

# STARKE POLICE OFFICERS' RETIREMENT SYSTEM

September 30, 2024

PERFORMANCE EVALUATION REPORT  
Third Quarter 2024

4<sup>th</sup> FISCAL Quarter



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## INVESTMENT PERFORMANCE POLICY

The total performance of the portfolio will be compared to two balanced benchmarks (referred to as the "Starke Policy Index Allocation" and the Morningstar "Category Averages"). Used in conjunction with each other, they are the dual comparisons for the Plan's investments.

The Category Averages are the **PRIMARY performance comparisons** and the Starke Policy Index Allocation is utilized **primarily for asset allocation purposes.**

The **PLAN'S POLICY INDEX ALLOCATION** is a composite of the following:

Start On:	Re-Balance Frequency	S&P 500	Russell 2000	MSCI EAFE	Barclays Capital US Aggregate Bond Index	Barclays Capital US Government/ Credit Intermediate	Citigroup 3 month T-bill	MSCI Emerging Markets	FTSE Emerging Markets
10/1/03	Quarterly	58.0%	0.0%	0.0%	0.0%	38.0%	4.0%		
1/1/07	Quarterly	60.0%	0.0%	0.0%	35.0%	0.0%	5.0%		
10/1/09	Quarterly	35.0%	15.0%	10.0%	39.0%	0.0%	1.0%		
10/1/10	Quarterly	30.0%	15.0%	10.0%	43.0%	0.0%	2.0%		
1/1/11	Quarterly	25.0%	15.0%	10.0%	43.0%	0.0%	2.0%	5.0%	
4/1/13	Quarterly	25.0%	15.0%	10.0%	43.0%	0.0%	2.0%	0.0%	5.0%
		S&P 500	CRSP Small Cap	FTSE Dev Mkts ex US	FTSE Emerging Markets	Barclays Capital US Aggregate Bond Index	Citigroup 3 month T-bill	MSCI US REIT Idx.	
10/1/2013	Quarterly	25.0%	25.0%	5.0%	5.0%	30.0%	5.0%	5.0%	

The **PLAN'S CURRENT INDEX ALLOCATION** is a composite of the following:

Start On:	Re-Balance Frequency	S&P 500	S&P Div. Aristocrats	CRSP Small Cap	FTSE All-Wld ex US	Barclays Capital Universal	MornStar Short Bond Category	MSCI US REIT Idx.	Citigroup 3 month T-bill
		<b>TACTICAL</b>				<b>TACTICAL</b>			
7/1/16	Quarterly	22.5%	12.8%	7.7%	7.2%	28.4%	14.3%	4.9%	2.2%
1/1/19	Quarterly	15.0%	18.0%	9.0%	9.0%	21.0%	19.0%	6.0%	3.0%
7/1/20	Quarterly	28.0%	5.0%	9.0%	9.0%	21.0%	19.0%	6.0%	3.0%
7/1/21	Quarterly	28.0%	0.0%	9.0%	9.0%	21.0%	19.0%	6.0%	8.0%

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The information contained in this report is based upon sources Dover Consulting Group (a division of Dover Partners, Inc.) believes to be reliable, but is not guaranteed by Dover Consulting Group and does not purport to be a complete statement or summary of all the available data.

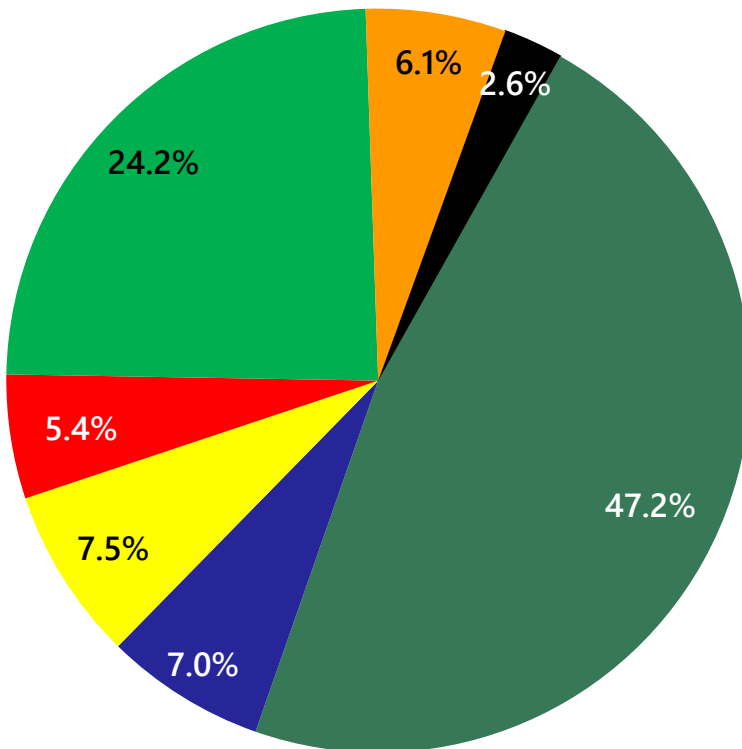
The portfolio performance calculation does not include checking account assets and is net of investment management fees for the periods beginning September 31, 2003. All performance prior to that date was reproduced from reports of the previous vendor(s) of investment services to the System. All fund return data supplied by: Morningstar, Inc.



