
City of Key West General Employees' Pension Fund

Investment Performance Review
Period Ending September 30, 2024

MARINER

3rd Quarter 2024 Market Environment

The Economy

- The US Federal Reserve (the Fed) shifted its policy stance during the quarter and cut the fed funds rate by 0.50% for the first time in four years to a range of 4.75%-5.00%. Capital markets celebrated the move after struggling to predict the pace and timing of future Fed actions earlier in the year. In its press release for the September meeting, the Fed continued to assert its stance on fighting inflation, while also inserting that the committee is strongly committed to “supporting maximum employment.” Fed Chairman Jerome Powell signaled to the markets that the expectation is for the committee to shift to a more expansionary policy moving forward.
- The Fed’s September “Dot Plot” showed revised expectations from a single 0.25% rate cut for the remainder of 2024 to a low-end estimate of a 4.25%-4.50% range. The dots also showed the target rate range decreasing below 4.00% in 2025.
- Growth in the US labor market continued in the third quarter, albeit at a slower pace than previous quarters with growth coming in at 527,000 new jobs. However, the strength of the labor market during the previous year was undermined by the large downward revision (818,000) on the trailing one-year statistic.

Equity (Domestic and International)

- US equity results were sharply higher for the quarter, which also saw a significant broadening of returns across both the style and capitalization spectrum. The S&P 500 Index rose a solid 5.9% for the quarter and the small-cap Russell 2000 Index posted a higher gain of 9.3%. This quarter not only saw a significant rotation from large-cap to small-cap stocks but also from growth stocks to value stocks as value indexes outpaced their growth counterparts.
- Large-cap equity benchmarks continue to represent top-heavy concentration among a limited number of stocks. As of quarter end, the top 10 stocks in the S&P 500 Index made up nearly 35% of the index.
- International stocks continued delivering positive results during the third quarter and US Dollar (USD) denominated results were further helped by a weakening USD. USD performance of international stocks surged past local currency (LCL) returns in most regions for the quarter, albeit to varying degrees.

Fixed Income

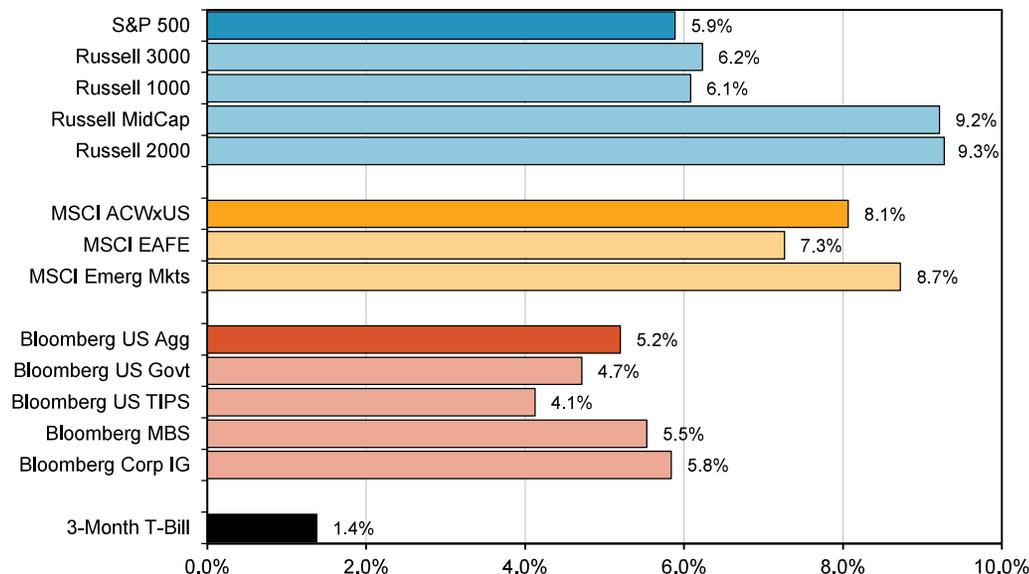
- Fixed-income markets traded higher during the quarter on the back of the Fed’s policy shift as Treasury yields fell. The inverse relationship between prices and yields resulted in the Bloomberg US Aggregate Bond Index advancing 5.2%. The yield on the bellwether 10-year Treasury declined by 0.55% during the quarter.
- High-yield bonds slightly outperformed the Bloomberg US Aggregate Bond Index for the quarter, largely due to higher coupons and partly due to narrowing option-adjusted spreads (OAS) for the Bloomberg US High-Yield index.
- Global bonds outpaced the domestic benchmarks, with the Bloomberg Global Aggregate ex-US returning 8.5% for the quarter in USD terms. Global bond performance was boosted by a weakening USD during the quarter.

Market Themes

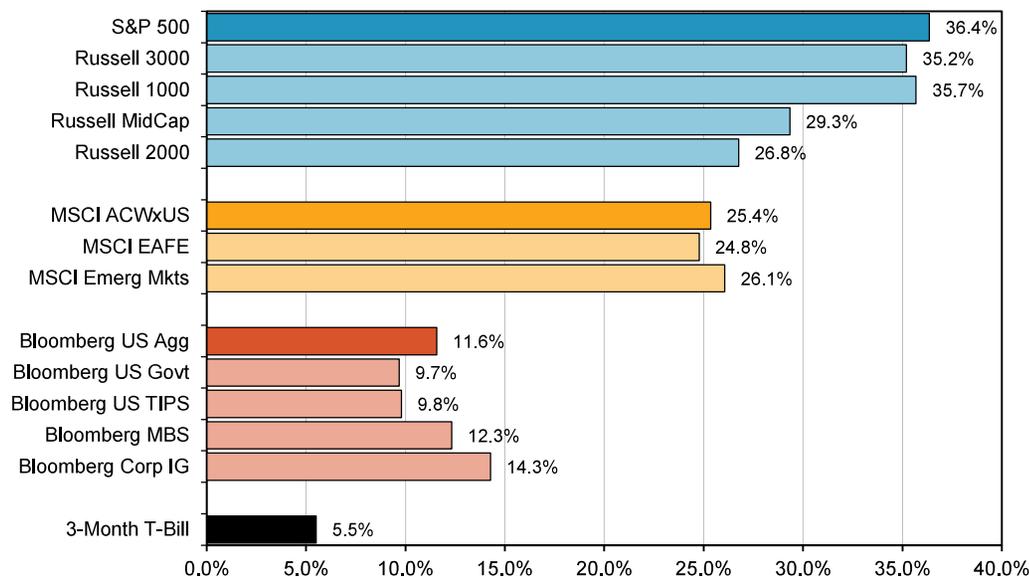
- Divergent monetary policies across regions led to increased volatility during the quarter. Most developed markets across the world kept rates at elevated levels as central banks continued their tight monetary stances. However, the Japanese Central Bank chose to raise its policy rates at the end of July, shortly before the Fed cut its policy rate in September. This divergence led to an unwinding of the systematic Yen carry trade, where investors quickly took action to cover short yen positions by taking down positions in various higher growth investments, including US equities. This subsequently led to a sharp decline in equity markets around the world in early August.
- Ongoing military conflicts in Ukraine and the Middle East, coupled with global economic uncertainty, continue to act as headwinds for international market results but they received a boost from the weakening USD. New escalations to existing conflicts have resulted in anticipated and unanticipated consequences. Domestic Defense companies have tended to trade higher on the news of developing escalations abroad while similarly putting upward pressure on oil prices and downward pressure on energy stocks as a result.

- Performance in the domestic equity markets was broadly positive after markets received a boost from the Fed's first rate cut in four years. Small-cap stocks outperformed their large-cap counterparts, with the Russell 2000 returning 9.3% versus a gain of 5.9% for the S&P 500. The all-cap Russell 3000, which is heavily weighted in its large-cap names, lagged the Russell 2000 Index by 3.1%, returning 6.2% for the quarter.
- International developed market equities realized similar results with both the MSCI ACWI ex US and MSCI EAFE indexes gaining during the quarter. The MSCI ACWI ex US Index posted a strong 8.1% for the quarter, while the MSCI EAFE Index returned a slightly lower 7.3%, both in USD terms. International emerging market (EM) equities were the best performing foreign segment, gaining 8.7% in for the quarter and outpacing their developed market counterparts. Much of the solid USD performance for EM can be attributed to the Far East index countries, particularly China, Taiwan, and Singapore.
- Broad fixed-income indexes added to their year-to-date results during the quarter, thanks in large part to the Fed's 0.50% rate cut on September 18th. The Bloomberg US Aggregate Index returned a solid 5.2% for the quarter. Investment-grade corporate bonds topped other US fixed-income sectors for the quarter, finishing with a return of 5.8%. The TIPS market, which is not part of the Aggregate Index, was the worst-performing bond benchmark during the quarter with a return of 4.1%, lagging the rest of the domestic fixed-income indexes.
- Large-cap US equity indexes built on their already massive returns over the trailing one-year period. The S&P 500 Index has gained 36.4%, while the Russell 1000 Index returned 35.7%. The weakest performing capitalization range of domestic equities for the year has been the small-cap Russell 2000 Index, which still posted a double-digit return of 26.8% over the last 12 months.
- Domestic bond indexes also produced strong, positive results for the year. Investment-grade corporate bonds continued to lead, returning an impressive 14.3% for the trailing one-year. The government bond index lagged for the year, but still returned a solid 9.7%.
- International markets also showcased healthy performance for the trailing one-year period. The MSCI EM Index was the best international performer, returning 26.1%, while the MSCI EAFE and MSCI ACWI ex US indexes posted returns of 24.8% and 25.4%, respectively.

Quarter Performance

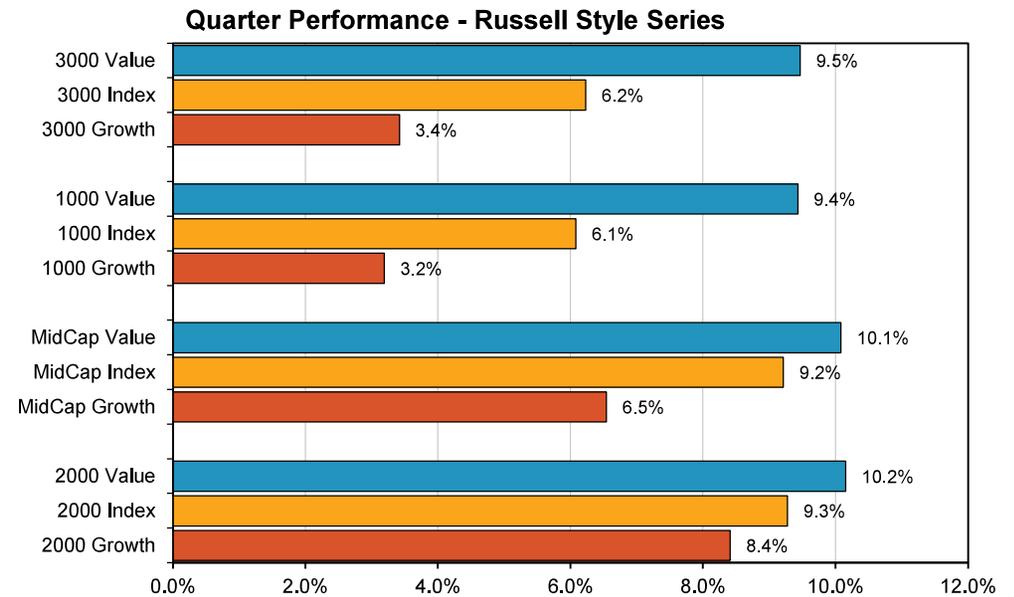


1-Year Performance

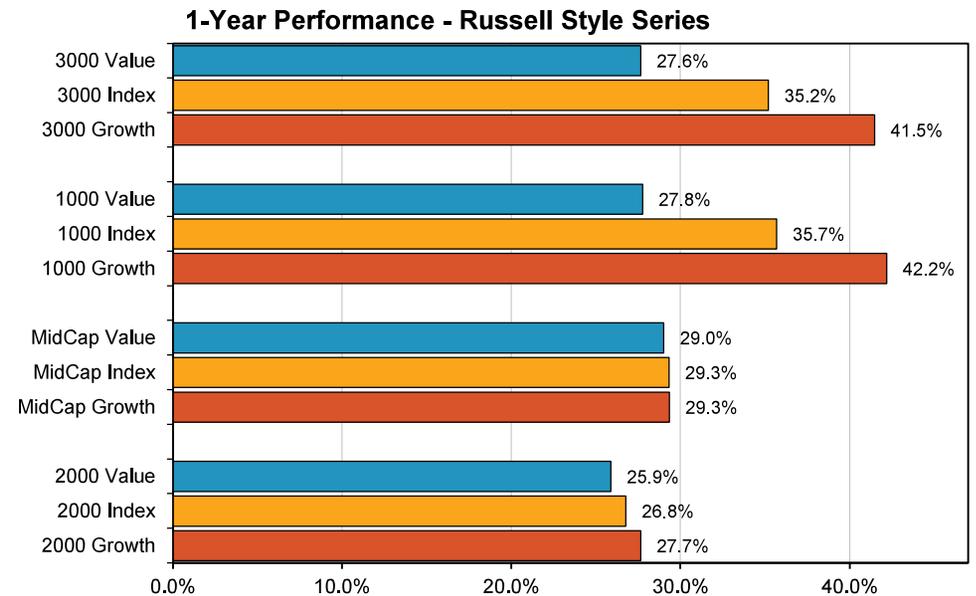


Source: Investment Metrics

- Domestic equity benchmarks posted strong absolute results across styles and market capitalization ranges. During the third quarter, value stocks outpaced their growth counterparts at each capitalization level for the first time since Q4 2022. The best-performing segment of the equity market was small-cap value, with the Russell 2000 Value Index advancing 10.2% for the quarter. Conversely, the large-cap growth Russell 1000 Growth Index produced the weakest relative equity performance, returning just 3.2%.
- The growth-oriented rally took a hiatus during the quarter with the broadest disparity visible in large-cap indexes. The Russell 1000 Value Index return of 9.4% surpassed the Russell 1000 Growth Index return by 6.2%. This quarter's results bucked the trend of large-cap growth stocks being the best-performing segment of the domestic equity market.



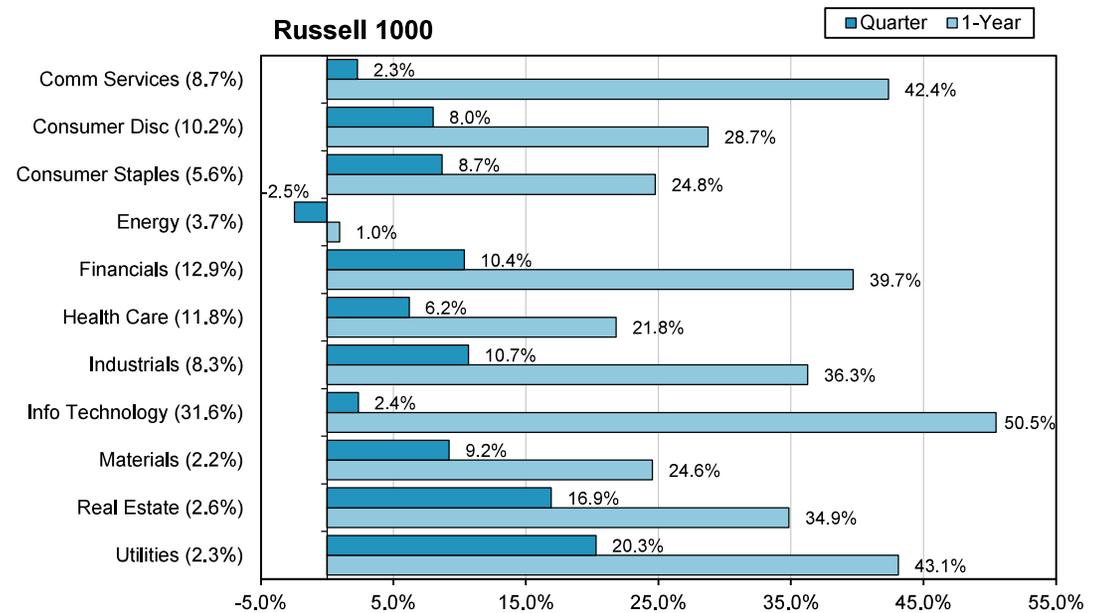
- This quarter's resurgence by the value indexes was not enough to bring them above growth indexes on a trailing one-year basis. The Russell 1000 Growth Index amassed a staggering 42.2%, leading the way among style and market capitalization classifications. Much of this strong performance has been attributable to the emergence of the "Magnificent 7" stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla) which have dominated the large-cap core and growth indexes over the past several years. The 10 largest stocks in the Russell 1000 Index have contributed more than 50% of the index's total performance over the trailing 12-month period. The weakest performing index for the year was the Russell 2000 Value Index, which still posted an impressive 25.9%.
- The strength of growth sectors is evident in the chart with the broad-cap, large-cap, and small-cap benchmarks outpacing their value counterparts for the trailing one-year period. The gap between the Russell 1000 Growth Index and the Russell 1000 Value Index was in double-digits for the year, while the gaps for mid- and small-cap indexes were much narrower.



