

## City of San Jose Police and Fire Department Retirement Plan Health Care Trust

As of March 31, 2024

Quarterly Review

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# **Economic and Market Update**

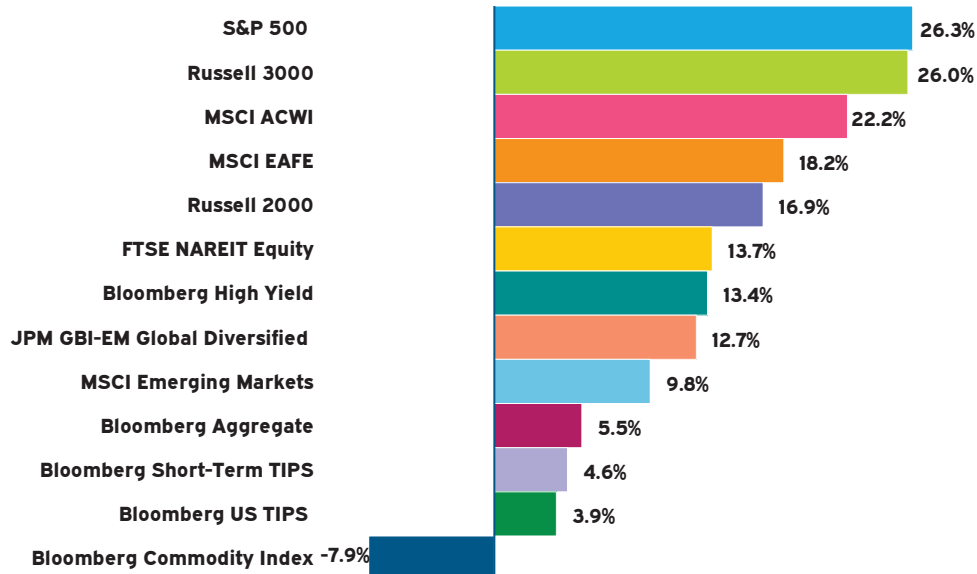
Data as of March 31, 2024

### Commentary

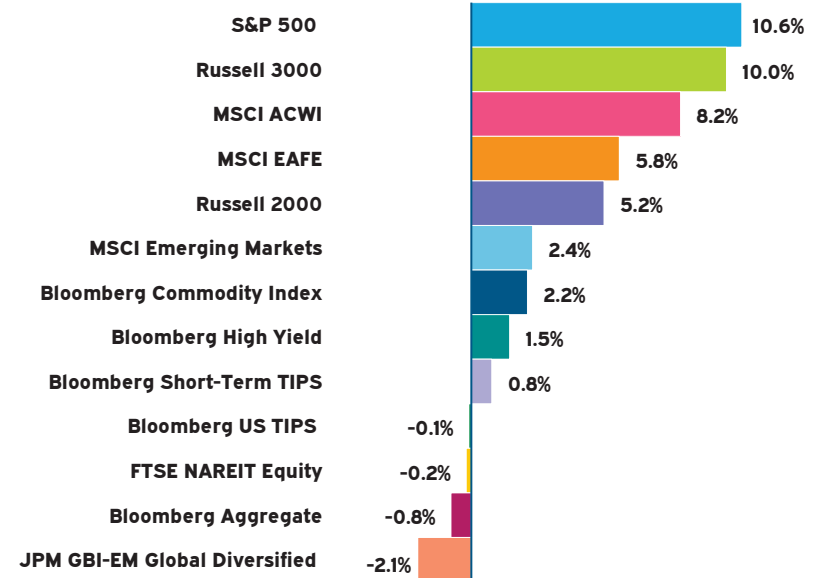
- Resilient economic data drove global equities higher and pushed out the timing of the expected first Fed rate cut, weighing on bonds.
- Major central banks have largely paused interest rate hikes with expectations that many will still cut rates, but the uneven pace of falling inflation and economic growth could desynchronize the pace of rate cuts.
  - In general, inflation pressures have eased in most countries from their pandemic peaks, but some uncertainty remains and levels are still above most central bank targets. Headline inflation in the US rose in March (3.2% to 3.5%) by more than expected, while core inflation was unchanged (3.8%) when it was predicted to decline to 3.7%. Notably, prices in China were up only slightly in March, as the impacts of the recent holiday faded.
  - US equity markets (Russell 3000 index) rose 10.0% in the first quarter after a very strong 2023 (+26.0%). The technology sector continued to perform well, with energy gaining on geopolitical tensions.
  - Non-US developed equity markets increased 5.8% in the quarter, helped by Japanese equities which hit multi-decade highs. A strengthening US dollar drove the weaker relative results for US investors with returns in local currency terms 4.2% higher (10.0% versus 5.8%).
  - Emerging market equities (+2.4%) had the weakest equity returns, depressed by China (-2.2%). While policy efforts to support mainland stock prices helped to stabilize Chinese equities, recent efforts by the US to discourage investments in China weighed on results. The stronger dollar also hurt performance in emerging markets for US investors with returns in local currency terms 2.1% higher.
  - Rising interest rates weighed on bonds with the broad US bond market declining 0.8% for the quarter.
- Looking to the rest of this year, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, the many looming elections, and the wars in Ukraine and Israel will be key.

### Index Returns<sup>1</sup>

2023



Q1 2024



→ In the first quarter, global equity markets continued their strong performance from 2023 with the US leading the way.

→ Resilient economic data weighed on bond markets domestically and dashed hopes of a near-term cut in interest rates.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2024.

Domestic Equity Returns<sup>1</sup>

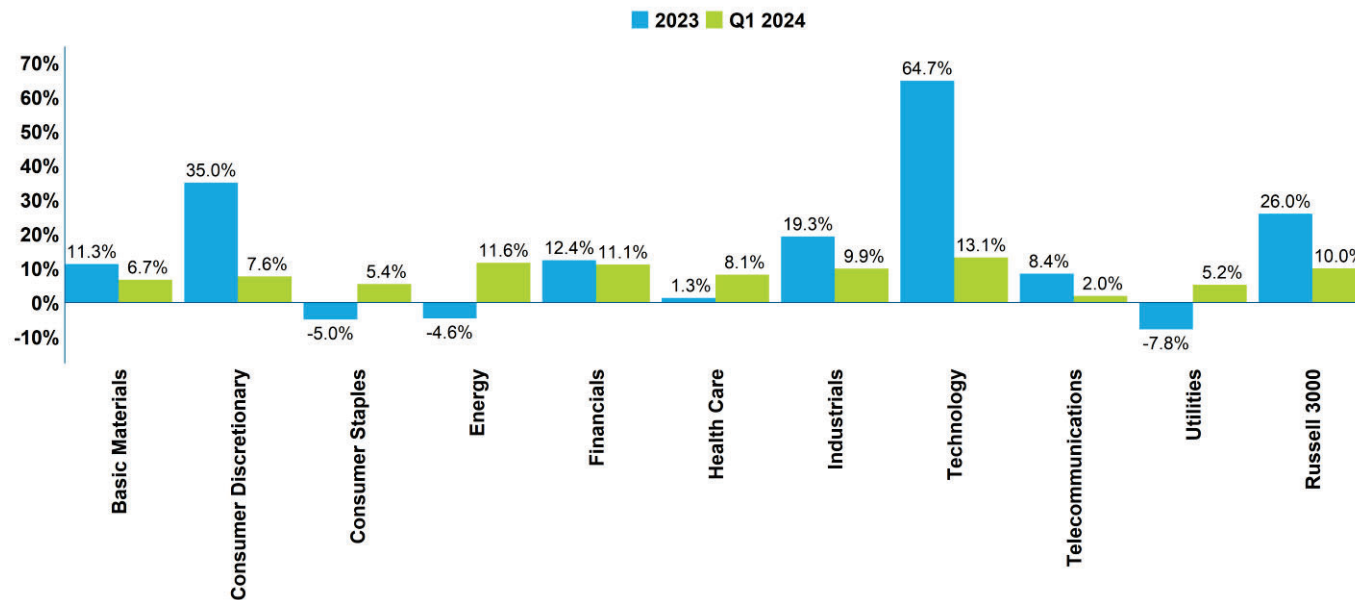
Domestic Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	3.2	10.6	29.9	11.5	15.1	13.0
Russell 3000	3.2	10.0	29.3	9.8	14.3	12.3
Russell 1000	3.2	10.3	29.9	10.5	14.8	12.7
Russell 1000 Growth	1.8	11.4	39.0	12.5	18.5	16.0
Russell 1000 Value	5.0	9.0	20.3	8.1	10.3	9.0
Russell MidCap	4.3	8.6	22.3	6.1	11.1	9.9
Russell MidCap Growth	2.4	9.5	26.3	4.6	11.8	11.4
Russell MidCap Value	5.2	8.2	20.4	6.8	9.9	8.6
Russell 2000	3.6	5.2	19.7	-0.1	8.1	7.6
Russell 2000 Growth	2.8	7.6	20.3	-2.7	7.4	7.9
Russell 2000 Value	4.4	2.9	18.8	2.2	8.2	6.9

**US Equities: The Russell 3000 increased an impressive 10.0% in the first quarter of the year.**

- US equities continued their ascent after a strong finish to 2023. The gains were driven by strong economic data and corporate earnings, despite signs of interest rates remaining higher for longer.
- Growth stocks outperformed value stocks across the market cap spectrum. Technology stocks continued to be a key driver of results, with NVIDIA and Microsoft alone contributing nearly 30% of the quarter's gains.
- Large cap stocks produced almost double the return of their small cap peers during the first quarter. The underperformance of small cap financials contributed to this dynamic as fear of further turmoil for regional banks resurfaced.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2024.

### Russell 3000 Sector Returns<sup>1</sup>



- All sectors posted positive returns in the first quarter. The technology sector (13.1%) continued to lead the way due to the influence of the so-called “Magnificent Seven”.
- Technology was followed by energy (11.6%) and financials (11.1%), driven respectively by increased geopolitical tensions and the strong economic environment. Traditionally defensive sectors like consumer staples (5.4%) and utilities (5.2%) joined the rally but trailed other sectors.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2024.

Foreign Equity Returns<sup>1</sup>

Foreign Equity	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	3.1	4.7	13.3	1.9	6.0	4.3
MSCI EAFE	3.3	5.8	15.3	4.8	7.3	4.8
MSCI EAFE (Local Currency)	4.0	10.0	18.8	9.4	9.4	7.7
MSCI EAFE Small Cap	3.7	2.4	10.4	-1.4	4.9	4.7
MSCI Emerging Markets	2.5	2.4	8.2	-5.1	2.2	2.9
MSCI Emerging Markets (Local Currency)	3.0	4.5	10.6	-2.4	4.4	5.7
MSCI EM ex. China	3.0	4.0	20.5	2.2	6.4	4.2
MSCI China	0.9	-2.2	-17.1	-18.9	-6.3	1.2

