

Investment Performance Review  
Period Ending December 31, 2023

# City of Starke Firefighters' Pension Plan

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## **4th Quarter 2023 Market Environment**



## The Economy

- The US Federal Reserve Bank (the Fed) paused on additional rate hikes during the fourth quarter. As evidenced by capital market performance during the quarter, the pause was welcomed by participants. The Fed continued to prioritize fighting higher inflation over full employment. In its press release for the December meeting, the Fed said that in determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. They also indicated the Committee will continue to reduce the holdings on its balance sheet.
- The Fed's prolonged pause in its rate-hiking cycle and the insertion of the word "any" in its December press release gave the market hope that the Fed may be ready to pivot in its stance and begin reducing rates to a less restrictive level in 2024.
- Muted growth in the US labor market continued in December, as nonfarm payrolls increased by 216,000, and unemployment held steady at 3.7%. Unemployment was little changed over the last year, closing 2022 at a level of 3.5%.

## Equity (Domestic and International)

- US equities moved broadly higher during the fourth quarter, led by a broad recovery across multiple sectors and expectations of a more favorable interest rate environment. The S&P 500 Index rose 11.7% for the quarter, its best-performing period since the first quarter of 2021. Small-cap value (15.3%) was the best-performing segment of the domestic equity market during the quarter, while large-cap value (9.5%), though solid, was the weakest relative performer for the period.
- International stocks experienced robust growth during the year, helped by a weakening US Dollar (USD). USD performance outpaced local currency (LCL) performance in most regions for the quarter, though both benchmarks were positive as the USD traded lower during the period.
- Global GDP growth continued to face challenges despite falling energy prices. European growth remained under pressure amid hawkish central bank policies. China continued to face economic challenges and drag on growth in the region. Additionally, renewed conflicts in the Middle East weighed on performance for the region and threatened to be a headwind going into 2024.

## Fixed Income

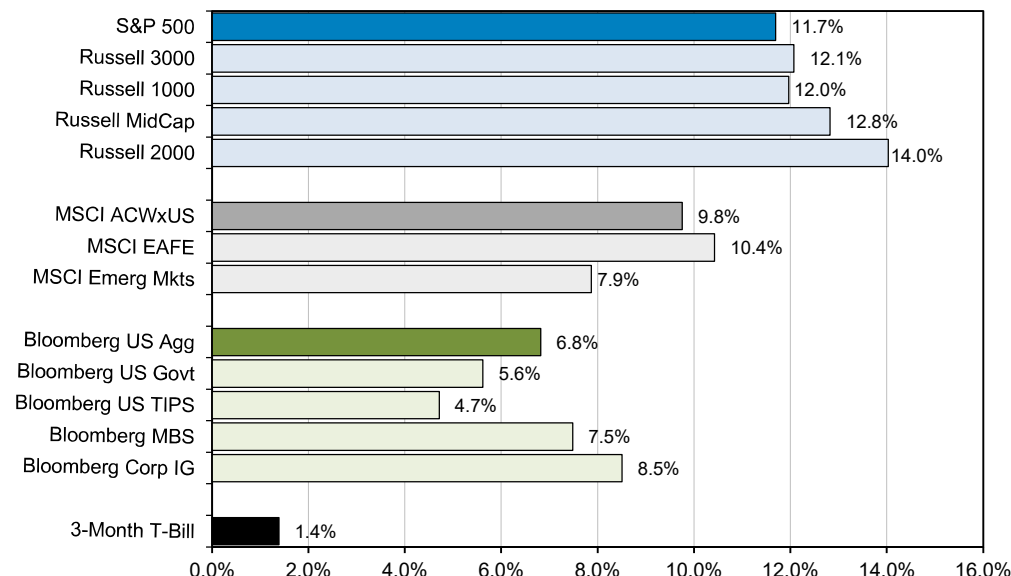
- While economic data signaled that inflation continued to moderate, the Fed maintained its conviction in fighting inflation by keeping the fed funds rate unchanged during the quarter. Equity and fixed-income markets rallied on the hope that this could signal a pivot in the Fed's policy stance in 2024.
- US Government securities were the lowest relative performing US Aggregate Bond sector during the quarter, but bond returns surged as longer maturity yields fell significantly. Credit spreads also narrowed during the quarter, lifting performance for non-government sectors.
- Lower quality investment grade corporate bonds outperformed higher quality corporate issues, aided by narrowing credit spreads as well as higher coupons. Although the high yield bond benchmark's duration is almost half of the US Aggregate Bond index's duration, the high yield index managed to edge out the bellwether bond benchmark for the quarter.
- Global bonds outpaced the domestic bond market with the Global Aggregate ex-US Index besting the US Aggregate Index by 2.4% due to USD weakness. This brought results for the full year slightly ahead of the domestic bond market.

## Market Themes

- Central banks remained vigilant in their stance against inflation going into the new year. Signs of cooling price pressures have shown up in most regions around the world, and many central banks have chosen to pause on their rate hiking cycle, much in line with the US Fed's stance.
- Geopolitical risk around the world continues to be a headwind for global growth and economic stability. In addition to the conflict in Ukraine, a proxy war arose in the Middle East in October between Israel and Palestine, which could drag on performance in the region in quarters to come.
- Short-term interest rates remained consistent across most developed markets as central banks continued their tight policy stance with an eye towards potential rate cuts in the indeterminate future.
- 2023 closed with both US and international equity markets affirming their recovery from the disappointing performance of 2022. Growth sectors significantly outpaced value sectors during the year.

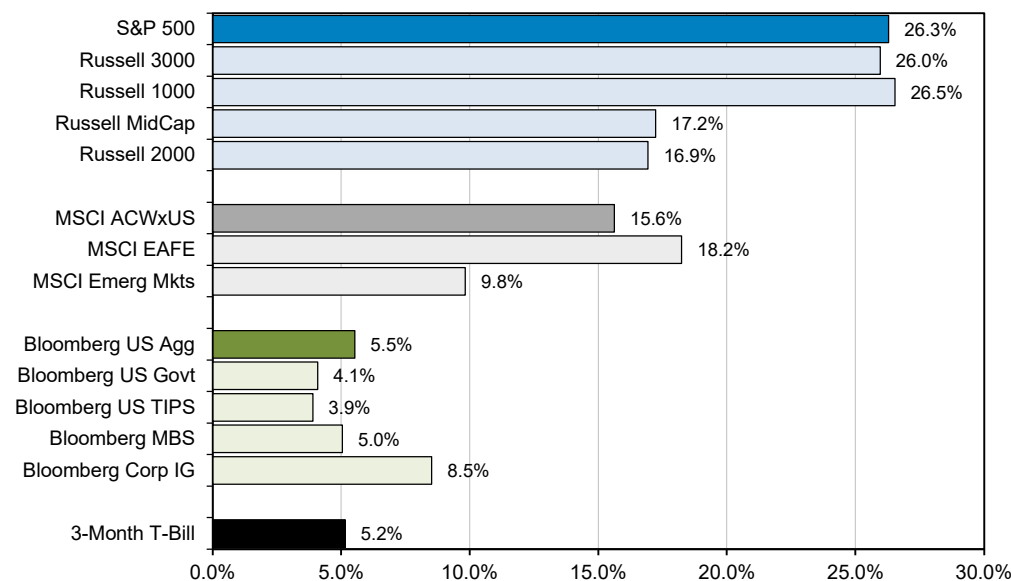
- Domestic equity market performance surged in the fourth quarter. Many of the challenges facing the U.S. economy over the past several quarters have begun to wane and forecasts for easing inflation and positive economic growth have been a growing consensus. For the period, the S&P 500 large-cap benchmark returned 11.7% versus 12.8% for the Russell Mid Cap Index and 14.0% for the Russell 2000 small-cap index.
- International developed and emerging market equities also delivered strong results. Europe continued to face geopolitical risks related to the conflict in Ukraine and elevated interest rates. The developed market MSCI EAFE Index returned 10.4% for the quarter and the MSCI Emerging Markets Index rose by 7.9%.
- The domestic bond market rallied during the final two months of the year as the Fed took on a more dovish tone at their recent meetings. The Bloomberg US Aggregate Index returned 6.8% for the period, while investment-grade corporate bonds beat out the government and securitized sectors with a gain of 8.5%.

### Quarter Performance



- During the 2023 calendar year, US equity markets posted their strongest performance since 2021. The large-cap S&P 500 Index finished 2023 with an exceptional 26.3% return. The weakest relative performance for the year was from the Russell 2000 Index, which still climbed 16.9%.
- International markets also reverted from their poor performance of the year prior. The MSCI EAFE Index was the best international index performer, returning 18.2%, while the MSCI Emerging Markets Index added a more tempered, but still solid, 9.8%.
- Bond markets were broadly higher for the year. Investment-grade corporate bonds were the best-performing sector of the US Aggregate Index and gained 8.5% for the year. Treasuries lagged at 4.1% during the year but were still a welcome relief from 2022's negative bond market results. The bellwether fixed-income benchmark, the Bloomberg US Aggregate Index, climbed 5.5% in 2023.

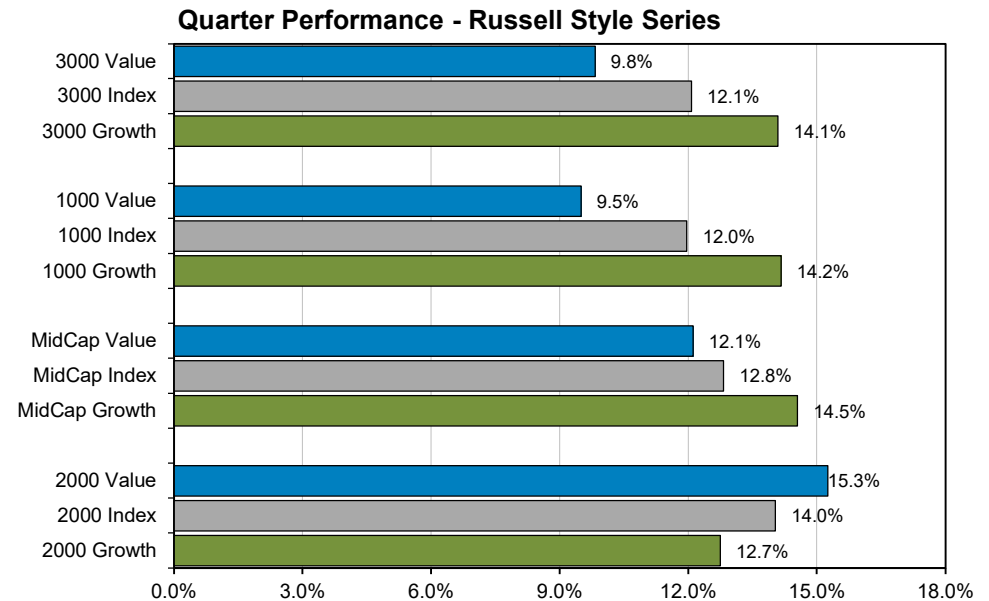
### 1-Year Performance



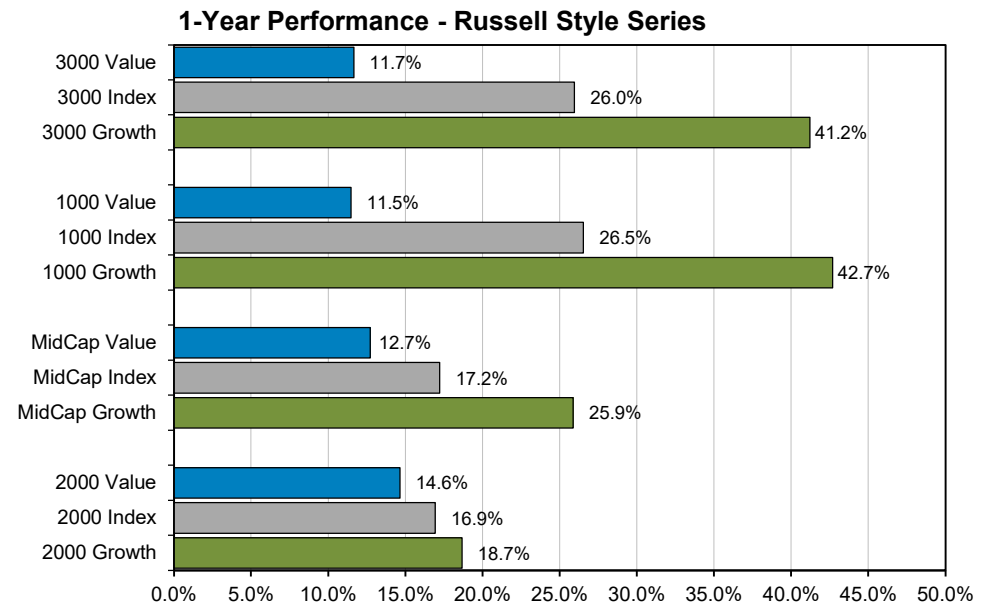
Source: Investment Metrics



- After softening in the third quarter, core domestic equity benchmarks finished 2023 on a strong note. Increasing optimism regarding taming inflation and future economic growth were the primary factors driving performance during the quarter. While the global economy still faces geopolitical risk in the Middle East and Eastern Europe, the US economy remains resilient heading into 2024. The small-cap Russell 2000 Index (14.0%) led results this quarter among the core capitalization-based benchmarks, besting both the mid-cap (12.8%) and large-cap (12.0%) indices. Growth was favored over value across the broad market as the Russell 3000 Growth Index outpaced its value counterpart by 4.3%. However, among small-cap stocks, value led the way with the Russell 2000 Value Index returning 15.3%. The Russell 2000 Growth Index was not far behind, gaining 12.7% for the quarter.
- Outside of small cap, growth stocks broadly outperformed their value counterparts by a sizable margin for the quarter. This continued a persistent theme for 2023 of growth-based benchmark outperformance. Despite these differentials, the large-, mid-, and small-cap value benchmarks each posted solid performance for the quarter with the Russell 2000 Value Index posting a chart-leading return of 15.3%.



