



H Y A S G R O U P

City of Spokane
Spokane Employees' Retirement System

December 31, 2023

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Section 1 | Market Overview

**GLOBAL ECONOMIC LANDSCAPE**

- ▶ Minutes from the Federal Reserve Open Market Committee's (FOMC) December meeting gave pause to the growing expectation that interest rate reductions may be coming soon. These minutes noted the general consensus among the committee that rates are at or near their peak for this tightening cycle and acknowledged that projections show cuts by the end of 2024. However, committee members also see policy potentially remaining restrictive for some time and "several also observed that circumstances might warrant keeping the target range at its current value for longer than they currently anticipated."¹
- ▶ Year-end payroll readings for the US came in above expectations, pointing to a labor market that showed some re-acceleration from November. Upside in payrolls reflected continued strength in government and healthcare hiring and warmer weather supporting construction jobs, offsetting a decline in transportation and warehousing employment. Average wages also increased at a healthy pace, albeit being offset in part by a reduction in hours worked. While there was some mixture in underlying data, the aggregation indicates a still-tight labor market which may support the Federal Reserve's inclination to keep short-term interest rates higher for longer.²
- ▶ In contrast to the more restrictive monetary approaches of the US and Europe, the Bank of Japan has maintained an expansionary, negative interest rate policy. While expectations continue to be for the Bank of Japan to eventually abandon this stance, near-term developments such as recent guidance by governors towards an increasingly gradual approach, the earthquake on Noto Peninsula, and turnover within the Prime Minister's cabinet appear to argue against a brisk pace of doing so.³
- ▶ Continuing on the theme of latent changes in central bank direction, markets and policy makers in the European Union and United Kingdom (UK) appear to be waiting for inflation to cool enough to warrant a reduction in monetary restraint. Within the European Union, year-end inflation did not show as strong a decline as in months prior, which, when combined with upward wage pressure, may imply that more time is needed before rate reductions can occur. Within the UK, year-end economic growth, Christmas consumer spending, and manufacturing activity surprising to the upside likewise supported the notion of a pushback in the timing of direction-change.⁴

FIXED INCOME MARKETS⁵

- ▶ Although yields ended 2023 virtually unchanged from the start, Treasuries experienced a long selloff (May to October), sandwiched between two rallies (March to May and October to December). Drivers of 2023's rate volatility included regional banking stress in March to May; much stronger macroeconomic growth, slower progress on inflation, and fiscal sustainability questions from May to October; and then softening data and an apparent Fed pivot into year-end. From a closing low of 3.34% on May 3 to a closing high of 4.99% on October 19, the US 10-year Treasury yield embedded higher real yields and term premiums on robust growth and an

¹ Source: Morgan Stanley, *FOMC Minutes: Not Cutting Soon*, January 3, 2024.

² Source: Morgan Stanley, *December Employment – Tight Labor Market*, January 5, 2024.

³ Source: Morgan Stanley, *Expecting Status Quo and January MPM*, January 3, 2024.

⁴ Source: Morgan Stanley, *New Year, Same Old Questions*, January 5, 2024.

⁵ Source: Morgan Stanley, *Fixed Income Insights*, January 3, 2024.

elevated Treasury supply. From late October, however, yields closely tracked the Citi Economic Surprise Index, as higher-for-longer rate expectations gave way to consensus view of multiple Fed cuts in 2024.

- Agency Mortgage-Backed Securities (MBS) sharply underperformed through October, buffeted by elevated rate volatility and challenging technical dynamics. As a result, agency MBS spreads reached extremely wide levels compared to their longer-term history. In line with other fixed income asset classes, November and December's rally allowed agency MBS to recover their previous underperformance and close the year on a higher note as spreads tightened to more normal levels.
- High yield debt benefited from its shorter duration and higher coupons—and support from stronger-than-expected economic growth and technical supply-demand tailwinds. Most notably, after the December FOMC meeting, high yield bond spreads and yields declined sharply, based on the dovish guidance. Fund flows turned positive in November and December, with over \$15 billion of inflows. All said, high yield bonds returned 13.4% for the year, with CCC-rated bonds (+19.8%) outperforming higher-quality B- (+13.8%) and BB-rated (+11.6%) cohorts.
- International investment-grade bonds returned 8.3% in 2023, outperforming their US counterparts. European bonds led the charge with strong returns from major Eurozone countries across both credit and government debt. Most of the gains came from a strong rally that began in late October, as investors started pricing in more robust monetary easing from the European Central Bank. Yields on German and French 10-year government bonds for example each fell by roughly 1% towards year-end.

EQUITY MARKETS

- 2024 marks the third straight year with the S&P 500 starting trailing price-to-earnings ratio above 20. When the market has begun at these points, subsequent 12-month returns have averaged just under 4%—materially below the long-run average of 7-8%. While earnings could surprise to the upside, the corresponding drop in multiples imply, judging by historical patterns, that corresponding gains on US stock indexes may only rival those available in other asset classes, such as non-US stocks, select fixed income, and alternatives.⁶
- After outperforming the S&P 500 by 131% between the start of 2021 and end of 2022, the energy sector lagged the broader market by 29% in 2023. That weakness came alongside rising economic uncertainty and softness in oil and gas prices, which has triggered a cycle of negative estimate revisions for companies in the sector. Even so, amid a more uncertain macro backdrop, the company-specific features have shown clear improvement. The energy sector's capital allocation framework has structurally changed from an emphasis on production growth to returns, free cash flow, and shareholder distributions. As a result, even if commodity prices are flat in 2024, it is estimated that cash flow and profit margins could expand in the quarters to come.⁷
- Though challenged (from a US investor's perspective) by currency headwinds, Japanese equities entered 2024 with several potential tailwinds. These include efforts by the Tokyo Stock Exchange to have its members better disclose efforts to improve returns on capital, a doubling in the maximum that individual Japanese investors can invest in local equities on a tax-free basis, high bank deposits which can serve as dry-powder to equity demand, and potential abatement of the Yen's relative weakness versus European and US currencies from central bank easing.⁸
- Developments over the course of 2023 indicated a pause in internal and external investor sentiment towards China. For example, according to China's State Administration of Foreign Exchange, last year, China recorded its first foreign direct investment (FDI) deficit since 1998 when the data began to be collected. Additionally, deposits in Chinese banks rose sharply in 2023, implying reduced consumer spending on the back of a disappointing recovery, high youth unemployment, and declining property values; all of which may portend to challenges in generating compelling corporate earnings growth.⁹

⁶ Source: Morgan Stanley, "2024 Outlook: Starting Points Matter", January 8, 2024

⁷ Source: Morgan Stanley, "2024 Outlook: Cash Comes Cheap", December 11, 2023.

⁸ Source: Morgan Stanley, "Keep It Simple—Add Japan and Avoid China", January 10, 2024

⁹ Source: *ibid*

ALTERNATIVE INVESTMENTS

- ▶ Artificial Intelligence (AI) private companies raised \$25 billion in 2023 – a bright spot in an otherwise lackluster venture capital funding environment. Excluding AI and machine learning, venture capital hit a five-year low in 2023. Big tech has been a primary investor within this space, with corporate venture arms accounting for 90% of the applicable capital raised in 2023, up from about 40% on average over the past three years. In addition to investments, deep relationships appear to be forming between corporations and AI private companies, with three of the largest US public technology companies combining for over 20 partnerships.¹⁰
- ▶ US buyout and growth equity deals continued to slow into the second half of 2023, with deal value exhibiting an 18% decline between the second and third quarter and falling below \$200 billion for the first time in three years. While dry powder levels may still be significant, tighter lending conditions have forced buyers to use less debt to make financing deals more feasible, causing a greater portion of transactions to be financed via equity.¹¹
- ▶ After lagging for each month since February, Real Estate Investment Trusts (REITs) ended the year on a positive note, leading the S&P 500 by 1.3% and 5.3% in November and December respectively. After multiple quarters of economic headwinds and outflows, recent analysis on REITs suggests potential room for continued strength, due to aspects such as increasing demand for rate-sensitive equities, achievable consensus growth rates, and valuations versus stocks remaining at a discount to longer-term averages.¹²

¹⁰ Source: Morgan Stanley, “GenAI Privates: Where Are We Now and 12 Debates From Here”, December 20, 2023.

¹¹ Source: Morgan Stanley, “Alternatives Quarterly, November 30, 2023.

¹² Source: Morgan Stanley, “The REIT Cheat Sheet”, January 2, 2024.

Disclosure:

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In addition to the general risks associated with real estate investments, REIT investing entails other risks such as credit and interest rate risk. Real estate investment risks can include fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures, or operating expenses; and other economic, political or regulatory occurrences affecting the real estate industry. Investing in commodities entails significant risks. The commodities markets may fluctuate widely based on a variety of factors including changes in supply and demand relationships; governmental programs and policies; national and international political and economic events; war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence; weather; technological change; and, the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

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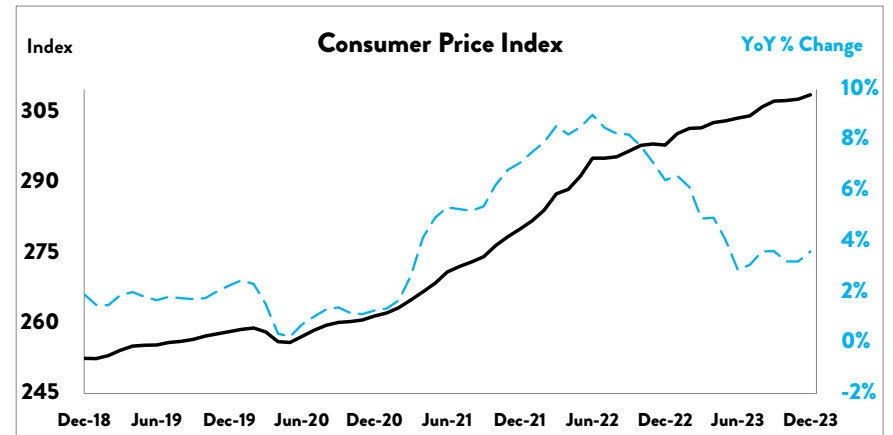
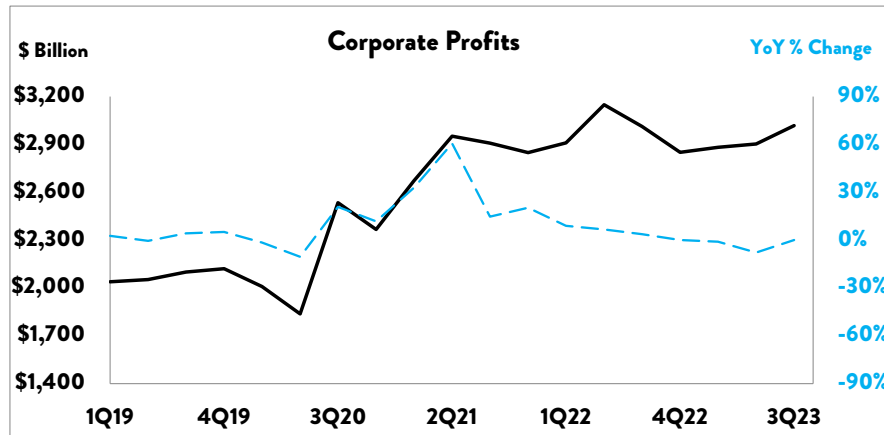
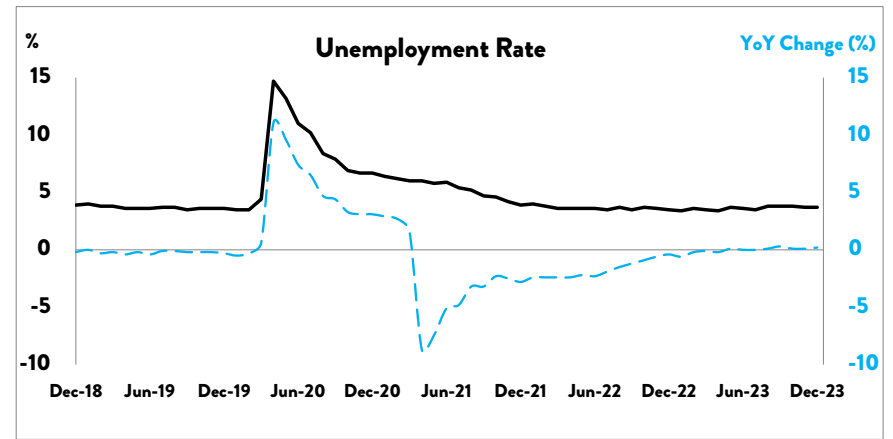
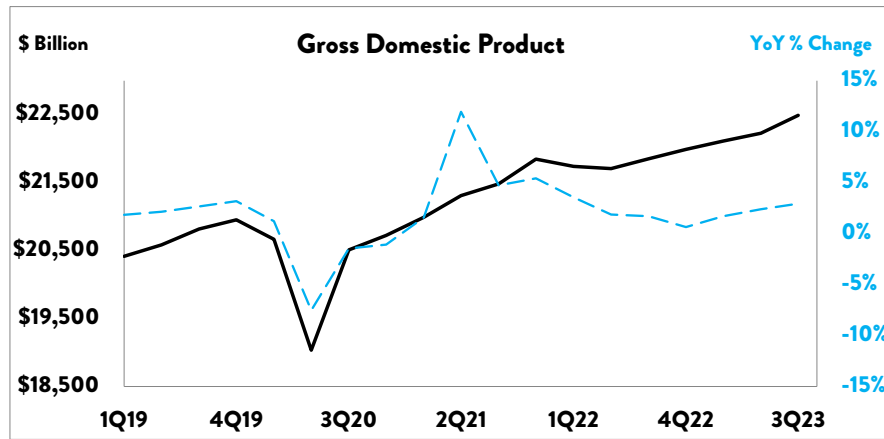
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4Q2023 Economic Data



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	216,000	4,505,000	-20,493,000	114,517	Dec-23
Unemployment Rate	3.7%	14.7%	3.4%	4.9%	Dec-23
Median Unemployment Length (Weeks)	9.0	22.2	4.0	11.1	Dec-23
Average Hourly Earnings	\$34.27	\$34.27	\$27.60	\$30.76	Dec-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	\$3.10	\$4.84	\$1.80	-35.8%	Dec-23
Spot Oil	\$71.90	\$114.84	\$16.55	-37.4%	Dec-23
Case-Shiller Home Price Index	320.3	320.3	213.8	49.8%*	Oct-23
Medical Care CPI	556.1	557.4	489.9	13.5%*	Dec-23

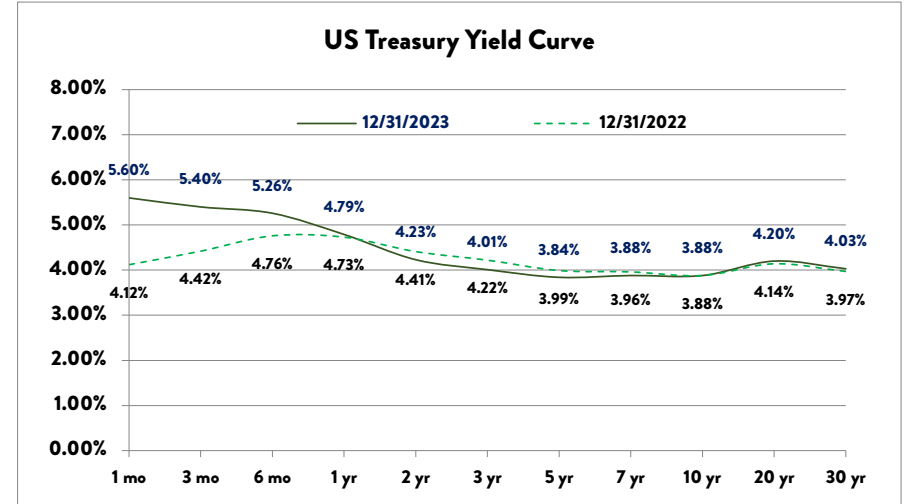
*% Off Low

Morningstar data as of 12/31/2023

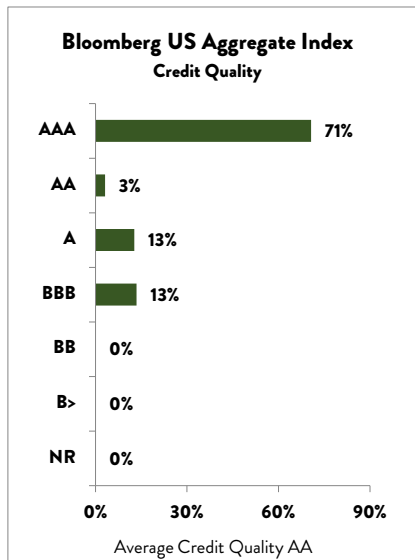
4Q2023 Bond Market Data

Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	1.36%	5.27%	5.27%	2.44%	1.95%	1.31%
Bloomberg US Aggregate	6.82%	5.53%	5.53%	-3.31%	1.10%	1.81%
Bloomberg Short US Treasury	1.46%	5.09%	5.09%	2.01%	1.89%	1.28%
Bloomberg Int. US Treasury	3.99%	4.28%	4.28%	-1.86%	1.02%	1.25%
Bloomberg Long US Treasury	12.70%	3.06%	3.06%	-11.41%	-1.24%	2.28%
Bloomberg US TIPS	4.71%	3.90%	3.90%	-1.00%	3.15%	2.42%
Bloomberg US Credit	8.15%	8.18%	8.18%	-3.21%	2.45%	2.83%
Bloomberg US Mortgage-Backed	7.48%	5.05%	5.05%	-2.86%	0.25%	1.38%
Bloomberg US Asset-Backed	3.48%	5.54%	5.54%	0.22%	1.92%	1.81%
Bloomberg US 20-Yr Municipal	10.13%	7.78%	7.78%	-0.56%	2.68%	3.88%
Bloomberg US High Yield	7.16%	13.45%	13.45%	1.98%	5.37%	4.60%
Bloomberg Global	8.10%	5.72%	5.72%	-5.51%	-0.32%	0.38%
Bloomberg International	9.21%	5.72%	5.72%	-7.21%	-1.56%	-0.79%
Bloomberg Emerging Market	8.10%	9.09%	9.09%	-3.13%	1.84%	3.03%

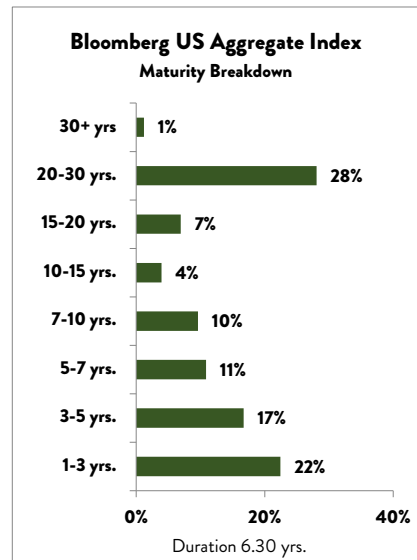
Source: Morningstar



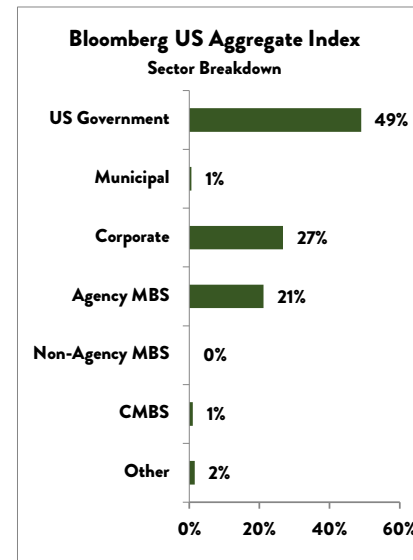
Source: Department of US Treasury



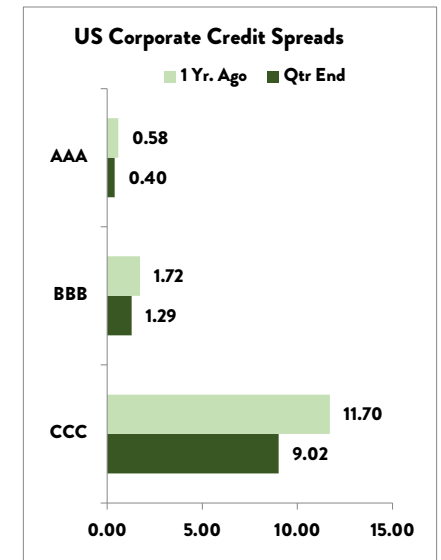
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

