



4th Quarter 2024

Forest Preserve Fund

Investment Performance Review

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Forest Preserve Fund

4th Quarter 2024

- The Total Fund ended the quarter with a market value of \$209.0 million, a \$0.9 million increase from the prior quarter ending value of \$208.1 million.
- The allocation of the Fund is in line with expectations. The Domestic Equity and International Equity allocations exceed their target weights by 5.1% and 2.9%, respectively. These overweights are largely offset by the underweights to Private Equity and Private Credit , which are yet to be implemented.
- In the fourth quarter, the Total Fund returned -1.76% (NOF) and underperformed the benchmark return of -1.39%. Over the trailing year, the Total Fund returned 9.31% versus the benchmark return of 10.11%.
 - The **Domestic Equity** allocation returned 1.81% for the quarter and trailed the benchmark return of 2.63%. Over the last year, the Domestic Equity allocation (21.27%) underperformed the benchmark return (23.81%).
 - The **International Equity** allocation returned -8.41% for the quarter and trailed the benchmark return of -7.60%. Over the last year, the International Equity allocation (2.90%) underperformed the benchmark return (5.53%).
 - The **Fixed Income** allocation returned -2.86% for the quarter and underperformed the benchmark return of -2.78%. Over the last year, the Fixed Income allocation (1.38%) underperformed the benchmark (1.53%).
 - The **Real Estate** allocation returned 1.88% for the quarter and outperformed the benchmark return of 0.96%. Over the last year, the Real Estate (-2.51%) allocation underperformed the benchmark return (-2.27%).
 - The **Hedge Funds** allocation returned 4.16% for the quarter and outperformed the benchmark return of 2.26%. Over the last year, the Hedge Funds allocation (11.32%) outperformed the benchmark (9.52%).
- Over the trailing three-year period, the Total Fund returned 2.96% (NOF) versus the benchmark return of 3.16%.
- Over the trailing five-year period, the Total Fund returned 6.53% (NOF) and underperformed the benchmark return of 6.66%.
- Over the trailing ten-year period, the Total Fund returned 6.87% (NOF) and underperformed the benchmark return of 6.98%.
- The Total Fund outperformed its peer group median over the trailing three-year period and ranked just below median over the trailing five- and ten-year periods.

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

Equity Markets Up Sharply in 2024

Stocks have recovered losses of 2022; fixed income still lags

S&P 500 climbed 25% in 2024

- U.S. large cap substantially outperformed U.S. small cap, developed ex-U.S. markets, and emerging markets. Technology and AI drove the S&P 500.

Weak 4Q for core fixed income

- The Bloomberg Aggregate fell 3.1%. Long duration and non-U.S. bonds saw even greater declines.
- Interest rates remain volatile as the markets assess how the Fed will continue with easing.
- CPI-U came in at 2.9% (year-over-year) through December, up from 3Q, but with a welcome decline in the core figure, which rose 3.2%.

Solid growth through 2024

- 3Q GDP came in at a surprisingly strong 3.1%, after another surprise in 2Q, and saw 2.3% growth in 4Q. Consumer spending continues to drive GDP growth.

Returns for Periods ended 12/31/24

	Quarter	Last Year	3 Years	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	2.63	23.81	8.01	13.86	12.55	7.84
S&P 500	2.41	25.02	8.94	14.53	13.10	7.70
Russell 2000	0.33	11.54	1.24	7.40	7.82	7.55
Global ex-U.S. Equity						
MSCI World ex USA	-7.43	4.70	1.91	5.10	5.26	3.78
MSCI Emerging Markets	-8.01	7.50	-1.92	1.70	3.64	--
MSCI ACWI ex USA Small Cap	-7.66	3.36	-1.47	4.30	5.66	6.23
Fixed Income						
Bloomberg Aggregate	-3.06	1.25	-2.41	-0.33	1.35	3.94
90-day T-Bill	1.17	5.25	3.89	2.46	1.77	1.91
Bloomberg Long Gov/Credit	-7.42	-4.15	-9.20	-3.26	0.99	5.36
Bloomberg Global Agg ex-US	-6.84	-4.22	-6.28	-3.37	-0.90	2.45
Real Estate						
FTSE:EP/NA Developed	-9.45	2.00	-5.11	-0.04	3.19	7.31
NCREIF Property	0.90	0.43	-0.82	3.13	5.66	7.58
NCREIF:NFI-ODCE Val Wt Nt	0.96	-2.27	-3.14	1.99	4.94	6.11
Alternatives						
CS Hedge Fund Index	0.74	9.82	5.51	6.22	4.42	5.57
Cambridge Private Equity*	2.68	7.93	2.75	14.27	13.40	12.39
Bloomberg Commodity	-0.45	5.38	4.05	6.77	1.28	2.15
Gold Spot Price	-0.69	27.47	13.04	11.64	8.35	9.24
Inflation - CPI-U	0.10	2.89	4.22	4.20	3.00	2.54

*Cambridge Private Equity data as of 9/30/24.

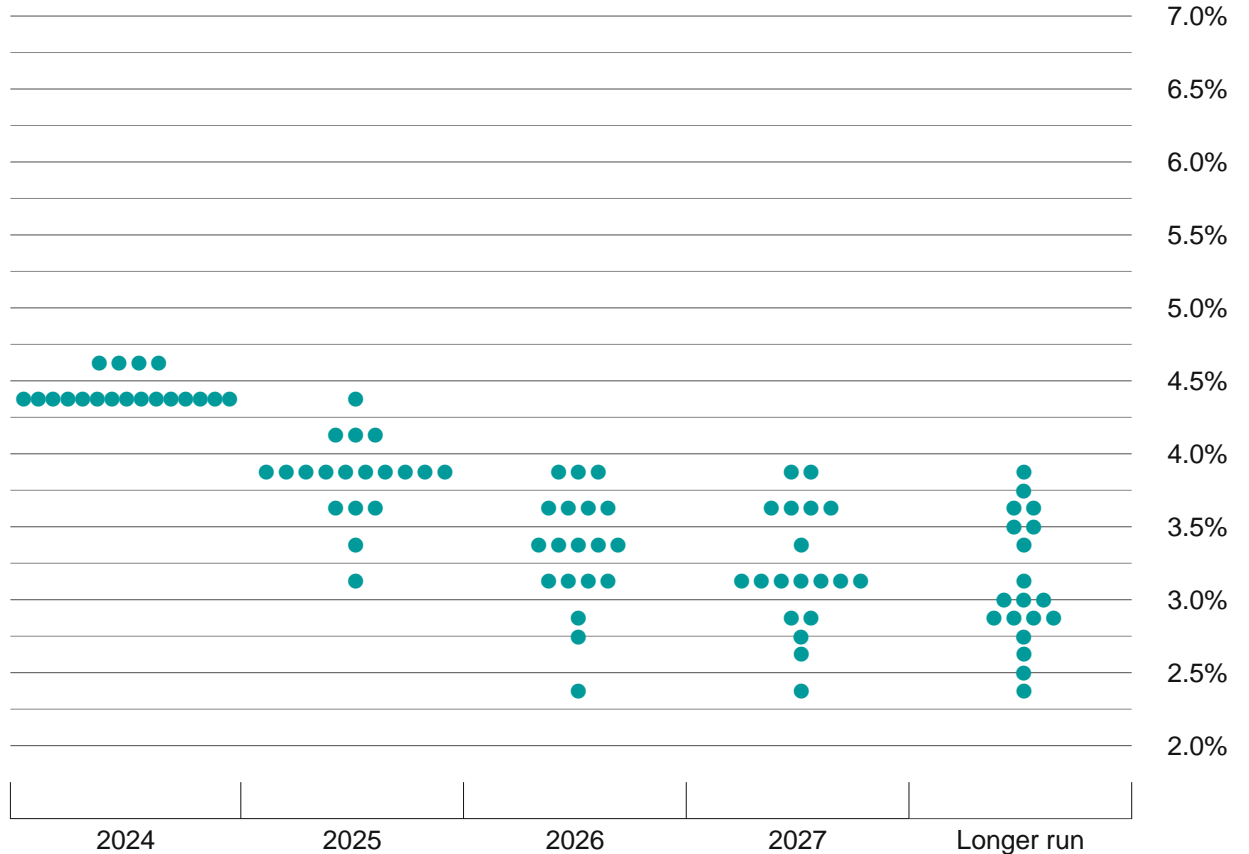
Returns greater than one year are annualized. Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

The Fed's 'Dot Plot'

