



Spokane Employees' Retirement System

December 31, 2021 Performance Report

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Section 1

**WHO BUYS THIS STUFF?**

The apparent lack of value in US Treasury bonds has vexed American investors for years. At year-end 2021, for example, the ten-year Treasury yielded 1.52% even though the market was expecting inflation to be 2.56% for the next decade. An investor may quickly remark: why would anybody hold an investment for ten years if they think it's essentially going to be worth 10% less at the end? How could that make sense, especially in today's economy? After all, over 90% of the time since the 1950s, the ten-year Treasury has done better than what is incorporated into today's prices, quite often under worse circumstances. This time around, jobs are abundant, corporate earnings growth is robust, and the US economy is forecast to increase by 4% over inflation in 2022. Maybe the Treasury market is signaling something ominous? If not, who buys this stuff?

The Federal Reserve for starters. US Treasury debt rose by \$1.5 trillion in 2021, during which time the Fed took in roughly two-thirds of the increase. On top of that, foreign holdings of Treasuries increased by \$578 billion in 2021 through October alone. In combination, Fed plus foreign buying matched the entire US deficit for 2021 and their combined holdings now sum to 57% of Treasury debt held by the public. If supply of low-yielding Treasury debt increased so much in 2021, did smart money sell and drive prices down? Not so much in 2021 as they had already done a good bit of selling going into the year. For example, actively managed US open-end bond funds, whose assets sit at roughly \$4.7 trillion and have been perpetually underweight to Treasuries, actually increased their holdings a bit in 2021. Hedge funds appear to be doing the same thing.

Looking forward, a potential imbalance of supply and demand of US Treasuries transforms this commentary's question into "who's *going to* buy this stuff?" In terms of supply, the US federal budget deficit is estimated to be \$1.2 trillion for 2022 (equivalent to 5% of the Treasury market) and is expected to hover around those levels for years. In terms of demand, the Federal Reserve just started signaling that it may be selling its Treasuries in the quarters to come. Other central banks are also expected to pull back on their own stimuli if they have not done so already. 2021 in fact saw the most rate hikes by monetary authorities in a decade—with none of them coming from our own Federal Reserve! Can active investors fill the demand abyss left by the Fed? Perhaps, but the price will need to be right.

And what then would be the right price or return requirement for the ten-year Treasury, based squarely on its investment merit? Probably a bit higher considering that over the long-run the ten-year Treasury has beaten inflation by 2.5% annually on average. Getting yields up to these levels, or even simply to 0% after inflation will entail price drops for Treasuries, and the bond market as a whole, since all bond prices incorporate Treasury yields. As an estimate of where prices might go, the Bloomberg US Aggregate Bond Index has a duration of 6.7 years, meaning that if bond yields rise by one percentage point, the value of the bond market will decline by 6.7%. Markets are indeed starting to price in higher interest rates but are nowhere near providing an expected Treasury return above inflation.

The potential of rising interest rates may indeed be disconcerting from an investment standpoint, but then again, and as many investors have already observed, so should the status quo of low rates. Treasury investors may suffer price declines on the road to higher yields, which historically have tended to range from 5-15%. The far side of that transition, however, is likely a much more attractive return profile.

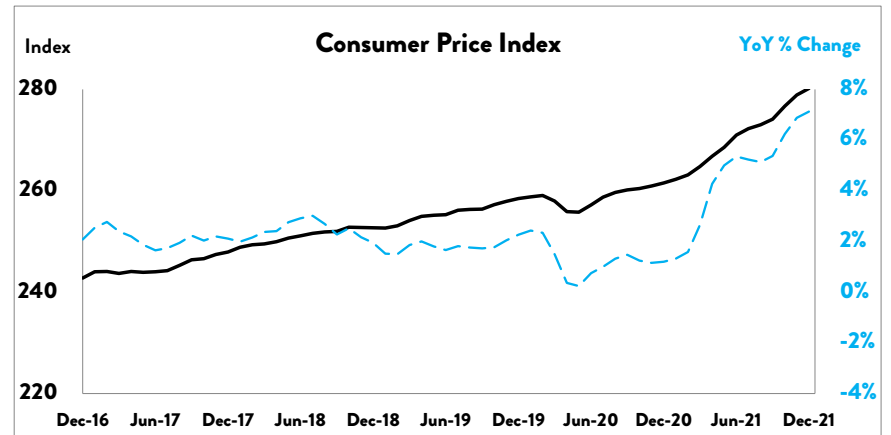
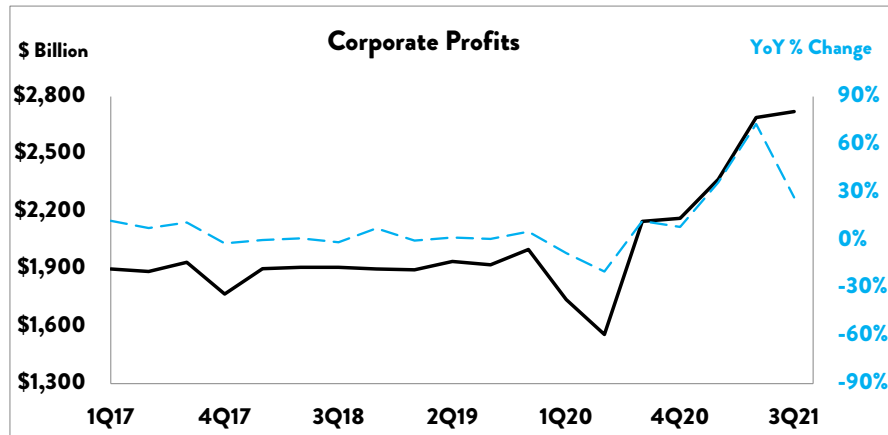
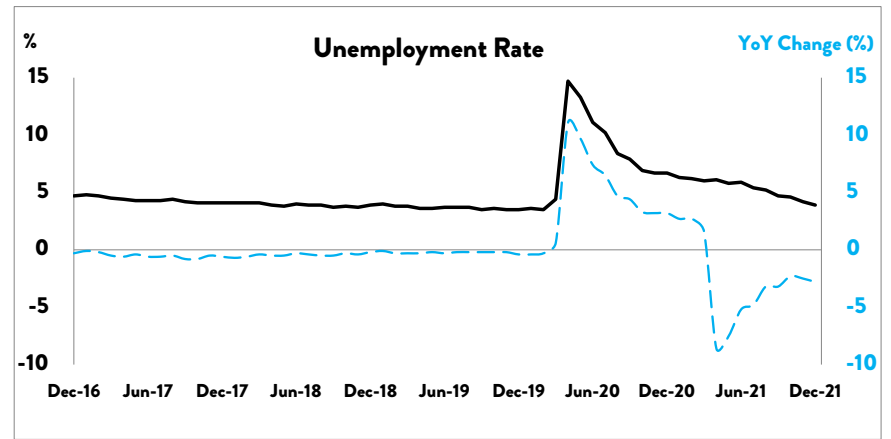
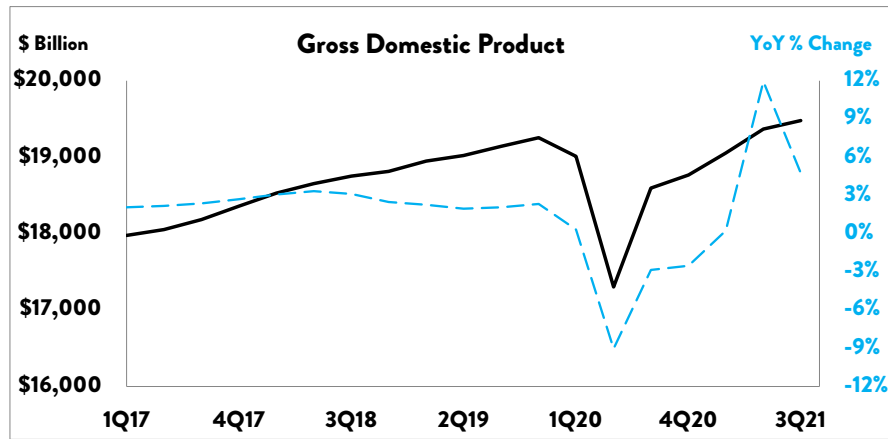
GLOBAL ECONOMIC LANDSCAPE

- Minutes from the December 14-15 meeting of the Federal Open Market Committee (FOMC) indicated a shift towards managing inflation over further increasing employment. Meeting participants discussed reducing monetary stimulus by raising the federal funds rate “sooner or at a faster pace than...earlier anticipated,” followed by a reduction in the Federal Reserve’s balance sheet. While financial markets responded promptly by selling off both stocks and bonds, the effect of any Federal Reserve actions will likely take quarters to exert their effect on the economy.
- The Chinese economic slowdown was a major theme of 2021. After growing from 6.1% in 2010 to 10.6% through 2019, a troubled property market, COVID-19 outbreaks, and substantial regulatory tightening reduced year-over-year growth to 4.9% as of 3Q2021. To offset this, Chinese leaders declared in December (and for the first time in 2021) an intention to use monetary and fiscal policy to stabilize economic growth.
- 2021 saw a record number of job openings (11 million) in the US, nearly 1.5 per every unemployed person. Though often decried as the “Great Resignation” of workers opting out of the labor force, 2021 also saw a record number of small businesses being formed. Nearly 5 million businesses were started from January through November, a 55% increase over 2019. It will be interesting to see how the economic potential of this phenomenon unfolds (which may take several years) as many new products and ideas are brought to the market.
- Crude oil rebounded sharply in 2021, with West Texas Crude Oil prices rising from \$48.35 to \$75.33 per barrel. While these gains likely reflect economic acceleration and increased use of commodities as a hedge on inflation, they also incorporate declining supply. The oil and gas industry for example spent \$350 billion on field development in 2020 versus \$475 billion in 2019 and \$740 million in 2014. Active rigs and inventories are also at their lowest levels in several years, potentially serving as a tailwind for energy prices.

GLOBAL FINANCIAL MARKETS

- 2021 marked a positive and notably uneven performance of the US Stock market. The growth investment style outperformed once again, though this time only within the large-cap space. Small-cap value stocks in contrast trounced their growth counterparts by the biggest margin (25.4%) since 2000. 4Q2021 followed a similar story of leadership by mega-cap growth technology companies whereas small-cap growth stocks were plagued by fallout in the biotechnology industry.
- Europe enjoyed a strong equity market performance in 2021, providing its highest outperformance of other international markets in twenty years. Unlike the Federal Reserve, the European Central Bank is expected to maintain its current monetary stimulus for much of the year. The combination of above-average growth, reasonable valuations, and a declining currency in an export-centric region may bolster European equities.
- The US investment-grade bond market experienced price declines in reaction to the release of the December FOMC meeting. Treasury Inflation-Protected Securities, which had been bid up in quarters on concerns of escalating inflation, dropped 2.2% in the first week of January. Most other bond categories saw price drops in the range of 1.0% to 1.5%. Treasury yields nudged up from 1.52% at the end of 2021 to 1.76% as of January 7, 2022.
- Spreads on US high yield bonds remained virtually unchanged in 4Q2021, starting the quarter at 3.15%, ending it at 3.10%, and remaining well below longer-term norms. Default rates on high yield debt also ended the quarter at 0.38% versus a longer-term average of 3.66%, reflective of a still buoyant economy. Spreads have risen slightly into 2022 but remain quite low.

4Q2021 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	199,000	4,846,000	-20,679,000	58,933	Dec-21
Unemployment Rate	3.9%	14.7%	3.5%	5.1%	Dec-21
Median Unemployment Length (Weeks)	10.8	22.2	4.0	11.5	Dec-21
Average Hourly Earnings	\$31.31	\$31.31	\$25.99	\$28.25	Dec-21

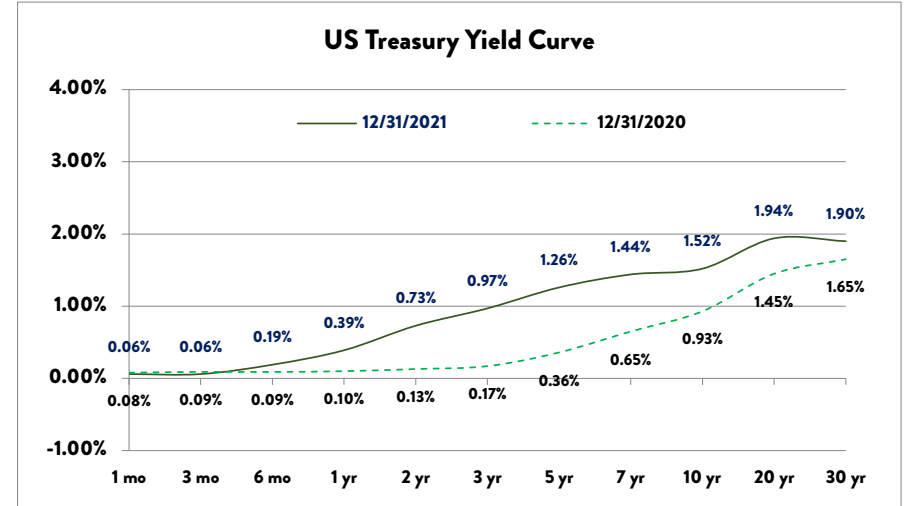
Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$3.24	\$3.35	\$1.80	-3.1%	Dec-21
Spot Oil	\$71.71	\$81.48	\$16.55	-12.0%	Dec-21
Case-Shiller Home Price Index	279.0	279.0	192.5	45.0%*	Oct-21
Medical Care CPI	530.9	530.9	472.1	12.5%*	Dec-21

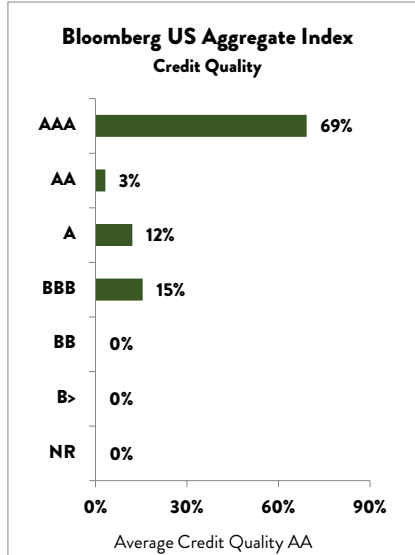
*% Off Low

4Q2021 Bond Market Data

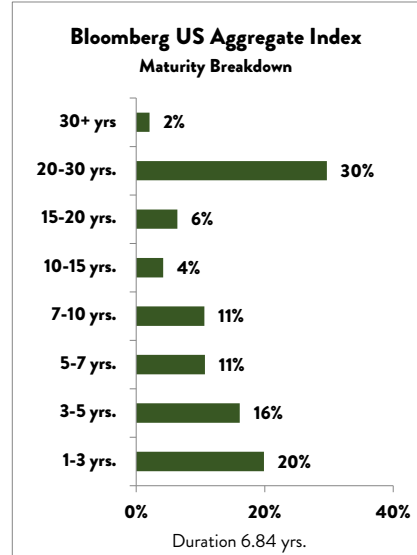
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.01%	0.05%	0.05%	0.84%	1.09%	0.60%
Bloomberg US Aggregate	0.01%	-1.54%	-1.54%	4.79%	3.57%	2.90%
Bloomberg Short US Treasury	-0.02%	0.04%	0.04%	1.14%	1.22%	0.71%
Bloomberg Int. US Treasury	-0.57%	-1.72%	-1.72%	3.04%	2.33%	1.68%
Bloomberg Long US Treasury	3.08%	-4.65%	-4.65%	8.82%	6.54%	4.51%
Bloomberg US TIPS	2.36%	5.96%	5.96%	8.44%	5.34%	3.09%
Bloomberg US Credit	0.22%	-1.08%	-1.08%	7.17%	5.05%	4.45%
Bloomberg US Mortgage-Backed	-0.37%	-1.04%	-1.04%	3.01%	2.50%	2.28%
Bloomberg US Asset-Backed	-0.57%	-0.34%	-0.34%	2.88%	2.39%	2.04%
Bloomberg US 20-Yr Municipal	1.20%	2.53%	2.53%	5.97%	5.27%	4.84%
Bloomberg US High Yield	0.71%	5.28%	5.28%	8.83%	6.30%	6.83%
Bloomberg Global	-0.67%	-4.71%	-4.71%	3.59%	3.36%	1.77%
Bloomberg International	-1.18%	-7.05%	-7.05%	2.46%	3.07%	0.82%
Bloomberg Emerging Market	-0.52%	-1.65%	-1.65%	5.82%	4.57%	5.12%



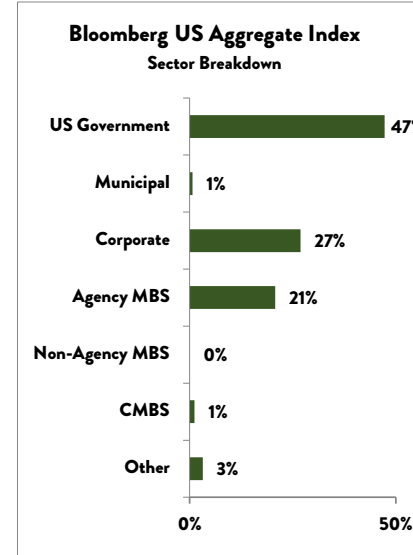
Source: Department of US Treasury



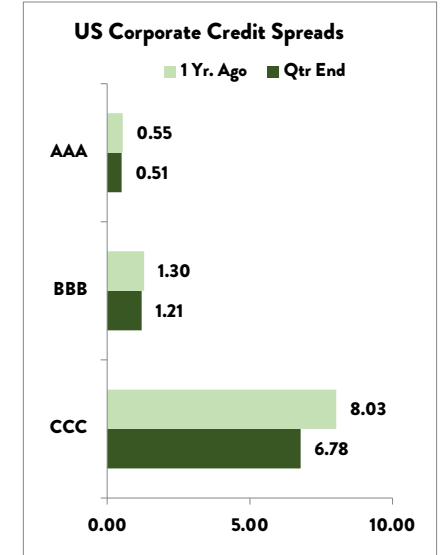
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

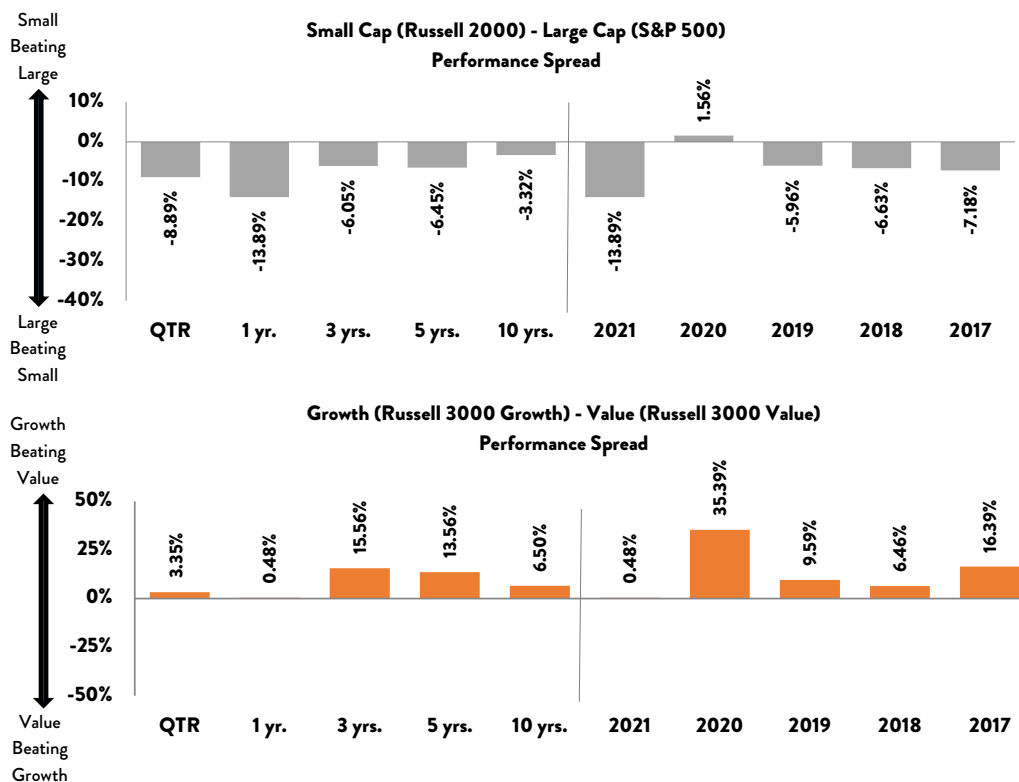
4Q2021 US Equity Market Data

Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	YTD	1 yr.
S&P 500 Index	3%	Real Estate	17.54%	46.19%	46.19%
	29%	Information Technology	16.69%	34.53%	34.53%
	3%	Materials	15.20%	27.28%	27.28%
	6%	Consumer Staples	13.31%	18.63%	18.63%
	2%	Utilities	12.93%	17.67%	17.67%
	13%	Consumer Discretionary	12.84%	24.43%	24.43%
	13%	Health Care	11.17%	26.13%	26.13%
	8%	Industrials	8.64%	21.12%	21.12%
	3%	Energy	7.97%	54.64%	54.64%
	11%	Financials	4.57%	35.04%	35.04%
10%	Communication Services	-0.01%	21.57%	21.57%	
S&P Midcap 400 Index	10%	Real Estate	14.17%	35.68%	35.68%
	7%	Materials	13.64%	32.23%	32.23%
	19%	Industrials	11.62%	28.45%	28.45%
	3%	Utilities	11.12%	19.75%	19.75%
	14%	Information Technology	8.24%	13.64%	13.64%
	3%	Consumer Staples	7.42%	10.08%	10.08%
	14%	Financials	7.03%	33.14%	33.14%
	15%	Consumer Discretionary	4.18%	27.69%	27.69%
	2%	Energy	2.83%	66.68%	66.68%
	10%	Health Care	1.33%	11.35%	11.35%
2%	Communication Services	-2.74%	-3.10%	-3.10%	
S&P Smallcap 600 Index	2%	Utilities	18.14%	26.02%	26.02%
	14%	Information Technology	10.92%	26.85%	26.85%
	5%	Consumer Staples	10.56%	28.79%	28.79%
	17%	Industrials	9.60%	25.90%	25.90%
	8%	Real Estate	8.76%	30.49%	30.49%
	5%	Materials	6.18%	18.41%	18.41%
	19%	Financials	5.41%	27.44%	27.44%
	12%	Consumer Discretionary	3.73%	37.80%	37.80%
	12%	Health Care	-1.73%	5.87%	5.87%
	2%	Communication Services	-3.54%	27.27%	27.27%
5%	Energy	-7.72%	60.34%	60.34%	

