



**AGENDA
CITY OF CREVE COEUR
EMPLOYEE PENSION BOARD OF
TRUSTEES
ONLINE MEETING
NOVEMBER 1, 2023
3:00 PM**

ZOOM MEETING INFORMATION

This will be an online meeting. Members of the public may access live audio and/or video at the following link:

<https://us02web.zoom.us/j/83511961731?pwd=TjRpYk1kZGZwMVFoYXlFS1ZibVlidz09>

Meeting ID: 835 1196 1731

Passcode: 495676 --- One tap mobile +13126266799 Phone: +1 646 931 3860 US

CALL TO ORDER

PUBLIC COMMENTS

APPROVAL OF AGENDA

APPROVAL OF MINUTES

Approval of the July 25, 2023 Employee Pension Board of Trustees Meeting Minutes

REPORTS

Quarterly Report-Sunpointe

Quarterly Report-Commerce

NEW BUSINESS

Future Meeting Date - January 23, 2024 at 3PM (Zoom)

OLD BUSINESS

RETIREMENT ACTIVITY

Paul Hornung - Police Department retired 10/5/23

Donald Szydowski - Police Department retired 10/20/23

INVOICES

No new invoices since last meeting

ADJOURNMENT



**AGENDA
CITY OF CREVE COEUR
EMPLOYEE PENSION BOARD OF
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ONLINE MEETING
NOVEMBER 1, 2023
3:00 PM**

Posted by: _____

Date/Time posted: _____

If you need special accommodations to attend a meeting, services may be arranged by contacting the Office of the City Administrator in advance.



**MINUTES
CITY OF CREVE COEUR
EMPLOYEE PENSION BOARD OF
TRUSTEES
ONLINE MEETING
JULY 25, 2023
3:00 PM**

ZOOM MEETING INFORMATION

This will be an online-only meeting. Members of the public may access live audio and/or video at the following link:

<https://us02web.zoom.us/j/86537828818?pwd=UFRqWStaZjJCRnRCMk1KWGN2WEE1QT09>

**Meeting ID: 865 3782 8818 Phone: +1 646 931 3860 US
Passcode: 393151**

CALL TO ORDER

Meeting was called to order by Michael Karasick at 3:00 p.m.

In attendance:

Joseph Martinich-Council Liaison
Michael Karasick-Chair
Carol Lippman-Board Member
Michel Breitenstein-Employee Representative
Lori Obermoeller-Director of Finance
Tracy Brothers-Senior Accounting Associate
Mark Perkins-City Administrator
Sharon Stott- Assistant City Administrator
Jonathan McIntosh-Employee Representative
Ted Armstrong-Board Member
Jack Dwyer-Sunpointe Investments
Kevin Shi-Citizen

PUBLIC COMMENTS

No public comments

APPROVAL OF AGENDA

Motion to Approve Agenda
Result: Approved (Unanimous)
Mover: Ted Armstrong
Seconder: Carol Lippman
Ayes: Breitenstein, Karasick, Martinich, McIntosh



**MINUTES
CITY OF CREVE COEUR
EMPLOYEE PENSION BOARD OF
TRUSTEES
ONLINE MEETING
JULY 25, 2023
3:00 PM**

APPROVAL OF MINUTES

Approval of June 7, 2023 Employee Pension Board of Trustees Meeting Minutes

Motion to Approve Minutes

Result: Approved (Unanimous)

Mover: John McIntosh

Secunder: Ted Armstrong

Ayes: Martinich, Lippman, Karasick, Breitenstein

REPORTS

Quarterly Report-Commerce

Quarterly Report-Sunpointe (Presenting)

The portfolio did relatively well. It was up 9% for the fiscal year vs the expected 6%.

Most of the investments were liquidated during the quarter. There is a little bit still outstanding that mature in October and November.

Cliffwater is to be sold August 14th.

The 5 million is in a fund maturing on August 31st and will be available on September 1.

NEW BUSINESS

No new business

OLD BUSINESS

We need to communicate our cash needs in September. Mike K will work with LAGER's and Lori on that. Mike still needs a firm date from LAGER's for the treasury maturing in December.

Carol stated her opinion of how Sunpointe handled our investments. Mike also gave his thanks.

Ted also agreed and included Commerce in the praise.

Mike K needs to sign off on the Joinder Agreement.

Per Joe, the move to LAGER's was approved by City Council very quickly. There were many retiree's and current employees at the meeting.

We will still need to have quarterly meetings. Mike K will work with Lori on analysis of where each



**MINUTES
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EMPLOYEE PENSION BOARD OF
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investment went.

There will be a meeting on disbanding the committee.

The next meeting was rescheduled for November 1, 2023 vs. October 17, 2023.

INVOICES

Milliman

The Milliman invoice was presented.

They will continue to calculate COLA's and GASB in October.

ADJOURNMENT

Motion to Adjourn: Mike Karasick-chair

RESULT: Approved (Unanimous)

Mover: Ted Armstrong-Board Member

Second: Carol Lippmann-Board Member

Ayes: McIntosh, Martinich, Breitenstein, Karasick

Creve Coeur Employee Retirement Plan

Quarterly Performance Report

Period Ending: 09-30-2023

8301 Maryland Ave, Suite 300

St. Louis, MO 63105

P: (314) 880-0821

SunpointeInvestments.com



Inflation continued to show signs of moderation during the third quarter. Although inflation is trending lower, inflation remains well above the Federal Reserve's 2.0% target. At their September meeting, several Fed officials supported one additional 25 basis point rate increase in 2023.

US GDP growth for Q2 was revised lower to 2.1% from the initial 2.4% reading. The economy grew at a 2.0% pace in Q1 and continues to grow despite 525 basis points (5.25%) of Fed Funds rate hikes since March 2022. Economists are expecting a surge in economic growth in Q3 based on current data; the Atlanta Fed's GDPNow model forecasts that the U.S. economy will grow 4.9% annualized in Q3 (as of 10/2/2023). However, the ISM Manufacturing PMI remains below 50, indicating contraction.

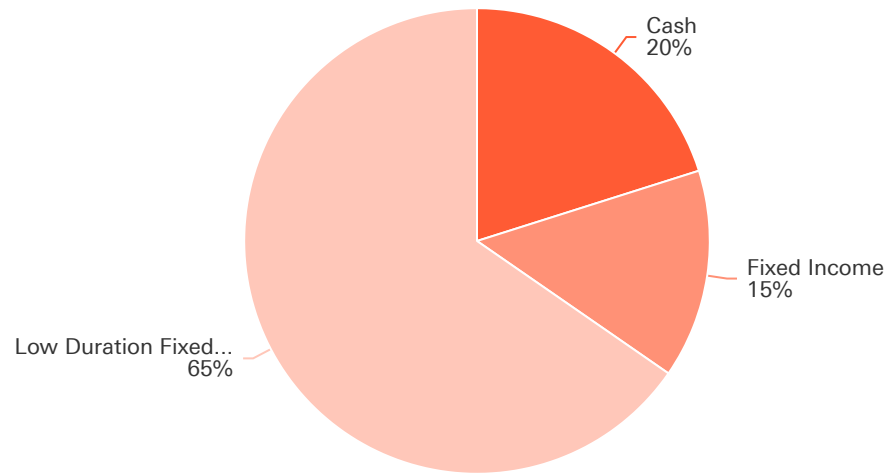
Equity markets declined in the third quarter, with most major indexes declining three to four percentage points. While there was significant dispersion within the quarter among major equity indexes, the full quarterly results showed little dispersion between U.S. and non-U.S. equities and between U.S. large cap growth and large cap value stocks. Small-cap and mid-cap equities lagged the broader U.S. equity market. Energy stocks (+12.2%) and communication services (+3.1%) were the only positive sectors of the S&P 500, while utilities (-9.3%) and REITs (-8.7%) suffered as interest rates rose.

Core fixed income and municipal bonds both declined in the third quarter as longer-term interest rates rose. The ten-year U.S. treasury yield moved from 3.81% on June 30th to 4.59% on September 30th. Short-term rates did not move much, with the yield on a three-month treasury moving from 5.43% on June 30th to 5.55% on September 30th. The treasury yield curve remains inverted, with short-term rates remaining above long-term rates, but the inversion has narrowed. While new issuance of municipal bonds remains behind 2022 levels year-to-date, municipal bonds underperformed Treasuries during the quarter amid continued outflows; the 10-year municipal bond / Treasury ratio rose by five percentage points to 75% as of September 30th.