## ASSET ALLOCATION

As of 10/20/24

61.7% Stocks/35.7% Bonds/2.6% Cash



■ Money Market Fund (at Salem)

■ Vanguard S&P 500 Index Fund

■ Vanguard All World x U.S. Idx ETF

■ Vanguard Small Cap Index ETF

■ Vanguard REIT Index ETF

■ Baird Core Plus Bond Fund Institutional

■ Vanguard Short Term Bond Idx ETF

\*May not total to 100% due to rounding & excludes checking account assets.

## RECOMMENDATIONS

*Take Profits in Stock & REIT ETFs*

*Sell 100k S&P 500 – 20k Int'l – 30k Small Cap – 35k REIT*

*Raise Cash as Needed*

*Invest Remainder in Baird Core Plus Bond Mutual Fund*

**NOTE: Stocks at cost – 46% well below 60% maximum**

# PERFORMANCE SUMMARY



The **Starke Police Officers' Retirement System** investment returns for the period ending **September 30, 2024 (4<sup>th</sup> FISCAL Qtr)** are as follows:

	Return					Std. Deviation (Risk)	
	Qtr.	Cal YTD	1 Yr.	3 Yr.	5 Yr.	3 Yr.	5 Yr.
Vanguard 500 Idx Admiral	5.87%	22.04%	36.29%	11.87%	15.93%	17.52%	18.04%
Large Cap Blend*	5.80%	19.04%	32.48%	9.75%	13.52%	16.52%	17.37%
S&P 500 Idx.	5.89%	22.08%	36.35%	11.91%	15.98%	17.53%	18.04%
Vanguard FTSE All-Wld ex-US ETF	7.46%	12.20%	24.73%	4.83%	8.31%	18.10%	18.64%
Foreign Blend*	7.28%	13.09%	24.15%	4.34%	7.49%	16.81%	17.50%
FTSE ALL-WORLD EX US INDEX	7.62%	12.52%	24.74%	4.97%	8.62%	17.33%	18.18%
Vang. Small Cap ETF	9.03%	12.37%	27.42%	4.37%	10.66%	21.07%	22.72%
Small Cap Blend*	8.43%	10.88%	25.00%	4.31%	9.77%	20.57%	22.67%
CRSP Small Cap Idx.	9.02%	12.35%	27.41%	4.31%	10.61%	21.08%	22.73%
Baird Core Plus Bond - Inst.	5.22%	5.35%	12.85%	-0.67%	1.21%	7.62%	6.55%
Intermediate-Term Bond*	5.12%	5.27%	12.41%	-1.07%	0.87%	7.48%	6.48%
Barclays Universal Idx.	5.20%	4.91%	12.08%	-1.05%	0.70%	7.52%	6.25%
Vang. Short-Term Bond ETF	3.76%	5.37%	9.69%	1.58%	2.18%	3.98%	3.93%
Short-Term Bond*	3.17%	5.16%	8.66%	1.61%	1.93%	3.11%	3.05%
Barclays US 1-5Yr Corp. Idx.	3.50%	4.50%	8.10%	0.94%	1.54%	0.00%	0.00%
Vang. REIT Idx ETF	17.19%	13.60%	34.20%	2.49%	4.74%	22.21%	21.32%
Real Estate*	15.80%	13.98%	31.83%	2.60%	4.61%	21.03%	21.08%
MSCI US Invest. Mkt RE 25/50 Idx	3.30%	13.71%	34.38%	2.63%	4.90%	0.00%	0.00%
<b>TOTAL ACCOUNT</b>	<b>6.49%</b>	<b>14.44%</b>	<b>25.28%</b>	<b>6.40%</b>	<b>9.07%</b>	<b>12.09%</b>	<b>12.20%</b>
Starke Active Mgr. Category	5.76%	10.62%	19.73%	4.14%	6.60%	10.57%	11.02%
Starke Policy Current Idx. Alloc.	5.92%	11.67%	21.27%	5.06%	7.49%	10.99%	11.33%

\*Morningstar Category Averages (primary performance comparisons).