December 18, 2024

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

- Median year-end in 2025 = 3.9% (up from 3.4% projection at September meeting)
- “Longer run” median up 10 basis points to 3.0%
 - Bias is toward higher rates; lower bound is 2.4% but higher bound is 3.9%.
- Dispersion of views widens in 2025 and beyond.
- Market expects fewer cuts in 2025 based on CME FedWatch as of January; Fed Funds expectations:
 - Majority expect no cuts through May
 - One cut by end of year has 34% probability
 - Two cuts by end of year has 31% probability



Source: Federal Reserve

Callan Periodic Table of Investment Returns

As of December 31, 2024

Calendar Year Returns					Quarterly Returns				Monthly Returns		
2020	2021	2022	2023	2024	1Q24	2Q24	3Q24	4Q24	Oct	Nov	Dec
Small Cap Equity 19.96%	Large Cap Equity 28.71%	Private Real Estate 6.55%	Large Cap Equity 26.29%	Large Cap Equity 25.02%	Large Cap Equity 10.56%	EM Equity 5.00%	REITS 16.07%	Hedge Funds 3.13%	Hedge Funds 1.05%	Small Cap Equity 10.97%	Hedge Funds 1.89%
Large Cap Equity 18.40%	REITS 26.09%	Hedge Funds -5.32%	Dev Non-U.S. Equity 18.24%	Small Cap Equity 11.54%	Dev Non-U.S. Equity 5.78%	Large Cap Equity 4.28%	Small Cap Equity 9.27%	Large Cap Equity 2.41%	Private Real Estate 0.32%	Large Cap Equity 5.87%	Private Real Estate 0.32%
EM Equity 18.31%	Private Real Estate 21.02%	U.S. Fixed Income -13.01%	Small Cap Equity 16.93%	Hedge Funds 11.44%	Small Cap Equity 5.18%	Hedge Funds 2.01%	EM Equity 8.72%	Private Real Estate 0.96%	Large Cap Equity -0.91%	REITS 2.39%	EM Equity -0.14%
Hedge Funds 8.65%	Small Cap Equity 14.82%	Dev Non-U.S. Equity -14.45%	EM Equity 9.83%	EM Equity 7.50%	Hedge Funds 4.65%	U.S. Fixed Income 0.07%	Dev Non-U.S. Equity 7.26%	Small Cap Equity 0.33%	Small Cap Equity -1.44%	U.S. Fixed Income 1.06%	U.S. Fixed Income -1.64%
Dev Non-U.S. Equity 7.82%	Dev Non-U.S. Equity 11.26%	Large Cap Equity -18.11%	REITS 9.67%	Dev Non-U.S. Equity 3.82%	EM Equity 2.37%	Dev Non-U.S. Equity -0.42%	Large Cap Equity 5.89%	U.S. Fixed Income -3.06%	U.S. Fixed Income -2.48%	Private Real Estate 0.32%	Dev Non-U.S. Equity -2.27%
U.S. Fixed Income 7.51%	Hedge Funds 9.74%	EM Equity -20.09%	U.S. Fixed Income 5.53%	U.S. Fixed Income 1.25%	U.S. Fixed Income -0.78%	Private Real Estate -0.66%	U.S. Fixed Income 5.20%	EM Equity -8.01%	EM Equity -4.45%	Hedge Funds 0.16%	Large Cap Equity -2.38%
Private Real Estate 0.34%	U.S. Fixed Income -1.54%	Small Cap Equity -20.44%	Hedge Funds 4.24%	REITS 0.94%	REITS -1.30%	REITS -2.43%	Hedge Funds 1.23%	Dev Non-U.S. Equity -8.11%	REITS -5.08%	Dev Non-U.S. Equity -0.57%	REITS -7.08%
REITS -9.04%	EM Equity -2.54%	REITS -25.10%	Private Real Estate -12.73%	Private Real Estate -2.27%	Private Real Estate -2.58%	Small Cap Equity -3.28%	Private Real Estate 0.02%	REITS -9.69%	Dev Non-U.S. Equity -5.44%	EM Equity -3.59%	Small Cap Equity -8.26%

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

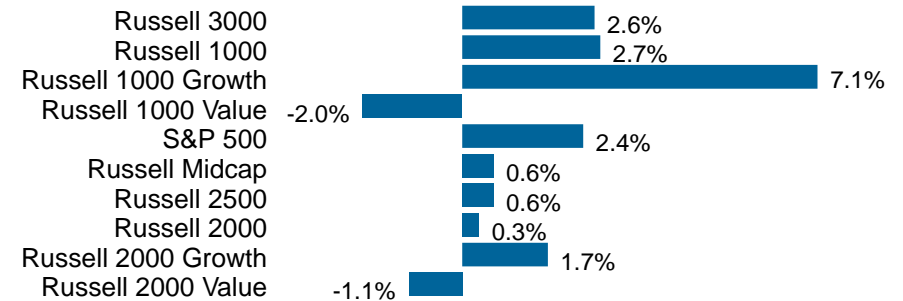
*Returns are lagged one month

U.S. Equity Performance: 4Q24

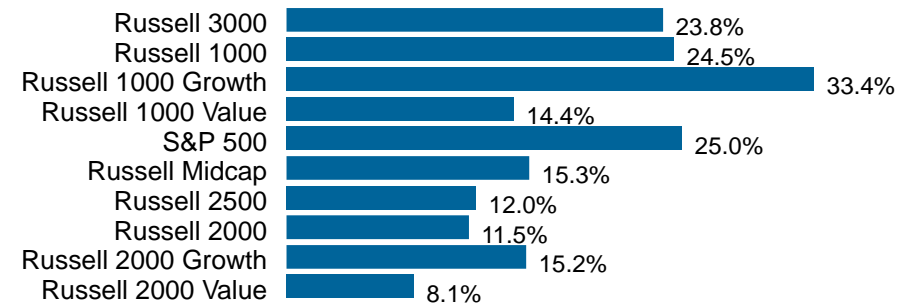
U.S. market ends on a high note, though with some volatility

- The U.S. equity market ended on a positive note as the S&P 500 Index was up over 2%. However, the quarter was marked by volatility, particularly during October and December. Negative returns in October were driven by investor anxiety around the U.S. presidential election, uncertainty with the Fed's approach to interest rate cuts on a go-forward basis, and some misses to earnings expectations for companies. December returns, while initially buoyed by the Fed's third consecutive rate cut, cooled after the Fed announced no additional rate cuts until the second half of 2025.
- Sector performance was mixed; only 4 (Communication Services, Consumer Discretionary, Financials, and Information Technology) posted positive returns.
- During 4Q24, large cap stocks outperformed small cap stocks. Growth stocks outperformed value stocks across the market cap spectrum.
- Market concentration remains elevated; the percentage of companies outperforming the S&P 500 is at historic lows and there remains a large divergence between S&P 500 and S&P 500 ex-Magnificent Seven returns.

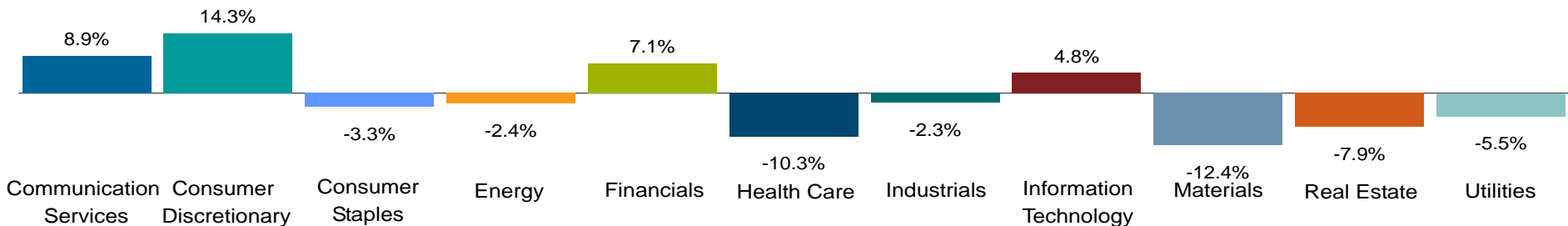
U.S. Equity: Quarter Ended 12/31/24



U.S. Equity: One Year Ended 12/31/24



Industry Sector Quarterly Performance (S&P 500) as of 12/31/24



Sources: FTSE Russell, S&P Dow Jones Indices

Global/Global ex-U.S. Equity Performance: 4Q24

Non-U.S. markets pull back at year-end

Broad market

- Global equity markets had a rough end to the year as concerns around Trump tariffs weighed on Europe and China.
- Europe was one of the worst-performing regions, plagued by political uncertainty and continued economic woes.
- While still negative, Japan's decline over the quarter was stemmed by the approval of a new economic stimulus plan focused on issues such as wage stability and deflation.

