Monroe County Employee's Retirement Fund

# OCIO partnership review As of date 12/31/2023

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SEI

# Agenda

- Executive summary
- Capital markets review
- Portfolio Review
- Appendix

# Executive summary

| As of: 12/31/23 | Market Value | 1-YR Return | 3-YR Return | 5-YR Return |
|---|---|---|---|---|
| Monroe County | $132,837,257 | 13.09% | 4.30% | 9.15% |

**Economy and Markets**

- Inflation is falling, but it's not completely back to the target level. Fed officials have stated that they might tighten monetary policy further to get inflation all the way back to target. The US budget process still poses some risk to economic growth. The differing objectives and lack of will to negotiate these differences among the key members of Congress suggests that a partial or even full government shutdown remains a possibility. Geopolitics continue to create new challenges for US policymakers. US allies are asking the country to provide weapons, ammunition, and financing, which will challenge the budget process. Supply shocks—particularly oil price shocks—might also derail the US economy.

- For most investors, 2023 marked a much-needed comeback when it came to both stock and bond market performance after a brutal 2022. Bolstered by the combination of a solid economy, better-than-expected corporate earnings, and an apparent end to the Federal Reserve's interest rate hikes, stocks rallied 25% in 2023. Technology stocks (and growth stocks more broadly) jumped thanks to expectations of multiple Fed rate cuts in 2024, along with the emerging boom in artificial intelligence technologies.

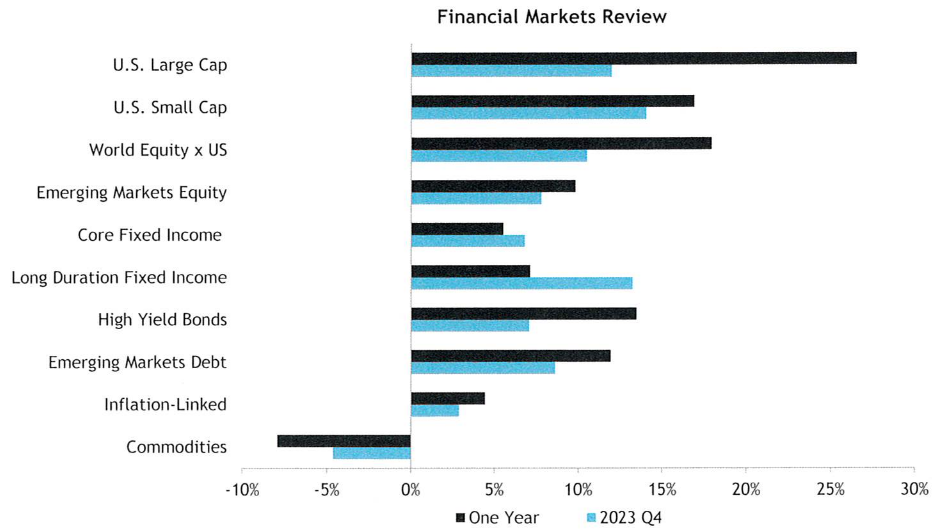
- Meanwhile, bond investors breathed sighs of relief after avoiding an unprecedented third straight year of losses.

Please refer to the important disclosures accompanying your portfolio performance in this presentation for information on performance calculations.

# Market and economic review

# Market performance overview

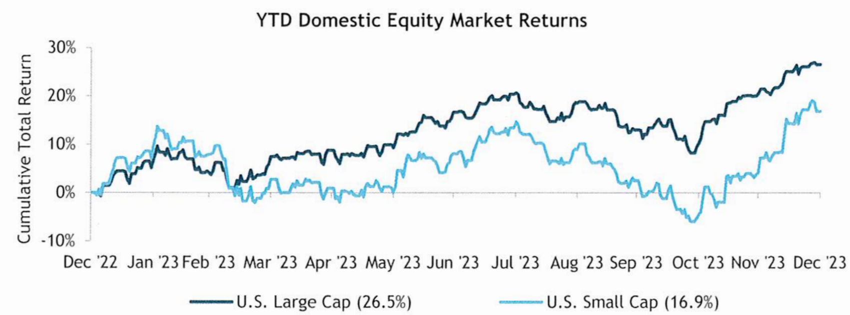
- Markets flipped the script yet again, as most asset classes bounced back nicely from a challenging third quarter while commodities underperformed after a strong third quarter. Asset class returns were broadly positive for the full calendar year with the exception of commodities.
- Equity returns were strongly positive across the board. US small caps performed best, while emerging market returns were tempered by negative returns from Chinese stocks. US large caps outperformed for the full year, driven by concentrated leadership from a small number of mega-cap names.
- After a challenging third quarter, fixed income markets performed well, allowing multiple areas of the bond market to provide positive full-year returns.
- Commodities were once again the exception, this time to the downside. Prices for energy and many agricultural commodities fell sharply in the quarter. Industrial metals prices were mixed and down slightly as a group. Coffee, wheat and precious metals performed best.




