



Investment Advisory Committee

Monday, January 27, 2025, 10:00 AM
1 Civic Center Circle
Brea, CA 92821

CHAIR: Mayor Christine Marick

ALTERNATE: Council Member Marty Simonoff

The Investment Advisory Committee Meeting will be held on Monday January 27, 2025 at 10:00 a.m. and the public is welcome to participate. Written comments may be sent to the Administrative Services Department at debbied@cityofbrea.net no later than 12:00 p.m. on Thursday, January 23, 2025. Any comments received via email will be summarized aloud into the record at the meeting.

The Investment Advisory Committee meeting agenda can be viewed on the City of Brea's website at <https://www.ci.brea.ca.us/509/Meeting-Agendas-Minutes>. Hard copies of the agenda packet are available via USPS with proper notice by calling (714) 990-7684. Materials related to an item on this agenda submitted to the Investment Advisory Committee after distribution of the agenda packet are available for public inspection in the Administrative Services Department located on the third floor of the Civic & Cultural Center at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title 11)

1. CALL TO ORDER/ROLL CALL

- 1A. Matters from the Audience
- 1B. Attendees

2. CONSENT

- 2A. Approval of Minutes 07-22-2024

3. DISCUSSION

- 3A. Review Quarterly Investment Report for Period Ended December 31, 2024 from Chandler Asset Management - Presented by Daniel Delaney
- 3B. Review of PARS Pension and OPEB Rate Stabilization Program Investment Reports for Period Ended December 31, 2024 - Presented by PARS and PFM Asset Management

4. NEXT MEETING:

Reminder: The next Investment Advisory Committee meeting is scheduled for Monday, April 28, 2025 at 10 a.m.



City of Brea

Investment Advisory Committee Communication

Approval of Minutes 07-22-2024

Meeting	Agenda Group
Monday, January 27, 2025, 10:00 AM	CONSENT Item: 2A.
TO	FROM
Chair and Members of the Investment Advisory Committee	Kristin Griffith, Interim City Manager

Approval of Minutes for Investment Advisory Committee held on 07-22-2024.

Attachments

[Investment Advisory Committee-07-22-2024-minutesDraft.pdf](#)

Minutes for the Investment Advisory Committee

1 Civic Center Circle, Brea, CA 92821

July 22, 2024, 10:00 AM - 10:41 AM

1. CALL TO ORDER/ROLL CALL

Mayor Christine Marick called the meeting to order at 10:00 a.m.

1A. Matters from the Audience-

None.

1B. Attendees-

Attendees: Mayor Christine Marick, Treasurer Denise Eby, Kristin Griffith, Gary Terrazas, Ho-El Park, Dave Penn,

Monica Lo, Alicia Brenner, and Debbie Duff

Other Attendees: Chris McCarry (Chandler)

Other Attendees (via Teams): Keith Stribling (PFM), Angela Tang (PARS), Jennifer Meza (PARS)

2. CONSENT

2A. Approval of Minutes 4/22/2024-

Approved.

3. DISCUSSION

3A. Review Quarterly Investment Report for Period Ended June 30, 2024 from Chandler Asset Management - Presented by Chris McCarry-

The Committee reviewed the quarterly report as presented and recommended to receive and file.

3B. Statement of Investment Policy for the City/Brea Successor Agency to the Brea Redevelopment Agency-

The Committee reviewed the Statement of Investment Policy as presented and stated that the goal is to be officially certified by CMTA. Recommended for City Council approval.

3C. Investment Policy Guidelines for the City of Brea's Employee Benefits Fund Pension Plan-

The Committee reviewed the Statement of Investment Policy. Recommended for City Council approval.

3D. Investment Policy Guidelines for the City of Brea's Other Post Employment Benefits (OPEB) Trust Fund-

The Committee reviewed the Statement of Investment Policy. Recommended for City Council approval.

4. SCHEDULE NEXT MEETING:

4A. Reminder: Annual Investment Advisory Committee Update to the City Council on Tuesday, August 20, 2024 at 7 p.m.-

4B. Reminder: The next Investment Advisory Committee meeting is scheduled for Monday, October 28, 2024 at 10 a.m.-

Mayor Marick adjourned the meeting at 10:41 a.m.



Investment Advisory Committee Communication

A. Review Quarterly Investment Report for Period Ended December 31, 2024 from Chandler Asset Management - Presented by Daniel Delaney

Meeting	Agenda Group
Monday, January 27, 2025, 10:00 AM	DISCUSSION Item: 3A.
TO	FROM
Chair and Members of the Investment Advisory Committee	Kristin Griffith, Interim City Manager

RESPECTFULLY SUBMITTED:

Kristin Griffith, Interim City Manager

Presented by: Chandler Asset Management

Attachments

[2024.12.31_Quarterly Report_City of Brea.pdf](#)

INVESTMENT REPORT

City of Brea | As of December 31, 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

ACCOUNT PROFILE

CONSOLIDATED INFORMATION

PORTFOLIO HOLDINGS

TRANSACTIONS

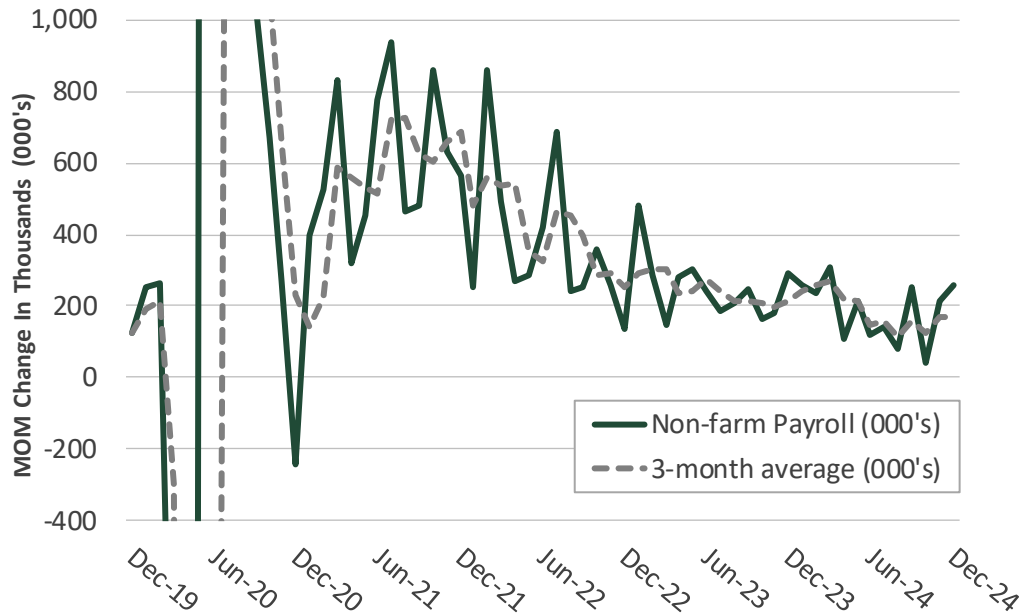
ECONOMIC UPDATE

- Recent economic data suggests continued growth fueled by a resilient consumer. Inflationary trends have subsided, but some components remain sticky, and core levels remain above the Fed's target. The labor market reflects improved balance between supply and demand for workers. While job creation has been robust, continuing jobless claims remain elevated. Given the economic outlook, we expect gradual normalization of monetary policy and a steepening yield curve.

- As broadly anticipated, the Federal Open Market Committee (FOMC) reduced the Fed Funds Rate by 25 basis points to the range of 4.25-4.50% at the December meeting. Although the cut was widely anticipated, market participants viewed the trajectory of rates in the SEP as 'hawkish.' Chair Jerome Powell reiterated previous statements indicating the economy is in a good place and that monetary policy is well positioned. The Fed released the quarterly Summary of Economic Projections (SEP), which now forecasts a higher central tendency of core inflation and a higher longer run Fed Funds forecast. In the Chandler team's view, the updated SEP reflects the continued resiliency of the US economy and the corresponding risk of inflation taking longer to reach the FOMC's two percent objective in 2025.

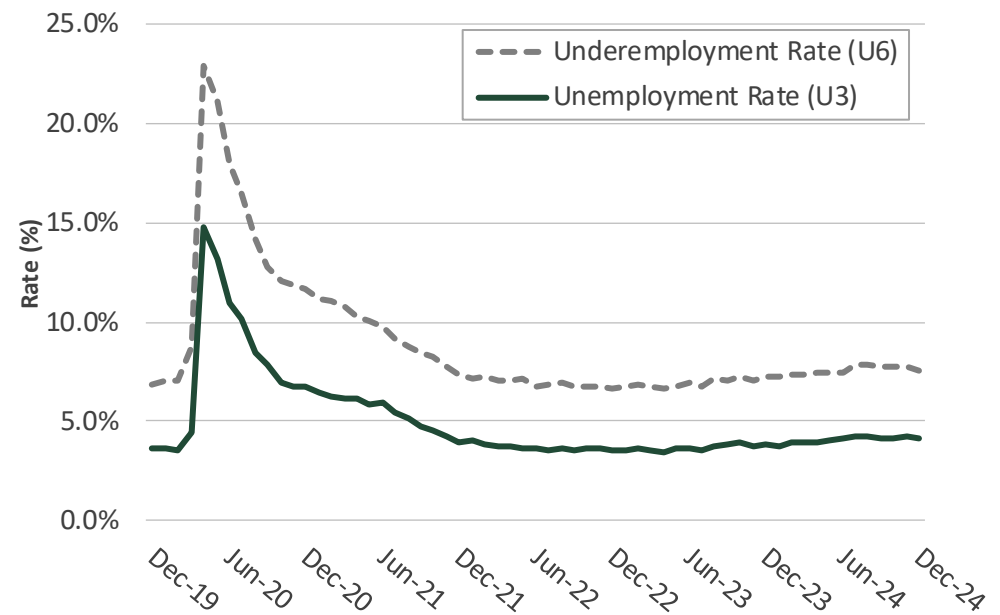
- US Treasury yields shifted higher in December and the curve steepened. The 2-year Treasury yield increased 9 basis points to 4.24%, the 5-year Treasury rose 33 basis points to 4.38%, and the 10-year Treasury yield surged 40 basis points to 4.57%. The spread between the 2-year and 10-year Treasury yield points on the curve increased to +33 basis points at December month-end versus +2 basis points at November month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -37 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve increased to +25 basis points in December from -32 basis points in November.

Nonfarm Payroll (000's)



Source: US Department of Labor

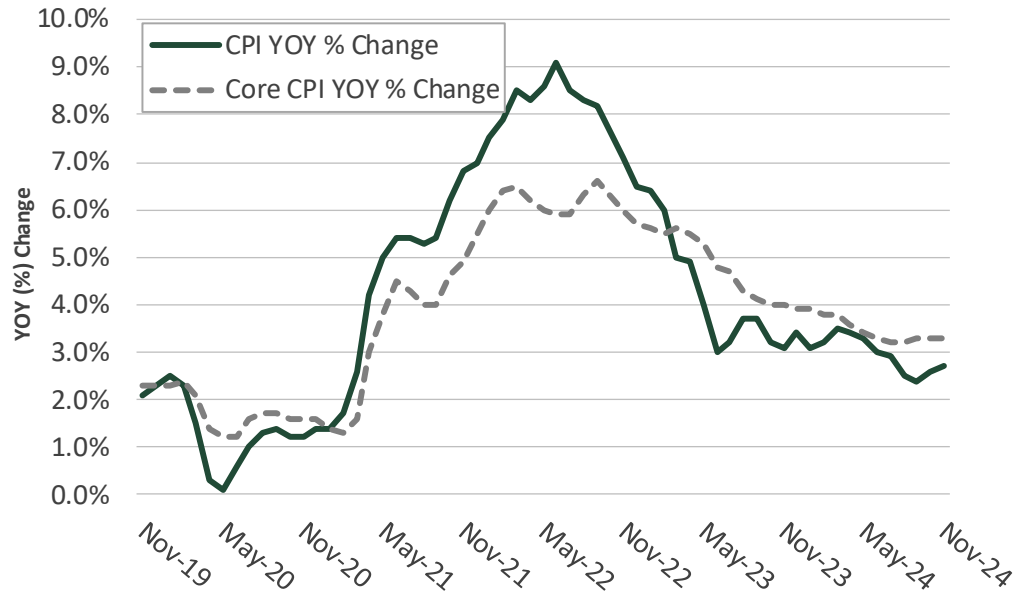
Unemployment Rate



Source: US Department of Labor

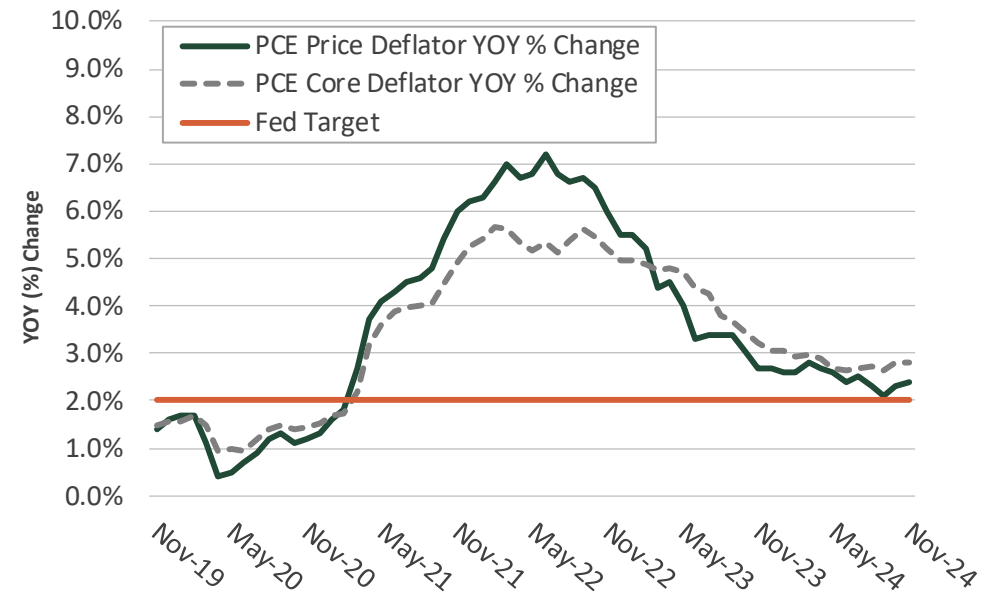
The U.S. economy added 256,000 jobs in December, far exceeding consensus expectations. Gains were led by health care, retail, and leisure sectors, while manufacturing shed jobs. The three-month moving average and six-month moving average payrolls totaled 170,000 and 165,000 respectively. The unemployment rate declined to 4.1% in December, and the labor participation rate was unchanged at 62.5%, 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 fell to 7.5%. Average hourly earnings moderated to an increase of 3.9% year-over-year in December.

Consumer Price Index (CPI)



Source: US Department of Labor

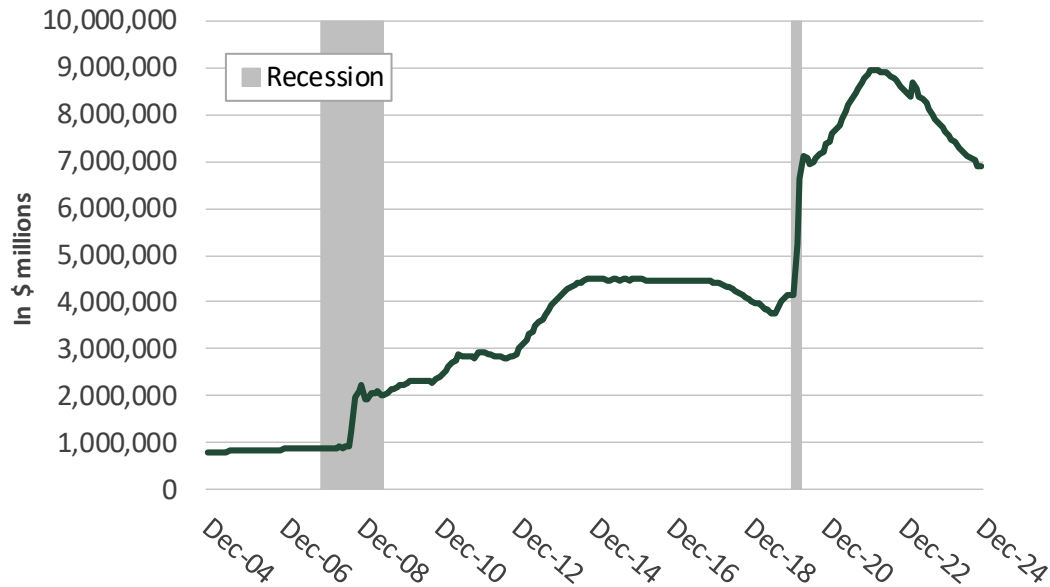
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

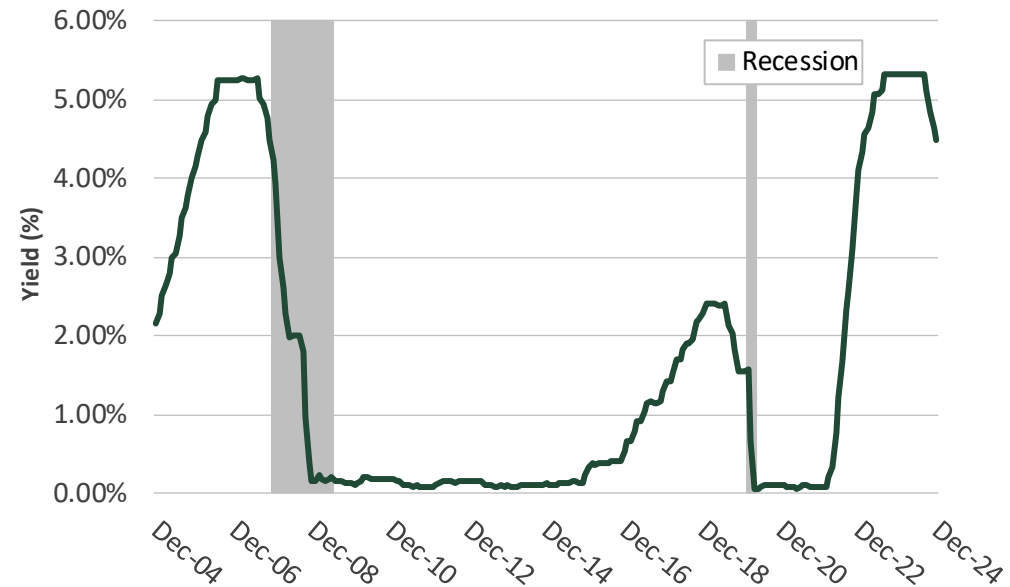
In November, the Consumer Price Index (CPI) rose 0.3% month-over-month and 2.7% year-over-year, rising from 2.6% in October as expected. The Core CPI, which excludes volatile food and energy components, rose 0.3% month-over-month and 3.3% year-over-year, also meeting consensus forecasts. The Personal Consumption Expenditures (PCE) Index rose 0.1% from the previous month and 2.4% year-over-year in November versus a 2.3% increase in October. The Core PCE deflator (the Fed's preferred gauge) increased 0.1% month-over-month, below recent small month-over-month rises and 2.8% over the past year. Core prices are exhibiting what Fed Chair Powell describes as "sideways" movement. Although inflation has moderated, price increases remain above the Fed's 2% target.