4Q2023 US Equity Market Data

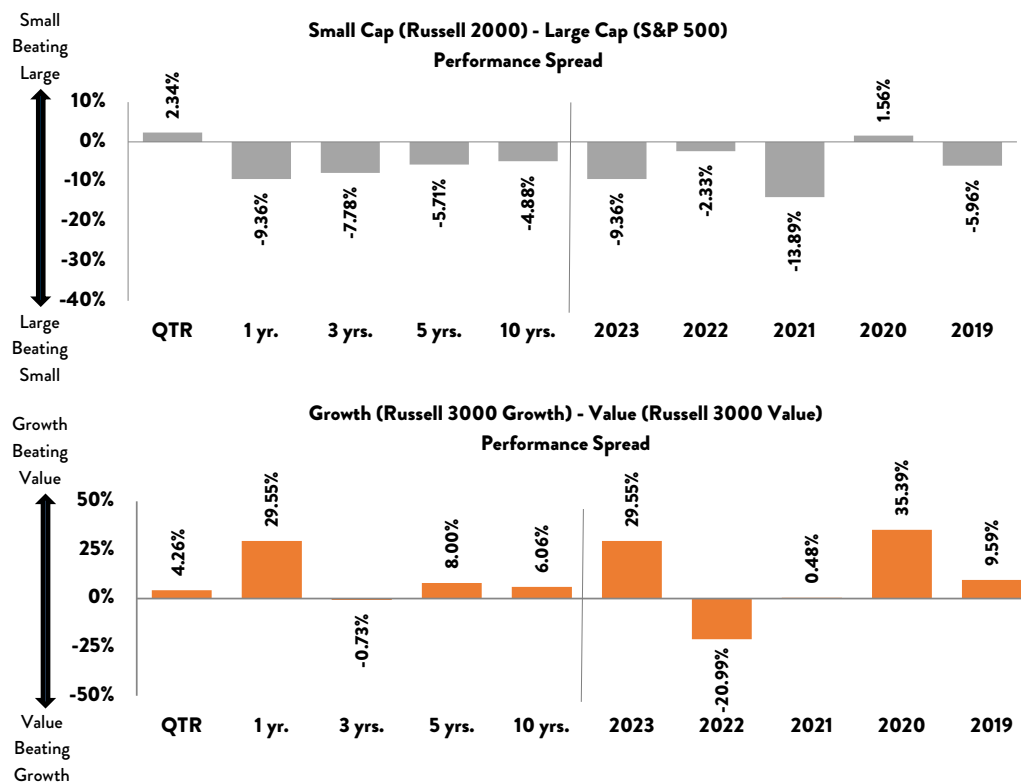
Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	YTD	1 yr.
S&P 500 Index	3%	Real Estate	18.83%	12.36%	12.36%
	29%	Information Technology	17.17%	57.84%	57.84%
	13%	Financials	14.03%	12.15%	12.15%
	9%	Industrials	13.05%	18.13%	18.13%
	11%	Consumer Discretionary	12.42%	42.41%	42.41%
	9%	Communication Services	10.95%	55.80%	55.80%
	2%	Materials	9.69%	12.55%	12.55%
	2%	Utilities	8.56%	-7.08%	-7.08%
	13%	Health Care	6.41%	2.06%	2.06%
	6%	Consumer Staples	5.54%	0.52%	0.52%
4%	Energy	-6.94%	-1.33%	-1.33%	
S&P Midcap 400 Index	16%	Consumer Discretionary	17.31%	24.28%	24.28%
	8%	Real Estate	15.46%	8.61%	8.61%
	16%	Financials	14.96%	8.19%	8.19%
	7%	Materials	14.79%	16.53%	16.53%
	21%	Industrials	12.37%	31.43%	31.43%
	10%	Information Technology	10.30%	28.69%	28.69%
	2%	Communication Services	10.13%	-7.49%	-7.49%
	3%	Utilities	7.79%	-13.21%	-13.21%
	4%	Consumer Staples	6.70%	15.70%	15.70%
	8%	Health Care	5.37%	0.52%	0.52%
5%	Energy	-4.71%	7.44%	7.44%	
S&P Smallcap 600 Index	15%	Consumer Discretionary	22.57%	32.67%	32.67%
	19%	Financials	20.25%	5.19%	5.19%
	17%	Industrials	16.83%	31.84%	31.84%
	8%	Real Estate	16.75%	7.40%	7.40%
	6%	Materials	15.31%	19.98%	19.98%
	10%	Health Care	14.09%	-2.38%	-2.38%
	3%	Communication Services	11.28%	13.88%	13.88%
	4%	Consumer Staples	10.83%	14.99%	14.99%
	12%	Information Technology	10.24%	20.95%	20.95%
	2%	Utilities	9.33%	-7.57%	-7.57%
4%	Energy	-8.13%	5.02%	5.02%	

Source: Morningstar

Index Performance Data

Index	QTR	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	11.69%	26.29%	26.29%	10.00%	15.69%	12.03%
Russell 1000 Value	9.50%	11.46%	11.46%	8.86%	10.91%	8.40%
Russell 1000 Growth	14.16%	42.68%	42.68%	8.86%	19.50%	14.86%
Russell Mid Cap	12.82%	17.23%	17.23%	5.92%	12.68%	9.42%
Russell Mid Cap Value	12.11%	12.71%	12.71%	8.36%	11.16%	8.26%
Russell Mid Cap Growth	14.55%	25.87%	25.87%	1.31%	13.81%	10.57%
Russell 2000	14.03%	16.93%	16.93%	2.22%	9.97%	7.16%
Russell 2000 Value	15.26%	14.65%	14.65%	7.94%	10.00%	6.76%
Russell 2000 Growth	12.75%	18.66%	18.66%	-3.50%	9.22%	7.16%
Russell 3000	12.07%	25.96%	25.96%	8.54%	15.16%	11.48%
DJ US Select REIT	16.35%	13.96%	13.96%	7.18%	6.12%	7.00%



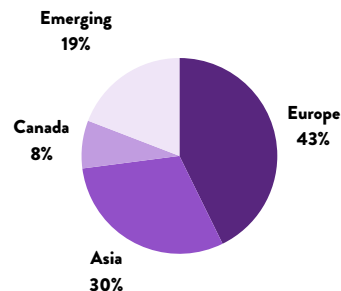
4Q2023 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	9.75%	15.62%	15.62%	1.55%	7.08%	3.83%
MSCI EAFE	10.42%	18.24%	18.24%	4.02%	8.16%	4.28%
Europe	11.05%	19.89%	19.89%	5.80%	9.09%	4.13%
United Kingdom	6.86%	14.09%	14.09%	8.76%	6.87%	2.49%
Germany	13.04%	22.98%	22.98%	0.20%	6.27%	1.99%
France	10.31%	21.40%	21.40%	7.94%	10.47%	5.72%
Pacific	9.25%	15.27%	15.27%	0.95%	6.55%	4.62%
Japan	8.19%	20.32%	20.32%	0.66%	6.91%	4.97%
Hong Kong	3.42%	-14.77%	-14.77%	-7.93%	-1.84%	2.03%
Australia	15.23%	14.79%	14.79%	5.97%	9.72%	4.99%
Canada	11.23%	15.44%	15.44%	8.21%	11.22%	4.60%
MSCI EM	7.86%	9.83%	9.83%	-5.08%	3.69%	2.66%
MSCI EM Latin America	17.55%	32.71%	32.71%	9.93%	6.11%	2.11%
MSCI EM Asia	6.71%	7.76%	7.76%	-6.90%	4.32%	4.13%
MSCI EM Eur/Mid East	6.91%	10.63%	10.63%	-3.93%	-0.45%	-2.60%
MSCI ACWI Value ex-US	8.43%	17.30%	17.30%	5.80%	6.34%	2.92%
MSCI ACWI Growth ex-US	11.13%	14.03%	14.03%	-2.67%	7.49%	4.55%
MSCI ACWI Sm Cap ex-US	10.12%	15.66%	15.66%	1.49%	7.89%	4.88%

Regional Exposure

MSCI ACWI ex-USA

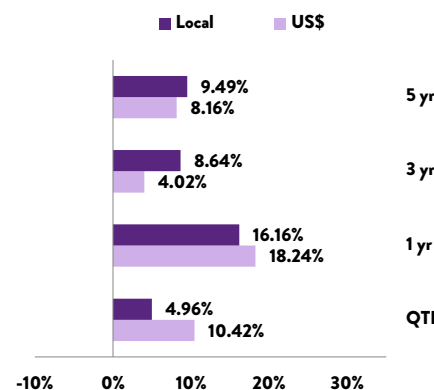


Top 10 Countries (MSCI AC World ex-USA)

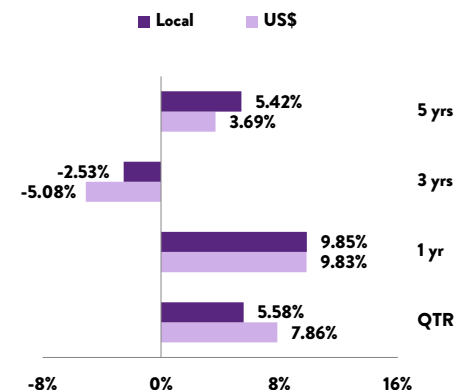
Japan	15%
UK	9%
France	8%
Canada	8%
China	7%
Switzerland	6%
Germany	6%
Australia	5%
India	5%
Taiwan	4%

Source: Morningstar

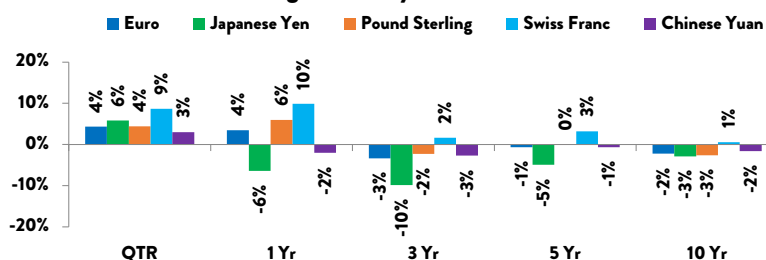
MSCI EAFE Index Return



MSCI Emerging Index Return



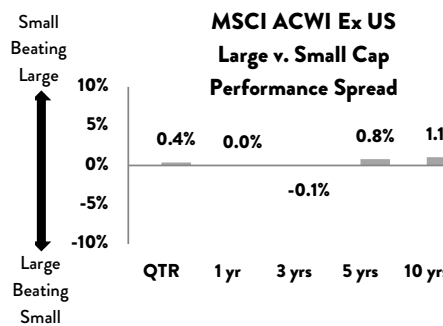
Foreign Currency v. US\$ Returns



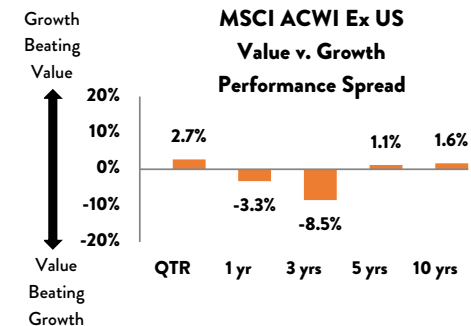
Exchange Rates	QTR	3Q23	2Q23	1Q23	4Q22	3Q22
Japanese Yen	140.92	149.43	144.47	132.75	131.81	144.71
Euro	0.90	0.94	0.92	0.92	0.93	1.02
British Pound	0.78	0.82	0.79	0.81	0.83	0.90
Swiss Franc	0.84	0.91	0.89	0.91	0.92	0.98
Chinese Yuan	7.10	7.30	7.25	6.87	6.90	7.11

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	2023	4Q23
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 26.29%	Small Cap 14.03%
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%	Mid Cap 17.23%	Mid Cap 12.82%
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%	Small Cap 16.93%	Large Cap 11.69%
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%	Global Balanced 16.35%	Intl 9.75%
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%	Intl 15.62%	Global Balanced 9.75%
Global Balanced -24.51%	Large Cap 26.46%	High Yield 15.12%	Large Cap 2.11%	High Yield 15.81%	Core Real Estate 12.95%	TIPS 3.64%	Global Balanced -1.45%	Emerging Markets 11.18%	Small Cap 14.65%	High Yield -2.08%	Emerging Markets 18.42%	TIPS 10.99%	Global Balanced 10.94%	US Bonds -13.01%	High Yield 13.45%	Global Bonds 8.10%
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%	Emerging Markets 9.83%	Emerging Markets 7.86%
Small Cap -33.79%	Commod. 18.91%	Intl 11.15%	Global Balanced -0.97%	Core Real Estate 9.76%	Cash 0.07%	High Yield 2.45%	Global Bonds -3.15%	Global Balanced 5.38%	Global Bonds 7.39%	Global Balanced -5.30%	US Bonds 8.72%	Global Bonds 9.20%	TIPS 5.96%	Global Bonds -16.25%	Global Bonds 5.72%	High Yield 7.16%
Commod. -35.65%	TIPS 11.41%	Global Balanced 9.40%	Mid Cap -1.55%	TIPS 6.98%	US Bonds -2.02%	Global Bonds 0.59%	Small Cap -4.41%	TIPS 4.68%	Core Real Estate 6.66%	Mid Cap -9.06%	TIPS 8.43%	US Bonds 7.51%	High Yield 5.28%	Global Balanced -16.40%	US Bonds 5.53%	US Bonds 6.82%
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%	Cash 5.27%	TIPS 4.71%
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%	TIPS 3.90%	Cash 1.36%
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. -7.91%	Commod. -4.63%
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 -12.74%	Core Real Estate -5.01%

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

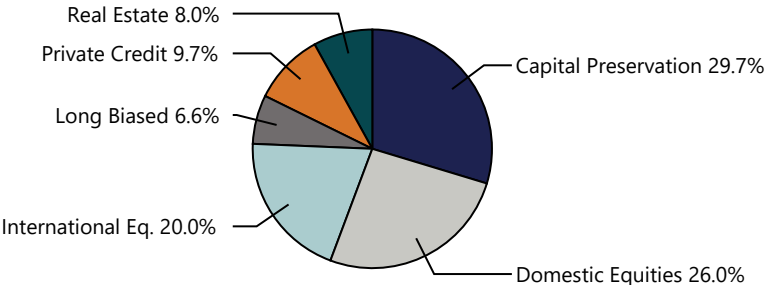
Source: Morningstar; Core Real Estate Source: NCREIF

Section 2 | Performance Overview

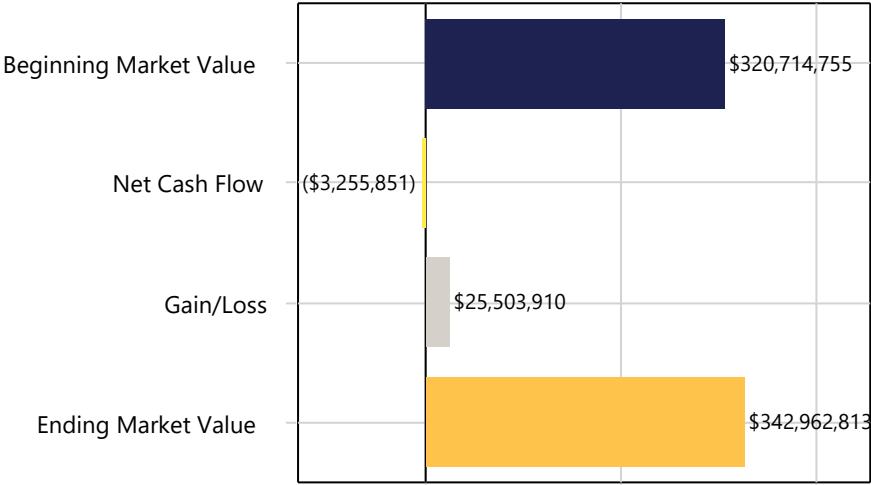
Spokane Employees' Retirement System

As of December 31, 2023

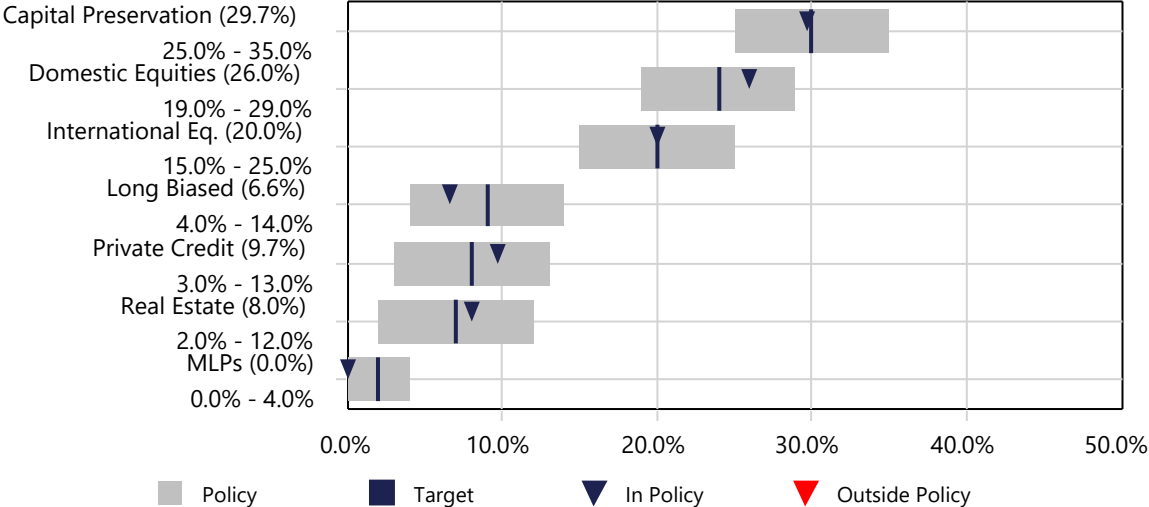
SERS Current Allocation



Current Quarter



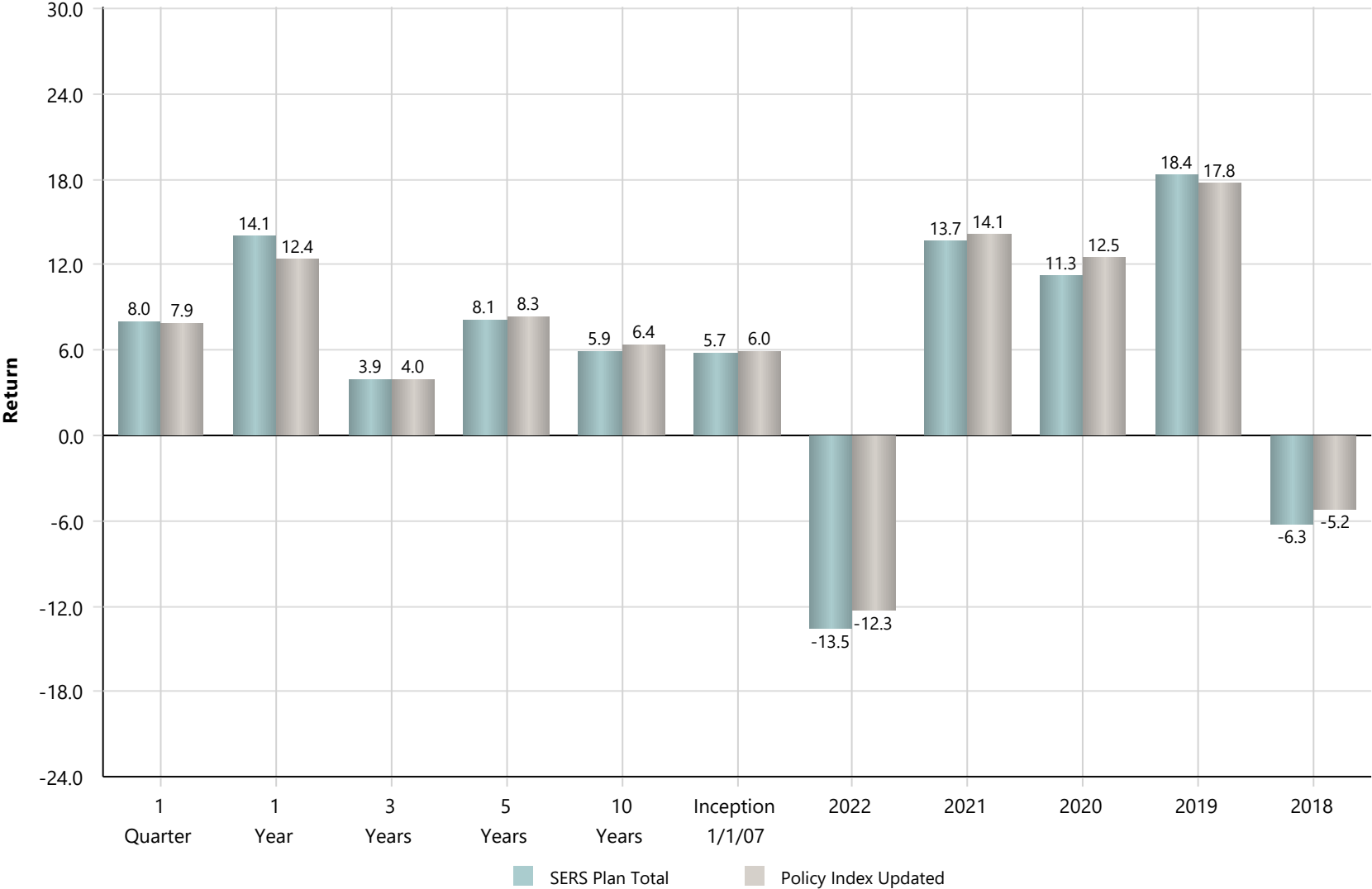
Executive Summary



Policy Breakdown

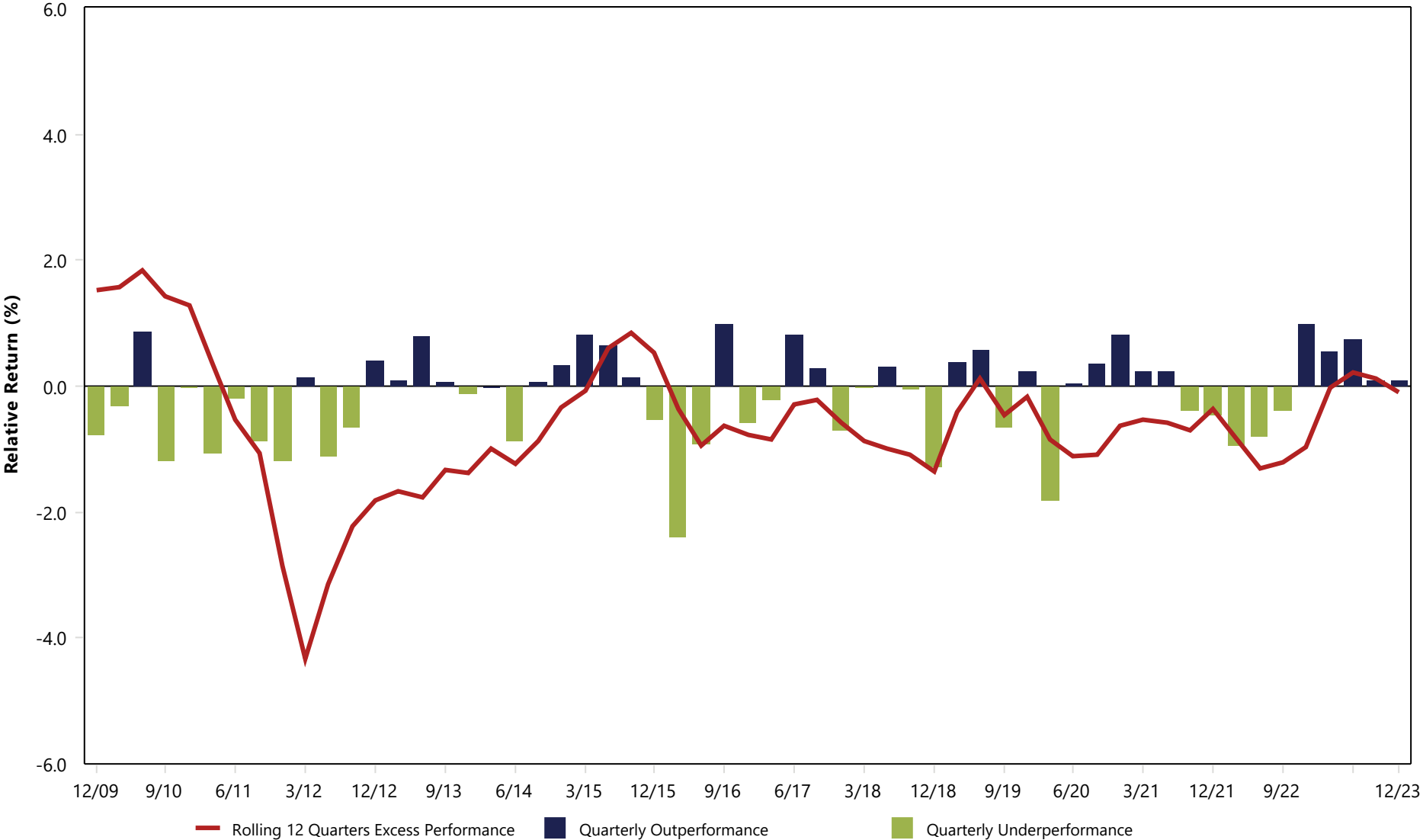
Passive Portfolios	Weight (%)
Blmbg. U.S. Aggregate Index	17.0
Blmbg. U.S. Corp: High Yield Index	8.0
HFRI FOF: Conservative Index	5.0
S&P 500 Index	16.0
Russell 2500 Index	8.0
MSCI AC World ex USA (Net)	10.0
MSCI AC World ex USA Small Cap (Net)	5.0
MSCI Emerging Markets (Net)	5.0
HFRI Fund of Funds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

Return Summary



Performance Net of Fees.
 Performance for periods longer than 1 year is annualized.