## STARKE POLICE OFFICERS' RETIREMENT SYSTEM

Manager Asset Allocation 9/30/2024

(CASH – does not include checking account balances)

As of	S&P 500 Index EQ IDX	International Equity (All Wld) INT'L EQ	Vanguard Small-Cap ETF SC IDX	Vanguard REIT Index REIT	Baird Core Plus Fund MGD FX	Sht Term Fixed Income SHT FX	Cash CASH	Total
December '23	\$2,286,704	\$330,328	\$347,301	\$255,802	\$821,413	\$708,892	\$150,832	<b>\$4,901,272</b>
January	\$2,324,540	\$324,856	\$337,940	\$242,862	\$1,013,119	\$513,404	\$150,297	<b>\$4,907,018</b>
February	\$2,135,579	\$335,153	\$357,444	\$247,667	\$1,005,157	\$508,685	\$102,272	<b>\$4,691,957</b>
March	\$2,202,281	\$345,097	\$372,145	\$250,360	\$1,014,630	\$509,549	\$110,850	<b>\$4,804,912</b>
April	\$2,112,851	\$336,447	\$348,050	\$230,471	\$991,536	\$504,631	\$111,525	<b>\$4,635,511</b>
May	\$2,218,052	\$349,745	\$361,888	\$240,980	\$1,207,605	\$312,405	\$113,357	<b>\$4,804,032</b>
June	\$2,294,629	\$345,038	\$354,969	\$242,485	\$1,218,989	\$313,550	\$117,486	<b>\$4,887,146</b>
July	\$2,322,071	\$353,805	\$379,975	\$261,737	\$1,247,535	\$317,351	\$124,891	<b>\$5,007,365</b>
August	\$2,378,088	\$362,925	\$380,008	\$275,401	\$1,264,975	\$319,845	\$126,343	<b>\$5,107,585</b>
September	\$2,426,537	\$370,692	\$386,178	\$282,031	\$1,282,616	\$321,685	\$129,263	<b>\$5,199,002</b>
October								<b>\$0</b>
November								<b>\$0</b>
December								<b>\$0</b>

### ANNUAL INVESTMENT RELATED FEES

AS OF 9/30/2024

MUTUAL FUND	EXPENSE RATIO	AVG. FUND*
Vanguard All-World ex US ETF	0.08%	0.37%
Vanguard S&P 500 Index – Admiral	0.04%	0.36%
Vanguard Small Cap ETF	0.05%	0.40%
Baird Core Plus Bond Institutional	0.30%	0.75%
Vanguard Short-Term Bond Mkt Index ETF	0.04%	0.26%
Vanguard REIT Index ETF	0.12%	0.37%
<u>DOLLAR WEIGHTED PLAN AVERAGE</u>	<b>0.10%</b>	

\*Category Average per Morningstar – ETF Average used for S&P 500 Index Fund

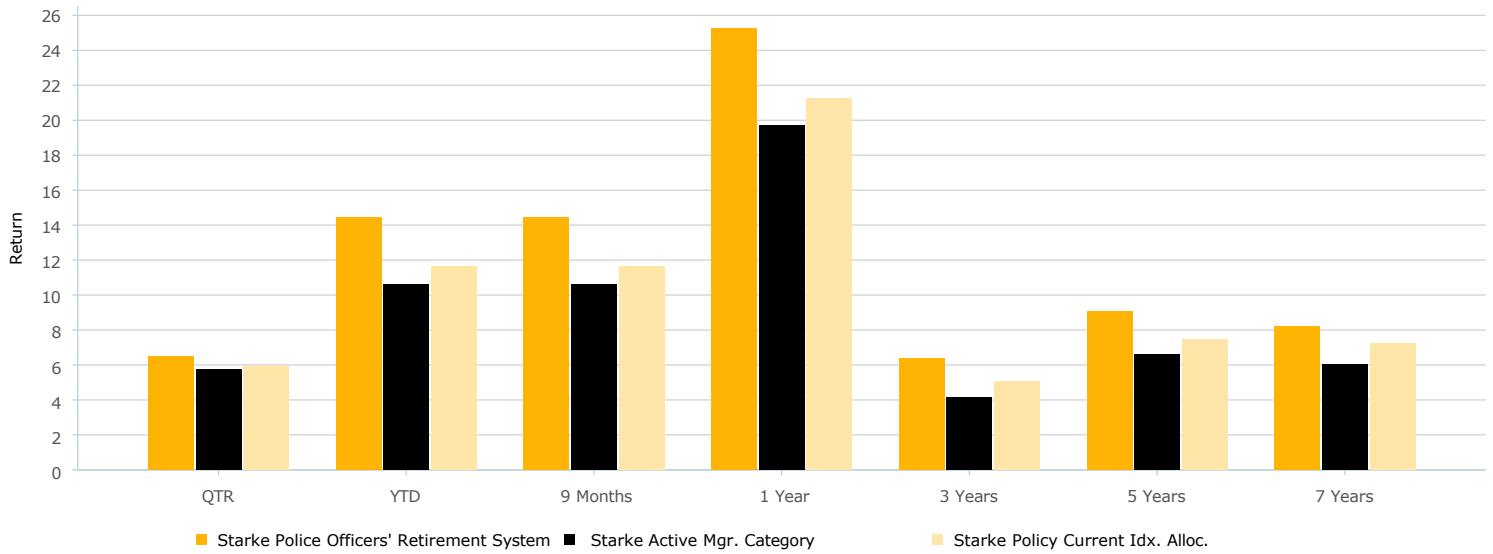
Current Investment Consulting & Custodial (i.e., **Salem Bank**) Fees: **0.35%**

