

San Jose Federated Retiree Health Care 115 Trust

As of September 30, 2023

Quarterly Review

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Economic and Market Update

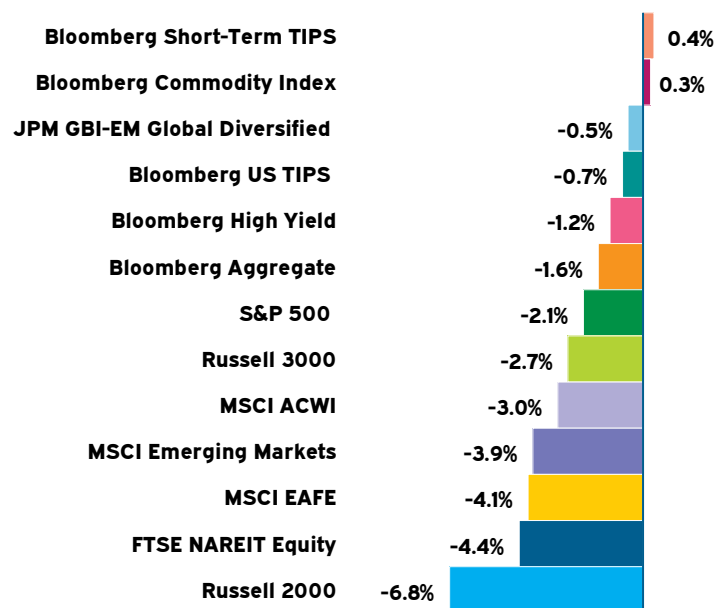
Data as of October 31, 2023

Commentary

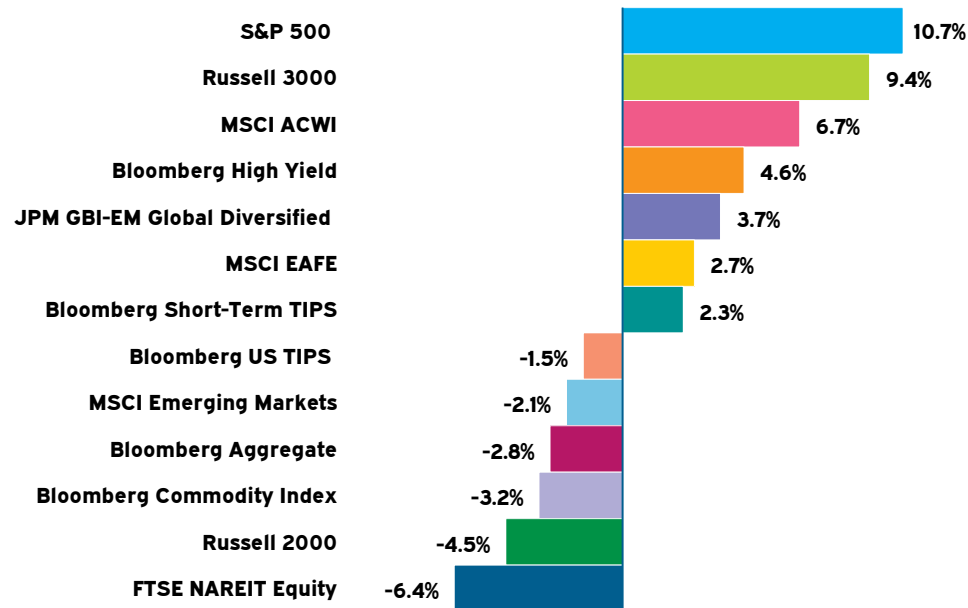
- Global markets continued to struggle in October, as expectations remained on the Fed keeping interest rates higher for longer due to resilient economic data.
- The Federal Open Markets Committee (FOMC), which increased policy rates in July by 0.25% to a range of 5.25% - 5.5%, has been on pause since. Markets are now largely expecting the FOMC to maintain interest rates at this level through the first half of next year with cuts to follow.
 - US equity markets (Russell 3000 index) fell in October (-2.7%), lowering the year-to-date gains to 9.4%. Most sectors except utilities struggled in October.
 - Non-US developed equity markets declined more than the US in October (MSCI EAFE -4.1%), with the strength of the US dollar weighing on returns. This widened the gap between US and international developed equities for the year (to 9.4% versus 2.7%).
 - Emerging market equities also fell in October (-3.9%), with negative results driven by China and the strong US dollar. Emerging markets continue to significantly trail developed market equities year-to-date, returning -2.1%, again driven by losses from China (-11.2%).
 - Interest rates generally rose in October, particularly for longer-dated maturities. The broad US bond market declined (-1.6%) in October falling further into negative territory (-2.8%) year-to-date, as higher income has offset a portion of the capital losses from rising rates.
- For the rest of this year and into 2024, the paths of inflation and monetary policy, slowing global growth, and the wars in Ukraine and Israel will all be key.

Index Returns¹

QTD



YTD



→ After a strong start to the year, the prospect of higher interest rates for longer given resilient economic data has weighed on markets from August through October.

¹ Source: Bloomberg. Data is as of October 31, 2023.

Domestic Equity Returns¹

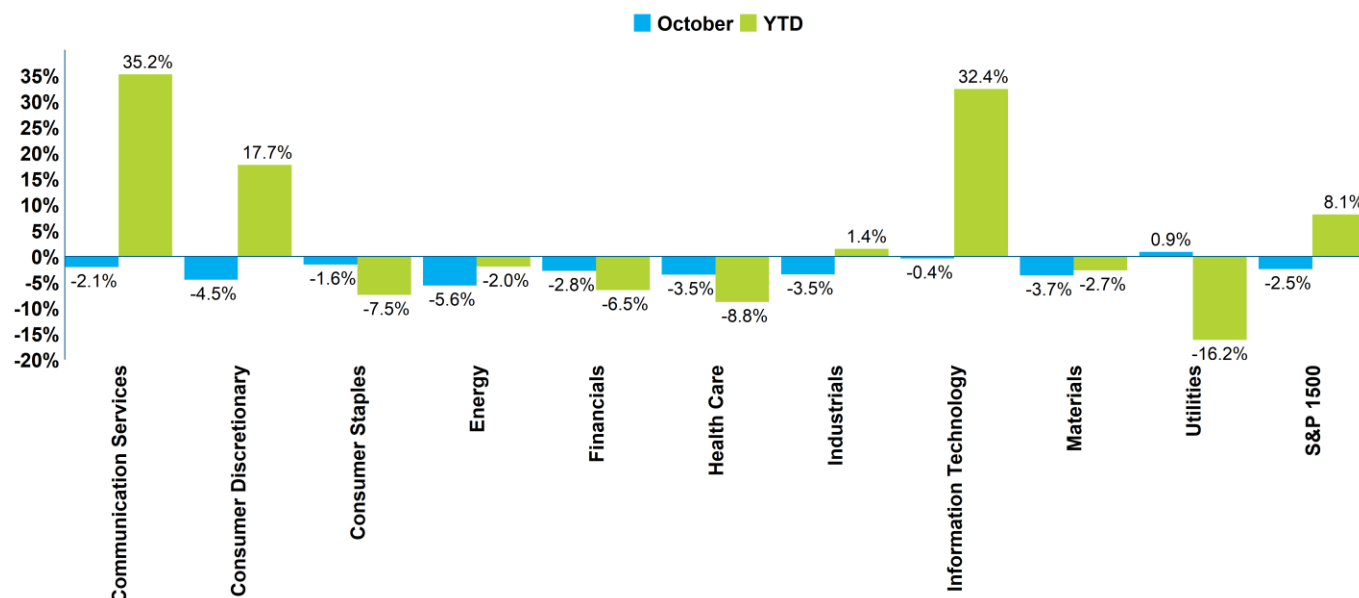
Domestic Equity	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-2.1	-3.3	10.7	10.1	10.3	11.0	11.2
Russell 3000	-2.7	-3.3	9.4	8.4	9.2	10.2	10.5
Russell 1000	-2.4	-3.1	10.3	9.5	9.5	10.7	10.9
Russell 1000 Growth	-1.4	-3.1	23.2	19.0	8.7	14.2	13.8
Russell 1000 Value	-3.5	-3.2	-1.8	0.1	10.2	6.6	7.6
Russell MidCap	-5.0	-4.7	-1.3	-1.0	6.0	7.1	8.0
Russell MidCap Growth	-5.1	-5.2	4.3	3.3	0.8	8.1	9.1
Russell MidCap Value	-5.0	-4.5	-4.4	-3.6	8.8	5.7	6.9
Russell 2000	-6.8	-5.1	-4.5	-8.6	3.9	3.3	5.6
Russell 2000 Growth	-7.7	-7.3	-2.9	-7.6	-1.8	2.7	5.7
Russell 2000 Value	-6.0	-3.0	-6.5	-9.9	9.7	3.3	5.2

US Equities: The Russell 3000 Index fell 2.7% in October but is up 9.4% YTD.

- A surprisingly strong September jobs report and third quarter GDP reading reinforced investors' expectations that the Federal Reserve will keep interest rates higher for longer and broadly weighed on US equities.
- The utility sector was the only sector that posted a gain during October. Energy stocks experienced the steepest fall, followed by consumer discretionary stocks.
- Large cap stocks outperformed small cap stocks during October driven by the technology sector. Microsoft and Amazon, both of which reported stronger than expected third quarter results, were significant contributors to this dynamic.

¹ Source: Bloomberg. Data is as of October 31, 2023.

S&P 1500 Sector Returns¹



→ Except for utilities all sectors were down in October.

→ So far in 2023, the communication services (+35.2%) and technology (+32.4%) sectors had the best results, helped by artificial intelligence optimism. Given the continued strength in the US consumer the consumer discretionary sector followed (+17.7%), while more traditionally defensive sectors like utilities (-16.2%), health care (-8.8%), and consumer staples (-7.5%) have trailed.

¹ Source: Bloomberg. Data is as of October 31, 2023.

Foreign Equity Returns¹

Foreign Equity	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-4.1	-3.8	1.0	12.1	3.0	3.5	2.5
MSCI EAFE	-4.1	-4.1	2.7	14.4	5.7	4.1	3.1
MSCI EAFE (Local Currency)	-3.4	-1.3	7.0	10.4	11.0	6.4	6.0
MSCI EAFE Small Cap	-5.9	-3.5	-4.2	6.5	0.3	1.6	3.4
MSCI Emerging Markets	-3.9	-2.9	-2.1	10.8	-3.7	1.6	1.2
MSCI Emerging Markets (Local Currency)	-3.6	-1.4	0.3	9.8	-1.1	3.6	4.2
MSCI China	-4.3	-1.9	-11.2	21.1	-16.9	-2.6	1.0

Foreign Equity: Developed international equities (MSCI EAFE) fell 4.1% in October, dropping the YTD gain to 2.7%. Emerging market equities (MSCI EM) fell 3.9% in the period and were down 2.1% YTD.

- Non-US equities fell for the third consecutive month with steeper declines compared to the US market. The continued strength of the US dollar contributed to losses, as well as the ongoing geopolitical crisis in the Middle East.
- European equities struggled due to slowing growth, falling PMI, and a contraction in household and business credit supply. The UK saw greater losses, with sticky inflation, and continued wage growth suggesting that rates will be high for some time. Japan remains the best performing market year-to-date, though the TOPIX lost momentum in October.
- Emerging market equity performance was slightly better than developed international equities, but the declines for the month brought year-to-date results into negative territory. While there were some positive data out of China on industrial production and retail sales, continued weakness in real estate and new US chip restrictions weighed on market sentiment.

¹ Source: Bloomberg. Data is as of October 31, 2023.