Emerging markets

- Emerging markets declined on the heels of poor results out of China and India. Although Chinese stocks initially gained from the announced stimulus, they later declined due to expected tariffs. Economic growth in India fell short of expectations.

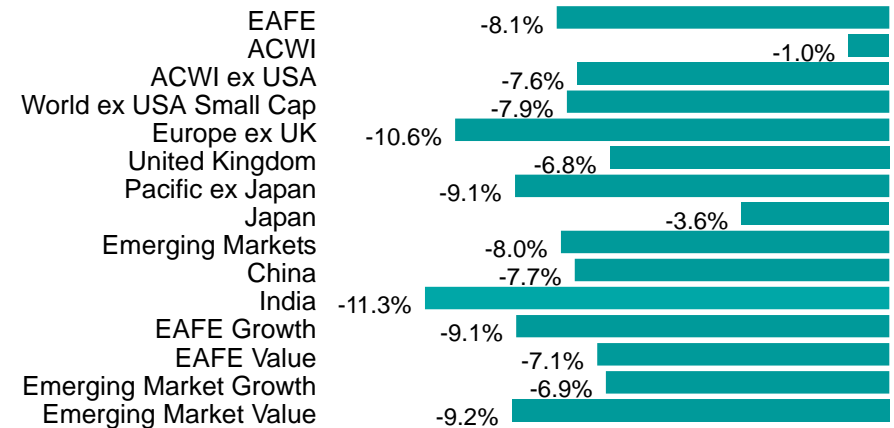
Growth vs. value

- In developed markets outside the U.S., the influence of technology and AI is comparatively more muted, which makes the trend of growth stocks, especially those from the "Magnificent Seven," outperforming value stocks less pronounced.

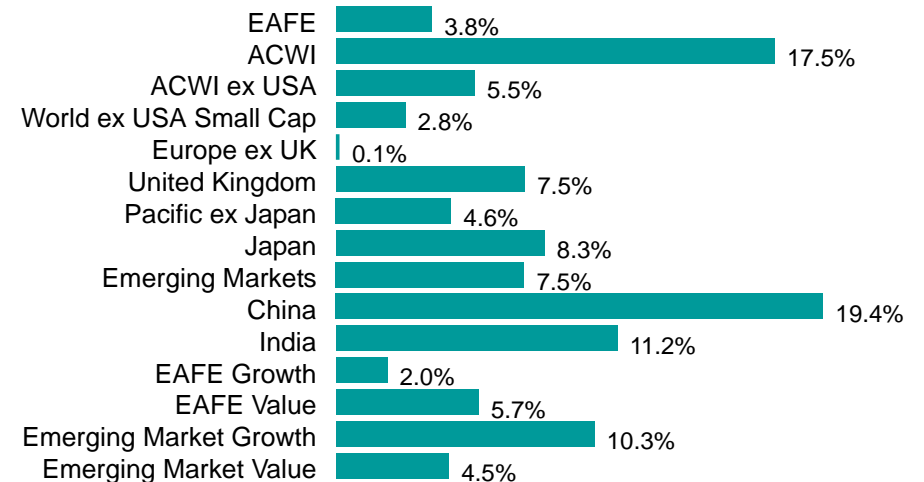
U.S. dollar strength

- The U.S. dollar shifted direction from the last quarter as expectations for interest rate cuts faded, along with the anticipated beneficial effects of the Trump administration on the U.S. economy; in total the U.S. Dollar Index rose over 7% during the quarter.

Global Equity Returns: Quarter Ended 12/31/24



Global Equity Returns: One Year Ended 12/31/24



Source: MSCI

U.S. Fixed Income Performance: 4Q24

Uncertainty resumes, hurting 4Q fixed income performance

Macro environment

- The Fed continued the rate cutting cycle, most recently in December, bringing the target range to 4.25%-4.50%.
- The yield curve steepened, with rates rising for Treasuries one year and longer. The 10-year rose 77 bps from 3.81% to 4.58%.
- Inflation concerns resurfaced, with the breakeven inflation rate rising by 19 bps to 2.30% over the course of the quarter.

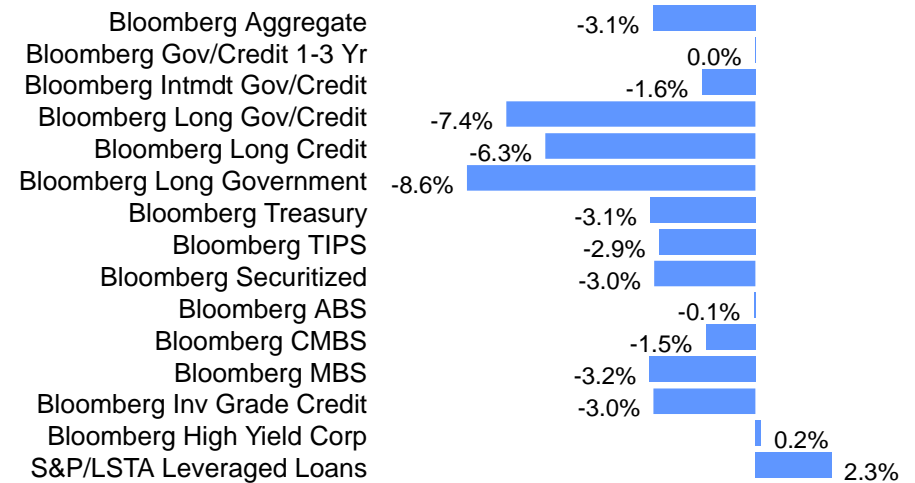
Performance and drivers

- The Bloomberg US Aggregate Bond Index fell 3.1% due to the rise in rates.
- With the steepening yield curve, long government bonds fared the worst among sectors.
- Leveraged finance sectors (High yield: +0.2%, leveraged loans: +2.3%) were the only positive fixed income sectors as spreads tightened.

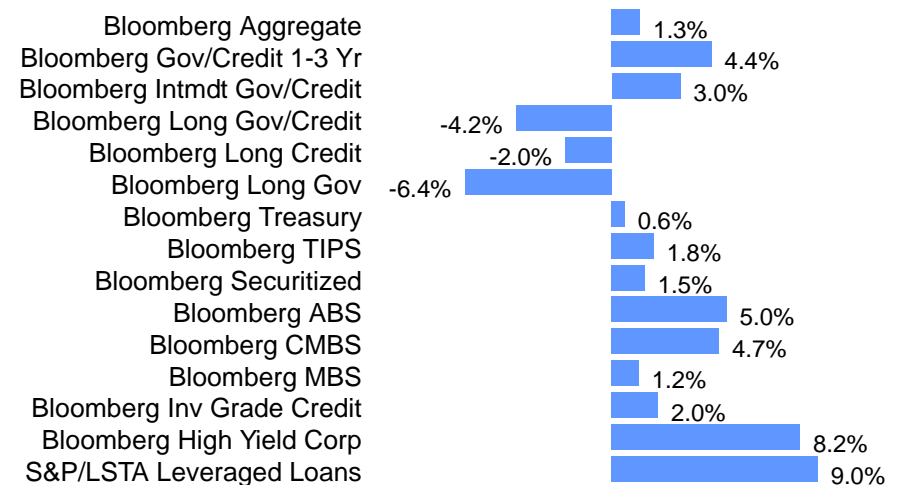
Valuations

- Corporate credit spreads across both investment grade and leveraged finance tightened, with both being “priced to perfection.”
- New issuance continued to be strong, with 2024 totals for both IG and HY outpacing 2023.