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

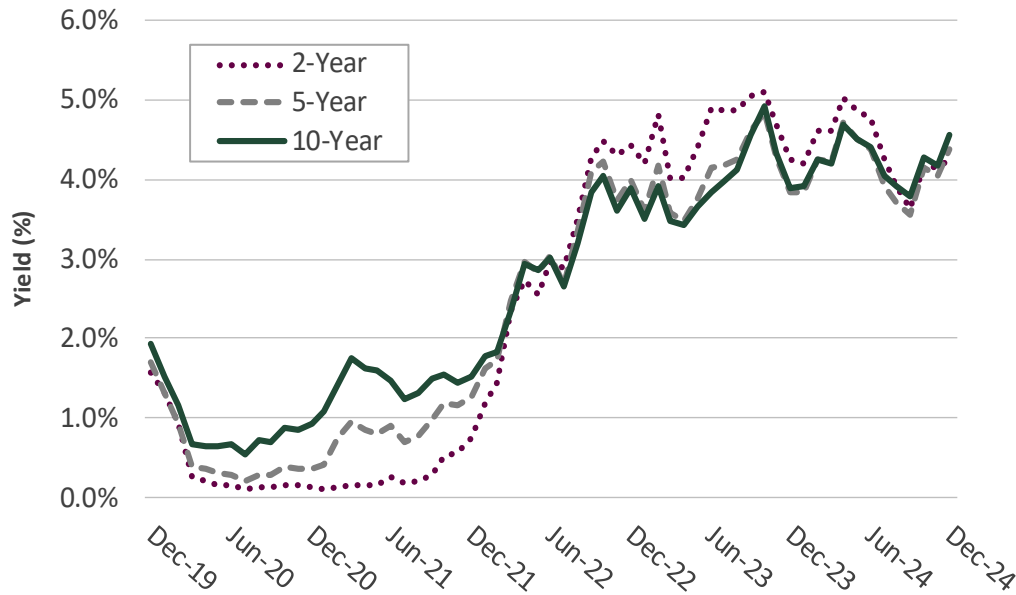
Effective Federal Funds Rate



Source: Bloomberg

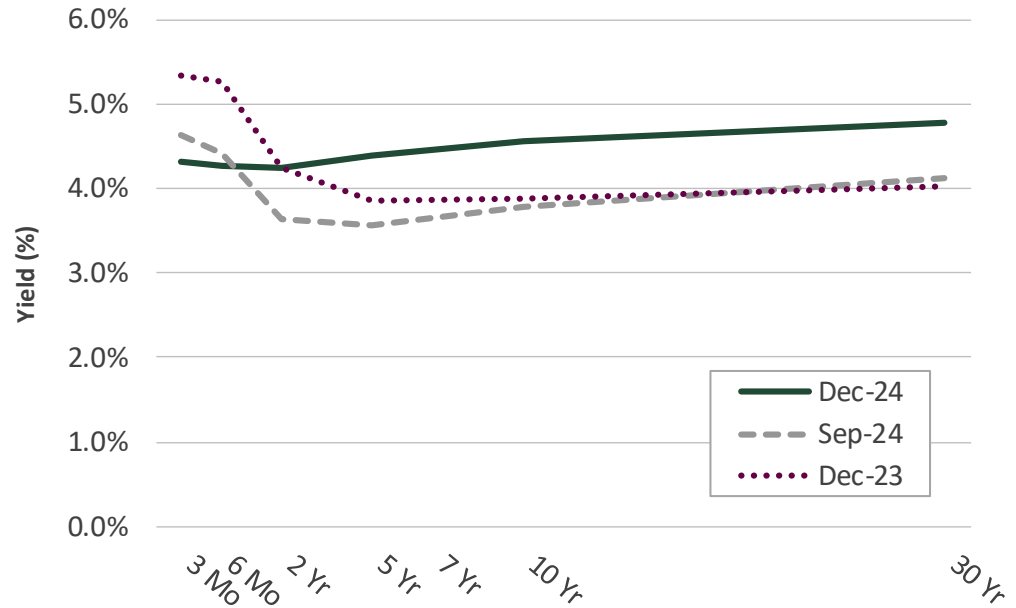
As broadly anticipated, the Federal Open Market Committee (FOMC) reduced the Fed Funds Rate by 25 basis points to the range of 4.25-4.50% at the December meeting. There was one dissenting vote by Cleveland Fed President Beth Hammack who would have preferred no change in rates. Although a reduction in rates was widely anticipated, market participants viewed the trajectory of rates in the SEP as 'hawkish.' Chair Jerome Powell reiterated previous statements that monetary policy is "well positioned" and the outlook remains roughly balanced between the dual mandate of maximum employment and price stability. Economic activity is expanding at a solid pace, labor market conditions have "generally eased", and the unemployment rate "remains low." The Fed released the quarterly Summary of Economic Projections (SEP) which now forecasts a higher, longer run median Fed Funds rate expectation among Fed Governors at 2.8 – 3.6%. The Fed continues to reduce its holdings of U.S. Treasury securities and agency mortgage-backed securities as per its predefined schedule of \$25 billion and \$35 billion per month. Since the Fed began its Quantitative Tightening campaign in June 2022, securities holdings have declined by approximately \$1.9T to approximately \$7.0T.

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of December, the 2-year Treasury yield was 1 basis point lower, and the 10-Year Treasury yield was 69 basis points higher, year-over-year. The spread between the 2-year and 10-year Treasury yield points on the curve increased to +33 basis points at December month-end versus +2 basis points at November month-end. The yield curve inversion which began in July 2022 was historically long. The average historical spread (since 2004) is about +99 basis points. The 3-month and 10-year Treasury yield curve normalized to +25 basis points in December from -32 basis points in November.

ACCOUNT PROFILE

Investment Objectives

The City of Brea and the Successor Agency to the Brea Redevelopment Agency's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program.

Chandler Asset Management Performance Objective

The performance objective is to achieve a rate of return over a market cycle that equals or exceeds the return on a market index of similar duration and sector allocation.

Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

STATEMENT OF COMPLIANCE

City of Brea | Account #120 | As of December 31, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES (CMOS)				
Max % (MV)	100.0	12.0	Compliant	
Max % Issuer (MV)	25.0	12.0	Compliant	
Max Maturity (Years)	5.0	4.2	Compliant	
Min Rating (AA by 1)	0.0	0.0	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; Non Agency ABS & MBS)	15.0	6.3	Compliant	
Max % Issuer (MV)	5.0	1.0	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	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	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1/P-1 by Moody's & S&P)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	26.1	Compliant	

STATEMENT OF COMPLIANCE

City of Brea | Account #120 | As of December 31, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	5.0	1.6	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)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	12.3	Compliant	
Max % Issuer (MV)	25.0	4.1	Compliant	
Max Callables (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	3	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max % (MV)	60.0	0.0	Compliant	
Max Issuer %	40.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	60.0	0.0	Compliant	
Max % Issuer (MV)	40.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.4	Compliant	
Max % Issuer (MV)	20.0	0.4	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	15.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	30.0	1.0	Compliant	

STATEMENT OF COMPLIANCE

City of Brea | Account #120 | As of December 31, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	5.0	1.0	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	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 Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	15.0	4.0	Compliant	
Max % Issuer (MV)	5.0	2.0	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	37.9	Compliant	
Max Maturity (Years)	5	4	Compliant	

PORTFOLIO CHARACTERISTICS



City of Brea | Account #120 | As of December 31, 2024

	Benchmark*	12/31/2024 Portfolio	9/30/2024 Portfolio
Average Maturity (yrs)	2.66	2.98	3.04
Average Modified Duration	2.48	2.59	2.66
Average Purchase Yield		3.36%	3.21%
Average Market Yield	4.29%	4.47%	3.89%
Average Quality**	AA+	AA	AA
Total Market Value		93,990,176	94,700,358

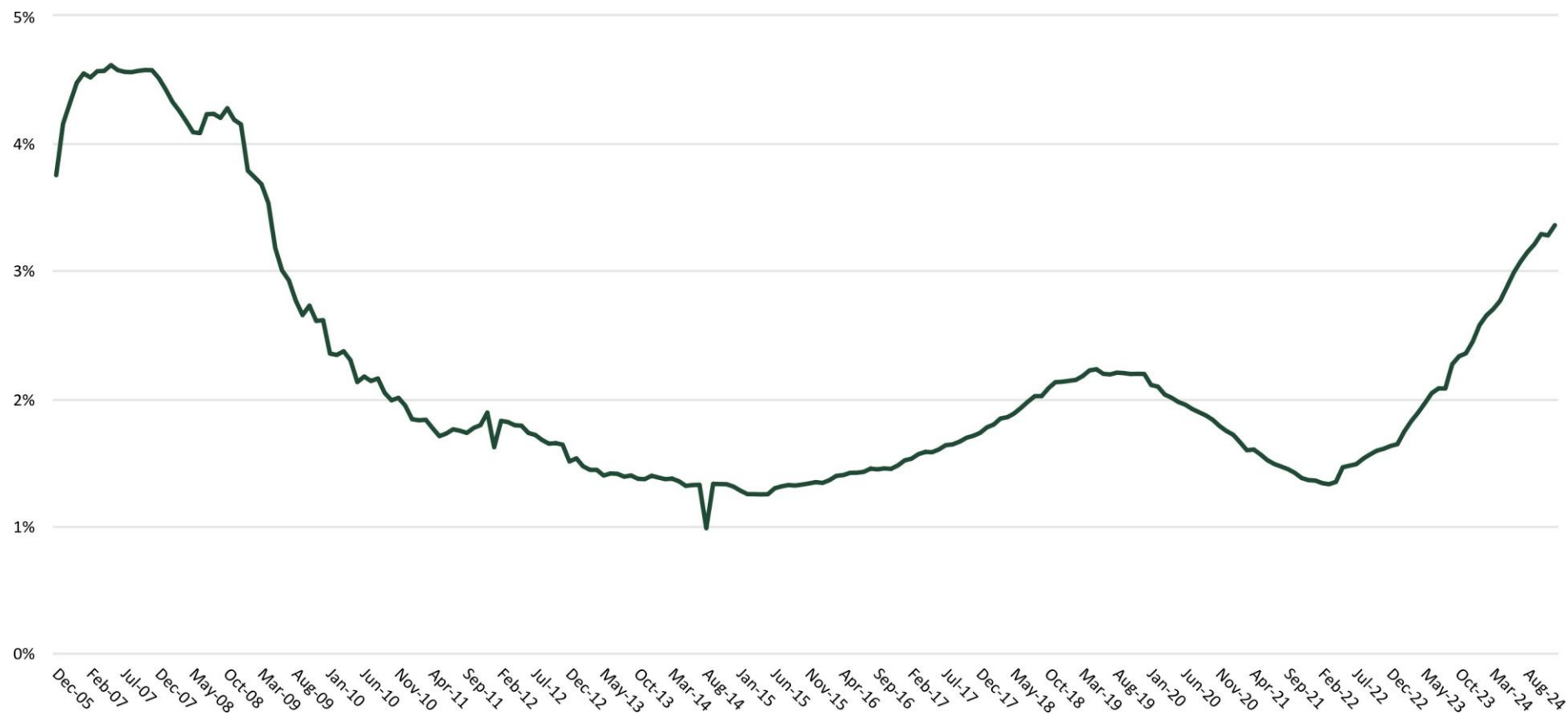
*Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

HISTORICAL AVERAGE PURCHASE YIELD



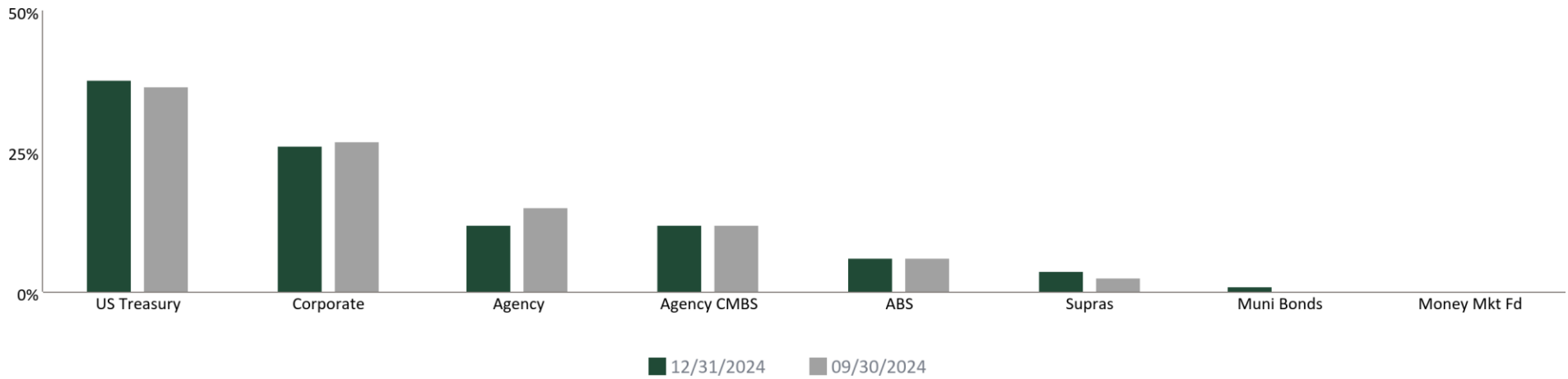
City of Brea | Account #120 | As of December 31, 2024

Purchase Yield as of 12/31/24 = 3.36%



SECTOR DISTRIBUTION

City of Brea | Account #120 | As of December 31, 2024



Sector as a Percentage of Market Value

Sector	12/31/2024	09/30/2024
US Treasury	37.95%	36.87%
Corporate	26.13%	26.78%
Agency	12.25%	15.06%
Agency CMBS	11.99%	12.13%
ABS	6.28%	6.09%
Supras	3.98%	2.91%
Muni Bonds	1.03%	--
Money Mkt Fd	0.38%	0.16%

ISSUERS

City of Brea | Account #120 | As of December 31, 2024

Issuer	Investment Type	% Portfolio
Government of The United States	US Treasury	37.95%
FHLMC	Agency CMBS	11.99%
FNMA	Agency	4.14%
FHLMC	Agency	3.76%
Farm Credit System	Agency	2.21%
Federal Home Loan Banks	Agency	2.14%
International Bank for Recon and Dev	Supras	2.02%
Inter-American Development Bank	Supras	1.96%
Toyota Motor Corporation	Corporate	1.55%
Deere & Company	Corporate	1.55%
Amazon.com, Inc.	Corporate	1.49%
UnitedHealth Group Incorporated	Corporate	1.37%
Public Service Enterprise Group Inco	Corporate	1.24%
The Toronto-Dominion Bank	Corporate	1.16%
PACCAR Inc	Corporate	1.14%
Prologis, Inc.	Corporate	1.14%
Berkshire Hathaway Inc.	Corporate	1.11%
NextEra Energy, Inc.	Corporate	1.08%
Caterpillar Inc.	Corporate	1.08%
Realty Income Corporation	Corporate	1.06%
Chase Issuance Trust	ABS	1.04%
State of California	Muni Bonds	1.03%
JPMorgan Chase & Co.	Corporate	1.03%
The Home Depot, Inc.	Corporate	1.02%
John Deere Owner Trust	ABS	1.00%
PepsiCo, Inc.	Corporate	0.89%
Duke Energy Corporation	Corporate	0.88%
Morgan Stanley	Corporate	0.79%
American Express Credit Master Trust	ABS	0.78%
The Charles Schwab Corporation	Corporate	0.77%

ISSUERS

City of Brea | Account #120 | As of December 31, 2024

Issuer	Investment Type	% Portfolio
Royal Bank of Canada	Corporate	0.70%
Mastercard Incorporated	Corporate	0.64%
Costco Wholesale Corporation	Corporate	0.62%
Honda Auto Receivables 2024-3 Owner	ABS	0.62%
Meta Platforms, Inc.	Corporate	0.56%
Honda Auto Receivables Owner Trust	ABS	0.55%
WF Card Issuance Trust 2024-2	ABS	0.55%
Target Corporation	Corporate	0.54%
Chubb Limited	Corporate	0.54%
Cisco Systems, Inc.	Corporate	0.53%
Bank of Montreal	Corporate	0.51%
Bank of America Credit Card Trust	ABS	0.50%
Apple Inc.	Corporate	0.46%
Northern Trust Corporation	Corporate	0.45%
BMW Vehicle Owner Trust	ABS	0.44%
FMR LLC	Money Mkt Fd	0.38%
GM Financial Automobile Leasing Trus	ABS	0.36%
Mercedes-Benz Auto Lease Trust	ABS	0.26%
Walmart Inc.	Corporate	0.24%
GM Financial Securitized Term	ABS	0.11%
Toyota Auto Receivables Owner Trust	ABS	0.05%
Hyundai Auto Receivables Trust	ABS	0.02%
Cash	Cash	0.00%
TOTAL		100.00%

Agency

- Agency spreads tightened during the quarter. Shorter dated Agencies barely yield more than Treasuries. There continues to be limited opportunities to add Agencies at attractive spreads as longer-dated issuance in bullet maturity format is scarce.

Investment Grade Credit

- Investment Grade credit spreads narrowed during the quarter with valuations near multi-decade tights.
- Credit fundamentals remain sound but given valuations we are becoming more selective.

Securitized Products

- Asset-Backed Security spreads tightened significantly during the quarter as new issuance subsided providing a more supportive technical backdrop.
- Consumer delinquency and default rates are now at or above pre-pandemic levels but still relatively low. Much of the normalization in credit quality has been led by sub-prime issuers the City is not exposed to, while prime issuer performance remains strong.
- Agency Commercial Mortgage-Backed Security (CMBS) spreads also narrowed. We continue to view Agency CMBS as a compelling portfolio diversifier offering an attractive valuation proposition compared to Corporates in the current climate.

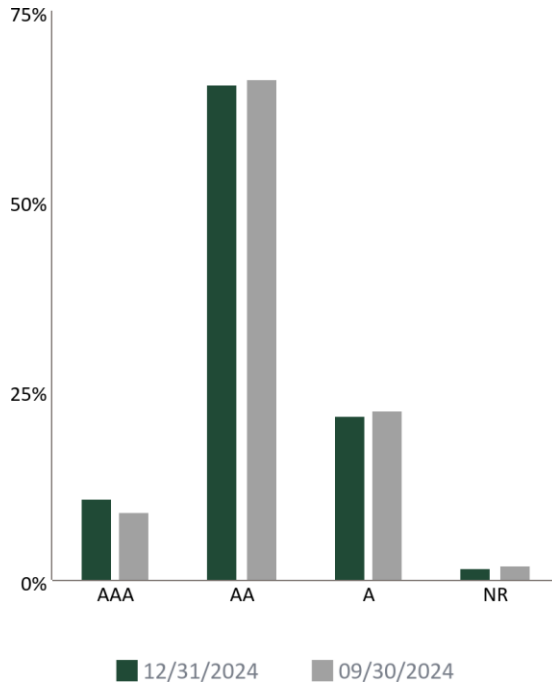
Municipal Bonds

- Taxable Municipal Bond spreads tightened during the quarter.
- The State of California issued a 5yr General Obligation bond which we purchased at a compelling valuation.

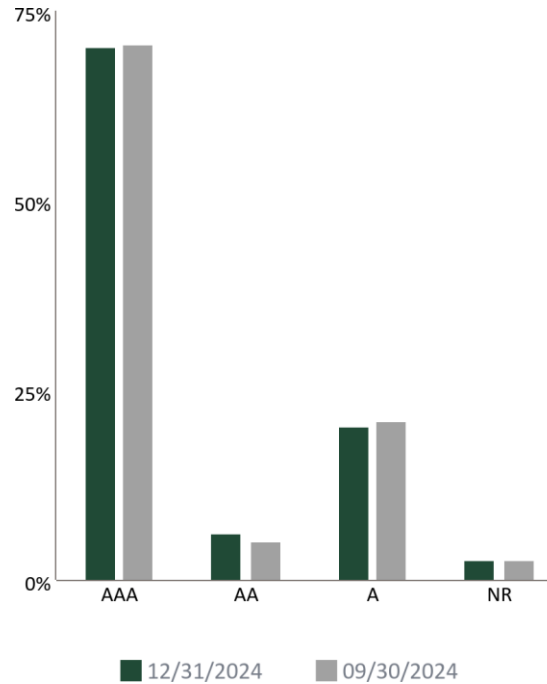
QUALITY DISTRIBUTION

City of Brea | Account #120 | As of December 31, 2024

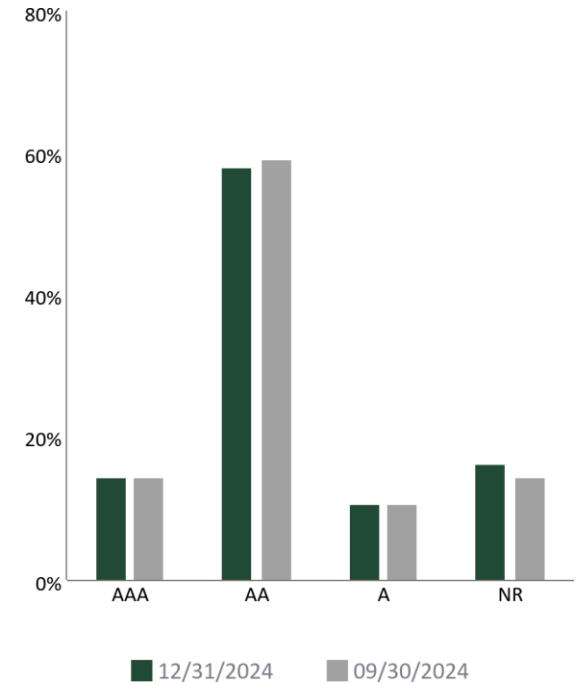
S&P Rating



Moody's Rating



Fitch Rating



Rating	12/31/2024	09/30/2024
AAA	10.7%	9.1%
AA	65.5%	66.3%
A	21.8%	22.5%
NR	1.9%	2.1%

Rating	12/31/2024	09/30/2024
AAA	70.6%	70.9%
AA	6.2%	5.2%
A	20.6%	21.2%
NR	2.6%	2.7%

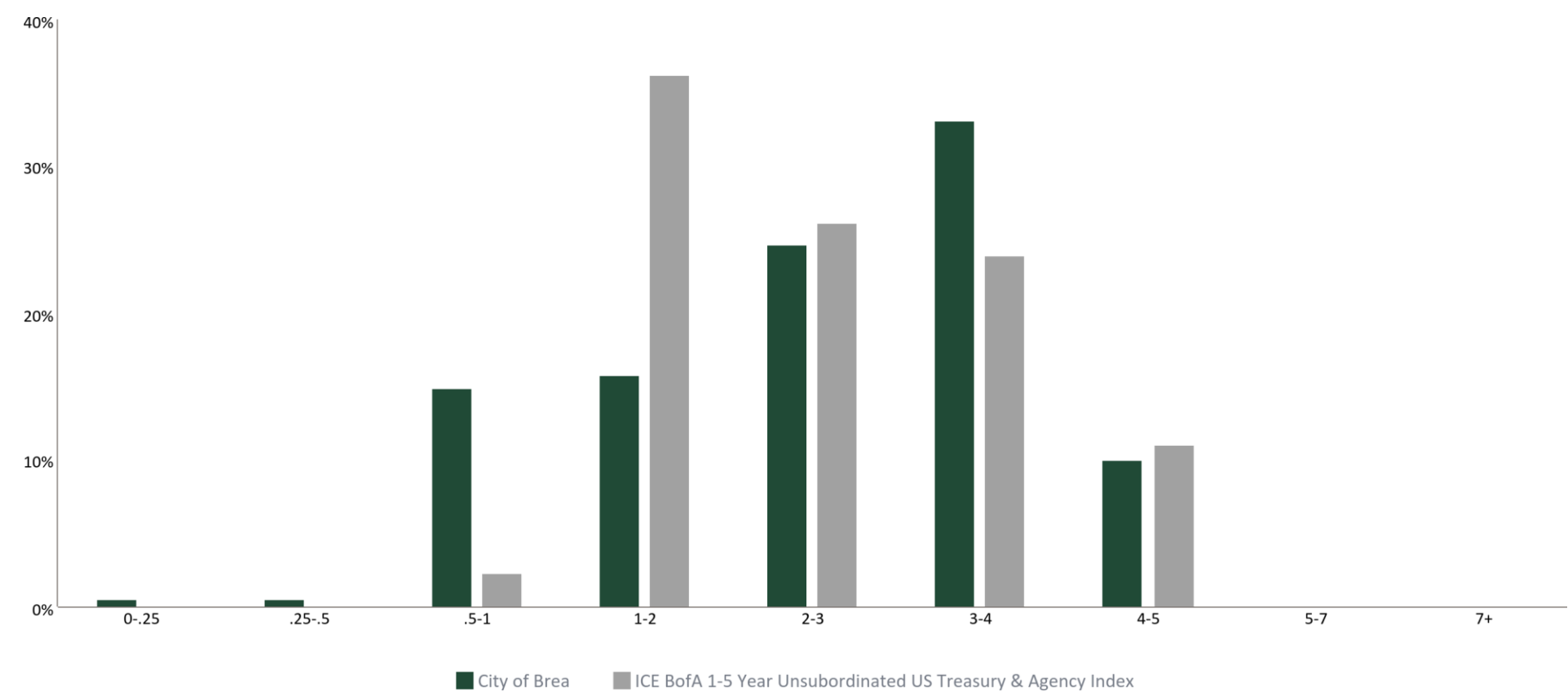
Rating	12/31/2024	09/30/2024
AAA	14.5%	14.8%
AA	58.3%	59.5%
A	10.8%	10.9%
NR	16.4%	14.8%

