



3rd Quarter 2024

Forest Preserve Fund

Investment Performance Review

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Forest Preserve Fund

3rd Quarter 2024

- The Total Fund ended September with a market value of \$208.1 million, a \$7.5 million increase from the prior quarter ending value of \$200.6 million.
- The allocation of the Fund is in line with expectations. The Domestic Equity and International Equity allocations exceed their target weights by 5.8% and 5.1%, respectively. These are largely offset by the underweights to Private Equity (-6.0%) and Private Credit (-2.0%), which are yet to be implemented.
- In the third quarter, the Total Fund returned 5.27% (NOF) and underperformed the benchmark return of 5.51%. Over the trailing year, the Total Fund returned 19.39% versus the benchmark return of 20.44%.
 - Domestic Equity returned 6.14% for the quarter and trailed the benchmark return of 6.23%. Over the last year, Domestic Equity (33.02%) underperformed the benchmark return (35.19%).
 - International Equity returned 6.89% for the quarter and trailed the benchmark return of 8.06%. Over the last year, International Equity (23.40%) underperformed the benchmark return (25.35%).
 - Fixed Income returned 5.05% for the quarter and outperformed the benchmark return of 4.99%. Over the last year, Fixed Income (11.30%) outperformed the benchmark (11.21%).
 - Real Estate declined 1.01% for the quarter and trailed the benchmark return of 0.02%. Over the last year, Real Estate (-11.14%) trailed the benchmark return (-8.04%).
 - Hedge Funds returned 1.35% for the quarter and trailed the benchmark return of 2.32%. Over the last year, Hedge Funds (10.28%) outperformed the benchmark (9.57%).
- Over the trailing three-year period, the Total Fund returned 5.18% (NOF) and exceeded the benchmark return of 5.08%.
- The Total Fund returned 8.05% (NOF) over the last five years, slightly behind the benchmark return of 8.13%.
- Over the last ten years, the Total Fund returned 7.35% (NOF) and edged the benchmark return of 7.31%.
- The Total Fund outperformed its peer group median in the third quarter and over the last three- and ten-year periods, and ranks just below median over the last one- and five-year periods.

Note: Returns greater than one year are annualized; Returns presented are net of management fees (NOF)

Equity and Bond Markets Up Sharply in 3Q

Equities have recovered losses of 2022; fixed income and real estate still lag

S&P 500 climbed 5.9% in 3Q24

- U.S. small cap outperformed U.S. large cap, as did developed ex-U.S. markets and emerging markets.

Strong quarter for core fixed income

- The Bloomberg Aggregate rose 5.2% as rates fell over the quarter.
- Long duration fixed income and non-U.S. bonds saw even stronger returns than the Aggregate.
- Interest rates remain volatile as the markets assess how the Fed will continue with easing.
- CPI-U came in at 2.4% (year-over-year) in 3Q, down slightly from last quarter's 2.5%, and supporting the prospects for further rate cuts later this year.

Steady economic growth continues

- 3Q24 GDP came in at a surprisingly strong 2.8%, after another surprise in 2Q. Consumer spending continues to drive GDP growth, fueled by rising incomes and lower inflation.

Returns for Periods ended 9/30/24

	Quarter	Last Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	6.23	35.19	10.29	15.26	12.83	8.38
S&P 500	5.89	36.35	11.91	15.98	13.38	8.20
Russell 2000	9.27	26.76	1.84	9.39	8.78	8.27
Global ex-U.S. Equity						
MSCI World ex USA	7.76	24.98	5.65	8.36	5.68	4.77
MSCI Emerging Markets	8.72	26.05	0.40	5.75	4.03	--
MSCI ACWI ex USA Small Cap	8.90	23.25	1.39	8.21	6.08	6.79
Fixed Income						
Bloomberg Aggregate	5.20	11.57	-1.39	0.33	1.84	4.06
90-day T-Bill	1.37	5.46	3.49	2.32	1.65	1.92
Bloomberg Long Gov/Credit	7.96	17.24	-6.17	-1.97	2.32	5.62
Bloomberg Global Agg ex-US	8.52	12.28	-4.42	-1.86	-0.50	2.62
Real Estate						
FTSE:EP/NA Developed	16.33	30.20	1.37	2.36	5.04	8.00
NCREIF Property	0.78	-3.47	0.87	3.26	5.88	7.67
NCREIF:NFI-ODCE Val Wt Nt	0.02	-8.04	-1.04	2.05	5.16	6.20
Alternatives						
CS Hedge Fund Index	2.02	11.25	5.58	6.58	4.41	6.19
Cambridge Private Equity*	1.00	4.62	3.71	13.84	13.10	12.73
Bloomberg Commodity	0.68	0.96	3.66	7.79	0.03	2.21
Gold Spot Price	13.67	42.51	14.82	12.54	8.18	9.13
Inflation - CPI-U	0.36	2.44	4.75	4.19	2.85	2.55

*Cambridge Private Equity data as of 6/30/24.

Returns greater than one year are annualized. Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

The Fed's 'Dot Plot'

September 18, 2024

Federal Open Market Committee (FOMC) participants' assessments of appropriate monetary policy

- Median year-end in 2024 = 4.4% (down from 5.1% projection at June meeting)
- “Longer run” up 10 basis points to 2.9%
- Dispersion of views widens in 2025 and beyond.
- Bias is toward higher rates in the longer run; lower bound is 2.4% but higher bound is 3.8%, with a median of 2.9%
- Market expects more cuts next year based on CME FedWatch as of September. Fed Funds expectations for end of 2024:
 - 80% probability of 4.25% to 4.5%, another 50 bps in rate cuts
 - Mid point of expectations for the end of 2025 is 3.25%-3.5%, implying another 100 bps in rate cuts after this year. The range of expectations for the end of 2025 is very wide, ranging from 2.5% to 4.25%



Source: Federal Reserve. FOMC participants do not always submit projections for all time periods.

Historical Presidential Election Year Returns vs. a 'Normal' Year

Election year returns (S&P 500) might not be as volatile as you think

We separated the annual return for presidential election years into two pieces:

- The 10-month return (1/1 – 10/31)
- The two months after the election (11/1 – 12/31)

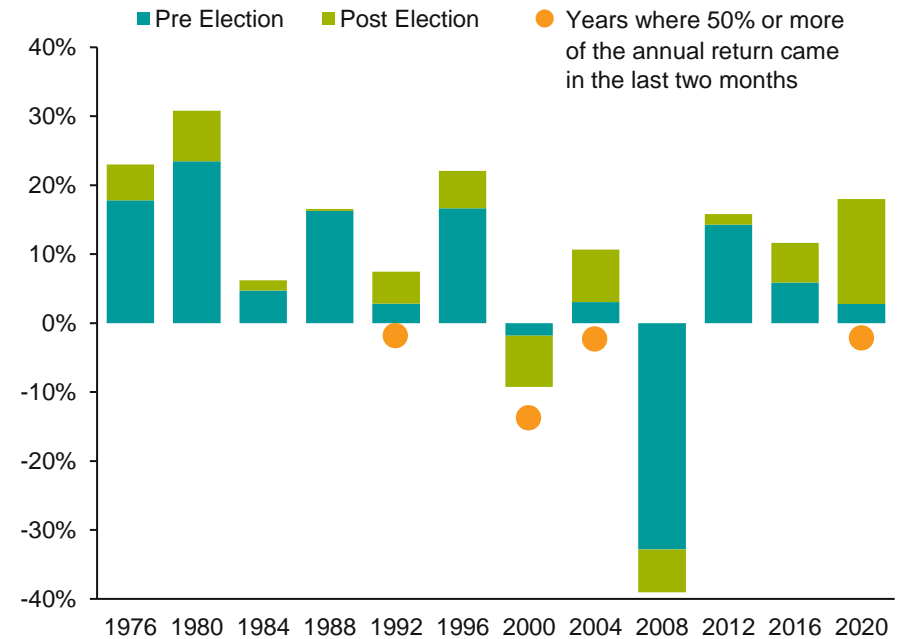
What did we find for the last 12 presidential election years (1976 through 2020)?

- If the return was positive (negative) for the first 10 months of the year, the return for the last two months was also positive (negative), respectively (positive returns continued to be positive and vice versa). Markets didn't "flip" because of an election.

More than half of the annualized return was earned in the last two months of the calendar year in 1992, 2000, 2004, and 2020.

- The most notable was 2020, when the market returned 18.4% with 15.2% coming in the last two months of the year.

Returns in a presidential election year were less volatile than returns in non-presidential election years.



