



Spokane Employees' Retirement System

December 31, 2022 Performance Report

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TABLE OF CONTENTS

Section 1	Market Overview
Section 2	Performance Review
Section 3	Allocation Review
Section 4	Summary of Cash Flow
Section 5	Fund Attributions
Section 6	Definitions

Section 1



CONSTRUCTIVE VIEWS ON PRODUCTIVITY

2022 contained no shortage of high-level events across the spectrum: military conflicts, continued pandemic, a bear market, inflation, aggressive monetary policy, and many more which continue into 2023. The importance of these notwithstanding, this article pivots to discuss a longer-term subject whose course has been influenced by 2022 and the era leading up to it: productivity. From the aftermath of the Great Financial Crisis (GFC) up to the start of COVID, productivity growth lagged longer-term averages and was not broadly dispersed throughout the myriad of sectors in the broader economy. Looking forward, factors on the supply side, which combined with demographic trends offer several avenues for new and productivity-enhancing capital expansion. After all last year's difficulties, it's nice to talk about something positive for a change!

Households and corporations still have substantially healthy balance sheets. Corporate cash levels are high, debt maturities are several years out, and leverage ratios are well below long-term trends. Banks in particular, the proverbial switch-board of capital, maintain excess capital thanks in part to controls set after the GFC. Good to know the funds are there, but who and what will the productivity come from? The US workforce is expected to get younger on average in the years to come, ushering in workers with a more natural proclivity to new technology and the potential for increased automation. This demographic transformation comes on the back of several recent years of increased venture capital funding bringing superior computing products to a more tractable labor market. More expensive financing via higher interest rates may also compel companies to leverage new technology to remain profitable.

The ingredients for productivity growth being there, where in particular might the capital expenditure money go? One of the offshoots more directly linked to the pandemic is the digitization of business models, wherein artificial intelligence and machine learning was originally substituted in for traditional R&D to help expedite the production of mRNA technologies, it has the potential for application across many other industries. Another is the adoption of hybrid or remote working, allowing increased labor mobility, reduced time lost to commuting, and more business start-ups bringing unique, new products to market. Spending on decarbonization from the Inflation Reduction Act, to come via fiscal and public/private partnership spending, also has the potential to add hundreds of billions of dollars to domestic output in new technologies. While other areas such as increases in defense and infrastructure spending also can bolster productivity, the economy-wide possibilities are varied and endless.

This article's optimistic hypotheses, which may take years to unfold, illustrate one of the benefits of a dynamic and open economy that is easily overlooked in stressful times: the potential for positive surprises. COVID's damages being what they are, many of the financial reactions to it when combined with other technological and demographic trends have the potential to positively transform economic lives for years to come. Such transformation arguably could not be as easily achieved in a more economically stagnant, sedate, or otherwise closed environment. Although the productivity gains we are hoping for are by no means guaranteed; the ingredients are there and the prospect reminds investors that the long-run can pack a lot of upside, even if the recent past has been anything but easy.¹

¹Source: Morgan Stanley Global Investment Committee Special Report by Lisa Shalett, The Next American Productivity Renaissance, January 4, 2023

GLOBAL ECONOMIC LANDSCAPE

- As expected by a consensus of forecasters, inflation as measured by CPI came down in December 2022 for a second month; 7.0% at the headline level and 6.0% at core. In turn, the Fed lowered the pace of rate hikes to 50 basis points at its December meeting, bringing the fed funds rate to 4.5%. While there is reason to be sanguine about inflation, sticky prices in services and the tightness of the labor market are wildcards which the Fed has explicitly cited as risks. Despite the Fed's hawkish rhetoric which raised the terminal rate and pushed out guidance on first rate cuts, the market discounted only 25 to 50 basis points more in hikes and aggressive rate cuts by June. With financial conditions quite loose, the Fed has room to deliver negative surprises².
- The rise in Treasury yields may well challenge the US Government's ability to finance operations. For example, as of year-end 2022, nearly 30% of US Government debt was scheduled to mature within one year and approximately another 20% has a maturity date of between one and three years. One implication is that increased borrowing costs will crowd out discretionary spending. Another is that the Treasury may seek to issue longer-term debt which, thanks to an inverted yield curve, entails lower borrowing costs³.
- According to a Federal Reserve Report in November 2022 ("What Happens in China Does Not Stay in China"), policy-driven increases in China's credit may provide a tailwind for energy and commodity prices. For example, the International Energy Agency noted that China's demand for oil dropped by the greatest amount in over three decades due to lockdowns. Factors such as a re-opening in travel, an uptick in property demand, combined with relatively low inventory levels of copper and aluminum have the potential to stoke demand⁴.

GLOBAL FINANCIAL MARKETS

- In 2022, persistent global inflationary pressures and coordinated central bank rate hikes led equities to decline to bear market lows and fixed income to experience the sharpest losses in decades. This was the first time in modern history where both US stocks and long-term bonds declined by double digits in a year. The traditional 60% stock/40% bond portfolio lost -16.1% in 2022, the worst return in more than 50 years⁵.
- The US Dollar retreated in value from its peak on September 28, 2022, suggesting that investors believe the Fed is near the end of its tightening cycle. This in turn has been viewed positively for Emerging Markets in terms of their ability to attract, compete in export markets, raise capital by issuing dollar-denominated debt, and otherwise develop economically⁶.
- Despite being viewed as an inflation-hedge, Real Estate Investment Trusts (REITs) saw their second worst year on record in 2022 (the worst being 2008), returning -24.5% versus -18.1% for the S&P 500. Although operating income growth was above historical averages, valuation metrics such as rising interest rates and credit spreads, as well as declining earnings expectations and falling private market valuations presented a formidable headwind for the sector⁷.
- Gold typically trades inversely with real, or inflation-adjusted, yields. Falling real yields support the yellow metal and rising yields on inflation-protection securities drive losses. With the 10-year US Treasury real yield having backed up by nearly 280 basis points in 2022 to 1.6% from an extremely negative

² Source: Morgan Stanley Global Investment Committee Weekly December 19, 2022

³ Source: Morgan Stanley Global Investment Committee Weekly January 9, 2023

⁴ Source: Morgan Stanley, A Few Things We're Thinking About, by Christopher Baxter, January 5, 2023

⁵ Source: Morgan Stanley, Client Commentary, January 2023

⁶ Source: Morgan Stanley, A Few Things We're Thinking About, by Christopher Baxter January 5, 2023

⁷ Source: Morgan Stanley, The REIT Cheat Sheet, North America by Ronald Kamden, January 3, 2023

position, it should have been a horrendous year for gold. However, demand has remained strong as shifting geopolitics and currency market turmoil have led central banks, especially those in China and Russia, to build their reserves⁸.

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The indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

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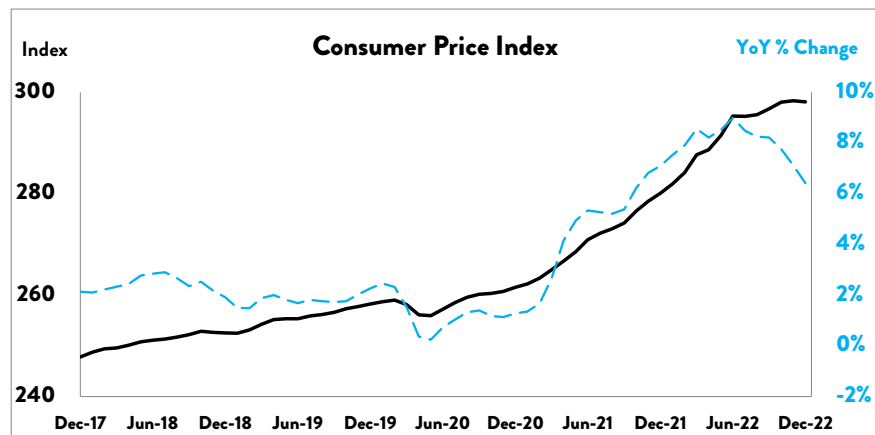
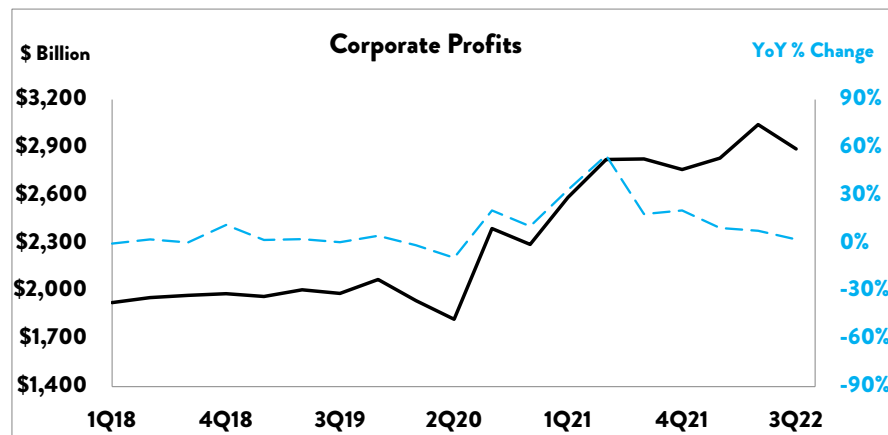
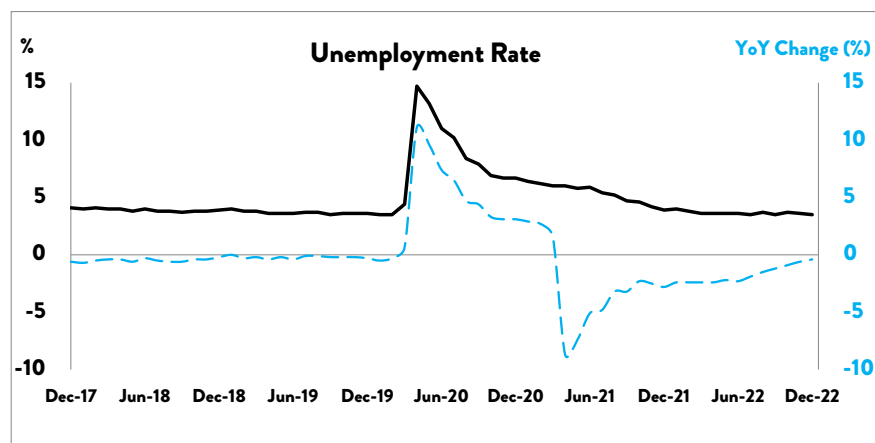
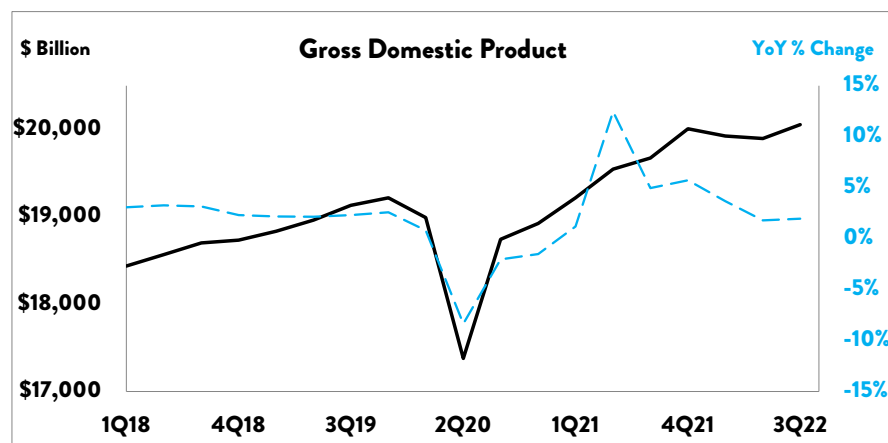
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⁸ Source: Morgan Stanley Global Investment Committee Weekly January 3, 2023

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4Q2022 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	223,000	4,505,000	-20,493,000	103,567	Dec-22
Unemployment Rate	3.5%	14.7%	3.5%	4.9%	Dec-22
Median Unemployment Length (Weeks)	7.5	22.2	4.0	11.2	Dec-22
Average Hourly Earnings	\$32.82	\$32.82	\$26.73	\$29.45	Dec-22

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	\$3.17	\$4.84	\$1.80	-34.5%	Dec-22
Spot Oil	\$76.44	\$114.84	\$16.55	-33.4%	Dec-22
Case-Shiller Home Price Index	304.2	316.2	204.7	48.7%*	Oct-22
Medical Care CPI	552.3	557.4	480.8	14.9%*	Dec-22

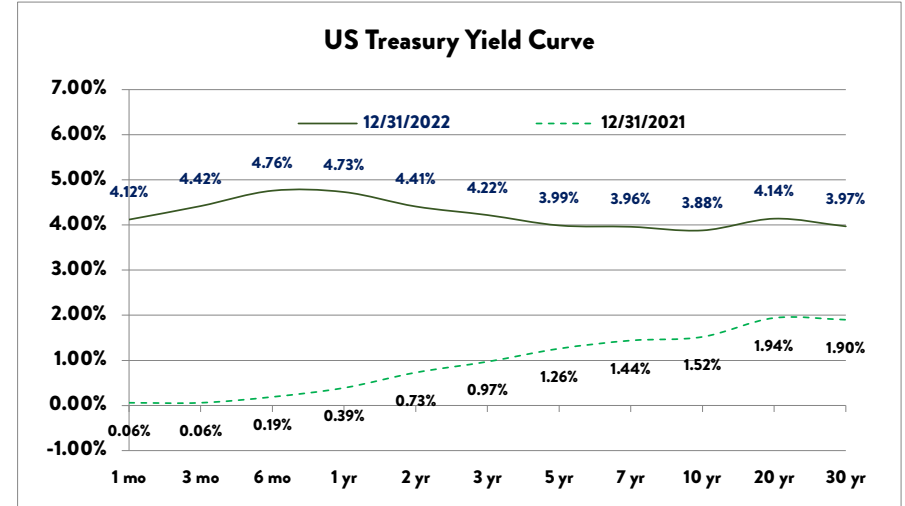
*% Off Low

Morningstar data as of 12/31/2022

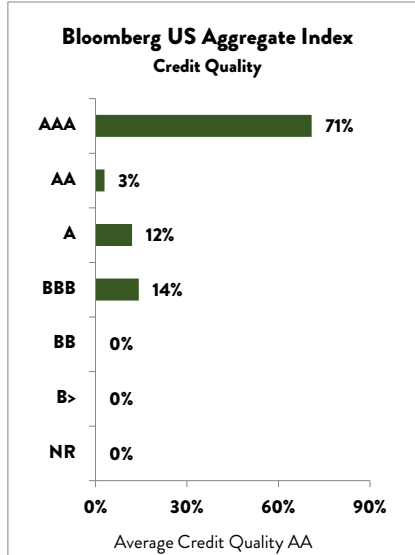
4Q2022 Bond Market Data

Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	1.02%	2.05%	2.05%	0.82%	1.31%	0.79%
Bloomberg US Aggregate	1.87%	-13.01%	-13.01%	-2.71%	0.02%	1.06%
Bloomberg Short US Treasury	0.85%	0.98%	0.98%	0.66%	1.26%	0.80%
Bloomberg Int. US Treasury	1.02%	-7.77%	-7.77%	-1.39%	0.46%	0.69%
Bloomberg Long US Treasury	-0.59%	-29.26%	-29.26%	-7.40%	-2.20%	0.60%
Bloomberg US TIPS	2.04%	-11.85%	-11.85%	1.21%	2.11%	1.12%
Bloomberg US Credit	3.44%	-15.26%	-15.26%	-2.86%	0.42%	1.82%
Bloomberg US Mortgage-Backed	2.14%	-11.81%	-11.81%	-3.22%	-0.53%	0.74%
Bloomberg US Asset-Backed	0.81%	-4.30%	-4.30%	-0.11%	1.18%	1.23%
Bloomberg US 20-Yr Municipal	5.23%	-11.02%	-11.02%	-1.05%	1.37%	2.64%
Bloomberg US High Yield	4.17%	-11.19%	-11.19%	0.05%	2.31%	4.03%
Bloomberg Global	4.55%	-16.25%	-16.25%	-4.48%	-1.66%	-0.44%
Bloomberg International	6.81%	-18.70%	-18.70%	-5.94%	-3.07%	-1.64%
Bloomberg Emerging Market	6.59%	-15.26%	-15.26%	-3.89%	-0.42%	1.71%

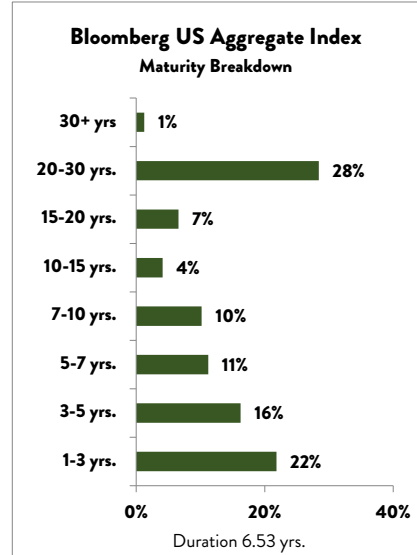
Source: Morningstar



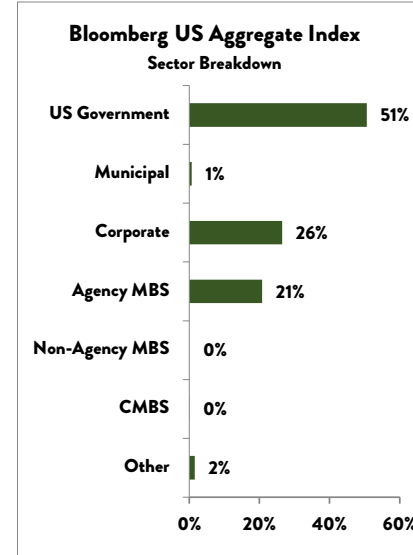
Source: Department of US Treasury



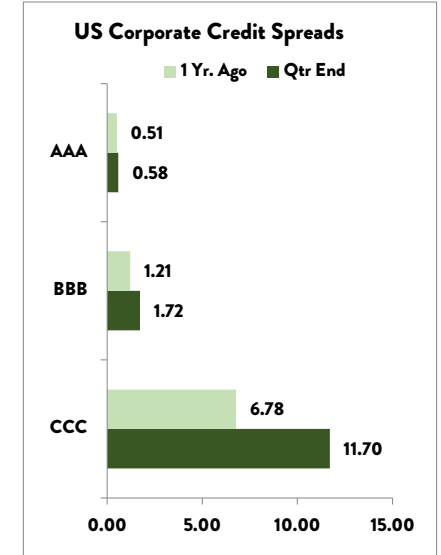
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

4Q2022 US Equity Market Data

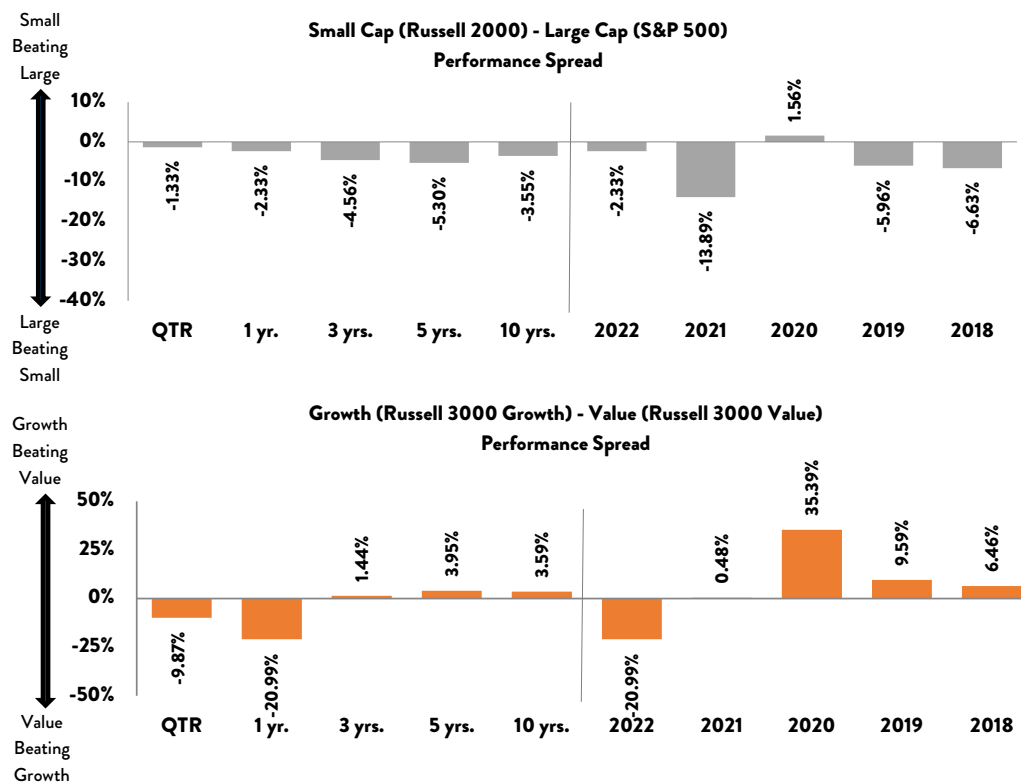
Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	YTD	1 yr.
S&P 500 Index	5%	Energy	22.81%	65.72%	65.72%
	9%	Industrials	19.22%	-5.48%	-5.48%
	3%	Materials	15.05%	-12.27%	-12.27%
	12%	Financials	13.61%	-10.53%	-10.53%
	16%	Health Care	12.80%	-1.95%	-1.95%
	7%	Consumer Staples	12.72%	-0.62%	-0.62%
	3%	Utilities	8.64%	1.57%	1.57%
	26%	Information Technology	4.74%	-28.19%	-28.19%
	3%	Real Estate	3.82%	-26.13%	-26.13%
	7%	Communication Services	-1.38%	-39.89%	-39.89%
10%	Consumer Discretionary	-10.18%	-37.03%	-37.03%	
S&P Midcap 400 Index	7%	Materials	21.92%	-2.73%	-2.73%
	14%	Consumer Discretionary	14.24%	-21.03%	-21.03%
	20%	Industrials	12.77%	-11.50%	-11.50%
	4%	Utilities	11.62%	-0.15%	-0.15%
	4%	Consumer Staples	11.59%	-0.77%	-0.77%
	4%	Energy	10.45%	36.62%	36.62%
	15%	Financials	9.57%	-3.04%	-3.04%
	12%	Information Technology	9.36%	-20.47%	-20.47%
	10%	Health Care	5.22%	-20.05%	-20.05%
	2%	Communication Services	4.31%	-20.39%	-20.39%
8%	Real Estate	3.74%	-26.35%	-26.35%	
S&P Smallcap 600 Index	5%	Energy	20.45%	47.89%	47.89%
	17%	Industrials	14.66%	-9.40%	-9.40%
	3%	Utilities	12.64%	-1.84%	-1.84%
	6%	Materials	11.51%	-6.09%	-6.09%
	13%	Consumer Discretionary	10.91%	-27.82%	-27.82%
	5%	Consumer Staples	9.76%	-6.47%	-6.47%
	8%	Real Estate	9.01%	-29.50%	-29.50%
	13%	Information Technology	8.09%	-22.36%	-22.36%
	18%	Financials	7.21%	-14.02%	-14.02%
	11%	Health Care	0.48%	-26.32%	-26.32%
2%	Communication Services	-3.18%	-34.46%	-34.46%	