Market Returns

INDEX	3MO (%)	YTD (%)	1YR (%)	3YR (%)	5YR (%)	7YR (%)	10YR (%)
<i>FTSE USBIG Treasury Bill 3M</i>	1.4%	3.8%	4.7%	1.8%	1.7%	1.6%	1.1%
<i>Bloomberg US Aggregate (Total Return)</i>	(3.2%)	(1.2%)	0.6%	(5.2%)	0.1%	(0.1%)	1.1%
<i>HFRI Equity Hedge (Total Return)</i>	(0.8%)	4.8%	9.3%	6.5%	5.2%	6.0%	5.1%
<i>Bloomberg US Corporate High Yield (Total Return)</i>	0.5%	5.9%	10.3%	1.8%	3.0%	3.8%	4.2%
<i>CRSP US Total Market (Total Return)</i>	(3.3%)	12.3%	20.4%	9.3%	9.1%	11.6%	11.2%
<i>MSCI All Country World IMI (Net Return)</i>	(3.4%)	9.4%	20.2%	6.9%	6.1%	8.3%	7.4%
<i>S&P 500 (Total Return)</i>	(3.3%)	13.1%	21.6%	10.2%	9.9%	12.2%	11.9%
<i>CRSP US Mid Capital (Total Return)</i>	(5.1%)	3.3%	12.6%	7.3%	6.5%	8.7%	9.1%
<i>CRSP US Small Cap (Total Return)</i>	(4.6%)	4.1%	12.4%	8.7%	4.6%	8.0%	8.0%
<i>FTSE EPRA/NAREIT Global</i>	(6.4%)	(7.5%)	(1.5%)	(3.3%)	(4.6%)	(3.3%)	(1.2%)
<i>FTSE Developed Ex US (USD) (Total Return)</i>	(3.9%)	7.1%	24.7%	6.2%	3.8%	5.9%	4.4%
<i>FTSE Emerging (USD) (Total Return)</i>	(1.5%)	2.3%	11.1%	0.0%	2.1%	4.1%	3.1%
<i>Bloomberg Commodity Index</i>	4.7%	(3.4%)	(1.3%)	16.2%	6.1%	4.7%	(0.7%)
<i>S&P Global Infrastructure (Total Return)</i>	(7.3%)	(3.7%)	6.9%	7.3%	4.1%	4.3%	5.1%

Actual %



Market Value History



CC MASTER ASSET CLASS	% PORTFOLIO	VALUE (USD)	QTD TWR
Cash	20.1%	\$6,099,714	1.0%
Fixed Income	14.5%	\$4,398,830	0.4%
Low Duration Fixed Income	65.4%	\$19,818,896	1.3%
Total	100.0%	\$30,317,440	1.2%

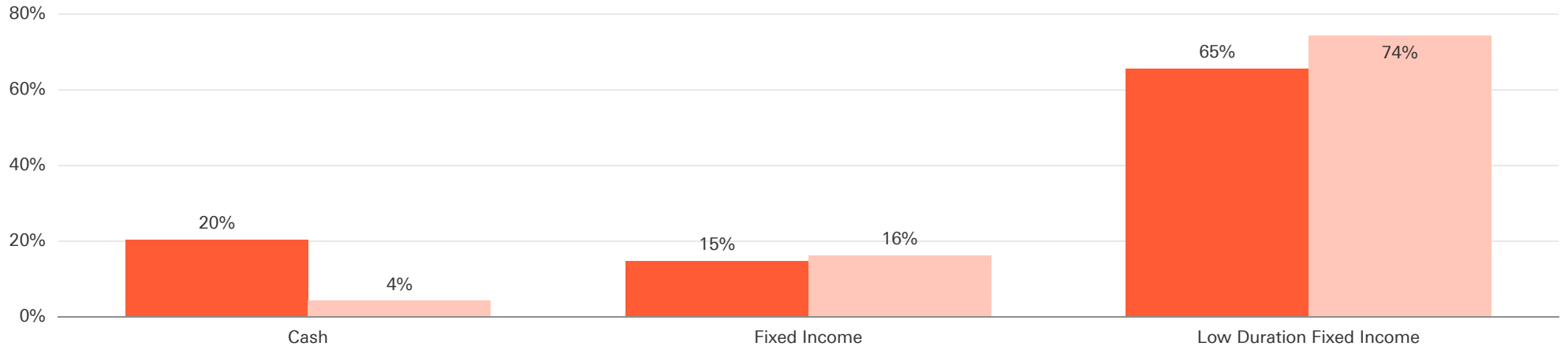
Cash Flows

	QTD	YTD
Starting Value	\$30,511,215	\$29,408,423
Gain/Loss	\$294,467	\$2,151,549
Net Income	\$82,678	\$396,693
Net Cash Flow	(\$549,038)	(\$1,606,183)
Change In Accrued Income (USD)	(\$21,883)	(\$33,042)
Ending Value	\$30,317,440	\$30,317,440

Performance Review (Fiscal Year End: June 30)

	MARKET VALUE	PORTFOLIO	3MO	FYTD	YTD	1YR	3YR	5YR	7YR	10YR	10 YR STDV
Total	30,317,440	100.0%	1.2%	1.2%	8.7%	16.3%	6.2%	5.9%	6.9%	6.8%	10.2%
<i>CCERP Primary Policy Index (60/40 spliced)</i>			<i>(3.3%)</i>	<i>(3.3%)</i>	<i>5.1%</i>	<i>12.1%</i>	<i>3.1%</i>	<i>4.5%</i>	<i>5.9%</i>	<i>5.6%</i>	<i>10.5%</i>
<i>CCERP Secondary Blended Benchmark</i>			<i>1.2%</i>	<i>1.2%</i>	<i>9.4%</i>	<i>16.7%</i>	<i>5.4%</i>	<i>5.0%</i>	<i>6.1%</i>	<i>5.9%</i>	<i>10.3%</i>
<i>CCERP Actuarial Target (6.0%)</i>			<i>1.5%</i>	<i>1.5%</i>	<i>4.5%</i>	<i>6.0%</i>	<i>6.2%</i>	<i>6.4%</i>	<i>6.6%</i>	<i>6.8%</i>	<i>0.1%</i>
Risk Mitigation Asset	30,317,440	100.0%	1.2%	1.2%	4.5%	6.5%					
Defensive	30,317,440	100.0%	1.1%	1.1%	3.0%	4.5%					
Cash	6,099,714	20.1%	1.0%	1.0%	2.7%	3.1%	1.0%	0.6%	0.4%	0.3%	
<i>Bloomberg US Treasury Bills 1-3 Months (To...</i>			<i>1.3%</i>	<i>1.3%</i>	<i>3.7%</i>						
Schwab US Treasury Money Fund Ultra	6,089,687	20.1%	1.3%	1.3%							
<i>FTSE USBIG Treasury Bill 3M</i>			<i>1.4%</i>	<i>1.4%</i>	<i>3.8%</i>	<i>4.7%</i>	<i>1.8%</i>	<i>1.7%</i>	<i>1.6%</i>	<i>1.1%</i>	
USD	10,027	0.0%	0.3%	0.3%	0.6%	0.6%	0.2%	0.1%	0.1%	0.1%	
Low Duration Fixed Income	19,818,896	65.4%	1.3%	1.3%							
<i>Bloomberg 1-3 Year Government Bond (Tota...</i>			<i>0.7%</i>	<i>0.7%</i>							
United States Treas Bills Zero CPN 0.00 % D...	1,928,014	6.4%	1.3%	1.3%							
US Treasury Bill23 U S T Bill Due 12/07/23	4,801,662	15.8%	1.3%	1.3%							
US Treasury Bill23 U S T Bill Due 12/12/23	1,948,380	6.4%									
US Treasury Bill23 U S T Bill Due 12/21/23	11,140,841	36.7%									
US Fixed Income	4,398,830	14.5%	0.4%	0.4%	1.9%	3.4%					
<i>Bloomberg US Aggregate (Total Return)</i>			<i>(3.2%)</i>	<i>(3.2%)</i>	<i>(1.2%)</i>	<i>0.6%</i>	<i>(5.2%)</i>	<i>0.1%</i>	<i>(0.1%)</i>	<i>1.1%</i>	
Creve Coeur Commerce Core Bond Account	4,398,830	14.5%	0.4%	0.4%	1.9%	3.4%	(3.7%)	1.1%	0.7%	1.7%	
Goldman Sachs Financial Square Treasury ...	206,456	0.7%	1.3%	1.3%							
United States Treasury Bill 0% Due 10/19/2...	374,066	1.2%	1.3%	1.3%							
United States Treasury Bill 0% Due 10/31/2...	945,972	3.1%									
United States Treasury Bill 0% Due 11/16/2...	496,695	1.6%	1.3%	1.3%							
US Treasury Bill23 U S T Bill Due 11/30/23	941,716	3.1%									
US Treasury Bill23 U S T Bill Due 12/07/23	495,135	1.6%	1.3%	1.3%							
US Treasury Bill23 U S T Bill Due 12/21/23	938,790	3.1%									

Actual % VS Target %



Portfolio % Target %

Liquidity



Expenses and Fees

ROLLED UP ACCOUNT	SUNPOINTE ASSET CLASS	TICKER SYMBOL	VALUE (USD)	EXPENSE RATIO	ANNUAL COST
Creve Coeur Commerce Core Bond Account	US Fixed Income	-	\$4,398,830	0.30	\$13,196
Schwab US Treasury Money Fund Ultra	Cash	SUTXX	\$6,089,687	0.19	\$11,570
United States Treas Bills Zero CPN 0.00 % Due...	Low Duration Fixed Income	-	\$1,928,014	0.00	-
US Treasury Bill23 U S T Bill Due 12/07/23	Low Duration Fixed Income	-	\$4,801,662	0.00	-
US Treasury Bill23 U S T Bill Due 12/12/23	Low Duration Fixed Income	-	\$1,948,380	0.00	-
US Treasury Bill23 U S T Bill Due 12/21/23	Low Duration Fixed Income	-	\$11,140,841	0.00	-
Total			\$30,307,413	0.08	\$24,766

The above table excludes USD cash.