Annual Return Standard Deviations (1976-2023)

All years average	13.7%
Average for presidential election years	11.8%
Average for year after election year	11.7%

Callan Periodic Table of Investment Returns

As of September 30, 2024

Calendar Year Returns					Quarterly Returns				Monthly Returns		
2019	2020	2021	2022	2023	4Q23	1Q24	2Q24	3Q24	Jul	Aug	Sep
Large Cap Equity	Small Cap Equity	Large Cap Equity	Private Real Estate	Large Cap Equity	REITS	Large Cap Equity	EM Equity	REITS	Small Cap Equity	REITS	EM Equity
31.49%	19.96%	28.71%	6.55%	26.29%	15.29%	10.56%	5.00%	16.07%	10.16%	6.26%	6.68%
Small Cap Equity	Large Cap Equity	REITS	Hedge Funds	Dev Non-U.S. Equity	Small Cap Equity	Dev Non-U.S. Equity	Large Cap Equity	Small Cap Equity	REITS	Dev Non-U.S. Equity	REITS
25.52%	18.40%	26.09%	-5.32%	18.24%	14.03%	5.78%	4.28%	9.27%	6.03%	3.25%	3.01%
Dev Non-U.S. Equity	EM Equity	Private Real Estate	U.S. Fixed Income	Small Cap Equity	Large Cap Equity	Small Cap Equity	Hedge Funds	EM Equity	Dev Non-U.S. Equity	Large Cap Equity	Large Cap Equity
22.01%	18.31%	21.02%	-13.01%	16.93%	11.69%	5.18%	2.01%	8.72%	2.93%	2.43%	2.14%
REITS	Hedge Funds	Small Cap Equity	Dev Non-U.S. Equity	EM Equity	Dev Non-U.S. Equity	Hedge Funds	U.S. Fixed Income	Dev Non-U.S. Equity	U.S. Fixed Income	EM Equity	U.S. Fixed Income
21.91%	8.65%	14.82%	-14.45%	9.83%	10.42%	4.65%	0.07%	7.26%	2.34%	1.61%	1.34%
EM Equity	Dev Non-U.S. Equity	Dev Non-U.S. Equity	Large Cap Equity	REITS	EM Equity	EM Equity	Dev Non-U.S. Equity	Large Cap Equity	Large Cap Equity	U.S. Fixed Income	Dev Non-U.S. Equity
18.44%	7.82%	11.26%	-18.11%	9.67%	7.86%	2.37%	-0.42%	5.89%	1.22%	1.44%	0.92%
U.S. Fixed Income	U.S. Fixed Income	Hedge Funds	EM Equity	U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	Private Real Estate	U.S. Fixed Income	Hedge Funds	Hedge Funds	Small Cap Equity
8.72%	7.51%	9.74%	-20.09%	5.53%	6.82%	-0.78%	-0.66%	5.20%	0.30%	0.49%	0.70%
Hedge Funds	Private Real Estate	U.S. Fixed Income	Small Cap Equity	Hedge Funds	Hedge Funds	REITS	REITS	Hedge Funds	EM Equity	Private Real Estate	Hedge Funds
4.90%	0.34%	-1.54%	-20.44%	4.24%	0.59%	-1.30%	-2.43%	1.15%	0.30%	0.01%	0.36%
Private Real Estate	REITS	EM Equity	REITS	Private Real Estate	Private Real Estate	Private Real Estate	Small Cap Equity	Private Real Estate	Private Real Estate	Small Cap Equity	Private Real Estate
4.39%	-9.04%	-2.54%	-25.10%	-12.73%	-5.00%	-2.58%	-3.28%	0.02%	0.01%	-1.49%	0.01%

Sources: ● S&P 500 ● Russell 2000 ● MSCI EAFE ● MSCI Emerging Markets ● Bloomberg U.S. Aggregate ● HFRI Fund of Funds Index*
 ● NCREIF ODCE Value Weight Net ● FTSE EPRA/NAREIT Developed

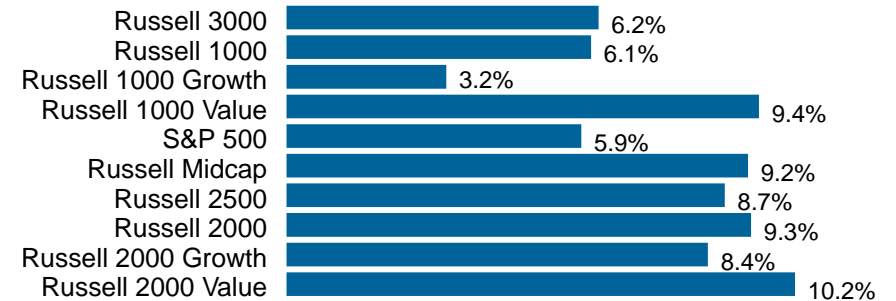
*Returns are lagged one month

U.S. Equity Performance: 3Q24

U.S. market reaches record high after spike in volatility

- The U.S. equity market had a disappointing start to 3Q24 as the S&P 500 Index dropped in July.
- But the market rallied in the last months of 3Q to end the quarter at a record high.
- All sectors within the S&P 500 posted positive returns over the quarter except for the Energy sector. As a result of the Fed's rate cut decision, the bond proxy sectors (Real Estate and Utilities) performed the best.
- During 3Q, value outperformed growth across the market cap spectrum. Small cap stocks outperformed large cap stocks.
- Narrow leadership continues to be an issue for U.S. stocks. YTD, the "Magnificent Seven" stock returns accounted for 45% of the returns of the S&P 500 Index.

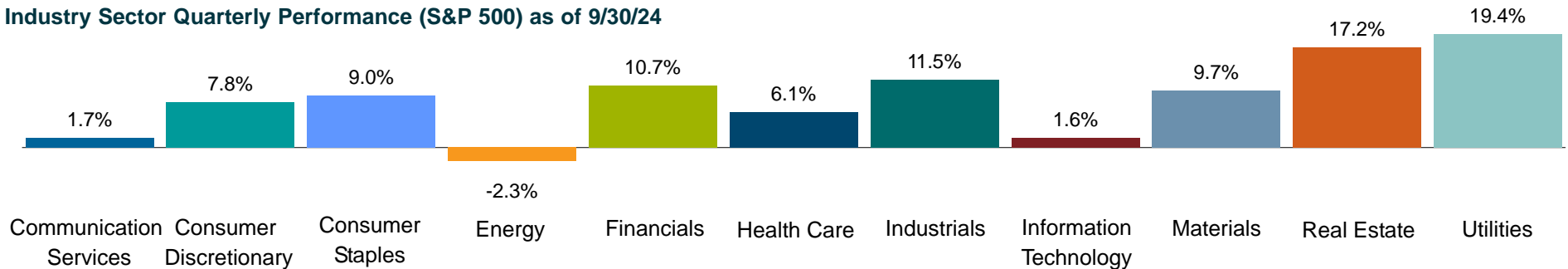
U.S. Equity: Quarter Ended 9/30/24



U.S. Equity: One Year Ended 9/30/24



Industry Sector Quarterly Performance (S&P 500) as of 9/30/24



Sources: FTSE Russell, S&P Dow Jones Indices

Global/Global ex-U.S. Equity Performance: 3Q24

Non-U.S. markets outpace U.S. as technology sector lags

Broad market

- Global equity markets rose while central banks began easing monetary policy and cutting interest rates.
- Market gains broadened to include more value stocks and underperforming sectors.
- Non-U.S. markets outpaced U.S. markets as the technology sector, a large portion of the U.S. market, faced pressure from AI spending scrutiny.
- Emerging markets outperformed developed markets with Asia being the strongest region within emerging markets.

Emerging markets

- China led a sharp rally higher in emerging markets after the Chinese government announced extensive stimulus measures aimed at tackling weakening economic activity, deflation, and its deteriorating property market.

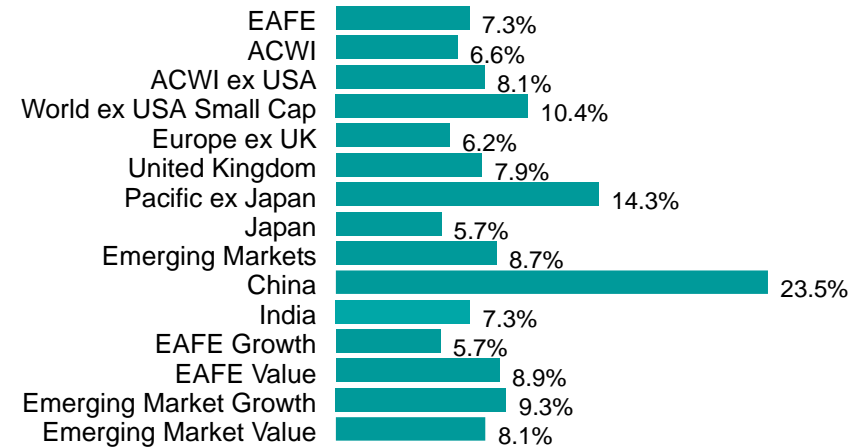
Growth vs. value

- Generally, value-oriented sectors led markets higher as the technology sector lagged on growth concerns. One exception was China as stimulus announcements boosted beaten down Chinese tech companies.

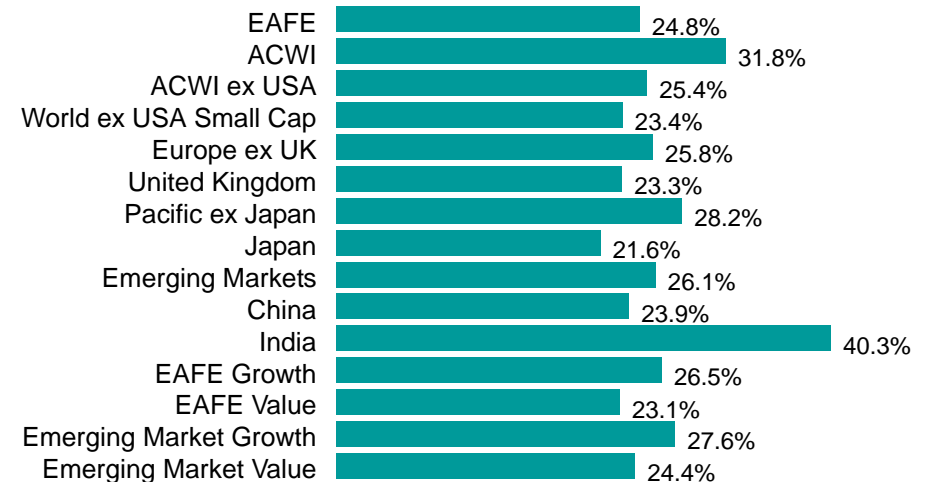
U.S. dollar strength

- The U.S. Dollar Index (DXY), declined over the third quarter amid a much-anticipated rate cut by the U.S. Federal Reserve.