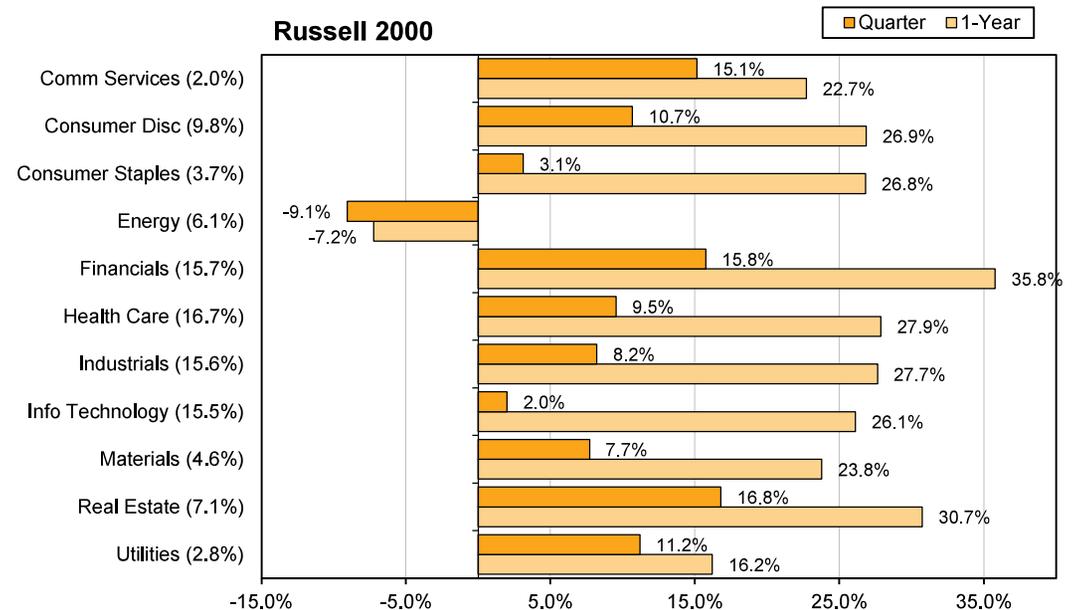
Source: Investment Metrics

- Economic sector performance was mostly positive during the third quarter, with 10 of the 11 economic sectors moving higher in both the large-cap and small-cap indexes. The quarter continued the previous trend in the domestic equities markets of broader participation in companies outside of the technology sector. Energy was the lone sector to slide during the quarter, posting a return of -2.5%.
- Third-quarter results for the large-cap benchmark added to already strong trailing one-year numbers, with all but one sector producing a return of greater than 20%. Similar to the quarter's results, the energy sector was the one to fall short, gaining just 1.0% over the trailing year. Of the 11 sectors, three (communication services, information technology, and utilities) were up by more than 40.0% for the past year. Financials, industrials, and real estate followed closely behind with gains of 39.7%, 36.3%, and 34.9%, respectively. Despite this strong sector performance, only five of the six leading sectors managed to outpace the Russell 1000 Index's return of 35.7%, which was lifted even higher by the strong results in the most heavily weighted sector, information technology.
- Small-cap stocks displayed similar strength, with 10 of the 11 small-cap economic sectors gaining value during the quarter. Real estate, financials, and communication services led the way with gains of more than 15% for the quarter. Similar to the large-cap benchmark, energy was the worst-performing sector for the quarter and produced the sole negative sector return, falling -9.1%.
- Small-cap stocks also had a strong performance for the trailing year. The same 10 small-cap sectors that advanced during the quarter moved higher over the trailing one-year period. Energy remains the weakest performing sector, with the most recent quarterly return dragging the sector's performance to -7.2% for the trailing year. Financials (up 35.8%), and seven other sectors earned more than 20%.

Russell 1000



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 September 30, 2024

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.4%	10.8%	36.8%	Information Technology
Microsoft Corp	6.1%	-3.6%	37.3%	Information Technology
NVIDIA Corp	5.4%	-1.7%	179.3%	Information Technology
Amazon.com Inc	3.3%	-3.6%	46.6%	Consumer Discretionary
Meta Platforms Inc Class A	2.4%	13.6%	91.3%	Communication Services
Alphabet Inc Class A	1.8%	-8.8%	27.1%	Communication Services
Berkshire Hathaway Inc Class B	1.6%	13.1%	31.4%	Financials
Alphabet Inc Class C	1.6%	-8.7%	27.1%	Communication Services
Broadcom Inc	1.5%	7.8%	110.9%	Information Technology
Tesla Inc	1.4%	32.2%	4.6%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Vaxcyte Inc Ordinary Shares	0.5%	51.3%	124.1%	Health Care
FTAI Aviation Ltd	0.5%	29.1%	281.0%	Industrials
Insmed Inc	0.4%	9.0%	189.1%	Health Care
Sprouts Farmers Market Inc	0.4%	32.0%	158.0%	Consumer Staples
Fabrinet	0.3%	-3.4%	41.9%	Information Technology
Applied Industrial Technologies Inc	0.3%	15.2%	45.4%	Industrials
Mueller Industries Inc	0.3%	30.5%	100.0%	Industrials
Fluor Corp	0.3%	9.6%	30.0%	Industrials
Ensign Group Inc	0.3%	16.3%	55.1%	Health Care
UFP Industries Inc	0.3%	17.5%	29.6%	Industrials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Exact Sciences Corp	0.0%	61.2%	-0.1%	Healthcare
Inspire Medical Systems Inc	0.0%	57.7%	6.4%	Healthcare
AppLovin Corp Ordinary Shares - A	0.1%	56.9%	226.7%	Information Technology
Doximity Inc Class A	0.0%	55.8%	105.3%	Healthcare
Ubiquiti Inc	0.0%	52.7%	55.3%	Information Technology
Vornado Realty Trust	0.0%	49.9%	75.4%	Real Estate
GE Vernova Inc	0.1%	48.7%	N/A	Utilities
VF Corp	0.0%	48.5%	15.5%	Communication Services
Palantir Technologies Inc Ordinary - A	0.1%	46.9%	132.5%	Technology
SharkNinja Inc	0.0%	44.7%	139.9%	Communication Services

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Lumen Technologies Inc Ordinary	0.1%	545.5%	400.0%	Communication Services
CommScope Holding Co Inc	0.0%	396.7%	81.8%	Information Technology
Capricor Therapeutics Inc	0.0%	218.9%	344.7%	Health Care
Summit Therapeutics Inc Ordinary	0.0%	180.8%	1071.1%	Health Care
Q32 Bio Inc	0.0%	148.6%	N/A	Health Care
Intuitive Machines Inc Ordinary - A	0.0%	143.9%	120.5%	Industrials
IGM Biosciences Inc Ordinary	0.0%	140.8%	98.1%	Health Care
Cassava Sciences Inc	0.0%	138.3%	76.9%	Health Care
AST SpaceMobile Inc Ordinary - A	0.1%	125.2%	588.2%	Communication Services
Biomea Fusion Inc	0.0%	124.4%	-26.6%	Health Care

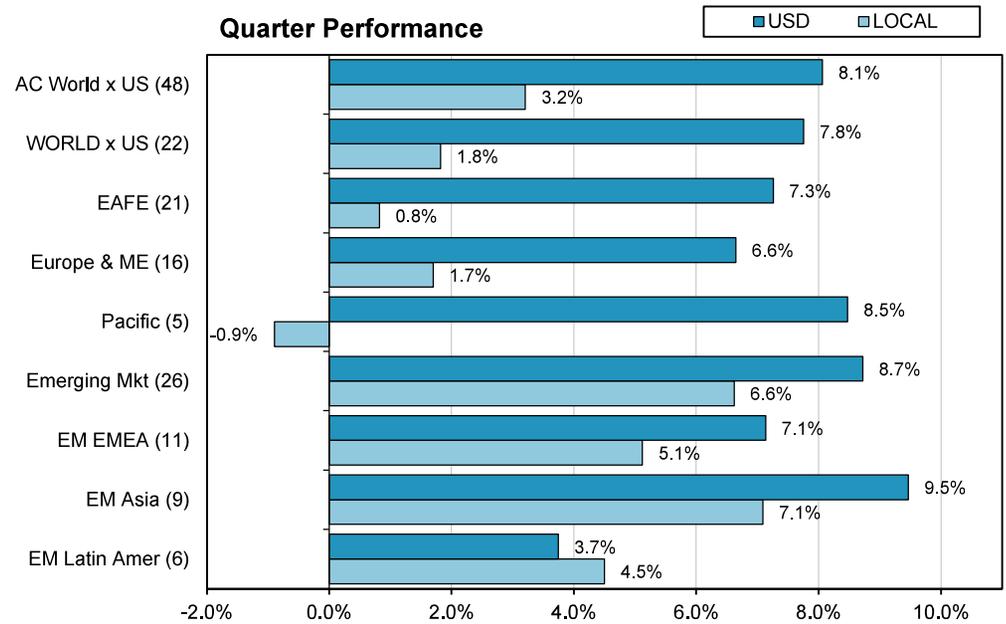
Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
New Fortress Energy Inc Class A	0.0%	-58.3%	-71.7%	Utilities
Wolfspeed Inc	0.0%	-57.4%	-74.5%	Information Technology
Trump Media & Technology Group Corp	0.0%	-50.9%	N/A	Communication Services
Super Micro Computer Inc	0.0%	-49.2%	51.8%	Information Technology
e.l.f. Beauty Inc	0.0%	-48.3%	-0.7%	Consumer Staples
Celsius Holdings Inc	0.0%	-45.1%	-45.2%	Consumer Staples
Moderna Inc	0.1%	-43.7%	-35.3%	Health Care
DexCom Inc	0.1%	-40.9%	-28.1%	Health Care
Advance Auto Parts Inc	0.0%	-38.2%	-29.1%	Communication Services
Dollar General Corp	0.0%	-35.7%	-18.6%	Consumer Staples

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Conduit Pharmaceuticals Inc	0.0%	-88.8%	-98.0%	Health Care
HilleVax Inc	0.0%	-87.8%	-86.9%	Health Care
iLearningEngines Inc	0.0%	-81.6%	N/A	Information Technology
SolarMax Technology Inc	0.0%	-80.8%	N/A	Industrials
Verrica Pharmaceuticals Inc	0.0%	-80.1%	-62.7%	Health Care
Elevation Oncology Inc	0.0%	-77.8%	-9.5%	Health Care
Actinium Pharmaceuticals Inc	0.0%	-74.6%	-68.2%	Health Care
Renovaro Inc	0.0%	-72.4%	-89.2%	Health Care
B. Riley Financial Inc	0.0%	-70.2%	-86.1%	Financials
ALX Oncology Holdings Inc Ordinary	0.0%	-69.8%	-62.1%	Health Care

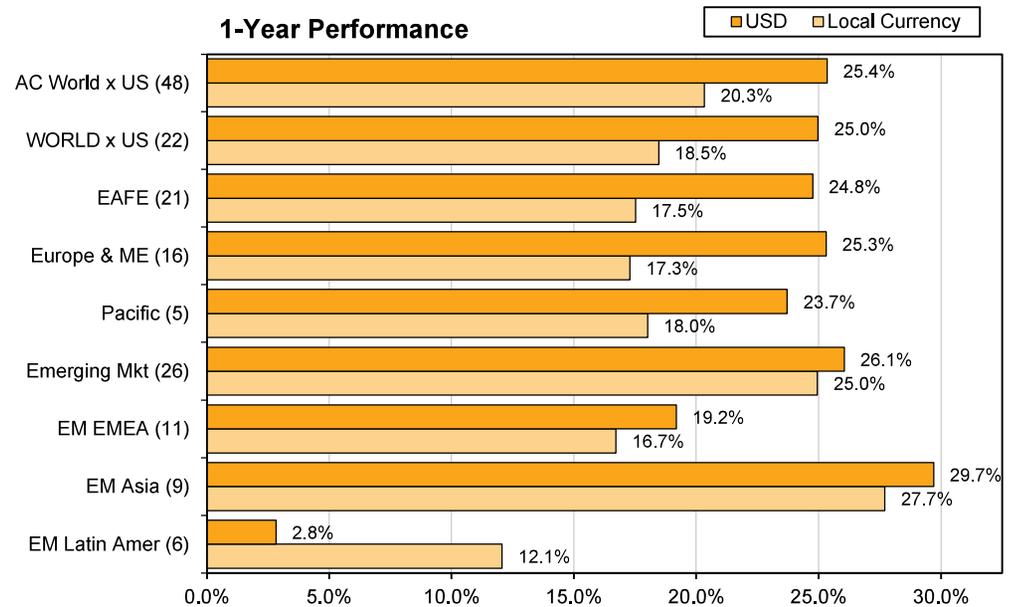
Source: Morningstar Direct

- Results in USD terms among the headline international equity indexes were sharply higher during the quarter, echoing the performance of major domestic equity benchmarks. The weakening USD relative to many major currencies during the quarter was a tailwind for the USD performance of most regional benchmarks' returns. The developed-market MSCI EAFE Index returned a muted 0.8% in LCL terms but rose 7.3% in USD terms. The MSCI Emerging Markets Index was the best-performing broad index, climbing 8.7% in USD and 6.6% in LCL terms for the quarter.
- Latin America lagged other regions during the quarter in USD terms, posting a return of 3.7%. Weakening currencies in the region put pressure on performance, making it the only region with USD performance that lagged LCL currency performance. The MSCI Pacific benchmark was the only regional benchmark to deliver negative performance in LCL teams (-0.9%), but USD weakness led to an 8.5% positive return in USD terms. Regional LCL currency performance struggles were led by the unwinding of the carry trade in the Japanese equity markets in early August which carried over to neighboring Pacific countries and US markets.
- China, which is the most heavily weighted country in the emerging market index, continued its rebound during the quarter posting a 23.5% gain in USD terms. Recently announced government stimulus for the Chinese economy helped lift equity markets in the country during the quarter. The Chinese economy has yet to expand at its pre-pandemic rate of roughly 5.0% primarily due to troubles in its commercial property and banking sectors, which have created challenges for growth in the region.
- Much like domestic markets, trailing one-year results for international developed and emerging markets benchmarks were strongly positive. Higher USD versus LCL returns for most international benchmarks demonstrate the USD's relative weakness over the trailing one-year period.
- All broad and regional indexes were positive for the trailing 12 months in both USD and LCL terms. The EM Latin America index, where weakening local currencies dragged the region's double-digit LCL performance to a muted 2.8% in USD terms. MSCI Asia Index led the way with a return of 27.7% in LCL terms for the trailing year. The relative weakening of the USD during the period further boosted returns in the region to 29.7% in USD terms.

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 September 30, 2024

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.3%	11.5%	27.1%
Consumer Discretionary	11.0%	4.8%	14.4%
Consumer Staples	8.7%	10.6%	10.9%
Energy	3.6%	-5.8%	-2.1%
Financials	20.6%	10.4%	36.0%
Health Care	13.3%	4.6%	20.4%
Industrials	17.3%	9.4%	33.8%
Information Technology	8.7%	-2.4%	35.6%
Materials	6.8%	10.7%	24.0%
Real Estate	2.2%	17.3%	27.6%
Utilities	3.4%	14.9%	25.4%
Total	100.0%	7.3%	24.8%

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.6%	13.6%	26.3%
Consumer Discretionary	11.3%	11.5%	20.4%
Consumer Staples	7.4%	10.5%	11.1%
Energy	5.0%	-1.7%	7.2%
Financials	22.5%	11.4%	33.2%
Health Care	9.4%	6.4%	20.4%
Industrials	13.8%	8.7%	30.5%
Information Technology	12.8%	-1.6%	38.3%
Materials	7.1%	9.4%	18.8%
Real Estate	1.9%	16.9%	23.5%
Utilities	3.2%	13.4%	27.7%
Total	100.0%	8.1%	25.4%

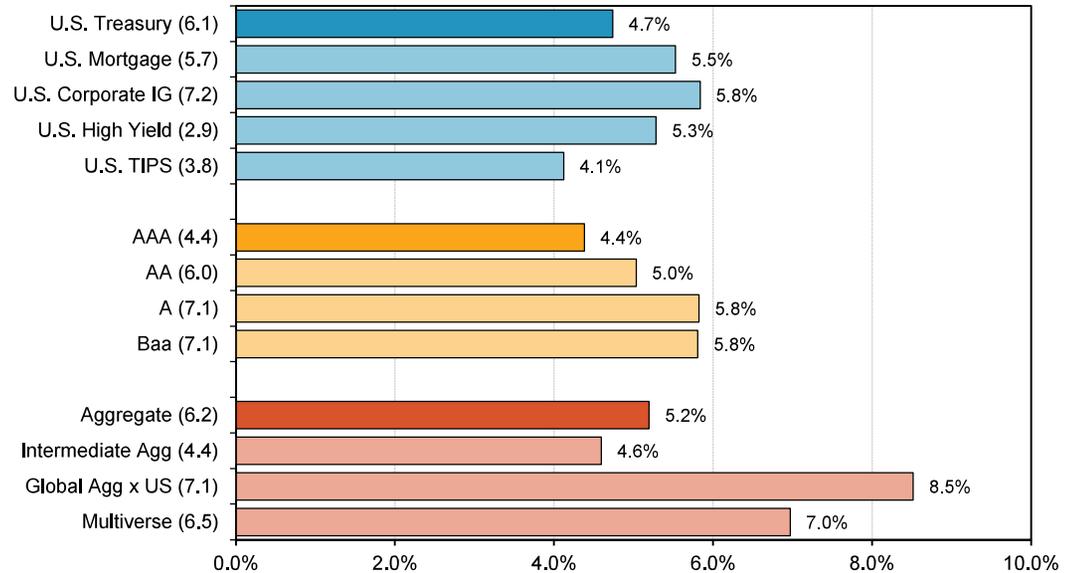
MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	9.4%	15.6%	26.2%
Consumer Discretionary	14.0%	25.0%	31.9%
Consumer Staples	5.2%	11.1%	9.6%
Energy	4.8%	-0.4%	17.4%
Financials	22.8%	10.4%	26.5%
Health Care	3.6%	22.9%	20.5%
Industrials	6.8%	7.0%	19.9%
Information Technology	22.2%	-2.6%	40.3%
Materials	6.6%	5.5%	5.5%
Real Estate	1.6%	14.8%	10.8%
Utilities	2.9%	9.3%	35.5%
Total	100.0%	8.7%	26.1%

