

Investment Performance Review
Period Ending June 30, 2023

City of Key West General Employees' Pension Fund



2nd Quarter 2023 Market Environment



The Economy

- Though the Atlanta Fed GDPNow model forecasted weak GDP growth in 2023 as the impact from higher interest rates continued to spread through the broader economy, the first quarter GDP final revision of 2% was markedly higher than the 1.3% first reported.
- The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with an additional 0.25% increase in the Fed Funds rate in May, followed by a pause in June. The Fed continues to prioritize fighting high inflation with the press release from the June meeting detailing the extent that additional policy firming (i.e., rate increases) will consider the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments.
- June brought some weakness in the US labor market as nonfarm payrolls increased by 209,000, below the expected 240,000 new jobs. This represented the slowest month for job creation since December 2020. Initial jobless also rose for the week ending July 1st.
- The global banking sector came under duress in the first quarter of 2023, triggered by the second and third-largest regional bank failures in US history. Fears of deterioration in the banking sector have waned, likely helped by aggressive intervention from the FDIC and Federal Reserve.

Equity (Domestic and International)

- US equities moved broadly higher during the second quarter led by growth-oriented sectors. The S&P 500 Benchmark rose 8.7% for the quarter, its best-performing quarter since Q4-2021. Large-cap growth was the best-performing domestic segment of the equity market during the period while small-cap value, while positive, was the weakest relative performer for the quarter.
- International stocks experienced modest returns during the quarter. Local currency (LCL) performance outpaced US Dollar (USD) performance in most regions though both benchmarks were positive as the USD traded higher during the quarter.
- Global GDP growth continues to face challenges despite falling energy prices. European growth remained under pressure amid hawkish central bank policies. While China has fully reopened after almost three years of COVID-19 restrictions, there have been challenges associated with the region re-integrating with the global economy.

Fixed Income

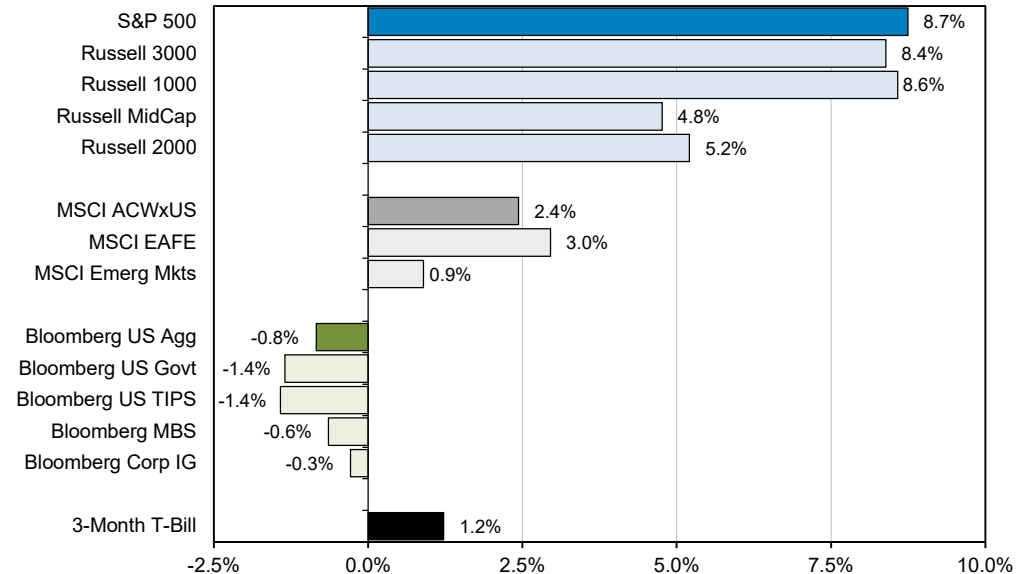
- While inflation continues to decline, the Fed maintained their inflation-fighting policy stance, increasing interest rates by 0.25% in May but opting to pause in June. The additional rate hike in May along with the possibility that additional rate hikes could occur in this tightening cycle, drove intermediate and long-term rates slightly higher during the quarter.
- US Government securities were the worst-performing sector during the quarter. US Treasuries lagged the corporate and securitized sectors as yields at longer maturities rose slightly and credit conditions were considered more favorable than the previous quarter.
- Corporate bonds with lower credit ratings held up better than higher quality issues, aided by narrowing credit spreads as well as their higher coupons. High-yield bonds were the best-performing segment of the domestic bond market, echoing the equity market's positive sentiment during the quarter.
- Global bonds underperformed US issues during the quarter and the trailing one-year period.

Market Themes

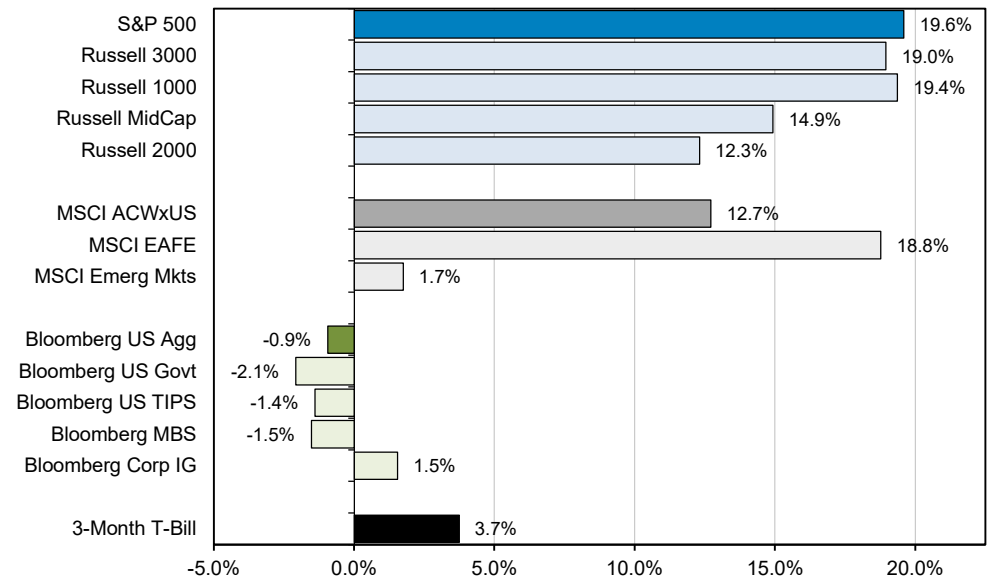
- Central banks remained vigilant in their fight against inflation with the Fed, the Bank of England, and the European Central foreshadowing the potential for further tightening with additional rate hikes in the coming months. GDP contraction in the Eurozone for the previous two quarters has been met with recovering asset prices in the most recent quarter as investors remain hopeful of future growth.
- The conflict in Ukraine continues without expectations of any resolution in the near future. Energy costs have subsided in recent months attributed to a mild winter in the Eurozone region and an increase in fossil fuel production in the US.
- Short-term interest rates rose across most developed markets as central banks continued to tighten policy stances. Despite previous concerns about the potential for slowing economic growth, lower-quality corporate bonds outpaced higher-quality government bonds as credit spreads narrowed.
- Both US and international equity markets continued to recover from the disappointing year that was 2022 on expectations that inflation would continue to moderate and central banks would slow the pace of their monetary tightening cycles. Growth has significantly outpaced value in the previous two quarters.

- Domestic equity markets started 2023 with solid results, led mostly by the large-cap names. The poor performance posted by domestic equities in the first half of 2022 has rolled off and now each index has turned positive on a trailing one-year basis. Factors contributing to the quarter's results include strong economic data in the face of higher benchmark rates and the expectation that the Fed would slow the pace of future interest rate increases. For the period, the S&P 500 large-cap benchmark returned 8.7% versus 4.8% for mid-cap and 5.2% for small-cap benchmarks.
- International developed and emerging market equities also delivered positive results, albeit lagging behind their domestic counterparts. Europe continues to face geopolitical risks related to the conflict in Ukraine and rising interest rates, though inflation has eased somewhat due to higher rates and more manageable energy prices. Performance in the emerging market index was led by the Latin America region whose regional index posted a strong 14.0% return in USD terms. The developed market MSCI EAFE Index returned 3.0% for the quarter and the MSCI Emerging Markets Index rose by 0.9%.
- The domestic bond market ebbed during the quarter due to higher rates from the Federal Reserve's decision to hike policy rates an additional 0.25%. The Bloomberg (BB) US Aggregate Index returned -0.8% for the period while investment-grade corporate bonds were down less with a return of -0.3%.
- During the one-year trailing period, US equity markets were positive as the weak performance from the first half of 2022 rolled off. The S&P 500 Index returned 19.6% for the year. The weakest relative performance for the year was the Russell 2000 Index, which still climbed 12.3% over the last 12-months.
- International markets also rolled off their poor performance in 2022. Over the trailing one-year period, the MSCI EAFE Index returned 18.8% while the MSCI Emerging Markets Index added a much more modest 1.7%. Concerns relating to the conflict in Ukraine continued to emanate throughout the region and globally. Elevated inflation and slowing global economic growth continue to be an additional headwind for global markets.
- Bond markets softened further, posting negative returns over the previous 1-year period for most indices. The primary driver of results during the first half of 2023 continues to be higher interest rates, which directly impact bond prices and index performance. Investment-grade corporate bonds were the only sector to post positive performance over the previous 12-months, adding 1.5%. The US Government sector suffered the most for the period, posting a return of -2.1%.

Quarter Performance



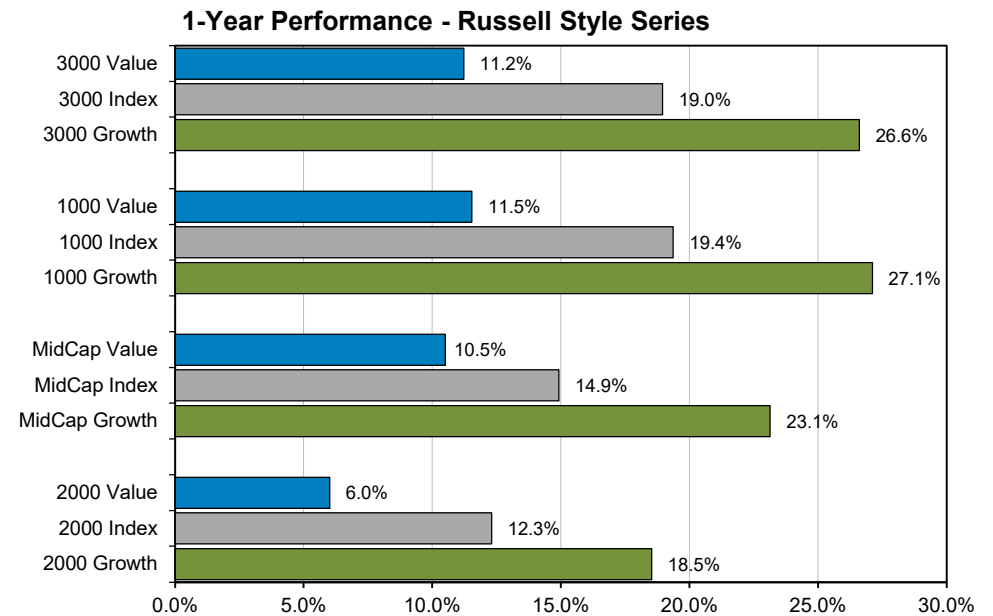
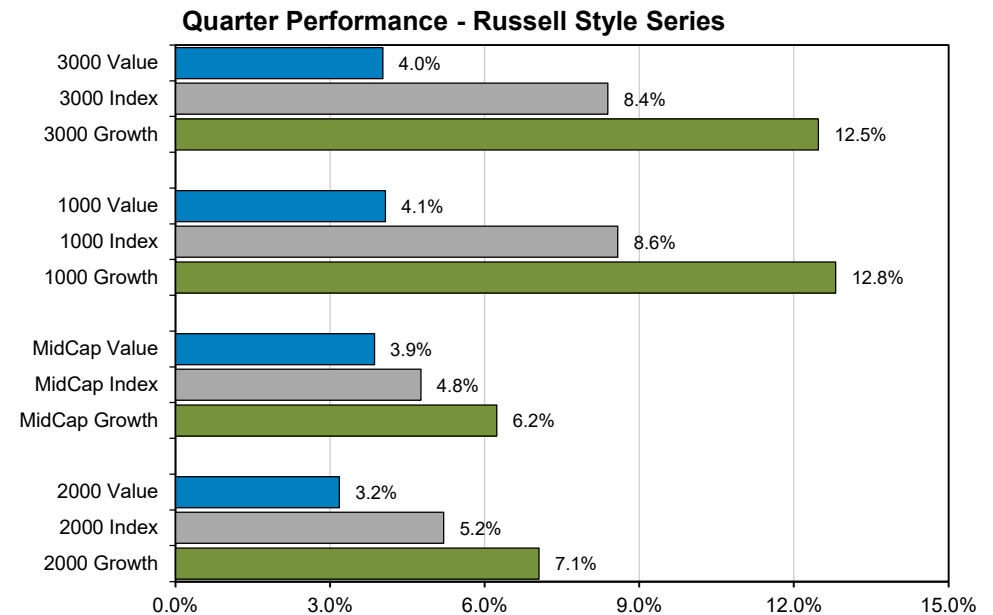
1-Year Performance



Source: Investment Metrics



- Core domestic equity benchmarks posted positive results for the second quarter in a row. However, concerns regarding the regional banking sector and the financial sector's large weight in the value benchmarks weighed heavily on the broad value indices' performance in the first half of 2023. Large-cap stocks once again led results for the capitalization-based benchmarks, besting both the mid-cap and small-cap indices for the quarter. Growth benchmarks posted the strongest results as economic data continues to show favorable conditions for growth stocks. The Russell 1000 Growth Index topped the quarter, returning 12.8% followed by the Russell 2000 Growth Index and the Russell Midcap Growth Index, which rose by 7.1% and 6.2%, respectively.
- As previously stated, Growth stocks at all capitalization ranges outperformed their value counterparts by a wide margin for the quarter. This continued the 2023 theme of growth-based benchmark outperformance. Among the value benchmarks Large cap, mid-cap and small-cap value each posted positive performance for the quarter with the Russell 1000 Value Index leading the way at 4.1%.
- The second quarter's continued positive performance in tandem with the poor performance from the first half of 2022 rolling off the various benchmark returns turned the Russell indices positive on a trailing 12-month basis. Within large-cap stocks, the Russell 1000 Growth Index returned a strong 27.1%, leading the way among style and market capitalization classifications. The worst-performing index was the Russell 2000 Value, which posted a modest 6.0% return for the trailing 12-months.
- Growth rebounded from disappointing results in early 2022 and led value-based benchmarks in all market capitalization ranges during the trailing year. The Russell 2000 Growth Index returned 18.5%, outpacing the Russell 2000 Value index return of 6.0% by a span of 12.5%. The Russell 1000 Growth and Russell Midcap Growth benchmarks gained 27.1% and 23.1%, respectively, while their corresponding value index counterparts returned solid, but lagging, performance of 11.5% and 10.5%, respectively.

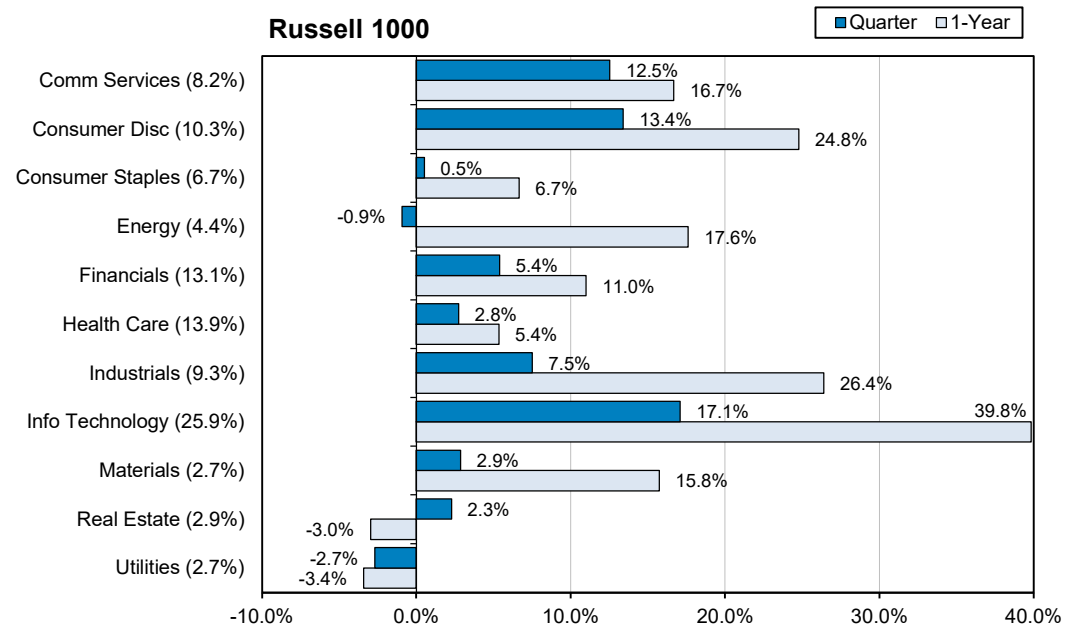


Source: Investment Metrics



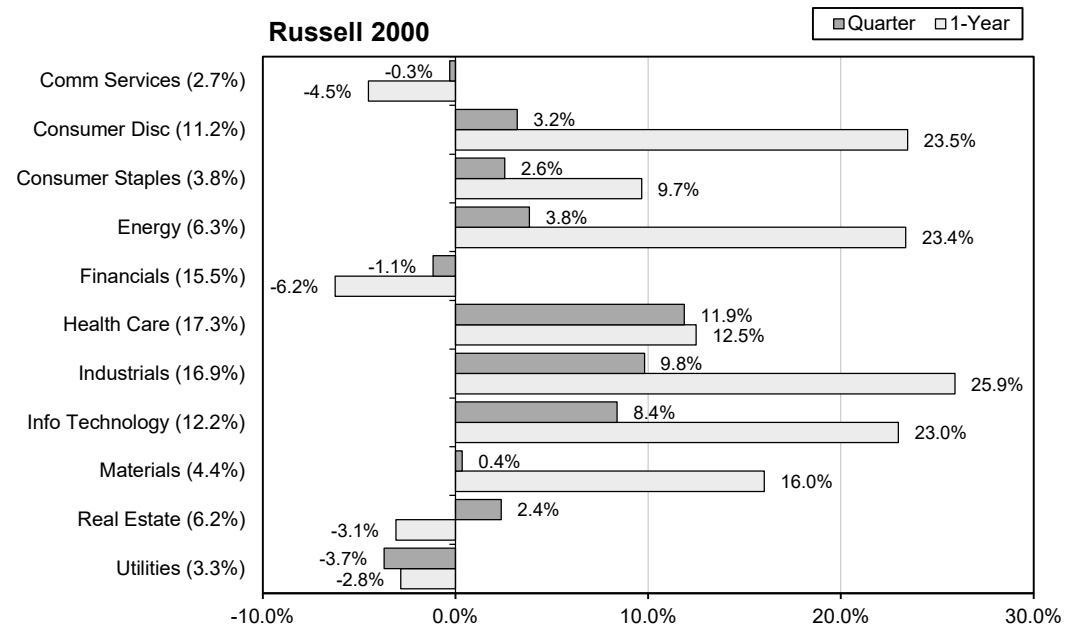
- Large Cap sector performance was mostly positive for the second quarter. Nine of 11 economic sectors posted positive absolute performance for the quarter, but just three managed to outpace the return of the Russell 1000 index.
- After a challenging 2022, the information technology sector continued its dominating rebound, amassing an impressive 17.1% return for the quarter. The other two sectors that outpaced the headline index's return for the quarter were communication services (12.5%) and consumer discretionary (13.4%). Energy (-0.9%), and utilities (-2.7%) were the two sectors that lost ground for the quarter.
- For the full year, four economic sectors exceeded the return of the broad large-cap benchmark and seven of the eleven sectors posted positive performance. The weakest economic sector in the Russell 1000 for the year was utilities, which declined by -3.4% and was heavily impacted by rising energy costs and a market rotation away from defensive names.