Fees Paid

TRADE DATE	ACCOUNT NAME	TYPE	VALUE
09-15-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$1,134.27)
09-15-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$445.00)
09-15-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$115.73)
08-15-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$1,177.93)
08-15-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$447.00)
08-15-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$72.07)
07-14-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$1,228.14)
07-14-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$444.00)
07-14-2023	Creve Coeur Commerce Core Bond Account	Account Fee	(\$21.86)
07-06-2023	Creve Coeur Schwab Account	Account Fee (Management)	(\$10,000.00)

Creve Coeur Employee Retirement Plan Blended Benchmark

Bloomberg US Treasury Bills 1-3 Months (Total Return) 100%

*Monthly performance data prior to 7/1/2013 is gross returns (before fees) as reported by Commerce
Data since 7/1/13 is net of fees. Monthly performance from 7/1/13-10/1/20 provided by Fiduciary Advisors*

CCERP Actuarial Target benchmark - 7.5% prior to 7.31.2015; 7.0% from 8/01/2015 until 6/30/2018; 6.75% from 7/01/2018 until 6/30/2021; 6.0% thereafter

Creve Coeur Employee Retirement Plan Blended Benchmark: MSCI US Mid Cap 450 6%, MSCI US Prime Market Value 5%, MSCI All Country World Ex US (Net Return), 14%, Barclays US Aggregate (Total Return) 30%, S&P 500 (Total Return) 25%, MSCI US Small Cap 1750 8%, MSCI ACWI ex USA Small Cap 4%, MSCI US Small Cap Value 1%, MSCI US REITS (Total Return) 4%, S&P Goldman Sachs Commodity Index (Total Return) 3% until 5/31/2018; S&P Goldman Sachs Commodity Index (Total Return) 3%, MSCI ACWI ex USA Small Cap 6%, MSCI All Country World Ex US (Net Return) 17%, MSCI US Small Cap Value 1%, MSCI US Small Cap 1750 8%, MSCI US Mid Cap 450 5%, MSCI US Prime Market Value 4%, MSCI US REITS (Total Return) 4%, Barclays US Aggregate (Total Return) 30%, S&P 500 (Total Return) 22% thereafter until 7/31/2019; MSCI US REITS (Total Return) 4%, MSCI Emerging Markets (Net Return) 5%, S&P 500 (Total Return) 22%, MSCI US Small Cap 1750 8%, Barclays US Aggregate (Total Return) 30%, MSCI US Mid Cap 450 5%, MSCI EAFE Value (Net Return) 3%, MSCI US Prime Market Value 4%, MSCI US Small Cap Value 1%, MSCI EAFE Small Cap (Net Return) 5%, MSCI EAFE (USD) (Net Return) 13% thereafter until 12/01/2020; CRSP US Total Market (Total Return) 45%, FTSE Developed Ex US (USD) (Total Return) 16%, Bloomberg US Aggregate (Total Return) 30%, FTSE Emerging (USD) (Total Return) 9% until 2/1/2021; S&P Global Infrastructure (Total Return) 4%, CRSP US Total Market (Total Return) 41%, FTSE Developed Ex US (USD) (Total Return) 16%, Bloomberg US Aggregate (Total Return) 30%, FTSE Emerging (USD) (Total Return) 9% until 1/21/2022; FTSE Emerging (USD) (Total Return) 6%, Bloomberg US Credit Corporate 5-10 Year 12%, HFRI Equity Hedge (Total Return) 4%, CRSP US Total Market (Total Return) 35%, FTSE Developed Ex US (USD) (Total Return) 15%, S&P Global Infrastructure (Total Return) 4%, Bloomberg US Aggregate (Total Return) 24% until 10/20/2022; Bloomberg US Aggregate (Total Return) 24%, CRSP US Total Market (Total Return) 35%, CBOE S&P 500 Buy Write (Total Return) 4%, Bloomberg US Credit Corporate 5-10 Year 12%, FTSE Emerging (USD) (Total Return) 6%, FTSE Developed Ex US (USD) (Total Return) 15%, S&P Global Infrastructure (Total Return) 4% until 6/9/2023; CBOE S&P 500 Buy Write (Total Return) 2%, Bloomberg US Aggregate (Total Return) 22%, Bloomberg US Treasury Bills 1-3 Months (Total Return) 40%, Bloomberg US Credit Corporate 5-10 Year 6%, FTSE Developed Ex US (USD) (Total Return) 11%, CRSP US Total Market (Total Return) 19% until 7/3/2023; Bloomberg US Credit Corporate 5-10 Year (Total Return) 6%, Bloomberg US Treasury Bills 1-3 Months (Total Return) 86%, Bloomberg US Aggregate (Total Return) 8% until 7/11/2023; Bloomberg US Treasury Bills 1-3 Months (Total Return) 94%, Bloomberg US Credit Corporate 5-10 Year (Total Return) 6% until 8/15/2023; current allocation above.

Important Information

This document is for your private and confidential use only, and not intended for broad usage or dissemination. Past performance is no guarantee of future returns. The performance presented reflects the deduction of the advisory fees. This report is for purposes of presenting the performance of your accounts and investments only and is not intended to be relied upon as a forecast, research or investment advice. Although this material is based upon information the advisor considers reliable and endeavors to keep current, the advisor does not assure that this material is accurate, current or complete, and it should not be relied upon as such. Please contact your existing custodian for your actual historical returns, as well as the reporting of all balances and securities transactions. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. All investments include a risk of loss that clients should be prepared to bear. The principal risks of the advisor's investment services are disclosed in the publicly available Form ADV Part 2A.

Sunpointe, LLC ("Sunpointe") is a registered investment advisor. Advisory services are only offered to clients or prospective clients where Sunpointe and its representatives are properly licensed or exempt from licensure.

If you have any questions regarding this performance report, please contact us at (314) 880-0821.

Values are provided by the Custodian as of the date of the report. We believe the sources to be reliable, however, the accuracy and completeness of the information is not guaranteed. In the event of a discrepancy, the Custodian's valuation shall prevail.

Data reflected within this report may reflect data held at various Custodians and may not be covered under SIPC. Certain other reported entities may be SIPC members that provide coverage for assets held there. You should contact your financial representative, or the other entity, or refer to the other entity's statement, regarding SIPC coverage. Assets reflected on this report are not held at the Firm on your behalf, but at the Custodian.

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal of an investment will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. The values represented in this report may not reflect the true original cost of your initial investment.

Sunpointe Investments

City of Creve Coeur Employee Pension Plan

November 1, 2023

Jack Dwyer CFA, CAIA
President



Today we plan to:

- **Review portfolio performance**

- The portfolio gained 1.2% during the third quarter as the portfolio completed its move to cash and short-term treasuries.
- For the quarter, the portfolio matched its secondary benchmark, which is now entirely 1–3-month treasuries, and outperformed its primary policy index by 4.5%.

- **Update you on implementation:** Upon direction from the Committee, we:

- On July 3, we purchased treasuries that mature in December with proceeds from portfolio sales on June 30.
- On August 14, we sold Cliffwater Corporate Lending on its quarterly redemption date.
 - The portfolio received the entire investment without pro-ration.
 - We purchased a treasury on August 15 when the portfolio received the proceeds from this sale.
- On August 31, we re-invested proceeds from a treasury that matured with a treasury that matured on September 26 since the City had advised it may need some of the portfolio sometime in October. When the City advised that no funds were needed until December, we re-invested proceeds again in a December treasury.

- **Review plan for the move to LAGERS.**

- As of October 23, 2023, the portfolio owns the following investments:
 - \$441 in cash.
 - \$1,016,496 in the Schwab US Treasury Money Fund (current yield: 5.22%)
 - \$384,364 in the Goldman Sachs Treasury Fund (current yield: 5.26%)
 - Treasury holdings with December maturity dates are the 7th, 12th, 14th, and 21st.
 - The Commerce account also holds treasuries with shorter maturity dates; Commerce is reinvesting those proceeds as bonds mature.

- We would like to confirm the date of the transfer to LAGERS so that we can have the entire portfolio in cash before that date.

- Until then, we will continue to utilize the Schwab US Treasury Money Fund and short-term treasury holdings to earn return for the portfolio.

- In January 2023, the board:
 - Reviewed the Investment Policy Statement and concluded that no changes were necessary.

- In April 2023, the board:
 - Reviewed portfolio performance and discussed a potential move to LAGERS.

- In May 2023, the board:
 - Approved moving the plan to LAGERS.

- In June 2023, the board:
 - Approved the sale of one-half of the risky assets, with proceeds invested in short-term treasuries and a money market fund.

- In June 2023, after a meeting of the City Council, the Chairman:
 - Approved the sale of the remaining investments in the plan, with proceeds invested in short-term treasuries.

Retirement Plan for Employees of the City of Creve Coeur

“In establishing this Investment Policy, the Board has considered the fact that the Plan, together with social security, is the major retirement vehicle for most plan participants and has acted to discharge its fiduciary responsibility solely in the interests of such participants and their beneficiaries. The basic goal underlying the establishment of this policy is to provide that the assets of the Plan shall be invested in a prudent manner, and that together with expected contributions to the Plan they will be sufficient to meet the obligations of the Plan.”¹

Time Horizon:

The investment guidelines are based upon a 20-year investment horizon with the ability to pay current and future obligations. The time horizon should be reviewed at least annually to coincide with the actuarial forecast of gross and net distributions.