- The broad rally in domestic equity markets during the fourth quarter contributed to a strong year of index results. Within large-cap stocks, the Russell 1000 Growth Index returned an exceptional 42.7% for the year, leading the way among style and market capitalization-based benchmark results. The lowest relative performing equity index was the Russell 1000 Value, but still posted a double-digit return of 11.5% for the year.
- Growth rebounded during 2023 and led value-based benchmarks at all market capitalization ranges for the year. The Russell 2000 Growth Index returned 18.7%, outpacing the Russell 2000 Value Index's 14.6% return by a span of 4.1%. The Russell 1000 Growth and Russell Midcap Growth benchmarks gained 42.7% and 25.9%, respectively, while their corresponding value index counterparts returned solid, but lagging, performance of 11.5% and 12.7%, respectively.

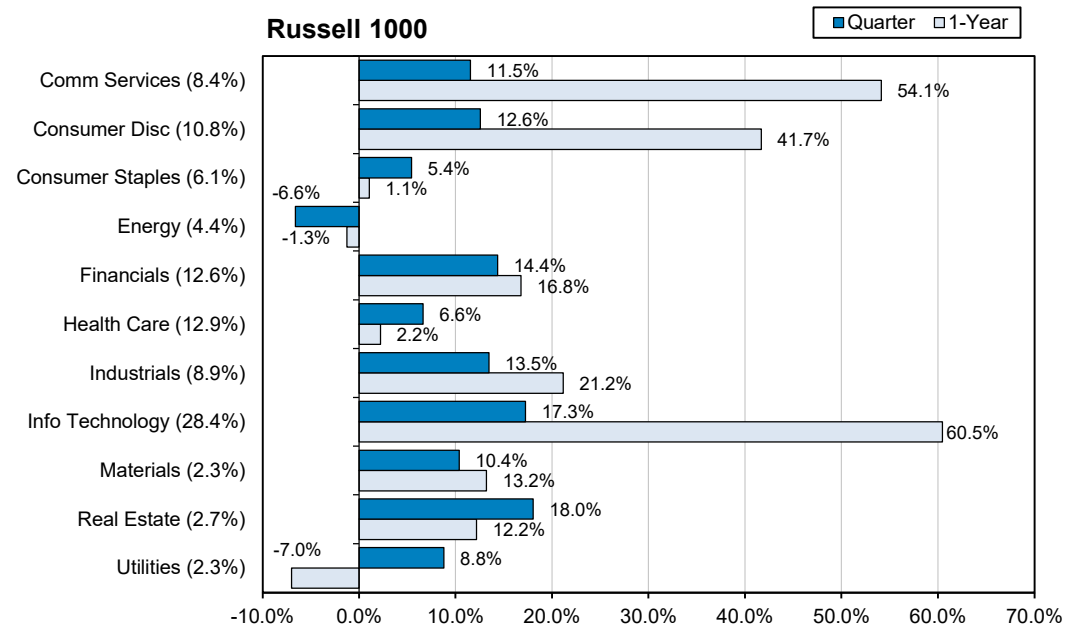


Source: Investment Metrics



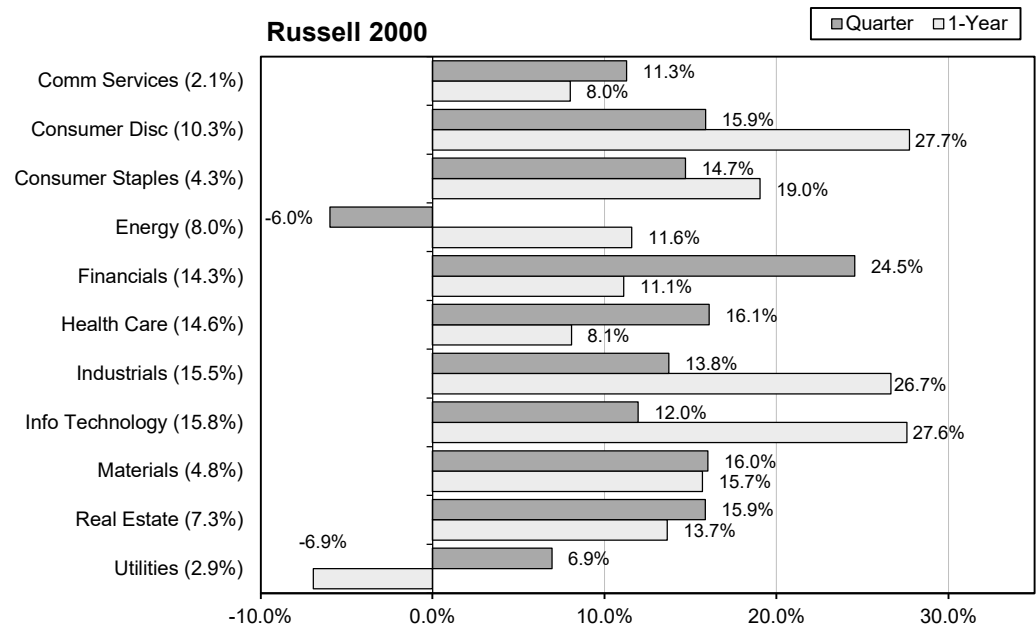
- Large-cap sector performance was generally positive for the fourth quarter. Ten of 11 economic sectors posted positive absolute performance for the quarter, with five sectors outpacing the return of the Russell 1000 Index.
- After being challenged by rapidly rising inflation and an uncertain growth trajectory in 2022, the information technology sector rebounded significantly during 2023, ending the year with an impressive 17.3% return in the fourth quarter. The other four sectors that outpaced the headline index's return for the quarter were consumer discretionary (12.6%), financials (14.4%), industrials (13.5%) and real estate (18.0%). Energy was the only sector to lose ground for the quarter, returning -6.6%.
- For the full year, just three economic sectors exceeded the return of the broad large-cap benchmark but nine of the 11 sectors posted positive performance. Performance in the Information technology (60.5%), communication services (54.1%), and consumer discretionary (41.7%) sectors made the greatest contributions to the index's 26.5% return during the year. The weakest economic sector in the Russell 1000 for the year was utilities, which declined by -7.0%.

**Russell 1000**



- Ten small-cap economic sectors posted positive results during the quarter while six of 11 sectors exceeded the 14.0% return of the Russell 2000 Index. Performance in the financials (24.5%) sector led the way for the quarter while the energy (-6.0%) was the only sector to post a negative result.
- Like large-cap sector performance over the trailing year, ten small-cap sectors were positive. Consumer discretionary (27.7%) posted the strongest sector result, with honorable mentions going to the industrials and information technology sectors, which each returned more than 20% for the year. Seven of the 11 economic sectors fell short of the core small-cap benchmark's return of 16.9% for the year. The worst-performing sector for the year was utilities, which slid -6.9% and was the only sector to post a negative return for 2023.

**Russell 2000**



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



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of December 31, 2023

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.5%	12.6%	49.0%	Information Technology
Microsoft Corp	6.4%	19.3%	58.2%	Information Technology
Amazon.com Inc	3.1%	19.5%	80.9%	Consumer Discretionary
NVIDIA Corp	2.7%	13.9%	239.0%	Information Technology
Alphabet Inc Class A	1.9%	6.7%	58.3%	Communication Services
Meta Platforms Inc Class A	1.8%	17.9%	194.1%	Communication Services
Alphabet Inc Class C	1.6%	6.9%	58.8%	Communication Services
Tesla Inc	1.6%	-0.7%	101.7%	Consumer Discretionary
Berkshire Hathaway Inc Class B	1.5%	1.8%	15.5%	Financials
Eli Lilly and Co	1.1%	8.7%	60.9%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Coinbase Global Inc Ordinary Shares	0.1%	131.6%	391.4%	Financials
Affirm Holdings Inc Ordinary Shares	0.0%	131.0%	408.2%	Financials
Gap Inc	0.0%	99.6%	96.8%	Consumer Discretionary
Spirit AeroSystems Holdings Inc	0.0%	96.9%	7.4%	Industrials
Karuna Therapeutics Inc	0.0%	87.2%	61.1%	Health Care
Rocket Companies Inc Ordinary Shares	0.0%	77.0%	106.9%	Financials
Block Inc Class A	0.1%	74.8%	23.1%	Financials
Macy's Inc	0.0%	74.8%	1.6%	Consumer Discretionary
SentinelOne Inc Class A	0.0%	62.8%	88.1%	Information Technology
Frontier Communications Parent Inc	0.0%	61.9%	-0.5%	Communication Services

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
ChargePoint Holdings Inc	0.0%	-52.9%	-75.4%	Industrials
Plug Power Inc	0.0%	-40.8%	-63.6%	Industrials
Maravai LifeSciences Holdings Inc	0.0%	-34.5%	-54.2%	Health Care
R1 RCM Inc	0.0%	-29.9%	-3.5%	Health Care
Agilon Health Inc	0.0%	-29.3%	-22.2%	Health Care
BILL Holdings Inc Ordinary Shares	0.0%	-24.9%	-25.1%	Information Technology
Lucid Group Inc Shs	0.0%	-24.7%	-38.4%	Consumer Discretionary
AMC Entertainment Holdings Inc	0.0%	-23.4%	-83.0%	Communication Services
Petco Health and Wellness Co Inc	0.0%	-22.7%	-66.7%	Consumer Discretionary
Hasbro Inc	0.0%	-21.6%	-12.0%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Super Micro Computer Inc	0.5%	3.7%	246.2%	Information Technology
Simpson Manufacturing Co Inc	0.3%	32.4%	125.3%	Industrials
e.l.f. Beauty Inc	0.3%	31.4%	161.0%	Consumer Staples
Cytokinetics Inc	0.3%	183.4%	82.2%	Health Care
MicroStrategy Inc Class A	0.3%	92.4%	346.2%	Information Technology
UFP Industries Inc	0.3%	22.9%	60.3%	Industrials
Light & Wonder Inc Ordinary Shares	0.3%	15.1%	40.1%	Consumer Discretionary
Onto Innovation Inc	0.3%	19.9%	124.6%	Information Technology
Rambus Inc	0.3%	22.3%	90.5%	Information Technology
BellRing Brands Inc Class A	0.3%	34.4%	116.2%	Consumer Staples

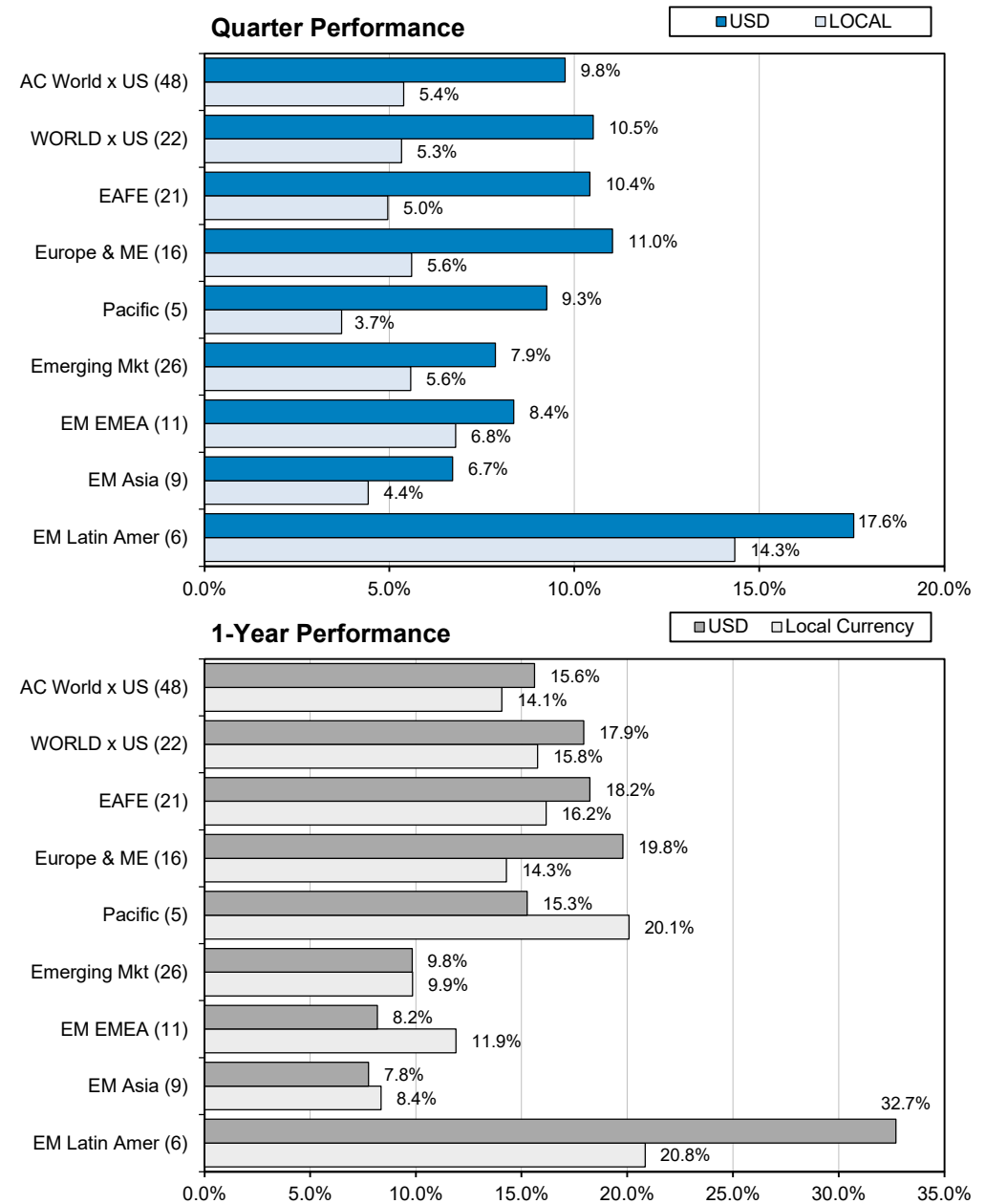
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Nkarta Inc Ordinary Shares	0.0%	374.8%	10.2%	Health Care
Altimmune Inc	0.0%	332.7%	-31.6%	Health Care
ALX Oncology Holdings Inc	0.0%	210.2%	32.1%	Health Care
Pulse Biosciences Inc	0.0%	203.7%	341.9%	Health Care
ImmunityBio Inc Ordinary Shares	0.0%	197.0%	-1.0%	Health Care
Cleanspark Inc	0.1%	189.5%	440.7%	Information Technology
EyePoint Pharmaceuticals Inc	0.0%	189.2%	560.3%	Health Care
Cytokinetics Inc	0.3%	183.4%	82.2%	Health Care
RayzeBio inc	0.0%	180.0%	N/A	Health Care
Marathon Digital Holdings Inc	0.2%	176.4%	586.8%	Information Technology