Russell 1000



- Eight small-cap economic sectors posted positive results during the quarter while just three exceeded the 5.2% return of the Russell 2000 Index. The health care (11.9%), industrials (9.8%), and information technology (8.4%) sectors led the way, outpacing the broad benchmark for the quarter while the utilities (-3.7%), financials (-1.1%), and communication services (-0.3%) sectors posted negative returns.
- Like large cap sector performance over the trailing year, seven small cap sectors were positive. Industrials posted the strongest sector results (25.9%) but the consumer discretionary, energy, and information technology sectors each also returned in excess of 20% for the last 12-months. Five of the 11 economic sectors fell short of core small-cap benchmark's return of 12.3% over the trailing year. The worst-performing sector for the year was financials with a return of -6.2%. The communication services (-4.5%), real estate (-3.1%), and utilities (-2.8%) sectors also posted negative results for the year.

Russell 2000



Source: Morningstar Direct
 As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of June 30, 2023

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	7.0%	17.8%	42.7%	Information Technology
Microsoft Corp	6.2%	18.4%	33.9%	Information Technology
Amazon.com Inc	2.9%	26.2%	22.7%	Consumer Discretionary
NVIDIA Corp	2.4%	52.3%	179.3%	Information Technology
Tesla Inc	1.8%	26.2%	16.6%	Consumer Discretionary
Alphabet Inc Class A	1.7%	15.4%	9.9%	Communication Services
Meta Platforms Inc Class A	1.5%	35.4%	78.0%	Communication Services
Berkshire Hathaway Inc Class B	1.5%	10.4%	24.9%	Financials
Alphabet Inc Class C	1.5%	16.3%	10.6%	Communication Services
UnitedHealth Group Inc	1.1%	2.1%	-5.1%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
XP Inc Class A	0.0%	97.6%	30.6%	Financials
Wayfair Inc Class A	0.0%	89.3%	49.2%	Consumer Discretionary
Carnival Corp	0.0%	85.5%	117.7%	Consumer Discretionary
XPO Inc	0.0%	85.0%	95.0%	Industrials
Palantir Technologies Inc	0.1%	81.4%	69.0%	Information Technology
MongoDB Inc Class A	0.1%	76.3%	58.4%	Information Technology
Vertiv Holdings Co Class A	0.0%	73.1%	201.6%	Industrials
Nu Holdings Ltd Ordinary Shares	0.0%	65.8%	111.0%	Financials
AppLovin Corp Ordinary Shares -	0.0%	63.4%	-25.3%	Information Technology
Norwegian Cruise Line Holdings Ltd	0.0%	61.9%	95.8%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Victoria's Secret & Co	0.0%	-49.0%	-37.7%	Consumer Discretionary
Advance Auto Parts Inc	0.0%	-41.5%	-58.1%	Consumer Discretionary
Tandem Diabetes Care Inc	0.0%	-39.6%	-58.5%	Health Care
First Horizon Corp	0.0%	-35.8%	-46.6%	Financials
Ubiquiti Inc	0.0%	-35.1%	-28.5%	Information Technology
Catalent Inc	0.0%	-34.0%	-59.6%	Health Care
Concentrix Corp Ordinary Shares	0.0%	-33.4%	-39.9%	Industrials
MarketAxess Holdings Inc	0.0%	-33.0%	3.1%	Financials
Mercury Systems Inc	0.0%	-32.3%	-46.2%	Industrials
Peloton Interactive Inc	0.0%	-32.2%	-16.2%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Super Micro Computer Inc	0.5%	133.9%	517.7%	Information Technology
SPS Commerce Inc	0.3%	26.1%	69.9%	Information Technology
Rambus Inc	0.3%	25.2%	198.6%	Information Technology
Chart Industries Inc	0.3%	27.4%	-4.5%	Industrials
Novanta Inc	0.3%	15.7%	51.8%	Information Technology
Chord Energy Corp Ordinary Shares	0.3%	16.9%	38.0%	Energy
Light & Wonder Inc Ordinary Shares	0.3%	14.5%	46.3%	Consumer Discretionary
ChampionX Corp	0.3%	14.8%	57.8%	Energy
Atkore Inc	0.3%	11.0%	87.9%	Industrials
Commercial Metals Co	0.3%	8.0%	61.2%	Materials

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
CXApp Inc Ordinary Shares - Class A	0.0%	503.3%	9.2%	Information Technology
Immunogen Inc	0.2%	391.4%	319.3%	Health Care
Applied Digital Corp	0.0%	317.4%	790.5%	Information Technology
Presto Automation Inc	0.0%	230.4%	N/A	Information Technology
EyePoint Pharmaceuticals Inc	0.0%	195.9%	10.5%	Health Care
CARISMA Therapeutics Inc	0.0%	182.9%	N/A	Health Care
P3 Health Partners Inc Class A	0.0%	182.1%	-19.6%	Health Care
Nano X Imaging Ltd Ordinary Shares	0.0%	168.5%	37.1%	Health Care
Carvana Co Class A	0.1%	164.8%	14.8%	Consumer Discretionary
Bit Digital Inc Ordinary Shares	0.0%	163.6%	209.9%	Information Technology

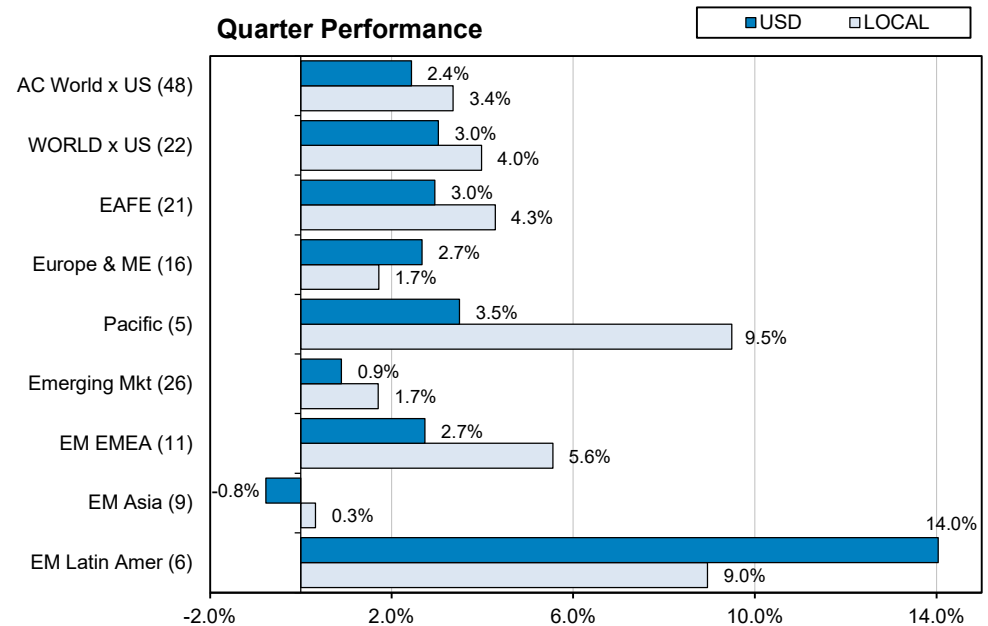
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Babylon Holdings Ltd Ordinary Shares	0.0%	-98.6%	-99.7%	Health Care
ViewRay Inc	0.0%	-89.8%	-86.7%	Health Care
Rain Oncology Inc	0.0%	-86.3%	-78.4%	Health Care
FibroGen Inc	0.0%	-85.5%	-74.4%	Health Care
HomeStreet Inc	0.0%	-66.6%	-82.0%	Financials
BioXcel Therapeutics Inc	0.0%	-64.3%	-49.5%	Health Care
Orchestra BioMed Holdings Inc	0.0%	-64.2%	N/A	Health Care
PolyMet Mining Corp	0.0%	-63.2%	-68.6%	Materials
Enviva Inc	0.0%	-62.4%	-80.1%	Energy
NanoString Technologies Inc	0.0%	-59.1%	-68.1%	Health Care

Source: Morningstar Direct

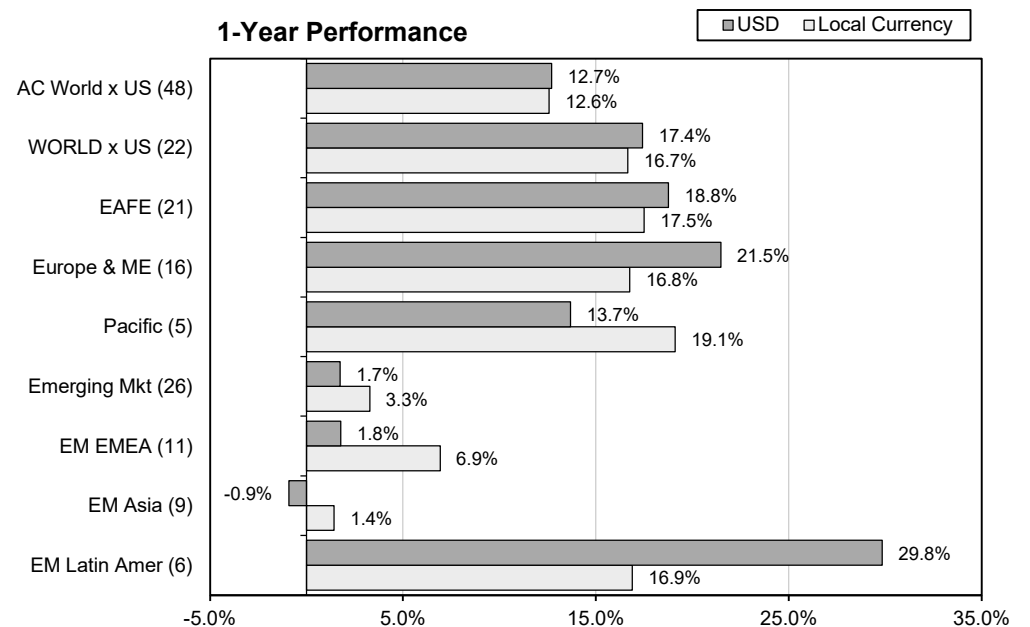


- Many of the international developed and emerging market benchmarks posted positive performance in both USD and LCL terms for the second quarter. While the strengthening of the USD chilled non-US index performance in USD during the quarter, the developed market MSCI EAFE Index still returned a solid 3.0% in USD and 4.3% in LCL terms for the period. The MSCI Emerging Markets Index rose by 0.9% in USD and 1.7% in LCL terms.
 - Latin America (LATAM) dramatically outpaced other emerging markets for the quarter with the regional index earning a solid 14.0% in USD and 9.0% in LCL terms. Performance in the region was driven by strong demand for commodity exports from growing worldwide production along with a USD performance boost due to local currency strength in the region.
 - The largest weighted country in the emerging market index (China, 8.2%) lagged during the quarters. Investors have struggled to accurately forecast the pace of China's recovery after its grand economic reopening from COVID-19 lockdowns, which led to a flurry of spending that has since cooled.
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- Much like domestic markets, trailing one-year results for international developed and emerging markets rolled off their poor performance from early 2022 which resulted in strong results for the trailing year. Much of the strong USD performance in late 2022 has been reversed in 2023 with the MSCI EAFE Index returning 18.8% in USD for the year and 17.5% in LCL terms.
 - Annual returns across emerging markets were more bifurcated. Latin American results led the way with returns of 29.8% in USD and 16.9% in LC terms. Performance in the EM Asia regional benchmark detracted from emerging market index with the EM Asia Index posting returns of -0.9% in USD and 1.4% in LCL terms. As a result, the broad MSCI Emerging Markets Index returned a muted 1.7% in USD and 3.3% in LCL terms for the year.

Quarter Performance



1-Year Performance



Source: MSCI Global Index Monitor (Returns are Net)



The Market Environment
US Dollar International Index Attribution & Country Detail
As of June 30, 2023

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.1%	-2.6%	2.2%
Consumer Discretionary	12.6%	5.0%	30.6%
Consumer Staples	10.1%	-0.6%	9.9%
Energy	4.2%	0.1%	14.3%
Financials	18.3%	4.6%	20.2%
Health Care	13.2%	2.0%	9.8%
Industrials	16.2%	6.2%	29.6%
Information Technology	8.2%	5.9%	32.7%
Materials	7.4%	-1.7%	16.4%
Real Estate	2.3%	-2.0%	-7.4%
Utilities	3.5%	4.0%	16.5%
Total	100.0%	3.0%	18.8%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.5%	-4.6%	-0.7%
Consumer Discretionary	12.1%	1.5%	12.6%
Consumer Staples	8.6%	-0.4%	9.0%
Energy	5.4%	3.4%	9.4%
Financials	20.6%	4.9%	13.2%
Health Care	9.6%	1.5%	7.4%
Industrials	13.2%	5.4%	24.9%
Information Technology	11.9%	6.1%	24.1%
Materials	7.9%	-2.7%	10.7%
Real Estate	2.0%	-2.5%	-9.5%
Utilities	3.2%	3.7%	7.8%
Total	100.0%	2.4%	12.7%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	9.8%	-6.8%	-3.6%
Consumer Discretionary	13.2%	-6.3%	-15.3%
Consumer Staples	6.4%	0.3%	4.4%
Energy	5.0%	12.1%	13.5%
Financials	21.9%	5.7%	6.4%
Health Care	3.8%	-2.5%	-9.6%
Industrials	6.3%	1.8%	5.3%
Information Technology	21.2%	5.1%	14.1%
Materials	8.1%	-4.2%	1.8%
Real Estate	1.8%	-4.9%	-17.7%
Utilities	2.6%	4.2%	-6.7%
Total	100.0%	0.9%	1.7%

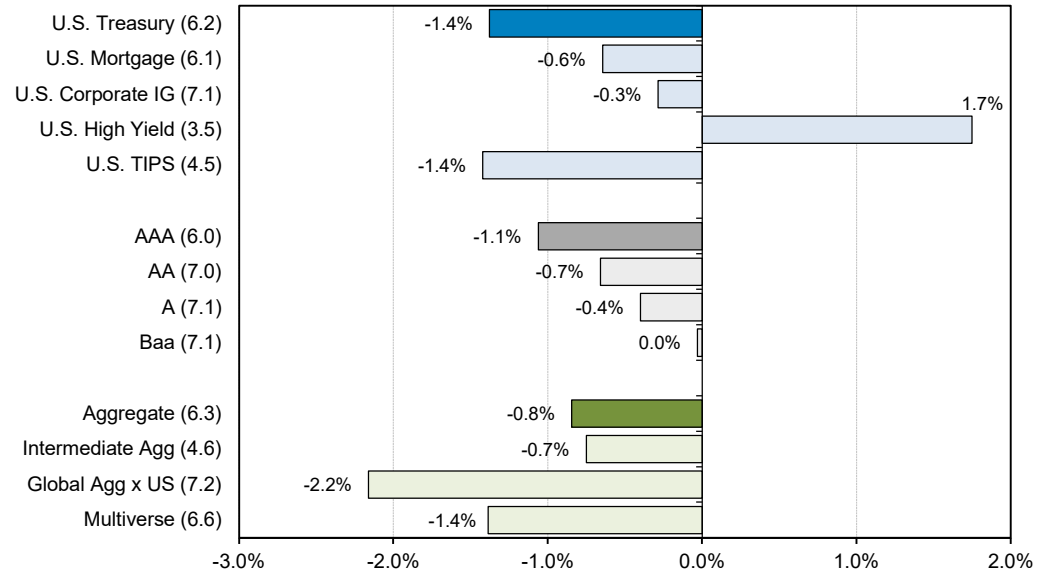
Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	22.4%	14.5%	6.4%	18.1%
United Kingdom	14.7%	9.5%	2.2%	13.2%
France	12.4%	8.0%	3.2%	31.7%
Switzerland	10.1%	6.5%	4.0%	13.3%
Germany	8.6%	5.6%	2.8%	28.4%
Australia	7.3%	4.7%	0.3%	11.2%
Netherlands	4.6%	3.0%	4.1%	31.2%
Sweden	3.3%	2.1%	-1.2%	16.6%
Denmark	3.1%	2.0%	1.7%	31.9%
Spain	2.6%	1.7%	5.6%	29.0%
Italy	2.5%	1.6%	8.2%	43.4%
Hong Kong	2.5%	1.6%	-5.1%	-9.0%
Singapore	1.4%	0.9%	-5.6%	10.0%
Belgium	0.9%	0.6%	-6.1%	6.1%
Finland	0.9%	0.6%	-8.1%	-1.2%
Ireland	0.8%	0.5%	4.3%	45.3%
Norway	0.6%	0.4%	-1.0%	-9.0%
Israel	0.6%	0.4%	-4.0%	-4.7%
Portugal	0.2%	0.1%	-1.1%	6.7%
New Zealand	0.2%	0.1%	-6.0%	15.5%
Austria	0.2%	0.1%	4.4%	18.9%
Total EAFE Countries	100.0%	64.6%	3.0%	18.8%
Canada		7.6%	3.7%	7.0%
Total Developed Countries		72.2%	3.0%	17.4%
China		8.2%	-9.7%	-16.8%
Taiwan		4.3%	4.5%	12.5%
India		4.1%	12.2%	14.2%
Korea		3.4%	4.4%	13.0%
Brazil		1.5%	20.7%	29.8%
Saudi Arabia		1.2%	6.3%	-1.7%
South Africa		0.9%	-4.9%	-1.9%
Mexico		0.8%	5.6%	35.1%
Indonesia		0.6%	2.8%	13.2%
Thailand		0.5%	-8.2%	1.7%
Malaysia		0.4%	-8.4%	-6.4%
United Arab Emirates		0.4%	5.8%	-6.1%
Qatar		0.3%	-2.4%	-15.4%
Poland		0.2%	24.5%	36.4%
Kuwait		0.2%	-0.9%	-4.7%
Philippines		0.2%	-1.3%	5.8%
Chile		0.2%	2.4%	18.1%
Turkey		0.2%	-10.7%	53.3%
Greece		0.1%	23.9%	71.3%
Peru		0.1%	6.5%	34.0%
Hungary		0.1%	24.8%	48.8%
Czech Republic		0.0%	-5.1%	8.7%
Colombia		0.0%	11.7%	-5.7%
Egypt		0.0%	3.9%	27.0%
Total Emerging Countries		27.8%	0.9%	1.7%
Total ACWixUS Countries		100.0%	2.4%	12.7%