TOTAL INVESTMENT- RELATED FEES (Excludes legal, accounting & actuary) **0.45%**

# Total Account Annual Performance

## Manager vs. Benchmark: Returns

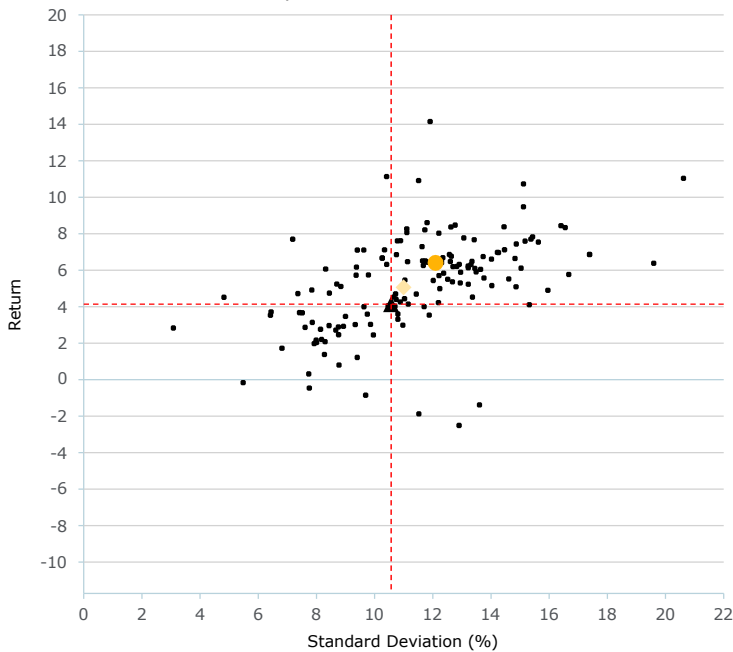
As of Sep 2024



	QTR	YTD	1 YR	3 YRS	5 YRS	7 YRS
Starke Police Officers' Retirement System	6.49	14.44	25.28	6.40	9.07	8.18
Starke Active Mgr. Category	5.76	10.62	19.73	4.14	6.60	6.03
Starke Policy Current Idx. Alloc.	5.92	11.67	21.27	5.06	7.49	7.21

