- The Fed initially forecast two rate hikes for 2019. Forward interest rate curves are now implying no interest rate hikes by the Fed for 2019. The European Central Bank appears to have pushed potential rate hikes out to 2020 and Japan is expected to continue its easing policy.
- The current unemployment rate of 3.8% remains near historic lows, well below the 50-year average rate of 6.2%. This would indicate an economy operating near full capacity. Historically we would expect to see higher inflation, rising interest rates and wage growth as a result. However, inflation remains below 2.0%, less than half the 50-year average. Interest rates have declined sharply since 3Q18 with 10-year Treasury yields currently below 2.5%. Wage inflation, while increasing, stands at 3.5%, well below the 4.1% 50-year average.
- However, if you look beyond the basic employment figures you get a different picture. The ratio of employed to total eligible population currently stands at just over 60%. This is below historical averages and indicates significant slack in the economy.
- Markets have been increasingly concerned with higher levels of debt as a percentage of GDP. While the percentage of debt has increased, the private sector debt service ratio remains fairly low by historical standards due to the low interest rate environment. More than 80% of US consumer and business debt is fixed rate, providing a level of protection from any near-term rise in interest rates/service costs.
- The global economic front continues to show mixed signals. Recent manufacturing reports out of the US and China showed modestly stronger growth than expected. However, reports out of Europe continue to be mixed at best. Germany, Europe's largest economy, posted sharp industrial order declines of 4.2% during the quarter. The International Monetary Fund recently warned that the majority of countries around the world should expect slower growth in 2019 citing rising trade tensions, concerns over Brexit and less accommodative central bank policies.

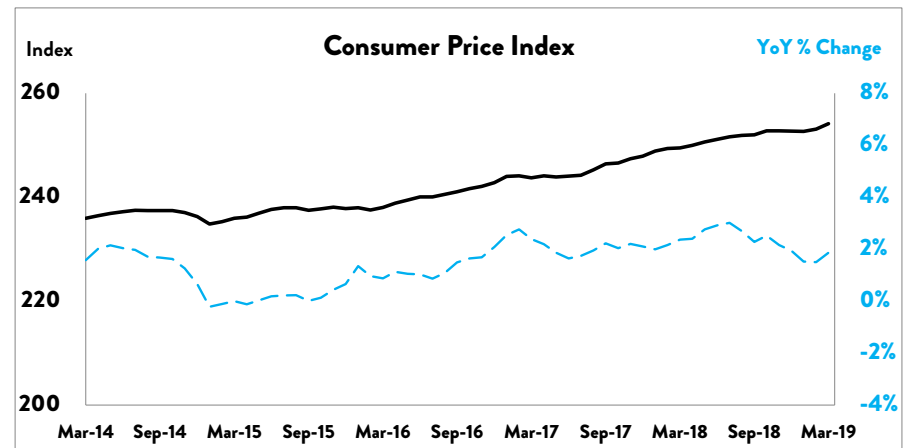
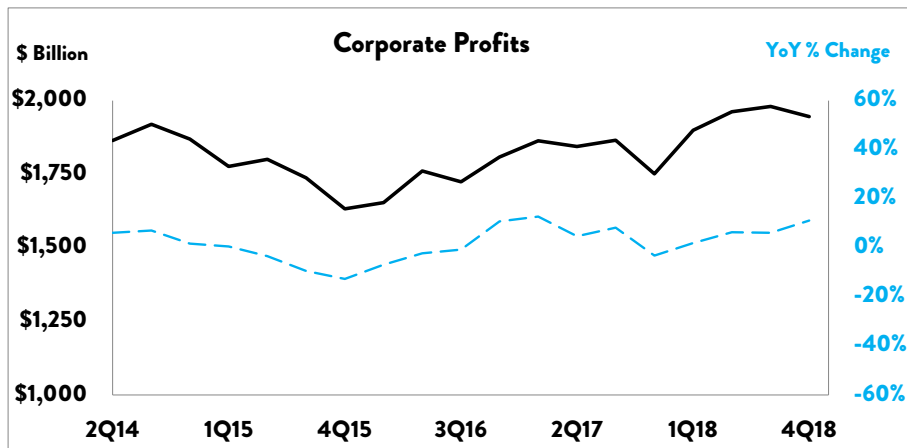
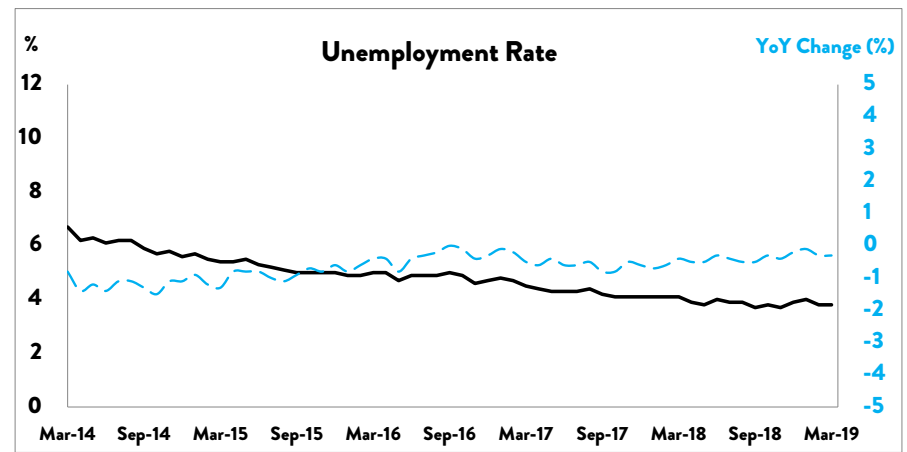
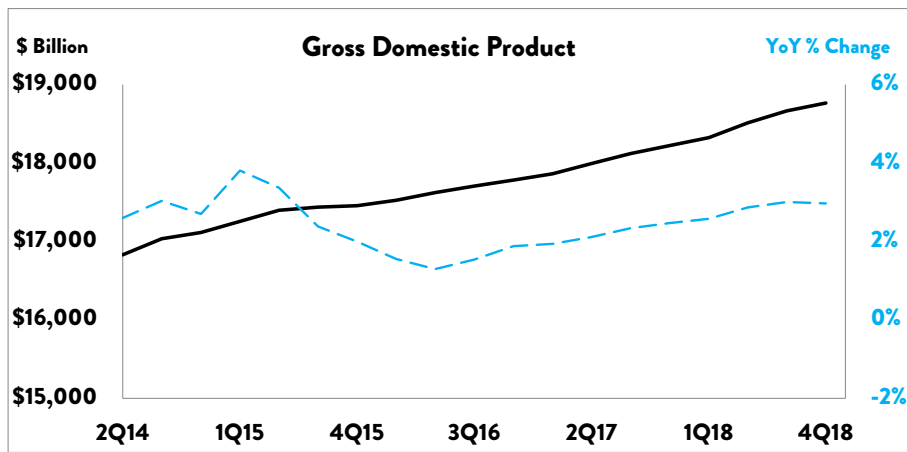
GLOBAL FINANCIAL MARKETS

- While global equity markets have largely retraced the significant declines that occurred during 4Q18, this rebound rests largely on multiples expansion. Earnings revisions have moved sharply lower, with 1Q19 estimates falling into negative territory. Financial and healthcare are among the few sectors expecting to see positive earnings growth. Broadly speaking, companies selling into slower growth international markets are expected to face strong headwinds. While earnings are expected to slow, continued low interest rates and inflation are expected to support historical high profit margins.
- Despite slowing global growth prospects, commodity prices rose sharply during the quarter driven largely by rising oil prices. Prices rose from \$49 a barrel to end the year to \$58 at the end of 1Q19. Prices have continued to move higher based on expectations of tighter supplies driven by political instability in Libya, ongoing US sanctions with Venezuela and lower production from OPEC. Power struggles have intensified in Libya as forces under Khalifa Haftar have sought to seize the capital city of Tripoli. Oil production from OPEC member countries fell by over 500,000 barrels a day in March.
- Value stocks have had a history of outperforming in down markets. Yet, during the 4Q18 market selloff, many value managers found themselves underperforming value indices and in many cases growth indices as well. This left investors, including ourselves, questioning why value was "not working". In 1Q19 these value managers tended to outperform in a strong bull market and often the deeper the value style, the better the performance. Is value investing broken? Further analysis highlights that traditional value sectors, examples include Utilities and Real Estate, are among the most expensive sectors relative to their historical averages. Utilities and Real Estate trade at +27% and +16% of their 20-year median price-to-earnings (P/E) ratios. In short, most value managers were not finding value in traditional value sectors. In contrast, value managers were often identifying value in growth sectors such as Health Care which currently trades at -4% of historical median P/Es.

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1Q2019 Economic Data



Key: — Economic Series - - - Year-Over-Year Change

Labor Market Statistics (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	196,000	351,000	14,000	214,183	Mar-19
Unemployment Rate	3.8%	6.7%	3.7%	4.8%	Mar-19
Median Unemployment Length (Weeks)	10.8	18.4	6.6	10.9	Mar-19
Average Hourly Earnings	\$27.70	\$27.70	\$24.34	\$25.88	Mar-19

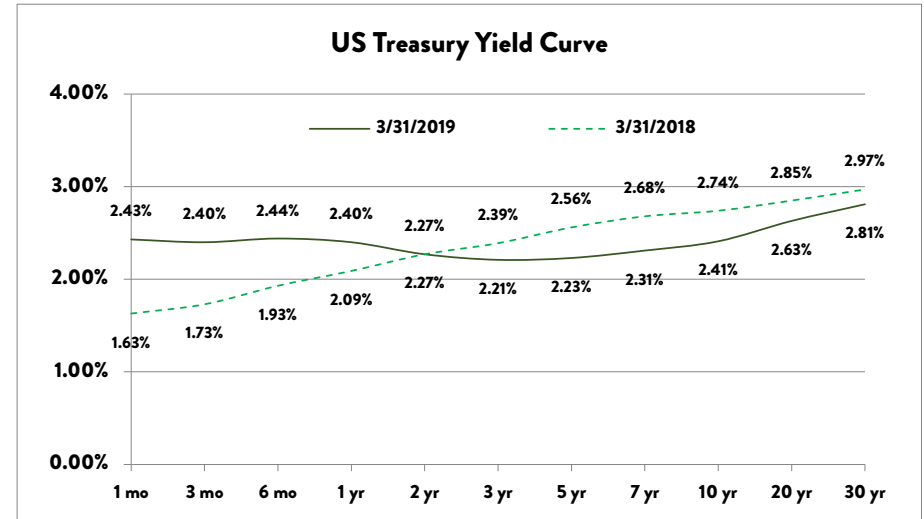
Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$2.50	\$3.70	\$1.79	-32.3%	Mar-19
Spot Oil	\$58.15	\$105.79	\$30.32	-45.0%	Mar-19
Case-Shiller Home Price Index	214.6	214.6	168.6	27.3%*	Jan-19
Medical Care CPI	490.8	490.8	433.3	13.3%*	Mar-19

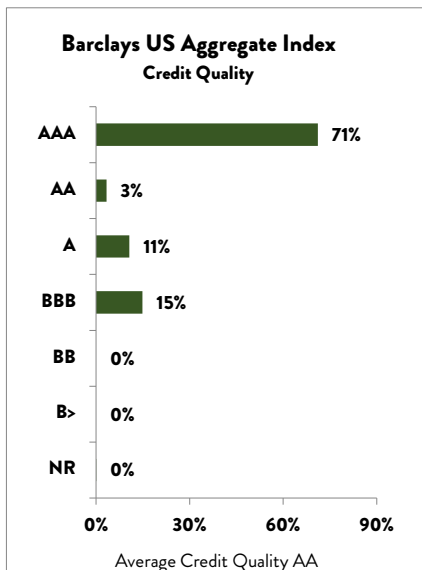
*% Off Low

1Q2019 Bond Market Data

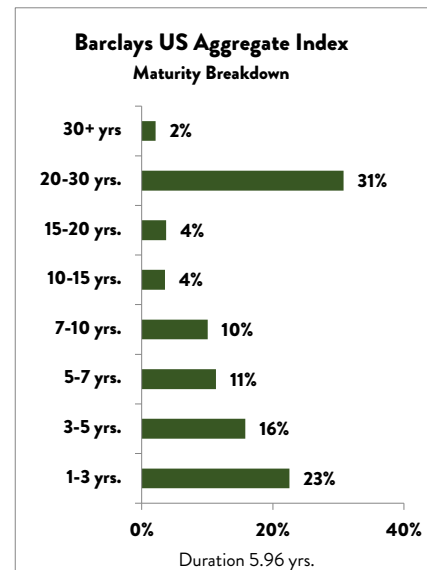
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.60%	0.60%	1.98%	1.06%	0.66%	0.38%
Barclays US Aggregate	2.94%	2.94%	4.48%	2.03%	2.74%	3.77%
Barclays Short US Treasury	0.66%	0.66%	2.22%	1.23%	0.81%	0.52%
Barclays Int. US Treasury	1.59%	1.59%	3.80%	0.95%	1.66%	1.98%
Barclays Long US Treasury	4.67%	4.67%	6.24%	1.47%	5.44%	5.13%
Barclays US TIPS	3.19%	3.19%	2.70%	1.70%	1.94%	3.41%
Barclays US Credit	4.87%	4.87%	4.89%	3.48%	3.61%	6.22%
Barclays US Mortgage-Backed	2.17%	2.17%	4.42%	1.77%	2.65%	3.11%
Barclays US Asset-Backed	1.48%	1.48%	3.68%	1.83%	1.89%	3.95%
Barclays US 20-Yr Municipal	3.50%	3.50%	6.23%	3.49%	4.85%	6.09%
Barclays US High Yield	7.26%	7.26%	5.93%	8.56%	4.68%	11.26%
Barclays Global	2.20%	2.20%	-0.38%	1.49%	1.04%	3.05%
Barclays International	1.52%	1.52%	-4.13%	0.96%	-0.26%	2.46%
Barclays Emerging Market	5.43%	5.43%	4.38%	5.36%	4.75%	8.54%



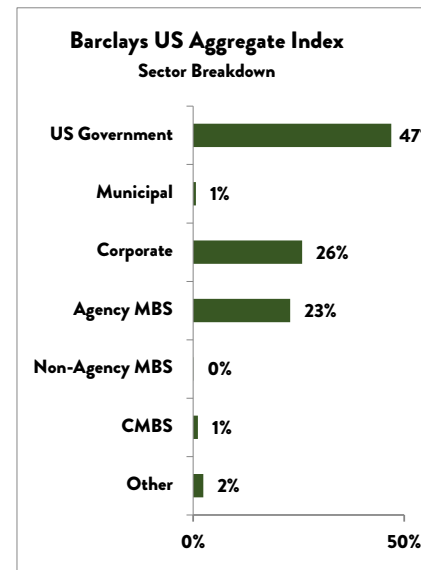
Source: Department of US Treasury



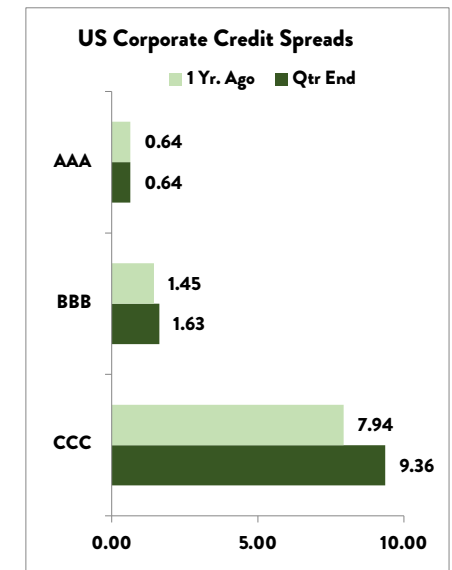
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

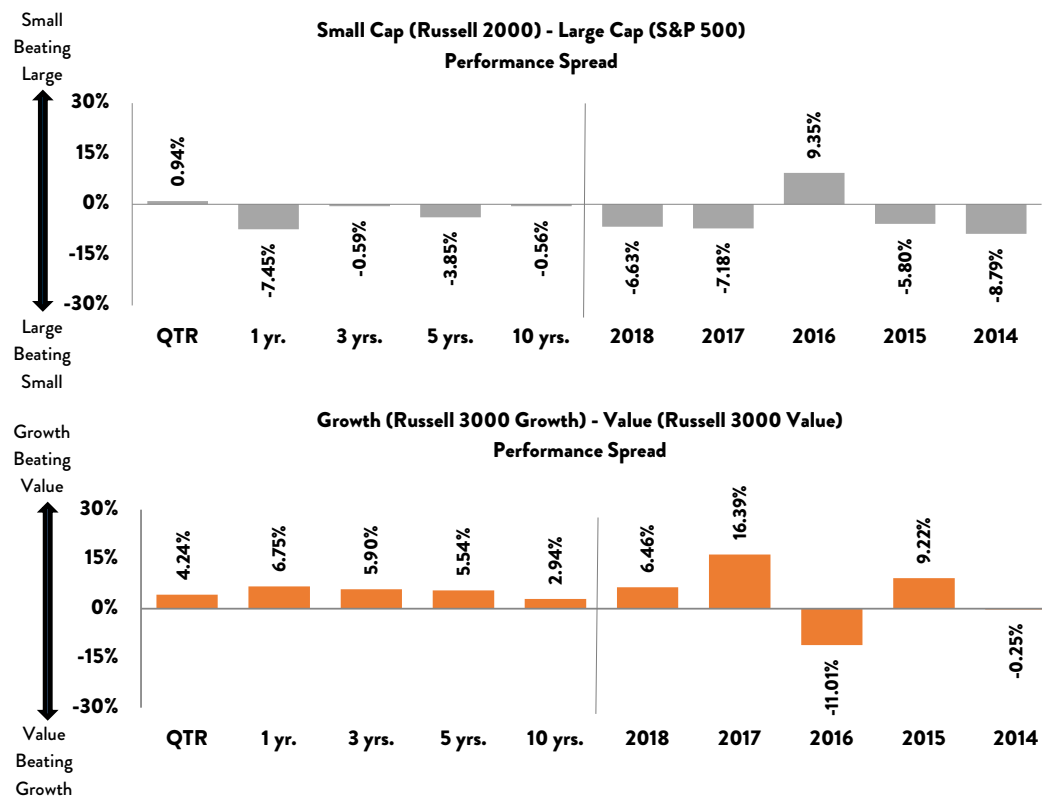
1Q2019 US Equity Market Data

Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	Performance			
			QTR	YTD	1 Yr.	
S&P 500 Index	21%	Information Technology	19.86%	19.86%	15.44%	
	3%	Real Estate	17.53%	17.53%	21.00%	
	9%	Industrials	17.20%	17.20%	3.23%	
	5%	Energy	16.43%	16.43%	1.32%	
	10%	Consumer Discretionary	15.73%	15.73%	13.19%	
	10%	Communication Services	13.98%	13.98%	7.75%	
	7%	Consumer Staples	12.01%	12.01%	10.49%	
	3%	Utilities	10.84%	10.84%	19.33%	
	3%	Materials	10.30%	10.30%	-0.43%	
	13%	Financials	8.56%	8.56%	-4.67%	
	15%	Health Care	6.59%	6.59%	14.89%	
	S&P Midcap 400 Index	16%	Information Technology	21.30%	21.30%	10.21%
		4%	Energy	19.82%	19.82%	-8.88%
		3%	Communication Services	16.18%	16.18%	17.18%
		15%	Industrials	15.89%	15.89%	1.24%
7%		Materials	15.20%	15.20%	-4.21%	
10%		Real Estate	14.89%	14.89%	15.53%	
10%		Health Care	13.29%	13.29%	13.71%	
16%		Financials	10.99%	10.99%	-8.67%	
12%		Consumer Discretionary	10.79%	10.79%	-5.75%	
5%		Utilities	10.44%	10.44%	22.22%	
3%		Consumer Staples	8.74%	8.74%	4.56%	
S&P Smallcap 600 Index		4%	Energy	22.67%	22.67%	-21.95%
		4%	Materials	18.87%	18.87%	-5.61%
		8%	Real Estate	16.49%	16.49%	15.39%
		15%	Information Technology	16.29%	16.29%	4.41%
	2%	Communication Services	14.31%	14.31%	20.34%	
	19%	Industrials	12.59%	12.59%	-1.15%	
	14%	Consumer Discretionary	10.18%	10.18%	3.00%	
	2%	Utilities	9.07%	9.07%	14.96%	
	3%	Consumer Staples	8.03%	8.03%	9.20%	
	11%	Health Care	7.24%	7.24%	4.30%	
	17%	Financials	6.23%	6.23%	-2.41%	

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	13.65%	13.65%	9.50%	13.51%	10.91%	15.92%
Russell 1000 Value	11.93%	11.93%	5.67%	10.45%	7.72%	14.52%
Russell 1000 Growth	16.10%	16.10%	12.75%	16.53%	13.50%	17.52%
Russell Mid Cap	16.54%	16.54%	6.47%	11.82%	8.81%	16.88%
Russell Mid Cap Value	14.37%	14.37%	2.89%	9.50%	7.22%	16.39%
Russell Mid Cap Growth	19.62%	19.62%	11.51%	15.06%	10.89%	17.60%
Russell 2000	14.58%	14.58%	2.05%	12.92%	7.05%	15.36%
Russell 2000 Value	11.93%	11.93%	0.17%	10.86%	5.59%	14.12%
Russell 2000 Growth	17.14%	17.14%	3.85%	14.87%	8.41%	16.52%
Russell 3000	14.04%	14.04%	8.77%	13.48%	10.36%	16.00%
DJ US Select REIT	15.72%	15.72%	19.73%	5.29%	8.93%	18.50%



