

ADDENDUM TWO

(please sign and return with the submittal)

QUESTIONS AND ANSWERS:

Note: Spelling, grammar, and punctuation of the questions are shown exactly as submitted by the potential respondents.

No.	Question	Answer
1.	What is the current approximate value of the Long-Term Disability Program Trust fund?	\$82.8MM
2.	What is the current approximate value of the Medical Expense Reimbursement Plan Trust fund?	\$217.6MM
3.	Can you please provide the latest Annual Financial Statement for the Long-Term Disability Program Trust and the Medical Expense Reimbursement Plan Trust funds showing <ul style="list-style-type: none"> • Annual performance • Income, contributions • Benefits paid • Operating expenses • Current allocation 	Please see attachments.
4.	As part of the Investment Consulting Services scope, is there a requirement that a consultant be physically present at City of Phoenix offices during a minimum number of hours each week?	No, currently virtual meetings only.
5.	What is the size of trust funds, which are for bid for stewardship?	Please see questions #1 and #2.
6.	Can you share what you are currently paying in investment consulting fees in total for both plans? Are the fees broken out by plan?	Long Term Disability Trust Plan: \$33,765 annually. Medical Expense Reimbursement Plan: \$33,765 annually.
7.	What are your concerns for the plans?	No concerns.

8.	Can you provide the most recent performance reports from Sellwood for both plans?	Please see attachments.
9.	Who are the custodians for the plans?	Principal.
10.	Can you tell me why they are issuing this RFP?	The current contract for these services will be expiring in July. The solicitation (RFP PS-25-0542) will result in a new contract for ongoing services described in section 2.5 Scope of Work.
11.	I believe Sellwood is the current provider - are they required to submit a proposal?	No, incumbent vendors are not required to submit a proposal.

The balance of the specifications and instructions remain the same. Bidder must acknowledge receipt and acceptance of this addendum by signing below and returning the entire addendum with the bid or proposal submittal.

Name of Company: _____

Address: _____

Authorized Signature: _____

Print Name and Title: _____

Attachment

Long Term Disability Trust Investment Report

(Rest of Page Blank)



City of Phoenix

City of Phoenix Long Term Disability Trust
Thursday, February 27, 2025

INVESTMENT REPORT AGENDA

- Item 1 2024-12-31 Quarterly Performance Report
- Item 2 2025-01-31 Performance Summary

SELLWOOD
INVESTMENT PARTNERS



Investment Performance Report

CITY OF PHOENIX LONG TERM DISABILITY TRUST

December 31, 2024

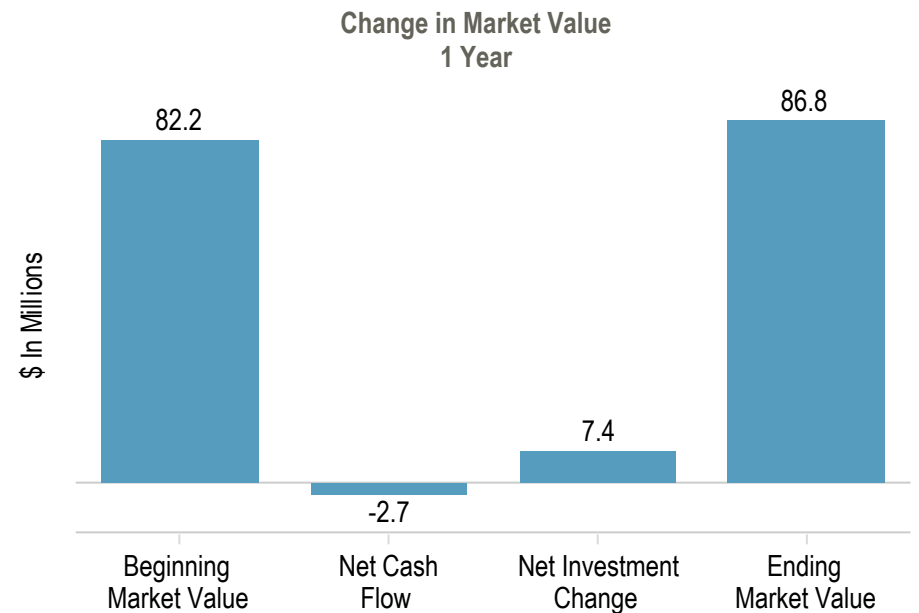
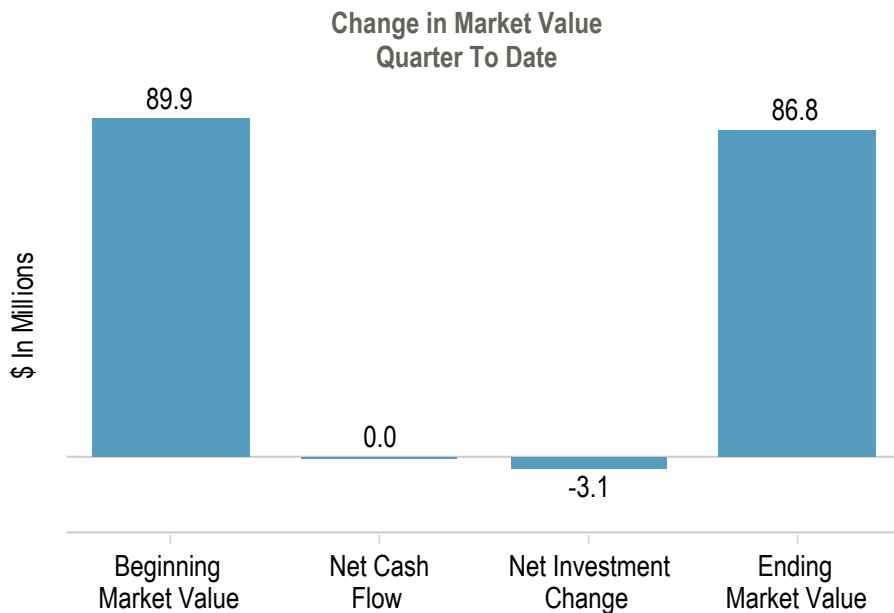
Performance is presented net of underlying investment fees.

SELLWOOD
INVESTMENT PARTNERS



Total Fund Composite
\$86,831,384

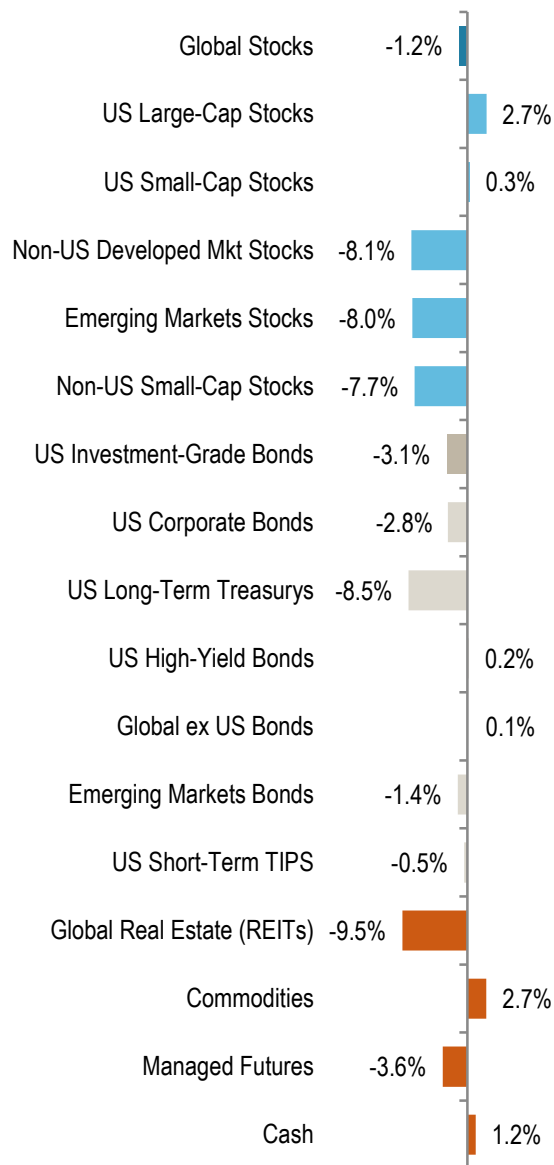
	QTD (%)	1 Yr (%)	5 Yrs (%)	Inception (%)	Inception Date
Total Fund Composite	-3.4	9.2	5.5	6.4	9/1/2007
Policy Benchmark	-2.6	11.1	6.5	6.5	
Actual Allocation Index	-3.3	9.5	6.1	6.6	
Global Stocks (MSCI ACWI IMI)	-1.2	16.4	9.7	6.6	
US Investment-Grade Bonds (Bbg Agg)	-3.1	1.3	-0.3	2.9	
Cash (90-Day T-Bills)	1.2	5.3	2.5	1.2	



Returns are annualized for periods greater than one year.

As of December 31, 2024

Fourth Quarter 2024



Fourth Quarter 2024: Saddle Up: Magnificent Seven Leave Others in the Dust

Amid worrisome global turmoil, more modest rate cuts than anticipated, and a US election reversal, mega-cap tech giants powered the S&P 500 to 57 record closes in 2024, along the way to a 25% gain for the full year. The strong year followed an impressive (26%) performance for the index in 2023, making these past two years the strongest back-to-back years for large US stocks since the late 1990s. Despite the extraordinary year, returns in the fourth quarter were muted as investors parsed potential policy changes anticipated under the new administration and fretted stickier-than-anticipated inflation.

Once again, US market returns were driven by the largest technology companies possessing the resources to scale artificial intelligence. The so-called Magnificent Seven, now comprising more than a third of the S&P 500 index, averaged more than a 60% gain for the year, while the average stock in the S&P 500 rose a more modest 13%. Smaller companies and value stocks performed well but still trailed large tech. Non-US shares, negatively impacted by a strong post-election US dollar rally in the fourth quarter, finished the year in modest positive territory.

Investors spent the fourth quarter digesting and anticipating potential policy changes under the incoming Trump administration. Top of mind for investors are taxes, tariffs, immigration, and deregulation. After a brief post-election bounce, the stock market retreated to pre-election levels.

Meanwhile, bonds had a positive but lackluster year as the Fed continued to battle sticky inflation. Following the Fed's apparent declaration of victory over inflation with its first rate cut in four years, bond markets sold off and interest rates rose as fears for resurgent inflation, and a slower pace of future Fed cuts, returned. Although inflation expectations remain higher than in the previous decade, they retreated since reaching highs in 2022, oscillating around a modestly elevated "new normal," above the Federal Reserve's 2% inflation target. Federal Reserve interest rate projections adjusted accordingly; Fed officials now anticipate just two or three rate cuts in 2025.

	QTD	YTD	1 Year	3 Years	5 Years	20 Years
Global Stocks	(1.2%)	16.4%	16.4%	4.9%	9.7%	7.7%
US Large-Cap Stocks	2.7%	24.5%	24.5%	8.4%	14.3%	10.4%
US Large-Cap Value	(2.0%)	14.4%	14.4%	5.6%	8.7%	7.9%
US Large-Cap Growth	7.1%	33.4%	33.4%	10.5%	19.0%	12.6%
US Small-Cap Stocks	0.3%	11.5%	11.5%	1.2%	7.4%	7.8%
US Small-Cap Value	(1.1%)	8.1%	8.1%	1.9%	7.3%	7.0%
US Small-Cap Growth	1.7%	15.2%	15.2%	0.2%	6.9%	8.3%
Non-US Developed Markets (USD)	(8.1%)	3.8%	3.8%	1.6%	4.7%	4.8%
Non-US Developed Markets (Local)	(0.6%)	11.3%	11.3%	6.3%	7.6%	6.2%
Emerging Markets (USD)	(8.0%)	7.5%	7.5%	(1.9%)	1.7%	6.0%
Emerging Markets (Local)	(4.4%)	13.1%	13.1%	1.6%	4.5%	7.9%
US Investment-Grade Bonds	(3.1%)	1.5%	1.5%	(2.4%)	(0.3%)	3.0%
US Long-Term Treasurys	(8.5%)	(5.8%)	(5.8%)	(11.4%)	(4.9%)	3.4%
US Short-Term TIPS	(0.5%)	4.5%	4.5%	1.5%	3.1%	2.8%
Global Real Estate (REITs)	(9.5%)	2.0%	2.0%	(5.1%)	(0.0%)	5.0%
Cash	1.2%	5.2%	5.2%	3.9%	2.5%	1.7%

Returns for periods longer than 1 year are annualized.

Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, MSCI, FTSE Russell, ICE BofA, Credit Suisse

As of December 31, 2024

Prices ticked up in December and paychecks grew, delivering real wage gains in 2023 for the first time in three years. The CPI inflation rate increased to 3.4%, up from 3.1% the prior month.

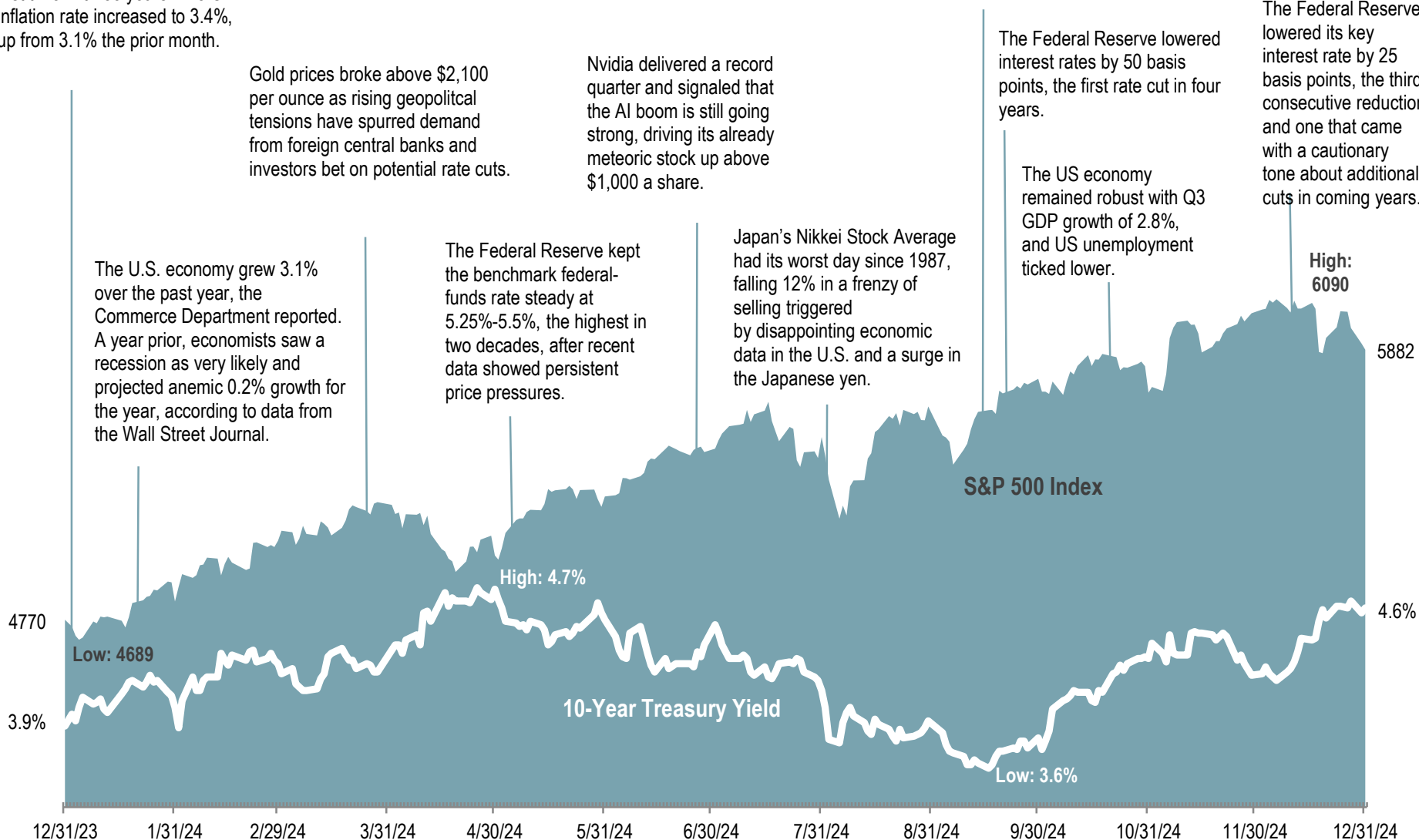
The consumer-price index rose 2.9% from a year earlier, the lowest reading since 2021.

Gold prices broke above \$2,100 per ounce as rising geopolitical tensions have spurred demand from foreign central banks and investors bet on potential rate cuts.

Nvidia delivered a record quarter and signaled that the AI boom is still going strong, driving its already meteoric stock up above \$1,000 a share.

The Federal Reserve lowered interest rates by 50 basis points, the first rate cut in four years.

The Federal Reserve lowered its key interest rate by 25 basis points, the third consecutive reduction and one that came with a cautionary tone about additional cuts in coming years.



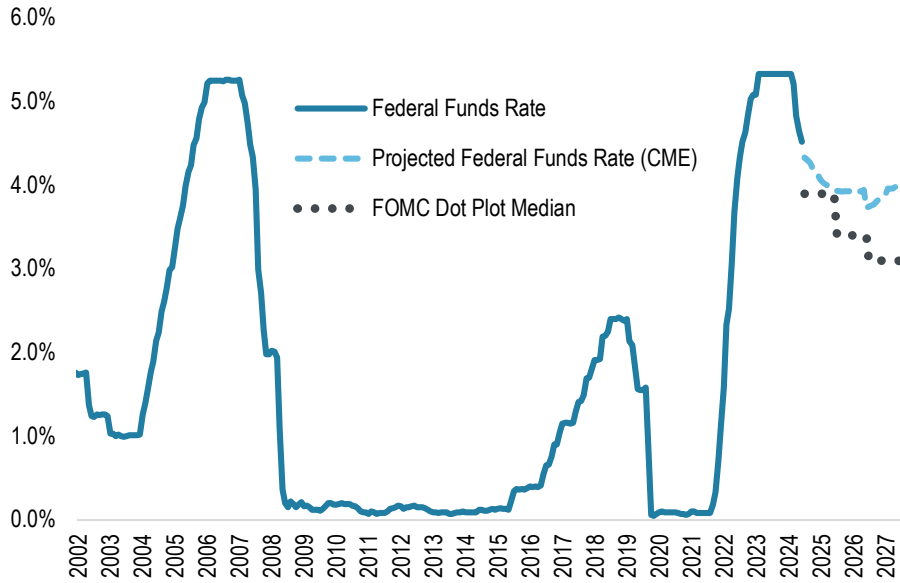
The U.S. economy grew 3.1% over the past year, the Commerce Department reported. A year prior, economists saw a recession as very likely and projected anemic 0.2% growth for the year, according to data from the Wall Street Journal.

The Federal Reserve kept the benchmark federal-funds rate steady at 5.25%-5.5%, the highest in two decades, after recent data showed persistent price pressures.

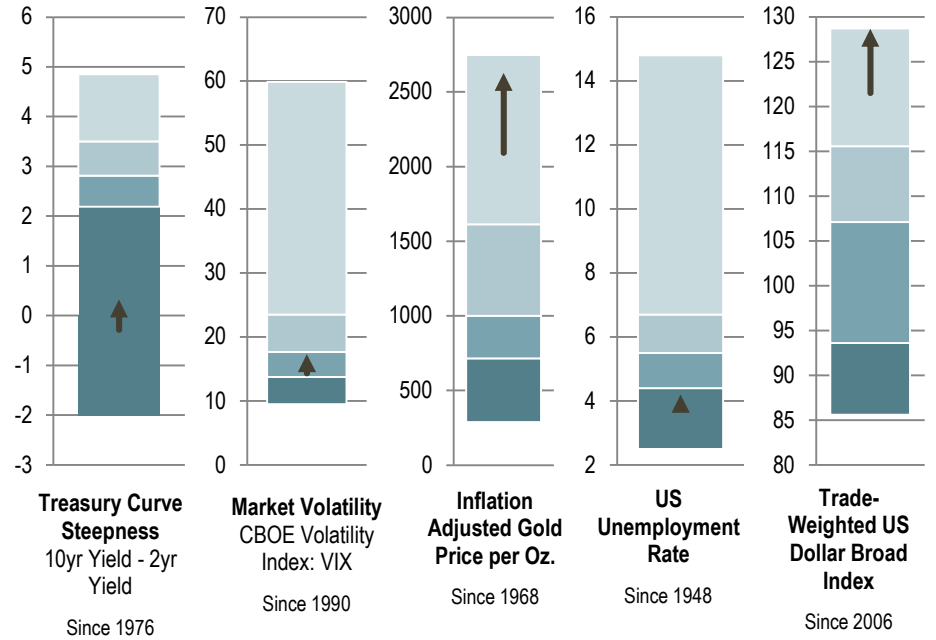
Japan's Nikkei Stock Average had its worst day since 1987, falling 12% in a frenzy of selling triggered by disappointing economic data in the U.S. and a surge in the Japanese yen.

The US economy remained robust with Q3 GDP growth of 2.8%, and US unemployment ticked lower.

