



**CITY OF SAN CLEMENTE
INVESTMENT ADVISORY COMMITTEE
SPECIAL MEETING**

November 4, 2024

5:30 P.M.

**Community Conference Room
910 Calle Negocio, San Clemente**

AGENDA

- | | |
|---|-------------------------|
| 1. Pledge of Allegiance | Charlie Smith |
| 2. Roll Call | Charlie Smith |
| 3. Approval of Minutes – August 5, 2024 | Charlie Smith |
| 4. Investment Report – 1 st Quarter FY 2024-25 | Charlie Smith |
| 5. Discuss Section 115 Trust Account | Jennifer Meza |
| 6. Discuss Portfolio Allocation, Current Economic Environment
and Other Related Topics | Charlie Smith |
| 7. Annual Investment Policy Revisions | Charlie Smith |
| 8. Pension Cash Flow Requirements | Jake Rahn/Charlie Smith |
| 9. Pension Investment Policy Review | Jake Rahn/Charlie Smith |
| 10. Public Input | |
| 11. Adjournment | |

The next Regular Meeting of the Investment Advisory Committee will be held on January 27, 2024 at 5:30 p.m. in the Community Conference Room, located at City Hall, 910 Calle Negocio, San Clemente, California.

Attachments: Minutes of August 5, 2024
Investment Report, 1st Quarter 2024-25
PARS Handout
[Investment Policy](#)
Pension Cash Flow Requirements Report
Pension Investment Policy Review

Members: Charlie Smith, City Treasurer, Chair
Victor Cabral, City Council Member
Art Carter, Citizen Representative
Jeff Willardson, Industry Specialist
Matthew Koelliker, Citizen Representative

Staff: Jake Rahn, Finance Manager
Sandy Chiswick, Accountant Supervisor
Melissa Anderson, Office Specialist

Chandler Asset Management Jayson Schmitt

CITY OF SAN CLEMENTE

Investment Advisory Committee Minutes

Special Meeting – August 5, 2024

A Special Meeting of the City of San Clemente Investment Advisory Committee was called to order by City Treasurer, Charlie Smith, on August 5, 2024 at 5:30 p.m. This meeting was conducted in the Community Conference Room at City Hall, 910 Calle Negocio, San Clemente.

(1) **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Charlie Smith.

(2) **ROLL CALL**

PRESENT: **Investment Advisory Committee Members:**

Charlie Smith, Victor Cabral, Art Carter, Jeff Willardson, Matthew Koelliker

Staff:

Andy Hall, Brian Brower, Jake Rahn, Melissa Anderson

ABSENT: None

CHANDLER

REPRESENTATIVE: Jayson Schmitt

PUBLIC: Jake Ison

(3) **APPROVAL OF MINUTES**

Minutes from the April 29, 2024 meeting were approved. Motion was made to approve by Art Carter, seconded by Victor Cabral. Approved 5-0.

(4) **APPROVE 4th QUARTER FY 2023-24 INVESTMENT REPORT**

The fourth quarter investment report was introduced by City Treasurer, Charlie Smith. Jayson Schmitt, Chandler Asset Management representative, and Charlie Smith reviewed the fourth quarter investment report with the committee and answered questions raised by committee members. Art Carter moved to approve the 4th Quarter Investment Report, seconded by Jeff Willardson. Approved 5-0.

(5) **DISCUSS SECTION 115 TRUST ACCOUNT**

The committee decided to meet with PARS at the next meeting to discuss investment strategies for the Section 115 Trust.

(6) **DISCUSS PORTFOLIO ALLOCATION, CURRENT ECONOMIC ENVIRONMENT AND OTHER RELATED TOPICS**

Andy Hall discussed not spending money we don't have. The residents will decide if they want to increase sales tax to fund sand on the beach. The city lost two large revenue sources. Rather than touch investments or fund balances, the city has cancelled projects or used other project resources to fund priority capital projects.

(7) **PUBLIC INPUT**

Jake Ison of Matthews Real Estate Investment Services introduced himself.

(8) **ADJOURNMENT**

The committee agreed to change the date of the next meeting from October 28th to November 4th. Motion was made by Art Carter, seconded by Jeff Willardson, carried 5-0 to adjourn to the next meeting on November 4, 2024.

Charlie Smith
Chair-Investment Advisory Committee

Future Meeting Dates:

November 4, 2024

January 27, 2025

April 28, 2025

July 28, 2025

Honorable Mayor, City Council and Investment Advisory Committee:

Introduction

Attached please find the City’s investment report for the quarter ending September 30, 2024. This report conforms to the requirements of the investment policy approved by the San Clemente City Council effective on February 20, 2024. The next quarterly meeting of the Investment Advisory Committee will be held on November 4, 2024 (Monday) at 5:30 pm. The Investment Advisory Committee will meet again on the following dates:

- *January 27, 2025*
- *April 28, 2025*
- *July 28, 2025*

Please feel free to call me at (949) 413-6090 (*e-mail csmith@San-Clemente.org*) if you have any questions, comments or suggestions concerning this report.

Respectfully submitted,



Charlie Smith, CFA
City Treasurer

INVESTMENT REPORT

City of San Clemente | As of September 30, 2024

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

ECONOMIC UPDATE

CONSOLIDATED ACCOUNT PROFILE

CONSOLIDATED HOLDINGS

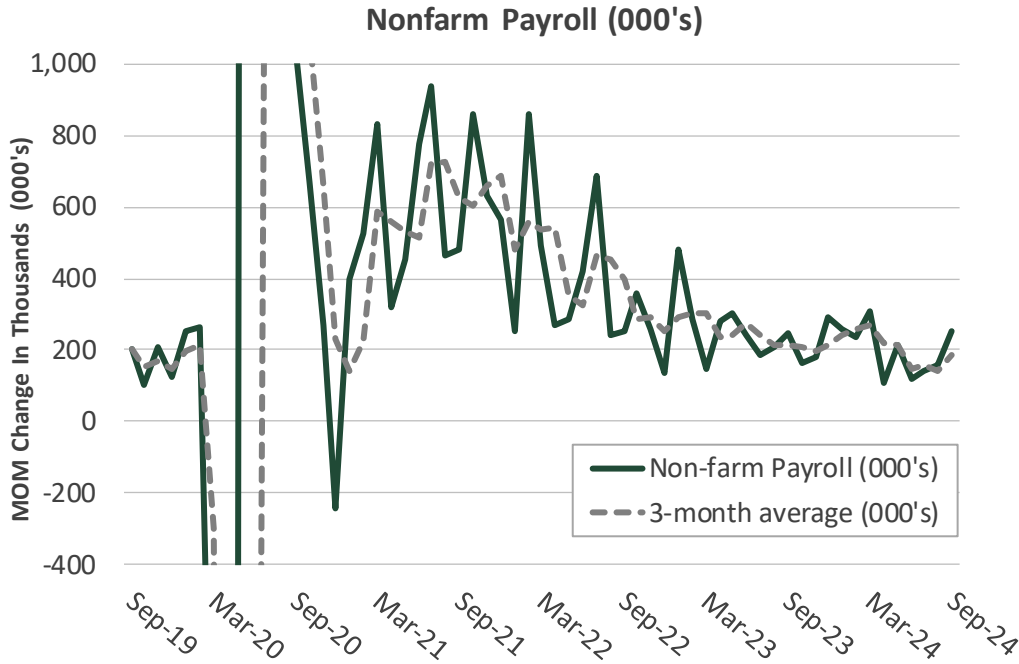
APPENDIX A: CHANDLER MANAGED PORTFOLIO

APPENDIX B: INTERNALLY MANAGED PORTFOLIO

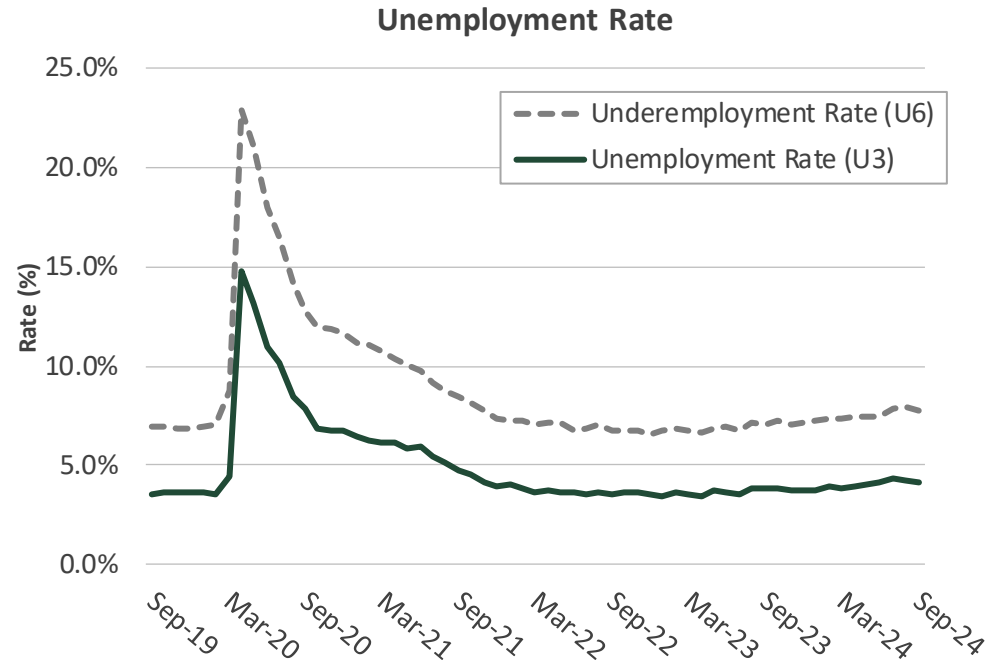
DISCLOSURES

ECONOMIC UPDATE

- Recent economic data suggests positive but slower growth this year fueled by consumer spending. While the consumer has been resilient, declining savings rates, growing credit card debt, higher delinquencies, and a moderating labor market pose potential headwinds to future economic growth. Inflationary trends are subsiding, but core levels remain above the Fed's target. The labor market is showing signs of cooling, reflecting an improved balance between supply and demand for workers. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, we believe the economy will gradually soften and the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should the employment data warrant.
- The Federal Open Market Committee (FOMC) delivered the first rate cut of the easing cycle with a 50 basis point cut at the September meeting. Although a reduction in the Fed Funds Rate was widely anticipated, the magnitude was somewhat of a surprise, as market participants were split between whether the FOMC would cut by 25 basis points or 50 basis points. Chair Jerome Powell reiterated previous statements acknowledging that monetary policy has shifted into a more balanced approach addressing price stability and full employment in tandem. The Fed released the quarterly Summary of Economic Projections (SEP) which now forecasts a substantially lower median Fed Funds Rate expectation among Fed Governors in 2025 due to lower inflation expectations and a higher projected unemployment rate. We believe the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should the employment data warrant.
- The US Treasury yield curve shifted lower in September following the 50 basis points rate cut by the FOMC mid-month. The 2-year Treasury yield fell 28 basis points to 3.64%, the 5-year Treasury dropped 15 basis points to 3.56%, and the 10-year Treasury yield declined 12 basis points to 3.78%. The 2-year and 10-year Treasury yield points on the curve began to normalize to +14 basis points at September month-end versus -2 basis points at August month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -47 basis points. The inversion between 3-month and 10-year Treasuries ended the month of September at -85 basis points.



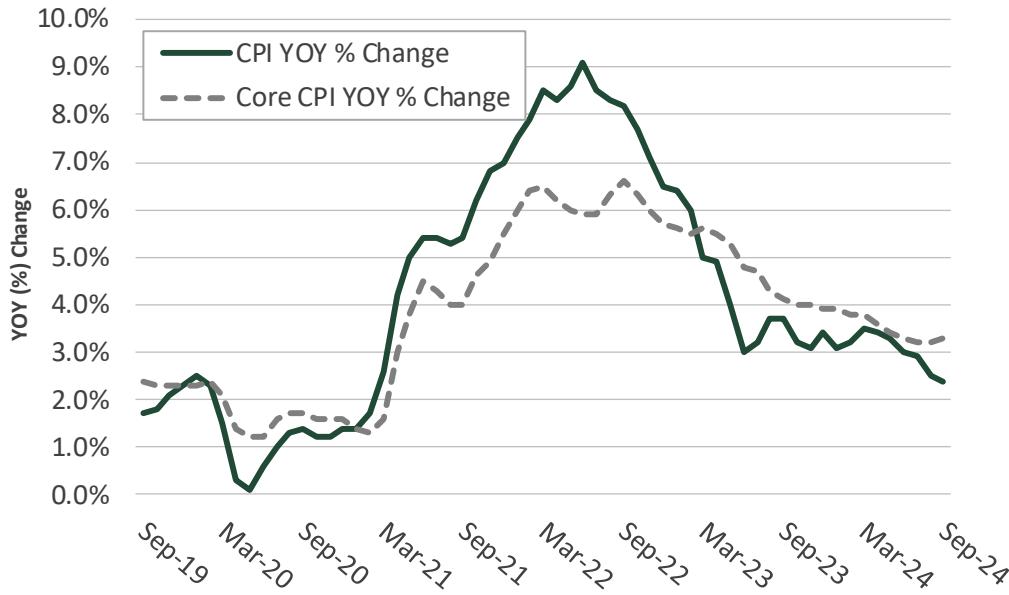
Source: US Department of Labor



Source: US Department of Labor

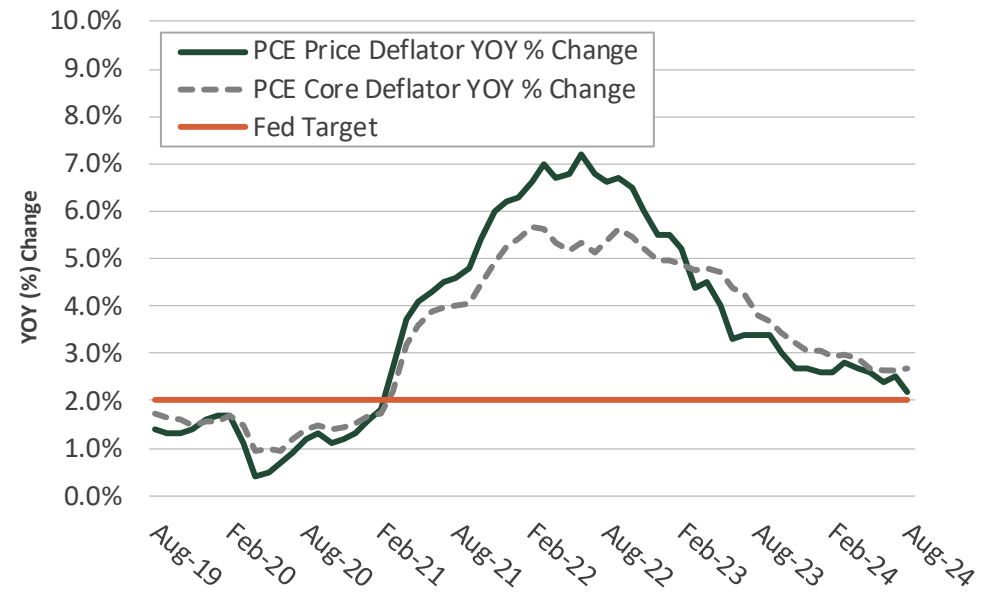
The U.S. economy added 254,000 jobs in September, well above expectations of 150,000. The three-month moving average and six-month moving average payrolls continued to trend weaker to 186,000 and 167,000 respectively. The unemployment rate declined to 4.1% in September, and the labor participation rate remained at 62.7%, remaining below the pre-pandemic level of 63.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons declined to 7.7% from 7.9%. Average hourly earnings rose 4.0% year-over-year in September. U.S. labor market data from September surprised to the upside, with strong job growth and a sharper-than-expected drop in unemployment, suggesting the economy may be more resilient than anticipated. The Federal Reserve’s view is that there has been “substantial” progress towards better balance in the labor market between demand and supply for workers.

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

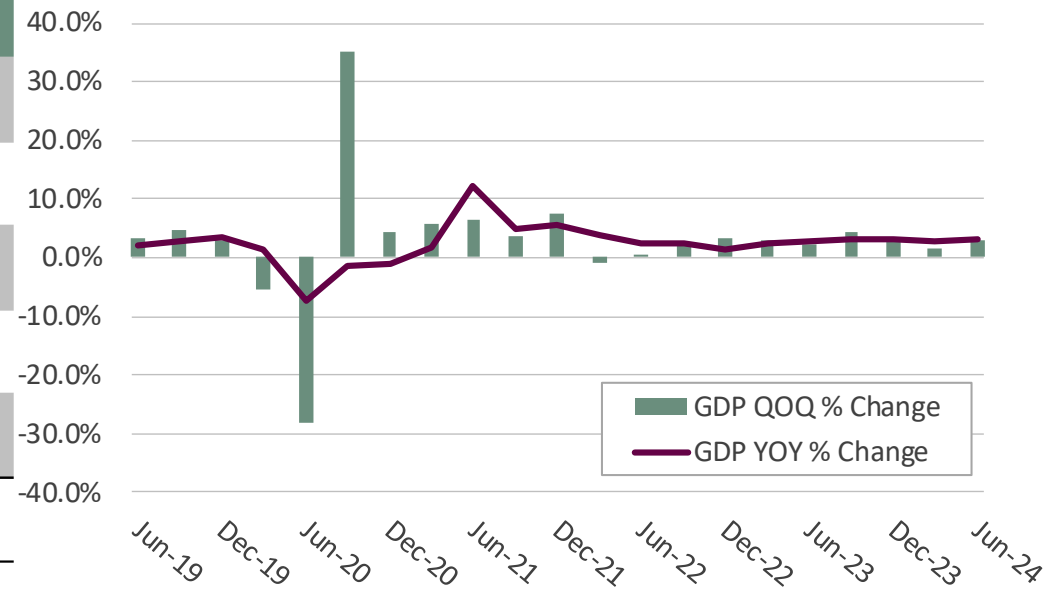
In September, the Consumer Price Index (CPI) rose 0.2% month-over-month and 2.4% year-over-year, down from 2.5% in August, but slightly higher than expected. The Core CPI, which excludes volatile food and energy components, rose by 0.3% month-over-month and 3.3% year-over-year, also exceeding consensus forecasts. The Personal Consumption Expenditures (PCE) Index rose 0.1% from the previous month and 2.2% year-over-year in August. The Core PCE deflator (the Fed’s preferred gauge) increased 0.1% month-over-month and 2.7% over the past year, still above the Fed’s 2% inflation target. Much of the lingering inflation has been driven by shelter costs and demand for services, but recent data provide confirmation that inflation is moderating.

GROSS DOMESTIC PRODUCT (GDP)

Components of GDP	9/23	12/23	3/24	6/24
Personal Consumption Expenditures	1.7%	2.3%	1.3%	1.9%
Gross Private Domestic Investment	1.8%	0.2%	0.6%	1.5%
Net Exports and Imports	-0.1%	0.1%	-0.6%	-0.9%
Federal Government Expenditures	0.3%	0.0%	0.0%	0.3%
State and Local (Consumption and Gross Investment)	0.6%	0.6%	0.3%	0.3%
Total	4.4%	3.2%	1.6%	3.0%

Source: US Department of Commerce

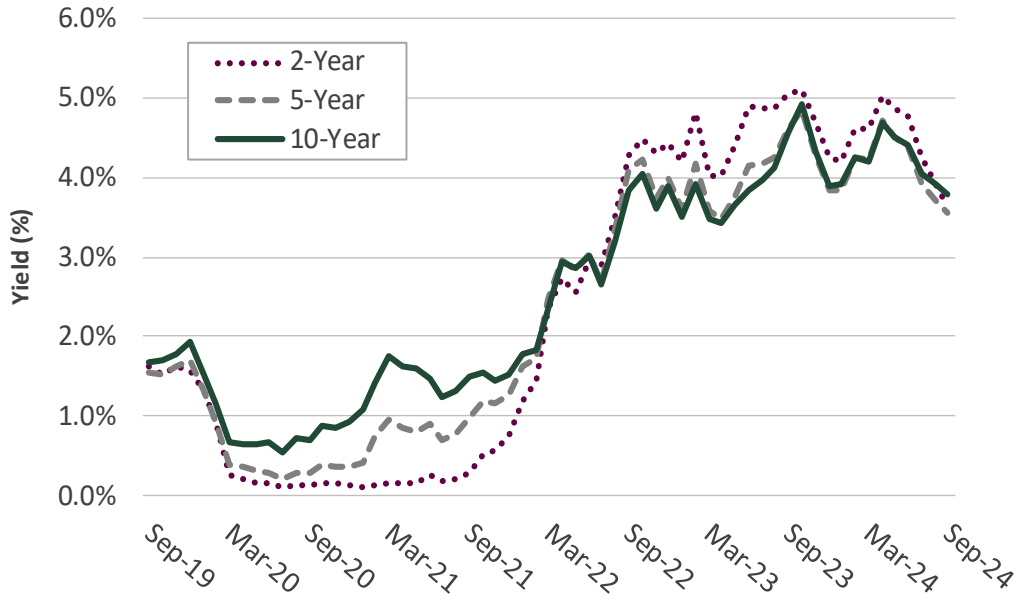
Gross Domestic Product (GDP)



Source: US Department of Commerce

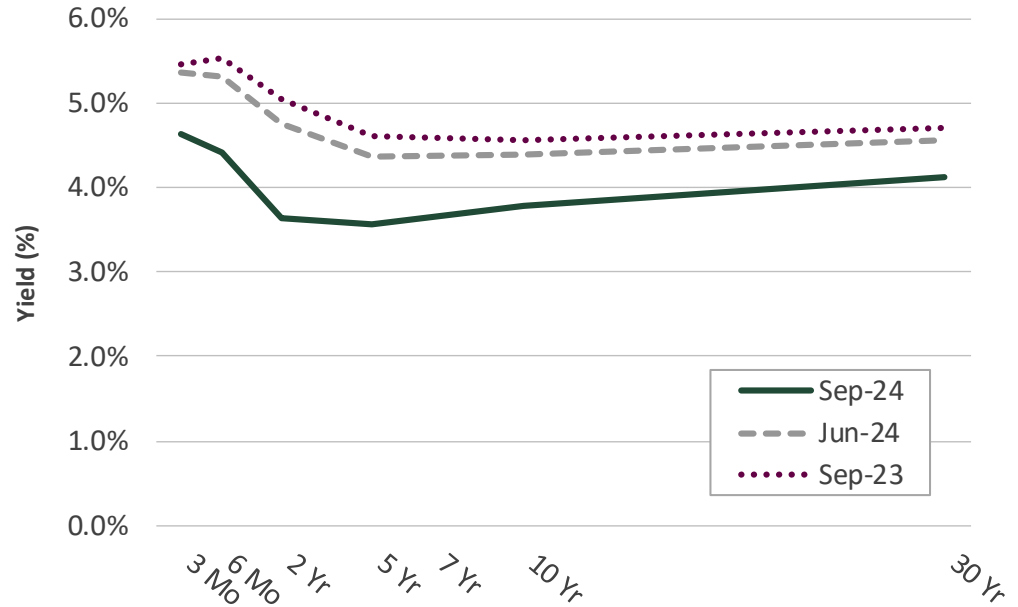
According to the third estimate, second quarter GDP increased at an annualized rate of 3.0%, unchanged from the prior estimate. Growth continues to be powered by personal consumption expenditures. Gross fixed investment, government consumption expenditures, and inventories also had positive contributions, with a negative offset by net exports. The consensus projection calls for 2.0% growth in the third quarter and 2.6% growth for the full year 2024.

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of September, the 2-year Treasury yield was 140 basis points lower, and the 10-Year Treasury yield was 79 basis points lower, year-over-year. The 2-year and 10-year Treasury yield points on the curve began to normalize to +14 basis points at September month-end versus -2 basis points at August month-end. The yield curve inversion which began in July 2022 was historically long. The average historical spread (since 2003) is about +110 basis points. The inversion between 3-month and 10-year Treasuries tightened to -85 basis points in September from -121 basis points in August.

CONSOLIDATED ACCOUNT PROFILE

PORTFOLIO CHARACTERISTICS



City of San Clemente Cons | Account #10202 | As of September 30, 2024

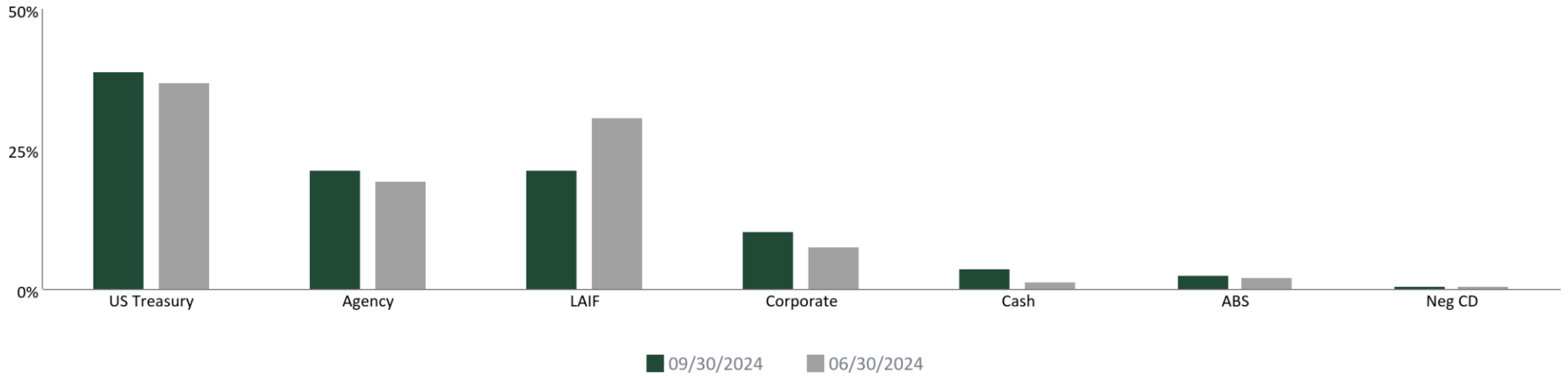
	9/30/2024 Portfolio	6/30/2024 Portfolio
Average Maturity (yrs)	1.60	1.27
Average Modified Duration	1.43	1.14
Average Purchase Yield	3.24%	3.29%
Average Market Yield	3.95%	4.80%
Average Quality**	AA+	AA+
Total Market Value	139,594,690	155,355,950

*Benchmark: NO BENCHMARK REQUIRED

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of San Clemente Cons | Account #10202 | As of September 30, 2024

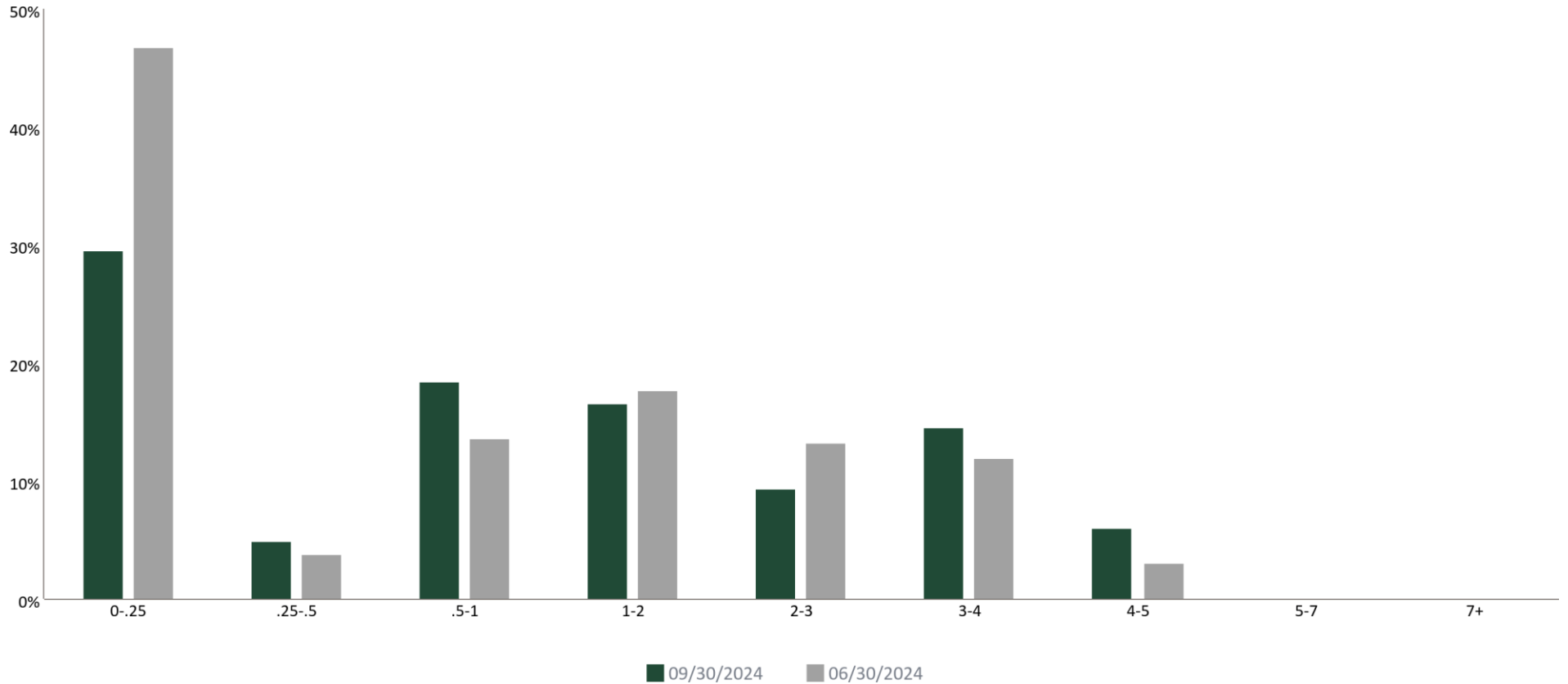


Sector as a Percentage of Market Value

Sector	09/30/2024	06/30/2024
US Treasury	39.18%	37.27%
Agency	21.62%	19.61%
LAIF	21.49%	30.91%
Corporate	10.51%	7.63%
Cash	3.91%	1.41%
ABS	2.57%	2.22%
Neg CD	0.71%	0.96%