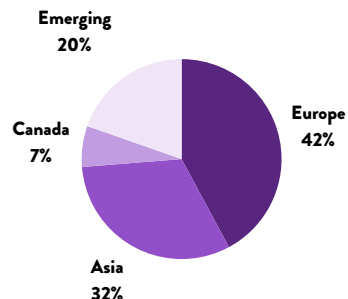
1Q2019 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	10.31%	10.31%	-4.22%	8.09%	2.57%	8.85%
MSCI EAFE	9.98%	9.98%	-3.71%	7.27%	2.33%	8.96%
Europe	10.84%	10.84%	-3.72%	6.56%	1.04%	8.95%
United Kingdom	11.89%	11.89%	-0.07%	6.31%	0.69%	9.27%
Germany	6.91%	6.91%	-13.71%	3.84%	-0.74%	8.60%
France	10.71%	10.71%	-3.74%	9.21%	2.66%	8.44%
Pacific	8.53%	8.53%	-3.86%	8.82%	4.96%	9.12%
Japan	6.66%	6.66%	-7.84%	8.06%	5.61%	7.96%
Hong Kong	15.58%	15.58%	8.01%	14.26%	9.92%	13.91%
Australia	11.39%	11.39%	4.46%	8.67%	1.47%	10.23%
Canada	15.37%	15.37%	3.11%	7.47%	0.92%	7.64%
MSCI EM	9.91%	9.91%	-7.41%	10.68%	3.68%	8.94%
MSCI EM Latin America	7.85%	7.85%	-6.72%	11.10%	-0.30%	5.27%
MSCI EM Asia	11.11%	11.11%	-6.84%	11.79%	6.21%	10.80%
MSCI EM Eur/Mid East	6.34%	6.34%	-3.98%	7.13%	-2.20%	5.11%
MSCI ACWI Value ex-US	8.33%	8.33%	-5.39%	7.73%	1.08%	8.19%
MSCI ACWI Growth ex-US	12.31%	12.31%	-3.05%	8.42%	4.01%	9.47%
MSCI ACWI Sm Cap ex-US	10.26%	10.26%	-9.49%	7.01%	3.26%	11.86%

Regional Exposure

MSCI ACWI ex-USA

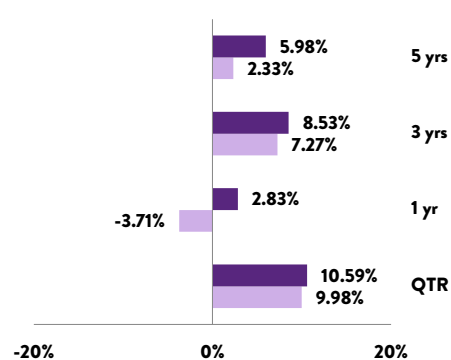


Top 10 Countries (MSCI AC World ex-USA)

Japan	16%
UK	11%
China	9%
France	8%
Canada	7%
Switzerland	6%
Germany	6%
Australia	5%
South Korea	4%
Taiwan	3%

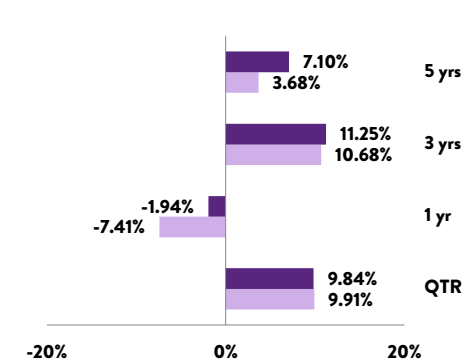
MSCI EAFE Index Return

Local (Dark Purple), US\$ (Light Purple)



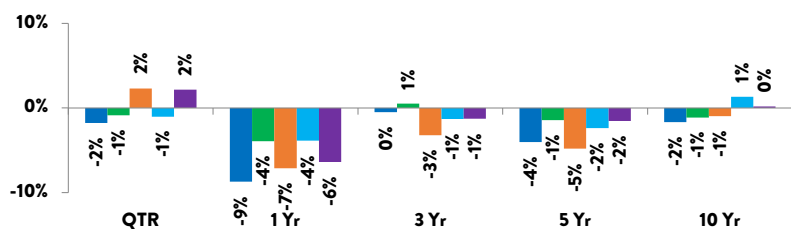
MSCI Emerging Index Return

Local (Dark Purple), US\$ (Light Purple)



Foreign Currency v. US\$ Returns

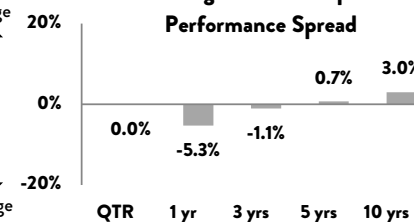
Euro (Blue), Japanese Yen (Green), Pound Sterling (Orange), Swiss Franc (Light Blue), Chinese Yuan (Purple)



Exchange Rates	QTR	4Q18	3Q18	2Q18	1Q18	4Q17
Japanese Yen	110.68	109.70	113.48	110.71	106.20	112.69
Euro	0.89	0.87	0.86	0.86	0.81	0.83
British Pound	0.77	0.78	0.77	0.76	0.71	0.74
Swiss Franc	1.00	0.98	0.98	0.99	0.95	0.97
Chinese Yuan	6.71	6.88	6.87	6.62	6.27	6.51

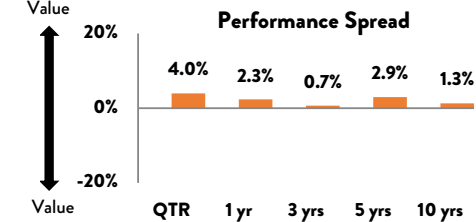
MSCI ACWI Ex US Large v. Small Cap Performance Spread

Small Beating Large (Up), Large Beating Small (Down)



MSCI ACWI Ex US Value v. Growth Performance Spread

Growth Beating Value (Up), Value Beating Growth (Down)



Historical Market Returns

Ranked by Performance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	1Q19
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%	Core Real Estate 7.36%	Mid Cap 16.54%
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%	Cash 1.69%	Small Cap 14.58%
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%	US Bonds 0.01%	Large Cap 13.65%
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%	Global Bonds -1.20%	Intl 10.31%
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%	TIPS -1.26%	Emerging Markets 9.91%
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 -2.08%	Global Balanced 8.29%
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%	Large Cap -4.38%	High Yield 7.26%
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%	Global Balanced -5.30%	Commod. 6.32%
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%	Mid Cap -9.06%	TIPS 3.19%
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%	Small Cap -11.01%	US Bonds 2.94%
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%	Commod. -11.25%	Global Bonds 2.20%
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 -14.20%	Core Real Estate 1.20%
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 -14.58%	Cash 0.60%

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

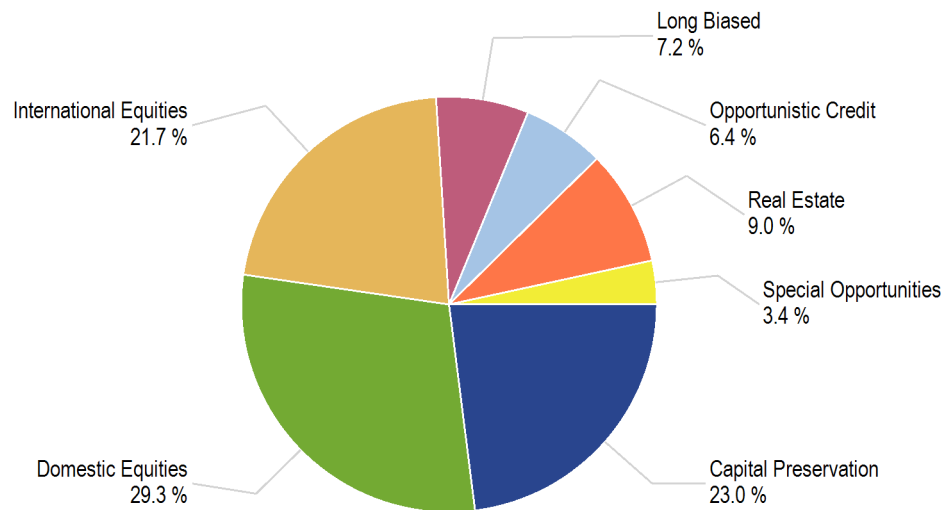
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Section 2

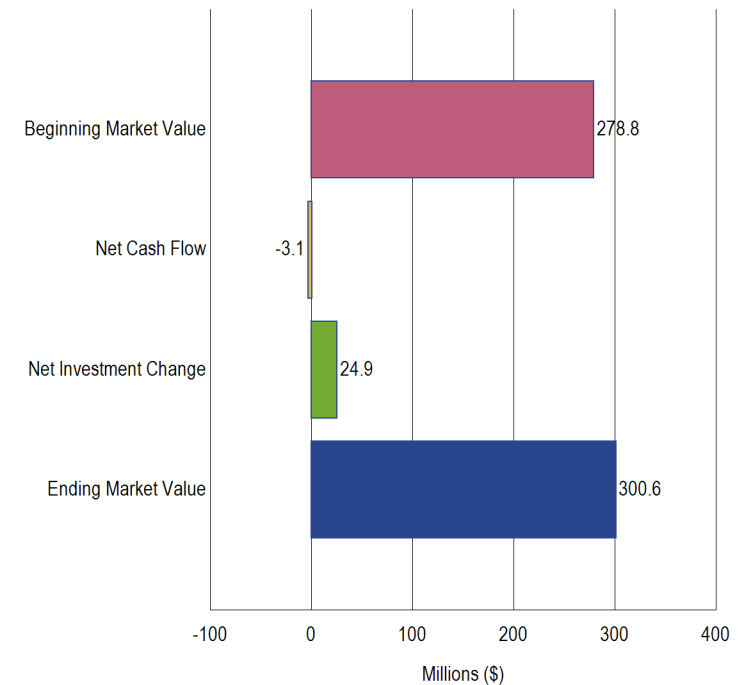
Spokane Employees' Retirement System

As of March 31, 2019

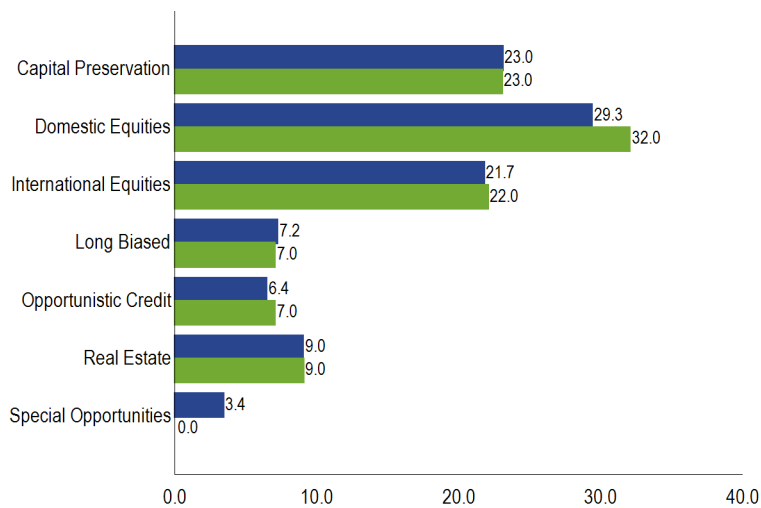
Current Allocation



Current Quarter



Actual vs Target Allocation (%)



Current Market Value:

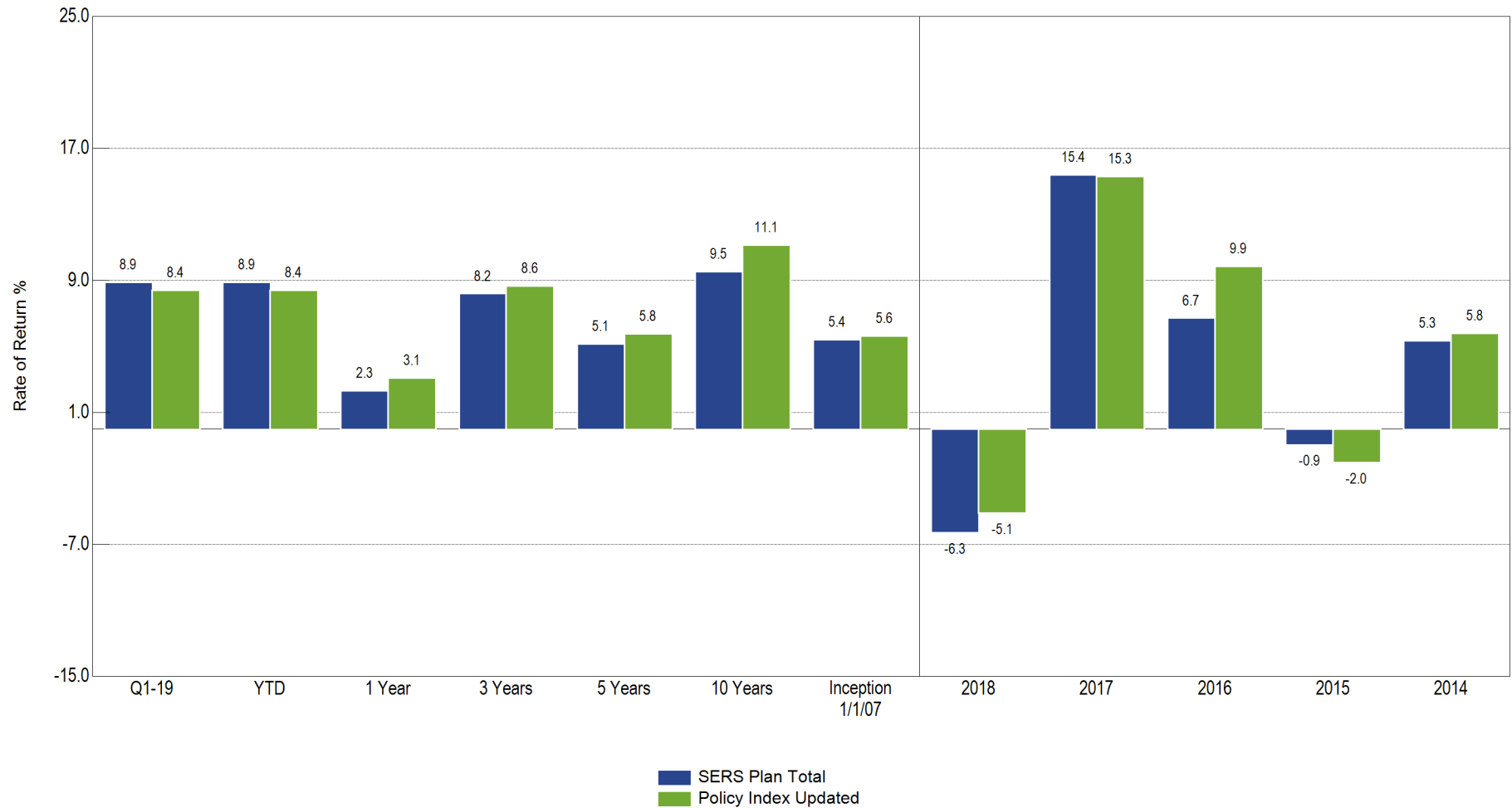
\$300,576,278

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	6%
FTSE NAREIT Index	3%

Actual Policy

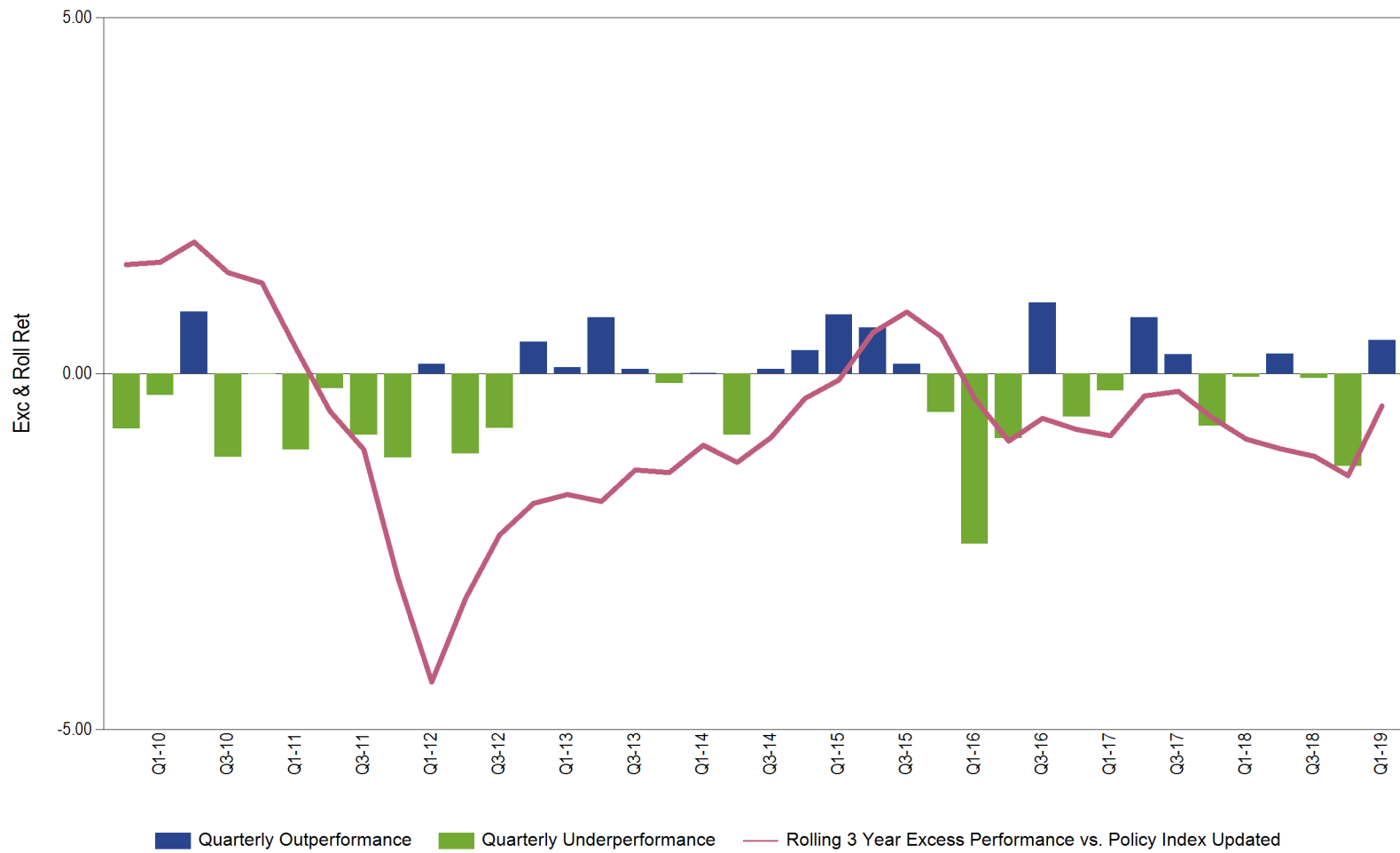
Return Summary



Performance Net of Fees

Performance greater than 1 year is annualized

Rolling Annualized Excess Performance



RISK RETURN STATISTICS

Trailing 3 Years

	SERS Plan Total	Policy Index Updated
RETURN SUMMARY STATISTICS		
Number of Periods	12	12
Maximum Return	8.88	8.41
Minimum Return	-9.67	-8.37
Annualized Return	8.19	8.64
Total Return	26.64	28.24
Annualized Excess Return Over Risk Free	6.96	7.42
Annualized Excess Return	-0.45	0.00
RISK SUMMARY STATISTICS		
Beta	1.10	1.00
Upside Deviation	4.48	4.01
Downside Deviation	13.34	11.57
RISK/RETURN SUMMARY STATISTICS		
Annualized Standard Deviation	8.70	7.85
Alpha	-0.30	0.00
Sharpe Ratio	0.80	0.95
Excess Return Over Market / Risk	-0.05	0.00
Tracking Error	1.40	0.00
Information Ratio	-0.32	--
CORRELATION STATISTICS		
R-Squared	0.98	1.00
Correlation	0.99	1.00

Market Proxy: Policy Index Updated

Risk-Free Proxy: 91 Day T-Bills

RISK RETURN STATISTICS

Trailing 5 Years

	SERS Plan Total	Policy Index Updated
RETURN SUMMARY STATISTICS		
Number of Periods	20	20
Maximum Return	8.88	8.41
Minimum Return	-9.67	-8.37
Annualized Return	5.14	5.77
Total Return	28.46	32.36
Annualized Excess Return Over Risk Free	4.38	5.01
Annualized Excess Return	-0.63	0.00
RISK SUMMARY STATISTICS		
Beta	1.04	1.00
Upside Deviation	3.99	3.62
Downside Deviation	8.12	7.54
RISK/RETURN SUMMARY STATISTICS		
Annualized Standard Deviation	7.81	7.33
Alpha	-0.20	0.00
Sharpe Ratio	0.56	0.68
Excess Return Over Market / Risk	-0.08	0.00
Tracking Error	1.66	0.00
Information Ratio	-0.38	--
CORRELATION STATISTICS		
R-Squared	0.96	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 March 31, 2019

RISK RETURN STATISTICS

January 01, 2007 Through March 31, 2019

	SERS Plan Total	Policy Index Updated
RETURN SUMMARY STATISTICS		
Number of Periods	49	49
Maximum Return	12.42	16.64
Minimum Return	-14.46	-17.38
Annualized Return	5.40	5.62
Total Return	90.35	95.30
Annualized Excess Return Over Risk Free	4.58	4.80
Annualized Excess Return	-0.22	0.00
RISK SUMMARY STATISTICS		
Beta	0.88	1.00
Upside Deviation	6.05	7.33
Downside Deviation	9.06	10.15
RISK/RETURN SUMMARY STATISTICS		
Annualized Standard Deviation	11.19	12.53
Alpha	0.10	0.00
Sharpe Ratio	0.41	0.38
Excess Return Over Market / Risk	-0.02	0.00
Tracking Error	2.56	0.00
Information Ratio	-0.09	--
CORRELATION STATISTICS		
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 March 31, 2019

Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
SERS Plan Total	8.88	8.88	2.30	8.19	5.14	9.51	-6.27	15.40	6.71	-0.94	5.34	18.89	11.70	5.40	Jan-07
Policy Index Updated	<u>8.41</u>	<u>8.41</u>	<u>3.09</u>	<u>8.64</u>	<u>5.77</u>	<u>11.13</u>	<u>-5.09</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>5.62</u>	Jan-07
Over/Under	0.47	0.47	-0.79	-0.45	-0.63	-1.62	-1.18	0.11	-3.15	1.06	-0.45	0.97	-1.48	-0.22	
70/30 ACWI/Barclays Aggregate Bond	9.38	9.38	3.38	8.13	5.47	9.69	-6.48	17.50	6.42	-1.30	4.77	14.87	12.66	4.91	Jan-07
InvestorForce All DB \$250mm-\$1B Net Rank	22	22	87	37	79	61	83	42	74	47	63	8	61	53	Jan-07
Capital Preservation	3.85	3.85	3.04	5.18	2.93	--	-0.94	5.85	8.12	-1.74	1.65	2.70	--	3.42	Jul-12
Capital Preservation Index	<u>3.96</u>	<u>3.96</u>	<u>3.86</u>	<u>3.95</u>	<u>2.96</u>	<u>5.26</u>	<u>-0.72</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>3.53</u>	Jul-12
Over/Under	-0.11	-0.11	-0.82	1.23	-0.03		-0.22	1.25	2.69	-1.16	-2.58	-0.63		-0.11	
Domestic Equity	13.87	13.87	5.55	12.08	8.71	--	-7.80	19.86	10.91	-0.32	11.10	36.38	--	12.68	Jul-12
Domestic Equity Index	<u>14.41</u>	<u>14.41</u>	<u>7.81</u>	<u>13.23</u>	<u>9.88</u>	<u>16.08</u>	<u>-6.30</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>13.42</u>	Jul-12
Over/Under	-0.54	-0.54	-2.26	-1.15	-1.17		-1.50	-0.25	-3.01	-0.26	-0.34	2.47		-0.74	
All Cap Blend MStar MF Rank	41	41	45	44	39	--	45	37	70	33	38	35	--	43	Jul-12
International Equity Total	11.53	11.53	-5.33	8.10	3.35	10.27	-15.78	28.45	3.91	-1.32	-3.58	20.93	18.48	4.24	Apr-07
International Equity Index	<u>10.25</u>	<u>10.25</u>	<u>-5.61</u>	<u>8.27</u>	<u>2.88</u>	<u>9.45</u>	<u>-14.96</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>2.53</u>	Apr-07
Over/Under	1.28	1.28	0.28	-0.17	0.47	0.82	-0.82	-0.90	-1.43	4.17	0.05	7.45	1.12	1.71	
Foreign MStar MF Rank	35	35	44	29	30	32	50	42	24	67	32	56	55	16	Apr-07
Long Biased	7.07	7.07	8.24	4.06	2.92	--	2.43	1.19	-2.99	4.04	3.62	9.56	--	4.28	Jul-12
HFRI Fund of Funds Composite Index	<u>4.62</u>	<u>4.62</u>	<u>0.15</u>	<u>3.94</u>	<u>2.20</u>	<u>3.55</u>	<u>-4.02</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>3.58</u>	Jul-12
Over/Under	2.45	2.45	8.09	0.12	0.72		6.45	-6.58	-3.50	4.31	0.26	0.60		0.70	
S&P 500	13.65	13.65	9.50	13.51	10.91	15.92	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	13.82	Jul-12
Opportunistic Credit	2.51	2.51	-4.09	5.14	3.91	--	-5.68	7.08	14.52	2.35	2.32	--	--	4.79	Oct-13
HFRI ED: Distressed/Restructuring Index	<u>3.17</u>	<u>3.17</u>	<u>1.16</u>	<u>8.04</u>	<u>1.81</u>	<u>7.21</u>	<u>-1.70</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>2.96</u>	Oct-13
Over/Under	-0.66	-0.66	-5.25	-2.90	2.10		-3.98	0.83	-0.63	10.41	3.71			1.83	

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%

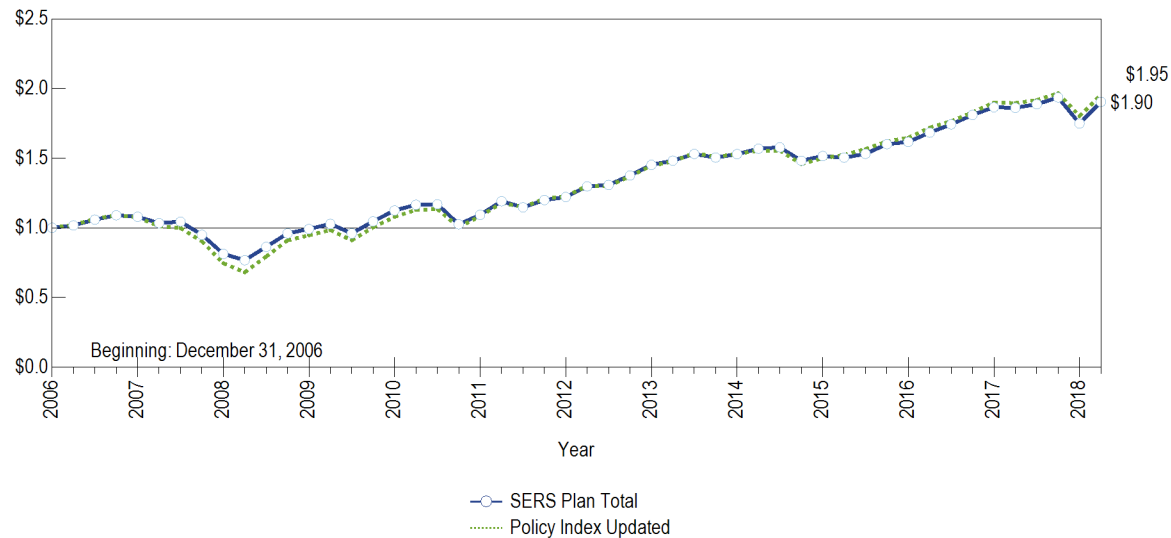
Spokane Employees' Retirement System

As of March 31, 2019

Total Account Performance Summary

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
Real Estate Total	7.78	7.78	12.22	8.40	10.35	16.55	3.68	10.01	8.09	6.66	25.00	8.71	15.17	5.68	Apr-07
NCREIF-ODCE	1.42	1.42	7.52	7.97	10.17	8.73	8.35	7.62	8.76	15.02	12.48	13.94	10.94	5.96	Apr-07
Over/Under	6.36	6.36	4.70	0.43	0.18	7.82	-4.67	2.39	-0.67	-8.36	12.52	-5.23	4.23	-0.28	
FTSE NAREIT All REIT	16.70	16.70	19.50	7.96	9.79	18.23	-4.42	9.27	9.28	2.29	27.15	3.21	20.14	5.45	Apr-07
US Real Estate Equity Rank	99	99	95	12	27	96	1	11	32	7	94	7	98	67	Apr-07
Special Opportunities	7.79	7.79	-4.94	4.05	2.83	--	-11.43	25.32	-21.90	2.13	25.88	31.60	--	6.92	Jul-12
Russell 3000	14.04	14.04	8.77	13.48	10.36	16.00	-5.24	21.13	12.73	0.48	12.56	33.55	16.42	13.66	Jul-12
Over/Under	-6.25	-6.25	-13.71	-9.43	-7.53		-6.19	4.19	-34.63	1.65	13.32	-1.95		-6.74	

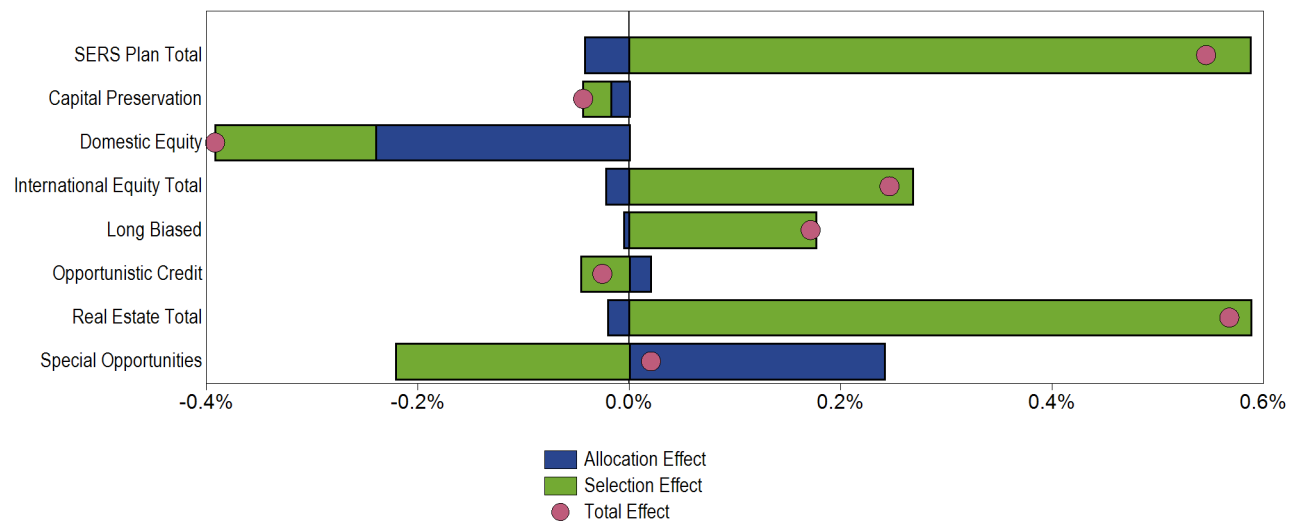
Growth of a Dollar



Attribution Summary
3 Months Ending March 31, 2019

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Capital Preservation	3.9%	4.0%	-0.1%	0.0%	0.0%	0.0%
Domestic Equity	13.9%	14.4%	-0.5%	-0.2%	-0.2%	-0.4%
International Equity Total	11.5%	10.3%	1.3%	0.3%	0.0%	0.2%
Long Biased	7.1%	4.6%	2.5%	0.2%	0.0%	0.2%
Opportunistic Credit	2.5%	3.2%	-0.7%	0.0%	0.0%	0.0%
Real Estate Total	7.8%	1.4%	6.4%	0.6%	0.0%	0.6%
Special Opportunities	7.8%	14.0%	-6.3%	-0.2%	0.2%	0.0%
Total	9.0%	8.4%	0.5%	0.6%	0.0%	0.5%

Attribution Effects
3 Months Ending March 31, 2019

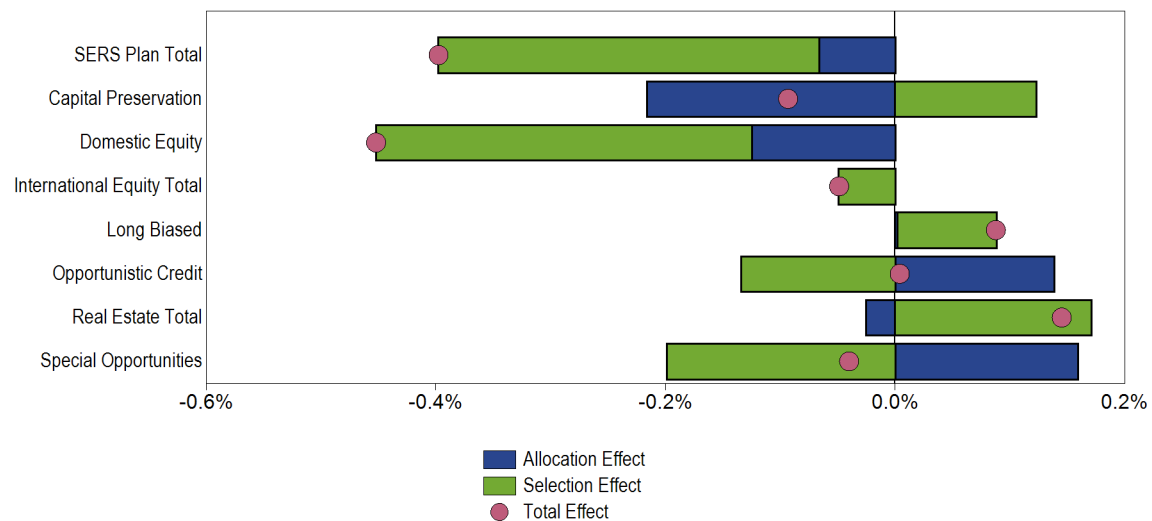


Attributions reflect new policy index

Attribution Summary
2 Years 3 Months Ending March 31, 2019

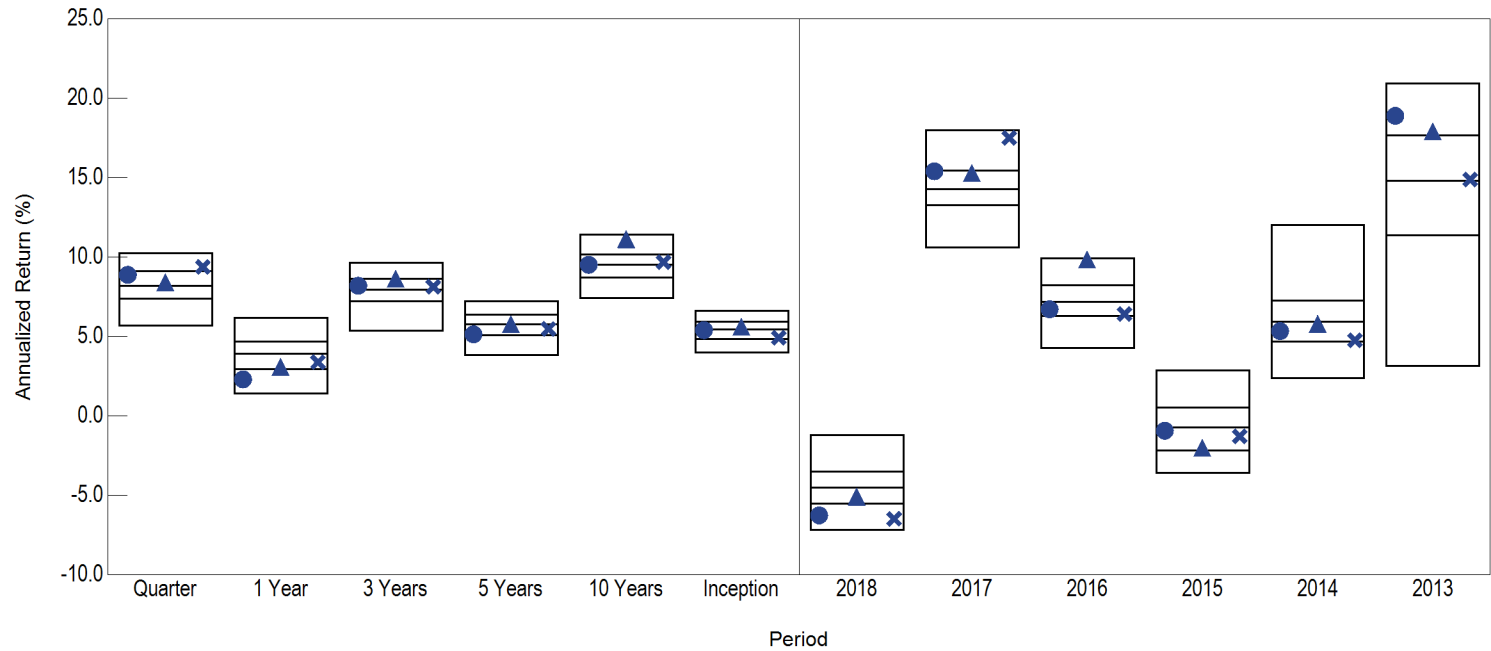
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Capital Preservation	3.9%	3.5%	0.4%	0.1%	-0.2%	-0.1%
Domestic Equity	10.8%	11.9%	-1.1%	-0.3%	-0.1%	-0.5%
International Equity Total	8.7%	9.0%	-0.2%	0.0%	0.0%	0.0%
Long Biased	4.7%	3.6%	1.2%	0.1%	0.0%	0.1%
Opportunistic Credit	1.6%	3.4%	-1.8%	-0.1%	0.1%	0.0%
Real Estate Total	9.6%	7.7%	1.9%	0.2%	0.0%	0.1%
Special Opportunities	8.3%	12.7%	-4.4%	-0.2%	0.2%	0.0%
Total	7.5%	7.9%	-0.4%	-0.3%	-0.1%	-0.4%

Attribution Effects
2 Years 3 Months Ending March 31, 2019



Attributions reflect new policy index

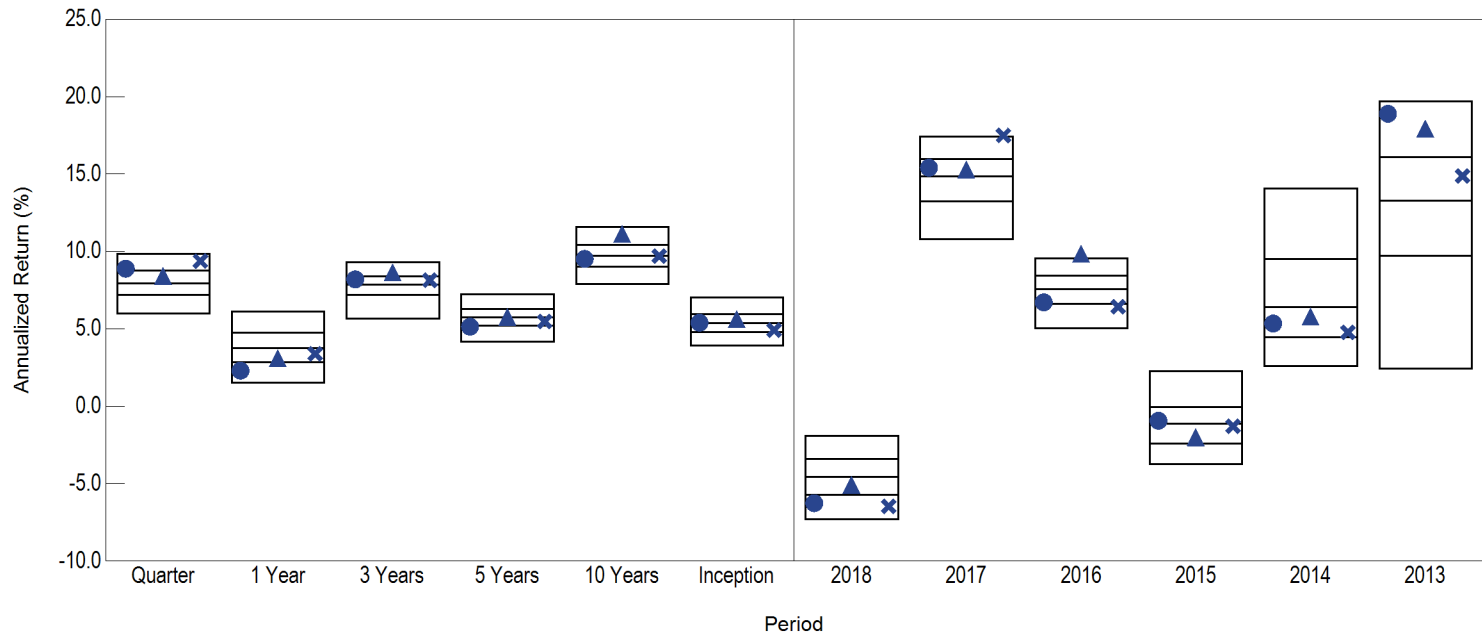
InvestorForce All DB \$50mm-\$250mm Net Return Comparison
Ending March 31, 2019



Return (Rank)

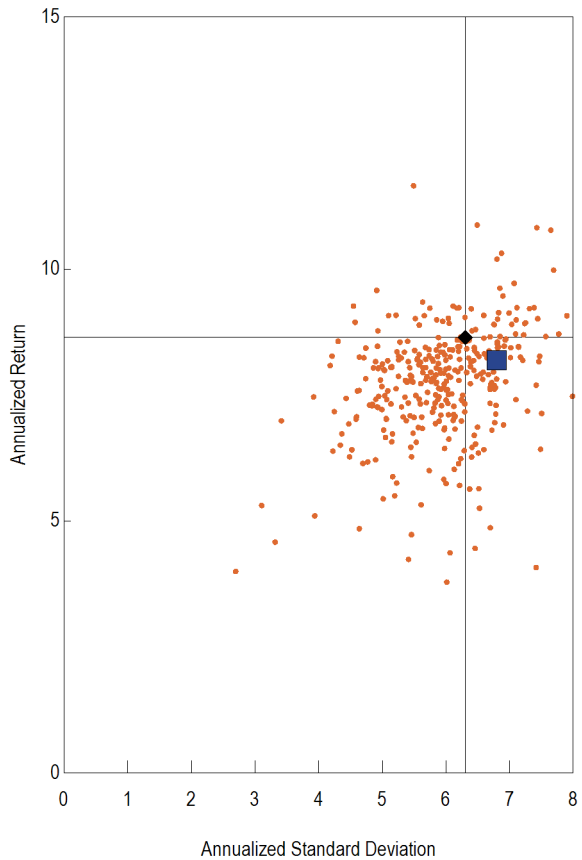
5th Percentile	10.2	6.2	9.6	7.2	11.4	6.6	-1.2	18.0	9.9	2.9	12.0	20.9
25th Percentile	9.1	4.7	8.7	6.4	10.2	6.0	-3.5	15.5	8.3	0.6	7.3	17.7
Median	8.2	3.9	8.0	5.8	9.6	5.5	-4.5	14.3	7.2	-0.7	6.0	14.9
75th Percentile	7.4	3.0	7.3	5.1	8.8	4.9	-5.5	13.3	6.3	-2.1	4.7	11.4
95th Percentile	5.7	1.5	5.4	3.9	7.4	4.0	-7.1	10.7	4.3	-3.5	2.4	3.2
# of Portfolios	592	587	561	521	395	351	538	326	321	330	285	268
● SERS Plan Total	8.9 (32)	2.3 (87)	8.2 (43)	5.1 (74)	9.5 (52)	5.4 (55)	-6.3 (87)	15.4 (27)	6.7 (66)	-0.9 (55)	5.3 (66)	18.9 (17)
▲ Policy Index Updated	8.4 (46)	3.1 (72)	8.6 (27)	5.8 (53)	11.1 (9)	5.6 (41)	-5.1 (68)	15.3 (29)	9.9 (6)	-2.0 (72)	5.8 (54)	17.9 (24)
✕ 70/30 ACWI/Barclays Aggregate Bond	9.4 (19)	3.4 (65)	8.1 (46)	5.5 (64)	9.7 (45)	4.9 (74)	-6.5 (89)	17.5 (8)	6.4 (73)	-1.3 (60)	4.8 (74)	14.9 (50)