DURATION DISTRIBUTION



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Portfolio Compared to the Benchmark

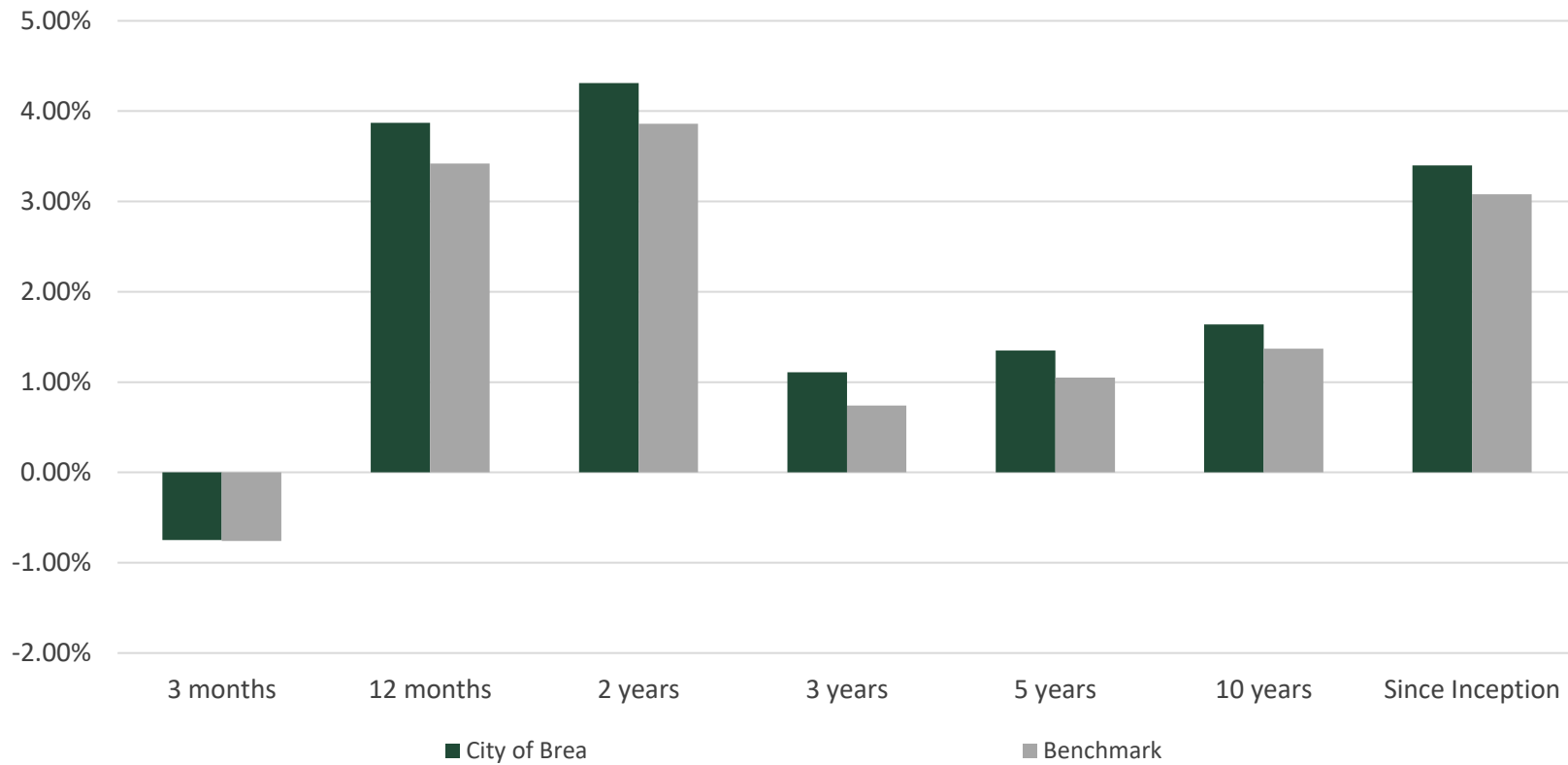


	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	0.6%	0.6%	14.9%	15.8%	24.8%	33.2%	10.1%	0.0%	0.0%
ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	0.0%	0.0%	2.4%	36.3%	26.3%	24.0%	11.0%	0.0%	0.0%

INVESTMENT PERFORMANCE

City of Brea | Account #120 | As of December 31, 2024

Total Rate of Return : Inception | 05/01/1996



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
TOTAL RATE OF RETURN							
City of Brea	(0.75%)	3.87%	4.31%	1.11%	1.35%	1.64%	3.40%
Benchmark	(0.76%)	3.42%	3.86%	0.74%	1.05%	1.37%	3.08%

*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-5 Year Unsubordinated 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.

PORTFOLIO CHARACTERISTICS



City of Brea Liquidity | Account #11150 | As of December 31, 2024

	12/31/2024 Portfolio	9/30/2024 Portfolio
Average Maturity (yrs)	0.00	0.02
Average Modified Duration	0.00	0.02
Average Purchase Yield	4.08%	5.08%
Average Market Yield	4.08%	4.72%
Average Quality**	AAA	AAA
Total Market Value	717,838	3,203,481

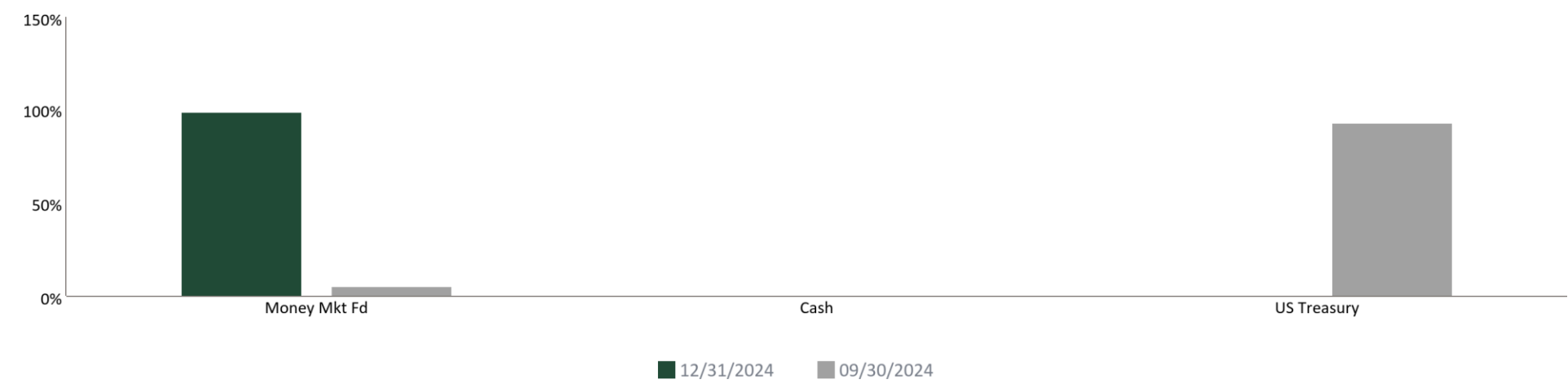
*Benchmark: ICE BofA 3-Month US Treasury Bill Index

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

SECTOR DISTRIBUTION



City of Brea Liquidity | Account #11150 | As of December 31, 2024



Sector as a Percentage of Market Value

Sector	12/31/2024	09/30/2024
Money Mkt Fd	99.65%	6.03%
Cash	0.35%	0.40%
US Treasury	--	93.56%

PORTFOLIO CHARACTERISTICS



City of Brea LAIF | Account #10164 | As of December 31, 2024

	12/31/2024 Portfolio	9/30/2024 Portfolio
Average Maturity (yrs)	0.00	0.00
Average Modified Duration	0.00	0.00
Average Purchase Yield	4.41%	4.42%
Average Market Yield	4.41%	4.42%
Average Quality**	AAA	AAA
Total Market Value	12,409,091	1,938,738

*Benchmark: NO BENCHMARK REQUIRED

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

PORTFOLIO CHARACTERISTICS



Successor Agency to the Brea RDA LAIF | Account #10166 | As of December 31, 2024

	12/31/2024 Portfolio	9/30/2024 Portfolio
Average Maturity (yrs)	0.00	0.00
Average Modified Duration	0.00	0.00
Average Purchase Yield	4.38%	4.52%
Average Market Yield	4.38%	4.52%
Average Quality**	AAA	AAA
Total Market Value	385,015	380,565

*Benchmark: NO BENCHMARK REQUIRED

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

City Brea Bond Reserve Funds
Portfolio Characteristics
Summary of Accounts Managed

Name of Account	Average Maturity (Years)	Average Book Yield	Market Value	Average Quality
Brea CFD 2008 2 17 Reserve Fund	2.01	3.22%	685,675	NR/NR

PORTFOLIO CHARACTERISTICS



NOC Public Safety Collab | Account #11087 | As of December 31, 2024

	Benchmark*	12/31/2024 Portfolio	9/30/2024 Portfolio
Average Maturity (yrs)	0.16	0.00	0.00
Average Modified Duration	0.15	0.00	0.00
Average Purchase Yield		4.08%	4.57%
Average Market Yield	4.26%	4.08%	4.57%
Average Quality**	AA+	AAA	AAA
Total Market Value		3,296,659	4,668,143

*Benchmark: ICE BofA 3-Month US Treasury Bill Index

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

CONSOLIDATED INFORMATION

PORTFOLIO CHARACTERISTICS



City of Brea Cons/Reconciliation | Account #707 | As of December 31, 2024

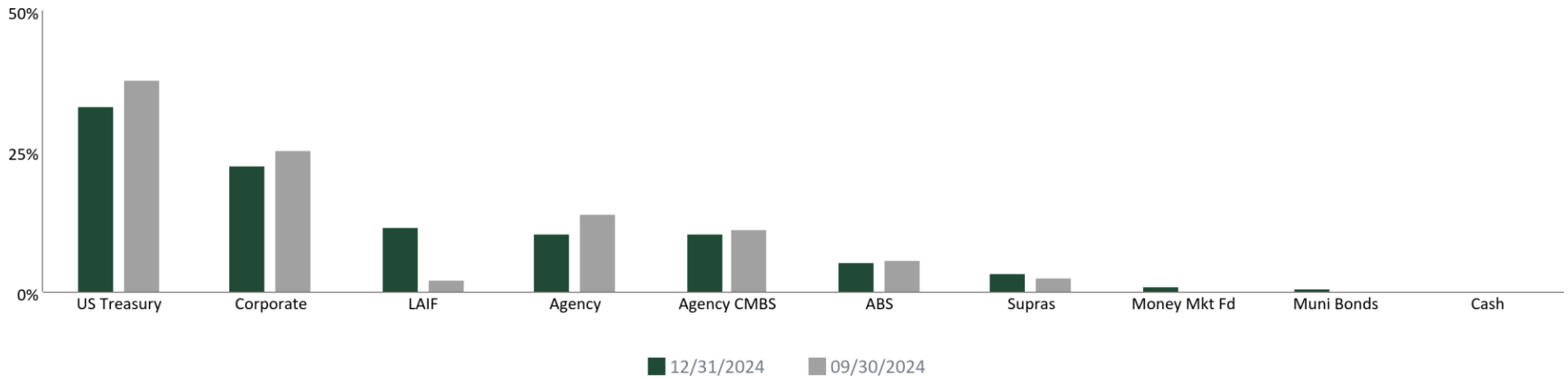
	12/31/2024 Portfolio	9/30/2024 Portfolio
Average Maturity (yrs)	2.60	2.88
Average Modified Duration	2.26	2.57
Average Purchase Yield	3.49%	3.30%
Average Market Yield	4.46%	3.93%
Average Quality**	AA	AA
Total Market Value	107,502,119	100,223,142

*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 Brea Cons/Reconciliation | Account #707 | As of December 31, 2024



Sector as a Percentage of Market Value

Sector	12/31/2024	09/30/2024
US Treasury	33.15%	37.84%
Corporate	22.83%	25.29%
LAIF	11.90%	2.26%
Agency	10.71%	14.23%
Agency CMBS	10.48%	11.46%
ABS	5.49%	5.75%
Supras	3.48%	2.75%
Money Mkt Fd	1.00%	0.34%
Muni Bonds	0.90%	--
Cash	0.07%	0.08%

PORTFOLIO HOLDINGS

HOLDINGS REPORT

City of Brea Cons/Reconciliation | Account #707 | As of December 31, 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									
43815GAC3	HAROT 2021-4 A3 0.88 01/21/2026	47,846.13	11/16/2021 0.89%	47,836.04 47,843.89	99.22 4.64%	47,473.97 11.70	0.04% (369.92)	Aaa/NA AAA	1.06 0.21
47789QAC4	JDOT 2021-B A3 0.52 03/16/2026	48,791.74	07/13/2021 0.53%	48,787.39 48,790.78	99.50 4.47%	48,548.71 11.28	0.05% (242.07)	Aaa/NA AAA	1.21 0.13
89238JAC9	TAOT 2021-D A3 0.71 04/15/2026	48,087.95	11/09/2021 0.95%	48,086.92 48,087.77	99.27 4.64%	47,737.56 15.17	0.04% (350.21)	NA/AAA AAA	1.29 0.18
43815BAC4	HAROT 2022-1 A3 1.88 05/15/2026	156,130.96	02/15/2022 1.89%	156,107.48 156,124.11	99.14 4.60%	154,790.39 130.46	0.14% (1,333.72)	Aaa/AAA NA	1.37 0.31
44935FAD6	HART 2021-C A3 0.74 05/15/2026	22,988.68	11/09/2021 0.75%	22,983.54 22,987.38	99.60 4.64%	22,896.44 7.56	0.02% (90.94)	NA/AAA AAA	1.37 0.10
362554AC1	GMCAR 2021-4 A3 0.68 09/16/2026	49,312.54	10/13/2021 0.68%	49,311.29 49,312.28	99.07 4.44%	48,853.56 13.97	0.05% (458.72)	Aaa/AAA NA	1.71 0.25
380146AC4	GMCAR 2022-1 A3 1.26 11/16/2026	53,832.09	01/11/2022 1.27%	53,827.41 53,830.52	99.09 4.61%	53,344.77 28.26	0.05% (485.76)	NA/AAA AAA	1.88 0.27
47800BAC2	JDOT 2022-C A3 5.09 06/15/2027	411,595.76	10/12/2022 3.29%	411,563.82 411,580.62	100.29 4.69%	412,797.49 931.12	0.39% 1,216.88	Aaa/NA AAA	2.45 0.64
36269WAD1	GMALT 2024-2 A3 5.39 07/20/2027	330,000.00	05/07/2024 5.85%	329,980.83 329,984.63	101.10 4.63%	333,630.13 543.49	0.31% 3,645.50	NA/AAA AAA	2.55 1.33
58770JAD6	MBALT 2024-A A3 5.32 01/18/2028	240,000.00	05/17/2024 5.73%	239,971.92 239,976.61	101.19 4.64%	242,852.42 567.47	0.23% 2,875.81	Aaa/NA AAA	3.05 1.60
161571HT4	CHAIT 2023-1 A 5.16 09/15/2028	965,000.00	09/07/2023 5.17%	964,732.50 964,801.90	101.06 4.56%	975,228.04 2,213.07	0.91% 10,426.13	NR/AAA AAA	3.71 1.59
437930AC4	HONDO-242-A3 5.27 11/20/2028	310,000.00	05/14/2024 5.27%	309,962.33 309,967.49	101.21 4.60%	313,762.44 589.95	0.29% 3,794.95	NA/AAA AAA	3.89 1.65
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	410,000.00	06/04/2024 5.24%	409,937.72 409,945.10	101.18 4.48%	414,837.34 353.97	0.39% 4,892.24	Aaa/AAA NA	4.16 1.55
47786WAD2	JDOT 2024-B A3 5.2 03/15/2029	465,000.00	06/11/2024 5.26%	464,909.09 464,919.44	101.25 4.63%	470,815.29 1,074.67	0.44% 5,895.85	Aaa/NA AAA	4.20 1.98
43813YAC6	HAROT 2024-3 A3 4.57 03/21/2029	575,000.00	08/09/2024 4.62%	574,909.67 574,916.85	99.94 4.65%	574,648.68 729.93	0.54% (268.18)	Aaa/NA AAA	4.22 1.85
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	720,000.00	04/16/2024 5.30%	719,852.40 719,872.93	101.53 4.57%	731,007.29 1,673.60	0.68% 11,134.36	NA/AAA AAA	4.29 2.11

HOLDINGS REPORT

City of Brea Cons/Reconciliation | Account #707 | As of December 31, 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
05522RDJ4	BACCT 2024-1 A 4.93 05/15/2029	460,000.00	06/06/2024 4.93%	459,974.19 459,977.18	100.97 4.54%	464,445.72 1,007.91	0.43% 4,468.54	Aaa/AAA NA	4.37 2.19
92970QAE5	WFCIT 2024-2 A 4.29 10/15/2029	515,000.00	10/17/2024 4.33%	514,923.47 514,926.38	99.32 4.59%	511,506.86 981.93	0.48% (3,419.52)	Aaa/AAA NA	4.79 2.57
Total ABS		5,828,585.85	4.71%	5,827,658.02 5,827,845.84	100.70 4.59%	5,869,177.09 10,885.50	5.49% 41,331.25	Aaa/AAA AAA	3.71 1.67

AGENCY									
3135G04Z3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 06/17/2025	350,000.00	-- 0.46%	350,488.64 350,055.73	98.32 4.24%	344,117.49 68.06	0.32% (5,938.25)	Aaa/AA+ AA+	0.46 0.45
3137EAEU9	FEDERAL HOME LOAN MORTGAGE CORP 0.375 07/21/2025	1,800,000.00	-- 0.45%	1,793,673.60 1,799,286.84	97.84 4.37%	1,761,127.09 3,000.00	1.65% (38,159.75)	Aaa/AA+ AA+	0.55 0.54
3135G05X7	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.375 08/25/2025	1,800,000.00	-- 0.45%	1,793,460.00 1,799,091.38	97.50 4.34%	1,754,927.32 2,362.50	1.64% (44,164.07)	Aaa/AA+ AA+	0.65 0.63
3137EAEX3	FEDERAL HOME LOAN MORTGAGE CORP 0.375 09/23/2025	1,805,000.00	-- 0.44%	1,799,651.55 1,804,208.84	97.25 4.27%	1,755,379.90 1,842.60	1.64% (48,828.94)	Aaa/AA+ AA+	0.73 0.71
3135G06G3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	1,825,000.00	-- 0.57%	1,819,098.50 1,823,994.86	96.88 4.29%	1,767,997.60 1,368.75	1.65% (55,997.25)	Aaa/AA+ AA+	0.85 0.83
3133EPGW9	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 04/25/2028	1,250,000.00	05/05/2023 3.55%	1,268,125.00 1,262,089.99	98.47 4.38%	1,230,816.59 8,880.21	1.15% (31,273.41)	Aaa/AA+ AA+	3.32 3.05
3133EPME2	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 06/08/2028	850,000.00	06/07/2023 3.96%	846,634.00 847,689.67	98.40 4.38%	836,363.42 2,104.34	0.78% (11,326.26)	Aaa/AA+ AA+	3.44 3.17
3130AWTR1	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	2,000,000.00	09/08/2023 4.43%	1,994,580.00 1,996,000.37	99.96 4.39%	1,999,207.48 27,465.28	1.87% 3,207.11	Aaa/AA+ AA+	3.69 3.32
Total Agency		11,680,000.00	1.75%	11,665,711.29 11,682,417.69	98.04 4.34%	11,449,936.88 47,091.74	10.71% (232,480.81)	Aaa/AA+ AA+	1.69 1.57

AGENCY CMBS									
3137BNGT5	FHMS K-054 A2 2.745 01/25/2026	975,559.46	10/29/2021 1.22%	1,032,492.51 989,230.88	98.29 4.37%	958,904.71 2,231.59	0.90% (30,326.17)	Aaa/AA+ AAA	1.07 0.95
3137BQYS0	FHMS K-056 A2 2.525 05/25/2026	570,000.00	01/31/2022 1.73%	587,189.06 575,385.46	97.52 4.46%	555,846.50 1,199.38	0.52% (19,538.96)	Aaa/AA+ AAA	1.40 1.21