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	22.3%	14.0%	5.7%	21.6%
United Kingdom	14.7%	9.3%	7.9%	23.3%
France	11.4%	7.1%	7.7%	16.4%
Switzerland	9.9%	6.2%	8.5%	21.6%
Germany	9.0%	5.7%	10.7%	32.1%
Australia	7.8%	4.9%	11.5%	31.6%
Netherlands	4.8%	3.0%	-4.5%	38.7%
Denmark	3.4%	2.1%	-10.3%	24.5%
Sweden	3.4%	2.1%	8.4%	35.8%
Italy	2.7%	1.7%	8.6%	34.4%
Spain	2.8%	1.8%	13.7%	35.9%
Hong Kong	2.0%	1.3%	24.4%	14.8%
Singapore	1.5%	0.9%	17.6%	33.9%
Finland	1.0%	0.7%	8.1%	16.5%
Belgium	1.0%	0.6%	15.3%	25.9%
Israel	0.8%	0.5%	12.4%	32.4%
Norway	0.6%	0.4%	2.1%	4.5%
Ireland	0.3%	0.2%	13.9%	38.6%
Portugal	0.2%	0.1%	8.7%	11.3%
Austria	0.2%	0.1%	8.7%	28.3%
New Zealand	0.2%	0.1%	5.6%	20.1%
Total EAFE Countries	100.0%	62.7%	7.3%	24.8%
Canada		7.7%	12.0%	26.8%
Total Developed Countries		70.4%	7.8%	25.0%
China		8.2%	23.5%	23.9%
India		5.8%	7.3%	40.3%
Taiwan		5.2%	0.5%	52.7%
Korea		3.1%	-5.6%	9.3%
Brazil		1.4%	7.1%	2.6%
Saudi Arabia		1.1%	5.3%	11.2%
South Africa		0.9%	16.1%	36.7%
Mexico		0.6%	-3.4%	-3.4%
Indonesia		0.5%	15.3%	5.2%
Malaysia		0.4%	20.5%	35.6%
Thailand		0.4%	28.9%	17.0%
United Arab Emirates		0.3%	12.0%	6.4%
Poland		0.3%	-3.9%	45.7%
Turkey		0.2%	-12.6%	6.8%
Qatar		0.2%	10.6%	11.2%
Kuwait		0.2%	3.7%	8.9%
Philippines		0.2%	21.7%	22.7%
Greece		0.1%	10.4%	31.3%
Chile		0.1%	5.3%	5.8%
Peru		0.1%	7.9%	57.4%
Hungary		0.1%	6.3%	36.4%
Czech Republic		0.0%	5.1%	7.7%
Colombia		0.0%	-0.9%	25.4%
Egypt		0.0%	12.3%	-7.3%
Total Emerging Countries		29.6%	8.7%	26.1%
Total ACWIxUS Countries		100.0%	8.1%	25.4%

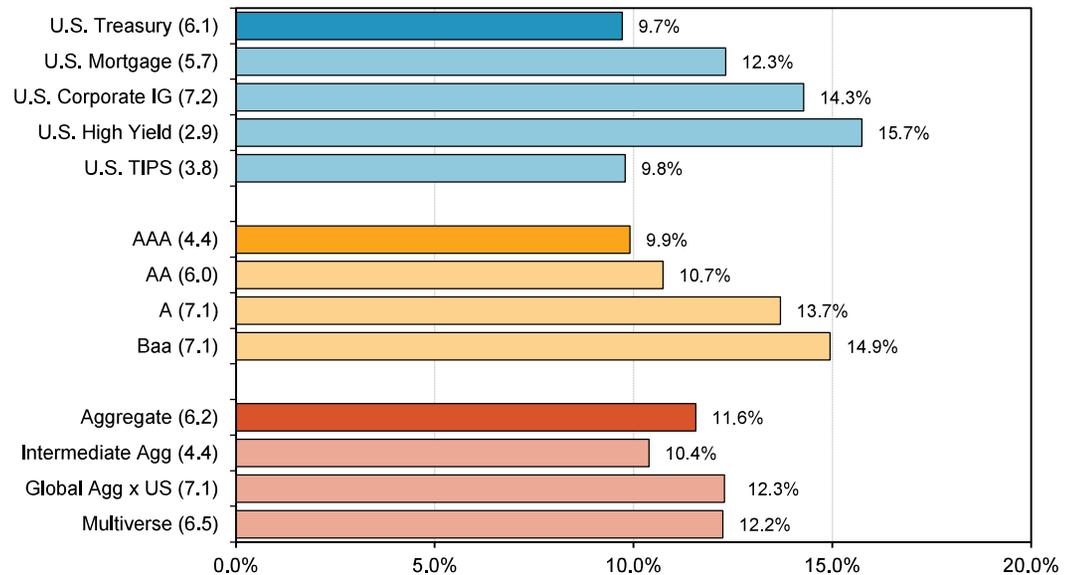
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency,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

- Domestic fixed-income markets advanced during the third quarter. Although the Federal Reserve began to unwind its tight monetary policy stance that began in 2022 during the quarter, yields remained elevated. On September 18, the Fed reduced its target policy rate by 0.50%, a move that was celebrated in a performance boost by equity and bond markets alike.
- After a muted first half of 2024, which held the Bloomberg US Aggregate Bond Index slightly negative for the year, the index posted its best quarterly performance year-to-date, climbing 5.2% during the third quarter. Performance across the investment-grade index's segments was more favorable in the credit sectors, with the corporate investment-grade index rising 5.8%, outpacing the government and mortgage-backed-securities sectors. Lower quality issues also performed better, with A and BAA components of the index outpacing higher quality issues during the quarter.
- High Yield bonds underperformed investment grade issues as interest rates declined primarily due to the high-yield benchmark's lower duration. Despite their lower duration, below-investment grade issues continued to rise, posting a return of 5.3% for the quarter. The Bloomberg Global Aggregate ex-US Index outperformed all broad-market domestic indexes with a return of 8.5% for the quarter, aided by a weakening USD.
- Over the trailing one-year period, the Bloomberg US Aggregate Bond Index posted a solid 11.6% return. The benchmark's sub-components also posted positive performance over the trailing 12 months with the Bloomberg US Corporate Investment Grade Index rising a strong 14.3% and the US Mortgage Index returning 12.3%. US TIPS, which are excluded from the Bloomberg US Aggregate Bond Index, returned 9.8% for the trailing year.
- Among credit qualities, lower-quality issues (both within investment grade and below investment grade) have outperformed higher-quality bonds due to higher yields and credit spread compression over the last year. Higher yields mean larger coupon payments as well as greater sensitivity to changes in credit spreads, which narrowed. High-yield bonds have enjoyed a healthy 15.7% gain for the trailing year.
- The Bloomberg Global Aggregate ex-US Index moderately outpaced its domestic counterpart, the Bloomberg US Aggregate Bond Index, by 0.7% during the trailing year.

Quarter Performance



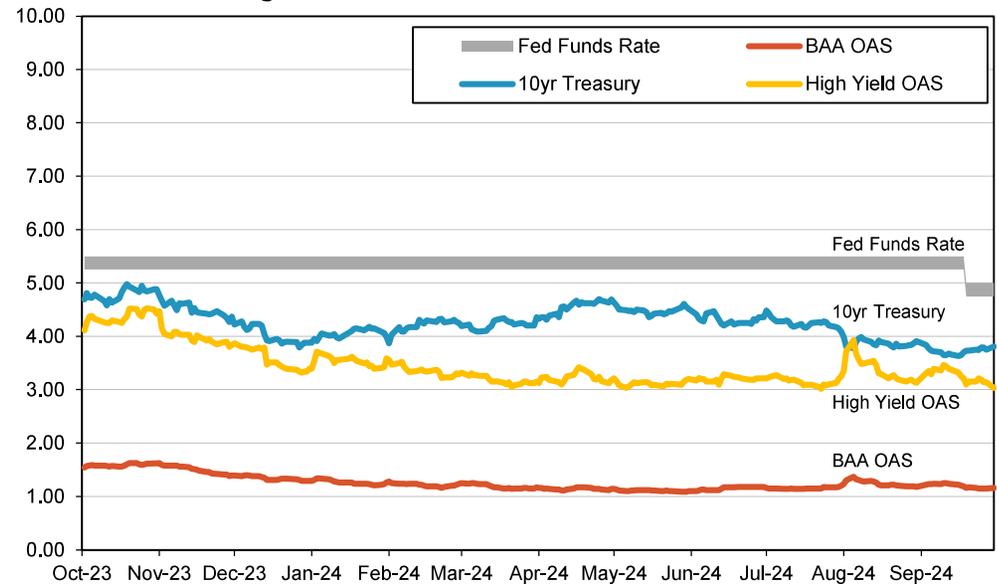
1-Year Performance



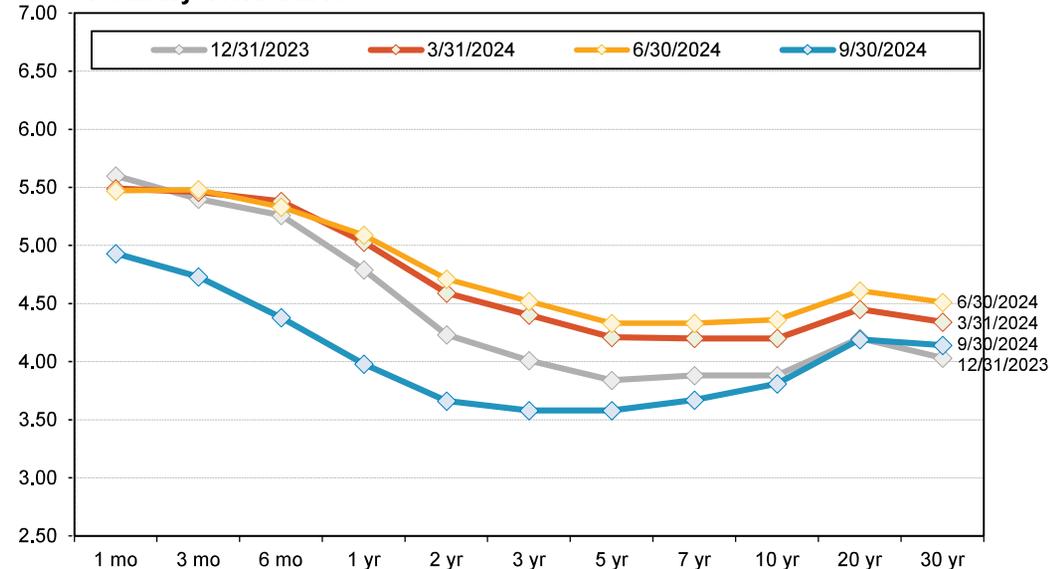
Source: Bloomberg

- The gray band across the graph illustrates the fed funds target rate range over the last 12 months. During the third quarter, the Federal Open Market Committee (FOMC) cut its policy rates by 0.50%, to a range of 4.75-5.00%. The last rate increase occurred at the FOMC's July 2023 meeting, and this was the first rate cut since March of 2020. With inflation declining and unemployment remaining largely stable, the Fed appears to be pivoting from a tight monetary policy stance. The most recent FOMC press release continued to emphasize economic data-dependent outcomes while placing renewed emphasis on the second part of the committee's dual mandate: full employment. The CME FedWatch tool, which forecasts rates based on fed fund futures pricing, showed a greater than 80% probability of a 0.25% rate decrease at the FOMC November meeting at the time of this writing. Fed officials and market participants continue to express concern that leaving rates at their current elevated levels for an extended period could tip the US economy into a recession. However, inflation remains above the FOMC's long-term 2.0% target level.
- The yield on the US 10-year Treasury (blue line of the top chart) fell roughly 0.55% during the quarter, attributable to Fed policy decisions and expectations of future rate actions. The bellwether benchmark rate opened the quarter at a yield of 4.36% and finished September at a yield of 3.81%. The 10-year Treasury benchmark's rate peaked in October 2023, cresting at a yield of just under 5.00% before pulling back during the remainder of the year.
- The red line in the top chart shows the option-adjusted spread (OAS) for BAA-rated corporate bonds. This measure quantifies the additional yield premium investors require to purchase and hold non-US Treasury issues with the lowest investment grade rating. During the quarter, the yield spread was relatively stable, beginning July at 1.18% and finishing September at 1.16%. High-yield OAS spreads (represented by the yellow line in the top chart) have also remained relatively unchanged, despite a sharp spike in early August spurred by an unwinding of the Yen carry trade. The high-yield OAS fell 0.18% over the quarter from 3.21% to 3.03%. The spread measure's relative stability over the trailing year results from steady economic growth, stable monetary policy, and falling inflation readings.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. For the first time since July 2022, the quarter-end yield on the 10-year Treasury was higher relative to the two-year Treasury. The yield curve has been inverted for each of the previous three quarter-end readings on the graph and for much of the last two years. This 2-10-year yield curve inversion is a common heuristic used to foretell a pending recession environment.

1-Year Trailing Market Rates



Treasury Yield Curve



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

[CME FedWatch Tool - CME Group](#)

[Effective Federal Funds Rate - FEDERAL RESERVE BANK of NEW YORK \(newyorkfed.org\)](#)

[ICE BofA US High Yield Index Option-Adjusted Spread \(BAMLH0A0HYM2\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

[When will the Federal Reserve start cutting interest rates? | J.P. Morgan Asset Management \(jpmorgan.com\)](#)

[U.S. Department of the Treasury](#)

[China's Economy Limpers Into 2024 – WSJ Support Site - Global Index Lens: Index Returns – MSCI](#)

[Federal Reserve issues FOMC statement](#)

[Yen drops to 38-year low, U.S. dollar slumps after weak data \(cnbc.com\)](#)

[U.S. job growth revised down by the most since 2009. Why this time is different \(cnbc.com\)](#)

[The Fed - Meeting calendars and information \(federalreserve.gov\)](#)

[The Federal Reserve's latest dot plot, explained – and what it says about interest rates | Bankrate](#)

[Top 25 Stocks in the S&P 500 By Index Weight for July 2024 \(investopedia.com\)](#)

[Fed's Jerome Powell Declares 'Time Has Come' for Interest-Rate Cuts – WSJ](#)

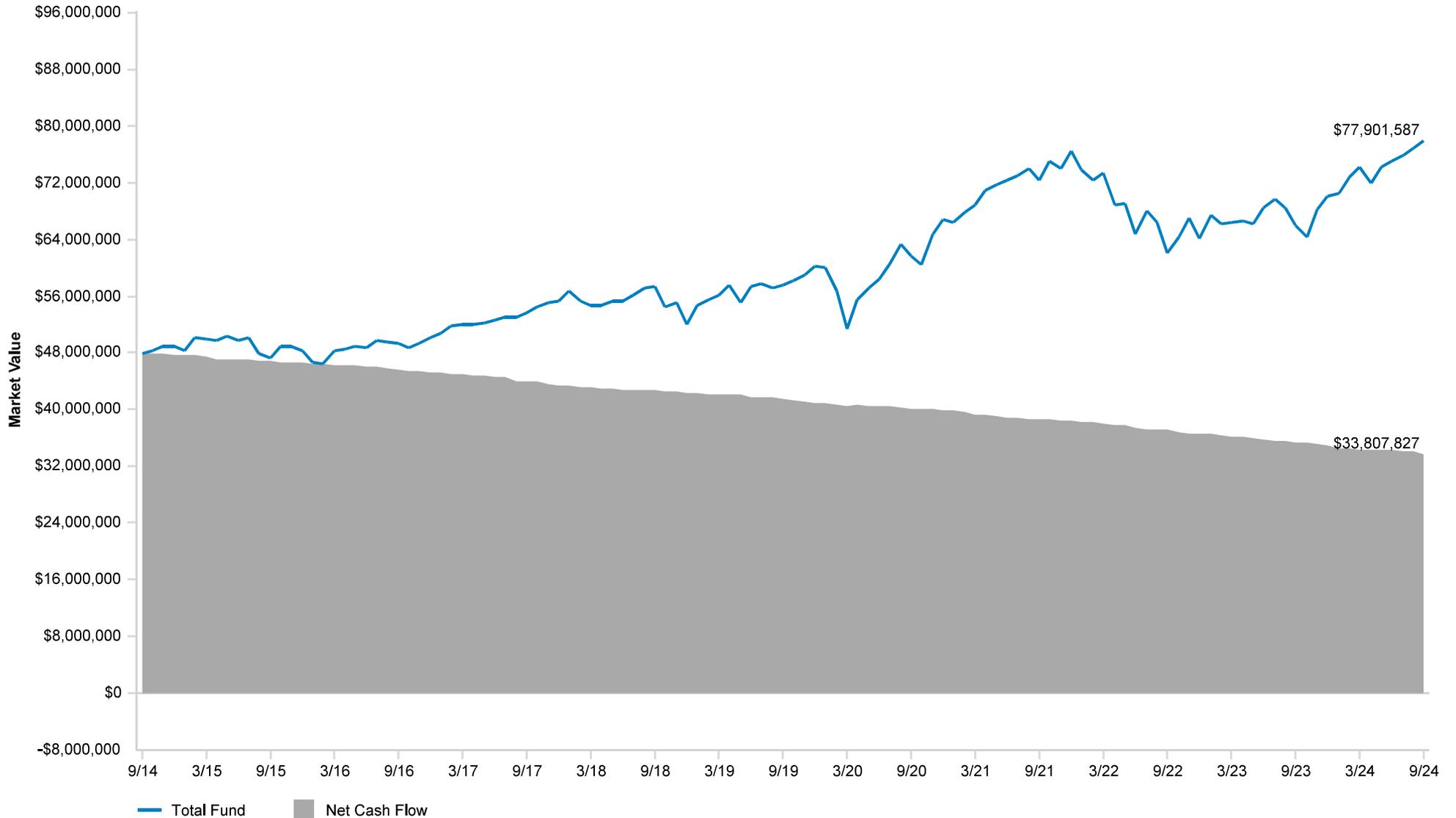
[Why Chinese banks are now vanishing \(economist.com\)](#)

[Fed rate cut: Here's what changed in the central bank's statement \(cnbc.com\)](#)

[10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity \(T10Y2Y\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