Fixed Income Returns¹

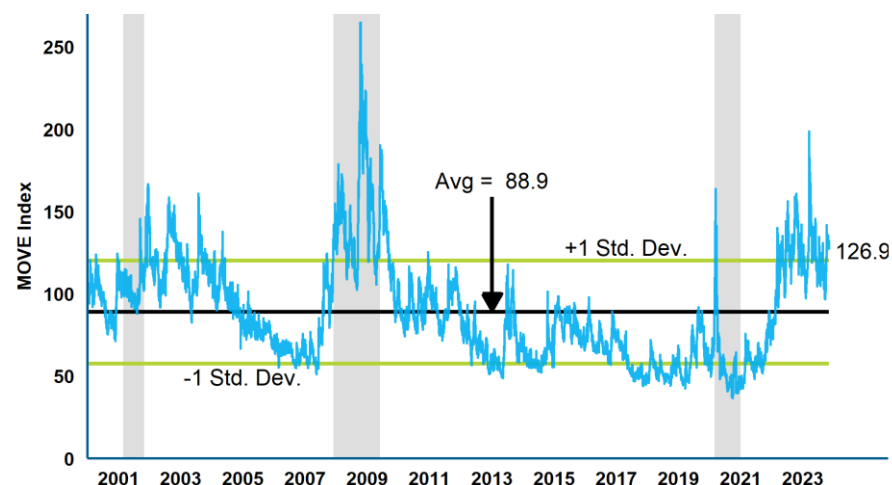
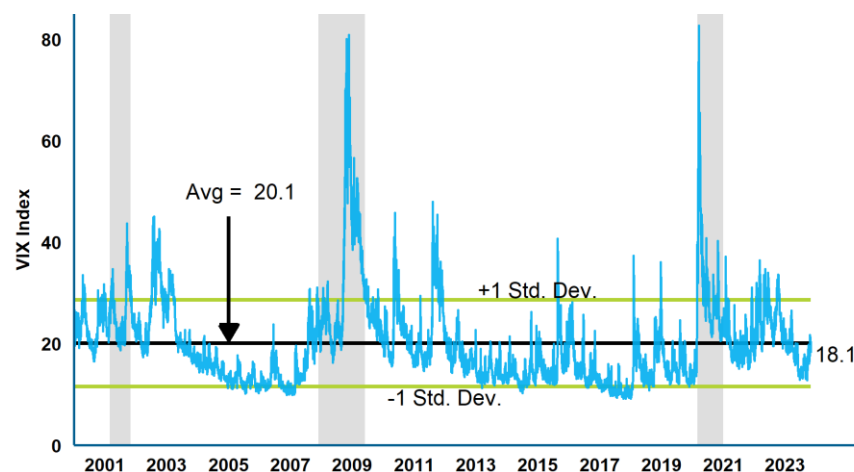
Fixed Income	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.5	-2.9	-2.1	1.2	-5.0	0.2	1.2	6.0	5.9
Bloomberg Aggregate	-1.6	-3.2	-2.8	0.4	-5.6	-0.1	0.9	5.6	6.1
Bloomberg US TIPS	-0.7	-2.6	-1.5	-0.7	-2.0	2.3	1.6	5.2	6.6
Bloomberg Short-term TIPS	0.4	0.4	2.3	2.6	2.1	3.0	1.7	5.4	2.5
Bloomberg High Yield	-1.2	0.5	4.6	6.2	1.2	3.0	3.9	9.5	4.0
JPM GBI-EM Global Diversified (USD)	-0.5	-3.3	3.7	13.5	-3.0	0.3	-1.2	7.0	4.9

Fixed Income: The Bloomberg Universal index declined 1.5% in October and 2.1% YTD.

- Expectations for policy rates to remain higher for longer than previously expected continued to weigh on yields in October.
- The broad US bond market (Bloomberg Aggregate) fell 1.6% in the month, driving year-to-date performance further into negative territory. The broader TIPS index fell by 0.7%, while the less interest-rate-sensitive short-term TIPS index outperformed most sectors, up 0.4%.
- High yield bonds also weakened, declining 1.2%, and emerging market bonds fell 0.5%. Volatility in both asset classes is being driven by movement in broader interest rates, but also a modest deterioration in risk appetite.

¹ Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of October 31, 2023. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.

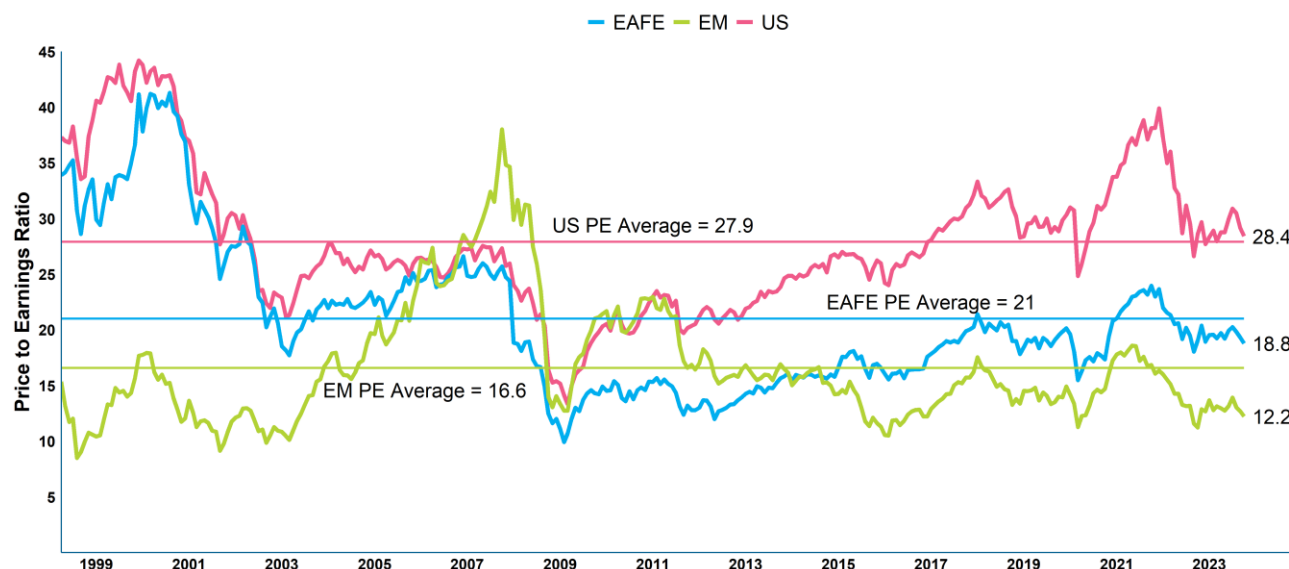
Equity and Fixed Income Volatility¹



- Volatility in equities (VIX) increased in October but finished at a level near the long-term average. The recent increase in equity volatility has largely been driven by investors coming to terms that interest rates might remain higher for a longer period.
- In comparison, volatility in the bond market (MOVE) remains well above its long-run average (88.9) after last year's historic losses and due to continued policy uncertainty. In October, fixed income volatility finished higher compared to where it started, like equities, driven by expectations for rates to stay higher for longer and increased concerns about future US debt issuance.

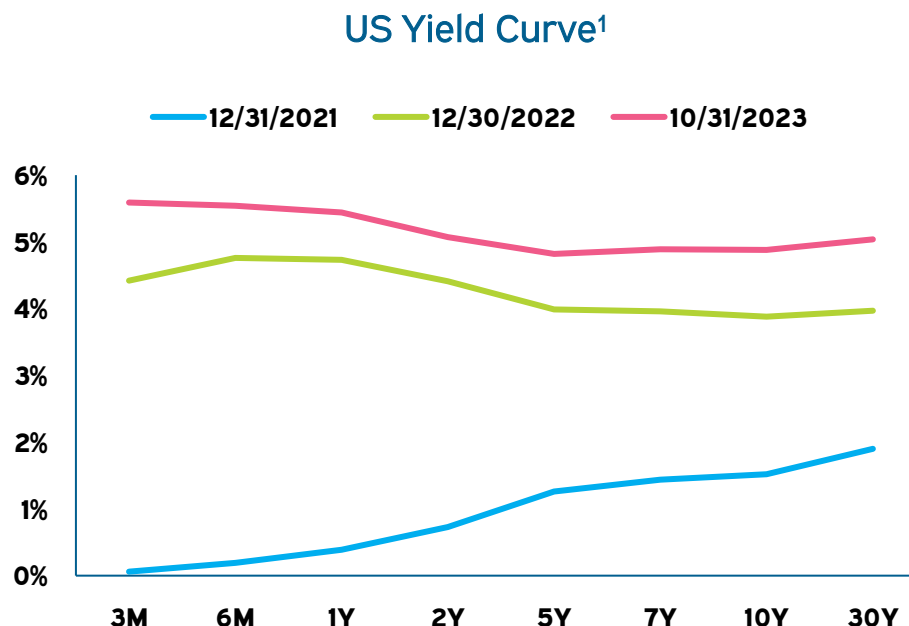
¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of October 2023. The average line indicated is the average of the VIX and MOVE values between January 2000 and October 2023.

Equity Cyclically Adjusted P/E Ratios¹



- Given the strong technology-driven rally this year, the US equity price-to-earnings ratio increased above its long-run (21st century) average. With the equity market decline in August through October, the P/E ratio fell from its recent peak.
- International developed market valuations are below their own long-term average, with those for emerging markets the lowest and well under the long-term average (close to one standard deviation below).

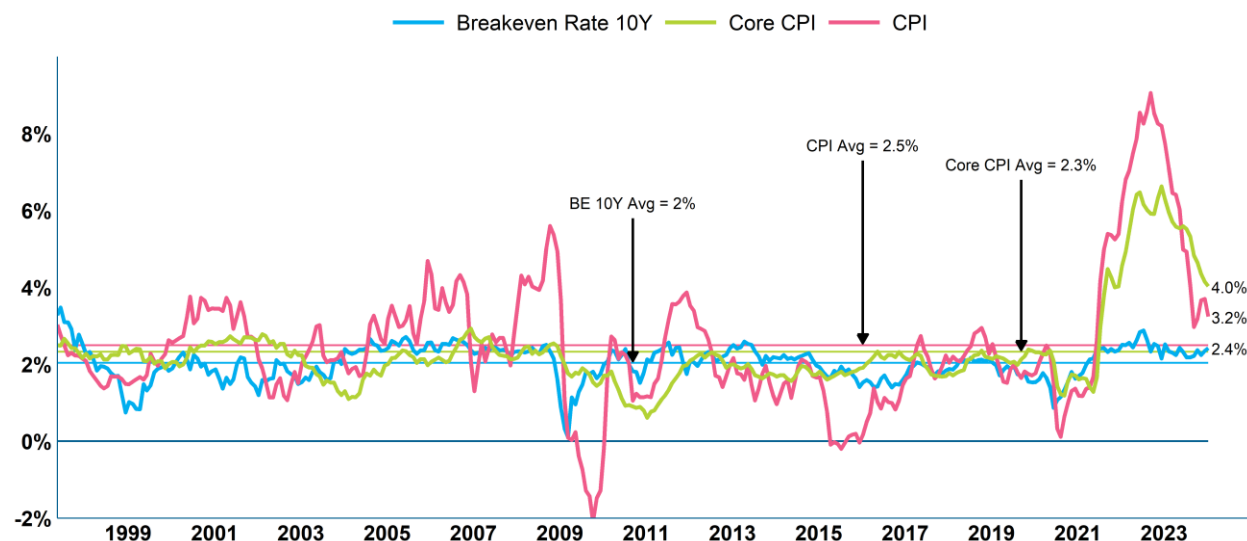
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of October 2023. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.



- Overall rates continued to increase this year, particularly at the policy sensitive front-end of the yield curve, but at a much slower pace compared to last year.
- In October, very short-term interest rates (two years or less) increased only slightly as monetary policy has likely reached close to its terminal rate for this cycle. By contrast, longer-term rates continued their dramatic rise as investors come to terms with rates remaining higher for longer. The ten-year Treasury yield has experienced a significant increase from 3.9% to 4.9% since the beginning of the year.
- Because of the dynamic above, the yield curve's inversion decreased further with the spread between two-year and ten-year Treasuries at -0.15% at the end of October (it started the third quarter at -1.05%).