InvestorForce All DB \$250mm-\$1B Net Return Comparison
Ending March 31, 2019

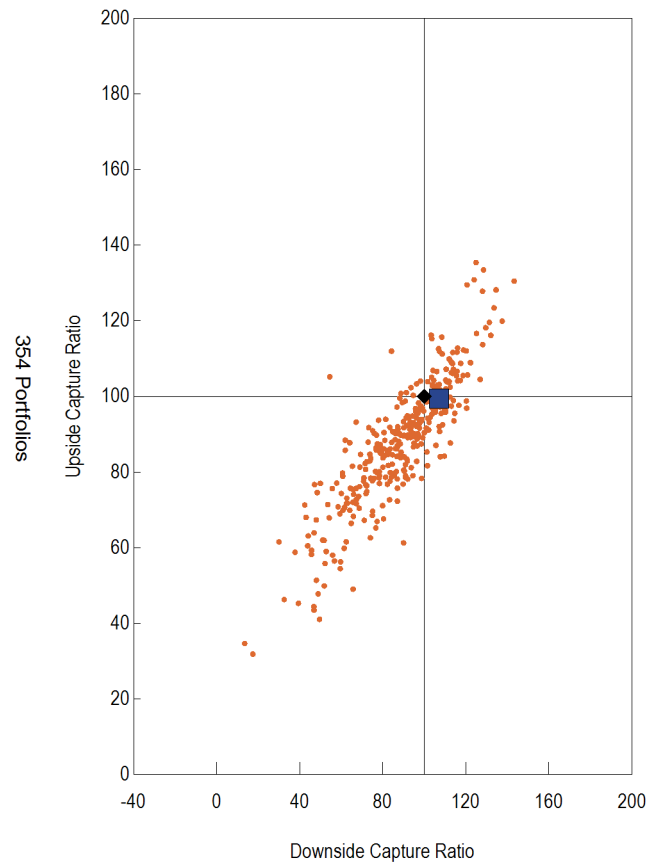


	Quarter	1 Year	3 Years	5 Years	10 Years	Inception	2018	2017	2016	2015	2014	2013
5th Percentile	9.8	6.1	9.3	7.2	11.6	7.0	-1.9	17.4	9.6	2.2	14.1	19.7
25th Percentile	8.8	4.8	8.4	6.3	10.5	6.0	-3.4	16.0	8.5	0.0	9.6	16.1
Median	8.0	3.8	7.9	5.8	9.8	5.4	-4.5	14.9	7.6	-1.1	6.4	13.3
75th Percentile	7.2	2.9	7.2	5.2	9.0	4.8	-5.7	13.3	6.6	-2.4	4.5	9.8
95th Percentile	6.0	1.6	5.7	4.2	7.9	4.0	-7.2	10.8	5.1	-3.7	2.6	2.5
# of Portfolios	381	376	354	330	257	233	326	237	248	231	212	190
● SERS Plan Total	8.9 (22)	2.3 (87)	8.2 (37)	5.1 (79)	9.5 (61)	5.4 (53)	-6.3 (83)	15.4 (42)	6.7 (74)	-0.9 (47)	5.3 (63)	18.9 (8)
▲ Policy Index Updated	8.4 (37)	3.1 (70)	8.6 (18)	5.8 (50)	11.1 (9)	5.6 (42)	-5.1 (62)	15.3 (43)	9.9 (4)	-2.0 (69)	5.8 (61)	17.9 (14)
× 70/30 ACWI/Barclays Aggregate Bond	9.4 (13)	3.4 (61)	8.1 (40)	5.5 (66)	9.7 (53)	4.9 (73)	-6.5 (86)	17.5 (4)	6.4 (78)	-1.3 (56)	4.8 (73)	14.9 (37)

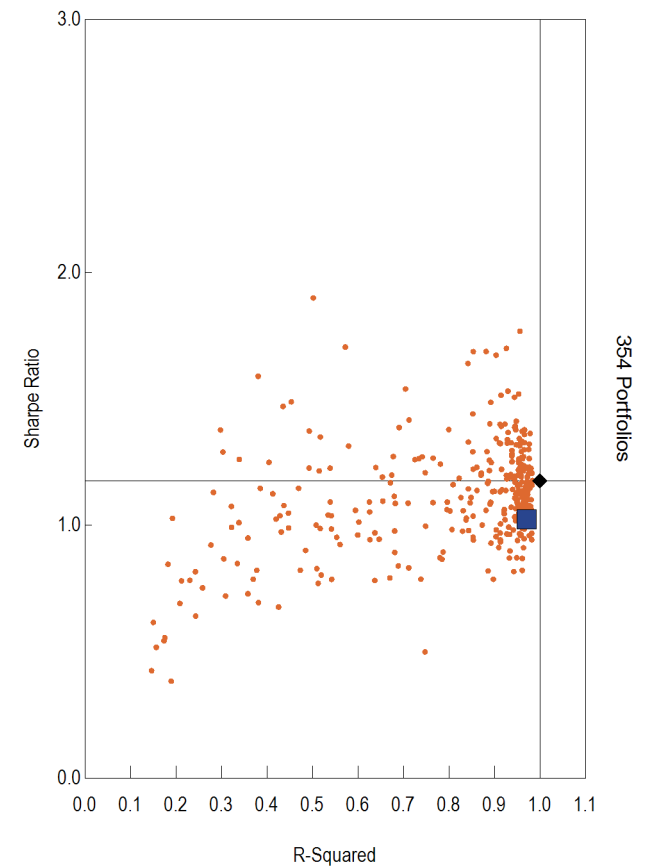
Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2019



Upside Capture Ratio vs. Downside Capture Ratio
3 Years Ending March 31, 2019



Sharpe Ratio vs. R-Squared
3 Years Ending March 31, 2019

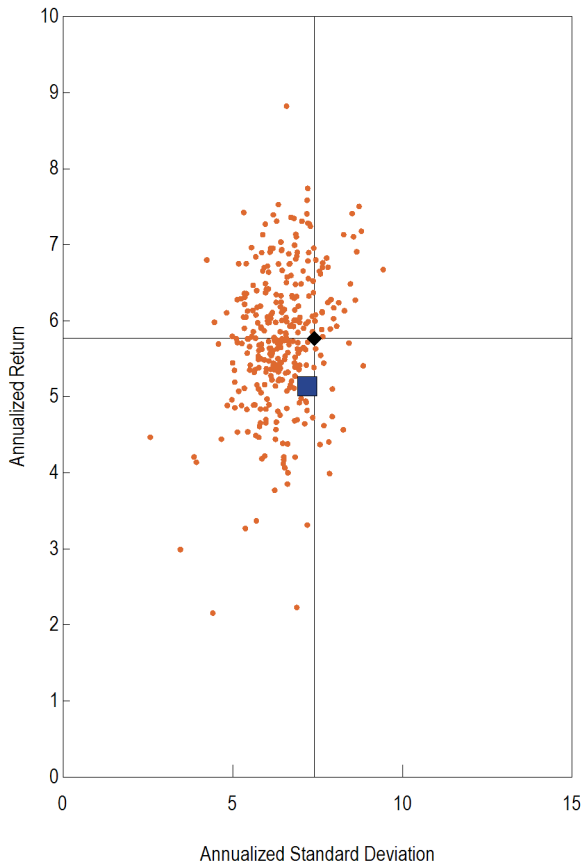


- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

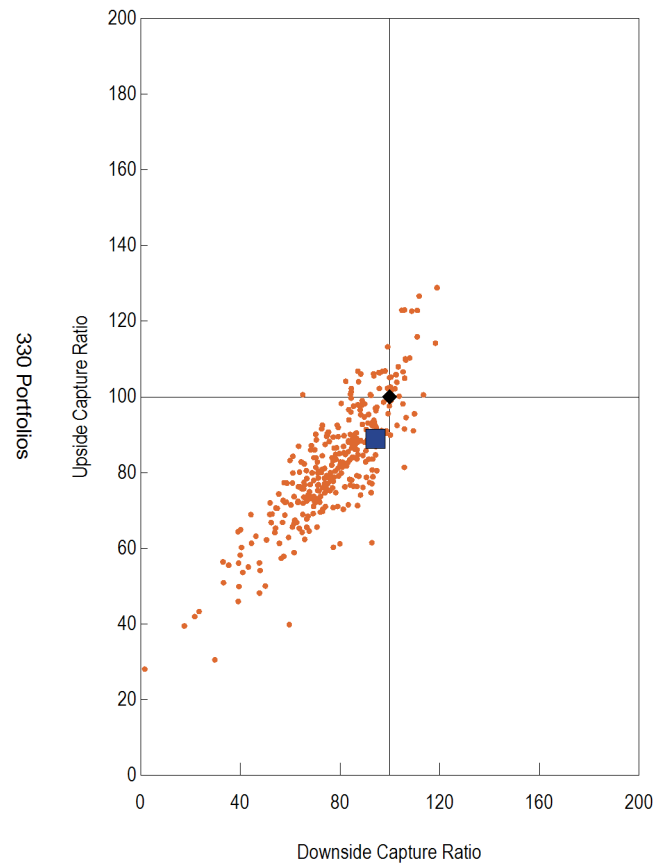
- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

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

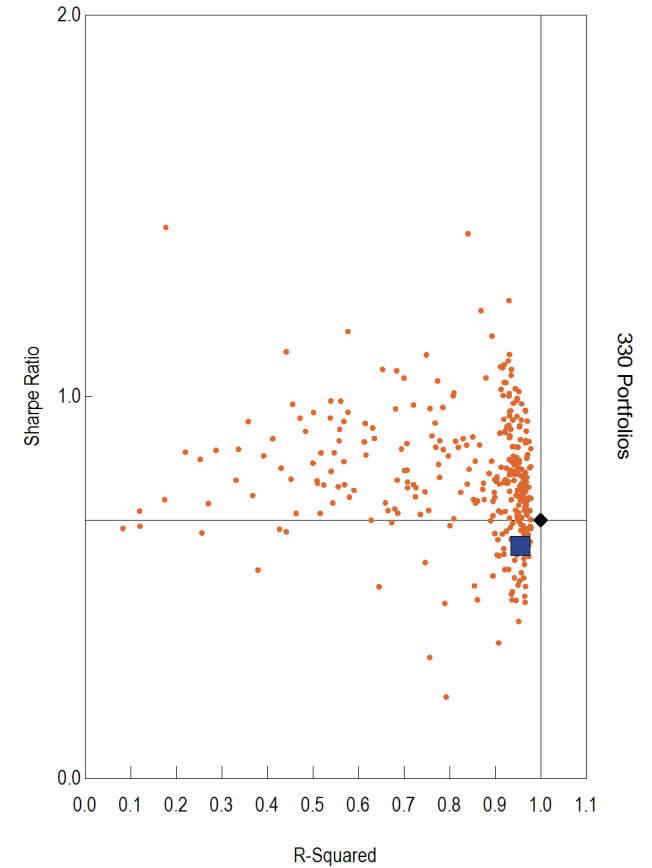
Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2019



Upside Capture Ratio vs. Downside Capture Ratio
5 Years Ending March 31, 2019



Sharpe Ratio vs. R-Squared
5 Years Ending March 31, 2019

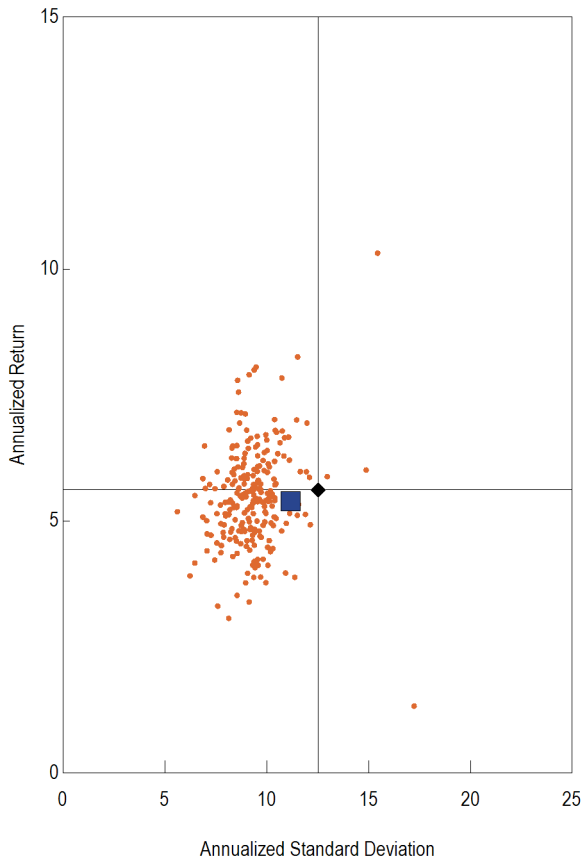


- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

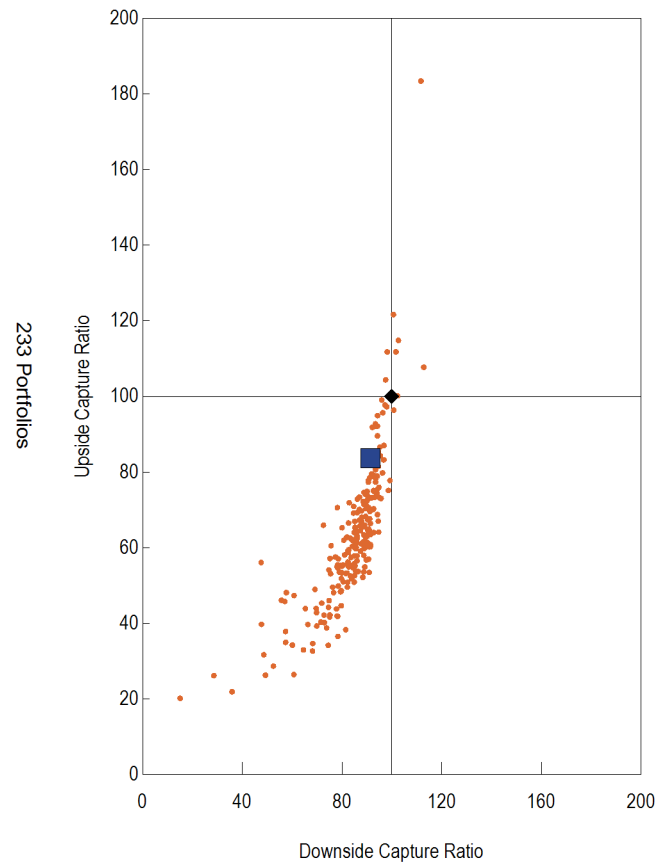
- SERS Plan Total
- ◆ Policy Index Updated
- InvestorForce All DB \$250mm-\$1B Net

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

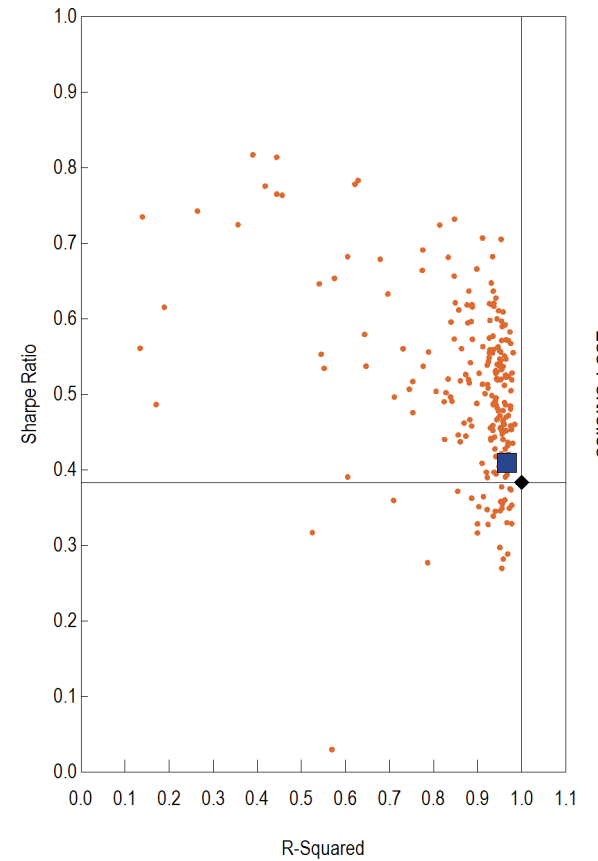
Annualized Return vs. Annualized Standard Deviation
12 Years 3 Months Ending March 31, 2019



Upside Capture Ratio vs. Downside Capture Ratio
12 Years 3 Months Ending March 31, 2019



Sharpe Ratio vs. R-Squared
12 Years 3 Months Ending March 31, 2019



- 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 March 31, 2019

Asset Class Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	Inception (%)	Inception Date
Capital Preservation	3.85	3.85	3.04	5.18	2.93	-0.94	5.85	8.12	-1.74	1.65	2.70	3.42	Jul-12
Capital Preservation Index	<u>3.96</u>	<u>3.96</u>	<u>3.86</u>	<u>3.95</u>	<u>2.96</u>	<u>-0.72</u>	<u>4.60</u>	<u>5.43</u>	<u>-0.58</u>	<u>4.23</u>	<u>3.33</u>	<u>3.53</u>	Jul-12
Over/Under	-0.11	-0.11	-0.82	1.23	-0.03	-0.22	1.25	2.69	-1.16	-2.58	-0.63	-0.11	
Total Return Bond	3.13	3.13	4.48	--	--	-0.09	4.20	--	--	--	--	1.86	Sep-16
BBgBarc US Aggregate TR	<u>2.94</u>	<u>2.94</u>	<u>4.48</u>	<u>2.03</u>	<u>2.74</u>	<u>0.01</u>	<u>3.54</u>	<u>2.65</u>	<u>0.55</u>	<u>5.97</u>	<u>-2.02</u>	<u>1.36</u>	Sep-16
Over/Under	0.19	0.19	0.00			-0.10	0.66					0.50	
Intermediate Core Bond MStar MF Rank	55	55	32	--	--	38	38	--	--	--	--	40	Sep-16
High Yield	6.06	6.06	3.02	8.09	3.41	-3.46	8.22	16.67	-7.05	0.68	7.00	5.16	Jul-12
BBgBarc US High Yield TR	<u>7.26</u>	<u>7.26</u>	<u>5.93</u>	<u>8.56</u>	<u>4.68</u>	<u>-2.08</u>	<u>7.50</u>	<u>17.13</u>	<u>-4.47</u>	<u>2.45</u>	<u>7.44</u>	<u>6.21</u>	Jul-12
Over/Under	-1.20	-1.20	-2.91	-0.47	-1.27	-1.38	0.72	-0.46	-2.58	-1.77	-0.44	-1.05	
High Yield Bond MStar MF Rank	73	73	88	29	73	74	18	13	92	70	51	72	Jul-12
Absolute Return	3.82	3.82	1.64	5.21	3.43	-1.11	5.33	7.75	0.29	3.15	4.65	3.92	Jul-12
HFRI FOF: Conservative Index	<u>3.18</u>	<u>3.18</u>	<u>1.71</u>	<u>3.48</u>	<u>2.09</u>	<u>-0.87</u>	<u>4.12</u>	<u>1.89</u>	<u>0.37</u>	<u>3.14</u>	<u>7.70</u>	<u>3.38</u>	Jul-12
Over/Under	0.64	0.64	-0.07	1.73	1.34	-0.24	1.21	5.86	-0.08	0.01	-3.05	0.54	
BBgBarc US Aggregate TR	<u>2.94</u>	<u>2.94</u>	<u>4.48</u>	<u>2.03</u>	<u>2.74</u>	<u>0.01</u>	<u>3.54</u>	<u>2.65</u>	<u>0.55</u>	<u>5.97</u>	<u>-2.02</u>	<u>2.26</u>	Jul-12
Domestic Equity	13.87	13.87	5.55	12.08	8.71	-7.80	19.86	10.91	-0.32	11.10	36.38	12.68	Jul-12
Domestic Equity Index	<u>14.41</u>	<u>14.41</u>	<u>7.81</u>	<u>13.23</u>	<u>9.88</u>	<u>-6.30</u>	<u>20.11</u>	<u>13.92</u>	<u>-0.06</u>	<u>11.44</u>	<u>33.91</u>	<u>13.42</u>	Jul-12
Over/Under	-0.54	-0.54	-2.26	-1.15	-1.17	-1.50	-0.25	-3.01	-0.26	-0.34	2.47	-0.74	
All Cap Blend MStar MF Rank	41	41	45	44	39	45	37	70	33	38	35	43	Jul-12
Domestic Large Cap Equity	13.28	13.28	5.80	12.08	8.85	-7.70	22.54	8.24	-0.32	12.85	34.81	7.80	Apr-07
S&P 500	<u>13.65</u>	<u>13.65</u>	<u>9.50</u>	<u>13.51</u>	<u>10.91</u>	<u>-4.38</u>	<u>21.83</u>	<u>11.96</u>	<u>1.38</u>	<u>13.69</u>	<u>32.39</u>	<u>8.20</u>	Apr-07
Over/Under	-0.37	-0.37	-3.70	-1.43	-2.06	-3.32	0.71	-3.72	-1.70	-0.84	2.42	-0.40	
Large Blend MStar MF Rank	50	50	73	60	68	78	24	83	53	39	26	53	Apr-07
Domestic Small/Mid Equity	15.07	15.07	5.03	11.92	8.43	-8.05	14.91	15.37	-0.39	8.69	38.60	12.66	Jul-12
Russell 2500	<u>15.82</u>	<u>15.82</u>	<u>4.48</u>	<u>12.56</u>	<u>7.79</u>	<u>-10.00</u>	<u>16.81</u>	<u>17.59</u>	<u>-2.90</u>	<u>7.07</u>	<u>36.80</u>	<u>12.51</u>	Jul-12
Over/Under	-0.75	-0.75	0.55	-0.64	0.64	1.95	-1.90	-2.22	2.51	1.62	1.80	0.15	
SMID Blend MStar MF Rank	30	30	17	29	9	12	39	75	10	24	34	22	Jul-12