Commodities = Bloomberg Commodity Index (USD), Inflation-Linked = Bloomberg 1-5 Year US TIPS Index (USD), Emerging Markets Debt = 50/50 JPM EMBI Global Div & JPM GBI EM Global Div, High Yield Bonds = ICE BofA US High Yield Constrained Index (USD), US Long-Duration Bonds = Bloomberg Long US Government/Credit Index (USD), Core Fixed Income = Bloomberg US Aggregate Bond Index (USD), Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets) Index (Net) (USD), World Equity x US = MSCI World ex-USA Index (Net) (USD), U.S. Small Cap = Russell 2000 Index (USD), U.S. Large Cap = Russell 1000 Index (USD). Sources: SEI, index providers. Past performance is no guarantee of future results. As of 12/31/2023.

# U.S. equity market review

- After a challenging October, US equity markets marched higher into year end, thanks to continued economic growth, lower inflation readings and falling interest rate expectations.
- Within large caps, sector strength was broad-based, as both growth-and cyclically oriented areas produced healthy returns. The rate-sensitive real estate sector led the way, while energy underperformed after a strong third quarter.
- Although most sectors performed well, the growth style outperformed value in the quarter, widening its already-considerable full-year lead which was the result of highly concentrated outperformance by a small number of stocks.





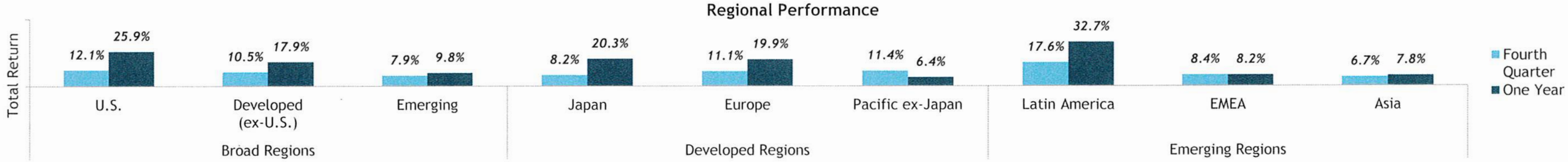
Sources: Bloomberg, Russell, Standard & Poor's. US Large Cap = Russell 1000 Index, US Small Cap = Russell 2000 Index. Value and Growth represented by Russell 1000 Value Index and Russell 1000 Growth Index, respectively. Sectors represented by respective S&P 500 sector indexes. As of 12/31/2023. Past performance is not a guarantee of future results.

# International equity market review

- Developed markets returned to winning form against emerging markets in the fourth quarter, although both did well in the last two months of the year.
- Within developed markets, the fourth quarter saw double-digit returns in North America and Europe. Japan and the UK lagged but still posted healthy returns of 8% and 6%, respectively.
- Full-year-2023 returns were positive across all regions shown, thanks to the broad fourth-quarter rally. Latin America continued to outpace other emerging market indexes, as strong returns in emerging Asia were tempered by a negative return from Chinese stocks.