¹ Source: Bloomberg. Data is as of October 31, 2023.

Ten-Year Breakeven Inflation and CPI¹

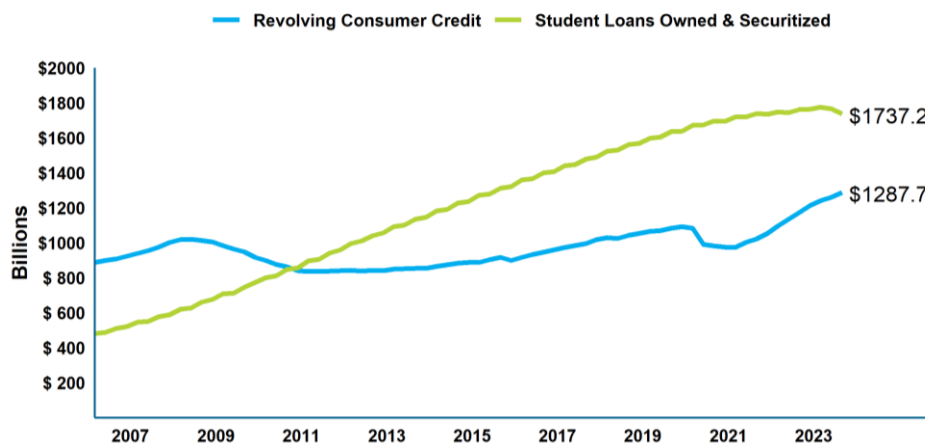


- Year-over-year headline inflation fell from 3.7% to 3.2%, coming in slightly below expectations. Declines were driven by energy, used cars and trucks, and medical services.
- Core inflation – excluding food and energy – fell slightly (4.1% to 4.0%) year-over-year. It remains stubbornly high, though, driven by shelter costs (+6.7%), particularly owners' equivalent rent, and transportation services (+9.2%).
- Inflation expectations (breakevens) remain below current inflation as investors continue to expect inflation to track back toward the Fed's 2% average target.

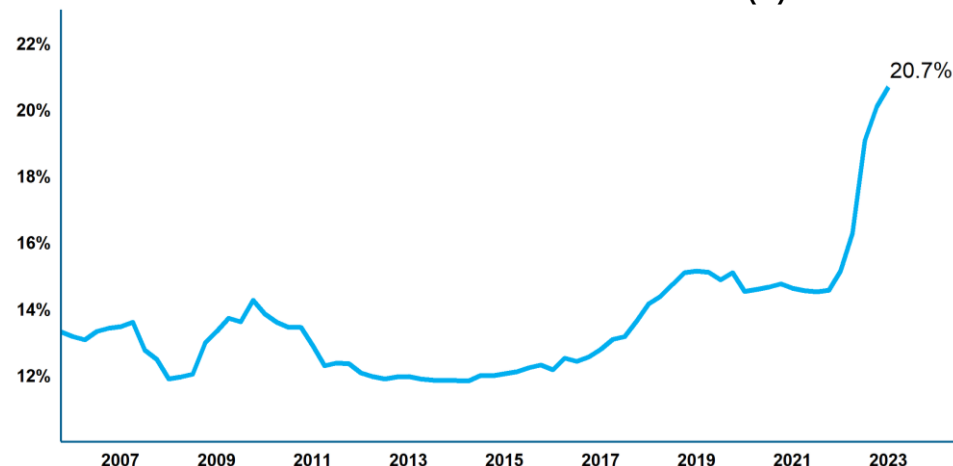
¹ Source: FRED. Data is as October 31, 2023. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

US Consumer Under Stress?¹

Revolving Consumer Credit & Student Loans (\$B)



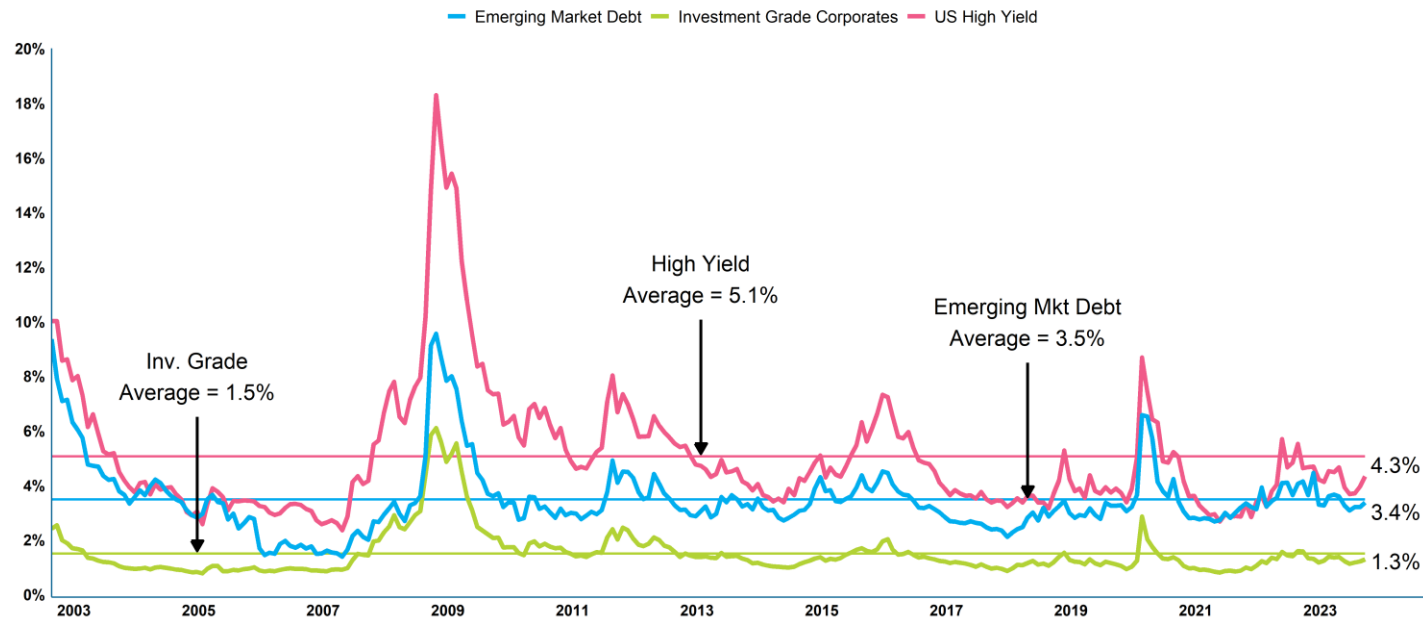
Consumer Credit Card Interest Rates (%)



- Despite the strong labor market and higher wages, pressures have started to build on the US consumer. This is an important consideration as consumer spending has been an important driver of economic growth.
- Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s).
- The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially balanced by recently initiated repayment and forgiveness programs.
- As we look ahead, the strength of the US consumer will remain key as this sector makes up most of the domestic economy (GDP).

¹ Source: FRED. Revolving Consumer Credit and Student Loans data is as of September 30, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season. Consumer Credit Card Interest Rates data is as of June 30, 2023.

Credit Spreads vs. US Treasury Bonds¹

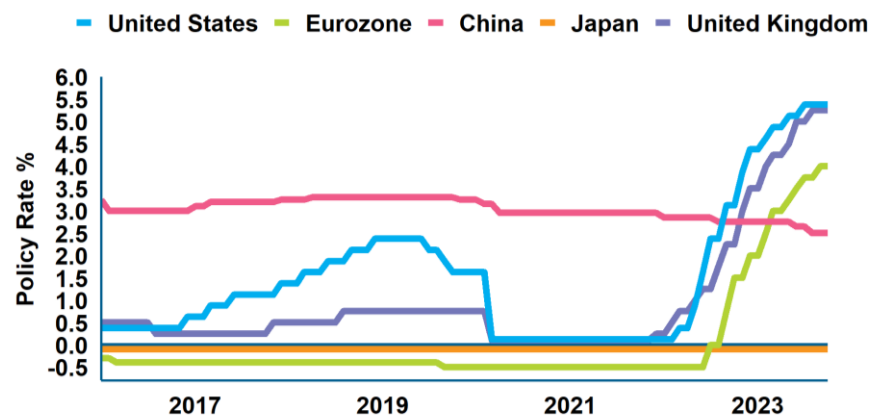


- Credit spreads (the added yield above a comparable maturity Treasury) increased in October but remained below their respective long run averages.
- High yield spreads continue to be the furthest below their long-term average given the overall risk appetite this year. Investment-grade and emerging market spreads are also below their respective long-term averages, but by smaller margins.

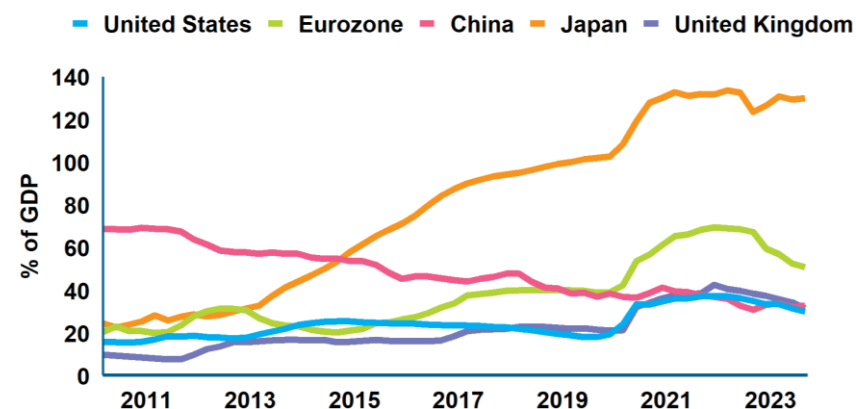
¹ Sources: Bloomberg. Data is as of October 31, 2023. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Central Bank Response¹

Policy Rates



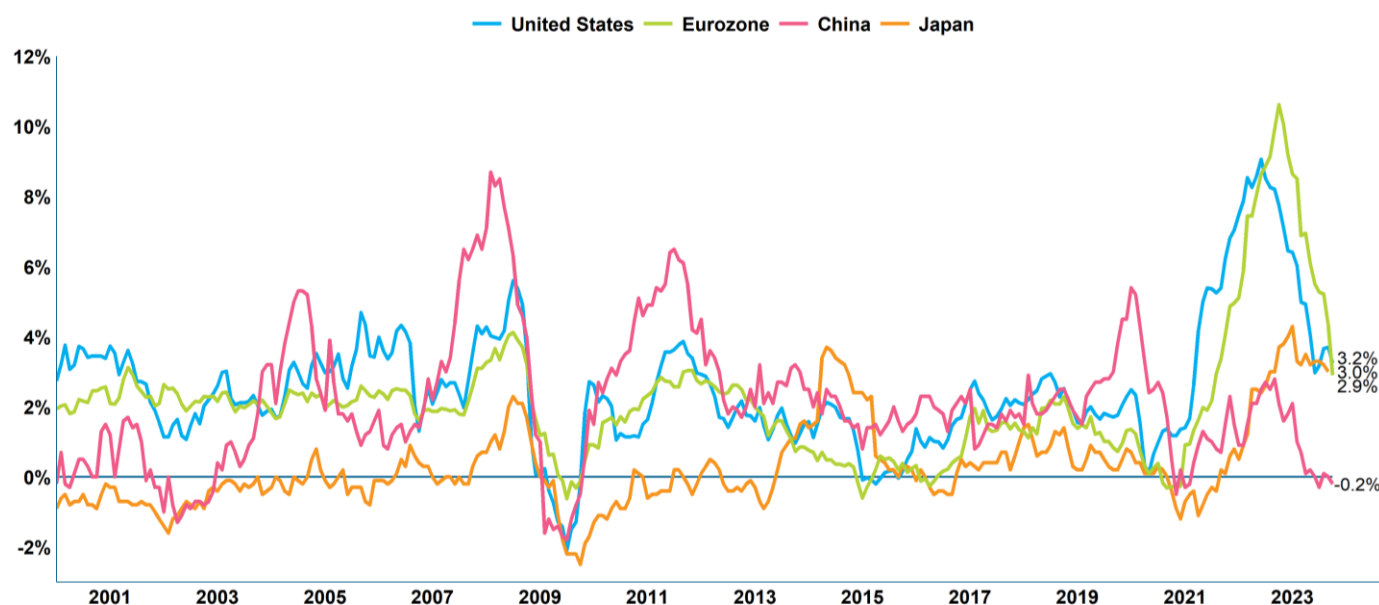
Balance Sheet as % of GDP



- Slowing inflation and growth have led to expectations for a reduction in the pace of aggressive policy tightening.
- In July, the Fed raised rates another 25 basis points to a range of 5.25% to 5.50% and then kept rates at this level at their September and October/November meetings. Markets are not expecting any additional rate hikes.
- The European Central Bank paused in October, with lower-than-expected inflation and weaker growth. In Japan, the BoJ has further relaxed its yield curve control on the 10-year bond, and expectations for further policy normalization are rising.
- The central bank in China has continued to cut interest rates and inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown.
- Risks remain for a policy error as central banks attempt to balance bringing down inflation, maintaining financial stability, and supporting growth.