Spokane Employees' Retirement System

As of March 31, 2019

Asset Class Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	Inception (%)	Inception Date
International Equity Total	11.53	11.53	-5.33	8.10	3.35	-15.78	28.45	3.91	-1.32	-3.58	20.93	4.24	Apr-07
International Equity Index	10.25	10.25	-5.61	8.27	2.88	-14.96	29.35	5.34	-5.49	-3.63	13.48	2.53	Apr-07
Over/Under	1.28	1.28	0.28	-0.17	0.47	-0.82	-0.90	-1.43	4.17	0.05	7.45	1.71	
Foreign MStar MF Rank	35	35	44	29	30	50	42	24	67	32	56	16	Apr-07
International Large Cap Equity	11.61	11.61	-4.23	8.11	4.05	-15.14	27.50	4.02	-1.13	-1.38	24.43	8.65	Jul-12
MSCI ACWI ex USA	10.31	10.31	-4.22	8.09	2.57	-14.20	27.19	4.50	-5.66	-3.87	15.29	6.14	Jul-12
Over/Under	1.30	1.30	-0.01	0.02	1.48	-0.94	0.31	-0.48	4.53	2.49	9.14	2.51	
Foreign Large Blend MStar MF Rank	17	17	30	19	5	51	31	23	56	12	14	5	Jul-12
International Small/Mid Cap Equity	12.46	12.46	-10.21	7.53	2.01	-20.33	37.08	-0.68	7.56	-12.10	28.79	8.17	Jul-12
MSCI ACWI xUS Small (net)	10.26	10.26	-9.49	7.01	3.26	-18.20	31.65	3.91	2.60	-4.03	19.73	7.76	Jul-12
Over/Under	2.20	2.20	-0.72	0.52	-1.25	-2.13	5.43	-4.59	4.96	-8.07	9.06	0.41	
Emerging Markets Equity	10.19	10.19	-6.16	7.63	2.05	-14.62	23.58	7.03	-8.73	-2.07	6.06	4.06	Jul-12
MSCI Emerging Markets	9.93	9.93	-7.41	10.68	3.68	-14.58	37.28	11.19	-14.92	-2.19	-2.60	4.22	Jul-12
Over/Under	0.26	0.26	1.25	-3.05	-1.63	-0.04	-13.70	-4.16	6.19	0.12	8.66	-0.16	
Diversified Emerging Mkts MStar MF Rank	60	60	22	75	77	28	94	56	16	49	14	54	Jul-12
Long Biased	7.07	7.07	8.24	4.06	2.92	2.43	1.19	-2.99	4.04	3.62	9.56	4.28	Jul-12
HFRI Fund of Funds Composite Index	4.62	4.62	0.15	3.94	2.20	-4.02	7.77	0.51	-0.27	3.36	8.96	3.58	Jul-12
Over/Under	2.45	2.45	8.09	0.12	0.72	6.45	-6.58	-3.50	4.31	0.26	0.60	0.70	
S&P 500	13.65	13.65	9.50	13.51	10.91	-4.38	21.83	11.96	1.38	13.69	32.39	13.82	Jul-12
Opportunistic Credit	2.51	2.51	-4.09	5.14	3.91	-5.68	7.08	14.52	2.35	2.32	--	4.79	Oct-13
HFRI ED: Distressed/Restructuring Index	3.17	3.17	1.16	8.04	1.81	-1.70	6.25	15.15	-8.06	-1.39	14.05	2.96	Oct-13
Over/Under	-0.66	-0.66	-5.25	-2.90	2.10	-3.98	0.83	-0.63	10.41	3.71		1.83	
Real Estate Total	7.78	7.78	12.22	8.40	10.35	3.68	10.01	8.09	6.66	25.00	8.71	5.68	Apr-07
NCREIF-ODCE	1.42	1.42	7.52	7.97	10.17	8.35	7.62	8.76	15.02	12.48	13.94	5.96	Apr-07
Over/Under	6.36	6.36	4.70	0.43	0.18	-4.67	2.39	-0.67	-8.36	12.52	-5.23	-0.28	
FTSE NAREIT All REIT	16.70	16.70	19.50	7.96	9.79	-4.42	9.27	9.28	2.29	27.15	3.21	5.45	Apr-07
US Real Estate Equity Rank	99	99	95	12	27	1	11	32	7	94	7	67	Apr-07
Special Opportunities	7.79	7.79	-4.94	4.05	2.83	-11.43	25.32	-21.90	2.13	25.88	31.60	6.92	Jul-12
Russell 3000	14.04	14.04	8.77	13.48	10.36	-5.24	21.13	12.73	0.48	12.56	33.55	13.66	Jul-12
Over/Under	-6.25	-6.25	-13.71	-9.43	-7.53	-6.19	4.19	-34.63	1.65	13.32	-1.95	-6.74	



Manager Commentary

- **Vanguard Mid Cap Growth** – This is a multi-manager fund currently sub-advised by Frontier Capital (45% AUM), Wellington (5%) and RS Investments (50%). The fund was initially placed on watch for underperformance and subsequently due to manager turnover. In December of 2016, VG replaced long-time manager Chartwell Partners with RS Investments based on a combination of personnel changes, performance and style drift. In December of 2018 VG replaced long-time manager William Blair with Frontier and Wellington citing personnel turnover and lack of acceptable succession planning despite strong performance. Recent performance had improved significantly setting the stage to remove the strategy from watch. However, the recent manager turnover warrants the fund remain on-watch despite performance improvements.
- **Jackson Square Large Growth** – This large growth strategy has been a consistent top performer placing at or above median in its peer universe in 8 of the last 10 calendar years. However, in 2016 a combination of style headwind (underweight to cyclical growth) and poor stock selection in a couple of their top holdings led them to dramatically underperform for the year. There have not been any fundamental changes to their personnel or process, and we retain our conviction in the team that operates in a very difficult segment of the market increasingly dominated by the results of a handful of large technology firms. Performance post 2016 has been largely at peer median.
- **MFS Blended Research** – Replaced 1Q19
- **Sterling Mid Cap Value** – Sterling Mid Value has just recently gone on watch status for underperformance, including significant underperformance (-600bps) in the final two quarters of 2018. Part of this underperformance is due to a structural (long-term/consistent) underweight to Utilities and REITS (top-performing sectors in 4Q18). They simply feel that these sectors of the market generate below average returns on capital over a full cycle. While we agree with this assessment, it creates additional tracking error vs. the policy index and peer group that investors need to be aware of. As expected, they have performed well in the recent market rebound to start 2019. There are no fundamental changes to the strategy or key research personnel.
- **OrbiMed Partners** – This dedicated long-biased healthcare strategy is on watch for poor performance. They have taken a strong macro position that biotechnology stocks are trading near all-time low valuations versus traditional pharmaceutical companies. As a result, they have structured a portfolio that is heavily long-biased biotech stocks and short pharmaceutical stocks. While we tend to agree with their relative valuation assessment, the current portfolio construction has created a highly volatile return pattern that is dependent on the reversion of valuation spreads between biotech and pharmaceutical stocks. Due to the excessive volatility, we have recently trimmed the position size.

- **Hotchkis & Wiley Diversified Value** – The Fund was placed on watch 1Q19 for performance in violation of policy parameters. This was triggered by extremely poor performance in 4Q2018 in which the strategy underperformed its style benchmark by nearly 700 bps and landed in the bottom decile of its peer universe. The drivers of short-term performance are large overweights to the poorly performing Energy and Financials sectors. The manager continues to find the best values in these out of favor sectors. The Fund has rebounded strongly in 1Q19 and while 5-year performance continues to underperform, longer-term performance has been exceptional. Historically, the relatively concentrated, deep value nature of this strategy has led to significant tracking error vs. both style benchmark and peers requiring a patient long-term investment approach.
- **Frontier Phocas Small Cap Value** – The Fund was placed on watch 1Q19 for performance in violation of policy parameters. Like Hotchkis & Wiley, Phocas continues to find their best ideas in Energy and Financials two of the worst performing sectors in 2018. Historically, the Fund has generated its best alpha in both sectors, and we don't believe this will be any different going forward. There has been no turnover within the research team and the lead portfolio manager has been on the Fund since its inception.

Spokane Employees' Retirement System

As of March 31, 2019

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
Capital Preservation															
Sterling Core Bond	3.21	3.21	4.31	2.73	2.99	4.77	-0.35	4.33	3.75	0.54	5.99	-0.97	6.14	1.69	Aug-16
BBgBarc US Aggregate TR	<u>2.94</u>	<u>2.94</u>	<u>4.48</u>	<u>2.03</u>	<u>2.74</u>	<u>3.77</u>	<u>0.01</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>1.21</u>	Aug-16
Excess Return	0.27	0.27	-0.17	0.70	0.25	1.00	-0.36	0.79	1.10	-0.01	0.02	1.05	1.93	0.48	
Intermediate Core Bond MStar MF Rank	50	50	46	41	31	55	53	34	40	29	35	35	66	47	Aug-16
Hotchkis & Wiley High Yield	6.13	6.13	3.11	8.13	3.88	9.97	-3.43	8.24	16.02	-4.30	1.09	8.71	17.96	4.22	Jun-15
BBgBarc US High Yield TR	<u>7.26</u>	<u>7.26</u>	<u>5.93</u>	<u>8.56</u>	<u>4.68</u>	<u>11.26</u>	<u>-2.08</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>5.19</u>	Jun-15
Excess Return	-1.13	-1.13	-2.82	-0.43	-0.80	-1.29	-1.35	0.74	-1.11	0.17	-1.36	1.27	2.15	-0.97	
High Yield Bond MStar MF Rank	71	71	87	26	51	54	73	17	20	61	65	20	11	50	Jun-15
Absolute Return															
Post Lmt'd Term High Yield	3.80	3.80	4.52	3.71	3.03	6.68	0.34	3.19	5.66	0.84	2.96	7.49	9.61	5.34	Jun-10
HFRI FOF: Conservative Index	<u>3.18</u>	<u>3.18</u>	<u>1.71</u>	<u>3.48</u>	<u>2.09</u>	<u>3.35</u>	<u>-0.87</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>2.82</u>	Jun-10
Excess Return	0.62	0.62	2.81	0.23	0.94	3.33	1.21	-0.93	3.77	0.47	-0.18	-0.21	5.39	2.52	
BBgBarc US Aggregate TR	2.94	2.94	4.48	2.03	2.74	3.77	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	3.03	Jun-10
Rimrock Low Volatility Offshore	1.51	1.51	2.42	4.81	2.34	7.42	2.01	4.40	4.90	-1.90	2.31	7.82	11.33	4.85	Jun-10
HFRI FOF: Conservative Index	<u>3.18</u>	<u>3.18</u>	<u>1.71</u>	<u>3.48</u>	<u>2.09</u>	<u>3.35</u>	<u>-0.87</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>2.82</u>	Jun-10
Excess Return	-1.67	-1.67	0.71	1.33	0.25	4.07	2.88	0.28	3.01	-2.27	-0.83	0.12	7.11	2.03	
BBgBarc US Aggregate TR	2.94	2.94	4.48	2.03	2.74	3.77	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	3.03	Jun-10
Castine Partners II **	5.90	5.90	-3.90	8.54	6.18	4.11	-7.34	9.34	15.57	6.57	7.48	6.16	2.53	5.51	Jun-11
HFRI FOF: Conservative Index	<u>3.18</u>	<u>3.18</u>	<u>1.71</u>	<u>3.48</u>	<u>2.09</u>	<u>3.35</u>	<u>-0.87</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>2.51</u>	Jun-11
Excess Return	2.72	2.72	-5.61	5.06	4.09	0.76	-6.47	5.22	13.68	6.20	4.34	-1.54	-1.69	3.00	
BBgBarc US Aggregate TR	2.94	2.94	4.48	2.03	2.74	3.77	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	2.92	Jun-11
Polar Long Short Fund	5.14	5.14	4.95	4.05	4.19	4.52	0.24	4.20	6.60	1.73	3.46	5.60	4.42	4.54	Sep-11
HFRI FOF: Conservative Index	<u>3.18</u>	<u>3.18</u>	<u>1.71</u>	<u>3.48</u>	<u>2.09</u>	<u>3.35</u>	<u>-0.87</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>3.14</u>	Sep-11
Excess Return	1.96	1.96	3.24	0.57	2.10	1.17	1.11	0.08	4.71	1.36	0.32	-2.10	0.20	1.40	
BBgBarc US Aggregate TR	2.94	2.94	4.48	2.03	2.74	3.77	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	2.50	Sep-11

** Performance prior to 7/1/18 is representative of Castine Partners I.

Spokane Employees' Retirement System

As of March 31, 2019

Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
Domestic Equity															
Large Cap Equity															
Hotchkis & Wiley Diversified Value I	14.41	14.41	0.93	11.58	6.54	15.14	-14.74	18.39	19.94	-7.90	12.74	36.54	19.78	10.39	Sep-08
Russell 1000 Value	<u>11.93</u>	<u>11.93</u>	<u>5.67</u>	<u>10.45</u>	<u>7.72</u>	<u>14.52</u>	<u>-8.27</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>9.17</u>	Sep-08
Excess Return	2.48	2.48	-4.74	1.13	-1.18	0.62	-6.47	4.73	2.60	-4.07	-0.71	4.01	2.27	1.22	
S&P 500	13.65	13.65	9.50	13.51	10.91	15.92	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	11.18	Sep-08
Large Value MStar MF Rank	4	4	83	17	75	15	97	23	9	90	20	14	8	16	Sep-08
Fidelity S&P 500 Inst	13.65	13.65	9.49	13.50	10.90	15.91	-4.40	21.81	11.97	1.38	13.66	32.35	15.98	13.65	Jan-19
S&P 500	<u>13.65</u>	<u>13.65</u>	<u>9.50</u>	<u>13.51</u>	<u>10.91</u>	<u>15.92</u>	<u>-4.38</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>13.65</u>	Jan-19
Excess Return	0.00	0.00	-0.01	-0.01	-0.01	-0.01	-0.02	-0.02	0.01	0.00	-0.03	-0.04	-0.02	0.00	
Large Blend MStar MF Rank	31	31	20	19	10	23	22	32	27	24	21	45	41	31	Jan-19
Jackson Square Large Cap Growth Eq	11.79	11.79	7.03	12.27	9.46	15.89	-2.84	28.42	-5.03	5.19	12.76	34.81	16.51	12.42	Sep-12
Russell 1000 Growth	<u>16.10</u>	<u>16.10</u>	<u>12.75</u>	<u>16.53</u>	<u>13.50</u>	<u>17.52</u>	<u>-1.51</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>15.33</u>	Sep-12
Excess Return	-4.31	-4.31	-5.72	-4.26	-4.04	-1.63	-1.33	-1.79	-12.11	-0.48	-0.29	1.33	1.25	-2.91	
S&P 500	13.65	13.65	9.50	13.51	10.91	15.92	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	13.57	Sep-12
Large Growth MStar MF Rank	94	94	88	90	83	60	62	52	96	44	29	43	38	85	Sep-12
Small/Mid Cap Equity															
Sterling Mid Cap Value	14.62	14.62	-4.84	6.97	5.60	14.45	-17.67	14.27	16.97	-1.71	5.85	46.25	12.50	10.04	Sep-08
Russell MidCap Value	<u>14.37</u>	<u>14.37</u>	<u>2.89</u>	<u>9.50</u>	<u>7.22</u>	<u>16.39</u>	<u>-12.29</u>	<u>13.34</u>	<u>20.00</u>	<u>-4.78</u>	<u>14.75</u>	<u>33.46</u>	<u>18.51</u>	<u>10.43</u>	Sep-08
Excess Return	0.25	0.25	-7.73	-2.53	-1.62	-1.94	-5.38	0.93	-3.03	3.07	-8.90	12.79	-6.01	-0.39	
Russell MidCap	16.54	16.54	6.47	11.81	8.81	16.88	-9.06	18.52	13.80	-2.44	13.22	34.76	17.28	11.54	Sep-08
Mid-Cap Value MStar MF Rank	30	30	96	87	62	62	85	37	69	19	87	2	85	46	Sep-08
Fidelity Mid Cap Index	16.53	16.53	6.49	11.82	8.80	16.67	-9.05	18.47	13.86	-2.44	13.11	35.17	16.01	16.53	Jan-19
Russell MidCap	<u>16.54</u>	<u>16.54</u>	<u>6.47</u>	<u>11.81</u>	<u>8.81</u>	<u>16.88</u>	<u>-9.06</u>	<u>18.52</u>	<u>13.80</u>	<u>-2.44</u>	<u>13.22</u>	<u>34.76</u>	<u>17.28</u>	<u>16.54</u>	Jan-19
Excess Return	-0.01	-0.01	0.02	0.01	-0.01	-0.21	0.01	-0.05	0.06	0.00	-0.11	0.41	-1.27	-0.01	
Mid-Cap Blend MStar MF Rank	12	12	14	23	7	4	24	22	61	37	8	47	62	12	Jan-19

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Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
Vanguard Mid Cap Growth	20.74	20.74	12.22	13.71	9.38	15.98	-3.29	22.01	0.44	0.21	10.86	34.15	14.84	9.87	Jun-14
Russell MidCap Growth	<u>19.62</u>	<u>19.62</u>	<u>11.51</u>	<u>15.05</u>	<u>10.89</u>	<u>17.60</u>	<u>-4.75</u>	<u>25.27</u>	<u>7.33</u>	<u>-0.20</u>	<u>11.90</u>	<u>35.74</u>	<u>15.81</u>	<u>11.01</u>	Jun-14
Excess Return	1.12	1.12	0.71	-1.34	-1.51	-1.62	1.46	-3.26	-6.89	0.41	-1.04	-1.59	-0.97	-1.14	
Mid-Cap Growth MStar MF Rank	20	20	27	63	54	57	29	72	93	41	21	61	47	58	Jun-14
Frontier Phocas Small Cap Value I	13.94	13.94	-5.02	7.69	4.80	14.34	-17.52	8.17	23.31	-4.35	7.19	45.63	9.75	10.33	Dec-11
Russell 2000 Value	<u>11.93</u>	<u>11.93</u>	<u>0.17</u>	<u>10.86</u>	<u>5.59</u>	<u>14.12</u>	<u>-12.86</u>	<u>7.84</u>	<u>31.74</u>	<u>-7.47</u>	<u>4.22</u>	<u>34.52</u>	<u>18.05</u>	<u>11.04</u>	Dec-11
Excess Return	2.01	2.01	-5.19	-3.17	-0.79	0.22	-4.66	0.33	-8.43	3.12	2.97	11.11	-8.30	-0.71	
Russell 2000	14.58	14.58	2.05	12.92	7.05	15.36	-11.01	14.65	21.31	-4.41	4.89	38.82	16.35	12.11	Dec-11
Small Value MStar MF Rank	17	17	84	73	44	51	78	60	71	36	23	3	95	55	Dec-11
Fidelity Small Cap Index	14.56	14.56	2.15	13.10	7.27	16.48	-10.88	14.85	21.63	-4.24	5.19	37.80	18.26	14.56	Jan-19
Russell 2000	<u>14.58</u>	<u>14.58</u>	<u>2.05</u>	<u>12.92</u>	<u>7.05</u>	<u>15.36</u>	<u>-11.01</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>14.58</u>	Jan-19
Excess Return	-0.02	-0.02	0.10	0.18	0.22	1.12	0.13	0.20	0.32	0.17	0.30	-1.02	1.91	-0.02	
Small Blend MStar MF Rank	34	34	26	14	29	21	33	25	41	49	47	56	22	34	Jan-19
Champlain Small Cap	12.77	12.77	7.22	16.74	10.36	16.00	-3.03	10.90	27.93	-0.65	4.43	36.61	11.06	11.03	Sep-08
Russell 2000	<u>14.58</u>	<u>14.58</u>	<u>2.05</u>	<u>12.92</u>	<u>7.05</u>	<u>15.36</u>	<u>-11.01</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>9.62</u>	Sep-08
Excess Return	-1.81	-1.81	5.17	3.82	3.31	0.64	7.98	-3.75	6.62	3.76	-0.46	-2.21	-5.29	1.41	
Russell 2000 Growth	17.14	17.14	3.85	14.87	8.41	16.52	-9.31	22.17	11.32	-1.38	5.60	43.30	14.59	11.10	Sep-08
Small Blend MStar MF Rank	63	63	6	2	1	32	1	65	8	11	60	68	88	15	Sep-08
Bridge City Small Growth	12.05	12.05	12.62	15.54	11.76	--	0.92	15.93	17.96	6.81	7.06	40.81	10.99	15.05	Dec-11
Russell 2000 Growth	<u>17.14</u>	<u>17.14</u>	<u>3.85</u>	<u>14.87</u>	<u>8.41</u>	<u>16.52</u>	<u>-9.31</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>13.29</u>	Dec-11
Excess Return	-5.09	-5.09	8.77	0.67	3.35		10.23	-6.24	6.64	8.19	1.46	-2.49	-3.60	1.76	
Russell 2000	14.58	14.58	2.05	12.92	7.05	15.36	-11.01	14.65	21.31	-4.41	4.89	38.82	16.35	12.15	Dec-11
Small Growth MStar MF Rank	96	96	26	57	12	--	15	77	20	4	15	61	79	20	Dec-11