Global Equity Returns: Quarter Ended 9/30/24



Global Equity Returns: One Year Ended 9/30/24



Source: MSCI

U.S. Fixed Income Performance: 3Q24

U.S. taxable bond markets rallied in 3Q

Macro environment

- The Fed lowered rates for the first time since 2020, reducing its overnight target by 50 bps; Fed “dot plot” indicates two more cuts by year-end.
- U.S. Treasuries fell across the curve; 10-year Treasury yield declined to 3.81% from 4.36% at the beginning of the quarter.
- The yield curve took a step toward normalization with the 2s/10s ending positive, though rates at the front-end remain elevated vs. intermediate- and long-term.

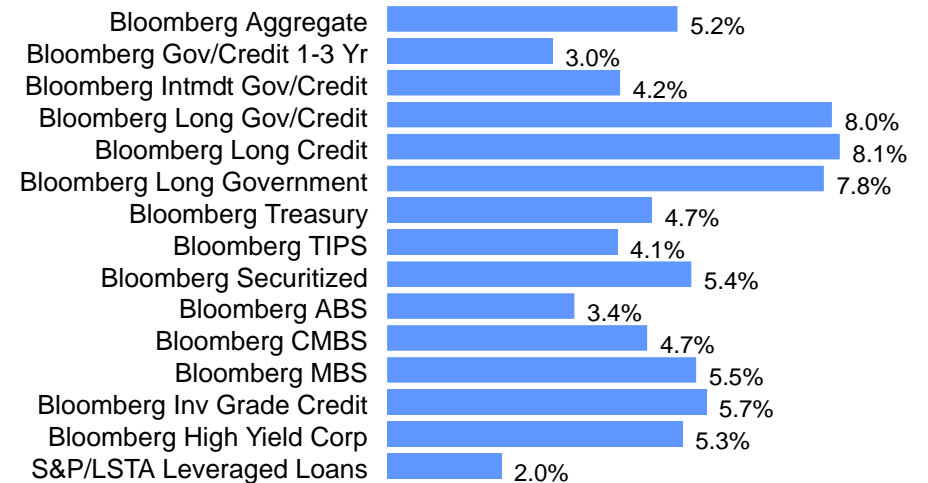
Performance and drivers

- Bloomberg US Aggregate Index gained 5.2%, the second-best quarter in nearly 30 years, led by the rally in rates.
- Investment grade corporates and all securitized sectors outperformed U.S. Treasuries on a duration-adjusted basis.
- High yield corporate excess returns (+1.7%) outpaced investment grade corporates excess returns (+0.8%).

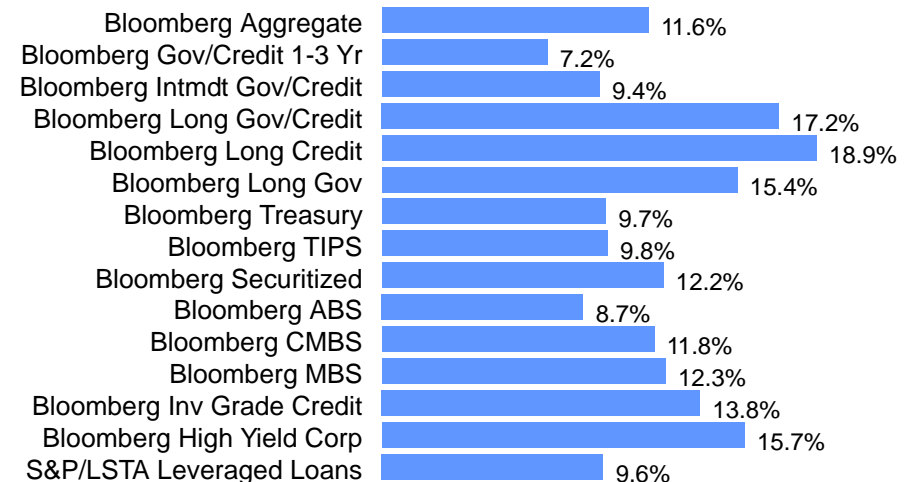
Valuations

- Despite significant widening in late July, both IG and HY spreads ended tighter over the quarter.
- HY defaults declined to 1.8%, while bank loans increased to 3.1%, widening the gap between them to the highest since 2014.
- New issuance continued to be strong, adding \$424 billion in IG and \$78 billion in HY debt.

U.S. Fixed Income Returns: Quarter Ended 9/30/24



U.S. Fixed Income Returns: One Year Ended 9/30/24



Sources: Bloomberg, Callan, J.P. Morgan, S&P Dow Jones Indices, SIFMA

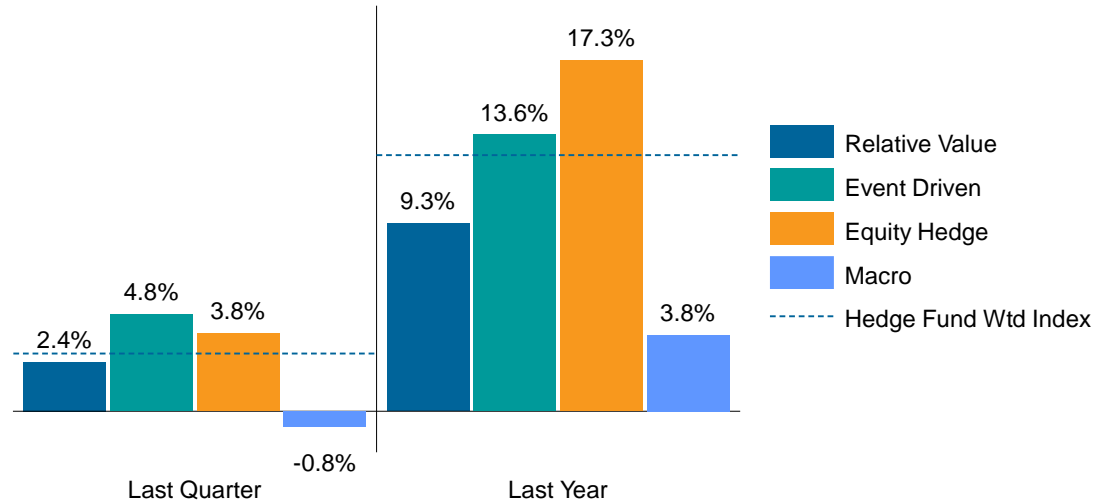
Hedge Fund Performance: 3Q24

Broad indices rallied as the Fed lowered interest rates

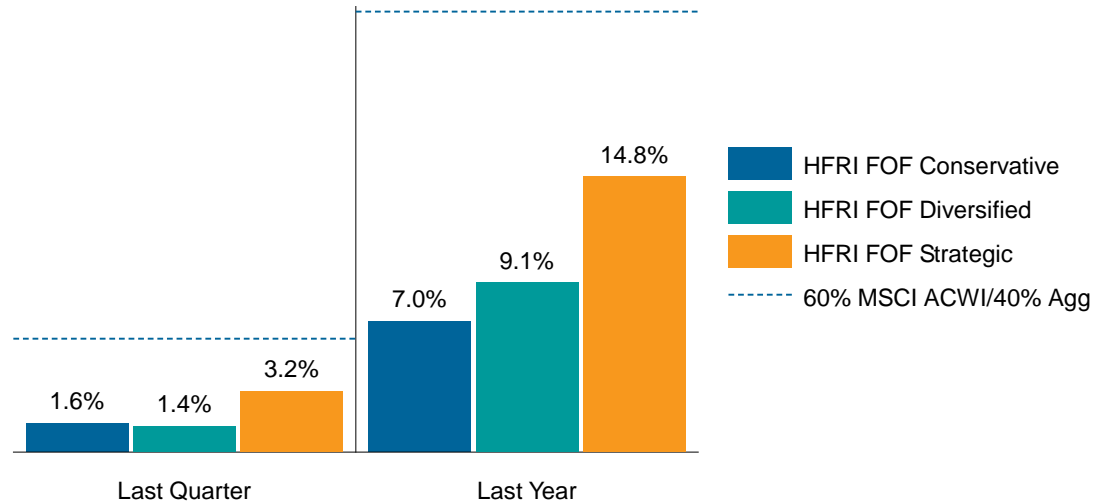
Hedge funds lag equity indices

- Event-driven strategies soared during the quarter, as the Fed lowered interest rates with some positioning for more M&A going into year-end.
- Equity hedge strategies continued their strong performance, as managers were able to profit on the rate cut during the quarter.
- Relative value strategies had a strong quarter, as managers were able to profit off the interest rate cut and are positioned for additional cuts through year-end.
- Macro strategies ended 3Q24 lower, but managers were able to profit during September off the rate cut.

HFRI Strategy Index Returns vs. Broad Hedge Fund Universe as of 9/30/24



HFRI Fund-of-Funds Returns vs. 60% Stock/40% Bond Mix as of 9/30/24



FOFs continued to march higher

- FOFs with more exposure to equity and event-driven managers outperformed those with more exposure to macro strategies.
- Those FOFs with less diversification and more equity beta saw higher performance during the quarter.

