



# Sacramento Regional Transit District Agenda

**COMBINED MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES AND  
RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT  
MONDAY, JANUARY 22, 2024 AT 1:00 P.M.  
REGIONAL TRANSIT AUDITORIUM  
1400 29<sup>TH</sup> STREET, SACRAMENTO, CALIFORNIA  
(29th Street. Light Rail Station/Bus Routes 38, 67, 68)**

**Website Address: [www.sacrt.com](http://www.sacrt.com)**

**MEETING NOTE:** *This is a joint and concurrent meeting of the five independent Retirement Boards for the pension plans for the employees and retirees of the Sacramento Regional Transit District. This single, combined agenda designates which items will be subject to action by which board(s). Members of each board may be present for the other boards' discussions and actions, except during individual closed sessions.*

**ROLL CALL**

ATU Retirement Board: Directors: Li, Kennedy, McGee Lee, Scott  
Alternates: Valenton, Smith

IBEW Retirement Board: Directors: Li, Kennedy, Bibbs, Pickering  
Alternates: Valenton, D. Thompson

AEA Retirement Board: Directors: Li, Kennedy, Devorak, McGoldrick  
Alternates: Valenton, Santhanakrishnan

AFSCME Retirement Board: Directors: Li, Kennedy, Guimond, L. Thompson  
Alternates: Valenton

MCEG Retirement Board: Directors: Li, Kennedy, Bobek, Hinz  
Alternates: Valenton, Flores

**PUBLIC ADDRESSES BOARD ON MATTERS ON CONSENT AND MATTERS NOT ON THE AGENDA**  
At this time the public may address the Retirement Board(s) on subject matters pertaining to Retirement Board business listed on the Consent Calendar, any Closed Sessions or items not listed on the agenda. Remarks may be limited to 3 minutes subject to the discretion of the Common Chair. Members of the public wishing to address one or more of the Boards may submit a "Public Comment Speaker Card" to the Assistant Secretary. While the Retirement Boards encourage your comments, State law prevents the Boards from discussing items that are not set forth on this meeting agenda. The Boards and staff take your comments very seriously and, if appropriate, will follow up on them.

**CONSENT CALENDAR**

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
1. Motion:	Approving the Minutes for the December 20, 2023 Special Retirement Board Meeting (ATU). (Gobel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Motion:	Approving the Minutes for the December 20, 2023 Special Retirement Board Meeting (IBEW). (Gobel)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Motion:	Approving the Minutes for the December 20, 2023 Special Retirement Board Meeting (AEA). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## AGENDA FOR 1/22/2024 MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES AND RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT

- |                |   |                                     |                                     |                                     |                                     |                                     |
|----------------|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 4. Motion:     | Approving the Minutes for the December 20, 2023 Special Retirement Board Meeting (AFSCME). (Gobel)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 5. Motion:     | Approving the Minutes for the December 20, 2023 Special Retirement Board Meeting (MCEG). (Gobel)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 6. Motion:     | Receive and File Administrative Reports for the Quarter Ended September 30, 2023 for the ATU Pension Plan (ATU). (Johnson)                  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 7. Motion:     | Receive and File Administrative Reports for the Quarter Ended September 30, 2023 for the IBEW Pension Plan (IBEW). (Johnson)                | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 8. Motion:     | Receive and File Administrative Reports for the Quarter Ended September 30, 2023 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Johnson) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. Information | Update on Roles and Responsibilities Related to Pension Administration (ALL). (Gobel)   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

### **NEW BUSINESS**

- |                  |   | <u>ATU</u>                          | <u>IBEW</u>                         | <u>AEA</u>                          | <u>AFSCME</u>                       | <u>MCEG</u>                         |
|------------------|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 10. Information: | Investment Performance Review by Dimensional Fund Advisors (DFA) for the ATU, IBEW and Salaried Retirement Funds for the Emerging Markets Asset Class for the Quarter Ended September 30, 2023 (ALL). (Johnson) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. Information: | Investment Performance Review by TCW MetWest for the ATU, IBEW and Salaried Funds for the Domestic Fixed Income Asset Class for the Quarter Ended September 30, 2023 (ALL). (Johnson)                           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 12. Motion:      | Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2023 (ALL). (Johnson)  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

### **REPORTS, IDEAS AND COMMUNICATIONS**

- |                  |  | <u>ATU</u>                          | <u>IBEW</u>                         | <u>AEA</u>                          | <u>AFSCME</u>                       | <u>MCEG</u>                         |
|------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 13. Information: | Annual Report on Educational Activities of Retirement Board Members (ALL). (Gobel)   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 14. Information: | Senior Manager, Pension & Retirement Services Quarterly Verbal Update (ALL). (Gobel) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

### **ADJOURN**

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#### NOTICE TO THE PUBLIC

It is the policy of the Boards of Directors of the Sacramento Regional Transit District Retirement Plans to encourage participation in the meetings of the Boards of Directors. At each open meeting, members of the public shall be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Boards.

This agenda may be amended up to 72 hours prior to the meeting. An agenda, in final form, is posted to SacRT's website at [www.sacrt.com](http://www.sacrt.com) and at the front of the Sacramento Regional Transit District's administration building on 1400 29<sup>th</sup> Street. Persons requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Retirement Services Administrator at (916) 556-0296 (voice) or (916) 483-4327 (TDD) at least 72 business hours in advance of the Board meeting.

Any staff reports or other documentation submitted for items on the agenda are available online at [www.sacrt.com](http://www.sacrt.com), on file with the Retirement Services Administrator and the Clerk to the Board of Directors of the Sacramento Regional Transit District, and available for public inspection at 1400 29<sup>th</sup> Street, Sacramento, CA. Persons with questions regarding those materials should contact the Retirement Services Administrator (916) 556-0296.

**Sacramento Regional Transit District  
Special Retirement Board Meeting (AEA)  
Wednesday, December 20, 2023  
Meeting Minutes**

This meeting was held as a special meeting of the Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

The Retirement Board was brought to order at 9:01 a.m. A quorum was present and comprised as follows: Director Kennedy, Alternate Valenton, Director McGoldrick, and Alternate Santhanakrishnan. Director Li and Director Devorak were absent.

Director Kennedy presided over this meeting as Common Chair of the Retirement Boards.

2. Information: Report Out from September 13, 2023 Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): 1 Potential Case.

John Gobel, Senior Manager of Pension and Retirement Services, explained that reporting out from closed session is usually done at the conclusion of the Retirement Board meeting. At the Regular meeting on September 13<sup>th</sup>, however, Mr. Gobel reminded the Retirement Board that they had decided to defer reporting out on this closed session item until the next meeting in December. Thereafter, Mr. Gobel introduced Shayna van Hoften, Legal Counsel to the Retirement Boards.

Ms. van Hoften reported the AEA Retirement Board met in closed session on September 13, 2023 to discuss significant exposure to litigation on one potential case and that no action was taken.

**CONSENT CALENDAR**

6. Motion: Approving the Minutes for the September 13, 2023, Quarterly Retirement Board Meeting (AEA). (Gobel)

9. Information: Exercise of Two-Year Option Term in the Agreement with Callan, LLC, for Investment Advisory and Evaluation Services (ALL).

Director Kennedy moved to adopt Agenda Items 6 and 9. The motion was seconded by Alternate Valenton. Agenda Items 6 and 9 were carried unanimously by roll call vote: Ayes – McGoldrick, Santhanakrishnan, Kennedy, and Valenton; Noes – None.

## December 20, 2023 Meeting Minutes – Continued

### **NEW BUSINESS**

10. Motion: Adoption of the Sacramento Regional Transit Retirement Boards Meeting Calendar for 2024. (ALL). (Gobel)

Mr. Gobel discussed the annual meeting calendar for 2024 and noted that this is generally a consent item, rather than a motion item. Because Mr. Gobel was proposing changing the start time of regular and special meetings from 9:00 a.m. to 1:00 p.m., however, he wanted to discuss the change directly with the Retirement Boards and hear if there were any questions or concerns about a new start time for 2024.

There were no questions from the Retirement Boards.

Director Kennedy moved to approve Agenda Item 10. The motion was seconded by Alternate Valenton. The motion carried unanimously by roll call vote: Ayes – McGoldrick, Santhanakrishan, Kennedy, and Valenton; Noes – None.

### **ADJOURN**

With no further business to discuss, the Retirement Board meeting was adjourned at 9:13 a.m.

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Tim McGoldrick for Russel Devorak, Board Chair

ATTEST:

Henry Li, Secretary

By: \_\_\_\_\_

John Gobel, Assistant Secretary



# RETIREMENT BOARD STAFF REPORT

**DATE:** January 22, 2024 Agenda Item: 8  
**TO:** Sacramento Regional Transit Retirement Boards – AEA/AFSCME/MCEG  
**FROM:** Jason Johnson, VP, Finance/CFO  
**SUBJ:** RECEIVE AND FILE ADMINISTRATIVE REPORTS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 FOR THE SALARIED PENSION PLAN (AEA/AFSCME/MCEG). (JOHNSON)

## **RECOMMENDATION**

Motion to Approve

## **RESULT OF RECOMMENDED ACTION**

Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2023 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Johnson)

## **FISCAL IMPACT**

None.

## **DISCUSSION**

Table 1 below shows the employer and employee contribution rates for the Sacramento Regional Transit District Salaried Retirement Plan, by tier, as of the date indicated.

Table 1

**Employer Contribution Rates  
As of September 30, 2023**

	<b>Salary</b>
	Contribution Rate
Classic	42.74%
PEPRA*	30.43%

\*PEPRA employee rates: 6.50%

## Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended September 30, 2023. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended September 30, 2023 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

The Statement of Fiduciary Net Position includes a summary of fund assets showing the amounts in the following categories: investments, prepaid assets, and other receivables. This statement also provides amounts due from/to the District and Total Fund Equity (net position).

The Statement of Changes in Fiduciary Net Position includes activities in the following categories: investment gains/losses, dividends, interest income, unrealized gains/losses, benefit contributions/payouts, and investment management and administrative expenses.

## Asset Rebalancing

Pursuant to Section IV, Asset Rebalancing Policy of the Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (Statement of Investment Objectives and Policy Guidelines), the Retirement Boards have delegated authority to manage pension plan assets in accordance with the approved rebalancing policy to the District's VP, Finance/CFO or designee. The VP, Finance/CFO is required to report asset rebalancing activity to the Boards at their quarterly meetings.

Rebalancing can occur for one or more of the following reasons:

1. The Pension Plan ended the month with an accounts receivable or payable balance due to the District. A payable or receivable is the net amount of the monthly required contribution (required contribution is the percentage of covered payroll determined by the annual actuarial valuation) less the Plan's actual expenses.
2. The Pension Plan hires or removes a Fund Manager, in which case securities must be moved to a new fund manager.
3. The Pension Plan investment mix is under or over the minimum or maximum asset allocation as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended September 30, 2023. The schedule of cash activities includes a summary of Plan activities showing the amounts in the following categories: District's pension contributions to the Plan, payments to retirees, and the Pension Plan's cash expenditures paid. This schedule also lists the rebalancing activity that occurred for the three months ended September 30, 2023. The Salaried Plan reimbursed \$10,296.72 to the District as the result of the net cash activity between the pension plan expenses and the required pension contributions.

Attached hereto as Attachment 5 is the Salaried Plan's Asset Allocation as of September 30, 2023. This statement shows the Salaried Plan's asset allocation as compared to targeted allocation percentages as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 6 is a reconciliation between the Callan Performance Report and the ATU, IBEW and Salaried Pension Plans' unaudited financial statements. The reports differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The "Net Difference" amounts shown are the results of Callan and Northern Trust Company using different valuations for the same securities and/or litigation settlements received by the Plans.

Included also as Attachment 7 is a reconciliation between the Callan Performance Report and the Schedule of Cash Activities for payments made from/to the District. Callan's report classifies gains from trades and litigation income as "net new investments." Finance staff classifies gains from trades and litigation income in the Pension Plan's unaudited Statement of Changes in Fiduciary Net Position (Attachment 2) as "Other Income," which is combined in the category of "Interest, Dividend, & Other Inc".

Attached hereto as Attachment 8 is a schedule reflecting Fund Managers' quarterly investment returns and their investment fees. Additionally, the schedule reflects annual rates of return on investment net of investment fees for the one-year and three-year periods ended September 30, 2023 as compared to their benchmarks.

## Sacto Regional Transit District Retirement Plan - Salaried Statement of Fiduciary Net Position

Accrual Basis

As of September 30, 2023

	Sep 30, 23
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	128,330,163.00
Total Long-Term Investments	128,330,163.00
Total Checking/Savings	128,330,163.00
Accounts Receivable	
1110104 · Other Rec - Due from RT	47,324.82
1110109 · Distributions Receivable	49,168.13
Total Accounts Receivable	96,492.95
Other Current Assets	
1110120 · Prepays	8,696.84
Total Other Current Assets	8,696.84
Total Current Assets	128,435,352.79
<b>TOTAL ASSETS</b>	<b>128,435,352.79</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	16,486.25
3110122 · TWC	19,653.39
3110124 · Boston Partners	28,412.78
3110125 · Callan	4,146.47
3110128 · Atlanta Capital	22,252.21
3110129 · S&P Index - SSgA	1,102.50
3110130 · EAFE - SSgA	626.46
3110132 · Pyrford	21,184.67
3110133 · Northern Trust	8,469.36
3110134 · Clarion	14,848.05
Total Accounts Payable	137,182.14
Total Current Liabilities	137,182.14
Total Liabilities	137,182.14
Equity	
3340101 · Retained Earnings	130,990,426.56
Net Income	-2,692,255.91
Total Equity	128,298,170.65
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>128,435,352.79</b>



## Sacto Regional Transit District Retirement Plan - Salaried Statement of Changes in Fiduciary Net Position

Accrual Basis

July through September 2023

	Jul - Sep 23	% of Income
<b>Income</b>		
<b>RT Required Contribution</b>		
6630101 · Employer Contributions	2,963,810.17	545.7%
6630110 · Employee Contribution	234,097.19	43.1%
<b>Total RT Required Contribution</b>	<b>3,197,907.36</b>	<b>588.8%</b>
<b>Total Investment Earnings</b>		
<b>Interest, Dividend, &amp; Other Inc</b>		
6830101 · Dividend	279,824.89	51.5%
6830102 · Interest	256,594.07	47.2%
6830103 · Other Income	0.00	0.0%
6830104 · Dividend - Distributions	49,168.13	9.1%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>585,587.09</b>	<b>107.8%</b>
<b>Investment Income</b>		
6530900 · Gains/(Losses) - All	-453,322.72	-83.5%
6530915 · Increase(Decrease) in FV	-2,787,067.38	-513.2%
<b>Total Investment Income</b>	<b>-3,240,390.10</b>	<b>-596.6%</b>
<b>Total Total Investment Earnings</b>	<b>-2,654,803.01</b>	<b>-488.8%</b>
<b>Total Income</b>	<b>543,104.35</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531210 · AEA - Retirement Benefits Paid	836,643.78	154.0%
8531211 · AFSCME-Retirement Benefits Paid	1,046,928.20	192.8%
8531212 · MCEG - Retirement Benefits Paid	1,089,882.91	200.7%
8531213 · Employee Contribution Refunds	40,343.73	7.4%
8532004 · Invest Exp - TWC	19,653.39	3.6%
8532013 · Invest Exp - Boston Partners	28,412.78	5.2%
8532020 · Invest Exp - Callan	12,432.23	2.3%
8532024 · Invest Exp - Atlanta Capital	22,252.21	4.1%
8532025 · Invest Exp - S&P Index SSgA	1,102.50	0.2%
8532026 · Invest Exp - EAFE SSgA	626.46	0.1%
8532027 · Invest Exp - AQR	14,362.60	2.6%
8532028 · Invest Exp - Pyrford	21,184.67	3.9%
8532029 · Invest Exp - Northern Trust	8,469.36	1.6%
8532030 · Invest Exp - Clarion	14,848.05	2.7%
8532031 · Invest Exp - Morgan Stanley	13,992.53	2.6%
<b>Total COGS</b>	<b>3,171,135.40</b>	<b>583.9%</b>
<b>Gross Profit</b>	<b>-2,628,031.05</b>	<b>-483.9%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	8,381.26	1.5%
8533007 · Admin Exp - CALPRS Dues/Courses	4,127.96	0.8%
8533010 · Admin Exp - Travel	0.00	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,620.10	0.7%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	320.00	0.1%
8533026 · Admin Exp - Legal Services	15,999.99	2.9%
8533029 · Admin Exp - Administrator	31,752.03	5.8%
8533050 · Admin Exp - Misc Exp	23.52	0.0%
8533051 · Admin Exp - Audit	0.00	0.0%
<b>Total Expense</b>	<b>64,224.86</b>	<b>11.8%</b>
<b>Net Income</b>	<b>-2,692,255.91</b>	<b>-495.7%</b>

**Sacto Regional Transit District Retirement Plan - Salaried**  
**Statement of Changes in Fiduciary Net Position**  
 July through September 2023

Accrual Basis

	<u>Jul - Sep 23</u>	<u>% of Income</u>
<b>Income</b>		
RT Required Contribution		
6630101 · Employer Contributions	2,963,810.17	545.7%
6630110 · Employee Contribution	234,097.19	43.1%
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<b>Total Investment Earnings</b>		
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**Sacramento Regional Transit District**  
**Retirement Fund - Salaried**  
**Schedule of Cash Activities**  
**For the Three Months Period Ended September 30, 2023**

	July 2023	August 2023	September 2023	Quarter Totals
Beginning Balance:				
Due (from)/to District - June 30, 2023	(28,262.81)	(37,706.27)	853.26	(28,262.81)
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 30.43% - 42.74%	1,027,626.43	979,135.71	957,048.03	2,963,810.17
Employee Pension Contributions	76,852.25	81,300.55	75,944.39	234,097.19
Total Deposits	1,104,478.68	1,060,436.26	1,032,992.42	3,197,907.36
<u>Expenses</u>				
Payout to Retirees:				
AEA	(278,947.56)	(278,925.46)	(278,770.76)	(836,643.78)
AFSCME	(351,630.74)	(347,848.80)	(347,448.66)	(1,046,928.20)
MCEG	(354,636.81)	(361,120.83)	(374,125.27)	(1,089,882.91)
Employee Contribution Refunds	(1,545.74)	(38,797.99)	-	(40,343.73)
Payout to Retirees Subtotal	(986,760.85)	(1,026,693.08)	(1,000,344.69)	(3,013,798.62)
Fund Investment Management Expenses:				
Atlanta Capital	-	(22,955.89)	-	(22,955.89)
Boston Partners	(27,865.72)	-	-	(27,865.72)
SSgA S&P 500 Index	-	(1,048.21)	-	(1,048.21)
SSgA EAFE MSCI	-	(619.05)	-	(619.05)
TWC	(20,349.30)	-	-	(20,349.30)
Pyrford	-	(21,313.16)	-	(21,313.16)
Northern Trust	(8,454.43)	-	-	(8,454.43)
Callan	(4,139.15)	(4,139.15)	(4,146.61)	(12,424.91)
Fund Invest. Mgmt Exp. Subtotal	(60,808.60)	(50,075.46)	(4,146.61)	(115,030.67)
Administrative Expenses				
Legal Services	(5,333.33)	-	(5,333.33)	(10,666.66)
Pension Administration	(10,846.11)	(9,918.35)	(10,987.57)	(31,752.03)
Actuarial Services	-	(2,024.61)	(2,561.67)	(4,586.28)
Investigation Information Services	-	(320.00)	-	(320.00)
Audit Fees	-	(8,836.33)	-	(8,836.33)
CALAPRS Training	(3,000.00)	(1,127.96)	-	(4,127.96)
Miscellaneous	(23.52)	-	-	(23.52)
Administrative Exp. Subtotal	(19,202.96)	(22,227.25)	(18,882.57)	(60,312.78)
Total Expenses	(1,066,772.41)	(1,098,995.79)	(1,023,373.87)	(3,189,142.07)
Monthly Net Owed from/(to) District	37,706.27	(38,559.53)	9,618.55	8,765.29
Payment from/(to) the District	28,262.81	-	(38,559.53)	(10,296.72)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	(37,706.27)	853.26	(47,324.82)	(47,324.82)

**RT Combined Pension Plans - ATU, IBEW and Salaried  
Asset Allocation \***  
As of September 30, 2023

Asset Class	Net Asset Market Value 9/30/2023	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
<b>FUND MANAGERS:</b>						
<b>Domestic Equity:</b>						
Large Cap Value - Boston Partners - Z8	\$ 63,031,508	17.33%	16.00%	1.33%	\$ 4,846,786	
Large Cap Growth - SSgA S&P 500 Index - XH	60,136,238	16.54%	16.00%	0.54%	1,951,516	
<b>Total Large Cap Domestic Equity</b>	<b>123,167,745</b>	<b>33.87%</b>	<b>32.00%</b>	<b>1.87%</b>	<b>6,798,302</b>	<b>\$ 116,369,443</b>
<b>Small Cap - Atlanta Capital - XB</b>	<b>31,532,004</b>	<b>8.67%</b>	<b>8.00%</b>	<b>0.67%</b>	<b>2,439,643</b>	<b>29,092,361</b>
<b>International Equity:</b>						
Large Cap Growth:						
Pyrford - ZD	34,857,131	9.59%	9.50%	0.09%	309,952	
Large Cap Core:						
SSgA MSCI EAFE - XG	17,116,751	4.71%				
Total Core	17,116,751	4.71%	4.50%	0.21%	752,298	
Small Cap:						
AQR - ZB	19,873,304	5.46%	5.00%	0.46%	1,690,578	
Emerging Markets						
DFA - ZA	21,931,030	6.03%	6.00%	0.03%	111,759	
<b>Total International Equity</b>	<b>93,778,215</b>	<b>25.79%</b>	<b>25.00%</b>	<b>0.79%</b>	<b>2,864,588</b>	<b>90,913,627</b>
<b>Fixed Income:*</b>						
<b>TWC - XD</b>	<b>81,007,440</b>	<b>22.28%</b>	<b>25.00%</b>	<b>-2.72%</b>	<b>(9,906,188)</b>	<b>90,913,627</b>
<b>Real Estate:*</b>						
Clarion - Lion	16,870,275	4.64%	5.00%	-0.36%	(1,312,450)	
Morgan Stanley	17,298,831	4.76%	5.00%	-0.24%	(883,895)	
<b>Total Real Estate</b>	<b>34,169,106</b>	<b>9.40%</b>	<b>10.00%</b>	<b>-0.60%</b>	<b>(2,196,345)</b>	<b>36,365,451</b>
<b>Total Combined Net Asset</b>	<b>\$ 363,654,510</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ 363,654,510</b>

Asset Allocation Policy Ranges*:	Minimum	Target	Maximum
<b>Domestic Equity</b>	<b>35%</b>	<b>40%</b>	<b>45%</b>
Large Cap (50/50 value/growth)	28%	32%	36%
Small Cap	5%	8%	11%
<b>International Equity</b>	<b>20%</b>	<b>25%</b>	<b>30%</b>
Large Cap Developed Markets	10%	14%	18%
Small Cap Developed Markets	3%	5%	7%
Emerging Markets	4%	6%	8%
<b>Domestic Fixed Income</b>	<b>20.0%</b>	<b>25.0%</b>	<b>30.0%</b>
<b>Real Estate</b>	<b>6.0%</b>	<b>10.0%</b>	<b>14.0%</b>

\* Per the Statement of Investment Objectives and Policy Guidelines as of 6/21/2023.

**Reconciliation between Callan Report  
and  
Consolidated Pension Fund Balance Sheet  
As of September 30, 2023**

<b>Per Both Pension Fund Balance Sheets:</b>	
ATU Allocated Custodial Assets	162,428,949
ATU Accrued Clarion Distributions Receivable	73,913 **
IBEW Allocated Custodial Assets	72,895,398
IBEW Accrued Clarion Distributions Receivable	32,021 **
Salaried Allocated Custodial Assets	128,330,163
Salaried Accrued Clarion Distributions Receivable	49,168 **
	<u>363,809,612</u>
<b>Total Consolidated Net Asset</b>	
	<u>363,809,612</u>
 <b>Per Callan Report:</b>	
Total Investments	363,810,370
	<u>363,810,370</u>
 <b>Net Difference</b>	<u>(758) *</u>

\* The "Net Difference" amounts shown are the results of Callan and Northern Trust using different valuations for the same securities.

\*\*Callan includes Clarion distributions receivable in total investments and Northern Trust recognizes the balance the following quarter when cash is received.

**Reconciliation between Callan Report  
and  
Consolidated Pension Fund Investment Income  
For the Quarter Ended September 30, 2023**

<b>Per Both Pension Fund Income Statements:</b>	
ATU - Investment Earnings	(3,493,461)
ATU - Management Fees	(62,788)
IBEW - Investment Earnings	(1,556,210)
IBEW - Management Fees	(27,446)
Salaried - Investment Earnings	(2,654,803)
Salaried - Management Fees	(44,242)
	<u>(7,838,950)</u>
<b>Total Investment Income</b>	
	<u>(7,838,950)</u>
 <b>Per Callan Report:</b>	
Investment Returns	(7,838,213)
	<u>(7,838,213)</u>
 <b>Net Difference</b>	<u>(737) ***</u>

\*\*\* The "Net Difference" amounts shown are the results of Callan and Northern Trust using different valuations for the same securities.

**Reconciliation between Callan Report  
and  
Consolidated Schedule of Cash Activities  
For the Quarter Ended September 30, 2023**

	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
<b>Payments from/(to) the District</b>				
Boston Partners - ATU	(214,669)	-	(182,914)	(397,584)
Boston Partners - IBEW	(62,656)	-	(24,111)	(86,767)
Boston Partners - Salaried	28,263	-	(38,560)	(10,297)
<b>Total Payments from/(to) the District</b>	<u>(249,063)</u>	<u>-</u>	<u>(245,585)</u>	<u>(494,648)</u>
<b>Transfers In/(Out) of Investment Funds</b>				
Boston Partners	(249,063)	-	(245,585)	(494,648)
<b>Total Transfers In/(Out) of Investment Funds</b>	<u>(249,063)</u>	<u>-</u>	<u>(245,585)</u>	<u>(494,648)</u>
<b>Variance between Payments and Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Per Callan Report:</b>				
Net New Investment/(Withdrawals)				<u>(494,648)</u>
<b>Net Difference</b>				<u><u>0</u></u>

**Consolidated Schedule of Cash Activities  
For the 12-Months September 30, 2023**

	<u>4Q22</u>	<u>1Q23</u>	<u>2Q23</u>	<u>3Q23</u>	<u>Total</u>
<b>Payments from/(to) the District</b>					
Boston Partners - ATU	(462,364)	(145,887)	(138,723)	(397,584)	(1,144,558)
Boston Partners - IBEW	(173,850)	(34,337)	(26,873)	(86,767)	(321,827)
Boston Partners - Salaried	(169,641)	44,562	74,143	(10,297)	(61,234)
S&P 500 Index - ATU	-	-	(39,250)	-	(39,250)
S&P 500 Index - Salaried	-	-	39,250	-	39,250
Atlanta Capital - ATU	(188,258)	(415,444)	(370,247)	-	(973,949)
Atlanta Capital - IBEW	(54,353)	(146,415)	(163,013)	-	(363,781)
Atlanta Capital - Salaried	62,653	(49,697)	45,070	-	58,026
Pyrford - ATU	-	-	(24,897)	-	(24,897)
Pyrford - Salaried	-	-	24,897	-	24,897
EAFE - ATU	-	-	(12,037)	-	(12,037)
EAFE - Salaried	-	-	12,037	-	12,037
AQR - ATU	-	-	(13,459)	-	(13,459)
AQR - Salaried	-	-	13,459	-	13,459
DFA - ATU	-	-	(14,625)	-	(14,625)
DFA - Salaried	-	-	14,625	-	14,625
TWC - ATU	-	-	(57,719)	-	(57,719)
TWC - Salaried	-	-	57,719	-	57,719
Clarion - ATU	-	-	(12,332)	-	(12,332)
Clarion - Salaried	-	-	12,332	-	12,332
Morgan Stanley - ATU	-	-	(11,989)	-	(11,989)
Morgan Stanley - Salaried	-	-	11,989	-	11,989
<b>Total Payments from/(to) the District</b>	<u>(985,813)</u>	<u>(747,219)</u>	<u>(579,644)</u>	<u>(494,648)</u>	<u>(2,807,323)</u>

**Sacramento Regional Transit District  
ATU, IBEW and Salaried Retirement Plans  
Schedule of Fund Investment Returns and Expenses  
09/30/23**

	1 Year		1 Year			3 Years		3 Years		
	1 Year	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts	3 Years	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts
<b>Boston Partners</b>										
Investment Returns	9,493,789	100.00%				28,247,255	100.00%			
Investment Expense	(313,326)	3.30%				(961,336)	3.40%			
Net Gain/(Loss)	9,180,463	96.70%	16.75%	14.44%	231.00	27,285,919	96.60%	16.13%	11.05%	508.00
<b>S&amp;P 500</b>										
Investment Returns	10,684,038	100.00%				18,525,520	100.00%			
Investment Expense	(11,632)	0.11%				(36,235)	0.20%			
Net Gain/(Loss)	10,672,406	99.89%	21.56%	21.62%	(6.00)	18,489,285	99.80%	10.09%	10.15%	(6.00)
<b>Atlanta Capital</b>										
Investment Returns	5,430,638	100.00%				10,272,931	100.00%			
Investment Expense	(252,453)	4.65%				(766,267)	7.46%			
Net Gain/(Loss)	5,178,185	95.35%	19.18%	8.93%	1,025.00	9,506,664	92.54%	11.05%	7.16%	389.00
<b>Pyrford</b>										
Investment Returns	6,333,119	100.00%				5,655,545	100.00%			
Investment Expense	(231,495)	3.66%				(684,342)	12.10%			
Net Gain/(Loss)	6,101,624	96.34%	21.59%	25.65%	(406.00)	4,971,203	87.90%	5.43%	5.75%	(32.00)
<b>EAFE</b>										
Investment Returns	3,535,801	100.00%				2,784,238	100.00%			
Investment Expense	(6,785)	0.19%				(20,297)	0.73%			
Net Gain/(Loss)	3,529,016	99.81%	25.94%	25.65%	29.00	2,763,941	99.27%	6.00%	5.75%	25.00
<b>AQR</b>										
Investment Returns	4,630,513	100.00%				4,197,826	100.00%			
Investment Expense	(158,899)	3.43%				(492,547)	11.73%			
Net Gain/(Loss)	4,471,614	96.57%	30.38%	17.90%	1,248.00	3,705,279	88.27%	7.71%	1.10%	661.00
<b>DFA</b>										
Investment Returns	3,393,717	100.00%				3,270,101	100.00%			
Investment Expense	(81,378)	2.40%				(322,362)	9.86%			
Net Gain/(Loss)	3,312,339	97.60%	18.31%	11.70%	661.00	2,947,739	90.14%	4.72%	-1.73%	645.00
<b>TWC</b>										
Investment Returns	678,478	100.00%				(13,124,948)	100.00%			
Investment Expense	(228,225)	33.64%				(712,537)	-5.43%			
Net Gain/(Loss)	450,253	66.36%	0.57%	0.64%	(7.00)	(13,837,485)	105.43%	-5.08%	-5.21%	13.00
<b>Clarion</b>										
Investment Returns	(3,516,851)	100.00%				N/A	0.00%			
Investment Expense	(205,332)	-5.84%				N/A	0.00%			
Net Gain/(Loss)	(3,722,183)	105.84%	-17.12%	-12.14%	N/A	-	-	N/A	N/A	N/A
<b>Morgan Stanley</b>										
Investment Returns	(1,346,390)	100.00%				N/A	0.00%			
Investment Expense	(179,101)	-13.30%				N/A	0.00%			
Net Gain/(Loss)	(1,525,491)	113.30%	-7.22%	-12.14%	N/A	-	-	N/A	N/A	N/A
<b>Total Fund</b>										
Investment Returns	39,316,852	100.00%				59,828,468	100.00%			
Investment Expense	(1,668,626)	4.24%				(3,995,924)	6.68%			
Net Gain/(Loss)	37,648,226	95.76%	11.74%	11.54%	20.00	55,832,544	93.32%	6.16%	3.94%	222.00



# RETIREMENT BOARD STAFF REPORT

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**DATE:** January 22, 2024 Agenda Item: 9  
**TO:** Sacramento Regional Transit Retirement Board – ALL  
**FROM:** John Gobel, Senior Manager, Pension and Retirement Services  
**SUBJ:** UPDATE ON ROLES AND RESPONSIBILITIES RELATED TO PENSION ADMINISTRATION - QUARTER ENDED SEPTEMBER 30, 2023 (ALL). (Gobel)

## **RECOMMENDATION**

No Recommendation - Information Only

## **RESULT OF RECOMMENDED ACTION**

No recommended action.

## **FISCAL IMPACT**

There is no fiscal impact associated with this action.

## **DISCUSSION**

Every quarter, three reports are distributed to apprise the Retirement Boards of functions performed by Staff and Legal Counsel in support of the pension plans. The reports prepared for the quarter ended September 30, 2023 are attached for review and identified below:

Attachment A – Pension Administration Staff Roles and Responsibilities

Attachment B – RT Staff Costs Attributable and Charged to RT Pension Plans

Attachment C – Summary of Legal Services Provided for the Quarter

For the quarter ended September 30<sup>th</sup> (which considers new pension payments effected between July 10<sup>th</sup> and September 25<sup>th</sup>), staff processed pensions for 16 new retirees and the average waiting period for first payments was 47 days. This activity is comparable to the prior quarter when staff reported one less retirement and the same average waiting period. It is also a significant improvement over the activity reported for the same period last year (quarter ended September 30, 2022) when staff reported fewer new retirees and a waiting period approaching 60 days.



As indicated in the attached matrix of Staff Roles and Responsibilities, a total of four positions are allotted for the Retirement Services team. Although the Retirement Services Analyst I position has been vacant since mid-October 2023, a recruitment began in January 2024 with the goal of onboarding a new Retirement Services Analyst I in February or March 2024.

## Pension Administration Staff Roles and Responsibilities

### Pension Plan Member Relations:

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Respond to Employee and Retiree Inquiries	Retirement Services Analyst (I & II), Administrative Assistant II	Manager - Pension & Retirement
Conduct Educational Sessions	Manager - Pension & Retirement	Retirement Services Analyst II
Create Pension Estimates	Retirement Services Analyst II	Retirement Services Analyst I
Process Disability Retirements	Retirement Services Analyst II	Manager - Pension & Retirement
Process Employee and Retiree Deaths	Retirement Services Analyst I	Retirement Services Analyst II
Administer Active and Term Vested Retirement Process	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Prepare 48-Month Salary Calculations	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Verify Retiree Wages: gross pay, net wages, no pre-tax deductions, taxes	Retirement Service Analysts (I & II), Payroll Analyst	Payroll Manager
Facilitate Employees' Required Contributions (per contracts and/or PEPRA)	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Convert Employees to Retirees in SAP	Retirement Services Analysts (I & II)	Retirement Services Analysts (I & II)
Process Lump-Sum Distribution or "Refund" of Employee Contributions for Terminated PEPRA Members	Retirement Services Analyst I	Manager - Pension & Retirement
Retrieve Undeliverable Retiree Mail and Facilitate Required Changes of Address	Administrative Assistant II	Retirement Services Analyst I
Conduct Lost Participant Searches and Related Processes for Returned Checks/stubs	Retirement Services Analyst I	Administrative Assistant II
Retiree Medical – Initial Enrollment	HR Analyst II	HR Department
Print, Stuff and Mail Pay Stubs	Payroll Analyst	Payroll Manager
Manage Stale and Lost Check Replacement	Payroll Analyst	Payroll Manager
Issue Copies of Retiree Pay Stubs and 1099-R Forms	Payroll Analyst	Payroll Manager

### Plan Documents:

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Negotiate Benefits, Provisions	VP, Employee Development and Engagement	Senior Manager, Labor Relations
Incorporate Negotiated Benefits/Provisions into Plan Documents	Chief Counsel, RT	External Counsel
Interpret Plan Provisions	Manager – Pension & Retirement,	External Counsel

	Hanson Bridgett	
Provide Guidance to Staff Regarding New Plan Provisions & Regulations	Manager – Pension & Retirement	Chief Counsel, RT

**Contracting & Contract Administration:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Contract Management, including Oversight of RFP Processes	Manager – Pension & Retirement	VP - Finance
Legal Services (Hanson Bridgett) Contract Procurement	Manager – Pension & Retirement	VP - Finance
Actuarial Services (Cheiron) Contract Procurement	Manager – Pension & Retirement	VP - Finance
Investment Manager Services (Callan) Contract Procurement	Accountant II	VP - Finance
Ensure Adherence to Contract Provisions	Manager – Pension & Retirement	VP - Finance
Process Retirement Board Vendor Invoices	Retirement Services Analyst II	Manager - Pension & Retirement
Pay Invoices	Manager – Pension & Retirement	VP - Finance
Collect Form 700 Statements of Economic Interests from Retirement Board Vendors	Retirement Services Analyst I	Manager - Pension & Retirement

**Retirement Board Meetings:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Manage Retirement Board Meeting Content and Process	Manager - Pension & Retirement	VP – Finance
Draft Staff Reports and Resolutions, Compile Attachments	Staff Presenting Issue to Board	Manager – Pension & Retirement, VP - Finance
Post Retirement Board Agenda Materials	Retirement Services Analyst I	Administrative Assistant II
Moderate Retirement Board Meetings	Manager - Pension & Retirement	VP - Finance

**Retirement Board Administration:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Train Staff/Board Members	Manager – Pension & Retirement	Staff/Vendor with Subject Matter Expertise
Prepare and Process Travel Arrangements for Retirement Board Members for Training	Retirement Services Analyst I	Administrative Assistant II
Facilitate Annual Fiduciary Liability Insurance Renewal	Manager – Pension & Retirement	VP – Finance
Renew Fiduciary Liability Coverage & Communicate Waiver of Recourse Info. to Retirement Board Members	Manager - Pension & Retirement	VP – Finance
Develop and Administer Retirement Board Policies	Manager – Pension & Retirement	VP - Finance

Respond to Public Records Act Requests	Manager – Pension & Retirement	Retirement Service Analysts (I & II)
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**Coordinate Actuarial Activities:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Valuation Study and Establish Contribution Rates (annual)	Manager – Pension & Retirement	VP - Finance
Experience Study (every 3-5 years)	Manager – Pension & Retirement	VP - Finance

**Asset Management:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Asset Rebalancing	Accountant II	VP - Finance
Account Reconciliations	Accountant II	VP - Finance
Cash Transfers	Accountant II	VP - Finance
Fund Accounting	Accountant II	VP - Finance
Investment Management	Accountant II	VP - Finance
Financial Statement Preparation	Accountant II	VP - Finance
Annual Audit	Accountant II	VP – Finance
State Controller’s Office Reporting	Accountant II	Manager – Pension & Ret. VP – Finance
U.S. Census Bureau Reporting	Accountant II	Manager – Pension & Ret., VP - Finance
Work with Investment advisors (Callan), Custodian (Northern Trust), Fund Managers, Auditors, and Actuary (Cheiron)	Accountant II	Manager – Pension & Ret., VP - Finance
Review Monthly Asset Rebalancing	Accountant II	VP – Finance
Review/Update of Statement of Investment Objectives and Policy Guidelines management (at least annually)	Accountant II	VP – Finance

**Pension Administration Costs**  
For the Time Period: July 1, 2023 to September 30, 2023

Sum of Value TranCurr WBS Element	Source object name	Per	Total	
SAXXXX.PENATU	Accounting &Treasury / Cruz Mendoza, Jessic	001	897.80	
		002	877.22	
		003	802.16	
	Accounting &Treasury / Gobel, John	001	4,816.22	
		002	2,914.14	
		003	2,292.29	
	Accounting &Treasury / Mathew, Jessica	001	2,964.55	
		002	4,857.46	
		003	3,269.59	
	Accounting &Treasury / Matthews, Rosalie	001	1,878.15	
		002	2,263.46	
		003	1,653.43	
	<b>SAXXXX.PENATU Total</b>		<b>29,486.47</b>	
	SAXXXX.PENIBEW	Accounting &Treasury / Cruz Mendoza, Jessic	001	137.32
			002	272.41
003			170.67	
Accounting &Treasury / Gobel, John		001	463.34	
		002	999.83	
		003	353.59	
Accounting &Treasury / Mathew, Jessica		001	883.90	
		002	1,173.30	
		003	1,486.18	
Accounting &Treasury / Matthews, Rosalie		001	1,107.66	
		002	1,043.46	
		003	1,107.63	
<b>SAXXXX.PENIBEW Total</b>			<b>9,199.29</b>	
SAXXXX.PENSALA		Accounting &Treasury / Cruz Mendoza, Jessic	001	280.20
			002	390.27
	003		169.57	
	Accounting &Treasury / Gobel, John	001	1,938.69	
		002	1,743.61	
		003	963.24	
	Accounting &Treasury / Mathew, Jessica	001	2,714.23	
		002	1,611.34	
		003	1,744.30	
	Accounting &Treasury / Matthews, Rosalie	001	1,701.59	
		002	1,765.79	
		003	1,187.90	
	<b>SAXXXX.PENSALA Total</b>		<b>16,210.73</b>	
	SAXXXX.PENSION	Board Support / Smith, Tabetha	003	391.50
			Accounting &Treasury / Cruz Mendoza, Jessic	001
002				97.29
003		589.27		
Accounting &Treasury / Gobel, John		001	3,999.32	
		002	4,462.64	
		003	8,401.00	
Accounting &Treasury / Limon, Brenda		001	14.27	
		Accounting &Treasury / Mathew, Jessica	001	2,596.90
			002	2,198.00
003			2,393.54	
Accounting &Treasury / Matthews, Rosalie		001	2,359.75	
		002	2,953.71	
		003	3,627.91	
Accounting &Treasury / Mouton, Wendy		002	266.15	
		Accounting &Treasury / Volk, Lynda	001	3,244.22
			002	3,244.22
003			5,364.46	
<b>SAXXXX.PENSION Total</b>		<b>46,623.87</b>		
<b>Grand Total</b>		<b>101,520.36</b>		

**HANSON BRIDGETT LLP &  
SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS**

**LEGAL SERVICES SUMMARY**

Set forth below is a broad summary report of significant legal matters addressed by Hanson Bridgett LLP for the Sacramento Regional Transit District (SacRT) Retirement Boards during the Quarter ended September 30, 2023.

1. Weekly client conference calls and as-needed client and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Prepare for and participate in quarterly and special Board Meetings, including review and markup of agenda materials.
3. Provide counsel on issues including, but not limited to:
  - a. Brown Act and record retention matters;
  - b. Tax reporting and payment matters;
  - c. Staff communications with Plan beneficiaries;
  - d. Plan provisions regarding designation of beneficiaries;
  - e. Interest on retroactive payments;
  - f. Missing and deceased participant issues;
  - g. Operations audit; and
  - h. Application of SECURE 2.0 Act.

Respectfully Submitted,

/s/ Shayna M. van Hoften



# RETIREMENT BOARD STAFF REPORT

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**DATE:** January 22, 2024 Agenda Item: 10

**TO:** Sacramento Regional Transit Retirement Boards – ALL

**FROM:** Jason Johnson, VP, Finance/CFO

**SUBJ:** Investment Performance Review by Dimensional Fund Advisors (DFA) for the ATU, IBEW and Salaried Retirement Funds for the International Emerging Markets Asset Class for the Quarter Ended September 30, 2023 (ALL). (Johnson)

## **RECOMMENDATION**

No Recommendation – For Information Only.

## **RESULT OF RECOMMENDED ACTION**

Information Only

## **FISCAL IMPACT**

None.

## **DISCUSSION**

Retirement funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines (Policy) adopted by each Retirement Board (Board). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, (6) Domestic Fixed-Income, and (7) Real Estate.

DFA is the Retirement Boards' International Emerging Markets fund manager. DFA will be presenting performance results for the quarter ended September 30, 2023, shown in Attachment 1, and answering any questions.

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# Sacramento Regional Transit District

Emerging Markets Core Equity Portfolio

January 22, 2024

Misa Takada, Portfolio Manager

David Hu, Regional Director

This information is provided for registered investment advisors and institutional investors and is not intended for public use.

This information is not meant to constitute investment advice, a recommendation of any securities product or investment strategy (including account type), or an offer of any services or products for sale, nor is it intended to provide a sufficient basis on which to make an investment decision. Investors should consult with a financial professional regarding their individual circumstances before making investment decisions.

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

**Consider the investment objectives, risks, and charges and expenses of the Dimensional funds carefully before investing. For this and other information about the Dimensional funds, please read the prospectus carefully before investing. Prospectuses are available by calling Dimensional Fund Advisors collect at (512) 306-7400 or at [us.dimensional.com/prospectus](https://us.dimensional.com/prospectus).**

Dimensional funds are distributed by DFA Securities LLC.



# Relationship Summary: Sacramento Regional Transit District

As of September 30, 2023

Inception Date: 5/17/2013	
Beginning Value	\$10,799,116
Net Investment Contributions	\$4,916,661
Reinvested Income	\$2,933,499
Change in Market Value	\$3,281,754
<b>Market Value (9/30/2023)</b>	<b>\$21,931,030</b>

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# Agenda

- About Dimensional
- Market Update
- Emerging Markets Core Equity Portfolio
- Appendix

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# About Dimensional

# Dimensional at a Glance

As of September 30, 2023



Assets in US dollars.

"Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

# Implementation Requires Expertise

Adding value over benchmarks and peers through cost-efficient portfolio management, design, and trading



**GERARD K. O'REILLY, PhD**  
Co-Chief Executive Officer  
and Chief Investment Officer



## Investment Solutions



**MARLENA LEE, PhD**  
Global Head of  
Investment Solutions

## Research



**SAVINA RIZOVA, PhD**  
Global Head  
of Research

## Trading



**PETE DILLARD**  
Chief Data Officer and  
Head of Investment  
Analytics and Data



**RYAN WILEY**  
Global Head of  
Equity Trading



**JASON LAPPING**  
Head of International  
Equity Trading



**DAVID LaRUSSO**  
Head of Fixed Income  
Trading

## Portfolio Management



**JED FOGDALL**  
Global Head of  
Portfolio Management



**DAVE PLECHA**  
Global Head  
of Fixed Income



**PAUL FOLEY**  
Head of EMEA  
Portfolio Management



**BHANU SINGH**  
Chief Executive Officer,  
DFA Australia Limited  
and  
Head of Asia Pacific  
Portfolio Management



**MARY PHILLIPS**  
Deputy Head  
of Portfolio  
Management,  
North America



**ALLEN PU, PhD**  
Deputy Head  
of Portfolio  
Management,  
North America



**JOEL SCHNEIDER**  
Deputy Head  
of Portfolio  
Management,  
North America



**JIM WHITTINGTON**  
Head of Responsible  
Investment and  
Senior Portfolio Manager



**LACEY HUEBEL**  
Head of Responsible  
Investment, North  
America and Senior  
Portfolio Manager



**NICOLE HUNTER**  
Head of Capital Markets

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## Market Update

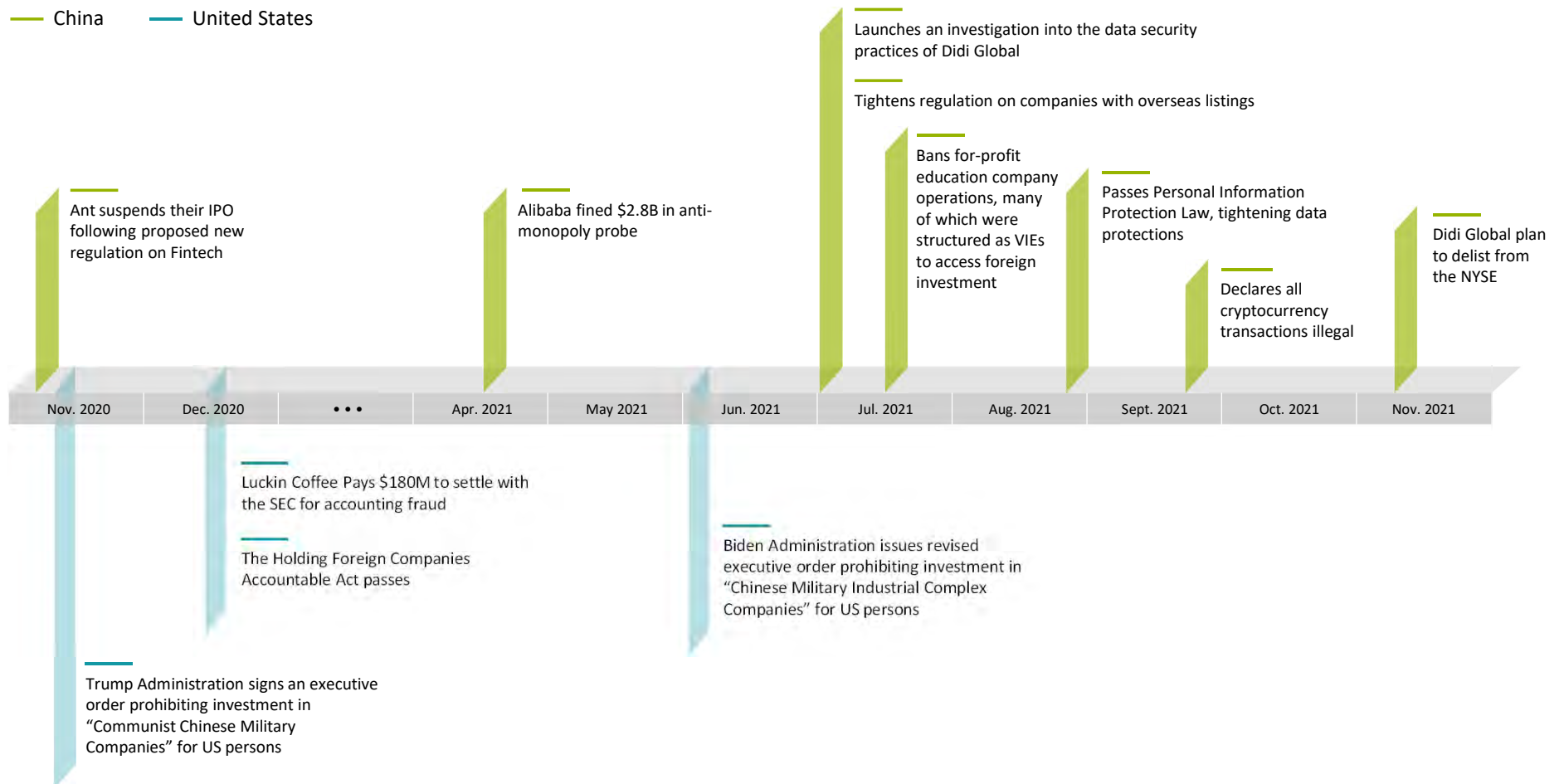
# Long-Term Market Summary

Index returns as of September 30, 2023

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
<b>1 Year</b>	STOCKS				BONDS	
	20.46%	24.00%	11.70%	2.03%	0.64%	2.99%
						
<b>5 Years</b>						
	9.14%	3.44%	0.55%	0.01%	0.10%	0.83%
						
<b>10 Years</b>						
	11.28%	3.84%	2.07%	3.12%	1.13%	2.30%
						

**Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio.**  
 Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2023, all rights reserved. Bloomberg data provided by Bloomberg.

# Recent Regulatory Actions and Market Events in Chinese Equities



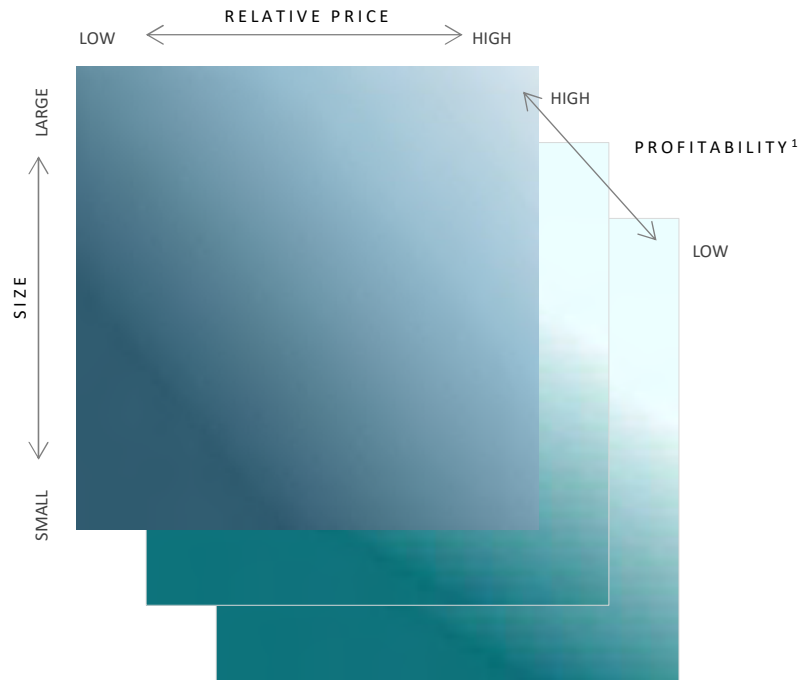


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# Emerging Markets Core Equity Portfolio

# What the Portfolio Can Buy

Emerging Markets Core Equity Portfolio as of September 30, 2023



ELIGIBILITY AND WEIGHTING GUIDELINES

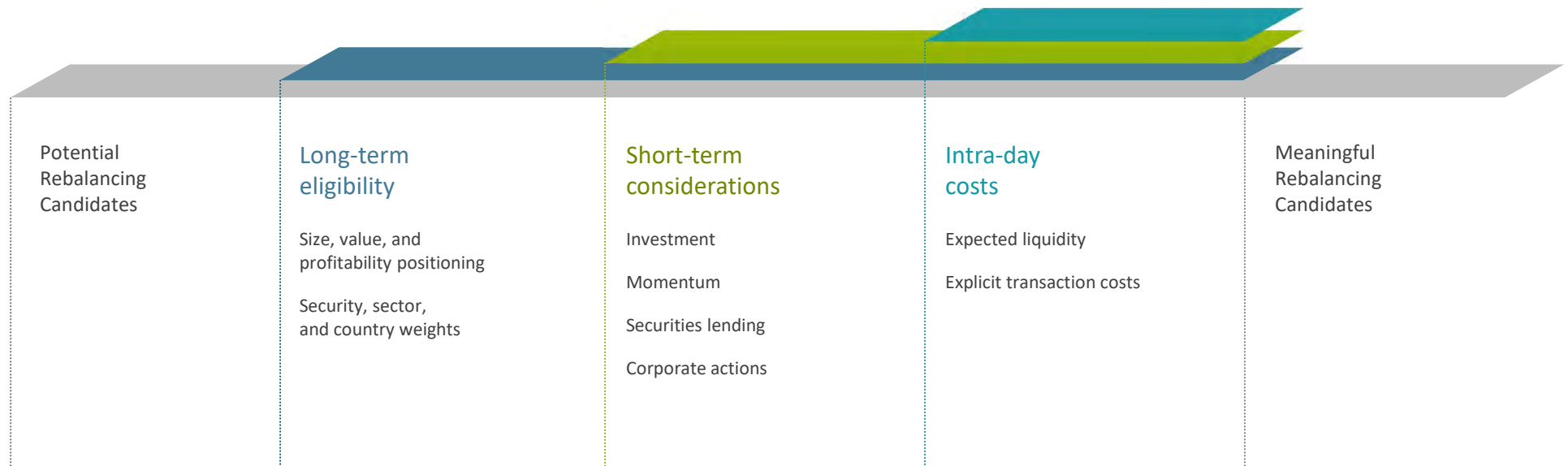
Eligible Markets	Emerging markets
Security Selection	All market capitalizations down to \$50 million  Within small caps, exclude stocks with: <ul style="list-style-type: none"> <li>– low profitability<sup>1</sup> and high relative prices</li> <li>– high asset growth</li> </ul>
Security Weighting	Overweight stocks with: <ul style="list-style-type: none"> <li>– smaller market caps</li> <li>– lower relative prices</li> <li>– higher profitability<sup>1</sup></li> </ul>
Refinements	Exclude REIT securities
Concentration Controls	Target broad coverage of eligible securities to achieve diversification across names and sectors

1. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book.

Not comprehensive. Portfolio is governed by the prospectus. The criteria the advisor uses for assessing securities on company size, relative price, profitability, or asset growth are subject to change from time to time.

# Evaluating Expected Returns Daily

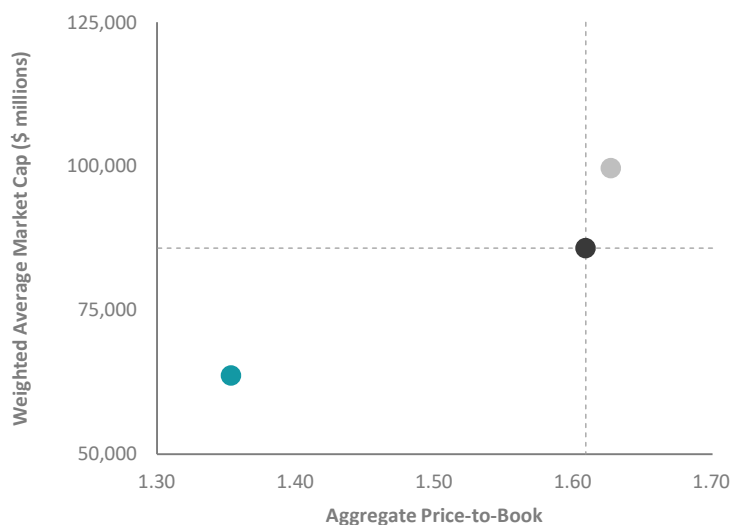
Many inputs inform which stocks we want to hold each day



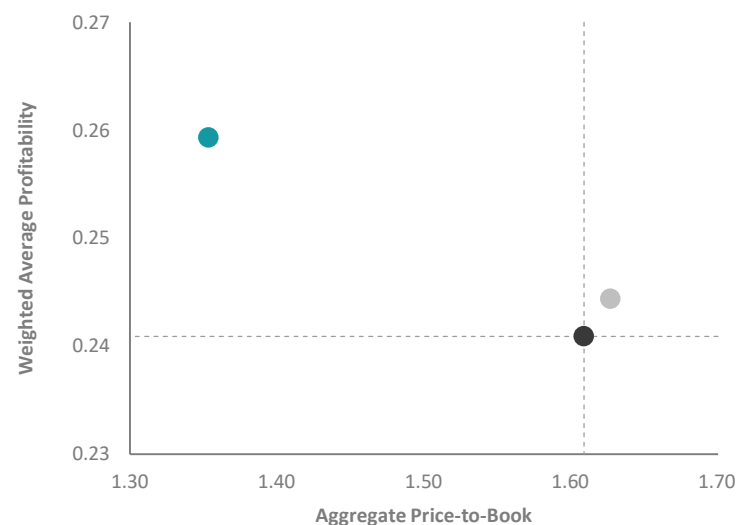
# Characteristics

As of September 30, 2023

## Size and Relative Price



## Profitability and Relative Price



- Emerging Markets Core Equity Portfolio
- MSCI Emerging Markets Index
- MSCI Emerging Markets IMI Index

	Ticker	Number of Companies	Weighted Average Market Cap (\$ millions)	Aggregate Price-to-Book	Weighted Average Profitability <sup>1</sup>
<b>Emerging Markets Core Equity Portfolio</b>	<b>DFCEX</b>	<b>6,688</b>	<b>63,658</b>	<b>1.35</b>	<b>0.26</b>
MSCI Emerging Markets Index	—	1,374	99,675	1.63	0.24
MSCI Emerging Markets IMI Index	—	3,342	85,767	1.61	0.24

1. Operating income before depreciation and amortization minus interest expense scaled by book.

In USD. The Emerging Markets Core Equity Portfolio's benchmark is the MSCI Emerging Markets Index (net div.). Holdings are subject to change. Indices are not available for direct investment. MSCI data © 2023, all rights reserved.

# Sector Allocations

Weights as of September 30, 2023

SECTOR ALLOCATIONS (%)	Emerging Markets Core Equity Portfolio	MSCI Emerging Markets Index	MSCI Emerging Markets IMI Index
Information Technology	<b>19.7</b>	20.2	19.9
Financials	<b>17.5</b>	22.2	20.5
Consumer Discretionary	<b>11.8</b>	13.7	13.4
Materials	<b>11.5</b>	8.0	8.7
Industrials	<b>10.1</b>	6.7	8.2
Communication Services	<b>7.4</b>	9.6	8.7
Consumer Staples	<b>6.3</b>	6.2	6.2
Energy	<b>5.4</b>	5.2	4.8
Health Care	<b>4.5</b>	3.8	4.5
Utilities	<b>3.0</b>	2.6	2.7
Real Estate	<b>2.8</b>	1.6	2.0
REITs	<b>0.0</b>	0.1	0.3
Other	<b>0.0</b>	—	—

Holdings are subject to change. Numbers may not total 100% due to rounding. MSCI data © 2023, all rights reserved. Real Estate Investment Trusts (REITs) are shown as a separate category to illustrate their exclusion from certain funds. REITs are classified according to GICS Industry code. GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices LLC, a division of S&P Global.

# Country Allocations

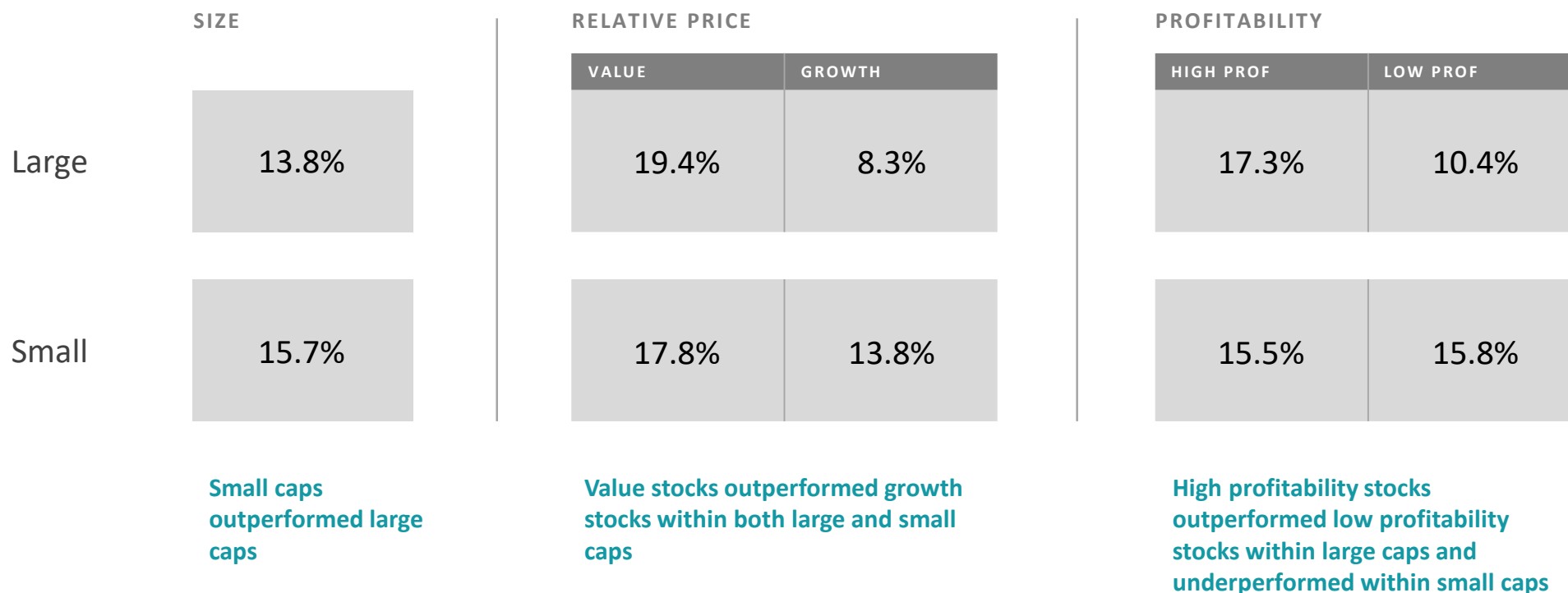
Weights as of September 30, 2023

<b>COUNTRY ALLOCATIONS (%)</b>	<b>Emerging Markets Core Equity Portfolio</b>	<b>MSCI Emerging Markets Index</b>	<b>MSCI Emerging Markets IMI Index</b>
China	<b>25.0</b>	30.0	26.8
India	<b>18.5</b>	15.7	17.2
Taiwan	<b>16.8</b>	14.7	15.7
Korea	<b>12.1</b>	12.2	12.4
Brazil	<b>5.4</b>	5.4	5.3
Saudi Arabia	<b>3.9</b>	4.1	4.1
South Africa	<b>3.1</b>	3.0	3.0
Mexico	<b>2.6</b>	2.5	2.5
Thailand	<b>2.1</b>	1.9	2.1
Indonesia	<b>2.0</b>	2.0	2.0
Malaysia	<b>1.5</b>	1.4	1.5
United Arab Emirates	<b>1.4</b>	1.4	1.4
Turkey	<b>1.4</b>	0.8	1.0
Poland	<b>0.9</b>	0.8	0.8
Qatar	<b>0.8</b>	0.9	0.9
Philippines	<b>0.8</b>	0.6	0.7
Chile	<b>0.5</b>	0.5	0.5
Greece	<b>0.4</b>	0.4	0.4
Hungary	<b>0.2</b>	0.2	0.2
Kuwait	<b>0.2</b>	0.8	0.8
Colombia	<b>0.1</b>	0.1	0.1
Czech Republic	<b>0.1</b>	0.2	0.1
Peru	<b>0.1</b>	0.3	0.2
United States	<b>0.1</b>	—	—
Egypt	<b>0.0</b>	0.1	0.1
Hong Kong	<b>0.0</b>	—	—

Holdings are subject to change. Numbers may not total 100% due to rounding. MSCI data © 2023, all rights reserved. Real Estate Investment Trusts (REITs) are shown as a separate category to illustrate their exclusion from certain funds. REITs are classified according to GICS Industry code. GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices LLC, a division of S&P Global.

# Equity Market Overview

Emerging Markets Returns (USD), 1 Year as of September 30, 2023



**Past performance is no guarantee of future results.**

Market returns are computed from MSCI Emerging Markets IMI Index published security weights, Dimensional computed security returns and Dimensional classification of securities based on size, value, and profitability parameters. Within the US, Large Cap is defined as approximately the largest 90% of market capitalization in each country or region; Small Cap is approximately the smallest 10%. Within the non-US developed markets, Large Cap is defined as approximately the largest 87.5% of market capitalization in each country or region; Small Cap is approximately the smallest 12.5%. Within emerging markets, Large Cap is defined as approximately the largest 85% of market capitalization in each country or region; Small Cap is approximately the smallest 15%. Designations between value and growth are based on price to book ratios. Value is defined as the 50% of market cap with the lowest price to book ratios by size category and growth is the highest 50%. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. High profitability is defined as the 50% of market cap with the highest profitability by size category and low profitability is the lowest 50%. REITs and utilities, identified by GICS code, and stocks without size, relative price, or profitability metrics are excluded from this analysis. GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices LLC, a division of S&P Global. Countries not in the Dimensional investable universe are excluded from the analysis. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. MSCI data © MSCI 2023, all rights reserved.

# Performance

As of September 30, 2023

## Annualized

PERIODIC RETURNS (%)	3rd Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	Since 6/13 Account 1st Full Month	Since 05/05 Portfolio 1st Full Month
<b>Emerging Markets Core Equity Portfolio (I)</b>	<b>-1.52</b>	<b>7.04</b>	<b>18.30</b>	<b>4.72</b>	<b>3.21</b>	<b>3.39</b>	<b>5.17</b>	<b>3.10</b>	<b>6.71</b>
MSCI Emerging Markets Index (net div.)	-2.93	1.82	11.70	-1.73	0.55	2.07	3.76	1.91	5.74
MSCI Emerging Markets IMI Index (net div.)	-2.12	3.38	13.21	-0.29	1.28	2.39	4.17	2.16	5.98

CALENDAR YEAR RETURNS (%)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Emerging Markets Core Equity Portfolio (I)</b>	<b>-16.40</b>	<b>5.83</b>	<b>13.86</b>	<b>16.04</b>	<b>-15.25</b>	<b>36.55</b>	<b>12.35</b>	<b>-14.86</b>	<b>-0.91</b>	<b>-2.64</b>
MSCI Emerging Markets Index (net div.)	-20.09	-2.54	18.31	18.42	-14.57	37.28	11.19	-14.92	-2.19	-2.60
MSCI Emerging Markets IMI Index (net div.)	-19.83	-0.28	18.39	17.64	-15.04	36.83	9.90	-13.86	-1.79	-2.20

In USD. Performance data shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain the most current month-end performance data, visit [dimensional.com](https://dimensional.com). Performance includes reinvestment of dividends and other earnings. See "Appendix: Standardized Performance Data and Disclosures" to learn how to obtain complete information on performance, investment objectives, risks, advisory fees, and expenses of Dimensional's funds. Indices are not available for direct investment. MSCI data © 2023, all rights reserved.



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# Appendix

# Performance

As of October 31, 2023

PERIODIC RETURNS (%)	Annualized								
	Quarter to Date	Year to Date	1 Year	3 Years	5 Years	10 Years	15 Years	Since 6/13 Account 1st Full Month	Since 05/05 Portfolio 1st Full Month
<b>Emerging Markets Core Equity Portfolio (I)</b>	<b>-3.65</b>	<b>3.13</b>	<b>15.49</b>	<b>2.98</b>	<b>4.27</b>	<b>2.57</b>	<b>7.26</b>	<b>2.70</b>	<b>6.46</b>
MSCI Emerging Markets Index (net div.)	-3.89	-2.14	10.80	-3.67	1.59	1.19	5.72	1.51	5.49
MSCI Emerging Markets IMI Index (net div.)	-4.02	-0.77	11.68	-2.23	2.34	1.50	6.15	1.74	5.71

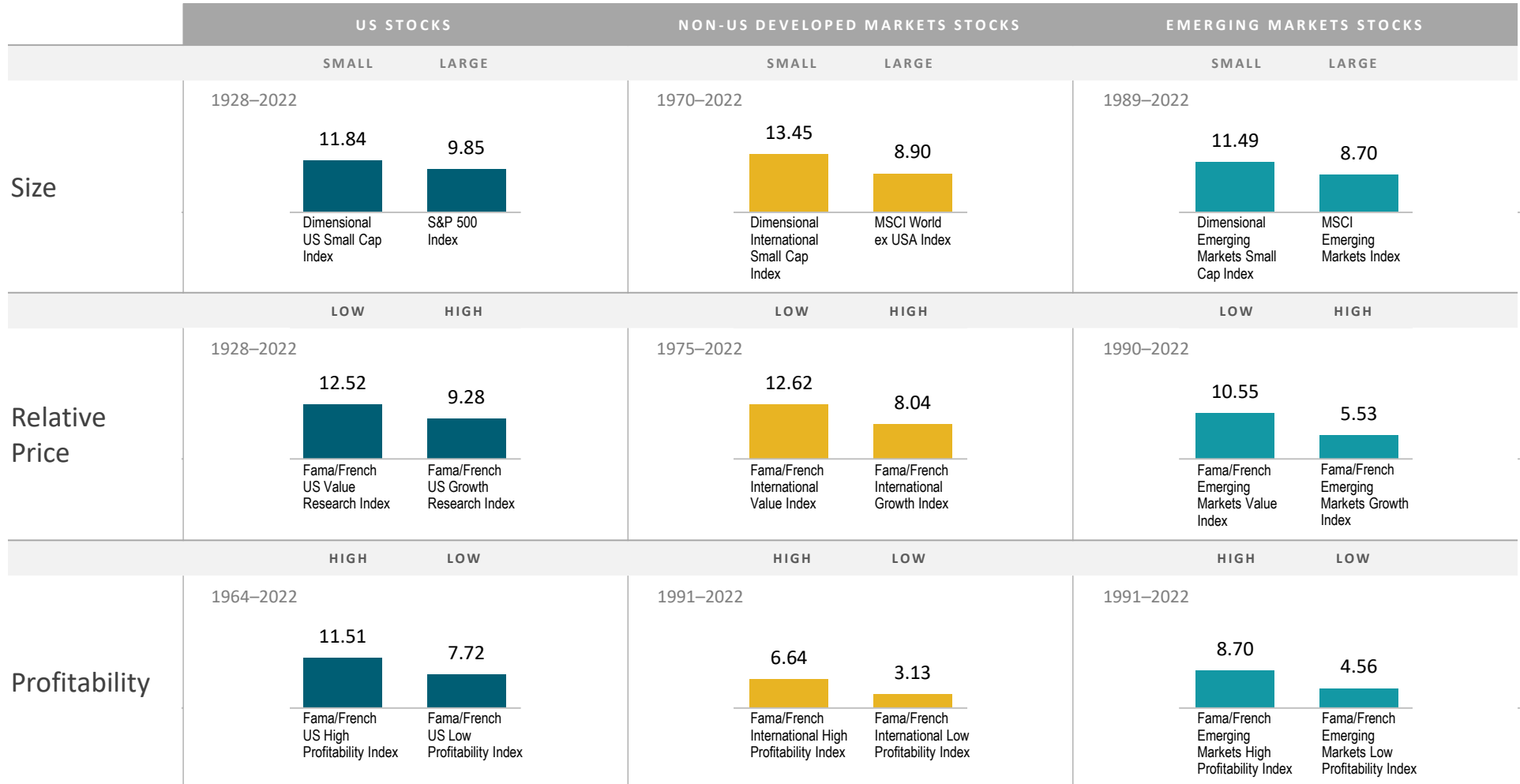
  

CALENDAR YEAR RETURNS (%)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Emerging Markets Core Equity Portfolio (I)</b>	<b>-16.40</b>	<b>5.83</b>	<b>13.86</b>	<b>16.04</b>	<b>-15.25</b>	<b>36.55</b>	<b>12.35</b>	<b>-14.86</b>	<b>-0.91</b>	<b>-2.64</b>
MSCI Emerging Markets Index (net div.)	-20.09	-2.54	18.31	18.42	-14.57	37.28	11.19	-14.92	-2.19	-2.60
MSCI Emerging Markets IMI Index (net div.)	-19.83	-0.28	18.39	17.64	-15.04	36.83	9.90	-13.86	-1.79	-2.20

In USD. Performance data shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain the most current month-end performance data, visit [dimensional.com](https://dimensional.com). Performance includes reinvestment of dividends and other earnings. See "Appendix: Standardized Performance Data and Disclosures" to learn how to obtain complete information on performance, investment objectives, risks, advisory fees, and expenses of Dimensional's funds. Indices are not available for direct investment. MSCI data © 2023, all rights reserved.

# Dimensions of Expected Returns

Illustrative index performance: annualized compound returns (%) in US dollars

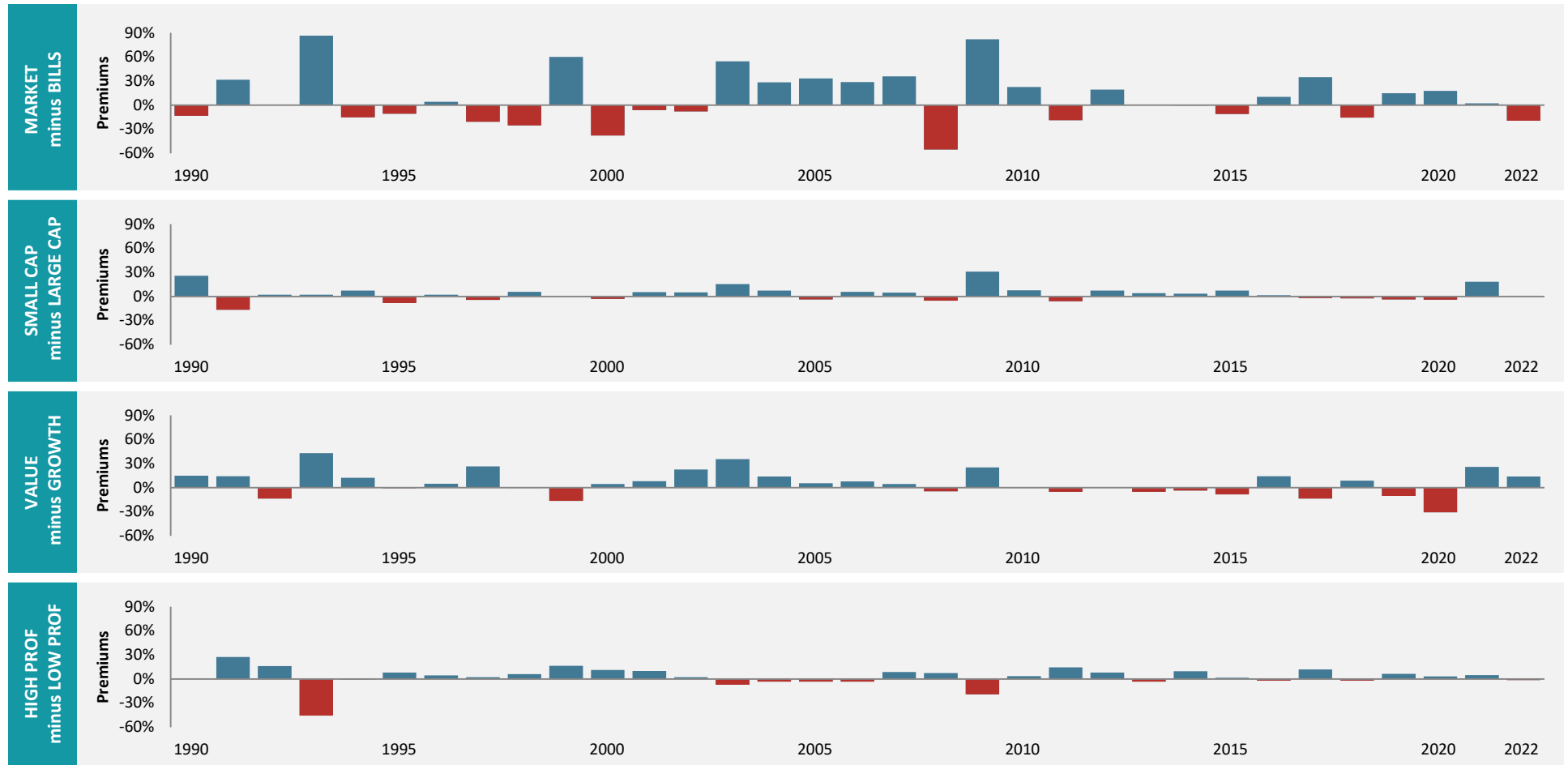


Past performance is no guarantee of future results. Actual returns may be lower.

The Dimensional and Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. MSCI indices are gross dividends. S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. MSCI data © MSCI 2023, all rights reserved. See "Index Descriptions" in the appendix for descriptions of Dimensional and Fama/French index data.

# Yearly Observations of Premiums

Equity, size, relative price, and profitability: Emerging Markets

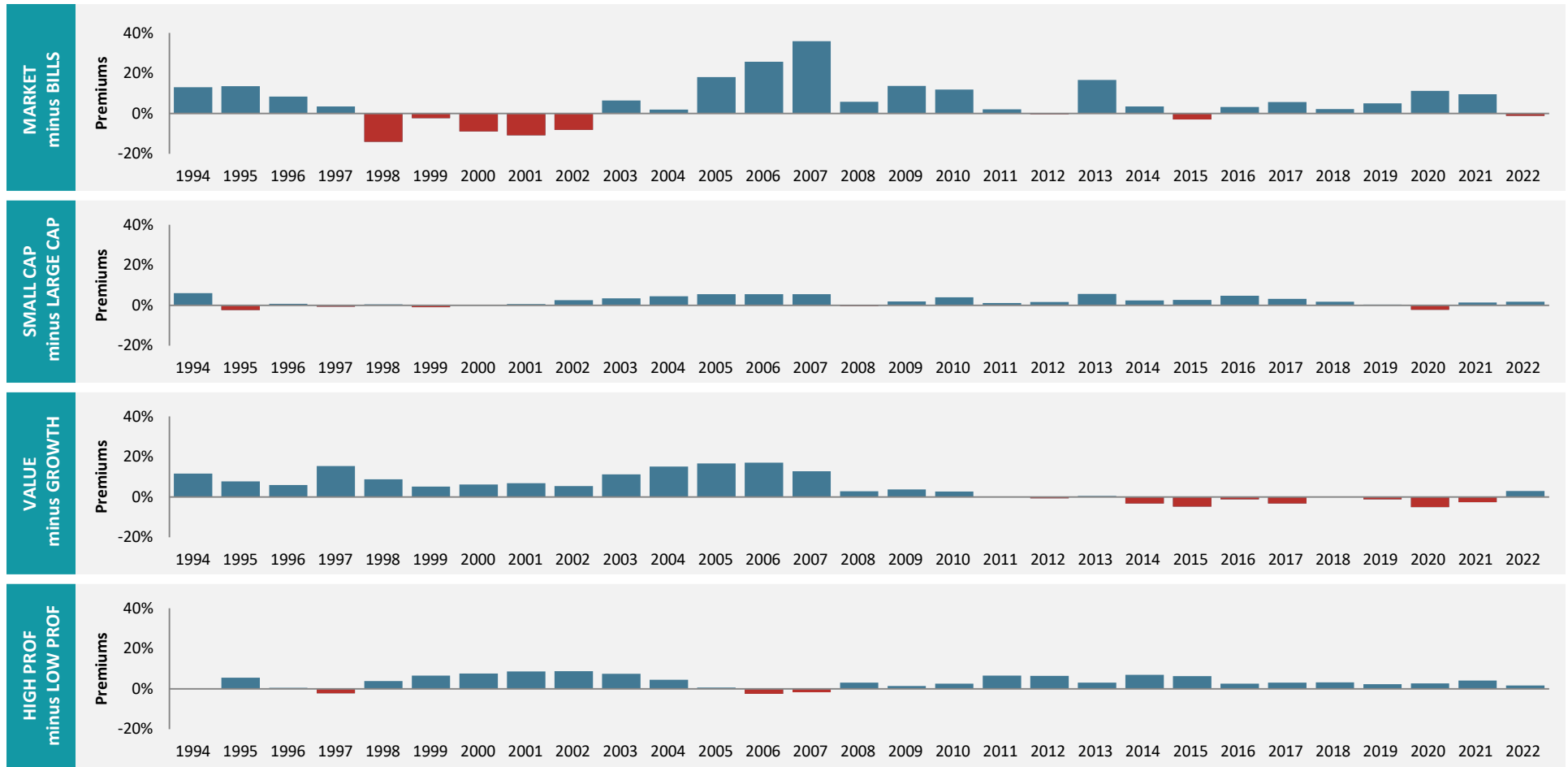


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In USD. The Dimensional and Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. MSCI indices are gross div. Yearly premiums are calculated as the difference in one-year returns between the two indices described. Market minus Bills: Fama/French Emerging Markets Index minus the One-Month US Treasury Bill, which is the IA SBB1 US 30 Day TBill TR USD, provided by Morningstar. Small Cap minus Large Cap: Dimensional Emerging Markets Small Cap Index minus MSCI Emerging Markets Index. Value minus Growth: Fama/French Emerging Markets Value Index minus Fama/French Emerging Markets Growth Index. High Prof minus Low Prof: Fama/French Emerging Markets High Profitability Index minus the Fama/French Emerging Markets Low Profitability Index. MSCI data © MSCI 2023, all rights reserved. See "Index Descriptions" in the appendix for descriptions of Dimensional and Fama/French index data.

# Historical Observations of Five-Year Premiums

Equity, size, relative price, and profitability: Emerging Markets



**Past performance is no guarantee of future results. Actual returns may be lower.**

In USD. The Dimensional and Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. MSCI indices are gross div. Five-year premiums are calculated as the difference in annualized five-year returns between the two indices described. Market minus Bills: Fama/French Emerging Markets Index minus the One-Month US Treasury Bill, which is the IA SBBI US 30 Day TBill TR USD, provided by Morningstar. Small Cap minus Large Cap: Dimensional Emerging Markets Small Cap Index minus MSCI Emerging Markets Index. Value minus Growth: Fama/French Emerging Markets Value Index minus Fama/French Emerging Markets Growth Index. High Prof minus Low Prof: Fama/French Emerging Markets High Profitability Index minus the Fama/French Emerging Markets Low Profitability Index. MSCI data © MSCI 2023, all rights reserved. See "Index Descriptions" in the appendix for descriptions of Dimensional and Fama/French index data.

# Historical Performance of Premiums over Rolling Periods

## Emerging Markets

Overlapping Periods: July 1989–December 2022

### MARKET beat T-BILLS



Market is Fama/French Emerging Markets Index.  
T-Bills is One-Month US Treasury Bills.

There are 283 overlapping 10-year periods, 343 overlapping 5-year periods, and 391 overlapping 1-year periods.

Overlapping Periods: July 1989–December 2022

### VALUE beat GROWTH

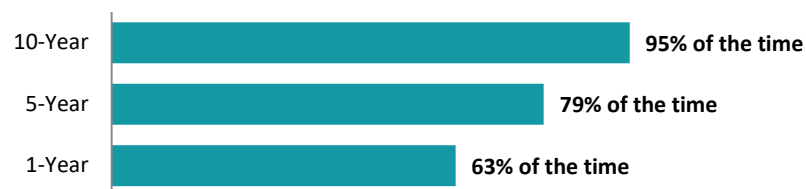


Value is Fama/French Emerging Markets Value Index.  
Growth is Fama/French Emerging Markets Growth Index.

There are 283 overlapping 10-year periods, 343 overlapping 5-year periods, and 391 overlapping 1-year periods.

