



Spokane Employees' Retirement System

September 30, 2023 Performance Report

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Section 1 | Market Overview

**GLOBAL ECONOMIC LANDSCAPE**

- While consumers' cumulative savings from the pandemic have been in decline for multiple quarters, recent upward data revisions by the Bureau of Economic Analysis suggest they still maintain a sizeable cushion of roughly \$1.75 trillion in excess personal savings. Although interest expenses exceed interest income for US consumers, the difference represents only 6.3% of total income. This data collectively indicates that households may retain more buying power and healthier balance sheets than previously thought.¹
- Germany, which accounts for nearly a third of the Eurozone's GDP and a quarter of the MSCI Eurozone Index's equity market capitalization, fell into technical recession this year after two consecutive quarters of negative growth. Unsurprisingly, given that nearly 20% of the country's GDP is linked to manufacturing, Russia's invasion of Ukraine, with its implications for energy markets, has had an especially strong impact on Germany. More than a year and a half since the invasion, investors are still grappling with elevated natural gas prices. While the worst-case scenario may have been avoided, natural gas prices—significant contributors to electricity costs—remain a problem for Germany's energy-intensive industries.²
- Beijing's policymakers rolled out a slew of capital market support measures in August, following up on the July Politburo meeting mandate to "invigorate the capital market". They included, in particular, cutting stamp duty on securities transactions (the first time since 2008), and restricting share disposals by controlling shareholders. Meanwhile, incoming economic data shows growth has likely troughed in July and a cyclical mini uptick in growth seems to be unfolding. However, investor sentiment remains subdued and the market's reaction lukewarm.³
- Among major central banks, the Bank of Japan (BoJ) has stood as an outlier, seeking to stimulate the domestic economy to deliver sustainable positive inflation. To do so, the BoJ has maintained a yield cap on 10-year sovereign bonds. While recently increased to 1.0% from 0.5%, the BoJ has intervened through large-scale asset purchases to defend these levels. BoJ policymakers continued these commitments at its last policy meeting. On net, these developments may have caused other developed market yields to move higher, counteracting restrictive policy from other central banks. The Japanese yen has returned to last year's relative lows vs. the US dollar, the weakest since 1990.⁴

FIXED INCOME MARKETS

- Over 50% of marketable Treasury debt will mature over the next three years. Should interest rates remain higher, this setup can mechanically lead to increased interest costs and could push deficits higher in coming years. With the Fed focused on inflation, amid still-solid economic growth, the backdrop has changed

¹Source: Morgan Stanley, *Staring into the Abyss*, September 29, 2023

²Source: Morgan Stanley, *Has the German Economic Model Stalled?* September 27, 2023

³Source: Morgan Stanley, *China Musings*, September 28, 2023

⁴Source: Morgan Stanley, *Studying Drivers of Recently Higher Treasury Yields*, September 27, 2023

dramatically from the past 15 years. Following the Global Financial Crisis and through 2021, accommodative Fed policy, including Quantitative Easing, held long-term Treasury yields low, which limited the consequences of deficit spending. While Quantitative Easing depressed Treasury term premiums, their recent move higher likely reflects investors' assessment about future Treasury refinancing. Because of the "spread" pricing of most other fixed income instruments, higher Treasury yields could mean higher debt costs for corporate and consumer borrowers over the intermediate horizon.⁵

- The repricing of interest rates has finally fully hit the long end of the yield curve, with the past 18 months representing one of the worst drawdowns for US Treasuries in 32 years. With the cumulative rate change of more than 500 basis points, total returns for long-maturity Treasuries have declined as much as 40%—a bear market not experienced in the prior three decades. While this is generating pain for holders of these bonds, in another sense, it is creating opportunity, as value—especially on a nominal-dollar-versus-par basis—suggests potential for attractive returns ahead.⁶
- Despite slowing economic growth and reduced appetite from China and Japan, aggregate foreign demand for US Treasury holdings has rebounded in 2023, approaching all-time highs, with the bulk of demand increase coming from the Eurozone, followed by Canada. Although the US Dollar is subject to ongoing conjecture about its stability as a reserve currency, many countries to date still finance the majority of their trade in it, indicating the potential for sustained demand of the greenback.⁷
- The rise in US Treasury yields has presented a funding limitation for offshore investors seeking credit. Within Asia for example, credit supply growth has recently turned negative, the majority of the downturn due to tightening in China where the investment grade credit supply has decreased by \$22 billion YTD (versus a decrease of \$7 billion for the same period in 2022). Chinese credit investors appear to be redirecting demand more locally, as indicated by increased issuance in Japan and Korea, providing some measure of outlet to the supply shortage.⁸

EQUITY MARKETS

- The theme on narrow market leadership within the US equity market continued through the third quarter, with 7-10 stocks explaining the vast majority of the returns for the S&P 500 market cap weighted index YTD for 2023. In fact, many major indices that do not include these stocks are flat-to-down on the year. From a breadth standpoint, 6 out of 11 S&P 500 sectors are down YTD with the median sector (Energy) down about 2%. While a choppy market like this is hard to characterize as disastrous, narrow leadership has seldom been indicative of a new bull market and cyclical upturn.⁹
- The US Dollar appreciated strongly during the third quarter. Key to this dynamic was that central banks outside the US were also raising rates, thereby containing relative dollar strength. Now, with many of them leaning toward easing as the Fed stays higher for longer, the greenback has regained momentum and conditions are tightening. This could be rough timing for equity investors. S&P 500 earnings are forecast to grow about 12% in 2024; however, they are inversely correlated with

⁵ Source: Morgan Stanley, *Studying Drivers of Recently Higher Treasury Yields*, September 27, 2023

⁶ Source: Morgan Stanley, *The GIC Weekly, Preserving Optionality*, September 25, 2023

⁷ Source: Morgan Stanley, *A Phoenix from the Ashes*, October 6, 2023

⁸ Source: Morgan Stanley, *Your Questions Answered (4)*, October 7, 2023

⁹ Source: Morgan Stanley, *Weekly Warm-up: When Uncertainty is High, Price Reigns...Which Side Are You On?* October 9, 2023

the dollar, as international profits account for roughly a third of the total. If higher-for-longer rates keep the dollar at recent levels, corporate profits will face a genuine headwind.¹⁰

- Decelerating loan growth may be expected to continue to weigh on earnings for both US and European financials for the near-term. Eurozone loan and mortgage origination growth for example stood at 0.6% and -26% year over year in August. Though certainly weak, Eurozone management commentary has been suggestive of a potential uptick here. The case was similar in the US where year over year HELOC and consumer loan growth turned negative recently and industrial loan growth has been flat. The convergence of low growth, rising regulatory pressure, and lost pricing power in deposits suggest continued challenges for US banks.¹¹
- During summer of 2023, oil, as measured by West Texas Intermediate crude, has gained over 35%, due in part to production cuts from Saudi Arabia and Russia. What's especially striking is how much energy stocks have lagged, with the S&P 500 Energy Index up less than 16%. One reason is what some deemed to be underwhelming earnings last quarter. To be fair, the sector was dealing with challenging comparisons to prior periods after two strong years. Looking forward, potential catalysts include a boost to earnings and free cash flow from higher crude prices, which could also further heighten the appeal of select energy stocks to dividend-oriented investors. Notably, at 9.7x, the sector's P/E ratio is less than half the S&P 500's.¹²

ALTERNATIVE INVESTMENTS

- An El Niño weather event was declared on Sept. 19, and there is a chance it could be a strong one. The last strong El Niño cycle occurred in 2015-2016 and brought food price volatility and energy disruptions. Recent shocks from COVID and the Russian invasion of Ukraine have already caused volatility in these markets, which El Niño could heighten. El Niño most directly affects consumer inflation as food and energy commodity prices pass through. Inflation has come down across both developed and emerging markets, with global headline inflation in August at 3.6%, down from 6.0% in January. It is still above central bank targets in most countries, however. Hence, a severe El Niño could be a headwind for policy normalization.¹³
- Hawkish statements from the Federal Reserve drove REIT prices down for the third quarter, as the Dow Jones US REIT Index returned -7.40% versus -3.27% for the S&P 500 Index. Net Operating Income for REITs tends to correlate with borrowing costs after-inflation, which may pose near-term headwinds for this category. A reversal of upward pressure on interest rates into 2024 however could allow for some price reflation.¹⁴
- Oil markets exhibited strong upward pricing over the third quarter on the back of refinery capacity being stretched, Saudi Arabia and Russia announcing voluntary supply cuts, and robust demand growth. Looking forward, supply reductions are expected to remain in effect into 2024 and balances are expected to remain below demand levels, supporting the expectation of high, though not necessarily higher oil prices.¹⁵

¹⁰ Source: Morgan Stanley, *The GIC Weekly, Strong USD to Weight on Financial Conditions*, October 2, 2023

¹¹ Source: Morgan Stanley, *Loan-Deposit Tracker: August 2023*, October 4, 2023

¹² Source: Morgan Stanley, *Can Energy Stocks Catch Up to Oil? October 4, 2023*

¹³ Source: Morgan Stanley, *Adding El Niño to the List of Risks*, September 10, 2023

¹⁴ Source: Morgan Stanley, *The REIT Weekly, Is higher for longer now priced in? September 25, 2023*

¹⁵ Source: Morgan Stanley, *The Oil Manual: Tighter-for-Longer, but OPEC Holds the Key*, September 20, 2023

Disclosure:

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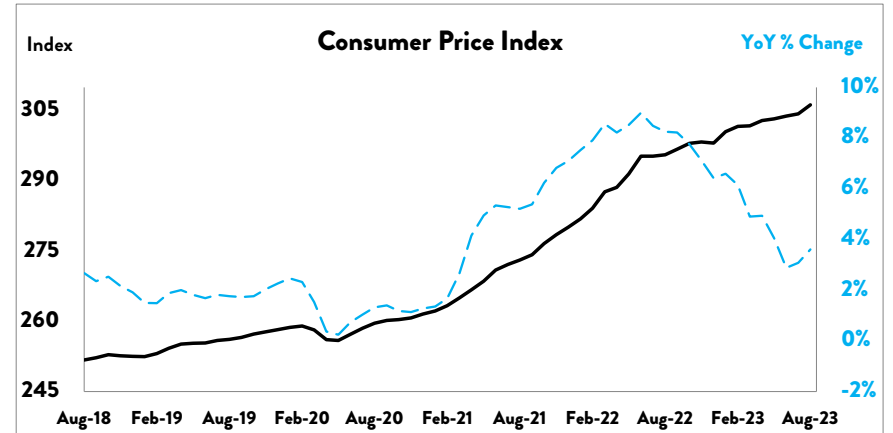
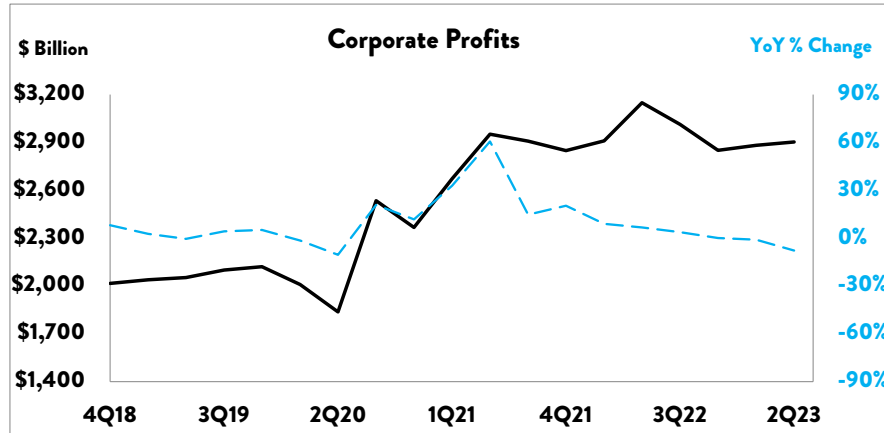
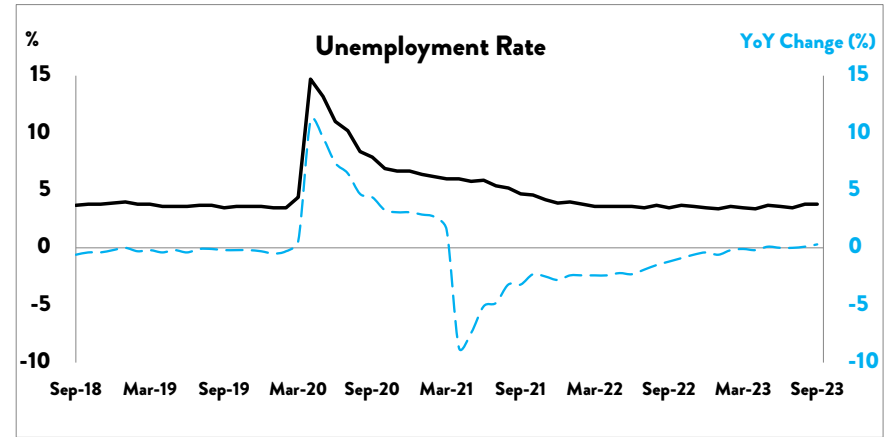
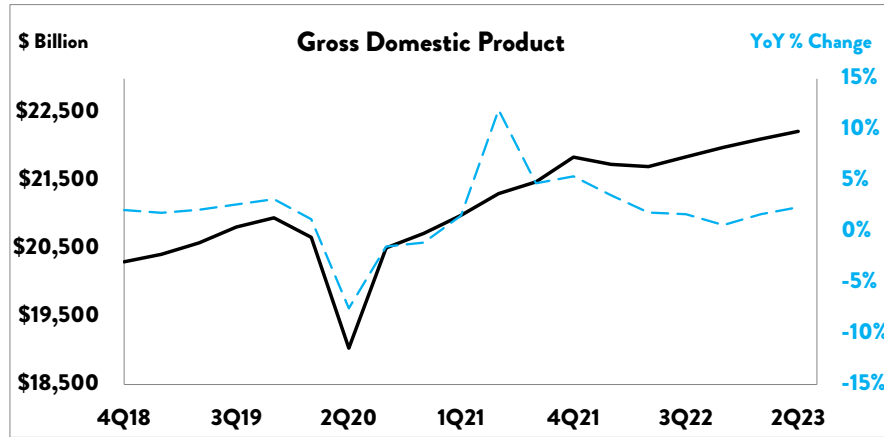
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3Q2023 Economic Data



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	336,000	4,505,000	-20,493,000	116,800	Sep-23
Unemployment Rate	3.8%	14.7%	3.4%	4.9%	Sep-23
Median Unemployment Length (Weeks)	9.7	22.2	4.0	11.1	Sep-23
Average Hourly Earnings	\$33.88	\$33.88	\$27.36	\$30.42	Sep-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	\$3.78	\$4.84	\$1.80	-21.9%	Sep-23
Spot Oil	\$89.43	\$114.84	\$16.55	-22.1%	Sep-23
Case-Shiller Home Price Index	313.7	316.2	212.4	47.7%*	Jul-23
Medical Care CPI	547.0	557.4	485.5	12.7%*	Aug-23

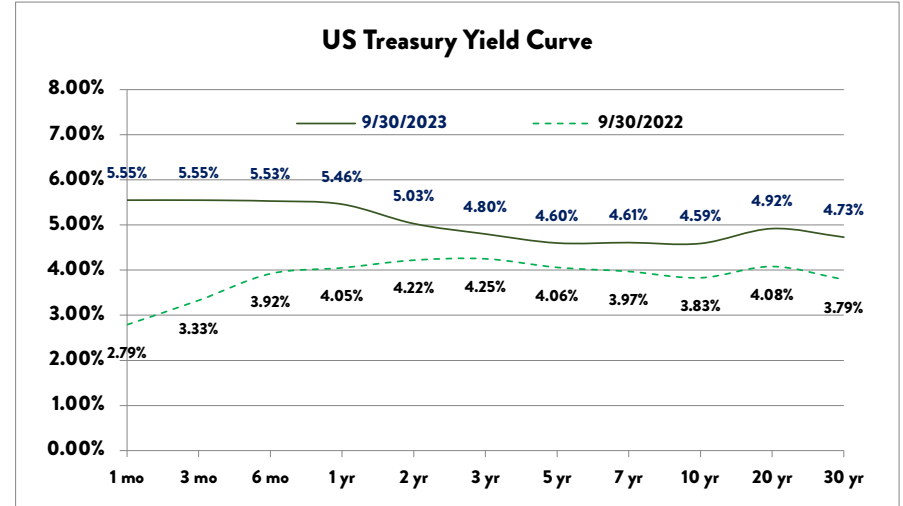
*% Off Low

Morningstar data as of 9/30/2023

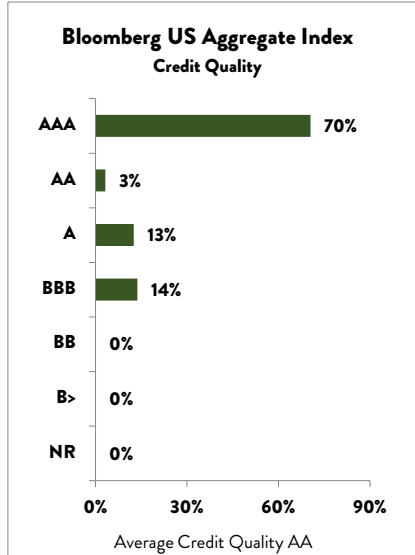
3Q2023 Bond Market Data

Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	1.36%	3.86%	4.93%	1.99%	1.80%	1.17%
Bloomberg US Aggregate	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%
Bloomberg Short US Treasury	1.33%	3.57%	4.45%	1.53%	1.71%	1.14%
Bloomberg Int. US Treasury	-0.81%	0.28%	1.30%	-3.21%	0.68%	0.80%
Bloomberg Long US Treasury	-11.83%	-8.55%	-9.09%	-15.73%	-2.78%	0.75%
Bloomberg US TIPS	-2.60%	-0.78%	1.25%	-1.98%	2.12%	1.74%
Bloomberg US Credit	-3.01%	0.03%	3.47%	-4.83%	0.86%	2.12%
Bloomberg US Mortgage-Backed	-4.05%	-2.26%	-0.17%	-5.09%	-0.77%	0.61%
Bloomberg US Asset-Backed	0.25%	1.99%	2.81%	-0.80%	1.48%	1.49%
Bloomberg US 20-Yr Municipal	-5.51%	-2.14%	2.98%	-2.87%	1.08%	2.94%
Bloomberg US High Yield	0.46%	5.86%	10.28%	1.76%	2.96%	4.24%
Bloomberg Global	-3.59%	-2.21%	2.24%	-6.93%	-1.62%	-0.44%
Bloomberg International	-4.00%	-3.20%	3.39%	-8.39%	-3.10%	-1.73%
Bloomberg Emerging Market	-2.31%	0.91%	7.56%	-4.21%	0.23%	2.35%

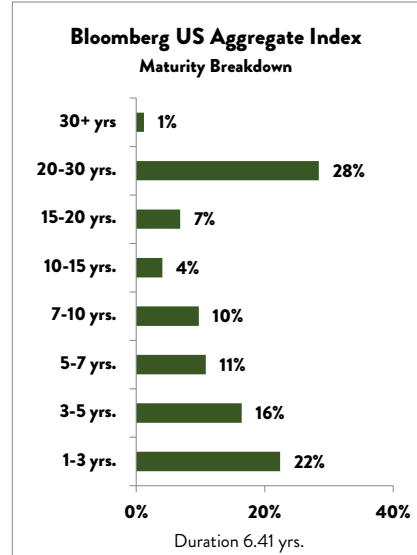
Source: Morningstar



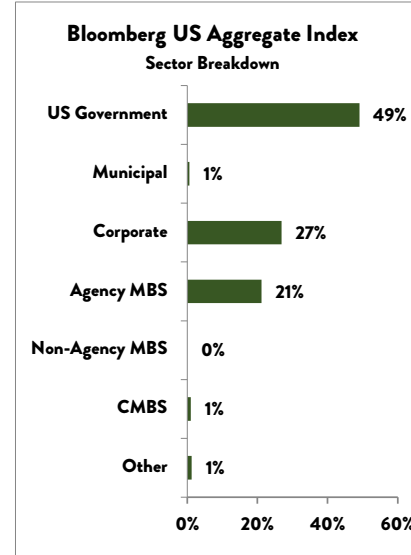
Source: Department of US Treasury



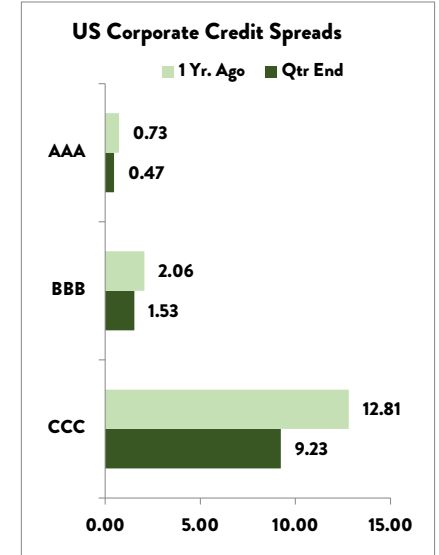
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