Source: Hedge Fund Research

U.S. Private Real Estate Performance: 3Q24

Sector appreciation turns positive, outside of office

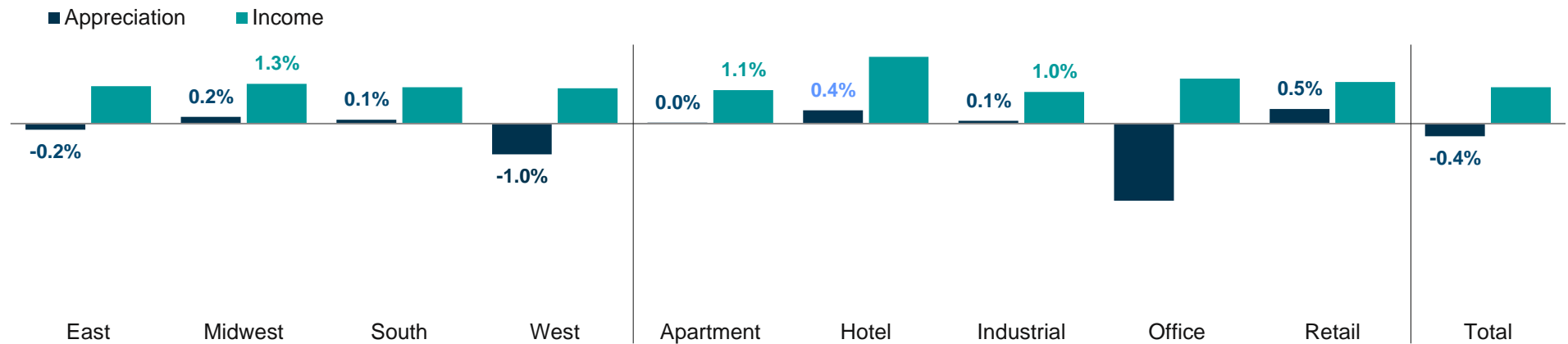
Valuations reflect higher interest rates

- After eight consecutive quarters of negative returns, valuations have adjusted to reflect higher borrowing costs.
- Income returns were positive across sectors and regions.
- All property sectors experienced flat or positive appreciation, except for Office.
- Return dispersion by manager within the ODCE Index was due to the composition of underlying portfolios.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NCREIF ODCE	0.0%	-8.0%	-1.0%	2.1%	5.2%
Income	0.8%	3.2%	2.8%	2.9%	3.2%
Appreciation	-0.8%	-10.9%	-3.8%	-0.9%	1.9%
NCREIF Property Index	0.8%	-3.5%	0.9%	3.3%	5.9%
Income	1.2%	4.7%	4.3%	4.3%	4.5%
Appreciation	-0.4%	-7.9%	-3.3%	-1.0%	1.3%

Returns are geometrically linked

NCREIF Property Index Quarterly Returns by Region and Property Type



Source: NCREIF; ODCE return is net

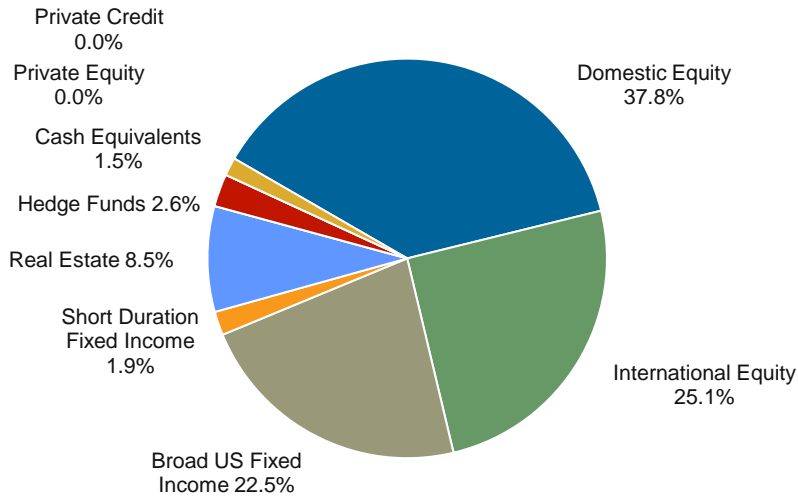
Forest Preserve Fund

3rd Quarter Investment Performance

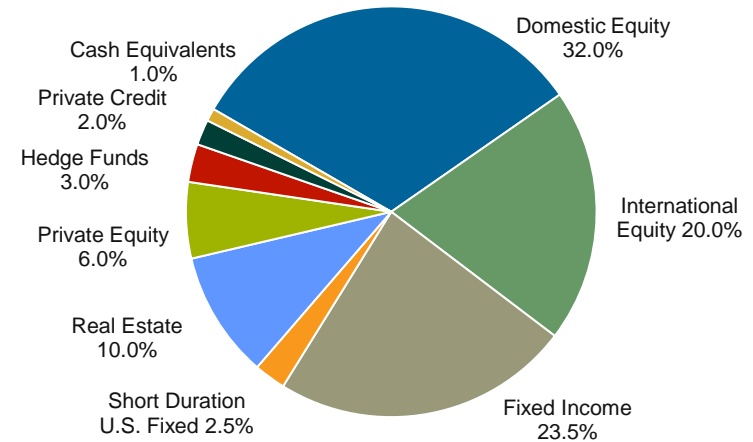
Asset Allocation vs Policy Target*

As of September 30, 2024

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Min Target	Target	Max Target	Percent Difference	\$000s Difference
Domestic Equity	78,694	37.8%	28.0%	32.0%	36.0%	5.8%	12,117
International Equity	52,248	25.1%	16.0%	20.0%	24.0%	5.1%	10,637
Broad US Fixed Income	46,785	22.5%	19.5%	23.5%	27.5%	(1.0%)	(2,107)
Short Duration Fixed Income	4,000	1.9%	0.0%	2.5%	4.5%	(0.6%)	(1,201)
Real Estate	17,783	8.5%	6.0%	10.0%	14.0%	(1.5%)	(3,022)
Private Equity	-	0.0%	0.0%	6.0%	10.0%	(6.0%)	(12,483)
Hedge Funds	5,492	2.6%	0.0%	3.0%	6.0%	(0.4%)	(750)
Private Credit	-	0.0%	0.0%	2.0%	4.0%	(2.0%)	(4,161)
Cash Equivalents	3,051	1.5%	0.0%	1.0%	5.0%	0.5%	970
Total	208,053	100.0%		100%			

- The Forest Preserve Fund’s largest overweights are to Domestic Equity (+5.8%) and International Equity (+5.1%). These are largely offset by the underweights to Private Equity (-6.0%) and Private Credit (-2.0%), which are yet to be implemented.

*The target allocation was approved in September 2023. The Total Fund benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of non-publicly traded investments.

Total Fund Asset Summary (\$)

As of September 30, 2024

	September 30, 2024		Net New Inv.	Inv. Return	June 30, 2024	
	Market Value	Weight			Market Value	Weight
Domestic Equity	\$78,693,871	37.82%	\$(4,110,000)	\$4,795,154	\$78,008,718	38.89%
International Equity	\$52,248,375	25.11%	\$(5,072,350)	\$3,705,456	\$53,615,269	26.73%
Fixed Income	\$50,784,440	24.41%	\$6,000,000	\$2,167,717	\$42,616,724	21.25%
Real Estate	\$17,782,968	8.55%	\$(328,170)	\$(164,071)	\$18,275,209	9.11%
Hedge Funds	\$5,491,903	2.64%	\$(13,821)	\$86,740	\$5,418,984	2.70%
Miscellaneous Assets	\$0	0.00%	\$(1,159)	\$1,159	\$0	0.00%
Cash Equivalents	\$3,050,984	1.47%	\$365,411	\$25,190	\$2,660,383	1.33%
Total Forest Preserve Fund	\$208,052,542	100.00%	\$(3,160,089)	\$10,617,344	\$200,595,286	100.00%

Changes in Total Fund Assets	Ending Market Value	Net New Investment	Investment Returns	Beginning Market Value
Last Quarter (6/30/23 – 9/30/24)	\$208,052,542	(\$3,160,089)	\$10,617,344	\$200,595,286
Last Year (9/30/23 – 9/30/24)	\$208,052,542	(\$13,646,886)	\$35,038,919	\$186,660,509

Benchmark detail included in the Appendix.