DURATION DISTRIBUTION

City of San Clemente Cons | Account #10202 | As of September 30, 2024



Date	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
09/30/2024	29.6%	5.0%	18.6%	16.7%	9.4%	14.7%	6.1%	0.0%	0.0%
06/30/2024	46.8%	3.9%	13.6%	17.8%	13.4%	12.0%	3.1%	0.0%	0.0%

STATEMENT OF COMPLIANCE



City of San Clemente Cons | Account #10202 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
ASSET-BACKED SECURITIES (ABS)				
Max % (MV)	10.0	2.6	Compliant	
Max % Issuer (MV)	5.0	0.7	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max % (MV)	30.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	15.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.2	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV; Corporate & NCD)	20.0	11.3	Compliant	
Max % Issuer (MV; Corporate & NCD)	3.0	1.1	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD)	30.0	0.0	Compliant	

STATEMENT OF COMPLIANCE



City of San Clemente Cons | Account #10202 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	75.0	21.6	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	10.2	Compliant	
Max Callables (MV)	20.0	4.1	Compliant	
Max Maturity (Years)	5	4	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	29.9	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	10.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	20.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV; Corporate & NCD)	20.0	11.3	Compliant	
Max % Issuer (MV; Corporate & NCD)	3.0	1.1	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				

STATEMENT OF COMPLIANCE



City of San Clemente Cons | Account #10202 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	100.0	39.2	Compliant	
Max Maturity (Years)	5	4	Compliant	

CONSOLIDATED HOLDINGS

ISSUERS

City of San Clemente Cons | Account #10202 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
United States	US Treasury	39.18%
LAIF	LAIF	21.49%
Federal Home Loan Banks	Agency	10.16%
Farm Credit System	Agency	5.25%
FNMA	Agency	4.44%
Cash	Cash	2.77%
FHLMC	Agency	1.76%
Checking Deposit	Cash	1.15%
BNY Mellon Corp	Corporate	1.05%
Deere & Company	Corporate	0.97%
Apple Inc.	Corporate	0.86%
PACCAR Inc	Corporate	0.74%
UnitedHealth Group Incorporated	Corporate	0.74%
BMW Vehicle Owner Trust	ABS	0.73%
Merck & Co., Inc.	Corporate	0.71%
Target Corporation	Corporate	0.71%
BlackRock, Inc.	Corporate	0.71%
JPMorgan Chase & Co.	Corporate	0.71%
Berkshire Hathaway Inc.	Corporate	0.66%
PepsiCo, Inc.	Corporate	0.65%
The Home Depot, Inc.	Corporate	0.64%
Northern Trust Corporation	Corporate	0.54%
Capital One Financial Corporation	Neg CD	0.36%
Toyota Auto Receivables Owner Trust	ABS	0.34%
Bank of America Corporation	Corporate	0.31%
American Express Credit Master Trust	ABS	0.29%
Hyundai Auto Receivables Trust	ABS	0.25%
GM Financial Automobile Leasing Trus	ABS	0.20%
State Street Corporation	Corporate	0.19%
Honda Auto Receivables Owner Trust	ABS	0.19%

ISSUERS



City of San Clemente Cons | Account #10202 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
Legacy Bank & Trust Company	Neg CD	0.18%
Central Bank	Neg CD	0.18%
National Rural Utilities Cooperative	Corporate	0.17%
John Deere Owner Trust	ABS	0.15%
Gm Financial Automobile Leasing Trus	ABS	0.15%
Walmart Inc.	Corporate	0.15%
Hyundai Auto Receivables Trust 2024-	ABS	0.14%
GM Financial Securitized Term	ABS	0.13%
TOTAL		100.00%

HOLDINGS REPORT



City of San Clemente Cons | Account #10202 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
47788UAC6	JDOT 2021 A3 0.36 09/15/2025	1,522.31	03/02/2021 0.37%	1,522.02 1,522.27	99.81 5.41%	1,519.36 0.24	0.00% (2.90)	Aaa/NA AAA	0.96 0.04
89190GAC1	TAOT 2021-B A3 0.26 11/17/2025	46,763.22	06/08/2021 0.27%	46,758.18 46,762.37	99.63 5.34%	46,590.76 5.40	0.03% (171.61)	NA/AAA AAA	1.13 0.07
44934KAC8	HART 2021-B A3 0.38 01/15/2026	39,477.05	07/20/2021 0.60%	39,468.34 39,475.34	99.71 5.49%	39,362.26 6.67	0.03% (113.08)	NA/AAA AAA	1.29 0.06
47789QAC4	JDOT 2021-B A3 0.52 03/16/2026	71,056.11	07/13/2021 0.53%	71,049.77 71,054.41	98.83 4.69%	70,223.69 16.42	0.05% (830.72)	Aaa/NA AAA	1.46 0.28
47787JAC2	JDOT 2022 A3 0.36 09/15/2026	140,680.01	03/10/2022 2.34%	140,648.89 140,668.04	98.85 4.69%	139,062.00 145.06	0.10% (1,606.04)	Aaa/NA AAA	1.96 0.49
36265WAD5	GMCAR 2022-3 A3 3.64 04/16/2027	182,826.98	07/06/2022 3.67%	182,825.72 182,826.36	99.46 4.67%	181,842.69 277.29	0.13% (983.66)	Aaa/NA AAA	2.54 0.54
36269WAD1	GMALT 2024-2 A3 5.39 07/20/2027	270,000.00	05/07/2024 5.85%	269,984.31 269,986.18	101.83 4.31%	274,940.92 444.68	0.20% 4,954.74	NA/AAA AAA	2.80 1.59
38012QAD0	GMALT 243 A3 4.56 10/20/2027	210,000.00	09/24/2024 4.61%	209,975.16 209,975.16	99.99 4.25%	209,975.16 0.00	0.15% (0.00)	NA/AAA NA	3.05 1.74
05592XAD2	BMWOT 2023-A A3 5.47 02/25/2028	1,000,000.00	12/15/2023 5.04%	1,009,804.69 1,007,444.00	101.24 4.43%	1,012,395.10 911.67	0.73% 4,951.10	NA/AAA AAA	3.41 1.12
02582JJZ4	AMXCA 2023-1 A 4.87 05/15/2026	405,000.00	06/07/2023 4.87%	404,964.08 404,974.28	101.19 4.14%	409,838.82 876.60	0.29% 4,864.54	NA/AAA AAA	1.62 1.53
89238DAD0	TAOT 2024-A A3 4.83 10/16/2028	415,000.00	01/23/2024 4.89%	414,916.96 414,928.78	101.11 4.20%	419,624.22 890.87	0.30% 4,695.44	Aaa/AAA NA	4.04 1.62
437930AC4	HONDO-242-A3 5.27 11/20/2028	255,000.00	05/14/2024 5.27%	254,969.02 254,971.53	102.19 4.16%	260,582.72 485.28	0.19% 5,611.19	NA/AAA AAA	4.14 1.86
448973AD9	HART 2024-A A3 4.99 02/15/2029	300,000.00	03/21/2024 5.05%	299,933.85 299,941.01	101.69 4.14%	305,069.97 665.33	0.22% 5,128.96	NA/AAA AAA	4.38 1.85
44934QAD3	HART 2024-B A3 4.84 03/15/2029	195,000.00	07/16/2024 4.90%	194,970.57 194,971.77	101.71 4.12%	198,326.78 419.47	0.14% 3,355.01	NA/AAA AAA	4.45 2.19
Total ABS		3,532,325.67	4.67%	3,541,791.55 3,539,501.50	101.06 4.34%	3,569,354.46 5,144.97	2.57% 29,852.96	Aaa/AAA AAA	3.21 1.38

AGENCY

HOLDINGS REPORT



City of San Clemente Cons | Account #10202 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
313384J42	FEDERAL HOME LOAN BANKS 10/04/2024	750,000.00	02/28/2024 5.18%	727,005.00 749,685.00	99.95 6.31%	749,612.50 0.00	0.54% (72.50)	P-1/A-1+ F1+	0.01 0.01
3135G0W66	FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625 10/15/2024	1,000,000.00	10/29/2019 1.72%	995,300.00 999,963.69	99.87 4.93%	998,701.77 7,493.06	0.72% (1,261.92)	Aaa/AA+ AA+	0.04 0.04
3135G0X24	FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625 01/07/2025	1,000,000.00	03/24/2020 0.98%	1,030,350.00 1,001,700.57	99.19 4.67%	991,933.85 3,791.67	0.71% (9,766.72)	Aaa/AA+ AA+	0.27 0.26
3137EAEP0	FEDERAL HOME LOAN MORTGAGE CORP 1.5 02/12/2025	1,500,000.00	03/03/2020 0.89%	1,544,295.00 1,503,286.56	98.85 4.70%	1,482,751.08 3,062.50	1.07% (20,535.48)	Aaa/AA+ AA+	0.37 0.36
3130APCT0	FEDERAL HOME LOAN BANKS 0.72 02/21/2025	1,000,000.00	09/29/2021 0.72%	1,000,000.00 1,000,000.00	98.40 4.94%	983,964.34 3,200.00	0.71% (16,035.66)	Aaa/AA+ AA+	0.39 0.38
3130A4CH3	FEDERAL HOME LOAN BANKS 2.375 03/14/2025	1,500,000.00	04/07/2020 0.87%	1,610,160.00 1,510,031.23	99.04 4.53%	1,485,614.55 1,682.29	1.07% (24,416.68)	Aaa/AA+ AA+	0.45 0.44
3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025	1,500,000.00	05/01/2020 0.61%	1,501,305.00 1,500,146.04	97.98 4.33%	1,469,675.30 4,140.63	1.06% (30,470.74)	Aaa/AA+ AA+	0.56 0.54
3133ENVV1	FEDERAL FARM CREDIT BANKS FUNDING CORP 2.75 04/25/2025	1,000,000.00	05/12/2022 2.83%	997,630.00 999,547.53	99.19 4.20%	991,925.51 11,916.67	0.71% (7,622.02)	Aaa/AA+ AA+	0.57 0.55
3135G04Z3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 06/17/2025	1,300,000.00	08/11/2020 0.44%	1,303,809.00 1,300,557.36	97.43 4.20%	1,266,630.01 1,877.78	0.91% (33,927.35)	Aaa/AA+ AA+	0.71 0.70
3130APDL6	FEDERAL HOME LOAN BANKS 0.8 06/30/2025	1,000,000.00	09/29/2021 0.80%	1,000,000.00 1,000,000.00	97.35 4.44%	973,544.98 22.22	0.70% (26,455.02)	Aaa/AA+ AA+	0.75 0.73
3137EAEU9	FEDERAL HOME LOAN MORTGAGE CORP 0.375 07/21/2025	1,000,000.00	08/13/2020 0.47%	995,530.00 999,271.57	97.12 4.04%	971,248.34 729.17	0.70% (28,023.23)	Aaa/AA+ AA+	0.80 0.79
3135G05X7	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.375 08/25/2025	1,500,000.00	12/09/2021 1.17%	1,456,590.00 1,489,484.14	96.87 3.95%	1,452,981.74 562.50	1.04% (36,502.40)	Aaa/AA+ AA+	0.90 0.88
3130APEG6	FEDERAL HOME LOAN BANKS 0.85 09/30/2025	1,000,000.00	09/29/2021 0.85%	1,000,000.00 1,000,000.00	97.14 3.79%	971,448.98 23.61	0.70% (28,551.02)	Aaa/AA+ AA+	1.00 0.98
3130APE35	FEDERAL HOME LOAN BANKS 1.0 03/30/2026	1,000,000.00	09/29/2021 1.00%	1,000,000.00 1,000,000.00	95.81 3.91%	958,078.61 27.78	0.69% (41,921.39)	Aaa/AA+ AA+	1.50 1.46
3133ERKR1	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 07/10/2026	1,500,000.00	07/18/2024 4.49%	1,503,885.00 1,503,486.26	101.56 3.70%	1,523,466.29 15,609.38	1.10% 19,980.02	Aaa/AA+ AA+	1.77 1.68
3133EPSW6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 08/14/2026	1,580,000.00	08/09/2023 4.58%	1,576,366.00 1,577,738.70	101.54 3.64%	1,604,256.63 9,282.50	1.15% 26,517.94	Aaa/AA+ AA+	1.87 1.77
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	1,000,000.00	11/16/2023 4.69%	998,230.00 998,745.17	102.01 3.63%	1,020,139.03 17,215.28	0.73% 21,393.86	Aaa/AA+ AA+	2.13 1.98

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3130AL5A8	FEDERAL HOME LOAN BANKS 0.9 02/26/2027	2,000,000.00	01/30/2023 3.99%	1,767,120.00 1,862,588.28	93.25 3.87%	1,865,049.72 1,750.00	1.34% 2,461.44	Aaa/AA+ AA+	2.41 2.33
3133ERMB4	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027	1,500,000.00	07/18/2024 4.26%	1,499,535.00 1,499,564.73	101.64 3.63%	1,524,617.90 12,041.67	1.10% 25,053.17	Aaa/AA+ AA+	2.81 2.61
3130ATS57	FEDERAL HOME LOAN BANKS 4.5 03/10/2028	1,400,000.00	04/10/2023 3.70%	1,449,896.00 1,434,913.30	102.91 3.59%	1,440,774.37 3,675.00	1.04% 5,861.07	Aaa/AA+ AA+	3.44 3.17
3130AWC24	FEDERAL HOME LOAN BANKS 4.0 06/09/2028	1,600,000.00	06/27/2023 4.11%	1,591,856.00 1,593,932.54	101.53 3.55%	1,624,510.99 19,911.11	1.17% 30,578.45	Aaa/AA+ AA+	3.69 3.37
3130AWTR1	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	2,000,000.00	09/13/2023 4.49%	1,989,582.38 1,991,773.46	102.73 3.62%	2,054,694.90 5,590.28	1.48% 62,921.44	Aaa/AA+ AA+	3.94 3.59
3133EPC45	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 11/13/2028	1,600,000.00	11/27/2023 4.46%	1,611,456.00 1,609,508.73	103.87 3.61%	1,661,860.51 28,366.67	1.20% 52,351.78	Aaa/AA+ AA+	4.12 3.67
Total Agency		30,230,000.00	2.68%	30,149,900.38 30,125,924.85	99.54 4.07%	30,067,481.89 151,971.74	21.62% (58,442.96)	Aaa/AA+ AA+	1.73 1.61
CASH									
CCYUSD	Payable	(209,975.16)	-- 0.00%	(209,975.16) (209,975.16)	1.00 0.00%	(209,975.16) 0.00	(0.15%) 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	404,116.41	-- 0.00%	404,116.41 404,116.41	1.00 0.00%	404,116.41 0.00	0.29% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Cash	1,148,002.03	-- 0.00%	1,148,002.03 1,148,002.03	1.00 0.00%	1,148,002.03 0.00	0.83% 0.00	Aaa/AAA AAA	0.00 0.00
90CHECK\$1	Checking Deposit Bank Account	1,592,933.64	07/31/2024 0.00%	1,592,933.64 1,592,933.64	1.00 0.00%	1,592,933.64 0.00	1.15% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Cash	2,508,394.80	-- 0.00%	2,508,394.80 2,508,394.80	1.00 0.00%	2,508,394.80 0.00	1.80% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		5,443,471.72	0.00%	5,443,471.72 5,443,471.72	1.00 0.00%	5,443,471.72 0.00	3.91% 0.00	Aaa/AAA AAA	0.00 0.00
CORPORATE									
24422EWB1	JOHN DEERE CAPITAL CORP 2.125 03/07/2025	335,000.00	03/02/2022 2.14%	334,855.95 334,979.36	98.94 4.62%	331,433.09 474.58	0.24% (3,546.27)	A1/A A+	0.43 0.42

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
87612EBL9	TARGET CORP 2.25 04/15/2025	1,000,000.00	02/01/2022 1.79%	1,014,120.00 1,002,050.88	98.73 4.66%	987,327.29 10,375.00	0.71% (14,723.59)	A2/A A	0.54 0.52
06406RBC0	BANK OF NEW YORK MELLON CORP 3.35 04/25/2025	725,000.00	04/19/2022 3.35%	724,898.50 724,980.90	99.30 4.61%	719,926.33 10,524.58	0.52% (5,054.57)	A1/A AA-	0.57 0.55
63743HFE7	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 3.45 06/15/2025	245,000.00	04/27/2022 3.46%	244,933.85 244,985.06	99.27 4.50%	243,215.67 2,488.79	0.17% (1,769.39)	A2/A- A	0.71 0.68
931142EW9	WALMART INC 3.9 09/09/2025	210,000.00	09/06/2022 3.92%	209,853.00 209,953.99	99.80 4.11%	209,589.47 500.50	0.15% (364.52)	Aa2/AA AA	0.94 0.91
857477BR3	STATE STREET CORP 1.746 02/06/2026	270,000.00	02/02/2022 1.75%	270,000.00 270,000.00	98.82 5.27%	266,817.56 720.23	0.19% (3,182.44)	A1/A AA-	1.35 0.34
46647PBK1	JPMORGAN CHASE & CO 2.083 04/22/2026	1,000,000.00	05/05/2021 1.15%	1,036,350.00 1,005,103.08	98.40 6.11%	984,043.69 9,199.92	0.71% (21,059.39)	A1/A- AA-	1.56 0.54
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	945,000.00	03/07/2022 2.30%	944,820.45 944,911.99	96.79 3.68%	914,671.71 966.00	0.66% (30,240.28)	Aa2/AA A+	2.45 2.35
09247XAN1	BLACKROCK FINANCE INC 3.2 03/15/2027	1,000,000.00	06/08/2022 3.43%	990,020.00 994,863.66	98.55 3.82%	985,543.54 1,422.22	0.71% (9,320.12)	Aa3/AA- NA	2.45 2.33
06051GHT9	BANK OF AMERICA CORP 3.559 04/23/2027	440,000.00	09/07/2022 5.08%	418,946.00 430,375.00	98.75 4.98%	434,517.57 6,872.82	0.31% 4,142.57	A1/A- AA-	2.56 1.48
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	750,000.00	-- 4.21%	743,857.50 746,385.43	100.16 3.93%	751,220.27 11,750.00	0.54% 4,834.84	A2/A+ A+	2.61 2.34
91324PDE9	UNITEDHEALTH GROUP INC 2.95 10/15/2027	1,050,000.00	12/15/2022 4.33%	987,420.00 1,010,589.88	97.35 3.88%	1,022,132.83 14,282.92	0.74% 11,542.95	A2/A+ A	3.04 2.83
037833ET3	APPLE INC 4.0 05/10/2028	1,180,000.00	-- 4.10%	1,174,672.60 1,176,113.95	101.09 3.67%	1,192,904.67 18,486.67	0.86% 16,790.71	Aaa/AA+ NA	3.61 3.21
58933YBH7	MERCK & CO INC 4.05 05/17/2028	980,000.00	-- 3.98%	982,956.20 982,127.87	100.84 3.80%	988,249.26 14,773.50	0.71% 6,121.39	A1/A+ NA	3.63 3.23
24422EXH7	JOHN DEERE CAPITAL CORP 4.5 01/16/2029	1,000,000.00	01/12/2024 4.39%	1,005,040.00 1,004,327.89	101.84 4.03%	1,018,362.57 9,375.00	0.73% 14,034.68	A1/A A+	4.30 3.84
69371RS80	PACCAR FINANCIAL CORP 4.6 01/31/2029	1,000,000.00	07/29/2024 4.62%	999,030.00 999,067.13	102.54 3.95%	1,025,415.96 7,794.44	0.74% 26,348.83	A1/A+ NA	4.34 3.88
06406RBD8	BANK OF NEW YORK MELLON CORP 3.85 04/26/2029	750,000.00	04/26/2024 5.16%	707,355.00 710,959.46	99.21 4.04%	744,087.99 12,432.29	0.54% 33,128.53	A1/A AA-	4.57 4.08

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
437076DC3	HOME DEPOT INC 4.75 06/25/2029	865,000.00	-- 4.70%	866,801.75 866,750.61	103.07 4.03%	891,566.24 10,956.67	0.64% 24,815.63	A2/A A	4.73 4.10
713448FX1	PEPSICO INC 4.5 07/17/2029	880,000.00	-- 4.53%	878,768.50 878,819.76	103.07 3.79%	906,979.15 8,140.00	0.65% 28,159.39	A1/A+ NA	4.79 4.19
Total Corporate		14,625,000.00	3.67%	14,534,699.30 14,537,345.92	99.99 4.20%	14,618,004.86 151,536.13	10.51% 80,658.94	A1/A+ A+	2.93 2.54
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	29,880,976.37	-- 4.57%	29,880,976.37 29,880,976.37	1.00 4.57%	29,880,976.37 0.00	21.49% 0.00	NA/NA NA	0.00 0.00
Total LAIF		29,880,976.37	4.57%	29,880,976.37 29,880,976.37	1.00 4.57%	29,880,976.37 0.00	21.49% 0.00	NA/NA NA	0.00 0.00
NEGOTIABLE CD									
14042RTQ4	Capital One, National Association 3.3 08/18/2025	250,000.00	08/17/2022 3.30%	250,000.00 250,000.00	99.29 4.12%	248,220.51 1,017.12	0.18% (1,779.49)	A1/BBB+ A+	0.88 0.86
14042TJL2	Capital One Bank (USA), National Association 3.3 08/18/2025	250,000.00	08/17/2022 3.30%	250,000.00 250,000.00	99.29 4.12%	248,220.51 1,017.12	0.18% (1,779.49)	WR/BBB+ A	0.88 0.86
152577BE1	Central Bank 3.2 08/19/2025	250,000.00	08/19/2022 3.20%	250,000.00 250,000.00	99.23 4.09%	248,082.61 263.01	0.18% (1,917.39)	NA/NA NA	0.88 0.87
52470QBP8	Legacy Bank & Trust Company 3.25 08/29/2025	250,000.00	08/31/2022 3.25%	250,000.00 250,000.00	99.29 4.04%	248,231.68 22.26	0.18% (1,768.33)	NA/NA NA	0.91 0.89
Total Negotiable CD		1,000,000.00	3.26%	1,000,000.00 1,000,000.00	99.28 4.09%	992,755.30 2,319.52	0.71% (7,244.70)	A1/BBB+ A+	0.89 0.87
US TREASURY									
912797KV8	UNITED STATES TREASURY 10/24/2024	1,000,000.00	07/29/2024 5.29%	987,691.25 996,708.13	99.70 4.80%	996,982.85 0.00	0.72% 274.73	P-1/A-1+ F1+	0.07 0.06
912828YV6	UNITED STATES TREASURY 1.5 11/30/2024	600,000.00	12/29/2021 0.98%	609,070.31 600,510.52	99.46 4.81%	596,748.05 3,024.59	0.43% (3,762.48)	Aaa/AA+ AA+	0.17 0.16
9128283J7	UNITED STATES TREASURY 2.125 11/30/2024	1,000,000.00	01/30/2024 4.97%	977,109.38 995,482.11	99.56 4.77%	995,644.53 7,141.39	0.72% 162.42	Aaa/AA+ AA+	0.17 0.16

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CDN8	UNITED STATES TREASURY 1.0 12/15/2024	1,500,000.00	01/24/2022 1.23%	1,490,214.84 1,499,304.37	99.27 4.60%	1,488,984.38 4,426.23	1.07% (10,320.00)	Aaa/AA+ AA+	0.21 0.20
912828ZF0	UNITED STATES TREASURY 0.5 03/31/2025	1,250,000.00	03/17/2021 0.64%	1,243,164.06 1,249,160.58	98.11 4.38%	1,226,367.19 17.17	0.88% (22,793.39)	Aaa/AA+ AA+	0.50 0.49
912828XB1	UNITED STATES TREASURY 2.125 05/15/2025	3,000,000.00	05/12/2022 2.78%	2,942,343.75 2,988,143.48	98.70 4.27%	2,960,917.98 24,079.48	2.13% (27,225.50)	Aaa/AA+ AA+	0.62 0.60
912828ZT0	UNITED STATES TREASURY 0.25 05/31/2025	700,000.00	08/06/2021 0.58%	691,277.34 698,482.47	97.42 4.23%	681,932.62 588.11	0.49% (16,549.86)	Aaa/AA+ AA+	0.67 0.65
91282CEY3	UNITED STATES TREASURY 3.0 07/15/2025	2,000,000.00	08/16/2022 3.12%	1,993,080.00 1,998,133.42	99.19 4.06%	1,983,718.74 12,717.39	1.43% (14,414.68)	Aaa/AA+ AA+	0.79 0.77
91282CAB7	UNITED STATES TREASURY 0.25 07/31/2025	1,000,000.00	06/28/2021 0.72%	980,937.50 996,133.91	96.90 4.08%	969,007.81 421.20	0.70% (27,126.10)	Aaa/AA+ AA+	0.83 0.81
91282CFE6	UNITED STATES TREASURY 3.125 08/15/2025	2,000,000.00	08/16/2022 3.11%	2,000,940.00 2,000,272.99	99.20 4.06%	1,984,031.24 7,982.34	1.43% (16,241.75)	Aaa/AA+ AA+	0.87 0.85
91282CAJ0	UNITED STATES TREASURY 0.25 08/31/2025	1,000,000.00	06/28/2021 0.75%	979,375.00 995,482.78	96.61 4.06%	966,125.00 214.09	0.69% (29,357.78)	Aaa/AA+ AA+	0.92 0.90
91282CAM3	UNITED STATES TREASURY 0.25 09/30/2025	4,000,000.00	-- 4.02%	3,680,087.50 3,857,437.23	96.39 3.98%	3,855,625.00 27.47	2.77% (1,812.23)	Aaa/AA+ AA+	1.00 0.98
91282CAT8	UNITED STATES TREASURY 0.25 10/31/2025	1,500,000.00	02/16/2021 0.48%	1,483,593.75 1,496,225.70	96.13 3.94%	1,441,933.59 1,569.29	1.04% (54,292.11)	Aaa/AA+ AA+	1.08 1.06
91282CBC4	UNITED STATES TREASURY 0.375 12/31/2025	1,600,000.00	01/08/2021 0.48%	1,591,625.00 1,597,895.87	95.81 3.85%	1,532,937.50 1,516.30	1.10% (64,958.36)	Aaa/AA+ AA+	1.25 1.22
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	1,000,000.00	04/06/2021 0.88%	976,210.94 993,417.46	95.57 3.82%	955,664.06 631.79	0.69% (37,753.40)	Aaa/AA+ AA+	1.34 1.30
91282CBT7	UNITED STATES TREASURY 0.75 03/31/2026	1,800,000.00	08/26/2021 0.78%	1,797,257.81 1,799,107.19	95.64 3.77%	1,721,460.94 37.09	1.24% (77,646.25)	Aaa/AA+ AA+	1.50 1.46
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	1,400,000.00	09/10/2021 0.77%	1,398,742.19 1,399,556.37	95.25 3.72%	1,333,445.32 3,528.69	0.96% (66,111.05)	Aaa/AA+ AA+	1.67 1.62
91282CCJ8	UNITED STATES TREASURY 0.875 06/30/2026	1,000,000.00	08/16/2022 2.98%	922,520.00 965,095.65	95.27 3.69%	952,695.31 2,211.28	0.69% (12,400.34)	Aaa/AA+ AA+	1.75 1.70
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	1,500,000.00	-- 3.15%	1,358,154.06 1,434,786.16	94.63 3.68%	1,419,433.59 1,579.48	1.02% (15,352.57)	Aaa/AA+ AA+	1.83 1.79
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	3,000,000.00	-- 3.14%	2,716,308.13 2,869,572.31	94.63 3.68%	2,838,867.18 3,158.97	2.04% (30,705.13)	Aaa/AA+ AA+	1.83 1.79