3Q2023 US Equity Market Data

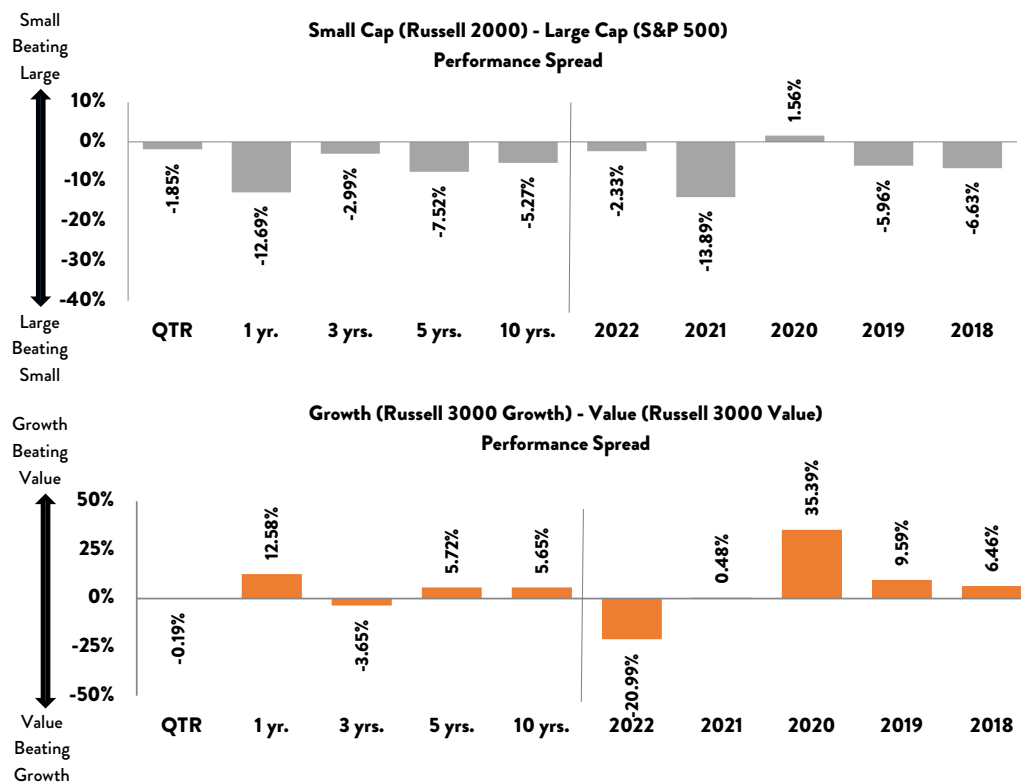
Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	YTD	1 yr.
S&P 500 Index	5%	Energy	12.22%	6.03%	30.21%
	9%	Communication Services	3.07%	40.43%	38.48%
	13%	Financials	-1.13%	-1.65%	11.73%
	13%	Health Care	-2.65%	-4.09%	8.18%
	2%	Materials	-4.76%	2.61%	18.05%
	11%	Consumer Discretionary	-4.80%	26.67%	13.77%
	8%	Industrials	-5.16%	4.50%	24.58%
	27%	Information Technology	-5.64%	34.72%	41.10%
	7%	Consumer Staples	-5.97%	-4.76%	7.35%
	2%	Real Estate	-8.90%	-5.45%	-1.84%
2%	Utilities	-9.25%	-14.41%	-7.02%	
S&P Midcap 400 Index	6%	Energy	15.26%	12.75%	24.53%
	15%	Financials	0.84%	-5.89%	3.11%
	4%	Consumer Staples	-0.38%	8.44%	21.00%
	22%	Industrials	-3.83%	16.96%	31.90%
	7%	Materials	-4.28%	1.52%	23.77%
	14%	Consumer Discretionary	-5.48%	5.94%	21.03%
	11%	Information Technology	-6.36%	16.68%	27.60%
	7%	Real Estate	-8.77%	-5.94%	-2.42%
	8%	Health Care	-9.28%	-4.61%	0.37%
	3%	Utilities	-11.35%	-19.48%	-10.13%
2%	Communication Services	-15.84%	-16.00%	-12.38%	
S&P Smallcap 600 Index	5%	Energy	21.22%	14.32%	37.69%
	18%	Financials	2.37%	-12.52%	-6.22%
	5%	Consumer Staples	-3.84%	3.75%	13.88%
	17%	Industrials	-4.22%	12.85%	29.40%
	8%	Real Estate	-4.57%	-8.01%	0.28%
	3%	Communication Services	-5.52%	2.34%	-0.92%
	5%	Materials	-6.79%	4.05%	16.02%
	14%	Consumer Discretionary	-7.10%	8.24%	20.05%
	13%	Information Technology	-10.92%	9.72%	18.59%
	2%	Utilities	-11.34%	-15.46%	-4.77%
10%	Health Care	-15.51%	-14.43%	-14.02%	

Source: Morningstar

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%
Russell 1000 Value	-3.16%	1.79%	14.44%	11.05%	6.23%	8.45%
Russell 1000 Growth	-3.13%	24.98%	27.72%	7.97%	12.42%	14.48%
Russell Mid Cap	-4.68%	3.91%	13.45%	8.09%	6.38%	8.98%
Russell Mid Cap Value	-4.46%	0.54%	11.05%	10.98%	5.18%	7.92%
Russell Mid Cap Growth	-5.22%	9.88%	17.47%	2.61%	6.97%	9.94%
Russell 2000	-5.13%	2.54%	8.93%	7.16%	2.40%	6.65%
Russell 2000 Value	-2.96%	-0.53%	7.84%	13.32%	2.59%	6.19%
Russell 2000 Growth	-7.32%	5.24%	9.59%	1.09%	1.55%	6.72%
Russell 3000	-3.25%	12.39%	20.46%	9.38%	9.14%	11.28%
DJ US Select REIT	-7.40%	-2.05%	2.61%	6.12%	1.56%	5.28%



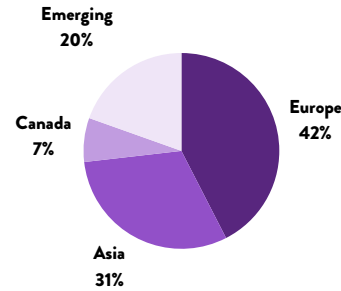
3Q2023 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	-3.77%	5.34%	20.39%	3.74%	2.58%	3.35%
MSCI EAFE	-4.11%	7.08%	25.65%	5.75%	3.24%	3.82%
Europe	-4.96%	7.96%	28.85%	7.23%	3.96%	3.83%
United Kingdom	-1.54%	6.77%	24.90%	12.08%	2.85%	2.54%
Germany	-7.72%	8.79%	35.52%	-0.26%	0.27%	2.01%
France	-6.98%	10.06%	34.48%	11.12%	4.85%	5.30%
Pacific	-2.65%	5.51%	20.41%	3.20%	1.99%	3.86%
Japan	-1.59%	11.21%	25.92%	2.81%	2.06%	4.38%
Hong Kong	-11.08%	-17.59%	-2.58%	-4.49%	-3.40%	2.02%
Australia	-3.34%	-0.38%	15.24%	8.27%	4.43%	3.42%
Canada	-4.04%	3.79%	11.49%	9.08%	5.32%	3.90%
MSCI EM	-2.93%	1.82%	11.70%	-1.73%	0.55%	2.07%
MSCI EM Latin America	-4.75%	12.89%	19.37%	15.07%	2.81%	0.24%
MSCI EM Asia	-2.90%	0.99%	11.93%	-3.49%	0.98%	3.82%
MSCI EM Eur/Mid East	-0.95%	3.48%	4.77%	-1.76%	-2.64%	-3.40%
MSCI ACWI Value ex-US	-0.07%	8.19%	25.17%	9.57%	2.29%	2.58%
MSCI ACWI Growth ex-US	-7.31%	2.61%	15.84%	-1.86%	2.54%	3.92%
MSCI ACWI Sm Cap ex-US	-1.70%	5.03%	19.01%	4.02%	2.58%	4.35%

Regional Exposure

MSCI ACWI ex-USA

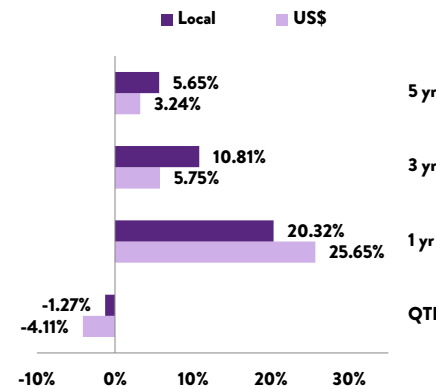


Top 10 Countries (MSCI AC World ex-USA)

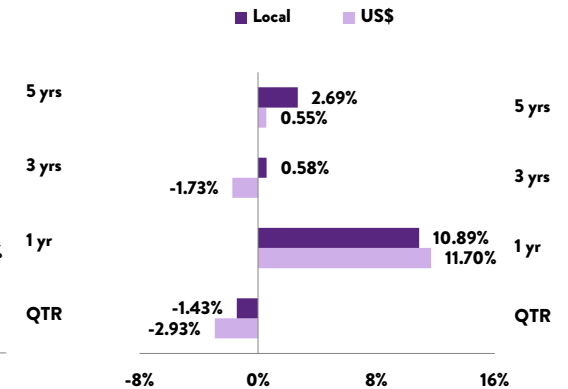
Japan	15%
UK	10%
China	8%
France	8%
Canada	8%
Switzerland	6%
Germany	5%
Australia	5%
India	5%
Taiwan	4%

Source: Morningstar

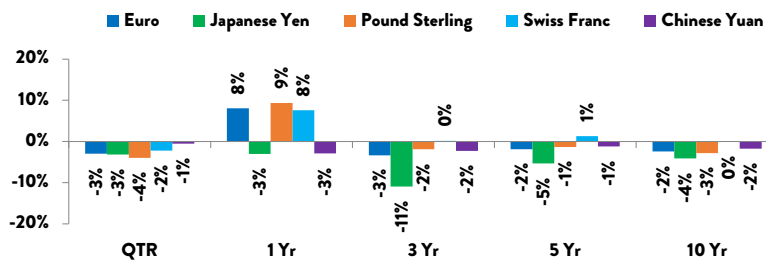
MSCI EAFE Index Return



MSCI Emerging Index Return



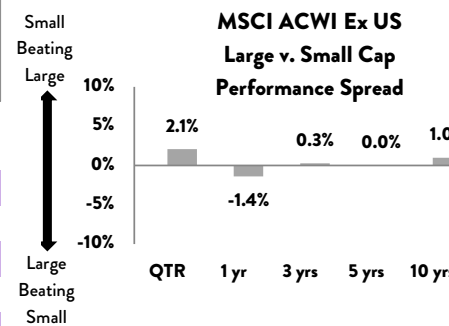
Foreign Currency v. US\$ Returns



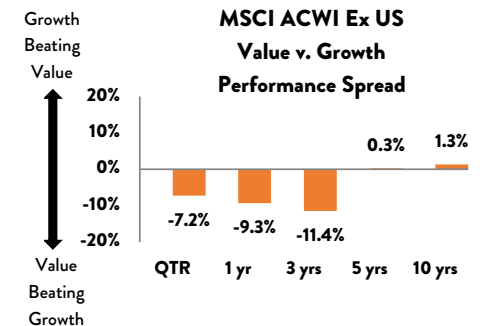
Exchange Rates	QTR	2Q23	1Q23	4Q22	3Q22	2Q22
Japanese Yen	149.43	144.47	132.75	131.81	144.71	135.69
Euro	0.94	0.92	0.92	0.93	1.02	0.96
British Pound	0.82	0.79	0.81	0.83	0.90	0.82
Swiss Franc	0.91	0.89	0.91	0.92	0.98	0.96
Chinese Yuan	7.30	7.25	6.87	6.90	7.11	6.70

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	3Q23
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 13.07%	Commod. 4.71%
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%	Global Balanced 6.01%	Cash 1.36%
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%	High Yield 5.86%	High Yield 0.46%
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%	Intl 5.34%	Core Real Estate -2.16%
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%	Mid Cap 3.91%	TIPS -2.60%
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%	Cash 3.86%	Emerging Markets -2.93%
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%	Small Cap 2.54%	US Bonds -3.23%
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%	Emerging Markets 1.82%	Global Balanced -3.26%
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%	TIPS -0.78%	Large Cap -3.27%
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%	US Bonds -1.21%	Global Bonds -3.59%
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%	Global Bonds -2.21%	Intl -3.77%
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%	Commod. -3.44%	Mid Cap -4.68%
Emerging Markets -53.33%	Core Real Estate -30.40%	Cash 0.15%	Emerging Markets -18.42%	Commod. -1.06%	Commod. -9.52%	Commod. -17.00%	Commod. -24.60%	Cash 0.25%	Cash 0.71%	Emerging Markets -14.58%	Cash 2.30%	Commod. -3.12%	Global Bonds -4.71%	Small Cap -20.44%	Core Real Estate -8.19%	Small Cap -5.13%

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

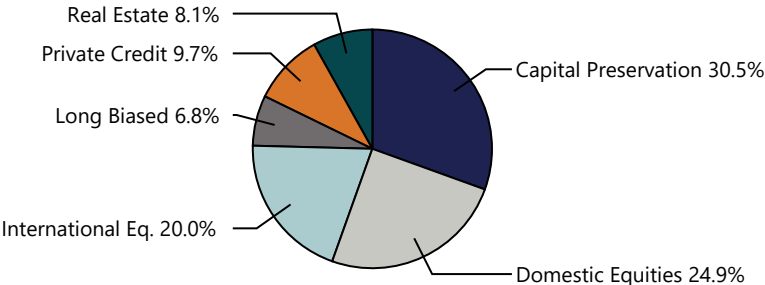
Source: Morningstar; Core Real Estate Source: NCREIF

Section 2 | Performance Overview

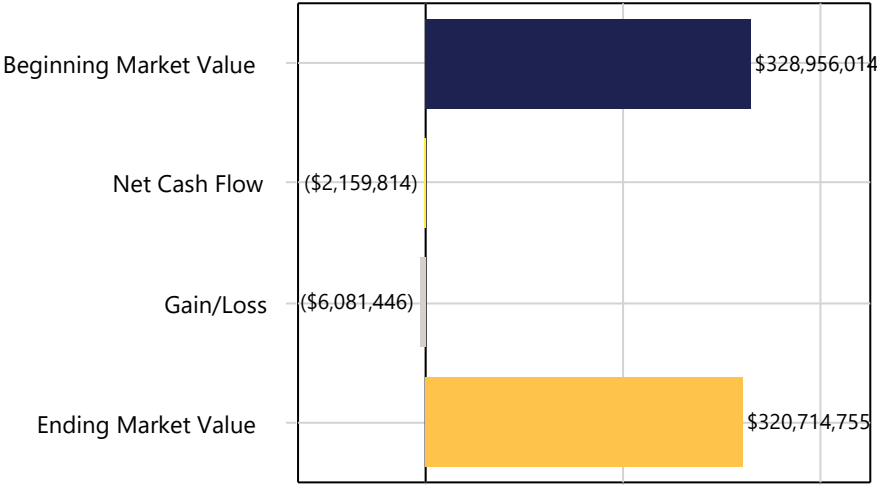
Spokane Employees' Retirement System

As of September 30, 2023

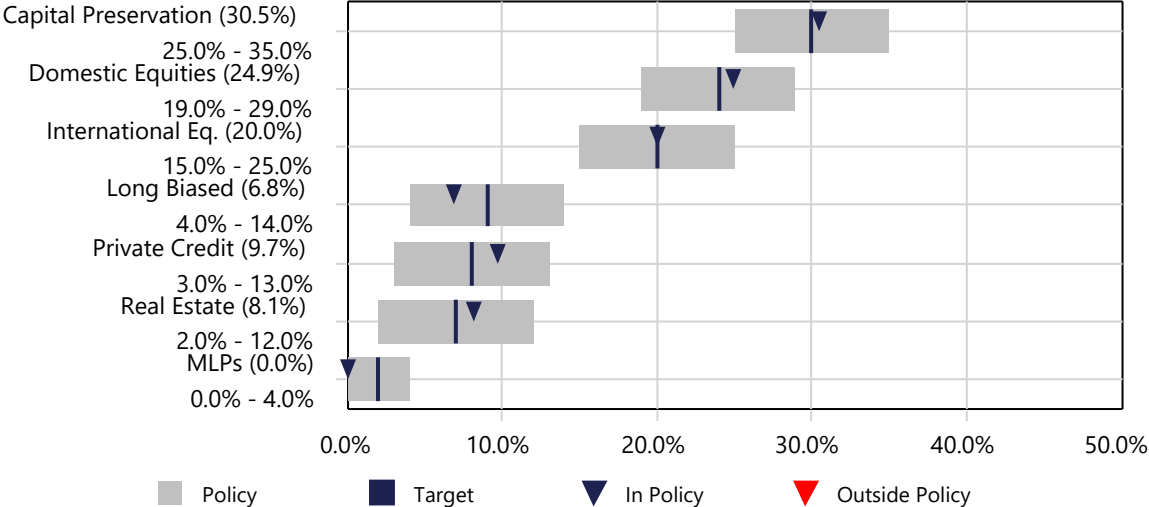
SERS Current Allocation



Current Quarter



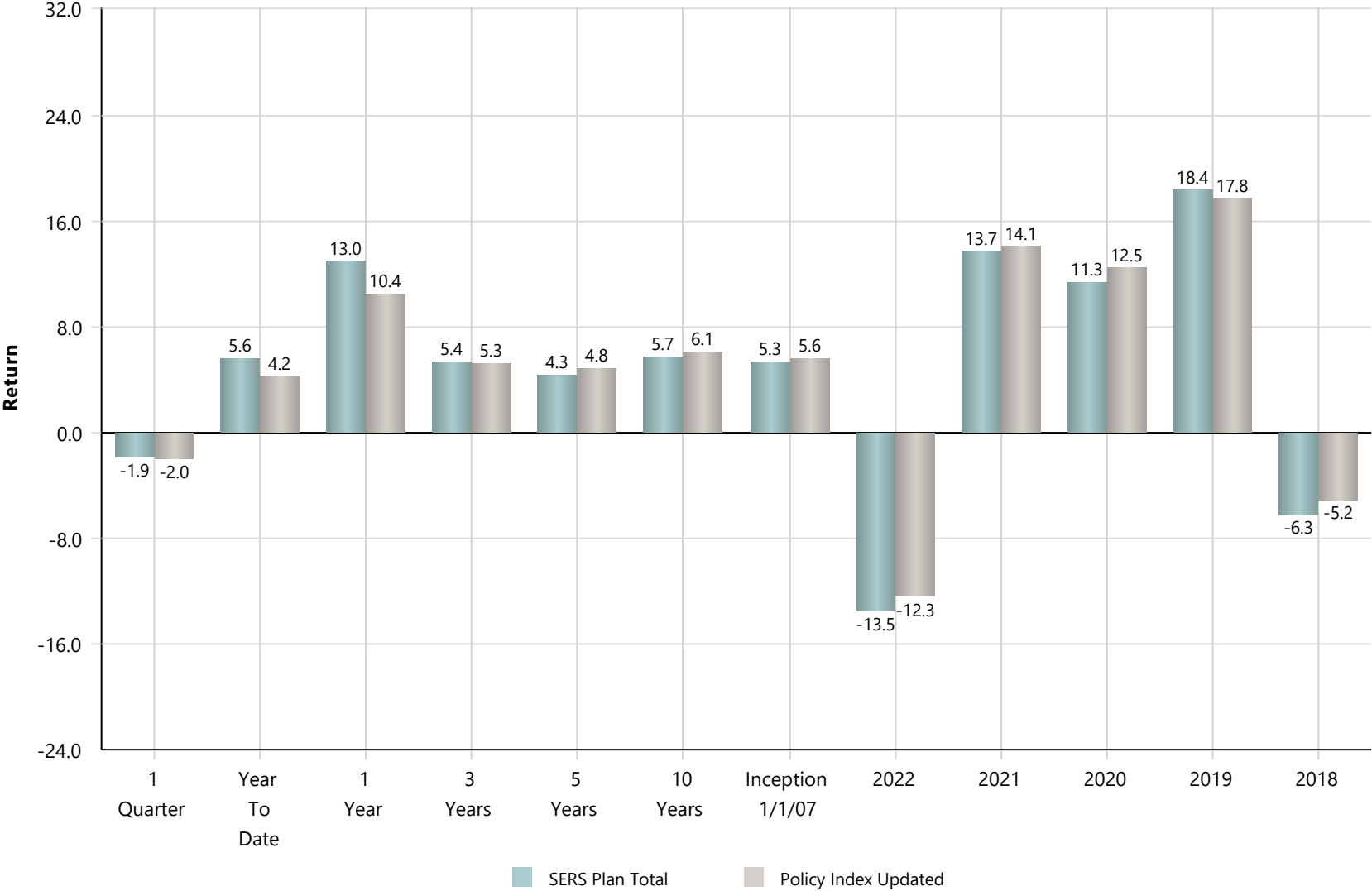
Executive Summary



Policy Breakdown

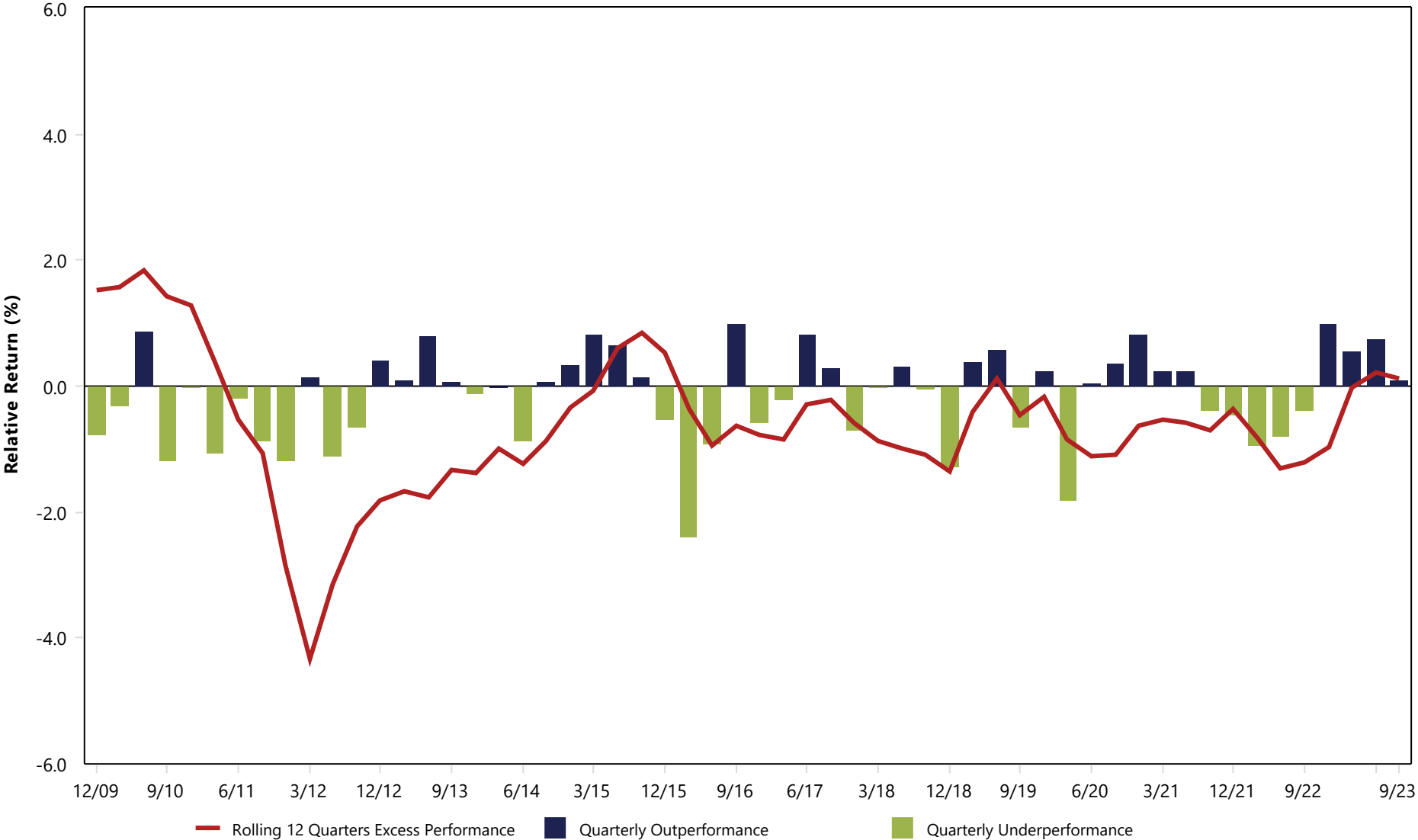
Passive Portfolios	Weight (%)
Blmbg. U.S. Aggregate Index	17.0
Blmbg. U.S. Corp: High Yield Index	8.0
HFRI FOF: Conservative Index	5.0
S&P 500 Index	16.0
Russell 2500 Index	8.0
MSCI AC World ex USA (Net)	10.0
MSCI AC World ex USA Small Cap (Net)	5.0
MSCI Emerging Markets (Net)	5.0
HFRI Fund of Funds 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 September 30, 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	12.70	11.88	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	5.39	5.26	4.32	4.81	5.35	5.58	
Cumulative Return	17.04	16.62	23.57	26.49	139.26	148.33	
Active Return	0.24	0.00	-0.28	0.00	-0.29	0.00	
Excess Return	4.33	4.09	3.78	4.06	4.91	5.20	