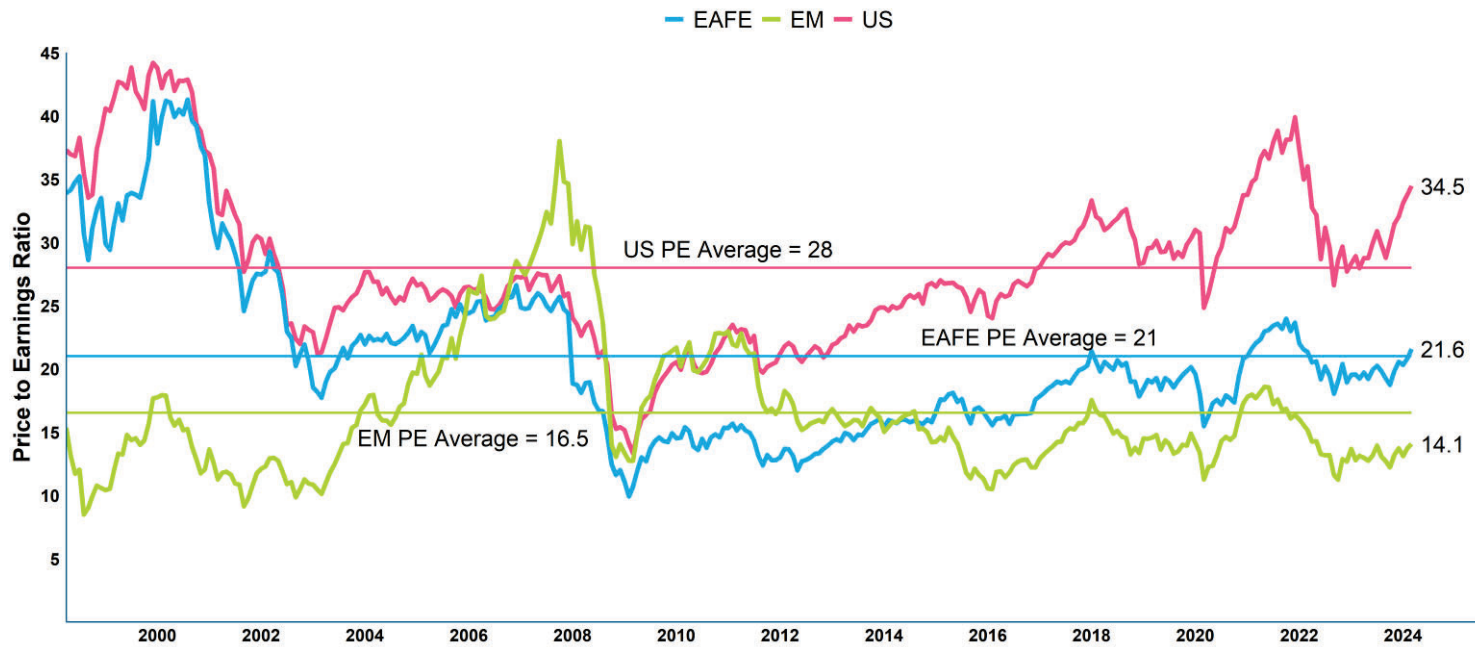
**Foreign Equity: Developed international equities (MSCI EAFE) gained 5.8% during the quarter and emerging market equities (MSCI EM) rose 2.4%.**

- Developed international equity markets matched the US for the quarter in local terms but the appreciation of the dollar decreased returns for US investors by over 4.0% (5.8% versus 10.0%). Eurozone and UK equities had gains for the quarter, but Japan was the real standout performer, with the TOPIX returning 18.1% in local terms and the Nikkei breaking the 40,000 level for the first time.
- Emerging market equities again trailed developed markets largely due to China falling 2.2%. Slowing growth, issues in the property sector, and recent efforts by the US to discourage investments into China all weighed on results. Outside of China, interest rate sensitive markets like Brazil were particularly impacted by expectations of delayed interest rate cuts by the Fed. Stripping out China, emerging markets returned 4.0% in the quarter.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2024.



Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



- At the end of the first quarter, the US equity price-to-earnings ratio increased further above its 21st century average, as price appreciation exceeded earnings growth.
- International market valuations also rose in the quarter and remain well below the US. In the case of developed markets, valuations are now slightly above the long-term average, while emerging market valuations remain well below its long-term average.

<sup>1</sup> 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 March 2024. 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.

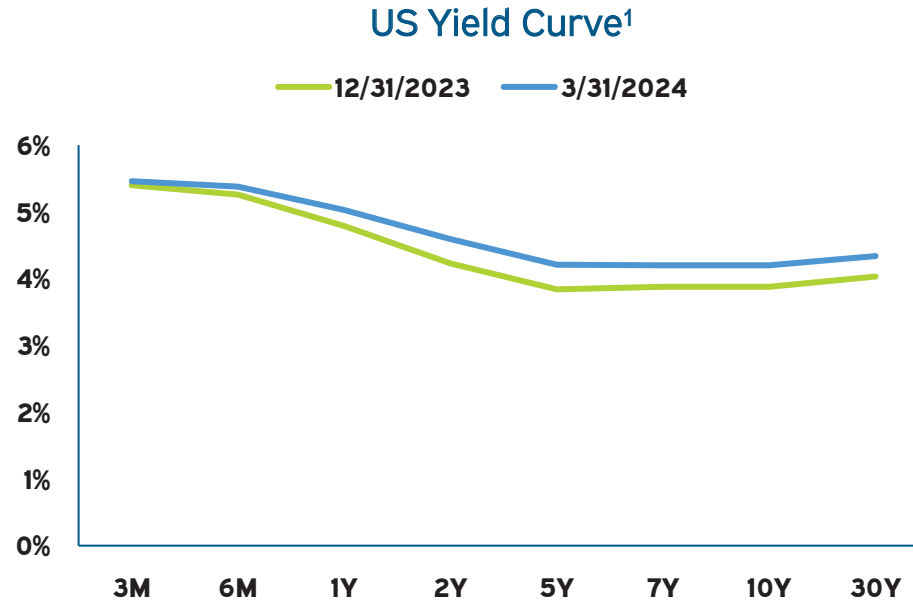
### Fixed Income Returns<sup>1</sup>

Fixed Income	March (%)	Q1 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.0	-0.5	2.7	-2.1	0.7	1.8	5.1	6.0
Bloomberg Aggregate	0.9	-0.8	1.7	-2.5	0.4	1.5	4.8	6.2
Bloomberg US TIPS	0.8	-0.1	0.5	-0.5	2.5	2.2	4.6	6.8
Bloomberg Short-term TIPS	0.6	0.8	3.2	2.3	3.2	2.1	4.8	2.4
Bloomberg High Yield	1.2	1.5	11.2	2.2	4.2	4.4	7.7	3.7
JPM GBI-EM Global Diversified (USD)	0.0	-2.1	4.9	-1.6	0.1	-0.3	6.4	5.0

#### Fixed Income: The Bloomberg Universal index fell 0.5% in the first quarter.

- Strong economic growth and inflation readings above forecasts shifted interest rate expectations pushing back the anticipated start date of rate cuts as well as the number of cuts for 2024.
- In this environment the broad US bond market (Bloomberg Aggregate) fell 0.8% with TIPS declining only slightly (0.1%).
- High yield bonds (1.5%) led the way for the quarter as risk appetite continues to be robust and overall yields remain attractive despite the recent tightening of spreads to Treasury equivalents.

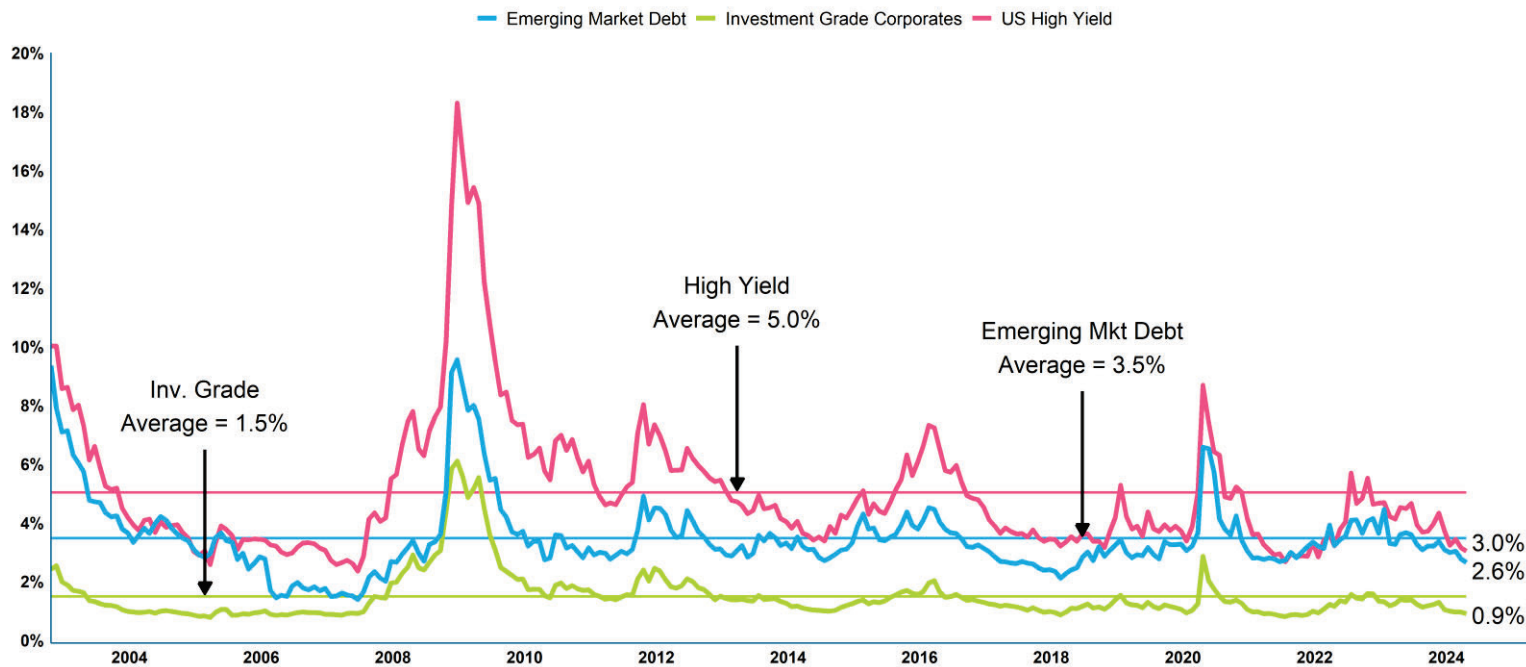
<sup>1</sup> Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of March 31, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.



- Overall interest rates moved higher over the quarter due to the strong economic data and the related shifts in monetary policy expectations.
- The more policy sensitive two-year Treasury yield rose from 4.3% to 4.6% in the first quarter while the ten-year Treasury yield increased from 3.9% to 4.2%.
- The yield curve remained inverted at quarter-end despite a recent flattening trend. The yield spread between the two-year and ten-year Treasury was -0.4% at the end of the quarter.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2024.

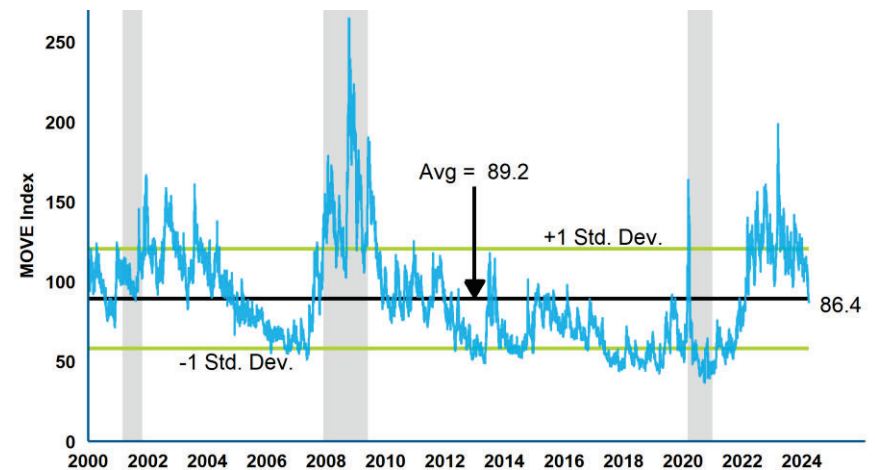
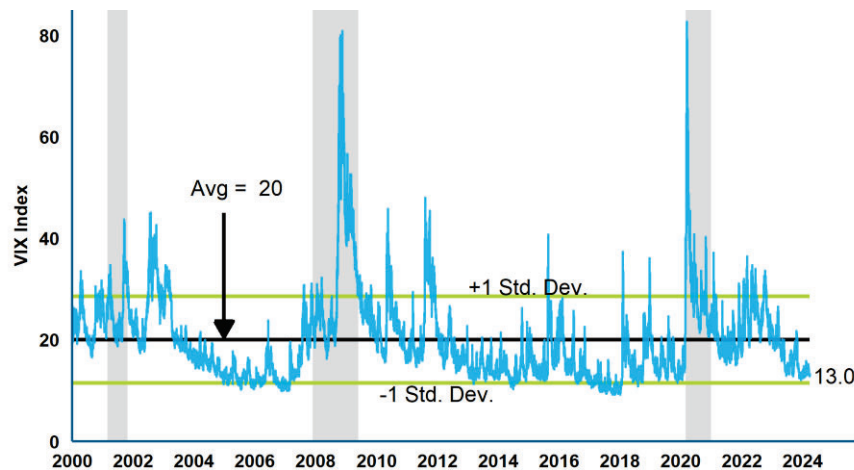
**Credit Spreads vs. US Treasury Bonds<sup>1</sup>**



- A positive economic outlook along with expectations of lower interest rates has led to an increased risk appetite. This has benefited credit, with spreads (the added yield above a comparable maturity Treasury) narrowing.
- This trend continued in the first quarter particularly for riskier bonds. High yield spreads fell from 3.2% to 3.0% and emerging market spreads dropped from 3.0% to 2.6%. Spreads for investment grade corporate bonds fell only slightly over the quarter (1.0% to 0.9%).
- All spreads remain below their respective long-run averages, particularly within high yield.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2024. 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.