Spending:

The net distribution rate from the portfolio is expected to be less than 5% per year between 2021 and 2024, then 5-6% between 2025-2028. In 2029, net distributions are expected to jump to approximately 8% of the portfolio and grow steadily due to the closed nature of the plan.

Risk Tolerance:

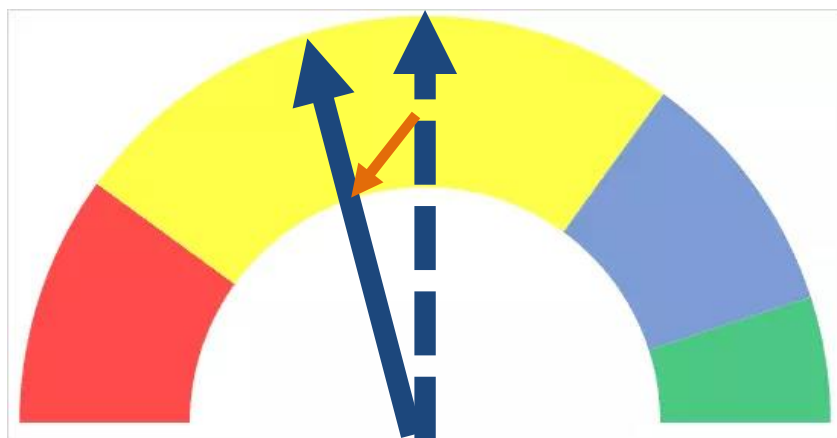
The Board recognizes that some risk must be assumed in order to achieve the investment objectives of the Portfolio. In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered. The Portfolio's long time horizon, current financial condition and other factors suggest collectively some interim fluctuations in market value and rates of return may be tolerated in order to achieve the longer term objectives.

Performance Expectations:

The desired investment objective is a rate of return on assets that, before fees, matches the policy index as defined later in this IPS.

¹ Source: INVESTMENT POLICY STATEMENT for the Retirement Plan for Employees of the City of Creve Coeur, revised January 2022, reviewed January 2023

- ❑ We are reducing our overall view on risk this quarter to slightly below neutral. The one percentage point upward shift in interest rates make fixed income more competitive with equity returns. The continued decline in inflation and strong employment are positives while the potential for the Federal Reserve to maintain higher rates or hike plus elevated equity valuations within US large-cap equities are continued concerns.
- ❑ Within US equities, we still recommend tilting towards profitable small cap and mid cap companies, as valuations are meaningfully more attractive than large cap stocks. Much of the strong equity returns in 2023 so far have been driven by a small number of high-growth stocks; while those are strong businesses, their valuations remain expensive.
- ❑ Within fixed income portfolios, we continue to recommend monitoring Fed actions and holding portfolio duration slightly below neutral. Short duration bonds provide strong short-term yields, but we acknowledge reinvestment risk in the event of a correction. We are preparing to add duration as needed.
- ❑ In the current market, retail investors appear to be more willing to be invested in stocks than institutions. This may be due to overconfidence bias from retail investors or loss aversion from institutions. We recommend a balanced approach as the best approach in the current environment.

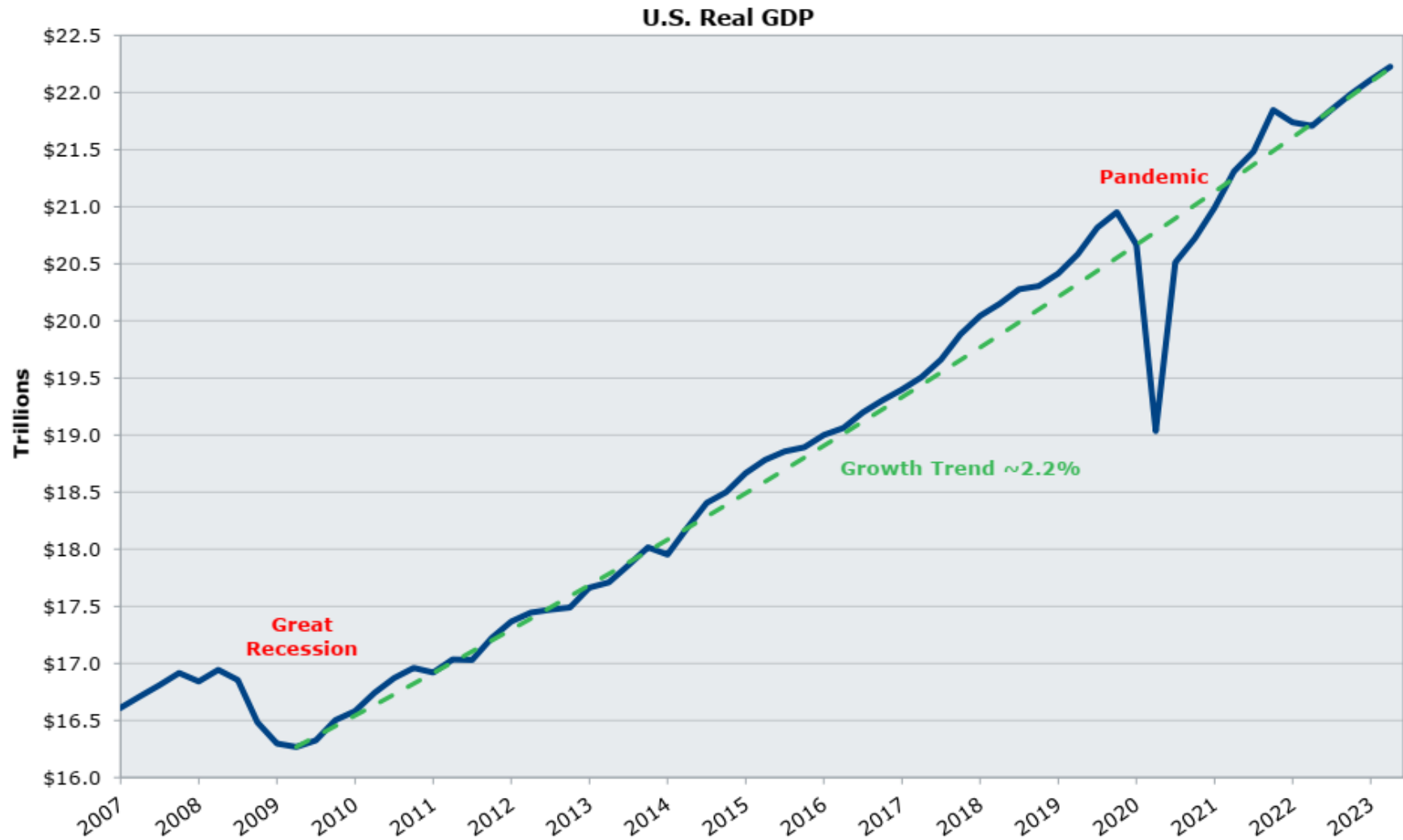


Risk Mitigation

Risk

Theme	View
Size	Profitable SMID caps inexpensive
Duration	Slight underweight
Geography	Slight tilt towards US
Alternatives	Utilize senior secured direct lending
Portfolio	Stay diversified, fixed income more competitive with equities