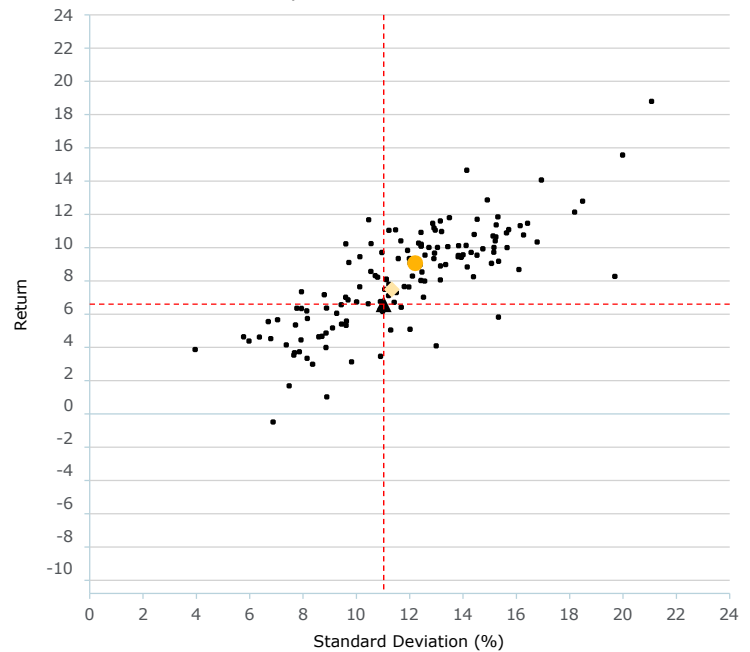
### Risk / Return - 3 Year

October 2021 - September 2024 - PSN US Balanced



### Risk / Return - 5 Year

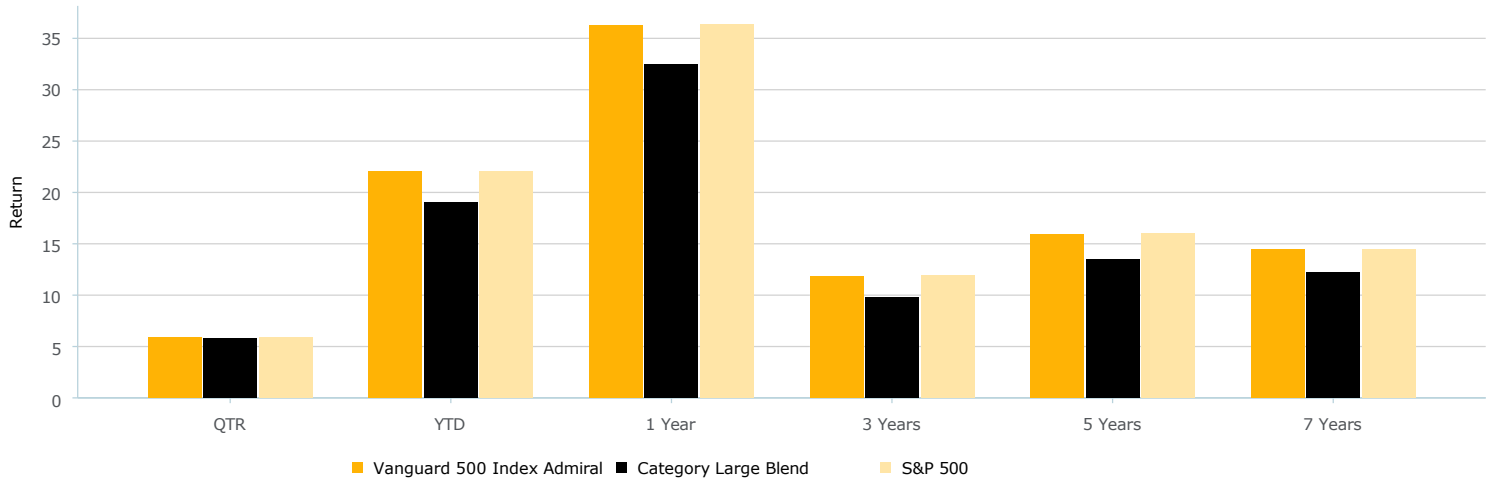
October 2019 - September 2024 - PSN US Balanced