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	11.03%	28.71%	28.71%	26.07%	18.47%	16.55%
Russell 1000 Value	7.77%	25.16%	25.16%	17.64%	11.16%	12.97%
Russell 1000 Growth	11.64%	27.60%	27.60%	34.08%	25.32%	19.79%
Russell Mid Cap	6.44%	22.58%	22.58%	23.29%	15.10%	14.91%
Russell Mid Cap Value	8.54%	28.34%	28.34%	19.62%	11.22%	13.44%
Russell Mid Cap Growth	2.85%	12.73%	12.73%	27.46%	19.83%	16.63%
Russell 2000	2.14%	14.82%	14.82%	20.02%	12.02%	13.23%
Russell 2000 Value	4.36%	28.27%	28.27%	17.99%	9.07%	12.03%
Russell 2000 Growth	0.01%	2.83%	2.83%	21.17%	14.53%	14.14%
Russell 3000	9.28%	25.66%	25.66%	25.79%	17.97%	16.30%
DJ US Select REIT	17.22%	45.91%	45.91%	16.84%	9.65%	10.70%



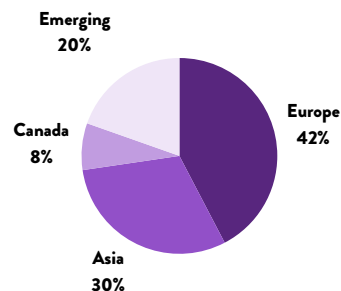
4Q2021 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	1.82%	7.82%	7.82%	13.18%	9.61%	7.28%
MSCI EAFE	2.69%	11.26%	11.26%	13.54%	9.55%	8.03%
Europe	5.66%	16.30%	16.30%	14.90%	10.14%	8.18%
United Kingdom	5.62%	18.50%	18.50%	8.70%	6.16%	5.06%
Germany	0.82%	5.34%	5.34%	12.37%	7.12%	8.16%
France	7.11%	19.51%	19.51%	16.07%	11.92%	9.77%
Pacific	-2.72%	2.63%	2.63%	11.06%	8.48%	7.81%
Japan	-3.96%	1.71%	1.71%	11.68%	8.51%	8.34%
Hong Kong	-3.55%	-3.91%	-3.91%	3.91%	7.09%	7.93%
Australia	2.10%	9.41%	9.41%	13.50%	9.07%	6.64%
Canada	7.18%	25.98%	25.98%	19.15%	10.21%	6.03%
MSCI EM	-1.31%	-2.54%	-2.54%	10.94%	9.87%	5.49%
MSCI EM Latin America	-2.69%	-8.09%	-8.09%	-2.37%	1.47%	-2.17%
MSCI EM Asia	-0.98%	-5.08%	-5.08%	13.26%	11.90%	8.06%
MSCI EM Eur/Mid East	-3.03%	23.93%	23.93%	10.97%	7.80%	2.46%
MSCI ACWI Value ex-US	1.24%	10.46%	10.46%	8.24%	6.00%	5.29%
MSCI ACWI Growth ex-US	2.37%	5.09%	5.09%	17.82%	13.06%	9.13%
MSCI ACWI Sm Cap ex-US	0.62%	12.93%	12.93%	16.46%	11.21%	9.46%

Regional Exposure

MSCI ACWI ex-USA

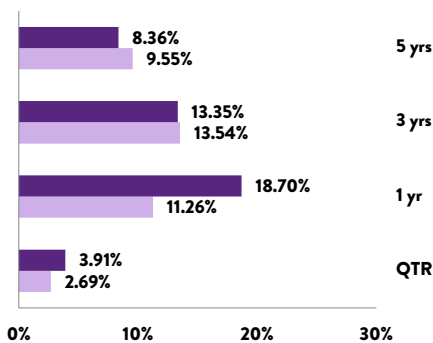


Top 10 Countries (MSCI AC World ex-USA)

Japan	15%
UK	9%
China	9%
France	8%
Canada	8%
Switzerland	7%
Germany	6%
Taiwan	5%
Australia	4%
India	4%

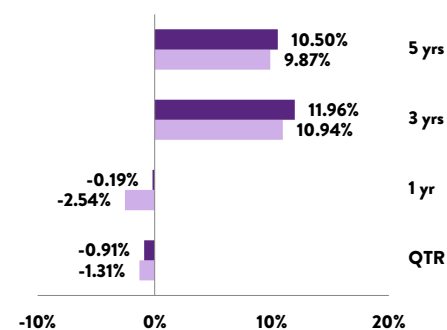
MSCI EAFE Index Return

Local US\$

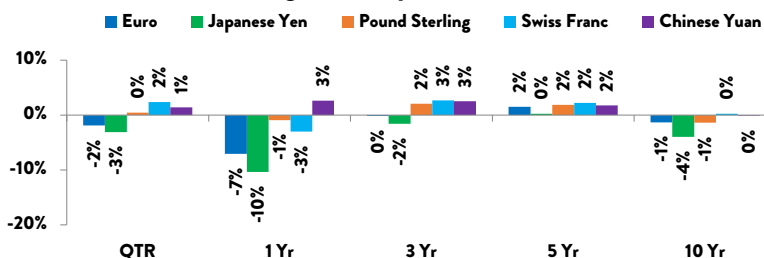


MSCI Emerging Index Return

Local US\$

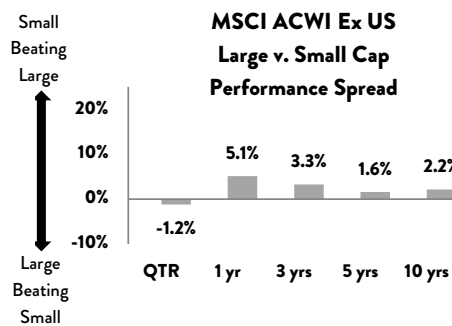


Foreign Currency v. US\$ Returns

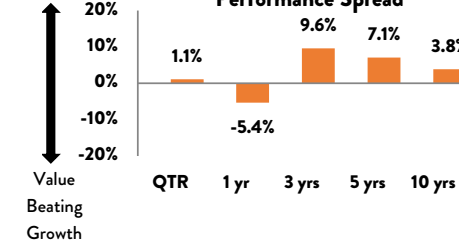


Exchange Rates	QTR	3Q21	2Q21	1Q21	4Q20	3Q20
Japanese Yen	115.17	111.50	111.05	110.67	103.19	105.58
Euro	0.88	0.86	0.84	0.85	0.82	0.85
British Pound	0.74	0.74	0.72	0.72	0.73	0.77
Swiss Franc	0.91	0.93	0.93	0.94	0.88	0.92
Chinese Yuan	6.37	6.44	6.46	6.55	6.53	6.79

MSCI ACWI Ex US Large v. Small Cap Performance Spread



MSCI ACWI Ex US Value v. Growth Performance Spread



Historical Market Returns

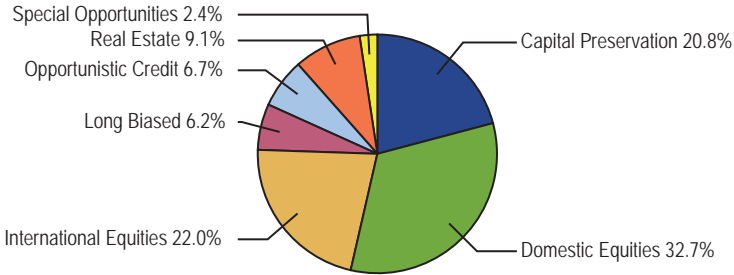
Ranked by Performance

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	4Q21
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%	Large Cap 31.49%	Small Cap 19.96%	Large Cap 28.71%	Large Cap 11.03%
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%	Mid Cap 30.54%	Large Cap 18.40%	Commod. 27.11%	Core Real Estate 7.69%
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%	Small Cap 25.52%	Emerging Markets 18.31%	Mid Cap 22.58%	Mid Cap 6.44%
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 21.51%	Mid Cap 17.10%	Core Real Estate 21.06%	Global Balanced 4.42%
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%	Global Balanced 18.86%	Global Balanced 13.93%	Small Cap 14.82%	TIPS 2.36%
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%	Emerging Markets 18.42%	TIPS 10.99%	Global Balanced 10.94%	Small Cap 2.14%
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 14.32%	Intl 10.65%	Intl 7.82%	Intl 1.82%
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%	US Bonds 8.72%	Global Bonds 9.20%	TIPS 5.96%	High Yield 0.71%
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 8.43%	US Bonds 7.51%	High Yield 5.28%	Cash 0.01%
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%	Commod. 7.69%	High Yield 7.11%	Cash 0.05%	US Bonds 0.01%
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 6.84%	Cash 0.37%	US Bonds -1.54%	Global Bonds -0.67%
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 4.41%	Core Real Estate 0.35%	Emerging Markets -2.54%	Emerging Markets -1.31%
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 2.30%	Commod. -3.12%	Global Bonds -4.71%	Commod. -1.56%

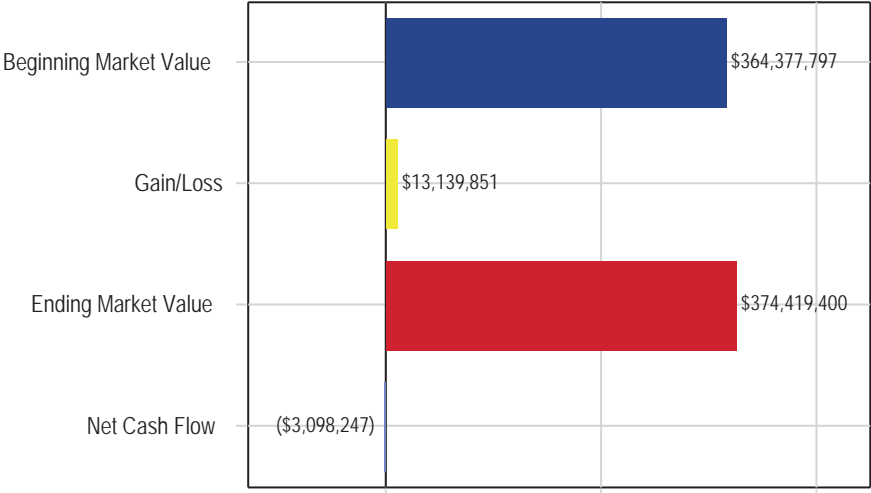
Global Balanced is composed of 60% MSCI World Stock Index, 35% BBgBarc Global Aggregate Bond Index, and 5% US 90-Day T-Bills.

Section 2

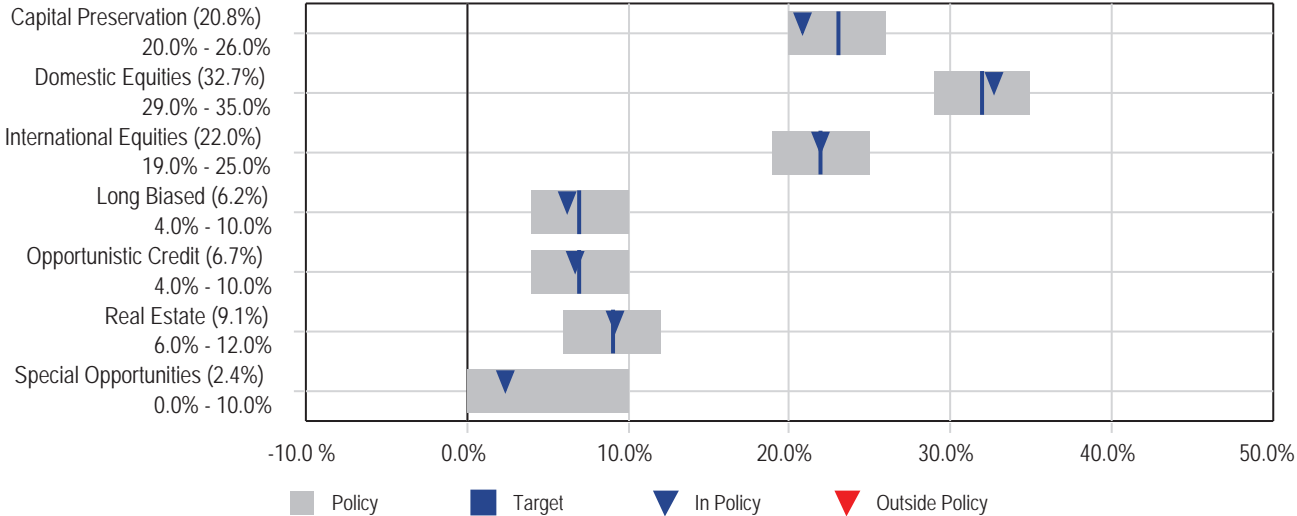
SERS Current Allocation



Current Quarter



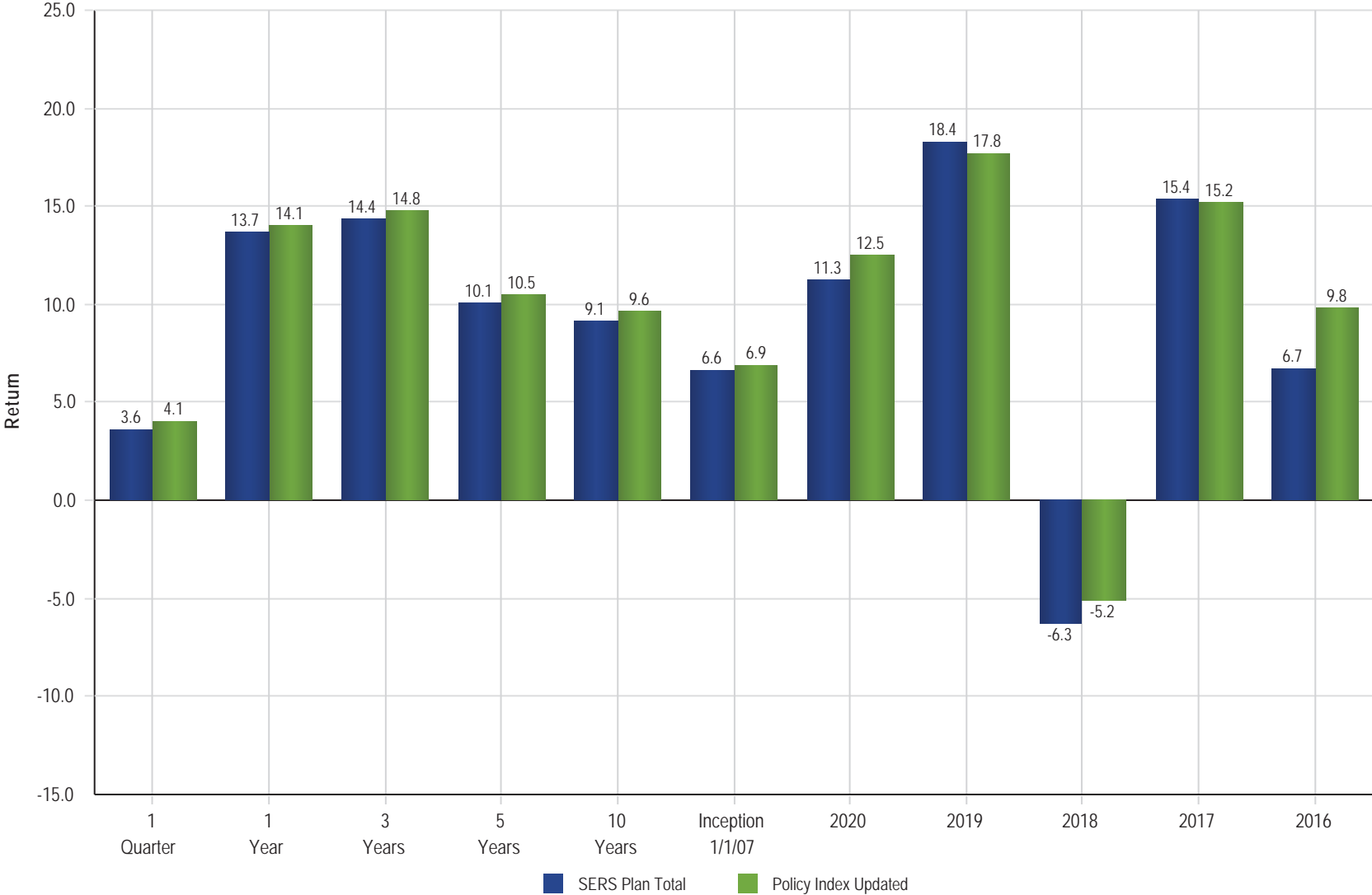
Executive Summary



Policy Breakdown

Passive Portfolios	Weight (%)
Blmbg. U.S. Aggregate	10
Blmbg. U.S. Corp: High Yield Index	5
HFRI FOF: Conservative Index	8
S&P 500 Index	21
Russell 2500 Index	11
MSCI AC World ex USA (Net)	15
MSCI AC World ex USA Small Cap (Net)	4
MSCI Emerging Markets (Net)	3
HFRI Fund of Funds Composite Index	7
HFRI ED: Distressed/Restructuring Index	7
NCREIF ODCE VW NET	6
FTSE NAREIT Comp REIT	3

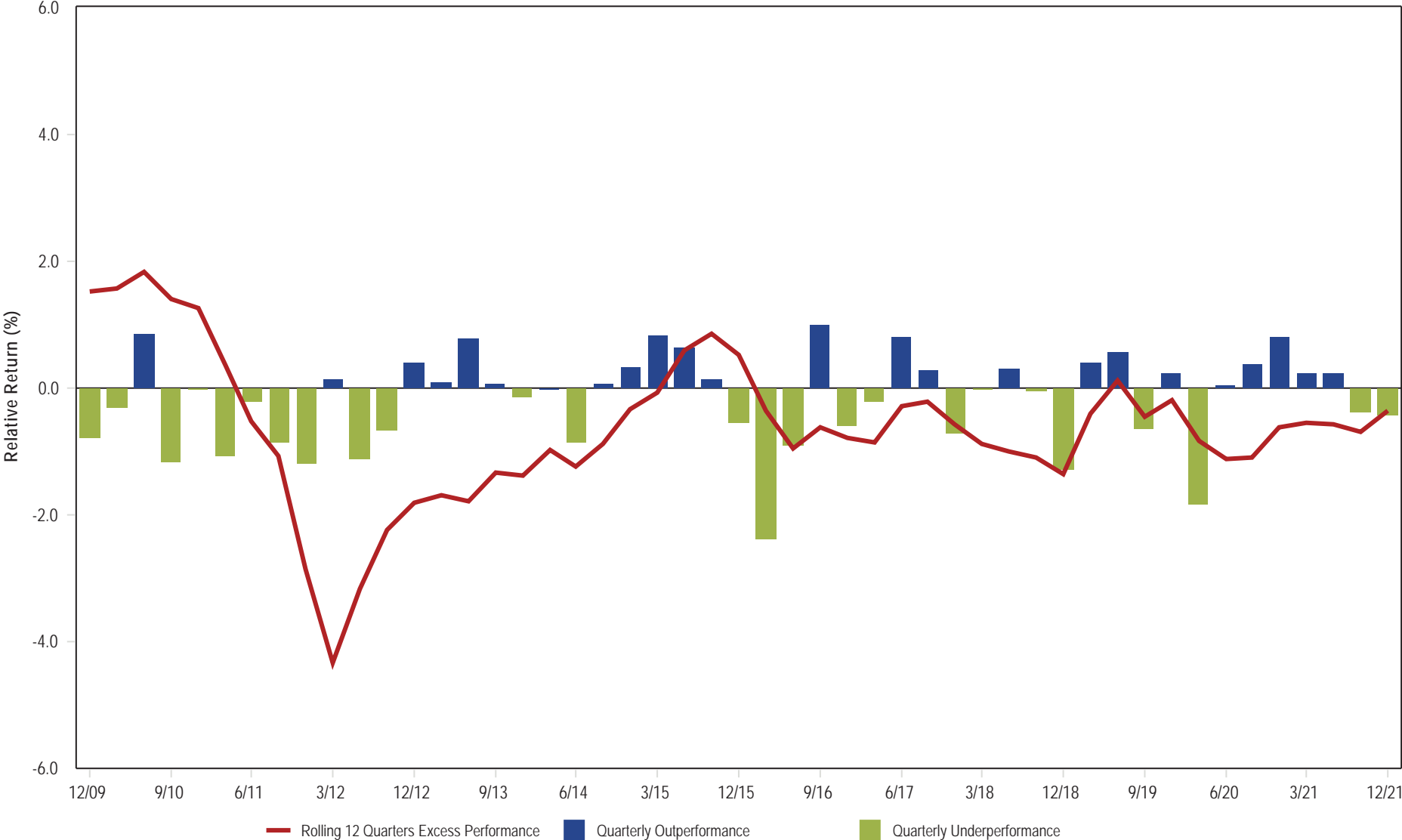
Return Summary



Performance Net of Fees.

Performance for periods longer than 1 year is annualized.