Overlapping Periods: January 1989–December 2022

### SMALL beat LARGE

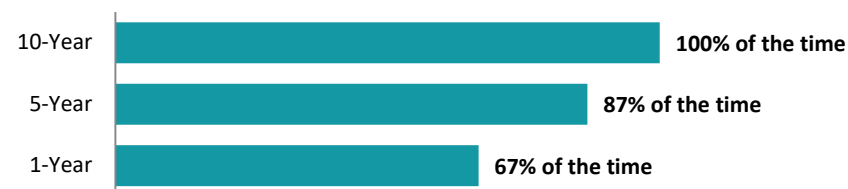


Small is Dimensional Emerging Markets Small Index.  
Large is MSCI Emerging Markets Index (gross div.).

There are 289 overlapping 10-year periods, 349 overlapping 5-year periods, and 397 overlapping 1-year periods.

Overlapping Periods: July 1990–December 2022

### HIGH PROFITABILITY beat LOW PROFITABILITY



High is Fama/French Emerging Markets High Profitability Index.  
Low is Fama/French Emerging Markets Low Profitability Index.

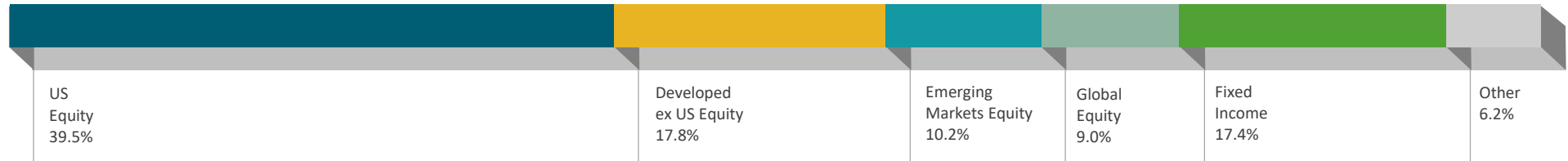
There are 271 overlapping 10-year periods, 331 overlapping 5-year periods, and 379 overlapping 1-year periods.

**Past performance is no guarantee of future results. Actual returns may be lower.**

In USD. Based on monthly rolling differences in annualized returns over the periods listed. Rolling multiyear periods overlap and are not independent. The Dimensional and Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. "One-Month Treasury Bills" is the IA SBBI US 30 Day TBill TR USD, provided by Morningstar. MSCI data © MSCI 2023, all rights reserved. See "Index Descriptions" in the appendix for descriptions of Dimensional and Fama/French index data.

# Dimensional Global Investment Solutions

\$618 billion in global AUM as of September 30, 2023



(in billions)

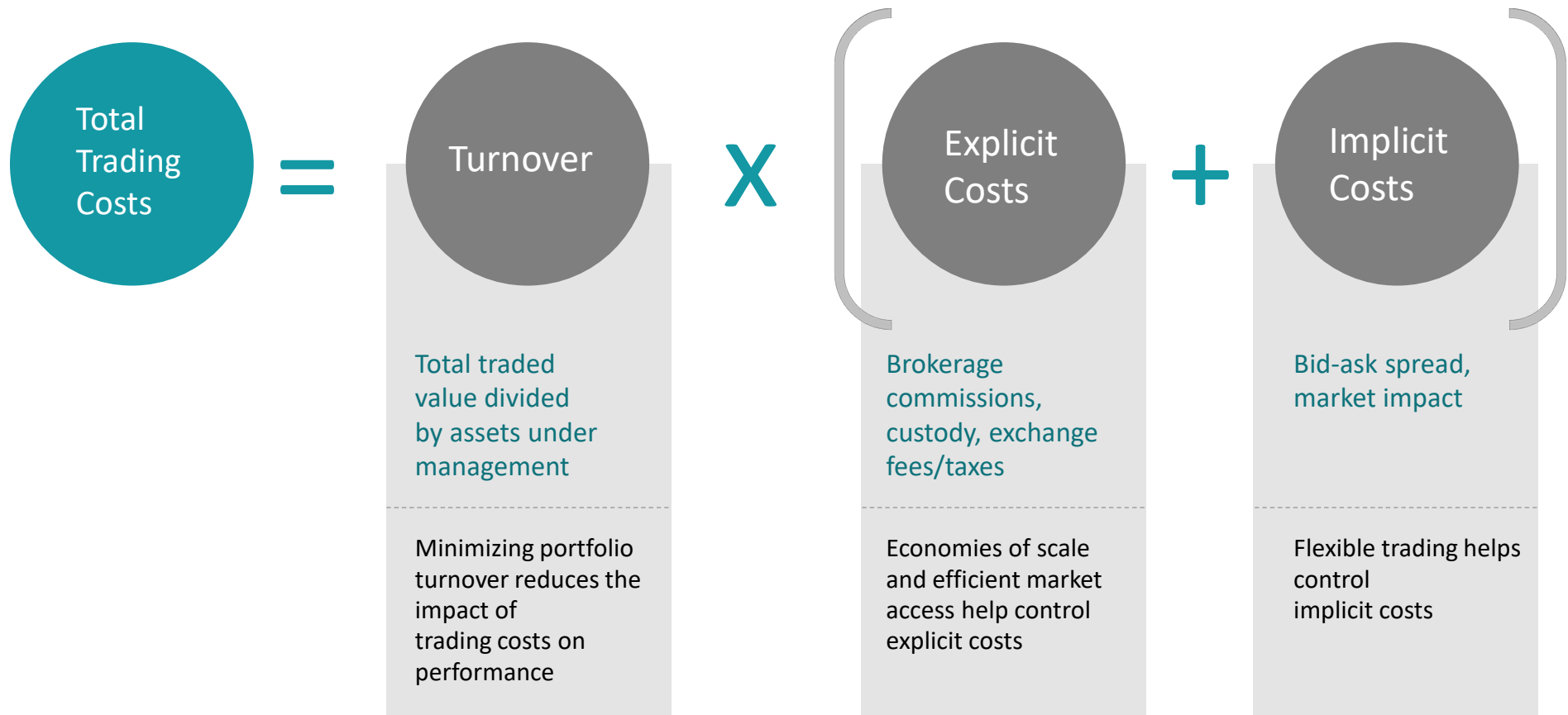
<b>US Equity</b>	<b>\$244.0</b>	<b>Developed ex US Equity</b>	<b>\$109.8</b>	<b>Global Equity</b>	<b>\$55.8</b>
All Cap Core	\$103.1	All Cap Core	\$51.3	All Cap/Large Cap	\$46.3
All Cap Value	\$8.6	All Cap Value	\$1.0	Value	\$7.4
Growth	\$3.7	Growth	\$0.8	Small/SMID Cap	\$2.1
Large Cap	\$29.8	Large Cap	\$10.6		
Large Cap Value	\$29.8	Large Cap Value	\$18.8	<b>Fixed Income</b>	<b>\$107.6</b>
SMID Cap Value	\$21.7	Small Cap	\$15.0	US	\$52.5
Small Cap	\$24.3	Small Cap Value	\$12.3	US Tax-Exempt	\$8.7
Small Cap Value	\$16.5			Non-US and Global	\$38.4
Micro Cap	\$6.5	<b>Emerging Markets Equity</b>	<b>\$62.8</b>	Inflation-Protected	\$8.0
		All Cap Core	\$34.5		
		Value	\$17.6	<b>Other</b>	<b>\$38.2</b>
		Large Cap	\$6.5	Real Estate	\$18.6
		Small Cap	\$4.2	Commodities	\$1.6
				Global Allocation	\$16.7
				Target Date	\$1.3

"Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

All assets in US dollars. Numbers may not total 100% due to rounding.

# Trading Costs Matter

Dimensional's flexible approach helps reduce the total costs of trading

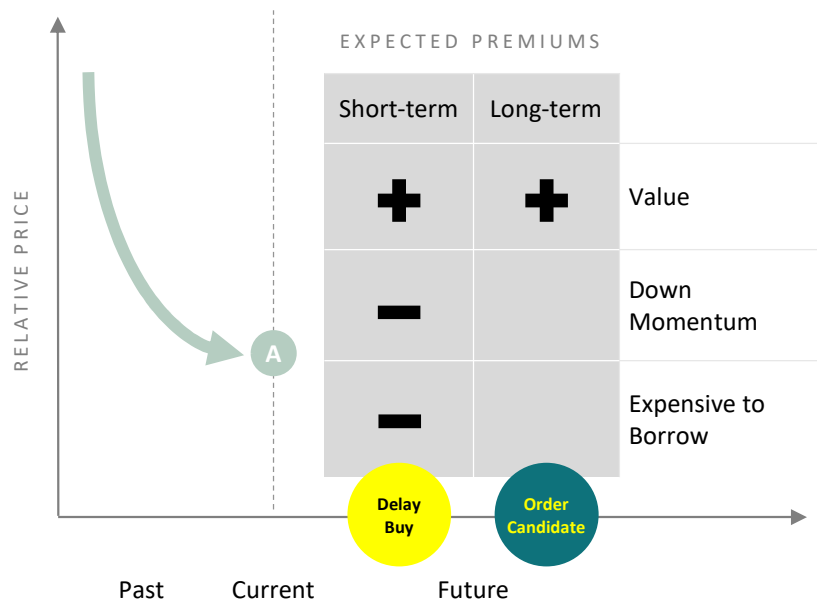




# Balancing Differences Between Long- and Short-Term Expected Returns

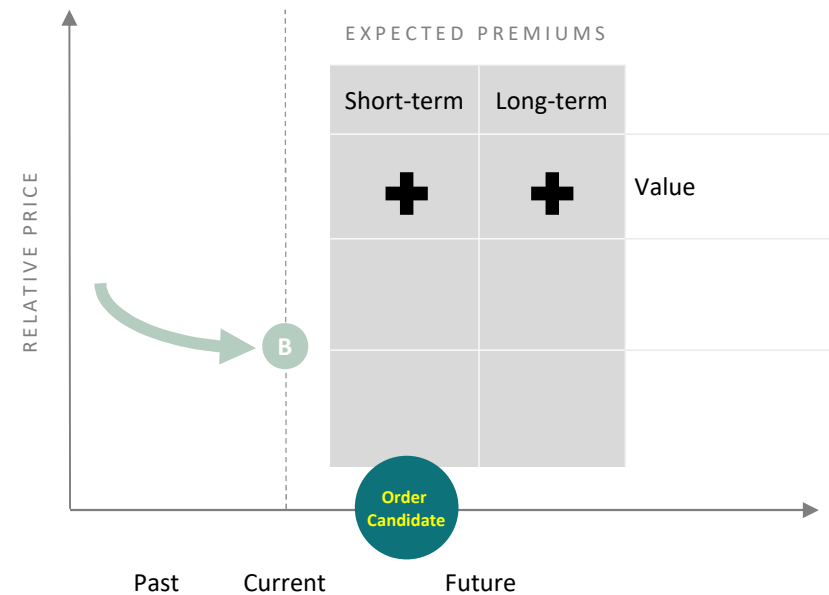
## Stock A

- Migrates from growth to value
- Down momentum and expensive to borrow



## Stock B

- Migrates from growth to value



# There Is More to Managing Portfolios

While a strong buy and sell discipline is critical, we also put the stocks we hold to work for shareholders

## Securities Lending

Generating income for portfolios and gathering information on expected returns

## Investment Stewardship

Advocating for investors to enhance shareholder value

## Corporate Actions

Maximizing the value of corporate action elections

# Standardized Performance Data and Disclosures

**Performance data shown represents past performance. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance data for Dimensional portfolios current to the most recent month-end, visit [dimensional.com](https://dimensional.com).**

**Consider the investment objectives, risks, and charges and expenses of the Dimensional funds carefully before investing. For this and other information about the Dimensional funds, please read the prospectus carefully before investing. Prospectuses are available by calling Dimensional Fund Advisors collect at (512) 306-7400 or at [dimensional.com](https://dimensional.com).** Dimensional funds are distributed by DFA Securities LLC.

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

## **Disclosure regarding Dimensional ETFs:**

ETFs trade like stocks, fluctuate in market value and may trade either at a premium or discount to their net asset value. ETF shares trade at market price and are not individually redeemable with the issuing fund, other than in large share amounts called creation units. ETFs are subject to risk similar to those of stocks, including those regarding short-selling and margin account maintenance. Brokerage commissions and expenses will reduce returns.

For ETFs, the market price return is calculated from closing prices as determined by the fund's listing exchange. If you trade your shares at another time, your return may differ.

**Risks** include loss of principal and fluctuating value. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than original cost.

**Small and micro cap** securities are subject to greater volatility than those in other asset categories.

**International and emerging markets** investing involves special risks, such as currency fluctuation and political instability. Investing in emerging markets may accentuate these risks.

**Sector-specific investments** focus on a specific segment of the market, which can increase investment risks.

**Fixed income securities** are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks, including changes in credit quality, liquidity, prepayments, call risk, and other factors. Municipal securities are subject to the risks of adverse economic and regulatory changes in their issuing states.

**Real estate investment** risks include changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer.

**Sustainability funds** use environmental and social screens that may limit investment opportunities for the fund.

**Commodities** include increased risks, such as political, economic, and currency instability, and may not be appropriate for all investors. The portfolio may be more volatile than a diversified fund because the portfolio invests in a smaller number of issuers and commodity sectors.

**The fund prospectuses contain more information about investment risks.**

# Standardized Performance Data and Disclosures

	Symbol	AVERAGE ANNUAL TOTAL RETURNS <sup>1</sup> (%)					FEES AND EXPENSES <sup>2</sup> (%)			
		1 Year	5 Years	10 Years	Since Inception	Inception Date	Net Expense Ratio	Total (Gross) Expense Ratio	Management Fee	Management Fee after Fee Waiver
<b>Non-US Equity Mutual Funds</b>										
Asia Pacific Small Company Portfolio	DFRSX	6.39	0.24	1.72	6.72	1/5/1993	0.40	0.50	0.45	0.35
Continental Small Company Portfolio	DFCSX	26.09	3.27	6.30	8.77	4/15/1988	0.40	0.50	0.45	0.35
Emerging Markets Core Equity Portfolio	DFCEX	18.30	3.21	3.39	6.43	4/5/2005	0.40	0.40	0.33	
Emerging Markets ex China Core Equity Portfolio	DAADX	22.18	—	—	-2.95	11/15/2021	0.43	0.54	0.33	
Emerging Markets Portfolio	DFEMX	15.49	2.00	2.79	6.03	4/25/1994	0.36	0.46	0.39	0.29
Emerging Markets Small Cap Portfolio	DEMSX	19.48	5.35	4.97	9.83	3/5/1998	0.59	0.79	0.72	0.52
Emerging Markets Targeted Value Portfolio	DEMGX	20.09	—	—	5.76	11/14/2018	0.66	0.66	0.52	
Emerging Markets Value Portfolio	DFEVX	19.85	2.66	3.12	8.61	4/1/1998	0.44	0.54	0.48	0.38
International Core Equity Portfolio	DFIEX	25.29	3.15	4.32	4.79	9/15/2005	0.24	0.24	0.20	
International High Relative Profitability Portfolio	DIHRX	23.54	4.21	—	4.76	5/16/2017	0.30	0.30	0.25	
International Large Cap Growth Portfolio	DILRX	21.32	3.86	4.46	5.61	12/20/2012	0.29	0.29	0.23	
International Small Cap Growth Portfolio	DISMX	15.85	0.78	4.57	6.05	12/20/2012	0.50	0.50	0.39	
International Small Cap Value Portfolio	DISVX	28.27	2.40	4.47	6.74	12/29/1994	0.44	0.44	0.39	
International Small Company Portfolio	DFISX	21.52	2.07	4.56	6.28	9/30/1996	0.39	0.39	0.25	
International Value Portfolio	DFIVX	31.93	4.14	4.11	6.02	2/15/1994	0.28	0.48	0.45	0.25
International Vector Equity Portfolio	DFVQX	26.25	2.94	4.34	4.74	8/14/2008	0.34	0.34	0.30	
Japanese Small Company Portfolio	DFJSX	21.27	-0.90	4.57	4.91	1/31/1986	0.40	0.50	0.45	0.35
Large Cap International Portfolio	DFALX	25.26	3.71	4.10	5.46	7/17/1991	0.17	0.17	0.14	
UK Small Company Portfolio	DFUKX	25.67	-0.19	2.03	7.94	3/4/1986	0.52	0.64	0.45	0.35
World ex US Core Equity Portfolio	DFWIX	22.88	3.34	4.09	4.46	4/9/2013	0.30	0.30	0.25	
World ex US Targeted Value Portfolio <sup>3</sup>	DWUSX	25.09	2.88	4.28	5.82	11/1/2012	0.50	0.50	0.40	
After Taxes on Distributions		24.25	1.94	3.48	5.05					
After Taxes on Distributions and Sale of Fund Shares		15.29	2.23	3.34	4.64					
World ex US Value Portfolio	DFWVX	27.77	3.46	3.84	4.72	8/23/2010	0.38	0.57	0.32	

1. Performance information as of 09/30/23.

2. Fee and expense information as of the prospectus dated 02/28/23.

3. Assumed highest marginal tax rate in effect for capital gains and ordinary income. Income from funds managed for tax efficiency may be subject to an alternative minimum tax and/or any applicable state and local taxes.

Certain portfolios have entered into fee waiver and/or expense assumption arrangements with the advisor. In these cases, the advisor has contractually agreed, under certain circumstances, to waive certain fees and/or assume certain expenses of the portfolio. Unless otherwise stated in the prospectus, the advisor may amend or discontinue these arrangements at any time, one year from the date of the prospectus. The net expense ratio reflects the total annual fund operating expenses of the portfolio after taking into account any such fee waiver and/or expense assumption arrangements. Please read the portfolio's prospectus for details and more information.

# Index Descriptions

**Dimensional US Small Cap Index** was created by Dimensional in March 2007 and is compiled by Dimensional. It represents a market-capitalization-weighted index of securities of the smallest US companies whose market capitalization falls in the lowest 8% of the total market capitalization of the eligible market. The eligible market is composed of securities of US companies traded on the NYSE, NYSE MKT (formerly AMEX), and Nasdaq Global Market. Exclusions: non-US companies, REITs, UITs, and investment companies. From January 1975 to the present, the index excludes companies with the lowest profitability and highest relative price within the small cap universe. The index also excludes those companies with the highest asset growth within the small cap universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year. Source: CRSP and Compustat. The index monthly returns are computed as the simple average of the monthly returns of 12 subindices, each one reconstituted once a year at the end of a different month of the year. The calculation methodology for the Dimensional US Small Cap Index was amended on January 1, 2014, to include profitability as a factor in selecting securities for inclusion in the index.

**Dimensional International Small Cap Index** was created by Dimensional in April 2008 and is compiled by Dimensional. July 1981–December 1993: It Includes non-US developed securities in the bottom 10% of market capitalization in each eligible country. All securities are market capitalization weighted. Each country is capped at 50%. Rebalanced semiannually. January 1994–present: Market-capitalization-weighted index of small company securities in the eligible markets, excluding those with the lowest profitability and highest relative price within their country's small cap universe. The index also excludes those companies with the highest asset growth within their country's small cap universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year. The index monthly returns are computed as the simple average of the monthly returns of four subindices, each one reconstituted once a year at the end of a different quarter of the year. Prior to July 1981, the index is 50% UK and 50% Japan. The calculation methodology for the Dimensional International Small Cap Index was amended on January 1, 2014, to include profitability as a factor in selecting securities for inclusion in the index.

**Dimensional International Market Index** is compiled by Dimensional from Bloomberg data. Market capitalization-weighted index of all securities in the eligible markets. The index monthly returns are computed as the simple average of the monthly returns of four sub-

indices, each one reconstituted once a year at the end of each quarter of the year. Maximum index weight of any one company is capped at 5%. Countries currently included are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and United Kingdom. Exclusions: REITs and Investment Companies. The index has been retrospectively calculated by Dimensional Fund Advisors and did not exist prior to April 2008.

**Dimensional Emerging Markets Small Index** was created by Dimensional in April 2008 and is compiled by Dimensional. January 1989–December 1993: Fama/French Emerging Markets Small Cap Index. January 1994–present: Dimensional Emerging Markets Small Cap Index composition: Market-capitalization-weighted index of small company securities in the eligible markets, excluding those with the lowest profitability and highest relative price within their country's small cap universe. The index also excludes those companies with the highest asset growth within their country's small cap universe. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Asset growth is defined as change in total assets from the prior fiscal year to current fiscal year. The index monthly returns are computed as the simple average of the monthly returns of four subindices, each one reconstituted once a year at the end of a different quarter of the year. Source: Bloomberg. The calculation methodology for the Dimensional Emerging Markets Small Cap Index was amended on January 1, 2014, to include profitability as a factor in selecting securities for inclusion in the index.

# Index Descriptions

**Fama/French Total US Market Research Index:** July 1926–present: Fama/French Total US Market Research Factor + One-Month US Treasury Bills. Source: Ken French Website.

**Fama/French US Value Research Index:** Provided by Fama/French from CRSP securities data. Includes the lower 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973).

**Fama/French US Growth Research Index:** Provided by Fama/French from CRSP securities data. Includes the higher 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973).

**Fama/French US Small Value Research Index:** Provided by Fama/French from CRSP securities data. Includes the lower 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973) that have smaller market capitalization than the median NYSE company.

**Fama/French US Large Growth Research Index:** Provided by Fama/French from CRSP securities data. Includes the higher 30% in price-to-book of NYSE securities (plus NYSE Amex equivalents since July 1962 and Nasdaq equivalents since 1973) that have larger market capitalization than the median NYSE company.

**Fama/French US High Profitability Index:** July 1963–present: Fama/French US High Profitability Index. Courtesy of Fama/French from CRSP and Compustat securities data. Includes all stocks in the upper 30% operating profitability range of NYSE eligible firms; rebalanced annually in June. OP for June of year  $t$  is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in  $t-1$ . Fama/French and multifactor data provided by Fama/French.

**Fama/French US Low Profitability Index:** July 1963–present: Fama/French US Low Profitability Index. Courtesy of Fama/French from CRSP and Compustat securities data. Includes all stocks in the lower 30% operating profitability range of NYSE eligible firms; rebalanced annually in June. OP for June of year  $t$  is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in  $t-1$ . Fama/French and multifactor data provided by Fama/French.

**Fama/French International Market Index:** January 1975–present: Fama/French International Market Index. Source: Ken French website. Simulated from MSCI and Bloomberg data.

**Fama/French International Value Index:** January 1975–present: Fama/French International Value Index. Simulated strategy of international developed countries with securities in the lower 30% price-to-book range. Source: Ken French website. Simulated from MSCI and Bloomberg data.

**Fama/French International Growth Index:** January 1975–present: Fama/French International Growth Index. Simulated strategy of international developed countries with securities in the higher 30% price-to-book range. Source: Ken French website. Simulated from MSCI and Bloomberg data.

**Fama/French International High Profitability Index:** July 1990–present: Fama/French International High Profitability Index. Courtesy of Fama/French from Bloomberg securities data. Includes stocks in the upper 30% operating profitability range in each region; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year  $t$  is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in  $t-1$ . Fama/French and multifactor data provided by Fama/French.

**Fama/French International Low Profitability Index:** July 1990–present: Courtesy of Fama/French from Bloomberg securities data. Includes stocks in the lower 30% operating profitability range in each region; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year  $t$  is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in  $t-1$ . Fama/French and multifactor data provided by Fama/French.

Results shown during periods prior to each index's index inception date do not represent actual returns of the respective index. Other periods selected may have different results, including losses. Backtested index performance is hypothetical and is provided for informational purposes only to indicate historical performance had the index been calculated over the relevant time periods. Backtested performance results assume the reinvestment of dividends and capital gains. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP.

# Index Descriptions

**Fama/French Emerging Markets Index:** July 1989–present: Fama/French Emerging Markets Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Companies weighted by float-adjusted market cap; rebalanced annually in June. Fama/French and multifactor data provided by Fama/French.

**Fama/French Emerging Markets Value Index:** July 1989–present: Fama/French Emerging Markets Value Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the upper 30% book-to-market range in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. Fama/French and multifactor data provided by Fama/French.

**Fama/French Emerging Markets Growth Index:** July 1989–present: Fama/French Emerging Markets Growth Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the bottom 30% book-to-market range in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. Fama/French and multifactor data provided by Fama/French.

**Fama/French Emerging Markets High Profitability Index:** July 1991–present: Fama/French Emerging Markets High Profitability Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the upper 30% operating profitability range in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year  $t$  is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in  $t-1$ . Fama/French and multifactor data provided by Fama/French.

**Fama/French Emerging Markets Low Profitability Index:** July 1991–present: Fama/French Emerging Markets Low Profitability Index. Courtesy of Fama/French from Bloomberg and IFC securities data. Includes stocks in the lower 30% operating profitability range in each country; companies weighted by float-adjusted market cap; rebalanced annually in June. OP for June of year  $t$  is annual revenues minus cost of goods sold, interest expense, and selling, general, and administrative expenses divided by book equity for the last fiscal year end in  $t-1$ . Fama/French and multifactor data provided by Fama/French.

Results shown during periods prior to each index's index inception date do not represent actual returns of the respective index. Other periods selected may have different results, including losses. Backtested index performance is hypothetical and is provided for informational purposes only to indicate historical performance had the index been calculated over the relevant time periods. Backtested performance results assume the reinvestment of dividends and capital gains. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP.

# Presenters' Biographies

## **Misa Takada**

### Portfolio Manager

Misa Takada, a Santa Monica-based Portfolio Manager, is responsible for the management of developed and emerging markets equity and real estate portfolios. She also oversees the Portfolio Management department's account setup process to ensure robust implementation and global consistency. Prior to joining Dimensional in 2018, she worked at the Bank of Japan for five years as bank examiner and international relationship manager.

Misa earned an MBA from the Stanford Graduate School of Business with a Certificate in Public Management and Social Innovation. She received a bachelor's degree in economics from the University of Tokyo.

## **David Hu**

### Regional Director

David Hu, an Austin-based Regional Director in Dimensional's Global Client Group, is responsible for developing and maintaining relationships with the firm's institutional clients, including corporate and public pension funds, foundations, endowments, Taft-Hartley plan sponsors, and defined contribution plans.

Prior to joining Dimensional in 2022, David held a variety of leadership positions at AQR Capital Management, most recently as head of institutional client relationship management for the firm's EMEA business and head of investment stewardship. David began his career at AQR working with institutional clients in North America before moving to London in 2012 to establish and scale the firm's business in the UK, Europe, and the Middle East. He has also worked at Barclays Bank and Corbin Capital Partners.

David has a BA in economics from Middlebury College, where he co-led the school's student endowment fund, served as an economics department teaching assistant, and was a member of the varsity track and field team.





# RETIREMENT BOARD STAFF REPORT

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**DATE:** January 22, 2024

Agenda Item: 11

**TO:** Sacramento Regional Transit Retirement Boards – ALL

**FROM:** Jason Johnson, VP, Finance/CFO

**SUBJ:** Investment Performance Review by TCW for the ATU, IBEW and Salaried Funds for the Domestic Fixed Income Asset Class for the Quarter Ended September 30, 2023 (ALL). (Johnson)

## **RECOMMENDATION**

No Recommendation – For Information Only.

## **RESULT OF RECOMMENDED ACTION**

Information Only

## **FISCAL IMPACT**

None.

## **DISCUSSION**

Retirement funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines (Policy) adopted by each Retirement Board (Board). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, (6) Domestic Fixed-Income, and (7) Real Estate.

TCW is the Retirement Boards' Domestic Fixed Income fund manager. TCW will be presenting performance results for the quarter ended September 30, 2023, shown in Attachment 1, and answering any questions.

FOR INVESTMENT PROFESSIONAL USE ONLY

TCW

# Fixed Income Review

## TCW Core and Core Plus Fixed Income Strategies

PRESENTATION TO:

**Sacramento Regional Transit District**

JANUARY 22, 2024

Presented by:

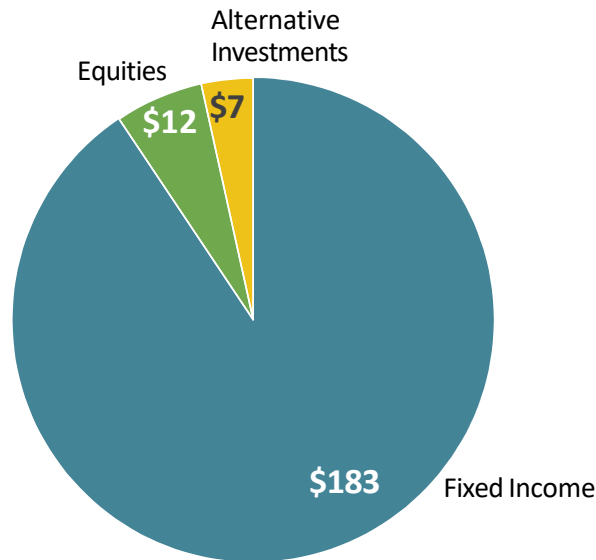
**Patrick Moore** | Group Managing Director | Head of Client Services

**Victoria Vogel, CFA** | Senior Vice President | Client Services – Fixed Income

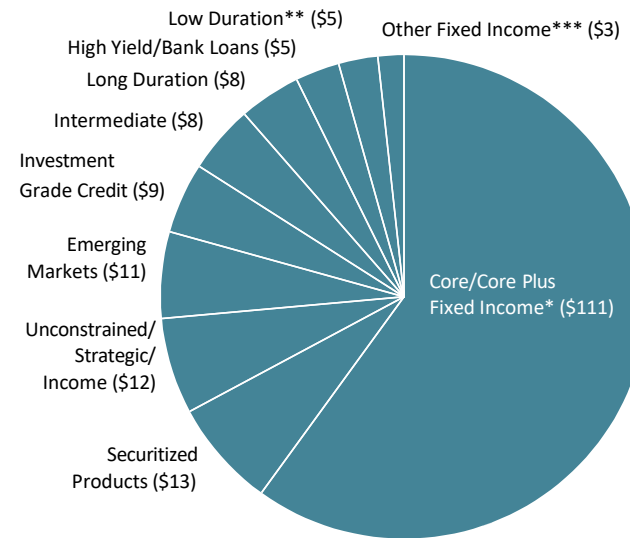
# TCW Assets Under Management

AS OF SEPTEMBER 30, 2023

Firm AUM: \$202 Billion<sup>1</sup>



Fixed Income Assets by Strategy: \$185 Billion<sup>2</sup>



Source: TCW

Note: Totals may not reconcile due to rounding.

Comprises the assets under management, or committed to management, of The TCW Group, Inc. and its subsidiaries.

1 Includes respective allocations for multi-asset products.

2 Total invested assets by strategy includes cross-held positions and is not meant to reconcile to overall net firm AUM.

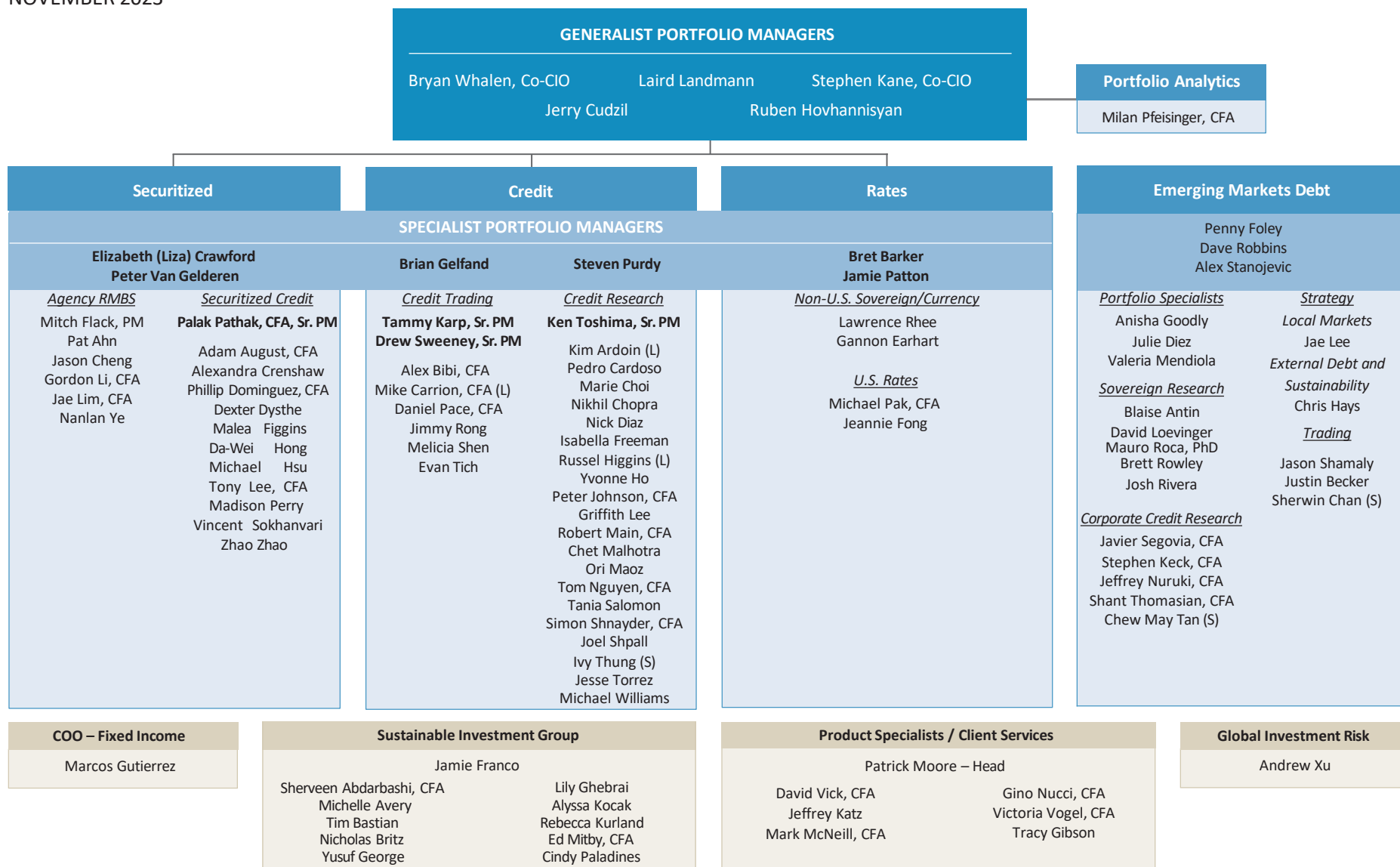
\* Includes Core, Core Plus, and Opportunistic Core Plus Fixed Income.

\*\* Includes Low Duration and Ultra Short/Cash Management.

\*\*\* Includes U.S. Government, Government/Credit, and Global.

# Fixed Income Team

NOVEMBER 2023



Generalist or bold denotes Fixed Income Investment Committee Member.

(L) = London; (S) = Singapore



FOR INVESTMENT PROFESSIONAL USE ONLY

DFIqr878CCP 11/28/23

# Fixed Income Investment Philosophy

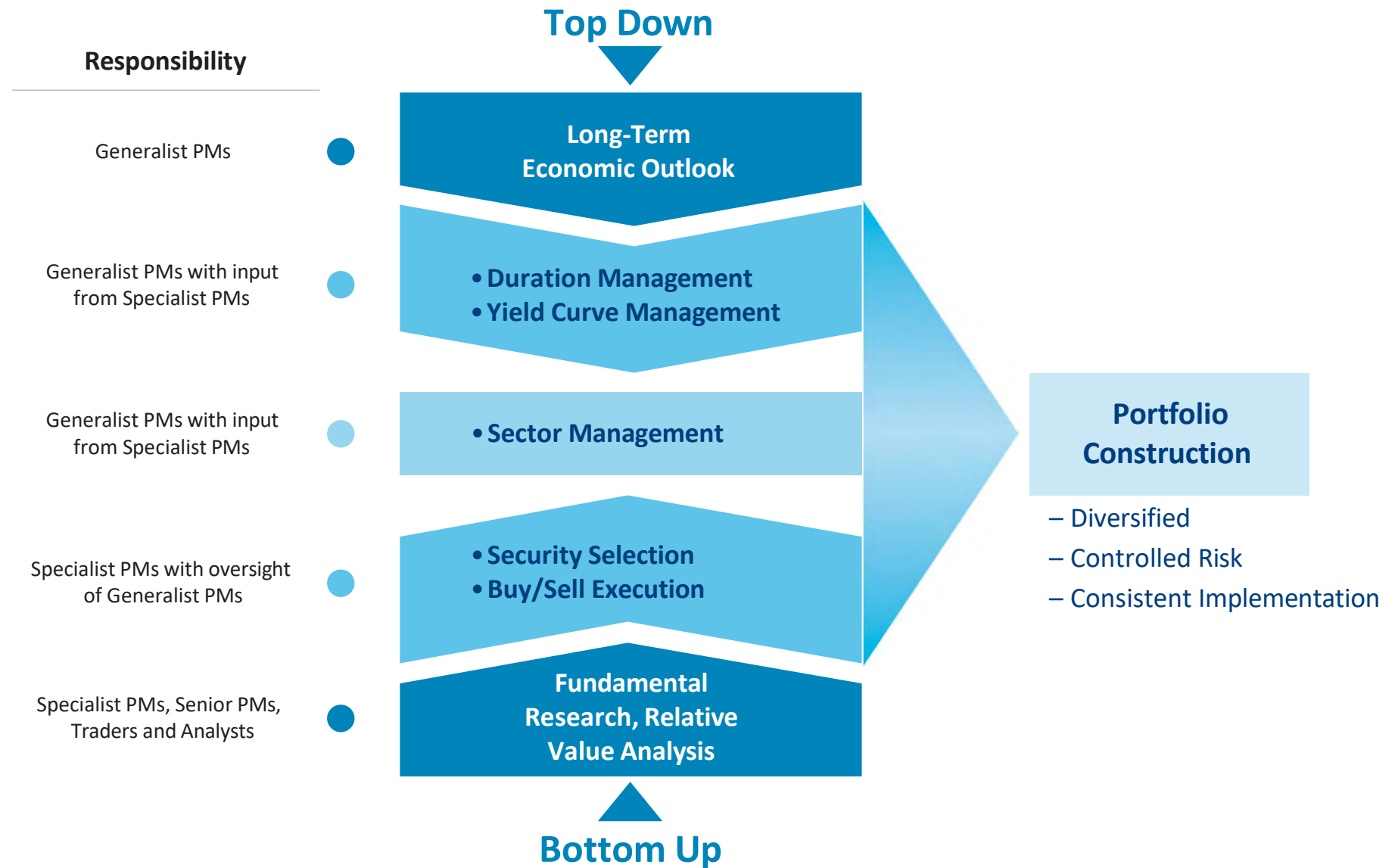
## Philosophical Tenets:

- Fixed income markets/securities are mean reverting
- Technical factors can temporarily drive pricing away from fundamentals
- Persistent inefficiencies can be exploited through disciplined research and bottom-up issue selection

## Outperformance May Be Achieved Through:

- Disciplined implementation of multiple fixed income strategies
- Application of fundamental value-driven research process
- Focus on sector management and issue selection

# Investment Process



# TCW Core Plus Fixed Income Historical Alpha Attribution

	Approximate % of Historical Alpha	Notes
<b>Issue Selection</b>	50%	The cornerstone of our investment process and the largest component of our alpha is grounded in solid issue selection based on strong fundamental research. Risk is mitigated through 2.5% issuer concentration limits within the portfolio.
<b>Sector</b>	30%	Sector rotation is a key element of the TCW Core and Core Plus strategies, and as a result, sector weights can differ substantially from the index. For example, the strategies held roughly 70% in MBS in early 2009 and approximately 50% in corporates in 2003.
<b>Yield Curve</b>	10%	Yield curve is generally a small component of alpha, but at times, such as 2007 and 2003 when the curve was at extremes it can be a meaningful source of returns.
<b>Duration</b>	5%	Duration is typically a modest contributor to returns given large duration positions can add significant volatility.
<b>Trading</b>	5%	Diligent pursuit of best execution is persistently additive. We often capture liquidity premium as buyers in volatile markets.

Source: TCW

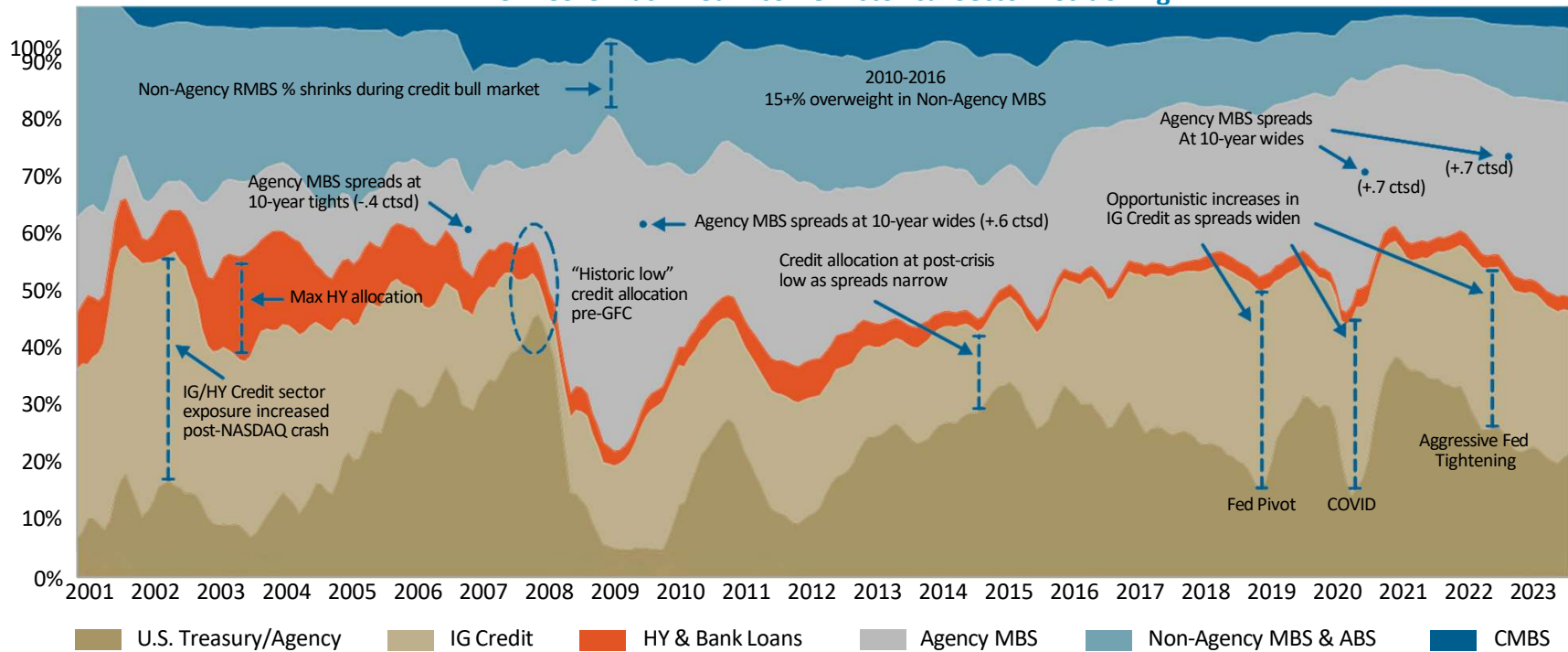
Portfolio characteristics and securities are subject to change at any time. Past performance is no guarantee of future results.

# Sector Management and Historical Positioning

AS OF SEPTEMBER 30, 2023 | SUPPLEMENTAL INFORMATION

*“Investors should be greedy when others are fearful and fearful when others are greedy.”*  
 – Warren Buffett

TCW Core Plus Fixed Income Historical Sector Positioning<sup>1</sup>



Source: TCW

<sup>1</sup> Based upon the representative account’s 3-month rolling market value of assets, excluding cash & equivalents, interest rate swaps/options, and equities. Portfolio characteristics and holdings are subject to change at any time.



# Sacramento Regional Transit District Summary Characteristics

BENCHMARK: BLOOMBERG U.S. AGGREGATE BOND INDEX AS OF  
SEPTEMBER 30, 2023

MARKET VALUE: **\$81,073,494.43**

	Sacramento Regional Transit District	Bloomberg U.S. Aggregate Bond Index
Yield to Worst	5.79%	5.39%
Effective Duration	7.09 Years	6.15 Years
Average Maturity	8.57 Years	8.47 Years
Average Convexity	0.49 Years	0.64 Years
Average Quality	AA-	AA

## Sector Composition (%)

	Sacramento Regional Transit District	Bloomberg U.S. Aggregate Bond Index
Government*	32.80	42.69
Investment Grade Credit	25.17	26.80
High Yield (excl. EM)	3.50	0.00
Agency MBS	36.53	26.63
Non Agency MBS	6.14	0.00
CMBS	3.55	1.71
ABS	4.44	0.50
Emerging Markets	0.31	1.68
Other**	0.07	0.00
Cash and Equivalents	-12.51	0.00

Source: TCW

\* Includes U.S. Treasuries, U.S. Agencies, and Developed Market Sovereigns.

\*\* Other can include futures, options, or swaps, if applicable.

Portfolio characteristics and holdings are subject to change at any time. Due to rounding, totals may not add up to 100%. Negative allocations are due to unsettled month-end trades.

## Quality Composition (%)

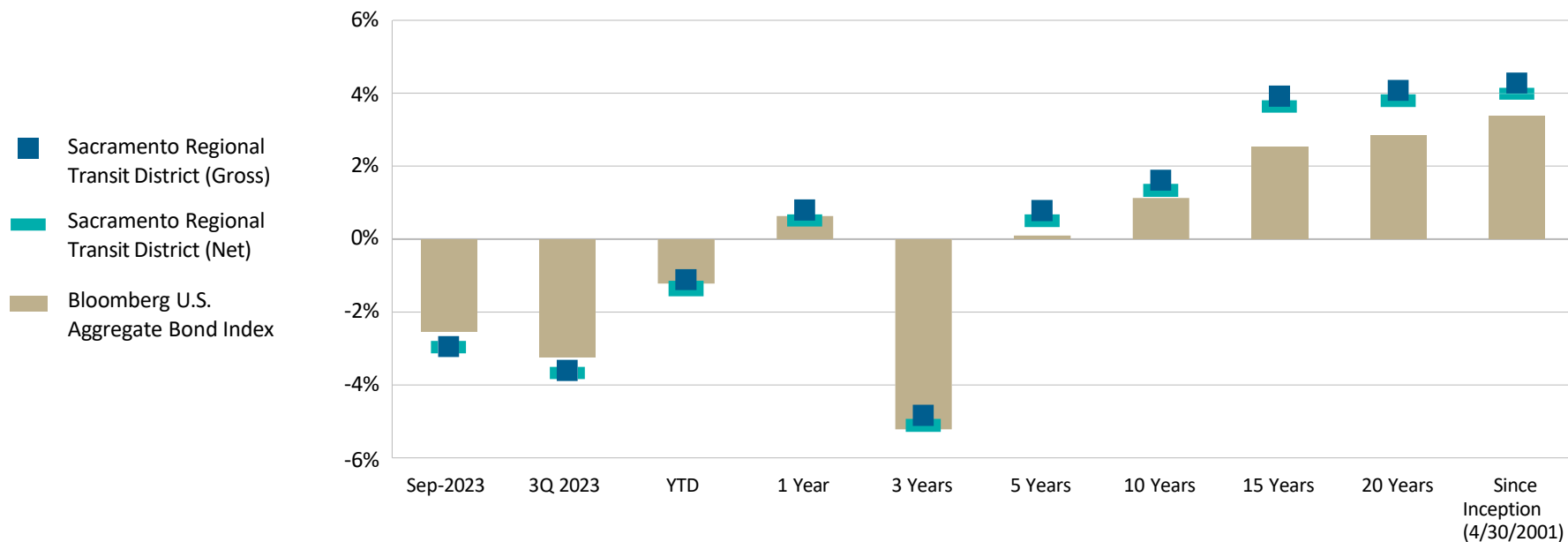
	Sacramento Regional Transit District	Bloomberg U.S. Aggregate Bond Index
AAA (incl. Treasury/Agency)	8.70	3.76
AA	72.90	72.21
A	12.54	11.64
BBB	13.24	12.40
BB	1.08	0.00
B & Below	4.06	0.00
Cash & Equivalents	-12.51	0.00

# Sacramento Regional Transit District

AS OF SEPTEMBER 30, 2023

Annualized

	Sep-2023	3Q 2023	YTD	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception (4/30/2001)
<b>Sacramento Regional Transit District (Gross)</b>	<b>-2.94%</b>	<b>-3.60%</b>	<b>-1.11%</b>	<b>0.80%</b>	<b>-4.83%</b>	<b>0.79%</b>	<b>1.62%</b>	<b>3.92%</b>	<b>4.08%</b>	<b>4.28%</b>
<b>Sacramento Regional Transit District (Net)</b>	<b>-2.96%</b>	<b>-3.67%</b>	<b>-1.31%</b>	<b>0.52%</b>	<b>-5.09%</b>	<b>0.52%</b>	<b>1.35%</b>	<b>3.64%</b>	<b>3.80%</b>	<b>3.99%</b>
Bloomberg U.S. Aggregate Bond Index	-2.54%	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%	2.54%	2.85%	3.38%
<i>Under/Outperformance (Gross)</i>	<i>-40 bps</i>	<i>-37 bps</i>	<i>+10 bps</i>	<i>+15 bps</i>	<i>+38 bps</i>	<i>+69 bps</i>	<i>+50 bps</i>	<i>+138 bps</i>	<i>+124 bps</i>	<i>+90 bps</i>



Source: TCW  
Past performance is no guarantee of future results.

# Sacramento Regional Transit District - Contract Employees

CORE PLUS FIXED INCOME (ACCOUNT #: SMS670)

CONTRIBUTIONS & WITHDRAWALS

AS OF SEPTEMBER 30, 2023

Period	Initial Contribution	Contributions	Withdrawals	Investment Earnings*	Ending Balance
Since Inception (04/03/2001)	\$42,403,084.61	\$73,843,266.61	(\$92,374,809.58)	\$57,201,952.79	\$81,073,494.43

\*Gross Gains: \$44,348,293.09 / Gross Losses: \$34,737,589.68 / Earned Interest: \$54,699,767.49 + unrealized gain/loss, accrued interest and other accounting items  
Source: TCW



## 3Q 2023: Market Returns

Fixed Income	3Q 2023 Total Return	3Q 2023 Excess Return	YTD Total Return	YTD Excess Return	Yield-to-Maturity	OAS (bps)
<b>Treasury</b>	<b>-3.1%</b>	<b>0.0%</b>	<b>-1.5%</b>	<b>0.0%</b>	<b>4.9%</b>	-
3 mo T-Bills	1.3%	0.0%	3.7%	0.0%	5.5%	-
1-3 Year	0.7%	0.0%	1.7%	0.0%	5.1%	-
TIPS	-2.6%	0.0%	-0.8%	0.0%	2.5%	-
<b>Non U.S. DM Treasury</b>	<b>-5.6%</b>	<b>0.0%</b>	<b>-5.8%</b>	<b>0.0%</b>	<b>2.6%</b>	-
<b>Corporate</b>	<b>-3.1%</b>	<b>0.8%</b>	<b>0.0%</b>	<b>2.4%</b>	<b>6.0%</b>	<b>121</b>
AA-Rated	-4.3%	0.8%	-1.2%	2.1%	5.4%	58
BBB-Rated	-2.7%	1.0%	0.7%	2.8%	6.3%	147
High Yield	0.5%	1.0%	5.9%	5.2%	9.0%	394
<b>Agency MBS</b>	<b>-4.1%</b>	<b>-0.9%</b>	<b>-2.3%</b>	<b>-0.6%</b>	<b>5.6%</b>	<b>66</b>
<b>Commercial MBS</b>	<b>-1.0%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.4%</b>	<b>6.1%</b>	<b>130</b>
<b>Asset Backed</b>	<b>0.2%</b>	<b>0.3%</b>	<b>2.0%</b>	<b>0.8%</b>	<b>5.8%</b>	<b>67</b>
<b>Emerging Markets (USD)</b>	<b>-2.3%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>2.6%</b>	<b>8.0%</b>	<b>319</b>
<b>Equity</b>	<b>3Q 2023 Total Return</b>		<b>YTD Total Return</b>		<b>Yield-to-Maturity</b>	<b>OAS (bps)</b>
<b>S&amp;P 500 Index</b>	<b>-3.27%</b>		<b>13.06%</b>		-	-
<b>DJIA Index</b>	<b>-2.10%</b>		<b>2.73%</b>		-	-
<b>NASDAQ Index</b>	<b>-3.94%</b>		<b>27.11%</b>		-	-

Source: Bloomberg  
For period ending 9/30/2023

\* Excess return represents each index's return in excess of return of duration matched U.S. Treasury securities.

# 3Q 2023: Core and Core Plus Fixed Income Performance Attribution\*

	Positioning	Market Action	Results
Duration	Extended the duration position in a disciplined fashion to nearly 1 year long relative to the index as Treasury rates increased	U.S. Treasury yields moved higher during the quarter (largely due to an increase in real rates), with 2-Year yields up 15 bps to just over 5.0% while 10-Year yields ended 73 bps higher and the 30-Year was up by approximately 84 bps, ending at 4.6% and 4.7%, respectively	Negative
Yield Curve	Maintained overweight to the front-end as Fed policy error is still likely, with an emphasis on the 2-Year	While the yield curve remained inverted, the difference between the 10-year and 2-year U.S. Treasury yields fell to -47 bps as the rise in yields was led by longer tenors and the short-end outperformed	Small Positive
Sector	<ul style="list-style-type: none"> <li>Maintained underweight to government securities</li> <li>Modest underweight to corporate credit, with additional trimming among longer dated issues as credit curves flattened; small allocation to high yield was maintained</li> <li>Overweight to securitized sectors grew in September, driven by additions to the agency MBS position at attractive levels, while smaller overweight in CMBS and ABS was maintained</li> </ul>	<ul style="list-style-type: none"> <li>With the exception of agency MBS, fixed income spread sectors generally outpaced Treasuries on a duration-adjusted basis</li> <li>Investment grade corporates beat Treasuries by 84 bps on a duration-adjusted basis, while high yield outpaced Treasuries by 102 bps</li> <li>Agency MBS lagged Treasuries by over 80 bps for the quarter, while CMBS and ABS outpaced Treasuries on a duration-adjusted basis by 35 and 29 bps, respectively</li> </ul>	Negative
Issue Selection	<ul style="list-style-type: none"> <li>Corporates remained underweight industrials and utilities, but selectively overweight in defensive sectors, while financials represented an overweight, with some trimming of non-cyclicals and communications into rebound</li> <li>Agency MBS maintained an emphasis on lower and higher coupon conventional issues and an underweight to Ginnie Maes</li> <li>Maintained position in non-agency MBS, with an emphasis on senior, seasoned legacy and 2.0 re-securitized legacy collateral</li> <li>Maintained a small overweight to non-agency CMBS and non-traditional ABS like high quality CLOs</li> </ul>	<ul style="list-style-type: none"> <li>Issue selection among corporate credit was additive for the quarter, particularly communications (cable satellite) and non-cyclicals (healthcare, food and beverage) where valuations improved, while banking, though additive year-to-date, was mixed for the quarter as big six banks generally widened, while select European bank exposure outperformed</li> <li>Among agency MBS, lower coupons lagged, while only 6% coupons and higher outpaced Treasuries on a duration-adjusted basis; performance was similar across the stack in conventionals and Ginnie Maes</li> <li>Non-agency MBS continued to benefit from robust housing credit fundamentals, including falling loan-to-value ratios as home price appreciation continued</li> <li>Non-agency CMBS backed by single asset single borrower loans and CLOs held in the strategy added modestly</li> </ul>	Positive

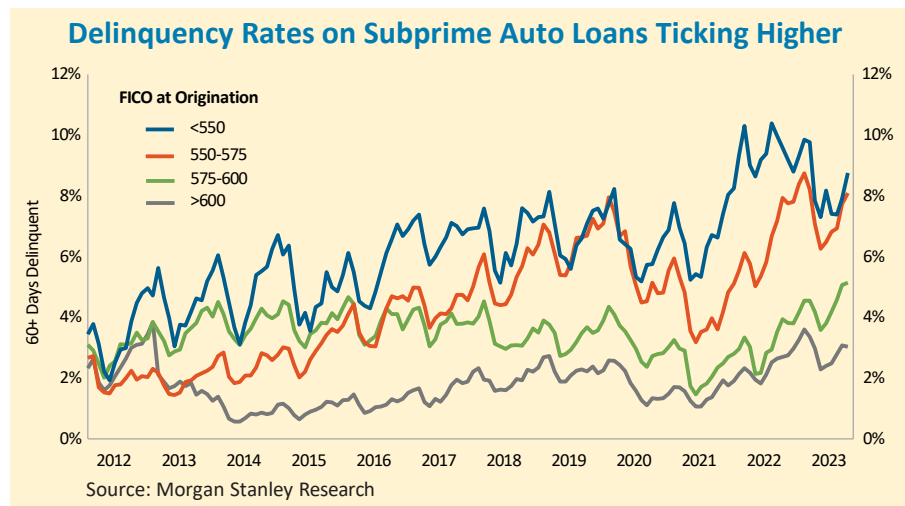
\*Attribution based on gross performance. Realized performance will be reduced by fees and expenses. Portfolio characteristics and securities are subject to change at any time. Past performance is no guarantee of future results.

## 3Q 2023: The Music is Just About Over

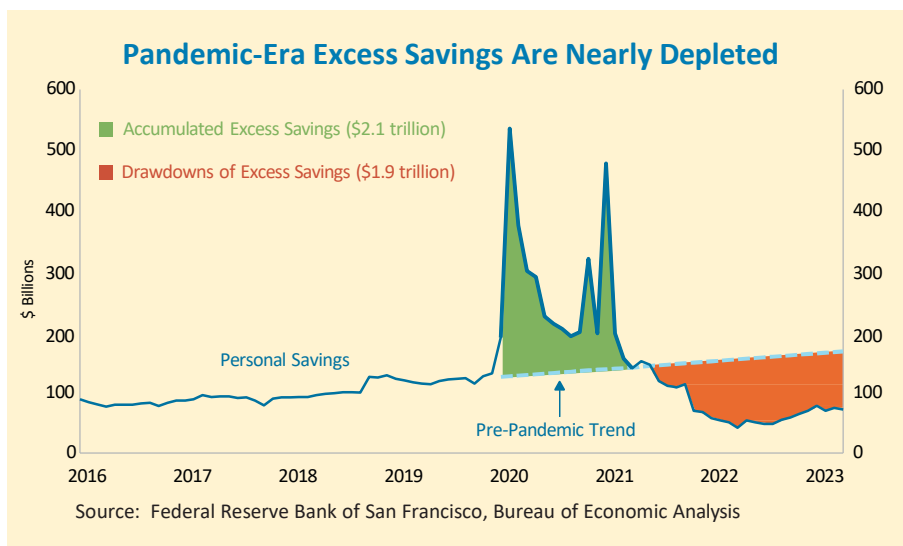


# 3Q 2023: The U.S. Economy Is Coming in for a Hard Landing (Despite the Headlines)

- The soft landing narrative overwhelmed market sentiment in the third quarter as unemployment stayed low, payroll numbers remained solid, core CPI continued its downward trend, and GDP data was resilient. Investors seemed to grow comfortable with the idea that the Fed has successfully navigated this tightening cycle, bringing down inflation without causing a significant recession.
- However, the above data points are all backward looking, and the stress of higher interest rates and tighter financial conditions is starting to be felt in different parts of the economy. Credit card balances are at record highs, while marketplace lending loss rates are dramatically higher than pre-COVID levels. Additionally, although overall auto delinquency rates have only risen to pre-COVID levels, lower income cohort borrowers are seeing delinquency rates well above normal levels.



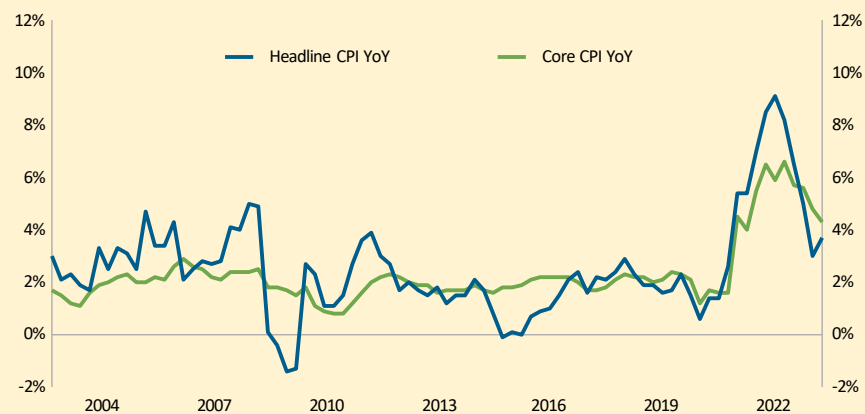
- One likely explanation for the resiliency of consumers and the broader economy is the excess savings that were built up during the COVID years as a result of government transfer payments and stimulus allowing consumers to continue to spend even in the face of rampant inflation and higher rates. The San Francisco Fed estimated that there was a total \$2.1 trillion more than expected saved in those years in the economy overall, but the last couple years has seen that stockpile almost eroded out with \$1.9 trillion in excess spending, suggesting the ability of consumers to continue to spend freely is waning.
- Looking ahead, there are additional factors that are likely to negatively impact spending patterns:
  - Resumption of student loan payments are estimated at an average of \$200 per month for 20% of the prime working age demographic.
  - Oil prices nearing \$100 per barrel will act as a greater tax on consumption.
  - The impact of a looming government shutdown is difficult to forecast, and any foregone consumption is likely to simply be shifted into the future, but it still creates uncertainty for those affected.
  - A potentially long strike by the UAW could have negative ramifications for spending on vehicles as well as the income lost by the striking workers.



**Our View:** 525 basis points of rate hikes in 18 months and a curve significantly inverted for more than a year have real and damaging impacts on the broader economy. Those impacts have been muted by COVID distortions, but as those get wrung out, the real effects of higher rates will be felt. To suggest that we won't have a recession in the future simply because we haven't had one yet, ignores 70 years of economic history and the well known costs of higher rates and inverted curves. This time may be different in some ways, but not THAT different. The timing is always hard to predict with any kind of certainty, especially with all the distortions, but the end result is the same – a recession.

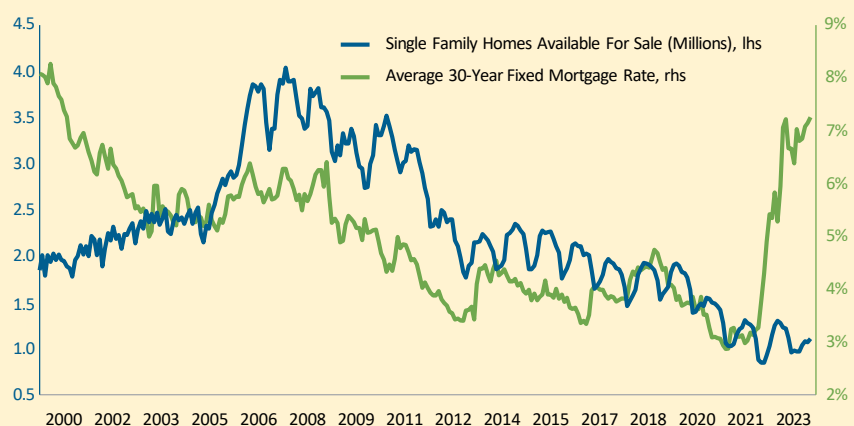
# 3Q 2023: Higher Rates Portend More Pain Down the Road

## Inflation Retreating From Multi-Year Highs



Source: Bloomberg, Bureau of Labor Statistics

## Rising Rates Cratered Available Inventory



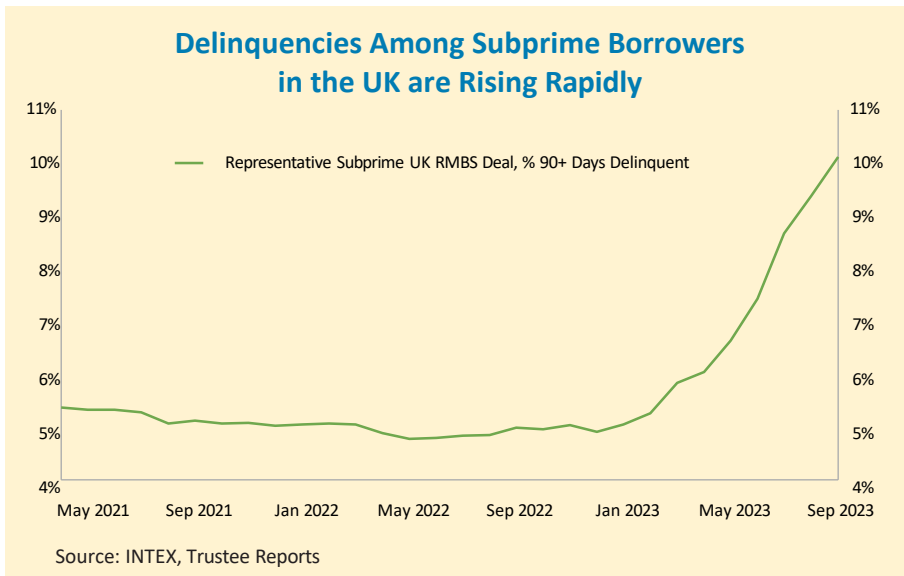
Source: Bloomberg, National Association of Realtors

- The Fed lifted rates one time in the third quarter, bringing the Fed Funds target to a range between 5.25% and 5.50%. Markets anticipate a 50% chance of one more hike in the 4th quarter, before a series of gradual cuts starting late summer of 2024.
- Longer term interest rates moved broadly higher in the third quarter, with an especially pronounced uptick at the end of September. 10 year rates were almost 75 bps higher, ending the quarter around 4.6%, a level not seen since late 2007, while 2 year rates ended up 15 bps at 5.0%
- Those rate moves came despite core inflation dropping, though headline inflation upside exists with the recent surge in oil prices. With inflation expectations well contained, real rates were the driving force in the move higher, implying that growth expectations remain strong. However, the largest moves late in the quarter occurred with very little incremental news flow and low trade volumes, which suggests that investors who were long duration capitulated and closed those longs, which had a magnified impact on pricing given the relative illiquidity.
- With interest rates high, mortgage rates surged again, with the average rate on a 30 year fixed rate mortgage reaching 7.31%, the highest level since 2000. Higher rates have sent housing affordability rates plummeting and slowed the pace of home turnover to abnormally low levels. As demand has fallen, so has supply, with many homeowners reluctant to sell and give up their 3% mortgage rate. As a result, home prices have been rising in 2023 as the number of homes available for sale has fallen to the lowest level in at least two decades.

**Our View:** Higher rates will only hasten the onset of a hard landing. Once it becomes clear that growth is slowing, unemployment is rising, and inflation is firmly on track to a 2% level, the Fed will be forced to ease. History would indicate that the Fed typically eases faster than they hike, so the gradual pace of easing priced into markets isn't likely. Instead, the Fed will likely hold rates high for too long, then ease aggressively once the slowdown is apparent. While timing is notoriously difficult to predict, and the economy has been remarkably robust thus far, our best guess would be that the hard landing becomes clear in the first half of 2024.

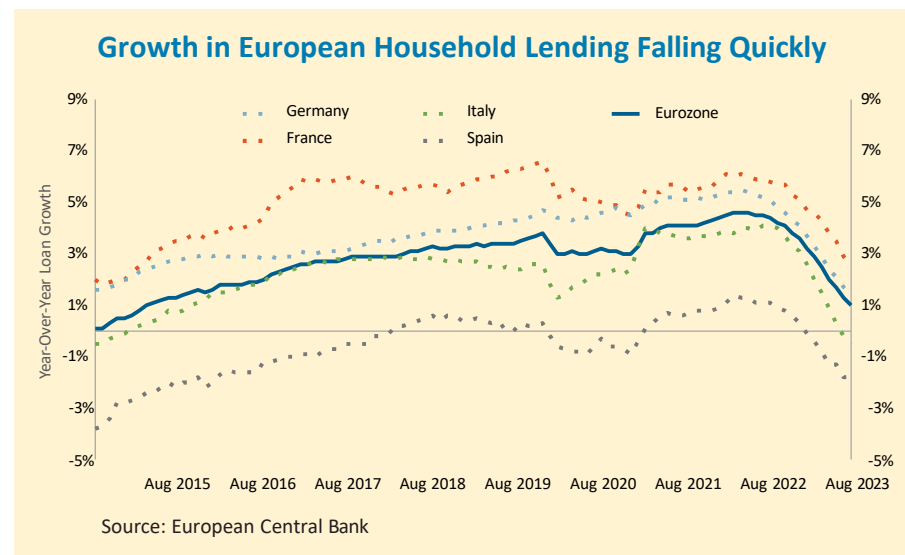


# 3Q 2023: As Goes the U.S., So Goes Europe



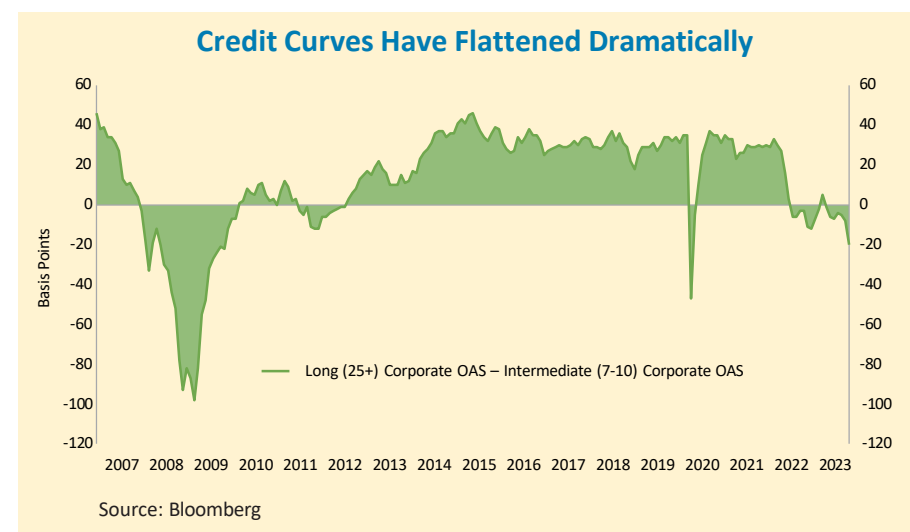
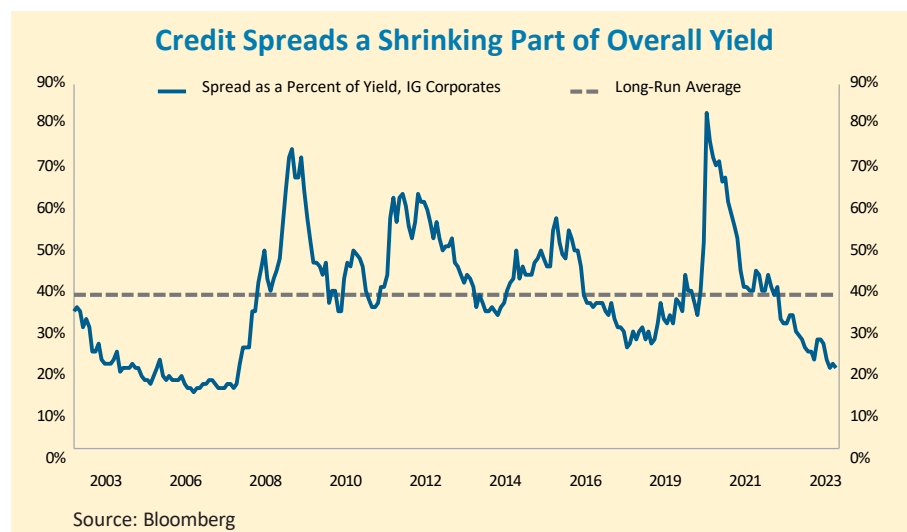
- On the other side of the world in China, inflation isn't an issue, but growth rates are certainly at risk. Country Garden, the largest property developer in China, has struggled with debt repayment issues, and while they have not yet officially defaulted, they are in talks with advisors about potential debt restructuring and USD bonds are marked in the single digits. Chinese authorities have made several half-hearted attempts to shore up the collapsing property markets, which have been the engine of growth for many years, but without broader intervention, which exacerbates existing debt overhang issues, a recovery seems less and less likely.
- With the soft landing narrative in the U.S. dominating the conversation and weaker data across most of the rest of the world, the US dollar rose against a basket of currencies during the quarter as investors sought the relatively high yields, safety, and potentially better returns available in the U.S. should the Fed achieve the mythical soft landing.

- Higher rates and inverted curves are not unique to the U.S., with much of Europe seeing the same forces at work. Not surprisingly, the impacts on consumers and businesses is consistent as well, with several indicators deteriorating at rapid rates. In particular, some UK subprime auto deals have begun to see default rates of 10%, while certain seasoned UK RMBS deals (where homeowners don't have the benefit of 30 year fixed rate mortgages) have seen defaults spike as well.
- Another impact of higher rates can be seen in slowing rates of growth in lending across Europe. While still slightly positive for Europe as a whole, the trend is clearly negative and loan growth seems likely to turn negative overall later this year. Lending is the lifeblood of an advanced economy, and as the availability of credit declines, so too does growth and consumption.



**Our View:** We expect similar hard landing outcomes in other developed markets where rates are high and curves are substantially inverted. In many ways, European central banks have a more difficult job than the Fed given higher overall inflation levels, greater sensitivity to energy prices, and reliance on imported natural gas, making the risk of a mistake that much higher. Similarly, the PBOC is caught between a rock and a hard place with the need to support property markets while not encouraging the expansion of local government debt.

# 3Q 2023: Certain Parts of the Credit Markets Showing Signs of Stress

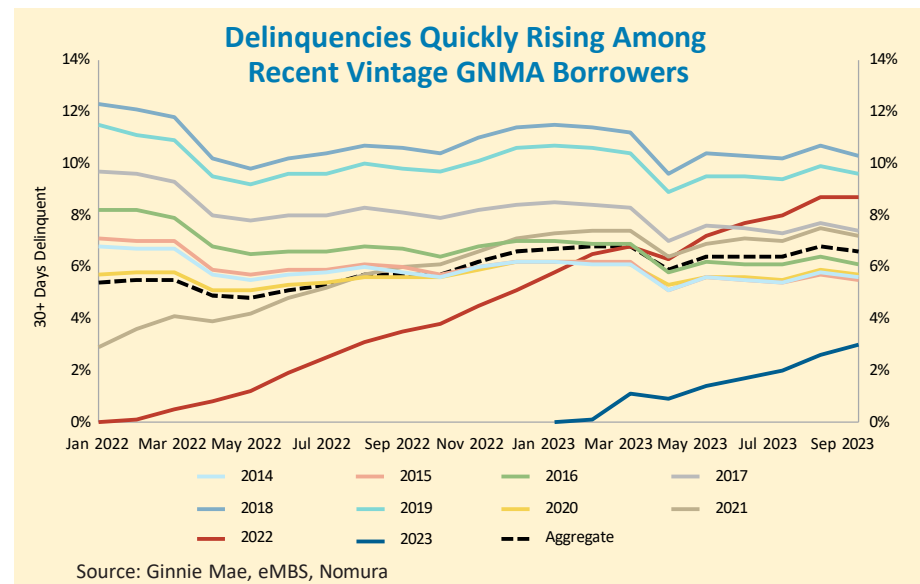
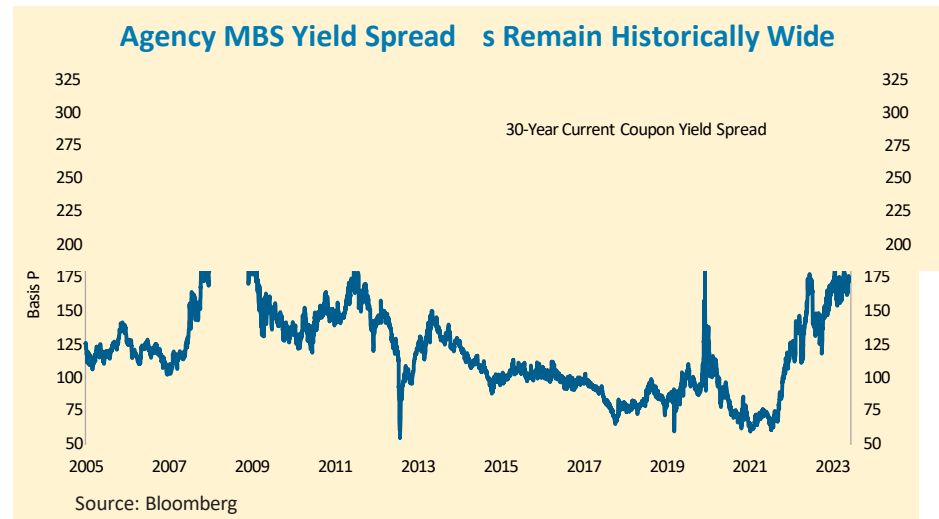


- Credit spreads generally tightened in the 3rd quarter, ending September around 110 basis points over Treasuries. 110 bps is narrow by historical standards and reflects investor belief in the soft landing story as well as the influence of yield based buyers. With Treasury rates elevated, the all-in yield on corporate bonds is close to 6%, making them an attractive option for many investors. However, with spreads relatively tight, the ratio of spread to overall yield is only around 19%, the lowest level since 2007.
- Another effect of higher rates is that corporate issuers, who were active at extending their debt when rates were low, are reluctant to do so now, resulting in a lack of supply for bonds longer than 10 years to maturity. Demand for such long dated issuance is still robust, given higher pension funding levels and the desire for pension plans to lock in that surplus, resulting in a flattening of the credit curve, and relatively tighter spreads for long dated issues. At one point in September, the yield of the 1-3 year corporate index was actually higher than the yield of the 10+ year corporate index.
- Unlike investment grade issuers, high yield issuers can't issue debt for 30 years, so the average maturity tends to be much shorter – around 5 years versus almost 11 for investment grade. As a result, they require far more regular access to capital markets to roll that debt, and so tend to feel the impact of higher rates sooner. Because high yield companies typically refinance their debt a year or more before it comes due, TCW estimates that by the end of the first quarter of 2025, approximately 30% of the high yield market will need to be refinanced – creating potential challenges if coupons jump from 6% to 12% for the average issuer.
- Given that bank loans offer floating rate coupons almost exclusively, those issuers feel the impact of higher rates even more quickly than high yield bond issuers. With those higher coupons come higher interest expense for loan issuers and less cash flow available for other purposes. Consequently, we have seen greater numbers of downgrades than upgrades and a greater portion of the market trading at a rating of CCC, indicating elevated risk of future defaults.

**Our View:** Investment grade credit markets generally don't provide enough compensation for the risk of a hard landing. However, there are parts of the market (large banks in particular) that look attractive given their wider spreads and robust balance sheets. Similarly, high yield spreads are too tight given the upcoming refinancing risk facing many issuers, especially in the context of a likely slowing economy. We remain cautious overall with respect to most parts of the credit market, but are poised to take advantage of opportunities that are almost certain to present themselves if and when we see a recession.

# 3Q 2023: Cracks Showing in Securitized Markets, Too

- With the jump in rates in September, agency MBS spreads widened further, generating additional underperformance relative to Treasuries after an already challenging 2022 and a slightly positive start to 2023. Yield spreads for the current coupon new issue ended the quarter near 175 bps, over twice the level at the start of 2022, dragged wider by higher rates, elevated volatility, ongoing Fed paydowns and the absence of consistent demand from banks.
- Among agency MBS, GNMA has effectively become a government sponsored subprime lending program, accounting for roughly a fifth of the single-family mortgage market, offering low down payment mortgages to borrowers with lower credit scores. Interestingly, delinquencies for 2022 vintage borrowers, with generally worse credit metrics than previous years, have risen the fastest out of all cohorts, with 30+ day delinquencies already at roughly 9%, outpacing the aggregate of all GNMA mortgages by 3%, consistent with the data seen for consumer ABS in the lower income cohorts.
- Commercial real estate continues to struggle, especially office buildings in large metropolitan areas, with valuations down 30-70% due to higher rates and lower occupancy. Reflecting that struggle, the CMBS market has bifurcated, with bonds backed by what is perceived to be clean collateral readily liquid and performing well. On the other hand, bonds backed by properties viewed as under pressure have performed poorly, with limited liquidity available.
- Despite the underperformance of some parts of the CMBS sector, markets have generally been orderly, with few forced sellers evident. Numerous bonds simply don't trade if bids aren't to the level desired by sellers. Many of those sellers are insurance companies, who, for the most part, aren't required to mark their holdings to market. However, every year, the NAIC reviews holdings and may assign a higher risk weight to certain CMBS holdings, making it onerous for insurance companies to continue holding them. Those reviews are scheduled for late this year or early next year, and once they are complete, forced sales may push prices much lower.



**Our View:** Agency MBS represents one of the most attractive opportunities in fixed income today, especially relative to corporate bonds, where it offers wider spreads, no credit risk, and greater liquidity. CMBS remains a source of concern given the likelihood of rising defaults and modifications, particularly in office properties, but also to some extent in multifamily, though there are still a variety of subsectors (logistics, life science, hospitality, data center, self storage, select retail, etc.) that are likely to be more resilient. Within office, we expect that negative headlines will continue for several quarters, providing ample time to buy at what are expected to be compelling prices, but for now, we remain opportunistic and patient.

# 3Q 2023: Core and Core Plus Fixed Income Positioning Summary

We remain somewhat cautious overall given the likelihood of recession and the potential for additional volatility. However, we will continue to be diligent in applying our disciplined process of using that volatility to add risk to the portfolio at more attractive levels to maximize long-term performance.

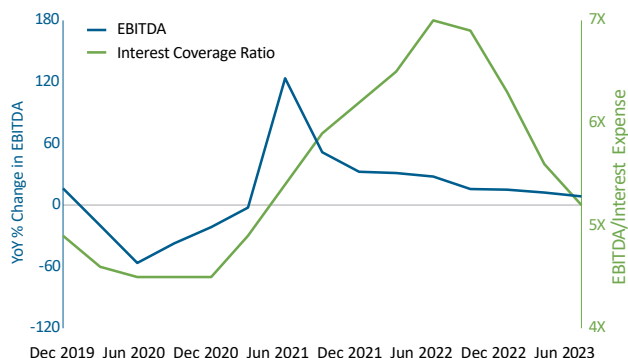
Characteristics	Positioning	Comments
Duration	Ended the quarter approximately 0.9 years long versus the benchmark	Rates do not reflect the likelihood of a hard landing, though they may stay high for a few more quarters
Curve	Expectations for a steeper curve	Overweight to the 2-Year and 5-Year part of the curve given expectations that the Fed will overshoot and have to ease aggressively to support the economy
Governments	Underweight, with an emphasis on on-the-run securities	<ul style="list-style-type: none"> <li>On-the-run Treasury securities provide much greater liquidity</li> <li>Modest position in TIPS given attractive breakeven inflation levels</li> </ul>
MBS	<ul style="list-style-type: none"> <li>Agency MBS – overweight</li> <li>Non-Agency MBS – maintained allocation, with bias to add further</li> </ul>	<ul style="list-style-type: none"> <li>Preference for agency MBS TBAs given attractive spread levels and strong liquidity</li> <li>Favor a barbell of lower coupon (&lt;3.5%) issues given price upside and higher coupon (5%-5.5%) given wide spreads and better convexity profile than current coupons</li> <li>Maintain emphasis on high quality legacy non-agency MBS bonds as well as new issues, especially those backed by legacy collateral with significant embedded home price appreciation</li> </ul>
ABS	Small Overweight	<ul style="list-style-type: none"> <li>Prefer AAA and AA rated CLOs due to better liquidity, robust structures, and attractive spreads</li> <li>Reduce senior FFELP student loan ABS, with a preference for higher yielding subordinates</li> </ul>
CMBS	Neutral	<ul style="list-style-type: none"> <li>Cautious overall with an emphasis on super senior single asset single borrower non-agency CMBS holdings</li> <li>Look to trim positions with potential for credit deterioration as markets weaken</li> </ul>
Investment Grade Credit	Modest Underweight	<ul style="list-style-type: none"> <li>Look to trim longer dated issues as credit curves flatten</li> <li>Positioning remains concentrated in high conviction names, money center banks, and defensive sectors like communications</li> <li>Minimal exposure to cyclical credit sectors and non-corporate credit</li> </ul>
High Yield	Small allocation	Emphasize defensive credits and select, high conviction idiosyncratic issuers
International	Small allocation	Slowing growth and a tightening Fed has historically been a difficult environment for EM issuers

Portfolio characteristics and securities are subject to change at any time. The views and forecasts expressed in this quarterly review are as of September 2023, are subject to change without notice and may not come to pass. TCW reserves the right to change its investment perspective and outlook without notice as market conditions dictate. Source: Bloomberg, TCW

# 3Q 2023: Sector Highlight – The Impact of Rising Rates on the Loan Market

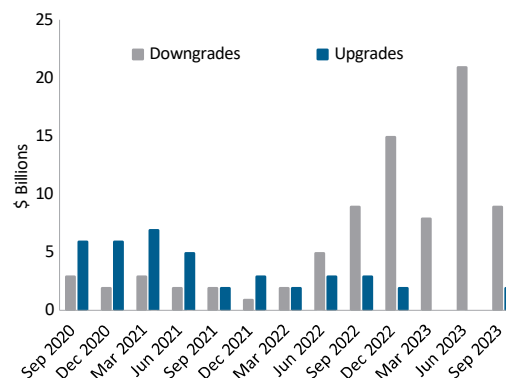
Rising interest rates have directly impacted borrowers in the loan market as the floating rate nature of loans has led to higher interest costs for borrowers. As a result, fundamentals in the loan market have deteriorated while downgrade and default activity have increased. As detailed below, borrowers are engaging in distressed exchanges, which are not technically defaults, but have the same economic impacts as a loan default – a loss of principal.