¹ Source: Bloomberg. Policy rate data is as of October 31, 2023. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of September 30, 2023.

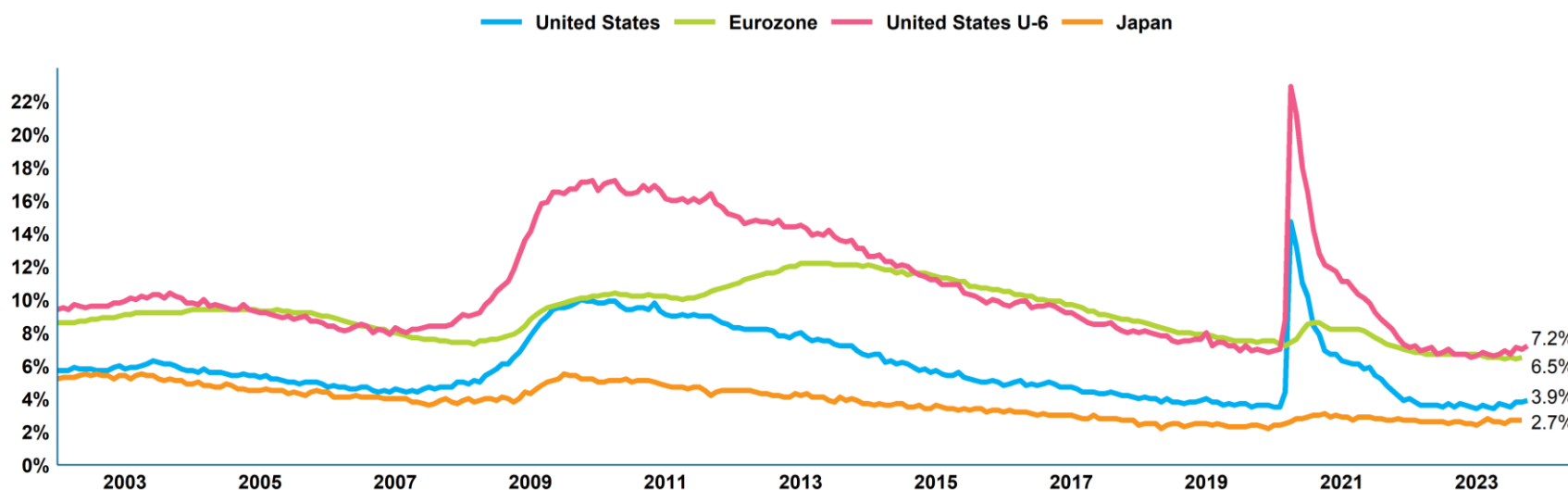
Inflation (CPI Trailing Twelve Months)¹



- The inflation picture remains mixed across the major economies.
- In the US, inflation fell from 3.7% to 3.2%, driven by falling energy prices. In the eurozone inflation experienced a dramatic decline in October (4.3% to 2.9%), to a level below the US, also driven by a decline in energy prices. Despite 2023's significant declines in the US and Europe, inflation levels remain elevated compared to central bank targets.
- Inflation in Japan, has increased to levels not seen in almost a decade, driven by food and home related items. In China, deflationary pressures returned in October, as consumption declined after the holiday earlier in the month.

¹ United States CPI and Eurozone CPI – Source: FRED. Japan CPI and China CPI - Source: Bloomberg. Data is as October 31, 2023. The most recent data for Japanese inflation is as of September 30, 2023.

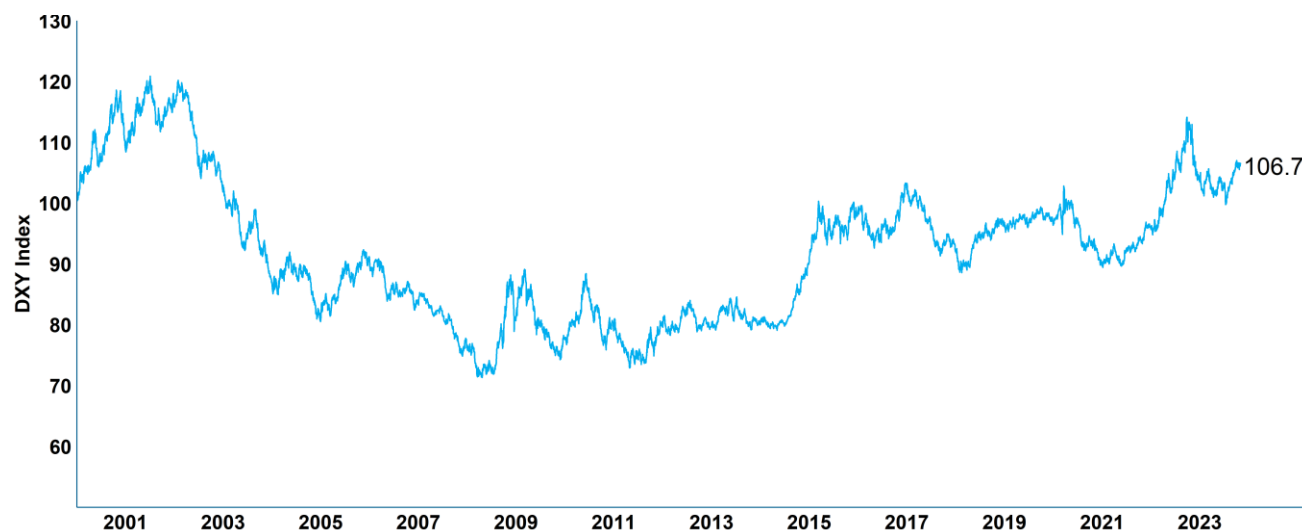
Unemployment¹



- Overall, the US labor market remains healthy with the unemployment rate relatively low, wage growth now positive in real terms, and initial claims for unemployment staying subdued. The pace of wage growth has slowed though, and despite remaining elevated, the number of job openings has declined from recent highs.
- In October, US unemployment increased slightly (3.8% to 3.9%), with job gains of 150,000 coming in below expectations of 180,000. The labor force participation rate declined slightly over the month from 62.8% to 62.7%, well off the lows of the pandemic (60.1%) but not back to pre-pandemic levels (63.3%). Broader measures of unemployment (U-6) finished the quarter at 7.2%, up from the September reading of 7.0%.
- Unemployment in Europe (6.5%) remains higher than the US, while levels in Japan (2.7%) remained low through the pandemic given less layoffs.

¹ Eurozone Unemployment - Source: Bloomberg. Japan, United States, United States U-6 Unemployment – Source: FRED. Data is as October 31, 2023, for the US. The most recent data for Eurozone and Japan unemployment is as of September 30, 2023.

US Dollar versus Broad Currencies¹



- After a strong 2022, the US dollar declined late last year and into early this year as weaker economic data and lower inflation led to investors anticipating the end of FOMC tightening.
- Recently though, the dollar reversed course and appreciated against major currencies as relative growth remains strong and investors anticipate the FOMC keeping interest rates higher for longer.
- For the rest of this year, the track of inflation across economies and the corresponding monetary policies will likely be key drivers of currency moves.

¹ Source: Bloomberg. Data as of October 31, 2023.

Summary

Key Trends:

- The impact of inflation still above policy targets will remain key, with bond market volatility likely to stay high.
- Global monetary policies could diverge going forward. The risk of policy errors remains elevated as central banks try to reduce persistent inflation while not tipping their economies into recession.
- Growth is expected to slow globally this year, with many economies forecasted to tip into recession. However, optimism has been building that some economies could experience soft landings. Inflation, monetary policy, and the war will all be key.
- In the US, consumers could feel pressure as certain components of inflation (e.g., shelter), remain high, borrowing costs are elevated, and the job market may weaken.
- The key for US equities going forward will be whether earnings can remain resilient if growth continues to slow. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including the potential for recent strength in the US dollar to persist, higher inflation weighing particularly on Europe, and China's sluggish economic reopening and on-going weakness in the real estate sector. Japan's recent hint at potentially tightening monetary policy along with changes in corporate governance in the country could influence relative results.
- Recent, heightened tensions in Israel could add to overall uncertainty and drive safe haven flows.

Executive Summary

As of September 30, 2023

The value of the San Jose Federated Retiree Health Care Trust's assets was \$364.0 million on September 30, 2023, compared to \$376.3 million at the end of the prior quarter. The Trust had \$0.1 million of net cash outflows for the quarter, and \$12.3 million of investment losses during the three-month period.

→ The Health Care Trust's net of fees performance was -3.3% for the quarter, compared to the Policy Benchmark return of -2.9%. Over the trailing one-year period, the Trust returned +10.1%, outperforming the Policy Benchmark return of 9.7%. The Trust ranked in or near the top third of the peer group for the 1-year, 3-year, 5-year, and since inception periods.

- Growth returned -3.6% for the quarter and +20.4% over the trailing one-year period. The Public Equity Benchmark returned -3.2% for the quarter and +19.9% over the trailing one-year period.
- Low Beta returned +1.3% for the quarter and +4.4% over the trailing one-year period, in line with the ICE Bank of America Merrill Lynch 91 Days T-Bill TR benchmark over the quarter (+1.3%) and the trailing one-year period (+4.5%).
- Other assets returned -3.3% for the quarter and -3.4% over the trailing one-year period, in line with the Other Benchmark over the quarter and outperforming over the trailing one-year period (-4.7%).

→ The Health Care Trust had no manager changes during the quarter.

Third Quarter Manager Summary

Investment Manager	Asset Class	Changes/ Announcements	Meketa Recommendation ¹	Comments
Artisan Global Value	Global Equity	---	---	---
Artisan Global Opportunities	Global Equity	---	Hold	Watch List
BlackRock Core Property	Core Real Estate	---	---	---
Clarion Lion Properties	Core Real Estate	---	Hold	Watch List
Clarion Lion Industrial Trust	Core Real Estate	---	---	---
TA Realty Core Property	Core Real Estate	---	---	---
Credit Suisse Risk Parity	Commodities	---	---	---

¹ The Meketa Investment Group recommendations are based on organizational or resource changes at each manager.