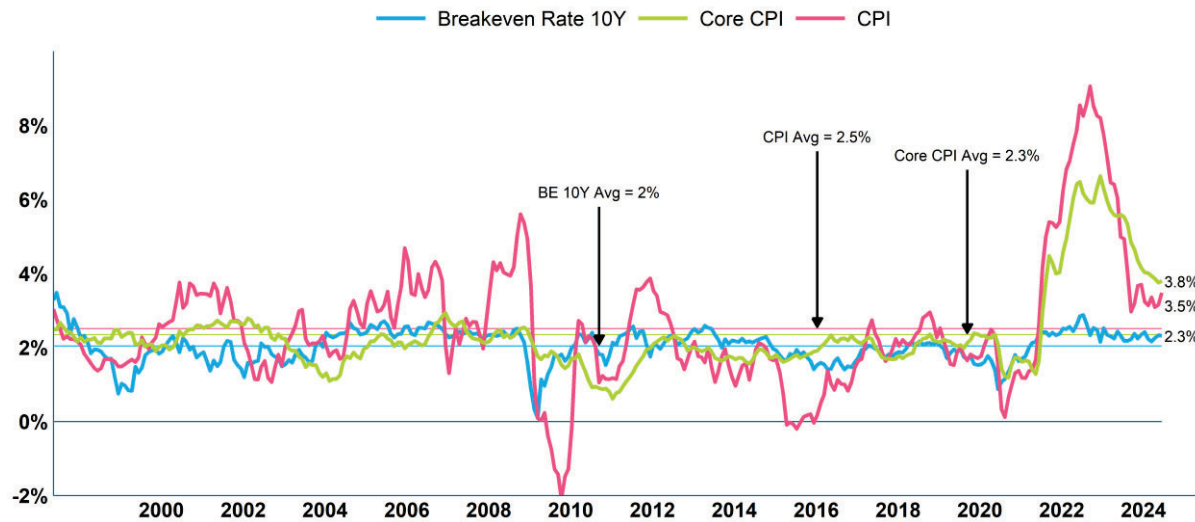
### Equity and Fixed Income Volatility<sup>1</sup>



- Volatility in equities (VIX) finished the quarter close to one standard deviation below the long-term average as the focus shifted late last year to peaking policy rates and the potential for a soft landing.
- Volatility in the bond market (MOVE) fell significantly over the quarter to a level below the long run average (86.4 versus 89.2). Declining volatility surrounding policy expectations and the more positive growth outlook both contributed to lower volatility in the bond market.

<sup>1</sup> 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 March 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and March 2024.

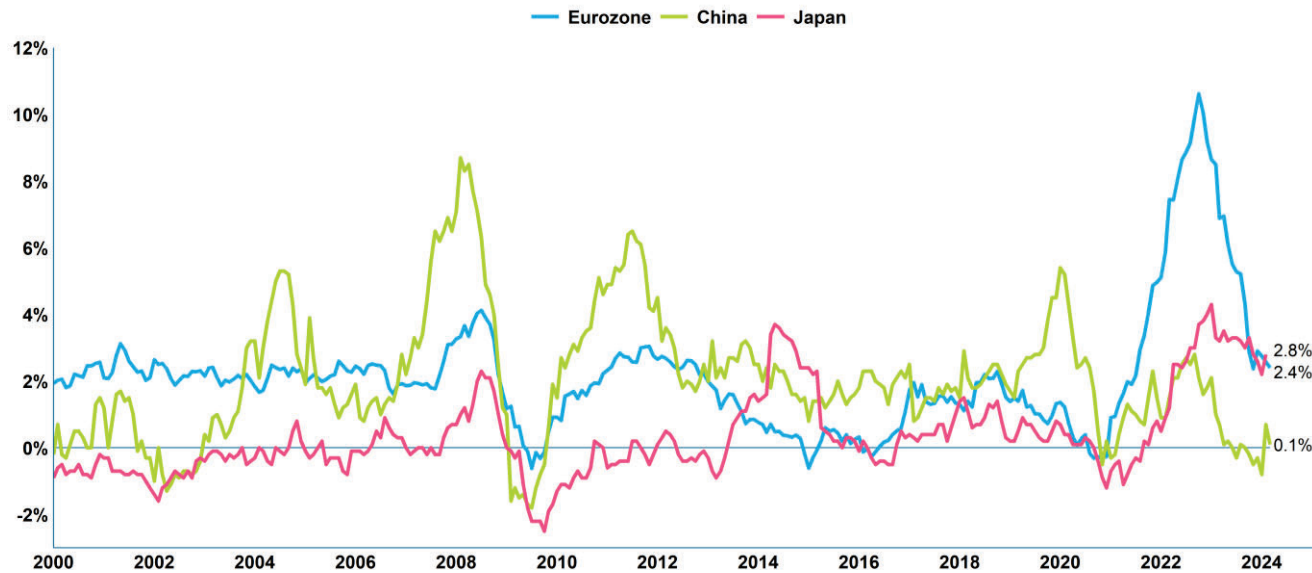
**US Ten-Year Breakeven Inflation and CPI<sup>1</sup>**



- Year-over-year headline inflation rose in March (3.2% to 3.5%) and came in slightly above expectations. Prices in service sectors, particularly shelter, remain a key driver of inflation staying above the Fed’s 2% average target, with a recent rise in energy prices contributing too.
- Month-over-month inflation rose 0.4% which was the same as February, but above expectations of a 0.3% reading.
- Core inflation (excluding food and energy) remained at 3.8% but also came in above expectations. Core goods prices dropped, while core services including shelter and transportation prices continued to show persistence.
- Inflation expectations (breakevens) have remained relatively stable despite the significant volatility in inflation.

<sup>1</sup> Source: FRED. Data is as March 2024. 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.

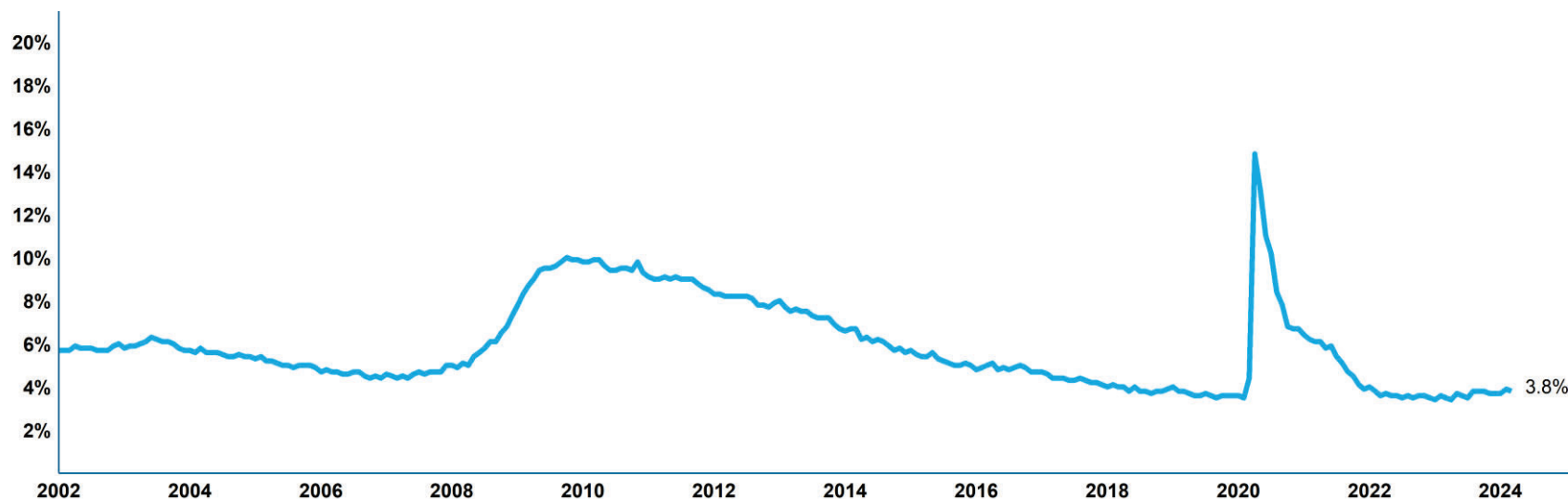
**Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>**



- Outside the US, inflation is also easing across major economies from the recent peaks.
- In the eurozone, prices experienced a dramatic decline last year but remain above the central bank’s 2% target. In March, inflation fell further (2.6% to 2.4%), a level below the 3.5% year-over-year reading in the US.
- Inflation in Japan has slowly declined from the early 2023 peak of 4.3%, but it remains near levels not seen in a decade. In the most recent reading, inflation rose from 2.4% to 2.8% largely due to the falling impact of government energy subsidies introduced at the same time last year.
- The impacts from spending during the Lunar New Year holiday in China waned in March with inflation falling to just about 0%.

<sup>1</sup> Source: Bloomberg. Data is March 31, 2024, except Japan which is as of February 28, 2024.

### US Unemployment<sup>1</sup>



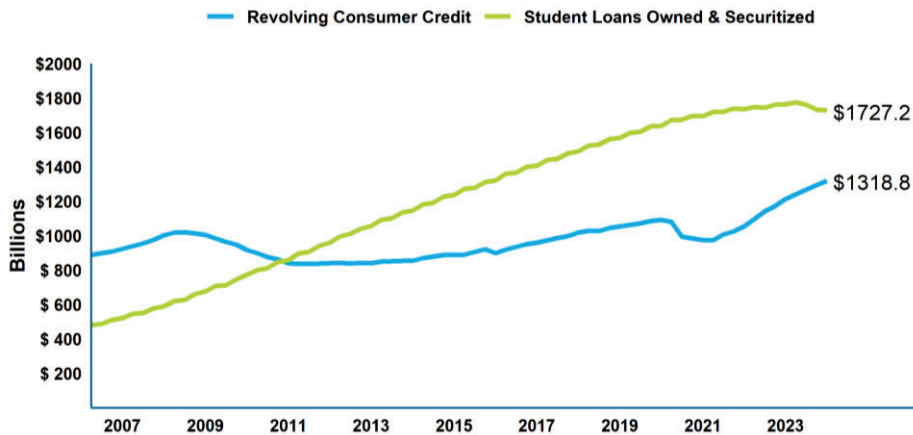
- Overall, the US labor market remains healthy, with the unemployment rate low, wage growth now positive in real terms, and initial claims for unemployment staying subdued.
- Each of the payroll readings over the quarter exceeded expectations. In March, the number of jobs added in the US was 303,000 compared to a 214,000 forecast. The healthcare (72,000), government (71,000), and construction (39,000) sectors added the most jobs.
- The unemployment rate fell from 3.9% to 3.8%, while wage growth dropped slightly from 4.3% to 4.1% compared to a year prior, a level well off the 6.0% peak but above inflation levels.
- Quit rates have declined, and layoffs are stable, with 1.4 job openings per unemployed worker.

<sup>1</sup> Source: FRED. Data is as March 31, 2024.

