

Those persons wishing to speak on any item, whether or not it is included on the agenda, are requested to fill out and submit to the Clerk of the Board a "Request to Speak" form. Thank you.

It is the intention of the Chino Valley Independent Fire District to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Chino Valley Independent Fire District will attempt to accommodate you in every reasonable manner. Please contact the Administration Office (909) 902-5260 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the District's Administrative Headquarters, 14011 City Center Drive, Chino Hills, CA 91709.

CHINO VALLEY INDEPENDENT FIRE DISTRICT
Special Meeting - Standing Committee Meeting
Section 115 Regular - Trust Investment Committee

Administrative Headquarters
14011 City Center Drive
Chino Hills, CA 91709

Wednesday, August 23, 2023

2:00 PM

AGENDA

ROLL CALL

FLAG SALUTE

PUBLIC COMMUNICATIONS

This is the time and place for the general public to address the Committee about subjects that do not appear elsewhere on the agenda. The public may address items on the agenda at the time addressed by the Committee.

Due to Committee policy and Brown Act requirements, action may not be taken on any issue not on the agenda. When you address the Committee, please state your name and address (optional) prior to making your remarks. Please limit your comments to 5 minutes.

MINUTES

1. Minutes - May 17, 2023 Regular Meeting

OLD BUSINESS - None

NEW BUSINESS

2. FIRE CHIEF THREE-YEAR APPOINTMENT OF COMMITTEE MEMBERS

Purpose is for the Fire Chief to announce the appointment of Committee members to serve a three-year term.

3. COMMITTEE ELECTION OF SECRETARY & VICE CHAIR

Purpose is for the Committee to elect a Secretary and a Vice Chair from its members.

4. CAPITAL MARKETS UPDATE - 2ND QUARTER 2023

Purpose is to review and discuss the Capital Markets Update and 2nd Quarter 2023 Review.

5. CHINO VALLEY FIRE DISTRICT SECTION 115 TRUST ANNUAL REPORT

Purpose is to review and discuss the 2022-23 Annual Report for the Section 115 Trust.

6. ANNUAL REVIEW OF INVESTMENT POLICY STATEMENT

Purpose is to conduct an annual review of the Chino Valley Fire District 115 Trust Investment Policy and to discuss potential future changes to the asset allocation of the Trust's investments.

ADJOURNMENT

The meeting will be adjourned to a Regular Meeting of the Chino Valley Independent Fire District's Section 115 Trust Investment Committee to be held on Wednesday, November 15, 2023 at 10:00 a.m. at the District Headquarters Office located at 14011 City Center Drive, Chino Hills, CA, 91709.

I, Angela Robles, Clerk of the Board, on behalf of the Board of Directors, do hereby certify that a copy of this agenda has been posted by 6:00 p.m., on Wednesday, August 16, 2023.

Angela Robles

Angela Robles, Clerk of the Board

CHINO VALLEY INDEPENDENT FIRE DISTRICT

NO STAFF REPORT

Minutes - May 17, 2023 Regular Meeting

ATTACHMENTS:

Minutes - May 17, 2023 Regular Meeting

CHINO VALLEY INDEPENDENT FIRE DISTRICT
Regular Meeting - Standing Committee Meeting
Section 115 Trust Investment

Administrative Headquarters
14011 City Center Drive
Chino Hills, CA 91709

Wednesday, May 17, 2023
10:00 a.m. Committee Meeting

MINUTES

ROLL CALL

Fire Chief Dave Williams, Committee Chair – Absent
Finance Director Mark Shaker, Committee Vice Chair
Human Resources Director Anthony Arroyo, Committee Secretary
Senior IT Support Analyst Chis Roberts, Committee Member
Committee Member Jason Farnsworth – Absent
Senior Managing Consultant Matt Smith, PFM Asset Management, LLC
Director Ellen Clark, PFM Asset Management LLC - Absent

FLAG SALUTE

Committee Secretary Anthony Arroyo

CHANGES TO THE AGENDA

No changes to the agenda.

PUBLIC COMMUNICATIONS

None.

MINUTES

1. Minutes – February 15, 2023 Meeting

Committee Vice Chair Shaker requested any public comment on this agenda item.

There was no public comment.

Committee Vice Chair Shaker requested any Committee comment on this agenda item.

There was no Committee comment.

Moved by Committee Secretary Arroyo seconded by Committee Member Roberts, carried by a 3-0 voice vote to approve this item as presented.

AYES: BOARD MEMBERS: Shaker, Arroyo and Roberts.
NOES: BOARD MEMBERS: None.

ABSTAIN: BOARD MEMBERS: None.

ABSENT: BOARD MEMBERS: Williams and Farnsworth.

OLD BUSINESS

None.

NEW BUSINESS

2. CAPITAL MARKETS UPDATE – 1ST QUARTER 2023

Purpose is to review the 1st Quarter Investment Report.

Committee Vice Chair Shaker reported that Senior Managing Consultant Matt Smith, PFM Asset Management, LLC representative was in attendance to present an overview of the reports and answer questions.

Committee Vice Chair Shaker requested public comment on this agenda item.

There was no public comment.

Committee Vice Chair Shaker requested any comment from the Committee on this agenda item.

There was no comment from the Committee.

Moved by Committee Secretary Arroyo, seconded by Committee Member Roberts carried by a 3-0 voice vote to approve this item as presented.

AYES: BOARD MEMBERS: Shaker, Arroyo and Roberts.

NOES: BOARD MEMBERS: None.

ABSTAIN: BOARD MEMBERS: None.

ABSENT: BOARD MEMBERS: Williams and Farnsworth.

ADJOURNMENT

Committee Vice Chair Shaker adjourned the meeting at 10:37 a.m. to the next Regular Section 115 Trust Meeting scheduled for Wednesday, August 16, 2023, at 10:00 a.m. at the District Headquarters Office located at 14011 City Center Drive, Chino Hills, CA 91709.

APPROVED AND ADOPTED THIS 23RD DAY OF August 2023.

Dave Williams, Committee Chair

Anthony Arroyo, Committee Secretary

**CHINO VALLEY INDEPENDENT FIRE DISTRICT
STAFF REPORT**

DATE: AUGUST 23, 2023

TO: SECTION 115 TRUST INVESTMENT COMMITTEE

FROM: DAVE WILLIAMS, FIRE CHIEF

SUBJECT: FIRE CHIEF THREE-YEAR APPOINTMENT OF COMMITTEE MEMBERS

PURPOSE:

Purpose is for the Fire Chief to announce the appointment of Committee members to serve a three-year term.

DISCUSSION:

The Section 115 Trust Investment Committee bylaws specify that the membership of the Committee will be composed of five District employees. The Board of Directors will appoint the Fire Chief as a member and the Chief will appoint one member each from the District's Finance and Human Resources departments, and the two remaining members from non-executive management District employees.

The current Committee members' three-year terms are set to expire this month.

In accordance with the bylaws, the Chief will also appoint alternate members for the non-executive management District employee members. An alternate member will substitute for his or her respective Committee member if the designated Committee member is unable to attend a meeting. The Chief may remove and replace a non-executive management employee Committee member or alternate member by notifying the Committee of such removal and replacement in written or electronic form.

Members will serve on the Committee for three-year terms. All Committee members shall serve in full voting capacity, except that alternate members will have no voting authority except when substituting for their respective designated Committee members.

The Chief's Committee appointments will be effective upon announcement.

RECOMMENDATION:

It is recommended that the Chief announce his three-year Committee member appointments, and that the Committee receive and file this information.

**CHINO VALLEY INDEPENDENT FIRE DISTRICT
STAFF REPORT**

DATE: AUGUST 23, 2023

TO: SECTION 115 TRUST INVESTMENT COMMITTEE

FROM: DAVE WILLIAMS, FIRE CHIEF

SUBJECT: COMMITTEE ELECTION OF SECRETARY & VICE CHAIR

PURPOSE:

Purpose is for the Committee to elect a Secretary and a Vice Chair from its members.

DISCUSSION:

The Section 115 Trust Investment Committee bylaws specify that the Fire Chief shall appoint a Chair from the members of the Committee, and the Committee shall elect a Secretary and a Vice Chair from its members.

As the Fire Chief shall be continuing in his role as Chair of the Committee, the Committee must now elect a Secretary and a Vice Chair from its members.

As per the bylaws, the Chair shall preside at meetings and shall have the authority to sign documents on behalf of the Committee following a majority vote or a unanimous written consent for the action described in the document. The Vice Chair shall act in place of the Chair when the Chair is absent or unavailable. The Secretary shall prepare minutes of the Committee's meetings, maintain current copies of the Investment Policy Statement for the Trust and all current delegations of the Committee's responsibilities, and maintain all other files of the Committee. The Secretary shall also act in place of the Chair if both the Chair and Vice Chair are absent or unavailable.

RECOMMENDATION:

It is recommended that the Committee conduct a vote to elect a Secretary and a Vice Chair and for these newly elected Officers assume their duties effective immediately upon completion of the vote.

**CHINO VALLEY INDEPENDENT FIRE DISTRICT
STAFF REPORT**

DATE: AUGUST 23, 2023

TO: SECTION 115 TRUST INVESTMENT COMMITTEE

FROM: DAVE WILLIAMS, FIRE CHIEF

SUBJECT: CAPITAL MARKETS UPDATE - 2ND QUARTER 2023

PURPOSE:

Purpose is to review and discuss the Capital Markets Update and 2nd Quarter 2023 Review.

DISCUSSION:

Matthew Smith from PFM will present a Capital Markets Update and 2nd Quarter 2023 review.

RECOMMENDATION:

Review and discuss the Capital Markets Update and 2nd Quarter 2023 and provide direction as necessary.

ATTACHMENTS:

CAPITAL MARKETS UPDATE - 2 ND QUARTER 2023



Chino Valley Fire District

Investment Performance Review For the Quarter Ended June 30, 2023

Client Management Team

PFM Asset Management LLC

Ellen Clark, Director
Matt Smith, CFA, Senior Managing Consultant
Stephanie Rogers, Client Service Analyst

1 California Street
10th Floor
San Francisco, CA 94111
415-393-7270

1735 Market Street
43rd Floor
Philadelphia, PA 19103

Financial Markets & Investment Strategy Review

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
DOMESTIC EQUITY							
S&P 500	8.74%	16.88%	19.56%	14.58%	12.28%	13.36%	12.84%
Russell 3000 Index	8.39%	16.16%	18.93%	13.87%	11.37%	12.84%	12.32%
Russell 1000 Value Index	4.07%	5.10%	11.50%	14.27%	8.08%	8.92%	9.20%
Russell 1000 Growth Index	12.81%	29.01%	27.10%	13.73%	15.13%	16.90%	15.73%
Russell Midcap Index	4.76%	9.01%	14.92%	12.50%	8.45%	10.12%	10.32%
Russell 2500 Index	5.22%	8.78%	13.55%	12.26%	6.52%	9.68%	9.35%
Russell 2000 Value Index	5.19%	8.06%	12.27%	10.79%	4.17%	8.73%	8.23%
Russell 2000 Index	3.16%	2.46%	5.96%	15.38%	3.50%	7.67%	7.27%
Russell 2000 Growth Index	7.05%	13.55%	18.49%	6.07%	4.19%	9.27%	8.81%
INTERNATIONAL EQUITY							
MSCI EAFE (Net)	2.95%	11.67%	18.77%	8.93%	4.39%	6.88%	5.41%
MSCI AC World Index (Net)	6.18%	13.93%	16.53%	10.99%	8.10%	9.94%	8.75%
MSCI AC World ex USA (Net)	2.44%	9.47%	12.72%	7.22%	3.52%	6.32%	4.75%
MSCI AC World ex USA Small Cap (Net)	2.05%	6.84%	10.93%	8.15%	2.62%	6.10%	5.75%
MSCI EM (Net)	0.90%	4.89%	1.75%	2.32%	0.93%	4.95%	2.95%
ALTERNATIVES							
FTSE NAREIT Equity REIT Index	2.62%	5.37%	-0.13%	8.91%	4.55%	3.49%	6.42%
FTSE EPRA/NAREIT Developed Index	0.54%	1.58%	-3.59%	4.30%	0.83%	1.69%	3.82%
Bloomberg Commodity Index Total Return	-2.56%	-7.79%	-9.61%	17.82%	4.73%	3.41%	-0.99%
FIXED INCOME							
Blmbg. U.S. Aggregate	-0.84%	2.09%	-0.94%	-3.97%	0.77%	0.44%	1.52%
Blmbg. U.S. Government/Credit	-0.93%	2.21%	-0.70%	-4.11%	1.03%	0.59%	1.66%
Blmbg. Intermed. U.S. Government/Credit	-0.81%	1.50%	-0.10%	-2.46%	1.23%	0.76%	1.41%
Blmbg. U.S. Treasury: 1-3 Year	-0.60%	0.98%	0.15%	-1.12%	0.93%	0.65%	0.75%
Blmbg. U.S. Corp: High Yield	1.75%	5.38%	9.06%	3.13%	3.36%	4.53%	4.43%
Credit Suisse Leveraged Loan index	3.12%	6.33%	10.10%	6.16%	4.02%	4.60%	4.13%
ICE BofAML Global High Yield Constrained (USD)	1.64%	5.29%	9.69%	1.44%	2.20%	3.58%	3.62%
Blmbg. Global Aggregate Ex USD	-2.16%	0.83%	-1.83%	-5.87%	-2.65%	-2.06%	-0.90%
JPM EMBI Global Diversified	2.19%	4.09%	7.39%	-3.10%	0.55%	4.91%	5.66%
CASH EQUIVALENT							
90 Day U.S. Treasury Bill	1.17%	2.25%	3.59%	1.27%	1.55%	1.36%	0.97%

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

THE ECONOMY

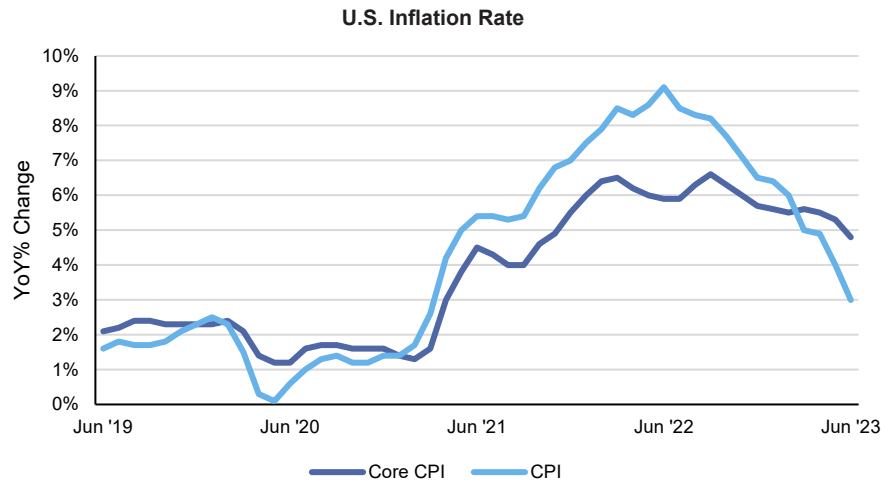
▶ In the first quarter, U.S. gross domestic product (GDP) grew at an annualized rate of 2%. This marked a slowdown from the 3.2% and 2.9% growth in the third and fourth quarters of 2022, but a sharp revision upwards from the previous estimate and market expectation or 1.3%. Globally, the World Bank’s June forecast for global growth in 2023 was revised up to 2.1% from a 1.7% forecast issued in January, but well below the 2022 growth rate of 3.1%.

▶ The labor market has cooled slightly during the quarter but remains resilient overall. Unemployment ticked up slightly over the quarter ending at 3.6%, up from 3.5% at the end of the first quarter, but still at historical lows. Total non-farm employment increased by 732,000 in the second quarter, down from last quarter’s 1.03 million.