## Earnings and Interest Coverage Ratios Continue to Trend Down



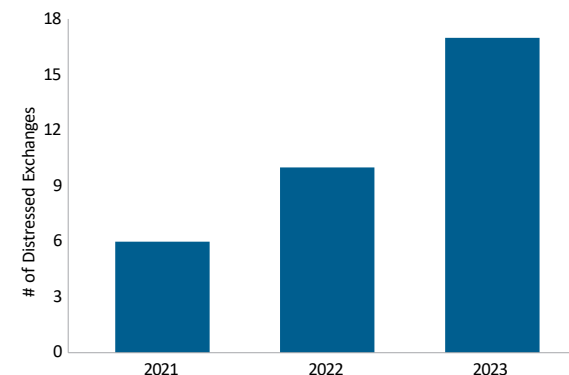
Source: JP Morgan

## CCC Downgrades Have Significantly Accelerated



Source: BofA Global Research, Intex, S&P

## And Volume of Distressed Exchanges Has Almost Doubled



Source: JP Morgan

## Examples of Recent Distressed Exchanges

### Auto Supply Company

- The company effected a new money financing transaction and exchange offer in order to bolster its liquidity.
- Lenders that elect to participate in the new financing will be offered an exchange value of 85% on their existing first lien holdings.
- Lenders that opt out of new financing will be offered an exchange value of 60% on existing first lien holdings.

### Healthcare Company

- The company implemented a distressed exchange to extend maturities and reduce its total debt stack.
- First lien lenders that participate will be offered 85% of existing par value plus accrued/unpaid interest in order to extend maturities by 2 years.
- Lenders that do not participate will retain full par value of the loan but will become subordinated to the new first lien term loan.

**Our View:** The floating rate loan asset class has delivered strong returns through the first three quarters of 2023. However, past performance is not indicative of future results. Interest costs for borrowers has steadily increased and has proved to be a headwind to both earnings and interest coverage. A steady increase in downgrade activity, as well as defaults and distressed exchanges are likely a harbinger of future stress in the loan market that will likely spill over into the high yield and investment grade bond markets. As such, we continue to exercise caution in the loan market and focus on defensive and select borrowers.

# Biographies



**Patrick Moore**  
Group Managing Director  
Head of Client Services

Mr. Moore heads the Client Service team and works with the fixed income portfolio management team to communicate investment strategies, performance, and market outlook to clients. Prior to joining TCW he was a partner at MetWest and was responsible for building out the firm's comprehensive client service and reporting capabilities after joining the team in 2000. His investment experience began in 1987 where he worked at Wilshire Associates as an asset-liability analyst. Subsequent to that, he was a Senior Investment Consultant with Bankers Trust Company (Deutsche Bank), providing strategy planning and implementation services to ERISA, public fund, and endowment and foundation clients. Mr. Moore is an Interested Trustee on the MetWest Fund Board of Directors and holds a BS in Mathematics and an MBA in Finance from the University of California, Irvine. He is a member of the CFA Institute and holds the Series 7, 24, and 63 FINRA licenses.



**Victoria Vogel, CFA**  
Senior Vice President  
Client Services – Fixed Income

Ms. Vogel is an Account Manager and Product Specialist responsible for communicating investment strategies, performance, and outlook to fixed income clients. She has been with TCW for over a decade, having previously been an Analyst with the Client Services group, where she worked on various client initiatives, including market/portfolio commentary and performance attribution analysis. Ms. Vogel graduated from Middlebury College with a BA in Economics and is a CFA charterholder.

## INDEX DISCLOSURE

*“Bloomberg” and each of the Bloomberg fixed income indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the index (collectively, “Bloomberg”) and have been licensed for use for certain purposes by TCW. Bloomberg is not affiliated with TCW, and Bloomberg does not approve, endorse, review, or recommend any TCW product or portfolio. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any TCW product or portfolio.*

**S&P 500 Index (SPX)** – A capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. **Dow Jones Industrial Average (DJIA)** – A price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the Nasdaq. **NASDAQ Composite Index** – The market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

## INVESTMENT RISKS

**TCW Core Fixed Income Strategy:** Fixed income investments entail interest rate risk, the risk of issuer default, issuer credit risk, and price volatility risk. Strategies investing in bonds can lose their value as interest rates rise and an investor can lose principal. Mortgage-backed and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. MBS related to floating rate loans may exhibit greater price volatility than a fixed rate obligation of similar credit quality. With respect to non-agency MBS, there are no direct or indirect government or agency guarantees of payments in pools created by non-governmental issuers. Non-agency MBS are also not subject to the same underwriting requirements for the underlying mortgages that are applicable to those mortgage-related securities that have a government or government-sponsored entity guarantee. The strategy’s investments denominated in foreign currencies will decline in value if the foreign currency declines in value relative to the U.S. dollar. The securities markets of emerging market countries can be extremely volatile. Securities prices and returns will fluctuate with market conditions, currencies and the economic and political climates where the investments are made.

**TCW Core Plus Fixed Income Strategy:** High yield securities may be subject to greater fluctuations in value and risk of loss of income and principal than higher rated securities. Fixed income investments entail interest rate risk, the risk of issuer default, issuer credit risk, and price volatility risk. Strategies investing in bonds can lose their value as interest rates rise and an investor can lose principal. Mortgage-backed and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. MBS related to floating rate loans may exhibit greater price volatility than a fixed rate obligation of similar credit quality. With respect to non-agency MBS, there are no direct or indirect government or agency guarantees of payments in pools created by non-governmental issuers. Non-agency MBS are also not subject to the same underwriting requirements for the underlying mortgages that are applicable to those mortgage-related securities that have a government or government-sponsored entity guarantee. The strategy’s investments denominated in foreign currencies will decline in value if the foreign currency declines in value relative to the U.S. dollar. The securities markets of emerging market countries can be extremely volatile. Securities prices and returns will fluctuate with market conditions, currencies and the economic and political climates where the investments are made.

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# RETIREMENT BOARD STAFF REPORT

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**DATE:** January 22, 2024 Agenda Item: 12  
**TO:** Sacramento Regional Transit Retirement Boards – ALL  
**FROM:** Jason Johnson, VP, Finance/CFO  
**SUBJ:** RECEIVE AND FILE INVESTMENT PERFORMANCE RESULTS FOR THE ATU, IBEW AND SALARIED EMPLOYEE RETIREMENT PLANS FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (ALL). (JOHNSON)

## **RECOMMENDATION**

Motion to Approve

## **RESULT OF RECOMMENDED ACTION**

Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2023 (ALL). (Johnson)

## **FISCAL IMPACT**

None.

## **DISCUSSION**

Pension funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines adopted by each Retirement Board. Attached are the two investment performance reports prepared by the Boards' pension investment consultants. The first report is the Third Quarter 2023 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of September 30, 2023 (Attachment 2). These reports provide a detailed analysis of the performance of each of the investment managers retained by the Retirement Boards to manage the Retirement Funds for the quarter ended September 30, 2023. The second report compares the performance of each investment manager with benchmark indices, other fund managers of similarly invested portfolios and other indices.

### **Investment Compliance Monitoring**

In accordance with the Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (Investment Policy), Northern Trust Company performs daily investment compliance monitoring on the Plans' three (3) actively managed funds. As of September 30, 2023, there was a compliance breach reported; however, the report was investigated and it was determined that the breach report was due to restructuring of a company held by the Plans' fixed income manager (Intelsat, held by TCW) as part of a corporate action. Northern Trust's compliance monitoring settings were set to flag equity common stock, equity rights and other sundry assets as compliance



breaches. The Intelsat investments were originally purchased as Corporate Bonds so this incident is not a violation of the investment policy. The current equity common stock, equity rights and other sundry assets will continue to be monitored until TCW disposes of the securities. The final attached report includes the monitoring summary (Attachment 3).

The table below provides an overview of the quarter performance, quarter ending September 30, 2023 – gross of investment management fees:

Investment Manager - Description - Benchmark	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/ (Losses)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	(3.16)%	<b>.78%</b>	\$ 500,056	\$(494,978)
S&P 500 Index (large cap value) S&P 500	(3.27)%	<b>(3.26)%</b>	\$(2,028,334)	-
Atlanta Capital (small cap) Russell 2000	(5.13)%	<b>(3.23)%</b>	\$(1,053,133)	-
Pyrford (international equities) MSCI EAFE	(4.11)%	<b>(3.95)%</b>	\$(1,435,177)	-
MSCI EAFE Index (international equities) MSCI EAFE	(4.11)%	<b>(4.09)%</b>	\$(729,130)	-
AQR (small cap international equities) MSCI EAFE SC	(3.51)%	<b>2.96%</b>	\$530,805	-
Dimensional Fund Advisors (emerging markets) MSCI EM	(2.93)%	<b>(1.42)%</b>	\$(337,694)	-
TCW (fixed income) Bloomberg Agg.	(3.23)%	<b>(3.59)%</b>	\$(3,016,613)	-
Clarion Lion Properties (real estate) NCREIF NFI-ODCE	(1.90)%	<b>(1.06)%</b>	\$(231,132)	-
Morgan Stanley Prime Property Fund	(1.90)%	<b>(.01)%</b>	\$(37,860)	-
Total Plan	(3.34)%	<b>(2.07)%</b>	\$(7,838,212)	\$(494,978)

**Bold** – fund exceeding respective benchmark

The table below provides an overview of the year to date performance, as of September 30, 2023 – gross of investment management fees:

Investment Manager - Description - Benchmark	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/(Loss)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	14.44%	<b>17.36%</b>	\$9,493,789	\$(1,527,949)
S&P 500 Index (large cap value) S&P 500	21.62%	21.62%	\$10,684,038	-
Atlanta Capital (small cap) Russell 2000	8.93%	<b>20.13%</b>	\$5,430,638	\$(1,279,704)
Pyrford (international equities) MSCI EAFE	25.65%	22.20%	\$6,333,119	-
MSCI EAFE Index (international equities) MSCI EAFE	25.65%	<b>26.07%</b>	\$3,535,801	-
AQR (small cap international equities) MSCI EAFE SC	17.90%	<b>31.48%</b>	\$4,630,513	-
Dimensional Fund Advisors (emerging markets) MSCI EM	11.70%	<b>18.77%</b>	\$3,393,717	-
TCW (fixed income) Bloomberg Agg.	.64%	<b>.84%</b>	\$678,478	-
Clarion Lion Properties (real estate) NCREIF NFI-ODCE	(12.14)%	(16.17)%	\$(3,516,851)	-
Morgan Stanley Prime Property Fund	(12.14)%	<b>(6.43)%</b>	\$(1,346,390)	-
Total Plan	11.54%	<b>12.25%</b>	\$39,316,852	\$(2,807,653)

**Bold** – fund exceeding respective benchmark

# Callan



January 22, 2024

**Sacramento Regional  
Transit District**

3Q23 Market Update

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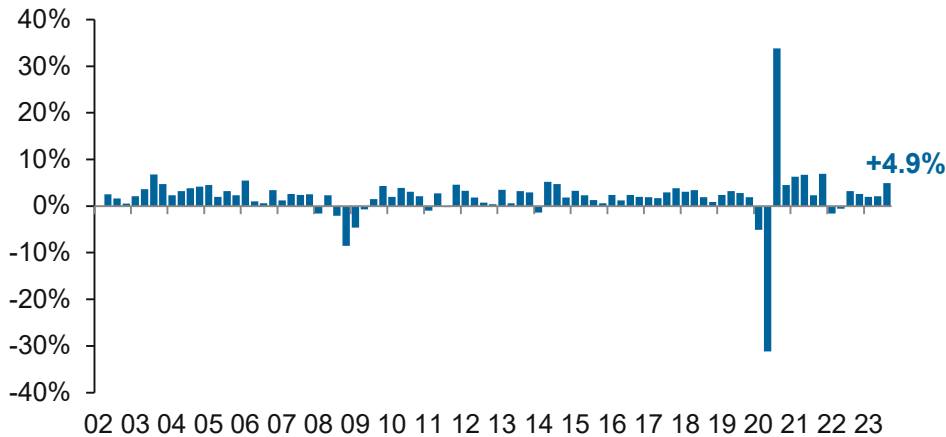
**Anne Heaphy**  
Fund Sponsor Consulting

**Uvan Tseng, CFA**  
Fund Sponsor Consulting

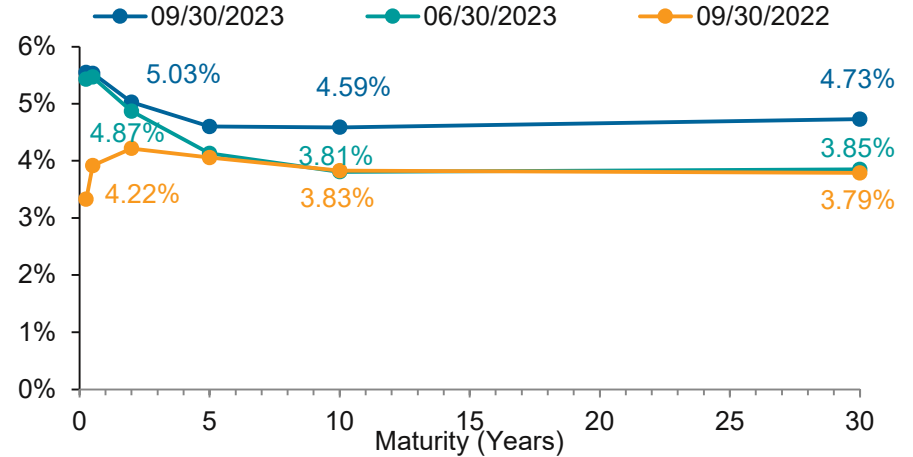
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# Economic Commentary

## Quarterly Real GDP Growth



## U.S. Treasury Yield Curves



The initial estimate of Q3 GDP came in at 4.9%, a large uptick from 2.1% in Q2.

Headline inflation increased to 3.7% year-over-year at the end of September, up from 3.0% at the end of June.

Following a 25 bp rate hike in July, the Federal Reserve held rates steady at their September meeting (target range 5.25-5.50%) as well as in the November 1st meeting.

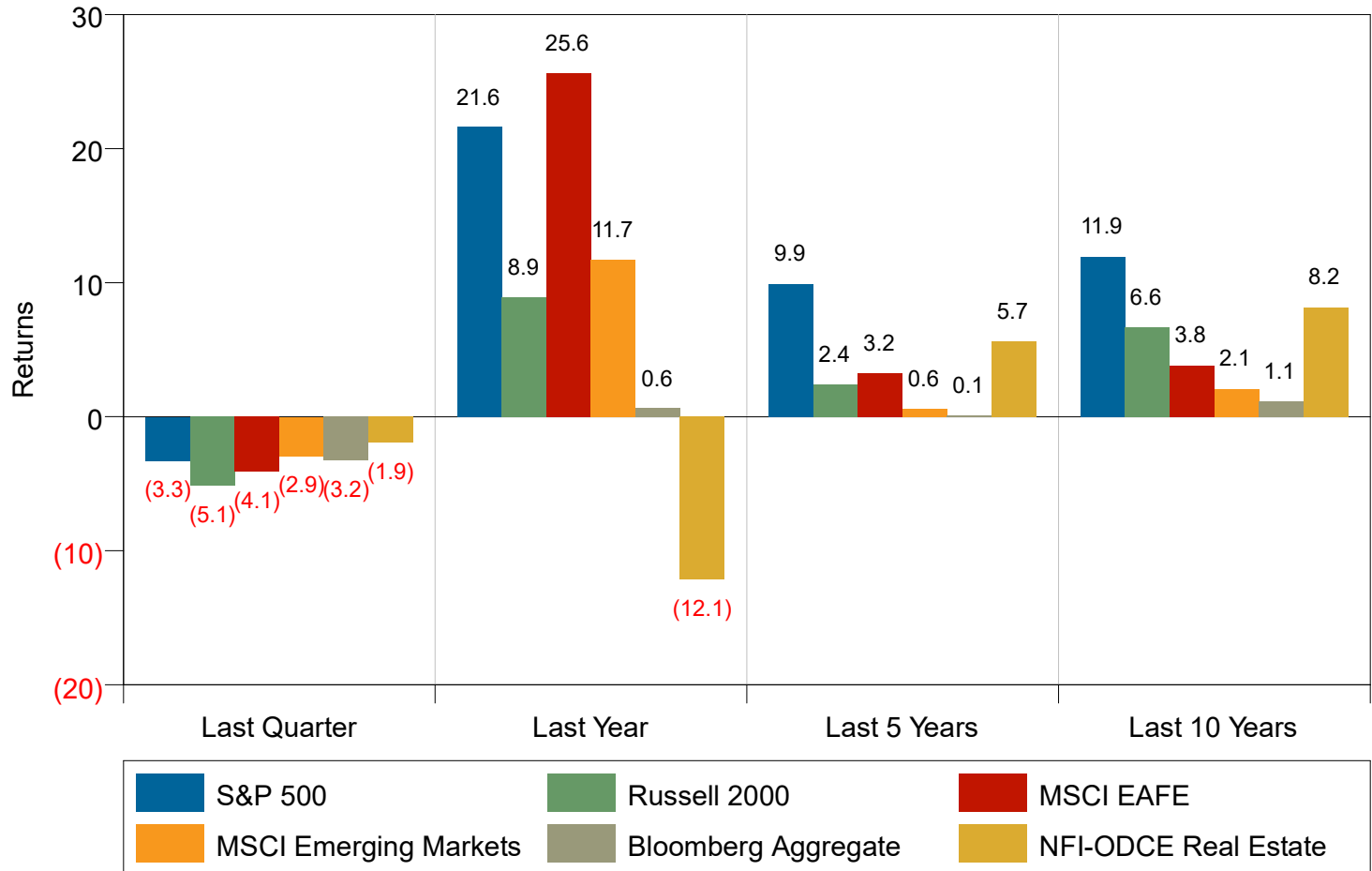
Unemployment increased to 3.8% in the third quarter (which is still far below the long-term average). The October jobs report showed a cooling labor market with a modest 150,00 jobs added and an increase in the unemployment rate to 3.9%.

Sources: Bloomberg, Bureau of Labor Statistics, Callan

# Asset Class Performance

Periods Ended September 30, 2023

Asset Class Performance  
for Periods Ended September 30, 2023



YTD as of 12/19/2023:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI Emerging Markets:

Bloomberg Aggregate:

NFI-ODCE (quarter end):

# Equity Markets Down in 3Q, Following Rebound in First Half of 2023

Stocks and bonds still have ground to make up after declines in 2022

S&P 500 down 3.3% in 3Q23

- Loss through first three quarters of 2022 was 23.9%; rebound in the following three quarters reduced the loss to 2.9% by June, but decline in 3Q shows S&P is still over 4% below 1/2022 high-water mark

Fixed income recovered in first half of 2023 as high inflation began to ease; speculation about interest rate cuts evaporated in 2Q

- Bloomberg Aggregate: up 3% in 1Q, but declined 0.8% in 2Q and another 3.2% in 3Q as Fed continued to raise rates
- CPI-U: +3.7% year-over year for 3Q, and still up 5.8% since the start of 2022

Economic data defied expectations of recession in 2023; GDP growth came in at 2.1% in 1Q and 2.2% in 2Q, and surged to a stunning 4.9% in 3Q

- Job market remains solid, providing support to Fed efforts to fight inflation

Returns for Periods ended 9/30/23

	Quarter	YTD	Since 1/2022	5 Years	10 Years	25 Years
<b>U.S. Equity</b>						
Russell 3000	-3.25	12.39	-5.36	9.14	11.28	8.09
S&P 500	-3.27	13.07	-4.30	9.92	11.91	7.92
Russell 2000	-5.13	2.54	-10.98	2.40	6.65	8.00
<b>Global ex-U.S. Equity</b>						
MSCI World ex USA	-4.10	6.73	-4.97	3.44	3.84	4.98
MSCI Emerging Markets	-2.93	1.82	-11.12	0.56	2.07	--
MSCI ACWI ex USA Small Cap	-1.70	5.03	-9.45	2.58	4.35	7.41
<b>Fixed Income</b>						
Bloomberg Aggregate	-3.23	-1.21	-8.29	0.10	1.13	3.59
90-day T-Bill	1.31	3.60	2.89	1.72	1.11	1.89
Bloomberg Long Gov/Credit	-9.37	-5.40	-19.12	-1.21	1.94	4.67
Bloomberg Global Agg ex-US	-4.00	-3.20	-12.79	-3.10	-1.73	2.04
<b>Real Estate</b>						
NCREIF Property	-1.98	-5.66	-0.26	5.13	7.33	8.29
FTSE Nareit Equity	-7.13	-2.14	-15.80	2.77	5.96	8.49
<b>Alternatives</b>						
CS Hedge Fund Index	1.81	3.71	2.72	4.77	4.08	5.96
Cambridge Private Equity*	1.59	3.71	0.39	15.37	14.91	13.67
Bloomberg Commodity	4.71	-3.44	6.74	6.13	-0.75	2.45
Gold Spot Price	-3.28	2.18	1.17	9.30	3.47	7.60
<b>Inflation - CPI-U</b>	0.88	3.70	5.81	4.04	2.77	2.56

\*Cambridge PE data as of 2Q23

Sources: Bloomberg, Callan, Cambridge, Credit Suisse, FTSE Russell, MSCI, NCREIF, S&P Dow Jones Indices

# U.S. Equity Performance: 3Q23

The U.S. equity markets cooled in 3Q after an exuberant start to the year

## All U.S. equity indices posted losses during 3Q23.

- August and September were marked by investor fears about the potential of a “higher for longer” interest rate environment, leading to broader market declines.

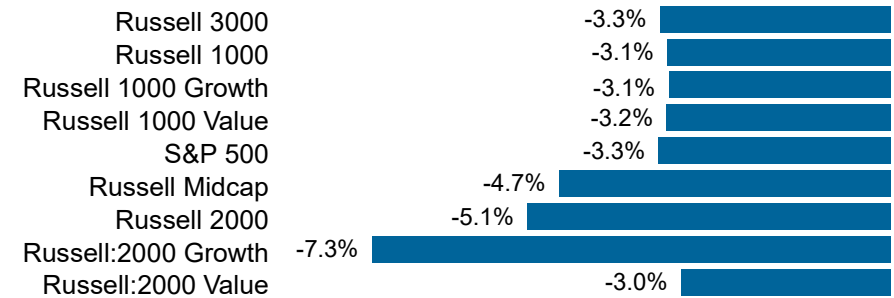
## Small cap value led

- While all indices were negative, the Russell 2000 Value Index led the pack during the quarter, a reversal of the previous two quarters when the Russell 1000 Growth Index led.

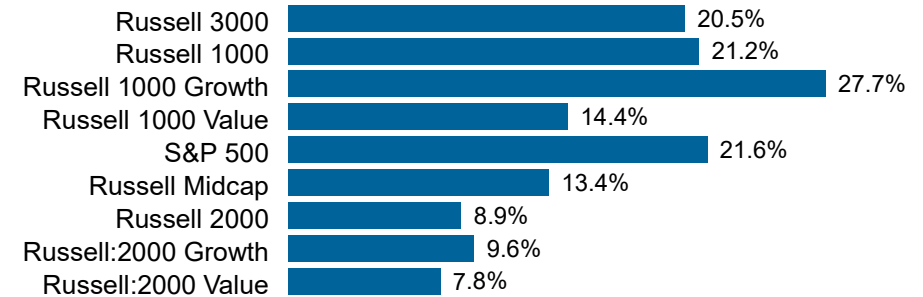
## Energy was the strongest sector

- Only two of the 11 S&P 500 Index sectors generated positive 3Q returns; Energy was up 12% and Communication Services was up 3%. However, on a year-to-date basis, six sectors generated positive returns, with Information Technology, Communication Services and Consumer Discretionary substantially leading the group.

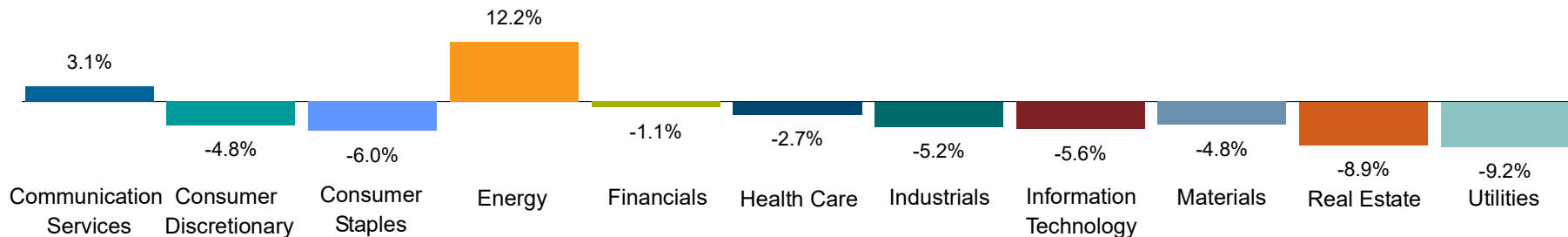
## U.S. Equity: Quarter Ended 9/30/23



## U.S. Equity: One-Year Returns Ended 9/30/23



## Industry Sector Quarterly Performance (S&P 500) as of 9/30/23



Sources: FTSE Russell, S&P Dow Jones Indices

# Global/Global ex-U.S. Equity Performance: 3Q23

## Global growth concerns

### Most global markets were in the red for 3Q23.

- Global markets retreated in 3Q23 amid fears of a global recession driven by higher interest rates and slowing growth in regions outside the U.S.
- Emerging markets outperformed developed markets, buoyed by good results from India, whose economy grew nearly 8% on the heels of supportive infrastructure spending.
- Japan was strong again in local currency as it continues to benefit from post-COVID exuberance, easy monetary policy, and a new economic stimulus plan.

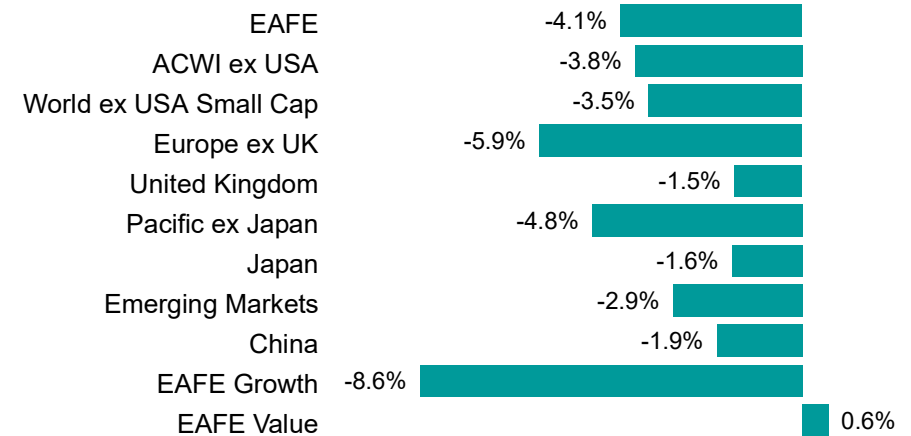
### Growth vs. value

- With energy as a strong outperformer on the heels of oil price increases, value outpaced growth by a wide margin in global ex-U.S. markets.

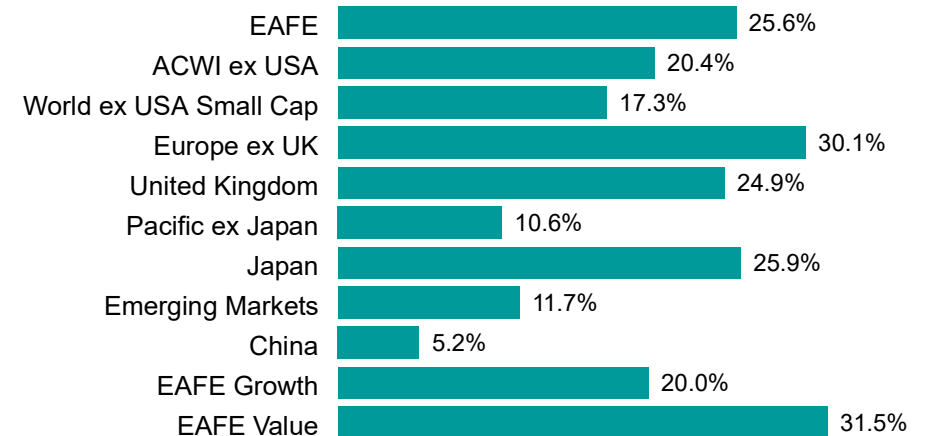
### U.S. dollar vs. other currencies

- The stronger U.S. dollar, which gained 3% over the quarter, was a notable headwind for the period.

### Global Equity Returns: Quarter Ended 9/30/23



### Global Equity Returns: One Year Ended 9/30/23



Source: MSCI

# U.S. Fixed Income Performance: 3Q23

Yields continue to march upward as spreads remain range-bound

## U.S. fixed income fell for a second straight quarter

- The Bloomberg Aggregate Index is on track for a third calendar year of negative returns, with the rise in yields continuing to detract from performance.

## U.S. Treasury 10-year yield climbed roughly 80 bps

- 10-year ended the quarter at 4.59%, its highest level since 2007.
- The yield curve’s inversion narrowed as long-term rates rose more than short-term rates.

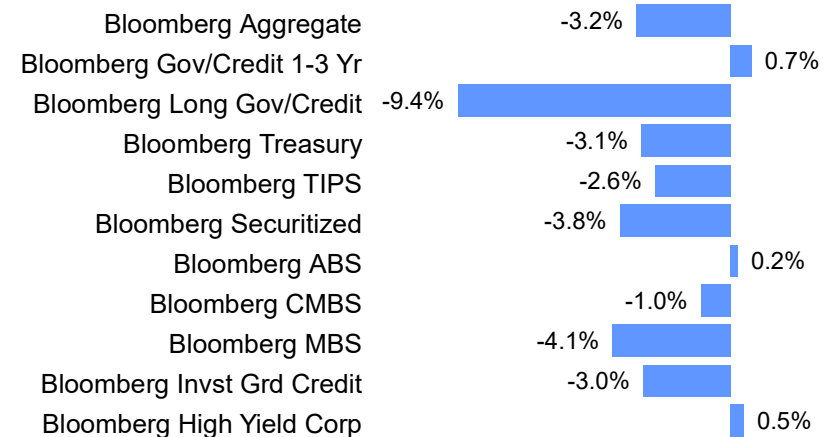
## Fed policy rate held to 5.25%-5.50%

- The updated dot plot suggested an additional rate hike may be in the cards before year-end.

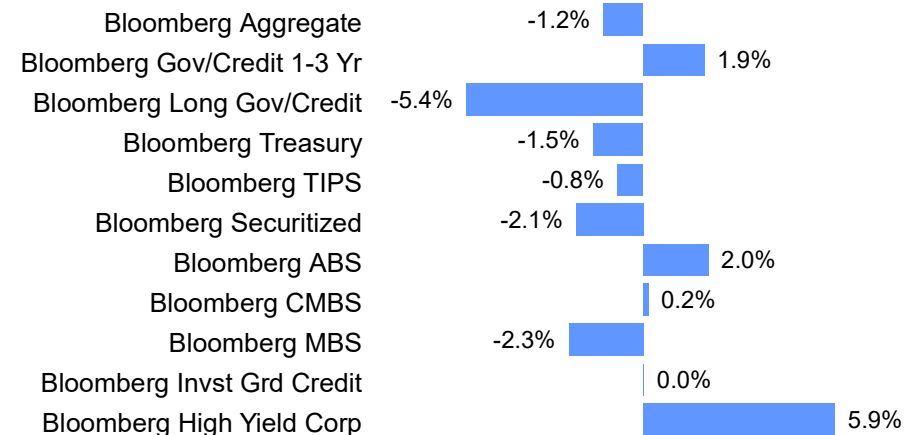
## Lower-quality credit continued to outperform

- High yield spreads were flat, but the sector was buoyed by strong performance in July.
- Investment grade corporate spreads tightened slightly and remained close to their 10-year average.
- Agency RMBS underperformed other securitized sectors as interest rate volatility weighed on the sector.

## U.S. Fixed Income Returns: Quarter Ended 9/30/23



## U.S. Fixed Income Returns: YTD Ending 9/30/23



Sources: Bloomberg, S&P Dow Jones Indices



# U.S. Private Real Estate Performance: 3Q23

Income returns positive but appreciation returns negative once again

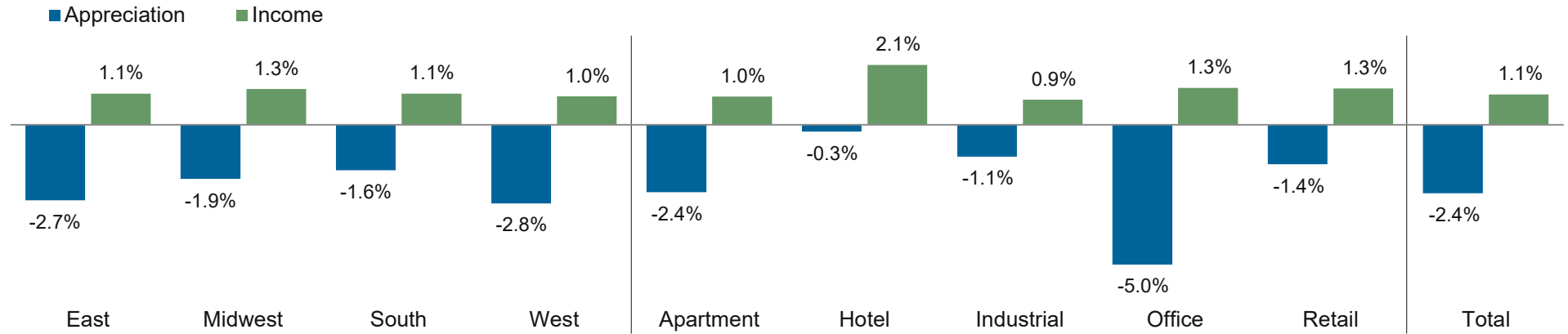
## Valuations reflect higher interest rates

- Income returns were positive across sectors and regions.
- All property sectors and regions experienced negative appreciation.
- Valuations are reflective of higher interest rates, which have put upward pressure on capitalization rate and discount rate assumptions.
- Return dispersion by manager within the ODCE Index was due to the composition of underlying portfolios.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>NCREIF ODCE</b>	-2.1%	-12.9%	6.2%	4.7%	7.2%
Income	0.7%	2.0%	2.8%	3.0%	3.3%
Appreciation	-2.8%	-15.2%	3.3%	1.7%	3.8%
<b>NCREIF Property Index</b>	-1.4%	-8.4%	6.0%	5.3%	7.4%
Income	1.1%	4.1%	4.1%	4.2%	4.6%
Appreciation	-2.4%	-12.1%	1.9%	1.0%	2.7%

Returns are geometrically linked

## NCREIF Property Index Quarterly Returns by Region and Property Type



Source: NCREIF, ODCE return is net

Callan

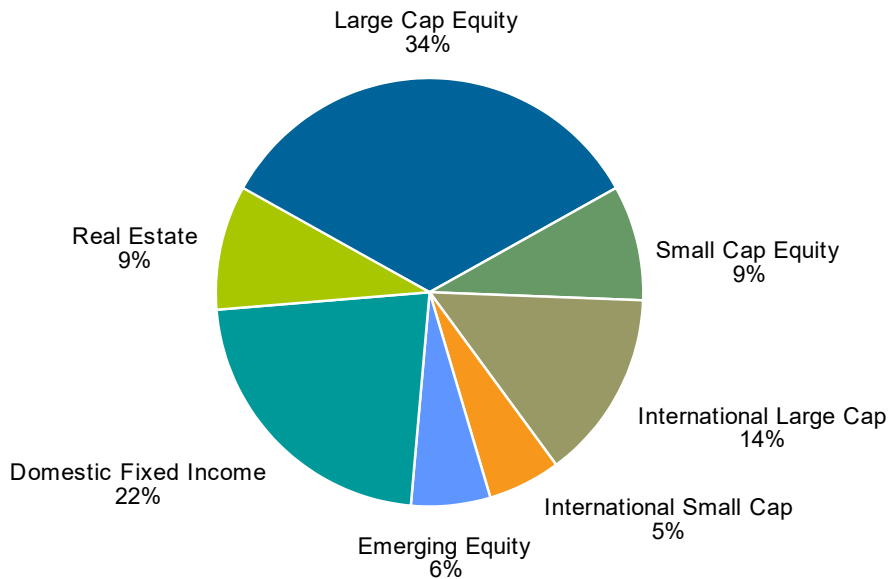
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**Total Fund Overview**

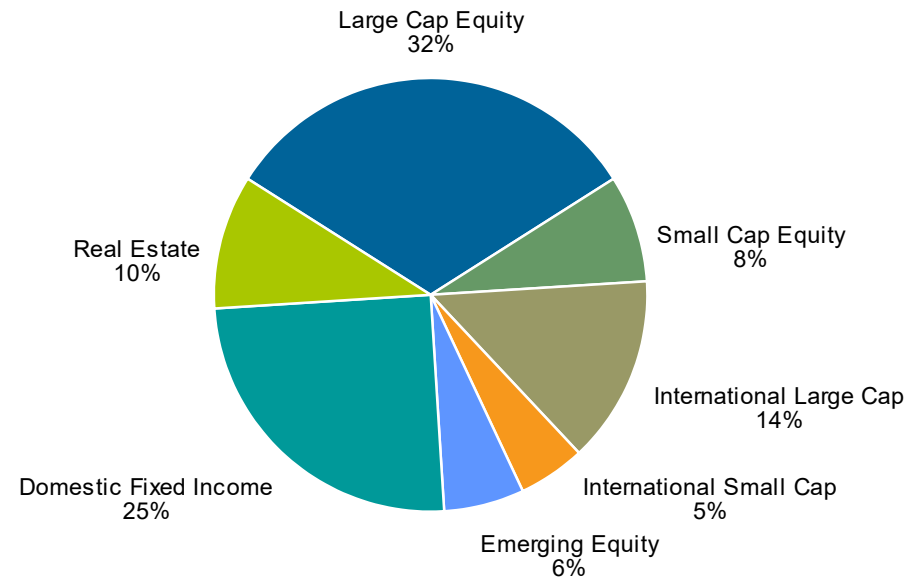
# RT Asset Allocation

As of September 30, 2023

**Actual Asset Allocation**



**Target Asset Allocation**



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	123,168	33.9%	32.0%	1.9%	6,748
Small Cap Equity	31,532	8.7%	8.0%	0.7%	2,427
International Large Cap	51,974	14.3%	14.0%	0.3%	1,040
International Small Cap	19,873	5.5%	5.0%	0.5%	1,683
Emerging Equity	21,931	6.0%	6.0%	0.0%	102
Domestic Fixed Income	81,007	22.3%	25.0%	(2.7%)	(9,945)
Real Estate	34,325	9.4%	10.0%	(0.6%)	(2,056)
Total	363,810	100.0%	100.0%		

## Total Fund – Performance Attribution

### Relative Attribution Effects for Quarter ended September 30, 2023

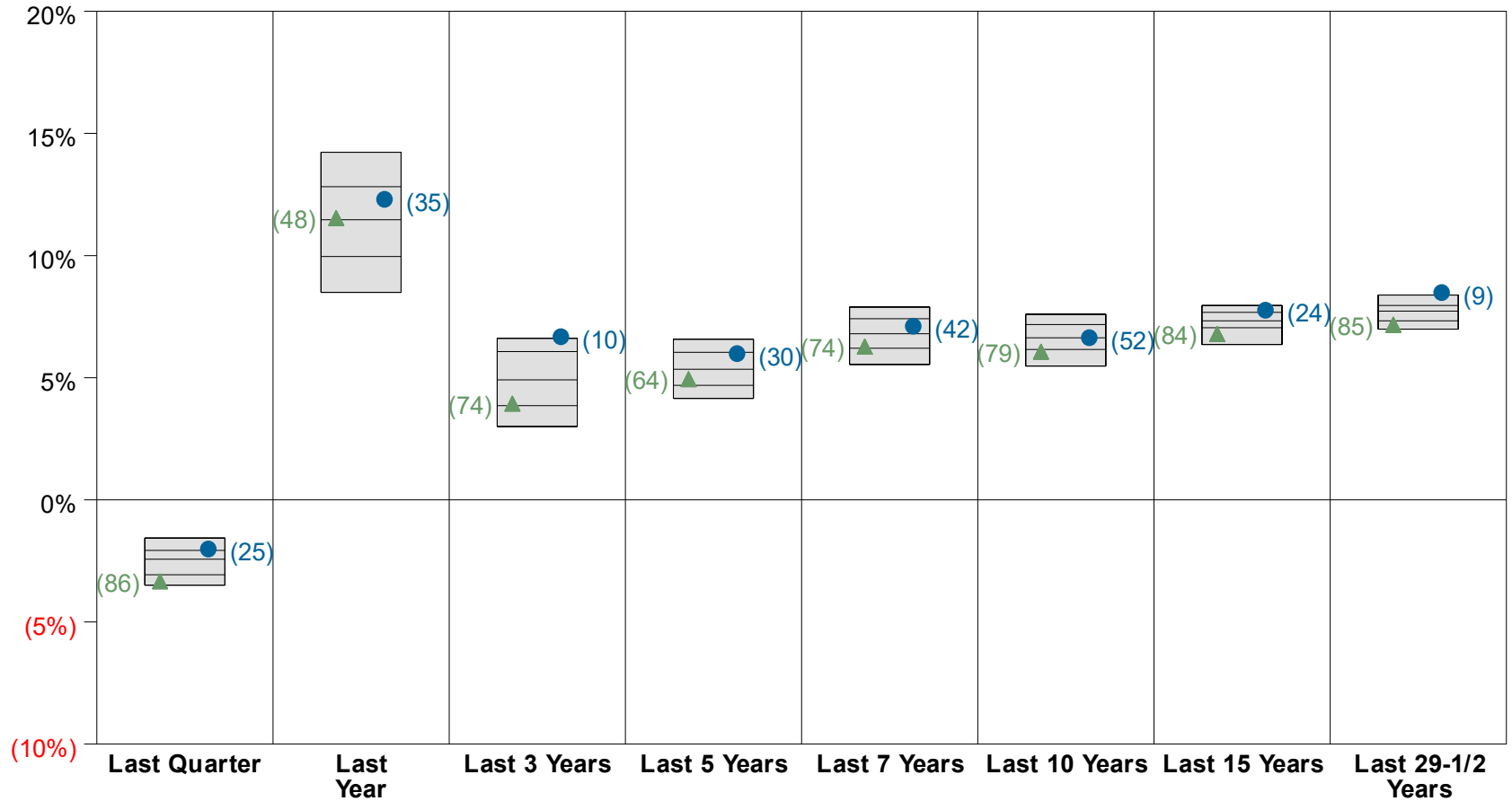
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	(1.23%)	(3.27%)	0.69%	(0.00%)	0.69%
Small Cap Equity	9%	8%	(3.23%)	(5.13%)	0.16%	(0.01%)	0.14%
International Large Cap	14%	14%	(4.00%)	(4.11%)	0.01%	(0.00%)	0.01%
International Small Cap	5%	5%	2.96%	(3.51%)	0.34%	(0.00%)	0.33%
Emerging Equity	6%	6%	(1.42%)	(2.93%)	0.09%	(0.01%)	0.08%
Domestic Fixed Income	22%	25%	(3.59%)	(3.23%)	(0.08%)	(0.02%)	(0.10%)
Real Estate	9%	10%	(0.53%)	(1.90%)	0.12%	(0.02%)	0.11%
<b>Total</b>			<b>(2.07%)</b>	<b>(3.34%)</b>	<b>+ 1.33%</b>	<b>+ (0.06%)</b>	<b>1.27%</b>

### One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	19.41%	21.62%	(0.61%)	(0.03%)	(0.65%)
Small Cap Equity	9%	8%	20.13%	8.93%	0.93%	(0.09%)	0.84%
International Large Cap	14%	14%	23.45%	25.65%	(0.24%)	(0.14%)	(0.38%)
International Small Cap	5%	5%	31.48%	17.90%	0.64%	(0.04%)	0.60%
Emerging Equity	6%	6%	18.77%	11.70%	0.39%	(0.05%)	0.34%
Domestic Fixed Income	23%	25%	0.84%	0.64%	0.05%	0.09%	0.15%
Real Estate	10%	10%	(11.53%)	(12.14%)	0.10%	(0.29%)	(0.19%)
<b>Total</b>			<b>12.25%</b>	<b>11.54%</b>	<b>+ 1.27%</b>	<b>+ (0.56%)</b>	<b>0.71%</b>

# Total Fund – Performance as of September 30, 2023

## Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years	Last 29-1/2 Years
10th Percentile	(1.56)	14.23	6.61	6.58	7.90	7.59	7.96	8.38
25th Percentile	(2.07)	12.82	6.07	6.04	7.41	7.17	7.67	7.96
Median	(2.43)	11.46	4.91	5.34	6.80	6.63	7.33	7.73
75th Percentile	(3.07)	9.96	3.86	4.69	6.20	6.15	7.05	7.33
90th Percentile	(3.50)	8.49	3.00	4.15	5.54	5.47	6.36	6.99
<b>Total Fund</b>	● (2.07)	12.25	6.62	5.93	7.05	6.58	7.70	8.43
<b>Target</b>	▲ (3.34)	11.54	3.94	4.94	6.27	6.07	6.79	7.17

## Total Fund – Manager Asset Allocation

	September 30, 2023		Net New Inv.	Inv. Return	June 30, 2023	
	Market Value	Weight			Market Value	Weight
<b>Domestic Equity</b>	<b>\$154,699,749</b>	<b>42.52%</b>	<b>\$(494,648)</b>	<b>\$(2,581,411)</b>	<b>\$157,775,807</b>	<b>42.40%</b>
<b>Large Cap</b>	<b>\$123,167,745</b>	<b>33.85%</b>	<b>\$(494,648)</b>	<b>\$(1,528,277)</b>	<b>\$125,190,670</b>	<b>33.64%</b>
Boston Partners	63,031,508	17.33%	(494,648)	500,056	63,026,099	16.94%
SSgA S&P 500	60,136,238	16.53%	0	(2,028,334)	62,164,571	16.70%
<b>Small Cap</b>	<b>\$31,532,004</b>	<b>8.67%</b>	<b>\$0</b>	<b>\$(1,053,133)</b>	<b>\$32,585,137</b>	<b>8.76%</b>
Atlanta Capital	31,532,004	8.67%	0	(1,053,133)	32,585,137	8.76%
<b>International Equity</b>	<b>\$93,778,215</b>	<b>25.78%</b>	<b>\$0</b>	<b>\$(1,971,197)</b>	<b>\$95,749,412</b>	<b>25.73%</b>
<b>International Large Cap</b>	<b>\$51,973,882</b>	<b>14.29%</b>	<b>\$0</b>	<b>\$(2,164,307)</b>	<b>\$54,138,189</b>	<b>14.55%</b>
SSgA EAFE	17,116,751	4.70%	0	(729,130)	17,845,881	4.80%
Py rford	34,857,131	9.58%	0	(1,435,177)	36,292,308	9.75%
<b>International Small Cap</b>	<b>\$19,873,304</b>	<b>5.46%</b>	<b>\$0</b>	<b>\$530,805</b>	<b>\$19,342,499</b>	<b>5.20%</b>
AQR	19,873,304	5.46%	0	530,805	19,342,499	5.20%
<b>Emerging Equity</b>	<b>\$21,931,030</b>	<b>6.03%</b>	<b>\$0</b>	<b>\$(337,694)</b>	<b>\$22,268,724</b>	<b>5.98%</b>
DFA Emerging Markets	21,931,030	6.03%	0	(337,694)	22,268,724	5.98%
<b>Fixed Income</b>	<b>\$81,007,440</b>	<b>22.27%</b>	<b>\$0</b>	<b>\$(3,016,613)</b>	<b>\$84,024,053</b>	<b>22.58%</b>
Metropolitan West	81,007,440	22.27%	0	(3,016,613)	84,024,053	22.58%
<b>Real Estate</b>	<b>\$34,324,966</b>	<b>9.43%</b>	<b>\$0</b>	<b>\$(268,992)</b>	<b>\$34,593,957</b>	<b>9.30%</b>
Clarion Lion Fund	17,026,135	4.68%	0	(231,132)	17,257,267	4.64%
Morgan Stanley	17,298,831	4.75%	0	(37,860)	17,336,690	4.66%
<b>Total Fund</b>	<b>\$363,810,370</b>	<b>100.0%</b>	<b>\$(494,648)</b>	<b>\$(7,838,213)</b>	<b>\$372,143,230</b>	<b>100.0%</b>

# Total Fund – Returns as of September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equity</b>	<b>(1.64%)</b>	<b>19.60%</b>	<b>13.11%</b>	<b>8.79%</b>	<b>11.51%</b>
Domestic Equity Benchmark**	(3.63%)	19.10%	9.67%	8.48%	11.19%
<b>Large Cap Equity</b>	<b>(1.23%)</b>	<b>19.41%</b>	<b>13.40%</b>	<b>9.11%</b>	<b>11.58%</b>
Boston Partners	0.78%	17.36%	16.74%	7.97%	10.66%
Russell 1000 Value Index	(3.16%)	14.44%	11.05%	6.23%	7.92%
SSgA S&P 500	(3.26%)	21.62%	10.15%	9.91%	12.24%
S&P 500 Index	(3.27%)	21.62%	10.15%	9.92%	12.24%
<b>Small Cap Equity</b>	<b>(3.23%)</b>	<b>20.13%</b>	<b>11.87%</b>	<b>7.47%</b>	<b>11.16%</b>
Atlanta Capital	(3.23%)	20.13%	11.87%	7.47%	11.16%
Russell 2000 Index	(5.13%)	8.93%	7.16%	2.40%	6.62%
<b>International Equity</b>	<b>(1.99%)</b>	<b>23.92%</b>	<b>6.41%</b>	<b>4.04%</b>	<b>5.60%</b>
International Benchmark***	(3.69%)	20.77%	3.12%	2.22%	4.64%
<b>International Large Cap</b>	<b>(4.00%)</b>	<b>23.45%</b>	<b>6.09%</b>	<b>4.09%</b>	<b>5.59%</b>
SSgA EAFE	(4.09%)	26.07%	6.10%	3.61%	5.67%
Pyrford	(3.95%)	22.20%	6.08%	4.23%	-
MSCI EAFE Index	(4.11%)	25.65%	5.75%	3.24%	5.29%
<b>International Small Cap</b>	<b>2.96%</b>	<b>31.48%</b>	<b>8.63%</b>	<b>3.98%</b>	<b>5.90%</b>
AQR	2.96%	31.48%	8.63%	3.98%	5.90%
MSCI EAFE Small Cap Index	(3.51%)	17.90%	1.10%	0.76%	3.96%
<b>Emerging Markets Equity</b>	<b>(1.42%)</b>	<b>18.77%</b>	<b>5.14%</b>	<b>3.67%</b>	<b>5.15%</b>
DFA Emerging Markets	(1.42%)	18.77%	5.14%	3.67%	5.15%
MSCI Emerging Markets Index	(2.93%)	11.70%	(1.73%)	0.56%	3.23%
<b>Domestic Fixed Income</b>	<b>(3.59%)</b>	<b>0.84%</b>	<b>(4.82%)</b>	<b>0.79%</b>	<b>0.61%</b>
Met West	(3.59%)	0.84%	(4.82%)	0.79%	0.61%
Bloomberg Aggregate Index	(3.23%)	0.64%	(5.21%)	0.10%	(0.09%)
<b>Real Estate</b>	<b>(0.53%)</b>	<b>(11.53%)</b>	-	-	-
Clarion Lion Fund	(1.06%)	(16.17%)	-	-	-
Morgan Stanley	(0.01%)	(6.43%)	-	-	-
NCREIF NFI-ODCE Val Wt Gr	(1.90%)	(12.14%)	7.13%	5.65%	6.39%
<b>Total Plan Target*</b>	<b>(2.07%)</b>	<b>12.25%</b>	<b>6.62%</b>	<b>5.93%</b>	<b>7.05%</b>
	(3.34%)	11.54%	3.94%	4.94%	6.27%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

\*\* Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

\*\*\* International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

# Total Fund – Calendar Year Returns

	12/2022- 9/2023	2022	2021	2020	2019
<b>Domestic Equity</b>	<b>8.58%</b>	<b>(10.71%)</b>	<b>28.28%</b>	<b>11.16%</b>	<b>27.71%</b>
Domestic Equity Benchmark**	10.99%	(18.54%)	25.93%	18.94%	30.32%
<b>Large Cap Equity</b>	<b>8.39%</b>	<b>(10.60%)</b>	<b>30.18%</b>	<b>11.03%</b>	<b>27.77%</b>
Boston Partners	4.34%	(3.17%)	31.78%	2.99%	23.91%
Russell 1000 Value Index	1.79%	(7.54%)	25.16%	2.80%	26.54%
SSgA S&P 500	13.05%	(18.10%)	28.70%	18.36%	31.50%
S&P 500 Index	13.07%	(18.11%)	28.71%	18.40%	31.49%
<b>Small Cap Equity</b>	<b>9.15%</b>	<b>(11.15%)</b>	<b>21.00%</b>	<b>11.67%</b>	<b>27.38%</b>
Atlanta Capital	9.15%	(11.15%)	21.00%	11.67%	27.38%
Russell 2000 Index	2.54%	(20.44%)	14.82%	19.96%	25.52%
<b>International Equity</b>	<b>7.16%</b>	<b>(11.12%)</b>	<b>9.38%</b>	<b>8.48%</b>	<b>20.83%</b>
International Benchmark***	4.80%	(17.10%)	7.67%	11.39%	21.78%
<b>International Large Cap</b>	<b>6.27%</b>	<b>(9.11%)</b>	<b>9.34%</b>	<b>5.71%</b>	<b>22.34%</b>
SSgA EAFE	7.40%	(14.08%)	11.52%	8.27%	22.49%
Pyrford	5.73%	(6.49%)	8.22%	4.09%	22.30%
MSCI EAFE Index	7.08%	(14.45%)	11.26%	7.82%	22.01%
<b>International Small Cap</b>	<b>9.31%</b>	<b>(10.51%)</b>	<b>13.52%</b>	<b>7.35%</b>	<b>21.73%</b>
AQR	9.31%	(10.51%)	13.52%	7.35%	21.73%
MSCI EAFE Small Cap Index	1.82%	(21.39%)	10.10%	12.34%	24.96%
<b>Emerging Markets Equity</b>	<b>7.36%</b>	<b>(16.06%)</b>	<b>6.25%</b>	<b>14.40%</b>	<b>16.64%</b>
DFA Emerging Markets	7.36%	(16.06%)	6.25%	14.40%	16.64%
MSCI Emerging Markets Index	1.82%	(20.09%)	(2.54%)	18.31%	18.44%
<b>Domestic Fixed Income</b>	<b>(1.24%)</b>	<b>(13.48%)</b>	<b>(0.46%)</b>	<b>9.85%</b>	<b>9.41%</b>
Met West	(1.24%)	(13.48%)	(0.46%)	9.85%	9.41%
Bloomberg Aggregate Index	(1.21%)	(13.01%)	(1.54%)	7.51%	8.72%
<b>Real Estate</b>	<b>(7.52%)</b>	<b>8.39%</b>	-	-	-
Clarion Lion Fund	(11.65%)	9.69%	-	-	-
Morgan Stanley	(3.05%)	7.02%	-	-	-
NCREIF NFI-ODCE Val Wt Gr	(7.55%)	7.47%	22.17%	1.19%	5.34%
<b>Total Plan</b>	<b>4.20%</b>	<b>(9.79%)</b>	<b>15.71%</b>	<b>11.42%</b>	<b>19.25%</b>
Target*	4.50%	(14.03%)	12.81%	13.82%	20.58%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

\*\* Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

\*\*\* International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.



## Watch List

Manager/ Mandate	Date Added to Watch	Reason	Recommended Action
<b>TCW/MetWest Fixed Income</b>	Added Q3 2023	<p>➤ TCW/MetWest announced upcoming senior fixed income leadership transitions. Laird Landmann and Steve Kane, both of whom are Generalist Portfolio Managers and are part of the original team that came to TCW from MetWest in 2010, will be retiring at the end of 2023 (Landmann) and 2024 (Kane). TCW had been hinting at major leadership changes for some time given the tenure of the senior members on the team and the promotion of Ruben Hovhannisyan to Associate Generalist Portfolio Manager in 2021. Hovhannisyan and Jerry Cudzil, Global Head of Credit Trading, will now join Co-CIO Bryan Whalen as Generalists, along with Landmann and Kane until they step away. Whalen joined TCW in 2010 from MetWest alongside Landmann, Kane, and Tad Rivelle who retired in 2021. Cudzil has been with TCW since 2012, and Hovhannisyan since 2007.</p>	<p>➤ Callan does not have immediate concerns with this change given the tenure and experience of Whalen, Hovhannisyan, and Cudzil along with the deep teams of specialists that support them. However, the performance, team, and portfolio will be monitored by the Boards and the investment consultant on a quarterly and annual basis for a minimum of two years as they move through this transition.</p>

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**Callan Research & Events Updates**

# Published Research Highlights from 3Q23

**Office-to-Residential  
Conversions: Vast Opportunity  
or Unfeasible Challenge?**



**Four-Part Series: The ESG Rule  
Explained**



**Callan Discount Rate Reporter:  
Regular Update on Corporate  
DB Plans**



**How Your Public DB Plan's  
Returns Compare: Quarterly  
Update**



## Recent Blog Posts

**An Investor's  
Guide to the  
Nasdaq-100's  
Special  
Rebalance**

Mark Wood

**A Deeper Dive  
Into the Tradeoff  
Between Return  
and Risk**

Kevin Machiz

**S&P Global  
Moves Away  
from Numeric  
ESG Credit  
Indicators**

Kristin Bradbury

## Additional Reading

*Alternatives Focus* quarterly newsletter

Active vs. Passive quarterly charts

*Capital Markets Review* quarterly newsletter

Monthly Updates to the Periodic Table

*Market Pulse Flipbook* quarterly markets update

*Real Estate Indicators* market outlook

# Callan Institute Events

Upcoming conferences, workshops, and webinars

## Callan College

### Intro to Investments—Learn the Fundamentals

This course is for institutional investors, including trustees and staff members of public plans, corporate plans, and nonprofits. This session familiarizes trustees and staff with basic investment theory, terminology, and practices.

– March 5–7, 2024 – Virtual Session via Zoom

### Intro to Alternatives

This course is for institutional investors, including trustees and staff members of public plans, corporate plans, and nonprofits. This session familiarizes trustees and staff with alternative investments like private equity, hedge funds, and real estate and how they can play a key role in any portfolio. You will learn about the importance of allocations to alternatives and how to consider integrating, evaluating, and monitoring them.

– February 21–22, 2024 – Virtual Session via Zoom

Please visit our website at [callan.com/events-education](https://callan.com/events-education) as we add dates to our 2023 and 2024 calendar!

## Mark Your Calendar

### 2024 National Conference

April 8–10, 2024 – San Francisco

### 2024 Regional Workshops

June 25, 2024 – Atlanta

June 27, 2024 – San Francisco

*Watch your email for further details and an invitation.*

## Webinars & Research Café Sessions

### Webinar: ESG Study

November 7, 2023 – Virtual Session via Zoom

### Webinar: The Retirement Conundrum

November 15, 2023 – Virtual Session via Zoom

### Research Café: Conversion of Commercial Real Estate

December 6, 2023 – Virtual Session via Zoom

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Past performance is no guarantee of future results.

# Callan

September 30, 2023



## **Sacramento Regional Transit District Retirement Plans**

**Investment Measurement Service  
Quarterly Review**

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## Table of Contents

### September 30, 2023

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<b>Executive Summary</b>	1
<b>Capital Markets Review</b>	3
<b>Combined Plan</b>	
Actual vs Target Asset Allocation	9
Quarterly Total Plan Attribution	10
Cumulative Total Plan Attribution	11
Total Fund Performance	13
Historical Asset Allocation	14
Asset Growth Summary	16
Investment Manager Performance	17
<b>Domestic Equity</b>	
Domestic Equity	23
Large Cap	27
SSgA S&P 500	31
Boston Partners	35
Atlanta Capital	41
<b>International Equity</b>	
International Equity	48
SSgA EAFE	53
Pyrford	59
AQR	67
DFA Emerging Markets	75
<b>Domestic Fixed Income</b>	
Metropolitan West Asset Management	84
<b>Real Estate</b>	
Real Estate	90
Clarion Lion Fund	92
Morgan Stanley	94
<b>Definitions</b>	96
<b>Callan Research/Education</b>	99
<b>Disclosures</b>	102

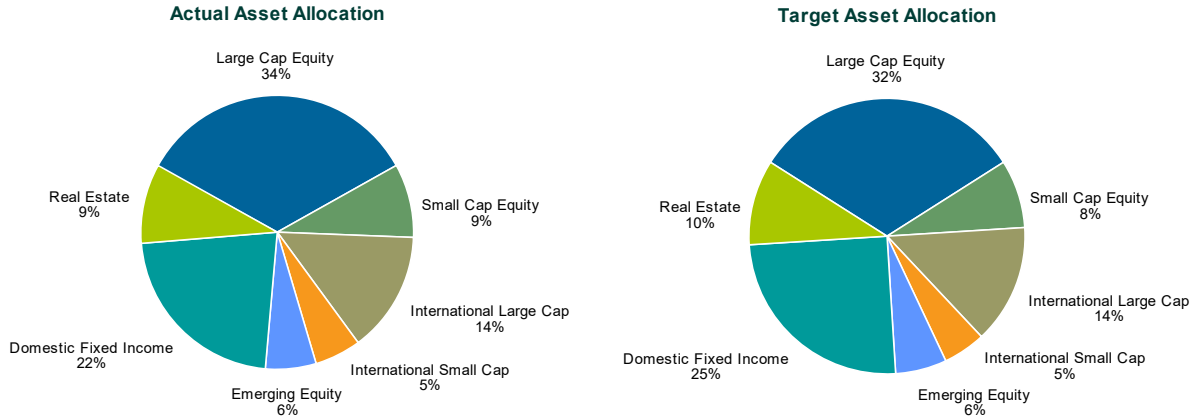
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**Sacramento Regional Transit District**  
Executive Summary for Period Ending September 30, 2023

**Asset Allocation**



**Performance**

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Total Plan</b>	<b>-2.07%</b>	<b>12.25%</b>	<b>6.62%</b>	<b>5.93%</b>	<b>7.05%</b>
Target*	-3.34%	11.54%	3.94%	4.94%	6.27%

**Recent Developments**

Last quarter, TCW/MetWest announced some planned senior fixed income leadership transitions. Laird Landmann and Steve Kane, both of whom are Generalist Portfolio Managers and are part of the original team that came to TCW from MetWest in 2010, will be retiring at the end of 2023 (Landmann) and 2024 (Kane). TCW had been hinting at major leadership changes for some time given the tenure of the senior members on the team and the promotion of Ruben Hovhannisyan to Associate Generalist Portfolio Manager in 2021. Hovhannisyan and Jerry Cudzil, Global Head of Credit Trading, will now join Co-CIO Bryan Whalen as Generalists, along with Landmann and Kane until they step away. Whalen joined TCW in 2010 from MetWest alongside Landmann, Kane, and Tad Rivelle who retired in 2021. Cudzil has been with TCW since 2012, and Hovhannisyan since 2007. Callan does not have immediate concerns with this change given the tenure and experience of Whalen, Hovhannisyan, and Cudzil along with the deep teams of specialists that support them. However, the performance, team, and portfolio will be monitored by the Boards and Callan on a quarterly and annual basis for a minimum of two years as they move through this transition.

**Organizational Issues**

N/A

**Manager Performance**

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	40	13	16
Atlanta Capital	8	42	14
Pyrford	90	44	[74]
AQR	5	10	[27]
DFA	14	12	15
MetWest	85	86	73
Clarion	87	[72]	[69]
Morgan Stanley	2	[5]	[2]

*Brackets indicate performance linked with manager's composite*

**Watch List**

TCW is on the watch list to monitor the portfolio manager transitions and senior leadership retirements.

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.



**U.S. EQUITY**

**Tough quarter for all indices**

- All U.S. equity indices posted negative absolute returns during 3Q23.
- The Russell 2000 Value Index led the pack during the quarter, which was a reversal of the previous two quarters when the Russell 1000 Growth Index led.
- Only 2 of the 11 S&P 500 Index sectors gained in 3Q; Energy was up 12% and Communication Services rose 3%.
- On a YTD basis, six sectors generated positive returns, with Information Technology, Communication Services, and Consumer Discretionary substantially leading the group.

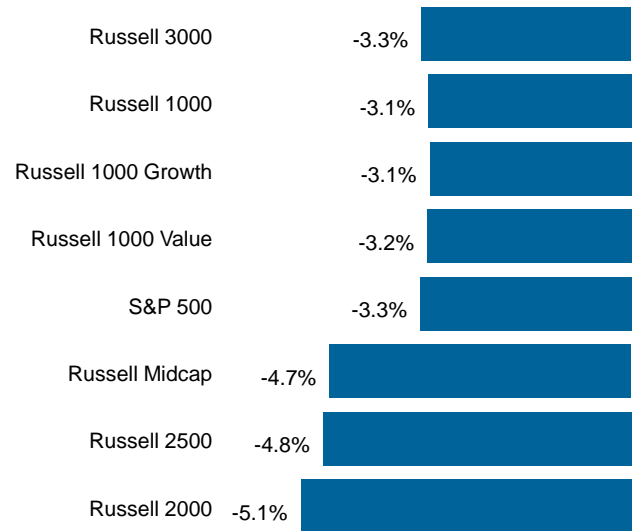
**Active management remains challenging for large cap**

- Index concentration stayed notable within the Russell 1000 Growth Index; the top 10 issuers comprised 51% of the index and the top 5 issuers comprised 40% of the index.
- YTD, 97% of the S&P 500's return has been driven by the 10 largest weighted stocks.
- The "Magnificent 7" has buoyed large cap index returns and has outperformed the broader market significantly. YTD, the Magnificent 7 alone is up 83%.
- No exposures or significant underweights to top benchmark names have been disadvantageous to absolute and relative performance for managers' portfolios.

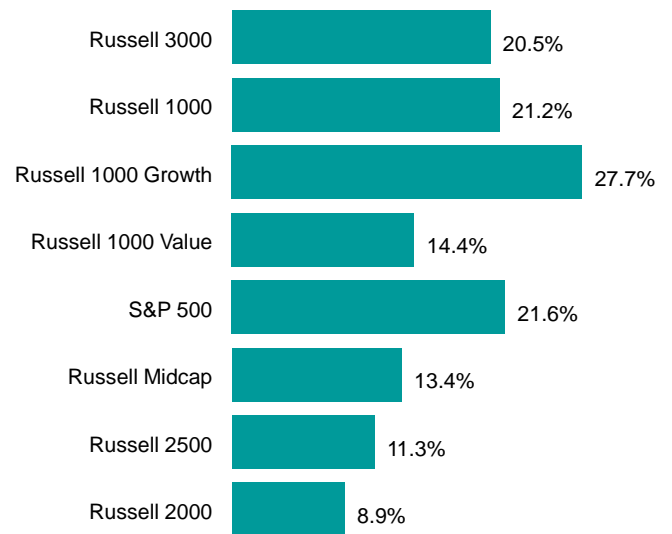
**Compelling small cap valuations**

- Small cap valuations, on both an absolute and relative (to large cap valuations) basis, continue to look compelling and may point to an attractive entry point for investors.
- What continues to pressure the asset class is the rhetoric around interest rates; as investors anticipate a higher-for-longer interest rate environment, there are concerns about small cap companies' ability to repay and re-finance debt.
- If inflation data continues to improve in 2023, the small cap market could be positioned for a boost to performance.

**U.S. Equity: Quarterly Returns**

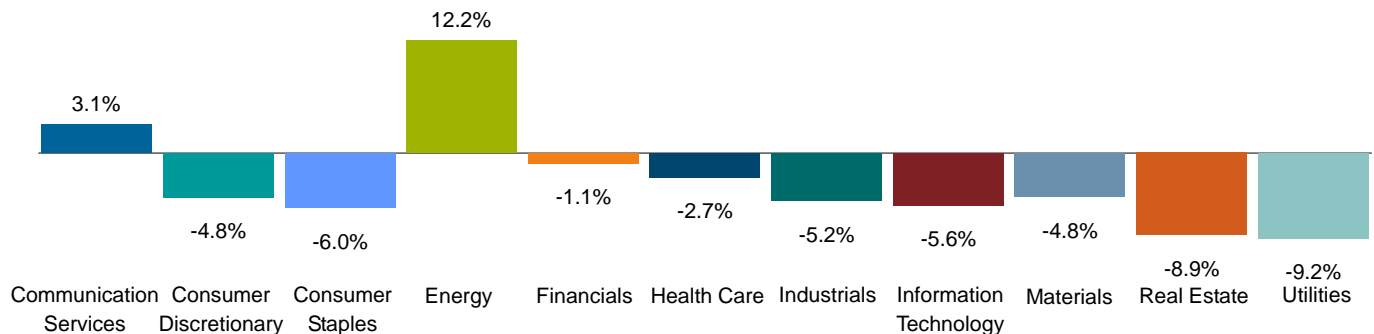


**U.S. Equity: One-Year Returns**



Sources: FTSE Russell, S&P Dow Jones Indices

**S&P Sector Returns, Quarter Ended 9/30/23**



Source: S&P Dow Jones Indices

**GLOBAL EQUITY**

Most global markets were in the red for 3Q23.

**Narrow market with India and Japan leading**

- Global markets retreated in 3Q23 amid fears of a global recession driven by higher interest rates and slowing growth in regions outside the U.S.
- Emerging markets outperformed developed markets, buoyed by good results from India, whose economy grew nearly 8% on the heels of supportive infrastructure spending.
- Japan was strong again in local currency as it continues to benefit from post-COVID exuberance, easy monetary policy, and a new economic stimulus plan.

**Value outpaces growth**

- With energy as a strong outperformer on the heels of oil price increases, value outpaced growth by a wide margin in global ex-U.S. markets.

**Strong U.S. dollar a headwind**

- The stronger U.S. dollar, which gained 3% over the quarter, was a notable headwind for the period.

**Market dispersion is low**

- Global markets have seen a prolonged period of low dispersion, excluding the 2016-2018 challenges with Brexit and oil price volatility. The global markets have seen high correlations for most of the last 10 years.
- This was in conjunction with a period of universally tight monetary policies, which helped mitigate any volatility.
- With increased dispersion of central bank actions, we expect there to be fewer co-movements across countries, a period that may benefit active management.

**China: Danger or opportunity**

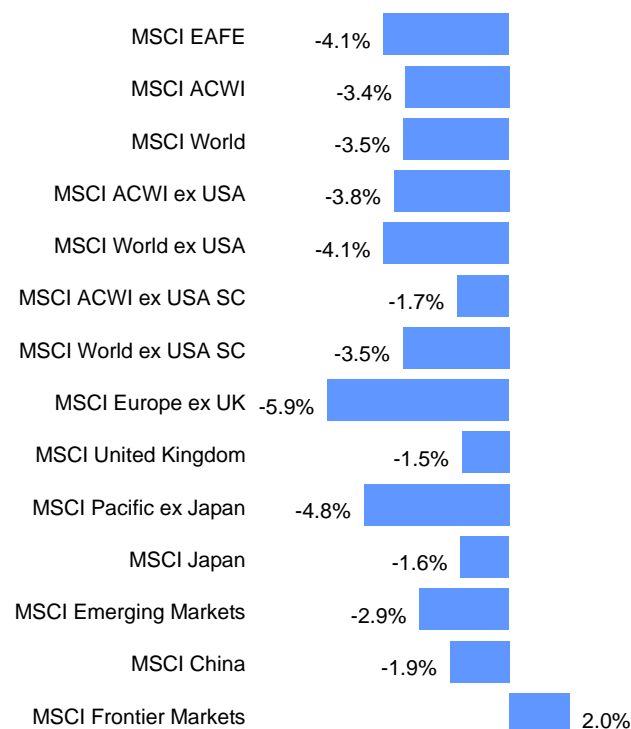
Merits

- **Long-term growth potential:** China has the second-largest GDP and the world’s largest population of consumers.
- **Compelling valuation:** Forward earnings yield is at a decade high.

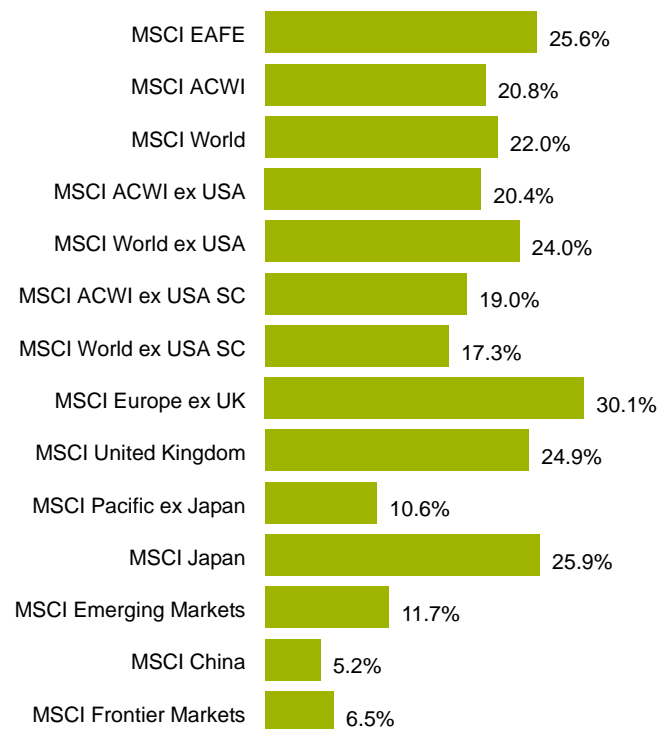
Considerations

- **Downside risk:** Chinese federal debt has continued to grow aggressively and may become unsustainable.
- **Political risk:** China is run by an authoritarian regime that may act against investors.
- **Old before rich:** China currently has 2.26 workers for every retiree—the U.S. has 2.8.

**Global Equity: Quarterly Returns**



**Global Equity: One-Year Returns**



Source: MSCI

**U.S. FIXED INCOME**

**U.S. fixed income fell for a second straight quarter**

- The Bloomberg Aggregate Index is on track for a third calendar year of negative returns, with the rise in yields continuing to detract from performance.

**U.S. Treasury 10-year yield climbed roughly 80 bps**

- 10-year ended the quarter at 4.6%, its highest level since '07.
- The yield curve's inversion narrowed as it bear-steepened with long-term rates rising more than short-term rates.

**TIPS outperformed nominal Treasuries**

- 10-year break-even spreads widened over 10 bps.

**Fed policy rate held to 5.25%-5.50%**

- The updated dot plot suggested an additional rate hike may be in the cards before year-end.

**Lower-quality credit continued to outperform**

- High yield spreads were flat, but the sector was buoyed by strong performance in July.
- IG corporate spreads tightened slightly and remain close to their 10-year average.
- Agency RMBS underperformed other securitized sectors as interest rate volatility weighed on the sector.

**MUNICIPAL BONDS**

**Bloomberg Aggregate down sharply in 3Q**

- Corporate excess return: +84 bps; YTD +237 bps
- Mortgage excess return: -85 bps; YTD -58 bps
- High yield corporates excess return: +102 bps; YTD +516 bps
- Taxable equivalent yield is 7.3%

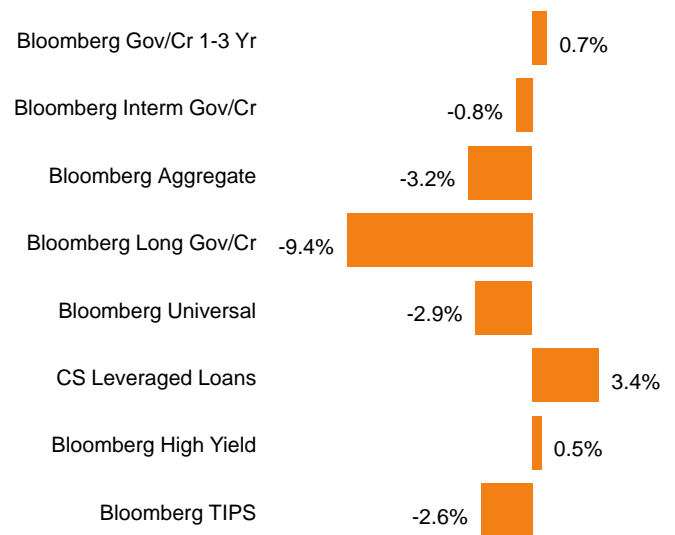
**U.S. Treasury yield curve remains inverted**

- 106 bps as of 6/30; 44 bps as of 9/30
- 2-year UST: 5.03%; 10-year UST: 4.59%
- Long rates rose more than short rates in a bear-steepening

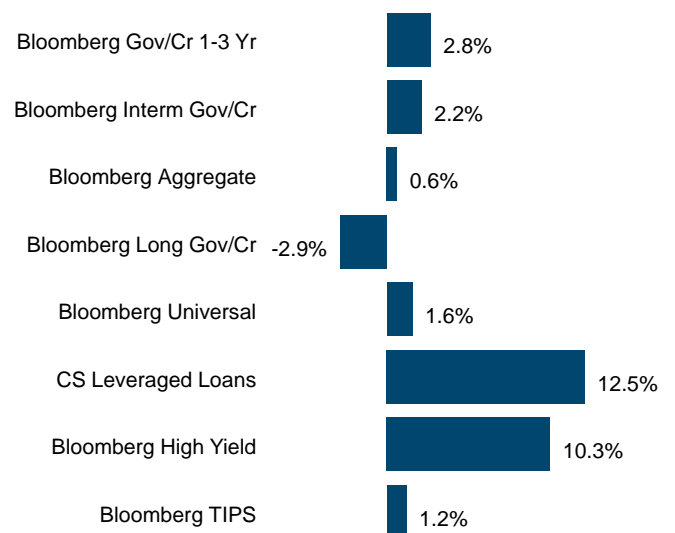
**Fed Funds rate expectations**

- "Higher for longer" theme prevails
- Median expectation from Fed is 5.5% for year-end 2023
- Market expectations are similar at 5.4%; up sharply from market expectations at the end of 1Q for cuts

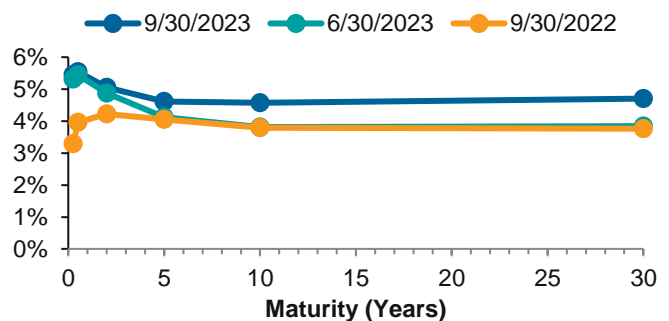
**U.S. Fixed Income: Quarterly Returns**



**U.S. Fixed Income: One-Year Returns**



**U.S. Treasury Yield Curves**



Sources: Bloomberg, Credit Suisse

**MUNICIPAL BONDS (continued)**

**Valuations**

- Credit spreads close to historical averages
- Mortgage spreads widened on interest rate volatility and slowing prepayments.

**GLOBAL FIXED INCOME**

**Down on both a hedged and unhedged basis**

- Developed market rates sold off as long-term inflation and rate expectations in the U.S. moved higher.
- The ECB continued to tighten monetary policy in September, bringing rates to the highest level since launching the euro.

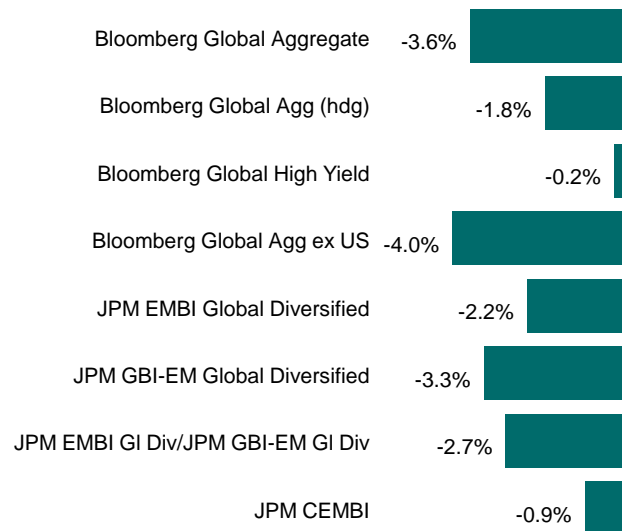
**U.S. dollar strength detracted from unhedged returns**

- U.S. dollar gained over 3% versus a basket of developed market currencies.

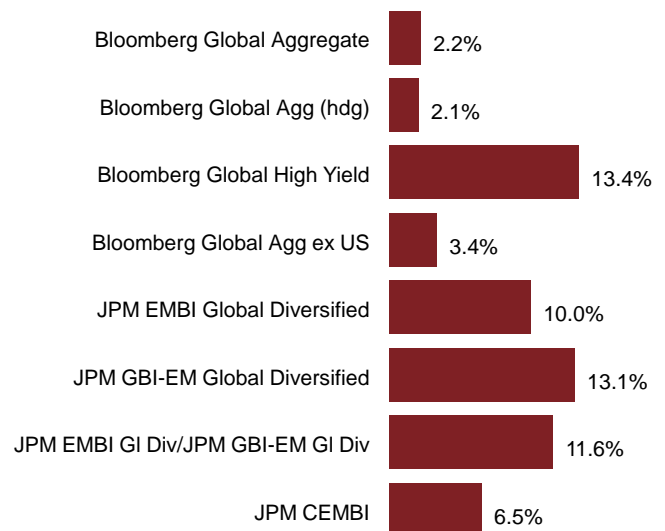
**Emerging market debt indices also negative**

- EM yield curves steepened; central banks in Latin America and Eastern Europe have begun monetary easing.
- Heightened geopolitical risk, war, commodity price volatility, and an economic slowdown in China remain significant headwinds to the sector.

**Global Fixed Income: Quarterly Returns**

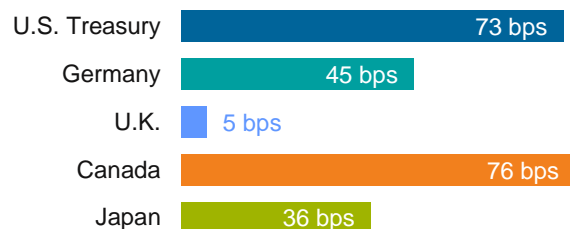


**Global Fixed Income: One-Year Returns**



**Change in 10-Year Global Government Bond Yields**

**2Q23 to 3Q23**

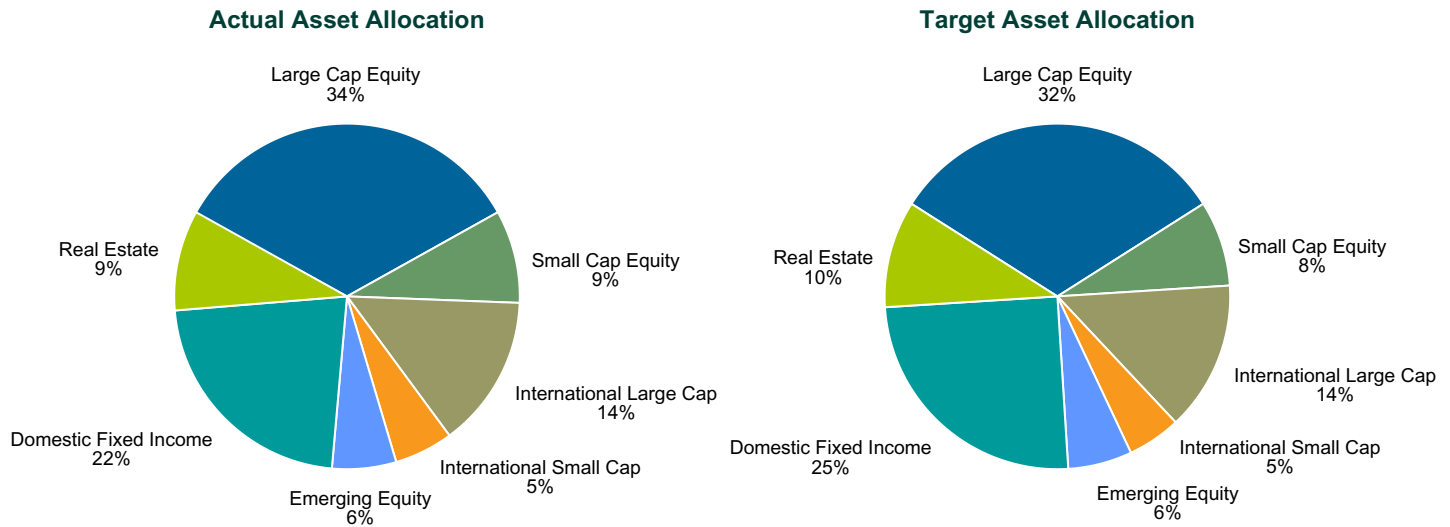


Sources: Bloomberg, JP Morgan



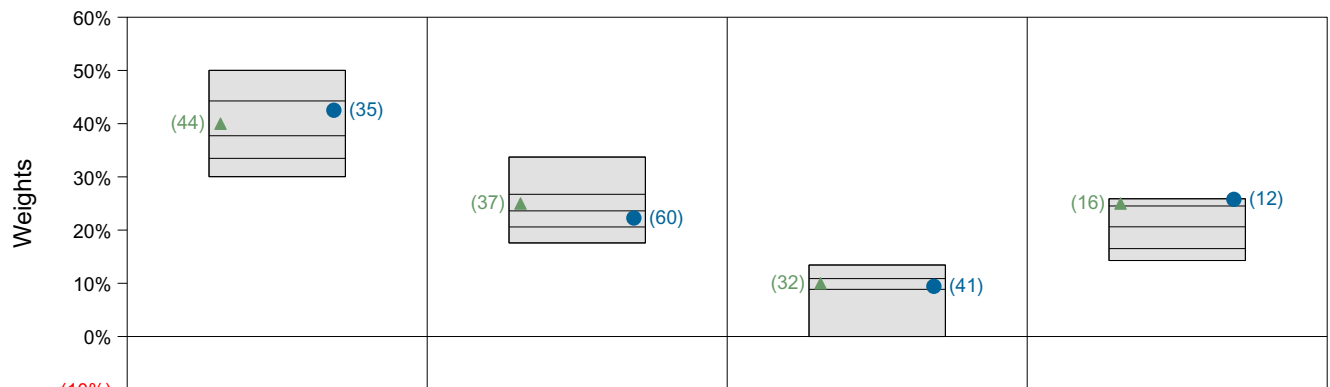
## Actual vs Target Asset Allocation As of September 30, 2023

The top left chart shows the Fund's asset allocation as of September 30, 2023. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Callan Public Fund Spons- Mid (100M-1B).