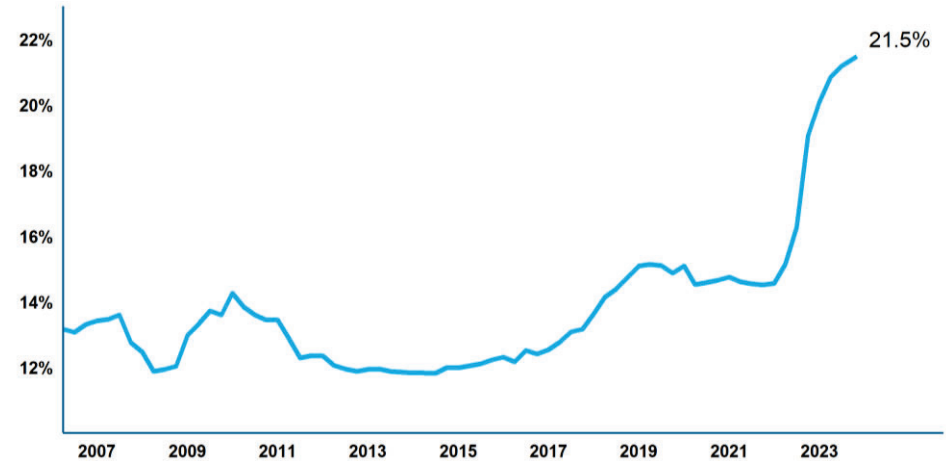


### US Consumer Under Stress?<sup>1</sup>

#### Revolving Consumer Credit & Student Loans (\$B)



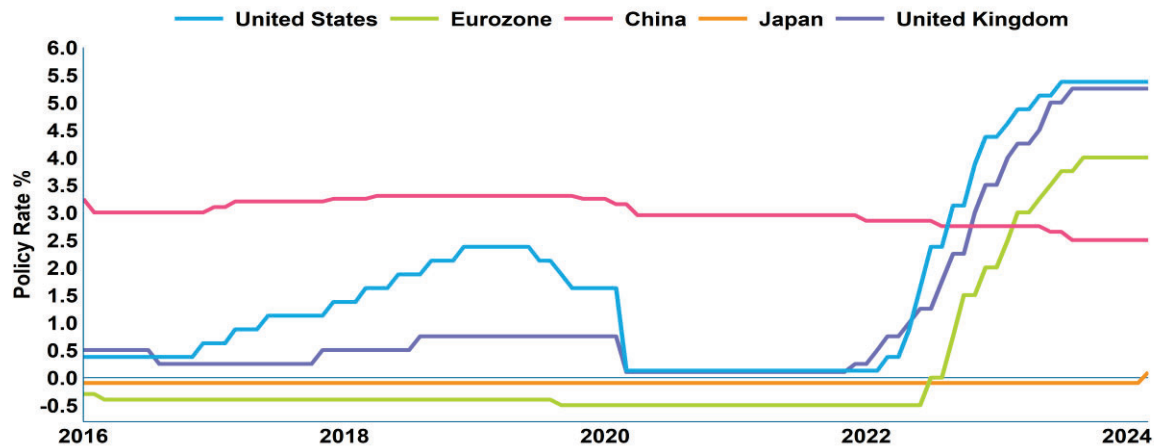
#### Consumer Credit Card Interest Rates (%)



- 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 a key 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). Recently, we have also seen payment delinquencies on credit cards and auto loans start to increase, particularly for younger people.
- The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially mitigated 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).

<sup>1</sup> Source: FRED. Data is as of December 31, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season.

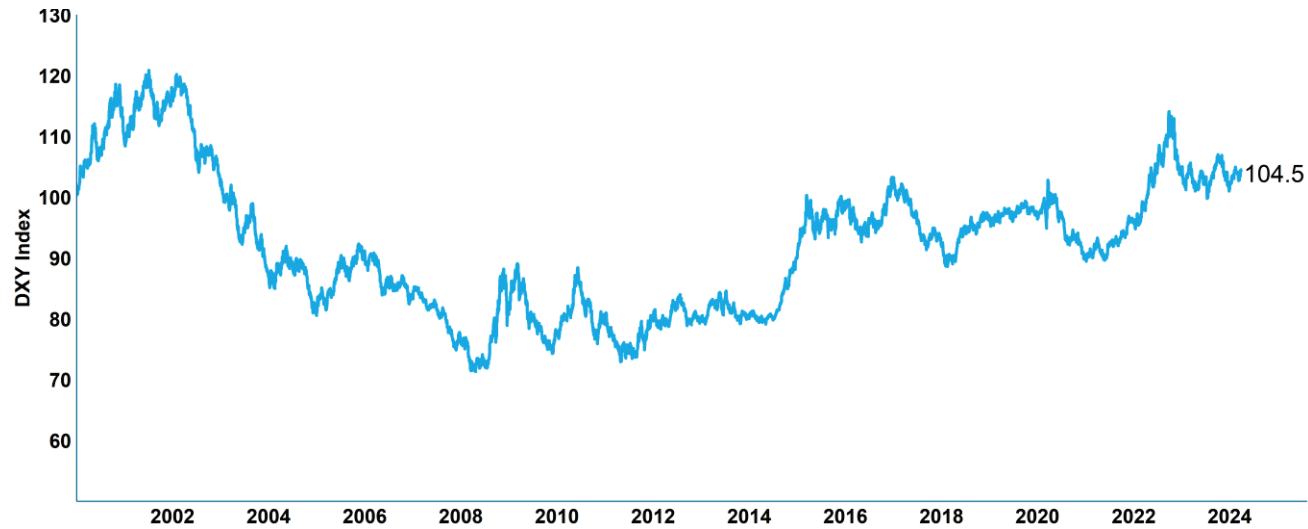
### Policy Rates<sup>1</sup>



- The Fed has been on hold since July 2023 when it raised rates to a range of 5.25%-5.50%. Markets are now pricing in fewer than two rate cuts this year down from close to seven late last year, as economic data has come in better than expectations and inflation persists. Market pricing for the first rate cut has also dramatically changed from an original expectation of a March cut to the probability priced below 50% for a rate cut at all remaining Fed meetings in 2024.
- The European and UK central banks also recently paused their rate increases on slowing inflation. It appears that the ECB could be one of the first central banks to cut rates with expectations close to 90% for a June cut.
- Given the return of inflation driven by wage growth the Bank of Japan (BOJ) recently ended the final negative interest rate policy, stopped purchasing ETFs, and moved away from its yield curve control.
- The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, as weaker-than-expected economic data appears to indicate a widespread slowdown.

<sup>1</sup> Source: Bloomberg. Data is as of March 31, 2024.

US Dollar vs. Broad Currencies<sup>1</sup>



- The dollar increased by close to 3% over the quarter versus a basket of major trading partners.
- Strong economic data in the US may delay policy rate cuts this year, which could contribute to continued upward pressure on the dollar as other countries pivot to rate cuts.

<sup>1</sup> Source: Bloomberg. Data as of March 31, 2024.

## Summary

### Key Trends:

- According to the IMF, global growth this year is expected to match the 2023 estimate at around 3.1% with most major economies predicted to avoid a recession. Continued strong economic growth does run the risk of inflation and interest rates staying higher for longer.
- Key economic data in the US is still coming in above forecasts with expectations dramatically evolving for the timing and pace of interest rate cuts. If data remains strong the Federal Reserve may keep rates elevated increasing the risk of an economic slowdown.
- Outside the US we could see other central banks start cutting rates ahead of the Fed, with the ECB particularly in focus. The risk of policy errors remains elevated as central banks try to further reduce inflation toward targets while not tipping their economies into recession.
- 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.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. 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 China's economic uncertainty and on-going weakness in the real estate sector which could spill over into key trading partners' economies. Japan's recent tightening of monetary policy along with changes in corporate governance in the country could influence relative results.

# **Executive Summary**

## As of March 31, 2024

The value of the City of San Jose Police and Fire Department Retirement Plan Health Care Trust's assets was \$337.1 million on March 31, 2024, compared to \$328.4 million at the end of the prior quarter. The Trust had net cash outflows of \$3.0 million and investment gains of \$11.7 million in the 3-month period.

→ The Health Care Trust's net of fees performance was +3.6%, compared to the Policy Benchmark return of 3.4% over the quarter. Over the trailing one-year period, the Trust returned +10.7%, outperforming the Policy Benchmark return of +10.4%.

- Growth returned 7.2% for the quarter and +20.6% over the trailing one-year period, compared to the Public Equity Benchmark of +7.0% and +21.0% over the same periods, respectively.
- Low Beta returned +1.3% for the quarter and +5.4% over the trailing one-year period, compared to the 90-Day US Treasury Bill returns of +1.3% and +5.2% over the same periods, respectively.
- Other assets returned -2.2% for the quarter and -3.6% over the trailing one-year period, compared to the Other Benchmark returns of -2.1% and -4.4% over the same periods, respectively.

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

Investment Manager	Asset Class	Changes/ Announcements	Meketa Recommendation <sup>1</sup>	Comments
BlackRock Core Property	Core Real Estate	---	Hold	Watch List
Clarion Lion Properties	Core Real Estate	---	Hold	Watch List
TA Realty Core Property	Core Real Estate	---	---	---
Clarion Lion Industrial Trust	Core Real Estate	---	---	---
BlackRock Commodities	Commodities	---	---	---

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

Watch List<sup>1,2</sup>

Investment Manager	Asset Class	Watch List Status	Comments
Blackrock Core Property Fund	Core Real Estate	Monitoring	Underperformance
Clarion Lion Properties	Core Real Estate	Monitoring	Underperformance

**Blackrock Core Property Fund**

→ Over the three-year period, Blackrock Core Property Fund (+3.3%) has underperformed the Core Real Estate Benchmark 2 by 10 basis points. Since inception in February 2019, Blackrock has outperformed the benchmark by 70 basis points per year, on average.

**Clarion Lion Properties Fund**

→ Over the three-year period, Clarion Lion Properties Fund (+3.1%) has underperformed Core Real Estate Benchmark 2 by 30 basis points. Since inception in March 2019, Clarion has outperformed the benchmark by 40 basis points per year, on average.

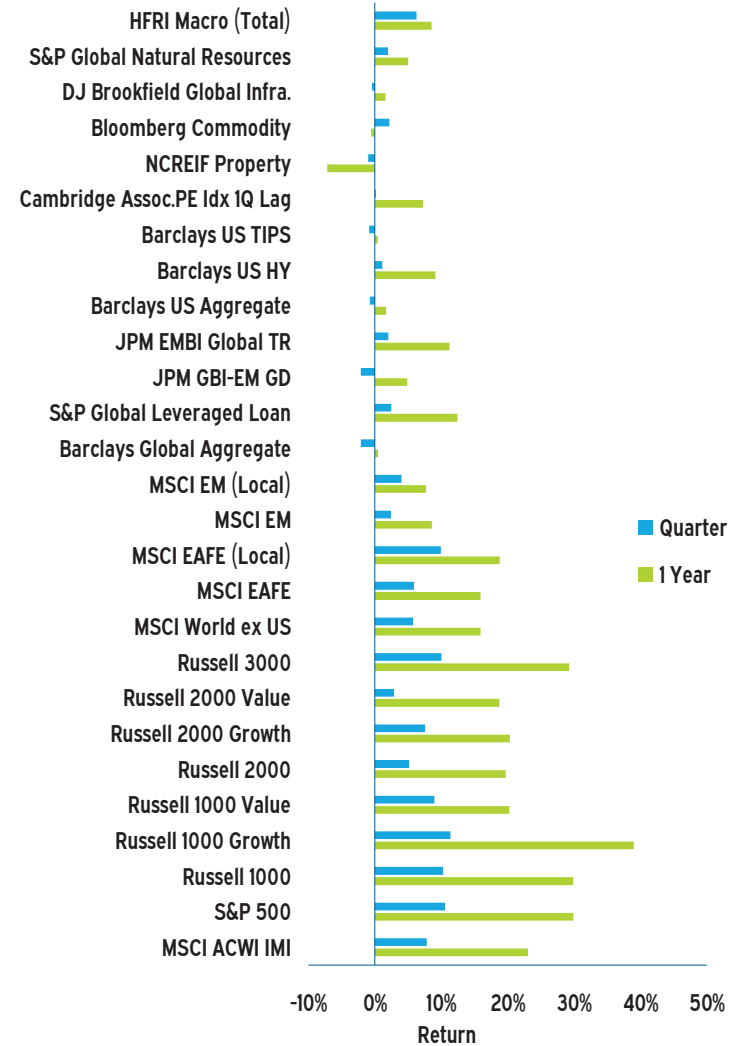
<sup>1</sup> Watch List excludes Private Markets and Passive Funds.

<sup>2</sup> 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.