Schedule of Investable Assets
Total Fund
10 Years Ending September 30, 2024

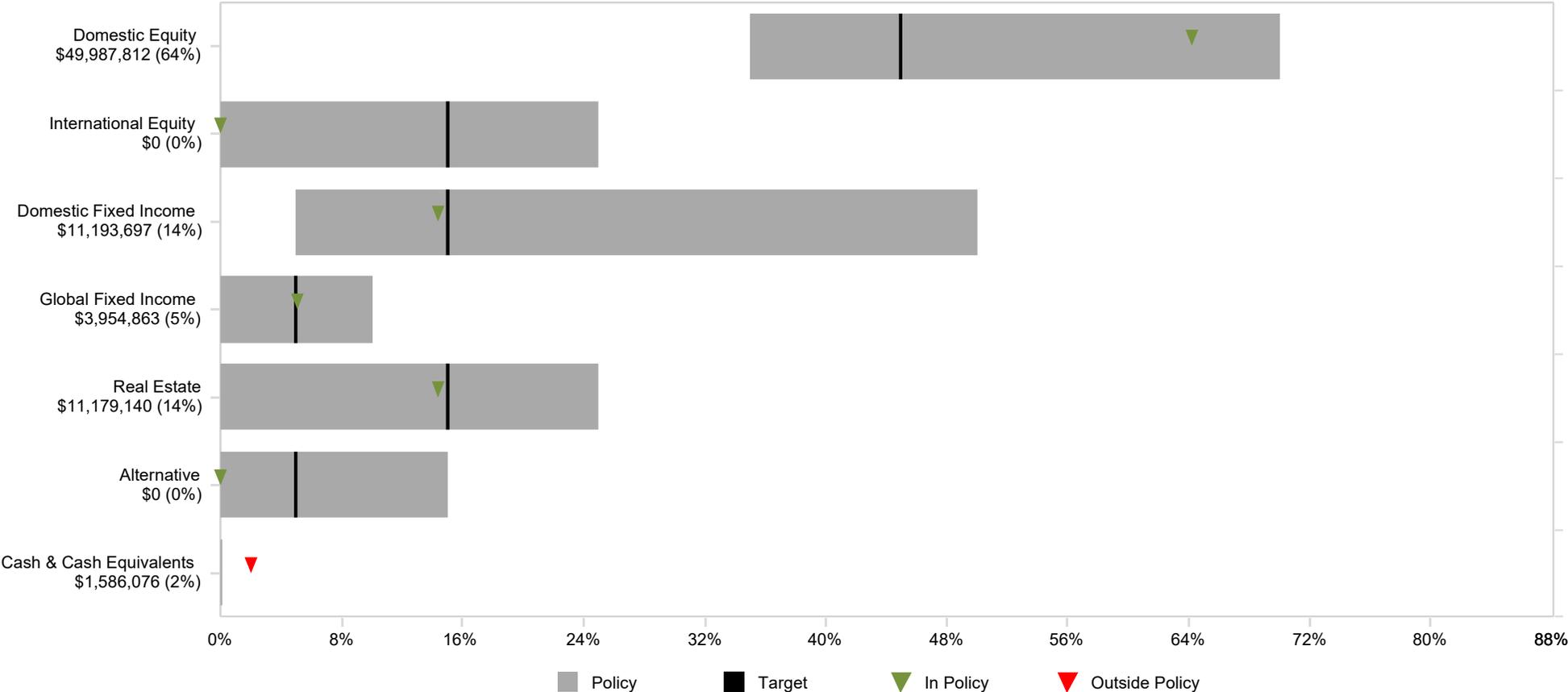
Schedule of Investable Assets



Schedule of Investable Assets

Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Gain/Loss \$	Ending Market Value \$	%Return (Net)
10 YR	47,865,813	-14,057,986	44,093,760	77,901,587	7.81

Executive Summary

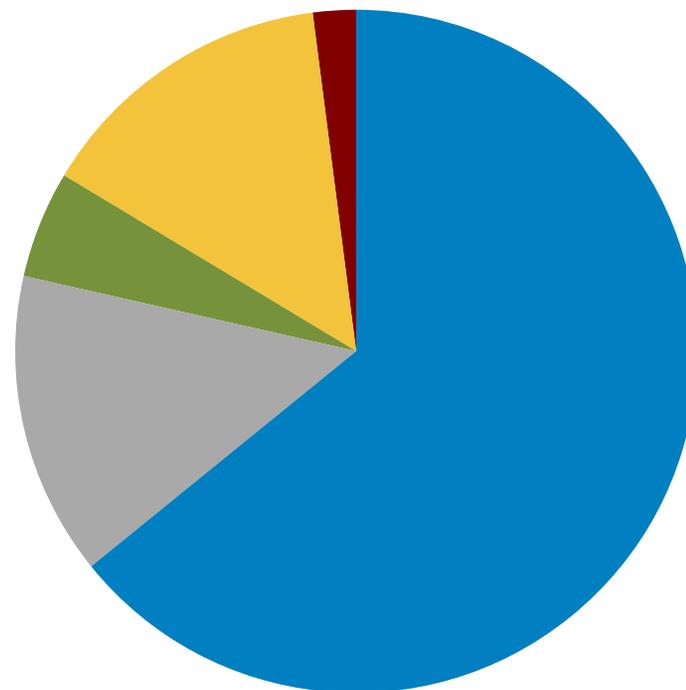
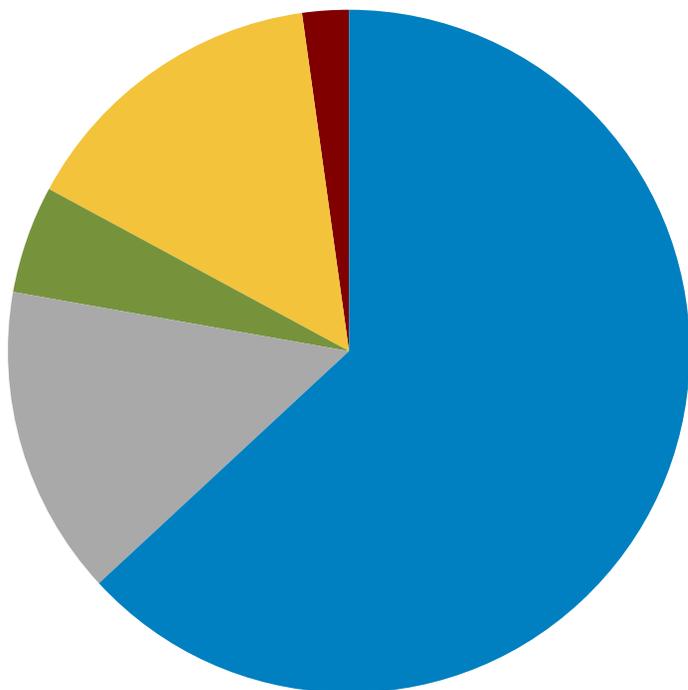


Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Min. Rebal.	Target Rebal.	Max. Rebal.
Domestic Equity	49,987,812	64.2	35.0	45.0	70.0	-22,722,256	-14,932,098	4,543,299
International Equity	-	0.0	0.0	15.0	25.0	-	11,685,238	19,475,397
Domestic Fixed Income	11,193,697	14.4	5.0	15.0	50.0	-7,298,618	491,541	27,757,097
Global Fixed Income	3,954,863	5.1	0.0	5.0	10.0	-3,954,863	-59,783	3,835,296
Real Estate	11,179,140	14.4	0.0	15.0	25.0	-11,179,140	506,098	8,296,257
Alternative	-	0.0	0.0	5.0	15.0	-	3,895,079	11,685,238
Cash & Cash Equivalents	1,586,076	2.0	0.0	0.0	0.0	-1,586,076	-1,586,076	-1,586,076
Total Fund	77,901,587	100.0	N/A	100.0	N/A	-	-	-

**Asset Allocation By Segment as of
June 30, 2024 : \$75,013,607**

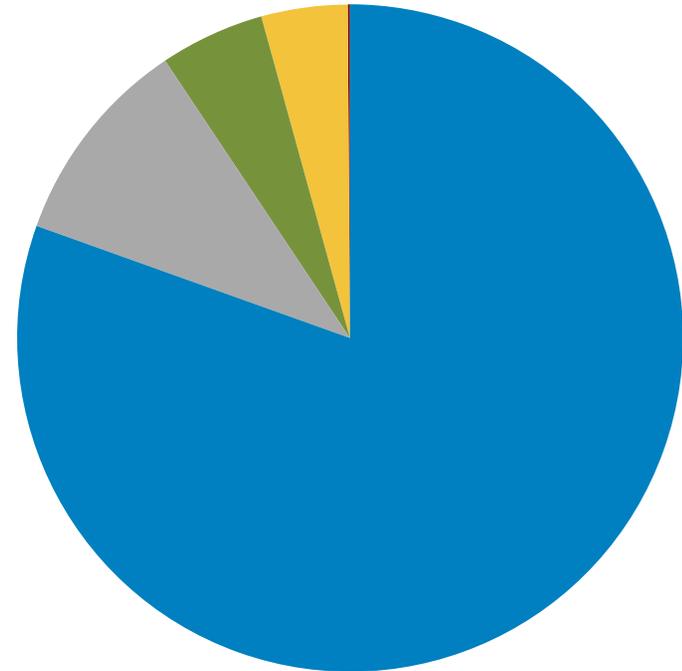
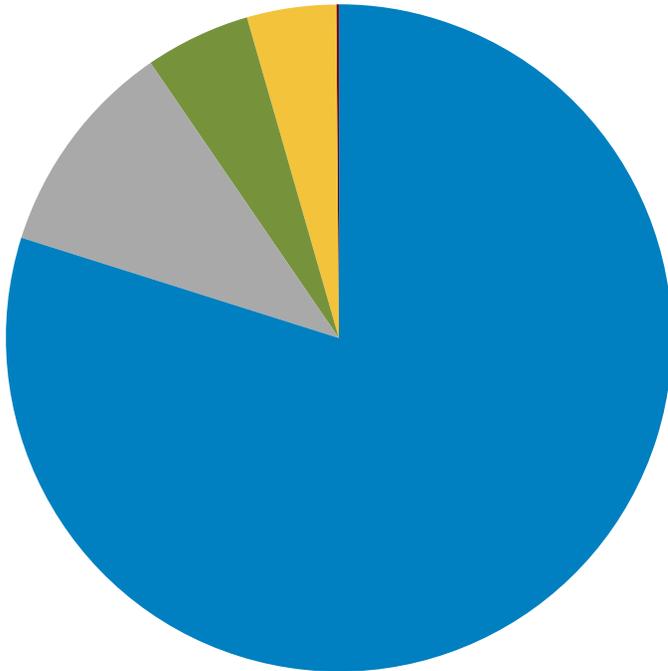
**Asset Allocation By Segment as of
September 30, 2024 : \$77,901,587**



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
■ Domestic Equity	47,346,615	63.1	■ Domestic Equity	49,987,812	64.2
■ Domestic Fixed Income	11,000,075	14.7	■ Domestic Fixed Income	11,193,697	14.4
■ Global Fixed Income	3,831,395	5.1	■ Global Fixed Income	3,954,863	5.1
■ Real Estate	11,185,552	14.9	■ Real Estate	11,179,140	14.4
■ Cash Equivalent	1,649,969	2.2	■ Cash Equivalent	1,586,076	2.0

Asset Allocation By Manager as of
Jun-2024 : \$75,013,607

Asset Allocation By Manager as of
Sep-2024 : \$77,901,587

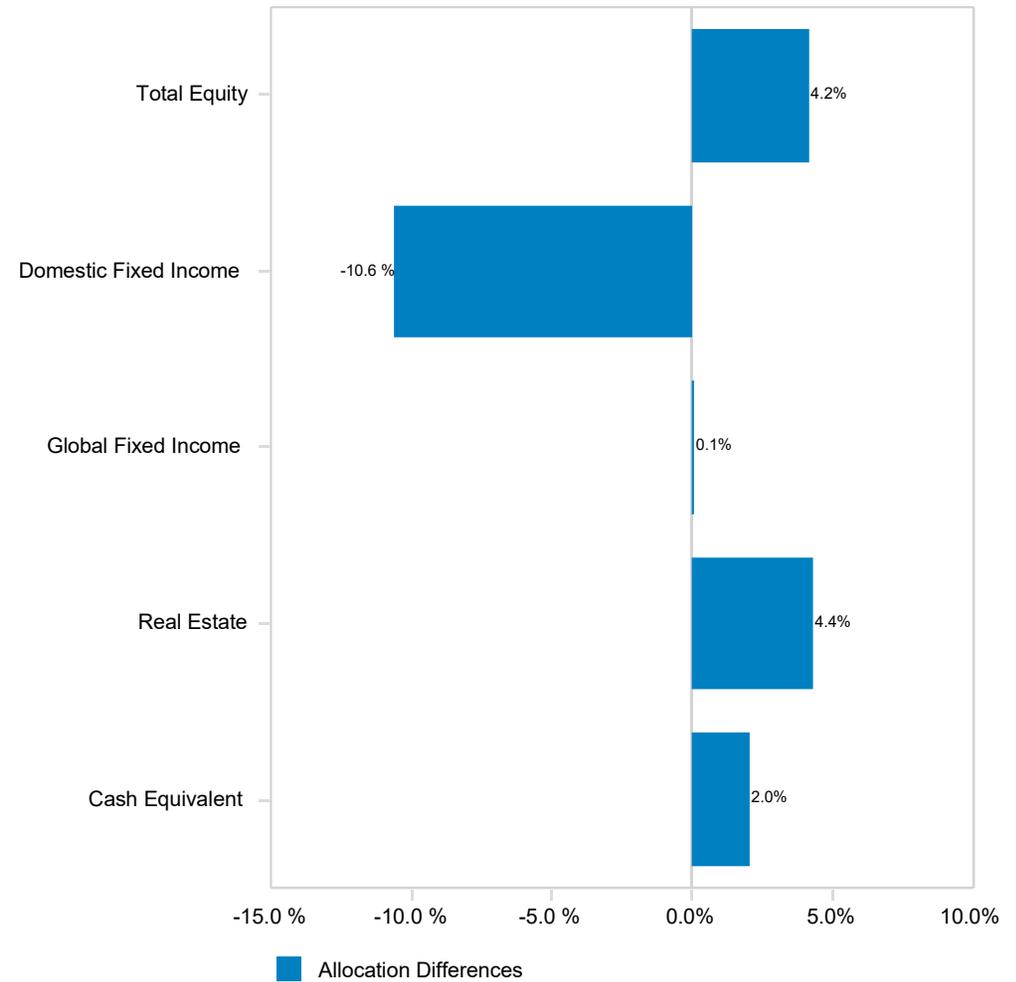
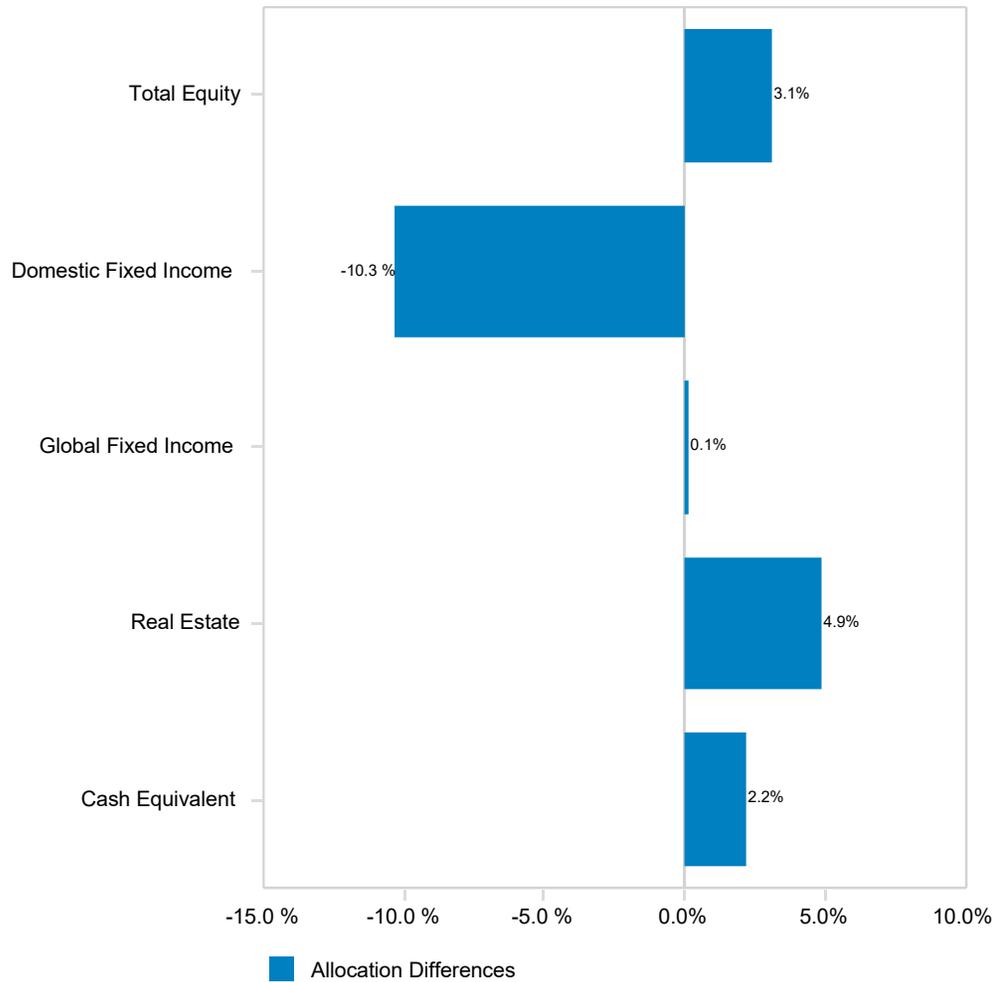


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Highland Capital	59,901,306	79.9	Highland Capital	62,671,063	80.4
ARA Core Property Fund	7,930,053	10.6	ARA Core Property Fund	7,928,011	10.2
Pimco Global Bond Opp (Hedged) (PGBIX)	3,831,395	5.1	Pimco Global Bond Opp (Hedged) (PGBIX)	3,954,863	5.1
American Strategic Value Fund	3,255,499	4.3	American Strategic Value Fund	3,251,129	4.2
Mutual Fund Cash	95,353	0.1	Mutual Fund Cash	96,521	0.1