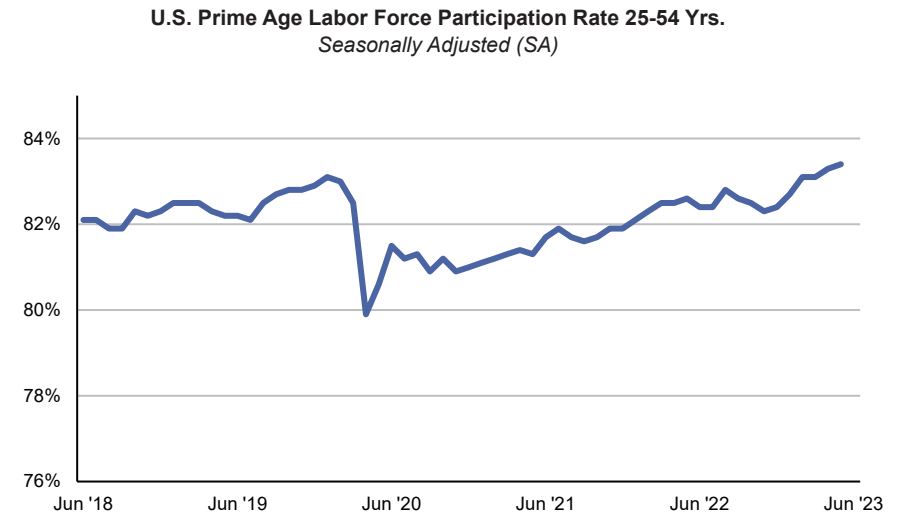
▶ Inflation has continued to cool in the second quarter with headline U.S. Consumer Price Inflation falling to its lowest rate in more than two years at 3% year-over-year (YoY) in June. Core price inflation (excluding volatile food and energy prices), rose 4.8%, moderating from the 5.6% pace at the end of the first quarter. Sticky shelter costs continue to lead prices higher, while falling gasoline and energy services have been deflationary.



Source: World Bank. Dark blue bars indicate actual numbers; light blue bars indicate forecasted estimates.



Source: Bureau of Labor Statistics.

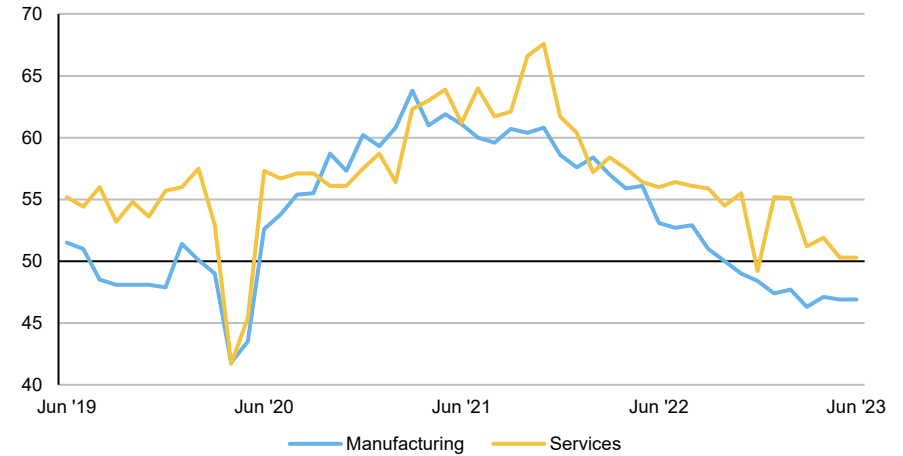


Source: Bureau of Labor Statistics.

WHAT WE'RE WATCHING

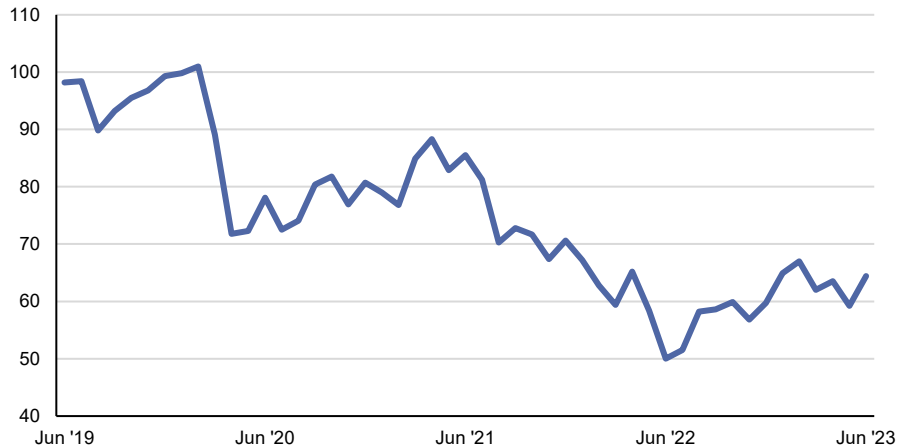
- ▶ The second quarter saw rate hikes domestically and abroad, with the Federal Reserve (Fed) raising rates 25 basis points (bps) in May and the European Central Bank (ECB) raising rates by 25 bps both in May and June. The Fed's latest projections suggest two additional rate hikes with the median expectation for the target rate to peak at 5.6% this year, significantly higher than the March projection of 5.1%. In Europe, more hikes are also expected with ECB president Lagarde stating that the ECB has more ground to cover and will likely continue raising rates in July.
- ▶ The U.S. economy continued to expand in June, though unequally with strength in services offsetting manufacturing contraction. While the S&P Global US Composite PMI remained expansionary at 53.0 the Manufacturing PMI index fell to a six-month low of 46.3 while services rose to 54.1. Consumer demand remains key for a continued expansion and we are closely monitoring personal balance sheets.
- ▶ Globally, purchasing manager surveys show slowing activity in the major economies during the second quarter. The HCOB Eurozone Composite PMI saw a contractionary reading of 49.9 in June while the au Jibun Bank Japan Composite PMI fell to 52.1 and the Caixin China General Manufacturing PMI fell to 52.5. Manufacturing output continues to lead the slowdown across markets, with services businesses still modestly expanding.

U.S. ISM Manufacturing & Services PMI



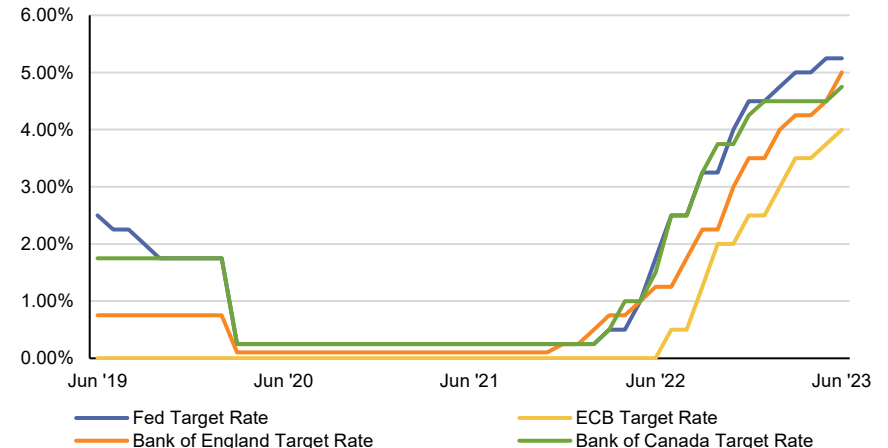
Source: Bloomberg.

U.S. Consumer Confidence



Source: Bloomberg.

Global Central Bank Rates



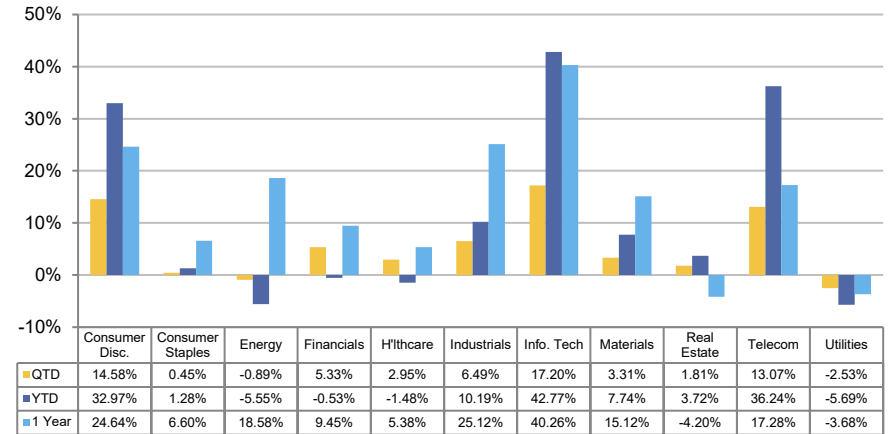
Source: Bloomberg.

DOMESTIC EQUITY

- ▶ The S&P 500 Index (S&P) posted a positive return of 8.74% for the second quarter of 2023. As of June 30, 2023, the trailing 1-year return for the index is 19.56%.
- ▶ Over the quarter, markets saw a continued rally in Mega-Cap stocks since the first quarter, where index returns were driven by a handful of stocks. At the end of the quarter, that narrow leadership started to broaden out, as small- and mid-cap stocks as represented by the S&P 600 (8.23%) and S&P 400 (9.16%) indices, outperformed large-cap stocks, represented by the S&P 500 Index (6.61%) for the month of June.
- ▶ Within S&P 500, two of the 11 GICS sectors ended with negative quarterly returns. Utilities (-2.53%), Energy (-0.89%) and Consumer Staples (0.45%) were the worst performers. While the best performing sectors were: Information Technology (17.20%), Consumer Discretionary (14.58%) and Communication Services (13.07%).
- ▶ Small-caps, as represented by the Russell 2000 Index, returned 3.16% during the quarter, lagged mid- and large-caps. The Russell Midcap and Russell 1000 indices returned 4.76% and 8.58%, respectively.
- ▶ According to FactSet Earnings Insight (as of June 30, 2023), the expected earnings growth rate for S&P 500 for the quarter is -6.8%. If this is the actual decline for the quarter, it will be the largest earnings decline in a quarter since the second quarter of 2020 (-31.6%).
- ▶ As of the end of the quarter, the S&P 500 P/E ratio was 21.82, slightly above its 5-year average of 21.59. By comparison, the S&P 600, which represents small-cap stocks, had a P/E ratio of 15.26, which is below its 5-year average of 17.42.

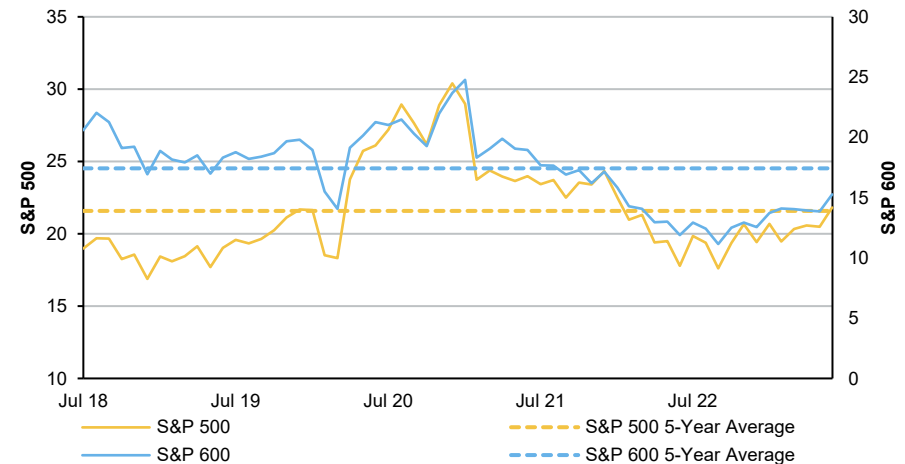
S&P 500 Index Performance by Sector

Periods Ended June 30, 2023



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

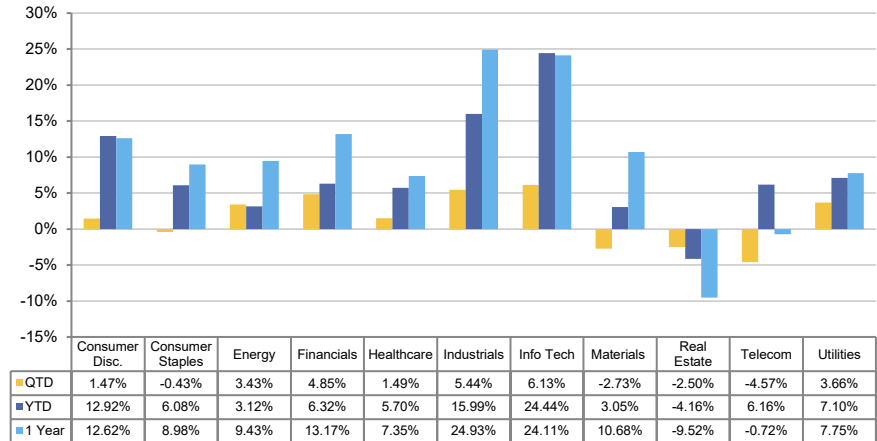
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

NON-U.S. EQUITY

- ▶ Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, significantly underperformed their U.S. counterparts, returning 2.44% for the quarter.
- ▶ Seven of the 11 sectors posted strong positive returns for the quarter with Information Technology (6.13%), Industrials (5.44%) and Financials (4.85%) being the best performing sectors. The worst performing sectors were: Communication Services (-4.57%), Materials (-2.73%) and Real Estate (-2.50%).
- ▶ Emerging markets (EM), as represented by MSCI Emerging Market Index, underperformed Developed ex-U.S. Markets, represented by the MSCI EAFE Index, returning 0.90% versus 2.95% for the quarter.
- ▶ MSCI Japan (6.42%) outperformed the MSCI EAFE Index aided by positive investor sentiment around the country's growth and shift in corporate culture. Of the five major countries within the index, the United Kingdom (2.19%) was the worst performer due to stubbornly high inflation.
- ▶ Within EM, MSCI China (-9.71%) was the largest headwind as the highly anticipated economic recovery remains underwhelming. EM Latin America (14.04%) on the other hand was the top performing region during the quarter, benefitting from Brazil's receding inflation which raises the prospect of rate cuts in the second half of the year.
- ▶ Value stocks outperformed growth stocks across the International Equity Markets. MSCI AC World ex-USA Value returned 2.95% while MSCI AC World ex-USA Growth returned 1.94% for the quarter.
- ▶ Small caps, as represented by MSCI ACWI ex-U.S. Small Cap Index, slightly underperformed within the international equity markets, returning 2.05% for the quarter.
- ▶ Non-U.S. equities remain undervalued relative to their long-term average across international equity markets. As of June 30, 2023, MSCI EM's P/E stood at 12.80 versus a 5-year average of 13.05. Similarly, MSCI EAFE ended the quarter with a P/E ratio of 13.91 much lower than its 5-year average of 16.03.

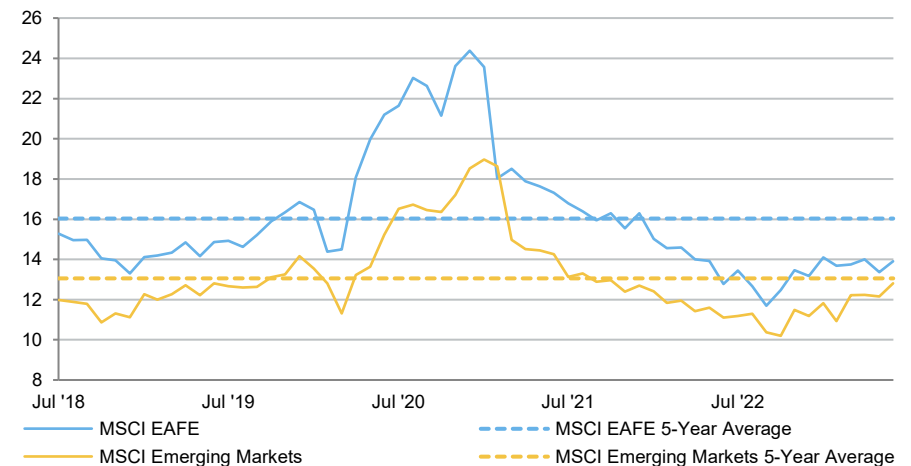
MSCI ACWI ex-U.S. Sectors

Periods Ended June 30, 2023



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



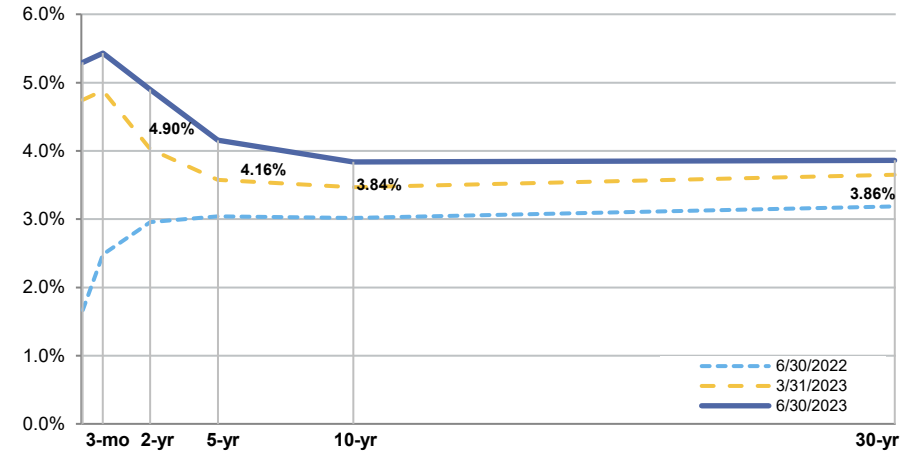
Source: Bloomberg.