Source: Morningstar

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	7.56%	-18.11%	-18.11%	7.66%	9.42%	12.56%
Russell 1000 Value	12.42%	-7.54%	-7.54%	5.96%	6.67%	10.29%
Russell 1000 Growth	2.20%	-29.14%	-29.14%	7.79%	10.96%	14.10%
Russell Mid Cap	9.18%	-17.32%	-17.32%	5.88%	7.10%	10.96%
Russell Mid Cap Value	10.45%	-12.03%	-12.03%	5.82%	5.72%	10.11%
Russell Mid Cap Growth	6.90%	-26.72%	-26.72%	3.85%	7.64%	11.41%
Russell 2000	6.23%	-20.44%	-20.44%	3.10%	4.13%	9.01%
Russell 2000 Value	8.42%	-14.48%	-14.48%	4.70%	4.13%	8.48%
Russell 2000 Growth	4.13%	-26.36%	-26.36%	0.65%	3.51%	9.20%
Russell 3000	7.18%	-19.21%	-19.21%	7.07%	8.79%	12.13%
DJ US Select REIT	4.76%	-25.96%	-25.96%	-1.37%	2.50%	5.74%



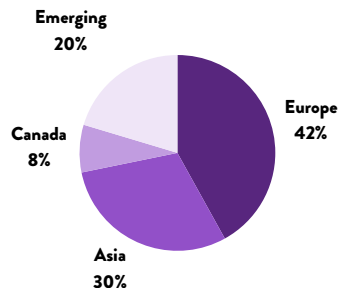
4Q2022 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	14.28%	-16.00%	-16.00%	0.07%	0.88%	3.80%
MSCI EAFE	17.34%	-14.45%	-14.45%	0.87%	1.54%	4.67%
Europe	19.35%	-15.06%	-15.06%	1.35%	1.87%	4.58%
United Kingdom	16.98%	-4.84%	-4.84%	0.32%	0.96%	3.07%
Germany	24.57%	-22.34%	-22.34%	-3.01%	-3.02%	2.66%
France	22.19%	-13.33%	-13.33%	2.53%	3.41%	6.14%
Pacific	14.13%	-13.04%	-13.04%	-0.03%	0.95%	4.89%
Japan	13.23%	-16.65%	-16.65%	-0.99%	0.23%	5.55%
Hong Kong	18.21%	-4.71%	-4.71%	-1.05%	-0.29%	4.77%
Australia	15.68%	-5.25%	-5.25%	4.07%	4.05%	3.97%
Canada	7.42%	-12.87%	-12.87%	4.95%	4.06%	3.68%
MSCI EM	9.70%	-20.09%	-20.09%	-2.69%	-1.40%	1.44%
MSCI EM Latin America	5.73%	8.92%	8.92%	-4.79%	-1.08%	-2.15%
MSCI EM Asia	10.83%	-21.11%	-21.11%	-1.31%	-0.62%	3.55%
MSCI EM Eur/Mid East	1.25%	-35.34%	-35.34%	-9.53%	-4.07%	-4.02%
MSCI ACWI Value ex-US	15.70%	-8.59%	-8.59%	0.06%	-0.05%	2.72%
MSCI ACWI Growth ex-US	12.89%	-23.05%	-23.05%	-0.40%	1.49%	4.68%
MSCI ACWI Sm Cap ex-US	13.31%	-19.97%	-19.97%	1.07%	0.67%	5.24%

Regional Exposure

MSCI ACWI ex-USA

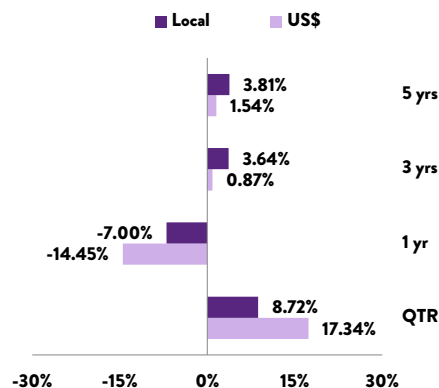


Top 10 Countries (MSCI AC World ex-USA)

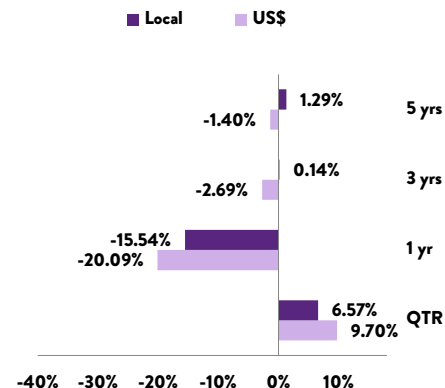
Japan	14%
UK	10%
China	9%
Canada	8%
France	8%
Switzerland	7%
Germany	5%
Australia	5%
India	4%
Taiwan	4%

Source: Morningstar

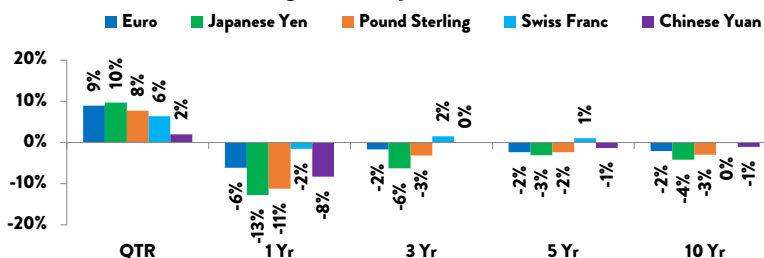
MSCI EAFE Index Return



MSCI Emerging Index Return



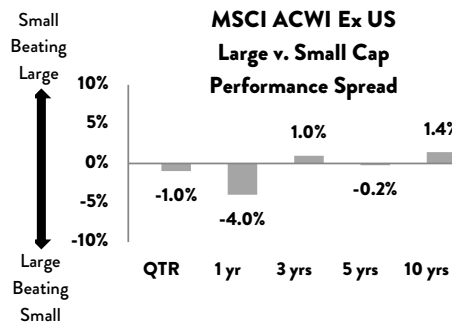
Foreign Currency v. US\$ Returns



Exchange Rates	QTR	3Q22	2Q22	1Q22	4Q21	3Q21
Japanese Yen	131.81	144.71	135.69	121.44	115.17	111.50
Euro	0.93	1.02	0.96	0.90	0.88	0.86
British Pound	0.83	0.90	0.82	0.76	0.74	0.74
Swiss Franc	0.92	0.98	0.96	0.92	0.91	0.93
Chinese Yuan	6.90	7.11	6.70	6.34	6.37	6.44

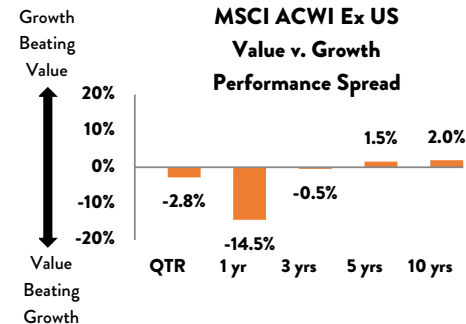
Source: Federal Reserve Bank of St. Louis

MSCI ACWI Ex US Large v. Small Cap Performance Spread



Performance Source: Morningstar

MSCI ACWI Ex US Value v. Growth Performance Spread



Historical Market Returns

Ranked by Performance

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	4Q22
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%	Commod. 16.09%	Intl 14.28%
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 6.59%	Emerging Markets 9.70%
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%	Cash 2.05%	Mid Cap 9.18%
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%	High Yield -11.19%	Large Cap 7.56%
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 -11.85%	Global Balanced 7.50%
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%	US Bonds -13.01%	Small Cap 6.23%
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 -16.00%	Global Bonds 4.55%
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%	Global Bonds -16.25%	High Yield 4.17%
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%	Global Balanced -16.40%	Commod. 2.22%
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%	Mid Cap -17.32%	TIPS 2.04%
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%	Large Cap -18.11%	US Bonds 1.87%
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 -20.09%	Cash 1.02%
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%	Small Cap -20.44%	Core Real Estate -5.13%

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

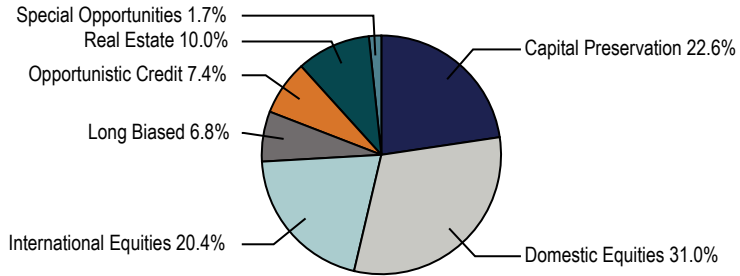
Source: Morningstar; Core Real Estate Source: NCREIF

Section 2

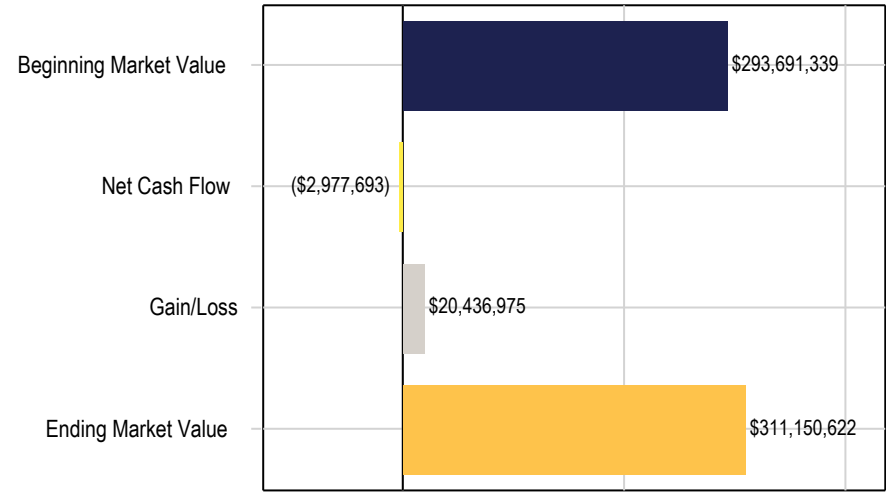
Spokane Employees' Retirement System

As of December 31, 2022

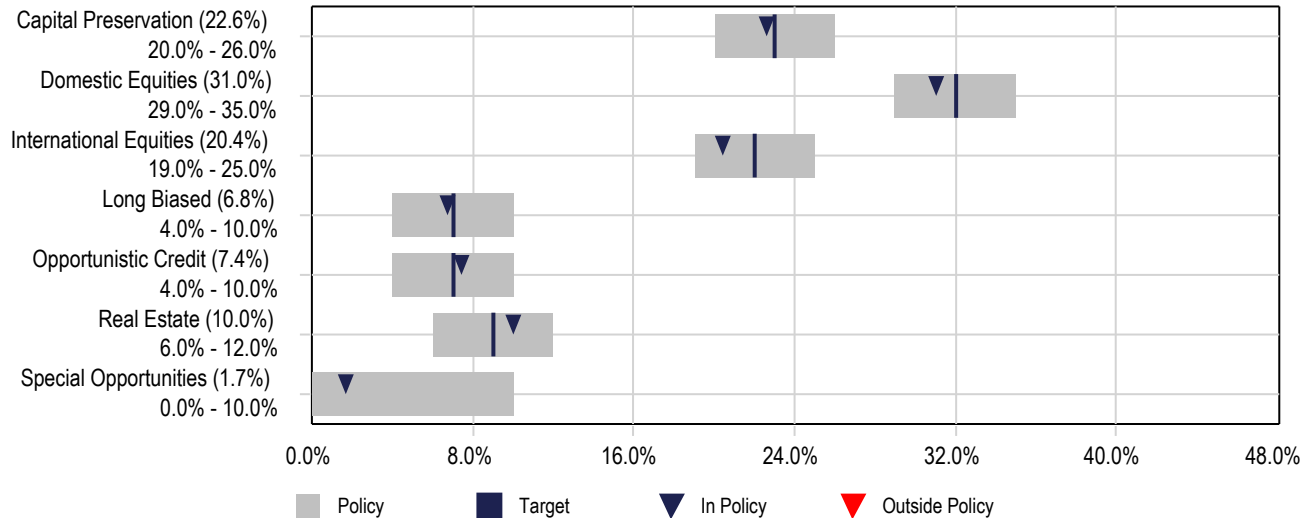
SERS Current Allocation



Current Quarter



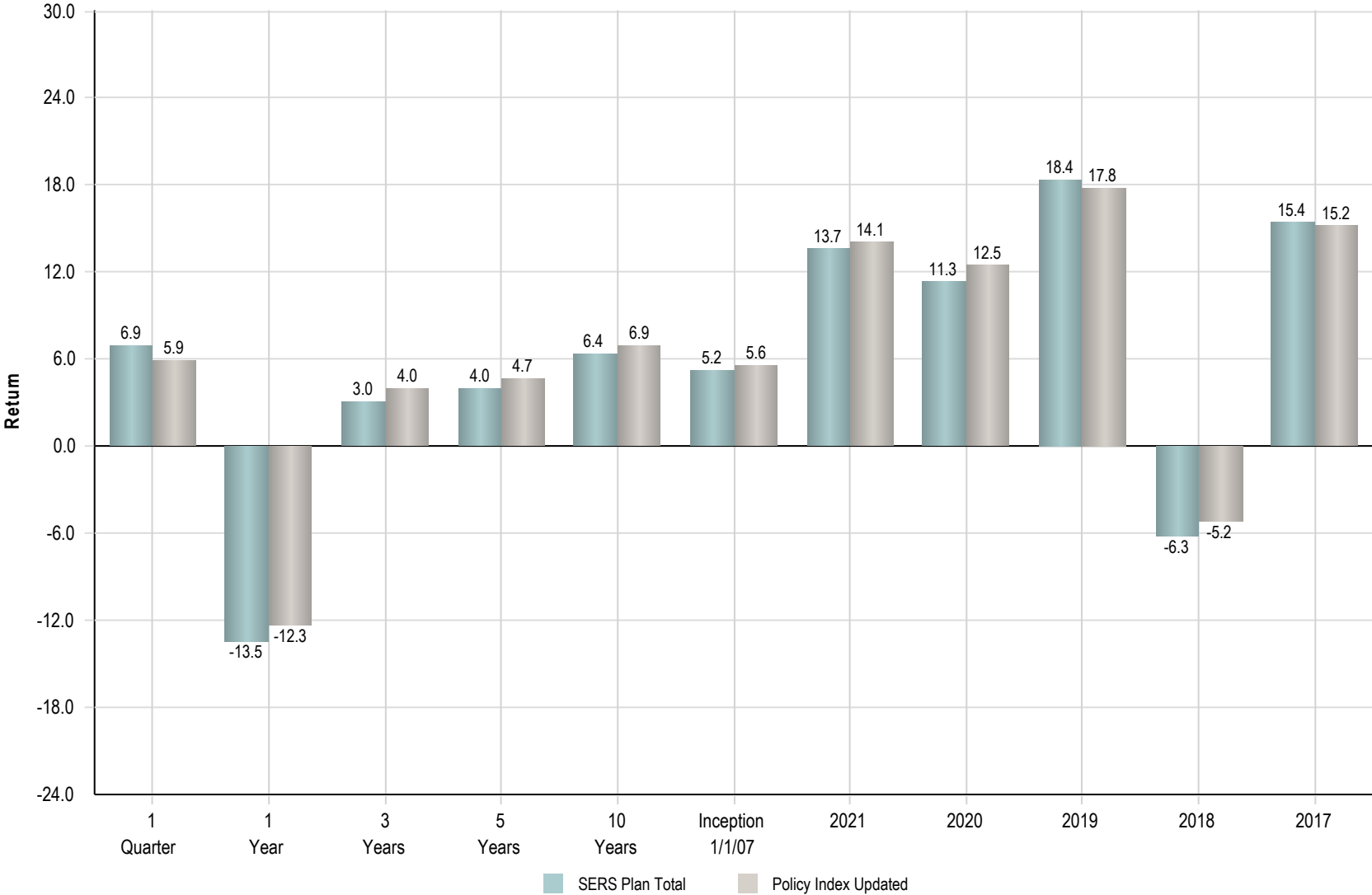
Executive Summary



Policy Breakdown

Passive Portfolios	Weight (%)
Blmbg. U.S. Aggregate Index	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

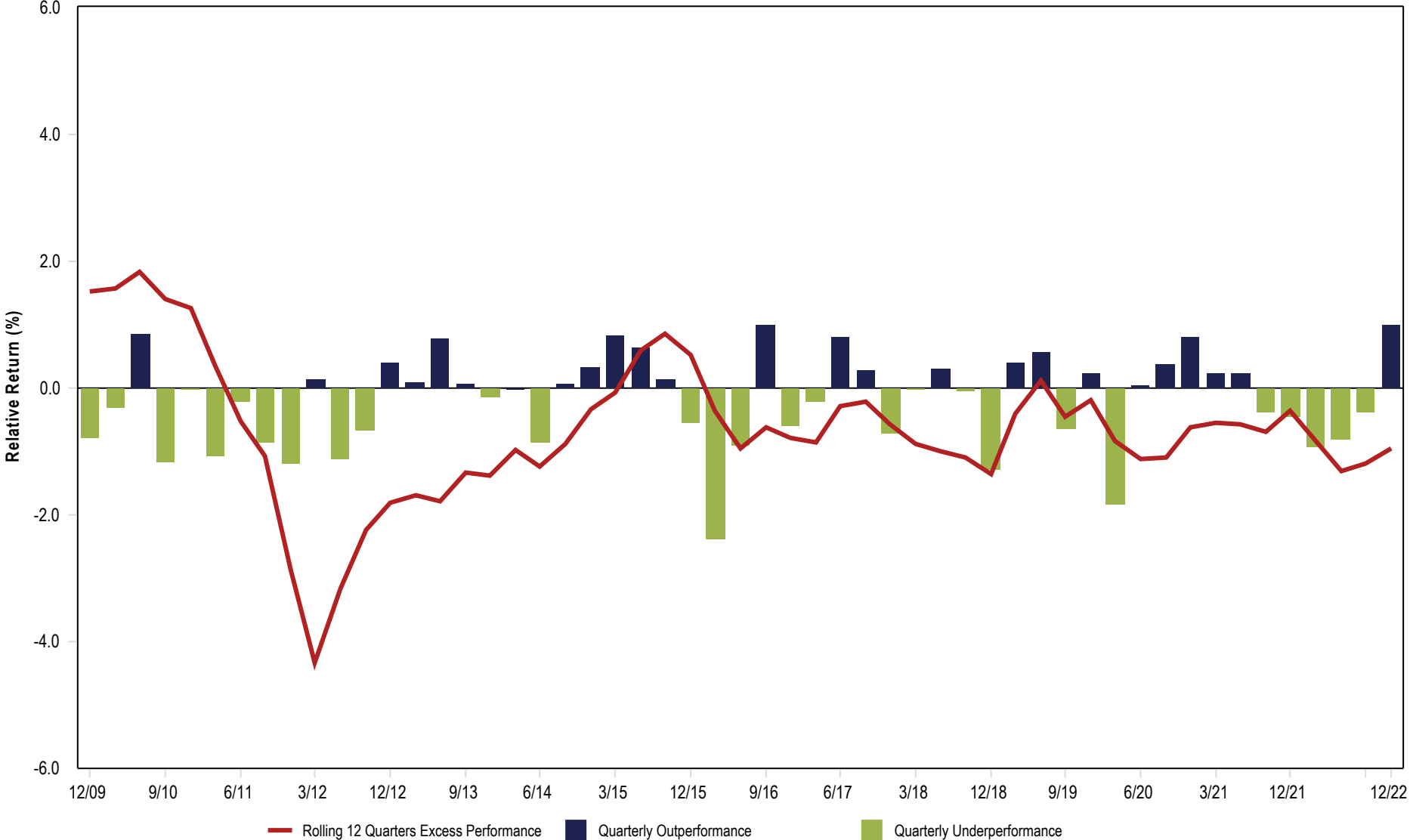
Return Summary



Performance Net of Fees.

Performance for periods longer than 1 year is annualized.