Federal Funds Rate

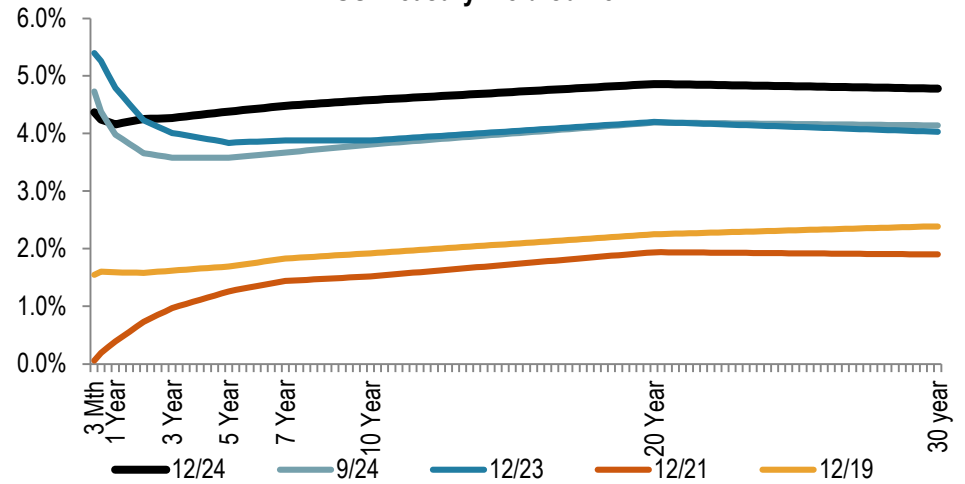


As of December 31, 2024



	<u>12/2024</u>	<u>9/2024</u>	<u>12/2023</u>	<u>12/2021</u>	<u>12/2019</u>
Market Inflation Expectations					
5 Year	2.4	2.1	2.1	2.9	1.7
10 Year	2.3	2.2	2.2	2.6	1.8
20 Year	2.5	2.4	2.4	2.6	1.9
CPI Year-over-Year	2.9	2.4	3.4	7.0	2.3
West Texas Crude Oil	72.4	68.8	71.9	75.3	61.1
Consumer Sentiment Index	74.0	70.1	69.7	70.6	99.3
S&P 500 Operating EPS	61.1*	59.2	53.9	56.7	39.2
Real GDP Growth YoY	---	3.1	3.2	7.4	2.8
Federal Funds Rate	4.33	4.83	5.33	0.08	1.55

US Treasury Yield Curve

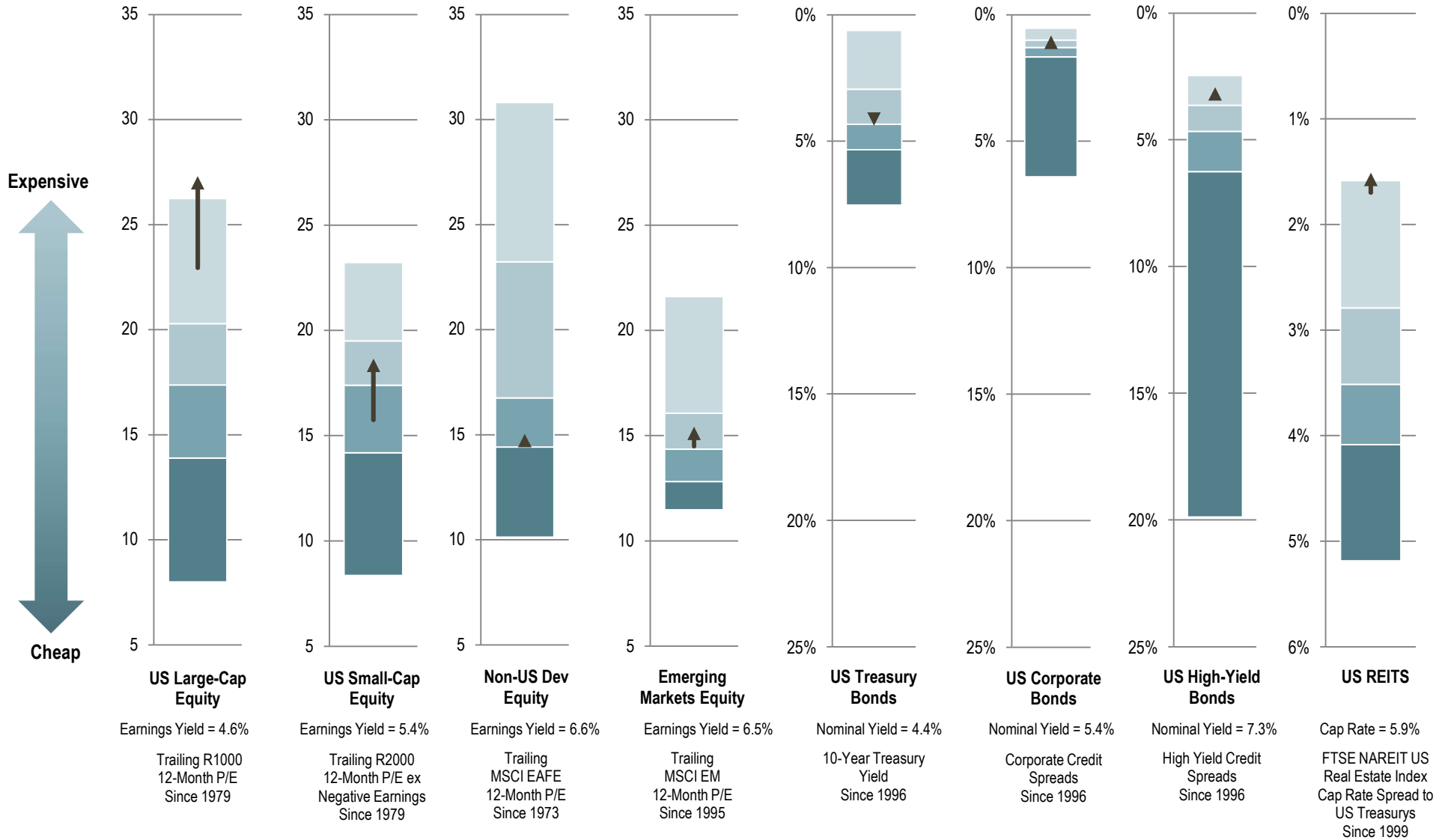


Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, CME Group, S&P Dow Jones Indices

Arrows in the top-right charts represent year on year change.

*Estimate, provided by S&P Dow Jones Indices.

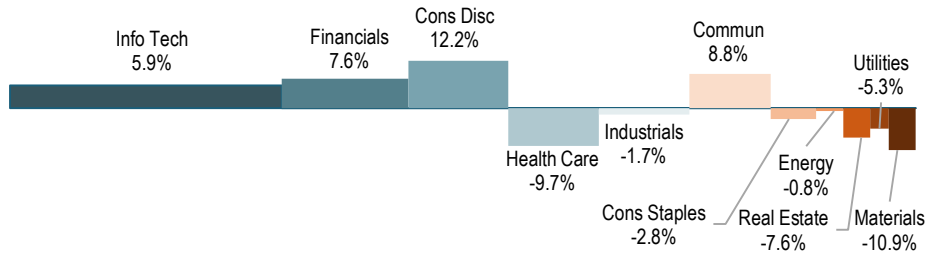
As of December 31, 2024



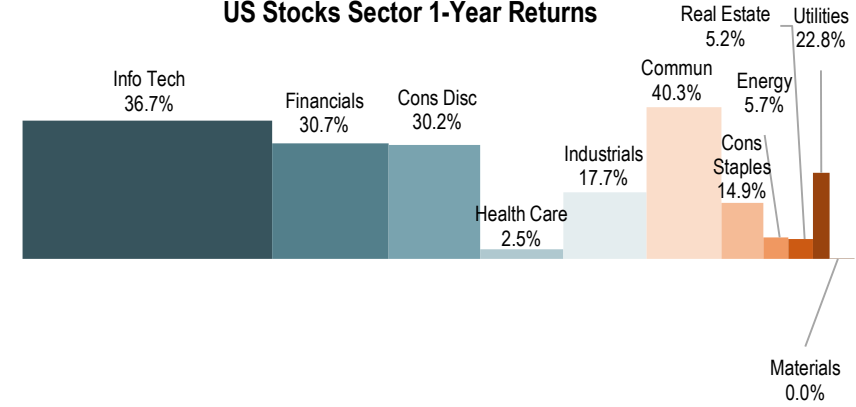
Arrows represent year on year change. Trailing 12 month P/E and cap rate metrics exclude the top and bottom 5%. P/E metrics calculated by Investment Metrics and Morningstar may use different methodology. Sources: Sellwood Investment Partners LLC, Robert Shiller Data, S&P Dow Jones Indices, FTSE Russell, MCSI, Federal Reserve Economic Data, NAREIT

As of December 31, 2024

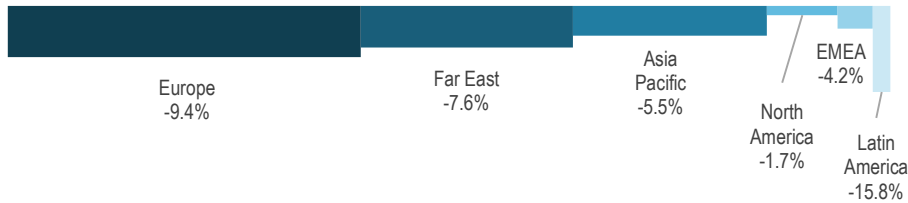
US Stocks Sector Quarter Returns



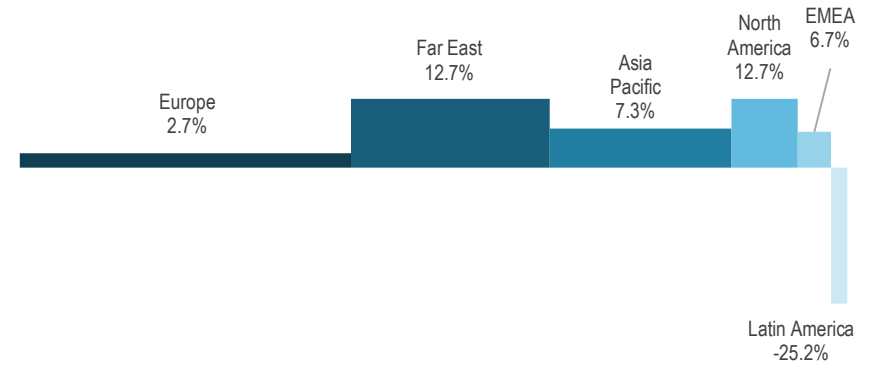
US Stocks Sector 1-Year Returns



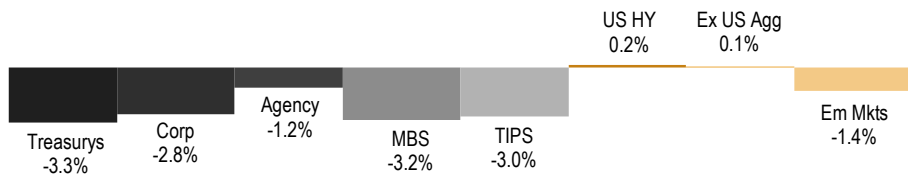
World Stocks ex USA Region Quarter Returns



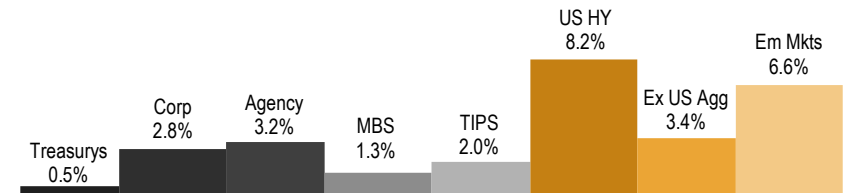
World Stocks ex USA Region 1-Year Returns



Fixed Income Sectors Quarter Returns



Fixed Income Sectors 1-Year Returns



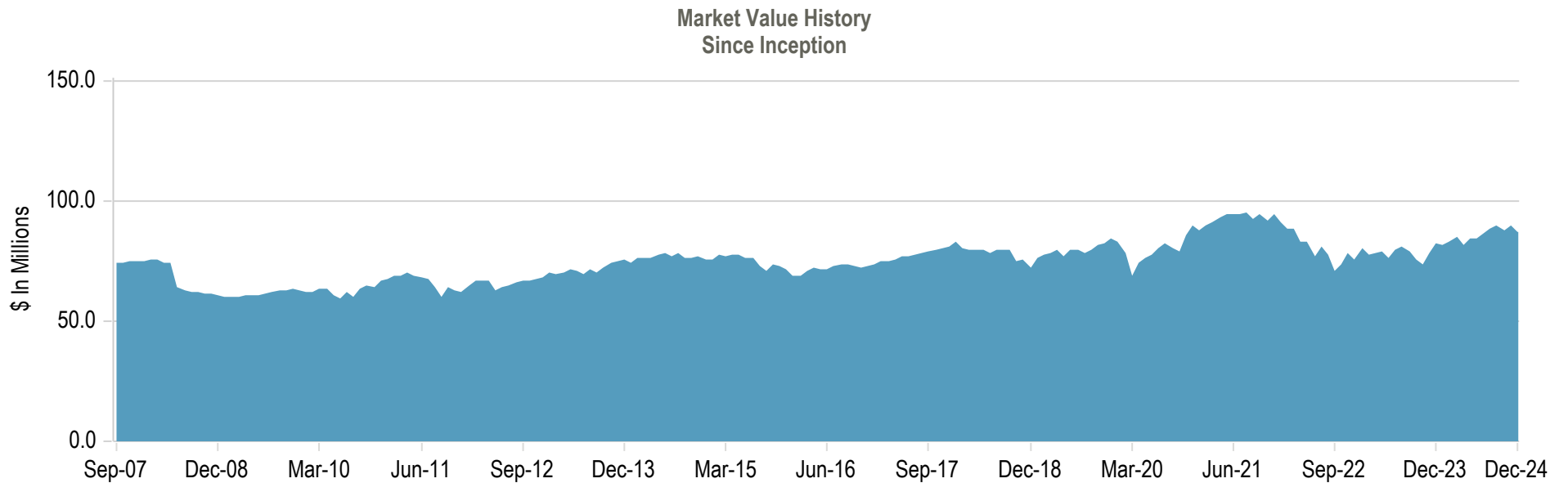
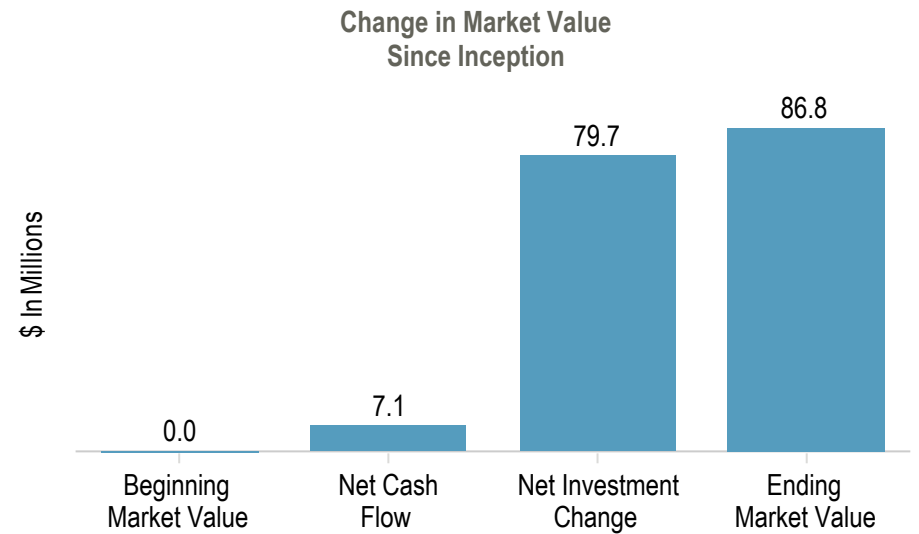
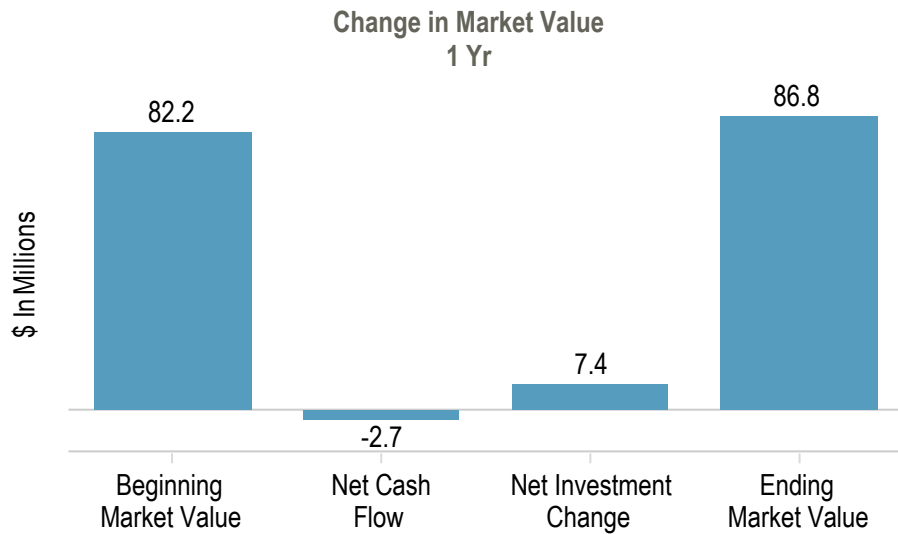
The equity bar widths depict end of the quarter region and sector weights. Fixed income bar widths do not depict specific sector weights. The Far East includes Hong Kong, Japan and Singapore.

Sources: Sellwood Investment Partners LLC, Morningstar, S&P Dow Jones Indices, MSCI, ICE BofA

Asset Allocation vs Policy



	Market Value (\$)	Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within Range
US Equity	32,306,583	37.2	35.0	2.2	30.0 - 40.0	Yes
Vanguard Instl Indx;Inst (VINIX)	17,772,127	20.5				
MFS Value R6 (MEIKX)	7,737,593	8.9				
SBH Small Cap Value (SA)	6,796,862	7.8				
International Equity	25,516,827	29.4	30.0	-0.6	25.0 - 35.0	Yes
Vanguard Tot I Stk;l (VTSNX)	10,326,469	11.9				
American Funds EuPc;R-6 (RERGX)	7,567,897	8.7				
Dodge & Cox Intl Stock (DODFX)	7,622,461	8.8				
Fixed Income	16,098,121	18.5	20.0	-1.5	15.0 - 25.0	Yes
Vanguard Tot Bd;Inst (VBTIX)	7,961,709	9.2				
DoubleLine:Cr Fxd In;l (DBLFX)	4,058,550	4.7				
Dodge & Cox Income (DODIX)	4,077,861	4.7				
Marketable Alternatives	8,684,914	10.0	10.0	0.0	0.0 - 20.0	Yes
PIMCO:All Asset;Inst (PAAIX)	4,227,310	4.9				
BlackRock Multi-Asset Inc Instl (BIICX)	4,457,603	5.1				
Real Estate	4,221,166	4.9	5.0	-0.1	0.0 - 10.0	Yes
DFA Global Real Estate;l (DFGEX)	4,221,166	4.9				
Cash Equivalent	3,774	0.0	0.0	0.0	0.0 - 0.0	No
Allspring:Govt MM;l (GVIXX)	3,774	0.0				
Total	86,831,384	100.0	100.0	0.0		



Total Fund Composite

As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total Fund Composite	86,831,384	100.0	-3.4	9.2	1.6	5.5	5.7	6.5	14.3	-15.9	11.9	11.5	6.4	9/1/2007
Policy Benchmark			-2.6	11.1	3.0	6.5	6.0	6.6	16.3	-15.3	11.4	12.5	6.5	
Over/Under			-0.8	-1.9	-1.4	-1.0	-0.4	-0.1	-2.0	-0.6	0.5	-1.0	-0.1	
Actual Allocation Index			-3.3	9.5	2.0	6.1	6.1	6.9	15.3	-15.8	13.0	12.0	6.6	
Over/Under			-0.1	-0.3	-0.4	-0.6	-0.4	-0.4	-1.0	-0.1	-1.0	-0.6	-0.2	
All Trust Funds \$50mm-\$250mm Rank			88	56	71	65	65	70	29	77	59	60	23	
US Equity	32,306,583	37.2	0.7	19.2	4.6	10.8	11.2	12.1	19.4	-19.5	24.1	17.3	14.3	3/1/2009
Russell 3000 Index			2.6	23.8	8.0	13.9	12.5	13.6	26.0	-19.2	25.7	20.9	16.0	
Over/Under			-2.0	-4.6	-3.4	-3.1	-1.4	-1.4	-6.6	-0.2	-1.6	-3.6	-1.8	
International Equity	25,516,827	29.4	-7.6	4.7	1.0	4.7	5.3		16.0	-15.3	7.6	13.7	5.7	2/1/2010
MSCI AC World ex USA (Net)			-7.6	5.5	0.8	4.1	4.8	4.7	15.6	-16.0	7.8	10.7	5.1	
Over/Under			0.0	-0.8	0.1	0.6	0.5		0.4	0.7	-0.2	3.0	0.7	
Fixed Income	16,098,121	18.5	-3.0	2.0	-2.1	-0.1	1.5	2.6	6.2	-13.3	-1.0	7.1	2.9	10/1/2007
Blmbg. U.S. Aggregate Index			-3.1	1.3	-2.4	-0.3	1.3	2.4	5.5	-13.0	-1.5	7.5	2.9	
Over/Under			0.1	0.7	0.3	0.2	0.2	0.3	0.6	-0.3	0.5	-0.4	0.0	
Marketable Alternatives	8,684,914	10.0	-2.6	5.8	1.5	3.3	3.1		9.8	-10.1	9.4	2.8	4.2	10/1/2011
Marketable Alts Custom Index			-1.5	9.6	2.2	4.9	5.5	6.3	14.4	-14.9	6.9	11.5	6.6	
Over/Under			-1.1	-3.8	-0.7	-1.6	-2.4		-4.6	4.9	2.5	-8.7	-2.4	
Real Estate	4,221,166	4.9	-9.7	1.9	-5.1	0.7			9.4	-23.4	30.8	-7.4	2.4	8/1/2017
Real Estate Custom Index			-9.4	1.9	-5.5	-0.3			10.0	-24.7	28.7	-9.1	2.2	
Over/Under			-0.3	0.1	0.4	1.0			-0.5	1.3	2.1	1.6	0.2	
Cash Equivalent	3,774	0.0												

Returns are annualized for periods greater than one year.