*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 sold off during the quarter, -0.84%, as rates continued rising. The trailing one-year period has a loss of -0.94%.
- ▶ The Bloomberg U.S. Treasury Index closed the quarter with a loss of -1.38%. During the period, the Federal Open Market Committee (FOMC) raised interest rates by a quarter point but paused at the June meeting. Despite the pause, hawkish rhetoric of more tightening to come kept interest rates across the curve rising off the low experienced after the banking issues of March. Across the curve rates rose with the 3-month bill reaching 5.30% while the 10-year treasury ended the quarter at 3.84%, continuing a deeper inversion.
- ▶ Corporate credit had better relative performance in comparison to treasuries. The investment grade Bloomberg U.S. Corporate (IG Corp) Index returned -0.29% while high yield bonds, represented by the Bloomberg U.S. Corporate High Yield Index, posted a solid gain of 1.75%. High Yield was again led by lowest quality Caa/CCC-rated as spreads tightened.
- ▶ The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index, lost -0.64%. On the commercial side the Bloomberg U.S. Agency CMBS Index lost -0.72%.
- ▶ Emerging market USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified Index, gained 2.19% in the quarter. By region, the Africa sub-index led returns with a 4.3% return while the Middle East group lagged at 0.5%.

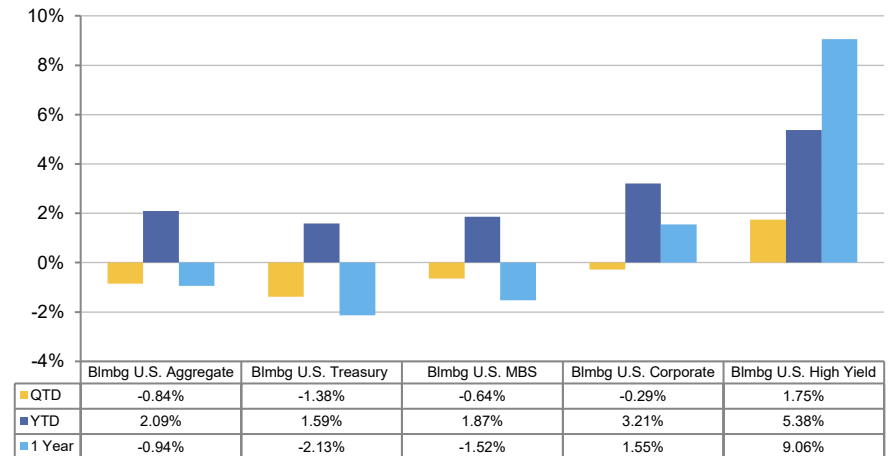
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended June 30, 2023



Source: Bloomberg.

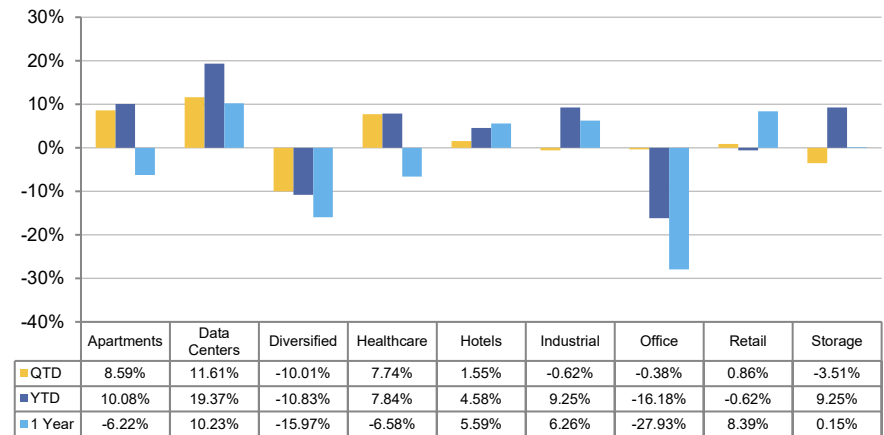
ALTERNATIVES

▶ REITs, as measured by the FTSE NAREIT Equity REITs Index, gained 2.62% in the second quarter of 2023, compared to a 2.68% increase in the prior quarter. Sector performance was mixed during the second quarter. The best performers were the Data Centers and Apartments sectors, which posted returns of 11.61% and 8.59%, respectively. The worst performers during the quarter were the Diversified and Self-Storage sectors, which posted returns of -10.01% and -3.51%, respectively. The Office sector, which has been plagued by concerns surrounding the future of in-person work, fell only 0.38% during quarter; however, the sector has returned -27.93% over the twelve-month period ending June 2023.

▶ Commodity futures, represented by the Bloomberg Commodity Total Return Index, fell 2.56% in the second quarter of 2023. The U.S. Dollar Index (DXY) gained 0.40% during the same period. The price of gold fell 2.54% in Q2, following strong gains in the two previous quarters. The precious metal finished the quarter at \$1,919.35 per ounce, down from \$1,969.28 at the end of the previous quarter. The West Texas Intermediate (WTI) Crude Oil spot price fell 6.65% from \$75.67 to \$70.64 per barrel as macroeconomic headwinds outweighed tailwinds from potential supply shortages.

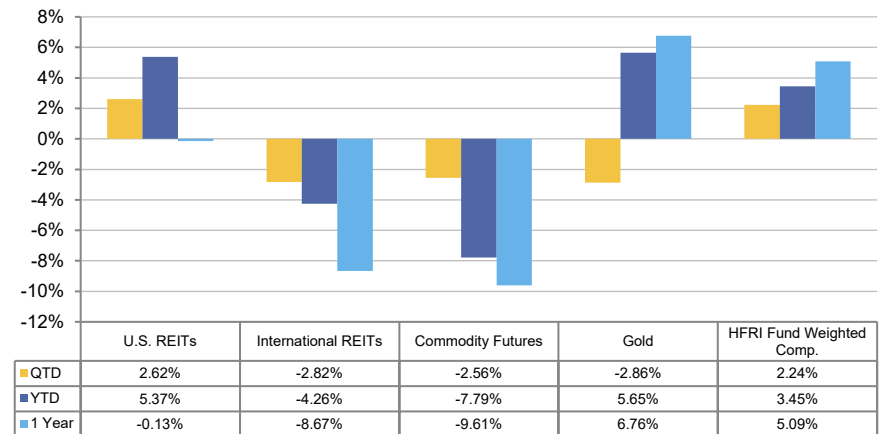
▶ Private real estate, as measured by the NCREIF Property Index, fell -1.81% in the first quarter of 2023, resulting in a -1.60% return over the twelve-month period ended March 2023. This was the second consecutive quarter of negative returns for the index. Hotel properties were again the top performers, with a total return of 2.30% in the first quarter, comprised of 0.82% in income return and 1.47% in appreciation return. Office properties were again the worst performers with total return of -4.06%, comprised of 1.14% in income return and -5.20% in appreciation return.

FTSE NAREIT Sectors
Periods Ended June 30, 2023



Source: Bloomberg.

Returns for Liquid and Semi-Liquid Alternative Assets
Periods Ended June 30, 2023



Sources: Bloomberg and Hedge Fund Research, Inc.

ALTERNATIVES (continued)

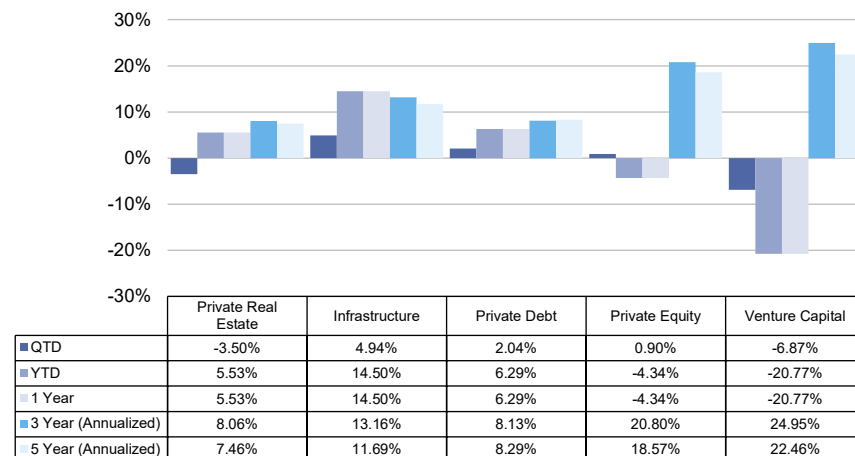
▶ In the first quarter of 2023, infrastructure funds raised \$2.04 billion, which is a significant drop from the prior quarter (\$12.15 Billion). Most of the capital raised went to core infrastructure funds as opposed to those pursuing opportunistic strategies. Infrastructure dry powder has also fallen from previous years and stands at \$330.03 billion as of Q3 2022. Despite macroeconomic headwinds, the asset class continues to remain attractive due to its ability to provide moderate but consistent returns during periods of volatility, inflation, and recession. According to PitchBook, infrastructure funds posted a return of 4.94% in Q4 2022. The asset class has generated a return of 11.69% for the 5 years ending Q4 2022.

▶ In the first quarter of 2023, private debt fundraising amounted to \$42.50 billion, down from the previous quarter’s raise of \$65.53 Billion. Private debt dry powder has fallen to \$395.16 billion, the lowest level in the past four years. According to Cliffwater Direct Lending Index, U.S. middle market loans, a proxy for private debt, posted a return of 2.69% in Q1 2023. The asset class has also generated a return of 8.40% for the five years ended Q1 2023. Private debt has performed well relative to public fixed income and continues to remain attractive despite the uncertain macroeconomic environment.

▶ In the first quarter of 2023, private capital fundraising was led by private equity funds, which closed on \$97.09 billion. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at \$1.25 trillion as of December 2022. Recent private equity performance has weakened as a result of a slowing economy and rising interest rates; however, longer term performance relative to public equities remains strong. According to Cambridge Associates, U.S. private equity posted a return of 0.90% in Q4 2022. The asset class has generated an annualized return of 18.57% for the five years ended Q4 2022.

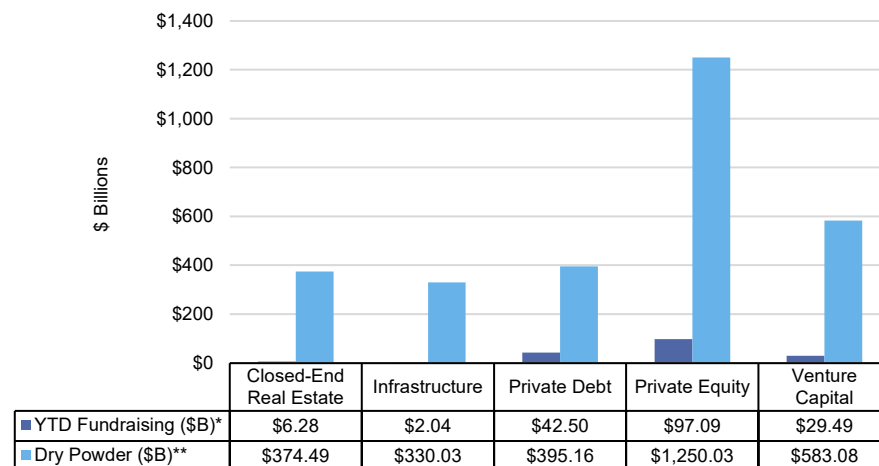
▶ Hedge fund returns were positive in the second quarter with the HFRI Fund Weighted Composite Index returning 2.24%. During the same period, the HFRI Macro (Total) Index returned 2.03%. The HFRI Equity Hedge (Total) Index and the HFRI Fund of Funds Index returned 2.97% and 1.52%, respectively.

Returns for Private Capital Assets



Source: NCREIF, PitchBook, Cliffwater, Cambridge Associates, manual inputs. As of Q4 2022, unless otherwise noted.

Private Capital Fundraising & Dry Powder



Sources: Pitchbook.

* Total capital raised in 2023 as of March 31, 2023 - most recent period for which ALL fundraising data is available.

** Cumulative dry powder as of most recent - December 31, 2022 for all except for Infrastructure. Infrastructure dry powder as of September 30, 2022.

***Cumulative dry powder as of September 30, 2022 - most recent period for which ALL dry powder data is available.

Investment Strategy Overview










Asset Class	Our Q3 2023 Investment Outlook	Comments
U.S. Equities		<ul style="list-style-type: none"> Tighter financial conditions and a continuing hawkish Fed may lead to a correction in the near-term after a strong first half. But moderating inflation and avoidance of recession may likely result in further equity gains later in the year. Mid- and small-caps began to underperform following issues in the banking sector, which led to investor risk aversion. While valuations are attractive, outperformance is unlikely until monetary policy becomes less hawkish and investor sentiment/earnings growth improves.
Large-Caps		
Mid-Caps		
Small-Caps		
Non-U.S. Equities		<ul style="list-style-type: none"> International equities continue to trade at a discount to U.S. equities. Risks to the downside are reflected in these valuations, making them look attractive but sustained tightening in global financial conditions could weigh on return expectations near-term leading to a neutral view. EM equities also trade at attractive valuations despite relative economic growth expected to improve. These factors should lead to EM equity outperformance over the long-term. Currently, we remain equal weight due to near-term risk factors and continue to monitor for attractive points to further add to EM. International small caps provide exposure to local revenue streams and are trading at attractive valuations.
Developed Markets		
Emerging Markets		
International Small-Caps		
Fixed Income		<ul style="list-style-type: none"> Fed has guided to two more rate hikes before year-end, but are expected to pause if inflation continues to moderate. We believe we are near the end of Fed rate hike cycle and are considering lengthening duration in the near-term as interest rates peak. Credit markets remain attractive due to strong corporate fundamentals. We continue to seek diversified credit exposure and are closely watching signs for any distress in the corporate credit space.
Long-Duration, Interest Rate-Sensitive Sectors		
Credit-Sensitive Sectors		
Alternatives		<ul style="list-style-type: none"> Higher interest rates and rising foreclosure for office buildings are headwinds for real estate returns. We remain cautious in the near term Private equity will likely face headwinds from higher leverage costs and more cautious capital markets. Debt strategies may benefit from banks' tighter lending standards, but risk is elevated as the economy continues to slow, which will likely lead to higher default rate. Commodities will be impacted by supply-demand dynamics as the global economy continues to slow but offset by improving growth prospects in China.
Real Estate		
Private Equity		
Private Debt		
Commodities		

Current outlook ○ Outlook one quarter ago



The view expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (6/30/2023) and are subject to change.

Factors to Consider Over the Next 6-12 Months

<p>Monetary Policy:</p>  <ul style="list-style-type: none"> The Fed continues to guide towards further rate hikes as inflation remains above 2%, but we are near the end of rate hike cycle. Markets expect rate cuts next year. Globally, most major central banks have maintained hawkish stance leading to growth concerns. 	<p>Economic Growth:</p>  <ul style="list-style-type: none"> Amidst strong services activity, relatively stable consumer, strong corporate balance sheets and labor market strength, U.S. economy is expected to slow down but may avoid recession. Stimulus efforts in China a positive for global growth. 	<p>Inflation:</p>  <ul style="list-style-type: none"> Inflation is moderating and we expect inflation to continue to slow over next year. Any upside surprise driven by services inflation will be negative and will lead to renewed aggressive monetary policy.
<p>Financial Conditions:</p>  <ul style="list-style-type: none"> Higher rates for longer can lead to pockets of stress within financial markets, e.g., the recent regional bank crisis in March. Concerns around stress within banking sector are alleviated but tightening of lending conditions and negative money supply are headwinds. 	<p>Consumer Spending (U.S.):</p>  <ul style="list-style-type: none"> Within inflation moderating, consumer confidence has been steadily recovering from recent lows. Moderating inflation, low unemployment rate and rising real personal income may keep consumer spending. 	<p>Labor Markets:</p>  <ul style="list-style-type: none"> Labor markets remain relatively strong but may soften as economy continues to slow. Improving labor force participation bodes well for lower wage growth and inflation.
<p>Corporate Fundamentals:</p>  <ul style="list-style-type: none"> Earnings growth is expected to recover in the second half of 2023. Profit margins have declined and are stabilizing at pre-pandemic levels. 	<p>Valuations:</p>  <ul style="list-style-type: none"> Equities, especially international equities, look attractive relative to historical valuations but continued economic uncertainty is leading to increased volatility. Credit markets look attractive after recent spread widening, but pockets of vulnerabilities will appear as financial conditions tighten further. 	<p>Political Risks:</p>  <ul style="list-style-type: none"> Recent political developments in Russia further add to geo-political uncertainty. Tensions with China remain elevated.