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

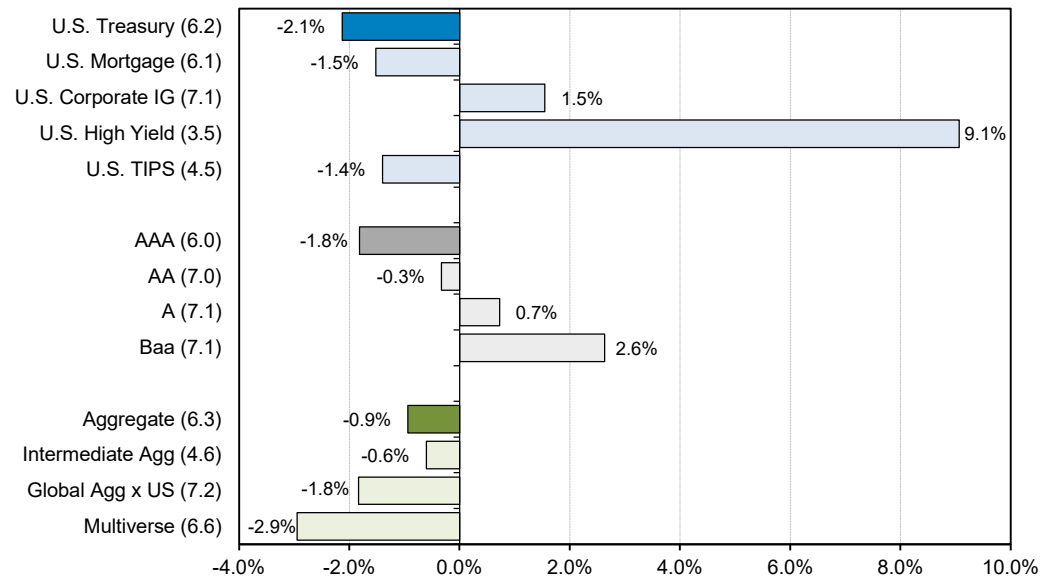


- Fixed income markets started 2023 strong but performance stalled during the second quarter. Yields remain elevated on the back of the Federal Reserve's decision to hike policy rates an additional 0.25% in May. After a challenging 2022 in fixed-income markets brought on by the largest and most rapid increase in interest rates since the early 1980s, higher yields and an expected slower pace of rate increase led investors to expect better outcomes in 2023. That expectation was at least temporarily frustrated during the second quarter, as the quarter's 0.25% rate hike and increased expectations for future rate hikes weighed on the asset class and many of the major domestic fixed-income indices posted negative absolute returns.
- The Bloomberg US Aggregate Bond Index, the bellwether US investment grade benchmark, returned a mild negative result, returning -0.8% for the quarter. Performance across the investment grade index's segments soured during the period with the Bloomberg US Corporate Investment Grade Index returning -0.3% and the US Mortgage Index sliding -0.6%.
- Outside of the aggregate index's sub-components, high-yield bonds continued to rise with a return of 1.7% as credit spreads narrowed during the quarter. US TIPS lost -1.4% for the quarter. The Bloomberg Global Aggregate ex-US Index lagged most domestic fixed-income indexes and the multiverse benchmark, posting a loss of -2.2% for the quarter.
- Over the trailing one-year period, the Bloomberg US Aggregate Bond Index declined by -0.9%. The benchmark's sub-components fell in a narrow band above and below the broad index's return. US TIPS, which are excluded from the aggregate index, dropped by -1.4% for the year. High-yield corporate bonds, which have a much shorter duration, have outpaced their investment grade counterparts with the Bloomberg US High Yield Index returning a strong 9.1% for the last year.
- Performance for non-US bonds was also negative for the year with the Bloomberg Global Aggregate ex-US Index falling by -1.8%. The combination of rising interest rates, elevated inflation, and geopolitical risks were a hindrance for non-US index performance.

Quarter Performance



1-Year Performance

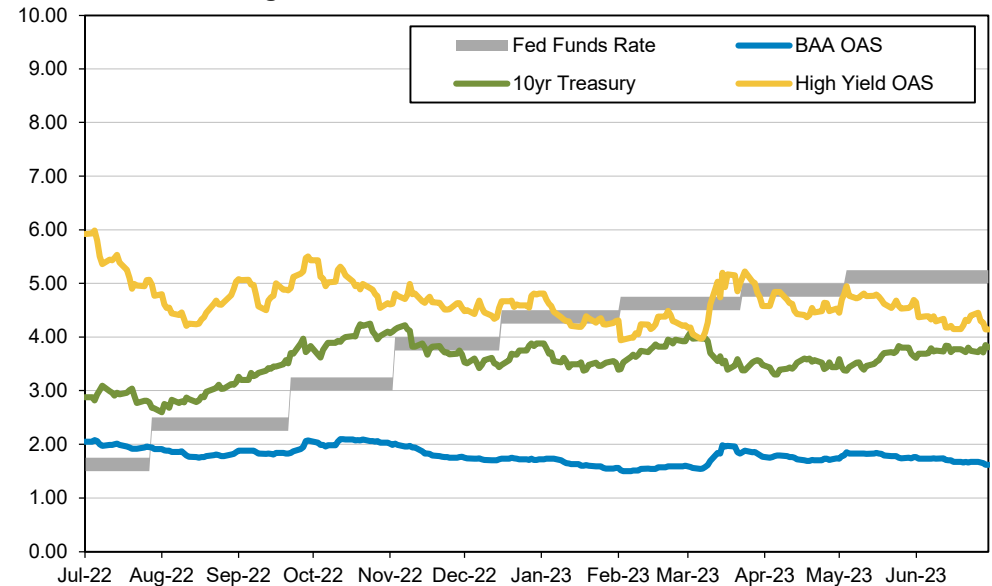


Source: Bloomberg

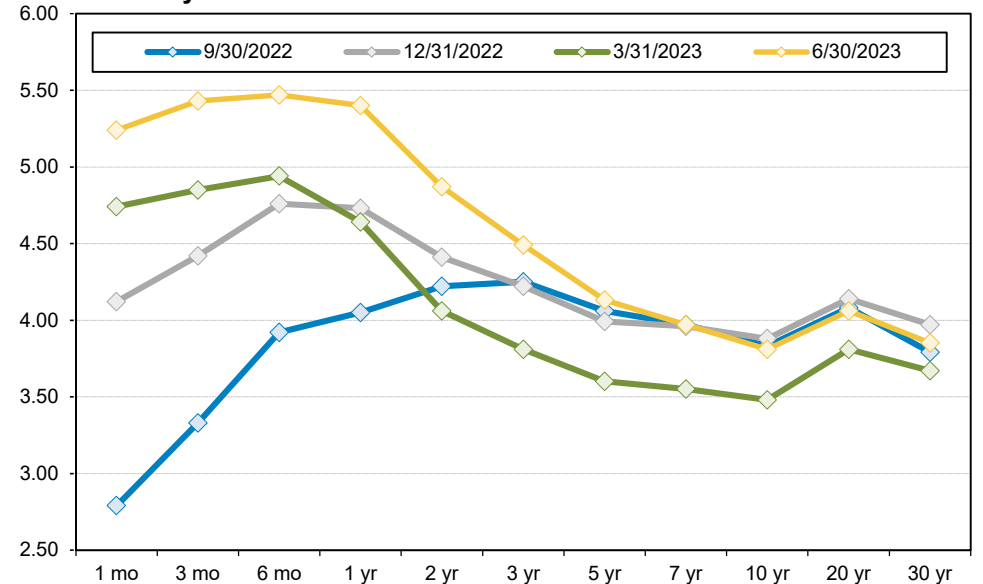


- The gray band across the graph illustrates the range of the current Fed Funds target rate. During the second quarter, the Federal Open Market Committee (FOMC) raised the lower end of its target rate range from 4.75% to 5.00% at their May meeting. While the FOMC pushed pause on a rate increase at their June meeting, several speeches and public comments since that meeting have made it clear that additional rate hikes should not be ruled out. The FOMC is continuing its policy of removing liquidity from the market by allowing bonds held on its balance sheet to mature without reinvesting those proceeds. Despite the potential for further rate increases, market participants appear to believe the Fed may be nearing the end of its rate hiking cycle.
- The yield on the US 10-year Treasury (green line) rose a modest 0.33% partially due to increases in the policy rate and renewed prospects for future growth. The closing yield on the 10-Year Treasury was 3.81% as of June 30, 2023, down just 7 basis points from its 3.88% yield at year-end. The benchmark's rate peaked in October 2022, cresting at just over 4.00% before pulling back to its current level.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread) for BAA-rated corporate bonds. This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues with the lowest investment grade rating. For the full year, the spread has narrowed from 2.05% to 1.62%, signaling a lower premium for credit risk than was the case a year prior. High Yield OAS spreads have narrowed from 5.92% in July 2022 to 4.14% as of the end of Q2. High-yield spreads reached their highs in July 2022 before trading lower the remainder of the year and have continued to tighten in 2023. A spike in both the BAA OAS and High Yield spreads is visible in March following a short-lived crisis of confidence in the banking sector, which was addressed quickly by the FDIC and supported further by the Fed's aggressive short-term par loan program. Both spread measures traded lower on the news of the Government's intervention, and as fears of possible contagion waned, credit spreads returned to their levels prior to February.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term rates continued to rise during the second quarter as the Fed increased interest rates to continue combatting inflation. Despite these short-term rate increases, at the end of the quarter, both intermediate and longer-term yields were slightly lower than they were at the end of 2022. The yield curve has further inverted (short-term rates higher than long-term rates) between two- and 10-year maturities. Historically, a persistent inversion of these two key rates has been a precursor of an economic recession within six- to 24 months.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

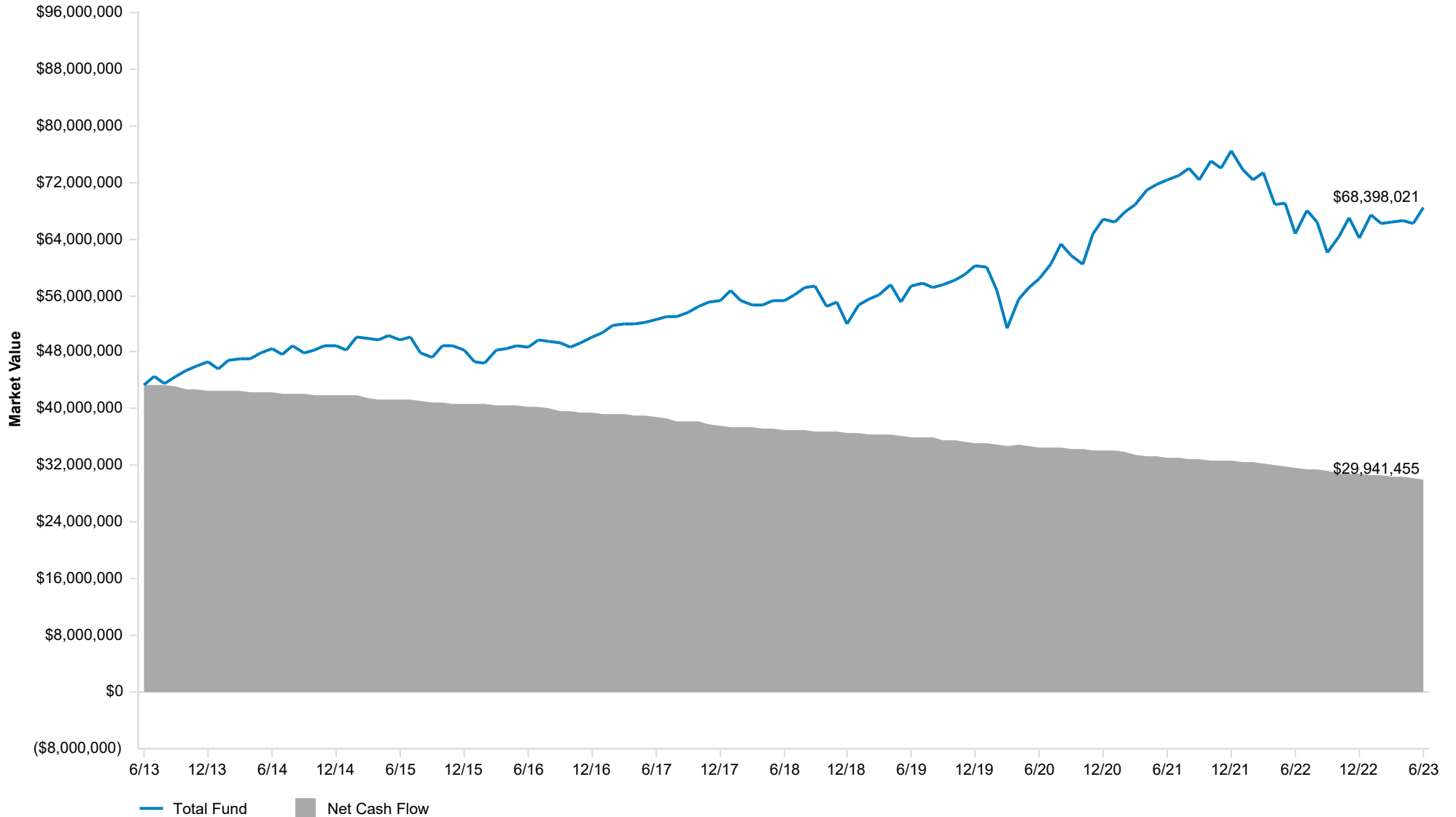


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Schedule of Investable Assets
Total Fund
10 Years Ending June 30, 2023

Schedule of Investable Assets

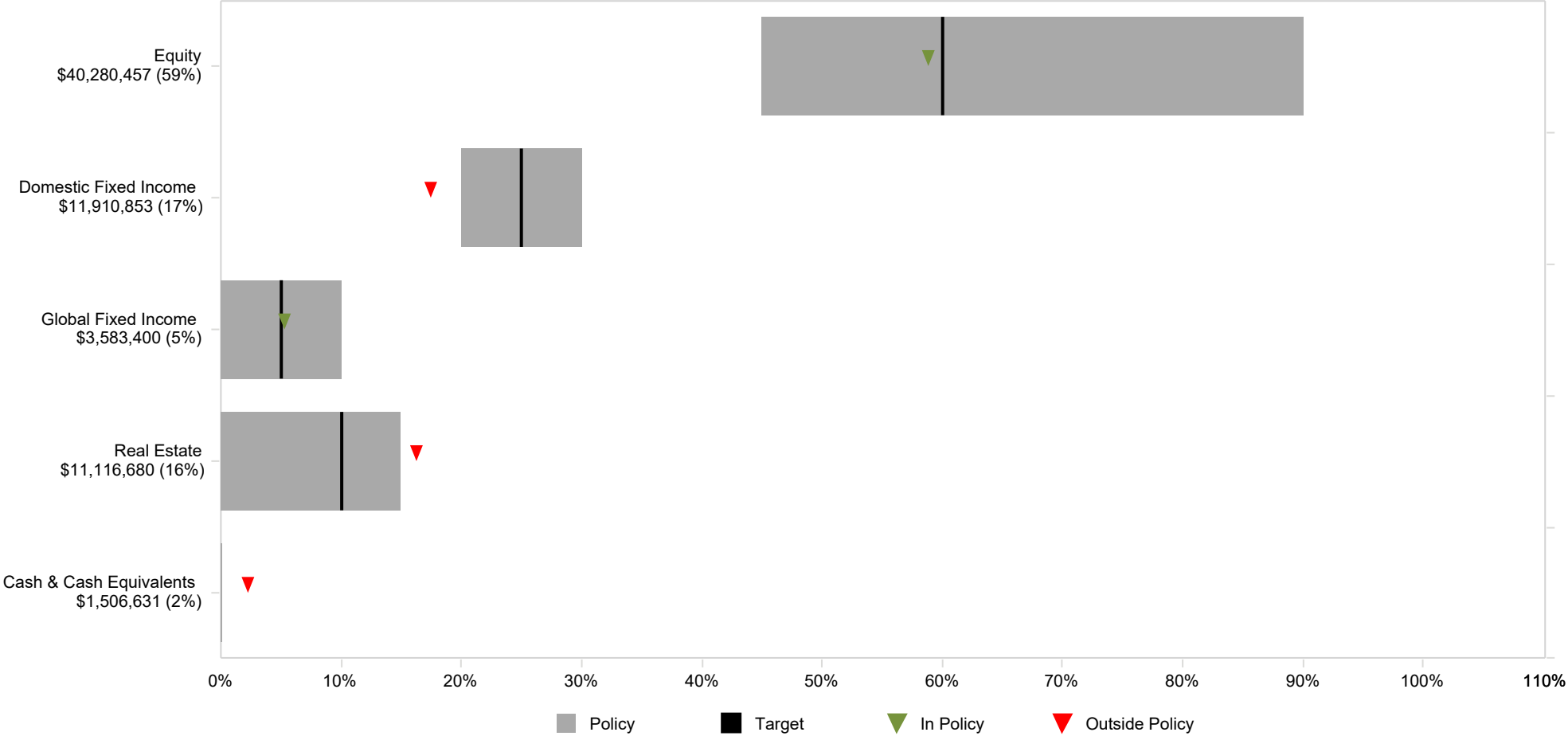


Schedule of Investable Assets

Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Gain/Loss \$	Ending Market Value \$	%Return (Net)
10 YR	43,451,841	-13,510,387	38,456,566	68,398,021	7.49



