



Spokane Employees' Retirement System

March 31, 2023 Performance Report

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Section 1 | Market Overview

**GLOBAL ECONOMIC LANDSCAPE**

- ▶ Following seven rate hikes in 2022, the Federal Open Markets Committee raised rates by a total of 0.50% in 1Q23 (0.25% in February and 0.25% again in March) while continuing its monetary tightening program. Together with more restrictive lending standards from banks, these monetary effects tighten financial conditions and threaten to slow economic activity¹.
- ▶ Global markets have been faced with divergent central bank policies. On the contractionary side, the Federal Reserve and the European Central Bank (ECB) have embarked on aggressive tightening campaigns, seeking to curb inflationary pressures. Since February 2022, the Fed has unwound about \$530 billion of its balance sheet assets (a -6% change), while the ECB has unwound \$1.6 trillion of its balance sheet assets (a -16% change). However, the Bank of Japan (BoJ) and People's Bank of China's (PBoC) vigorous asset purchases have largely offset these actions. The PBOC added ~\$600 billion to its balance sheet (a +11% change) from October to December 2022, responding to the economic implications of lockdowns. The BoJ, hoping to maintain its yield curve control policy, bought \$850 billion worth of assets (a +18% change) from October 2022 to February 2023².
- ▶ European headline inflation declined substantially during the first quarter of 2023. Welcome as this development may appear, much of it was due to declining energy prices while core inflation in areas like services and food remain high. Wages, which typically lag, are showing signs of rising. The overall composition and direction of inflation indicates its potential to stay higher for longer, reducing the probability for central bank policy easing³.
- ▶ China's property sector accounts for \$4.5 trillion of the country's GDP (versus \$3.4 trillion for the United States). After 17 months of decline due to the combination of quarantine and policy tightening, property prices increased by 0.3% in February 2023. Continued demand growth here may support commodity prices, considering that the country accounts for nearly half of the global demand for iron ore, aluminum, copper, nickel, zinc, and steel⁴.
- ▶ The US Banking system exhibited increasing funding pressure as yields on bank deposits struggled to compete with those of money market funds. In the first quarter of 2023, money market assets exceeded deposits of all domestically chartered banks for the first time since 2021 and by a substantial margin. This may place continued earnings stress on bank stocks, which in turn have been shown to be leading economic indicators⁵.

¹ Source: Morgan Stanley, Portfolio Construction and Cross-Asset Strategy, April 4, 2023

² Source: Morgan Stanley, Topics in Portfolio Construction, March 14, 2023

³ Source: Morgan Stanley, Euro Inflation Watch, March 31, 2023

⁴ Source: Morgan Stanley, China's Reopening and Property Sector Improvement Are Key to Commodity Demand, April 5, 2023

⁵ Source: Morgan Stanley, Weekly Warm-up: April 3, 2023

FIXED INCOME MARKETS⁶

- Bond market performance was broadly positive in 1Q23, with most bond sectors posting returns of low- to mid-single digits. Longer-term bonds were among the highest performers as rates fell on the expectation of an earlier end to the Federal Reserve's rate-hiking cycle. The thirty-year Treasury for example returned 5.99% versus 2.96% for the US Aggregate Bond Market.
- Yields across the US Treasury curve declined in largely parallel fashion in 1Q23, dropping from 0.3% to 0.4% for Treasuries maturing two-years and beyond. Only the very front-end of the yield curve increased during the quarter, with 3-month and one-year Treasury bills eclipsing year-end levels by smaller margins.
- 1Q23's general decline in yields notwithstanding, a broad range of fixed income indices ended the quarter at the upper end of their ten-year range, contrasting the more recent rate environment with the low-rate regime of the prior decade. While yields in most fixed income sectors stood between 1.5% to 3.5% above their trailing ten-year median, leveraged loans were notably higher, ending the quarter at 11.3% versus a median of 5.7%, suggesting a higher degree of market apprehension being priced into this sector.
- Credit spreads on US High Yield bonds continued to appear range-bound, ending the quarter at 4.99% versus a long-term average of 5.66%. Default rates ended the quarter below long-term averages as well but continued their upward trend. Although market commentators have communicated concern about how this sector may fare during a downturn, credit spreads are not yet at levels typically consistent with recessions.

EQUITY MARKETS

- By the end of 1Q23, equity indices improved, the growth style outperformed value, large-cap beat mid- and small-cap stocks, and information technology was the strongest performing sector. Interestingly, a smaller portion of the constituents of the S&P 500 Index outperformed it than in the preceding quarter, indicating a decline in market breadth⁷.
- The US equity risk premium (ERP), computed as the difference between the S&P 500's trailing earnings yield and the US 10-year Treasury yield, provides a proxy for how much equity investors may expect to receive in compensation for their additional risk versus bonds. A review of data since the early 1900s indicates that investors do not appear to be adequately compensated for assuming equity risk versus Treasuries. In fact, over the 120-year history, the ERP has rarely been lower than where it is today (excluding the unique periods of high Treasury yields in the 1970s to 1990s)⁸.

⁶ Source: JP Morgan Guide to the Markets, 2Q2023

⁷ Source: Morgan Stanley, Portfolio Construction and Cross-Asset Strategy, April 4, 2023

⁸ Source: Morgan Stanley, Topics in Portfolio Construction, March 14, 2023

- ▶ The MSCI Emerging Markets Index entered a bull market (up 20% from its trough) in mid-January. Features such as stabilization in earnings estimate revisions, fund flows showing relative strength, and China’s re-opening bringing high savings amounts to markets support the view that Emerging Market Equities may have additional upside⁹.
- ▶ The US Technology sector posted strong returns relative to the S&P 500 Index for 1Q23. This strong outperformance, in the context of increasing economic pessimism, has prompted the question of if the sector may be counted as defensive one alongside others that are typically categorized as such (for example Consumer Staples, Healthcare, and Utilities). Research indicates however, that Technology tends to perform strongly versus the broader market, including its defensive sectors, when US Bank Reserves are increasing, as has been the case towards the end of the quarter, suggesting that Technology’s recent outperformance is more a product of liquidity rather than economic durability¹⁰.

ALTERNATIVE INVESTMENTS¹¹

- ▶ With property prices posting negative year-over-year comparisons and the office vacancy rate nearing a 20-year high, the commercial real estate (CRE) market may be vulnerable to adverse developments in interest rates or bank lending. More than half of the nearly \$2.9 trillion in CRE mortgages will be up for refinancing in the next 24 months, and regional banks account for 70% to 80% of the loans. Even if current rates stay flat, the new lending rates may well be higher. For building owners themselves, secular headwinds from the embrace of remote/hybrid work options pose additional complications that may accelerate CRE markdowns.
- ▶ The collapse of Silicon Valley Bank puts the spotlight on venture capital (VC) appearing over-valued and exposed to liquidity shortages. At current burn rates, it is estimated that the median VC-backed company will run out of cash in the second half of this year. Limited partners, (that is, the funds’ investors), face more than \$500 billion of capital calls at a time when many portfolios have been marked only modestly lower. The impact of the potential collision of a need for cash versus a dearth of attractive value opportunities could be economically significant. VC-backed companies employ upward of five million workers and drive revenue in important public companies.
- ▶ The Private Equity industry sits on roughly \$2.3 trillion of so-called “dry powder” and can certainly insert itself right now as an opportunistic provider of capital for new vintage funds. However, investments made during the past two years face valuation markdowns and may themselves need capital that has been previously provided through other funding channels. But with unfunded capital calls still in front of many asset allocators and recent distributions scant, the fundraising environment could get tougher. Prior cycles have had 50% peak-to-trough declines in new capital raised.

⁹ Source: Morgan Stanley, Asia EM Equity Strategy, April 6, 2023

¹⁰ Source: Morgan Stanley, From the Director of Global Research, Charts That Caught My Eye, April 4, 2023

¹¹ Source: Morgan Stanley, Global Investment Committee Weekly, April 3, 2023

Disclosure:

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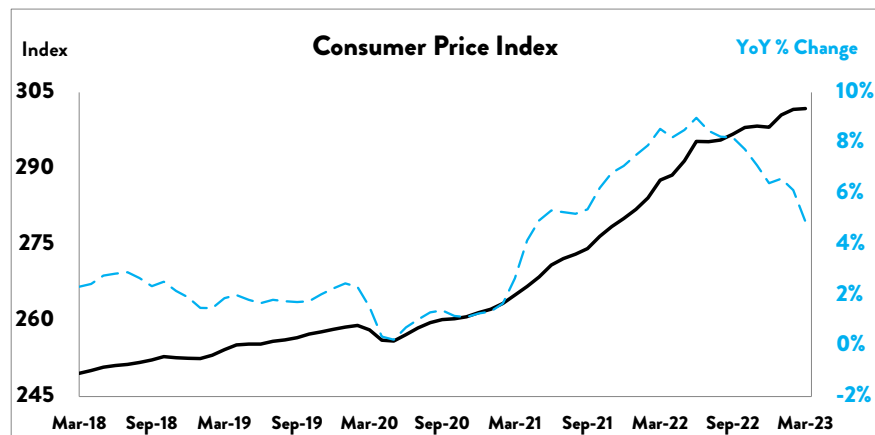
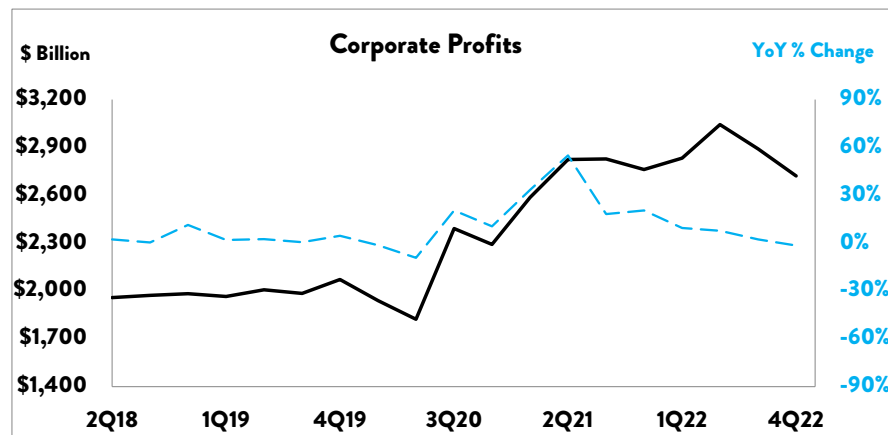
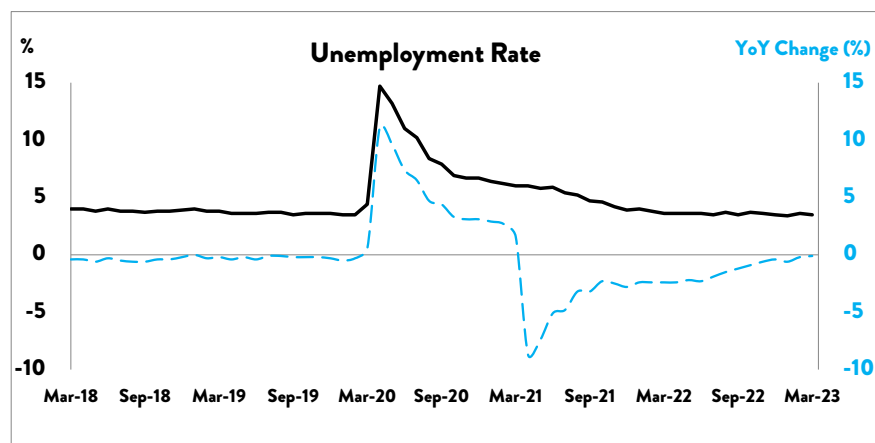
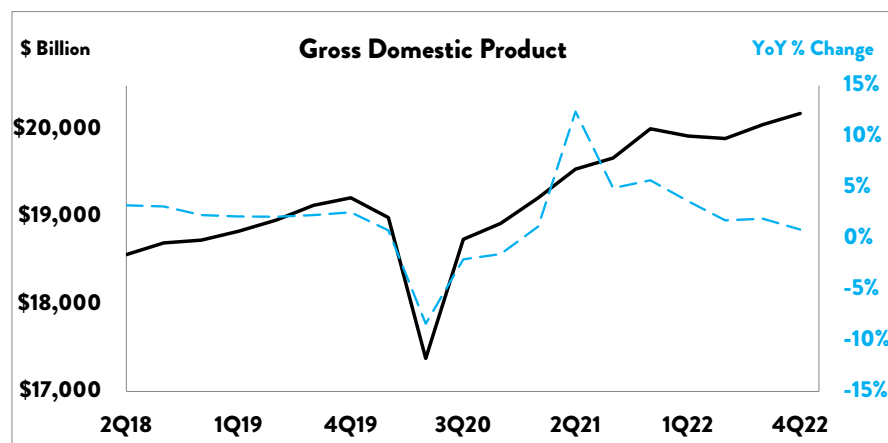
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1Q2023 Economic Data



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	236,000	4,505,000	-20,493,000	112,333	Mar-23
Unemployment Rate	3.5%	14.7%	3.4%	4.9%	Mar-23
Median Unemployment Length (Weeks)	9.6	22.2	4.0	11.1	Mar-23
Average Hourly Earnings	\$33.18	\$33.18	\$26.89	\$29.77	Mar-23

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	\$3.40	\$4.84	\$1.80	-29.7%	Mar-23
Spot Oil	\$73.28	\$114.84	\$16.55	-36.2%	Mar-23
Case-Shiller Home Price Index	300.4	316.2	208.7	43.9%*	Jan-23
Medical Care CPI	547.0	557.4	483.5	13.1%*	Mar-23

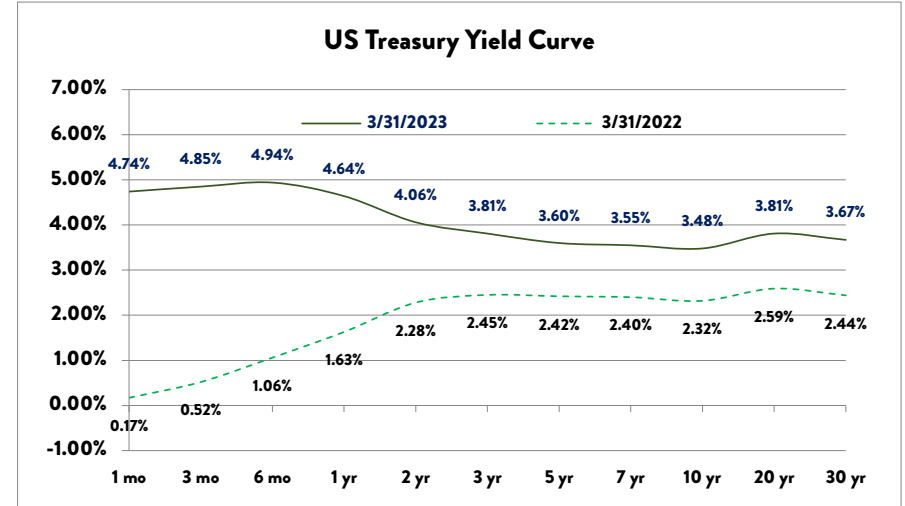
*% Off Low

Morningstar data as of 3/31/2023

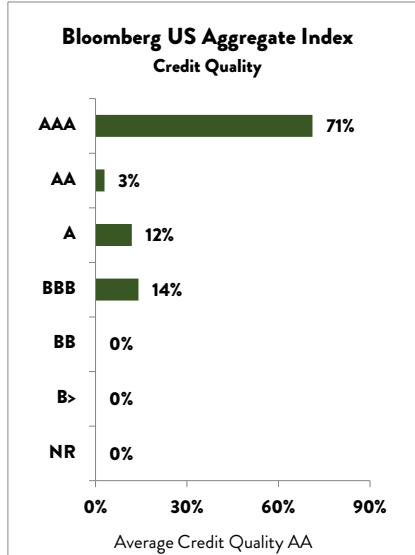
1Q2023 Bond Market Data

Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	1.16%	1.16%	3.17%	1.12%	1.46%	0.91%
Bloomberg US Aggregate	2.96%	2.96%	-4.78%	-2.77%	0.91%	1.36%
Bloomberg Short US Treasury	1.15%	1.15%	2.27%	0.76%	1.43%	0.91%
Bloomberg Int. US Treasury	2.27%	2.27%	-1.54%	-2.33%	1.06%	0.90%
Bloomberg Long US Treasury	6.17%	6.17%	-16.00%	-11.33%	-0.35%	1.45%
Bloomberg US TIPS	3.34%	3.34%	-6.06%	1.75%	2.94%	1.49%
Bloomberg US Credit	3.45%	3.45%	-5.31%	-0.70%	1.54%	2.18%
Bloomberg US Mortgage-Backed	2.53%	2.53%	-4.85%	-3.31%	0.20%	1.00%
Bloomberg US Asset-Backed	1.86%	1.86%	0.37%	0.58%	1.63%	1.41%
Bloomberg US 20-Yr Municipal	3.22%	3.22%	-1.02%	0.16%	2.32%	2.97%
Bloomberg US High Yield	3.57%	3.57%	-3.34%	5.91%	3.21%	4.10%
Bloomberg Global	3.01%	3.01%	-8.07%	-3.43%	-1.34%	0.07%
Bloomberg International	3.06%	3.06%	-10.72%	-4.13%	-3.17%	-0.99%
Bloomberg Emerging Market	2.15%	2.15%	-4.64%	0.06%	0.31%	2.07%

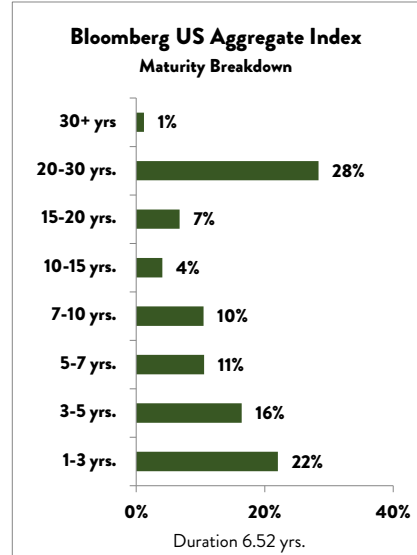
Source: Morningstar



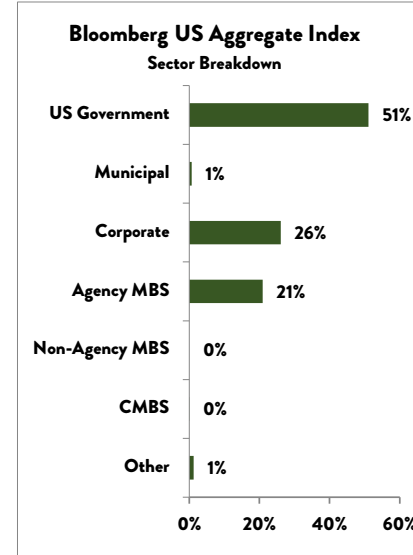
Source: Department of US Treasury



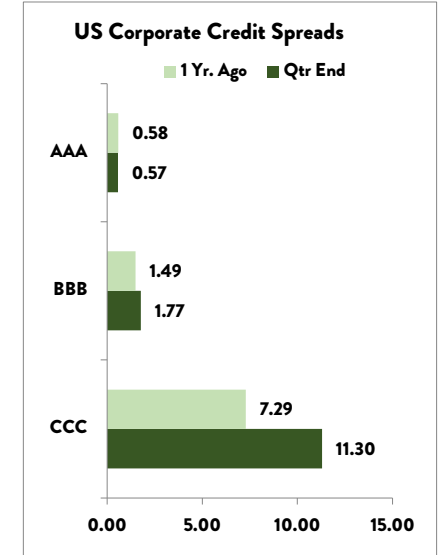
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