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	1,000,000.00	-- 2.21%	948,345.43 974,996.76	94.73 3.64%	947,265.62 24.04	0.68% (27,731.14)	Aaa/AA+ AA+	2.00 1.95
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	1,800,000.00	-- 2.21%	1,707,021.77 1,754,994.16	94.73 3.64%	1,705,078.12 43.27	1.23% (49,916.05)	Aaa/AA+ AA+	2.00 1.95
91282CDK4	UNITED STATES TREASURY 1.25 11/30/2026	1,350,000.00	05/11/2022 2.90%	1,254,708.98 1,304,732.47	95.09 3.63%	1,283,765.63 5,671.11	0.92% (20,966.84)	Aaa/AA+ AA+	2.17 2.09
91282CEN7	UNITED STATES TREASURY 2.75 04/30/2027	1,750,000.00	08/29/2022 3.32%	1,706,728.52 1,726,090.16	97.94 3.59%	1,713,974.61 20,139.27	1.23% (12,115.55)	Aaa/AA+ AA+	2.58 2.44
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	1,300,000.00	11/29/2022 4.01%	1,258,765.63 1,275,303.74	99.16 3.57%	1,289,031.25 10,677.31	0.93% 13,727.51	Aaa/AA+ AA+	2.75 2.58
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	1,500,000.00	10/11/2022 4.16%	1,431,738.28 1,459,287.85	98.76 3.58%	1,481,425.79 4,014.16	1.07% 22,137.93	Aaa/AA+ AA+	2.92 2.75
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	1,350,000.00	05/31/2023 3.80%	1,361,654.30 1,358,374.43	101.36 3.57%	1,368,351.56 4,624.31	0.98% 9,977.13	Aaa/AA+ AA+	3.42 3.16
91282CHA2	UNITED STATES TREASURY 3.5 04/30/2028	1,400,000.00	05/31/2023 3.79%	1,381,734.38 1,386,700.19	99.75 3.57%	1,396,554.68 20,505.43	1.00% 9,854.50	Aaa/AA+ AA+	3.58 3.29
91282CHK0	UNITED STATES TREASURY 4.0 06/30/2028	1,500,000.00	07/20/2023 4.10%	1,493,496.09 1,495,073.45	101.50 3.57%	1,522,441.41 15,163.04	1.09% 27,367.96	Aaa/AA+ AA+	3.75 3.42
91282CHQ7	UNITED STATES TREASURY 4.125 07/31/2028	1,800,000.00	08/24/2023 4.39%	1,778,765.63 1,783,514.49	101.94 3.58%	1,834,945.31 12,509.51	1.32% 51,430.82	Aaa/AA+ AA+	3.84 3.50
9128284V9	UNITED STATES TREASURY 2.875 08/15/2028	1,400,000.00	07/29/2024 4.12%	1,335,468.75 1,338,221.27	97.46 3.58%	1,364,398.43 5,140.63	0.98% 26,177.17	Aaa/AA+ AA+	3.88 3.61
91282CJR3	UNITED STATES TREASURY 3.75 12/31/2028	1,800,000.00	01/23/2024 4.06%	1,775,531.25 1,778,937.60	100.67 3.58%	1,812,093.75 17,058.42	1.30% 33,156.15	Aaa/AA+ AA+	4.25 3.86
91282CKP5	UNITED STATES TREASURY 4.625 04/30/2029	1,500,000.00	04/29/2024 4.64%	1,499,062.50 1,499,141.57	104.42 3.57%	1,566,328.13 29,031.93	1.13% 67,186.56	Aaa/AA+ AA+	4.58 4.04
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	1,800,000.00	07/29/2024 4.10%	1,732,710.94 1,735,071.30	98.56 3.58%	1,774,054.69 14,783.97	1.28% 38,983.39	Aaa/AA+ AA+	4.75 4.32
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	2,500,000.00	09/25/2024 3.51%	2,513,183.59 2,513,146.97	100.30 3.56%	2,507,421.88 7,760.70	1.80% (5,725.09)	Aaa/AA+ AA+	4.92 4.45
Total US Treasury		55,600,000.00	2.94%	53,998,618.84 54,814,495.11	98.03 3.85%	54,469,653.71 242,019.46	39.18% (344,841.40)	Aaa/AA+ AA+	2.11 1.98

HOLDINGS REPORT



City of San Clemente Cons | Account #10202 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total Portfolio		140,311,773.76	3.24%	138,549,458.16 139,341,715.48	74.00 3.95%	139,041,698.31 552,991.82	100.00% (300,017.17)	Aa1/AA AA	1.60 1.43
Total Market Value + Accrued						139,594,690.12			

TRANSACTION LEDGER



City of San Clemente Cons | Account #10202 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/15/2024	90LAIF\$00	474,998.27	Local Agency Investment Fund State Pool	1.000	4.53%	(474,998.27)	0.00	(474,998.27)	0.00
Purchase	07/17/2024	713448FX1	250,000.00	PEPSICO INC 4.5 07/17/2029	99.898	4.52%	(249,745.00)	0.00	(249,745.00)	0.00
Purchase	07/17/2024	713448FX1	630,000.00	PEPSICO INC 4.5 07/17/2029	99.845	4.53%	(629,023.50)	0.00	(629,023.50)	0.00
Purchase	07/19/2024	3133ERKR1	1,500,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 07/10/2026	100.259	4.49%	(1,503,885.00)	(1,734.38)	(1,505,619.38)	0.00
Purchase	07/19/2024	437076DC3	550,000.00	HOME DEPOT INC 4.75 06/25/2029	100.697	4.59%	(553,833.50)	(1,741.67)	(555,575.17)	0.00
Purchase	07/23/2024	3133ERMB4	1,500,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027	99.969	4.26%	(1,499,535.00)	0.00	(1,499,535.00)	0.00
Purchase	07/24/2024	44934QAD3	195,000.00	HART 2024-B A3 4.84 03/15/2029	99.985	5.45%	(194,970.57)	0.00	(194,970.57)	0.00
Purchase	07/30/2024	69371RS80	1,000,000.00	PACCAR FINANCIAL CORP 4.6 01/31/2029	99.903	4.62%	(999,030.00)	(23,000.00)	(1,022,030.00)	0.00
Purchase	07/30/2024	91282CEV9	1,800,000.00	UNITED STATES TREASURY 3.25 06/30/2029	96.262	4.10%	(1,732,710.94)	(4,769.02)	(1,737,479.96)	0.00
Purchase	07/30/2024	9128284V9	1,400,000.00	UNITED STATES TREASURY 2.875 08/15/2028	95.391	4.12%	(1,335,468.75)	(18,355.77)	(1,353,824.52)	0.00
Purchase	07/30/2024	912797KV8	1,000,000.00	UNITED STATES TREASURY 10/24/2024	98.769	5.29%	(987,691.25)	0.00	(987,691.25)	0.00
Purchase	07/30/2024	912797LJ4	1,000,000.00	UNITED STATES TREASURY 09/24/2024	99.182	5.37%	(991,821.67)	0.00	(991,821.67)	0.00
Purchase	08/27/2024	90LAIF\$00	1,000,000.00	Local Agency Investment Fund State Pool	1.000	4.59%	(1,000,000.00)	0.00	(1,000,000.00)	0.00
Purchase	09/09/2024	90LAIF\$00	8,000,000.00	Local Agency Investment Fund State Pool	1.000	4.59%	(8,000,000.00)	0.00	(8,000,000.00)	0.00
Purchase	09/16/2024	90LAIF\$00	880,000.00	Local Agency Investment Fund State Pool	1.000	4.60%	(880,000.00)	0.00	(880,000.00)	0.00
Purchase	09/26/2024	91282CLK5	2,500,000.00	UNITED STATES TREASURY 3.625 08/31/2029	100.527	3.51%	(2,513,183.59)	(6,508.98)	(2,519,692.57)	0.00
Purchase	10/02/2024	38012QADO	210,000.00	4.56 10/20/2027	99.988	4.61%	(209,975.16)	0.00	(209,975.16)	0.00
Total Purchase			23,889,998.27				(23,755,872.20)	(56,109.82)	(23,811,982.02)	0.00

TRANSACTION LEDGER



City of San Clemente Cons | Account #10202 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
TOTAL ACQUISITIONS			23,889,998.27				(23,755,872.20)	(56,109.82)	(23,811,982.02)	0.00
DISPOSITIONS										
Maturity	07/01/2024	90348JN97	(250,000.00)	UBS Bank USA 0.4 07/01/2024	100.000	0.40%	250,000.00	0.00	250,000.00	0.00
Maturity	07/01/2024	649447VB2	(250,000.00)	Flagstar Bank, National Association 0.4 07/01/2024	100.000	0.40%	250,000.00	0.00	250,000.00	0.00
Maturity	07/02/2024	3135G0V75	(1,400,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.75 07/02/2024	100.000	1.75%	1,400,000.00	0.00	1,400,000.00	0.00
Maturity	07/15/2024	91282CCL3	(750,000.00)	UNITED STATES TREASURY 0.375 07/15/2024	100.000	0.38%	750,000.00	0.00	750,000.00	0.00
Maturity	07/31/2024	9128282N9	(1,000,000.00)	UNITED STATES TREASURY 2.125 07/31/2024	100.000	2.13%	1,000,000.00	0.00	1,000,000.00	0.00
Maturity	07/31/2024	91282CFA4	(3,000,000.00)	UNITED STATES TREASURY 3.0 07/31/2024	100.000	3.00%	3,000,000.00	0.00	3,000,000.00	0.00
Maturity	08/15/2024	91282CCT6	(3,000,000.00)	UNITED STATES TREASURY 0.375 08/15/2024	100.000	0.38%	3,000,000.00	0.00	3,000,000.00	0.00
Maturity	08/26/2024	3130AS3U1	(1,000,000.00)	FEDERAL HOME LOAN BANKS 3.0 08/26/2024	100.000	3.00%	1,000,000.00	0.00	1,000,000.00	0.00
Maturity	08/31/2024	912828YE4	(1,300,000.00)	UNITED STATES TREASURY 1.25 08/31/2024	100.000	1.25%	1,300,000.00	0.00	1,300,000.00	0.00
Maturity	08/31/2024	9128282U3	(1,000,000.00)	UNITED STATES TREASURY 1.875 08/31/2024	100.000	1.88%	1,000,000.00	0.00	1,000,000.00	0.00
Maturity	09/13/2024	3130A2UW4	(1,500,000.00)	FEDERAL HOME LOAN BANKS 2.875 09/13/2024	100.000	2.88%	1,500,000.00	0.00	1,500,000.00	0.00
Maturity	09/24/2024	912797LJ4	(1,000,000.00)	UNITED STATES TREASURY 09/24/2024	100.000	0.00%	1,000,000.00	0.00	1,000,000.00	0.00
Maturity	09/30/2024	912828YH7	(1,000,000.00)	UNITED STATES TREASURY 1.5 09/30/2024	100.000	1.50%	1,000,000.00	0.00	1,000,000.00	0.00
Total Maturity			(16,450,000.00)				16,450,000.00	0.00	16,450,000.00	0.00
Sale	07/01/2024	90LAIF\$00	(375,000.00)	Local Agency Investment Fund State Pool	1.000	4.49%	375,000.00	0.00	375,000.00	0.00

TRANSACTION LEDGER



City of San Clemente Cons | Account #10202 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	07/02/2024	90LAIF\$00	(5,000,000.00)	Local Agency Investment Fund State Pool	1.000	4.49%	5,000,000.00	0.00	5,000,000.00	0.00
Sale	07/03/2024	90LAIF\$00	(3,400,000.00)	Local Agency Investment Fund State Pool	1.000	4.49%	3,400,000.00	0.00	3,400,000.00	0.00
Sale	07/12/2024	90LAIF\$00	(1,250,000.00)	Local Agency Investment Fund State Pool	1.000	4.50%	1,250,000.00	0.00	1,250,000.00	0.00
Sale	07/18/2024	90LAIF\$00	(2,100,000.00)	Local Agency Investment Fund State Pool	1.000	4.53%	2,100,000.00	0.00	2,100,000.00	0.00
Sale	07/26/2024	90LAIF\$00	(3,000,000.00)	Local Agency Investment Fund State Pool	1.000	4.52%	3,000,000.00	0.00	3,000,000.00	0.00
Sale	08/01/2024	90LAIF\$00	(800,000.00)	Local Agency Investment Fund State Pool	1.000	4.57%	800,000.00	0.00	800,000.00	0.00
Sale	08/09/2024	90LAIF\$00	(2,000,000.00)	Local Agency Investment Fund State Pool	1.000	4.57%	2,000,000.00	0.00	2,000,000.00	0.00
Sale	08/23/2024	90LAIF\$00	(6,400,000.00)	Local Agency Investment Fund State Pool	1.000	4.60%	6,400,000.00	0.00	6,400,000.00	0.00
Sale	08/29/2024	90LAIF\$00	(1,100,000.00)	Local Agency Investment Fund State Pool	1.000	4.60%	1,100,000.00	0.00	1,100,000.00	0.00
Sale	09/06/2024	90LAIF\$00	(1,300,000.00)	Local Agency Investment Fund State Pool	1.000	4.59%	1,300,000.00	0.00	1,300,000.00	0.00
Sale	09/20/2024	90LAIF\$00	(1,600,000.00)	Local Agency Investment Fund State Pool	1.000	4.60%	1,600,000.00	0.00	1,600,000.00	0.00
Total Sale			(28,325,000.00)				28,325,000.00	0.00	28,325,000.00	0.00
TOTAL DISPOSITIONS			(44,775,000.00)				44,775,000.00	0.00	44,775,000.00	0.00

APPENDIX A: CHANDLER MANAGED PORTFOLIO

Investment Objectives

The investment objectives of the City of San Clemente are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index - the ICE BofA 1-3 Year US Treasury and Agency Index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality securities that comply with the investment policy and all regulations governing the funds.

PORTFOLIO CHARACTERISTICS



City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024

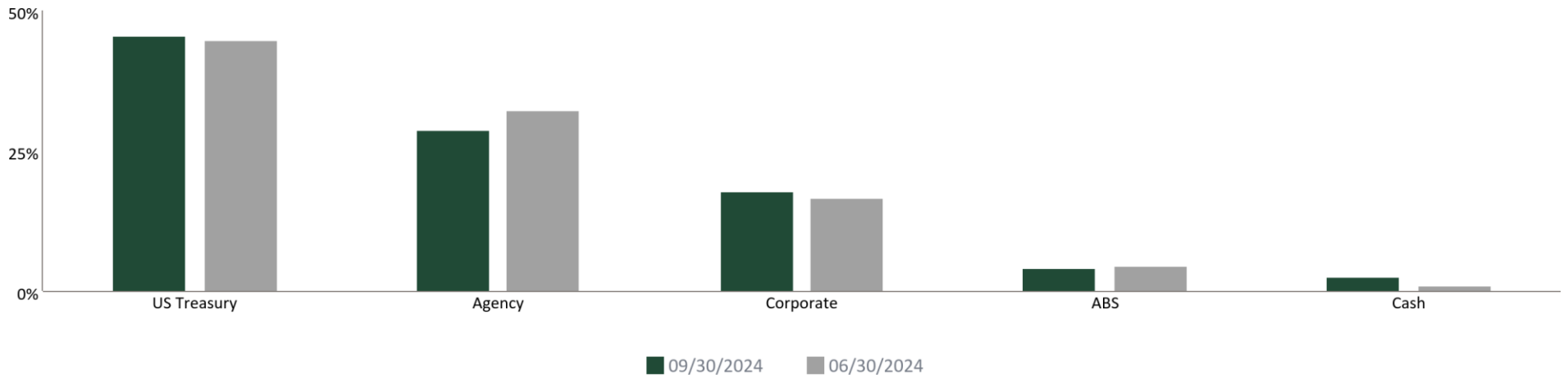
	Benchmark*	9/30/2024 Portfolio	6/30/2024 Portfolio
Average Maturity (yrs)	2.20	2.39	2.29
Average Modified Duration	2.07	2.12	2.02
Average Purchase Yield		3.04%	2.75%
Average Market Yield	3.78%	3.86%	4.82%
Average Quality**	AA+	AA+	AA+
Total Market Value		81,303,544	70,793,063

*Benchmark: ICE BofA 0-5 Year US Treasury Index

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024



Sector as a Percentage of Market Value

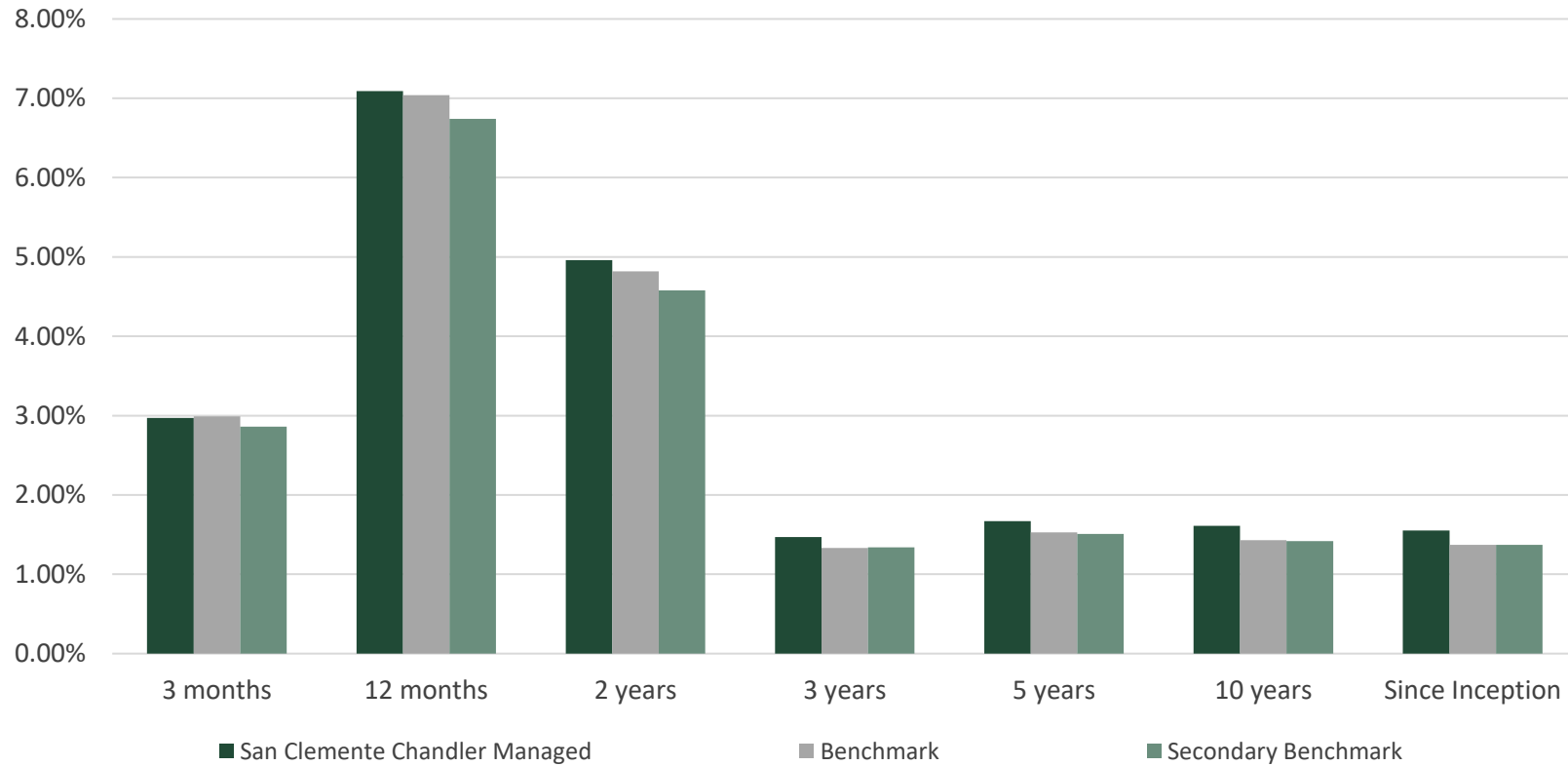
Sector	09/30/2024	06/30/2024
US Treasury	45.79%	44.92%
Agency	28.86%	32.31%
Corporate	18.09%	16.78%
ABS	4.42%	4.87%
Cash	2.84%	1.11%

INVESTMENT PERFORMANCE



City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024

Total Rate of Return : Inception | 01/01/2014



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
TOTAL RATE OF RETURN							
San Clemente Chandler Managed	2.97%	7.09%	4.96%	1.47%	1.67%	1.61%	1.55%
Benchmark	2.99%	7.04%	4.82%	1.33%	1.53%	1.43%	1.37%
Secondary Benchmark	2.86%	6.74%	4.58%	1.34%	1.51%	1.42%	1.37%

*Periods over 1 year are annualized.

*ICE BofA 1-3 Yr US Treasury & Agency Index to 9/30/2019, thereafter ICE BofA 0-5 Yr US Treasury Index; Secondary Benchmark: ICE BofA 1-3 Yr US Treasury & Agency Index.

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

ISSUERS

City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
United States	US Treasury	45.79%
Federal Home Loan Banks	Agency	10.36%
Farm Credit System	Agency	7.81%
FNMA	Agency	7.65%
FHLMC	Agency	3.04%
Cash	Cash	2.84%
BNY Mellon Corp	Corporate	1.81%
Deere & Company	Corporate	1.67%
Apple Inc.	Corporate	1.48%
PACCAR Inc	Corporate	1.27%
UnitedHealth Group Incorporated	Corporate	1.26%
BMW Vehicle Owner Trust	ABS	1.25%
Merck & Co., Inc.	Corporate	1.22%
Target Corporation	Corporate	1.22%
BlackRock, Inc.	Corporate	1.22%
JPMorgan Chase & Co.	Corporate	1.22%
Berkshire Hathaway Inc.	Corporate	1.13%
PepsiCo, Inc.	Corporate	1.12%
The Home Depot, Inc.	Corporate	1.10%
Northern Trust Corporation	Corporate	0.93%
Toyota Auto Receivables Owner Trust	ABS	0.58%
Bank of America Corporation	Corporate	0.54%
American Express Credit Master Trust	ABS	0.51%
Hyundai Auto Receivables Trust	ABS	0.43%
GM Financial Automobile Leasing Trus	ABS	0.34%
State Street Corporation	Corporate	0.33%
Honda Auto Receivables Owner Trust	ABS	0.32%
National Rural Utilities Cooperative	Corporate	0.30%
John Deere Owner Trust	ABS	0.26%
Gm Financial Automobile Leasing Trus	ABS	0.26%

ISSUERS



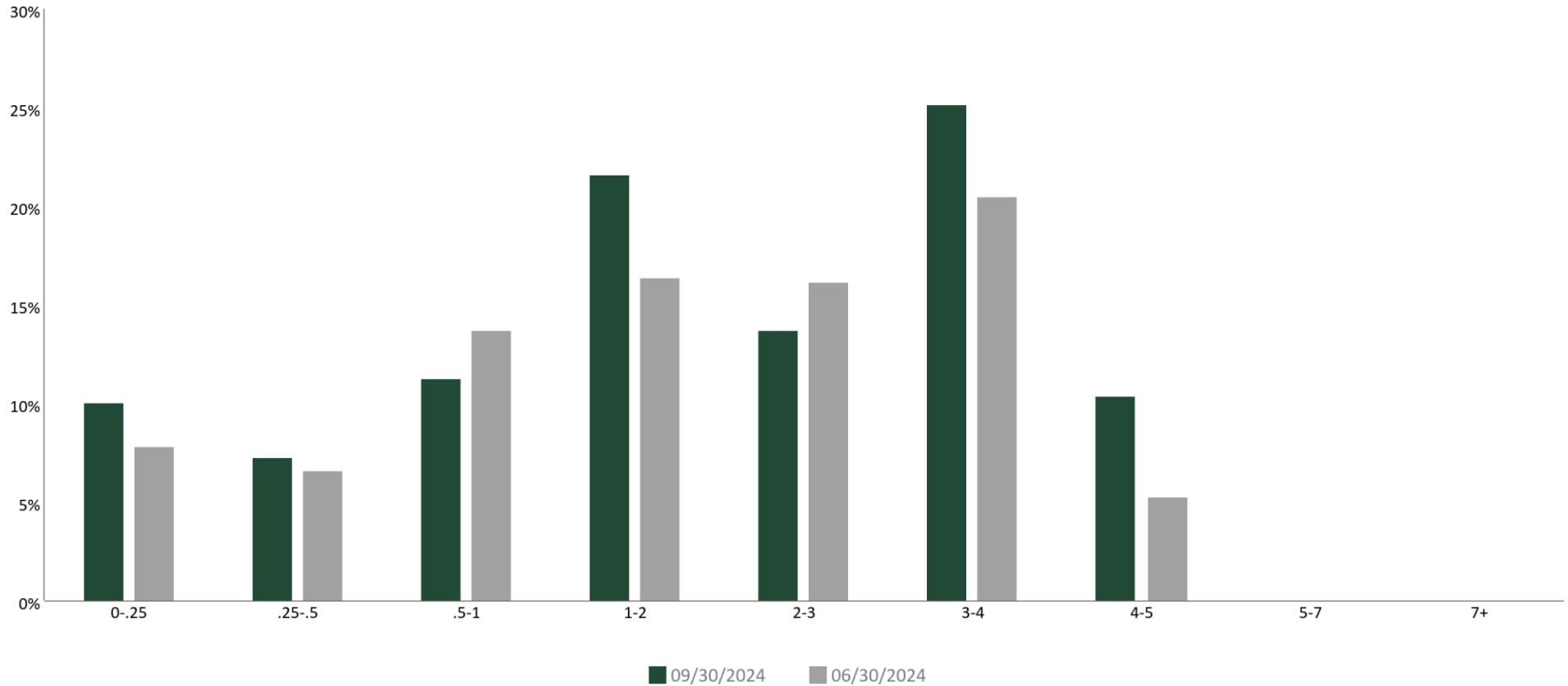
City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
Walmart Inc.	Corporate	0.26%
Hyundai Auto Receivables Trust 2024-	ABS	0.25%
GM Financial Securitized Term	ABS	0.22%
TOTAL		100.00%

DURATION DISTRIBUTION



City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024



Date	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
09/30/2024	10.1%	7.4%	11.3%	21.7%	13.8%	25.2%	10.4%	0.0%	0.0%
06/30/2024	7.9%	6.6%	13.8%	16.4%	16.3%	20.6%	5.3%	0.0%	0.0%

STATEMENT OF COMPLIANCE



City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
ASSET-BACKED SECURITIES (ABS)				
Max % (MV)	10.0	4.4	Compliant	
Max % Issuer (MV)	5.0	1.2	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max % (MV)	30.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	15.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV; Corporate & NCD)	20.0	18.2	Compliant	
Max % Issuer (MV; Corporate & NCD)	3.0	1.8	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD)	30.0	0.0	Compliant	

STATEMENT OF COMPLIANCE



City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	75.0	28.9	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	10.4	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	4	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	10.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	20.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV; Corporate & NCD)	20.0	18.2	Compliant	
Max % Issuer (MV; Corporate & NCD)	3.0	1.8	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				

STATEMENT OF COMPLIANCE



City of San Clemente Chandler Managed Portfolio | Account #10200 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	100.0	45.8	Compliant	
Max Maturity (Years)	5	4	Compliant	

APPENDIX B: INTERNALLY MANAGED PORTFOLIO

PORTFOLIO CHARACTERISTICS



San Clemente IntrnlyMgd CMAgg | Account #10201 | As of September 30, 2024

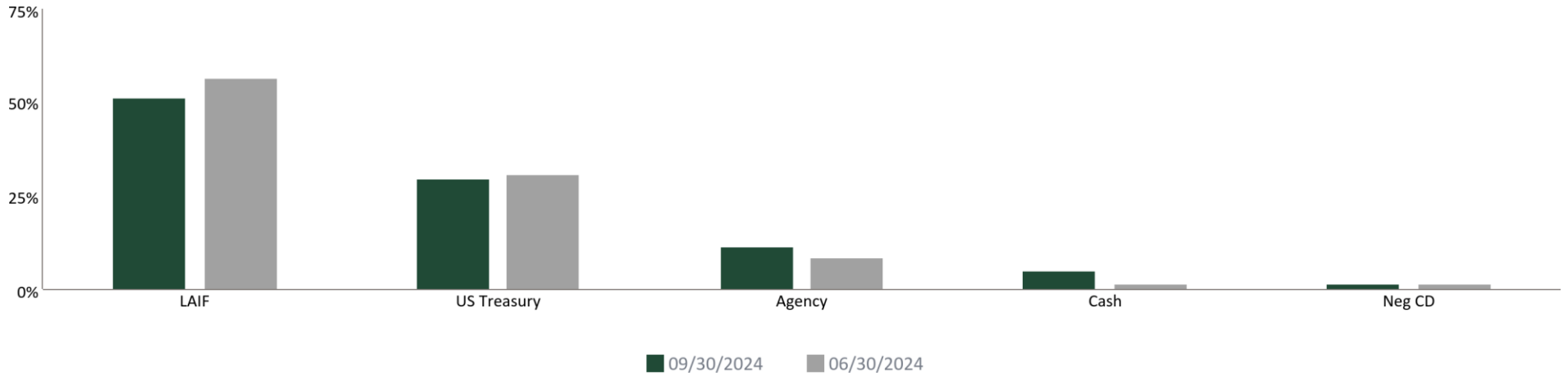
	9/30/2024 Portfolio	6/30/2024 Portfolio
Average Maturity (yrs)	0.50	0.42
Average Modified Duration	0.48	0.41
Average Purchase Yield	3.52%	3.73%
Average Market Yield	4.09%	4.79%
Average Quality**	AAA	AA+
Total Market Value	58,291,146	84,562,887

*Benchmark: ICE BofA 1-3 Year US Treasury & Agency Index

**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

San Clemente IntrnlyMgd CMAgg | Account #10201 | As of September 30, 2024



Sector as a Percentage of Market Value

Sector	09/30/2024	06/30/2024
LAIF	51.32%	56.70%
US Treasury	29.99%	30.89%
Agency	11.58%	9.01%
Cash	5.40%	1.65%
Neg CD	1.71%	1.75%

ISSUERS



San Clemente IntrnlyMgd CMAgg | Account #10201 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
LAIF	LAIF	51.32%
United States	US Treasury	29.99%
Federal Home Loan Banks	Agency	9.88%
Checking Deposit	Cash	2.74%
Cash	Cash	2.67%
Farm Credit System	Agency	1.70%
Capital One Financial Corporation	Neg CD	0.85%
Legacy Bank & Trust Company	Neg CD	0.43%
Central Bank	Neg CD	0.43%
TOTAL		100.00%

DISCLOSURES

IMPORTANT DISCLOSURES



2024 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc (“IDS”), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client’s Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ICE Data Indices, LLC (“ICE”), used with permission. ICE permits use of the ICE indices and related data on an “as is” basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an “as is” basis and licensee’s use it at licensee’s own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody’s, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities (“MBS”) reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody’s and Fitch respectively.