U.S. Fixed Income Returns: Quarter Ended 12/31/24



U.S. Fixed Income Returns: One Year Ended 12/31/24



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

U.S. Private Real Estate Performance: 4Q24

Sector appreciation turns positive, outside of office

Valuations reflect higher interest rates

- Valuations appear to have bottomed and now reflect higher borrowing costs.
- Income returns were positive across sectors and regions.
- Property sectors were mixed; Office and Hotel experienced negative appreciation, and the remaining sectors had flat or positive appreciation.
- 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	1.0%	-2.3%	-3.1%	2.0%	4.9%
Income	0.8%	3.3%	2.8%	2.9%	3.2%
Appreciation	0.1%	-5.4%	-5.9%	-0.9%	1.7%
NCREIF Property Index	0.9%	0.4%	-0.8%	3.1%	5.7%
Income	1.2%	4.8%	4.3%	4.3%	4.5%
Appreciation	-0.3%	-4.2%	-5.0%	-1.1%	1.1%

Returns are geometrically linked

NCREIF Property Index Quarterly Returns by Region and Property Type



Source: NCREIF; ODCE return is net

Hedge Fund Performance: 4Q24

Strong finish for hedge funds in 2024

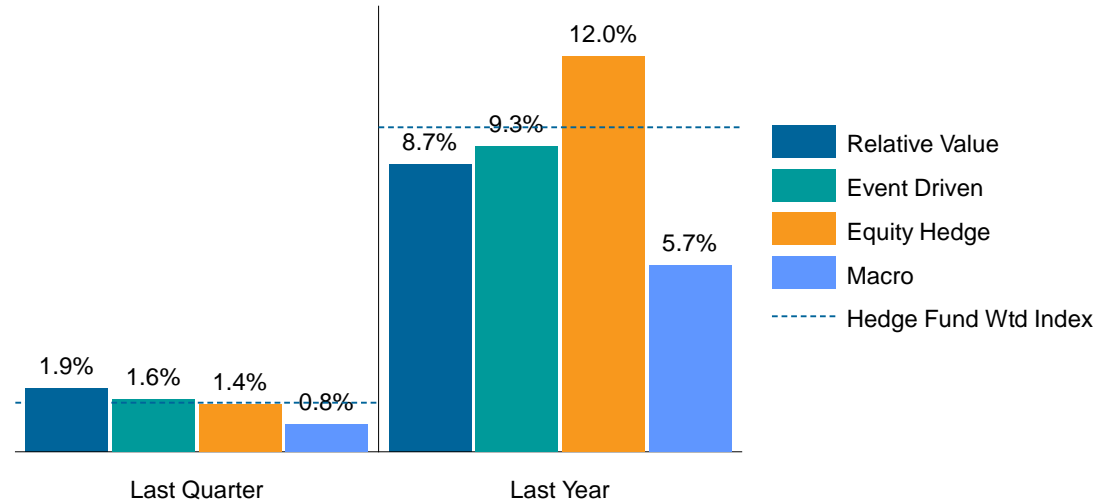
Hedge funds navigated a volatile quarter

- Relative value strategies finished the year strong, as managers were able to profit off rising bond yields.
- Equity hedge strategies had strong momentum, as managers profited on both the long and short side during the quarter as dispersion remained elevated.
- Event-driven strategies soared in November, on the expectation of a strong M&A cycle in 2025.
- Macro strategies had a strong November, as managers were able to profit off rates moving higher in the final quarter of the year.

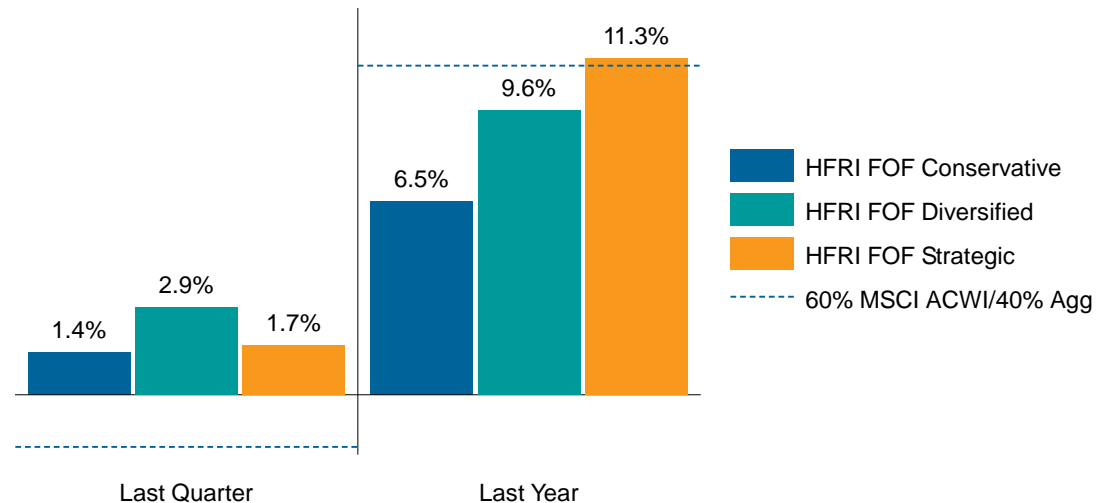
FOFs ended the year on a strong note

- FOFs with more exposure to relative value and macro strategies saw stronger performance going into year-end.
- Those FOFs with less diversification and more equity beta saw higher performance dispersion.

HFRI Strategy Index Returns vs. Broad Hedge Fund Universe as of 12/31/24



HFRI Fund-of-Funds Returns vs. 60% Stock/40% Bond Mix as of 12/31/24



Source: Hedge Fund Research

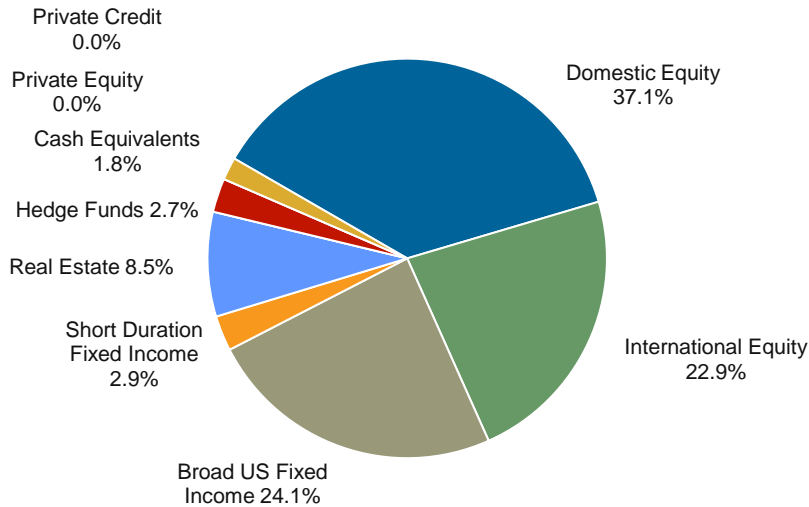
Forest Preserve Fund

4th Quarter Investment Performance

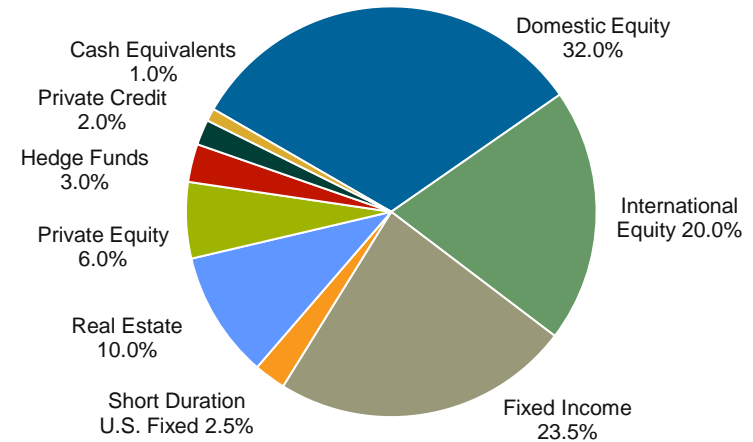
Asset Allocation vs Policy Target*

As of December 31, 2024

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Min Target	Target	Max Target	Percent Difference	\$000s Difference
Domestic Equity	77,515	37.1%	28.0%	32.0%	36.0%	5.1%	10,628
International Equity	47,854	22.9%	16.0%	20.0%	24.0%	2.9%	6,050
Broad US Fixed Income	50,433	24.1%	19.5%	23.5%	27.5%	0.6%	1,313
Short Duration Fixed Income	5,967	2.9%	0.0%	2.5%	4.5%	0.4%	742
Real Estate	17,700	8.5%	6.0%	10.0%	14.0%	(1.5%)	(3,202)
Private Equity	-	0.0%	0.0%	6.0%	10.0%	(6.0%)	(12,541)
Hedge Funds	5,720	2.7%	0.0%	3.0%	6.0%	(0.3%)	(550)
Private Credit	-	0.0%	0.0%	2.0%	4.0%	(2.0%)	(4,180)
Cash Equivalents	3,831	1.8%	0.0%	1.0%	5.0%	0.8%	1,741
Total	209,021	100.0%		100%			

- The Forest Preserve Fund’s largest overweights are to Domestic Equity (+5.1%) and International Equity (+2.9%). 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 December 31, 2024

	December 31, 2024		Net New Inv.	Inv. Return	September 30, 2024	
	Market Value	Weight			Market Value	Weight
Domestic Equity	\$77,515,084	37.08%	\$(2,710,000)	\$1,531,213	\$78,693,871	37.82%
International Equity	\$47,854,061	22.89%	\$(2,268)	\$(4,392,046)	\$52,248,375	25.11%
Fixed Income	\$56,400,353	26.98%	\$7,124,419	\$(1,508,506)	\$50,784,440	24.41%
Real Estate	\$17,700,165	8.47%	\$(472,827)	\$390,024	\$17,782,968	8.55%
Hedge Funds	\$5,720,462	2.74%	\$(19,105)	\$247,665	\$5,491,903	2.64%
Miscellaneous Assets	\$0	0.00%	\$(1,761)	\$1,761	\$0	0.00%
Cash Equivalents	\$3,831,124	1.83%	\$739,093	\$41,047	\$3,050,984	1.47%
Total Forest Preserve Fund	\$209,021,249	100.00%	\$4,657,551	\$(3,688,843)	\$208,052,542	100.00%

Changes in Total Fund Assets	Ending Market Value	Net New Investment	Investment Returns	Beginning Market Value
Last Quarter (9/30/24 – 12/31/24)	\$209,021,249	\$4,657,551	(\$3,688,843)	\$208,052,542
Last Year (12/31/23 – 12/31/24)	\$209,021,249	(\$6,222,218)	\$17,710,729	\$197,532,738

Benchmark detail included in the Appendix.