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	123,168	33.9%	32.0%	1.9%	6,748
Small Cap Equity	31,532	8.7%	8.0%	0.7%	2,427
International Large Cap	51,974	14.3%	14.0%	0.3%	1,040
International Small Cap	19,873	5.5%	5.0%	0.5%	1,683
Emerging Equity	21,931	6.0%	6.0%	0.0%	102
Domestic Fixed Income	81,007	22.3%	25.0%	(2.7%)	(9,945)
Real Estate	34,325	9.4%	10.0%	(0.6%)	(2,056)
Total	363,810	100.0%	100.0%		

### Asset Class Weights vs Callan Public Fund Spons- Mid (100M-1B)



	Domestic Broad Eq	Domestic Fixed Income	Real Estate	Intl Equity
10th Percentile	50.02	33.72	13.44	25.89
25th Percentile	44.27	26.72	10.88	24.53
Median	37.73	23.61	8.86	20.62
75th Percentile	33.48	20.59	0.00	16.52
90th Percentile	30.03	17.58	0.00	14.28
<b>Fund</b> ●	42.52	22.27	9.43	25.78
<b>Target</b> ▲	40.00	25.00	10.00	25.00
% Group Invested	100.00%	100.00%	67.65%	100.00%

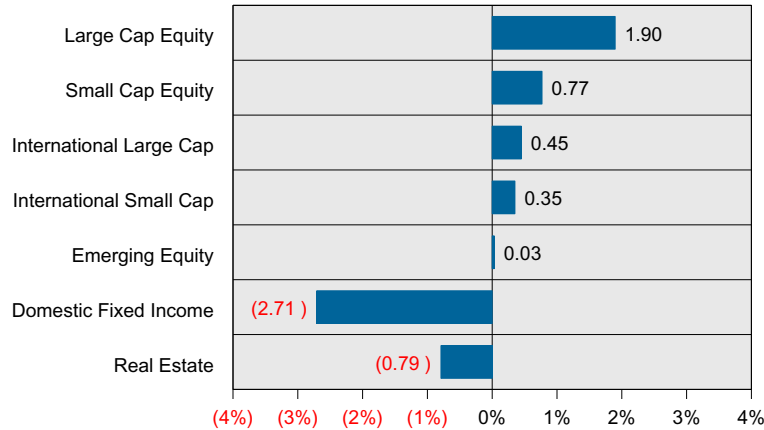
\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.



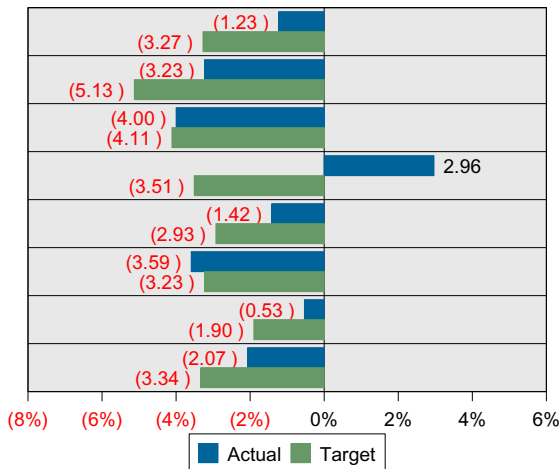
## Quarterly Total Fund Relative Attribution - September 30, 2023

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

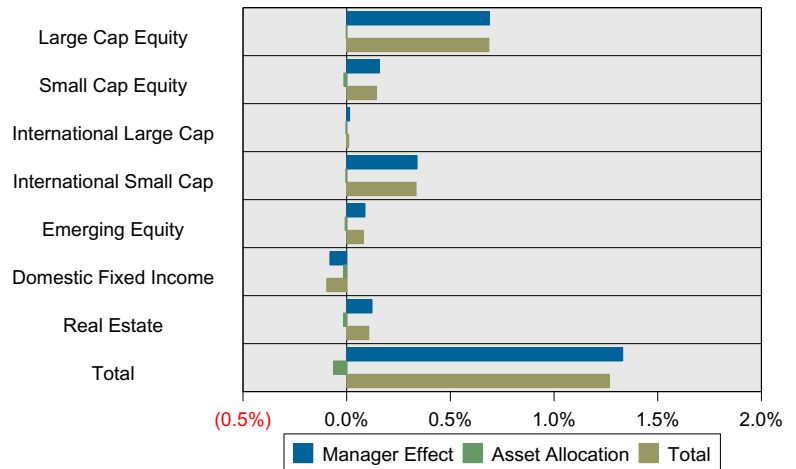
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended September 30, 2023

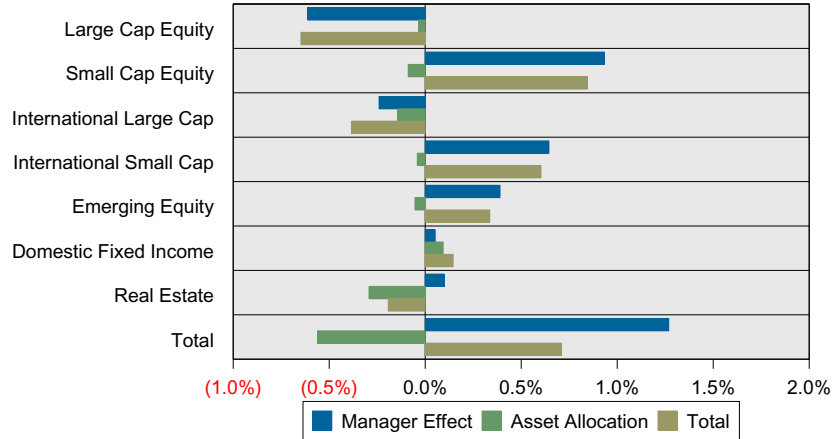
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	(1.23%)	(3.27%)	0.69%	(0.00%)	0.69%
Small Cap Equity	9%	8%	(3.23%)	(5.13%)	0.16%	(0.01%)	0.14%
International Large Cap	14%	14%	(4.00%)	(4.11%)	0.01%	(0.00%)	0.01%
International Small Cap	5%	5%	2.96%	(3.51%)	0.34%	(0.00%)	0.33%
Emerging Equity	6%	6%	(1.42%)	(2.93%)	0.09%	(0.01%)	0.08%
Domestic Fixed Income	22%	25%	(3.59%)	(3.23%)	(0.08%)	(0.02%)	(0.10%)
Real Estate	9%	10%	(0.53%)	(1.90%)	0.12%	(0.02%)	0.11%
<b>Total</b>			<b>(2.07%)</b>	<b>(3.34%)</b>	<b>+ 1.33%</b>	<b>+ (0.06%)</b>	<b>1.27%</b>

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

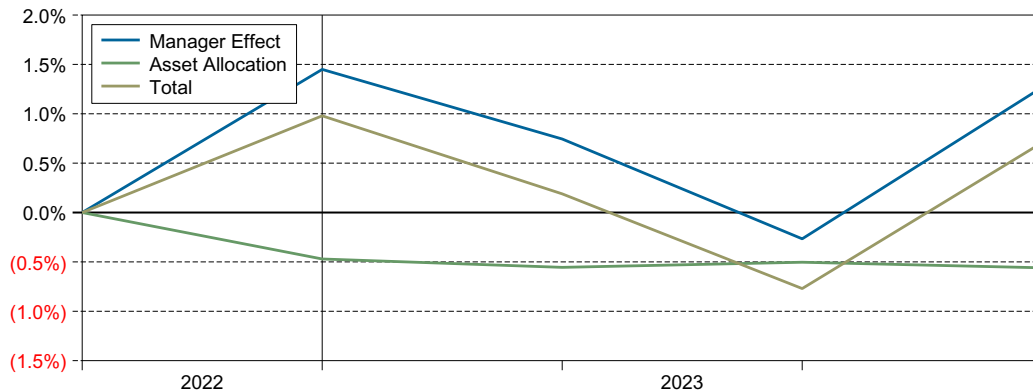
## Cumulative Total Fund Relative Attribution - September 30, 2023

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

### One Year Relative Attribution Effects



### Cumulative Relative Attribution Effects



### One Year Relative Attribution Effects

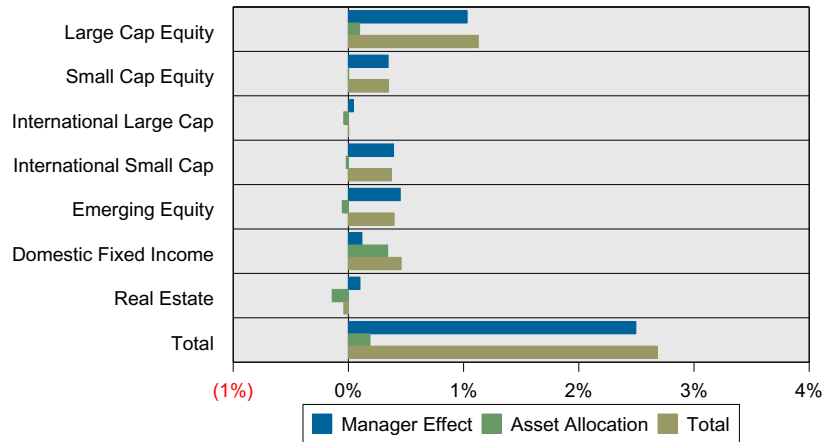
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	19.41%	21.62%	(0.61%)	(0.03%)	(0.65%)
Small Cap Equity	9%	8%	20.13%	8.93%	0.93%	(0.09%)	0.84%
International Large Cap	14%	14%	23.45%	25.65%	(0.24%)	(0.14%)	(0.38%)
International Small Cap	5%	5%	31.48%	17.90%	0.64%	(0.04%)	0.60%
Emerging Equity	6%	6%	18.77%	11.70%	0.39%	(0.05%)	0.34%
Domestic Fixed Income	23%	25%	0.84%	0.64%	0.05%	0.09%	0.15%
Real Estate	10%	10%	(11.53%)	(12.14%)	0.10%	(0.29%)	(0.19%)
<b>Total</b>			<b>12.25%</b>	<b>= 11.54%</b>	<b>+ 1.27%</b>	<b>+ (0.56%)</b>	<b>0.71%</b>

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

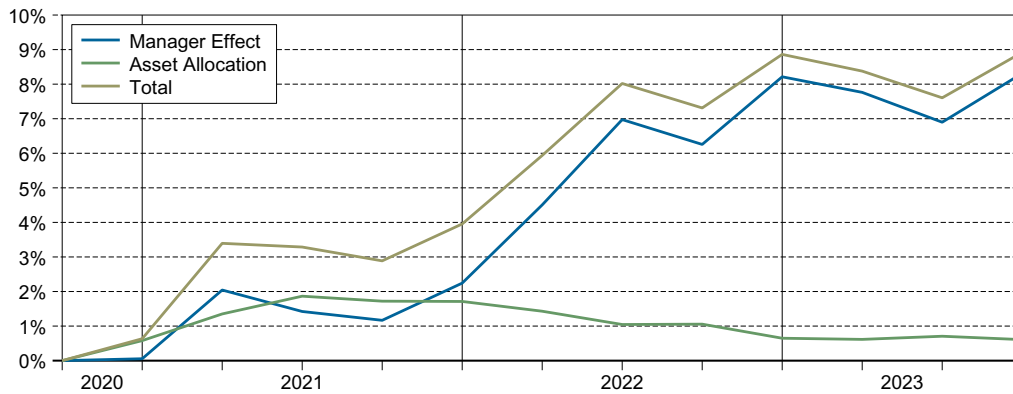
## Cumulative Total Fund Relative Attribution - September 30, 2023

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

### Three Year Annualized Relative Attribution Effects



### Cumulative Relative Attribution Effects



### Three Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	13.40%	10.15%	1.03%	0.10%	1.13%
Small Cap Equity	9%	8%	11.87%	7.16%	0.35%	0.00%	0.35%
International Large Cap	14%	14%	6.09%	5.75%	0.04%	(0.04%)	0.00%
International Small Cap	5%	5%	8.63%	1.10%	0.39%	(0.02%)	0.37%
Emerging Equity	6%	6%	5.14%	(1.73%)	0.45%	(0.05%)	0.40%
Domestic Fixed Income	24%	27%	(4.82%)	(5.21%)	0.12%	0.34%	0.46%
Real Estate	8%	8%	-	-	0.10%	(0.14%)	(0.04%)
<b>Total</b>			<b>6.62%</b>	<b>3.94%</b>	<b>+ 2.50%</b>	<b>+ 0.19%</b>	<b>2.68%</b>

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

# Total Fund

## Period Ended September 30, 2023

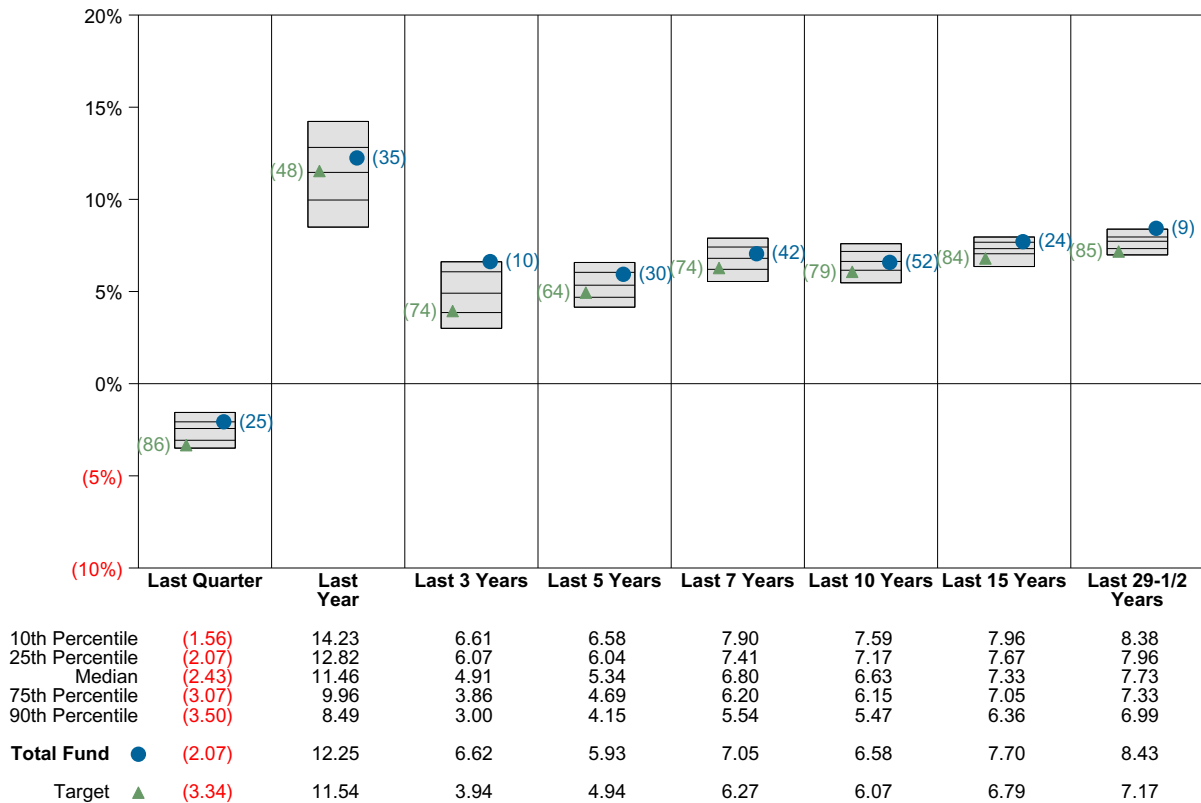
### Investment Philosophy

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Bloomberg Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Value Weight Gross, 8.0% Russell 2000 Index, 6.0% MSCI Emerging Markets and 5.0% MSCI EAFE Small.

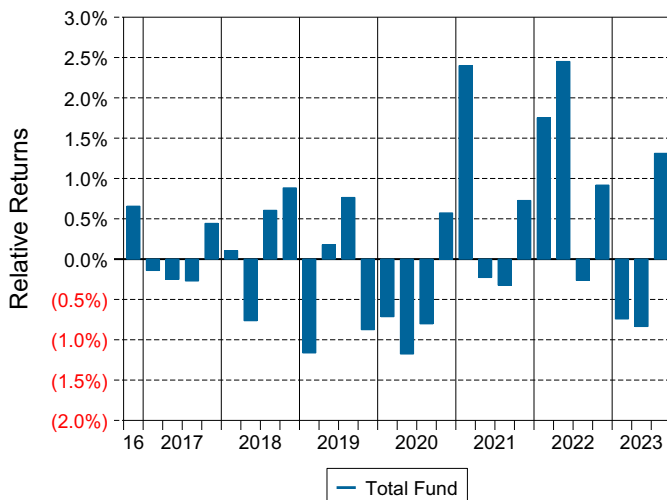
### Quarterly Summary and Highlights

- Total Fund's portfolio posted a (2.07)% return for the quarter placing it in the 25 percentile of the Callan Public Fund Spons- Mid (100M-1B) group for the quarter and in the 35 percentile for the last year.
- Total Fund's portfolio outperformed the Target by 1.27% for the quarter and outperformed the Target for the year by 0.71%.

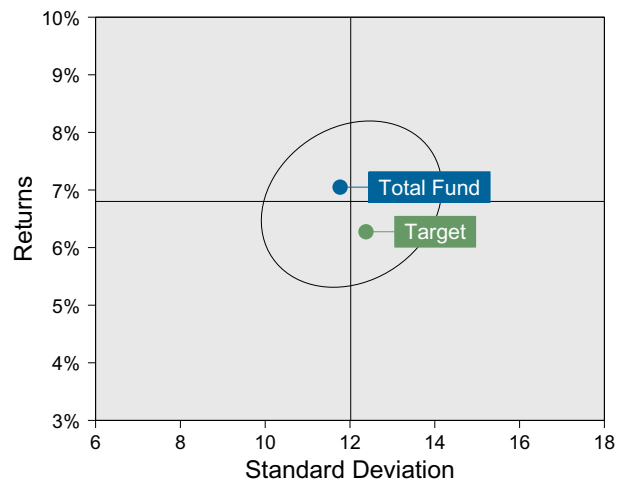
### Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



### Relative Return vs Target



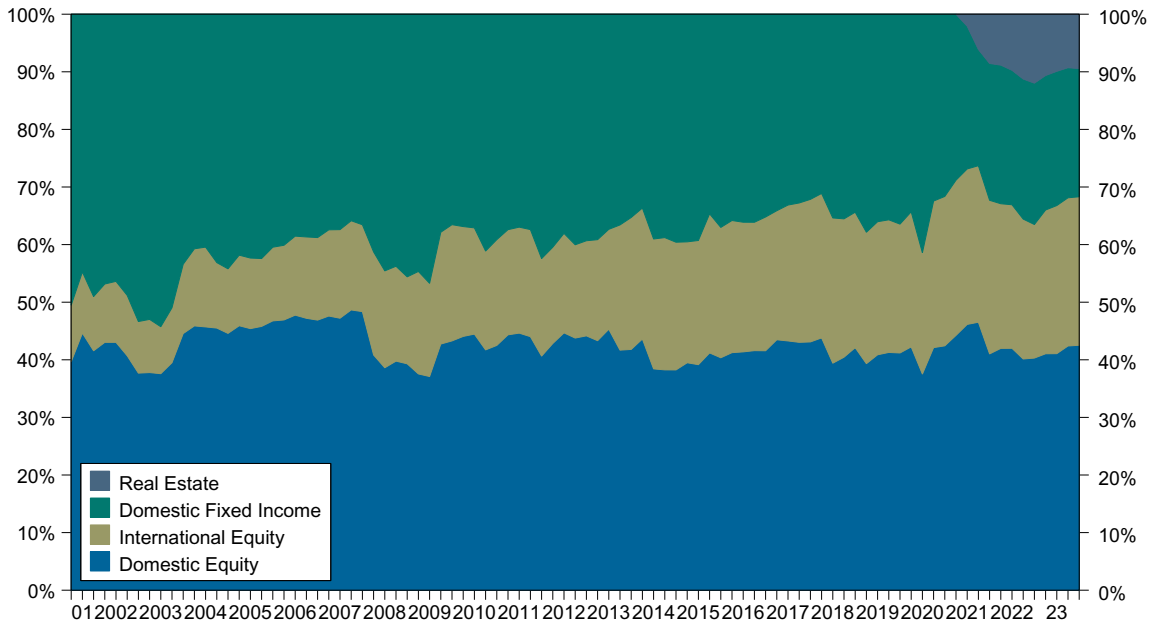
### Callan Public Fund Spons- Mid (100M-1B) (Gross) Annualized Seven Year Risk vs Return



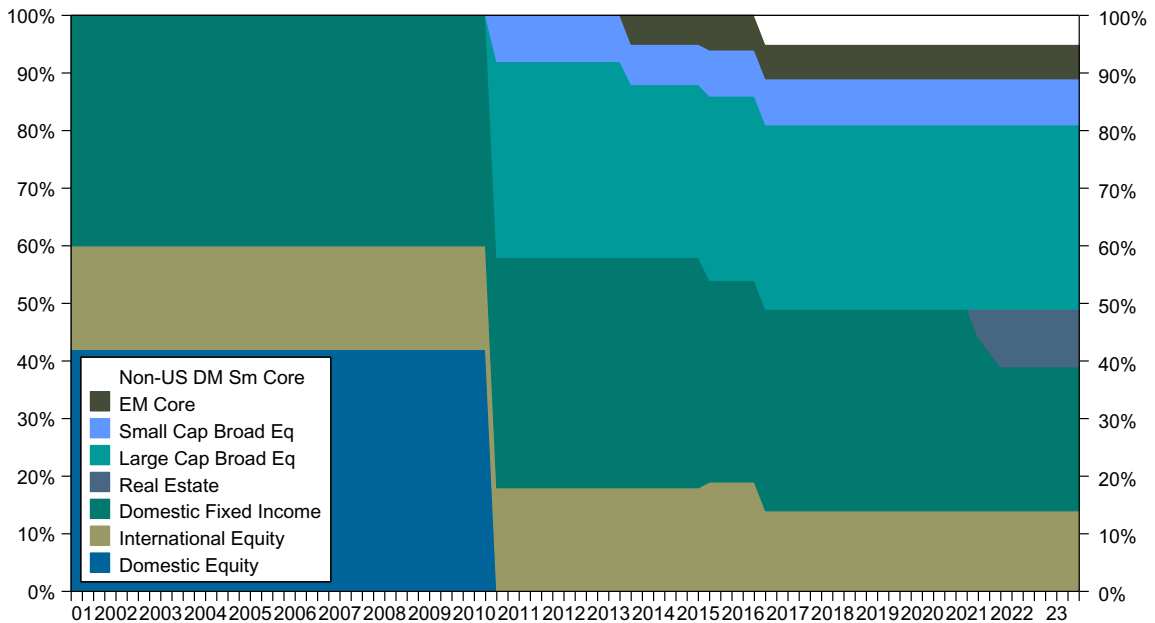
## Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the fund's historical target asset allocation.

### Actual Historical Asset Allocation



### Target Historical Asset Allocation



\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of September 30, 2023, with the distribution as of June 30, 2023. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	September 30, 2023		Net New Inv.	Inv. Return	June 30, 2023	
	Market Value	Weight			Market Value	Weight
<b>Domestic Equity</b>	<b>\$154,699,749</b>	<b>42.52%</b>	<b>\$(494,648)</b>	<b>\$(2,581,411)</b>	<b>\$157,775,807</b>	<b>42.40%</b>
<b>Large Cap</b>	<b>\$123,167,745</b>	<b>33.85%</b>	<b>\$(494,648)</b>	<b>\$(1,528,277)</b>	<b>\$125,190,670</b>	<b>33.64%</b>
Boston Partners	63,031,508	17.33%	(494,648)	500,056	63,026,099	16.94%
SSgA S&P 500	60,136,238	16.53%	0	(2,028,334)	62,164,571	16.70%
<b>Small Cap</b>	<b>\$31,532,004</b>	<b>8.67%</b>	<b>\$0</b>	<b>\$(1,053,133)</b>	<b>\$32,585,137</b>	<b>8.76%</b>
Atlanta Capital	31,532,004	8.67%	0	(1,053,133)	32,585,137	8.76%
<b>International Equity</b>	<b>\$93,778,215</b>	<b>25.78%</b>	<b>\$0</b>	<b>\$(1,971,197)</b>	<b>\$95,749,412</b>	<b>25.73%</b>
<b>International Large Cap</b>	<b>\$51,973,882</b>	<b>14.29%</b>	<b>\$0</b>	<b>\$(2,164,307)</b>	<b>\$54,138,189</b>	<b>14.55%</b>
SSgA EAFE	17,116,751	4.70%	0	(729,130)	17,845,881	4.80%
Pyrford	34,857,131	9.58%	0	(1,435,177)	36,292,308	9.75%
<b>International Small Cap</b>	<b>\$19,873,304</b>	<b>5.46%</b>	<b>\$0</b>	<b>\$530,805</b>	<b>\$19,342,499</b>	<b>5.20%</b>
AQR	19,873,304	5.46%	0	530,805	19,342,499	5.20%
<b>Emerging Equity</b>	<b>\$21,931,030</b>	<b>6.03%</b>	<b>\$0</b>	<b>\$(337,694)</b>	<b>\$22,268,724</b>	<b>5.98%</b>
DFA Emerging Markets	21,931,030	6.03%	0	(337,694)	22,268,724	5.98%
<b>Fixed Income</b>	<b>\$81,007,440</b>	<b>22.27%</b>	<b>\$0</b>	<b>\$(3,016,613)</b>	<b>\$84,024,053</b>	<b>22.58%</b>
Metropolitan West	81,007,440	22.27%	0	(3,016,613)	84,024,053	22.58%
<b>Real Estate</b>	<b>\$34,324,966</b>	<b>9.43%</b>	<b>\$0</b>	<b>\$(268,992)</b>	<b>\$34,593,957</b>	<b>9.30%</b>
Clarion Lion Fund	17,026,135	4.68%	0	(231,132)	17,257,267	4.64%
Morgan Stanley	17,298,831	4.75%	0	(37,860)	17,336,690	4.66%
<b>Total Fund</b>	<b>\$363,810,370</b>	<b>100.0%</b>	<b>\$(494,648)</b>	<b>\$(7,838,213)</b>	<b>\$372,143,230</b>	<b>100.0%</b>

## Sacramento Regional Transit District Asset Growth

Ending September 30, 2023 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
<b>Total Plan</b>							
1/4 Year Ended 9/2023	363,810.4		372,143.2		(494.6)		(7,838.2)
1/4 Year Ended 6/2023	372,143.2		364,299.7		(579.6)		8,423.2
1/4 Year Ended 3/2023	364,299.7		351,308.1		(747.2)		13,738.8
1/4 Year Ended 12/2022	351,308.1		327,300.8		(985.8)		24,993.1
1/4 Year Ended 9/2022	327,300.8		347,657.9		(997.6)		(19,359.4)
1/4 Year Ended 6/2022	347,657.9		382,375.5		(994.6)		(33,723.0)
1/4 Year Ended 3/2022	382,375.5		393,985.6		(384.8)		(11,225.3)
1/4 Year Ended 12/2021	393,985.6		375,389.0		(1,982.1)		20,578.8
1/4 Year Ended 9/2021	375,389.0		379,228.3		(1,967.9)		(1,871.4)
1/4 Year Ended 6/2021	379,228.3		362,366.9		(522.5)		17,384.0
1/4 Year Ended 3/2021	362,366.9		346,973.1		(2,096.5)		17,490.2
1/4 Year Ended 12/2020	346,973.1		311,751.8		(339.6)		35,560.9
1/4 Year Ended 9/2020	311,751.8		299,942.5		(1,344.8)		13,154.1
1/4 Year Ended 6/2020	299,942.5		268,251.1		(1,217.2)		32,908.6
1/4 Year Ended 3/2020	268,251.1		315,424.7		(567.1)		(46,606.5)
1/4 Year Ended 12/2019	315,424.7		301,283.6		(1,479.0)		15,620.2
1/4 Year Ended 9/2019	301,283.6		298,139.2		(1,322.2)		4,466.6
1/4 Year Ended 6/2019	298,139.2		289,020.0		(1,111.4)		10,230.6
1/4 Year Ended 3/2019	289,020.0		269,114.0		(1,021.9)		20,927.9
1/4 Year Ended 12/2018	269,114.0		292,722.5		(1,066.5)		(22,541.9)

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2023. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equity</b>	<b>(1.64%)</b>	<b>19.60%</b>	<b>13.11%</b>	<b>8.79%</b>	<b>11.51%</b>
Domestic Equity Benchmark**	(3.63%)	19.10%	9.67%	8.48%	11.19%
<b>Large Cap Equity</b>	<b>(1.23%)</b>	<b>19.41%</b>	<b>13.40%</b>	<b>9.11%</b>	<b>11.58%</b>
Boston Partners	0.78%	17.36%	16.74%	7.97%	10.66%
Russell 1000 Value Index	(3.16%)	14.44%	11.05%	6.23%	7.92%
SSgA S&P 500	(3.26%)	21.62%	10.15%	9.91%	12.24%
S&P 500 Index	(3.27%)	21.62%	10.15%	9.92%	12.24%
<b>Small Cap Equity</b>	<b>(3.23%)</b>	<b>20.13%</b>	<b>11.87%</b>	<b>7.47%</b>	<b>11.16%</b>
Atlanta Capital	(3.23%)	20.13%	11.87%	7.47%	11.16%
Russell 2000 Index	(5.13%)	8.93%	7.16%	2.40%	6.62%
<b>International Equity</b>	<b>(1.99%)</b>	<b>23.92%</b>	<b>6.41%</b>	<b>4.04%</b>	<b>5.60%</b>
International Benchmark***	(3.69%)	20.77%	3.12%	2.22%	4.64%
<b>International Large Cap</b>	<b>(4.00%)</b>	<b>23.45%</b>	<b>6.09%</b>	<b>4.09%</b>	<b>5.59%</b>
SSgA EAFE	(4.09%)	26.07%	6.10%	3.61%	5.67%
Pyrford	(3.95%)	22.20%	6.08%	4.23%	-
MSCI EAFE Index	(4.11%)	25.65%	5.75%	3.24%	5.29%
<b>International Small Cap</b>	<b>2.96%</b>	<b>31.48%</b>	<b>8.63%</b>	<b>3.98%</b>	<b>5.90%</b>
AQR	2.96%	31.48%	8.63%	3.98%	5.90%
MSCI EAFE Small Cap Index	(3.51%)	17.90%	1.10%	0.76%	3.96%
<b>Emerging Markets Equity</b>	<b>(1.42%)</b>	<b>18.77%</b>	<b>5.14%</b>	<b>3.67%</b>	<b>5.15%</b>
DFA Emerging Markets	(1.42%)	18.77%	5.14%	3.67%	5.15%
MSCI Emerging Markets Index	(2.93%)	11.70%	(1.73%)	0.56%	3.23%
<b>Domestic Fixed Income</b>	<b>(3.59%)</b>	<b>0.84%</b>	<b>(4.82%)</b>	<b>0.79%</b>	<b>0.61%</b>
Met West	(3.59%)	0.84%	(4.82%)	0.79%	0.61%
Bloomberg Aggregate Index	(3.23%)	0.64%	(5.21%)	0.10%	(0.09%)
<b>Real Estate</b>	<b>(0.53%)</b>	<b>(11.53%)</b>	-	-	-
Clarion Lion Fund	(1.06%)	(16.17%)	-	-	-
Morgan Stanley	(0.01%)	(6.43%)	-	-	-
NCREIF NFI-ODCE Val Wt Gr	(1.90%)	(12.14%)	7.13%	5.65%	6.39%
<b>Total Plan</b>	<b>(2.07%)</b>	<b>12.25%</b>	<b>6.62%</b>	<b>5.93%</b>	<b>7.05%</b>
Target*	(3.34%)	11.54%	3.94%	4.94%	6.27%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

\*\* Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

\*\*\* International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.



## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2023. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended September 30, 2023

	Last 10 Years	Last 15 Years	Last 20 Years	Last 29-1/2 Years
<b>Domestic Equity</b>	<b>10.98%</b>	<b>11.28%</b>	<b>10.08%</b>	-
Domestic Equity Benchmark**	10.94%	10.80%	9.52%	9.98%
Russell 1000 Value Index	8.45%	8.59%	8.22%	9.23%
S&P 500 Index	11.91%	11.28%	9.72%	10.06%
Russell 2000 Index	6.65%	8.13%	8.13%	8.33%
<b>International Equity</b>	<b>4.05%</b>	<b>4.59%</b>	<b>6.35%</b>	-
MSCI EAFE Index	3.82%	4.66%	5.90%	4.83%
<b>Domestic Fixed Income</b>	<b>1.64%</b>	<b>3.96%</b>	<b>4.03%</b>	-
Met West	1.64%	3.96%	4.03%	-
Bloomberg Aggregate Index	1.13%	2.53%	2.85%	4.36%
<b>Total Plan</b>	<b>6.58%</b>	<b>7.70%</b>	<b>7.35%</b>	<b>8.43%</b>
Target*	6.07%	6.79%	6.56%	7.17%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

\*\* Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2022- 9/2023	2022	2021	2020	2019
<b>Domestic Equity</b>	<b>8.58%</b>	<b>(10.71%)</b>	<b>28.28%</b>	<b>11.16%</b>	<b>27.71%</b>
Domestic Equity Benchmark**	10.99%	(18.54%)	25.93%	18.94%	30.32%
<b>Large Cap Equity</b>	<b>8.39%</b>	<b>(10.60%)</b>	<b>30.18%</b>	<b>11.03%</b>	<b>27.77%</b>
Boston Partners	4.34%	(3.17%)	31.78%	2.99%	23.91%
Russell 1000 Value Index	1.79%	(7.54%)	25.16%	2.80%	26.54%
SSgA S&P 500	13.05%	(18.10%)	28.70%	18.36%	31.50%
S&P 500 Index	13.07%	(18.11%)	28.71%	18.40%	31.49%
<b>Small Cap Equity</b>	<b>9.15%</b>	<b>(11.15%)</b>	<b>21.00%</b>	<b>11.67%</b>	<b>27.38%</b>
Atlanta Capital	9.15%	(11.15%)	21.00%	11.67%	27.38%
Russell 2000 Index	2.54%	(20.44%)	14.82%	19.96%	25.52%
<b>International Equity</b>	<b>7.16%</b>	<b>(11.12%)</b>	<b>9.38%</b>	<b>8.48%</b>	<b>20.83%</b>
International Benchmark***	4.80%	(17.10%)	7.67%	11.39%	21.78%
<b>International Large Cap</b>	<b>6.27%</b>	<b>(9.11%)</b>	<b>9.34%</b>	<b>5.71%</b>	<b>22.34%</b>
SSgA EAFE	7.40%	(14.08%)	11.52%	8.27%	22.49%
Pyrford	5.73%	(6.49%)	8.22%	4.09%	22.30%
MSCI EAFE Index	7.08%	(14.45%)	11.26%	7.82%	22.01%
<b>International Small Cap</b>	<b>9.31%</b>	<b>(10.51%)</b>	<b>13.52%</b>	<b>7.35%</b>	<b>21.73%</b>
AQR	9.31%	(10.51%)	13.52%	7.35%	21.73%
MSCI EAFE Small Cap Index	1.82%	(21.39%)	10.10%	12.34%	24.96%
<b>Emerging Markets Equity</b>	<b>7.36%</b>	<b>(16.06%)</b>	<b>6.25%</b>	<b>14.40%</b>	<b>16.64%</b>
DFA Emerging Markets	7.36%	(16.06%)	6.25%	14.40%	16.64%
MSCI Emerging Markets Index	1.82%	(20.09%)	(2.54%)	18.31%	18.44%
<b>Domestic Fixed Income</b>	<b>(1.24%)</b>	<b>(13.48%)</b>	<b>(0.46%)</b>	<b>9.85%</b>	<b>9.41%</b>
Met West	(1.24%)	(13.48%)	(0.46%)	9.85%	9.41%
Bloomberg Aggregate Index	(1.21%)	(13.01%)	(1.54%)	7.51%	8.72%
<b>Real Estate</b>	<b>(7.52%)</b>	<b>8.39%</b>	-	-	-
Clarion Lion Fund	(11.65%)	9.69%	-	-	-
Morgan Stanley	(3.05%)	7.02%	-	-	-
NCREIF NFI-ODCE Val Wt Gr	(7.55%)	7.47%	22.17%	1.19%	5.34%
<b>Total Plan</b>	<b>4.20%</b>	<b>(9.79%)</b>	<b>15.71%</b>	<b>11.42%</b>	<b>19.25%</b>
Target*	4.50%	(14.03%)	12.81%	13.82%	20.58%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.  
Returns are for annualized calendar years.

\*\* Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

\*\*\* International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

## Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2018	2017	2016	2015	2014
<b>Domestic Equity</b>	<b>(4.64%)</b>	<b>19.78%</b>	<b>14.58%</b>	<b>0.06%</b>	<b>10.85%</b>
Domestic Equity Benchmark**	(5.69%)	20.41%	13.85%	0.26%	12.07%
Boston Partners	(8.27%)	20.32%	14.71%	(3.75%)	11.87%
Russell 1000 Value Index	(8.27%)	13.66%	17.34%	(3.83%)	13.45%
S&P 500 Index	(4.38%)	21.83%	11.96%	1.38%	13.69%
Russell 2000 Index	(11.01%)	14.65%	21.31%	(4.41%)	4.89%
<b>International Equity</b>	<b>(13.93%)</b>	<b>28.25%</b>	<b>2.55%</b>	<b>(4.17%)</b>	<b>(3.72%)</b>
MSCI EAFE Index	(13.79%)	25.03%	1.00%	(0.81%)	(4.90%)
<b>Domestic Fixed Income</b>	<b>0.75%</b>	<b>3.89%</b>	<b>2.87%</b>	<b>0.51%</b>	<b>6.37%</b>
Met West	0.75%	3.89%	2.87%	0.51%	6.37%
Bloomberg Aggregate Index	0.01%	3.54%	2.65%	0.55%	5.97%
<b>Total Plan</b>	<b>(5.05%)</b>	<b>16.14%</b>	<b>7.65%</b>	<b>(0.97%)</b>	<b>5.61%</b>
Target*	(5.82%)	16.39%	7.40%	(0.71%)	5.82%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

Returns are for annualized calendar years.

\*\* Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2023. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Net of Fee Returns</b>					
<b>Domestic Equity</b>	<b>(1.74%)</b>	<b>19.12%</b>	<b>12.68%</b>	<b>8.40%</b>	<b>11.11%</b>
Domestic Equity Benchmark**	(3.63%)	19.10%	9.67%	8.48%	11.19%
<b>Large Cap Equity</b>	<b>(1.30%)</b>	<b>19.05%</b>	<b>13.07%</b>	<b>8.83%</b>	<b>11.29%</b>
Boston Partners	0.65%	16.75%	16.13%	7.44%	10.11%
Russell 1000 Value Index	(3.16%)	14.44%	11.05%	6.23%	7.92%
SSgA S&P 500	(3.27%)	21.56%	10.09%	9.86%	12.19%
S&P 500 Index	(3.27%)	21.62%	10.15%	9.92%	12.24%
<b>Small Cap Equity</b>	<b>(3.43%)</b>	<b>19.18%</b>	<b>11.05%</b>	<b>6.67%</b>	<b>10.31%</b>
Atlanta Capital	(3.43%)	19.18%	11.05%	6.67%	10.31%
Russell 2000 Index	(5.13%)	8.93%	7.16%	2.40%	6.62%
<b>International Equity</b>	<b>(2.13%)</b>	<b>23.33%</b>	<b>5.86%</b>	<b>3.47%</b>	<b>5.00%</b>
International Equity Benchmark***	(3.69%)	20.77%	3.12%	2.22%	4.64%
<b>International Large Cap</b>	<b>(4.11%)</b>	<b>23.00%</b>	<b>5.62%</b>	<b>3.61%</b>	<b>5.08%</b>
SSgA EAFE	(4.11%)	25.94%	6.00%	3.50%	5.57%
Pyrford	(4.12%)	21.59%	5.43%	3.57%	-
MSCI EAFE Index	(4.11%)	25.65%	5.75%	3.24%	5.29%
<b>International Small Cap</b>	<b>2.74%</b>	<b>30.38%</b>	<b>7.71%</b>	<b>3.10%</b>	<b>4.97%</b>
AQR	2.74%	30.38%	7.71%	3.10%	4.97%
MSCI EAFE Small Cap Index	(3.51%)	17.90%	1.10%	0.76%	3.96%
<b>Emerging Markets Equity</b>	<b>(1.52%)</b>	<b>18.31%</b>	<b>4.72%</b>	<b>3.21%</b>	<b>4.65%</b>
DFA Emerging Markets	(1.52%)	18.31%	4.72%	3.21%	4.65%
MSCI Emerging Markets Index	(2.93%)	11.70%	(1.73%)	0.56%	3.23%
<b>Domestic Fixed Income</b>	<b>(3.66%)</b>	<b>0.57%</b>	<b>(5.08%)</b>	<b>0.51%</b>	<b>0.33%</b>
Met West	(3.66%)	0.57%	(5.08%)	0.51%	0.33%
Bloomberg Aggregate Index	(3.23%)	0.64%	(5.21%)	0.10%	(0.09%)
<b>Real Estate</b>	<b>(0.78%)</b>	<b>(12.41%)</b>	-	-	-
Clarion Lion Fund	(1.34%)	(17.12%)	-	-	-
Morgan Stanley	(0.22%)	(7.22%)	-	-	-
NCREIF NFI-ODCE Val Wt Gr	(1.90%)	(12.14%)	7.13%	5.65%	6.39%
<b>Total Plan</b>	<b>(2.18%)</b>	<b>11.74%</b>	<b>6.16%</b>	<b>5.50%</b>	<b>6.62%</b>
Target*	(3.34%)	11.54%	3.94%	4.94%	6.27%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

\*\* Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

\*\*\* International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.



# Domestic Equity

## Period Ended September 30, 2023

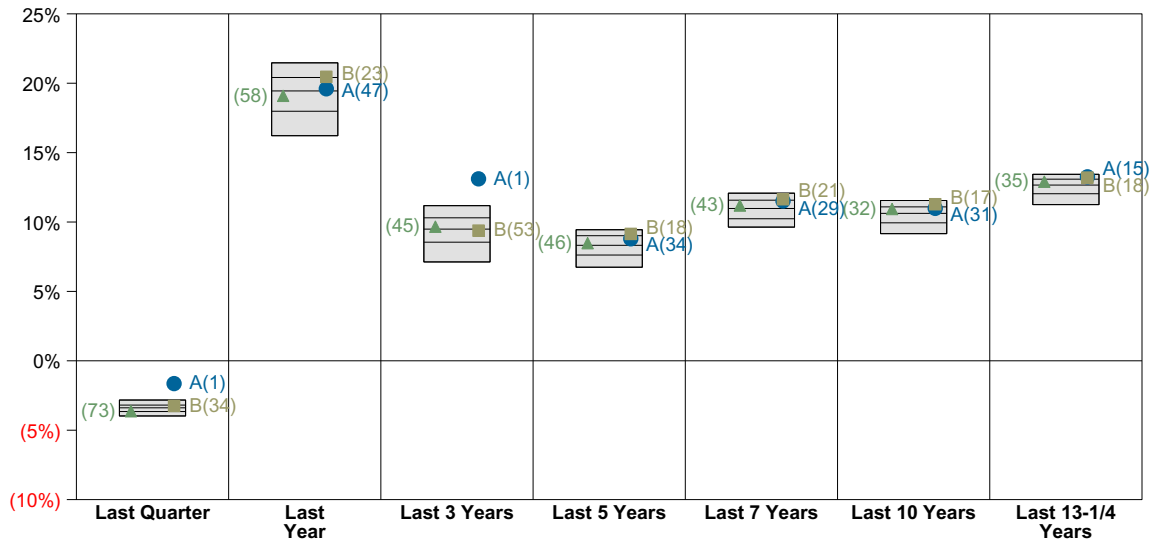
### Investment Philosophy

Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

### Quarterly Summary and Highlights

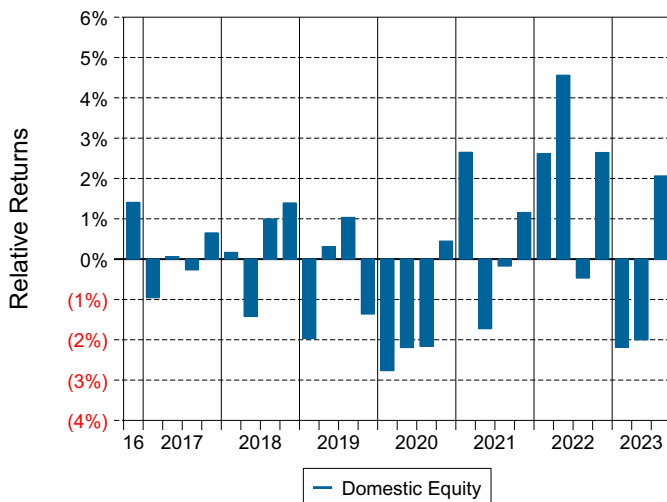
- Domestic Equity's portfolio posted a (1.64)% return for the quarter placing it in the 1 percentile of the Fund Sponsor - Domestic Equity group for the quarter and in the 47 percentile for the last year.
- Domestic Equity's portfolio outperformed the Domestic Equity Benchmark by 1.99% for the quarter and outperformed the Domestic Equity Benchmark for the year by 0.50%.

### Performance vs Fund Sponsor - Domestic Equity (Gross)

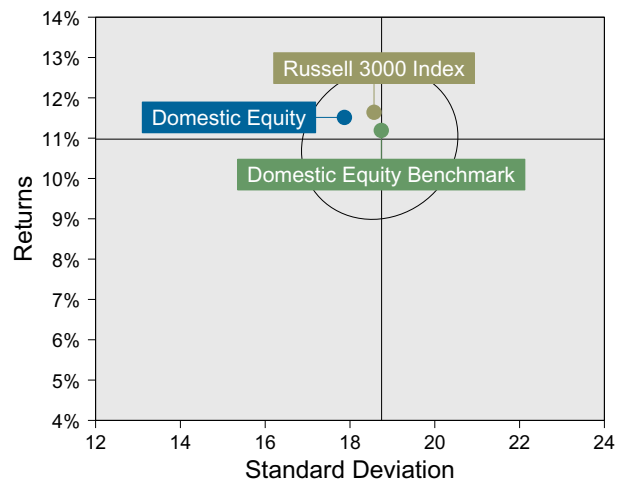


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 13-1/4 Years
10th Percentile	(2.83)	21.47	11.18	9.44	12.08	11.55	13.44
25th Percentile	(3.19)	20.41	10.30	9.01	11.57	11.09	13.09
Median	(3.39)	19.45	9.49	8.32	10.98	10.62	12.66
75th Percentile	(3.66)	17.98	8.55	7.62	10.24	9.94	12.04
90th Percentile	(3.97)	16.22	7.12	6.74	9.63	9.16	11.25
Domestic Equity	● A (1.64)	19.60	13.11	8.79	11.51	10.98	13.25
Russell 3000 Index	■ B (3.25)	20.46	9.38	9.14	11.64	11.28	13.20
Domestic Equity Benchmark	▲ (3.63)	19.10	9.67	8.48	11.19	10.94	12.91

### Relative Returns vs Domestic Equity Benchmark



### Fund Sponsor - Domestic Equity (Gross) Annualized Seven Year Risk vs Return

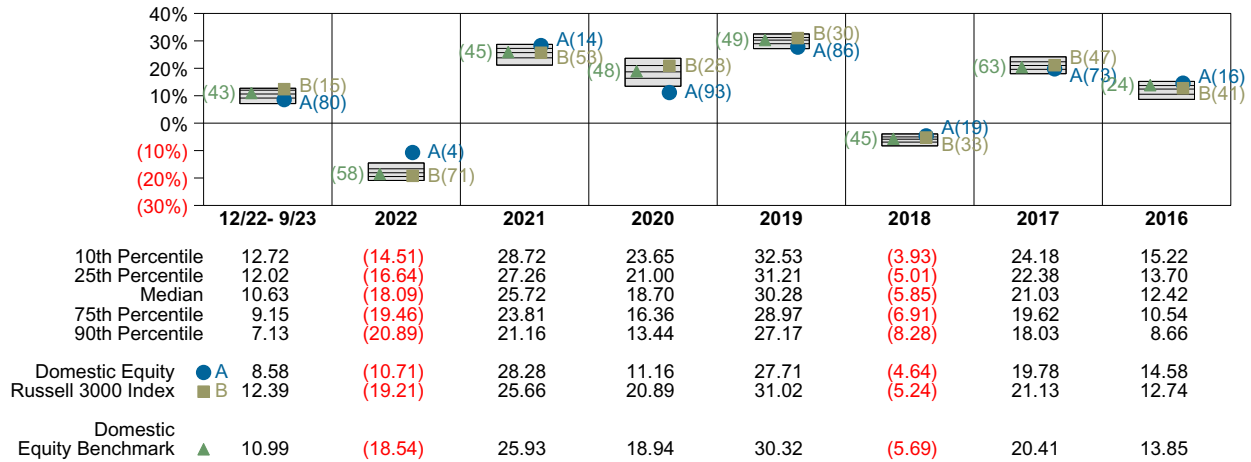


# Domestic Equity Return Analysis Summary

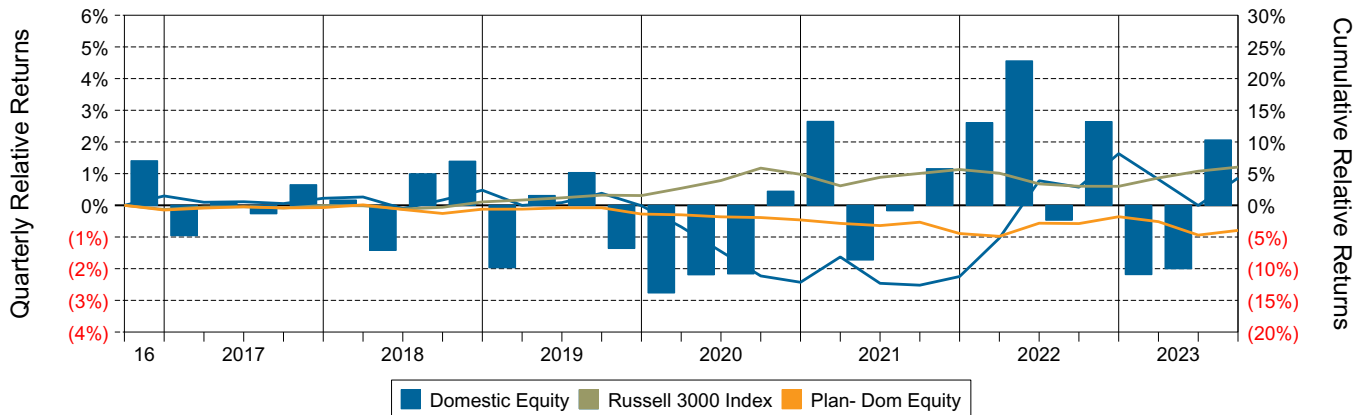
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

### Performance vs Fund Sponsor - Domestic Equity (Gross)



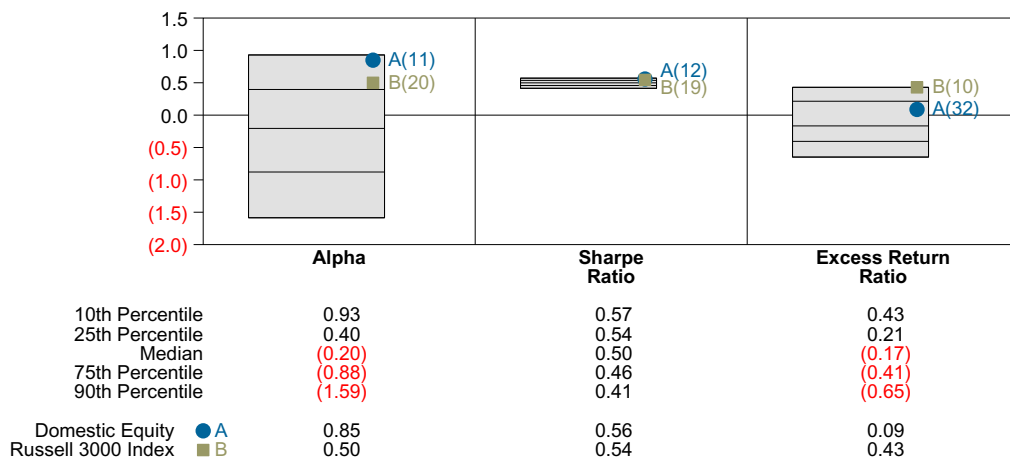
### Cumulative and Quarterly Relative Returns vs Domestic Equity Benchmark



### Risk Adjusted Return Measures vs Domestic Equity Benchmark

#### Rankings Against Fund Sponsor - Domestic Equity (Gross)

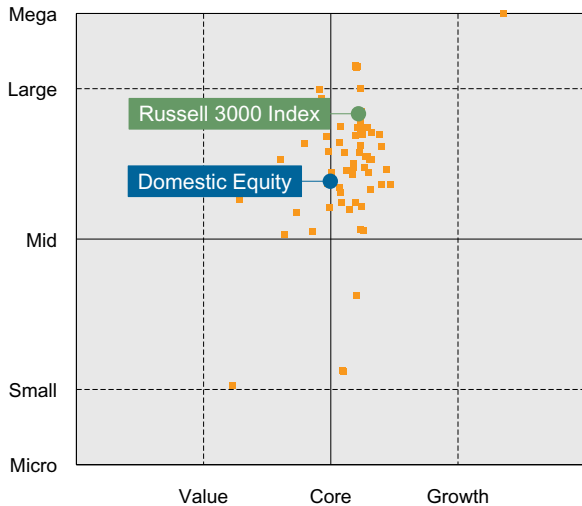
Seven Years Ended September 30, 2023



# Current Holdings Based Style Analysis Domestic Equity As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

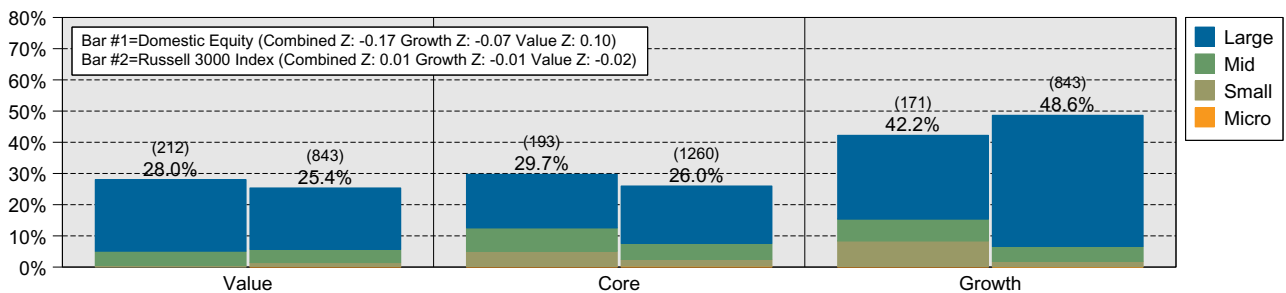
**Style Map vs Plan- Dom Equity Holdings as of September 30, 2023**



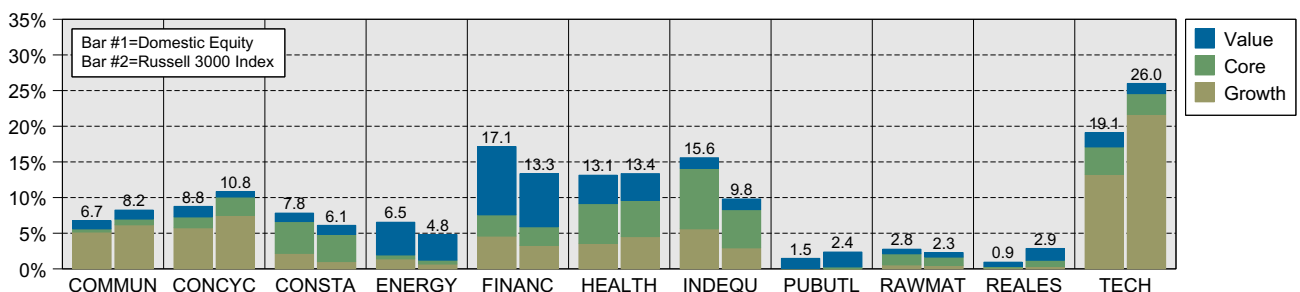
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Large	23.0% (99)	17.2% (87)	26.9% (91)	67.0% (277)
	19.6% (99)	18.3% (87)	42.0% (108)	80.0% (294)
Mid	4.6% (108)	7.4% (85)	7.0% (54)	19.0% (247)
	4.3% (157)	5.2% (218)	4.8% (214)	14.3% (589)
Small	0.5% (5)	4.9% (20)	8.2% (25)	13.5% (50)
	1.2% (285)	2.2% (530)	1.7% (364)	5.1% (1179)
Micro	0.0% (0)	0.2% (1)	0.2% (1)	0.4% (2)
	0.2% (302)	0.3% (425)	0.1% (157)	0.6% (884)
Total	28.0% (212)	29.7% (193)	42.2% (171)	100.0% (576)
	25.4% (843)	26.0% (1260)	48.6% (843)	100.0% (2946)

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



**Sector Weights Distribution Holdings as of September 30, 2023**

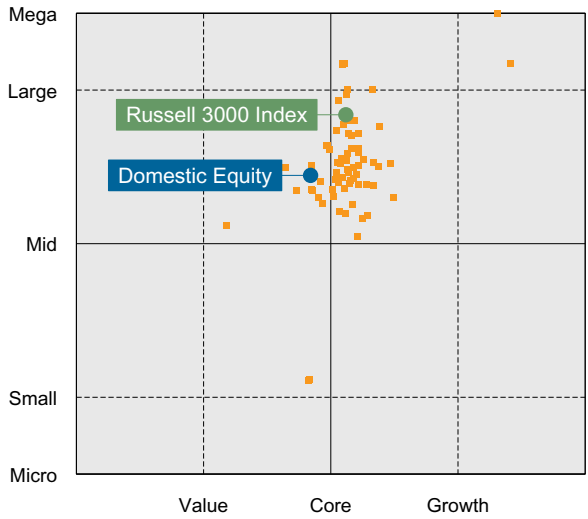




# Historical Holdings Based Style Analysis Domestic Equity For Five Years Ended September 30, 2023

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

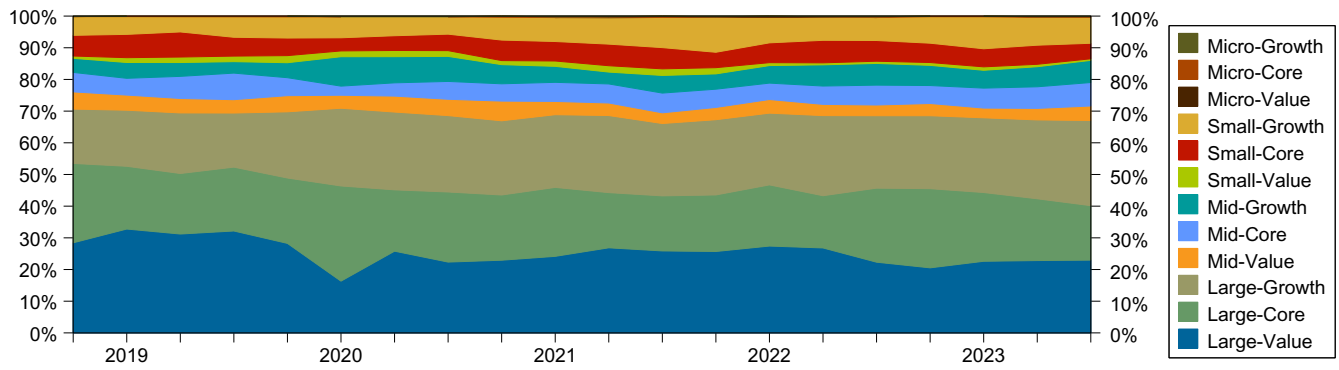
**Average Style Map vs Plan- Dom Equity Holdings for Five Years Ended September 30, 2023**



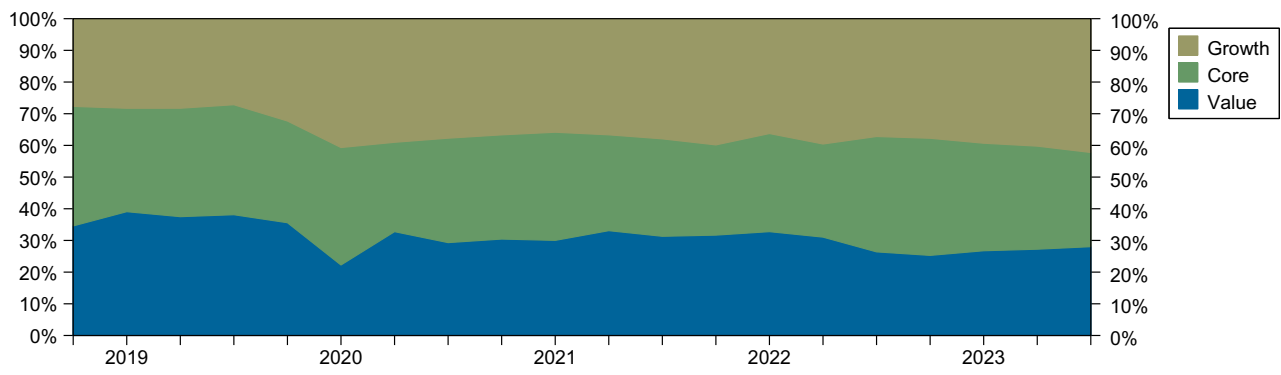
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2023**

	25.4% (97)	20.7% (96)	22.6% (88)	68.7% (281)
Large	20.5% (98)	20.8% (96)	36.5% (103)	77.8% (297)
Mid	4.3% (102)	5.9% (83)	5.9% (58)	16.1% (243)
Small	4.7% (166)	5.2% (208)	5.7% (222)	15.6% (596)
Micro	1.4% (10)	6.0% (22)	7.5% (23)	14.9% (55)
	1.6% (307)	2.4% (500)	2.0% (384)	6.0% (1191)
Micro	0.0% (0)	0.2% (1)	0.1% (1)	0.3% (2)
	0.2% (310)	0.3% (414)	0.2% (169)	0.7% (893)
<b>Total</b>	<b>31.2% (209)</b>	<b>32.8% (202)</b>	<b>36.0% (170)</b>	<b>100.0% (581)</b>
	<b>27.0% (881)</b>	<b>28.7% (1218)</b>	<b>44.4% (878)</b>	<b>100.0% (2977)</b>
	Value	Core	Growth	Total

## Domestic Equity Historical Cap/Style Exposures



## Domestic Equity Historical Style Only Exposures

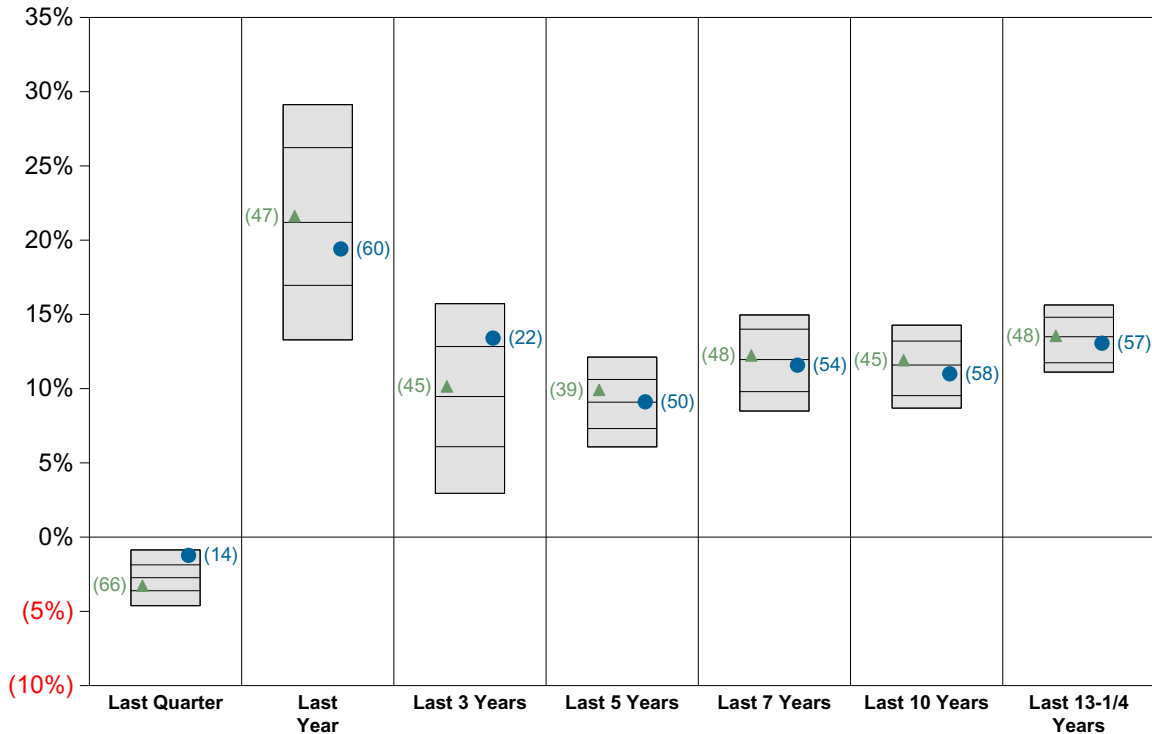


# Large Cap Period Ended September 30, 2023

## Quarterly Summary and Highlights

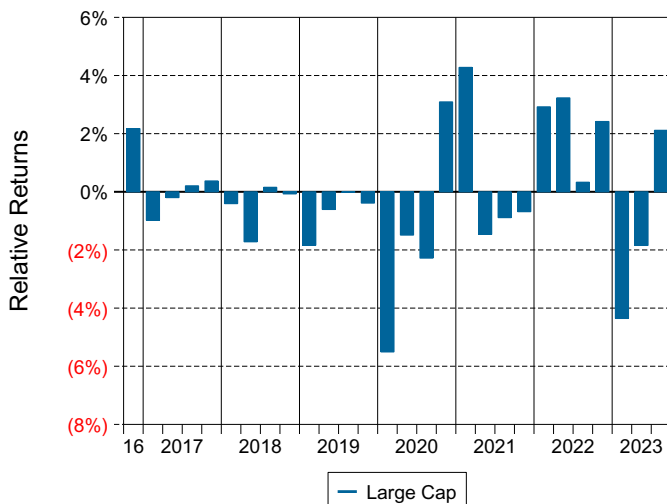
- Large Cap's portfolio posted a (1.23)% return for the quarter placing it in the 14 percentile of the Callan Large Capitalization group for the quarter and in the 60 percentile for the last year.
- Large Cap's portfolio outperformed the S&P 500 Index by 2.04% for the quarter and underperformed the S&P 500 Index for the year by 2.21%.

## Performance vs Callan Large Capitalization (Gross)

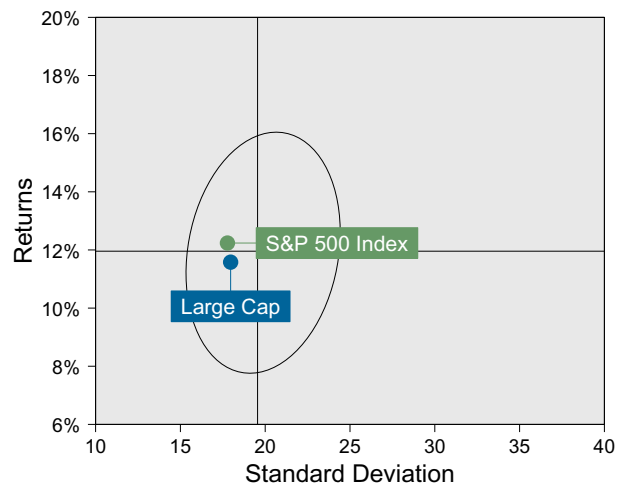


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 13-1/4 Years
10th Percentile	(0.86)	29.13	15.72	12.12	14.96	14.27	15.63
25th Percentile	(1.87)	26.23	12.84	10.62	14.00	13.20	14.81
Median	(2.73)	21.20	9.47	9.09	11.96	11.59	13.50
75th Percentile	(3.61)	16.96	6.09	7.31	9.80	9.53	11.74
90th Percentile	(4.62)	13.28	2.95	6.08	8.49	8.69	11.11
<b>Large Cap</b>	● (1.23)	19.41	13.40	9.11	11.58	11.00	13.06
S&P 500 Index	▲ (3.27)	21.62	10.15	9.92	12.24	11.91	13.56

Relative Return vs S&P 500 Index



Callan Large Capitalization (Gross)  
Annualized Seven Year Risk vs Return

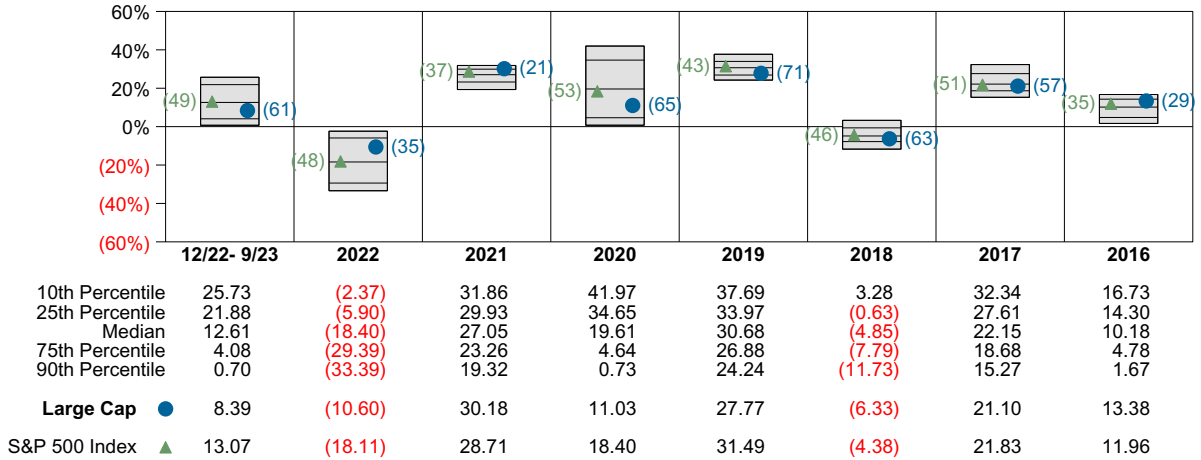


# Large Cap Return Analysis Summary

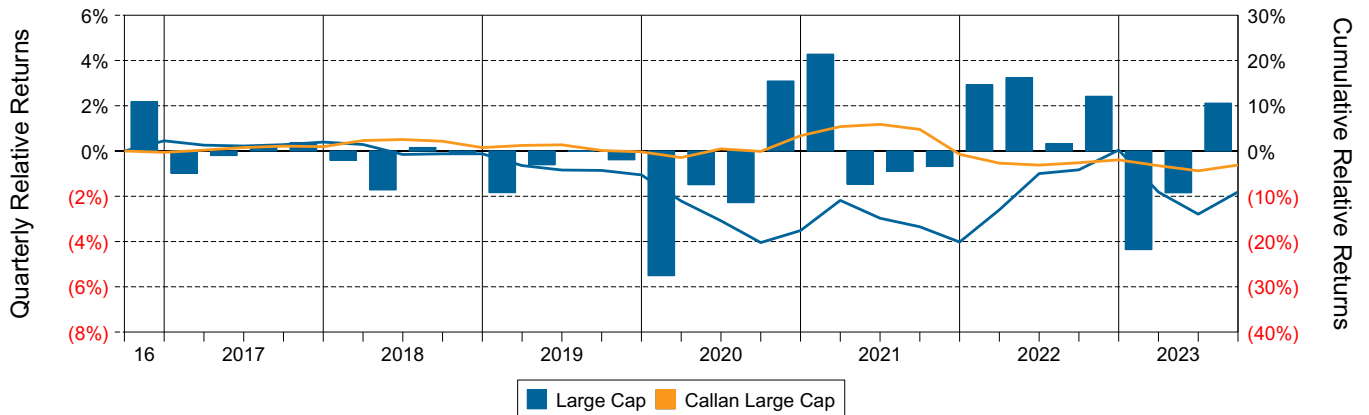
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

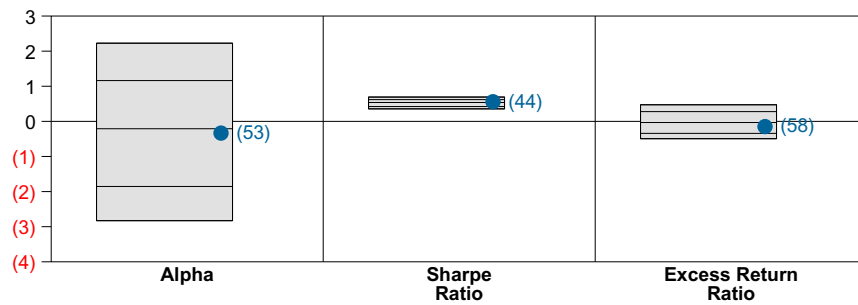
### Performance vs Callan Large Capitalization (Gross)



### Cumulative and Quarterly Relative Returns vs S&P 500 Index



### Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Capitalization (Gross) Seven Years Ended September 30, 2023



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	2.23	0.69	0.47
25th Percentile	1.16	0.62	0.28
Median	(0.21)	0.54	(0.03)
75th Percentile	(1.85)	0.42	(0.34)
90th Percentile	(2.83)	0.36	(0.49)
<b>Large Cap</b>	<b>(0.33)</b>	<b>0.56</b>	<b>(0.15)</b>

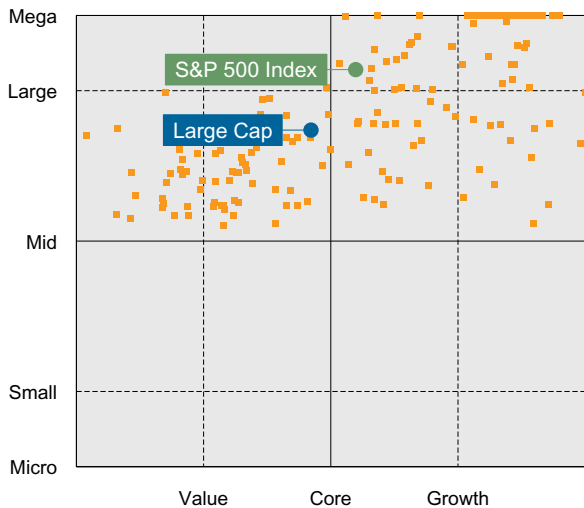
# Current Holdings Based Style Analysis

## Large Cap

### As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

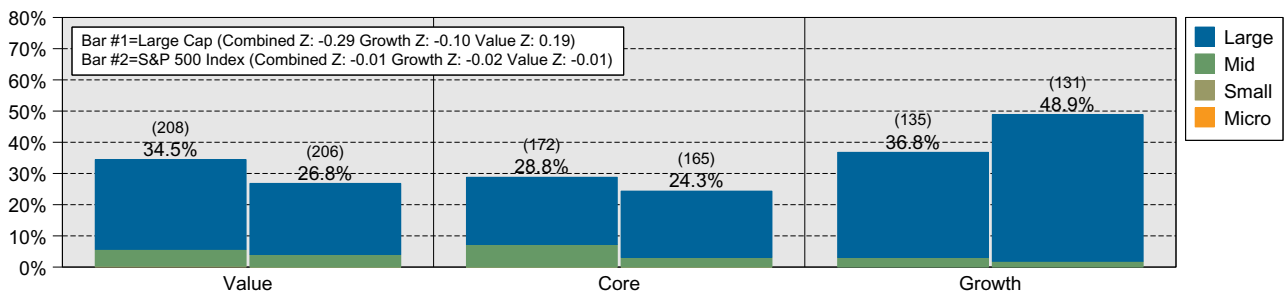
**Style Map vs Callan Large Cap Holdings as of September 30, 2023**



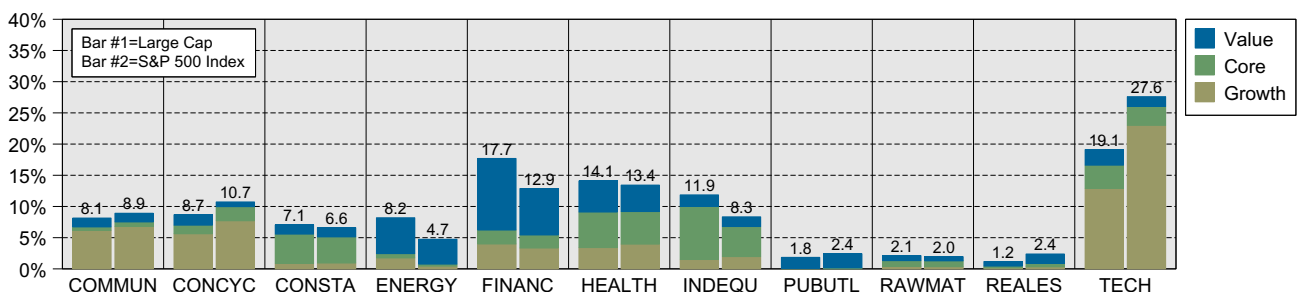
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Large	28.8% (99)	21.5% (87)	33.7% (91)	84.0% (277)
	22.8% (99)	21.2% (86)	47.0% (89)	90.9% (274)
Mid	5.4% (106)	7.2% (82)	3.1% (44)	15.7% (232)
	4.0% (105)	3.1% (76)	1.8% (42)	9.0% (223)
Small	0.3% (3)	0.0% (3)	0.0% (0)	0.3% (6)
	0.0% (2)	0.0% (3)	0.0% (0)	0.1% (5)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>34.5% (208)</b>	<b>28.8% (172)</b>	<b>36.8% (135)</b>	<b>100.0% (515)</b>
	<b>26.8% (206)</b>	<b>24.3% (165)</b>	<b>48.9% (131)</b>	<b>100.0% (502)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



**Sector Weights Distribution Holdings as of September 30, 2023**



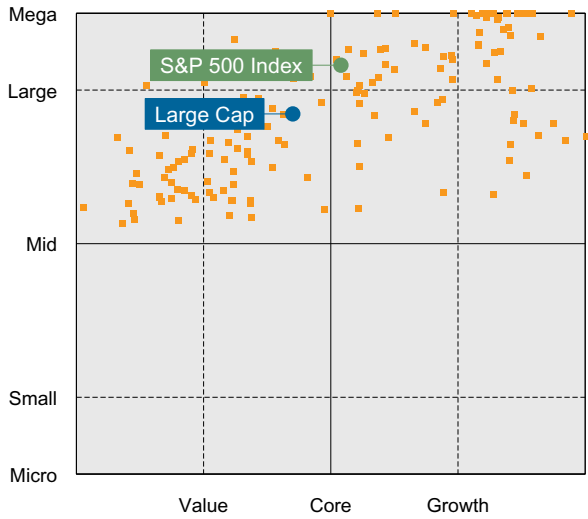
# Historical Holdings Based Style Analysis

## Large Cap

### For Five Years Ended September 30, 2023

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

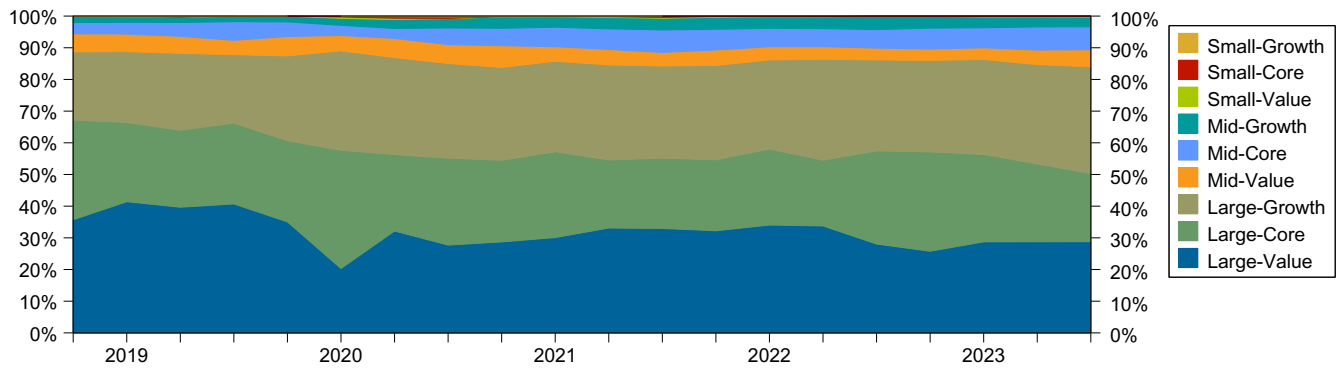
**Average Style Map vs Callan Large Cap Holdings for Five Years Ended September 30, 2023**



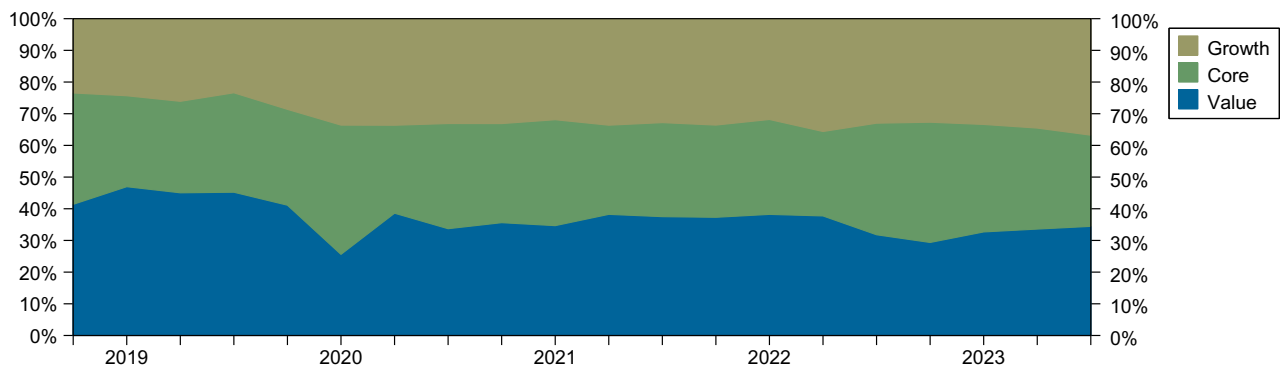
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2023**

	31.9% (97)	25.9% (96)	28.4% (88)	86.2% (281)
Large	24.2% (97)	24.6% (94)	41.4% (86)	90.2% (277)
Mid	4.9% (101)	5.5% (79)	3.0% (50)	13.5% (230)
Small	0.1% (4)	0.1% (2)	0.0% (1)	0.3% (7)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>36.9% (202)</b>	<b>31.6% (177)</b>	<b>31.4% (139)</b>	<b>100.0% (518)</b>
	28.4% (200)	28.0% (171)	43.7% (134)	100.0% (505)
	Value	Core	Growth	Total

**Large Cap Historical Cap/Style Exposures**



**Large Cap Historical Style Only Exposures**



# SSgA S&P 500

## Period Ended September 30, 2023

### Investment Philosophy

Returns prior to 6/30/2012 are linked to a composite history.