Watch List^{1,2}

Investment Manager	Asset Class	Watch List Status	Comments
Artisan Global Opportunities	Global Equity	Monitoring	Underperformance
Clarion Lion Properties	Core Real Estate	Monitoring	Underperformance

Artisan Global Opportunities

→ Over the three-year period, Artisan (-1.4%) has underperformed the MSCI ACWI Growth NR by 520 basis points. Since inception in July 2020, Artisan has underperformed the benchmark by 430 basis points per year, on average, and ranked in the 86th percentile compared to peers.

Clarion Lion Properties

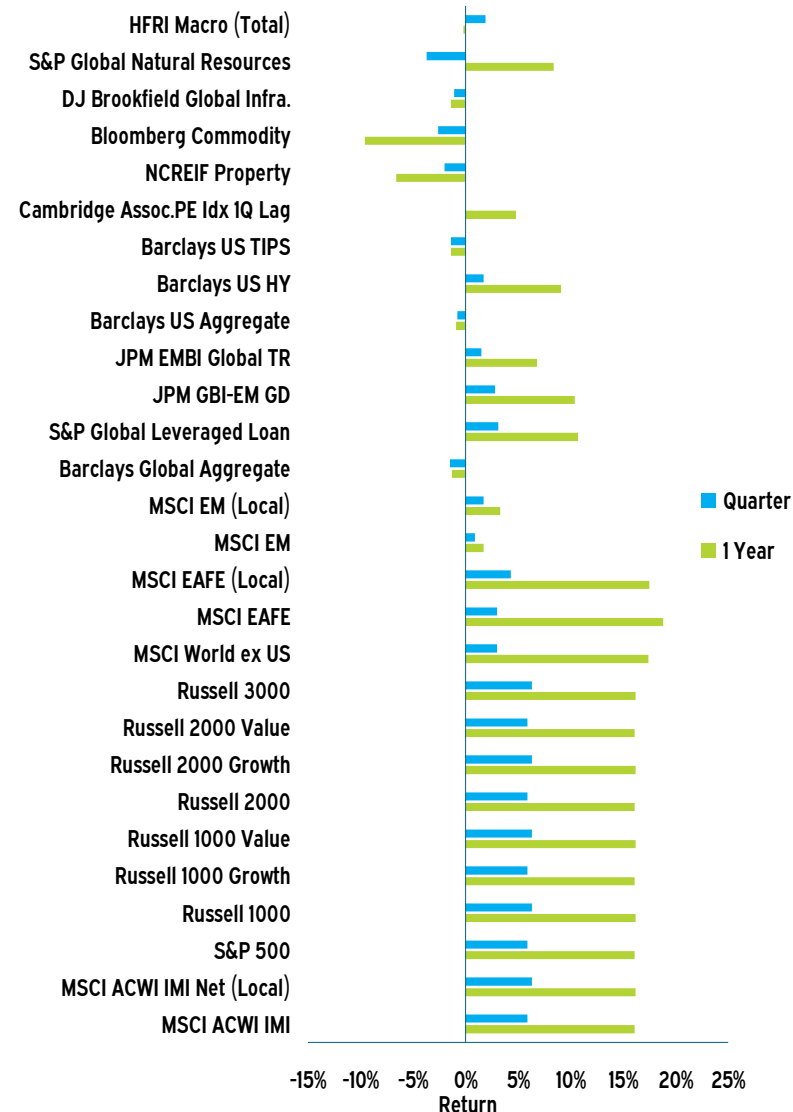
→ Over the three-year period, Clarion Lion (+6.5%) has underperformed the Core Real Estate Benchmark by 40 basis points. Since inception in May 2019, Clarion Lion has outperformed the benchmark by 10 basis points per year, on average.

¹ Watch List excludes Private Markets and Passive Funds.

² Placement on the Watch List includes qualitative reasons and manager underperformance versus the appropriate benchmark over a three and or five year period as outlined in the Investment Policy Statement.

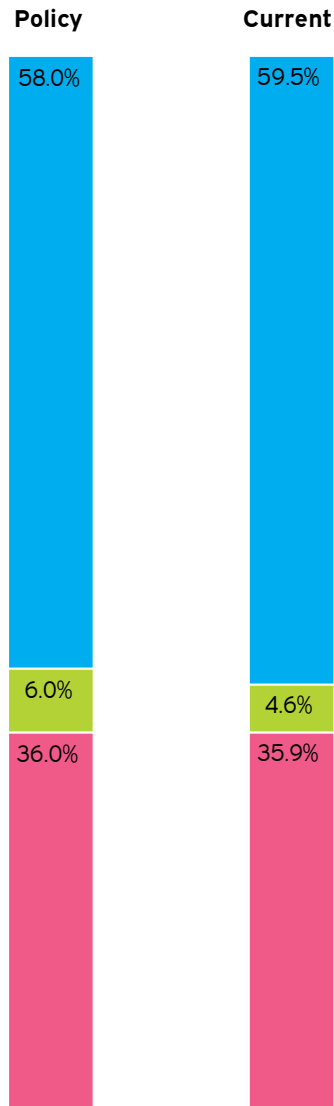
Market Environment – 3Q23 Overview

Benchmark	Scope	3Q23 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Global Equity						
MSCI ACWI IMI	World	-3.4	20.2	6.9	6.1	7.4
MSCI ACWI IMI Net (Local)	World (Local Currency)	6.3	16.2	11.9	8.5	9.7
Domestic Equity						
S&P 500	Large Core	-3.3	21.6	10.1	9.9	11.9
Russell 1000	Large Core	-3.1	21.2	9.5	9.6	11.6
Russell 1000 Growth	Large Growth	-3.1	27.7	8.0	12.4	14.5
Russell 1000 Value	Large Value	-3.2	14.4	11.0	6.2	8.4
Russell 2000	Small Core	-5.1	8.9	7.2	2.4	6.6
Russell 2000 Growth	Small Growth	-7.3	9.6	1.1	1.6	6.7
Russell 2000 Value	Small Value	-3.0	7.8	13.3	2.6	6.2
Russell 3000	All Cap Core	-3.3	20.5	9.4	9.1	11.3
International Equity						
MSCI World ex US	World ex-US	-4.1	24.0	6.1	3.4	3.8
MSCI EAFE	International Developed	-4.1	25.6	5.8	3.2	3.8
MSCI EAFE (Local)	International Developed (Local Currency)	-1.3	20.3	10.8	5.6	6.8
MSCI EM	Emerging Markets	-2.9	11.7	-1.7	0.6	2.1
MSCI EM (Local)	Emerging Markets (Local Currency)	-1.4	10.9	0.6	2.7	4.9
Global Fixed Income						
Barclays Global Aggregate	Global Core Bonds	-3.6	2.2	-6.9	-1.6	-0.4
S&P Global Leveraged Loan	Bank Loans	3.4	13.0	6.1	4.2	3.9
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	-0.7	9.0	-0.5	3.8	4.9
JPM EMBI Global TR	Emerging Market Bonds	-2.6	8.6	-4.3	-0.1	2.2
Domestic Fixed Income						
Barclays US Aggregate	Core Bonds	-3.2	0.6	-5.2	0.1	1.1
Barclays US HY	High Yield	0.5	10.3	1.8	3.0	4.2
Barclays US TIPS	Inflation	-2.6	1.2	-2.0	2.1	1.7
Other						
Cambridge Associates PE Index 1Qtr Lag	Private Equity	0.0	4.8	24.8	22.1	18.1
NCREIF Property	Real Estate	-1.4	-8.4	6.0	5.3	7.4
Bloomberg Commodity	Commodities	4.7	-1.3	16.2	6.1	-0.7
DJ Brookfield Global Infrastructure	Infrastructure	-8.0	2.1	3.8	3.3	4.7
S&P Global Natural Resources	Natural Resources	3.7	17.8	19.2	6.4	5.2
HFRI Macro	Hedge Funds	1.3	-0.9	7.4	5.3	3.4



3Q23 Review

Total Fund | As of September 30, 2023



Allocation vs. Targets and Policy			
	Current Balance (\$)	Current Allocation (%)	Policy (%)
Growth	216,559,404	59.5	58.0
Public Equity	216,559,404	59.5	58.0
Low Beta	16,882,133	4.6	6.0
Short-Term IG Bonds	13,366,627	3.7	6.0
Cash	3,515,506	1.0	0.0
Other	130,538,248	35.9	36.0
Core Real Estate	47,861,666	13.1	12.0
Commodities	18,357,828	5.0	5.0
Investment Grade Bonds	48,869,404	13.4	14.0
Long-Term Government Bonds	15,449,350	4.2	5.0
Total	363,979,785	100.0	100.0

Asset Class Net Performance Summary									
	Market Value \$	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	S.I. (%)	Inception Date
Total Fund Aggregate	363,979,785	100.0	-3.3	3.1	10.1	3.7	3.6	4.3	Jul-11
<i>Policy Benchmark</i>			-2.9	3.1	9.7	4.0	4.0	4.7	
<i>InvMetrics Health & Welfare Net Median</i>			-1.9	3.1	6.2	1.6	3.2	3.9	
<i>InvMetrics Health & Welfare Net Rank</i>			96	50	13	8	33	39	
Growth	216,559,404	59.5	-3.6	8.7	20.4	5.5	4.8	8.3	Dec-11
<i>Public Equity Benchmark</i>			-3.2	8.8	19.9	6.0	5.8	8.7	
Public Equity	216,559,404	59.5	-3.6	8.7	20.4	5.5	4.8	8.3	Dec-11
<i>Public Equity Benchmark</i>			-3.2	8.8	19.9	6.0	5.8	8.7	
Global Equity	34,901,968	9.6	-4.2	11.0	22.4	5.2	2.5	4.8	Jul-15
<i>MSCI AC World IMI (Net)</i>			-3.4	9.4	20.2	6.9	6.1	7.2	
U.S. Equity	93,429,735	25.7	-3.3	12.2	20.3	9.5	9.0	10.3	Jul-15
<i>Russell 3000 Index</i>			-3.3	12.4	20.5	9.4	9.1	10.7	
International Equity	49,076,250	13.5	-4.1	6.8	26.5	5.9	3.4	4.2	Jul-15
<i>MSCI EAFE (Net)</i>			-4.1	7.1	25.6	5.8	3.2	3.9	
Emerging Markets Equity	39,151,452	10.8	-3.1	1.5	11.9	-2.3	0.2	1.6	Jul-15
<i>MSCI Emerging Markets (Net)</i>			-2.9	1.8	11.7	-1.7	0.6	2.2	

Fiscal Year begins July 1.

Please see the Appendix for composition of the Policy Benchmark and Public Equity Benchmark.

Total Fund | As of September 30, 2023

	Market Value \$	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	S.I. (%)	Inception Date
Low Beta	16,882,133	4.6	1.3	3.5	4.4	1.7	1.7	0.9	Jul-11
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	0.9	
Cash	3,515,506	1.0	1.2	2.4	3.3	1.3	1.3	0.7	Jul-11
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	0.9	
Short-Term IG Bonds	13,366,627	3.7	1.3	3.8	4.8	1.9	1.8	1.8	Oct-18
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	1.7	
Other	130,538,248	35.9	-3.3	-5.3	-3.4	3.3	3.1	2.6	Jul-15
Other Benchmark			-3.3	-5.7	-4.7	3.4	1.9	2.3	
Core Real Estate	47,861,666	13.1	-3.2	-10.4	-9.4	8.7	7.0	7.0	Jul-15
Core Real Estate Benchmark			-2.9	-11.0	-10.7	6.9	5.2	6.4	
Commodities	18,357,828	5.0	4.7	1.1	9.1	14.4	8.2	2.7	Jan-15
Bloomberg Commodity Index Total Return			4.7	-3.4	-1.3	16.2	6.1	1.4	
Investment Grade Bonds	48,869,404	13.4	-3.3	-1.2	0.7	--	--	-6.1	Jun-21
Blmbg. U.S. Aggregate Index			-3.2	-1.2	0.6	--	--	-6.0	
Long-Term Government Bonds	15,449,350	4.2	-11.8	-8.1	-9.0	--	--	-14.4	Jun-21
Blmbg. U.S. Treasury: Long			-11.8	-8.6	-9.1	--	--	-14.5	

Please see the Appendix for composition of the Other Benchmark.