Total Fund Composite

As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total Fund Composite	86,831,384	100.0	-3.4	9.2	1.6	5.5	5.7	6.5	14.3	-15.9	11.9	11.5	6.4	9/1/2007
Policy Benchmark			-2.6	11.1	3.0	6.5	6.0	6.6	16.3	-15.3	11.4	12.5	6.5	
Over/Under			-0.8	-1.9	-1.4	-1.0	-0.4	-0.1	-2.0	-0.6	0.5	-1.0	-0.1	
Actual Allocation Index			-3.3	9.5	2.0	6.1	6.1	6.9	15.3	-15.8	13.0	12.0	6.6	
Over/Under			-0.1	-0.3	-0.4	-0.6	-0.4	-0.4	-1.0	-0.1	-1.0	-0.6	-0.2	
All Trust Funds \$50mm-\$250mm Rank			88	56	71	65	65	70	29	77	59	60	23	
US Equity	32,306,583	37.2	0.7	19.2	4.6	10.8	11.2	12.1	19.4	-19.5	24.1	17.3	14.3	3/1/2009
Russell 3000 Index			2.6	23.8	8.0	13.9	12.5	13.6	26.0	-19.2	25.7	20.9	16.0	
Over/Under			-2.0	-4.6	-3.4	-3.1	-1.4	-1.4	-6.6	-0.2	-1.6	-3.6	-1.8	
Vanguard Instl Indx;Inst (VINIX)	17,772,127	20.5	2.4	25.0	8.9	14.5	13.1	13.9	26.2	-18.1	28.7	18.4	16.2	3/1/2009
S&P 500 Index			2.4	25.0	8.9	14.5	13.1	13.9	26.3	-18.1	28.7	18.4	16.3	
Over/Under			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Large Blend Rank			31	23	22	20	9	8	27	49	22	41	10	
MFS Value R6 (MEIKX)	7,737,593	8.9	-3.1	12.0	4.5	8.3	8.9	10.7	8.3	-5.8	25.6	4.0	11.5	6/1/2009
Russell 1000 Value Index			-2.0	14.4	5.6	8.7	8.5	10.8	11.5	-7.5	25.2	2.8	11.8	
Over/Under			-1.1	-2.3	-1.1	-0.3	0.4	0.0	-3.2	1.7	0.4	1.2	-0.3	
Large Value Rank			83	72	79	73	44	40	75	52	57	42	52	
SBH Small Cap Value (SA)	6,796,862	7.8	0.6	12.8	2.6	6.8			11.9	-14.5	17.5	9.4	9.2	8/1/2016
Russell 2000 Index			0.3	11.5	1.2	7.4	7.8	10.3	16.9	-20.4	14.8	20.0	8.9	
Over/Under			0.3	1.3	1.3	-0.6			-5.1	5.9	2.7	-10.5	0.3	
Russell 2000 Value Index			-1.1	8.1	1.9	7.3	7.1	9.5	14.6	-14.5	28.3	4.6	8.1	
Over/Under			1.7	4.7	0.6	-0.5			-2.8	0.0	-10.8	4.8	1.1	
Small Blend Rank			30	28	47	84			87	25	82	74	45	

Returns are annualized for periods greater than one year.

Total Fund Composite

As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
International Equity	25,516,827	29.4	-7.6	4.7	1.0	4.7	5.3		16.0	-15.3	7.6	13.7	5.7	2/1/2010
MSCI AC World ex USA (Net)			-7.6	5.5	0.8	4.1	4.8	4.7	15.6	-16.0	7.8	10.7	5.1	
Over/Under			0.0	-0.8	0.1	0.6	0.5		0.4	0.7	-0.2	3.0	0.7	
Vanguard Tot I Stk;I (VTSNX)	10,326,469	11.9	-7.4	5.2	0.7	4.3	5.1	4.9	15.5	-16.0	8.7	11.3	5.3	2/1/2010
Custom Index (FTSE Glo All Cap ex US)			-7.5	5.5	0.8	4.4	5.1	4.9	15.8	-16.1	8.8	11.2	5.3	
Over/Under			0.1	-0.3	-0.1	-0.1	0.0	0.0	-0.3	0.1	-0.2	0.0	0.0	
Foreign Large Blend Rank			41	37	58	57	45	67	71	55	71	34	68	
American Funds EuPc;R-6 (RERGX)	7,567,897	8.7	-7.0	5.0	-2.0	3.9	5.7	5.8	16.1	-22.7	2.8	25.3	5.6	11/1/2010
MSCI AC World ex USA Growth (Net)			-7.9	5.1	-2.7	3.4	5.3	5.3	14.0	-23.1	5.1	22.2	5.0	
Over/Under			0.8	0.0	0.7	0.5	0.3	0.5	2.0	0.3	-2.3	3.1	0.7	
MSCI AC World ex USA (Net)			-7.6	5.5	0.8	4.1	4.8	4.7	15.6	-16.0	7.8	10.7	4.4	
Over/Under			0.6	-0.5	-2.8	-0.2	0.9	1.1	0.4	-6.7	-5.0	14.6	1.2	
Foreign Large Growth Rank			40	50	43	54	50	55	53	37	81	35	49	
Dodge & Cox Intl Stock (DODFX)	7,622,461	8.8	-8.5	3.8	4.1	5.1	4.4	5.5	16.7	-6.8	11.0	2.1	6.3	10/1/2012
MSCI AC World ex USA Value (Net)			-7.3	6.0	4.4	4.5	4.1	3.9	17.3	-8.6	10.5	-0.8	4.6	
Over/Under			-1.2	-2.2	-0.2	0.6	0.3	1.6	-0.6	1.8	0.6	2.9	1.7	
MSCI AC World ex USA (Net)			-7.6	5.5	0.8	4.1	4.8	4.7	15.6	-16.0	7.8	10.7	5.3	
Over/Under			-0.9	-1.7	3.3	1.0	-0.4	0.8	1.1	9.2	3.2	-8.6	1.0	
Foreign Large Value Rank			78	58	39	42	55	20	63	28	57	52	18	
Fixed Income	16,098,121	18.5	-3.0	2.0	-2.1	-0.1	1.5	2.6	6.2	-13.3	-1.0	7.1	2.9	10/1/2007
Blmbg. U.S. Aggregate Index			-3.1	1.3	-2.4	-0.3	1.3	2.4	5.5	-13.0	-1.5	7.5	2.9	
Over/Under			0.1	0.7	0.3	0.2	0.2	0.3	0.6	-0.3	0.5	-0.4	0.0	
Vanguard Tot Bd;Inst (VBTIX)	7,961,709	9.2	-3.0	1.3	-2.4	-0.3	1.3	2.3	5.7	-13.1	-1.7	7.7	1.3	1/1/2015
Custom Index (Bloomberg US Agg Flt-Adj)			-3.0	1.3	-2.4	-0.3	1.4	2.4	5.6	-13.1	-1.6	7.7	1.4	
Over/Under			0.0	-0.1	0.0	0.0	0.0	-0.1	0.1	-0.1	-0.1	0.0	0.0	
Intermediate Core Bond Rank			49	71	47	52	47	59	46	40	53	50	47	

Returns are annualized for periods greater than one year.

Total Fund Composite

As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
DoubleLine:Cr Fxd In;l (DBLFX)	4,058,550	4.7	-2.5	3.0	-1.5	0.1	1.8		6.4	-12.8	-0.3	5.6	1.3	9/1/2016
Blmbg. U.S. Aggregate Index			-3.1	1.3	-2.4	-0.3	1.3	2.4	5.5	-13.0	-1.5	7.5	0.9	
Over/Under			0.5	1.8	0.9	0.5	0.4		0.9	0.3	1.2	-1.9	0.4	
Intermediate Core-Plus Bond Rank			23	25	26	52	44		44	26	31	91	54	
Dodge & Cox Income (DODIX)	4,077,861	4.7	-3.3	2.3	-0.6	1.3	2.5	3.4	7.7	-10.9	-0.9	9.5	3.7	5/1/2023
Blmbg. U.S. Aggregate Index			-3.1	1.3	-2.4	-0.3	1.3	2.4	5.5	-13.0	-1.5	7.5	1.9	
Over/Under			-0.3	1.0	1.8	1.6	1.1	1.0	2.2	2.2	0.6	1.9	1.8	
Intermediate Core-Plus Bond Rank			86	54	9	9	11	24	9	9	61	24	21	
Marketable Alternatives	8,684,914	10.0	-2.6	5.8	1.5	3.3	3.1		9.8	-10.1	9.4	2.8	4.2	10/1/2011
Marketable Alts Custom Index			-1.5	9.6	2.2	4.9	5.5	6.3	14.4	-14.9	6.9	11.5	6.6	
Over/Under			-1.1	-3.8	-0.7	-1.6	-2.4		-4.6	4.9	2.5	-8.7	-2.4	
PIMCO:All Asset;Inst (PAAIX)	4,227,310	4.9	-3.4	4.1	0.0	4.6	4.7	5.2	8.6	-11.5	15.6	8.4	5.1	10/1/2011
All Asset Index			-3.0	5.6	-0.1	3.5	4.1	5.0	9.8	-14.0	8.9	9.2	4.8	
Over/Under			-0.5	-1.5	0.1	1.1	0.5	0.3	-1.3	2.5	6.7	-0.8	0.3	
Tactical Allocation Rank			88	83	71	57	52	49	63	30	35	49	66	
BlackRock Multi-Asset Inc Instl (BIICX)	4,457,603	5.1	-1.7	7.4	1.8	3.8	4.3	5.8	11.1	-11.6	7.2	6.6	3.5	4/1/2022
Custom Index (BlackRock MAI)			-0.8	10.1	3.6	4.9	5.4	6.7	13.7	-11.3	8.6	5.6	5.2	
Over/Under			-0.9	-2.7	-1.8	-1.1	-1.1	-0.8	-2.7	-0.3	-1.3	1.0	-1.7	
Moderately Conservative Allocation Rank			42	62	20	65	67	35	51	16	70	78	30	

Returns are annualized for periods greater than one year.

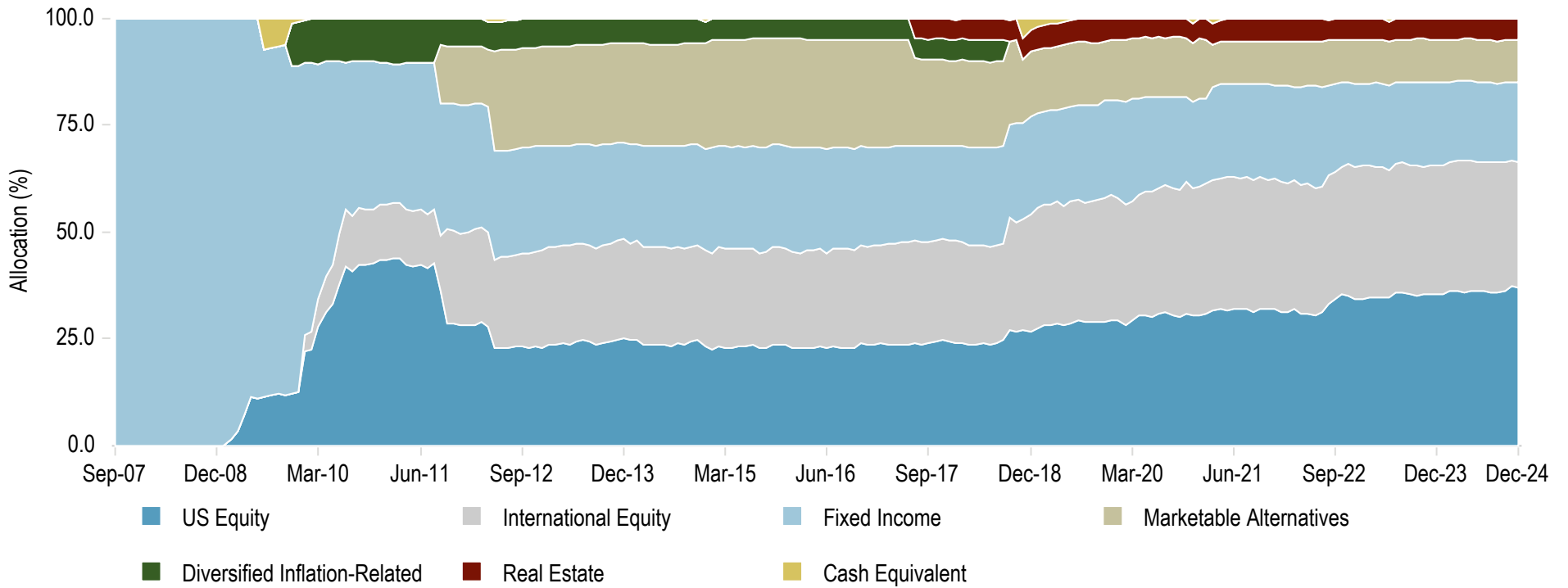
Total Fund Composite

As of December 31, 2024

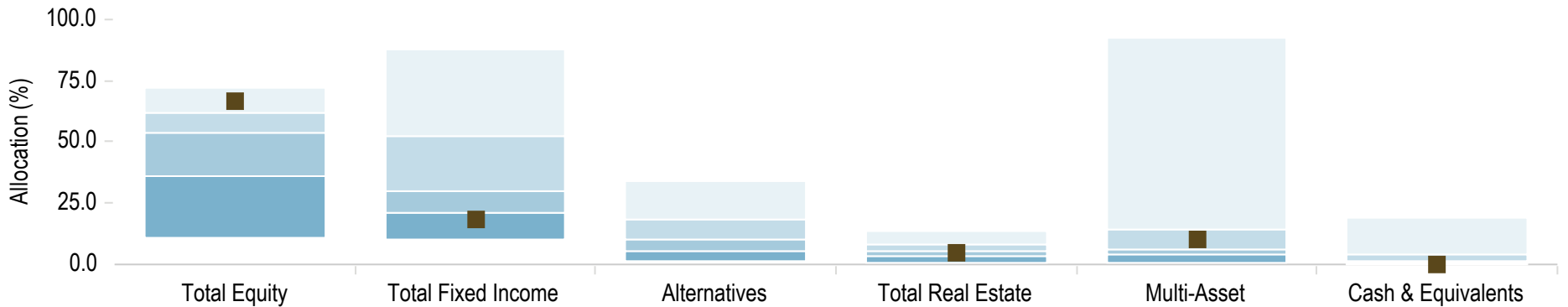
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Real Estate	4,221,166	4.9	-9.7	1.9	-5.1	0.7			9.4	-23.4	30.8	-7.4	2.4	8/1/2017
Real Estate Custom Index			-9.4	1.9	-5.5	-0.3			10.0	-24.7	28.7	-9.1	2.2	
Over/Under			-0.3	0.1	0.4	1.0			-0.5	1.3	2.1	1.6	0.2	
DFA Global Real Estate;I (DFGEX)	4,221,166	4.9	-9.7	1.9	-5.3	0.7	4.0	7.2	9.4	-23.8	31.0	-6.7	3.6	8/1/2017
S&P Global REIT Index (Net)			-9.0	2.8	-5.0	0.5	3.0	6.3	10.2	-24.4	31.4	-9.1	2.6	
Over/Under			-0.7	-0.8	-0.3	0.3	1.0	1.0	-0.8	0.5	-0.4	2.4	0.9	
Global Real Estate Rank			46	29	26	31	23	5	71	20	14	60	24	
Cash Equivalent	3,774	0.0												
Allspring:Govt MM;I (GVIXX)	3,774	0.0	1.2	5.1	3.9	2.4	1.7	1.1	5.0	1.5	0.0	0.3	1.1	2/1/2010
90 Day U.S. Treasury Bill			1.2	5.3	3.9	2.5	1.8	1.2	5.0	1.5	0.0	0.7	1.2	
Over/Under			0.0	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.3	-0.1	
Money Market-Taxable Rank			36	34	35	34	31	30	33	37	42	47	30	

Returns are annualized for periods greater than one year.

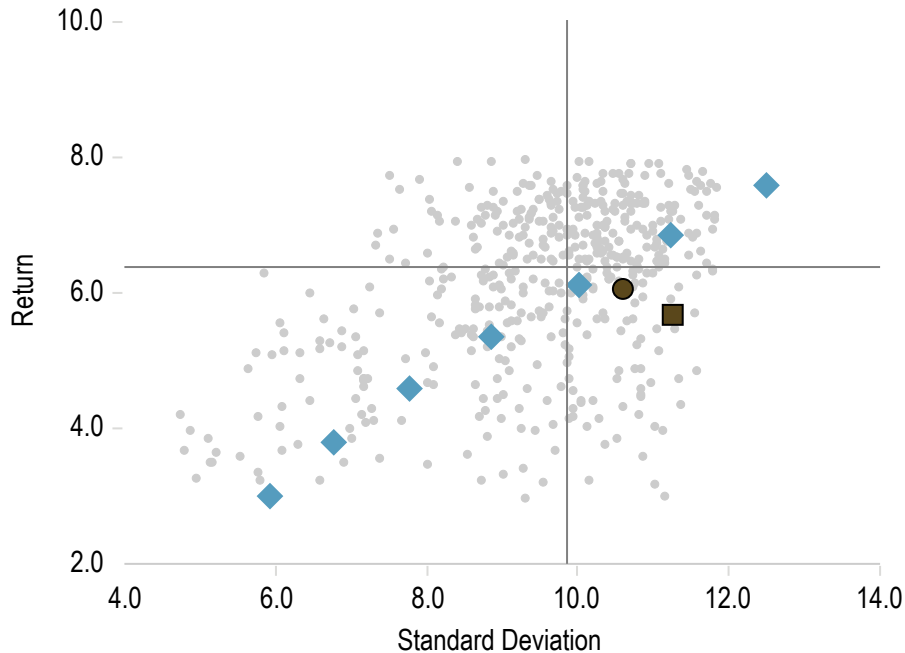
**Asset Allocation History
Since Inception**



Total Fund Composite vs All Trust Funds \$50mm-\$250mm

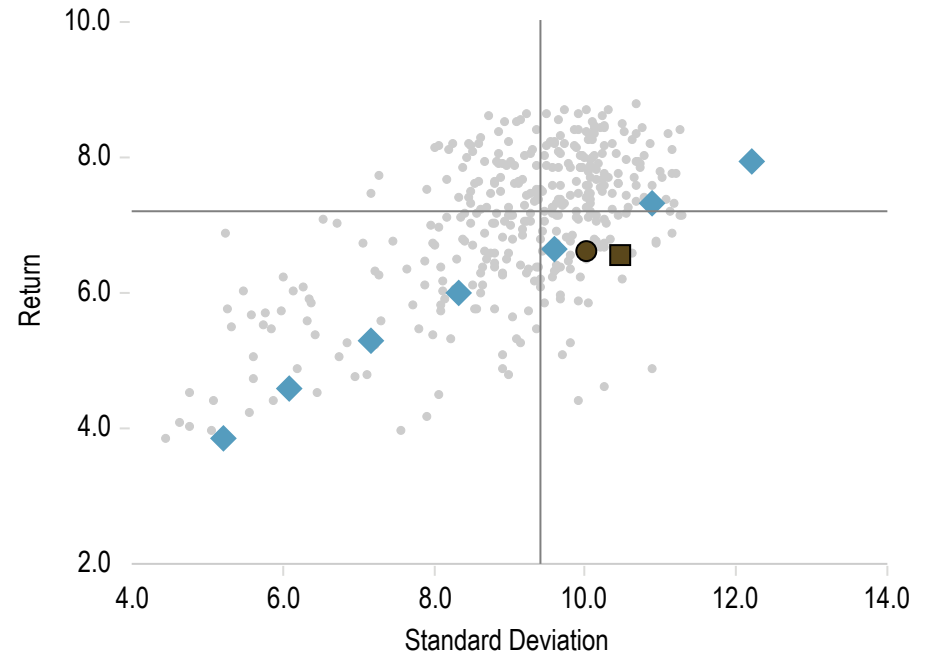


10 Years Return vs Standard Deviation
All Trust Funds \$50mm-\$250mm



	Return	Standard Deviation
◆ 20/80 MSCI ACWI IMI/Bloomberg Agg	3.0	5.9
◆ 30/70 MSCI ACWI IMI/Bloomberg Agg	3.8	6.8
◆ 40/60 MSCI ACWI IMI/Bloomberg Agg	4.6	7.8
◆ 50/50 MSCI ACWI IMI/Bloomberg Agg	5.4	8.9
◆ 60/40 MSCI ACWI IMI/Bloomberg Agg	6.1	10.0
◆ 70/30 MSCI ACWI IMI/Bloomberg Agg	6.9	11.2
◆ 80/20 MSCI ACWI IMI/Bloomberg Agg	7.6	12.5
■ Total Fund Composite	5.7	11.3
● Policy Benchmark	6.0	10.6
— Median	6.4	9.9
Population	573	573

15 Years Return vs Standard Deviation
All Trust Funds \$50mm-\$250mm



	Return	Standard Deviation
◆ 20/80 MSCI ACWI IMI/Bloomberg Agg	3.9	5.2
◆ 30/70 MSCI ACWI IMI/Bloomberg Agg	4.6	6.1
◆ 40/60 MSCI ACWI IMI/Bloomberg Agg	5.3	7.2
◆ 50/50 MSCI ACWI IMI/Bloomberg Agg	6.0	8.3
◆ 60/40 MSCI ACWI IMI/Bloomberg Agg	6.7	9.6
◆ 70/30 MSCI ACWI IMI/Bloomberg Agg	7.3	10.9
◆ 80/20 MSCI ACWI IMI/Bloomberg Agg	7.9	12.2
■ Total Fund Composite	6.5	10.5
● Policy Benchmark	6.6	10.0
— Median	7.2	9.4
Population	420	420

Correlation Matrix

As of December 31, 2024

5 Years Ending December 31, 2024

	A	B	C	D	E	F	G	H	I	J	K	L	M
A	1.0												
B	0.9	1.0											
C	0.8	0.9	1.0										
D	0.9	0.9	0.8	1.0									
E	0.9	0.9	0.8	1.0	1.0								
F	0.8	0.9	0.8	0.9	0.9	1.0							
G	0.6	0.5	0.4	0.6	0.6	0.4	1.0						
H	0.7	0.6	0.6	0.8	0.8	0.6	0.9	1.0					
I	0.7	0.6	0.6	0.8	0.8	0.6	1.0	1.0	1.0				
J	0.9	0.9	0.9	1.0	0.9	0.9	0.6	0.8	0.8	1.0			
K	0.9	0.9	0.8	0.9	0.9	0.9	0.7	0.8	0.8	1.0	1.0		
L	0.9	0.9	0.8	0.9	0.9	0.8	0.6	0.8	0.8	0.9	0.9	1.0	
M	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.1	0.0	1.0

- A = Vanguard Instl Indx;Inst (VINIX)
- B = MFS Value R6 (MEIKX)
- C = SBH Small Cap Value (SA)
- D = Vanguard Tot I Stk;I (VTSNX)
- E = American Funds EuPc;R-6 (RERGX)
- F = Dodge & Cox Intl Stock (DODFX)
- G = Vanguard Tot Bd;Inst (VBTIX)
- H = DoubleLine:Cr Fxd In;I (DBLFX)
- I = Dodge & Cox Income (DODIX)
- J = PIMCO:All Asset;Inst (PAAIX)
- K = BlackRock Multi-Asset Inc Instl (BIICX)
- L = DFA Global Real Estate;I (DFGEX)
- M = Allspring:Govt MM;I (GVIXX)

Investment Expense Analysis

	Market Value (\$)	% of Portfolio	Net Expense Ratio (%)	Net Est. Expense (\$)	Median Net Expense Ratio (%)	Difference Fund vs Median (%)	Difference Fund vs. Median (\$)
Total Fund Composite	86,831,384	100.0	0.35	300,839			-
Vanguard Instl Indx;Inst (VINIX)	17,772,127	20.5	0.04	6,220	0.75	-0.72	-139,511
MFS Value R6 (MEIKX)	7,737,593	8.9	0.44	34,045	0.83	-0.39	-37,914
SBH Small Cap Value (SA)	6,796,862	7.8	0.85	57,773	1.00	-0.15	-19,711
Vanguard Tot I Stk;I (VTSNX)	10,326,469	11.9	0.09	9,294	0.90	-0.81	-99,134
American Funds EuPc;R-6 (RERGX)	7,567,897	8.7	0.47	35,569	0.97	-0.50	-49,948
Dodge & Cox Intl Stock (DODFX)	7,622,461	8.8	0.62	47,259	0.93	-0.31	-36,588
Vanguard Tot Bd;Inst (VBTIX)	7,961,709	9.2	0.04	2,787	0.54	-0.51	-49,761
DoubleLine:Cr Fxd In;I (DBLFX)	4,058,550	4.7	0.48	19,481	0.67	-0.19	-11,364
Dodge & Cox Income (DODIX)	4,077,861	4.7	0.41	16,719	0.67	-0.26	-15,496
PIMCO:All Asset;Inst (PAAIX)	4,227,310	4.9	0.88	36,989	1.51	-0.64	-40,371
BlackRock Multi-Asset Inc Instl (BIICX)	4,457,603	5.1	0.57	25,408	0.88	-0.31	-12,927
DFA Global Real Estate;I (DFGEX)	4,221,166	4.9	0.22	9,287	1.10	-0.88	-46,011
Allspring:Govt MM;I (GVIXX)	3,774	0.0	0.20	8	0.35	-0.15	-9

Mutual fund expense ratios shown are Prospectus Adjusted Operating Expense Ratios, a forward-looking fee ratio that excludes interest expense and may incorporate fee waivers.