## ETF Performance

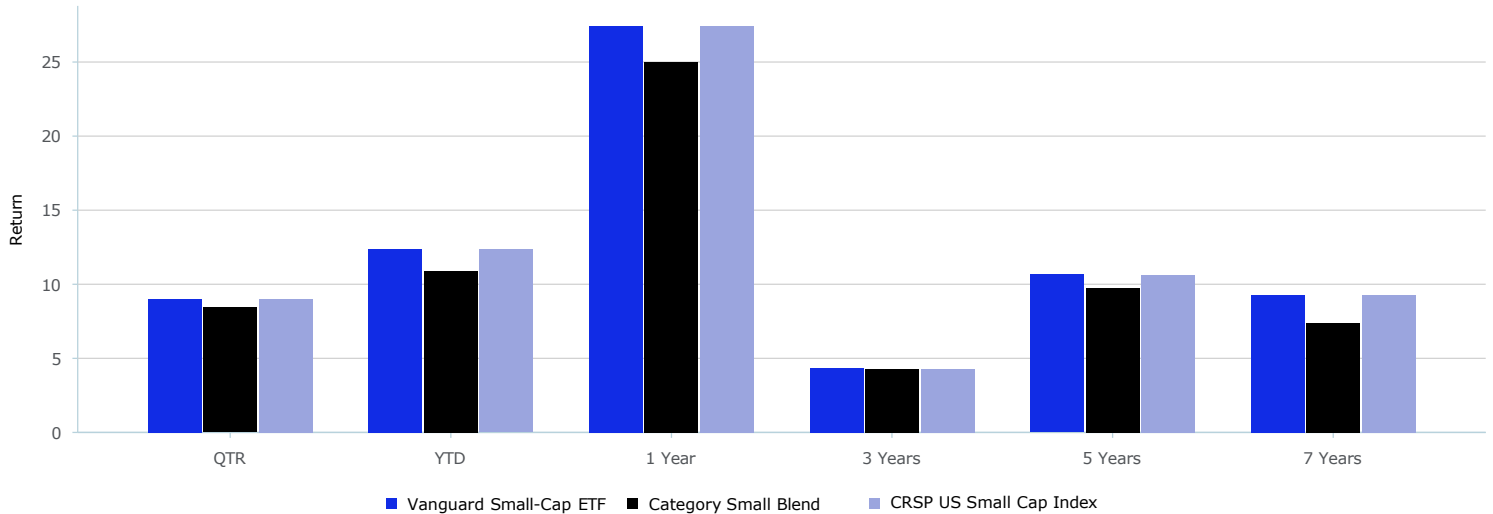
### Manager vs. Benchmark: Returns

As of Sep 2024



### Manager vs. Benchmark: Returns

As of Sep 2024

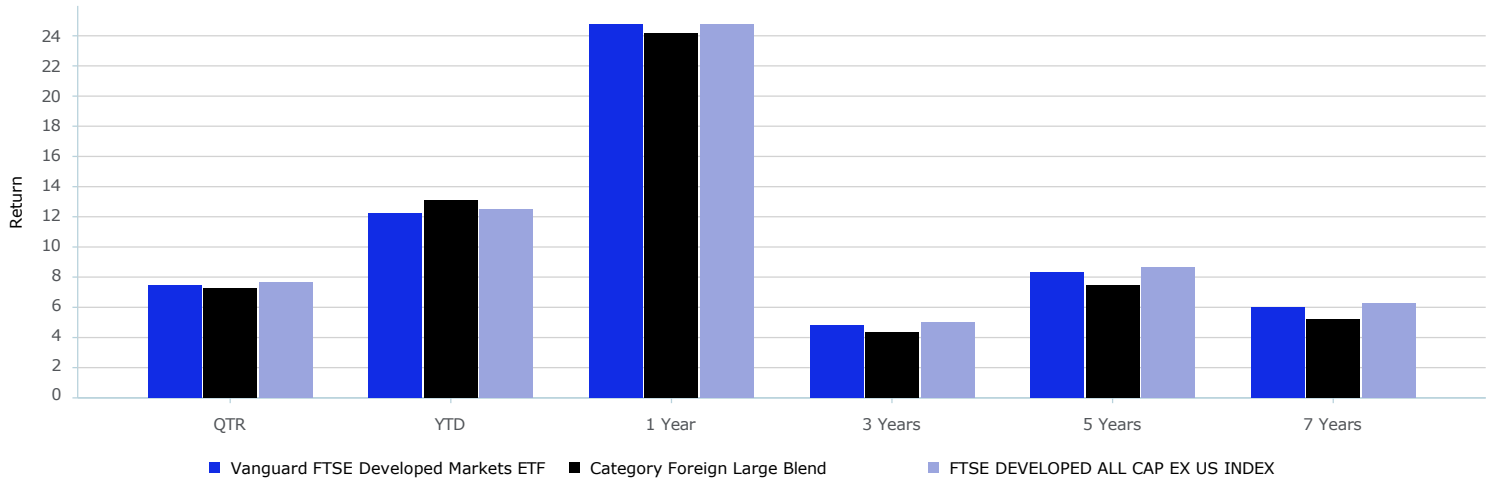


	QTR	YTD	1 YR	3 YRS	5 YRS	7 YRS
Vanguard Small-Cap ETF	9.03	12.37	27.42	4.37	10.66	9.29
Category Small Blend	8.43	10.88	25.00	4.31	9.77	7.38
CRSP US Small Cap Index	9.02	12.35	27.41	4.31	10.61	9.26

# ETF Performance

## Manager vs. Benchmark: Returns

As of Sep 2024



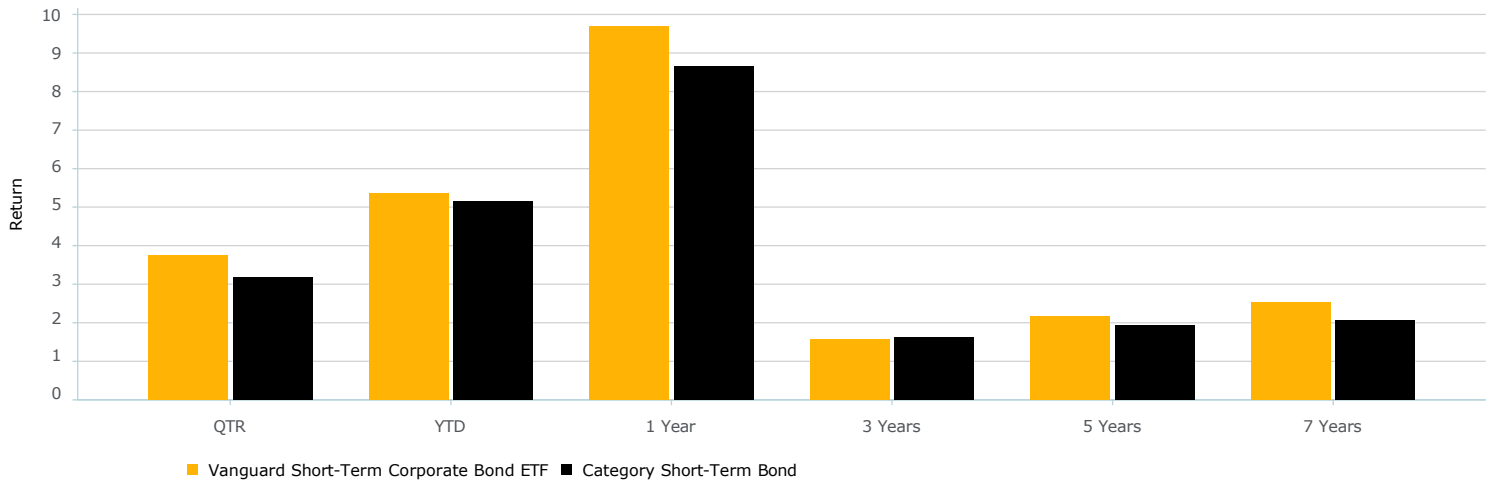
	QTR	YTD	1 YR	3 YRS	5 YRS	7 YRS
Vanguard FTSE Developed Markets ETF	7.46	12.20	24.73	4.83	8.31	5.96
Category Foreign Large Blend	7.28	13.09	24.15	4.34	7.49	5.22
FTSE DEVELOPED ALL CAP EX US INDEX	7.62	12.52	24.74	4.97	8.62	6.28