Asset Allocation vs. Target Allocation

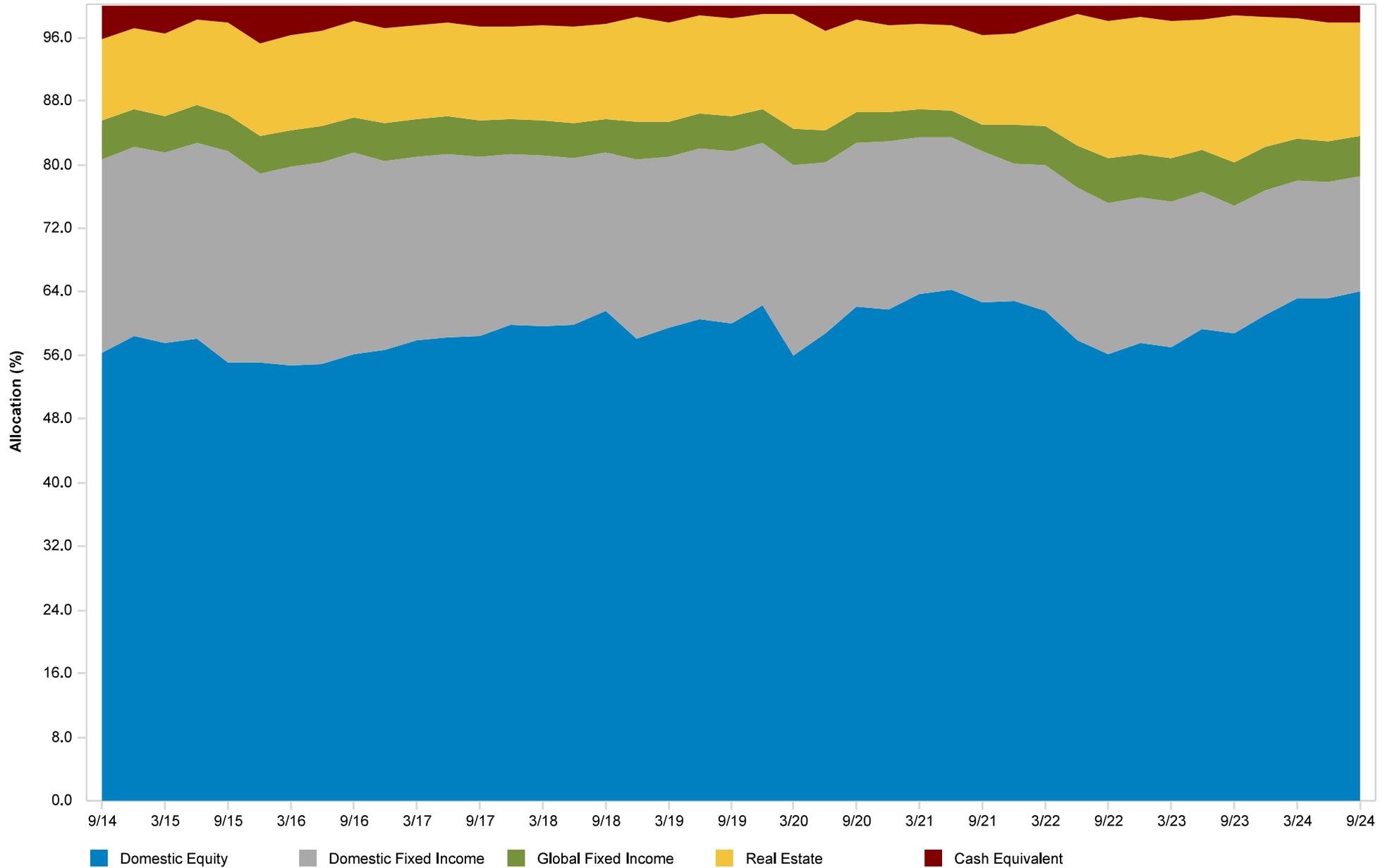
Total Fund

As of September 30, 2024



As of June 30, 2024				As of September 30, 2024			
	Market Value \$	Allocation (%)	Target (%)		Market Value \$	Allocation (%)	Target (%)
Total Equity	47,346,615	63.1	60.0	Total Equity	49,987,812	64.2	60.0
Domestic Fixed Income	11,000,075	14.7	25.0	Domestic Fixed Income	11,193,697	14.4	25.0
Global Fixed Income	3,831,395	5.1	5.0	Global Fixed Income	3,954,863	5.1	5.0
Real Estate	11,185,552	14.9	10.0	Real Estate	11,179,140	14.4	10.0
Cash Equivalent	1,649,969	2.2	0.0	Cash Equivalent	1,586,076	2.0	0.0
Total Fund	75,013,607	100.0	100.0	Total Fund	77,901,587	100.0	100.0

Historical Asset Allocation by Segment



Financial Reconciliation Quarter to Date									
	Market Value 07/01/2024	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 09/30/2024
Highland Capital	59,901,306	-	505,670	-941,467	-110,519	-66,288	278,881	3,103,481	62,671,063
Pimco Global Bond Opp (Hedged) (PGBIX)	3,831,395	-	-	-	-	-	42,433	81,034	3,954,863
ARA Core Property Fund	7,930,053	-	-	-	-21,862	-	79,301	-59,480	7,928,011
American Strategic Value Fund	3,255,499	-	-	-	-10,247	-	10,247	-4,370	3,251,129
Mutual Fund Cash	95,353	-	-	-	-	-	1,169	-	96,521
Total Fund	75,013,607	-	505,670	-941,467	-142,628	-66,288	412,030	3,120,665	77,901,587

Financial Reconciliation Fiscal Year to Date									
	Market Value 10/01/2023	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 09/30/2024
Highland Capital	50,176,812	-	2,591,240	-4,180,043	-175,338	-192,609	1,132,806	13,318,194	62,671,063
Pimco Global Bond Opp (Hedged) (PGBIX)	3,560,618	-	-	-	-	-	139,156	255,088	3,954,863
ARA Core Property Fund	8,714,209	-	-	-	-88,227	-	305,277	-1,003,247	7,928,011
American Strategic Value Fund	3,532,315	-	-	-	-41,811	-	37,967	-277,342	3,251,129
Mutual Fund Cash	91,882	-	-	-	-	-	4,627	12	96,521
Total Fund	66,075,836	-	2,591,240	-4,180,043	-305,376	-192,609	1,619,835	12,292,705	77,901,587

Comparative Performance

Total Fund

As of September 30, 2024

Comparative Performance Trailing Returns									
	QTR	FYTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date	
Total Fund (Net)	4.54	20.92	20.92	5.19	8.99	7.81	7.16	01/01/1998	
Total Fund Policy	5.42	20.65	20.65	4.63	8.41	7.85	6.93		
Total Fund (Gross)	4.74 (75)	21.42 (46)	21.42 (46)	5.66 (17)	9.46 (12)	8.29 (11)	7.59 (5)	01/01/1998	
Total Fund Policy	5.42 (49)	20.65 (54)	20.65 (54)	4.63 (47)	8.41 (43)	7.85 (22)	6.93 (24)		
All Public Plans-Total Fund Median	5.38	20.98	20.98	4.54	8.25	7.26	6.56		
Highland Capital Equity (Gross)	6.05 (56)	34.81 (37)	34.81 (37)	9.51 (56)	14.91 (44)	11.91 (55)	9.56 (63)	01/01/1998	
Total Equity Policy	6.71 (41)	32.87 (46)	32.87 (46)	8.94 (64)	13.50 (60)	11.07 (69)	7.92 (98)		
IM U.S. All Cap Core Equity (SA+CF) Median	6.23	31.98	31.98	9.80	14.61	12.20	10.04		
Highland Capital Fixed (Gross)	4.75 (95)	12.28 (53)	12.28 (53)	0.64 (5)	1.95 (9)	2.80 (10)	4.24 (78)	01/01/1998	
Total Fixed Policy	5.20 (67)	11.57 (89)	11.57 (89)	-1.39 (89)	0.33 (98)	1.84 (98)	4.13 (93)		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.24	12.30	12.30	-0.97	0.89	2.33	4.60		
Pimco Global Bond Opp (Hedged) (PGBIX) (Net)	3.22 (96)	11.07 (64)	11.07 (64)	1.93 (4)	N/A	N/A	2.09 (6)	09/01/2020	
Bloomberg Global Agg Index (Hedged)	4.24 (82)	10.63 (72)	10.63 (72)	-0.22 (27)	0.57 (30)	2.33 (4)	-0.21 (33)		
Global Bond Median	6.83	11.97	11.97	-2.13	-0.72	0.47	-2.01		
ARA Core Realty Fund (Gross)	0.25 (50)	-8.01 (61)	-8.01 (61)	0.40 (39)	3.14 (44)	6.10 (63)	7.19 (63)	07/01/2012	
NCREIF Fund Index-Open End Diversified Core (EW)	0.13 (63)	-7.75 (59)	-7.75 (59)	-0.27 (53)	3.16 (44)	6.32 (58)	7.41 (57)		
IM U.S. Open End Private Real Estate (SA+CF) Median	0.25	-6.78	-6.78	0.17	3.03	6.57	7.52		
American Strategic Value Fund (Gross)	0.18 (58)	-6.79 (51)	-6.79 (51)	N/A	N/A	N/A	-6.79 (35)	07/01/2022	
NCREIF Fund Index-Open End Diversified Core (EW)	0.13 (63)	-7.75 (59)	-7.75 (59)	-0.27 (53)	3.16 (44)	6.32 (58)	-8.65 (58)		
IM U.S. Open End Private Real Estate (SA+CF) Median	0.25	-6.78	-6.78	0.17	3.03	6.57	-8.49		

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

Comparative Performance

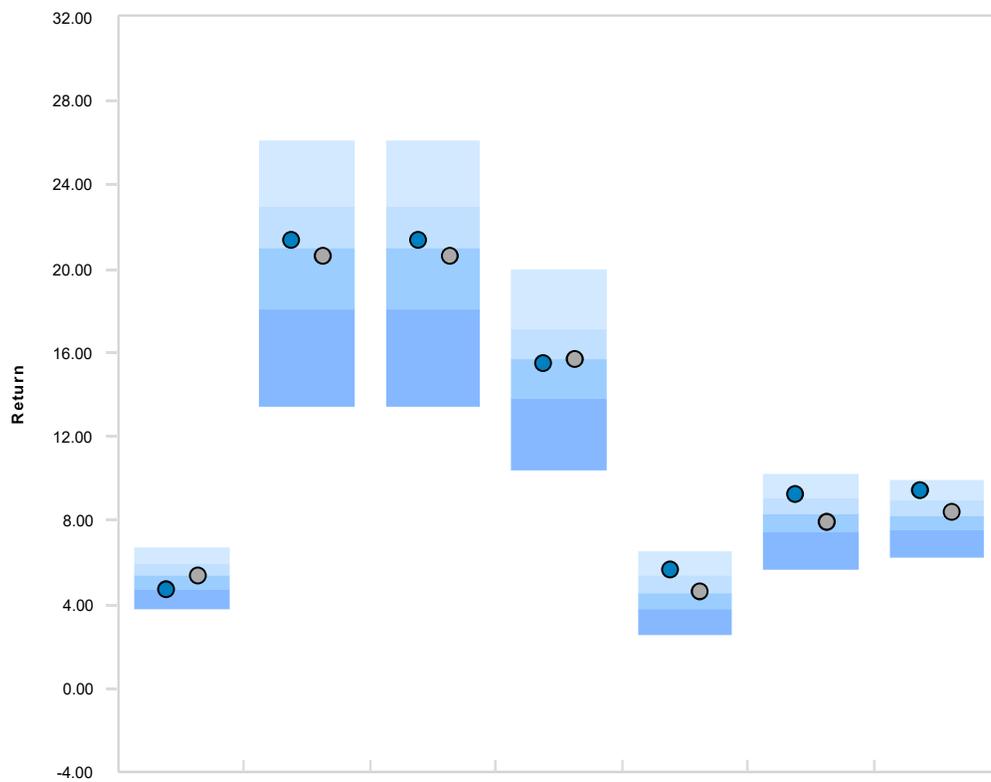
Total Fund

As of September 30, 2024

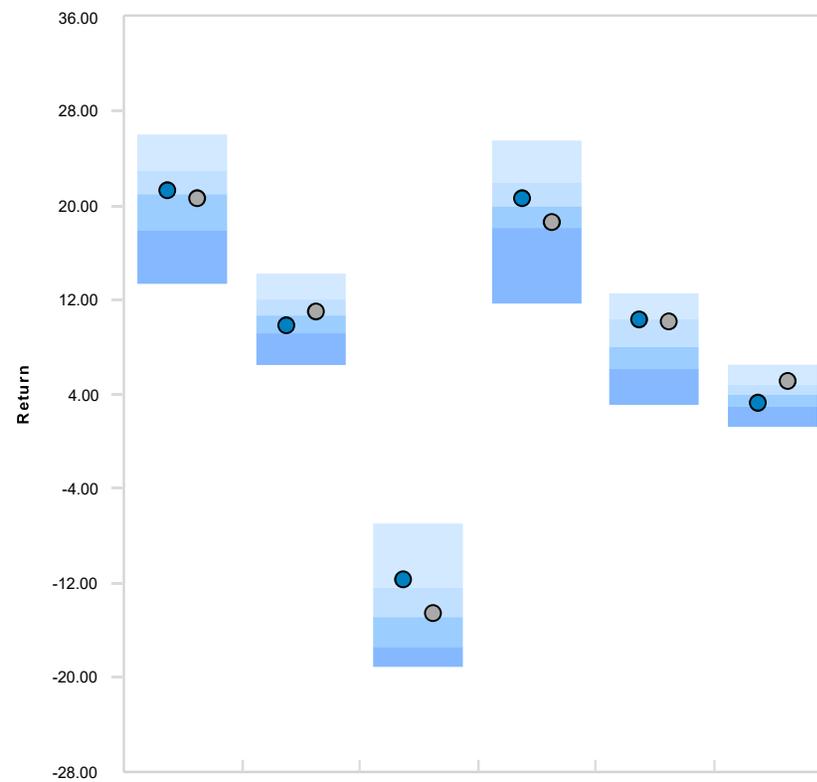
Comparative Performance Fiscal Year Returns											
	Oct-2023 To Sep-2024	Oct-2022 To Sep-2023	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016		
Total Fund (Net)	20.92	9.52	-12.11	20.28	9.83	2.83	9.71	12.52	7.49		
Total Fund Policy	20.65	11.05	-14.52	18.68	10.16	5.20	8.58	11.87	11.23		
Total Fund (Gross)	21.42 (46)	9.92 (65)	-11.63 (20)	20.73 (41)	10.34 (25)	3.31 (71)	10.22 (11)	13.13 (20)	7.99 (81)		
Total Fund Policy	20.65 (54)	11.05 (46)	-14.52 (47)	18.68 (69)	10.16 (27)	5.20 (18)	8.58 (33)	11.87 (50)	11.23 (6)		
All Public Plans-Total Fund Median	20.98	10.74	-14.88	20.02	8.02	3.99	7.82	11.83	9.42		
Highland Capital Equity (Gross)	34.81 (37)	20.15 (43)	-18.92 (79)	32.18 (44)	15.40 (40)	0.72 (68)	16.31 (57)	20.57 (25)	9.30 (76)		
Total Equity Policy	32.87 (46)	20.74 (33)	-19.42 (81)	30.03 (56)	12.06 (56)	2.04 (62)	13.62 (70)	19.14 (36)	13.68 (42)		
IM U.S. All Cap Core Equity (SA+CF) Median	31.98	19.63	-16.81	31.49	13.75	2.87	16.81	18.13	12.48		
Highland Capital Fixed (Gross)	12.28 (53)	4.25 (2)	-12.91 (7)	1.38 (16)	6.56 (86)	9.68 (88)	-1.07 (72)	0.85 (39)	7.00 (9)		
Total Fixed Policy	11.57 (89)	0.64 (73)	-14.60 (63)	-0.90 (83)	6.98 (76)	10.30 (69)	-1.22 (88)	0.07 (84)	5.19 (79)		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	12.30	1.06	-14.50	-0.05	7.48	10.41	-0.74	0.62	5.66		
Pimco Global Bond Opp (Hedged) (PGBIX) (Net)	11.07 (64)	3.78 (38)	-8.12 (7)	2.41 (23)	N/A	N/A	N/A	N/A	N/A	N/A	
Bloomberg Global Agg Index (Hedged)	10.63 (72)	2.10 (69)	-12.05 (13)	-0.56 (76)	4.14 (61)	10.65 (3)	0.83 (6)	-0.17 (69)	6.54 (69)		
Global Bond Median	11.97	3.12	-20.93	0.58	5.16	5.90	-2.12	1.28	8.46		
ARA Core Realty Fund (Gross)	-8.01 (61)	-12.54 (54)	25.79 (17)	13.51 (72)	1.62 (49)	6.81 (49)	8.50 (63)	7.52 (55)	9.04 (89)		
NCREIF Fund Index-Open End Diversified Core (EW)	-7.75 (59)	-12.40 (48)	22.76 (39)	15.75 (50)	1.74 (43)	6.17 (69)	8.82 (58)	7.81 (51)	10.62 (65)		
IM U.S. Open End Private Real Estate (SA+CF) Median	-6.78	-12.47	20.19	15.73	1.58	6.80	8.98	7.83	11.14		
American Strategic Value Fund (Gross)	-6.79 (51)	-9.90 (29)	N/A	N/A							
NCREIF Fund Index-Open End Diversified Core (EW)	-7.75 (59)	-12.40 (48)	22.76 (39)	15.75 (50)	1.74 (43)	6.17 (69)	8.82 (58)	7.81 (51)	10.62 (65)		
IM U.S. Open End Private Real Estate (SA+CF) Median	-6.78	-12.47	20.19	15.73	1.58	6.80	8.98	7.83	11.14		

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	4.74 (75)	21.42 (46)	21.42 (46)	15.53 (53)	5.66 (17)	9.24 (21)	9.46 (12)
● Fund Policy	5.42 (49)	20.65 (54)	20.65 (54)	15.75 (49)	4.63 (47)	7.97 (61)	8.41 (43)
Median	5.38	20.98	20.98	15.69	4.54	8.29	8.25