Benchmark	Disclosure
ICE BofA 1-3 Yr US Treasury & Agency Index	The ICE BofA 1-3 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.
ICE BofA 0-5 Yr US Treasury Index	The ICE BofA 0-5 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than five years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion.



**City of San Clemente Consolidated
Investment Portfolio
For
Chandler Asset Management
September 30, 2024**

TOTAL VALUATION INFORMATION

Market Value as of Month End	\$139,594,690	(including accrued interest)
Adjusted Cost Value	\$139,894,707	(amortized; includes accrued interest)

YIELD INFORMATION

Yield to Maturity at Cost	3.24%
Yield to Maturity at Market	3.95%

CERTIFICATION

I certify that this report accurately reflects all pooled investments and is in conformity with the investment policy approved by the San Clemente City Council on February 20, 2024. A copy of this policy is available at the office of the City Treasurer. The investment program herein shown provides sufficient cash flow liquidity to meet expenditure requirements for the next six months.

Charlie Smith, CFA, City Treasurer

10/28/24

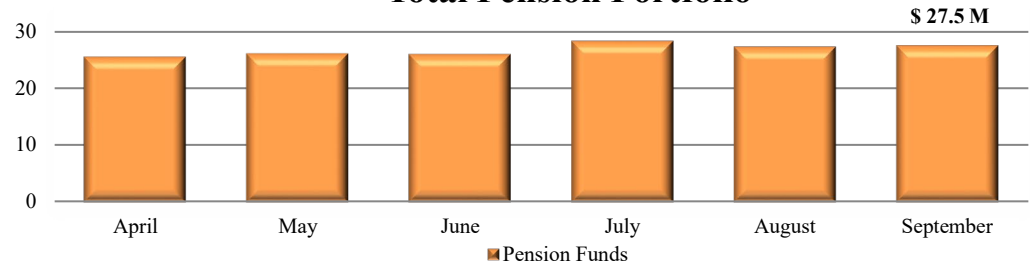
Date

Total Pension Portfolio

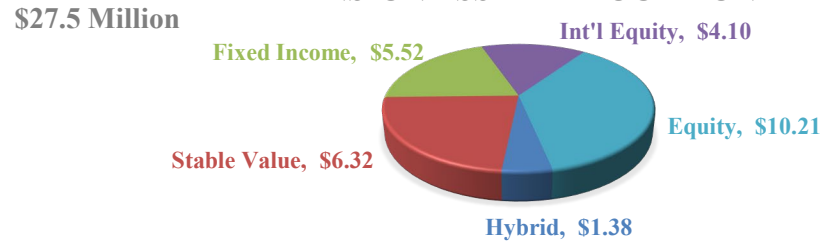
As of the first quarter ending September 30, 2024, the total pension portfolio amounts to \$27.5 million as compared to \$26.0 million for the fourth quarter ending June 30, 2024. The pension portfolio return for the first quarter ending September 30, 2024 is 5.69%.

The main reason for the increase in the pension portfolio between quarters is due to a \$1.5 million increase in investment value during the first quarter ending September 30, 2024.

Total Pension Portfolio



PENSION ASSET ALLOCATION



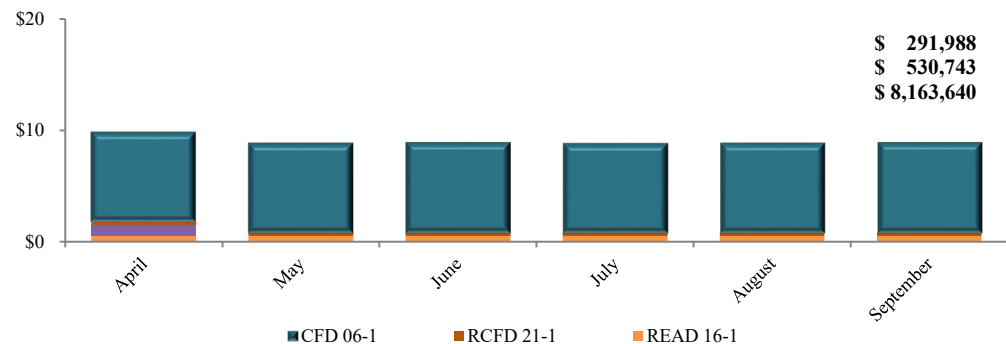
Cash with Fiscal Agent

Cash with Fiscal Agent for the City include the following (*These are not direct obligations of the City of San Clemente*):

- *Reassessment District 16-1 (Laing Forster Ranch)* to finance public improvements within the Forster Ranch development. This assessment district was reassessed in July 2016.
- *99-1 Community Facilities District (Plaza Pacifica)* to finance public improvements within the district referred to as Plaza Pacifica. This district was refinanced in August 2011. This community facilities district was refinanced and paid down in July 2021.
- *Marblehead Community Facilities District* to finance construction of various public improvements within the district, commonly referred to as Marblehead at Sea Summit.

(Reference Official Statements and City's Debt Policy)

Cash with Fiscal Agent September 30, 2024



City of San Clemente
Investment Allocation
For the Month Ended September 2024

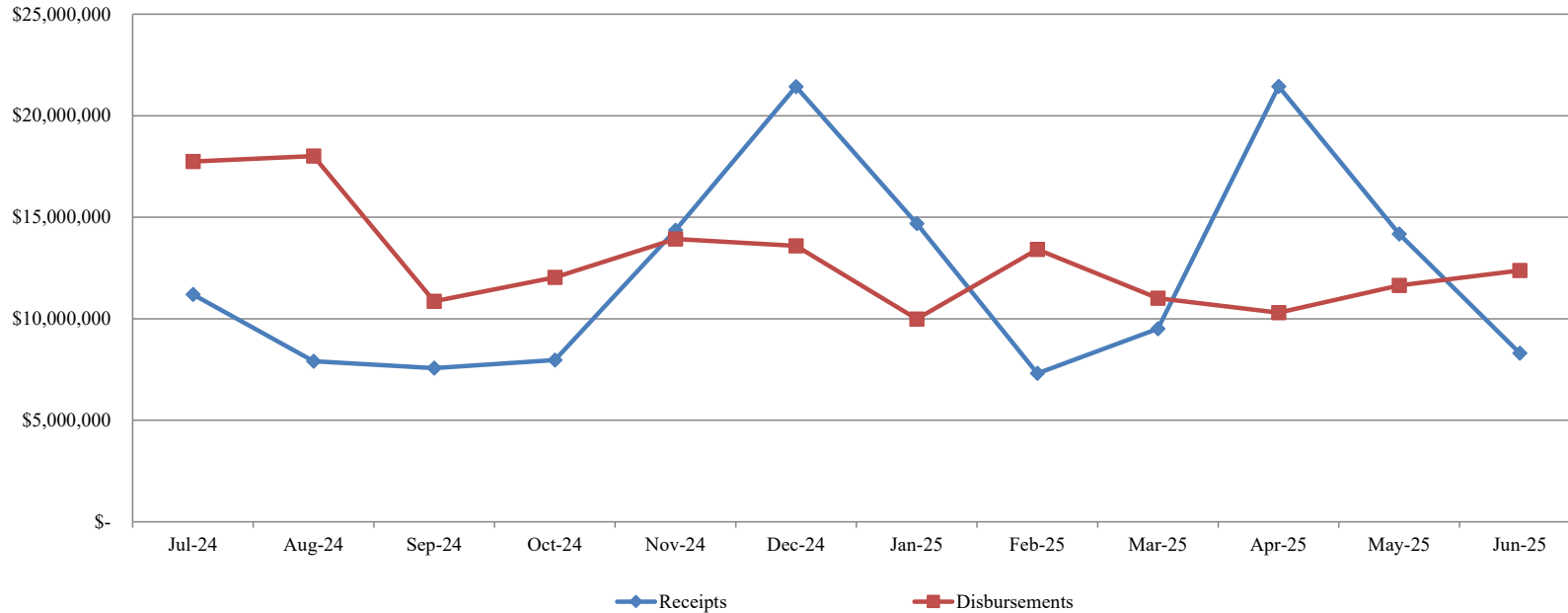
Fund #	Fund Description	Reserve/ Subfunds	Investment Allocation
001	General Fund		21,725,303.43
002	Police Grants Fund		240,643.81
011	Gas Tax RMRA Fund		4,805,505.64
012	Gas Tax 2106 Fund		2,554,087.46
013	Gas Tax 2107 Fund		85,295.41
014	Reserve Fund	<i>Accrued Leave, Capital Equipment, Facilities Maintenance, Park Asset Replacement</i>	13,493,196.31
015	Senior Mobility Program - Grant		451,091.45
016	Disaster Relief Fund		423,357.28
017	CDBG Grants Fund		29,951.35
018	Local Cable Infrastructure		1,320,556.78
019	Air Quality Improvement Fund		(10,246.61)
020	RCFPP Administration Fund		1,291,196.98
021	Local Transit Program Grants		(1,596,662.20)
027	Building Homes & Jobs Act (SB2)		85,929.31
030	Public Facility Const Fund	<i>Public Safety Construction, Civic Center Construction</i>	1,460,903.48
031	Parks Acquisition & Dev. Fund		1,340,274.15
033	Local Drainage Facilities Fund	<i>Prima Deshecha, Segunda Deshecha, Marblehead Coastal, Other Areas</i>	2,262,159.49
037	Developers Impr. Fund	<i>Maintenance, Storm Drain, In-Lieu Afford. Housing, In-Lieu Housing Loans</i>	4,578,434.20
038	Low Mod Housing		869,380.12
039	In-Lieu Housing Fund		1,986,500.80
042	Street Improvement Fund		4,037,859.50
052	Water Fund	<i>Water Operating, Depreciation, Acreage, Other Agency</i>	36,761,725.19
054	Sewer Fund	<i>Sewer Operating, Depreciation, Connection, Other Agency</i>	15,269,487.24
056	Golf Course Fund	<i>Golf Course Operating, Depreciation, Capital Improvements</i>	6,961,399.59
057	Clean Ocean Fund	<i>Clean Ocean Operating, Improvements</i>	269,817.68
058	Solid Waste Management		489,455.92
059	Storm Drain Utility Fund	<i>Storm Drain Operating, Depreciation</i>	1,852,946.44
062	Central Services Fund	<i>Central Services, Communications</i>	459,434.85
063	Information Technology Fund		1,501,911.31
065	Fleet Maintenance Fund	<i>Fleet Svcs Operating, Fleet Replacement</i>	8,069,514.83
066	Employee Medical Self Ins Fund		144,953.54
067	Worker's Comp. Self Ins. Fund		2,145,635.44
068	Gen. Liab. Self Insurance Fund		2,869,270.88
178	99-1 CFD Debt Service Fund		58,599.75
179	Marblehead CFD 2006-1		1,181,114.56
181	RAD 98-1 Rev Bonds Debt Svc Fund		109,633.92
187	RDA Successor Agency Fund		15,070.84
	Total		139,594,690.12

City of San Clemente
City Wide Cash Flow
FY 2024

Investment and Checking Account Totals -Aug 31, 2024	\$ 139,545,292 *
Add: Receipts	\$ 7,570,559
Subtract: Disbursements	<u>\$ (10,857,523)</u>
	<u>\$ (3,286,964)</u>
 Investment and Checking Account Totals -Sept 30, 2024	 <u><u>\$ 136,258,328 *</u></u>

* Amount is different from investment report book total due to minor timing differences on items in transit and amortization of premiums and discounts.

**City of San Clemente
Monthly Cash Flow - Receipts and Disbursements
FY 2025**



Summary of Monthly Activity

The net cash outflow for the month of September is \$3.3 million. The City has \$29.9 million invested in LAIF which is available to address any significant cash outflow requirements during the month.

Receipts:

Property taxes are received in December, January, April and May and are the high receipt months. Other than these months, receipts have relatively small fluctuations. September's projected receipts were \$7.8 million and actual receipts were \$7.6 million. Actual receipts were \$0.2 million lower than projected due mainly to timing of utility and other receipts.

Disbursements:

Cash outflow for September was \$10.9 million. The amount of disbursements vary based on the number of pay periods in a month, the number of accounts payable dates in a month and the activity submitted from other departments. September's projected disbursements were \$10.0 million and actual disbursements were \$10.9 million, which is \$0.9 million higher than expected. Although the police contract payment for September was made in August, capital outlay, purchased water, and debt service costs were more than anticipated.

	FISCAL YEAR 2025											
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
BEGINNING BALANCE:												
Cash	54,020,525	45,605,961	30,473,995	27,187,031	25,860,392	27,890,021	37,223,915	42,915,121	39,303,825	40,893,702	56,265,116	62,489,687
RECEIPTS:												
Tax receipts	2,265,662	1,864,230	2,130,841	2,096,271	8,335,010	14,720,084	8,676,305	2,248,754	4,000,194	14,437,382	8,365,539	1,810,827
Utility receipts	3,101,499	3,124,250	3,228,795	3,564,396	3,359,492	3,307,079	3,146,049	2,767,700	2,852,377	2,693,054	2,822,295	2,967,667
Other receipts	5,644,273	2,834,351	1,883,920	2,115,670	2,326,490	2,839,605	2,781,506	2,134,479	2,590,883	4,072,700	2,338,787	2,381,257
Operating receipts	11,011,434	7,822,831	7,243,556	7,776,337	14,020,992	20,866,768	14,603,860	7,150,933	9,443,454	21,203,136	13,526,621	7,159,751
Special item receipts	187,465	87,222	327,003	185,610	333,857	562,929	77,535	157,665	67,554	241,827	645,231	1,143,018
Receipts	11,198,899	7,910,053	7,570,559	7,961,947	14,354,849	21,429,697	14,681,395	7,308,598	9,511,008	21,444,963	14,171,852	8,302,769
DISBURSEMENTS:												
Salaries and benefits	5,142,748	2,372,510	2,206,588	2,280,531	3,420,796	3,306,769	2,508,584	2,508,584	2,280,531	2,280,531	3,420,796	2,280,531
Public safety contracts	1,804,854	6,545,540	-	1,654,745	4,814,175	1,826,677	2,369,671	4,511,924	1,874,675	1,888,165	1,888,165	3,756,649
Purchased water	261,431	1,666	1,107,489	1,247,189	543,079	808,720	743,952	863,356	905,497	488,122	1,053,058	997,899
Other disbursements	10,172,829	8,490,316	5,534,464	3,191,804	3,025,294	5,907,364	2,550,249	3,787,216	4,052,651	3,948,177	3,386,823	3,102,107
Operating disbursements	17,381,862	17,410,032	8,848,541	8,374,269	11,803,344	11,849,530	8,172,456	11,671,080	9,113,354	8,604,995	9,748,842	10,137,186
Capital activity	361,205	601,361	2,008,982	3,664,317	2,121,876	1,746,273	1,817,733	1,748,814	1,892,777	1,693,554	1,898,439	2,241,224
Disbursements	17,743,067	18,011,393	10,857,523	12,038,586	13,925,220	13,595,803	9,990,189	13,419,894	11,006,131	10,298,549	11,647,281	12,378,410
Operating Cash Flow	(6,370,428)	(9,587,201)	(1,604,985)	(597,932)	2,217,648	9,017,238	6,431,404	(4,520,147)	330,100	12,598,141	3,777,779	(2,977,435)
Net Cash Flow	(6,544,168)	(10,101,340)	(3,286,964)	(4,076,639)	429,629	7,833,894	4,691,206	(6,111,296)	(1,495,123)	11,146,414	2,524,571	(4,075,641)
Maturing Investments	-	-	-	2,750,000	1,600,000	1,500,000	1,000,000	2,500,000	3,085,000	4,225,000	3,700,000	2,545,000
Total Available Cash with Re-Investment	47,476,357	35,504,621	27,187,031	23,110,392	26,290,021	35,723,915	41,915,121	36,803,825	37,808,702	52,040,116	58,789,687	58,414,046
Total Available Cash	47,476,357	35,504,621	27,187,031	25,860,392	27,890,021	37,223,915	42,915,121	39,303,825	40,893,702	56,265,116	62,489,687	60,959,046

	FISCAL YEAR 2026											
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
BEGINNING BALANCE:												
Cash	60,959,046	55,407,495	50,520,855	54,418,389	50,788,442	52,403,838	62,433,282	68,740,060	63,039,364	64,818,545	77,671,580	81,814,316
RECEIPTS:												
Tax receipts	2,423,103	2,226,432	2,157,219	2,162,181	8,679,570	15,362,737	9,042,362	2,318,133	4,160,355	15,051,815	8,715,525	1,871,669
Utility receipts	3,559,741	3,609,926	3,635,061	3,778,267	3,561,068	3,505,511	3,334,819	2,933,768	3,023,525	2,854,643	2,991,638	3,145,733
Other receipts	2,426,597	2,864,389	2,302,191	2,179,141	2,396,285	2,924,794	2,864,952	2,198,514	2,668,610	4,194,882	2,408,951	2,452,695
Operating receipts	8,409,441	8,700,747	8,094,471	8,119,589	14,636,923	21,793,042	15,242,133	7,450,415	9,852,490	22,101,340	14,116,114	7,470,097
Special item receipts	62,346	119,552	56,381	150,093	269,973	455,212	62,699	127,496	54,627	195,553	521,766	924,301
Receipts	8,471,787	8,820,299	8,150,852	8,269,682	14,906,896	22,248,254	15,304,832	7,577,911	9,907,117	22,296,893	14,637,880	8,394,398
DISBURSEMENTS:												
Salaries and benefits	5,562,169	2,472,074	2,472,074	3,708,112	2,472,074	3,522,706	2,595,678	2,595,678	2,472,074	2,472,074	3,708,112	2,472,074
Public safety contracts	698,271	6,880,521	1,247,506	1,947,483	4,987,621	1,918,012	2,278,155	4,670,258	1,968,409	1,982,574	1,982,574	3,877,219
Purchased water	876,108	1,064,210	797,368	1,309,548	780,233	1,164,156	991,150	906,524	950,772	512,528	1,105,711	1,047,794
Other disbursements	9,942,315	7,594,560	3,456,532	3,248,123	3,253,225	5,695,438	2,591,910	3,855,439	3,961,844	4,004,026	3,447,931	3,162,256
Operating disbursements	17,078,863	18,011,365	7,973,480	10,213,266	11,493,153	12,300,312	8,456,893	12,027,899	9,353,099	8,971,202	10,244,328	10,559,343
Capital activity	944,475	1,195,574	1,490,380	3,186,363	1,845,110	1,518,498	1,580,638	1,520,708	1,645,893	1,472,656	1,650,816	1,948,891
Disbursements	18,023,338	19,206,939	9,463,860	13,399,629	13,338,263	13,818,810	10,037,531	13,548,607	10,998,992	10,443,858	11,895,144	12,508,234
Operating Cash Flow	(8,669,422)	(9,310,618)	120,991	(2,093,677)	3,143,770	9,492,730	6,785,240	(4,577,484)	499,391	13,130,138	3,871,786	(3,089,246)
Net Cash Flow	(9,551,551)	(10,386,640)	(1,313,008)	(5,129,947)	1,568,633	8,429,444	5,267,301	(5,970,696)	(1,091,875)	11,853,035	2,742,736	(4,113,836)
Maturing Investments	4,000,000	5,500,000	5,210,542	1,500,000	46,763	1,600,000	1,039,477	270,000	2,871,056	1,000,000	1,400,000	1,000,000
Total Available Cash with Re-Investment	51,407,495	45,020,855	49,207,847	49,288,442	52,357,075	60,833,282	67,700,583	62,769,364	61,947,489	76,671,580	80,414,316	77,700,480
Total Available Cash	55,407,495	50,520,855	54,418,389	50,788,442	52,403,838	62,433,282	68,740,060	63,039,364	64,818,545	77,671,580	81,814,316	78,700,480

Description	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FY 2025
Projected Cash Receipts:											
Beginning Cash Balance	30,473,995	27,187,031	25,860,392	27,890,021	37,223,915	42,915,121	39,303,825	40,893,702	56,265,116	62,489,687	
Property taxes	733,984	249,787	6,329,060	13,465,225	7,076,448	129,425	2,714,514	11,934,903	6,613,012	483,931	50,368,626
Sales taxes	1,035,239	1,206,862	1,304,059	1,044,677	1,051,195	1,347,642	968,440	956,036	1,098,197	1,005,615	13,331,838
Franchise fees/business tax	81,888	189,967	344,920	41,029	263,981	523,294	159,302	1,280,952	362,291	104,347	3,852,526
Transient occupancy taxes	279,730	449,655	356,971	169,153	284,681	248,393	157,938	265,491	292,039	216,934	3,398,109
Utility charges	3,228,795	3,564,396	3,359,492	3,307,079	3,146,049	2,767,700	2,852,377	2,693,054	2,822,295	2,967,667	36,934,653
Other receipts	1,883,920	2,115,670	2,326,490	2,839,605	2,781,506	2,134,479	2,590,883	4,072,700	2,338,787	2,381,257	33,943,921
Operating receipts	7,243,556	7,776,337	14,020,992	20,866,768	14,603,860	7,150,933	9,443,454	21,203,136	13,526,621	7,159,751	141,829,673
Special items - Debt & Major Gr	327,003	185,610	333,857	562,929	77,535	157,665	67,554	241,827	645,231	1,143,018	4,016,916
Total Projected Cash Receipts	7,570,559	7,961,947	14,354,849	21,429,697	14,681,395	7,308,598	9,511,008	21,444,963	14,171,852	8,302,769	145,846,589
Actual Receipt	7,570,559										
Over/Under Projected	-	7,961,947	14,354,849	21,429,697	14,681,395	7,308,598	9,511,008	21,444,963	14,171,852	8,302,769	
Projected Cash Disbursements:											
Payroll & benefits	2,206,588	2,280,531	3,420,796	3,306,769	2,508,584	2,508,584	2,280,531	2,280,531	3,420,796	2,280,531	34,009,499
Police contract services	-	1,654,745	1,823,615	1,826,677	2,369,671	1,521,364	1,874,675	1,888,165	1,888,165	766,089	21,027,729
Fire contract services	-	-	2,990,560	-	-	2,990,560	-	-	-	2,990,560	11,907,511
Purchased water cost	1,107,489	1,247,189	543,079	808,720	743,952	863,356	905,497	488,122	1,053,058	997,899	9,021,458
Operating disbursements	2,480,338	3,132,984	2,939,363	4,721,832	2,477,172	3,728,361	2,709,246	3,767,437	3,334,957	3,087,256	49,679,771
Debt	3,054,126	58,820	85,931	1,185,532	73,077	58,855	1,343,405	180,740	51,866	14,851	7,469,523
Operating disbursements	8,848,541	8,374,269	11,803,344	11,849,530	8,172,456	11,671,080	9,113,354	8,604,995	9,748,842	10,137,186	133,115,491
Capital outlay	2,008,982	3,664,317	2,121,876	1,746,273	1,817,733	1,748,814	1,892,777	1,693,554	1,898,439	2,241,224	21,796,555
Total Projected Cash Required	10,857,523	12,038,586	13,925,220	13,595,803	9,990,189	13,419,894	11,006,131	10,298,549	11,647,281	12,378,410	154,912,046
Actual Expenditure	10,857,523										
Over/Under Projected	-	12,038,586	13,925,220	13,595,803	9,990,189	13,419,894	11,006,131	10,298,549	11,647,281	12,378,410	
Operating Cash Flow	(1,604,985)	(597,932)	2,217,648	9,017,238	6,431,404	(4,520,147)	330,100	12,598,141	3,777,779	(2,977,435)	8,714,182
Net Cash Flow	(3,286,964)	(4,076,639)	429,629	7,833,894	4,691,206	(6,111,296)	(1,495,123)	11,146,414	2,524,571	(4,075,641)	(9,065,457)
Maturing Investments	-	2,750,000	1,600,000	1,500,000	1,000,000	2,500,000	3,085,000	4,225,000	3,700,000	2,545,000	22,905,000
Total Available Cash Balance with Re-Investment	27,187,031	23,110,392	26,290,021	35,723,915	41,915,121	36,803,825	37,808,702	52,040,116	58,789,687	58,414,046	
Total Available Cash Balance	27,187,031	25,860,392	27,890,021	37,223,915	42,915,121	39,303,825	40,893,702	56,265,116	62,489,687	60,959,046	

Description	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	FY 2026
Projected Cash Receipts:													
Beginning Cash Balance	60,959,046	55,407,495	50,520,855	54,418,389	50,788,442	52,403,838	62,433,282	68,740,060	63,039,364	64,818,545	77,671,580	81,814,316	
Property taxes	623,036	177,548	733,336	261,028	6,613,873	14,071,172	7,394,894	135,249	2,836,670	12,471,983	6,910,603	505,708	52,735,100
Sales taxes	1,219,699	1,154,799	1,088,374	1,241,862	1,341,878	1,074,973	1,081,680	1,386,725	996,525	983,762	1,130,046	1,034,778	13,735,101
Franchise fees/business tax	214,343	392,834	60,778	196,146	356,139	42,364	272,567	540,314	164,484	1,322,614	374,075	107,741	4,044,399
Transient occupancy taxes	366,025	501,251	274,731	463,145	367,680	174,228	293,221	255,845	162,676	273,456	300,801	223,442	3,656,501
Utility charges	3,559,741	3,609,926	3,635,061	3,778,267	3,561,068	3,505,511	3,334,819	2,933,768	3,023,525	2,854,643	2,991,638	3,145,733	39,933,700
Other receipts	2,426,597	2,864,389	2,302,191	2,179,141	2,396,285	2,924,794	2,864,952	2,198,514	2,668,610	4,194,882	2,408,951	2,452,695	31,882,001
Operating receipts	8,409,441	8,700,747	8,094,471	8,119,589	14,636,923	21,793,042	15,242,133	7,450,415	9,852,490	22,101,340	14,116,114	7,470,097	145,986,802
Special Items - Debt & Major Gr	62,346	119,552	56,381	150,093	269,973	455,212	62,699	127,496	54,627	195,553	521,766	924,301	2,999,999
Total Projected Cash Receipts	8,471,787	8,820,299	8,150,852	8,269,682	14,906,896	22,248,254	15,304,832	7,577,911	9,907,117	22,296,893	14,637,880	8,394,398	148,986,801
Actual Receipt Over/Under Projected													
Projected Cash Disbursements:													
Payroll & benefits	5,562,169	2,472,074	2,472,074	3,708,112	2,472,074	3,522,706	2,595,678	2,595,678	2,472,074	2,472,074	3,708,112	2,472,074	36,524,899
Police contract services	698,271	3,807,696	1,247,506	1,947,483	1,914,796	1,918,012	2,278,155	1,597,433	1,968,409	1,982,574	1,982,574	804,394	22,147,303
Fire contract services	-	3,072,825	-	-	3,072,825	-	-	3,072,825	-	-	-	3,072,825	12,291,300
Purchased water cost	876,108	1,064,210	797,368	1,309,548	780,233	1,164,156	991,150	906,524	950,772	512,528	1,105,711	1,047,794	11,506,102
Operating disbursements	8,977,782	7,338,475	1,200,699	3,195,651	2,998,156	4,816,278	2,526,721	3,802,936	2,763,437	3,842,794	3,401,663	3,149,008	48,013,600
Debt	964,533	256,085	2,255,833	52,472	255,069	879,160	65,189	52,503	1,198,407	161,232	46,268	13,248	6,199,999
Operating disbursements	17,078,863	18,011,365	7,973,480	10,213,266	11,493,153	12,300,312	8,456,893	12,027,899	9,353,099	8,971,202	10,244,328	10,559,343	136,683,203
Capital outlay	944,475	1,195,574	1,490,380	3,186,363	1,845,110	1,518,498	1,580,638	1,520,708	1,645,893	1,472,656	1,650,816	1,948,891	20,000,002
Total Projected Cash Required	18,023,338	19,206,939	9,463,860	13,399,629	13,338,263	13,818,810	10,037,531	13,548,607	10,998,992	10,443,858	11,895,144	12,508,234	156,683,205
Actual Expenditure Over/Under Projected													
Operating Cash Flow	(8,669,422)	(9,310,618)	120,991	(2,093,677)	3,143,770	9,492,730	6,785,240	(4,577,484)	499,391	13,130,138	3,871,786	(3,089,246)	9,303,599
Net Cash Flow	(9,551,551)	(10,386,640)	(1,313,008)	(5,129,947)	1,568,633	8,429,444	5,267,301	(5,970,696)	(1,091,875)	11,853,035	2,742,736	(4,113,836)	(7,696,404)
Maturing Investments	4,000,000	5,500,000	5,210,542	1,500,000	46,763	1,600,000	1,039,477	270,000	2,871,056	1,000,000	1,400,000	1,000,000	25,437,838
Total Available Cash Balance with Re-Investment	51,407,495	45,020,855	49,207,847	49,288,442	52,357,075	60,833,282	67,700,583	62,769,364	61,947,489	76,671,580	80,414,316	77,700,480	
Total Available Cash Balance	55,407,495	50,520,855	54,418,389	50,788,442	52,403,838	62,433,282	68,740,060	63,039,364	64,818,545	77,671,580	81,814,316	78,700,480	

