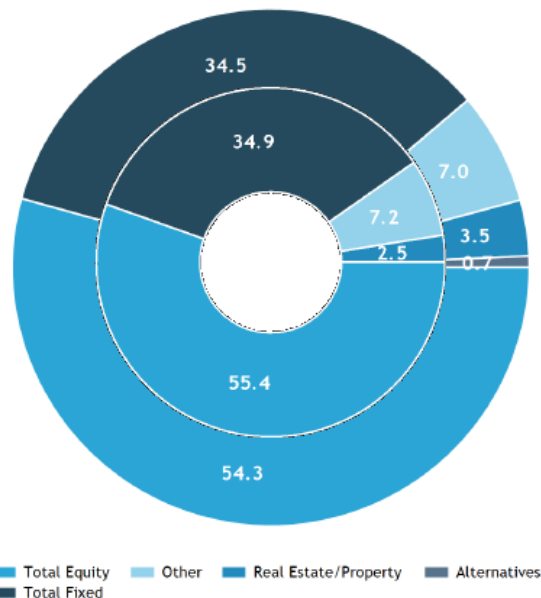


Fulton County Schools Employee Retirement Plan Quarterly Investment Review, December 31, 2022

Asset Allocation (%)
Actual (Outer Ring) vs. Target (Inner Ring)



Portfolio Review

The Fulton County Schools (FCS) portfolio is well-diversified across global capital markets, which is designed to provide a degree of protection in down markets. The 4th quarter provided a reprieve from the weak markets experienced in the first three quarters of 2022 with both stocks and bonds posting positive returns, albeit with a continuing elevated level of volatility. Stocks as an asset class rallied during the quarter, rising +11.5%, with Non-US stocks increasing more sharply, up +16.3%, due primarily to easing inflation, lower global energy costs, and a reopening of the Chinese economy from the COVID lockdown. Bond returns were up more modestly, +2.7%, as yields declined (bond prices increase as yields decline) due in large part to the reasons stated earlier.

Our View on the Economy and Markets

First, the good news: 2022 is over as both fixed-income and equity markets chalked up big losses last year—almost regardless of region or style. Now for the bad news: 2023 is shaping up to be another challenging year. Further volatility is expected across asset classes as investors face familiar headwinds: inflation rates exceeding the targets of major central banks; interest-rate increases potentially continuing throughout the first half of the year; and, for many countries, stagnant or recessionary economies through 2023, and perhaps, into 2024. **SEI believes that inflation has peaked but both inflation and interest rates will be “higher for longer”.** Inflation should improve throughout 2023, but will certainly remain well above the Federal Reserve target of 2%. If correct, that would indicate that interest rates will continue to rise into 2023 placing additional pressures on consumer spending and creating a headwind to US and global economic growth.

The U.S. economy is fundamentally sound and may show a resiliency that surprises both the Fed and investors. Accordingly, SEI believes in maintaining a diversified approach to investing, which should provide better risk adjusted returns over a market cycle.

	Total Assets (\$)	Actual Alloc (%)	1 Month	3 Months	YTD	Fiscal YTD	1 Year	3 Years	5 Years	Inception 12/31/2015
Total Portfolio Return ¹	458,446,868	100	-2.45	7.44	-15.06	1.32	-15.06	3.17	4.34	6.46
<i>Standard Deviation Portfolio</i>								14.66	12.72	
Policy Benchmark			-2.44	6.21	-14.04	1.02	-14.04	2.44	4.06	5.56



Important information: asset valuation and portfolio returns

1. SEI investments began managing the portfolio for Fulton County Schools on 12/31/2015, therefore that is considered the inception date for performance reporting purposes.

The Policy Index return is composed of the following:

55% MSCI World Index (Net)
35% Bloomberg Barclays US Agg Bond Index
10% ICE BofA ML 3 Month US T-Bill Index + 2%

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Inception date 12/31/15; Historical Total Index can be provided upon request.

The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using a true time-weighted performance method (prior to 6/30/2012, the Modified Dietz method of calculation was used). Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable, are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. For additional information about how performance is calculated, please see your monthly performance report.

If applicable, alternative, property and private assets performance and valuations may be reported on a monthly or quarterly lag. Alternative, property and private assets performance is calculated gross of investment management fees and net of administrative expenses and underlying fund expenses. However: Structured Credit Fund performance is calculated gross of investment management fees and net of administrative expenses; SEI Offshore Opportunity Fund II Ltd. Class A performance is calculated net of investment management and administrative expenses; and Energy Debt Fund performance is calculated net of management fees, performance fees, as applicable, and operating expenses.