YTD International Equity Market Returns


Regional Performance

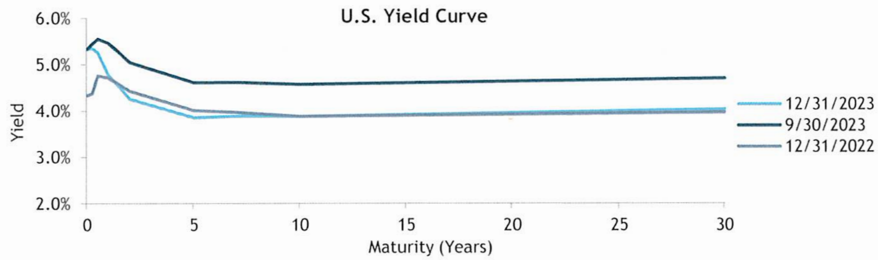


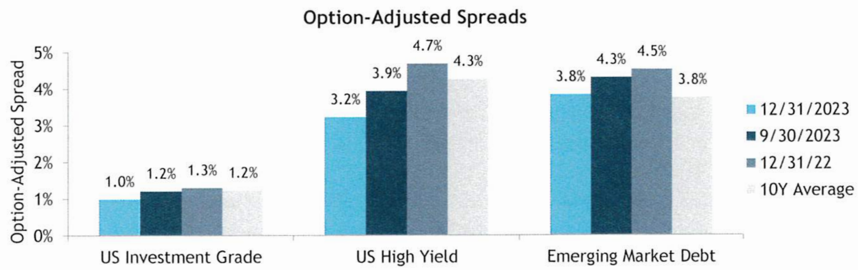

Source: Bloomberg, Russell, MSCI, SEI. U.S. = Russell 3000 Total Return Index, Developed (ex-US) = MSCI World ex-U.S Net Total Return Index, Emerging = MSCI Emerging Markets Net Total Return Index, Europe = MSCI Europe Net Total Return Index, Japan = MSCI Japan Net Total Return Index, Pacific ex-Japan = MSCI Pacific Ex Japan Net Total Return Index, EMEA = MSCI Emerging Markets Europe Middle East & Africa Net Total Return Index, Latin America = MSCI EM Latin America Net Total Return Index, Asia = MSCI EM Asia Net Total Return Index. All returns in USD. As of 12/31/2023. Past performance is not a guarantee of future results.

# Fixed income review

- Treasury yields endured another volatile quarter. After wrestling in the third quarter with the prospect of stubborn inflation and a persistently restrictive Federal Reserve (Fed), investors took exceeding comfort in lower inflation readings and a more dovish tone from Fed chairman Jay Powell towards the end of 2023.
- As a result, the front end of the curve (beyond very short term rates) fell dramatically, and intermediate and longer term rates fell back to where they were at the start of 2023.

- Improved bond market sentiment led to a further compression of credit spreads.
- US investment grade spreads fell below their long-term average, and high yield bonds finished the quarter more than a percentage point below theirs. Emerging markets debt spreads, after reflecting a relative degree of pessimism for several years, finally fell back to their long-term level. Spreads are still not pricing in a high risk of recession despite a turn up from depressed default rates.




Sources: Bloomberg, JP Morgan, SEI. Option-adjusted spreads over US Treasurys US Investment Grade = Bloomberg U.S. Corporate Index, US High Yield = Bloomberg U.S. Corporate High Yield Index, and Emerging Market Debt = JP Morgan EMBI Diversified Sovereign Index. Vertical axis in U.S. Yield Curve chart shortened to enhance visibility of yield curve dynamics. As of 12/31/2023. Past performance is not a guarantee of future results.

# Economic outlook: Good news, bad news

## The good news

- The U.S. economy remains relatively healthy in the near term, especially versus other major advanced countries. Financial conditions are more consistent with continued economic expansion, at least through the first half of 2024.
- Fiscal policies are generally quite expansionary. There may be some reduction in government deficit financing as COVID and energy-relief measures disappear. But spending is on automatic pilot in the U.S., and the U.K. has engineered election-year tax cuts.
- Risk assets traditionally have performed well when the Fed starts to cut interest rates, whether a recession materializes or not. According to statistics compiled by Ned Davis Research, a global provider of independent investment research, the S&P 500 Index (price only) has garnered an average gain of 15.2% over the first 12 months after the Fed begins cutting rates and a recession is avoided.

## The bad news

- With animal spirits running high, it would not be surprising to see this bull market stumble early in 2024. Yet, there are many crosscurrents that make it difficult to forecast the path of financial assets through the year. A weaker-than-expected economy would likely undercut investors' optimistic earnings growth assumptions. It also could lead to a more aggressive easing in U.S. central-bank monetary policy rated than we anticipate, but a big decline in interest rates already seems to be largely discounted by the markets.
- Central banks might not be able to cut interest rates as much as markets are expecting and bond yields are not likely to fall much from here. That would be a problem for equities, but it also would likely be a problem for fixed-income markets.
- A new source of possible volatility in the oil markets is the war between Israel and Hamas. Although the war has thus far remained fairly localized, a broader regional conflict cannot be ruled out.

These are the views and opinions of SEI which are subject to change. They should not be construed as investment advice.