Economic Growth and GDP Composition

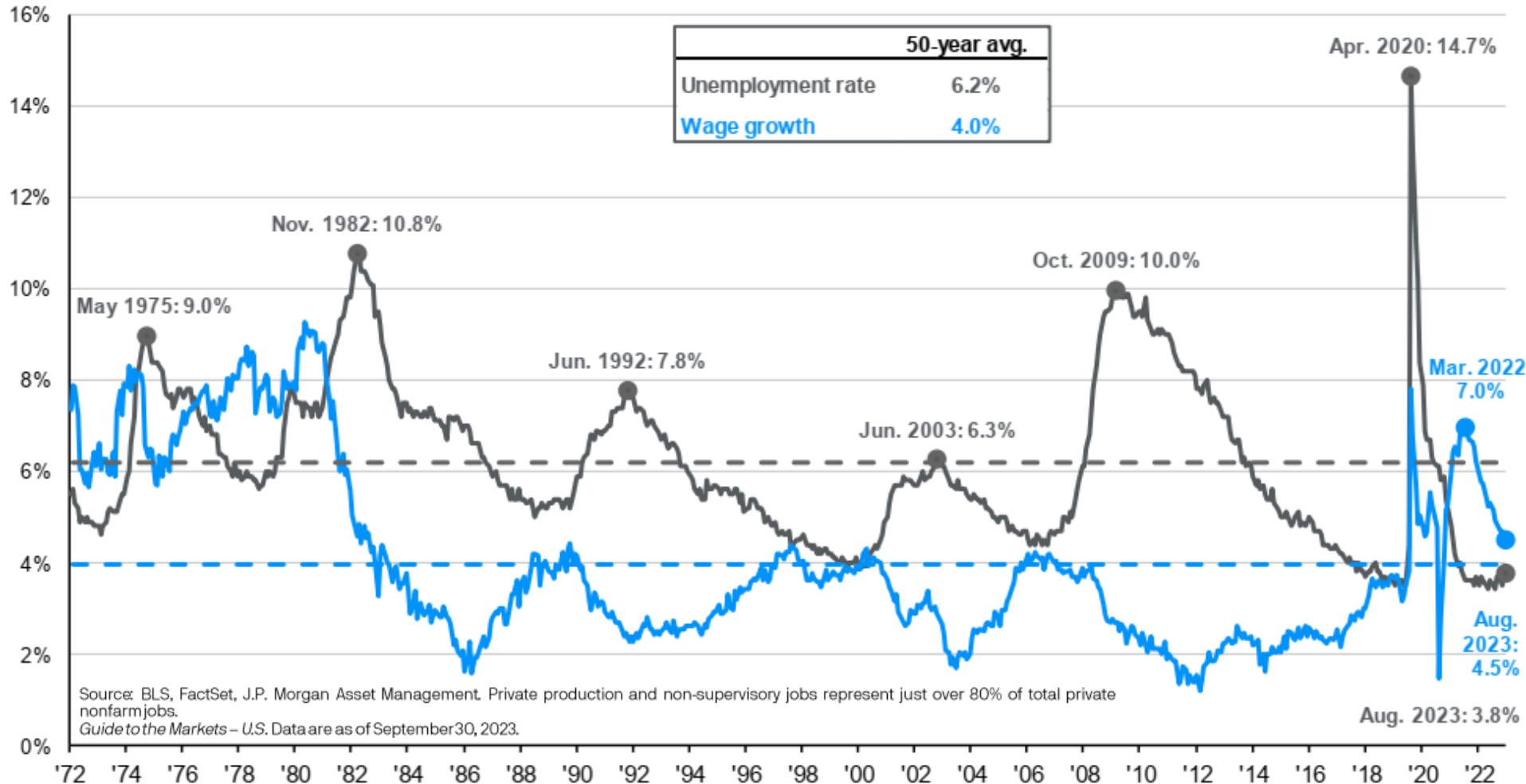


Sources: Baird, Bloomberg, BEA. Data as of 6/30/2023

Economic growth continues to hover around its long-term trend line. GDP growth has been positive for four consecutive quarters. Stable GDP growth remains near the long-term trend implies moderate inflation going forward.

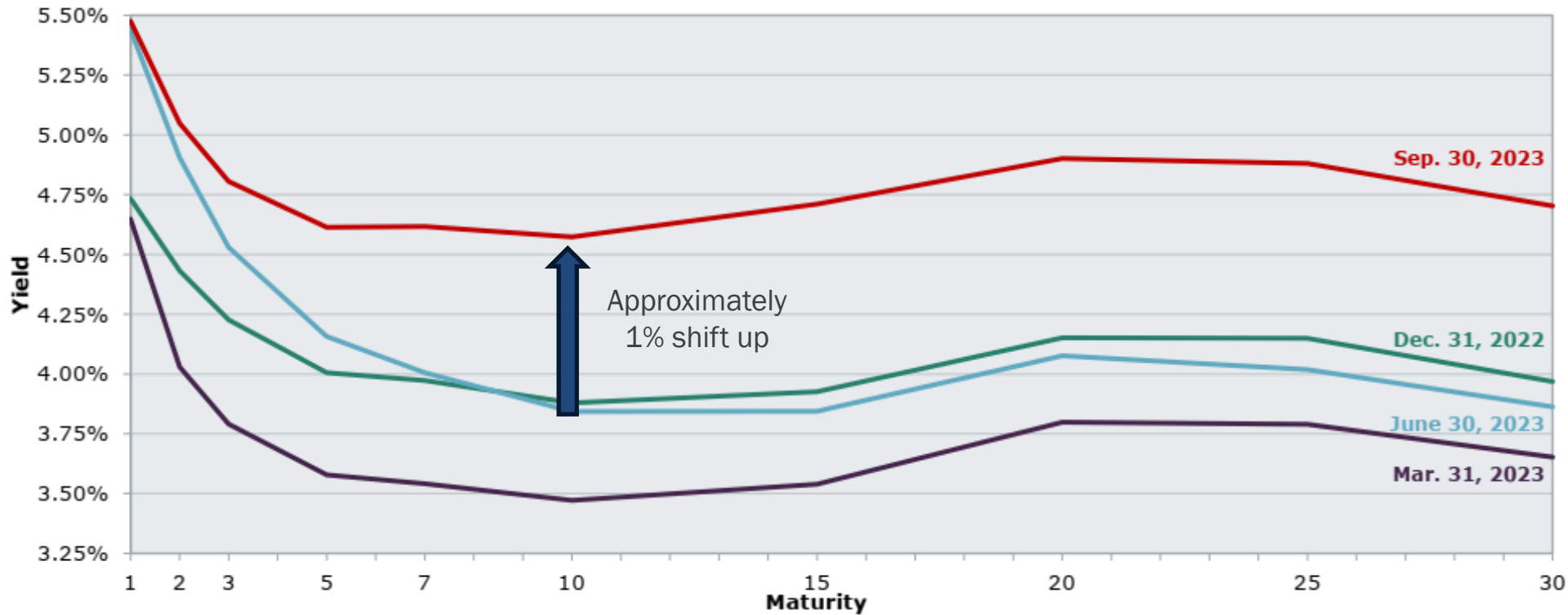
Civilian unemployment rate and year-over-year wage growth

Private production and non-supervisory workers, seasonally adjusted, percent



The unemployment rate remains low - the September jobs report and the revised August jobs report were above expectations. Wage growth remains above inflation but near its long-term average. A stable job market and wage growth would support a stable economy in the long-run.

Treasury Yields Increased in Q3



Source: Baird, Bloomberg. Data as of 9/30/2023.

Interest rates moved higher across the yield curve in Q3, and the curve flattened, with longer duration bonds seeing a sharper move. This increase in yield meant negative total return from bonds during the third quarter, as prices and yields move inversely. However, this also implies higher returns from bonds going forward.

S&P 500 Valuations Versus L-T Average

S&P 500 Index: Forward P/E ratio



The S&P 500's decline in Q3 pushed the index's forward P/E down towards its long-term average – earnings expectations increased during the quarter. The continued rise in bond yields has made bonds more attractive relative to stocks than they have been in recent years.

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If you have any questions regarding this performance report, please contact us at (314) 880-0821.

Values are provided by the Custodian as of the date of the report. We believe the sources to be reliable, however, the accuracy and completeness of the information is not guaranteed. In the event of a discrepancy, the Custodian's valuation shall prevail.

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Performance data quoted represents past performance and does not guarantee future results. The investment return and principal of an investment will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. The values represented in this report may not reflect the true original cost of your initial investment.

CITY OF CREVE COEUR PENSION (FIXED INCOME)

As of September 30, 2023

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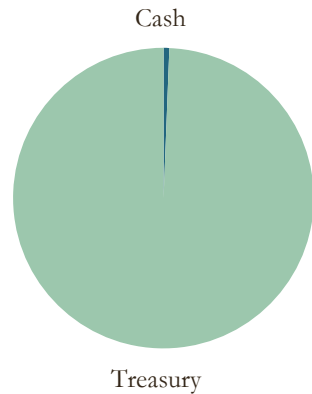
Appendix Appendix

- Sector of Limitations Analysis
- Bond Portfolio Holdings

PORTFOLIO VS. BENCHMARK COMPARISON

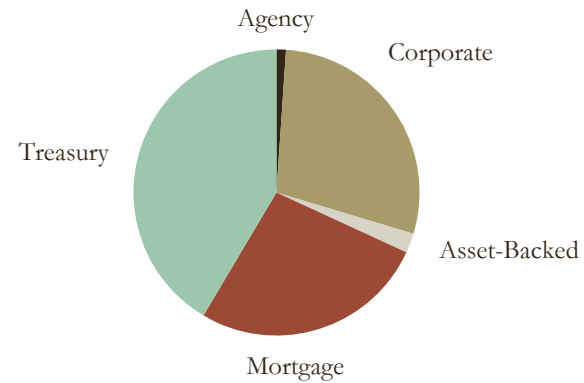
as of September 30, 2023

City of Creve Coeur (MV: \$4.2MM)



Asset Class	%
Treasury	99.38
Agency	0.00
Corporate	0.00
Asset-Backed	0.00
Mortgage	0.00
Municipal	0.00
Cash	0.62
Total	100.00

Bloomberg Aggregate



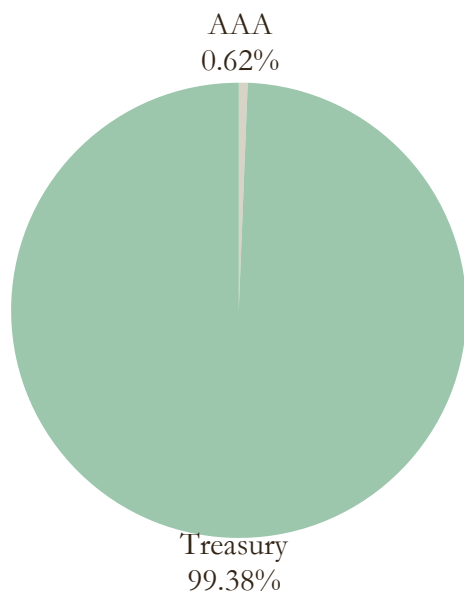
Asset Class	%
Treasury	41.49
Agency	1.05
Corporate	28.63
Asset-Backed	2.20
Mortgage	26.63
Total	100.00