1Q2023 US Equity Market Data

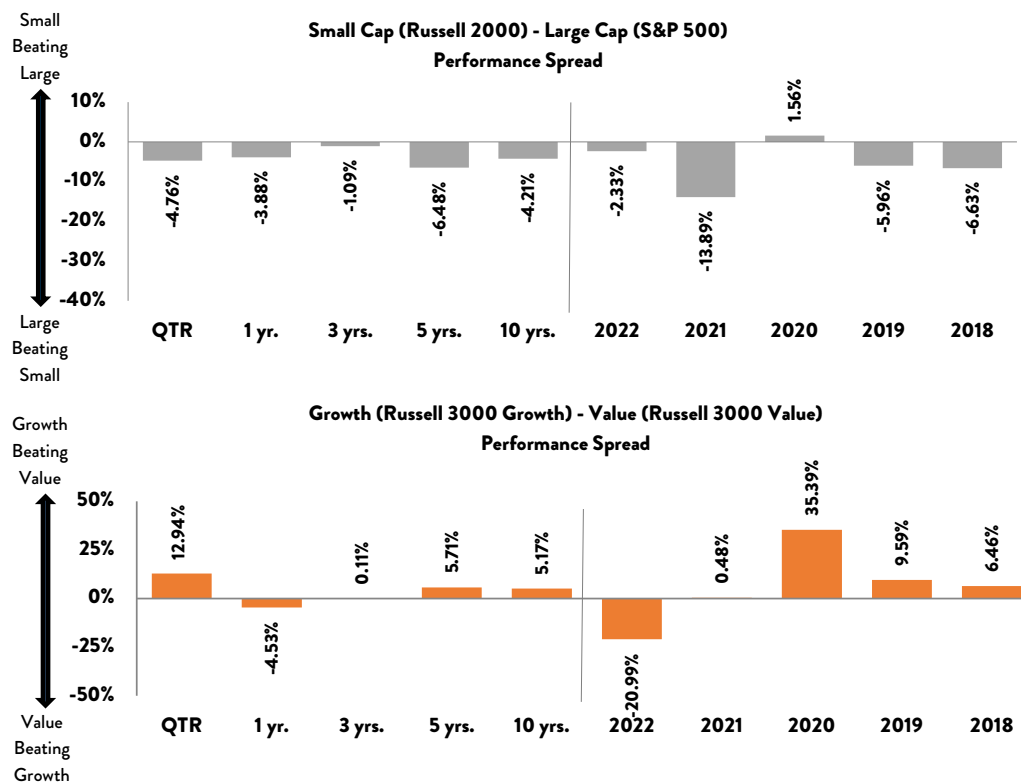
Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	YTD	1 yr.	
S&P 500 Index	26%	Information Technology	21.82%	21.82%	-4.55%	
	8%	Communication Services	20.50%	20.50%	-17.76%	
	10%	Consumer Discretionary	16.13%	16.13%	-19.62%	
	3%	Materials	4.29%	4.29%	-6.28%	
	9%	Industrials	3.47%	3.47%	0.17%	
	3%	Real Estate	1.95%	1.95%	-19.69%	
	7%	Consumer Staples	0.83%	0.83%	1.22%	
	3%	Utilities	-3.24%	-3.24%	-6.21%	
	14%	Health Care	-4.31%	-4.31%	-3.70%	
	5%	Energy	-4.67%	-4.67%	13.63%	
	13%	Financials	-5.56%	-5.56%	-14.24%	
	S&P Midcap 400 Index	10%	Information Technology	14.62%	14.62%	-0.83%
		22%	Industrials	8.55%	8.55%	4.07%
15%		Consumer Discretionary	8.00%	8.00%	-0.23%	
7%		Materials	7.16%	7.16%	-3.49%	
2%		Communication Services	4.42%	4.42%	-13.64%	
4%		Consumer Staples	3.78%	3.78%	5.56%	
8%		Real Estate	0.98%	0.98%	-23.48%	
9%		Health Care	0.42%	0.42%	-12.95%	
4%		Utilities	-2.44%	-2.44%	-4.12%	
15%		Financials	-7.54%	-7.54%	-9.39%	
4%		Energy	-8.46%	-8.46%	-7.69%	
S&P Smallcap 600 Index		14%	Consumer Discretionary	12.73%	12.73%	-2.73%
		2%	Communication Services	11.10%	11.10%	-20.63%
	13%	Information Technology	10.10%	10.10%	-5.12%	
	6%	Materials	8.97%	8.97%	1.39%	
	5%	Consumer Staples	8.49%	8.49%	11.03%	
	18%	Industrials	7.74%	7.74%	4.67%	
	11%	Health Care	-0.45%	-0.45%	-18.25%	
	2%	Utilities	-0.86%	-0.86%	-1.84%	
	7%	Real Estate	-3.61%	-3.61%	-29.55%	
	5%	Energy	-8.46%	-8.46%	-5.68%	
	16%	Financials	-11.51%	-11.51%	-19.75%	

Source: Morningstar

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	7.50%	7.50%	-7.73%	18.60%	11.19%	12.24%
Russell 1000 Value	1.01%	1.01%	-5.91%	17.93%	7.50%	9.13%
Russell 1000 Growth	14.37%	14.37%	-10.90%	18.58%	13.66%	14.59%
Russell Mid Cap	4.06%	4.06%	-8.78%	19.20%	8.05%	10.05%
Russell Mid Cap Value	1.32%	1.32%	-9.22%	20.69%	6.54%	8.80%
Russell Mid Cap Growth	9.14%	9.14%	-8.52%	15.20%	9.07%	11.17%
Russell 2000	2.74%	2.74%	-11.61%	17.51%	4.71%	8.04%
Russell 2000 Value	-0.66%	-0.66%	-12.96%	21.01%	4.55%	7.22%
Russell 2000 Growth	6.07%	6.07%	-10.60%	13.36%	4.26%	8.49%
Russell 3000	7.18%	7.18%	-8.58%	18.48%	10.45%	11.73%
DJ US Select REIT	2.77%	2.77%	-20.98%	11.32%	4.66%	5.31%



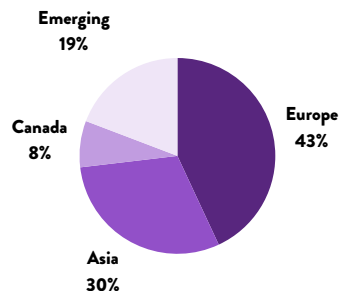
1Q2023 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	6.87%	6.87%	-5.07%	11.80%	2.47%	4.17%
MSCI EAFE	8.47%	8.47%	-1.38%	12.99%	3.52%	5.00%
Europe	10.56%	10.56%	1.38%	15.00%	4.35%	5.36%
United Kingdom	6.11%	6.11%	-0.84%	14.59%	2.98%	3.43%
Germany	14.69%	14.69%	2.24%	12.76%	0.40%	4.06%
France	14.62%	14.62%	8.79%	19.48%	6.20%	7.54%
Pacific	4.71%	4.71%	-6.01%	9.49%	2.02%	4.40%
Japan	6.19%	6.19%	-5.23%	7.39%	1.27%	5.03%
Hong Kong	-2.39%	-2.39%	-5.27%	4.59%	-0.50%	4.16%
Australia	2.79%	2.79%	-9.19%	20.18%	5.96%	3.36%
Canada	4.31%	4.31%	-13.09%	18.50%	6.56%	4.02%
MSCI EM	3.96%	3.96%	-10.70%	7.83%	-0.91%	2.00%
MSCI EM Latin America	3.93%	3.93%	-11.05%	18.15%	-1.84%	-1.86%
MSCI EM Asia	4.81%	4.81%	-9.44%	7.15%	0.15%	4.18%
MSCI EM Eur/Mid East	-1.23%	-1.23%	-16.64%	1.96%	-4.65%	-3.88%
MSCI ACWI Value ex-US	5.16%	5.16%	-4.00%	13.82%	1.26%	3.06%
MSCI ACWI Growth ex-US	8.59%	8.59%	-6.35%	9.49%	3.36%	5.08%
MSCI ACWI Sm Cap ex-US	4.70%	4.70%	-10.37%	15.04%	1.67%	5.06%

Regional Exposure

MSCI ACWI ex-USA



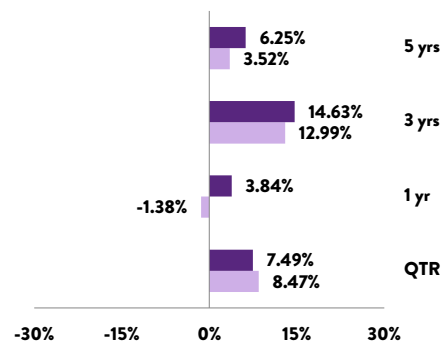
Top 10 Countries (MSCI AC World ex-USA)

Japan	14%
UK	10%
China	9%
France	8%
Canada	8%
Switzerland	6%
Germany	6%
Australia	5%
Taiwan	4%
India	4%

Source: Morningstar

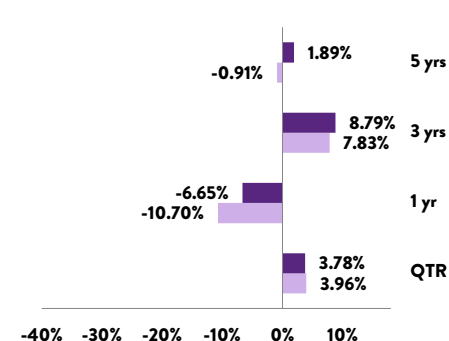
MSCI EAFE Index Return

Local US\$

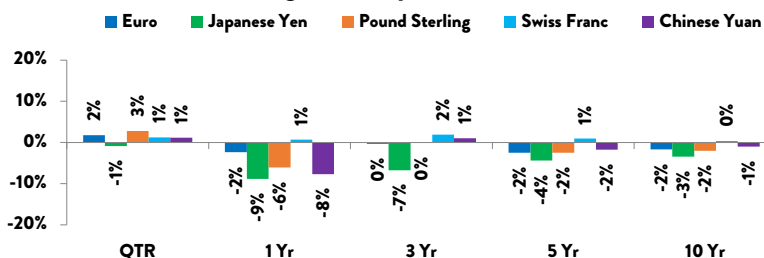


MSCI Emerging Index Return

Local US\$



Foreign Currency v. US\$ Returns

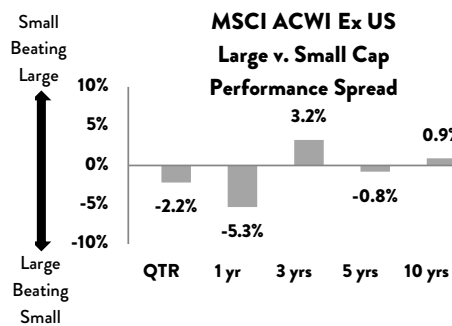


Exchange Rates	QTR	4Q22	3Q22	2Q22	1Q22	4Q21
Japanese Yen	132.75	131.81	144.71	135.69	121.44	115.17
Euro	0.92	0.93	1.02	0.96	0.90	0.88
British Pound	0.81	0.83	0.90	0.82	0.76	0.74
Swiss Franc	0.91	0.92	0.98	0.96	0.92	0.91
Chinese Yuan	6.87	6.90	7.11	6.70	6.34	6.37

Source: Federal Reserve Bank of St. Louis

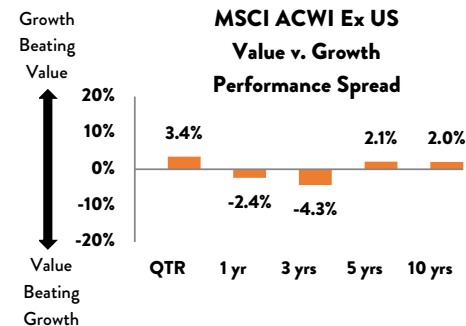
MSCI ACWI Ex US

Large v. Small Cap Performance Spread



MSCI ACWI Ex US

Value v. Growth Performance Spread



Performance Source: Morningstar

Historical Market Returns

Ranked by Performance

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	1Q23
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%	Large Cap 7.50%	Large Cap 7.50%
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 6.54%	Intl 6.87%	Intl 6.87%
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%	Global Balanced 5.75%	Global Balanced 5.75%
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%	Mid Cap 4.06%	Mid Cap 4.06%
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%	Emerging Markets 3.96%	Emerging Markets 3.96%
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%	High Yield 3.57%	High Yield 3.57%
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%	TIPS 3.34%	TIPS 3.34%
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%	Global Bonds 3.01%	Global Bonds 3.01%
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%	US Bonds 2.96%	US Bonds 2.96%
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%	Small Cap 2.74%	Small Cap 2.74%
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%	Cash 1.16%	Cash 1.16%
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%	Core Real Estate -3.33%	Core Real Estate -3.33%
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%	Commod. -5.36%	Commod. -5.36%

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

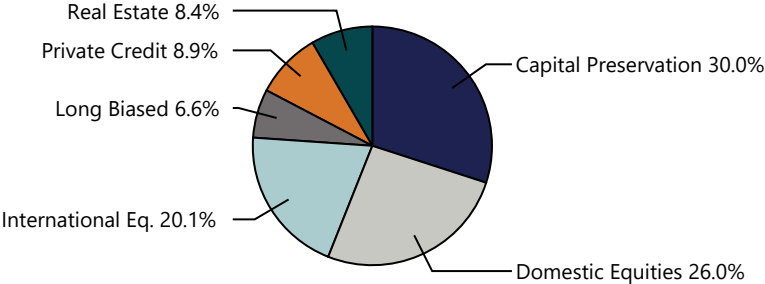
Source: Morningstar; Core Real Estate Source: NCREIF

Section 2 | Performance Overview

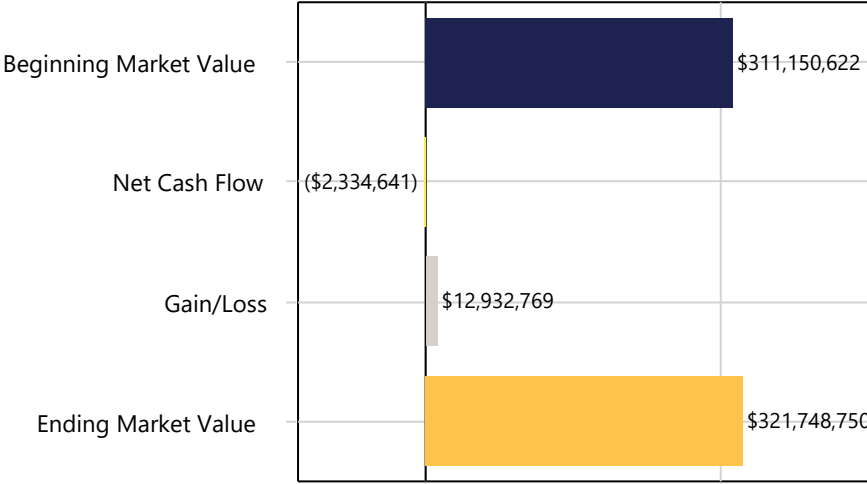
Spokane Employees' Retirement System

As of March 31, 2023

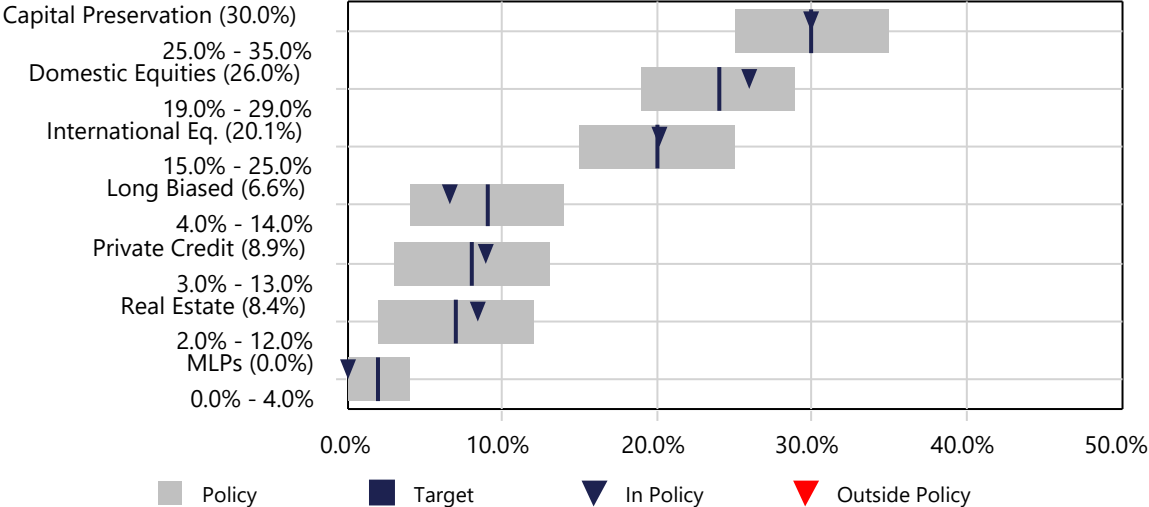
SERS Current Allocation



Current Quarter



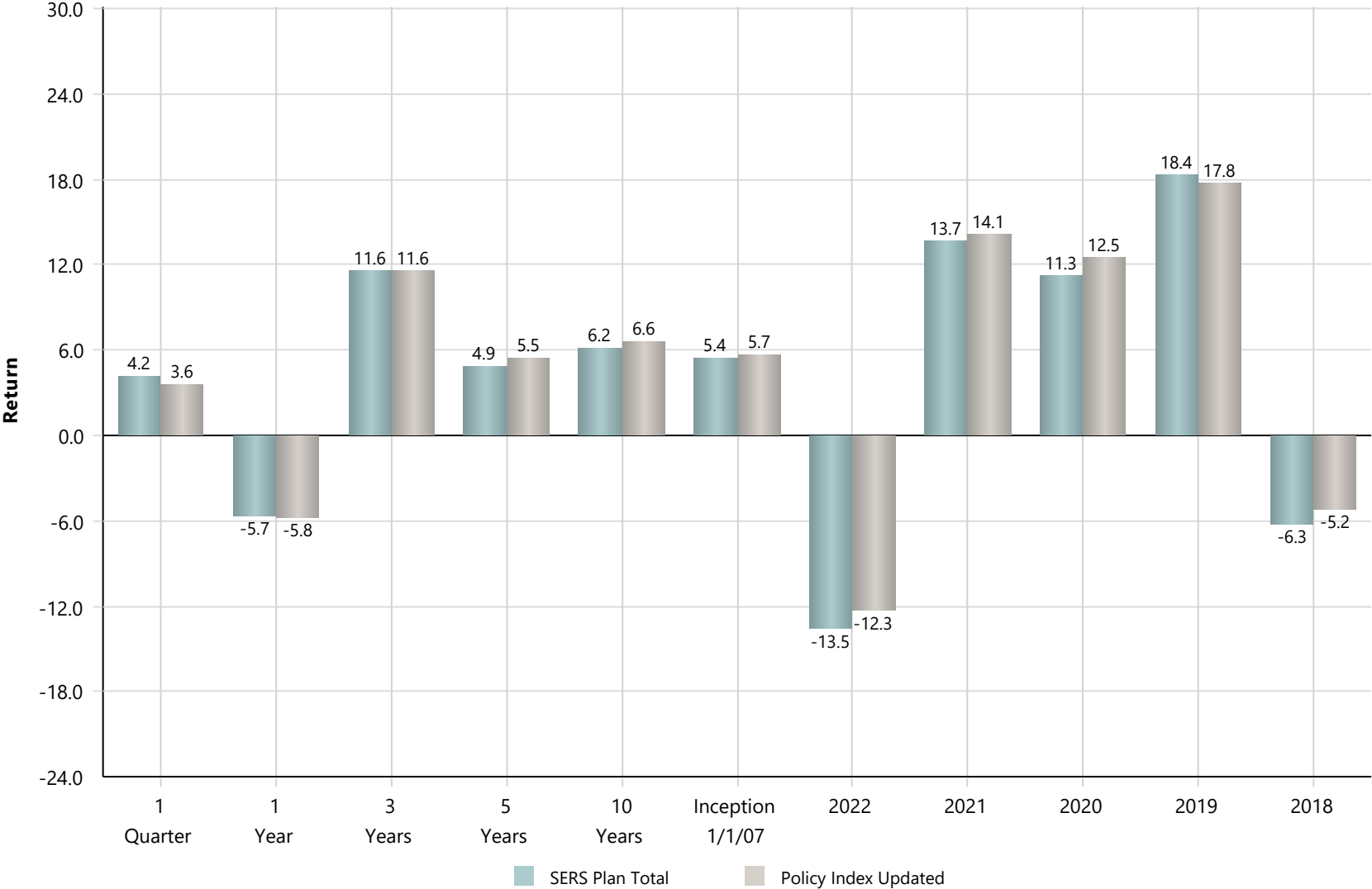
Executive Summary



Policy Breakdown

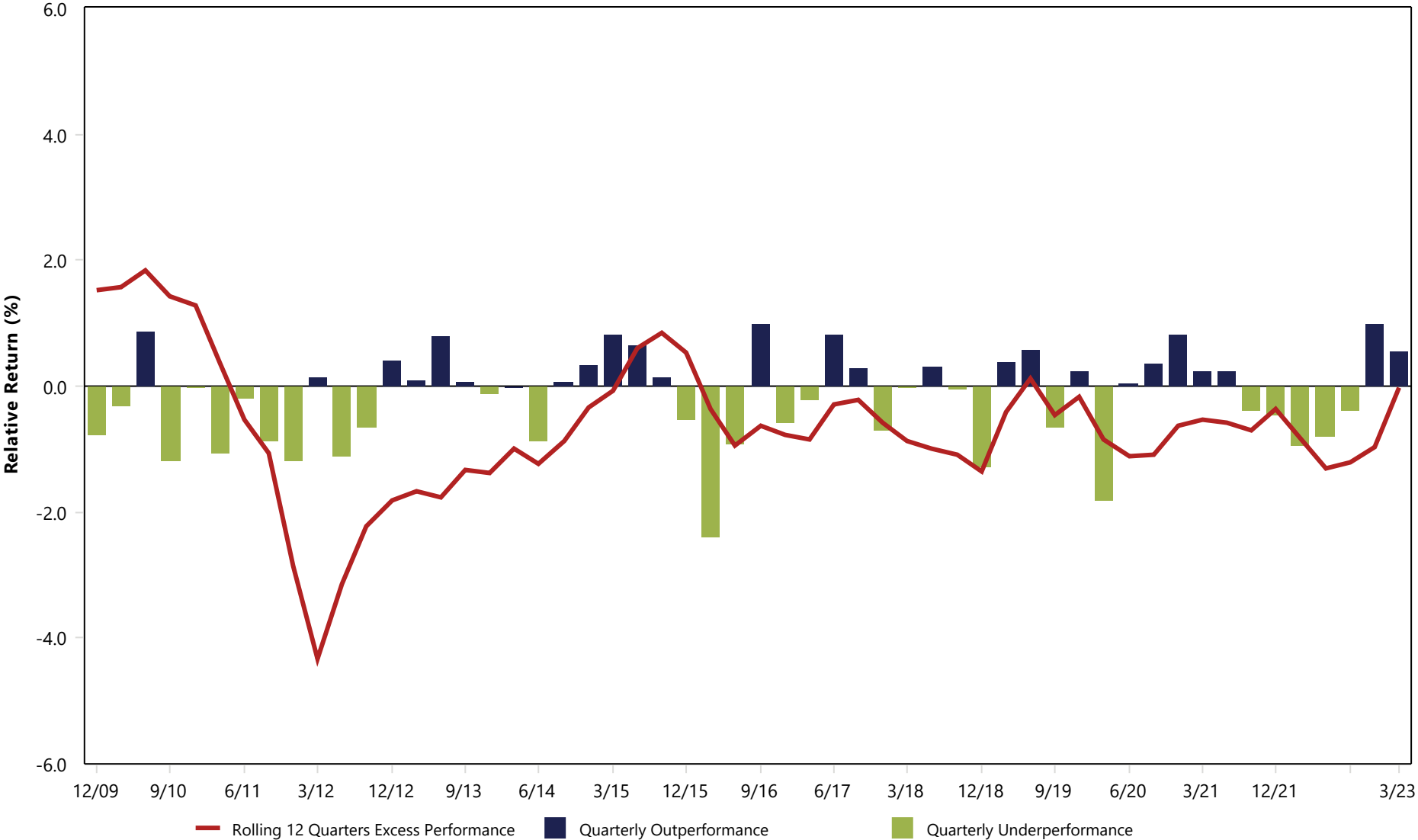
Passive Portfolios	Weight (%)
Blmbg. U.S. Aggregate Index	17.0
Blmbg. U.S. Corp: High Yield Index	8.0
HFRI FOF: Conservative Index	5.0
S&P 500 Index	16.0
Russell 2500 Index	8.0
MSCI AC World ex USA (Net)	10.0
MSCI AC World ex USA Small Cap (Net)	5.0
MSCI Emerging Markets (Net)	5.0
HFRI Fund of Funds Composite Index	9.0
HFRI ED: Distressed/Restructuring Index	8.0
NCREIF ODCE VW NET	3.5
FTSE NAREIT Comp REIT	3.5
Alerian MLP Index	2.0