● 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. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (06/30/2023) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

Plan Performance Summary

Section 115 Trust

As of June 30, 2023

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
CVFD - Section 115 Trust - Total Fund	9,492,407	100.00	3.10	8.28	8.01	4.47	5.18	5.57	05/01/2017
<i>Policy Benchmark</i>			3.43	9.04	9.67	4.10	5.21	5.44	05/01/2017
Domestic Equity	3,860,479	40.67	6.99	13.65	15.96	12.57	11.03	11.64	05/01/2017
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	11.95	05/01/2017
PFM Multi-Manager Domestic Equity Fund	3,860,479	40.67	6.88	13.54	15.97	12.91	N/A	9.74	09/01/2018
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	10.26	09/01/2018
Vanguard Total Stock Market ETF - 69.4%			8.42	16.18	18.96	13.76	11.31	10.88	02/01/2020
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	10.98	02/01/2020
Vaughan Nelson Select - 10.1% (^)			6.50	16.17	18.23	18.08	13.63	13.71	06/01/2018
Nuance All Cap Value - 7.5% (^)			4.29	7.79	10.77	11.77	9.81	9.63	06/01/2018
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	10.26	09/01/2018
Aristotle Atlantic Core Equity - 7.6%(^)			9.10	14.80	16.94	N/A	N/A	-4.30	11/01/2021
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	-2.38	11/01/2021
Champlain Mid Cap Core - 3.0% (^)			4.49	10.12	13.04	8.94	9.77	9.68	06/01/2018
<i>S&P MidCap 400</i>			4.85	8.84	17.61	15.44	7.79	6.98	09/01/2018
Jacobs Levy Small Cap - 2.1% (^)			3.42	6.67	9.07	20.29	N/A	10.62	05/01/2019
<i>S&P SmallCap 600</i>			3.38	6.03	9.75	15.19	5.22	7.08	05/01/2019
International Equity	1,962,618	20.68	2.38	9.23	11.57	5.40	2.90	4.54	05/01/2017
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	4.61	05/01/2017
PFM Multi-Manager International Equity Fund	1,962,618	20.68	2.37	9.22	11.74	6.15	N/A	2.98	09/01/2018
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	3.59	09/01/2018
iShares Core MSCI Total Int'l Stock ETF - 42.2%			2.55	9.61	12.69	7.57	3.59	3.84	02/01/2020
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	3.57	02/01/2020
WCM Focused Growth International - 12.5% (^)			3.90	14.88	19.22	7.57	N/A	8.36	12/01/2019
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	3.84	12/01/2019
Ninety One Int'l Dynamic Equity - 15.1% (^)			1.49	8.55	12.20	N/A	N/A	-6.09	12/01/2021
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	-2.70	12/01/2021
Acadian Non-U.S. Equity - 6.5% (^)			1.35	5.20	11.81	8.77	N/A	4.16	01/01/2020
<i>MSCI EAFE (net)</i>			2.95	11.67	18.77	8.93	4.39	3.97	01/01/2020
Aristotle International Equity - 12.8% (^)			4.95	12.30	16.88	9.25	4.81	4.87	06/01/2018
<i>MSCI EAFE (net)</i>			2.95	11.67	18.77	8.93	4.39	4.44	09/01/2018
Kayne Anderson International Small Cap - 1.0% (^)			6.80	15.42	14.77	N/A	N/A	-8.81	05/01/2021
<i>MSCI AC World ex USA Small Cap (Net)</i>			2.05	6.84	10.93	8.15	2.62	-5.99	05/01/2021
Schroders Global Emerging Markets - 9.7% (^)			1.25	5.86	4.95	3.12	N/A	0.01	01/01/2020
<i>MSCI EM (net)</i>			0.90	4.89	1.75	2.32	0.93	-0.97	01/01/2020

Returns are net of mutual fund fees and are expressed as percentages. Asset class level returns may vary from individual underlying manager returns due to cash flows.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Fixed Income	3,647,100	38.42	-0.35	2.67	0.41	-2.90	1.00	0.90	05/01/2017
<i>Blmbg. U.S. Aggregate</i>			-0.84	2.09	-0.94	-3.97	0.77	0.66	05/01/2017
PFM Multi-Manager Fixed-Income Fund	3,647,100	38.42	-0.41	2.67	0.44	-2.84	N/A	0.89	09/01/2018
<i>Blmbg. U.S. Aggregate</i>			-0.84	2.09	-0.94	-3.97	0.77	0.65	09/01/2018
PGIM Core Fixed - 33.1% (^)			-0.61	2.44	-0.42	-3.63	1.01	0.96	06/01/2018
TIAA Core Fixed - 33.1% (^)			-0.90	2.47	-1.30	-3.52	1.12	1.08	06/01/2018
<i>Blmbg. U.S. Aggregate</i>			-0.84	2.09	-0.94	-3.97	0.77	0.65	09/01/2018
iShares Core U.S. Aggregate Bond ETF - 11.8%			-0.85	2.26	-0.93	-3.97	0.74	-4.85	05/01/2021
<i>Blmbg. U.S. Aggregate</i>			-0.84	2.09	-0.94	-3.97	0.77	-4.85	05/01/2021
PineBridge IG Credit - 5.6% (^)			-0.20	2.55	0.20	-2.96	2.60	2.44	06/01/2018
<i>Blmbg. U.S. Credit Index</i>			-0.31	3.13	1.39	-3.38	1.65	1.45	09/01/2018
Brown Bros. Harriman Structured - 8.4% (^)			0.41	2.70	2.50	1.55	2.11	2.07	06/01/2018
<i>ICE BofA Asset-Bckd Fxd & Fltng Rate AA-BBB Idx</i>			0.41	3.42	2.45	0.99	1.73	1.66	09/01/2018
Brandywine Global High Yield - 3.9%			2.75	6.01	10.71	4.64	5.79	2.85	10/01/2020
<i>Blmbg. Ba to B U.S. High Yield</i>			1.35	4.83	8.85	2.64	3.74	1.36	10/01/2020
MainStay MacKay High Yield Corp Bond Fund - 3.9%			1.30	5.27	8.89	3.95	3.68	-0.27	06/01/2021
<i>ICE BofA High Yield Master II</i>			1.63	5.42	8.87	3.21	3.18	-1.75	06/01/2021
Cash Equivalent	22,209	0.23	1.21	2.28	3.64	1.25	1.43	1.37	05/01/2017
Allspring Government Money Market Fund	22,209	0.23	1.21	2.28	3.64	1.25	1.43	1.36	05/01/2017

Returns are net of mutual fund fees and are expressed as percentages. Asset class level returns may vary from individual underlying manager returns due to cash flows.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

Comparative Performance

	Year To Date	2022	2021	2020	2019	2018
CVFD - Section 115 Trust - Total Fund	8.28	-16.95	11.06	14.02	18.47	-4.42
<i>Policy Benchmark</i>	9.04	-15.77	8.88	13.23	18.17	-3.97
Domestic Equity	13.65	-19.50	25.84	22.52	29.72	-4.76
<i>Russell 3000 Index</i>	16.17	-19.21	25.66	20.89	31.02	-5.24
PFM Multi-Manager Domestic Equity Fund	13.54	-18.97	26.28	20.05	29.70	N/A
<i>Russell 3000 Index</i>	16.17	-19.21	25.66	20.89	31.02	-5.24
Vanguard Total Stock Market ETF - 69.4%	16.18	-19.50	25.72	20.95	30.80	-5.13
Vaughan Nelson Select - 10.1% (^)	16.38	-15.79	41.05	20.01	29.17	N/A
Nuance All Cap Value - 7.5% (^)	8.05	-6.46	15.15	9.69	31.33	N/A
Aristotle Atlantic Core Equity - 7.6%(^)	14.80	-21.43	N/A	N/A	N/A	N/A
<i>Russell 3000 Index</i>	16.17	-19.21	25.66	20.89	31.02	-5.24
Champlain Mid Cap Core - 3.0% (^)	10.58	-25.67	25.95	30.51	27.82	N/A
<i>S&P MidCap 400</i>	8.84	-13.06	24.76	13.66	26.20	-11.08
Jacobs Levy Small Cap - 2.1% (^)	6.88	-15.58	39.61	18.81	N/A	N/A
<i>S&P SmallCap 600</i>	6.03	-16.10	26.82	11.29	22.78	-8.48
International Equity	9.23	-21.87	8.71	17.26	21.44	-13.56
<i>MSCI AC World ex USA (Net)</i>	9.47	-16.00	7.82	10.65	21.51	-14.20
PFM Multi-Manager International Equity Fund	9.22	-20.79	9.38	13.74	21.23	N/A
<i>MSCI AC World ex USA (Net)</i>	9.47	-16.00	7.82	10.65	21.51	-14.20
iShares Core MSCI Total Int'l Stock ETF - 42.2%	9.61	-16.35	8.52	11.14	21.85	-14.55
WCM Focused Growth International - 12.5% (^)	15.20	-28.14	18.78	32.21	N/A	N/A
Ninety One Int'l Dynamic Equity - 15.1% (^)	8.55	-19.77	N/A	N/A	N/A	N/A
<i>MSCI AC World ex USA (Net)</i>	9.47	-16.00	7.82	10.65	21.51	-14.20
Acadian Non-U.S. Equity - 6.5% (^)	5.47	-12.37	14.31	11.10	N/A	N/A
Aristotle International Equity - 12.8% (^)	12.54	-20.52	17.21	10.14	25.45	N/A
<i>MSCI EAFE (net)</i>	11.67	-14.45	11.26	7.82	22.01	-13.79
Kayne Anderson International Small Cap - 1.0% (^)	15.42	-31.47	N/A	N/A	N/A	N/A
<i>MSCI AC World ex USA Small Cap (Net)</i>	6.84	-19.97	12.93	14.24	22.42	-18.20
Schroders Global Emerging Markets - 9.7% (^)	5.86	-21.44	-4.65	26.16	N/A	N/A
<i>MSCI EM (net)</i>	4.89	-20.09	-2.54	18.31	18.42	-14.57

Returns are net of mutual fund fees and are expressed as percentages. Asset class level returns may vary from individual underlying manager returns due to cash flows.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

Comparative Performance

	Year To Date	2022	2021	2020	2019	2018
Fixed Income	2.67	-13.12	-0.96	7.68	9.56	-0.89
<i>Blmbg. U.S. Aggregate</i>	2.09	-13.01	-1.55	7.51	8.72	0.01
PFM Multi-Manager Fixed-Income Fund	2.67	-13.06	-0.85	7.86	9.56	N/A
<i>Blmbg. U.S. Aggregate</i>	2.09	-13.01	-1.55	7.51	8.72	0.01
PGIM Core Fixed - 33.1% (^)	2.53	-13.76	-0.98	9.01	9.65	N/A
TIAA Core Fixed - 33.1% (^)	2.60	-14.23	-0.64	9.76	9.59	N/A
iShares Core U.S. Aggregate Bond ETF - 11.8%	2.26	-13.06	-1.67	7.42	8.68	-0.05
<i>Blmbg. U.S. Aggregate</i>	2.09	-13.01	-1.55	7.51	8.72	0.01
PineBridge IG Credit - 5.6% (^)	2.67	-15.83	0.02	14.54	15.48	N/A
<i>Blmbg. U.S. Credit Index</i>	3.13	-15.26	-1.08	9.35	13.80	-2.11
Brown Bros. Harriman Structured - 8.4% (^)	2.87	-3.87	3.01	3.42	5.07	N/A
<i>ICE BofA Asset-Bckd Fxd & Fltng Rate AA-BBB Idx</i>	3.42	-6.33	1.77	3.94	4.31	3.16
Brandywine Global High Yield - 3.9%	6.01	-9.38	5.52	13.92	15.56	1.27
<i>Blmbg. Ba to B U.S. High Yield</i>	4.83	-10.59	4.71	7.78	15.18	-1.86
MainStay MacKay High Yield Corp Bond Fund - 3.9%	5.27	-7.81	5.35	5.28	13.03	-1.34
<i>ICE BofA High Yield Master II</i>	5.42	-11.22	5.36	6.17	14.41	-2.27
Cash Equivalent						
Allspring Government Money Market Fund	2.28	1.47	0.01	0.34	2.06	1.69

Returns are net of mutual fund fees and are expressed as percentages. Asset class level returns may vary from individual underlying manager returns due to cash flows.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

Account Reconciliation

QTR

	Market Value As of 04/01/2023	Net Flows	Return On Investment	Market Value As of 06/30/2023
CVFD - Section 115 Trust - Total Fund	8,179,482	1,034,927	277,998	9,492,407

YTD

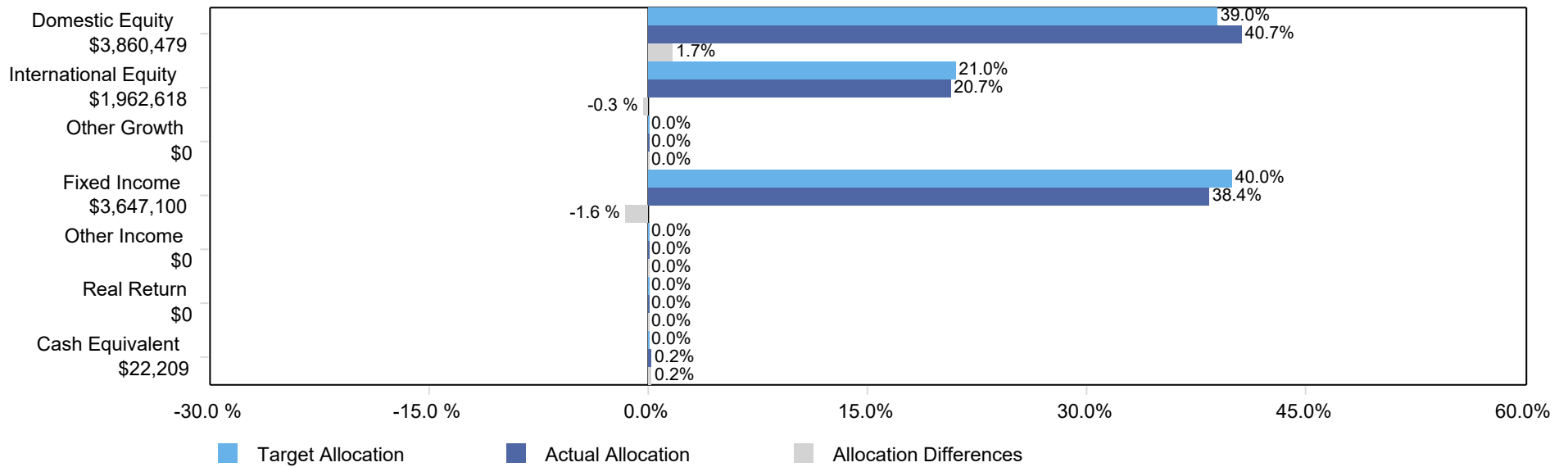
	Market Value As of 01/01/2023	Net Flows	Return On Investment	Market Value As of 06/30/2023
CVFD - Section 115 Trust - Total Fund	7,790,464	1,032,752	669,191	9,492,407

1 Year

	Market Value As of 07/01/2022	Net Flows	Return On Investment	Market Value As of 06/30/2023
CVFD - Section 115 Trust - Total Fund	7,814,063	1,028,352	649,991	9,492,407

Asset Allocation Summary

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
CVFD - Section 115 Trust - Total Fund	100.0	100.0	N/A	N/A	0.0
Domestic Equity	40.7	39.0	19.0	59.0	1.7
International Equity	20.7	21.0	1.0	41.0	-0.3
Other Growth	0.0	0.0	0.0	20.0	0.0
Fixed Income	38.4	40.0	20.0	60.0	-1.6
Other Income	0.0	0.0	0.0	20.0	0.0
Real Return	0.0	0.0	0.0	20.0	0.0
Cash Equivalent	0.2	0.0	0.0	20.0	0.2



Historical Hybrid Composition - Policy Benchmark

Allocation Mandate	Weight (%)
May-2017	
Russell 3000 Index	33.0
MSCI AC World ex USA (Net)	17.0
Blmbg. U.S. Aggregate	50.0
Sep-2021	
Russell 3000 Index	39.0
MSCI AC World ex USA (Net)	21.0
Blmbg. U.S. Aggregate	40.0

Investment Manager Review

◆ Vanguard Total Stock Market Index

- **Management:** Gerard C. O'Reilly has managed the Fund since its inception in 1994. Walter Nejman has been co-portfolio manager for the fund since 2016. Michelle Louie was added as a co-portfolio manager in 2023. They have been in the investment management industry since 1992, 2008, and 2011, respectively.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- **Strategy:** The Fund employs a “passive management” – or indexing – investment approach designed to track the performance of the CRSP US Total Market Index. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

◆ Vaughan Nelson Select

- **Management:** Scott Weber, CFA is the lead portfolio manager and final decision maker. He is the lead PM on the strategy since inception. Chris Wallis, co-portfolio manager, serves as the CIO of the firm.
- **Objective:** The sub-advisor seeks to invest in companies that are trading at a discount to fair value with the potential to generate above-average rates of returns over time.
- **Strategy:** Typical characteristics of an investment in the Select strategy are:
 - Undervalued Growth: companies with attractive ROIC that are trading at an attractive valuation
 - Undervalued Assets: companies where the market is under appreciating the value of underlying assets
 - Undervalued Dividends: companies with attractive dividend yields or return to shareholders

◆ Nuance All Cap Value

- **Management:** Scott Moore, CFA, founder of Nuance Investments, Chad Baumler, CFA, Jack Meurer, CFA, and Darren Schryer, CFA, CPA are the portfolio managers responsible for the strategy. Scott and Chad are the PMs for the strategy since inception; Jack and Darren are associate portfolio managers.
- **Objective:** The sub-advisor seeks to invest in companies that are trading at a discount to fair value with the potential to generate above-average rates of returns over time.
- **Strategy:** The team follows a disciplined value approach to investing in companies with attractive competitive positioning that could be under-earning their normalized earning potential due to short-term, transitory issues and as a result they may be trading at a greater discount to their fair value.