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Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
International Equity															
Artisan International Value	10.05	10.05	-3.92	6.58	3.62	12.60	-15.42	24.06	5.74	-1.49	-0.39	30.72	22.48	8.67	Sep-08
MSCI ACWI ex USA Value	8.33	8.33	-5.39	7.73	1.08	8.19	-13.97	22.66	8.92	-10.06	-5.10	15.04	16.97	3.95	Sep-08
Excess Return	1.72	1.72	1.47	-1.15	2.54	4.41	-1.45	1.40	-3.18	8.57	4.71	15.68	5.51	4.72	
MSCI ACWI ex USA	10.31	10.31	-4.22	8.09	2.57	8.85	-14.20	27.19	4.50	-5.66	-3.87	15.29	16.83	4.70	Sep-08
Foreign Large Value MStar MF Rank	24	24	12	28	3	1	23	41	29	45	2	1	8	1	Sep-08
EuroPacific Growth R6	13.20	13.20	-4.66	9.33	4.27	9.94	-14.91	31.17	1.01	-0.48	-2.29	20.58	19.64	4.29	Jun-08
MSCI ACWI ex USA	10.31	10.31	-4.22	8.09	2.57	8.85	-14.20	27.19	4.50	-5.66	-3.87	15.29	16.83	2.20	Jun-08
Excess Return	2.89	2.89	-0.44	1.24	1.70	1.09	-0.71	3.98	-3.49	5.18	1.58	5.29	2.81	2.09	
Foreign Large Blend MStar MF Rank	7	7	41	5	5	17	47	6	53	42	18	50	28	14	Jun-08
Victory Trivalent International Small Cap	12.46	12.46	-10.21	7.58	4.69	14.42	-20.21	37.13	-0.70	8.20	-0.20	32.98	24.32	6.16	Aug-15
MSCI ACWI xUS Small (net)	10.26	10.26	-9.49	7.01	3.26	11.86	-18.20	31.65	3.91	2.60	-4.03	19.73	18.52	6.70	Aug-15
Excess Return	2.20	2.20	-0.72	0.57	1.43	2.56	-2.01	5.48	-4.61	5.60	3.83	13.25	5.80	-0.54	
MSCI ACWI ex USA	10.31	10.31	-4.22	8.09	2.57	8.85	-14.20	27.19	4.50	-5.66	-3.87	15.29	16.83	6.15	Aug-15
Foreign Small/Mid Growth MStar MF Rank	49	49	49	40	47	26	61	43	36	60	26	24	22	49	Aug-15
Vanguard Emerging Markets Stock Index Fund	11.36	11.36	-3.50	9.01	2.96	7.81	-12.46	23.81	7.23	-8.84	-1.50	6.16	10.77	-0.64	Jul-18
MSCI Emerging Markets	9.93	9.93	-7.41	10.68	3.68	8.94	-14.58	37.28	11.19	-14.92	-2.19	-2.60	18.22	-1.56	Jul-18
Excess Return	1.43	1.43	3.91	-1.67	-0.72	-1.13	2.12	-13.47	-3.96	6.08	0.69	8.76	-7.45	0.92	
Foreign Small/Mid Growth MStar MF Rank	62	62	17	19	63	99	16	99	1	99	31	99	99	7	Jul-18
ABS Emerging Markets Strategic Portfolio LP	11.45	11.45	-6.70	--	--	--	-14.99	--	--	--	--	--	--	4.87	Sep-18
MSCI Emerging Markets	9.93	9.93	-7.41	10.68	3.68	8.94	-14.58	37.28	11.19	-14.92	-2.19	-2.60	18.22	1.71	Sep-18
Excess Return	1.52	1.52	0.71	--	--	--	-0.41	--	--	--	--	--	--	3.16	
Diversified Emerging Mkts MStar MF Rank	35	35	25	--	--	--	33	--	--	--	--	--	--	23	Sep-18

Spokane Employees' Retirement System

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Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
Long Biased															
Weatherlow Offshore	6.32	6.32	1.14	4.99	2.83	5.80	-3.10	5.67	0.99	1.49	4.91	13.56	8.47	3.48	Mar-08
HFRI Fund of Funds Composite Index	4.62	4.62	0.15	3.94	2.20	3.55	-4.02	7.77	0.51	-0.27	3.36	8.96	4.79	1.42	Mar-08
Excess Return	1.70	1.70	0.99	1.05	0.63	2.25	0.92	-2.10	0.48	1.76	1.55	4.60	3.68	2.06	
S&P 500	13.65	13.65	9.50	13.51	10.91	15.92	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	9.49	Mar-08
Opportunistic Credit															
Beach Point Select Fund	4.10	4.10	3.55	7.86	5.56	--	0.28	7.08	14.52	2.58	2.35	15.93	17.58	6.33	Oct-13
HFRI ED: Distressed/Restructuring Index	3.17	3.17	1.16	8.04	1.81	7.21	-1.70	6.25	15.15	-8.06	-1.39	14.05	10.12	2.96	Oct-13
Excess Return	0.93	0.93	2.39	-0.18	3.75		1.98	0.83	-0.63	10.64	3.74	1.88	7.46	3.37	
HFRX Distressed Securities Index	1.95	1.95	-2.43	4.97	-0.33	0.70	-9.50	3.14	19.72	-11.14	0.42	5.37	0.94	0.42	Oct-13
Contrarian Capital Fund I, LP	0.56	0.56	-12.16	5.83	0.62	9.43	-12.43	4.77	25.46	-7.89	0.45	17.00	24.54	-14.32	Sep-18
HFRI ED: Distressed/Restructuring Index	3.17	3.17	1.16	8.04	1.81	7.21	-1.70	6.25	15.15	-8.06	-1.39	14.05	10.12	-2.69	Sep-18
Excess Return	-2.61	-2.61	-13.32	-2.21	-1.19	2.22	-10.73	-1.48	10.31	0.17	1.84	2.95	14.42	-11.63	
HFRX Distressed Securities Index	1.95	1.95	-2.43	4.97	-0.33	0.70	-9.50	3.14	19.72	-11.14	0.42	5.37	0.94	-2.26	Sep-18
Real Estate															
SERS Principal Global Investors REIT	17.39	17.39	18.67	7.32	10.51	18.63	-4.13	9.16	6.67	4.45	32.55	4.17	17.28	6.54	Dec-06
FTSE NAREIT All REIT	16.70	16.70	19.50	7.96	9.79	18.23	-4.42	9.27	9.28	2.29	27.15	3.21	20.14	5.51	Dec-06
Excess Return	0.69	0.69	-0.83	-0.64	0.72	0.40	0.29	-0.11	-2.61	2.16	5.40	0.96	-2.86	1.03	
US Real Estate Equity Rank	17	17	58	33	24	63	37	24	60	49	30	21	76	38	Dec-06
Prime Property LLC	1.30	1.30	7.29	8.45	10.60	8.65	8.03	8.67	9.31	14.53	14.08	16.17	11.68	7.68	Oct-17
NCREIF - ODCE NET	1.20	1.20	6.55	7.01	9.17	7.73	7.36	6.66	7.79	13.91	11.46	12.90	9.79	6.99	Oct-17
Excess Return	0.10	0.10	0.74	1.44	1.43	0.92	0.67	2.01	1.52	0.62	2.62	3.27	1.89	0.69	
US Real Estate Equity Rank	99	99	99	11	22	99	1	25	20	1	99	1	99	84	Oct-17

Spokane Employees' Retirement System

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Manager Performance

	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	Inception (%)	Inception Date
Special Opportunities															
OrbiMed Partners II	21.70	21.70	-1.15	5.40	3.64	11.92	-18.43	25.30	-21.91	2.14	25.88	32.19	16.19	9.26	Dec-10
MSCI World Healthcare Index	8.14	8.14	12.23	9.92	8.05	14.00	2.51	19.80	-6.81	6.60	18.10	36.27	17.54	12.95	Dec-10
Excess Return	13.56	13.56	-13.38	-4.52	-4.41	-2.08	-20.94	5.50	-15.10	-4.46	7.78	-4.08	-1.35	-3.69	
NASDAQ Biotech Index	15.54	15.54	5.24	9.32	7.74	18.17	-8.86	21.63	-21.35	11.77	34.40	65.97	32.29	17.28	Dec-10
S&P Composite 1500 Health Care	6.89	6.89	14.63	13.06	11.72	16.92	6.71	22.47	-2.05	7.41	24.79	42.19	18.35	16.21	Dec-10
Contrarian Emerging Markets Fund LP	3.32	3.32	-3.10	17.38	11.10	17.03	0.96	20.36	22.72	14.48	-1.97	14.56	23.32	3.32	Sep-18
HFRI Emerging Markets: Global Index	4.41	4.41	-2.99	5.47	1.99	5.25	-6.83	12.50	7.33	-3.47	-2.41	3.67	8.62	1.17	Sep-18
Excess Return	-1.09	-1.09	-0.11	11.91	9.11	11.78	7.79	7.86	15.39	17.95	0.44	10.89	14.70	2.15	
MSCI Emerging Markets	9.93	9.93	-7.41	10.68	3.68	8.94	-14.58	37.28	11.19	-14.92	-2.19	-2.60	18.22	1.71	Sep-18

Non-Marketable Securities Overview

As of March 31, 2019

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	\$2,066,019	\$182,173	\$2,248,193	\$115,000	94.25%	3.34

Time and Dollar Weighted Returns

Metropolitan Real Estate Partners V	Q1-19	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Time Weighted	-1.32%	-1.32%	-8.20%	-8.11%	-3.98%	-2.01%	2.60%
Money Weighted	-1.26%	-1.26%	-8.14%	-8.14%	-1.90%	1.66%	11.00%
NCREIF Property Index	1.80%	1.80%	6.82%	6.97%	7.07%	8.25%	9.12%

Metropolitan Real Estate Partners V	2018	2017	2016	2015	2014	2013	Inception 11/30/07
Time Weighted	-7.70%	-7.81%	4.86%	9.75%	20.70%	14.26%	-5.09%
Money Weighted	-7.64%	-7.45%	3.86%	11.04%	19.67%	13.59%	3.34%
NCREIF Property Index	6.71%	6.98%	7.97%	13.33%	11.81%	10.99%	6.42%

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 March 31, 2019

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	\$5,650,215	\$2,608,945	\$8,259,160	\$119,507	98.03%	11.95

Time and Dollar Weighted Returns

	Q1-19	YTD	1 Yr	2 Yrs	3 Yrs
Morrison Street Fund V, LP					
Time Weighted	0.34%	0.34%	7.20%	12.45%	12.29%
Money Weighted	0.27%	0.27%	7.25%	13.55%	13.02%
NCREIF Property Index	1.80%	1.80%	6.82%	6.97%	7.07%
					Inception 6/30/14
Morrison Street Fund V, LP	2018	2017	2016	2015	
Time Weighted	10.12%	18.03%	11.10%	11.89%	10.75%
Money Weighted	9.97%	17.74%	11.31%	13.31%	11.95%
NCREIF Property Index	6.71%	6.98%	7.97%	13.33%	8.97%

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 March 31, 2019

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	\$1,035,850	\$4,135,185	\$5,171,035	\$485,162	90.30%	7.90

Time and Dollar Weighted Returns

Morrison Street Debt Opportunities Fd LP	Q1-19	YTD	1 Yr	2 Yrs	3 Yrs
Time Weighted	2.12%	2.12%	9.94%	9.37%	
Money Weighted	2.12%	2.12%	9.86%	9.54%	
NCREIF - ODCE NET	1.20%	1.20%	6.55%	6.83%	7.01%

Morrison Street Debt Opportunities Fd LP	2018	2017	2016	2015	Inception 12/31/16
Time Weighted	9.94%	4.47%			7.35%
Money Weighted	9.92%	5.28%			7.90%
NCREIF - ODCE NET	7.36%	6.66%	7.79%	13.91%	6.77%

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 March 31, 2019

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Long Biased Hedge	Orbimed Royalty Opportunities	2011	\$5,000,000	\$5,000,000	\$3,851,963	\$2,370,389	\$6,222,352	\$0	100.00%	6.16

Time and Dollar Weighted Returns

	Q1-19	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs
Orbimed Royalty Opportunities							
Time Weighted	5.18%	5.18%	15.69%	14.11%	1.16%	3.30%	4.59%
Money Weighted	5.17%	5.17%	18.10%	15.01%	0.87%	3.76%	5.12%
HFRI Fund of Funds Composite Index	4.62%	4.62%	0.15%	2.81%	3.94%	1.43%	2.20%
S&P 500	13.65%	13.65%	9.50%	11.72%	13.51%	10.46%	10.91%

	2018	2017	2016	2015	2014	2013	Inception 9/1/11
Orbimed Royalty Opportunities							
Time Weighted	22.03%	4.47%	-20.87%	9.95%	9.99%	6.17%	7.27%
Money Weighted	25.50%	4.57%	-17.15%	9.99%	10.00%	6.90%	6.16%
HFRI Fund of Funds Composite Index	-4.02%	7.77%	0.51%	-0.27%	3.36%	8.96%	2.86%
S&P 500	-4.38%	21.83%	11.96%	1.38%	13.69%	32.39%	14.15%

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 March 31, 2019

Account Type	Account	Vintage Year	Commitment	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commitment	Takedown (takedowns / commit)	IRR
Long Biased Hedge	Orbimed Royalty Opportunities II	2015	\$5,000,000	\$4,167,500	\$1,922,712	\$3,307,349	\$5,230,061	\$832,500	83.35%	15.76

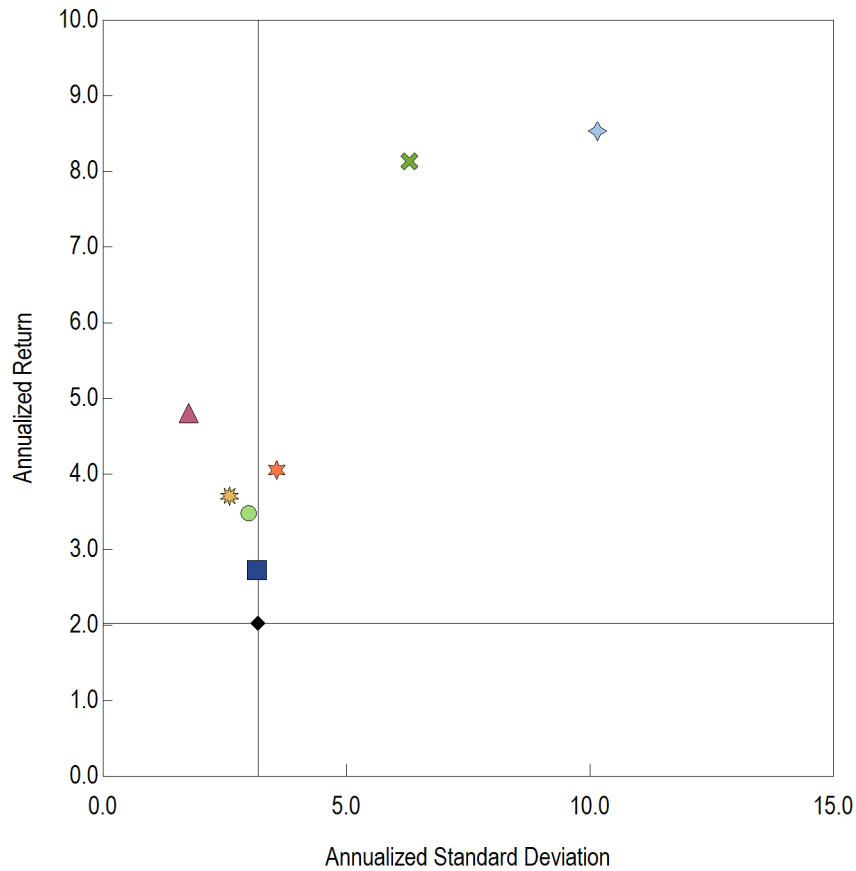
Time and Dollar Weighted Returns

	Q1-19	YTD	1 Yr	2 Yrs	3 Yrs
Orbimed Royalty Opportunities II					
Time Weighted	12.09%	12.09%	23.73%	18.11%	13.48%
Money Weighted	12.48%	12.48%	23.26%	18.78%	15.86%
HFRI Fund of Funds Composite Index	4.62%	4.62%	0.15%	2.81%	3.94%
S&P 500	13.65%	13.65%	9.50%	11.72%	13.51%
Orbimed Royalty Opportunities II	2018	2017	2016	2015	Inception 4/1/15
Time Weighted	15.59%	12.28%	0.60%		14.27%
Money Weighted	15.15%	12.85%	-0.05%		15.76%
HFRI Fund of Funds Composite Index	-4.02%	7.77%	0.51%	-0.27%	1.43%
S&P 500	-4.38%	21.83%	11.96%	1.38%	10.46%

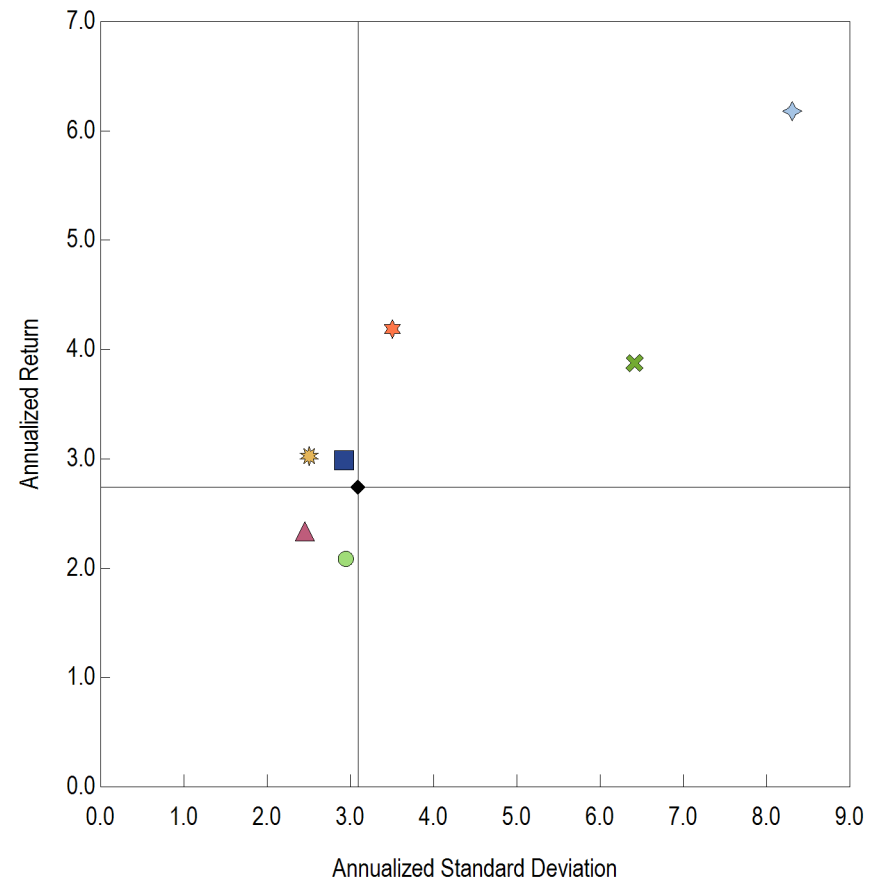
Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in value with the average market value over the time interval. Average capital allows for 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 March 31, 2019



Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2019

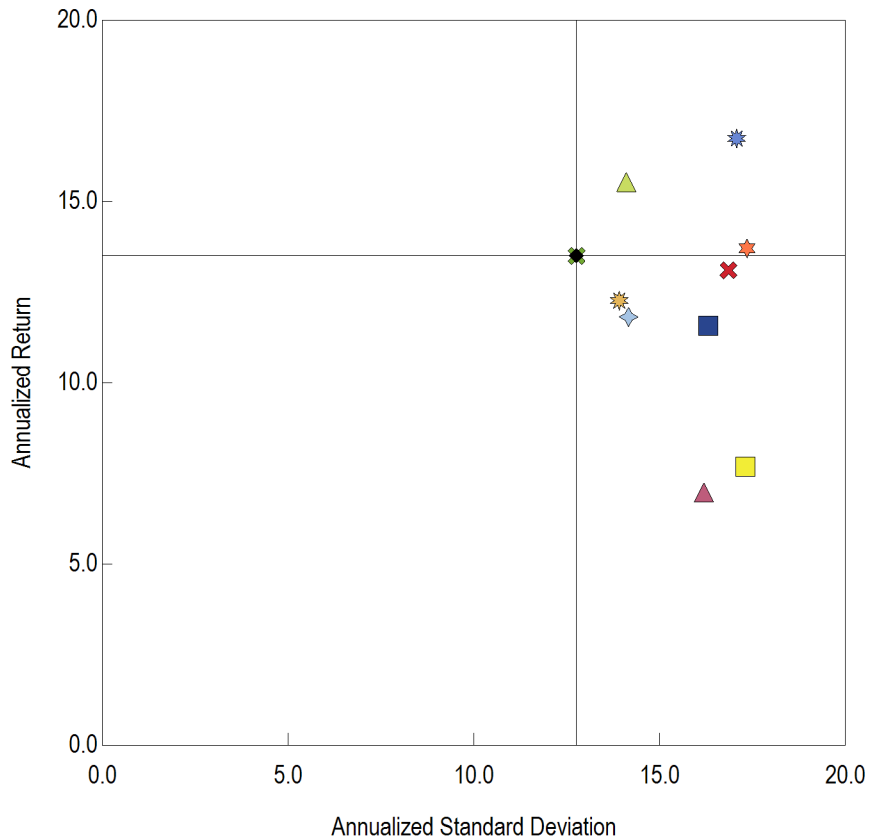


- Sterling Core Bond
- ✕ Hotchkis & Wiley High Yield
- ✱ Post Lmtd Term High Yield
- ▲ Rimrock Low Volatility Offshore
- ◆ Castine Partners II **
- ★ Polar Long Short Fund
- ◆ BBgBarc US Aggregate TR
- HFRI FOF: Conservative Index

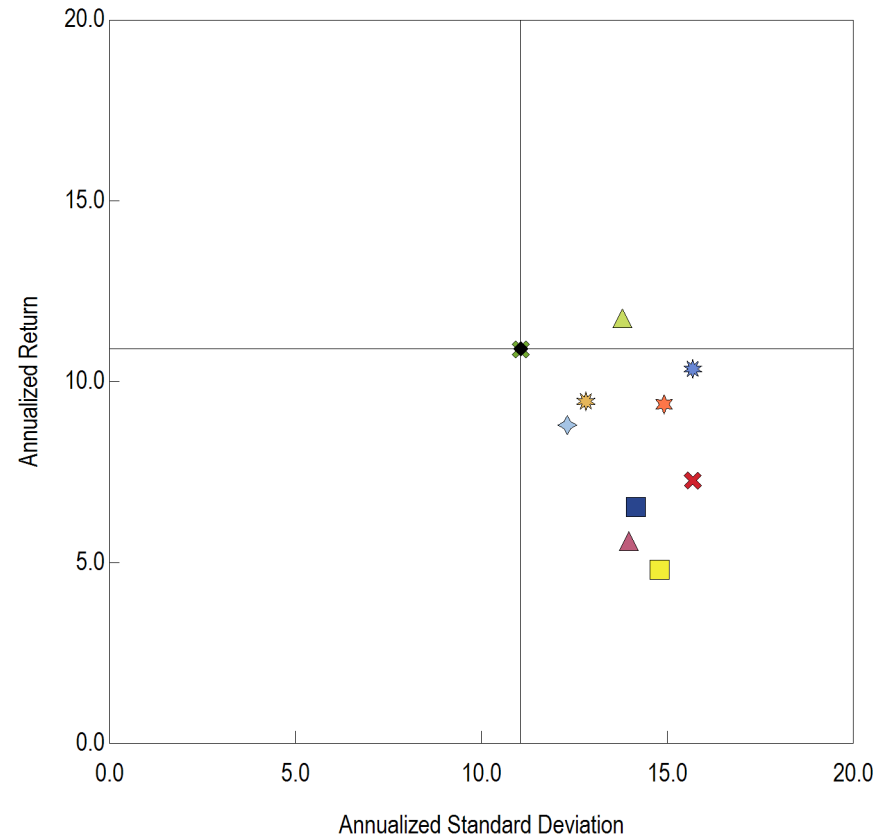
- Sterling Core Bond
- ✕ Hotchkis & Wiley High Yield
- ✱ Post Lmtd Term High Yield
- ▲ Rimrock Low Volatility Offshore
- ◆ Castine Partners II **
- ★ Polar Long Short Fund
- ◆ BBgBarc US Aggregate TR
- HFRI FOF: Conservative Index