Relative Performance
Rolling 3 Year Annualized Excess Performance



Spokane Employees' Retirement System

As of December 31, 2023

Return Summary Statistics

	3 Years		5 Years		Since Inception		Inception Date
	SERS Plan Total	Policy Index Updated	SERS Plan Total	Policy Index Updated	SERS Plan Total	Policy Index Updated	
Maximum Return	7.97	7.86	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	3.89	3.98	8.11	8.29	5.74	5.97	
Cumulative Return	12.13	12.43	47.69	48.93	158.33	167.85	
Active Return	0.00	0.00	0.00	0.00	-0.28	0.00	
Excess Return	2.31	2.31	7.15	7.15	5.23	5.51	

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	11.45	10.58	15.24	14.14	12.37	12.92	01/01/2007
Alpha	-0.35	0.00	-0.69	0.00	0.10	0.00	
Tracking Error	1.21	0.00	1.38	0.00	2.29	0.00	
Information Ratio	0.00	-	0.00	-	-0.12	-	
Beta	1.08	1.00	1.08	1.00	0.94	1.00	
Sharpe Ratio	0.21	0.22	0.47	0.50	0.42	0.42	

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	0.994	1.000	0.997	1.000	0.969	1.000	01/01/2007
Actual Correlation	0.997	1.000	0.998	1.000	0.985	1.000	

Spokane Employees' Retirement System

As of December 31, 2023

Total Account Performance Summary

	Performance (%)												
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
SERS Plan Total	7.97	14.05	3.89	8.11	5.93	5.74	-13.50	13.66	11.29	18.35	-6.27	15.40	01/01/2007
Policy Index Updated	7.86	12.42	3.98	8.29	6.36	5.97	-12.34	14.08	12.48	17.76	-5.17	15.20	
Over/Under	0.11	1.63	-0.09	-0.18	-0.43	-0.23	-1.16	-0.42	-1.19	0.59	-1.10	0.20	
70/30 ACWI/Bloomberg Aggregate Bond	9.78	17.06	3.10	8.71	6.26	5.53	-16.59	12.25	14.28	21.21	-6.48	17.50	
Over/Under	-1.81	-3.01	0.79	-0.60	-0.33	0.21	3.09	1.41	-2.99	-2.86	0.21	-2.10	
Corp/ and Public >250m and < \$1Bil Rank	63	23	23	40	47	51	32	32	80	66	75	50	
Capital Preservation	6.07	7.35	0.57	2.70	2.61	2.84	-7.41	2.35	3.29	8.71	-0.94	5.85	07/01/2012
Capital Preservation Index	6.12	7.65	0.64	3.58	3.07	3.28	-8.13	3.07	7.23	9.09	-0.72	4.60	
Over/Under	-0.05	-0.30	-0.07	-0.88	-0.46	-0.44	0.72	-0.72	-3.94	-0.38	-0.22	1.25	
Domestic Equity	11.68	23.30	8.22	13.96	10.06	12.25	-18.25	25.73	17.45	29.14	-7.80	19.86	07/01/2012
Domestic Equity Index	12.31	23.46	8.12	14.43	10.85	12.84	-18.16	25.09	19.22	30.24	-6.30	20.11	
Over/Under	-0.63	-0.16	0.10	-0.47	-0.79	-0.59	-0.09	0.64	-1.77	-1.10	-1.50	-0.25	
All Cap Blend Rank	53	37	50	40	44	42	60	49	41	43	48	43	
International Equity Total	9.43	16.77	1.91	9.25	5.23	5.09	-17.36	9.68	17.63	25.02	-15.78	28.45	04/01/2007
International Equity Index	9.38	14.21	0.47	6.70	3.85	3.19	-17.24	7.30	12.43	21.27	-14.96	29.35	
Over/Under	0.05	2.56	1.44	2.55	1.38	1.90	-0.12	2.38	5.20	3.75	-0.82	-0.90	
Foreign Rank	67	46	52	18	17	9	54	60	26	36	53	38	
Long Biased	3.88	8.11	1.17	6.35	3.96	4.65	-8.37	4.52	16.54	12.74	2.43	1.19	07/01/2012
HFRI Fund of Funds Composite Idx	3.39	6.32	2.25	5.14	3.25	3.92	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	0.49	1.79	-1.08	1.21	0.71	0.73	-3.06	-1.65	5.66	4.35	6.45	-6.58	
S&P 500 Index	11.69	26.29	10.00	15.69	12.03	13.68	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	-7.81	-18.18	-8.83	-9.34	-8.07	-9.03	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 December 31, 2023

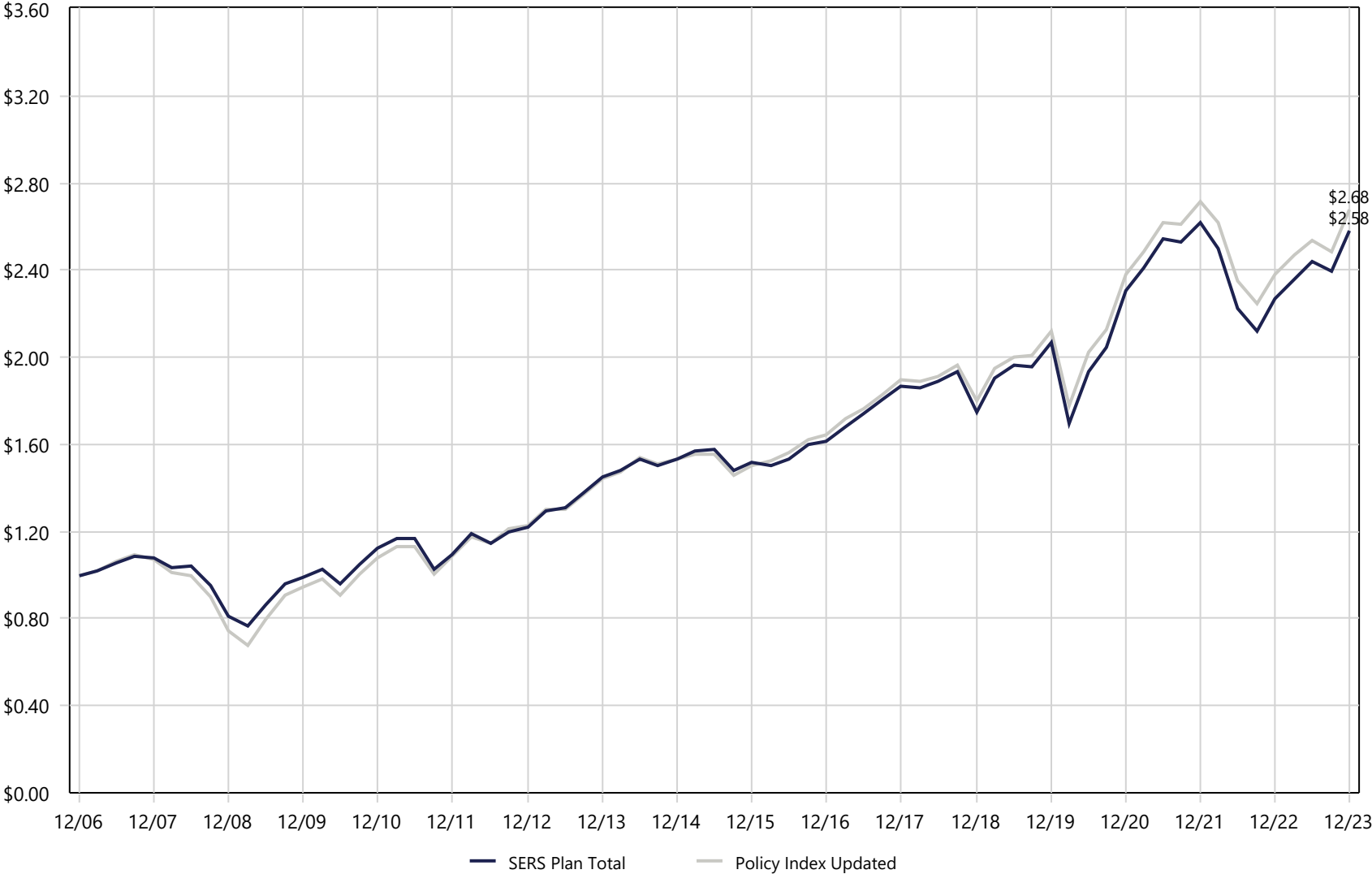
	Performance (%)												
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Private Credit	7.12	17.65	9.25	6.07	4.98	5.28	-8.09	20.58	1.81	1.14	-5.68	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Idx	4.30	7.86	6.08	6.56	4.13	4.46	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	2.82	9.79	3.17	-0.49	0.85	0.82	-3.82	4.97	-10.01	-1.80	-3.98	0.83	
Real Estate Total	4.51	4.58	6.09	6.28	8.34	5.55	-10.62	27.75	-2.65	16.62	3.68	10.01	04/01/2007
NCREIF ODCE VW NET	-5.00	-12.73	4.01	3.34	6.33	4.50	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	9.51	17.31	2.08	2.94	2.01	1.05	-17.17	6.73	-2.99	12.23	-3.68	3.35	
FTSE NAREIT All REITs Index	17.56	11.48	5.31	7.08	7.69	5.07	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	-13.05	-6.90	0.78	-0.80	0.65	0.48	14.48	-12.13	3.21	-11.45	7.78	0.74	
Real Estate Rank	100	100	28	75	12	19	1	91	24	99	1	10	

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 December 31, 2023

Growth of A Dollar

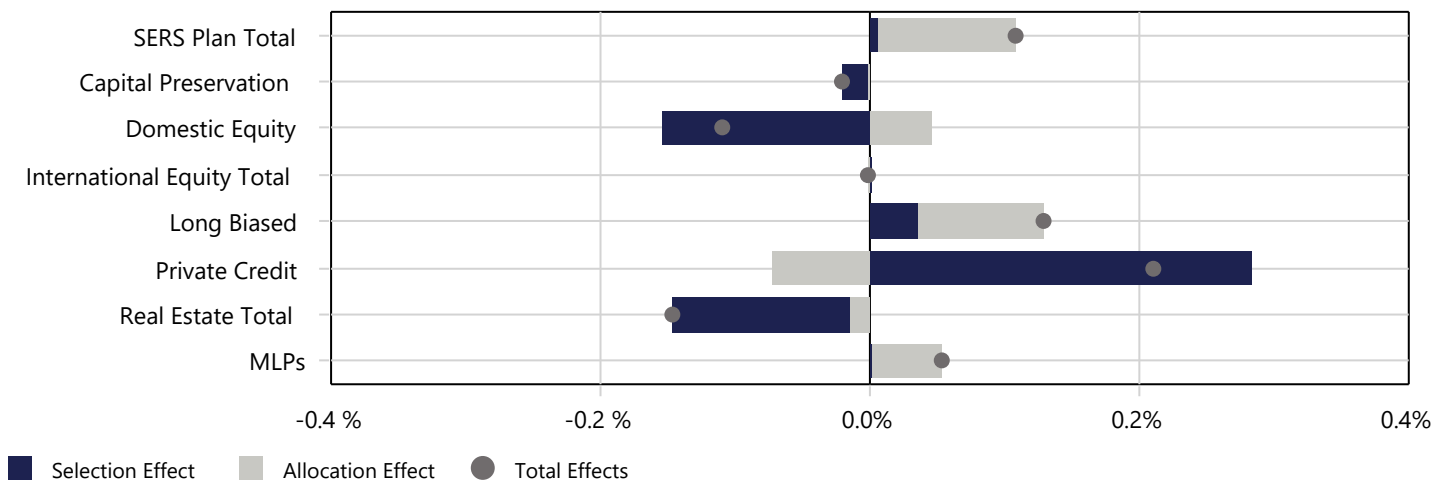


Calculation based on quarterly periodicity.

Attribution Summary 1 Quarter Ending December 31, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	6.07	6.12	-0.05	-0.02	0.00	-0.02
Domestic Equity	11.68	12.31	-0.63	-0.16	0.05	-0.11
International Equity Total	9.43	9.38	0.05	0.00	0.00	0.00
Long Biased	3.88	3.39	0.49	0.03	0.09	0.13
Private Credit	7.12	4.30	2.83	0.28	-0.07	0.21
Real Estate Total	4.51	6.11	-1.60	-0.13	-0.02	-0.15
MLPs	0.00	4.98	-4.98	0.00	0.05	0.05
SERS Plan Total	7.97	7.86	0.11	0.01	0.10	0.11

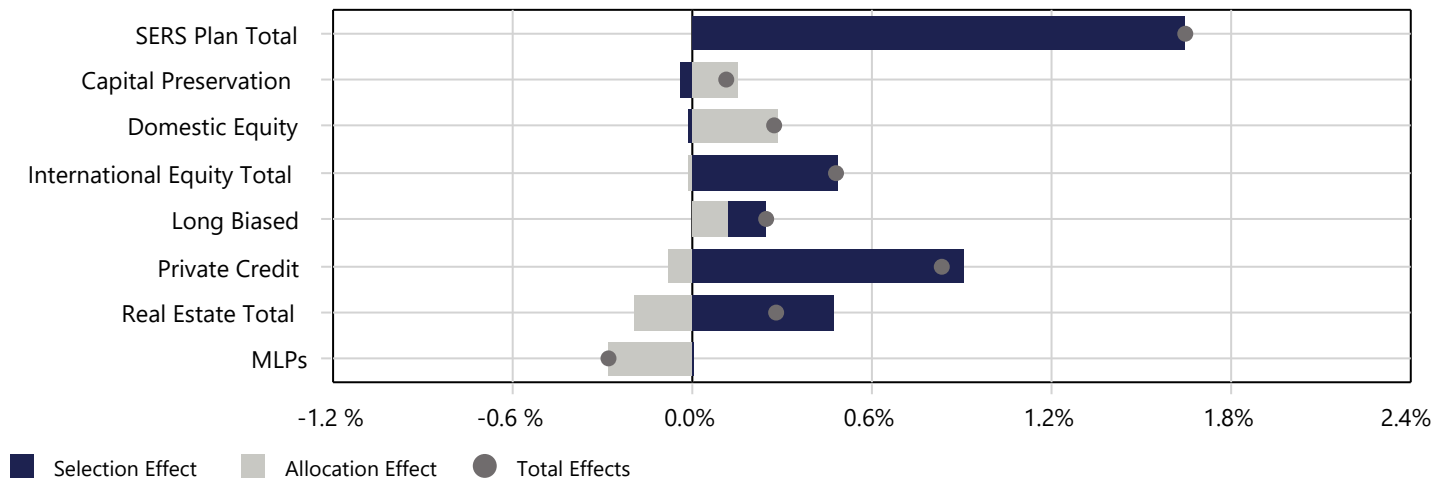
Attribution Effects 1 Quarter Ending December 31, 2023



Attribution Summary 1 Year Ending December 31, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	7.35	7.65	-0.30	-0.13	0.15	0.11
Domestic Equity	23.30	23.46	-0.16	-0.09	0.29	0.28
International Equity Total	16.77	14.21	2.56	0.43	-0.01	0.48
Long Biased	8.11	6.32	1.79	0.11	0.12	0.25
Private Credit	17.65	7.86	9.79	0.88	-0.08	0.83
Real Estate Total	4.58	-0.82	5.40	0.45	-0.19	0.28
MLPs	0.00	26.56	-26.56	0.00	-0.28	-0.28
SERS Plan Total	14.05	12.40	1.65	1.65	0.00	1.65

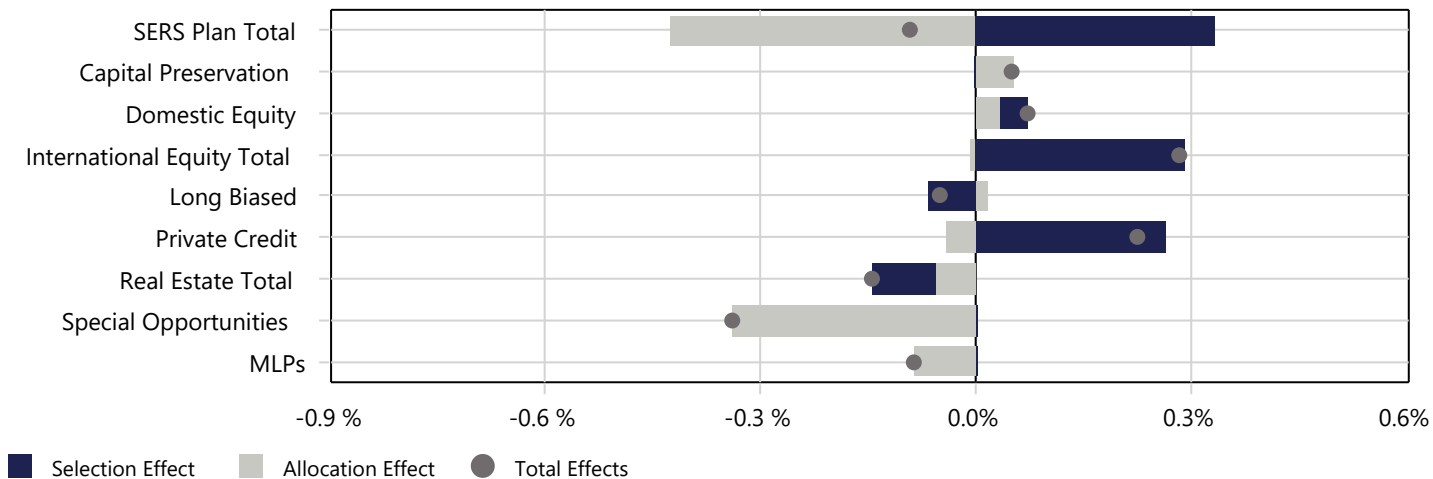
Attribution Effects 1 Year Ending December 31, 2023



Attribution Summary 3 Years Ending December 31, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	0.57	0.64	-0.07	-0.03	0.05	0.05
Domestic Equity	8.22	8.12	0.10	0.01	0.03	0.07
International Equity Total	1.91	0.47	1.44	0.27	-0.01	0.28
Long Biased	1.17	2.25	-1.08	-0.07	0.02	-0.05
Private Credit	9.25	6.08	3.17	0.26	-0.04	0.22
Real Estate Total	6.09	6.45	-0.36	-0.10	-0.06	-0.14
Special Opportunities	-11.05	0.51	-11.55	0.00	-0.34	-0.34
MLPs	0.00	8.17	-8.17	0.00	-0.09	-0.09
SERS Plan Total	3.89	3.98	-0.09	0.33	-0.43	-0.09