Executive Summary



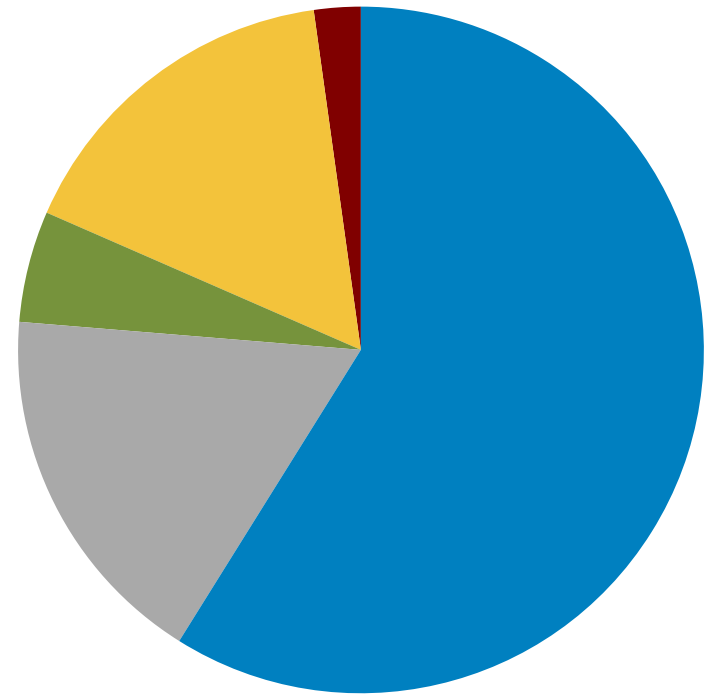
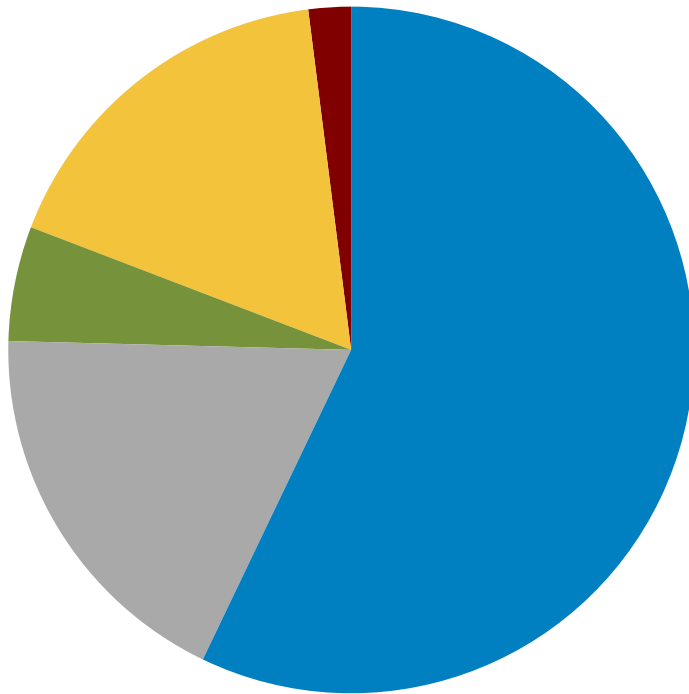
Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Min. Rebal.	Target Rebal.	Max. Rebal.
Equity	40,280,457	58.9	45.0	60.0	90.0	-9,501,348	758,356	21,277,762
Domestic Fixed Income	11,910,853	17.4	20.0	25.0	30.0	1,768,751	5,188,652	8,608,553
Global Fixed Income	3,583,400	5.2	0.0	5.0	10.0	-3,583,400	-163,499	3,256,402
Real Estate	11,116,680	16.3	0.0	10.0	15.0	-11,116,680	-4,276,878	-856,977
Cash & Cash Equivalents	1,506,631	2.2	0.0	0.0	0.0	-1,506,631	-1,506,631	-1,506,631
Total Fund	68,398,021	100.0	N/A	100.0	N/A	-	-	-



Asset Allocation By Segment as of
 March 31, 2023 : \$66,330,127

Asset Allocation By Segment as of
 June 30, 2023 : \$68,398,021

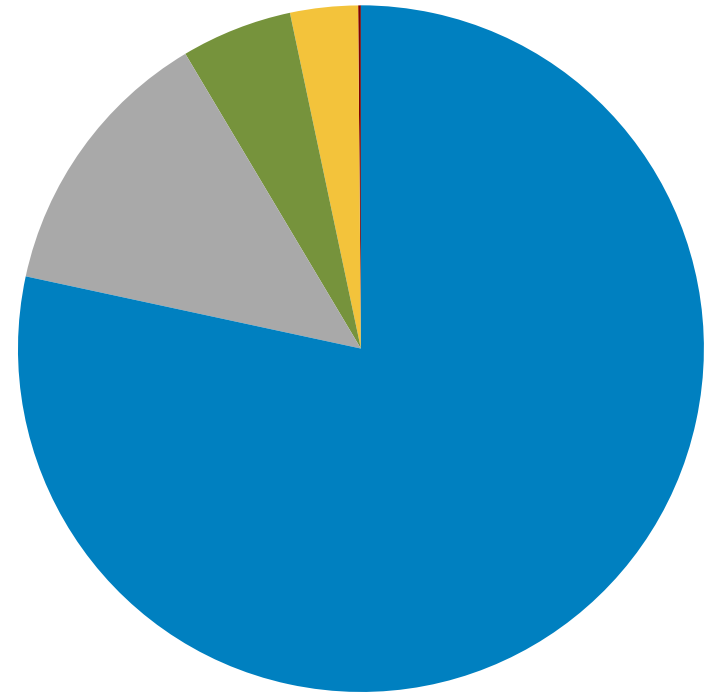
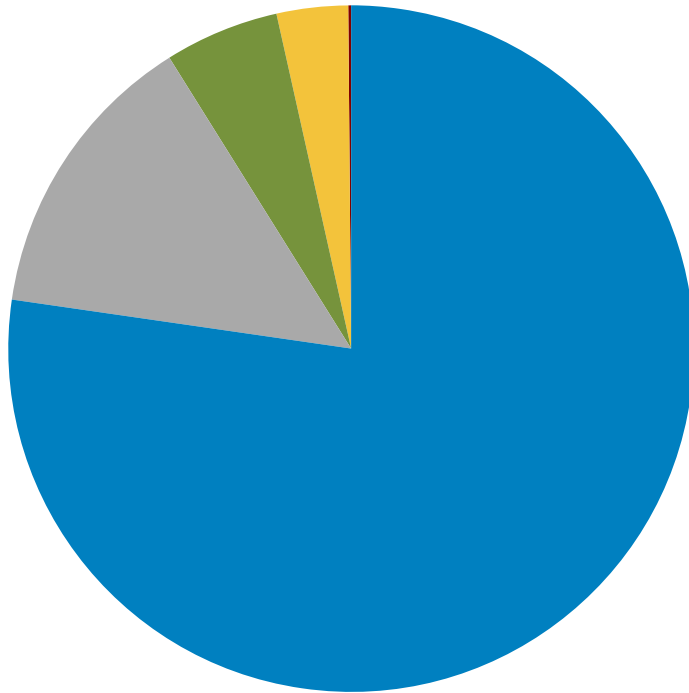


Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Equity	37,888,196	57.1	Equity	40,280,457	58.9
Domestic Fixed Income	12,134,184	18.3	Domestic Fixed Income	11,910,853	17.4
Global Fixed Income	3,582,074	5.4	Global Fixed Income	3,583,400	5.2
Real Estate	11,395,016	17.2	Real Estate	11,116,680	16.3
Cash Equivalent	1,330,657	2.0	Cash Equivalent	1,506,631	2.2



Asset Allocation By Manager as of
 Mar-2023 : \$66,330,127

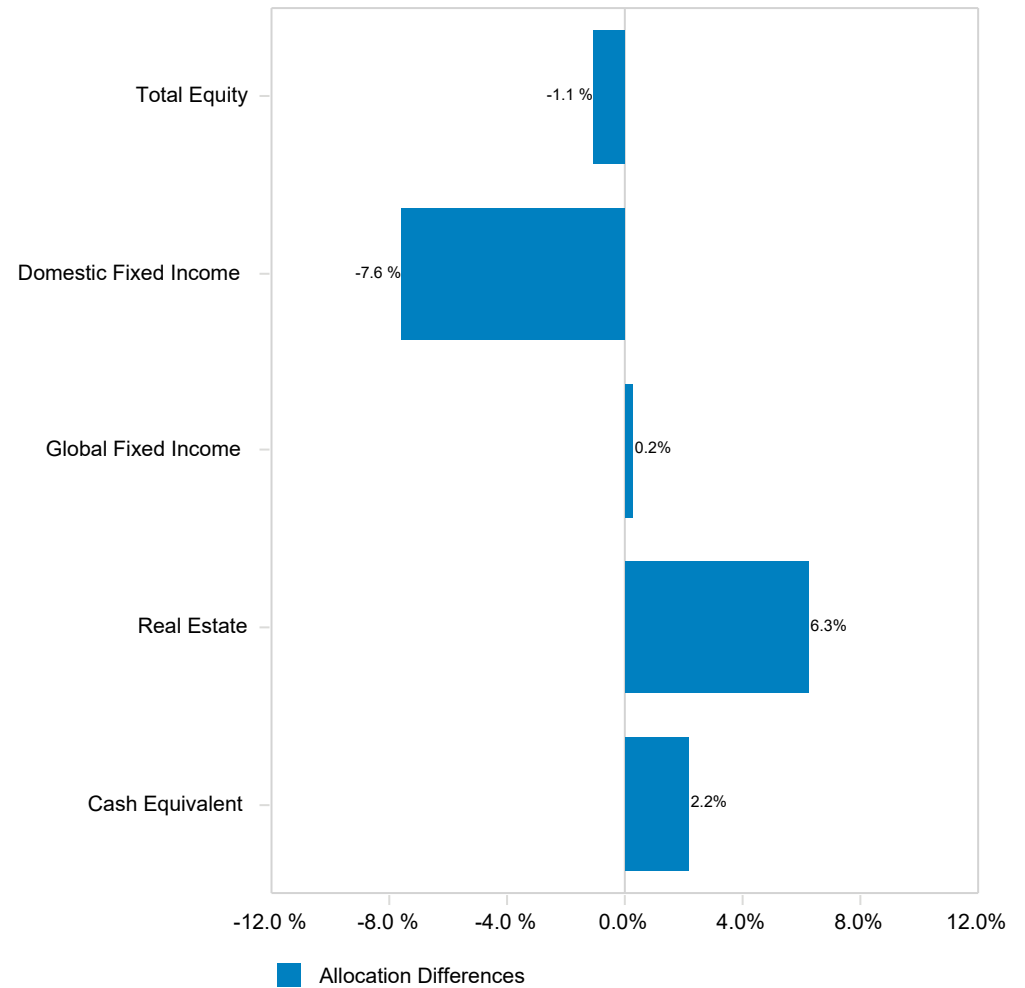
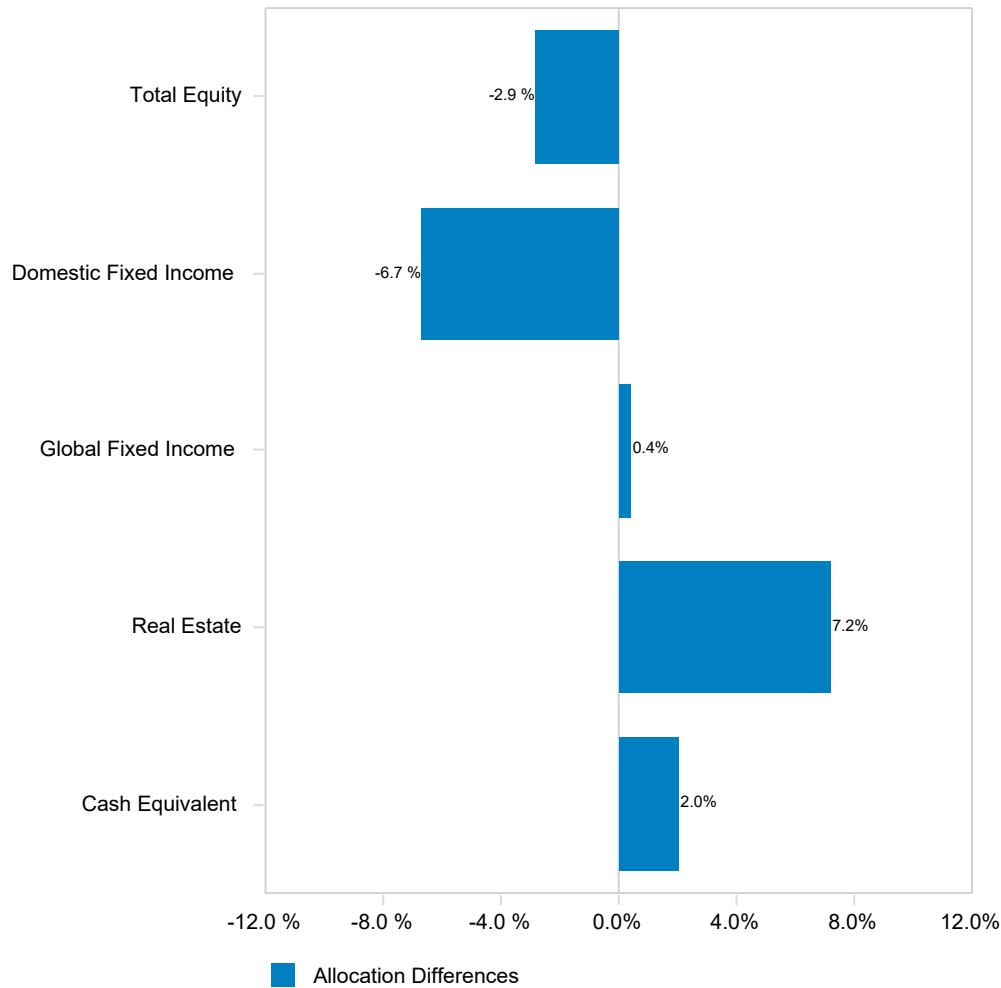
Asset Allocation By Manager as of
 Jun-2023 : \$68,398,021



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Highland Capital	51,263,318	77.3	Highland Capital	53,607,185	78.4
ARA Core Property Fund	9,164,291	13.8	ARA Core Property Fund	8,936,276	13.1
Pimco Global Bond Opp (Hedged) (PGBIX)	3,582,074	5.4	Pimco Global Bond Opp (Hedged) (PGBIX)	3,583,400	5.2
American Strategic Value Fund	2,230,725	3.4	American Strategic Value Fund	2,180,404	3.2
Mutual Fund Cash	89,720	0.1	Mutual Fund Cash	90,756	0.1



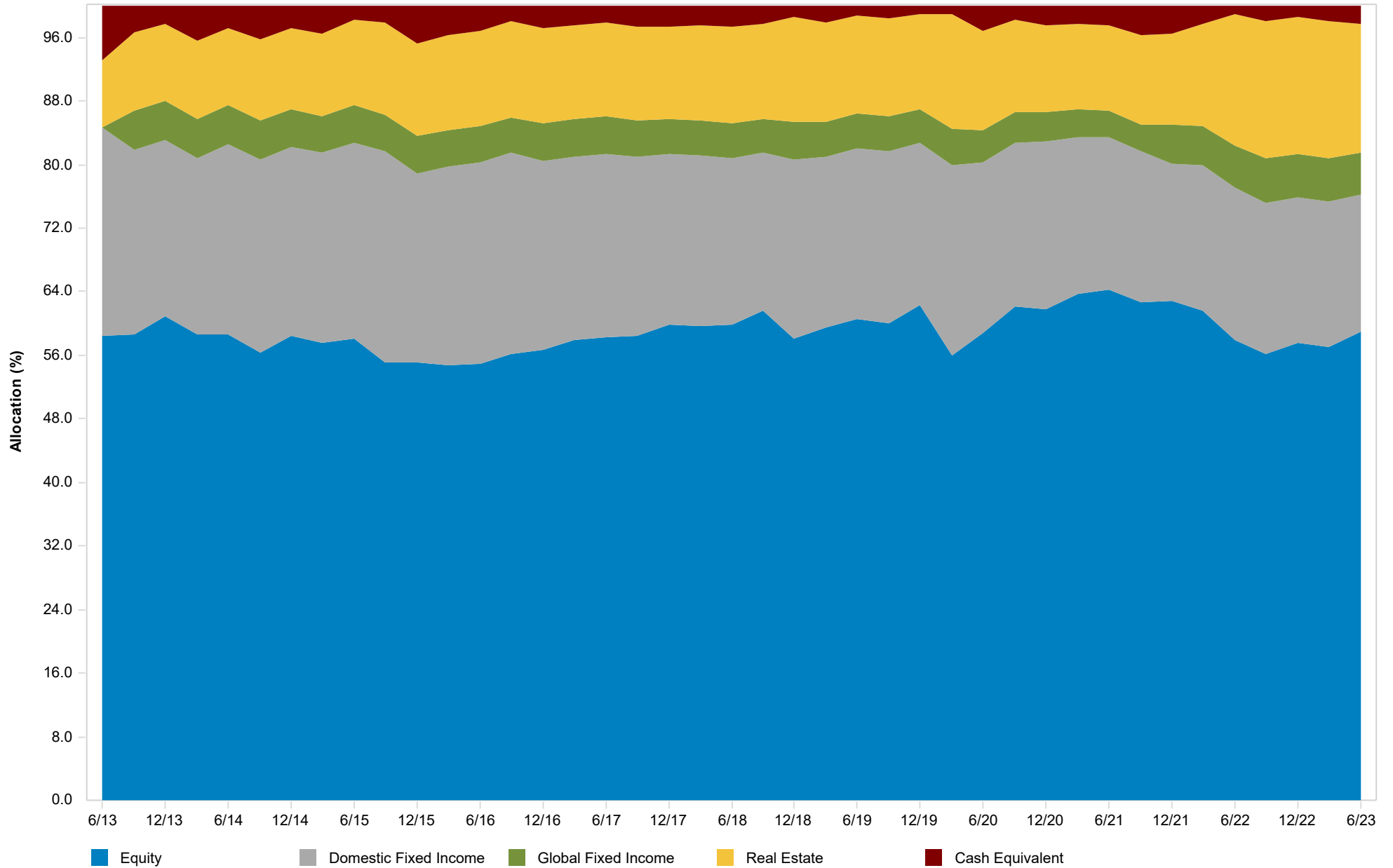
Asset Allocation vs. Target Allocation
Total Fund
As of June 30, 2023