Benchmark Composition

Total Fund Composite

4/1/2023 Present 35.0% Russell 3000 Index, 30.0% MSCI AC World ex USA (Net), 20.0% Blmbg. U.S. Aggregate Index, 10.0% Marketable Alts Custom Index, 5.0% Real Estate Custom Index

Real Estate

8/1/2017 Present 50.0% FTSE EPRA/NAREIT Developed Index (Net), 50.0% S&P Global REIT Index (Net)

Marketable Alternatives

6/1/1994 Present 40.0% MSCI AC World IMI (Net), 30.0% Blmbg. U.S. Aggregate Index, 30.0% Blmbg. Global High Yield Index

Notes:

Composite-level data prior to May 31, 2014 has been provided by the previous consultant.

Inception dates shown represent the first full month following initial funding.

The Custom Index (FTSE Glo All Cap ex US) consists of the Total International Composite Index through 8/31/2006, the MSCI EAFE + Emerging Markets Index through 12/15/2010, the MSCI ACW Ex US Investable Market Index (Net) through 5/31/2013 and the FTSE Global All Cap ex US Index thereafter. Vanguard Tot Intl Stock;Inst (VTSNX) may vary from this benchmark due primarily to Vanguard's use of Fair Value Pricing.

The All Asset Index is calculated by Sellwood Investment Partners to reflect the underlying investment opportunity set available to PIMCO:All Asset;Inst (PAAIX).

The Custom Index (BlackRock MAI) is constructed by Sellwood Investment Partners to represent the opportunity set available to the BlackRock Multi-Asset Income fund. It consists of 25% BofAML US High Yield Index, 9.38% Russell 3000 Index, 9.38% MSCI ACWI ex USA Index, 6.25% FTSE NAREIT All Equity REITs Index, 6.25% BBgBarc US MBS Index, 6.25% BBgBarc US Credit Index, 6.25 Alerian MLP Infrastructure Index, 6.25% CBOE S&P 500 BuyWrite Index, 6.25% S&P Preferred Stock Index, 6.25 BBgBarc CMBS ERISA Eligible Index, 6.25% ICE BofA Diversified EMD Sov Bnd Index, and 6.25% BBgBarc USFRN Index.

In March 2022, GMO Benchmark-Free All;III (GBMFX) was removed from the portfolio and BlackRock Multi-Asset Income Instl (BIICX) was added.

In August 2022, City of Phoenix adopted new IPS Targets. Additionally, Third Avenue Real Estate was liquidated.

In May 2023, PIMCO Total Return Instl (PTTRX) was exchanged for Dodge & Cox Income X (DODIX).

In June 2023, PAMF Special Investments was liquidated.

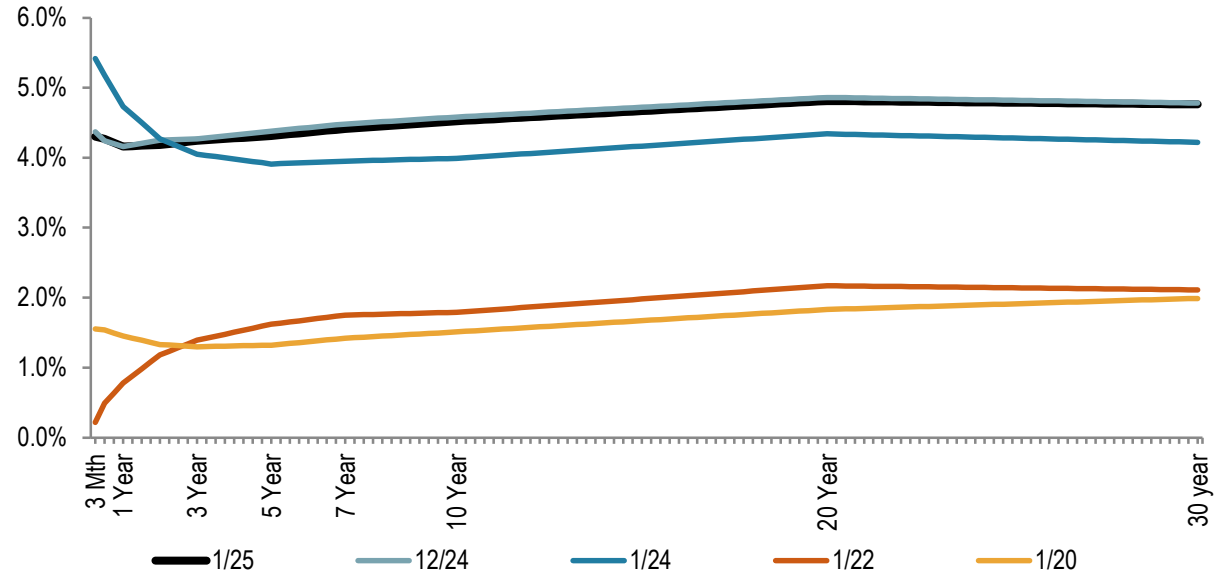
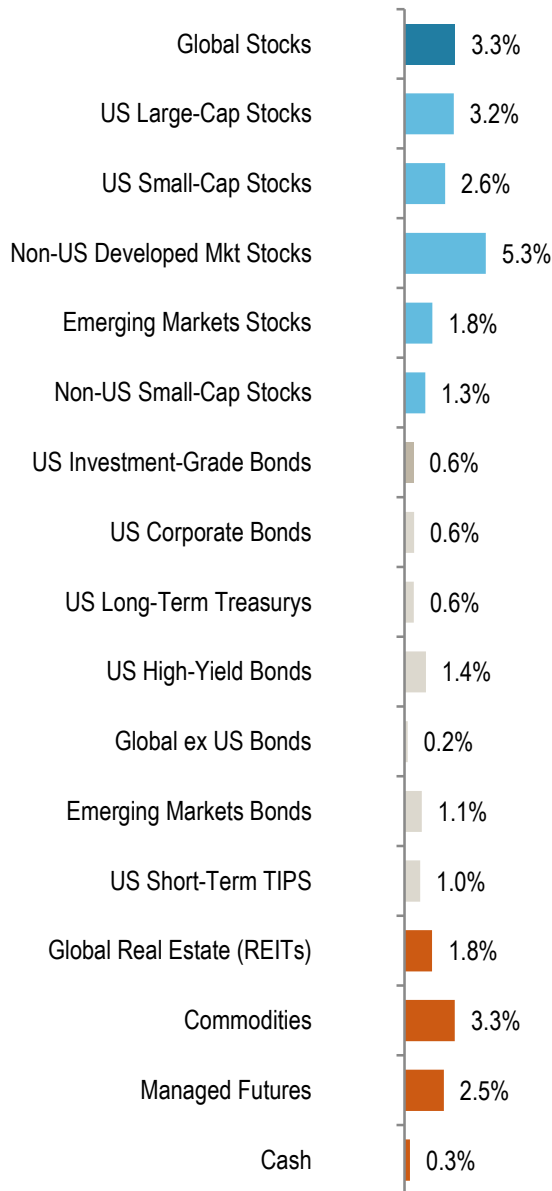
Sources: Sellwood Investment Partners LLC, Morningstar Direct, Investment Metrics, eVestment and investment managers.

Manager performance prior to the inception date is product specific and shown for informational purposes.

As of January 31, 2025

Quarter to Date

US Treasury Yield Curve



	MTD	QTD	YTD	1 Year	3 Years	5 Years	20 Years
Global Stocks	3.3%	3.3%	3.3%	19.9%	7.9%	10.7%	8.0%
US Large-Cap Stocks	3.2%	3.2%	3.2%	26.7%	11.7%	15.0%	10.7%
<i>US Large-Cap Value</i>	4.6%	4.6%	4.6%	19.5%	8.1%	10.2%	8.2%
<i>US Large-Cap Growth</i>	2.0%	2.0%	2.0%	32.7%	14.6%	18.9%	12.9%
US Small-Cap Stocks	2.6%	2.6%	2.6%	19.1%	5.6%	8.7%	8.2%
<i>US Small-Cap Value</i>	2.1%	2.1%	2.1%	15.5%	4.7%	8.9%	7.3%
<i>US Small-Cap Growth</i>	3.2%	3.2%	3.2%	22.7%	6.2%	7.8%	8.7%
Non-US Developed Markets (USD)	5.3%	5.3%	5.3%	8.7%	5.1%	6.3%	5.2%
<i>Non-US Developed Markets (Local)</i>	4.8%	4.8%	4.8%	13.7%	9.4%	8.8%	6.4%
Emerging Markets (USD)	1.8%	1.8%	1.8%	14.8%	(0.7%)	3.0%	6.1%
<i>Emerging Markets (Local)</i>	1.6%	1.6%	1.6%	19.1%	2.8%	5.6%	8.0%
US Investment-Grade Bonds	0.6%	0.6%	0.6%	2.2%	(1.6%)	(0.6%)	3.0%
US Long-Term Treasuries	0.6%	0.6%	0.6%	(3.6%)	(10.0%)	(6.0%)	3.3%
US Short-Term TIPS	1.0%	1.0%	1.0%	5.1%	2.1%	3.2%	2.9%
Global Real Estate (REITs)	1.8%	1.8%	1.8%	8.1%	(2.6%)	0.1%	5.4%
Cash	0.3%	0.3%	0.3%	5.1%	4.0%	2.5%	1.7%

Returns for periods longer than 1 year are annualized. Managed Futures and Commodities returns are available on a lag following month-end.

Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, MSCI, FTSE Russell, ICE BofA, Credit Suisse

Return Summary

	QTD (%)
Total Fund Composite	2.8
Policy Benchmark	2.7

Change in Market Value

	QTD
Beginning Market Value	\$86,831,384
Net Investment Change	\$2,409,915
Net Cash Flow	\$995
Ending Market Value	\$89,242,295

	Market Value (\$)	% of Portfolio	Policy (%)	QTD (%)
Total Fund Composite	89,242,295	100.0	100.0	2.8
US Equity	33,308,916	37.3	35.0	3.1
Vanguard Instl Indx;Inst (VINIX)	18,266,066	20.5		2.8
MFS Value R6 (MEIKX)	8,059,060	9.0		4.2
SBH Small Cap Value (SA)	6,983,790	7.8		2.8
International Equity	26,591,945	29.8	30.0	4.2
Vanguard Tot I Stk;I (VTSNX)	10,671,989	12.0		3.3
American Funds EuPc;R-6 (RERGX)	7,936,994	8.9		4.9
Dodge & Cox Intl Stock (DODFX)	7,982,962	8.9		4.7
Fixed Income	16,199,422	18.2	20.0	0.6
Vanguard Tot Bd;Inst (VBTIX)	8,012,761	9.0		0.6
DoubleLine:Cr Fxd In;I (DBLFX)	4,085,742	4.6		0.6
Dodge & Cox Income (DODIX)	4,100,918	4.6		0.6
Marketable Alternatives	8,853,369	9.9	10.0	1.9
PIMCO:All Asset;Inst (PAAIX)	4,301,542	4.8		2.0
BlackRock Multi-Asset Inc Instl (BIICX)	4,551,827	5.1		2.0
Real Estate	4,283,857	4.8	5.0	1.5
DFA Global Real Estate;I (DFGEX)	4,283,857	4.8		1.5
Cash Equivalent	4,786	0.0	0.0	0.4
Allspring:Govt MM;I (GVIXX)	4,786	0.0		

Returns are annualized for periods greater than one year.

Attachment

Medical Expense Reimbursement Plan Trust Investment Report

(Rest of Page Blank)



City of Phoenix

City of Phoenix Medical Expense Reimbursement Plan Trust
Thursday, February 27, 2025

INVESTMENT REPORT AGENDA

- Item 1 2024-12-31 Quarterly Performance Report
- Item 2 2025-01-31 Performance Summary

SELLWOOD
INVESTMENT PARTNERS

Investment Performance Report

CITY OF PHOENIX MEDICAL EXPENSE REIMBURSEMENT PLAN TRUST

December 31, 2024

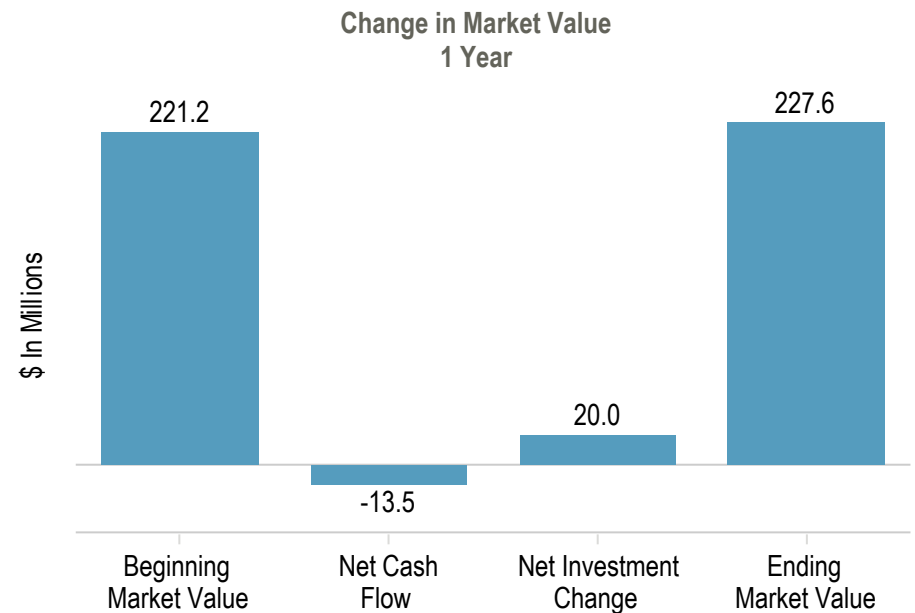
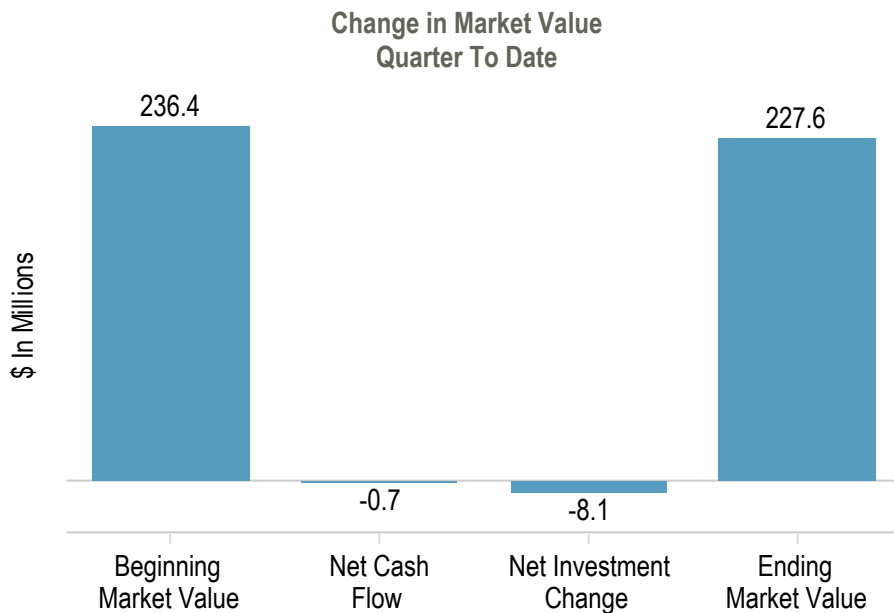
Performance is presented net of underlying investment fees.

SELLWOOD
INVESTMENT PARTNERS



Total Fund Composite
\$227,600,553

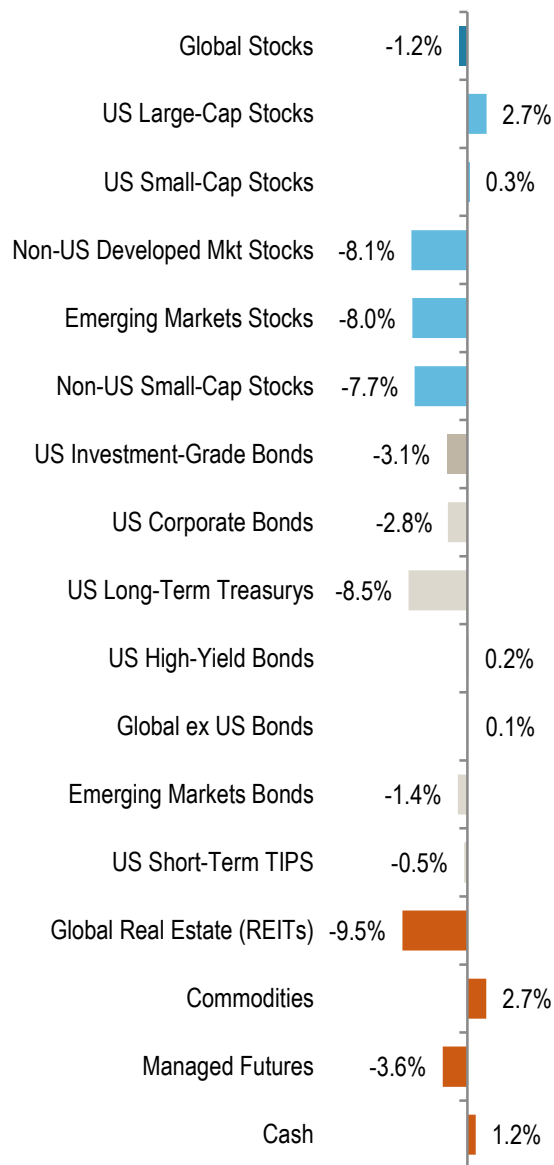
	QTD (%)	1 Yr (%)	5 Yrs (%)	Inception (%)	Inception Date
Total Fund Composite	-3.4	9.3	5.5	7.1	9/1/2007
Policy Benchmark	-2.6	11.1	6.5	7.1	
Actual Allocation Index	-3.2	9.6	6.0	7.0	
Global Stocks (MSCI ACWI IMI)	-1.2	16.4	9.7	6.6	
US Investment-Grade Bonds (Bbg Agg)	-3.1	1.3	-0.3	2.9	
Cash (90-Day T-Bills)	1.2	5.3	2.5	1.2	



Returns are annualized for periods greater than one year.

As of December 31, 2024

Fourth Quarter 2024



Fourth Quarter 2024: Saddle Up: Magnificent Seven Leave Others in the Dust

Amid worrisome global turmoil, more modest rate cuts than anticipated, and a US election reversal, mega-cap tech giants powered the S&P 500 to 57 record closes in 2024, along the way to a 25% gain for the full year. The strong year followed an impressive (26%) performance for the index in 2023, making these past two years the strongest back-to-back years for large US stocks since the late 1990s. Despite the extraordinary year, returns in the fourth quarter were muted as investors parsed potential policy changes anticipated under the new administration and fretted stickier-than-anticipated inflation.

Once again, US market returns were driven by the largest technology companies possessing the resources to scale artificial intelligence. The so-called Magnificent Seven, now comprising more than a third of the S&P 500 index, averaged more than a 60% gain for the year, while the average stock in the S&P 500 rose a more modest 13%. Smaller companies and value stocks performed well but still trailed large tech. Non-US shares, negatively impacted by a strong post-election US dollar rally in the fourth quarter, finished the year in modest positive territory.

Investors spent the fourth quarter digesting and anticipating potential policy changes under the incoming Trump administration. Top of mind for investors are taxes, tariffs, immigration, and deregulation. After a brief post-election bounce, the stock market retreated to pre-election levels.

Meanwhile, bonds had a positive but lackluster year as the Fed continued to battle sticky inflation. Following the Fed's apparent declaration of victory over inflation with its first rate cut in four years, bond markets sold off and interest rates rose as fears for resurgent inflation, and a slower pace of future Fed cuts, returned. Although inflation expectations remain higher than in the previous decade, they retreated since reaching highs in 2022, oscillating around a modestly elevated "new normal," above the Federal Reserve's 2% inflation target. Federal Reserve interest rate projections adjusted accordingly; Fed officials now anticipate just two or three rate cuts in 2025.

	QTD	YTD	1 Year	3 Years	5 Years	20 Years
Global Stocks	(1.2%)	16.4%	16.4%	4.9%	9.7%	7.7%
US Large-Cap Stocks	2.7%	24.5%	24.5%	8.4%	14.3%	10.4%
US Large-Cap Value	(2.0%)	14.4%	14.4%	5.6%	8.7%	7.9%
US Large-Cap Growth	7.1%	33.4%	33.4%	10.5%	19.0%	12.6%
US Small-Cap Stocks	0.3%	11.5%	11.5%	1.2%	7.4%	7.8%
US Small-Cap Value	(1.1%)	8.1%	8.1%	1.9%	7.3%	7.0%
US Small-Cap Growth	1.7%	15.2%	15.2%	0.2%	6.9%	8.3%
Non-US Developed Markets (USD)	(8.1%)	3.8%	3.8%	1.6%	4.7%	4.8%
Non-US Developed Markets (Local)	(0.6%)	11.3%	11.3%	6.3%	7.6%	6.2%
Emerging Markets (USD)	(8.0%)	7.5%	7.5%	(1.9%)	1.7%	6.0%
Emerging Markets (Local)	(4.4%)	13.1%	13.1%	1.6%	4.5%	7.9%
US Investment-Grade Bonds	(3.1%)	1.5%	1.5%	(2.4%)	(0.3%)	3.0%
US Long-Term Treasurys	(8.5%)	(5.8%)	(5.8%)	(11.4%)	(4.9%)	3.4%
US Short-Term TIPS	(0.5%)	4.5%	4.5%	1.5%	3.1%	2.8%
Global Real Estate (REITs)	(9.5%)	2.0%	2.0%	(5.1%)	(0.0%)	5.0%
Cash	1.2%	5.2%	5.2%	3.9%	2.5%	1.7%

Returns for periods longer than 1 year are annualized.

Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, MSCI, FTSE Russell, ICE BofA, Credit Suisse

As of December 31, 2024

Prices ticked up in December and paychecks grew, delivering real wage gains in 2023 for the first time in three years. The CPI inflation rate increased to 3.4%, up from 3.1% the prior month.

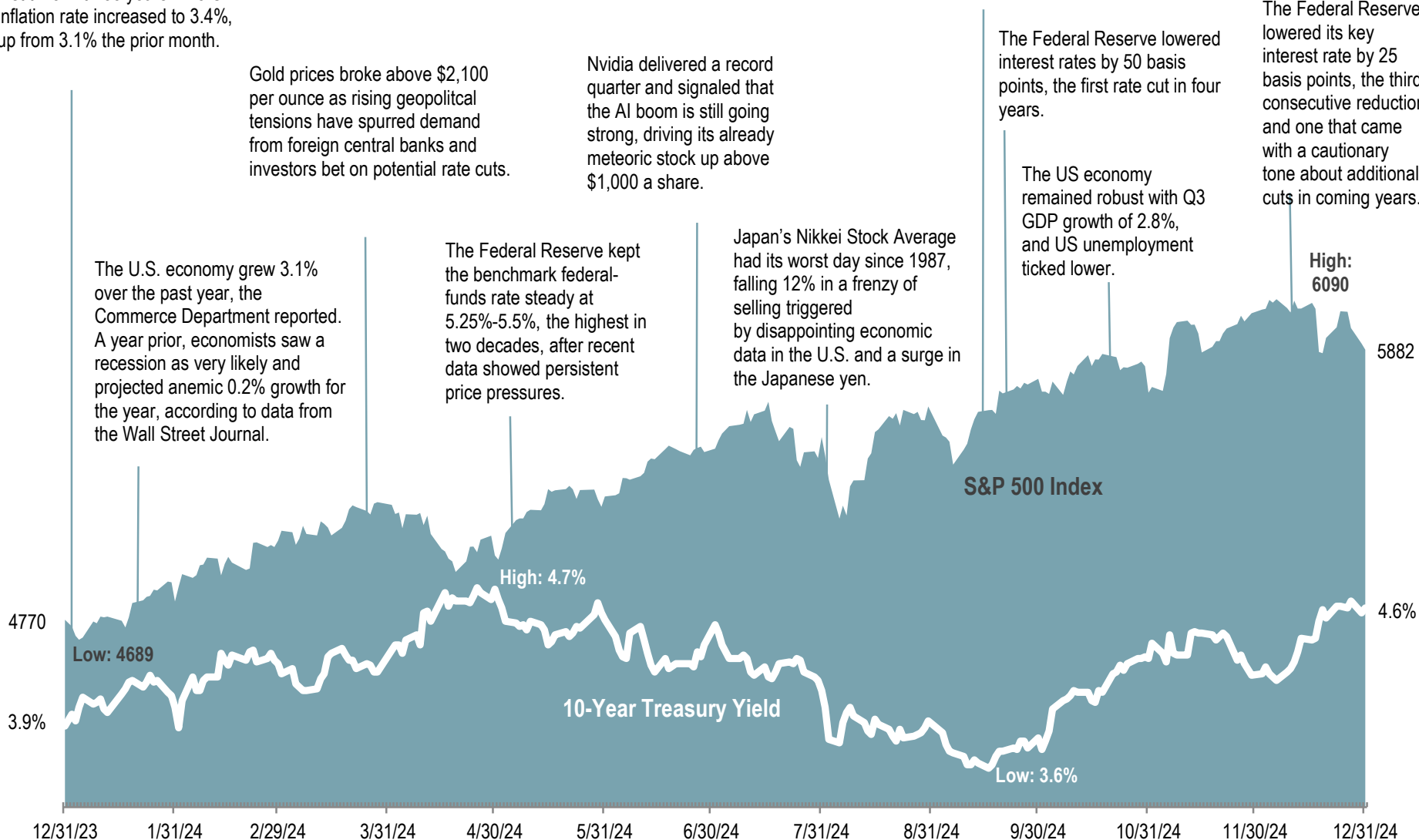
The consumer-price index rose 2.9% from a year earlier, the lowest reading since 2021.

Gold prices broke above \$2,100 per ounce as rising geopolitical tensions have spurred demand from foreign central banks and investors bet on potential rate cuts.

Nvidia delivered a record quarter and signaled that the AI boom is still going strong, driving its already meteoric stock up above \$1,000 a share.

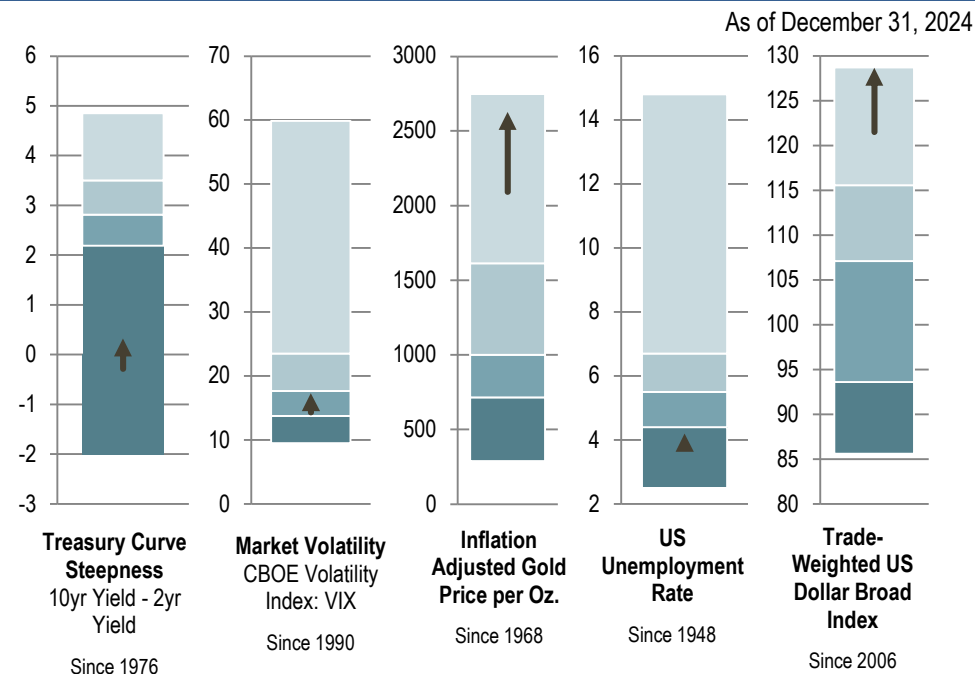
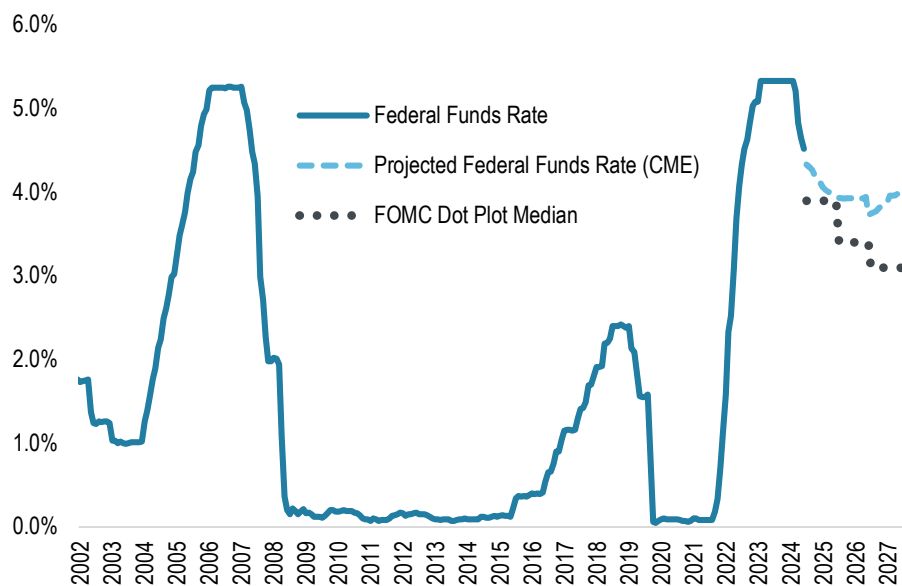
The Federal Reserve lowered interest rates by 50 basis points, the first rate cut in four years.

The Federal Reserve lowered its key interest rate by 25 basis points, the third consecutive reduction and one that came with a cautionary tone about additional cuts in coming years.



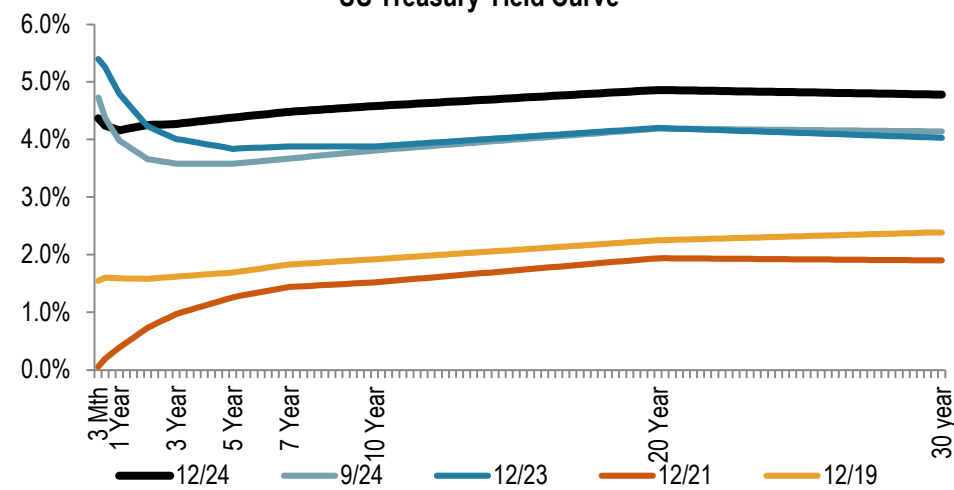
Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, Wall Street Journal, CNBC

Federal Funds Rate



	<u>12/2024</u>	<u>9/2024</u>	<u>12/2023</u>	<u>12/2021</u>	<u>12/2019</u>
Market Inflation Expectations					
5 Year	2.4	2.1	2.1	2.9	1.7
10 Year	2.3	2.2	2.2	2.6	1.8
20 Year	2.5	2.4	2.4	2.6	1.9
CPI Year-over-Year	2.9	2.4	3.4	7.0	2.3
West Texas Crude Oil	72.4	68.8	71.9	75.3	61.1
Consumer Sentiment Index	74.0	70.1	69.7	70.6	99.3
S&P 500 Operating EPS	61.1*	59.2	53.9	56.7	39.2
Real GDP Growth YoY	---	3.1	3.2	7.4	2.8
Federal Funds Rate	4.33	4.83	5.33	0.08	1.55

US Treasury Yield Curve

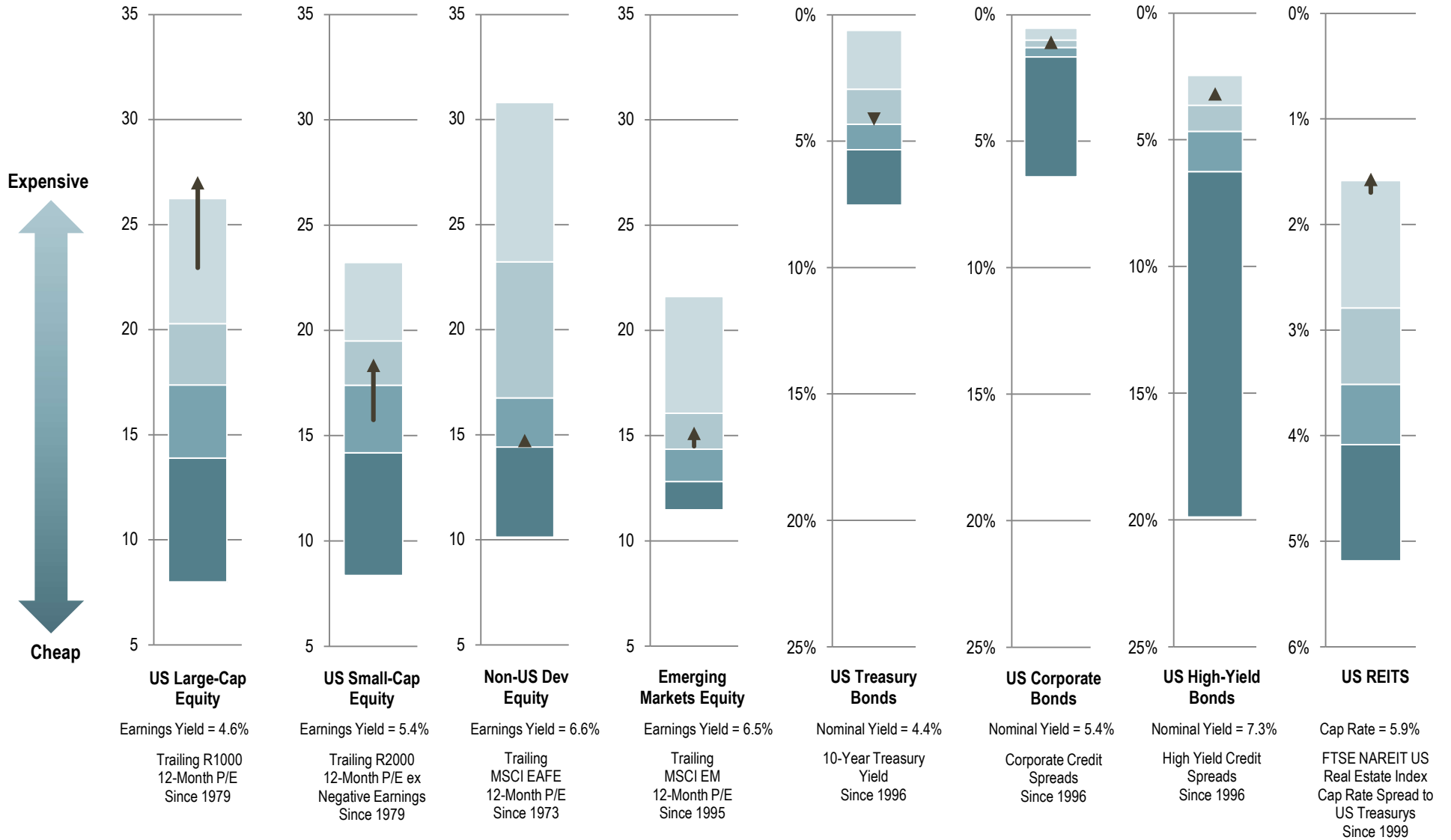


Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, CME Group, S&P Dow Jones Indices

Arrows in the top-right charts represent year on year change.

*Estimate, provided by S&P Dow Jones Indices.

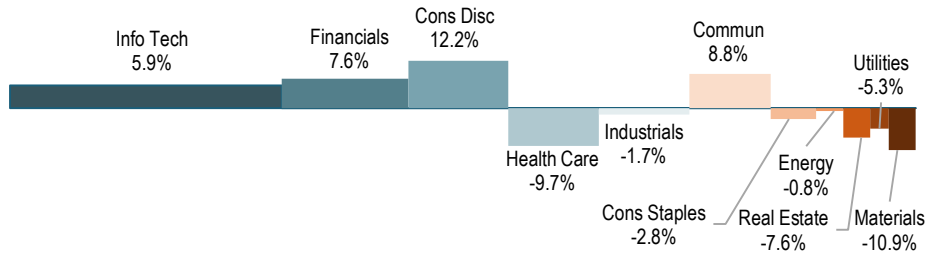
As of December 31, 2024



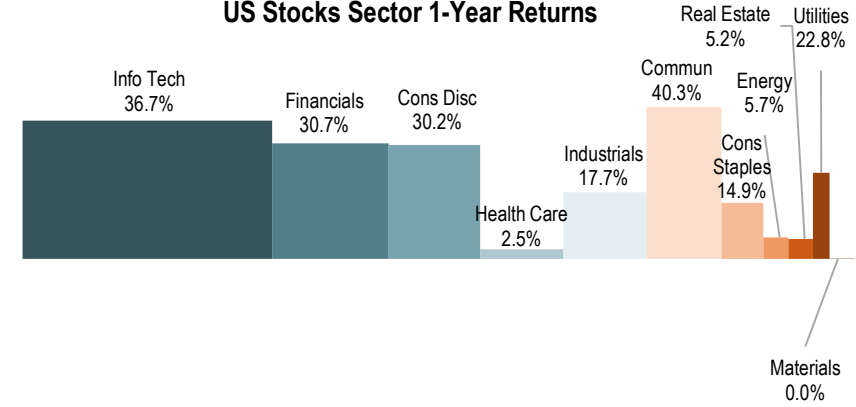
Arrows represent year on year change. Trailing 12 month P/E and cap rate metrics exclude the top and bottom 5%. P/E metrics calculated by Investment Metrics and Morningstar may use different methodology. Sources: Sellwood Investment Partners LLC, Robert Shiller Data, S&P Dow Jones Indices, FTSE Russell, MCSI, Federal Reserve Economic Data, NAREIT

As of December 31, 2024

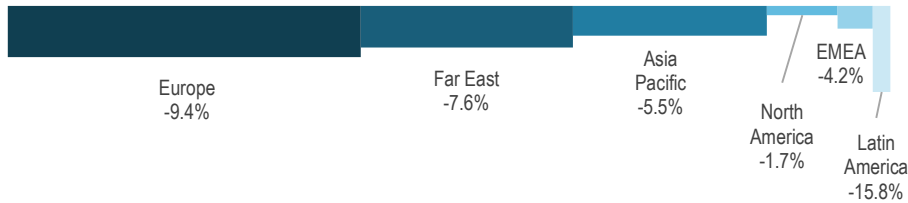
US Stocks Sector Quarter Returns



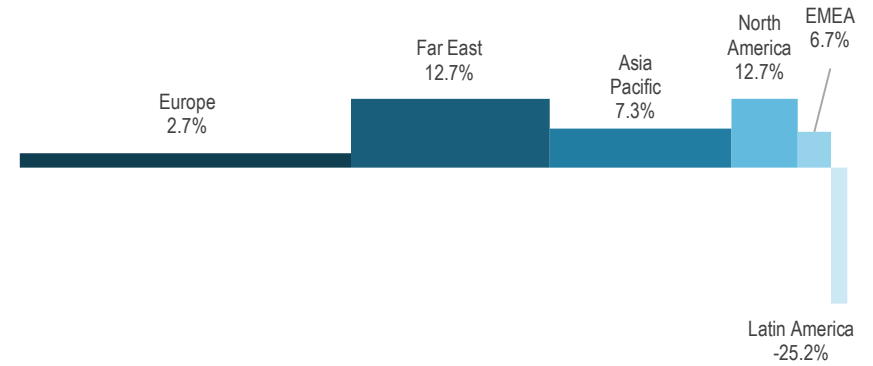
US Stocks Sector 1-Year Returns



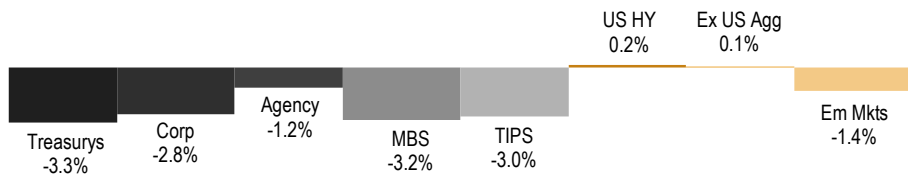
World Stocks ex USA Region Quarter Returns



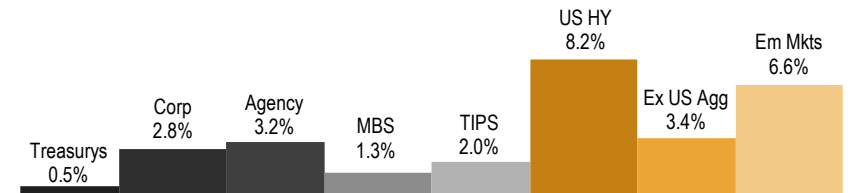
World Stocks ex USA Region 1-Year Returns



Fixed Income Sectors Quarter Returns



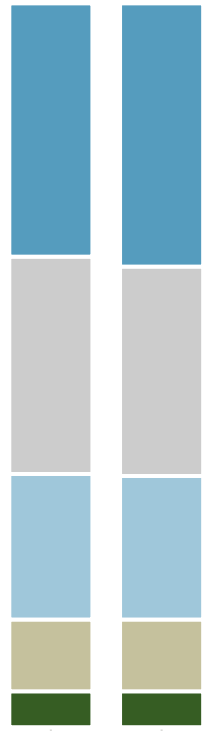
Fixed Income Sectors 1-Year Returns



The equity bar widths depict end of the quarter region and sector weights. Fixed income bar widths do not depict specific sector weights. The Far East includes Hong Kong, Japan and Singapore.