Description	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	FY 2027
Projected Cash Receipts:													
Beginning Cash Balance	78,700,480	75,033,574	66,084,783	67,924,888	63,000,233	67,255,757	76,201,125	81,997,189	78,178,942	79,246,041	94,095,015	97,811,879	
Property taxes	647,958	184,650	762,671	271,470	6,878,440	14,634,044	7,690,703	140,659	2,950,142	12,970,885	7,187,040	525,937	54,844,599
Sales taxes	1,256,294	1,189,447	1,121,029	1,279,122	1,382,139	1,107,226	1,114,134	1,428,331	1,026,424	1,013,278	1,163,951	1,065,825	14,147,200
Franchise fees/business tax	219,707	402,664	62,299	201,054	365,050	43,424	279,388	553,834	168,599	1,355,709	383,435	110,437	4,145,600
Transient occupancy taxes	375,184	513,794	281,606	474,735	376,881	178,588	300,559	262,247	166,747	280,299	308,328	229,033	3,748,001
Utility charges	3,737,729	3,790,424	3,816,816	3,967,182	3,739,123	3,680,787	3,501,561	3,080,457	3,174,703	2,997,376	3,141,221	3,303,021	41,930,400
Other receipts	2,493,331	2,943,164	2,365,504	2,239,070	2,462,187	3,005,230	2,943,742	2,258,976	2,742,000	4,310,247	2,475,201	2,520,148	32,758,800
Operating receipts	8,730,203	9,024,143	8,409,925	8,432,633	15,203,820	22,649,299	15,830,087	7,724,504	10,228,615	22,927,794	14,659,176	7,754,401	151,574,600
Special Items - Debt & Major Gr	51,955	99,627	46,985	125,078	224,978	379,344	52,249	106,246	45,523	162,961	434,805	770,251	2,500,002
Total Projected Cash Receipts	8,782,158	9,123,770	8,456,910	8,557,711	15,428,798	23,028,643	15,882,336	7,830,750	10,274,138	23,090,755	15,093,981	8,524,652	154,074,602
Actual Receipt Over/Under Projected													
Projected Cash Disbursements:													
Payroll & benefits	5,824,058	2,588,470	2,588,470	3,882,705	2,588,470	3,688,570	2,588,470	2,588,470	2,588,470	2,588,470	3,882,705	2,588,470	37,985,798
Police contract services	733,184	3,998,087	1,309,883	2,044,860	2,010,539	2,013,915	2,392,066	1,677,307	2,066,833	2,081,706	2,081,706	844,615	23,254,701
Fire contract services	-	3,131,225	-	-	3,131,225	-	-	3,131,225	-	-	-	3,131,225	12,524,900
Purchased water cost	919,918	1,117,429	837,243	1,375,037	819,251	1,222,374	1,040,716	951,858	998,319	538,158	1,161,005	1,100,192	12,081,500
Operating disbursements	9,157,343	7,485,249	1,224,714	3,259,566	3,058,121	4,912,607	2,577,257	3,878,997	2,818,707	3,919,652	3,469,698	3,211,990	48,973,901
Debt	964,533	256,085	2,255,833	52,472	255,069	879,160	65,189	52,503	1,198,407	161,232	46,268	13,248	6,199,999
Operating disbursements	17,599,036	18,576,545	8,216,143	10,614,640	11,862,675	12,716,626	8,663,698	12,280,360	9,670,736	9,289,218	10,641,382	10,889,740	141,020,799
Capital outlay	850,028	1,076,016	1,341,342	2,867,726	1,660,599	1,366,649	1,422,574	1,368,637	1,481,303	1,325,390	1,485,735	1,754,002	18,000,001
Total Projected Cash Required	18,449,064	19,652,561	9,557,485	13,482,366	13,523,274	14,083,275	10,086,272	13,648,997	11,152,039	10,614,608	12,127,117	12,643,742	159,020,800
Actual Expenditure Over/Under Projected													
Operating Cash Flow	(8,868,833)	(9,552,402)	193,782	(2,182,007)	3,341,145	9,932,673	7,166,389	(4,555,856)	557,879	13,638,576	4,017,794	(3,135,339)	10,553,801
Net Cash Flow	(9,666,906)	(10,528,791)	(1,100,575)	(4,924,655)	1,905,524	8,945,368	5,796,064	(5,818,247)	(877,901)	12,476,147	2,966,864	(4,119,090)	(4,946,198)
Maturing Investments	6,000,000	1,580,000	2,940,680	-	2,350,000	-	-	2,000,000	1,945,000	2,372,827	750,000	1,300,000	21,238,507
Total Available Cash Balance with Re-Investment	69,033,574	64,504,783	64,984,208	63,000,233	64,905,757	76,201,125	81,997,189	76,178,942	77,301,041	91,722,188	97,061,879	93,692,789	
Total Available Cash Balance	75,033,574	66,084,783	67,924,888	63,000,233	67,255,757	76,201,125	81,997,189	78,178,942	79,246,041	94,095,015	97,811,879	94,992,789	

Description	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	FY 2028
Projected Cash Receipts:													
Beginning Cash Balance	94,992,789	86,968,160	77,674,177	76,742,334	72,891,869	74,992,730	84,481,696	90,610,433	87,015,004	87,682,813	100,793,160	107,898,550	
Property taxes	673,877	192,037	793,178	282,329	7,153,579	15,219,410	7,998,334	146,286	3,068,148	13,489,724	7,474,523	546,975	57,038,400
Sales taxes	1,287,703	1,219,185	1,149,057	1,311,102	1,416,694	1,134,908	1,141,989	1,464,041	1,052,086	1,038,611	1,193,051	1,092,472	14,500,899
Franchise fees/business tax	224,651	411,726	63,701	205,579	373,266	44,401	285,675	566,299	172,394	1,386,220	392,064	112,923	4,238,899
Transient occupancy taxes	382,692	524,076	287,241	484,234	384,423	182,161	306,573	267,495	170,083	285,908	314,498	233,616	3,823,000
Utility charges	3,924,623	3,979,952	4,007,664	4,165,549	3,926,086	3,864,834	3,676,646	3,234,486	3,333,444	3,147,251	3,298,288	3,468,179	44,027,002
Other receipts	2,555,667	3,016,746	2,424,644	2,295,049	2,523,744	3,080,363	3,017,338	2,315,453	2,810,553	4,418,007	2,537,083	2,583,154	33,577,801
Operating receipts	9,049,213	9,343,722	8,725,685	8,743,842	15,777,792	23,526,077	16,426,555	7,994,060	10,606,708	23,765,721	15,209,507	8,037,319	157,206,001
Special items - Debt & Major Gr	51,955	99,627	46,985	125,078	224,978	379,344	52,249	106,246	45,523	162,961	434,805	770,251	2,500,002
Total Projected Cash Receipts	9,101,168	9,443,349	8,772,470	8,868,920	16,002,770	23,905,421	16,478,804	8,100,306	10,652,231	23,928,682	15,644,312	8,807,570	159,706,003
Actual Receipt Over/Under Projected													
Projected Cash Disbursements:													
Payroll & benefits	6,057,015	2,692,007	2,692,007	4,038,010	2,692,007	3,836,110	2,692,007	2,692,007	2,692,007	4,038,010	2,692,007	2,692,005	39,505,199
Police contract services	766,178	4,178,007	1,368,830	2,136,882	2,101,017	2,104,545	2,499,713	1,752,789	2,159,844	2,175,386	2,175,386	882,624	24,301,201
Fire contract services	-	3,272,150	-	-	3,272,150	-	-	3,272,150	-	-	-	3,272,150	13,088,600
Purchased water cost	956,718	1,162,130	870,736	1,430,043	852,024	1,271,273	1,082,348	989,935	1,038,255	559,686	1,207,449	1,144,203	12,564,800
Operating disbursements	9,340,494	7,634,957	1,249,209	3,324,758	3,119,285	5,010,861	2,628,803	3,956,579	2,875,082	3,998,047	3,539,094	3,276,231	49,953,400
Debt	948,976	251,954	2,219,449	51,625	250,955	864,980	64,138	51,656	1,179,078	158,632	45,522	13,034	6,099,999
Operating disbursements	18,069,381	19,191,205	8,400,231	10,981,318	12,287,438	13,087,769	8,967,009	12,715,116	9,944,266	10,929,761	9,659,458	11,280,247	145,513,199
Capital outlay	826,416	1,046,127	1,304,082	2,788,067	1,614,471	1,328,686	1,383,058	1,330,619	1,440,156	1,288,574	1,444,464	1,705,279	17,499,999
Total Projected Cash Required	18,895,797	20,237,332	9,704,313	13,769,385	13,901,909	14,416,455	10,350,067	14,045,735	11,384,422	12,218,335	11,103,922	12,985,526	163,013,198
Actual Expenditure Over/Under Projected													
Operating Cash Flow	(9,020,168)	(9,847,483)	325,254	(2,237,476)	3,490,354	10,438,308	7,459,546	(4,721,056)	662,442	12,835,960	5,550,049	(3,242,928)	11,692,802
Net Cash Flow	(9,794,629)	(10,793,983)	(931,843)	(4,900,465)	2,100,861	9,488,966	6,128,737	(5,945,429)	(732,191)	11,710,347	4,540,390	(4,177,956)	(3,307,195)
Maturing Investments	1,770,000	1,500,000	-	1,050,000	-	-	-	2,350,000	1,400,000	1,400,000	2,565,000	3,100,000	15,135,000
Total Available Cash Balance with Re-Investment	85,198,160	76,174,177	76,742,334	71,841,869	74,992,730	84,481,696	90,610,433	84,665,004	86,282,813	99,393,160	105,333,550	103,720,594	
Total Available Cash Balance	86,968,160	77,674,177	76,742,334	72,891,869	74,992,730	84,481,696	90,610,433	87,015,004	87,682,813	100,793,160	107,898,550	106,820,594	

Description	Jul-28	Aug-28	Sep-28	Oct-28	Nov-28	Dec-28	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29	FY 2029
Projected Cash Receipts:													
Beginning Cash Balance	106,820,594	98,616,310	88,871,703	89,999,175	85,414,209	89,481,000	101,244,059	109,639,606	103,788,050	103,306,446	117,740,401	122,494,455	
Property taxes	700,833	199,718	824,906	293,622	7,439,731	15,828,204	8,318,276	152,138	3,190,878	14,029,328	7,773,512	568,854	59,320,000
Sales taxes	1,319,903	1,249,671	1,177,789	1,343,886	1,452,119	1,163,287	1,170,545	1,500,650	1,078,394	1,064,582	1,222,884	1,119,790	14,863,500
Franchise fees/business tax	229,146	419,963	64,975	209,692	380,733	45,289	291,390	577,628	175,843	1,413,952	399,908	115,182	4,323,701
Transient occupancy taxes	390,349	534,563	292,989	493,924	392,115	185,807	312,708	272,847	173,487	291,629	320,791	238,291	3,899,500
Utility charges	4,081,609	4,139,152	4,167,972	4,332,172	4,083,131	4,019,429	3,823,713	3,363,867	3,466,783	3,273,142	3,430,221	3,606,907	45,788,098
Other receipts	2,619,563	3,092,169	2,485,264	2,352,429	2,586,841	3,157,377	3,092,777	2,373,343	2,880,821	4,528,464	2,600,514	2,647,737	34,417,299
Operating receipts	9,341,403	9,635,236	9,013,895	9,025,725	16,334,670	24,399,393	17,009,409	8,240,473	10,966,206	24,601,097	15,747,830	8,296,761	162,612,098
Special items - Debt & Major Gr	51,955	99,627	46,985	125,078	224,978	379,344	52,249	106,246	45,523	162,961	434,805	770,251	2,500,002
Total Projected Cash Receipts	9,393,358	9,734,863	9,060,880	9,150,803	16,559,648	24,778,737	17,061,658	8,346,719	11,011,729	24,764,058	16,182,635	9,067,012	165,112,100
Actual Receipt Over/Under Projected													
Projected Cash Disbursements:													
Payroll & benefits	6,299,295	2,799,687	2,799,687	4,199,530	2,799,687	3,989,553	2,799,687	2,799,687	2,799,687	4,199,530	2,799,687	2,799,685	41,085,402
Police contract services	800,658	4,366,025	1,430,430	2,233,046	2,195,566	2,199,253	2,612,205	1,831,667	2,257,041	2,273,282	2,273,282	922,344	25,394,799
Fire contract services	-	3,419,400	-	-	3,419,400	-	-	3,419,400	-	-	-	3,419,400	13,677,600
Purchased water cost	994,987	1,208,616	905,566	1,487,245	886,105	1,322,125	1,125,642	1,029,533	1,079,785	582,074	1,255,748	1,189,972	13,067,398
Operating disbursements	9,527,310	7,787,661	1,274,194	3,391,256	3,181,673	5,111,081	2,681,381	4,035,713	2,932,586	4,078,011	3,609,878	3,341,758	50,952,502
Debt	948,976	251,954	2,219,449	51,625	250,955	864,980	64,138	51,656	1,179,078	158,632	45,522	13,034	6,099,999
Operating disbursements	18,571,226	19,833,343	8,629,326	11,362,702	12,733,386	13,486,992	9,283,053	13,167,656	10,248,177	11,291,529	9,984,117	11,686,193	150,277,700
Capital outlay	826,416	1,046,127	1,304,082	2,788,067	1,614,471	1,328,686	1,383,058	1,330,619	1,440,156	1,288,574	1,444,464	1,705,279	17,499,999
Total Projected Cash Required	19,397,642	20,879,470	9,933,408	14,150,769	14,347,857	14,815,678	10,666,111	14,498,275	11,688,333	12,580,103	11,428,581	13,391,472	167,777,699
Actual Expenditure Over/Under Projected													
Operating Cash Flow	(9,229,823)	(10,198,107)	384,569	(2,336,977)	3,601,284	10,912,401	7,726,356	(4,927,183)	718,029	13,309,568	5,763,713	(3,389,432)	12,334,398
Net Cash Flow	(10,004,284)	(11,144,607)	(872,528)	(4,999,966)	2,211,791	9,963,059	6,395,547	(6,151,556)	(676,604)	12,183,955	4,754,054	(4,324,460)	(2,665,599)
Maturing Investments	1,800,000	1,400,000	2,000,000	415,000	1,855,000	1,800,000	2,000,000	300,000	195,000	2,250,000	-	2,665,000	16,680,000
Total Available Cash Balance with Re-Investment	96,816,310	87,471,703	87,999,175	84,999,209	87,626,000	99,444,059	107,639,606	103,488,050	103,111,446	115,490,401	122,494,455	118,169,995	
Total Available Cash Balance	98,616,310	88,871,703	89,999,175	85,414,209	89,481,000	101,244,059	109,639,606	103,788,050	103,306,446	117,740,401	122,494,455	120,834,995	

Description	Jul-29	Aug-29	Sep-29	Oct-29	Nov-29	Dec-29	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	FY 2030
Projected Cash Receipts:													
Beginning Cash Balance	120,834,995	111,494,543	102,484,701	101,672,574	96,568,348	98,893,755	109,349,709	116,021,422	109,654,192	107,578,637	121,709,364	126,684,864	
Property taxes	728,866	207,707	857,903	305,367	7,737,320	16,461,332	8,651,007	158,223	3,318,513	14,590,502	8,084,453	591,608	61,692,801
Sales taxes	1,352,901	1,280,913	1,207,235	1,377,485	1,488,423	1,192,370	1,199,810	1,538,168	1,105,355	1,091,198	1,253,457	1,147,785	15,235,100
Franchise fees/business tax	233,730	428,365	66,275	213,887	388,350	46,195	297,220	589,184	179,361	1,442,240	407,908	117,486	4,410,201
Transient occupancy taxes	398,157	545,255	298,849	503,804	399,959	189,523	318,963	278,305	176,957	297,462	327,208	243,058	3,977,500
Utility charges	4,244,880	4,304,725	4,334,698	4,505,466	4,246,463	4,180,213	3,976,668	3,498,427	3,605,460	3,404,073	3,567,436	3,751,190	47,619,699
Other receipts	2,685,057	3,169,480	2,547,401	2,411,244	2,651,517	3,236,318	3,170,102	2,432,681	2,952,847	4,641,685	2,665,532	2,713,936	35,277,800
Operating receipts	9,643,591	9,936,445	9,312,361	9,317,253	16,912,032	25,305,951	17,613,770	8,494,988	11,338,493	25,467,160	16,305,994	8,565,063	168,213,101
Special Items - Debt & Major Gr	51,955	99,627	46,985	125,078	224,978	379,344	52,249	106,246	45,523	162,961	434,805	770,251	2,500,002
Total Projected Cash Receipts	9,695,546	10,036,072	9,359,346	9,442,331	17,137,010	25,685,295	17,666,019	8,601,234	11,384,016	25,630,121	16,740,799	9,335,314	170,713,103
Actual Receipt Over/Under Projected													
Projected Cash Disbursements:													
Payroll & benefits	6,551,266	2,911,673	2,911,673	4,367,509	2,911,673	4,149,134	2,911,673	2,911,673	4,367,509	2,911,673	2,911,673	2,911,673	42,728,802
Police contract services	836,688	4,562,502	1,494,801	2,333,536	2,294,370	2,298,223	2,729,758	1,914,095	2,358,611	2,375,583	2,375,583	963,850	26,537,600
Fire contract services	-	3,573,275	-	-	3,573,275	-	-	3,573,275	-	-	-	3,573,275	14,293,100
Purchased water cost	1,034,787	1,256,961	941,789	1,546,736	921,550	1,375,010	1,170,668	1,070,715	1,122,977	605,357	1,305,978	1,237,571	13,590,099
Operating disbursements	9,717,865	7,943,422	1,299,679	3,459,084	3,245,309	5,213,308	2,735,011	4,116,431	2,991,240	4,159,575	3,682,079	3,408,596	51,971,599
Debt	948,976	251,954	2,219,449	51,625	250,955	864,980	64,138	51,656	1,179,078	158,632	45,522	13,034	6,099,999
Operating disbursements	19,089,582	20,499,787	8,867,391	11,758,490	13,197,132	13,900,655	9,611,248	13,637,845	12,019,415	10,210,820	10,320,835	12,107,999	155,221,199
Capital outlay	826,416	1,046,127	1,304,082	2,788,067	1,614,471	1,328,686	1,383,058	1,330,619	1,440,156	1,288,574	1,444,464	1,705,279	17,499,999
Total Projected Cash Required	19,915,998	21,545,914	10,171,473	14,546,557	14,811,603	15,229,341	10,994,306	14,968,464	13,459,571	11,499,394	11,765,299	13,813,278	172,721,198
Actual Expenditure Over/Under Projected													
Operating Cash Flow	(9,445,991)	(10,563,342)	444,970	(2,441,237)	3,714,900	11,405,296	8,002,522	(5,142,857)	(680,922)	15,256,340	5,985,159	(3,542,936)	12,991,902
Net Cash Flow	(10,220,452)	(11,509,842)	(812,127)	(5,104,226)	2,325,407	10,455,954	6,671,713	(6,367,230)	(2,075,555)	14,130,727	4,975,500	(4,477,964)	(2,008,095)
Maturing Investments	880,000	2,500,000	-	-	-	-	-	-	-	-	-	-	3,380,000
Total Available Cash Balance with Re-Investment	110,614,543	99,984,701	101,672,574	96,568,348	98,893,755	109,349,709	116,021,422	109,654,192	107,578,637	121,709,364	126,684,864	122,206,900	
Total Available Cash Balance	111,494,543	102,484,701	101,672,574	96,568,348	98,893,755	109,349,709	116,021,422	109,654,192	107,578,637	121,709,364	126,684,864	122,206,900	

PARS

PUBLIC AGENCY
RETIREMENT SERVICES



CITY OF SAN CLEMENTE

PARS 115 Trust
November 2024

PARS CONTACTS



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KEITH STRIBLING

Senior Portfolio Manager

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PARS 115 TRUST TEAM

As of June 30, 2024

Trust Administrator & Consultant*



- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

40	2,000+	1,000+	500+	500K+	\$8.9B
Years of Experience (1984-2024)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

* See important information regarding PARS in the Disclaimer page at the end of the presentation.

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

161	\$11.0T
Years of Experience (1863-2024)	Assets under Administration

Investment Manager



- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Active and passive platform options
- Customized portfolios (with minimum asset level)

40+	\$240+B*
Years of Investment Experience (As of 6/30/2024)	Assets under Management & Advisement

* Please see disclosures at the end of this presentation

The

PARS PENSION RATE STABILIZATION PROGRAM

for prefunding pension obligations



PENSION FUNDING STATUS

As of June 30, 2023, City of San Clemente’s CalPERS pension plan is funded as follows:

Combined Miscellaneous & Safety Groups *	Valuation as of June 30, 2022	Valuation as of June 30, 2023	Change
Actuarial Liability	\$134.6 M	\$139.2 M	3.4% ↑
Assets	\$100.9 M	\$107.4 M	6.4% ↑
Unfunded Liability	\$33.6 M	\$31.7 M	5.7% ↓
Funded Ratio	75.0%	77.2%	2.9% ↑
Employer Contribution Amount	\$3.9 M (FY 23-24)	\$4.2 M (FY 24-25)	7.6% ↑
Employer Contribution Amount – Projected *	---	\$5.4 M (FY 30-31)	28.1% ↑

* Data through 2030-31 from City’s latest CalPERS actuarial valuation.

BACKGROUND – PENSION

- Since 2015, GASB 68 has required disclosing Net Pension Liability on financial statements as a line item on the balance sheet
- Before the concept of pension prefunding, the only way to reduce retirement system unfunded liabilities was to send additional contributions in excess of annual required employer contributions
- Pension trust prefunding assets can be transferred to the retirement system at the Agency's direction, which can help offset future rate increases (i.e., pension rate stabilization).

CalPERS Changes

CalPERS has announced changes directly affecting unfunded liability amounts and employer contributions:

Lowering of Discount Rate ¹

7.0%
▼
6.8%

CalPERS lowered the discount rate from 7.0% to 6.8%. The impact is reflected in the June 30, 2021 valuation reports.

¹ Contributions from policy changes beginning FY 23-24.

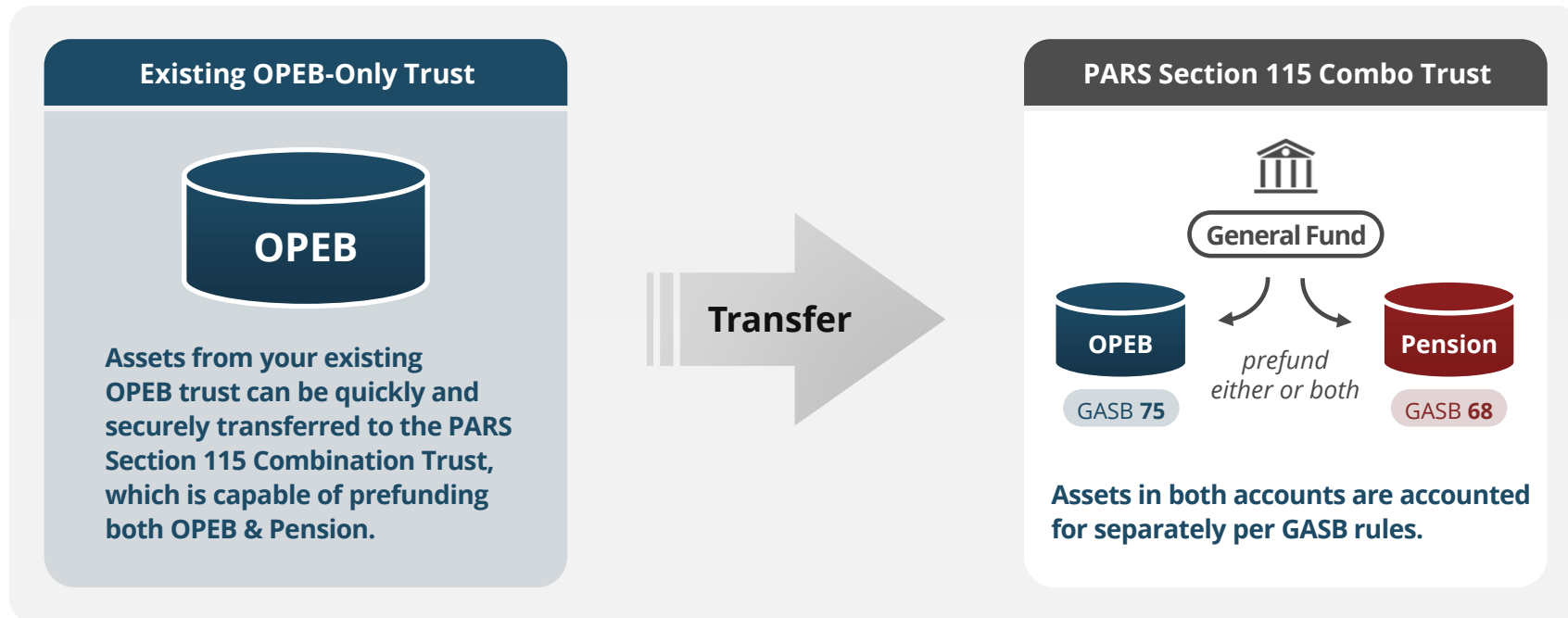
Shortened Amortization Period ²

30 years
▼
20 years

New actuarial liabilities are amortized over 20 years instead of 30, increasing required annual employer contribution amounts*

² 5-year ramp up in payments beginning FY 15-16 with full impact in FY 19/20.

PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts

OPEB and Pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center



Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.



Flexible Investing

Allows separate investment strategies for OPEB and Pension subaccounts.



Anytime Access

Trust funds are available anytime; OPEB for OPEB and Pension for Pension.



Economies-of-Scale

OPEB and Pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!



No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

WHY PREFUND PENSION OBLIGATIONS?