Relative Performance
Rolling 3 Year Annualized Excess Performance



Return Summary Statistics

	3 Years		5 Years		Since Inception		Inception Date
	SERS Plan Total	Policy Index Updated	SERS Plan Total	Policy Index Updated	SERS Plan Total	Policy Index Updated	
Maximum Return	13.82	13.76	13.82	13.76	13.82	16.64	01/01/2007
Minimum Return	-17.94	-16.12	-17.94	-16.12	-17.94	-17.38	
Return	14.40	14.75	10.12	10.54	6.63	6.89	
Cumulative Return	49.73	51.10	61.96	65.08	161.89	171.76	
Active Return	-0.12	0.00	-0.24	0.00	-0.34	0.00	
Excess Return	13.97	14.08	9.57	9.81	6.34	6.68	

Risk/Return Summary Statistics

	3 Years		5 Years		Since Inception		Inception Date
	SERS Plan Total	Policy Index Updated	SERS Plan Total	Policy Index Updated	SERS Plan Total	Policy Index Updated	
Standard Deviation	16.27	15.04	13.83	12.77	12.30	13.05	01/01/2007
Alpha	-1.32	0.00	-1.12	0.00	0.21	0.00	
Tracking Error	1.42	0.00	1.34	0.00	2.39	0.00	
Information Ratio	-0.08	N/A	-0.18	N/A	-0.14	N/A	
Beta	1.08	1.00	1.08	1.00	0.93	1.00	
Sharpe Ratio	0.85	0.92	0.68	0.75	0.51	0.51	

Correlation Statistics

	3 Years		5 Years		Since Inception		Inception Date
	SERS Plan Total	Policy Index Updated	SERS Plan Total	Policy Index Updated	SERS Plan Total	Policy Index Updated	
R-Squared	0.998	1.000	0.996	1.000	0.968	1.000	01/01/2007
Actual Correlation	0.999	1.000	0.998	1.000	0.984	1.000	

Spokane Employees' Retirement System

As of December 31, 2021

Total Account Performance Summary

	Performance (%)													Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017	2016	2015	2014	
SERS Plan Total	3.61	13.67	14.40	10.12	9.13	6.63	11.29	18.35	-6.27	15.40	6.71	-0.94	5.34	01/01/2007
Policy Index Updated	4.05	14.07	14.75	10.54	9.63	6.89	12.48	17.77	-5.17	15.20	9.84	-2.00	5.79	
Over/Under	-0.44	-0.40	-0.35	-0.42	-0.50	-0.26	-1.19	0.58	-1.10	0.20	-3.13	1.06	-0.45	
70/30 ACWI/Barclays Aggregate Bond	4.69	12.25	15.85	11.31	9.30	6.46	14.28	21.21	-6.48	17.50	6.42	-1.30	4.77	
Over/Under	-1.08	1.42	-1.45	-1.19	-0.17	0.17	-2.99	-2.86	0.21	-2.10	0.29	0.36	0.57	
Corporate and Public >250m and < \$1Bil Rank	52	28	55	61	56	61	81	68	74	49	77	40	78	
Capital Preservation	-0.03	2.35	4.75	3.80	-	3.52	3.29	8.71	-0.94	5.85	8.12	-1.74	1.65	07/01/2012
Capital Preservation Index	0.39	3.05	6.43	4.60	4.19	4.11	7.23	9.09	-0.72	4.60	5.43	-0.58	4.23	
Over/Under	-0.42	-0.70	-1.68	-0.80	-	-0.59	-3.94	-0.38	-0.22	1.25	2.69	-1.16	-2.58	
Domestic Equity	8.12	25.73	24.01	16.08	-	14.92	17.45	29.14	-7.80	19.86	10.91	-0.32	11.10	07/01/2012
Domestic Equity Index	8.52	25.09	24.77	16.93	15.79	15.63	19.22	30.24	-6.30	20.11	13.92	-0.06	11.44	
Over/Under	-0.40	0.64	-0.76	-0.85	-	-0.71	-1.77	-1.10	-1.50	-0.25	-3.01	-0.26	-0.34	
All Cap Blend Rank	55	49	36	39	-	38	41	40	49	44	67	40	42	
International Equity Total	1.44	9.68	17.27	11.78	9.47	6.06	17.63	25.02	-15.78	28.45	3.91	-1.32	-3.58	04/01/2007
International Equity Index	1.17	7.30	13.52	9.98	7.47	4.03	12.43	21.27	-14.96	29.35	5.34	-5.49	-3.63	
Over/Under	0.27	2.38	3.75	1.80	2.00	2.03	5.20	3.75	-0.82	-0.90	-1.43	4.17	0.05	
Foreign Rank	67	59	30	32	29	14	27	35	55	38	23	60	34	
Long Biased	-2.96	4.52	11.15	7.31	-	5.76	16.54	12.74	2.43	1.19	-2.99	4.04	3.62	07/01/2012
HFRI Fund of Funds Composite Index	0.31	6.05	8.42	5.68	4.55	4.68	10.88	8.39	-4.02	7.77	0.51	-0.27	3.37	
Over/Under	-3.27	-1.53	2.73	1.63	-	1.08	5.66	4.35	6.45	-6.58	-3.50	4.31	0.25	
S&P 500 Index	11.03	28.71	26.07	18.47	16.55	16.36	18.40	31.49	-4.38	21.83	11.96	1.38	13.69	
Over/Under	-13.99	-24.19	-14.92	-11.16	-	-10.60	-1.86	-18.75	6.81	-20.64	-14.95	2.66	-10.07	
Opportunistic Credit	3.44	20.58	7.48	4.63	-	5.59	1.81	1.14	-5.68	7.08	14.52	2.35	2.32	10/01/2013
HFRI ED: Distressed/Restructuring Index	0.73	15.61	10.00	6.81	6.19	5.16	11.82	2.94	-1.70	6.25	15.15	-8.06	-1.39	
Over/Under	2.71	4.97	-2.52	-2.18	-	0.43	-10.01	-1.80	-3.98	0.83	-0.63	10.41	3.71	

Capital Preservation Index: Blmbg.Aggregate: 43.5%; HFRI Conservative: 34.8% Blmbg.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%

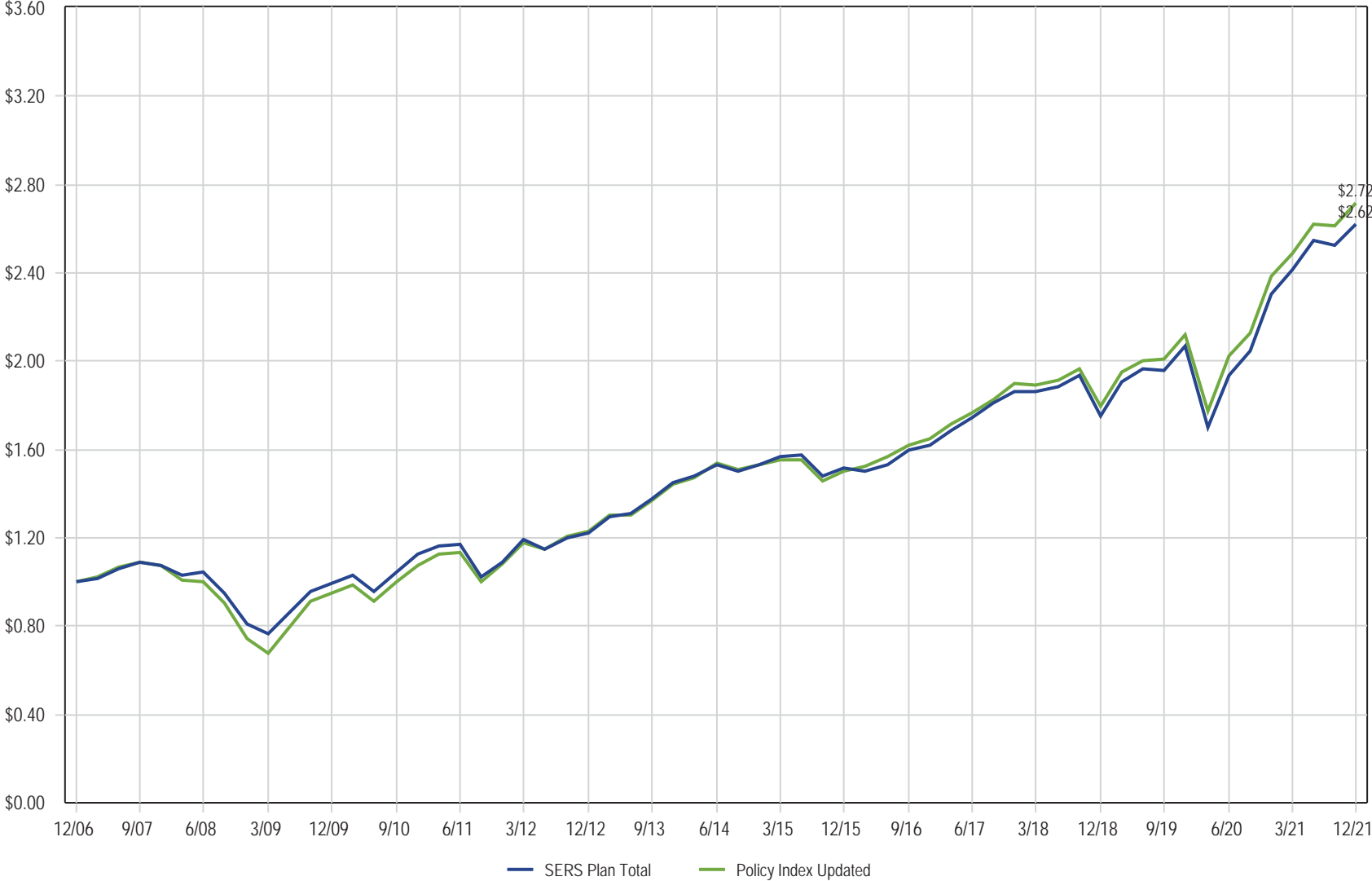
Spokane Employees' Retirement System

As of December 31, 2021

	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017	2016	2015	2014	Inception Date
Real Estate Total	11.21	27.88	13.23	10.61	11.70	6.82	-2.65	16.62	3.68	10.01	8.09	6.66	25.00	04/01/2007
NCREIF ODCE VW NET	7.66	21.02	8.23	7.74	9.43	5.64	0.34	4.39	7.36	6.66	7.79	13.95	11.46	
Over/Under	3.55	6.86	5.00	2.87	2.27	1.18	-2.99	12.23	-3.68	3.35	0.30	-7.29	13.54	
FTSE NAREIT All REITs Index	15.25	39.88	19.03	12.06	12.03	7.07	-5.86	28.07	-4.10	9.27	9.28	2.29	27.15	
Over/Under	-4.04	-12.00	-5.80	-1.45	-0.33	-0.25	3.21	-11.45	7.78	0.74	-1.19	4.37	-2.15	
Real Estate Rank	87	89	90	67	33	45	28	95	5	10	23	6	82	
Special Opportunities	-9.85	-21.53	-1.48	1.20	-	3.56	10.22	10.54	-11.43	25.32	-21.90	2.13	25.88	07/01/2012
Russell 3000 Index	9.28	25.66	25.79	17.97	16.30	16.12	20.89	31.02	-5.24	21.13	12.74	0.48	12.56	
Over/Under	-19.13	-47.19	-27.27	-16.77	-	-12.56	-10.67	-20.48	-6.19	4.19	-34.64	1.65	13.32	

Capital Preservation Index: Blmbg.Aggregate: 43.5%; HFRI Conservative: 34.8% Blmbg.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%

Growth of A Dollar

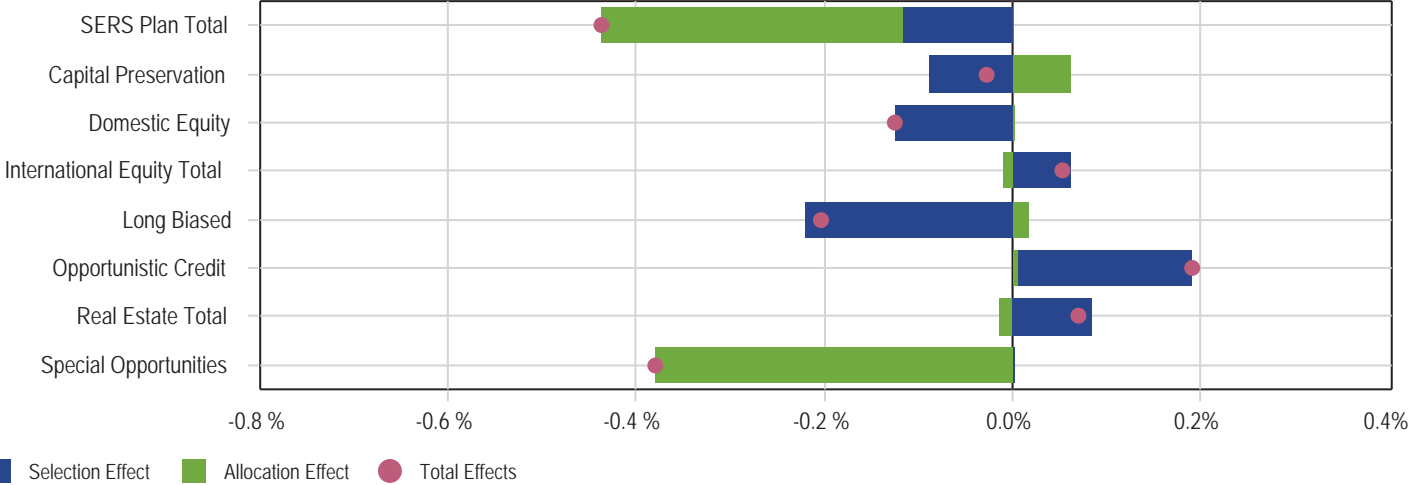


Calculation based on quarterly periodicity.

Attribution Summary
1 Quarter Ending December 31, 2021

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	-0.03	0.39	-0.42	-0.09	0.06	-0.03
Domestic Equity	8.12	8.52	-0.40	-0.13	0.00	-0.13
International Equity Total	1.44	1.17	0.27	0.06	-0.01	0.05
Long Biased	-2.96	0.31	-3.27	-0.22	0.02	-0.20
Opportunistic Credit	3.44	0.73	2.71	0.18	0.01	0.19
Real Estate Total	11.21	10.16	1.04	0.08	-0.01	0.07
Special Opportunities	-9.85	9.28	-19.13	0.00	-0.38	-0.38
SERS Plan Total	3.61	4.05	-0.44	-0.10	-0.32	-0.44

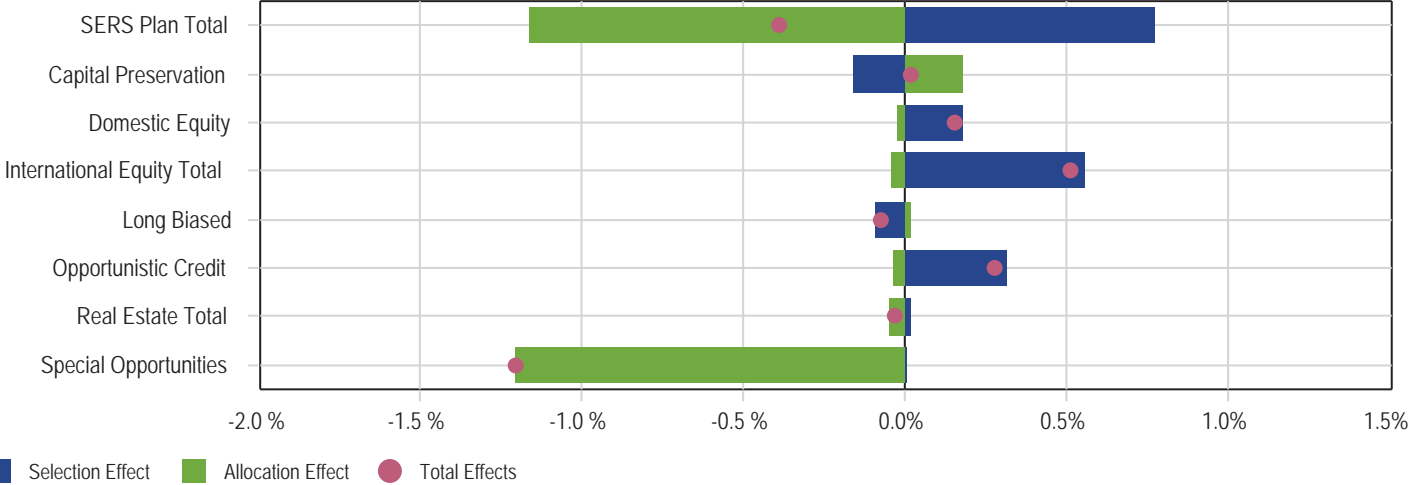
Attribution Effects
1 Quarter Ending December 31, 2021



Attribution Summary
1 Year Ending December 31, 2021

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	2.35	3.05	-0.70	-0.16	0.18	0.02
Domestic Equity	25.73	25.09	0.64	0.18	-0.02	0.16
International Equity Total	9.68	7.30	2.39	0.56	-0.04	0.52
Long Biased	4.52	6.05	-1.53	-0.09	0.02	-0.08
Opportunistic Credit	20.58	15.61	4.97	0.32	-0.04	0.28
Real Estate Total	27.88	27.35	0.53	0.02	-0.05	-0.03
Special Opportunities	-21.53	25.66	-47.19	0.00	-1.21	-1.21
SERS Plan Total	13.67	14.06	-0.39	0.82	-1.16	-0.39

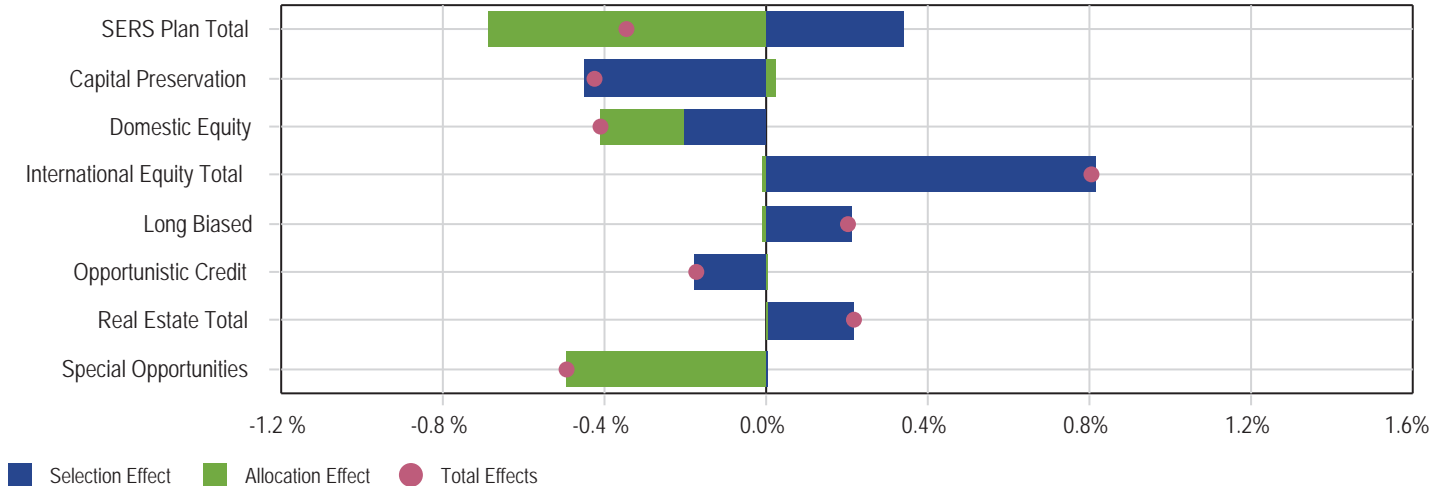
Attribution Effects
1 Year Ending December 31, 2021



Attribution Summary
3 Years Ending December 31, 2021

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	4.75	6.43	-1.68	-0.45	0.02	-0.43
Domestic Equity	24.01	24.77	-0.76	-0.20	-0.21	-0.41
International Equity Total	17.27	13.52	3.75	0.82	-0.01	0.81
Long Biased	11.15	8.42	2.73	0.21	-0.01	0.20
Opportunistic Credit	7.48	10.00	-2.52	-0.18	0.00	-0.17
Real Estate Total	13.23	10.77	2.46	0.21	0.01	0.22
Special Opportunities	-1.48	25.79	-27.27	0.00	-0.49	-0.49
SERS Plan Total	14.40	14.75	-0.35	0.41	-0.69	-0.35

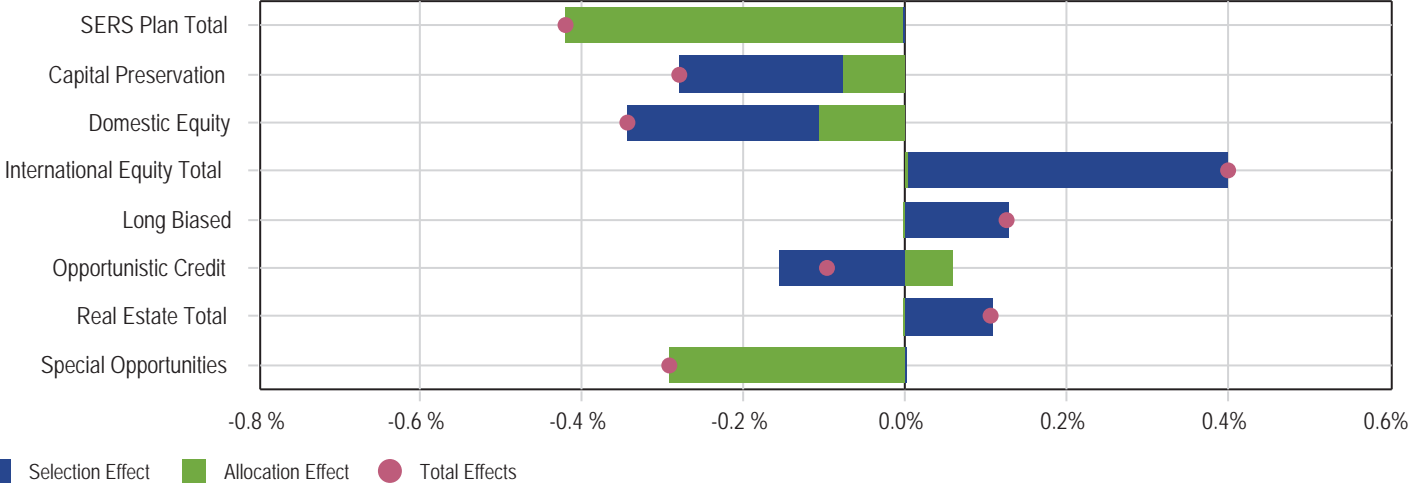
Attribution Effects
3 Years Ending December 31, 2021



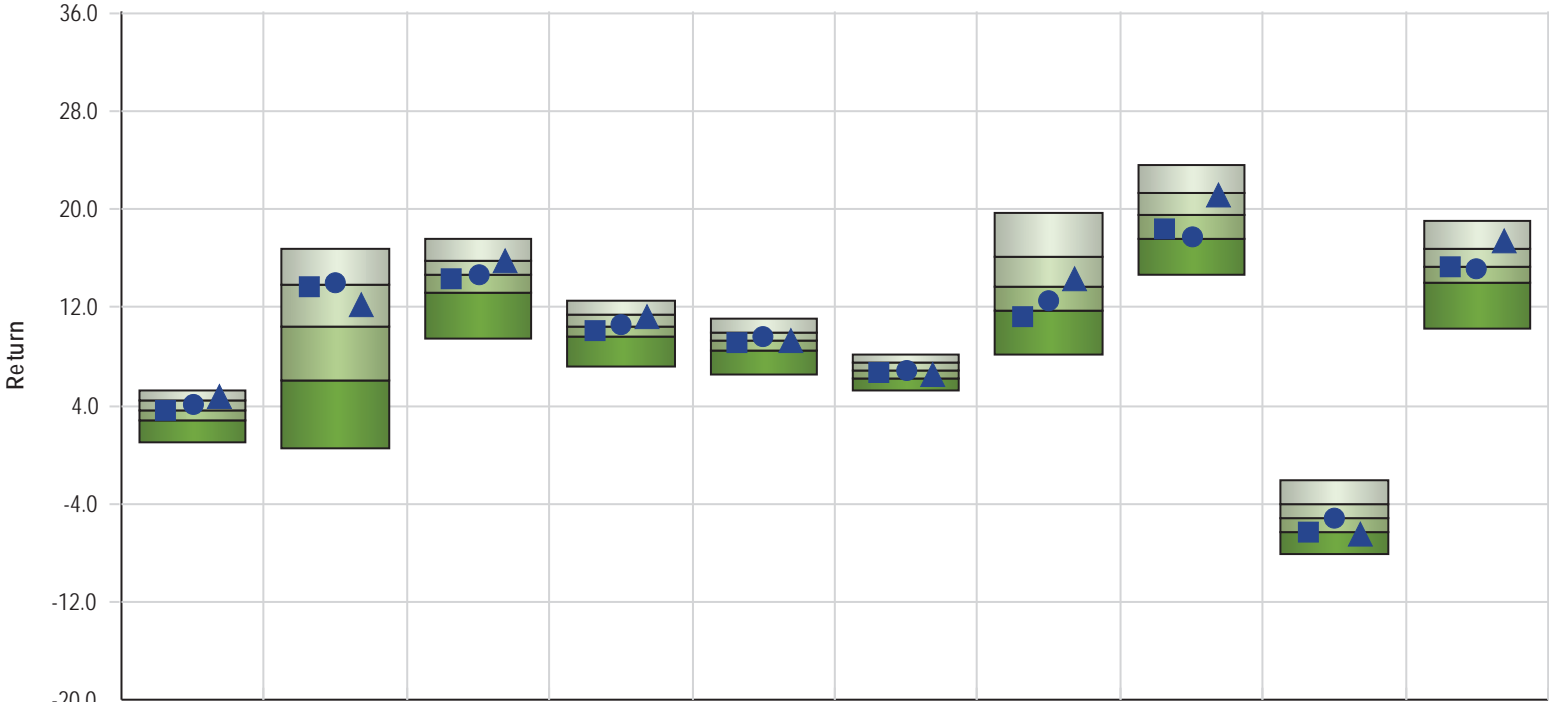
Attribution Summary
January 1, 2017 To December 31, 2021