** Performance prior to 7/1/18 is representative of Castine Partners I.

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2019



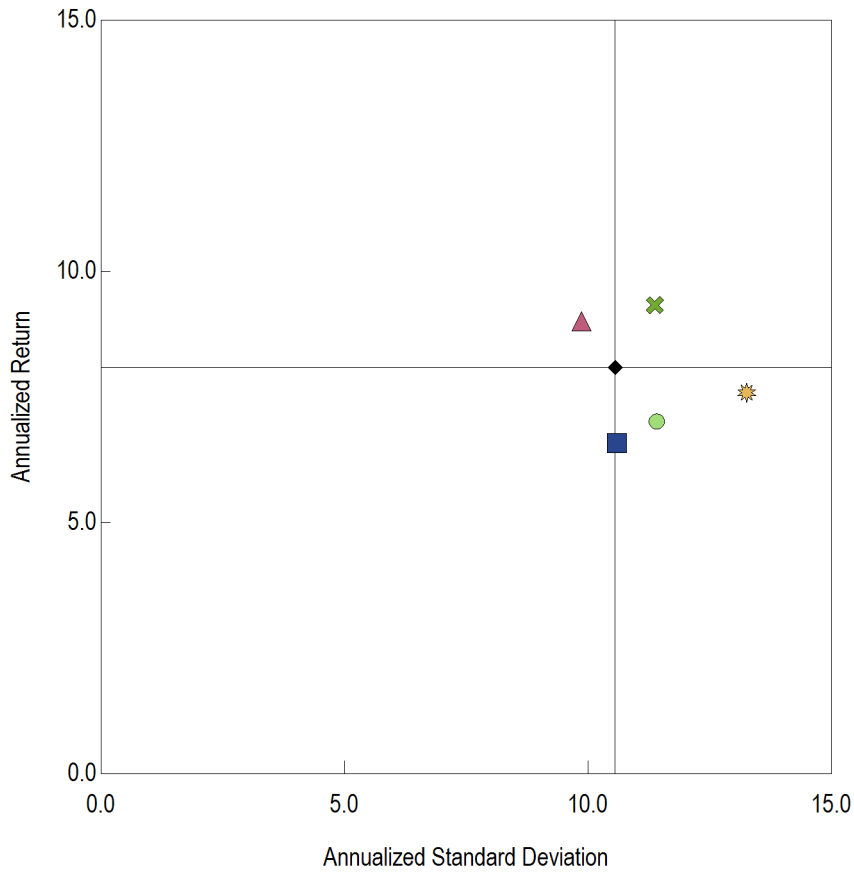
Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2019



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

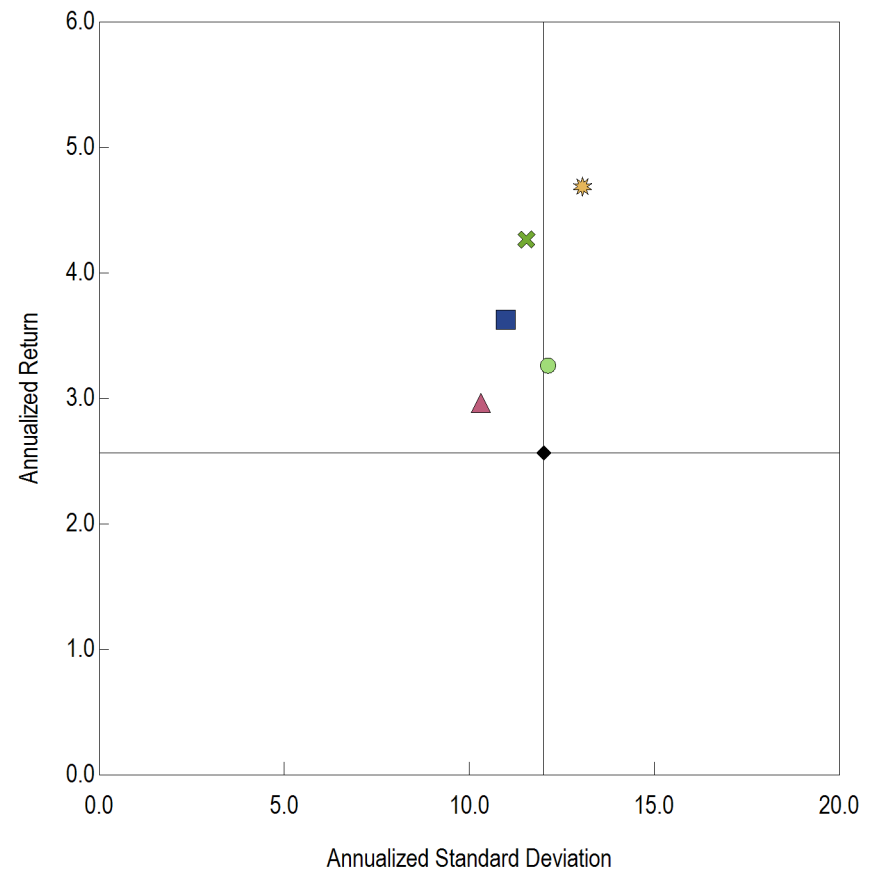
- Hotchkis & Wiley Diversified Value I
- ✱ Fidelity S&P 500 Inst
- ✱ Jackson Square Large Cap Growth Eq
- ▲ Sterling Mid Cap Value
- ◆ Fidelity Mid Cap Index
- ★ Vanguard Mid Cap Growth
- Frontier Phocas Small Cap Value I
- ✱ Fidelity Small Cap Index
- ✱ Champlain Small Cap
- ▲ Bridge City Small Growth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

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2019



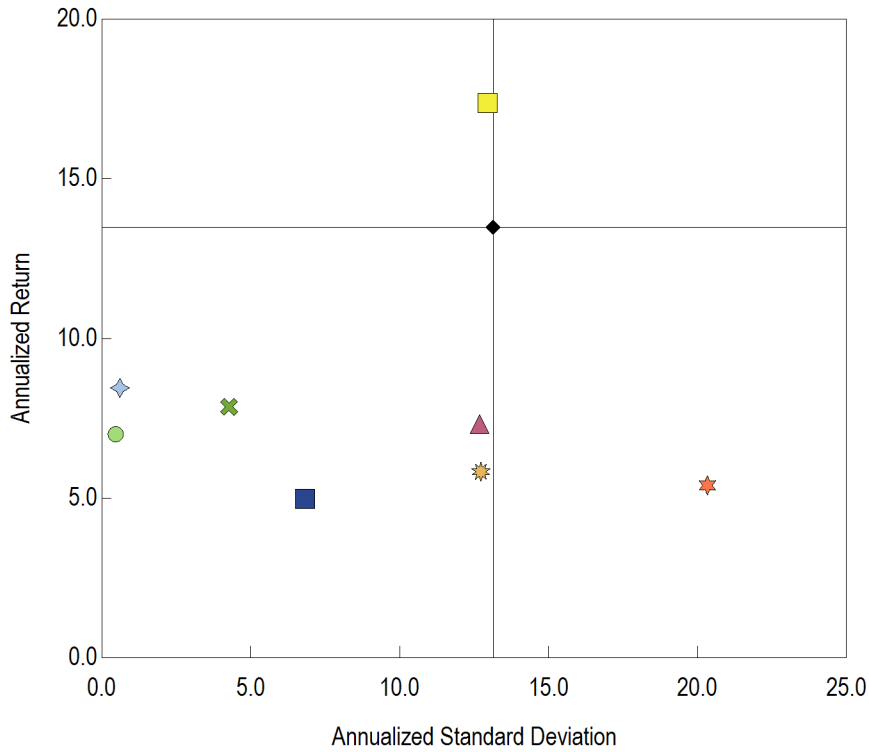
- Artisan International Value
- ✕ EuroPacific Growth R6
- ✱ Victory Trivalent International Small Cap
- ▲ Vanguard Emerging Markets Stock Index Fund
- ◆ MSCI ACWI ex USA
- MSCI ACWI xUS Small (net)

Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2019

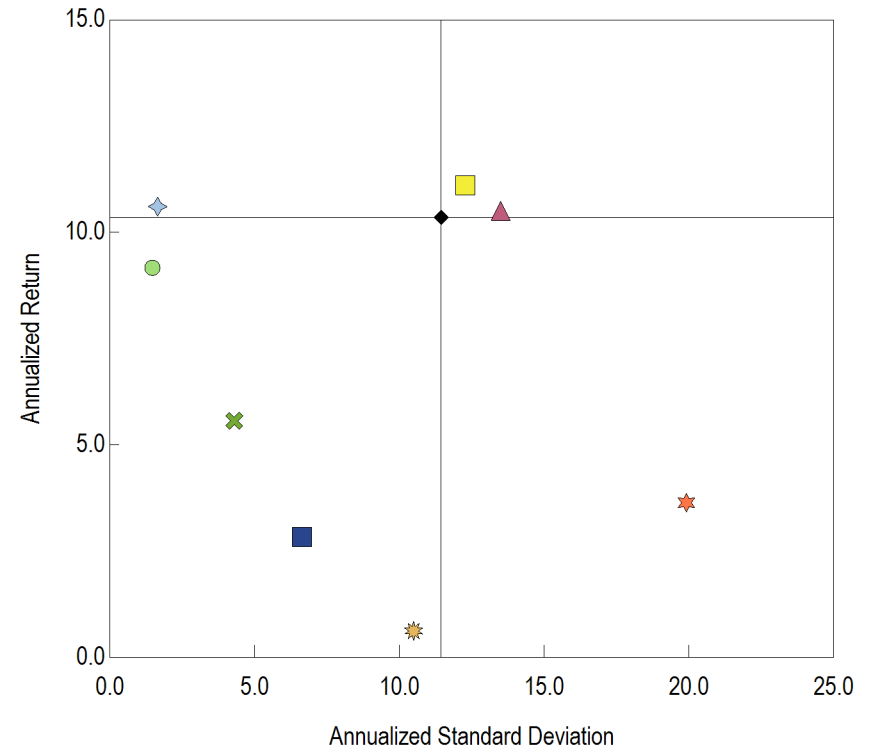


- Artisan International Value
- ✕ EuroPacific Growth R6
- ✱ Victory Trivalent International Small Cap
- ▲ Vanguard Emerging Markets Stock Index Fund
- ◆ MSCI ACWI ex USA
- MSCI ACWI xUS Small (net)

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2019



Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2019



- Weatherlow Offshore
- ✕ Beach Point Select Fund
- ✱ Contrarian Capital Fund I, LP
- ▲ SERS Principal Global Investors REIT
- ◆ Prime Property LLC
- ★ OrbiMed Partners II
- Contrarian Emerging Markets Fund LP
- ◆ Russell 3000
- NCREIF - ODCE NET

- Weatherlow Offshore
- ✕ Beach Point Select Fund
- ✱ Contrarian Capital Fund I, LP
- ▲ SERS Principal Global Investors REIT
- ◆ Prime Property LLC
- ★ OrbiMed Partners II
- Contrarian Emerging Markets Fund LP
- ◆ Russell 3000
- NCREIF - ODCE NET

Spokane Employees' Retirement System

As of March 31, 2019

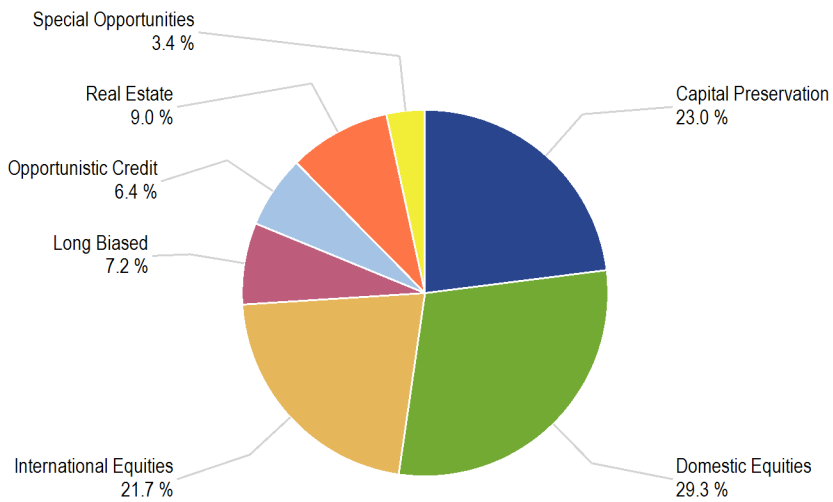
Investment Expense Analysis

Name	Vehicle Type	Identifier	Benchmark	Universe	Market Value	% of Portfolio	Expense Ratio	Median Expense Ratio	Difference Fund v. Median
Artisan Int'l Value	Mutual Fund	APHKX	MSCI ACWI ex USA Value	Foreign Value MStar MF	\$21,336,343	10.9%	1.01%	0.95%	0.06%
Bridge City Small Growth	Separate Account		Russell 2000 Growth	Small Growth MStar MF	\$5,597,056	2.9%	0.40%	0.99%	-0.59%
Champlain Small Cap	Commingled Fund		Russell 2000 Growth	Small Growth MStar MF	\$6,330,086	3.2%	1.00%	0.99%	0.01%
EuroPacific Growth R6	Mutual Fund	RERGX	MSCI ACWI ex USA	Foreign MStar MF	\$21,556,979	11.1%	0.49%	0.91%	-0.42%
Fidelity Instl Govt Money Market	Mutual Fund	FIGXX	91 Day T-Bills	Money Market - Taxable MStar MF	\$141,176	0.1%	0.18%	0.21%	-0.03%
Fidelity Mid Cap Index	Mutual Fund	FSMDX	Russell MidCap	Mid Cap MStar MF	\$4,120,618	2.1%	0.03%	0.89%	-0.87%
Fidelity S&P 500	Mutual Fund	FXAIX	S&P 500	Large Cap MStar MF	\$27,067,870	13.9%	0.02%	0.74%	-0.73%
Fidelity Small Cap Index	Mutual Fund	FSSNX	Russell 2000	Small Cap MStar MF	\$879,839	0.5%	0.03%	0.99%	-0.97%
Frontier Sm Cap Value I	Mutual Fund	FPSVX	Russell 2000 Value	Small Value MStar MF	\$3,789,539	1.9%	0.95%	0.99%	-0.04%
Hotchkis & Wiley Div Value I	Mutual Fund	HWCIX	Russell 1000 Value	Large Value MStar MF	\$15,554,577	8.0%	0.80%	0.72%	0.08%
Hotchkis & Wiley High Yield	Mutual Fund	HWHZX	BBgBarc US High Yield TR	High Yield Bond MStar MF	\$13,231,537	6.8%	0.60%	0.73%	-0.13%
Jackson Square Large-Cap Growth Equity	Mutual Fund	DPLGX	S&P 500	Large Growth MStar MF	\$16,095,753	8.3%	0.64%	0.80%	-0.16%
Principal Global Investors REIT	Separate Account		FTSE NAREIT All REIT	Real Estate MStar MF	\$12,541,491	6.4%	0.75%	0.91%	-0.16%
Sterling Core Bond	Separate Account		BBgBarc US Aggregate TR	Intermediate Core Bond MStar MF	\$24,972,281	12.8%	0.25%	0.49%	-0.24%
Sterling Mid Cap Value	Separate Account		Russell MidCap Value	Mid-Cap Value MStar MF	\$4,512,910	2.3%	0.75%	0.89%	-0.14%
Vanguard Emerging Markets Stock Index Fd	Mutual Fund	VEMIX	MSCI Emerging Markets	Diversified Emerging Mkts MStar MF	\$1,185,635	0.6%	0.10%	1.16%	-1.06%
Vanguard Mid Cap Growth	Mutual Fund	VMGRX	Russell MidCap Growth	Mid-Cap Growth MStar MF	\$4,209,690	2.2%	0.36%	0.93%	-0.57%
Victory Trivalent International Small Cap	Mutual Fund	MISIX	MSCI ACWI xUS Small (net)	Foreign Small/Mid Growth MStar MF	\$11,920,750	6.1%	0.99%	1.09%	-0.10%
Total					\$195,044,129	100.0%	0.55%		

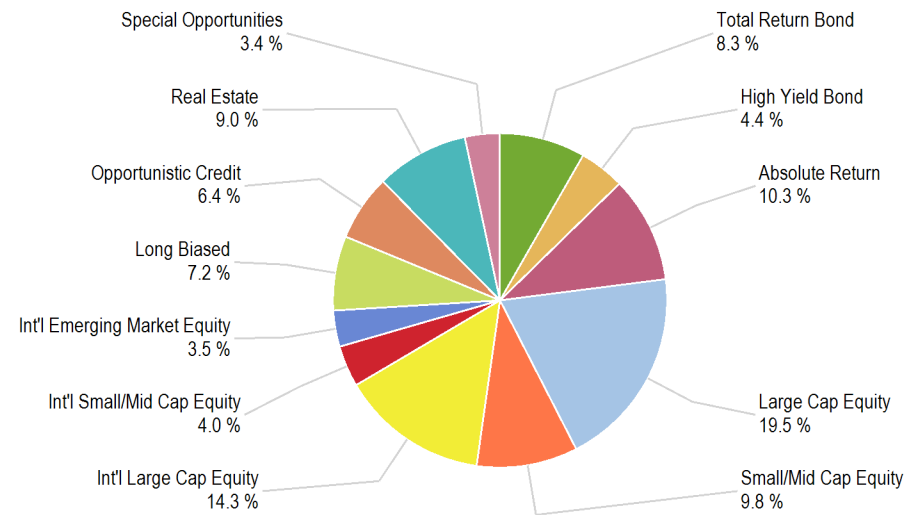
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Section 3