Asset Class Performance Returns (NOF)

As of September 30, 2024

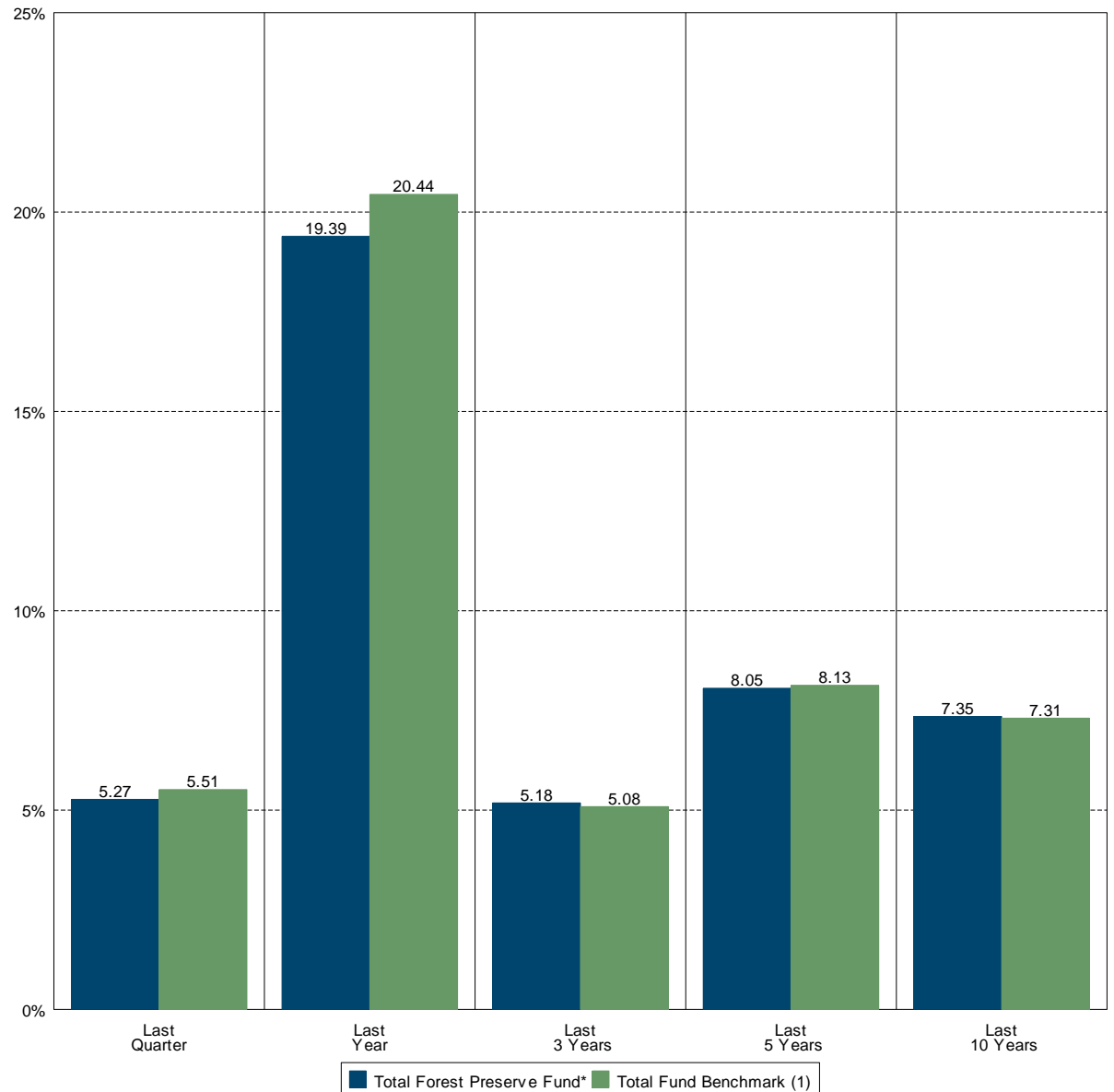
	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$78,693,871	37.82%	6.14%	33.02%	9.82%	14.40%	12.43%
Domestic Equity Benchmark (2)	-	-	6.23%	35.19%	10.29%	15.26%	12.84%
International Equity	\$52,248,375	25.11%	6.89%	23.40%	4.30%	7.70%	6.31%
International Equity Bnmk (4)	-	-	8.06%	25.35%	4.14%	7.59%	5.22%
Fixed Income	\$50,784,440	24.41%	5.05%	11.30%	(0.38%)	0.84%	2.00%
Fixed Income Benchmark (3)	-	-	4.99%	11.21%	(1.08%)	0.47%	1.92%
**Real Estate	\$17,782,968	8.55%	(1.01%)	(11.14%)	(0.05%)	2.33%	4.68%
NFI-ODCE Value Weight Net	-	-	0.02%	(8.04%)	(1.04%)	2.05%	5.16%
**Hedge Funds	\$5,491,903	2.64%	1.35%	10.28%	6.63%	5.57%	4.99%
90-Day Average SOFR + 4% (5)	-	-	2.32%	9.57%	7.79%	6.55%	5.93%
HFRI Fund of Funds Index (6)	-	-	1.15%	8.61%	2.22%	5.11%	3.54%
Cash Equivalents	\$3,050,984	1.47%	1.31%	5.49%	3.62%	2.40%	1.89%
3-month Treasury Bill	-	-	1.37%	5.46%	3.49%	2.32%	1.65%
Total Forest Preserve Fund	\$208,052,542	100.00%	5.27%	19.39%	5.18%	8.05%	7.35%
Total Fund Benchmark (1)	-	-	5.51%	20.44%	5.08%	8.13%	7.31%

**Real Estate and Hedge Fund information reflect trailing market values. Benchmark detail included in the Appendix.

Total Fund Performance*

As of September 30, 2024

- 3rd Quarter: The Total Fund trailed its benchmark for the quarter. Active management detracted from relative performance.
- One Year: The Total Fund underperformed its benchmark. Active management in Domestic Equity and International Equity were the largest detractors.
- Three Years: The Total Fund outperformed its benchmark. Active management in Real Estate and underweights to Fixed Income were the largest contributors.
- Five Years: The Total Fund modestly trailed its benchmark. Active management in Domestic Equity was the largest detractor while underweights to Fixed Income added the most value.
- Ten Years: The Total Fund outperformed its benchmark over the trailing ten-year period. International Equity and Fixed Income outperformed their respective benchmarks.

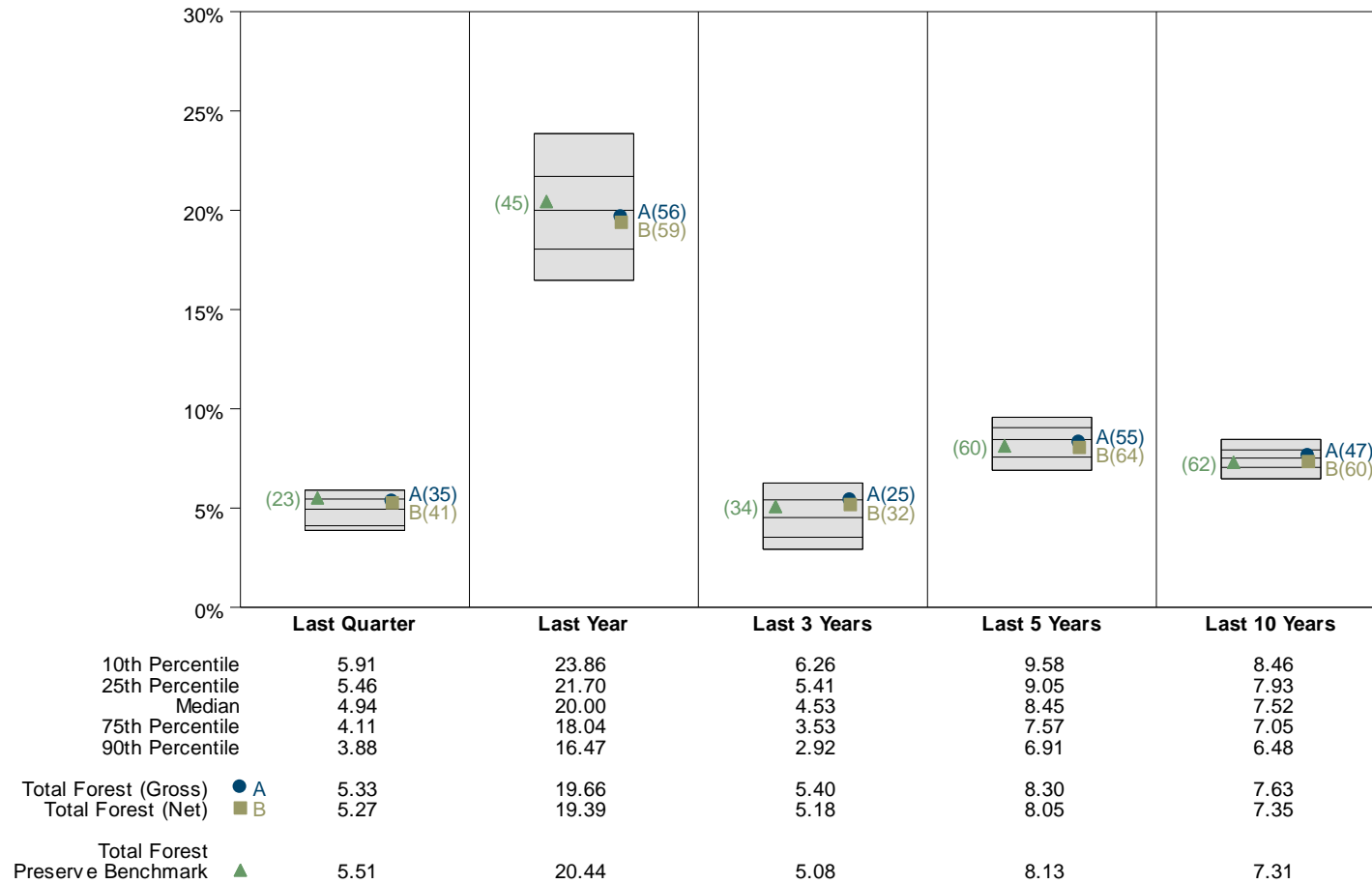


*Net of Fee Returns. Benchmark detail included in the Appendix.