Total Fund | As of September 30, 2023

	Market Value \$	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund Aggregate	363,979,785	100.0	-3.3	3.1	10.1	3.7	3.6	3.8	4.3	Jul-11
Policy Benchmark			-2.9	3.1	9.7	4.0	4.0	4.6	4.7	
InvMetrics Health & Welfare Net Median			-1.9	3.1	6.2	1.6	3.2	3.9	3.9	
InvMetrics Health & Welfare Net Rank			96	50	13	8	33	54	39	
Growth	216,559,404	59.5	-3.6	8.7	20.4	5.5	4.8	6.6	8.3	Dec-11
Public Equity Benchmark			-3.2	8.8	19.9	6.0	5.8	7.2	8.7	
Public Equity	216,559,404	59.5	-3.6	8.7	20.4	5.5	4.8	6.6	8.3	Dec-11
Public Equity Benchmark			-3.2	8.8	19.9	6.0	5.8	7.2	8.7	
Global Equity	34,901,968	9.6	-4.2	11.0	22.4	5.2	2.5	--	4.8	Jul-15
MSCI AC World IMI (Net)			-3.4	9.4	20.2	6.9	6.1	7.4	7.2	
Artisan Global Value	18,364,774	5.0	-3.0	12.6	28.3	11.3	5.4	--	6.2	Jun-15
MSCI AC World Index Value (Net)			-1.8	2.4	17.0	9.7	4.0	5.3	4.7	
eV All Global Equity Median			-4.2	7.0	19.5	6.1	6.1	7.3	6.6	
eV All Global Equity Rank			29	16	9	13	62	--	58	
Artisan Global Opportunities	16,537,194	4.5	-5.6	9.0	15.4	-1.4	--	--	2.8	Jul-20
MSCI AC World Index Growth (Net)			-4.9	18.2	24.4	3.8	8.4	9.5	7.1	
eV All Global Equity Median			-4.2	7.0	19.5	6.1	6.1	7.3	8.1	
eV All Global Equity Rank			71	38	70	92	--	--	86	
U.S. Equity	93,429,735	25.7	-3.3	12.2	20.3	9.5	9.0	--	10.3	Jul-15
Russell 3000 Index			-3.3	12.4	20.5	9.4	9.1	11.3	10.7	
Northern Trust Russell 3000	93,429,735	25.7	-3.3	12.2	20.3	9.3	9.1	--	10.3	Jun-15
Russell 3000 Index			-3.3	12.4	20.5	9.4	9.1	11.3	10.3	

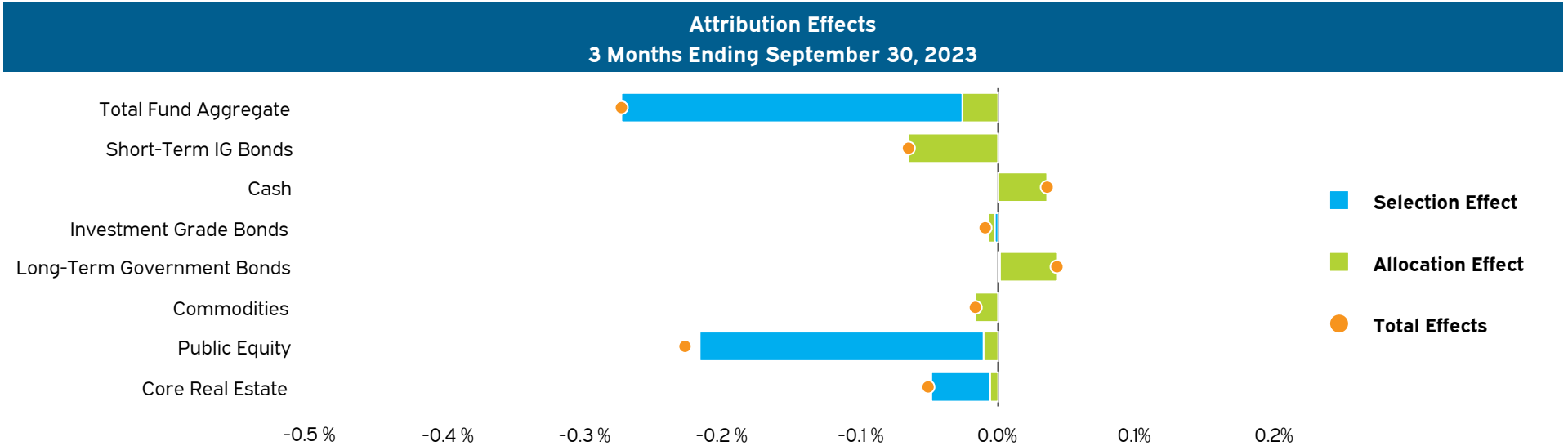
Total Fund | As of September 30, 2023

	Market Value \$	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity	49,076,250	13.5	-4.1	6.8	26.5	5.9	3.4	--	4.2	Jul-15
MSCI EAFE (Net)			-4.1	7.1	25.6	5.8	3.2	3.8	3.9	
Northern Trust EAFE Index	49,076,250	13.5	-4.1	6.8	26.5	5.9	3.4	--	4.1	Jul-15
MSCI EAFE (Net)			-4.1	7.1	25.6	5.8	3.2	3.8	3.9	
Emerging Markets Equity	39,151,452	10.8	-3.1	1.5	11.9	-2.3	0.2	--	1.6	Jul-15
MSCI Emerging Markets (Net)			-2.9	1.8	11.7	-1.7	0.6	2.1	2.2	
Northern Trust MSCI EM	39,151,452	10.8	-3.1	1.5	11.9	-2.3	0.2	--	0.2	Sep-18
MSCI Emerging Markets (Net)			-2.9	1.8	11.7	-1.7	0.6	2.1	0.4	
Low Beta	16,882,133	4.6	1.3	3.5	4.4	1.7	1.7	1.1	0.9	Jul-11
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	1.1	0.9	
Cash	3,515,506	1.0	1.2	2.4	3.3	1.3	1.3	0.9	0.7	Jul-11
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	1.1	0.9	
Short-Term IG Bonds	13,366,627	3.7	1.3	3.8	4.8	1.9	1.8	--	1.8	Oct-18
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	1.1	1.7	
BlackRock 3-Month T-Bill	13,366,627	3.7	1.3	3.8	4.8	1.9	1.8	--	1.8	Oct-18
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	1.1	1.7	
Other	130,538,248	35.9	-3.3	-5.3	-3.4	3.3	3.1	--	2.6	Jul-15
Other Benchmark			-3.3	-5.7	-4.7	3.4	1.9	--	2.3	
Core Real Estate	47,861,666	13.1	-3.2	-10.4	-9.4	8.7	7.0	--	7.0	Jul-15
Core Real Estate Benchmark			-2.9	-11.0	-10.7	6.9	5.2	--	6.4	

Total Fund | As of September 30, 2023

	Market Value \$	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
BlackRock Core Property Fund	9,094,914	2.5	-4.5	-11.9	-10.7	8.5	--	--	6.9	Feb-19
Core Real Estate Benchmark 2			-2.9	-11.0	-10.7	6.9	--	--	5.1	
Clarion Lion Properties Fund	13,383,516	3.7	-6.2	-15.9	-15.6	6.5	--	--	5.3	May-19
Core Real Estate Benchmark			-2.9	-11.0	-10.7	6.9	5.2	--	5.2	
Clarion Lion Industrial Trust	4,734,517	1.3	-0.8	-3.1	1.3	--	--	--	14.7	Oct-21
Core Real Estate Benchmark 3			-2.9	-11.0	-10.7	--	--	--	3.8	
TA Realty Core Property Fund	20,648,720	5.7	-1.2	-7.3	-6.1	--	--	--	7.8	Oct-21
Core Real Estate Benchmark 3			-2.9	-11.0	-10.7	--	--	--	3.8	
Commodities	18,357,828	5.0	4.7	1.1	9.1	14.4	8.2	--	2.7	Jan-15
Bloomberg Commodity Index Total Return			4.7	-3.4	-1.3	16.2	6.1	-0.7	1.4	
BlackRock Commodities Index	18,357,828	5.0	4.7	--	--	--	--	--	4.9	Mar-23
Investment Grade Bonds	48,869,404	13.4	-3.3	-1.2	0.7	--	--	--	-6.1	Jun-21
Blmbg. U.S. Aggregate Index			-3.2	-1.2	0.6	-5.2	0.1	1.1	-6.0	
Northern Trust Core Bonds	48,869,404	13.4	-3.3	-1.2	0.7	--	--	--	-6.1	Jun-21
Blmbg. U.S. Aggregate Index			-3.2	-1.2	0.6	-5.2	0.1	1.1	-6.0	
Long-Term Government Bonds	15,449,350	4.2	-11.8	-8.1	-9.0	--	--	--	-14.4	Jun-21
Blmbg. U.S. Treasury: Long			-11.8	-8.6	-9.1	-15.7	-2.8	0.8	-14.5	
BlackRock Long Treasury	15,449,350	4.2	-11.8	-8.1	-9.0	--	--	--	-16.2	Jul-21
Blmbg. U.S. Treasury: Long			-11.8	-8.6	-9.1	-15.7	-2.8	0.8	-16.3	

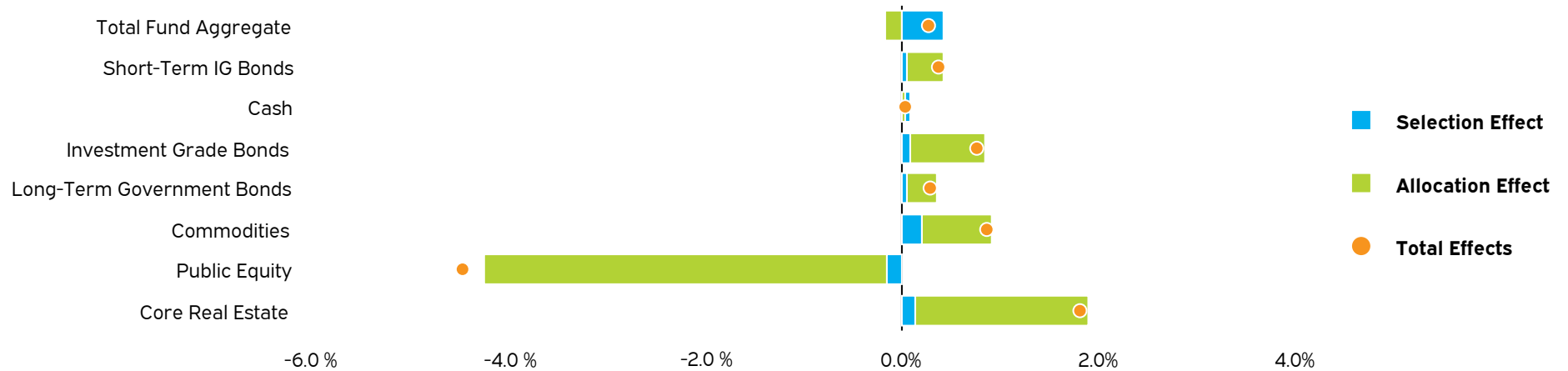
Cash Flow Summary QTD Ending September 30, 2023						
	Beginning Market Value	Contributions	Distributions	Net Cash Flow	Net Investment Change	Ending Market Value
Artisan Global Value	18,927,350	-	-	-	-562,576	18,364,774
Artisan Global Opportunities	17,519,772	-	-	-	-982,578	16,537,194
Northern Trust Russell 3000	96,576,217	-	-6,036	-6,036	-3,140,445	93,429,735
Northern Trust EAFE Index	51,168,716	-	-3,838	-3,838	-2,088,629	49,076,250
Northern Trust MSCI EM	40,404,943	-	-9,596	-9,596	-1,243,895	39,151,452
Internal Cash Account	3,128,235	7,012,669	-6,673,197	339,472	47,799	3,515,506
BlackRock 3-Month T-Bill	13,194,043	-	-	-	172,584	13,366,627
BlackRock Core Property Fund	9,572,082	-	-51,218	-51,218	-425,950	9,094,914
Clarion Lion Properties Fund	14,355,448	-	-93,409	-93,409	-878,523	13,383,516
Clarion Lion Industrial Trust	4,792,053	-	-18,345	-18,345	-39,191	4,734,517
TA Realty Core Property Fund	21,107,924	-	-208,573	-208,573	-250,631	20,648,720
BlackRock Commodities Index	17,533,532	-	-	-	824,296	18,357,828
Northern Trust Core Bonds	50,521,048	-	-	-	-1,651,643	48,869,404
BlackRock Long Treasury	17,521,313	-	-	-	-2,071,963	15,449,350
Total	376,322,675	7,012,669	-7,064,212	-51,543	-12,291,346	363,979,785