● Aristotle Atlantic Core Equity

- **Management:** The strategy is managed by a team of three Portfolio Managers. Owen Fitzpatrick, CFA, is the lead portfolio manager and is ultimately responsible for all portfolio decisions. Thomas Hynes and Brendan O’Neill share in portfolio management responsibilities and serve as research analysts.
- **Objective:** The strategy seeks to maximize long-term capital appreciation relative to the Russell 3000 Index over a full business cycle utilizing a risk-controlled investment approach.
- **Strategy:** The sub-advisor invests in high quality stocks with a focus on long term sustainable growth identified through both bottom-up fundamental analysis and top-down themes approach. This strategy tends to be concentrated in 45-60 companies. The benchmark for this strategy is the Russell 3000 Index.

● Champlain Mid Cap Core

- **Management:** The strategy is managed through a team-based approach headed by Scott Brayman. Mr. Brayman is the founding partner and Chief Investment Officer, as well as portfolio manager for the Mid Cap Core strategy. He is the lead PM on the strategy since inception.
- **Objective:** The sub-advisor seeks to invest in companies that are trading at a discount to fair value with the potential to generate above-average rates of returns over time.
- **Strategy:** The sub-advisor invests in common stocks of mid-capitalization companies that they believe have strong long-term fundamentals, superior capital appreciation potential and attractive valuations.

● Jacobs Levy Small Cap Equity

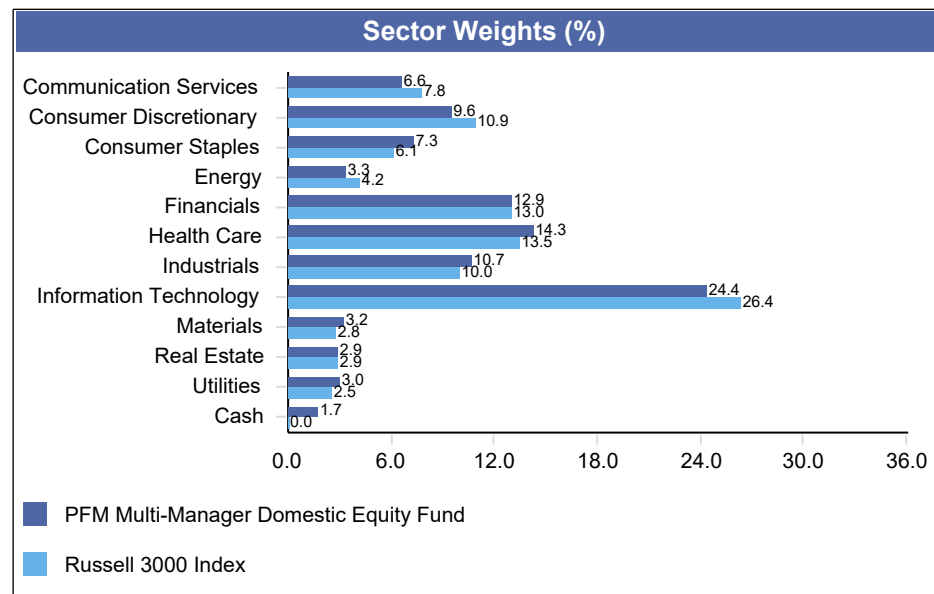
- **Management:** Dr. Bruce I. Jacobs and Mr. Kenneth N. Levy co-founded Jacobs Levy in 1986. The two individuals own 100% of the firm and are the portfolio managers responsible for the day-to-day management of firm assets. The two individuals are backed by a team of over 50 investment professionals.
- **Objective:** Through a quantitative approach, the strategy seeks outperformance relative to the S&P Small Cap Index.
- **Strategy:** The strategy employs an actively managed approach designed to outperform the S&P 600 over a full market cycle. The team uses a multi factor quantitative approach with over 80 factors, about half are fundamental factors and the other half are industry factors. Stock selection is determined based on an optimizer run for expected alpha.

Portfolio Characteristics

As of June 30, 2023

PFM Multi-Manager Domestic Equity vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	500,188	580,225
Median Mkt. Cap (\$M)	1,029	1,973
Price/Earnings ratio	22.78	21.97
Price/Book ratio	4.16	4.24
5 Yr. EPS Growth Rate (%)	15.28	16.59
Current Yield (%)	1.50	1.53
Number of Stocks	3,835	3,010



Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	5.26	5.83	-0.57	18.38
Apple Inc	5.21	6.66	-1.45	17.79
Amazon.com Inc	2.86	2.70	0.16	26.21
NVIDIA Corporation	2.20	2.31	-0.11	52.31
Alphabet Inc	1.99	1.64	0.35	15.40
Berkshire Hathaway Inc	1.33	1.44	-0.11	10.44
Tesla Inc	1.13	1.66	-0.53	26.18
Meta Platforms Inc	1.02	1.46	-0.44	35.41
Johnson & Johnson	0.99	0.99	0.00	7.60
Alphabet Inc	0.97	1.43	-0.46	16.32
% of Portfolio	22.96	26.12	-3.16	

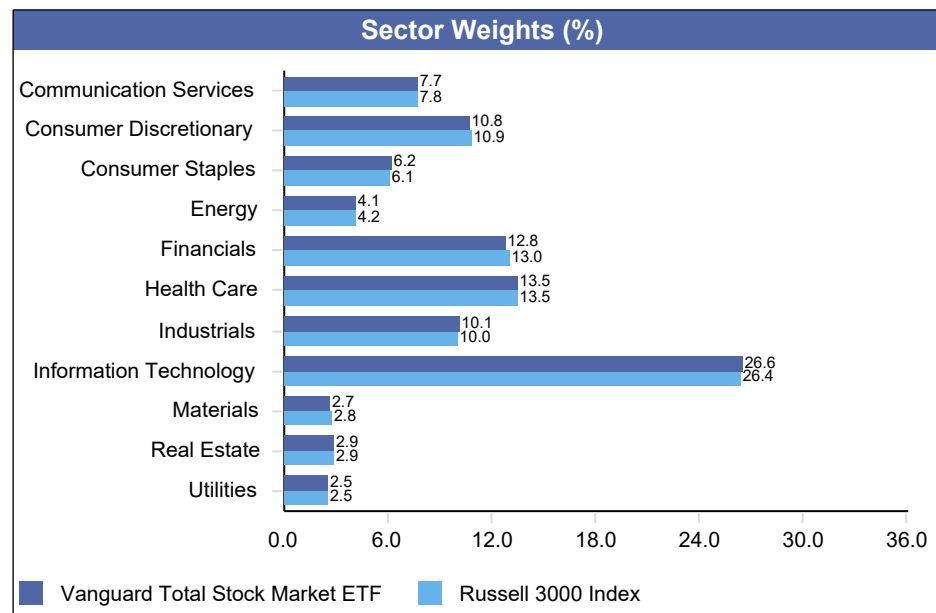
Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CXApp Inc	0.00	0.00	0.00	503.31
Minerva Neurosciences Inc	0.00	0.00	0.00	471.25
ImmunoGen Inc	0.01	0.01	0.00	391.41
Marker Therapeutics Inc	0.00	0.00	0.00	336.62
Applied Digital Corp	0.00	0.00	0.00	317.41
Presto Automation Inc	0.00	0.00	0.00	230.38
GSI Technology Inc	0.00	0.00	0.00	221.51
Aemetis Inc	0.00	0.00	0.00	215.95
Rockwell Medical Inc	0.00	0.00	0.00	201.66
EyePoint Pharmaceuticals Inc	0.00	0.00	0.00	195.92
% of Portfolio	0.01	0.01	0.00	

The fund characteristics and top holdings shown above are based on a look-through of any underlying mutual funds or ETFs held within the Fund. ETF holdings are available daily, while mutual fund holdings are only published on a monthly or quarterly basis. As a result, holdings used for the look-through of third-party mutual funds may be as of the prior month or quarter end depending on the most recent information available at the time this report was published.

Vanguard Total Stock Market ETF vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	581,079	580,225
Median Mkt. Cap (\$M)	1,021	1,973
Price/Earnings ratio	22.04	21.97
Price/Book ratio	4.25	4.24
5 Yr. EPS Growth Rate (%)	16.56	16.59
Current Yield (%)	1.53	1.53
Number of Stocks	3,822	3,010

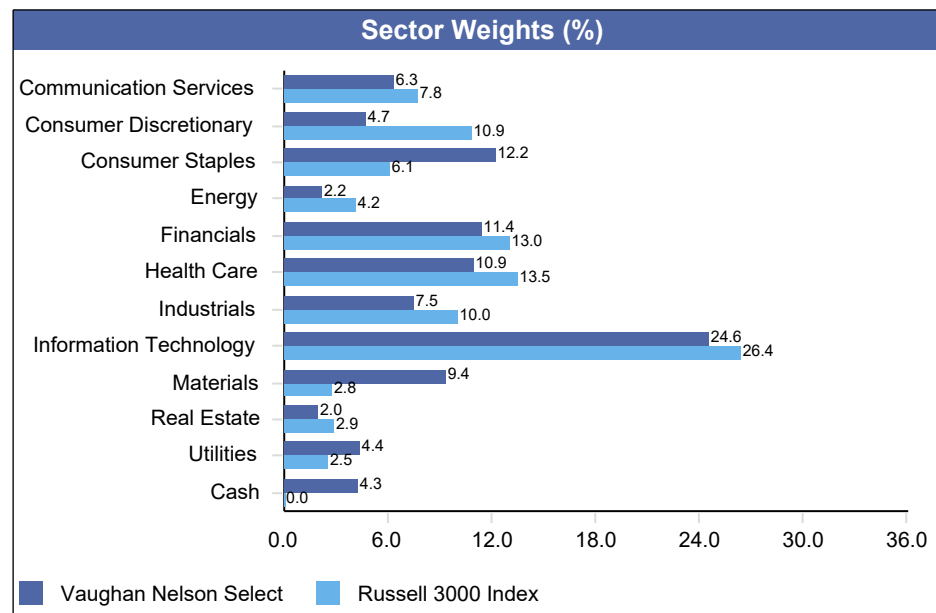


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	6.70	6.66	0.04	17.79
Microsoft Corp	5.86	5.83	0.03	18.38
Amazon.com Inc	2.63	2.70	-0.07	26.21
NVIDIA Corporation	2.30	2.31	-0.01	52.31
Alphabet Inc	1.64	1.64	0.00	15.40
Tesla Inc	1.63	1.66	-0.03	26.18
Meta Platforms Inc	1.47	1.46	0.01	35.41
Berkshire Hathaway Inc	1.41	1.44	-0.03	10.44
Alphabet Inc	1.40	1.43	-0.03	16.32
Unitedhealth Group Inc	1.03	1.03	0.00	1.70
% of Portfolio	26.07	26.16	-0.09	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CXApp Inc	0.00	0.00	0.00	503.31
Minerva Neurosciences Inc	0.00	0.00	0.00	471.25
ImmunoGen Inc	0.01	0.01	0.00	391.41
Marker Therapeutics Inc	0.00	0.00	0.00	336.62
Applied Digital Corp	0.00	0.00	0.00	317.41
Presto Automation Inc	0.00	0.00	0.00	230.38
GSI Technology Inc	0.00	0.00	0.00	221.51
Aemetis Inc	0.00	0.00	0.00	215.95
Rockwell Medical Inc	0.00	0.00	0.00	201.66
EyePoint Pharmaceuticals Inc	0.00	0.00	0.00	195.92
% of Portfolio	0.01	0.01	0.00	

Vaughan Nelson Select vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	393,717	580,225
Median Mkt. Cap (\$M)	65,892	1,973
Price/Earnings ratio	35.89	21.97
Price/Book ratio	5.42	4.24
5 Yr. EPS Growth Rate (%)	11.32	16.59
Current Yield (%)	1.14	1.53
Number of Stocks	29	3,010

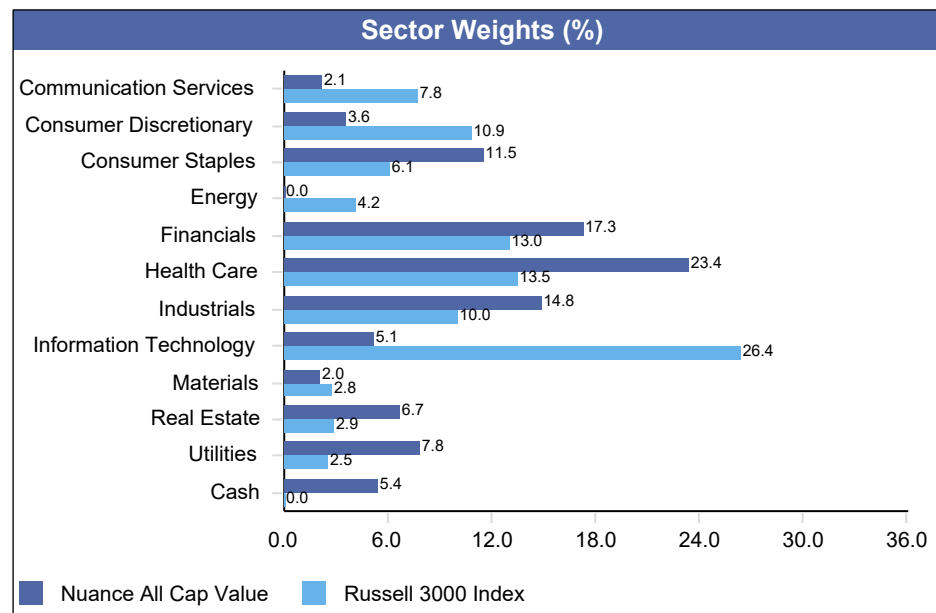


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	6.47	5.83	0.64	18.38
Sherwin-Williams Co (The)	5.00	0.15	4.85	18.44
Amazon.com Inc	4.69	2.70	1.99	26.21
Intercontinental Exchange Inc	4.54	0.14	4.40	8.84
Wheaton Precious Metals Corp	4.38	0.00	4.38	-9.98
NextEra Energy Inc	4.36	0.35	4.01	-3.13
CASH	4.33	0.00	4.33	N/A
Motorola Solutions Inc	4.30	0.11	4.19	2.82
Dollar General Corporation	4.30	0.09	4.21	-19.11
Clorox Co (The)	4.11	0.05	4.06	1.23
% of Portfolio	46.48	9.42	37.06	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corporation	3.30	2.31	0.99	52.31
Entegris Inc	2.07	0.04	2.03	35.31
Amazon.com Inc	4.69	2.70	1.99	26.21
Saia Inc	1.69	0.02	1.67	25.85
Sherwin-Williams Co (The)	5.00	0.15	4.85	18.44
Microsoft Corp	6.47	5.83	0.64	18.38
VERISK ANALYTICS INC	2.99	0.07	2.92	17.99
Alphabet Inc	3.41	1.64	1.77	15.40
Vertex Pharmaceuticals Inc	3.44	0.21	3.23	11.69
Berkshire Hathaway Inc	3.53	1.44	2.09	10.44
% of Portfolio	36.59	14.41	22.18	