5.06%	YTM	5.39%
0.15	Maturity (yrs)	8.49
0.15	Duration (yrs)	6.15
AA+	Quality	AA

BOND PORTFOLIO CHARACTERISTICS

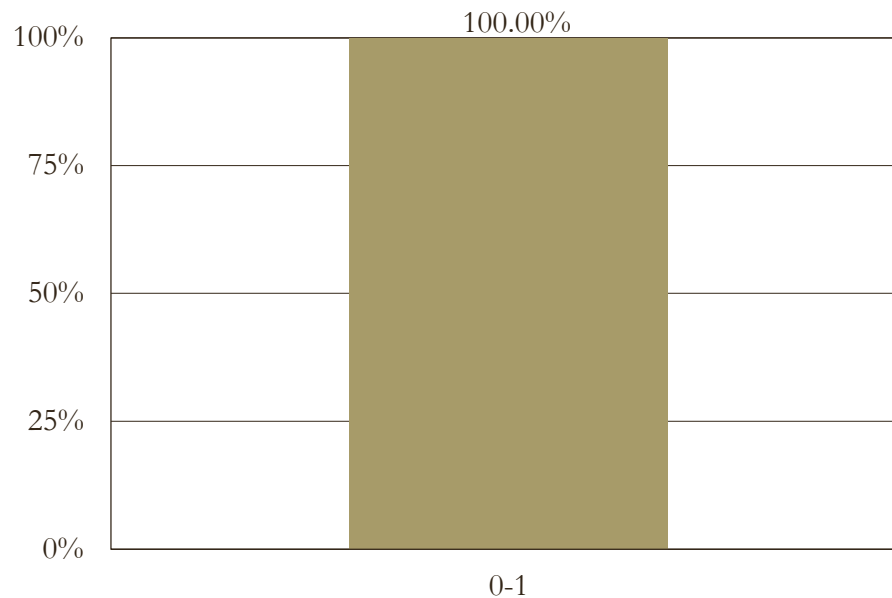
as of September 30, 2023

Quality



Average Quality = AA+

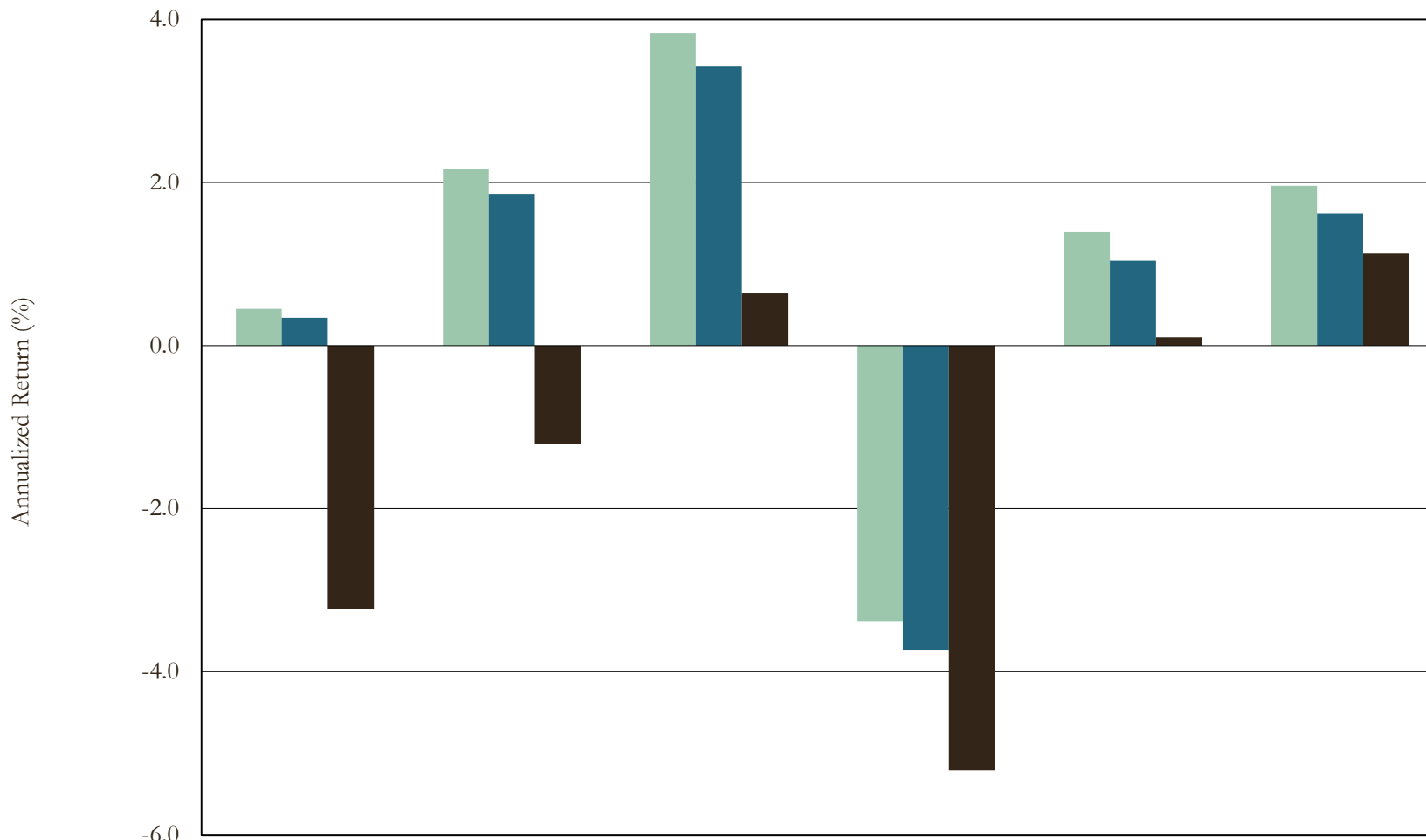
Effective Maturity Schedule



Average Life = 0.15 years

FIXED INCOME PERFORMANCE COMPARISON

as of September 30, 2023

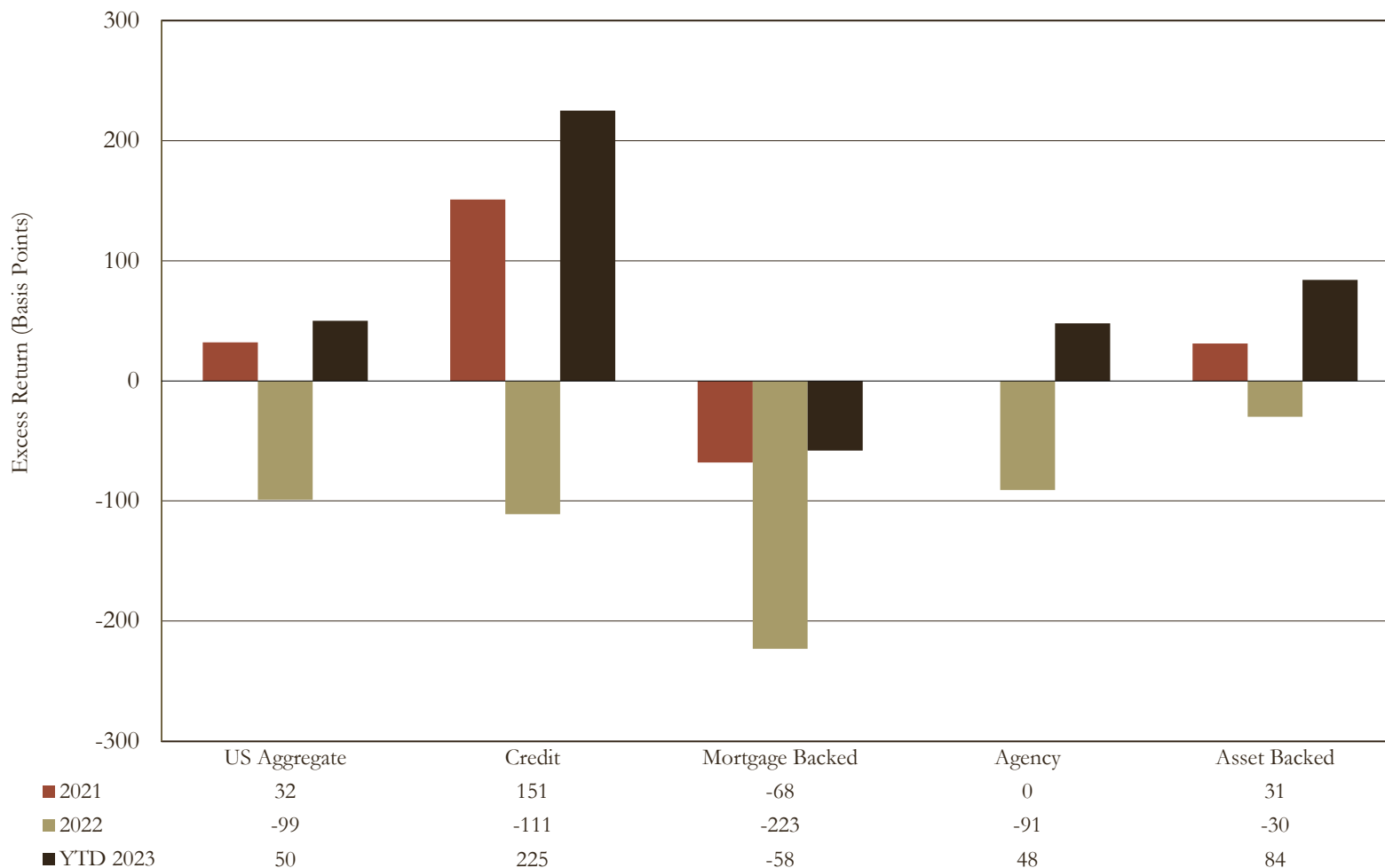


	Quarter	YTD	1 Year	3 Year*	5 Year*	Inception* (9/30/13)
■ City of Creve Coeur (Gross of Fees)	0.45	2.17	3.83	-3.38	1.39	1.96
■ City of Creve Coeur (Net of Fees)	0.34	1.86	3.42	-3.73	1.04	1.62
■ Bloomberg Aggregate	-3.23	-1.21	0.64	-5.21	0.10	1.13