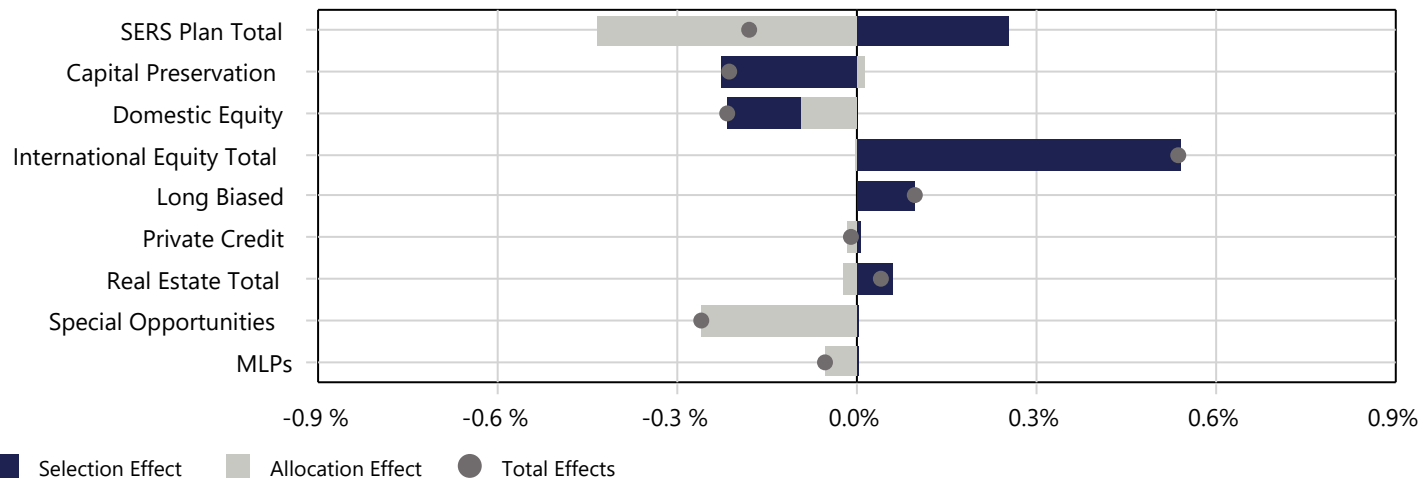
Attribution Effects 3 Years Ending December 31, 2023



Attribution Summary 5 Years Ending December 31, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	2.70	3.58	-0.89	-0.25	0.01	-0.21
Domestic Equity	13.96	14.43	-0.47	-0.15	-0.09	-0.22
International Equity Total	9.25	6.70	2.55	0.52	0.00	0.54
Long Biased	6.35	5.14	1.21	0.09	0.00	0.10
Private Credit	6.07	6.56	-0.49	0.00	-0.02	-0.01
Real Estate Total	6.28	5.18	1.09	0.05	-0.02	0.04
Special Opportunities	-3.03	9.97	-12.99	0.00	-0.26	-0.26
MLPs	0.00	4.82	-4.82	0.00	-0.05	-0.05
SERS Plan Total	8.11	8.29	-0.18	0.25	-0.43	-0.18

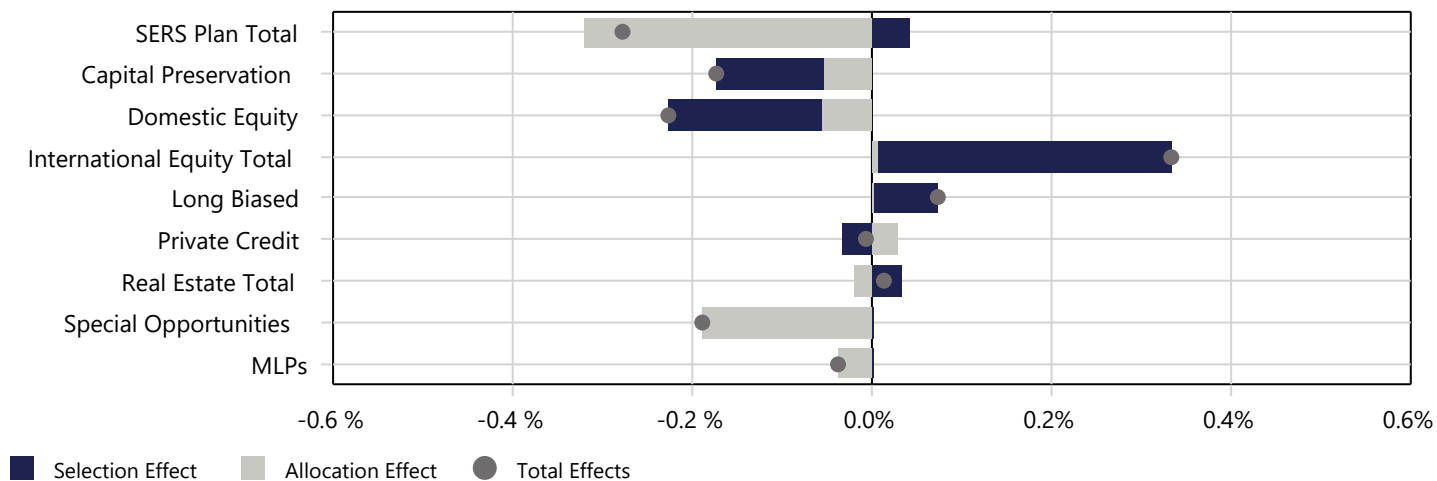
Attribution Effects 5 Years Ending December 31, 2023



Attribution Summary January 1, 2017 Ending December 31, 2023

	Wtd. Act Return (%)	Wtd. Idx Return (%)	Excess Return (%)	Selection Effect (%)	Alloc. Effect (%)	Total Effect (%)
Capital Preservation	2.61	3.10	-0.49	-0.14	-0.05	-0.17
Domestic Equity	11.36	11.98	-0.62	-0.19	-0.06	-0.23
International Equity Total	7.73	6.17	1.55	0.31	0.01	0.33
Long Biased	5.03	4.15	0.88	0.07	0.00	0.07
Private Credit	4.45	5.30	-0.85	-0.04	0.03	-0.01
Real Estate Total	6.42	5.70	0.72	0.03	-0.02	0.01
Special Opportunities	-0.70	9.15	-9.85	0.00	-0.19	-0.19
MLPs	0.00	3.42	-3.42	0.00	-0.04	-0.04
SERS Plan Total	6.92	7.20	-0.28	0.04	-0.32	-0.28

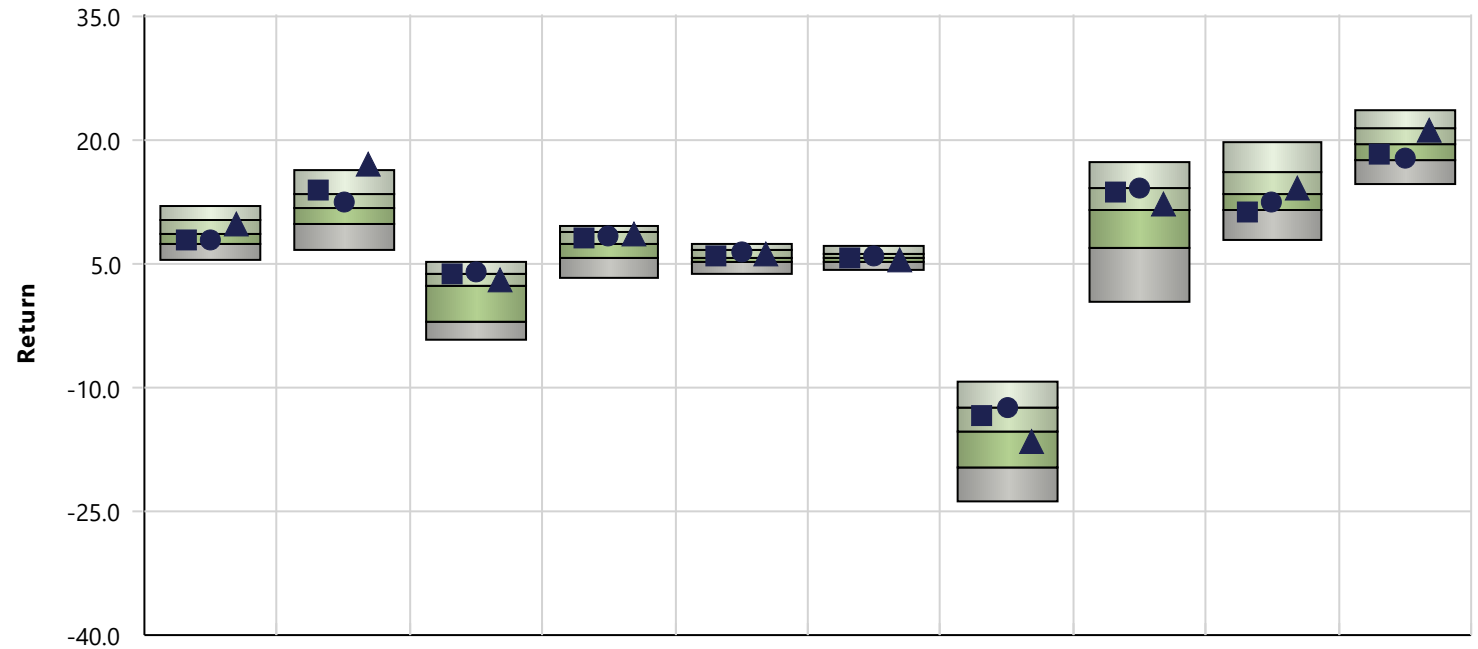
Attribution Effects January 1, 2017 Ending December 31, 2023



Spokane Employees' Retirement System

As of December 31, 2023

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



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019
■ SERS Plan Total	8.0 (63)	14.1 (23)	3.9 (23)	8.1 (40)	5.9 (47)	5.7 (51)	-13.5 (32)	13.7 (32)	11.3 (80)	18.4 (66)
● Policy Index Updated	7.9 (65)	12.4 (41)	4.0 (23)	8.3 (36)	6.4 (30)	6.0 (44)	-12.3 (25)	14.1 (27)	12.5 (65)	17.8 (72)
▲ 70/30 ACWI/Bloomberg Aggregate Bond	9.8 (33)	17.1 (3)	3.1 (41)	8.7 (27)	6.3 (33)	5.5 (61)	-16.6 (60)	12.2 (43)	14.3 (46)	21.2 (28)

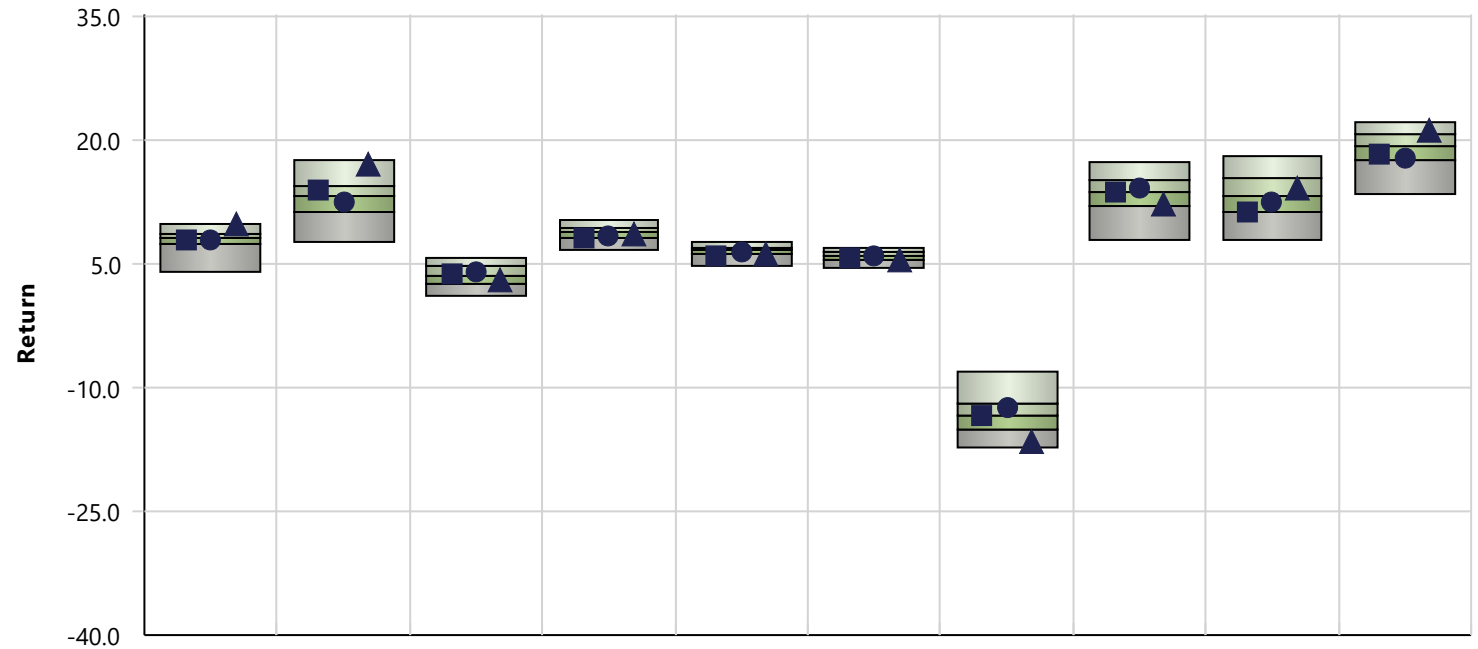
5th Percentile	12.1	16.4	5.1	9.7	7.4	7.1	-9.3	17.3	19.7	23.6
1st Quartile	10.3	13.5	3.8	8.8	6.7	6.3	-12.3	14.2	16.1	21.4
Median	8.7	11.7	2.4	7.4	5.8	5.8	-15.4	11.5	13.5	19.5
3rd Quartile	7.3	9.9	-2.0	5.8	5.2	5.3	-19.6	7.0	11.6	17.6
95th Percentile	5.6	6.7	-4.2	3.4	3.9	4.4	-23.7	0.5	7.9	14.7
Population	215	189	167	158	133	86	268	328	362	377

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

As of December 31, 2023

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



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019
■ SERS Plan Total	8.0 (57)	14.1 (31)	3.9 (43)	8.1 (75)	5.9 (85)	5.7 (66)	-13.5 (51)	13.7 (50)	11.3 (78)	18.4 (63)
● Policy Index Updated	7.9 (62)	12.4 (61)	4.0 (42)	8.3 (70)	6.4 (63)	6.0 (50)	-12.3 (31)	14.1 (43)	12.5 (59)	17.8 (74)
▲ 70/30 ACWI/Bloomberg Aggregate Bond	9.8 (6)	17.1 (7)	3.1 (67)	8.7 (55)	6.3 (67)	5.5 (78)	-16.6 (91)	12.2 (73)	14.3 (39)	21.2 (16)

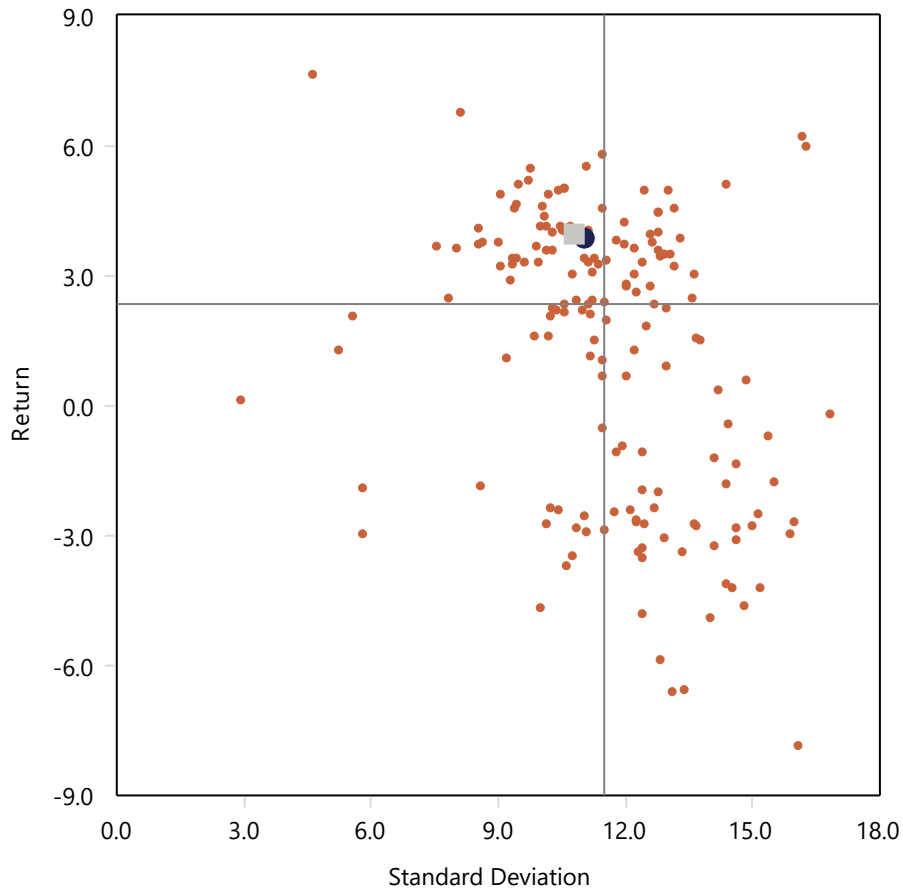
5th Percentile	9.9	17.6	5.7	10.2	7.7	6.9	-8.1	17.4	18.0	22.3
1st Quartile	8.6	14.4	4.6	9.3	7.0	6.4	-11.9	15.1	15.3	20.6
Median	8.1	13.2	3.6	8.8	6.6	6.0	-13.5	13.6	13.2	19.2
3rd Quartile	7.4	11.3	2.7	8.1	6.1	5.6	-15.2	11.9	11.4	17.6
95th Percentile	4.0	7.8	1.1	6.6	4.9	4.5	-17.4	7.9	8.0	13.4
Population	170	158	147	146	123	76	222	252	267	262

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

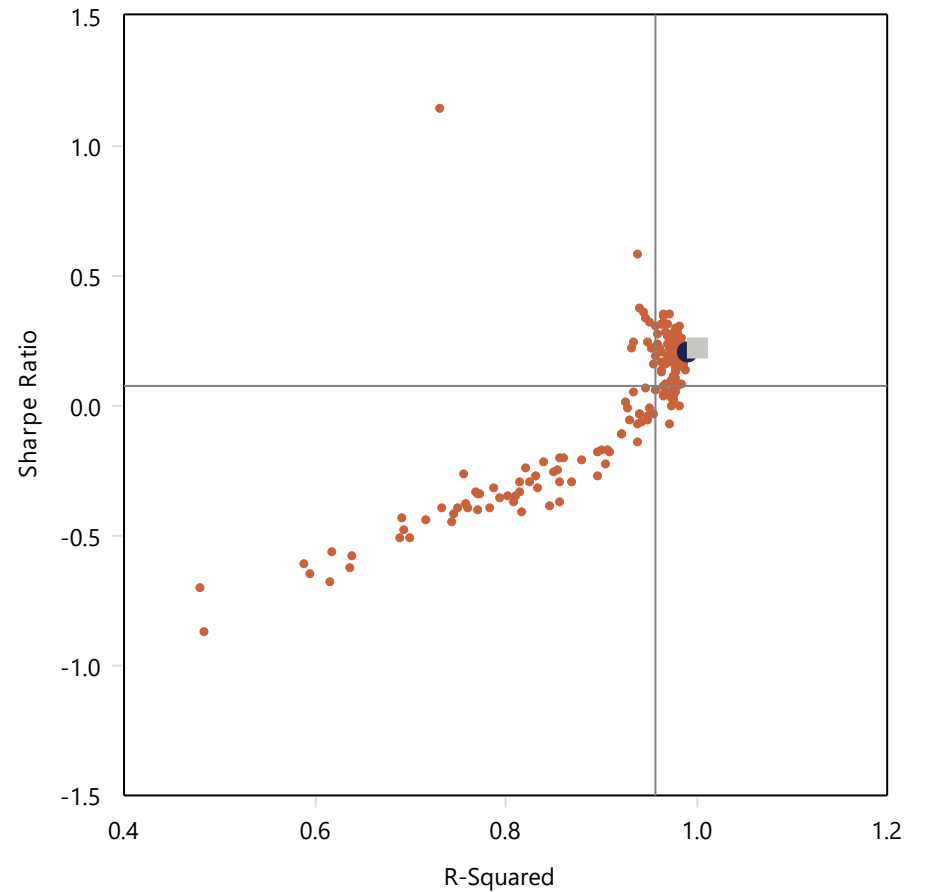
As of December 31, 2023

Annualized Return vs Annualized Standard Deviation Trailing 3 Years



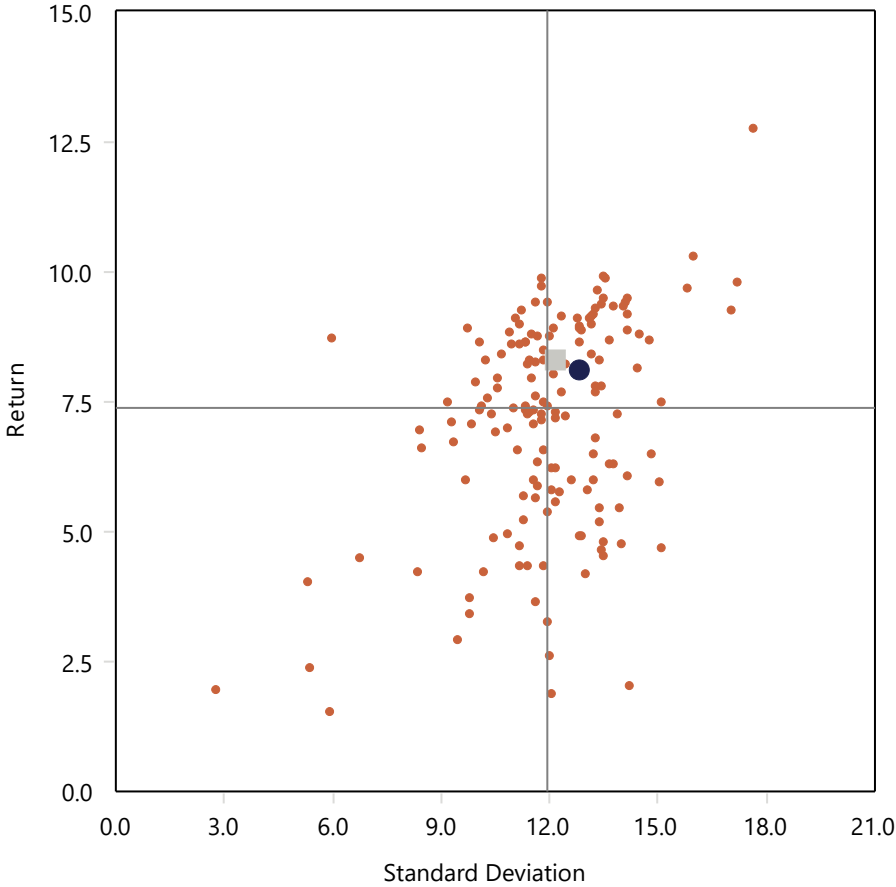
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared Trailing 3 Years