1. Complete Local Control over Assets

Agency has complete control over assets, including contributions, disbursements and the timing, amount, and risk tolerance level of investments

2. Pension Rate Stabilization

Assets can be transferred to the retirement system at the Agency's direction, potentially reducing/eliminating large fluctuations in employer contribution amounts

3. Rainy Day Fund

Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

4. Diversification

Allows for investment flexibility and offers the potential for assets to earn greater returns than the general fund; spread the risk vs. sending additional money to CalPERS

115 TRUST – OPEB/PENSION CLIENT LIST

Updated September 2024

CITIES & TOWNS (164)

Alameda	Colma	Fountain Valley	La Quinta	Novato	Ripon	Taft
Alhambra	Commerce	Fullerton	Laguna Niguel	Oakley	Riverside	Temecula
Anaheim	Corcoran	Galt	Lake Forest	Orinda	Rocklin	Temple City
Angels Camp	Coronado	Garden Grove	Lakewood	Oroville	Rohnert Park	Thousand Oaks
Atherton	Costa Mesa	Gilroy	Lemon Grove	Pacifica	Rolling Hills	Tiburon
Atwater	Crescent City	Glendale	Lincoln	Palmdale	Rosemead	Tustin
Azusa	Cudahy	Glendora	Livermore	Palo Alto	Ross	Twentynine Palms
Bakersfield	Cupertino	Goleta	Lodi	Pasadena	San Anselmo	Union City
Beaumont	Cypress	Grand Terrace	Los Alamitos	Patterson	San Jacinto	Vallejo
Bell Gardens	Daly City	Grass Valley	Los Altos Hills	Perris	San Leandro	Villa Park
Benicia	Dana Point	Half Moon Bay	Mammoth Lakes	Pico Rivera	San Pablo	Walnut
Bishop	Del Rey Oaks	Hawthorne	Manhattan Beach	Piedmont	San Ramon	West Covina
Brea	Dinuba	Healdsburg	Merced	Pinole	Sanger	West Sacramento
Brisbane	Duarte	Hemet	Modesto	Pittsburg	Santa Ana	Westminster
Burlingame	Dublin	Hercules	Monrovia	Pleasant Hill	Santa Barbara	Winters
Calabasas	El Cajon	Hermosa Beach	Monterey	Pleasanton	Santa Clara	Woodland
Camarillo	El Centro	Huntington Beach	Moreno Valley	Pomona	Santa Clarita	Woodside
Canyon Lake	El Cerrito	Indian Wells	Morgan Hill	Port Hueneme	Sausalito	Yountville
Capitola	Elk Grove	Imperial Beach	Morro Bay	Rancho Cucamonga	Seaside	Yuba City
Carlsbad	Emeryville	Indio	Murrieta	Redding	Selma	Yucca Valley
Carmel	Escondido	Ione	Napa	Redwood City	Solana Beach	
Chino Hills	Fairfax	La Habra	National City	Rialto	South El Monte	
Chula Vista	Fairfield	Lakeport	Newport Beach	Richmond	Stanton	
Claremont	Fort Bragg	La Mesa	Norco	Rio Vista	Sutter Creek	

COUNTIES (37)

Alpine	Glenn	Kings	Mendocino	Nevada	San Joaquin	Sutter	Yolo
Amador	Humboldt	Lake	Merced	Placer	Shasta	Tehama	Yuba
Calaveras	Imperial	Lassen	Mono	Plumas	Siskiyou	Trinity	
Colusa	Inyo	Madera	Monterey	Riverside	Solano	Tulare	
Contra Costa	Kern	Mariposa	Napa	San Benito	Sonoma	Tuolumne	

115 TRUST – OPEB/PENSION CLIENT LIST

Updated September 2024

SPECIAL DISTRICTS (117)

Agoura Hills/Calabasas Community Center Authority
Alameda County Mosquito Abatement District
Alpine Fire Protection District
Beach Cities Health District
Bighorn-Desert View Water Agency
Bodega Bay Public Utilities District
Calaveras County Water District
California Intergovernmental Risk Authority
California Joint Powers Insurance Authority
California Joint Powers Risk Management Authority
Central Contra Costa Sanitary District
Central Contra Costa Transit Authority
Coastline Regional Occupational Program
Coastside Fire Protection District
Colusa Mosquito Abatement District
Contra Costa County EEs' Retirement Association
Contra Costa Mosquito and Vector Control District
Crestline Village Water District
Delta Diablo
Desert Recreation District
East Bay Regional Park District
East Orange County Water District
Eastern Sierra Community Services District
Eastern Sierra Transit Authority
El Dorado Hills County Water (& Fire) District
Fallbrook Public Utility District
Feather River Air Quality Management District
Fresno Irrigation District
Fresno Metropolitan Flood Control District
Glenn-Colusa Irrigation District
Goleta Cemetery District
Goleta West Sanitary District
Great Basin Unified Air Pollution Control District
Greater Vallejo Recreation District
Hayward Area Recreation & Park District
Hesperia Fire Protection District
Housing Authority of the County of Butte
Housing Authority of the County of Contra Costa
Housing Authority of the County of San Bernardino

Housing Authority of the County of Santa Cruz
Humboldt Bay Fire Joint Powers Authority
Humboldt Bay Municipal Water District
Humboldt No. 1 Fire Protection District
Menlo Park Fire Protection District
Mesa Water District
Metropolitan Transportation Commission
Midpeninsula Regional Open Space District
Mid-Peninsula Water District
Mojave Desert Air Quality Management District
Montecito Fire Protection District
Monterey Bay Unified Air Pollution Control District
Monterey County Mosquito Abatement District
Monterey One Water
Moraga-Orinda Fire Protection District
Mosquito & Vector Mgmt. Dist. of Santa Barbara Co.
Municipal Pooling Authority
Municipal Water District of Orange County
Napa County Mosquito Abatement District
Nevada County Consolidated Fire District
Newcastle-Rocklin-Gold Hill Cemetery District
North Central Fire Protection District
North Coast Air Quality Management District
North County Fire Protection District
Novato Sanitary District
Orange County Fire Authority
Orange County LAFCO
Orange County Mosquito and Vector Control District
Orange County Sanitation District
Orange County Water District
Orchard Dale Water District
Pebble Beach Community Services District
Placentia Library District
Placer County Air Pollution Control District
Placer County Resource Conservation District
Rancho Cucamonga Fire Protection District
Redwood Empire Municipal Insurance Fund (REMIF)
Regional Housing Authority
Rowland Water District

Sacramento Area Flood Control Agency
San Andreas Sanitary District
San Elijo Joint Powers Authority
San Mateo Consolidated Fire Department
San Mateo Co. Mosquito & Vector Control District
Santa Barbara County Law Library
Santa Cruz Regional 9-1-1 JPA
Santa Fe Irrigation District
Sewer Authority Mid-Coastside
Shasta Valley Cemetery District
South Coast Water District
South Montebello Irrigation District
South Orange County Wastewater Authority
South Placer Fire Protection District
Southern Marin Fire Protection District
State Water Contractors
Superior Court of CA, County of Imperial
Superior Court of CA, County of Inyo
Superior Court of CA, County of Kern
Superior Court of CA, County of Marin
Superior Court of CA, County of Merced
Superior Court of CA, County of Orange
Superior Court of CA, County of San Mateo
Superior Court of CA, County of Shasta
Superior Court of CA, County of Siskiyou
Superior Court of CA, County of Sonoma
Sweetwater Springs Water District
Tahoe City Public Utility District
Three Valleys Municipal Water District
Twentynine Palms Water District
Union Sanitary District
Ventura Regional Sanitation District
Walnut Valley Water District
West Bay Sanitary District
West County Wastewater District
Western Riverside Council of Governments
Yolo-Solano Air Quality Management District
Yorba Linda Water District
Zone 7 Water Agency

115 TRUST – OPEB/PENSION CLIENT LIST

Updated September 2024

SCHOOL DISTRICTS (65)

Alisal Union School District	Fontana Unified School District	Ocean View School District (Ventura)	San Marino Unified School District
Alta Loma School District	Fowler Unified School District	Ontario-Montclair School District	San Ysidro School District
Auburn Union School District	Hermosa Beach City School District	Orcutt Union School District	Santa Barbara Unified School District
Bass Lake Joint Union ESD	Hesperia Unified School District	Palmdale School District	Santa Rita Union School District
Bellflower Unified School District	Hughes-Elizabeth Lakes Union ESD	Palos Verdes Peninsula USD	Savanna School District
Beverly Hills Unified School District	John Swett Unified School District	Paramount Unified School District	South Bay Union School District
Brea Olinda Unified School District	Jurupa Unified School District	Placer Union High School District	South Pasadena USD
Calistoga Joint Unified School District	Lakeside Union SD (San Diego)	Porterville Unified School District	Taft Union High School District
Campbell Union High School District	Le Grand Union High SD	Poway Unified School District	Trona Joint Unified School District
Compton Unified School District	Lemon Grove School District	Red Bluff Joint Union High SD	Upland Unified School District
Corning Union Elementary SD	Lindsay Unified School District	Red Bluff Union ESD	Visalia Unified School District
Coronado Unified School District	Madera Unified School District	River Delta Unified School District	Westside Union School District
Cotati-Rohnert Park USD	Manteca Unified School District	Riverdale Joint Unified School District	Whittier City School District
Dry Creek Joint Elementary SD	Moreno Valley Unified School District	Roseville Joint Union High SD	Wilsona School District
El Dorado Union High School District	Napa Valley Unified School District	Salinas City ESD	
El Monte Union High School District	Natomas Unified School District	San Bruno Park School District	
Folsom Cordova USD	Newport-Mesa Unified School District	San Dieguito Union High SD	

COMMUNITY COLLEGE DISTRICTS (20)

Allan Hancock Community College District	Monterey Peninsula Community College District	Shasta-Trinity-Tehama Joint CCD
Citrus Community College District	Palo Verde Community College District	State Center Community College District
Coast Community College District	Pasadena Area Community College District	Victor Valley Community College District
Grossmont-Cuyamaca Community College District	Rancho Santiago Community College District	West Valley-Mission Community College District
Hartnell Community College District	Rio Hondo Community College District	Yosemite Community College District
Imperial Community College District	San Bernardino Community College District	Yuba Community College District
Marin Community College District	San Luis Obispo County CCD (Cuesta)	

EDUCATION DISTRICTS (3)

Butte County Office of Education

Shasta County Office of Education

Sonoma County Office of Education

INVESTMENT OPTIONS

INVESTMENT FLEXIBILITY

- Agency maintains oversight of the investment manager and the portfolio's risk tolerance level
- Investment restrictions that apply to the general fund (CA Government Code 53601) are not applicable to assets held in The PARS Section 115 Irrevocable Trust
- Assets held in The PARS Section 115 Irrevocable Trust can be invested per Government Code Sections 53216 (Pension) and 53620 (OPEB)
- Investments can be diversified and invested in a prudent fashion
- Investments can be tailored to the Agency's unique demographics and needs
- Increased risk diversification



Diversified Investing

Assets held in The PARS Section 115 Irrevocable Trust can be diversely invested in a prudent fashion per Government Code Sections 53216 (Pension) and 53620 (OPEB).

GOV § 53216 (Pension)

GOV § 53620 (OPEB)

INVESTMENT OPTIONS

The following investment options, managed by PFM Asset Management (PFMAM), can be selected by the Agency:

OPTION A – Low Cost

PFMAM Target Index-Based Strategies

- (a) Fixed Income
- (b) Conservative
- (c) Balanced
- (d) Growth

OPTION B

PFMAM Managed Tactical Strategies

1. Actively Managed Portfolios

- (a) Conservative
- (b) Moderately Conservative
- (c) Moderate
- (d) Balanced
- (e) Capital Appreciation

2. Customized Approach*

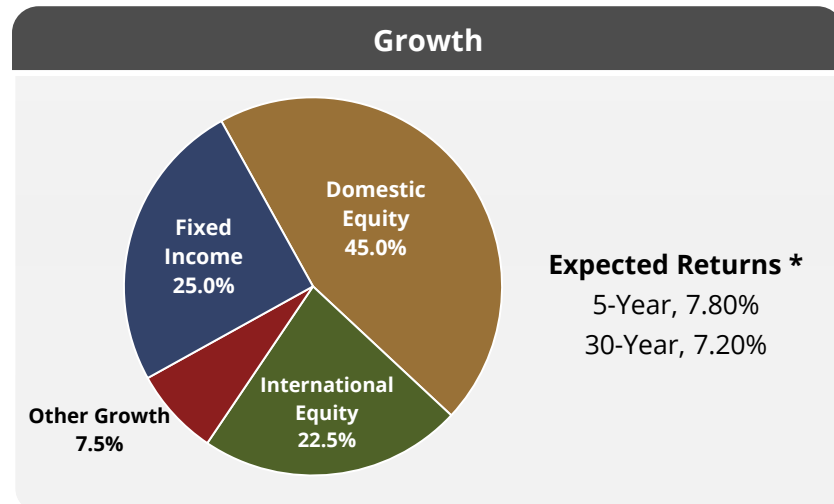
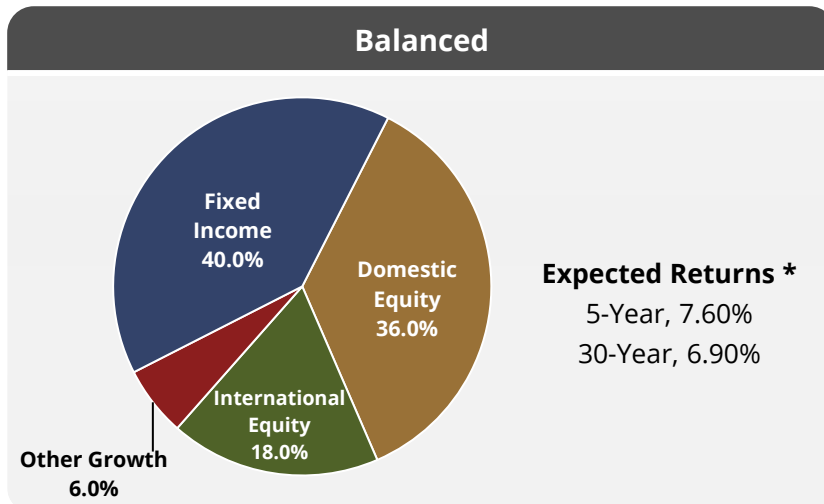
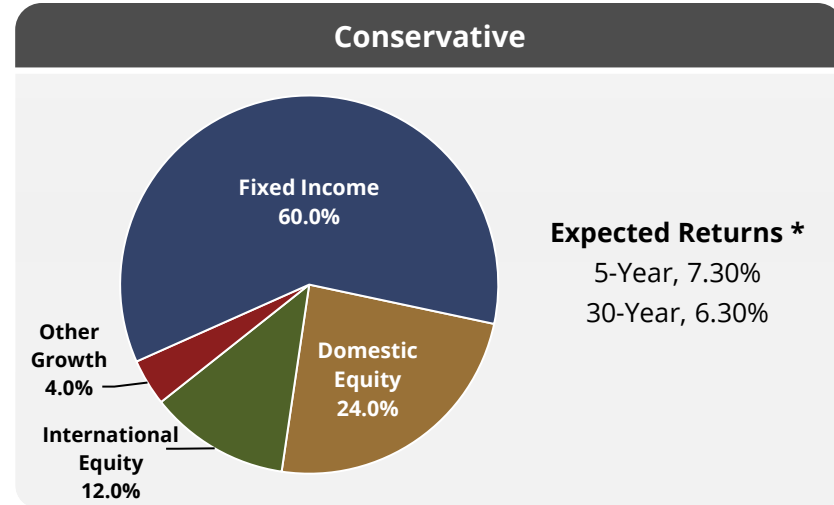
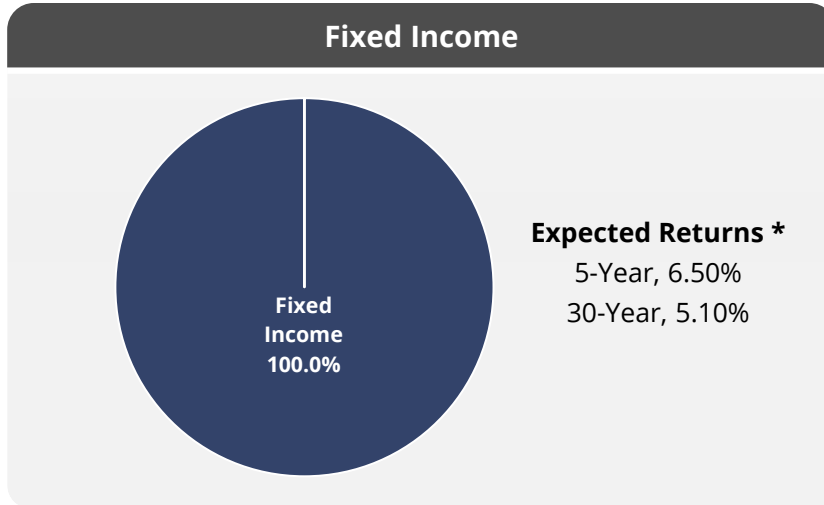
**Available according to asset size*

Investment Management Services by PFM Asset Management as sub-advisor. See important Disclaimer at the end of this presentation.

PFMAM TARGET INDEX-BASED STRATEGIES

As of June 30, 2024

The following portfolios, managed by PFM Asset Management (PFMAM), are **passively managed**:



* Data from PFMAM Target Index-Based strategies: Asset Allocation Summary. Representative as of 6/30/2024. Asset allocations and assumptions are subject to change. Please see important disclosures at the end of this presentation for additional information.

TARGET INDEX-BASED INVESTMENT RETURNS

As of June 30, 2024

Strategy	Equity (%)	1 Year	3 Years	5 Years
Growth	75%	14.11%	2.74%	8.32%
Balanced	60%	12.10%	1.87%	6.84%
Conservative	40%	10.09%	0.69%	4.92%
Fixed Income	0%	4.28%	--	--

¹The 1-, 3- and 5-Year returns are calculated by U.S. Bank for the PARS 115/PRHCP Target Index portfolios as of June 30, 2024. The returns provided are gross of investment advisory fees and net of embedded fund fees. All performance data, while deemed obtained from reliable sources, is not guaranteed for accuracy. Prior to April 1st, 2024, these portfolios were managed by Vanguard Institutional Advisory Services.

TARGET INDEX-BASED STRATEGIES – PROGRAM FEES

Please note that OPEB and pension assets will be combined for fee calculation purposes.

Trust Administration/Consulting Fees *



Plan Set-Up Fee:

None

Ongoing Fees:

0.25%	for assets \$0-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

Discretionary Trustee/Investment Management Fees



Ongoing Fees Paid to U.S. Bank:

The current total blended fee is **0.075%****

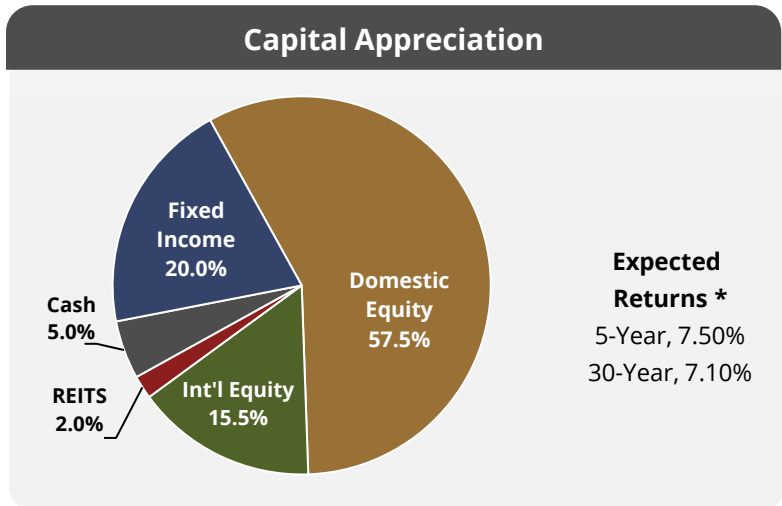
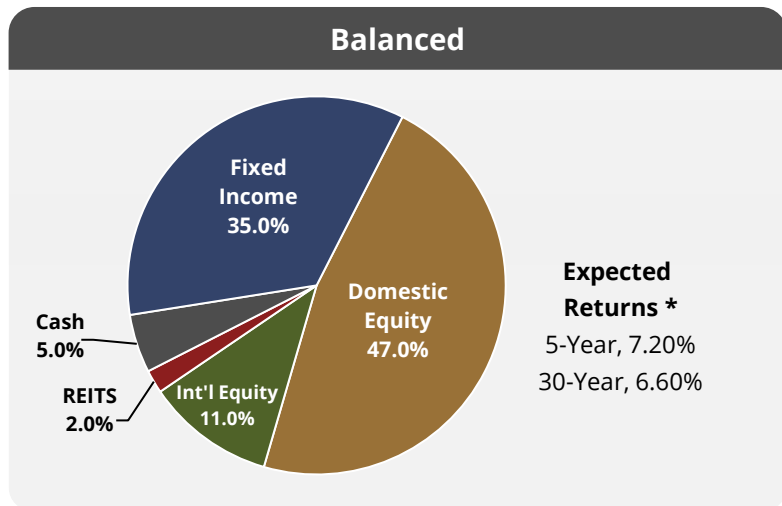
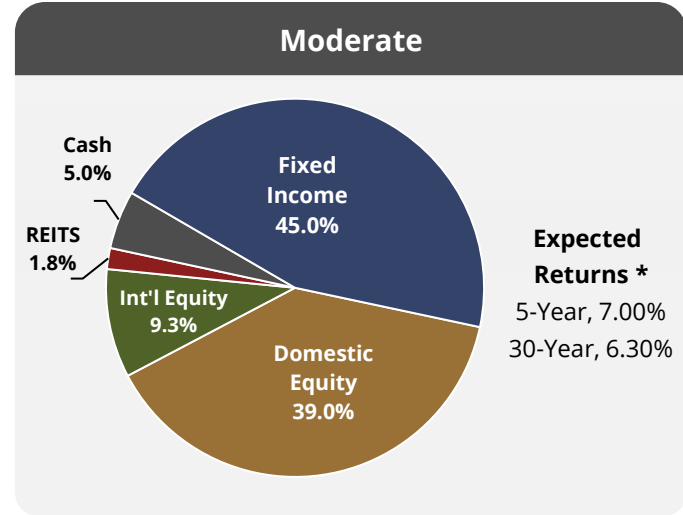
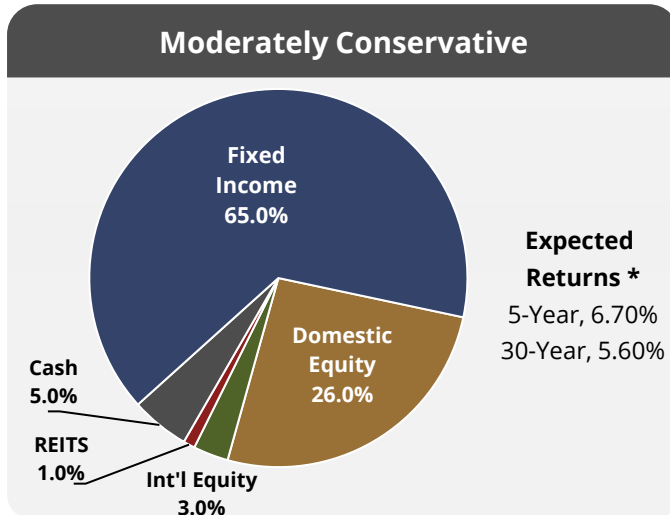
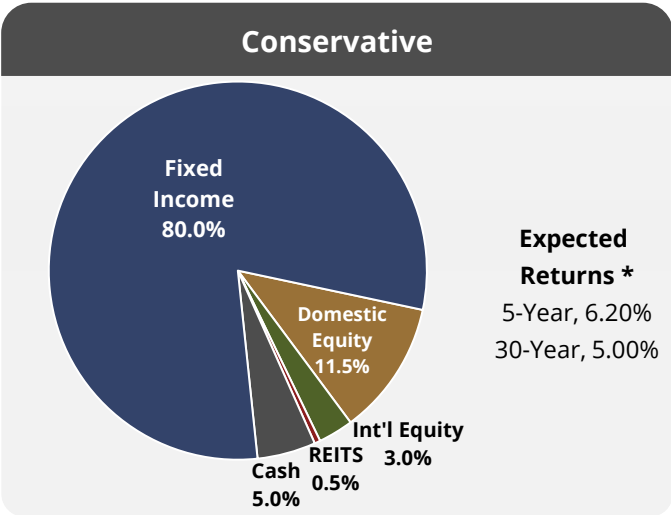
U.S. Bank/PFMAM fees are prorated based on total market value of all assets in the Target Index-Based Portfolios in PARS Trust. Fee is calculated using the following schedule: 0.13% for first \$100 million in assets, 0.10% for next \$150 million, 0.08% for next \$250 million and 0.05% for assets over \$500 million

* PARS does not receive any compensation from the investments or any commissions, back-end loads, or any other forms of compensation.
 ** Blended fee is based on \$917.5 M assets as of 6/30/2024 (market value of all existing Target Index Based Strategies). Subject to change due to rebalancing. Additional information on U.S. Bancorp Asset Management, Inc. and a description of its fees are described in its ADV which is available at www.adviserinfo.sec.gov. Fees charged by U.S. Bank N.A., as Discretionary Trustee/Investment Management are based on individual agency assets. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees, as detailed above. See disclosures at the end of this presentation for more information

OPTION B - PFMAM MANAGED TACTICAL STRATEGIES

As of December 31, 2023

The following portfolios, managed by PFM Asset Management (PFMAM), can be selected as either **active or passively managed**:



* Data from PFMAM Managed Tactical strategies: Asset Allocation Summary. Representative as of 12/31/2023. Asset allocations and assumptions are subject to change. Please see important disclosures at the end of this presentation for additional information.

MANAGED TACTICAL PORTFOLIOS

As of June 30, 2024

ACTIVE PORTFOLIO ANNUALIZED RETURNS* (Gross of Investment Management Fees, but Net of Embedded Fund Fees)
Please see complete Investment Strategy Sheets for more information.

Strategy	Equity (%)	1 Year	3 Years	5 Years	10 Years
Capital Appreciation	65-85%	15.46%	3.17%	8.27%	7.22%
Balanced	50-70%	13.26%	2.25%	6.90%	6.53%
Moderate	40-60%	11.70%	1.50%	5.86%	5.71%
Moderately Conservative	20-40%	8.76%	0.29%	3.82%	4.06%
Conservative	5-20%	6.43%	-0.83%	2.13%	2.81%

*Annualized Returns over 1, 3, and 5 years are based on the PARS/115P Strategic Blend portfolios, which have not reached 10 years since inception. For illustration purposes, 10-year returns are based on the PARS/PRHCP Strategic Blend portfolios (Index for Capital Appreciation). The returns provided are gross of investment advisory fees and net of mutual fund fees.

Subject to change due to rebalancing; Past performance does not guarantee future results.

Please see important additional disclosures to the PARS portfolios included in the individual strategy fact sheets.

MANAGED TACTICAL STRATEGIES - PROGRAM FEES

Please note that OPEB and pension assets will be combined for fee calculation purposes.

Trust Administration/Consulting Fees *



Plan Set-Up Fee:

None

Ongoing Fees:

0.25%	for assets \$0-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

Discretionary Trustee/Investment Management Fees **



Plan Set-Up Fee:

None

Ongoing Fees Paid to U.S. Bank:

0.35%	for assets under \$5 million
0.25%	for assets \$5-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

* PARS does not receive any compensation from the investments or any commissions, back-end loads, or any other forms of compensation.
 ** Subject to change due to rebalancing. Additional information on U.S. Bancorp Asset Management, Inc. and a description of its fees are described in its ADV which is available on the SEC's website at www.adviserinfo.sec.gov. Fees charged by U.S. Bank National Association N.A. as Discretionary Trustee/Investment Management are based on individual agency assets. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees, as detailed above. See disclosures at the end of this presentation for more information.

NET PERFORMANCE FEE ANALYSIS

As of June 30, 2024

Over 1 Year		Over 3 Years		Over 5 Years		Over 10 Years	
PARS		PARS		PARS		PARS	
Capital Appreciation* (25% Fixed Income/Cash)	15.46%	Capital Appreciation* (25% Fixed Income/Cash)	3.17%	Capital Appreciation* (25% Fixed Income/Cash)	8.27%	Capital Appreciation* (25% Fixed Income/Cash)	7.22%
minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%	minus weighted PARS administration fee	(-) 0.25%
minus weighted investment management fee	(-) 0.35%	minus weighted investment management fee	(-) 0.35%	minus weighted investment management fee	(-) 0.35%	minus weighted investment management fee	(-) 0.35%
1-Year Net Return	14.86%	3-Year Net Return	2.57%	5-Year Net Return	7.67%	10-Year Net Return	6.62%

CALPERS CERBT		CALPERS CERBT		CALPERS CERBT		CALPERS CERBT	
Strategy 1** (28% Fixed Income/Cash)	11.02%	Strategy 1** (28% Fixed Income/Cash)	0.80%	Strategy 1** (28% Fixed Income/Cash)	6.23%	Strategy 1** (28% Fixed Income/Cash)	5.65%
minus fees	(-) 0.09%	minus fees	(-) 0.09%	minus fees	(-) 0.09%	minus fees	(-) 0.09%
1-Year Net Return	10.93%	3-Year Net Return	0.71%	5-Year Net Return	6.14%	10-Year Net Return	5.56%

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Prior to January 1st, 2024, HighMark Capital Management, Inc. ("HighMark") acted as sub-advisor to the PARS portfolios. HighMark, including clients and investment personnel, was consolidated into its affiliate, PFM Asset Management LLC (PFMAM) on January 1st, 2024. Please see important additional disclosures to the PARS portfolios included in the individual strategy fact sheets at the end of this presentation.

*Annualized Returns over 1, 3 and 5 years are based on the PARS/115P Capital Appreciation Strategic Blend portfolio, which has not reached 10 years since inception (10-1-17). For illustration purposes, 10-year returns are based on the PARS/PRHCP Capital Appreciation Index portfolio. The returns provided are gross of investment advisory fees and net of mutual fund fees.