As of March 31, 2023				As of June 30, 2023			
	Market Value \$	Allocation (%)	Target (%)		Market Value \$	Allocation (%)	Target (%)
Total Equity	37,888,196	57.1	60.0	Total Equity	40,280,457	58.9	60.0
Domestic Fixed Income	12,134,184	18.3	25.0	Domestic Fixed Income	11,910,853	17.4	25.0
Global Fixed Income	3,582,074	5.4	5.0	Global Fixed Income	3,583,400	5.2	5.0
Real Estate	11,395,016	17.2	10.0	Real Estate	11,116,680	16.3	10.0
Cash Equivalent	1,330,657	2.0	0.0	Cash Equivalent	1,506,631	2.2	0.0
Total Fund	66,330,127	100.0	100.0	Total Fund	68,398,021	100.0	100.0



Historical Asset Allocation by Segment



Financial Reconciliation Quarter to Date									
	Market Value 04/01/2023	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 06/30/2023
Highland Capital	51,263,318	-	627,093	-1,141,207	-46,619	-23,419	298,023	2,629,997	53,607,185
Pimco Global Bond Opp (Hedged) (PGBIX)	3,582,074	-	-	-	-	-	24,704	-23,378	3,583,400
ARA Core Property Fund	9,164,291	-	-	-	-24,643	-	91,643	-295,015	8,936,276
American Strategic Value Fund	2,230,725	-	-	-	-6,968	-	-	-43,354	2,180,404
Mutual Fund Cash	89,720	-	-	-	-	-	1,036	-	90,756
Total Fund	66,330,127	-	627,093	-1,141,207	-78,229	-23,419	415,406	2,268,251	68,398,021

Financial Reconciliation Fiscal Year to Date									
	Market Value 10/01/2022	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 06/30/2023
Highland Capital	47,851,162	-1,576,200	1,700,942	-3,169,224	-92,062	-130,382	866,947	8,156,003	53,607,185
Pimco Global Bond Opp (Hedged) (PGBIX)	3,430,982	-	-	-	-	-	269,439	-117,021	3,583,400
ARA Core Property Fund	10,073,505	-	-	-	-76,114	-	261,190	-1,322,305	8,936,276
American Strategic Value Fund	728,855	1,576,200	-	-	4,027	-	-	-128,677	2,180,404
Mutual Fund Cash	1	-	88,660	-	-	-	2,095	-	90,756
Total Fund	62,084,504	-	1,789,601	-3,169,224	-164,150	-130,382	1,399,671	6,588,000	68,398,021



Comparative Performance Trailing Returns

	QTR	FYTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date
Total Fund (Net)	3.96	12.75	8.63	8.15	6.97	7.49	6.85	01/01/1998
Total Fund Policy	3.56	14.68	9.11	7.07	6.88	7.74	6.62	
Total Fund (Gross)	4.08 (18)	13.03 (65)	9.02 (52)	8.61 (18)	7.46 (11)	7.99 (13)	7.27 (4)	01/01/1998
Total Fund Policy	3.56 (39)	14.68 (42)	9.11 (49)	7.07 (57)	6.88 (27)	7.74 (22)	6.62 (22)	
All Public Plans-Total Fund Median	3.31	14.13	9.06	7.27	6.38	7.09	6.18	
Highland Capital Equity (Gross)	7.75 (38)	24.99 (34)	18.50 (45)	13.85 (53)	10.62 (56)	11.10 (65)	8.94 (62)	01/01/1998
Total Equity Policy	6.95 (51)	24.93 (34)	17.68 (49)	12.41 (72)	9.58 (72)	10.58 (75)	7.27 (98)	
IM U.S. All Cap Core Equity (SA+CF) Median	7.00	23.20	17.24	13.91	10.97	11.88	9.41	
Highland Capital Fixed (Gross)	0.01 (6)	4.76 (22)	0.34 (14)	-2.16 (10)	1.61 (20)	2.10 (34)	4.00 (94)	01/01/1998
Total Fixed Policy	-0.84 (79)	4.00 (72)	-0.94 (82)	-3.97 (89)	0.77 (96)	1.50 (96)	4.02 (91)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-0.72	4.22	-0.41	-3.43	1.20	1.96	4.40	
Pimco Global Bond Opp (Hedged) (PGBIX) (Net)	0.04 (19)	4.44 (70)	2.32 (19)	N/A	N/A	N/A	-0.49 (6)	09/01/2020
Bloomberg Global Agg Index (Hedged)	0.06 (19)	3.99 (78)	0.52 (50)	-2.88 (42)	0.93 (25)	2.11 (11)	-3.17 (30)	
IM Global Fixed Income (MF) Median	-0.58	5.27	0.49	-3.22	-0.17	0.66	-4.30	
ARA Core Realty Fund (Gross)	-2.22 (68)	-10.55 (69)	-9.07 (41)	8.45 (36)	7.21 (32)	8.86 (62)	9.09 (58)	07/01/2012
NCREIF Fund Index-Open End Diversified Core (EW)	-2.86 (71)	-10.68 (70)	-9.82 (50)	8.48 (33)	6.96 (51)	9.02 (58)	9.27 (55)	
IM U.S. Open End Private Real Estate (SA+CF) Median	-1.80	-10.33	-9.86	8.17	6.97	9.23	9.41	
American Strategic Value Fund (Gross)	-1.94 (55)	-8.76 (36)	-7.26 (24)	N/A	N/A	N/A	-7.26 (24)	07/01/2022
NCREIF Fund Index-Open End Diversified Core (EW)	-2.86 (71)	-10.68 (70)	-9.82 (50)	8.48 (33)	6.96 (51)	9.02 (58)	-9.82 (50)	
IM U.S. Open End Private Real Estate (SA+CF) Median	-1.80	-10.33	-9.86	8.17	6.97	9.23	-9.86	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages. Fiscal year ends September 30th.



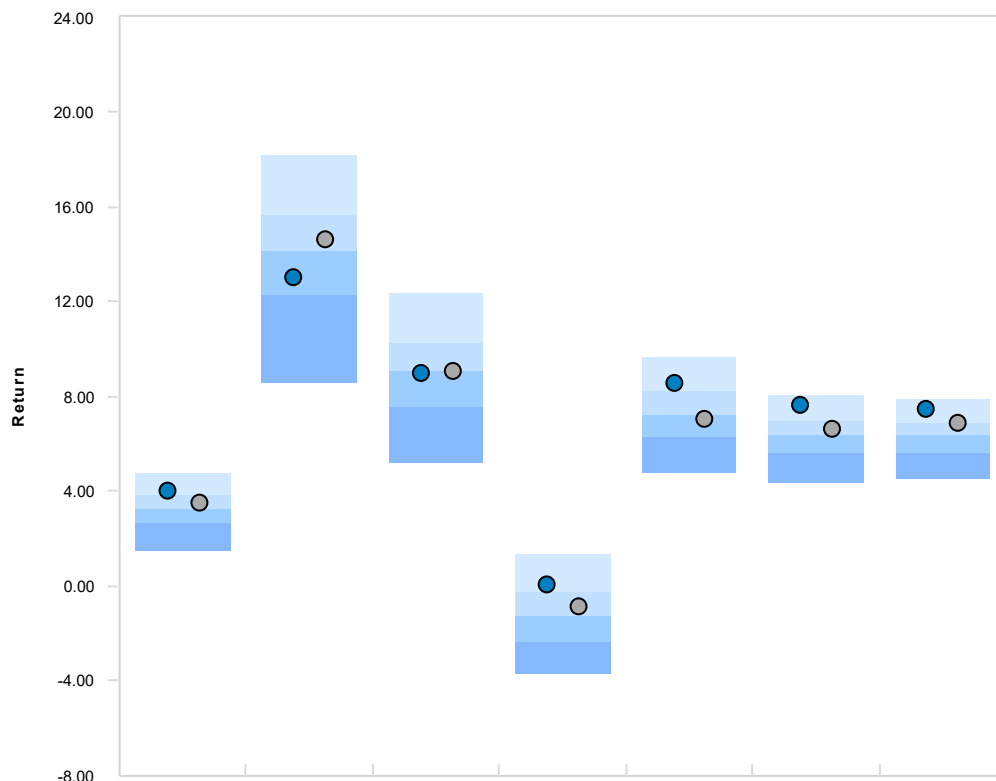
Comparative Performance Fiscal Year Returns

	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014
Total Fund (Net)	-12.11	20.28	9.83	2.83	9.71	12.52	7.49	1.11	10.06
Total Fund Policy	-14.52	18.68	10.16	5.20	8.58	11.87	11.23	0.03	11.18
Total Fund (Gross)	-11.63 (18)	20.73 (40)	10.34 (30)	3.31 (71)	10.22 (12)	13.13 (21)	7.99 (80)	1.48 (8)	10.65 (27)
Total Fund Policy	-14.52 (48)	18.68 (69)	10.16 (32)	5.20 (16)	8.58 (35)	11.87 (48)	11.23 (6)	0.03 (30)	11.18 (17)
All Public Plans-Total Fund Median	-14.76	19.96	8.51	3.99	7.88	11.72	9.36	-0.69	9.63
Highland Capital Equity (Gross)	-18.92 (80)	32.18 (43)	15.40 (40)	0.72 (68)	16.31 (56)	20.57 (25)	9.30 (75)	-0.41 (47)	14.17 (75)
Total Equity Policy	-19.42 (82)	30.03 (56)	12.06 (56)	2.04 (63)	13.62 (69)	19.14 (35)	13.68 (41)	-3.37 (72)	15.61 (64)
IM U.S. All Cap Core Equity (SA+CF) Median	-16.73	31.46	13.75	3.00	16.79	17.83	12.31	-0.56	17.12
Highland Capital Fixed (Gross)	-12.91 (7)	1.38 (16)	6.56 (87)	9.68 (89)	-1.07 (72)	0.85 (38)	7.00 (9)	2.18 (89)	3.95 (79)
Total Fixed Policy	-14.60 (61)	-0.90 (83)	6.98 (77)	10.30 (69)	-1.22 (88)	0.07 (83)	5.19 (79)	2.94 (62)	3.85 (87)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-14.51	-0.05	7.52	10.42	-0.75	0.61	5.66	3.02	4.40
Pimco Global Bond Opp (Hedged) (PGBIX) (Net)	-8.12 (6)	2.41 (27)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Global Agg Index (Hedged)	-12.05 (20)	-0.56 (82)	4.14 (66)	10.65 (13)	0.83 (11)	-0.17 (72)	6.54 (63)	3.14 (1)	5.50 (25)
IM Global Fixed Income (MF) Median	-17.63	0.89	5.39	7.65	-1.33	1.10	7.40	-3.88	3.35
ARA Core Realty Fund (Gross)	25.79 (18)	13.51 (75)	1.62 (49)	6.81 (50)	8.50 (61)	7.52 (55)	9.04 (89)	13.98 (60)	12.49 (67)
NCREIF Fund Index-Open End Diversified Core (EW)	22.76 (38)	15.75 (54)	1.74 (43)	6.17 (70)	8.82 (56)	7.81 (51)	10.62 (68)	14.71 (56)	12.39 (69)
IM U.S. Open End Private Real Estate (SA+CF) Median	20.19	16.09	1.58	6.80	8.93	7.83	11.18	15.20	12.90
American Strategic Value Fund (Gross)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF Fund Index-Open End Diversified Core (EW)	22.76 (38)	15.75 (54)	1.74 (43)	6.17 (70)	8.82 (56)	7.81 (51)	10.62 (68)	14.71 (56)	12.39 (69)
IM U.S. Open End Private Real Estate (SA+CF) Median	20.19	16.09	1.58	6.80	8.93	7.83	11.18	15.20	12.90

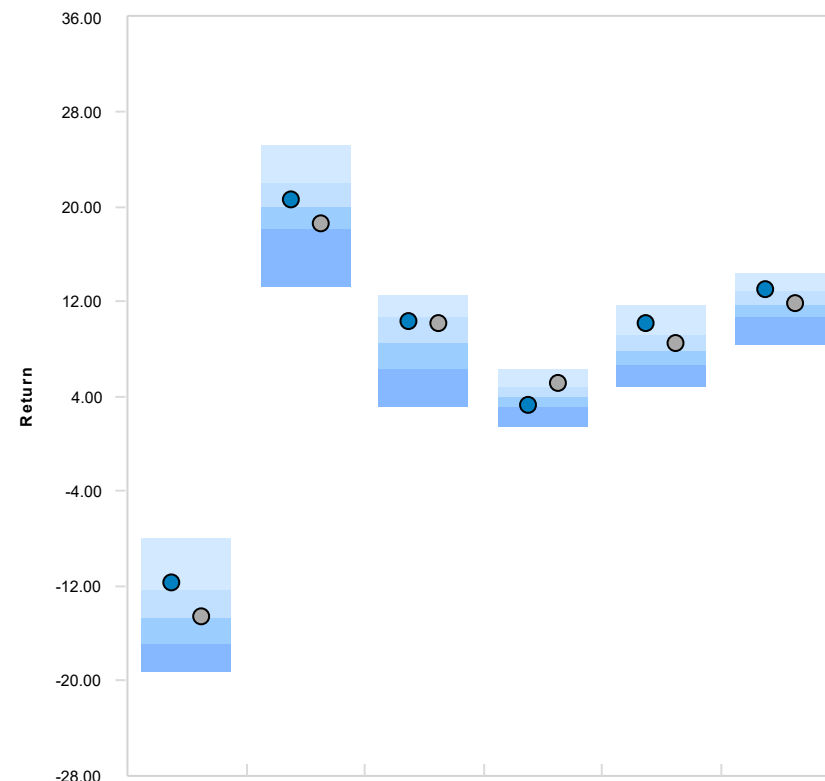
Returns for periods greater than one year are annualized.
Returns are expressed as percentages. Fiscal year ends September 30th.



Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	4.08 (18)	13.03 (65)	9.02 (52)	0.12 (16)	8.61 (18)	7.68 (10)	7.46 (11)
● Fund Policy	3.56 (39)	14.68 (42)	9.11 (49)	-0.88 (39)	7.07 (57)	6.68 (36)	6.88 (27)
Median	3.31	14.13	9.06	-1.27	7.27	6.36	6.38



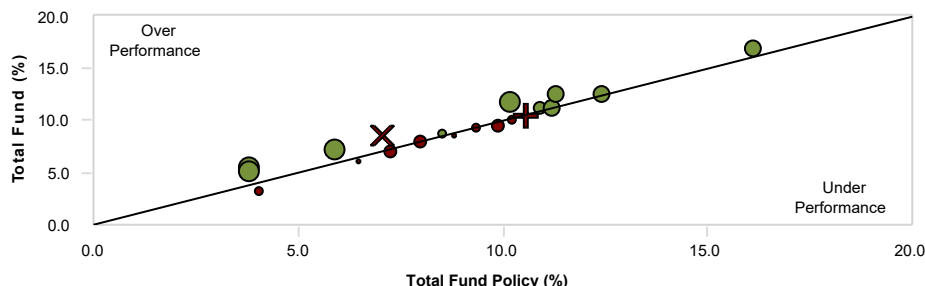
	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017
● Total Fund	-11.63 (18)	20.73 (40)	10.34 (30)	3.31 (71)	10.22 (12)	13.13 (21)
● Fund Policy	-14.52 (48)	18.68 (69)	10.16 (32)	5.20 (16)	8.58 (35)	11.87 (48)
Median	-14.76	19.96	8.51	3.99	7.88	11.72

Comparative Performance

	1 Qtr Ending Mar-2023	1 Qtr Ending Dec-2022	1 Qtr Ending Sep-2022	1 Qtr Ending Jun-2022	1 Qtr Ending Mar-2022	1 Qtr Ending Dec-2021
Total Fund	4.05 (62)	4.37 (86)	-3.55 (18)	-10.63 (50)	-3.37 (15)	6.10 (5)
Total Fund Policy	4.87 (24)	5.60 (53)	-4.86 (74)	-10.84 (57)	-4.18 (29)	5.18 (23)
All Public Plans-Total Fund Median	4.31	5.67	-4.31	-10.64	-4.92	4.51