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Ventyx Biosciences Inc	0.0%	-92.9%	-92.5%	Health Care
Enviva Inc	0.0%	-86.7%	-98.1%	Energy
Aclaris Therapeutics Inc	0.0%	-84.7%	-93.3%	Health Care
Li-Cycle Holdings Corp Ordinary	0.0%	-83.5%	-87.7%	Industrials
Ocean Biomedical Inc	0.0%	-83.1%	N/A	Health Care
Reneo Pharmaceuticals Inc	0.0%	-79.0%	-31.3%	Health Care
Charge Enterprises Inc	0.0%	-77.1%	-90.8%	Communication Services
Cano Health Inc Ordinary Shares	0.0%	-76.9%	-95.7%	Health Care
CareMax Inc Ordinary Shares	0.0%	-76.5%	-86.4%	Health Care
Velo3D Inc	0.0%	-74.5%	-77.8%	Industrials

Source: Morningstar Direct



- The fourth quarter ended with strong performance across international equity markets in both in LCL and USD terms. The USD weakened substantially against most non-US currencies for the quarter, which boosted USD index performance relative to LCL returns. The developed market MSCI EAFE Index gained 10.4% in USD and 5.0% in LCL terms for the quarter. The MSCI Emerging Markets Index rose 7.9% in USD and a lower 5.6% in LCL terms.
- Latin America (LATAM) continued to lead the way, closing out 2023 with a quarterly return of 17.6% in USD terms. Performance in the region was driven by strong demand for commodity exports from growing worldwide production along with a USD performance boost due to LCL strength in the region.
- The performance of the largest weighted country in the emerging market index (China, 26.7%) lagged during the year with a return of -4.4% for the fourth quarter and -13.3% for the year in USD terms. Investors have struggled to accurately forecast the pace of China's recovery after its economic reopening from COVID-19 lockdowns, which led to a flurry of spending that has since cooled.
- Similar to domestic markets, results for international developed and emerging markets were much stronger in 2023 after inflationary pressures and geopolitical risks stunted growth in 2022. Much of the strong USD performance in late 2022 abated in 2023 with many of the international indices showcasing modestly stronger performance in USD terms.
- Annual returns across emerging markets were bifurcated. The LATAM index finished significantly ahead of the other regional indexes in USD terms, with strengthening currencies contributing significantly to the region's strong performance. The LATAM index returned 32.7% in USD and 20.8% in LCL terms for year. Performance in the EM Asia regional benchmark detracted from the emerging market index, with the EM Asia index posting returns of 7.8% in USD and 8.4% in LCL terms versus an overall MSCI Emerging Markets index return of 9.8% and 9.9% in USD and LCL terms, respectively. The EMEA, Asia and Pacific regions saw local currencies depreciate overall in 2023 due to factors related to additional military conflicts in the region and China's sluggish growth.



Source: MSCI Global Index Monitor (Returns are Net)





**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of December 31, 2023

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.1%	8.9%	13.1%
Consumer Discretionary	11.8%	8.0%	21.7%
Consumer Staples	9.3%	5.2%	4.5%
Energy	4.3%	0.4%	12.5%
Financials	18.9%	10.0%	18.8%
Health Care	12.8%	4.9%	9.3%
Industrials	16.4%	14.3%	27.6%
Information Technology	8.6%	21.3%	36.4%
Materials	7.8%	17.1%	19.9%
Real Estate	2.5%	14.9%	9.1%
Utilities	3.5%	14.0%	17.0%
<b>Total</b>	<b>100.0%</b>	<b>10.4%</b>	<b>18.2%</b>

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.2%	4.7%	5.7%
Consumer Discretionary	11.5%	5.7%	12.7%
Consumer Staples	8.0%	5.6%	4.9%
Energy	5.6%	2.3%	15.0%
Financials	21.2%	10.1%	16.2%
Health Care	9.3%	5.2%	8.0%
Industrials	13.4%	12.8%	23.2%
Information Technology	12.5%	20.0%	36.3%
Materials	8.0%	12.5%	12.2%
Real Estate	2.1%	11.1%	5.3%
Utilities	3.2%	13.6%	12.0%
<b>Total</b>	<b>100.0%</b>	<b>9.8%</b>	<b>15.6%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	8.8%	0.1%	-1.1%
Consumer Discretionary	12.8%	0.8%	-3.4%
Consumer Staples	6.0%	6.1%	4.2%
Energy	5.1%	6.7%	26.8%
Financials	22.3%	8.3%	11.5%
Health Care	3.8%	7.3%	-1.3%
Industrials	6.8%	6.3%	5.4%
Information Technology	22.1%	17.8%	32.3%
Materials	7.9%	6.8%	1.5%
Real Estate	1.6%	-0.2%	-7.1%
Utilities	2.7%	12.8%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>7.9%</b>	<b>9.8%</b>

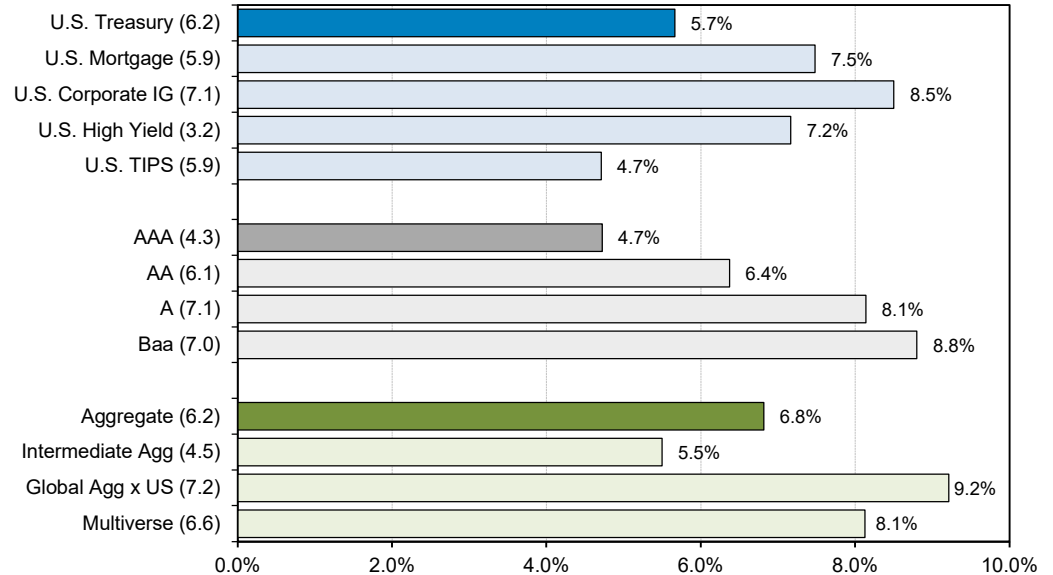
Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1-Year Return
Japan	22.5%	14.4%	8.0%	17.8%
United Kingdom	14.7%	9.5%	6.1%	9.5%
France	12.1%	7.7%	10.1%	18.8%
Switzerland	10.0%	6.4%	10.1%	13.4%
Germany	8.6%	5.5%	13.0%	19.9%
Australia	7.6%	4.9%	14.5%	10.0%
Netherlands	4.6%	3.0%	19.6%	23.7%
Denmark	3.3%	2.2%	12.2%	29.7%
Sweden	3.2%	2.1%	20.9%	21.0%
Spain	2.7%	1.7%	11.3%	28.2%
Italy	2.6%	1.7%	11.9%	31.7%
Hong Kong	2.2%	1.4%	2.9%	-17.8%
Singapore	1.4%	0.9%	3.8%	0.4%
Finland	1.1%	0.7%	8.8%	-8.2%
Belgium	1.0%	0.6%	6.1%	4.1%
Israel	0.7%	0.4%	9.0%	9.3%
Norway	0.7%	0.4%	2.2%	-0.4%
Ireland	0.5%	0.3%	6.2%	22.9%
Portugal	0.2%	0.1%	15.0%	5.1%
New Zealand	0.2%	0.1%	14.4%	3.4%
Austria	0.2%	0.1%	9.6%	12.8%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>64.3%</b>	<b>10.4%</b>	<b>18.2%</b>
Canada		7.7%	10.6%	12.6%
<b>Total Developed Countries</b>		<b>72.0%</b>	<b>10.5%</b>	<b>17.9%</b>
China		7.5%	-4.4%	-13.3%
India		4.7%	11.6%	19.6%
Taiwan		4.5%	17.2%	26.9%
Korea		3.6%	14.7%	21.7%
Brazil		1.6%	15.8%	23.4%
Saudi Arabia		1.2%	8.5%	7.2%
South Africa		0.9%	12.1%	-1.6%
Mexico		0.8%	16.9%	36.2%
Indonesia		0.5%	1.7%	3.3%
Thailand		0.5%	3.6%	-12.6%
Malaysia		0.4%	4.2%	-7.2%
United Arab Emirates		0.4%	-3.2%	-3.0%
Poland		0.3%	37.7%	45.0%
Qatar		0.3%	4.7%	-2.9%
Kuwait		0.2%	-0.3%	-10.4%
Turkey		0.2%	-12.5%	-8.9%
Philippines		0.2%	6.1%	1.7%
Chile		0.1%	6.2%	-1.2%
Greece		0.1%	11.7%	44.2%
Peru		0.1%	22.8%	30.2%
Hungary		0.1%	17.0%	45.5%
Czech Republic		0.0%	4.6%	22.4%
Colombia		0.0%	12.8%	2.3%
Egypt		0.0%	20.2%	37.7%
<b>Total Emerging Countries</b>		<b>28.0%</b>	<b>7.9%</b>	<b>9.8%</b>
<b>Total ACWIxUS Countries</b>		<b>100.0%</b>	<b>9.8%</b>	<b>15.6%</b>

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

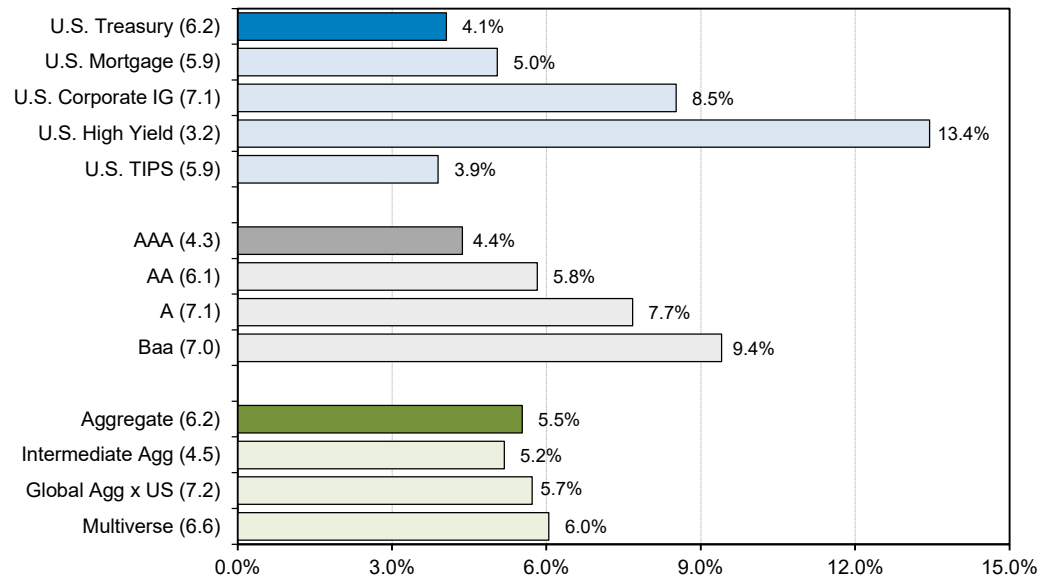


- Fixed-income markets rallied during the fourth quarter. Yields remained elevated for much of the year as economies across the globe attempted to stave off inflationary pressures. A five-month-long pause in rate hikes by the Fed coupled with expectations of cooler price pressures drove a rally in bonds globally. After a challenging 2022 in fixed-income markets brought on by the largest and most rapid increase in interest rates since the early 1980s, higher starting yields and a slower pace of rate increases led to better results in 2023. While not without its challenges during the year, the fourth-quarter's rally helped some of the fixed income sectors realize their best calendar-year performance since prior to the COVID-19 pandemic.
- The Bloomberg US Aggregate Bond Index, the bellwether US investment grade benchmark, posted its best-performing quarter of the year to close out 2023, returning 6.8% for the period. Performance across the investment grade index's segments was broadly higher during the period with the Bloomberg US Corporate Investment Grade Index returning 8.5%, the US Mortgage Index finishing slightly lower at 7.5% and the US Treasury sector returning a more modest, but still solid, 5.7% for the quarter.
- Outside of the aggregate index's sub-components, high-yield bonds continued their strong performance for the year with a return of 7.2% for the quarter as credit spreads narrowed by more than 1.0%. US TIPS gained 4.7% for the quarter, lagging most of the fixed-income market. The Bloomberg Global Aggregate ex-US Index outpaced the domestic indices during the quarter, returning a strong 9.2%.
- Over the trailing one-year period, the Bloomberg US Aggregate Bond Index posted a return of 5.5%. The Corporate Investment-grade sector outperformed the broader index during the year, gaining 8.5%. US TIPS, which are excluded from the aggregate index, lagged at just 3.9% for the year. High-yield corporate bonds, which have a much shorter duration, outpaced their investment grade counterparts with the Bloomberg US High Yield Index returning a strong 13.4% for the calendar year.
- Non-US bonds exceeded their domestic counterparts for the quarter, lifting the 5.7% return of the Bloomberg Global Aggregate ex-US Index past the 5.5% return of US Aggregate Index for the year. Rising interest rates, elevated inflation, and geopolitical risks have hindered non-US index performance. Some of those headwinds eased in the fourth quarter, contributing to the index's positive performance for the calendar year.