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	12.74	11.71	15.88	14.64	12.36	12.93	01/01/2007
Alpha	-0.26	0.00	-0.76	0.00	0.08	0.00	
Tracking Error	1.30	0.00	1.50	0.00	2.30	0.00	
Information Ratio	0.18	-	-0.19	-	-0.13	-	
Beta	1.09	1.00	1.08	1.00	0.94	1.00	
Sharpe Ratio	0.34	0.35	0.24	0.27	0.39	0.40	

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	0.998	1.000	0.984	1.000	

Spokane Employees' Retirement System

As of September 30, 2023

Total Account Performance Summary

	Performance (%)													
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
SERS Plan Total	-1.86	5.63	12.97	5.39	4.32	5.69	5.35	-13.50	13.66	11.29	18.35	-6.27	15.40	01/01/2007
Policy Index Updated	-1.95	4.22	10.42	5.26	4.81	6.14	5.58	-12.34	14.08	12.48	17.76	-5.17	15.20	
Over/Under	0.09	1.41	2.55	0.13	-0.49	-0.45	-0.23	-1.16	-0.42	-1.19	0.59	-1.10	0.20	
70/30 ACWI/Bloomberg Aggregate Bond	-3.33	6.63	14.55	3.31	4.81	5.80	5.03	-16.59	12.25	14.28	21.21	-6.48	17.50	
Over/Under	1.47	-1.00	-1.58	2.08	-0.49	-0.11	0.32	3.09	1.41	-2.99	-2.86	0.21	-2.10	
Corp/ and Public >250m and < \$1Bil Rank	10	11	9	17	47	45	55	33	32	80	66	75	49	
Capital Preservation	-1.69	1.21	3.73	-0.16	1.01	2.14	2.37	-7.41	2.35	3.29	8.71	-0.94	5.85	07/01/2012
Capital Preservation Index	-1.47	1.45	3.72	-0.13	2.07	2.63	2.81	-8.13	3.07	7.23	9.09	-0.72	4.60	
Over/Under	-0.22	-0.24	0.01	-0.03	-1.06	-0.49	-0.44	0.72	-0.72	-3.94	-0.38	-0.22	1.25	
Domestic Equity	-3.27	10.40	20.50	10.13	7.58	9.91	11.44	-18.25	25.73	17.45	29.14	-7.80	19.86	07/01/2012
Domestic Equity Index	-3.77	9.93	18.19	9.68	8.17	10.61	11.99	-18.16	25.09	19.22	30.24	-6.30	20.11	
Over/Under	0.50	0.47	2.31	0.45	-0.59	-0.70	-0.55	-0.09	0.64	-1.77	-1.10	-1.50	-0.25	
All Cap Blend Rank	40	36	30	38	48	42	40	61	49	39	42	47	42	
International Equity Total	-3.82	6.71	22.89	4.80	4.50	4.92	4.60	-17.36	9.68	17.63	25.02	-15.78	28.45	04/01/2007
International Equity Index	-3.03	4.42	18.52	2.95	2.28	3.36	2.68	-17.24	7.30	12.43	21.27	-14.96	29.35	
Over/Under	-0.79	2.29	4.37	1.85	2.22	1.56	1.92	-0.12	2.38	5.20	3.75	-0.82	-0.90	
Foreign Rank	32	33	45	41	13	15	8	53	59	27	37	52	39	
Long Biased	-0.09	4.07	5.18	3.44	4.23	3.72	4.40	-8.37	4.52	16.54	12.74	2.43	1.19	07/01/2012
HFRI Fund of Funds Composite Idx	0.52	2.82	4.60	3.77	3.38	3.28	3.70	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	-0.61	1.25	0.58	-0.33	0.85	0.44	0.70	-3.06	-1.65	5.66	4.35	6.45	-6.58	
S&P 500 Index	-3.27	13.07	21.62	10.15	9.92	11.91	12.89	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	3.18	-9.00	-16.44	-6.71	-5.69	-8.19	-8.49	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 September 30, 2023

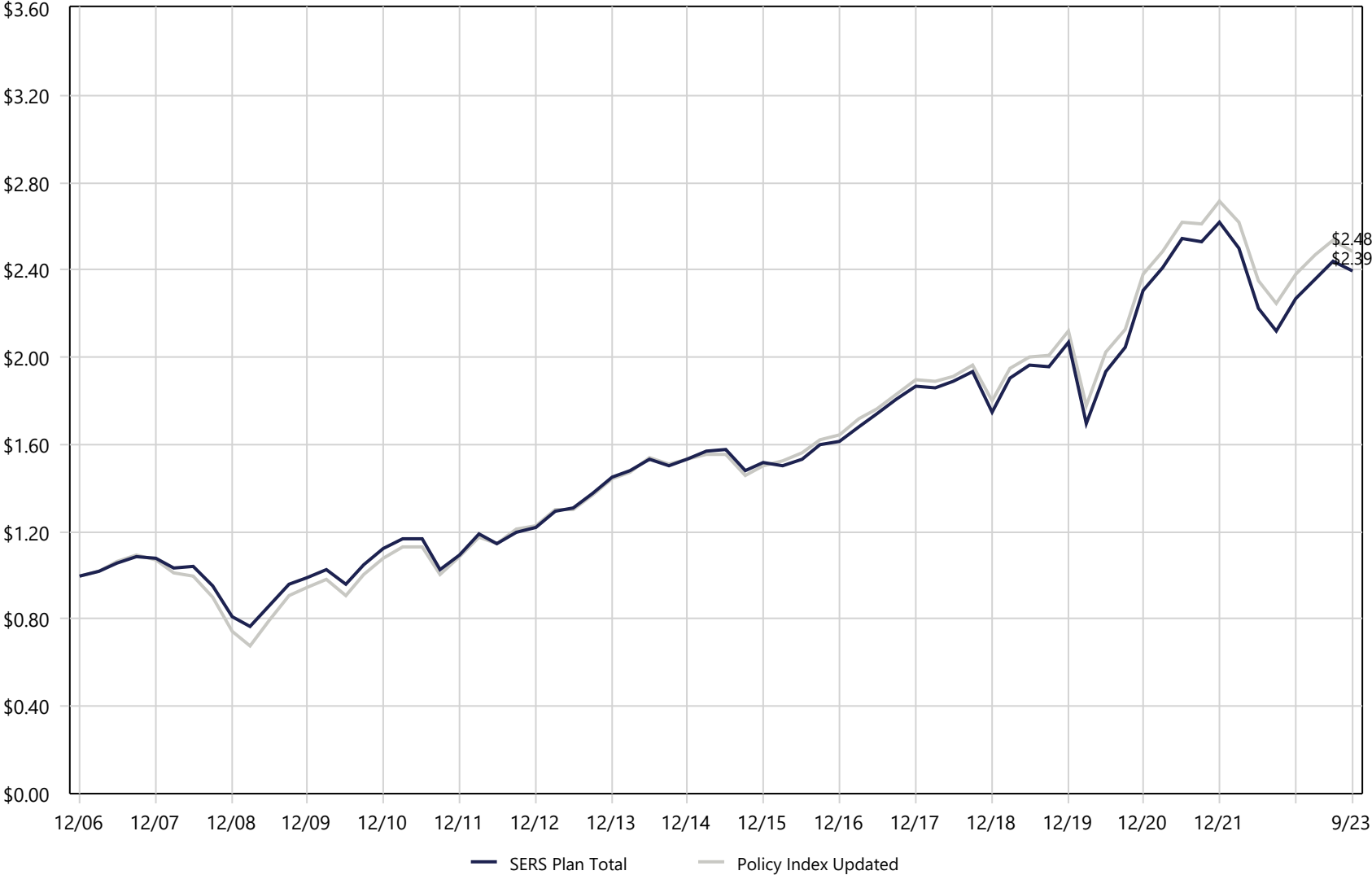
	Performance (%)													
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Private Credit	3.91	9.82	12.38	10.07	2.61	4.69	4.69	-8.09	20.58	1.81	1.14	-5.68	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Idx	1.14	3.42	4.21	8.23	4.44	4.13	4.13	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	2.77	6.40	8.17	1.84	-1.83	0.56	0.56	-3.82	4.97	-10.01	-1.80	-3.98	0.83	
Real Estate Total	-1.01	0.06	0.95	5.78	5.13	7.91	5.35	-10.62	27.75	-2.65	16.62	3.68	10.01	04/01/2007
NCREIF ODCE VW NET	-2.10	-8.14	-12.88	6.19	4.72	7.19	4.89	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	1.09	8.20	13.83	-0.41	0.41	0.72	0.46	-17.17	6.73	-2.99	12.23	-3.68	3.35	
FTSE NAREIT All REITs Index	-8.04	-5.17	-0.89	2.74	2.37	5.99	4.12	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	7.03	5.23	1.84	3.04	2.76	1.92	1.23	14.48	-12.13	3.21	-11.45	7.78	0.74	
Real Estate Rank	2	13	34	9	5	2	5	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 September 30, 2023

Growth of A Dollar

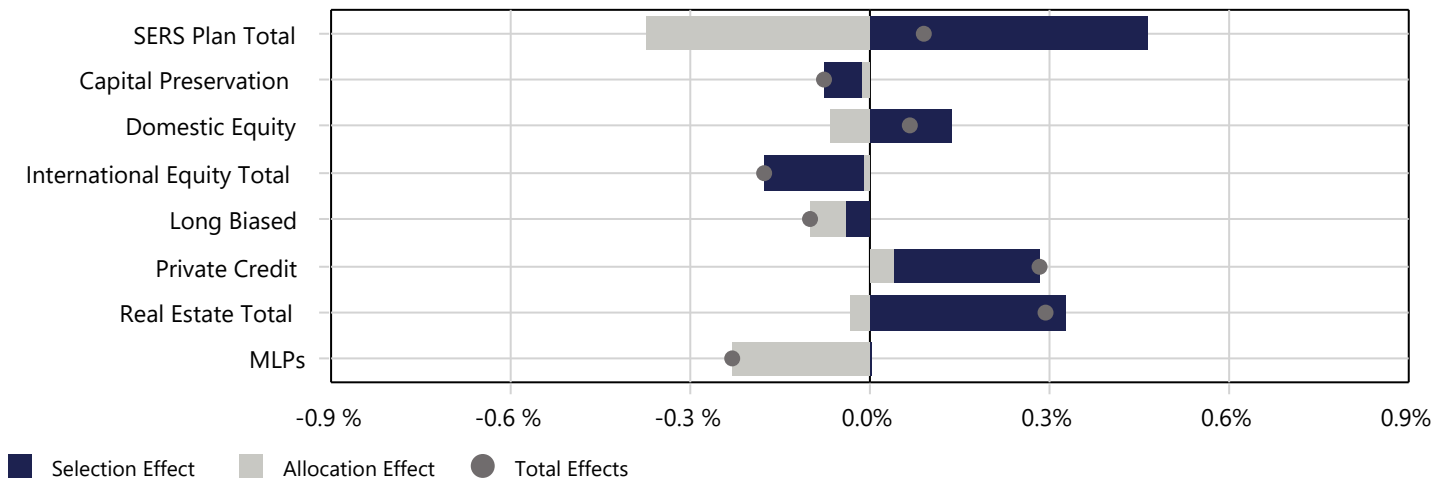


Calculation based on quarterly periodicity.

Attribution Summary 1 Quarter Ending September 30, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	-1.69	-1.47	-0.22	-0.06	-0.01	-0.08
Domestic Equity	-3.27	-3.77	0.50	0.14	-0.07	0.07
International Equity Total	-3.82	-3.03	-0.79	-0.16	-0.01	-0.18
Long Biased	-0.09	0.53	-0.63	-0.04	-0.06	-0.10
Private Credit	3.91	1.14	2.78	0.25	0.04	0.28
Real Estate Total	-1.01	-5.07	4.06	0.33	-0.03	0.29
MLPs	0.00	9.90	-9.90	0.00	-0.23	-0.23
SERS Plan Total	-1.86	-1.95	0.09	0.46	-0.37	0.09

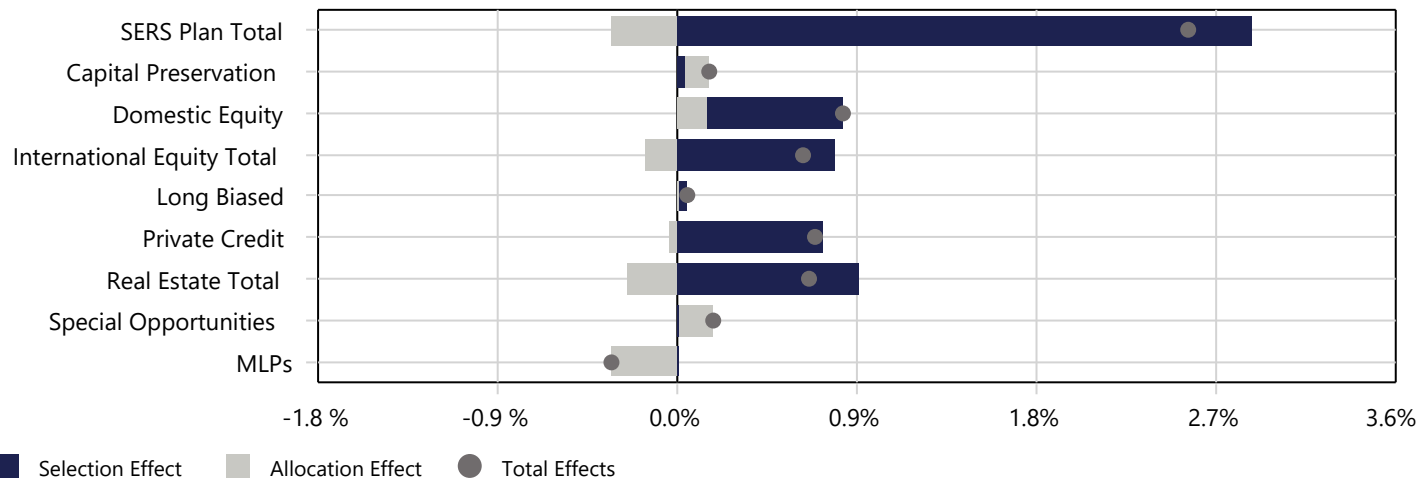
Attribution Effects 1 Quarter Ending September 30, 2023



Attribution Summary 1 Year Ending September 30, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	3.73	3.72	0.01	-0.04	0.12	0.16
Domestic Equity	20.50	18.19	2.30	0.59	0.15	0.83
International Equity Total	22.89	18.52	4.38	0.73	-0.16	0.63
Long Biased	5.18	4.61	0.57	0.02	0.01	0.05
Private Credit	12.38	4.21	8.17	0.70	-0.04	0.69
Real Estate Total	0.95	-8.42	9.37	0.88	-0.25	0.66
Special Opportunities	17.17	7.18	9.99	0.00	0.18	0.18
MLPs	0.00	20.56	-20.56	0.00	-0.33	-0.33
SERS Plan Total	12.97	10.40	2.56	2.89	-0.33	2.56

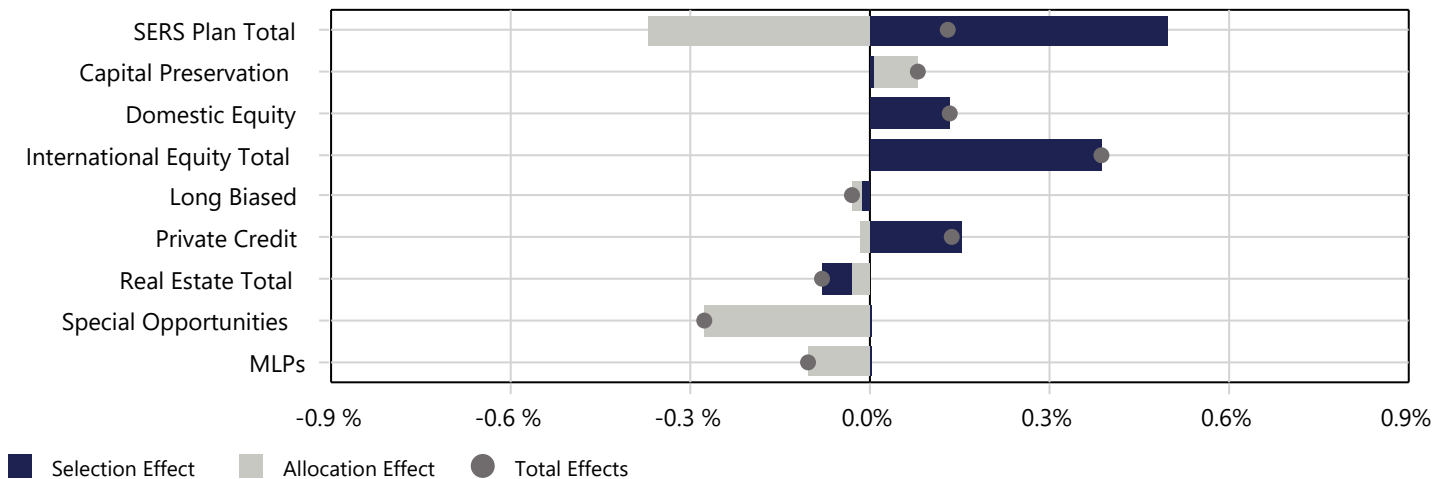
Attribution Effects 1 Year Ending September 30, 2023



Attribution Summary 3 Years Ending September 30, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	-0.16	-0.13	-0.03	-0.02	0.07	0.08
Domestic Equity	10.13	9.68	0.45	0.10	0.00	0.13
International Equity Total	4.80	2.95	1.85	0.36	0.00	0.39
Long Biased	3.44	3.78	-0.34	-0.02	-0.02	-0.03
Private Credit	10.07	8.23	1.85	0.15	-0.02	0.14
Real Estate Total	5.78	5.68	0.10	-0.06	-0.03	-0.08
Special Opportunities	-5.90	5.20	-11.11	0.00	-0.28	-0.28
MLPs	0.00	6.43	-6.43	0.00	-0.10	-0.10
SERS Plan Total	5.39	5.26	0.13	0.50	-0.37	0.13