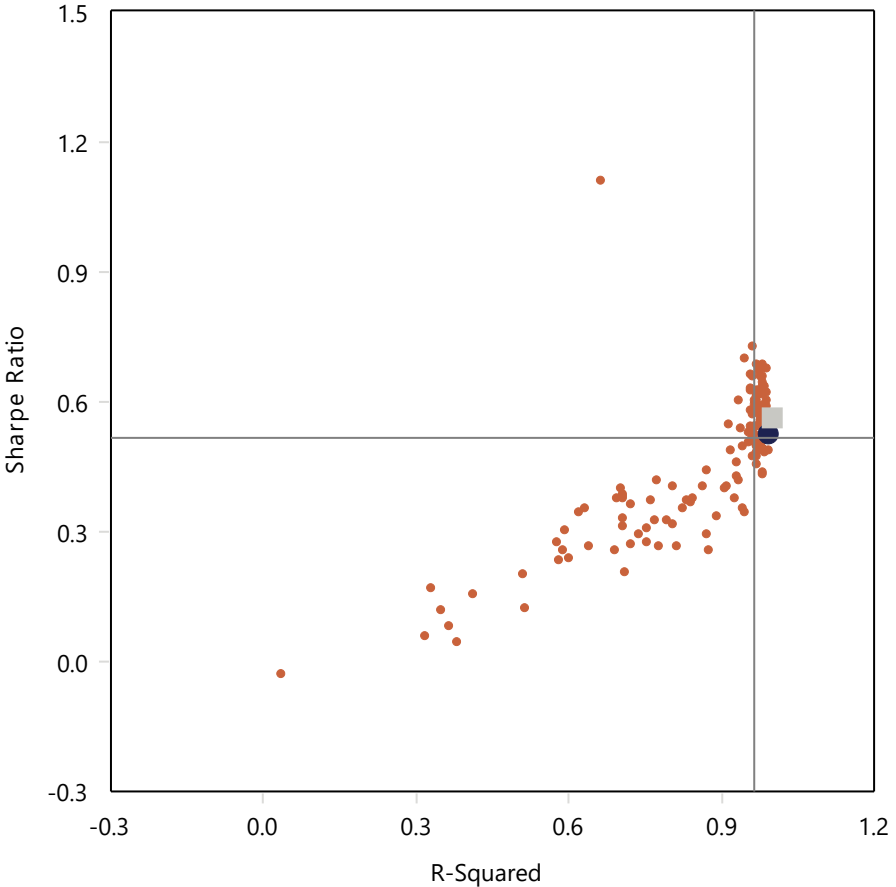
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Annualized Return vs Annualized Standard Deviation
Trailing 5 Years



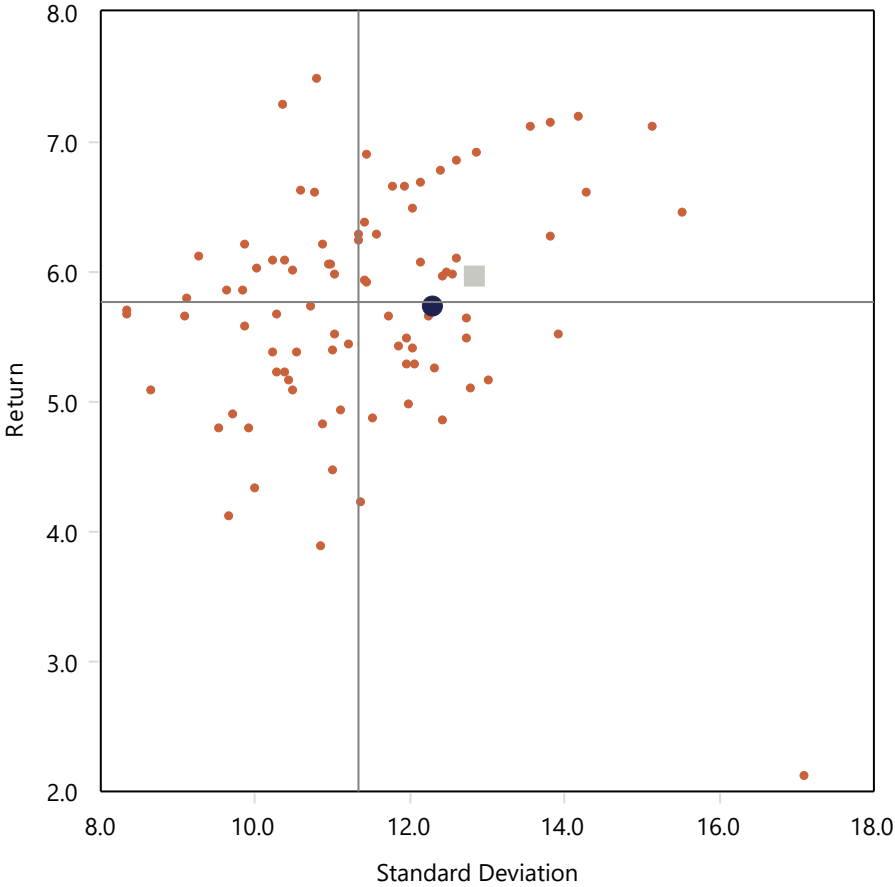
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

Sharpe Ratio vs R-Squared
Trailing 5 Years



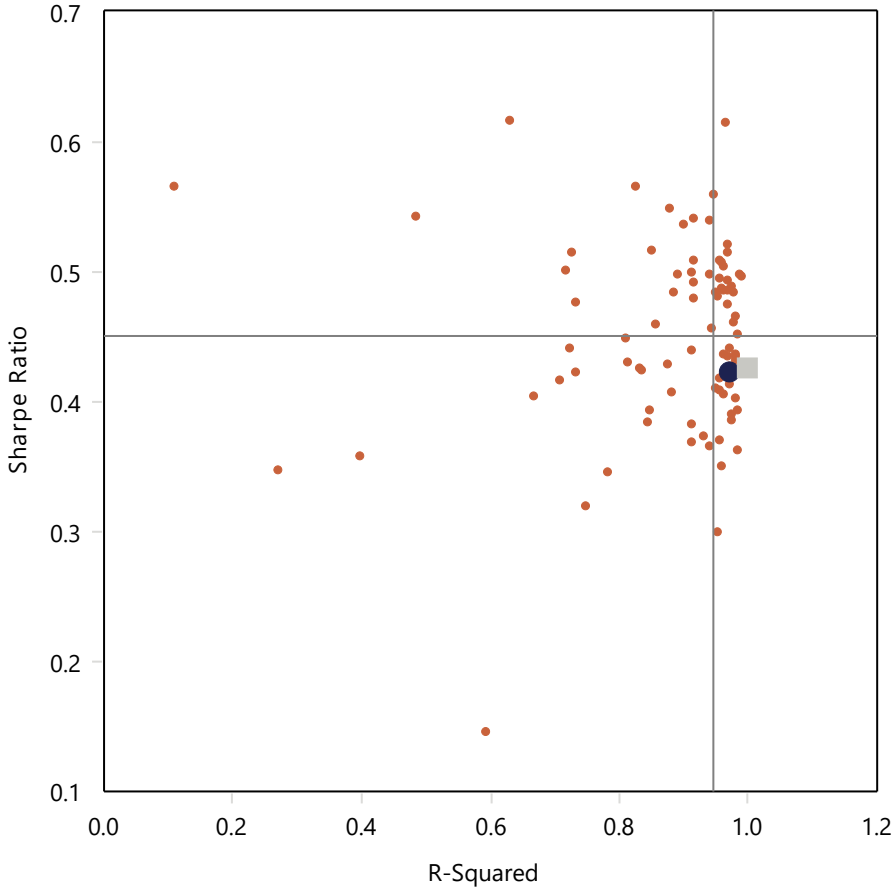
- Corporate and Public >250m and < \$1Bil
- SERS Plan Total
- Policy Index Updated

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



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

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



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

Spokane Employees' Retirement System

As of December 31, 2023

Asset Class Performance

	Performance (%)											
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Capital Preservation	6.07	7.35	0.57	2.70	2.84	-7.41	2.35	3.29	8.71	-0.94	5.85	07/01/2012
Capital Preservation Index	6.12	7.65	0.64	3.58	3.28	-8.13	3.07	7.23	9.09	-0.72	4.60	
Over/Under	-0.05	-0.30	-0.07	-0.88	-0.44	0.72	-0.72	-3.94	-0.38	-0.22	1.25	
Total Return Bond	6.92	5.50	-3.04	1.73	1.40	-12.70	-1.03	9.29	9.38	-0.09	4.20	10/01/2016
Blmbg. U.S. Aggregate Index	6.82	5.53	-3.31	1.10	0.82	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	0.10	-0.03	0.27	0.63	0.58	0.31	0.52	1.78	0.66	-0.10	0.66	
Intermediate Core Bond Rank	28	57	21	11	9	20	23	17	17	31	17	
High Yield	6.38	12.84	2.86	4.23	4.33	-9.70	6.83	3.04	9.71	-3.46	8.22	07/01/2012
Blmbg. U.S. Corp: High Yield Index	7.16	13.45	1.98	5.37	5.34	-11.19	5.28	7.11	14.32	-2.08	7.50	
Over/Under	-0.78	-0.61	0.88	-1.14	-1.01	1.49	1.55	-4.07	-4.61	-1.38	0.72	
High Yield Bond Rank	59	27	20	72	64	30	12	84	89	67	13	
Absolute Return	3.11	6.06	2.58	2.59	3.09	-2.26	4.12	-2.62	8.10	-1.11	5.33	07/01/2012
HFRI FOF: Conservative Index	2.09	5.65	4.40	5.19	3.96	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	1.02	0.41	-1.82	-2.60	-0.87	-2.34	-3.50	-9.09	1.80	-0.24	1.21	
Blmbg. U.S. Aggregate Index	6.82	5.53	-3.31	1.10	1.55	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-3.71	0.53	5.89	1.49	1.54	10.75	5.67	-10.13	-0.62	-1.12	1.79	
Domestic Equity	11.68	23.30	8.22	13.96	12.25	-18.25	25.73	17.45	29.14	-7.80	19.86	07/01/2012
Domestic Equity Index	12.31	23.46	8.12	14.43	12.84	-18.16	25.09	19.22	30.24	-6.30	20.11	
Over/Under	-0.63	-0.16	0.10	-0.47	-0.59	-0.09	0.64	-1.77	-1.10	-1.50	-0.25	
All Cap Blend Rank	53	37	50	40	42	60	49	41	43	48	43	

Spokane Employees' Retirement System

As of December 31, 2023

	Performance (%)											Inception Date
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Domestic Large Cap Equity	11.75	27.30	10.41	15.51	9.35	-18.11	29.12	17.47	30.06	-7.70	22.54	04/01/2007
S&P 500 Index	11.69	26.29	10.00	15.69	9.67	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	0.06	1.01	0.41	-0.18	-0.32	0.00	0.41	-0.93	-1.43	-3.32	0.71	
Large Blend Rank	43	16	17	21	32	49	16	49	50	76	23	
Domestic Small/Mid Equity	11.55	15.92	4.16	11.06	10.89	-18.52	19.65	17.46	27.27	-8.05	14.91	07/01/2012
Russell 2500 Index	13.35	17.42	4.24	11.67	11.01	-18.37	18.18	19.99	27.77	-10.00	16.81	
Over/Under	-1.80	-1.50	-0.08	-0.61	-0.12	-0.15	1.47	-2.53	-0.50	1.95	-1.90	
SMID Blend Rank	66	54	73	56	35	71	74	29	30	12	41	
International Equity Total	9.43	16.77	1.91	9.25	5.09	-17.36	9.68	17.63	25.02	-15.78	28.45	04/01/2007
International Equity Index	9.38	14.21	0.47	6.70	3.19	-17.24	7.30	12.43	21.27	-14.96	29.35	
Over/Under	0.05	2.56	1.44	2.55	1.90	-0.12	2.38	5.20	3.75	-0.82	-0.90	
Foreign Rank	67	46	52	18	9	54	60	26	36	53	38	
International Large Cap Equity	10.53	20.83	4.37	10.86	8.76	-14.41	9.94	17.08	25.78	-15.14	27.50	07/01/2012
MSCI AC World ex USA (Net)	9.75	15.62	1.55	7.08	5.78	-16.00	7.82	10.65	21.51	-14.20	27.19	
Over/Under	0.78	5.21	2.82	3.78	2.98	1.59	2.12	6.43	4.27	-0.94	0.31	
Foreign Large Blend Rank	34	3	16	4	3	30	57	13	22	54	28	
International Small/Mid Cap Equity	9.96	15.13	-0.18	7.98	7.17	-23.14	12.40	15.42	27.88	-20.33	37.08	07/01/2012
MSCI AC World ex USA Small Cap (Net)	10.12	15.66	1.49	7.89	7.08	-19.97	12.93	14.24	22.42	-18.20	31.65	
Over/Under	-0.16	-0.53	-1.67	0.09	0.09	-3.17	-0.53	1.18	5.46	-2.13	5.43	
Emerging Markets Equity	6.62	9.52	-3.80	5.44	3.86	-23.03	5.61	23.38	18.64	-14.62	23.58	07/01/2012
MSCI Emerging Markets (Net)	7.86	9.83	-5.08	3.68	3.23	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	-1.24	-0.31	1.28	1.76	0.63	-2.94	8.15	5.07	0.22	-0.05	-13.70	
Diversified Emerging Mkts Rank	77	63	36	26	34	57	17	32	64	31	94	

Spokane Employees' Retirement System

As of December 31, 2023

	Performance (%)											
	1 Quarter	1 Year	3 Years	5 Years	Since Inception	2022	2021	2020	2019	2018	2017	Inception Date
Long Biased	3.88	8.11	1.17	6.35	4.65	-8.37	4.52	16.54	12.74	2.43	1.19	07/01/2012
HFRI Fund of Funds Composite Index	3.39	6.32	2.25	5.14	3.92	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	0.49	1.79	-1.08	1.21	0.73	-3.06	-1.65	5.66	4.35	6.45	-6.58	
S&P 500 Index	11.69	26.29	10.00	15.69	13.68	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	-7.81	-18.18	-8.83	-9.34	-9.03	9.74	-24.19	-1.86	-18.75	6.81	-20.64	
Private Credit	7.12	17.65	9.25	6.07	5.28	-8.09	20.58	1.81	1.14	-5.68	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Index	4.30	7.86	6.08	6.56	4.46	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	2.82	9.79	3.17	-0.49	0.82	-3.82	4.97	-10.01	-1.80	-3.98	0.83	
Real Estate Total	4.51	4.58	6.09	6.28	5.55	-10.62	27.75	-2.65	16.62	3.68	10.01	04/01/2007
NCREIF Fund Index-ODCE (VW) (Net)	-5.00	-12.73	4.01	3.34	4.50	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	9.51	17.31	2.08	2.94	1.05	-17.17	6.73	-2.99	12.23	-3.68	3.35	
FTSE NAREIT All REITs Index	17.56	11.48	5.31	7.08	5.07	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	-13.05	-6.90	0.78	-0.80	0.48	14.48	-12.13	3.21	-11.45	7.78	0.74	
Real Estate Rank	100	100	28	75	19	1	91	24	99	1	10	



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 lagged in 4Q23, returning 6.14% versus 7.16% for its benchmark, the Bloomberg US Corporate High Yield Index. In the case of this quarter, and at other junctures of strongly improving market liquidity, the strategy lagged as its small and mid-sized credits did not rebound as quickly as larger credits may. Despite lagging by -0.37% in 2023, mainly on account of 4Q23, the strategy still ranked in the top 19% of the peer group for the year as well as the trailing three years. Management’s forward-looking view of the market has not changed materially from prior quarters, finding that valuations, economic activity, and market liquidity to be somewhere around average. The Hyas Group recommends retaining watch status.
- **Sterling Total Return** – Sterling Total Return serves as a core fixed income portfolio. The strategy seeks to add value over the Bloomberg US Aggregate Bond index by sector and security selection. This approach is generally conservative in nature and avoids making bets with respect to interest rate positioning, currency, or exposure to high yield bonds. The strategy is currently in compliance with Investment Policy Statement performance parameters. However, Sterling recently announced that it was being sold by parent company Truist Financial Corporation (a US regional bank) to Guardian Capital Group (an asset manager headquartered in Canada). The Hyas Group has spoken with Sterling about the transaction and believes that its investment staff and approach may be expected to remain intact. However, as a change in ownership may be viewed as a material event, the Hyas Group recommends placing the strategy on watch through the close of the transaction, which is expected in spring of 2024.
- **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 lagged in 4Q23, returning 10.38% versus 12.11% for the Russell Mid Cap Value Index. The strategy’s longstanding underweight to REITs was a headwind to performance as the beleaguered sector rebounded on the hope of declining interest expenses. 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, which Morgan Stanley OCIO is expected to execute. In the interim, continued watch status is recommended. In addition to being on watch for performance reasons, watch status stemming from the change of ownership that is equally applicable to the Sterling Total Return strategy is also recommended.

- **Champlain Small Cap** – Champlain Small Cap is a small cap core strategy that incorporates growth expectations with valuation and balance sheet analyses to identify companies with durable growth prospects that are well suited for their applicable. This employee-owned and semi-concentrated strategy often winds up with a quality growth tilt on account of its gravitation towards steady rather than cyclical or capital-intensive areas. This approach has been a headwind within the small cap arena where the value style has led over the past five years. Also, several sector allocations that are byproduct of its approach, such as an underweight to energy and overweight to consumer staples have detracted from performance. Notably the strategy now lags its benchmark and peer group median for the trailing five-year period. As such, the Hvas Group recommends placing the strategy on watch. Similar to Sterling Mid Cap Value, this strategy will likely be removed as well via OCIO's implementation of the new asset allocation.
- **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. Given the passage of time without incident, the Hvas Group believes watch status may be lifted.
- **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 again in 4Q23, returning 14.43% versus 6.16% for its benchmark, the HFRI Emerging Markets Index, due in part to several performance catalysts, notably within Latin America, being realized and marked-up further. Another strong catalyst was realized in China where a court-supervised liquidation of a university that had been delayed by pandemic lockdowns began to unfold. The Hvas Group notes that this quarter was another poignant example of the strategy's strong and distinct upside potential and recommends retention of watch status.