## ETF Performance

### Manager vs. Benchmark: Returns

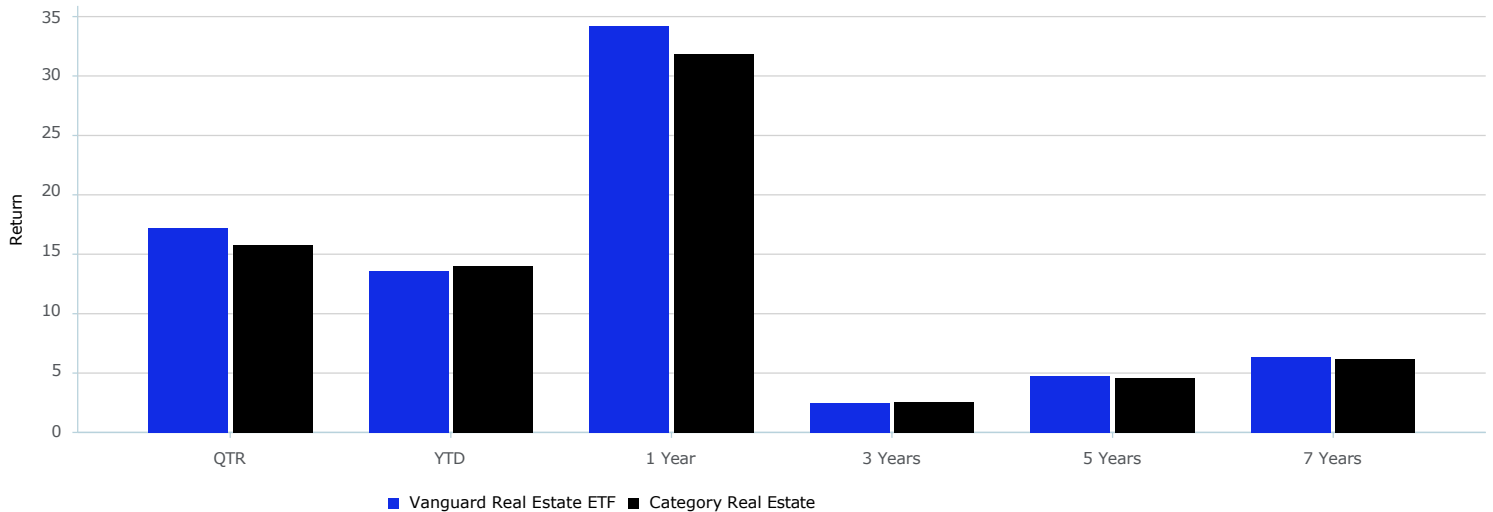
As of Sep 2024



	QTR	YTD	1 YR	3 YRS	5 YRS	7 YRS
Vanguard Short-Term Corporate Bond ETF	3.76	5.37	9.69	1.58	2.18	2.52
Category Short-Term Bond	3.17	5.16	8.66	1.61	1.93	2.07