Relative Performance
Rolling 3 Year Annualized Excess Performance



Spokane Employees' Retirement System

As of December 31, 2022

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	3.04	4.00	3.95	4.67	5.24	5.58	
Cumulative Return	9.41	12.50	21.38	25.64	126.50	138.27	
Active Return	-0.69	0.00	-0.51	0.00	-0.39	0.00	
Excess Return	3.96	4.65	3.85	4.36	5.01	5.40	

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	18.79	17.42	15.76	14.55	12.60	13.19	01/01/2007
Alpha	-1.10	0.00	-0.97	0.00	-0.01	0.00	
Tracking Error	1.59	0.00	1.42	0.00	2.34	0.00	
Information Ratio	-0.43	N/A	-0.36	N/A	-0.17	N/A	
Beta	1.08	1.00	1.08	1.00	0.94	1.00	
Sharpe Ratio	0.21	0.26	0.24	0.30	0.39	0.41	

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	0.998	1.000	0.969	1.000	01/01/2007
Actual Correlation	0.999	1.000	0.999	1.000	0.985	1.000	

Spokane Employees' Retirement System

As of December 31, 2022

Total Account Performance Summary

	Performance (%)													Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018	2017	2016	2015	
SERS Plan Total	6.95	-13.50	3.04	3.95	6.37	5.24	13.66	11.29	18.35	-6.27	15.40	6.71	-0.94	01/01/2007
Policy Index Updated	5.95	-12.33	4.00	4.67	6.87	5.58	14.08	12.48	17.76	-5.17	15.20	9.84	-2.00	
Over/Under	1.00	-1.17	-0.96	-0.72	-0.50	-0.34	-0.42	-1.19	0.59	-1.10	0.20	-3.13	1.06	
70/30 ACWI/Bloomberg Aggregate Bond	7.42	-16.59	2.28	3.94	6.06	4.85	12.25	14.28	21.21	-6.48	17.50	6.42	-1.30	
Over/Under	-0.47	3.09	0.76	0.01	0.31	0.39	1.41	-2.99	-2.86	0.21	-2.10	0.29	0.36	
Corporate and Public >250m and < \$1Bil Rank	15	32	39	51	45	61	31	80	67	75	49	78	40	
Capital Preservation	2.50	-7.41	-0.71	1.06	2.15	2.42	2.35	3.29	8.71	-0.94	5.85	8.12	-1.74	07/01/2012
Capital Preservation Index	2.25	-8.13	0.51	1.92	2.65	2.88	3.07	7.23	9.09	-0.72	4.60	5.43	-0.58	
Over/Under	0.25	0.72	-1.22	-0.86	-0.50	-0.46	-0.72	-3.94	-0.38	-0.22	1.25	2.69	-1.16	
Domestic Equity	9.14	-18.25	6.48	7.53	11.18	11.25	25.73	17.45	29.14	-7.80	19.86	10.91	-0.32	07/01/2012
Domestic Equity Index	7.52	-18.16	6.87	8.29	11.76	11.88	25.09	19.22	30.24	-6.30	20.11	13.92	-0.06	
Over/Under	1.62	-0.09	-0.39	-0.76	-0.58	-0.63	0.64	-1.77	-1.10	-1.50	-0.25	-3.01	-0.26	
All Cap Blend Rank	41	61	52	46	39	41	50	39	41	47	42	65	37	
International Equity Total	15.17	-17.36	2.16	2.34	5.60	4.39	9.68	17.63	25.02	-15.78	28.45	3.91	-1.32	04/01/2007
International Equity Index	13.51	-17.24	-0.05	0.59	3.79	2.53	7.30	12.43	21.27	-14.96	29.35	5.34	-5.49	
Over/Under	1.66	-0.12	2.21	1.75	1.81	1.86	2.38	5.20	3.75	-0.82	-0.90	-1.43	4.17	
Foreign Rank	63	53	20	19	19	9	58	27	36	52	39	22	63	
Long Biased	1.06	-8.37	3.73	5.21	4.10	4.32	4.52	16.54	12.74	2.43	1.19	-2.99	4.04	07/01/2012
HFRI Fund of Funds Composite Index	1.74	-5.30	3.69	3.01	3.51	3.70	6.17	10.88	8.39	-4.02	7.77	0.51	-0.27	
Over/Under	-0.68	-3.07	0.04	2.20	0.59	0.62	-1.65	5.66	4.35	6.45	-6.58	-3.50	4.31	
S&P 500 Index	7.56	-18.11	7.66	9.42	12.56	12.55	28.71	18.40	31.49	-4.38	21.83	11.96	1.38	
Over/Under	-6.50	9.74	-3.93	-4.21	-8.46	-8.23	-24.19	-1.86	-18.75	6.81	-20.64	-14.95	2.66	
Opportunistic Credit	2.33	-8.09	4.11	1.48	-	4.02	20.58	1.81	1.14	-5.68	7.08	14.52	2.35	10/01/2013
HFRI ED: Distressed/Restructuring Index	0.76	-4.27	7.36	4.60	4.71	4.09	15.61	11.82	2.94	-1.70	6.25	15.15	-8.06	
Over/Under	1.57	-3.82	-3.25	-3.12	-	-0.07	4.97	-10.01	-1.80	-3.98	0.83	-0.63	10.41	

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, 2022

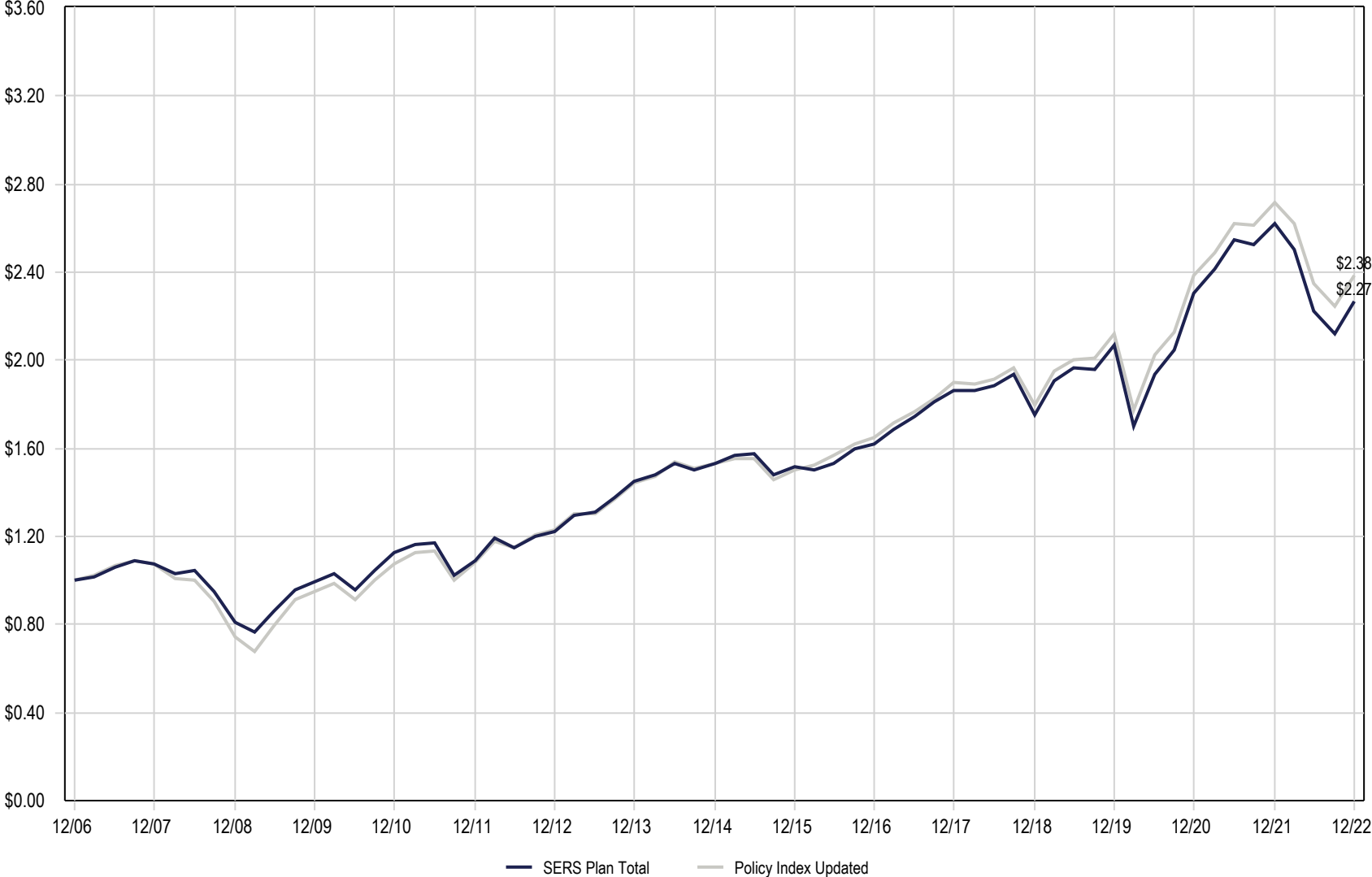
	Performance (%)													Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018	2017	2016	2015	
Real Estate Total	0.88	-10.62	3.59	6.09	8.76	5.61	27.75	-2.65	16.62	3.68	10.01	8.09	6.66	04/01/2007
NCREIF ODCE VW NET	-5.17	6.55	8.97	7.72	9.11	5.70	21.02	0.34	4.39	7.36	6.66	7.79	13.95	
Over/Under	6.05	-17.17	-5.38	-1.63	-0.35	-0.09	6.73	-2.99	12.23	-3.68	3.35	0.30	-7.29	
FTSE NAREIT All REITs Index	4.51	-25.10	-0.46	3.91	6.86	4.67	39.88	-5.86	28.07	-4.10	9.27	9.28	2.29	
Over/Under	-3.63	14.48	4.05	2.18	1.90	0.94	-12.13	3.21	-11.45	7.78	0.74	-1.19	4.37	
Real Estate Rank	96	1	3	3	2	7	90	24	99	1	11	22	3	
Special Opportunities	17.17	-10.31	-8.11	-5.35	2.32	2.15	-21.53	10.22	10.54	-11.43	25.32	-21.90	2.13	07/01/2012
Russell 3000 Index	7.18	-19.21	7.07	8.79	12.13	12.19	25.66	20.89	31.02	-5.24	21.13	12.74	0.48	
Over/Under	9.99	8.90	-15.18	-14.14	-9.81	-10.04	-47.19	-10.67	-20.48	-6.19	4.19	-34.64	1.65	

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

Since Inception Ending December 31, 2022

Growth of A Dollar

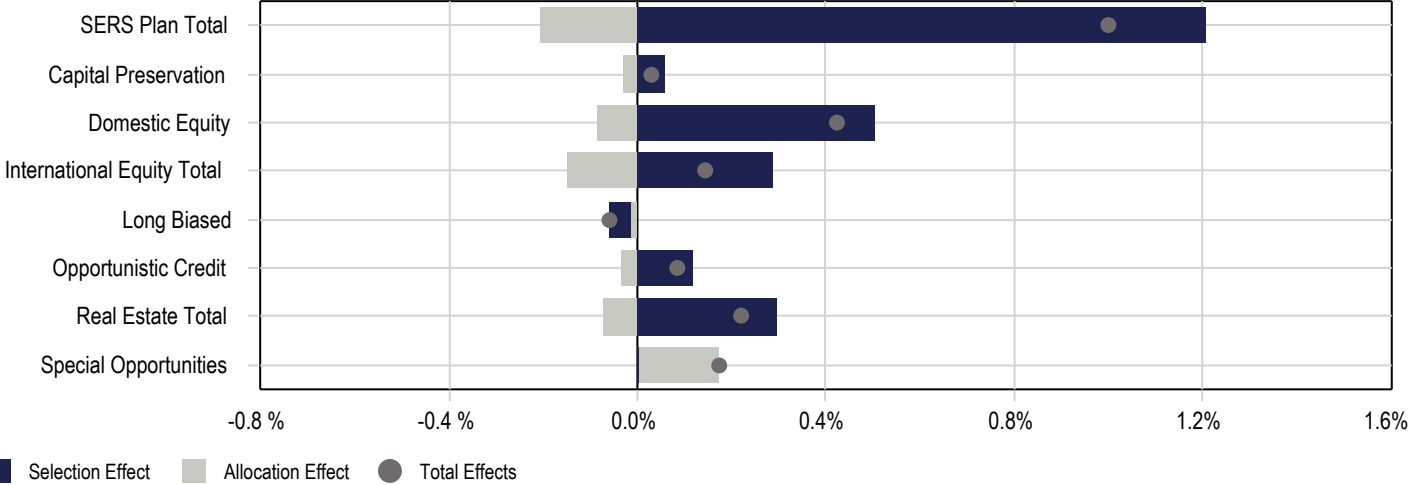


Calculation based on quarterly periodicity.

Attribution Summary
1 Quarter Ending December 31, 2022

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	2.50	2.25	0.25	0.06	-0.03	0.03
Domestic Equity	9.14	7.52	1.62	0.51	-0.08	0.42
International Equity Total	15.17	13.51	1.67	0.29	-0.15	0.14
Long Biased	1.06	1.74	-0.68	-0.05	-0.01	-0.06
Opportunistic Credit	2.33	0.76	1.56	0.12	-0.03	0.08
Real Estate Total	0.88	-2.02	2.91	0.30	-0.07	0.22
Special Opportunities	17.17	7.18	9.99	0.00	0.17	0.17
SERS Plan Total	6.95	5.95	1.00	1.22	-0.21	1.00

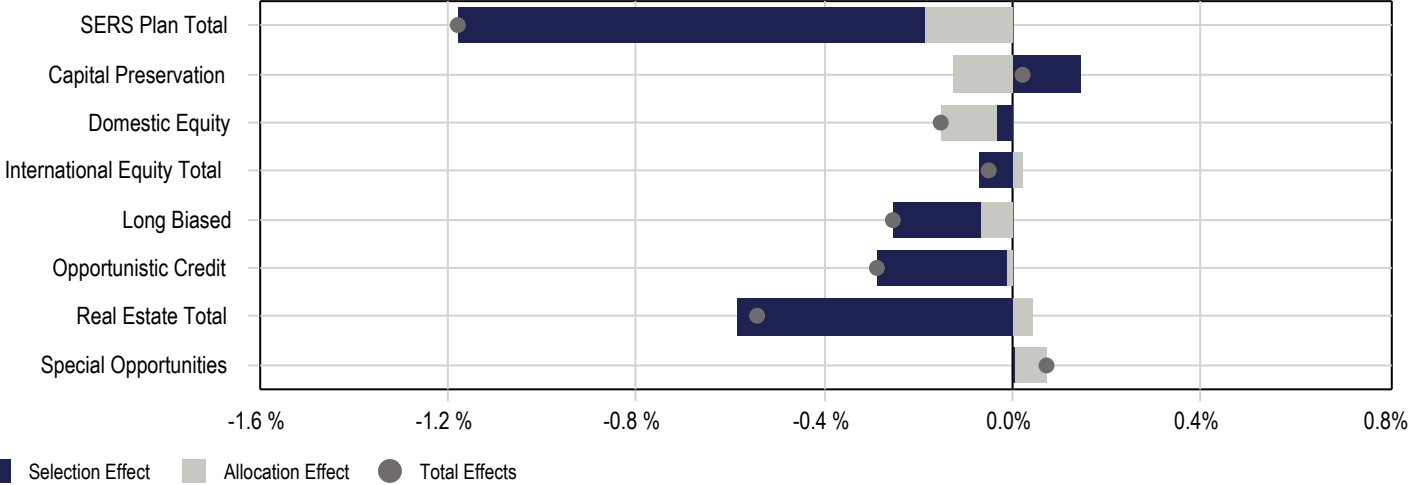
Attribution Effects
1 Quarter Ending December 31, 2022



Attribution Summary
1 Year Ending December 31, 2022

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	-7.41	-8.13	0.72	0.15	-0.13	0.02
Domestic Equity	-18.25	-18.16	-0.09	-0.03	-0.12	-0.15
International Equity Total	-17.36	-17.24	-0.12	-0.07	0.02	-0.05
Long Biased	-8.37	-5.30	-3.07	-0.19	-0.07	-0.26
Opportunistic Credit	-8.09	-4.27	-3.81	-0.28	-0.01	-0.29
Real Estate Total	-10.62	-4.50	-6.12	-0.59	0.04	-0.54
Special Opportunities	-10.31	-19.21	8.90	0.00	0.07	0.07
SERS Plan Total	-13.50	-12.32	-1.18	-1.01	-0.19	-1.18

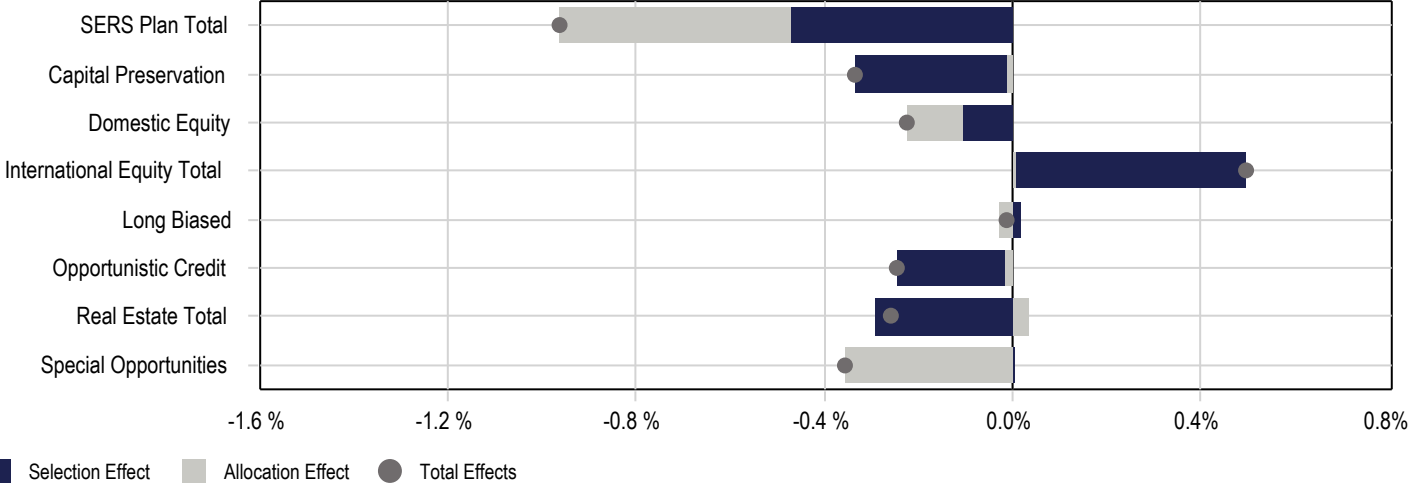
Attribution Effects
1 Year Ending December 31, 2022



Attribution Summary
3 Years Ending December 31, 2022

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	-0.71	0.51	-1.22	-0.32	-0.01	-0.33
Domestic Equity	6.48	6.87	-0.39	-0.11	-0.11	-0.22
International Equity Total	2.16	-0.05	2.21	0.49	0.01	0.50
Long Biased	3.73	3.69	0.04	0.02	-0.03	-0.01
Opportunistic Credit	4.11	7.36	-3.25	-0.23	-0.02	-0.24
Real Estate Total	3.59	6.45	-2.86	-0.29	0.03	-0.26
Special Opportunities	-8.11	7.07	-15.18	0.00	-0.36	-0.36
SERS Plan Total	3.04	4.01	-0.96	-0.44	-0.49	-0.96

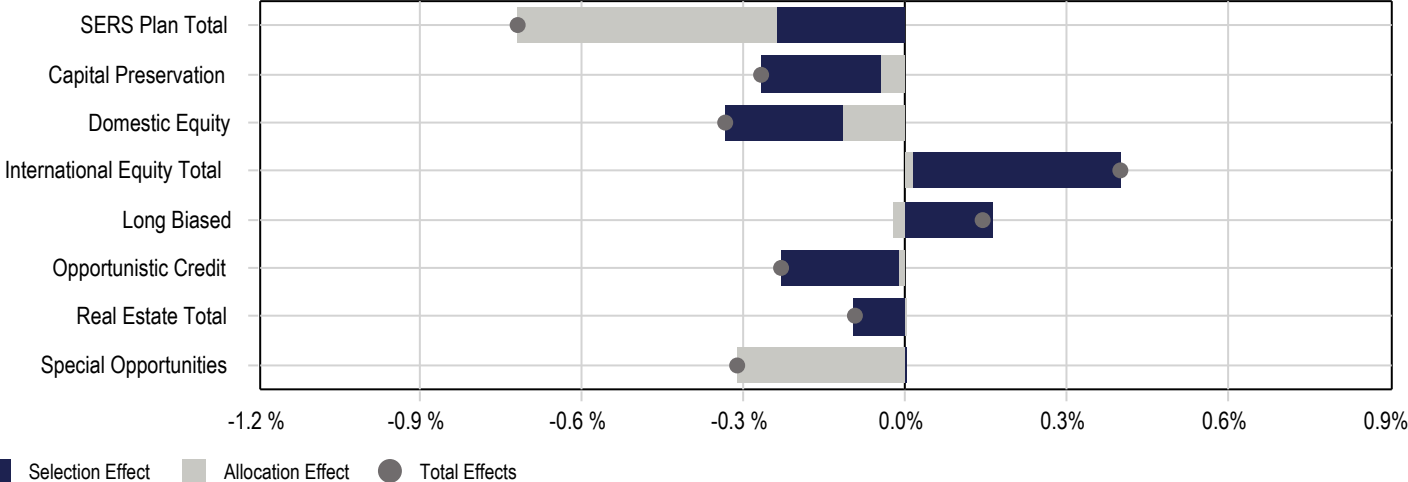
Attribution Effects
3 Years Ending December 31, 2022



**Attribution Summary
5 Years Ending December 31, 2022**

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	1.06	1.92	-0.86	-0.22	-0.04	-0.27
Domestic Equity	7.53	8.29	-0.77	-0.22	-0.11	-0.33
International Equity Total	2.34	0.59	1.75	0.39	0.02	0.40
Long Biased	5.21	3.01	2.19	0.16	-0.02	0.14
Opportunistic Credit	1.48	4.60	-3.12	-0.22	-0.01	-0.23
Real Estate Total	6.09	6.86	-0.77	-0.10	0.00	-0.09
Special Opportunities	-5.35	8.79	-14.14	0.00	-0.31	-0.31
SERS Plan Total	3.95	4.67	-0.72	-0.21	-0.48	-0.72

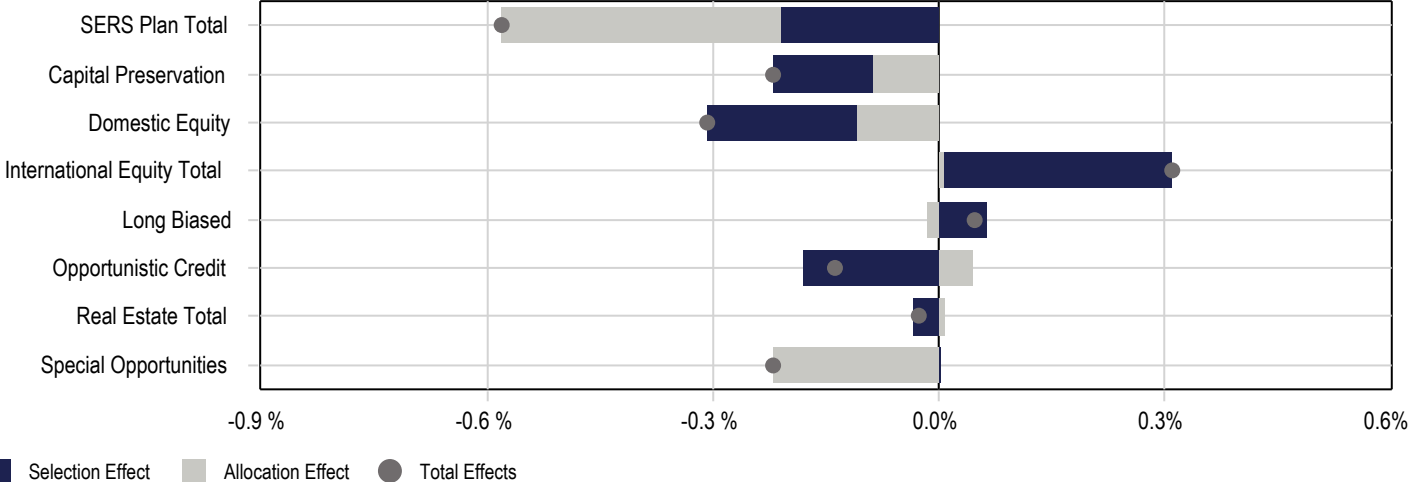
**Attribution Effects
5 Years Ending December 31, 2022**



