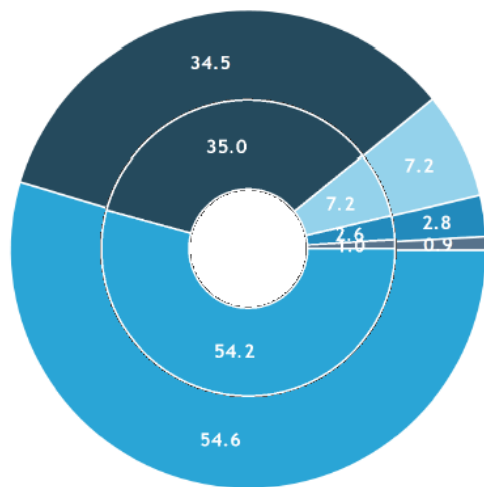


# Fulton County Schools Employee Retirement Plan Quarterly Investment Review, December 31, 2023

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



■ Total Equity   
 ■ Other   
 ■ Real Estate/Property   
 ■ Alternatives   
 ■ Total Fixed

## Portfolio Review

In the 4<sup>th</sup> quarter the Pension Plan enjoyed strong investment returns, returning 8.9%. For the full year of 2023 the plan returned 15.5%. Global equity markets rebounded in 2023 from the severe drawdown experienced the previous year. However, in the U.S. that rebound was very narrow, with 7 stocks accounting for a majority of the total return of the S&P 500. The FCS stock allocation is globally diversified and returned 11.1% in the 4<sup>th</sup> quarter and 21.5% in 2023. Bonds also rebounded from a difficult 2022, providing a positive return in the portfolio, albeit with a high degree of price volatility. The Core Bond fund benefited from declining rates during the quarter, returning 7.3%. The total fixed income asset class was up 8.0% in 2023. The bond allocation benefited from its strategic allocation to the High Yield and Emerging Market Debt strategies, which returned 14.0% and 15.1% respectively in 2023.

## Our View on the Economy and Markets

The U.S. economy still remains relatively healthy in the near-term, especially versus other major advanced countries, but growth is expected to slow in 2024 as higher interest rates bite more sharply. With markets “running hot” in the last quarter of 2023 it would not be surprising to see this bull market stumble early in 2024. Labor markets are still tight across the major economies, causing wages to rise faster than is consistent with low inflation. The benign trend in inflation observed in recent months is the result of a sharp decline in energy prices and normalizing supply chains; underlying inflation is higher and will prove more persistent, in SEI’s view. A new source of possible volatility in the oil markets is the war between Israel and Hamas. Although the war has thus far remained fairly localized, a broader regional conflict cannot be ruled out.

	Total Assets (\$)	Actual Alloc (%)	1 Month	3 Months	YTD	Fiscal YTD	1 Year	3 Years	5 Years	Inception 12/31/2015
<b>Total Portfolio Return<sup>1</sup></b>	517,185,097	100.0	4.42	8.87	15.50	5.77	15.50	3.16	8.77	7.55
<i>Standard Deviation Portfolio</i>								12.45	13.17	
<b>Total Portfolio Index</b>			4.31	8.92	15.17	5.63	15.17	2.61	7.98	7.18
<i>Standard Deviation Index</i>								12.34	12.95	



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# 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.

## Total Portfolio Index Composition

The current composition of the "Total Portfolio Index" is as follows. This composition went into effect at the close of business on 11/30/2023.

24.80% MSCI All Country World ex US Index (Net)

22.20% S&P 500 Index

13.40% Bloomberg US Aggregate Bond Index

13.40% ICE BofA ML 1-3 Year Treasury Index

7.20% Russell Small Cap Completeness Index

7.20% Hist Blnd: Dynamic Asset Allocation Index

4.10% Hist Blnd: Emerging Markets Debt Index

4.10% Hist Blnd: High Yield Bond Index

2.60% Hist Blnd: Core Property Index

1.00% SEI GPA V Private Equity Fund Index

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.