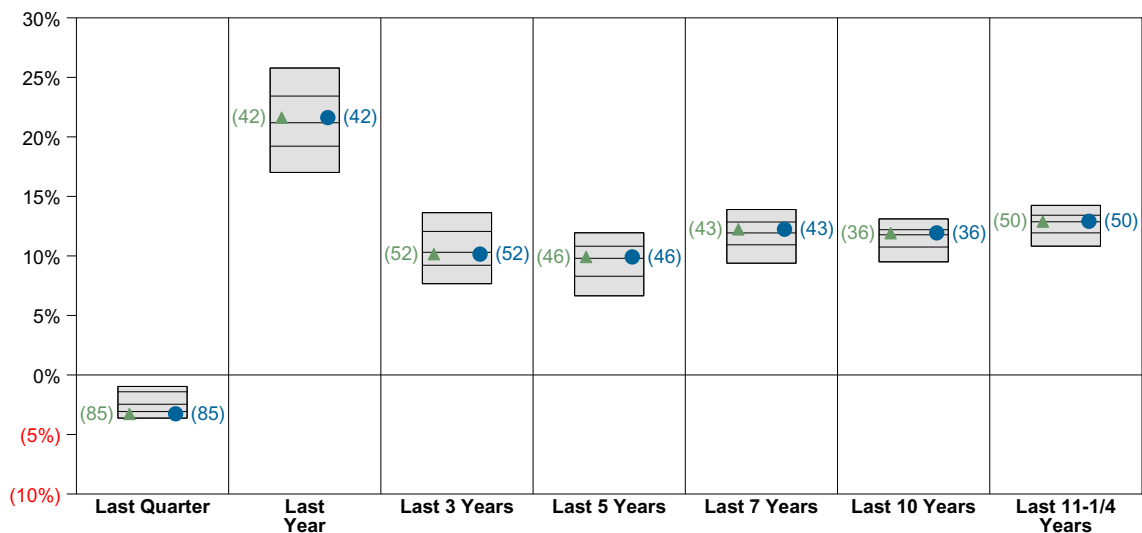
### Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a (3.26)% return for the quarter placing it in the 85 percentile of the Callan Large Cap Core group for the quarter and in the 42 percentile for the last year.
- SSgA S&P 500's portfolio outperformed the S&P 500 Index by 0.01% for the quarter and outperformed the S&P 500 Index for the year by 0.00%.

### Quarterly Asset Growth

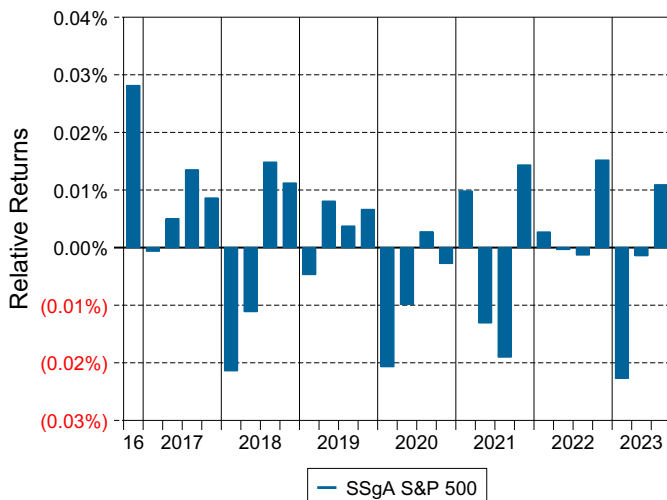
Beginning Market Value	\$62,164,571
Net New Investment	\$0
Investment Gains/(Losses)	\$-2,028,334
Ending Market Value	\$60,136,238

### Performance vs Callan Large Cap Core (Gross)

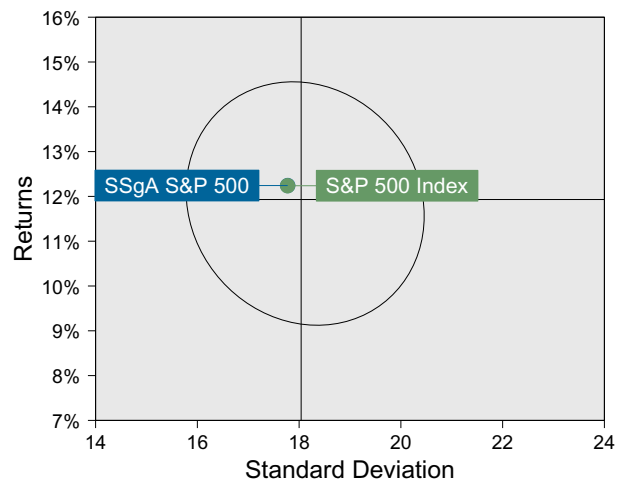


10th Percentile	(0.96)	25.78	13.63	11.94	13.90	13.11	14.25
25th Percentile	(1.41)	23.43	12.06	10.82	12.85	12.20	13.42
Median	(2.46)	21.19	10.30	9.80	11.93	11.77	12.87
75th Percentile	(3.08)	19.22	9.22	8.29	10.93	10.75	11.94
90th Percentile	(3.63)	17.01	7.67	6.65	9.39	9.50	10.82
<b>SSgA S&amp;P 500</b>	<b>● (3.26)</b>	21.62	10.15	9.91	12.24	11.94	12.91
S&P 500 Index	<b>▲ (3.27)</b>	21.62	10.15	9.92	12.24	11.91	12.89

### Relative Return vs S&P 500 Index



### Callan Large Cap Core (Gross) Annualized Seven Year Risk vs Return

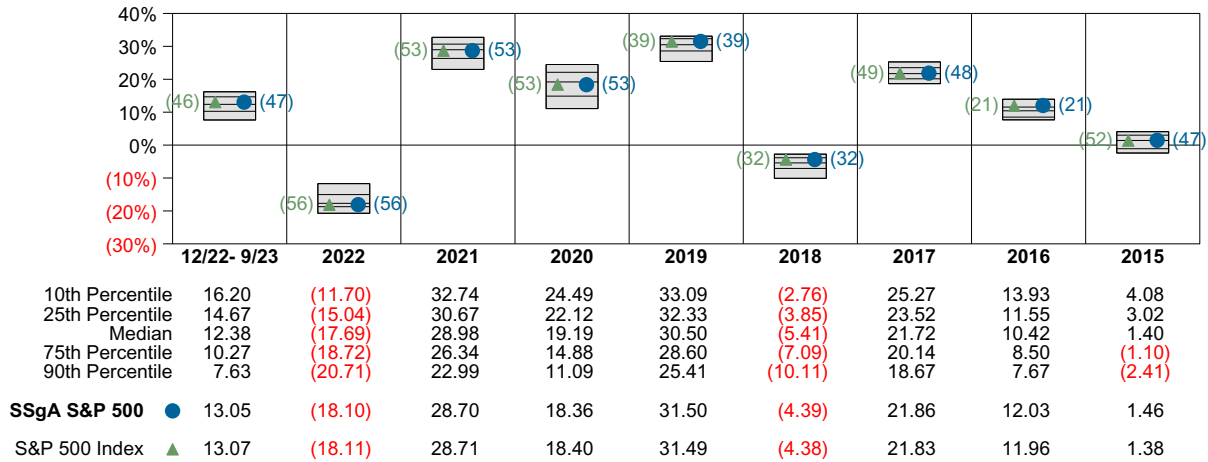


# SSgA S&P 500 Return Analysis Summary

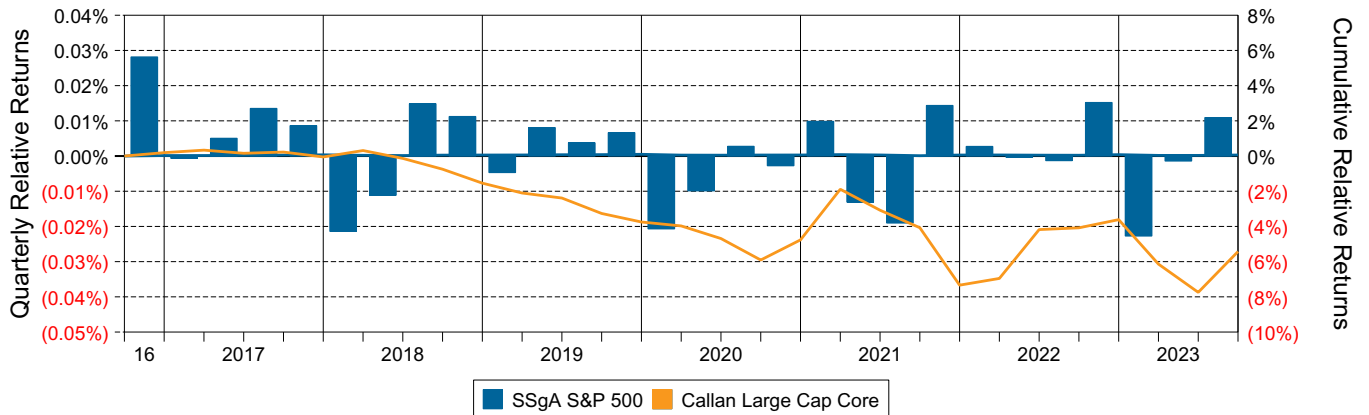
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

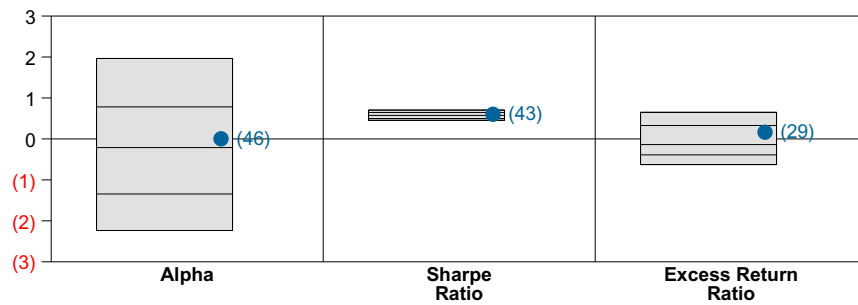
### Performance vs Callan Large Cap Core (Gross)



### Cumulative and Quarterly Relative Returns vs S&P 500 Index



### Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Cap Core (Gross) Seven Years Ended September 30, 2023



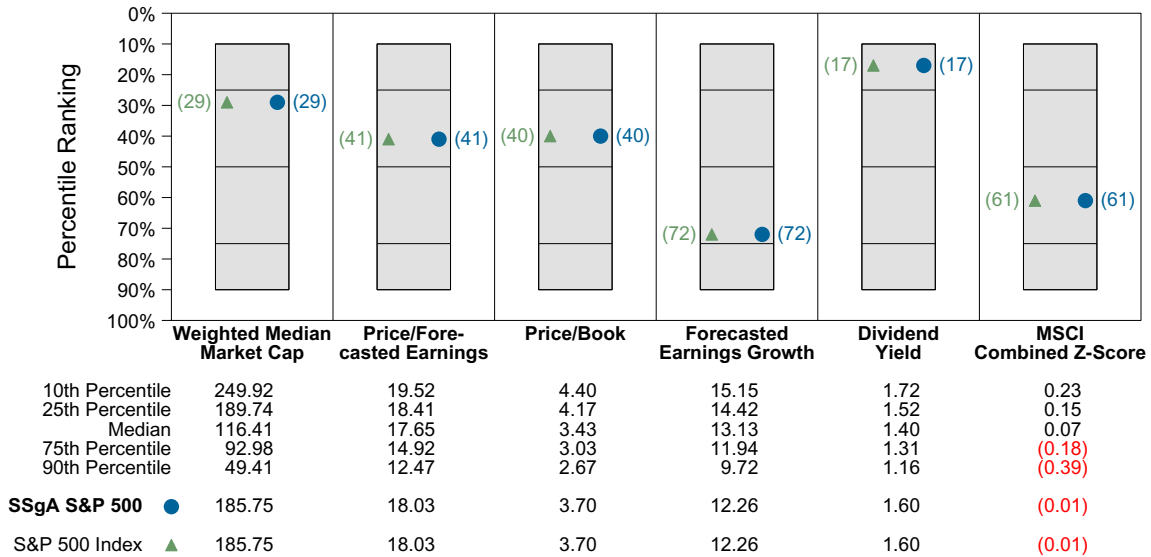
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	1.96	0.70	0.65
25th Percentile	0.78	0.65	0.33
Median	(0.21)	0.57	(0.14)
75th Percentile	(1.34)	0.50	(0.39)
90th Percentile	(2.24)	0.45	(0.63)
<b>SSgA S&amp;P 500</b>	● 0.00	0.60	0.16

# SSgA S&P 500 Equity Characteristics Analysis Summary

## Portfolio Characteristics

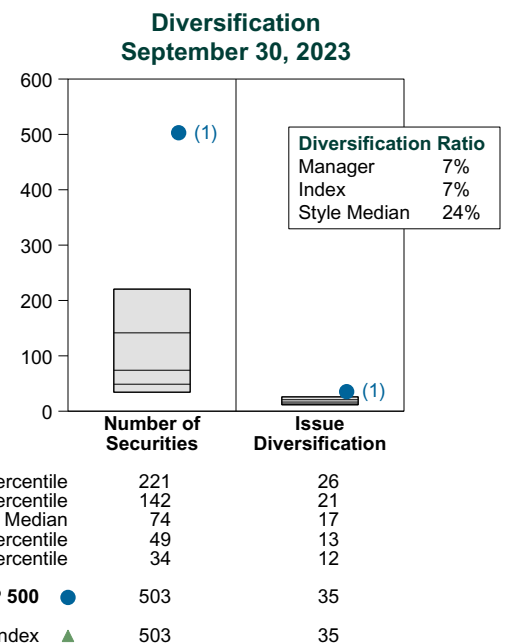
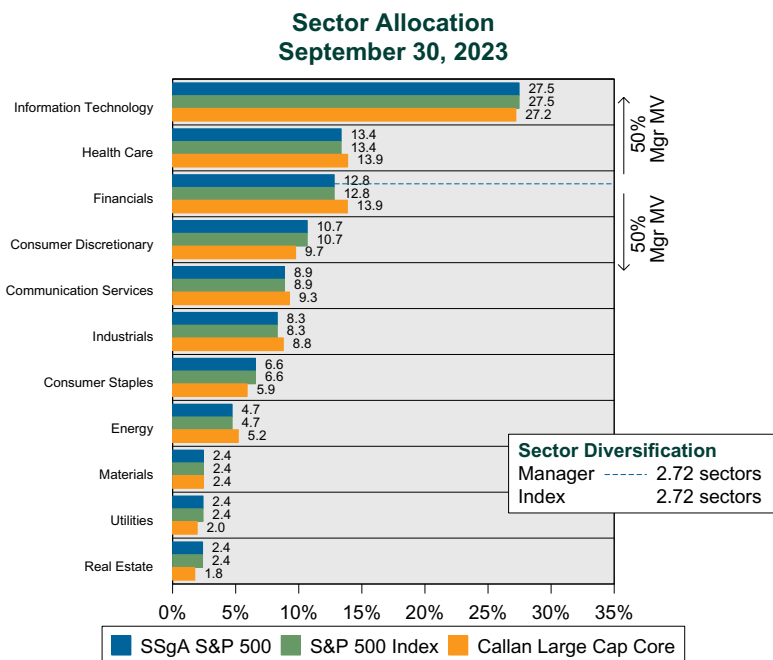
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core as of September 30, 2023



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.





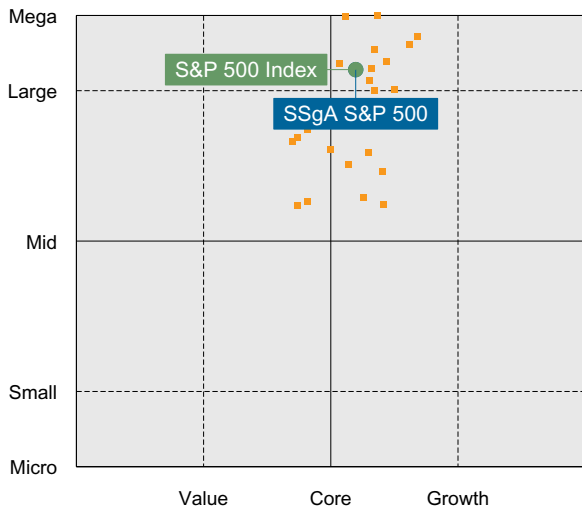
# Current Holdings Based Style Analysis

## SSgA S&P 500

### As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

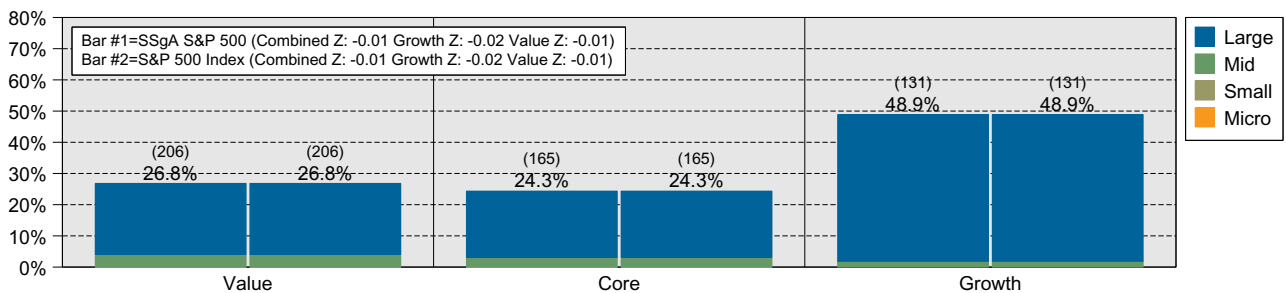
**Style Map vs Callan Large Cap Core Holdings as of September 30, 2023**



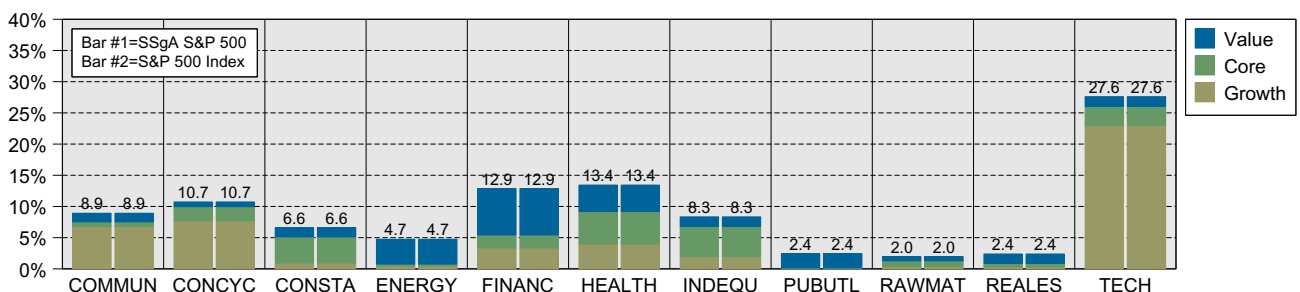
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Large	22.8% (99)	21.2% (86)	47.0% (89)	90.9% (274)
Mid	4.0% (105)	3.1% (76)	1.8% (42)	9.0% (223)
Small	0.0% (2)	0.0% (3)	0.0% (0)	0.1% (5)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>26.8% (206)</b>	<b>24.3% (165)</b>	<b>48.9% (131)</b>	<b>100.0% (502)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



**Sector Weights Distribution Holdings as of September 30, 2023**



# Boston Partners

## Period Ended September 30, 2023

### Investment Philosophy

Boston Partners was funded 6/27/05. The first full quarter for this portfolio is 3rd quarter 2005.

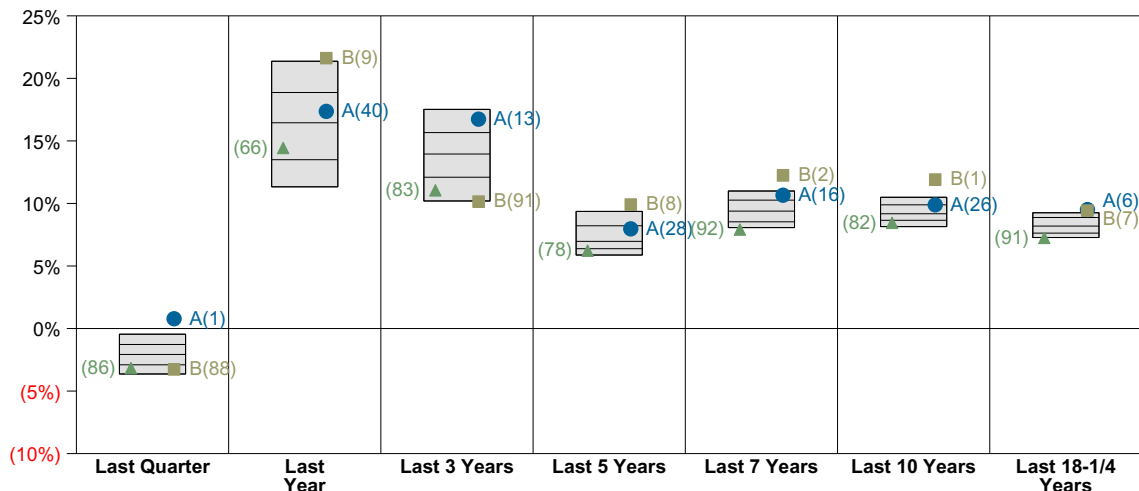
### Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 0.78% return for the quarter placing it in the 1 percentile of the Callan Large Cap Value group for the quarter and in the 40 percentile for the last year.
- Boston Partners's portfolio outperformed the Russell 1000 Value Index by 3.95% for the quarter and outperformed the Russell 1000 Value Index for the year by 2.92%.

### Quarterly Asset Growth

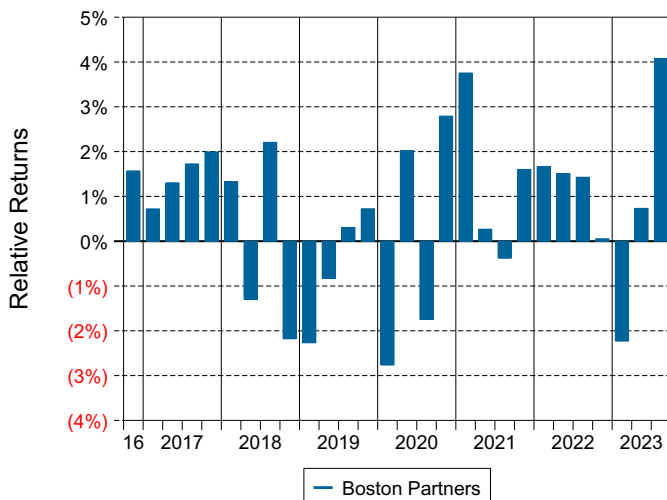
Beginning Market Value	\$63,026,099
Net New Investment	\$-494,648
Investment Gains/(Losses)	\$500,056
Ending Market Value	\$63,031,508

### Performance vs Callan Large Cap Value (Gross)

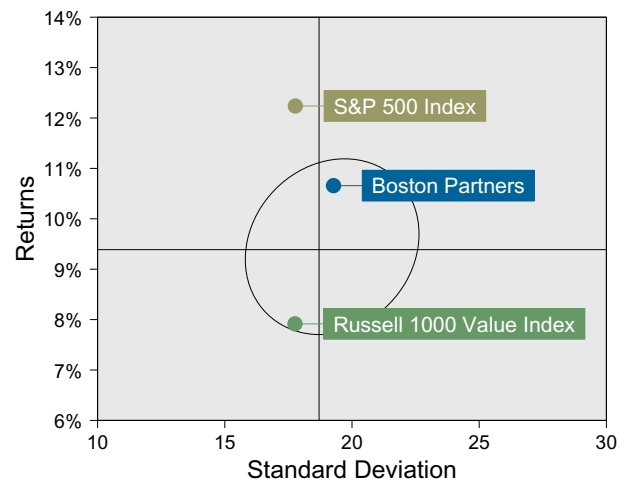


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 18-1/4 Years
10th Percentile	(0.45)	21.37	17.52	9.36	11.00	10.49	9.26
25th Percentile	(1.28)	18.87	15.67	8.21	10.26	9.89	8.88
Median	(2.07)	16.45	13.95	6.97	9.39	9.17	8.19
75th Percentile	(2.90)	13.50	12.10	6.38	8.53	8.65	7.63
90th Percentile	(3.64)	11.33	10.20	5.88	8.07	8.15	7.28
Boston Partners	● A 0.78	17.36	16.74	7.97	10.66	9.88	9.51
S&P 500 Index	■ B (3.27)	21.62	10.15	9.92	12.24	11.91	9.43
Russell 1000 Value Index	▲ (3.16)	14.44	11.05	6.23	7.92	8.45	7.25

### Relative Return vs Russell 1000 Value Index



### Callan Large Cap Value (Gross) Annualized Seven Year Risk vs Return

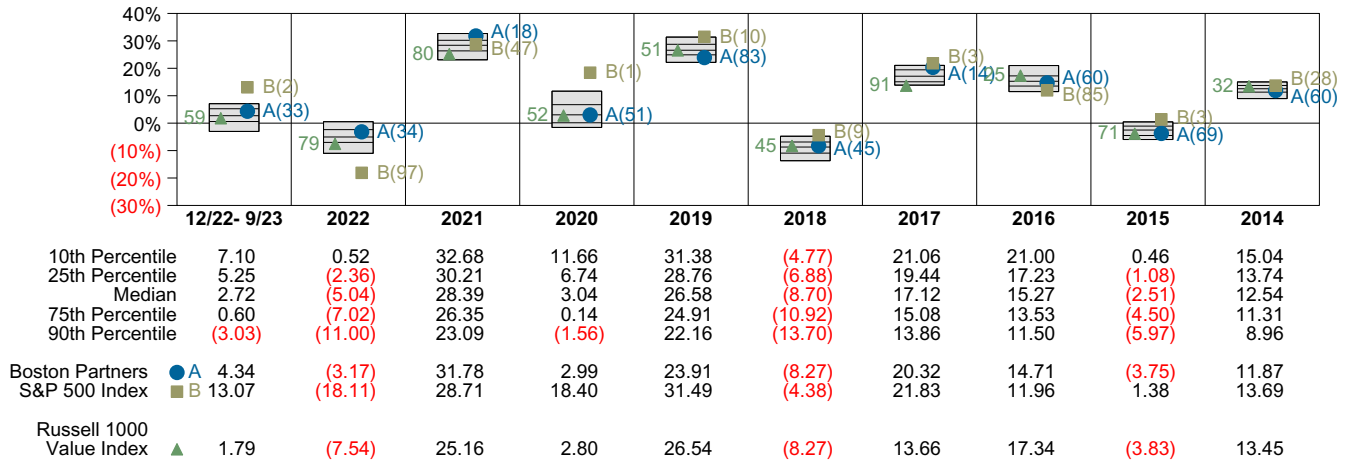


# Boston Partners Return Analysis Summary

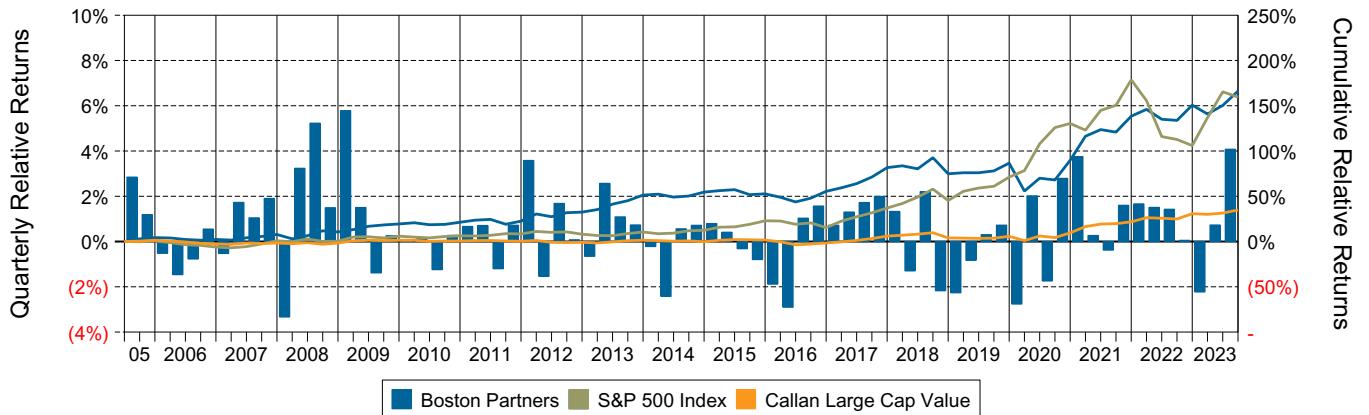
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

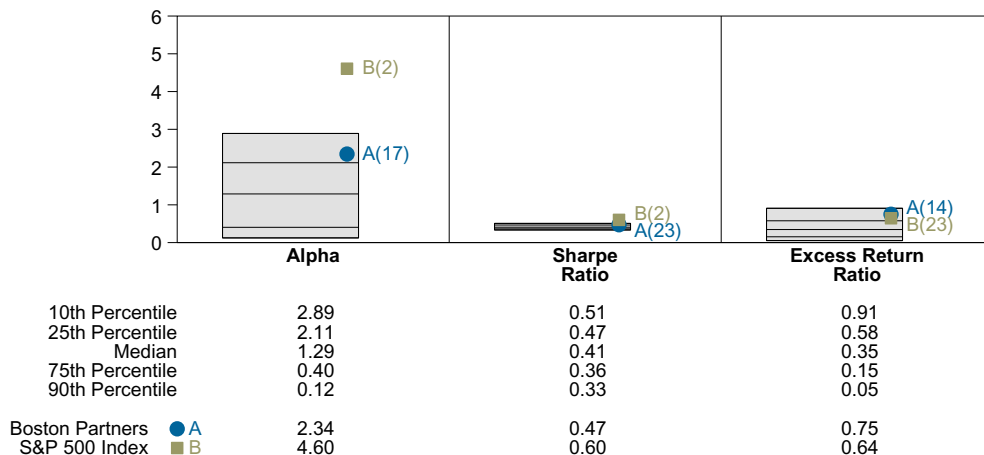
### Performance vs Callan Large Cap Value (Gross)



### Cumulative and Quarterly Relative Returns vs Russell 1000 Value Index



### Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended September 30, 2023

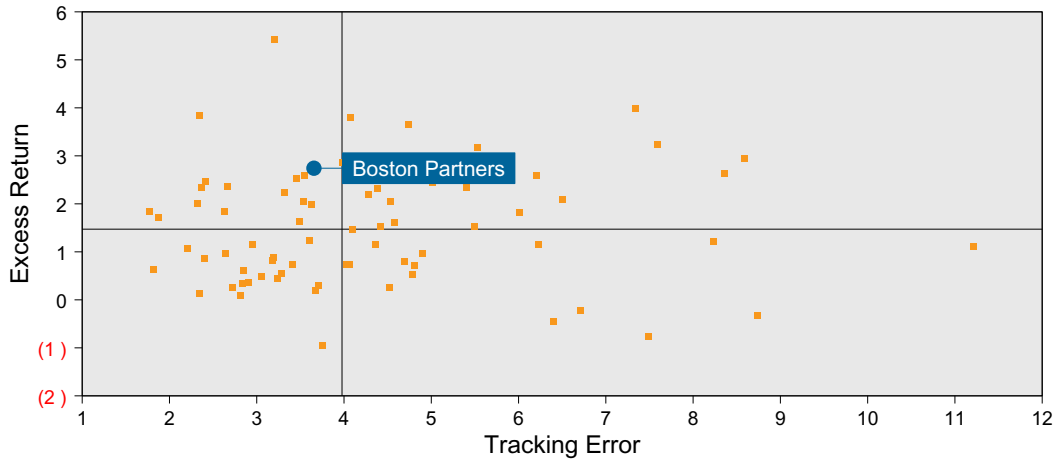


# Boston Partners Risk Analysis Summary

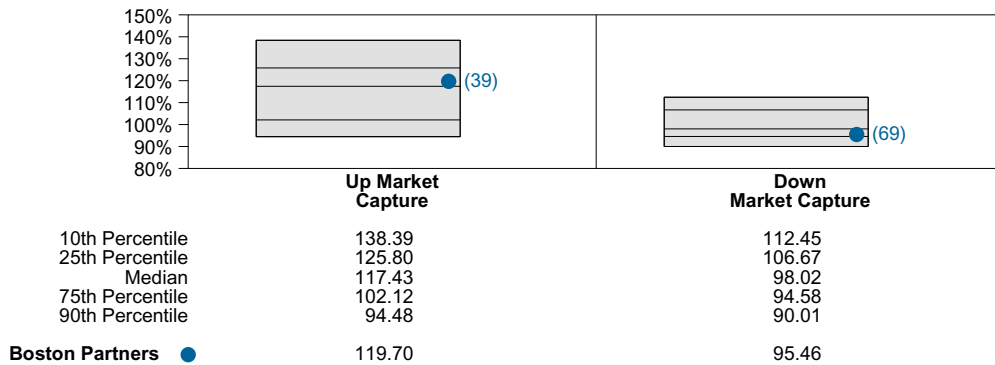
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

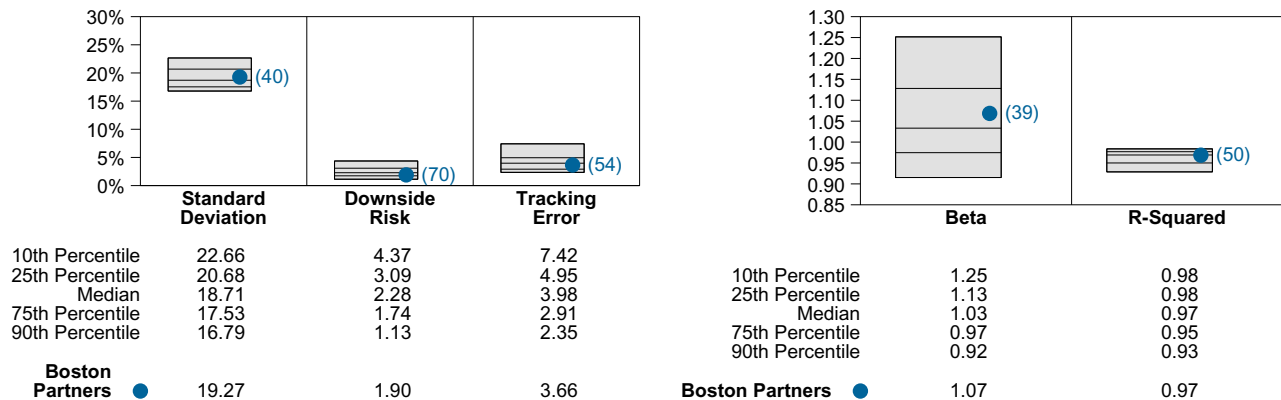
### Risk Analysis vs Callan Large Cap Value (Gross) Seven Years Ended September 30, 2023



### Market Capture vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended September 30, 2023



### Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended September 30, 2023

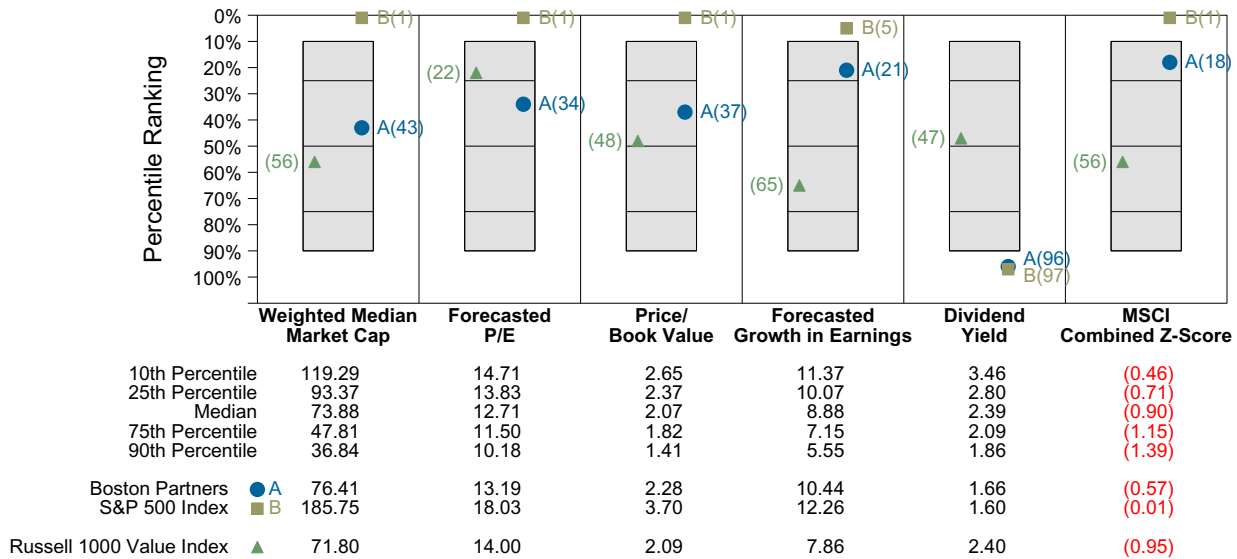


# Boston Partners Equity Characteristics Analysis Summary

## Portfolio Characteristics

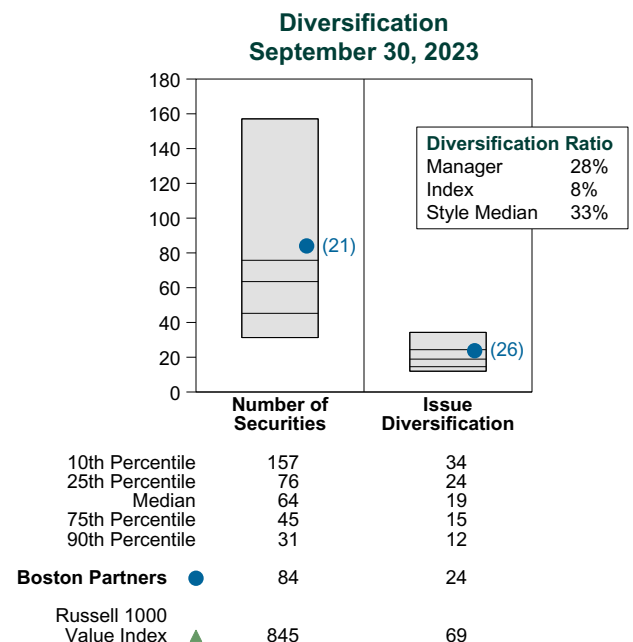
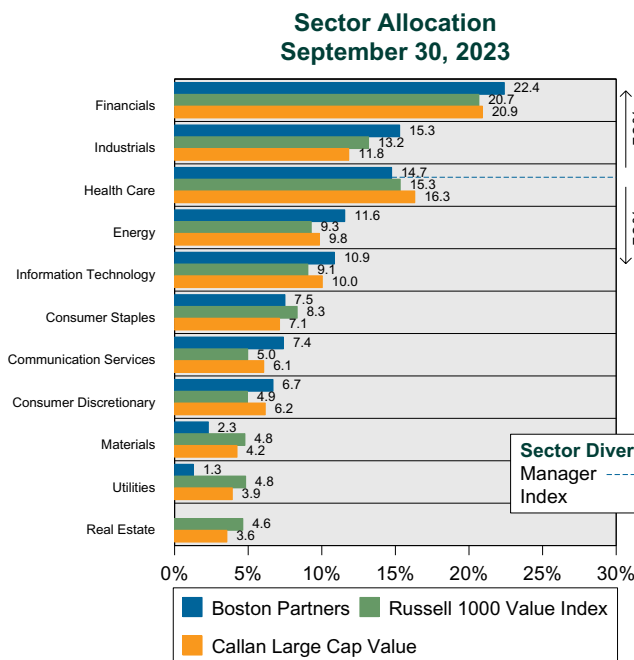
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Value as of September 30, 2023



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



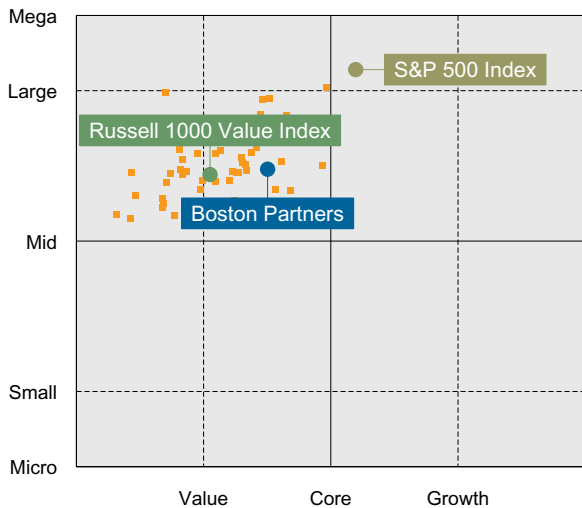
# Current Holdings Based Style Analysis

## Boston Partners

### As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

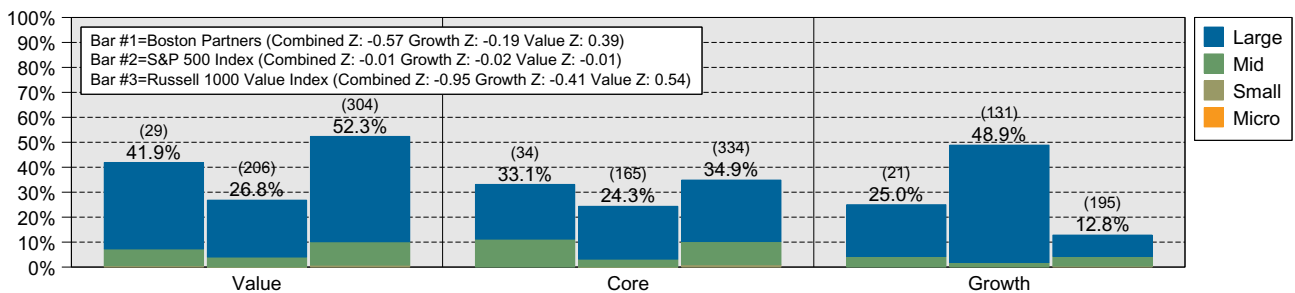
**Style Map vs Callan Large Cap Value Holdings as of September 30, 2023**



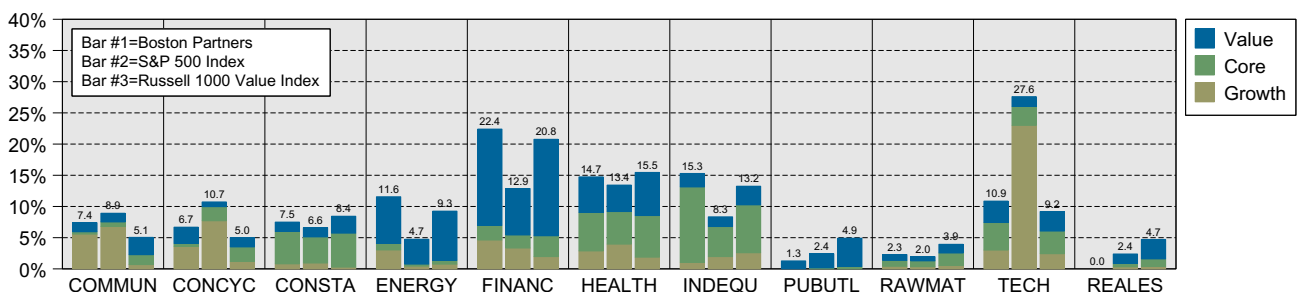
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Large	34.6% (19)	21.9% (20)	20.7% (15)	77.2% (54)
	22.8% (99)	21.2% (86)	47.0% (89)	90.9% (274)
	42.2% (98)	24.6% (77)	8.5% (48)	75.3% (223)
Mid	6.7% (9)	11.2% (14)	4.3% (6)	22.2% (29)
	4.0% (105)	3.1% (76)	1.8% (42)	9.0% (223)
	9.4% (155)	9.3% (193)	4.0% (115)	22.6% (463)
Small	0.5% (1)	0.0% (0)	0.0% (0)	0.5% (1)
	0.0% (2)	0.0% (3)	0.0% (0)	0.1% (5)
	0.8% (51)	1.0% (64)	0.4% (32)	2.2% (147)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>41.9% (29)</b>	<b>33.1% (34)</b>	<b>25.0% (21)</b>	<b>100.0% (84)</b>
	26.8% (206)	24.3% (165)	48.9% (131)	100.0% (502)
	52.3% (304)	34.9% (334)	12.8% (195)	100.0% (833)

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



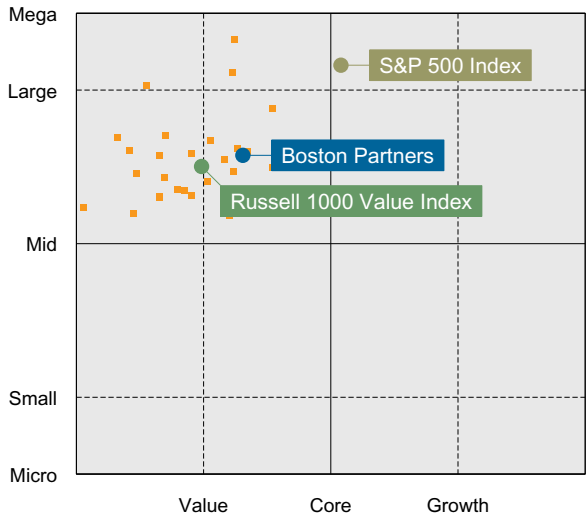
**Sector Weights Distribution Holdings as of September 30, 2023**



# Historical Holdings Based Style Analysis Boston Partners For Five Years Ended September 30, 2023

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

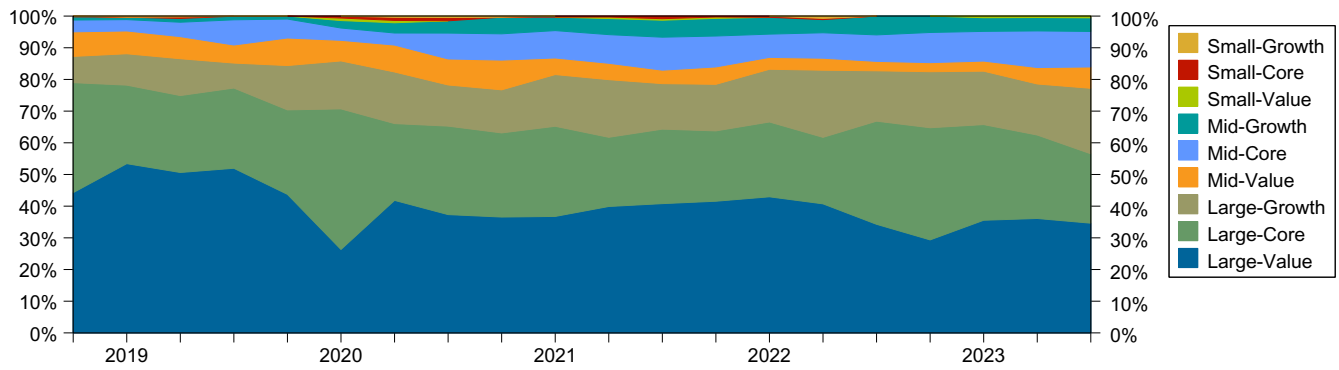
**Average Style Map vs Callan Large Cap Value Holdings for Five Years Ended September 30, 2023**



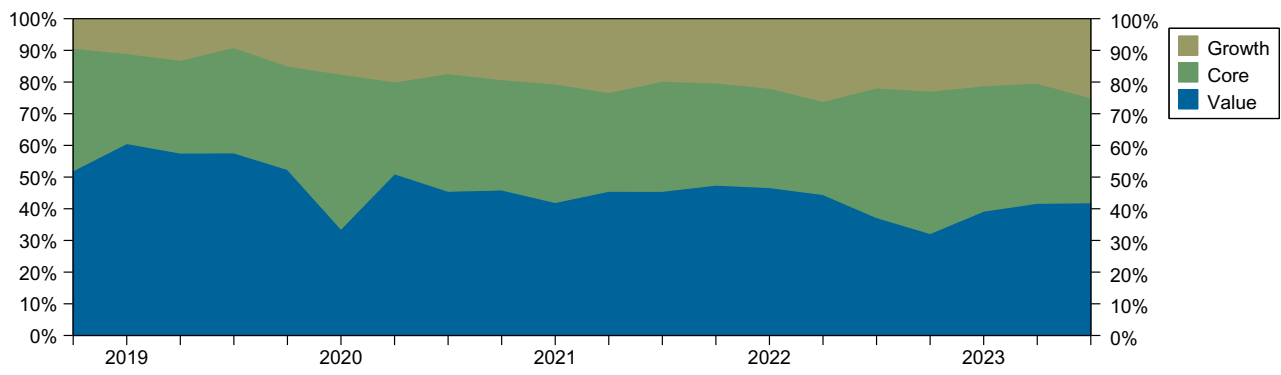
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2023**

	Value	Core	Growth	Total
Large	39.9% (25)	27.3% (22)	14.9% (12)	82.1% (59)
	24.2% (97)	24.6% (94)	41.4% (86)	90.2% (277)
Mid	41.0% (97)	27.5% (84)	7.8% (41)	76.2% (222)
	5.9% (8)	7.7% (12)	3.7% (5)	17.2% (25)
Small	4.1% (99)	3.3% (75)	2.3% (47)	9.7% (221)
	9.6% (159)	8.3% (177)	3.6% (106)	21.5% (442)
Micro	0.2% (1)	0.3% (1)	0.1% (0)	0.6% (2)
	0.0% (4)	0.0% (2)	0.0% (1)	0.1% (7)
Total	1.0% (57)	0.9% (61)	0.4% (31)	2.3% (149)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	46.0% (34)	35.2% (35)	18.7% (17)	100.0% (86)
	28.4% (200)	28.0% (171)	43.7% (134)	100.0% (505)
Total	51.5% (313)	36.7% (322)	11.7% (178)	100.0% (813)

**Boston Partners Historical Cap/Style Exposures**



**Boston Partners Historical Style Only Exposures**



# Atlanta Capital Period Ended September 30, 2023

## Investment Philosophy

Returns prior to 6/30/2010 are linked to a composite history.

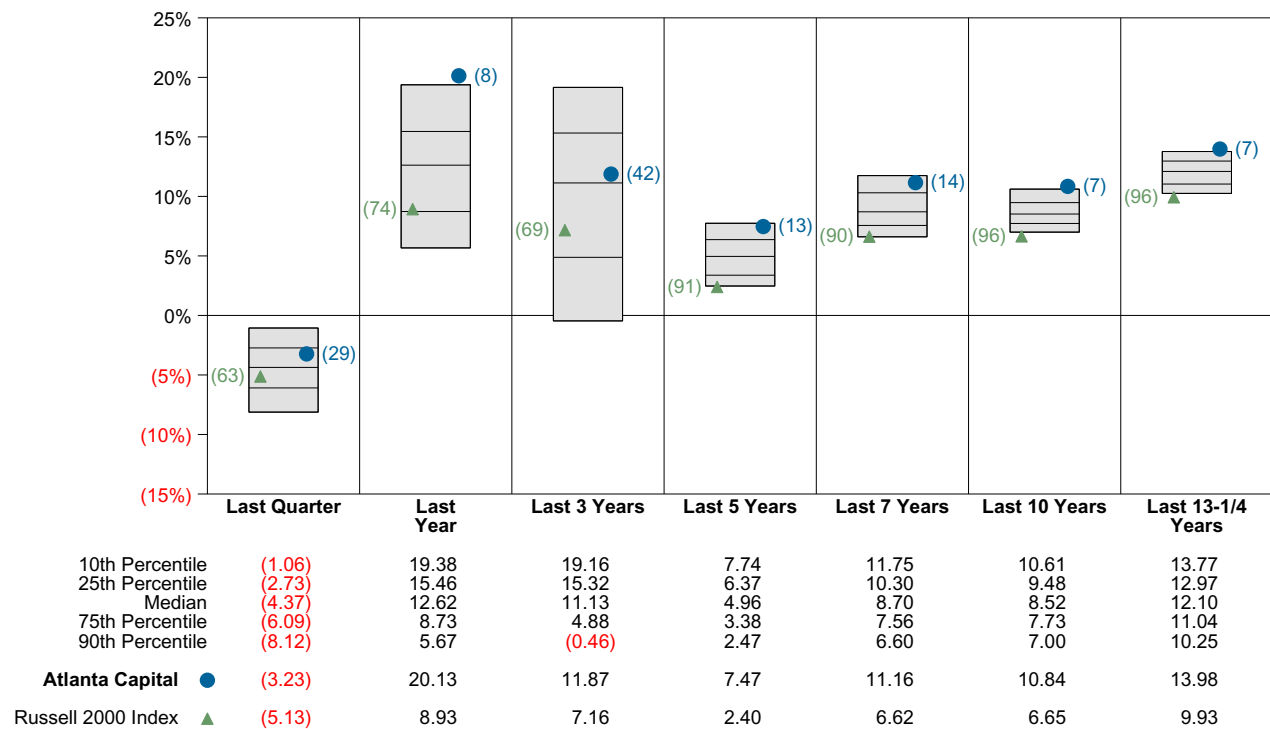
### Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a (3.23)% return for the quarter placing it in the 29 percentile of the Callan Small Capitalization group for the quarter and in the 8 percentile for the last year.
- Atlanta Capital's portfolio outperformed the Russell 2000 Index by 1.90% for the quarter and outperformed the Russell 2000 Index for the year by 11.20%.

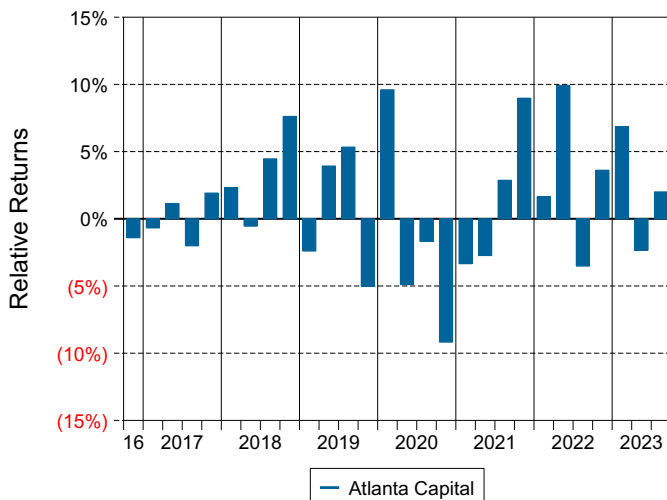
### Quarterly Asset Growth

Beginning Market Value	\$32,585,137
Net New Investment	\$0
Investment Gains/(Losses)	\$-1,053,133
Ending Market Value	\$31,532,004

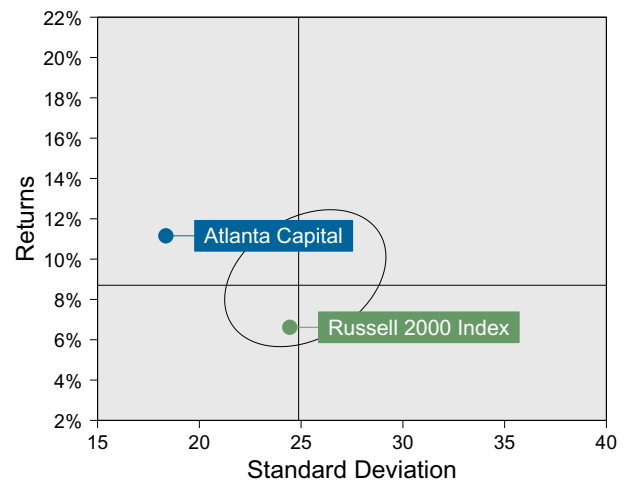
### Performance vs Callan Small Capitalization (Gross)



### Relative Return vs Russell 2000 Index



### Callan Small Capitalization (Gross) Annualized Seven Year Risk vs Return



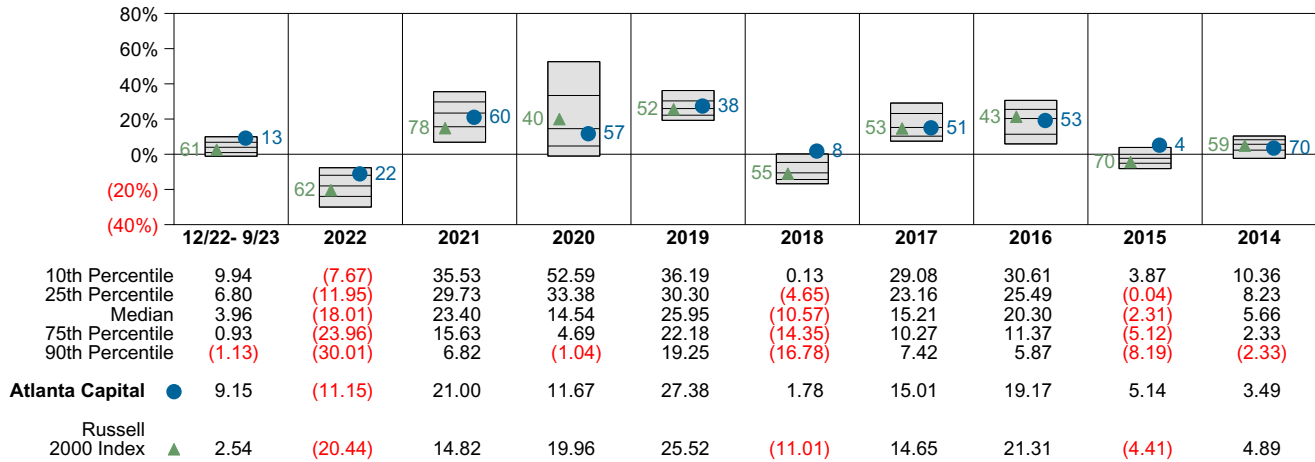


# Atlanta Capital Return Analysis Summary

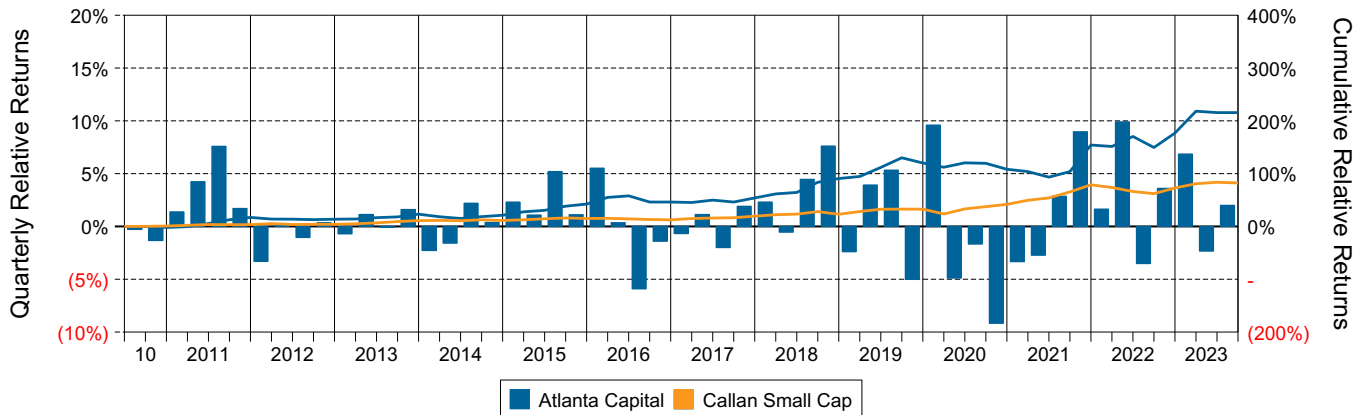
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

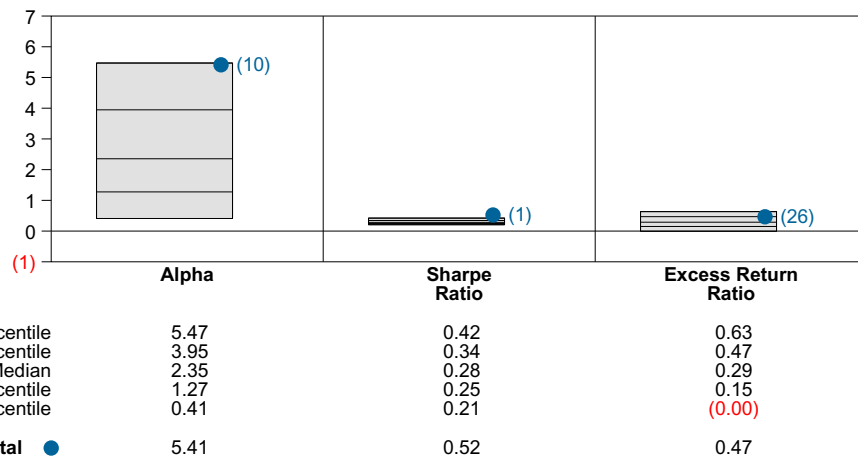
### Performance vs Callan Small Capitalization (Gross)



### Cumulative and Quarterly Relative Returns vs Russell 2000 Index



### Risk Adjusted Return Measures vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended September 30, 2023

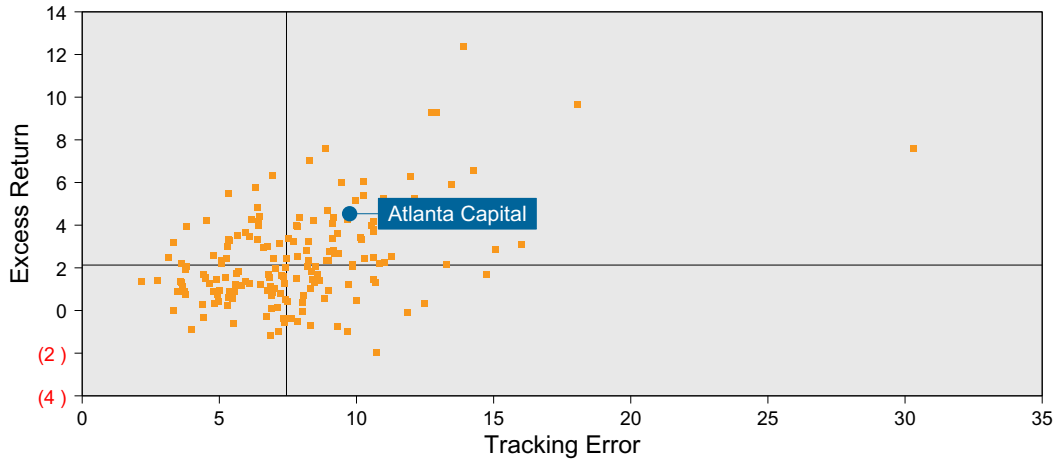


# Atlanta Capital Risk Analysis Summary

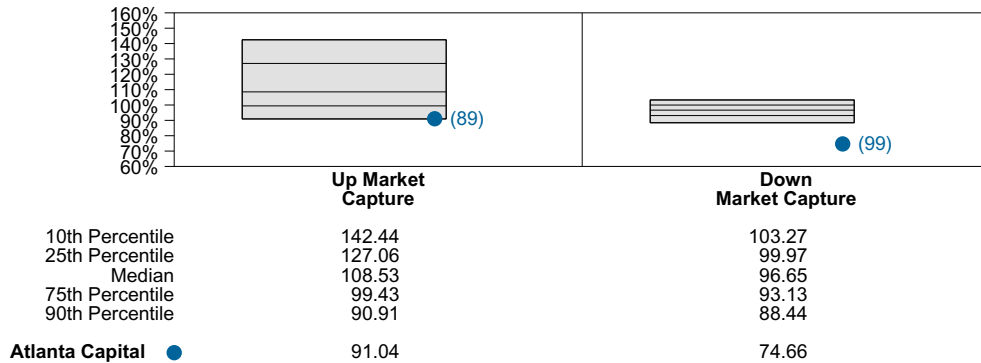
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

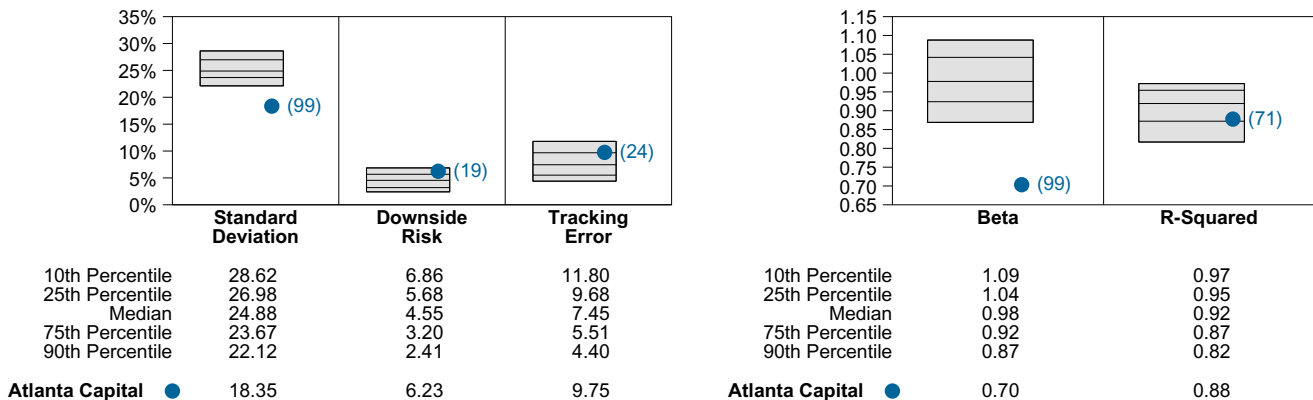
### Risk Analysis vs Callan Small Capitalization (Gross) Seven Years Ended September 30, 2023



### Market Capture vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended September 30, 2023



### Risk Statistics Rankings vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended September 30, 2023

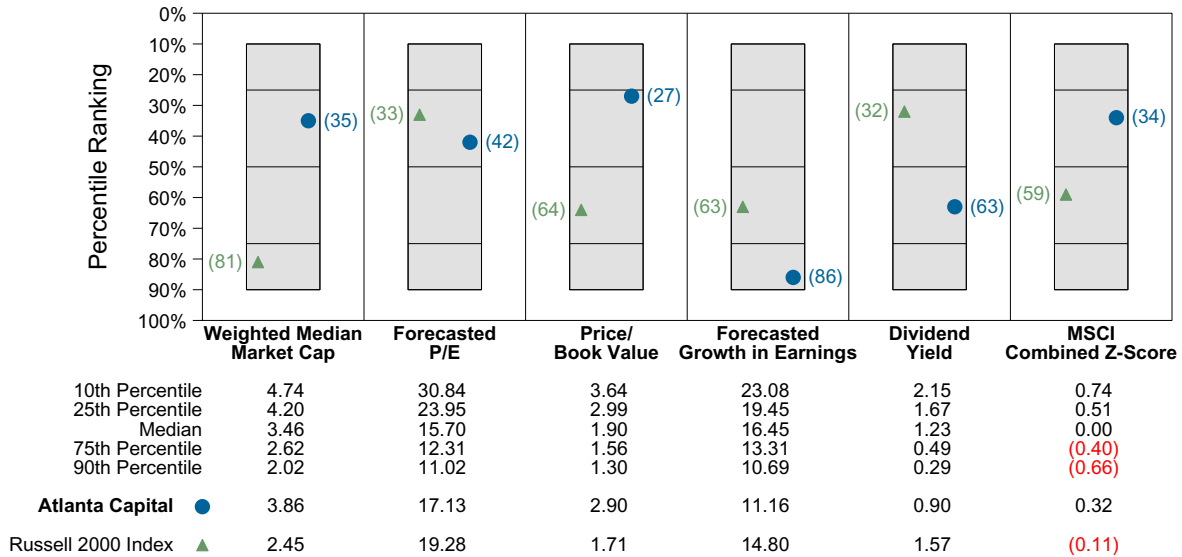


# Atlanta Capital Equity Characteristics Analysis Summary

## Portfolio Characteristics

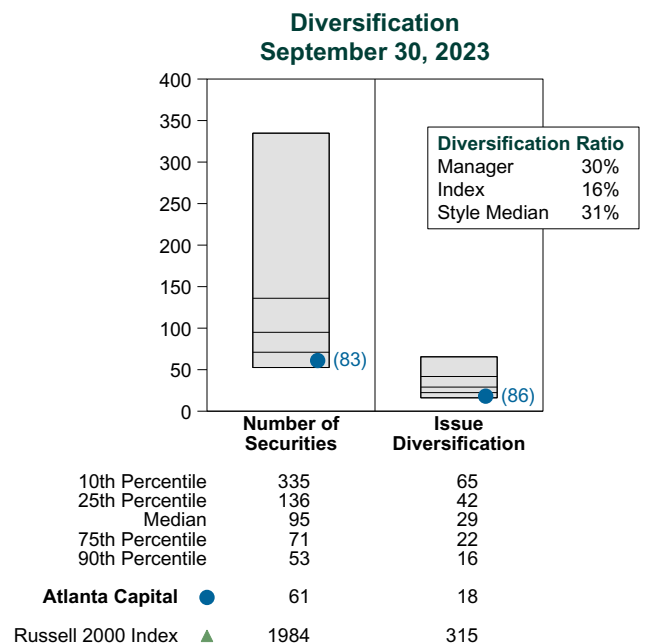
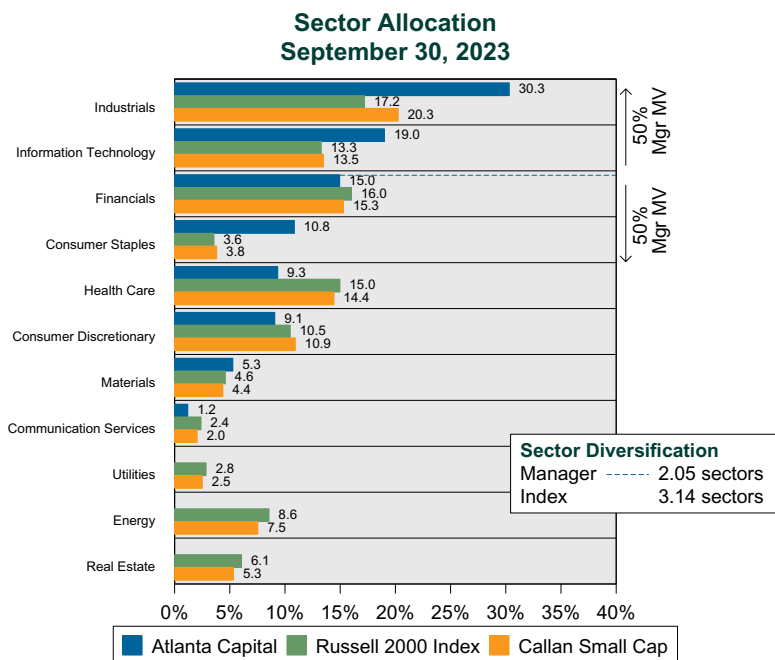
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Capitalization as of September 30, 2023



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



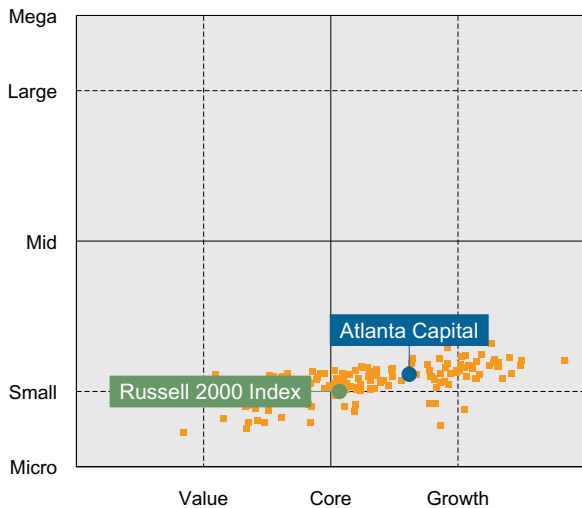
# Current Holdings Based Style Analysis

## Atlanta Capital

### As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

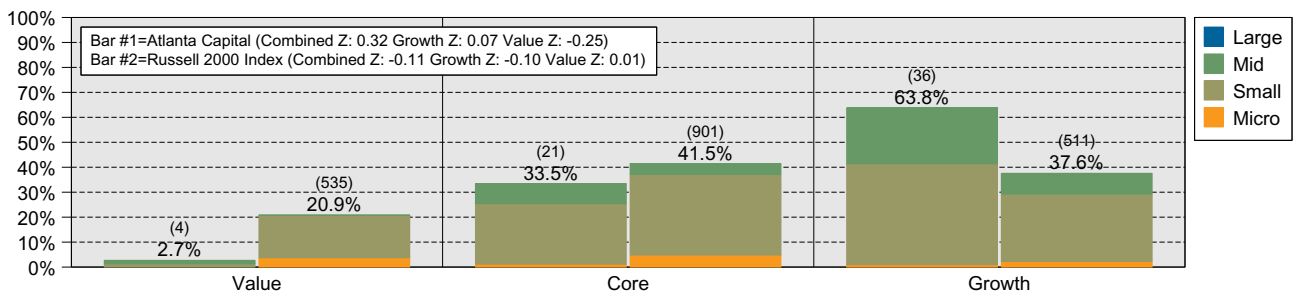
**Style Map vs Callan Small Cap Holdings as of September 30, 2023**



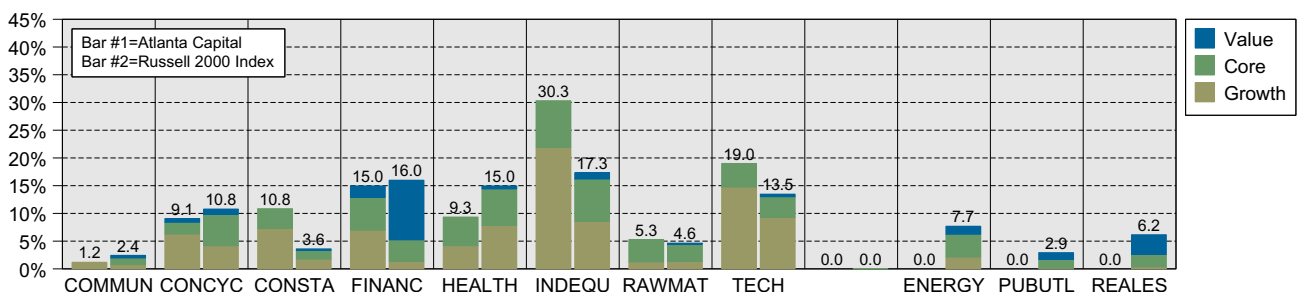
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	1.4% (2)	8.1% (3)	22.5% (10)	32.0% (15)
Small	1.3% (2)	24.2% (17)	40.4% (25)	65.9% (44)
Micro	0.0% (0)	1.2% (1)	1.0% (1)	2.1% (2)
<b>Total</b>	<b>2.7% (4)</b>	<b>33.5% (21)</b>	<b>63.8% (36)</b>	<b>100.0% (61)</b>
	20.9% (535)	41.5% (901)	37.6% (511)	100.0% (1947)

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



**Sector Weights Distribution Holdings as of September 30, 2023**



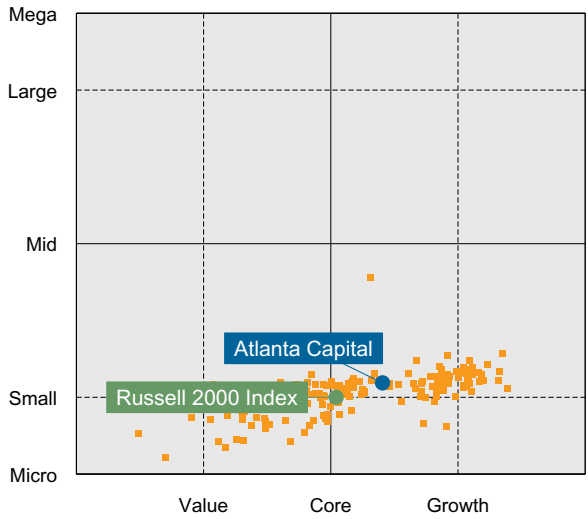
# Historical Holdings Based Style Analysis

## Atlanta Capital

### For Five Years Ended September 30, 2023

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

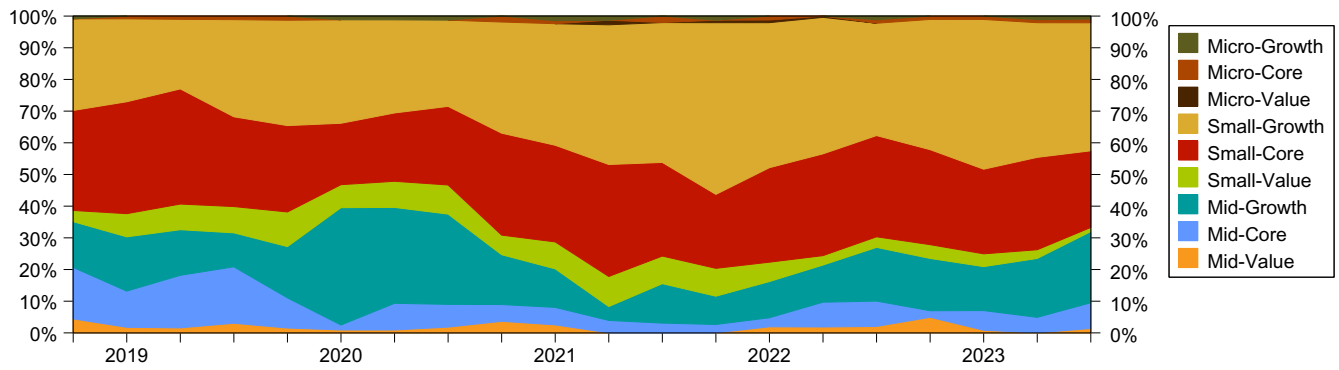
**Average Style Map vs Callan Small Cap Holdings for Five Years Ended September 30, 2023**



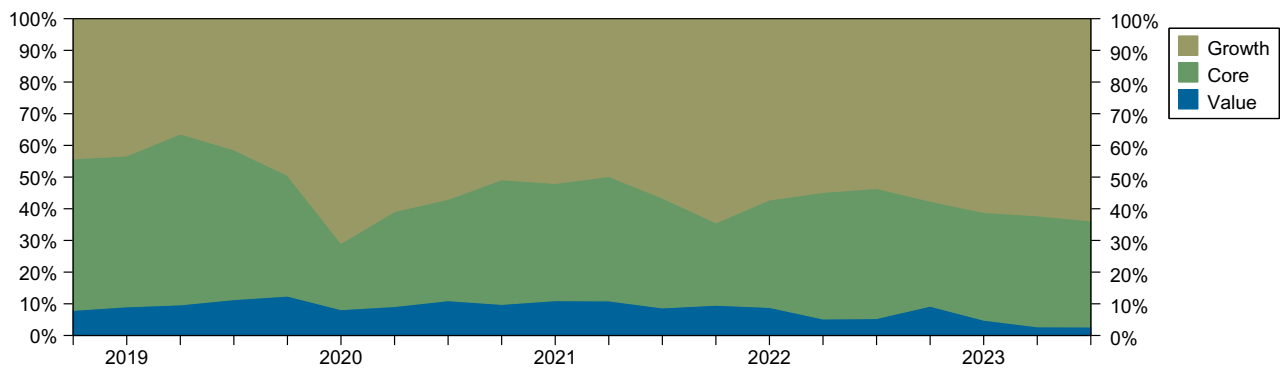
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2023**

	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	1.8% (1)	7.5% (4)	16.7% (8)	25.9% (13)
Small	6.5% (6)	29.0% (19)	37.1% (22)	72.5% (47)
Micro	0.2% (0)	0.8% (1)	0.6% (1)	1.6% (2)
<b>Total</b>	<b>8.4% (7)</b>	<b>37.2% (24)</b>	<b>54.4% (31)</b>	<b>100.0% (62)</b>
	23.0% (563)	38.5% (866)	38.4% (548)	100.0% (1977)
	Value	Core	Growth	Total

### Atlanta Capital Historical Cap/Style Exposures



### Atlanta Capital Historical Style Only Exposures





# International Equity Period Ended September 30, 2023

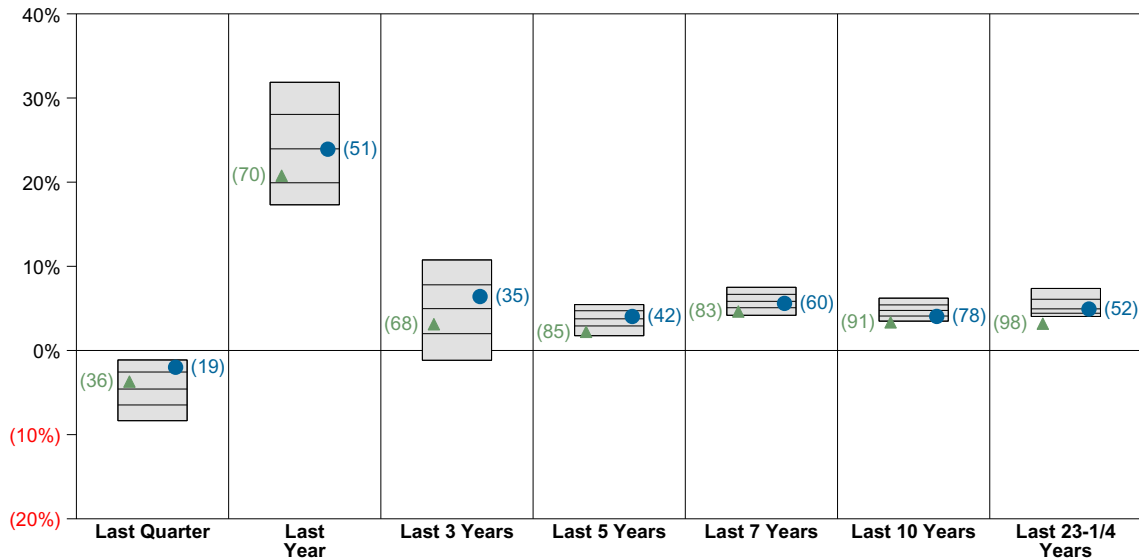
## Investment Philosophy

International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

## Quarterly Summary and Highlights

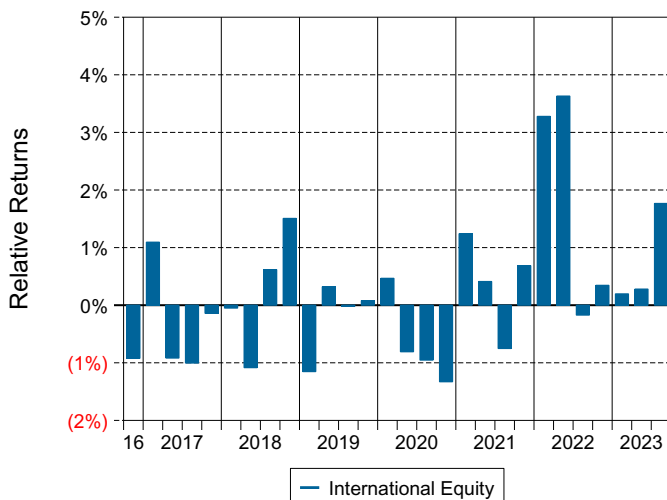
- International Equity's portfolio posted a (1.99)% return for the quarter placing it in the 19 percentile of the Callan Non-US Equity group for the quarter and in the 51 percentile for the last year.
- International Equity's portfolio outperformed the International Benchmark by 1.70% for the quarter and outperformed the International Benchmark for the year by 3.15%.