Spokane Employees' Retirement System

As of December 31, 2023

Manager Performance

	Performance (%)												
	1 Quarter	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	6.67	5.86	-3.19	1.60	2.21	1.26	-13.24	-1.22	9.24	9.26	-0.35	4.33	08/01/2016
Blmbg. U.S. Aggregate Index	6.82	5.53	-3.31	1.10	1.81	0.78	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-0.15	0.33	0.12	0.50	0.40	0.48	-0.23	0.33	1.73	0.54	-0.36	0.79	
Intermediate Core Bond Rank	56	35	30	16	10	13	41	31	18	20	47	13	
Loomis Sayles Core Plus Bond N	7.30	6.21	-2.91	2.02	2.45	2.73	-12.65	-1.34	10.71	9.05	-0.52	5.31	06/22/2023
Blmbg. U.S. Aggregate Index	6.82	5.53	-3.31	1.10	1.81	3.27	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	0.48	0.68	0.40	0.92	0.64	-0.54	0.36	0.21	3.20	0.33	-0.53	1.77	
Intermediate Core-Plus Bond Rank	24	49	31	18	16	82	17	74	13	57	37	17	
High Yield													
Hotchkis & Wiley High Yield Z	6.14	13.08	2.94	4.45	3.86	3.77	-9.69	6.83	3.83	9.77	-3.34	8.24	06/01/2015
Blmbg. U.S. Corp: High Yield Index	7.16	13.45	1.98	5.37	4.60	4.59	-11.19	5.28	7.11	14.32	-2.08	7.50	
Over/Under	-1.02	-0.37	0.96	-0.92	-0.74	-0.82	1.50	1.55	-3.28	-4.55	-1.26	0.74	
High Yield Bond Rank	70	19	19	62	46	49	30	12	76	88	65	13	
BlackRock High Yield Bond K	6.85	13.68	2.56	5.72	4.64	-	-10.34	5.86	5.93	15.58	-2.76	8.31	11/01/1998
Blmbg. U.S. Corp: High Yield Index	7.16	13.45	1.98	5.37	4.60	6.45	-11.19	5.28	7.11	14.32	-2.08	7.50	
Over/Under	-0.31	0.23	0.58	0.35	0.04	-	0.85	0.58	-1.18	1.26	-0.68	0.81	
High Yield Bond Rank	29	11	25	13	9	-	42	25	37	12	45	12	

Spokane Employees' Retirement System

As of December 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Absolute Return													
PIMCO Dynamic Bond Instl	4.48	7.36	0.09	2.07	2.48	-0.20	-6.88	0.31	5.43	4.81	1.97	6.41	04/01/2021
HFRI FOF: Conservative Index	2.09	5.65	4.40	5.19	3.44	3.47	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	2.39	1.71	-4.31	-3.12	-0.96	-3.67	-6.96	-7.31	-1.04	-1.49	2.84	2.29	
Blmbg. U.S. Aggregate Index	6.82	5.53	-3.31	1.10	1.81	-2.40	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-2.34	1.83	3.40	0.97	0.67	2.20	6.13	1.86	-2.08	-3.91	1.96	2.87	
Polar Long/Short Fund	2.56	3.23	3.23	6.18	4.69	4.87	3.22	3.25	13.07	8.49	0.24	4.20	10/01/2011
HFRI FOF: Conservative Index	2.09	5.65	4.40	5.19	3.44	3.77	0.08	7.62	6.47	6.30	-0.87	4.12	
Over/Under	0.47	-2.42	-1.17	0.99	1.25	1.10	3.14	-4.37	6.60	2.19	1.11	0.08	
Blmbg. U.S. Aggregate Index	6.82	5.53	-3.31	1.10	1.81	1.74	-13.01	-1.55	7.51	8.72	0.01	3.54	
Over/Under	-4.26	-2.30	6.54	5.08	2.88	3.13	16.23	4.80	5.56	-0.23	0.23	0.66	
Domestic Equity													
Domestic Large Cap Equity													
Hotchkis & Wiley Diversified Value I	10.85	19.00	14.67	14.37	9.42	10.88	-4.35	32.47	0.41	29.26	-14.74	18.39	10/01/2008
Russell 1000 Value Index	9.50	11.46	8.86	10.91	8.40	9.09	-7.54	25.16	2.80	26.54	-8.27	13.66	
Over/Under	1.35	7.54	5.81	3.46	1.02	1.79	3.19	7.31	-2.39	2.72	-6.47	4.73	
Large Value Rank	24	8	4	7	17	7	39	6	74	13	96	25	
Fidelity 500 Index	11.69	26.29	9.99	15.68	12.02	15.68	-18.13	28.69	18.40	31.47	-4.40	21.81	01/01/2019
S&P 500 Index	11.69	26.29	10.00	15.69	12.03	15.69	-18.11	28.71	18.40	31.49	-4.38	21.83	
Over/Under	0.00	0.00	-0.01	-0.01	-0.01	-0.01	-0.02	-0.02	0.00	-0.02	-0.02	-0.02	
Large Blend Rank	45	24	23	17	8	17	50	21	35	22	24	32	

Spokane Employees' Retirement System

As of December 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
MFS Growth R6	12.85	36.25	5.14	16.10	13.04	12.14	-31.08	23.76	31.74	37.81	2.68	30.99	09/01/2019
Russell 1000 Growth Index	14.16	42.68	8.86	19.50	14.86	17.03	-29.14	27.60	38.49	36.39	-1.51	30.21	
Over/Under	-1.31	-6.43	-3.72	-3.40	-1.82	-4.89	-1.94	-3.84	-6.75	1.42	4.19	0.78	
Large Growth Rank	78	62	55	49	34	68	52	36	67	11	13	34	
Domestic Small/Mid Equity													
Sterling Mid Cap Value	10.38	11.85	6.24	11.27	6.92	9.61	-12.29	22.22	9.62	29.75	-17.67	14.27	01/01/2002
Russell Midcap Value Index	12.11	12.71	8.36	11.16	8.26	9.47	-12.03	28.34	4.96	27.06	-12.29	13.34	
Over/Under	-1.73	-0.86	-2.12	0.11	-1.34	0.14	-0.26	-6.12	4.66	2.69	-5.38	0.93	
Mid-Cap Value Rank	77	54	97	54	76	21	87	91	7	23	85	38	
Fidelity Mid Cap Index	12.79	17.21	5.92	12.68	9.41	12.68	-17.28	22.56	17.11	30.51	-9.05	18.47	01/01/2019
Russell Midcap Index	12.82	17.23	5.92	12.68	9.42	12.68	-17.32	22.58	17.10	30.54	-9.06	18.52	
Over/Under	-0.03	-0.02	0.00	0.00	-0.01	0.00	0.04	-0.02	0.01	-0.03	0.01	-0.05	
Mid-Cap Blend Rank	23	28	63	28	13	28	71	65	25	25	26	28	
Westfield Mid Cap Growth CIT	13.77	24.78	2.59	14.70	11.21	16.59	-25.77	16.59	28.83	42.73	-3.07	24.72	04/01/2020
Russell Midcap Growth Index	14.55	25.87	1.31	13.81	10.57	16.32	-26.72	12.73	35.59	35.47	-4.75	25.27	
Over/Under	-0.78	-1.09	1.28	0.89	0.64	0.27	0.95	3.86	-6.76	7.26	1.68	-0.55	
Mid-Cap Growth Rank	25	24	18	16	10	25	32	25	77	3	30	55	
Fidelity Small Cap Index	14.05	17.12	2.32	10.07	7.32	10.07	-20.27	14.71	19.99	25.71	-10.88	14.85	01/01/2019
Russell 2000 Index	14.03	16.93	2.22	9.97	7.16	9.97	-20.44	14.82	19.96	25.53	-11.01	14.65	
Over/Under	0.02	0.19	0.10	0.10	0.16	0.10	0.17	-0.11	0.03	0.18	0.13	0.20	
Small Blend Rank	21	38	83	64	50	64	79	88	14	33	33	25	

Spokane Employees' Retirement System

As of December 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Champlain Small Cap	11.35	14.30	0.59	9.74	8.55	11.41	-21.07	12.81	24.56	25.54	-3.03	10.90	01/01/2003
Russell 2000 Index	14.03	16.93	2.22	9.97	7.16	9.71	-20.44	14.82	19.96	25.53	-11.01	14.65	
Over/Under	-2.68	-2.63	-1.63	-0.23	1.39	1.70	-0.63	-2.01	4.60	0.01	7.98	-3.75	
Small Blend Rank	79	72	96	72	11	4	91	99	5	36	2	74	
Bridge City Small Cap Growth	10.38	13.22	3.00	10.41	9.98	14.28	-20.07	20.73	20.48	24.61	0.97	15.93	07/01/2009
Russell 2000 Growth Index	12.75	18.66	-3.50	9.22	7.16	11.68	-26.36	2.83	34.63	28.48	-9.31	22.17	
Over/Under	-2.37	-5.44	6.50	1.19	2.82	2.60	6.29	17.90	-14.15	-3.87	10.28	-6.24	
Small Growth Rank	69	73	11	52	11	5	9	12	93	76	15	82	
International Equity Total													
Artisan International Value Instl	10.62	22.95	10.26	12.62	7.03	9.44	-6.80	16.97	8.81	24.20	-15.42	24.06	10/01/2008
MSCI AC World ex USA Value (Net)	8.43	17.30	5.80	6.34	2.92	4.24	-8.59	10.46	-0.77	15.72	-13.97	22.66	
Over/Under	2.19	5.65	4.46	6.28	4.11	5.20	1.79	6.51	9.58	8.48	-1.45	1.40	
Foreign Large Value Rank	10	4	6	1	1	1	26	9	6	8	37	38	
American Funds Europacific Growth R6	10.37	16.05	-2.66	8.04	4.90	4.71	-22.72	2.84	25.27	27.40	-14.91	31.17	07/01/2008
MSCI AC World ex USA (Net)	9.75	15.62	1.55	7.08	3.83	3.13	-16.00	7.82	10.65	21.51	-14.20	27.19	
Over/Under	0.62	0.43	-4.21	0.96	1.07	1.58	-6.72	-4.98	14.62	5.89	-0.71	3.98	
Foreign Large Blend Rank	42	54	98	41	13	14	97	96	2	11	50	6	
Victory Trivalent International Sm-Cp I	9.96	15.45	-0.09	8.04	5.62	5.97	-23.14	12.39	15.42	27.88	-20.21	37.13	09/01/2015
MSCI AC World ex USA Small Cap (Net)	10.12	15.66	1.49	7.89	4.88	6.37	-19.97	12.93	14.24	22.42	-18.20	31.65	
Over/Under	-0.16	-0.21	-1.58	0.15	0.74	-0.40	-3.17	-0.54	1.18	5.46	-2.01	5.48	
Foreign Small/Mid Blend Rank	83	28	79	27	8	32	85	67	12	3	56	10	

Spokane Employees' Retirement System

As of December 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Vanguard Emerging Mkts Stock Idx Adm	6.56	9.21	-3.25	4.66	2.98	2.12	-17.78	0.86	15.24	20.31	-14.58	31.38	08/01/2018
MSCI Emerging Markets (Net)	7.86	9.83	-5.08	3.68	2.66	1.31	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	-1.30	-0.62	1.83	0.98	0.32	0.81	2.31	3.40	-3.07	1.89	-0.01	-5.90	
Diversified Emerging Mkts Rank	78	66	33	37	37	36	20	36	67	52	30	71	
ABS Emerging Markets Strategic Portfolio LP	6.68	13.19	-2.76	6.43	-	4.89	-23.25	5.82	23.81	19.98	-14.99	-	10/01/2018
MSCI Emerging Markets (Net)	7.86	9.83	-5.08	3.68	2.66	1.99	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	-1.18	3.36	2.32	2.75	-	2.90	-3.16	8.36	5.50	1.56	-0.42	-	
Diversified Emerging Mkts Rank	76	33	30	20	-	19	59	16	31	53	37	-	
Long Biased													
The Weatherlow Offshore Fund I Ltd	4.12	7.51	1.09	7.82	4.84	4.50	-8.82	5.39	24.58	13.23	-3.10	5.67	04/01/2008
HFRI Fund of Funds Composite Index	3.39	6.32	2.25	5.14	3.25	2.32	-5.31	6.17	10.88	8.39	-4.02	7.77	
Over/Under	0.73	1.19	-1.16	2.68	1.59	2.18	-3.51	-0.78	13.70	4.84	0.92	-2.10	
Private Credit													
Beach Point Select Fund LP	3.73	11.89	5.86	7.58	6.41	6.68	-7.37	14.47	8.97	11.48	0.28	7.08	10/01/2013
HFRI ED: Distressed/Restructuring Index	4.30	7.86	6.08	6.56	4.13	4.46	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	-0.57	4.03	-0.22	1.02	2.28	2.22	-3.10	-1.14	-2.85	8.54	1.98	0.83	
Contrarian Capital Fund I LP	7.47	18.98	12.00	3.24	2.25	-0.01	-9.06	29.86	-7.38	-9.89	-12.43	4.77	10/01/2018
HFRI ED: Distressed/Restructuring Index	4.30	7.86	6.08	6.56	4.13	5.06	-4.27	15.61	11.82	2.94	-1.70	6.25	
Over/Under	3.17	11.12	5.92	-3.32	-1.88	-5.07	-4.79	14.25	-19.20	-12.83	-10.73	-1.48	

Spokane Employees' Retirement System

As of December 31, 2023

	Performance (%)												Inception Date
	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	2022	2021	2020	2019	2018	2017	
Contrarian Emerging Markets Fund LP	14.43	29.43	11.69	1.97	6.32	1.87	-1.74	9.57	-17.52	-4.09	0.96	20.36	10/01/2018
HFRI Emerging Markets: Global Index	6.16	11.64	3.01	5.36	3.24	4.47	-6.73	4.98	9.56	8.42	-6.83	12.50	
Over/Under	8.27	17.79	8.68	-3.39	3.08	-2.60	4.99	4.59	-27.08	-12.51	7.79	7.86	
MSCI Emerging Markets (Net)	7.86	9.83	-5.08	3.68	2.66	1.99	-20.09	-2.54	18.31	18.42	-14.57	37.28	
Over/Under	6.57	19.60	16.77	-1.71	3.66	-0.12	18.35	12.11	-35.83	-22.51	15.53	-16.92	
Real Estate Total													
Principal REITS SERS	15.38	13.38	5.92	8.60	8.85	10.57	-25.12	39.98	-3.17	31.24	-4.13	9.16	01/01/2003
FTSE NAREIT All REITs Index	17.56	11.48	5.31	7.08	7.69	9.02	-25.10	39.88	-5.86	28.07	-4.10	9.27	
Over/Under	-2.18	1.90	0.61	1.52	1.16	1.55	-0.02	0.10	2.69	3.17	-0.03	-0.11	
Real Estate Rank	66	22	32	18	4	1	25	67	29	14	17	11	
Prime Property Fund, LLC	-2.20	-3.46	7.61	6.01	8.42	5.86	6.25	21.47	1.24	6.14	8.03	8.67	10/01/2007
NCREIF ODCE VW NET	-5.00	-12.73	4.01	3.34	6.33	4.10	6.55	21.02	0.34	4.39	7.36	6.66	
Over/Under	2.80	9.27	3.60	2.67	2.09	1.76	-0.30	0.45	0.90	1.75	0.67	2.01	
Real Estate Rank	100	100	4	79	11	29	1	93	7	100	1	15	

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	\$6,667,973	\$1,291,546	\$6,678,719	\$332,027	95.26	8.77

Time Weighted Returns

	Performance (%)						
	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VI, LP	2.72	10.38	28.21	21.07	48.93	15.37	10/01/2020
NCREIF Property Index	-3.02	-7.94	-1.44	4.57	5.52	4.58	

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VI, LP	2.71	10.36	11.34	10.76	12.49	8.77	09/30/2020

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

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

Non-Marketable Securities Overview

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Morrison Street Income Fund	2021	Real Estate - Other	\$2,760,307	\$2,760,307	\$507,242	\$2,508,912	-	100.00	4.90

Time Weighted Returns

	Performance (%)						
	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Income Fund	1.49	3.72	3.96	-	4.20	4.67	12/01/2021
NCREIF Property Index	-3.02	-7.94	-1.44	4.57	5.52	-0.44	

Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Income Fund	1.49	3.68	4.77	-	5.76	4.90	12/27/2021

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

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Spokane Employees' Retirement System

As of December 31, 2023

Non-Marketable Securities Overview

Partnerships	Vintage Year	Investment Strategy	Capital Commitment \$	Drawn Down \$	Distributed \$	Market Value \$	Remaining Commitment	% Funded	IRR (%)
Orbimed Royalty Opportunities	2011	Other	\$5,000,000	\$5,000,000	\$4,582,461	\$710,279	-	100.00	1.33

Time Weighted Returns

	Performance (%)													
	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018	2017	Since Inception	Inception Date
Orbimed Royalty Opportunities	-2.71	30.22	-3.75	-9.94	-3.93	-3.20	1.40	-32.47	-24.08	-12.50	22.03	4.47	-0.34	09/01/2011
HFRI Fund of Funds Composite Index	3.39	6.32	2.25	5.14	4.15	3.25	-5.31	6.17	10.88	8.39	-4.02	7.77	3.46	
S&P 500 Index	11.69	26.29	10.00	15.69	13.42	12.03	-18.11	28.71	18.40	31.49	-4.38	21.83	13.89	

Dollar Weighted Returns

	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020	2019	2018	2017	Since Inception	Inception Date
	Orbimed Royalty Opportunities	-2.71	30.22	-3.76	-11.15	-0.57	0.08	3.30	-25.45	-23.36	-12.20	25.47	4.57	1.33

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

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

Spokane Employees' Retirement System

As of December 31, 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	\$5,232,452	\$234,276	\$832,500	83.35	11.82

Time Weighted Returns

	Performance (%)										Inception Date
	1 Quarter	1 Year	3 Years	5 Years	2022	2021	2020	2019	2018	Since Inception	
Orbimed Royalty Opportunities II	2.50	8.33	3.53	8.73	14.80	-10.77	18.63	15.45	15.59	10.05	04/01/2015
HFRI Fund of Funds Composite Index	3.39	6.32	2.25	5.14	-5.31	6.17	10.88	8.39	-4.02	3.04	
S&P 500 Index	11.69	26.29	10.00	15.69	-18.11	28.71	18.40	31.49	-4.38	12.09	

Dollar Weighted Returns

	1 Quarter	1 Year	3 Years	5 Years	2022	2021	2020	2019	2018	Since Inception	Inception Date
Orbimed Royalty Opportunities II	2.43	7.84	4.71	11.60	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.

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	\$2,475,000	\$114,561	\$2,395,530	\$3,525,000	41.25	2.28

Time Weighted Returns

	Performance (%)						
	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VII	3.09	5.09	-	-	-	-7.30	12/01/2022
NCREIF Property Index	-3.02	-7.94	-1.44	4.57	5.52	-8.32	

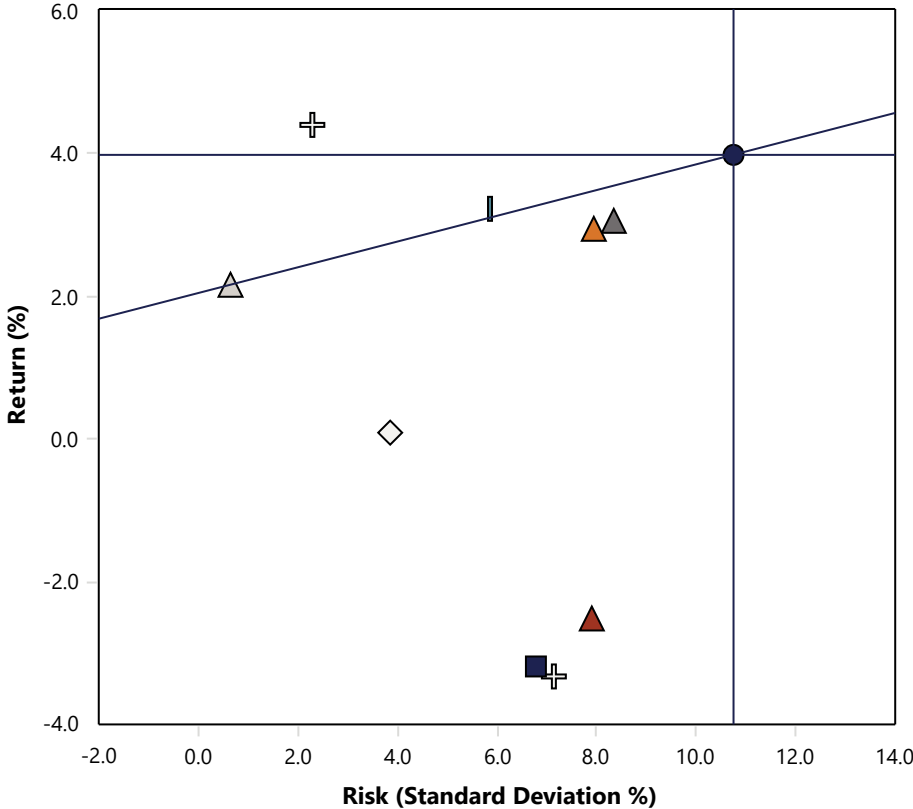
Dollar Weighted Returns

	1 Quarter	1 Year	2 Years	3 Years	2022	Since Inception	Inception Date
Morrison Street Fund VII	3.09	6.00	-	-	-	2.28	12/19/2022

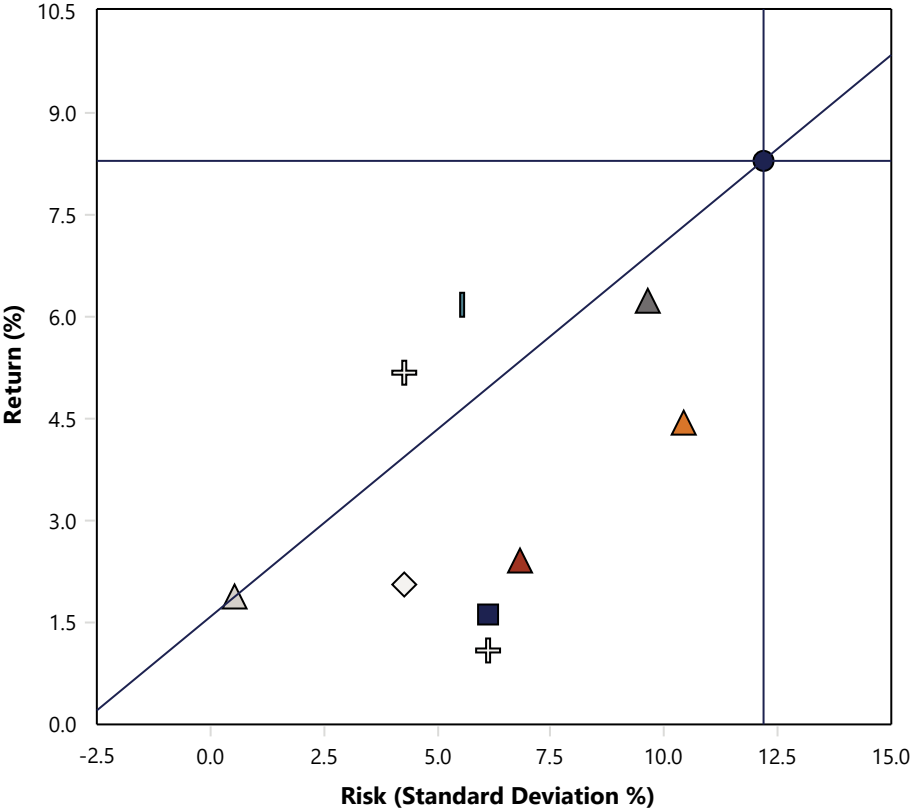
Time-Weighted Return - The current reporting system utilizes the Modified Dietz methodology for calculating time-weighted returns. This methodology accounts for inter-period cash flows by comparing the net gain in the value with the average market value over the time interval. Average capital allows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

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

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



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

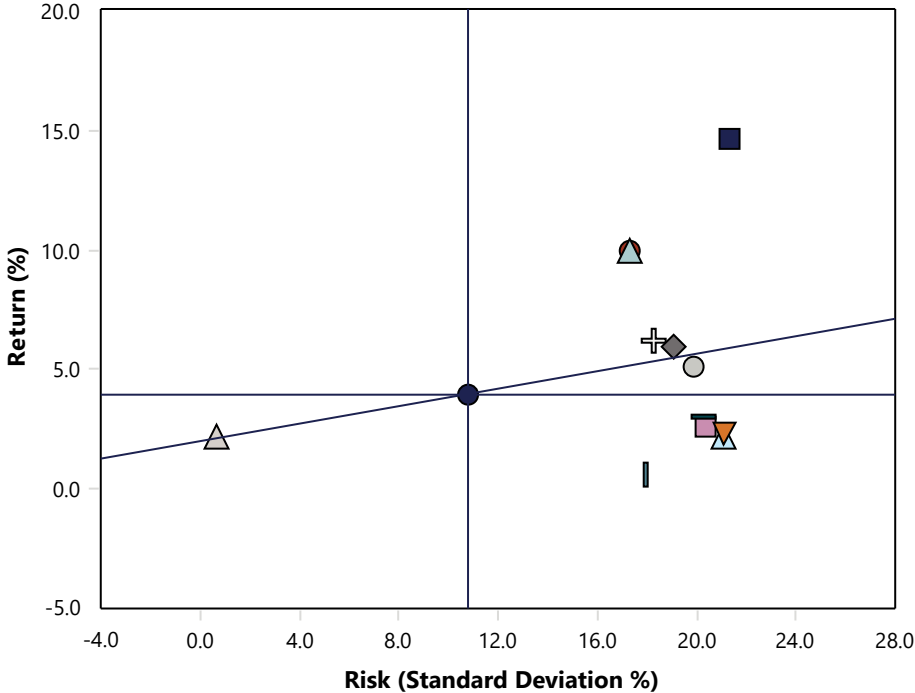
- Sterling Capital Total Return Bond I
- ▲ Loomis Sayles Core Plus Bond N
- ▲ Hotchkis & Wiley High Yield Z
- ▲ BlackRock High Yield Bond K
- ◇ PIMCO Dynamic Bond Instl
- ┃ Polar Long/Short Fund
- ⊕ Blmbg. U.S. Aggregate Index
- ⊕ HFRI FOF: Conservative Index
- Policy Index Updated
- △ 90 Day U.S. Treasury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

Calculation based on monthly periodicity.