#### Quarter Performance



#### 1-Year Performance

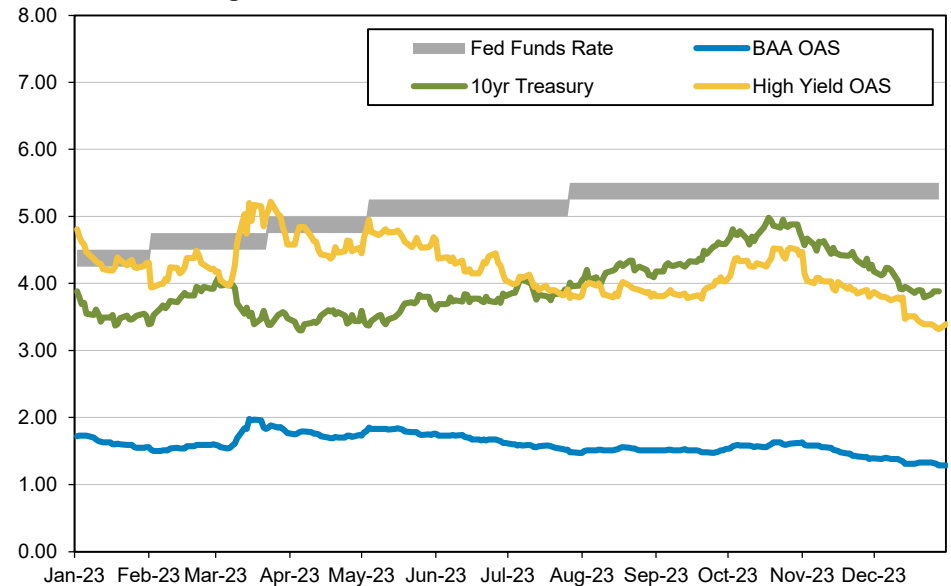


Source: Bloomberg

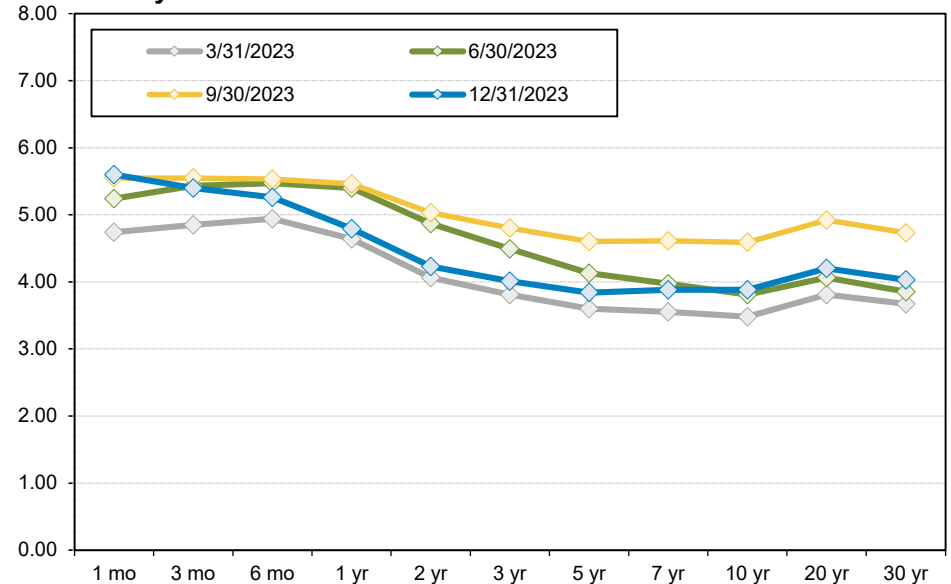


- The gray band across the graph illustrates the range of the fed funds target rate. The Fed last raised its rate range at the July 2023 meeting. The lower end of the range remained at 5.25% at year-end. The Fed's decision to pause on additional rate increases for the remainder of 2023 and took on a more dovish tone in their December press release, which was well-received by market participants.
- The yield on the US 10-year Treasury (green line) exceeded 5.00% during the final week of October, its highest mark since July 2007. However, the benchmark yield proceeded to fall more than 1.00% over the final two months of the year, with the 10-Year Treasury finishing the year at a yield of 3.88%. The sharp decline in yields was likely a response to market participants anticipating rate cuts by the Fed in 2024.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread) for lower-quality investment-grade corporate bonds. This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury issues with the lowest investment grade rating. For the full calendar year, the spread narrowed 0.44% from 1.73% to 1.29%, signaling a lower premium for credit risk than the beginning of the year.
- High Yield OAS spreads have narrowed from 4.81% in January 2023 to 3.39% as of the end of 2023. High-yield spreads reached their widest point in March 2023, before trending lower for the remainder of the year. The spike in both the BAA OAS and High Yield spreads in March was a result of a short-lived crisis of confidence in the banking sector, which was addressed quickly by the Federal Deposit Insurance Corporation (FDIC) and supported further by the Fed's aggressive short-term par loan program. Though spreads tightened since the high, spreads traded slightly wider during October on the heels of a spark in the conflict between Israel and Palestine.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term yields rose modestly during the year and remained elevated. Despite this, both intermediate and longer-term yields are lower than they were at the end of the third quarter. Since September, the yield curve has further inverted (meaning that short-term rates are higher than long-term rates) between the two- and 10-year maturities. This is consistent with market expectations for a lower interest rate environment going forward. Since the Fed generally lowers rates to support economic growth, a persistent inversion of these two key rates has historically suggested an economic recession within six to 24 months, though this is an imprecise predictor of future economic growth.

### 1-Year Trailing Market Rates



### Treasury Yield Curve



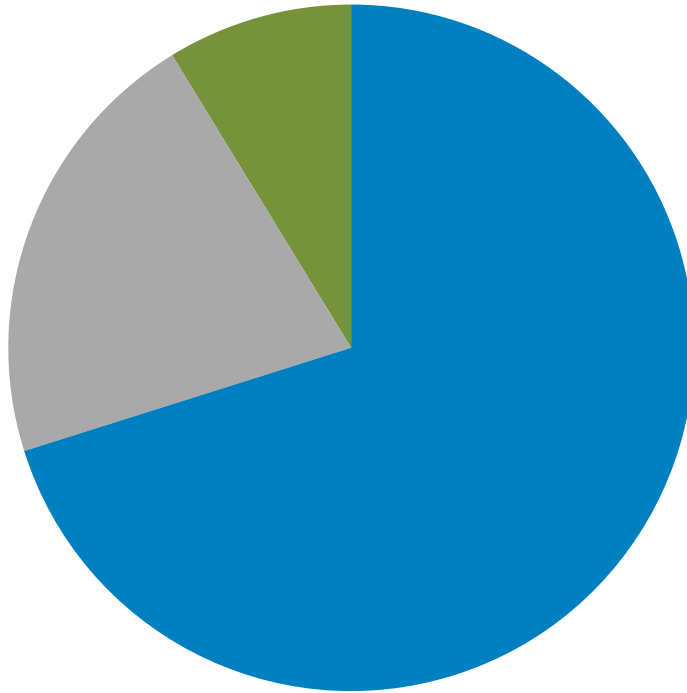
Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



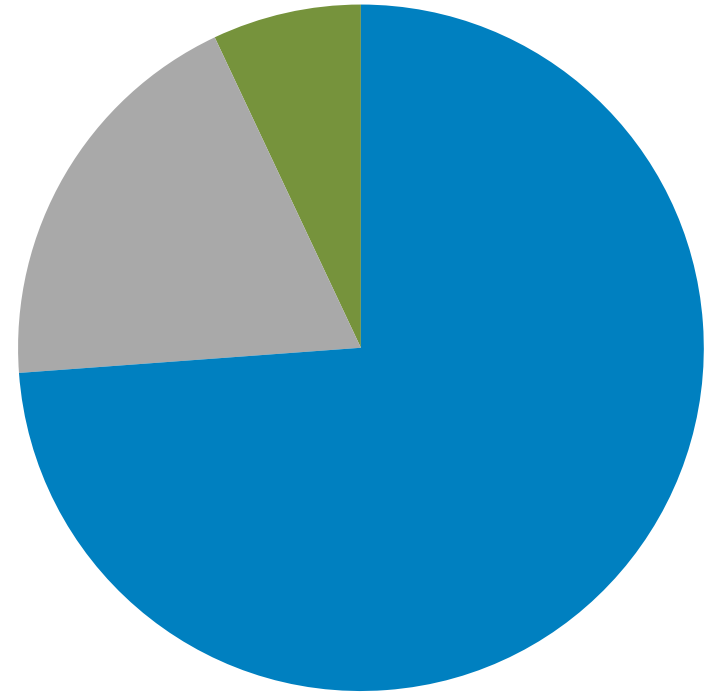
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Asset Allocation By Segment as of  
 September 30, 2023 : \$5,012,173



Asset Allocation By Segment as of  
 December 31, 2023 : \$5,489,291

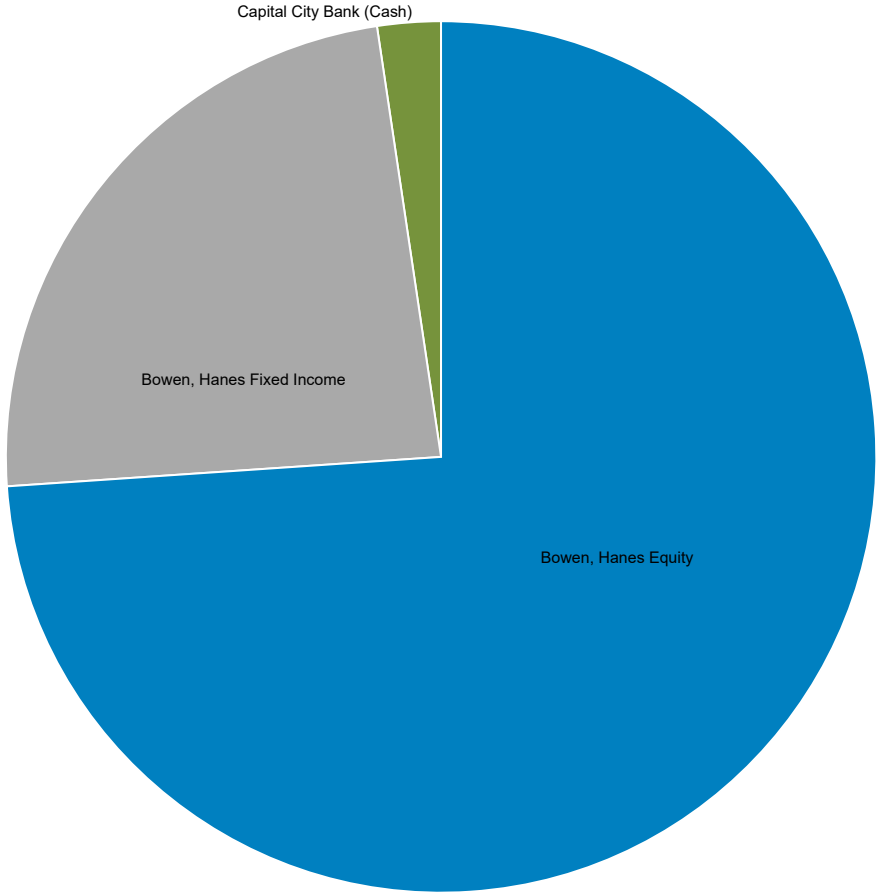
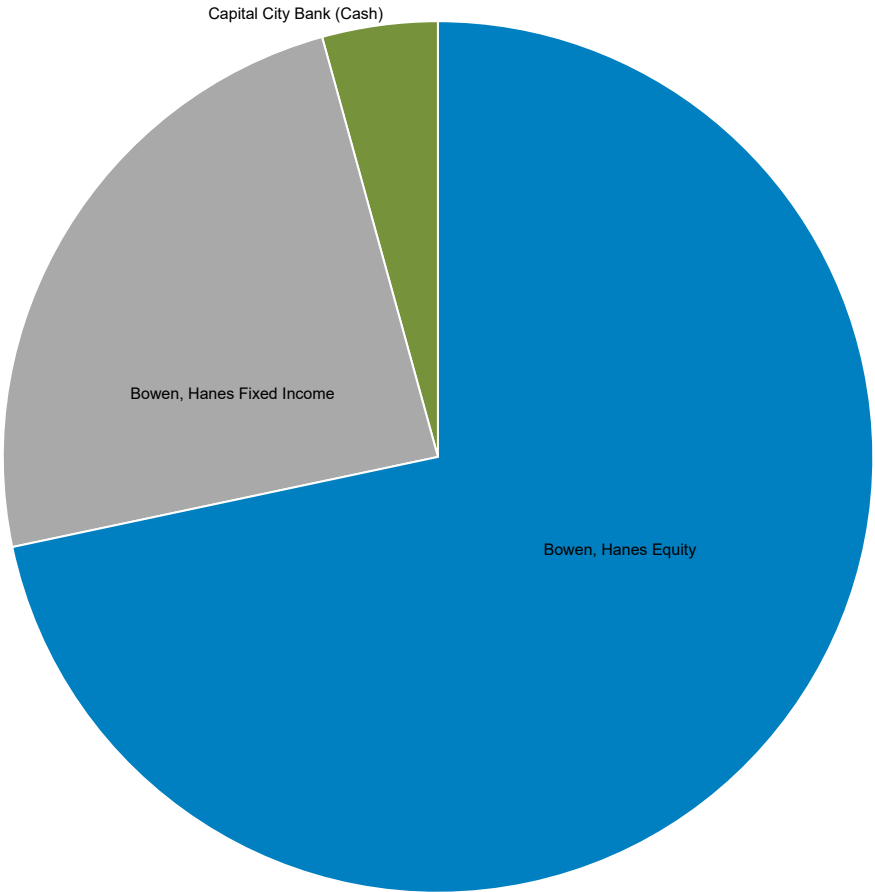


Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Equity	3,515,349	70.1	Equity	4,052,987	73.8
Fixed Income	1,058,484	21.1	Fixed Income	1,051,517	19.2
Cash Equivalent	438,340	8.7	Cash Equivalent	384,787	7.0

**Starke Firefighters' Pension Plan**  
**Asset Allocation by Manager**  
 As of December 31, 2023

Sep-2023 : \$5,012,173

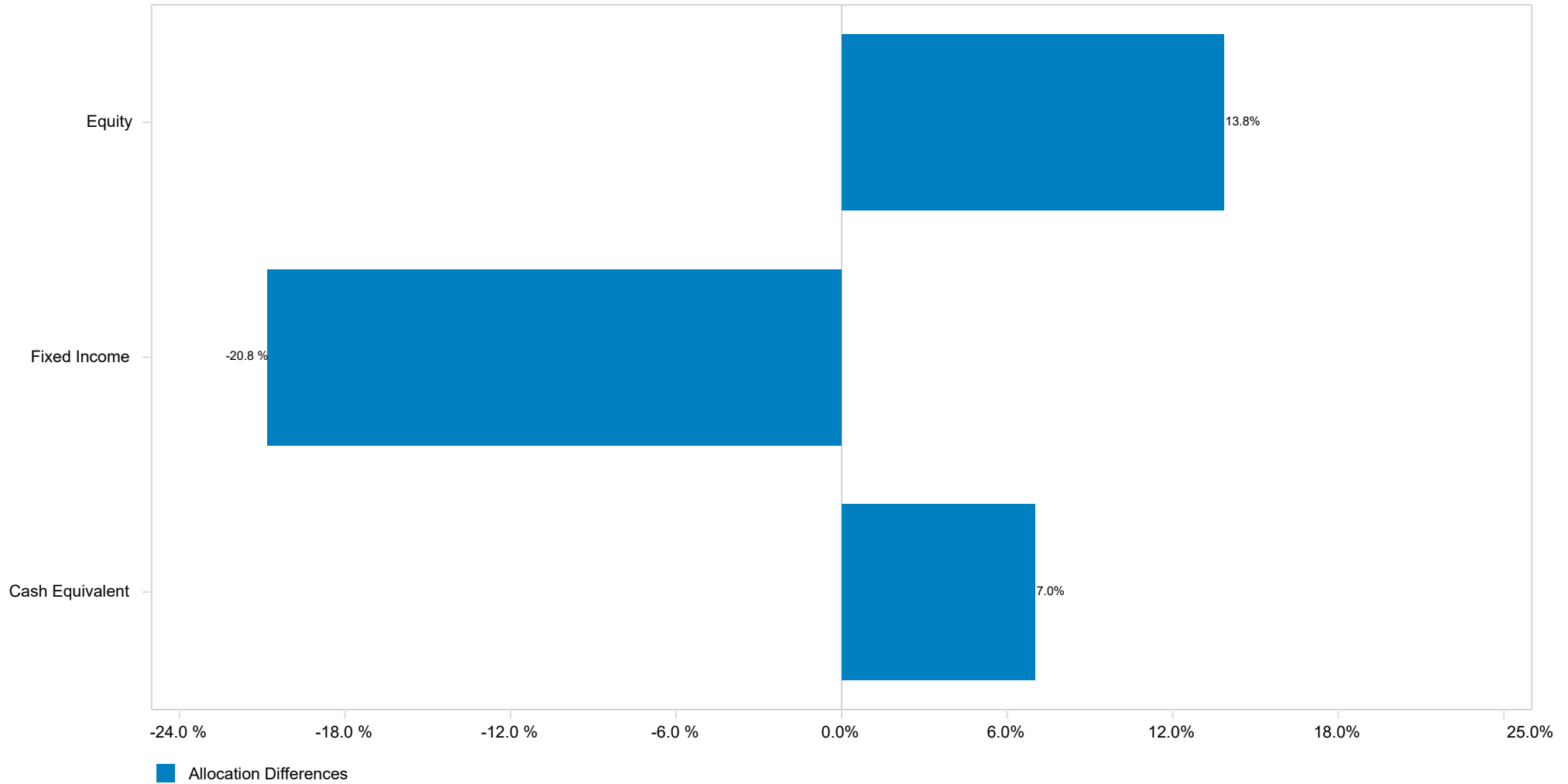
Dec-2023 : \$5,489,291



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ Bowen, Hanes Equity	3,592,912	71.7	■ Bowen, Hanes Equity	4,057,998	73.9
■ Bowen, Hanes Fixed Income	1,204,184	24.0	■ Bowen, Hanes Fixed Income	1,302,074	23.7
■ Capital City Bank (Cash)	215,077	4.3	■ Capital City Bank (Cash)	129,220	2.4



Asset Allocation vs. Target Allocation



Asset Allocation vs. Target Allocation

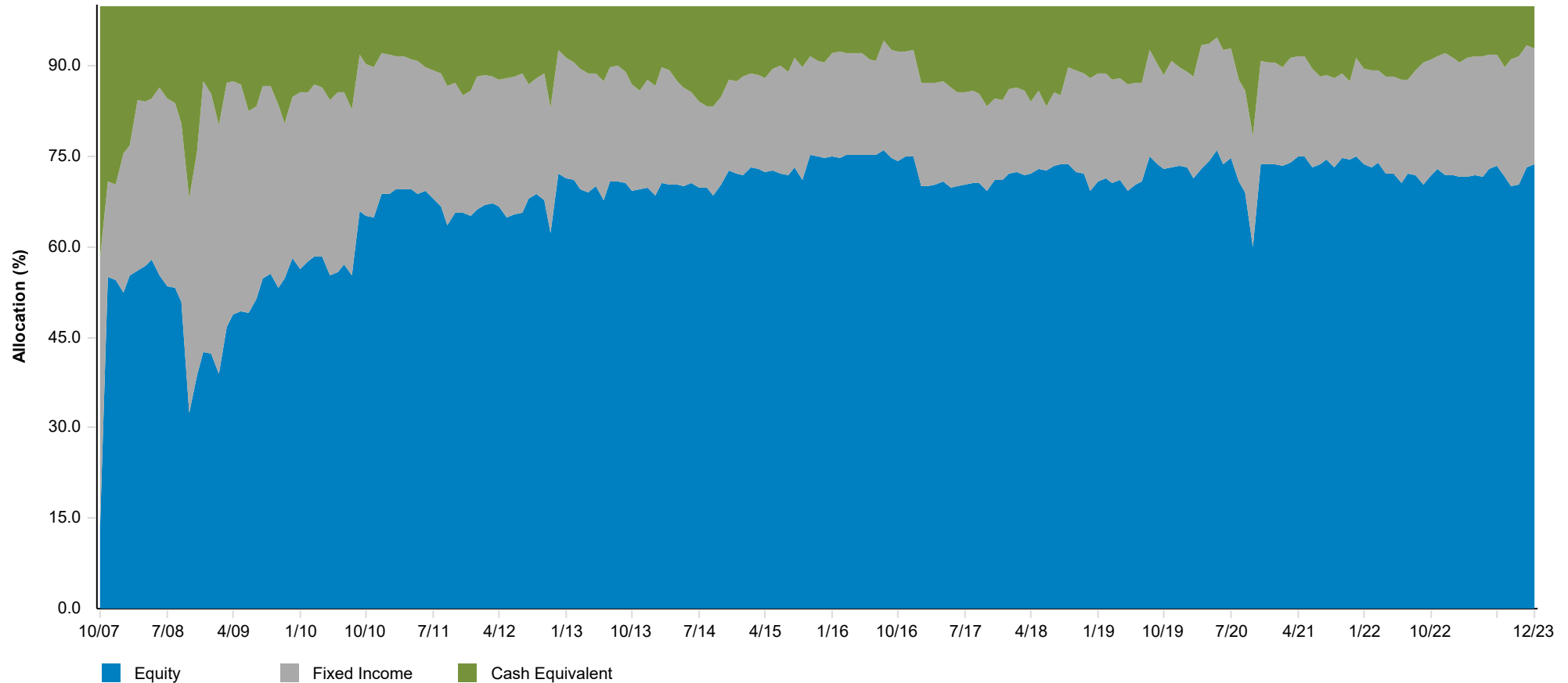
	Market Value \$	Allocation (%)	Target (%)
Equity	4,052,987	73.8	60.0
Fixed Income	1,051,517	19.2	40.0
Cash Equivalent	384,787	7.0	0.0
Total Fund	5,489,291	100.0	100.0

**Starke Firefighters' Pension Plan**  
**Asset Allocation History**  
As of December 31, 2023

**Asset Allocation History by Portfolio**

	Dec-2023		Sep-2023		Jun-2023		Mar-2023		Dec-2022	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Bowen, Hanes Equity	4,057,998	73.93	3,592,912	71.68	3,798,462	73.13	3,515,360	71.75	3,351,541	71.96
Bowen, Hanes Fixed Income	1,302,074	23.72	1,204,184	24.03	1,182,198	22.76	1,165,554	23.79	1,128,347	24.23
Capital City Bank (Cash)	129,220	2.35	215,077	4.29	213,327	4.11	218,202	4.45	177,350	3.81
<b>Total Fund</b>	<b>5,489,291</b>	<b>100.00</b>	<b>5,012,173</b>	<b>100.00</b>	<b>5,193,988</b>	<b>100.00</b>	<b>4,899,117</b>	<b>100.00</b>	<b>4,657,237</b>	<b>100.00</b>

**Asset Allocation History by Asset Class**





**Starke Firefighters' Pension Plan**  
**Financial Reconciliation**  
**As of December 31, 2023**

**Financial Reconciliation Quarter to Date**

	<b>Market Value 10/01/2023</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Income</b>	<b>Capital Gain/Loss</b>	<b>Market Value 12/31/2023</b>
Bowen, Hanes Equity	3,592,912	-40,644	-	-	-4,417	-	11,753	498,394	4,057,998
Bowen, Hanes Fixed Income	1,204,184	46,533	-	-	-1,472	-1,250	11,046	43,033	1,302,074
Capital City Bank (Cash)	215,077	-5,889	111,331	-71,015	-	-120,540	254	-	129,220
<b>Total Fund</b>	<b>5,012,173</b>	<b>-</b>	<b>111,331</b>	<b>-71,015</b>	<b>-5,889</b>	<b>-121,790</b>	<b>23,053</b>	<b>541,427</b>	<b>5,489,291</b>

**Financial Reconciliation Fiscal Year to Date**

	<b>Market Value 10/01/2023</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Income</b>	<b>Capital Gain/Loss</b>	<b>Market Value 12/31/2023</b>
Bowen, Hanes Equity	3,592,912	-40,644	-	-	-4,417	-	11,753	498,394	4,057,998
Bowen, Hanes Fixed Income	1,204,184	46,533	-	-	-1,472	-1,250	11,046	43,033	1,302,074
Capital City Bank (Cash)	215,077	-5,889	111,331	-71,015	-	-120,540	254	-	129,220
<b>Total Fund</b>	<b>5,012,173</b>	<b>-</b>	<b>111,331</b>	<b>-71,015</b>	<b>-5,889</b>	<b>-121,790</b>	<b>23,053</b>	<b>541,427</b>	<b>5,489,291</b>