## Performance vs Callan Non-US Equity (Gross)

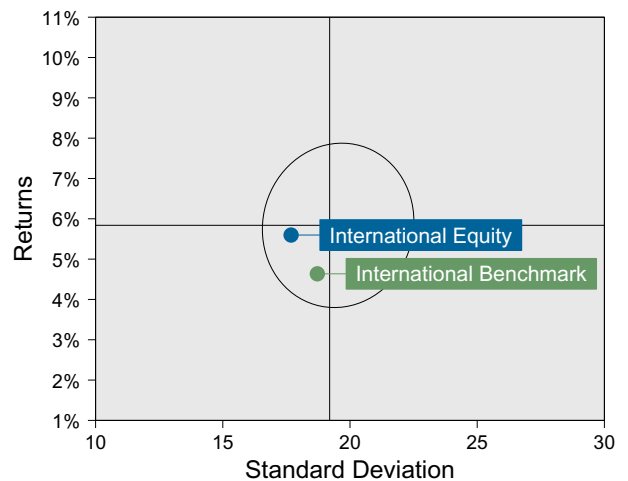


10th Percentile	(1.13)	31.87	10.76	5.45	7.51	6.22	7.37
25th Percentile	(2.56)	28.05	7.80	4.72	6.67	5.41	6.09
Median	(4.58)	23.96	4.97	3.76	5.84	4.76	4.95
75th Percentile	(6.47)	19.93	2.00	2.92	5.08	4.09	4.43
90th Percentile	(8.34)	17.31	(1.17)	1.76	4.18	3.49	4.04
<b>International Equity</b>	<b>● (1.99)</b>	<b>23.92</b>	<b>6.41</b>	<b>4.04</b>	<b>5.60</b>	<b>4.05</b>	<b>4.92</b>
International Benchmark	<b>▲ (3.69)</b>	<b>20.77</b>	<b>3.12</b>	<b>2.22</b>	<b>4.64</b>	<b>3.35</b>	<b>3.19</b>

## Relative Return vs International Benchmark



## Callan Non-US Equity (Gross) Annualized Seven Year Risk vs Return

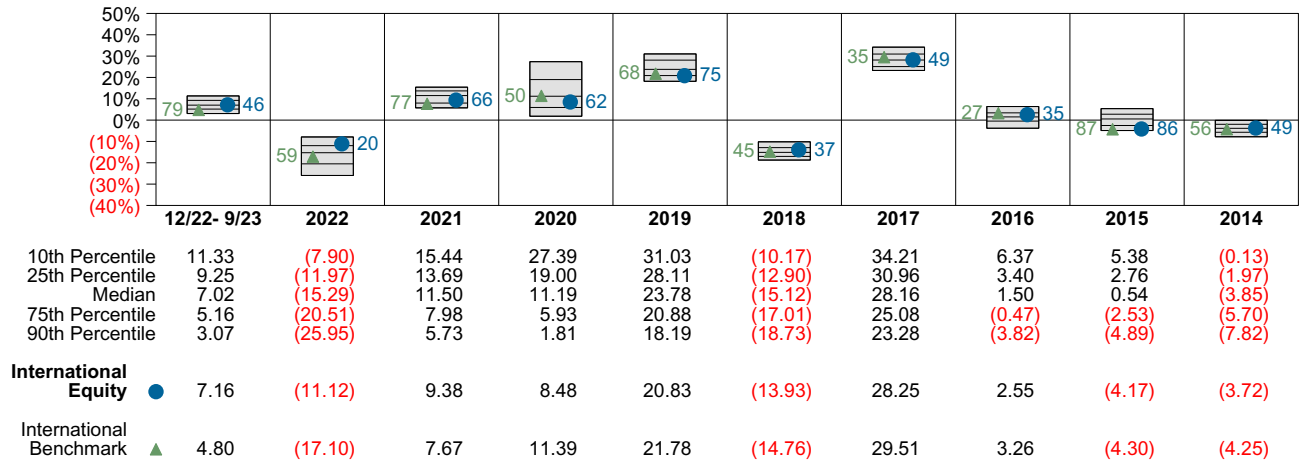


# International Equity Return Analysis Summary

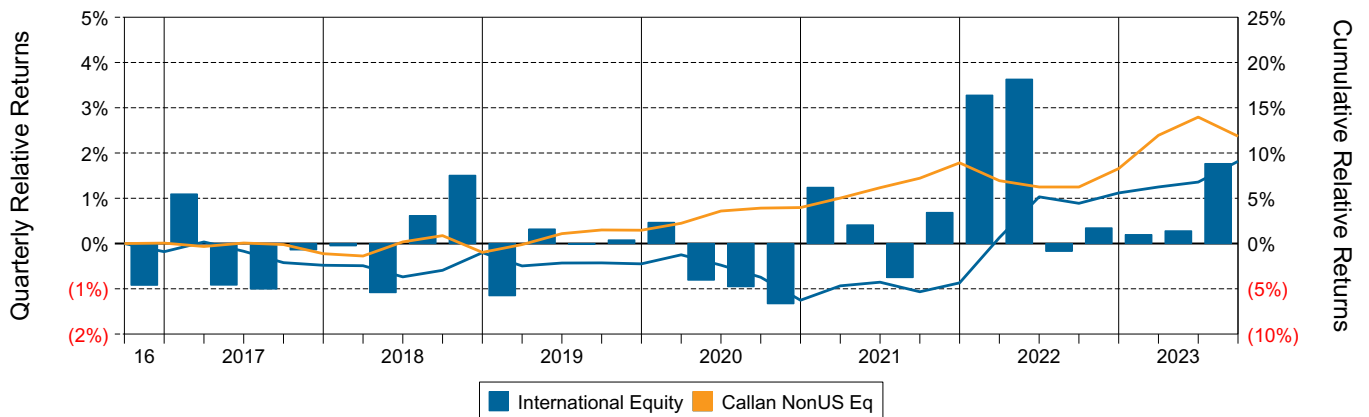
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

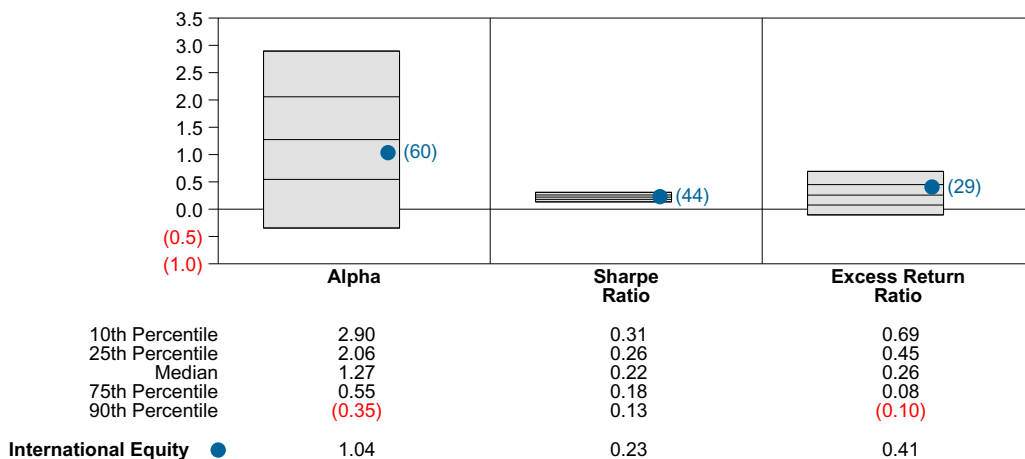
### Performance vs Callan Non-US Equity (Gross)



### Cumulative and Quarterly Relative Returns vs International Benchmark



### Risk Adjusted Return Measures vs International Benchmark Rankings Against Callan Non-US Equity (Gross) Seven Years Ended September 30, 2023

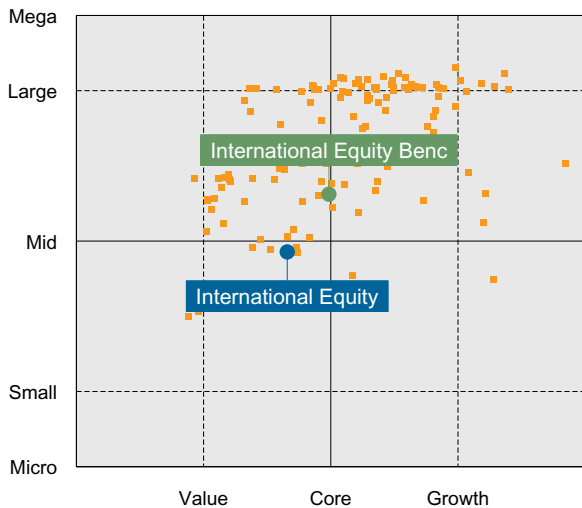




# Current Holdings Based Style Analysis International Equity As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left chart illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

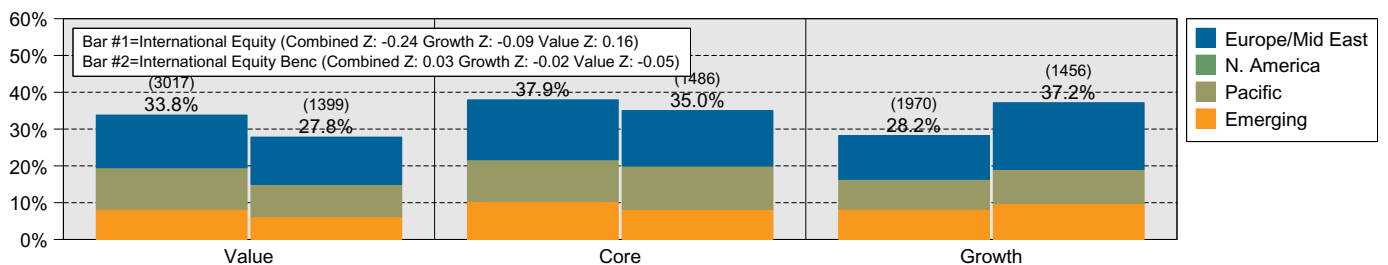
**Style Map vs Callan NonUS Eq Holdings as of September 30, 2023**



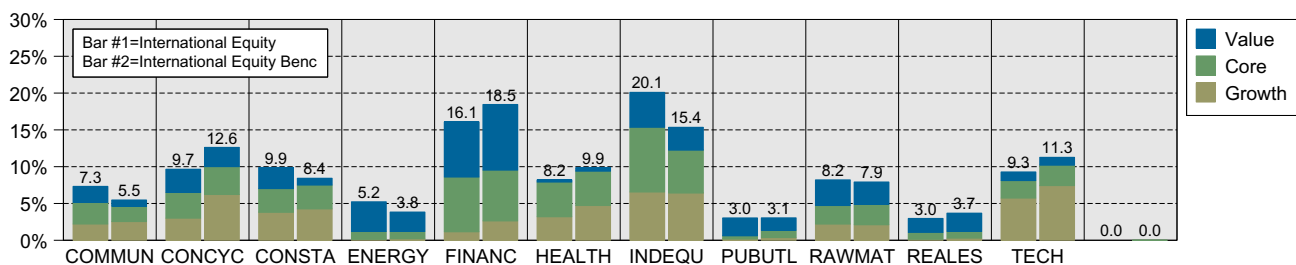
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Europe/ Mid East	14.3% (253)	16.3% (178)	11.9% (167)	42.5% (598)
N. America	12.8% (473)	15.1% (508)	18.2% (482)	46.0% (1463)
Pacific	0.0% (1)	0.0% (4)	0.0% (0)	0.0% (5)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>33.8% (3017)</b>	<b>37.9% (2525)</b>	<b>28.2% (1970)</b>	<b>100.0% (7512)</b>
	27.8% (1399)	35.0% (1486)	37.2% (1456)	100.0% (4341)

## Combined Z-Score Style Distribution Holdings as of September 30, 2023



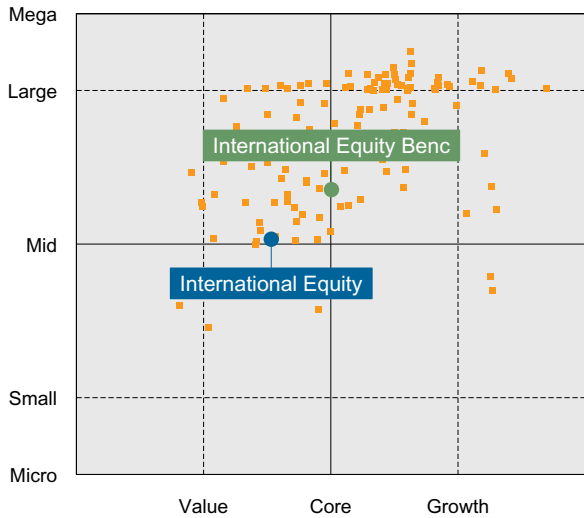
## Sector Weights Distribution Holdings as of September 30, 2023



# Historical Holdings Based Style Analysis International Equity For Five Years Ended September 30, 2023

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

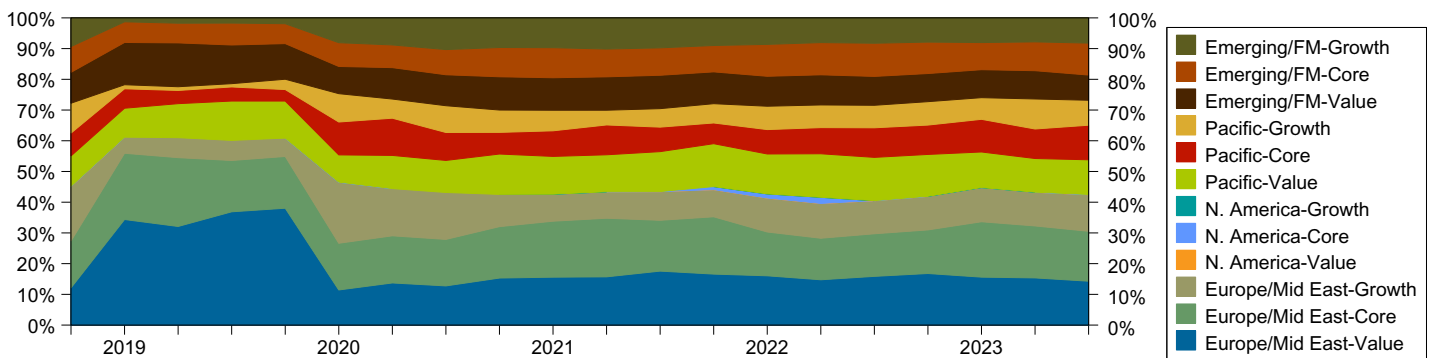
**Average Style Map vs Callan NonUS Eq Holdings for Five Years Ended September 30, 2023**



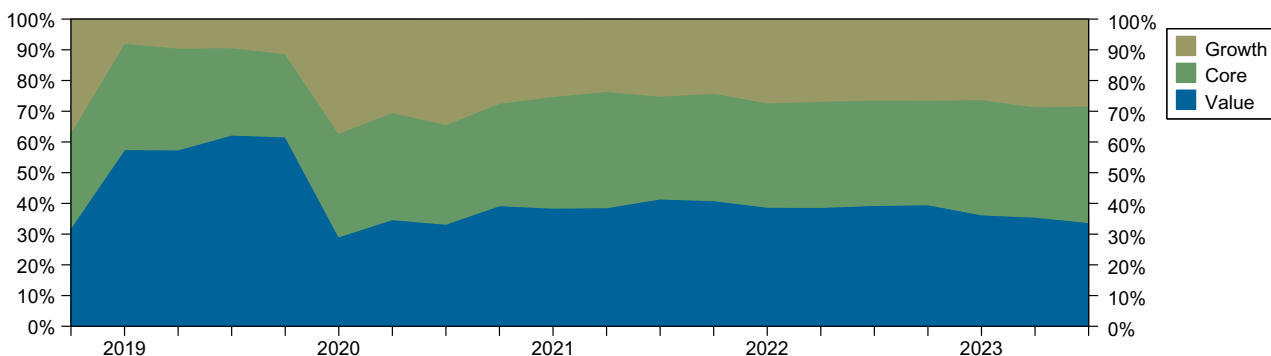
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2023**

	Value	Core	Growth	Total
Europe/ Mid East	19.0% (237)	16.7% (203)	10.8% (198)	46.6% (638)
	13.5% (468)	14.4% (524)	18.6% (499)	46.5% (1491)
N. America	0.0% (1)	0.2% (4)	0.0% (0)	0.2% (5)
	0.0% (1)	0.0% (3)	0.0% (1)	0.0% (5)
Pacific	11.9% (277)	8.3% (226)	6.3% (189)	26.5% (692)
	9.3% (557)	9.4% (562)	10.9% (544)	29.6% (1663)
Emerging/ FM	10.5% (2201)	8.7% (1836)	7.4% (1295)	26.6% (5332)
	6.4% (452)	7.5% (416)	10.0% (428)	23.8% (1296)
<b>Total</b>	<b>41.4% (2716)</b>	<b>34.0% (2269)</b>	<b>24.6% (1682)</b>	<b>100.0% (6667)</b>
	<b>29.2% (1478)</b>	<b>31.3% (1505)</b>	<b>39.5% (1472)</b>	<b>100.0% (4455)</b>

**International Equity Historical Region/Style Exposures**



**International Equity Historical Style Only Exposures**



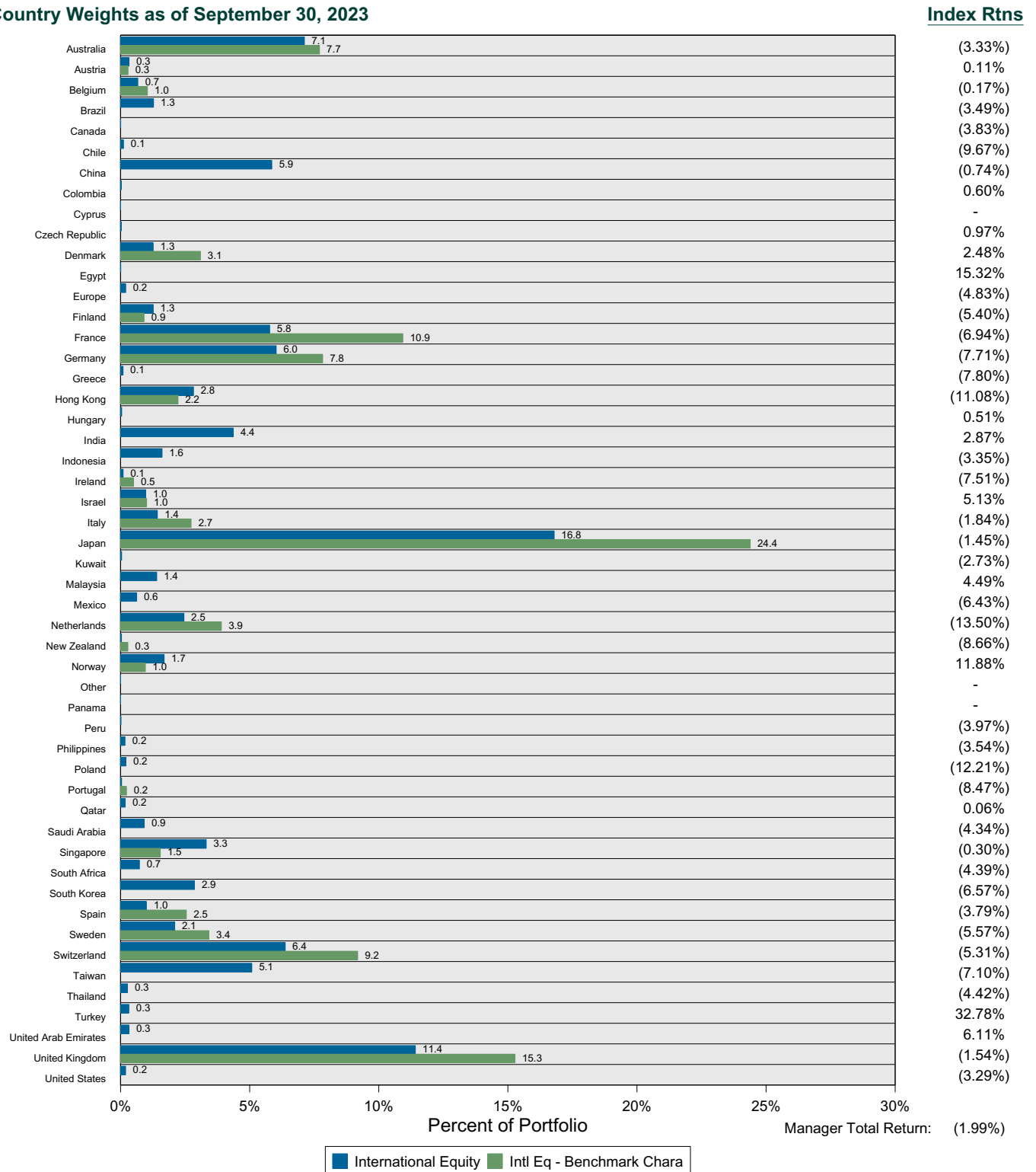
# Country Allocation

## International Equity VS Intl Eq - Benchmark Characteristics

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2023. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of September 30, 2023



# SSgA EAFE

## Period Ended September 30, 2023

### Investment Philosophy

Returns prior to 6/30/2012 are linked to a composite history.

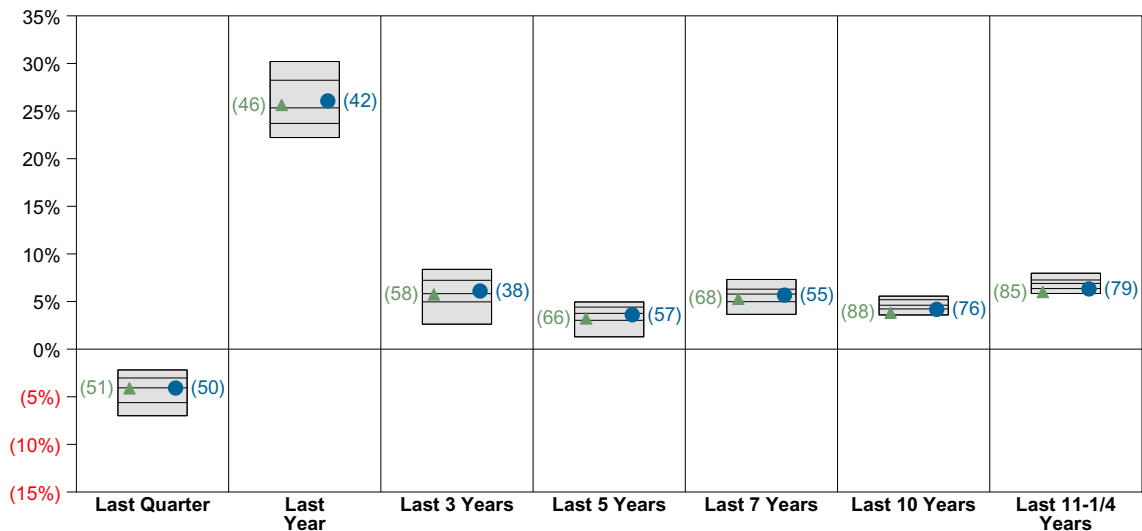
### Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a (4.09)% return for the quarter placing it in the 50 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 42 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE Index by 0.03% for the quarter and outperformed the MSCI EAFE Index for the year by 0.42%.

### Quarterly Asset Growth

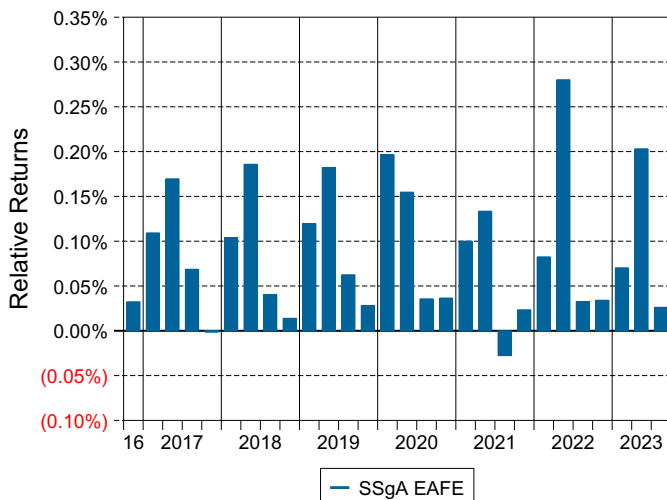
Beginning Market Value	\$17,845,881
Net New Investment	\$0
Investment Gains/(Losses)	\$-729,130
Ending Market Value	\$17,116,751

### Performance vs Callan Non-US Developed Core Equity (Gross)

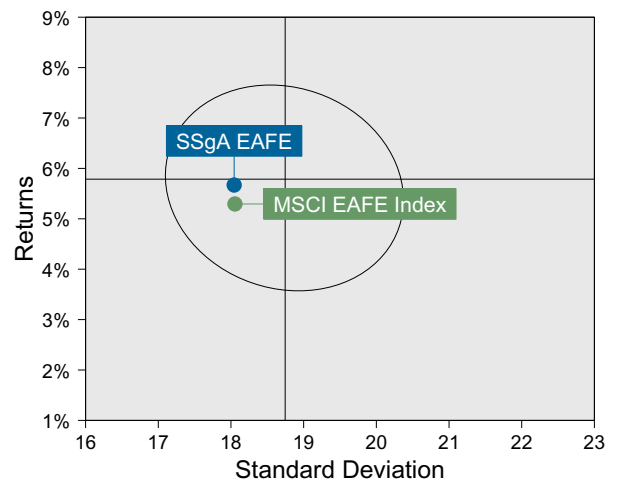


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 11-1/4 Years
10th Percentile	(2.18)	30.20	8.38	4.96	7.32	5.57	7.97
25th Percentile	(3.03)	28.24	7.23	4.42	6.30	5.19	7.26
Median	(4.06)	25.34	5.83	3.76	5.79	4.61	6.90
75th Percentile	(5.62)	23.70	4.96	3.03	4.98	4.22	6.36
90th Percentile	(6.99)	22.22	2.62	1.29	3.65	3.59	5.84
<b>SSgA EAFE</b>	<b>● (4.09)</b>	26.07	6.10	3.61	5.67	4.18	6.32
<b>MSCI EAFE Index</b>	<b>▲ (4.11)</b>	25.65	5.75	3.24	5.29	3.82	6.00

### Relative Return vs MSCI EAFE Index



### Callan Non-US Developed Core Equity (Gross) Annualized Seven Year Risk vs Return

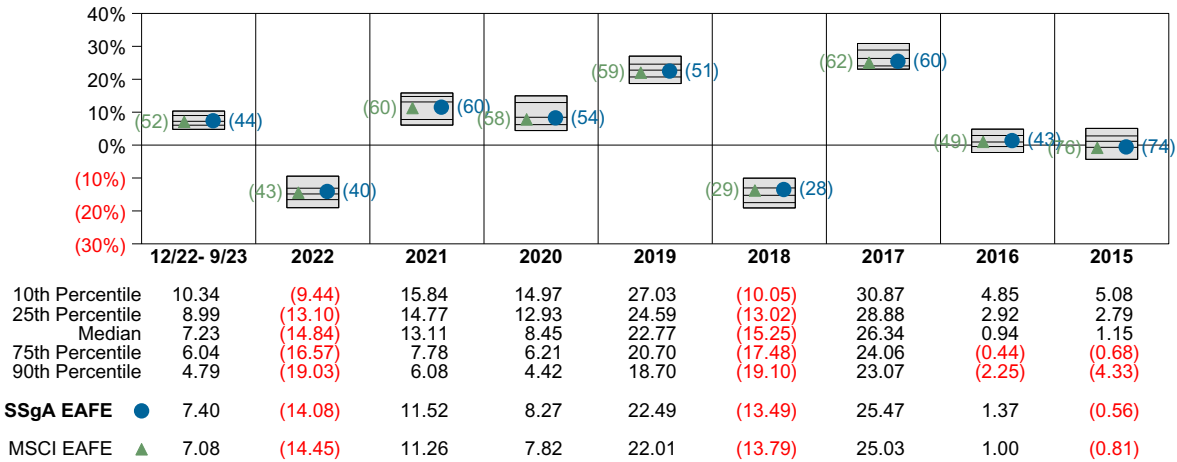


# SSgA EAFE Return Analysis Summary

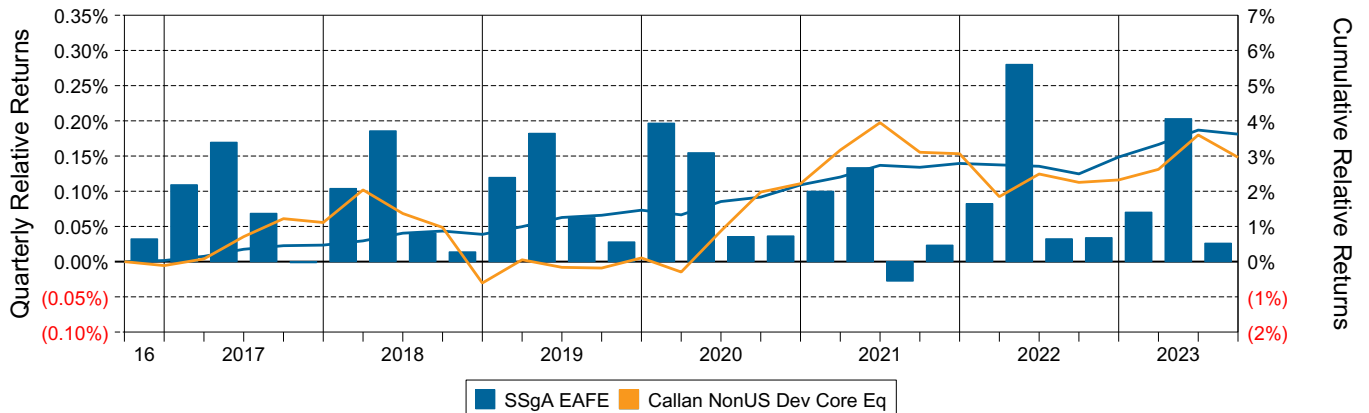
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

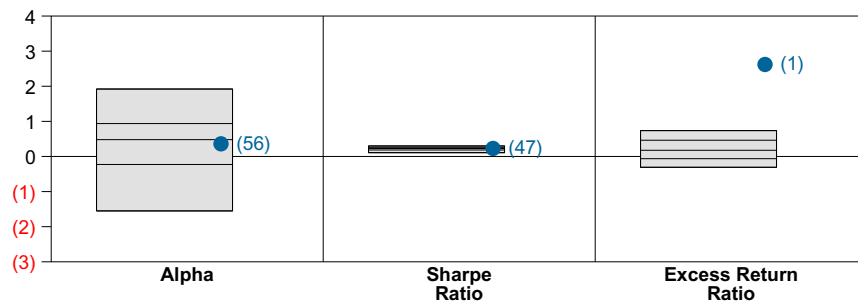
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Cumulative and Quarterly Relative Returns vs MSCI EAFE



### Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2023



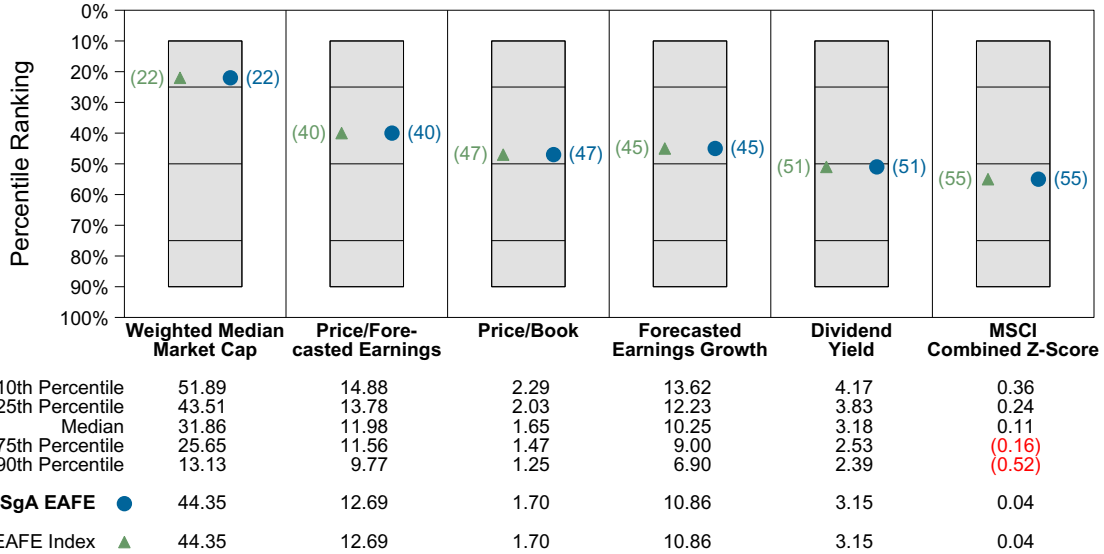
10th Percentile	1.92	0.30	0.74
25th Percentile	0.94	0.26	0.46
Median	0.48	0.23	0.18
75th Percentile	(0.23)	0.19	(0.06)
90th Percentile	(1.55)	0.11	(0.31)
<b>SSgA EAFE</b>	● 0.36	0.23	2.62

# SSgA EAFE Equity Characteristics Analysis Summary

## Portfolio Characteristics

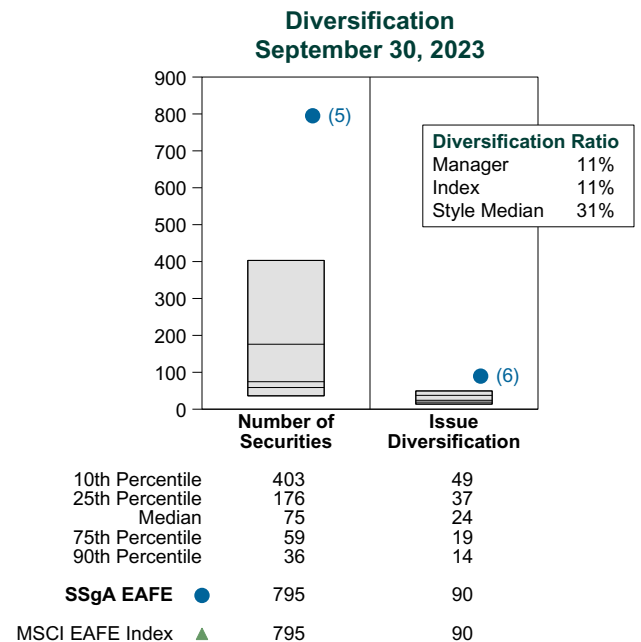
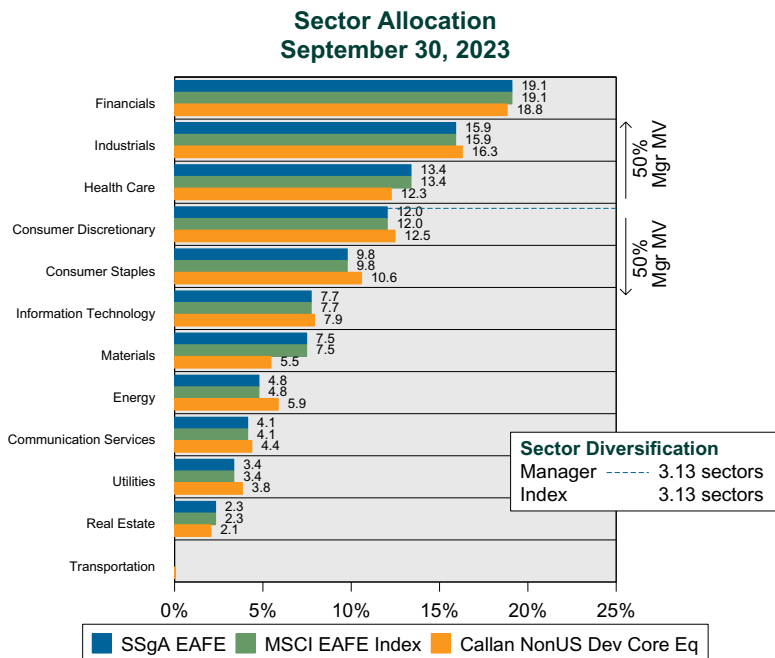
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of September 30, 2023



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



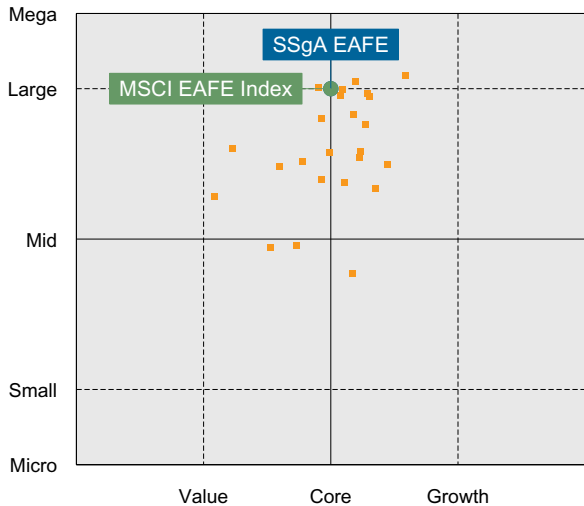
# Current Holdings Based Style Analysis

## SSgA EAFE

### As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

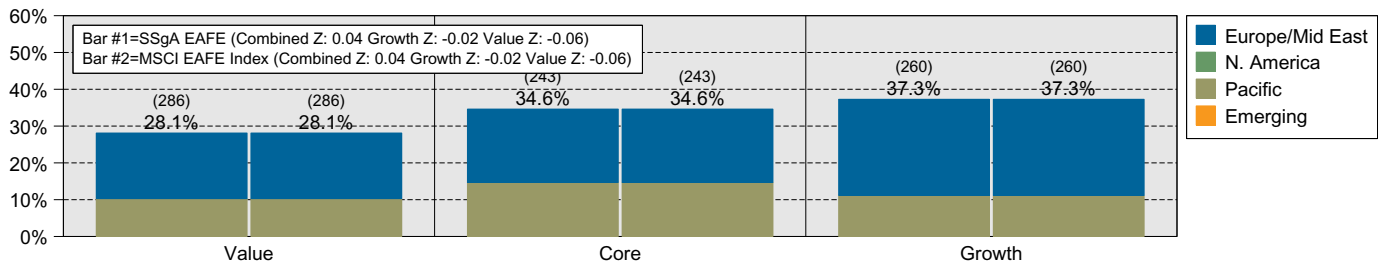
**Style Map vs Callan NonUS Dev Core Eq Holdings as of September 30, 2023**



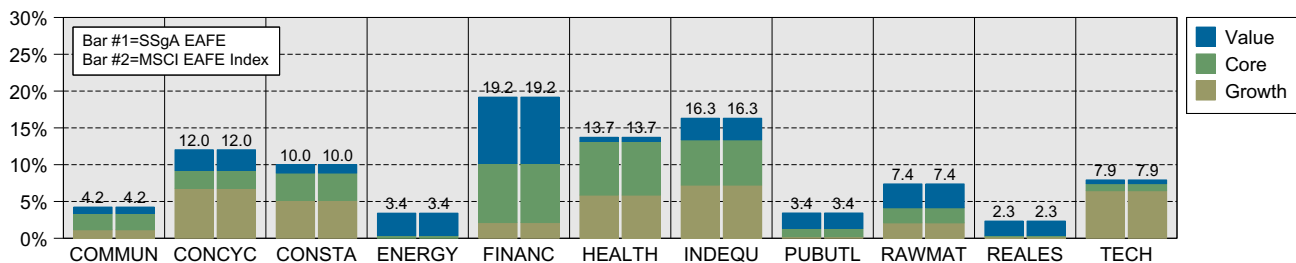
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Europe/Mid East	17.8% (154)	19.9% (130)	26.1% (151)	63.9% (435)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	10.3% (132)	14.7% (113)	11.2% (109)	36.1% (354)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>28.1% (286)</b>	<b>34.6% (243)</b>	<b>37.3% (260)</b>	<b>100.0% (789)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



**Sector Weights Distribution Holdings as of September 30, 2023**



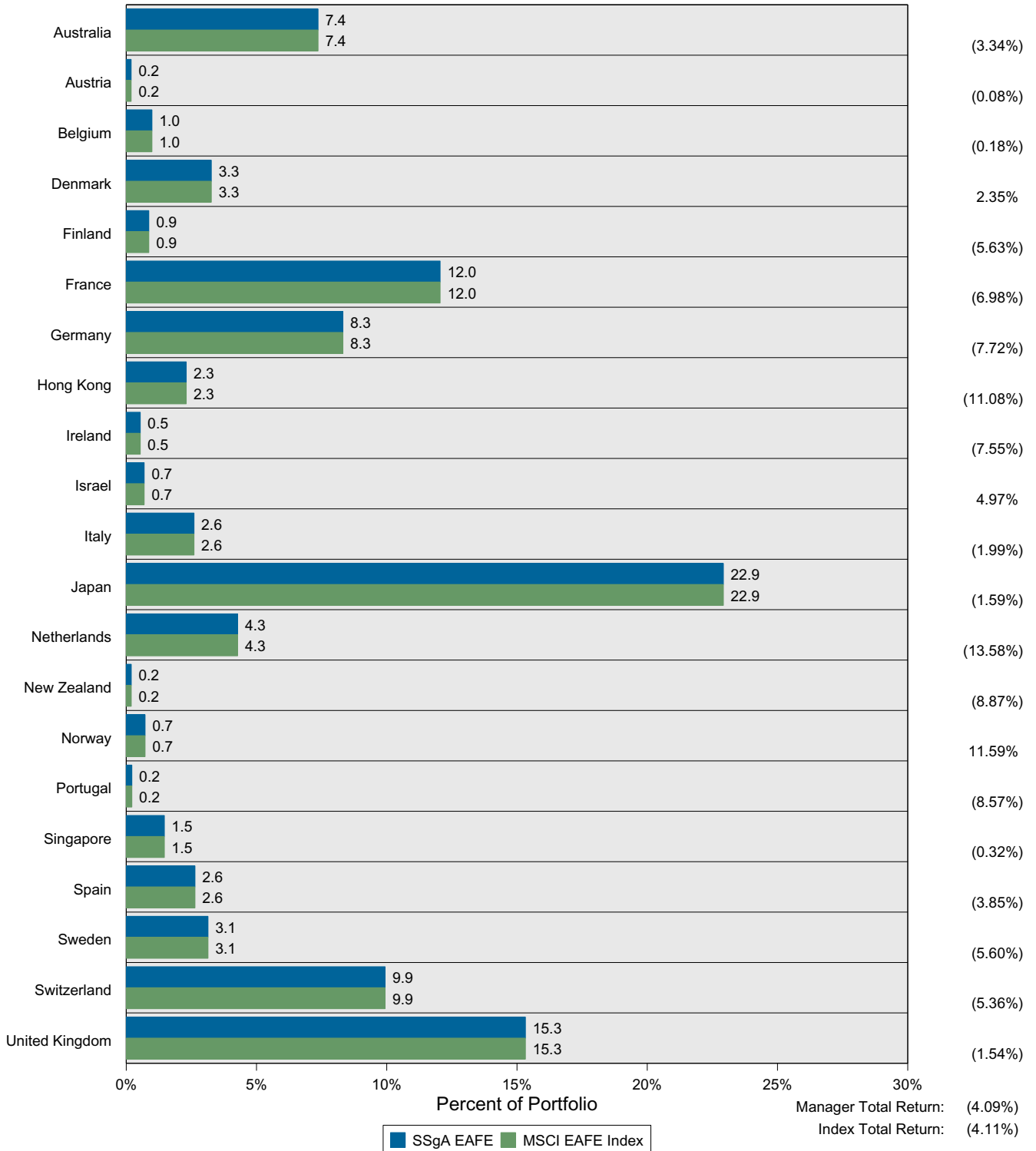
## Country Allocation SSgA EAFE VS MSCI EAFE Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2023. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

### Country Weights as of September 30, 2023

### Index Rtns





## SSgA EAFE Top 10 Portfolio Holdings Characteristics as of September 30, 2023

### 10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Nestle S A Shs Nom New	Consumer Staples	\$350,952	2.1%	(5.71)%	302.79	19.94	2.84%	6.71%
Novo-Nordisk A S Almindelig Aktie	Health Care	\$345,805	2.0%	14.05%	314.04	31.78	1.10%	28.70%
Asml Holding N V Asml Rev Stk Spl	Information Technology	\$276,601	1.6%	(17.98)%	238.63	26.41	1.05%	22.89%
Novartis	Health Care	\$243,789	1.4%	2.00%	233.70	13.81	3.41%	9.60%
Astrazeneca Plc Ord	Health Care	\$243,428	1.4%	(4.87)%	210.02	16.39	2.14%	13.00%
Lvmh Moet Hennessy Lou Vuitton	Consumer Discretionary	\$242,758	1.4%	(19.44)%	380.78	20.58	0.77%	10.94%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$222,944	1.3%	(10.44)%	192.35	12.54	3.79%	2.75%
Toyota Motor Corp	Consumer Discretionary	\$220,549	1.3%	12.34%	292.73	10.15	2.24%	18.30%
Hsbc Holdings (Gb)	Financials	\$180,351	1.1%	5.10%	153.97	6.22	4.70%	18.11%
Total Sa Act	Energy	\$171,929	1.0%	16.43%	159.13	6.93	4.59%	(9.70)%

### 10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Adevinta B	Communication Services	\$3,362	0.0%	51.46%	11.60	34.19	0.00%	-
Futu Hldgs Ltd Sponsored Ads	Financials	\$3,701	0.0%	45.56%	5.32	14.09	0.00%	118.90%
Kawasaki Kisen Kaisha Ltd Shs	Industrials	\$5,467	0.0%	43.11%	8.58	11.89	7.84%	115.60%
Rolls Royce Holdings Plc Lon Shs	Industrials	\$26,303	0.2%	40.40%	22.69	20.93	0.00%	84.12%
Inpex Corp Tokyo Shs	Energy	\$17,009	0.1%	37.15%	20.96	7.89	3.28%	48.15%
Teva Pharmaceutical Inds Ltd ADR	Health Care	\$13,246	0.1%	32.04%	11.26	4.08	0.00%	14.61%
Galp Energia	Energy	\$8,478	0.0%	29.93%	11.25	11.43	3.78%	6.10%
Salmar	Consumer Staples	\$4,295	0.0%	26.38%	7.41	17.01	3.68%	(2.13)%
Adecco Sa Cheserex Ord	Industrials	\$7,655	0.0%	26.34%	6.95	12.15	6.62%	(2.69)%
Argen-X	Health Care	\$31,628	0.2%	25.77%	28.55	(171.83)	0.00%	-

### 10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Adyen NV Common Stock	Financials	\$18,799	0.1%	(56.81)%	23.17	29.94	0.00%	22.65%
Dong Energy A/S Common Stock	Utilities	\$11,989	0.1%	(42.12)%	22.99	19.14	3.51%	3.98%
Telefonica Deutschland Hldg Ag Npv	Communication Services	\$1,856	0.0%	(36.68)%	5.34	17.60	10.62%	(1.30)%
Delivery Hero	Consumer Discretionary	\$5,841	0.0%	(34.03)%	7.76	(13.45)	0.00%	-
Nibe Industrier Ab Markaryd Shs B	Industrials	\$11,609	0.1%	(30.29)%	11.78	24.30	0.91%	13.70%
Hexagon Ab Shs	Information Technology	\$20,684	0.1%	(30.06)%	22.31	17.62	1.48%	6.69%
Mtu Aero Engines I	Industrials	\$11,345	0.1%	(29.30)%	9.80	14.63	1.86%	15.41%
Symex Corp Kobe Shs	Health Care	\$9,297	0.1%	(29.10)%	10.03	26.57	1.15%	10.50%
Entain Plc Shs	Consumer Discretionary	\$8,429	0.0%	(29.06)%	7.27	13.09	1.86%	18.30%
Abrdn Plc Ord	Financials	\$4,292	0.0%	(28.46)%	3.62	12.67	9.38%	8.00%

# Pyrford

## Period Ended September 30, 2023

### Investment Philosophy

Returns prior to 6/30/2017 are linked to a composite history.

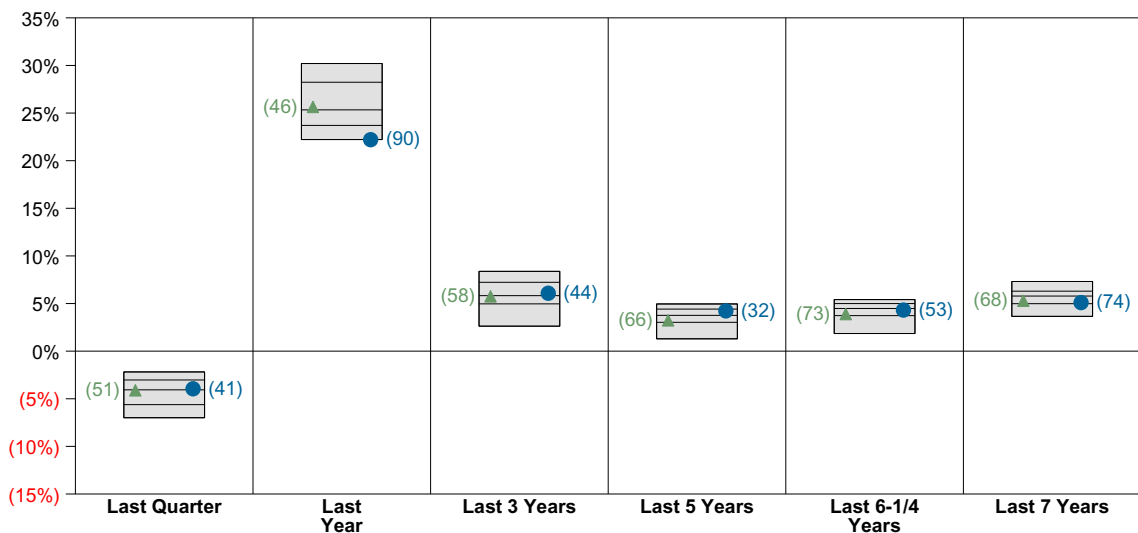
### Quarterly Summary and Highlights

- Pyrford's portfolio posted a (3.95)% return for the quarter placing it in the 41 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 90 percentile for the last year.
- Pyrford's portfolio outperformed the MSCI EAFE Index by 0.16% for the quarter and underperformed the MSCI EAFE Index for the year by 3.44%.

### Quarterly Asset Growth

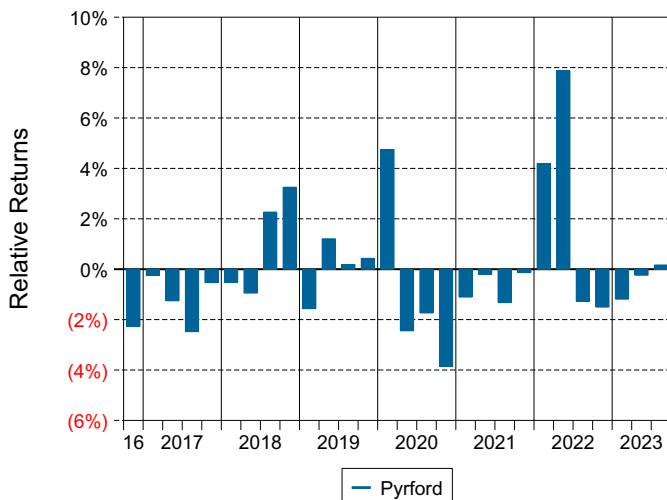
Beginning Market Value	\$36,292,308
Net New Investment	\$0
Investment Gains/(Losses)	\$-1,435,177
Ending Market Value	\$34,857,131

### Performance vs Callan Non-US Developed Core Equity (Gross)

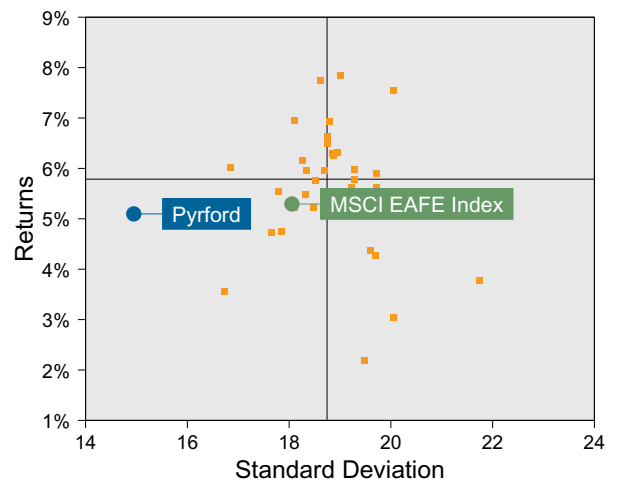


10th Percentile	(2.18)	30.20	8.38	4.96	5.42	7.32
25th Percentile	(3.03)	28.24	7.23	4.42	5.00	6.30
Median	(4.06)	25.34	5.83	3.76	4.48	5.79
75th Percentile	(5.62)	23.70	4.96	3.03	3.73	4.98
90th Percentile	(6.99)	22.22	2.62	1.29	1.85	3.65
<b>Pyrford</b> ●	<b>(3.95)</b>	22.20	6.08	4.23	4.31	5.10
MSCI EAFE Index ▲	<b>(4.11)</b>	25.65	5.75	3.24	3.90	5.29

### Relative Return vs MSCI EAFE Index



### Callan Non-US Developed Core Equity (Gross) Annualized Seven Year Risk vs Return

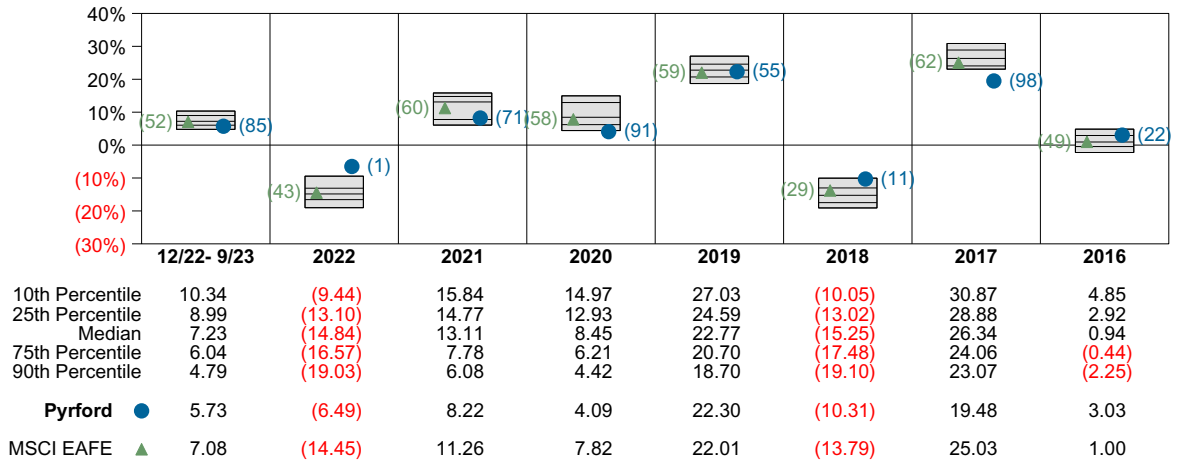


# Pyrford Return Analysis Summary

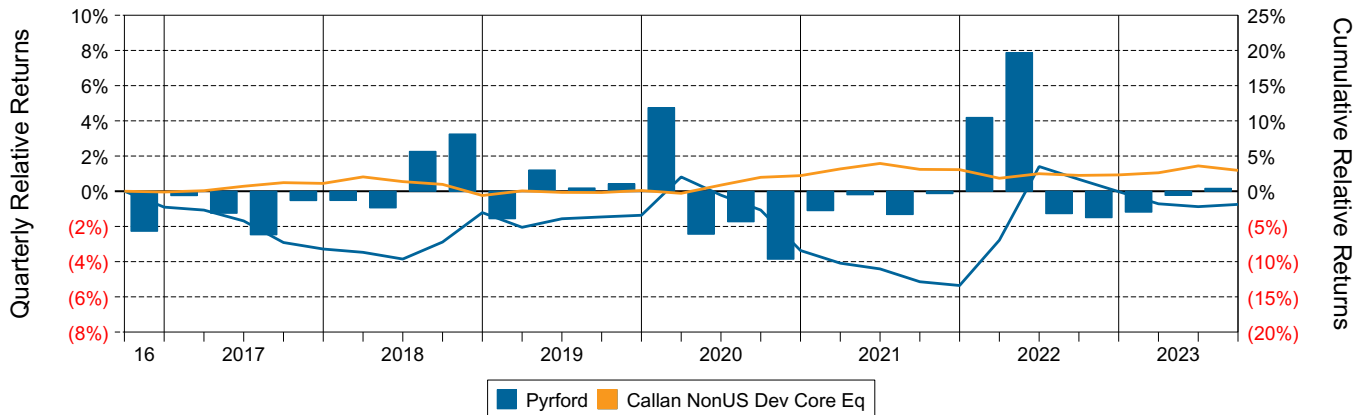
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

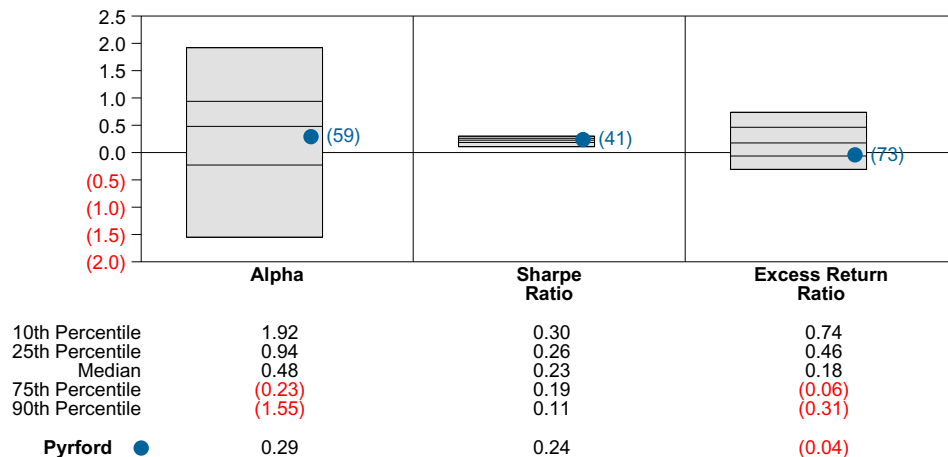
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Cumulative and Quarterly Relative Returns vs MSCI EAFE



### Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2023

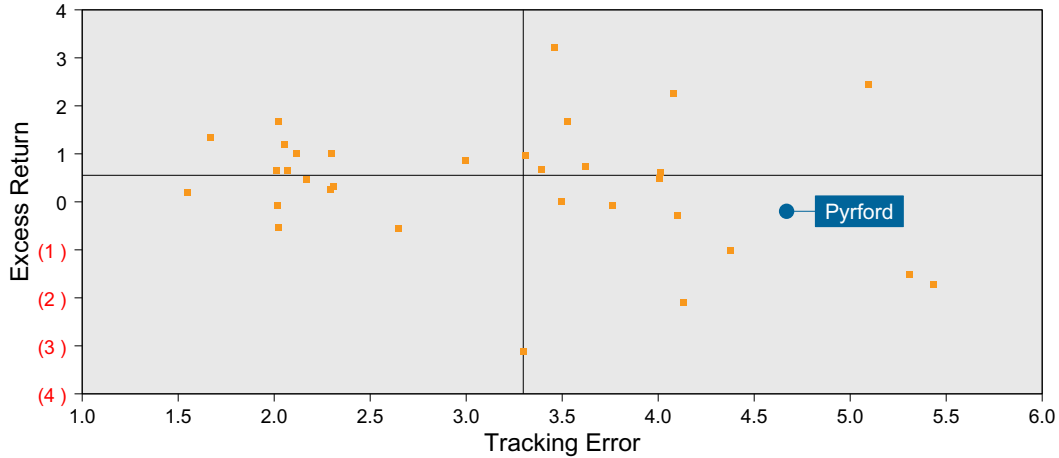


# Pyrford Risk Analysis Summary

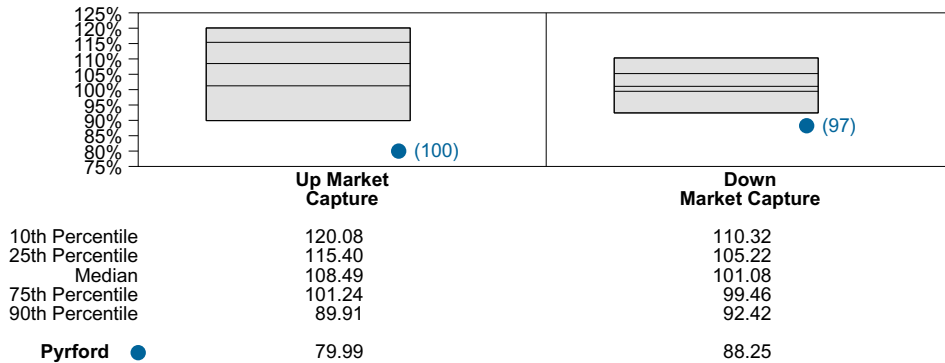
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

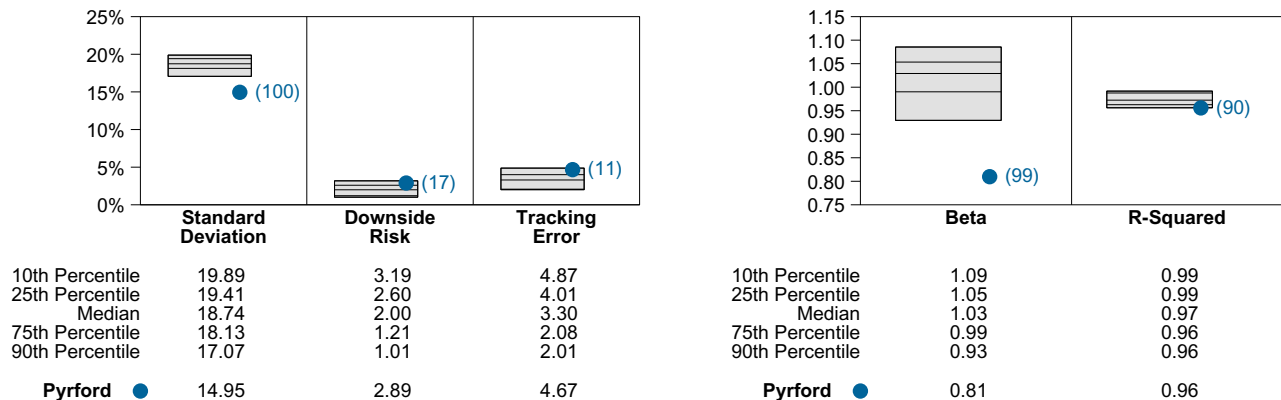
### Risk Analysis vs Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2023



### Market Capture vs MSCI EAFE (Net) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2023



### Risk Statistics Rankings vs MSCI EAFE (Net) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2023

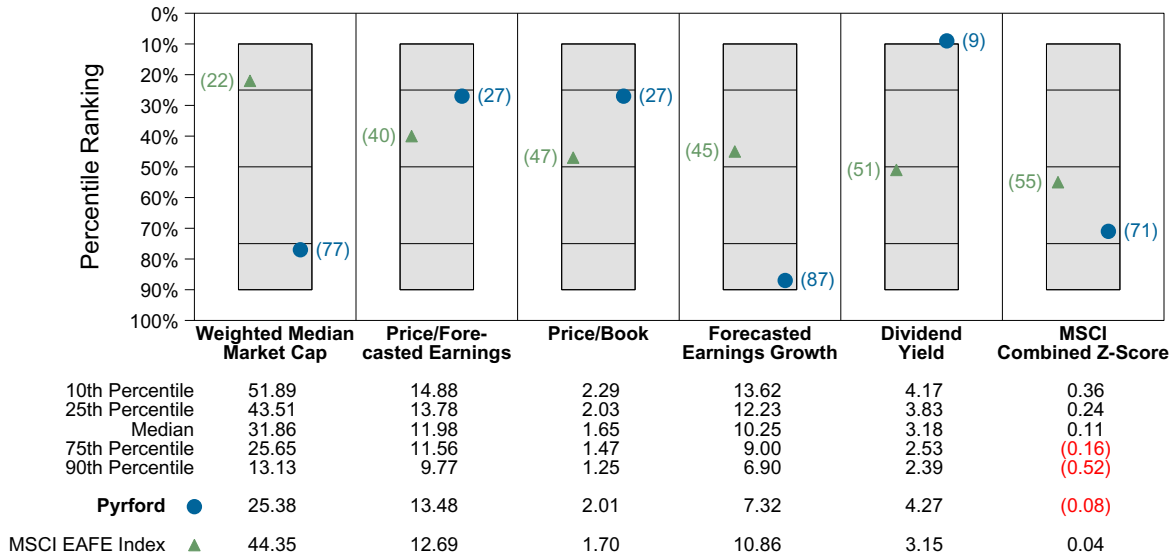


# Pyrford Equity Characteristics Analysis Summary

## Portfolio Characteristics

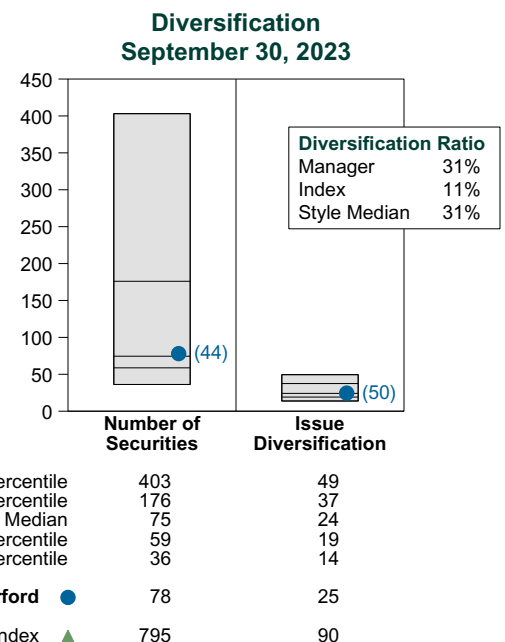
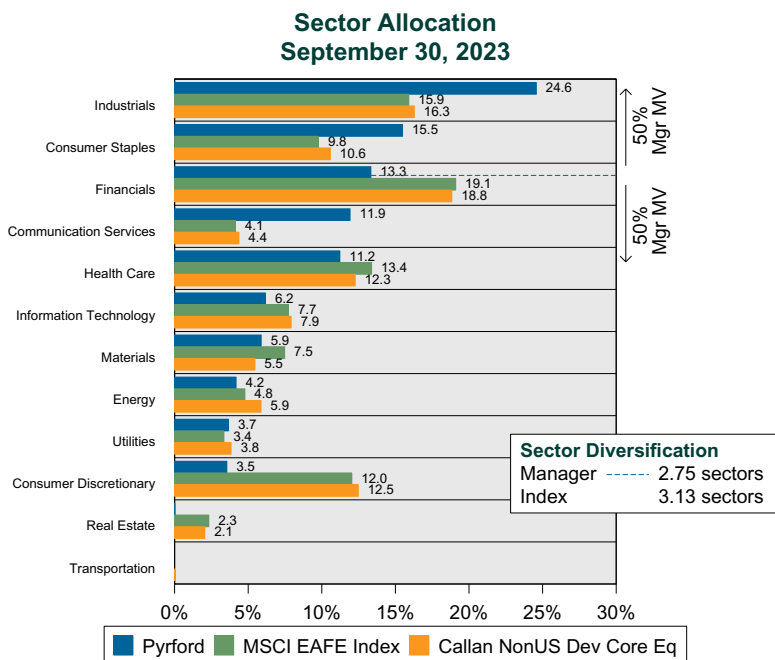
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of September 30, 2023



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



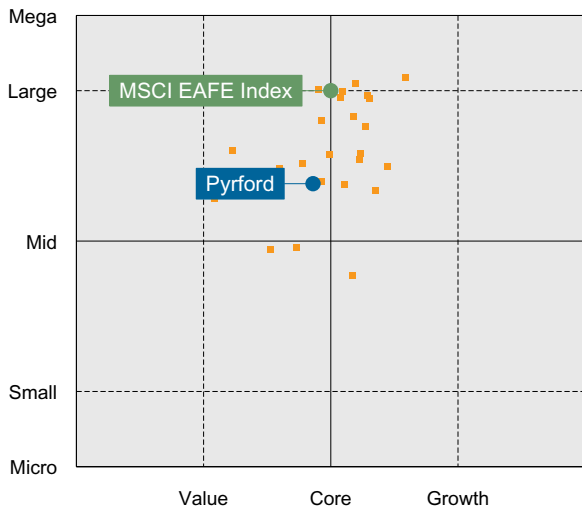
# Current Holdings Based Style Analysis

## Pyrford

### As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left chart illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

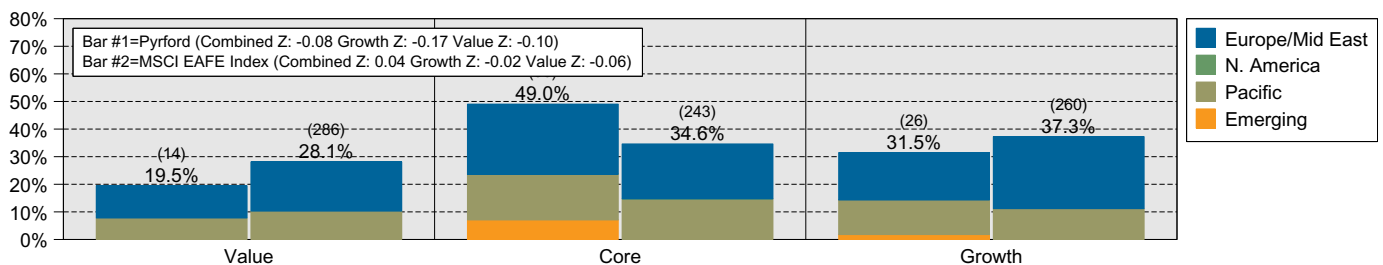
**Style Map vs Callan NonUS Dev Core Eq Holdings as of September 30, 2023**



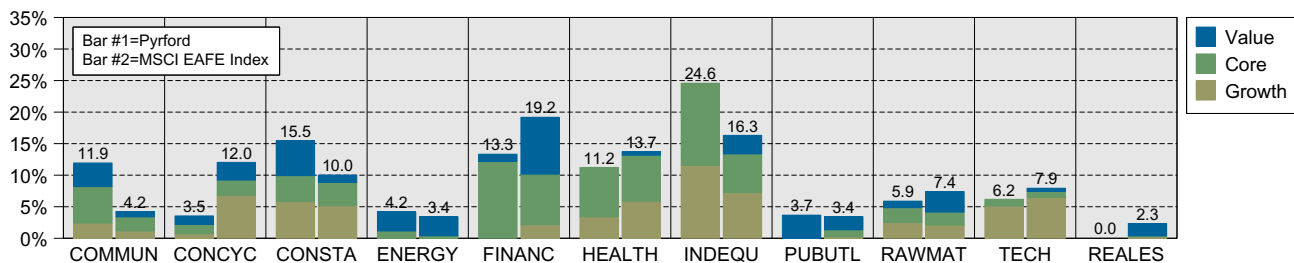
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Europe/ Mid East	11.7% (9) 17.8% (154)	25.4% (17) 19.9% (129)	17.2% (17) 26.1% (151)	54.2% (43) 63.8% (434)
N. America	0.0% (0) 0.0% (0)	0.1% (1) 0.0% (1)	0.0% (0) 0.0% (0)	0.1% (1) 0.0% (1)
Pacific	7.8% (5) 10.3% (132)	16.5% (12) 14.7% (113)	12.5% (7) 11.2% (109)	36.8% (24) 36.1% (354)
Emerging	0.0% (0) 0.0% (0)	7.1% (6) 0.0% (0)	1.8% (2) 0.0% (0)	8.9% (8) 0.0% (0)
<b>Total</b>	<b>19.5% (14)</b> <b>28.1% (286)</b>	<b>49.0% (36)</b> <b>34.6% (243)</b>	<b>31.5% (26)</b> <b>37.3% (260)</b>	<b>100.0% (76)</b> <b>100.0% (789)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



**Sector Weights Distribution Holdings as of September 30, 2023**



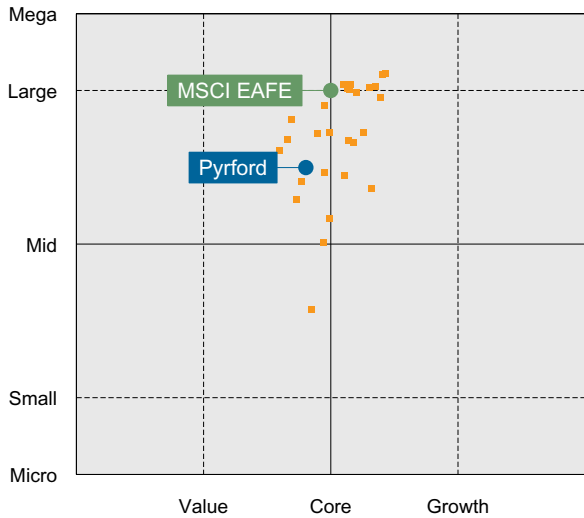
# Historical Holdings Based Style Analysis

## Pyrford

### For Five Years Ended September 30, 2023

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

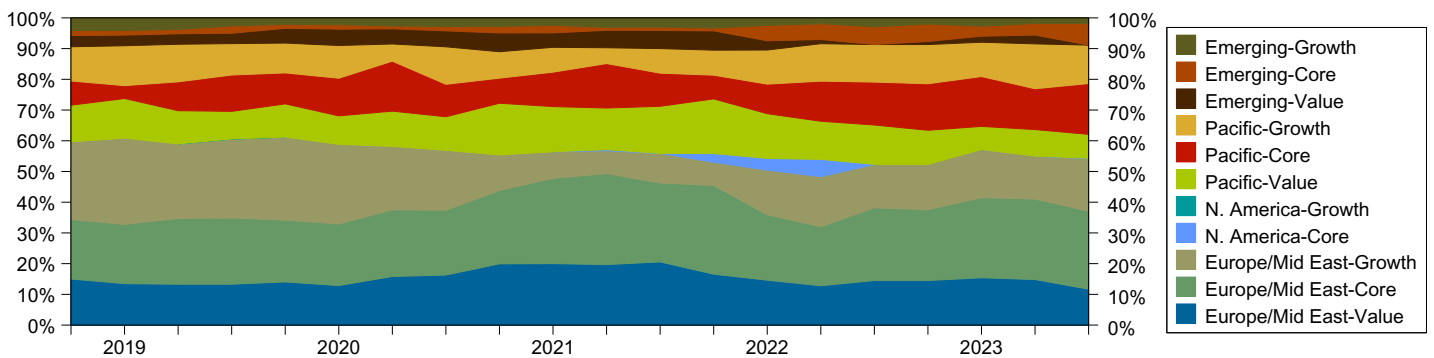
**Average Style Map vs Callan NonUS Dev Core Eq Holdings for Five Years Ended September 30, 2023**



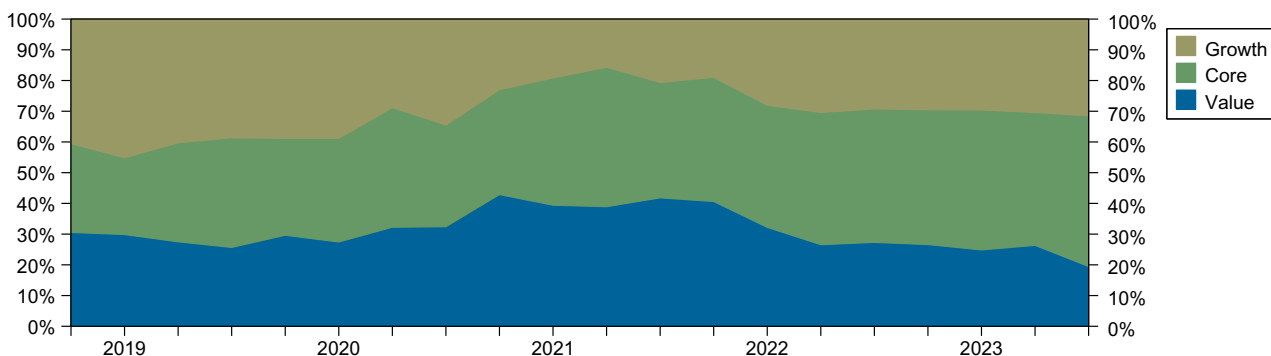
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2023**

	Value	Core	Growth	Total
Europe/ Mid East	15.5% (10) 18.9% (146)	23.3% (15) 18.1% (126)	17.4% (13) 26.1% (169)	56.1% (38) 63.1% (441)
N. America	0.0% (0) 0.0% (0)	0.6% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.6% (0) 0.0% (0)
Pacific	12.0% (7) 12.0% (144)	11.6% (8) 11.0% (127)	10.5% (7) 13.9% (142)	34.1% (22) 36.9% (413)
Emerging	3.6% (2) 0.0% (0)	2.8% (3) 0.0% (0)	2.7% (3) 0.0% (0)	9.1% (8) 0.0% (0)
<b>Total</b>	<b>31.1% (19)</b> <b>30.9% (290)</b>	<b>38.3% (26)</b> <b>29.1% (253)</b>	<b>30.6% (23)</b> <b>40.0% (311)</b>	<b>100.0% (68)</b> <b>100.0% (854)</b>

### Pyrford Historical Region/Style Exposures



### Pyrford Historical Style Only Exposures



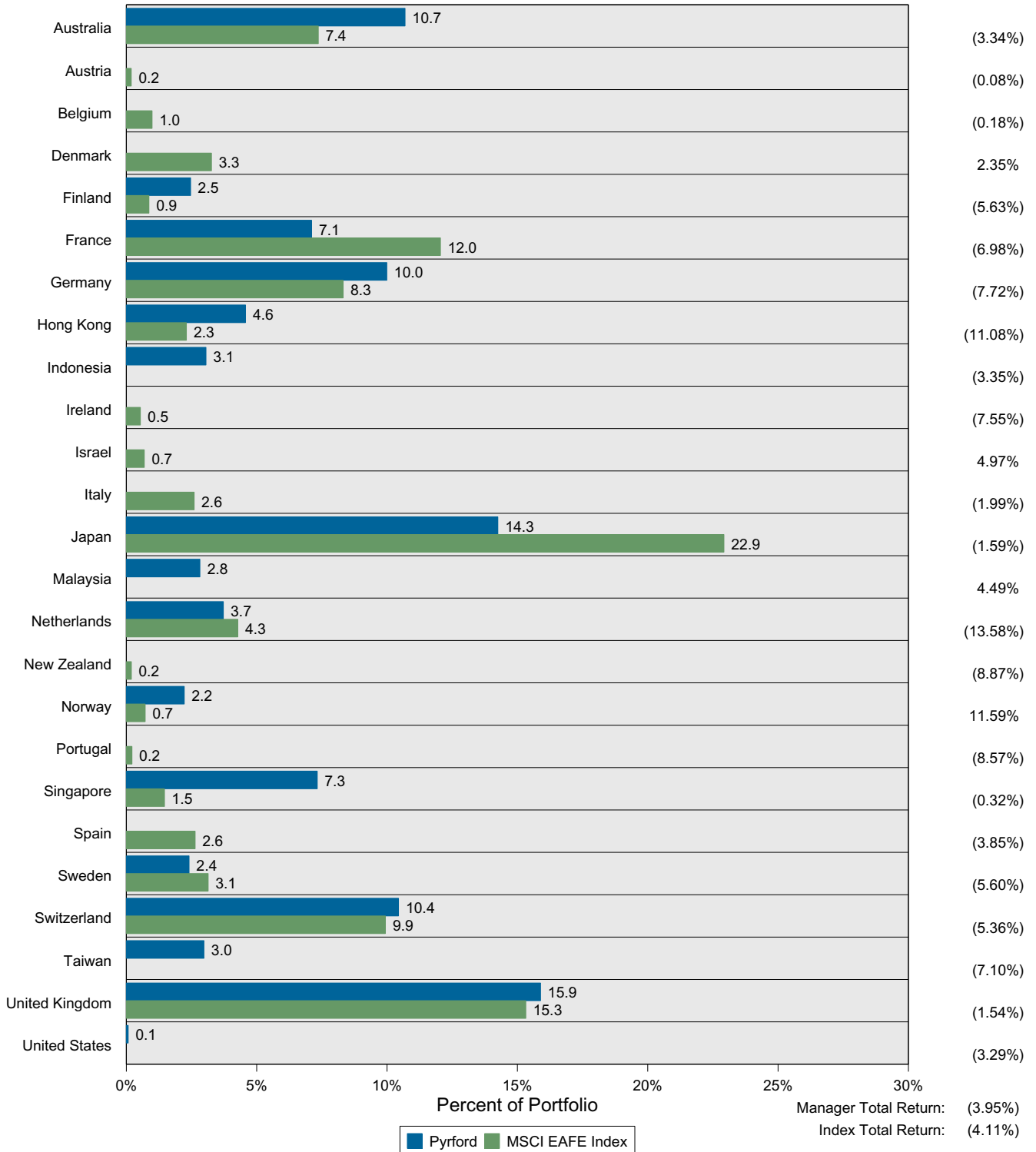
# Country Allocation Pyrford VS MSCI EAFE Index

## Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2023. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of September 30, 2023

Index Rtns





## Pyrford Top 10 Portfolio Holdings Characteristics as of September 30, 2023

### 10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Japan Tobacco Inc Ord	Consumer Staples	\$966,111	2.8%	5.67%	46.10	13.31	5.47%	5.35%
Nestle S A Shs Nom New	Consumer Staples	\$877,308	2.5%	(5.71)%	302.79	19.94	2.84%	6.71%
United Overseas Bk Ltd Shs	Financials	\$850,124	2.4%	3.90%	35.20	8.20	5.60%	3.00%
Singapore Telecom	Communication Services	\$817,855	2.3%	(0.98)%	29.28	15.55	4.09%	10.60%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$796,481	2.3%	(10.44)%	192.35	12.54	3.79%	2.75%
Kddi	Communication Services	\$790,790	2.3%	1.15%	70.63	13.51	3.06%	5.93%
Brambles Ltd Npv	Industrials	\$776,731	2.2%	(3.01)%	12.84	16.99	2.76%	12.48%
Telenor Asa Shs	Communication Services	\$757,196	2.2%	12.44%	15.98	18.48	7.74%	(20.00)%
Novartis	Health Care	\$749,221	2.1%	2.00%	233.70	13.81	3.41%	9.60%
Mitsubishi Elec Corp Shs	Industrials	\$711,576	2.0%	(10.70)%	26.61	14.32	2.49%	16.50%

### 10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Toyota Tsusho Corp Shs	Industrials	\$187,471	0.5%	20.76%	20.87	9.70	2.42%	7.20%
Sumitomo Rubber Ind	Consumer Discretionary	\$458,849	1.3%	15.12%	2.91	13.39	2.42%	62.50%
Comfordelgro Corporation Lt Shs	Industrials	\$387,721	1.1%	13.72%	2.06	14.65	3.59%	(6.35)%
Telenor Asa Shs	Communication Services	\$757,196	2.2%	12.44%	15.98	18.48	7.74%	(20.00)%
Bp Plc Shs	Energy	\$314,527	0.9%	11.25%	111.03	6.83	4.08%	(1.50)%
Computershare Limited Cpu Shs	Industrials	\$649,162	1.9%	8.25%	10.12	14.07	2.70%	28.52%
Shell Plc Shs A	Energy	\$395,062	1.1%	7.28%	214.59	7.88	3.56%	(8.30)%
Singapore Tech Engineering L Shs	Industrials	\$441,272	1.3%	6.47%	8.95	18.85	4.09%	(2.85)%
Japan Tobacco Inc Ord	Consumer Staples	\$966,111	2.8%	5.67%	46.10	13.31	5.47%	5.35%
Woodside Petroleum	Energy	\$463,229	1.3%	5.25%	44.72	12.68	9.51%	(9.70)%

### 10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Audacy Inc Com Class A	Communication Services	\$19,186	0.1%	(78.79)%	0.00	(0.03)	0.00%	(32.10)%
Merida Industry Co.	Consumer Discretionary	\$33,433	0.1%	(21.30)%	1.62	16.52	4.00%	10.40%
Kone Oyj Shs B	Industrials	\$294,598	0.8%	(19.00)%	19.15	19.71	4.38%	14.78%
Aia Group Ltd Com Par Usd 1	Financials	\$453,061	1.3%	(18.71)%	93.90	13.32	2.45%	1.28%
Essity Ab	Consumer Staples	\$304,454	0.9%	(18.31)%	13.92	12.67	3.07%	24.20%
Nemetschek Nm	Information Technology	\$226,126	0.6%	(18.16)%	7.08	38.08	0.78%	10.30%
Endeavour Group Ltd/Australi	Consumer Staples	\$228,516	0.7%	(17.89)%	6.09	17.72	4.14%	5.19%
Nabtesco Corp Tokyo Shs	Industrials	\$506,418	1.5%	(17.32)%	2.19	17.66	2.97%	1.10%
Deutsche Post Ag Bonn Namen Akt	Industrials	\$524,140	1.5%	(17.14)%	50.18	11.02	4.84%	(1.04)%
Fielmann	Consumer Discretionary	\$242,512	0.7%	(16.35)%	3.66	22.99	1.82%	21.10%

# AQR

## Period Ended September 30, 2023

### Investment Philosophy

Returns prior to 9/30/2016 are linked to a composite history.

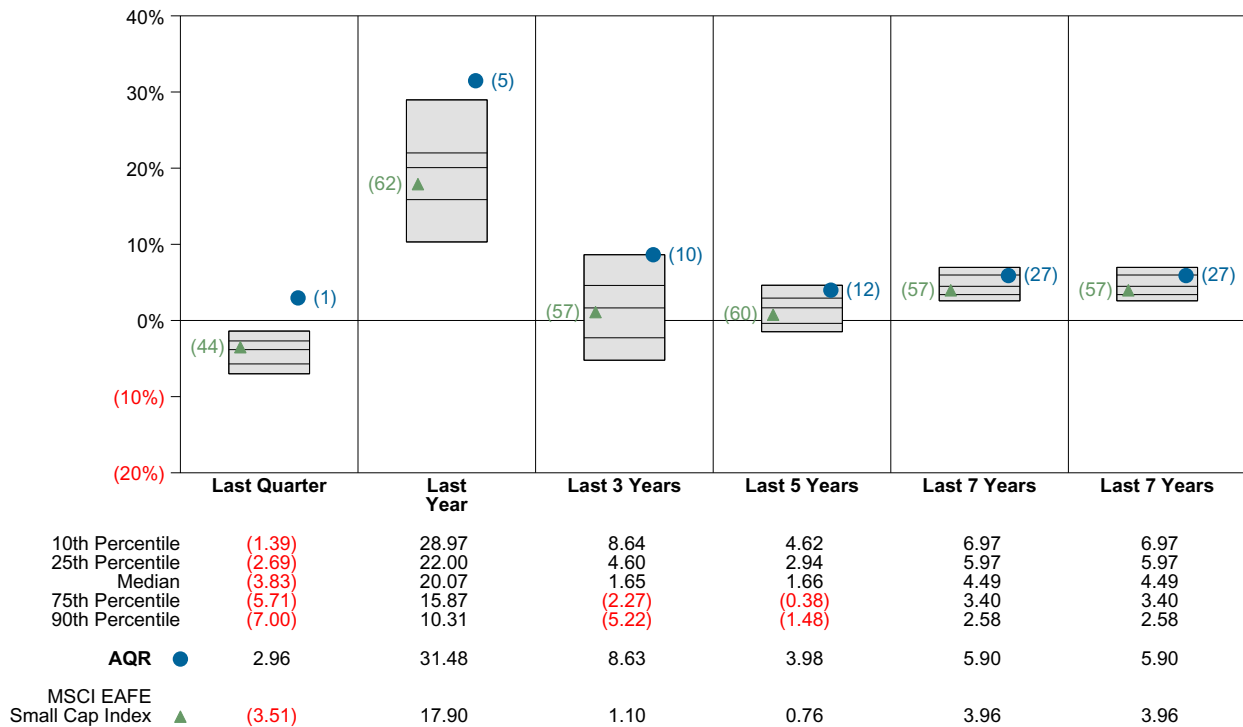
### Quarterly Summary and Highlights

- AQR's portfolio posted a 2.96% return for the quarter placing it in the 1 percentile of the Callan International Small Cap group for the quarter and in the 5 percentile for the last year.
- AQR's portfolio outperformed the MSCI EAFE Small Cap Index by 6.47% for the quarter and outperformed the MSCI EAFE Small Cap Index for the year by 13.57%.