Attribution Summary
January 1, 2017 Ending December 31, 2022

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Capital Preservation	1.84	2.36	-0.52	-0.13	-0.09	-0.22
Domestic Equity	9.49	10.18	-0.69	-0.20	-0.11	-0.31
International Equity Total	6.29	4.89	1.40	0.30	0.01	0.31
Long Biased	4.52	3.79	0.74	0.06	-0.02	0.05
Opportunistic Credit	2.39	4.88	-2.48	-0.18	0.04	-0.14
Real Estate Total	6.74	6.83	-0.09	-0.03	0.01	-0.03
Special Opportunities	-0.82	10.75	-11.57	0.00	-0.22	-0.22
SERS Plan Total	5.78	6.36	-0.58	-0.18	-0.37	-0.58

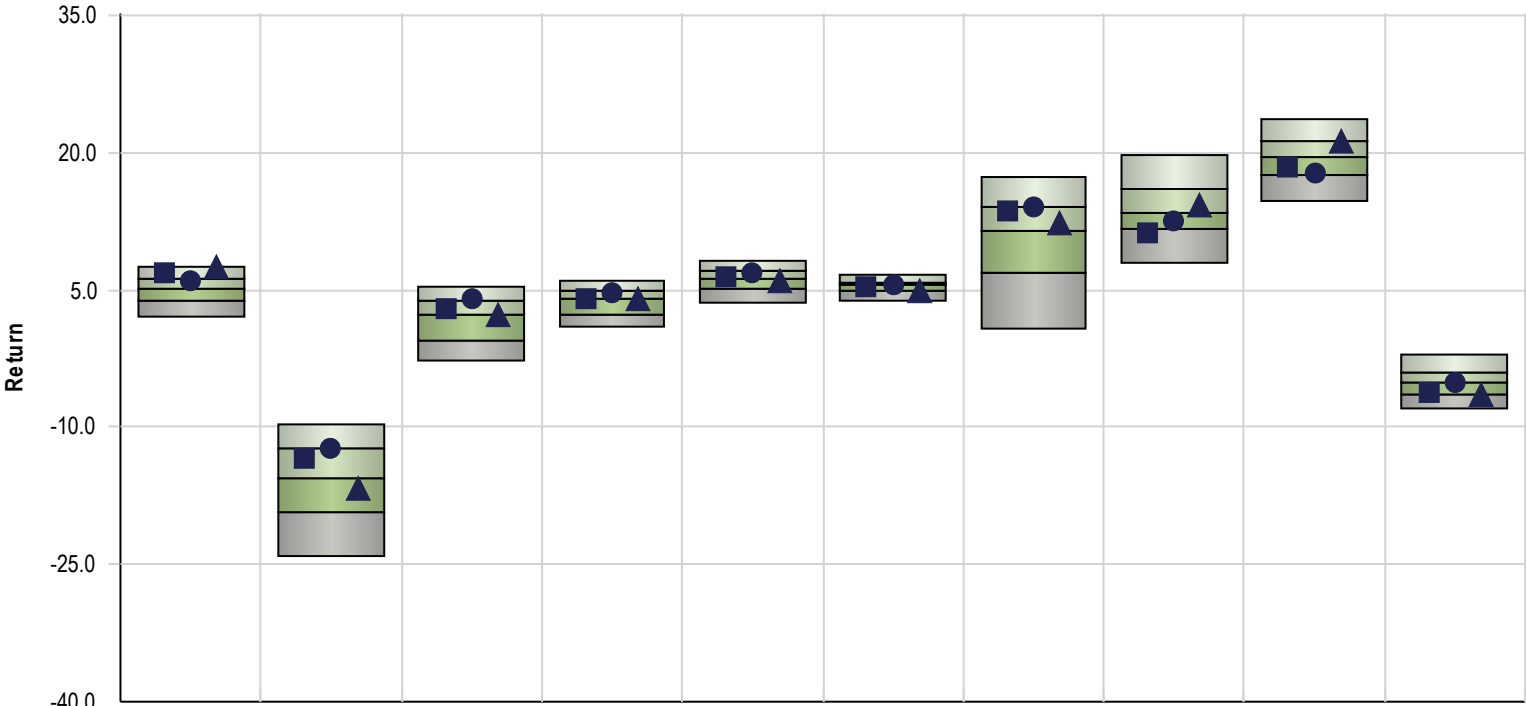
Attribution Effects
January 1, 2017 Ending December 31, 2022



Spokane Employees' Retirement System

As of December 31, 2022

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



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018
■ SERS Plan Total	6.9 (15)	-13.5 (32)	3.0 (39)	4.0 (51)	6.4 (45)	5.2 (61)	13.7 (31)	11.3 (80)	18.4 (67)	-6.3 (75)
● Policy Index Updated	5.9 (31)	-12.3 (25)	4.0 (21)	4.7 (30)	6.9 (27)	5.6 (46)	14.1 (26)	12.5 (65)	17.8 (72)	-5.2 (51)
▲ 70/30 ACWI/Bloomberg Aggregate Bond	7.4 (7)	-16.6 (59)	2.3 (52)	3.9 (51)	6.1 (55)	4.9 (80)	12.2 (43)	14.3 (45)	21.2 (28)	-6.5 (80)

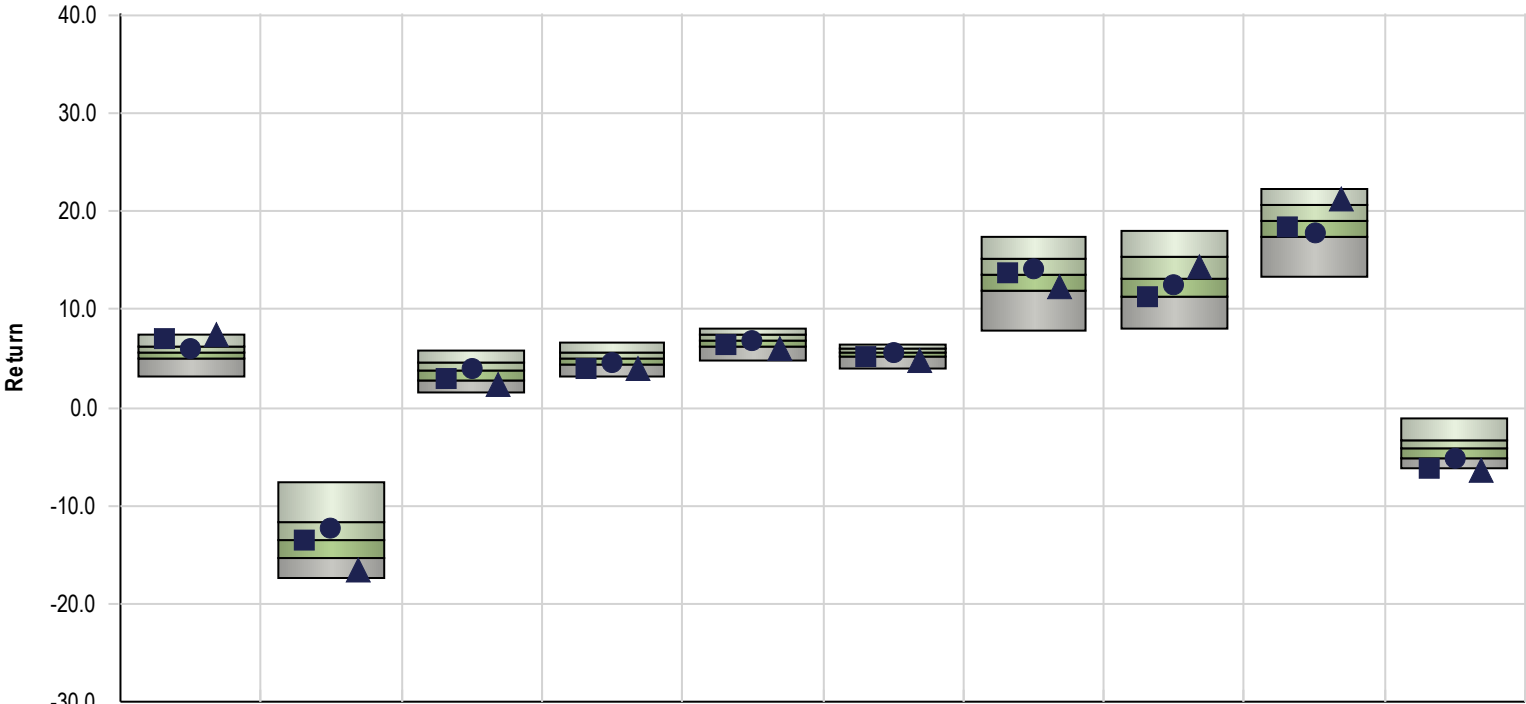
5th Percentile	7.5	-9.7	5.3	6.0	8.1	6.6	17.3	19.7	23.6	-2.0
1st Quartile	6.3	-12.4	3.7	4.9	7.0	5.8	14.1	16.1	21.4	-4.0
Median	5.1	-15.6	2.4	4.0	6.2	5.5	11.5	13.4	19.5	-5.1
3rd Quartile	3.9	-19.4	-0.5	2.3	5.2	4.9	6.9	11.7	17.6	-6.3
95th Percentile	2.2	-24.0	-2.8	0.9	3.5	3.9	0.7	7.9	14.7	-8.0
Population	223	215	207	196	162	110	329	365	383	327

Parenteses contain percentile rankings.
Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

As of December 31, 2022

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

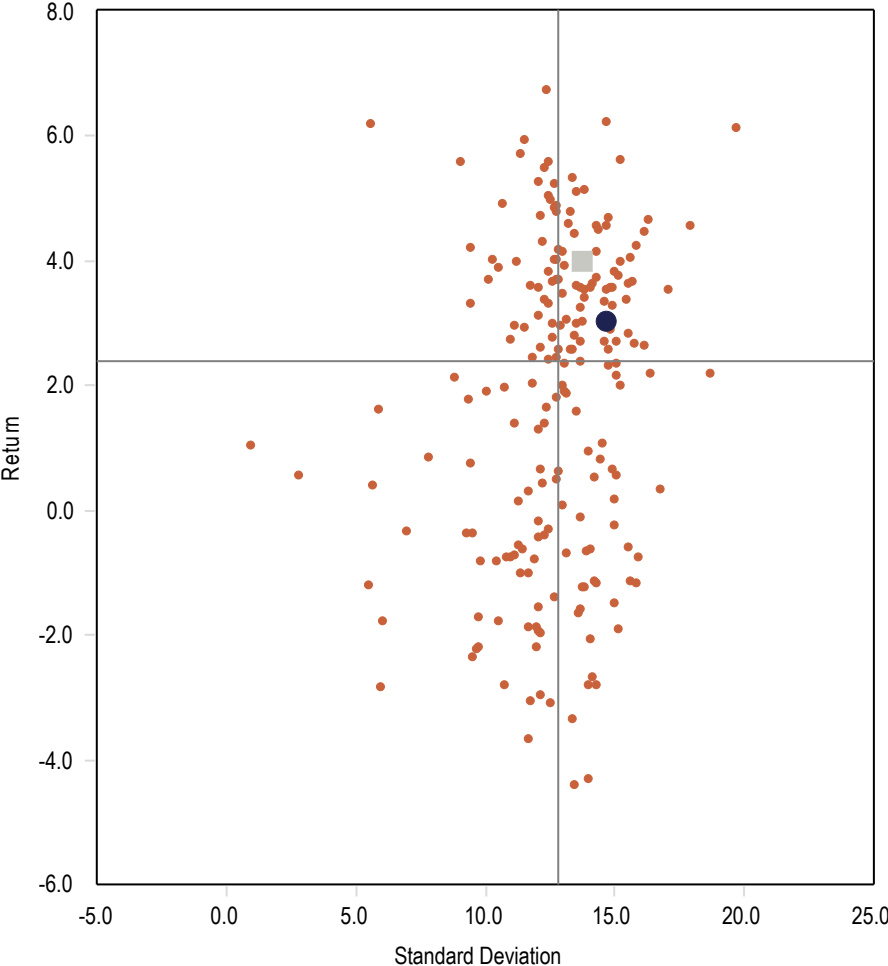


	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018
■ SERS Plan Total	6.9 (10)	-13.5 (52)	3.0 (71)	4.0 (87)	6.4 (72)	5.2 (73)	13.7 (50)	11.3 (78)	18.4 (62)	-6.3 (95)
● Policy Index Updated	5.9 (36)	-12.3 (33)	4.0 (40)	4.7 (68)	6.9 (52)	5.6 (53)	14.1 (43)	12.5 (59)	17.8 (73)	-5.2 (77)
▲ 70/30 ACWI/Bloomberg Aggregate Bond	7.4 (5)	-16.6 (91)	2.3 (89)	3.9 (87)	6.1 (83)	4.9 (85)	12.2 (71)	14.3 (38)	21.2 (15)	-6.5 (96)

5th Percentile	7.4	-7.5	5.9	6.5	8.0	6.4	17.4	18.0	22.3	-1.1
1st Quartile	6.3	-11.8	4.5	5.6	7.5	6.1	15.1	15.3	20.6	-3.3
Median	5.7	-13.5	3.7	5.1	6.9	5.7	13.6	13.2	19.1	-4.2
3rd Quartile	5.0	-15.3	2.8	4.4	6.3	5.2	11.8	11.4	17.4	-5.1
95th Percentile	3.2	-17.5	1.6	3.1	4.8	3.9	7.8	8.0	13.4	-6.3
Population	183	176	170	164	132	89	256	272	268	247

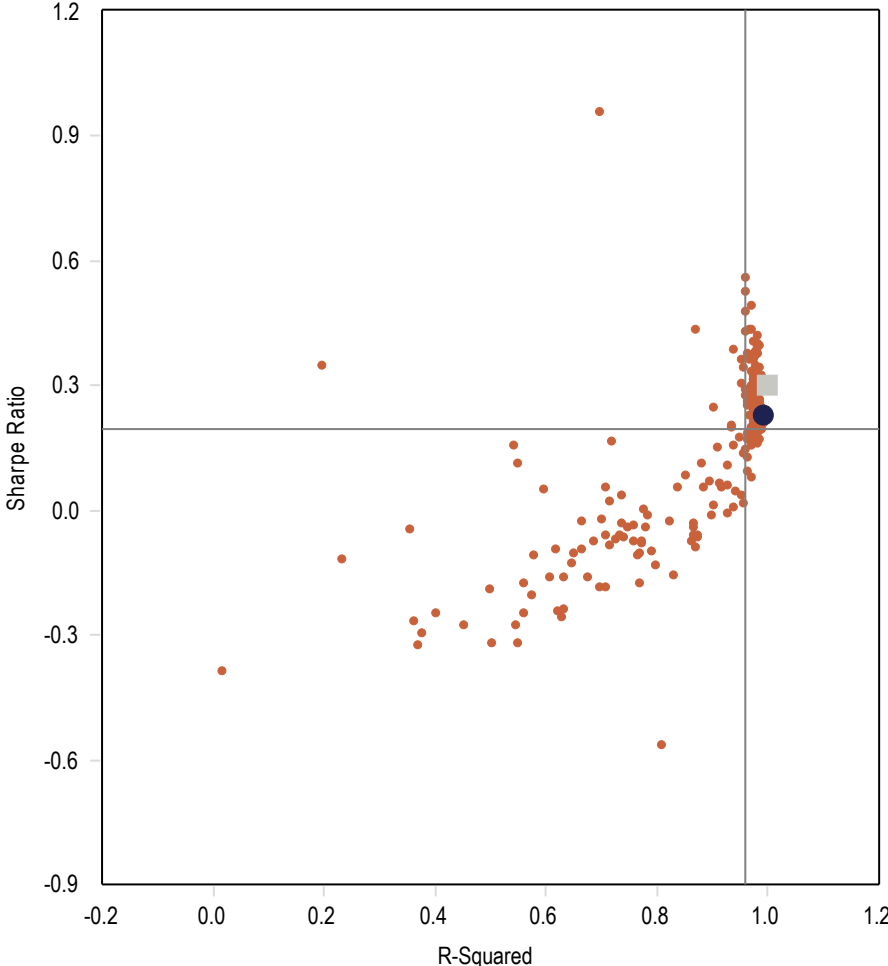
Parenteses contain percentile rankings.
Calculation based on quarterly periodicity.

Annualized Return vs Annualized Standard Deviation
Trailing 3 Years



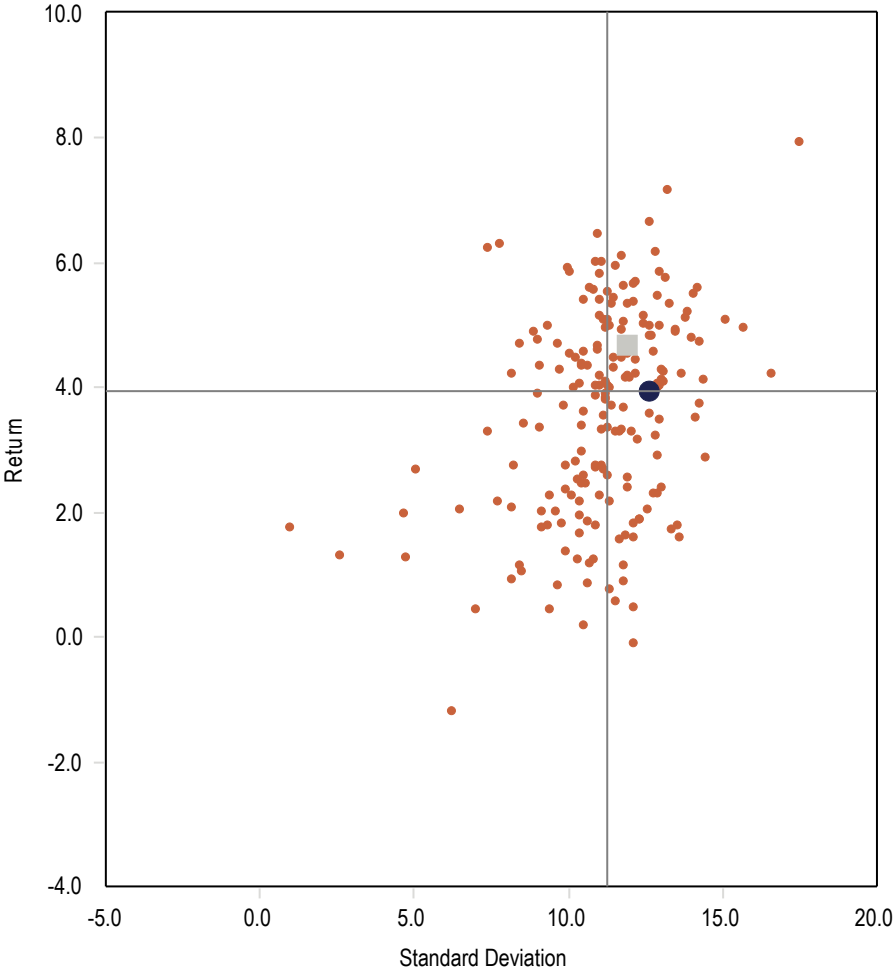
- Corporate and Public >250m and <\$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared
Trailing 3 Years



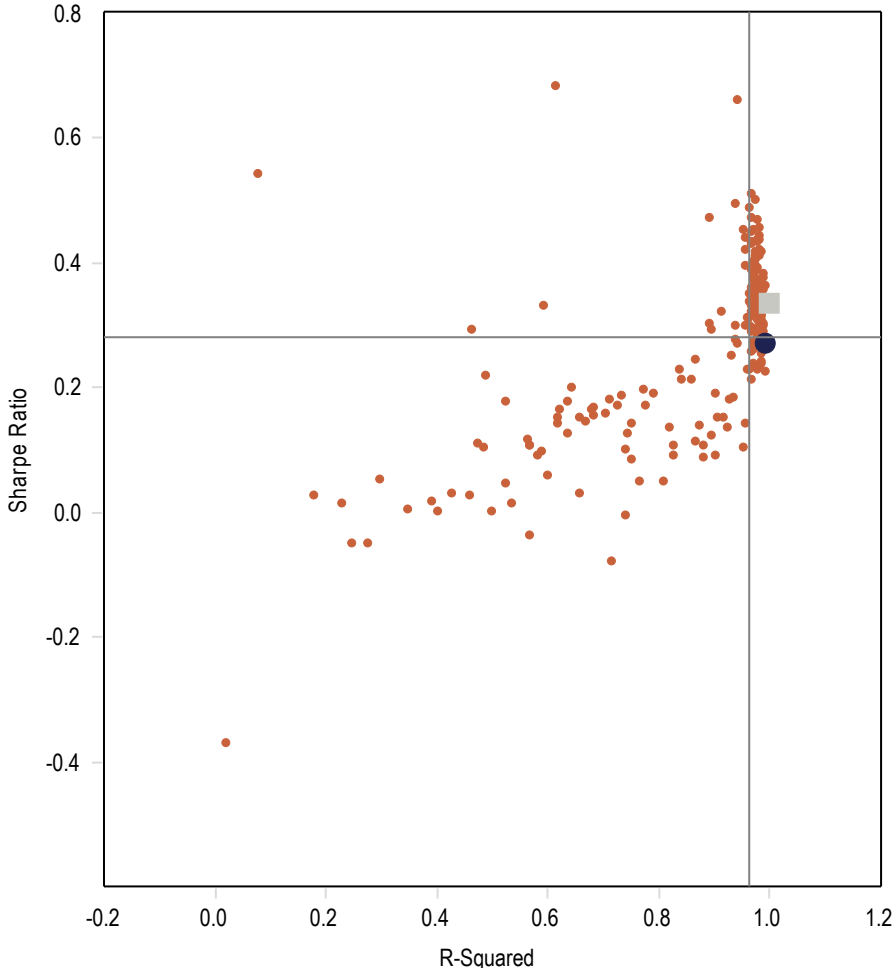
- Corporate and Public >250m and <\$1Bil
- SERS Plan Total
- Policy Index Updated