Nuance All Cap Value vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	100,656	580,225
Median Mkt. Cap (\$M)	9,579	1,973
Price/Earnings ratio	20.18	21.97
Price/Book ratio	2.61	4.24
5 Yr. EPS Growth Rate (%)	3.53	16.59
Current Yield (%)	2.42	1.53
Number of Stocks	55	3,010

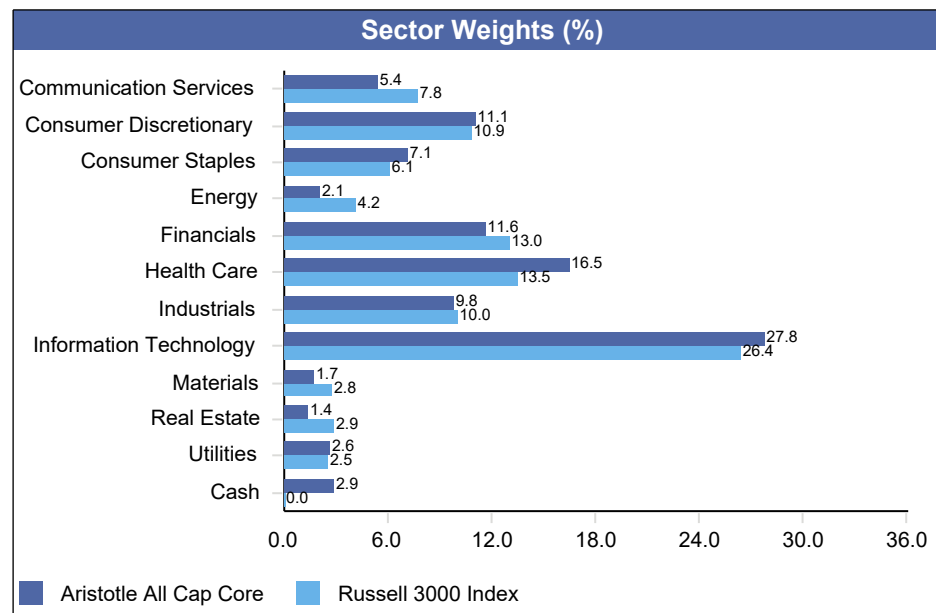


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	5.39	0.00	5.39	N/A
3M Co	4.87	0.13	4.74	-3.34
Northern Trust Corp	4.85	0.03	4.82	-15.03
Universal Health Services Inc.	4.70	0.02	4.68	24.32
DENTSPLY SIRONA Inc	4.64	0.02	4.62	2.25
Henkel AG & Co KGAA	4.32	0.00	4.32	-0.66
Kimberly-Clark Corp	4.16	0.11	4.05	3.76
Mueller Water Products Inc	4.14	0.01	4.13	16.94
Amphenol Corp	4.13	0.11	4.02	4.22
Travelers Companies Inc (The)	4.07	0.09	3.98	1.89
% of Portfolio	45.27	0.52	44.75	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Amazon.com Inc	3.63	2.70	0.93	26.21
Universal Health Services Inc.	4.70	0.02	4.68	24.32
Graco Inc.	0.51	0.03	0.48	18.66
Applied Materials Inc	0.78	0.28	0.50	17.98
Knorr-Bremse Aktiengesellschaft	2.67	0.00	2.67	17.26
Mueller Water Products Inc	4.14	0.01	4.13	16.94
Smith & Nephew PLC	4.04	0.00	4.04	15.55
Alphabet Inc	2.14	1.64	0.50	15.40
Merit Medical Systems Inc	0.25	0.01	0.24	13.10
Zimmer Biomet Holdings Inc	3.27	0.07	3.20	12.88
% of Portfolio	26.13	4.76	21.37	

Aristotle All Cap Core vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	646,621	580,225
Median Mkt. Cap (\$M)	76,555	1,973
Price/Earnings ratio	24.16	21.97
Price/Book ratio	5.21	4.24
5 Yr. EPS Growth Rate (%)	19.18	16.59
Current Yield (%)	1.09	1.53
Number of Stocks	52	3,010

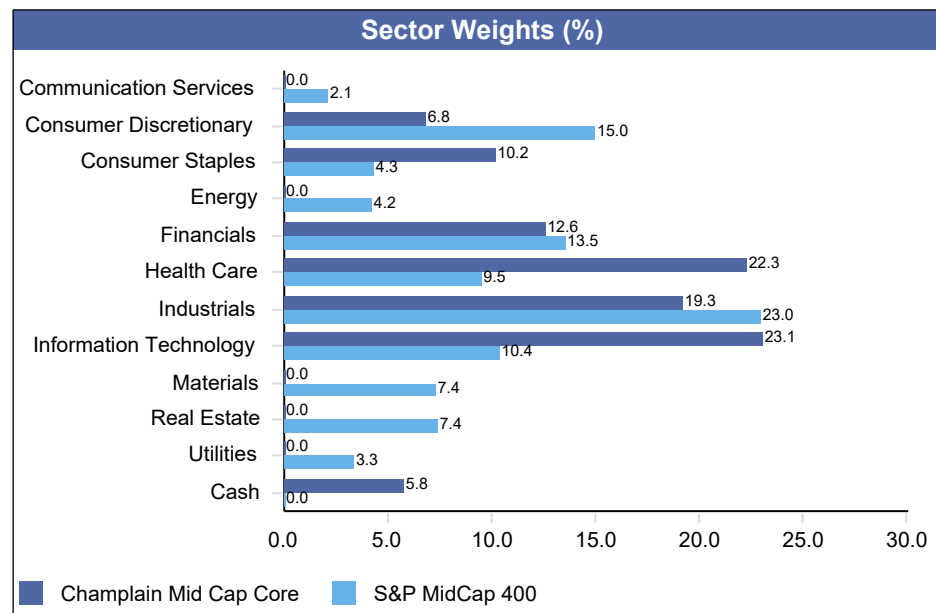


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	7.40	6.66	0.74	17.79
Microsoft Corp	7.18	5.83	1.35	18.38
Alphabet Inc	4.47	1.64	2.83	15.40
Amazon.com Inc	3.84	2.70	1.14	26.21
NVIDIA Corporation	3.58	2.31	1.27	52.31
CASH	2.86	0.00	2.86	N/A
Becton Dickinson and Co	2.63	0.17	2.46	7.04
Broadcom Inc	2.63	0.81	1.82	35.94
JPMorgan Chase & Co	2.62	0.98	1.64	12.49
AMETEK Inc	2.61	0.09	2.52	11.57
% of Portfolio	39.82	21.19	18.63	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Guardant Health Inc	1.28	0.01	1.27	52.73
NVIDIA Corporation	3.58	2.31	1.27	52.31
Broadcom Inc	2.63	0.81	1.82	35.94
Netflix Inc	0.97	0.44	0.53	27.50
Chart Industries Inc	1.21	0.02	1.19	27.42
Amazon.com Inc	3.84	2.70	1.14	26.21
ServiceNow Inc	1.98	0.26	1.72	20.93
Microsoft Corp	7.18	5.83	1.35	18.38
Applied Materials Inc	1.08	0.28	0.80	17.98
Apple Inc	7.40	6.66	0.74	17.79
% of Portfolio	31.15	19.32	11.83	

Champlain Mid Cap Core vs. S&P MidCap 400

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	21,942	7,381
Median Mkt. Cap (\$M)	15,780	5,545
Price/Earnings ratio	33.71	13.75
Price/Book ratio	4.63	2.67
5 Yr. EPS Growth Rate (%)	13.99	16.34
Current Yield (%)	0.68	1.68
Number of Stocks	58	401

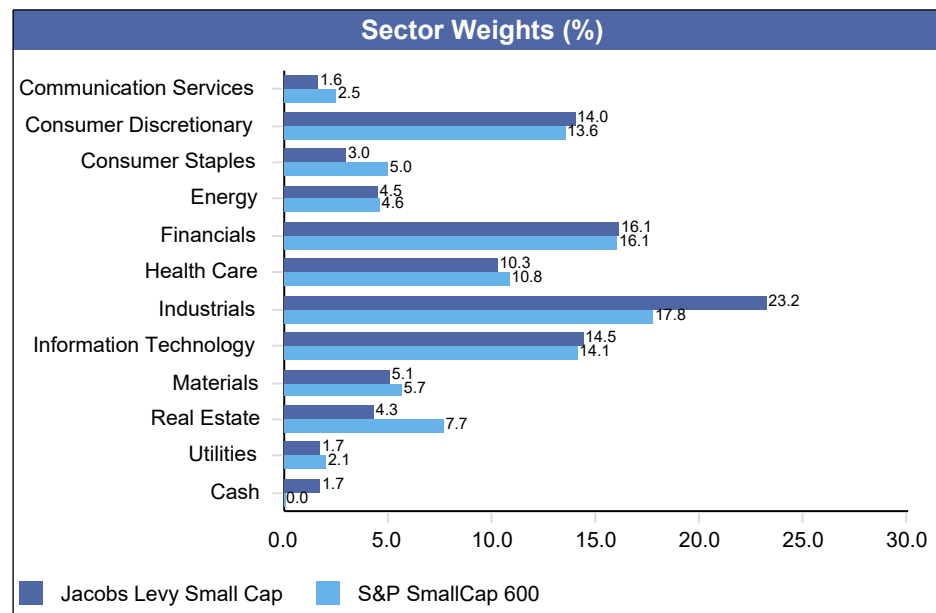


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	5.80	0.00	5.80	N/A
AMETEK Inc	3.63	0.00	3.63	11.57
Fortive Corp	3.53	0.00	3.53	9.80
Workday Inc	3.44	0.00	3.44	9.37
Everest Re Group Ltd	3.10	0.00	3.10	-4.06
Pure Storage Inc	2.74	0.00	2.74	44.34
OKTA INC	2.58	0.00	2.58	-19.58
Tradeweb Markets Inc	2.47	0.00	2.47	-13.22
Edwards Lifesciences Corp	2.37	0.00	2.37	14.02
Zscaler Inc	2.37	0.00	2.37	25.22
% of Portfolio	32.03	0.00	32.03	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
ABCAM	0.71	0.00	0.71	81.80
MongoDB Inc	1.75	0.00	1.75	76.30
Pure Storage Inc	2.74	0.00	2.74	44.34
Generac Holdings Inc	1.69	0.00	1.69	38.07
Palo Alto Networks Inc	1.72	0.00	1.72	27.92
Toast Inc	1.44	0.00	1.44	27.15
Zscaler Inc	2.37	0.00	2.37	25.22
Graco Inc.	1.38	0.64	0.74	18.66
Steris Plc	2.20	0.00	2.20	17.89
Arthur J. Gallagher & Co.	1.32	0.00	1.32	15.08
% of Portfolio	17.32	0.64	16.68	

Jacobs Levy Small Cap vs. S&P SmallCap 600

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	2,005	2,568
Median Mkt. Cap (\$M)	1,070	1,547
Price/Earnings ratio	10.74	12.79
Price/Book ratio	2.17	2.26
5 Yr. EPS Growth Rate (%)	14.26	15.91
Current Yield (%)	1.29	1.83
Number of Stocks	210	601



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Axcelis Technologies Inc.	1.70	0.61	1.09	37.58
CASH	1.69	0.00	1.69	N/A
O I Glass Inc	1.67	0.34	1.33	-6.08
Comfort Systems USA Inc.	1.54	0.60	0.94	12.65
MYR Group Inc	1.47	0.24	1.23	9.78
GMS Inc	1.45	0.29	1.16	19.54
CSG Systems International Inc.	1.45	0.16	1.29	-1.79
Encore Capital Group Inc	1.43	0.12	1.31	-3.63
Rambus Inc	1.40	0.71	0.69	25.18
Apogee Enterprises Inc	1.40	0.11	1.29	10.42
% of Portfolio	15.20	3.18	12.02	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Arlo Technologies Inc	0.26	0.10	0.16	80.03
SMART Global Holdings Inc	1.14	0.14	1.00	68.27
Customers Bancorp Inc	0.64	0.09	0.55	63.39
Green Brick Partners Inc	0.27	0.16	0.11	62.01
ZimVie Inc	0.11	0.00	0.11	55.33
Amphastar Pharmaceuticals Inc	1.35	0.22	1.13	53.25
Boise Cascade Co	0.55	0.36	0.19	49.11
Aarons Co Inc (The)	0.31	0.04	0.27	47.77
American Woodmark Corp	0.08	0.13	-0.05	46.67
Enviri Corp	0.49	0.08	0.41	44.51
% of Portfolio	5.20	1.32	3.88	

● **iShares Core MSCI Total International Stock**

- **Management:** BlackRock Fund Advisors is the investment adviser for the fund. The three portfolio managers responsible for managing the fund include Jennifer Hsui, Greg Savage, and Paul Whitehead.
- **Objective:** The strategy seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- **Strategy:** The strategy employs an index replication strategy designed to track the performance of the MSCI All Country World ex-US IMI Index. The strategy uses a representative sampling approach. Representative sampling gives the Fund characteristics similar to the underlying index.

● **WCM Focused Growth**

- **Management:** The strategy is managed by Paul R. Black, Michael Trigg, Sanjay Ayer, and Jon Tringale. Paul and Michael have been with the fund since its inception in 2011. Sanjay and Jon were promoted to portfolio managers in 2020 and 2022, respectively.
- **Objective:** The strategy seeks to outperform the MSCI ACWI ex U.S. by using bottom-up security selection.
- **Strategy:** A concentrated, high-quality, growth-oriented international equity strategy, based purely on deep bottom-up fundamental research.

● **Ninety-One International Dynamic Equity**

- **Management:** The fund is co- managed by Greg Kuhnert and Adam Child. Mr. Kuhnert joined the firm in 1999 and Mr. Child joined in 2012. They have been in the investment industry for 28 and 14 years, respectively.
- **Objective:** The Strategy seeks long-term capital growth primarily through investments in compelling companies across sectors and geographies, excluding the United States.
- **Strategy:** The strategy utilizes a 4-factor front end screen (strategy, earnings, value, technicals) followed by fundamental analysis to identify companies with sustainable returns of capital and strong business growth drivers. This strategy tends to be concentrated in 50-70 companies. The benchmark for this strategy is the MSCI AC World ex U.S. Index.

● **Acadian Non-U.S. Equity**

- **Management:** The investment team is overseen by CIO, Brendan Bradley, who has been with the firm since 2004. Also leading the investment team are Ryan Taliaferro, Malcolm Baker, Alexandre Voitenok.
- **Objective:** The strategy seeks to provide long term growth by investing in global securities outside of the U.S.
- **Strategy:** Systematic, quantitatively managed strategy with an all-cap approach utilizing value, quality, growth, and technical factors for security selection.

◆ Aristotle International Equity

- **Management:** The strategy is managed by a team of three Portfolio Managers, Howard Gleicher, CFA, Geoffrey Stewart, CFA, and Sean Thorpe, with all decisions made by unanimous approval. The three PMs are supported by a 12-member global sector analyst team.
- **Objective:** The strategy's focus is on identifying high quality stocks, selling at attractive valuations, and with some compelling catalyst for future growth.
- **Strategy:** Aristotle's "value equity" strategies are based on a uniform investment philosophy of investing in high quality businesses trading at discounts to their estimates of intrinsic value. Valuation is looked at through different lens: relative valuation, strategic value for a buyer, discounted cash flows, and attractive company fundamentals relative to peers. Quality, Valuation, and Catalysts are the basis for all of their investment decisions.

◆ Virtus Kayne Anderson International Small Cap Equity

- **Management:** The fund is co-managed by Craig Thrasher and Hyung Kim. Mr. Kim became co-PM in January 2019 when the prior portfolio manager stepped back. Both are supported by four research analysts who oversee the small cap product. All six members on the team are generalists with dedicated stock coverage.
- **Objective:** The Fund seeks to invest in international small-cap companies with durable business models and high profitability at attractive prices.
- **Strategy:** The Fund combines quantitative screens with fundamental analysis to identify high-quality companies with a sustainable competitive advantage. Fundamental analysis includes reviewing industry data, regulatory filings, and comprehensive meetings with company management. The team has a specific focus on capital efficiency, growth profile, capital structure, and business resiliency. The quantitative assessment includes searching for a high sustainable rate on capital, low debt, and high free cash flow. The team conducts valuation analysis, primarily using EV/EBIT multiples, to determine the entry point.