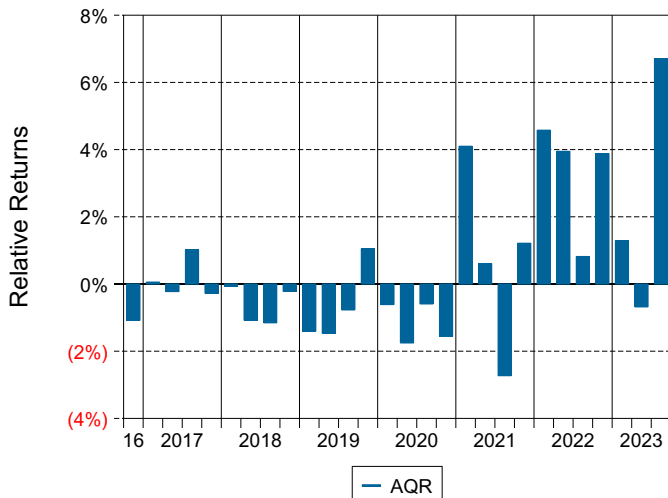
### Quarterly Asset Growth

Beginning Market Value	\$19,342,499
Net New Investment	\$0
Investment Gains/(Losses)	\$530,805
Ending Market Value	\$19,873,304

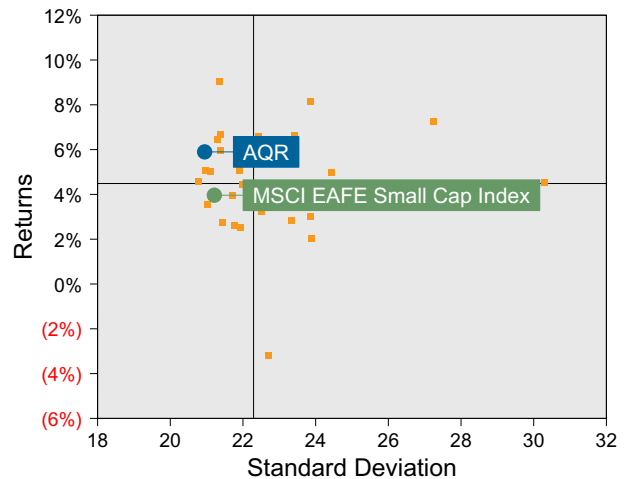
### Performance vs Callan International Small Cap (Gross)



### Relative Returns vs MSCI EAFE Small Cap Index



### Callan International Small Cap (Gross) Annualized Seven Year Risk vs Return

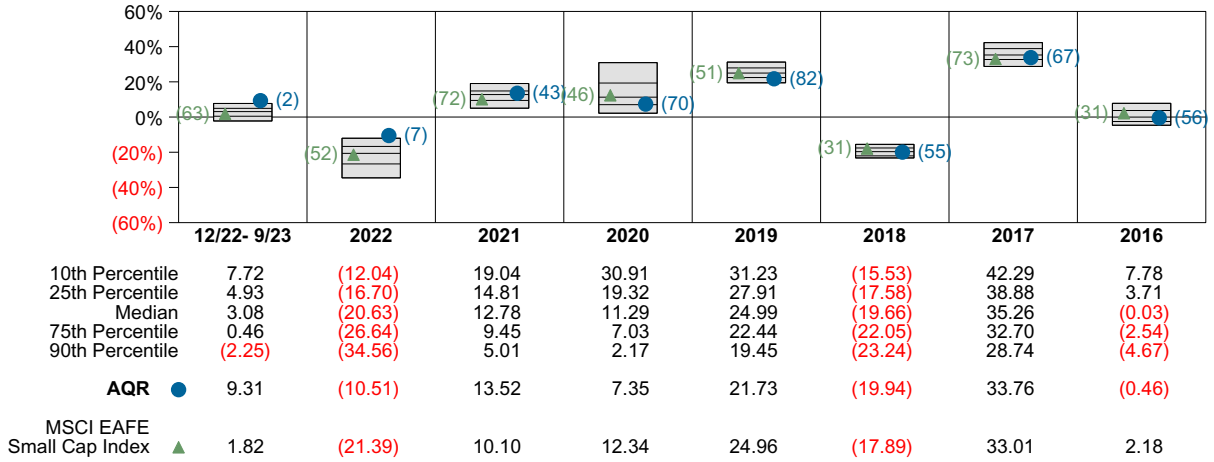


# AQR Return Analysis Summary

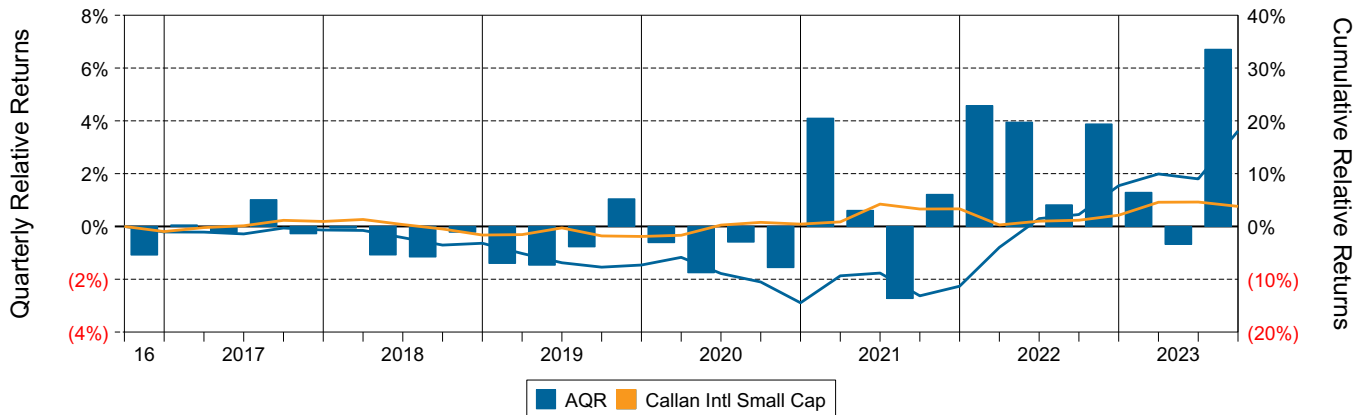
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

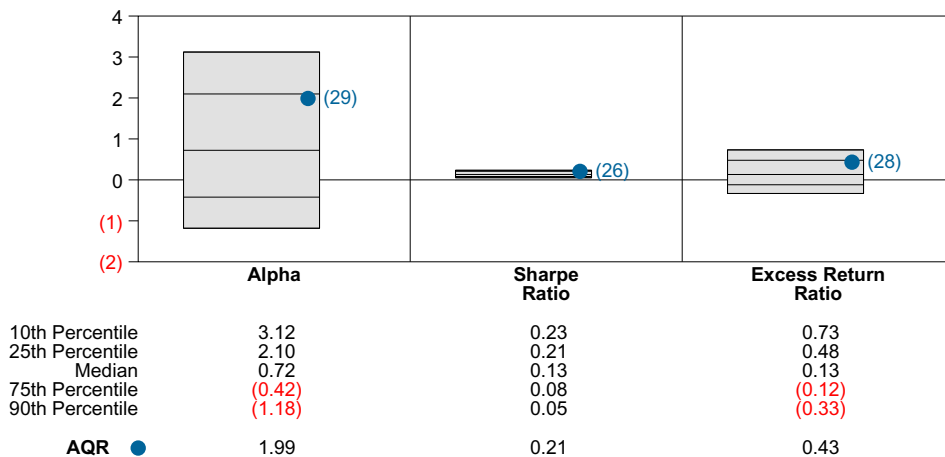
### Performance vs Callan International Small Cap (Gross)



### Cumulative and Quarterly Relative Returns vs MSCI EAFE Small Cap Index



### Risk Adjusted Return Measures vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended September 30, 2023

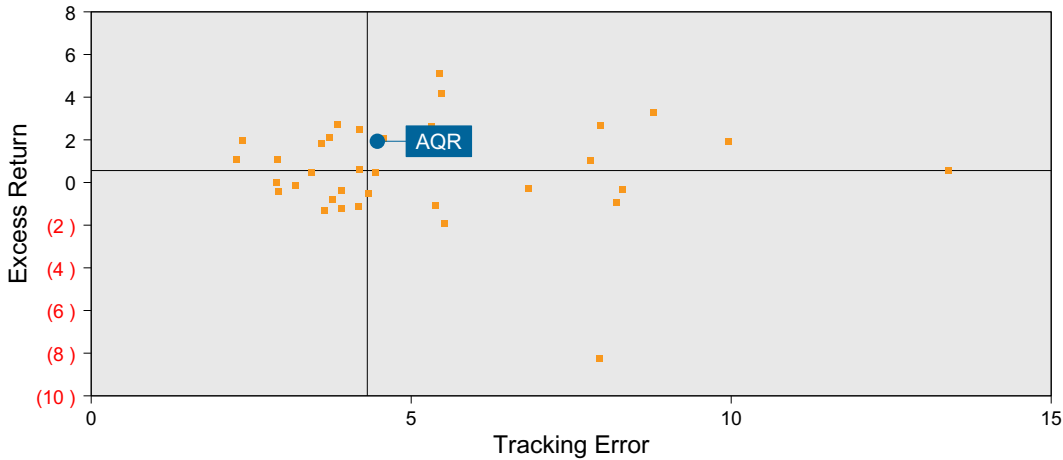


# AQR Risk Analysis Summary

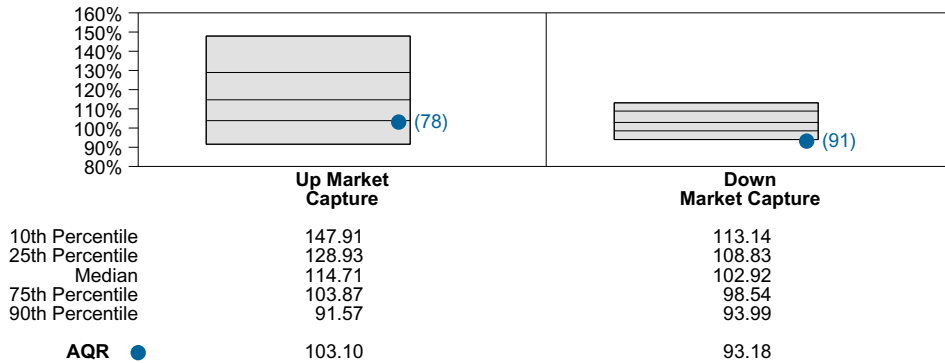
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

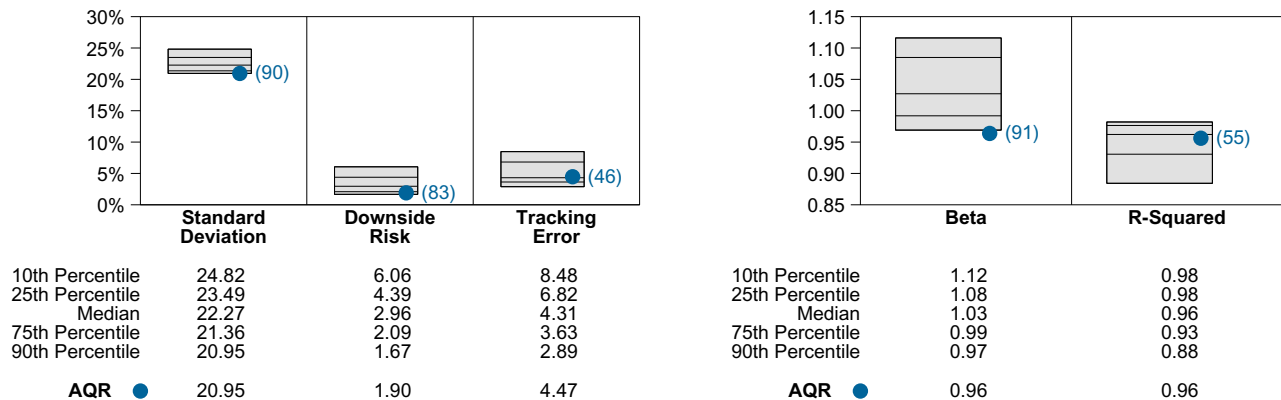
### Risk Analysis vs Callan International Small Cap (Gross) Seven Years Ended September 30, 2023



### Market Capture vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended September 30, 2023



### Risk Statistics Rankings vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended September 30, 2023

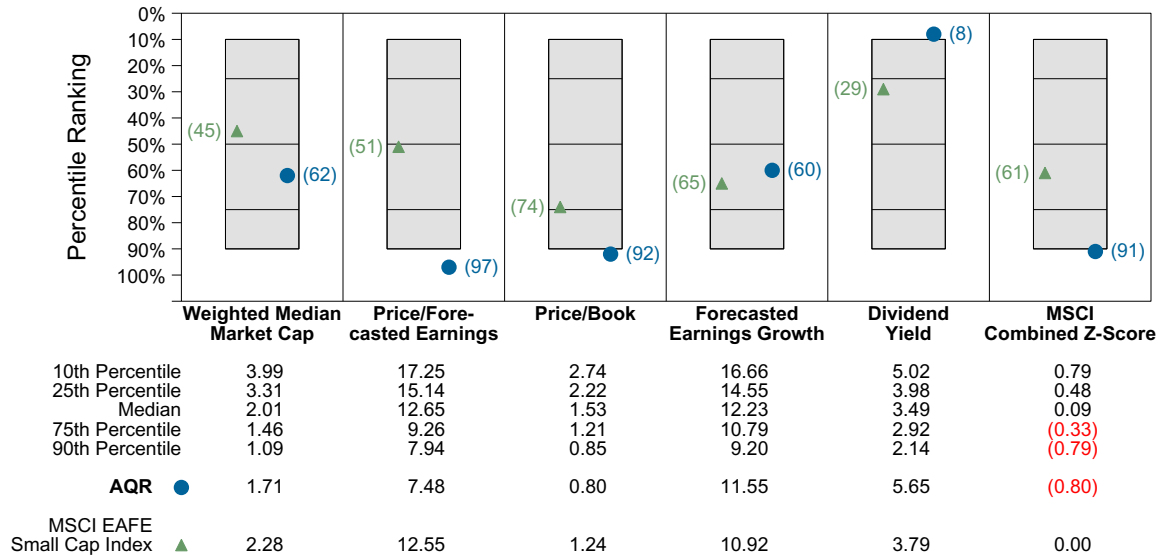


# AQR Equity Characteristics Analysis Summary

## Portfolio Characteristics

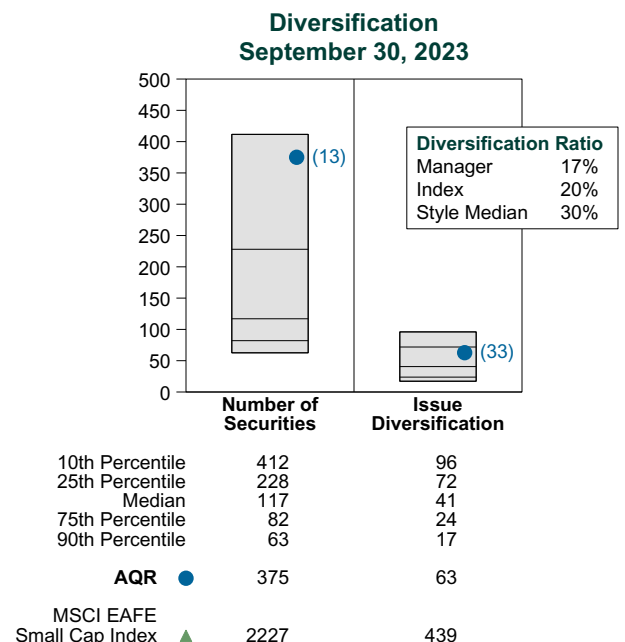
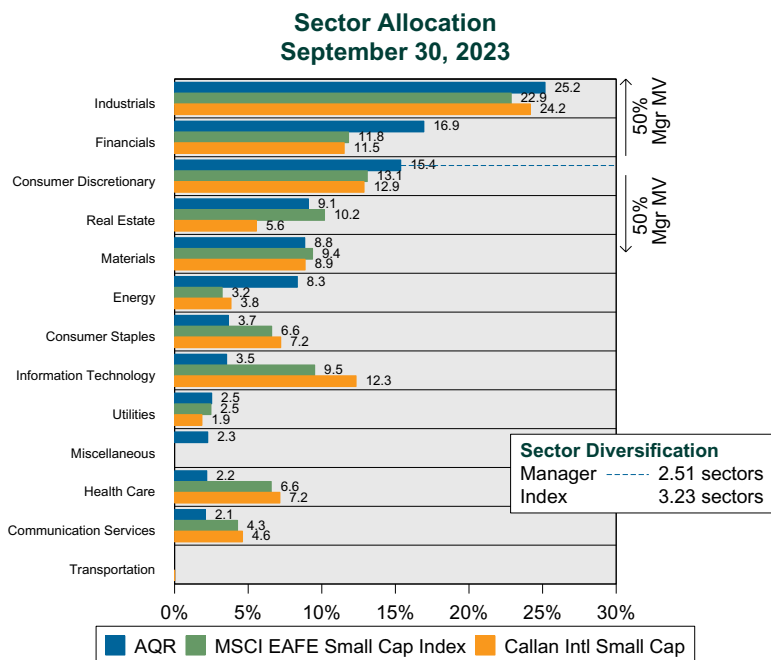
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan International Small Cap as of September 30, 2023



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



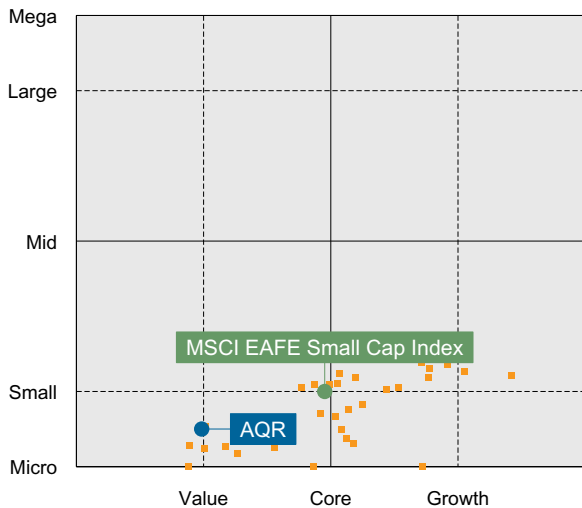
# Current Holdings Based Style Analysis

## AQR

### As of September 30, 2023

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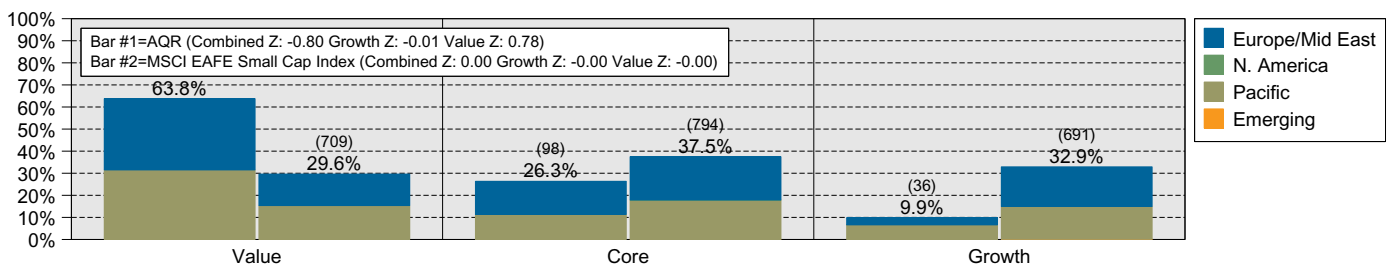
**Style Map vs Callan Intl Small Cap Holdings as of September 30, 2023**



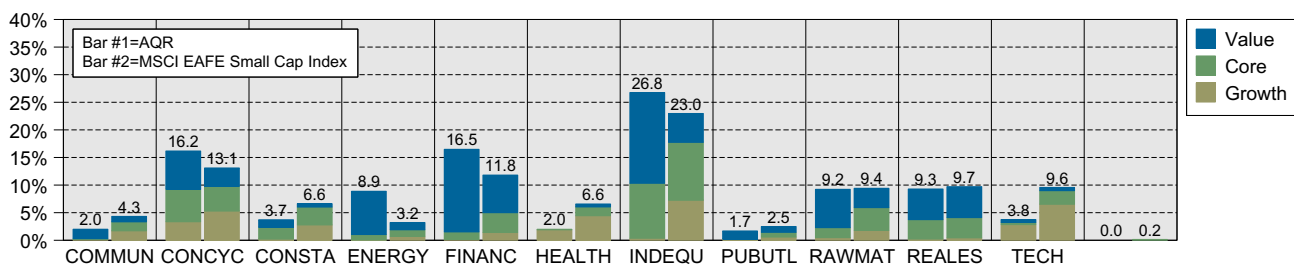
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Europe/ Mid East	32.3% (97)	15.0% (46)	3.3% (14)	50.5% (157)
	14.2% (319)	19.6% (377)	17.9% (331)	51.8% (1027)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.1% (4)	0.0% (0)	0.1% (4)
Pacific	31.5% (117)	11.4% (52)	6.6% (22)	49.5% (191)
	15.4% (390)	17.8% (412)	14.9% (359)	48.0% (1161)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (1)	0.1% (1)	0.1% (2)
<b>Total</b>	<b>63.8% (214)</b>	<b>26.3% (98)</b>	<b>9.9% (36)</b>	<b>100.0% (348)</b>
	29.6% (709)	37.5% (794)	32.9% (691)	100.0% (2194)

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



**Sector Weights Distribution Holdings as of September 30, 2023**



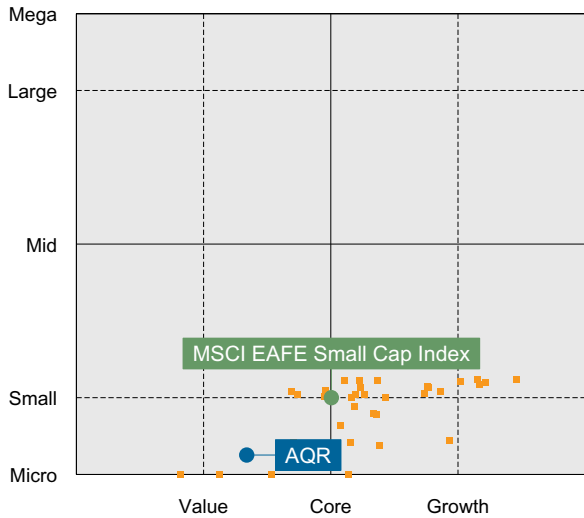
# Historical Holdings Based Style Analysis

## AQR

### For Five Years Ended September 30, 2023

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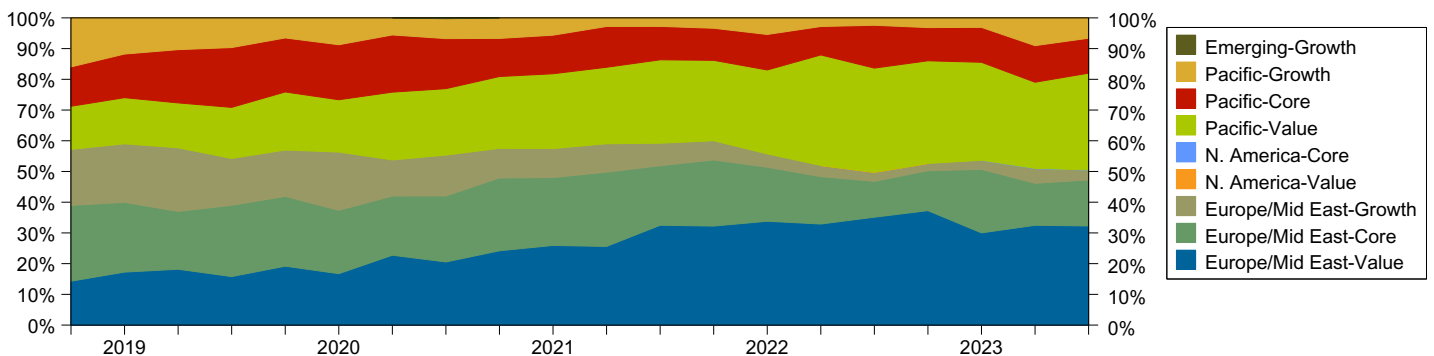
**Average Style Map vs Callan Intl Small Cap Holdings for Five Years Ended September 30, 2023**



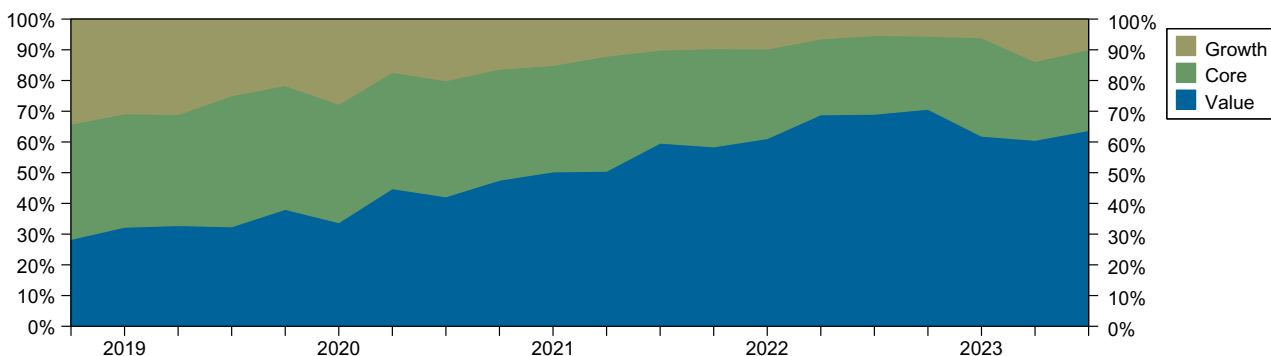
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2023**

	Value	Core	Growth	Total
Europe/ Mid East	25.9% (95) 14.4% (322)	19.6% (79) 21.1% (398)	9.9% (36) 20.0% (330)	55.4% (210) 55.4% (1050)
N. America	0.0% (0) 0.0% (1)	0.0% (0) 0.0% (3)	0.0% (0) 0.0% (0)	0.0% (0) 0.1% (4)
Pacific	24.4% (122) 13.1% (412)	13.7% (78) 16.1% (433)	6.4% (36) 15.3% (401)	44.5% (236) 44.4% (1246)
Emerging	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (1)	0.0% (0) 0.0% (1)	0.0% (0) 0.1% (2)
<b>Total</b>	<b>50.4% (217)</b> 27.5% (735)	<b>33.3% (157)</b> 37.2% (835)	<b>16.4% (72)</b> 35.3% (732)	<b>100.0% (446)</b> 100.0% (2302)

### AQR Historical Region/Style Exposures



### AQR Historical Style Only Exposures



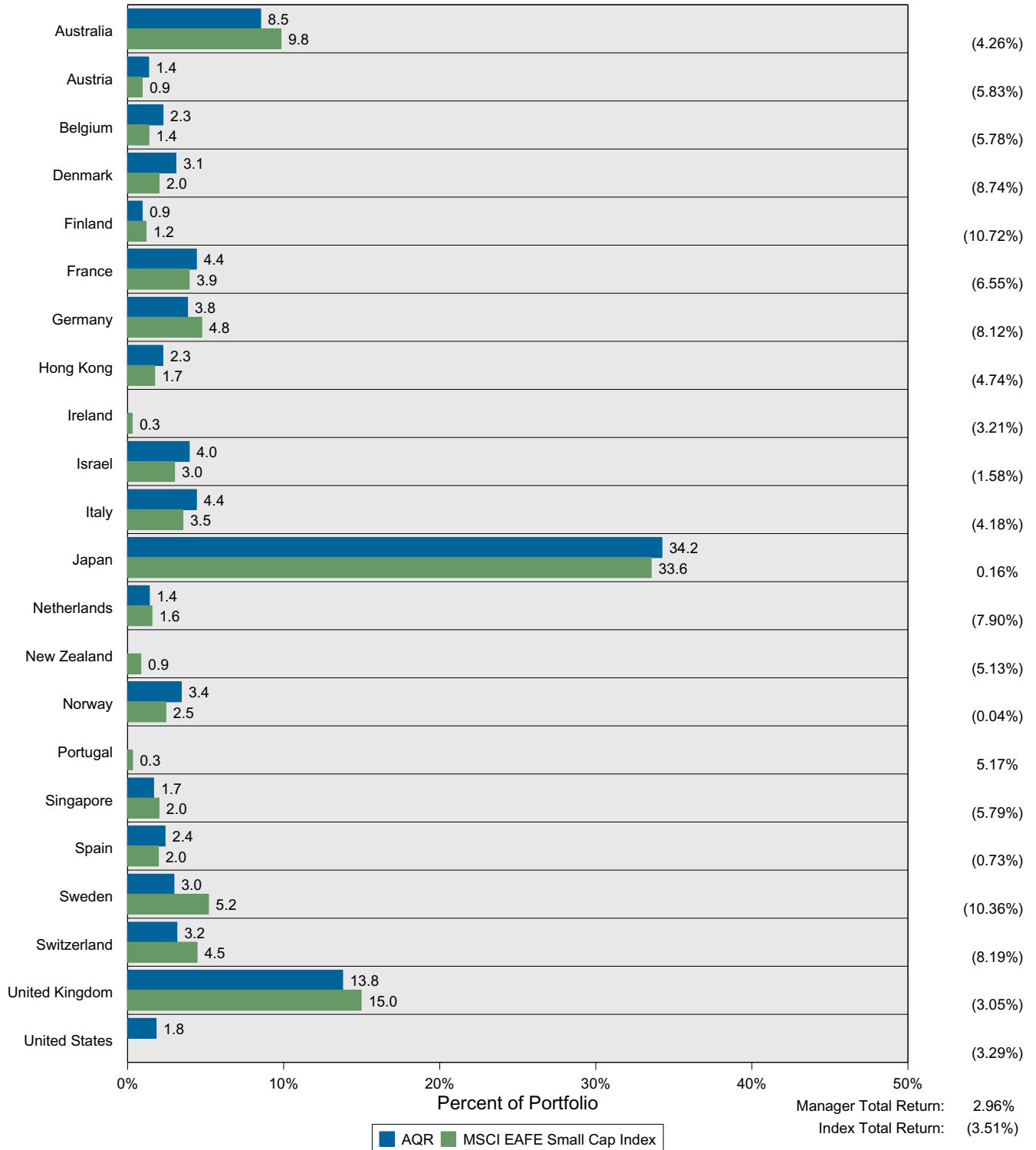
## Country Allocation AQR VS MSCI EAFE Small Cap Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2023. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

### Country Weights as of September 30, 2023

### Index Rtns





## AQR Top 10 Portfolio Holdings Characteristics as of September 30, 2023

### 10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Sojitz Corp Shs New	Industrials	\$280,010	1.4%	1.88%	4.94	7.23	3.97%	8.75%
Sankyo Co Ltd Gunma Shs	Consumer Discretionary	\$277,829	1.4%	16.50%	3.05	8.08	3.50%	69.11%
Mitsubishi Motors Corp Shs New	Consumer Discretionary	\$263,790	1.3%	26.81%	6.51	7.16	1.53%	(5.60)%
As Dampskibsselskabet Torm Shs	Energy	\$262,172	1.3%	19.31%	2.31	4.25	20.43%	93.67%
Kandenko Co	Industrials	\$261,638	1.3%	16.69%	1.89	11.24	2.47%	4.00%
Js Global Lifestyle	Consumer Discretionary	\$253,192	1.3%	(1.03)%	0.58	2.86	301.52%	-
Dampskibsselskabet Norden A/ Shs	Industrials	\$252,497	1.3%	15.42%	1.90	7.86	21.63%	93.12%
Unipol Gruppo Finanziario Sp Shs	Financials	\$246,906	1.2%	1.64%	3.89	4.69	7.19%	1.70%
Bca.Ppo.Emilia Romagna	Financials	\$206,909	1.0%	1.06%	4.34	4.30	4.24%	(4.03)%
Kumagai Gumi Co Ltd Shs	Industrials	\$206,078	1.0%	10.86%	1.04	10.59	3.69%	(23.84)%

### 10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Megaport	Information Technology	\$146,030	0.7%	58.06%	1.21	93.78	0.00%	-
Hunting Plc Ord	Energy	\$8,181	0.0%	49.36%	0.62	11.23	2.55%	(21.36)%
Kier Group	Industrials	\$95,289	0.5%	47.01%	0.63	5.53	0.00%	9.00%
Kobe Steel Ltd Shs	Materials	\$95,575	0.5%	46.13%	5.18	7.71	3.59%	1.87%
Winsway Coking Coal Hdq.	Industrials	\$8,522	0.0%	38.17%	0.50	2.18	10.01%	45.45%
Yamazaki Baking Co	Consumer Staples	\$16,301	0.1%	36.42%	4.06	25.13	0.80%	3.73%
Delek Group Ltd Israel Shs	Energy	\$147,199	0.7%	35.75%	2.83	4.24	1.85%	24.35%
Bw Lpg Ltd	Energy	\$30,221	0.2%	35.11%	1.77	8.25	2.00%	4.54%
Hokuhoku Finl Group Inc Shs	Financials	\$203,492	1.0%	34.87%	1.38	10.20	2.33%	1.07%
Hoegh Autoliners	Industrials	\$96,071	0.5%	34.04%	1.38	2.87	13.66%	-

### 10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Abacus Pr.	Real Estate	\$7,279	0.0%	(62.34)%	0.60	10.54	8.85%	(17.89)%
Smcp Sa Common Stock	Consumer Discretionary	\$36,448	0.2%	(53.31)%	0.31	4.52	0.00%	-
Atos Sa Ex Amime Sa Puteax Shs	Information Technology	\$25,771	0.1%	(50.98)%	0.78	2.34	0.00%	(28.02)%
Sma Solar Technology	Information Technology	\$85,888	0.4%	(45.93)%	2.27	13.59	0.00%	23.55%
Iress Market Technology Ltd Shs	Information Technology	\$12,641	0.1%	(44.15)%	0.70	19.98	7.90%	11.01%
Capita Plc Shs	Industrials	\$49,076	0.2%	(40.45)%	0.35	5.00	0.00%	(5.50)%
Provident Financial Plc Shs	Financials	\$52,787	0.3%	(33.61)%	0.39	4.44	12.13%	12.60%
Batigroup R	Industrials	\$152,649	0.8%	(32.36)%	0.61	6.91	1.33%	(0.55)%
Cromwell Corporation	Real Estate	\$9,371	0.0%	(31.06)%	0.63	7.46	13.51%	(5.99)%
Socionext	Information Technology	\$17,535	0.1%	(30.91)%	3.52	20.13	0.71%	-

# DFA Emerging Markets Period Ended September 30, 2023

## Investment Philosophy

Returns prior to 6/30/2013 are linked to a composite history.

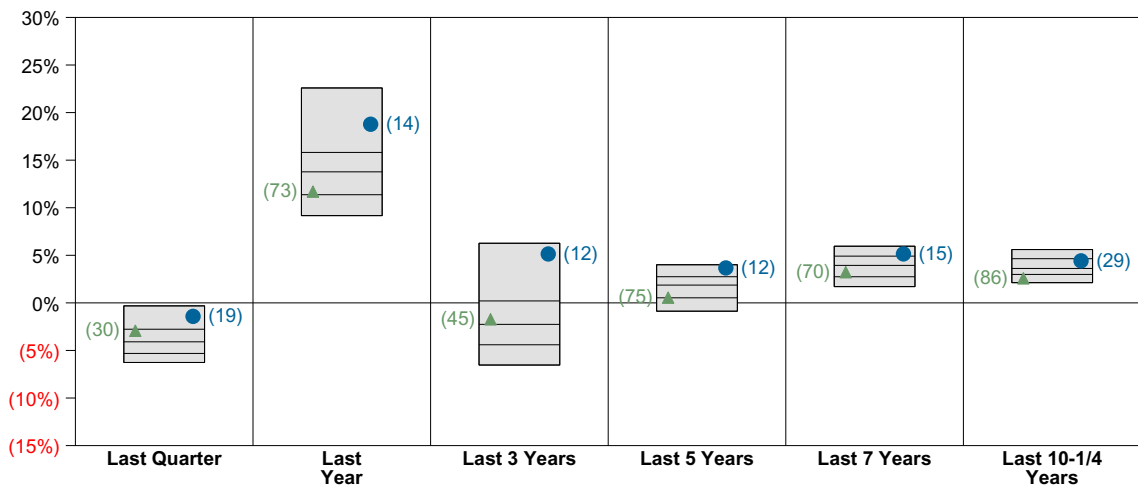
## Quarterly Summary and Highlights

- DFA Emerging Markets's portfolio posted a (1.42)% return for the quarter placing it in the 19 percentile of the Callan Emerging Markets Equity Mut Funds group for the quarter and in the 14 percentile for the last year.
- DFA Emerging Markets's portfolio outperformed the MSCI Emerging Markets Index by 1.51% for the quarter and outperformed the MSCI Emerging Markets Index for the year by 7.08%.

## Quarterly Asset Growth

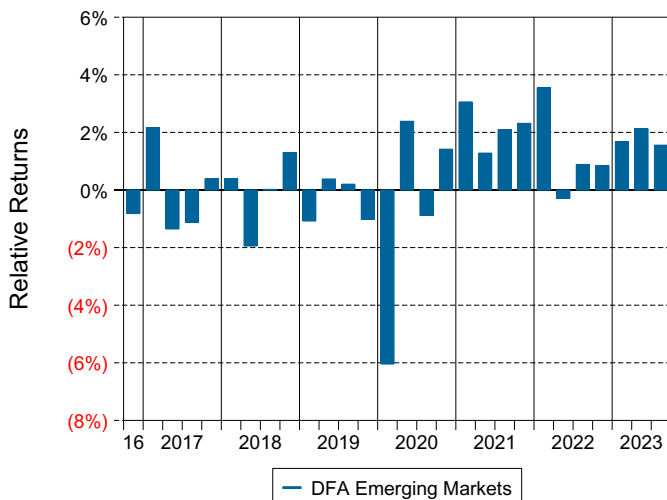
Beginning Market Value	\$22,268,724
Net New Investment	\$0
Investment Gains/(Losses)	\$-337,694
Ending Market Value	\$21,931,030

## Performance vs Callan Emerging Markets Equity Mut Funds (Gross)

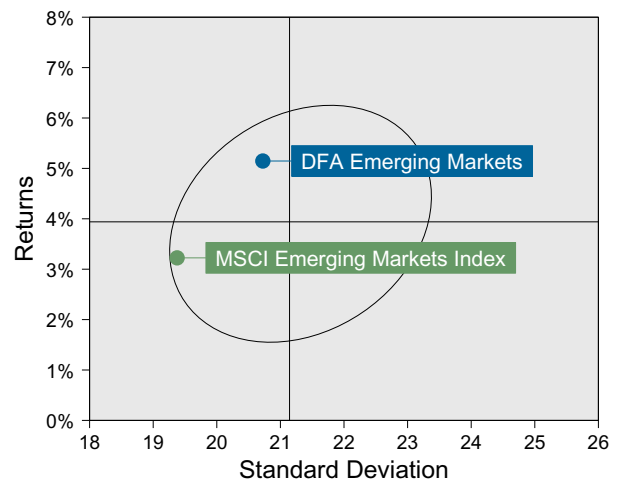


10th Percentile	(0.31)	22.59	6.27	4.01	5.96	5.61
25th Percentile	(2.77)	15.81	0.20	2.75	4.91	4.64
Median	(4.09)	13.77	(2.26)	1.87	3.94	3.62
75th Percentile	(5.31)	11.37	(4.40)	0.53	2.75	2.99
90th Percentile	(6.26)	9.17	(6.53)	(0.87)	1.71	2.12
<b>DFA Emerging Markets</b>	<b>● (1.42)</b>	18.77	5.14	3.67	5.15	4.42
<b>MSCI Emerging Markets Index</b>	<b>▲ (2.93)</b>	11.70	(1.73)	0.56	3.23	2.58

## Relative Returns vs MSCI Emerging Markets Index



## Callan Emerging Markets Equity Mut Funds (Gross) Annualized Seven Year Risk vs Return

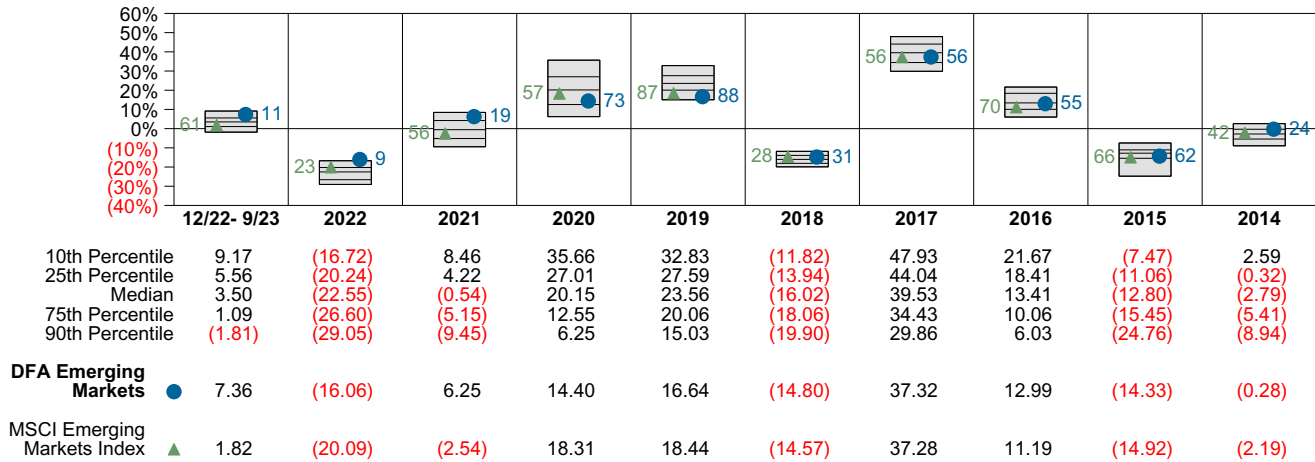


# DFA Emerging Markets Return Analysis Summary

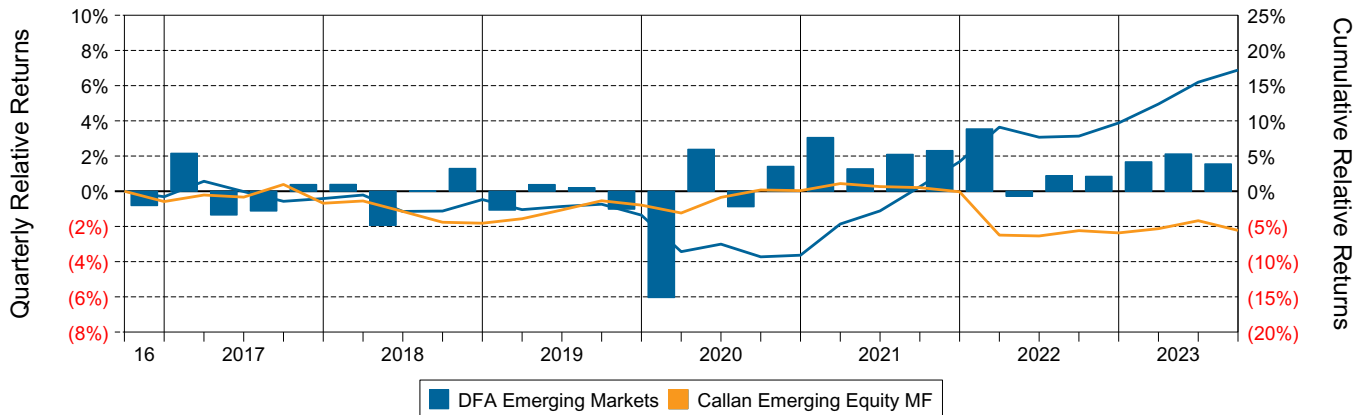
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

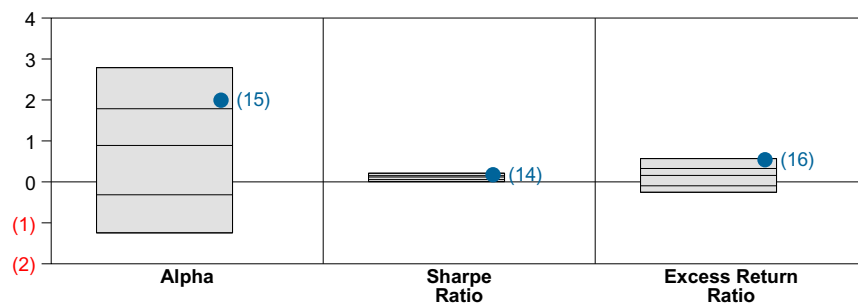
### Performance vs Callan Emerging Markets Equity Mut Funds (Gross)



### Cumulative and Quarterly Relative Returns vs MSCI Emerging Markets Index



### Risk Adjusted Return Measures vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2023

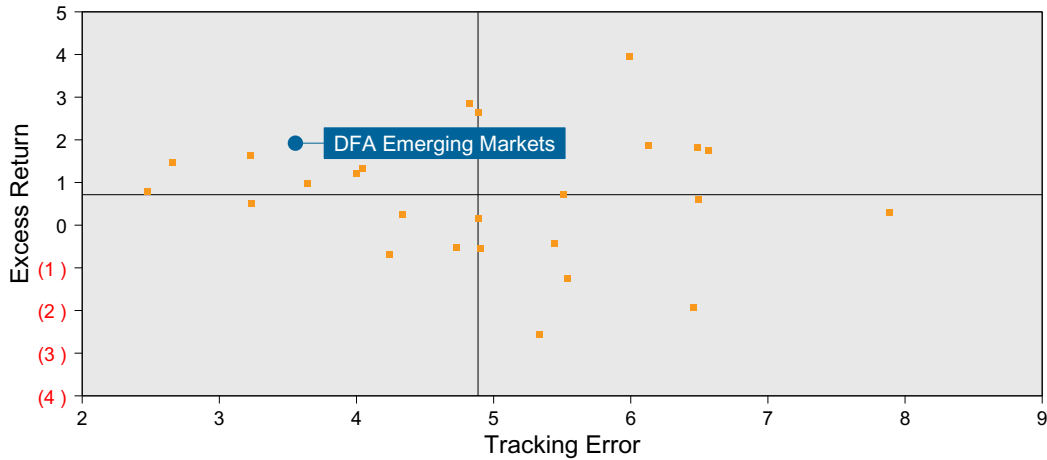


# DFA Emerging Markets Risk Analysis Summary

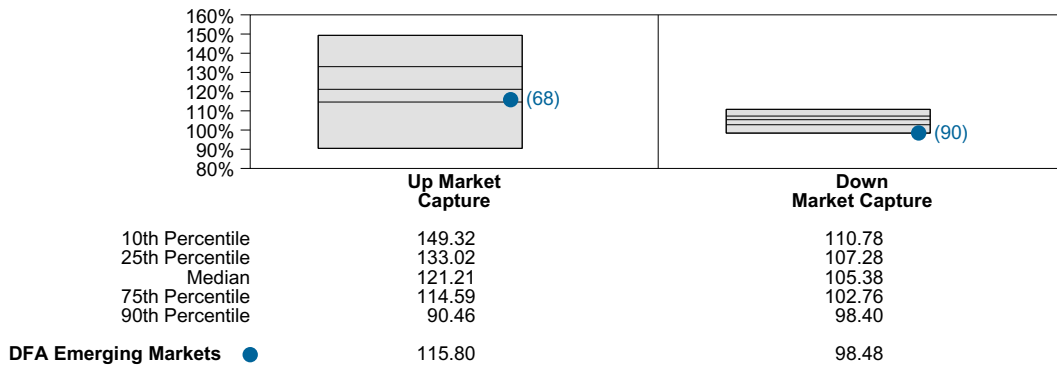
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

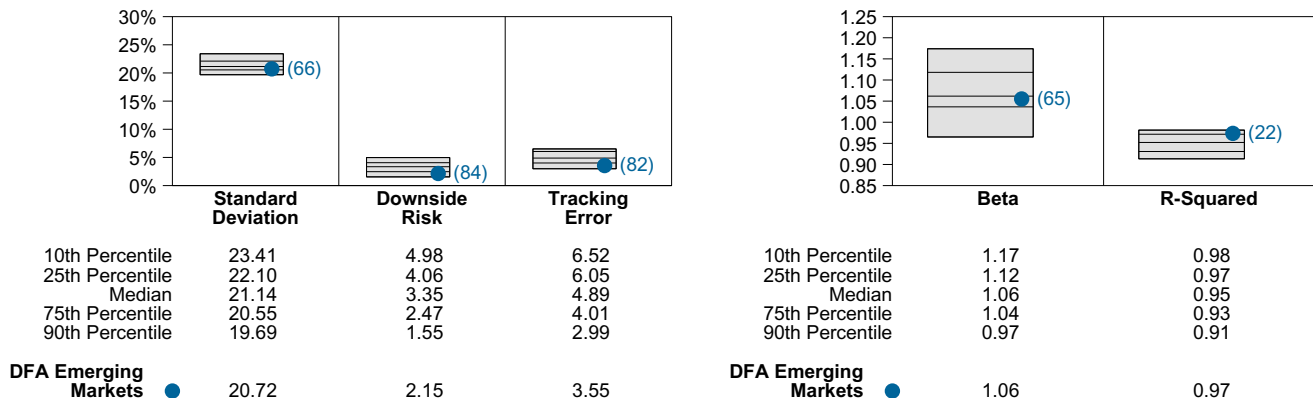
### Risk Analysis vs Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2023



### Market Capture vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2023



### Risk Statistics Rankings vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2023

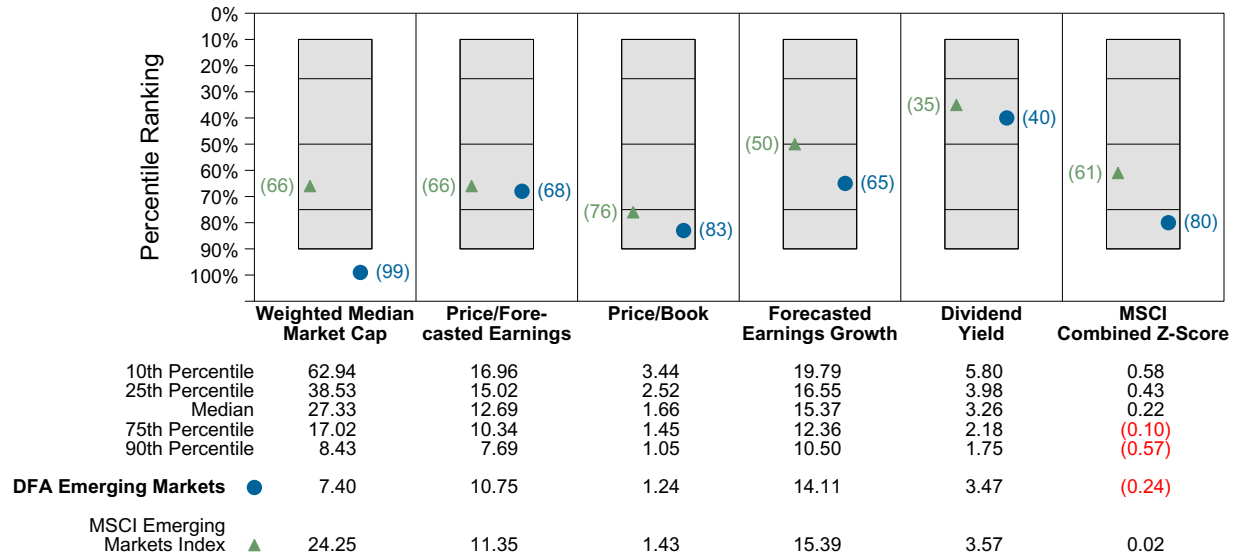


# DFA Emerging Markets Equity Characteristics Analysis Summary

## Portfolio Characteristics

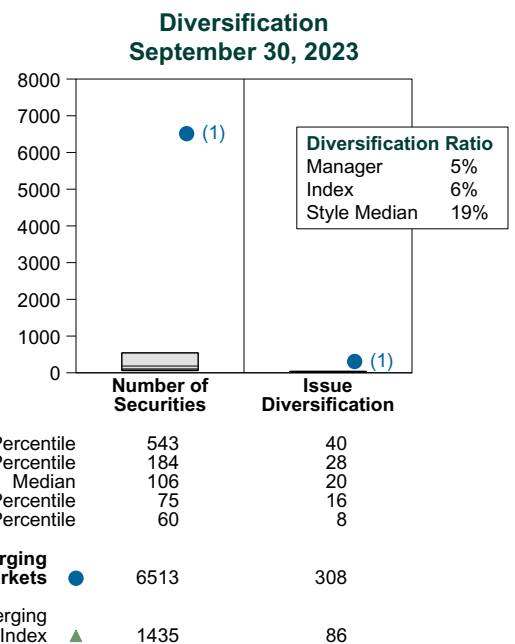
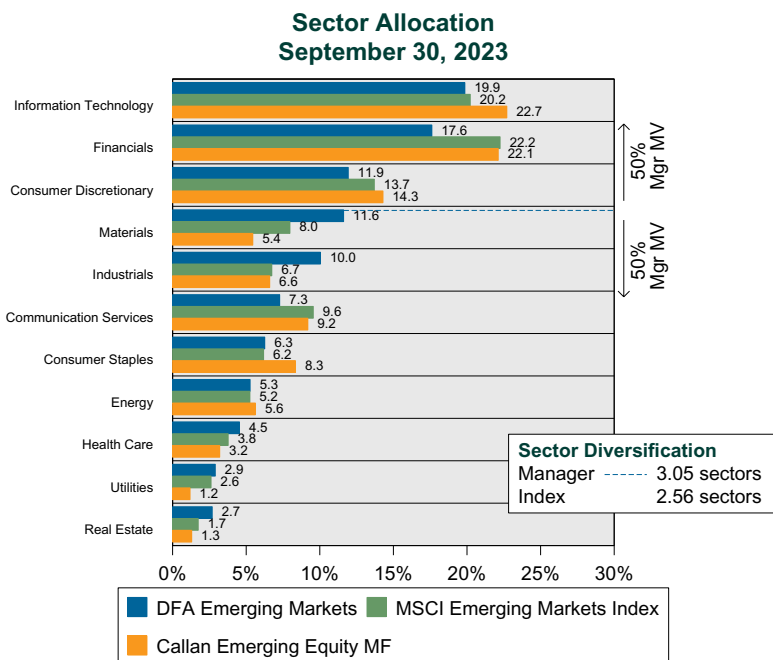
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Emerging Markets Equity Mut Funds as of September 30, 2023



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



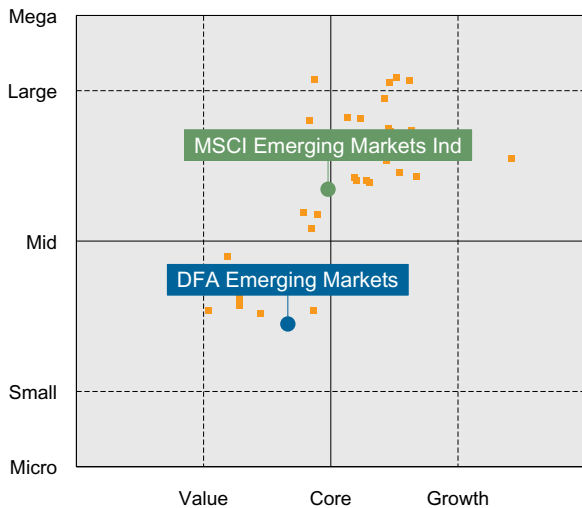
# Current Holdings Based Style Analysis

## DFA Emerging Markets

### As of September 30, 2023

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

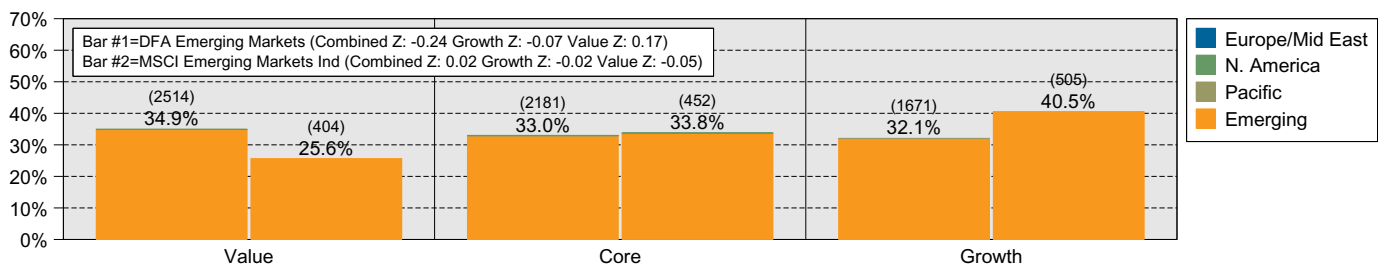
**Style Map vs Callan Emerging Equity MF Holdings as of September 30, 2023**



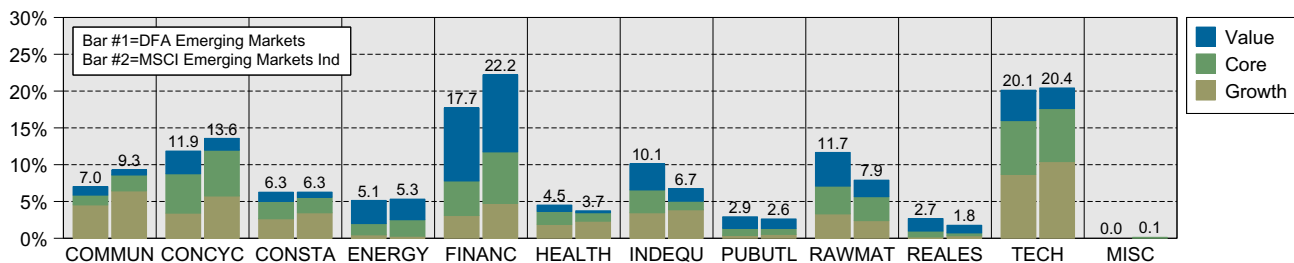
**Style Exposure Matrix Holdings as of September 30, 2023**

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
N. America	0.0% (1)	0.1% (3)	0.0% (0)	0.1% (4)
Pacific	0.1% (21)	0.1% (22)	0.1% (21)	0.2% (64)
Emerging	34.8% (2492)	32.9% (2156)	32.0% (1650)	99.7% (6298)
	25.6% (404)	33.6% (449)	40.5% (505)	99.8% (1358)
<b>Total</b>	<b>34.9% (2514)</b>	<b>33.0% (2181)</b>	<b>32.1% (1671)</b>	<b>100.0% (6366)</b>
	25.6% (404)	33.8% (452)	40.5% (505)	100.0% (1361)

**Combined Z-Score Style Distribution Holdings as of September 30, 2023**



**Sector Weights Distribution Holdings as of September 30, 2023**



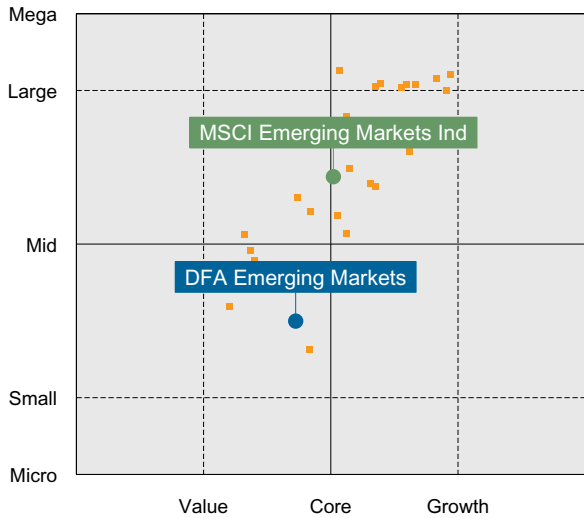
# Historical Holdings Based Style Analysis

## DFA Emerging Markets

### For Five Years Ended September 30, 2023

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

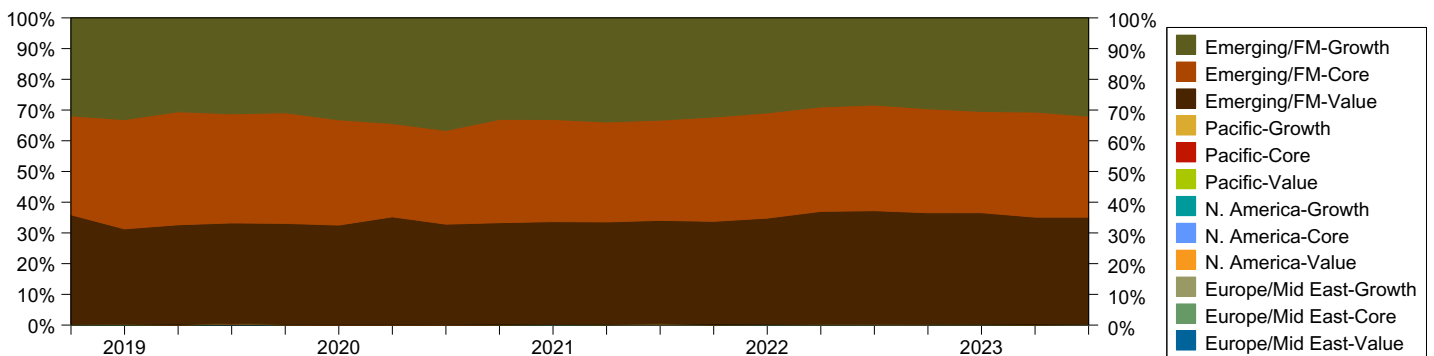
**Average Style Map vs Callan Emerging Equity MF Holdings for Five Years Ended September 30, 2023**



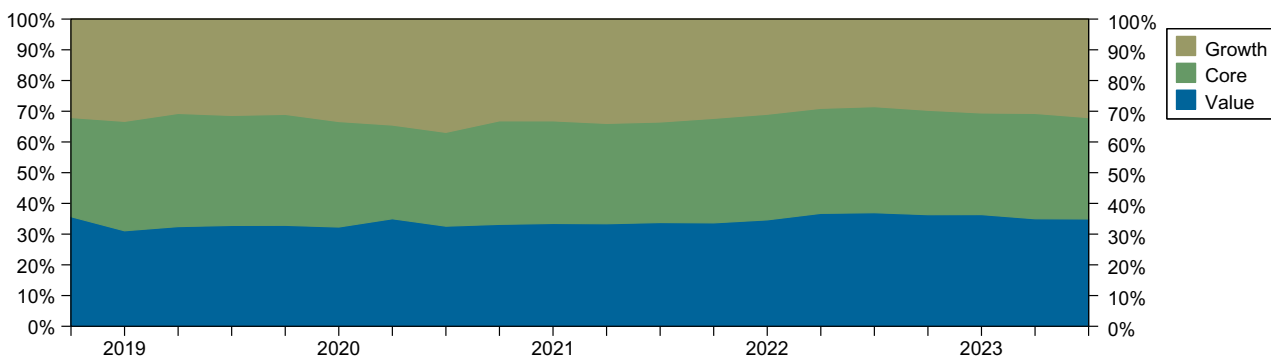
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2023**

Europe/ Mid East	0.0% (1) 0.0% (0)	0.0% (1) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (2) 0.0% (0)
N. America	0.0% (1) 0.0% (0)	0.0% (5) 0.1% (1)	0.0% (0) 0.0% (1)	0.1% (6) 0.1% (2)
Pacific	0.0% (16) 0.0% (0)	0.1% (26) 0.0% (1)	0.1% (17) 0.0% (0)	0.2% (59) 0.0% (1)
Emerging/ FM	34.1% (2200) 26.7% (452)	33.7% (1834) 31.3% (415)	31.9% (1295) 41.9% (428)	99.7% (5329) 99.9% (1295)
<b>Total</b>	<b>34.2% (2218)</b> <b>26.7% (452)</b>	<b>33.8% (1866)</b> <b>31.4% (417)</b>	<b>32.0% (1312)</b> <b>41.9% (429)</b>	<b>100.0% (5396)</b> <b>100.0% (1298)</b>
	Value	Core	Growth	Total

### DFA Emerging Markets Historical Region/Style Exposures



### DFA Emerging Markets Historical Style Only Exposures



# Country Allocation

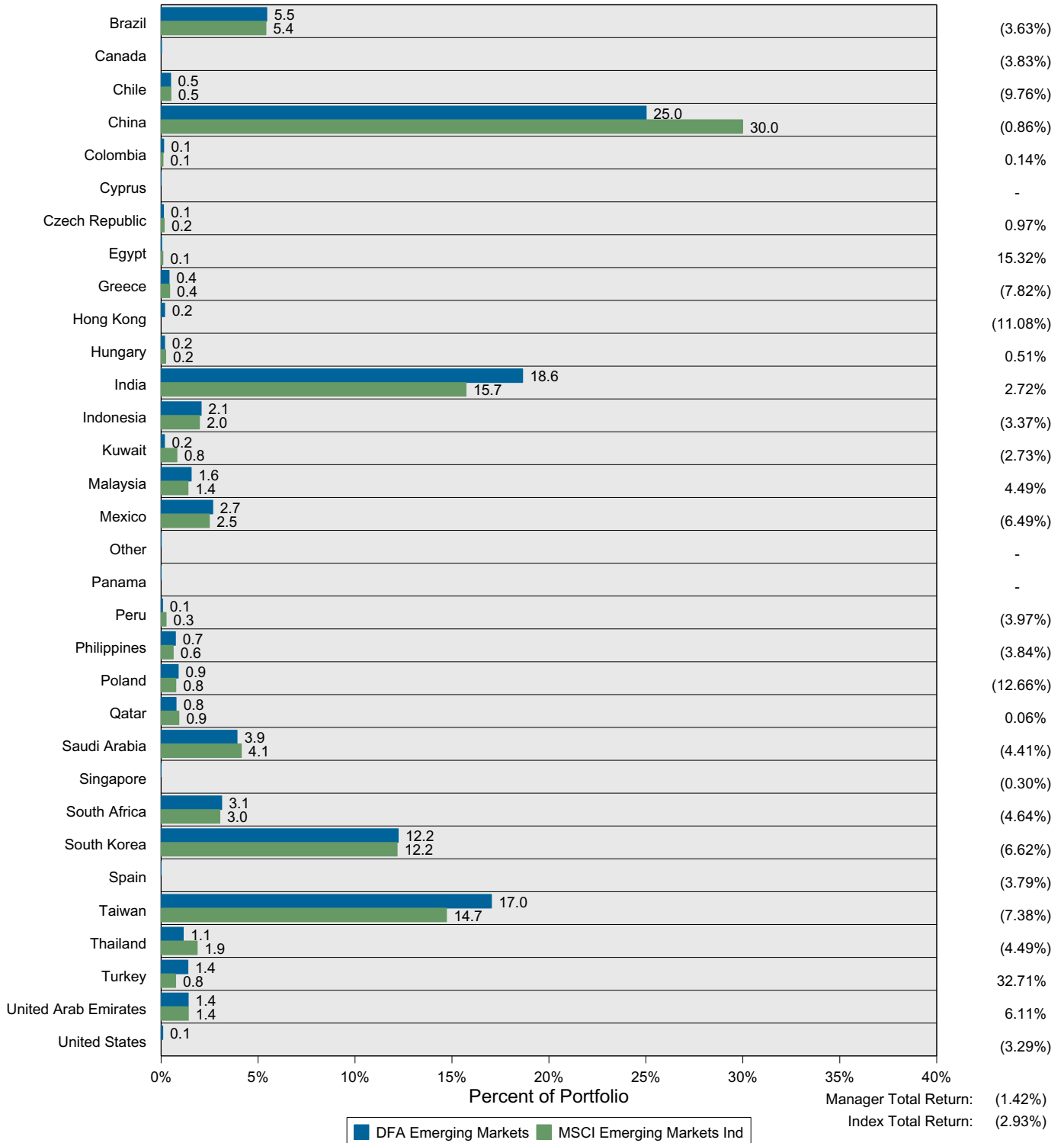
## DFA Emerging Markets VS MSCI Emerging Markets Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2023. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of September 30, 2023

Index Rtns





## DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of September 30, 2023

### 10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Taiwan Semicond Manufac Co L Shs	Information Technology	\$641,334	2.9%	(11.92)%	420.14	14.96	2.20%	3.19%
Samsung Electronics Co Ltd Ord	Information Technology	\$607,584	2.8%	(7.03)%	302.60	20.00	2.11%	(6.60)%
Tencent Holdings Limited Shs Par Hkd	Communication Services	\$575,907	2.6%	(7.80)%	372.50	16.31	0.78%	19.31%
Alibaba Group Holding Ltd	Consumer Discretionary	\$275,010	1.3%	5.27%	222.68	9.33	0.00%	11.73%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$254,180	1.2%	(16.51)%	420.14	14.96	2.20%	3.19%
Sk Hynix Inc Shs	Information Technology	\$160,093	0.7%	(2.52)%	61.88	37.28	1.05%	30.70%
China Construction Bank Shs H	Financials	\$143,915	0.7%	(4.70)%	135.68	3.00	8.87%	3.40%
Alibaba Group Hldg Ltd Sponsored Ads	Consumer Discretionary	\$140,552	0.6%	3.91%	220.62	9.07	0.00%	11.50%
Petroleo Brasileiro Sa Petro Pfd Shs	Energy	\$138,966	0.6%	17.30%	38.77	4.39	26.71%	47.12%
Infosys Technologies	Information Technology	\$123,632	0.6%	6.18%	71.54	22.08	2.37%	13.70%

### 10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Posdata Company	Information Technology	\$5,920	0.0%	247.04%	6.11	62.47	0.14%	6.00%
Anadolu Sigorta	Financials	\$2,702	0.0%	241.25%	1.01	4.14	0.00%	41.82%
Cemas Dokum Sanayi	Materials	\$399	0.0%	240.10%	0.18	8.46	0.00%	-
Gunes Sigorta	Financials	\$1,214	0.0%	236.39%	1.63	5.53	-	27.47%
Uem Land Holdings	Real Estate	\$465	0.0%	211.11%	0.91	45.00	-	(16.39)%
Metemteks Tekstil	Industrials	\$95	0.0%	209.95%	0.10	11.18	0.00%	6.80%
Dynamic Electronics	Information Technology	\$4,302	0.0%	206.52%	0.72	17.45	0.77%	85.94%
Adel Kalemcilik	Industrials	\$336	0.0%	180.79%	0.45	74.43	0.16%	(15.00)%
Hebei Changshan Bioch. Pharm.'a	Health Care	\$385	0.0%	167.19%	1.71	(59.03)	-	11.77%
Mindong Elec.Group A	Information Technology	\$1,067	0.0%	164.26%	1.81	(10.82)	0.00%	36.65%

### 10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Eczacibasi Yatirim Hldg	Industrials	\$843	0.0%	-	1.06	13.51	0.69%	18.28%
Konya Cimento	Materials	\$1,214	0.0%	-	0.94	187.96	0.00%	120.19%
Shimao China Hdg. Ltd.	Real Estate	\$276	0.0%	(83.06)%	0.36	(0.39)	93.75%	20.40%
Sunshine 100 China Hdg.	Real Estate	\$2	0.0%	(81.85)%	0.02	(0.05)	0.00%	-
Glorious Property Holdings L Shs	Real Estate	\$10	0.0%	(81.53)%	0.01	-	0.00%	(54.98)%
Ibo Technology	Information Technology	\$10	0.0%	(80.92)%	0.01	7.00	0.00%	-
China Motion Telecom	Real Estate	\$10	0.0%	(72.23)%	0.13	2.57	0.00%	-
Joong Ang Digitech	Consumer Discretionary	\$35	0.0%	(70.05)%	0.02	(0.32)	0.00%	133.37%
Intl.All.File.	Financials	\$331	0.0%	(69.21)%	0.32	4.50	0.00%	-
Via Sa Reg Com Shs	Consumer Discretionary	\$1,292	0.0%	(67.72)%	0.30	(2.77)	0.00%	-



# Metropolitan West

## Period Ended September 30, 2023

### Investment Philosophy

The first full quarter for this portfolio is 3rd quarter 2001

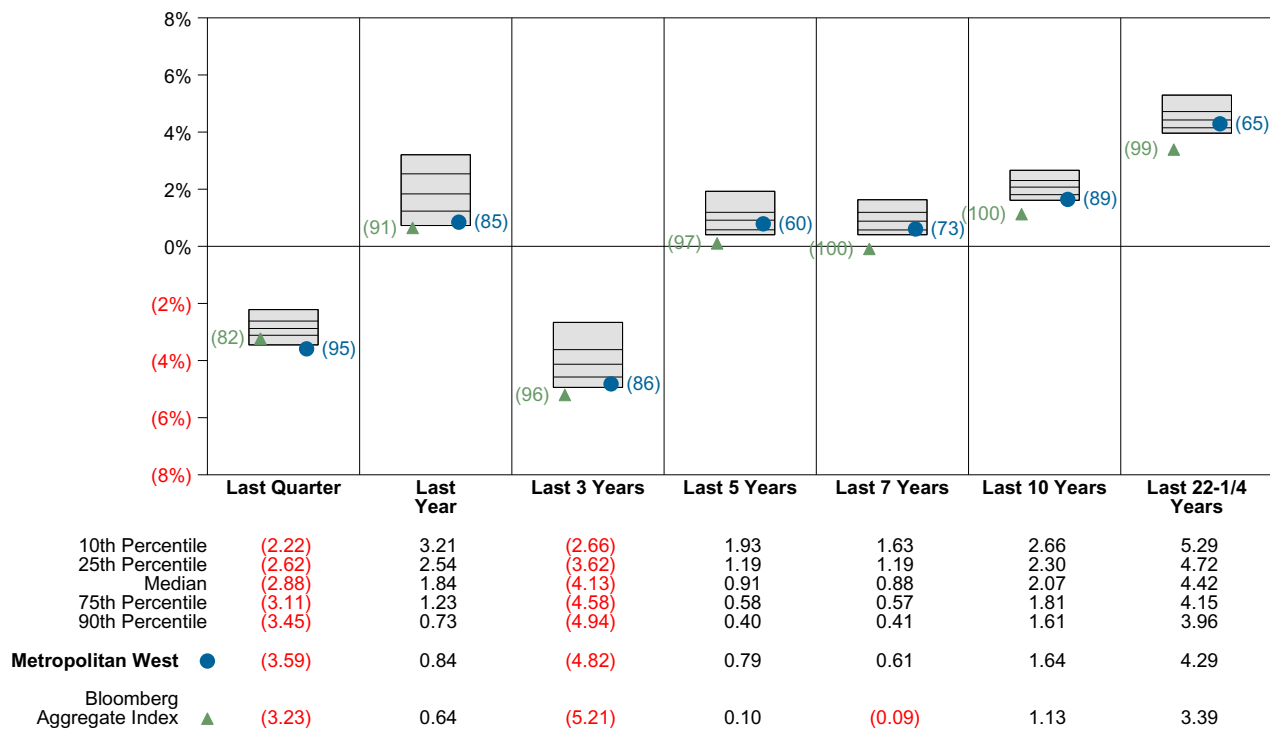
### Quarterly Summary and Highlights

- Metropolitan West's portfolio posted a (3.59)% return for the quarter placing it in the 95 percentile of the Callan Core Plus Fixed Income group for the quarter and in the 85 percentile for the last year.
- Metropolitan West's portfolio underperformed the Bloomberg Aggregate Index by 0.36% for the quarter and outperformed the Bloomberg Aggregate Index for the year by 0.20%.

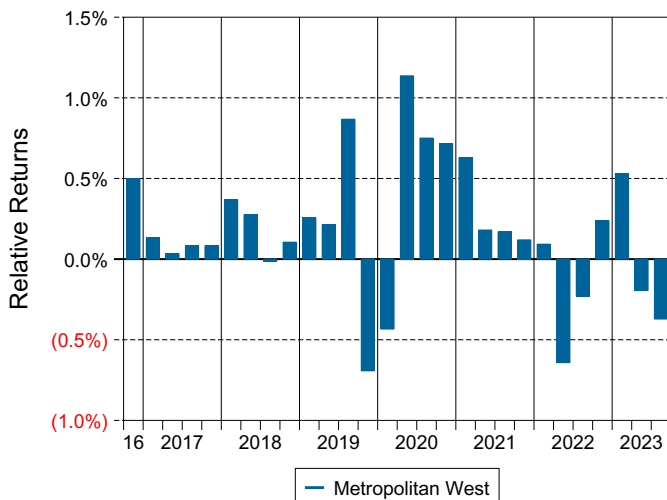
### Quarterly Asset Growth

Beginning Market Value	\$84,024,053
Net New Investment	\$0
Investment Gains/(Losses)	\$-3,016,613
Ending Market Value	\$81,007,440

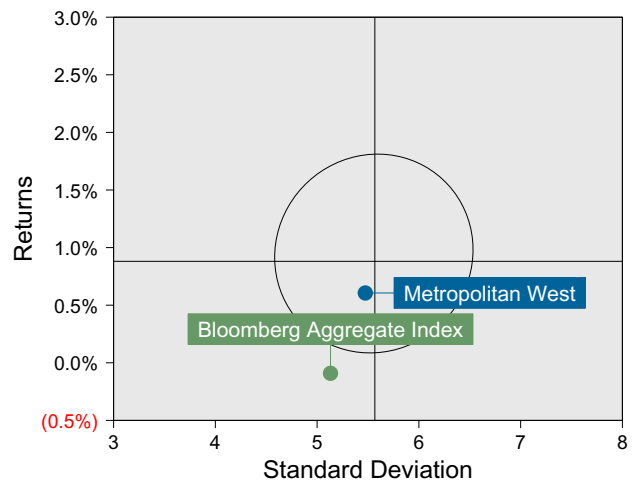
### Performance vs Callan Core Plus Fixed Income (Gross)



### Relative Returns vs Bloomberg Aggregate Index



### Callan Core Plus Fixed Income (Gross) Annualized Seven Year Risk vs Return

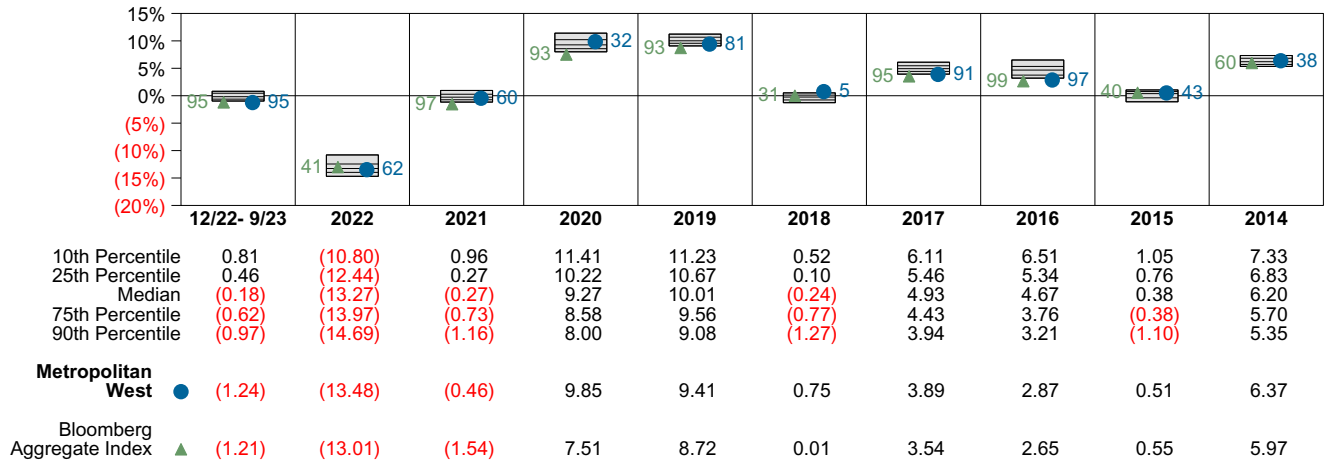


# Metropolitan West Return Analysis Summary

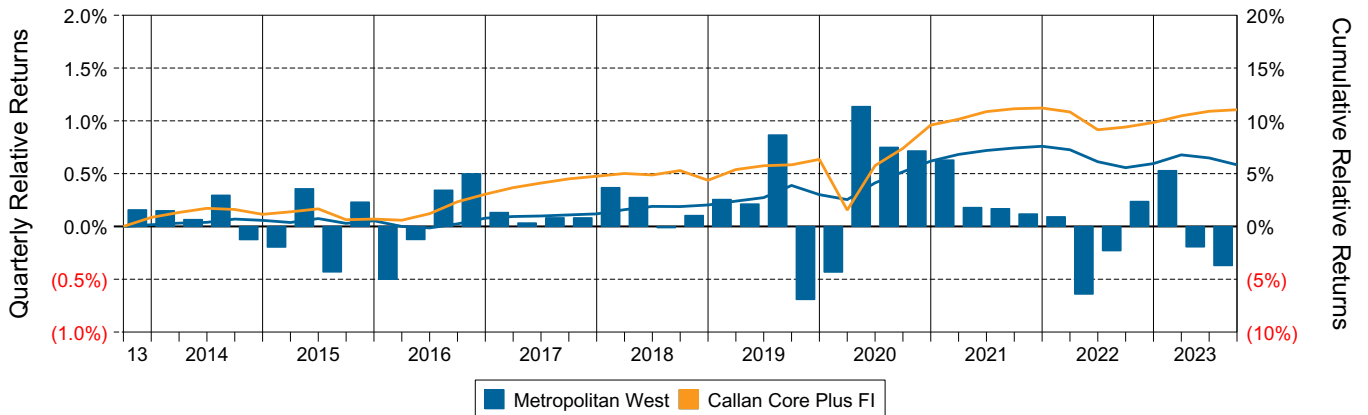
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

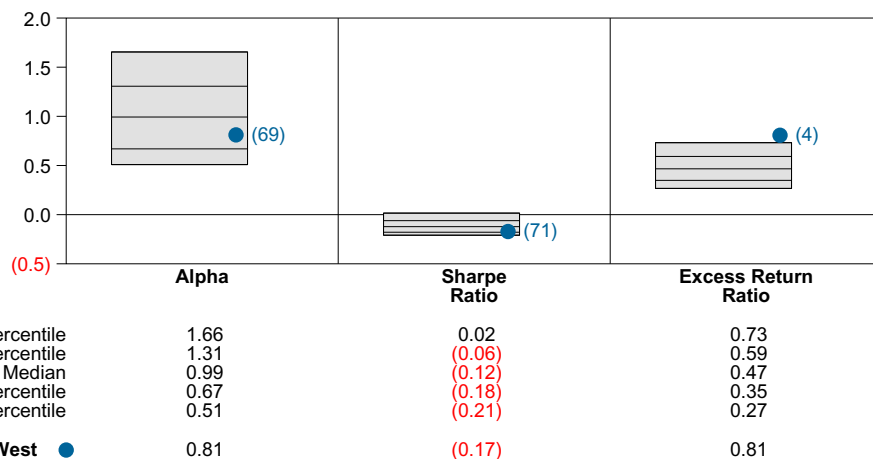
### Performance vs Callan Core Plus Fixed Income (Gross)



### Cumulative and Quarterly Relative Returns vs Bloomberg Aggregate Index



### Risk Adjusted Return Measures vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended September 30, 2023

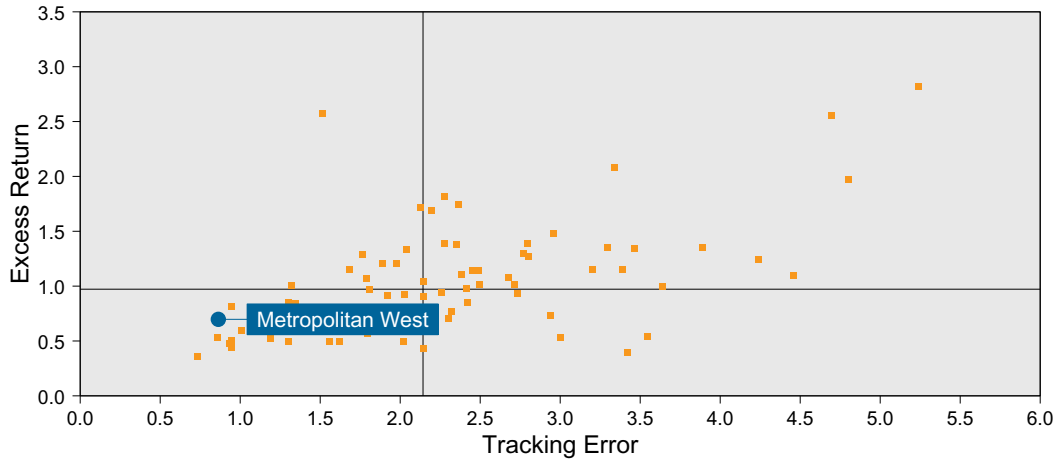


# Metropolitan West Risk Analysis Summary

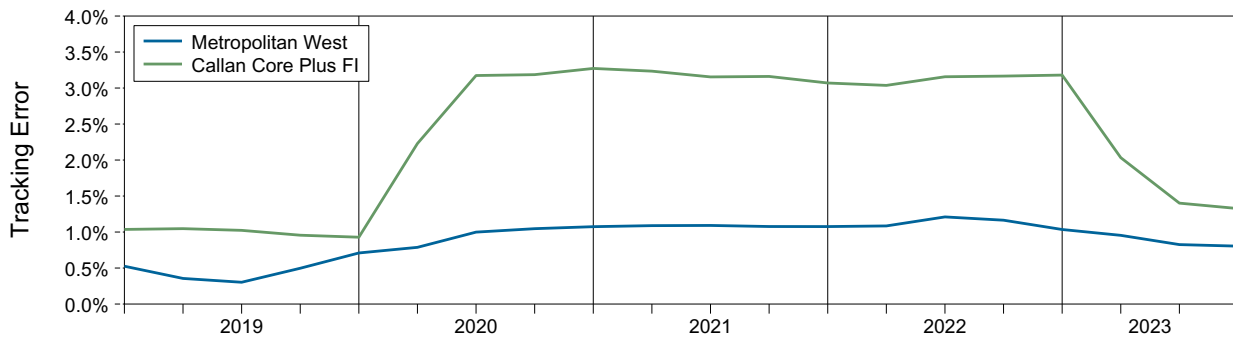
## Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

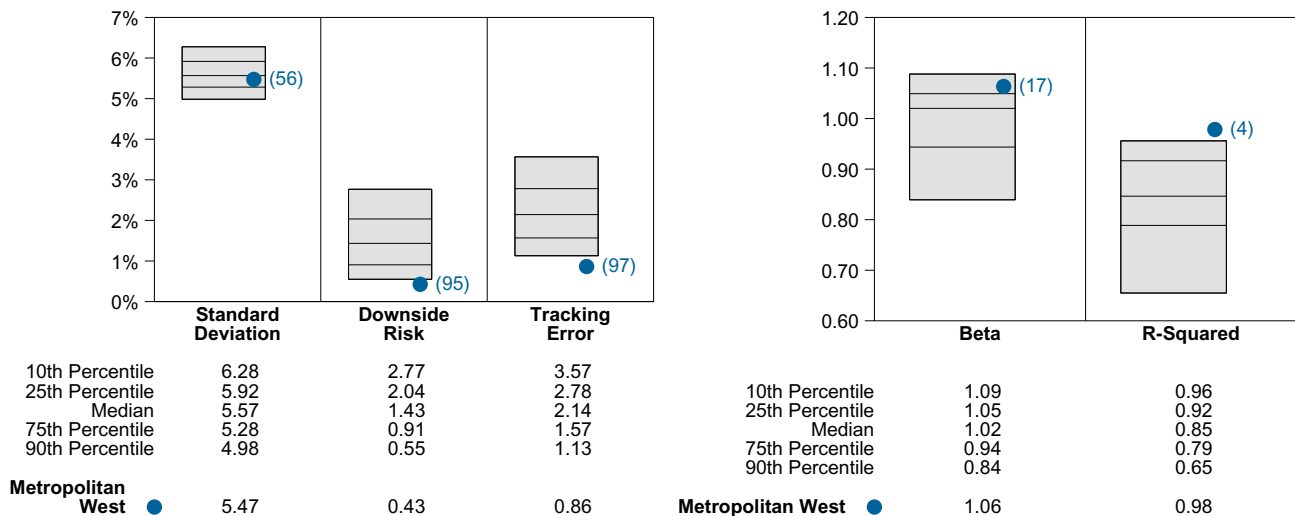
### Risk Analysis vs Callan Core Plus Fixed Income (Gross) Seven Years Ended September 30, 2023



### Rolling 12 Quarter Tracking Error vs Bloomberg Aggregate Index



### Risk Statistics Rankings vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended September 30, 2023

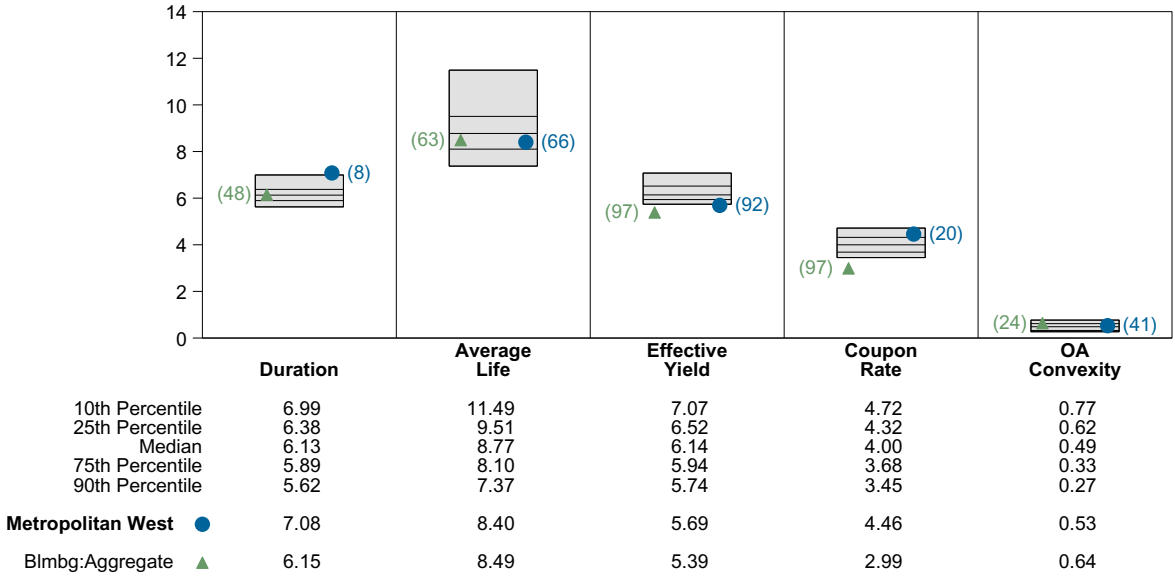


# Metropolitan West Bond Characteristics Analysis Summary

## Portfolio Characteristics

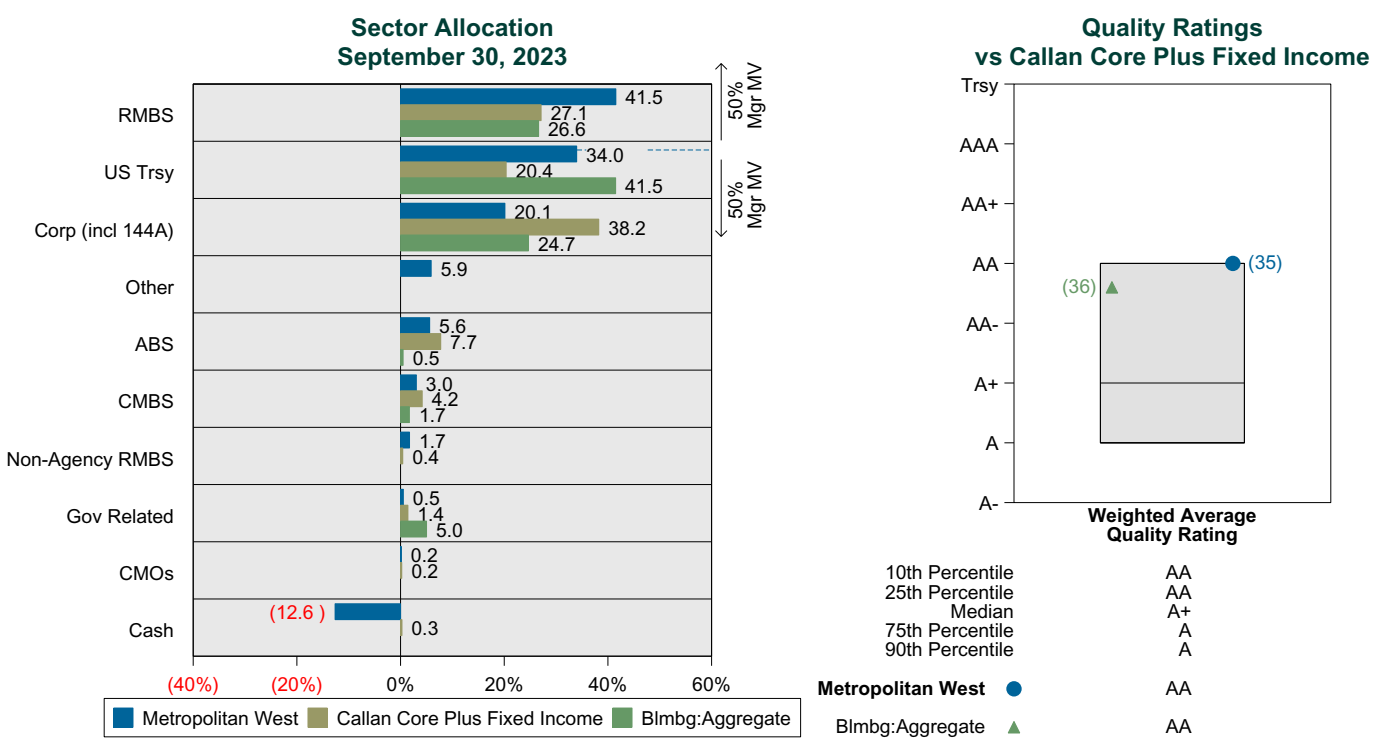
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against Callan Core Plus Fixed Income as of September 30, 2023



## Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.