Total Fund Performance

As of September 30, 2024

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

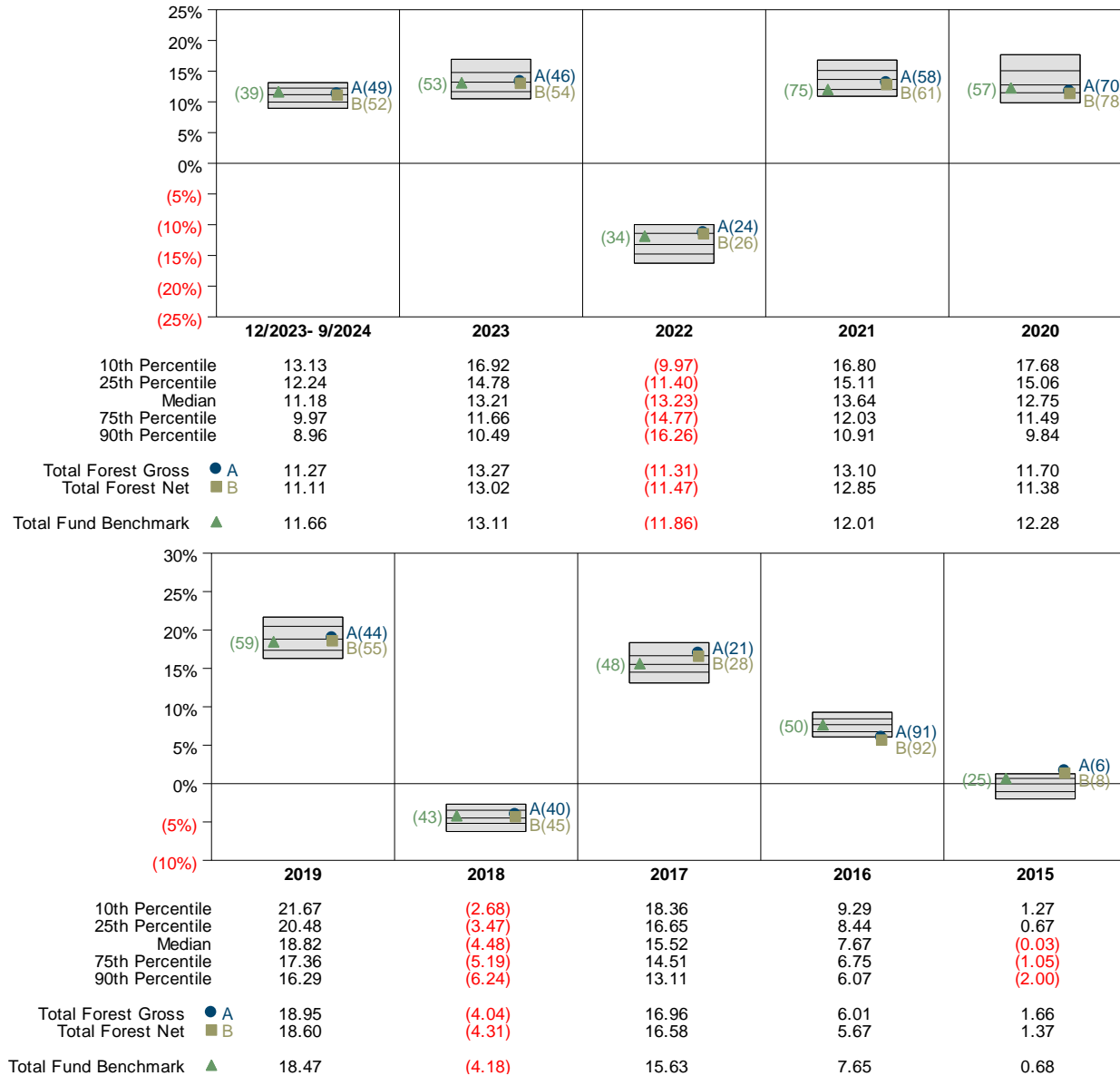


- Over the last year, the Fund trailed its benchmark and ranked at the 56th percentile of peers.
- The Fund outperformed its benchmark over the last three- and ten-year periods and ranked in the top half of peers.
- Over the last five years, the Fund performed in line with its benchmark and ranked in the 55th percentile of peers.

Benchmark detail included in the Appendix.

Total Fund Calendar Year Performance

Callan Public Fund Mid-Size Peer Universe (GOF)



Benchmark detail included in the Appendix.

Performance Detail (NOF)

As of September 30, 2024

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$78,693,871	37.82%	6.14%	33.02%	9.82%	14.40%	12.43%
Domestic Equity Benchmark (2)	-	-	6.23%	35.19%	10.29%	15.26%	12.84%
Rhumblin Large Cap Core	62,838,103	30.20%	5.89%	35.50%	11.77%	15.81%	13.29%
S&P 500 Index	-	-	5.89%	36.35%	11.91%	15.98%	13.38%
Small/Mid Cap	\$15,855,768	7.62%	7.24%	23.06%	2.19%	8.79%	9.30%
William Blair Small/Mid Cap	7,816,887	3.76%	8.81%	24.08%	0.78%	8.80%	11.54%
Russell 2500 Growth Index	-	-	6.99%	25.20%	(0.75%)	9.75%	9.98%
Channing Small/Mid Cap	8,038,881	3.86%	5.75%	22.10%	3.59%	8.52%	6.89%
Russell 2500 Value Index	-	-	9.63%	26.59%	6.06%	9.99%	8.47%
International Equity	\$52,248,375	25.11%	6.89%	23.40%	4.30%	7.70%	6.31%
International Equity Bnmk (4)	-	-	8.06%	25.35%	4.14%	7.59%	5.22%
Lazard Asset Mgmt	35,954,278	17.28%	6.40%	22.50%	4.32%	7.67%	6.40%
SSGA MSCI ACWI ex US	16,294,097	7.83%	7.93%	25.24%	4.27%	7.73%	-
MSCI ACWI ex US	-	-	8.06%	25.35%	4.14%	7.59%	5.22%
Fixed Income	\$50,784,440	24.41%	5.05%	11.30%	(0.38%)	0.84%	2.00%
Fixed Income Benchmark (3)	-	-	4.99%	11.21%	(1.08%)	0.47%	1.92%
Broad US Fixed Income	\$46,784,768	22.49%	5.14%	11.49%	(1.43%)	0.28%	1.79%
Mellon Capital	46,784,768	22.49%	5.14%	11.49%	(1.43%)	0.28%	1.77%
Bloomberg Aggregate Index	-	-	5.20%	11.57%	(1.39%)	0.33%	1.84%
Short Duration	\$3,999,672	1.92%	3.40%	7.70%	1.91%	1.97%	-
Garcia Hamilton	3,999,672	1.92%	3.40%	7.70%	1.91%	1.97%	-
Blmbg Gov/Cred 1-3 Yr	-	-	2.96%	7.19%	1.50%	1.70%	1.64%
**Real Estate	\$17,782,968	8.55%	(1.01%)	(11.14%)	(0.05%)	2.33%	4.68%
Clarion Lion Industrial Trust	2,486,271	1.20%	(1.02%)	(4.94%)	-	-	-
JP Morgan Strategic Property Fd	6,297,911	3.03%	0.00%	(12.05%)	(3.22%)	0.69%	4.31%
Prudential PRISA	8,998,787	4.33%	(1.71%)	(12.05%)	0.50%	2.28%	-
NCREIF NFI-ODCE Val Wt Nt	-	-	0.02%	(8.04%)	(1.04%)	2.05%	5.16%
**Hedge Funds	\$5,491,903	2.64%	1.35%	10.28%	6.63%	5.57%	4.99%
Blackstone Burnham Fd	5,491,903	2.64%	1.35%	10.28%	6.63%	5.57%	4.99%
90-Day Average SOFR + 4% (5)	-	-	2.32%	9.57%	7.79%	6.55%	5.93%
HFRI Fund of Funds Index (6)	-	-	1.15%	8.61%	2.22%	5.11%	3.54%
Cash Equivalents	\$3,050,984	1.47%	1.31%	5.49%	3.62%	2.40%	1.89%
3-month Treasury Bill	-	-	1.37%	5.46%	3.49%	2.32%	1.65%
Total Forest Preserve Fund	\$208,052,542	100.00%	5.27%	19.39%	5.18%	8.05%	7.35%
Total Fund Benchmark (1)	-	-	5.51%	20.44%	5.08%	8.13%	7.31%

**Real Estate and Hedge Fund information reflect trailing market values. Benchmark detail included in the Appendix.

Manager Updates

3rd Quarter 2024

PGIM Private Alternatives – Private Real Estate

Eric Adler, CEO of PGIM Private Alternatives, departed the firm on September 27, 2024, to take a senior leadership role at another investment firm. Adler had served in this role since September 2023 and oversaw the integration of PGIM's Real Estate, Private Capital, and Montana Capital Partners businesses. PGIM CEO David Hunt will temporarily oversee PGIM Private Alternatives while the firm searches for Adler's replacement. There are no changes to the day-to-day management of the real estate business, which continues to be led by co-CEOs Cathy Marcus and Raimondo Amabile, who took over as co-CEOs in September 2023. There is no direct impact to any of PGIM Real Estate's funds or the operations of those products.

The Forest Preserve Fund has \$9.0 million invested in the PGIM PRISA Real Estate Fund.

Callan views the announcement as notable, but not actionable at this time.

J.P. Morgan Asset Management – Private Real Estate

In October 2024, J.P. Morgan announced that Caitlin Simon will transition out of her role as co-PM for the Strategic Property Fund in early 2025. The fund's other co-PMs, Susan Kolasa and Brian Nottage, will continue as the two co-lead portfolio managers, with Jason Curran serving as the assistant portfolio manager. This change follows the retirement of Nancy Brown, portfolio manager of the J.P. Morgan Income & Growth Fund, with Caitlin Simon stepping in as Ms. Brown's replacement on that fund. Although this transition is due to a retirement rather than a voluntary departure, it marks the latest in a series of personnel changes over the past year within the J.P. Morgan Real Estate Americas platform.

The Forest Preserve Fund has approximately \$6.3 million invested in the J.P. Morgan Strategic Property Fund.