Asset Class Performance Returns (NOF)

As of December 31, 2024

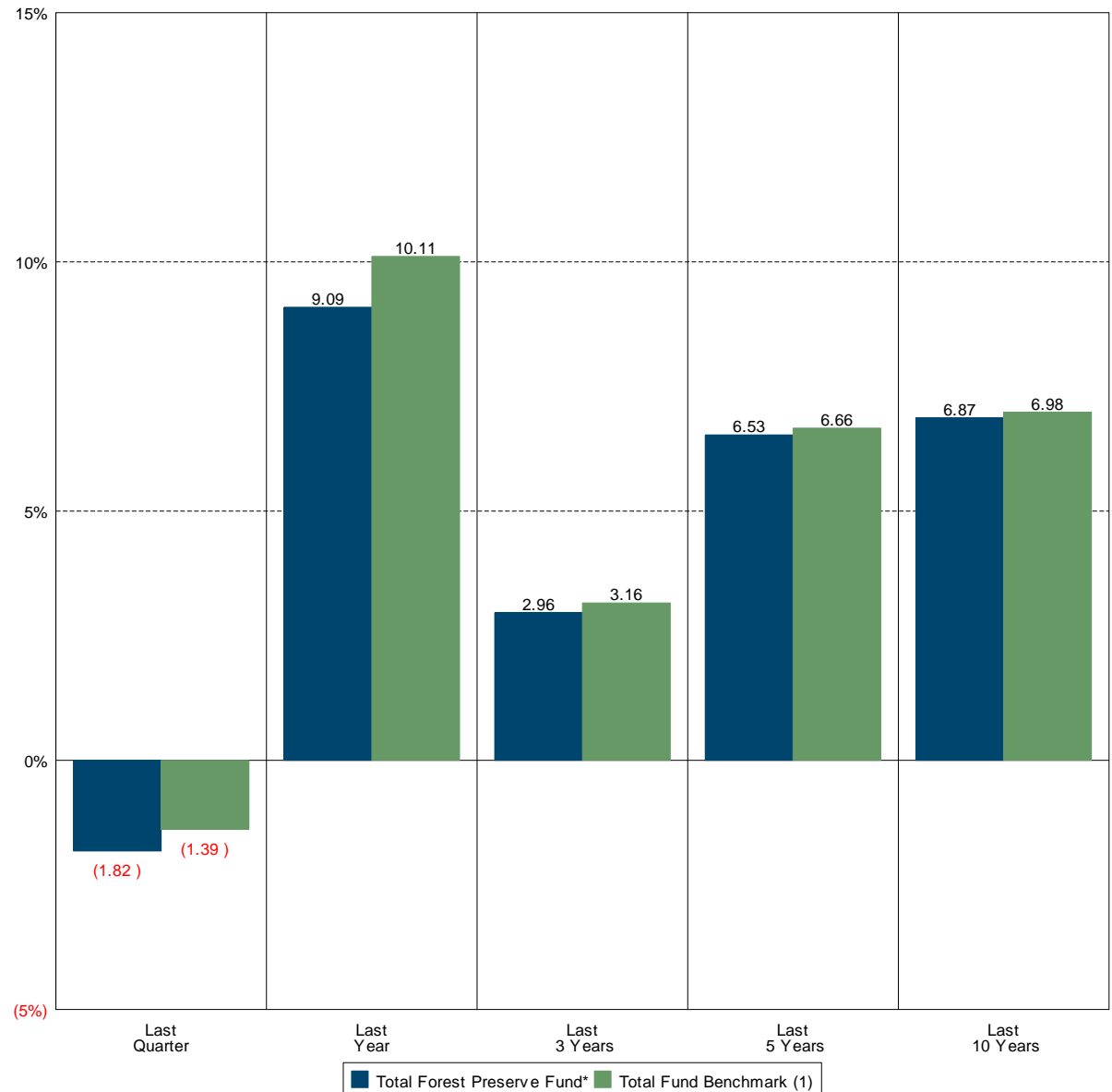
	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$77,515,084	37.08%	1.81%	21.27%	7.24%	13.05%	12.04%
Domestic Equity Benchmark (2)	-	-	2.63%	23.81%	8.01%	13.86%	12.53%
International Equity	\$47,854,061	22.89%	(8.41%)	2.90%	0.89%	4.04%	5.46%
International Equity Bnmk (4)	-	-	(7.60%)	5.53%	0.82%	4.10%	4.80%
Fixed Income	\$56,400,353	26.98%	(2.86%)	1.38%	(1.31%)	0.21%	1.52%
Fixed Income Benchmark (3)	-	-	(2.78%)	1.53%	(1.99%)	(0.13%)	1.45%
**Real Estate	\$17,700,165	8.47%	1.88%	(2.51%)	(2.84%)	2.23%	4.23%
NFI-ODCE Value Weight Net	-	-	0.96%	(2.27%)	(3.14%)	1.99%	4.94%
**Hedge Funds	\$5,720,462	2.74%	4.16%	11.32%	7.71%	6.22%	5.30%
90-Day Average SOFR + 4% (5)	-	-	2.26%	9.52%	8.23%	6.71%	6.06%
HFRI Fund of Funds Index (6)	-	-	3.13%	11.44%	3.22%	5.57%	3.83%
Cash Equivalents	\$3,831,124	1.83%	1.19%	5.27%	4.03%	2.54%	2.01%
3-month Treasury Bill	-	-	1.17%	5.25%	3.89%	2.46%	1.77%
Total Forest Preserve Fund	\$209,021,249	100.00%	(1.82%)	9.09%	2.96%	6.53%	6.87%
Total Fund Benchmark (1)	-	-	(1.39%)	10.11%	3.16%	6.66%	6.98%

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

Total Fund Performance*

As of December 31, 2024

- 4th 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 underperformed its benchmark. Active management in Domestic Equity was the primary detractor.
- Five Years: The Total Fund modestly trailed its benchmark. Active management in Domestic Equity was the largest detractor while Real Estate managers added value.
- Ten Years: The Total Fund modestly trailed its benchmark over the trailing ten-year period. International Equity and Fixed Income outperformed their respective benchmarks, while Domestic Equity, Real Estate, and Hedge Funds underperformed.