Annualized Return vs Annualized Standard Deviation
Trailing 5 Years



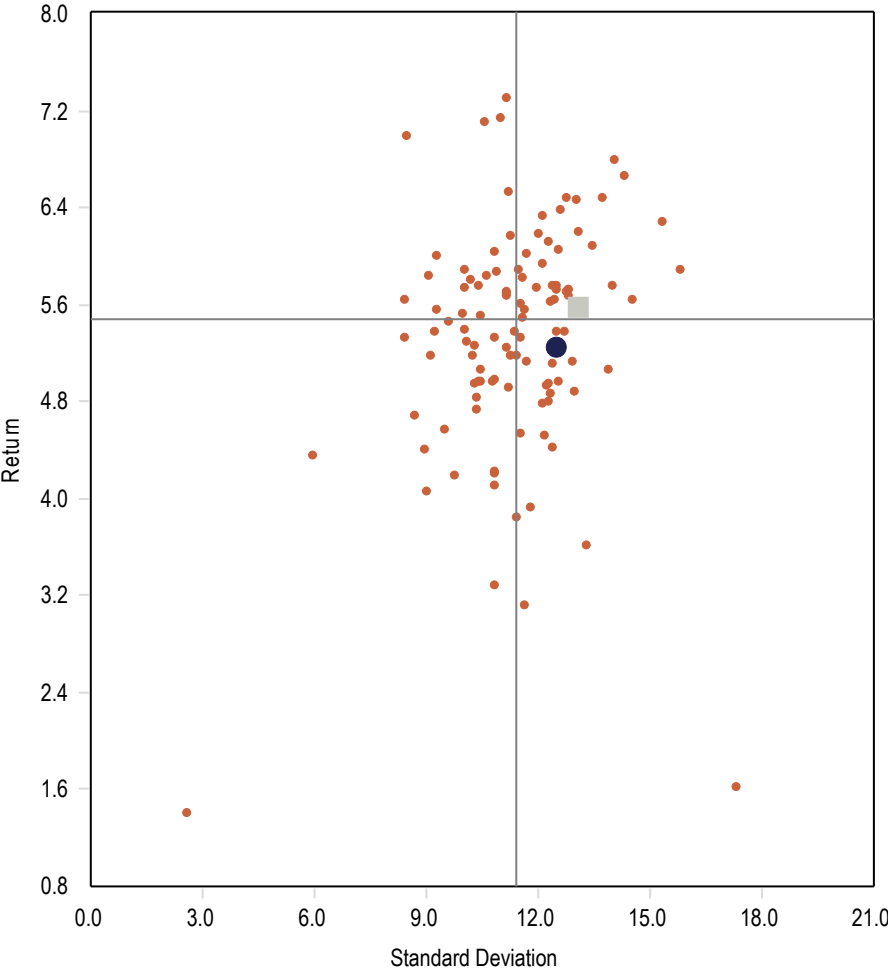
- Corporate and Public >250m and <\$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared
Trailing 5 Years



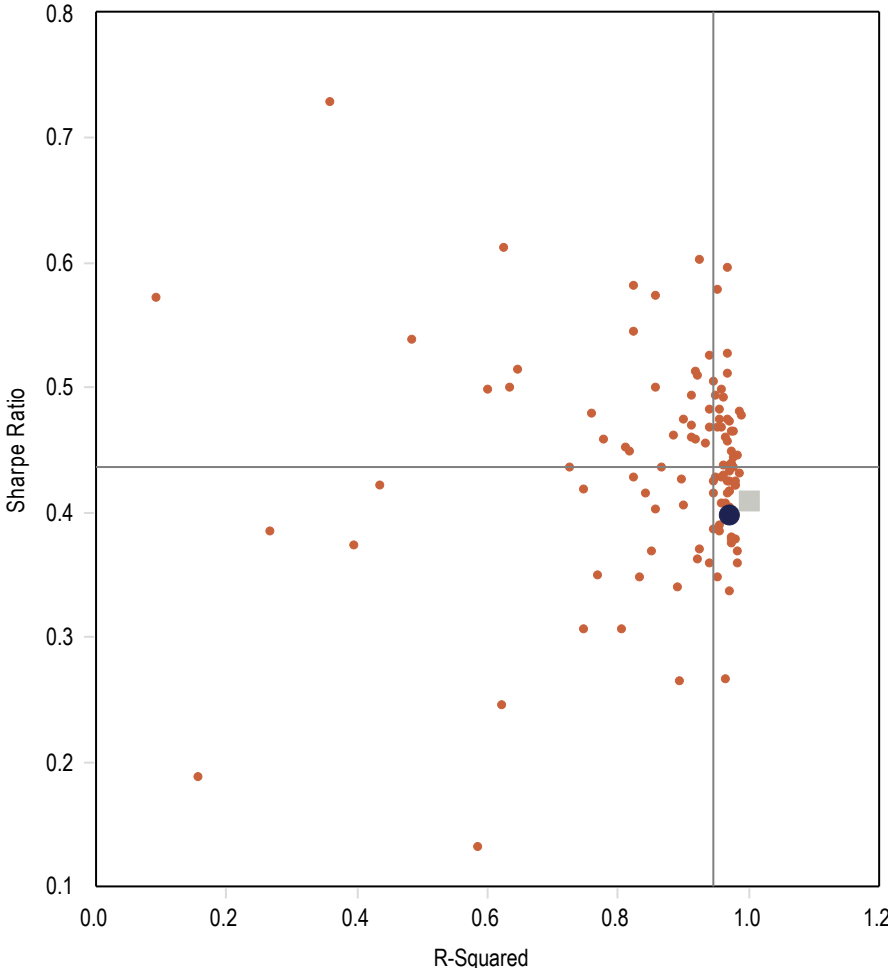
- Corporate and Public >250m and <\$1Bil
- SERS Plan Total
- Policy Index Updated

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, 2022

Asset Class Performance

	Performance (%)											Inception Date
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2021	2020	2019	2018	2017	2016	
Capital Preservation	2.50	-7.41	-0.71	1.06	2.42	2.35	3.29	8.71	-0.94	5.85	8.12	07/01/2012
Capital Preservation Index	2.25	-8.13	0.51	1.92	2.88	3.07	7.23	9.09	-0.72	4.60	5.43	
Over/Under	0.25	0.72	-1.22	-0.86	-0.46	-0.72	-3.94	-0.38	-0.22	1.25	2.69	
Total Return Bond	1.32	-12.70	-1.89	0.63	0.76	-1.03	9.29	9.38	-0.09	4.20	-	10/01/2016
Blmbg. U.S. Aggregate Index	1.87	-13.01	-2.71	0.02	0.09	-1.55	7.51	8.72	0.01	3.54	2.65	
Over/Under	-0.55	0.31	0.82	0.61	0.67	0.52	1.78	0.66	-0.10	0.66	-	
Intermediate Core Bond Rank	80	21	12	9	6	24	17	17	32	15	-	
High Yield	4.66	-9.70	-0.20	1.03	3.56	6.83	3.04	9.71	-3.46	8.22	16.67	07/01/2012
Blmbg. U.S. Corp: High Yield Index	4.17	-11.19	0.05	2.31	4.60	5.28	7.11	14.32	-2.08	7.50	17.13	
Over/Under	0.49	1.49	-0.25	-1.28	-1.04	1.55	-4.07	-4.61	-1.38	0.72	-0.46	
High Yield Bond Rank	19	30	43	81	66	12	83	87	67	14	10	
Absolute Return	2.48	-2.26	-0.30	1.16	2.81	4.12	-2.62	8.10	-1.11	5.33	7.75	07/01/2012
HFRI FOF: Conservative Index	1.46	0.09	4.67	3.86	3.80	7.62	6.47	6.30	-0.87	4.12	1.89	
Over/Under	1.02	-2.35	-4.97	-2.70	-0.99	-3.50	-9.09	1.80	-0.24	1.21	5.86	
Blmbg. U.S. Aggregate Index	1.87	-13.01	-2.71	0.02	1.18	-1.55	7.51	8.72	0.01	3.54	2.65	
Over/Under	0.61	10.75	2.41	1.14	1.63	5.67	-10.13	-0.62	-1.12	1.79	5.10	
Domestic Equity	9.14	-18.25	6.48	7.53	11.25	25.73	17.45	29.14	-7.80	19.86	10.91	07/01/2012
Domestic Equity Index	7.52	-18.16	6.87	8.29	11.88	25.09	19.22	30.24	-6.30	20.11	13.92	
Over/Under	1.62	-0.09	-0.39	-0.76	-0.63	0.64	-1.77	-1.10	-1.50	-0.25	-3.01	
All Cap Blend Rank	41	61	52	46	41	50	39	41	47	42	65	
Domestic Large Cap Equity	8.99	-18.11	7.50	8.32	8.30	29.12	17.47	30.06	-7.70	22.54	8.24	04/01/2007
S&P 500 Index	7.56	-18.11	7.66	9.42	8.69	28.71	18.40	31.49	-4.38	21.83	11.96	
Over/Under	1.43	0.00	-0.16	-1.10	-0.39	0.41	-0.93	-1.43	-3.32	0.71	-3.72	
Large Blend Rank	37	50	36	57	40	17	49	48	75	24	76	

Spokane Employees' Retirement System

As of December 31, 2022

	Performance (%)											
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2021	2020	2019	2018	2017	2016	Inception Date
Domestic Small/Mid Equity	9.44	-18.52	4.62	6.03	10.42	19.65	17.46	27.27	-8.05	14.91	15.37	07/01/2012
Russell 2500 Index	7.43	-18.37	5.00	5.89	10.41	18.18	19.99	27.77	-10.00	16.81	17.59	
Over/Under	2.01	-0.15	-0.38	0.14	0.01	1.47	-2.53	-0.50	1.95	-1.90	-2.22	
SMID Blend Rank	45	73	64	34	33	74	27	31	11	40	74	
International Equity Total	15.17	-17.36	2.16	2.34	4.39	9.68	17.63	25.02	-15.78	28.45	3.91	04/01/2007
International Equity Index	13.51	-17.24	-0.05	0.59	2.53	7.30	12.43	21.27	-14.96	29.35	5.34	
Over/Under	1.66	-0.12	2.21	1.75	1.86	2.38	5.20	3.75	-0.82	-0.90	-1.43	
Foreign Rank	63	53	20	19	9	58	27	36	52	39	22	
International Large Cap Equity	16.69	-14.41	3.28	3.29	7.67	9.94	17.08	25.78	-15.14	27.50	4.02	07/01/2012
MSCI AC World ex USA (Net)	14.28	-16.00	0.07	0.88	4.89	7.82	10.65	21.51	-14.20	27.19	4.50	
Over/Under	2.41	1.59	3.21	2.41	2.78	2.12	6.43	4.27	-0.94	0.31	-0.48	
Foreign Large Blend Rank	51	30	10	9	3	54	14	21	52	28	17	
International Small/Mid Cap Equity	16.40	-23.14	-0.09	0.32	6.44	12.40	15.42	27.88	-20.33	37.08	-0.68	07/01/2012
MSCI AC World ex USA Small Cap (Net)	13.31	-19.97	1.07	0.67	6.29	12.93	14.24	22.42	-18.20	31.65	3.91	
Over/Under	3.09	-3.17	-1.16	-0.35	0.15	-0.53	1.18	5.46	-2.13	5.43	-4.59	
Emerging Markets Equity	7.13	-23.03	0.10	0.32	3.34	5.61	23.38	18.64	-14.62	23.58	7.03	07/01/2012
MSCI Emerging Markets (Net)	9.70	-20.09	-2.69	-1.40	2.62	-2.54	18.31	18.42	-14.57	37.28	11.19	
Over/Under	-2.57	-2.94	2.79	1.72	0.72	8.15	5.07	0.22	-0.05	-13.70	-4.16	
Diversified Emerging Mkts Rank	84	57	19	19	30	17	32	63	31	94	58	
Long Biased	1.06	-8.37	3.73	5.21	4.32	4.52	16.54	12.74	2.43	1.19	-2.99	07/01/2012
HFRI Fund of Funds Composite Index	1.74	-5.30	3.69	3.01	3.70	6.17	10.88	8.39	-4.02	7.77	0.51	
Over/Under	-0.68	-3.07	0.04	2.20	0.62	-1.65	5.66	4.35	6.45	-6.58	-3.50	
S&P 500 Index	7.56	-18.11	7.66	9.42	12.55	28.71	18.40	31.49	-4.38	21.83	11.96	
Over/Under	-6.50	9.74	-3.93	-4.21	-8.23	-24.19	-1.86	-18.75	6.81	-20.64	-14.95	
Opportunistic Credit	2.33	-8.09	4.11	1.48	4.02	20.58	1.81	1.14	-5.68	7.08	14.52	10/01/2013
HFRI ED: Distressed/Restructuring Index	0.76	-4.27	7.36	4.60	4.09	15.61	11.82	2.94	-1.70	6.25	15.15	
Over/Under	1.57	-3.82	-3.25	-3.12	-0.07	4.97	-10.01	-1.80	-3.98	0.83	-0.63	

Spokane Employees' Retirement System

As of December 31, 2022

	Performance (%)											Inception Date
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2021	2020	2019	2018	2017	2016	
Real Estate Total	0.88	-10.62	3.59	6.09	5.61	27.75	-2.65	16.62	3.68	10.01	8.09	04/01/2007
NCREIF Fund Index-ODCE (VW) (Net)	-5.17	6.55	8.97	7.72	5.70	21.02	0.34	4.39	7.36	6.66	7.79	
Over/Under	6.05	-17.17	-5.38	-1.63	-0.09	6.73	-2.99	12.23	-3.68	3.35	0.30	
FTSE NAREIT All REITs Index	4.51	-25.10	-0.46	3.91	4.67	39.88	-5.86	28.07	-4.10	9.27	9.28	
Over/Under	-3.63	14.48	4.05	2.18	0.94	-12.13	3.21	-11.45	7.78	0.74	-1.19	
Real Estate Rank	96	1	3	3	7	90	24	99	1	11	22	
Special Opportunities	17.17	-10.31	-8.11	-5.35	2.15	-21.53	10.22	10.54	-11.43	25.32	-21.90	07/01/2012
Russell 3000 Index	7.18	-19.21	7.07	8.79	12.19	25.66	20.89	31.02	-5.24	21.13	12.74	
Over/Under	9.99	8.90	-15.18	-14.14	-10.04	-47.19	-10.67	-20.48	-6.19	4.19	-34.64	



Manager Commentary

- **Hotchkis & Wiley High Yield** – The strategy was placed on watch in 2Q19. There were 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. The strategy outperformed strongly in 4Q22, beating its index by 0.46% for a cumulative outperformance of 1.41% in 2022. Continued strong credit selection within more economically cyclical sectors was again a tailwind to performance. Additionally, an underweight to CCC-rated bonds helped as well as this segment lagged the broader high yield marketplace. Management’s assessment of the high yield opportunity set was unchanged from the prior quarter: while economic fundamentals and market liquidity are un compelling, valuations are low and disparate enough to believe that the strategy can continue to add value. The Hyas Group recommends retaining watch status.
- **Rimrock Low Vol** – The strategy was placed on watch in 3Q20. 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. Performance during the market rebound and ensuing turmoil of 2022 however was very competitive. For the calendar year, the strategy returned -2.9% versus -13.0% for the Bloomberg US Aggregate Bond Index, thanks in large part to a very conservative posture with respect to interest rate risk, complimented by an above-average yield. The strategy was scheduled for liquidation as a bi-product of recent asset allocation changes that were approved. As such, the strategy is no longer a watch concern.
- **Sterling Mid Cap Value** – Sterling Mid Cap Value takes a semi-concentrated, relatively low-turnover approach, seeking free cash flow generating businesses with strong balance sheets and that are trading at attractive valuations. The fund tends to maintain relatively low valuations versus the Russell Mid Cap Index (the exception being its dividend yields tends to be below-index due to its underweight to REITs and utilities), giving it a tendency to lead when value is in favor over growth. In 3Q22, the strategy lagged the Russell Mid Cap Value Index due in part to its emphasis on lower-valuation stocks as the growth style was more strongly in favor. 4Q22’s performance, though slightly ahead of the benchmark, was surprisingly lacking given the fund’s historically stronger value orientation and avoidance of REITs (one of the larger sectors within the value style which lagged the broader market in 4Q22). Retaining watch status for a time longer may be warranted, but the Hyas Group is contemplating eliminating the allocation as part of the implementation of the new asset allocation.

- **MFS Growth** – MFS Growth represents the Large Cap Growth asset class and is compliant with investment policy performance criteria. However, it was recently announced that longstanding co-manager Paul Gordon would be taking an extended leave of absence of unknown duration. Paul Gordon remains as a named portfolio manager and the MFS Growth strategy is supported by co-managers Eric Fischman and Bradford Mak, who have served in their current roles since 2002 and 2021 respectively. Additionally, the strategy retains the extensive support of the MFS global research platform, which boasts numerous sector analysts within the US equity space. As such, while Paul Gordon’s leave is not viewed as an impairment to the fund’s operations, his role was still seen as material enough to warrant placing the fund on watch status for a time to see that it continues to perform in line with expectations.

Spokane Employees' Retirement System

As of December 31, 2022

Manager Performance

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018	2017	2016	
Capital Preservation													
Sterling Capital Total Return Bond I	1.55	-13.24	-2.18	0.38	1.53	0.56	-1.22	9.24	9.26	-0.35	4.33	3.75	08/01/2016
Blmbg. U.S. Aggregate Index	1.87	-13.01	-2.71	0.02	1.06	0.06	-1.55	7.51	8.72	0.01	3.54	2.65	
Over/Under	-0.32	-0.23	0.53	0.36	0.47	0.50	0.33	1.73	0.54	-0.36	0.79	1.10	
Intermediate Core Bond Rank	63	38	19	14	7	11	32	18	20	46	11	14	
Hotchkis & Wiley High Yield Z	4.66	-9.69	0.06	1.23	3.45	2.60	6.83	3.83	9.77	-3.34	8.24	16.02	06/01/2015
Blmbg. U.S. Corp: High Yield Index	4.17	-11.19	0.05	2.31	4.03	3.48	5.28	7.11	14.32	-2.08	7.50	17.13	
Over/Under	0.49	1.50	0.01	-1.08	-0.58	-0.88	1.55	-3.28	-4.55	-1.26	0.74	-1.11	
High Yield Bond Rank	19	30	35	74	39	54	12	74	87	65	13	16	
Absolute Return													
Post Ltd Term High Yield	3.15	-3.86	0.84	2.22	3.11	4.28	2.98	3.56	8.46	0.34	3.19	5.66	07/01/2010
HFRI FOF: Conservative Index	1.46	0.09	4.67	3.86	3.64	3.33	7.62	6.47	6.30	-0.87	4.12	1.89	
Over/Under	1.69	-3.95	-3.83	-1.64	-0.53	0.95	-4.64	-2.91	2.16	1.21	-0.93	3.77	
Blmbg. U.S. Aggregate Index	1.87	-13.01	-2.71	0.02	1.06	1.88	-1.55	7.51	8.72	0.01	3.54	2.65	
Over/Under	1.28	9.15	3.55	2.20	2.05	2.40	4.53	-3.95	-0.26	0.33	-0.35	3.01	
PIMCO Dynamic Bond Instl	1.71	-6.88	-0.51	1.03	1.53	-4.27	0.31	5.43	4.81	1.97	6.41	5.77	04/01/2021
HFRI FOF: Conservative Index	1.46	0.09	4.67	3.86	3.64	2.26	7.62	6.47	6.30	-0.87	4.12	1.89	
Over/Under	0.25	-6.97	-5.18	-2.83	-2.11	-6.53	-7.31	-1.04	-1.49	2.84	2.29	3.88	
Blmbg. U.S. Aggregate Index	1.87	-13.01	-2.71	0.02	1.06	-6.66	-1.55	7.51	8.72	0.01	3.54	2.65	
Over/Under	-0.16	6.13	2.20	1.01	0.47	2.39	1.86	-2.08	-3.91	1.96	2.87	3.12	
Rimrock Low Volatility	1.41	-2.88	0.82	1.37	2.41	3.64	5.89	-0.36	2.38	2.01	4.40	4.90	07/01/2010
HFRI FOF: Conservative Index	1.46	0.09	4.67	3.86	3.64	3.33	7.62	6.47	6.30	-0.87	4.12	1.89	
Over/Under	-0.05	-2.97	-3.85	-2.49	-1.23	0.31	-1.73	-6.83	-3.92	2.88	0.28	3.01	
Blmbg. U.S. Aggregate Index	1.87	-13.01	-2.71	0.02	1.06	1.88	-1.55	7.51	8.72	0.01	3.54	2.65	
Over/Under	-0.46	10.13	3.53	1.35	1.35	1.76	7.44	-7.87	-6.34	2.00	0.86	2.25	

Spokane Employees' Retirement System

As of December 31, 2022

	Performance (%)												
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018	2017	2016	Inception Date
Polar Long/Short Fund	3.70	3.22	6.41	5.55	4.93	5.02	3.25	13.07	8.49	0.24	4.20	6.60	10/01/2011
HFRI FOF: Conservative Index	1.46	0.09	4.67	3.86	3.64	3.61	7.62	6.47	6.30	-0.87	4.12	1.89	
Over/Under	2.24	3.13	1.74	1.69	1.29	1.41	-4.37	6.60	2.19	1.11	0.08	4.71	
Blmbg. U.S. Aggregate Index	1.87	-13.01	-2.71	0.02	1.06	1.41	-1.55	7.51	8.72	0.01	3.54	2.65	
Over/Under	1.83	16.23	9.12	5.53	3.87	3.61	4.80	5.56	-0.23	0.23	0.66	3.95	
Domestic Equity													
Domestic Large Cap Equity													
Hotchkis & Wiley Diversified Value I	16.58	-4.35	8.36	6.99	10.93	10.33	32.47	0.41	29.26	-14.74	18.39	19.94	10/01/2008
Russell 1000 Value Index	12.42	-7.54	5.96	6.67	10.29	8.92	25.16	2.80	26.54	-8.27	13.66	17.34	
Over/Under	4.16	3.19	2.40	0.32	0.64	1.41	7.31	-2.39	2.72	-6.47	4.73	2.60	
Large Value Rank	3	38	24	54	26	14	6	74	14	96	25	8	
Fidelity@ 500 Index	7.56	-18.13	7.65	9.41	12.55	13.17	28.69	18.40	31.47	-4.40	21.81	11.97	01/01/2019
S&P 500 Index	7.56	-18.11	7.66	9.42	12.56	13.18	28.71	18.40	31.49	-4.38	21.83	11.96	
Over/Under	0.00	-0.02	-0.01	-0.01	-0.01	-0.01	-0.02	0.00	-0.02	-0.02	-0.02	0.01	
Large Blend Rank	58	50	31	21	12	24	22	37	23	25	33	26	
MFS Growth R6	3.80	-31.08	3.96	9.72	13.08	5.78	23.76	31.74	37.81	2.68	30.99	2.55	09/01/2019
Russell 1000 Growth Index	2.20	-29.14	7.79	10.96	14.10	10.27	27.60	38.49	36.39	-1.51	30.21	7.08	
Over/Under	1.60	-1.94	-3.83	-1.24	-1.02	-4.49	-3.84	-6.75	1.42	4.19	0.78	-4.53	
Large Growth Rank	43	53	63	27	21	67	36	64	11	13	31	53	
Domestic Small/Mid Equity													
Sterling Mid Cap Value	11.38	-12.29	5.52	4.65	9.83	9.50	22.22	9.62	29.75	-17.67	14.27	16.97	01/01/2002
Russell Midcap Value Index	10.45	-12.03	5.82	5.72	10.11	9.32	28.34	4.96	27.06	-12.29	13.34	20.00	
Over/Under	0.93	-0.26	-0.30	-1.07	-0.28	0.18	-6.12	4.66	2.69	-5.38	0.93	-3.03	
Mid-Cap Value Rank	70	86	68	74	40	20	90	8	23	83	39	56	