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 March 31, 2023

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	-11.14	-10.34	-17.94	-16.12	-17.94	-17.38	
Return	11.58	11.59	4.86	5.46	5.43	5.72	
Cumulative Return	38.91	38.97	26.75	30.46	135.98	146.90	
Active Return	0.11	0.00	-0.39	0.00	-0.35	0.00	
Excess Return	11.17	11.06	4.59	4.98	5.13	5.48	

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	14.44	13.52	15.79	14.56	12.52	13.09	01/01/2007
Alpha	-0.69	0.00	-0.92	0.00	0.03	0.00	
Tracking Error	1.25	0.00	1.46	0.00	2.33	0.00	
Information Ratio	0.09	-	-0.27	-	-0.15	-	
Beta	1.07	1.00	1.08	1.00	0.94	1.00	
Sharpe Ratio	0.77	0.82	0.29	0.34	0.41	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	0.996	1.000	0.997	1.000	0.969	1.000	01/01/2007
Actual Correlation	0.998	1.000	0.999	1.000	0.984	1.000	

Spokane Employees' Retirement System

As of March 31, 2023

Total Account Performance Summary

	Performance (%)												
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
SERS Plan Total	4.18	-5.67	11.58	4.86	6.16	5.43	-13.50	13.66	11.29	18.35	-6.27	15.40	01/01/2007
Policy Index Updated	3.62	-5.83	11.59	5.46	6.61	5.72	-12.34	14.08	12.48	17.76	-5.17	15.20	
Over/Under	0.56	0.16	-0.01	-0.60	-0.45	-0.29	-1.16	-0.42	-1.19	0.59	-1.10	0.20	
70/30 ACWI/Bloomberg Aggregate Bond	6.00	-6.43	9.84	5.38	6.22	5.15	-16.59	12.25	14.28	21.21	-6.48	17.50	
Over/Under	-1.82	0.76	1.74	-0.52	-0.06	0.28	3.09	1.41	-2.99	-2.86	0.21	-2.10	
Corp/ and Public >250m and < \$1Bil Rank	69	34	15	51	51	58	31	31	81	67	75	49	
Capital Preservation	2.24	-2.32	2.84	1.54	2.26	2.58	-7.41	2.35	3.29	8.71	-0.94	5.85	07/01/2012
Capital Preservation Index	2.78	-2.05	2.82	2.61	2.77	3.07	-8.13	3.07	7.23	9.09	-0.72	4.60	
Over/Under	-0.54	-0.27	0.02	-1.07	-0.51	-0.49	0.72	-0.72	-3.94	-0.38	-0.22	1.25	
Domestic Equity	6.26	-8.13	19.02	8.95	10.62	11.61	-18.25	25.73	17.45	29.14	-7.80	19.86	07/01/2012
Domestic Equity Index	6.19	-8.54	19.01	9.72	11.23	12.21	-18.16	25.09	19.22	30.24	-6.30	20.11	
Over/Under	0.07	0.41	0.01	-0.77	-0.61	-0.60	-0.09	0.64	-1.77	-1.10	-1.50	-0.25	
All Cap Blend Rank	35	58	38	44	41	40	61	49	39	42	47	42	
International Equity Total	7.73	-2.85	15.40	4.04	5.90	4.81	-17.36	9.68	17.63	25.02	-15.78	28.45	04/01/2007
International Equity Index	5.61	-7.18	11.74	1.83	4.03	2.84	-17.24	7.30	12.43	21.27	-14.96	29.35	
Over/Under	2.12	4.33	3.66	2.21	1.87	1.97	-0.12	2.38	5.20	3.75	-0.82	-0.90	
Foreign Rank	53	48	18	21	19	10	53	58	27	37	52	39	
Long Biased	0.62	-4.35	6.19	5.06	3.75	4.28	-8.37	4.52	16.54	12.74	2.43	1.19	07/01/2012
HFRI Fund of Funds Composite Idx	0.71	-1.93	7.17	3.10	3.24	3.68	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	-0.09	-2.42	-0.98	1.96	0.51	0.60	-3.06	-1.65	5.66	4.35	6.45	-6.58	
S&P 500 Index	7.50	-7.73	18.60	11.19	12.24	13.00	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	-6.88	3.38	-12.41	-6.13	-8.49	-8.72	9.74	-24.19	-1.86	-18.75	6.81	-20.64	

Capital Preservation Index: Blmbg.Aggregate: 56.67%; HFRI Conservative: 16.66% Blmbg.High Yield: 26.67%
 Domestic Equity Index: S&P 500: 66.67%; Russell 2500: 33.33%
 International Index: MSCI ACWI ex US: 50.0%; MSCI ACWI ex US Small Cap: 25.0%; MSCI Emerging Mkts: 25.0%

Spokane Employees' Retirement System

As of March 31, 2023

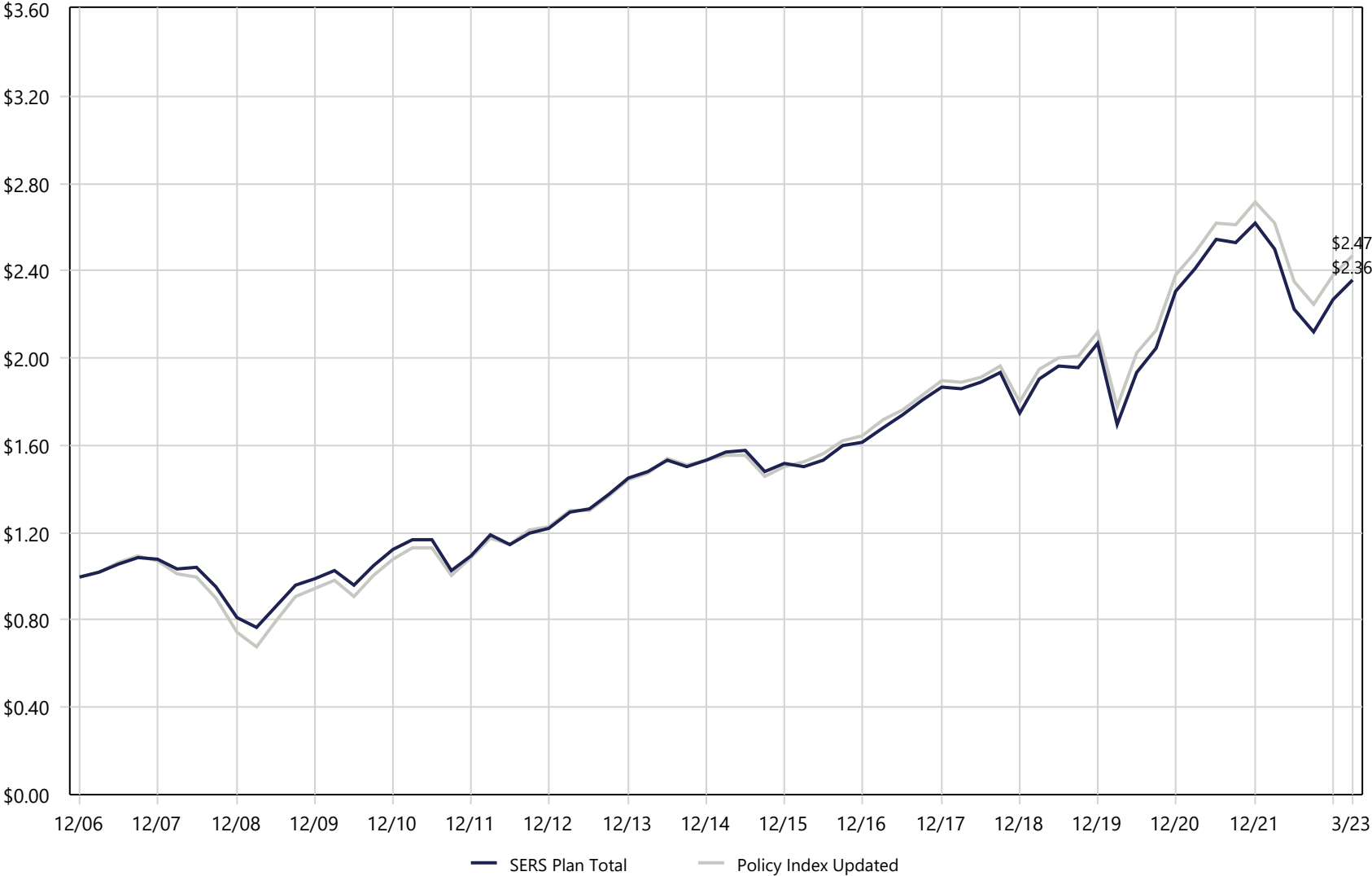
	Performance (%)												
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Private Credit	1.98	-7.70	11.61	1.72	-	4.13	-8.09	20.58	1.81	1.14	-5.68	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Idx	0.88	-4.62	12.24	4.73	4.35	4.08	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	1.10	-3.08	-0.63	-3.01	-	0.05	-3.82	4.97	-10.01	-1.80	-3.98	0.83	
Real Estate Total	0.99	-9.04	8.30	6.39	8.33	5.58	-10.62	27.75	-2.65	16.62	3.68	10.01	04/01/2007
NCREIF ODCE VW NET	-3.38	-3.91	7.46	6.56	8.47	5.38	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	4.37	-5.13	0.84	-0.17	-0.14	0.20	-17.17	6.73	-2.99	12.23	-3.68	3.35	
FTSE NAREIT All REITs Index	1.49	-19.76	10.31	5.66	6.09	4.69	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	-0.50	10.72	-2.01	0.73	2.24	0.89	14.48	-12.13	3.21	-11.45	7.78	0.74	
Real Estate Rank	92	1	88	29	2	10	1	90	24	99	1	11	

Capital Preservation Index: Blmbg.Aggregate: 56.67%; HFRI Conservative: 16.66% Blmbg.High Yield: 26.67%
 Domestic Equity Index: S&P 500: 66.67%; Russell 2500: 33.33%
 International Index: MSCI ACWI ex US: 50.0%; MSCI ACWI ex US Small Cap: 25.0%; MSCI Emerging Mkts: 25.0%

Spokane Employees' Retirement System

Since Inception Ending March 31, 2023

Growth of A Dollar

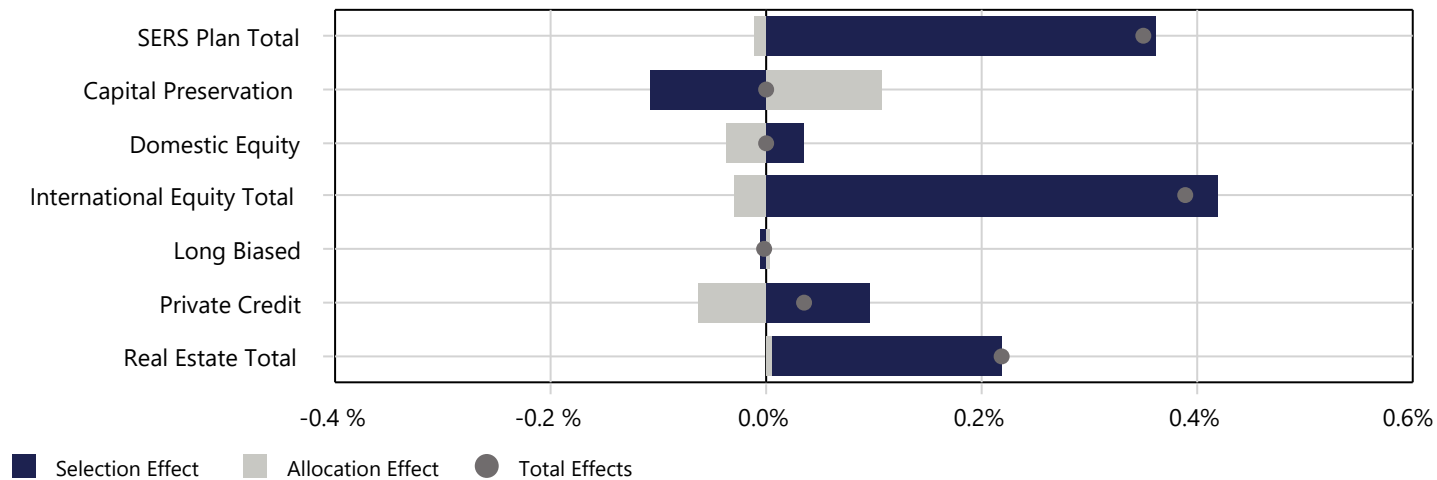


Calculation based on quarterly periodicity.

Attribution Summary 1 Quarter Ending March 31, 2023

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	2.24	2.78	-0.54	-0.19	0.11	0.00
Domestic Equity	6.26	6.19	0.07	-0.04	-0.04	0.00
International Equity Total	7.73	5.61	2.12	0.36	-0.03	0.39
Long Biased	0.62	0.71	-0.09	-0.02	0.00	0.00
Private Credit	1.98	0.88	1.09	0.07	-0.06	0.03
Real Estate Total	0.99	-1.65	2.64	0.19	0.01	0.22
SERS Plan Total	4.18	3.83	0.35	0.36	-0.01	0.35

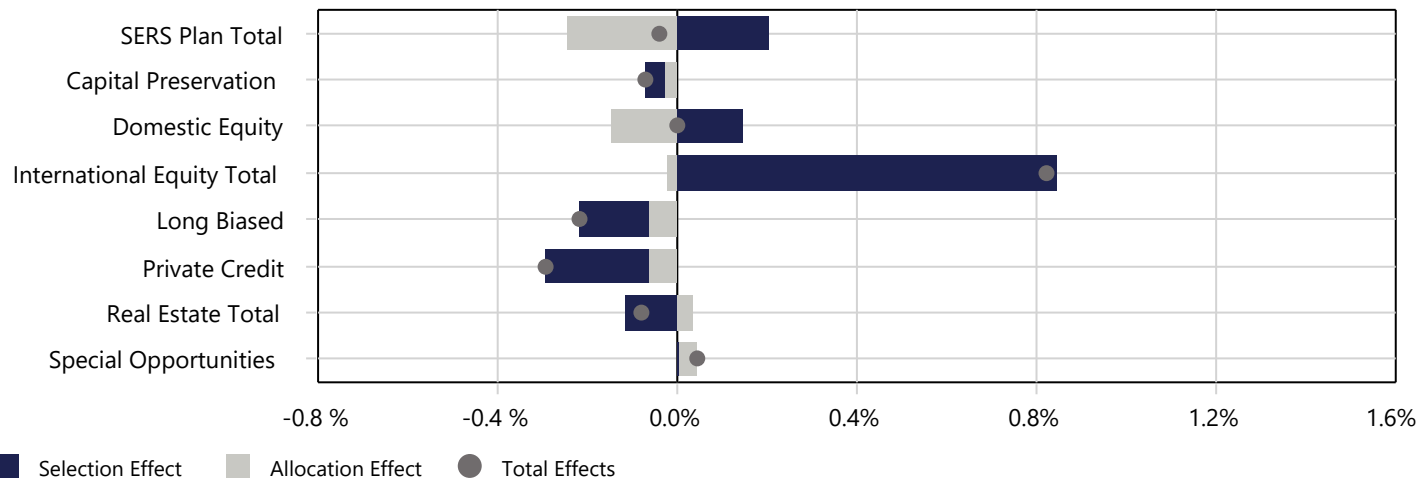
Attribution Effects 1 Quarter Ending March 31, 2023



Attribution Summary 1 Year Ending March 31, 2023

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	-2.32	-2.05	-0.27	-0.10	-0.03	-0.07
Domestic Equity	-8.13	-8.54	0.40	0.07	-0.15	0.00
International Equity Total	-2.85	-7.18	4.33	0.80	-0.02	0.83
Long Biased	-4.35	-1.93	-2.41	-0.17	-0.06	-0.22
Private Credit	-7.70	-4.62	-3.08	-0.25	-0.06	-0.29
Real Estate Total	-9.04	-8.78	-0.26	-0.14	0.03	-0.08
Special Opportunities	-8.45	-14.70	6.25	0.00	0.04	0.04
SERS Plan Total	-5.67	-5.63	-0.04	0.20	-0.24	-0.04

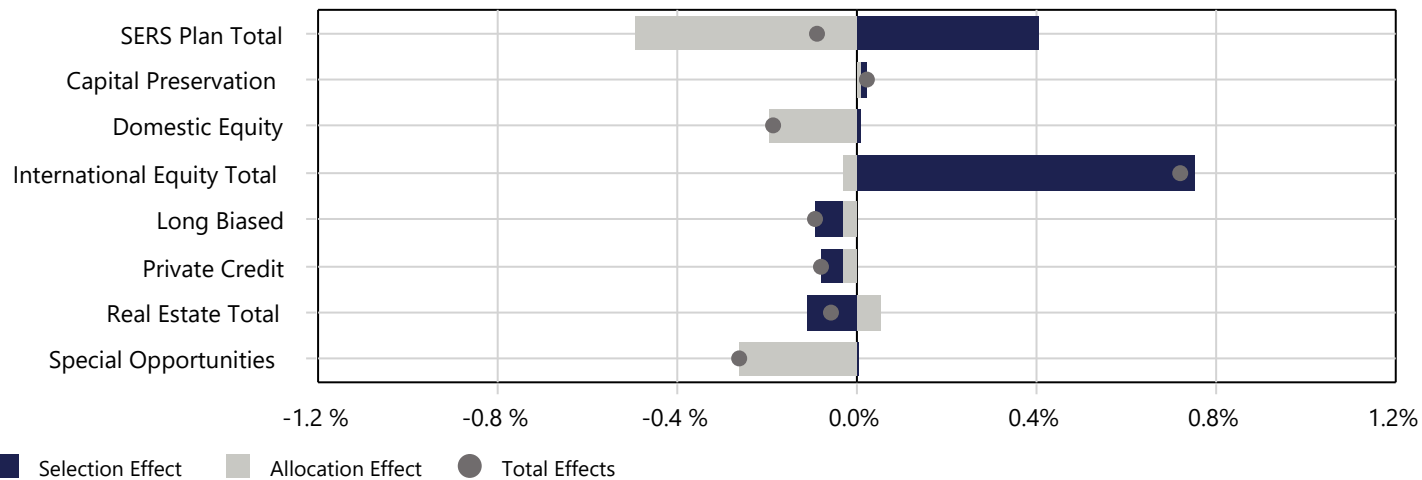
Attribution Effects 1 Year Ending March 31, 2023



Attribution Summary 3 Years Ending March 31, 2023

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	2.84	2.82	0.02	-0.02	0.01	0.02
Domestic Equity	19.02	19.01	0.01	-0.04	-0.20	-0.19
International Equity Total	15.40	11.74	3.67	0.72	-0.03	0.72
Long Biased	6.19	7.17	-0.98	-0.07	-0.03	-0.10
Private Credit	11.61	12.24	-0.62	-0.06	-0.03	-0.08
Real Estate Total	8.30	8.90	-0.60	-0.12	0.05	-0.06
Special Opportunities	0.84	15.77	-14.93	0.00	-0.26	-0.26
SERS Plan Total	11.58	11.67	-0.09	0.41	-0.50	-0.09