# Starke Firefighters' Pension Plan

## Trailing Returns

As of December 31, 2023

	QTR		FYTD		1 YR		3 YR		5 YR		Inception		Inception Date
<b>Total Fund (Gross)</b>	<b>11.33</b>	<b>(N/A)</b>	<b>11.33</b>	<b>(N/A)</b>	<b>18.96</b>	<b>(N/A)</b>	<b>7.35</b>	<b>(N/A)</b>	<b>11.88</b>	<b>(N/A)</b>	<b>7.38</b>	<b>(N/A)</b>	<b>09/01/2006</b>
Total Fund Policy	9.04	(N/A)	9.04	(N/A)	16.51	(N/A)	4.49	(N/A)	9.01	(N/A)	6.99	(N/A)	
All Public Plans-Total Fund Median	N/A		N/A		N/A		N/A		N/A		N/A		
<b>Total Fund (Net)</b>	<b>11.19</b>		<b>11.19</b>		<b>18.41</b>		<b>6.77</b>		<b>11.37</b>		<b>6.98</b>		<b>09/01/2006</b>
<b>Bowen, Hanes Balanced</b>	<b>11.76</b>	<b>(N/A)</b>	<b>11.76</b>	<b>(N/A)</b>	<b>19.77</b>	<b>(N/A)</b>	<b>7.63</b>	<b>(N/A)</b>	<b>12.26</b>	<b>(N/A)</b>	<b>7.62</b>	<b>(N/A)</b>	<b>11/01/2007</b>
Bowen Hanes Policy	9.04	(N/A)	9.04	(N/A)	16.51	(N/A)	4.49	(N/A)	9.01	(N/A)	6.69	(N/A)	
All Public Plans-Total Fund Median	N/A		N/A		N/A		N/A		N/A		N/A		
<b>Total Equity</b>													
<b>Bowen, Hanes Equity</b>	<b>14.15</b>	<b>(5)</b>	<b>14.15</b>	<b>(5)</b>	<b>24.34</b>	<b>(48)</b>	<b>9.88</b>	<b>(43)</b>	<b>15.13</b>	<b>(49)</b>	<b>7.92</b>	<b>(96)</b>	<b>11/01/2007</b>
Total Equity Policy	11.39	(54)	11.39	(54)	24.44	(47)	8.68	(67)	13.97	(70)	8.06	(96)	
IM U.S. Large Cap Core Equity (SA+CF) Median	11.56		11.56		24.10		9.47		15.10		9.41		
<b>Total Fixed Income</b>													
<b>Bowen, Hanes Fixed Income</b>	<b>4.50</b>	<b>(78)</b>	<b>4.50</b>	<b>(78)</b>	<b>6.34</b>	<b>(17)</b>	<b>0.33</b>	<b>(8)</b>	<b>2.91</b>	<b>(6)</b>	<b>3.66</b>	<b>(17)</b>	<b>11/01/2007</b>
Total Fixed Income Policy	5.50	(21)	5.50	(21)	5.18	(90)	-2.06	(96)	1.14	(99)	2.67	(96)	
IM U.S. Intermediate Duration (SA+CF) Median	4.72		4.72		5.71		-1.33		1.93		3.18		
<b>Total Cash</b>													
<b>Capital City Bank (Cash)</b>	<b>0.13</b>	<b>(100)</b>	<b>0.13</b>	<b>(100)</b>	<b>0.38</b>	<b>(100)</b>	<b>-1.75</b>	<b>(100)</b>	<b>-1.00</b>	<b>(100)</b>	<b>-0.72</b>	<b>(100)</b>	<b>01/01/2017</b>
FTSE 3 Month T-Bill	1.41	(4)	1.41	(4)	5.26	(3)	2.25	(8)	1.91	(7)	1.75	(10)	
IM U.S. Taxable Money Market (MF) Median	1.30		1.30		4.88		2.06		1.68		1.50		

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
Returns prior to 10/2007 are gross of fees and provided by Morgan Stanley.



# Starke Firefighters' Pension Plan

## Fiscal Year Returns

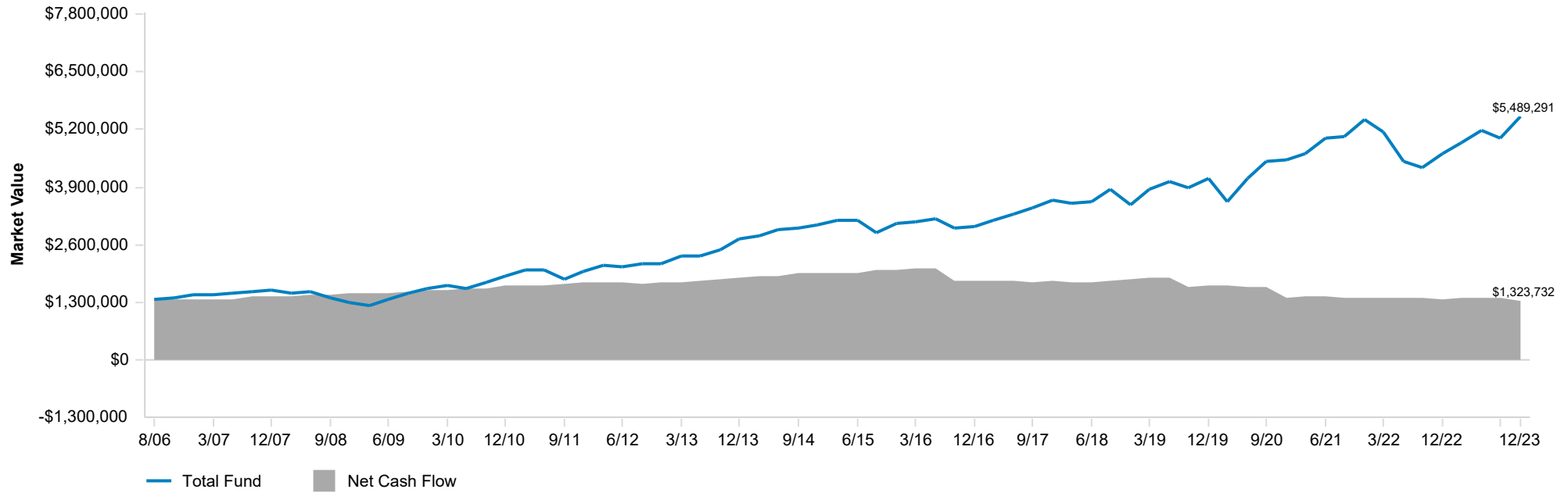
As of December 31, 2023

	FYTD		FY 2023		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018		FY 2017	
<b>Total Fund (Gross)</b>	<b>11.33</b>	<b>(N/A)</b>	<b>14.73</b>	<b>(5)</b>	<b>-13.10</b>	<b>(31)</b>	<b>18.43</b>	<b>(71)</b>	<b>14.90</b>	<b>(2)</b>	<b>3.95</b>	<b>(52)</b>	<b>12.72</b>	<b>(2)</b>	<b>15.10</b>	<b>(3)</b>
Total Fund Policy	9.04	(N/A)	14.05	(8)	-15.07	(54)	16.71	(87)	9.76	(38)	5.41	(12)	7.96	(49)	11.14	(70)
All Public Plans-Total Fund Median	N/A		10.75		-14.76		19.92		8.54		3.99		7.91		11.82	
<b>Total Fund (Net)</b>	<b>11.19</b>		<b>14.21</b>		<b>-13.53</b>		<b>17.78</b>		<b>14.51</b>		<b>3.35</b>		<b>12.33</b>		<b>14.57</b>	
<b>Bowen, Hanes Balanced</b>	<b>11.76</b>	<b>(N/A)</b>	<b>15.41</b>	<b>(3)</b>	<b>-13.54</b>	<b>(47)</b>	<b>18.85</b>	<b>(72)</b>	<b>15.18</b>	<b>(2)</b>	<b>4.25</b>	<b>(52)</b>	<b>13.10</b>	<b>(1)</b>	<b>16.15</b>	<b>(3)</b>
Bowen Hanes Policy	9.04	(N/A)	14.05	(7)	-15.07	(64)	16.71	(87)	9.76	(20)	5.41	(21)	7.96	(40)	11.14	(68)
All Public Plans-Total Fund Median	N/A		10.67		-13.93		20.65		7.62		4.29		7.53		11.97	
<b>Total Equity</b>																
<b>Bowen, Hanes Equity</b>	<b>14.15</b>	<b>(5)</b>	<b>19.51</b>	<b>(62)</b>	<b>-15.85</b>	<b>(63)</b>	<b>24.96</b>	<b>(81)</b>	<b>16.65</b>	<b>(30)</b>	<b>3.49</b>	<b>(47)</b>	<b>17.41</b>	<b>(51)</b>	<b>20.37</b>	<b>(33)</b>
Total Equity Policy	11.39	(54)	22.90	(24)	-17.84	(80)	29.13	(66)	11.48	(59)	3.01	(52)	14.13	(78)	18.93	(52)
IM U.S. Large Cap Core Equity (SA+CF) Median	11.56		20.81		-14.98		30.78		13.41		3.16		17.48		19.05	
<b>Total Fixed Income</b>																
<b>Bowen, Hanes Fixed Income</b>	<b>4.50</b>	<b>(78)</b>	<b>3.13</b>	<b>(21)</b>	<b>-6.67</b>	<b>(10)</b>	<b>1.40</b>	<b>(23)</b>	<b>7.79</b>	<b>(7)</b>	<b>5.57</b>	<b>(94)</b>	<b>1.12</b>	<b>(6)</b>	<b>1.34</b>	<b>(24)</b>
Total Fixed Income Policy	5.50	(21)	1.42	(89)	-11.49	(89)	-0.38	(88)	5.66	(79)	8.08	(46)	-0.93	(95)	0.25	(86)
IM U.S. Intermediate Duration (SA+CF) Median	4.72		2.54		-10.03		0.28		6.43		8.03		-0.36		0.71	
<b>Cash Accounts</b>																
<b>Capital City Bank (Cash)</b>	<b>0.13</b>	<b>(100)</b>	<b>0.27</b>	<b>(100)</b>	<b>-5.56</b>	<b>(100)</b>	<b>0.05</b>	<b>(7)</b>	<b>0.05</b>	<b>(99)</b>	<b>0.18</b>	<b>(99)</b>	<b>0.00</b>	<b>(99)</b>	<b>N/A</b>	
FTSE 3 Month T-Bill	1.41	(4)	4.71	(8)	0.63	(27)	0.06	(5)	1.02	(6)	2.36	(8)	1.57	(11)	0.64	(15)
IM U.S. Taxable Money Market (MF) Median	1.30		4.40		0.55		0.01		0.67		2.02		1.23		0.39	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
Returns prior to 10/2007 are gross of fees and provided by Morgan Stanley.



Plan Growth

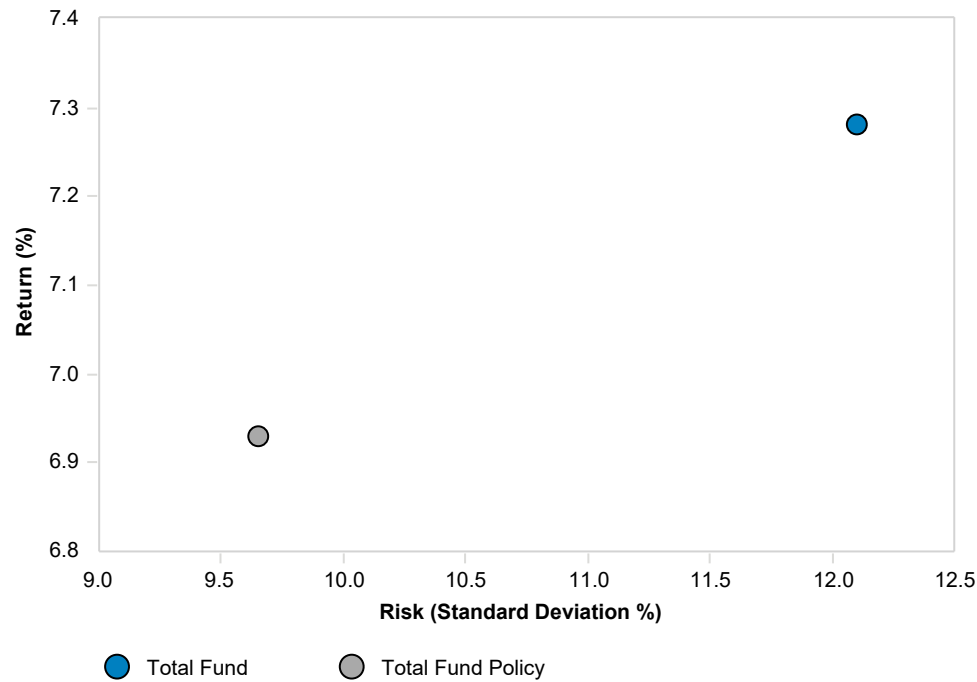


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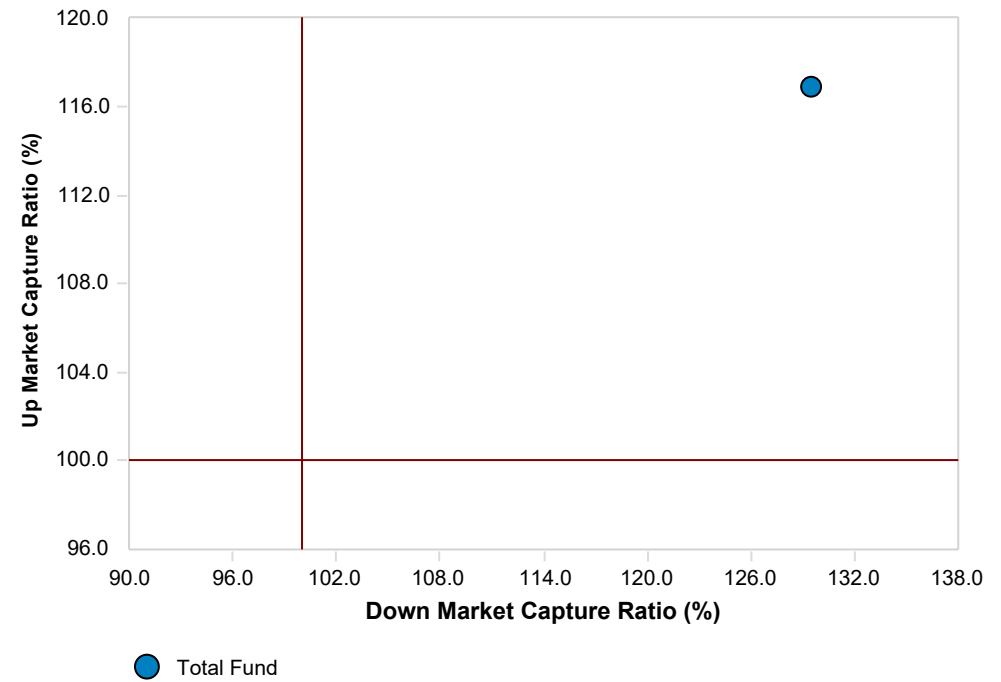
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Risk vs Return: Since Inception (October 1, 2006)