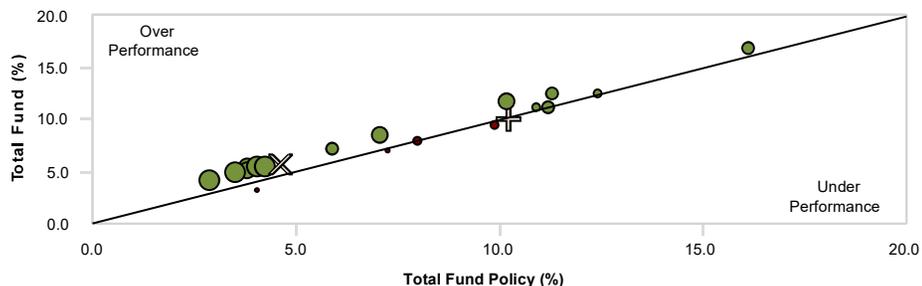


	Oct-2023 To Sep-2024	Oct-2022 To Sep-2023	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019
● Total Fund	21.42 (46)	9.92 (65)	-11.63 (20)	20.73 (41)	10.34 (25)	3.31 (71)
● Fund Policy	20.65 (54)	11.05 (46)	-14.52 (47)	18.68 (69)	10.16 (27)	5.20 (18)
Median	20.98	10.74	-14.88	20.02	8.02	3.99

Comparative Performance

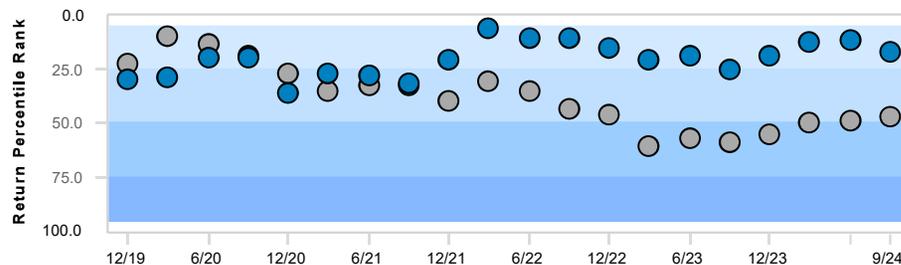
	1 Qtr Ending Jun-2024	1 Qtr Ending Mar-2024	1 Qtr Ending Dec-2023	1 Qtr Ending Sep-2023	1 Qtr Ending Jun-2023	1 Qtr Ending Mar-2023
Total Fund	1.49 (23)	6.60 (6)	7.15 (73)	-2.75 (42)	4.08 (14)	4.05 (63)
Total Fund Policy	1.49 (23)	4.56 (63)	7.86 (59)	-3.17 (62)	3.56 (34)	4.87 (23)
All Public Plans-Total Fund Median	1.15	4.88	8.18	-2.96	3.27	4.37

3 Yr Rolling Under/Over Performance - 5 Years



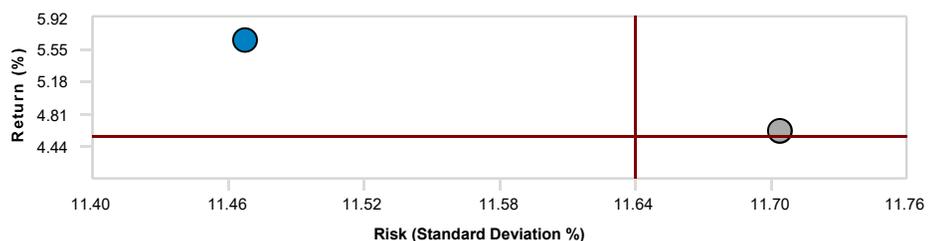
- Over Performance
- Under Performance
- ⊕ Earliest Date
- ⊗ Latest Date

3 Yr Rolling Percentile Ranking - 5 Years



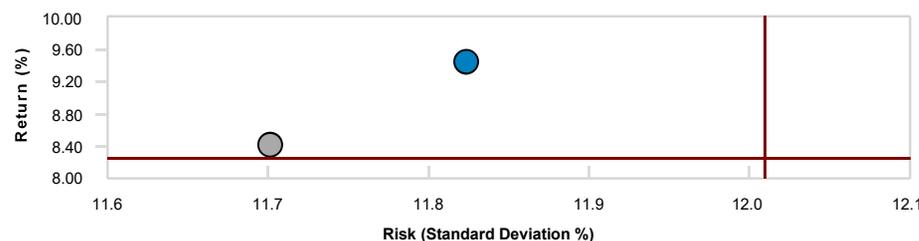
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Fund	20	14 (70%)	6 (30%)	0 (0%)	0 (0%)
● Fund Policy	20	4 (20%)	12 (60%)	4 (20%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Total Fund	5.66	11.47
● Fund Policy	4.63	11.70
— Median	4.54	11.64

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Total Fund	9.46	11.82
● Fund Policy	8.41	11.70
— Median	8.25	12.01

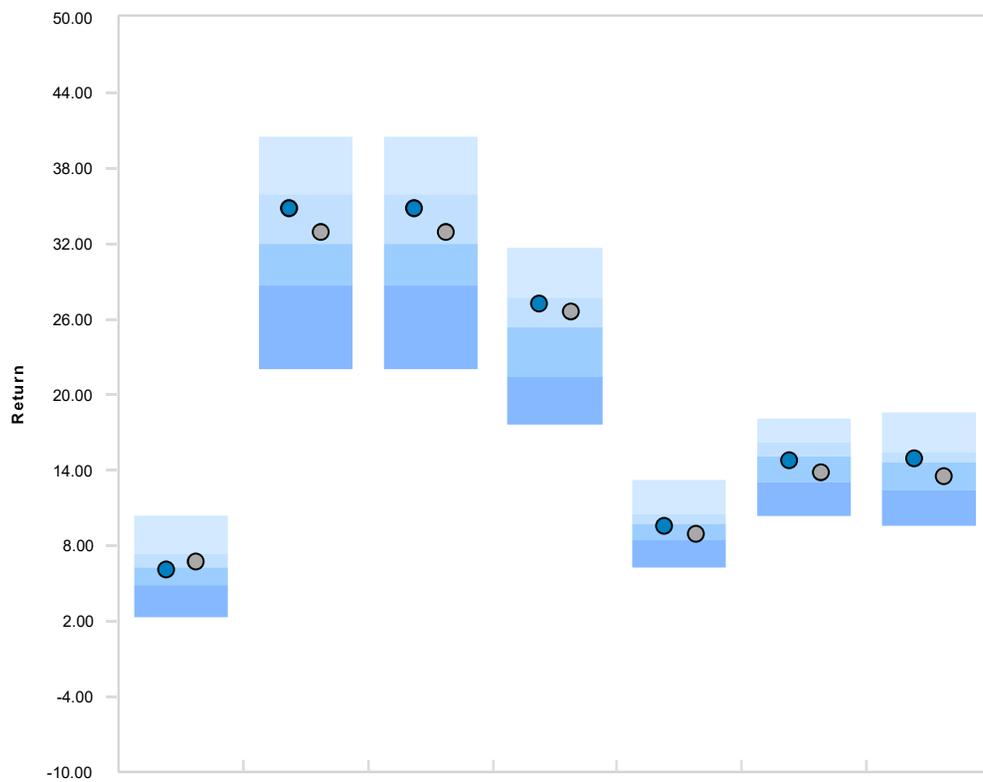
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.74	100.60	94.44	1.13	0.55	0.24	0.97	7.60
Fund Policy	0.00	100.00	100.00	0.00	N/A	0.15	1.00	7.92

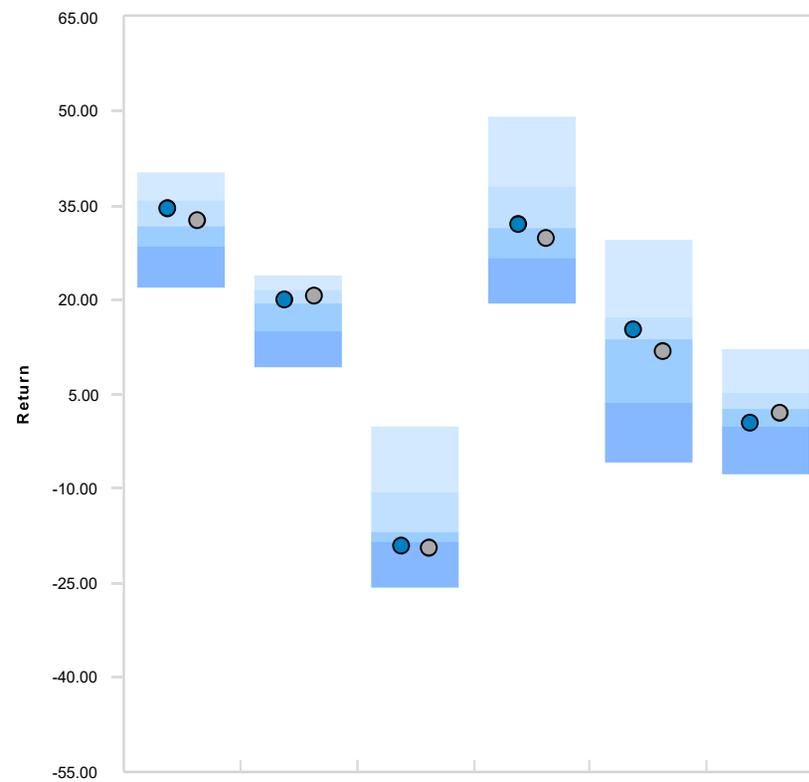
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.67	103.70	98.52	0.99	0.59	0.63	1.00	7.63
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.55	1.00	7.60

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	6.05 (56)	34.81 (36)	34.81 (36)	27.27 (34)	9.51 (56)	14.78 (58)	14.91 (44)
○ Equity Policy	6.71 (41)	32.87 (44)	32.87 (44)	26.66 (44)	8.94 (64)	13.87 (65)	13.50 (60)
Median	6.23	31.93	31.93	25.30	9.80	15.12	14.61

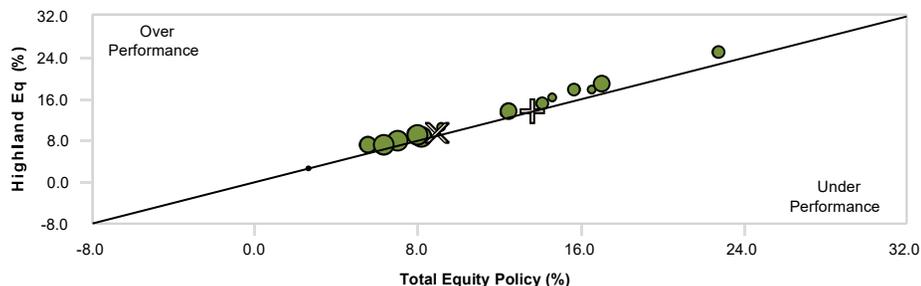


	Oct-2023 To Sep-2024	Oct-2022 To Sep-2023	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019
● Highland Eq	34.81 (36)	20.15 (42)	-18.92 (79)	32.18 (44)	15.40 (40)	0.72 (68)
○ Equity Policy	32.87 (44)	20.74 (32)	-19.42 (81)	30.03 (56)	12.06 (56)	2.04 (62)
Median	31.93	19.49	-16.81	31.49	13.75	2.87

Comparative Performance

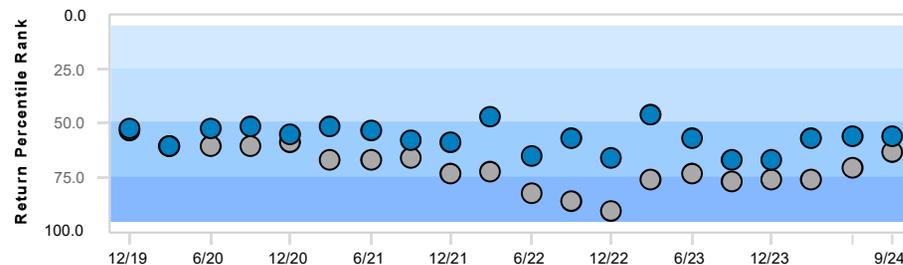
	1 Qtr Ending Jun-2024	1 Qtr Ending Mar-2024	1 Qtr Ending Dec-2023	1 Qtr Ending Sep-2023	1 Qtr Ending Jun-2023	1 Qtr Ending Mar-2023
Highland Eq	2.25 (48)	11.14 (30)	11.86 (48)	-3.87 (75)	7.73 (37)	6.52 (43)
Total Equity Policy	2.72 (43)	8.71 (71)	11.51 (60)	-3.35 (62)	6.95 (49)	7.14 (36)
IM U.S. All Cap Core Equity (SA+CF) Median	1.74	10.00	11.69	-3.21	6.74	6.01

3 Yr Rolling Under/Over Performance - 5 Years



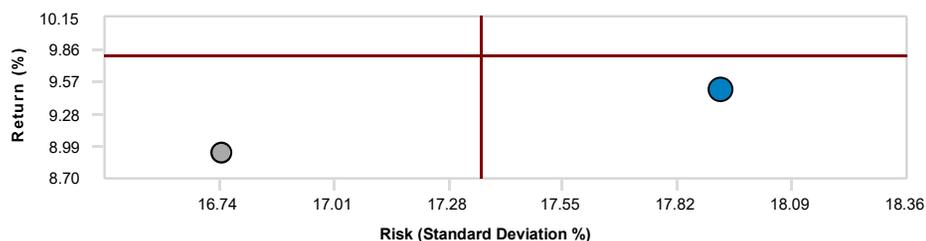
- Over Performance
- Under Performance
- + Earliest Date
- x Latest Date

3 Yr Rolling Percentile Ranking - 5 Years



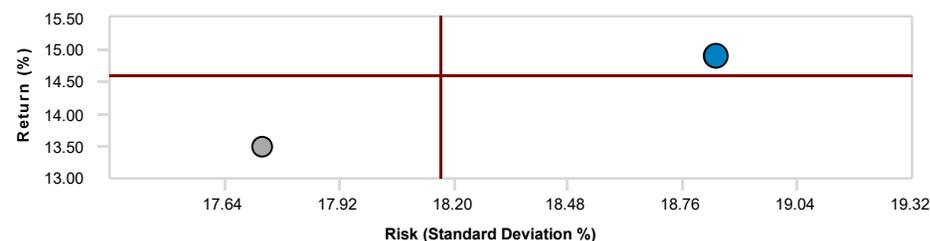
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Highland Eq	20	0 (0%)	2 (10%)	18 (90%)	0 (0%)
● Equity Policy	20	0 (0%)	0 (0%)	13 (65%)	7 (35%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Highland Eq	9.51	17.92
● Equity Policy	8.94	16.75
— Median	9.80	17.36

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Highland Eq	14.91	18.84
● Equity Policy	13.50	17.73
— Median	14.61	18.17

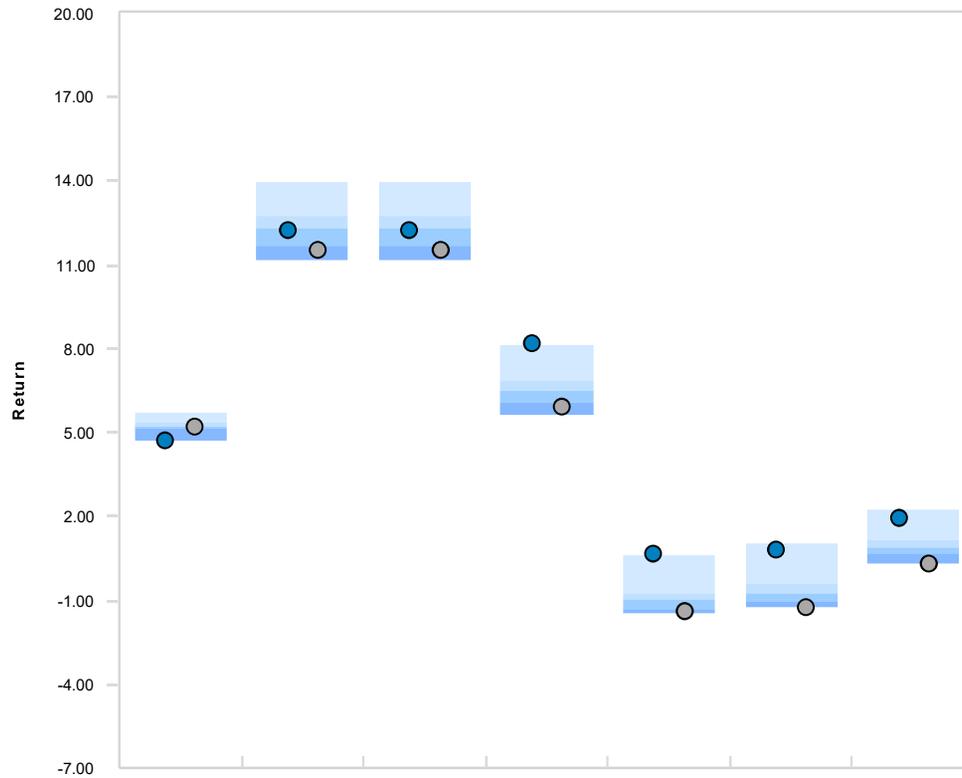
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Eq	2.35	105.03	103.93	0.10	0.31	0.41	1.06	11.59
Equity Policy	0.00	100.00	100.00	0.00	N/A	0.39	1.00	10.91