# Portfolio review

# Institutional Investment Strategies

For period ending: 9/30/2023

| Total Equity | 52.98% | $64,290,199.99 |
|---|---|---|
| World Equity Ex-US Fund | 18.01% | $21,861,599 |
| *Jupiter Asset Management Ltd* | 4.28% | $5,190,927 |
| *Acadian Asset Management LLC* | 4.00% | $4,848,859 |
| *Pzena* | 3.16% | $3,836,886 |
| *Lazard Asset Management LLC - International Quality Growth* | 1.97% | $2,387,352 |
| *Lazard Asset Management LLC - All Country Ex-US 130/30 Momentum* | 1.93% | $2,338,645 |
| *Allspring Global Investments* | 1.40% | $1,698,253 |
| *Macquarie Investment Management* | 1.29% | $1,560,590 |
| Large Cap Index Fund | 14.93% | $18,112,856 |
| *SSGA Funds Management, Inc.* | 14.93% | $18,112,856 |
| US Equity Factor Allocation Fund | 14.02% | $17,011,825 |
| *SEI Investments Management Corporation* | 14.02% | $17,011,825 |
| Emerging Markets Equity Fund | 3.02% | $3,668,365 |
| *Robeco Asset Management* | 0.69% | $834,285 |
| *KBI Global Investors (North America) Ltd.* | 0.61% | $742,550 |
| *redwheel* | 0.57% | $694,689 |
| *JOHCM (USA) Inc.* | 0.52% | $631,531 |
| *Causeway Capital Management LLC* | 0.35% | $420,596 |
| *WCM Investment Management* | 0.28% | $344,705 |
| Small Cap II Fund | 3.00% | $3,635,555 |
| *Leeward Investments, LLC* | 0.67% | $809,398 |
| *Easterly Investment Partners LLC* | 0.66% | $800,324 |
| *Los Angeles Capital Management LLC* | 0.66% | $800,164 |
| *Copeland Capital Management, LLC* | 0.50% | $603,971 |
| *EAM Investors, LLC* | 0.35% | $427,352 |
| *ArrowMark Partners* | 0.16% | $194,339 |

| Alternatives | 8.52% | $10,336,738.49 |
|---|---|---|
| Vista Collective Investment Trust | 5.21% | $6,326,388 |
| SEI GPA IV CIT | 2.93% | $3,561,681 |
| SEI GPA VI, CIT | 0.37% | $448,669 |

| Real Estate / Property | 6.32% | $7,673,583.79 |
|---|---|---|
| SEI Core Property Fund CIT | 6.32% | $7,673,584 |

| Total Fixed Income | 32.18% | $39,058,058.79 |
|---|---|---|
| Limited Duration Fund | 13.14% | $15,941,745 |
| *MetLife Investment Management, LLC* | 9.20% | $11,161,565 |
| *Metropolitan West Asset Management LLC* | 3.94% | $4,780,180 |
| Core Fixed Income Fund | 8.99% | $10,912,232 |
| *Allspring Global Investments* | 2.45% | $2,967,734 |
| *Metropolitan West Asset Management LLC* | 2.41% | $2,920,757 |
| *Western Asset Management Company* | 1.97% | $2,387,989 |
| *Jennison Associates LLC* | 1.11% | $1,348,032 |
| *MetLife Investment Management, LLC* | 1.06% | $1,287,676 |
| Real Return Fund | 4.02% | $4,883,979 |
| *SEI Investments Management Corporation* | 4.02% | $4,883,979 |
| High Yield Bond Fund | 3.04% | $3,691,595 |
| *Brigade Capital Management, LP* | 0.72% | $870,020 |
| *Benefit Street Partners LLC* | 0.62% | $747,157 |
| *Ares Capital Management II LLC* | 0.61% | $744,805 |
| *T. Rowe Price Associates, Inc.* | 0.42% | $513,682 |
| *J.P. Morgan Investment Management Inc.* | 0.42% | $507,498 |
| *SEI Investments Management Corporation* | 0.25% | $308,422 |
| Emerging Markets Debt Fund | 2.99% | $3,628,508 |
| *Neuberger Berman Investment Advisers LLC* | 0.96% | $1,160,317 |
| *Ninety One* | 0.67% | $808,940 |
| *Virtus Fixed Income Advisers, LLC* | 0.56% | $675,087 |
| *Marathon Asset Management, L.P.* | 0.47% | $564,853 |
| *Colchester Global Investors Limited* | 0.35% | $419,299 |

| Cash/Cash Equivalents | 0.00% | $35.88 |
|---|---|---|
| Cash - USD | 0.00% | $36 |

| TOTAL PORTFOLIO | $121,358,617 |
|---|---|

# Important information: asset valuation and portfolio returns

The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using a true time-weighted performance method (prior to 6/30/2012, the Modified Dietz method of calculation was used). Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable, are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. For additional information about how performance is calculated, please see your monthly performance report.