◆ Schroders Emerging Markets Equity

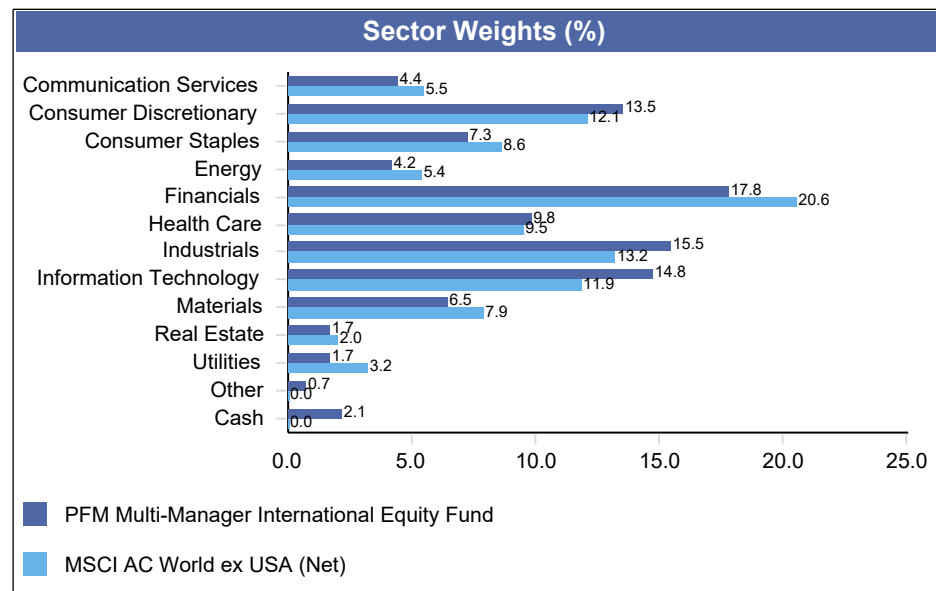
- **Management:** The fund is managed by a team of six portfolio managers led by Tom Wilson, Schroders' Head of Emerging Markets Equity. He has worked at Schroders since 2001 and has been involved with emerging markets equities at Schroders since 2004.
- **Objective:** The Fund seeks capital appreciation.
- **Strategy:** The Fund employs an actively managed approach that combines fundamental, bottom-up stock research with a quantitative country allocation process. Country rankings are prepared through evaluation of valuation, growth, currency, momentum, and interest rates. Stock level research targets a core universe of the most liquid stocks in the emerging markets universe, utilizing a relative value approach for stocks across the growth/value spectrum without any systematic style bias. Comprehensive risk controls are employed to keep factor exposures in check and constrain strategy-level tracking error to moderate levels.

Portfolio Characteristics

As of June 30, 2023

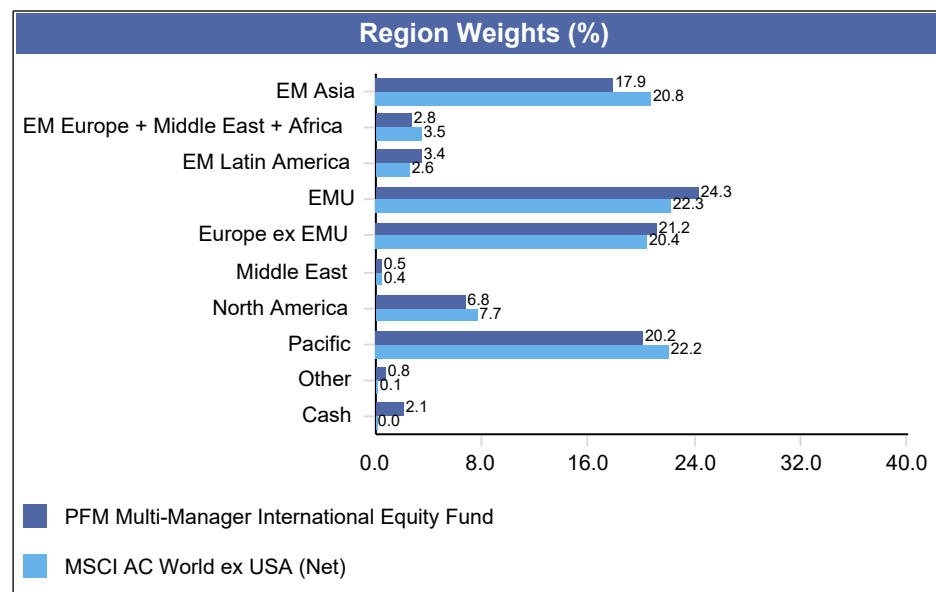
PFM Multi-Manager International Equity vs. MSCI AC World ex USA (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	85,016	87,907
Median Mkt. Cap (\$M)	2,755	9,035
Price/Earnings ratio	14.99	13.13
Price/Book ratio	2.69	2.42
5 Yr. EPS Growth Rate (%)	10.78	10.67
Current Yield (%)	2.71	3.26
Number of Stocks	4,543	2,308



Top Ten Equity Holdings

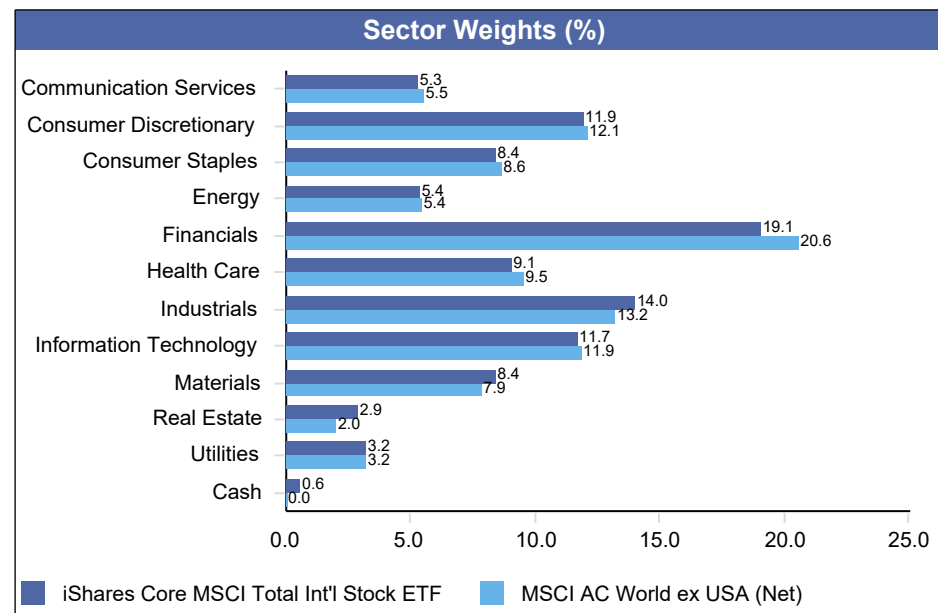
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
LVMH Moet Hennessy Louis Vui	1.80	1.08	0.72	3.44
Novo Nordisk A/S	1.62	1.11	0.51	1.72
Samsung Electronics Co Ltd	1.52	1.09	0.43	11.46
Taiwan Semicon Manu Co	1.43	1.89	-0.46	5.65
AIA Group Ltd	1.22	0.49	0.73	-2.74
Astrazeneca PLC	1.15	0.92	0.23	3.23
Sony Group Corporation	1.12	0.47	0.65	-0.39
Keyence Corp	0.89	0.38	0.51	-3.06
Tencent Holdings LTD	0.87	1.09	-0.22	-13.28
Ferrari NV	0.87	0.17	0.70	21.50
% of Portfolio	12.49	8.69	3.80	



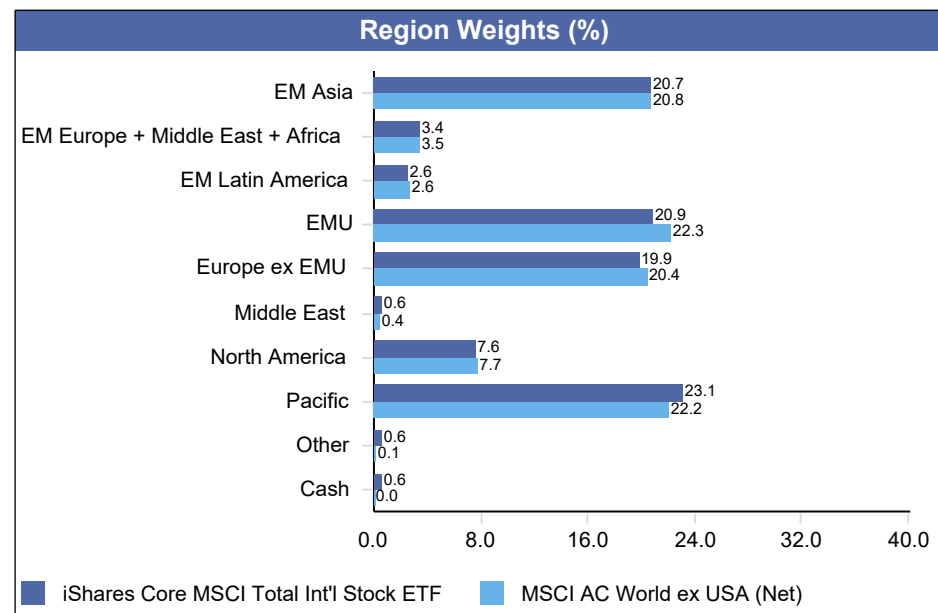
The fund characteristics and top holdings shown above are based on a look-through of any underlying mutual funds or ETFs held within the Fund. ETF holdings are available daily, while mutual fund holdings are only published on a monthly or quarterly basis. As a result, holdings used for the look-through of third-party mutual funds may be as of the prior month or quarter end depending on the most recent information available at the time this report was published.

iShares Core MSCI Total Int'l Stock ETF vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	74,998	87,907
Median Mkt. Cap (\$M)	2,829	9,035
Price/Earnings ratio	13.02	13.13
Price/Book ratio	2.40	2.42
5 Yr. EPS Growth Rate (%)	10.68	10.67
Current Yield (%)	3.30	3.26
Number of Stocks	4,357	2,308

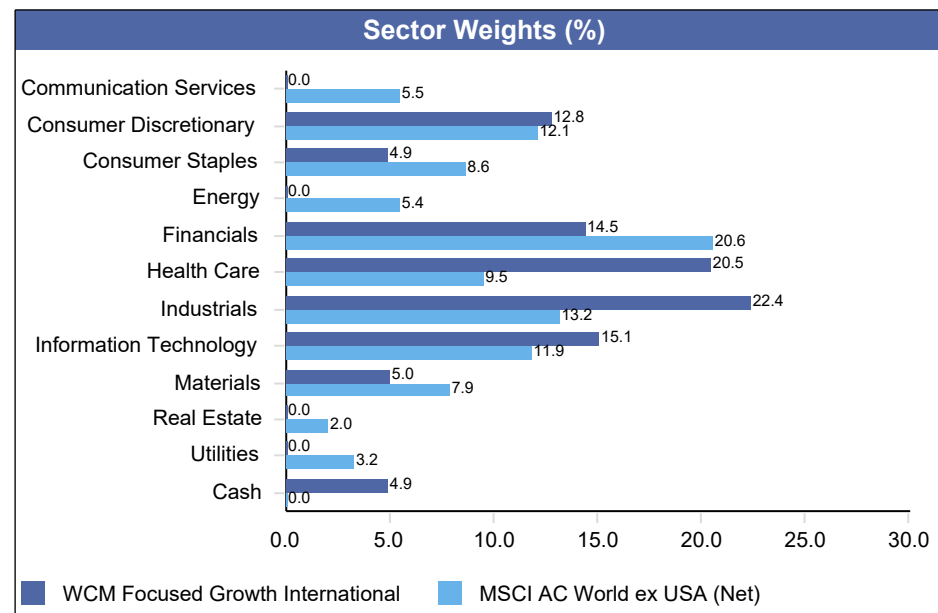


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	1.61	1.89	-0.28	5.65
Nestle SA, Cham Und Vevey	1.16	1.37	-0.21	1.11
ASML Holding NV	1.03	1.21	-0.18	6.80
Novo Nordisk A/S	0.94	1.11	-0.17	1.72
Tencent Holdings LTD	0.93	1.09	-0.16	-13.28
Samsung Electronics Co Ltd	0.92	1.09	-0.17	11.46
LVMH Moet Hennessy Louis Vui	0.91	1.08	-0.17	3.44
Astrazeneca PLC	0.78	0.92	-0.14	3.23
Roche Holding AG	0.76	0.89	-0.13	7.02
Novartis AG	0.72	0.86	-0.14	9.72
% of Portfolio	9.76	11.51	-1.75	

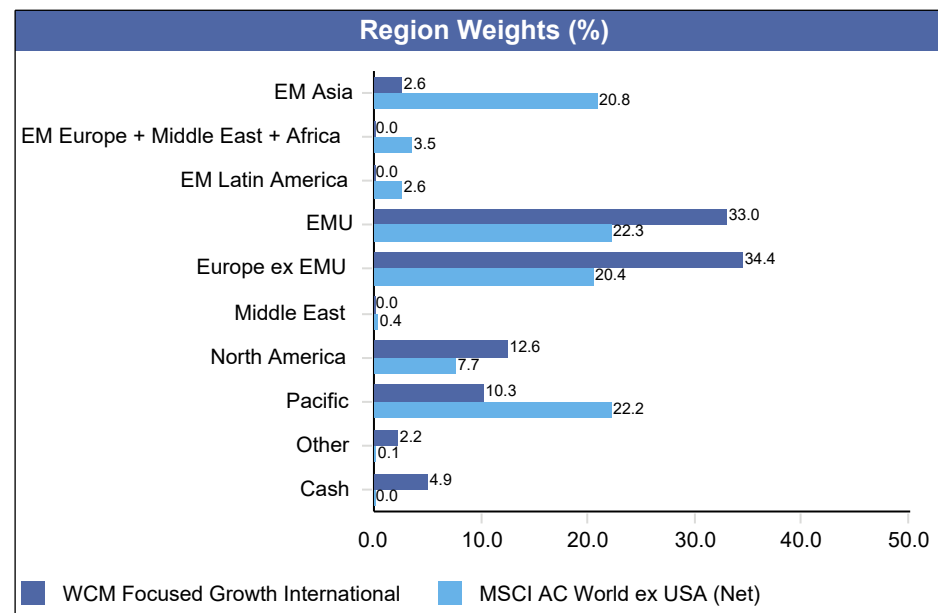


WCM Focused Growth International vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	107,911	87,907
Median Mkt. Cap (\$M)	53,635	9,035
Price/Earnings ratio	32.17	13.13
Price/Book ratio	5.23	2.42
5 Yr. EPS Growth Rate (%)	14.16	10.67
Current Yield (%)	1.08	3.26
Number of Stocks	38	2,308

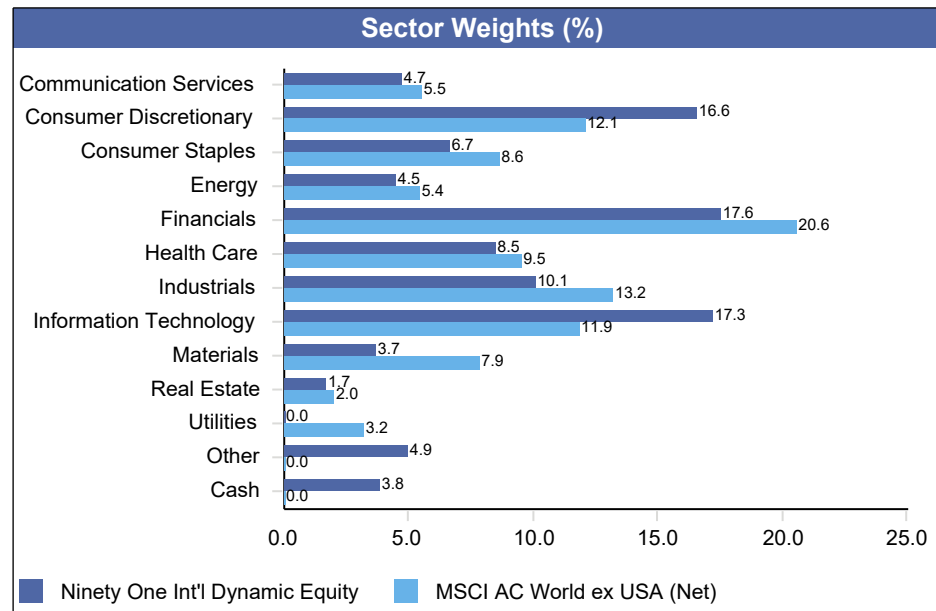


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	4.94	0.00	4.94	N/A
Novo Nordisk A/S	4.59	1.11	3.48	1.72
Ferrari NV	4.51	0.17	4.34	21.50
Canadian Pacific Kansas City Ltd	4.47	0.31	4.16	5.17
Adyen N.V	3.98	0.16	3.82	9.13
Aon plc	3.75	0.00	3.75	9.69
Schneider Electric SA	3.45	0.41	3.04	10.97
LVMH Moet Hennessy Louis Vui	3.19	1.08	2.11	3.44
Icon PLC	3.08	0.00	3.08	17.14
Evolution AB (publ)	3.05	0.10	2.95	-3.98
% of Portfolio	39.01	3.34	35.67	