The Forest Preserve Fund has submitted a redemption request for the Strategic Property Fund due to personnel changes on the strategy.

Appendix

Performance Detail (GOF)

As of June 30, 2024

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$78,693,871	37.82%	6.19%	33.20%	9.97%	14.56%	12.66%
Domestic Equity Benchmark (2)	-	-	6.23%	35.19%	10.29%	15.26%	12.84%
Rhumblin Large Cap Core	62,838,103	30.20%	5.89%	35.51%	11.78%	15.82%	13.30%
S&P 500 Index	-	-	5.89%	36.35%	11.91%	15.98%	13.38%
Small/Mid Cap	\$15,855,768	7.62%	7.47%	23.88%	2.85%	9.45%	9.99%
William Blair Small/Mid Cap	7,816,887	3.76%	9.01%	24.95%	1.52%	9.55%	12.35%
Russell 2500 Growth Index	-	-	6.99%	25.20%	(0.75%)	9.75%	9.98%
Channing Small/Mid Cap	8,038,881	3.86%	6.01%	22.86%	4.18%	9.09%	7.47%
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International Equity	\$52,248,375	25.11%	6.97%	23.60%	4.46%	7.86%	6.50%
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Lazard Asset Mgmt	35,954,278	17.28%	6.53%	22.77%	4.53%	7.88%	6.61%
SSGA MSCI ACWI ex US	16,294,097	7.83%	7.95%	25.30%	4.33%	7.79%	-
MSCI ACWI ex US	-	-	8.06%	25.35%	4.14%	7.59%	5.22%
Fixed Income	\$50,784,440	24.41%	5.07%	11.33%	(0.36%)	0.87%	2.04%
Fixed Income Benchmark (3)	-	-	4.99%	11.21%	(1.08%)	0.47%	1.92%
Broad US Fixed Income	\$46,784,768	22.49%	5.15%	11.51%	(1.41%)	0.30%	1.83%
Mellon Capital	46,784,768	22.49%	5.15%	11.51%	(1.41%)	0.30%	1.79%
Bloomberg Aggregate Index	-	-	5.20%	11.57%	(1.39%)	0.33%	1.84%
Short Duration	\$3,999,672	1.92%	3.44%	7.81%	2.07%	2.10%	-
Garcia Hamilton	3,999,672	1.92%	3.44%	7.81%	2.07%	2.10%	-
Blmbg Gov/Cred 1-3 Yr	-	-	2.96%	7.19%	1.50%	1.70%	1.64%
**Real Estate	\$17,782,968	8.55%	(0.91%)	(10.29%)	0.50%	2.98%	5.26%
Clarion Lion Industrial Trust	2,486,271	1.20%	(0.78%)	(4.04%)	-	-	-
JP Morgan Strategic Property Fd	6,297,911	3.03%	0.21%	(11.51%)	(2.75%)	1.28%	5.00%
Prudential PRISA	8,998,787	4.33%	(1.71%)	(10.97%)	1.07%	2.96%	-
NFI-ODCE Val Weight Net	-	-	0.02%	(8.04%)	(1.04%)	2.05%	5.16%
**Hedge Funds	\$5,491,903	2.64%	1.60%	11.39%	7.72%	6.64%	6.05%
Blackstone Burnham Fd	5,491,903	2.64%	1.60%	11.39%	7.72%	6.64%	6.05%
90-Day Average SOFR + 4% (5)	-	-	2.32%	9.57%	7.79%	6.55%	5.93%
HFRI Fund of Funds Index (6)	-	-	1.15%	8.61%	2.22%	5.11%	3.54%
Cash Equivalents	\$3,050,984	1.47%	1.31%	5.49%	3.62%	2.40%	1.91%
3-month Treasury Bill	-	-	1.37%	5.46%	3.49%	2.32%	1.65%
Total Forest Preserve Fund	\$208,052,542	100.00%	5.33%	19.66%	5.40%	8.30%	7.63%
Total Fund Benchmark (1)	-	-	5.51%	20.44%	5.08%	8.13%	7.31%

**Real Estate and Hedge Fund information represent trailing market values.

Performance Attribution (GOF) – 3rd Quarter

As of September 30, 2024

Relative Attribution Effects for Quarter ended September 30, 2024

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	36%	6.19%	6.23%	(0.02%)	0.02%	0.01%
International Equity	27%	23%	6.97%	8.06%	(0.29%)	0.10%	(0.19%)
Broad US Fixed Inc	21%	25%	5.15%	5.20%	(0.01%)	0.01%	0.00%
Short Duration	1%	3%	3.44%	2.96%	0.00%	0.04%	0.05%
Real Estate	9%	10%	(0.91%)	0.02%	(0.09%)	0.07%	(0.02%)
Hedge Funds	3%	3%	1.60%	2.32%	(0.02%)	0.01%	(0.01%)
Cash	1%	1%	1.31%	1.37%	(0.00%)	(0.02%)	(0.02%)
Total			5.33%	5.51%	+ (0.41%)	+ 0.23%	(0.18%)

- **Total Fund Return:** The Fund returned 5.33% for the quarter and underperformed the benchmark by 0.18%.
 - International Equity earned the highest absolute return during the quarter.
 - Short Duration Fixed Income added the most value on a relative basis.
- **Manager Performance:** The manager effect was negative overall for the quarter.
 - Active management in International Equity and Real Estate were the primary detractors.
- **Actual Allocation:** Variance from policy weights had a positive impact on relative performance.
 - Overweights to Domestic Equity and International Equity and underweights to Fixed Income and Real Estate added value.

Performance Attribution (GOF) – One Year

As of September 30, 2024

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	37%	35%	33.20%	35.19%	(0.67%)	0.19%	(0.48%)
International Equity	26%	24%	23.60%	25.35%	(0.46%)	0.10%	(0.37%)
Broad US Fixed Inc	21%	24%	11.51%	11.57%	(0.01%)	0.24%	0.23%
Short Duration	1%	2%	7.81%	7.19%	0.01%	0.16%	0.17%
Real Estate	10%	10%	(10.29%)	(8.04%)	(0.27%)	(0.04%)	(0.31%)
Hedge Funds	3%	4%	11.39%	9.57%	0.06%	0.03%	0.09%
Cash	2%	1%	5.49%	5.46%	0.00%	(0.11%)	(0.11%)
Total			19.66%	= 20.44%	+ (1.35%)	+ 0.56%	(0.78%)

- **Total Fund Return:** For the last year, the Fund returned 19.66% and underperformed the benchmark return by 0.78%.
 - Domestic Equity contributed the highest absolute return.
 - Broad US Fixed Income, Short Duration Fixed Income, and Hedge Funds added positive relative contributions.
- **Manager Performance:** Active Management detracted over the last year.
 - Active management in Domestic Equity, International Equity, and Real Estate were the primary detractors.
 - Hedge Fund and Short Duration Fixed Income managers added value.
- **Actual Allocation:** Variance from policy weights had a positive impact on relative performance.
 - Overweights to Domestic Equity International Equity and underweights to Fixed Income added the most value.
 - Small overweights to Cash and Real Estate were detracted from relative results.

Performance Attribution (GOF) – Three Years

As of September 30, 2024

Three Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return		
Domestic Equity	35%	34%	9.97%	10.29%	(0.14%)	0.06%	(0.07%)		
International Equity	27%	25%	4.46%	4.14%	0.07%	0.04%	0.11%		
Broad US Fixed Inc	18%	22%	(1.41%)	(1.39%)	(0.00%)	0.19%	0.19%		
Short Duration	2%	2%	2.07%	1.50%	0.04%	0.18%	0.22%		
Real Estate	11%	10%	0.50%	(1.04%)	0.21%	(0.07%)	0.14%		
Hedge Funds	6%	6%	7.72%	7.79%	(0.03%)	(0.16%)	(0.19%)		
Cash	1%	1%	3.62%	3.49%	0.00%	(0.08%)	(0.08%)		
Total			5.40%	5.09%	+	0.14%	+	0.17%	0.31%

- **Total Fund Return:** Over the last three years, the Fund returned 5.40% and outperformed the benchmark return by 0.31%.
 - Domestic Equity earned the highest absolute return.
 - Short Duration Fixed Income added the strongest relative contribution.
- **Manager Performance:** Active management was positive over the last three years.
 - Active management in International Equity, Real Estate, and Short Duration Fixed Income were the largest contributors.
 - Active management in Domestic Equity and Hedge Funds detracted.
- **Actual Allocation:** Variance from policy weights had a positive impact overall on relative results.
 - The Fund benefited from underweights to Fixed Income and overweights to Domestic Equity and International Equity.
 - A small underweight to Hedge Funds and overweights to Real Estate and Cash were the primary detractors.

Performance Attribution (GOF) – Five Years

As of September 30, 2024

Five Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	35%	33%	14.56%	15.26%	(0.24%)	0.07%	(0.16%)
International Equity	28%	26%	7.86%	7.59%	0.07%	0.01%	0.08%
Broad US Fixed Inc	17%	21%	0.30%	0.33%	(0.01%)	0.25%	0.25%
Short Duration	3%	2%	2.10%	1.71%	0.01%	0.08%	0.10%
Real Estate	9%	9%	2.98%	2.05%	0.14%	(0.04%)	0.10%
Hedge Funds	8%	7%	6.64%	6.55%	(0.03%)	(0.15%)	(0.18%)
Cash	1%	1%	2.40%	2.32%	0.00%	(0.01%)	(0.01%)
Total			8.30%	= 8.13%	+ (0.05%)	+ 0.22%	0.17%

- **Total Fund Return:** Over the last five years, the Fund returned 8.30% and outperformed the benchmark return by 0.17%.
 - Domestic Equity posted the highest absolute return.
 - International Equity, Real Estate, Broad US Fixed Income, and Short Duration Fixed Income added positive relative returns.
- **Manager Performance:** Overall, the manager effect was slightly negative over the last five years.
 - Active management in International Equity and Real Estate were the largest contributors.
 - Active management in Domestic Equity, Hedge Funds, and Broad US Fixed Income detracted.
- **Actual Allocation:** The variance from policy weights had a positive impact overall.
 - An underweight to Broad US Fixed Income added the most value.
 - An overweight to Hedge Funds was the primary detractor.