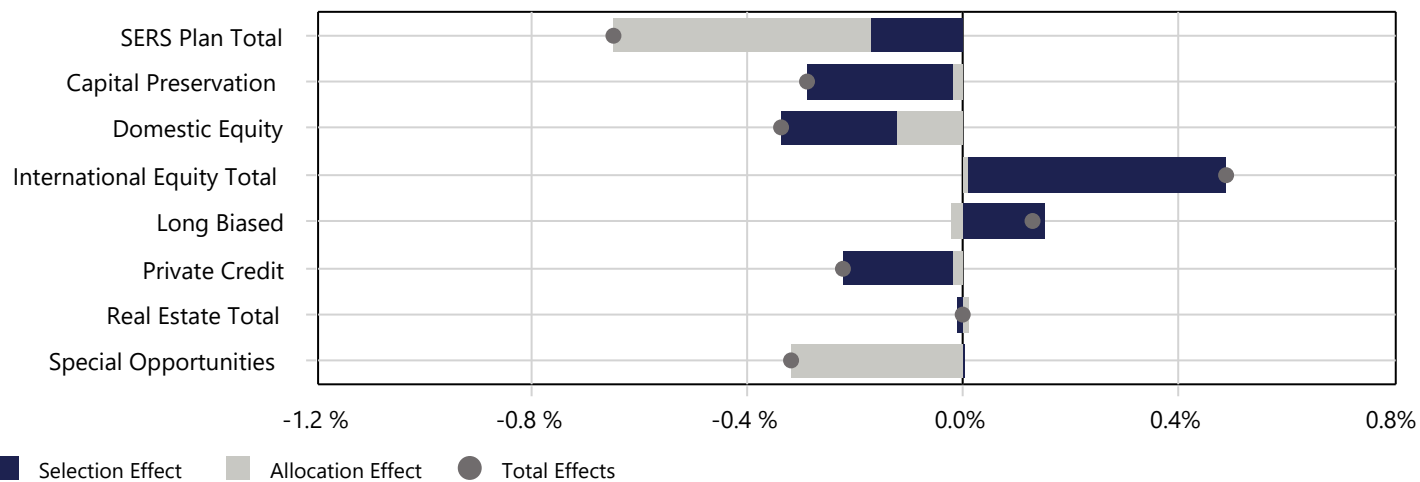
Attribution Effects 3 Years Ending March 31, 2023



Attribution Summary 5 Years Ending March 31, 2023

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	1.54	2.61	-1.07	-0.29	-0.02	-0.29
Domestic Equity	8.95	9.72	-0.77	-0.25	-0.12	-0.34
International Equity Total	4.04	1.83	2.21	0.46	0.01	0.49
Long Biased	5.06	3.10	1.96	0.14	-0.02	0.13
Private Credit	1.72	4.73	-3.01	-0.21	-0.02	-0.22
Real Estate Total	6.39	6.09	0.30	-0.02	0.01	0.00
Special Opportunities	-5.43	8.93	-14.36	0.00	-0.32	-0.32
SERS Plan Total	4.86	5.51	-0.65	-0.17	-0.48	-0.65

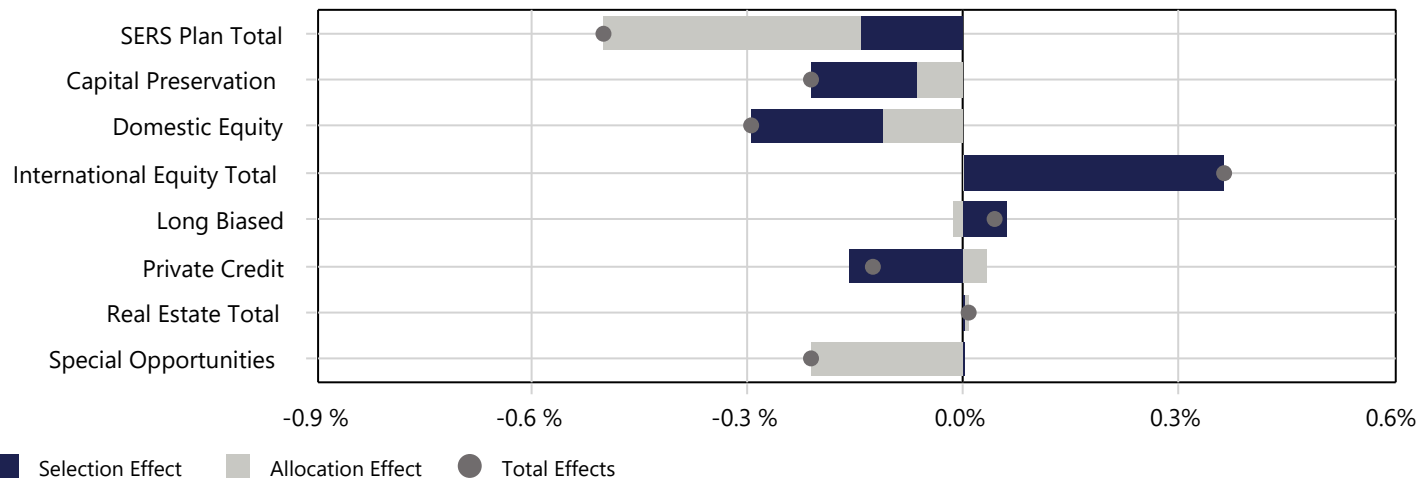
Attribution Effects 5 Years Ending March 31, 2023



Attribution Summary
January 1, 2017 Ending March 31, 2023

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	2.13	2.72	-0.59	-0.16	-0.06	-0.21
Domestic Equity	10.16	10.81	-0.65	-0.21	-0.11	-0.30
International Equity Total	7.30	5.61	1.69	0.34	0.00	0.36
Long Biased	4.44	3.75	0.69	0.05	-0.01	0.05
Private Credit	2.62	4.82	-2.20	-0.16	0.03	-0.13
Real Estate Total	6.63	6.26	0.36	0.00	0.01	0.01
Special Opportunities	-0.79	10.30	-11.09	0.00	-0.21	-0.21
SERS Plan Total	6.23	6.74	-0.50	-0.14	-0.36	-0.50

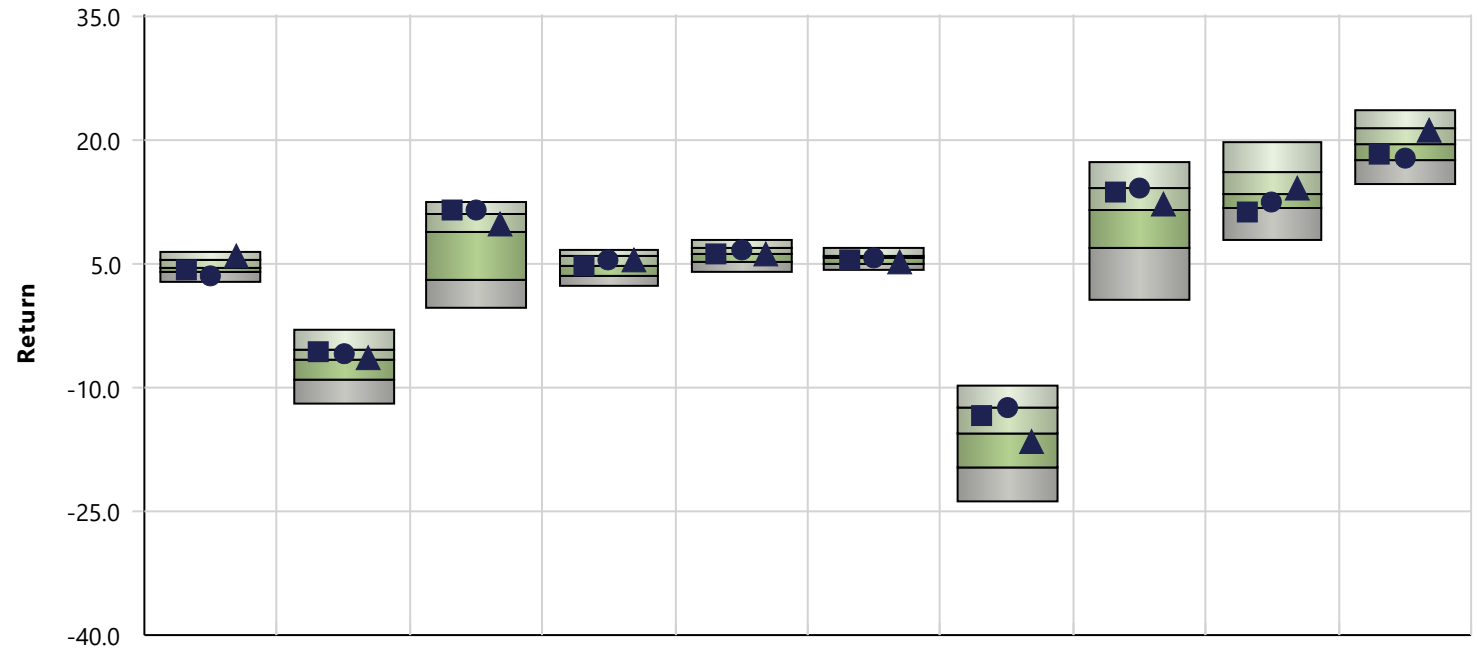
Attribution Effects
January 1, 2017 Ending March 31, 2023



Spokane Employees' Retirement System

As of March 31, 2023

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



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019
■ SERS Plan Total	4.2 (69)	-5.7 (34)	11.6 (15)	4.9 (51)	6.2 (51)	5.4 (58)	-13.5 (31)	13.7 (31)	11.3 (81)	18.4 (67)
● Policy Index Updated	3.6 (83)	-5.8 (40)	11.6 (15)	5.5 (33)	6.6 (33)	5.7 (43)	-12.3 (25)	14.1 (27)	12.5 (66)	17.8 (72)
▲ 70/30 ACWI/Bloomberg Aggregate Bond	6.0 (13)	-6.4 (48)	9.8 (43)	5.4 (35)	6.2 (45)	5.2 (70)	-16.6 (59)	12.2 (43)	14.3 (45)	21.2 (28)

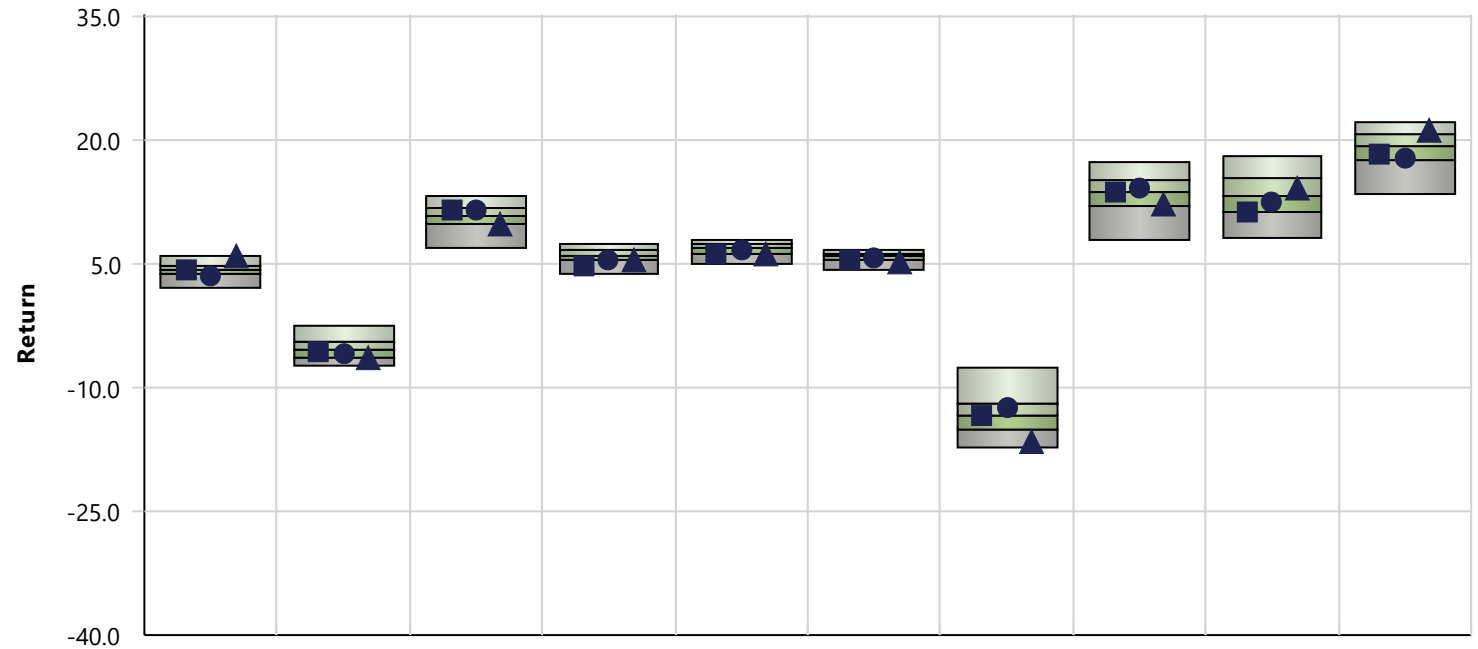
5th Percentile	6.5	-3.0	12.4	6.7	7.9	6.9	-9.7	17.4	19.7	23.6
1st Quartile	5.6	-5.3	11.0	5.9	6.9	6.0	-12.5	14.2	16.1	21.4
Median	4.6	-6.5	8.9	4.9	6.2	5.6	-15.6	11.5	13.5	19.5
3rd Quartile	3.9	-9.0	3.0	3.5	5.3	5.1	-19.6	6.9	11.7	17.6
95th Percentile	2.7	-11.9	-0.4	2.3	3.9	4.3	-23.7	0.5	7.9	14.7
Population	221	209	199	187	155	105	273	332	366	382

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

As of March 31, 2023

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



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019
■ SERS Plan Total	4.2 (59)	-5.7 (60)	11.6 (31)	4.9 (88)	6.2 (81)	5.4 (77)	-13.5 (52)	13.7 (51)	11.3 (78)	18.4 (62)
● Policy Index Updated	3.6 (82)	-5.8 (65)	11.6 (31)	5.5 (77)	6.6 (65)	5.7 (57)	-12.3 (32)	14.1 (43)	12.5 (59)	17.8 (73)
▲ 70/30 ACWI/Bloomberg Aggregate Bond	6.0 (5)	-6.4 (76)	9.8 (74)	5.4 (79)	6.2 (79)	5.2 (85)	-16.6 (91)	12.2 (73)	14.3 (38)	21.2 (16)

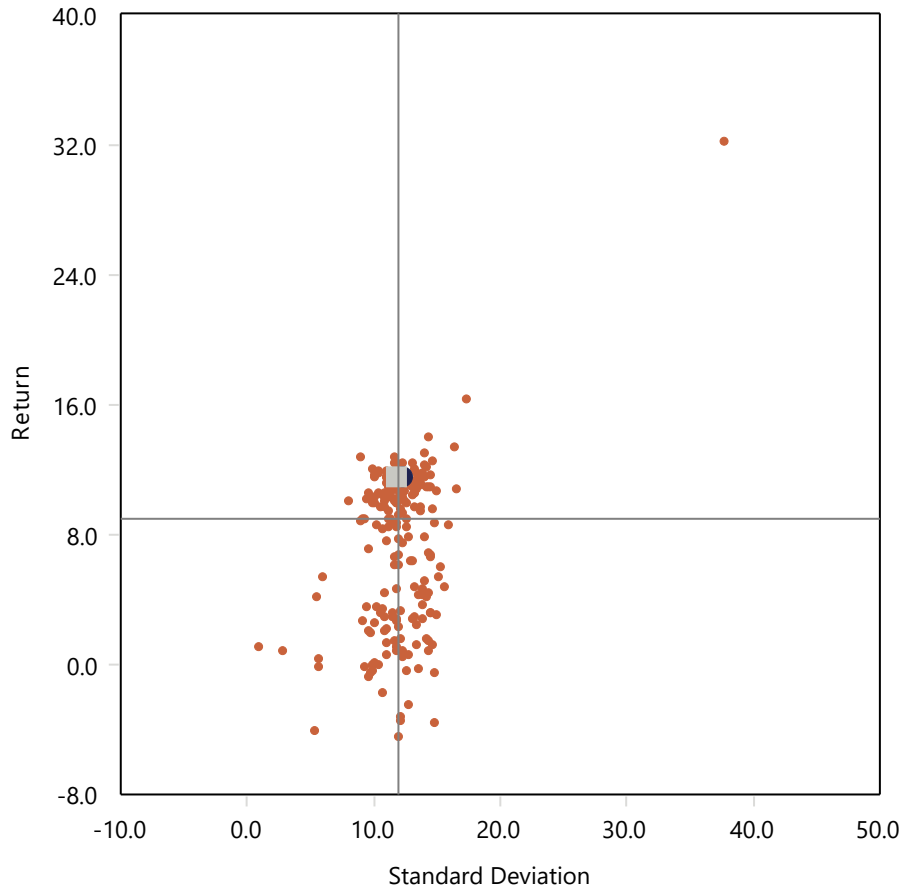
5th Percentile	5.9	-2.6	13.2	7.5	8.0	6.6	-7.6	17.3	17.9	22.3
1st Quartile	4.7	-4.4	11.8	6.7	7.4	6.2	-11.9	15.2	15.4	20.6
Median	4.3	-5.3	10.9	6.0	6.8	5.9	-13.5	13.7	13.2	19.2
3rd Quartile	3.8	-6.4	9.7	5.6	6.3	5.4	-15.2	11.9	11.4	17.5
95th Percentile	2.2	-7.4	6.9	3.7	5.1	4.3	-17.3	8.0	8.1	13.4
Population	183	178	173	166	134	86	228	259	274	269

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

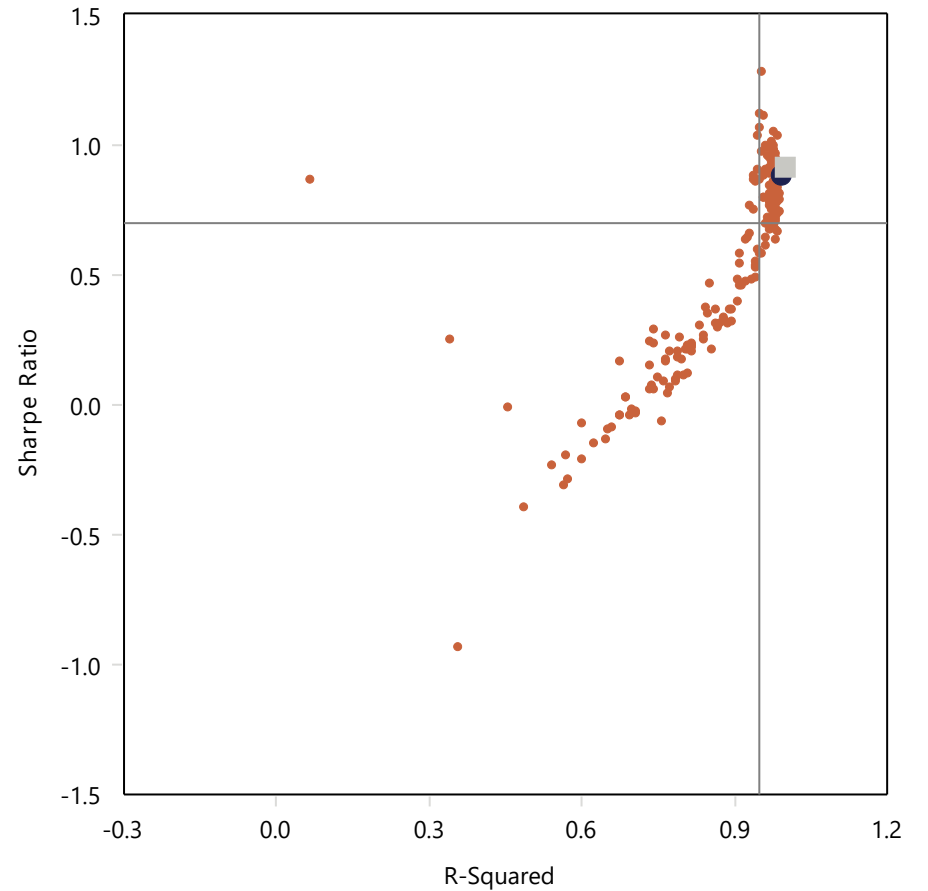
As of March 31, 2023

Annualized Return vs Annualized Standard Deviation Trailing 3 Years



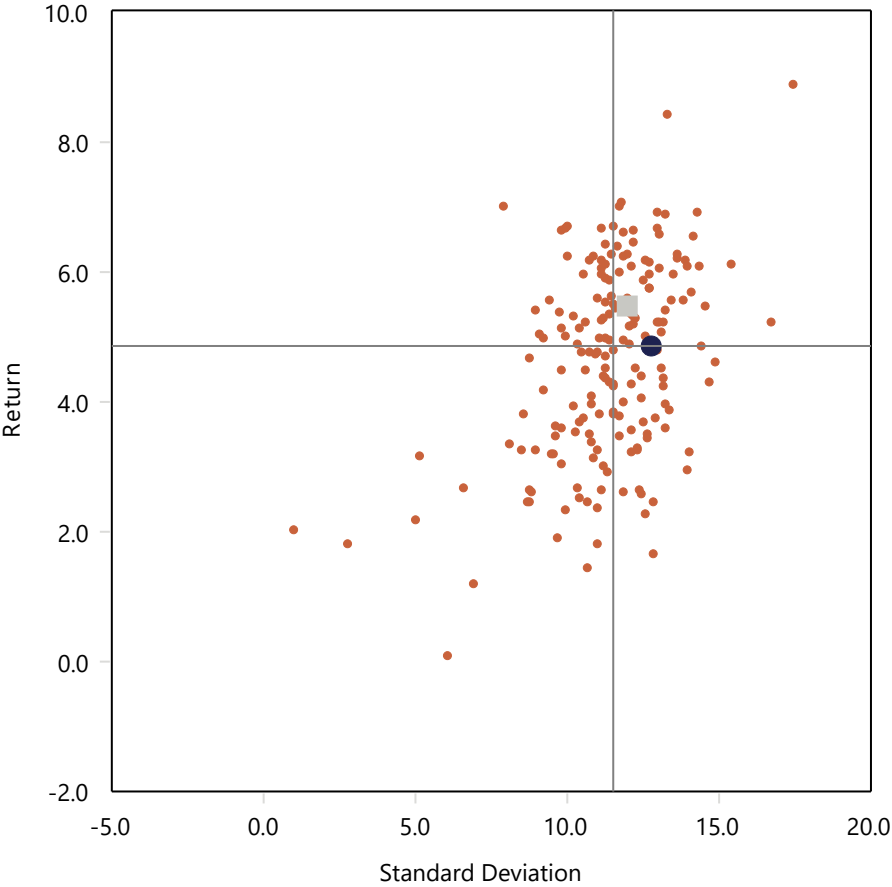
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared Trailing 3 Years