Current Allocation



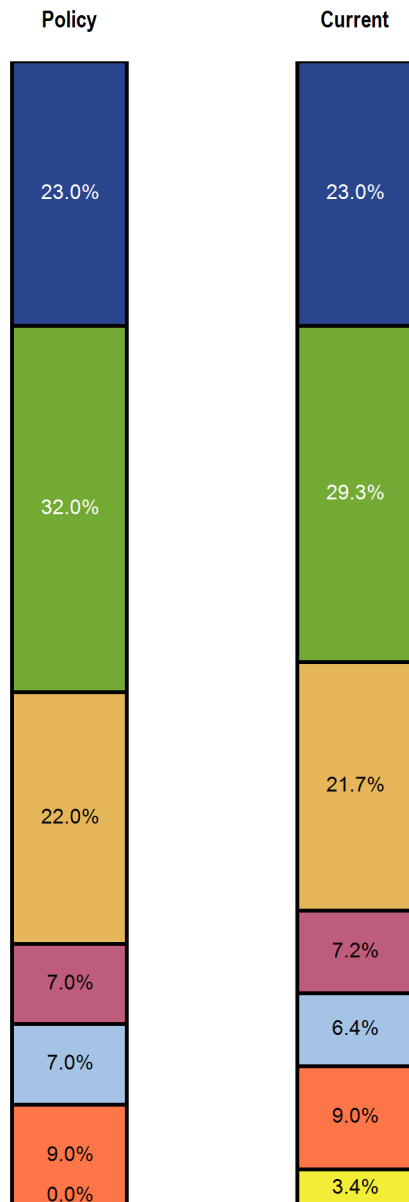
Current Implementation Allocation



Spokane Employees' Retirement System

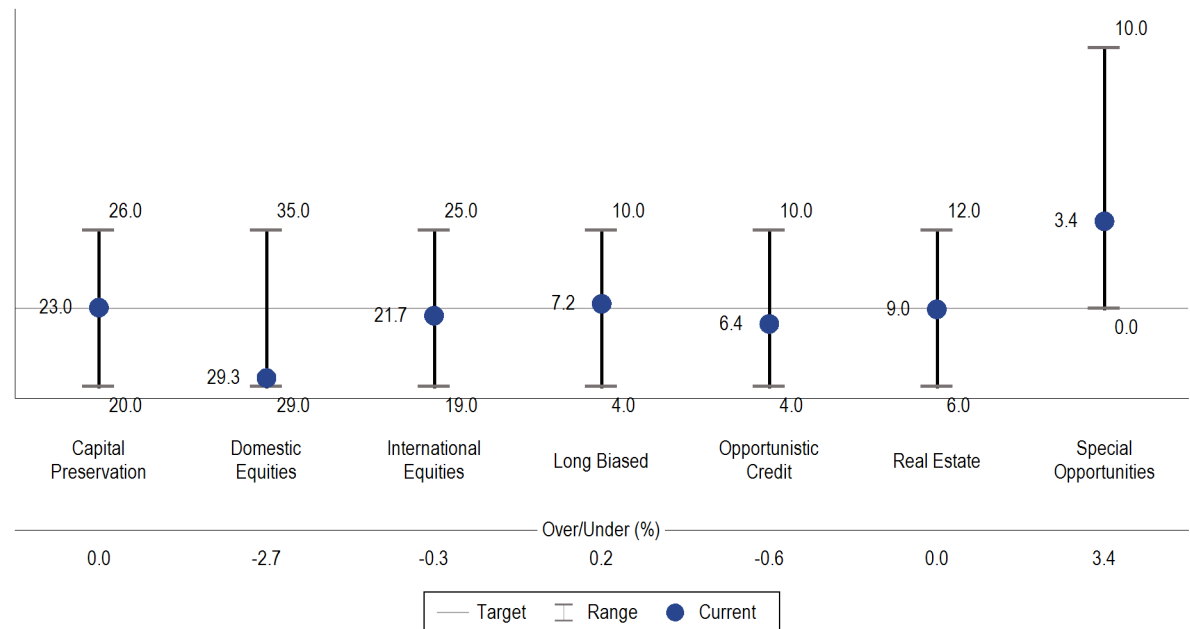
As of March 31, 2019

Asset Allocation vs. Target



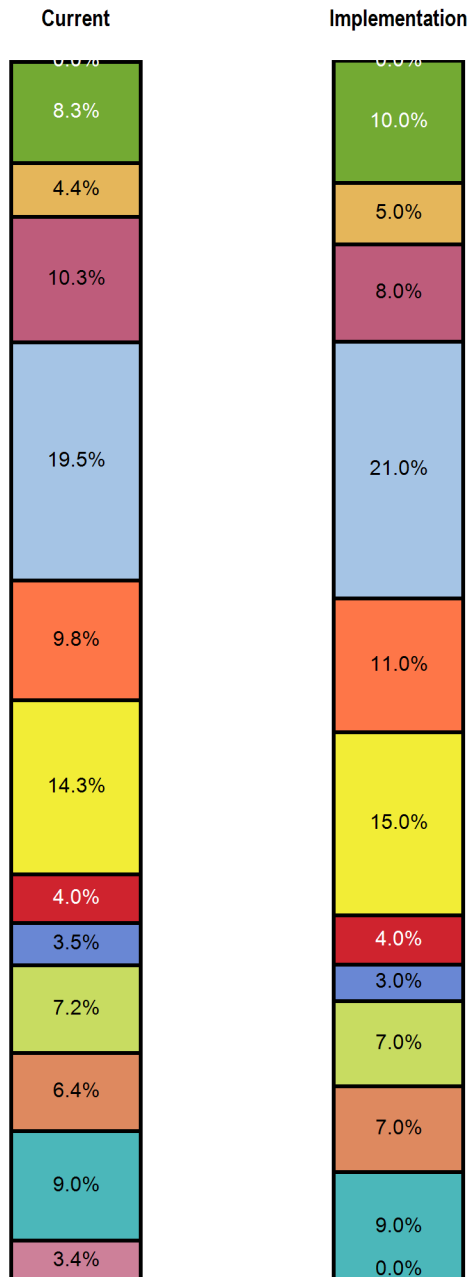
	Inv Pol Stmt	%	Inv Pol Stmt Range	Current	%	Difference	%
Capital Preservation	\$69,132,544	23.0%	20.0% - 26.0%	\$69,236,035	23.0%	\$103,491	0.0%
Domestic Equities	\$96,184,409	32.0%	29.0% - 35.0%	\$88,157,937	29.3%	-\$8,026,472	-2.7%
International Equities	\$66,126,781	22.0%	19.0% - 25.0%	\$65,300,707	21.7%	-\$826,074	-0.3%
Long Biased	\$21,040,339	7.0%	4.0% - 10.0%	\$21,586,932	7.2%	\$546,593	0.2%
Opportunistic Credit	\$21,040,339	7.0%	4.0% - 10.0%	\$19,257,513	6.4%	-\$1,782,827	-0.6%
Real Estate	\$27,051,865	9.0%	6.0% - 12.0%	\$26,952,668	9.0%	-\$99,197	0.0%
Special Opportunities	\$0	0.0%	0.0% - 10.0%	\$10,084,486	3.4%	\$10,084,486	3.4%
Total	\$300,576,278	100.0%		\$300,576,278	100.0%		

Actual vs. Target



Spokane Employees' Retirement System

As of March 31, 2019



Asset Allocation on March 31, 2019

	Actual	Actual	Target
Cash	\$141,176	0.0%	0.0%
Total Return Bond	\$24,972,281	8.3%	10.0%
High Yield Bond	\$13,231,537	4.4%	5.0%
Absolute Return	\$30,891,041	10.3%	8.0%
Large Cap Equity	\$58,718,200	19.5%	21.0%
Small/Mid Cap Equity	\$29,439,737	9.8%	11.0%
Int'l Large Cap Equity	\$42,893,322	14.3%	15.0%
Int'l Small/Mid Cap Equity	\$11,920,750	4.0%	4.0%
Int'l Emerging Market Equity	\$10,486,635	3.5%	3.0%
Long Biased	\$21,586,932	7.2%	7.0%
Opportunistic Credit	\$19,257,513	6.4%	7.0%
Real Estate	\$26,952,668	9.0%	9.0%
Special Opportunities	\$10,084,486	3.4%	0.0%
Total	\$300,576,278	100.0%	100.0%

Spokane Employees' Retirement System

As of March 31, 2019

Asset Allocation vs. Target

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Capital Preservation	\$69,132,544	23.0%	20.0% - 26.0%	\$69,236,035	23.0%	\$103,491	0.0%	Yes
Cash	\$0	0.0%	0.0% - 2.0%	\$141,176	0.0%	\$141,176	0.0%	Yes
Fidelity Instl Govt Money Market				\$141,176	0.0%			
Total Return Bond	\$30,057,628	10.0%	8.0% - 12.0%	\$24,972,281	8.3%	-\$5,085,347	-1.7%	Yes
Sterling Core Bond				\$24,972,281	8.3%			
High Yield Bond	\$15,028,814	5.0%	3.0% - 7.0%	\$13,231,537	4.4%	-\$1,797,277	-0.6%	Yes
Hotchkis & Wiley High Yield				\$13,231,537	4.4%			
Absolute Return	\$24,046,102	8.0%	6.0% - 10.0%	\$30,891,041	10.3%	\$6,844,939	2.3%	No
Polar Long/Short Fund				\$7,051,429	2.3%			
Post Lmted Term High Yield				\$6,239,191	2.1%			
Rimrock Low Volatility Offshore				\$10,011,833	3.3%			
Castine Partners II				\$7,588,587	2.5%			
Domestic Equities	\$96,184,409	32.0%	29.0% - 35.0%	\$88,157,937	29.3%	-\$8,026,472	-2.7%	Yes
Large Cap Equity	\$63,121,018	21.0%	19.0% - 23.0%	\$58,718,200	19.5%	-\$4,402,819	-1.5%	Yes
Hotchkis & Wiley Div Value I				\$15,554,577	5.2%			
Fidelity S&P 500				\$27,067,870	9.0%			
MFS Blended Research Core				\$0	0.0%			
Jackson Square Large-Cap Growth Equity				\$16,095,753	5.4%			

Spokane Employees' Retirement System

As of March 31, 2019

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Small/Mid Cap Equity	\$33,063,391	11.0%	9.0% - 13.0%	\$29,439,737	9.8%	-\$3,623,653	-1.2%	Yes
Sterling Mid Cap Value				\$4,512,910	1.5%			
Fidelity Mid Cap Index				\$4,120,618	1.4%			
Vanguard Mid Cap Growth				\$4,209,690	1.4%			
Frontier Sm Cap Value I				\$3,789,539	1.3%			
Fidelity Small Cap Index				\$879,839	0.3%			
Bridge City Small Growth				\$5,597,056	1.9%			
Champlain Small Cap				\$6,330,086	2.1%			
International Equities	\$66,126,781	22.0%	19.0% - 25.0%	\$65,300,707	21.7%	-\$826,074	-0.3%	Yes
Int'l Large Cap Equity	\$45,086,442	15.0%	13.0% - 17.0%	\$42,893,322	14.3%	-\$2,193,119	-0.7%	Yes
EuroPacific Growth R6				\$21,556,979	7.2%			
Artisan Int'l Value				\$21,336,343	7.1%			
Int'l Small/Mid Cap Equity	\$12,023,051	4.0%	2.0% - 6.0%	\$11,920,750	4.0%	-\$102,301	0.0%	Yes
Victory Trivalent International Small Cap				\$11,920,750	4.0%			
Int'l Emerging Market Equity	\$9,017,288	3.0%	1.0% - 5.0%	\$10,486,635	3.5%	\$1,469,347	0.5%	Yes
Berens Global Value				\$936,212	0.3%			
Vanguard Emerging Markets Stock Index Fd				\$1,185,635	0.4%			
ABS Emerging Markets Strategic				\$8,364,788	2.8%			

Spokane Employees' Retirement System

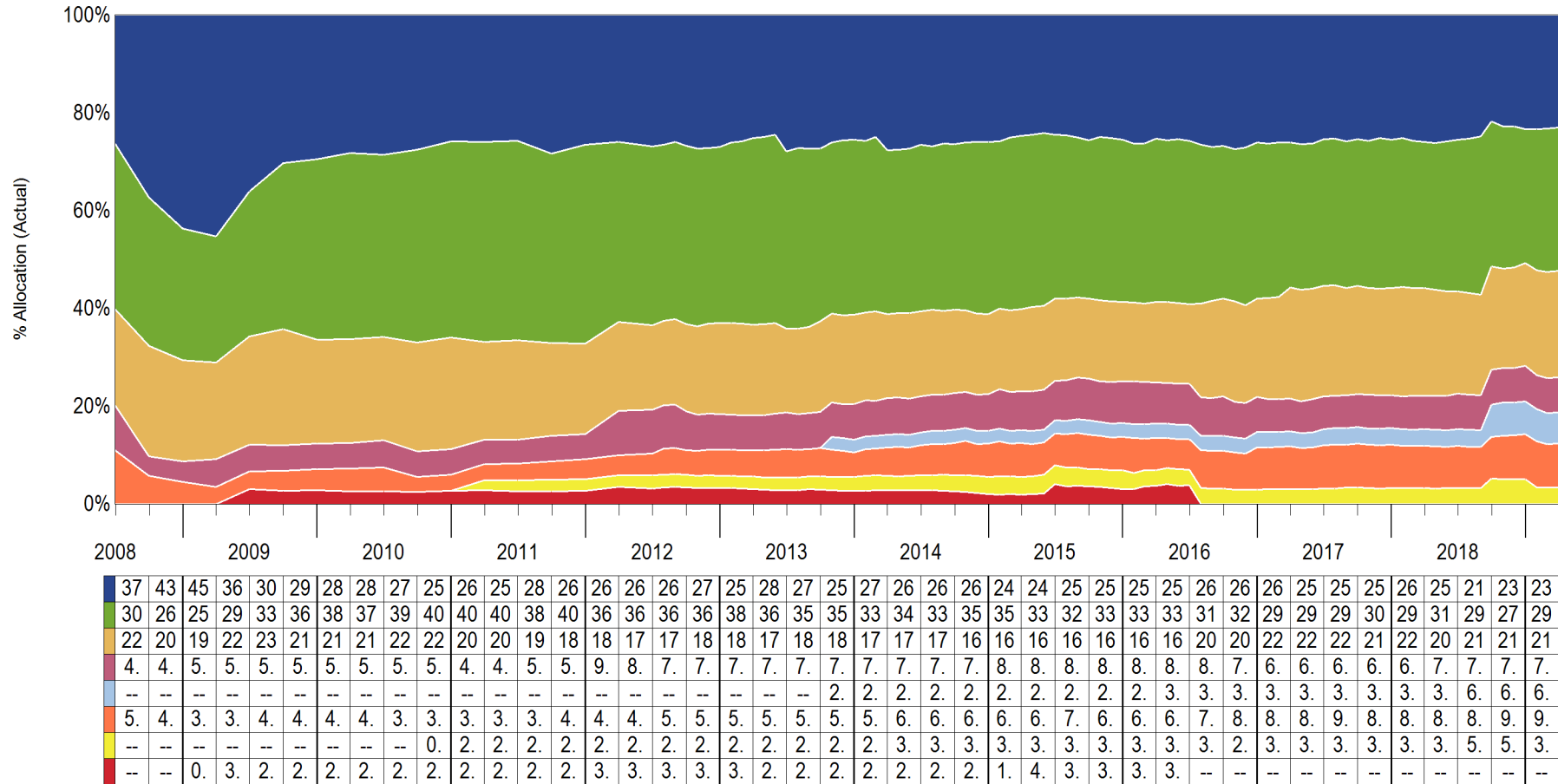
As of March 31, 2019

	Target Allocation	%	Target Allocation Range	Current	%	Difference	%	Within Range
Long Biased	\$21,040,339	7.0%	4.0% - 10.0%	\$21,586,932	7.2%	\$546,593	0.2%	Yes
Long Biased	\$21,040,339	7.0%	4.0% - 10.0%	\$21,586,932	7.2%	\$546,593	0.2%	Yes
Weatherlow Offshore				\$15,909,194	5.3%			
OrbiMed Royalty Opps II				\$3,307,349	1.1%			
OrbiMed Royalty Opportunities				\$2,370,389	0.8%			
Opportunistic Credit	\$21,040,339	7.0%	4.0% - 10.0%	\$19,257,513	6.4%	-\$1,782,827	-0.6%	Yes
Opportunistic Credit	\$21,040,339	7.0%	4.0% - 10.0%	\$19,257,513	6.4%	-\$1,782,827	-0.6%	Yes
Beach Point Select Fund LP				\$10,744,442	3.6%			
Contrarian Capital Fund I LP				\$8,513,071	2.8%			
Real Estate	\$27,051,865	9.0%	6.0% - 12.0%	\$26,952,668	9.0%	-\$99,197	0.0%	Yes
Real Estate	\$27,051,865	9.0%	6.0% - 12.0%	\$26,952,668	9.0%	-\$99,197	0.0%	Yes
Principal Global Investors REIT				\$12,541,491	4.2%			
Metropolitan Realty V				\$182,173	0.1%			
Morrison Street Fund V				\$2,650,923	0.9%			
Morrison Street Debt Opportunities Fund LP				\$4,234,898	1.4%			
Morgan Stanley Prime Property Fund				\$7,343,183	2.4%			
Special Opportunities	\$0	0.0%	0.0% - 10.0%	\$10,084,486	3.4%	\$10,084,486	3.4%	Yes
Special Opportunities	\$0	0.0%	0.0% - 10.0%	\$10,084,486	3.4%	\$10,084,486	3.4%	Yes
Orbimed Partners II				\$3,885,548	1.3%			
Contrarian Emerging Markets				\$6,198,938	2.1%			
Total	\$300,576,278	100.0%		\$300,576,278	100.0%			

Spokane Employees' Retirement System

As of March 31, 2019

Asset Allocation History
10 Years 9 Months Ending March 31, 2019

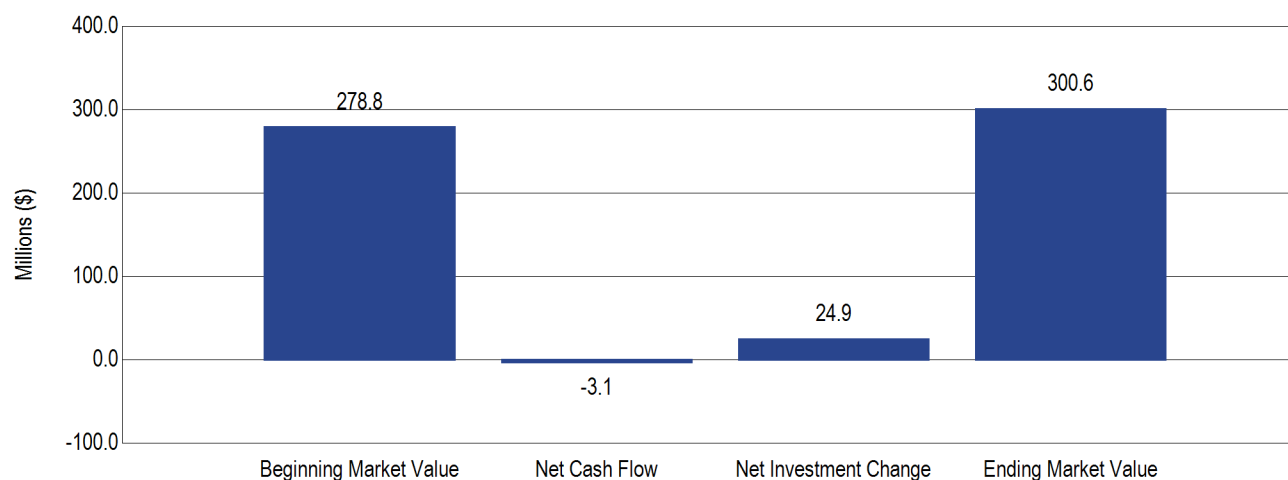


■ Capital Preservation
 ■ Domestic Equities
 ■ International Equities
 ■ Long Biased
 ■ Opportunistic Credit
 ■ Real Estate
 ■ Special Opportunities
 ■ Commodities

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Section 4

Change in Market Value
From January 01, 2019 To March 31, 2019



Cash Flow Summary

	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
ABS Emerging Markets Strategic	7,515,378.67	0.00	0.00	0.00	849,409.44	8,364,788.11
Artisan Int'l Value	19,388,190.53	0.00	-29.55	-29.55	1,948,182.36	21,336,343.34
Beach Point Select Fund LP	10,322,051.00	0.00	0.00	0.00	422,391.00	10,744,442.00
Berens Global Value	936,212.05	0.00	0.00	0.00	0.00	936,212.05
Bridge City Small Growth	4,995,053.65	0.00	0.00	0.00	602,002.19	5,597,055.84
Castine Partners II	7,162,893.70	0.00	0.00	0.00	425,693.49	7,588,587.19
Champlain Small Cap	5,493,417.98	0.00	0.00	0.00	836,668.07	6,330,086.05
Contrarian Capital Fund I LP	8,464,802.84	0.00	0.00	0.00	48,267.69	8,513,070.53
Contrarian Emerging Markets	5,999,678.79	0.00	0.00	0.00	199,258.87	6,198,937.66
EuroPacific Growth R6	19,042,803.78	0.00	-29.55	-29.55	2,514,204.91	21,556,979.14
Fidelity Instl Govt Money Market	24,864.03	12,174,380.93	-12,069,071.10	105,309.83	11,002.18	141,176.04
Fidelity Mid Cap Index	0.00	3,729,623.87	0.00	3,729,623.87	390,993.64	4,120,617.51
Fidelity S&P 500	0.00	25,755,572.75	0.00	25,755,572.75	1,312,297.30	27,067,870.05

Spokane Employees' Retirement System

As of March 31, 2019

	Beginning Market Value (\$)	Contributions (\$)	Withdrawals (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Fidelity Small Cap Index	0.00	828,608.01	0.00	828,608.01	51,231.15	879,839.16
Frontier Sm Cap Value I	3,326,051.75	0.00	0.00	0.00	463,486.82	3,789,538.57
Hotchkis & Wiley Div Value I	13,595,215.79	0.00	0.00	0.00	1,959,361.06	15,554,576.85
Hotchkis & Wiley High Yield	11,491,292.67	1,000,000.00	-62.01	999,937.99	740,306.62	13,231,537.28
Jackson Square Large-Cap Growth Equity	14,398,382.36	0.00	0.00	0.00	1,697,370.28	16,095,752.64
Metropolitan Realty V	198,679.08	0.00	-14,077.57	-14,077.57	-2,428.12	182,173.39
MFS Blended Research Core	12,959,766.19	0.00	-14,531,427.69	-14,531,427.69	1,571,661.50	0.00
Morgan Stanley Prime Property Fund	7,322,492.23	0.00	-72,245.38	-72,245.38	92,936.30	7,343,183.15
Morrison Street Debt Opportunities Fund LP	4,241,638.00	0.00	-94,743.19	-94,743.19	88,003.19	4,234,898.00
Morrison Street Fund V	4,170,140.00	0.00	-1,528,155.36	-1,528,155.36	8,938.02	2,650,922.66
Orbimed Partners II	8,192,679.00	0.00	-5,000,000.00	-5,000,000.00	692,869.00	3,885,548.00
OrbiMed Royalty Opportunities	2,293,451.00	0.00	-41,550.84	-41,550.84	118,488.84	2,370,389.00
OrbiMed Royalty Opps II	2,730,281.00	375,000.00	-162,486.01	212,513.99	364,554.01	3,307,349.00
Polar Long/Short Fund	6,708,293.99	0.00	0.00	0.00	343,135.13	7,051,429.12
Post Lmtd Term High Yield	6,013,410.91	0.00	0.00	0.00	225,780.51	6,239,191.42
Principal Global Investors REIT	9,723,771.25	1,000,000.00	0.00	1,000,000.00	1,817,719.87	12,541,491.12
Rimrock Low Volatility Offshore	9,869,620.44	0.00	0.00	0.00	142,212.78	10,011,833.22
Sterling Core Bond	23,898,706.38	1,000,000.00	-700,000.00	300,000.00	773,574.46	24,972,280.84
Sterling Mid Cap Value	3,934,337.14	0.00	0.00	0.00	578,573.27	4,512,910.41
Vanguard Emerging Markets Stock Index Fd	1,065,084.26	0.00	0.00	0.00	120,550.64	1,185,634.90
Vanguard Institutional Index	9,916,897.74	0.00	-10,224,145.06	-10,224,145.06	307,247.32	--
Vanguard Mid Cap Growth	3,486,514.74	0.00	0.00	0.00	723,175.16	4,209,689.90
Vanguard Mid Cap Index	3,569,353.54	0.00	-3,729,623.87	-3,729,623.87	160,270.33	--
Vanguard Small Cap Index	780,461.84	0.00	-828,608.01	-828,608.01	48,146.17	--
Victory Trivalent International Small Cap	10,600,383.84	0.00	0.00	0.00	1,320,365.83	11,920,749.67
Weatherlow Offshore	14,964,641.99	0.00	0.00	0.00	944,552.06	15,909,194.05
Total	278,796,894.15	45,863,185.56	-48,996,255.19	-3,133,069.63	24,912,453.34	300,576,277.86

Section 5

Statistic Definitions

Annualized Standard Deviation	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.
Downside / Upside Deviation	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.
Alpha	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.
Beta	Measures the systematic market risk and is equal to the change in portfolio performance in relation to the change in portfolio performance/index performance.
R-Squared	The "goodness of fit" to a benchmark. The percentage of a manager's return that is "explained" by the benchmark.
Tracking Error	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.
Information Ratio	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.
Sharpe Ratio	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.
Downside Capture Ratio	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.
Upside Capture Ratio	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.
Annualized Excess Return over Risk Free	Difference between the portfolio and the risk-free benchmark's return, annualized.
Annualized Excess Return	Difference between the portfolio and the benchmark's return, annualized.
Correlation	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.