If applicable, alternative, property and private assets performance and valuations may be reported on a monthly or quarterly lag. Alternative, property and private assets performance is calculated gross of investment management fees and net of administrative expenses and underlying fund expenses. However: Structured Credit Fund performance is calculated gross of investment management fees and net of administrative expenses; SEI Offshore Opportunity Fund II Ltd. Class A performance is calculated net of investment management and administrative expenses; and Energy Debt Fund performance is calculated net of management fees, performance fees, as applicable, and operating expenses.

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The current composition of the "Total Portfolio Index" is as follows. This composition went into effect at the close of business on 2/15/2023.

| | |
|---|---|
| 18.30% | MSCI All Country World ex US Index (Net) |
| 15.40% | Russell 1000 Index |
| 14.30% | Russell 3000 Index |
| 13.30% | ICE BofA ML 1-3 Year Treasury Index |
| 9.20% | Bloomberg Barclays US Agg Bond Index |
| 5.00% | Hist Blnd: Core Property Index |
| 4.10% | Hist Blnd: Real Return Index |
| 4.00% | ICE BofA ML 3 Month US T-Bill Index 1M Lag |
| 4.00% | Monroe County Employees Retirement Plan PE |
| 3.10% | MSCI Emerging + Frontier Mkts Index (Net) |
| 3.10% | Russell 2000 Index |

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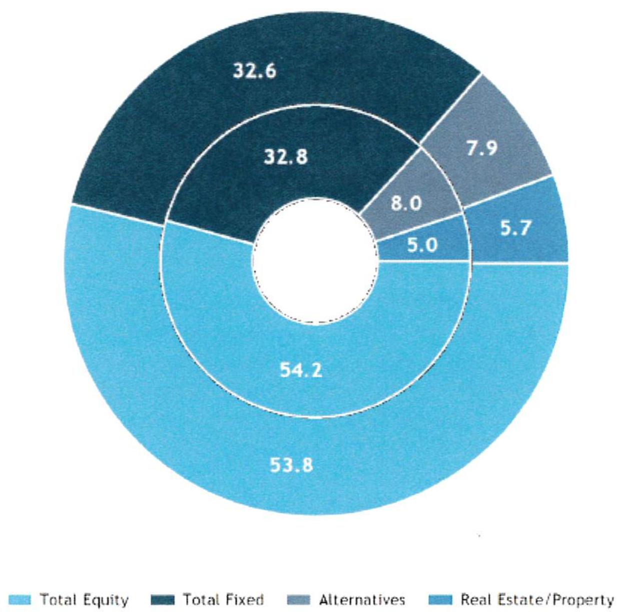
# Portfolio Summary - December 31, 2023

Asset Allocation (%)
Actual (Outer Ring) vs. Target (Inner Ring)




| Asset Class | Target Allocation | Actual Allocation | Market Value |
|---|---|---|---|
| World Equity Ex-US Fund | 18.0% | 18.3% | $24,461,248 |
| Large Cap Index Fund | 15.0% | 15.2% | $20,196,398 |
| US Equity Factor Allocation Fund | 14.0% | 14.2% | $18,826,628 |
| Emerging Markets Equity Fund | 3.0% | 3.1% | $4,111,803 |
| Small Cap II Fund | 3.0% | 3.0% | $4,023,698 |
| ***Total Equity*** | **53.0%** | **53.8%** | **$71,619,775** |
| Limited Duration Fund | 13.0% | 13.2% | $17,539,122 |
| Core Fixed Income Fund | 9.0% | 9.2% | $12,162,511 |
| Real Return Fund | 4.0% | 4.0% | $5,366,896 |
| Emerging Markets Debt Fund | 3.0% | 3.1% | $4,061,206 |
| High Yield Bond Fund | 3.0% | 3.1% | $4,083,367 |
| ***Total Fixed Income*** | **32.0%** | **32.6%** | **$43,213,101** |
| Vista Collective Investment Trust | 4.0% | 4.8% | $6,362,761 |
| SEI GPA IV CIT | 3.0% | 2.7% | $3,542,984 |
| SEI GPA VI, CIT | 3.0% | 0.4% | $490,024 |
| ***Alternatives*** | **10.0%** | **7.9%** | **$10,395,769** |
| Cash - USD | 0.0% | 0.0% | $5,840 |
| Govt Fund Instl | 0.0% | 0.0% | $1,576 |
| ***Cash & Equivalents*** | 0.0% | **0.0%** | **$7,416** |
| SEI Core Property Fund CIT | 5.0% | 5.7% | $7,601,197 |
| ***Real Estate*** | 5.0% | **5.7%** | **$7,601,197** |
| **Total** | **100.0%** | **100.0%** | **$132,837,257** |