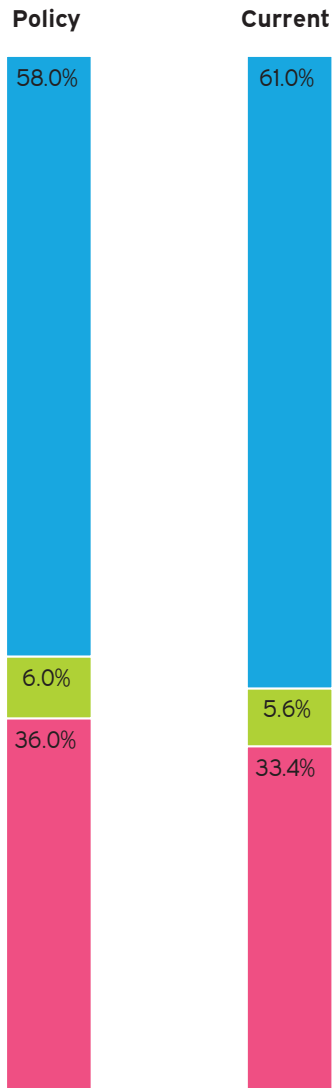
### Market Environment – 1Q24 Overview

Benchmark	Scope	1Q24 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<b>Global Equity</b>						
MSCI ACWI IMI	World	7.8	23.0	6.8	11.1	9.0
<b>Domestic Equity</b>						
S&P 500	Large Core	10.6	29.9	11.5	15.0	13.0
Russell 1000	Large Core	10.3	29.9	10.5	14.8	12.7
Russell 1000 Growth	Large Growth	11.4	39.0	12.5	18.5	16.0
Russell 1000 Value	Large Value	9.0	20.3	8.1	10.3	9.0
Russell 2000	Small Core	5.2	19.7	-0.1	8.1	7.6
Russell 2000 Growth	Small Growth	7.6	20.3	-2.7	7.4	7.9
Russell 2000 Value	Small Value	2.9	18.8	2.2	8.2	6.9
Russell 3000	All Cap Core	10.0	29.3	9.8	14.3	12.3
<b>International Equity</b>						
MSCI World ex US	World ex-US	5.7	15.9	5.5	8.0	5.3
MSCI EAFE	International Developed	5.9	15.9	5.3	7.9	5.3
MSCI EAFE (Local)	International Developed (Local Currency)	10.0	18.8	9.4	9.4	7.7
MSCI EM	Emerging Markets	2.4	8.6	-4.7	2.6	3.3
MSCI EM (Local)	Emerging Markets (Local Currency)	4.0	7.7	-4.8	1.8	3.2
<b>Global Fixed Income</b>						
Barclays Global Aggregate	Global Core Bonds	-2.1	0.5	-4.7	-1.2	-0.1
S&P Global Leveraged Loan	Bank Loans	2.5	12.5	6.0	5.4	4.1
JPM GBI-EM GD	Emerging Markets Bonds (Local Currency)	-2.1	4.9	-1.6	0.1	-0.3
JPM EMBI Global TR	Emerging Market Bonds	2.0	11.3	-1.4	0.7	3.0
<b>Domestic Fixed Income</b>						
Barclays US Aggregate	Core Bonds	-0.8	1.7	-2.5	0.4	1.5
Barclays US HY	High Yield	1.1	9.1	1.8	4.6	4.8
Barclays US TIPS	Inflation	-0.8	0.5	-0.5	2.5	2.2
<b>Other</b>						
Cambridge Associates PE Index 1Qtr Lag	Private Equity	0.2	7.2	15.6	17.0	14.5
NCREIF Property	Real Estate	-1.0	-7.2	3.6	3.8	6.4
Bloomberg Commodity	Commodities	2.2	-0.6	9.1	6.4	-1.6
DJ Brookfield Global Infrastructure	Infrastructure	-0.4	1.6	3.4	3.8	4.7
S&P Global Natural Resources	Natural Resources	2.0	5.0	8.8	8.3	4.7
HFRI Macro	Hedge Funds	6.3	8.6	6.1	6.4	3.8



## 1Q24 Review

Total Fund | As of March 31, 2024



Allocation vs. Targets and Policy			
	Current Balance (\$)	Current Allocation (%)	Policy (%)
<span style="color: #00AEEF;">■</span> Growth	\$205,600,387	61.0	58.0
Public Equity	\$205,600,387	61.0	58.0
<span style="color: #92D050;">■</span> Low Beta	\$18,857,459	5.6	6.0
Short-Term IG Bonds	\$16,913,114	5.0	6.0
Cash	\$1,944,345	0.6	0.0
<span style="color: #E91E63;">■</span> Other	\$112,682,354	33.4	36.0
Core Real Estate	\$36,384,572	10.8	12.0
Commodities	\$15,641,172	4.6	5.0
Investment Grade Bonds	\$45,090,530	13.4	14.0
Long-Term Government Bonds	\$15,566,080	4.6	5.0
<b>Total</b>	<b>\$337,140,201</b>	<b>100.0</b>	<b>100.0</b>

Policy Targets represent approved asset allocation from April of 2022.

Asset Class Net Performance Summary										
	Market Value \$	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Health Care Trust</b>	<b>337,140,201</b>	<b>100.0</b>	<b>3.6</b>	<b>7.9</b>	<b>10.7</b>	<b>3.3</b>	<b>6.4</b>	<b>4.8</b>	<b>5.3</b>	<b>Jul-12</b>
<i>Policy Benchmark</i>			3.4	7.8	10.4	3.4	6.3	5.4	6.1	
<i>InvMetrics Health &amp; Welfare Net Median</i>			1.4	5.2	6.2	2.2	4.0	3.8	4.2	
<i>InvMetrics Health &amp; Welfare Net Rank</i>			13	17	16	8	5	17	22	
<b>Growth</b>	<b>205,600,387</b>	<b>61.0</b>	<b>7.2</b>	<b>14.6</b>	<b>20.6</b>	<b>5.1</b>	<b>9.7</b>	<b>8.3</b>	<b>10.0</b>	<b>Aug-12</b>
<i>Public Equity Benchmark</i>			7.0	14.8	21.0	5.0	9.8	8.2	9.8	
<b>Public Equity</b>	<b>205,600,387</b>	<b>61.0</b>	<b>7.2</b>	<b>14.6</b>	<b>20.6</b>	<b>5.1</b>	<b>9.7</b>	<b>8.3</b>	<b>10.0</b>	<b>Aug-12</b>
<i>Public Equity Benchmark</i>			7.0	14.8	21.0	5.0	9.8	8.2	9.8	
<b>US Equity</b>	<b>109,116,414</b>	<b>32.4</b>	<b>10.0</b>	<b>19.3</b>	<b>29.2</b>	<b>9.8</b>	<b>14.3</b>	--	<b>13.2</b>	<b>Jul-18</b>
<i>Russell 3000 Index</i>			10.0	19.3	29.3	9.8	14.3	--	13.2	
<b>International Equity</b>	<b>55,351,913</b>	<b>16.4</b>	<b>5.7</b>	<b>11.9</b>	<b>15.0</b>	<b>5.0</b>	<b>7.5</b>	--	<b>6.3</b>	<b>Jul-18</b>
<i>MSCI EAFE (Net)</i>			5.8	12.0	15.3	4.8	7.3	--	5.9	
<b>Emerging Markets Equity</b>	<b>41,132,060</b>	<b>12.2</b>	<b>1.9</b>	<b>6.3</b>	<b>6.8</b>	<b>-5.6</b>	<b>1.8</b>	--	<b>1.8</b>	<b>Jul-18</b>
<i>MSCI Emerging Markets (Net)</i>			2.4	7.2	8.2	-5.1	2.2	--	2.0	
<b>Low Beta</b>	<b>18,857,459</b>	<b>5.6</b>	<b>1.3</b>	<b>4.1</b>	<b>5.4</b>	<b>2.7</b>	<b>2.1</b>	<b>1.4</b>	<b>1.2</b>	<b>Jul-12</b>
<i>90 Day U.S. Treasury Bill</i>			1.3	4.0	5.2	2.6	2.0	1.4	1.2	
<b>Short-Term IG Bonds</b>	<b>16,913,114</b>	<b>5.0</b>	<b>1.3</b>	<b>4.1</b>	<b>5.4</b>	<b>2.8</b>	<b>2.1</b>	--	<b>2.2</b>	<b>Nov-18</b>
<i>90 Day U.S. Treasury Bill</i>			1.3	4.0	5.2	2.6	2.0	--	2.0	

Fiscal Year begins July 1.  
Please see the final page of the performance report for composition of the Policy Benchmark and Public Equity Benchmark.

Total Fund | As of March 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Cash</b>	<b>1,944,345</b>	<b>0.6</b>	<b>1.6</b>	<b>3.8</b>	<b>5.1</b>	<b>2.5</b>	<b>1.9</b>	<b>1.2</b>	<b>1.1</b>	<b>Jul-12</b>
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>4.0</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>	<i>1.4</i>	<i>1.2</i>	
<b>Other</b>	<b>112,682,354</b>	<b>33.4</b>	<b>-2.2</b>	<b>-2.1</b>	<b>-3.6</b>	<b>1.1</b>	<b>2.9</b>	<b>2.4</b>	<b>2.1</b>	<b>Aug-12</b>
<i>Other Benchmark</i>			<i>-2.1</i>	<i>-2.4</i>	<i>-4.4</i>	<i>1.3</i>	<i>2.1</i>	<i>2.5</i>	<i>3.0</i>	
<b>Investment Grade Bonds</b>	<b>45,090,530</b>	<b>13.4</b>	<b>-0.8</b>	<b>2.5</b>	<b>1.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-3.0</b>	<b>May-21</b>
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>2.6</i>	<i>1.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-2.8</i>	
<b>Long-Term Government Bonds</b>	<b>15,566,080</b>	<b>4.6</b>	<b>-3.2</b>	<b>-3.9</b>	<b>-6.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-9.1</b>	<b>May-21</b>
<i>Blmbg. U.S. Treasury: Long</i>			<i>-3.3</i>	<i>-3.9</i>	<i>-6.1</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-9.0</i>	
<b>Core Real Estate</b>	<b>36,384,572</b>	<b>10.8</b>	<b>-5.2</b>	<b>-7.9</b>	<b>-10.4</b>	<b>5.6</b>	<b>5.0</b>	<b>6.7</b>	<b>6.9</b>	<b>Aug-12</b>
<i>Core Real Estate Benchmark</i>			<i>-5.0</i>	<i>-9.7</i>	<i>-12.7</i>	<i>3.4</i>	<i>3.2</i>	<i>6.1</i>	<i>6.3</i>	
<b>Commodities</b>	<b>15,641,172</b>	<b>4.6</b>	<b>2.3</b>	<b>2.2</b>	<b>2.4</b>	<b>8.3</b>	<b>7.9</b>	<b>1.2</b>	<b>0.3</b>	<b>Oct-12</b>
<i>Bloomberg Commodity Index Total Return</i>			<i>2.2</i>	<i>2.1</i>	<i>-0.6</i>	<i>9.1</i>	<i>6.4</i>	<i>-1.6</i>	<i>-2.2</i>	