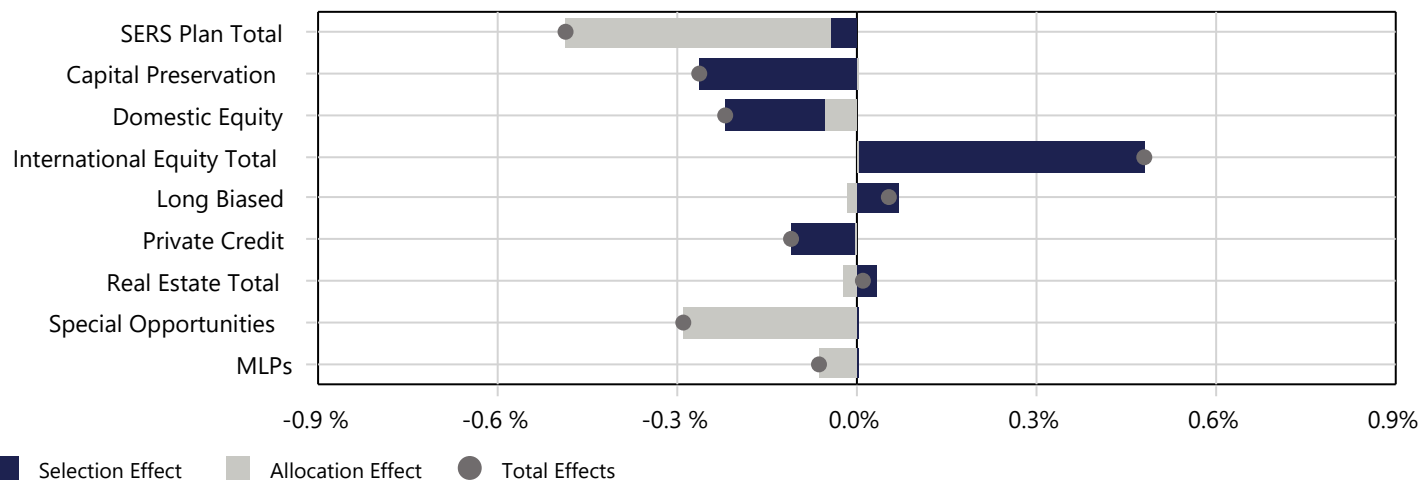
Attribution Effects 3 Years Ending September 30, 2023



Attribution Summary 5 Years Ending September 30, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	1.01	2.07	-1.06	-0.28	0.00	-0.26
Domestic Equity	7.58	8.17	-0.60	-0.19	-0.05	-0.22
International Equity Total	4.50	2.28	2.22	0.46	0.00	0.48
Long Biased	4.23	3.39	0.84	0.06	-0.02	0.05
Private Credit	2.61	4.44	-1.83	-0.11	0.00	-0.11
Real Estate Total	5.13	4.26	0.87	0.03	-0.02	0.01
Special Opportunities	-5.39	6.62	-12.02	0.00	-0.29	-0.29
MLPs	0.00	3.81	-3.81	0.00	-0.06	-0.06
SERS Plan Total	4.32	4.81	-0.49	-0.04	-0.45	-0.49

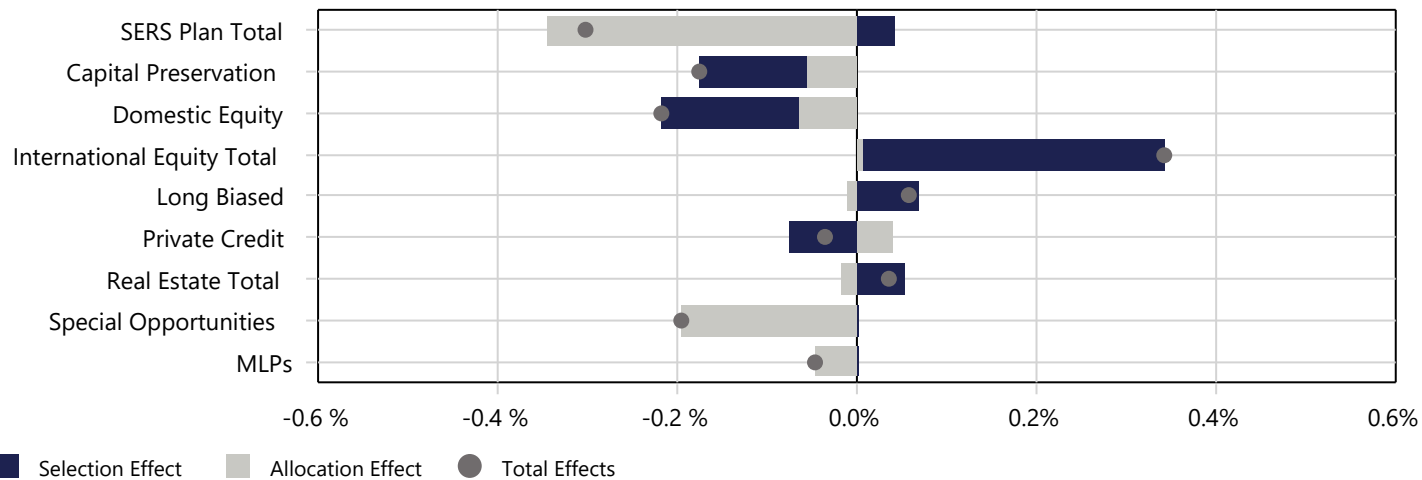
Attribution Effects 5 Years Ending September 30, 2023



Attribution Summary January 1, 2017 Ending September 30, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	1.82	2.31	-0.50	-0.14	-0.05	-0.18
Domestic Equity	9.99	10.54	-0.54	-0.17	-0.06	-0.22
International Equity Total	6.59	5.01	1.58	0.32	0.01	0.34
Long Biased	4.63	3.79	0.84	0.06	-0.01	0.06
Private Credit	3.55	4.84	-1.29	-0.08	0.04	-0.04
Real Estate Total	5.97	4.99	0.98	0.05	-0.02	0.04
Special Opportunities	-0.73	9.50	-10.23	0.00	-0.19	-0.19
MLPs	0.00	2.81	-2.81	0.00	-0.05	-0.05
SERS Plan Total	5.98	6.28	-0.30	0.04	-0.34	-0.30

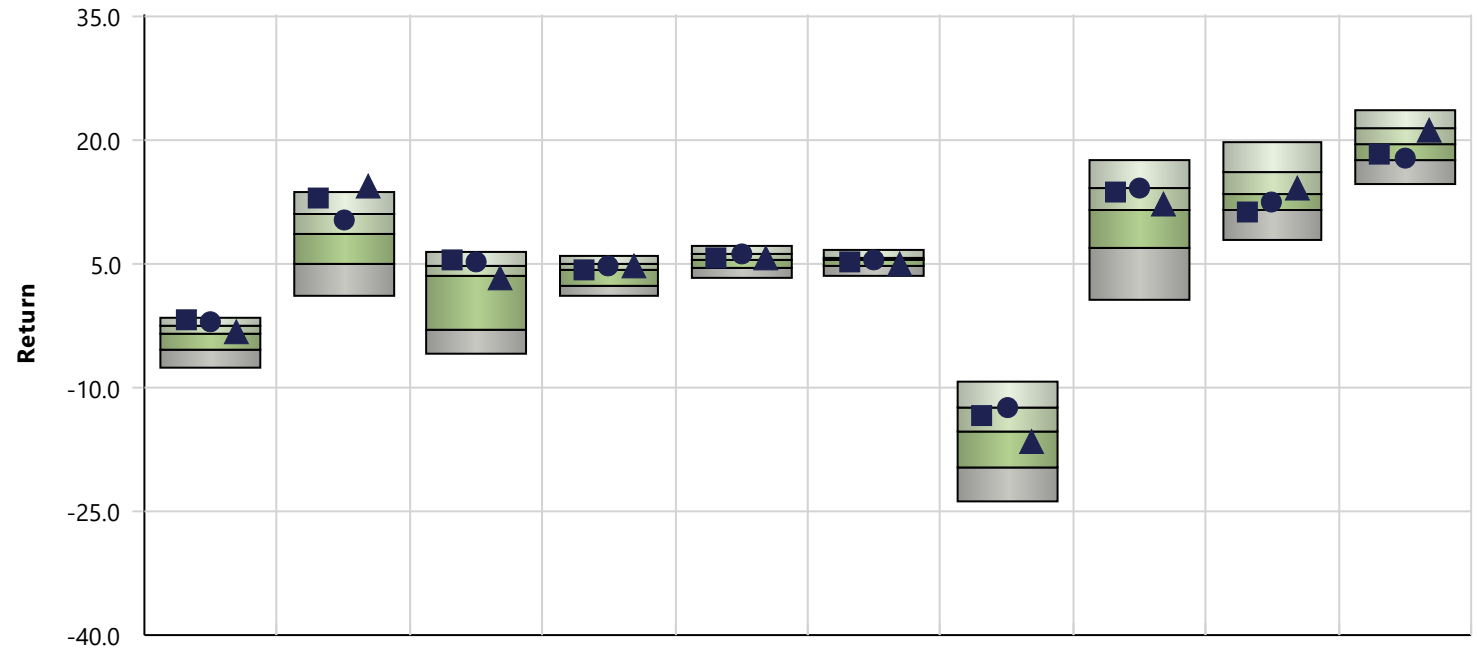
Attribution Effects January 1, 2017 Ending September 30, 2023



Spokane Employees' Retirement System

As of September 30, 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	-1.9 (10)	13.0 (9)	5.4 (17)	4.3 (47)	5.7 (45)	5.3 (55)	-13.5 (33)	13.7 (32)	11.3 (80)	18.4 (66)
● Policy Index Updated	-2.0 (11)	10.4 (29)	5.3 (18)	4.8 (33)	6.1 (27)	5.6 (41)	-12.3 (26)	14.1 (27)	12.5 (65)	17.8 (72)
▲ 70/30 ACWI/Bloomberg Aggregate Bond	-3.3 (48)	14.5 (3)	3.3 (51)	4.8 (33)	5.8 (41)	5.0 (65)	-16.6 (59)	12.2 (44)	14.3 (45)	21.2 (28)

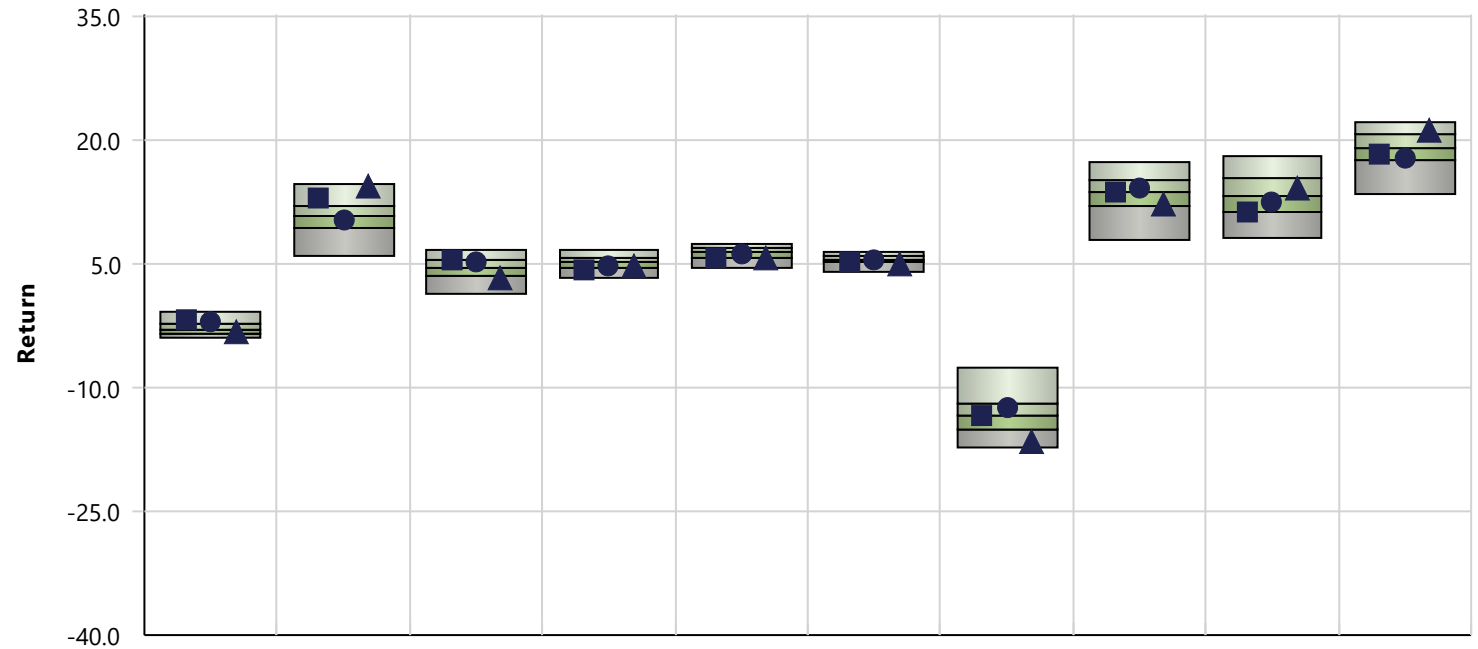
5th Percentile	-1.6	13.8	6.5	6.0	7.2	6.6	-9.3	17.6	19.7	23.6
1st Quartile	-2.6	11.0	4.8	5.1	6.2	5.8	-12.3	14.2	16.0	21.4
Median	-3.4	8.7	3.5	4.2	5.5	5.4	-15.4	11.5	13.4	19.5
3rd Quartile	-5.4	5.0	-3.1	2.4	4.5	4.9	-19.6	7.0	11.6	17.5
95th Percentile	-7.6	1.1	-6.0	1.0	3.3	3.6	-23.7	0.5	7.9	14.7
Population	219	196	183	176	147	97	272	331	367	382

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

As of September 30, 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	-1.9 (13)	13.0 (16)	5.4 (29)	4.3 (81)	5.7 (79)	5.3 (66)	-13.5 (52)	13.7 (50)	11.3 (78)	18.4 (62)
● Policy Index Updated	-2.0 (16)	10.4 (56)	5.3 (33)	4.8 (70)	6.1 (63)	5.6 (50)	-12.3 (32)	14.1 (43)	12.5 (58)	17.8 (73)
▲ 70/30 ACWI/Bloomberg Aggregate Bond	-3.3 (73)	14.5 (6)	3.3 (80)	4.8 (70)	5.8 (75)	5.0 (81)	-16.6 (91)	12.2 (72)	14.3 (38)	21.2 (16)

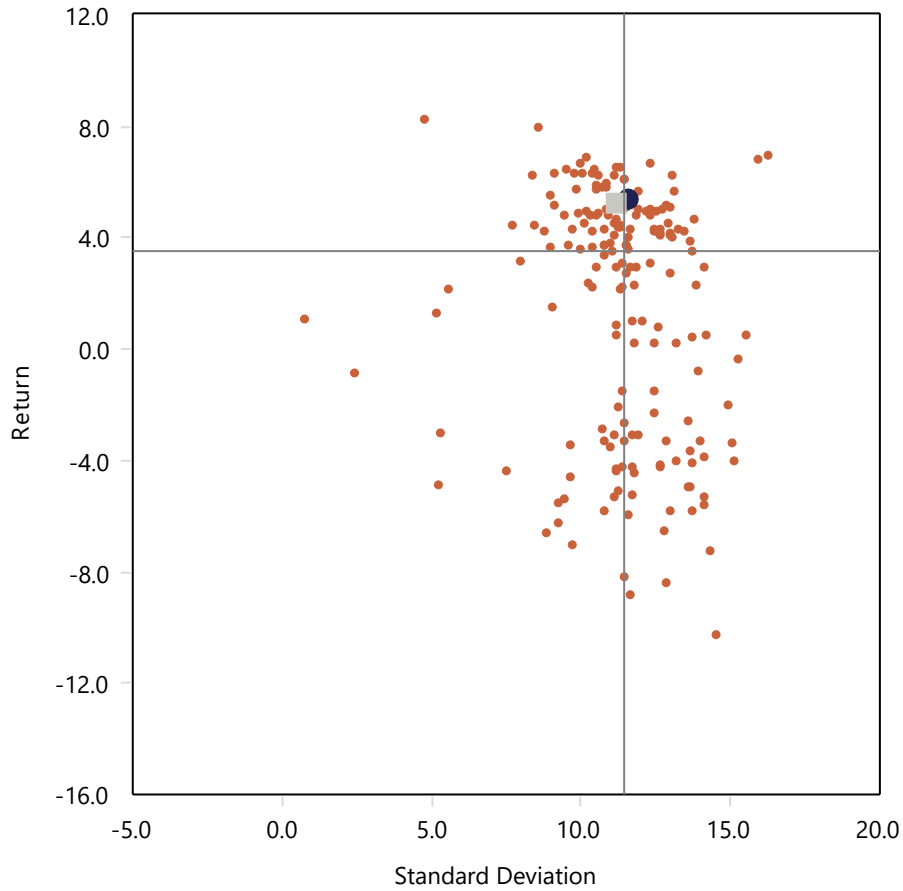
5th Percentile	-0.7	14.7	6.8	6.6	7.5	6.5	-7.5	17.3	17.9	22.3
1st Quartile	-2.2	12.1	5.5	5.7	6.8	6.0	-11.9	15.1	15.3	20.6
Median	-2.9	10.7	4.6	5.2	6.4	5.6	-13.5	13.6	13.2	19.1
3rd Quartile	-3.4	9.4	3.6	4.6	5.8	5.2	-15.2	11.9	11.4	17.5
95th Percentile	-4.0	5.9	1.3	3.3	4.5	4.1	-17.4	8.0	8.1	13.4
Population	174	166	160	154	126	79	228	258	273	268

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

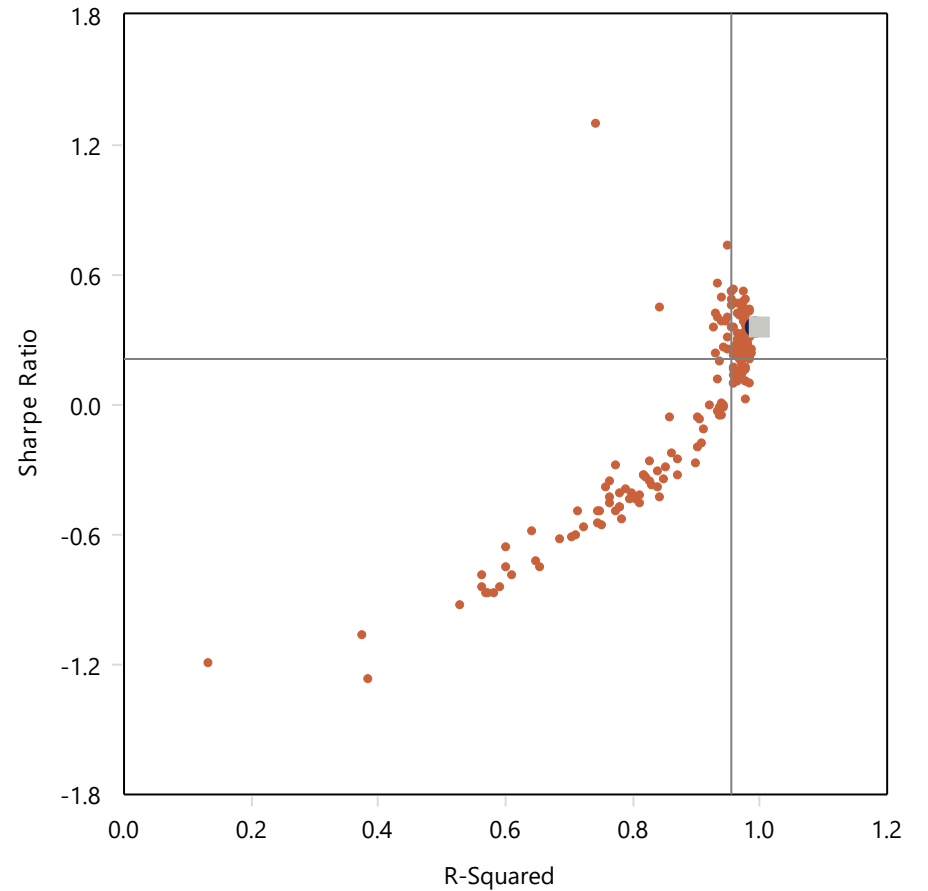
As of September 30, 2023

Annualized Return vs Annualized Standard Deviation Trailing 3 Years



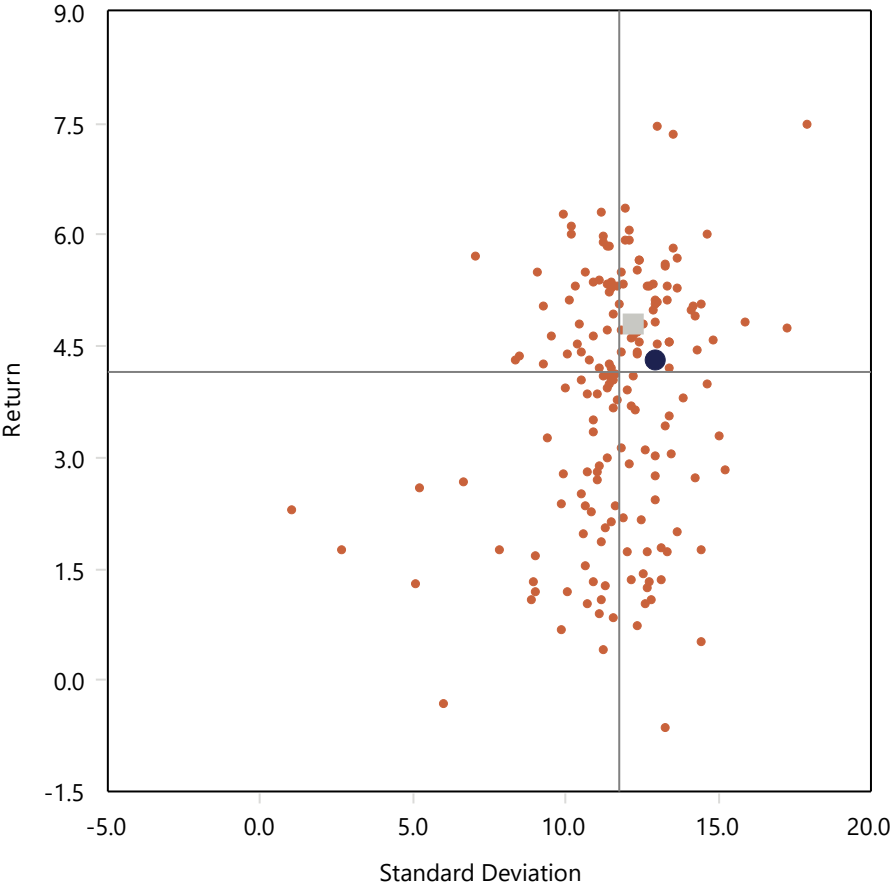
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared Trailing 3 Years