# Investment returns - December 31, 2023

Returns for period ending 12/31/2023

| | Total Assets ($) | Actual Alloc (%) | 1 Month | 3 Months | YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Portfolio Return** | 132,837,257 | 100.0 | 3.58 | 7.42 | 13.09 | 13.09 | 4.30 | 9.15 | 7.86 | 6.88 |
| *Standard Deviation Portfolio* | | | | | | | 10.41 | 11.79 | | |
| **Total Portfolio Index** | | | 3.68 | 7.58 | 13.33 | 13.33 | 3.24 | 8.07 | 7.11 | 6.32 |
| *Standard Deviation Index* | | | | | | | 10.61 | 11.72 | | |
| **Total Equity** | 71,619,775 | 53.8 | 5.52 | 11.00 | 21.13 | 21.13 | 5.77 | 12.13 | 10.08 | 8.34 |
| **US Equity** | 43,046,724 | 32.4 | 5.69 | 11.96 | 23.76 | 23.76 | 8.90 | 15.16 | 12.61 | 11.06 |
| Large Cap Index Fund | 20,196,398 | 15.2 | 4.99 | 12.02 | 26.53 | 26.53 | 8.95 | 15.48 | 13.17 | 11.75 |
| *Russell 1000 Index* | | | *4.94* | *11.96* | *26.53* | *26.53* | *8.97* | *15.52* | *13.21* | *11.80* |
| US Equity Factor Allocation Fund | 18,826,628 | 14.2 | 5.37 | 11.95 | 22.53 | 22.53 | - | - | - | - |
| *Russell 3000 Index* | | | *5.30* | *12.07* | *25.96* | *25.96* | - | - | - | - |
| Small Cap II Fund | 4,023,698 | 3.0 | 10.82 | 11.57 | 15.43 | 15.43 | 5.99 | 12.46 | 9.11 | 8.16 |
| *Russell 2000 Index* | | | *12.22* | *14.03* | *16.93* | *16.93* | *2.22* | *9.97* | *7.33* | *7.16* |
| **World Equity x-US** | 28,573,051 | 21.4 | 5.24 | 9.52 | 17.28 | 17.28 | 1.72 | 8.45 | 7.48 | 4.63 |
| World Equity Ex-US Fund | 24,461,248 | 18.3 | 5.43 | 9.78 | 17.23 | 17.23 | 1.78 | 8.50 | 7.38 | 4.67 |
| *MSCI All Country World ex US Index (Net)* | | | *5.02* | *9.75* | *15.62* | *15.62* | *1.55* | *7.08* | *6.33* | *3.83* |
| Emerging Markets Equity Fund | 4,111,803 | 3.1 | 4.10 | 7.91 | 17.27 | 17.27 | 1.09 | 7.81 | 7.14 | - |
| *MSCI Emerging + Frontier Mkts Index (Net)* | | | *3.90* | *7.80* | *9.83* | *9.83* | *-5.04* | *3.66* | *4.95* | - |
| **Total Fixed Income** | 43,213,101 | 32.6 | 2.57 | 5.02 | 7.84 | 7.84 | -1.05 | 2.71 | 2.69 | 2.77 |
| Limited Duration Fund | 17,539,122 | 13.2 | 1.32 | 2.86 | - | - | - | - | - | - |
| *ICE BofA ML 1-3 Year Treasury Index* | | | *1.11* | *2.48* | - | - | - | - | - | - |

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# Investment returns - December 31, 2023