Trailing Net Performance										
	Market Value \$	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Health Care Trust</b>	<b>337,140,201</b>	<b>100.0</b>	<b>3.6</b>	<b>7.9</b>	<b>10.7</b>	<b>3.3</b>	<b>6.4</b>	<b>4.8</b>	<b>5.3</b>	<b>Jul-12</b>
<i>Policy Benchmark</i>			3.4	7.8	10.4	3.4	6.3	5.4	6.1	
<i>InvMetrics Health &amp; Welfare Net Median</i>			1.4	5.2	6.2	2.2	4.0	3.8	4.2	
<i>InvMetrics Health &amp; Welfare Net Rank</i>			13	17	16	8	5	17	22	
<b>Growth</b>	<b>205,600,387</b>	<b>61.0</b>	<b>7.2</b>	<b>14.6</b>	<b>20.6</b>	<b>5.1</b>	<b>9.7</b>	<b>8.3</b>	<b>10.0</b>	<b>Aug-12</b>
<i>Public Equity Benchmark</i>			7.0	14.8	21.0	5.0	9.8	8.2	9.8	
<b>Public Equity</b>	<b>205,600,387</b>	<b>61.0</b>	<b>7.2</b>	<b>14.6</b>	<b>20.6</b>	<b>5.1</b>	<b>9.7</b>	<b>8.3</b>	<b>10.0</b>	<b>Aug-12</b>
<i>Public Equity Benchmark</i>			7.0	14.8	21.0	5.0	9.8	8.2	9.8	
<b>US Equity</b>	<b>109,116,414</b>	<b>32.4</b>	<b>10.0</b>	<b>19.3</b>	<b>29.2</b>	<b>9.8</b>	<b>14.3</b>	<b>--</b>	<b>13.2</b>	<b>Jul-18</b>
<i>Russell 3000 Index</i>			10.0	19.3	29.3	9.8	14.3	--	13.2	
Northern Trust Russell 3000	109,116,414	32.4	10.0	19.3	29.2	9.8	14.3	--	13.2	Jul-18
<i>Russell 3000 Index</i>			10.0	19.3	29.3	9.8	14.3	--	13.2	
<b>International Equity</b>	<b>55,351,913</b>	<b>16.4</b>	<b>5.7</b>	<b>11.9</b>	<b>15.0</b>	<b>5.0</b>	<b>7.5</b>	<b>--</b>	<b>6.3</b>	<b>Jul-18</b>
<i>MSCI EAFE (Net)</i>			5.8	12.0	15.3	4.8	7.3	--	5.9	
Northern Trust MSCI EAFE	55,351,913	16.4	5.7	11.9	15.0	5.0	7.5	--	6.3	Jul-18
<i>MSCI EAFE (Net)</i>			5.8	12.0	15.3	4.8	7.3	--	5.9	
<b>Emerging Markets Equity</b>	<b>41,132,060</b>	<b>12.2</b>	<b>1.9</b>	<b>6.3</b>	<b>6.8</b>	<b>-5.6</b>	<b>1.8</b>	<b>--</b>	<b>1.8</b>	<b>Jul-18</b>
<i>MSCI Emerging Markets (Net)</i>			2.4	7.2	8.2	-5.1	2.2	--	2.0	
Northern Trust MSCI EM	41,132,060	12.2	1.9	6.3	6.8	-5.6	1.8	--	1.8	Jul-18
<i>MSCI Emerging Markets (Net)</i>			2.4	7.2	8.2	-5.1	2.2	--	2.0	

Total Fund | As of March 31, 2024

	Market Value \$	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Low Beta</b>	<b>18,857,459</b>	<b>5.6</b>	<b>1.3</b>	<b>4.1</b>	<b>5.4</b>	<b>2.7</b>	<b>2.1</b>	<b>1.4</b>	<b>1.2</b>	<b>Jul-12</b>
<i>90 Day U.S. Treasury Bill</i>			1.3	4.0	5.2	2.6	2.0	1.4	1.2	
<b>Short-Term IG Bonds</b>	<b>16,913,114</b>	<b>5.0</b>	<b>1.3</b>	<b>4.1</b>	<b>5.4</b>	<b>2.8</b>	<b>2.1</b>	<b>--</b>	<b>2.2</b>	<b>Nov-18</b>
<i>90 Day U.S. Treasury Bill</i>			1.3	4.0	5.2	2.6	2.0	--	2.0	
BlackRock 3-Month T-Bill	16,913,114	5.0	1.3	4.1	5.4	2.8	2.1	--	2.2	Nov-18
<i>90 Day U.S. Treasury Bill</i>			1.3	4.0	5.2	2.6	2.0	--	2.0	
<b>Cash</b>	<b>1,944,345</b>	<b>0.6</b>	<b>1.6</b>	<b>3.8</b>	<b>5.1</b>	<b>2.5</b>	<b>1.9</b>	<b>1.2</b>	<b>1.1</b>	<b>Jul-12</b>
<i>90 Day U.S. Treasury Bill</i>			1.3	4.0	5.2	2.6	2.0	1.4	1.2	
<b>Other</b>	<b>112,682,354</b>	<b>33.4</b>	<b>-2.2</b>	<b>-2.1</b>	<b>-3.6</b>	<b>1.1</b>	<b>2.9</b>	<b>2.4</b>	<b>2.1</b>	<b>Aug-12</b>
<i>Other Benchmark</i>			-1.2	-1.2	-2.9	0.7	1.7	2.3	2.8	
<b>Investment Grade Bonds</b>	<b>45,090,530</b>	<b>13.4</b>	<b>-0.8</b>	<b>2.5</b>	<b>1.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-3.0</b>	<b>May-21</b>
<i>Blmbg. U.S. Aggregate Index</i>			-0.8	2.6	1.7	--	--	--	-2.8	
Northern Trust Core Bonds	45,090,530	13.4	-0.8	2.5	1.6	--	--	--	-3.0	May-21
<i>Blmbg. U.S. Aggregate Index</i>			-0.8	2.6	1.7	--	--	--	-2.8	
<b>Long-Term Government Bonds</b>	<b>15,566,080</b>	<b>4.6</b>	<b>-3.2</b>	<b>-3.9</b>	<b>-6.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-9.1</b>	<b>May-21</b>
<i>Blmbg. U.S. Treasury: Long</i>			-3.3	-3.9	-6.1	--	--	--	-9.0	
BlackRock Long Treasury	15,566,080	4.6	-3.2	-3.9	-6.1	--	--	--	-9.1	May-21
<i>Blmbg. U.S. Treasury: Long</i>			-3.3	-3.9	-6.1	--	--	--	-9.0	

Total Fund | As of March 31, 2024

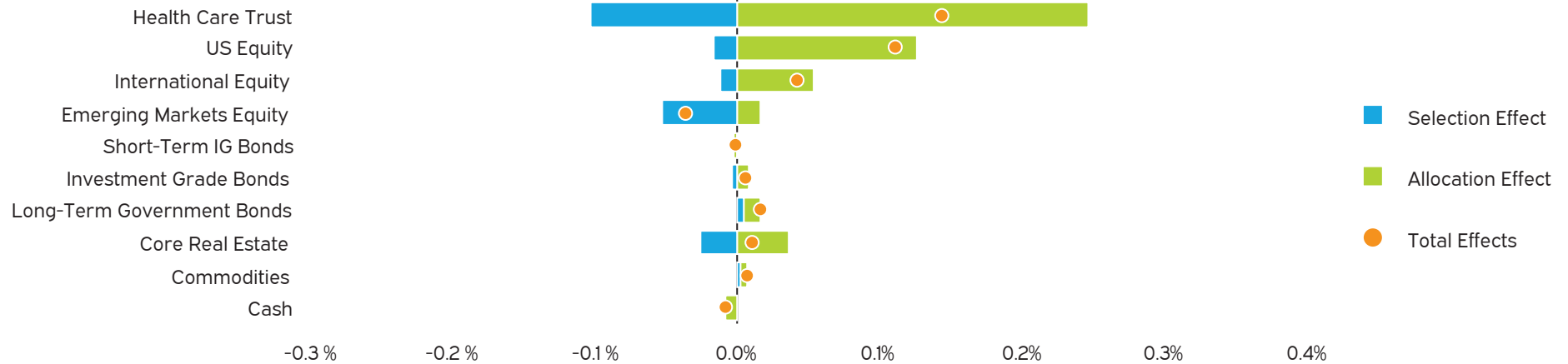
	Market Value \$	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Core Real Estate</b>	<b>36,384,572</b>	<b>10.8</b>	<b>-5.2</b>	<b>-7.9</b>	<b>-10.4</b>	<b>5.6</b>	<b>5.0</b>	<b>6.7</b>	<b>6.9</b>	<b>Aug-12</b>
<i>Core Real Estate Benchmark</i>			-5.0	-9.7	-12.7	3.4	3.2	6.1	6.3	
BlackRock Core Property Fund	3,728,288	1.1	-7.7	-15.3	-18.7	3.3	4.1	--	3.9	Feb-19
<i>Core Real Estate Benchmark 2</i>			-5.0	-9.7	-12.7	3.4	3.1	--	3.2	
Clarion Lion Properties Fund	10,292,509	3.1	-4.6	-11.6	-16.3	3.1	3.6	--	3.6	Mar-19
<i>Core Real Estate Benchmark 2</i>			-5.0	-9.7	-12.7	3.4	3.1	--	3.2	
TA Realty Core Property Fund	19,175,008	5.7	-5.5	-3.9	-4.5	--	--	--	5.0	Oct-21
<i>Core Real Estate Benchmark 3</i>			-5.0	-9.7	-12.7	--	--	--	0.0	
Clarion Lion Industrial Trust	3,188,767	0.9	-2.6	-2.9	-3.8	--	--	--	10.4	Oct-21
<i>Core Real Estate Benchmark 3</i>			-5.0	-9.7	-12.7	--	--	--	0.0	
<b>Commodities</b>	<b>15,641,172</b>	<b>4.6</b>	<b>2.3</b>	<b>2.2</b>	<b>2.4</b>	<b>8.3</b>	<b>7.9</b>	<b>1.2</b>	<b>0.3</b>	<b>Oct-12</b>
<i>Bloomberg Commodity Index Total Return</i>			2.2	2.1	-0.6	9.1	6.4	-1.6	-2.2	
BlackRock Commodities Index	15,641,172	4.6	2.3	2.2	2.4	--	--	--	2.4	Apr-23
<i>Bloomberg Commodity Index Total Return</i>			2.2	2.1	-0.6	--	--	--	-0.6	

Core Real Estate values are one-quarter lagged.



Cash Flow Summary QTD Ending March 31, 2024						
	Beginning Market Value	Contributions	Distributions	Net Cash Flow	Net Investment Change	Ending Market Value
BlackRock 3-Month T-Bill	16,693,885	-	-	-	219,229	16,913,114
BlackRock Commodities Index	14,313,769	1,000,000	-	1,000,000	327,403	15,641,172
BlackRock Core Property Fund	4,047,817	-	-9,344	-9,344	-310,185	3,728,288
BlackRock Long Treasury	16,074,992	-	-	-	-508,912	15,566,080
Cash	2,649,550	5,299,186	-6,040,259	-741,073	35,868	1,944,345
Clarion Lion Industrial Trust	3,287,274	-	-13,039	-13,039	-85,468	3,188,767
Clarion Lion Properties Fund	10,861,552	-	-71,790	-71,790	-497,253	10,292,509
Northern Trust Core Bonds	45,454,421	-	-	-	-363,891	45,090,530
Northern Trust MSCI EAFE	53,303,855	-	-992,674	-992,674	3,040,732	55,351,913
Northern Trust MSCI EM	38,373,829	2,000,000	16,277	2,016,277	741,954	41,132,060
Northern Trust Russell 3000	102,869,481	-	-3,988,314	-3,988,314	10,235,246	109,116,414
TA Realty Core Property Fund	20,479,609	-	-193,687	-193,687	-1,110,915	19,175,008
<b>Total</b>	<b>328,410,035</b>	<b>8,299,186</b>	<b>-11,292,830</b>	<b>-2,993,644</b>	<b>11,723,810</b>	<b>337,140,201</b>

## Attribution Summary Chart 3 Months Ending March 31, 2024

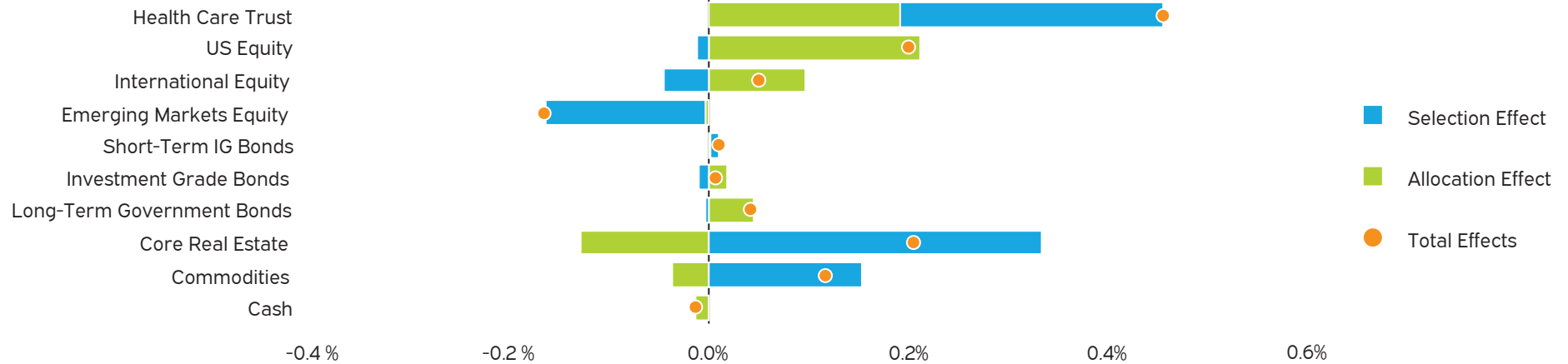


## Attribution Summary 3 Months Ending March 31, 2024

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	10.0	10.0	-0.1	0.0	0.1	0.1
International Equity	5.7	5.8	-0.1	0.0	0.1	0.0
Emerging Markets Equity	1.9	2.4	-0.5	-0.1	0.0	0.0
Short-Term IG Bonds	1.3	1.3	0.0	0.0	0.0	0.0
Investment Grade Bonds	-0.8	-0.8	0.0	0.0	0.0	0.0
Long-Term Government Bonds	-3.2	-3.3	0.1	0.0	0.0	0.0
Core Real Estate	-5.2	-5.0	-0.2	0.0	0.0	0.0
Commodities	2.3	2.2	0.1	0.0	0.0	0.0
Cash	1.6	1.3	0.3	0.0	0.0	0.0
<b>Health Care Trust</b>	<b>3.6</b>	<b>3.4</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.1</b>

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.