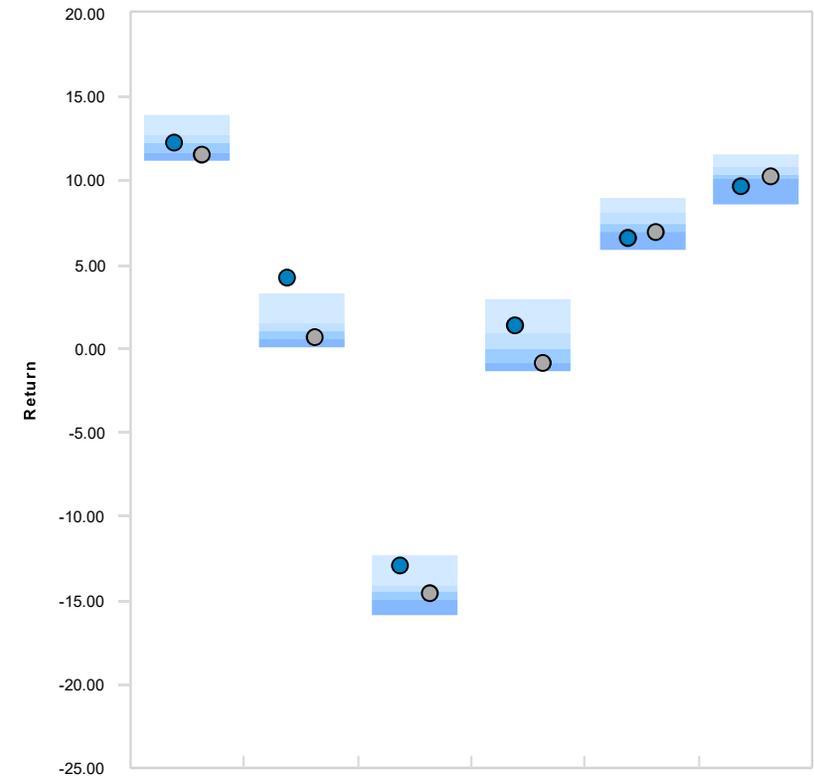
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Eq	2.25	106.69	104.11	0.64	0.64	0.71	1.06	11.89
Equity Policy	0.00	100.00	100.00	0.00	N/A	0.68	1.00	11.41

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	4.75 (95)	12.28 (53)	12.28 (53)	8.19 (5)	0.64 (5)	0.83 (8)	1.95 (9)
● Fixed Policy	5.20 (67)	11.57 (89)	11.57 (89)	5.97 (87)	-1.39 (89)	-1.27 (94)	0.33 (98)
Median	5.24	12.30	12.30	6.53	-0.97	-0.75	0.89

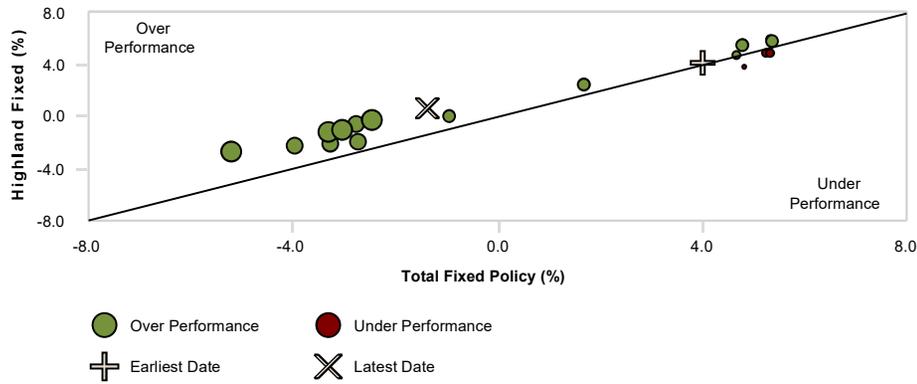


	Oct-2023 To Sep-2024	Oct-2022 To Sep-2023	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019
● Highland Fixed	12.28 (53)	4.25 (2)	-12.91 (7)	1.38 (16)	6.56 (86)	9.68 (88)
● Fixed Policy	11.57 (89)	0.64 (73)	-14.60 (63)	-0.90 (83)	6.98 (76)	10.30 (69)
Median	12.30	1.06	-14.50	-0.05	7.48	10.41

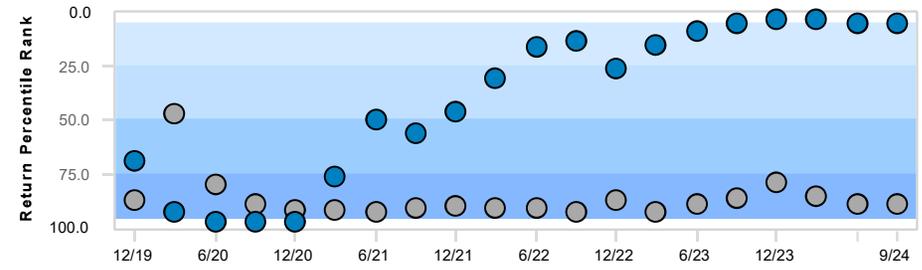
Comparative Performance

	1 Qtr Ending Jun-2024	1 Qtr Ending Mar-2024	1 Qtr Ending Dec-2023	1 Qtr Ending Sep-2023	1 Qtr Ending Jun-2023	1 Qtr Ending Mar-2023
Highland Fixed	0.56 (9)	0.98 (2)	5.55 (100)	-0.50 (2)	0.02 (5)	3.94 (3)
Total Fixed Policy	0.07 (94)	-0.78 (92)	6.82 (53)	-3.23 (71)	-0.84 (80)	2.96 (77)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.26	-0.48	6.82	-3.14	-0.72	3.15

3 Yr Rolling Under/Over Performance - 5 Years

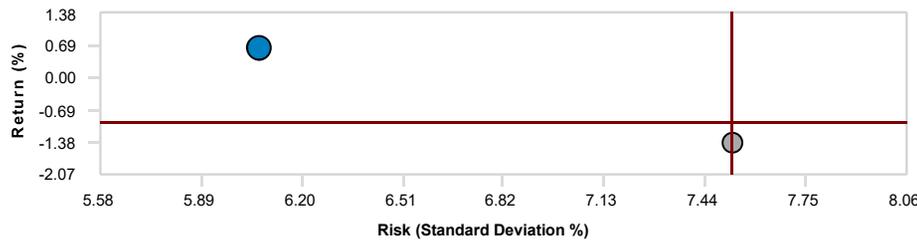


3 Yr Rolling Percentile Ranking - 5 Years



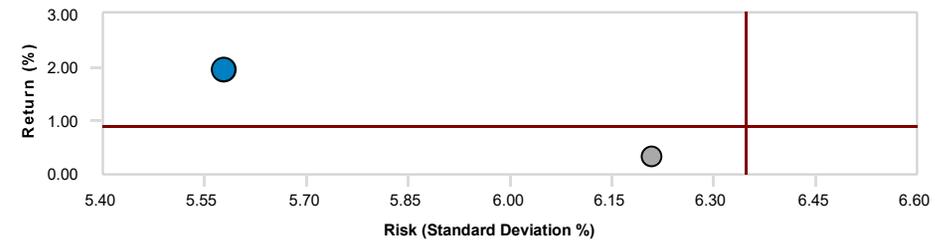
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Highland Fixed	20	9 (45%)	4 (20%)	2 (10%)	5 (25%)
● Fixed Policy	20	0 (0%)	1 (5%)	0 (0%)	19 (95%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Highland Fixed	0.64	6.07
● Fixed Policy	-1.39	7.53
— Median	-0.97	7.53

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Highland Fixed	1.95	5.58
● Fixed Policy	0.33	6.21
— Median	0.89	6.35

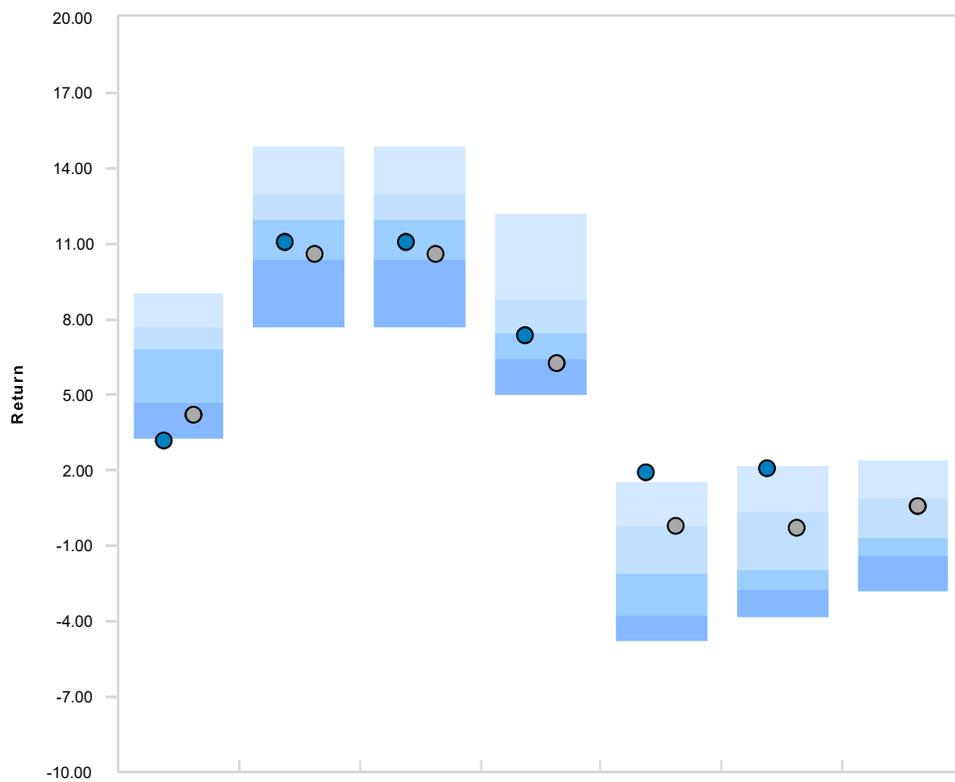
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Fixed	2.26	82.81	67.23	1.71	0.86	-0.45	0.78	4.15
Fixed Policy	0.00	100.00	100.00	0.00	N/A	-0.62	1.00	5.32

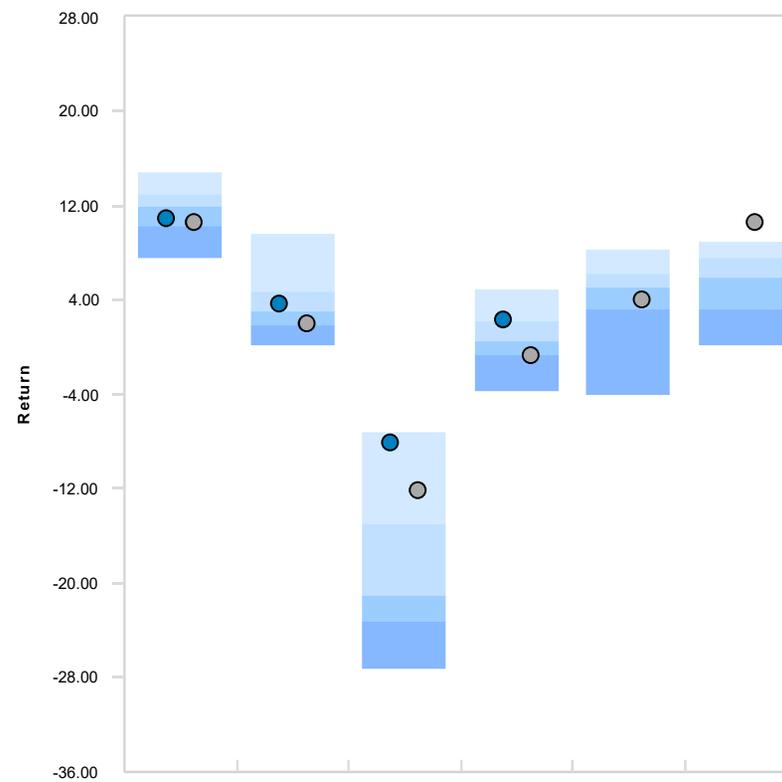
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Fixed	2.57	95.14	75.34	1.67	0.61	-0.04	0.82	3.68
Fixed Policy	0.00	100.00	100.00	0.00	N/A	-0.29	1.00	4.27

Plan Sponsor Peer Group Analysis - Global Bond



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Pimco GB Opp	3.22 (96)	11.07 (64)	11.07 (64)	7.36 (53)	1.93 (4)	2.05 (6)	N/A
● BBg Global Agg	4.24 (82)	10.63 (72)	10.63 (72)	6.28 (78)	-0.22 (27)	-0.31 (34)	0.57 (30)
Median	6.83	11.97	11.97	7.44	-2.13	-1.95	-0.72

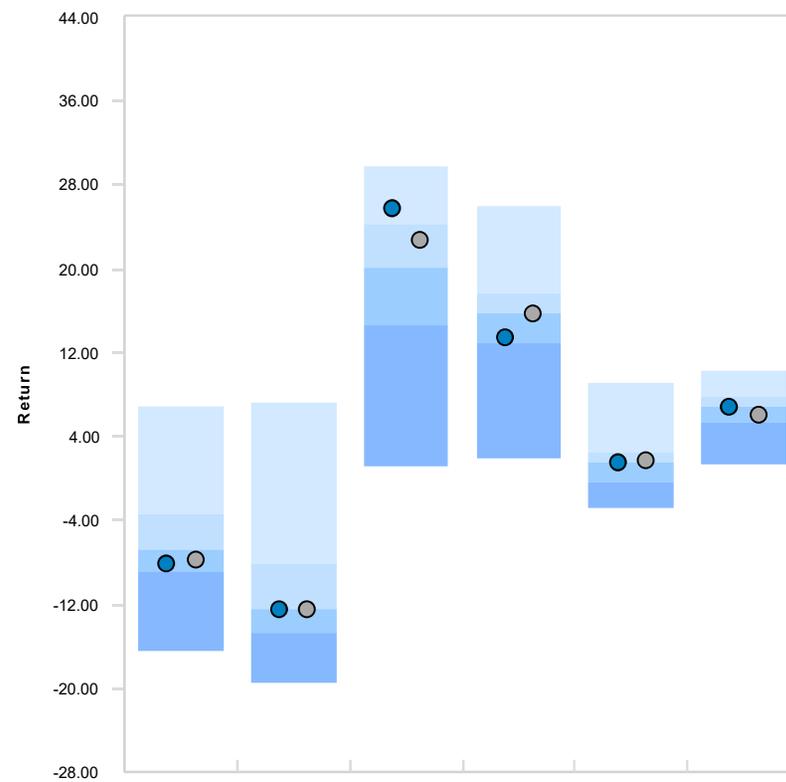
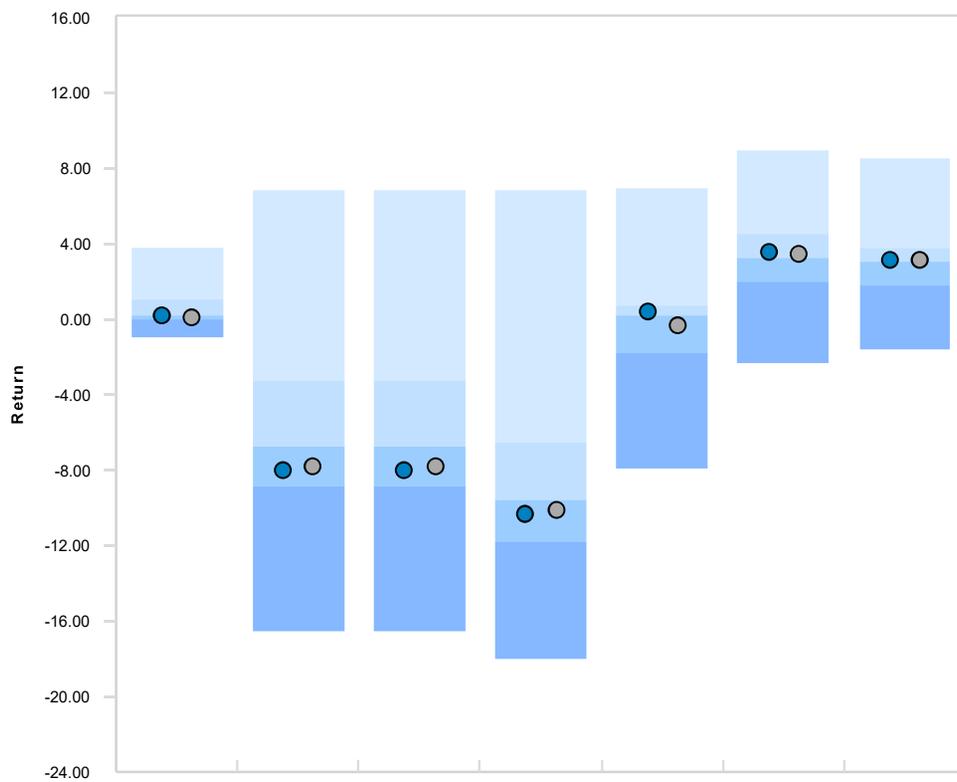


	Oct-2023 To Sep-2024	Oct-2022 To Sep-2023	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019
● Pimco GB Opp	11.07 (64)	3.78 (38)	-8.12 (7)	2.41 (23)	N/A	N/A
● BBg Global Agg	10.63 (72)	2.10 (69)	-12.05 (13)	-0.56 (76)	4.14 (61)	10.65 (3)
Median	11.97	3.12	-20.93	0.58	5.16	5.90

Comparative Performance

	1 Qtr Ending Jun-2024	1 Qtr Ending Mar-2024	1 Qtr Ending Dec-2023	1 Qtr Ending Sep-2023	1 Qtr Ending Jun-2023	1 Qtr Ending Mar-2023
Pimco GB Opp	0.75 (4)	0.92 (5)	5.82 (91)	-0.64 (5)	0.04 (22)	1.92 (81)
Bloomberg Global Agg Index (Hedged)	0.12 (13)	0.01 (16)	5.99 (90)	-1.82 (22)	0.06 (21)	2.90 (28)
Global Bond Median	-1.02	-1.51	8.00	-3.48	-1.40	2.55

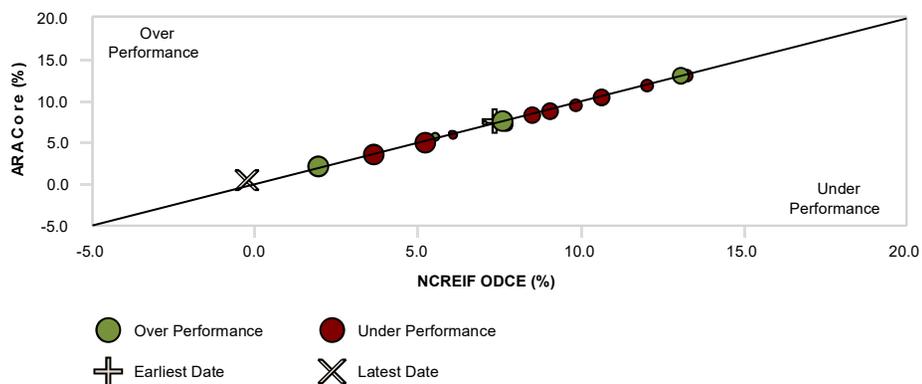
Plan Sponsor Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)