Benchmark Definitions

1. **Total Fund Benchmark:** Blend of asset class benchmarks at policy weights. The target allocation was approved in September 2023; however, the benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of non-publicly traded investments.

	<u>Target</u>
Domestic Equity	32.0%
International Equity	20.0
Broad US Fixed Income	23.5
Short Duration Fixed Income	2.5
Real Estate	10.0
Private Equity*	6.0
Hedge Funds	3.0
Private Credit*	2.0
Cash (90 day T-Bill)	1.0
Total Target	100.0%

2. **Domestic Equity Benchmark:** Russell 3000 Index; Prior to 6/30/2016 Blend of 70% S&P 500 and 30% Russell 2500 Index; Prior to 12/31/2012 Blend of 55.6% S&P 500, 11.0% Russell 2000 Value, 16.7% Russell 1000 Growth, and 16.7% Russell 1000 Value.
3. **Fixed Income Benchmark:** Blend of 90% Bloomberg Aggregate Index, and 10% Bloomberg Gov/Credit 1-3 Year Index; Prior to 12/31/2019 BloomBarc Aggregate Index; Prior to 12/31/2012 Blend of 75% Bloomberg Aggregate Index, and 25% Bloomberg Gov/Credit Intermediate Index.
4. **International Equity Benchmark:** MSCI ACWI ex U.S.
5. **Hedge Funds Benchmark:** (1) 90-Day Average SOFR + 4% (prior to 12/31/2022 - LIBOR + 4%); (2) HFRI Fund of Funds Composite Index (returns lagged one month)
6. **Real Estate Benchmark:** NCREIF NFI-ODCE Val Wt Nt

*Private Equity and Private Credit investment approved by the Board in September 2023 to be implemented at a future date. The appropriate benchmark will be determined at that time.

Current Quarter Target = 36.0% Russell 3000 Index, 24.5% Blmbg:Aggregate, 23.0% MSCI ACWI xUS (Net), 10.0% NCREIF NFI-ODCE Val Wt Nt, 3.0% 90-Day Avg. SOFR +4%, 2.5% Bloomberg Gov/Cred 1-3 Yr, and 1.0% 3-Month T-Bill

Benchmark Definitions

- Russell: 1000 Index is comprised of the top 1000 domestic equities, representing 88% of the U.S. equity market capitalization.
- Russell: 2000 Index is comprised of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.
- MSCI: EAFE Index is comprised of stocks traded in the developed markets of Europe, Asia, and the Far East. The index tries to capture at least 60% of investable capitalization in said markets subject to constraints governed by industry representation, maximum liquidity, maximum float, and minimum cross-ownership (companies with exposure in multiple countries). The index is capitalization weighted.
- MSCI: EM Index is comprised of stocks traded in the emerging markets of the world that are open to foreign investment. Emerging markets are defined to be countries that exhibit low GDP levels, limitations on foreign investment, lax regulation, irregular trading hours, less sophisticated back office operations, greater perceived risk, restrictions on repatriation of initial capital, dividends, interest, and/or capital gains, and a general perception of the investment community that a country should be considered emerging. The index tries to capture at least 60% of investable capitalization in said markets subject to constraints governed by industry representation, maximum liquidity, maximum float, and minimum cross-ownership (companies with exposure in multiple countries). The index is capitalization weighted.
- Bloomberg Barclays Aggregate Index includes fixed rate debt issues rated investment grade or higher by Moody's Investors Service, Standard and Poor's, or Fitch Investor's Service, in that order. All issues must have at least 1 year left to maturity and have an outstanding par value of at least \$100 million. The Aggregate Index is comprised of the Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices.
- NCREIF: NFI-ODCE Val Wt Index is a time-weighted return Index with an inception date of 12/31/1977. The Index is comprised of 33 open-end commingled funds, in which 23 are still actively investing. Inclusion within the Index requires (a) minimum of 80% of net fund assets invested in the multifamily, retail, industrial, office, or hotel property type, (b) maximum of 20% of net fund assets invested in real estate debt or private/public company equity, (c) at least 80% of net assets invested in properties with a minimum occupancy of 60%, (d) no more than 70% of real estate net assets invested in a single property type or region, (e) maximum of 40% leverage, and (f) at least 95% of net real estate assets invested within the U.S. market.
- HFRI Fund of Funds Index invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies. The minimum investment in a Fund of Funds may be lower than an investment in an individual hedge fund or managed account. The investor has the advantage of diversification among managers and styles with significantly less capital than investing with separate managers.

Published Research Highlights: 3Q24

STAR Report (clients-only)



Private Equity Fees and Terms Study



2Q24 Market Intelligence Report (clients-only)



Coming Soon: ESG Survey



Recent Blog Posts

Navigating U.S. Equity Concentration: A Look at Global Stocks

Fanglue Zhou

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Nicole Wubbena

Additional Reading

Active vs. Passive quarterly charts

Capital Markets Review quarterly newsletter

Monthly Updates to the Periodic Table

Market Pulse Flipbook quarterly markets update

Market Intelligence (clients-only)

Real Estate Indicators market outlook

Callan Institute Events

Upcoming conferences, workshops, and webinars

2025 National Conference

Mark your calendars for this event in Scottsdale on April 27-29, 2025

Our annual conference will feature mainstage speakers and Callan-led workshops on a variety of topics.

This year we welcome Zanny Minton Beddoes to the stage.

Registration for this event will open in January 2025!

Please visit our website at callan.com/events-education as we add dates to our 2025 calendar!



Mark Your Calendar

2025 Regional Workshops

June 3, 2025 – Denver

June 5, 2025 – New York

October 28, 2025 – Chicago

October 30, 2025 – San Francisco

Watch your email for further details and an invitation.

Upcoming Webinars

November 21, 2024

Research Café featuring Callan's 2024 Private Equity Fees and Terms Study

January 2025

Callan's 2025 Capital Markets Assumptions Webinar

Introducing Callan On-Demand Education (CODE)

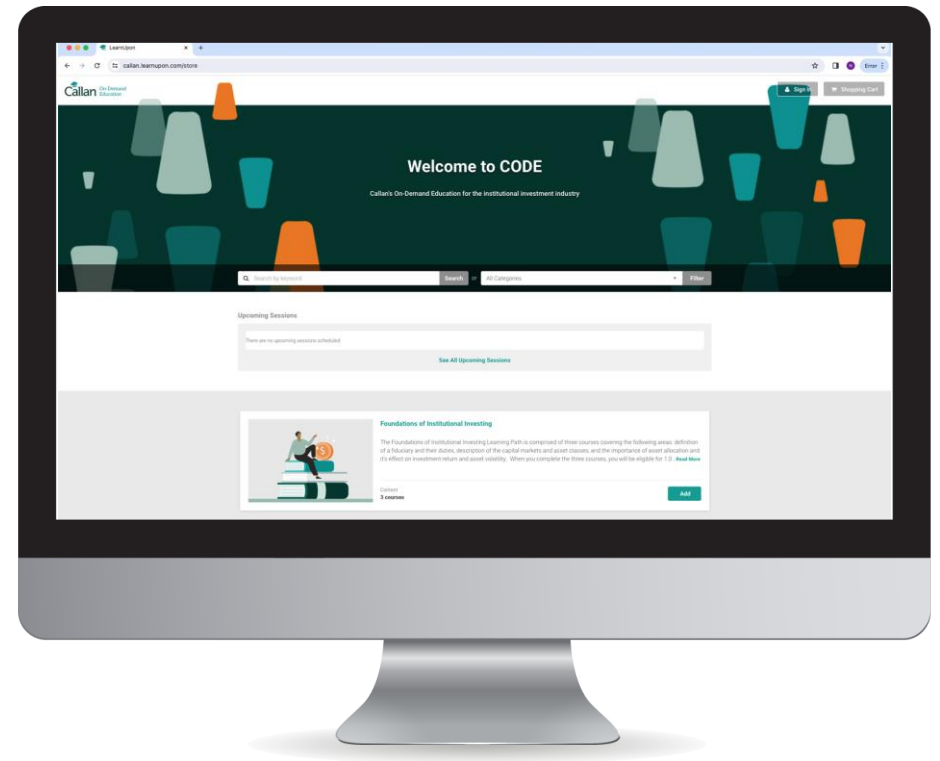


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- 3 Learn from Callan's investment experts

Callan Institute Events

Upcoming conferences, workshops, and webinars

Callan College

Intro to Investments—Learn the Fundamentals

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

– September 24-26, 2024 – Virtual Session via Zoom

Please visit our website at callan.com/events-education as we add dates to our 2024 calendar!

Mark Your Calendar

2024 Regional Workshops

October 22, 2024 – Denver

October 23, 2024 – Chicago

Watch your email for further details and an invitation.

2025 National Conference

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This year we welcome Zanny Minton Beddoes to the stage.

Registration for this event will open in January 2025!

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