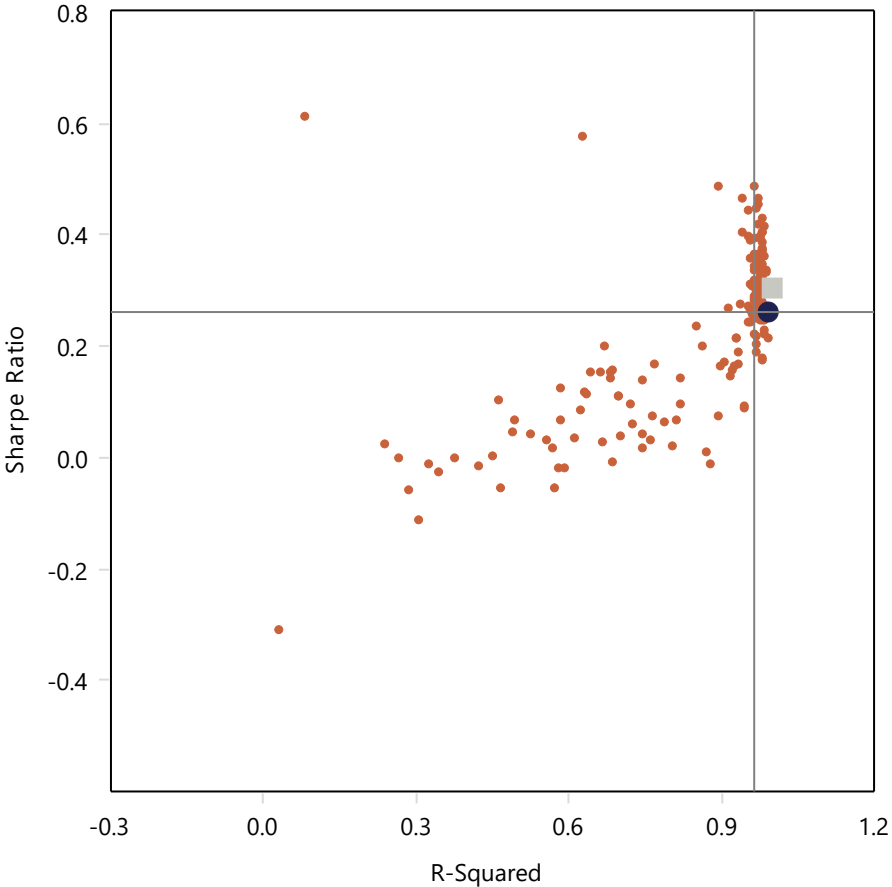
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Annualized Return vs Annualized Standard Deviation
Trailing 5 Years



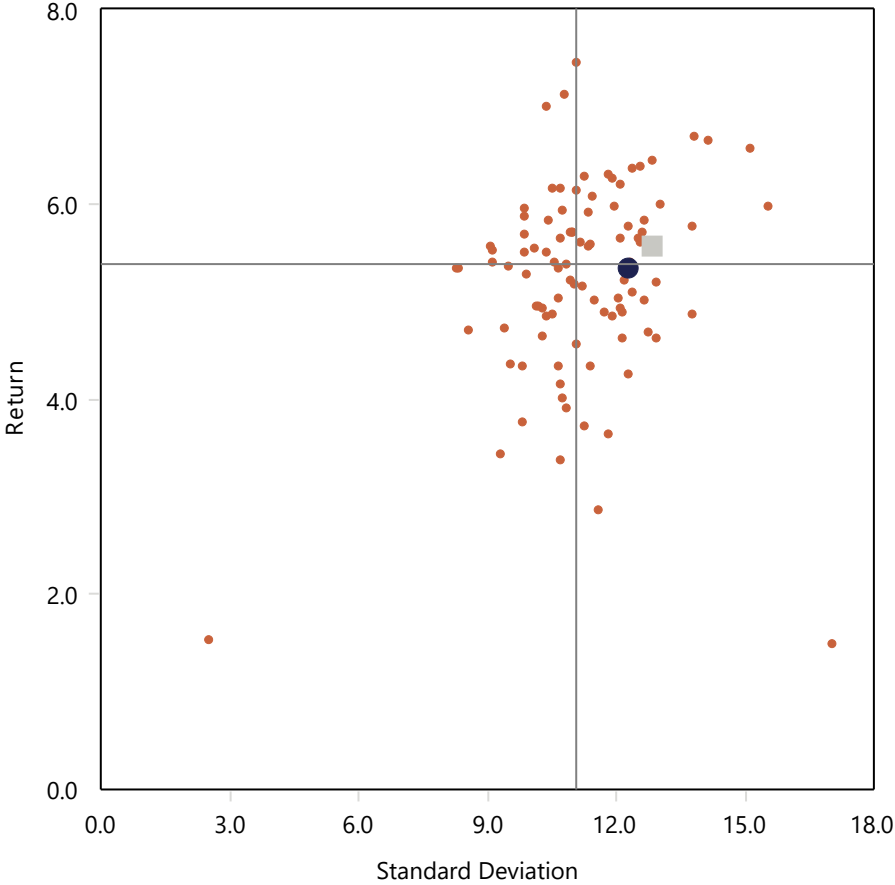
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared
Trailing 5 Years



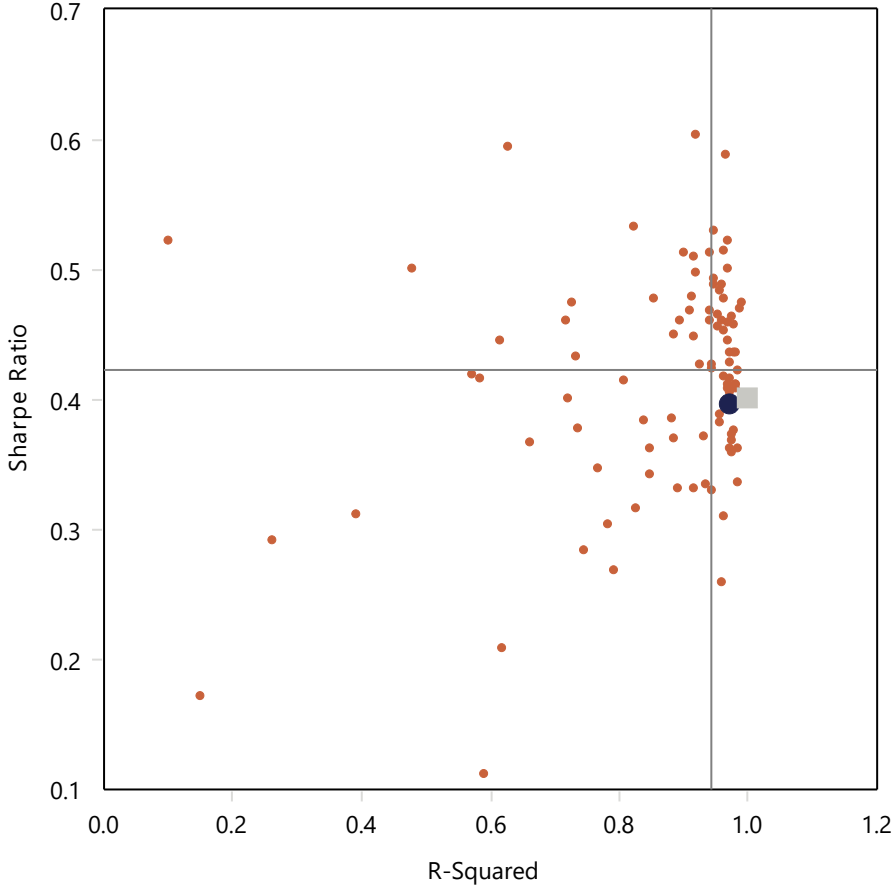
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

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 September 30, 2023

Asset Class Performance

	Performance (%)												Inception Date
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Capital Preservation	-1.69	1.21	3.73	-0.16	1.01	2.37	-7.41	2.35	3.29	8.71	-0.94	5.85	07/01/2012
Capital Preservation Index	-1.47	1.45	3.72	-0.13	2.07	2.81	-8.13	3.07	7.23	9.09	-0.72	4.60	
Over/Under	-0.22	-0.24	0.01	-0.03	-1.06	-0.44	0.72	-0.72	-3.94	-0.38	-0.22	1.25	
Total Return Bond	-3.40	-1.32	-0.02	-4.65	0.63	0.49	-12.70	-1.03	9.29	9.38	-0.09	4.20	10/01/2016
Blmbg. U.S. Aggregate Index	-3.23	-1.21	0.64	-5.21	0.10	-0.09	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-0.17	-0.11	-0.66	0.56	0.53	0.58	0.31	0.52	1.78	0.66	-0.10	0.66	
Intermediate Core Bond Rank	79	68	84	21	13	10	23	24	17	17	35	16	
High Yield	0.68	6.07	11.01	3.43	1.82	3.86	-9.70	6.83	3.04	9.71	-3.46	8.22	07/01/2012
Blmbg. U.S. Corp: High Yield Index	0.46	5.86	10.28	1.76	2.96	4.81	-11.19	5.28	7.11	14.32	-2.08	7.50	
Over/Under	0.22	0.21	0.73	1.67	-1.14	-0.95	1.49	1.55	-4.07	-4.61	-1.38	0.72	
High Yield Bond Rank	41	26	16	14	79	61	31	12	83	88	67	13	
Absolute Return	-0.12	2.86	5.41	2.83	1.11	2.87	-2.26	4.12	-2.62	8.10	-1.11	5.33	07/01/2012
HFRI FOF: Conservative Index	1.50	3.51	5.01	5.67	4.07	3.86	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	-1.62	-0.65	0.40	-2.84	-2.96	-0.99	-2.34	-3.50	-9.09	1.80	-0.24	1.21	
Blmbg. U.S. Aggregate Index	-3.23	-1.21	0.64	-5.21	0.10	0.99	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	3.11	4.07	4.77	8.04	1.01	1.88	10.75	5.67	-10.13	-0.62	-1.12	1.79	
Domestic Equity	-3.27	10.40	20.50	10.13	7.58	11.44	-18.25	25.73	17.45	29.14	-7.80	19.86	07/01/2012
Domestic Equity Index	-3.77	9.93	18.19	9.68	8.17	11.99	-18.16	25.09	19.22	30.24	-6.30	20.11	
Over/Under	0.50	0.47	2.31	0.45	-0.59	-0.55	-0.09	0.64	-1.77	-1.10	-1.50	-0.25	
All Cap Blend Rank	40	36	30	38	48	40	61	49	39	42	47	42	

Spokane Employees' Retirement System

As of September 30, 2023

	Performance (%)												Inception Date
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Domestic Large Cap Equity	-2.33	13.92	24.16	11.41	9.26	8.77	-18.11	29.12	17.47	30.06	-7.70	22.54	04/01/2007
S&P 500 Index	-3.27	13.07	21.62	10.15	9.92	9.09	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	0.94	0.85	2.54	1.26	-0.66	-0.32	0.00	0.41	-0.93	-1.43	-3.32	0.71	
Large Blend Rank	17	15	12	12	36	33	51	17	48	48	75	24	
Domestic Small/Mid Equity	-5.08	3.92	13.73	7.84	4.42	10.07	-18.52	19.65	17.46	27.27	-8.05	14.91	07/01/2012
Russell 2500 Index	-4.78	3.59	11.28	8.39	4.55	10.03	-18.37	18.18	19.99	27.77	-10.00	16.81	
Over/Under	-0.30	0.33	2.45	-0.55	-0.13	0.04	-0.15	1.47	-2.53	-0.50	1.95	-1.90	
SMID Blend Rank	75	42	43	75	50	33	72	75	27	32	12	41	
International Equity Total	-3.82	6.71	22.89	4.80	4.50	4.60	-17.36	9.68	17.63	25.02	-15.78	28.45	04/01/2007
International Equity Index	-3.03	4.42	18.52	2.95	2.28	2.68	-17.24	7.30	12.43	21.27	-14.96	29.35	
Over/Under	-0.79	2.29	4.37	1.85	2.22	1.92	-0.12	2.38	5.20	3.75	-0.82	-0.90	
Foreign Rank	32	33	45	41	13	8	53	59	27	37	52	39	
International Large Cap Equity	-4.41	9.32	27.57	7.53	5.92	7.99	-14.41	9.94	17.08	25.78	-15.14	27.50	07/01/2012
MSCI AC World ex USA (Net)	-3.77	5.34	20.39	3.74	2.58	5.04	-16.00	7.82	10.65	21.51	-14.20	27.19	
Over/Under	-0.64	3.98	7.18	3.79	3.34	2.95	1.59	2.12	6.43	4.27	-0.94	0.31	
Foreign Large Blend Rank	44	7	10	7	5	3	30	54	14	22	52	28	
International Small/Mid Cap Equity	-4.61	4.71	21.88	0.63	1.59	6.43	-23.14	12.40	15.42	27.88	-20.33	37.08	07/01/2012
MSCI AC World ex USA Small Cap (Net)	-1.70	5.03	19.01	4.01	2.58	6.33	-19.97	12.93	14.24	22.42	-18.20	31.65	
Over/Under	-2.91	-0.32	2.87	-3.38	-0.99	0.10	-3.17	-0.53	1.18	5.46	-2.13	5.43	
Emerging Markets Equity	-1.77	2.72	10.04	-0.13	2.92	3.36	-23.03	5.61	23.38	18.64	-14.62	23.58	07/01/2012
MSCI Emerging Markets (Net)	-2.93	1.82	11.70	-1.73	0.55	2.61	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	1.16	0.90	-1.66	1.60	2.37	0.75	-2.94	8.15	5.07	0.22	-0.05	-13.70	
Diversified Emerging Mkts Rank	21	57	73	32	22	33	57	17	32	63	31	94	

Spokane Employees' Retirement System

As of September 30, 2023

	Performance (%)												Inception Date
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Long Biased	-0.09	4.07	5.18	3.44	4.23	4.40	-8.37	4.52	16.54	12.74	2.43	1.19	07/01/2012
HFRI Fund of Funds Composite Index	0.52	2.82	4.60	3.77	3.38	3.70	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	-0.61	1.25	0.58	-0.33	0.85	0.70	-3.06	-1.65	5.66	4.35	6.45	-6.58	
S&P 500 Index	-3.27	13.07	21.62	10.15	9.92	12.89	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	3.18	-9.00	-16.44	-6.71	-5.69	-8.49	9.74	-24.19	-1.86	-18.75	6.81	-20.64	
Private Credit	3.91	9.82	12.38	10.07	2.61	4.69	-8.09	20.58	1.81	1.14	-5.68	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Index	1.14	3.42	4.21	8.23	4.44	4.13	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	2.77	6.40	8.17	1.84	-1.83	0.56	-3.82	4.97	-10.01	-1.80	-3.98	0.83	
Real Estate Total	-1.01	0.06	0.95	5.78	5.13	5.35	-10.62	27.75	-2.65	16.62	3.68	10.01	04/01/2007
NCREIF Fund Index-ODCE (VW) (Net)	-2.10	-8.14	-12.88	6.19	4.72	4.89	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	1.09	8.20	13.83	-0.41	0.41	0.46	-17.17	6.73	-2.99	12.23	-3.68	3.35	
FTSE NAREIT All REITs Index	-8.04	-5.17	-0.89	2.74	2.37	4.12	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	7.03	5.23	1.84	3.04	2.76	1.23	14.48	-12.13	3.21	-11.45	7.78	0.74	
Real Estate Rank	2	13	34	9	5	5	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 in 3Q23, returning 0.76% versus 0.46% for its benchmark, the Bloomberg US Corporate High Yield Index. Strong credit selection was once again the main contributor to outperformance. Similar to prior quarters, management retains a cautious view going forward. While valuations are reasonable, fundamental factors such as slowing profit growth and high expected refinancing rates pose risks. The Hyas Group recommends retaining watch status.
- **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 strategy outperformed in 3Q23, returning -2.42% versus -4.46% for the Russell Mid Cap Value Index. Similar to the preceding quarter, substantial underweights to the REIT and utilities aided relative performance as rising interest rates served as a headwind to these sectors. Again, an overweight to other financial stocks helped as well. This fund is in the process of being removed from the portfolio as part of a streamlining of the US Small/Mid asset class investment allocation. For the time being, retaining watch status remains appropriate.
- **MFS Growth** – MFS Growth was placed on watch in 1Q23 for management changes. 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. The Hyas Group recommends retaining watch status.
- **Contrarian Emerging Markets Fund** – Contrarian Emerging Markets follows the strategy of investing in distressed securities from emerging market issuers which are believed to trade at a substantial discount to their fair value. The fund generally gravitates towards countries whose courts have a strong history of enforcing creditor rights. Underlying positions are a mix of performing credits, restructuring situations, and equity exposure. This

strategy was placed on watch in 2Q23 for underperformance of its benchmark and fund-of-funds indexes for the trailing five-year period. The strategy performed competitively in 3Q23, returning 5.24% versus 0.91% for its benchmark, the HFRI Emerging Markets Index, due in part to several performance catalysts, notably within Latin America, being realized. Looking forward, management is hoping to realize some of these proceeds and is concurrently investigating opportunities in East Asia. The Hvas Group notes that this quarter was a poignant example of the strategy's strong and distinct upside potential, and recommends retention of watch status.

Spokane Employees' Retirement System

As of September 30, 2023

Manager Performance

	Performance (%)													
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Capital Preservation														
Total Return Bond														
Sterling Capital Total Return Bond I	-3.10	-0.76	0.77	-4.74	0.51	1.62	0.39	-13.24	-1.22	9.24	9.26	-0.35	4.33	08/01/2016
Blmbg. U.S. Aggregate Index	-3.23	-1.21	0.64	-5.21	0.10	1.13	-0.11	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	0.13	0.45	0.13	0.47	0.41	0.49	0.50	-0.23	0.33	1.73	0.54	-0.36	0.79	
Intermediate Core Bond Rank	44	33	39	25	18	6	13	41	32	18	20	48	13	
Loomis Sayles Core Plus Bond N	-3.97	-1.02	1.37	-4.55	0.62	1.90	-4.26	-12.65	-1.34	10.71	9.05	-0.52	5.31	06/22/2023
Blmbg. U.S. Aggregate Index	-3.23	-1.21	0.64	-5.21	0.10	1.13	-3.32	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-0.74	0.19	0.73	0.66	0.52	0.77	-0.94	0.36	0.21	3.20	0.33	-0.53	1.77	
Intermediate Core-Plus Bond Rank	93	64	41	37	23	14	88	18	76	13	57	37	17	
High Yield														
Hotchkis & Wiley High Yield Z	0.76	6.54	11.50	3.59	2.08	3.62	3.14	-9.69	6.83	3.83	9.77	-3.34	8.24	06/01/2015
Blmbg. U.S. Corp: High Yield Index	0.46	5.86	10.28	1.76	2.96	4.24	3.87	-11.19	5.28	7.11	14.32	-2.08	7.50	
Over/Under	0.30	0.68	1.22	1.83	-0.88	-0.62	-0.73	1.50	1.55	-3.28	-4.55	-1.26	0.74	
High Yield Bond Rank	36	15	10	12	66	38	45	31	12	74	88	65	13	
BlackRock High Yield Bond K	0.61	6.39	10.81	2.40	3.18	4.33	6.58	-10.34	5.86	5.93	15.58	-2.76	8.31	11/01/1998
Blmbg. U.S. Corp: High Yield Index	0.46	5.86	10.28	1.76	2.96	4.24	6.22	-11.19	5.28	7.11	14.32	-2.08	7.50	
Over/Under	0.15	0.53	0.53	0.64	0.22	0.09	0.36	0.85	0.58	-1.18	1.26	-0.68	0.81	
High Yield Bond Rank	45	19	20	31	20	9	7	43	25	35	11	45	13	

Spokane Employees' Retirement System

As of September 30, 2023

	Performance (%)													Inception Date
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Absolute Return														
PIMCO Dynamic Bond Instl	0.41	2.76	4.51	-0.58	1.21	1.96	-1.95	-6.88	0.31	5.43	4.81	1.97	6.41	04/01/2021
HFRI FOF: Conservative Index	1.50	3.51	5.01	5.67	4.07	3.50	2.98	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	-1.09	-0.75	-0.50	-6.25	-2.86	-1.54	-4.93	-6.96	-7.31	-1.04	-1.49	2.84	2.29	
Blmbg. U.S. Aggregate Index	-3.23	-1.21	0.64	-5.21	0.10	1.13	-5.17	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	3.64	3.97	3.87	4.63	1.11	0.83	3.22	6.13	1.86	-2.08	-3.91	1.96	2.87	
Polar Long/Short Fund	-0.56	0.65	4.38	4.90	5.24	4.61	4.75	3.22	3.25	13.07	8.49	0.24	4.20	10/01/2011
HFRI FOF: Conservative Index	1.50	3.51	5.01	5.67	4.07	3.50	3.68	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	-2.06	-2.86	-0.63	-0.77	1.17	1.11	1.07	3.14	-4.37	6.60	2.19	1.11	0.08	
Blmbg. U.S. Aggregate Index	-3.23	-1.21	0.64	-5.21	0.10	1.13	1.22	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	2.67	1.86	3.74	10.11	5.14	3.48	3.53	16.23	4.80	5.56	-0.23	0.23	0.66	
Domestic Equity														
Domestic Large Cap Equity														
Hotchkis & Wiley Diversified Value I	-0.04	7.35	25.14	20.95	7.53	9.23	10.31	-4.35	32.47	0.41	29.26	-14.74	18.39	10/01/2008
Russell 1000 Value Index	-3.16	1.79	14.44	11.05	6.23	8.45	8.59	-7.54	25.16	2.80	26.54	-8.27	13.66	
Over/Under	3.12	5.56	10.70	9.90	1.30	0.78	1.72	3.19	7.31	-2.39	2.72	-6.47	4.73	
Large Value Rank	6	8	3	1	24	22	8	38	6	73	13	95	25	
Fidelity® 500 Index	-3.27	13.07	21.61	10.14	9.90	11.90	13.88	-18.13	28.69	18.40	31.47	-4.40	21.81	01/01/2019
S&P 500 Index	-3.27	13.07	21.62	10.15	9.92	11.91	13.89	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	0.00	0.00	-0.01	-0.01	-0.02	-0.01	-0.01	-0.02	-0.02	0.00	-0.02	-0.02	-0.02	
Large Blend Rank	49	24	28	29	16	8	18	51	22	36	23	24	33	
MFS Growth R6	-2.82	20.73	25.32	3.59	9.63	12.84	9.64	-31.08	23.76	31.74	37.81	2.68	30.99	09/01/2019
Russell 1000 Growth Index	-3.13	24.98	27.72	7.97	12.42	14.48	14.39	-29.14	27.60	38.49	36.39	-1.51	30.21	
Over/Under	0.31	-4.25	-2.40	-4.38	-2.79	-1.64	-4.75	-1.94	-3.84	-6.75	1.42	4.19	0.78	
Large Growth Rank	23	55	43	64	42	29	63	53	36	65	11	13	32	