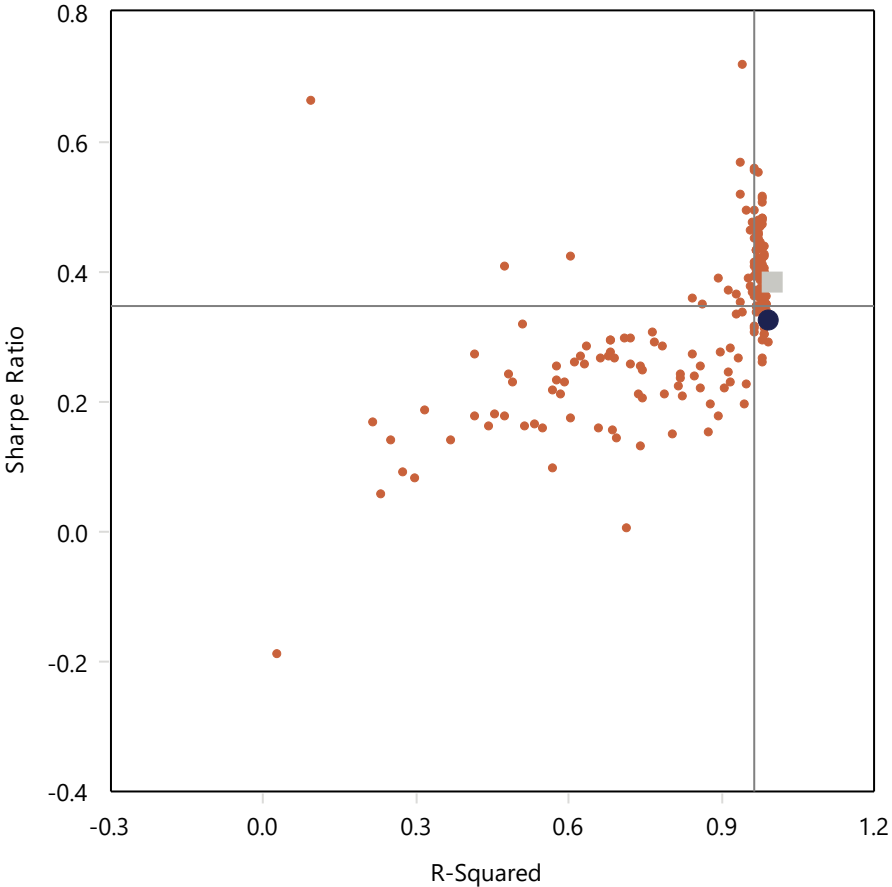
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Annualized Return vs Annualized Standard Deviation
Trailing 5 Years



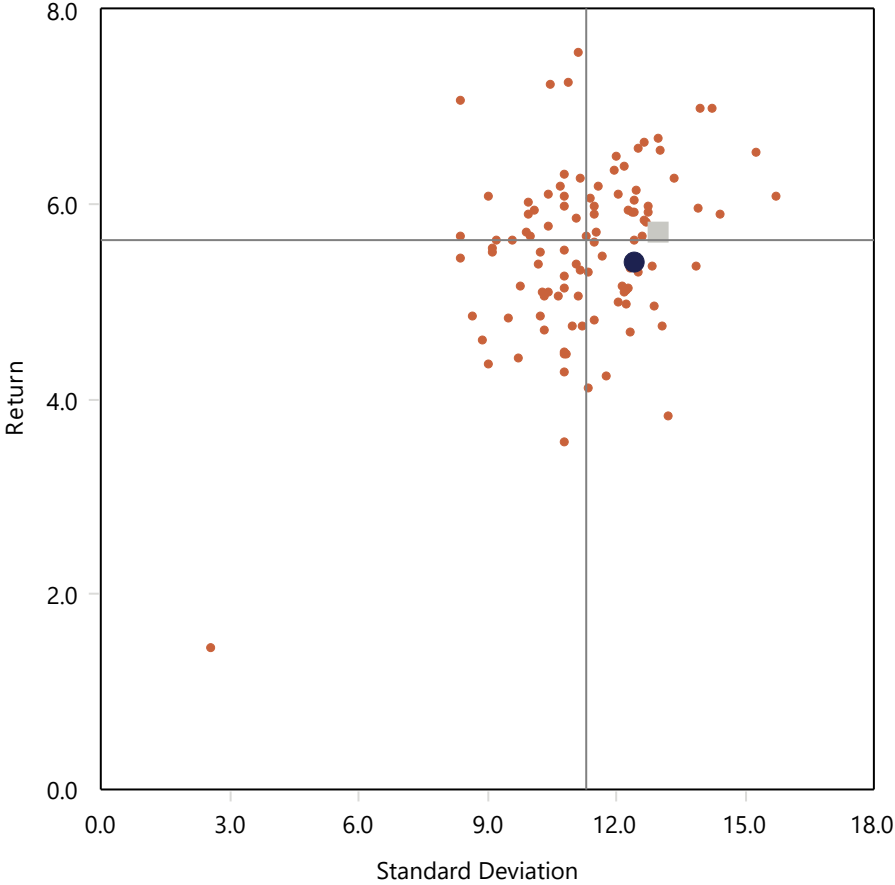
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared
Trailing 5 Years



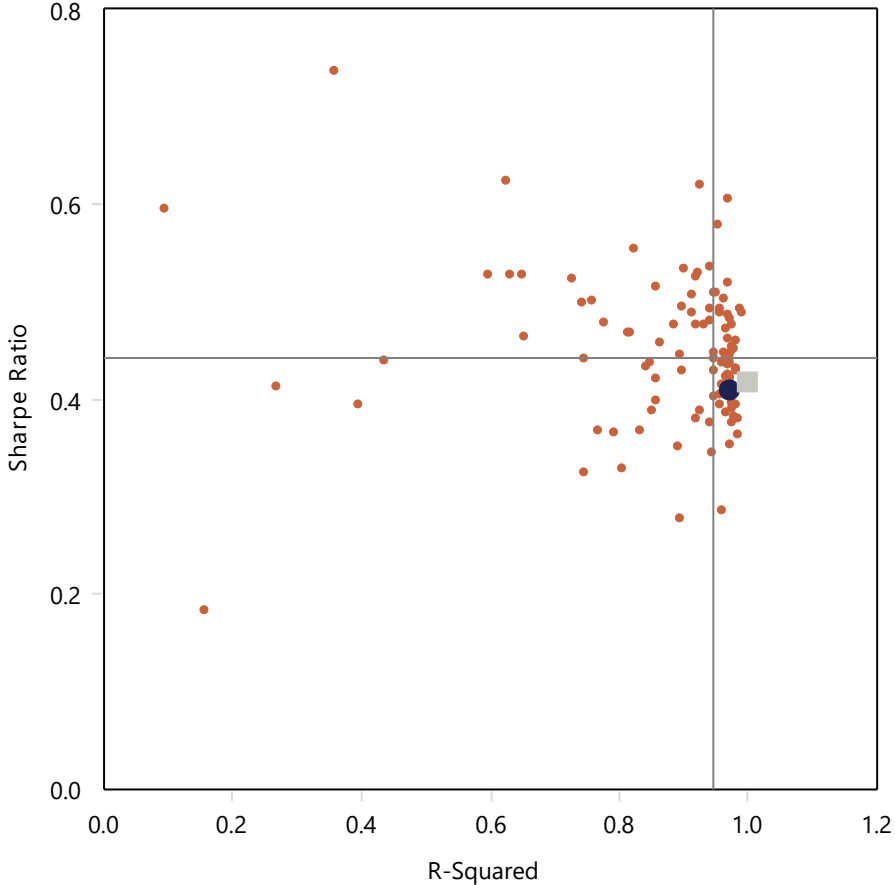
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

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 March 31, 2023

Asset Class Performance

	Performance (%)											
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Capital Preservation	2.24	-2.32	2.84	1.54	2.58	-7.41	2.35	3.29	8.71	-0.94	5.85	07/01/2012
Capital Preservation Index	2.78	-2.05	2.82	2.61	3.07	-8.13	3.07	7.23	9.09	-0.72	4.60	
Over/Under	-0.54	-0.27	0.02	-1.07	-0.49	0.72	-0.72	-3.94	-0.38	-0.22	1.25	
Total Return Bond	2.67	-4.88	-1.25	1.44	1.14	-12.70	-1.03	9.29	9.38	-0.09	4.20	10/01/2016
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	0.54	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-0.29	-0.10	1.52	0.54	0.60	0.31	0.52	1.78	0.66	-0.10	0.66	
Intermediate Core Bond Rank	84	36	13	11	9	22	23	17	17	32	16	
High Yield	3.40	-3.39	7.78	1.83	3.80	-9.70	6.83	3.04	9.71	-3.46	8.22	07/01/2012
Blmbg. U.S. Corp: High Yield Index	3.57	-3.34	5.91	3.21	4.83	-11.19	5.28	7.11	14.32	-2.08	7.50	
Over/Under	-0.17	-0.05	1.87	-1.38	-1.03	1.49	1.55	-4.07	-4.61	-1.38	0.72	
High Yield Bond Rank	40	45	8	81	64	30	12	84	88	67	13	
Absolute Return	1.48	0.05	4.23	1.25	2.88	-2.26	4.12	-2.62	8.10	-1.11	5.33	07/01/2012
HFRI FOF: Conservative Index	0.84	0.76	7.60	3.92	3.79	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	0.64	-0.71	-3.37	-2.67	-0.91	-2.34	-3.50	-9.09	1.80	-0.24	1.21	
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.42	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-1.48	4.83	7.00	0.35	1.46	10.75	5.67	-10.13	-0.62	-1.12	1.79	
Domestic Equity	6.26	-8.13	19.02	8.95	11.61	-18.25	25.73	17.45	29.14	-7.80	19.86	07/01/2012
Domestic Equity Index	6.19	-8.54	19.01	9.72	12.21	-18.16	25.09	19.22	30.24	-6.30	20.11	
Over/Under	0.07	0.41	0.01	-0.77	-0.60	-0.09	0.64	-1.77	-1.10	-1.50	-0.25	
All Cap Blend Rank	35	58	38	44	40	61	49	39	42	47	42	

Spokane Employees' Retirement System

As of March 31, 2023

	Performance (%)											
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Domestic Large Cap Equity	7.48	-7.65	19.60	10.15	8.66	-18.11	29.12	17.47	30.06	-7.70	22.54	04/01/2007
S&P 500 Index	7.50	-7.73	18.60	11.19	9.04	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	-0.02	0.08	1.00	-1.04	-0.38	0.00	0.41	-0.93	-1.43	-3.32	0.71	
Large Blend Rank	22	51	16	47	37	51	17	48	48	75	24	
Domestic Small/Mid Equity	3.98	-9.04	18.10	6.70	10.57	-18.52	19.65	17.46	27.27	-8.05	14.91	07/01/2012
Russell 2500 Index	3.39	-10.39	19.42	6.65	10.50	-18.37	18.18	19.99	27.77	-10.00	16.81	
Over/Under	0.59	1.35	-1.32	0.05	0.07	-0.15	1.47	-2.53	-0.50	1.95	-1.90	
SMID Blend Rank	31	62	71	39	31	72	74	27	32	12	41	
International Equity Total	7.73	-2.85	15.40	4.04	4.81	-17.36	9.68	17.63	25.02	-15.78	28.45	04/01/2007
International Equity Index	5.61	-7.18	11.74	1.83	2.84	-17.24	7.30	12.43	21.27	-14.96	29.35	
Over/Under	2.12	4.33	3.66	2.21	1.97	-0.12	2.38	5.20	3.75	-0.82	-0.90	
Foreign Rank	53	48	18	21	10	53	58	27	37	52	39	
International Large Cap Equity	10.78	2.40	17.58	5.66	8.52	-14.41	9.94	17.08	25.78	-15.14	27.50	07/01/2012
MSCI AC World ex USA (Net)	6.87	-5.07	11.80	2.47	5.42	-16.00	7.82	10.65	21.51	-14.20	27.19	
Over/Under	3.91	7.47	5.78	3.19	3.10	1.59	2.12	6.43	4.27	-0.94	0.31	
Foreign Large Blend Rank	7	9	5	7	2	30	54	14	22	52	28	
International Small/Mid Cap Equity	6.81	-8.68	13.86	1.69	6.94	-23.14	12.40	15.42	27.88	-20.33	37.08	07/01/2012
MSCI AC World ex USA Small Cap (Net)	4.70	-10.37	15.04	1.67	6.60	-19.97	12.93	14.24	22.42	-18.20	31.65	
Over/Under	2.11	1.69	-1.18	0.02	0.34	-3.17	-0.53	1.18	5.46	-2.13	5.43	
Emerging Markets Equity	1.86	-12.50	10.09	0.63	3.44	-23.03	5.61	23.38	18.64	-14.62	23.58	07/01/2012
MSCI Emerging Markets (Net)	3.96	-10.70	7.83	-0.91	2.93	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	-2.10	-1.80	2.26	1.54	0.51	-2.94	8.15	5.07	0.22	-0.05	-13.70	
Diversified Emerging Mkts Rank	95	81	29	23	36	57	17	32	63	31	94	

Spokane Employees' Retirement System

As of March 31, 2023

	Performance (%)											
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Long Biased	0.62	-4.35	6.19	5.06	4.28	-8.37	4.52	16.54	12.74	2.43	1.19	07/01/2012
HFRI Fund of Funds Composite Index	0.71	-1.93	7.17	3.10	3.68	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	-0.09	-2.42	-0.98	1.96	0.60	-3.06	-1.65	5.66	4.35	6.45	-6.58	
S&P 500 Index	7.50	-7.73	18.60	11.19	13.00	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	-6.88	3.38	-12.41	-6.13	-8.72	9.74	-24.19	-1.86	-18.75	6.81	-20.64	
Private Credit	1.98	-7.70	11.61	1.72	4.13	-8.09	20.58	1.81	1.14	-5.68	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Index	0.88	-4.62	12.24	4.73	4.08	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	1.10	-3.08	-0.63	-3.01	0.05	-3.82	4.97	-10.01	-1.80	-3.98	0.83	
Real Estate Total	0.99	-9.04	8.30	6.39	5.58	-10.62	27.75	-2.65	16.62	3.68	10.01	04/01/2007
NCREIF Fund Index-ODCE (VW) (Net)	-3.38	-3.91	7.46	6.56	5.38	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	4.37	-5.13	0.84	-0.17	0.20	-17.17	6.73	-2.99	12.23	-3.68	3.35	
FTSE NAREIT All REITs Index	1.49	-19.76	10.31	5.66	4.69	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	-0.50	10.72	-2.01	0.73	0.89	14.48	-12.13	3.21	-11.45	7.78	0.74	
Real Estate Rank	92	1	88	29	10	1	90	24	99	1	11	



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 1Q23, beating its index by 0.33%. Performance post the covid-crash (a three-year period as of this quarter) has been strong as the fund has outperformed by 1.99% annually. 1Q23's strong performance is attributable to generally positive credit selection and an underweight to challenged sectors such as telecommunications and financials. Management's assessment of the high yield opportunity set again was unchanged from the prior quarter: while economic fundamentals and market liquidity are unconvincing, 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. 1Q23's relative performance was not as strong, as longer-term bonds, which the strategy generally avoids rallied. 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. The fund lagged its performance benchmark in 1Q23 by -2.14%, due in part to its deeper-value investment style being out of favor. Stock selection and a minor overweight to financial stocks also weighed against performance. Retaining watch status for a slightly 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. In February of 2023, it was announced that longstanding co-manager Paul Gordon would be taking an extended leave of absence of unknown duration. Shortly thereafter, MFS stated that Paul Gordon would be retiring from his post for medical reasons and that they were not pursuing a replacement. The fund remains managed 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 departure 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 March 31, 2023

Manager Performance

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Capital Preservation													
Sterling Capital Total Return Bond I	2.98	-4.87	-1.44	1.26	1.80	0.98	-13.24	-1.22	9.24	9.26	-0.35	4.33	08/01/2016
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	0.50	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	0.02	-0.09	1.33	0.36	0.44	0.48	-0.23	0.33	1.73	0.54	-0.36	0.79	
Intermediate Core Bond Rank	62	35	17	16	9	13	39	32	17	20	47	12	
Fidelity US Bond Index	3.06	-4.78	-2.91	0.89	1.32	5.14	-13.03	-1.79	7.80	8.48	0.01	3.50	04/01/1990
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	5.21	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	0.10	0.00	-0.14	-0.01	-0.04	-0.07	-0.02	-0.24	0.29	-0.24	0.00	-0.04	
Intermediate Core Bond Rank	57	30	82	41	44	26	30	64	50	50	27	45	
Hotchkis & Wiley High Yield Z	3.90	-2.91	7.90	2.13	3.52	3.02	-9.69	6.83	3.83	9.77	-3.34	8.24	06/01/2015
Blmbg. U.S. Corp: High Yield Index	3.57	-3.34	5.91	3.21	4.10	3.83	-11.19	5.28	7.11	14.32	-2.08	7.50	
Over/Under	0.33	0.43	1.99	-1.08	-0.58	-0.81	1.50	1.55	-3.28	-4.55	-1.26	0.74	
High Yield Bond Rank	11	34	7	71	38	48	30	12	75	87	65	13	
Absolute Return													
Post Ltd Term High Yield	2.84	0.87	4.07	2.86	3.17	4.43	-3.86	2.98	3.56	8.46	0.34	3.19	07/01/2010
HFRI FOF: Conservative Index	0.84	0.76	7.60	3.92	3.44	3.33	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	2.00	0.11	-3.53	-1.06	-0.27	1.10	-3.94	-4.64	-2.91	2.16	1.21	-0.93	
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	2.08	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-0.12	5.65	6.84	1.96	1.81	2.35	9.15	4.53	-3.95	-0.26	0.33	-0.35	

Spokane Employees' Retirement System

As of March 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
PIMCO Dynamic Bond Instl	1.43	-2.53	1.76	1.19	1.59	-3.06	-6.88	0.31	5.43	4.81	1.97	6.41	04/01/2021
HFRI FOF: Conservative Index	0.84	0.76	7.60	3.92	3.44	2.39	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	0.59	-3.29	-5.84	-2.73	-1.85	-5.45	-6.96	-7.31	-1.04	-1.49	2.84	2.29	
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	-4.47	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-1.53	2.25	4.53	0.29	0.23	1.41	6.13	1.86	-2.08	-3.91	1.96	2.87	
Rimrock Low Volatility	1.41	-0.49	4.53	1.43	2.18	3.68	-2.88	5.89	-0.36	2.38	2.01	4.40	07/01/2010
HFRI FOF: Conservative Index	0.84	0.76	7.60	3.92	3.44	3.33	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	0.57	-1.25	-3.07	-2.49	-1.26	0.35	-2.96	-1.73	-6.83	-3.92	2.88	0.28	
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	2.08	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-1.55	4.29	7.30	0.53	0.82	1.60	10.13	7.44	-7.87	-6.34	2.00	0.86	
Polar Long/Short Fund	-0.81	0.34	6.38	5.29	4.63	4.83	3.22	3.25	13.07	8.49	0.24	4.20	10/01/2011
HFRI FOF: Conservative Index	0.84	0.76	7.60	3.92	3.44	3.61	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	-1.65	-0.42	-1.22	1.37	1.19	1.22	3.14	-4.37	6.60	2.19	1.11	0.08	
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	1.64	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-3.77	5.12	9.15	4.39	3.27	3.19	16.23	4.80	5.56	-0.23	0.23	0.66	
Domestic Equity													
Domestic Large Cap Equity													
Hotchkis & Wiley Diversified Value I	3.47	-4.04	27.44	8.46	10.04	10.40	-4.35	32.47	0.41	29.26	-14.74	18.39	10/01/2008
Russell 1000 Value Index	1.01	-5.91	17.93	7.50	9.13	8.84	-7.54	25.16	2.80	26.54	-8.27	13.66	
Over/Under	2.46	1.87	9.51	0.96	0.91	1.56	3.19	7.31	-2.39	2.72	-6.47	4.73	
Large Value Rank	10	35	2	33	20	9	38	6	73	13	95	26	