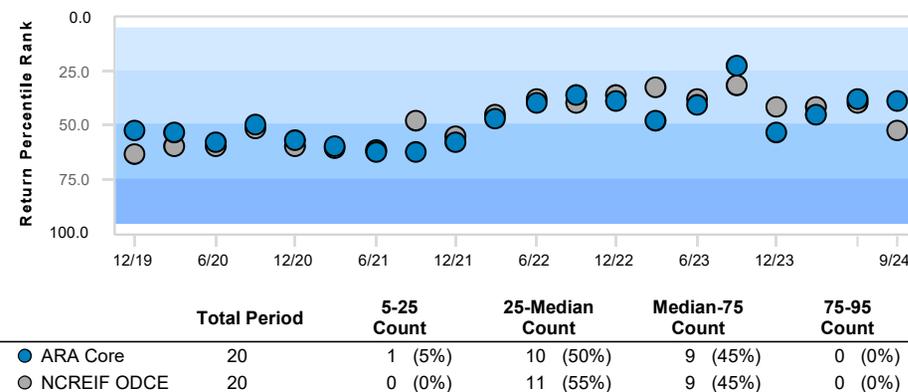
Comparative Performance

	1 Qtr Ending Jun-2024	1 Qtr Ending Mar-2024	1 Qtr Ending Dec-2023	1 Qtr Ending Sep-2023	1 Qtr Ending Jun-2023	1 Qtr Ending Mar-2023
ARA Core	-0.18 (33)	-2.22 (62)	-5.99 (82)	-2.22 (47)	-2.22 (66)	-3.28 (66)
NCREIF ODCE	-0.63 (45)	-2.19 (58)	-5.22 (70)	-1.93 (42)	-2.86 (71)	-3.31 (67)
IM U.S. Open End Private Real Estate (SA+CF) Median	-0.69	-2.09	-4.00	-2.37	-1.94	-2.77

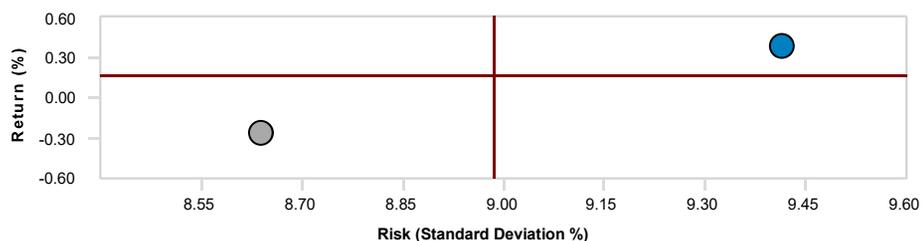
3 Yr Rolling Under/Over Performance - 5 Years



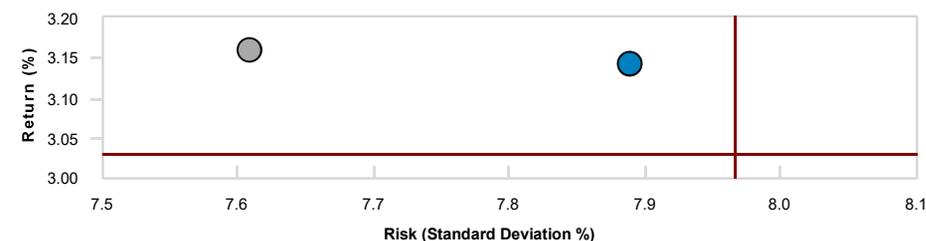
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



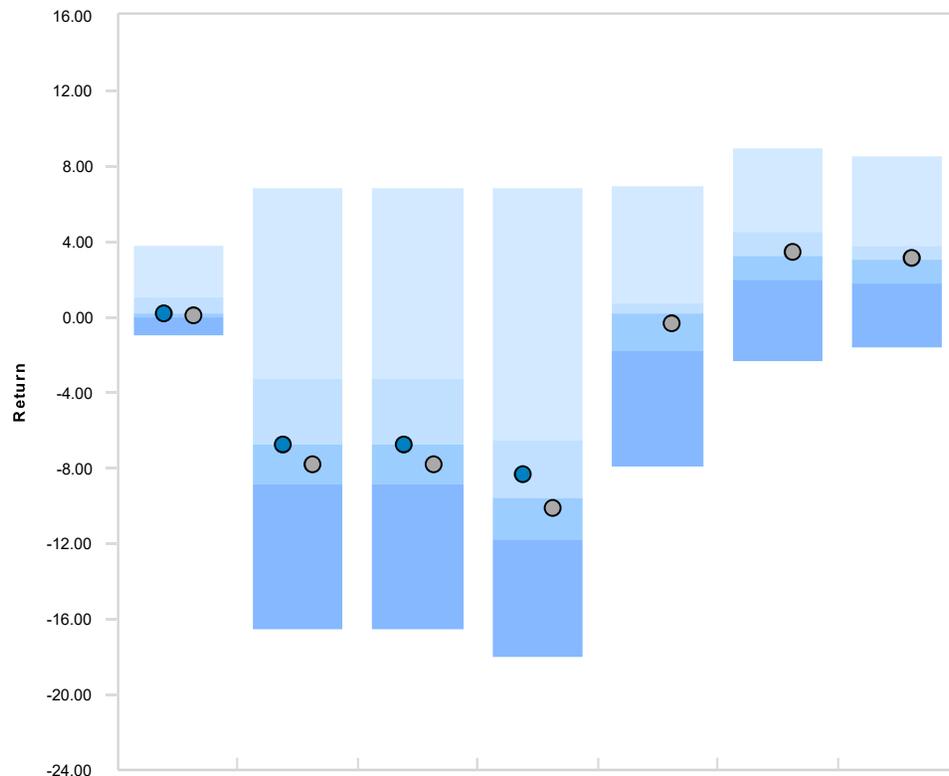
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
ARA Core	1.08	112.65	102.37	0.73	0.68	-0.27	1.09	5.50
NCREIF ODCE	0.00	100.00	100.00	0.00	N/A	-0.37	1.00	5.14

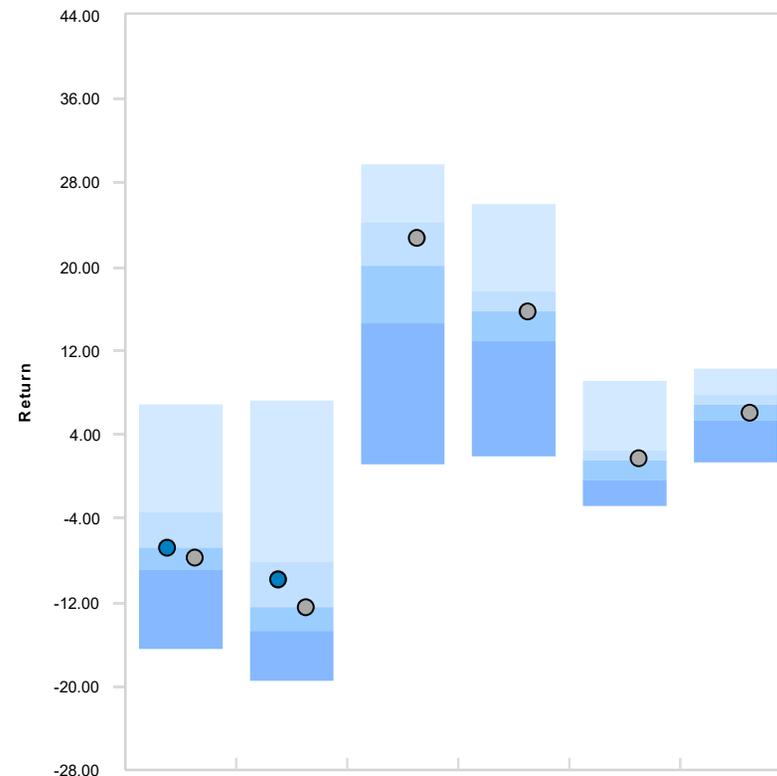
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
ARA Core	1.15	101.24	102.05	-0.08	0.01	0.13	1.03	4.30
NCREIF ODCE	0.00	100.00	100.00	0.00	N/A	0.14	1.00	4.02

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	0.18 (58)	-6.79 (51)	-6.79 (51)	-8.36 (36)	N/A	N/A	N/A
● NCREIF ODCE	0.13 (63)	-7.75 (59)	-7.75 (59)	-10.11 (57)	-0.27 (53)	3.52 (45)	3.16 (44)
Median	0.25	-6.78	-6.78	-9.55	0.17	3.32	3.03



	Oct-2023 To Sep-2024	Oct-2022 To Sep-2023	Oct-2021 To Sep-2022	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019
● Am Strategic Val	-6.79 (51)	-9.90 (29)	N/A	N/A	N/A	N/A
● NCREIF ODCE	-7.75 (59)	-12.40 (48)	22.76 (39)	15.75 (50)	1.74 (43)	6.17 (69)
Median	-6.78	-12.47	20.19	15.73	1.58	6.80

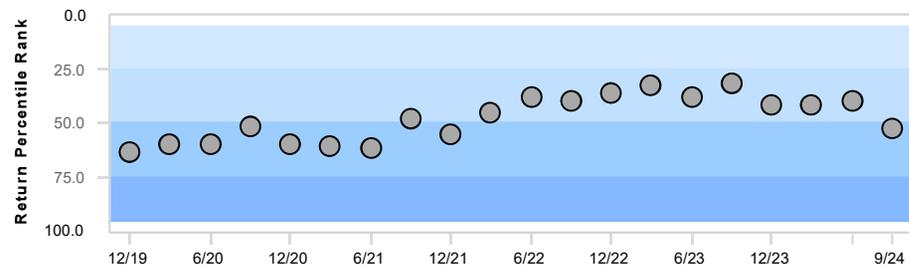
Comparative Performance

	1 Qtr Ending Jun-2024	1 Qtr Ending Mar-2024	1 Qtr Ending Dec-2023	1 Qtr Ending Sep-2023	1 Qtr Ending Jun-2023	1 Qtr Ending Mar-2023
Am Strategic Val	-0.80 (65)	-2.37 (65)	-3.93 (47)	-1.25 (24)	-1.94 (50)	-2.45 (47)
NCREIF ODCE	-0.63 (45)	-2.19 (58)	-5.22 (70)	-1.93 (42)	-2.86 (71)	-3.31 (67)
IM U.S. Open End Private Real Estate (SA+CF) Median	-0.69	-2.09	-4.00	-2.37	-1.94	-2.77

3 Yr Rolling Under/Over Performance - 5 Years

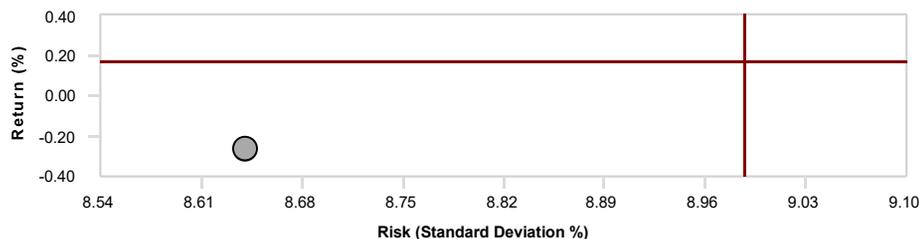
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3 Yr Rolling Percentile Ranking - 5 Years



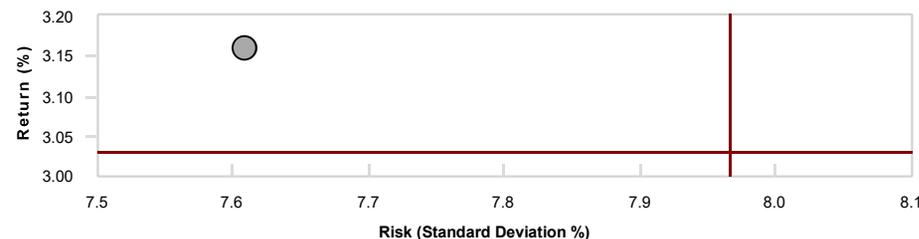
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Am Strategic Val	0	0	0	0	0
NCREIF ODCE	20	0 (0%)	11 (55%)	9 (45%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Am Strategic Val	N/A	N/A
NCREIF ODCE	-0.27	8.64
Median	0.17	8.99

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Am Strategic Val	N/A	N/A
NCREIF ODCE	3.16	7.61
Median	3.03	7.97

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	-0.37	1.00	5.14

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	0.14	1.00	4.02

**City of Key West General Employees' Pension Fund
Compliance Checklist
As of September 30, 2024**

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
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

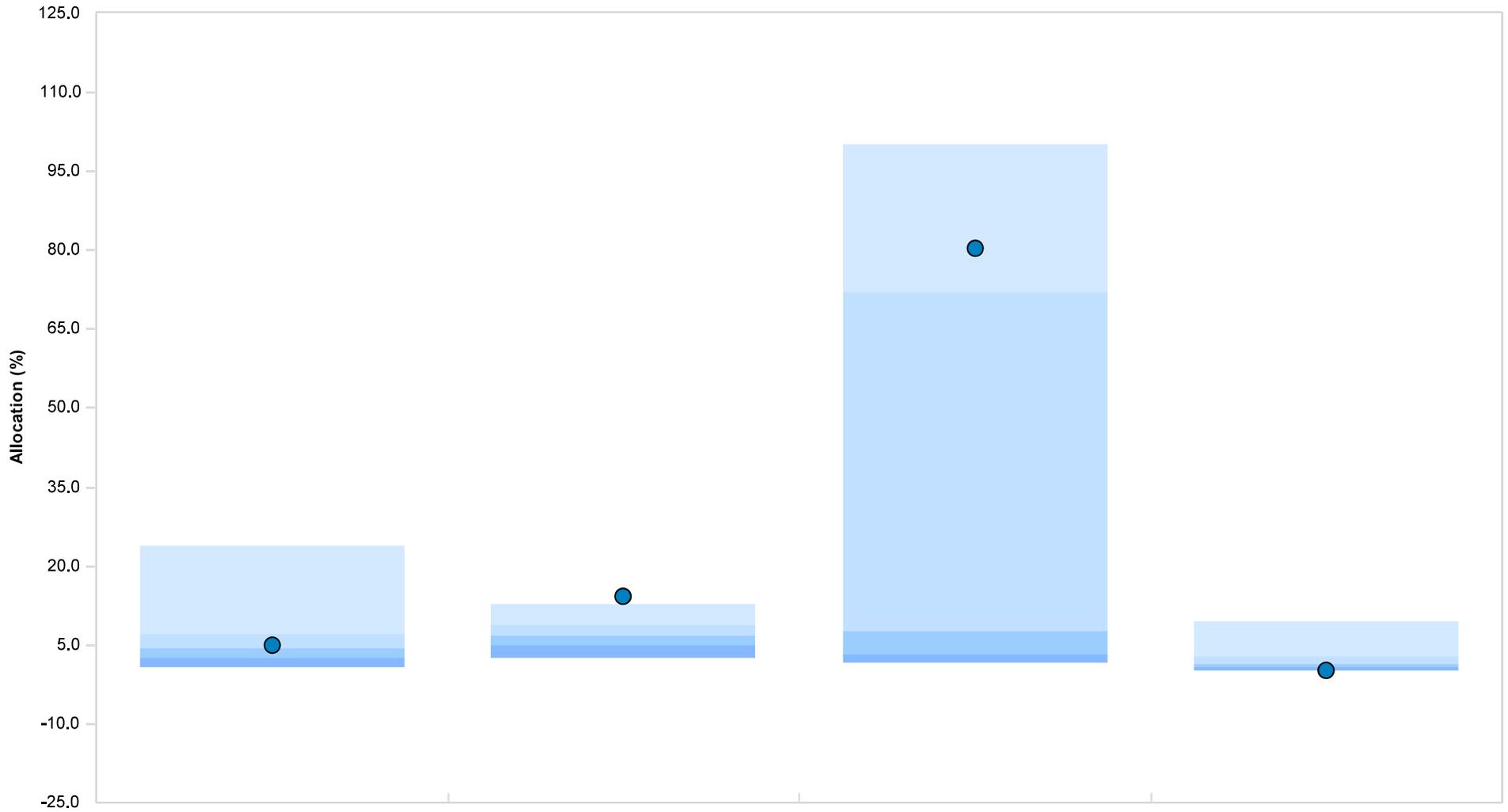
Fee Analysis

As of September 30, 2024

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Total Fund	0.51	77,901,587	400,283	
Highland Capital	0.40	62,671,063	250,684	0.40 % of Assets
American Core Realty	1.10	7,928,011	87,208	1.10 % of Assets
American Strategic Value Fund	1.25	3,251,129	40,639	1.25 % of Assets
Pimco Global Bond Opp	0.55	3,954,863	21,752	0.55 % of Assets
Mutual Fund Cash		96,521	-	

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	5.08 (39)	14.35 (3)	80.45 (21)	0.12 (93)
5th Percentile	23.74	12.71	100.00	9.51
1st Quartile	7.12	8.87	72.11	2.72
Median	4.41	6.85	7.56	1.36
3rd Quartile	2.69	4.97	3.21	0.70
95th Percentile	0.80	2.47	1.75	0.07

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

Benchmark History
Investment Policy Benchmarks

As of September 30,2024

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
Sep-2023	
Russell 3000 Index	45.00
MSCI AC World ex USA	15.00
Blmbg. U.S. Aggregate Index	20.00
FTSE World Government Bond Index	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	15.00

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

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

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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Methodology for this Award: For the 2022 Greenwich Quality Award for Overall U.S. Investment Consulting – Midsize Consultants – Between February and November 2022, Coalition Greenwich conducted interviews with 727 individuals from 590 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate and union funds, public funds, and endowment and foundation funds, with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends.

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