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	3.80	4.60	-0.79	-0.20	-0.08	-0.28
Domestic Equity	16.08	16.93	-0.85	-0.24	-0.11	-0.34
International Equity Total	11.78	9.98	1.79	0.40	0.01	0.40
Long Biased	7.31	5.68	1.63	0.13	0.00	0.13
Opportunistic Credit	4.63	6.81	-2.18	-0.16	0.06	-0.10
Real Estate Total	10.61	9.25	1.36	0.11	0.00	0.11
Special Opportunities	1.20	17.97	-16.77	0.00	-0.29	-0.29
SERS Plan Total	10.12	10.54	-0.42	0.03	-0.42	-0.42

Attribution Effects
January 1, 2017 To December 31, 2021



Corporate and Public >250m and < \$1Bil



- SERS Plan Total
- Policy Index Updated
- ▲ 70/30 ACWI/Barclays Aggregate Bond

	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017
SERS Plan Total	3.6 (52)	13.7 (28)	14.4 (55)	10.1 (61)	9.1 (56)	6.6 (61)	11.3 (81)	18.4 (68)	-6.3 (74)	15.4 (49)
Policy Index Updated	4.1 (40)	14.1 (24)	14.8 (50)	10.5 (49)	9.6 (38)	6.9 (53)	12.5 (66)	17.8 (73)	-5.2 (49)	15.2 (52)
70/30 ACWI/Barclays Aggregate Bond	4.7 (19)	12.2 (39)	15.8 (27)	11.3 (28)	9.3 (50)	6.5 (69)	14.3 (46)	21.2 (29)	-6.5 (78)	17.5 (13)

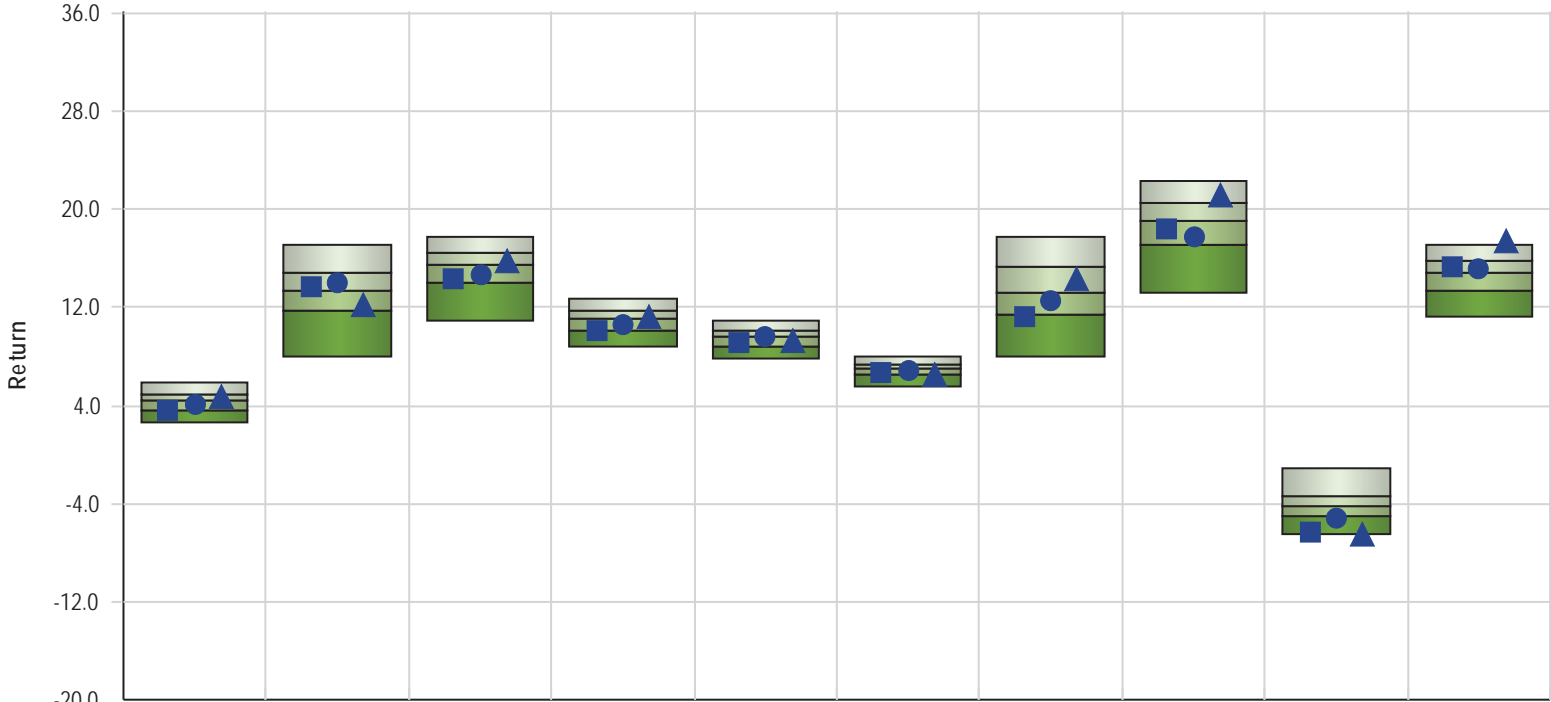
5th Percentile	5.2	16.8	17.6	12.6	11.1	8.2	19.6	23.7	-2.0	19.1
1st Quartile	4.4	13.9	15.9	11.3	10.0	7.4	16.2	21.4	-4.0	16.8
Median	3.7	10.4	14.7	10.5	9.3	6.9	13.7	19.5	-5.2	15.3
3rd Quartile	2.8	6.1	13.2	9.6	8.4	6.3	11.7	17.6	-6.4	14.1
95th Percentile	1.0	0.5	9.5	7.2	6.5	5.2	8.1	14.6	-8.1	10.3
Population	232	231	226	214	179	129	351	365	303	310

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

As of December 31, 2021

IM Public > \$50 mm and < \$250mm

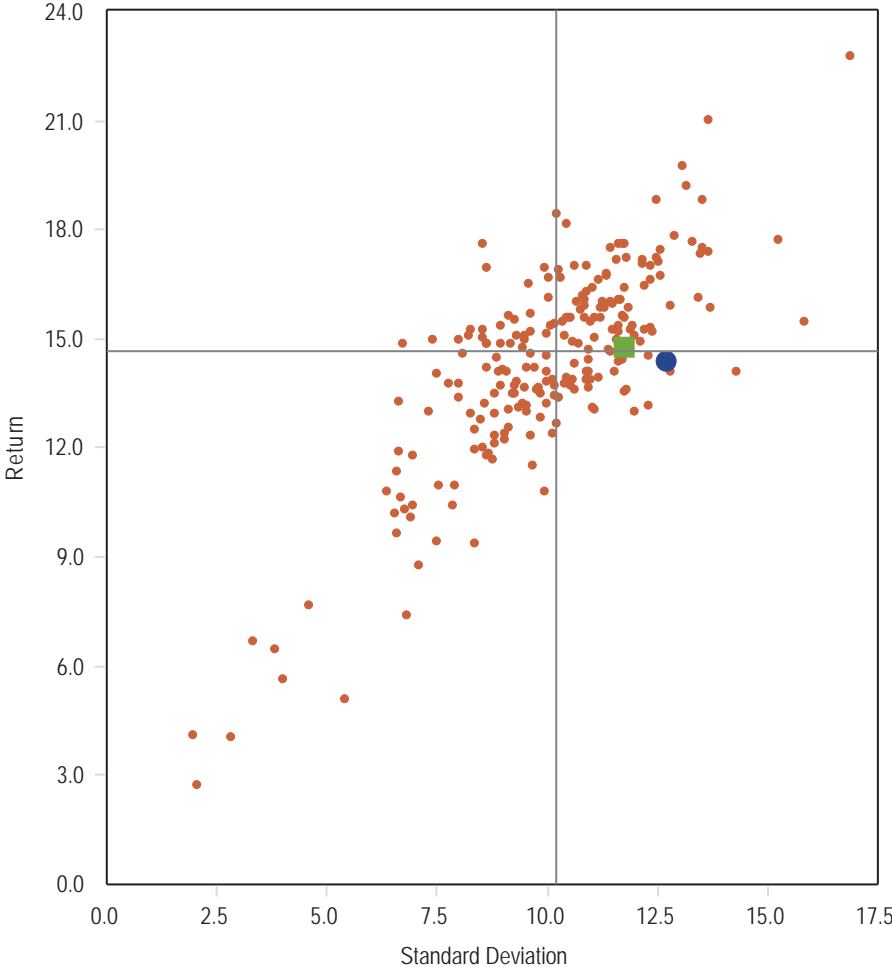


	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017
■ SERS Plan Total	3.6 (75)	13.7 (45)	14.4 (71)	10.1 (76)	9.1 (61)	6.6 (73)	11.3 (77)	18.4 (61)	-6.3 (95)	15.4 (34)
● Policy Index Updated	4.1 (61)	14.1 (39)	14.8 (62)	10.5 (66)	9.6 (48)	6.9 (61)	12.5 (58)	17.8 (72)	-5.2 (78)	15.2 (39)
▲ 70/30 ACWI/Barclays Aggregate Bond	4.7 (38)	12.2 (68)	15.8 (41)	11.3 (42)	9.3 (56)	6.5 (80)	14.3 (39)	21.2 (16)	-6.5 (96)	17.5 (4)

5th Percentile	5.9	17.2	17.8	12.7	11.0	8.0	17.7	22.3	-1.1	17.1
1st Quartile	5.0	14.8	16.5	11.8	10.2	7.4	15.3	20.6	-3.4	15.8
Median	4.4	13.4	15.5	11.1	9.6	7.0	13.3	19.1	-4.2	14.8
3rd Quartile	3.6	11.8	14.1	10.1	8.7	6.6	11.4	17.2	-5.0	13.4
95th Percentile	2.6	8.0	10.9	8.8	7.9	5.6	8.1	13.3	-6.4	11.2
Population	185	184	181	170	138	99	251	249	226	212

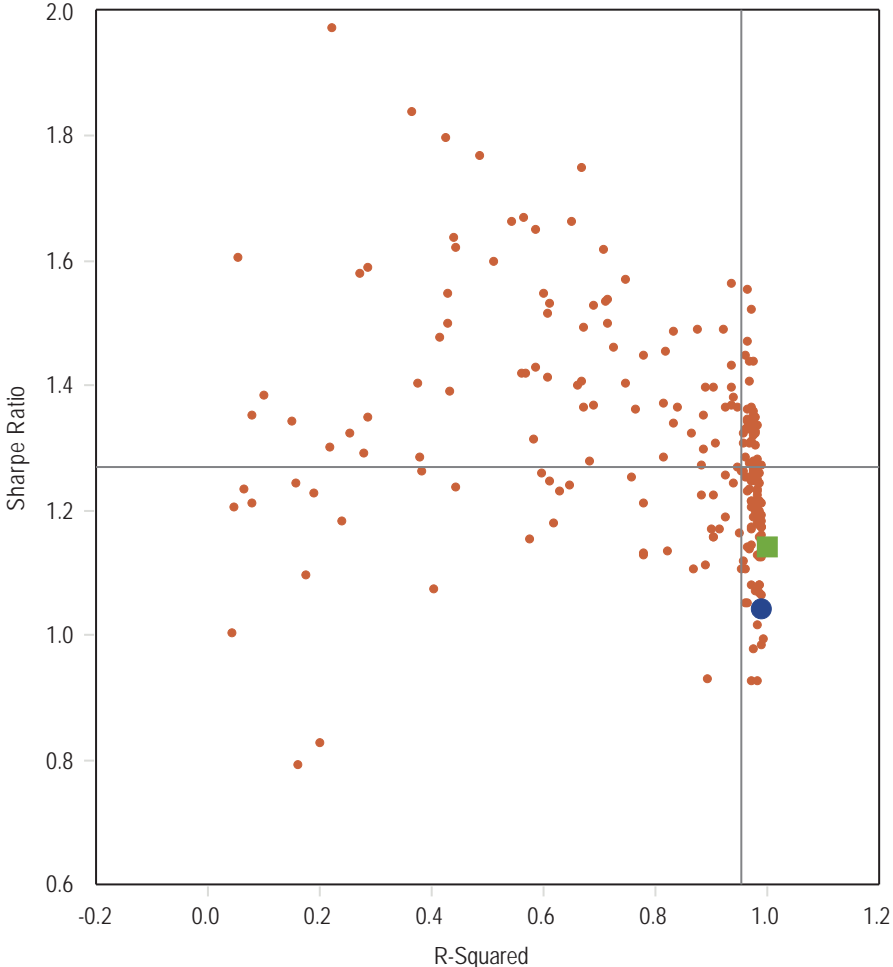
Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Annualized Return vs Annualized Standard Deviation Trailing 3 Years



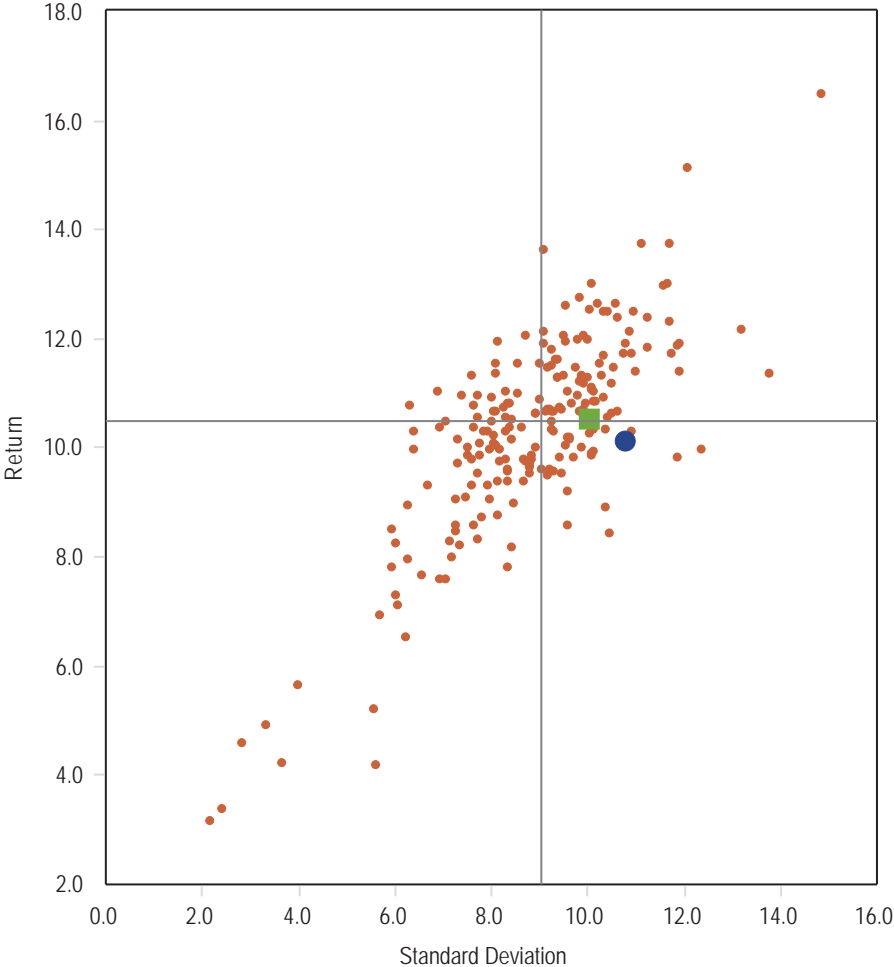
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared Trailing 3 Years



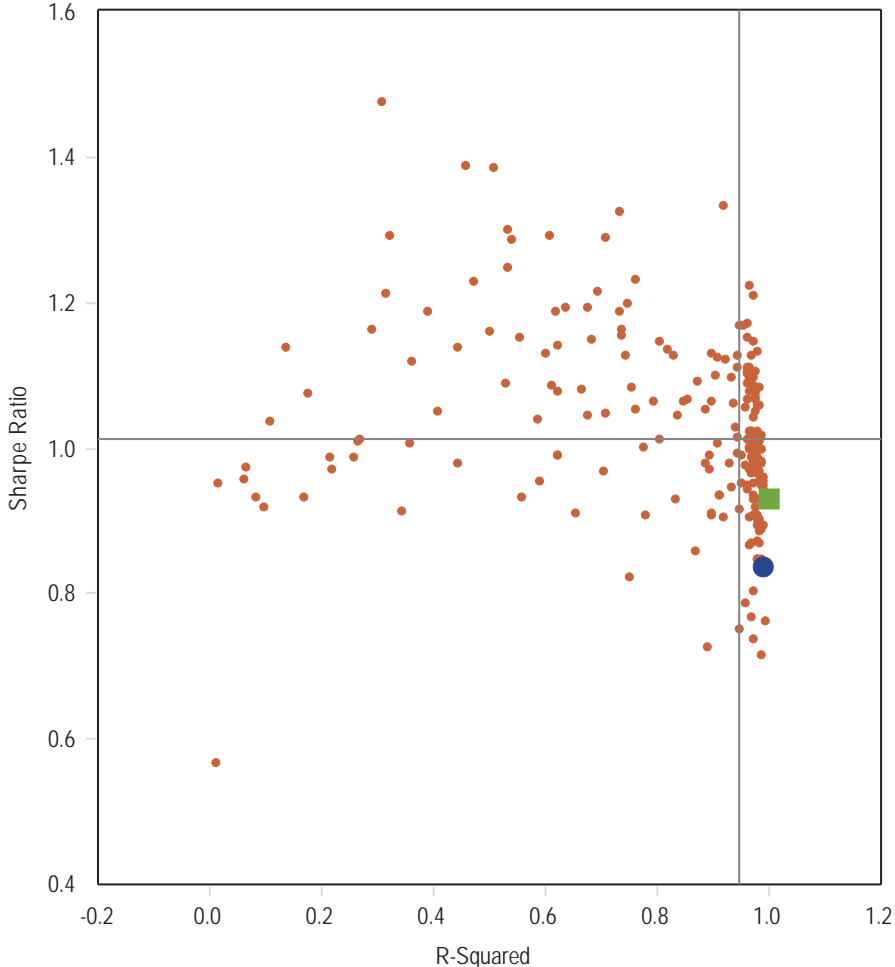
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Annualized Return vs Annualized Standard Deviation
Trailing 5 Years



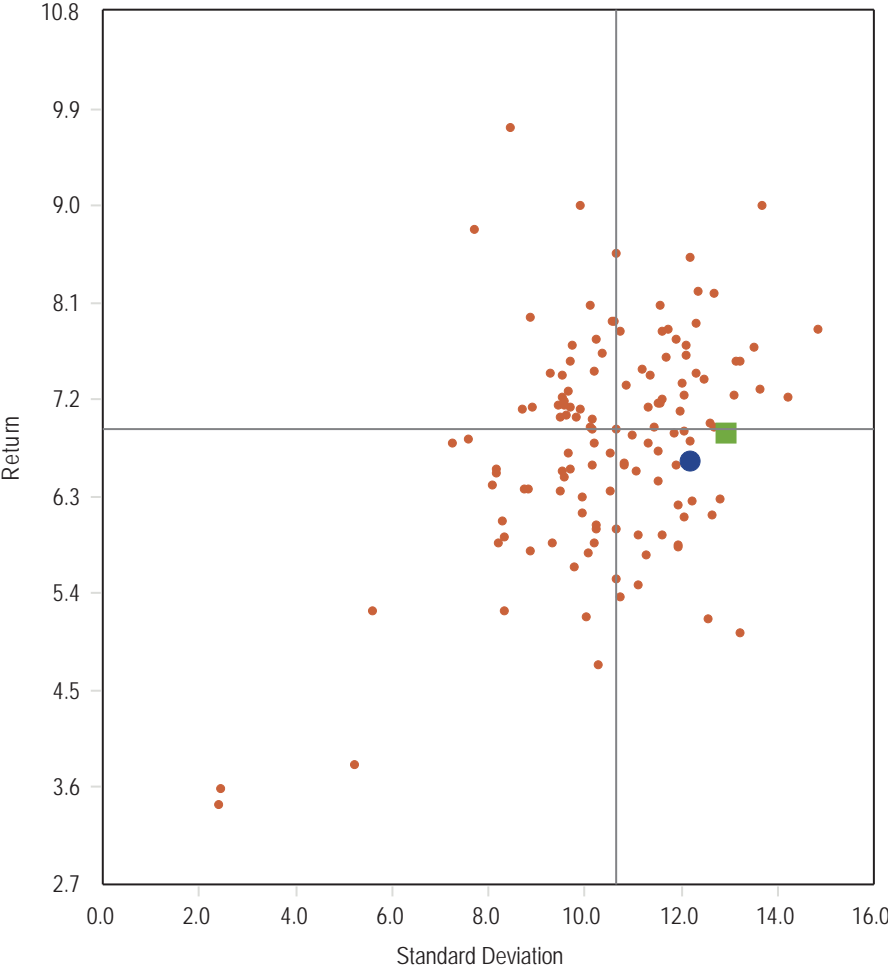
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared
Trailing 5 Years