Attribution Summary 3 Months Ending September 30, 2023						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
Short-Term IG Bonds	1.3	1.3	0.0	0.0	-0.1	-0.1
Cash	1.2	1.3	-0.2	0.0	0.0	0.0
Investment Grade Bonds	-3.3	-3.2	0.0	0.0	0.0	0.0
Long-Term Government Bonds	-11.8	-11.8	0.0	0.0	0.0	0.0
Commodities	4.7	4.7	0.0	0.0	0.0	0.0
Public Equity	-3.6	-3.2	-0.4	-0.2	0.0	-0.2
Core Real Estate	-3.2	-2.9	-0.3	0.0	0.0	-0.1
Total Fund Aggregate	-3.3	-3.0	-0.3	-0.2	0.0	-0.3

Difference in attribution returns and returns in performance summary may occur as a result of the different calculation methodologies that are applied by Paris. Selection effect for each asset class includes prorated residual effects of total portfolio timing and trading.

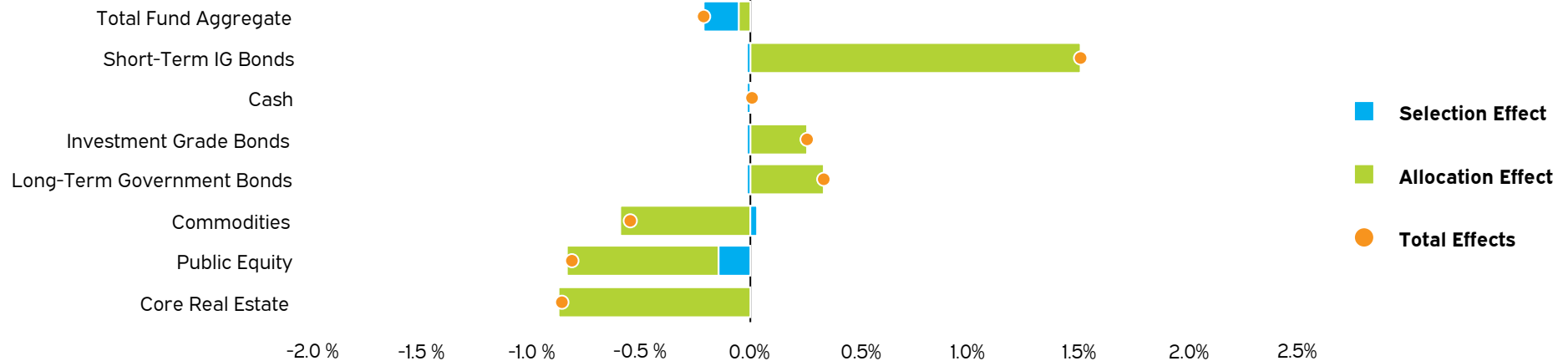
Attribution Attribution Effects 1 Year Ending September 30, 2023



Attribution Summary 1 Year Ending September 30, 2023

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
Short-Term IG Bonds	4.8	4.5	0.4	0.1	0.4	0.4
Cash	3.3	4.5	-1.2	0.0	0.0	0.0
Investment Grade Bonds	0.7	0.6	0.0	0.1	0.8	0.8
Long-Term Government Bonds	-9.0	-9.1	0.1	0.1	0.3	0.3
Commodities	9.1	-1.3	10.4	0.2	0.7	0.9
Public Equity	20.4	19.9	0.5	-0.2	-4.1	-4.5
Core Real Estate	-9.4	-10.7	1.3	0.1	1.8	1.8
Total Fund Aggregate	10.1	9.9	0.3	0.1	-0.2	0.3

Attribution Attribution Effects 3 Years Ending September 30, 2023

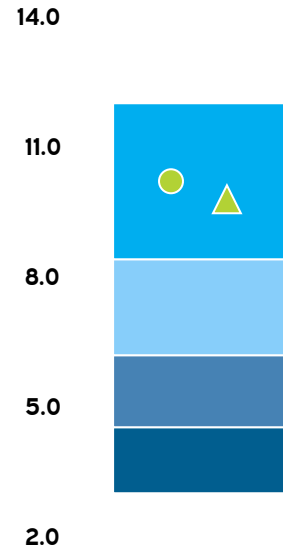


Attribution Summary 3 Years Ending September 30, 2023

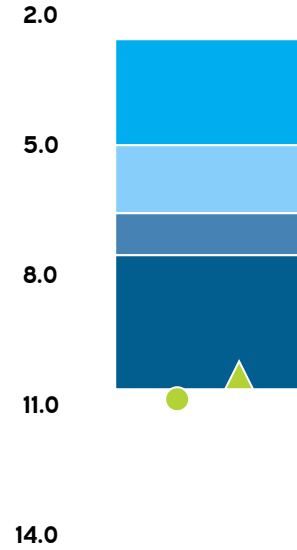
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
Short-Term IG Bonds	1.9	1.7	0.2	0.0	1.5	1.5
Cash	1.3	1.7	-0.4	0.0	0.0	0.0
Investment Grade Bonds	-4.8	-5.2	0.4	0.0	0.3	0.3
Long-Term Government Bonds	-11.4	-15.7	4.4	0.0	0.3	0.3
Commodities	14.4	16.2	-1.8	0.0	-0.6	-0.5
Public Equity	5.5	6.0	-0.5	-0.1	-0.7	-0.8
Core Real Estate	8.7	6.9	1.8	0.0	-0.9	-0.9
Total Fund Aggregate	3.7	3.9	-0.2	-0.1	-0.1	-0.2

Total Fund | As of September 30, 2023

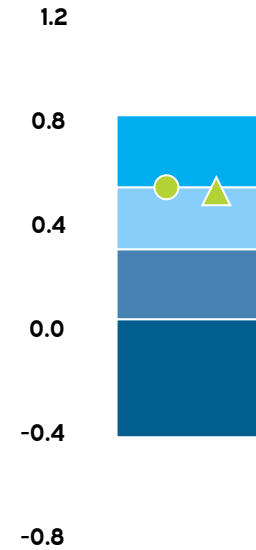
Annualized Return (%) Trailing 1 Year



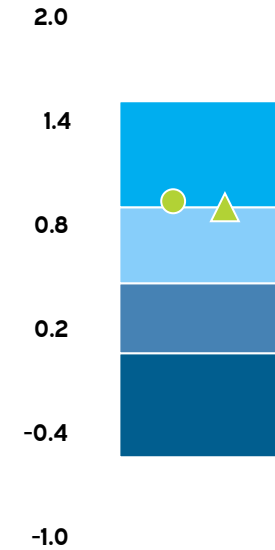
Annualized St. Dev. Trailing 1 Year



Sharpe Ratio Trailing 1 Year



Sortino Ratio Trailing 1 Year



Total Fund Aggregate 10.1 (13)
Policy Benchmark 9.7 (15)

5th Percentile 2.0
1st Quartile 4.0
Median 6.2
3rd Quartile 8.4
95th Percentile 12.0

Total Fund Aggregate 10.9 (96)
Policy Benchmark 10.3 (93)

5th Percentile 2.6
1st Quartile 5.1
Median 6.6
3rd Quartile 7.6
95th Percentile 10.7

Total Fund Aggregate 0.5 (25)
Policy Benchmark 0.5 (27)

5th Percentile 0.8
1st Quartile 0.5
Median 0.3
3rd Quartile 0.0
95th Percentile -0.4

Total Fund Aggregate 0.9 (23)
Policy Benchmark 0.9 (26)

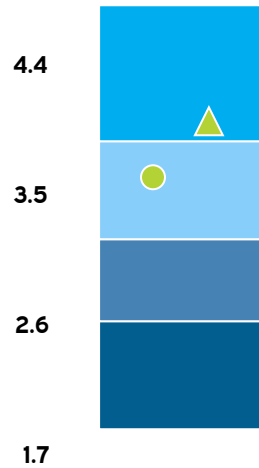
5th Percentile 1.5
1st Quartile 0.9
Median 0.5
3rd Quartile 0.0
95th Percentile -0.6

Data are compared to the InvMetrics Health & Welfare Net Universe. Parentheses contain percentile rankings.

Total Fund | As of September 30, 2023

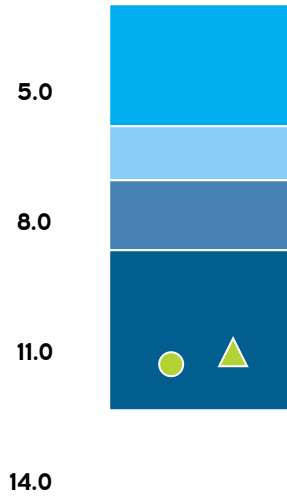
Annualized Return (%) Trailing 5 Years

5.3



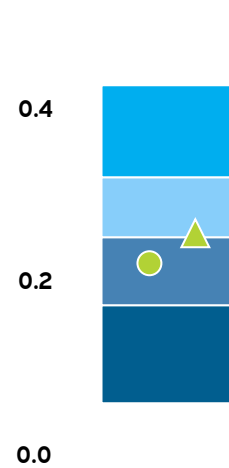
Annualized St. Dev. Trailing 5 Years

2.0



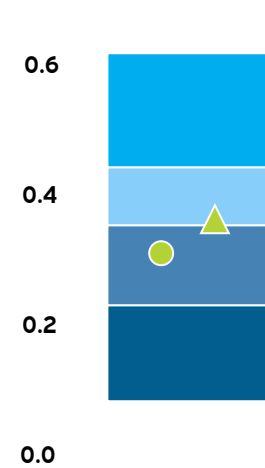
Sharpe Ratio Trailing 5 Years

0.6



Sortino Ratio Trailing 5 Years

0.8



Total Fund Aggregate 3.6 (33)
Policy Benchmark 4.0 (23)

5th Percentile 4.8
1st Quartile 3.9
Median 3.2
3rd Quartile 2.6
95th Percentile 1.9

Total Fund Aggregate 11.3 (90)
Policy Benchmark 11.1 (90)

5th Percentile 3.0
1st Quartile 5.8
Median 7.1
3rd Quartile 8.7
95th Percentile 12.4

Total Fund Aggregate 0.2 (56)
Policy Benchmark 0.3 (49)