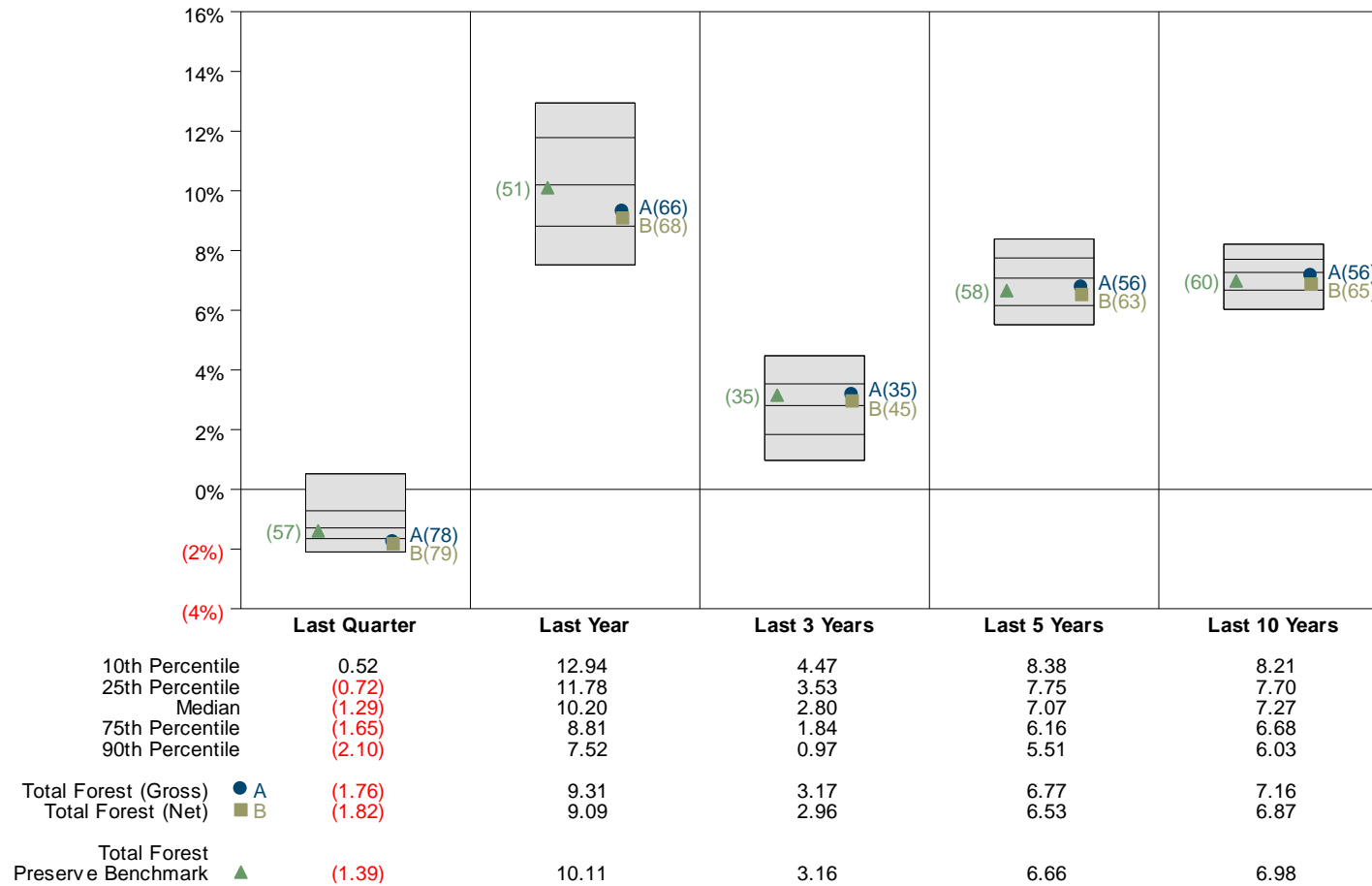
*Net of Fee Returns

(1) Benchmark detail included in the Appendix

Total Fund Performance Summary*

As of December 31, 2024

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

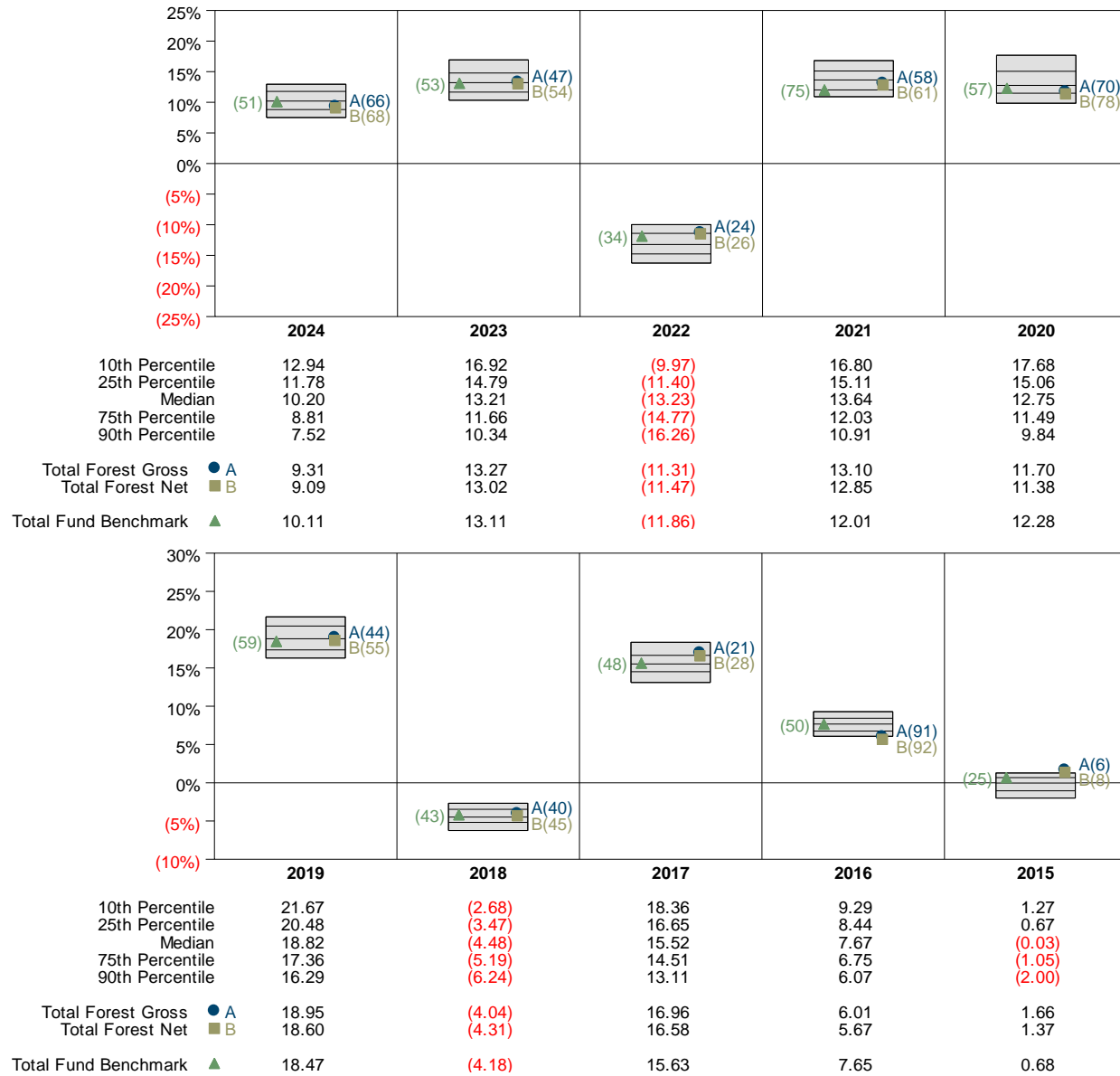


- Over the last year, the Fund trailed its benchmark and ranked at the 66th percentile of peers.
- The Fund narrowly trailed its benchmark over the last three-year period and ranked in the 35th percentile of peers.
- Over the last five- and ten-year periods, the Fund performed in line with its benchmark and ranked in the 56th percentile of peers.

*Peer Group ranking: 1st percentile = best; 100th percentile = worst. The peer universe is Gross of Fees. Benchmark detail included in the Appendix.

Total Fund Calendar Year Performance

Callan Public Fund Mid-Size Peer Universe (GOF)



*Peer Group ranking: 1st percentile = best; 100th percentile = worst. The peer universe is Gross of Fees. Benchmark detail included in the Appendix.

Performance Detail (NOF)