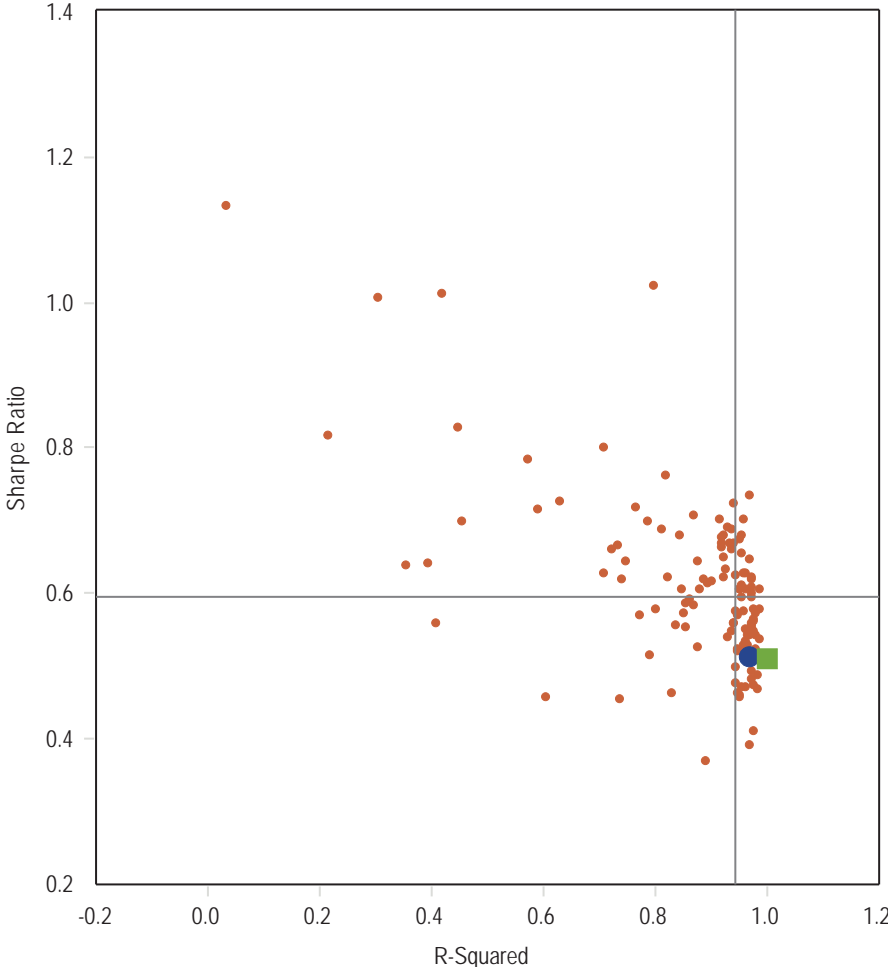
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Annualized Return vs Annualized Standard Deviation
Since Inception 1/1/2007



- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared
Since Inception 1/1/2007



- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Spokane Employees' Retirement System

As of December 31, 2021

Asset Class Performance

	Performance (%)											Inception Date
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2020	2019	2018	2017	2016	2015	
Capital Preservation	-0.03	2.35	4.75	3.80	3.52	3.29	8.71	-0.94	5.85	8.12	-1.74	07/01/2012
Capital Preservation Index	0.39	3.05	6.43	4.60	4.11	7.23	9.09	-0.72	4.60	5.43	-0.58	
Over/Under	-0.42	-0.70	-1.68	-0.80	-0.59	-3.94	-0.38	-0.22	1.25	2.69	-1.16	
Total Return Bond	-0.32	-1.03	5.76	4.26	3.55	9.29	9.38	-0.09	4.20	-	-	10/01/2016
Blmbg. U.S. Aggregate	0.01	-1.55	4.79	3.57	2.80	7.51	8.72	0.01	3.54	2.65	0.55	
Over/Under	-0.33	0.52	0.97	0.69	0.75	1.78	0.66	-0.10	0.66	-	-	
Intermediate Core Bond Rank	74	25	13	10	9	15	19	37	17	-	-	
High Yield	1.07	6.83	6.49	4.76	5.06	3.04	9.71	-3.46	8.22	16.67	-7.05	07/01/2012
Blmbg. U.S. Corp: High Yield Index	0.71	5.28	8.83	6.30	6.40	7.11	14.32	-2.08	7.50	17.13	-4.47	
Over/Under	0.36	1.55	-2.34	-1.54	-1.34	-4.07	-4.61	-1.38	0.72	-0.46	-2.58	
High Yield Bond Rank	6	12	83	78	73	85	86	70	14	11	91	
Absolute Return	-0.32	4.12	3.10	2.68	3.35	-2.62	8.10	-1.11	5.33	7.75	0.29	07/01/2012
HFRI FOF: Conservative Index	0.64	7.56	6.77	4.67	4.19	6.47	6.30	-0.87	4.12	1.89	0.37	
Over/Under	-0.96	-3.44	-3.67	-1.99	-0.84	-9.09	1.80	-0.24	1.21	5.86	-0.08	
Blmbg. U.S. Aggregate	0.01	-1.55	4.79	3.57	2.80	7.51	8.72	0.01	3.54	2.65	0.55	
Over/Under	-0.33	5.67	-1.69	-0.89	0.55	-10.13	-0.62	-1.12	1.79	5.10	-0.26	
Domestic Equity	8.12	25.73	24.01	16.08	14.92	17.45	29.14	-7.80	19.86	10.91	-0.32	07/01/2012
Domestic Equity Index	8.52	25.09	24.77	16.93	15.63	19.22	30.24	-6.30	20.11	13.92	-0.06	
Over/Under	-0.40	0.64	-0.76	-0.85	-0.71	-1.77	-1.10	-1.50	-0.25	-3.01	-0.26	
All Cap Blend Rank	55	49	36	39	38	41	40	49	44	67	40	
Domestic Large Cap Equity	9.20	29.12	25.42	17.41	10.37	17.47	30.06	-7.70	22.54	8.24	-0.32	04/01/2007
S&P 500 Index	11.03	28.71	26.07	18.47	10.79	18.40	31.49	-4.38	21.83	11.96	1.38	
Over/Under	-1.83	0.41	-0.65	-1.06	-0.42	-0.93	-1.43	-3.32	0.71	-3.72	-1.70	
Large Blend Rank	66	16	38	45	39	49	48	76	22	78	60	

Spokane Employees' Retirement System

As of December 31, 2021

	Performance (%)											
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2020	2019	2018	2017	2016	2015	Inception Date
Domestic Small/Mid Equity	6.06	19.65	21.39	13.58	14.01	17.46	27.27	-8.05	14.91	15.37	-0.39	07/01/2012
Russell 2500 Index	3.82	18.18	21.91	13.75	13.96	19.99	27.77	-10.00	16.81	17.59	-2.90	
Over/Under	2.24	1.47	-0.52	-0.17	0.05	-2.53	-0.50	1.95	-1.90	-2.22	2.51	
SMID Blend Rank	53	74	32	20	22	30	29	13	43	77	13	
International Equity Total	1.44	9.68	17.27	11.78	6.06	17.63	25.02	-15.78	28.45	3.91	-1.32	04/01/2007
International Equity Index	1.17	7.30	13.52	9.98	4.03	12.43	21.27	-14.96	29.35	5.34	-5.49	
Over/Under	0.27	2.38	3.75	1.80	2.03	5.20	3.75	-0.82	-0.90	-1.43	4.17	
Foreign Rank	67	59	30	32	14	27	35	55	38	23	60	
International Large Cap Equity	1.78	9.94	17.42	11.86	10.31	17.08	25.78	-15.14	27.50	4.02	-1.13	07/01/2012
MSCI AC World ex USA (Net)	1.82	7.82	13.18	9.61	7.36	10.65	21.51	-14.20	27.19	4.50	-5.66	
Over/Under	-0.04	2.12	4.24	2.25	2.95	6.43	4.27	-0.94	0.31	-0.48	4.53	
Foreign Large Blend Rank	77	55	12	11	4	12	17	59	29	19	52	
International Small/Mid Cap Equity	1.34	12.40	18.38	12.62	10.15	15.42	27.88	-20.33	37.08	-0.68	7.56	07/01/2012
MSCI AC World ex USA Small Cap (Net)	0.62	12.93	16.46	11.21	9.51	14.24	22.42	-18.20	31.65	3.91	2.60	
Over/Under	0.72	-0.53	1.92	1.41	0.64	1.18	5.46	-2.13	5.43	-4.59	4.96	
Emerging Markets Equity	0.10	5.61	15.63	10.28	6.60	23.38	18.64	-14.62	23.58	7.03	-8.73	07/01/2012
MSCI Emerging Markets (Net)	-1.31	-2.54	10.94	9.87	5.35	18.31	18.44	-14.58	37.28	11.19	-14.92	
Over/Under	1.41	8.15	4.69	0.41	1.25	5.07	0.20	-0.04	-13.70	-4.16	6.19	
Diversified Emerging Mkts Rank	24	18	24	40	33	31	60	31	95	61	18	
Long Biased	-2.96	4.52	11.15	7.31	5.76	16.54	12.74	2.43	1.19	-2.99	4.04	07/01/2012
HFRI Fund of Funds Composite Index	0.31	6.05	8.42	5.68	4.68	10.88	8.39	-4.02	7.77	0.51	-0.27	
Over/Under	-3.27	-1.53	2.73	1.63	1.08	5.66	4.35	6.45	-6.58	-3.50	4.31	
S&P 500 Index	11.03	28.71	26.07	18.47	16.36	18.40	31.49	-4.38	21.83	11.96	1.38	
Over/Under	-13.99	-24.19	-14.92	-11.16	-10.60	-1.86	-18.75	6.81	-20.64	-14.95	2.66	
Opportunistic Credit	3.44	20.58	7.48	4.63	5.59	1.81	1.14	-5.68	7.08	14.52	2.35	10/01/2013
HFRI ED: Distressed/Restructuring Index	0.73	15.61	10.00	6.81	5.16	11.82	2.94	-1.70	6.25	15.15	-8.06	
Over/Under	2.71	4.97	-2.52	-2.18	0.43	-10.01	-1.80	-3.98	0.83	-0.63	10.41	

Spokane Employees' Retirement System

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	Performance (%)											Inception Date
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2020	2019	2018	2017	2016	2015	
Real Estate Total	11.21	27.88	13.23	10.61	6.82	-2.65	16.62	3.68	10.01	8.09	6.66	04/01/2007
NCREIF Fund Index-ODCE (VW) (Net)	7.66	21.02	8.23	7.74	5.64	0.34	4.39	7.36	6.66	7.79	13.95	
Over/Under	3.55	6.86	5.00	2.87	1.18	-2.99	12.23	-3.68	3.35	0.30	-7.29	
FTSE NAREIT All REITs Index	15.25	39.88	19.03	12.06	7.07	-5.86	28.07	-4.10	9.27	9.28	2.29	
Over/Under	-4.04	-12.00	-5.80	-1.45	-0.25	3.21	-11.45	7.78	0.74	-1.19	4.37	
Real Estate Rank	87	89	90	67	45	28	95	5	10	23	6	
Special Opportunities	-9.85	-21.53	-1.48	1.20	3.56	10.22	10.54	-11.43	25.32	-21.90	2.13	07/01/2012
Russell 3000 Index	9.28	25.66	25.79	17.97	16.12	20.89	31.02	-5.24	21.13	12.74	0.48	
Over/Under	-19.13	-47.19	-27.27	-16.77	-12.56	-10.67	-20.48	-6.19	4.19	-34.64	1.65	



Manager Commentary

- **OrbiMed Partners** – This dedicated long-biased healthcare strategy was originally on watch for poor performance primarily in 2018. After two strong subsequent years, 2021 proved to be a remarkably difficult year, with the fund returning -41.25%. Subsequent to the 3Q21 performance report, the strategy was recommended for termination due to its increased degree of volatility. The fund is now in the process of liquidation.
- **Hotchkis & Wiley High Yield** – The strategy was placed on watch in 2Q19 for performance in violation of policy. There are two primary drivers of underperformance which persisted for well over a year. These included; 1) overweight to and underperformance of small/mid cap issues, 2) significant exposure to a continued selloff in the energy sector. The dramatic flight to quality that occurred during 1Q20 as a result of the coronavirus served as a further headwind for the strategy. Post 1Q20 the strategy outperformed for multiple quarters and its trailing 1-year performance as of 4Q21 places it in the 12th percentile of its peers. More recently, management has been tilting the fund towards a combination of liquid but still higher-yielding corporates. This strategy has been beneficial as credit spreads remained low but liquidity appears to be of growing importance. Additionally, the fund’s modest tilt towards lower-rated credits has had the positive side effect of reducing interest rate risk, which is more prevalent in higher-rated bonds. Post the COVID sell-off, the fund continues to perform well and within expectation. The Hyas Group recommends maintaining watch status.
- **Rimrock Low Vol** – The strategy was placed on watch 3Q20 for performance in violation of policy. The manager felt they were conservatively positioned coming into 2020, believing they were not getting paid enough to take on higher levels of credit or interest rate risk. Unfortunately, the market collapse in 1Q20 turned into a liquidity squeeze that took down virtually all sectors of the credit market. Rimrock’s large allocation to high quality but less liquid securitized credit was hit particularly hard. Not only did this positioning fail to protect capital in the downturn, it prevented them from getting aggressively repositioned to fully capture the rebound in credit markets that ensued over the remainder of the year. On the back of improvement in subsequent quarters, the strategy’s performance in 4Q21 was in line with expectation and comparable to the 2Q21 experience, wherein it kept pace with the Bloomberg US Aggregate Bond Index in an environment of falling long-term yields. Overall 2021’s performance, which combined outperformance in periods of rising rates with keeping-up when long-rates retraced, was very competitive as the strategy returned +5.89% versus -1.55% for the Bloomberg US Aggregate Bond Index. Management retains the same positioning of low exposure to interest rate and credit spread duration, but with an above-average yield and ample cash for liquidity. Performance continues to be in line with expectation and we continue to have confidence in management. The Hyas Group recommends maintaining watch status.
- **Bridge City Small Cap Growth** – The strategy was placed on watch in 4Q20 for performance in violation of policy. Underperformance was largely due to poor relative performance in calendar year 2020. The strategy underperformed by over 1,400 basis points during the year and nearly 900 basis points

between Thanksgiving and Christmas alone. The year was nearly a perfect storm for strategy as the first part of the year was dominated by highly valued (overpriced) momentum growth stocks and the last quarter of the year saw a torrid rally in low quality cyclical stocks. Bridge City's focus on quality and reasonable valuation faced a significant headwind. Subsequent performance has been highly competitive, both versus the Russell 2000 Growth Index and Small Growth peer group. In 2021, the fund returned +20.73% versus +2.83% for the Russell 2000 Growth Index and ranked in the 17th percentile of the peer group. The fund's valuation sensitivity explains part of 2021's outperformance as value stocks outperformed growth within the small cap space by their largest margin since 2000. Relatedly, the fund's avoidance of low-earnings companies (which by extension may tend to have higher valuations) was beneficial as profitable companies outperformed. Given that the fund has turned in substantial outperformance in a manner that is consistent with expectation, the Hvas Group recommends removing it from watch. As another development, Bridge City recently announced the incubation of a micro cap growth product. Although the Hvas Group is not examining this new funding for investment, we generally welcome this development as it may identify attractive securities that can be used within the Small Cap Growth product and is unlikely to dilute overall firm focus.

- **Allspring (formerly Wells Fargo) Special Small Cap Value** – The fund was placed on watch 4Q20 due to an ownership change. Wells Fargo Asset Management (WFAM) was sold to two private equity firms, GTCR and Reverence Capital Partners. While we did not expect any major changes to the investment team and compensation packages have been put in place to retain key staff, the uncertainty of a major transition led the Board to place the fund on watch status. The transaction has since closed and the name “Wells Fargo” has been replaced by “Allspring”. The Hvas Group recommends removing the fund from watch status as the transition does not appear to have impaired the fund's operations.
- **Polar Long/Short** – The fund was placed on watch in 2Q21 after one of its traders was detained by the SEC on charges of front-running client trades to the benefit of his relatives and detriment of investors. Polar states that it has fully cooperated with authorities on the investigation. Additionally, Polar engaged a compliance firm during the third quarter to advise on its practices and estimate damages to fund investors. According to Polar, the investigating firm generally found its compliance protocols to be strong. The estimated damages of \$1 million to fund investors (equivalent to 0.09% of assets), was repaid to the fund in October and incorporates foregone returns. Polar has since notified the Hvas Group that the SEC has settled the matter as well, including a disgorgement of monetary gains. Additionally, Polar is not aware of either the company or its employees being under investigation. Although criminal investigations have not yet been settled, the Hvas Group believes the event has received adequate closure and that the fund may be removed from watch at this point.

Spokane Employees' Retirement System

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Manager Performance

	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017	2016	2015	2014	Inception Date
Capital Preservation														
Sterling Capital Total Return Bond I	-0.29	-1.22	5.64	4.15	3.60	3.34	9.24	9.26	-0.35	4.33	3.75	0.54	5.99	08/01/2016
Blmbg. U.S. Aggregate	0.01	-1.55	4.79	3.57	2.90	2.68	7.51	8.72	0.01	3.54	2.65	0.55	5.97	
Over/Under	-0.30	0.33	0.85	0.58	0.70	0.66	1.73	0.54	-0.36	0.79	1.10	-0.01	0.02	
Intermediate Core Bond Rank	70	32	16	13	14	12	15	23	54	13	14	34	30	
Hotchkis & Wiley High Yield Z	1.07	6.83	6.78	4.96	6.25	4.61	3.83	9.77	-3.34	8.24	16.02	-4.30	1.09	06/01/2015
Blmbg. U.S. Corp: High Yield Index	0.71	5.28	8.83	6.30	6.83	5.89	7.11	14.32	-2.08	7.50	17.13	-4.47	2.45	
Over/Under	0.36	1.55	-2.05	-1.34	-0.58	-1.28	-3.28	-4.55	-1.26	0.74	-1.11	0.17	-1.36	
High Yield Bond Rank	6	12	79	71	36	64	77	86	68	14	17	62	66	
Absolute Return														
Post Ltd Term High Yield	0.46	2.98	4.97	3.67	4.47	5.02	3.56	8.46	0.34	3.19	5.66	0.84	2.96	07/01/2010
HFRI FOF: Conservative Index	0.64	7.56	6.77	4.67	4.05	3.62	6.47	6.30	-0.87	4.12	1.89	0.37	3.14	
Over/Under	-0.18	-4.58	-1.80	-1.00	0.42	1.40	-2.91	2.16	1.21	-0.93	3.77	0.47	-0.18	
Blmbg. U.S. Aggregate	0.01	-1.55	4.79	3.57	2.90	3.29	7.51	8.72	0.01	3.54	2.65	0.55	5.97	
Over/Under	0.45	4.53	0.18	0.10	1.57	1.73	-3.95	-0.26	0.33	-0.35	3.01	0.29	-3.01	
PIMCO Dynamic Bond Instl	-0.88	0.31	3.49	3.76	3.15	-0.51	5.43	4.81	1.97	6.41	5.77	-2.22	2.79	04/01/2021
HFRI FOF: Conservative Index	0.64	7.56	6.77	4.67	4.05	3.82	6.47	6.30	-0.87	4.12	1.89	0.37	3.14	
Over/Under	-1.52	-7.25	-3.28	-0.91	-0.90	-4.33	-1.04	-1.49	2.84	2.29	3.88	-2.59	-0.35	
Blmbg. U.S. Aggregate	0.01	-1.55	4.79	3.57	2.90	1.89	7.51	8.72	0.01	3.54	2.65	0.55	5.97	
Over/Under	-0.89	1.86	-1.30	0.19	0.25	-2.40	-2.08	-3.91	1.96	2.87	3.12	-2.77	-3.18	
Rimrock Low Volatility	0.05	5.89	2.60	2.84	3.81	4.23	-0.36	2.38	2.01	4.40	4.90	-1.90	2.31	07/01/2010
HFRI FOF: Conservative Index	0.64	7.56	6.77	4.67	4.05	3.62	6.47	6.30	-0.87	4.12	1.89	0.37	3.14	
Over/Under	-0.59	-1.67	-4.17	-1.83	-0.24	0.61	-6.83	-3.92	2.88	0.28	3.01	-2.27	-0.83	
Blmbg. U.S. Aggregate	0.01	-1.55	4.79	3.57	2.90	3.29	7.51	8.72	0.01	3.54	2.65	0.55	5.97	
Over/Under	0.04	7.44	-2.19	-0.73	0.91	0.94	-7.87	-6.34	2.00	0.86	2.25	-2.45	-3.66	

Spokane Employees' Retirement System

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	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017	2016	2015	2014	Inception Date
Polar Long/Short Fund	-1.15	3.25	8.19	5.76	5.05	5.19	13.07	8.49	0.24	4.20	6.60	1.73	3.46	10/01/2011
HFRI FOF: Conservative Index	0.64	7.56	6.77	4.67	4.05	3.95	6.47	6.30	-0.87	4.12	1.89	0.37	3.14	
Over/Under	-1.79	-4.31	1.42	1.09	1.00	1.24	6.60	2.19	1.11	0.08	4.71	1.36	0.32	
Blmbg. U.S. Aggregate	0.01	-1.55	4.79	3.57	2.90	2.94	7.51	8.72	0.01	3.54	2.65	0.55	5.97	
Over/Under	-1.16	4.80	3.40	2.19	2.15	2.25	5.56	-0.23	0.23	0.66	3.95	1.18	-2.51	
Domestic Equity														
Domestic Large Cap Equity														
Hotchkis & Wiley Diversified Value I	5.90	32.47	19.80	11.66	13.46	11.53	0.41	29.26	-14.74	18.39	19.94	-7.90	12.74	10/01/2008
Russell 1000 Value Index	7.77	25.16	17.64	11.16	12.97	10.27	2.80	26.54	-8.27	13.66	17.34	-3.83	13.45	
Over/Under	-1.87	7.31	2.16	0.50	0.49	1.26	-2.39	2.72	-6.47	4.73	2.60	-4.07	-0.71	
Large Value Rank	90	6	22	49	22	17	76	15	96	25	9	93	25	
Fidelity® 500 Index	11.02	28.69	26.06	18.46	16.54	26.06	18.40	31.47	-4.40	21.81	11.97	1.38	13.66	01/01/2019
S&P 500 Index	11.03	28.71	26.07	18.47	16.55	26.04	18.40	31.49	-4.38	21.83	11.96	1.38	13.69	
Over/Under	-0.01	-0.02	-0.01	-0.01	-0.01	0.02	0.00	-0.02	-0.02	-0.02	0.01	0.00	-0.03	
Large Blend Rank	24	20	21	16	12	21	36	23	25	32	27	25	21	
MFS Growth R6	8.11	23.76	30.98	24.76	19.26	27.10	31.74	37.81	2.68	30.99	2.55	7.49	8.88	09/01/2019
Russell 1000 Growth Index	11.64	27.60	34.08	25.32	19.79	33.18	38.49	36.39	-1.51	30.21	7.08	5.67	13.05	
Over/Under	-3.53	-3.84	-3.10	-0.56	-0.53	-6.08	-6.75	1.42	4.19	0.78	-4.53	1.82	-4.17	
Large Growth Rank	46	38	39	28	22	60	61	11	12	32	56	23	69	
Domestic Small/Mid Equity														
Sterling Mid Cap Value	5.54	22.22	20.24	10.34	12.59	10.72	9.62	29.75	-17.67	14.27	16.97	-1.71	5.85	01/01/2002
Russell Midcap Value Index	8.54	28.34	19.62	11.22	13.44	10.51	4.96	27.06	-12.29	13.34	20.00	-4.78	14.75	
Over/Under	-3.00	-6.12	0.62	-0.88	-0.85	0.21	4.66	2.69	-5.38	0.93	-3.03	3.07	-8.90	
Mid-Cap Value Rank	92	90	29	54	47	15	10	22	85	39	55	20	85	