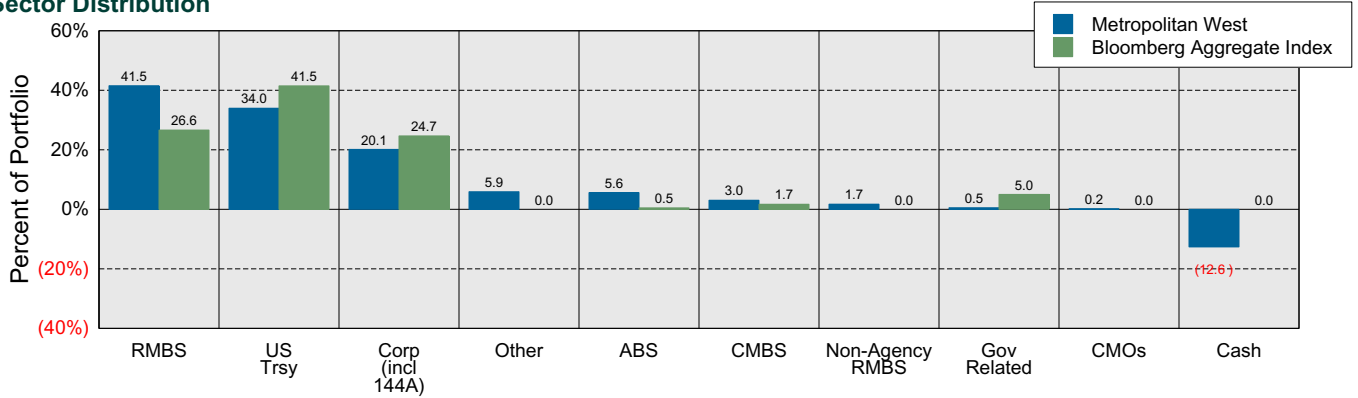


# Metropolitan West Portfolio Characteristics Summary As of September 30, 2023

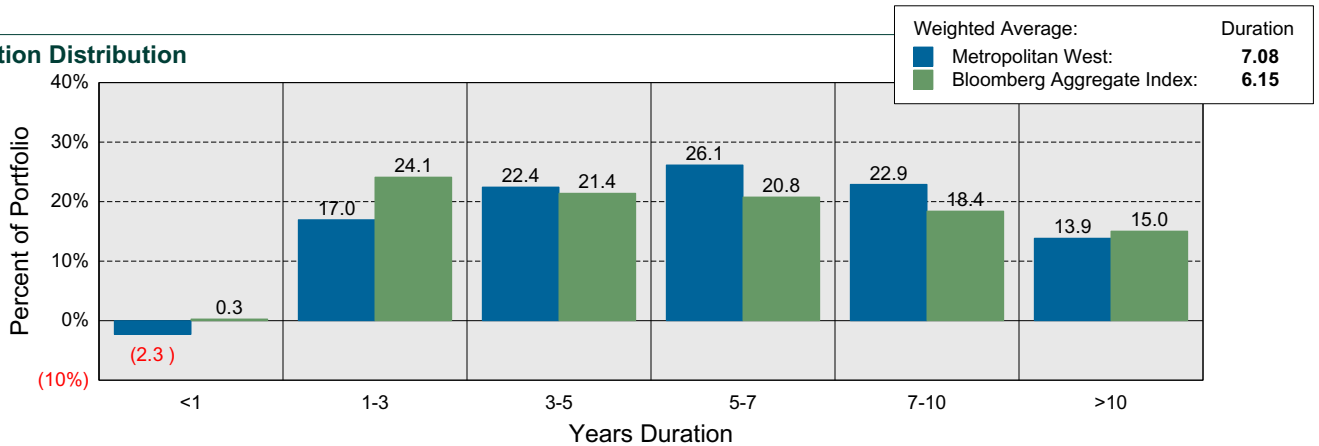
## Portfolio Structure Comparison

The charts below compare the structure of the portfolio to that of the index from the three perspectives that have the greatest influence on return. The first chart compares the two portfolios across sectors. The second chart compares the duration distribution. The last chart compares the distribution across quality ratings.

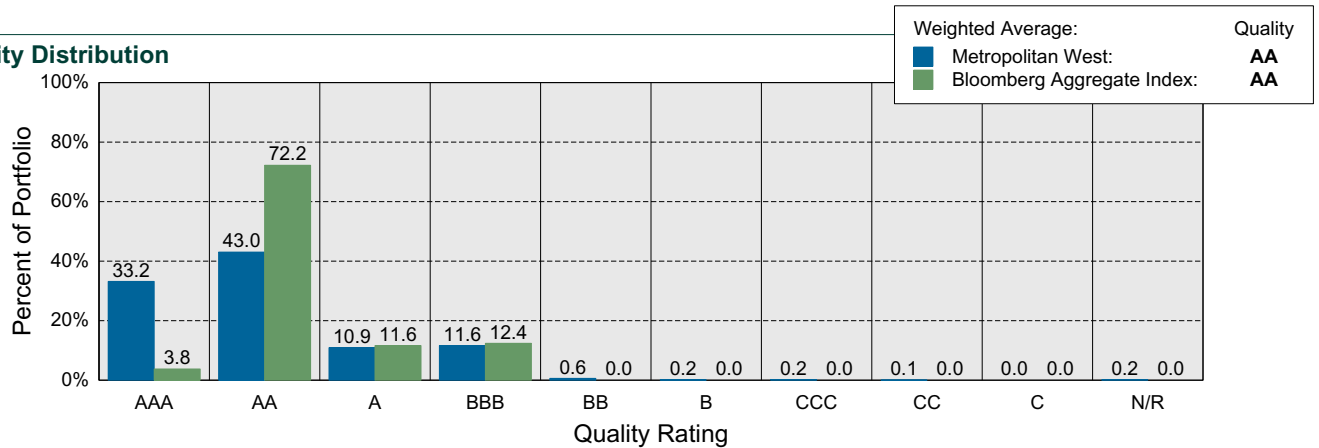
### Sector Distribution



### Duration Distribution



### Quality Distribution







# Real Estate Period Ended September 30, 2023

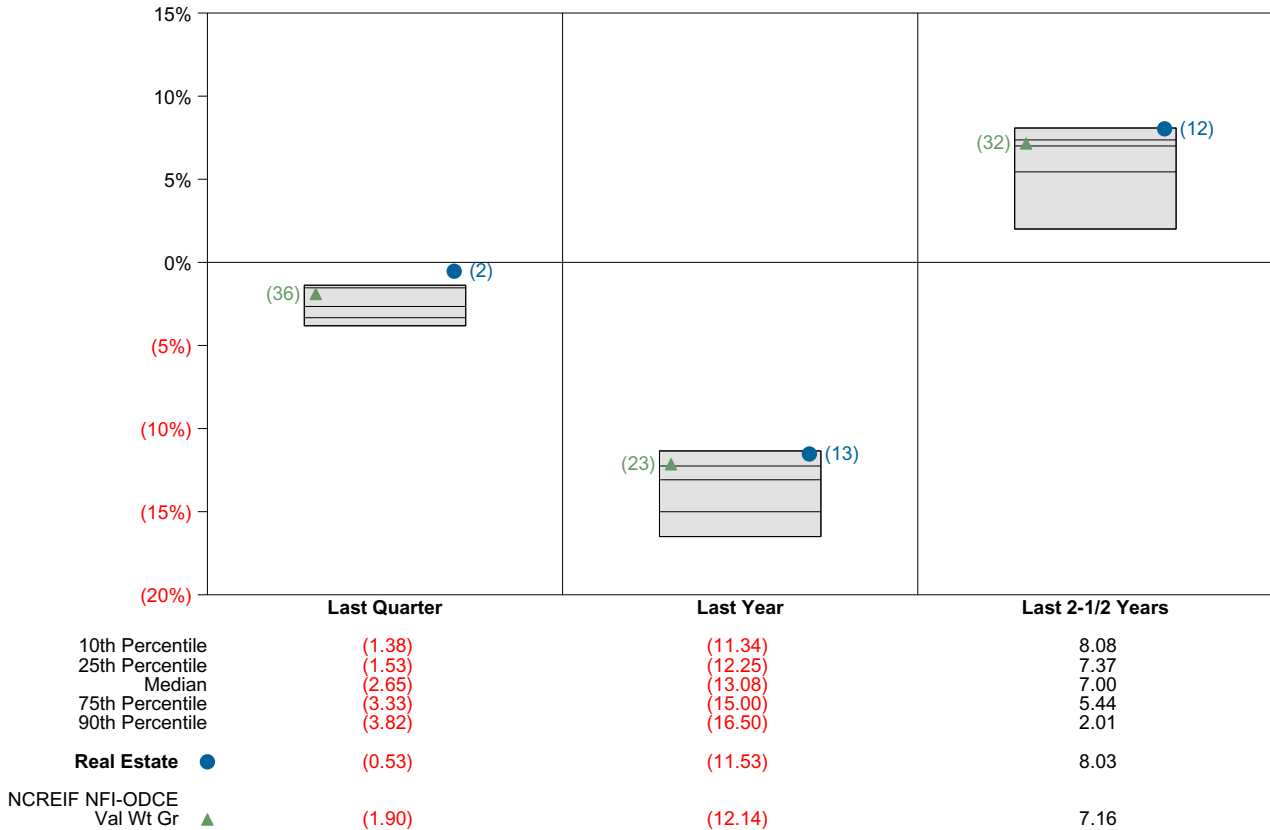
## Quarterly Summary and Highlights

- Real Estate's portfolio posted a (0.53)% return for the quarter placing it in the 2 percentile of the Callan Real Estate ODCE group for the quarter and in the 13 percentile for the last year.
- Real Estate's portfolio outperformed the NCREIF NFI-ODCE Val Wt Gr by 1.37% for the quarter and outperformed the NCREIF NFI-ODCE Val Wt Gr for the year by 0.62%.

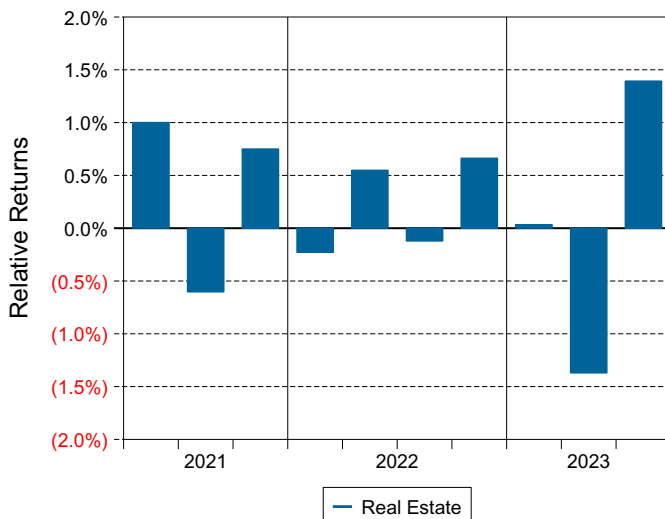
## Quarterly Asset Growth

Beginning Market Value	\$34,593,957
Net New Investment	\$0
Investment Gains/(Losses)	\$-268,992
Ending Market Value	\$34,324,966

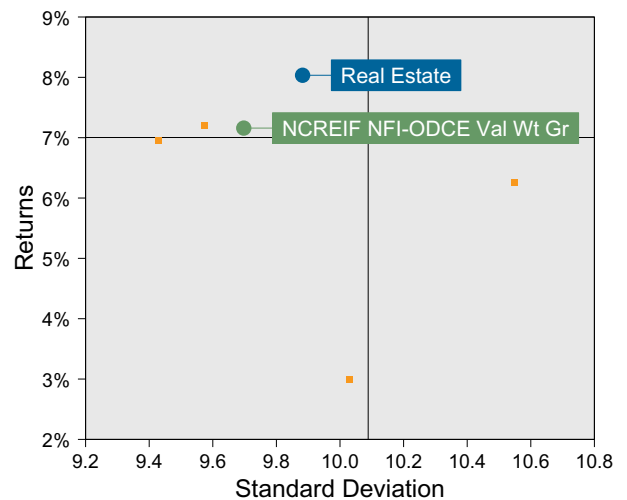
## Performance vs Callan Real Estate ODCE (Gross)



## Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



## Callan Real Estate ODCE (Gross) Annualized Two and One-Half Year Risk vs Return

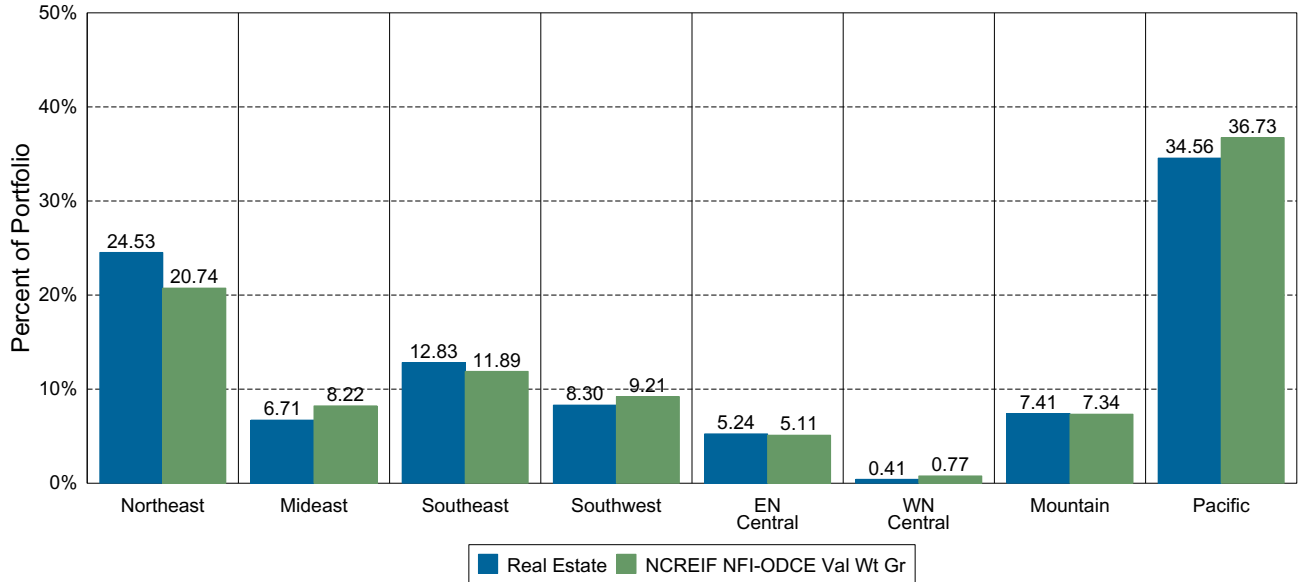


# Real Estate Diversification Analysis as of September 30, 2023

## Diversification Analysis

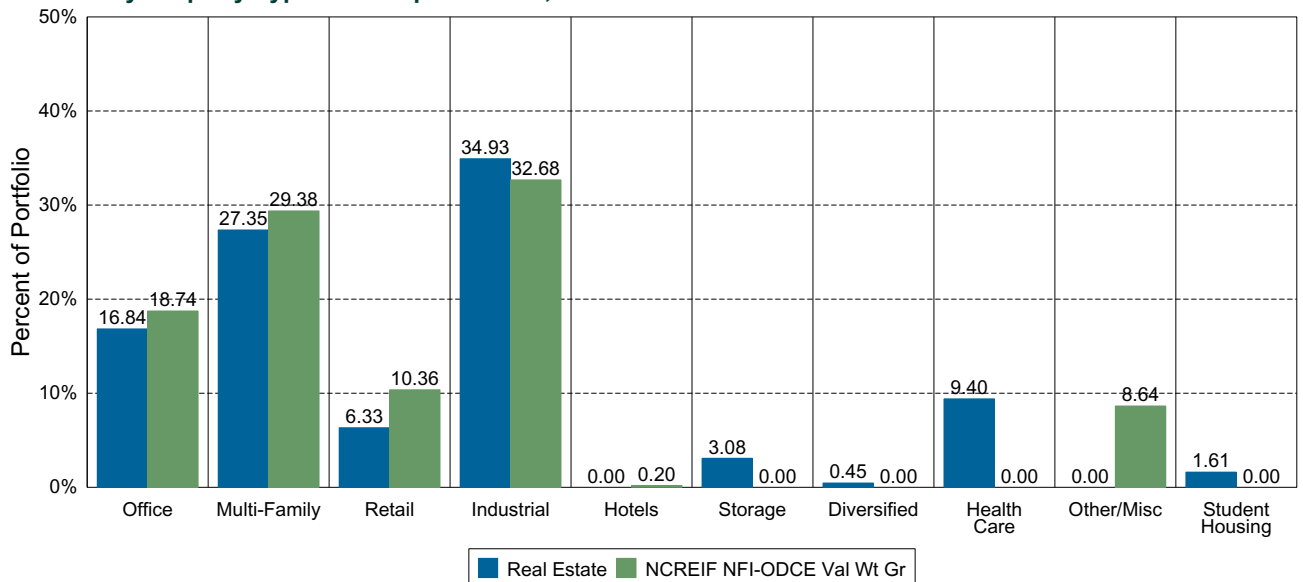
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of September 30, 2023



<b>Real Estate</b>	<b>24.53%</b>	<b>6.71%</b>	<b>12.83%</b>	<b>8.30%</b>	<b>5.24%</b>	<b>0.41%</b>	<b>7.41%</b>	<b>34.56%</b>
<b>NCREIF NFI-ODCE Val Wt Gr</b>	<b>20.74%</b>	<b>8.22%</b>	<b>11.89%</b>	<b>9.21%</b>	<b>5.11%</b>	<b>0.77%</b>	<b>7.34%</b>	<b>36.73%</b>

### Diversification by Property Type as of September 30, 2023



<b>Real Estate</b>	<b>16.84%</b>	<b>27.35%</b>	<b>6.33%</b>	<b>34.93%</b>	<b>0.00%</b>	<b>3.08%</b>	<b>0.45%</b>	<b>9.40%</b>	<b>0.00%</b>	<b>1.61%</b>
<b>NCREIF NFI-ODCE Val Wt Gr</b>	<b>18.74%</b>	<b>29.38%</b>	<b>10.36%</b>	<b>32.68%</b>	<b>0.20%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>8.64%</b>	<b>0.00%</b>

# Clarion Lion Fund

## Period Ended September 30, 2023

### Investment Philosophy

Returns prior to 3/31/2021 are linked to the fund's history.

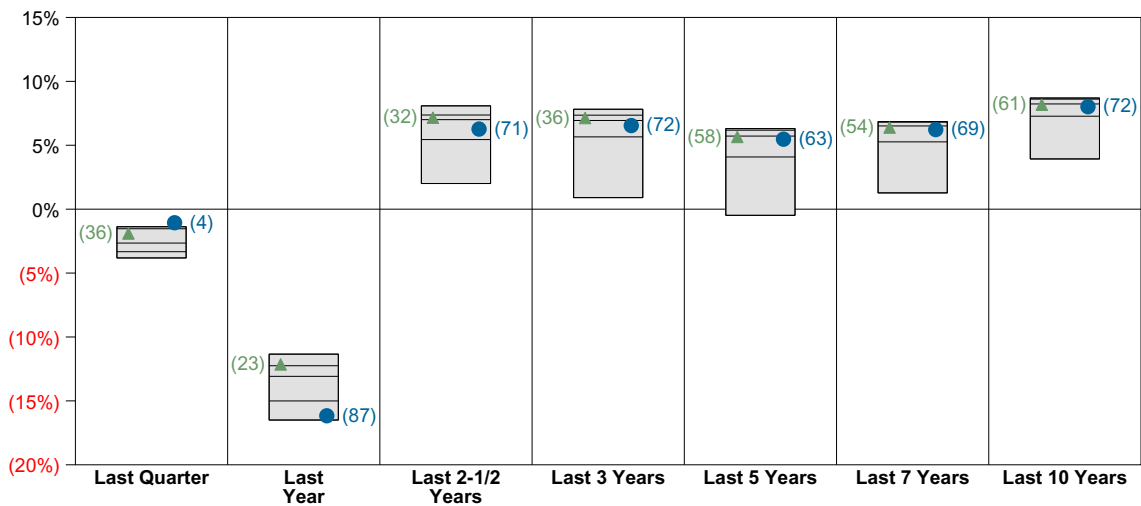
### Quarterly Summary and Highlights

- Clarion Lion Fund's portfolio posted a (1.06)% return for the quarter placing it in the 4 percentile of the Callan Real Estate ODCE group for the quarter and in the 87 percentile for the last year.
- Clarion Lion Fund's portfolio outperformed the NCREIF NFI-ODCE Val Wt Gr by 0.84% for the quarter and underperformed the NCREIF NFI-ODCE Val Wt Gr for the year by 4.02%.

### Quarterly Asset Growth

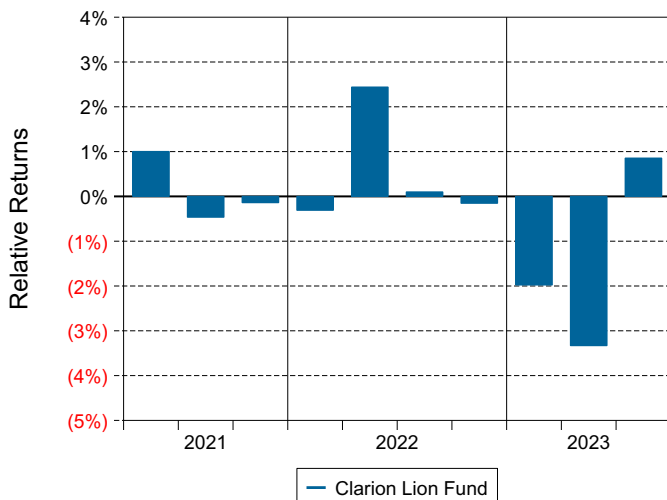
Beginning Market Value	\$17,257,267
Net New Investment	\$0
Investment Gains/(Losses)	\$-231,132
Ending Market Value	\$17,026,135

### Performance vs Callan Real Estate ODCE (Gross)

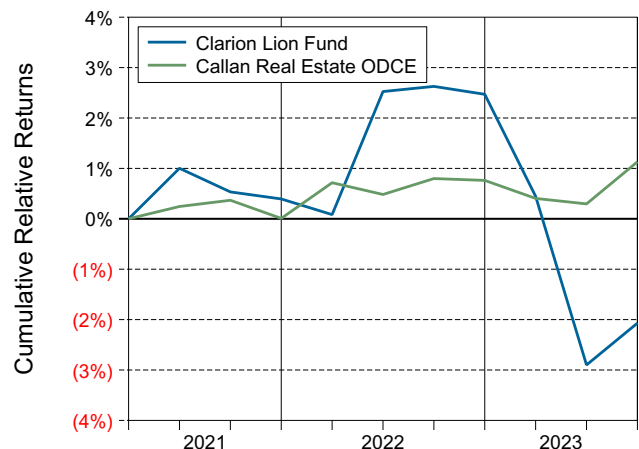


10th Percentile	(1.38)	(11.34)	8.08	7.82	6.30	6.85	8.70
25th Percentile	(1.53)	(12.25)	7.37	7.35	6.18	6.80	8.61
Median	(2.65)	(13.08)	7.00	6.94	5.72	6.51	8.23
75th Percentile	(3.33)	(15.00)	5.44	5.66	4.09	5.27	7.27
90th Percentile	(3.82)	(16.50)	2.01	0.90	(0.48)	1.27	3.93
<b>Clarion Lion Fund</b>	<b>● (1.06)</b>	<b>(16.17)</b>	<b>6.27</b>	<b>6.54</b>	<b>5.47</b>	<b>6.23</b>	<b>8.02</b>
<b>NCREIF NFI-ODCE Val Wt Gr</b>	<b>▲ (1.90)</b>	<b>(12.14)</b>	<b>7.16</b>	<b>7.13</b>	<b>5.65</b>	<b>6.39</b>	<b>8.17</b>

### Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



### Cumulative Returns vs NCREIF NFI-ODCE Val Wt Gr



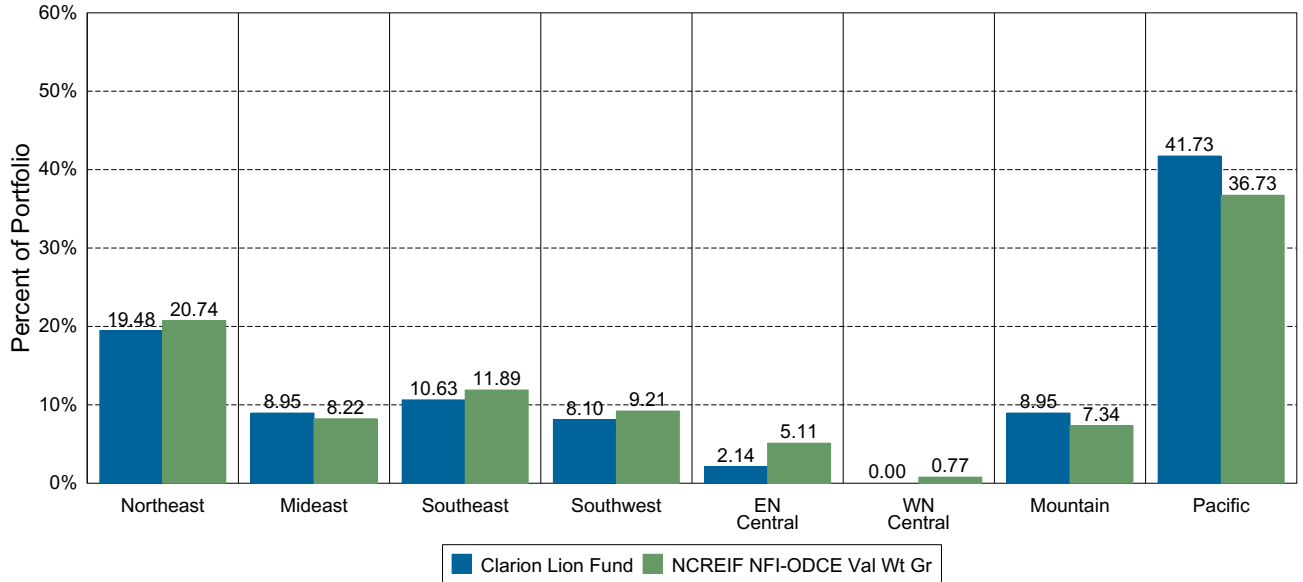
# Clarion Lion Fund

## Diversification Analysis as of September 30, 2023

### Diversification Analysis

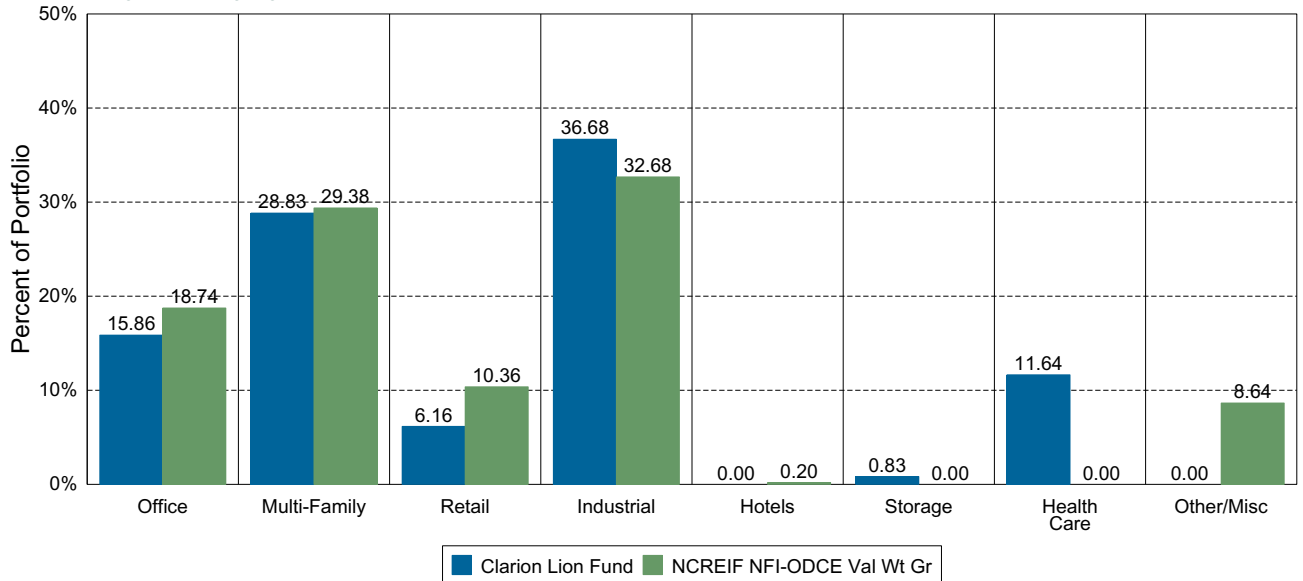
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of September 30, 2023



<b>Clarion Lion Fund</b>	<b>19.48%</b>	<b>8.95%</b>	<b>10.63%</b>	<b>8.10%</b>	<b>2.14%</b>	<b>0.00%</b>	<b>8.95%</b>	<b>41.73%</b>
NCREIF NFI-ODCE Val Wt Gr	20.74%	8.22%	11.89%	9.21%	5.11%	0.77%	7.34%	36.73%

### Diversification by Property Type as of September 30, 2023



<b>Clarion Lion Fund</b>	<b>15.86%</b>	<b>28.83%</b>	<b>6.16%</b>	<b>36.68%</b>	<b>0.00%</b>	<b>0.83%</b>	<b>11.64%</b>	<b>0.00%</b>
NCREIF NFI-ODCE Val Wt Gr	18.74%	29.38%	10.36%	32.68%	0.20%	0.00%	0.00%	8.64%

# Morgan Stanley Period Ended September 30, 2023

## Investment Philosophy

Returns prior to 6/30/2021 are linked to the fund's history.

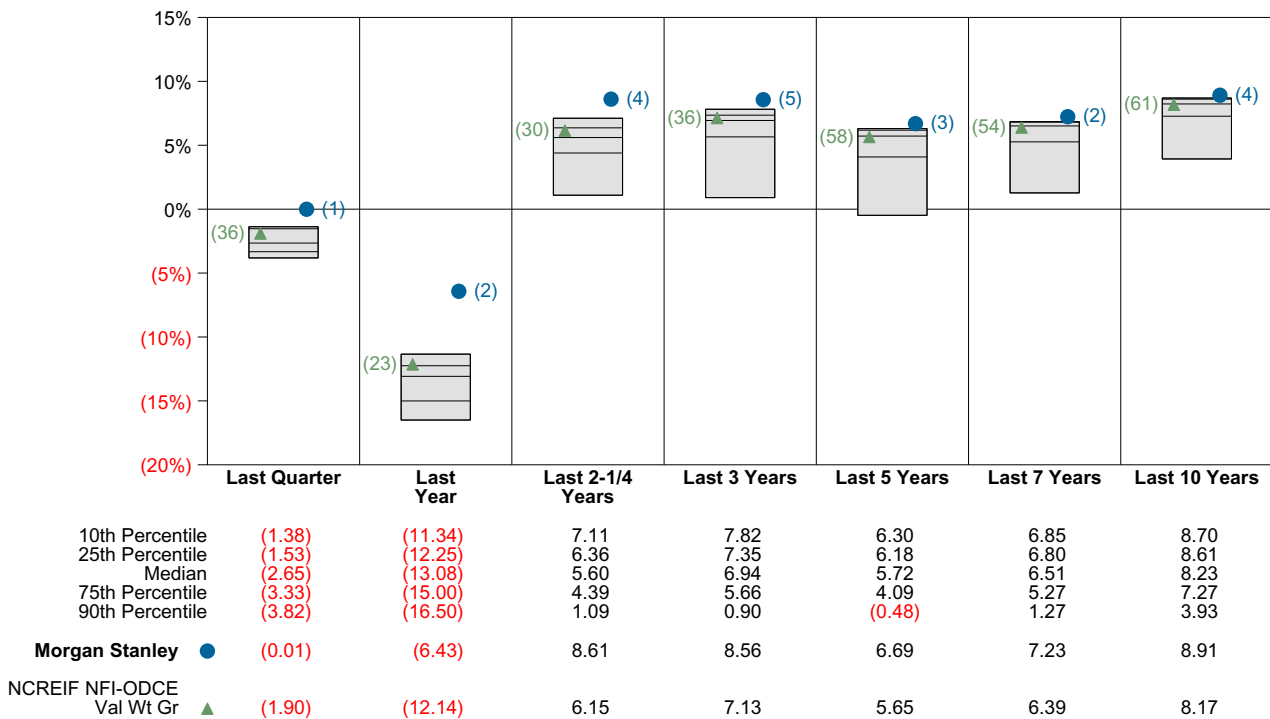
### Quarterly Summary and Highlights

- Morgan Stanley's portfolio posted a (0.01)% return for the quarter placing it in the 1 percentile of the Callan Real Estate ODCE group for the quarter and in the 2 percentile for the last year.
- Morgan Stanley's portfolio outperformed the NCREIF NFI-ODCE Val Wt Gr by 1.89% for the quarter and outperformed the NCREIF NFI-ODCE Val Wt Gr for the year by 5.72%.

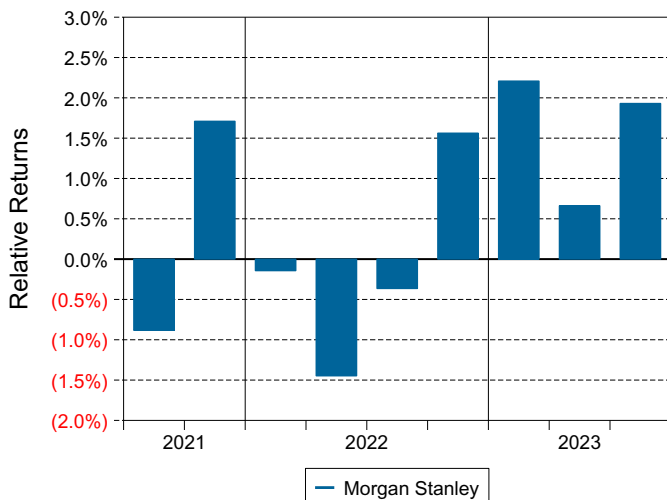
### Quarterly Asset Growth

Beginning Market Value	\$17,336,690
Net New Investment	\$0
Investment Gains/(Losses)	\$-37,860
Ending Market Value	\$17,298,831

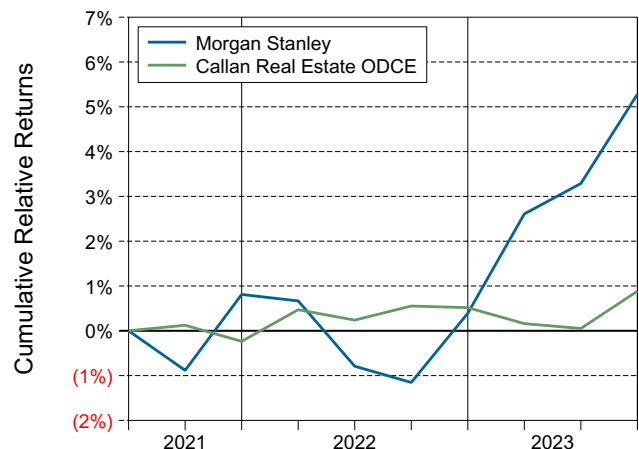
### Performance vs Callan Real Estate ODCE (Gross)



### Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



### Cumulative Returns vs NCREIF NFI-ODCE Val Wt Gr

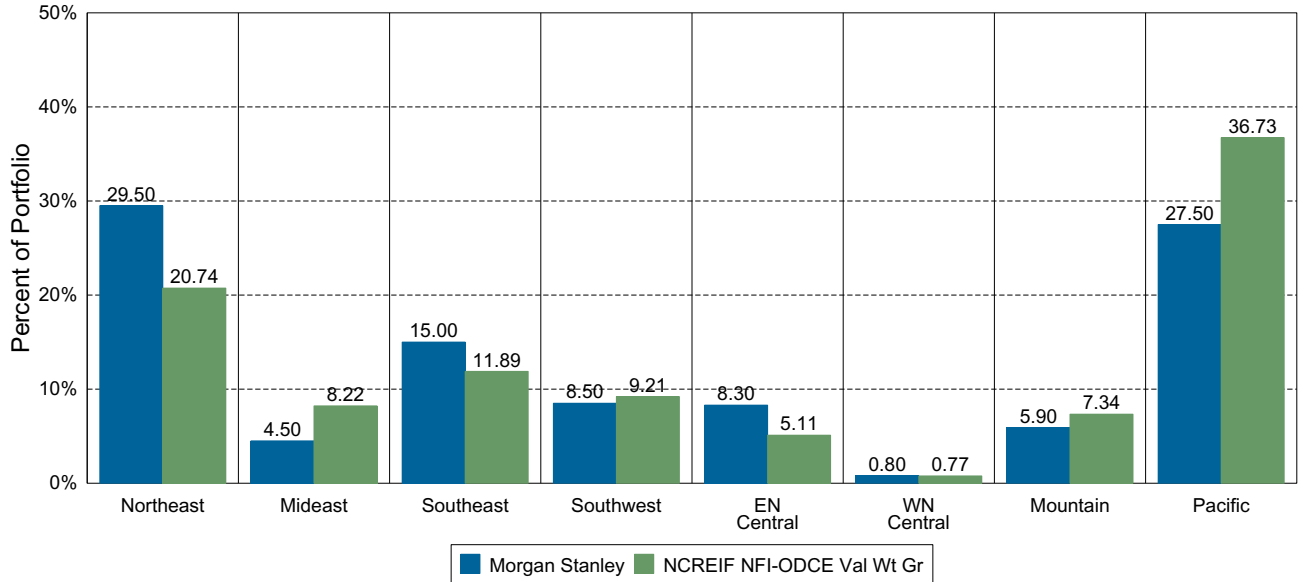


# Morgan Stanley Diversification Analysis as of September 30, 2023

## Diversification Analysis

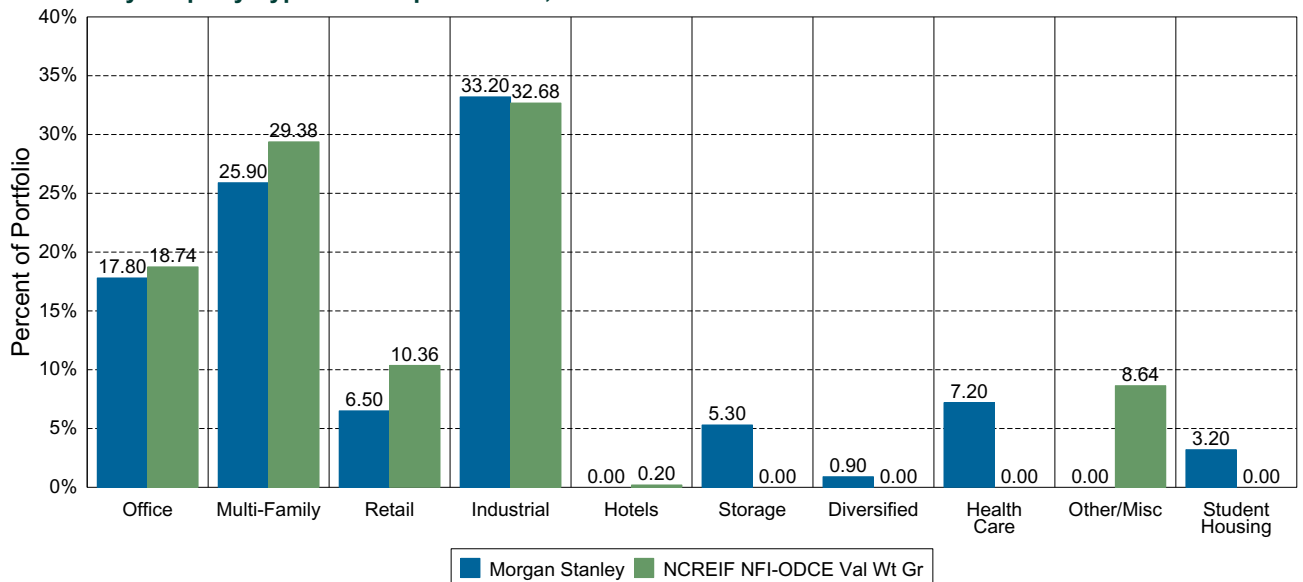
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of September 30, 2023



<b>Morgan Stanley</b>	<b>29.50%</b>	<b>4.50%</b>	<b>15.00%</b>	<b>8.50%</b>	<b>8.30%</b>	<b>0.80%</b>	<b>5.90%</b>	<b>27.50%</b>
NCREIF NFI-ODCE Val Wt Gr	20.74%	8.22%	11.89%	9.21%	5.11%	0.77%	7.34%	36.73%

### Diversification by Property Type as of September 30, 2023



<b>Morgan Stanley</b>	<b>17.80%</b>	<b>25.90%</b>	<b>6.50%</b>	<b>33.20%</b>	<b>0.00%</b>	<b>5.30%</b>	<b>0.90%</b>	<b>7.20%</b>	<b>0.00%</b>	<b>3.20%</b>
NCREIF NFI-ODCE Val Wt Gr	18.74%	29.38%	10.36%	32.68%	0.20%	0.00%	0.00%	0.00%	8.64%	0.00%



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## Risk/Reward Statistics

The risk statistics used in this report examine performance characteristics of a manager or a portfolio relative to a benchmark (market indicator) which assumes to represent overall movements in the asset class being considered. The main unit of analysis is the excess return, which is the portfolio return minus the return on a risk free asset (3 month T-Bill).

**Alpha** measures a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk which was taken for that level of market exposure.

**Beta** measures the sensitivity of rates of portfolio returns to movements in the market index. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If a beta of a portfolio is 1.5, a 1 percent increase in the return on the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

**Downside Risk** stems from the desire to differentiate between "good risk" (upside volatility) and "bad risk" (downside volatility). Whereas standard deviation punishes both upside and downside volatility, downside risk measures only the standard deviation of returns below the target. Returns above the target are assigned a deviation of zero. Both the frequency and magnitude of underperformance affect the amount of downside risk.

**Excess Return Ratio** is a measure of risk adjusted relative return. This ratio captures the amount of active management performance (value added relative to an index) per unit of active management risk (tracking error against the index.) It is calculated by dividing the manager's annualized cumulative excess return relative to the index by the standard deviation of the individual quarterly excess returns. The Excess Return Ratio can be interpreted as the manager's active risk/reward tradeoff for diverging from the index when the index is mandated to be the "riskless" market position.

**Information Ratio** measures the manager's market risk-adjusted excess return per unit of residual risk relative to a benchmark. It is computed by dividing alpha by the residual risk over a given time period. Assuming all other factors being equal, managers with lower residual risk achieve higher values in the information ratio. Managers with higher information ratios will add value relative to the benchmark more reliably and consistently.

**R-Squared** indicates the extent to which the variability of the portfolio returns are explained by market action. It can also be thought of as measuring the diversification relative to the appropriate benchmark. An r-squared value of .75 indicates that 75% of the fluctuation in a portfolio return is explained by market action. An r-squared of 1.0 indicates that a portfolio's returns are entirely related to the market and it is not influenced by other factors. An r-squared of zero indicates that no relationship exists between the portfolio's return and the market.

**Relative Standard Deviation** is a simple measure of a manager's risk (volatility) relative to a benchmark. It is calculated by dividing the manager's standard deviation of returns by the benchmark's standard deviation of returns. A relative standard deviation of 1.20, for example, means the manager has exhibited 20% more risk than the benchmark over that time period. A ratio of .80 would imply 20% less risk. This ratio is especially useful when analyzing the risk of investment grade fixed-income products where actual historical durations are not available. By using this relative risk measure over rolling time periods one can illustrate the "implied" historical duration patterns of the portfolio versus the benchmark.

**Residual Portfolio Risk** is the unsystematic risk of a fund, the portion of the total risk unique to the fund (manager) itself and not related to the overall market. This reflects the "bets" which the manager places in that particular asset market. These bets may reflect emphasis in particular sectors, maturities (for bonds), or other issue specific factors which the manager considers a good investment opportunity. Diversification of the portfolio will reduce or eliminate the residual risk of that portfolio.



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## Risk/Reward Statistics

**Rising Declining Periods** refer to the sub-asset class cycles vis-a-vis the broader asset class. This is determined by evaluating the cumulative relative sub-asset class index performance to that of the broader asset class index. For example, to determine the Growth Style cycle, the S&P 500 Growth Index (sub-asset class) performance is compared to that of the S&P 500 Index (broader asset class).

**Sharpe Ratio** is a commonly used measure of risk-adjusted return. It is calculated by subtracting the "risk-free" return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting "excess return" by the portfolio's risk level (standard deviation). The result is a measure of return gained per unit of risk taken.

**Sortino Ratio** is a downside risk-adjusted measure of value-added. It measures excess return over a benchmark divided by downside risk. The natural appeal is that it identifies value-added per unit of truly bad risk. The danger of interpretation, however, lies in these two areas: (1) the statistical significance of the denominator, and (2) its reliance on the persistence of skewness in return distributions.

**Standard Deviation** is a statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (ie. has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

**Total Portfolio Risk** is a measure of the volatility of the quarterly excess returns of an asset. Total risk is composed of two measures of risk: market (non-diversifiable or systematic) risk and residual (diversifiable or unsystematic) risk. The purpose of portfolio diversification is to reduce the residual risk of the portfolio.

**Tracking Error** is a statistical measure of a portfolio's risk relative to an index. It reflects the standard deviation of a portfolio's individual quarterly or monthly returns from the index's returns. Typically, the lower the Tracking Error, the more "index-like" the portfolio.

**Treynor Ratio** represents the portfolio's average excess return over a specified period divided by the beta relative to its benchmark over that same period. This measure reflects the reward over the risk-free rate relative to the systematic risk assumed.

Note: Alpha, Total Risk, and Residual Risk are annualized.



## Quarterly Highlights

The Callan Institute provides research to update clients on the latest industry trends and carefully structured educational programs to enhance the knowledge of industry professionals. Visit [www.callan.com/research-library](http://www.callan.com/research-library) to see all of our publications, and [www.callan.com/blog](http://www.callan.com/blog) to view our blog. For more information contact Barb Gerraty at 415-274-3093 / [institute@callan.com](mailto:institute@callan.com).

## New Research from Callan's Experts

### [3Q23 Real Assets Reporter: Office-to-Residential Conversions](#)

This paper discusses issues surrounding office -to-residential conversions and the key elements that institutional investors need to understand about these challenging projects.

### [Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle? 2Q23](#)

Callan's Real Assets Consulting group identifies seven indicators—based on spreads in real estate and fixed income markets—that, combined with an understanding of prevailing market dynamics, have helped signal when the institutional real estate market is overheated or cooled.

## Blog Highlights

### [Our First Private Credit Fees and Terms Study: What We Found in 2023](#)

Callan's 2023 Private Credit Fees and Terms Study is our inaugural study in the private credit space. The study is intended to help institutional investors better evaluate private credit funds.

### [An Investor's Guide to the Nasdaq-100's Special Rebalance](#)

Over the summer, the Nasdaq-100 Index implemented a "Special Rebalance" to reduce the influence of a few key stocks, which had grown to have a large effect on the index.

### [Callan Discount Rate Reporter](#)

These blog posts from our Corporate DB Plan Focus Group are monthly updates about the impact of interest rates on corporate defined benefit (DB) plans, designed to highlight trends in the market.

### [How Your Public DB Plan's Returns Compare](#)

These blog posts provide context for public defined benefit (DB) plans about their returns over time, from our Public DB Plan Focus Group.

## Quarterly Updates

[Private Equity Update, 2Q23](#) | A high-level summary of private equity activity in the quarter through all the investment stages

[Active vs. Passive Charts, 2Q23](#) | A comparison of active managers alongside relevant benchmarks over the long term

[Market Pulse, 2Q23](#) | A quarterly market reference guide covering trends in the U.S. economy, developments for institutional investors, and the latest data on the capital markets

[Capital Markets Review, 2Q23](#) | Analysis and a broad overview of the economy and public and private markets activity each quarter across a wide range of asset classes

[Hedge Fund Update, 2Q23](#) | Commentary on developments for hedge funds and multi-asset class (MAC) strategies

[Real Assets Update, 2Q23](#) | A summary of market activity for real assets and private real estate during the quarter

[Private Credit Update, 2Q23](#) | A review of performance and fundraising activity for private credit during the quarter

[Callan Target Date Index™, 2Q23](#) | Allows plan sponsors, managers, and participants to track the performance and asset allocation of available target date mutual funds and collective trusts.

[Callan DC Index™, 2Q23](#) | Provides underlying fund performance, asset allocation, and cash flows of more than 100 large defined contribution plans representing approximately \$400 billion in assets

## Events

A complete list of all upcoming events can be found on our website: [callan.com/events-education](https://callan.com/events-education).

*Please mark your calendar and look forward to upcoming invitations:*

### Webinar: Callan's Retirement Conundrum

Nov. 15, 2023 – Virtual

### Webinar: Callan's 2024 Capital Markets Assumptions

Jan. 17, 2024 – Virtual

### 2024 National Conference

April 8-10, 2024 – San Francisco

For more information about events, please contact Barb Gerraty: 415-274-3093 / [gerraty@callan.com](mailto:gerraty@callan.com)

## Education: By the Numbers

50+

Unique pieces of research the Institute generates each year

525

Attendees (on average) of the Institute's annual National Conference

3,700

Total attendees of the "Callan College" since 1994

## Education

Founded in 1994, the "Callan College" offers educational sessions for industry professionals involved in the investment decision-making process.

### Alternative Investments

Feb. 21-22, 2024 – Virtual

Alternative investments like private equity, hedge funds, and real estate can play a key role in any portfolio. In our "Callan College" on Alternatives, you will learn about the importance of allocations to alternatives, and how to consider integrating, evaluating, and monitoring them.

### Introduction to Investments

March 5-7, 2024 – Virtual

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. This course is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities.

Our virtual sessions are held over two to three days with virtual modules of 2.5-3 hours, while in-person sessions run either a full day or one-and-a-half days. Virtual tuition is \$950 per person and includes instruction and digital materials. In-person tuition is \$2,350 per person and includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Additional information including registration can be found at: [callan.com/events-education](https://callan.com/events-education)



"Research is the foundation of all we do at Callan, and sharing our best thinking with the investment community is our way of helping to foster dialogue to raise the bar across the industry."

Greg Allen, CEO and Chief Research Officer



## List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

Callan takes its fiduciary and disclosure responsibilities to clients very seriously. We recognize that there are numerous potential conflicts of interest encountered in the investment consulting industry, and that it is our responsibility to manage those conflicts effectively and in the best interest of our clients. At Callan, we employ a robust process to identify, manage, monitor, and disclose potential conflicts on an ongoing basis.

The list below is an important component of our conflicts management and disclosure process. It identifies those investment managers that pay Callan fees for educational, consulting, software, database, or reporting products and services. We update the list quarterly because we believe that our fund sponsor clients should know the investment managers that do business with Callan, particularly those investment manager clients that the fund sponsor clients may be using or considering using. Please note that if an investment manager receives a product or service on a complimentary basis (e.g., attending an educational event), they are not included in the list below. Callan is committed to ensuring that we do not consider an investment manager's business relationship with Callan, or lack thereof, in performing evaluations for or making suggestions or recommendations to its other clients. Please refer to Callan's ADV Part 2A for a more detailed description of the services and products that Callan makes available to investment manager clients through our Institutional Consulting Group, Independent Adviser Group, and Fund Sponsor Consulting Group. Due to the complex corporate and organizational ownership structures of many investment management firms, parent and affiliate firm relationships are not indicated on our list.

Fund sponsor clients may request a copy of the most currently available list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by particular fund manager clients. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance department.

### Manager Name

abrdn  
ABS Global Investments  
Acadian Asset Management LLC  
Adams Street Partners, LLC  
Aegon Asset Management  
AllianceBernstein  
Allspring Global Investments, LLC  
Altrinsic Global Advisors, LLC  
American Century Investments  
Amundi US, Inc.  
Antares Capital LP  
Apollo Global Management, Inc.  
AQR Capital Management  
Ares Management LLC  
Ariel Investments, LLC  
Aristotle Capital Management, LLC  
Atlanta Capital Management Co., LLC  
AXA Investment Managers

### Manager Name

Axion Investors LLC  
Baillie Gifford International, LLC  
Baird Advisors  
Barings LLC  
Baron Capital Management, Inc.  
Barrow, Hanley, Mewhinney & Strauss, LLC  
BentallGreenOak  
Beutel, Goodman & Company Ltd.  
BlackRock  
Blackstone Group (The)  
Blue Owl Capital, Inc.  
BNY Mellon Asset Management  
Boston Partners  
Brandes Investment Partners, L.P.  
Brandywine Global Investment Management, LLC  
Brookfield Asset Management Inc.  
Brookfield Public Securities Group LLC  
Brown Brothers Harriman & Company

**Manager Name**

Capital Group

CastleArk Management, LLC

CIBC Asset Management Inc.

ClearBridge Investments, LLC

Cohen &amp; Steers Capital Management, Inc.

Columbia Threadneedle Investments NA

Comvest Partners

CQS

Credit Suisse Asset Management, LLC

D.E. Shaw Investment Management, LLC

DePrince, Race &amp; Zollo, Inc.

Dimensional Fund Advisors L.P.

Doubleline

DWS

EARNEST Partners, LLC

Eleos Partners, LLC

Fayez Sarofim &amp; Company

Federated Hermes, Inc.

Fidelity Institutional Asset Management

Fiera Capital Corporation

First Eagle Investment Management, LLC

First Hawaiian Bank Wealth Management Division

First Sentier Investors

Fisher Investments

Fort Washington Investment Advisors, Inc.

Franklin Templeton

Fred Alger Management, LLC

GAM (USA) Inc.

GAMCO Investors, Inc.

GlobeFlex Capital, L.P.

GoldenTree Asset Management, LP

Goldman Sachs

Golub Capital

Guggenheim Investments

GW&amp;K Investment Management

Harbor Capital Advisors

Hardman Johnston Global Advisors LLC

Heitman LLC

Hotchkis &amp; Wiley Capital Management, LLC

Impax Asset Management LLC

**Manager Name**

Income Research + Management

Insight Investment

Intech Investment Management LLC

Intercontinental Real Estate Corporation

Invesco

J.P. Morgan

Janus

Jennison Associates LLC

Jobs Peak Advisors

KeyCorp

Kohlberg Kravis Roberts &amp; Co. (KKR)

Lazard Asset Management

LGIM America

Lincoln National Corporation

Longview Partners

Loomis, Sayles &amp; Company, L.P.

Lord, Abbett &amp; Company

LSV Asset Management

MacKay Shields LLC

Macquarie Asset Management (MAM)

Manulife Investment Management

Marathon Asset Management, L.P.

MetLife Investment Management

MFS Investment Management

MidFirst Bank

Mondrian Investment Partners Limited

Montag &amp; Caldwell, LLC

Morgan Stanley Investment Management

MUFG Union Bank, N.A.

Natixis Investment Managers

Neuberger Berman

Newton Investment Management

Northern Trust Asset Management

Nuveen

Oaktree Capital Management, L.P.

P/E Investments

Pacific Investment Management Company

Pantheon Ventures

Parametric Portfolio Associates LLC

Partners Group (USA) Inc.

**Manager Name**

Pathway Capital Management, LP

PFM Asset Management LLC

PGIM DC Solutions

PGIM Fixed Income

PGIM Quantitative Solutions LLC

Pictet Asset Management

PineBridge Investments

Polen Capital Management, LLC

Pretium Partners, LLC

Principal Asset Management

Putnam Investments, LLC

Raymond James Investment Management

RBC Global Asset Management

Regions Financial Corporation

Robeco Institutional Asset Management, US Inc.

S&amp;P Dow Jones Indices

Sands Capital Management

Schroder Investment Management North America Inc.

Segall Bryant &amp; Hamill

SLC Management

Smith Graham &amp; Co. Investment Advisors, L.P.

State Street Global Advisors

**Manager Name**

Strategic Global Advisors, LLC

TD Global Investment Solutions – TD Epoch

T. Rowe Price Associates, Inc.

The TCW Group, Inc.

Thompson, Siegel &amp; Walmsley LLC

Thrivent Investment Management, Inc.

Tri-Star Trust Bank

UBS Asset Management

ULLICO Investment Advisors, Inc.

VanEck

Versus Capital Group

Victory Capital Management Inc.

Virtus Investment Partners, Inc.

Vontobel Asset Management

Voya

Walter Scott &amp; Partners Limited

WCM Investment Management

Wellington Management Company, LLP

Western Asset Management Company LLC

Westfield Capital Management Company, LP

William Blair &amp; Company LLC

Xponance, Inc.



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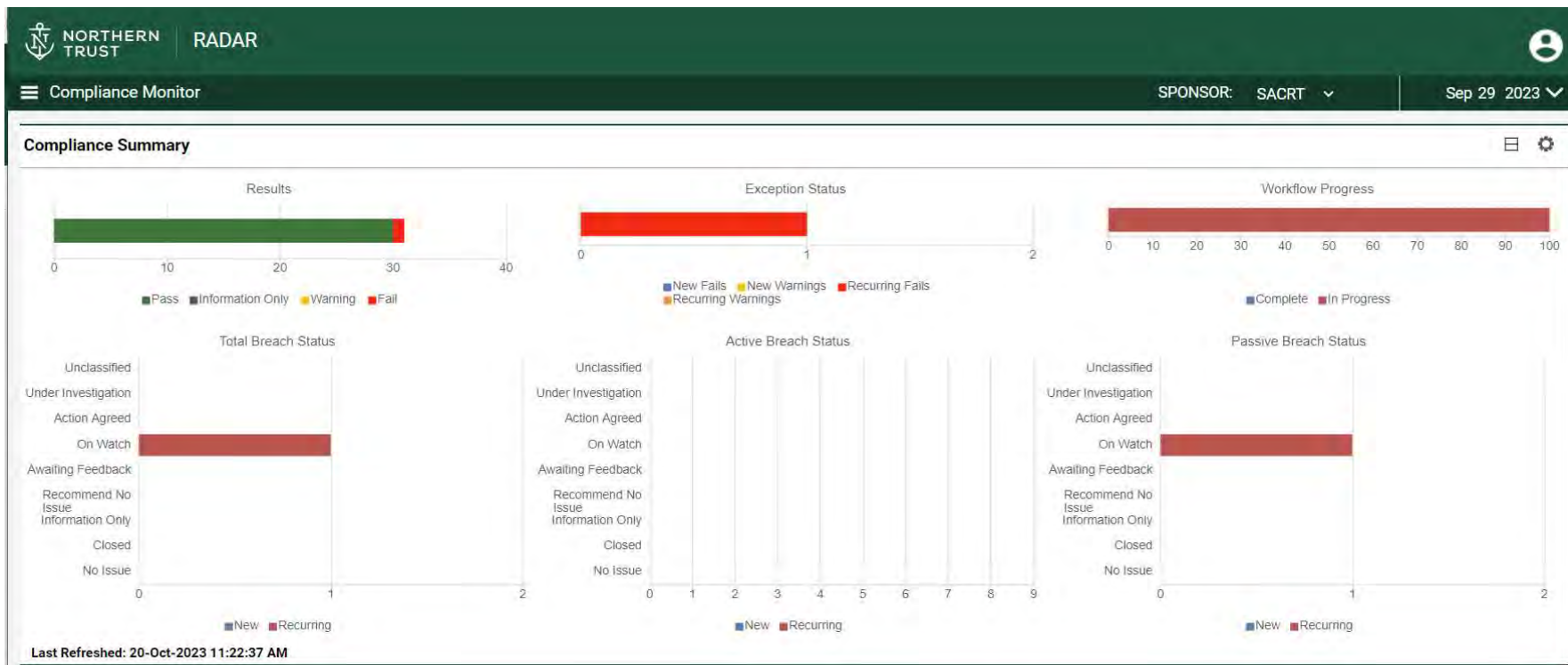
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Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results.



Note: The compliance breach is a carry forward from March 2022 and was caused by a restructuring of Intelsat, a global provider of satellite communications services (original holdings Intelsat Jackson CUSIPs 45824TAY1 and 45824TBA2 and current holdings CUSIPs L5217E120, L5137X109, L5137X117, 458ESCAB6 and 458ESCAC4); which are part of TCW's portfolio holdings. As a result of the restructuring, there will be an equity line item in the portfolio for some period as TCW seeks an opportunistic disposition to maximize the realized value. In time, execution on Intelsat's business plan should improve the liquidity and value of Intelsat common shares, leading to a full liquidation from the portfolio. Northern Trust's compliance monitoring settings were set to flag equity common stock, equity rights and other sundry assets as compliance breaches. The Intelsat investments were originally purchased as Corporate Bonds so this incident is not a violation of the investment policy. The current equity common stock, equity rights and other sundry assets will continue to be monitored until TCW disposes of the securities.

Type Filters Applied:All,Fail,Information Only,Warning Breach Status Filters Applied:All,Active,Passive

Breach ID	Rule Processing Frequency	Account / Consolidation Name	Rule Name	Rule Category	Result Type	Valuation Date	Run Date	Age	Link	Active Passive Marker	Breach Cause	Breach Status	Workflow Status	Commentary	Linked Commentary
SACR03.R1.459	DAILY	SACRT - METWEST	PA44271 - SACRT SACR03 Permitted Investments	Permitted Assets	Fail	29-Sep-2023	1-Oct-2023	495	Linked	Passive	Corporate Action	On Watch	Under Investigation		

## Compliance Results

Breach Result Numerator: 48,207.50 Denominator: 78,748,632.19

<b>Account ID</b>	<b>Account Name</b>	<b>Total Market Value</b>	<b>Securities Triggered</b>	<b>% Results</b>
SACR03	SACRT - METWEST	48,207.50	5	0.06

**Reference Date:**19-Oct-2023

**Sponsor:**SACRT

**Compliance Breach Result:**Fail - Permitted Assets

**Valuation Date:**19-Oct-2023

**Rule Name:**PA44271 - SACRT SACR03 Permitted Investments

**Rule Run Date:**19-Oct-2023

**Rule Narrative:**Flags Prohibited Investments only. Please refer to IMA Language for more details.

**Breach Id:**SACR03.R1.473

**Benchmark:**

**Active/Passive:**Passive

**Breach Status:**On Watch

**Breach Cause:**Corporate Action

**Commentary:**Owner Comments - The compliance breach was caused by a restructuring of Intelsat, a global provider of satellite communications services (original holdings Intelsat Jackson CUSIPs 45824TAY1 and 45824TBA2 and current holdings CUSIPs L5217E120, L5137X109, L5137X117, 458ESCAB6 and 458ESCAC4); which are part of TCW's portfolio holdings. As a result of the restructuring, there will be an equity line item in the portfolio for some period as TCW seeks an opportunistic disposition to maximize the realized value. In time, execution on Intelsat's business plan should improve the liquidity and value of Intelsat common shares, leading to a full liquidation from the portfolio. Northern Trust's compliance monitoring settings were set to flag equity common stock, equity rights and other sundry assets as compliance breaches. The Intelsat investments were originally purchased as Corporate Bonds so this incident is not a violation of the investment policy. The current equity common stock, equity rights and other sundry assets will continue to be monitored until TCW disposes of the securities. by Lynda Volk from 20-OCT-23 at 13:40;

**Linked Commentary:**

Asset Category/Name	Country of Risk	Security Identifier	Id Type	Shares/Par Value	Market Value Base	Security Weight %
<b>Equities</b>						
Common Stock						
Common Stock						
INTELSAT S.A.	Luxembourg	LU2445093128	ISIN	2,124.00	45,666.00	0.06
<b>Rights/Warrants</b>						
Rights						
INTELSAT JACKSON HOLDINGS S A BEF+ RTS 12-05-2025	United States	LU2445092583	ISIN	221.00	1,105.00	0.00
INTELSAT JACKSON HOLDINGS S A RTS BEF+ 12-05-2025	United States	LU2445091858	ISIN	221.00	1,436.50	0.00
<b>Other Assets</b>						
Miscellaneous						
Sundry Asset						
ESC CB144A INTELSAT JA D07/05/17 9.75% JJ25 ESCROW	United States	458ESCAC4	CUSIP	145,000.00	0.00	0.00

All data is offered on the basis of the best available information, and is subject to the limitand constraints set forth in the Northern Trust Terms for Compliance Analyst Service.

We offer the Compliance Analyst service based on Northern Trust's definition of security classifications and prices, which are obtained through internal processes and vended information.

**Reference Date:**19-Oct-2023

**Sponsor:**SACRT

**Compliance Breach Result:**Fail - Permitted Assets

**Valuation Date:**19-Oct-2023

**Rule Name:**PA44271 - SACRT SACR03 Permitted Investments

**Rule Run Date:**19-Oct-2023

**Rule Narrative:**Flags Prohibited Investments only. Please refer to IMA Language for more details.

**Breach Id:**SACR03.R1.473

**Benchmark:**

**Active/Passive:**Passive

**Breach Status:**On Watch

**Breach Cause:**Corporate Action

**Commentary:**Owner Comments - The compliance breach was caused by a restructuring of Intelsat, a global provider of satellite communications services (original holdings Intelsat Jackson CUSIPs 45824TAY1 and 45824TBA2 and current holdings CUSIPs L5217E120, L5137X109, L5137X117, 458ESCAB6 and 458ESCAC4); which are part of TCW's portfolio holdings. As a result of the restructuring, there will be an equity line item in the portfolio for some period as TCW seeks an opportunistic disposition to maximize the realized value. In time, execution on Intelsat's business plan should improve the liquidity and value of Intelsat common shares, leading to a full liquidation from the portfolio. Northern Trust's compliance monitoring settings were set to flag equity common stock, equity rights and other sundry assets as compliance breaches. The Intelsat investments were originally purchased as Corporate Bonds so this incident is not a violation of the investment policy. The current equity common stock, equity rights and other sundry assets will continue to be monitored until TCW disposes of the securities. by Lynda Volk from 20-OCT-23 at 13:40;

**Linked Commentary:**

Asset Category/Name	Country of Risk	Security Identifier	Id Type	Shares/Par Value	Market Value Base	Security Weight %
ESC CB144A INTELSAT JA D09/19/18 8.5% AO24 ESCROW	United States	458ESCAB6	CUSIP	77,000.00	0.00	0.00



# RETIREMENT BOARD STAFF REPORT

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**DATE:** January 22, 2023 Agenda Item: 13  
**TO:** Sacramento Regional Transit Retirement Board – ALL  
**FROM:** John Gobel, Senior Manager, Pension and Retirement Services  
**SUBJ:** ANNUAL REPORT ON EDUCATIONAL ACTIVITIES OF RETIREMENT BOARD MEMBERS (ALL). (Gobel)

## **RECOMMENDATION**

No Recommendation - Information Only

## **RESULT OF RECOMMENDED ACTION**

No recommended action.

## **FISCAL IMPACT**

None. Costs associated with the education and training of the Retirement Boards are considered administrative expenses of the Retirement Plans and are paid from the trust (rather than by the plan sponsor).

## **DISCUSSION**

At the Retirement Boards' meeting on December 13, 2022, staff distributed the Retirement Board Member and Staff Education and Travel Policy ("Policy") and noted that it was last revised on December 12, 2018. [See attachment of Exhibit A.] In doing so, staff explained that the Policy establishes a threshold for the continuing education of individual Directors and Alternate Directors and provides for staff to coordinate internal educational seminars for all Retirement Board members.

In line with current Policy goals and a commitment made during the first annual report to the Retirement Boards, staff prepared educational progress reports as of June 30, 2023 and distributed them to individual Directors and Alternate Directors. Therein, staff memorialized each person's continuing education efforts and compared the hours completed during the first six months of the year to the goal articulated in the Policy, which is to make reasonable efforts to obtain 24 hours of education on pension-related topics every two years.

While considering the educational data distributed to Directors and Alternate Directors for the semi-annual period ended June 30, 2023 and the data under review for December 31,

2023, staff has observed that four persons attended the New Trustee Orientation event conducted in April, three persons attended the CALAPRS Principles of Pension Governance session offered in August, and two persons completed online courses available through the Callan College program.

As explained in the prior annual report to the Retirement Boards on this subject, the Policy also directs staff to coordinate at least two internal educational seminars for Retirement Board members per year. For the 2023 calendar year, these seminars included the actuarial presentation by Cheiron at the special Retirement Board meeting on February 15<sup>th</sup>, the New Trustee Orientation event conducted on April 26<sup>th</sup> (with the participation of Hanson Bridgett, Callan, and Cheiron); and the asset allocation review provided by Callan at the regular Retirement Board meeting on June 21<sup>st</sup>.

**EXHIBIT A**

**RETIREMENT BOARD MEMBER AND STAFF EDUCATION AND TRAVEL POLICY**

**PREAMBLE**

1. The Retirement Board's fiduciary duties of loyalty, skill, care and diligence extend across all facets of Plan administration, including the investment and management of public pension funds. Retirement Board Members acknowledge the need to acquire the necessary knowledge for prudently discharging their fiduciary duties in their roles as Retirement Board Members. Accordingly, the Retirement Board has adopted this Education and Travel Policy to provide Retirement Board Members with rules and guidelines for obtaining necessary education on matters related to public pension administration and investments.
2. This Policy will be implemented in compliance with the relevant provisions of the California Constitution, and applied consistently with the existing philosophy, objectives, policies and guidelines approved by the Retirement Board.

**POLICY OBJECTIVES**

3. The objectives of this Policy are to:
  - a. Ensure that all Retirement Board Members are provided with adequate opportunity and support to acquire the knowledge they need to effectively carry out their Retirement Board duties in a fiduciary capacity;
  - b. Raise awareness of the importance of fiduciary education for Retirement Board Members, and the level of expected Retirement Board Member commitment to that education;
  - c. Provide guidelines by which the Sacramento Regional Transit District (SacRT) will reimburse Retirement Board Members and Retirement Board Staff for qualifying travel expenditures; and
  - d. Ensure that travel expenditures incurred are prudent and cost effective.

**POLICY GUIDELINES**

**General Provisions**

4. Retirement Board Members agree to develop and maintain a sufficient level of knowledge and understanding of relevant issues pertaining to Plan administration throughout their terms on the Retirement Board.



5. Retirement Board Members agree to pursue appropriate education across a range of relevant pension-related topics designed to help them become proficient in performing their Retirement Board duties, rather than limiting their education to particular areas. The general topics include:
  - a. Governance and fiduciary duty;
  - b. Ethics;
  - c. Investment policy and asset allocation;
  - d. Benefits administration;
  - e. Actuarial policies and funding;
  - f. Technology; and
  - g. Regulatory and legal issues.
6. Appropriate educational tools for Retirement Board Members include, but are not limited to:
  - a. Conferences, seminars, webinars, workshops, roundtables, courses or similar events;
  - b. Association meetings or events;
  - c. In-house trainings such as the New Trustee Orientation program; and d. Relevant periodicals, listservs, journals, textbooks or similar materials.
7. Retirement Board Staff will regularly identify appropriate educational opportunities and distribute information about those opportunities to Retirement Board Members. Retirement Board Members are also encouraged to suggest educational opportunities that provide value to the Retirement Board. If a Retirement Board Member requests overnight lodging or other significant travel-related expenses, the conference or seminar that the Retirement Board Member should include an average of at least five hours of substantive educational content per day.
8. Retirement Board Members will make every reasonable effort to satisfy the following minimum standards and goals:
  - a. Acquire and maintain an appropriate level of knowledge and skill in each of the topic areas listed in Item 5 to ensure prudent Plan administration in accordance with the Retirement Board Members' fiduciary duties.
  - b. Attend the in-house New Trustee Orientation within three months of election or appointment, or before sitting at the first Retirement Board meeting as a voting member, whichever is earliest.

- c. Attend Principles of Pension Management offered by California Association of Public Retirement Systems (CALAPRS), or similar introductory trustee training, as soon as reasonably possible following appointment or election, but no later than 24 months following appointment or election. The Retirement Board may waive this requirement if it is determined that the new Retirement Board Member received this education prior to the member's election or appointment and a waiver would serve the best interests of the Plan.
  - d. Obtain 24 hours of education within two years of assuming office and for every subsequent two-year period in which the Retirement Board Member continues to sit on the Retirement Board. The 24 hours of education can consist of any of the opportunities listed in Item 6.
  - e. Participate in any in-house educational seminars or trainings that may be offered from time to time.
9. A Sacramento Regional Transit District (SacRT) employee functioning as a Retirement Board Member will not suffer a loss of compensation while obtaining, or traveling to or from, training pursuant to this Policy during his or her regularly scheduled working hours.
10. On a semi-annual basis, Retirement Board Staff will notify Retirement Board Members of their progress toward the educational goals established in this Policy.
11. On an annual basis, Retirement Board Staff will submit a report to the Retirement Board on the educational activities of the Retirement Board Members. At a minimum, the report will summarize:
- a. conference attendance;
  - b. attendance at in-house educational sessions held during the year; and
  - c. other educational activities.

### **Orientation Program**

12. Retirement Board Staff will conduct an orientation program covering the general topics outlined in Item 5 above, for each new Retirement Board Member within three months of election or appointment or before the Retirement Board Member sits at the first Retirement Board meeting as a voting member, whichever is earliest. The aim of the orientation program will be to ensure that new Retirement Board Members are in a position to contribute fully to Retirement Board and committee deliberations, and effectively carry out their fiduciary duties while serving on the Retirement Board.
13. As soon as possible following their election or appointment to the Retirement Board, new Retirement Board Members will:
- a. Be provided with a Retirement Board Member Handbook and any other documents that the Pension and Retiree Services Administrator deems necessary;

- b. Be oriented by the Retirement Board Chairperson, or the Chairperson's designee, on current issues before the Retirement Board; and
  - c. Be introduced to other Retirement Board Members.
14. Prior to attending their first meeting of the Retirement Board as a trustee, new Retirement Board Members will endeavor to attend a meeting of the Retirement Board as an observer.

**In-House Educational Seminars**

15. Retirement Board Staff will coordinate at least two in-house educational seminars each year such as:
- a. AB 1234 Public Sector Ethics training, which is a required 2-hour training every two years; and
  - b. One or more other trainings covering one or more of the topics listed in Item 5. Retirement Board Members may suggest topics.

In-house seminars may be added to regular Retirement Board meetings or organized as stand-alone sessions.

**Approval and Reporting of Conference Attendance**

16. The Treasury Controller will approve attendance by Retirement Board Members at advanced CALAPRS trainings, including Principles of Pension Management for Trustees, and Advanced Principles of Pension Management for Trustees, and attendance by Retirement Board Members or Staff at any of the courses in CALAPRS Courses for Retirement Plan Administration series. The Treasury Controller will approve other trainings for Retirement Board Members or Retirement Board Staff that fall within the established procurement authority and under the \$1,500 annual training budget established by resolution on June 6, 2011. The \$1,500 budget does not cover costs associated with the introductory trustee training offered by CALAPRS, or advanced CALAPRS trainings. Costs associated with attending such CALAPRS trainings are not drawn down from this \$1,500 budget.
17. The Retirement Board must approve trainings that do not qualify under Item 16 above.
18. In authorizing attendance to a conference or seminar, priority will be given to Retirement Board Members who have not previously attended the same or a similar conference or seminar, so as to carry out the Retirement Board's intent to distribute conference and seminar opportunities on a fair and equitable basis.
19. If more than two members of a Retirement Board will be attending a training together outside of a noticed public meeting, the Retirement Board Members may not engage in discussions regarding the business of the Retirement Board while at the training. However, attendance at educational conference seminars and social activities by more than two members of Retirement Board is not a violation of this provision.

20. Board Members will inform Retirement Board Staff of all pension and investment-related conferences attended. This information will be used for education tracking purposes only.
21. Requests for reimbursement of travel-related expenses are subject to Sacramento Regional Transit District's Reimbursement of Expense Policy and Procedures.
22. Upon returning from a conference, attendees will submit oral or written reports to Retirement Board Staff and fellow Retirement Board members on the content and quality of the conference or other training opportunity attended. Attendees will also provide a copy of any materials distributed at the conference.
23. Retirement Board Staff will retain and catalogue all relevant conference materials submitted by Retirement Board Members. If appropriate, copies of the materials will be distributed to other Retirement Board Members.

### **Reporting of Other Training Opportunities**

24. Retirement Board Staff will regularly notify Retirement Board Members of other educational opportunities, such as webinars and industry articles. These notifications will generally be via email.
25. Following participation in any other educational activity or training, Retirement Board Members will notify Retirement Board Staff of their activity for training tracking purposes.

### **Publication**

26. A copy of this policy will be provided to Retirement Board Members and other interested parties upon request.

### **POLICY REVIEW**

27. The Retirement Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

### **POLICY HISTORY**

28. The Retirement Board adopted the original policy on November 20, 2006, and adopted a revised policy on June 14, 2017. The Retirement Board adopted this revised policy on December 12, 2018.