Spokane Employees' Retirement System

As of December 31, 2022

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018	2017	2016	
Fidelity® Mid Cap Index	9.21	-17.28	5.89	7.10	10.95	11.57	22.56	17.11	30.51	-9.05	18.47	13.86	01/01/2019
Russell Midcap Index	9.18	-17.32	5.88	7.10	10.96	11.57	22.58	17.10	30.54	-9.06	18.52	13.80	
Over/Under	0.03	0.04	0.01	0.00	-0.01	0.00	-0.02	0.01	-0.03	0.01	-0.05	0.06	
Mid-Cap Blend Rank	52	69	54	30	15	35	62	26	23	26	27	57	
Westfield Mid Cap Growth CIT	7.28	-25.77	3.69	9.06	12.14	13.75	16.59	28.83	42.73	-3.07	24.72	5.00	04/01/2020
Russell Midcap Growth Index	6.90	-26.72	3.85	7.64	11.41	13.04	12.73	35.59	35.47	-4.75	25.27	7.33	
Over/Under	0.38	0.95	-0.16	1.42	0.73	0.71	3.86	-6.76	7.26	1.68	-0.55	-2.33	
Mid-Cap Growth Rank	30	33	54	20	20	43	26	77	3	29	53	52	
Allspring Special Small Cap Value R6	11.82	-13.52	4.06	4.66	9.93	16.07	28.27	1.57	28.61	-13.35	11.52	29.46	11/01/2020
Russell 2000 Value Index	8.42	-14.48	4.70	4.13	8.48	17.28	28.27	4.63	22.39	-12.86	7.84	31.74	
Over/Under	3.40	0.96	-0.64	0.53	1.45	-1.21	0.00	-3.06	6.22	-0.49	3.68	-2.28	
Small Value Rank	39	72	83	53	23	81	64	64	9	31	31	23	
Fidelity® Small Cap Index	6.25	-20.27	3.15	4.22	9.17	8.38	14.71	19.99	25.71	-10.88	14.85	21.63	01/01/2019
Russell 2000 Index	6.23	-20.44	3.10	4.13	9.01	8.30	14.82	19.96	25.53	-11.01	14.65	21.31	
Over/Under	0.02	0.17	0.05	0.09	0.16	0.08	-0.11	0.03	0.18	0.13	0.20	0.32	
Small Blend Rank	90	81	74	63	49	70	91	13	34	34	26	40	
Champlain Small Cap	8.98	-21.07	3.51	6.19	10.51	11.27	12.81	24.56	25.54	-3.03	10.90	27.93	01/01/2003
Russell 2000 Index	6.23	-20.44	3.10	4.13	9.01	9.36	14.82	19.96	25.53	-11.01	14.65	21.31	
Over/Under	2.75	-0.63	0.41	2.06	1.50	1.91	-2.01	4.60	0.01	7.98	-3.75	6.62	
Small Blend Rank	50	91	69	18	13	4	99	4	37	2	72	7	
Bridge City Small Cap Growth	8.40	-20.07	5.15	7.91	12.41	14.36	20.73	20.48	24.61	0.97	15.93	17.96	07/01/2009
Russell 2000 Growth Index	4.13	-26.36	0.65	3.51	9.20	11.18	2.83	34.63	28.48	-9.31	22.17	11.32	
Over/Under	4.27	6.29	4.50	4.40	3.21	3.18	17.90	-14.15	-3.87	10.28	-6.24	6.64	
Small Growth Rank	9	10	26	26	9	4	14	93	74	15	81	16	

Spokane Employees' Retirement System

As of December 31, 2022

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018	2017	2016	
International Equity Total													
Artisan International Value Instl	19.01	-6.80	5.86	4.50	7.69	8.55	16.97	8.81	24.20	-15.42	24.06	5.74	10/01/2008
MSCI AC World ex USA Value (Net)	15.70	-8.59	0.06	-0.05	2.72	3.38	10.46	-0.77	15.72	-13.97	22.66	8.92	
Over/Under	3.31	1.79	5.80	4.55	4.97	5.17	6.51	9.58	8.48	-1.45	1.40	-3.18	
Foreign Large Value Rank	45	26	2	3	1	1	9	7	8	37	38	29	
American Funds Europacific Growth R6	13.78	-22.72	-0.15	1.54	5.30	3.97	2.84	25.27	27.40	-14.91	31.17	1.01	07/01/2008
MSCI AC World ex USA (Net)	14.28	-16.00	0.07	0.88	3.80	2.33	7.82	10.65	21.51	-14.20	27.19	4.50	
Over/Under	-0.50	-6.72	-0.22	0.66	1.50	1.64	-4.98	14.62	5.89	-0.71	3.98	-3.49	
Foreign Large Blend Rank	89	96	72	40	13	15	95	3	10	48	6	47	
Victory Trivalent International Sm-Cp I	16.40	-23.14	-0.10	0.34	7.12	4.74	12.39	15.42	27.88	-20.21	37.13	-0.70	09/01/2015
MSCI AC World ex USA Small Cap (Net)	13.31	-19.97	1.07	0.67	5.24	5.16	12.93	14.24	22.42	-18.20	31.65	3.91	
Over/Under	3.09	-3.17	-1.17	-0.33	1.88	-0.42	-0.54	1.18	5.46	-2.01	5.48	-4.61	
Foreign Small/Mid Blend Rank	43	84	49	37	7	32	64	12	3	57	11	58	
Vanguard Emerging Mkts Stock Idx Adm	8.20	-17.78	-1.50	-0.36	1.55	0.58	0.86	15.24	20.31	-14.58	31.38	11.73	08/01/2018
MSCI Emerging Markets (Net)	9.70	-20.09	-2.69	-1.40	1.44	-0.52	-2.54	18.31	18.42	-14.57	37.28	11.19	
Over/Under	-1.50	2.31	1.19	1.04	0.11	1.10	3.40	-3.07	1.89	-0.01	-5.90	0.54	
Diversified Emerging Mkts Rank	76	20	31	27	46	28	37	66	51	30	70	26	
ABS Emerging Markets Strategic Portfolio LP	7.07	-23.25	0.19	0.51	-	3.03	5.82	23.81	19.98	-14.99	-	-	10/01/2018
MSCI Emerging Markets (Net)	9.70	-20.09	-2.69	-1.40	1.44	0.23	-2.54	18.31	18.42	-14.57	37.28	11.19	
Over/Under	-2.63	-3.16	2.88	1.91	-	2.80	8.36	5.50	1.56	-0.42	-	-	
Diversified Emerging Mkts Rank	84	59	19	18	-	17	17	30	52	37	-	-	
Long Biased													
The Weatherlow Offshore Fund I Ltd	1.56	-8.82	6.18	5.60	5.42	4.30	5.39	24.58	13.23	-3.10	5.67	0.99	04/01/2008
HFRI Fund of Funds Composite Index	1.74	-5.30	3.69	3.01	3.51	2.05	6.17	10.88	8.39	-4.02	7.77	0.51	
Over/Under	-0.18	-3.52	2.49	2.59	1.91	2.25	-0.78	13.70	4.84	0.92	-2.10	0.48	

Spokane Employees' Retirement System

As of December 31, 2022

Manager Performance

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2021	2020	2019	2018	2017	2016	
Opportunistic Credit													
Beach Point Select Fund LP	1.52	-7.37	4.93	5.25	6.78	6.13	14.47	8.97	11.48	0.28	7.08	14.52	10/01/2013
HFRI ED: Distressed/Restructuring Index	0.76	-4.27	7.36	4.60	4.71	4.09	15.61	11.82	2.94	-1.70	6.25	15.15	
Over/Under	0.76	-3.10	-2.43	0.65	2.07	2.04	-1.14	-2.85	8.54	1.98	0.83	-0.63	
Contrarian Capital Fund I LP	3.44	-9.06	3.03	-2.90	2.07	-4.02	29.86	-7.38	-9.89	-12.43	4.77	25.46	10/01/2018
HFRI ED: Distressed/Restructuring Index	0.76	-4.27	7.36	4.60	4.71	4.41	15.61	11.82	2.94	-1.70	6.25	15.15	
Over/Under	2.68	-4.79	-4.33	-7.50	-2.64	-8.43	14.25	-19.20	-12.83	-10.73	-1.48	10.31	
Real Estate Total													
Principal REITS SERS	2.40	-25.12	0.50	5.01	7.93	10.43	39.98	-3.17	31.24	-4.13	9.16	6.67	01/01/2003
FTSE NAREIT All REITs Index	4.51	-25.10	-0.46	3.91	6.86	8.90	39.88	-5.86	28.07	-4.10	9.27	9.28	
Over/Under	-2.11	-0.02	0.96	1.10	1.07	1.53	0.10	2.69	3.17	-0.03	-0.11	-2.61	
Real Estate Rank	83	26	32	13	5	1	67	29	14	17	12	42	
Prime Property Fund, LLC	-3.50	6.25	9.32	8.42	10.45	6.50	21.47	1.24	6.14	8.03	8.67	9.31	10/01/2007
NCREIF ODCE VW NET	-5.17	6.55	8.97	7.72	9.11	5.31	21.02	0.34	4.39	7.36	6.66	7.79	
Over/Under	1.67	-0.30	0.35	0.70	1.34	1.19	0.45	0.90	1.75	0.67	2.01	1.52	
Real Estate Rank	100	1	1	1	1	5	93	8	100	1	16	13	
Special Opportunities													
Contrarian Emerging Markets Fund LP	17.78	-1.74	-3.88	-2.97	5.03	-3.71	9.57	-17.52	-4.09	0.96	20.36	22.72	10/01/2018
HFRI Emerging Markets: Global Index	5.77	-6.73	2.37	1.62	2.48	2.85	4.98	9.56	8.42	-6.83	12.50	7.33	
Over/Under	12.01	4.99	-6.25	-4.59	2.55	-6.56	4.59	-27.08	-12.51	7.79	7.86	15.39	
MSCI Emerging Markets (Net)	9.70	-20.09	-2.69	-1.40	1.44	0.23	-2.54	18.31	18.42	-14.57	37.28	11.19	
Over/Under	8.08	18.35	-1.19	-1.57	3.59	-3.94	12.11	-35.83	-22.51	15.53	-16.92	11.53	

* Prime Property Fund's gross returns as of this report's performance measurement date are estimated to be ranked in the third, second and first quartiles of the ODCE universe for trailing three-, five-, and ten-year periods, respectively.

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	\$6,329,985	\$604,123	\$6,704,713	\$689,618	90.15	11.92

Time Weighted Returns

	Performance (%)						
	1 Quarter	1 Year	2 Years	3 Years	2021	Since Inception	Inception Date
Morrison Street Fund VI, LP	9.75	57.55	30.43	-	7.97	20.65	10/01/2020
NCREIF Property Index	-3.50	5.52	11.44	8.06	17.70	10.67	

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2021	Since Inception	Inception Date
Morrison Street Fund VI, LP	9.74	19.93	15.91	-	8.19	11.92	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.

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.

Spokane Employees' Retirement System

As of December 31, 2022

Non-Marketable Securities Overview

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Morrison Street Income Fund	2021	Real Estate - Other	\$2,760,307	\$2,802,208	\$198,809	\$2,723,223	\$2,760,307	0.00	4.40

Time Weighted Returns

	Performance (%)							
	1 Quarter	1 Year	2 Years	3 Years	2021	Since Inception	Inception Date	
Morrison Street Income Fund	1.26	4.33	-	-	-	4.08	12/01/2021	
NCREIF Property Index	-3.50	5.52	11.44	8.06	17.70	7.02		

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2021	Since Inception	Inception Date
Morrison Street Income Fund	1.25	4.35	-	-	-	4.40	12/27/2021

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Spokane Employees' Retirement System

As of December 31, 2022

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	\$4,582,461	\$545,455	-	100.00	0.63

Time Weighted Returns

	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017	2016	Since Inception	Inception Date
Orbimed Royalty Opportunities	-13.81	1.40	-19.59	-11.11	-10.53	-5.15	-32.47	-24.08	-12.50	22.03	4.47	-20.87	-2.67	09/01/2011
HFRI Fund of Funds Composite Index	1.74	-5.30	3.69	3.01	3.31	3.51	6.17	10.88	8.39	-4.02	7.77	0.51	3.21	
S&P 500 Index	7.56	-18.11	7.66	9.42	11.48	12.56	28.71	18.40	31.49	-4.38	21.83	11.96	12.86	

Dollar Weighted Returns

	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017	2016	Since Inception	Inception Date
Orbimed Royalty Opportunities	-13.64	3.30	-18.40	-5.03	-6.36	-0.19	-25.45	-23.36	-12.20	25.47	4.57	-17.14	0.63	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.

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Spokane Employees' Retirement System

As of December 31, 2022

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	\$5,174,763	\$272,444	\$832,500	83.35	11.87

Time Weighted Returns

	Performance (%)										
	1 Quarter	1 Year	3 Years	5 Years	2021	2020	2019	2018	2017	Since Inception	Inception Date
Orbimed Royalty Opportunities II	-0.47	14.80	6.71	10.15	-10.77	18.63	15.45	15.59	12.28	10.27	04/01/2015
HFRI Fund of Funds Composite Index	1.74	-5.30	3.69	3.01	6.17	10.88	8.39	-4.02	7.77	2.63	
S&P 500 Index	7.56	-18.11	7.66	9.42	28.71	18.40	31.49	-4.38	21.83	10.38	

Dollar Weighted Returns

	1 Quarter	1 Year	3 Years	5 Years	2021	2020	2019	2018	2017	Since Inception	Inception Date
Orbimed Royalty Opportunities II	-0.47	13.49	5.45	13.10	0.14	6.40	17.10	15.14	12.87	11.87	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.

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Spokane Employees' Retirement System

As of December 31, 2022

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	\$5,214,476	-	\$485,162	90.30	4.02

Time Weighted Returns

	Performance (%)										
	1 Quarter	1 Year	2 Years	3 Years	4 Years	2021	2020	2019	2018	Since Inception	Inception Date
Morrison Street Debt Opportunities Fd LP	-50.58	-85.56	-60.23	-47.80	-37.34	9.55	-10.08	8.39	9.94	-25.06	01/01/2017
NCREIF Property Index	-3.50	5.52	11.44	8.06	7.65	17.70	1.60	6.42	6.72	7.38	

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	4 Years	2021	2020	2019	2018	Since Inception	Inception Date
Morrison Street Debt Opportunities Fd LP ^a	-50.58	-85.56	7.28	-2.89	1.24	8.64	-10.35	8.37	9.92	4.02	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.

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.

Spokane Employees' Retirement System

As of December 31, 2022

Non-Marketable Securities Overview

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Morrison Street Fund VII	2022	Other	\$6,000,000	\$1,002,857	-	\$950,965	\$4,997,143	16.71	-5.17

Time Weighted Returns

	Performance (%)							Inception Date
	1 Quarter	1 Year	2 Years	3 Years	2021	Since Inception		
Morrison Street Fund VII	-	-	-	-	-	-12.34	12/01/2022	
NCREIF Property Index	-3.50	5.52	11.44	8.06	17.70	-1.14		

Dollar Weighted Returns

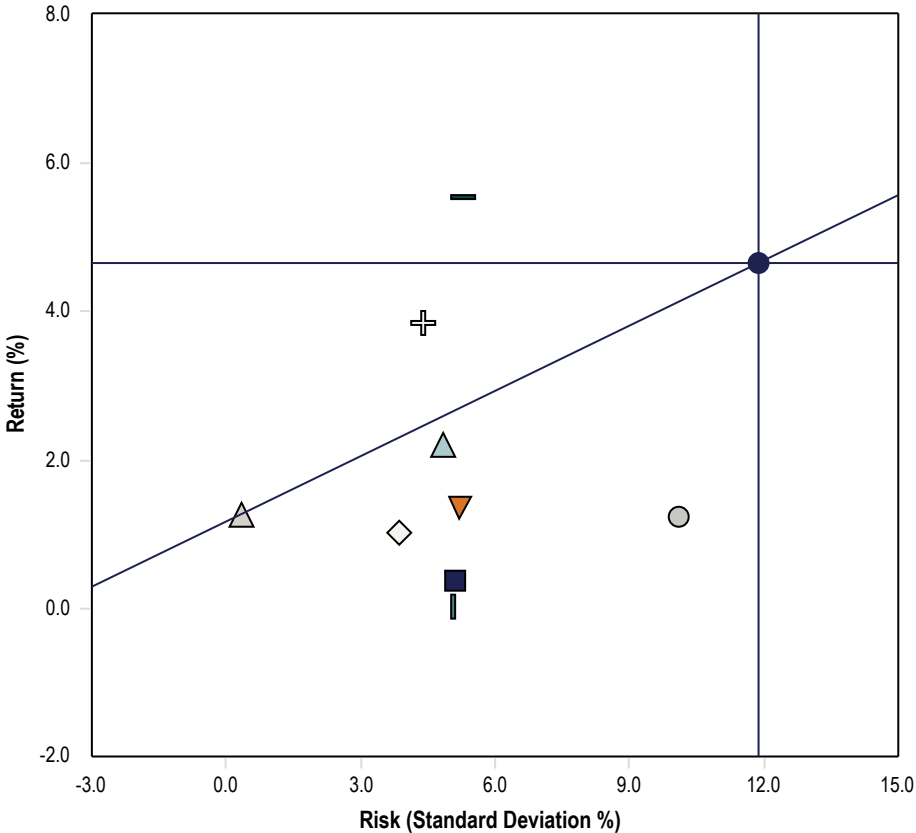
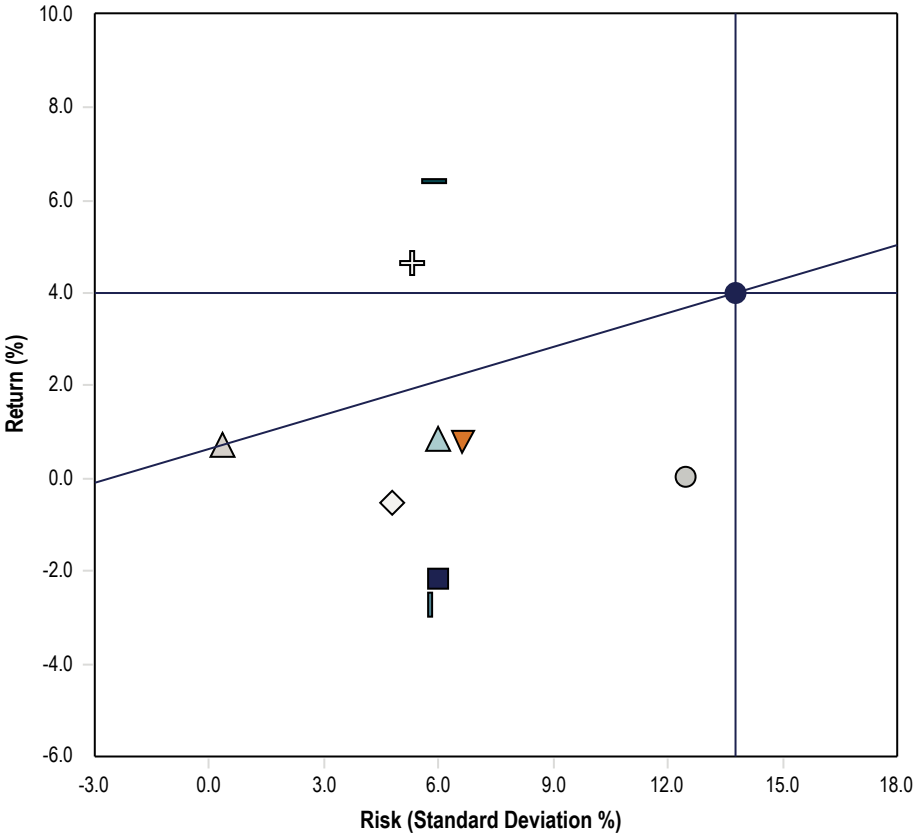
	1 Quarter	1 Year	2 Years	3 Years	2021	Since Inception	Inception Date
Morrison Street Fund VII	-	-	-	-	-	-5.17	12/19/2022

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, 2022

Annualized Return vs Annualized Standard Deviation
5 Years Ending December 31, 2022



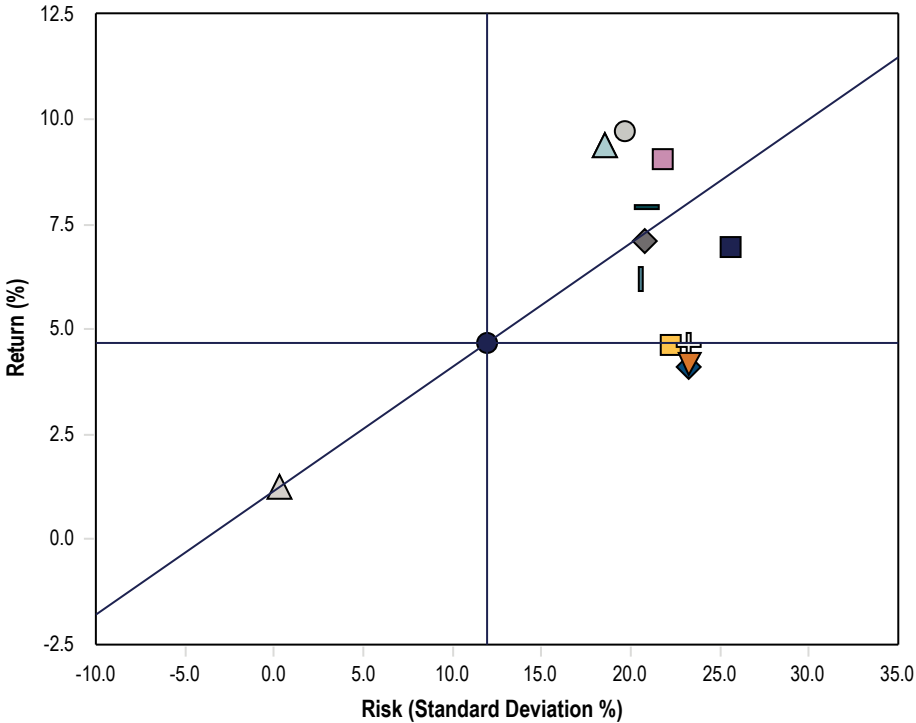
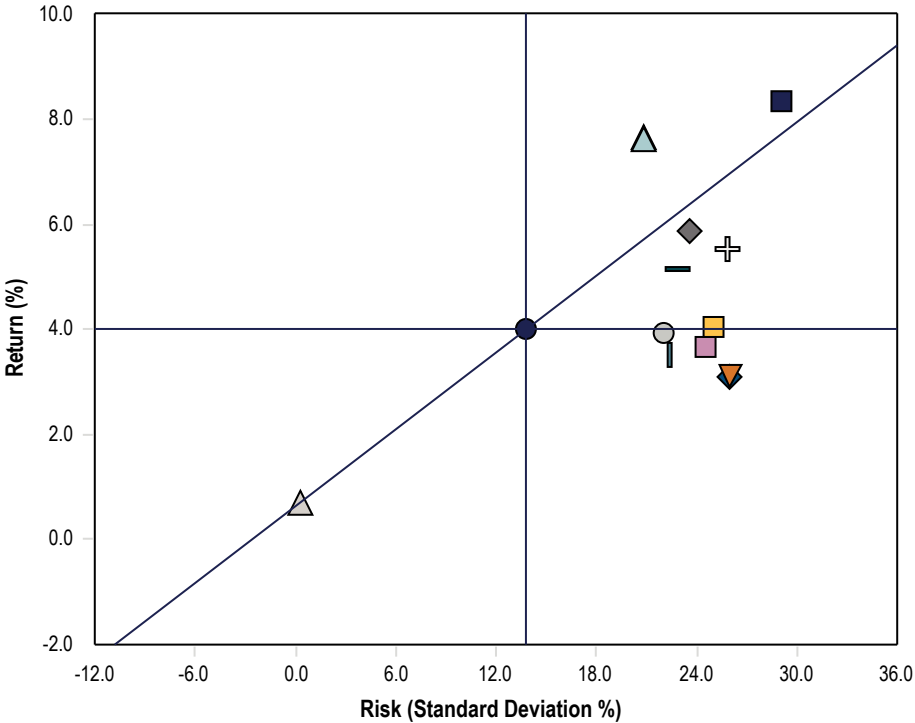
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- ▲ Post Ltd Term High Yield
- ▼ Rimrock Low Volatility
- ▮ Blmbg. U.S. Aggregate Index
- Policy Index Updated
- Hotchkis & Wiley High Yield Z
- ◇ PIMCO Dynamic Bond Instl
- Polar Long/Short Fund
- ⊕ HFRI FOF: Conservative Index
- ▲ 90 Day U.S. Treasury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