Returns for period ending 12/31/2023

| | Total Assets ($) | Actual Alloc (%) | 1 Month | 3 Months | YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Fixed Income - Continued** | | | | | | | | | | |
| Core Fixed Income Fund | 12,162,511 | 9.2 | 4.06 | 7.33 | 6.77 | 6.77 | -3.23 | 1.72 | 1.87 | 2.44 |
| *Bloomberg US Aggregate Bond Index* | | | *3.83* | *6.82* | *5.53* | *5.53* | *-3.31* | *1.10* | *1.29* | *1.81* |
| Real Return Fund | 5,366,896 | 4.0 | 1.20 | 2.73 | 4.37 | 4.37 | 1.81 | 3.20 | - | - |
| *Hist Blnd: Real Return Index* | | | *1.32* | *2.88* | *4.45* | *4.45* | *1.92* | *3.29* | - | - |
| High Yield Bond Fund | 4,083,367 | 3.1 | 3.28 | 5.60 | 13.82 | 13.82 | 3.75 | 6.28 | 5.39 | 5.33 |
| *Hist Blnd: High Yield Bond Index* | | | *3.67* | *7.07* | *13.46* | *13.46* | *2.00* | *5.19* | *4.41* | *4.51* |
| Emerging Markets Debt Fund | 4,061,206 | 3.1 | 4.50 | 9.87 | 15.12 | 15.12 | -1.96 | 2.80 | 2.96 | 2.33 |
| *Hist Blnd: Emerging Markets Debt Index* | | | *3.97* | *8.63* | *11.94* | *11.94* | *-3.31* | *1.45* | *2.01* | *1.70* |
| **Alternatives** | **10,395,769** | **7.9** | **-2.46** | **0.16** | **1.57** | **1.57** | **12.70** | **10.83** | - | - |
| Vista Collective Investment Trust | 6,362,761 | 4.8 | -2.95 | 0.57 | 4.05 | 4.05 | - | - | - | - |
| SEI GPA IV CIT | 3,542,984 | 2.7 | -0.55 | 0.65 | -1.06 | -1.06 | 19.55 | 17.68 | - | - |
| SEI GPA VI, CIT | 490,024 | 0.4 | -9.51 | -8.56 | - | - | - | - | - | - |
| **Real Estate / Property** | **7,601,197** | **5.7** | **0.00** | **-0.94** | **-9.10** | **-9.10** | **10.01** | **7.79** | **8.06** | - |
| SEI Core Property Fund CIT | 7,601,197 | 5.7 | 0.00 | -0.94 | -9.10 | -9.10 | 10.01 | 7.79 | 8.06 | - |
| *Hist Blnd: Core Property Index* | | | *0.00* | *-1.37* | *-8.40* | *-8.40* | *6.05* | *5.26* | *5.77* | - |
| **Cash/Cash Equivalents** | **7,416** | **0.0** | - | - | - | - | - | - | - | - |
| Govt Fund Instl | 1,576 | 0.0 | - | - | - | - | - | - | - | - |
| *ICE BofA ML 3 Month US T-Bill Index* | | | - | - | - | - | - | - | - | - |
| Cash - USD | 5,840 | 0.0 | - | - | - | - | - | - | - | - |

 

# Private Assets Portfolio Metrics

MONROE COUNTY EMPLOYEES RET PLAN-PE REPORT

For period ending: 9/30/2023

Base Currency: US Dollar

| Investment | Vintage Year | Commitment | Contributions: Funding | Contributions: Unfunded | Contributions: Percent Funded | Distributions: Cumulative Distributions | Valuation Date | Valuations: Reported Valuation | Valuations: Adjusted Valuation | Performance: DPI | Performance: TVPI | Performance: IRR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Diversified* | | | | | | | | | | | | |
| SEI GPA IV CIT | 2018 | $3,510,000 | $2,424,173 | $1,085,827 | 69.06% | $536,753 | 3/31/2023 | $3,561,681 | $3,561,681 | 0.22 | 1.69 | 18.66 |
| SEI GPA VI, CIT | 2022 | $4,000,000 | $645,945 | $3,536,814 | 16.15% | $182,759 | 3/31/2023 | $554,230 | $448,669 | 0.28 | 0.98 | (4.58) |
| ***Total Diversified*** | | ***$7,510,000*** | ***$3,070,118*** | ***$4,622,641*** | ***40.88%*** | ***$719,512*** | | ***$4,115,912*** | ***$4,010,351*** | ***0.23*** | ***1.54*** | ***18.00*** |
| **Total Investment** | | **$7,510,000** | **$3,070,118** | **$4,622,641** | **40.88%** | **$719,512** | | **$4,115,912** | **$4,010,351** | **0.23** | **1.54** | **18.00** |

| Measure | Definition |
|---|---|
| Investment | Name of private equity fund. |
| Vintage Year | The year in which the fund began making investments. Typically coincides with the year of the investor's first capital call. |
| Commitment | The total amount the investor commited to the fund. |
| Funding | Capital that has been called by the fund. |
| Unfunded | Commitments less capital calls plus any distributions deemed "recallable" or "recycled". |
| Percent Funded | Funding divided by the commitment amount; This number may be greater than 100% in the event a manager implements a capital recycling process and/or deems distributions recallable. |
| Cumulative Distributions | Capital that has been returned to the investor, including capital that is deemed recallable. |
| Valuation Date | Date of the last reported net asset value. |
| Reported Valuation | Last reported net asset value as of Valuation Date. |
| Adjusted Valuation | The sum of the last reported NAV and all subsequent cash flows through the date of the report. |
| DPI (Distributed to Paid-In Capital aka Realization Multiple) | Since inception ratio of cumulative distributions to cumulative paid-in capital; useful for measuring cash on cash performance. |
| TVPI (Total Value to Paid-In Capital aka Investment Multiple) | Since inception ratio of cumulative distributions plus the valuation (sometimes referred to as residual valuation) to cumulative paid-in; useful for measuring the creation of wealth; results greater than 1 imply gains on the investment as of the stated date. |
| IRR (Internal Rate of Return) | Since inception discount rate where the sum of discounted cash flows and the discounted valuation is equal to zero. |