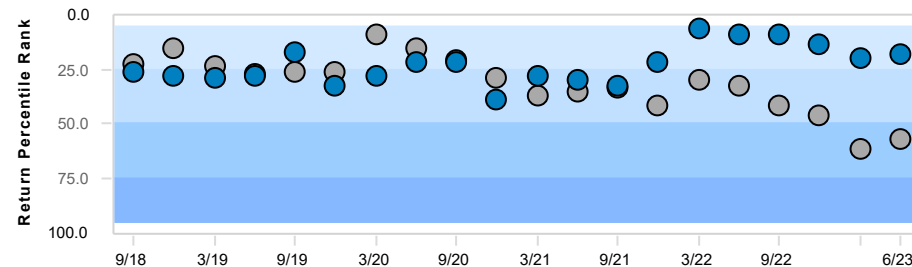


3 Yr Rolling Under/Over Performance - 5 Years



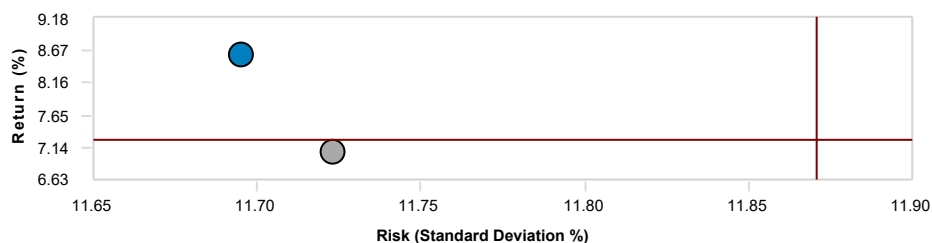
- Over Performance
- Under Performance
- + Earliest Date
- × Latest Date

3 Yr Rolling Percentile Ranking - 5 Years



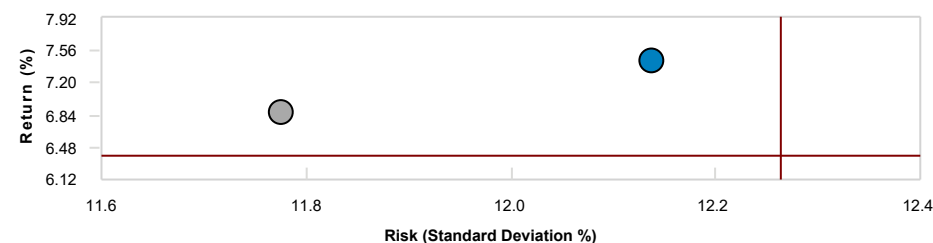
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Fund	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)
● Fund Policy	20	6 (30%)	12 (60%)	2 (10%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Total Fund	8.61	11.70
● Fund Policy	7.07	11.72
— Median	7.27	11.87

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Total Fund	7.46	12.14
● Fund Policy	6.88	11.78
— Median	6.38	12.26

Historical Statistics - 3 Years

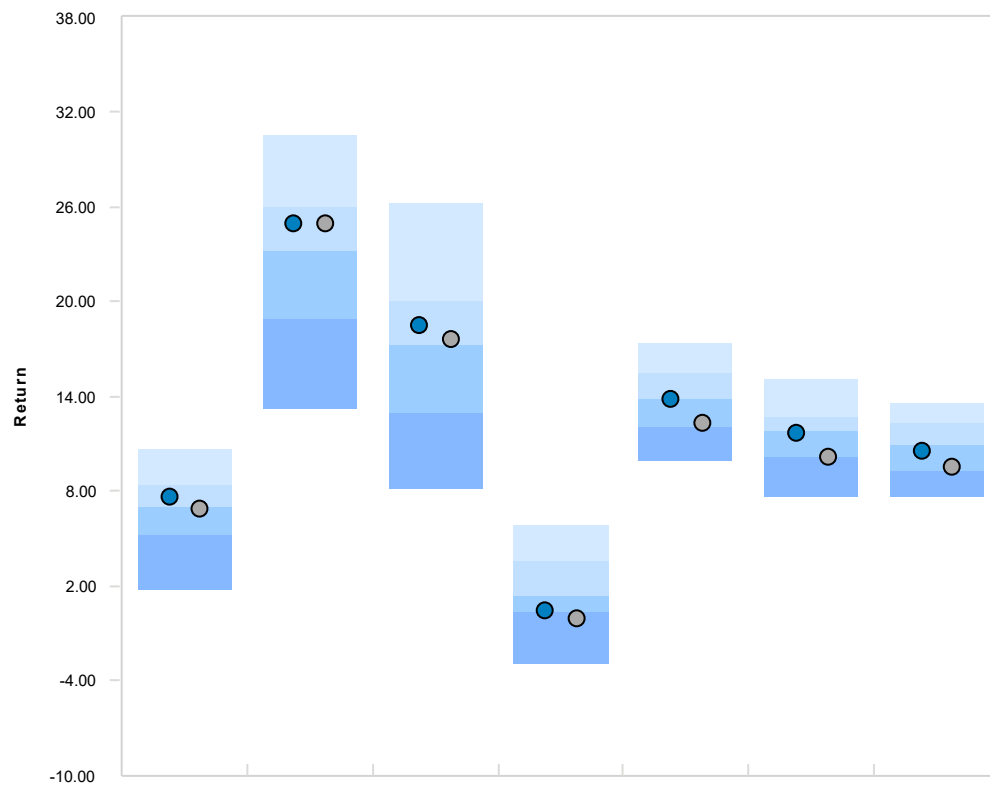
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.86	104.05	95.69	1.56	0.77	0.66	0.99	7.29
Fund Policy	0.00	100.00	100.00	0.00	N/A	0.53	1.00	7.52

Historical Statistics - 5 Years

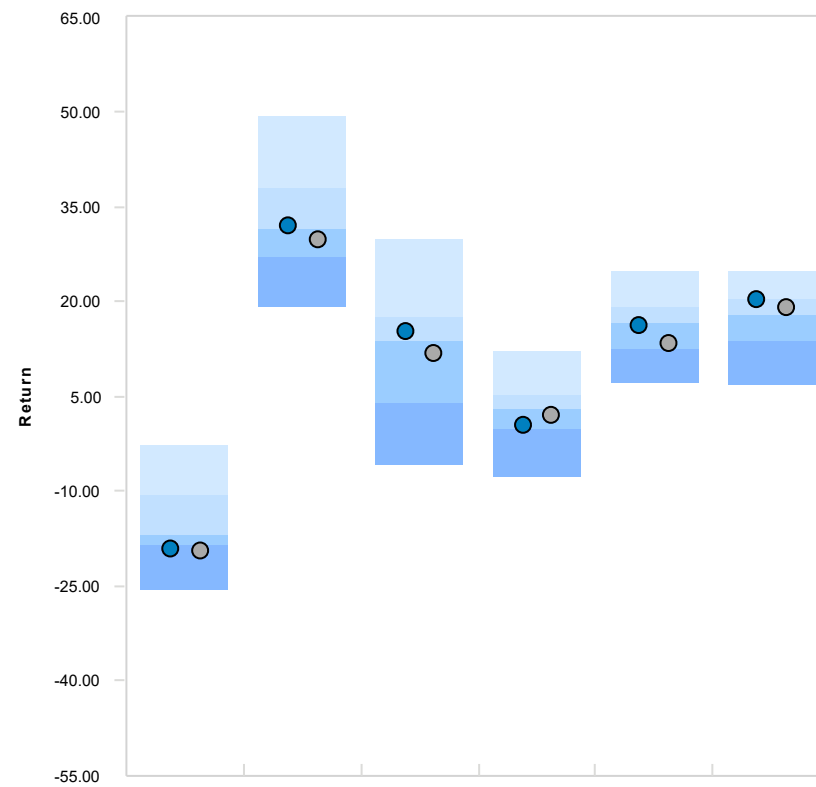
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.75	104.36	102.34	0.44	0.34	0.53	1.02	8.14
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.49	1.00	7.88



Peer Group Analysis - IM U.S. All Cap Core Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Highland Eq	7.75 (38)	24.99 (34)	18.50 (45)	0.48 (74)	13.85 (53)	11.76 (54)	10.62 (56)
○ Equity Policy	6.95 (51)	24.93 (34)	17.68 (49)	-0.06 (81)	12.41 (72)	10.18 (76)	9.58 (72)
Median	7.00	23.20	17.24	1.37	13.91	11.88	10.97



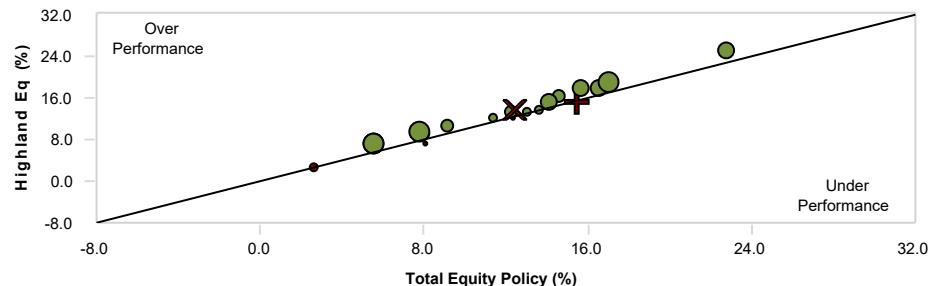
	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017
● Highland Eq	-18.92 (80)	32.18 (43)	15.40 (40)	0.72 (68)	16.31 (56)	20.57 (25)
○ Equity Policy	-19.42 (82)	30.03 (56)	12.06 (56)	2.04 (63)	13.62 (69)	19.14 (35)
Median	-16.73	31.46	13.75	3.00	16.79	17.83

Comparative Performance

	1 Qtr Ending Mar-2023	1 Qtr Ending Dec-2022	1 Qtr Ending Sep-2022	1 Qtr Ending Jun-2022	1 Qtr Ending Mar-2022	1 Qtr Ending Dec-2021
Highland Eq	6.52 (42)	8.91 (49)	-5.20 (62)	-16.65 (79)	-5.04 (51)	8.05 (78)
Total Equity Policy	7.14 (36)	9.03 (46)	-5.80 (82)	-15.91 (65)	-5.28 (57)	7.41 (85)
IM U.S. All Cap Core Equity (SA+CF) Median	5.59	8.78	-4.52	-15.00	-5.02	9.37

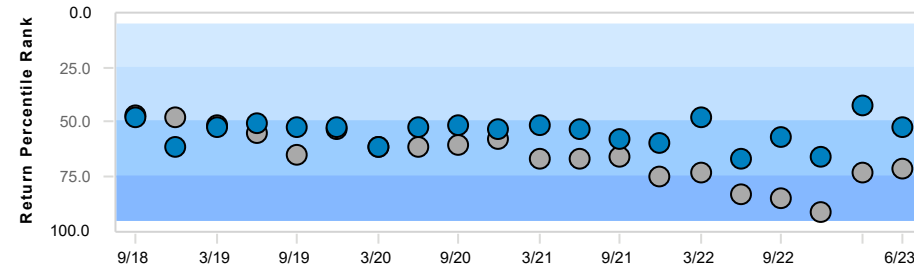


3 Yr Rolling Under/Over Performance - 5 Years



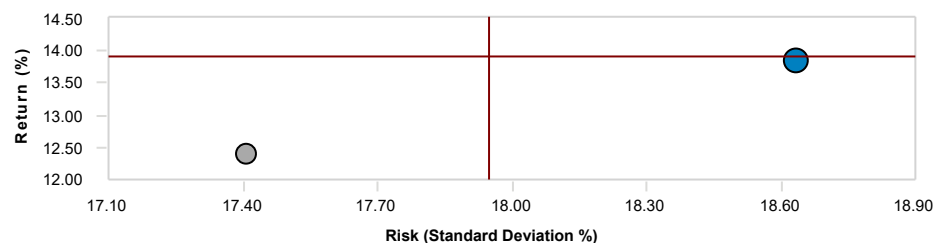
- Over Performance
- Under Performance
- + Earliest Date
- × Latest Date

3 Yr Rolling Percentile Ranking - 5 Years



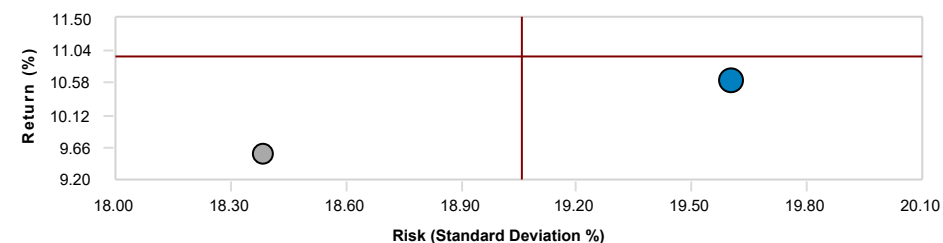
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Highland Eq	20	0 (0%)	3 (15%)	17 (85%)	0 (0%)
● Equity Policy	20	0 (0%)	2 (10%)	15 (75%)	3 (15%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Highland Eq	13.85	18.63
● Equity Policy	12.41	17.41
— Median	13.91	17.95

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Highland Eq	10.62	19.60
● Equity Policy	9.58	18.38
— Median	10.97	19.06

Historical Statistics - 3 Years

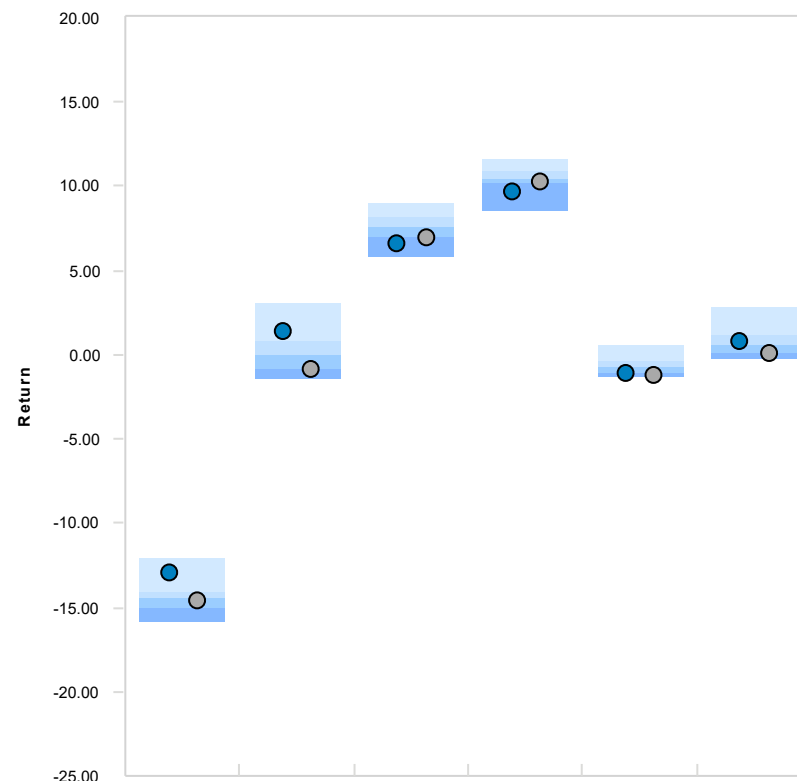
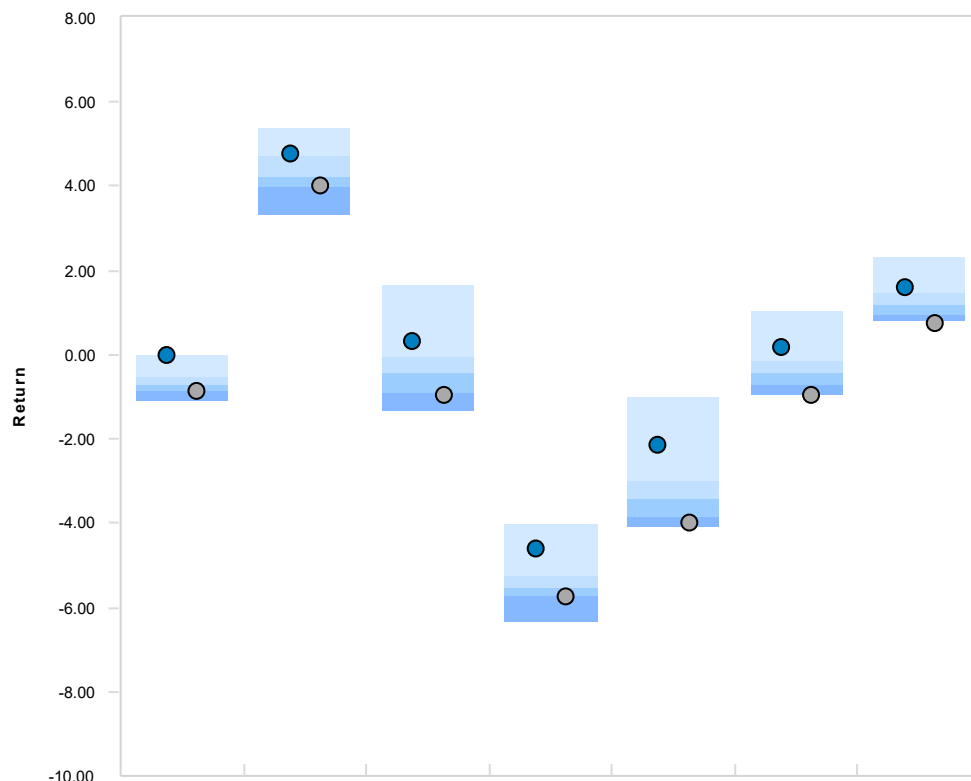
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Eq	2.55	106.53	103.15	0.69	0.59	0.72	1.06	11.27
Equity Policy	0.00	100.00	100.00	0.00	N/A	0.69	1.00	10.68

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Eq	2.37	106.65	104.43	0.54	0.50	0.54	1.06	13.05
Equity Policy	0.00	100.00	100.00	0.00	N/A	0.51	1.00	12.39



Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Highland Fixed	0.01 (6)	4.76 (22)	0.34 (14)	-4.60 (11)	-2.16 (10)	0.16 (14)	1.61 (20)
● Fixed Policy	-0.84 (79)	4.00 (72)	-0.94 (82)	-5.73 (76)	-3.97 (89)	-0.94 (95)	0.77 (96)
Median	-0.72	4.22	-0.41	-5.54	-3.43	-0.43	1.20