Spokane Employees' Retirement System

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	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017	2016	2015	2014	Inception Date
Fidelity® Mid Cap Index	6.44	22.56	23.27	15.08	14.89	23.27	17.11	30.51	-9.05	18.47	13.86	-2.44	13.11	01/01/2019
Russell Midcap Index	6.44	22.58	23.29	15.10	14.91	23.26	17.10	30.54	-9.06	18.52	13.80	-2.44	13.22	
Over/Under	0.00	-0.02	-0.02	-0.02	-0.02	0.01	0.01	-0.03	0.01	-0.05	0.06	0.00	-0.11	
Mid-Cap Blend Rank	73	68	18	17	12	18	24	22	24	25	62	41	12	
Westfield Mid Cap Growth CIT	4.86	16.59	28.94	20.98	17.78	45.18	28.83	42.73	-3.07	24.72	5.00	1.28	13.40	04/01/2020
Russell Midcap Growth Index	2.85	12.73	27.46	19.83	16.63	44.70	35.59	35.47	-4.75	25.27	7.33	-0.20	11.90	
Over/Under	2.01	3.86	1.48	1.15	1.15	0.48	-6.76	7.26	1.68	-0.55	-2.33	1.48	1.50	
Mid-Cap Growth Rank	34	31	34	33	12	55	72	3	30	50	58	37	5	
Allspring Special Small Cap Value R6	6.94	28.27	18.77	10.12	12.96	49.37	1.57	28.61	-13.35	11.52	29.46	-4.15	7.45	11/01/2020
Russell 2000 Value Index	4.36	28.27	17.99	9.07	12.03	53.71	4.63	22.39	-12.86	7.84	31.74	-7.47	4.22	
Over/Under	2.58	0.00	0.78	1.05	0.93	-4.34	-3.06	6.22	-0.49	3.68	-2.28	3.32	3.23	
Small Value Rank	40	64	42	29	22	76	63	10	31	29	29	32	14	
Fidelity® Small Cap Index	2.10	14.71	20.05	12.11	13.38	20.05	19.99	25.71	-10.88	14.85	21.63	-4.24	5.19	01/01/2019
Russell 2000 Index	2.14	14.82	20.02	12.02	13.23	20.00	19.96	25.53	-11.01	14.65	21.31	-4.41	4.89	
Over/Under	-0.04	-0.11	0.03	0.09	0.15	0.05	0.03	0.18	0.13	0.20	0.32	0.17	0.30	
Small Blend Rank	91	89	46	37	33	46	15	33	35	28	41	51	47	
Champlain Small Cap	5.13	12.81	20.83	13.67	14.35	13.30	24.56	25.54	-3.03	10.90	27.93	-0.65	4.43	01/01/2003
Russell 2000 Index	2.14	14.82	20.02	12.02	13.23	11.20	19.96	25.53	-11.01	14.65	21.31	-4.41	4.89	
Over/Under	2.99	-2.01	0.81	1.65	1.12	2.10	4.60	0.01	7.98	-3.75	6.62	3.76	-0.46	
Small Blend Rank	55	99	32	11	13	4	5	37	2	76	9	12	63	
Bridge City Small Cap Growth	7.95	20.73	21.93	16.24	16.16	17.68	20.48	24.61	0.97	15.93	17.96	6.81	7.06	07/01/2009
Russell 2000 Growth Index	0.01	2.83	21.17	14.53	14.14	14.89	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60	
Over/Under	7.94	17.90	0.76	1.71	2.02	2.79	-14.15	-3.87	10.28	-6.24	6.64	8.19	1.46	
Small Growth Rank	8	17	73	62	34	18	88	73	15	79	19	4	16	

Spokane Employees' Retirement System

As of December 31, 2021

	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017	2016	2015	2014	Inception Date
International Equity Total														
Artisan International Value Instl	4.45	16.97	16.49	10.65	10.72	9.81	8.81	24.20	-15.42	24.06	5.74	-1.49	-0.39	10/01/2008
MSCI AC World ex USA Value (Net)	1.24	10.46	8.24	6.00	5.29	4.35	-0.77	15.72	-13.97	22.66	8.92	-10.06	-5.10	
Over/Under	3.21	6.51	8.25	4.65	5.43	5.46	9.58	8.48	-1.45	1.40	-3.18	8.57	4.71	
Foreign Large Value Rank	11	9	2	2	1	1	6	9	35	41	32	34	8	
American Funds Europacific Growth R6	-1.13	2.84	17.95	12.87	10.01	6.29	25.27	27.40	-14.91	31.17	1.01	-0.48	-2.29	07/01/2008
MSCI AC World ex USA (Net)	1.82	7.82	13.18	9.61	7.28	3.83	10.65	21.51	-14.20	27.19	4.50	-5.66	-3.87	
Over/Under	-2.95	-4.98	4.77	3.26	2.73	2.46	14.62	5.89	-0.71	3.98	-3.49	5.18	1.58	
Foreign Large Blend Rank	98	96	9	6	6	6	2	8	56	5	50	39	17	
Victory Trivalent International Sm-Cp I	1.34	12.39	18.38	12.66	12.40	9.99	15.42	27.88	-20.21	37.13	-0.70	8.20	-0.20	09/01/2015
MSCI AC World ex USA Small Cap (Net)	0.62	12.93	16.46	11.21	9.46	9.79	14.24	22.42	-18.20	31.65	3.91	2.60	-4.03	
Over/Under	0.72	-0.54	1.92	1.45	2.94	0.20	1.18	5.46	-2.01	5.48	-4.61	5.60	3.83	
Foreign Small/Mid Blend Rank	34	63	9	8	4	17	15	5	61	14	62	31	5	
Vanguard Emerging Mkts Stock Idx Adm	-0.42	0.86	11.82	9.43	5.36	6.69	15.24	20.31	-14.58	31.38	11.73	-15.35	0.60	08/01/2018
MSCI Emerging Markets (Net)	-1.31	-2.54	10.94	9.87	5.49	6.05	18.31	18.44	-14.58	37.28	11.19	-14.92	-2.19	
Over/Under	0.89	3.40	0.88	-0.44	-0.13	0.64	-3.07	1.87	0.00	-5.90	0.54	-0.43	2.79	
Diversified Emerging Mkts Rank	37	36	49	58	59	46	66	49	30	74	29	68	21	
ABS Emerging Markets Strategic Portfolio LP	0.13	5.82	16.28	-	-	12.80	23.81	19.98	-14.99	-	-	-	-	10/01/2018
MSCI Emerging Markets (Net)	-1.31	-2.54	10.94	9.87	5.49	7.44	18.31	18.44	-14.58	37.28	11.19	-14.92	-2.19	
Over/Under	1.44	8.36	5.34	-	-	5.36	5.50	1.54	-0.41	-	-	-	-	
Diversified Emerging Mkts Rank	24	18	20	-	-	16	30	50	37	-	-	-	-	
Long Biased														
The Weatherlow Offshore Fund I Ltd	-1.70	5.39	14.13	8.77	7.27	5.32	24.58	13.23	-3.10	5.67	0.99	1.49	4.91	04/01/2008
HFRI Fund of Funds Composite Index	0.31	6.05	8.42	5.68	4.55	2.60	10.88	8.39	-4.02	7.77	0.51	-0.27	3.37	
Over/Under	-2.01	-0.66	5.71	3.09	2.72	2.72	13.70	4.84	0.92	-2.10	0.48	1.76	1.54	

Spokane Employees' Retirement System

As of December 31, 2021

	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2020	2019	2018	2017	2016	2015	2014	Inception Date
Opportunistic Credit														
Beach Point Select Fund LP	4.01	14.47	11.61	8.35	9.36	7.90	8.97	11.48	0.28	7.08	14.52	2.58	2.35	10/01/2013
HFRI ED: Distressed/Restructuring Index	0.73	15.61	10.00	6.81	6.19	5.16	11.82	2.94	-1.70	6.25	15.15	-8.06	-1.39	
Over/Under	3.28	-1.14	1.61	1.54	3.17	2.74	-2.85	8.54	1.98	0.83	-0.63	10.64	3.74	
Contrarian Capital Fund I LP	2.70	29.86	2.72	-0.11	5.33	-2.42	-7.38	-9.89	-12.43	4.77	25.46	-7.89	0.45	10/01/2018
HFRI ED: Distressed/Restructuring Index	0.73	15.61	10.00	6.81	6.19	7.24	11.82	2.94	-1.70	6.25	15.15	-8.06	-1.39	
Over/Under	1.97	14.25	-7.28	-6.92	-0.86	-9.66	-19.20	-12.83	-10.73	-1.48	10.31	0.17	1.84	
Real Estate Total														
Principal REITS SERS	14.76	39.98	21.17	13.23	12.88	12.71	-3.17	31.24	-4.13	9.16	6.67	4.45	32.55	01/01/2003
FTSE NAREIT All REITs Index	15.25	39.88	19.03	12.06	12.03	11.06	-5.86	28.07	-4.10	9.27	9.28	2.29	27.15	
Over/Under	-0.49	0.10	2.14	1.17	0.85	1.65	2.69	3.17	-0.03	-0.11	-2.61	2.16	5.40	
Real Estate Rank	71	65	30	17	7	2	33	14	23	12	44	22	5	
Prime Property Fund, LLC	9.60	21.47	9.28	8.91	11.00	6.52	1.24	6.14	8.03	8.67	9.31	14.53	14.08	10/01/2007
NCREIF ODCE VW NET	7.66	21.02	8.23	7.74	9.43	5.23	0.34	4.39	7.36	6.66	7.79	13.95	11.46	
Over/Under	1.94	0.45	1.05	1.17	1.57	1.29	0.90	1.75	0.67	2.01	1.52	0.58	2.62	
Real Estate Rank	89	94	98	84	57	81	8	99	1	16	13	1	96	
Special Opportunities														
OrbiMed Partners II LP	-14.07	-41.25	6.97	4.58	6.79	6.93	44.99	43.69	-18.43	25.30	-21.91	2.14	25.88	01/01/2011
MSCI World/Health Care (Net)	7.90	19.80	18.79	15.53	14.48	14.02	13.52	23.24	2.51	19.80	-6.81	6.60	18.10	
Over/Under	-21.97	-61.05	-11.82	-10.95	-7.69	-7.09	31.47	20.45	-20.94	5.50	-15.10	-4.46	7.78	
NASDAQ Biotechnology Index (TR)	-6.85	0.02	16.52	11.89	16.30	15.88	26.42	25.11	-8.86	21.63	-21.35	11.77	34.40	
Over/Under	-7.22	-41.27	-9.55	-7.31	-9.51	-8.95	18.57	18.58	-9.57	3.67	-0.56	-9.63	-8.52	
Contrarian Emerging Markets Fund LP	-3.19	9.57	-4.65	1.04	7.44	-4.30	-17.52	-4.09	0.96	20.36	22.72	14.48	-1.97	10/01/2018
HFRI Emerging Markets: Global Index	-0.50	4.98	7.64	5.50	4.05	5.99	9.56	8.42	-6.83	12.50	7.33	-3.47	-2.41	
Over/Under	-2.69	4.59	-12.29	-4.46	3.39	-10.29	-27.08	-12.51	7.79	7.86	15.39	17.95	0.44	
MSCI Emerging Markets (Net)	-1.31	-2.54	10.94	9.87	5.49	7.44	18.31	18.44	-14.58	37.28	11.19	-14.92	-2.19	
Over/Under	-1.88	12.11	-15.59	-8.83	1.95	-11.74	-35.83	-22.53	15.54	-16.92	11.53	29.40	0.22	



Non-Marketable Securities Overview

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Morrison Street Fund V, LP	2014	Opportunistic Real Estate	\$6,080,000	\$5,960,493	\$8,508,492	-	\$119,507	98.03	11.26

Time Weighted Returns

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	7 Years	2020	2019	2018	2017	2016	2015	Since Inception	
Morrison Street Fund V, LP	-9.84	-11.09	1.69	6.45	7.87	11.10	6.45	10.12	18.03	11.10	11.89	7.35	07/01/2014
NCREIF Property Index	6.15	17.70	8.37	7.75	8.56	1.60	6.42	6.72	6.96	7.97	13.33	8.78	

Dollar Weighted Returns

	1 Quarter	1 Year	3 Years	5 Years	7 Years	2020	2019	2018	2017	2016	2015	Since Inception	Inception Date
Morrison Street Fund V, LP ^o	-10.72	-6.79	5.45	11.85	12.04	10.05	5.74	9.97	17.73	11.32	13.32	11.26	06/30/2014

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 the 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 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

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Morrison Street Debt Opportunities Fd LP	2017	Real Estate - Debt	\$5,000,000	\$4,514,838	\$5,208,117	\$44,037	\$485,162	90.30	4.21

Time Weighted Returns

	Performance (%)										
	1 Quarter	1 Year	2 Years	3 Years	4 Years	2020	2019	2018	2017	Since Inception	Inception Date
Morrison Street Debt Opportunities Fd LP	4.17	9.55	-0.75	2.21	4.09	-10.08	8.39	9.94	4.47	4.16	01/01/2017
NCREIF Property Index	6.15	17.70	9.35	8.37	7.95	1.60	6.42	6.72	6.96	7.75	

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	4 Years	2020	2019	2018	2017	Since Inception	Inception Date
Morrison Street Debt Opportunities Fd LP	3.54	8.64	-2.35	1.59	3.99	-10.35	8.37	9.92	5.07	4.21	01/01/2017

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 the value with the average market value over the time interval. Average capital allows for the timing of each external flow.

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Non-Marketable Securities Overview

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Morrison Street Fund VI, LP	2020	Opportunistic Real Estate	\$7,000,000	\$3,131,189	\$187,499	\$2,938,073	\$3,868,811	44.73	-0.20

Time Weighted Returns

	Performance (%)							Inception Date
	1 Quarter	1 Year	2 Years	3 Years	2020	Since Inception		
Morrison Street Fund VI, LP	2.85	7.97	-	-	-	-2.55	10/01/2020	
NCREIF Property Index	6.15	17.70	9.35	8.37	1.60	14.97		

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2020	Since Inception	Inception Date
Morrison Street Fund VI, LP	2.85	8.19	-	-	-	-0.20	09/30/2020

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 the value with the average market value over the time interval. Average capital allows for the timing of each external flow.

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Non-Marketable Securities Overview

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Orbimed Royalty Opportunities	2011	Other	\$5,000,000	\$5,000,000	\$4,494,295	\$614,480	-	100.00	0.55

Time Weighted Returns

	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016	2015	Since Inception	Inception Date
Orbimed Royalty Opportunities	-29.48	-32.47	-23.45	-10.58	-9.49	-4.12	-24.08	-12.50	22.03	4.47	-20.87	9.95	-3.05	09/01/2011
HFRI Fund of Funds Composite Index	0.31	6.05	8.42	5.68	4.06	4.55	10.88	8.39	-4.02	7.77	0.51	-0.27	4.06	
S&P 500 Index	11.03	28.71	26.07	18.47	14.93	16.55	18.40	31.49	-4.38	21.83	11.96	1.38	16.40	

Dollar Weighted Returns

	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016	2015	Since Inception	Inception Date
Orbimed Royalty Opportunities	-28.87	-25.45	-19.96	-2.92	-2.97	0.43	-23.36	-12.20	25.47	4.57	-17.14	9.99	0.55	09/15/2011

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 the 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 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

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Orbimed Royalty Opportunities II	2015	Other	\$5,000,000	\$4,167,500	\$5,009,546	\$394,099	\$832,500	83.35	11.84

Time Weighted Returns

	Performance (%)										Inception Date
	1 Quarter	1 Year	3 Years	5 Years	2020	2019	2018	2017	2016	Since Inception	
Orbimed Royalty Opportunities II	-13.64	-10.77	6.91	9.66	18.63	15.45	15.59	12.28	0.60	9.62	04/01/2015
HFRI Fund of Funds Composite Index	0.31	6.05	8.42	5.68	10.88	8.39	-4.02	7.77	0.51	3.84	
S&P 500 Index	11.03	28.71	26.07	18.47	18.40	31.49	-4.38	21.83	11.96	15.34	

Dollar Weighted Returns

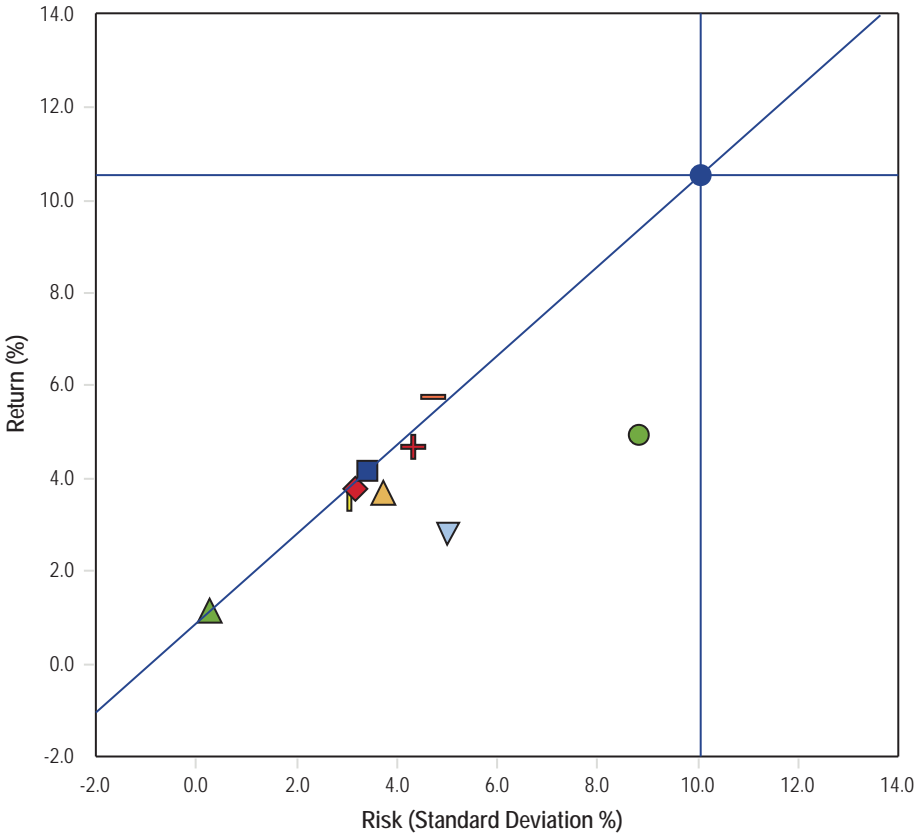
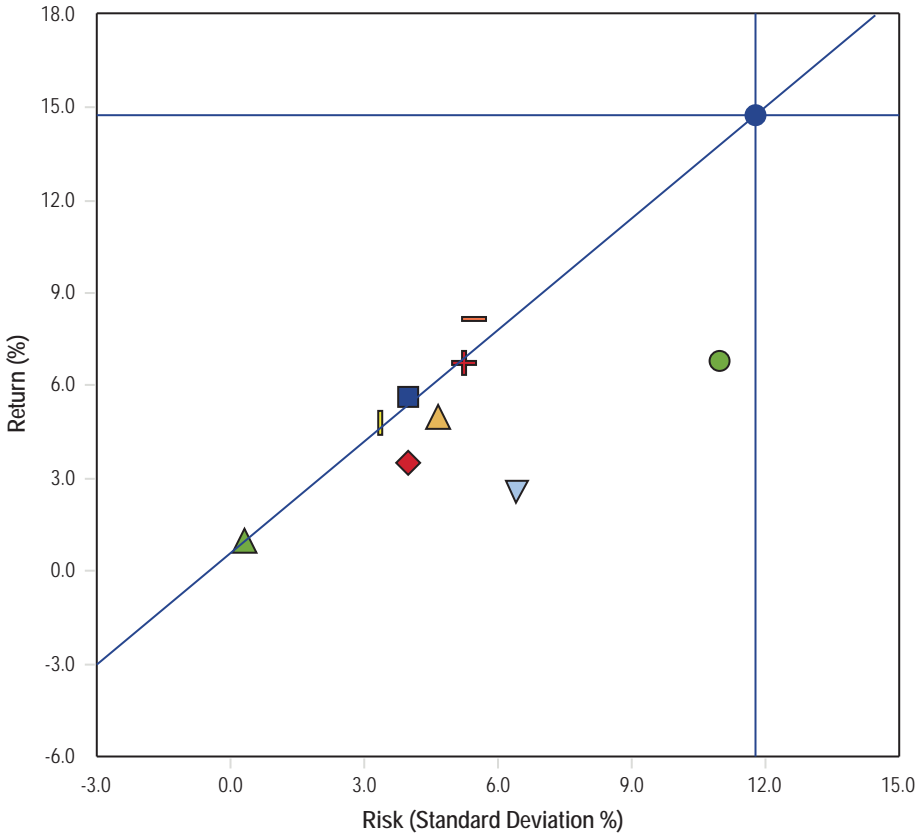
	1 Quarter	1 Year	3 Years	5 Years	2020	2019	2018	2017	2016	Since Inception	Inception Date
Orbimed Royalty Opportunities II	-13.08	0.14	11.64	13.03	6.40	17.10	15.14	12.87	-0.05	11.84	04/07/2015

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 the 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 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 December 31, 2021

Annualized Return vs Annualized Standard Deviation
5 Years Ending December 31, 2021