Subject to change due to rebalancing; Past performance does not guarantee future results; PARS program fees are illustrated based on assets under \$5.0 Million

**Source: CERBT Strategy 1 quarterly fact sheet. www.calpers.ca.gov as of June 30, 2024.

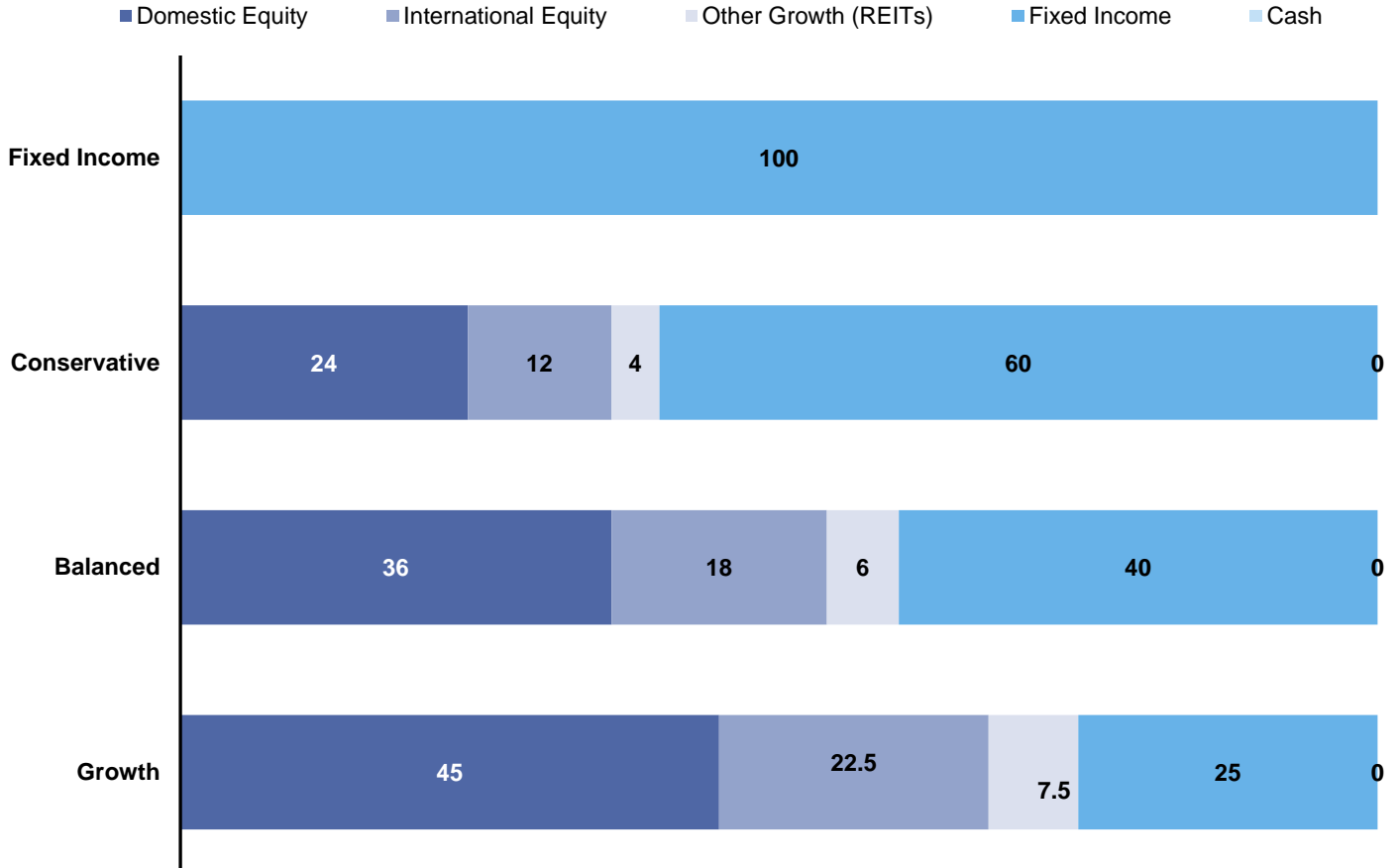
APPENDIX

PARS Target OPEB and Pension Trust Program



Strategy	Asset Class	Target	Annualized Total Rate of Return		
			Portfolio	2Q24*	Inception-to-Date**
Fixed Income	Equity	0%	Portfolio	0.31	0.31
	Fixed Income	100%	Benchmark	0.16	0.16
Conservative	Equity	40%	Portfolio	1.01	1.01
	Fixed Income	60%	Benchmark	0.98	0.98
Balanced	Equity	60%	Portfolio	1.42	1.42
	Fixed Income	40%	Benchmark	1.39	1.39
Growth	Equity	75%	Portfolio	1.69	1.69
	Fixed Income	25%	Benchmark	1.70	1.70

*Returns for periods under one year are not annualized. Returns are gross of investment management fees and net of fund embedded fees. Please see important disclosures on the following page, and your U.S. Bank fee schedule for investment management fees applied to your specific portfolio, as net of fee performance will differ.
 ** Inception date is April 1, 2024.



Target - Holdings:

Portfolios are invested in passive index-based investment vehicles.

Fidelity Total Stock Market Index Fund
 First American Government Obligations Fund
 iShares Core MSCI Total International Stock ETF
 iShares Core US Aggregate Bond ETF
 iShares Global Infrastructure ETF
 iShares 5-10 Year Investment Grade Corporate
 ETFSPDR High Yield Bond ETF
 Vanguard Real Estate ETF

Benchmark Definitions				
	Fixed Income	Conservative	Balanced	Growth
Russell 3000	0.00%	24.00%	36.00%	45.00%
MSCI ACWI Ex-US	0.00%	12.00%	18.00%	22.50%
MSCI-US REIT	0.00%	2.00%	3.00%	3.75%
MSCI World Core Infrastructure	0.00%	2.00%	3.00%	3.75%
Bloomberg US Aggregate	91.50%	54.50%	36.00%	22.00%
ICE BofA High Yield Master II	7.50%	4.50%	3.00%	2.00%
FTSE 1 Month T-Bill	1.00%	1.00%	1.00%	1.00%

About the Adviser: PFM Asset Management (PFMAM)

At PFM Asset Management we partner with public sector, non-profit and other institutions to build tailored, flexible investment solutions using fixed income and multi-asset class investments. With more than 40 years of experience managing public sector clients, we offer liquidity management, investment-grade fixed income, outsourced chief investment officer (OCIO) and other specialized investment solutions.

Gross returns are time weighted and are calculated based on trade-date accounting. Actual returns for each agency's participation within the portfolio may vary from returns shown based on each agency's own cash flows as well as the specific portfolio in which they are invested. U.S. Bank National Association has retained its affiliate, PFM Asset Management LLC ("PFMAM"), as its sub-advisor to provide investment management services. Prior to January 1, 2024, HighMark Capital Management ("HighMark") acted as sub-advisor to the portfolios. HighMark, including clients and investment personnel, was consolidated into PFMAM on January 1, 2024.

PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM.

U.S. Bank pays PFMAM up to 67% of the annual management fee for assets sub-advised by PFMAM under its sub-advisory agreement with U.S. Bank. Refer to your U.S. Bank fee schedule for investment management fees applied to your specific portfolio. U.S. Bank compensates PFMAM for these services from its own fees.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

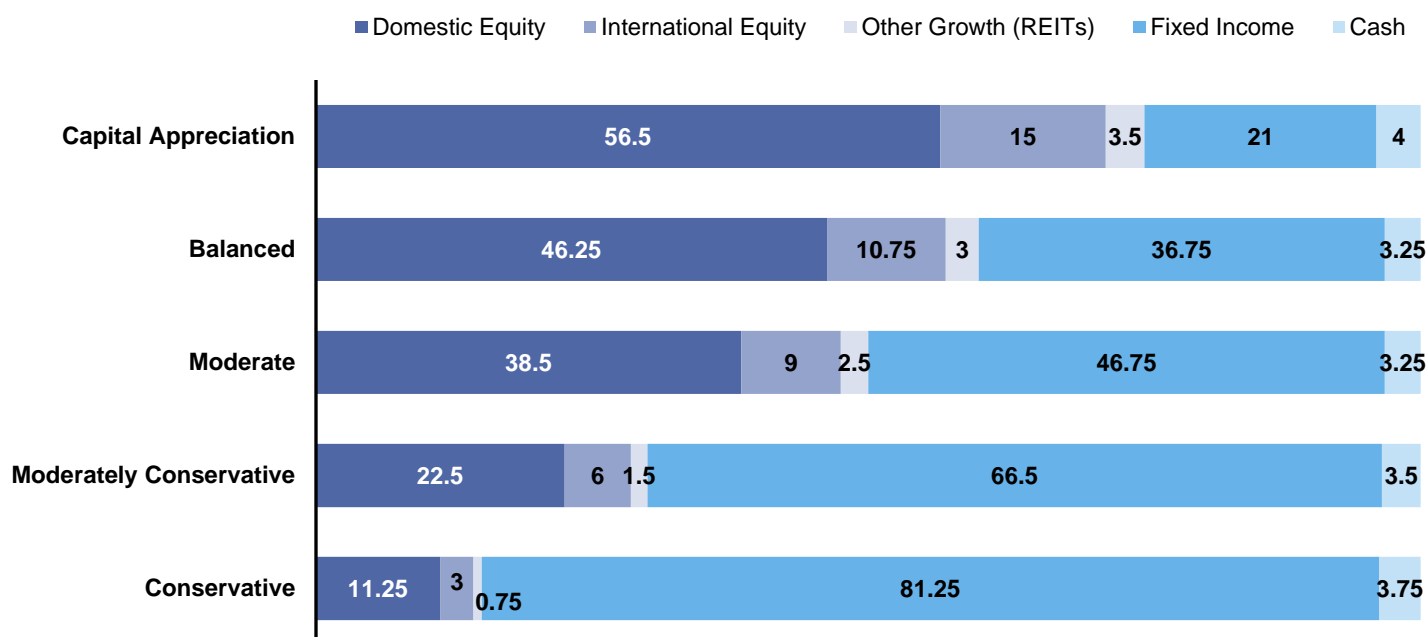
PARS OPEB and Pension Trust Program



Strategy	Asset Class	Strategic Range	Policy	Tactical	Gross Annualized Total Rate of Return						
					Portfolio	2Q24*	YTD	1-Yr	3-Yr	5-Yr	ITD
Conservative	Equity	5-20%	15%	15%	Strategic Blend	0.75	1.76	6.43	-0.83	2.13	2.91
	Fixed Income	60-95%	80%	81%	Benchmark	0.62	1.61	5.83	-0.39	2.17	2.77
	Cash	0-20%	0%	4%	Index	0.36	0.97	4.81	-1.20	1.73	2.77
					Benchmark	0.62	1.61	5.83	-0.39	2.17	2.92
Moderately Conservative	Equity	20-40%	30%	30%	Strategic Blend	0.91	3.25	8.76	0.29	3.82	4.18
	Fixed Income	50-80%	65%	67%	Benchmark	0.77	2.94	7.86	0.49	3.76	4.26
	Cash	0-20%	5%	4%	Index	0.55	2.48	7.01	-0.12	3.37	3.84
					Benchmark	0.77	2.94	7.86	0.49	3.76	4.22
Moderate	Equity	40-60%	50%	50%	Strategic Blend	1.24	5.26	11.70	1.50	5.86	6.82
	Fixed Income	40-60%	45%	47%	Benchmark	1.08	5.00	10.93	2.05	6.06	7.07
	Cash	0-20%	5%	3%	Index	0.94	4.51	10.09	1.46	5.56	5.88
					Benchmark	1.08	5.00	10.93	2.05	6.06	6.40
Balanced	Equity	50-70%	60%	60%	Strategic Blend	1.47	6.48	13.26	2.25	6.90	7.55
	Fixed Income	30-50%	35%	37%	Benchmark	1.22	6.02	12.43	2.75	7.15	7.83
	Cash	0-20%	5%	3%	Index	1.13	5.59	11.91	2.21	6.66	7.00
					Benchmark	1.22	6.02	12.43	2.75	7.15	7.42
Capital Appreciation	Equity	65-85%	75%	75%	Strategic Blend	1.70	8.06	15.46	3.17	8.27	7.35
	Fixed Income	10-30%	20%	21%	Benchmark	1.44	7.55	14.66	3.81	8.71	8.28
	Cash	0-20%	5%	4%	Index	1.23	6.89	13.78	3.65	8.08	8.43
					Benchmark	1.44	7.55	14.66	3.81	8.71	9.21

*Returns for periods under one year are not annualized. Returns are gross of investment management fees and net of fund embedded fees. Please see important disclosures on the following page, and your U.S. Bank fee schedule for investment management fees applied to your specific portfolio, as net of fee performance will differ.

Strategy	Portfolio	Gross Calendar Year Returns							
		2023	2022	2021	2020	2019	2018	2017	2016
Conservative	Strategic Blend	8.99	-12.51	2.12	8.91	10.47	-1.52	7.06	N/A
	Index	7.77	-12.06	1.97	8.27	10.34	0.44	N/A	N/A
	Blended Benchmark	7.82	-10.59	2.24	7.81	10.12	-0.60	5.25	3.92
Moderately Conservative	Strategic Blend	11.32	-13.32	5.27	10.64	13.64	-2.83	9.44	4.81
	Index	9.84	-12.92	5.19	9.84	13.44	-2.58	7.96	5.25
	Blended Benchmark	10.29	-12.35	5.50	9.89	13.55	-1.87	8.13	5.45
Moderate	Strategic Blend	14.07	-14.61	9.29	12.52	17.70	-4.01	13.38	N/A
	Index	12.72	-14.02	10.16	11.32	17.51	-4.04	11.31	N/A
	Blended Benchmark	13.56	-13.74	10.21	12.02	17.66	-3.37	11.66	7.41
Balanced	Strategic Blend	15.14	-14.89	11.36	13.46	18.61	-4.50	15.22	6.58
	Index	14.52	-14.95	12.53	12.12	19.62	-5.00	13.38	7.39
	Blended Benchmark	15.19	-14.58	12.54	13.07	19.78	-4.18	13.54	8.39
Capital Appreciation	Strategic Blend	17.63	-16.09	14.34	14.62	22.10	-7.94	N/A	N/A
	Index	16.57	-14.70	16.05	12.17	20.68	-6.45	15.62	N/A
	Blended Benchmark	17.60	-15.64	15.93	14.37	22.81	-5.53	16.57	9.59



Strategic Blend -

Holdings: Portfolios are invested in a strategic mix of actively managed and passive index-based investment vehicles.

- Baird Aggregate Bond Fund
- Cohen & Steers Institutional Realty Fund
- Columbia Contrarian Core Fund
- Dodge Cox Income Fund
- Dodge Cox Stock Fund
- Emerald Growth Institutional Fund
- Fidelity International Index Fund
- First American Government Obligations Fund
- GQG Partners International Opportunities Fund
- Harbor Capital Appreciation Fund
- Hartford Schroders Emerging Markets Fund
- iShares Core U.S. Aggregate Bond ETF
- iShares Global Infrastructure ETF
- iShares Russell Mid Cap ETF
- iShares S&P 500 Growth ETF
- iShares S&P 500 Value ETF
- Mainstay MacKay High Yield Core Bond Fund
- MFS International Growth Fund
- PGIM Total Return Bond Fund
- Undiscovered Mgrs Behavioral Value Fund
- Vanguard Growth & Income Fund

Index - Holdings:

Portfolios are invested in passive index-based investment vehicles.

- First American Government Obligations Fund
- iShares Core MSCI EAFE ETF
- iShares Core S&P 500 ETF
- iShares Core US Aggregate Bond ETF
- iShares Global Infrastructure ETF
- iShares 5-10 Year Investment Grade Corporate ETF
- iShares Russell 2000 Growth ETF
- iShares Russell 2000 Value ETF
- iShares Russell Mid Cap ETF
- iShares S&P 500 Growth ETF
- iShares S&P 500 Value ETF
- SPDR High Yield Bond ETF
- Vanguard FTSE Emerging Markets ETF
- Vanguard Real Estate ETF

For illustrative purposes only and subject to change at PFAM's discretion. Individual portfolio allocations and holdings will vary based on many factors, including each portfolio's specific investment policy and market conditions.

Benchmark Definitions

		Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
10/1/2012 - Current:	S&P 500	7.50%	15.50%	26.50%	32.00%	39.50%
	Russell Mid Cap	1.50%	3.00%	5.00%	6.00%	16.00%
	Russell 2000	2.50%	4.50%	7.50%	9.00%	10.50%
	Wilshire REIT	0.50%	1.00%	1.75%	2.00%	10.25%
	MSCI EM Free (Net USD)	1.00%	2.00%	3.25%	4.00%	7.50%
	MSCI EAFE (Net USD)	2.00%	4.00%	6.00%	7.00%	5.25%
	Bloomberg US Aggregate Bond	52.25%	49.25%	33.50%	27.00%	5.00%
	ICE BofA 1-3 Yr US Corp/Govt	25.75%	14.00%	10.00%	6.75%	3.00%
	ICE BofA US High Yield Master II	2.00%	1.75%	1.50%	1.25%	2.00%
FTSE 1 Month T-Bill	5.00%	5.00%	5.00%	5.00%	1.00%	

About the Adviser: PFM Asset Management (PFMAM)

At PFM Asset Management we partner with public sector, non-profit and other institutions to build tailored, flexible investment solutions using fixed income and Multi-Asset class investments. With more than 40 years of experience managing public sector clients, we offer Liquidity Management, investment grade fixed income, Outsourced Chief Investment Officer (OCIO) and other specialized investment solutions.

Inception Date Information

<i>Conservative Strategic Blend</i>	07/01/2016
<i>Conservative Index</i>	02/01/2017
<i>Moderately Conservative Strategic Blend</i>	07/01/2015
<i>Moderately Conservative Index</i>	08/01/2015
<i>Moderate Strategic Blend</i>	02/01/2016
<i>Moderate Index</i>	09/01/2016
<i>Balanced Strategic Blend</i>	10/01/2015
<i>Balanced Index</i>	12/01/2015
<i>Capital Appreciation Strategic Blend</i>	10/1/2017
<i>Capital Appreciation Index</i>	04/01/2016

Gross returns are time weighted and are calculated based on trade-date accounting. Actual returns for each agency's participation within the portfolio may vary from returns shown based on each agency's own cash flows as well as the specific portfolio in which they are invested. U.S. Bank National Association has retained its affiliate, PFM Asset Management LLC ("PFMAM"), as its sub-advisor to provide investment management services. Prior to January 1, 2024, HighMark Capital Management ("HighMark") acted as sub-advisor to the portfolios. HighMark, including clients and investment personnel, was consolidated into PFMAM on January 1, 2024.

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U.S. Bank pays PFMAM up to 67% of the annual management fee for assets sub-advised by PFMAM under its sub-advisory agreement with U.S. Bank. Refer to your U.S. Bank fee schedule for investment management fees applied to your specific portfolio. U.S. Bank compensates PFMAM for these services from its own fees.

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Important Disclaimers for Return Projections (Intermediate and Long-Term)

The information provided reflects standard risk and return metrics for the portfolio depicted and are derived by running Monte Carlo simulations using PFMAM's Capital Market Assumptions and target asset class allocations based on the specific scenario within this presentation. Please refer to PFMAM's Capital Market Assumptions for key assumptions and the methodology utilized. PFMAM's Capital Market Assumptions are available upon request.

The return data is representative in nature and should not be relied upon as independently verifiable information. There is no guarantee that the projected returns can or will be achieved. Results may vary with each use and over time. This material does not purport to contain all of the information that a prospective investor may wish to consider and is not to be relied upon or used in substitution for the exercise of independent judgement.

Past performance is not a guarantee of future results. Prior to investing, you should consult your accounting, tax, and legal advisors to understand the implications of such an investment. Asset class and risk return analytics are run through FactSet.

The returns presented in this simulation are not actual returns experienced by a real investor, but rather simulated returns that we believe could have been achieved under controlled circumstances using a number of assumptions. No representation or warranty is made to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered.

No assurance can be given as to whether the information and/or assumptions upon which this hypothetical performance is based reflect present market conditions or future market performance. Actual performance results may differ from this hypothetical performance presented. Changes in the assumptions may have a material impact on the hypothetical performance presented. Past performance is no guarantee of future results.

The material is provided to you on the understanding that, as a sophisticated investor, you will understand and accept its inherent limitations.



Disclosures

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. (USBAM) at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

PFM Asset Management (PFMAM) serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc. which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

Public Agency Retirement Services (“PARS”) is a third-party and not affiliated with PFMAM, USBAM or U.S. Bank. PARS serves as the trust administrator to the Public Agencies Post-Employment Benefits Trust, Public Agencies Post-Retirement Health Care Plan Trust, and the Public Agency Retirement System Trust (the “Trusts”). U.S. Bank N.A. serves as the discretionary trustee to the Trusts. In its capacity as discretionary trustee, U.S. Bank N.A. delegates the investment management of the Trusts to its affiliate USBAM through a sub-advisory agreement. PARS is serviced by PFMAM, a division of USBAM.

U.S. Bank N.A. pays the sub-adviser up to 67% of the annual management fee for assets sub-advised under its sub-advisory agreement with U.S. Bank N.A. Refer to your U.S. Bank N.A. fee schedule for investment management fees applied to your specific portfolio. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Assets under management as of 6/30/2024 represent the assets managed by PFM asset Management LLC (PFMAM). As of 10/1/2024 PFMAM and U.S. Bancorp Asset Management, Inc. (USBAM) formerly separately registered investment advisers consolidated into one legal entity and one registered investment adviser with the SEC, with USBAM as the continuing legal entity and registered investment adviser.





AGENDA REPORT

SAN CLEMENTE
INVESTMENT ADVISORY COMMITTEE
Meeting Date: November 4, 2024

Agenda Item _____
Approvals:
City Manager _____
Dept. Head _____
Attorney _____
Finance _____

Department: Finance
Prepared By: Jacob Rahn, Finance Manager

Subject: *PENSION CASH FLOW REQUIREMENTS*

Summary: The City of San Clemente Retirement Plan (CSCERP) Pension Fund receives contributions from the City and Coastal Animal Services Authority (CASA) on an annual basis for past pension liabilities. A cash flow analysis is provided to assist with the investment policy considerations.

Background / Discussion: A summary of the current target allocation for the investment policy is below:

Investment Portfolio

The current target asset allocation, based on that policy, is:

Type	Percentage
Large capitalization equities	32%
Small capitalization equities	5%
International equities	15%
Core fixed income	20%
Treasury Inflation Protected securities	3%
Hybrid all-asset fund	5%
Stable Value (Cash equivalent)	20%
Total	100%

Plan contributions consist of UAL payments based on a funding actuarial report. These UAL payments are approximately \$2 million annually and typically paid early in the fiscal year. The portfolio is rebalanced quarterly to the target portfolio percentages.

Disbursements

Plan disbursements consist of normal monthly payments to retirees, vendor payments, and other one-time disbursements. Payments are made from the Stable Value Fund (Defined Benefit Guaranteed Portfolio), which acts as the pension fund disbursement account. The monthly payments are for retired individuals receiving monthly checks, vendor payments for actuarial, administrative and other pension services, and lump sum payouts for employees who retired who opt for a lump sum amount instead of a monthly check at their time of retirement.

Cash Flow Needs Analysis

The investment portfolio rebalances on a quarterly basis and this was taken into consideration to help determine the necessary quarterly cash flow needs. As part of the need determination, staff reviewed the monthly pension payment requirements (Attachment 1), and potential lump sum payments from employee contributions for non-drawing individuals.

Utilizing these components (monthly draw, highest payout, and annual amount) the estimated quarterly cash flow requirement table is presented:

Purpose	Amount
Highest quarterly payout <i>(see attachment)</i>	\$ 766,500
Employee contribution	2,770,000
Quarterly Cash Flow Requirement	\$ 3,536,500

This \$3.5 million quarterly cash flow requirement represents 15% of the lowest ending investment portfolio balance during the last year. Based on the cash flow review, having a cash equivalent percentage of 10%-15% of pension investments would be sufficient on a quarterly basis to meet any significant draw on the balance during the respective quarter. Currently, the Pension maintains 20% stable value fund (cash equivalent) percentage to address quarterly cash flow needs.

If 10%-15% were used for the stable value allocation this would allow 5-10% to be allocated to stocks, bonds, or other investment vehicles to improve investment returns.

Recommended

Action: STAFF RECOMMENDS THAT the Investment Advisory Committee utilize these considerations in development of the Pension Investment Policy.

Attachments: Attachment 1 – Monthly Disbursement Activity

ATTACHMENT 1

CITY OF SAN CLEMENTE EMPLOYEE RETIREMENT PLAN
MONTHLY DISBURSEMENT ACTIVITY

This is a summary of the pension portfolio activity. It includes the monthly disbursement and the total value of the portfolio at the end of the month.

<u>Month</u>	<u>Monthly Disbursement</u>	<u>Portfolio Value</u>
2/2023	219,172.04	23,920,725.83
3/2023	218,672.82	24,108,333.20
4/2023	210,808.63	24,115,346.22
5/2023	216,926.30	23,657,876.35 **
6/2023	218,778.65	24,328,361.50
7/2023	251,373.33	25,542,569.29
8/2023	225,630.59	24,913,997.50
9/2023	237,776.01	24,745,101.69
10/2023	226,961.54	23,944,434.93
11/2023	226,407.34	25,131,071.41
12/2023	223,571.03	25,951,539.66
1/2024	226,425.34	25,698,916.82
2/2024	228,190.23	26,011,368.55
3/2024	232,755.14	26,413,065.69
4/2024	229,150.49	25,506,498.73
5/2024	229,161.83	26,102,443.68
6/2024	255,512.74 *	26,020,625.70
7/2024	237,635.56	28,324,447.78 (A)
Average values	<u>228,606.09</u>	<u>25,246,484.70</u>

ANTICIPATED QUARTERLY CASH FLOW REQUIREMENT:

<u>Basis</u>	<u>Calculation</u>	<u>Quarterly</u>
18 Month Average	(\$228,606 x 3)	686,000.00
Highest month x 3	(\$255,518 x 3)	766,500.00

* Highest disbursement month (\$255,517.74)

** Lowest portfolio value

(A) \$1.3 million of this balance transferred to CalPERS, net \$27.0 million

SUMMARY:

Based on the above, the highest quarterly payment activity anticipated would be \$686,000, and the highest quarterly based on the highest month would be \$766,500.



AGENDA REPORT

INVESTMENT ADVISORY COMMITTEE
Meeting Date: November 4, 2024

Agenda Item _____

Approvals:

City Manager _____

Dept. Head _____

Attorney _____

Finance _____

Department: Finance and Administrative Services
Prepared By: Charlie Smith, City Treasurer
Jake Rahn, Finance Manager

Subject: *PENSION INVESTMENT POLICY REVIEW*

Summary: The pension plan’s investment policy is established and can be modified by the City. The portfolio target is covered in Policy and Procedure # 202-2. This policy was last approved by City Council action on December 17, 2013.

Background / Discussion: Investment vehicles and percentages have not been reviewed and changed since the last review in December 2013. Due to the transfer out of the Coastal Animal Services Authority participants, this is currently a sunseting plan with retirees and inactive participants in the City of San Clemente Employee Retirement Plan (CSCERP). Plan assets currently total approximately \$27 million.

The City Pension Investment Policy was reviewed and a revised policy was prepared for the Investment Advisory Committee. The Policy makes significant operational modifications to the previous plan due to changes in the pension participants (no more active members), investment direction and selection (Investment Advisory Committee), clarification of the investment consultant, investment custodian, and breakout of the Investment Objectives and Asset Strategy and Classes, and identified liquidity requirements based on an analysis of the Pension Trust cash flow (outlay) and asset balances for the last 18 months.

The Investment Advisory Committee is requested to review the City Pension Investment Policy and make any changes to the policy. Based on the policy, the separate cash flow analysis, and the existing asset allocation

The portfolio is rebalanced quarterly to the target portfolio percentages. The current target asset allocation is:

Type	Fund	Percentage
Large capitalization equities	Russell 1000 Index	32%
Small capitalization equities	Russell 2000 Index	5%
International equities	Dodge & Cox International Stock	15%
Core fixed income	PIMCO Total Return Instl	20%
Treasury Inflation Protected securities	SSgA US Inflation Protected Bd Idx	3%
Hybrid all-asset fund	PIMCO All Asset All Authority Inst	5%
Stable Value (Cash equivalent)	Defined Benefit Guaranteed Portfolio	20%
Total		100%

Staff reviewed investment types CalPERS and CERBT utilize, other pension investment policies, and the City's existing Pension Investment Policy. The following paragraphs discuss investment types, investment policies, and reporting:

Investment types – The City uses mutual funds to address equities (domestic and international), fixed income (long, short and inflation protected), All Asset fund (tactical contrarian investment vehicle which invests in multiple vehicles), and a stable value fund (Guaranteed Investment contract).

California Public Employees Retirement System (CalPERS) and California Employers Retiree Benefit Trust (CERBT) include investment types not identified in our investment policy. These investments are Real Estate and Commodities. Real Estate includes Real Estate Investment Trusts (REIT's) or other real estate assets. Commodities are more complex and include investments in metals (gold, silver, etc.), crude oil/gas, agriculture, and other products. These provide for a diversified portfolio.