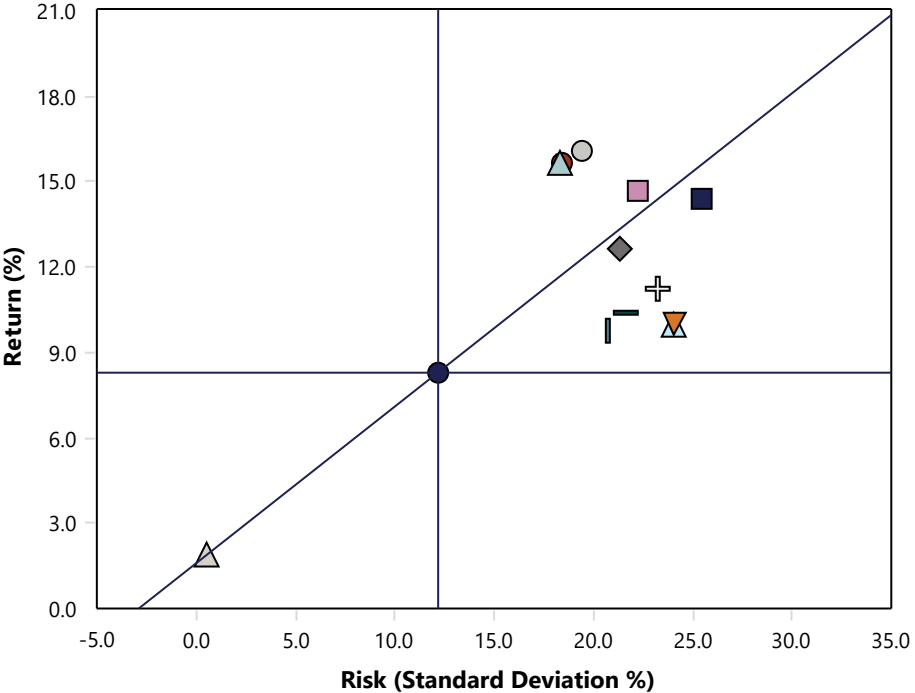
Spokane Employees' Retirement System

As of December 31, 2023

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



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



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

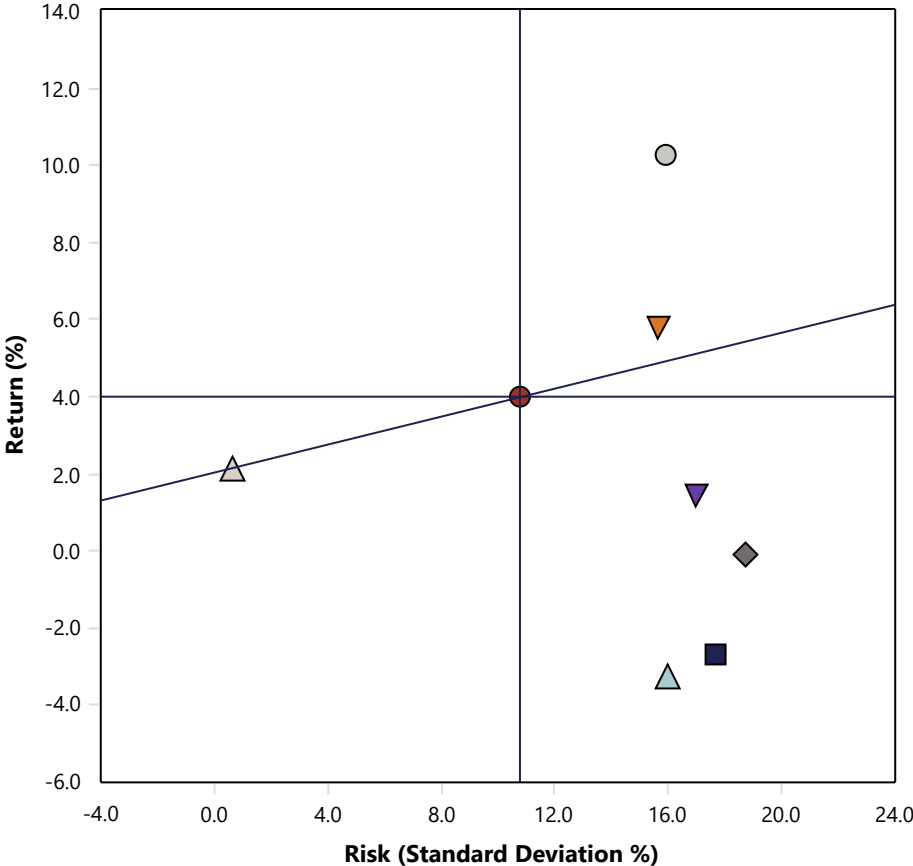
- Hotchkis & Wiley Diversified Value I
- Fidelity 500 Index
- Fidelity Small Cap Index
- Champlain Small Cap
- Westfield Mid Cap Growth CIT
- Russell 2000 Index
- 90 Day U.S. Treasury Bill
- MFS Growth R6
- Fidelity Mid Cap Index
- Bridge City Small Cap Growth
- Sterling Mid Cap Value
- S&P 500 Index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

Calculation based on monthly periodicity.

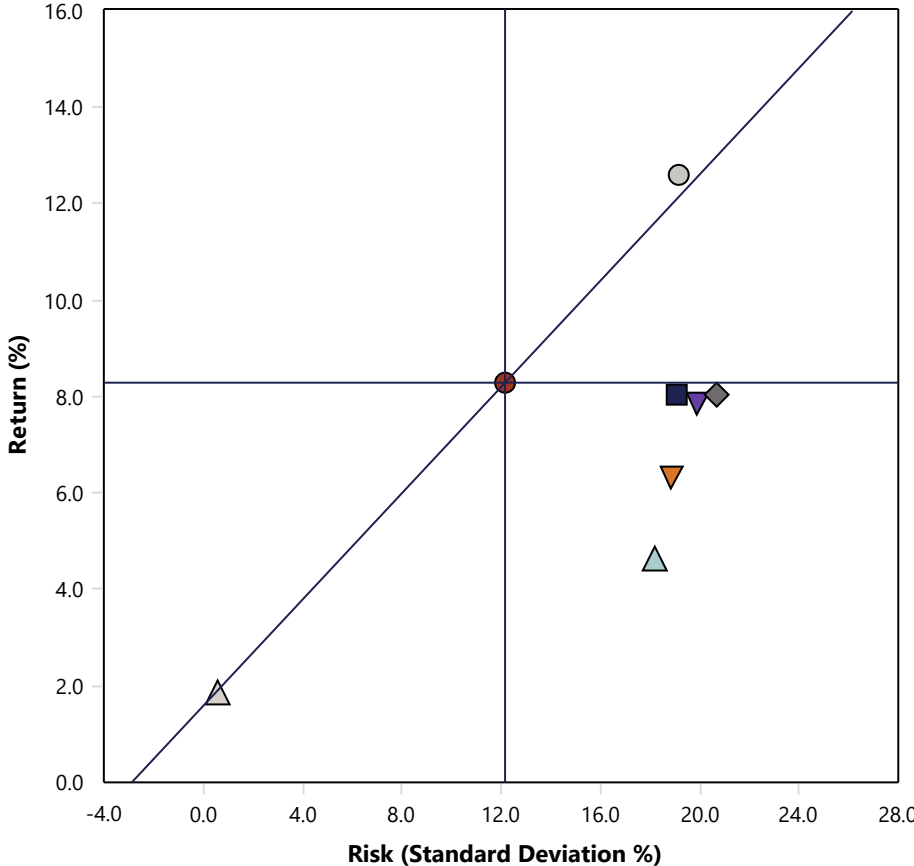
Spokane Employees' Retirement System

As of December 31, 2023

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



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

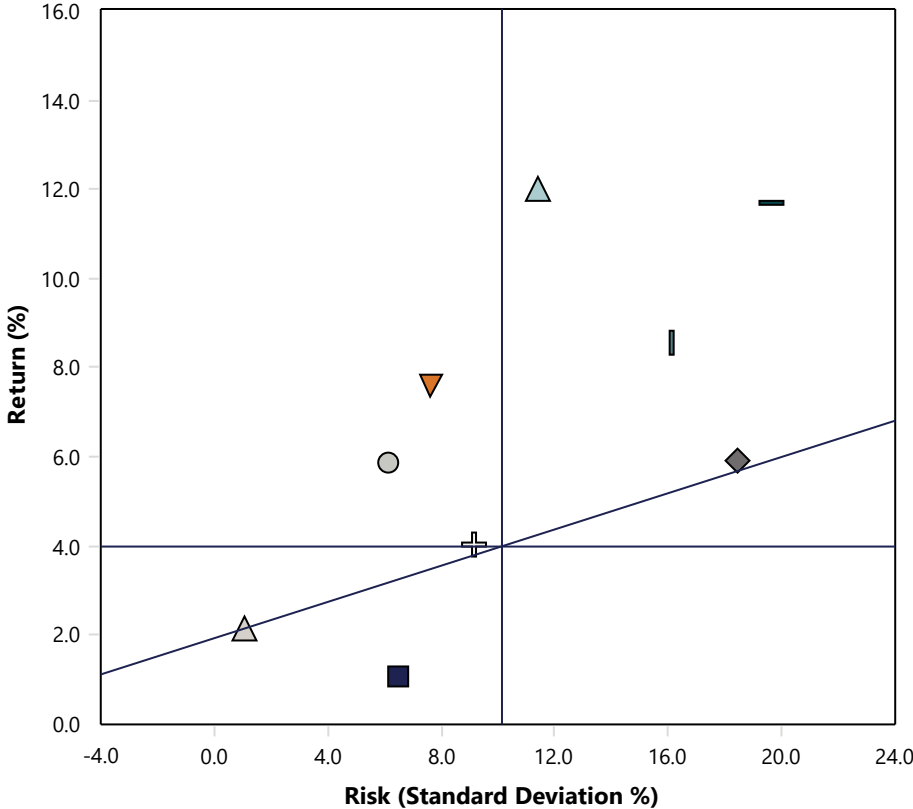


- American Funds Europacific Growth R6
- ▲ Vanguard Emerging Mkts Stock Idx Adm
- ▼ MSCI AC World ex USA Value (Net)
- Policy Index Updated
- Artisan International Value Instl
- ◆ Victory Trivalent International Sm-Cp I
- ▼ MSCI AC World ex USA Small Cap (Net)
- ▲ 90 Day U.S. Treasury Bill

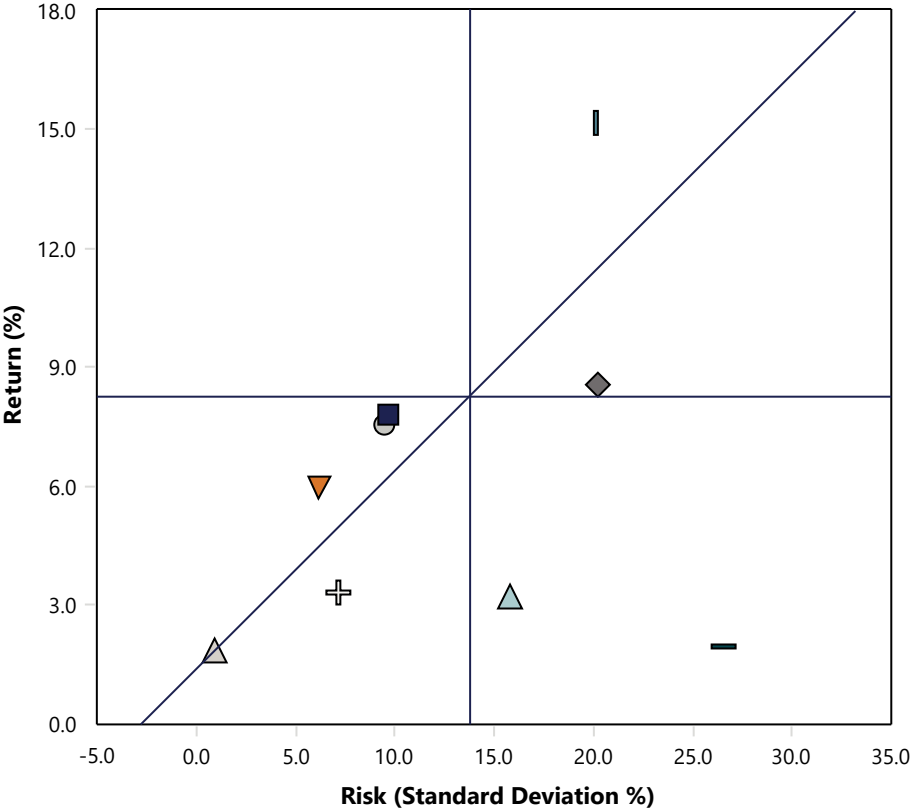
- American Funds Europacific Growth R6
- ▲ Vanguard Emerging Mkts Stock Idx Adm
- ▼ MSCI AC World ex USA Value (Net)
- Policy Index Updated
- Artisan International Value Instl
- ◆ Victory Trivalent International Sm-Cp I
- ▼ MSCI AC World ex USA Small Cap (Net)
- ▲ 90 Day U.S. Treasury Bill

Calculation based on monthly periodicity.

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



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



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

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

Calculation based on quarterly periodicity.

Spokane Employees' Retirement System

As of December 31, 2023

Fee Schedule

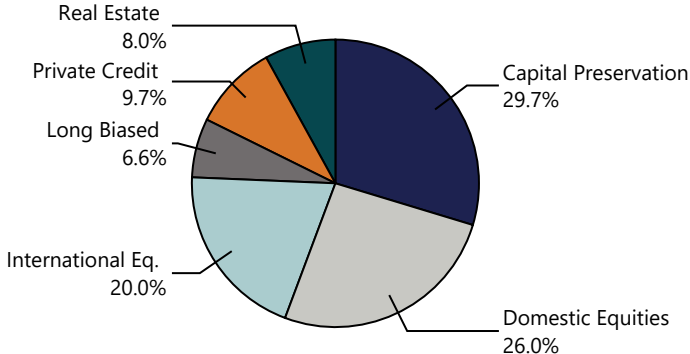
	Vehicle Type	Ticker	Universe Name	Market Value As of 12/31/2023 \$	Net Expense Ratio (%)
Artisan Int'l Value	Mutual Fund	APHKX	Foreign Value	\$19,994,429	1.03
Bridge City Small Growth	Separate Account		Small Growth	\$8,049,544	0.35
Champlain Small Cap	Commingled Fund		Small Growth	\$8,820,816	1.00
EuroPacific Growth R6	Mutual Fund	RERGX	Foreign	\$14,972,874	0.47
Fidelity Instl Govt Money Market	Mutual Fund	FIGXX	Money Market-Taxable	\$264,019	0.18
Fidelity Mid Cap Index	Mutual Fund	FSMDX	Mid Cap	\$3,221,711	0.03
Fidelity S&P 500	Mutual Fund	FXAIX	Large Cap	\$35,454,801	0.02
Fidelity Small Cap Index	Mutual Fund	FSSNX	Small Cap	\$545,130	0.03
Hotchkis & Wiley Div Value I	Mutual Fund	HWCIX	Large Value	\$10,915,244	0.80
Hotchkis & Wiley High Yield	Mutual Fund	HWHZX	High Yield Bond	\$16,768,398	0.60
BlackRock High Yield Bond K	Mutual Fund	BRHYX	High Yield Bond	\$6,494,554	0.48
MFS Growth Fund CI R6	Mutual Fund	MFEKX	Large Growth	\$10,990,835	0.50
Pimco Dynamic Bond Fund	Mutual Fund	PFIUX	Nontraditional Bond	\$5,961,391	0.79
Principal Global Investors REIT	Separate Account		Real Estate	\$7,966,277	0.75
Sterling Core Bond	Separate Account		Intermediate Core Bond	\$35,503,087	0.25
Loomis Sayles Core Plus Bond N	Mutual Fund	NERNX	Intermediate Core-Plus Bond	\$26,430,398	0.40
Sterling Mid Cap Value	Separate Account		Mid-Cap Value	\$5,484,102	0.75
Vanguard Emerging Markets Stock Index Fd	Mutual Fund	VEMAX	Diversified Emerging Mkts	\$6,645,133	0.14
Victory Trivalent International Small Cap	Mutual Fund	MISIX	Foreign Small/Mid Growth	\$16,638,140	0.95
Westfield Mid Cap Growth	Commingled Fund		Mid-Cap Growth	\$5,779,805	0.65

Section 3 | Allocation Review

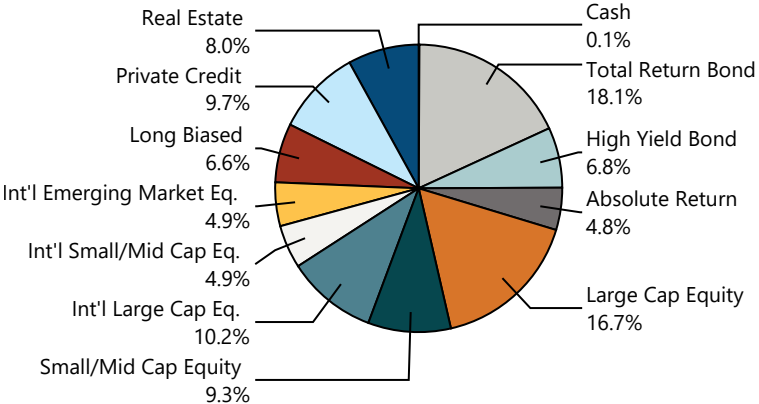
Spokane Employees' Retirement System

As of December 31, 2023

Current Allocation



Current Implementation Allocation



Spokane Employees' Retirement System

As of December 31, 2023

Implementation Review									
	Target Alloc. \$	Target Alloc. (%)	Min Alloc. (%)	Max Alloc. (%)	Asset Alloc. \$	Asset Alloc. (%)	Difference \$	Difference (%)	Within Range
Cash		0.0	0.0	2.0	\$264,019	0.1	\$264,019	0.1	Yes
Fidelity Instl Govt Money Market					\$264,019	0.1			
Total Return Bond	\$58,303,678	17.0	12.0	22.0	\$61,933,485	18.1	\$3,629,807	1.1	Yes
Sterling Core Bond					\$35,503,087	10.4			
Loomis Sayles Core Plus Bond N					\$26,430,398	7.7			
High Yield Bond	\$27,437,025	8.0	3.0	13.0	\$23,262,953	6.8	-\$4,174,072	-1.2	Yes
Hotchkis & Wiley High Yield					\$16,768,398	4.9			
BlackRock High Yield Bond K					\$6,494,554	1.9			
Absolute Return	\$17,148,141	5.0	0.0	10.0	\$16,321,866	4.8	-\$826,275	-0.2	Yes
Polar Long/Short Fund					\$9,496,537	2.8			
Post Lmted Term High Yield					\$333,550	0.1			
Pimco Dynamic Bond Fund					\$5,961,391	1.7			
Rimrock Low Volatility Offshore					\$530,389	0.2			
Large Cap Equity	\$54,874,050	16.0	11.0	21.0	\$57,360,880	16.7	\$2,486,830	0.7	Yes
Hotchkis & Wiley Div Value I					\$10,915,244	3.2			
Fidelity S&P 500					\$35,454,801	10.3			
MFS Growth Fund CI R6					\$10,990,835	3.2			
Small/Mid Cap Equity	\$27,437,025	8.0	3.0	13.0	\$31,901,109	9.3	\$4,464,084	1.3	Yes
Sterling Mid Cap Value					\$5,484,102	1.6			
Fidelity Mid Cap Index					\$3,221,711	0.9			
Westfield Mid Cap Growth					\$5,779,805	1.7			
Fidelity Small Cap Index					\$545,130	0.2			
Bridge City Small Growth					\$8,049,544	2.3			
Champlain Small Cap					\$8,820,816	2.6			
Int'l Large Cap Eq.	\$34,296,281	10.0	5.0	15.0	\$34,967,303	10.2	\$671,022	0.2	Yes
EuroPacific Growth R6					\$14,972,874	4.4			
Artisan Int'l Value					\$19,994,429	5.8			
Int'l Small/Mid Cap Eq.	\$17,148,141	5.0	0.0	10.0	\$16,638,140	4.9	-\$510,001	-0.1	Yes