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- ▲ Post Ltd Term High Yield
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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, 2022

Annualized Return vs Annualized Standard Deviation
5 Years Ending December 31, 2022



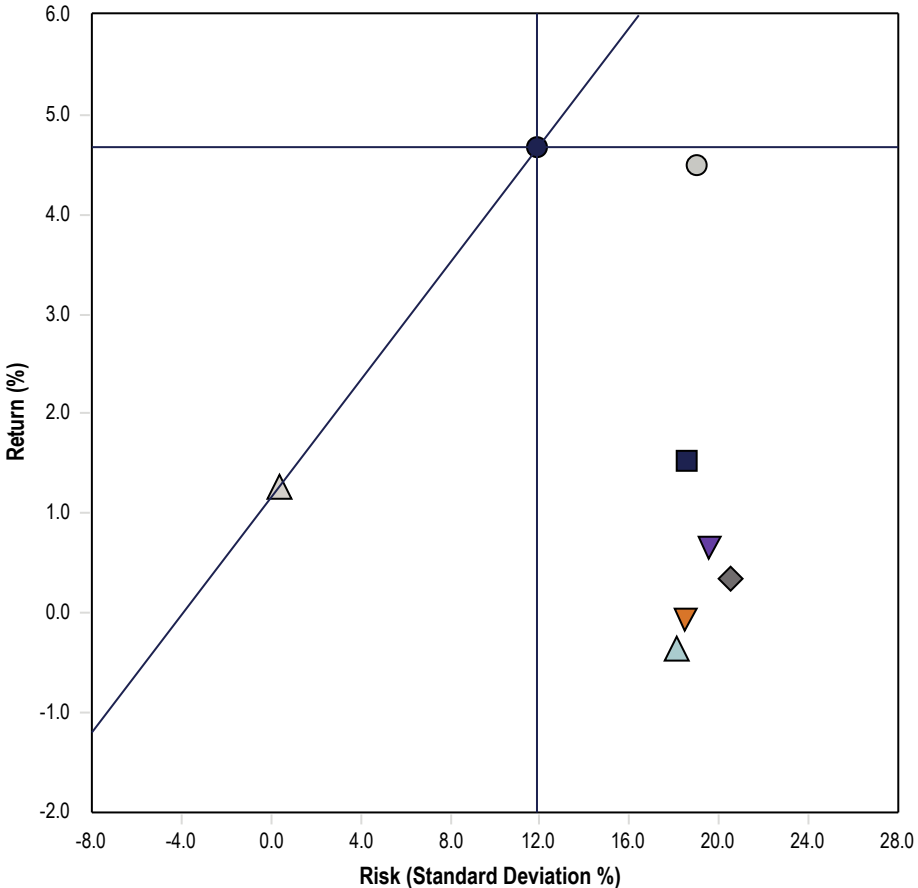
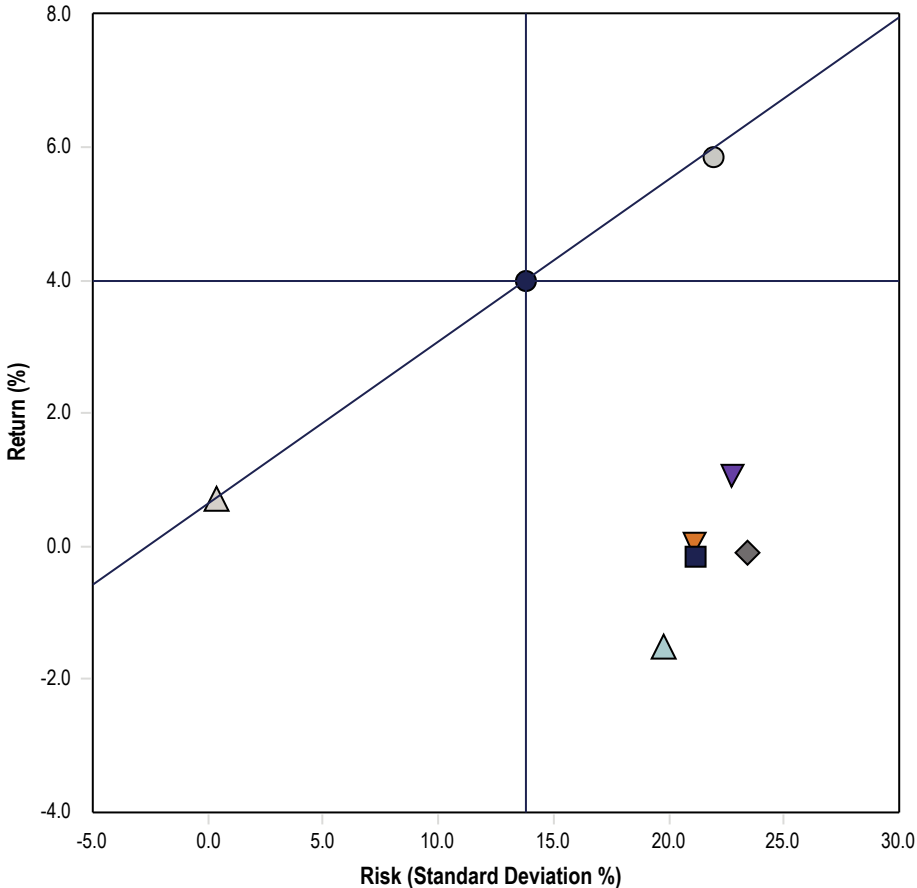
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- ▲ Fidelity® 500 Index
- ▼ Fidelity® Small Cap Index
- ┆ Champlain Small Cap
- Allspring Special Small Cap Value R6
- ▲ S&P 500 Index
- Policy Index Updated
- MFS Growth R6
- ◆ Fidelity® Mid Cap Index
- Bridge City Small Cap Growth
- ⊕ Sterling Mid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

- Hotchkis & Wiley Diversified Value I
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Calculation based on monthly periodicity.

Annualized Return vs Annualized Standard Deviation
3 Years Ending December 31, 2022

Annualized Return vs Annualized Standard Deviation
5 Years Ending December 31, 2022



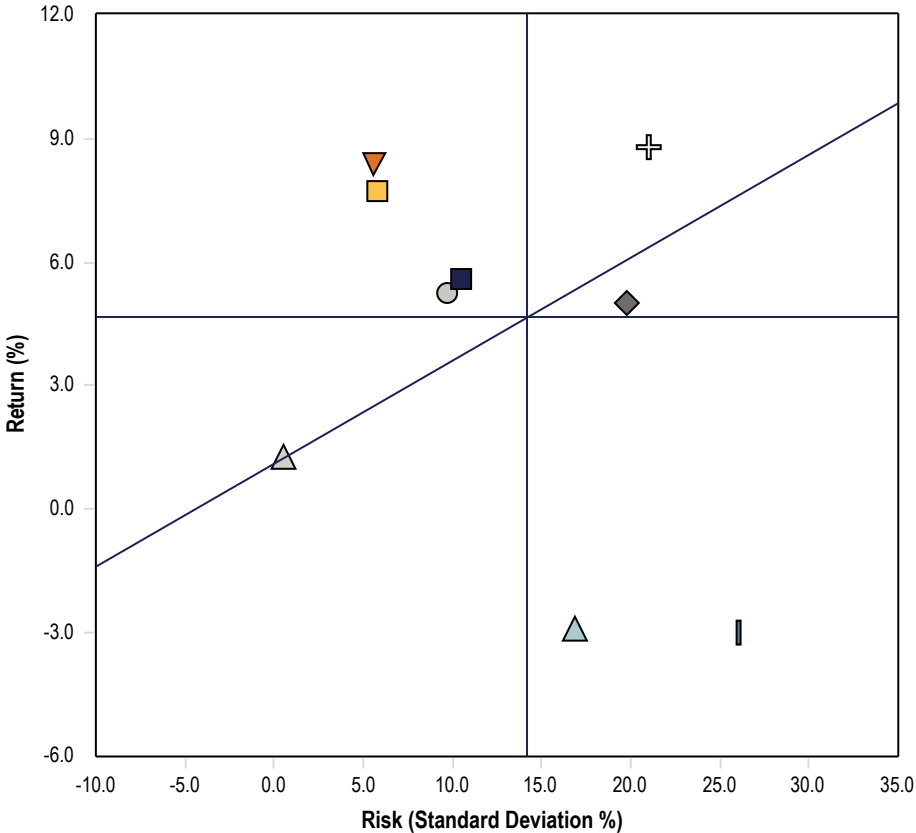
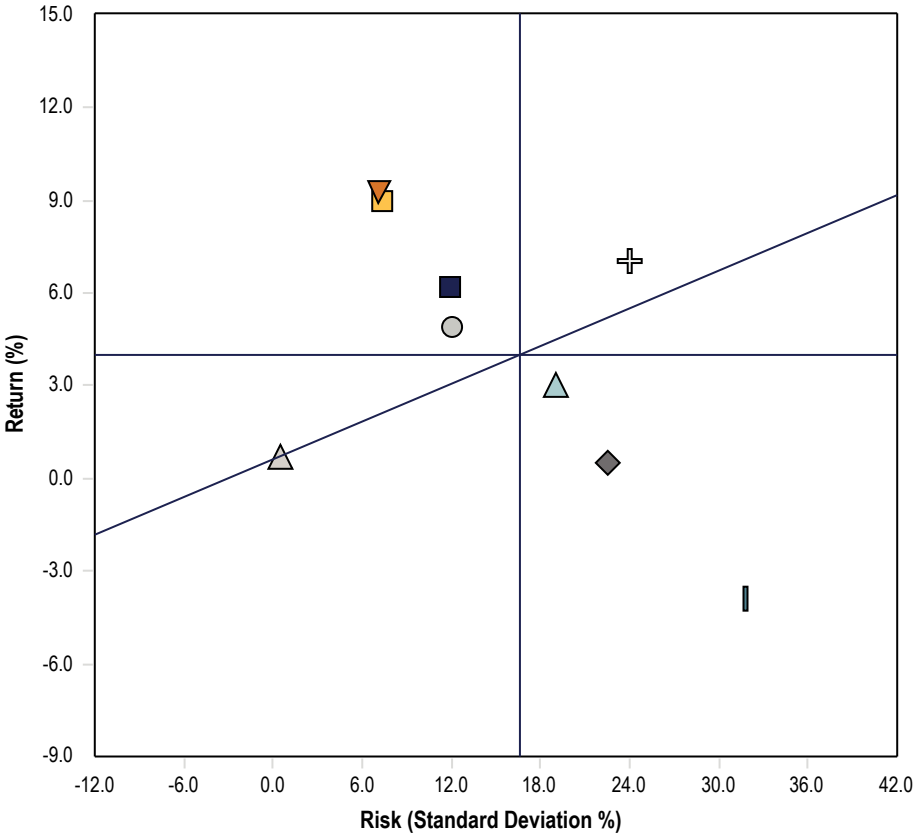
- American Funds Europacific Growth R6
- ▲ Vanguard Emerging Mkts Stock Idx Adm
- ▼ MSCI AC World ex USA Value (Net)
- Policy Index Updated
- Artisan International Value Instl
- ◆ Victory Trivalent International Sm-Cp I
- ▼ MSCI AC World ex USA Small Cap (Net)
- ▲ 90 Day U.S. Treasury Bill

- 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, 2022

Annualized Return vs Annualized Standard Deviation
5 Years Ending December 31, 2022



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

Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

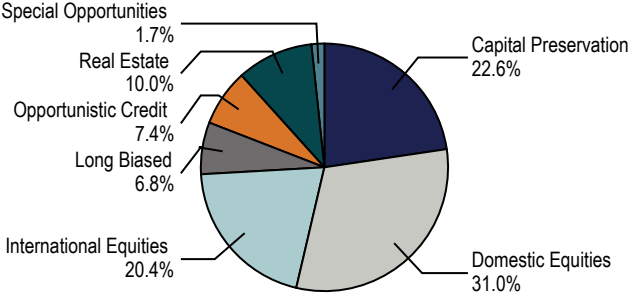
As of December 31, 2022

Fee Schedule

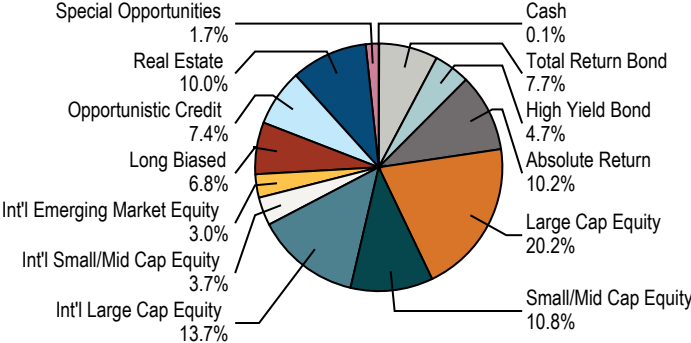
	Vehicle Type	Ticker	Universe Name	Market Value As of 12/31/2022 \$	Net Expense Ratio (%)
Allspring Special Small Cap Value	Mutual Fund	ESPRX	Small Value	\$5,017,058	0.81
Artisan Int'l Value	Mutual Fund	APHKX	Foreign Value	\$23,920,024	1.03
Bridge City Small Growth	Separate Account		Small Growth	\$7,091,024	0.35
Champlain Small Cap	Commingled Fund		Small Growth	\$7,729,347	1.00
EuroPacific Growth R6	Mutual Fund	RERGX	Foreign	\$18,639,548	0.46
Fidelity Instl Govt Money Market	Mutual Fund	FIGXX	Money Market-Taxable	\$158,601	0.18
Fidelity Mid Cap Index	Mutual Fund	FSMDX	Mid Cap	\$2,748,569	0.03
Fidelity S&P 500	Mutual Fund	FXAIX	Large Cap	\$32,790,657	0.02
Fidelity Small Cap Index	Mutual Fund	FSSNX	Small Cap	\$465,440	0.03
Hotchkis & Wiley Div Value I	Mutual Fund	HWCIX	Large Value	\$16,922,664	0.80
Hotchkis & Wiley High Yield	Mutual Fund	HWHZX	High Yield Bond	\$14,676,847	0.60
MFS Growth Fund CI R6	Mutual Fund	MFEKX	Large Growth	\$13,288,280	0.49
Pimco Dynamic Bond Fund	Mutual Fund	PFIUX	Nontraditional Bond	\$5,553,203	0.81
Principal Global Investors REIT	Separate Account		Real Estate	\$11,967,433	0.75
Sterling Core Bond	Separate Account		Intermediate Core Bond	\$23,997,208	0.25
Sterling Mid Cap Value	Separate Account		Mid-Cap Value	\$5,878,528	0.75
Vanguard Emerging Markets Stock Index Fd	Mutual Fund	VEMAX	Diversified Emerging Mkts	\$446,810	0.14
Victory Trivalent International Small Cap	Mutual Fund	MISIX	Foreign Small/Mid Growth	\$11,525,994	0.97
Westfield Mid Cap Growth	Commingled Fund		Mid-Cap Growth	\$4,632,220	0.65

Section 3

Current Allocation



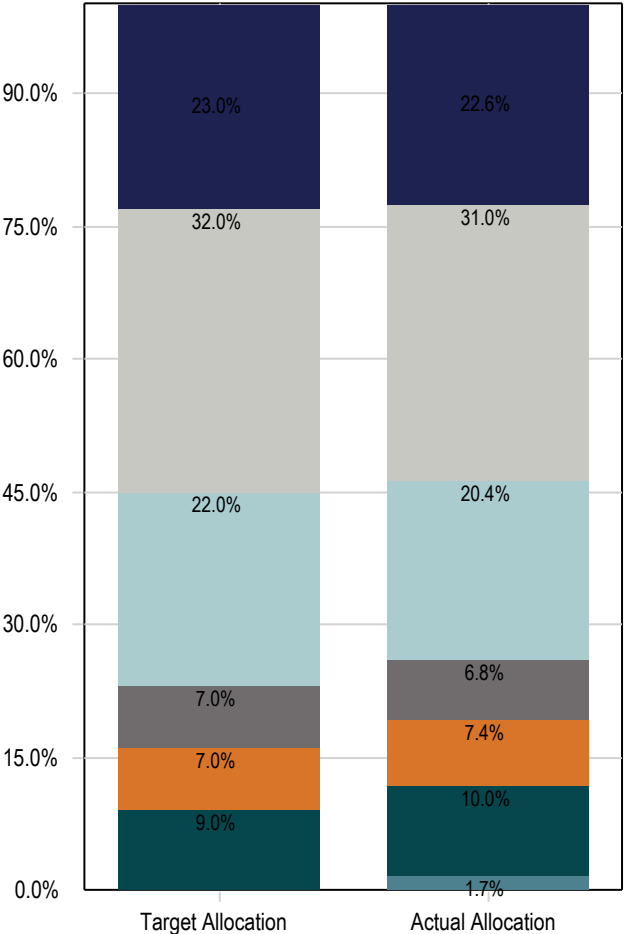
Current Implementation Allocation



Spokane Employees' Retirement System

As of December 31, 2022

Asset Allocation Compliance

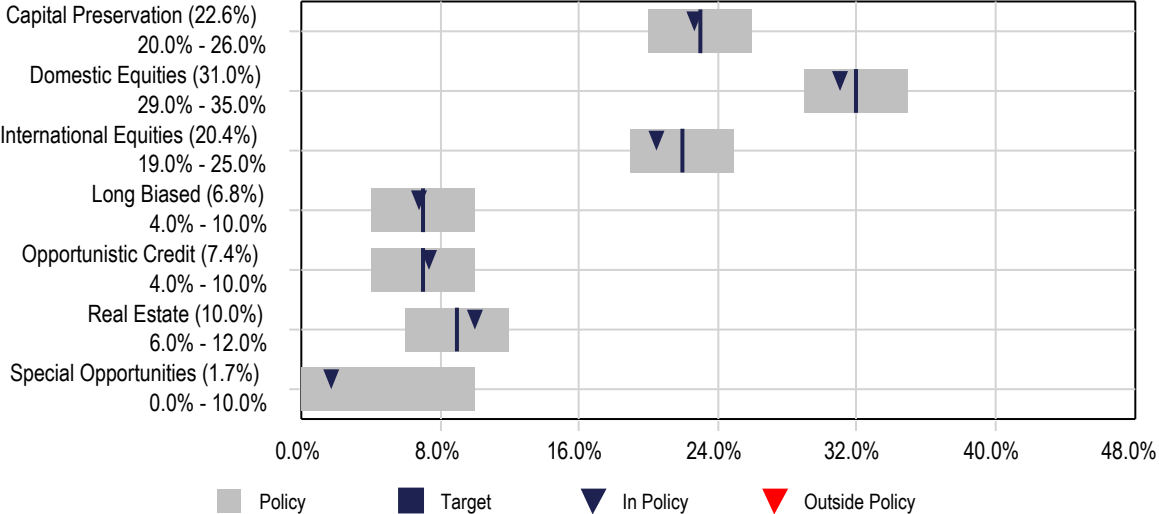


- Capital Preservation
- Domestic Equities
- International Equities
- Long Biased
- Opportunistic Credit
- Real Estate
- Special Opportunities

Current Allocation vs Investment Policy

	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Differences \$	Differences (%)
Capital Preservation	70,432,050	22.6	20.0	26.0	23.0	-1,132,593	-0.4
Domestic Equities	96,563,787	31.0	29.0	35.0	32.0	-3,004,412	-1.0
International Equities	63,574,191	20.4	19.0	25.0	22.0	-4,878,946	-1.6
Long Biased	21,109,811	6.8	4.0	10.0	7.0	-670,733	-0.2
Opportunistic Credit	23,088,866	7.4	4.0	10.0	7.0	1,308,323	0.4
Real Estate	31,117,288	10.0	6.0	12.0	9.0	3,113,732	1.0
Special Opportunities	5,264,629	1.7	0.0	10.0	0.0	5,264,629	1.7
Total	311,150,622	100.0			100.0		0.0