HOLDINGS REPORT

City of Brea Cons/Reconciliation | Account #707 | As of December 31, 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
3137BXQY1	FHMS K-064 A2 3.224 03/25/2027	1,000,000.00	05/06/2022 3.23%	997,929.69 999,069.24	97.27 4.55%	972,675.70 2,686.67	0.91% (26,393.54)	Aaa/AAA AA+	2.23 1.96
3137FCLD4	FHMS K-071 A2 3.286 11/25/2027	2,000,000.00	04/11/2023 4.08%	1,932,500.00 1,958,005.42	96.41 4.59%	1,928,277.60 5,476.67	1.80% (29,727.82)	Aaa/AA+ AAA	2.90 2.67
3137FETN0	FHMS K-073 A2 3.35 01/25/2028	1,500,000.00	03/27/2023 4.07%	1,452,187.50 1,469,876.47	96.44 4.60%	1,446,659.55 4,187.50	1.35% (23,216.92)	Aaa/AA+ AAA	3.07 2.75
3137FEZU7	FHMS K-076 A2 3.9 04/25/2028	1,200,000.00	04/20/2023 4.12%	1,187,062.50 1,191,489.81	97.70 4.63%	1,172,446.56 3,900.00	1.10% (19,043.25)	Aaa/AA+ AAA	3.32 2.96
3137FGR31	FHMS K-078 A2 3.854 06/25/2028	1,300,000.00	09/18/2023 4.94%	1,240,890.63 1,257,020.77	97.47 4.63%	1,267,141.59 4,175.17	1.18% 10,120.82	Aaa/AA+ AAA	3.48 3.07
3137FJKE8	FHMS K-082 A2 3.92 09/25/2028	600,000.00	11/28/2023 4.74%	578,718.75 583,585.49	97.44 4.65%	584,654.46 1,960.00	0.55% 1,068.97	Aaa/AA+ AAA	3.74 3.33
3137H5YC5	FHMS K-748 A2 2.26 01/25/2029	1,500,000.00	03/25/2024 4.61%	1,350,820.31 1,374,740.50	91.15 4.71%	1,367,313.30 2,825.00	1.28% (7,427.20)	Aaa/AA+ AAA	4.07 3.71
3137FLMV3	FHMS K-090 A2 3.422 02/25/2029	1,000,000.00	07/29/2024 4.46%	957,070.31 961,110.44	95.26 4.68%	952,601.00 2,851.67	0.89% (8,509.44)	Aaa/AAA AA+	4.15 3.73
Total Agency CMBS		11,645,559.46	3.88%	11,316,861.26 11,359,514.49	96.28 4.60%	11,206,520.97 31,493.63	10.48% (152,993.52)	Aaa/AA+ AAA	3.03 2.73

CASH									
CCYUSD	Receivable	893.27	-- 0.00%	893.27 893.27	1.00 0.00%	893.27 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	4,303.26	-- 0.00%	4,303.26 4,303.26	1.00 0.00%	4,303.26 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	67,806.41	-- 0.00%	67,806.41 67,806.41	1.00 0.00%	67,806.41 0.00	0.06% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	2,528.07	-- 0.00%	2,528.07 2,528.07	1.00 0.00%	2,528.07 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		75,531.01	0.00%	75,531.01 75,531.01	1.00 0.00%	75,531.01 0.00	0.07% 0.00	Aaa/AAA AAA	0.00 0.00

CORPORATE

HOLDINGS REPORT

City of Brea Cons/Reconciliation | Account #707 | As of December 31, 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
023135BX3	AMAZON.COM INC 1.0 05/12/2026	1,455,000.00	05/10/2021 1.09%	1,448,714.40 1,453,292.63	95.68 4.30%	1,392,136.38 1,980.42	1.30% (61,156.25)	A1/AA AA-	1.36 1.33
91324PEC2	UNITEDHEALTH GROUP INC 1.15 05/15/2026	240,000.00	-- 1.08%	240,776.80 240,206.57	95.56 4.53%	229,354.33 352.67	0.21% (10,852.23)	A2/A+ A	1.37 1.33
89236TJK2	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	995,000.00	06/15/2021 1.13%	994,562.20 994,872.21	95.08 4.65%	946,058.94 404.22	0.88% (48,813.27)	A1/A+ A+	1.46 1.42
037833DN7	APPLE INC 2.05 09/11/2026	450,000.00	12/02/2021 1.49%	461,178.00 453,703.79	96.19 4.41%	432,860.85 2,818.75	0.40% (20,842.94)	Aaa/AA+ NA	1.70 1.62
06368FAC3	BANK OF MONTREAL 1.25 09/15/2026	500,000.00	09/13/2021 1.27%	499,395.00 499,793.92	94.55 4.62%	472,734.90 1,840.28	0.44% (27,059.02)	A2/A- AA-	1.71 1.65
931142ERO	WALMART INC 1.05 09/17/2026	235,000.00	09/08/2021 1.09%	234,555.85 234,848.22	94.60 4.36%	222,314.53 712.83	0.21% (12,533.69)	Aa2/AA AA	1.71 1.66
26442CAS3	DUKE ENERGY CAROLINAS LLC 2.95 12/01/2026	850,000.00	01/13/2022 1.82%	892,644.50 865,369.21	97.10 4.55%	825,368.56 2,089.58	0.77% (40,000.65)	Aa3/A WR	1.92 1.83
87612EBM7	TARGET CORP 1.95 01/15/2027	535,000.00	01/19/2022 1.99%	534,090.50 534,627.59	95.14 4.47%	509,002.79 4,810.54	0.48% (25,624.80)	A2/A A	2.04 1.94
808513BY0	CHARLES SCHWAB CORP 2.45 03/03/2027	750,000.00	03/09/2022 2.73%	740,115.00 745,699.10	95.49 4.66%	716,185.58 6,022.92	0.67% (29,513.52)	A2/A- A	2.17 2.06
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	1,080,000.00	03/07/2022 2.30%	1,079,794.80 1,079,909.76	95.79 4.32%	1,034,498.04 7,314.00	0.97% (45,411.71)	Aa2/AA A+	2.20 2.10
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	430,000.00	05/05/2022 4.03%	429,303.40 429,672.30	98.68 4.59%	424,342.19 2,436.67	0.40% (5,330.11)	A2/A+ A+	2.36 2.21
91324PEG3	UNITEDHEALTH GROUP INC 3.7 05/15/2027	430,000.00	05/17/2022 3.69%	430,200.10 430,093.08	98.03 4.59%	421,516.31 2,032.94	0.39% (8,576.77)	A2/A+ A	2.37 2.23
22160KAM7	COSTCO WHOLESALE CORP 3.0 05/18/2027	600,000.00	07/15/2022 3.52%	586,074.00 593,155.42	97.12 4.29%	582,715.29 2,150.00	0.54% (10,440.13)	Aa3/A+ WR	2.38 2.26
89115A2C5	TORONTO-DOMINION BANK 4.108 06/08/2027	1,100,000.00	08/26/2022 4.18%	1,096,315.00 1,098,122.61	98.35 4.83%	1,081,892.43 2,887.01	1.01% (16,230.19)	A2/A- NA	2.44 2.28
57636QAW4	MASTERCARD INC 4.875 03/09/2028	595,000.00	03/06/2023 4.90%	594,422.85 594,632.61	101.14 4.49%	601,764.63 9,024.17	0.56% 7,132.02	Aa3/A+ NA	3.19 2.81
61747YER2	MORGAN STANLEY 4.21 04/20/2028	750,000.00	05/19/2023 5.25%	722,677.50 733,947.07	98.57 5.20%	739,262.26 6,227.29	0.69% 5,315.18	A1/A- A+	3.30 2.15
74340XCG4	PROLOGIS LP 4.875 06/15/2028	575,000.00	09/08/2023 5.17%	567,824.00 569,793.48	100.24 4.80%	576,399.55 1,245.83	0.54% 6,606.07	A3/A NA	3.46 3.07

HOLDINGS REPORT

City of Brea Cons/Reconciliation | Account #707 | As of December 31, 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
24422EXB0	JOHN DEERE CAPITAL CORP 4.95 07/14/2028	935,000.00	07/11/2023 4.96%	934,767.55 934,835.87	100.96 4.65%	944,001.01 21,469.94	0.88% 9,165.14	A1/A A+	3.54 3.14
78016HZS2	ROYAL BANK OF CANADA 5.2 08/01/2028	650,000.00	12/06/2023 5.08%	653,224.00 652,483.51	100.83 4.94%	655,391.44 14,083.33	0.61% 2,907.94	A1/A AA-	3.59 3.17
74456QBX3	PUBLIC SERVICE ELECTRIC AND GAS CO 3.65 09/01/2028	1,200,000.00	10/04/2023 5.48%	1,106,748.00 1,130,321.19	96.18 4.80%	1,154,115.34 14,600.00	1.08% 23,794.15	A1/A WR	3.67 3.34
74340XBX8	PROLOGIS LP 4.0 09/15/2028	500,000.00	12/06/2023 4.91%	480,850.00 485,134.85	97.37 4.78%	486,833.36 5,888.89	0.46% 1,698.50	A3/A NA	3.71 3.35
756109BS2	REALTY INCOME CORP 4.7 12/15/2028	1,000,000.00	12/12/2023 5.16%	979,800.60 984,035.07	99.50 4.84%	994,988.74 2,088.89	0.93% 10,953.67	A3/A- NA	3.96 3.56
91324PDP4	UNITEDHEALTH GROUP INC 3.875 12/15/2028	650,000.00	12/12/2023 4.77%	624,364.00 629,738.16	96.70 4.80%	628,570.90 1,119.44	0.59% (1,167.26)	A2/A+ A	3.96 3.60
46647PAM8	JPMORGAN CHASE & CO 3.509 01/23/2029	1,000,000.00	01/19/2024 5.14%	941,600.00 955,350.58	95.94 5.09%	959,380.53 15,400.61	0.90% 4,029.95	A1/A AA-	4.06 2.81
17275RBR2	CISCO SYSTEMS INC 4.85 02/26/2029	490,000.00	02/21/2024 4.86%	489,828.50 489,857.60	100.50 4.71%	492,470.09 8,251.74	0.46% 2,612.49	A1/AA- NA	4.16 3.59
14913UAJ9	CATERPILLAR FINANCIAL SERVICES CORP 4.85 02/27/2029	1,000,000.00	03/18/2024 4.84%	1,000,490.00 1,000,412.09	100.53 4.71%	1,005,310.01 16,705.56	0.94% 4,897.92	A2/A A+	4.16 3.66
89236TMF9	TOYOTA MOTOR CREDIT CORP 5.05 05/16/2029	500,000.00	05/21/2024 5.00%	501,040.00 500,912.50	100.72 4.86%	503,607.20 3,156.25	0.47% 2,694.70	A1/A+ A+	4.37 3.86
24422EXT1	JOHN DEERE CAPITAL CORP 4.85 06/11/2029	500,000.00	06/07/2024 5.04%	495,890.00 496,349.17	100.37 4.76%	501,840.30 1,347.22	0.47% 5,491.13	A1/A A+	4.44 3.95
341081GT8	FLORIDA POWER & LIGHT CO 5.15 06/15/2029	1,000,000.00	06/13/2024 4.82%	1,013,864.64 1,012,307.52	101.25 4.83%	1,012,548.34 2,288.89	0.95% 240.82	Aa2/A+ AA-	4.45 3.80
437076DC3	HOME DEPOT INC 4.75 06/25/2029	950,000.00	06/17/2024 4.88%	944,586.45 945,149.74	100.01 4.75%	950,065.55 752.08	0.89% 4,915.81	A2/A A	4.48 3.99
713448FX1	PEPSICO INC 4.5 07/17/2029	830,000.00	07/15/2024 4.53%	828,713.50 828,831.86	99.81 4.55%	828,418.87 17,015.00	0.77% (412.99)	A1/A+ NA	4.54 3.98
30303M8S4	META PLATFORMS INC 4.3 08/15/2029	532,000.00	08/12/2024 4.33%	531,174.03 531,236.91	98.74 4.60%	525,322.30 9,023.31	0.49% (5,914.60)	Aa3/AA- NA	4.62 4.07
171239ALO	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	505,000.00	08/12/2024 4.52%	507,853.00 507,632.07	99.48 4.78%	502,378.04 9,849.60	0.47% (5,254.03)	A2/A A	4.62 4.03
69371RT48	PACCAR FINANCIAL CORP 4.0 09/26/2029	1,100,000.00	-- 4.02%	1,099,159.70 1,099,204.34	96.72 4.78%	1,063,925.16 11,611.11	0.99% (35,279.18)	A1/A+ NA	4.74 4.20

HOLDINGS REPORT



City of Brea Cons/Reconciliation | Account #707 | As of December 31, 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 Corporate		24,912,000.00	3.89%	24,686,597.87 24,735,532.60	98.06 4.69%	24,417,574.73 209,001.99	22.83% (317,957.87)	A1/A A+	3.25 2.87
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	380,711.34	-- 4.43%	380,711.34 380,711.34	1.00 4.43%	380,711.34 0.00	0.36% 0.00	NA/NA NA	0.00 0.00
90LAIF\$00	Local Agency Investment Fund State Pool	12,341,284.79	-- 4.43%	12,341,284.79 12,341,284.79	1.00 4.43%	12,341,284.79 0.00	11.54% 0.00	NA/NA NA	0.00 0.00
Total LAIF		12,721,996.13	4.43%	12,721,996.13 12,721,996.13	1.00 4.43%	12,721,996.13 0.00	11.90% 0.00	NA/NA NA	0.00 0.00
MONEY MARKET FUND									
316175884	FIDELITY IMM:TRS III	353,605.60	-- 4.09%	353,605.60 353,605.60	1.00 4.09%	353,605.60 0.00	0.33% 0.00	Aaa/AAAm NA	0.00 0.00
316175884	FIDELITY IMM:TRS III	715,309.47	-- 4.09%	715,309.47 715,309.47	1.00 4.09%	715,309.47 0.00	0.67% 0.00	Aaa/AAAm NA	0.00 0.00
Total Money Market Fund		1,068,915.07	4.09%	1,068,915.07 1,068,915.07	1.00 4.09%	1,068,915.07 0.00	1.00% 0.00	Aaa/AAAm NA	0.00 0.00
MUNICIPAL BONDS									
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	965,000.00	10/30/2024 4.37%	970,085.55 969,917.99	99.82 4.54%	963,214.75 6,755.00	0.90% (6,703.24)	Aa2/AA-AA	4.58 4.02
Total Municipal Bonds		965,000.00	4.37%	970,085.55 969,917.99	99.82 4.54%	963,214.75 6,755.00	0.90% (6,703.24)	Aa2/AA-AA	4.58 4.02
SUPRANATIONAL									
459058JL8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025	945,000.00	-- 0.54%	943,389.35 944,727.75	96.86 4.44%	915,291.07 826.88	0.86% (29,436.68)	Aaa/AAA NA	0.82 0.80
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	1,915,000.00	04/13/2021 0.97%	1,906,229.30 1,912,723.27	95.62 4.38%	1,831,153.81 3,304.70	1.71% (81,569.46)	Aaa/AAA NA	1.30 1.27

HOLDINGS REPORT

City of Brea Cons/Reconciliation | Account #707 | As of December 31, 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
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	1,000,000.00	12/12/2024 4.25%	983,720.00 983,894.95	97.44 4.48%	974,366.43 8,072.92	0.91% (9,528.52)	Aaa/AAA NA	4.79 4.28
Total Supranational		3,860,000.00	1.72%	3,833,338.65 3,841,345.97	96.40 4.42%	3,720,811.31 12,204.50	3.48% (120,534.66)	Aaa/AAA NA	2.10 1.94
US TREASURY									
91282CAM3	UNITED STATES TREASURY 0.25 09/30/2025	1,600,000.00	02/19/2021 0.51%	1,580,937.50 1,596,915.53	97.09 4.27%	1,553,490.75 1,021.98	1.45% (43,424.78)	Aaa/AA+ AA+	0.75 0.73
91282CAT8	UNITED STATES TREASURY 0.25 10/31/2025	1,900,000.00	02/11/2021 0.42%	1,885,156.25 1,897,388.12	96.78 4.26%	1,838,764.84 813.54	1.72% (58,623.28)	Aaa/AA+ AA+	0.83 0.81
91282CAZ4	UNITED STATES TREASURY 0.375 11/30/2025	1,350,000.00	03/26/2021 0.76%	1,325,794.92 1,345,278.10	96.57 4.26%	1,303,638.77 445.05	1.22% (41,639.32)	Aaa/AA+ AA+	0.91 0.89
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	480,000.00	09/17/2021 0.86%	477,393.75 479,124.04	94.43 4.26%	453,287.61 1,223.20	0.42% (25,836.43)	Aaa/AA+ AA+	1.67 1.61
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	2,820,000.00	-- 1.08%	2,791,946.88 2,810,132.75	94.37 4.26%	2,661,209.38 6,304.33	2.49% (148,923.37)	Aaa/AA+ AA+	1.75 1.69
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	2,250,000.00	-- 3.12%	2,263,417.97 2,256,750.47	97.65 4.25%	2,197,230.77 202.00	2.05% (59,519.70)	Aaa/AA+ AA+	2.50 2.36
91282CFB2	UNITED STATES TREASURY 2.75 07/31/2027	600,000.00	08/22/2022 3.12%	589,828.13 594,691.22	96.31 4.28%	577,843.84 6,904.89	0.54% (16,847.38)	Aaa/AA+ AA+	2.58 2.42
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	1,950,000.00	-- 3.41%	1,925,095.70 1,936,643.90	97.12 4.28%	1,893,843.72 20,705.28	1.77% (42,800.17)	Aaa/AA+ AA+	2.67 2.49
91282CGC9	UNITED STATES TREASURY 3.875 12/31/2027	700,000.00	03/14/2023 3.91%	698,878.91 699,299.56	98.85 4.29%	691,965.34 74.93	0.65% (7,334.22)	Aaa/AA+ AA+	3.00 2.79
91282CGH8	UNITED STATES TREASURY 3.5 01/31/2028	2,500,000.00	02/16/2023 4.05%	2,438,378.91 2,461,678.42	97.71 4.30%	2,442,692.38 36,616.85	2.28% (18,986.05)	Aaa/AA+ AA+	3.08 2.84
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	2,500,000.00	-- 4.07%	2,491,714.85 2,494,798.22	99.09 4.31%	2,477,267.85 33,977.90	2.32% (17,530.37)	Aaa/AA+ AA+	3.16 2.89
91282CHE4	UNITED STATES TREASURY 3.625 05/31/2028	2,425,000.00	-- 4.03%	2,381,062.51 2,394,542.00	97.81 4.32%	2,371,883.38 7,728.02	2.22% (22,658.62)	Aaa/AA+ AA+	3.42 3.16
91282CHX2	UNITED STATES TREASURY 4.375 08/31/2028	400,000.00	09/25/2023 4.62%	395,781.25 396,865.80	100.08 4.35%	400,317.90 5,946.13	0.37% 3,452.10	Aaa/AA+ AA+	3.67 3.30

HOLDINGS REPORT

City of Brea Cons/Reconciliation | Account #707 | As of December 31, 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
91282CJF9	UNITED STATES TREASURY 4.875 10/31/2028	600,000.00	10/27/2023 4.79%	602,273.44 601,740.86	101.80 4.36%	610,790.49 5,009.67	0.57% 9,049.63	Aaa/AA+ AA+	3.84 3.44
91282CJN2	UNITED STATES TREASURY 4.375 11/30/2028	625,000.00	12/28/2023 3.83%	640,234.38 637,107.86	100.04 4.36%	625,252.98 2,403.85	0.58% (11,854.88)	Aaa/AA+ AA+	3.92 3.54
91282CJR3	UNITED STATES TREASURY 3.75 12/31/2028	2,100,000.00	-- 3.98%	2,078,330.08 2,082,585.80	97.76 4.37%	2,052,857.90 217.54	1.92% (29,727.90)	Aaa/AA+ AA+	4.00 3.66
91282CJW2	UNITED STATES TREASURY 4.0 01/31/2029	1,500,000.00	02/16/2024 4.31%	1,479,375.00 1,482,972.38	98.63 4.37%	1,479,452.90 25,108.70	1.38% (3,519.49)	Aaa/AA+ AA+	4.08 3.66
91282CKG5	UNITED STATES TREASURY 4.125 03/31/2029	2,300,000.00	-- 4.47%	2,264,699.22 2,269,768.65	99.02 4.38%	2,277,388.45 24,240.04	2.13% 7,619.80	Aaa/AA+ AA+	4.25 3.81
91282CKP5	UNITED STATES TREASURY 4.625 04/30/2029	2,150,000.00	-- 4.47%	2,164,254.89 2,162,400.32	100.96 4.38%	2,170,605.73 17,030.73	2.03% 8,205.41	Aaa/AA+ AA+	4.33 3.86
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	1,000,000.00	07/18/2024 4.09%	1,007,070.31 1,006,420.80	99.45 4.39%	994,464.47 117.40	0.93% (11,956.33)	Aaa/AA+ AA+	4.50 4.05
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	2,000,000.00	09/11/2024 3.45%	2,015,703.13 2,014,750.38	96.82 4.39%	1,936,499.56 24,633.98	1.81% (78,250.82)	Aaa/AA+ AA+	4.67 4.18
91282CLN9	UNITED STATES TREASURY 3.5 09/30/2029	1,000,000.00	10/04/2024 3.76%	988,125.00 988,686.43	96.22 4.39%	962,193.74 8,942.31	0.90% (26,492.69)	Aaa/AA+ AA+	4.75 4.27
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	1,500,000.00	12/16/2024 4.25%	1,491,386.72 1,491,458.14	98.86 4.38%	1,482,958.19 5,439.56	1.39% (8,499.96)	Aaa/AA+ AA+	4.91 4.38
Total US Treasury		36,250,000.00	3.26%	35,976,839.70 36,101,999.75	97.84 4.32%	35,455,900.93 235,107.89	33.15% (646,098.82)	Aaa/AA+ AA+	3.15 2.88
Total Portfolio		109,007,587.52	3.49%	108,143,534.54 108,385,016.54	85.32 4.46%	106,949,578.89 552,540.24	100.00% (1,435,437.66)	Aa2/AA- AA	2.60 2.26
Total Market Value + Accrued						107,502,119.12			