Spokane Employees' Retirement System

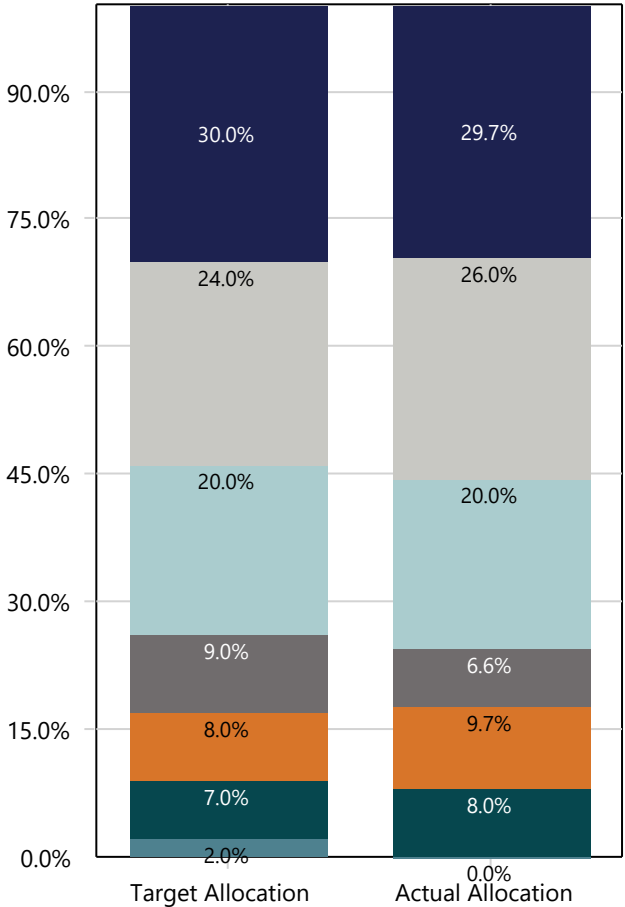
As of December 31, 2023

	Target Alloc. \$	Target Alloc. (%)	Min Alloc. (%)	Max Alloc. (%)	Asset Alloc. \$	Asset Alloc. (%)	Difference \$	Difference (%)	Within Range
Victory Trivalent International Small Cap					\$16,638,140	4.9			
Int'l Emerging Market Eq.	\$17,148,141	5.0	0.0	10.0	\$16,878,432	4.9	-\$269,709	-0.1	Yes
Vanguard Emerging Markets Stock Index Fd					\$6,645,133	1.9			
ABS Emerging Markets Strategic					\$10,233,299	3.0			
Long Biased	\$30,866,653	9.0	4.0	14.0	\$22,762,147	6.6	-\$8,104,507	-2.4	Yes
Weatherlow Offshore					\$21,817,592	6.4			
OrbiMed Royalty Opps II					\$234,276	0.1			
OrbiMed Royalty Opportunities					\$710,279	0.2			
Private Credit	\$27,437,025	8.0	3.0	13.0	\$33,173,064	9.7	\$5,736,039	1.7	Yes
Beach Point Select Fund LP					\$14,872,344	4.3			
Contrarian Capital Fund I LP					\$11,683,824	3.4			
Contrarian Emerging Markets					\$6,616,897	1.9			
Real Estate	\$24,007,397	7.0	2.0	12.0	\$27,499,416	8.0	\$3,492,019	1.0	Yes
Principal Global Investors REIT					\$7,966,277	2.3			
Morgan Stanley Prime Property Fund					\$7,462,311	2.2			
Morrison Street Fund VI					\$7,116,140	2.1			
Morrison Street Fund VII					\$2,395,530	0.7			
Morrison Street Income Fund					\$2,559,158	0.7			
MLPs	\$6,859,256	2.0	0.0	4.0		0.0	-\$6,859,256	-2.0	Yes
Total	\$342,962,813	100.0			\$342,962,813	100.0		0.0	

Spokane Employees' Retirement System

As of December 31, 2023

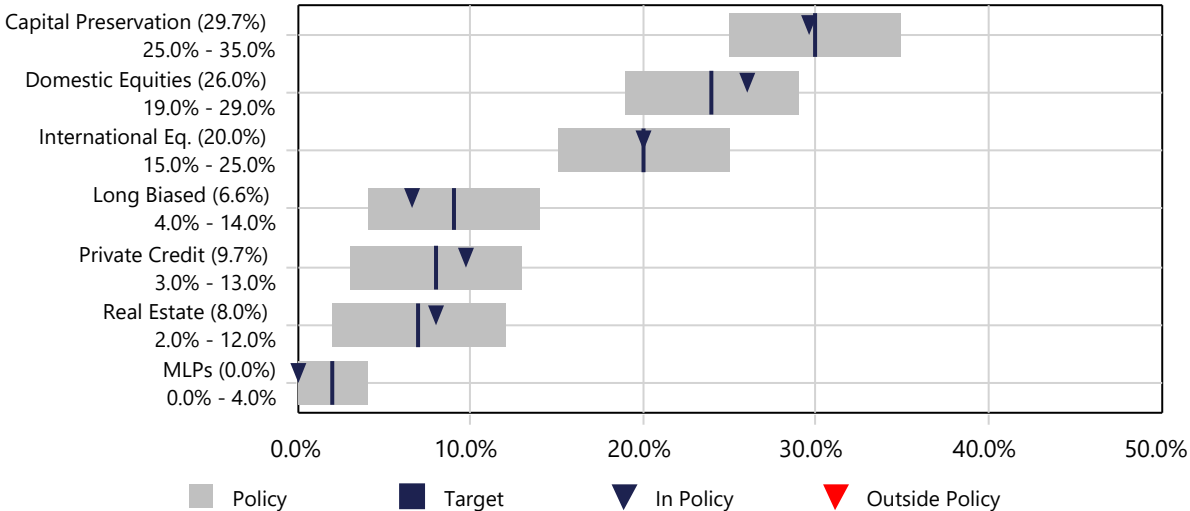
Asset Allocation Compliance



Current Allocation vs Investment Policy

	Asset Alloc. \$	Asset Alloc. (%)	Min Alloc. (%)	Max Alloc. (%)	Target Alloc. (%)	Difference \$	Difference (%)
Capital Preservation	101,782,323	29.7	25.0	35.0	30.0	-1,106,522	-0.3
Domestic Equities	89,261,988	26.0	19.0	29.0	24.0	6,950,913	2.0
International Eq.	68,483,875	20.0	15.0	25.0	20.0	-108,687	0.0
Long Biased	22,762,147	6.6	4.0	14.0	9.0	-8,104,507	-2.4
Private Credit	33,173,064	9.7	3.0	13.0	8.0	5,736,039	1.7
Real Estate	27,499,416	8.0	2.0	12.0	7.0	3,492,019	1.0
MLPs		0.0	0.0	4.0	2.0	-6,859,256	-2.0
Total	342,962,813	100.0			100.0		0.0

Actual vs Target

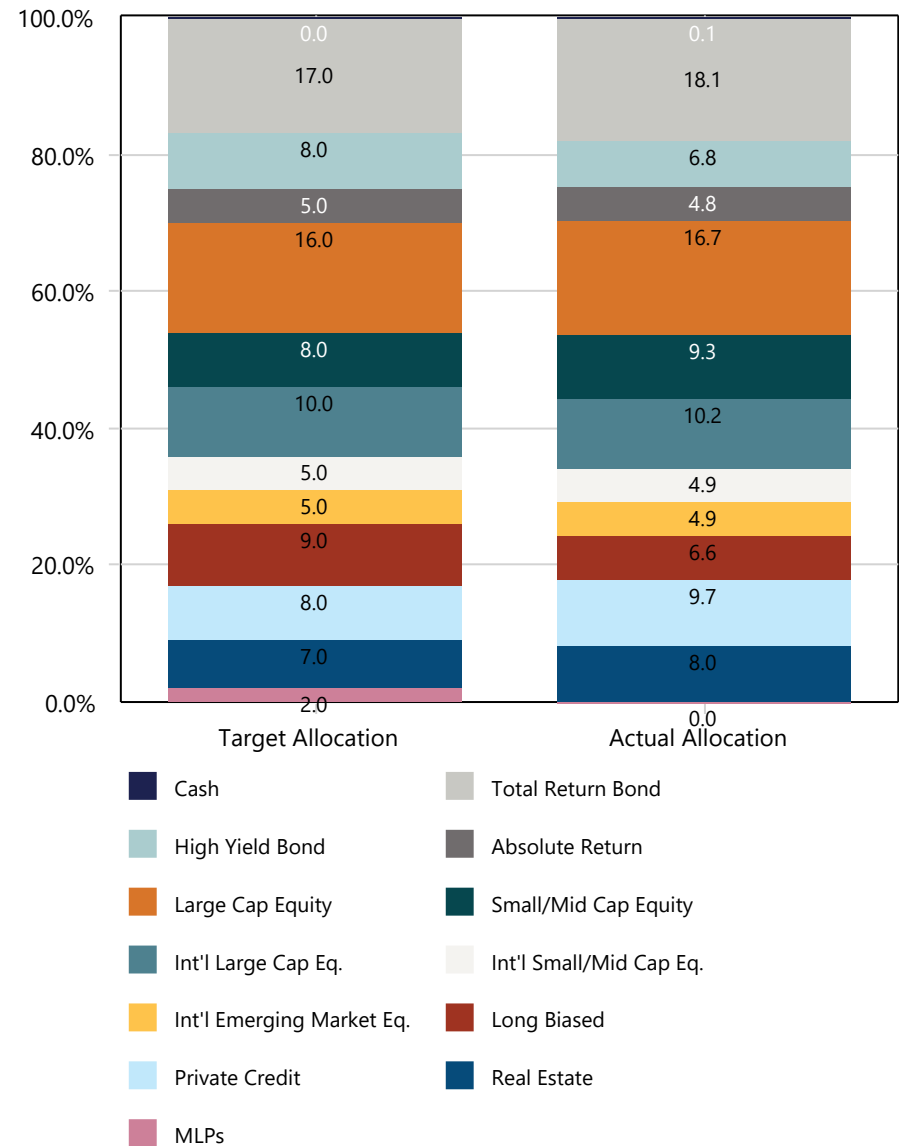


Spokane Employees' Retirement System

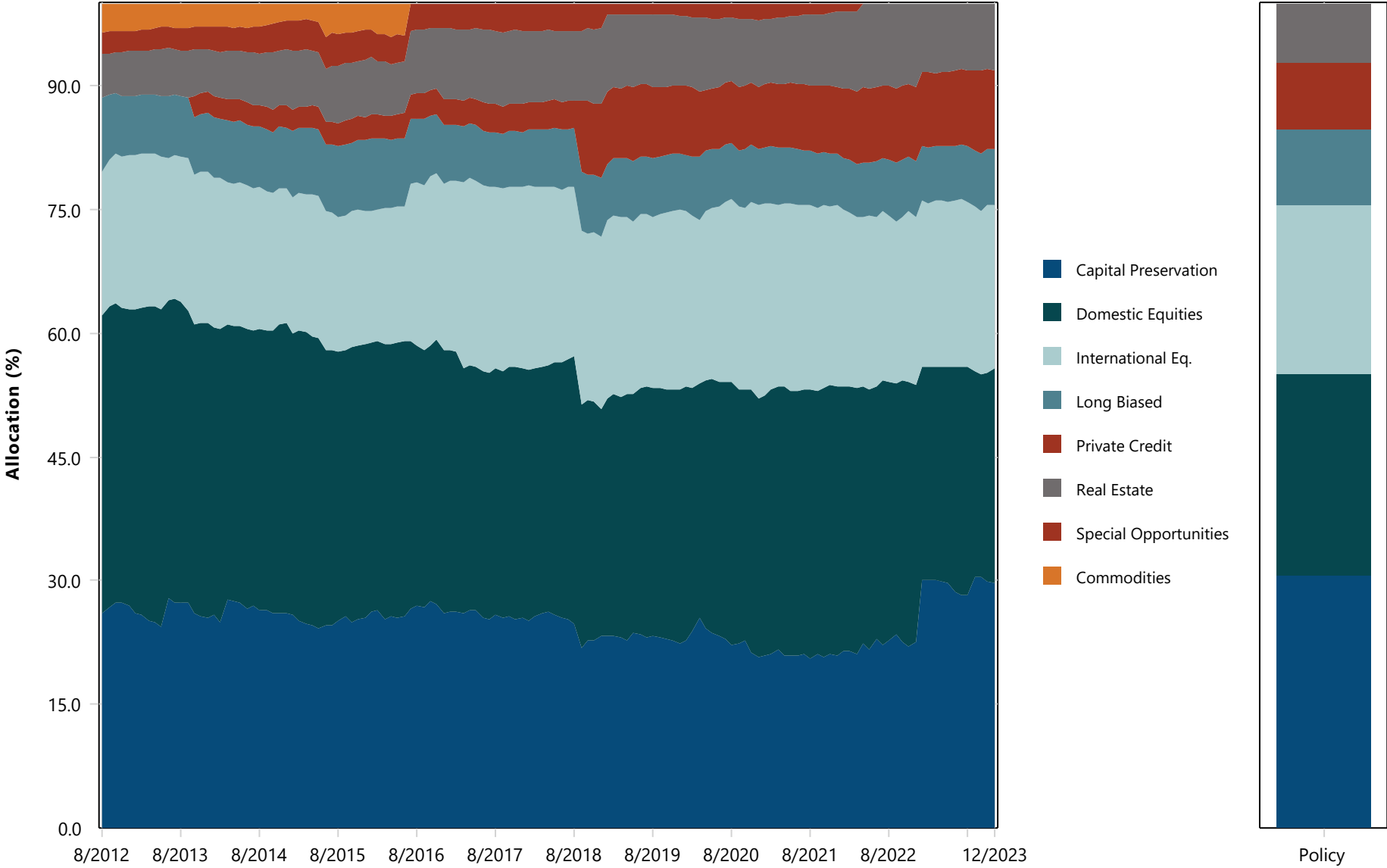
As of December 31, 2023

	Asset Alloc. \$	Asset Alloc. (%)	Target Alloc. (%)
Cash	264,019	0.1	0.0
Total Return Bond	61,933,485	18.1	17.0
High Yield Bond	23,262,953	6.8	8.0
Absolute Return	16,321,866	4.8	5.0
Large Cap Equity	57,360,880	16.7	16.0
Small/Mid Cap Equity	31,901,109	9.3	8.0
Int'l Large Cap Eq.	34,967,303	10.2	10.0
Int'l Small/Mid Cap Eq.	16,638,140	4.9	5.0
Int'l Emerging Market Eq.	16,878,432	4.9	5.0
Long Biased	22,762,147	6.6	9.0
Private Credit	33,173,064	9.7	8.0
Real Estate	27,499,416	8.0	7.0
MLPs		0.0	2.0
Total	342,962,813	100.0	100.0

Implementation Policy vs. Actual Allocation



Asset Allocation History vs. Target Allocation

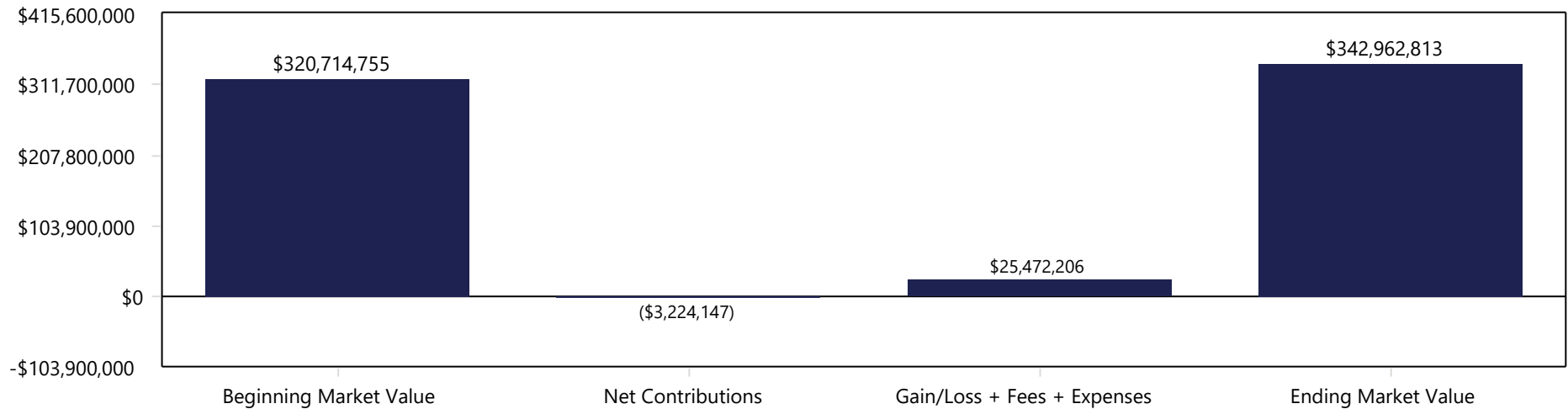


Section 4 | Summary of Cash Flow

Spokane Employees' Retirement System

As of December 31, 2023

Change in Market Value



Cash Flow Summary Current Quarter

	Market Value As of 10/01/2023	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 12/31/2023
Fidelity Instl Govt Money Market	2,271,933	8,399,103	-10,406,824	-2,007,721	-193	264,019
Sterling Core Bond	33,295,863	-	-	-	2,207,224	35,503,087
Fidelity US Bond Index	-	-	-	-	-	-
Loomis Sayles Core Plus Bond N	24,631,134	-	-	-	1,799,264	26,430,398
Hotchkis & Wiley High Yield	15,798,184	-	-	-	970,215	16,768,398
BlackRock High Yield Bond K	6,069,447	-	-	-	425,107	6,494,554
Polar Long/Short Fund	9,259,370	-	-	-	237,167	9,496,537
Post Lmted Term High Yield	333,550	-	-	-	-	333,550
Pimco Dynamic Bond Fund	5,706,374	-	-	-	255,017	5,961,391
Rimrock Low Volatility Offshore	530,389	-	-	-	-	530,389

Spokane Employees' Retirement System

As of December 31, 2023

	Market Value As of 10/01/2023	Contributions	Distributions	Net Flows	Return On Investment	Market Value As of 12/31/2023
Hotchkis & Wiley Div Value I	9,846,468	-	-	-	1,068,776	10,915,244
Fidelity S&P 500	31,743,787	-	-	-	3,711,014	35,454,801
MFS Growth Fund CI R6	9,739,451	-	-	-	1,251,384	10,990,835
Sterling Mid Cap Value	4,969,116	-	-	-	514,986	5,484,102
Fidelity Mid Cap Index	2,856,432	-	-	-	365,279	3,221,711
Westfield Mid Cap Growth	5,080,365	-	-	-	699,440	5,779,805
Fidelity Small Cap Index	477,959	-	-	-	67,171	545,130
Bridge City Small Growth	7,289,222	-	-	-	760,322	8,049,544
Champlain Small Cap	7,925,216	-	-	-	895,600	8,820,816
EuroPacific Growth R6	13,565,610	-	-	-	1,407,264	14,972,874
Artisan Int'l Value	19,523,808	-	-1,600,000	-1,600,000	2,070,621	19,994,429
Victory Trivalent International Small Cap	15,131,595	-	-	-	1,506,545	16,638,140
Vanguard Emerging Markets Stock Index Fd	6,237,842	-	-	-	407,292	6,645,133
ABS Emerging Markets Strategic	9,593,038	-	-	-	640,261	10,233,299
Weatherlow Offshore	20,953,363	-	-	-	864,229	21,817,592
OrbiMed Royalty Opps II	244,487	-	-16,088	-16,088	5,877	234,276
OrbiMed Royalty Opportunities	730,034	-	-	-	-19,755	710,279
Beach Point Select Fund LP	14,337,551	-	-	-	534,793	14,872,344
Contrarian Capital Fund I LP	10,844,658	-	-	-	839,165	11,683,824
Principal Global Investors REIT	6,906,275	-	-	-	1,060,003	7,966,277
Morrison Street Fund VI	7,003,088	-	-74,683	-74,683	187,735	7,116,140
Morrison Street Fund VII	1,637,631	780,000	-33,681	746,319	11,580	2,395,530
Morrison Street Income Fund	2,575,890	-	-54,301	-54,301	37,569	2,559,158
Morgan Stanley Prime Property Fund	7,820,668	-	-217,673	-217,673	-140,684	7,462,311
Contrarian Emerging Markets	5,784,958	-	-	-	831,939	6,616,897
SERS Plan Total	320,714,755	9,179,103	-12,403,250	-3,224,147	25,472,206	342,962,813

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 December 31, 2023

Account Name	From Date	To Date	Benchmark
SERS Plan Total	01/01/2023	Present	17.000% Blmbg. U.S. Aggregate Index, 8.000% Blmbg. U.S. Corp: High Yield Index, 5.000% HFRI FOF: Conservative Index, 16.000% S&P 500 Index, 8.000% Russell 2500 Index, 10.000% MSCI AC World ex USA (Net), 5.000% MSCI AC World ex USA Small Cap (Net), 5.000% MSCI Emerging Markets (Net), 9.000% HFRI Fund of Funds Composite Index, 8.000% HFRI ED: Distressed/Restructuring Index, 3.500% NCREIF ODCE VW NET, 3.500% FTSE NAREIT Comp REIT, 2.000% Alerian MLP Index
	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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Sources of Information. Material in this Report has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness, or timeliness. The performance produced herein is calculated utilizing custodian data downloads and manually entered material. Although we take every precaution to ensure accuracy, we are not able to guarantee complete accuracy.

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

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.