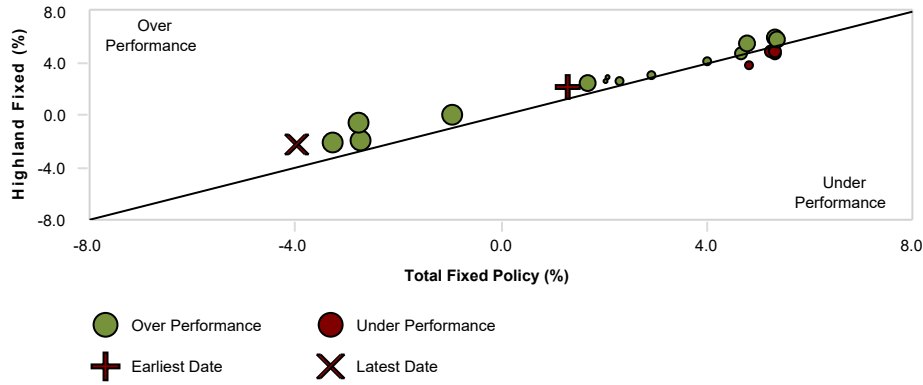
	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017
● Highland Fixed	-12.91 (7)	1.38 (16)	6.56 (87)	9.68 (89)	-1.07 (72)	0.85 (38)
● Fixed Policy	-14.60 (61)	-0.90 (83)	6.98 (77)	10.30 (69)	-1.22 (88)	0.07 (83)
Median	-14.51	-0.05	7.52	10.42	-0.75	0.61

Comparative Performance

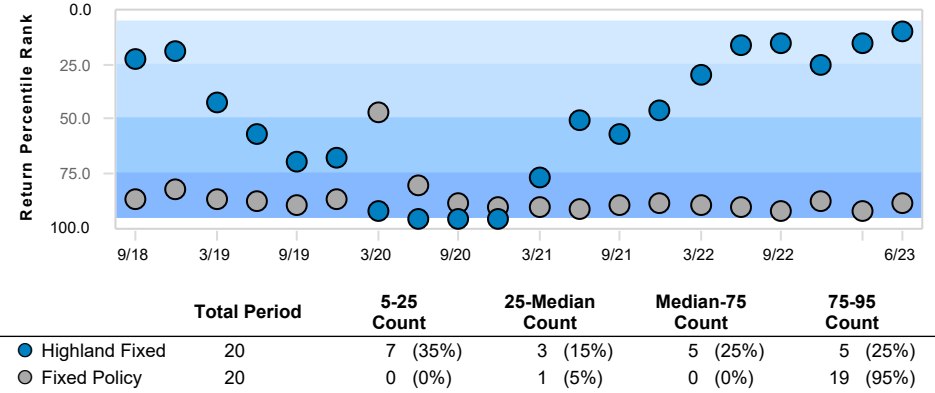
	1 Qtr Ending Mar-2023	1 Qtr Ending Dec-2022	1 Qtr Ending Sep-2022	1 Qtr Ending Jun-2022	1 Qtr Ending Mar-2022	1 Qtr Ending Dec-2021
Highland Fixed	3.94 (3)	0.78 (98)	-4.22 (16)	-4.18 (12)	-5.63 (31)	0.56 (2)
Total Fixed Policy	2.96 (77)	1.87 (42)	-4.75 (78)	-4.69 (39)	-5.93 (71)	0.01 (31)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	3.16	1.80	-4.59	-4.73	-5.81	-0.04



3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

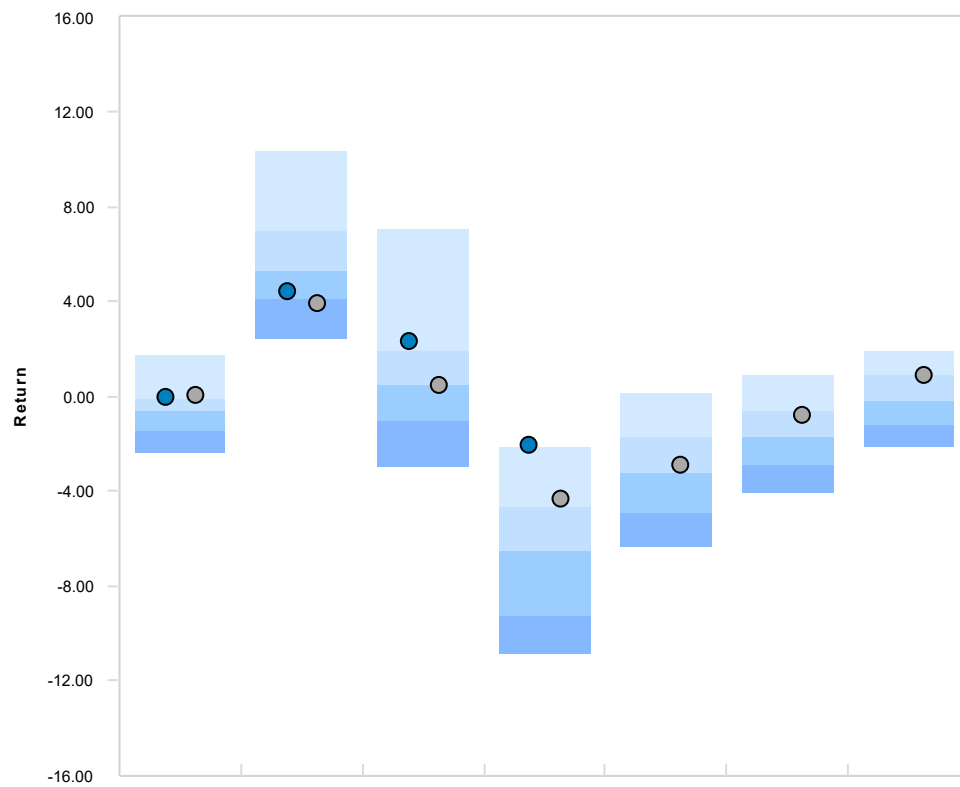
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Fixed	2.21	91.19	76.59	1.14	0.82	-0.62	0.82	4.05
Fixed Policy	0.00	100.00	100.00	0.00	N/A	-0.85	1.00	4.93

Historical Statistics - 5 Years

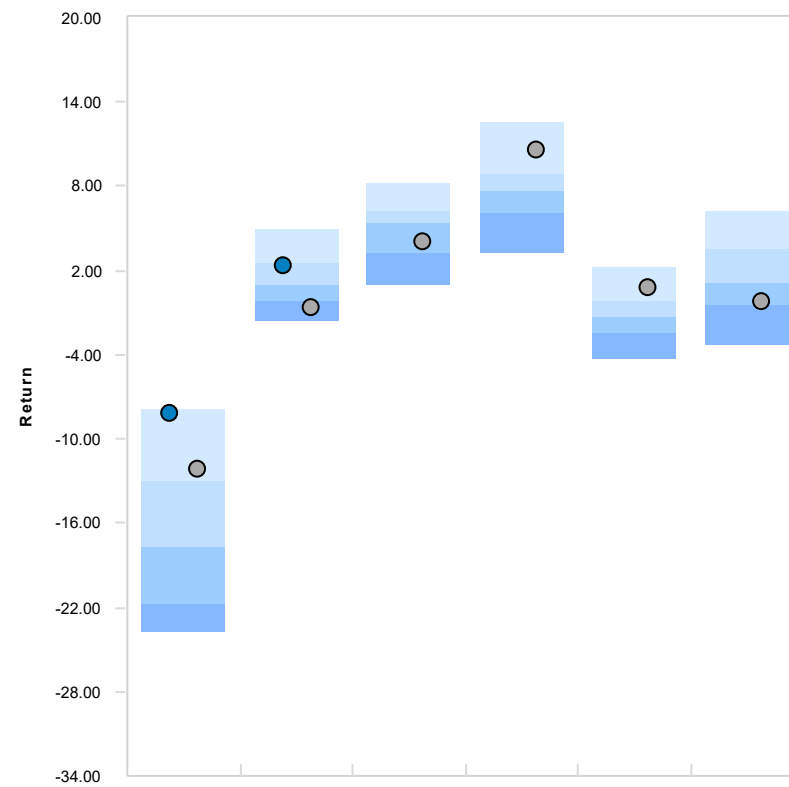
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Fixed	2.27	98.40	85.73	0.95	0.36	0.04	0.87	3.54
Fixed Policy	0.00	100.00	100.00	0.00	N/A	-0.12	1.00	3.86



Plan Sponsor Peer Group Analysis - IM Global Fixed Income (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Pimco GB Opp	0.04 (19)	4.44 (70)	2.32 (19)	-1.98 (3)	N/A	N/A	N/A
● BBg Global Agg	0.06 (19)	3.99 (78)	0.52 (50)	-4.33 (21)	-2.88 (42)	-0.72 (29)	0.93 (25)
Median	-0.58	5.27	0.49	-6.48	-3.22	-1.67	-0.17



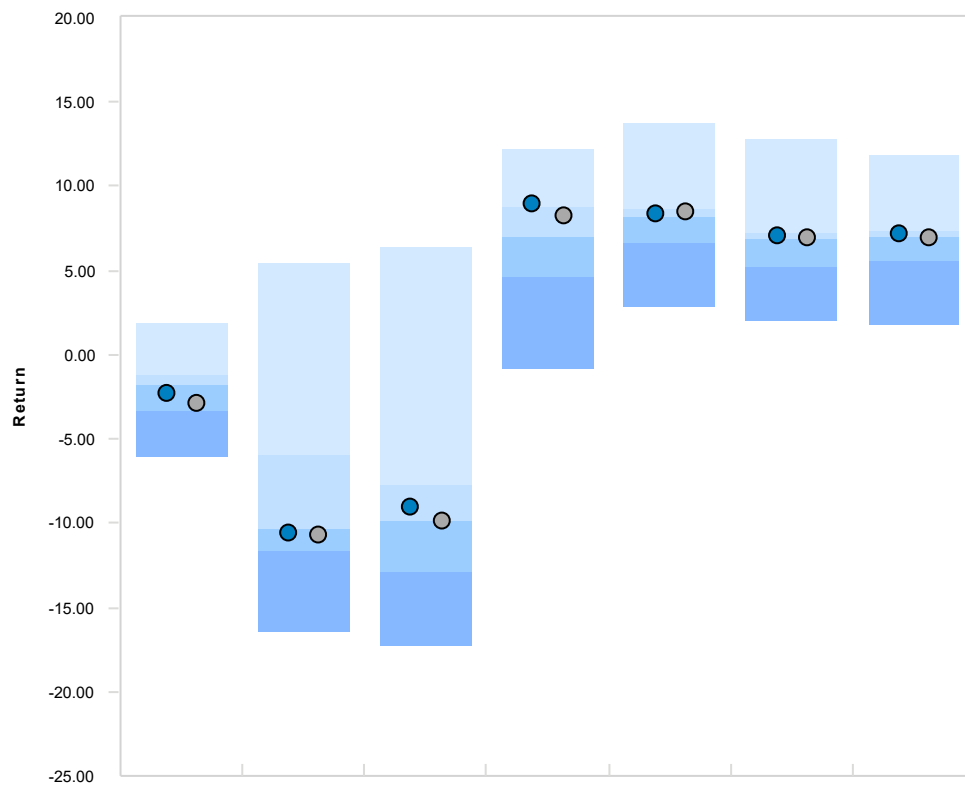
	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017
● Pimco GB Opp	-8.12 (6)	2.41 (27)	N/A	N/A	N/A	N/A
● BBg Global Agg	-12.05 (20)	-0.56 (82)	4.14 (66)	10.65 (13)	0.83 (11)	-0.17 (72)
Median	-17.63	0.89	5.39	7.65	-1.33	1.10

Comparative Performance

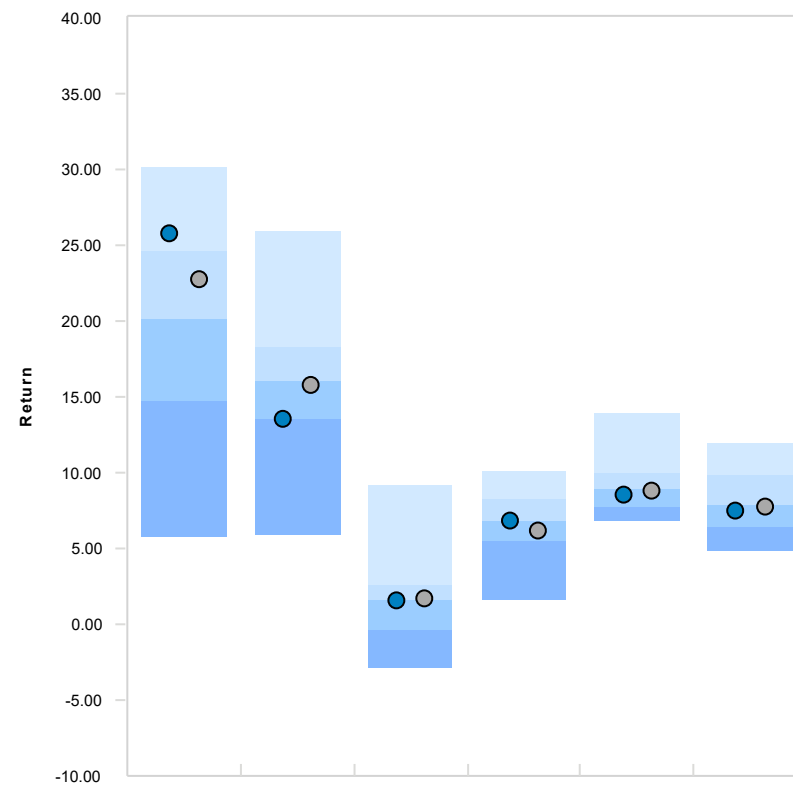
	1 Qtr Ending Mar-2023	1 Qtr Ending Dec-2022	1 Qtr Ending Sep-2022	1 Qtr Ending Jun-2022	1 Qtr Ending Mar-2022	1 Qtr Ending Dec-2021
Pimco GB Opp	1.92 (89)	2.44 (61)	-2.03 (17)	-3.39 (10)	-2.39 (6)	-0.55 (41)
Bloomberg Global Agg Index (Hedged)	2.90 (39)	0.99 (88)	-3.34 (35)	-4.30 (13)	-4.97 (33)	0.04 (8)
IM Global Fixed Income (MF) Median	2.76	3.53	-4.13	-7.00	-5.48	-0.70



Plan Sponsor Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● ARA Core	-2.22 (68)	-10.55 (69)	-9.07 (41)	9.01 (18)	8.45 (36)	7.12 (28)	7.21 (32)
● NCREIF ODCE	-2.86 (71)	-10.68 (70)	-9.82 (50)	8.30 (34)	8.48 (33)	6.97 (34)	6.96 (51)
Median	-1.80	-10.33	-9.86	6.95	8.17	6.84	6.97



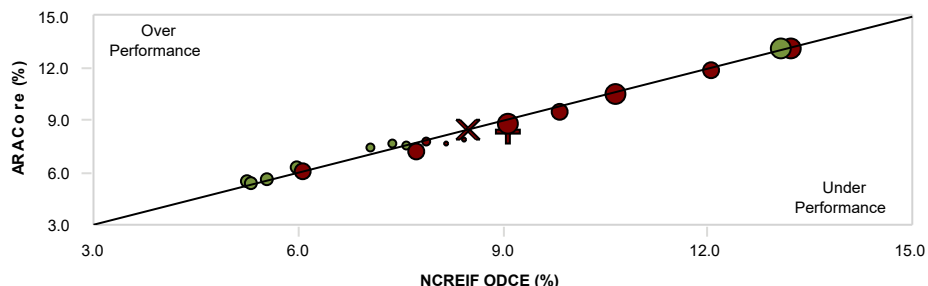
	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017
● ARA Core	25.79 (18)	13.51 (75)	1.62 (49)	6.81 (50)	8.50 (61)	7.52 (55)
● NCREIF ODCE	22.76 (38)	15.75 (54)	1.74 (43)	6.17 (70)	8.82 (56)	7.81 (51)
Median	20.19	16.09	1.58	6.80	8.93	7.83

Comparative Performance

	1 Qtr Ending Mar-2023	1 Qtr Ending Dec-2022	1 Qtr Ending Sep-2022	1 Qtr Ending Jun-2022	1 Qtr Ending Mar-2022	1 Qtr Ending Dec-2021
ARA Core	-3.28 (65)	-5.42 (65)	1.66 (20)	4.84 (32)	8.46 (11)	8.81 (31)
NCREIF ODCE	-3.31 (65)	-4.90 (48)	0.96 (41)	4.55 (38)	7.99 (16)	7.70 (44)
IM U.S. Open End Private Real Estate (SA+CF) Median	-2.98	-4.97	0.60	4.02	6.68	7.58

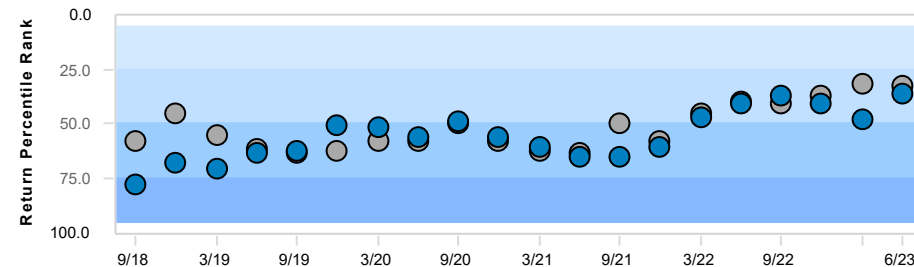


3 Yr Rolling Under/Over Performance - 5 Years



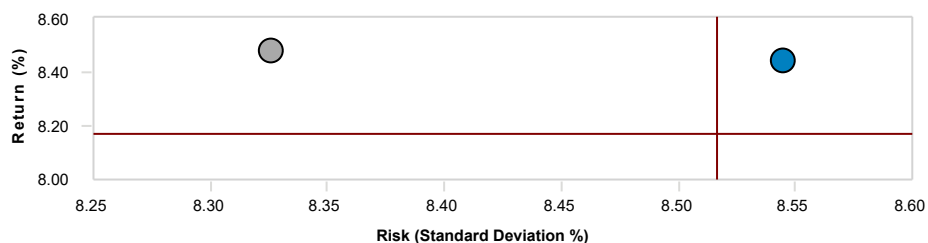
- Over Performance
- Under Performance
- + Earliest Date
- X Latest Date