Spokane Employees' Retirement System

As of March 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Fidelity® 500 Index	7.50	-7.74	18.59	11.18	12.23	14.27	-18.13	28.69	18.40	31.47	-4.40	21.81	01/01/2019
S&P 500 Index	7.50	-7.73	18.60	11.19	12.24	14.28	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	0.00	-0.01	-0.01	-0.01	-0.01	-0.01	-0.02	-0.02	0.00	-0.02	-0.02	-0.02	
Large Blend Rank	20	53	26	16	10	19	51	22	36	23	25	33	
MFS Growth R6	10.75	-12.94	12.14	10.85	13.19	8.41	-31.08	23.76	31.74	37.81	2.68	30.99	09/01/2019
Russell 1000 Growth Index	14.37	-10.90	18.58	13.66	14.59	13.70	-29.14	27.60	38.49	36.39	-1.51	30.21	
Over/Under	-3.62	-2.04	-6.44	-2.81	-1.40	-5.29	-1.94	-3.84	-6.75	1.42	4.19	0.78	
Large Growth Rank	65	55	78	41	29	68	53	36	65	11	13	32	
Domestic Small/Mid Equity													
Sterling Mid Cap Value	-0.82	-13.78	19.95	4.66	8.10	9.34	-12.29	22.22	9.62	29.75	-17.67	14.27	01/01/2002
Russell Midcap Value Index	1.32	-9.22	20.69	6.54	8.80	9.27	-12.03	28.34	4.96	27.06	-12.29	13.34	
Over/Under	-2.14	-4.56	-0.74	-1.88	-0.70	0.07	-0.26	-6.12	4.66	2.69	-5.38	0.93	
Mid-Cap Value Rank	88	100	75	85	59	22	87	90	8	22	83	39	
Fidelity® Mid Cap Index	4.05	-8.74	19.19	8.06	10.05	11.89	-17.28	22.56	17.11	30.51	-9.05	18.47	01/01/2019
Russell Midcap Index	4.06	-8.78	19.20	8.05	10.05	11.89	-17.32	22.58	17.10	30.54	-9.06	18.52	
Over/Under	-0.01	0.04	-0.01	0.01	0.00	0.00	0.04	-0.02	0.01	-0.03	0.01	-0.05	
Mid-Cap Blend Rank	37	67	51	29	16	32	69	62	26	24	27	28	
Westfield Mid Cap Growth CIT	7.96	-12.72	15.45	9.99	11.79	15.45	-25.77	16.59	28.83	42.73	-3.07	24.72	04/01/2020
Russell Midcap Growth Index	9.14	-8.52	15.20	9.07	11.17	15.20	-26.72	12.73	35.59	35.47	-4.75	25.27	
Over/Under	-1.18	-4.20	0.25	0.92	0.62	0.25	0.95	3.86	-6.76	7.26	1.68	-0.55	
Mid-Cap Growth Rank	45	60	39	19	17	39	33	26	78	3	29	54	

Spokane Employees' Retirement System

As of March 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Fidelity® Small Cap Index	2.81	-11.41	17.60	4.81	8.20	8.57	-20.27	14.71	19.99	25.71	-10.88	14.85	01/01/2019
Russell 2000 Index	2.74	-11.61	17.51	4.71	8.04	8.48	-20.44	14.82	19.96	25.53	-11.01	14.65	
Over/Under	0.07	0.20	0.09	0.10	0.16	0.09	0.17	-0.11	0.03	0.18	0.13	0.20	
Small Blend Rank	54	79	80	68	50	71	81	90	14	34	35	26	
Champlain Small Cap	4.45	-7.18	15.33	6.70	9.63	11.36	-21.07	12.81	24.56	25.54	-3.03	10.90	01/01/2003
Russell 2000 Index	2.74	-11.61	17.51	4.71	8.04	9.39	-20.44	14.82	19.96	25.53	-11.01	14.65	
Over/Under	1.71	4.43	-2.18	1.99	1.59	1.97	-0.63	-2.01	4.60	0.01	7.98	-3.75	
Small Blend Rank	21	35	97	27	12	4	90	99	5	37	2	72	
Bridge City Small Cap Growth	3.36	-8.07	17.28	8.53	11.56	14.35	-20.07	20.73	20.48	24.61	0.97	15.93	07/01/2009
Russell 2000 Growth Index	6.07	-10.60	13.36	4.26	8.49	11.44	-26.36	2.83	34.63	28.48	-9.31	22.17	
Over/Under	-2.71	2.53	3.92	4.27	3.07	2.91	6.29	17.90	-14.15	-3.87	10.28	-6.24	
Small Growth Rank	88	17	28	26	12	5	9	13	93	75	15	81	
International Equity Total													
Artisan International Value Instl	10.18	5.89	21.66	7.22	7.94	9.13	-6.80	16.97	8.81	24.20	-15.42	24.06	10/01/2008
MSCI AC World ex USA Value (Net)	5.16	-4.00	13.82	1.26	3.06	3.68	-8.59	10.46	-0.77	15.72	-13.97	22.66	
Over/Under	5.02	9.89	7.84	5.96	4.88	5.45	1.79	6.51	9.58	8.48	-1.45	1.40	
Foreign Large Value Rank	15	8	1	1	1	1	27	9	7	8	38	38	
American Funds Europacific Growth R6	9.87	-3.26	12.13	3.25	5.99	4.57	-22.72	2.84	25.27	27.40	-14.91	31.17	07/01/2008
MSCI AC World ex USA (Net)	6.87	-5.07	11.80	2.47	4.17	2.75	-16.00	7.82	10.65	21.51	-14.20	27.19	
Over/Under	3.00	1.81	0.33	0.78	1.82	1.82	-6.72	-4.98	14.62	5.89	-0.71	3.98	
Foreign Large Blend Rank	13	64	67	39	9	14	96	95	3	10	48	6	

Spokane Employees' Retirement System

As of March 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Victory Trivalent International Sm-Cp I	7.11	-8.43	13.96	1.75	6.98	5.53	-23.14	12.39	15.42	27.88	-20.21	37.13	09/01/2015
MSCI AC World ex USA Small Cap (Net)	4.70	-10.37	15.04	1.67	5.06	5.62	-19.97	12.93	14.24	22.42	-18.20	31.65	
Over/Under	2.41	1.94	-1.08	0.08	1.92	-0.09	-3.17	-0.54	1.18	5.46	-2.01	5.48	
Foreign Small/Mid Blend Rank	33	71	57	36	7	35	84	64	12	3	57	11	
Vanguard Emerging Mkts Stock Idx Adm	3.61	-9.13	9.48	-0.06	2.18	1.31	-17.78	0.86	15.24	20.31	-14.58	31.38	08/01/2018
MSCI Emerging Markets (Net)	3.96	-10.70	7.83	-0.91	2.00	0.34	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	-0.35	1.57	1.65	0.85	0.18	0.97	2.31	3.40	-3.07	1.89	-0.01	-5.90	
Diversified Emerging Mkts Rank	80	49	34	32	43	33	20	36	66	51	30	70	
ABS Emerging Markets Strategic Portfolio LP	3.88	-10.84	10.91	0.96	-	3.73	-23.25	5.82	23.81	19.98	-14.99	-	10/01/2018
MSCI Emerging Markets (Net)	3.96	-10.70	7.83	-0.91	2.00	1.08	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	-0.08	-0.14	3.08	1.87	-	2.65	-3.16	8.36	5.50	1.56	-0.42	-	
Diversified Emerging Mkts Rank	75	68	25	18	-	19	59	17	30	52	37	-	
Long Biased													
The Weatherlow Offshore Fund I Ltd	0.68	-4.29	8.50	5.36	5.03	4.27	-8.82	5.39	24.58	13.23	-3.10	5.67	04/01/2008
HFRI Fund of Funds Composite Index	0.71	-1.93	7.17	3.10	3.24	2.06	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	-0.03	-2.36	1.33	2.26	1.79	2.21	-3.51	-0.78	13.70	4.84	0.92	-2.10	

Spokane Employees' Retirement System

As of March 31, 2023

Manager Performance

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Private Credit													
Beach Point Select Fund LP	2.15	-5.34	10.66	5.53	6.56	6.20	-7.37	14.47	8.97	11.48	0.28	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Index	0.88	-4.62	12.24	4.73	4.35	4.08	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	1.27	-0.72	-1.58	0.80	2.21	2.12	-3.10	-1.14	-2.85	8.54	1.98	0.83	
Contrarian Capital Fund I LP	1.94	-10.56	13.05	-2.58	1.82	-3.39	-9.06	29.86	-7.38	-9.89	-12.43	4.77	10/01/2018
HFRI ED: Distressed/Restructuring Index	0.88	-4.62	12.24	4.73	4.35	4.37	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	1.06	-5.94	0.81	-7.31	-2.53	-7.76	-4.79	14.25	-19.20	-12.83	-10.73	-1.48	
Contrarian Emerging Markets Fund LP	1.60	-7.87	14.58	-4.09	5.24	-3.16	-1.74	9.57	-17.52	-4.09	0.96	20.36	10/01/2018
HFRI Emerging Markets: Global Index	1.07	-2.16	6.89	1.78	2.40	2.93	-6.73	4.98	9.56	8.42	-6.83	12.50	
Over/Under	0.53	-5.71	7.69	-5.87	2.84	-6.09	4.99	4.59	-27.08	-12.51	7.79	7.86	
MSCI Emerging Markets (Net)	3.96	-10.70	7.83	-0.91	2.00	1.08	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	-2.36	2.83	6.75	-3.18	3.24	-4.24	18.35	12.11	-35.83	-22.51	15.53	-16.92	
Real Estate Total													
Principal REITS SERS	3.22	-18.48	10.71	6.81	7.57	10.46	-25.12	39.98	-3.17	31.24	-4.13	9.16	01/01/2003
FTSE NAREIT All REITs Index	1.49	-19.76	10.31	5.66	6.09	8.87	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	1.73	1.28	0.40	1.15	1.48	1.59	-0.02	0.10	2.69	3.17	-0.03	-0.11	
Real Estate Rank	26	21	37	18	4	1	26	67	29	15	17	12	
Prime Property Fund, LLC	1.20	0.49	9.54	8.25	10.31	6.47	6.25	21.47	1.24	6.14	8.03	8.67	10/01/2007
NCREIF ODCE VW NET	-3.38	-3.91	7.46	6.56	8.47	4.99	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	4.58	4.40	2.08	1.69	1.84	1.48	-0.30	0.45	0.90	1.75	0.67	2.01	
Real Estate Rank	90	1	67	4	1	7	1	93	8	100	1	16	

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	\$6,310,382	\$648,939	\$6,766,136	\$689,618	90.15	11.31

Time Weighted Returns

	Performance (%)						
	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VI, LP	1.88	16.28	29.69	-	57.55	19.29	10/01/2020
NCREIF Property Index	-1.81	-1.63	9.49	7.15	5.52	8.75	

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VI, LP	1.88	16.89	14.65	-	19.93	11.31	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.

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	\$2,760,307	\$348,864	\$2,592,472	-	100.00	5.43

Time Weighted Returns

	Performance (%)						
	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Income Fund	0.73	2.65	-	-	4.20	5.06	12/01/2021
NCREIF Property Index	-1.81	-1.63	9.49	7.15	5.52	4.24	

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Income Fund	0.72	4.16	-	-	5.76	5.43	12/27/2021

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 March 31, 2023

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	\$536,437	-	100.00	0.58

Time Weighted Returns

	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018	2017	Since Inception	Inception Date
Orbimed Royalty Opportunities	-1.65	-9.87	-12.00	-13.22	-11.06	-5.22	1.40	-32.47	-24.08	-12.50	22.03	4.47	-2.75	09/01/2011
HFRI Fund of Funds Composite Index	0.71	-1.93	7.17	3.10	3.89	3.24	-5.31	6.17	10.88	8.39	-4.02	7.77	3.20	
S&P 500 Index	7.50	-7.73	18.60	11.19	12.42	12.24	-18.11	28.71	18.40	31.49	-4.38	21.83	13.27	

Dollar Weighted Returns

	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018	2017	Since Inception	Inception Date
Orbimed Royalty Opportunities	-1.65	-8.88	-9.48	-9.19	-7.47	-0.17	3.30	-25.45	-23.36	-12.20	25.47	4.57	0.58	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.

Spokane Employees' Retirement System

As of March 31, 2023

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	\$5,190,477	\$259,765	\$832,500	83.35	11.85

Time Weighted Returns

	Performance (%)										Inception Date
	1 Quarter	1 Year	3 Years	5 Years	2022	2021	2020	2019	2018	Since Inception	
Orbimed Royalty Opportunities II	1.16	16.03	9.01	9.39	14.80	-10.77	18.63	15.45	15.59	10.10	04/01/2015
HFRI Fund of Funds Composite Index	0.71	-1.93	7.17	3.10	-5.31	6.17	10.88	8.39	-4.02	2.63	
S&P 500 Index	7.50	-7.73	18.60	11.19	-18.11	28.71	18.40	31.49	-4.38	11.03	

Dollar Weighted Returns

	1 Quarter	1 Year	3 Years	5 Years	2022	2021	2020	2019	2018	Since Inception	Inception Date
Orbimed Royalty Opportunities II	1.13	16.39	14.97	12.31	13.49	0.14	6.40	17.10	15.14	11.85	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 March 31, 2023

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	Opportunistic Real Estate	\$6,000,000	\$1,695,000	-	\$1,628,519	\$4,305,000	28.25	-6.32

Time Weighted Returns

	Performance (%)						
	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VII	-1.29	-	-	-	-	-13.47	12/01/2022
NCREIF Property Index	-1.81	-1.63	9.49	7.15	5.52	-2.93	

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VII	-1.45	-	-	-	-	-6.32	12/19/2022

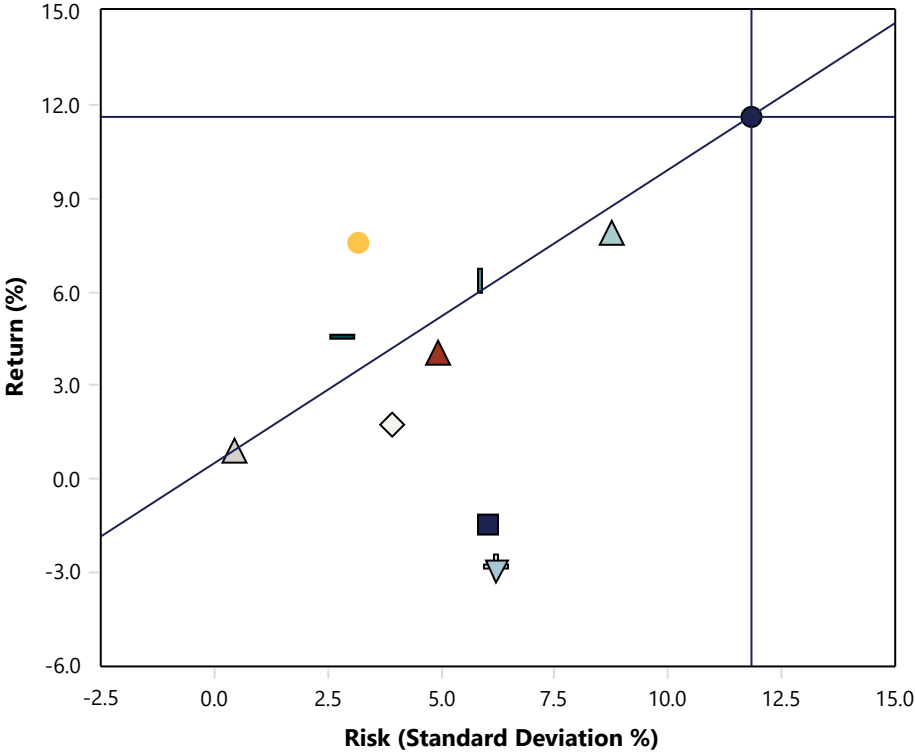
Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in the value with the average market value over the time interval. Average capital allows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

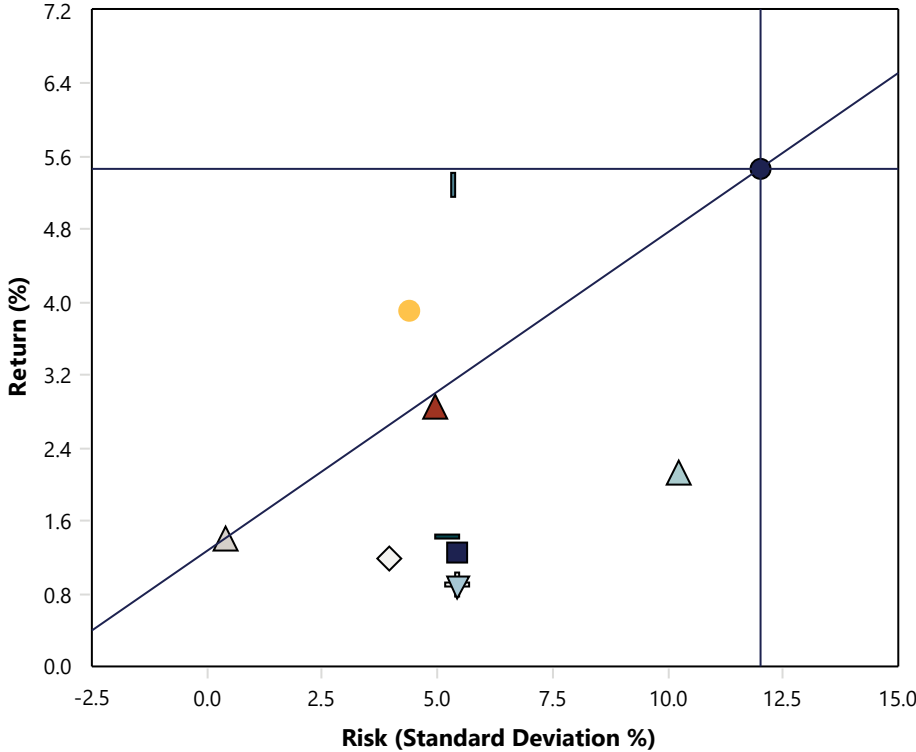
Spokane Employees' Retirement System

As of March 31, 2023

Annualized Return vs Annualized Standard Deviation 3 Years Ending March 31, 2023



Annualized Return vs Annualized Standard Deviation 5 Years Ending March 31, 2023



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

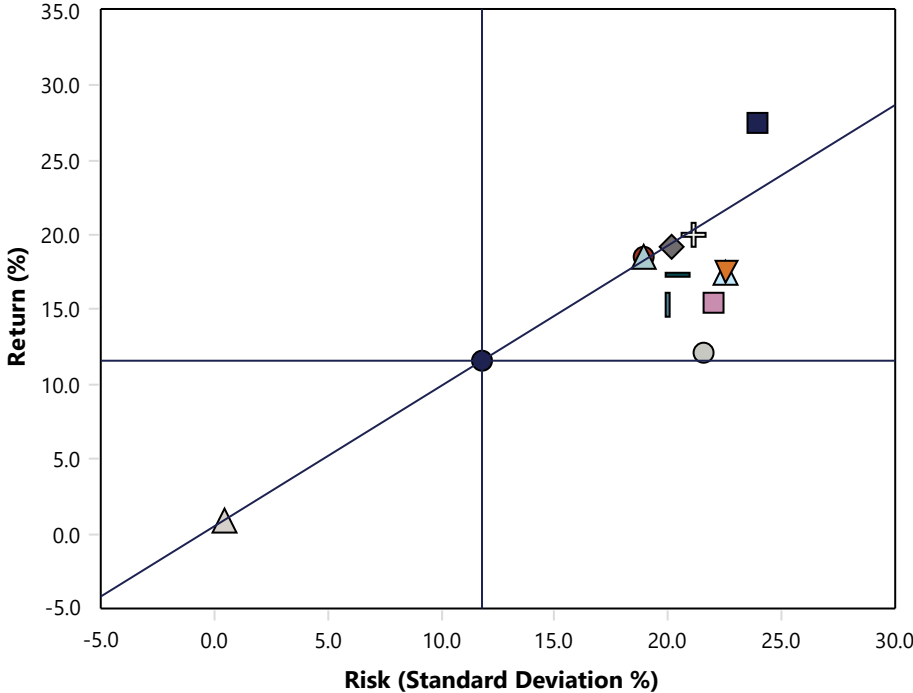
- Sterling Capital Total Return Bond I
- ▲ Hotchkis & Wiley High Yield Z
- ◇ PIMCO Dynamic Bond Instl
- ┃ Polar Long/Short Fund
- HFRI FOF: Conservative Index
- ▲ 90 Day U.S. Treasury Bill
- ▼ Fidelity US Bond Index
- ▲ Post Ltd Term High Yield
- Rimrock Low Volatility
- ⊕ Blmbg. U.S. Aggregate Index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

Calculation based on monthly periodicity.