Investment allocations – Based on a review of sample investment policies, it was noted that CERBT has 3 distinct investment strategies (Strategy 1 – aggressive, Strategy 2 – moderate, Strategy 3 - conservative). Other standard investment policies reviewed included strategies for target investment levels based on funding levels. For example, the lower funded plan is more aggressive in its investment strategy to generate returns. A higher funded plan would have a more conservative investment strategy to maintain the higher funding level. Currently, the CSCERP plan is funding at 60%-70% and uses a discount rate of 5.5% with over 40% in fixed income assets.

Reporting – All policies and plans focused on routine reporting including rate of returns, benchmarks, asset allocation, and an annual investment compliance.

Based on this review, staff will include information on the quarterly rate of return, the quarterly disbursement amount, and the asset composition. However, staff lacks the experience for benchmark tracking and compliance reporting. The use of Chandler Investments to oversee a passive approach to the Pension Trust assets could be beneficial for the Investment Advisory Committee. The Investment consultant could address the following:

- Utilizing a real estate option, which includes mutual funds or a REIT.
- Modifications or a review of investment target levels as the plan changes funding levels and the determination of a discount rate.
- Incorporate an annual review of mutual funds by an investment professional to ensure ongoing compliance.

Recommended

Action:

STAFF RECOMMENDS THAT the Pension Committee:

- 1) Review investment strategies and provide direction for a revised investment policy to be submitted for approval by the City Council.
- 2) Direct staff or consult with an investment firm to select investments.


Attachments:

Attachment 1 – City Policy and Procedure #202-2, dated December 18, 2013
Attachment 2 – Revised City Policy and Procedure

Attachment 1 – City Policy and Procedure #202-2, dated December 18, 2013



POLICY AND PROCEDURE

Subject: City Pension Investment Policy	Index: Finance & Administrative Services Number: 202-2
Effective Date: December 18, 2013	Prepared By: Finance & Administrative Services
Supersedes: December 18, 2012	Approved By: 

1.0 PURPOSE:

The purpose of the City's Pension Investment Policy is to establish: (1) an appropriate set of objectives and goals regarding the investment of the assets of the City of San Clemente Pension Plan (hereafter referred to as the Fund); and (2) investment policies and practices designed to permit the continuing financial obligations of the Fund to be satisfied.

2.0 ORGANIZATIONS AFFECTED:

All City departments/divisions

3.0 REFERENCES:

- Investment Advisory Act of 1940
- Civil Code Section 2261, et seq.
- Government Code Section 53600, et seq.
- Code of Ethics Policy, Administrative Policy #102-1

4.0 POLICY:

It is the policy of the City of San Clemente ("the City") to invest the retirement funds in a manner which will provide a market rate of return while meeting the financial obligations of the fund and conforming to all applicable State and City statutes governing the investment of public funds, as referenced in section 3.0

- 4.1.1 **Scope:** This investment policy applies to all financial assets of the City of San Clemente Pension Plan. These funds are accounted for in the semi-annual review by the City of San Clemente's Pension Committee.
- 4.1.2 **Statement of Responsibilities:** The following parties associated with the Fund shall discharge their respective responsibilities in accordance with all applicable fiduciary standards as follows: (1) in the sole interest of the Fund participants and beneficiaries; (2) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims; and (3) by diversifying the investments so as to minimize the risk of large losses.

4.1.3 **City Pension Committee:** The members of the City Pension Committee are plan fiduciaries and have been delegated authority relating to the investments of the assets of the City of San Clemente Employee Retirement Plan ("the Plan"). The voting members of the Committee include: City Manager, Assistant City Manager, and Human Resources Manager. Non-voting members include one (1) representative of the San Clemente City Employees Association, one (1) retiree of the City's pension plan, and one representative from the City's mid-management group. The three non-voting members are not included for purposes of obtaining a quorum. Staff to the Committee will include the Finance Manager.

4.1.4 **Investment Managers:** The investment managers are delegated the responsibility of investing and managing the Fund's assets in accordance with this Investment Policy and all applicable laws. Each investment manager must either be; (1) registered under the Investment Company Act of 1940; (2) registered under Investment Advisors Act of 1940; (3) a bank, as defined in that Act; (4) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of Fund assets; or, (5) such other person or organization authorized by applicable law or regulation to function as an investment manager.

4.1.5 **Investment Consultant:** The investment consultant is charged with the responsibility of advising the City Pension Committee on investment policy, the selection of investment managers, and providing performance analysis and monitoring services.

4.2 **Statement of Investment Philosophy:**

4.2.1 **City Pension Committee:** The City Pension Committee is committed to: (1) protecting the corpus of the Fund; (2) obtaining adequate investment returns in order to protect and pay the benefits promised to the participants; (3) complying with applicable law; and (4) controlling administrative costs.

4.2.2 **The Fund:** The Fund shall be managed in a prudent manner recognizing risk and return trade-offs. While concerned with avoiding undue risk, the City

Pension Committee is desirous of maximizing investment gains. Accordingly, consistent with safety of principal over the long term, investments shall be chosen to maximize the return on invested assets. Sufficient liquidity shall also be maintained to fund expenses and benefit payments.

- 4.3 **Investment Objectives:** The Investment Objectives for the Fund will be for the asset value, exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return gross of fees) that tracks the benchmarks established for the medium term (3years) and long term (5 years).

4.3.1 Medium Term Performance Objectives:

4.3.1.1 **Total Fund Objective:** The objective of the total fund is to earn a return that tracks the return of the indices weighted in accordance with the current target asset allocation.

4.3.1.2 **Large Cap Equity:** The objective of the large cap equity segment of the Fund is to earn a return that exceeds the rate of return of the Russell 1000 Index.

4.3.1.3 **Small Cap Equity:** The objective of the small cap equity segment of the Fund is to earn a return that tracks the rate of return of the Russell 2000 Index.

4.3.1.4 **Fixed Income:** The objective of the fixed income segment of the Fund is to earn a return that exceeds the rate of return of the Barclays Capital Aggregate Bond Index as well as the median fixed income return in a representative performance universe.

4.3.1.5 **International Equity:** The objective of the international equity segment of the Fund is to earn a return that exceeds the rate of return of the MSCI EAFE Index as well as the median international equity return in a representative performance universe.

4.3.1.6 **Stable Value:** The objective of the stable value segment of the fund is to earn a return that exceeds the rate of return of the Bankers Trust 3 year GIC Index as well as the median GIC return in a representative performance universe.

4.3.2 Long Term Performance Objectives:

4.3.2.1 **Total Fund Return:** The objective of the total fund is to earn a return that meets or exceeds the actuarial assumption rate.

4.3.2.2 **Rate of Return:** The objective of the total fund is to earn a return that meets or exceeds the rate of return of the indices weighted in accordance with the current target asset allocation.

4.4 **Asset Allocation:** The Asset Allocation of the Fund is set up to be rebalanced automatically on a quarterly basis in compliance with the following guidelines.

<u>Asset Class</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Cash	0%	0%	5%
Core Fixed Income	20%	10%	30%
TIPS	3%	0%	10%
Small Cap Equity	5%	0%	10%
Large Cap Equity	32%	25%	45%
International Equity	15%	0%	20%
Stable Value	20%	0%	40%
Absolute Return	5%	0%	5%
	100%		

4.6 **Investment Guidelines:** It is the intention of the City Pension Committee to allow each investment manager full investment discretion within the scope of these investment guidelines, the applicable Investment Manager Agreement, and any laws that supersede either of these documents.

4.7 **Liquidity:** The Fund's cash flow will be monitored on a regular basis by the City Pension Committee, and sufficient liquidity shall be maintained to fund benefit payment outflows. When withdrawals become necessary, the City Pension Committee will notify the investment managers as far in advance as possible to allow them sufficient time to acquire the necessary liquid reserves.

4.8 **Proxy Voting:** The investment managers shall have the sole and exclusive right to vote any and all proxies solicited in connection with the securities held by the Fund.

4.9 **Trading and Execution:** The investment managers shall use their best efforts to obtain execution of orders through responsible brokerage firms at the most favorable prices and competitive commission rates.

5.0 DEFINITIONS:

None

6.0 PROCEDURE:

Investment Performance Review and Evaluation:

6.1.1 **Pension Committee:** The City Pension Committee will review the investment results of the investment managers at least semi-annually.

Performance comparisons will be made against a representative performance universe and the performance objectives set forth in this policy statement.

- 6.1.2 **Review of Investment Manager:** The City Pension Committee, with the assistance of the investment consultant shall periodically review the qualitative developments of each investment manager. This evaluation should include: Changes in ownership, personnel turnover, adherence to investment style and philosophy, and any other qualities that the City Pension Committee deem appropriate. This review should also include an assessment as to whether each investment manager has operated within the scope of this Investment Policy.
- 6.1.3 **Disclosures:** Further, all registered investment advisors must present updated ADV-2 forms on an annual basis to the City Pension Committee and Investment Consultant.
- 6.1.4 **Investment Manager Accountability:** The City Pension Committee is desirous of holding each investment manager accountable for the performance of the assets over which they exercise discretion. If an investment manager fails to accomplish the investment objectives as set forth in this Investment Policy over a market cycle (typically three to five years), the City Pension Committee will continue to monitor the investment results until they determine that removal of probation or termination of the investment manager is warranted. The City Pension Committee still reserves the right to terminate investment managers if they violate this Investment Policy, experience personnel or organizational changes, or if the City Pension Committee determines that a change of investment managers is in the best interests of Plan participants.
- 6.2 **Internal Control:** In conjunction with the City's independent annual financial audit, a review of actual and documented internal controls of the City's investment program will be conducted. The review will assure that internal controls are adequate and assure compliance with policies and procedures.
- 6.3 **Policy Changes:** The investment consultant shall advise the City Pension Committee of any restrictions within this Investment Policy which may prevent the investment manager(s) from obtaining the objectives and goals set forth herein. Any violation of the investment guidelines or other sections of this Investment Policy discovered by the investment consultant in the preparation of its regular performance review shall be reported immediately to the City Pension Committee and discussed at their next regularly scheduled meeting.
- 6.4 **Review and Revisions:** The City Pension Committee reserves the right to amend the Investment Policy at any time they deem such amendment to be necessary, or to comply with changes in federal and/or state law as these changes affect the investment of the Fund's assets. This policy will be reviewed, revised as necessary on an annual basis by the City Pension Committee and any modifications made thereto must be recommended by the Committee and approved by the City Council

AUTHORIZED INVESTMENT MANAGERS

STATE STREET GLOBAL ADVISORS (SSGA)

Russell 1000 Index

I. Investment Assignment

Individual investment options will be managed by professional money managers, who will be responsible for all decisions surrounding the purchase and sale of individual securities. The Pension Investment Committee recognizes that portfolio size, cost considerations, and the time and expertise required to oversee portfolio investments should all play a role in determining what type of investment vehicles may be most appropriate to use in the Plan; given the foregoing considerations, the Committee has decided to invest primarily in commingled/pooled vehicles. Such options include, but are not limited to, those managed by banks (collective trusts), insurance companies, and registered investment companies (mutual funds). By investing in pooled funds, the Committee recognizes that each fund's investments are made in accordance with fund-specific portfolio guidelines, which may change over time. Therefore, these guidelines will be reviewed on no less than an annual basis to ensure they continue to meet the needs of the Plan portfolio.

II. Investment Objectives

The investment objectives for SSGA will be for the asset value exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return) in line with the benchmarks established for the long term (5 years). The total equity segment of the portfolio is to track the Russell 1000 Index as well as the median equity return in a representative performance universe.

III. Allowable Securities

The allowable securities shall be solely comprised of shares of the SSGA Russell 1000 Index. Investments made by SSGA must be consistent with the current SSGA Russell 1000 Index Fund prospectus. Should the allowable securities permitted under subsequent prospectuses change, it is the responsibility of SSGA to promptly notify the City Pension Committee in writing.

STATE STREET GLOBAL ADVISORS (SSGA)

Russell 2000 Index

I. Investment Assignment

SSGA will be given full discretion within the scope of these mutually agreed upon investment guidelines. SSGA will be responsible for reviewing these guidelines with the City Pension Committee at least annually to assure they remain prudent. SSGA shall discharge its management in a prudent manner, always keeping the best interest of the participants clearly in mind.

II. Investment Objectives

The investment objectives for SSGA will be for the asset value exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return) in line with the benchmarks established for the long term (5 years). The total equity segment of the portfolio is to track the Russell 2000 Index as well as the median equity return in a representative performance universe.

III. Allowable Securities

The allowable securities shall be solely comprised of shares of the SSGA Russell 2000 Index. Investments made by SSGA must be consistent with the current SSGA Russell 2000 Index Fund prospectus. Should the allowable securities permitted under subsequent prospectuses change, it is the responsibility of SSGA to promptly notify the City Pension Committee in writing.

DODGE & COX
International Stock Fund

I. Investment Assignment

Dodge & Cox will be given full discretion within the scope of these mutually agreed upon investment guidelines. Dodge & Cox will be responsible for reviewing these guidelines with the City Pension Committee at least annually to assure they remain prudent. Dodge & Cox shall discharge its management in a prudent manner, always keeping the best interest of the participants clearly in mind.

II. Investment Objectives

The investment objectives of the Dodge & Cox will be for the asset value, exclusive of contributions or withdrawals, to grow over the medium term (3 years) and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return gross of fees) that exceeds the rate of return of the EAFE Index as well as the median equity return in a international performance universe.

III. Allowable Securities

The allowable securities shall be solely comprised of shares of the Dodge & Cox International Stock Fund. Investment s made by Dodge & Cox must be consistent with the current Dodge & Cox International Stock Fund prospectus. Should the allowable securities permitted under subsequent prospectuses change, it is the responsibility of Dodge & Cox to promptly notify the City Pension Committee in writing.

PIMCO

PIMCO Total Return Fund

I. Investment Assignment

PIMCO will be given full discretion within the scope of these mutually agreed upon investment guidelines. PIMCO will be responsible for reviewing these guidelines with the City Pension Committee at least annually to assure they remain prudent. PIMCO shall discharge its management in a prudent manner, always keeping the best interest of the participants clearly in mind.

II. Investment Objectives

The investment objectives for PIMCO will be for the asset value, exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return) in excess of the benchmarks established for the long term (5 years). The Total Portfolio is to exceed the Barclays Capital Aggregate Bond Index as well as the median return in a representative fixed income performance universe.

III. Allowable Securities

The allowable securities shall be solely comprised of shares of PIMCO Total Return Fund. Investments made by PIMCO must be consistent with the current PIMCO Total Return Fund prospectus. Should the allowable securities permitted under subsequent prospectuses change, it is the responsibility of PIMCO to promptly notify the City Pension Committee in writing.

STATE STREET GLOBAL ADVISORS (SSGA)

Treasury Inflation Protected Securities (TIPS) Fund

I. Investment Assignment

SSGA will be given full discretion within the scope of these mutually agreed upon investment guidelines. SSGA will be responsible for reviewing these guidelines with the City Pension Committee at least annually to assure they remain prudent. SSGA shall discharge its management in a prudent manner, always keeping the best interest of the participants clearly in mind.

II. Investment Objectives

The investment objectives for SSGA will be for the asset value exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return) in line with the benchmarks established for the long term (5 years). The Total Portfolio is to track the Barclays Capital US TIPS Index as well as the median return in a representative fixed income performance universe.

III. Allowable Securities

The allowable securities shall be solely comprised of shares of the SSGA TIPS Fund. Investments made by SSGA must be consistent with the current SSGA TIPS Fund prospectus. Should the allowable securities permitted under subsequent prospectuses change, it is the responsibility of SSGA to promptly notify the City Pension Committee in writing.

GREAT-WEST

Defined Benefit Guaranteed Portfolio

I. Investment Assignment

Great-West will be given full discretion within the scope of all applicable law relating to the investment of assets of an insurance company in their Defined Benefit Guaranteed Portfolio. Great-West shall discharge its management in a prudent manner.

II. Investment Objectives

The investment objectives of the Defined Benefit Guaranteed Portfolio of Great-West will be for the asset value, exclusive of contributions or withdrawals, to grow over the medium term (3 years) and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return gross of fees) that exceeds the rate of return of the 3-Year GIC Index as well as the median return in a Stable Value Funds performance universe.

III. Allowable Securities

The allowable securities shall be solely comprised of shares of the Defined Benefit Guaranteed Portfolio of Great-West. Investments made by the Defined Benefit Guaranteed Portfolio of Great-West must be consistent with the current Defined Benefit Guaranteed Portfolio investment policies as described by Great-West to the City Pension Committee. Should the allowable securities permitted under subsequent policies change, it is the responsibility of The Great-West to promptly notify the City Pension Committee in writing.

PIMCO

All Asset All Authority Strategy (Absolute Return)

I. Investment Assignment

PIMCO will be given full discretion within the scope of all applicable law relating to the investment of assets in this strategy. PIMCO shall discharge its management in a prudent manner.

II. Investment Objectives

This actively-managed fund includes both traditional and nontraditional asset classes. This fund is designed to provide inflation hedging, diversification, and potential for compelling long-term return. The use of leverage and short exposure is designed to enhance returns, yet is developed to reduce risk.

III. Allowable Securities

The allowable securities shall be solely comprised of shares of the PIMCO All Asset All Authority Fund. Investments made by PIMCO must be consistent with the current PIMCO All Asset All Authority Fund prospectus. Should the allowable securities permitted under subsequent prospectuses change, it is the responsibility of PIMCO to promptly notify the City Pension Committee in writing.

Revised City Policy and Procedure



POLICY AND PROCEDURE

Subject: City Pension Investment Policy	Index: Finance & Administrative Services Number: 202-2
Effective Date:	Prepared By: Finance & Administrative Services
Supersedes: December 18, 2013	Approved By:

1.0 **PURPOSE:**

The purpose of the City's Pension Investment Policy is to establish: (1) an appropriate set of objectives and goals regarding the investment of the assets of the City of San Clemente Pension Plan (hereafter referred to as the Pension Trust Fund); and (2) investment policies and practices designed to permit the continuing financial obligations of the Fund to be satisfied.

2.0 **ORGANIZATIONS AFFECTED:**

All City departments/divisions

3.0 **REFERENCES:**

- Investment Advisory Act of 1940
- Civil Code Section 2261, et seq.
- Government Code Section 53600, et seq.
- Code of Ethics Policy, Administrative Policy #102-1

4.0 **POLICY:**

4.1 The policy of the City of San Clemente ("the City") to invest the pension retirement trust funds in a manner which will provide a market rate of return while meeting the financial obligations of the fund and conforming to all applicable State and City statutes governing the investment of public funds, as referenced in section 3.0.

4.1.1 **Scope:** This pension investment policy applies to all financial assets of the City of San Clemente Pension Plan. These funds are accounted for monthly investment report presented to the Investment Advisory Committee.

4.1.2 **Statement of Responsibilities:** The following parties associated with the Fund shall discharge their respective responsibilities in accordance with all applicable fiduciary standards as follows: (1) in the sole interest of the Fund participants and beneficiaries; (2) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims; and (3) by diversifying the investments so as to minimize the risk of large losses.

4.1.2.1 **City Investment Advisory Committee:** The members of the City Investment Advisory Committee will review and propose and Investment Policy for the approval of the City Council and provide direction as to the investment strategy and Pension Trust Fund assets.

4.1.2.2 **City Pension Committee:** The City Pension Committee are plan fiduciaries and delegated authority to implement the approved Investment policy and daily administration of the City of San Clemente Employee Retirement Plan (“the Plan”). The members of the Committee include: City Manager, Assistant City Manager/or Administrative Services Director, the Human Resources Manager, and the Finance Manager. These individuals are responsible for the Pension Trust Fund operations and administration. This includes assets reporting and oversight, contributions, retiree payments, vendor payments, actuarial reports and other administrative requirements.

4.1.2.3 **Investment Management:** The investment managers are delegated the responsibility of investing and managing the Fund’s assets in accordance with this Investment Policy and all applicable laws. Each investment manager must either be; (1) registered under the Investment Company Act of 1940; (2) registered under Investment Advisors Act of 1940; (3) a bank, as defined in that Act; (4) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of Fund assets; or, (5) such other person or organization authorized by applicable law or regulation to function as an investment manager.

4.1.2.4 **Investment Consultant:** The investment consultant is charged with advising the City Investment Advisory Committee on investment policy, the selection of appropriate investments, and providing performance analysis, and monitoring services.

4.1.2.4 **Investment Custodian:** The investment custodian is the company holding Pension Trust Fund assets. The custodian will generally report on a monthly and quarterly basis the various assets and assist with the

rebalancing of the asset classes. The custodian will facilitate funding payments to the retirees and paying approved administrative costs of the Pension Trust Fund.

4.2 **Statement of Investment Philosophy:**

4.2.1 **City Investment Advisory Committee:** The City Pension Committee is committed to: (1) protecting the corpus of the Fund; (2) obtaining adequate investment returns in order to protect and pay the benefits promised to the participants; (3) complying with applicable law; and (4) controlling administrative costs.

4.2.2 **Pension Trust Fund:** The Fund shall be managed in a prudent manner recognizing risk and return trade-offs, while concerned with avoiding undue risk. Accordingly, investments shall be chosen to maximize the return on invested assets and overall safety of funds over the long term. Sufficient liquidity shall also be maintained to fund expenses and benefit payments.

4.3 **Investment Objectives:** The Investment Objectives for the Pension Trust Fund will be for the asset value, exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a rate of return (time-weighted total return gross of fees) tracking the designated benchmarks at a minimal cost utilizing a passive income strategy.

4.3.1 **Performance Objectives:**

4.3.1 **Total Fund Objective:** The objective of the Pension Trust fund is to invest in assets and achieve returns comparable to other Pension Trust Funds and exceeding the Pooled City Investments and maintaining liquidity needs of the fund.

4.3.2 **Total Fund Return:** The total fund return goal is to meet or exceed the actuarial assumption rate or discount rate over a multiple year period.

4.3.3 **Rate of Return:** The objective of the total fund is to earn a rate of return of the indices weighted in accordance with the current target asset allocation.

4.3.4 **Investment Risk:** The objective of the investment policy is to manage portfolio risk through a diversified pool of assets while ensuring proper liquidity.

4.4 **Asset Strategy and Classes:** The Pension Trust assets will be invested with a variety of diversification to minimize the risk of any one asset class and improve overall long-term performance, while comparing individual returns to benchmarks or indexes. The following asset classes may be participated in through mutual fund, exchange traded funds, or other investment options to minimize costs.

- 4.4.1 **Large Capitalization Equity:** The objective of the large cap equity segment of the Fund is to earn a rate of return tracking of the Russell 1000 Index. This index is comprised of the top 1,000 companies by market capitalization.
- 4.4.2 **Small Capitalization Equity:** The objective of the small cap equity segment of the Fund is to earn a rate of return tracking the Russell 2000 Index. This index is comprised of the smallest 2,000 companies by market capitalization.
- 4.3.3 **Fixed Income:** The objective of the fixed income segment of the Fund is to earn a return that exceeds the rate of return of an Aggregate Bond Index as well as the median fixed income return in a representative performance universe. This category includes both short and long-term rated debt instruments.
- 4.3.4 **International Equity:** The objective of the international equity segment of the Fund is to earn a rate of return tracking the MSCI EAFE Index or other international equity return in a representative performance universe.
- 4.3.5 **Real Estate:** The objective of the real estate asset class is to provide access to tangible assets through Real Estate Investment Trusts (REITS) offering stable returns, diversification, and inflation protection through office, retail and industrial property ownership or investments.
- 4.3.6 **Stable Value:** The objective of the stable value portion is currently invested similar to a cash equivalent with a benchmark rate of return comparable to the Bankers Trust 3 year GIC Index, or comparable index.
- 4.3.7 **Other Assets:** The objective of this approach is tactical asset allocation in inflation-sensitive investments, including debt, commodities, equities or leveraged assets.
- 4.3.8 **Cash:** The objective of the cash portion of the portfolio is to provide liquidity resources as needed to pay short term costs of the Pension Trust Fund.

Other investments options may be added, if allowed by law, with the approval of policy revisions approved by the City Council.

- 4.4 **Asset Allocation:** Asset allocation involves establishing asset class allocation policy targets. The Pension Trust Fund Asset Allocation is determined by the Investment Advisory Committee. The target allocation will be addressed in this Policy and the assets will be rebalanced on a quarterly basis automatically. The investment allocation or target allocation is to be in compliance with the following guidelines.

<u>Asset Class</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Cash	0%	0%	5%
Core Fixed Income	20%	10%	30%
TIPS	5%	0%	10%
Small Cap Equity	5%	0%	10%
Large Cap Equity	35%	25%	45%
International Equity	15%	0%	20%
Stable Value	<u>20%</u>	0%	40%
Total	100%		

4.6 **Investment Guidelines:** It is the intention of the City Investment Advisory Committee to allow the investment manager full investment discretion within the scope of these investment guidelines, the applicable Investment Manager Agreement, and any laws that supersede either of these documents.

4.7 **Liquidity:** The Fund's cash flow is monitored by the City Pension Committee with sufficient liquidity maintained to fund benefit payment outflows. If reallocations are necessary prior to the next quarterly rebalance, the Investment Advisory Committee will be notified by the Pension Committee. Cash and cash equivalents should equal at least 3 months of monthly disbursements providing for the day-to-day liquidity needs at the time of the portfolio rebalance.

4.8 **Proxy Voting:** The investment managers shall have the sole and exclusive right to vote any and all proxies solicited in connection with the securities held by the Pension Trust Fund.

4.9 **Trading and Execution:** The investment managers shall use their best efforts to obtain execution of orders through responsible brokerage firms at the most favorable prices and competitive commission rates.

4.10 **Pension Trust Costs:** Costs matter and are to be managed. The Pension Committee will manage costs through agreements and other staff actions to minimize investment costs, administrative costs, and other actions. However, costs may be negotiated to achieve ongoing continuity of the pension trust and to ensure proper expertise.

5.0 **DEFINITIONS:**

None

6.0 **PROCEDURE:**

6.1 **Investment Performance Review, Reporting and Evaluation:**

6.1.1 **Investment Advisory Committee:** The City Investment Advisory Committee will review the investment results of the investment managers at least semi-annually. Performance comparisons will be made against a representative

performance universe and the performance objectives set forth in this policy statement.

- 6.1.2 **Review of Strategy:** The City Investment Advisory Committee, with the assistance of the investment consultant shall periodically review the qualitative developments of each investment. This evaluation should include: Changes in ownership, personnel turnover, adherence to investment style and philosophy, and any other qualities the City Investment Advisory Committee deem appropriate. This review should also include an assessment as to each investment manager operated within the Investment Policy scope.
 - 6.1.3 **Reporting:** The quarterly investment report will include the assets held in the Pension Trust, the allocation percentages, and the quarterly return. Information as to the quarterly disbursements will be included in the report and whether minimum liquidity requirements are met.
 - 6.1.4 **Disclosures:** The investment managers must disclose all major changes in organization or investment philosophy to the City within 30 days. Further, all registered investment advisors must present updated ADV-2 forms on an annual basis to the City Pension Committee and Investment Consultant.
 - 6.1.4 **Investment Manager Accountability:** The City is desirous of holding each investment manager accountable for the performance of the assets over which they exercise discretion. If an investment manager fails to accomplish the investment objectives as set forth in this Investment Policy over a market cycle (typically three to five years), the City will notify the investment manager in writing that the Committee has placed them on probation. The Committee will continue to monitor the investment results until they determine that removal of probation or termination of the investment manager is warranted. The City still reserves the right to terminate investment managers if they violate this Investment Policy, experience personnel or organizational changes, or if the City Pension Committee determines that a change of investment managers is in the best interests of Plan participants.
- 6.2 **Internal Control:** In conjunction with the City's independent annual financial audit, a review of actual and documented internal controls of the City's investment program will be conducted. The review will assure that internal controls are adequate and assure compliance with policies and procedures.
 - 6.3 **Policy Changes:** The investment consultant shall advise the City Investment Advisory Committee of any restrictions within this Investment Policy which may prevent the investment manager(s) achieving the objectives and goals set forth herein. Any violation of the investment guidelines or other sections of this Investment Policy discovered by the investment consultant in the preparation of its regular performance review shall be reported immediately to the City Pension Committee and discussed at their next regularly scheduled meeting.

- 6.4 **Review and Revisions:** The City Investment Advisory Committee reserves the right to amend the Investment Policy as necessary, or to comply with changes in federal and/or state law as these changes affect the investment of the Fund's assets. This policy will be reviewed on an annual basis by the City Investment Advisory Committee and any revisions or modifications made thereto recommended by the Committee and approved by the City Council. Funds invested in should have ample liquidity to meet any operational needs as determined by the Investment Advisory Committee.
- 6.5 **Authorized Investment Managers:** The City Investment Advisory Committee reserves the right to modify investments and managers during the year. Current authorized investment managers include Empower, Dodge & Cox, PIMCO, and State Street Global Advisors.

Based on investment selections other fund managers could be American Century, American Funds, Vanguard, Fidelity, Blackrock (ishares), Schwab, Nuveen, Goldman Sachs, T Rowe Price, (list more or take out).