3 Yr Rolling Percentile Ranking - 5 Years



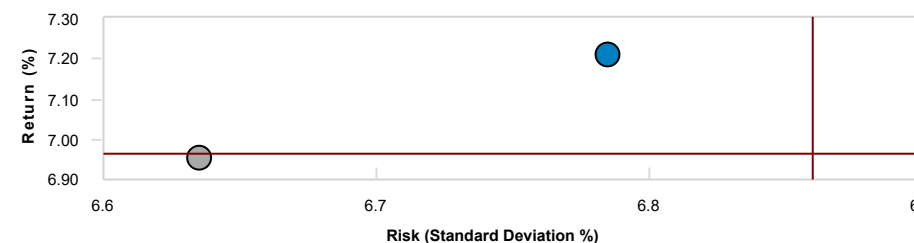
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● ARA Core	20	0 (0%)	7 (35%)	12 (60%)	1 (5%)
● NCREIF ODCE	20	0 (0%)	9 (45%)	11 (55%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● ARA Core	8.45	8.54
● NCREIF ODCE	8.48	8.33
— Median	8.17	8.52

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● ARA Core	7.21	6.78
● NCREIF ODCE	6.96	6.63
— Median	6.97	6.86

Historical Statistics - 3 Years

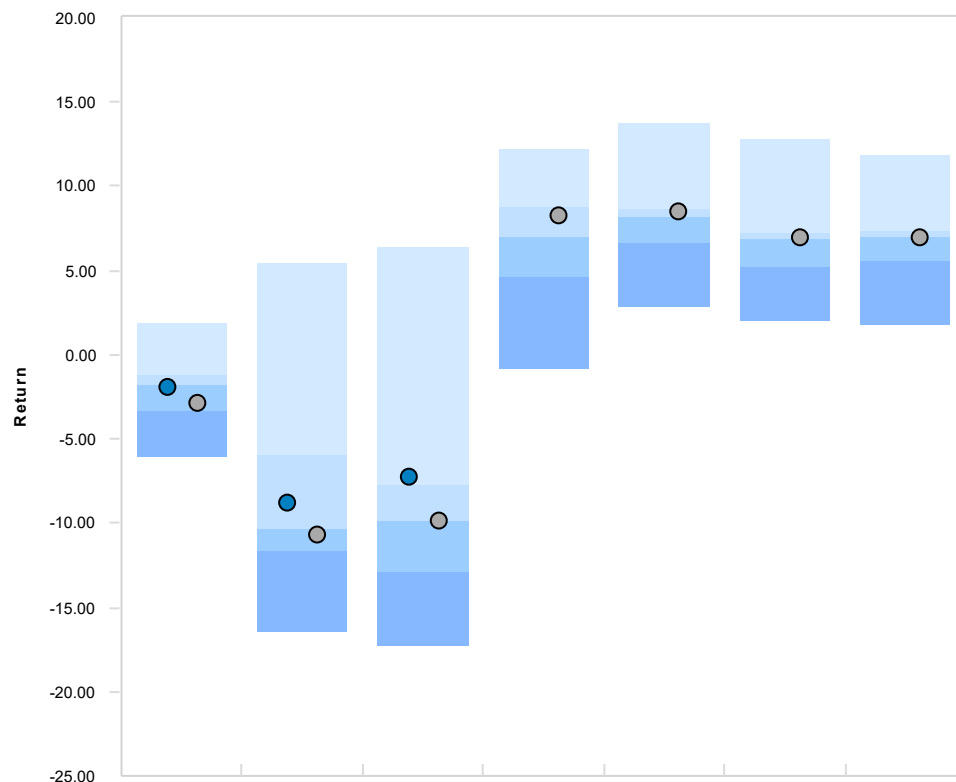
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
ARA Core	1.34	99.49	98.65	-0.11	-0.01	0.77	1.01	3.88
NCREIF ODCE	0.00	100.00	100.00	0.00	N/A	0.79	1.00	3.79

Historical Statistics - 5 Years

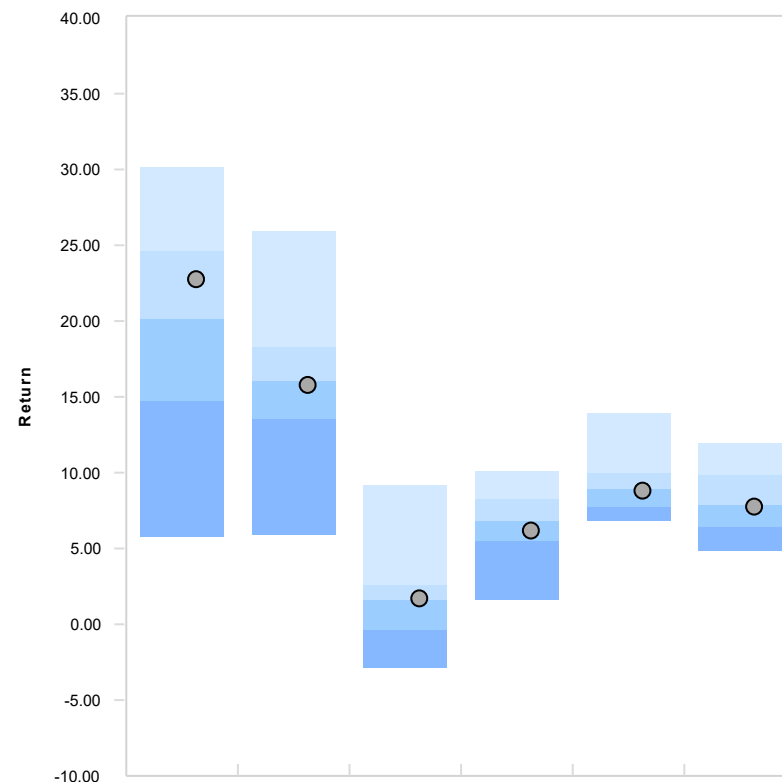
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
ARA Core	1.08	102.29	98.44	0.16	0.24	0.75	1.01	3.05
NCREIF ODCE	0.00	100.00	100.00	0.00	N/A	0.74	1.00	2.99



Plan Sponsor Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Am Strategic Val	-1.94 (55)	-8.76 (36)	-7.26 (24)	N/A	N/A	N/A	N/A
● NCREIF ODCE	-2.86 (71)	-10.68 (70)	-9.82 (50)	8.30 (34)	8.48 (33)	6.97 (34)	6.96 (51)
Median	-1.80	-10.33	-9.86	6.95	8.17	6.84	6.97



	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017
● Am Strategic Val	N/A	N/A	N/A	N/A	N/A	N/A
● NCREIF ODCE	22.76 (38)	15.75 (54)	1.74 (43)	6.17 (70)	8.82 (56)	7.81 (51)
Median	20.19	16.09	1.58	6.80	8.93	7.83

Comparative Performance

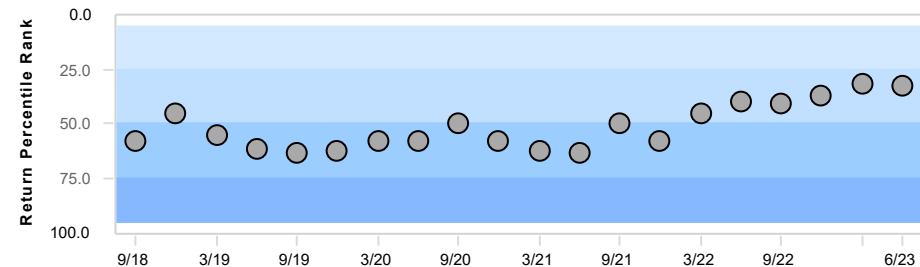
	1 Qtr Ending Mar-2023	1 Qtr Ending Dec-2022	1 Qtr Ending Sep-2022	1 Qtr Ending Jun-2022	1 Qtr Ending Mar-2022	1 Qtr Ending Dec-2021
Am Strategic Val	-2.45 (41)	-4.61 (39)	1.64 (24)	N/A	N/A	N/A
NCREIF ODCE	-3.31 (65)	-4.90 (48)	0.96 (41)	4.55 (38)	7.99 (16)	7.70 (44)
IM U.S. Open End Private Real Estate (SA+CF) Median	-2.98	-4.97	0.60	4.02	6.68	7.58



3 Yr Rolling Under/Over Performance - 5 Years

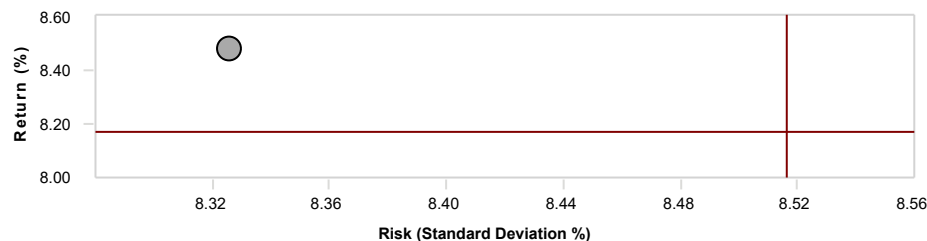
No data found.

3 Yr Rolling Percentile Ranking - 5 Years



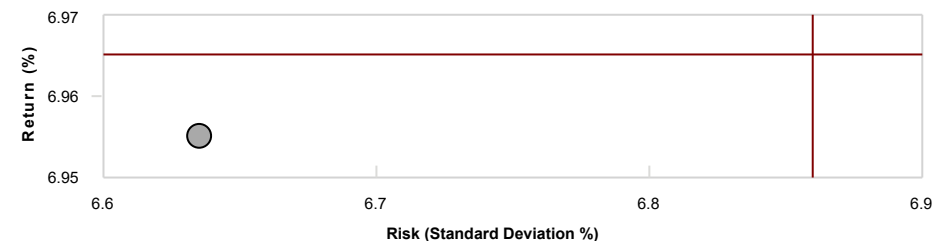
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Am Strategic Val	0	0	0	0	0
● NCREIF ODCE	20	0 (0%)	9 (45%)	11 (55%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Am Strategic Val	N/A	N/A
● NCREIF ODCE	8.48	8.33
— Median	8.17	8.52

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Am Strategic Val	N/A	N/A
● NCREIF ODCE	6.96	6.63
— Median	6.97	6.86

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Am Strategic Val	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF ODCE	0.00	100.00	100.00	0.00	N/A	0.79	1.00	3.79

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Am Strategic Val	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF ODCE	0.00	100.00	100.00	0.00	N/A	0.74	1.00	2.99



Total Fund Compliance		YES	NO										
The total plan gross return equaled or exceeded the total plan benchmark over the trailing three year period.		X											
The total plan gross return equaled or exceeded the total plan benchmark over the trailing five year period.		X											
The total plan gross return ranked within the top 40th percentile of its peer group over the trailing three year period.		X											
The total plan gross return ranked within the top 40th percentile of its peer group over the trailing five year period.		X											
The total plan gross return equaled or exceeded the actuarial earnings assumption over the trailing three year period.		X											
The total plan gross return equaled or exceeded the actuarial earnings assumption over the trailing five year period.		X											
Equity Compliance		YES	NO										
The total equity returns meet or exceed the benchmark over the trailing three year period.		X											
The total equity returns meet or exceed the benchmark over the trailing five year period.		X											
The total equity returns ranked within the top 40th percentile of its peer group over the trailing three year period.			X										
The total equity returns ranked within the top 40th percentile of its peer group over the trailing five year period.			X										
The total equity allocation was less than 70% of the total plan assets at market.		X											
The total foreign equity was less than 25% of the total plan assets at market.		X											
Fixed Income Compliance		YES	NO										
The total domestic fixed income returns meet or exceed the benchmark over the trailing three year period.		X											
The total domestic fixed income returns meet or exceed the benchmark over the trailing five year period.		X											
The total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing three year period.		X											
The total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing five year period.		X											
The average weight of the fixed income portfolio was "AA" or better.		X											
Manager Compliance		Highland - Equity			Highland - Fixed			Pimco Global			ARA Core Realty		
		YES	NO	N/A	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A
Manager outperformed the index over the trailing three and five year periods.		X			X					X			X
Manager ranked within the top 40th percentile over trailing three and five year periods.			X		X					X			X
Less than four consecutive quarters of under performance relative to the benchmark.		X			X			X					X
Three and five year down-market capture ratio less than the index.			X		X					X			X
											American Strategic		
		YES	NO	N/A	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A
Manager outperformed the index over the trailing three and five year periods.													X
Manager ranked within the top 40th percentile over trailing three and five year periods.													X
Less than four consecutive quarters of under performance relative to the benchmark.													X
Three and five year down-market capture ratio less than the index.													X



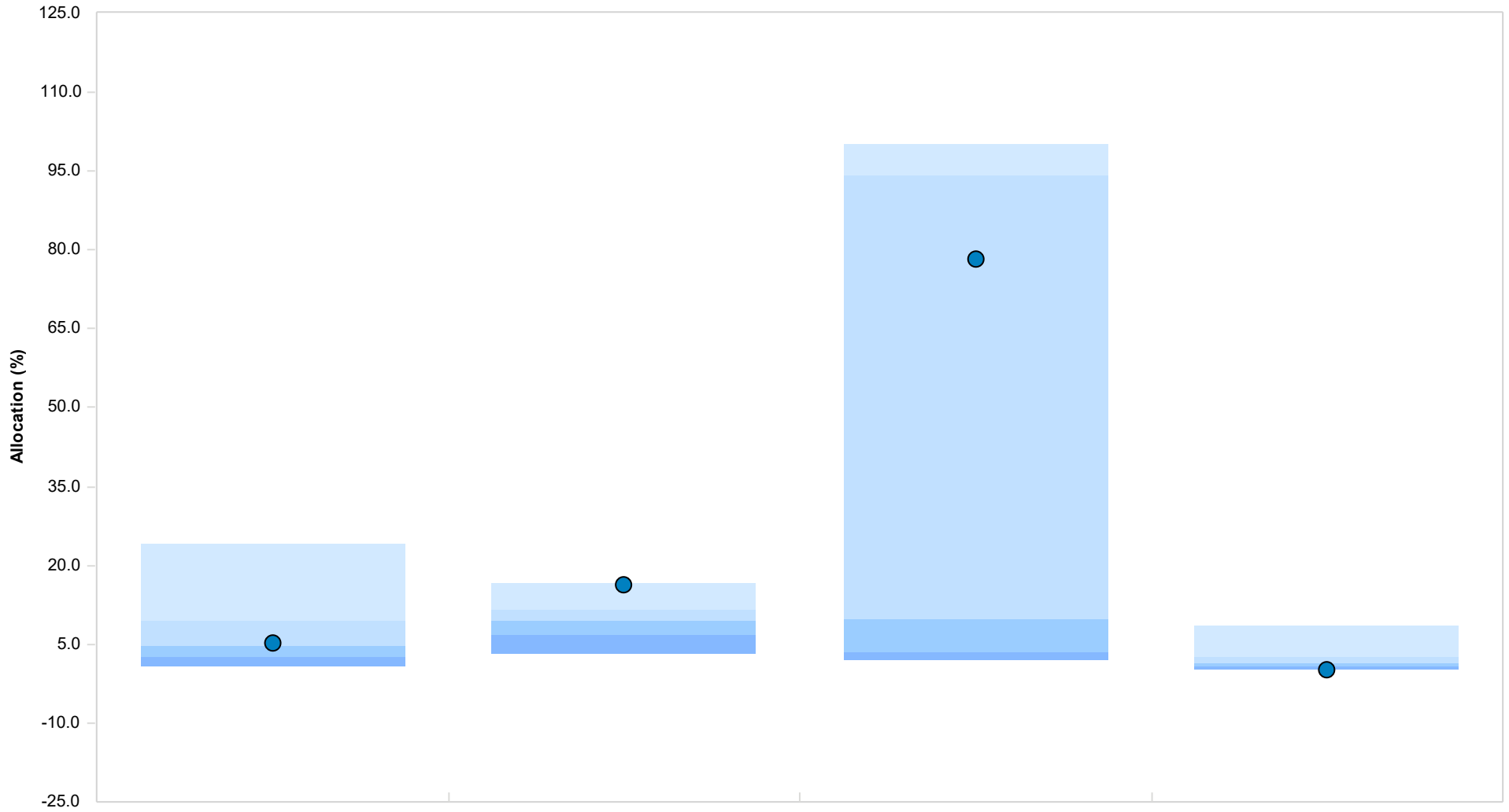
Key West General Employees Pension Fund
Fee Analysis
As of June 30, 2023

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Total Fund	0.53	68,398,021	359,692	
Highland Capital	0.40	53,607,185	214,429	0.40 % of Assets
American Core Realty	1.10	8,936,276	98,299	1.10 % of Assets
American Strategic Value Fund	1.25	2,180,404	27,255	1.25 % of Assets
Pimco Global Bond Opp	0.55	3,583,400	19,709	0.55 % of Assets
Mutual Fund Cash		90,756	-	

Fee information on this page is an illustrative estimate of management fees based on current reported portfolio values. Fee estimates do not reflect actual calculation methodologies or applicable carried interest.



Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund



	Global Fixed Income	Real Estate - Private	Balanced	Cash & Equivalents
● Total Fund	5.24 (42)	16.25 (7)	78.38 (29)	0.13 (93)
5th Percentile	24.25	16.71	100.00	8.67
1st Quartile	9.44	11.51	94.16	2.45
Median	4.71	9.30	9.59	1.29
3rd Quartile	2.63	6.79	3.48	0.60
95th Percentile	0.86	3.03	1.90	0.08

Parentheses contain percentile rankings.
 Calculation based on <Periodicity> periodicity.



Total Fund Policy	
Allocation Mandate	Weight (%)
Dec-1975	
S&P 500 Index	50.00
ICE BofAML Govt/ Corp Master	50.00
Oct-2004	
S&P 500 Index	50.00
ICE BofAML US Domestic Master	40.00
MSCI EAFE Index	10.00
Jan-2014	
Russell 3000 Index	45.00
MSCI AC World ex USA	15.00
Blmbg. U.S. Aggregate Index	25.00
FTSE World Government Bond Index	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	10.00

Total Fixed Income Policy	
Allocation Mandate	Weight (%)
Jan-1998	
ICE BofAML Govt/ Corp Master	100.00
Oct-2004	
ICE BofAML US Domestic Master	100.00
Jan-2014	
Blmbg. U.S. Aggregate Index	100.00

Total Equity Policy	
Allocation Mandate	Weight (%)
Jan-1998	
S&P 500 Index	100.00
Oct-2004	
S&P 500 Index	85.00
MSCI EAFE Index	15.00
Jan-2014	
Russell 3000 Index	75.00
MSCI AC World ex USA	25.00



Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



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