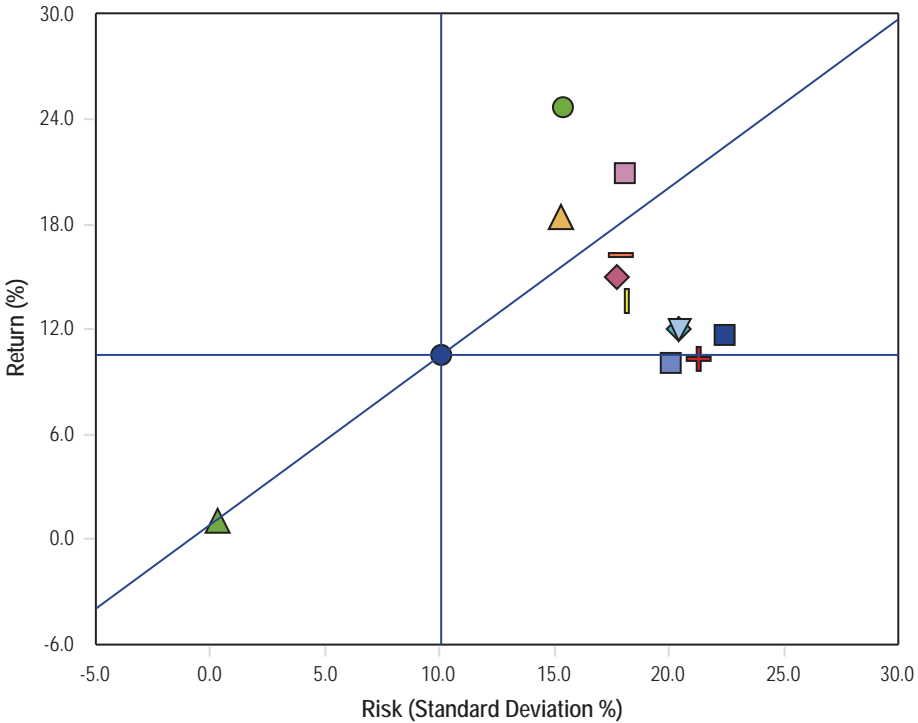
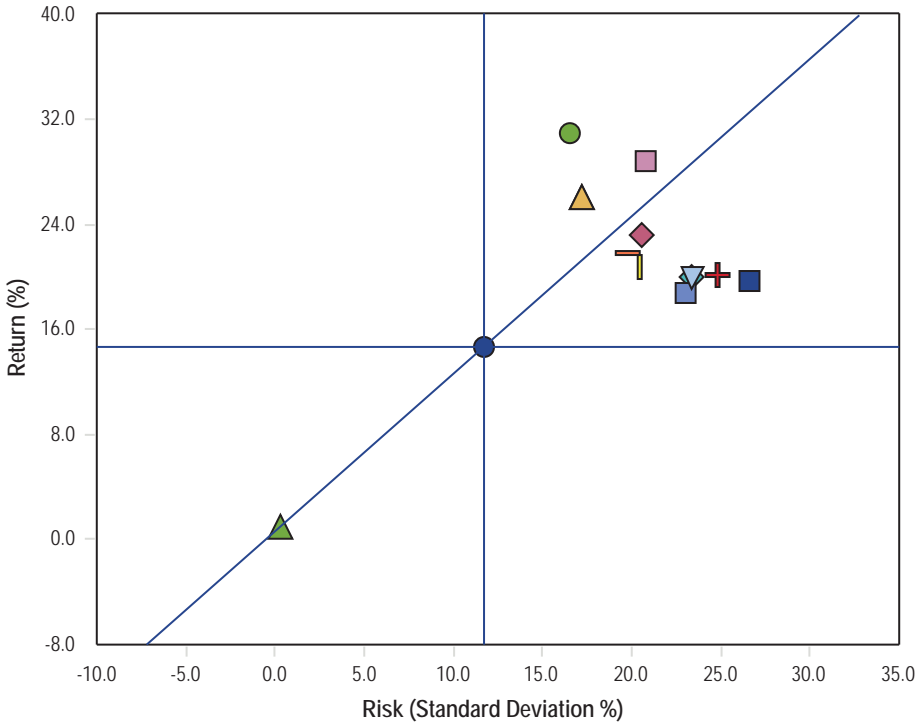
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- ▲ Post Ltd Term High Yield
- ▼ Rimrock Low Volatility
- ▮ Blmbg. U.S. Aggregate
- Policy Index Updated
- Hotchkis & Wiley High Yield Z
- ◆ PIMCO Dynamic Bond Instl
- Polar Long/Short Fund
- ⊕ HFRI FOF: Conservative Index
- ▲ 90 Day U.S. Treasury Bill

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- ▲ 90 Day U.S. Treasury Bill

Calculation based on monthly periodicity.

Annualized Return vs Annualized Standard Deviation
3 Years Ending December 31, 2021

Annualized Return vs Annualized Standard Deviation
5 Years Ending December 31, 2021



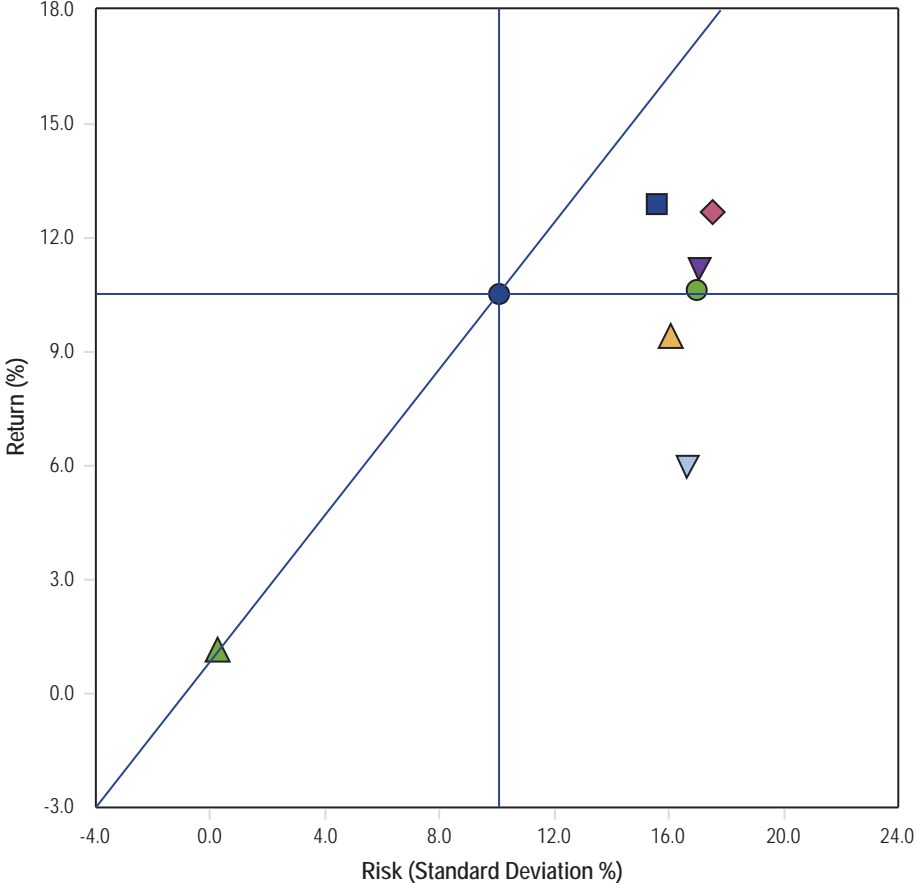
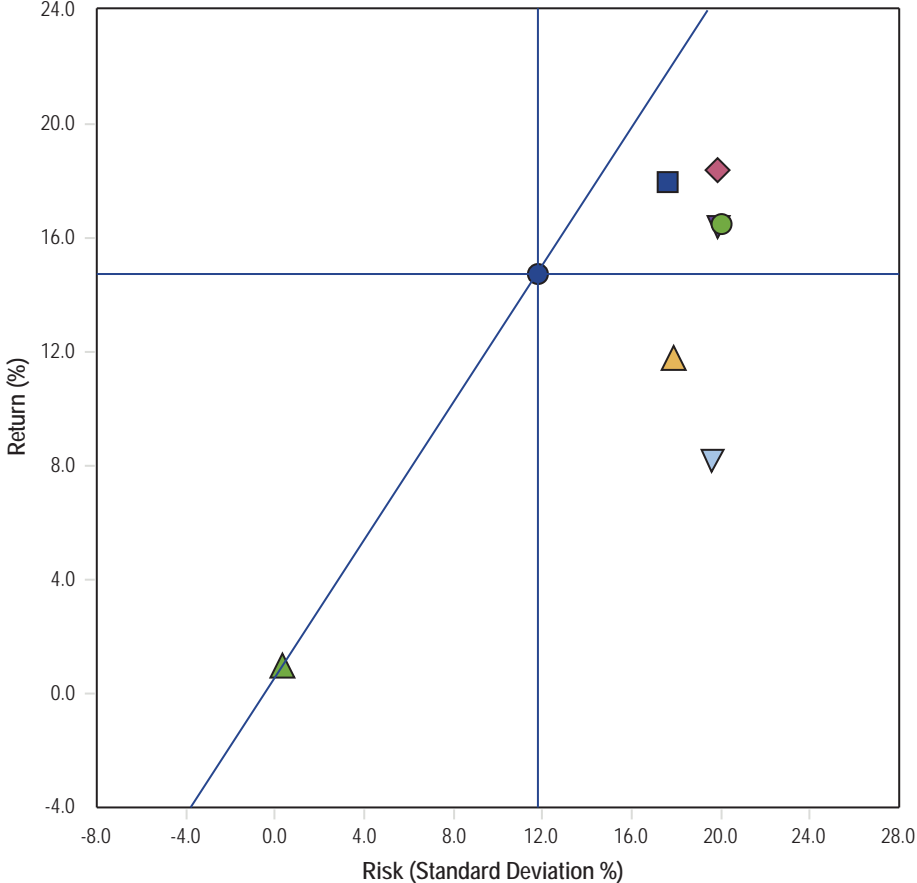
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- Fidelity® 500 Index
- Fidelity® Small Cap Index
- Champlain Small Cap
- Allspring Special Small Cap Value R6
- S&P 500 Index
- Policy Index Updated
- MFS Growth R6
- Fidelity® Mid Cap Index
- Bridge City Small Cap Growth
- Sterling Mid Cap Value
- Westfield Mid Cap Growth CIT
- Russell 2000 Index
- 90 Day U.S. Treasury Bill

- Hotchkis & Wiley Diversified Value I
- Fidelity® 500 Index
- Fidelity® Small Cap Index
- Champlain Small Cap
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- Fidelity® Mid Cap Index
- Bridge City Small Cap Growth
- Sterling Mid Cap Value
- Westfield Mid Cap Growth CIT
- Russell 2000 Index
- 90 Day U.S. Treasury Bill

Calculation based on monthly periodicity.

Annualized Return vs Annualized Standard Deviation
3 Years Ending December 31, 2021

Annualized Return vs Annualized Standard Deviation
5 Years Ending December 31, 2021



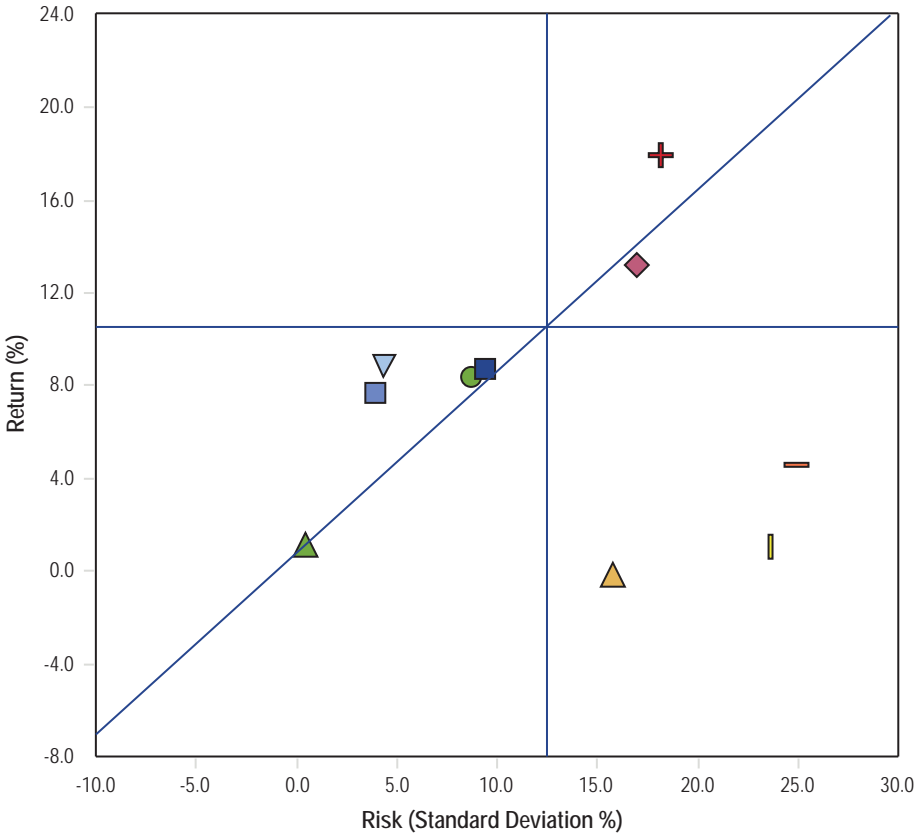
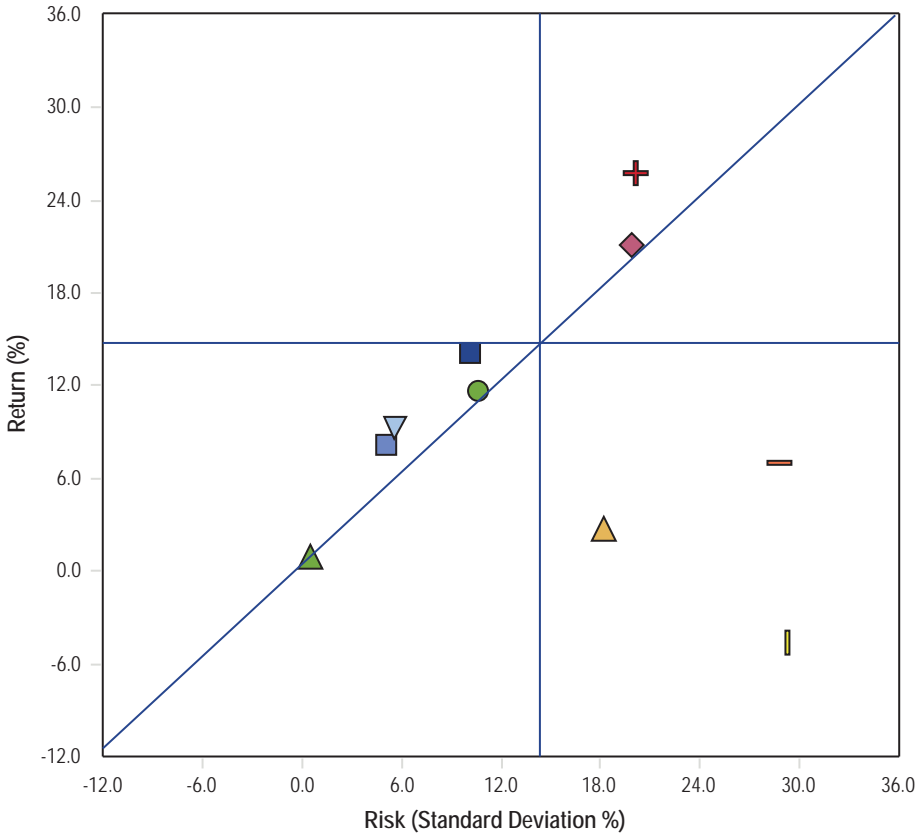
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- ▲ Vanguard Emerging Mkts Stock Idx Adm
- ▼ MSCI AC World ex USA Value (Net)
- Policy Index Updated
- Artisan International Value Instl
- ◆ Victory Trivalent International Sm-Cp I
- ▼ MSCI AC World ex USA Small Cap (Net)
- ▲ 90 Day U.S. Treasury Bill

- American Funds Europacific Growth R6
- ▲ Vanguard Emerging Mkts Stock Idx Adm
- ▼ MSCI AC World ex USA Value (Net)
- Policy Index Updated
- Artisan International Value Instl
- ◆ Victory Trivalent International Sm-Cp I
- ▼ MSCI AC World ex USA Small Cap (Net)
- ▲ 90 Day U.S. Treasury Bill

Calculation based on monthly periodicity.

Annualized Return vs Annualized Standard Deviation
3 Years Ending December 31, 2021

Annualized Return vs Annualized Standard Deviation
5 Years Ending December 31, 2021



- The Weatherlow Offshore Fund I Ltd
- Beach Point Select Fund LP
- ▲ Contrarian Capital Fund I LP
- ◆ Principal REITS SERS
- ▼ Prime Property Fund, LLC
- OrbiMed Partners II LP
- | Contrarian Emerging Markets Fund LP
- + Russell 3000 Index
- NCREIF ODCE VW NET
- ▲ 90 Day U.S. Treasury Bill

- The Weatherlow Offshore Fund I Ltd
- Beach Point Select Fund LP
- ▲ Contrarian Capital Fund I LP
- ◆ Principal REITS SERS
- ▼ Prime Property Fund, LLC
- OrbiMed Partners II LP
- | Contrarian Emerging Markets Fund LP
- + Russell 3000 Index
- NCREIF ODCE VW NET
- ▲ 90 Day U.S. Treasury Bill

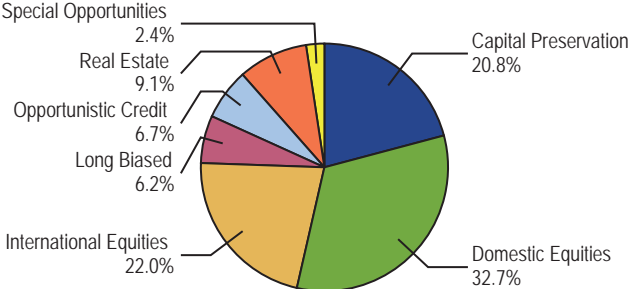
Calculation based on quarterly periodicity.

Fee Schedule

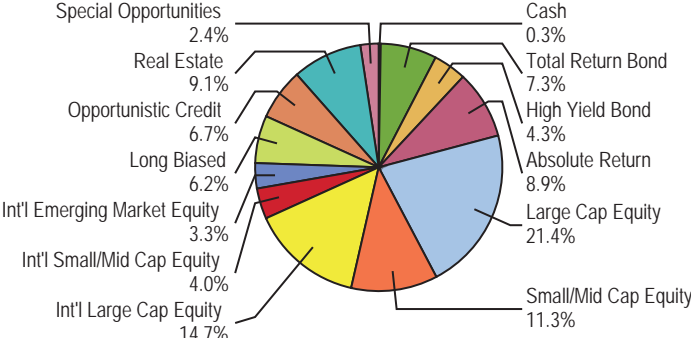
	Vehicle Type	Ticker	Universe Name	Market Value As of 12/31/2021 \$	Net Expense Ratio (%)
Allspring Special Small Cap Value	Mutual Fund	ESPRX	Small Value	\$5,801,104	0.85
Artisan Int'l Value	Mutual Fund	APHKX	Foreign Value	\$29,386,912	1.03
Bridge City Small Growth	Separate Account		Small Growth	\$8,860,114	0.35
Champlain Small Cap	Commingled Fund		Small Growth	\$9,722,781	1.00
EuroPacific Growth R6	Mutual Fund	RERGX	Foreign	\$25,499,887	0.46
Fidelity Instl Govt Money Market	Mutual Fund	FIGXX	Money Market-Taxable	\$1,012,184	0.18
Fidelity Mid Cap Index	Mutual Fund	FSMDX	Mid Cap	\$4,433,071	0.03
Fidelity S&P 500	Mutual Fund	FXAIX	Large Cap	\$42,818,796	0.02
Fidelity Small Cap Index	Mutual Fund	FSSNX	Small Cap	\$583,785	0.03
Hotchkis & Wiley Div Value I	Mutual Fund	HWCIX	Large Value	\$18,142,925	0.80
Hotchkis & Wiley High Yield	Mutual Fund	HWHZX	High Yield Bond	\$16,254,221	0.60
MFS Growth Fund CI R6	Mutual Fund	MFEKX	Large Growth	\$19,281,203	0.53
Pimco Dynamic Bond Fund	Mutual Fund	PFIUX	Nontraditional Bond	\$6,964,608	0.83
Principal Global Investors REIT	Separate Account		Real Estate	\$19,721,069	0.75
Sterling Core Bond	Separate Account		Intermediate Core Bond	\$27,488,768	0.25
Sterling Mid Cap Value	Separate Account		Mid-Cap Value	\$6,703,971	0.75
Vanguard Emerging Markets Stock Index Fd	Mutual Fund	VEMAX	Diversified Emerging Mkts	\$543,440	0.14
Victory Trivalent International Small Cap	Mutual Fund	MISIX	Foreign Small/Mid Growth	\$14,995,657	0.97
Westfield Mid Cap Growth	Commingled Fund		Mid-Cap Growth	\$6,240,514	0.65

Section 3

Current Allocation



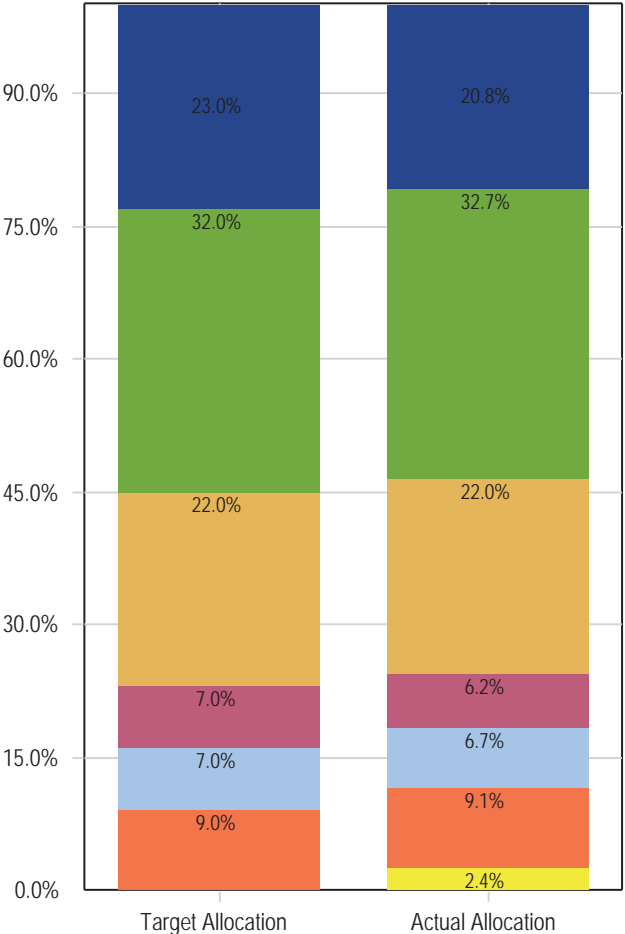
Current Implementation Allocation



Spokane Employees' Retirement System

As of December 31, 2021

Asset Allocation Compliance

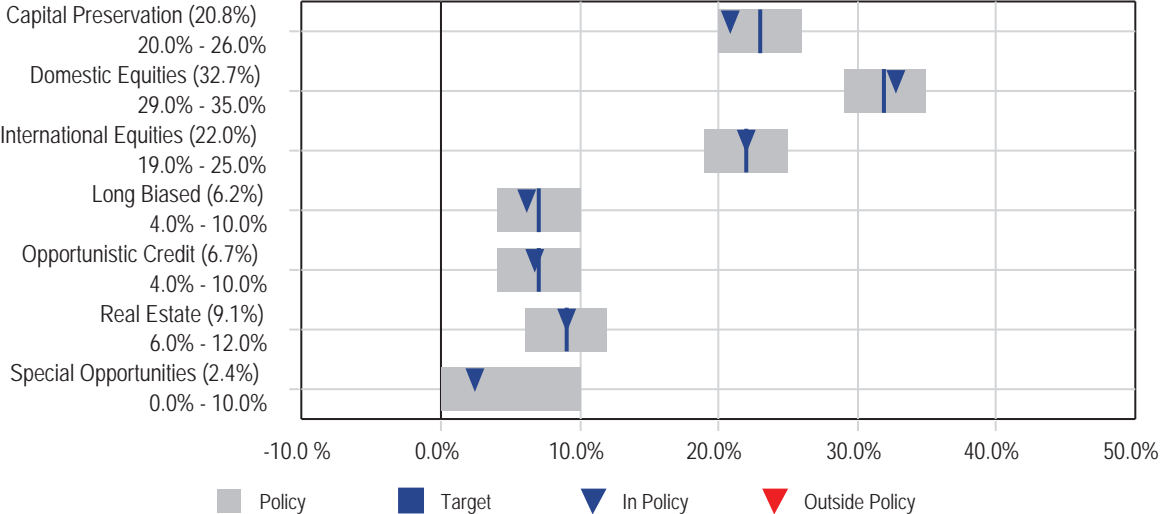


- Capital Preservation
- Domestic Equities
- International Equities
- Long Biased
- Opportunistic Credit
- Real Estate
- Special Opportunities