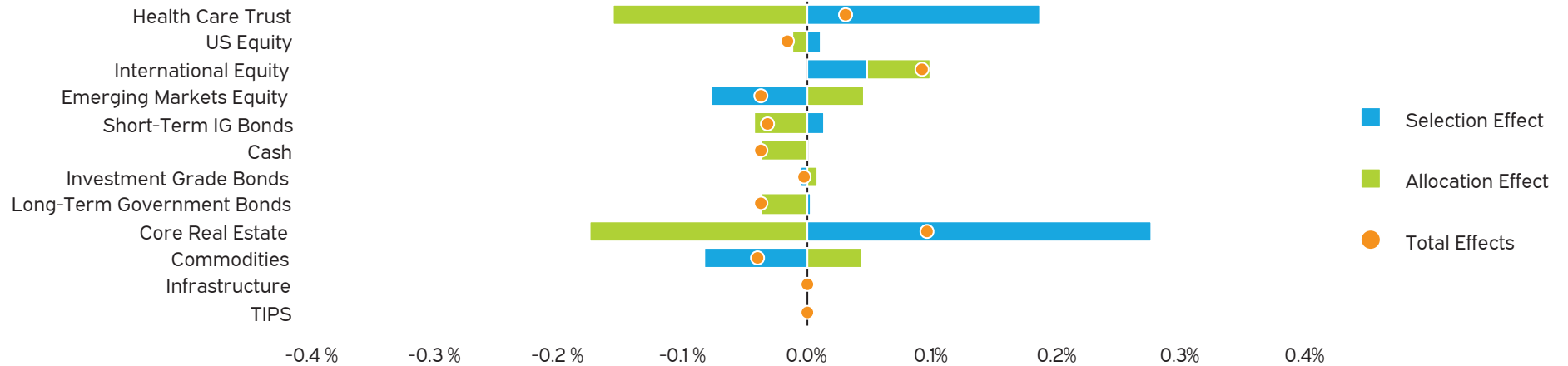
## Attribution Summary Chart 1 Year Ending March 31, 2024



## Attribution Summary 1 Year Ending March 31, 2024

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	29.2	29.3	0.0	0.0	0.2	0.2
International Equity	15.0	15.3	-0.3	0.0	0.1	0.1
Emerging Markets Equity	6.8	8.2	-1.4	-0.2	0.0	-0.2
Short-Term IG Bonds	5.4	5.2	0.1	0.0	0.0	0.0
Investment Grade Bonds	1.6	1.7	-0.1	0.0	0.0	0.0
Long-Term Government Bonds	-6.1	-6.1	-0.1	0.0	0.0	0.0
Core Real Estate	-10.4	-12.7	2.3	0.3	-0.1	0.2
Commodities	2.4	-0.6	3.0	0.2	0.0	0.1
Cash	5.1	5.2	-0.2	0.0	0.0	0.0
<b>Health Care Trust</b>	<b>10.7</b>	<b>10.3</b>	<b>0.5</b>	<b>0.3</b>	<b>0.2</b>	<b>0.5</b>

Attribution Summary Chart  
3 Years Ending March 31, 2024

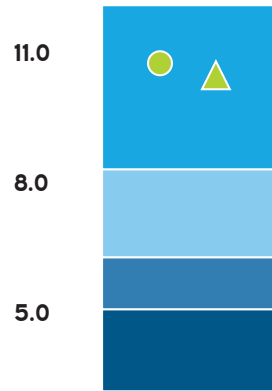


Attribution Summary  
3 Years Ending March 31, 2024

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effect
US Equity	9.8	9.8	0.0	0.0	0.0	0.0
International Equity	5.0	4.8	0.2	0.0	0.1	0.1
Emerging Markets Equity	-5.6	-5.1	-0.5	-0.1	0.0	0.0
Short-Term IG Bonds	2.8	2.6	0.2	0.0	0.0	0.0
Cash	2.5	2.6	-0.1	0.0	0.0	0.0
Investment Grade Bonds	-2.9	-2.5	-0.5	0.0	0.0	0.0
Long-Term Government Bonds	-8.8	-8.0	-0.8	0.0	0.0	0.0
Core Real Estate	5.6	3.4	2.2	0.3	-0.2	0.1
Commodities	8.3	9.1	-0.8	-0.1	0.0	0.0
Infrastructure	0.0	2.1	-2.1	0.0	0.0	0.0
TIPS	0.0	0.6	-0.6	0.0	0.0	0.0
<b>Health Care Trust</b>	<b>3.3</b>	<b>3.3</b>	<b>0.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>0.0</b>

### Annualized Return (%) Trailing 1 Year

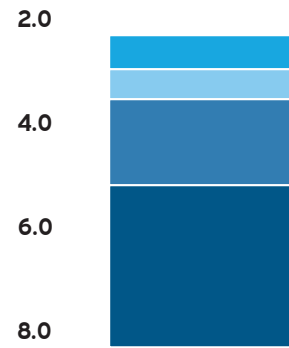
14.0



2.0

### Annualized St. Dev. Trailing 1 Year

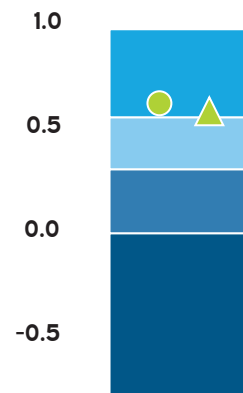
0.0



10.0

### Sharpe Ratio Trailing 1 Year

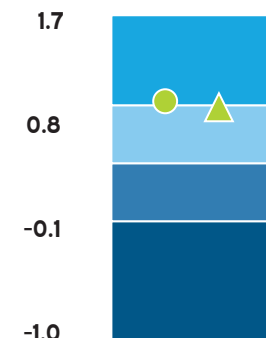
1.5



-1.0

### Sortino Ratio Trailing 1 Year

2.6



-1.9

Health Care Trust	10.7	(16)
Policy Benchmark	10.4	(16)

5th Percentile	12.0
1st Quartile	8.3
Median	6.2
3rd Quartile	5.1
95th Percentile	3.2

Health Care Trust	9.3	(98)
Policy Benchmark	9.5	(98)

5th Percentile	2.3
1st Quartile	3.0
Median	3.6
3rd Quartile	5.2
95th Percentile	8.3

Health Care Trust	0.6	(22)
Policy Benchmark	0.6	(23)

5th Percentile	0.9
1st Quartile	0.5
Median	0.3
3rd Quartile	0.0
95th Percentile	-0.8

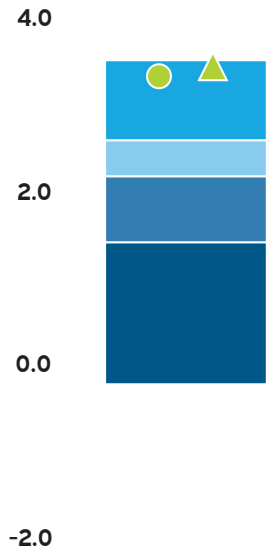
Health Care Trust	1.0	(24)
Policy Benchmark	0.9	(26)

5th Percentile	1.7
1st Quartile	1.0
Median	0.5
3rd Quartile	0.0
95th Percentile	-1.1

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

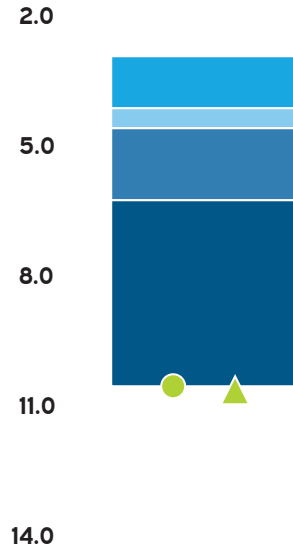
Total Fund | Three Years As of March 31, 2024

### Annualized Return (%) Trailing 3 Years



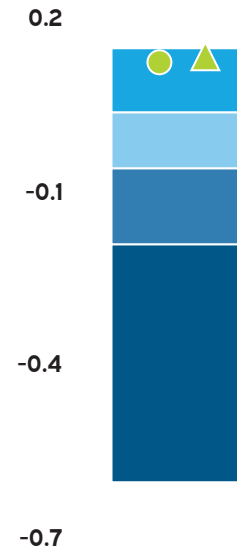
Health Care Trust	3.3	(8)
Policy Benchmark	3.4	(6)
5th Percentile	3.5	
1st Quartile	2.6	
Median	2.2	
3rd Quartile	1.4	
95th Percentile	-0.2	

### Annualized St. Dev. Trailing 3 Years



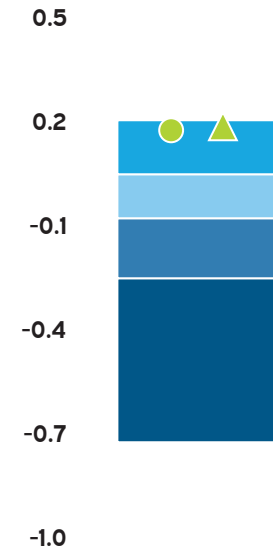
Health Care Trust	10.6	(94)
Policy Benchmark	10.7	(95)
5th Percentile	3.0	
1st Quartile	4.2	
Median	4.6	
3rd Quartile	6.3	
95th Percentile	10.6	

### Sharpe Ratio Trailing 3 Years



Health Care Trust	0.1	(13)
Policy Benchmark	0.1	(9)
5th Percentile	0.1	
1st Quartile	0.0	
Median	-0.1	
3rd Quartile	-0.2	
95th Percentile	-0.6	

### Sortino Ratio Trailing 3 Years

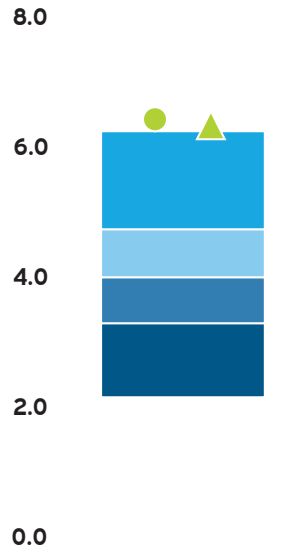


Health Care Trust	0.2	(13)
Policy Benchmark	0.2	(6)
5th Percentile	0.2	
1st Quartile	0.0	
Median	-0.1	
3rd Quartile	-0.3	
95th Percentile	-0.7	

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

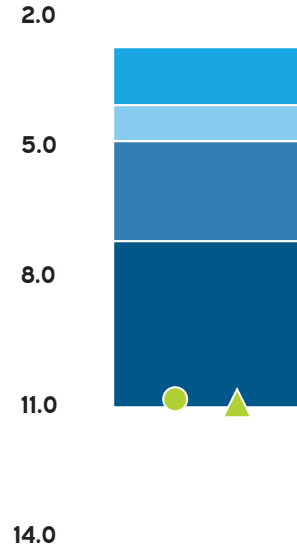
Total Fund | Five Years As of March 31, 2024

## Annualized Return (%) Trailing 5 Years



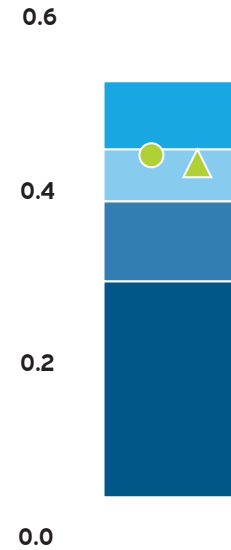
Health Care Trust	6.4	(5)
Policy Benchmark	6.3	(5)
5th Percentile	6.2	
1st Quartile	4.7	
Median	4.0	
3rd Quartile	3.3	
95th Percentile	2.1	