Spokane Employees' Retirement System

As of September 30, 2023

	Performance (%)													Inception Date
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Domestic Small/Mid Equity														
Sterling Mid Cap Value	-2.42	1.34	12.87	10.52	4.61	6.92	9.23	-12.29	22.22	9.62	29.75	-17.67	14.27	01/01/2002
Russell Midcap Value Index	-4.46	0.54	11.05	10.98	5.18	7.92	9.01	-12.03	28.34	4.96	27.06	-12.29	13.34	
Over/Under	2.04	0.80	1.82	-0.46	-0.57	-1.00	0.22	-0.26	-6.12	4.66	2.69	-5.38	0.93	
Mid-Cap Value Rank	24	50	53	82	71	66	22	86	90	8	22	83	39	
Fidelity® Mid Cap Index	-4.65	3.92	13.50	8.10	6.40	8.98	10.55	-17.28	22.56	17.11	30.51	-9.05	18.47	01/01/2019
Russell Midcap Index	-4.68	3.91	13.45	8.09	6.38	8.98	10.55	-17.32	22.58	17.10	30.54	-9.06	18.52	
Over/Under	0.03	0.01	0.05	0.01	0.02	0.00	0.00	0.04	-0.02	0.01	-0.03	0.01	-0.05	
Mid-Cap Blend Rank	64	45	54	65	30	18	36	69	62	26	26	28	29	
Westfield Mid Cap Growth CIT	-5.23	9.68	17.66	4.34	8.05	10.98	13.61	-25.77	16.59	28.83	42.73	-3.07	24.72	04/01/2020
Russell Midcap Growth Index	-5.22	9.88	17.47	2.61	6.97	9.94	13.11	-26.72	12.73	35.59	35.47	-4.75	25.27	
Over/Under	-0.01	-0.20	0.19	1.73	1.08	1.04	0.50	0.95	3.86	-6.76	7.26	1.68	-0.55	
Mid-Cap Growth Rank	39	32	17	22	18	11	32	32	25	78	3	29	54	
Fidelity® Small Cap Index	-5.09	2.69	9.11	7.23	2.49	6.81	7.61	-20.27	14.71	19.99	25.71	-10.88	14.85	01/01/2019
Russell 2000 Index	-5.13	2.54	8.93	7.16	2.40	6.65	7.51	-20.44	14.82	19.96	25.53	-11.01	14.65	
Over/Under	0.04	0.15	0.18	0.07	0.09	0.16	0.10	0.17	-0.11	0.03	0.18	0.13	0.20	
Small Blend Rank	72	58	76	83	73	57	69	80	90	14	34	35	27	
Champlain Small Cap	-6.76	2.65	11.87	4.99	2.80	8.20	10.98	-21.07	12.81	24.56	25.54	-3.03	10.90	01/01/2003
Russell 2000 Index	-5.13	2.54	8.93	7.16	2.40	6.65	9.14	-20.44	14.82	19.96	25.53	-11.01	14.65	
Over/Under	-1.63	0.11	2.94	-2.17	0.40	1.55	1.84	-0.63	-2.01	4.60	0.01	7.98	-3.75	
Small Blend Rank	94	58	53	96	66	11	4	90	98	6	37	2	72	
Bridge City Small Cap Growth	-5.12	2.57	11.18	7.57	4.72	9.90	13.75	-20.07	20.73	20.48	24.61	0.97	15.93	07/01/2009
Russell 2000 Growth Index	-7.32	5.24	9.59	1.09	1.55	6.72	10.96	-26.36	2.83	34.63	28.48	-9.31	22.17	
Over/Under	2.20	-2.67	1.59	6.48	3.17	3.18	2.79	6.29	17.90	-14.15	-3.87	10.28	-6.24	
Small Growth Rank	22	70	32	10	30	10	6	9	13	93	75	15	81	

Spokane Employees' Retirement System

As of September 30, 2023

	Performance (%)													Inception Date
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
International Equity Total														
Artisan International Value Instl	-3.03	11.14	32.27	13.87	7.70	6.69	8.87	-6.80	16.97	8.81	24.20	-15.42	24.06	10/01/2008
MSCI AC World ex USA Value (Net)	-0.07	8.19	25.17	9.57	2.29	2.58	3.76	-8.59	10.46	-0.77	15.72	-13.97	22.66	
Over/Under	-2.96	2.95	7.10	4.30	5.41	4.11	5.11	1.79	6.51	9.58	8.48	-1.45	1.40	
Foreign Large Value Rank	64	12	26	6	1	1	1	28	9	7	8	38	38	
American Funds Europacific Growth R6	-6.33	5.15	19.64	0.08	3.11	4.64	4.12	-22.72	2.84	25.27	27.40	-14.91	31.17	07/01/2008
MSCI AC World ex USA (Net)	-3.77	5.34	20.39	3.74	2.58	3.35	2.56	-16.00	7.82	10.65	21.51	-14.20	27.19	
Over/Under	-2.56	-0.19	-0.75	-3.66	0.53	1.29	1.56	-6.72	-4.98	14.62	5.89	-0.71	3.98	
Foreign Large Blend Rank	85	59	79	97	40	13	16	96	95	2	11	48	6	
Victory Trivalent International Sm-Cp I	-4.61	5.00	22.22	0.72	1.65	5.51	4.92	-23.14	12.39	15.42	27.88	-20.21	37.13	09/01/2015
MSCI AC World ex USA Small Cap (Net)	-1.70	5.03	19.01	4.01	2.58	4.35	5.31	-19.97	12.93	14.24	22.42	-18.20	31.65	
Over/Under	-2.91	-0.03	3.21	-3.29	-0.93	1.16	-0.39	-3.17	-0.54	1.18	5.46	-2.01	5.48	
Foreign Small/Mid Blend Rank	79	20	18	81	39	5	31	84	65	12	3	57	11	
Vanguard Emerging Mkts Stock Idx Adm	-2.16	2.48	10.89	-0.22	2.00	2.49	0.97	-17.78	0.86	15.24	20.31	-14.58	31.38	08/01/2018
MSCI Emerging Markets (Net)	-2.93	1.82	11.70	-1.73	0.55	2.07	-0.10	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	0.77	0.66	-0.81	1.51	1.45	0.42	1.07	2.31	3.40	-3.07	1.89	-0.01	-5.90	
Diversified Emerging Mkts Rank	25	60	68	33	32	38	33	20	37	66	51	30	70	
ABS Emerging Markets Strategic Portfolio LP	-1.52	6.11	13.61	0.97	3.79	-	3.79	-23.25	5.82	23.81	19.98	-14.99	-	10/01/2018
MSCI Emerging Markets (Net)	-2.93	1.82	11.70	-1.73	0.55	2.07	0.55	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	1.41	4.29	1.91	2.70	3.24	-	3.24	-3.16	8.36	5.50	1.56	-0.42	-	
Diversified Emerging Mkts Rank	18	23	48	26	18	-	18	59	17	31	52	37	-	
Long Biased														
The Weatherlow Offshore Fund I Ltd	-0.42	3.26	4.87	3.67	5.16	4.78	4.30	-8.82	5.39	24.58	13.23	-3.10	5.67	04/01/2008
HFRI Fund of Funds Composite Index	0.53	2.83	4.61	3.78	3.39	3.28	2.13	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	-0.95	0.43	0.26	-0.11	1.77	1.50	2.17	-3.51	-0.78	13.70	4.84	0.92	-2.10	

Spokane Employees' Retirement System

As of September 30, 2023

Manager Performance

	Performance (%)													
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Private Credit														
Beach Point Select Fund LP	2.41	7.87	9.50	7.23	6.03	6.46	6.46	-7.37	14.47	8.97	11.48	0.28	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Index	1.14	3.42	4.21	8.23	4.44	4.13	4.13	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	1.27	4.45	5.29	-1.00	1.59	2.33	2.33	-3.10	-1.14	-2.85	8.54	1.98	0.83	
Contrarian Capital Fund I LP	5.18	10.71	14.51	13.68	-1.45	2.05	-1.45	-9.06	29.86	-7.38	-9.89	-12.43	4.77	10/01/2018
HFRI ED: Distressed/Restructuring Index	1.14	3.42	4.21	8.23	4.44	4.13	4.44	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	4.04	7.29	10.30	5.45	-5.89	-2.08	-5.89	-4.79	14.25	-19.20	-12.83	-10.73	-1.48	
Contrarian Emerging Markets Fund LP	5.24	13.10	33.22	11.73	-0.75	5.81	-0.75	-1.74	9.57	-17.52	-4.09	0.96	20.36	10/01/2018
HFRI Emerging Markets: Global Index	0.91	5.16	11.23	3.84	3.45	2.87	3.45	-6.73	4.98	9.56	8.42	-6.83	12.50	
Over/Under	4.33	7.94	21.99	7.89	-4.20	2.94	-4.20	4.99	4.59	-27.08	-12.51	7.79	7.86	
MSCI Emerging Markets (Net)	-2.93	1.82	11.70	-1.73	0.55	2.07	0.55	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	8.17	11.28	21.52	13.46	-1.30	3.74	-1.30	18.35	12.11	-35.83	-22.51	15.53	-16.92	
Real Estate Total														
Principal REITS SERS	-6.59	-1.73	0.62	3.99	4.12	7.29	9.94	-25.12	39.98	-3.17	31.24	-4.13	9.16	01/01/2003
FTSE NAREIT All REITs Index	-8.04	-5.17	-0.89	2.74	2.37	5.99	8.29	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	1.45	3.44	1.51	1.25	1.75	1.30	1.65	-0.02	0.10	2.69	3.17	-0.03	-0.11	
Real Estate Rank	20	25	39	37	11	4	1	26	67	29	15	17	12	
Prime Property Fund, LLC	-0.22	-1.28	-4.74	8.95	6.90	9.03	6.10	6.25	21.47	1.24	6.14	8.03	8.67	10/01/2007
NCREIF ODCE VW NET	-2.10	-8.14	-12.88	6.19	4.72	7.19	4.50	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	1.88	6.86	8.14	2.76	2.18	1.84	1.60	-0.30	0.45	0.90	1.75	0.67	2.01	
Real Estate Rank	1	21	97	1	3	1	4	1	93	8	100	1	16	

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

Spokane Employees' Retirement System

As of September 30, 2023

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	\$854,126	\$6,928,405	\$689,618	90.15	11.29

Time Weighted Returns

	Performance (%)							
	1 Quarter	Year To Date	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VI, LP	2.31	7.46	17.93	31.96	17.91	57.55	17.91	10/01/2020
NCREIF Property Index	-1.37	-5.07	-8.39	3.12	6.04	5.52	6.04	

Dollar Weighted Returns

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VI, LP	2.30	7.45	18.07	15.05	11.29	19.93	11.29	09/30/2020

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

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

Spokane Employees' Retirement System

As of September 30, 2023

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	\$456,996	\$2,521,589	-	100.00	4.75

Time Weighted Returns

	Performance (%)							
	1 Quarter	Year To Date	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Income Fund	1.25	2.20	3.49	-	-	4.20	4.48	12/01/2021
NCREIF Property Index	-1.37	-5.07	-8.39	3.12	6.04	5.52	1.18	

Dollar Weighted Returns

	Performance (%)							
	1 Quarter	Year To Date	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Income Fund	1.25	2.19	3.49	-	-	5.76	4.75	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.

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 September 30, 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	\$730,034	-	100.00	1.42

Time Weighted Returns

	Performance (%)														
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018	2017	Since Inception	Inception Date
Orbimed Royalty Opportunities	8.31	33.84	15.36	-0.23	-10.49	-7.57	-2.87	1.40	-32.47	-24.08	-12.50	22.03	4.47	-0.12	09/01/2011
HFRI Fund of Funds Composite Index	0.52	2.82	4.60	3.77	3.38	3.78	3.28	-5.31	6.17	10.88	8.39	-4.02	7.77	3.25	
S&P 500 Index	-3.27	13.07	21.62	10.15	9.92	12.24	11.91	-18.11	28.71	18.40	31.49	-4.38	21.83	13.16	

Dollar Weighted Returns

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018	2017	Since Inception	Inception Date
Orbimed Royalty Opportunities	8.31	33.84	15.31	0.67	-11.75	-7.17	0.24	3.30	-25.45	-23.36	-12.20	25.47	4.57	1.42	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 September 30, 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	\$5,216,364	\$244,487	\$832,500	83.35	11.82

Time Weighted Returns

	Performance (%)											
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	2022	2021	2020	2019	2018	Since Inception	Inception Date
Orbimed Royalty Opportunities II	5.09	5.69	5.19	5.82	9.16	14.80	-10.77	18.63	15.45	15.59	10.04	04/01/2015
HFRI Fund of Funds Composite Index	0.52	2.82	4.60	3.77	3.38	-5.31	6.17	10.88	8.39	-4.02	2.73	
S&P 500 Index	-3.27	13.07	21.62	10.15	9.92	-18.11	28.71	18.40	31.49	-4.38	11.01	

Dollar Weighted Returns

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	2022	2021	2020	2019	2018	Since Inception	Inception Date
Orbimed Royalty Opportunities II	4.99	5.34	4.66	10.21	12.53	13.49	0.14	6.40	17.10	15.14	11.82	04/07/2015

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

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

Spokane Employees' Retirement System

As of September 30, 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	\$77,003	\$1,603,950	\$4,305,000	28.25	-0.97

Time Weighted Returns

	Performance (%)							
	1 Quarter	Year To Date	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VII	1.90	1.94	-	-	-	-	-10.64	12/01/2022
NCREIF Property Index	-1.37	-5.07	-8.39	3.12	6.04	5.52	-6.16	

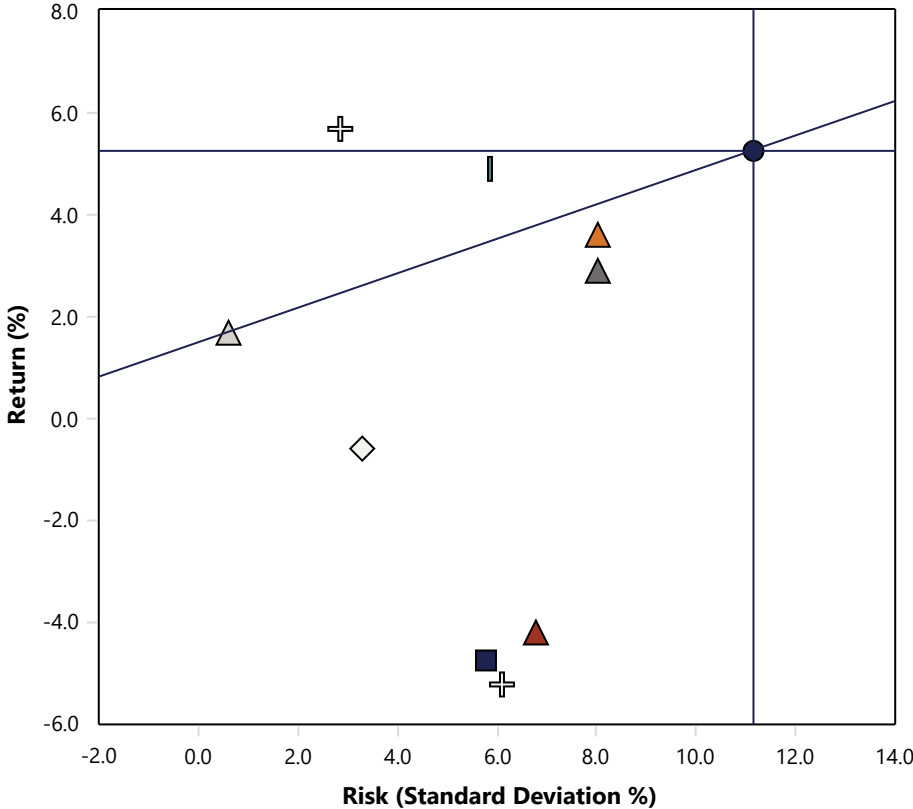
Dollar Weighted Returns

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VII	1.90	2.67	-	-	-	-	-0.97	12/19/2022

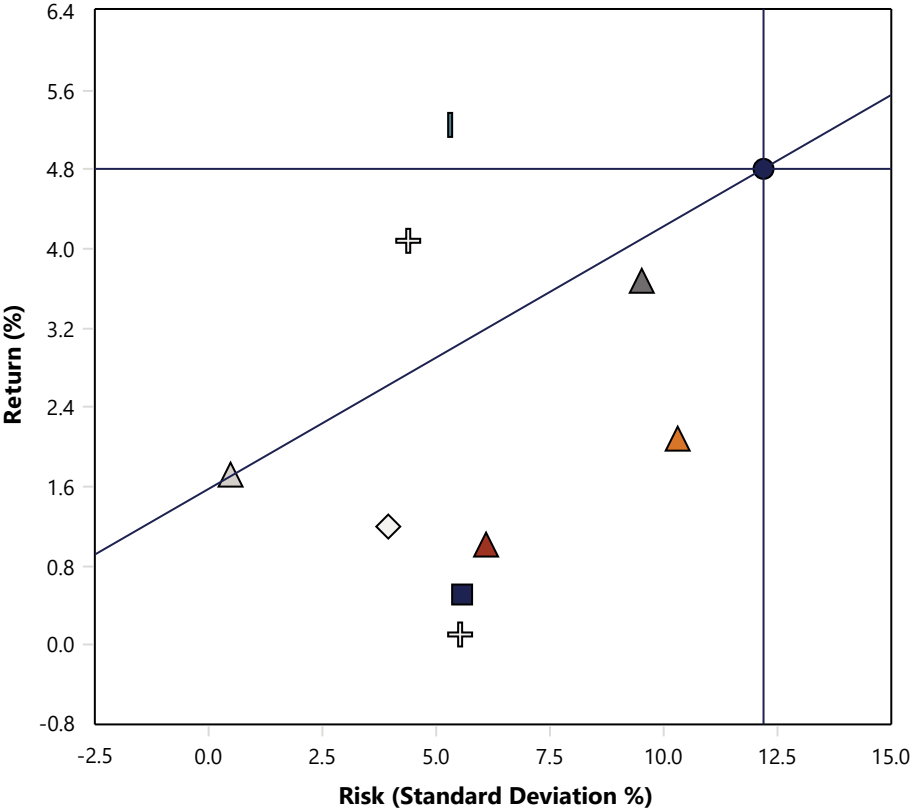
Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in the value with the average market value over the time interval. Average capital allows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

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

**Annualized Return vs Annualized Standard Deviation
3 Years Ending September 30, 2023**



**Annualized Return vs Annualized Standard Deviation
5 Years Ending September 30, 2023**



- Sterling Capital Total Return Bond I
- ▲ Loomis Sayles Core Plus Bond N
- ▲ Hotchkis & Wiley High Yield Z
- ▲ BlackRock High Yield Bond K
- ◇ PIMCO Dynamic Bond Instl
- ┃ Polar Long/Short Fund
- ⊕ Blmbg. U.S. Aggregate Index
- ⊕ HFRI FOF: Conservative Index
- Policy Index Updated
- △ 90 Day U.S. Treasury Bill

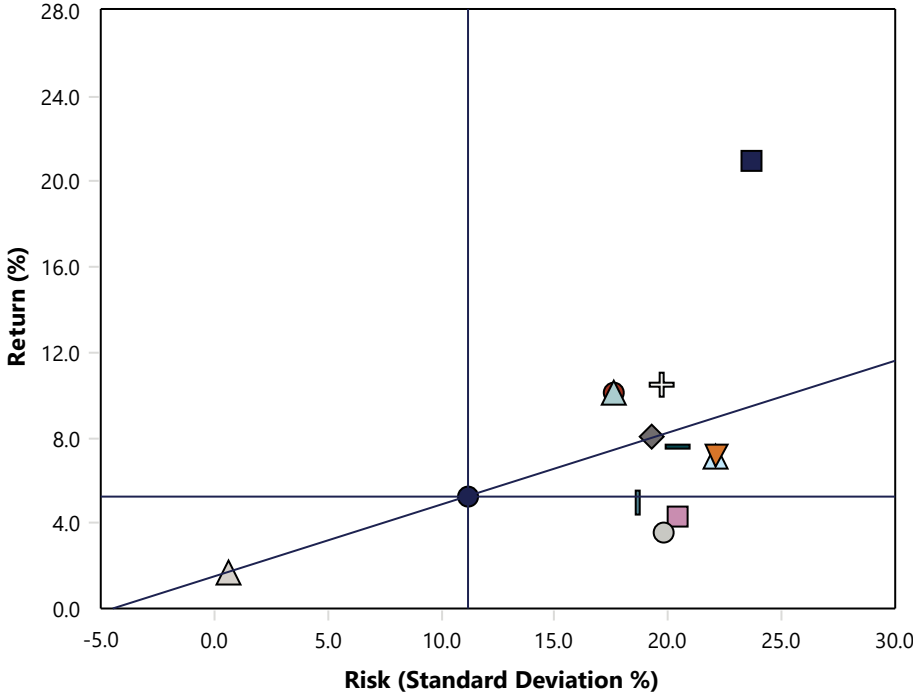
- Sterling Capital Total Return Bond I
- ▲ Loomis Sayles Core Plus Bond N
- ▲ Hotchkis & Wiley High Yield Z
- ▲ BlackRock High Yield Bond K
- ◇ PIMCO Dynamic Bond Instl
- ┃ Polar Long/Short Fund
- ⊕ Blmbg. U.S. Aggregate Index
- ⊕ HFRI FOF: Conservative Index
- Policy Index Updated
- △ 90 Day U.S. Treasury Bill

Calculation based on monthly periodicity.