Sources: Sellwood Investment Partners LLC, Morningstar, S&P Dow Jones Indices, MSCI, ICE BofA

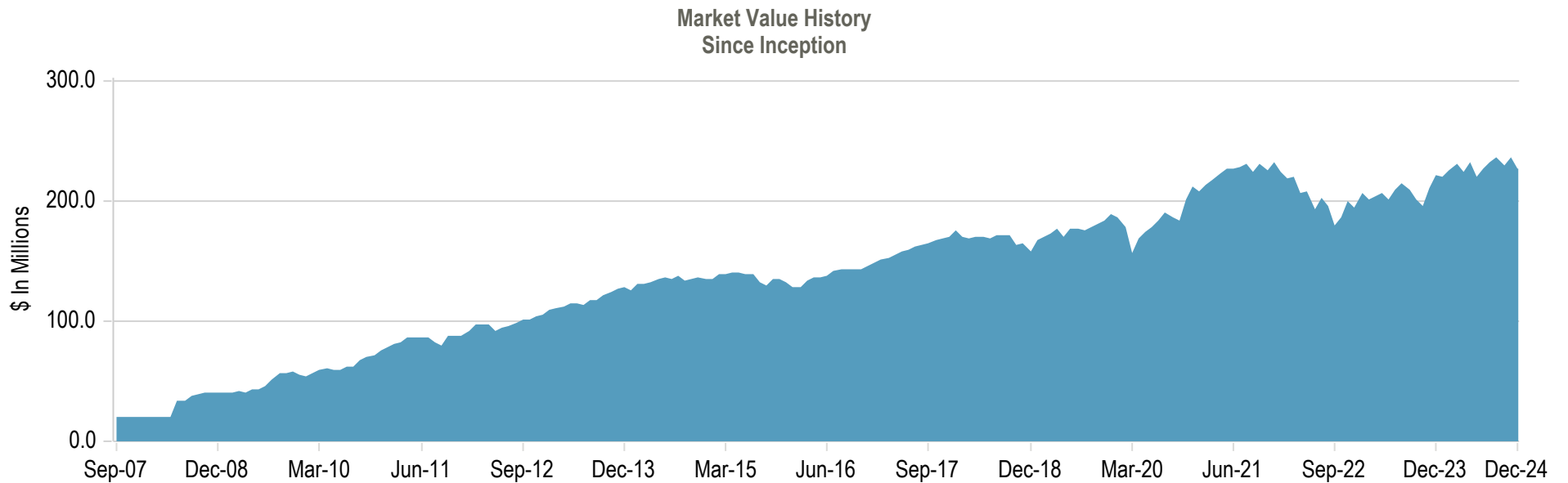
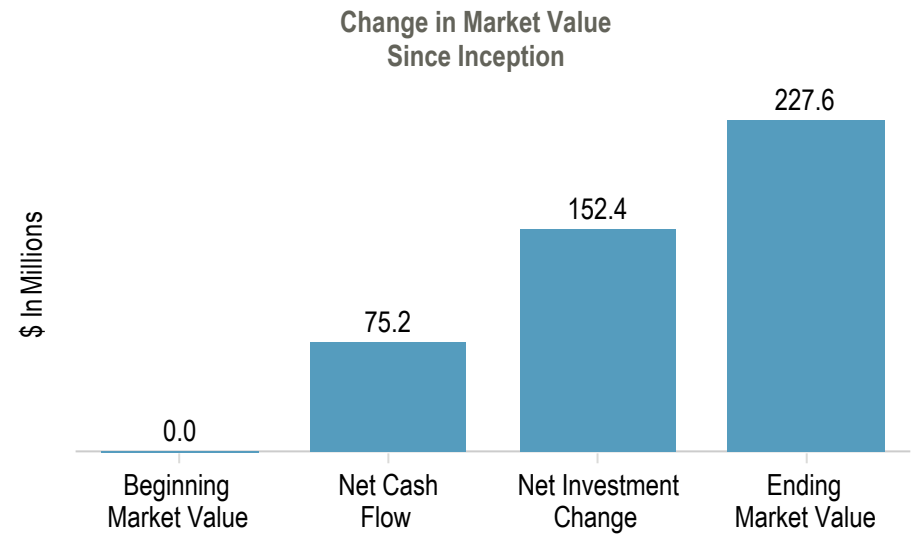
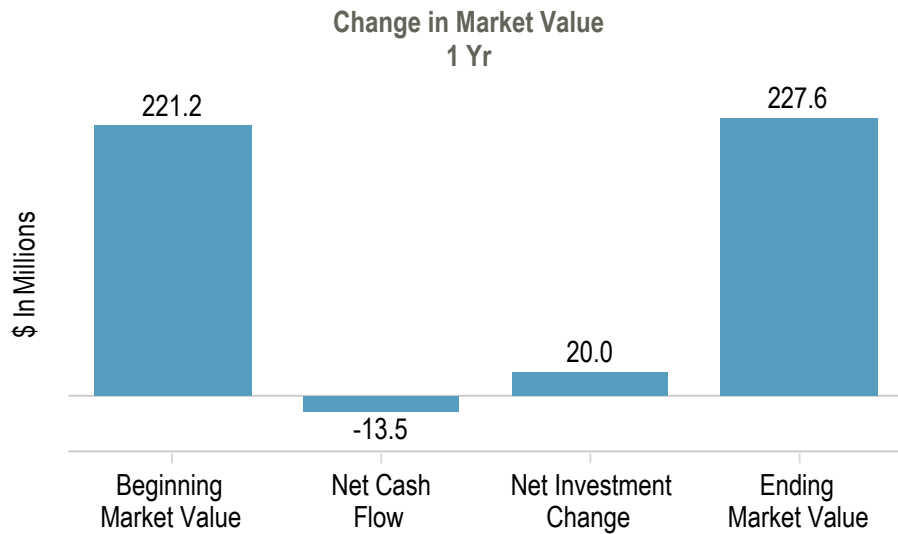
Asset Allocation vs Policy



Target Current

- US Equity
- International Equity
- Fixed Income
- Marketable Alternatives
- Real Estate
- Cash Equivalent

	Market Value (\$)	Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within Range
US Equity	83,037,953	36.5	35.0	1.5	30.0 - 40.0	Yes
Vanguard Instl Indx;Inst (VINIX)	44,860,302	19.7				
MFS Value R6 (MEIKX)	20,807,373	9.1				
SBH Small Cap Value (SA)	17,370,278	7.6				
International Equity	65,577,492	28.8	30.0	-1.2	25.0 - 35.0	Yes
Vanguard Tot I Stk;l (VTSNX)	26,420,093	11.6				
American Funds EuPc;R-6 (REGX)	19,345,184	8.5				
Dodge & Cox Intl Stock (DODFX)	19,812,215	8.7				
Fixed Income	44,883,120	19.7	20.0	-0.3	15.0 - 25.0	Yes
Vanguard Tot Bd;Inst (VBTIX)	22,401,096	9.8				
DoubleLine:Cr Fxd In;l (DBLFX)	11,295,303	5.0				
Dodge & Cox Income (DODIX)	11,186,721	4.9				
Marketable Alternatives	22,713,770	10.0	10.0	0.0	0.0 - 20.0	Yes
PIMCO:All Asset;Inst (PAAIX)	11,233,234	4.9				
BlackRock Multi-Asset Inc Instl (BIICX)	11,480,535	5.0				
Real Estate	11,379,754	5.0	5.0	0.0	0.0 - 10.0	Yes
DFA Global Real Estate;l (DFGEX)	11,379,754	5.0				
Cash Equivalent	8,464	0.0	0.0	0.0	0.0 - 0.0	No
Allspring:Govt MM;l (GVIXX)	8,464	0.0				
Total	227,600,553	100.0	100.0	0.0		



Total Fund Composite

As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total Fund Composite	227,600,553	100.0	-3.4	9.3	1.6	5.5	5.7	6.5	14.3	-16.1	11.9	11.3	7.1	9/1/2007
Policy Benchmark			-2.6	11.1	3.0	6.5	6.1	6.7	16.3	-15.3	11.4	12.5	7.1	
Over/Under			-0.8	-1.8	-1.4	-1.0	-0.4	-0.2	-1.9	-0.7	0.4	-1.1	-0.1	
Actual Allocation Index			-3.2	9.6	1.9	6.0	6.1	6.8	15.1	-16.1	13.0	11.9	7.0	
Over/Under			-0.2	-0.4	-0.3	-0.5	-0.4	-0.2	-0.8	0.1	-1.1	-0.6	0.1	
All Trust Funds \$50mm-\$250mm Rank			88	55	71	66	65	70	28	77	60	61	5	
US Equity	83,037,953	36.5	0.6	19.2	4.7	10.8	11.2	12.4	19.4	-19.3	24.0	17.5	13.9	2/1/2009
Russell 3000 Index			2.6	23.8	8.0	13.9	12.5	13.6	26.0	-19.2	25.7	20.9	15.1	
Over/Under			-2.0	-4.6	-3.3	-3.0	-1.3	-1.1	-6.6	-0.1	-1.7	-3.4	-1.3	
International Equity	65,577,492	28.8	-7.6	4.7	0.9	4.6	5.2	5.3	16.1	-15.5	7.4	13.4	6.6	6/1/2009
MSCI AC World ex USA (Net)			-7.6	5.5	0.8	4.1	4.8	4.7	15.6	-16.0	7.8	10.7	5.9	
Over/Under			0.0	-0.8	0.1	0.5	0.4	0.6	0.5	0.5	-0.4	2.8	0.7	
Fixed Income	44,883,120	19.7	-3.0	2.0	-2.1	-0.1	1.5	2.6	6.2	-13.3	-1.0	7.2	3.1	10/1/2007
Blmbg. U.S. Aggregate Index			-3.1	1.3	-2.4	-0.3	1.3	2.4	5.5	-13.0	-1.5	7.5	2.9	
Over/Under			0.1	0.7	0.3	0.2	0.2	0.3	0.6	-0.3	0.5	-0.3	0.2	
Marketable Alternatives	22,713,770	10.0	-2.6	5.8	1.5	3.3	3.2		9.8	-10.0	9.5	2.8	4.2	10/1/2011
Marketable Alts Custom Index			-1.5	9.6	2.2	4.9	5.5	6.3	14.4	-14.9	6.9	11.5	6.6	
Over/Under			-1.1	-3.8	-0.7	-1.6	-2.3		-4.6	4.9	2.6	-8.7	-2.4	
Real Estate	11,379,754	5.0	-9.7	2.0	-5.1	0.6			9.4	-23.5	30.8	-7.5	2.4	7/1/2017
Real Estate Custom Index			-9.4	1.9	-5.5	-0.3			10.0	-24.7	28.7	-9.1	2.4	
Over/Under			-0.4	0.1	0.4	0.9			-0.6	1.2	2.0	1.5	0.0	
Cash Equivalent	8,464	0.0												

Returns are annualized for periods greater than one year.

Total Fund Composite

As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total Fund Composite	227,600,553	100.0	-3.4	9.3	1.6	5.5	5.7	6.5	14.3	-16.1	11.9	11.3	7.1	9/1/2007
Policy Benchmark			-2.6	11.1	3.0	6.5	6.1	6.7	16.3	-15.3	11.4	12.5	7.1	
Over/Under			-0.8	-1.8	-1.4	-1.0	-0.4	-0.2	-1.9	-0.7	0.4	-1.1	-0.1	
Actual Allocation Index			-3.2	9.6	1.9	6.0	6.1	6.8	15.1	-16.1	13.0	11.9	7.0	
Over/Under			-0.2	-0.4	-0.3	-0.5	-0.4	-0.2	-0.8	0.1	-1.1	-0.6	0.1	
All Trust Funds \$50mm-\$250mm Rank			88	55	71	66	65	70	28	77	60	61	5	
US Equity	83,037,953	36.5	0.6	19.2	4.7	10.8	11.2	12.4	19.4	-19.3	24.0	17.5	13.9	2/1/2009
Russell 3000 Index			2.6	23.8	8.0	13.9	12.5	13.6	26.0	-19.2	25.7	20.9	15.1	
Over/Under			-2.0	-4.6	-3.3	-3.0	-1.3	-1.1	-6.6	-0.1	-1.7	-3.4	-1.3	
Vanguard Instl Indx;Inst (VINIX)	44,860,302	19.7	2.4	25.0	8.9	14.5	13.1	13.9	26.2	-18.1	28.7	18.4	15.3	2/1/2009
S&P 500 Index			2.4	25.0	8.9	14.5	13.1	13.9	26.3	-18.1	28.7	18.4	15.3	
Over/Under			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Large Blend Rank			31	23	22	20	9	8	27	49	22	41	12	
MFS Value R6 (MEIKX)	20,807,373	9.1	-3.1	12.0	4.5	8.3	8.9	10.7	8.3	-5.8	25.6	4.0	11.5	6/1/2009
Russell 1000 Value Index			-2.0	14.4	5.6	8.7	8.5	10.8	11.5	-7.5	25.2	2.8	11.8	
Over/Under			-1.1	-2.3	-1.1	-0.3	0.4	0.0	-3.2	1.7	0.4	1.2	-0.3	
Large Value Rank			83	72	79	73	44	40	75	52	57	42	52	
SBH Small Cap Value (SA)	17,370,278	7.6	0.6	12.8	2.6	6.8			11.9	-14.4	17.2	9.7	9.2	8/1/2016
Russell 2000 Index			0.3	11.5	1.2	7.4	7.8	10.3	16.9	-20.4	14.8	20.0	8.9	
Over/Under			0.3	1.3	1.3	-0.6			-5.1	6.0	2.4	-10.2	0.3	
Russell 2000 Value Index			-1.1	8.1	1.9	7.3	7.1	9.5	14.6	-14.5	28.3	4.6	8.1	
Over/Under			1.7	4.7	0.6	-0.5			-2.8	0.0	-11.0	5.1	1.1	
Small Blend Rank			30	28	47	83			87	25	82	72	44	

Returns are annualized for periods greater than one year.

Total Fund Composite

As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
International Equity	65,577,492	28.8	-7.6	4.7	0.9	4.6	5.2	5.3	16.1	-15.5	7.4	13.4	6.6	6/1/2009
MSCI AC World ex USA (Net)			-7.6	5.5	0.8	4.1	4.8	4.7	15.6	-16.0	7.8	10.7	5.9	
Over/Under			0.0	-0.8	0.1	0.5	0.4	0.6	0.5	0.5	-0.4	2.8	0.7	
Vanguard Tot I Stk;I (VTSNX)	26,420,093	11.6	-7.4	5.2	0.7	4.3	5.1	4.9	15.5	-16.0	8.7	11.3	6.0	6/1/2009
Custom Index (FTSE Glo All Cap ex US)			-7.5	5.5	0.8	4.4	5.1	4.9	15.8	-16.1	8.8	11.2	6.1	
Over/Under			0.1	-0.3	-0.1	-0.1	0.0	0.0	-0.3	0.1	-0.2	0.0	-0.1	
Foreign Large Blend Rank			41	37	58	57	45	67	71	55	71	34	64	
American Funds EuPc;R-6 (RERGX)	19,345,184	8.5	-7.0	5.0	-2.0	3.9	5.7	5.8	16.1	-22.7	2.8	25.3	5.6	11/1/2010
MSCI AC World ex USA Growth (Net)			-7.9	5.1	-2.7	3.4	5.3	5.3	14.0	-23.1	5.1	22.2	5.0	
Over/Under			0.8	0.0	0.7	0.5	0.3	0.5	2.0	0.3	-2.3	3.1	0.7	
MSCI AC World ex USA (Net)			-7.6	5.5	0.8	4.1	4.8	4.7	15.6	-16.0	7.8	10.7	4.4	
Over/Under			0.6	-0.5	-2.8	-0.2	0.9	1.1	0.4	-6.7	-5.0	14.6	1.2	
Foreign Large Growth Rank			40	50	43	54	50	55	53	37	81	35	49	
Dodge & Cox Intl Stock (DODFX)	19,812,215	8.7	-8.5	3.8	4.1	5.1	4.4	5.5	16.7	-6.8	11.0	2.1	6.3	10/1/2012
MSCI AC World ex USA Value (Net)			-7.3	6.0	4.4	4.5	4.1	3.9	17.3	-8.6	10.5	-0.8	4.6	
Over/Under			-1.2	-2.2	-0.2	0.6	0.3	1.6	-0.6	1.8	0.6	2.9	1.7	
MSCI AC World ex USA (Net)			-7.6	5.5	0.8	4.1	4.8	4.7	15.6	-16.0	7.8	10.7	5.3	
Over/Under			-0.9	-1.7	3.3	1.0	-0.4	0.8	1.1	9.2	3.2	-8.6	1.0	
Foreign Large Value Rank			78	58	39	42	55	20	63	28	57	52	18	
Fixed Income	44,883,120	19.7	-3.0	2.0	-2.1	-0.1	1.5	2.6	6.2	-13.3	-1.0	7.2	3.1	10/1/2007
Blmbg. U.S. Aggregate Index			-3.1	1.3	-2.4	-0.3	1.3	2.4	5.5	-13.0	-1.5	7.5	2.9	
Over/Under			0.1	0.7	0.3	0.2	0.2	0.3	0.6	-0.3	0.5	-0.3	0.2	
Vanguard Tot Bd;Inst (VBTIX)	22,401,096	9.8	-3.0	1.3	-2.4	-0.3	1.3	2.3	5.7	-13.1	-1.7	7.7	1.3	1/1/2015
Custom Index (Bloomberg US Agg Flt-Adj)			-3.0	1.3	-2.4	-0.3	1.4	2.4	5.6	-13.1	-1.6	7.7	1.4	
Over/Under			0.0	-0.1	0.0	0.0	0.0	-0.1	0.1	-0.1	-0.1	0.0	0.0	
Intermediate Core Bond Rank			49	71	47	52	47	59	46	40	53	50	47	

Returns are annualized for periods greater than one year.

Total Fund Composite

As of December 31, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
DoubleLine:Cr Fxd In;l (DBLFX)	11,295,303	5.0	-2.5	3.0	-1.5	0.1	1.8		6.4	-12.8	-0.3	5.6	1.3	9/1/2016
Blmbg. U.S. Aggregate Index			-3.1	1.3	-2.4	-0.3	1.3	2.4	5.5	-13.0	-1.5	7.5	0.9	
Over/Under			0.5	1.8	0.9	0.5	0.4		0.9	0.3	1.2	-1.9	0.4	
Intermediate Core-Plus Bond Rank			23	25	26	52	44		44	26	31	91	54	
Dodge & Cox Income (DODIX)	11,186,721	4.9	-3.3	2.3	-0.6	1.3	2.5	3.4	7.7	-10.9	-0.9	9.5	3.7	5/1/2023
Blmbg. U.S. Aggregate Index			-3.1	1.3	-2.4	-0.3	1.3	2.4	5.5	-13.0	-1.5	7.5	1.9	
Over/Under			-0.3	1.0	1.8	1.6	1.1	1.0	2.2	2.2	0.6	1.9	1.8	
Intermediate Core-Plus Bond Rank			86	54	9	9	11	24	9	9	61	24	21	
Marketable Alternatives	22,713,770	10.0	-2.6	5.8	1.5	3.3	3.2		9.8	-10.0	9.5	2.8	4.2	10/1/2011
Marketable Alts Custom Index			-1.5	9.6	2.2	4.9	5.5	6.3	14.4	-14.9	6.9	11.5	6.6	
Over/Under			-1.1	-3.8	-0.7	-1.6	-2.3		-4.6	4.9	2.6	-8.7	-2.4	
PIMCO:All Asset;Inst (PAAIX)	11,233,234	4.9	-3.4	4.1	0.0	4.6	4.7	5.2	8.6	-11.5	15.6	8.4	5.1	10/1/2011
All Asset Index			-3.0	5.6	-0.1	3.5	4.1	5.0	9.8	-14.0	8.9	9.2	4.8	
Over/Under			-0.5	-1.5	0.1	1.1	0.5	0.3	-1.3	2.5	6.7	-0.8	0.3	
Tactical Allocation Rank			88	83	71	57	52	49	63	30	35	49	66	
BlackRock Multi-Asset Inc Instl (BIICX)	11,480,535	5.0	-1.7	7.4	1.8	3.8	4.3	5.8	11.1	-11.6	7.2	6.6	3.5	4/1/2022
Custom Index (BlackRock MAI)			-0.8	10.1	3.6	4.9	5.4	6.7	13.7	-11.3	8.6	5.6	5.2	
Over/Under			-0.9	-2.7	-1.8	-1.1	-1.1	-0.8	-2.7	-0.3	-1.3	1.0	-1.7	
Moderately Conservative Allocation Rank			42	62	20	65	67	35	51	16	70	78	30	

Returns are annualized for periods greater than one year.