*Returns for periods greater than one year are annualized, performance is gross of fees

DURATION-ADJUSTED EXCESS RETURNS*

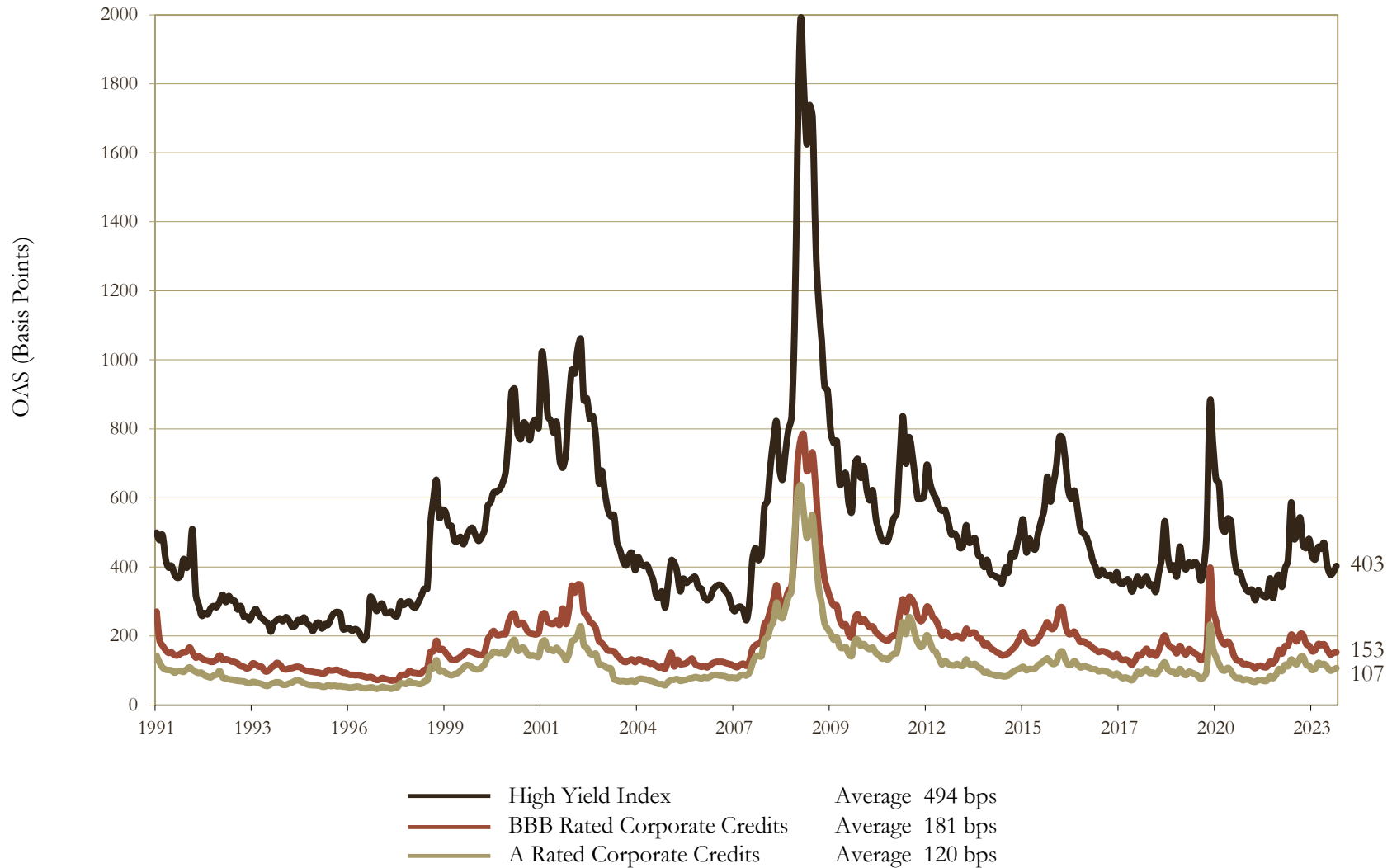
as of 9/30/23



*versus U.S. Treasuries

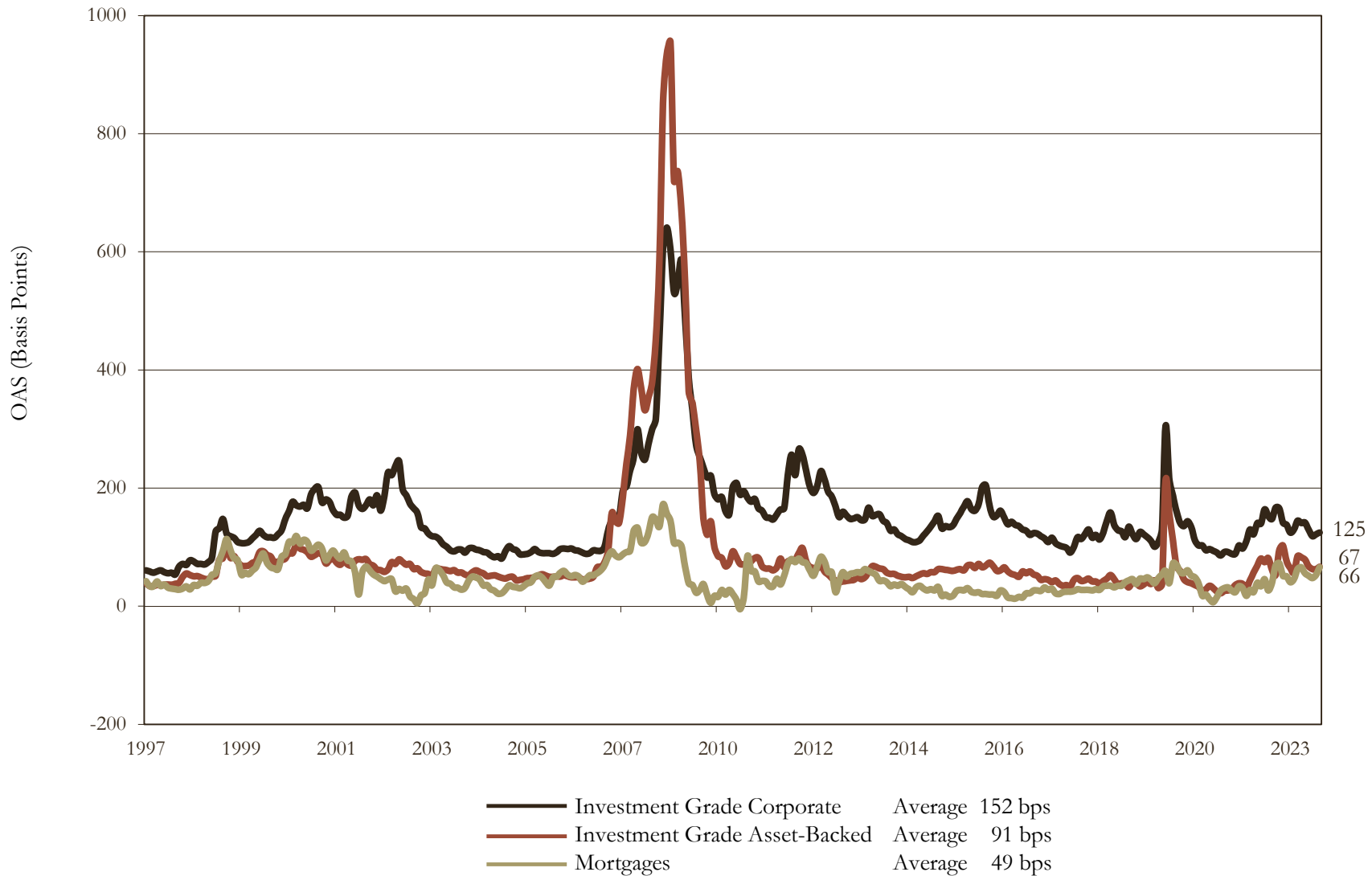
Source: Bloomberg

CORPORATE CREDIT SPREADS – 1/31/91 through 9/30/23



Source: Bloomberg, ICE BofA ML

SECTOR CREDIT SPREADS – 1/31/97 through 9/30/23



Source: Bloomberg, ICE BofA ML

BOND MARKET TOTAL RETURNS

Market	2021	2022	2023 1Q	2023 2Q	2023 3Q	Sept.	YTD
Master Index	-1.62%	-13.31%	3.00%	-0.83%	-3.27%	-2.54%	-1.19%
Corporate	-0.95%	-15.44%	3.45%	-0.21%	-2.70%	-2.45%	0.45%
Treasuries	-2.38%	-12.86%	3.08%	-1.41%	-3.33%	-2.38%	-1.76%
Agencies	-1.15%	-8.20%	2.04%	-0.43%	-0.60%	-0.79%	1.00%
Mortgages	-1.21%	-11.88%	2.46%	-0.53%	-4.07%	-3.12%	-2.22%
Asset-Backed	0.50%	-3.77%	2.02%	0.40%	1.10%	0.02%	3.55%
High-Yield	5.29%	-11.11%	3.68%	1.60%	0.53%	-1.17%	5.90%
Municipal	1.83%	-9.04%	2.82%	0.02%	-3.78%	-2.84%	-1.04%
2 Yr Treasury	-0.53%	-4.20%	1.43%	-0.92%	0.54%	-0.08%	1.04%
10 Yr Treasury	-3.68%	-16.28%	3.70%	-1.93%	-5.15%	-3.49%	-3.53%
30 Yr Treasury	-4.68%	-33.41%	5.98%	-2.49%	-12.75%	-7.67%	-9.84%
TIPS	5.96%	-11.85%	3.34%	-1.42%	-2.60%	-1.85%	-0.78%