# Manager changes

| Funds | Manager Addition and Rationale | Manager Termination and Rationale |
| --- | --- | --- |
| **Emerging Markets Debt** | Grantham, Mayo, Van Otterloo (GMO) (November 2023)<br>GMO will manage a hard-currency-focused mandate benchmarked to the JPM EMBI Global Diversified. Since the firm frequently expresses ideas beyond the constraints placed on benchmarks, we believe their approach will add breadth to the trade ideas expressed in the Fund. Their addition is designed to improve diversification among the sub-advisors and enhance the Fund's upside and downside capture. | Stone Harbor Investment Partners (December 2023)<br>The decision to remove Stone Harbor from the Fund stems from reduced confidence in the manager's ability to outperform across market environments. A deep value credit investor, this approach succeeded over its first two decades, with generally high recoveries and quick restructuring processes. As the number of creditors to emerging-market countries has grown, recoveries have extended and recovery values have become increasingly variable. When it comes to security selection, we believe there has been a decay in Stone Harbor's ability to differentiate between these deep value trades. Their focus on bottom-up country research has not been equally met with a risk-managed approach to constructing the final portfolio, leading at times to underlying holdings that are highly correlated and a strategy that succeeds only in a narrow range of market environments. |

 

# Appendix

# Asset Allocation Change 2/15/23

| Asset Class | Prior | Current as of 2/15/23 |
|---|---|---|
| Large Cap Index | 13.0 | 15.0 |
| US Small Cap Equity | 3.0 | 3.0 |
| World Equity ex-US | 22.0 | 18.0 |
| Emerging Markets Equity (+ Frontier) | 3.0 | 3.0 |
| US Equity Factor | 14.0 | 14.0 |
| **Total Equity** | 55.0 | 53.0 |
| Short Term Corporate Fixed Income | 4.0 | - |
| Limited Duration Fixed Income | - | 13.0 |
| U.S. High Yield | 3.0 | 3.0 |
| Emerging Markets Debt | 3.0 | 3.0 |
| TIPS | 4.0 | 4.0 |
| Core Fixed Income | 18.0 | 9.0 |
| **Total Fixed Income** | 32.0 | 32.0 |
| Private Real Estate | 5.0 | 5.0 |
| Global Private Assets | 4.0 | 6.0 |
| Thematic Hedge | 4.0 | 4.0 |
| **Total Alternatives/Other** | 13.0 | 15.0 |

# Important information

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# Important information

SIMC develops forward-looking, long-term capital market assumptions for risk, return, and correlations for a variety of global asset classes, interest rates, and inflation. These assumptions are created using a combination of historical analysis, current market environment assessment and by applying our own judgment. In certain cases, alpha and tracking error estimates for a particular asset class are also factored into the assumptions. We believe this approach is less biased than using pure historical data, which is often biased by a particular time period or event.

The asset class assumptions are aggregated into a diversified portfolio, so that each portfolio can then be simulated through time using a monte-carlo simulation approach. This approach enables us to develop scenarios across a wide variety of market environments so that we can educate our clients with regard to the potential impact of market variability over time. Ultimately, the value of these assumptions is not in their accuracy as point estimates, but in their ability to capture relevant relationships and changes in those relationships as a function of economic and market influences.

The projections or other scenarios in this presentation are purely hypothetical and do not represent all possible outcomes. They do not reflect actual investment results and are not guarantees of future results. All opinions and estimates provided herein, including forecast of returns, reflect our judgment on the date of this report and are subject to change without notice. These opinions and analyses involve a number of assumptions which may not prove valid. The performance numbers are not necessarily indicative of the results you would obtain as a client of SIMC.

We believe our approach enables our clients to make more informed decisions related to the selection of their investment strategies.

For more information on how SIMC develops capital market assumptions, please refer to the SEI paper entitled “Executive Summary: Developing Capital Market Assumptions for Asset Allocation Modeling.” For more information on how SIMC develops capital market assumptions or the actual assumptions utilized, please contact your SEI representative.

# Thank you.

Contact me at PBlizzard@seic.com