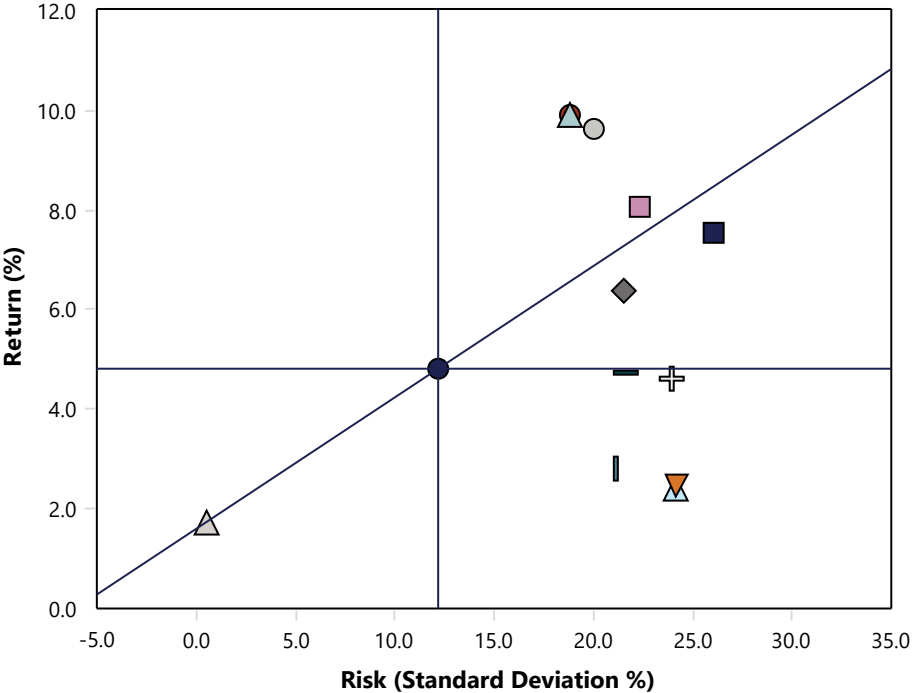
Spokane Employees' Retirement System

As of September 30, 2023

Annualized Return vs Annualized Standard Deviation 3 Years Ending September 30, 2023



Annualized Return vs Annualized Standard Deviation 5 Years Ending September 30, 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

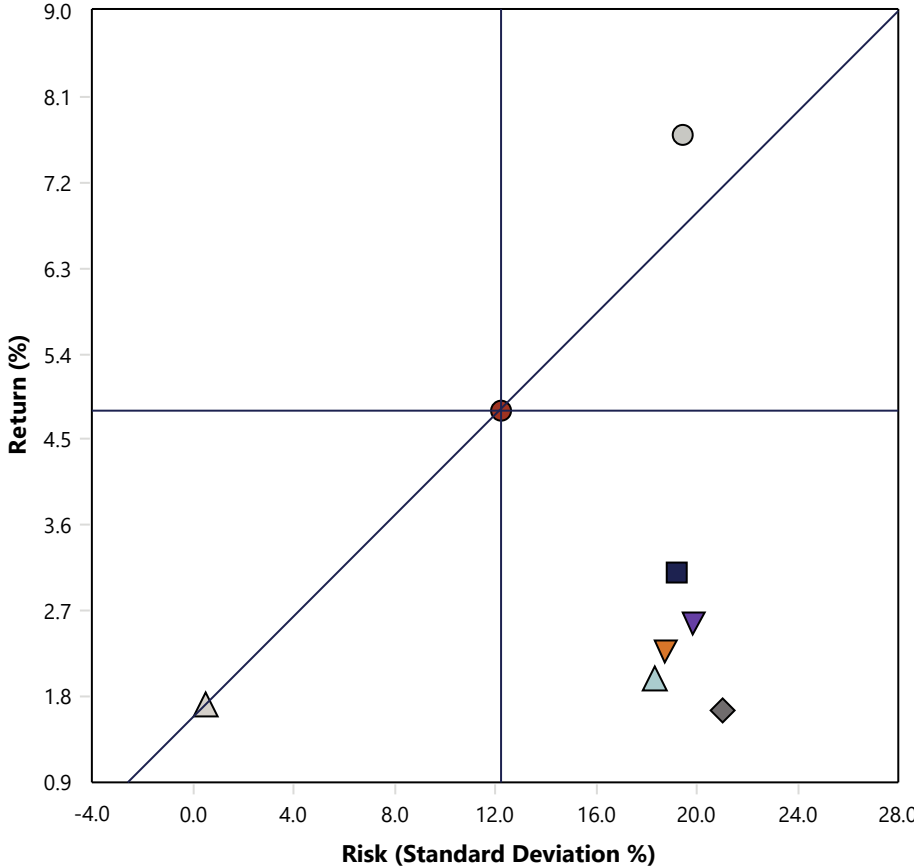
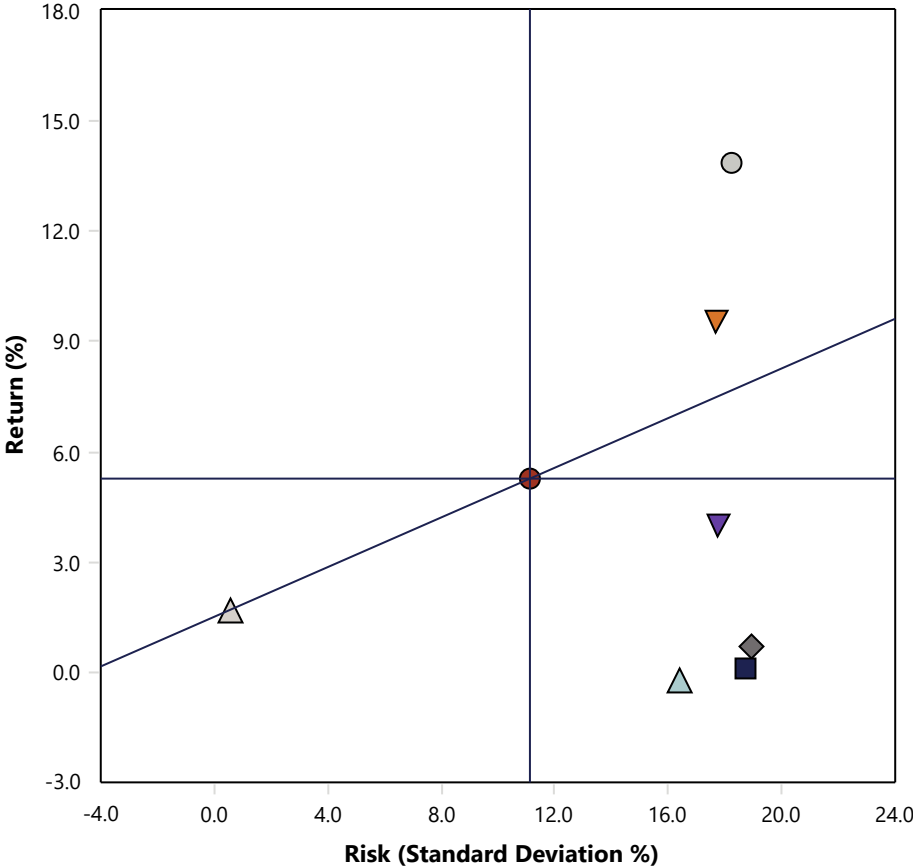
Calculation based on monthly periodicity.

Spokane Employees' Retirement System

As of September 30, 2023

Annualized Return vs Annualized Standard Deviation 3 Years Ending September 30, 2023

Annualized Return vs Annualized Standard Deviation 5 Years Ending September 30, 2023

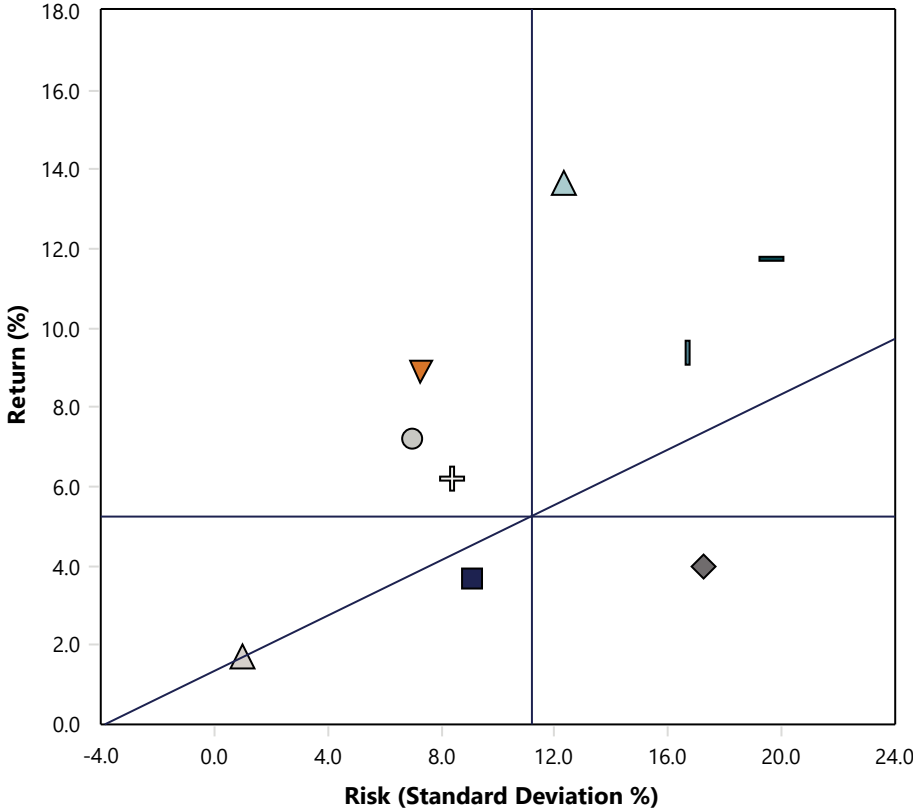


- American Funds Europacific Growth R6
- Artisan International Value Instl
- Vanguard Emerging Mkts Stock Idx Adm
- Victory Trivalent International Sm-Cp I
- MSCI AC World ex USA Value (Net)
- MSCI AC World ex USA Small Cap (Net)
- Policy Index Updated
- 90 Day U.S. Treasury Bill

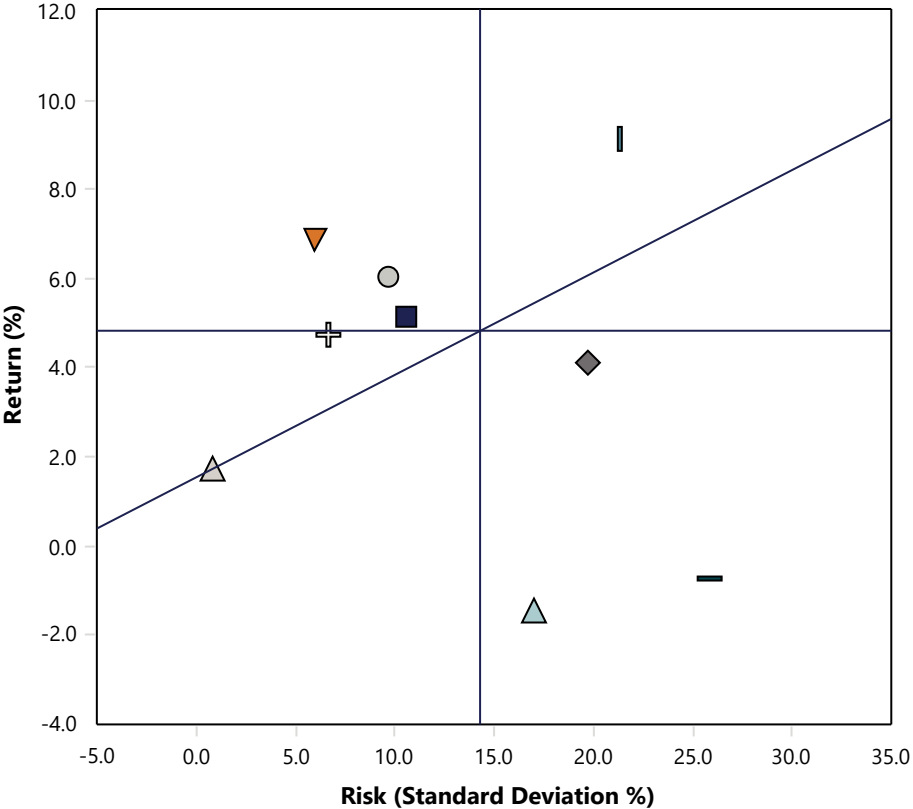
- American Funds Europacific Growth R6
- Artisan International Value Instl
- Vanguard Emerging Mkts Stock Idx Adm
- Victory Trivalent International Sm-Cp I
- MSCI AC World ex USA Value (Net)
- MSCI AC World ex USA Small Cap (Net)
- Policy Index Updated
- 90 Day U.S. Treasury Bill

Calculation based on monthly periodicity.

Annualized Return vs Annualized Standard Deviation
3 Years Ending September 30, 2023



Annualized Return vs Annualized Standard Deviation
5 Years Ending September 30, 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 September 30, 2023

Fee Schedule

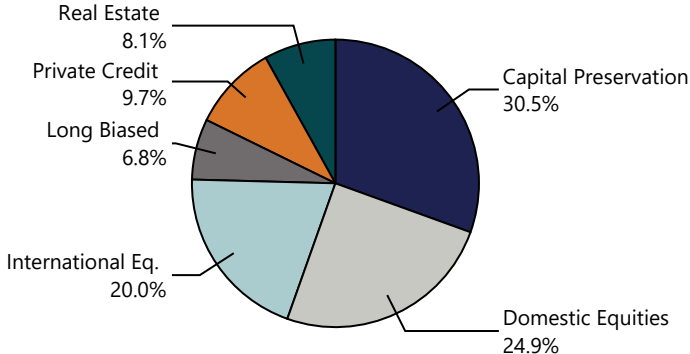
	Vehicle Type	Ticker	Universe Name	Market Value As of 09/30/2023 \$	Net Expense Ratio (%)
Artisan Int'l Value	Mutual Fund	APHKX	Foreign Value	\$19,523,808	1.03
Bridge City Small Growth	Separate Account		Small Growth	\$7,289,222	0.35
Champlain Small Cap	Commingled Fund		Small Growth	\$7,925,216	1.00
EuroPacific Growth R6	Mutual Fund	RERGX	Foreign	\$13,565,610	0.47
Fidelity Instl Govt Money Market	Mutual Fund	FIGXX	Money Market-Taxable	\$2,271,933	0.18
Fidelity Mid Cap Index	Mutual Fund	FSMDX	Mid Cap	\$2,856,432	0.03
Fidelity S&P 500	Mutual Fund	FXAIX	Large Cap	\$31,743,787	0.02
Fidelity Small Cap Index	Mutual Fund	FSSNX	Small Cap	\$477,959	0.03
Hotchkis & Wiley Div Value I	Mutual Fund	HWCIX	Large Value	\$9,846,468	0.80
Hotchkis & Wiley High Yield	Mutual Fund	HWHZX	High Yield Bond	\$15,798,184	0.60
BlackRock High Yield Bond K	Mutual Fund	BRHYX	High Yield Bond	\$6,069,447	0.51
MFS Growth Fund CI R6	Mutual Fund	MFEKX	Large Growth	\$9,739,451	0.50
Pimco Dynamic Bond Fund	Mutual Fund	PFIUX	Nontraditional Bond	\$5,706,374	0.79
Principal Global Investors REIT	Separate Account		Real Estate	\$6,906,275	0.75
Sterling Core Bond	Separate Account		Intermediate Core Bond	\$33,295,863	0.25
Loomis Sayles Core Plus Bond N	Mutual Fund	NERNX	Intermediate Core-Plus Bond	\$24,631,134	0.38
Sterling Mid Cap Value	Separate Account		Mid-Cap Value	\$4,969,116	0.75
Vanguard Emerging Markets Stock Index Fd	Mutual Fund	VEMAX	Diversified Emerging Mkts	\$6,237,842	0.14
Victory Trivalent International Small Cap	Mutual Fund	MISIX	Foreign Small/Mid Growth	\$15,131,595	0.95
Westfield Mid Cap Growth	Commingled Fund		Mid-Cap Growth	\$5,080,365	0.65

Section 3 | Allocation Review

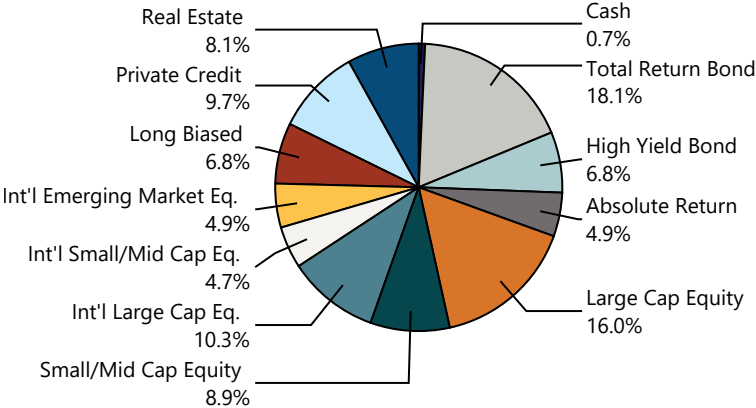
Spokane Employees' Retirement System

As of September 30, 2023

Current Allocation



Current Implementation Allocation



Spokane Employees' Retirement System

As of September 30, 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	\$2,271,933	0.7	\$2,271,933	0.7	Yes
Fidelity Instl Govt Money Market					\$2,271,933	0.7			
Total Return Bond	\$54,521,508	17.0	12.0	22.0	\$57,926,997	18.1	\$3,405,489	1.1	Yes
Sterling Core Bond					\$33,295,863	10.4			
Loomis Sayles Core Plus Bond N					\$24,631,134	7.7			
High Yield Bond	\$25,657,180	8.0	3.0	13.0	\$21,867,631	6.8	-\$3,789,550	-1.2	Yes
Hotchkis & Wiley High Yield					\$15,798,184	4.9			
BlackRock High Yield Bond K					\$6,069,447	1.9			
Absolute Return	\$16,035,738	5.0	0.0	10.0	\$15,829,682	4.9	-\$206,056	-0.1	Yes
Polar Long/Short Fund					\$9,259,370	2.9			
Post Lmted Term High Yield					\$333,550	0.1			
Pimco Dynamic Bond Fund					\$5,706,374	1.8			
Rimrock Low Volatility Offshore					\$530,389	0.2			
Large Cap Equity	\$51,314,361	16.0	11.0	21.0	\$51,329,706	16.0	\$15,345	0.0	Yes
Hotchkis & Wiley Div Value I					\$9,846,468	3.1			
Fidelity S&P 500					\$31,743,787	9.9			
MFS Growth Fund CI R6					\$9,739,451	3.0			
Small/Mid Cap Equity	\$25,657,180	8.0	3.0	13.0	\$28,598,310	8.9	\$2,941,129	0.9	Yes
Sterling Mid Cap Value					\$4,969,116	1.5			
Fidelity Mid Cap Index					\$2,856,432	0.9			
Westfield Mid Cap Growth					\$5,080,365	1.6			
Fidelity Small Cap Index					\$477,959	0.1			
Bridge City Small Growth					\$7,289,222	2.3			
Champlain Small Cap					\$7,925,216	2.5			
Int'l Large Cap Eq.	\$32,071,475	10.0	5.0	15.0	\$33,089,419	10.3	\$1,017,943	0.3	Yes
EuroPacific Growth R6					\$13,565,610	4.2			
Artisan Int'l Value					\$19,523,808	6.1			
Int'l Small/Mid Cap Eq.	\$16,035,738	5.0	0.0	10.0	\$15,131,595	4.7	-\$904,143	-0.3	Yes