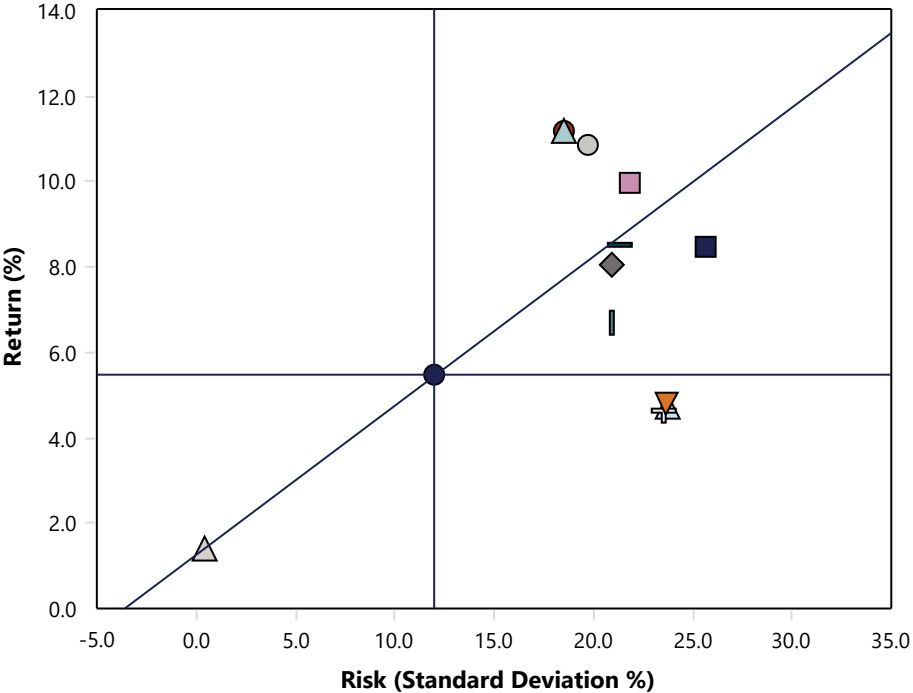
Spokane Employees' Retirement System

As of March 31, 2023

Annualized Return vs Annualized Standard Deviation 3 Years Ending March 31, 2023



Annualized Return vs Annualized Standard Deviation 5 Years Ending March 31, 2023



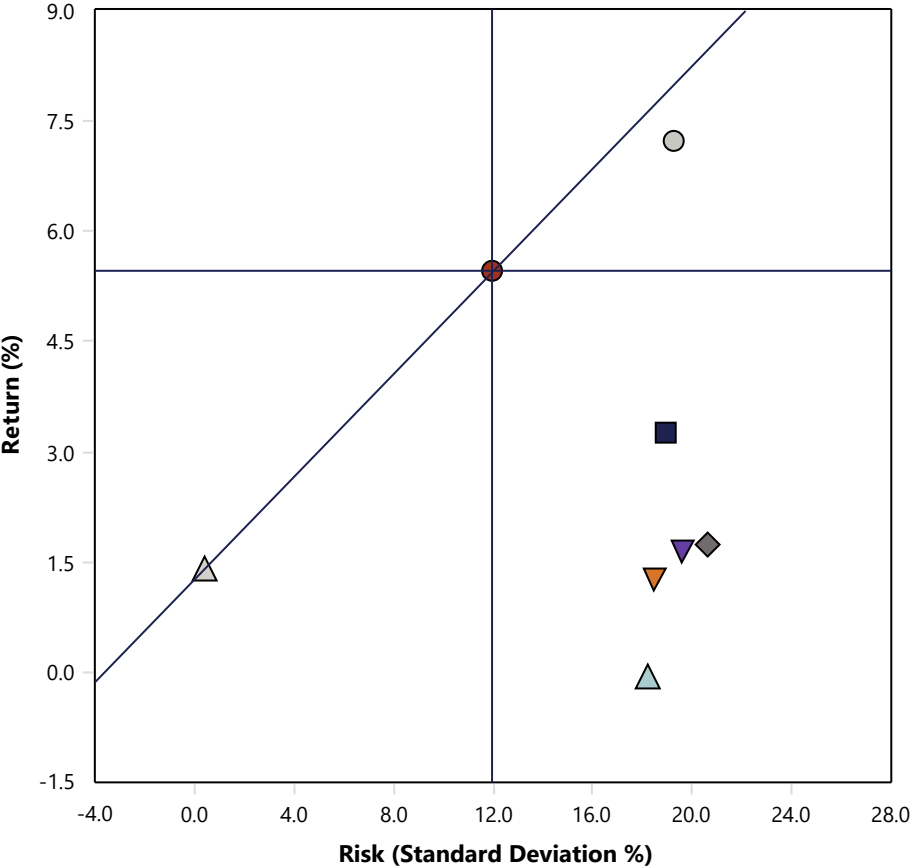
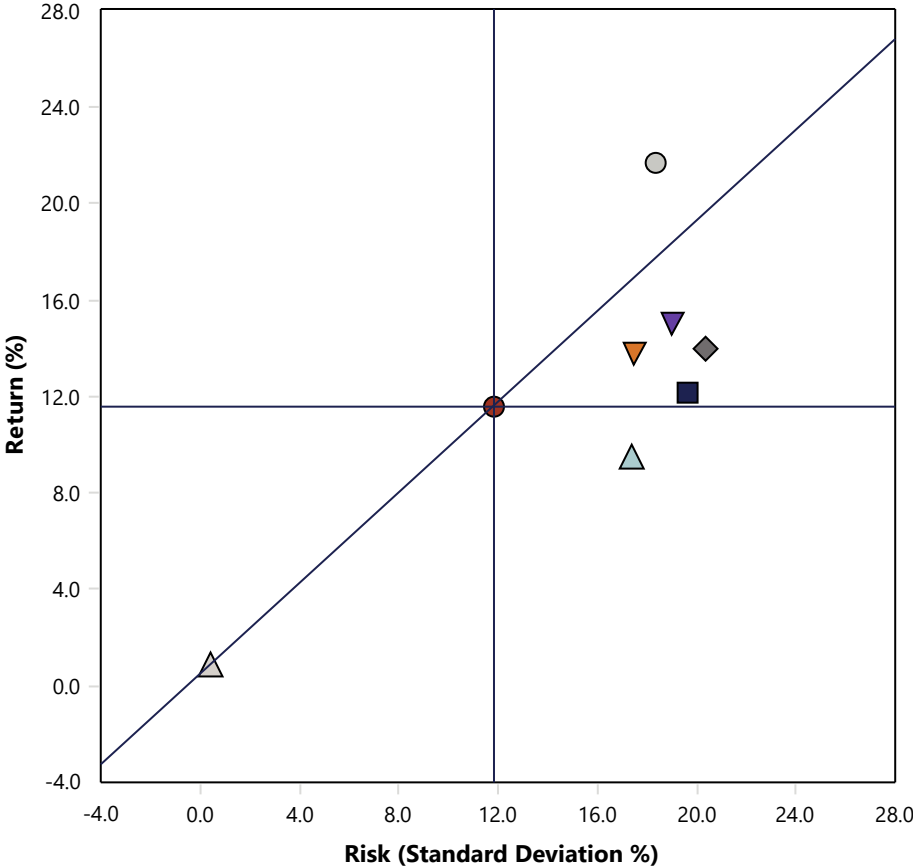
- Hotchkis & Wiley Diversified Value I
- Fidelity® 500 Index
- Fidelity® Small Cap Index
- Champlain Small Cap
- Westfield Mid Cap Growth CIT
- Russell 2000 Index
- 90 Day U.S. Treasury Bill
- MFS Growth R6
- Fidelity® Mid Cap Index
- Bridge City Small Cap Growth
- Sterling Mid Cap Value
- S&P 500 Index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

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

Calculation based on monthly periodicity.

Annualized Return vs Annualized Standard Deviation
3 Years Ending March 31, 2023

Annualized Return vs Annualized Standard Deviation
5 Years Ending March 31, 2023



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

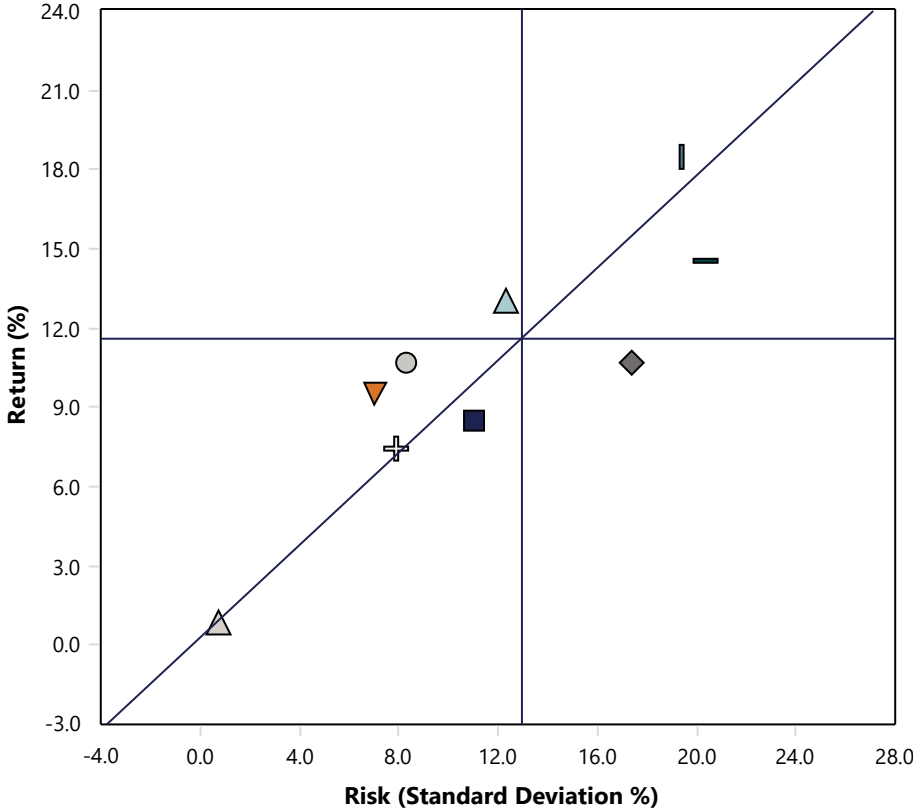
- American Funds Europacific Growth R6
- Artisan International Value Instl
- ▲ Vanguard Emerging Mkts Stock Idx Adm
- ◆ Victory Trivalent International Sm-Cp I
- ▼ MSCI AC World ex USA Value (Net)
- ▼ MSCI AC World ex USA Small Cap (Net)
- Policy Index Updated
- ▲ 90 Day U.S. Treasury Bill

Calculation based on monthly periodicity.

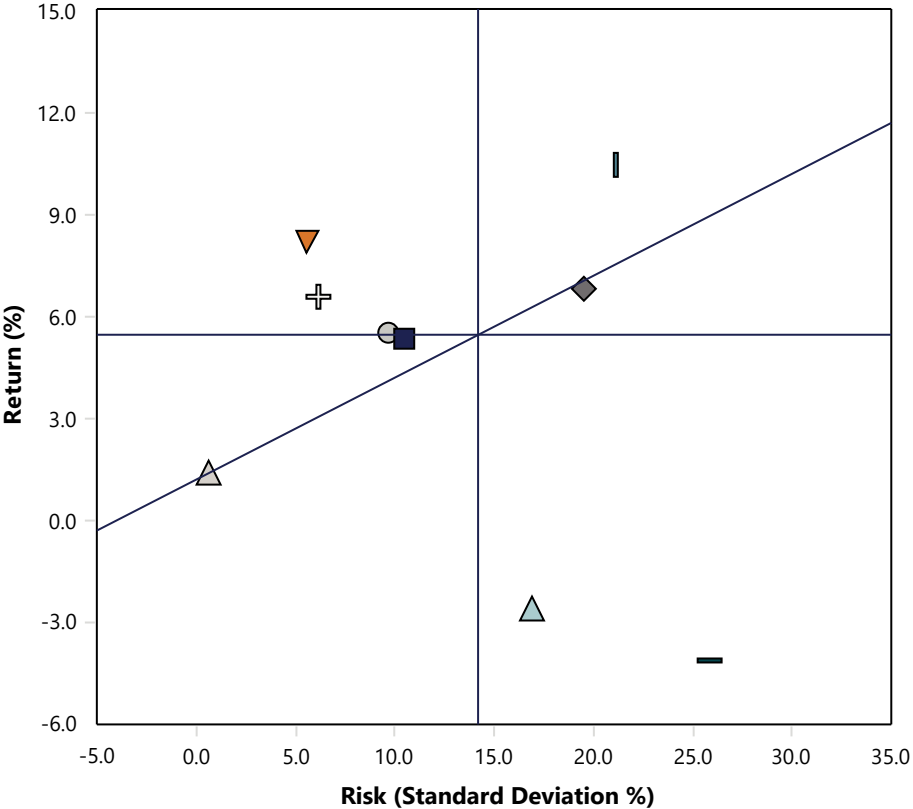
Spokane Employees' Retirement System

As of March 31, 2023

Annualized Return vs Annualized Standard Deviation 3 Years Ending March 31, 2023



Annualized Return vs Annualized Standard Deviation 5 Years Ending March 31, 2023



- 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 March 31, 2023

Fee Schedule

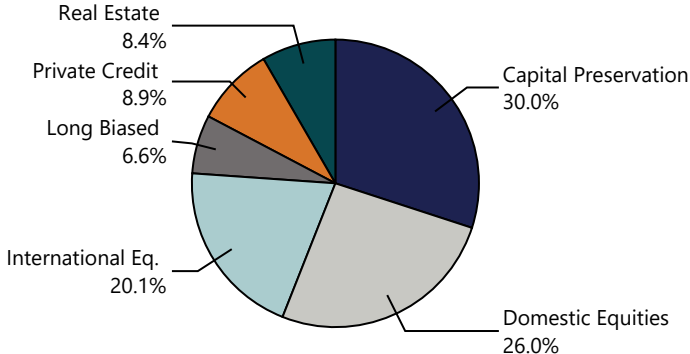
	Vehicle Type	Ticker	Universe Name	Market Value As of 03/31/2023 \$	Net Expense Ratio (%)
Artisan Int'l Value	Mutual Fund	APHKX	Foreign Value	\$19,355,382	1.03
Bridge City Small Growth	Separate Account		Small Growth	\$7,337,865	0.35
Champlain Small Cap	Commingled Fund		Small Growth	\$8,074,113	1.00
EuroPacific Growth R6	Mutual Fund	REGRX	Foreign	\$14,175,281	0.46
Fidelity Instl Govt Money Market	Mutual Fund	FIGXX	Money Market-Taxable	\$2,312,853	0.18
Fidelity Mid Cap Index	Mutual Fund	FSMDX	Mid Cap	\$2,859,911	0.03
Fidelity S&P 500	Mutual Fund	FXAIX	Large Cap	\$35,248,971	0.02
Fidelity Small Cap Index	Mutual Fund	FSSNX	Small Cap	\$478,523	0.03
Fidelity US Bond Index	Mutual Fund	FXNAX	Intermediate Core Bond	\$16,043,926	0.03
Hotchkis & Wiley Div Value I	Mutual Fund	HWCIX	Large Value	\$9,490,797	0.80
Hotchkis & Wiley High Yield	Mutual Fund	HWHZX	High Yield Bond	\$21,316,929	0.60
MFS Growth Fund CI R6	Mutual Fund	MFEKX	Large Growth	\$10,327,204	0.50
Pimco Dynamic Bond Fund	Mutual Fund	PFIUX	Nontraditional Bond	\$5,632,783	0.81
Principal Global Investors REIT	Separate Account		Real Estate	\$7,253,902	0.75
Sterling Core Bond	Separate Account		Intermediate Core Bond	\$24,789,444	0.25
Sterling Mid Cap Value	Separate Account		Mid-Cap Value	\$4,864,208	0.75
Vanguard Emerging Markets Stock Index Fd	Mutual Fund	VEMAX	Diversified Emerging Mkts	\$6,306,156	0.14
Victory Trivalent International Small Cap	Mutual Fund	MISIX	Foreign Small/Mid Growth	\$15,435,578	0.97
Westfield Mid Cap Growth	Commingled Fund		Mid-Cap Growth	\$5,000,788	0.65

Section 3 | Allocation Review

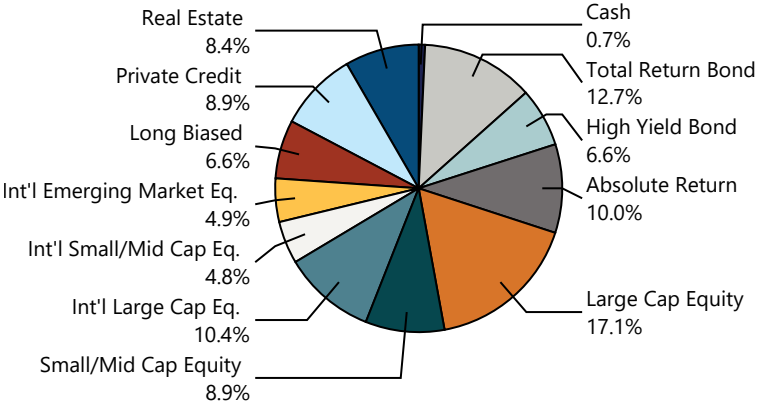
Spokane Employees' Retirement System

As of March 31, 2023

Current Allocation



Current Implementation Allocation



Spokane Employees' Retirement System

As of March 31, 2023

Implementation Review									
	Target Alloc. \$	Target Alloc. (%)	Min Alloc. (%)	Max Alloc. (%)	Asset Alloc. \$	Asset Alloc. (%)	Difference \$	Difference (%)	Within Range
Cash		0.0	0.0	2.0	\$2,312,853	0.7	\$2,312,853	0.7	Yes
Fidelity Instl Govt Money Market					\$2,312,853	0.7			
Total Return Bond	\$54,697,288	17.0	12.0	22.0	\$40,833,370	12.7	-\$13,863,917	-4.3	Yes
Sterling Core Bond					\$24,789,444	7.7			
Fidelity US Bond Index					\$16,043,926	5.0			
High Yield Bond	\$25,739,900	8.0	3.0	13.0	\$21,316,929	6.6	-\$4,422,971	-1.4	Yes
Hotchkis & Wiley High Yield					\$21,316,929	6.6			
Absolute Return	\$16,087,438	5.0	0.0	10.0	\$32,067,185	10.0	\$15,979,748	5.0	Yes
Polar Long/Short Fund					\$9,095,816	2.8			
Post Lmted Term High Yield					\$6,859,561	2.1			
Pimco Dynamic Bond Fund					\$5,632,783	1.8			
Rimrock Low Volatility Offshore					\$10,479,026	3.3			
Large Cap Equity	\$51,479,800	16.0	11.0	21.0	\$55,066,972	17.1	\$3,587,172	1.1	Yes
Hotchkis & Wiley Div Value I					\$9,490,797	2.9			
Fidelity S&P 500					\$35,248,971	11.0			
MFS Growth Fund CI R6					\$10,327,204	3.2			
Small/Mid Cap Equity	\$25,739,900	8.0	3.0	13.0	\$28,615,408	8.9	\$2,875,508	0.9	Yes
Sterling Mid Cap Value					\$4,864,208	1.5			
Fidelity Mid Cap Index					\$2,859,911	0.9			
Westfield Mid Cap Growth					\$5,000,788	1.6			
Fidelity Small Cap Index					\$478,523	0.1			
Bridge City Small Growth					\$7,337,865	2.3			
Champlain Small Cap					\$8,074,113	2.5			
Int'l Large Cap Eq.	\$32,174,875	10.0	5.0	15.0	\$33,530,663	10.4	\$1,355,788	0.4	Yes
EuroPacific Growth R6					\$14,175,281	4.4			
Artisan Int'l Value					\$19,355,382	6.0			

Spokane Employees' Retirement System

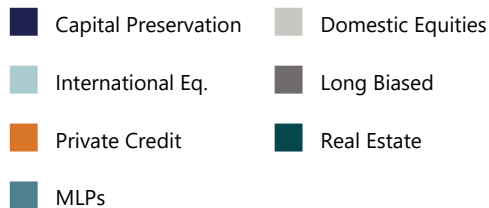
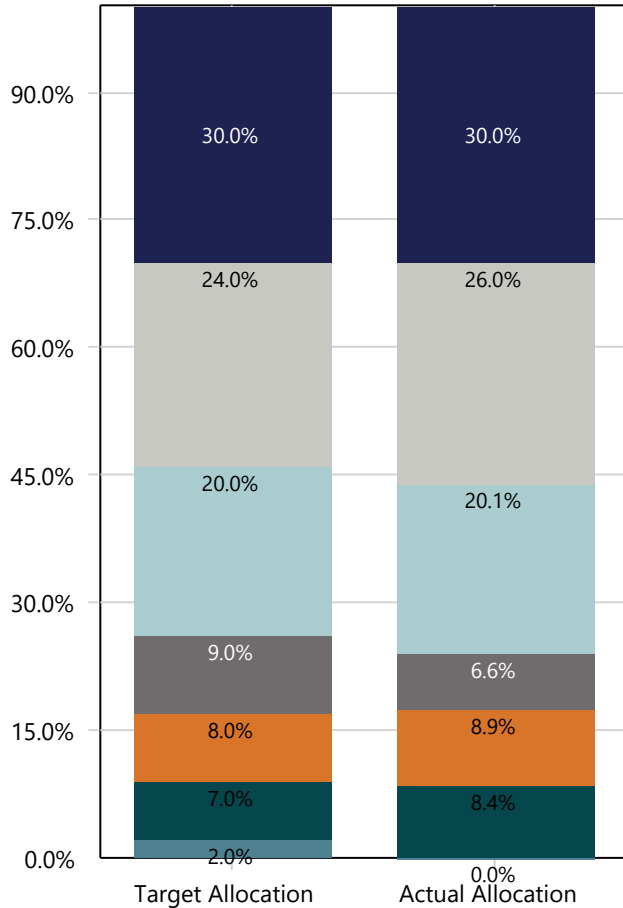
As of March 31, 2023