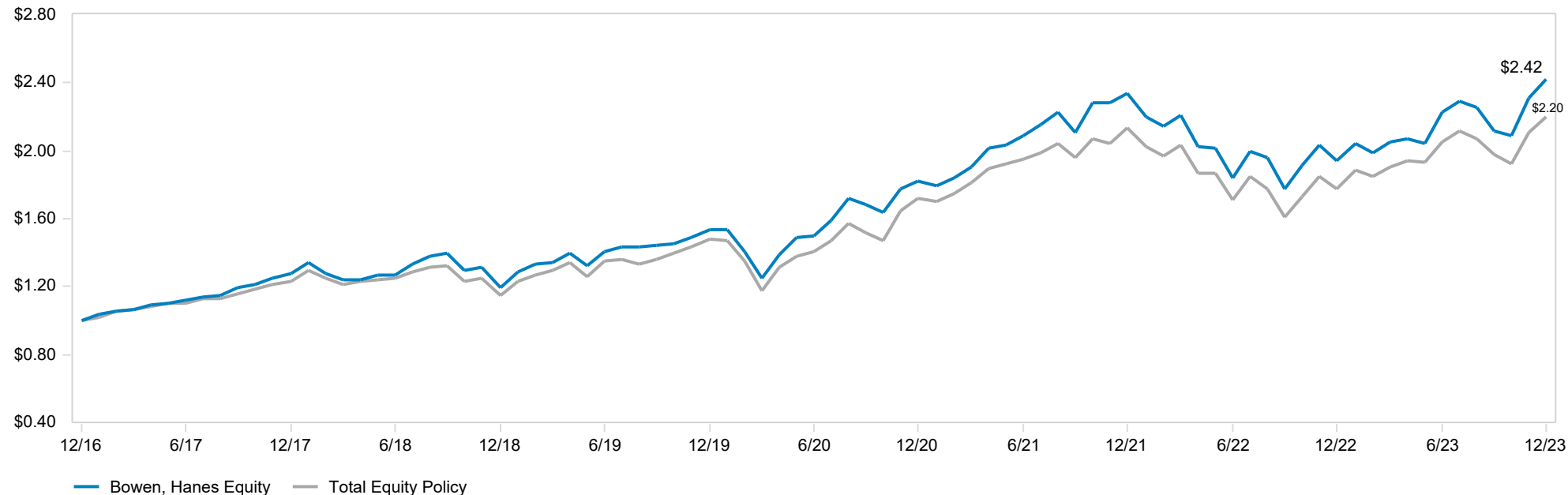
Up/Down Markets: Since Inception Ending December 31, 2023



Historical Statistics: Since Inception

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error	Inception Date
Total Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	09/01/2006
Total Fund Policy	0.00	-20.25	0.00	0.00	0.57	N/A	0.05	1.00	0.00	01/01/1978

**Growth of a Dollar**



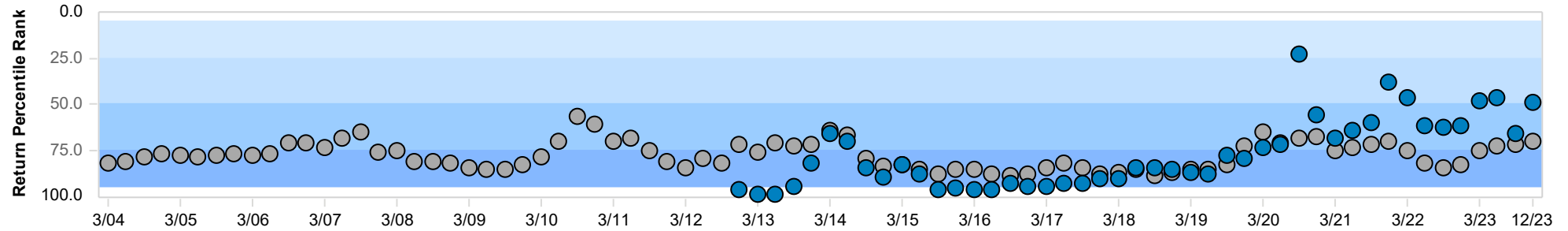
**Trailing Returns**

Bowen, Hanes Equity	14.15 (5)	24.34 (48)	24.34 (48)	1.68 (51)	9.88 (43)	15.13 (49)	13.45 (34)	10.84 (81)	12.66 (88)
Total Equity Policy	11.39 (54)	24.44 (47)	24.44 (47)	1.61 (53)	8.68 (67)	13.97 (70)	11.95 (74)	10.23 (86)	12.49 (89)
Median	11.56	24.10	24.10	1.68	9.47	15.10	13.07	11.78	13.93

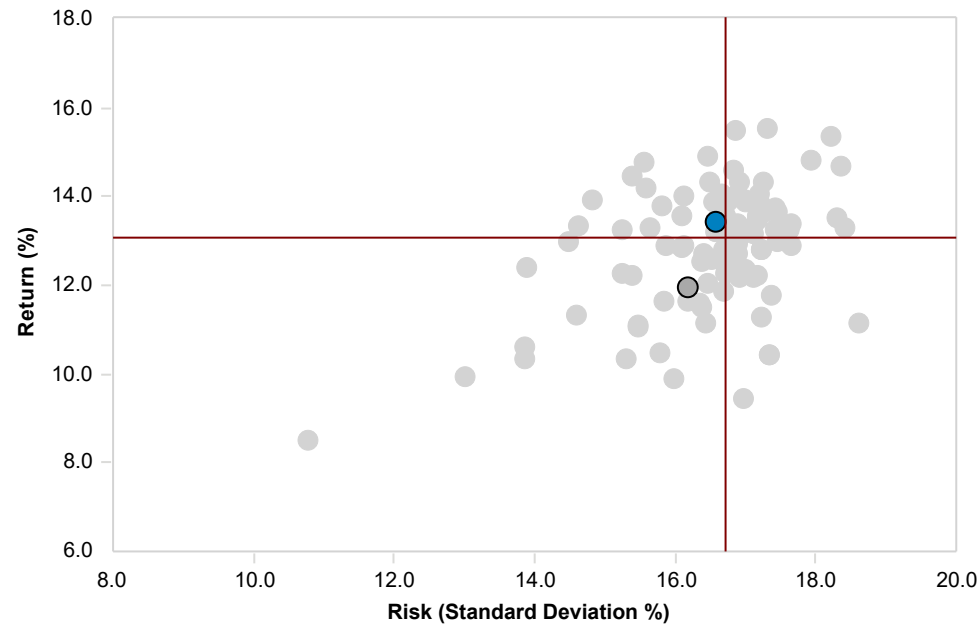
**Fiscal Year Returns**

Bowen, Hanes Equity	14.15 (5)	-15.85 (63)	24.96 (81)	16.65 (30)	3.49 (47)	17.41 (51)	20.37 (33)
Total Equity Policy	11.39 (54)	-17.84 (80)	29.13 (66)	11.48 (59)	3.01 (52)	14.13 (78)	18.93 (52)
Median	11.56	-14.98	30.78	13.41	3.16	17.48	19.05

### 5 Year Rolling Percentile Ranking

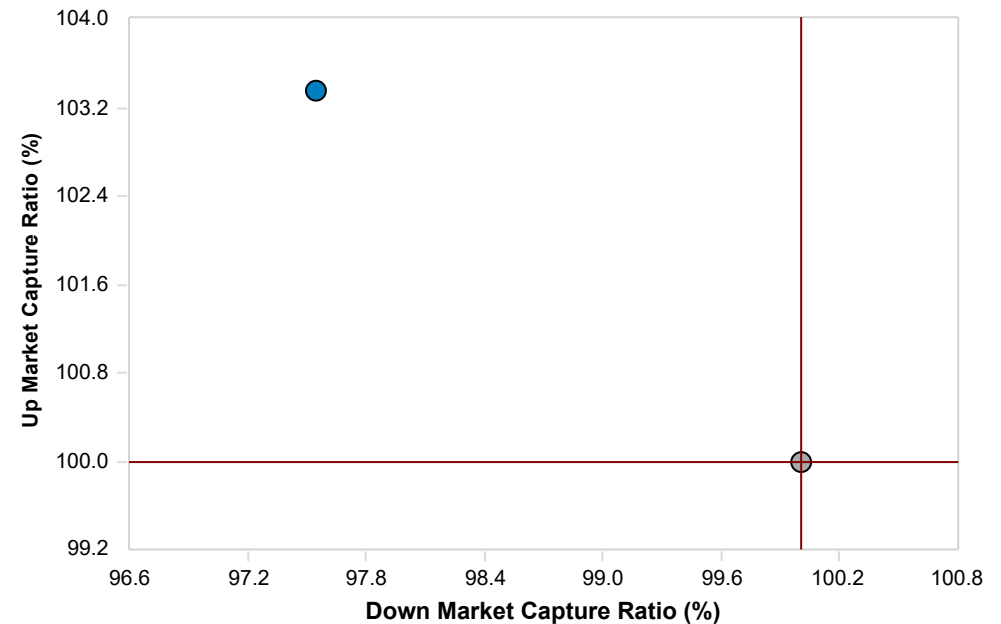


### Risk vs Return: January 1, 2017 to Present



● Bowen, Hanes Equity ● Total Equity Policy

### Up/Down Markets: January 1, 2017 to Present

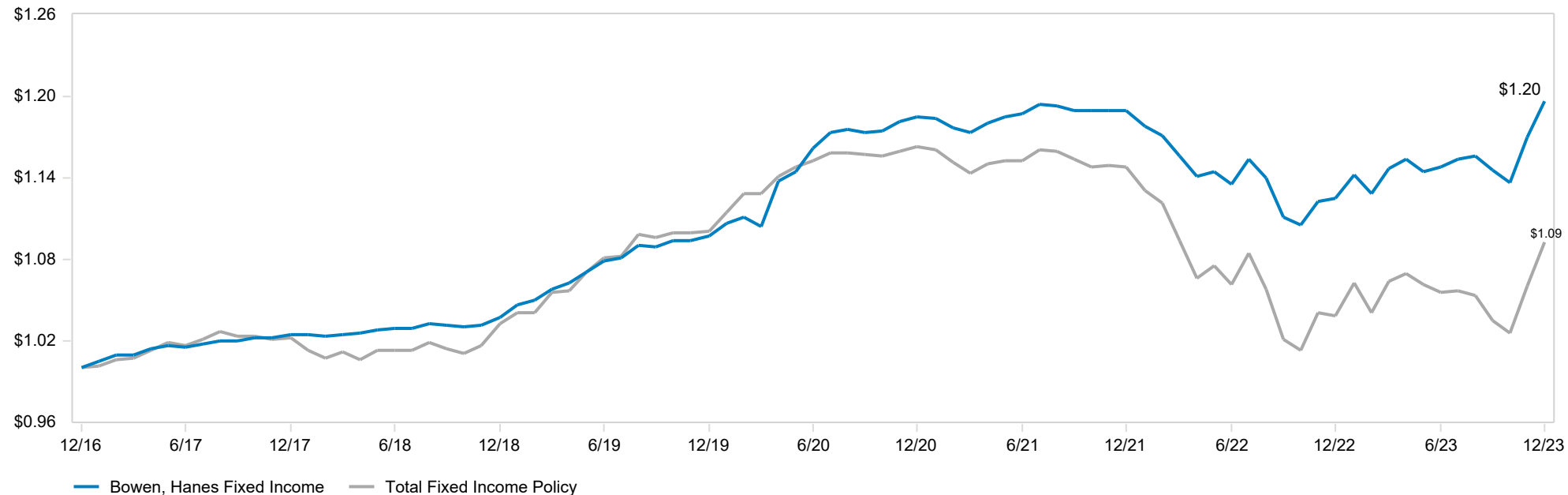


● Bowen, Hanes Equity ● Total Equity Policy

### Historical Statistics: 7 Years Ending December 31, 2023

Bowen, Hanes Equity	50.00	-24.22	1.49	1.40	0.74	0.35	0.12	0.99	4.03
Total Equity Policy	0.00	-24.58	0.00	0.00	0.67	N/A	0.11	1.00	0.00