As of December 31, 2024

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$77,515,084	37.08%	1.81%	21.27%	7.24%	13.05%	12.04%
Domestic Equity Benchmark (2)	-	-	2.63%	23.81%	8.01%	13.86%	12.53%
Rhumblin Large Cap Core	61,711,777	29.52%	2.42%	24.39%	8.77%	14.42%	13.01%
S&P 500 Index	-	-	2.41%	25.02%	8.94%	14.53%	13.10%
Small/Mid Cap	\$15,803,307	7.56%	(0.55%)	9.32%	1.12%	7.49%	8.58%
William Blair Small/Mid Cap	7,906,471	3.78%	0.82%	11.47%	0.60%	8.05%	10.67%
Russell 2500 Growth Index	-	-	2.43%	13.90%	(0.02%)	8.08%	9.45%
Channing Small/Mid Cap	7,896,836	3.78%	(1.89%)	7.26%	1.64%	6.66%	6.30%
Russell 2500 Value Index	-	-	(0.26%)	10.98%	3.81%	8.44%	7.81%
International Equity	\$47,854,061	22.89%	(8.41%)	2.90%	0.89%	4.04%	5.46%
International Equity Bnmk (4)	-	-	(7.60%)	5.53%	0.82%	4.10%	4.80%
Lazard Asset Mgmt	32,775,620	15.68%	(8.84%)	1.61%	0.86%	3.93%	5.50%
SSGA MSCI ACWI ex US	15,078,441	7.21%	(7.46%)	5.64%	1.00%	4.28%	-
MSCI ACWI ex US	-	-	(7.60%)	5.53%	0.82%	4.10%	4.80%
Fixed Income	\$56,400,353	26.98%	(2.86%)	1.38%	(1.31%)	0.21%	1.52%
Fixed Income Benchmark (3)	-	-	(2.78%)	1.53%	(1.99%)	(0.13%)	1.45%
Broad US Fixed Income	\$50,433,261	24.13%	(3.06%)	1.19%	(2.42%)	(0.38%)	1.29%
Mellon Capital	50,433,261	24.13%	(3.06%)	1.19%	(2.42%)	(0.38%)	1.28%
Bloomberg Aggregate Index	-	-	(3.06%)	1.25%	(2.41%)	(0.33%)	1.35%
Short Duration	\$5,967,092	2.85%	(0.84%)	3.26%	1.79%	1.67%	-
Garcia Hamilton	5,967,092	2.85%	(0.84%)	3.26%	1.79%	1.67%	-
Blmbg Gov/Cred 1-3 Yr	-	-	(0.02%)	4.36%	1.69%	1.58%	1.63%
**Real Estate	\$17,700,165	8.47%	1.88%	(2.51%)	(2.84%)	2.23%	4.23%
Clarion Lion Industrial Trust	2,462,013	1.18%	(0.41%)	(2.40%)	4.86%	-	-
JP Morgan Strategic Property Fd	6,113,741	2.92%	2.19%	(2.74%)	(4.96%)	0.71%	4.22%
Prudential PRISA	9,124,411	4.37%	2.30%	(2.37%)	(2.97%)	2.24%	-
NCREIF NFI-ODCE Val Wt Nt	-	-	0.96%	(2.27%)	(3.14%)	1.99%	4.94%
**Hedge Funds	\$5,720,462	2.74%	4.16%	11.32%	7.71%	6.22%	5.30%
Blackstone Burnham Fd	5,720,462	2.74%	4.16%	11.32%	7.71%	6.22%	5.30%
90-Day Average SOFR + 4% (5)	-	-	2.26%	9.52%	8.23%	6.71%	6.06%
HFRI Fund of Funds Index (6)	-	-	3.13%	11.44%	3.22%	5.57%	3.83%
Cash Equivalents	\$3,831,124	1.83%	1.19%	5.27%	4.03%	2.54%	2.01%
3-month Treasury Bill	-	-	1.17%	5.25%	3.89%	2.46%	1.77%
Total Forest Preserve Fund	\$209,021,249	100.00%	(1.82%)	9.09%	2.96%	6.53%	6.87%
Total Fund Benchmark (1)	-	-	(1.39%)	10.11%	3.16%	6.66%	6.98%

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

Manager Updates

4th Quarter 2024

Mellon Investments Corporation – Passive Core Fixed Income

In January 2025, Mellon Investments Corporation informed Callan of its plan to close the San Francisco office, which has housed passive index investment professionals. Employees may relocate to Mellon's Pittsburgh office and must decide by the end of February. Those accepting the offer have until Q3 2026 to move. Head of Index Stephanie Hill has accepted and will relocate. The remaining 16 team members have not disclosed their plans. Mellon's investment process for indexing is highly systematic, and this should not materially affect day to day management of client portfolios. Callan will monitor the decisions of remaining team members.

The Forest Preserve Fund has approximately \$50.4 million invested in the Mellon Bloomberg Aggregate Index strategy.

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

William Blair & Company LLC – Small/Mid Cap Equity

In January 2025, William Blair announced that Stephanie Braming, Head of Investment Management, will retire at the end of 2025. William Blair's CEO and COO will lead a full search for her replacement, with input from senior members of the Investment Management team. No additional personnel or structural changes are anticipated within the Investment Management division because of this announcement.

The Cook County Fund has approximately \$7.9 million invested in the William Blair Small/Mid Cap Growth strategy.

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

Appendix

Performance Detail (GOF)

As of December 31, 2024

	Market Value \$(Dollars)	Ending Weight	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$77,515,084	37.08%	1.86%	21.41%	7.39%	13.21%	12.27%
Domestic Equity Benchmark (2)	-	-	2.63%	23.81%	8.01%	13.86%	12.53%
Rhumblin Large Cap Core	61,711,777	29.52%	2.42%	24.40%	8.78%	14.43%	13.02%
S&P 500 Index	-	-	2.41%	25.02%	8.94%	14.53%	13.10%
Small/Mid Cap	\$15,803,307	7.56%	(0.33%)	9.95%	1.75%	8.15%	9.28%
William Blair Small/Mid Cap	7,906,471	3.78%	1.15%	12.20%	1.33%	8.83%	11.49%
Russell 2500 Growth Index	-	-	2.43%	13.90%	(0.02%)	8.08%	9.45%
Channing Small/Mid Cap	7,896,836	3.78%	(1.77%)	7.78%	2.18%	7.22%	6.88%
Russell 2500 Value Index	-	-	(0.26%)	10.98%	3.81%	8.44%	7.81%
International Equity	\$47,854,061	22.89%	(8.41%)	3.00%	1.03%	4.20%	5.64%
International Equity Bnmk (4)	-	-	(7.60%)	5.53%	0.82%	4.10%	4.80%
Lazard Asset Mgmt	32,775,620	15.68%	(8.84%)	1.74%	1.03%	4.13%	5.70%
SSGA MSCI ACWI ex US	15,078,441	7.21%	(7.45%)	5.69%	1.05%	4.33%	-
MSCI ACWI ex US	-	-	(7.60%)	5.53%	0.82%	4.10%	4.80%
Fixed Income	\$56,400,353	26.98%	(2.86%)	1.40%	(1.29%)	0.23%	1.56%
Fixed Income Benchmark (3)	-	-	(2.78%)	1.53%	(1.99%)	(0.13%)	1.45%
Broad US Fixed Income	\$50,433,261	24.13%	(3.06%)	1.21%	(2.41%)	(0.36%)	1.33%
Mellon Capital	50,433,261	24.13%	(3.06%)	1.21%	(2.41%)	(0.36%)	1.30%
Bloomberg Aggregate Index	-	-	(3.06%)	1.25%	(2.41%)	(0.33%)	1.35%
Short Duration	\$5,967,092	2.85%	(0.84%)	3.34%	1.90%	1.80%	-
Garcia Hamilton	5,967,092	2.85%	(0.84%)	3.34%	1.90%	1.80%	-
Blmbg Gov/Cred 1-3 Yr	-	-	(0.02%)	4.36%	1.69%	1.58%	1.63%
**Real Estate	\$17,700,165	8.47%	2.24%	(1.45%)	(2.22%)	2.88%	4.82%
Clarion Lion Industrial Trust	2,462,013	1.18%	0.08%	(1.44%)	5.81%	-	-
JP Morgan Strategic Property Fd	6,113,741	2.92%	2.41%	(2.12%)	(4.44%)	1.25%	4.91%
Prudential PRISA	9,124,411	4.37%	2.71%	(0.94%)	(2.34%)	2.92%	-
NFI-ODCE Val Weight Net	-	-	0.96%	(2.27%)	(3.14%)	1.99%	4.94%
**Hedge Funds	\$5,720,462	2.74%	4.52%	12.45%	8.81%	7.30%	6.38%
Blackstone Burnham Fd	5,720,462	2.74%	4.52%	12.45%	8.81%	7.30%	6.38%
90-Day Average SOFR + 4% (5)	-	-	2.26%	9.52%	8.23%	6.71%	6.06%
HFRI Fund of Funds Index (6)	-	-	3.13%	11.44%	3.22%	5.57%	3.83%
Cash Equivalents	\$3,831,124	1.83%	1.19%	5.27%	4.03%	2.54%	2.02%
3-month Treasury Bill	-	-	1.17%	5.25%	3.89%	2.46%	1.77%
Total Forest Preserve Fund	\$209,021,249	100.00%	(1.76%)	9.31%	3.17%	6.77%	7.16%
Total Fund Benchmark (1)	-	-	(1.39%)	10.11%	3.16%	6.66%	6.98%

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

Performance Attribution (GOF) – 4th Quarter

As of December 31, 2024

Relative Attribution Effects for Quarter ended December 31, 2024

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	36%	1.86%	2.63%	(0.28%)	0.05%	(0.24%)
International Equity	24%	23%	(8.41%)	(7.60%)	(0.20%)	(0.07%)	(0.27%)
Broad US Fixed Inc	24%	25%	(3.06%)	(3.06%)	0.00%	0.02%	0.02%
Short Duration	3%	3%	(0.84%)	(0.02%)	(0.02%)	(0.00%)	(0.02%)
Real Estate	8%	10%	2.24%	0.96%	0.11%	(0.03%)	0.07%
Hedge Funds	3%	3%	4.52%	2.26%	0.06%	(0.01%)	0.05%
Cash	1%	1%	1.19%	1.17%	0.00%	0.02%	0.02%
Total			(1.76%)	(1.39%)	+ (0.34%)	+ (0.04%)	(0.38%)

- **Total Fund Return:** The Fund returned -1.76% for the quarter and underperformed the benchmark by 0.38%.
 - Hedge Funds earned the highest absolute return during the quarter.
 - Real Estate added the most value on a relative basis.
- **Manager Performance:** The manager effect was negative overall for the quarter.
 - Active management in Domestic Equity and International Equity were the primary detractors.
 - Real Estate and Hedge Fund managers added value.
- **Actual Allocation:** Variance from policy weights had a negative impact on relative performance.
 - An overweight to International Equity and underweights to Real Estate and Hedge Funds detracted.
 - Overweights to Domestic Equity and Cash and an underweight to Broad US Fixed Income added value.