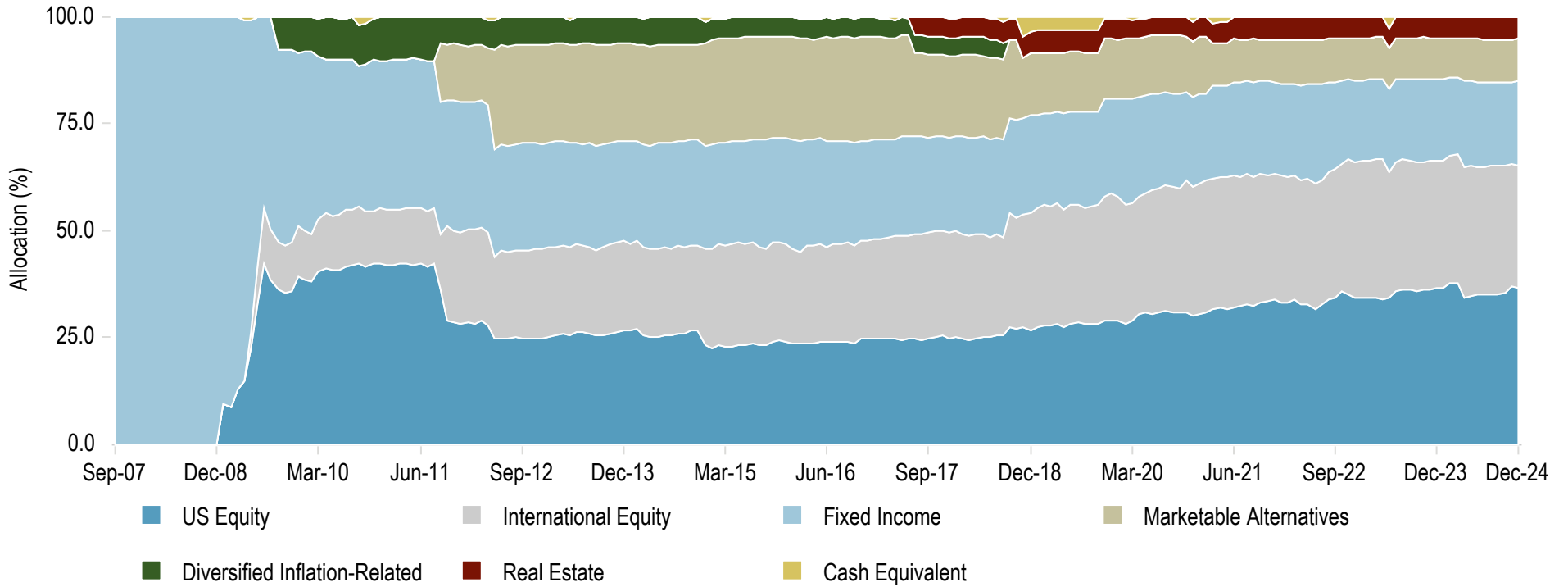
Total Fund Composite

As of December 31, 2024

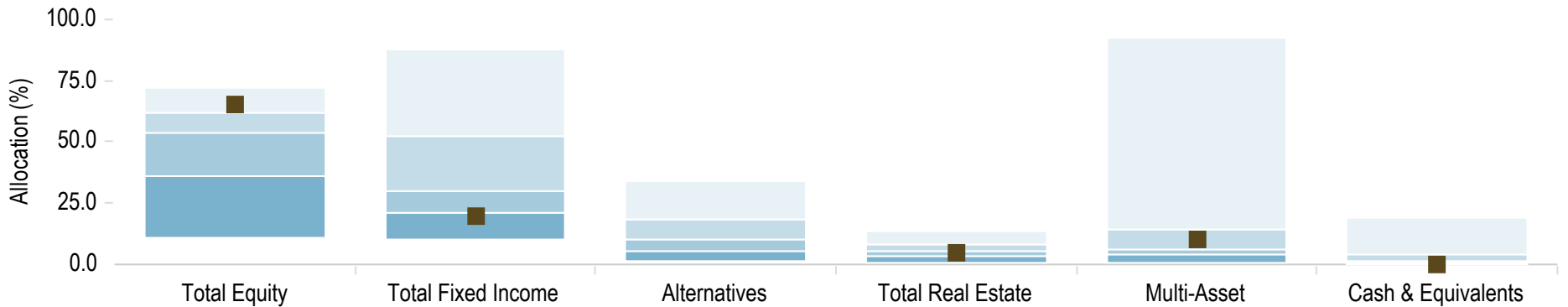
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Real Estate	11,379,754	5.0	-9.7	2.0	-5.1	0.6			9.4	-23.5	30.8	-7.5	2.4	7/1/2017
Real Estate Custom Index			-9.4	1.9	-5.5	-0.3			10.0	-24.7	28.7	-9.1	2.4	
Over/Under			-0.4	0.1	0.4	0.9			-0.6	1.2	2.0	1.5	0.0	
DFA Global Real Estate;I (DFGEX)	11,379,754	5.0	-9.7	1.9	-5.3	0.7	4.0	7.2	9.4	-23.8	31.0	-6.7	3.8	7/1/2017
S&P Global REIT Index (Net)			-9.0	2.8	-5.0	0.5	3.0	6.3	10.2	-24.4	31.4	-9.1	2.9	
Over/Under			-0.7	-0.8	-0.3	0.3	1.0	1.0	-0.8	0.5	-0.4	2.4	1.0	
Global Real Estate Rank			46	29	26	31	23	5	71	20	14	60	24	
Cash Equivalent	8,464	0.0												
Allspring:Govt MM;I (GVIXX)	8,464	0.0	1.2	5.1	3.9	2.4	1.7	1.1	5.0	1.5	0.0	0.3	1.1	2/1/2010
90 Day U.S. Treasury Bill			1.2	5.3	3.9	2.5	1.8	1.2	5.0	1.5	0.0	0.7	1.2	
Over/Under			0.0	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.3	-0.1	
Money Market-Taxable Rank			36	34	35	34	31	30	33	37	42	47	30	

Returns are annualized for periods greater than one year.

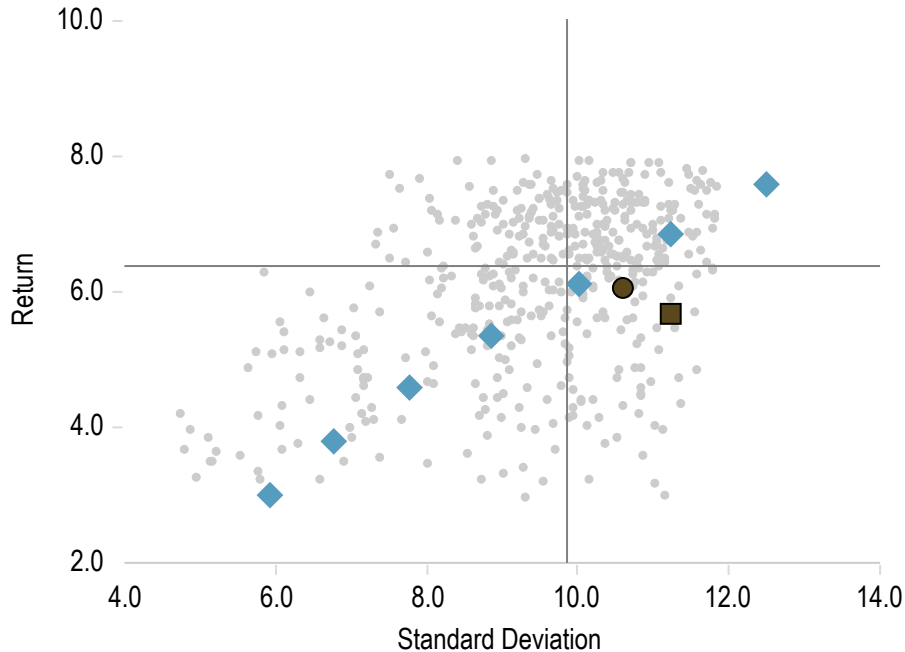
**Asset Allocation History
Since Inception**



Total Fund Composite vs All Trust Funds \$50mm-\$250mm

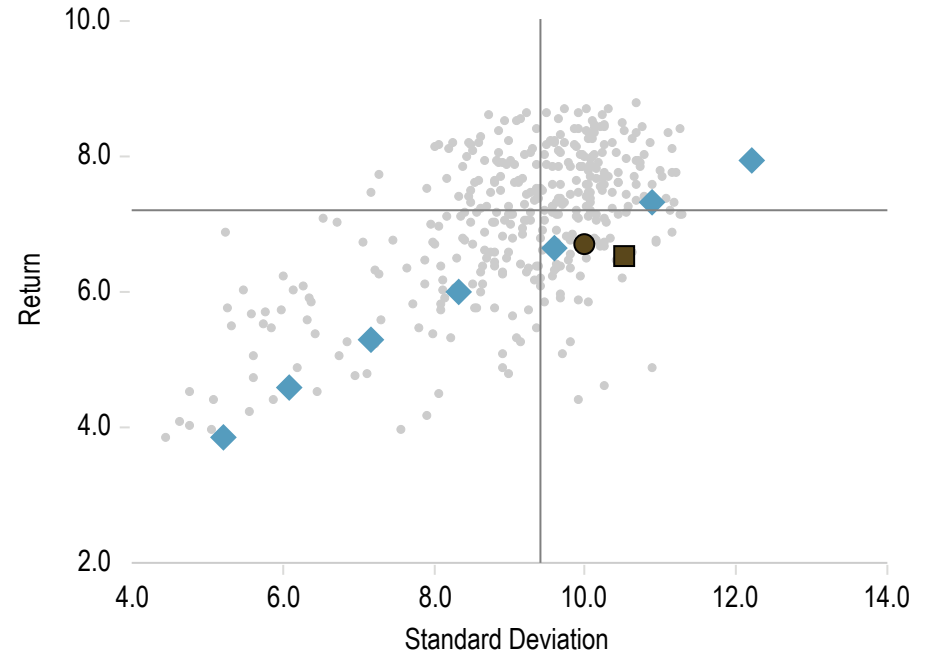


10 Years Return vs Standard Deviation
All Trust Funds \$50mm-\$250mm



	Return	Standard Deviation
◆ 20/80 MSCI ACWI IMI/Bloomberg Agg	3.0	5.9
◆ 30/70 MSCI ACWI IMI/Bloomberg Agg	3.8	6.8
◆ 40/60 MSCI ACWI IMI/Bloomberg Agg	4.6	7.8
◆ 50/50 MSCI ACWI IMI/Bloomberg Agg	5.4	8.9
◆ 60/40 MSCI ACWI IMI/Bloomberg Agg	6.1	10.0
◆ 70/30 MSCI ACWI IMI/Bloomberg Agg	6.9	11.2
◆ 80/20 MSCI ACWI IMI/Bloomberg Agg	7.6	12.5
■ Total Fund Composite	5.7	11.2
● Policy Benchmark	6.1	10.6
— Median	6.4	9.9
Population	573	573

15 Years Return vs Standard Deviation
All Trust Funds \$50mm-\$250mm



	Return	Standard Deviation
◆ 20/80 MSCI ACWI IMI/Bloomberg Agg	3.9	5.2
◆ 30/70 MSCI ACWI IMI/Bloomberg Agg	4.6	6.1
◆ 40/60 MSCI ACWI IMI/Bloomberg Agg	5.3	7.2
◆ 50/50 MSCI ACWI IMI/Bloomberg Agg	6.0	8.3
◆ 60/40 MSCI ACWI IMI/Bloomberg Agg	6.7	9.6
◆ 70/30 MSCI ACWI IMI/Bloomberg Agg	7.3	10.9
◆ 80/20 MSCI ACWI IMI/Bloomberg Agg	7.9	12.2
■ Total Fund Composite	6.5	10.5
● Policy Benchmark	6.7	10.0
— Median	7.2	9.4
Population	420	420

Correlation Matrix

As of December 31, 2024

5 Years Ending December 31, 2024

	A	B	C	D	E	F	G	H	I	J	K	L	M
A	1.0												
B	0.9	1.0											
C	0.8	0.9	1.0										
D	0.9	0.9	0.8	1.0									
E	0.9	0.9	0.8	1.0	1.0								
F	0.8	0.9	0.8	0.9	0.9	1.0							
G	0.6	0.5	0.4	0.6	0.6	0.4	1.0						
H	0.7	0.6	0.6	0.8	0.8	0.6	0.9	1.0					
I	0.7	0.6	0.6	0.8	0.8	0.6	1.0	1.0	1.0				
J	0.9	0.9	0.9	1.0	0.9	0.9	0.6	0.8	0.8	1.0			
K	0.9	0.9	0.8	0.9	0.9	0.9	0.7	0.8	0.8	1.0	1.0		
L	0.9	0.9	0.8	0.9	0.9	0.8	0.6	0.8	0.8	0.9	0.9	1.0	
M	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.1	0.0	1.0

- A = Vanguard Instl Indx;Inst (VINIX)
- B = MFS Value R6 (MEIKX)
- C = SBH Small Cap Value (SA)
- D = Vanguard Tot I Stk;I (VTSNX)
- E = American Funds EuPc;R-6 (RERGX)
- F = Dodge & Cox Intl Stock (DODFX)
- G = Vanguard Tot Bd;Inst (VBTIX)
- H = DoubleLine:Cr Fxd In;I (DBLFX)
- I = Dodge & Cox Income (DODIX)
- J = PIMCO:All Asset;Inst (PAAIX)
- K = BlackRock Multi-Asset Inc Instl (BIICX)
- L = DFA Global Real Estate;I (DFGEX)
- M = Allspring:Govt MM;I (GVIXX)

Investment Expense Analysis

	Market Value (\$)	% of Portfolio	Net Expense Ratio (%)	Net Est. Expense (\$)	Median Net Expense Ratio (%)	Difference Fund vs Median (%)	Difference Fund vs. Median (\$)
Total Fund Composite	227,600,553	100.0	0.35	789,143			-
Vanguard Instl Indx;Inst (VINIX)	44,860,302	19.7	0.04	15,701	0.75	-0.72	-352,153
MFS Value R6 (MEIKX)	20,807,373	9.1	0.44	91,552	0.83	-0.39	-101,956
SBH Small Cap Value (SA)	17,370,278	7.6	0.85	147,647	1.00	-0.15	-50,374
Vanguard Tot I Stk;I (VTSNX)	26,420,093	11.6	0.09	23,778	0.90	-0.81	-253,633
American Funds EuPc;R-6 (RERGX)	19,345,184	8.5	0.47	90,922	0.97	-0.50	-127,678
Dodge & Cox Intl Stock (DODFX)	19,812,215	8.7	0.62	122,836	0.93	-0.31	-95,099
Vanguard Tot Bd;Inst (VBTIX)	22,401,096	9.8	0.04	7,840	0.54	-0.51	-140,007
DoubleLine:Cr Fxd In;I (DBLFX)	11,295,303	5.0	0.48	54,217	0.67	-0.19	-31,627
Dodge & Cox Income (DODIX)	11,186,721	4.9	0.41	45,866	0.67	-0.26	-42,510
PIMCO:All Asset;Inst (PAAIX)	11,233,234	4.9	0.88	98,291	1.51	-0.64	-107,277
BlackRock Multi-Asset Inc Instl (BIICX)	11,480,535	5.0	0.57	65,439	0.88	-0.31	-33,294
DFA Global Real Estate;I (DFGEX)	11,379,754	5.0	0.22	25,035	1.10	-0.88	-124,039
Allspring:Govt MM;I (GVIXX)	8,464	0.0	0.20	17	0.35	-0.15	-19

Mutual fund expense ratios shown are Prospectus Adjusted Operating Expense Ratios, a forward-looking fee ratio that excludes interest expense and may incorporate fee waivers.

Benchmark Composition

Total Fund Composite		
4/1/2023	Present	35.0% Russell 3000 Index, 30.0% MSCI AC World ex USA (Net), 20.0% Blmbg. U.S. Aggregate Index, 10.0% Marketable Alts Custom Index, 5.0% Real Estate Custom Index
Real Estate		
6/1/2017	Present	50.0% FTSE EPRA/NAREIT Developed Index (Net), 50.0% S&P Global REIT Index (Net)
Marketable Alternatives		
6/1/1994	Present	40.0% MSCI AC World IMI (Net), 30.0% Blmbg. U.S. Aggregate Index, 30.0% Blmbg. Global High Yield Index

Notes:

Composite-level data prior to May 31, 2014 has been provided by the previous consultant.

Inception dates shown represent the first full month following initial funding.

The Custom Index (FTSE Glo All Cap ex US) consists of the Total International Composite Index through 8/31/2006, the MSCI EAFE + Emerging Markets Index through 12/15/2010, the MSCI ACW Ex US Investable Market Index (Net) through 5/31/2013 and the FTSE Global All Cap ex US Index thereafter. Vanguard Tot Intl Stock;Inst (VTSNX) may vary from this benchmark due primarily to Vanguard's use of Fair Value Pricing.

The All Asset Index is calculated by Sellwood Investment Partners to reflect the underlying investment opportunity set available to PIMCO:All Asset;Inst (PAAIX).

The Custom Index (BlackRock MAI) is constructed by Sellwood Investment Partners to represent the opportunity set available to the BlackRock Multi-Asset Income fund. It consists of 25% BofAML US High Yield Index, 9.38% Russell 3000 Index, 9.38% MSCI ACWI ex USA Index, 6.25% FTSE NAREIT All Equity REITs Index, 6.25% BBgBarc US MBS Index, 6.25% BBgBarc US Credit Index, 6.25 Alerian MLP Infrastructure Index, 6.25% CBOE S&P 500 BuyWrite Index, 6.25% S&P Preferred Stock Index, 6.25 BBgBarc CMBS ERISA Eligible Index, 6.25% ICE BofA Diversified EMD Sov Bnd Index, and 6.25% BBgBarc USFRN Index.

In March 2022, GMO Benchmark-Free All;III (GBMFX) was removed from the portfolio and BlackRock Multi-Asset Income Instl (BIICX) was added.

In August 2022, City of Phoenix adopted new IPS Targets. Additionally, Third Avenue Real Estate was liquidated.

In May 2023, PIMCO Total Return Instl (PTTRX) was exchanged for Dodge & Cox Income X (DODIX).

In June 2023, PAMF Special Investments was liquidated.

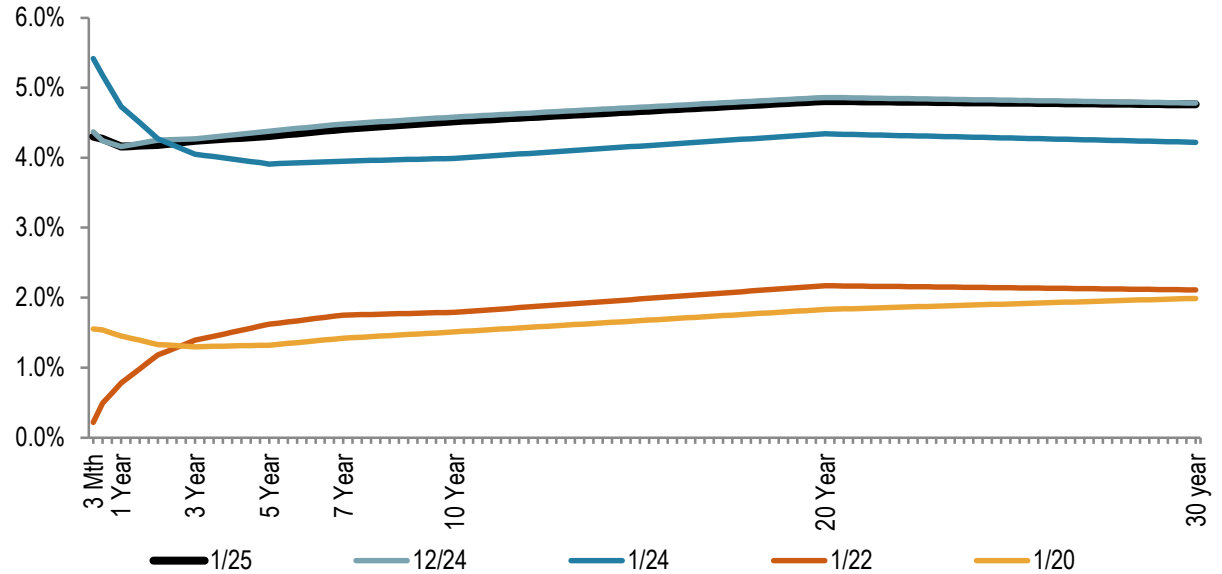
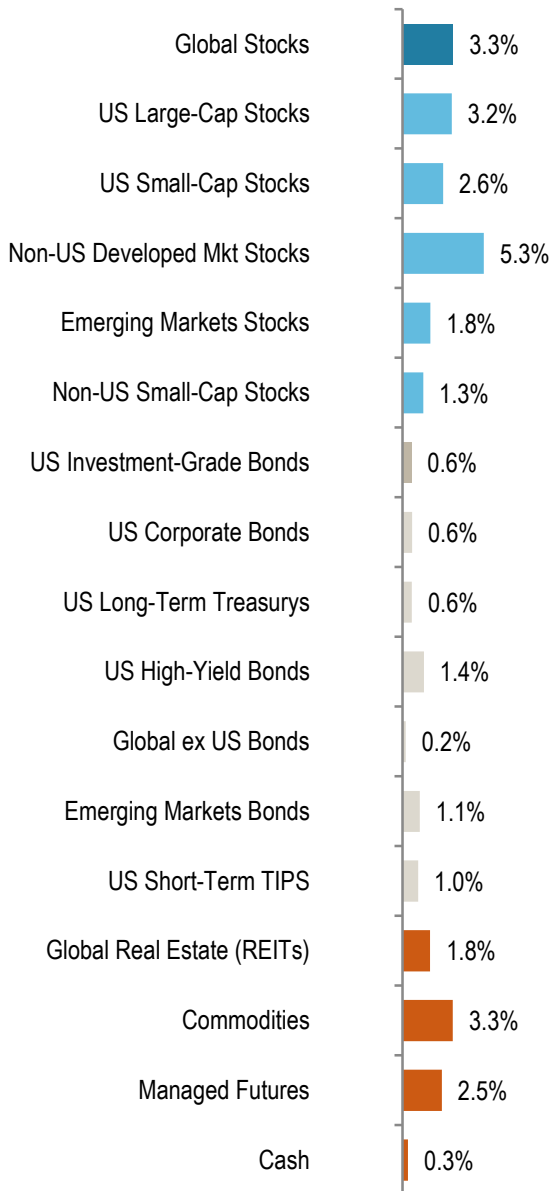
Sources: Sellwood Investment Partners LLC, Morningstar Direct, Investment Metrics, eVestment and investment managers.

Manager performance prior to the inception date is product specific and shown for informational purposes.

As of January 31, 2025

Quarter to Date

US Treasury Yield Curve



	MTD	QTD	YTD	1 Year	3 Years	5 Years	20 Years
Global Stocks	3.3%	3.3%	3.3%	19.9%	7.9%	10.7%	8.0%
US Large-Cap Stocks	3.2%	3.2%	3.2%	26.7%	11.7%	15.0%	10.7%
<i>US Large-Cap Value</i>	4.6%	4.6%	4.6%	19.5%	8.1%	10.2%	8.2%
<i>US Large-Cap Growth</i>	2.0%	2.0%	2.0%	32.7%	14.6%	18.9%	12.9%
US Small-Cap Stocks	2.6%	2.6%	2.6%	19.1%	5.6%	8.7%	8.2%
<i>US Small-Cap Value</i>	2.1%	2.1%	2.1%	15.5%	4.7%	8.9%	7.3%
<i>US Small-Cap Growth</i>	3.2%	3.2%	3.2%	22.7%	6.2%	7.8%	8.7%
Non-US Developed Markets (USD)	5.3%	5.3%	5.3%	8.7%	5.1%	6.3%	5.2%
<i>Non-US Developed Markets (Local)</i>	4.8%	4.8%	4.8%	13.7%	9.4%	8.8%	6.4%
Emerging Markets (USD)	1.8%	1.8%	1.8%	14.8%	(0.7%)	3.0%	6.1%
<i>Emerging Markets (Local)</i>	1.6%	1.6%	1.6%	19.1%	2.8%	5.6%	8.0%
US Investment-Grade Bonds	0.6%	0.6%	0.6%	2.2%	(1.6%)	(0.6%)	3.0%
US Long-Term Treasuries	0.6%	0.6%	0.6%	(3.6%)	(10.0%)	(6.0%)	3.3%
US Short-Term TIPS	1.0%	1.0%	1.0%	5.1%	2.1%	3.2%	2.9%
Global Real Estate (REITs)	1.8%	1.8%	1.8%	8.1%	(2.6%)	0.1%	5.4%
Cash	0.3%	0.3%	0.3%	5.1%	4.0%	2.5%	1.7%

Returns for periods longer than 1 year are annualized. Managed Futures and Commodities returns are available on a lag following month-end.

Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, MSCI, FTSE Russell, ICE BofA, Credit Suisse

Return Summary

	QTD (%)
Total Fund Composite	2.7
Policy Benchmark	2.7

Change in Market Value

	QTD
Beginning Market Value	\$227,600,553
Net Investment Change	\$6,244,940
Net Cash Flow	\$2,770
Ending Market Value	\$233,848,263

	Market Value (\$)	% of Portfolio	Policy (%)	QTD (%)
Total Fund Composite	233,848,263	100.0	100.0	2.7
US Equity	85,626,840	36.6	35.0	3.1
Vanguard Instl Indx;Inst (VINIX)	46,107,098	19.7		2.8
MFS Value R6 (MEIKX)	21,671,838	9.3		4.2
SBH Small Cap Value (SA)	17,847,904	7.6		2.7
International Equity	68,342,000	29.2	30.0	4.2
Vanguard Tot I Stk;I (VTSNX)	27,304,099	11.7		3.3
American Funds EuPc;R-6 (RERGX)	20,288,676	8.7		4.9
Dodge & Cox Intl Stock (DODFX)	20,749,226	8.9		4.7
Fixed Income	45,165,690	19.3	20.0	0.6
Vanguard Tot Bd;Inst (VBTIX)	22,544,736	9.6		0.6
DoubleLine:Cr Fxd In;I (DBLFX)	11,370,980	4.9		0.6
Dodge & Cox Income (DODIX)	11,249,974	4.8		0.6
Marketable Alternatives	23,153,697	9.9	10.0	1.9
PIMCO:All Asset;Inst (PAAIX)	11,430,491	4.9		2.0
BlackRock Multi-Asset Inc Instl (BIICX)	11,723,207	5.0		2.0
Real Estate	11,548,760	4.9	5.0	1.5
DFA Global Real Estate;I (DFGEX)	11,548,760	4.9		1.5
Cash Equivalent	11,274	0.0	0.0	0.4
Allspring:Govt MM;I (GVIXX)	11,274	0.0		

Returns are annualized for periods greater than one year.

Attachment

**Long Term Disability Program
Report on Audit of Financial Statements
and Report on Internal Control**

(Rest of Page Blank)



City of Phoenix
Long-Term Disability Program
Report on Audit of Financial Statements
and Report on Internal Control
Year Ended June 30, 2024 and 2023

**City of Phoenix
Long-Term Disability Program
Table of Contents
June 30, 2024**

Independent Auditor's Report	p. 1
Statements of Fiduciary Net Position	p. 4
Statements of Changes in Fiduciary Net Position	p. 5
Notes to the Financial Statements	p. 6
Required Supplementary Information	p. 12
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	p. 16

**CITY OF PHOENIX
LONG-TERM DISABILITY PROGRAM
REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024 and 2023**

Independent Auditor's Report

Members of the Board
City of Phoenix Long-Term Disability Program

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Phoenix Long-Term Disability Program (Program), a fiduciary fund of the City of Phoenix, Arizona, as of and for the years ended June 30, 2023 and 2024, and the related notes to the financial statements, which collectively comprise the Program's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of Phoenix Long-Term Disability Program, a fiduciary fund of the City of Phoenix, Arizona, as of June 30, 2023 and 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City of Phoenix Long-Term Disability Program and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed on page 6, in the notes to the financial statements, the financial statements of the City of Phoenix Long-Term Disability Program are intended to present the fiduciary net position and the changes in fiduciary net position that are attributable to the Program, a fiduciary fund of the City of Phoenix, Arizona. They do not purport to, and do not, present fairly the financial position of the City of Phoenix, Arizona, as of June 30, 2023 and 2024 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Comparative Information

We have previously audited the City of Phoenix, Long-Term Disability Program financial statements for the fiscal year ended June 30, 2023. Our report dated November 20, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2023, is consistent in all material respects with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and other postemployment benefit information, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the OPEB required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statement. Our opinion is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, on our consideration of the City of Phoenix Long-Term Disability Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Phoenix Long-Term Disability Program, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Phoenix Long-Term Disability Program, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 4, 2024

**CITY OF PHOENIX, ARIZONA
LONG TERM DISABILITY
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2024 AND 2023**

	<u>OPEB Trust FY 2024</u>	<u>OPEB Trust FY 2023</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 311,303	\$ 483,393
Investments		
Treasurer's Pooled Investments	148,776	61,654
Fixed Income	15,752,475	15,235,930
Domestic Equities	30,106,105	27,980,129
International Equities	25,620,433	23,894,416
Marketable Alternatives	8,433,614	8,008,943
Real Estate	4,024,262	3,811,980
Total Assets	<u>84,396,968</u>	<u>79,476,445</u>
<u>LIABILITIES</u>		
Accounts Payable	<u>24,362</u>	<u>23,396</u>
Total Liabilities	<u>24,362</u>	<u>23,396</u>
<u>NET POSITION</u>		
Restricted for Pension and Other Employee Benefits	<u>\$ 84,372,606</u>	<u>\$ 79,453,049</u>

CITY OF PHOENIX, ARIZONA
LONG TERM DISABILITY
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>OPEB Trust FY 2024</u>	<u>OPEB Trust FY 2023</u>
<u>ADDITIONS</u>		
Contributions		
City of Phoenix	\$ 1,687,575	\$ 911,870
Total Contributions	<u>1,687,575</u>	<u>911,870</u>
Investment Income		
Net Increase/(Decrease) in Fair Value of Investments	6,288,133	4,703,206
Interest & Dividends	<u>2,334,800</u>	<u>2,156,085</u>
Investment Income	8,622,933	6,859,291
Other	54,366	140,106
Total Additions	<u>10,364,874</u>	<u>7,911,267</u>
<u>DEDUCTIONS</u>		
Benefit Payments	4,830,581	5,371,692
Administration	<u>614,736</u>	<u>550,243</u>
Total Deductions	<u>5,445,317</u>	<u>5,921,935</u>
Net Increase (Decrease)	4,919,557	1,989,332
Net Position Restricted for Pension and Other Employee Benefits		
Beginning of Year, July 1	79,453,049	77,463,717
End of Year, June 30	<u>\$ 84,372,606</u>	<u>\$ 79,453,049</u>

Long-Term Disability Program

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

Long-Term Disability Program

The financial statements of the City of Phoenix Long-Term Disability Program (Program) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Program is accounted for as a fiduciary fund of the City of Phoenix, Arizona, and the ultimate financial accountability for the Program remains with the City of Phoenix. General risk management is a responsibility of the City of Phoenix. For additional information about the City, please consult the City of Phoenix Annual Comprehensive Financial Report.

The fiduciary fund was established on July 1, 2007 for the purpose of providing certain long-term disability benefits to eligible employees and elected officials. The City has delegated responsibility for fiduciary oversight of the Long-Term Disability Trust to a five-member Board of Trustees, subject to oversight by the City Council. The Board of Trustees will be comprised of one City employee appointed by the City Manager and four citizens, who are not employees or officers of the City whom, will have expertise in the field of finance, insurance, employee benefits or health care will be appointed by the City Manager.

1. Summary of Significant Accounting Policies

Basis of Accounting. The Program is accounted for on a flow of economic resources measurement focus whereby all assets and liabilities associated with the operation of the program are included on the statement of fiduciary net position. The Statement of changes in fiduciary net position present additions and deductions in net position held in trust for other post employee benefits. The Program financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the Program.

Method Used to Value Investments. Investments are reported at fair value. Fair value is based on quoted market prices as of the valuation date. The Program's cash and cash equivalents are considered to be cash in bank and investments with original maturities of three months or less from the date of acquisition.

Investment income. Investment Income is comprised of interest, dividends and net changes in fair value of applicable investments.

Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Net Position. For accounting and reporting purposes, the program reports its Net Position as restricted for Other Post Employment Benefits.

2. Cash and Investments

The Program's "Cash and Cash Equivalents" are defined as cash and short-term investments with original maturities of three months or less from the date of acquisition. As of June 30, 2023 and 2024, the \$545,047 and \$460,079 listed in the financial statements consisted of cash equivalents and pooled cash with the City treasurer, respectively.

Deposits. Cash deposits are subject to custodial risk. Custodial risk is the risk that in the event of a bank failure, the Program's deposits may not be returned. The Program's deposits were covered by federal depository insurance.

Long-Term Disability Program

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

Investments. The Long-Term Disability Trust Board Investment Policy allows assets of the Program to be invested externally in separately managed portfolios, mutual funds, commingled funds, hedge funds of funds, or short-term investments managed internally by the City. Externally managed portfolios and funds consist of investments in U.S. equities, non-U.S. equities, fixed income securities, real return securities, marketable alternatives, and real estate securities. Assets in the City Treasurer's Pool are U.S. Treasury securities, securities guaranteed, insured or backed by the full faith and credit of the U.S. Government, U.S. Government agency securities, repurchase agreements, commercial paper, money market accounts, certificates of deposit, the State Treasurer's Local Government Investment Pool "LGIP", highly rated securities issued or guaranteed by any state or political subdivision thereof rated in the highest short-term or second highest long-term category and investment grade corporate bonds, debentures, notes and other evidence of indebtedness issued or guaranteed by a solvent U.S. corporation which are not in default as to principal or interest. Investments are carried at fair value. It is the City's policy generally to hold investments until maturity.

Fair Value Measurements. Fair value measurements of investments are based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the three levels of valuation inputs used to measure the fair value of the assets: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Following are fair value measurements and weighted average maturity of investments at June 30, 2023 and June 30, 2024, respectively:

June 30, 2023 - Report

Description	Level 1	Level 2	Level 3	Total Fair Value	Weighted Average Maturity (Years)
Cash Equivalents	\$ 483,393	\$ -	\$ -	\$ 483,393	N/A
Treasurer's Pooled Investments	61,654	-	-	61,654	1.035
Fixed Income	15,235,930	-	-	15,235,930	9.15
Domestic Equities	27,753,711	226,418	-	27,980,129	N/A
International Equities	23,894,416	-	-	23,894,416	N/A
Marketable Alternatives	8,008,943	-	-	8,008,943	N/A
Real Estate	3,811,980	-	-	3,811,980	N/A
Total Investments	<u>\$ 79,250,027</u>	<u>\$ 226,418</u>	<u>\$ -</u>	<u>\$ 79,476,445</u>	

Long-Term Disability Program Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

June 30, 2024 - Report

Description	Level 1	Level 2	Level 3	Total Fair Value	Weighted Average Maturity (Years)
Cash Equivalents	\$ 311,303	\$ -	\$ -	\$ 311,303	N/A
Treasurer's Pooled Investments	148,776	-	-	148,776	1.21
Fixed Income	15,752,475	-	-	15,752,475	8.54
Domestic Equities	29,869,754	236,351	-	30,106,105	N/A
International Equities	25,620,433	-	-	25,620,433	N/A
Marketable Alternatives	8,433,614	-	-	8,433,614	N/A
Real Estate	4,024,262	-	-	4,024,262	N/A
Total Investments	<u>\$ 84,160,617</u>	<u>\$ 236,351</u>	<u>\$ -</u>	<u>\$ 84,396,968</u>	

Interest Rate Risk. To control interest rate risk, bond mutual funds are benchmarked to the Barclays Capital Aggregate Bond Index to diversify duration, maturity distributions and credit quality. As of June 30, 2023 and 2024, bond mutual funds have weighted average maturities ranging from 10.3 to 8.3 and 9.9 to 7.3 years, respectively. Mutual fund investments are reviewed and evaluated at least quarterly for credit quality, duration and diversification.

Credit Risk. Credit risk is mitigated by portfolio diversification inherent in the asset allocation strategy approved by the board. Monies are invested in mutual funds which do not receive a credit quality rating from a national rating agency.

Concentration of Credit Risk. To limit concentration of credit risk, investment of Program assets is limited to 40% domestic equities, 35% international equities, 25% fixed income, 20% market alternative, 0% diversified inflation-related strategies, and 10% real estate asset classes. No more than 10% of the internally managed funds' market value may be invested in the obligations of a single issuer, with the exception of U.S. Treasury and Government Agency securities and money market mutual funds. All investments of the Program are within the limitations established by asset category.

Rate of Return. For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long-Term Disability Program

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

CURRENT TARGET ASSET ALLOCATION

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equities	35.00%
International Equities	30.00%
Fixed Income	20.00%
Marketable Alternatives	10.00%
Diversified Inflation-Related	0.00%
Real Estate	5.00%
Cash	0.00%
Total	100.00 %

3. Plan Description and Contribution Information

Membership of the plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

	Fire Employees	Police Employees	General City Employees	Total
Active Plan Members	1,748	2,666	8,468	12,882
Disabled Plan Members Currently Receiving Benefits	12	15	287	314
Total Plan Members	1,760	2,681	8,755	13,196

Plan Description. The terms of the Long-Term Disability Program are described in Administrative Regulation 2.323 City of Phoenix Long-Term Disability Program. It is a single-employer, defined benefit plan generally available to all regular full-time, benefit-eligible employees. Coverage provides monthly income to eligible disabled employees up to 66 2/3% of basic monthly earnings. The benefit is offset by income provided from other sources including the City-sponsored pension plans, Social Security, other vested leave options, and workers' compensation benefits. Employees are eligible to participate in the plan after working full-time for twelve continuous months. Benefit payments commence on the first day following three months of continuous disability and exhaustion of all leave accruals. Eligibility continues to age 80 for those disabled prior to July 1, 2013 and age 75 for those disabled on or after July 1, 2013. The benefit is determined by the City while the benefit duration is subject to negotiation during the collective bargaining process.

Contributions. The City established the City of Phoenix Long-Term Disability Trust to fund all or a portion of the City's liabilities incurred in providing the benefits as reflected in Administrative Regulation 2.323. Administrative costs are financed from net position. Contributions by the City (plus earnings thereon) are the sole source of funding for the Trust. The City determines contribution rates taking into consideration information derived by actuarial processes.

Long-Term Disability Program

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

4. Funded Status and Funding Progress

The components of the net OPEB liability/(asset) of the City at June 30, 2024, were as follows:

Total OPEB liability/(asset)	\$ 55,044,130
Plan fiduciary net position	84,396,967
City's net OPEB liability/(asset)	<u>\$ (29,352,837)</u>
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	<u>153.33 %</u>
Covered-employee payroll	\$ 1,005,337,594
Net OPEB liability/(asset) as a percentage of covered-employee payroll	<u>(2.92) %</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The net OPEB liability/(asset) is measured as the total OPEB liability/(asset), less the amount of the plan's fiduciary net position. A single discount rate of 6.50% was used to measure the total OPEB liability/(asset) as of June 30, 2024, and the OPEB expense was (\$2,637,997), as of June 30, 2024. This single discount rate was based on an expected rate of return on OPEB plan investments of 6.50%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset). Following is a summary of actuarial methods and assumptions used:

Valuation date	June 30, 2023
Actuarial cost method	Projected Unit Credit
Actuarial value of assets	Market Value
Investment rate of return	6.50% per annum, compounded annually
Payroll growth rate	Use actual salary scale
Inflation rate	2.50%

Rates of Mortality for Healthy and Disabled Lives. General Non-Annuitant members used the Pub-2010 Amount-Weighted, general employee mortality table. Improvement over generations is reflected by applying the MP-2019 Ultimate projection scale. Safety Non-Annuitant members used the Pub-2010 Amount-Weighted Safety Employee Mortality Table. Future mortality improvements are assumed each year using 85% of scale MP-2021.

Long-Term Disability Program Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

Sensitivity of the net OPEB liability/(asset) to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.50%) or one-percentage point higher (7.50%) than the current discount rate:

1% Decrease 5.50%	Current Single Discount Rate Assumption 6.50%	1% Increase 7.50%
\$ (25,720,504)	\$ (29,352,837)	\$ (32,625,274)

The benefits paid by the Long-Term Disability Program, are not impacted by healthcare cost trend rates. As a result, changes in the healthcare cost trend rate assumption will have no impact on the net OPEB liability/(asset).

The Long-Term Disability Program is supported by employer contributions and net earnings on the investments of the fund. Using the Projected Unit Credit Funding Method, contributions are determined such that contributions will fund the projected benefits over the working lifetime of the current active members. The city's funding policy is to contribute the Actuarially Determined Contribution (ADC) each year. The ADC is equal to the normal cost plus an amortization payment on the unfunded accrued liability. The amortization payment is based on a 30-year open period.

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future OPEB Expense. The reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2024.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 183,051	\$ 2,744,955
Changes of assumptions or other inputs	873,554	3,838,224
Net difference between projected and actual earnings on pension investments	7,732,486	7,356,318
Total	<u>\$ 8,789,091</u>	<u>\$ 13,939,497</u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30:	
2025	\$ (1,777,629)
2026	1,527,574
2027	(2,338,668)
2028	(1,942,345)
2029	(380,387)
Thereafter	(238,951)
Total	<u>\$ (5,150,406)</u>

Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

	REQUIRED SUPPLEMENTARY INFORMATION							
Fiscal year ending June 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability								
Service cost	\$4,524,234	\$3,964,215	\$3,867,527	\$3,606,479	\$ 3,494,650	\$3,678,595	\$3,554,198	\$3,434,008
Interest on the total OPEB liability	3,367,190	3,229,690	3,162,662	3,192,602	3,087,004	3,614,203	3,406,684	3,226,119
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	227,161	-	(2,650,712)	-	(2,778,365)	-	-
Changes of assumptions	-	(581,778)	786,964	(115,533)	628,374	(8,013,411)	-	-
Benefit payments, including refunds of employee contributions	(4,776,215)	(5,231,586)	(4,832,846)	(4,380,977)	(3,755,406)	(4,125,529)	(3,991,512)	(4,289,968)
Net change in total OPEB liability	<u>3,115,209</u>	<u>1,607,702</u>	<u>2,984,307</u>	<u>(348,141)</u>	<u>3,454,622</u>	<u>(7,624,507)</u>	<u>2,969,370</u>	<u>2,370,159</u>
Total OPEB liability - beginning	<u>51,928,921</u>	<u>50,321,219</u>	<u>47,336,912</u>	<u>47,685,053</u>	<u>44,230,431</u>	<u>51,854,938</u>	<u>48,885,568</u>	<u>46,515,409</u>
Total OPEB liability - ending (a)	<u>\$55,044,130</u>	<u>\$51,928,921</u>	<u>\$50,321,219</u>	<u>\$47,336,912</u>	<u>\$47,685,053</u>	<u>\$44,230,431</u>	<u>\$51,854,938</u>	<u>\$48,885,568</u>
Plan fiduciary net position								
Employer contributions	\$1,687,575	\$ 911,870	\$ 1,401,099	\$ -	\$1,134,035	\$1,758,080	\$1,642,507	\$ 1,381,320
Employee contributions	-	-	-	-	-	-	-	-
OPEB plan net investment income	8,622,934	6,859,291	(13,083,345)	21,612,333	661,951	3,983,104	4,611,235	8,488,336
Benefit payments, including refunds of employee contributions	(4,776,215)	(5,231,586)	(4,832,846)	(4,380,977)	(3,755,406)	(4,125,529)	(3,991,512)	(4,289,968)
OPEB plan administrative expense	(590,376)	(538,997)	(555,694)	(455,743)	(363,156)	(380,277)	(408,902)	(276,624)
Other	(11,246)	(13,686)	(13,040)	28,839	-	(87,074)	166,552	128,668
Net change in plan fiduciary net position	<u>4,932,672</u>	<u>1,986,892</u>	<u>(17,083,826)</u>	<u>16,804,452</u>	<u>(2,322,576)</u>	<u>1,148,304</u>	<u>2,019,880</u>	<u>5,431,732</u>
Plan fiduciary net position - beginning	<u>79,464,295</u>	<u>77,477,403</u>	<u>94,561,229</u>	<u>77,756,777</u>	<u>80,079,353</u>	<u>78,931,048</u>	<u>76,911,168</u>	<u>71,479,436</u>
Plan fiduciary net position - ending (b)	<u>\$84,396,967</u>	<u>\$79,464,295</u>	<u>\$77,477,403</u>	<u>\$94,561,229</u>	<u>\$77,756,777</u>	<u>\$80,079,352</u>	<u>\$78,931,048</u>	<u>\$76,911,168</u>
Net OPEB liability - ending (a) - (b)	<u>\$ (29,352,837)</u>	<u>\$ (27,535,374)</u>	<u>\$ (27,156,184)</u>	<u>\$ (47,224,317)</u>	<u>\$ (30,071,724)</u>	<u>\$ (35,848,921)</u>	<u>\$ (27,076,110)</u>	<u>\$ (28,025,600)</u>
Plan fiduciary net position as a percentage of total OPEB liability	153.33%	153.03%	153.97%	199.76%	163.06%	181.05%	152.22%	157.33%
Covered-employee payroll	\$1,005,337,594	\$980,817,165	\$898,303,620	\$872,986,997	\$858,320,490	\$831,705,901	\$832,751,719	\$804,784,270
Net OPEB liability as a percentage of covered-employee payroll	-2.92%	-2.81%	-3.02%	-5.41%	-3.50%	-4.31%	-3.25%	-3.48%

Note: The OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	\$ 1,514,000	\$ 1,381,000	\$ 133,000	\$ 804,784,000	0.17%
2018	\$ 1,772,000	\$ 1,643,000	\$ 129,000	\$ 832,952,000	0.20%
2019	\$ 1,772,000	\$ 1,758,000	\$ 14,000	\$ 831,706,000	0.21%
2020	\$ 1,163,000	\$ 1,134,000	\$ 29,000	\$ 858,320,000	0.13%
2021	\$ 1,540,386	\$ -	\$ 1,540,386	\$ 848,384,000	0.00%
2022	\$ 1,343,000	\$ 1,401,000	\$ (58,000)	\$ 898,304,000	0.16%
2023	\$ 2,617,000	\$ 912,000	\$ 1,705,000	\$ 980,817,000	0.09%
2024	\$ 3,266,000	\$ 1,688,000	\$ 1,578,000	\$1,005,338,000	0.17%

Note: The OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: June 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level percent of pay, open
Remaining Amortization Period	30 years
Asset Valuation Method	Market
Inflation	2.50%
Projected Payroll Increases	2.50%
Investment Rate of Return	6.50%
Health Care Trend Rates	Due to the nature of the benefit, health care trend rates are not applicable to the calculation of contribution rates.

Expenses Investment expenses are paid from investment returns.

Other Information:

Notes:

The assumptions have been updated to match those used in the valuation of the member pension benefits. No other assumptions changes were made since the prior evaluation.

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE
JUNE 30, 2024**

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

Members of the Board
City of Phoenix Long-Term Disability Program

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Phoenix Long-Term Disability Program, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Phoenix Long-Term Disability Program’s financial statements, and have issued our report thereon dated December 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Phoenix Long-Term Disability Program’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Phoenix Long-Term Disability Program’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Phoenix Long-Term Disability Program’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Phoenix Long-Term Disability Program’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 4, 2024