**Growth of a Dollar**



**Trailing Returns**

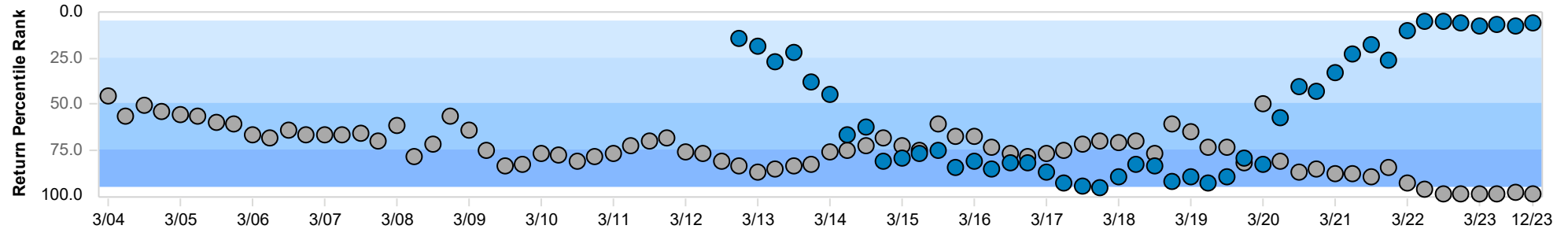
Bowen, Hanes Fixed Income	4.50 (78)	6.34 (17)	6.34 (17)	0.31 (7)	0.33 (8)	2.91 (6)	2.60 (11)	2.34 (22)	3.29 (36)
Total Fixed Income Policy	5.50 (21)	5.18 (90)	5.18 (90)	-2.44 (95)	-2.06 (96)	1.14 (99)	1.27 (99)	1.62 (98)	2.40 (93)
Median	4.72	5.71	5.71	-1.44	-1.33	1.93	1.88	2.07	3.08

**Fiscal Year Returns**

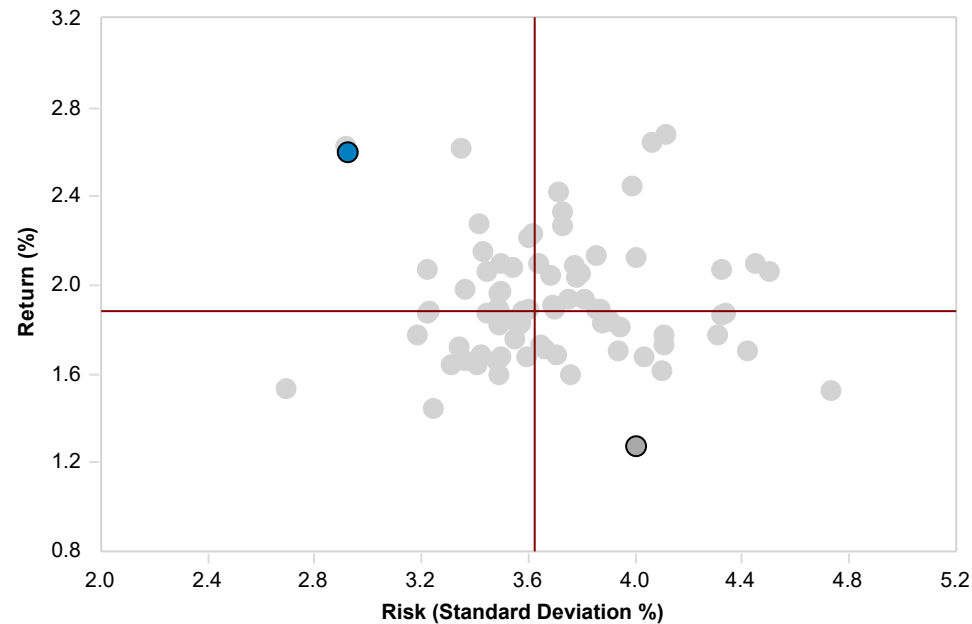
Bowen, Hanes Fixed Income	4.50 (78)	-6.67 (10)	1.40 (23)	7.79 (7)	5.57 (94)	1.12 (6)	1.34 (24)
Total Fixed Income Policy	5.50 (21)	-11.49 (89)	-0.38 (88)	5.66 (79)	8.08 (46)	-0.93 (95)	0.25 (86)
Median	4.72	-10.03	0.28	6.43	8.03	-0.36	0.71



### 5 Year Rolling Percentile Ranking

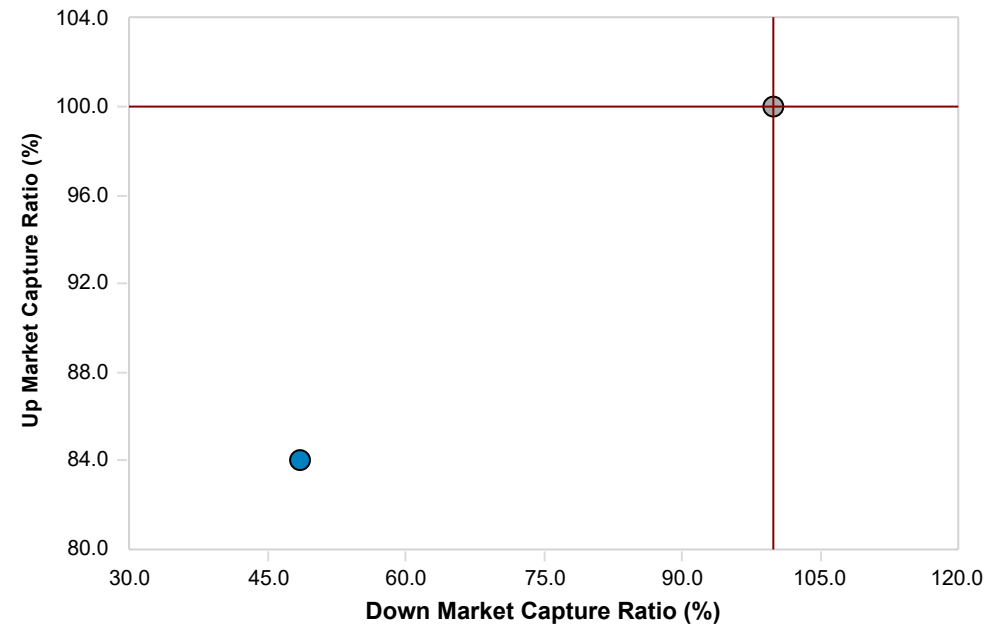


### Risk vs Return: January 1, 2017 to Present



● Bowen, Hanes Fixed Income    ● Total Fixed Income Policy

### Up/Down Markets: January 1, 2017 to Present



● Bowen, Hanes Fixed Income    ● Total Fixed Income Policy

### Historical Statistics: 7 Years Ending December 31, 2023

Bowen, Hanes Fixed Income	63.10	-7.39	1.74	1.27	0.31	0.68	0.01	0.66	1.86
Total Fixed Income Policy	0.00	-12.89	0.00	0.00	-0.10	N/A	0.00	1.00	0.00

**Starke Firefighters' Pension Plan**  
**Compliance Statistics**  
As of December 31, 2023

**Multi Time Period Statistics**

	1 Qtr Return		1 Quarter Ending Sep-2023 Return		1 Quarter Ending Jun-2023 Return		1 Quarter Ending Mar-2023 Return		3 YR Return		5 YR Return		3 YR Down Market Capture		5 YR Down Market Capture	
<b>Total Fund (Gross)</b>	<b>11.33</b>	<b>(N/A)</b>	<b>-3.51</b>	<b>(81)</b>	<b>6.15</b>	<b>(1)</b>	<b>4.33</b>	<b>(49)</b>	<b>7.35</b>	<b>(N/A)</b>	<b>11.88</b>	<b>(N/A)</b>	<b>107.80</b>	<b>(N/A)</b>	<b>108.01</b>	<b>(N/A)</b>
Total Fund Policy	9.04	(N/A)	-2.81	(45)	4.10	(16)	5.61	(8)	4.49	(N/A)	9.01	(N/A)	100.00		100.00	
All Public Plans-Total Fund Median	N/A		-2.94		3.30		4.30		N/A		N/A		N/A		N/A	
<b>Total Fund (Net)</b>	<b>11.19</b>		<b>-3.62</b>		<b>6.03</b>		<b>4.21</b>		<b>6.77</b>		<b>11.37</b>		<b>109.87</b>		<b>109.98</b>	
Total Fund Policy	9.04		-2.81		4.10		5.61		4.49		9.01		100.00		100.00	
<b>Bowen, Hanes Equity</b>	<b>14.15</b>	<b>(5)</b>	<b>-4.83</b>	<b>(94)</b>	<b>8.57</b>	<b>(37)</b>	<b>5.42</b>	<b>(64)</b>	<b>9.88</b>	<b>(43)</b>	<b>15.13</b>	<b>(49)</b>	<b>100.21</b>	<b>(22)</b>	<b>93.88</b>	<b>(62)</b>
Total Equity Policy	11.39	(54)	-3.46	(79)	7.36	(60)	7.78	(20)	8.68	(67)	13.97	(70)	100.00		100.00	
IM U.S. Large Cap Core Equity (SA+CF) Median	11.56		-2.79		7.85		6.40		9.47		15.10		95.04		97.30	
<b>Bowen, Hanes Fixed Income</b>	<b>4.50</b>	<b>(78)</b>	<b>-0.20</b>	<b>(14)</b>	<b>0.03</b>	<b>(13)</b>	<b>1.93</b>	<b>(88)</b>	<b>0.33</b>	<b>(8)</b>	<b>2.91</b>	<b>(6)</b>	<b>54.43</b>	<b>(90)</b>	<b>55.28</b>	<b>(93)</b>
Total Fixed Income Policy	5.50	(21)	-1.89	(87)	-0.75	(82)	2.39	(51)	-2.06	(96)	1.14	(99)	100.00		100.00	
IM U.S. Intermediate Duration (SA+CF) Median	4.72		-0.84		-0.47		2.39		-1.33		1.93		83.10		88.23	



**Total Fund Compliance:**

	Yes	No	N/A
1. The Total Plan return equaled or exceeded the Net 7.25% actuarial earnings assumption over the trailing three year period.		✓	
2. The Total Plan return equaled or exceeded the Net 7.25% actuarial earnings assumption over the trailing five year period.	✓		
3. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period.	✓		
4. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period.	✓		
5. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three year period.			✓
6. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing five year period.			✓

**Equity Compliance:**

	Yes	No	N/A
1. Total Equity return equaled or exceeded the benchmark over the trailing three year period.	✓		
2. Total Equity return equaled or exceeded the benchmark over the trailing five year period.	✓		
3. Total Equity investments do not exceed 75% of the market value of Plan assets.	✓		
4. Total market value of foreign securities do not exceed 25% of the market value of Plan assets.	✓		

**Fixed Income Compliance:**

	Yes	No	N/A
1. Total Fixed Income return equaled or exceeded the benchmark over the trailing three year period.	✓		
2. Total Fixed Income return equaled or exceeded the benchmark over the trailing five year period.	✓		
3. All securities in the fixed income portfolio are rated A or better.	✓		

**Manager Compliance:**

	Bowen Hanes Equity			Bowen Hanes Fixed				
	Yes	No	N/A	Yes	No	N/A		
1. Manager outperformed the index over the trailing three year period.	✓			✓				
2. Manager outperformed the index over the trailing five year period.	✓			✓				
3. Manager has had less than 4 consecutive quarters of underperformance.	✓			✓				
4. Manager ranked within the top 40th percentile over the trailing three year period.		✓		✓				
5. Manager ranked within the top 40th percentile over the trailing five year period.		✓		✓				
6. Manager three year down market capture ratio is less than the index.		✓		✓				
7. Manager five year down market capture ratio is less than the index.	✓			✓				
8. Manager reports compliance with PFIA.	✓			✓				

**Starke Fire  
Fee Analysis  
As of December 31, 2023**

	<b>Estimated Annual Fee (%)</b>	<b>Market Value (\$)</b>	<b>Estimated Annual Fee (\$)</b>	<b>Fee Schedule</b>
Bowen, Hanes Equity	0.50	4,057,998	20,290	0.50 % of First \$10 M 0.45 % Thereafter
Bowen, Hanes Fixed Income	0.50	1,302,074	6,510	0.50 % of First \$10 M 0.45 % Thereafter
Capital City Bank (Cash)		129,220	-	
<b>Starke Fire Composite</b>	<b>0.49</b>	<b>5,489,291</b>	<b>26,800</b>	

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



### Total Fund Policy

Historical Hybrid Composition	
Allocation Mandate	Weight (%)
<b>Jan-1978</b>	
S&P 500 Index	45.00
FTSE 3 Month T-Bill	10.00
Bloomberg Intermediate US Govt/Credit Idx	45.00
<b>Jul-2009</b>	
S&P 500 Index	60.00
FTSE 3 Month T-Bill	5.00
Bloomberg Intermed Aggregate Index	35.00
<b>Jun-2010</b>	
S&P 500 Index	45.00
MSCI EAFE Index	15.00
Bloomberg Intermed Aggregate Index	40.00

### Bowen Hanes Policy

Historical Hybrid Composition	
Allocation Mandate	Weight (%)
<b>Jan-1978</b>	
S&P 500 Index	45.00
FTSE 3 Month T-Bill	10.00
Bloomberg Intermediate US Govt/Credit Idx	45.00
<b>Jul-2009</b>	
S&P 500 Index	60.00
FTSE 3 Month T-Bill	5.00
Bloomberg Intermed Aggregate Index	35.00
<b>Jun-2010</b>	
S&P 500 Index	45.00
MSCI EAFE Index	15.00
Bloomberg Intermed Aggregate Index	40.00

### Bowen Hanes Equity Policy

Historical Hybrid Composition	
Allocation Mandate	Weight (%)
<b>Jan-1926</b>	
S&P 500 Index	100.00
<b>Jun-2010</b>	
S&P 500 Index	75.00
MSCI EAFE Index	25.00

### Old Total Fund Policy

Historical Hybrid Composition	
Allocation Mandate	Weight (%)
<b>Jan-1978</b>	
S&P 500 Index	45.00
FTSE 3 Month T-Bill	10.00
Bloomberg Intermediate US Govt/Credit Idx	45.00

### Bowen Hanes Fixed Income Policy

Historical Hybrid Composition	
Allocation Mandate	Weight (%)
<b>Jan-1973</b>	
Bloomberg Intermediate US Govt/Credit Idx	100.00
<b>Jul-2009</b>	
Bloomberg Intermed Aggregate Index	100.00

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



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



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