TRANSACTIONS

TRANSACTION LEDGER



City of Brea Cons/Reconciliation | Account #707 | 10/01/2024 Through 12/31/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/07/2024	91282CLN9	1,000,000.00	UNITED STATES TREASURY 3.5 09/30/2029	98.813	3.76%	(988,125.00)	(673.08)	(988,798.08)	0.00
Purchase	10/15/2024	90LAIF\$00	4,461.91	Local Agency Investment Fund State Pool	1.000	4.48%	(4,461.91)	0.00	(4,461.91)	0.00
Purchase	10/15/2024	90LAIF\$00	65,568.91	Local Agency Investment Fund State Pool	1.000	4.48%	(65,568.91)	0.00	(65,568.91)	0.00
Purchase	10/24/2024	92970QAE5	515,000.00	WF CARD ISSUANCE TRUST 2024-2 4.29 10/15/2029	99.985	4.29%	(514,923.47)	0.00	(514,923.47)	0.00
Purchase	10/28/2024	90LAIF\$00	5,000,000.00	Local Agency Investment Fund State Pool	1.000	4.48%	(5,000,000.00)	0.00	(5,000,000.00)	0.00
Purchase	11/05/2024	13063EGT7	965,000.00	4.5 08/01/2029	100.527	4.38%	(970,085.55)	0.00	(970,085.55)	0.00
Purchase	11/26/2024	90LAIF\$00	4,000,000.00	Local Agency Investment Fund State Pool	1.000	4.48%	(4,000,000.00)	0.00	(4,000,000.00)	0.00
Purchase	12/13/2024	459058LN1	1,000,000.00	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	98.372	4.25%	(983,720.00)	(6,135.42)	(989,855.42)	0.00
Purchase	12/17/2024	91282CMA6	1,500,000.00	UNITED STATES TREASURY 4.125 11/30/2029	99.426	4.25%	(1,491,386.72)	(2,889.77)	(1,494,276.49)	0.00
Purchase	12/23/2024	90LAIF\$00	3,000,000.00	Local Agency Investment Fund State Pool	1.000	4.43%	(3,000,000.00)	0.00	(3,000,000.00)	0.00
Total Purchase			17,050,030.82				(17,018,271.56)	(9,698.27)	(17,027,969.83)	0.00
TOTAL ACQUISITIONS			17,050,030.82				(17,018,271.56)	(9,698.27)	(17,027,969.83)	0.00
DISPOSITIONS										
Maturity	10/08/2024	912797LS4	(3,000,000.00)	UNITED STATES TREASURY 10/08/2024	100.000	0.00%	3,000,000.00	0.00	3,000,000.00	0.00
Total Maturity			(3,000,000.00)				3,000,000.00	0.00	3,000,000.00	0.00
Sale	10/07/2024	91282CAM3	(50,000.00)	UNITED STATES TREASURY 0.25 09/30/2025	96.281	0.51%	48,140.63	2.40	48,143.03	(1,732.50)
Sale	10/07/2024	912828ZC7	(800,000.00)	UNITED STATES TREASURY 1.125 02/28/2025	98.688	0.81%	789,500.00	919.89	790,419.89	(11,483.67)

TRANSACTION LEDGER



City of Brea Cons/Reconciliation | Account #707 | 10/01/2024 Through 12/31/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	10/17/2024	90LAIF\$00	(1,600,000.00)	Local Agency Investment Fund State Pool	1.000	4.48%	1,600,000.00	0.00	1,600,000.00	0.00
Sale	10/22/2024	3135G03U5	(450,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025	98.086	0.67%	441,387.00	0.00	441,387.00	(8,520.50)
Sale	11/05/2024	3135G03U5	(850,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025	98.236	0.67%	835,006.00	191.84	835,197.84	(14,832.72)
Sale	12/13/2024	06051GJD2	(350,000.00)	BANK OF AMERICA CORP 1.319 06/19/2026	98.247	1.27%	343,864.50	2,231.31	346,095.81	(6,255.39)
Sale	12/13/2024	91282CAM3	(250,000.00)	UNITED STATES TREASURY 0.25 09/30/2025	96.863	0.51%	242,158.20	127.06	242,285.26	(7,326.19)
Sale	12/17/2024	3135G04Z3	(1,450,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 06/17/2025	98.115	0.54%	1,422,667.50	0.00	1,422,667.50	(27,584.13)
Total Sale			(5,800,000.00)				5,722,723.83	3,472.50	5,726,196.33	(77,735.12)
TOTAL DISPOSITIONS			(8,800,000.00)				8,722,723.83	3,472.50	8,726,196.33	(77,735.12)

IMPORTANT DISCLOSURES



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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.

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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 1-5 Yr US Treasury & Agency Index	The ICE BofA 1-5 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 five 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 1-5 Year AAA-A US Corp & Govt Index	The ICE BofA US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational, and corporate securities. Qualifying securities must be issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities.
ICE BofA 3-Month US Treasury Bill Index	The ICE BofA US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date.



Investment Advisory Committee Communication

B. Review of PARS Pension and OPEB Rate Stabilization Program Investment Reports for Period Ended December 31, 2024 - Presented by PARS and PFM Asset Management

Meeting	Agenda Group
Monday, January 27, 2025, 10:00 AM	DISCUSSION Item: 3B.
TO	FROM
Chair and Members of the Investment Advisory Committee	Kristin Griffith, Interim City Manager

RESPECTFULLY SUBMITTED:

Kristin Griffith, Interim City Manager

Presented by: PARS and PFM Asset Management

Attachments

[PARS Presentation_City of Brea.pdf](#)



CITY OF BREA

Pension Rate Stabilization Program (PRSP) Client Review
January 27, 2025

CONTACTS



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PARS 115 TRUST TEAM

As of September 30, 2024

Trust Administrator & Consultant*

PARS

PUBLIC AGENCY
RETIREMENT SERVICES

- 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

41

Years of Experience
(1984-2025)

2,000+

Plans under
Administration

1,000+

Public Agency
Clients

500+

115 Trust Clients

500K+

Plan Participants

\$9.2B

Assets under
Administration

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

Trustee

usbank

- 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

162

Years of Experience
(1863-2025)

\$11.0T

Assets under
Administration

Investment Manager

pfm asset
management

- 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+

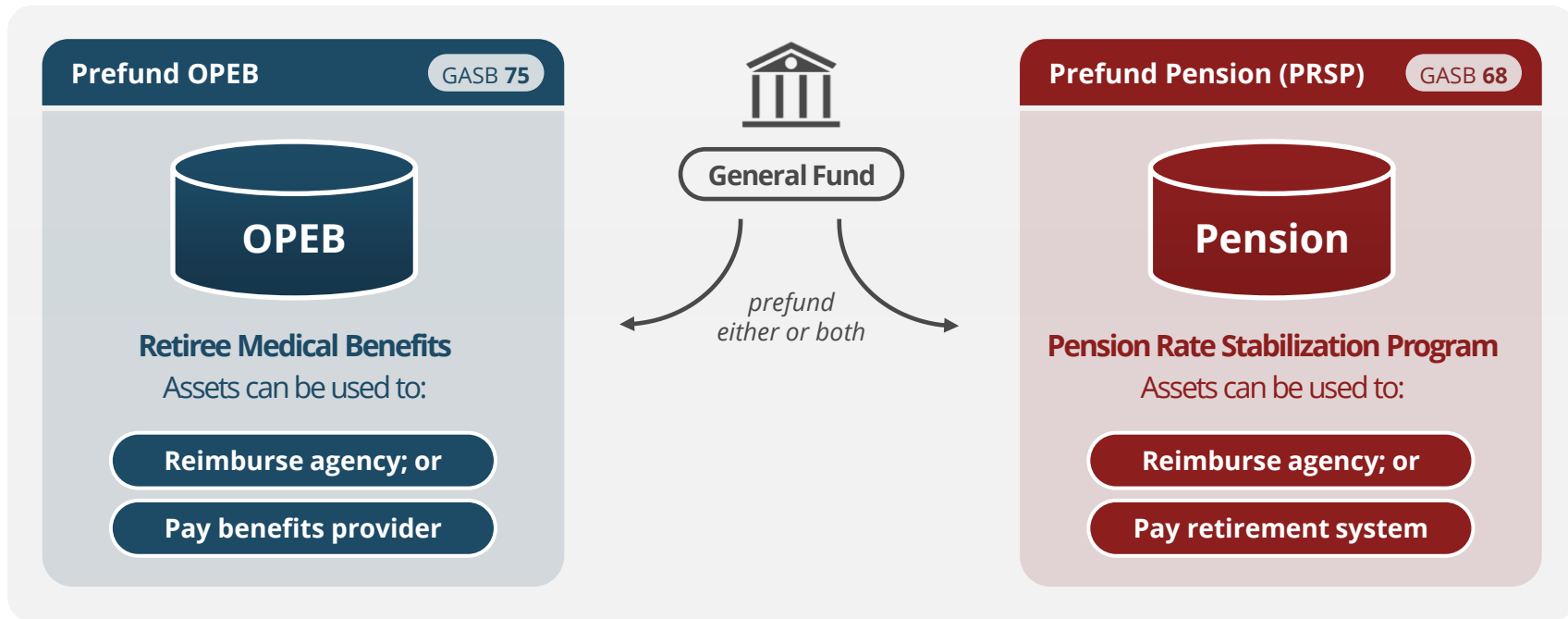
Years of Investment
Experience

\$240B+ *

Assets under Management
& Advisement

**Please see disclosures at the end of this presentation*

PARS PRSP STRUCTURE & BENEFITS



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.

SUMMARY OF AGENCY'S PENSION PLAN

Type of Plan:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	November 17, 2015
Plan Administrator:	Kristin Griffith – Interim City Manager
Current Investment Strategy:	Balanced Strategic (Active) – Individual Acct
Initial Contribution:	February 19, 2016 – \$2,000,000
Additional Contributions:	April 22, 2016 - \$2,000,000 June 17, 2016 - \$2,000,000 June 25, 2019 – \$756,800
Net Earnings:	\$5,484,612

SUMMARY OF AGENCY'S OPEB PLAN

Type of Plan:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	November 17, 2015
Plan Administrator:	Kristin Griffith – Interim City Manager
Current Investment Strategy:	Moderate Strategic (Active) – Individual Acct
Initial Contribution:	May 13, 2024 – \$250,000
Additional Contributions:	June 24, 2024 – \$175,000
Net Earnings:	\$17,130



Investment Performance Review For the Quarter Ended December 31, 2024

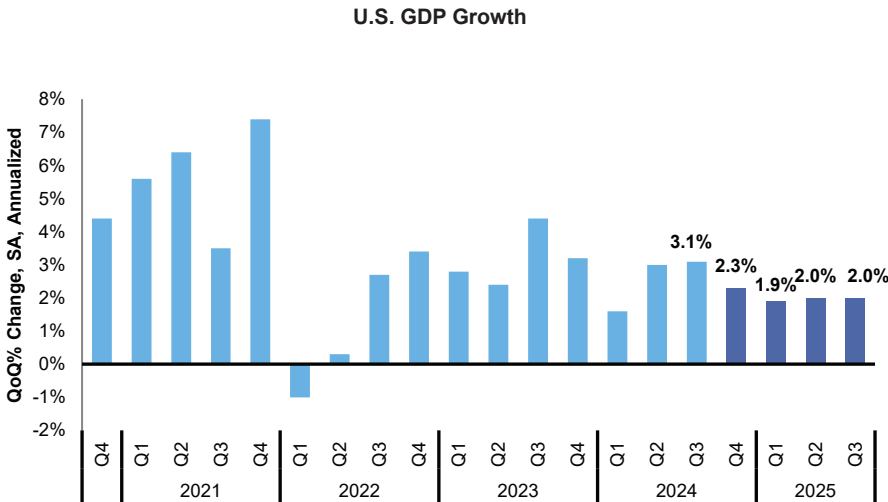
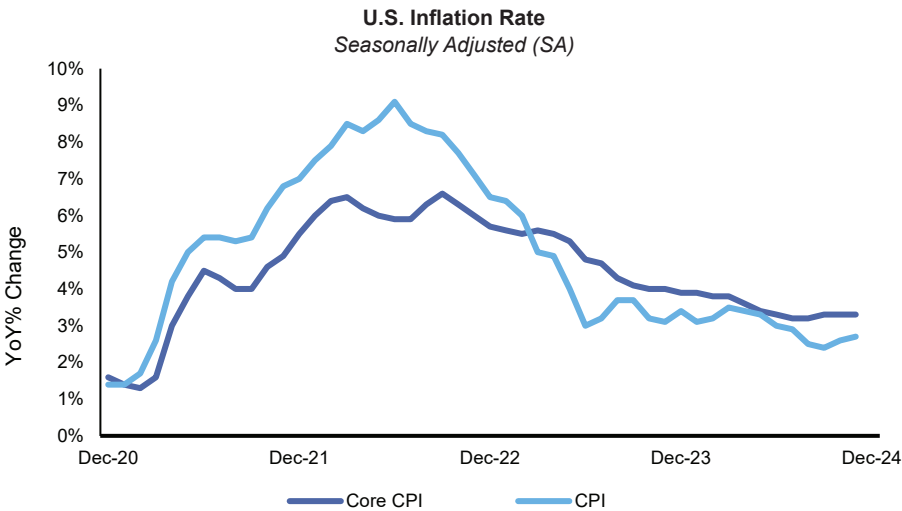
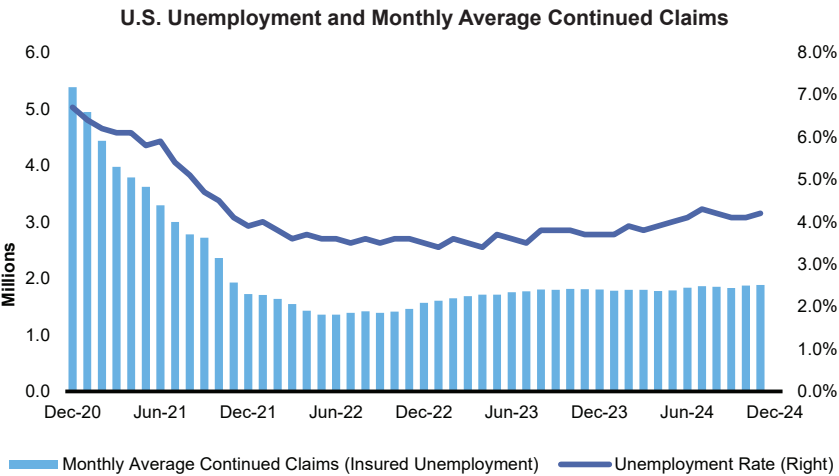
NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Financial Markets & Investment Strategy Review

THE ECONOMY

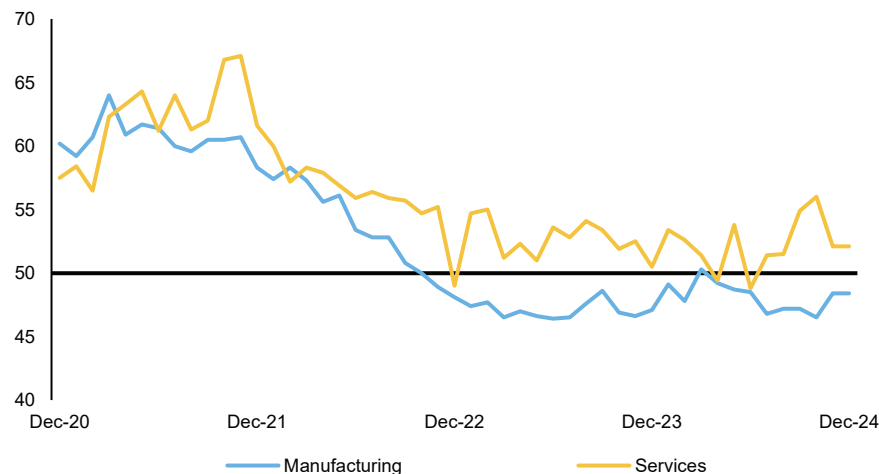
- ▶ In the third quarter, U.S. gross domestic product (GDP) grew at an annualized rate of 3.1%, an uptick from 3.0% in Q2. This represents the biggest growth rate so far in 2024, reflecting accelerations in exports, imports, consumer spending, and federal government spending. While growth in the United States remained strong, it slowed in Canada and Japan, which grew 1.0% and 1.2% respectively. Meanwhile, the United Kingdom, grew at 0.1% and the Euro Area grew 1.2%.
- ▶ The U.S. unemployment rate ended the quarter at 4.2%, in line with Q3, but higher than the 4.0% that was recorded in Q2. The latest initial jobless claims number ticked lower as layoffs remain subdued, but a persistent increase in continuing claims in 2024 suggests that unemployed workers are finding it harder to land new jobs, which could mean that demand for workers is waning, despite a growing economy.
- ▶ Inflation edged up in Q4 while the broad trend of inflation heading towards the Federal Reserve's (Fed) target of 2% remained in place through the year. Headline inflation (CPI) grew at a year-over-year rate of 2.7% in November, up from the 2.4% reading in September. Core CPI, which excludes volatile food and energy, remained flat at 3.3% on an annual basis. Consumer prices rose at a faster annual pace in November, a reminder that inflation remains an issue both for households and policymakers.



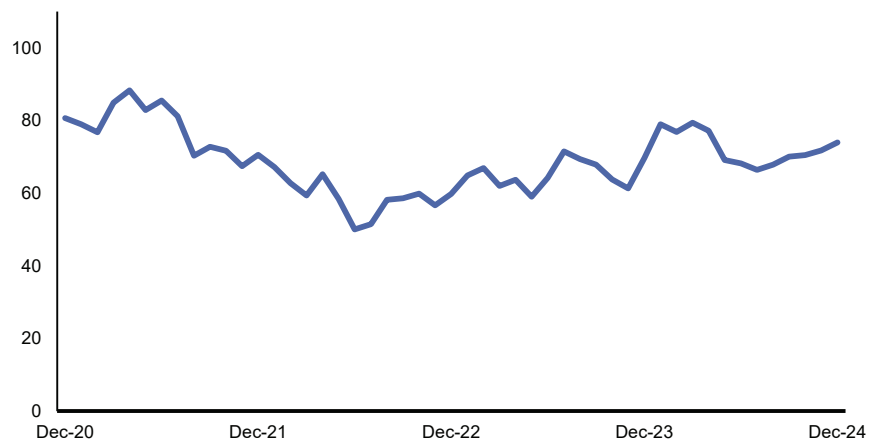
WHAT WE'RE WATCHING

- ▶ The Federal Reserve (Fed) cut rates by 25 basis points (bps) at the December meeting, as expected. New policymaker projections now forecast two quarter-percentage-point rate reductions by the end of 2025, which is half a percentage point less than was anticipated in September. Outside of the U.S., the European Central Bank (ECB) cut rates for the fourth time this year and signaled further easing ahead given current growth pressures, while the Bank of Japan (BOJ) held the benchmark rate steady since its rate hike in July.
- ▶ U.S. manufacturing activity continued to contract, albeit at a softening pace during the third quarter, with the ISM U.S. Manufacturing PMI rising to a nine-month high of 49.3 in December. Although down from the prior two months to 51.5, the November Services PMI figure still marked the fifth consecutive month of expansion for the services sector.
- ▶ U.S. Consumer confidence, as measured by the University of Michigan's Consumer Sentiment survey, reached its highest level in five months in December, coming in at 74.0, up from 66.4 (the lowest reading) in July.
- ▶ Across the Pacific, China's top decision-making body pledged in December to implement more proactive fiscal policy and to adopt a "moderately loose" monetary policy next year, the first narrative change since 2008. However, the leadership left key details of how it would realize "reasonable price recovery" unclear.