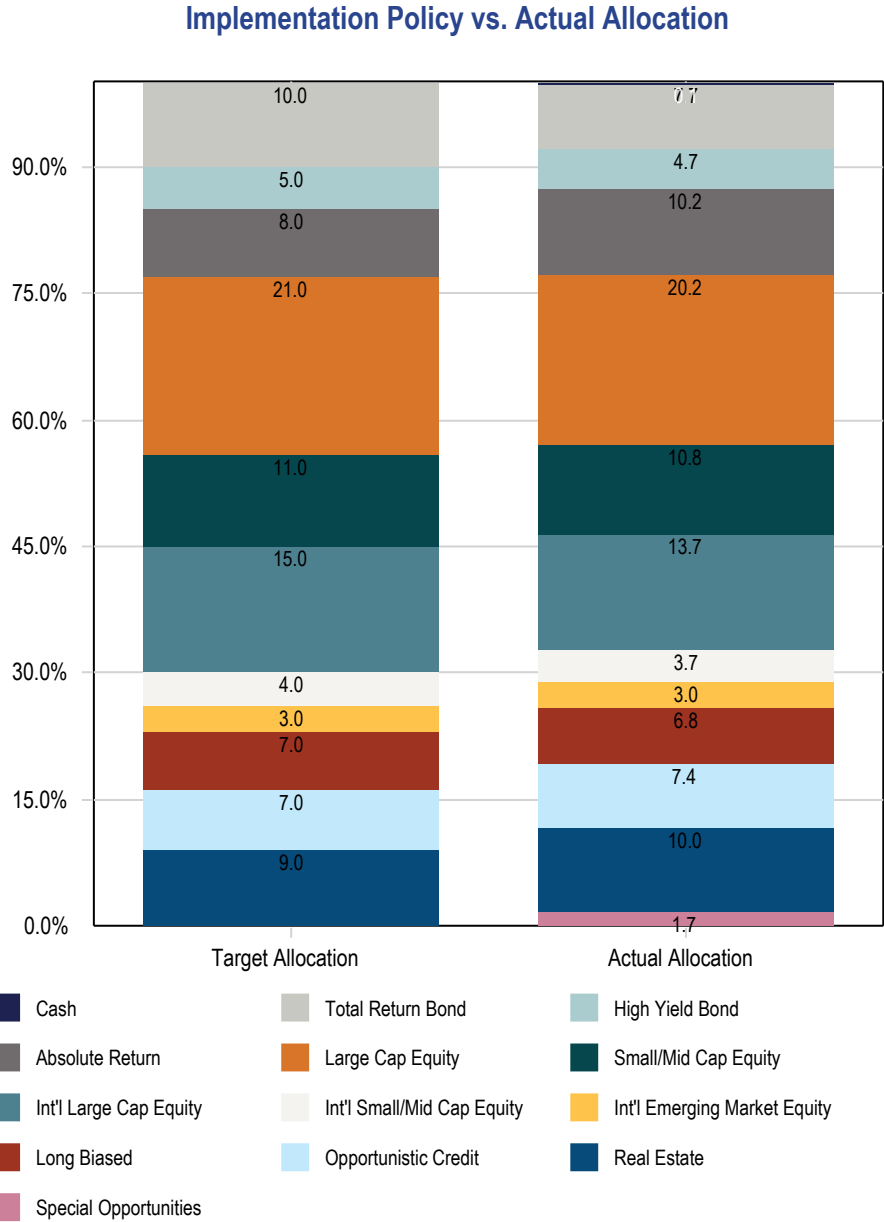
Actual vs Target



Spokane Employees' Retirement System

As of December 31, 2022

	Asset Allocation \$	Asset Allocation (%)	Target Allocation (%)
■ Cash	158,601	0.1	0.0
■ Total Return Bond	23,997,208	7.7	10.0
■ High Yield Bond	14,676,847	4.7	5.0
■ Absolute Return	31,599,394	10.2	8.0
■ Large Cap Equity	63,001,601	20.2	21.0
■ Small/Mid Cap Equity	33,562,186	10.8	11.0
■ Int'l Large Cap Equity	42,559,572	13.7	15.0
■ Int'l Small/Mid Cap Equity	11,525,994	3.7	4.0
■ Int'l Emerging Market Equity	9,488,625	3.0	3.0
■ Long Biased	21,109,811	6.8	7.0
■ Opportunistic Credit	23,088,866	7.4	7.0
■ Real Estate	31,117,288	10.0	9.0
■ Special Opportunities	5,264,629	1.7	0.0
Total	311,150,622	100.0	100.0



Spokane Employees' Retirement System

As of December 31, 2022

Implementation Review

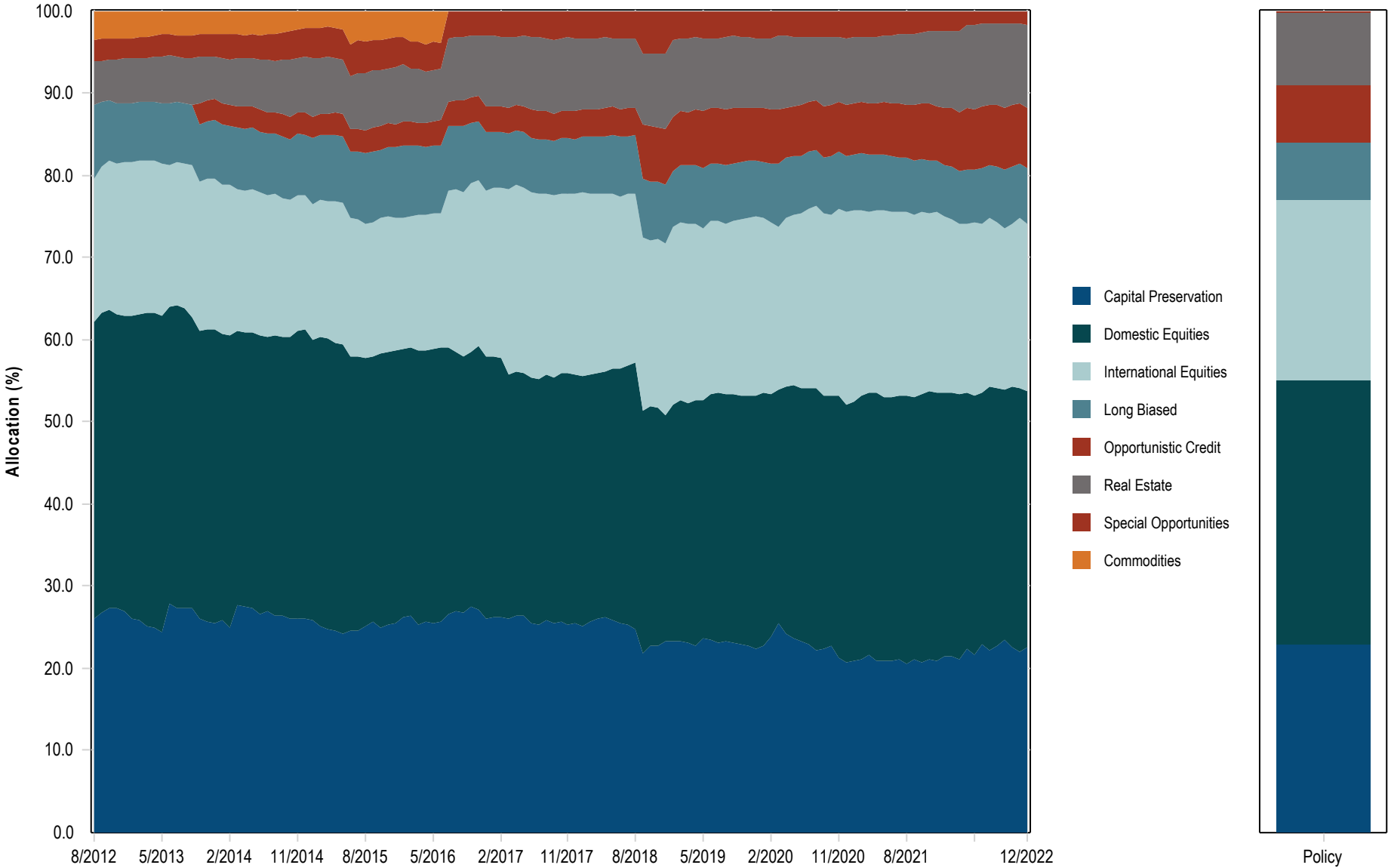
	Target Allocation \$	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Asset Allocation \$	Asset Allocation (%)	Differences \$	Differences (%)	Within Range
Cash		0.0	0.0	2.0	\$158,601	0.1	\$158,601	0.1	Yes
Fidelity Instl Govt Money Market					\$158,601	0.1			
Total Return Bond	\$31,115,062	10.0	8.0	12.0	\$23,997,208	7.7	-\$7,117,854	-2.3	No
Sterling Core Bond					\$23,997,208	7.7			
High Yield Bond	\$15,557,531	5.0	3.0	7.0	\$14,676,847	4.7	-\$880,684	-0.3	Yes
Hotchkis & Wiley High Yield					\$14,676,847	4.7			
Absolute Return	\$24,892,050	8.0	6.0	10.0	\$31,599,394	10.2	\$6,707,344	2.2	No
Polar Long/Short Fund					\$9,041,806	2.9			
Post Lmtd Term High Yield					\$6,670,996	2.1			
Pimco Dynamic Bond Fund					\$5,553,203	1.8			
Rimrock Low Volatility Offshore					\$10,333,389	3.3			
Large Cap Equity	\$65,341,631	21.0	19.0	23.0	\$63,001,601	20.2	-\$2,340,030	-0.8	Yes
Hotchkis & Wiley Div Value I					\$16,922,664	5.4			
Fidelity S&P 500					\$32,790,657	10.5			
MFS Growth Fund CI R6					\$13,288,280	4.3			
Small/Mid Cap Equity	\$34,226,568	11.0	9.0	13.0	\$33,562,186	10.8	-\$664,383	-0.2	Yes
Sterling Mid Cap Value					\$5,878,528	1.9			
Fidelity Mid Cap Index					\$2,748,569	0.9			
Westfield Mid Cap Growth					\$4,632,220	1.5			
Fidelity Small Cap Index					\$465,440	0.1			
Bridge City Small Growth					\$7,091,024	2.3			
Champlain Small Cap					\$7,729,347	2.5			
Allspring Special Small Cap Value					\$5,017,058	1.6			
Int'l Large Cap Equity	\$46,672,593	15.0	13.0	17.0	\$42,559,572	13.7	-\$4,113,021	-1.3	Yes
EuroPacific Growth R6					\$18,639,548	6.0			
Artisan Int'l Value					\$23,920,024	7.7			
Int'l Small/Mid Cap Equity	\$12,446,025	4.0	2.0	6.0	\$11,525,994	3.7	-\$920,031	-0.3	Yes
Victory Trivalent International Small Cap					\$11,525,994	3.7			
Int'l Emerging Market Equity	\$9,334,519	3.0	1.0	5.0	\$9,488,625	3.0	\$154,106	0.0	Yes
Vanguard Emerging Markets Stock Index Fd					\$446,810	0.1			

Spokane Employees' Retirement System

As of December 31, 2022

	Target Allocation \$	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Asset Allocation \$	Asset Allocation (%)	Differences \$	Differences (%)	Within Range
ABS Emerging Markets Strategic					\$9,041,815	2.9			
Long Biased	\$21,780,544	7.0	4.0	10.0	\$21,109,811	6.8	-\$670,733	-0.2	Yes
Weatherlow Offshore					\$20,291,912	6.5			
OrbiMed Royalty Opps II					\$272,444	0.1			
OrbiMed Royalty Opportunities					\$545,455	0.2			
Opportunistic Credit	\$21,780,544	7.0	4.0	10.0	\$23,088,866	7.4	\$1,308,323	0.4	Yes
Beach Point Select Fund LP					\$13,292,026	4.3			
Contrarian Capital Fund I LP					\$9,796,840	3.1			
Real Estate	\$28,003,556	9.0	6.0	12.0	\$31,117,288	10.0	\$3,113,732	1.0	Yes
Principal Global Investors REIT					\$11,967,433	3.8			
Morrison Street Debt Opportunities Fund LP					\$6,359	0.0			
Morgan Stanley Prime Property Fund					\$8,688,629	2.8			
Morrison Street Fund VI					\$6,780,679	2.2			
Morrison Street Fund VII					\$950,965	0.3			
Morrison Street Income Fund					\$2,723,223	0.9			
Special Opportunities		0.0	0.0	10.0	\$5,264,629	1.7	\$5,264,629	1.7	Yes
OrbiMed Partners II					\$156,569	0.1			
Contrarian Emerging Markets					\$5,108,060	1.6			
Total	\$311,150,622	100.0			\$311,150,622	100.0		0.0	

Asset Allocation History vs. Target Allocation

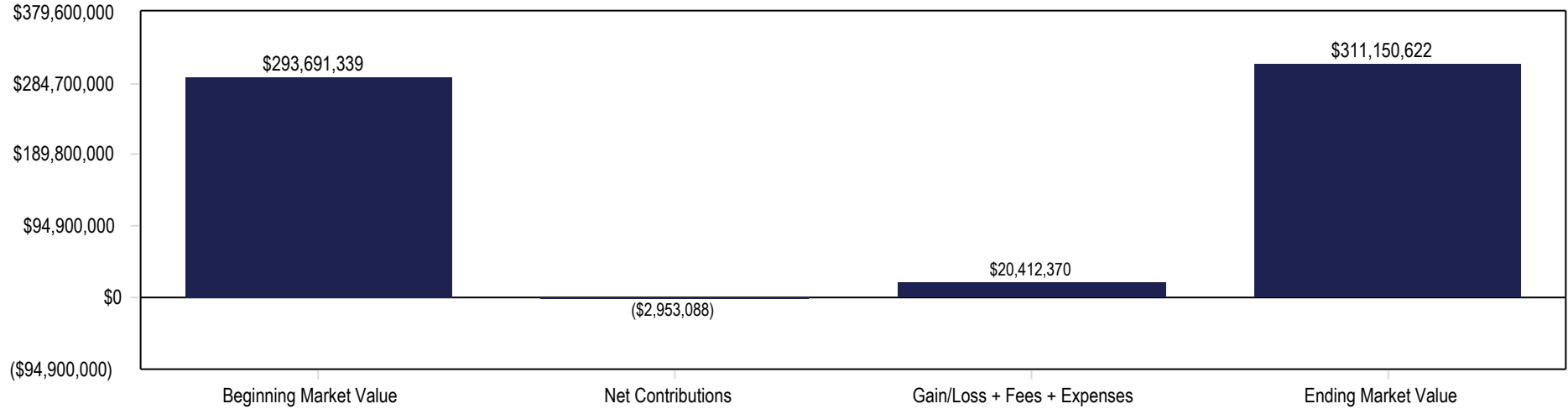


Section 4

Spokane Employees' Retirement System

As of December 31, 2022

Change in Market Value



Cash Flow Summary Current Quarter

	Market Value As of 10/01/2022	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 12/31/2022
Fidelity Instl Govt Money Market	411,571	10,070,231	-10,307,760	-262,135	-15,440	158,601
Sterling Core Bond	23,684,882	-	-	-	312,326	23,997,208
Hotchkis & Wiley High Yield	14,023,759	-	-	-	653,088	14,676,847
Polar Long/Short Fund	8,714,286	-	-	-	327,520	9,041,806
Post Lmtd Term High Yield	6,469,911	-	-	-	201,084	6,670,996
Pimco Dynamic Bond Fund	5,460,067	-	-	-	93,136	5,553,203
Rimrock Low Volatility Offshore	10,190,963	-	-	-	142,426	10,333,389
Hotchkis & Wiley Div Value I	14,516,538	-	-	-	2,406,126	16,922,664
Fidelity S&P 500	31,359,429	-	-950,000	-950,000	2,381,228	32,790,657
MFS Growth Fund CI R6	12,801,890	-	-	-	486,389	13,288,280
Sterling Mid Cap Value	5,274,798	-	-	-	603,730	5,878,528
Fidelity Mid Cap Index	2,516,770	-	-	-	231,799	2,748,569

Spokane Employees' Retirement System

As of December 31, 2022

	Market Value As of 10/01/2022	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 12/31/2022
Westfield Mid Cap Growth	4,318,101	-	-	-	314,120	4,632,220
Allspring Special Small Cap Value	4,486,770	-	-	-	530,287	5,017,058
Fidelity Small Cap Index	438,051	-	-	-	27,389	465,440
Bridge City Small Growth	6,539,395	-	-	-	551,629	7,091,024
Champlain Small Cap	7,093,008	-	-	-	636,339	7,729,347
EuroPacific Growth R6	17,317,891	-	-1,075,000	-1,075,000	2,396,657	18,639,548
Artisan Int'l Value	21,516,674	-	-1,700,000	-1,700,000	4,103,350	23,920,024
Victory Trivalent International Small Cap	9,902,120	-	-	-	1,623,874	11,525,994
Vanguard Emerging Markets Stock Index Fd	412,958	-	-	-	33,851	446,810
ABS Emerging Markets Strategic	8,444,523	-	-	-	597,292	9,041,815
Weatherlow Offshore	19,980,761	-	-	-	311,151	20,291,912
OrbiMed Royalty Opps II	287,480	-	-13,701	-13,701	-1,335	272,444
OrbiMed Royalty Opportunities	690,988	-	-58,171	-58,171	-87,362	545,455
Beach Point Select Fund LP	13,092,659	-	-	-	199,367	13,292,026
Contrarian Capital Fund I LP	9,471,276	-	-	-	325,564	9,796,840
Principal Global Investors REIT	11,693,245	-	-	-	274,188	11,967,433
Metropolitan Realty V	54,083	-	-52,143	-52,143	-1,940	-
Morrison Street Fund VI	6,148,348	288,130	-	288,130	344,201	6,780,679
Morrison Street Income Fund	2,756,845	-	-67,416	-67,416	33,794	2,723,223
Morrison Street Debt Opportunities Fund LP	12,869	-	-	-	-6,510	6,359
Morgan Stanley Prime Property Fund	9,115,238	-	-90,113	-90,113	-336,496	8,688,629
OrbiMed Partners II	156,569	-	-	-	-	156,569
Contrarian Emerging Markets	4,336,622	-	-	-	771,438	5,108,060
Morrison Street Fund VII	-	1,002,857	-	1,002,857	-51,892	950,965
SERS Plan Total	293,691,339	11,361,217	-14,314,305	-2,977,693	20,412,370	311,150,622

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

As of December 31, 2022

Account Name	From Date	To Date	Benchmark
SERS Plan Total	03/01/2019	Present	10.000% Blmbg. U.S. Aggregate Index, 5.000% Blmbg. U.S. Corp: High Yield Index, 8.000% HFRI FOF: Conservative Index, 21.000% S&P 500 Index, 11.000% Russell 2500 Index, 15.000% MSCI AC World ex USA (Net), 4.000% MSCI AC World ex USA Small Cap (Net), 3.000% MSCI Emerging Markets (Net), 7.000% HFRI Fund of Funds Composite Index, 7.000% HFRI ED: Distressed/Restructuring Index, 6.000% NCREIF ODCE VW NET, 3.000% FTSE NAREIT Comp REIT
	10/01/2016	03/01/2019	10.000% Blmbg. U.S. Aggregate Index, 5.000% Blmbg. U.S. Corp: High Yield Index, 8.000% HFRI FOF: Conservative Index, 21.000% S&P 500 Index, 11.000% Russell 2500 Index, 15.000% MSCI AC World ex USA (Net), 4.000% MSCI AC World ex USA Small Cap (Net), 3.000% MSCI Emerging Markets (Net), 7.000% HFRI Fund of Funds Composite Index, 7.000% HFRI ED: Distressed/Restructuring Index, 9.000% NCREIF ODCE VW NET
	07/01/2010	10/01/2016	1.000% 1 Year U.S. Treasury Note, 5.000% Russell 2000 Index, 8.000% Russell Midcap Index, 34.000% S&P 500 Index, 15.000% Blmbg. U.S. Aggregate Index, 5.000% Blmbg. U.S. Corp: High Yield Index, 3.000% NCREIF Property Index, 17.000% MSCI AC World ex USA (Net), 3.000% FTSE NAREIT All REITs Index, 5.000% Blmbg. Global Aggregate Index, 4.000% S&P GSCI Composite TR Index
	01/01/2007	07/01/2010	1.000% 90 Day U.S. Treasury Bill, 5.000% Russell 2000 Index, 5.000% Russell Midcap Index, 34.000% S&P 500 Index, 13.000% Blmbg. U.S. Aggregate Index, 5.000% Blmbg. U.S. Corp: High Yield Index, 24.000% MSCI AC World ex USA (Net), 4.000% FTSE NAREIT All REITs Index, 6.000% Blmbg. Global Aggregate Index, 3.000% NCREIF Property Index

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PLEASE READ THE PROSPECTUS AND CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES CAREFULLY BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS AND OTHER IMPORTANT INFORMATION ABOUT THE FUND.

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The underlying fund's internal expenses (also known as the expense ratio) generally covers investment management fees, marketing, and distribution fees (also known as 12b-1 fees) and other operating expenses of the fund. The expense ratios being displayed for mutual funds reflect each fund's prospectus "net" expenses as provided by Morningstar. Such "net" expenses are subject to change and may increase at any time.

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returns include reinvestment of dividends and capital gains and are net of all fund fees and expenses.

Performance figures are based on Net Asset Value (NAV) within a qualified retirement plan. If an individual were to purchase shares outside of a qualified plan, they would likely be subject to all, or a portion of, any applicable sales charges. These charges would lower the performance indicated above.

Each fund's performance may, from time to time, have been affected significantly by material market and economic conditions, including interest rates, market trends, and general business and economic cycles, which may or may not be repeated in the future. Also, keep in mind that any double-digit returns are highly unusual and cannot be sustained. Such returns are primarily achieved during favorable market conditions.

Indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment. Index returns include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment. The indices selected by Hyas Group to measure performance are representative of broad asset classes. Hyas Group retains the right to change representative indices at any time. Performance of indices may be more or less volatile than any investment product. The risk of loss in value of a specific investment is not the same as the risk of loss in a broad market index. Therefore, the historical returns of an index will not be the same as the historical returns of a particular investment a client selects. Past performance does not guarantee future results.

The "Investment Policy Statement Compliance Report" indicates funds that are on the Plan's Watch List, as based on investment monitoring criteria which is provided to Hyas Group by the plan sponsor. The plan sponsor should inform its Hyas Group Consultant of any changes to the plan's investment policy.

Fund data provided by Morningstar.

Peer Groups. Peer Groups are a collection of similar investment strategies that essentially group investment products that share the same investment approach. Peer Groups are used for comparison purposes to compare and illustrate a clients investment portfolio versus its peer across various quantitative metrics like performance and risk. Peer Group comparison is conceptually another form of benchmark comparison whereby the actual investment can be ranked versus its peer across various quantitative metrics. All Peer Group data are provided by Investment Metrics, LLC. The URL below provides all the definitions and methodology about the various Peer Groups <https://www.invmetrics.com/style-peer-groups>

Peer Group Ranking Methodology. A percentile rank denotes the value of a product in which a certain percent of observations falls within a peer group. The range of percentile rankings is between 1 and 100, where 1 represents a high statistical value and 100 represents a low statistical value. The 30th percentile, for example, is the value in which 30% of the highest observations may be found, the 65th percentile is the value in which 65% of the highest observations may be found, and so on.

Percentile rankings are calculated based on a normalized distribution ranging from 1 to 100 for all products in each peer group, where a ranking of 1 denotes a high statistical value and a ranking of 100 denotes a low statistical value. It is important to note that the same ranking methodology applies to all statistics, implying that a ranking of 1 will always mean highest value across all statistics.

For example, consider a risk/return assessment using standard deviation as a measure of risk. A percentile ranking equal to 1 for return denotes highest return, whereas a percentile ranking of 1 for standard deviation denotes highest risk among peers.

In addition, values may be used to demonstrate quartile rankings. For example, the third quartile is also known as the 75th percentile, and the median is the 50th percentile.

Hyas Group, a business of Morgan Stanley.