### Manager vs. Benchmark: Returns

As of Sep 2024

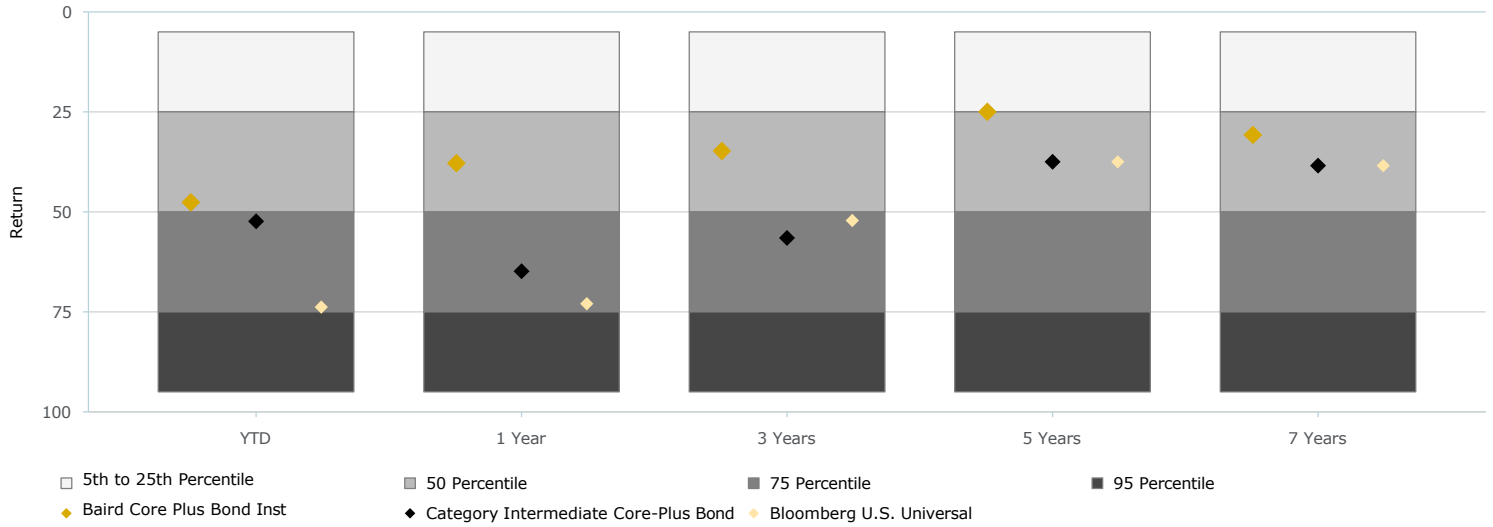


	QTR	YTD	1 YR	3 YRS	5 YRS	7 YRS
Vanguard Real Estate ETF	17.19	13.60	34.20	2.49	4.74	6.37
Category Real Estate	15.80	13.98	31.83	2.60	4.61	6.16

# Fixed Income – Baird Core Plus Bond Inst.

## Manager vs Universe: Return

As of Sep 2024



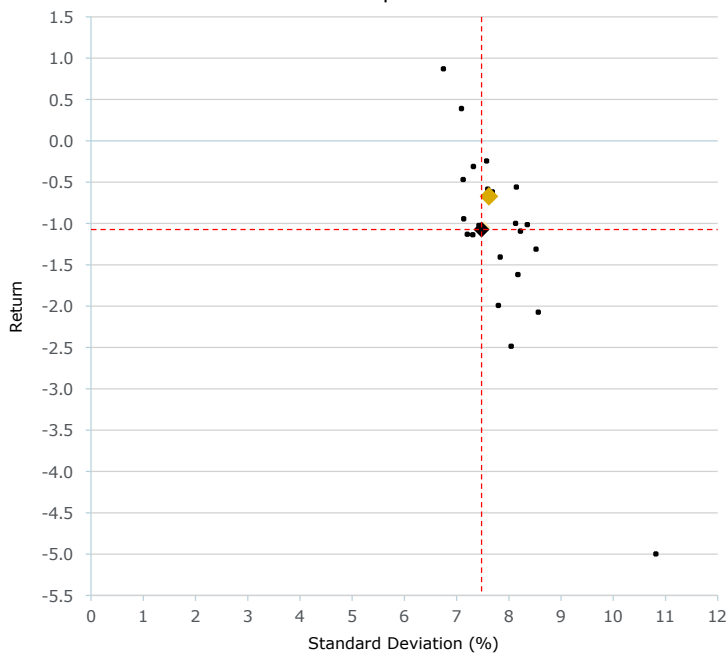
Universe = Intermediate Core-Plus Bond Universe (MF + ETF)

	YTD	1 YEAR	3 YEARS	5 YEARS	7 YEARS
5th Percentile	6.68	14.02	0.33	1.50	2.45
25th Percentile	5.81	13.22	(0.57)	1.18	2.27
Median	5.30	12.67	(1.02)	0.64	1.70
75th Percentile	4.88	12.07	(1.36)	0.46	1.53
95th Percentile	4.18	10.71	(2.44)	(0.80)	1.36
Baird Core Plus Bond Inst	5.35	12.85	(0.67)	1.21	2.19
Category Intermediate Core-Plus Bond	5.27	12.41	(1.07)	0.87	1.77
Bloomberg U.S. Universal	4.91	12.08	(1.05)	0.70	1.74

Universe = Intermediate Core-Plus Bond Universe (MF + ETF) - as of: Sep 2024

### Risk / Return - 3 Year

October 2021 - September 2024



### Risk / Return - 5 Year

October 2019 - September 2024