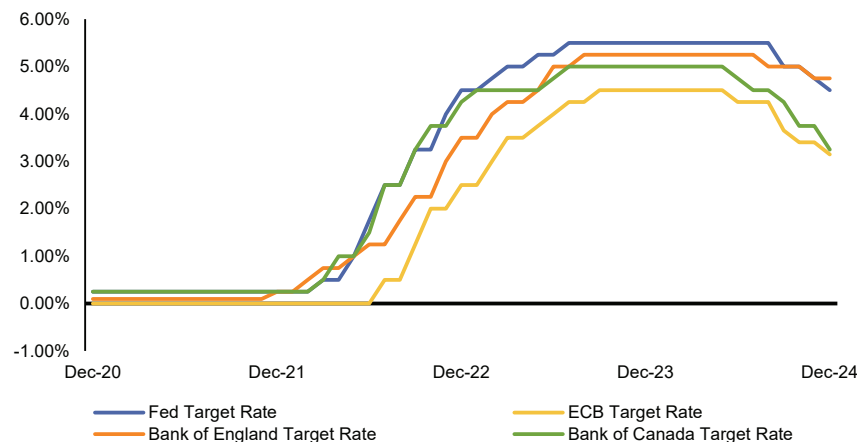
U.S. ISM Manufacturing & Services PMI



University of Michigan Consumer Sentiment



Global Central Bank Rates

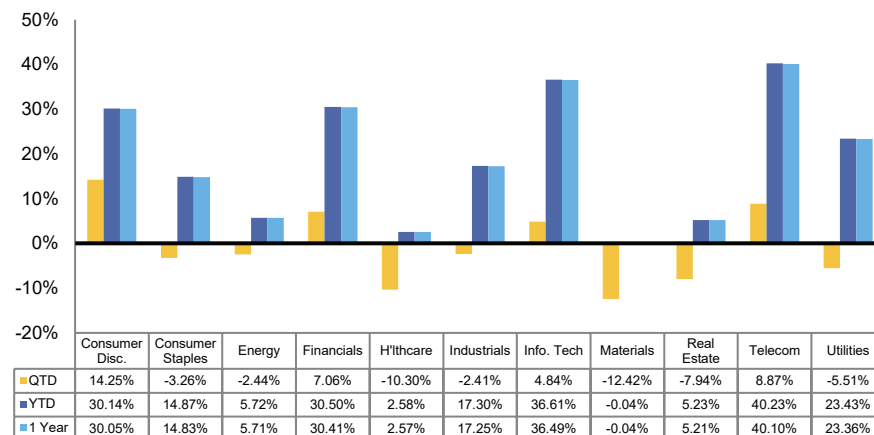


DOMESTIC EQUITY

- ▶ The S&P 500 Index (S&P) posted a 2.4% return for the fourth quarter of 2024. During the quarter, S&P performance was negative in two out of three months, posting a quarter high of 5.9% in November, and a low of -2.4% in December. For the year, the index posted a return of 25.0%.
- ▶ Within the S&P 500, performance was mixed across the 11 GICS sectors. The worst performing sectors were Materials (-12.4%), Healthcare (-10.3%), and Real Estate (-8.0%). The best performing sectors were Consumer Discretionary (14.3%), Communication Services (8.9%), and Financials (7.0%).
- ▶ Large-caps, as represented by the Russell 1000 Index, returned 2.8% during the quarter, and outperformed both mid-caps and small-caps. The Russell Midcap and Russell 2000 indices returned 0.6% and 0.3%, respectively.
- ▶ According to FactSet Earnings Insight (as of December 20, 2024), the expected year-over-year earnings growth rate for the S&P 500 in Q4 2024 was 11.9%, down from the September 30th estimate of 14.6%. At the sector level, Energy (-12.6% to -24.1%) and Healthcare (20.5% to 11.9%) saw the biggest downward revisions in YoY earnings growth estimates from September 30 to December 20. Conversely, the sectors that saw the largest upward revisions during the period were Communication Services (17.0% to 20.8%) and Financials (39.3% to 39.7%).
- ▶ While analysts expect the “Magnificent Seven” companies to report earnings growth of 21.3% in 2025, down from 33.3% in 2024, they expect the other 493 companies within the S&P 500 to post 13.0% earnings growth in 2025, up from 4.2% in 2024.
- ▶ At quarter end, the forward 12-month price-to-earnings (P/E) ratio for the S&P 500 was 21.4, which is above the 5-year average of 19.7. By comparison, the Russell 2000, which represents small-cap stocks, had a forward P/E ratio of 18.1, above its 5-year average of 17.8.

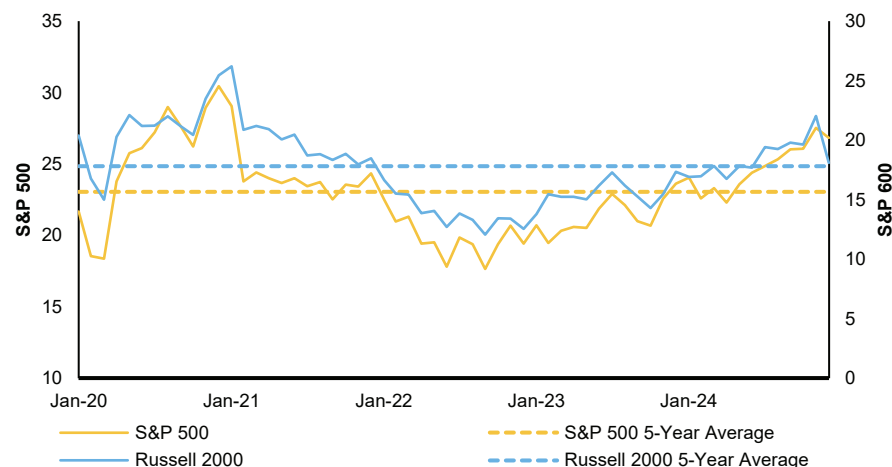
S&P 500 Index Performance by Sector

Periods Ended December 31, 2024



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

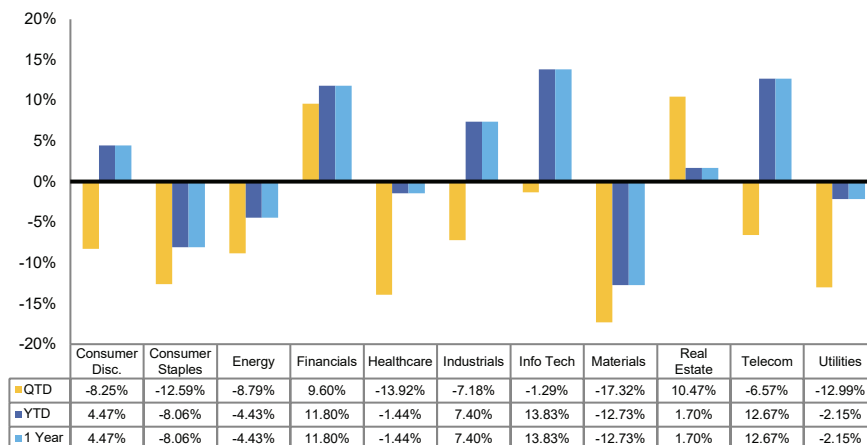
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

NON-U.S. EQUITY

- ▶ Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, underperformed their U.S. counterparts, returning -7.6% for the quarter. For the year, the index returned 5.5%.
- ▶ Two of the 11 sectors posted positive returns for the quarter, including Financials (9.6%) and Real Estate (10.5%). All other sectors were negative for the quarter and the worst performers were Materials (-17.2%), Healthcare (-13.9%), and Utilities (-12.8%).
- ▶ Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, slightly underperformed emerging markets (EM), as represented by the MSCI Emerging Market Index, returning -8.1% versus -8.0% for the quarter.
- ▶ Of the five largest-weighted countries in the MSCI EAFE Index, MSCI France (-11.1%) was the notable underperformer driven by political uncertainty. MSCI Japan (-3.3%), MSCI United Kingdom (-3.9%), MSCI Switzerland (-8.1%), and MSCI Germany (-4.8%) all relatively outperformed the MSCI EAFE index.
- ▶ Of the five largest-weighted countries in emerging markets, MSCI Taiwan (-0.9%) was the sole outperformer, while MSCI China (-9.3%), MSCI India (-8.0%), MSCI Korea (-12.8%), and MSCI Brazil (-12.0%) all underperformed the MSCI Emerging Markets Index.
- ▶ Growth stocks underperformed value stocks for the quarter as represented by the broad benchmark. The MSCI AC World ex-USA Growth Index returned -7.8%, while the MSCI AC World ex-USA Value Index returned -7.2%. Within EM, growth outperformed value, returning -6.9% versus -8.9%.
- ▶ Small caps, as represented by MSCI ACWI ex-U.S. Small Cap Index, also sold off during the quarter, posting a return of -7.7%.
- ▶ Non-U.S. equities valuations remain close to their long-term average across international equity markets. As of December 31st, 2024, MSCI EAFE's P/E stood at 15.4 versus a 5-year average of 16.1. MSCI EM ended the quarter with a P/E ratio of 13.4, which is also its 5-year average.

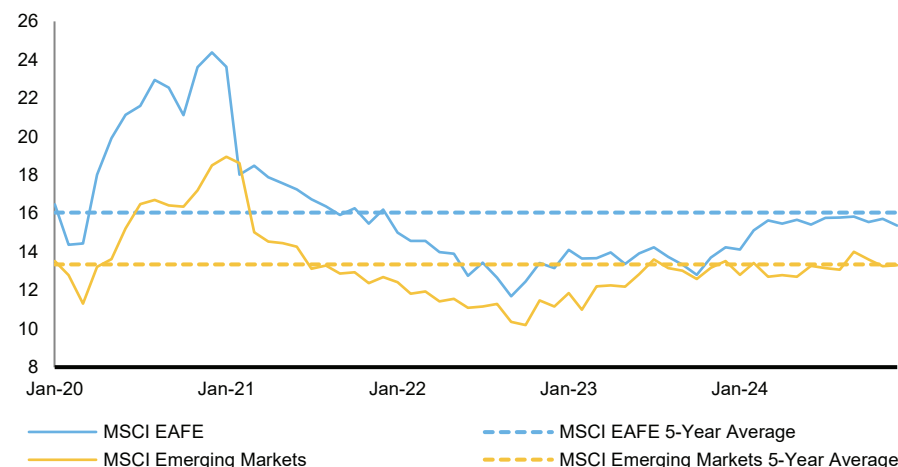
MSCI ACWI ex-U.S. Sectors

Periods Ended December 31, 2024



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*

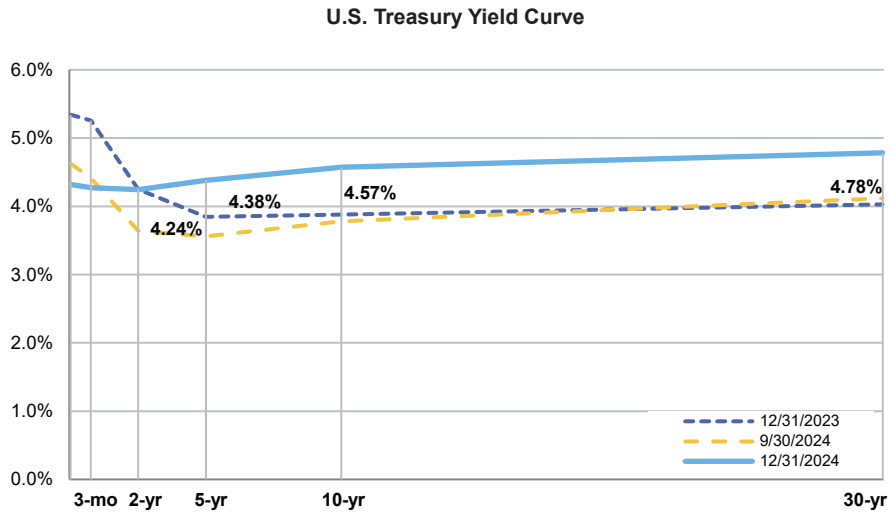


Source: Bloomberg.

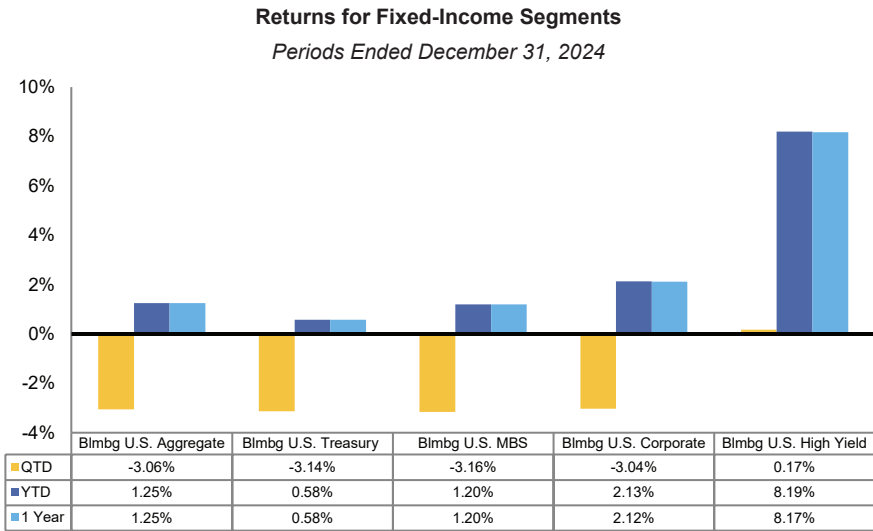
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

FIXED INCOME

- ▶ The U.S. bond market represented by the Bloomberg U.S. Aggregate (Aggregate) Index was materially weaker in the fourth quarter, returning -3.1% as rates rose. For the year, the Aggregate index returned 1.3%.
- ▶ The Bloomberg US Treasury Index closed the quarter returning -3.1%. During the period, the FOMC made two quarter point cuts to the federal funds rate and projected fewer cuts in 2025. Rates beyond the one-year range rose higher. The 10-year rose to 4.6%, while the 2-year ended at 4.2%.
- ▶ Corporate credit had mixed results for the quarter on the rising rates. The Investment Grade Bloomberg U.S. Corporate (IG Corp) Index returned a -3.0% while High Yield bonds, as represented by the Bloomberg U.S. Corporate High Yield (HY) Index, returned 0.2%. Spreads were flat to slightly tight across quality spectrum. However, the “CCC” HY category had a sharp rally, generating a 2.3% return.
- ▶ The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index returned -3.2%. On the commercial side, returns fared better with lower duration as the Bloomberg U.S. Agency CMBS Index returning -2.2% while the non-agency CMBS index posted a return of -0.8%.
- ▶ EM USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified index, returned 1.9%. The sub-index representing Africa performed the best while the Middle East index had the weakest returns for the quarter.



Source: Bloomberg.



Source: Bloomberg.

ALTERNATIVES

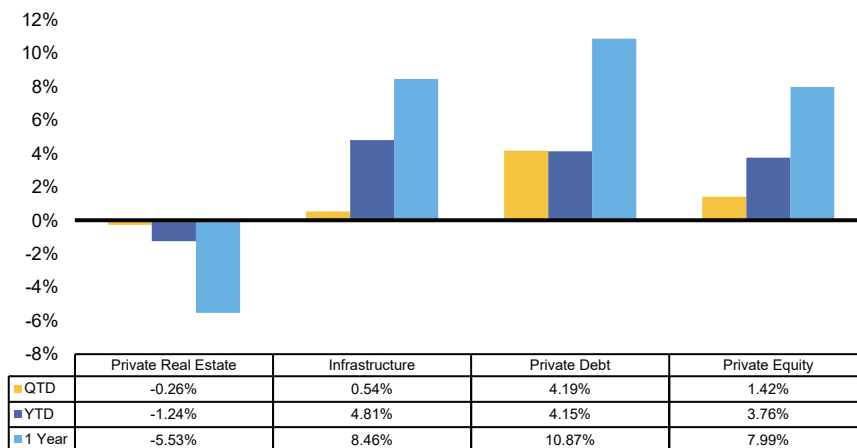
► REITs, as measured by the FTSE NAREIT Equity REITs Index, returned -6.21% in the quarter, compared to a 16.09% return in the prior quarter. Most major sectors saw negative returns. The reversal in performance can be attributed to the rise in long term Treasury yields as the Fed signaled a more cautious approach to monetary policy easing going into the new year. Private real estate, as measured by the NCREIF Property Index, gained 0.83% in the third quarter of 2024, resulting in a -3.30% return over the twelve-month period ended September 2024. Q3 saw the first quarter of positive total return in 2 years as property value declines leveled off across most sectors. Hotel properties were again the top performers, returned 2.67% while office properties continued to fare poorly, returned -0.89%.

► Listed infrastructure, as measured by the S&P Global Infrastructure Index, returned -2.48% in the quarter, compared to a 13.43% increase in the prior quarter. Performance was mostly negative across the major sectors as interest rates rose. During the first three quarters of 2024, 46 infrastructure funds raised \$64.49 billion, a subdued pace against the macroeconomic backdrop of elevated interest rates and a challenging exit environment. Most of the capital went to funds larger than \$1 billion seeking to capitalize on secular trends around digitalization, decarbonization, and deglobalization. Infrastructure dry powder has fallen from the previous year and stands at \$282.27 billion as of Q1 2024. According to PitchBook, infrastructure funds posted a return of 0.54% in Q2 2024. The asset class has generated an annualized return of 10.55% for the 5 years ended Q2 2024.

► During the first three quarters of 2024, 105 private debt funds raised \$169.20 billion. Fundraising has rebounded from a slow start to the year and is on track to exceed the previous year's total. Private debt dry powder remains above the long-term average at \$452.38 billion as of Q1 2024; although over 71% has been outstanding for more than 3 years. According to PitchBook, private debt funds posted a return of 4.19% in Q2 2024. The asset class has generated an annualized return of 8.47% for the 5 years ended Q2 2024.

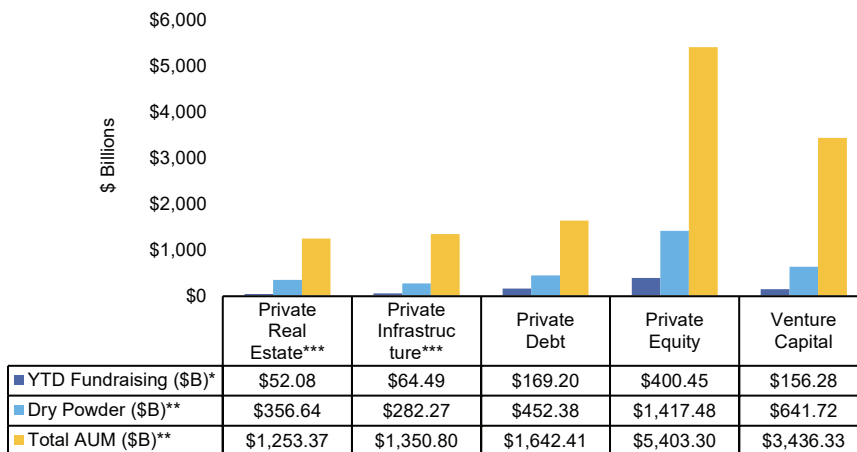
► During the first three quarters of 2024, 390 private equity funds raised \$400.45 billion – while slower than 2023 this is a solid pace considering a challenging environment. The bulk of the capital raised went to experienced managers raising capital for funds larger than \$1 billion. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at \$1.42 trillion as of Q1 2024. Private equity performance has been muted due to high borrowing costs, limited debt availability, and reduced deal flow. According to PitchBook, private equity funds posted a return of 1.42% in Q2 2024. The asset class has generated an annualized return of 16.69% for the 5 years ended Q2 2024.

Returns for Private Capital Assets



Source: NCREIF, PitchBook, Cliffwater, Cambridge Associates.
As of June 30, 2024, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder



Sources: Pitchbook.

* Total capital raised in 2024 as of September 30, 2024 - most recent period for which ALL fundraising data is available.

** Cumulative dry powder and total AUM as of March 31, 2024.

*** Excluding open-end, evergreen fund vehicles.

	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500 (TR)	2.84%	25.44%	25.44%	9.08%	14.57%	13.85%	13.11%
Russell 3000	3.03%	24.18%	24.18%	8.13%	13.91%	13.18%	12.55%
Russell 1000 Growth	8.06%	34.44%	34.44%	10.80%	19.12%	18.17%	16.83%
Russell 1000	3.17%	24.91%	24.91%	8.55%	14.32%	13.60%	12.87%
Russell 1000 Value	-2.18%	14.07%	14.07%	5.55%	8.61%	8.35%	8.44%
Russell Midcap	0.68%	15.35%	15.35%	3.81%	9.90%	9.62%	9.60%
Russell Midcap Growth	8.85%	22.80%	22.80%	4.26%	11.58%	12.14%	11.57%
Russell Midcap Value	-1.88%	12.86%	12.86%	3.83%	8.54%	7.67%	8.06%
Russell 2000 Growth	1.75%	15.14%	15.14%	0.22%	6.84%	7.15%	8.07%
Russell 2000	0.18%	11.32%	11.32%	1.19%	7.35%	6.86%	7.77%
Russell 2000 Value	-1.42%	7.63%	7.63%	1.82%	7.19%	6.05%	7.08%
INTERNATIONAL EQUITY							
MSCI EAFE	-8.20%	3.71%	3.71%	1.61%	4.69%	4.08%	5.17%
MSCI AC World	-0.70%	17.76%	17.76%	5.53%	10.10%	9.22%	9.23%
MSCI AC World ex-USA	-7.61%	5.50%	5.50%	0.82%	4.09%	3.52%	4.79%
MSCI AC World ex-USA Small Cap	-7.89%	3.09%	3.09%	-1.55%	4.23%	3.02%	5.62%
MSCI EM (Emerging Markets)	-7.76%	7.76%	7.76%	-1.83%	1.75%	1.41%	3.65%
ALTERNATIVES							
FTSE Nareit / Equity REITs - INV	-7.11%	7.66%	7.66%	-2.51%	4.06%	5.61%	5.61%
MSCI U.S. REIT INDEX	-7.03%	7.67%	7.67%	-2.57%	4.09%	5.62%	5.54%
FTSE Global Core Infrastructure 50/50 Index	-5.88%	9.33%	9.33%	2.07%	3.22%	4.99%	5.34%
Bloomberg Commodity Index	-0.36%	5.46%	5.46%	4.08%	6.76%	4.11%	1.29%
FIXED INCOME							
Bloomberg U.S. Aggregate	-2.95%	1.36%	1.36%	-2.37%	-0.30%	0.98%	1.35%
Bloomberg U.S. Government/Credit	-2.96%	1.29%	1.29%	-2.54%	-0.19%	1.13%	1.50%
Bloomberg U.S. Intermediate Government/Credit	-1.53%	3.06%	3.06%	-0.15%	0.87%	1.69%	1.71%
Bloomberg U.S. Treasury (1-3 Y) (Inception 4/30/1996)	-0.12%	3.99%	3.99%	1.42%	1.35%	1.70%	1.37%
ICE BofA U.S. High Yield	0.06%	8.09%	8.09%	2.88%	4.01%	4.50%	5.06%
Bloomberg Global Aggregate ex-USD	-6.81%	-4.17%	-4.17%	-6.26%	-3.35%	-2.02%	-0.90%
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	1.15%	5.24%	5.24%	3.96%	2.50%	2.38%	1.79%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

Factors to Consider for 6-12 Months

Monetary Policy (Global):



- The Fed continued its easing cycle with a total of 100 basis points (bps) of rate cuts in 2024 and suggested another 50 bps in cuts in 2025, which is significantly lower than prior estimates.
- While the Fed and other major central banks (excluding the Bank of Japan) continue to ease, uncertainty around inflation and growth remains.