Source: Bloomberg, ICE BofA ML

THE ECONOMY TODAY

AS OF 10/17/2023

GROWTH

Real GDP (adjusted for inflation) grew just 0.9% in 2022 compared to 5.7% in 2021. This year, cumulative real growth will likely be closer to 2.5% as we start the first half of the year in positive territory with growth accelerating in the 3rd quarter. Still, today's inverted yield curve, the declining Leading Economic Indicators, modest cracks in the financial system and now credit troubles in China suggest we could still potentially tip into recession sometime in 2024 as 5.5% short-term interest rates take their toll on economic activity with their typical lag. While we can't count out a soft landing, we believe the odds of an eventual recession are still greater than 50/50. Still, there is no doubt the quick rollover in inflation and the recent re-acceleration of real growth provides a backdrop to potentially squeak by our anticipated mild downturn.

JOBS

Unemployment fell to 3.7% in September, just above its all-time April low of 3.4%, while job growth surged above most any economist's projection. For September, the BLS reported job growth of 336k, and revised previous employment reports up. For the third quarter, cumulative job growth outpaced second quarter growth by a rather remarkable 200k, taking away some of the narrative regarding slowing employment. Still, monthly job growth this year has averaged approximately 260k jobs for the first nine months of the year, well below last year's pace of 386k jobs/month over the same period. While there are small cracks in the employment landscape, the number of job openings last month increased. Initial jobless claims (4-week moving average) have also come down a bit and the Conference Board's average workweek has held steady. Of course, job openings are down from their peak, unemployment claims are up from their low and the workweek has declined by nearly an hour. We expect the unemployment rate to remain relatively low as the economy continues to add jobs over the fourth quarter but rise slightly as the pace of job growth declines. Still, with demand for labor surprisingly resilient and a modest number of net entrants coming into the workforce, we doubt the official unemployment rate will rise much above 4% until sometime in 2024.

INTEREST RATES

Accommodative monetary policy reversed in March 2022 as the Fed embarked on an aggressive 5.25% cumulative interest rate hiking process over the past 18 months. And as one might have expected, inflation fell rapidly as the CPI declined from its 9.1% peak 14 months ago to its current 3.7% pace. "Core" inflation (excluding volatile food and energy prices) though remains stubbornly stuck closer to 4%, with the Fed's preferred inflation measure (core PCE) at 4.1%. While the Federal Reserve raised rates once again at their July 26th meeting, they paused in September. While a "soft landing" is certainly possible, the recent crisis in the banking sector, the inverted yield curve, negative leading economic indicators, and several domestic bankruptcies still point toward an eventual retrenchment and likely recession sometime in 2024. If there is a silver lining in this recessionary forecast, it's that longer term Treasury rates are probably close to peaking after having climbed this year. 2-year Treasuries yields are above 5%, while 10-year Treasuries yield about 4.4% with the longest part of the yield curve being held relatively in check as inflation slows.

MARKETS

During 2022 major stock market indexes both here and abroad fell approximately 14% to 20% as higher interest rates and falling margins impacted equity valuations. Fortunately, the combination of cooling inflation and an oversold market provided the catalyst for a corrective rebound in the stock market that started in the fourth quarter of 2022 and has carried over through the first three quarters of 2023. Despite higher interest rates, the S&P 500 rallied 13% through September, driven by the largest growth stocks. Balanced portfolios have not been helped much this year from bonds as the Bloomberg Aggregate's taxable return is now negative on a YTD basis. In addition, smaller cap stocks, international and EM stocks have all underperformed the S&P, so there has been no advantage from typical diversification. By mid-next year we'll likely answer the "will we or won't we" have a recession question, important because the equity market typically suffers downdrafts of 25% or more during a recession. Fortunately, deep negative returns from a balanced portfolio (last year down about 16%) have generally been followed by positive returns (5 out of the 7 years balanced portfolios declined since 1929). Through mid-September, a typical balanced portfolio is likely still up 4% to 5%.

OUTLOOK

With the initial cracks in the banking system and a loss of deposits cooling lenders appetite to extend credit, new conflicts overseas, a potential government shutdown and student debt repayment just staring, it is difficult to suggest one become more "offensively" minded despite the S&P 500's stellar forward progress and a re-acceleration in job growth. As such, with short term yields above 5%, we have allocated a small portion of most balanced portfolios to cash for capital preservation while we wait for an opportunity to add back to riskier assets. We remain fully allocated to core bonds with a bias toward adding duration and maturity, after being more defensively positioned last year. We've also recommended minimal to no high yield exposure. We continue to emphasize domestic assets relative to international but are likely to add to international assets perhaps in 2024 once the Fed stops hiking rates. Since we think the probability of a recession remains elevated, we have not added to near-term risk. Surprisingly strong economic growth is a positive development and keeps the possibility of a soft landing alive, but we remain cautious and need to make sure we are going to avoid a recession before we add risk back to portfolios.

Source: Commerce Trust Company

Portfolio Position Report

Portfolio: CITY OF CREVE C 8016

Currency: USD

Pricing Date: 09/29/2023

Representative:

Sector 1	CUSIP9	Par (000)	Mkt Val (000)	% Held (MV)	Issuer Name	Coupon	Maturity	Quality	Mdys	S&P	YTM	Avg Life	Eff Dur	Conv (Par)	OAS
CASH		26	26	0.616		5.290	0.082	Aaa	Aaa	AAA	5.290	0.083	0.081	-0.001	0
	000000CM9	26	26	0.616	CASH & EQUIVALENTS	5.290	10/29/2023	Aaa	Aaa	AAA	5.290	0.083	0.081	-0.001	0
TSY		4,225	4,192	99.384		0.000	0.152	Aa1	Aaa	AA+	5.058	0.152	0.149	-0.001	-41
	912797FB8	375	374	8.868	UNITED STATES TREAS BILL	0.000	10/19/2023	Aa1	TSY	TSY	4.556	0.055	0.054	0.000	-91
	912797HD2	950	946	22.425	UNITED STATES TREAS BILL	0.000	10/31/2023	Aa1	TSY	TSY	4.857	0.088	0.086	-0.001	-60
	912797FK8	500	497	11.775	UNITED STATES TREAS BILL	0.000	11/16/2023	Aa1	TSY	TSY	5.068	0.132	0.130	-0.001	-39
	912796ZD4	950	942	22.324	UNITED STATES TREAS BILL	0.000	11/30/2023	Aa1	TSY	TSY	5.185	0.170	0.167	-0.001	-28
	912797FT9	500	495	11.738	UNITED STATES TREAS BILL	0.000	12/07/2023	Aa1	TSY	TSY	5.203	0.189	0.186	-0.001	-26
	912797FV4	950	939	22.255	UNITED STATES TREAS BILL	0.000	12/21/2023	Aa1	TSY	TSY	5.251	0.227	0.224	-0.002	-22
Total:		4,251	4,218	100.000		0.032	0.151	Aa1	Aaa	AA+	5.059	0.151	0.149	-0.001	-40

City of Creve Coeur Retirement Analysis of Sector Limitations September 30, 2023

Sector Type	Normal Unit Commitment (% Portfolio)	Max Exposure Per Credit (% Portfolio)	Max Sector Exposure (% Portfolio)	Current (% Portfolio)	Additional Constraints	Constraint	Current
					Average Credit Quality	>=A-	AA+
U.S. Treasury Securities	Unlimited	Unlimited	Unlimited	99.4%	Duration	±30% of index	-97.6%
Federal Agency Securities	Unlimited	Unlimited	Unlimited	0.0%	BBB Credits	<=20%	0.0%
Agency Passthroughs/CMOs/Other MBS	2%	5%	60%	0.0%	144A Issues	<=10%	0.0%
Asset Backed Securities	2%	5%	25%	0.0%	Below Investment Grade**	<=5%	0.0%
Corporate Securities	2%	5%	75%	0.0%			
Municipal Securities	2%	5%	20%	0.0%			
Cash & Equivalents	2%	10%	10%	0.6%			

* Index = Bloomberg Aggregate

** No below investment grade security may be purchased. Securities downgraded to below the BBB range (up to 5% of the portfolio value) may be held at the manager's discretion - amounts over 5% must be sold within 90 days.