Spokane Employees' Retirement System

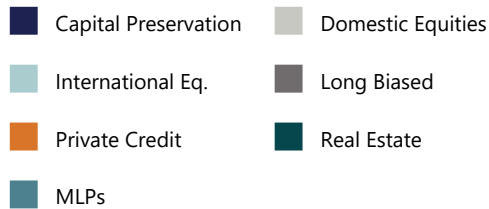
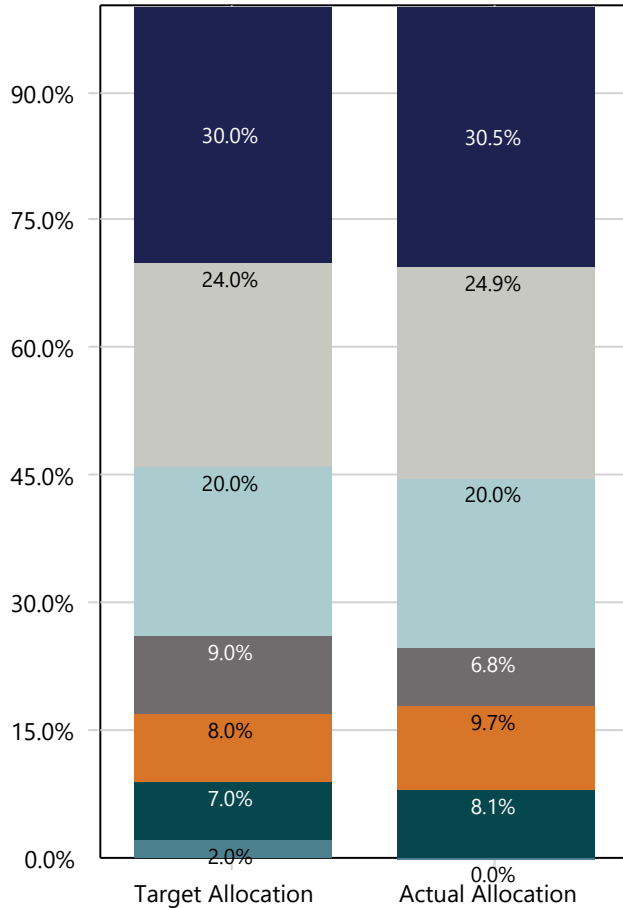
As of September 30, 2023

	Target Alloc. \$	Target Alloc. (%)	Min Alloc. (%)	Max Alloc. (%)	Asset Alloc. \$	Asset Alloc. (%)	Difference \$	Difference (%)	Within Range
Victory Trivalent International Small Cap					\$15,131,595	4.7			
Int'l Emerging Market Eq.	\$16,035,738	5.0	0.0	10.0	\$15,830,880	4.9	-\$204,858	-0.1	Yes
Vanguard Emerging Markets Stock Index Fd					\$6,237,842	1.9			
ABS Emerging Markets Strategic					\$9,593,038	3.0			
Long Biased	\$28,864,328	9.0	4.0	14.0	\$21,927,884	6.8	-\$6,936,444	-2.2	Yes
Weatherlow Offshore					\$20,953,363	6.5			
OrbiMed Royalty Opps II					\$244,487	0.1			
OrbiMed Royalty Opportunities					\$730,034	0.2			
Private Credit	\$25,657,180	8.0	3.0	13.0	\$30,967,167	9.7	\$5,309,987	1.7	Yes
Beach Point Select Fund LP					\$14,337,551	4.5			
Contrarian Capital Fund I LP					\$10,844,658	3.4			
Contrarian Emerging Markets					\$5,784,958	1.8			
Real Estate	\$22,450,033	7.0	2.0	12.0	\$25,943,553	8.1	\$3,493,520	1.1	Yes
Principal Global Investors REIT					\$6,906,275	2.2			
Morgan Stanley Prime Property Fund					\$7,820,668	2.4			
Morrison Street Fund VI					\$7,003,088	2.2			
Morrison Street Fund VII					\$1,637,631	0.5			
Morrison Street Income Fund					\$2,575,890	0.8			
MLPs	\$6,414,295	2.0	0.0	4.0		0.0	-\$6,414,295	-2.0	Yes
Total	\$320,714,755	100.0			\$320,714,755	100.0		0.0	

Spokane Employees' Retirement System

As of September 30, 2023

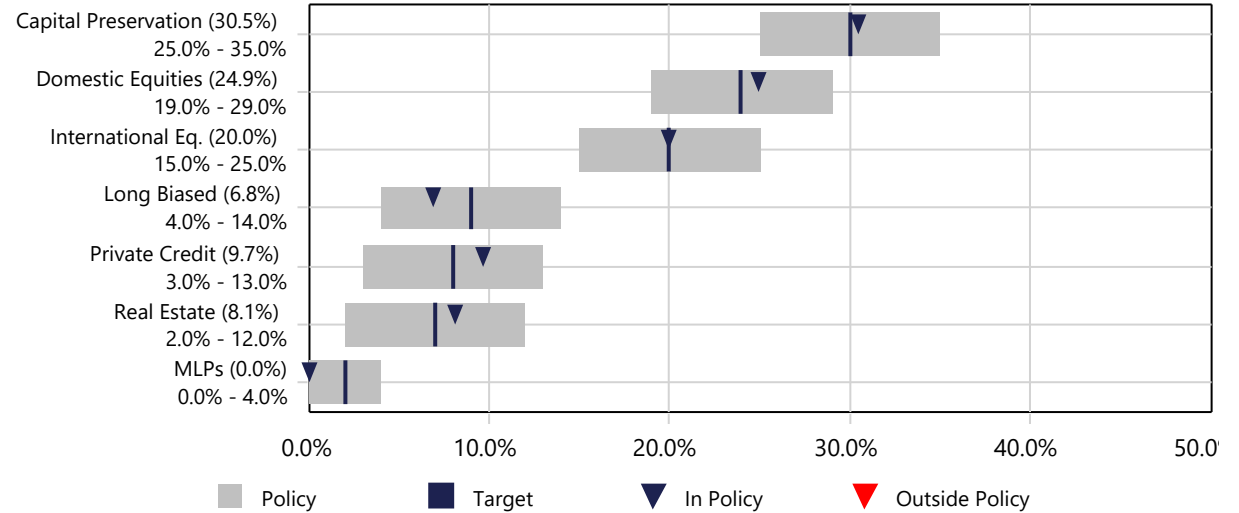
Asset Allocation Compliance



Current Allocation vs Investment Policy

	Asset Alloc. \$	Asset Alloc. (%)	Min Alloc. (%)	Max Alloc. (%)	Target Alloc. (%)	Difference \$	Difference (%)
Capital Preservation	97,896,242	30.5	25.0	35.0	30.0	1,681,816	0.5
Domestic Equities	79,928,016	24.9	19.0	29.0	24.0	2,956,475	0.9
International Eq.	64,051,893	20.0	15.0	25.0	20.0	-91,058	0.0
Long Biased	21,927,884	6.8	4.0	14.0	9.0	-6,936,444	-2.2
Private Credit	30,967,167	9.7	3.0	13.0	8.0	5,309,987	1.7
Real Estate	25,943,553	8.1	2.0	12.0	7.0	3,493,520	1.1
MLPs		0.0	0.0	4.0	2.0	-6,414,295	-2.0
Total	320,714,755	100.0			100.0		0.0

Actual vs Target

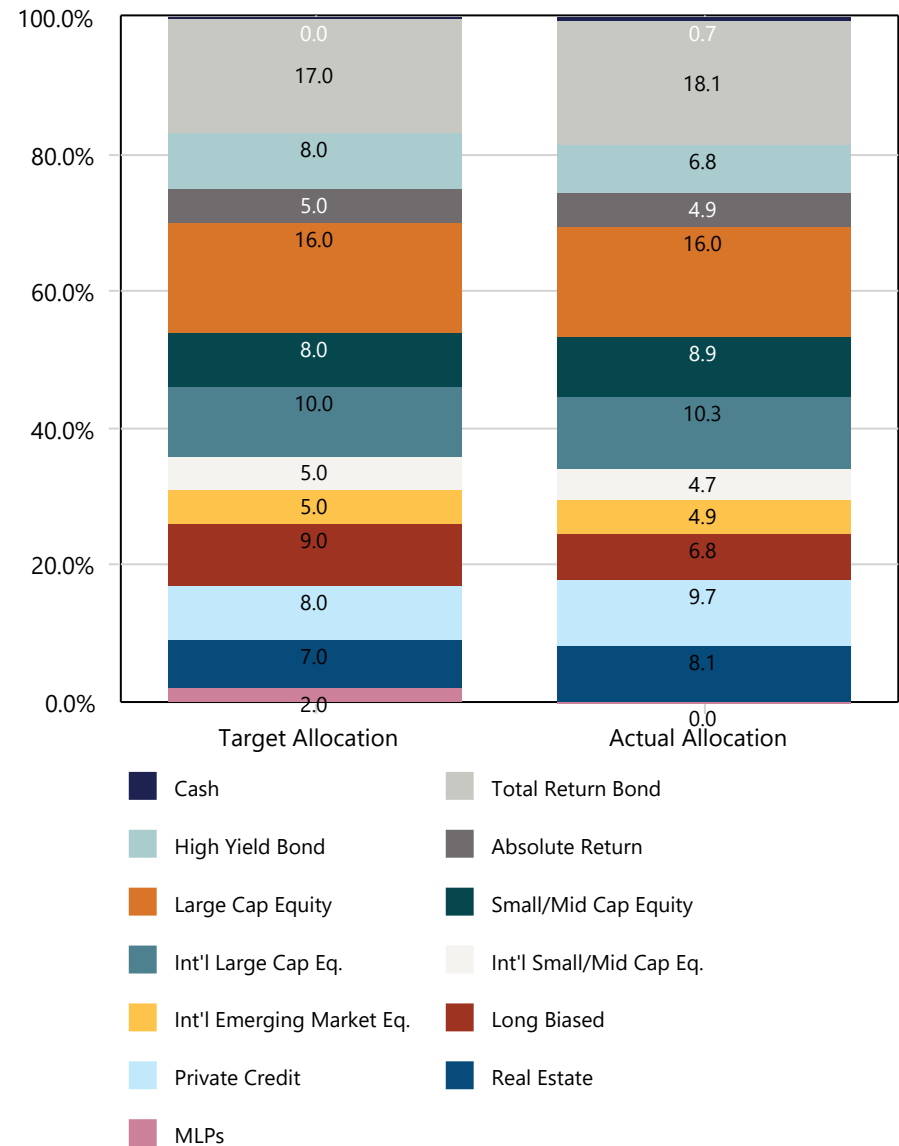


Spokane Employees' Retirement System

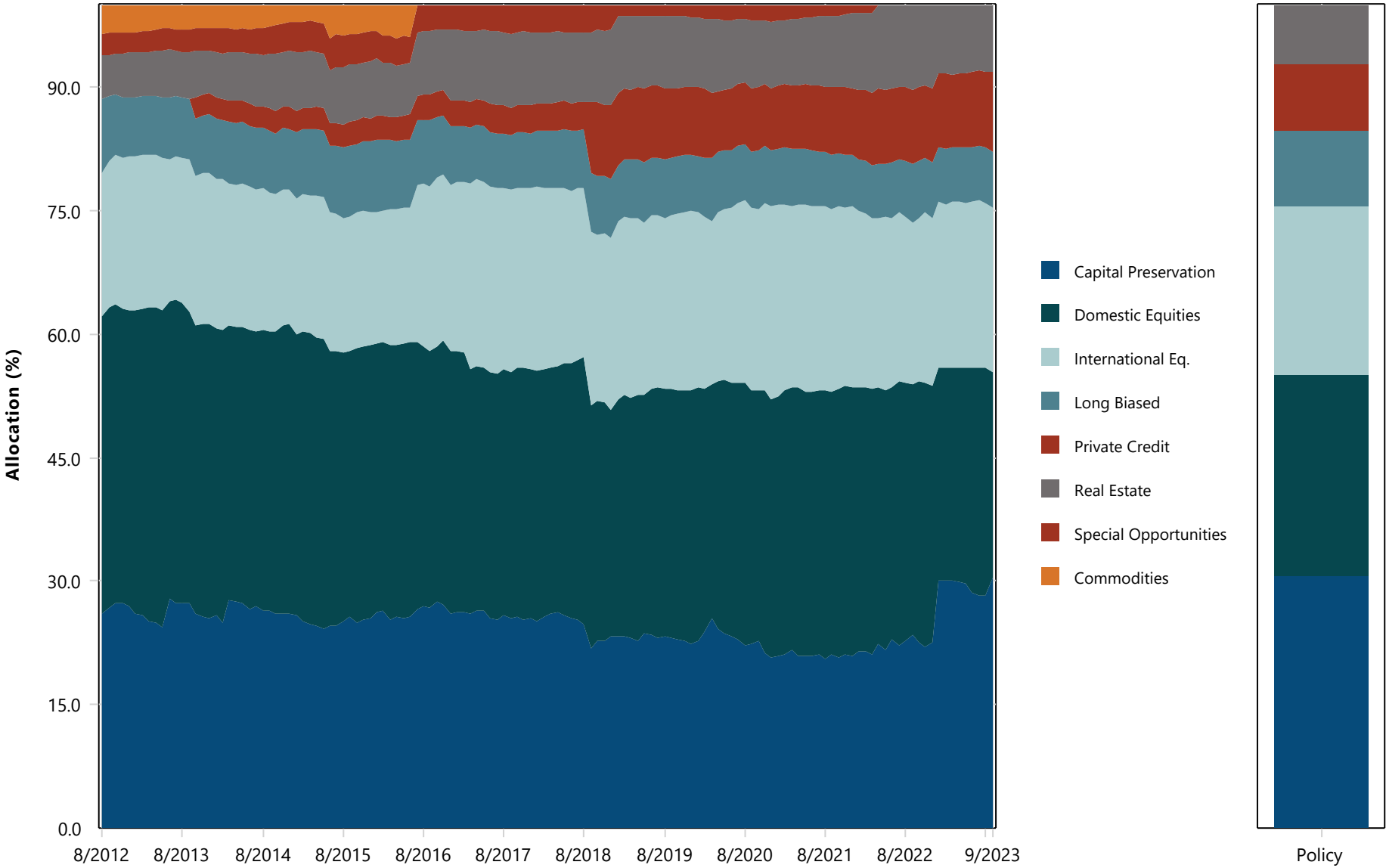
As of September 30, 2023

	Asset Alloc. \$	Asset Alloc. (%)	Target Alloc. (%)
Cash	2,271,933	0.7	0.0
Total Return Bond	57,926,997	18.1	17.0
High Yield Bond	21,867,631	6.8	8.0
Absolute Return	15,829,682	4.9	5.0
Large Cap Equity	51,329,706	16.0	16.0
Small/Mid Cap Equity	28,598,310	8.9	8.0
Int'l Large Cap Eq.	33,089,419	10.3	10.0
Int'l Small/Mid Cap Eq.	15,131,595	4.7	5.0
Int'l Emerging Market Eq.	15,830,880	4.9	5.0
Long Biased	21,927,884	6.8	9.0
Private Credit	30,967,167	9.7	8.0
Real Estate	25,943,553	8.1	7.0
MLPs		0.0	2.0
Total	320,714,755	100.0	100.0

Implementation Policy vs. Actual Allocation



Asset Allocation History vs. Target Allocation

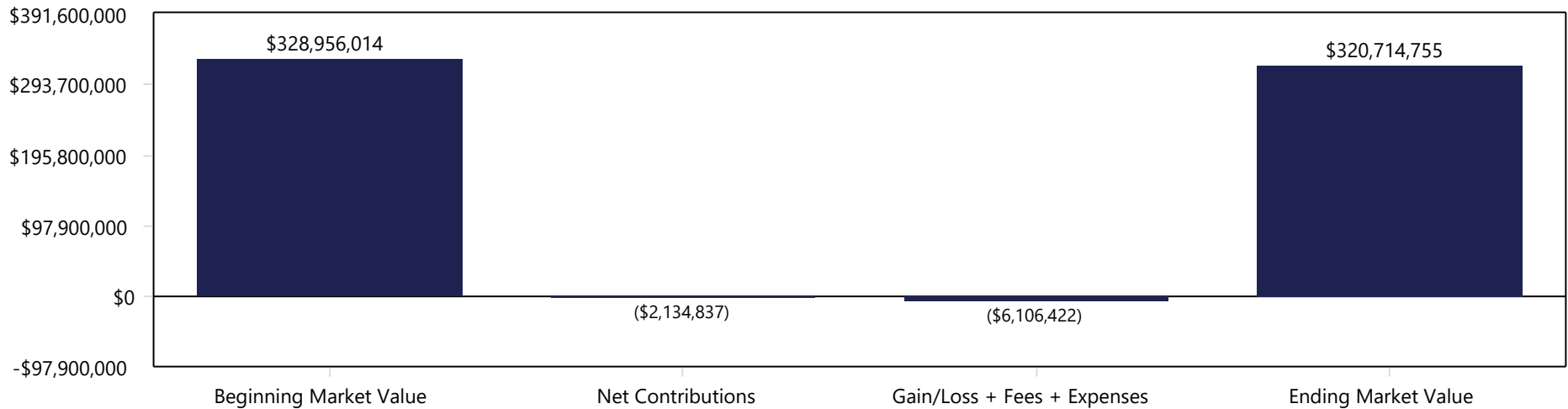


Section 4 | Summary of Cash Flow

Spokane Employees' Retirement System

As of September 30, 2023

Change in Market Value



Cash Flow Summary Current Quarter

	Market Value As of 07/01/2023	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 09/30/2023
Fidelity Instl Govt Money Market	15,838,088	15,062,691	-28,689,048	-13,651,333	60,201	2,271,933
Sterling Core Bond	24,640,261	9,600,000	-	9,600,000	-944,399	33,295,863
Fidelity US Bond Index	26,760	-	-26,139	-26,139	-621	-
Loomis Sayles Core Plus Bond N	15,956,488	9,600,000	-	9,600,000	-925,354	24,631,134
Hotchkis & Wiley High Yield	15,687,894	-	-	-	110,290	15,798,184
BlackRock High Yield Bond K	6,032,479	-	-	-	36,968	6,069,447
Polar Long/Short Fund	9,302,168	-	-	-	-42,798	9,259,370
Post Lmted Term High Yield	333,550	-	-	-	-	333,550
Pimco Dynamic Bond Fund	5,683,298	-	-	-	23,076	5,706,374
Rimrock Low Volatility Offshore	530,389	-	-	-	-	530,389

Spokane Employees' Retirement System

As of September 30, 2023

	Market Value As of 07/01/2023	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 09/30/2023
Hotchkis & Wiley Div Value I	9,850,212	-	-	-	-3,744	9,846,468
Fidelity S&P 500	38,327,426	-	-5,600,000	-5,600,000	-983,639	31,743,787
MFS Growth Fund CI R6	11,584,574	-	-1,600,000	-1,600,000	-245,123	9,739,451
Sterling Mid Cap Value	5,090,668	-	-	-	-121,552	4,969,116
Fidelity Mid Cap Index	2,995,796	-	-	-	-139,364	2,856,432
Westfield Mid Cap Growth	5,360,978	-	-	-	-280,614	5,080,365
Fidelity Small Cap Index	503,579	-	-	-	-25,620	477,959
Bridge City Small Growth	7,677,055	-	-	-	-387,833	7,289,222
Champlain Small Cap	8,500,827	-	-	-	-575,611	7,925,216
EuroPacific Growth R6	14,482,134	-	-	-	-916,524	13,565,610
Artisan Int'l Value	20,133,785	-	-	-	-609,977	19,523,808
Victory Trivalent International Small Cap	15,863,406	-	-	-	-731,811	15,131,595
Vanguard Emerging Markets Stock Index Fd	6,375,462	-	-	-	-137,621	6,237,842
ABS Emerging Markets Strategic	9,740,630	-	-	-	-147,592	9,593,038
Weatherlow Offshore	21,041,592	-	-	-	-88,229	20,953,363
OrbiMed Royalty Opps II	245,207	-	-12,857	-12,857	12,137	244,487
OrbiMed Royalty Opportunities	674,022	-	-	-	56,012	730,034
Beach Point Select Fund LP	13,999,845	-	-	-	337,706	14,337,551
Contrarian Capital Fund I LP	10,310,929	-	-	-	533,730	10,844,658
Principal Global Investors REIT	7,393,075	-	-	-	-486,801	6,906,275
Morrison Street Fund VI	6,975,822	-	-130,504	-130,504	157,770	7,003,088
Morrison Street Fund VII	1,650,445	-	-43,322	-43,322	30,508	1,637,631
Morrison Street Income Fund	2,597,992	-	-53,831	-53,831	31,729	2,575,890
Morgan Stanley Prime Property Fund	8,058,463	-	-241,829	-241,829	4,033	7,820,668
Contrarian Emerging Markets	5,490,716	-	-	-	294,242	5,784,958
SERS Plan Total	328,956,014	34,262,691	-36,397,528	-2,159,814	-6,106,422	320,714,755

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 September 30, 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
	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
	10/01/2016	03/01/2019	10.000% Blmbg. U.S. Aggregate Index, 5.000% Blmbg. U.S. Corp: High Yield Index, 8.000% HFRI FOF: Conservative Index, 21.000% S&P 500 Index, 11.000% Russell 2500 Index, 15.000% MSCI AC World ex USA (Net), 4.000% MSCI AC World ex USA Small Cap (Net), 3.000% MSCI Emerging Markets (Net), 7.000% HFRI Fund of Funds Composite Index, 7.000% HFRI ED: Distressed/Restructuring Index, 9.000% NCREIF ODCE VW NET
	07/01/2010	10/01/2016	1.000% 1 Year U.S. Treasury Note, 5.000% Russell 2000 Index, 8.000% Russell Midcap Index, 34.000% S&P 500 Index, 15.000% Blmbg. U.S. Aggregate Index, 5.000% Blmbg. U.S. Corp: High Yield Index, 3.000% NCREIF Property Index, 17.000% MSCI AC World ex USA (Net), 3.000% FTSE NAREIT All REITs Index, 5.000% Blmbg. Global Aggregate Index, 4.000% S&P GSCI Composite TR Index
	01/01/2007	07/01/2010	1.000% 90 Day U.S. Treasury Bill, 5.000% Russell 2000 Index, 5.000% Russell Midcap Index, 34.000% S&P 500 Index, 13.000% Blmbg. U.S. Aggregate Index, 5.000% Blmbg. U.S. Corp: High Yield Index, 24.000% MSCI AC World ex USA (Net), 4.000% FTSE NAREIT All REITs Index, 6.000% Blmbg. Global Aggregate Index, 3.000% NCREIF Property Index

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PLEASE 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.