Economic Growth (Global):



- U.S. economic growth remains strong on consumer spending which remains quite resilient.
- Economic growth outside the U.S. remains modest. Tariffs pose some risks with trading partners.
- Declines in foreign direct investment and weak domestic demand could continue to impact China's growth.

Inflation (U.S.):



- While inflation has fallen since its peak in 2022, progress has stalled in the past few months.
- The Fed has acknowledged higher inflation expectations going into 2025. Further rate cuts will depend on inflation moving closer to its 2% target. Proposed fiscal policies may put pressure on wages and goods costs.

Financial Conditions (U.S.):



- Narrow corporate yield spreads and strong equity returns point to the stability of financial conditions. The potential for deregulation under the incoming administration has buoyed market confidence.
- While our base case is not for a dramatic shift in conditions, the potential impact of future trade and tariff policies warrants attention.

Consumer Spending (U.S.):



- Broad consumer metrics are supportive of economic strength. A growing divergence among consumers exists as lower-income cohorts continue to feel more strain due to the higher overall level of prices.
- An unexpected material deterioration of labor market conditions is the biggest risk to consumer spending.

Labor Markets (U.S.):



- The labor market remains well-positioned and in balance despite intra-quarter data volatility caused by weather events and strikes.
- Layoffs remain near historically low levels; however, the pace of hiring has slowed considerably. Any sustained deterioration has negative impact on economic growth expectations.

Corporate Fundamentals:



- Earnings growth expectations are positive across global equities, but any impacts from tariffs and slower growth need to be closely monitored for any impact on profit margins.
- In the U.S., corporations are expected to post higher profit margins and any tax cuts/deregulation initiatives should be positive.

Valuations:



- U.S. equity and credit markets have experienced a run up in valuations. Any negative shock relating to economic growth could lead to a sell-off.
- International equities look attractive but continued economic and geopolitical uncertainty are leading to increased volatility.

Political Risks:



- Geopolitical risks continue to remain elevated. Broadening of middle east conflict, trade and tariff tensions between the U.S. and China, renegotiation of trade deals with Canada and Mexico along with political uncertainty in Europe add to risks.

● Current outlook ○ Outlook one quarter ago

Stance Unfavorable
to Risk Assets

Negative

Slightly
Negative

Neutral

Slightly
Positive

Positive

Stance Favorable
to Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (12/31/2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Asset Class	Our Q1 2025 Investment Outlook	Comments
U.S. Equities Large-Caps Small-Caps	  	- Moderate economic growth coupled with possible tax cuts and deregulation measures could bode well for U.S. equities. Recent economic data as well as earnings growth expectations has been supportive of continued positive equity returns while high valuations (P/Es), Fed rate path, and tariff driven volatility are negatives. - Earnings growth expectations derived from broadening of earnings growth strength beyond the technology and AI focused names bodes well for large-caps while valuations are a headwind. - Small-caps have lagged large caps in 2024 due to lower earnings growth and higher level of interest rates. We expect fundamentals to improve as rate cuts take hold.
Non-U.S. Equities Developed Markets Emerging Markets	  	- International equities continue to trade at a discount to U.S. and have been recently helped by ECB rate cuts. Any tariffs will be a headwind at a time of slower growth especially across developed markets. - Indian equities are trading at expensive valuations, and we don't expect a sustained recovery in Chinese equities due to stimulus unless there are structural/geopolitical changes addressing debt overhang and geopolitical stability. U.S. imposed tariffs will also be a headwind for EM equities with a lot of uncertainty currently on how exactly the tariffs will have an impact.
Fixed Income Core Bonds Investment Grade Credit High Yield Credit	   	- The Fed cut by 100 bps in 2024 with expectation of another two cuts in 2025, much lower than the four cuts anticipated in Sep 2024. Further rate cuts will be based on fiscal policy implementation and the ensuing impact on inflation and labor markets, leading to continued rate volatility in the near term. We maintain duration closer to benchmark across models. - Credit markets remain attractive due to strong corporate fundamentals. We remain positive on investment grade but are staying closer to targets on high yield given tighter spreads. We continue to closely watch for signs for any distress in the corporate credit space.
Diversifying Assets Listed Real Estate Listed Global Infrastructure	 	- Attractive valuations relative to equity and falling long term rates have led to strong recovery in REITs in 2024 but the back up in long term yields led to REITs lagging U.S. equities in Q4. We continue to remain positive on the asset class given the economic and policy backdrop along with strengthening fundamentals. - Transition to renewable energy, increase in AI led data center infrastructure spend along with continued infrastructure spend are tailwinds for listed infrastructure.
● Current outlook ○ Outlook one quarter ago		Negative Slightly Negative Neutral Slightly Positive Positive



The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc. at the time of distribution (12/31/2024) and are subject to change.

Sources

Factset

<https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf>

<https://www.bls.gov/news.release/pdf/empisit.pdf>

<https://www.bls.gov/news.release/pdf/cpi.pdf>

<https://www.ismworld.org/supply-management-news-and-reports/reports/ism-report-on-business/>

<http://www.sca.isr.umich.edu/>

NCREIF

PitchBook

Disclosures

Indices shown are not available for investment. The index data reference herein is the property of the index provider and/or its licensors. The index provider assumes no liability in connections with its use and does not sponsor, endorse or recommend the products or services contained herein. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. 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 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.

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Account Investment Performance Review

Important Notice:

Account information, including market values and performance returns, found on the following pages have been made available by U.S. Bank, as custodian of the account assets.

PFM Asset Management LLC, as investment advisor to the account, will provide market values and performance returns when available. Values may vary from custodian based on a variety of factors, including but not limited to, differences in asset pricing, accruals, and trade/settlement date portfolio accounting methodologies.



PARS CITY OF BRE A 115P - PENSION

12/31/2024

Selected Period Performance

Selected Period Performance

	Market Value	1 Month	3 Months	Year to Date (1 Year)	1 Year	3 Years	5 Years	Inception to Date 02/01/2016
Total Portfolio Gross of Fees	12,233,316	-2.59	-1.19	10.98	10.98	3.39	6.87	8.13
Total Portfolio Net of Fees	12,233,316	-2.60	-1.24	10.76	10.76	3.13	6.58	7.83
Total Equity	6,323,681	-2.79	.60	18.47	18.47	6.01	10.86	12.79
Large Cap U.S. Equity	5,003,962	-2.54	2.57	24.22	24.22	8.54	14.23	15.40
S&P 500 Index (Total Return)		-2.38	2.41	25.02	25.02	8.94	14.53	15.29
S&P MidCap 400 Index		-7.12	.34	13.93	13.93	4.87	10.34	11.93
Small Cap U.S. Equity	296,399	-7.29	1.29	15.07	15.07	4.85	8.98	10.52
S&P SmallCap 600 Index		-7.95	-.58	8.70	8.70	1.91	8.36	11.13
Developed Markets Equity	799,921	-3.08	-8.57	2.60	2.60	1.84	5.11	7.36
MSCI EAFE Index (Net)		-2.27	-8.11	3.82	3.82	1.65	4.73	6.84
Emerging Markets Equity	223,400	-1.17	-6.19	7.76	7.76	-2.95	1.47	7.32
MSCI Emerging Markets Index (Net)		-.14	-8.01	7.50	7.50	-1.92	1.70	6.79
Total Fixed Income	4,589,763	-1.68	-3.00	1.81	1.81	-.14	.94	
Taxable Investment Grade	4,460,595	-1.71	-3.04	1.72	1.72	-.07	.95	
BBARC 1-3 Year US Government/Credit Index		.21	-.02	4.36	4.36	1.69	1.58	1.69
BBARC Intermediate US Government/Credit Index		-.62	-1.60	3.00	3.00	-.18	.86	1.66
BBARC US Aggregate Bond Index		-1.64	-3.06	1.25	1.25	-2.41	-.33	1.29
Foreign Fixed Income	129,168	-.78	-1.91	6.15	6.15	-.83		
Total Real Assets	941,752	-7.06	-6.39	3.12	3.12	-5.25	2.59	5.55
Real Estate	604,151	-8.50	-8.04	4.11	4.11	-4.94	2.78	5.67
Dow Jones US Select REIT Index		-7.14	-5.93	8.10	8.10	-3.02	3.40	5.46
Commodities	337,601	-4.54	-3.72					
Total Cash Equivalents	363,303	.38	1.17	5.17	5.17	3.86	2.38	1.86
FTSE 1 Month Treasury Bill Index		.40	1.20	5.38	5.38	3.98	2.47	1.95
Pending Cash	14,817	.00	.00	.00	.00	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

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Account: XXXXXX0800

Holdings Method: Direct

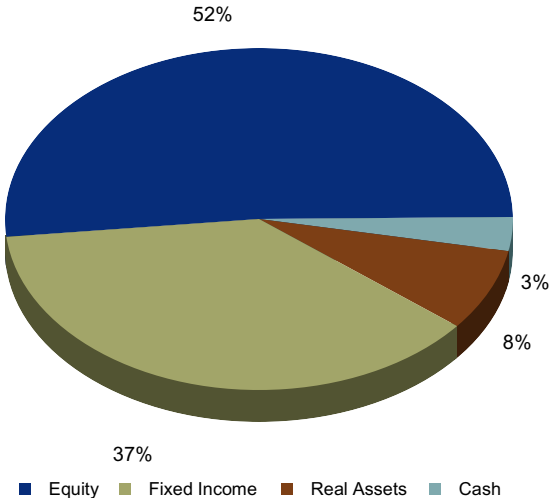
Report Date: 12/31/2024

Portfolio Summary

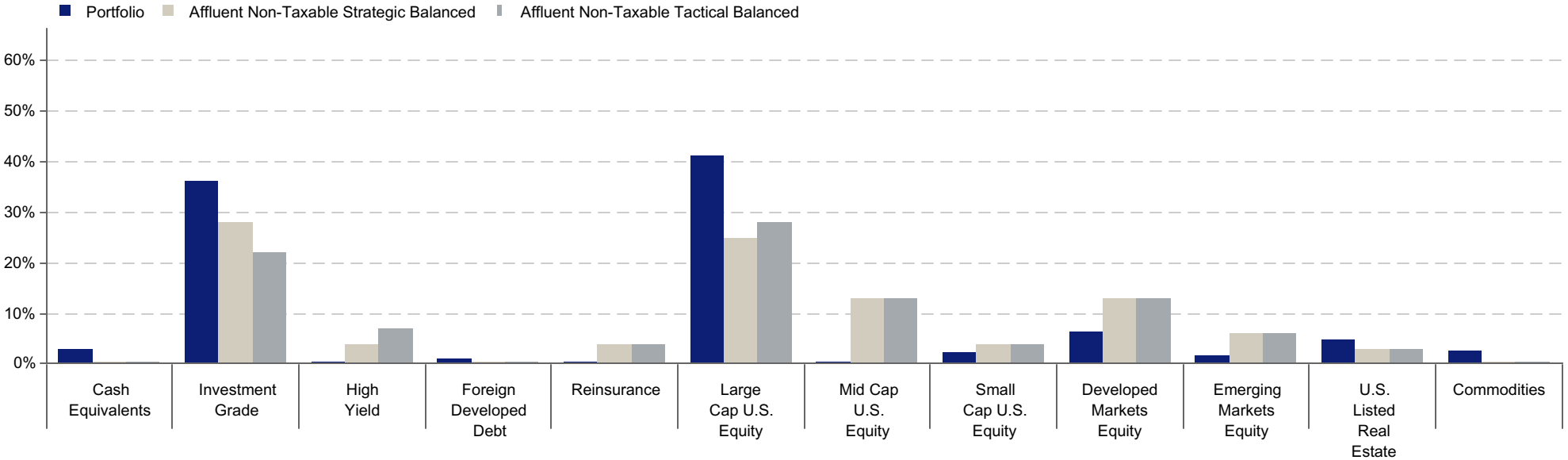
Inv. Objective	Balanced/Nontaxable-1
Annual Income Projected	\$342,294
Current Yield	2.74%
Number of Securities	105

Portfolio Asset Allocation

Equity	51.82%
Fixed Income	37.38%
Real Assets	7.72%
Cash	3.08%
Invested Total	100.00%



Portfolio Model Allocation



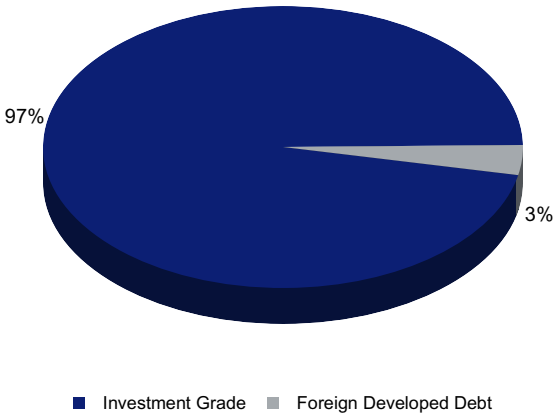


Account: XXXXXX0800 Holdings Method: Direct Report Date: 12/31/2024

Fixed Income Summary	
Inv. Objective	Balanced/Nontaxable-1
Current Yield	4.56%
Annual Income Projected	\$215,473
Number of Securities	91
Effective Duration	5.94

Fixed Income Asset Allocation

Investment Grade	96.79%
Foreign Developed Debt	3.21%



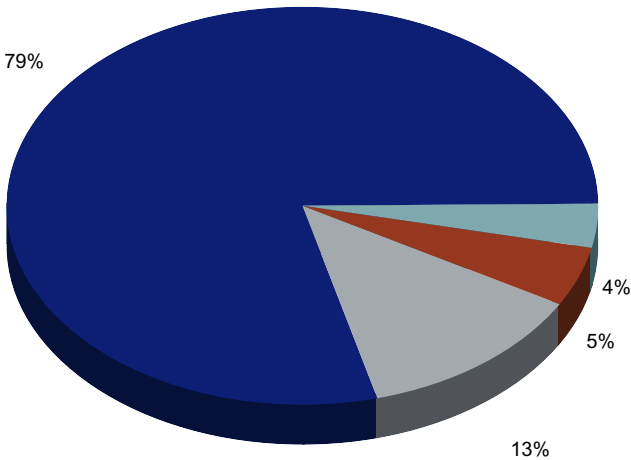
Equity Overview

Account: XXXXXX0800 Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs) Report Date: 12/31/2024

Equity Summary	
Inv. Objective	Balanced/Nontaxable-1
Current Yield	1.32%
Annual Income Projected	\$83,206
Number of Securities	10

Equity Asset Allocation

Large Cap U.S.	79.13%
Developed Markets	12.65%
Small Cap U.S.	4.69%
Emerging Markets	3.53%





PARS CITY OF BRE A 115P - OPEB

12/31/2024

Selected Period Performance

Selected Period Performance

	Market Value	1 Month	3 Months	Inception to Date 05/01/2024
Total Portfolio Gross of Fees	442,130	-2.41	-1.50	4.53
Total Portfolio Net of Fees	442,130	-2.43	-1.55	4.42
Total Equity	196,525	-2.76	.42	7.11
Large Cap U.S. Equity	157,458	-2.52	2.29	10.17
S&P 500 Index (Total Return)		-2.38	2.41	17.90
S&P MidCap 400 Index		-7.12	.34	10.25
Small Cap U.S. Equity	8,187	-7.30	1.24	7.21
S&P SmallCap 600 Index		-7.95	-.58	12.39
Developed Markets Equity	23,764	-3.12	-8.61	-5.51
MSCI EAFE Index (Net)		-2.27	-8.11	.72
Emerging Markets Equity	7,116	-1.18	-6.19	-1.23
MSCI Emerging Markets Index (Net)		-.14	-8.01	4.55
Total Fixed Income	206,120	-1.57	-2.86	2.57
Taxable Investment Grade	195,797	-1.63	-3.02	2.47
BBARC 1-3 Year US Government/Credit Index		.21	-.02	4.27
BBARC Intermediate US Government/Credit Index		-.62	-1.60	4.57
BBARC US Aggregate Bond Index		-1.64	-3.06	4.69
High Yield Taxable	10,323	-.43	.20	4.58
Total Real Assets	27,895	-7.01	-6.35	7.03
Real Estate	17,181	-8.50	-8.04	7.58
Dow Jones US Select REIT Index		-7.14	-5.93	17.10
Commodities	10,714	-4.53	-3.71	3.66
Total Cash Equivalents	11,591	.38	1.17	3.00
FTSE 1 Month Treasury Bill Index		.40	1.20	3.51
Pending Cash	0	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

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Account: XXXXXX0801

Holdings Method: Direct

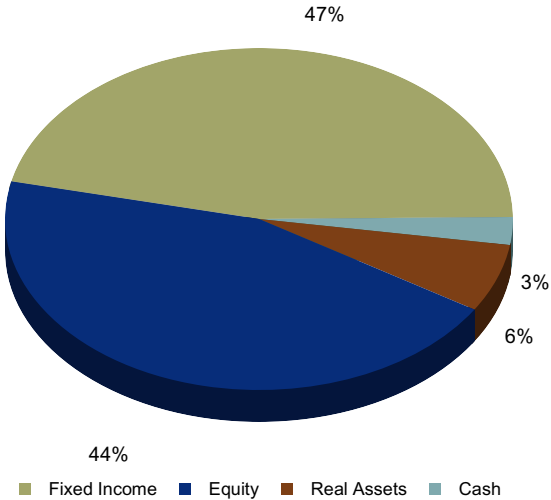
Report Date: 12/31/2024

Portfolio Summary

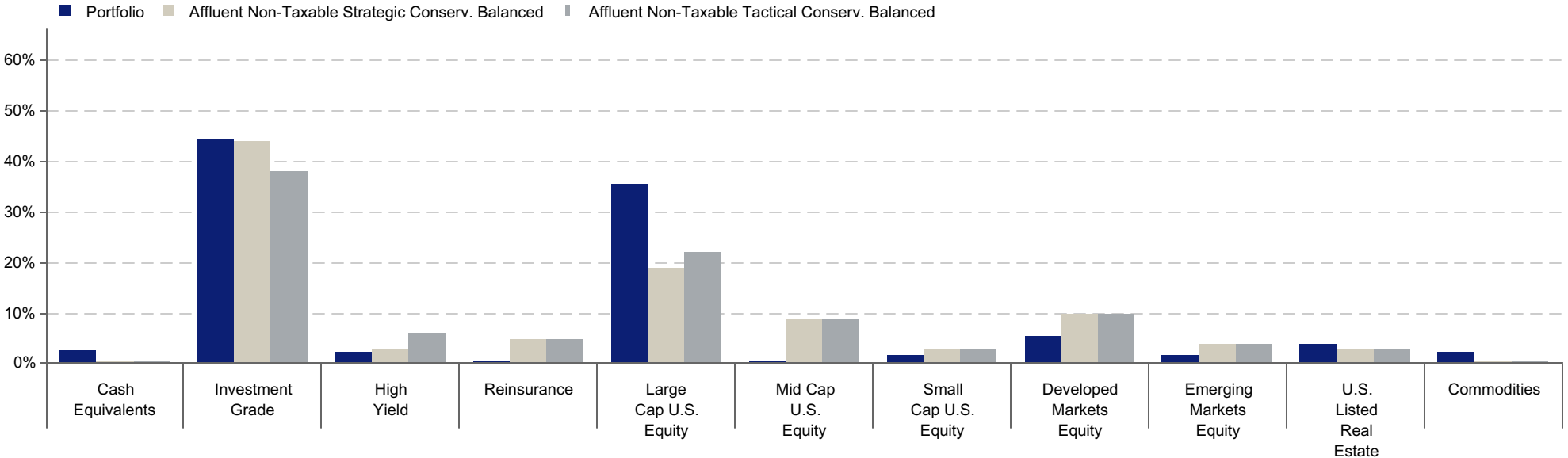
Inv. Objective	Conserv Bal/Nontaxable-1
Net Realized Cap Gains YTD	\$12,873
Annual Income Projected	\$12,522
Current Yield	2.83%
Number of Securities	19

Portfolio Asset Allocation

Fixed Income	46.60%
Equity	44.48%
Real Assets	6.31%
Cash	2.61%
Invested Total	100.00%



Portfolio Model Allocation





Account: XXXXXX0801

Holdings Method: Direct

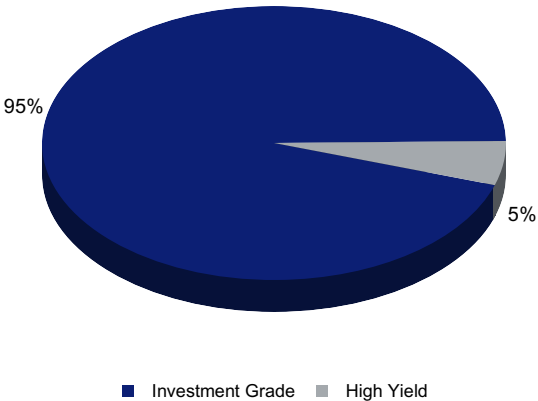
Report Date: 12/31/2024

Fixed Income Summary

Inv. Objective	Conserv Bal/Nontaxable-1
Current Yield	4.22%
Annual Income Projected	\$8,683
Number of Securities	5

Fixed Income Asset Allocation

Investment Grade	94.99%
High Yield	5.01%



Equity Overview

Account: XXXXXX0801

Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs)

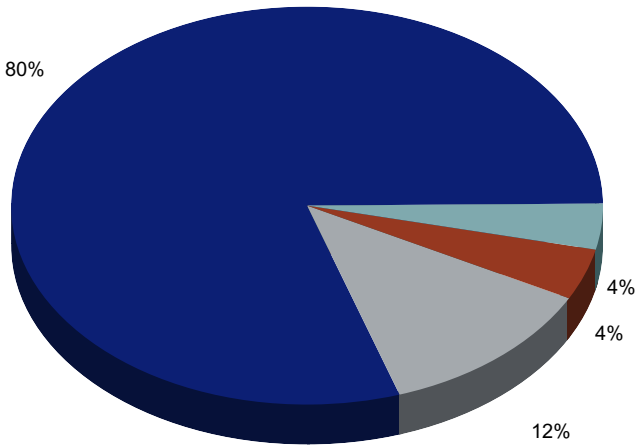
Report Date: 12/31/2024

Equity Summary

Inv. Objective	Conserv Bal/Nontaxable-1
Current Yield	1.29%
Annual Income Projected	\$2,530
Number of Securities	10

Equity Asset Allocation

Large Cap U.S.	80.12%
Developed Markets	12.09%
Small Cap U.S.	4.17%
Emerging Markets	3.62%



Important disclosures, definitions of terms and index descriptions

If you have questions regarding this information or wish to receive definitions of any additional terms or indexes used in this report, please contact your Portfolio Manager.