Performance Attribution (GOF) – One Year

As of December 31, 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	38%	36%	21.41%	23.81%	(0.82%)	0.21%	(0.61%)
International Equity	26%	24%	3.00%	5.53%	(0.69%)	0.01%	(0.69%)
Broad US Fixed Inc	21%	24%	1.21%	1.25%	(0.01%)	0.22%	0.21%
Short Duration	1%	2%	3.34%	4.36%	(0.02%)	0.09%	0.07%
Real Estate	9%	10%	(1.45%)	(2.27%)	0.09%	0.06%	0.15%
Hedge Funds	3%	3%	12.45%	9.52%	0.07%	0.03%	0.10%
Cash	2%	1%	5.27%	5.25%	0.00%	(0.03%)	(0.03%)
Total			9.31%	= 10.11%	+ (1.39%)	+ 0.59%	(0.80%)

- **Total Fund Return:** For the last year, the Fund returned 9.31% and underperformed the benchmark return by 0.80%.
 - Domestic Equity contributed the highest absolute return.
 - Broad US Fixed Income, Short Duration Fixed Income, Real Estate, and Hedge Funds added positive relative contributions.
- **Manager Performance:** Active Management detracted over the last year.
 - Active management in Domestic Equity and International Equity were the primary detractors.
 - Hedge Fund and Real Estate managers added value.
- **Actual Allocation:** Variance from policy weights had a positive impact on relative performance.
 - An overweight to Domestic Equity and underweights to Fixed Income added the most value.
 - An overweight to Cash was a modest detractor.

Performance Attribution (GOF) – Three Years

As of December 31, 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%	7.39%	8.01%	(0.25%)	0.01%	(0.24%)
International Equity	26%	25%	1.03%	0.82%	0.05%	0.05%	0.10%
Broad US Fixed Inc	19%	22%	(2.41%)	(2.41%)	(0.00%)	0.11%	0.11%
Short Duration	2%	2%	1.90%	1.69%	0.03%	0.18%	0.20%
Real Estate	11%	10%	(2.22%)	(3.14%)	0.16%	(0.07%)	0.09%
Hedge Funds	5%	5%	8.81%	8.23%	(0.02%)	(0.15%)	(0.17%)
Cash	1%	1%	4.03%	3.89%	0.00%	(0.08%)	(0.08%)
Total			3.17%	3.16%	+ (0.04%)	+ 0.05%	0.01%

- **Total Fund Return:** Over the last three years, the Fund returned 3.17% and performed in line with the benchmark.
 - Hedge Funds earned the highest absolute return.
 - Short Duration Fixed Income added the strongest relative contribution.
- **Manager Performance:** The manager effect was slightly negative over the last three years.
 - Active management in Domestic Equity was the largest detractor.
 - Active management in International Equity, Real Estate, and Short Duration Fixed Income added value.
- **Actual Allocation:** Variance from policy weights had a small positive impact 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 was the primary detractor.

Performance Attribution (GOF) – Five Years

As of December 31, 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%	13.21%	13.86%	(0.22%)	0.08%	(0.14%)
International Equity	27%	26%	4.20%	4.10%	0.03%	(0.02%)	0.01%
Broad US Fixed Inc	18%	21%	(0.36%)	(0.33%)	(0.01%)	0.19%	0.18%
Short Duration	3%	2%	1.80%	1.58%	0.01%	0.12%	0.13%
Real Estate	9%	9%	2.88%	1.99%	0.14%	(0.06%)	0.08%
Hedge Funds	8%	7%	7.30%	6.71%	(0.01%)	(0.14%)	(0.15%)
Cash	1%	1%	2.54%	2.46%	0.00%	(0.02%)	(0.01%)
Total			6.77%	6.66%	+ (0.06%)	+ 0.17%	0.10%

- **Total Fund Return:** Over the last five years, the Fund returned 6.77% and outperformed the benchmark return by 0.10%.
 - Domestic Equity posted the highest absolute return.
 - International Equity, Broad US Fixed Income, Short Duration Fixed Income, and Real Estate added relative contributions.
- **Manager Performance:** Overall, the manager effect was slightly negative over the last five years.
 - Active management in Real Estate was the largest contributor.
 - Active management in Domestic Equity was the largest detractor.
- **Actual Allocation:** The variance from policy weights had a positive impact overall.
 - Underweights to Broad US Fixed Income and Short Duration 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: 4Q24

2024 Real Assets Fees and Terms Study



2024 ESG Survey



3Q24 Market Intelligence Report (clients-only)



Coming Soon: 2025 Capital Markets Assumptions



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It Depends!**

Ric Ford and Drew
Beiger

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

Registration is now open 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, Ethan Mollick, Admiral James Stavridis, Barry Sternlicht, and Evy Poumpouras to the stage! We will be updating our website as we add additional information regarding this event!

Learn more about this event at:
<https://www.callan.com/events/2025nationalconference/>



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

February 20, 2025

Research Café: ESG Interview Series

March 20, 2025

Research Café: Sector-Specific Strategies

March 28, 2025

STAR Webinar

April 25, 2025

Market Intelligence Report and Webinar

Introducing Callan On-Demand Education (CODE)

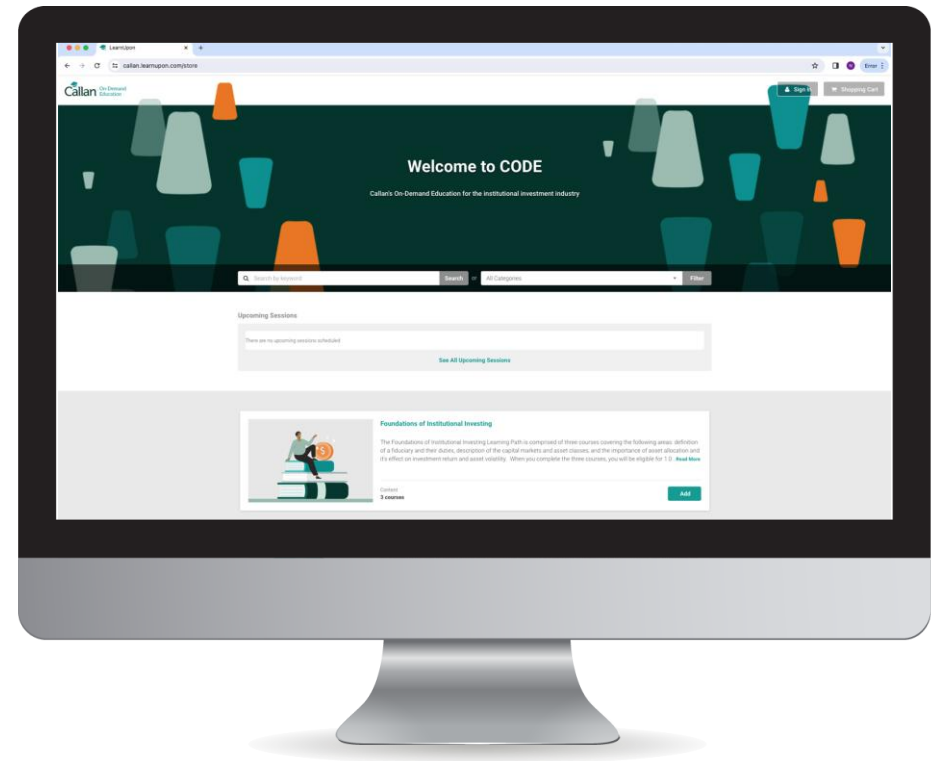


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