	Target Alloc. \$	Target Alloc. (%)	Min Alloc. (%)	Max Alloc. (%)	Asset Alloc. \$	Asset Alloc. (%)	Difference \$	Difference (%)	Within Range
Int'l Small/Mid Cap Eq.	\$16,087,438	5.0	0.0	10.0	\$15,435,578	4.8	-\$651,859	-0.2	Yes
Victory Trivalent International Small Cap					\$15,435,578	4.8			
Int'l Emerging Market Eq.	\$16,087,438	5.0	0.0	10.0	\$15,698,340	4.9	-\$389,097	-0.1	Yes
Vanguard Emerging Markets Stock Index Fd					\$6,306,156	2.0			
ABS Emerging Markets Strategic					\$9,392,184	2.9			
Long Biased	\$28,957,388	9.0	4.0	14.0	\$21,225,966	6.6	-\$7,731,421	-2.4	Yes
Weatherlow Offshore					\$20,429,764	6.3			
OrbiMed Royalty Opps II					\$259,765	0.1			
OrbiMed Royalty Opportunities					\$536,437	0.2			
Private Credit	\$25,739,900	8.0	3.0	13.0	\$28,754,567	8.9	\$3,014,667	0.9	Yes
Beach Point Select Fund LP					\$13,577,422	4.2			
Contrarian Capital Fund I LP					\$9,987,118	3.1			
Contrarian Emerging Markets					\$5,190,028	1.6			
Real Estate	\$22,522,413	7.0	2.0	12.0	\$26,890,918	8.4	\$4,368,505	1.4	Yes
Principal Global Investors REIT					\$7,253,902	2.3			
Morgan Stanley Prime Property Fund					\$8,495,004	2.6			
Morrison Street Fund VI					\$6,830,554	2.1			
Morrison Street Fund VII					\$1,628,519	0.5			
Morrison Street Income Fund					\$2,682,939	0.8			
MLPs	\$6,434,975	2.0	0.0	4.0		0.0	-\$6,434,975	-2.0	Yes
Total	\$321,748,750	100.0			\$321,748,750	100.0		0.0	

Spokane Employees' Retirement System

As of March 31, 2023

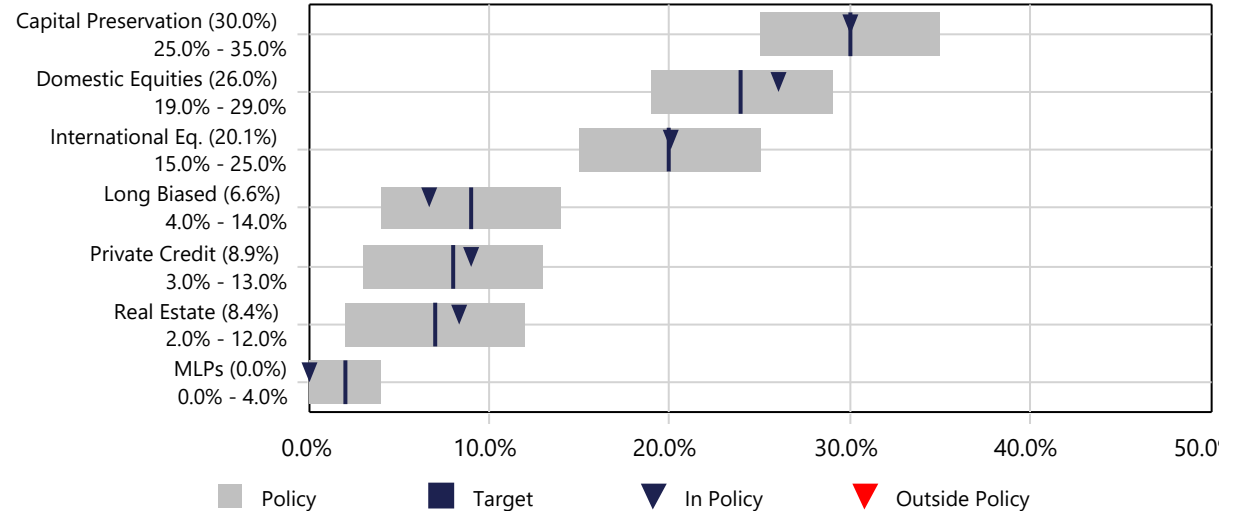
Asset Allocation Compliance



Current Allocation vs Investment Policy

	Asset Alloc. \$	Asset Alloc. (%)	Min Alloc. (%)	Max Alloc. (%)	Target Alloc. (%)	Difference \$	Difference (%)
Capital Preservation	96,530,338	30.0	25.0	35.0	30.0	5,713	0.0
Domestic Equities	83,682,380	26.0	19.0	29.0	24.0	6,462,680	2.0
International Eq.	64,664,581	20.1	15.0	25.0	20.0	314,831	0.1
Long Biased	21,225,966	6.6	4.0	14.0	9.0	-7,731,421	-2.4
Private Credit	28,754,567	8.9	3.0	13.0	8.0	3,014,667	0.9
Real Estate	26,890,918	8.4	2.0	12.0	7.0	4,368,505	1.4
MLPs		0.0	0.0	4.0	2.0	-6,434,975	-2.0
Total	321,748,750	100.0			100.0		0.0

Actual vs Target

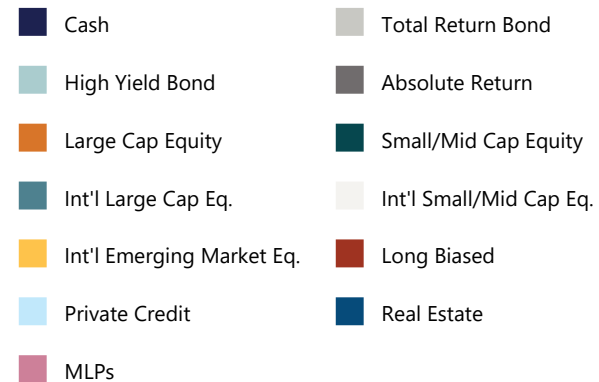
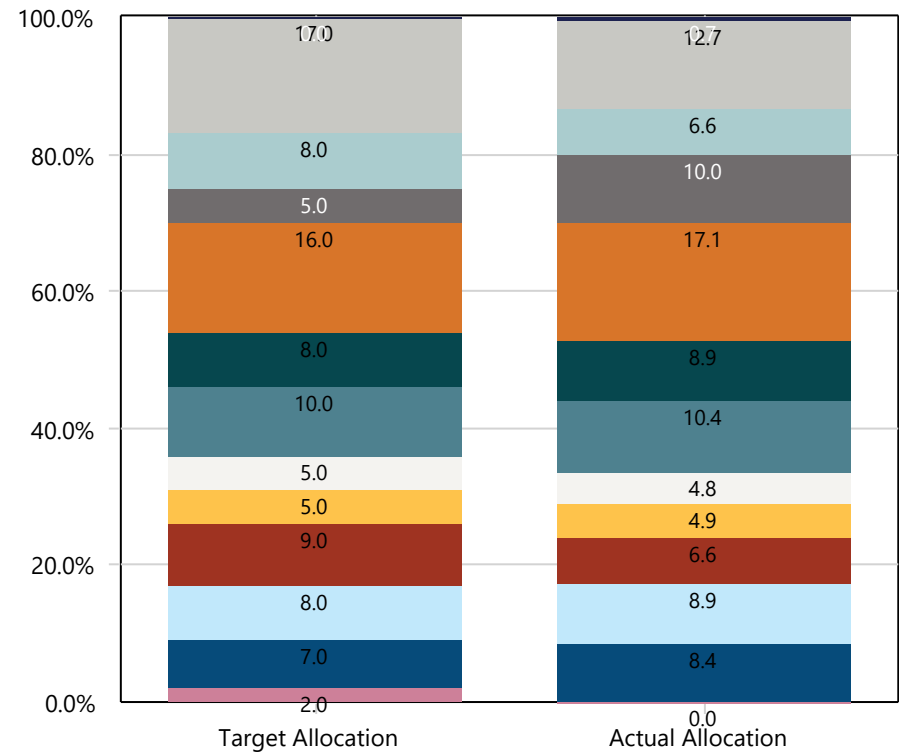


Spokane Employees' Retirement System

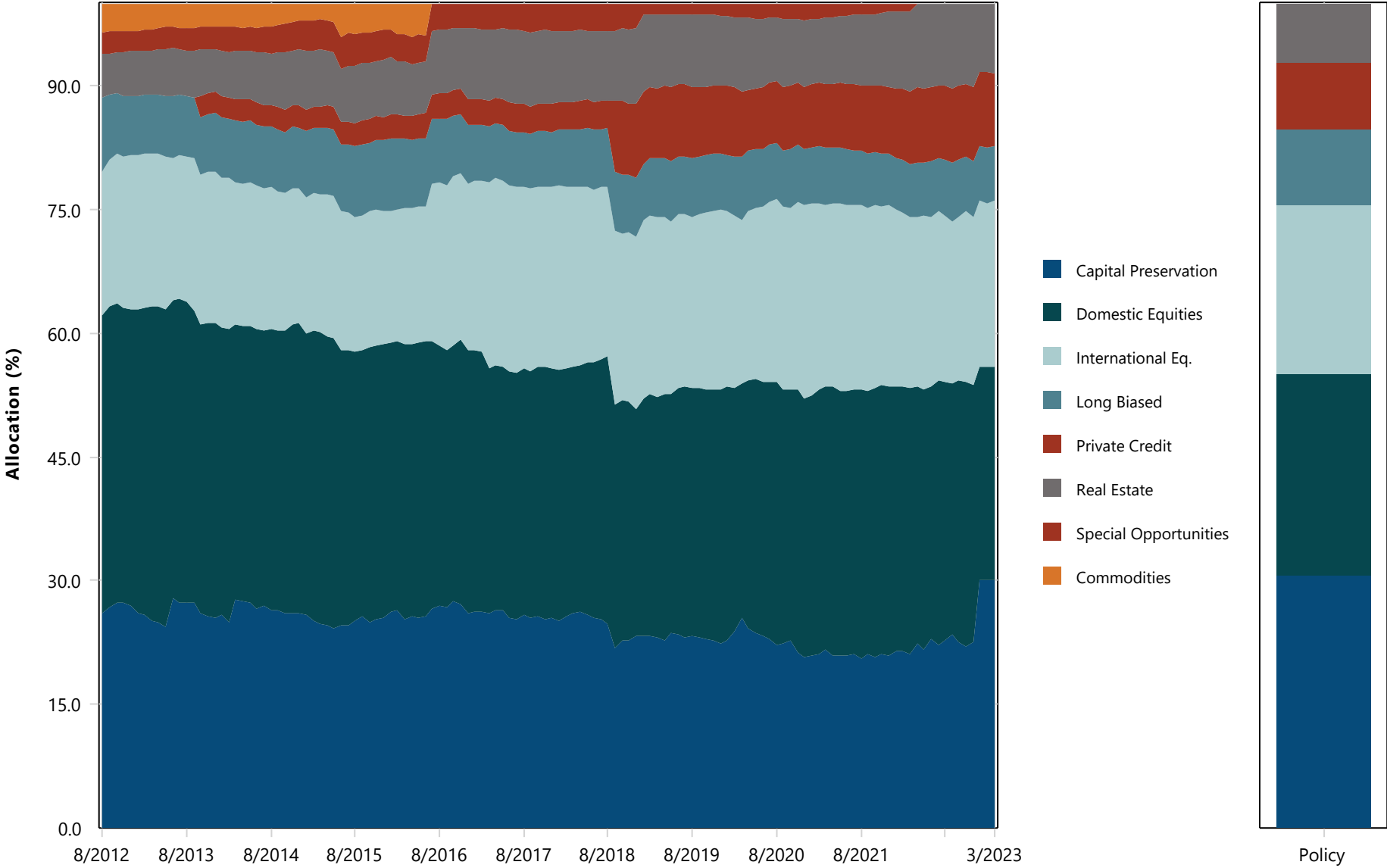
As of March 31, 2023

	Asset Alloc. \$	Asset Alloc. (%)	Target Alloc. (%)
Cash	2,312,853	0.7	0.0
Total Return Bond	40,833,370	12.7	17.0
High Yield Bond	21,316,929	6.6	8.0
Absolute Return	32,067,185	10.0	5.0
Large Cap Equity	55,066,972	17.1	16.0
Small/Mid Cap Equity	28,615,408	8.9	8.0
Int'l Large Cap Eq.	33,530,663	10.4	10.0
Int'l Small/Mid Cap Eq.	15,435,578	4.8	5.0
Int'l Emerging Market Eq.	15,698,340	4.9	5.0
Long Biased	21,225,966	6.6	9.0
Private Credit	28,754,567	8.9	8.0
Real Estate	26,890,918	8.4	7.0
MLPs		0.0	2.0
Total	321,748,750	100.0	100.0

Implementation Policy vs. Actual Allocation



Asset Allocation History vs. Target Allocation

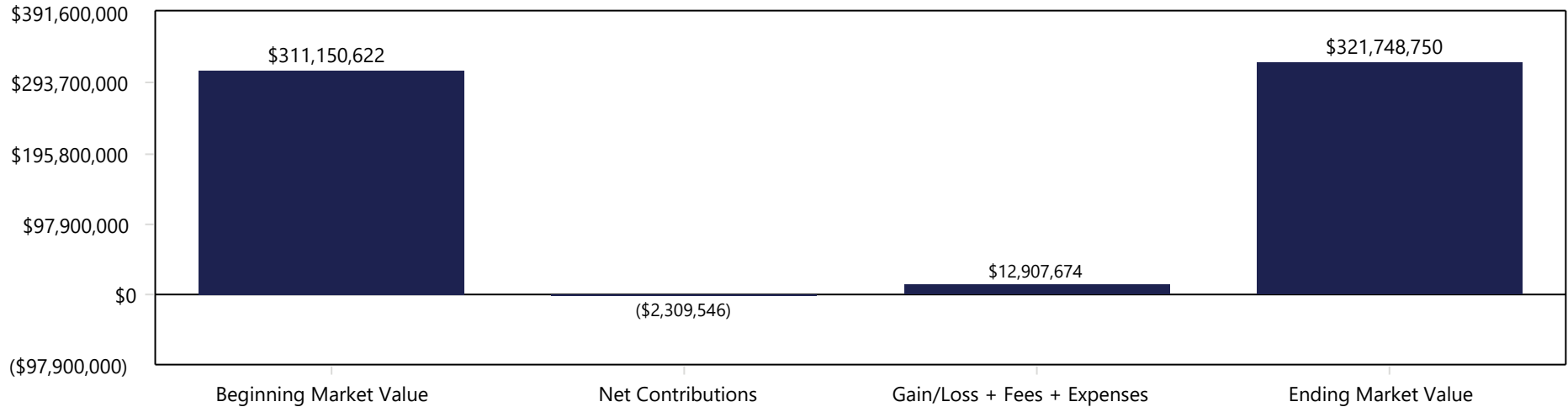


Section 4 | Summary of Cash Flow

Spokane Employees' Retirement System

As of March 31, 2023

Change in Market Value



Cash Flow Summary Current Quarter

	Market Value As of 01/01/2023	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 03/31/2023
Fidelity Instl Govt Money Market	158,601	42,659,228	-40,540,326	2,093,806	35,351	2,312,853
Sterling Core Bond	23,997,208	-	-	-	792,236	24,789,444
Fidelity US Bond Index	-	16,000,000	-	16,000,000	43,926	16,043,926
Hotchkis & Wiley High Yield	14,676,847	6,000,000	-	6,000,000	640,082	21,316,929
Polar Long/Short Fund	9,041,806	-	-	-	54,010	9,095,816
Post Lmtd Term High Yield	6,670,996	-	-	-	188,565	6,859,561
Pimco Dynamic Bond Fund	5,553,203	-	-	-	79,580	5,632,783
Rimrock Low Volatility Offshore	10,333,389	-	-	-	145,636	10,479,026
Hotchkis & Wiley Div Value I	16,922,664	-	-8,000,000	-8,000,000	568,133	9,490,797
Fidelity S&P 500	32,790,657	-	-	-	2,458,314	35,248,971

Spokane Employees' Retirement System

As of March 31, 2023

	Market Value As of 01/01/2023	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 03/31/2023
MFS Growth Fund CI R6	13,288,280	-	-4,000,000	-4,000,000	1,038,924	10,327,204
Sterling Mid Cap Value	5,878,528	-	-1,000,000	-1,000,000	-14,321	4,864,208
Fidelity Mid Cap Index	2,748,569	-	-	-	111,342	2,859,911
Westfield Mid Cap Growth	4,632,220	-	-	-	368,567	5,000,788
Allspring Special Small Cap Value	5,017,058	-	-5,194,978	-5,194,978	177,920	-
Fidelity Small Cap Index	465,440	-	-	-	13,084	478,523
Bridge City Small Growth	7,091,024	-	-	-	246,841	7,337,865
Champlain Small Cap	7,729,347	-	-	-	344,767	8,074,113
EuroPacific Growth R6	18,639,548	-	-6,000,000	-6,000,000	1,535,733	14,175,281
Artisan Int'l Value	23,920,024	-	-6,682,143	-6,682,143	2,117,501	19,355,382
Victory Trivalent International Small Cap	11,525,994	3,000,000	-	3,000,000	909,584	15,435,578
Vanguard Emerging Markets Stock Index Fd	446,810	6,000,000	-	6,000,000	-140,653	6,306,156
ABS Emerging Markets Strategic	9,041,815	-	-	-	350,369	9,392,184
Weatherlow Offshore	20,291,912	-	-	-	137,852	20,429,764
OrbiMed Royalty Opps II	272,444	-	-15,714	-15,714	3,035	259,765
OrbiMed Royalty Opportunities	545,455	-	-	-	-9,018	536,437
Beach Point Select Fund LP	13,292,026	-	-	-	285,396	13,577,422
Contrarian Capital Fund I LP	9,796,840	-	-	-	190,278	9,987,118
Principal Global Investors REIT	11,967,433	-	-5,000,000	-5,000,000	286,469	7,253,902
Morrison Street Fund VI	6,780,679	-	-75,967	-75,967	125,842	6,830,554
Morrison Street Fund VII	950,965	692,143	-	692,143	-14,589	1,628,519
Morrison Street Income Fund	2,723,223	-	-59,589	-59,589	19,306	2,682,939
Morrison Street Debt Opportunities Fund LP	6,359	-	-6,359	-6,359	-	-
Morgan Stanley Prime Property Fund	8,688,629	-	-85,840	-85,840	-107,785	8,495,004
OrbiMed Partners II	156,569	-	-156,570	-156,570	-	-
Contrarian Emerging Markets	5,108,060	-	-	-	81,968	5,190,028
SERS Plan Total	311,150,622	74,351,370	-76,660,916	-2,334,641	12,907,674	321,748,750

Section 5 | Fund Attributions

Section 6 | Definitions

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 March 31, 2023

Account Name	From Date	To Date	Benchmark
SERS Plan Total	01/01/2023	Present	17.000% Blmbg. U.S. Aggregate Index, 8.000% Blmbg. U.S. Corp: High Yield Index, 5.000% HFRI FOF: Conservative Index, 16.000% S&P 500 Index, 8.000% Russell 2500 Index, 10.000% MSCI AC World ex USA (Net), 5.000% MSCI AC World ex USA Small Cap (Net), 5.000% MSCI Emerging Markets (Net), 9.000% HFRI Fund of Funds Composite Index, 8.000% HFRI ED: Distressed/Restructuring Index, 3.500% NCREIF ODCE VW NET, 3.500% FTSE NAREIT Comp REIT, 2.000% Alerian MLP Index
	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
	03/01/2019	01/01/2023	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
	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

Important Disclosures:

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ALL MUTUAL FUND PRODUCTS AND EXCHANGE-TRADED FUNDS ARE SOLD BY PROSPECTUS, WHICH CONTAINS MORE COMPLETE INFORMATION ABOUT A FUND, ITS EXPENSES AND MATERIAL RISKS RELATED TO THAT FUND'S INVESTMENT STRATEGY.

PLEASE CONTACT YOUR HYAS GROUP CONSULTANT FOR A COPY OF A FUND'S PROSPECTUS.

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.

Performance. Performance results illustrated herein do not reflect a deduction of any investment advisory fees charged by Hyas Group or any investment manager but do include the fund's internal expenses. Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest, and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Past performance is not a guarantee of future results.

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.

To learn more about the Hyas Group advisory services, please see the Hyas Group ADV Brochure for more information. It is available from your Hyas Group Consultant.

Performance data quoted is historical. Past performance does not guarantee future results. Current performance may be higher or lower than the performance quoted. You can obtain performance data current to the most recent month-end for each fund by visiting the fund company website. The investment return and principal value of an investment will fluctuate such that an investor's shares, when redeemed, may be worth more or less than their original cost. Total

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 client's 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 is a separate business unit within Morgan Stanley Institutional Advisors LLC.