Important disclosures (page 1 of 4)

The information provided here is not intended to replace your account statement. Your account statement is the official record of your account.



Equal Housing Lender. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products offered by U.S. Bank National Association. Member FDIC.

For use in one-on-one meetings/presentations.

This information represents the opinion of U.S. Bank. The views are subject to change at any time based on market or other conditions and are current as of the date indicated on the materials. This is not intended to be a forecast of future events or guarantee of future results. The factual information provided has been obtained from sources believed to be reliable but is not guaranteed as to accuracy or completeness.

U.S. Bank and its representatives do not provide tax or legal advice. Your tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation.

Past performance is no guarantee of future results. All performance data, while obtained from sources deemed to be reliable, are not guaranteed for accuracy. Indexes shown are unmanaged and are not available for direct investment, nor are they subject to fees and expenses.

Performance reports included may show performance results gross of fees and expenses. If fees and expenses were included, the performance would be lower. If you have any questions, please speak with your relationship manager for additional information.

Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. **Diversification and asset allocation do not guarantee returns or protect against losses.**

Important disclosures (page 2 of 4)

Equity securities are subject to stock market fluctuations that occur in response to economic and business developments. **Stocks of small-capitalization companies** involve substantial risk. These stocks historically have experienced greater price volatility than stocks of larger companies and may be expected to do so in the future. **Stocks of mid-capitalization companies** can be expected to be slightly less volatile than those of small-capitalization companies, but still involve substantial risk and may be subject to more abrupt or erratic movements than large-capitalization companies. The value of **large-capitalization stocks** will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions. **Growth investments** focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends, which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments. **Value investments** focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

International investing involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility.

Investments in **real estate securities** can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults). There are special risks associated with an investment in **commodities**, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return, but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments.

Important disclosures (page 3 of 4)

The **municipal bond** market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issues of municipal securities. Interest rate increases can cause the price of a bond to decrease. Income on municipal bonds is free from federal taxes, but may be subject to the federal alternative minimum tax (AMT), state and local taxes.

Treasury Inflation-Protected Securities (TIPS) offer a lower return compared to other similar investments and the principal value may increase or decrease with the rate of inflation. Gains in principal are taxable in that year, even though not paid out until maturity.

Non-financial **specialty assets**, such as real estate, farm, ranch and timber properties, oil, gas and mineral interests or closely-held business interests are complex and involve unique risks specific to each asset type, including the total loss of value. Special risk considerations may include natural events or disasters, complex tax considerations and lack of liquidity. Specialty assets may not be suitable for all investors.

Alternative investments very often use speculative investment and trading strategies. There is no guarantee that the investment program will be successful. Alternative investments are designed only for investors who are able to tolerate the full loss of an investment. These products are not suitable for every investor even if the investor does meet the financial requirements. It is important to consult with your investment professional to determine how these investments might fit your asset allocation, risk profile and tax situation. **Hedge funds** are speculative and involve a high degree of risk. An investment in a hedge fund involves a substantially more complicated set of risk factors than traditional investments in stocks or bonds, including the risks of using derivatives, leverage and short sales, which can magnify potential losses or gains. Restrictions exist on the ability to redeem or transfer interests in a fund. **Exchange-traded funds (ETFs)** are baskets of securities that are traded on an exchange like individual stocks at negotiated prices and are not individually redeemable. ETFs are designed to generally track a market index and shares may trade at a premium or a discount to the net asset value of the underlying securities. **Private equity** investments provide investors and funds the potential to invest directly into private companies or participate in buyouts of public companies that result in a delisting of the public equity. Investors considering an investment in private equity must be fully aware that these investments are illiquid by nature, typically represent a long-term binding commitment and are not readily marketable. The valuation procedures for these holdings are often subjective in nature. **Private debt** investments may be either direct or indirect and are subject to significant risks, including the possibility of default, limited liquidity and the infrequent availability of independent credit ratings for private companies. **Structured products** are subject to market risk and/or principal loss if sold prior to maturity or if the issuer defaults on the security. Investors should request and review copies of Structured Products Pricing Supplements and Prospectuses prior to approving or directing an investment in these securities.

Important disclosures (page 4 of 4)

Mutual fund investing involves risk and principal loss is possible. Investing in certain funds involves special risks, such as those related to investments in small- and mid-capitalization stocks, foreign, debt and high-yield securities and funds that focus their investments in a particular industry. Please refer to the fund prospectus for additional details pertaining to these risks. An investment in **money market funds** is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although these funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Holdings of First American Funds: U.S. Bancorp Asset Management, Inc. is a registered investment advisor and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, performance or services of U.S. Bancorp Asset Management. U.S. Bancorp Asset Management, Inc. serves as an investment advisor to First American Funds. **Holdings of Nuveen mutual funds:** Firststar Capital Corporation (Firststar Capital), an affiliate of U.S. Bancorp, holds a less-than-10 percent ownership interest in Windy City Investments Holdings, LLC which was formerly the parent of Windy City Investment Inc. and the indirect parent of Nuveen Fund Advisors, LLC which is the investment advisor to the Nuveen Mutual Funds. On October 1, 2014, Windy City Investments, Inc. was sold to Teachers Insurance and Annuity Association of America. As a result of the sale, U.S. Bancorp no longer has an indirect ownership interest in Nuveen Fund Advisors, LLC. Depending on the outcome of certain factors, Firststar Capital might in the future receive an earn-out payment in respect of its interest in Windy City Investment Holdings, LLC, under the terms of the sale. **Non-proprietary mutual funds:** U.S. Bank may enter into agreements with other non-proprietary mutual funds or their service providers whereby U.S. Bank provides shareholder services and/or sub-transfer agency, custodial and other administrative support services and receives compensation for these services. Compensation received by U.S. Bank directly or indirectly from mutual funds does not increase fund fees and expenses beyond what is disclosed in the fund prospectuses. For more information, review the fund prospectus.

Definitions of report and statement terms (page 1 of 5)

Accredited Investor: Private placement securities generally require that investors be accredited due to the additional risks and speculative nature of the securities. For natural persons, the criteria is met by a net worth of more than \$1 million (excluding primary residence) or an income of more than \$200,000 individually (\$300,000 jointly) for the two most recent years and a reasonable expectation for the same in the current year. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$5 million in assets. See full definition in Rule 501 of Regulation D under the Securities Act of 1933.

Alpha: A measure of risk-adjusted performance. A statistic measuring that portion of a stock, fund or composite's total return attributable to specific or non-market risk. Alpha measures non-market return and indicates how much value has been added or lost. A positive Alpha indicates the fund or composite has performed better than its Beta would predict (i.e., the manager has added value above the benchmark). A negative Alpha indicates a fund or composite has underperformed given the composite's Beta.

Alternative Investments: As used by U.S. Bank, an investment considered to be outside of the traditional asset classes of long-only stocks, bonds and cash. Examples of alternative investments include hedge funds, private equity, options and financial derivatives.

Annualized Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided annualize only periods greater than one year.

Annualized or Annual Rate of Return: Represents the average annual change in the value of an investment over the periods indicated.

Batting Average: Shows how consistently the portfolio return met or beat the market.

Beta: A measure of your portfolio's risk relative to a benchmark. A portfolio with a beta of 1.5, for example, would be expected to return roughly 1.5 times the benchmark's return. A high Beta indicates a riskier portfolio.

Bond Credit Rating: A grade given to bonds by a private independent rating service that indicates their credit quality. Ratings are the opinion of Standard & Poor's or other agencies as noted and not the opinion of U.S. Bank.

Consumer Price Index (CPI): A measure of the average change in prices over time in a market basket of goods and services and is one of the most frequently used statistics for identifying periods of inflation and deflation.

Convexity to Stated Maturity: A measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. Convexity is used as a risk-management tool and helps to measure and manage the amount of market risk to which a portfolio of bonds is exposed. This version of convexity measures the rate change in duration of a bond as the yield to (stated) maturity changes.

Definitions of report and statement terms (page 2 of 5)

Cost basis/book value: The original value of an asset at the time it was acquired. This is normally the purchase price or appraised value at the time of acquisition. This data is for information purposes only.

Cumulative Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided use unannualized returns in periods up to one year, but annualized returns for periods exceeding one year.

Downside Capture: The downside capture ratio reflects how a portfolio compares to a benchmark during periods when the benchmark is down. A downside capture ratio of 0.80 (or 80 percent) means the portfolio has historically declined only 80 percent as much as the benchmark during down markets.

Downside Deviation: The deviation of returns that fall below a minimum acceptable return (MAR). Although the numerator includes only returns below the MAR, the denominator includes all returns in the performance period. This risk statistic is similar to the downside standard deviation except the sum is restricted to returns less than the MAR instead of the mean.

Downside Standard Deviation: The deviation of returns that fall below the mean return. Although the numerator includes only returns below the mean, the denominator includes all returns in the performance period. This risk statistic is similar to the downside deviation except the sum is restricted to returns less than the mean instead of the minimum acceptable return (MAR).

Effective Maturity: The date of a bond's most likely redemption, given current market conditions, taking into consideration the optional and mandatory calls, the optional, mandatory and recurring puts, and the stated maturity.

Estimated annual income: The amount of income a particular asset is anticipated to earn over the period indicated. The shares multiplied by the annual income rate.

Gain/loss calculation: If an asset was sold, the difference between the proceeds received from the sale compared to the cost of acquiring the asset. If the value of the proceeds is the higher of the two numbers, then a gain was realized. If the value of the proceeds is the lower of the two numbers, a loss was incurred. This data is for information purposes only.

Gross of Fees: Represents all assets included in the calculation of the portfolio -- before the deduction of trust and asset management fees -- and is inclusive of all applicable third party security fees and expenses. Details of those fees and expenses are provided in the security's prospectus or offering documents.

Information Ratio: The information ratio compares the average excess return of the portfolio over its associated benchmark divided by the tracking error.

M-Squared: The hypothetical return of the portfolio after its risk has been adjusted to match a benchmark.

Definitions of report and statement terms (page 3 of 5)

Market Value: Publicly traded assets are valued using market quotations or valuation methods from financial industry services believed by us to be reliable. Assets, that are not publicly traded, may be reflected at values from other external sources or special valuations prepared by us. Assets for which a current value is not available may be reflected as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could have been bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

Market Value Over Time: Many factors can impact the portfolio value over time, such as contributions to the account, distributions from the account, the investment of dividends and interest, the deduction of fees and expenses, and market performance.

Modified Duration to Effective Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration takes into consideration a “horizon date/price” that is, given current conditions, the most likely redemption date/price using the set of calls/puts, as well as stated maturity.

Modified Duration to Stated Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration uses stated maturity as the “horizon date/price” and ignores any potential call/put/pre-refunding, even if they are mandatory.

Net of Fees: Represents all assets included in the calculation of the portfolio -- after the deduction of trust and asset management fees. Please refer to the client fee schedule for additional information.

Price/Earnings Ratio (P/E): The P/E ratio of a company is calculated by dividing the price of the company’s stock by its trailing 12-month earnings per share. A high P/E usually indicates that the market is paying a premium for current earnings because it believes in the firm’s ability to grow its earnings. A low P/E indicates the market has less confidence that the company’s earnings will increase. Within a portfolio, P/E is the weighted average of the price/earnings ratios of the stocks in the portfolio.

Qualified Purchaser: Some private placement securities require that investors be Qualified Purchasers in addition to being Accredited Investors. For natural persons, the criteria is generally met when the client (individually or jointly) owns at least \$5 million in investments. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$25 million in investments though there are other eligibility tests that may apply. See full definition in Section 2(a)(51) of the Investment Company Act of 1940.

R-Squared: Measures the portion of the risk in your portfolio that can be attributed to the risk in the benchmark.

Realized and Unrealized Gains/Losses: Are calculated for individual tax lots based on the records we have available. Some data may be incomplete or differ from what you are required to report on your tax return. Some data used in these calculations may have been obtained from outside sources and cannot be verified by U.S. Bank. The data is intended for informational purposes only and should not be used for tax reporting purposes. Please consult with your tax or legal advisor for questions concerning your personal tax or financial situation.

Definitions of report and statement terms (page 4 of 5)

Residual Risk: The amount of risk specific to the assets in a portfolio distinct from the market, represented by a benchmark.

Return: An indication of the past performance of your portfolio.

Sharpe Ratio: Measures of risk-adjusted return that calculates the return per unit of risk, where risk is the Standard Deviation of your portfolio. A high Sharpe ratio indicates that the portfolio is benefiting from taking risk.

Sortino Ratio: Intended to differentiate between good and bad volatility. Similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.

Spread: The difference between the yields of two bonds with differing credit ratings (most often, a corporate bond with a certain amount of risk is compared to a standard traditionally lower risk Treasury bond). The bond spread will show the additional yield that could be earned from a bond which has a higher risk.

Standard Deviation: A measure of the volatility and risk of your portfolio. A low standard deviation indicates a portfolio with less volatile returns and therefore less inherent risk.

Time-weighted Return: The method used to calculate performance. Time-weighted return calculates period by period returns that negates the effect of external cash flows. Returns for periods of greater than one year are reported as an annualized (annual) rate of return. Returns of less than one year are reported on a cumulative return basis. Cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period involved.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

Traditional Investments: As used by U.S. Bank, an investment made in equity, fixed income or cash securities, mutual funds or exchange-traded funds (ETFs) where the investor buys at a price with the goal that the investment will go up in value.

Top 10 Holdings: The 10 assets with the highest market values in the account.

Total Portfolio Gross of Fees: Represents all assets included in the calculation of the portfolio, before the deduction of trust and asset management fees, and is inclusive of all applicable third-party security fees and expenses. Details of those fees and expenses are provided in the security's prospectus or offering documents.

Definitions of report and statement terms (page 5 of 5)

Total Return: The rate of return that includes the realized and unrealized gains and losses plus income for the measurement period.

Treynor Ratio: Measures the performance of a sector relative to risk by dividing the return of the sector in excess of the risk-free return by the sector's Beta. The higher the Treynor ratio, the better the return relative to risk.

Turnover Percent: Indicates how frequently asset are bought and sold within a portfolio.

Turnover Ratio: The percentage of a mutual fund's or other investment vehicle's holdings that have been "turned over" or replaced with other holdings in a given year.

Unrealized gain (loss) — The difference between the current market value (at the end of the statement period) and the cost to acquire the asset. If the current market value is higher than the cost, a gain is reflected. If the current market value is lower than the cost paid, a loss is reflected. This data is for information purposes only.

Upside Capture: The upside capture ratio reflects how a portfolio compares to the selected model benchmark during periods when the benchmark is up. An upside capture ratio of 1.15 (or 115 percent) means the portfolio has historically beat the benchmark by 15 percent during up markets.

Yield: The annual rate of return on an investment, expressed as a percentage. For bonds, it is the coupon rate divided by the market price. For stocks, it is the annual dividend divided by the market price.

Frequently used indexes (page 1 of 5)

Bloomberg Barclays 1-3 year U.S. Treasury Index: Measures the performance of the U.S. government bond market and includes public obligations of the U.S. Treasury with a maturity between one year and up to (but not including) three years.

Bloomberg Barclays 1-5 year U.S. Treasury Index: Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than five years, are rated investment grade and have \$250 million or more of outstanding face value.

The Bloomberg Barclays 1-5 year Municipal Index: Measures the performance of municipal bonds with time to maturity of more than one year and less than five years.

Bloomberg Barclays 7-year Municipal Index: Includes municipal bonds with a minimum credit rating of Baa that have been issued as part of a transaction of at least \$50 million, have a maturity value of at least \$5 million and a maturity range of four to six years.

Bloomberg Barclays Global Aggregate Index ex-U.S. Index: Measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Global Treasury ex-U.S. Index: Includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Bloomberg Barclays High Yield Municipal Bond Index: An unmanaged index made up of bonds that are non-investment grade, unrated or below Ba1 bonds.

Bloomberg Barclays Intermediate Aggregate Index: Consists of one- to 10-year governments, one- to 10-year corporate bonds, all mortgages and all asset-backed securities within the Aggregate Index.

Bloomberg Barclays Mortgage-Backed Securities Index: Covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable-rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Bloomberg Barclays U.S. Aggregate Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

Bloomberg Barclays U.S. Corporate Bond Index: Measures the investment grade, fixed-rate, taxable corporate bond market and includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Frequently used indexes (page 2 of 5)

Bloomberg Barclays U.S. Corporate High Yield Bond Index: Measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market.

Bloomberg Barclays U.S. Municipal Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed tax-exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

Bloomberg Barclays U.S. Treasury Index: Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index: An unmanaged index includes all publicly issued, U.S. TIPS that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

Cambridge U.S. Private Equity Index: This index is based on returns data compiled for U.S. private equity funds (including buyout, growth equity and mezzanine funds) that represent the majority of institutional capital raised by private equity partnerships formed since 1986. Returns may be delayed by up to six months. Quarterly performance is prorated based on the cube root for the months of the quarter.

Citigroup 3-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last three-month Treasury Bill issues.

Citigroup 6-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last six-month Treasury Bill issues.

Credit Suisse Leverage Loan Index: Represents tradable, senior-secured, U.S. dollar-denominated non-investment grade loans.

Dow Jones Industrial Average (DJIA): The price-weighted average of 30 significant U.S. stocks traded on the New York Stock Exchange and NASDAQ. The DJIA is the oldest and single most watched index in the world.

Dow Jones Select REIT Index: Measures the performance of publicly traded REITs and REIT-like securities in the U.S. and is a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

HFRI Indices: The Hedge Fund Research, Inc. (HFRI) indexes are a series of benchmarks designed to reflect hedge fund industry performance by constructing composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database.

Frequently used indexes (page 3 of 5)

HFR Equity Hedge Total Index: Uses the HFR (Hedge Fund Research) database and consists only of equity hedge funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

HFR Relative Value Fixed Income Corporate Index: Uses the HFR (Hedge Fund Research) database and consists of only relative value fixed income corporate funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

ICE BofAML 1-3 Year Corporate Index: Tracks U.S. dollar-denominated investment grade public debt issued in the U.S. bond market with maturities of one to three years.

ICE BofAML 1-5 Year Corporate and Government Index: Tracks the performance of short-term U.S. investment grade government and corporate securities with maturities between one and five years.

ICE BofAML U.S. 7-10 Year Index: Tracks the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market and includes all securities with a remaining term to maturity of greater than or equal to seven years and less than 10 years.

ICE BofAML Global Broad Market Index: Tracks the performance of investment grade public debt issued in the major domestic and Eurobond markets, including global bonds.

ICE BofAML U.S. High Yield Master II Index: Commonly used benchmark index for high yield corporate bonds and measures the broad high yield market.

J.P. Morgan Emerging Markets Bond Index Global (EMBI Global): Tracks total returns for traded external debt instruments in the emerging markets.

London Interbank Offered Rate (LIBOR) 3-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a three-month maturity.

London Interbank Offered Rate (LIBOR) 9-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a nine-month maturity.

MSCI All Country World Index (ACWI): Designed to measure the equity market performance of developed and emerging markets.

Frequently used indexes (page 4 of 5)

Russell 2000 Value Index: Measures companies in the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

Russell 3000 Index: Measures the performance of the 3,000 largest U.S. securities based on total market capitalization.

Russell Midcap Index: Measures the 800 smallest companies in the Russell 3000 Index.

Russell Midcap Growth Index: Measures companies in the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures companies in the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

MSCI All County World ex-U.S. Index (ACWI, excluding United States): Tracks the performance of stocks representing developed and emerging markets around the world that collectively comprise most foreign stock markets. U.S. stocks are excluded from the index.

MSCI EAFE Index: Includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East.

MSCI Emerging Markets (EM) Index: Designed to measure equity market performance in global emerging markets.

MSCI World Index: Tracks equity market performance of developed markets through individual country indices.

NAREIT Index: Includes REITs (Real Estate Investment Trusts) listed on the New York Stock Exchange, NASDAQ and American Stock Exchange.

NASDAQ Composite Index: A market capitalization-weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market.

NCREIF Property Index (NPI): Measures the investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index and is representative of the U.S. large capitalization securities market.

Frequently used indexes (page 5 of 5)

Russell 1000 Growth Index: Measures companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 1000 Value Index: Measures companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market.

Russell 2000 Growth Index: Measures companies in the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values, and is representative of U.S. securities exhibiting growth characteristics. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

S&P 500 Index: Consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market.

S&P Global ex-U.S. Property Index: Measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the United States. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment.

S&P GSCI: A composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

S&P/Case-Shiller Home Price Indexes: A group of indexes that track changes in home prices throughout the United States. Case-Shiller produces indexes representing certain metropolitan statistical areas (MSA) as well as a national index.

Swiss Re Global Cat Bond Total Return Index: Tracks the aggregate performance of all U.S. dollar-denominated euros and Japanese yen-denominated catastrophe bonds, capturing all ratings, perils and triggers.

U.S. Dollar Index: Indicates the general international value of the U.S. dollar by averaging the exchange rates between the U.S. dollar and six major world currencies.

Wilshire 5000 Index: Composed of more than 6,700 publicly-traded U.S. companies and is designed to track the overall performance of the American stock markets.