## Annualized St. Dev. Trailing 5 Years



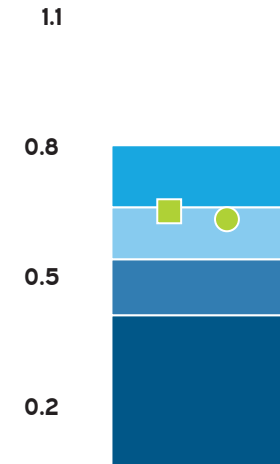
Health Care Trust	10.9	(94)
Policy Benchmark	11.0	(94)
5th Percentile	2.8	
1st Quartile	4.1	
Median	5.0	
3rd Quartile	7.3	
95th Percentile	11.1	

## Sharpe Ratio Trailing 5 Years



Health Care Trust	0.4	(28)
Policy Benchmark	0.4	(32)
5th Percentile	0.5	
1st Quartile	0.4	
Median	0.4	
3rd Quartile	0.3	
95th Percentile	0.0	

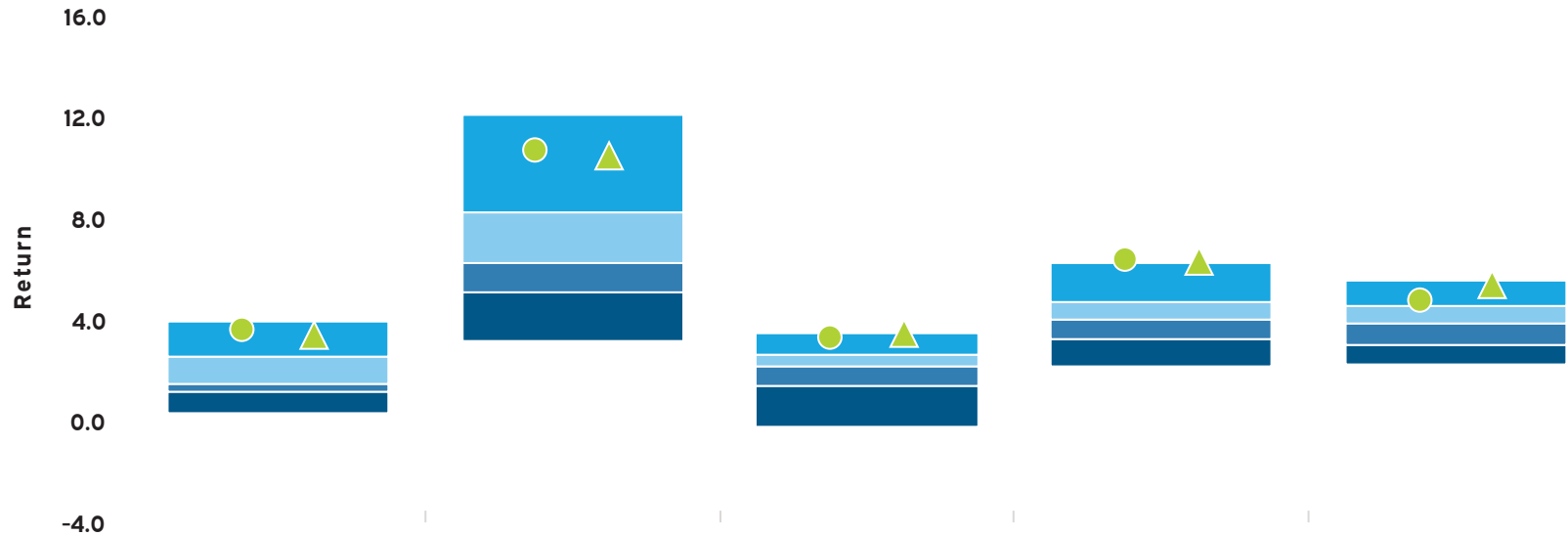
## Sortino Ratio Trailing 5 Years



Health Care Trust	0.6	(26)
Policy Benchmark	0.6	(30)
5th Percentile	0.8	
1st Quartile	0.7	
Median	0.5	
3rd Quartile	0.4	
95th Percentile	0.1	

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

InvMetrics Health & Welfare Net Return Comparison  
Ending March 31, 2024

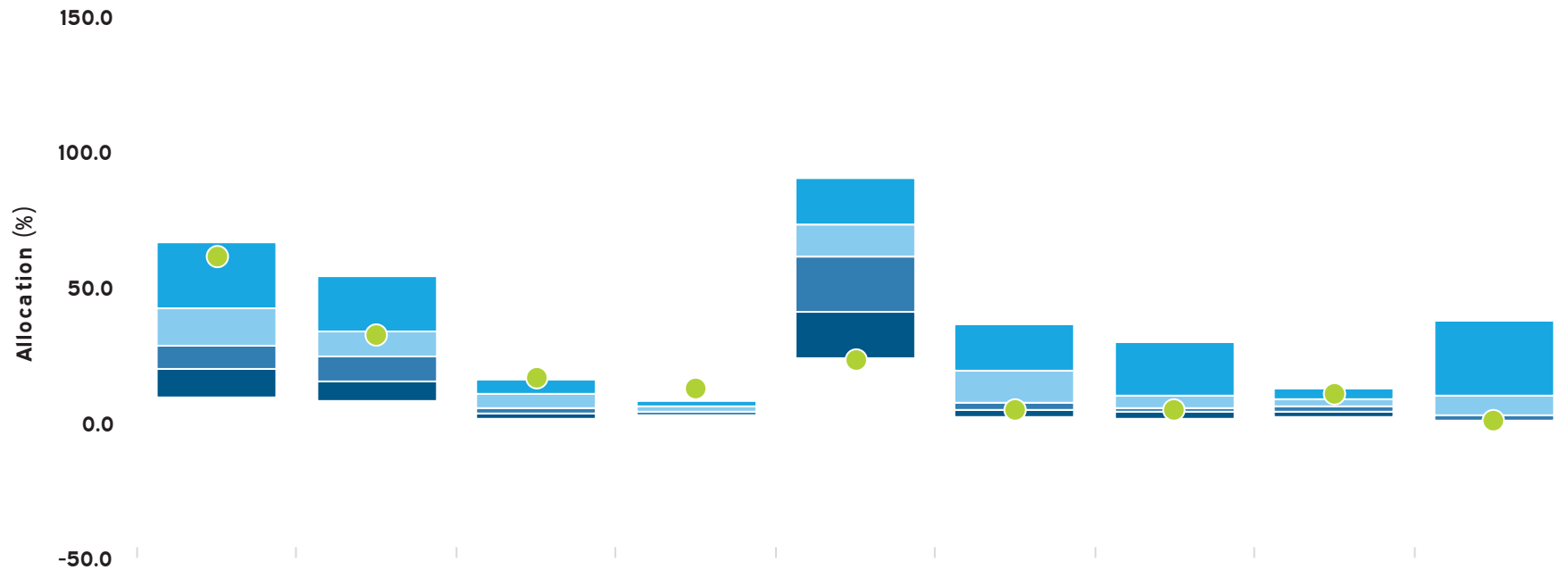


	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
● Health Care Trust	3.6 (13)	10.7 (16)	3.3 (8)	6.4 (5)	4.8 (17)
▲ Policy Benchmark	3.4 (13)	10.4 (16)	3.4 (6)	6.3 (5)	5.4 (7)
5th Percentile	3.9	12.0	3.5	6.2	5.6
1st Quartile	2.6	8.3	2.6	4.7	4.5
Median	1.4	6.2	2.2	4.0	3.8
3rd Quartile	1.2	5.1	1.4	3.3	3.0
95th Percentile	0.3	3.2	-0.2	2.1	2.2
Population	53	53	52	50	48

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



## Total Plan Allocation vs. InvMetrics Health & Welfare Net As of March 31, 2024



	Total Equity	US Equity	Dev'd ex-US Equity	Emg Mkt Equity	Total Fixed Income	Alternatives	Real Assets/Com mod	Total Real Estate	Cash & Equivalents
● Health Care Trust	61.0 (12)	32.4 (27)	16.4 (5)	12.2 (1)	23.0 (96)	4.6 (72)	4.6 (58)	10.8 (11)	0.6 (70)
5th Percentile	66.7	53.9	16.1	7.7	90.4	36.1	29.4	12.4	37.6
1st Quartile	41.9	33.4	10.3	6.2	73.1	19.0	10.1	8.8	9.6
Median	28.3	24.5	5.1	3.7	61.0	7.4	5.0	6.0	2.4
3rd Quartile	19.8	15.5	3.6	2.9	41.1	4.5	3.9	3.8	0.4
95th Percentile	9.4	7.7	1.0	1.9	23.7	1.9	1.4	1.9	0.0

Parentheses contain percentile rankings.

**Benchmark History**

**Health Care Trust**

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
6/1/2021	4/30/2022	30% Russell 3000 / 14% MSCI EAFE / 15% MSCI Emerging Markets / 5% 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
7/1/2019	5/31/2021	28% Russell 3000 / 13% MSCI EAFE / 15% MSCI Emerging Markets / 29% ICE BofA 91 Days T-Bills TR / 10% Core Real Estate Benchmark / 5% Bloomberg Commodity Index TR USD
10/1/2018	6/30/2019	28% Russell 3000 / 13% MSCI EAFE / 15% MSCI Emerging Markets / 29% ICE BofA 91 Days T-Bills TR / 10% MSCI US REIT / 5% Bloomberg Commodity Index TR USD
7/1/2018	9/30/2018	57% MSCI ACWI IMI (Net) / 30% Bloomberg US Aggregate TR / 8% MSCI US REIT Gross / 5% Bloomberg Commodity Index TR USD
2/1/2017	6/30/2018	43% MSCI ACWI IMI (Net) / 15% Bloomberg US Aggregate TR / 10% MSCI US REIT Gross / 9% Bloomberg Commodity Index TR USD / 3% DJ Brookfield Global Infrastructure Net TR USD / 20% 60% MSCI World & 40% Citigroup WGBI
9/1/2014	1/31/2017	43% MSCI ACWI IMI (Net) / 15% Bloomberg US Aggregate TR / 10% MSCI US REIT Gross / 9% Custom Commodity Risk Parity Index / 3% CPI + 5% (Unadjusted) / 20% 60% MSCI World & 40% Citigroup WGBI

**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
8/1/2012	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
8/1/2012	9/30/2018	MSCI ACWI IMI Net USD

**US Equity**

7/1/2018	Present	Russell 3000
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**International Equity**

7/1/2018	Present	MSCI EAFE
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**Emerging Markets Equity**

7/1/2018	Present	MSCI Emerging Markets
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Short-Term IG Bonds		
11/1/2018	Present	ICE BofA 91 Days T-Bills TR
Cash		
7/1/2012	Present	ICE BofA 91 Days T-Bills TR
Other		
6/1/2021	Present	38.89% BBgBarc US Aggregate TR / 13.89% BBgBarc US Treasury Long TR / 33.33% Core Real Estate Benchmark / 13.89% Bloomberg Commodity Index TR USD
7/1/2019	5/31/2021	66.67% Core Real Estate Benchmark / 33.33% Bloomberg Commodity Index TR USD
10/1/2018	6/30/2019	66.67% MSCI US REIT / 33.33% Bloomberg Commodity Index TR USD
8/1/2012	9/30/2018	35.09% 60% MSCI World & 40% Citigroup WGBI / 26.32% BBgBarc US Aggregate TR / 17.54% MSCI US REIT / 15.79% Bloomberg Commodity Index TR USD / 5.26% DJ Brookfield Global Infrastructure Net TR USD
Core Real Estate		
6/1/2021	Present	NCREIF ODCE Value-Weighted
7/1/2019	5/31/2021	NCREIF ODCE Equal-Weighted
8/1/2012	6/30/2019	MSCI US REIT Gross
Commodities		
10/1/2012	Present	Bloomberg Commodity Index TR USD
Infrastructure		
1/1/2014	Present	DJ Brookfield Global Infrastructure Net TR USD
Investment Grade Bonds		
8/1/2012	Present	BBgBarc Global Aggregate TR
TIPS		
7/1/2018	Present	100% BBgBarc US Treasury TIPS 0-5 Yr 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.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$ .

**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.