Current Allocation vs Investment Policy

	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Differences \$	Differences (%)
Capital Preservation	78,058,532	20.8	20.0	26.0	23.0	-8,057,930	-2.2
Domestic Equities	122,588,264	32.7	29.0	35.0	32.0	2,774,055	0.7
International Equities	82,209,740	22.0	19.0	25.0	22.0	-162,529	0.0
Long Biased	23,295,261	6.2	4.0	10.0	7.0	-2,914,097	-0.8
Opportunistic Credit	25,120,127	6.7	4.0	10.0	7.0	-1,089,231	-0.3
Real Estate	34,201,949	9.1	6.0	12.0	9.0	504,203	0.1
Special Opportunities	8,945,529	2.4	0.0	10.0	0.0	8,945,529	2.4
Total	374,419,400	100.0			100.0		0.0

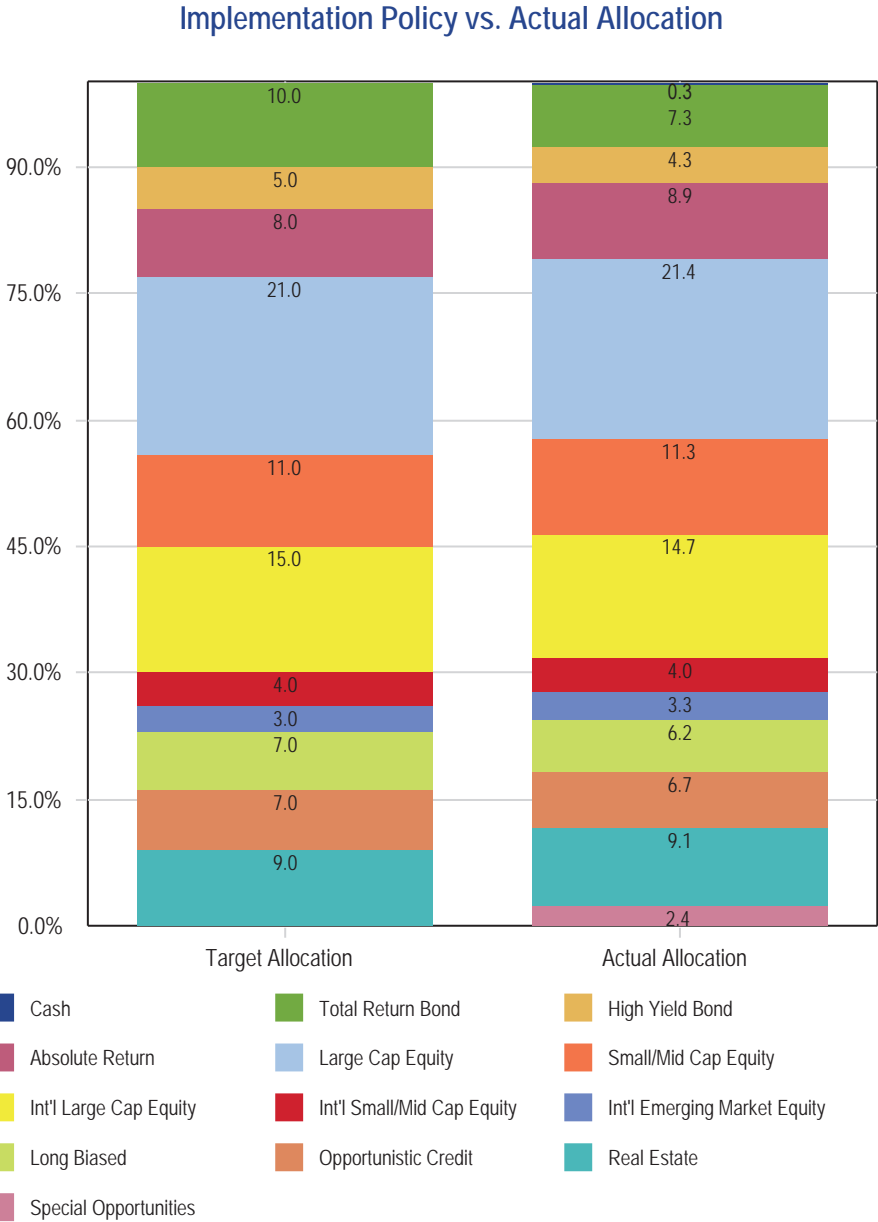
Actual vs Target



Spokane Employees' Retirement System

As of December 31, 2021

	Asset Allocation \$	Asset Allocation (%)	Target Allocation (%)
Cash	1,012,184	0.3	0.0
Total Return Bond	27,488,768	7.3	10.0
High Yield Bond	16,254,221	4.3	5.0
Absolute Return	33,303,358	8.9	8.0
Large Cap Equity	80,242,923	21.4	21.0
Small/Mid Cap Equity	42,345,340	11.3	11.0
Int'l Large Cap Equity	54,886,799	14.7	15.0
Int'l Small/Mid Cap Equity	14,995,657	4.0	4.0
Int'l Emerging Market Equity	12,327,284	3.3	3.0
Long Biased	23,295,261	6.2	7.0
Opportunistic Credit	25,120,127	6.7	7.0
Real Estate	34,201,949	9.1	9.0
Special Opportunities	8,945,529	2.4	0.0
Total	374,419,400	100.0	100.0



Spokane Employees' Retirement System

As of December 31, 2021

Implementation Review

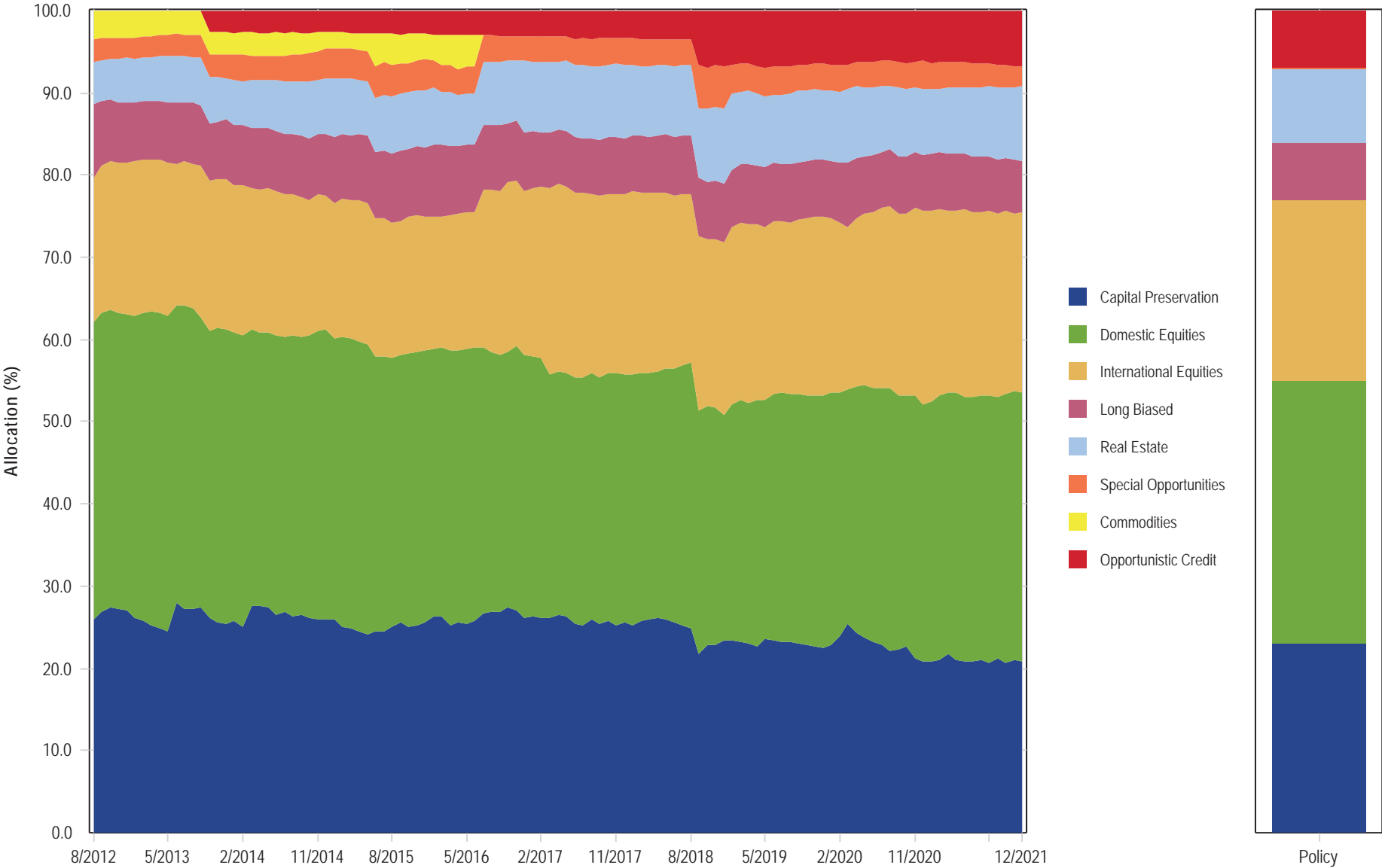
	Target Allocation \$	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Asset Allocation \$	Asset Allocation (%)	Differences \$	Differences (%)	Within Range
Cash		0.0	0.0	2.0	\$1,012,184	0.3	\$1,012,184	0.3	Yes
Fidelity Instl Govt Money Market					\$1,012,184	0.3			
Total Return Bond	\$37,441,940	10.0	8.0	12.0	\$27,488,768	7.3	-\$9,953,172	-2.7	No
Sterling Core Bond					\$27,488,768	7.3			
High Yield Bond	\$18,720,970	5.0	3.0	7.0	\$16,254,221	4.3	-\$2,466,749	-0.7	Yes
Hotchkis & Wiley High Yield					\$16,254,221	4.3			
Absolute Return	\$29,953,552	8.0	6.0	10.0	\$33,303,358	8.9	\$3,349,806	0.9	Yes
Polar Long/Short Fund					\$8,758,083	2.3			
Post Lmtd Term High Yield					\$6,946,650	1.9			
Rimrock Low Volatility Offshore					\$10,634,016	2.8			
Pimco Dynamic Bond Fund					\$6,964,608	1.9			
Large Cap Equity	\$78,628,074	21.0	19.0	23.0	\$80,242,923	21.4	\$1,614,849	0.4	Yes
Hotchkis & Wiley Div Value I					\$18,142,925	4.8			
Fidelity S&P 500					\$42,818,796	11.4			
MFS Growth Fund CI R6					\$19,281,203	5.1			
Small/Mid Cap Equity	\$41,186,134	11.0	9.0	13.0	\$42,345,340	11.3	\$1,159,206	0.3	Yes
Bridge City Small Growth					\$8,860,114	2.4			
Champlain Small Cap					\$9,722,781	2.6			
Sterling Mid Cap Value					\$6,703,971	1.8			
Westfield Mid Cap Growth					\$6,240,514	1.7			
Fidelity Mid Cap Index					\$4,433,071	1.2			
Fidelity Small Cap Index					\$583,785	0.2			
Allspring Special Small Cap Value					\$5,801,104	1.5			
Int'l Large Cap Equity	\$56,162,910	15.0	13.0	17.0	\$54,886,799	14.7	-\$1,276,111	-0.3	Yes
Artisan Int'l Value					\$29,386,912	7.8			
EuroPacific Growth R6					\$25,499,887	6.8			
Int'l Small/Mid Cap Equity	\$14,976,776	4.0	2.0	6.0	\$14,995,657	4.0	\$18,881	0.0	Yes
Victory Trivalent International Small Cap					\$14,995,657	4.0			
Int'l Emerging Market Equity	\$11,232,582	3.0	1.0	5.0	\$12,327,284	3.3	\$1,094,702	0.3	Yes
ABS Emerging Markets Strategic					\$11,783,844	3.1			

Spokane Employees' Retirement System

As of December 31, 2021

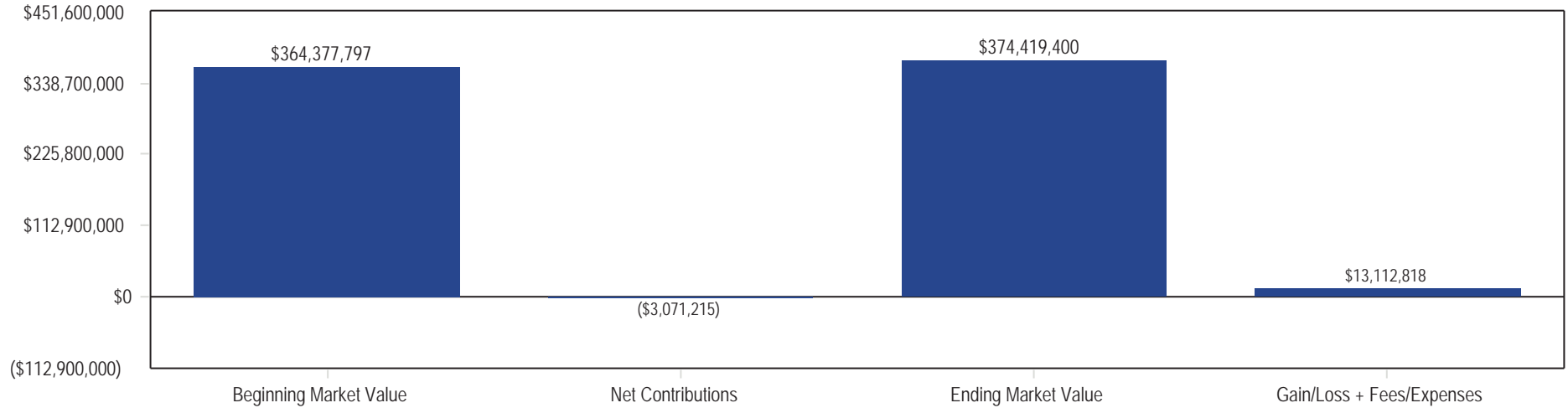
	Target Allocation \$	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Asset Allocation \$	Asset Allocation (%)	Differences \$	Differences (%)	Within Range
Vanguard Emerging Markets Stock Index Fd					\$543,440	0.1			
Long Biased	\$26,209,358	7.0	4.0	10.0	\$23,295,261	6.2	-\$2,914,097	-0.8	Yes
OrbiMed Royalty Opportunities					\$614,480	0.2			
Weatherlow Offshore					\$22,286,682	6.0			
OrbiMed Royalty Opps II					\$394,099	0.1			
Opportunistic Credit	\$26,209,358	7.0	4.0	10.0	\$25,120,127	6.7	-\$1,089,231	-0.3	Yes
Beach Point Select Fund LP					\$14,347,506	3.8			
Contrarian Capital Fund I LP					\$10,772,621	2.9			
Real Estate	\$33,697,746	9.0	6.0	12.0	\$34,201,949	9.1	\$504,203	0.1	Yes
Metropolitan Realty V					\$76,827	0.0			
Morrison Street Debt Opportunities Fund LP					\$120,692	0.0			
Principal Global Investors REIT					\$19,721,069	5.3			
Morgan Stanley Prime Property Fund					\$8,512,820	2.3			
Morrison Street Fund VI					\$2,967,395	0.8			
Morrison Street Income Fund					\$2,803,146	0.7			
Special Opportunities		0.0	0.0	10.0	\$8,945,529	2.4	\$8,945,529	2.4	Yes
Orbimed Partners II					\$3,747,133	1.0			
Contrarian Emerging Markets					\$5,198,396	1.4			
Total	\$374,419,400	100.0			\$374,419,400	100.0		0.0	

Asset Allocation History vs. Target Allocation



Section 4

Change in Market Value



Cash Flow Summary
Current Quarter

	Market Value As of 10/01/2021	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 12/31/2021
Fidelity Instl Govt Money Market	112,155	10,081,408	-9,154,375	900,000	-27,004	1,012,184
Sterling Core Bond	27,578,002	-	-	-	-89,234	27,488,768
Hotchkis & Wiley High Yield	16,082,548	-	-	-	171,673	16,254,221
Polar Long/Short Fund	8,837,784	-	-	-	-79,701	8,758,083
Post Lmtd Term High Yield	6,915,391	-	-	-	31,259	6,946,650
Pimco Dynamic Bond Fund	7,026,436	-	-	-	-61,828	6,964,608
Rimrock Low Volatility Offshore	10,630,347	-	-	-	3,669	10,634,016
Hotchkis & Wiley Div Value I	17,132,280	-	-	-	1,010,644	18,142,925
Fidelity S&P 500	41,038,171	-	-2,700,000	-2,700,000	4,480,625	42,818,796
MFS Growth Fund CI R6	17,835,608	-	-	-	1,445,594	19,281,203
Sterling Mid Cap Value	6,362,834	-	-	-	341,137	6,703,971
Fidelity Mid Cap Index	4,165,012	-	-	-	268,059	4,433,071

Spokane Employees' Retirement System

As of December 31, 2021

	Market Value As of 10/01/2021	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 12/31/2021
Westfield Mid Cap Growth	5,951,524	-	-	-	288,990	6,240,514
Allspring Special Small Cap Value	5,424,692	-	-	-	376,411	5,801,104
Fidelity Small Cap Index	571,757	-	-	-	12,028	583,785
Bridge City Small Growth	8,207,010	-	-	-	653,104	8,860,114
Champlain Small Cap	9,244,158	-	-	-	478,623	9,722,781
EuroPacific Growth R6	25,790,564	-	-	-	-290,677	25,499,887
Artisan Int'l Value	28,135,794	-	-	-	1,251,118	29,386,912
Victory Trivalent International Small Cap	14,798,098	-	-	-	197,559	14,995,657
Vanguard Emerging Markets Stock Index Fd	545,725	-	-	-	-2,285	543,440
ABS Emerging Markets Strategic	11,769,014	-	-	-	14,830	11,783,844
Weatherlow Offshore	22,675,628	-	-	-	-388,946	22,286,682
OrbiMed Royalty Opps II	514,064	-	-54,113	-54,113	-65,852	394,099
OrbiMed Royalty Opportunities	1,120,622	-	-249,305	-249,305	-256,837	614,480
Beach Point Select Fund LP	13,794,829	-	-	-	552,677	14,347,506
Contrarian Capital Fund I LP	10,489,103	-	-	-	283,518	10,772,621
Principal Global Investors REIT	17,153,714	-	-	-	2,567,355	19,721,069
Metropolitan Realty V	78,163	-	-	-	-1,337	76,827
Morrison Street Fund V	795,408	-	-764,051	-764,051	-31,357	-
Morrison Street Fund VI	2,933,315	-	-38,710	-38,710	72,790	2,967,395
Morrison Street Income Fund	-	2,803,146	-	2,803,146	-	2,803,146
Morrison Street Debt Opportunities Fund LP	2,907,559	-	-2,917,920	-2,917,920	131,053	120,692
Morgan Stanley Prime Property Fund	7,837,683	-	-77,295	-77,295	752,432	8,512,820
Orbimed Partners II	4,553,052	-	-	-	-805,919	3,747,133
Contrarian Emerging Markets	5,369,751	-	-	-	-171,355	5,198,396
SERS Plan Total	364,377,797	12,884,554	-15,955,769	-3,098,247	13,112,818	374,419,400

Section 5

Section 6

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 Actives 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.

Spokane Employees' Retirement System

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Account Name	From Date	To Date	Benchmark
SERS Plan Total	03/01/2019	Present	10% Blmbg. U.S. Aggregate, 5% Blmbg. U.S. Corp: High Yield Index, 8% HFRI FOF: Conservative Index, 21% S&P 500 Index, 11% Russell 2500 Index, 15% MSCI AC World ex USA (Net), 4% MSCI AC World ex USA Small Cap (Net), 3% MSCI Emerging Markets (Net), 7% HFRI Fund of Funds Composite Index, 7% HFRI ED: Distressed/Restructuring Index, 6% NCREIF ODCE VW NET, 3% FTSE NAREIT Comp REIT
	10/01/2016	03/01/2019	10% Blmbg. U.S. Aggregate, 5% Blmbg. U.S. Corp: High Yield Index, 8% HFRI FOF: Conservative Index, 21% S&P 500 Index, 11% Russell 2500 Index, 15% MSCI AC World ex USA (Net), 4% MSCI AC World ex USA Small Cap (Net), 3% MSCI Emerging Markets (Net), 7% HFRI Fund of Funds Composite Index, 7% HFRI ED: Distressed/Restructuring Index, 9% NCREIF ODCE VW NET
	07/01/2010	10/01/2016	1% 1 Year U.S. Treasury Note, 5% Russell 2000 Index, 8% Russell Midcap Index, 34% S&P 500 Index, 15% Blmbg. U.S. Aggregate, 5% Blmbg. U.S. Corp: High Yield Index, 3% NCREIF Property Index, 17% MSCI AC World ex USA (Net), 3% FTSE NAREIT All REITs Index, 5% Blmbg. Global Aggregate, 4% S&P GSCI Composite TR Index
	01/01/2007	07/01/2010	1% 90 Day U.S. Treasury Bill, 5% Russell 2000 Index, 5% Russell Midcap Index, 34% S&P 500 Index, 13% Blmbg. U.S. Aggregate, 5% Blmbg. U.S. Corp: High Yield Index, 24% MSCI AC World ex USA (Net), 4% FTSE NAREIT All REITs Index, 6% Blmbg. Global Aggregate, 3% NCREIF Property Index