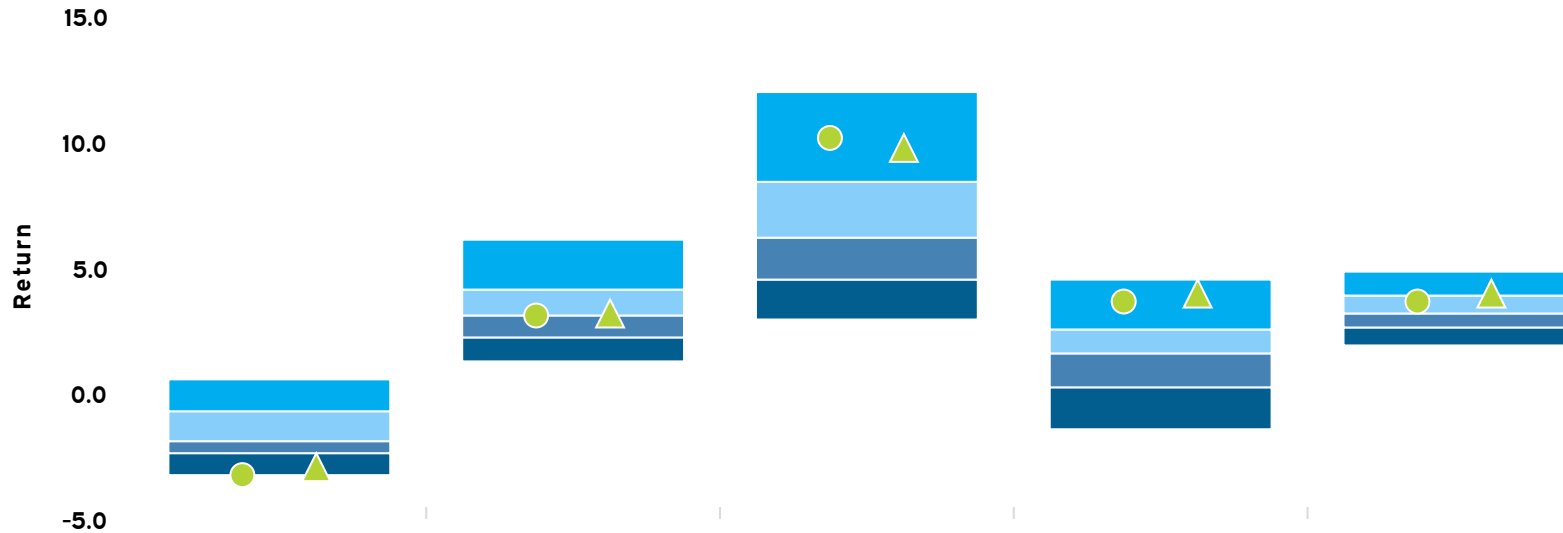
5th Percentile 0.4
1st Quartile 0.3
Median 0.3
3rd Quartile 0.2
95th Percentile 0.1

Total Fund Aggregate 0.3 (56)
Policy Benchmark 0.4 (48)

5th Percentile 0.6
1st Quartile 0.4
Median 0.4
3rd Quartile 0.2
95th Percentile 0.1

Data are compared to the InvMetrics Health & Welfare Net Universe. Parentheses contain percentile rankings.

InvMetrics Health & Welfare Net (net of fees) Return Comparison Ending September 30, 2023

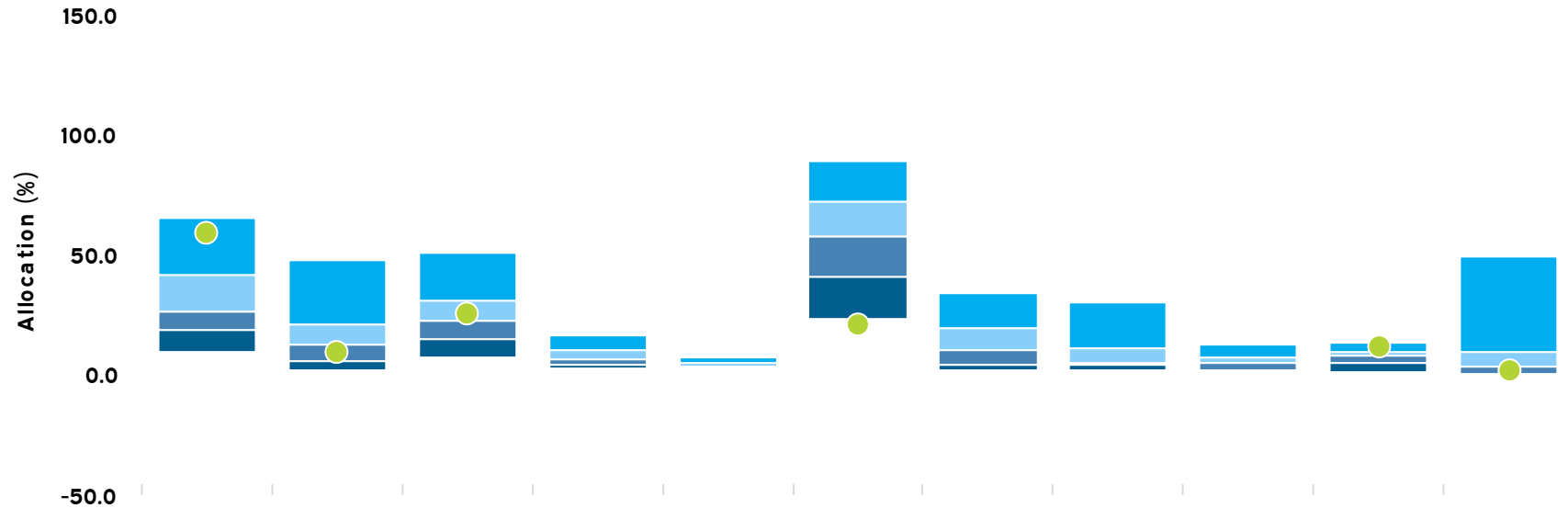


	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
● Total Fund Aggregate	-3.3 (96)	3.1 (50)	10.1 (13)	3.7 (8)	3.6 (33)
▲ Policy Benchmark	-2.9 (88)	3.1 (50)	9.7 (15)	4.0 (7)	4.0 (23)
5th Percentile	0.6	6.1	12.0	4.5	4.8
1st Quartile	-0.7	4.1	8.4	2.6	3.9
Median	-1.9	3.1	6.2	1.6	3.2
3rd Quartile	-2.4	2.2	4.5	0.2	2.6
95th Percentile	-3.2	1.3	3.0	-1.4	1.9
Population	109	108	107	103	102

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Total Fund | As of September 30, 2023

Total Plan Allocation vs. InvMetrics Health & Welfare Net As of September 30, 2023



	Total Equity	Global Equity	US Equity	Dev'd ex-US Equity	Emg Mkt Equity	Total Fixed Income	Alternatives	Real Assets/Commod	Real Estate - Public	Real Estate - Private	Cash & Equivalents
● Total Fund Aggregate	59.5 (11)	9.6 (60)	25.7 (37)	-	-	21.3 (97)	-	-	-	11.8 (16)	2.3 (57)
5th Percentile	65.3	47.4	51.1	16.1	7.1	89.3	34.2	30.0	12.8	13.7	49.4
1st Quartile	41.5	20.6	31.0	10.1	5.2	72.4	19.5	11.2	7.1	9.3	9.6
Median	26.6	12.2	22.4	6.3	3.7	57.7	10.3	5.1	4.6	8.0	3.2
3rd Quartile	18.9	5.8	14.9	4.0	2.8	40.8	4.6	4.1	2.3	4.9	0.5
95th Percentile	9.2	1.6	7.0	2.4	2.0	23.0	1.7	1.9	1.6	1.0	0.0
Population	300	41	280	17	33	340	72	41	24	37	197

Parentheses contain percentile rankings.

Benchmark History

Total Fund Aggregate

5/1/2022	Present	30% Russell 3000 / 16% MSCI EAFE / 12% MSCI Emerging Markets / 6% ICE BofA 91 Days T-Bills TR / 14% Bloomberg US Aggregate TR / 5% Bloomberg US Treasury Long TR / 12% Core Real Estate Benchmark / 5% Bloomberg Commodity Index TR USD
5/1/2021	4/30/2022	30% Russell 3000 / 14% MSCI EAFE / 15% MSCI Emerging Markets / 21% 91 Day T-Bills / 2.5% Bloomberg US Aggregate TR / 2.5% Bloomberg US Treasury Long TR / 10% Core Real Estate Benchmark / 5% Bloomberg Commodity Index TR USD
10/1/2018	4/30/2021	28% Russell 3000 / 13% MSCI EAFE / 15% MSCI Emerging Markets / 29% ICE BofA 91 Days T-Bills TR / 10% NCREIF ODCE Equal Weighted / 5% Bloomberg Commodity Index TR USD
5/1/2018	9/30/2018	55% MSCI ACWI IMI Net USD / 28% Bloomberg Global Aggregate TR / 5% Bloomberg Commodity Index TR USD / 4% S&P Global Natural Resources Index TR USD / 8% NCREIF ODCE Equal Weighted (Net)
7/1/2011	4/30/2018	46.7% MSCI ACWI IMI Net USD / 30.3% Bloomberg Global Aggregate TR / 6% Bloomberg Commodity Index TR USD / 5% S&P Global Natural Resources Index TR USD / 7% NCREIF ODCE Equal Weighted (Net) / 5% DJ Brookfield Global Infrastructure Net TR USD

Growth

5/1/2022	Present	51.7% Russell 3000 / 27.61% MSCI EAFE / 20.7% MSCI Emerging Markets
10/1/2018	4/30/2022	50% Russell 3000 / 23.21% MSCI EAFE / 26.79% MSCI Emerging Markets
12/1/2011	9/30/2018	MSCI ACWI IMI Net USD

Public Equity

5/1/2022	Present	51.7% Russell 3000 / 27.61% MSCI EAFE / 20.7% MSCI Emerging Markets
10/1/2018	4/30/2022	50% Russell 3000 / 23.21% MSCI EAFE / 26.79% MSCI Emerging Markets
12/1/2011	9/30/2018	MSCI ACWI IMI Net USD

Global Equity

7/1/2015	Present	MSCI ACWI IMI Net USD
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U.S. Equity

7/1/2015	Present	Russell 3000
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International Equity

7/1/2015	Present	MSCI EAFE
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Emerging Markets Equity

7/1/2015	Present	MSCI Emerging Markets
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Low Beta

7/1/2011	Present	ICE BofA 91 Days T-Bills TR
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Cash		
7/1/2011	Present	ICE BofA 91 Days T-Bills TR
Short-Term IG Bonds		
10/1/2018	Present	ICE BofA 91 Days T-Bills TR
Other		
5/1/2021	Present	12.5% Bloomberg US Aggregate TR / 12.5% Bloomberg US Treasury Long TR / 50% Core Real Estate Benchmark / 25% Bloomberg Commodity Index TR USD
10/1/2018	4/30/2021	66.67% NCREIF-ODCE / 33.33% Bloomberg Commodity Index TR USD
5/1/2018	9/30/2018	62.22% Bloomberg Global Aggregate TR / 17.78% NCREIF Property Index / 11.11% Bloomberg Commodity Index TR USD / 88.9% S&P Global Natural Resources Index TR USD
7/1/2015	4/30/2018	56.85% Bloomberg Global Aggregate TR / 13.13% NCREIF Property Index / 11.26% Bloomberg Commodity Index TR USD / 93.8% S&P Global Natural Resources Index TR USD / 93.8% DJ Brookfield Global Infrastructure Net TR USD
Core Real Estate		
7/1/2015	Present	Core Real Estate Benchmark
Commodities		
1/1/2015	Present	Bloomberg Commodity Index TR USD
Natural Resources		
6/1/2015	Present	S&P Global Natural Resources Index TR USD
Infrastructure		
6/1/2015	Present	DJ Brookfield Global Infrastructure Net TR USD
Investment Grade Bonds		
6/1/2021	Present	Bloomberg US Aggregate TR
TIPS		
3/1/2017	Present	100% Bloomberg US Treasury TIPS 0-5 Yr TR
Long-Term Government Bonds		
6/1/2021	Present	Bloomberg US Treasury Long TR

Glossary and Notes

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} \times (\text{market return} - \text{Risk Free Rate})]$.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.

The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.