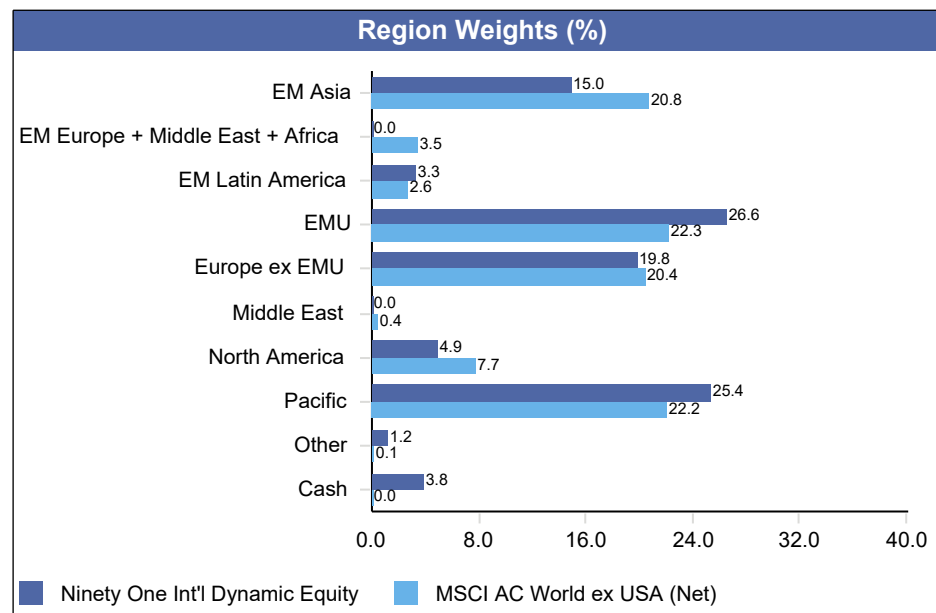


Ninety One Int'l Dynamic Equity vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	106,244	87,907
Median Mkt. Cap (\$M)	33,775	9,035
Price/Earnings ratio	16.62	13.13
Price/Book ratio	2.87	2.42
5 Yr. EPS Growth Rate (%)	9.72	10.67
Current Yield (%)	2.21	3.26
Number of Stocks	49	2,308

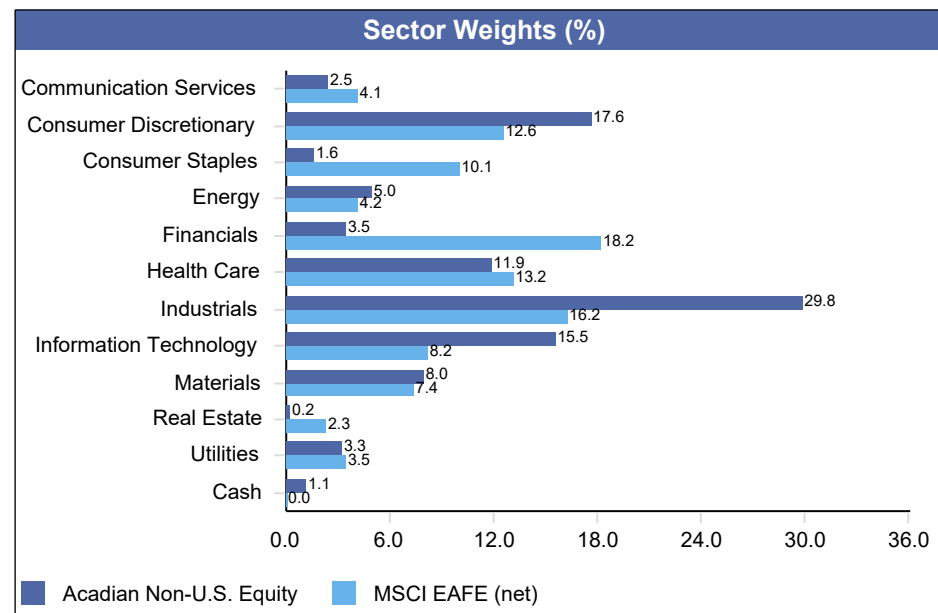


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
iShares Trust - MSCI India ETF	4.94	0.00	4.94	11.24
CASH	3.81	0.00	3.81	N/A
LVMH Moet Hennessy Louis Vui	3.54	1.08	2.46	3.44
Taiwan Semicon Manu Co ADR	3.33	1.89	1.44	8.49
Sony Group Corporation	3.10	0.47	2.63	-0.39
Samsung Electronics Co Ltd	2.95	1.09	1.86	11.46
Astrazeneca PLC	2.95	0.92	2.03	3.23
ASML Holding NV	2.80	1.21	1.59	6.80
SAP SE	2.76	0.59	2.17	10.11
Keyence Corp	2.74	0.38	2.36	-3.06
% of Portfolio	32.92	7.63	25.29	

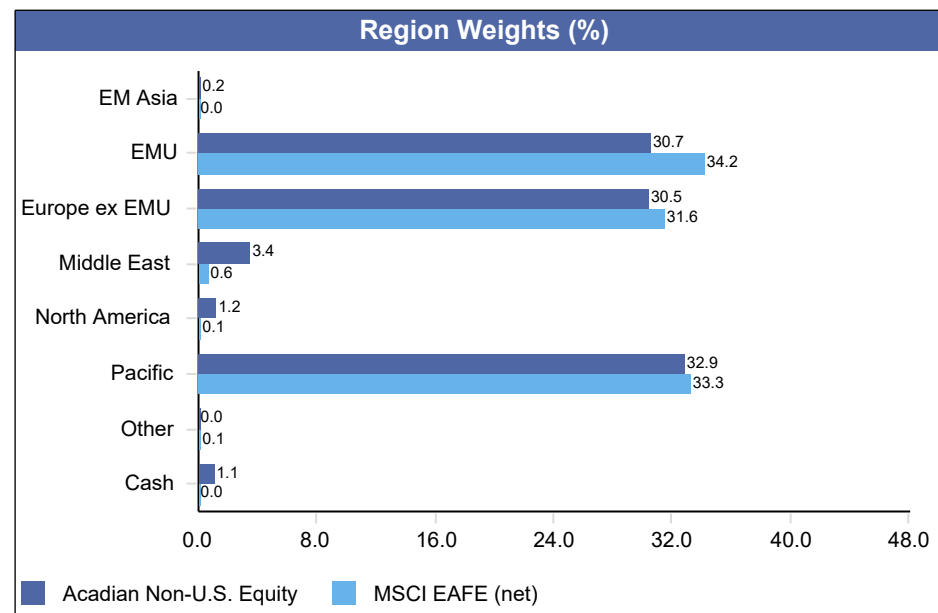


Acadian Non-U.S. Equity vs. MSCI EAFE (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	50,166	86,123
Median Mkt. Cap (\$M)	1,358	12,545
Price/Earnings ratio	9.84	13.77
Price/Book ratio	2.61	2.53
5 Yr. EPS Growth Rate (%)	13.98	9.03
Current Yield (%)	3.91	3.25
Number of Stocks	233	798

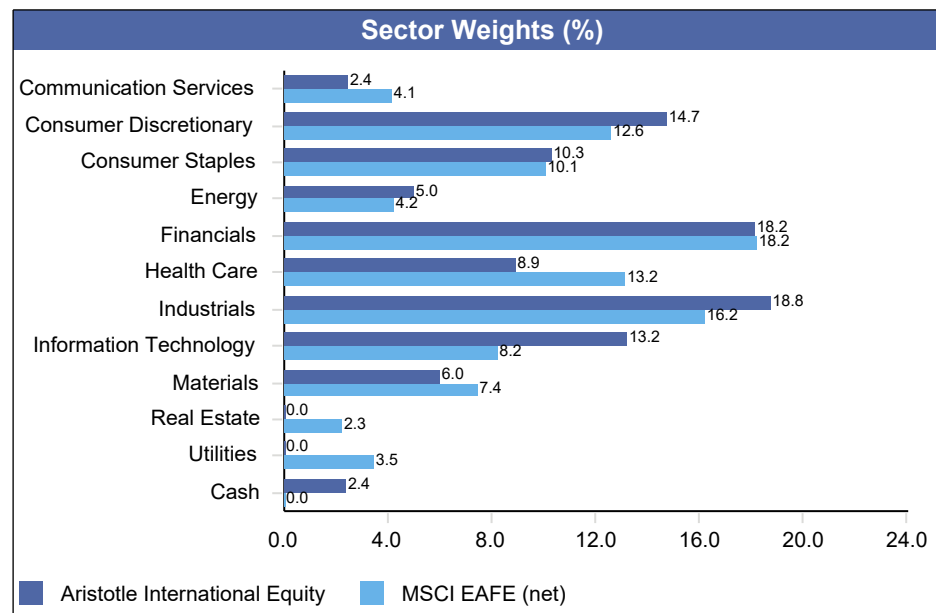


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	3.84	1.71	2.13	1.72
Siemens AG	2.89	0.81	2.08	2.63
Cie Financiere Richemont AG, Zug	2.83	0.57	2.26	6.14
BP PLC	2.80	0.66	2.14	-5.96
Hermes International SA	2.64	0.44	2.20	7.72
Industria De Diseno Textil Inditex SA	2.55	0.27	2.28	17.47
Heidelberg Materials AG	2.33	0.08	2.25	16.58
Singapore Airlines Ltd	2.15	0.05	2.10	22.59
ABB Ltd	2.14	0.40	1.74	14.51
Otsuka Holdings Co Ltd	2.09	0.09	2.00	16.57
% of Portfolio	26.26	5.08	21.18	

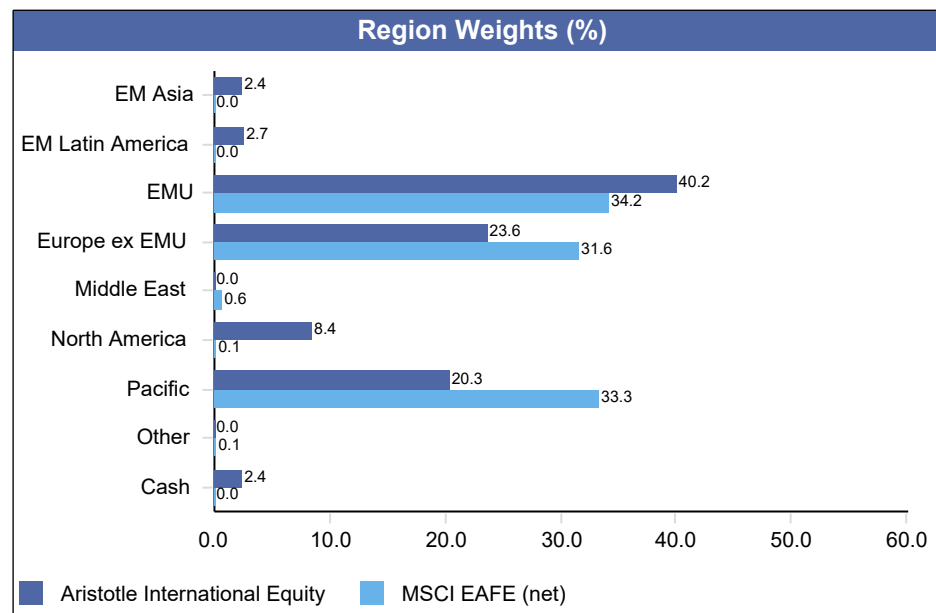


Aristotle International Equity vs. MSCI EAFE (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	68,257	86,123
Median Mkt. Cap (\$M)	33,643	12,545
Price/Earnings ratio	19.01	13.77
Price/Book ratio	2.58	2.53
5 Yr. EPS Growth Rate (%)	6.78	9.03
Current Yield (%)	2.14	3.25
Number of Stocks	39	798

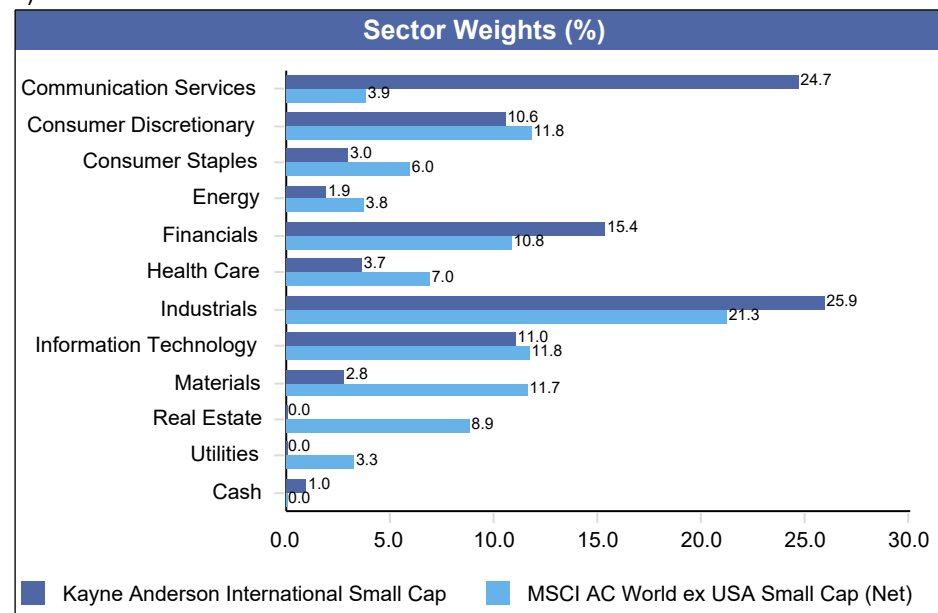


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Accenture PLC	4.58	0.00	4.58	8.39
Ashtead Group PLC	3.86	0.20	3.66	12.90
Muenchener Rueck-Gesllft Aktgslht	3.77	0.34	3.43	10.75
Sony Group Corporation	3.76	0.73	3.03	-0.39
LVMH Moet Hennessy Louis Vui	3.72	1.67	2.05	3.44
Brookfield Corp	3.52	0.00	3.52	3.83
Dassault Systemes SA	3.43	0.19	3.24	8.27
Alcon Inc	2.99	0.27	2.72	17.30
Rentokil Initial PLC	2.92	0.13	2.79	7.82
Coca-Cola Europacific Partners PLC	2.84	0.09	2.75	10.07
% of Portfolio	35.39	3.62	31.77	

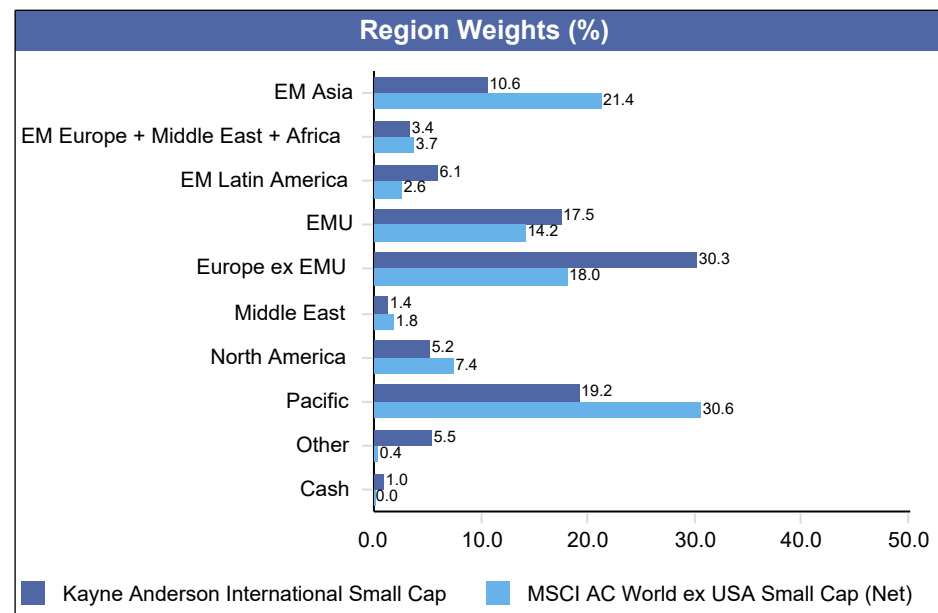


Kayne Anderson International Small Cap vs. MSCI AC World ex USA Small Cap (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	2,447	2,437
Median Mkt. Cap (\$M)	998	1,005
Price/Earnings ratio	17.62	12.54
Price/Book ratio	3.72	2.24
5 Yr. EPS Growth Rate (%)	5.24	10.11
Current Yield (%)	2.83	3.08
Number of Stocks	43	4,402

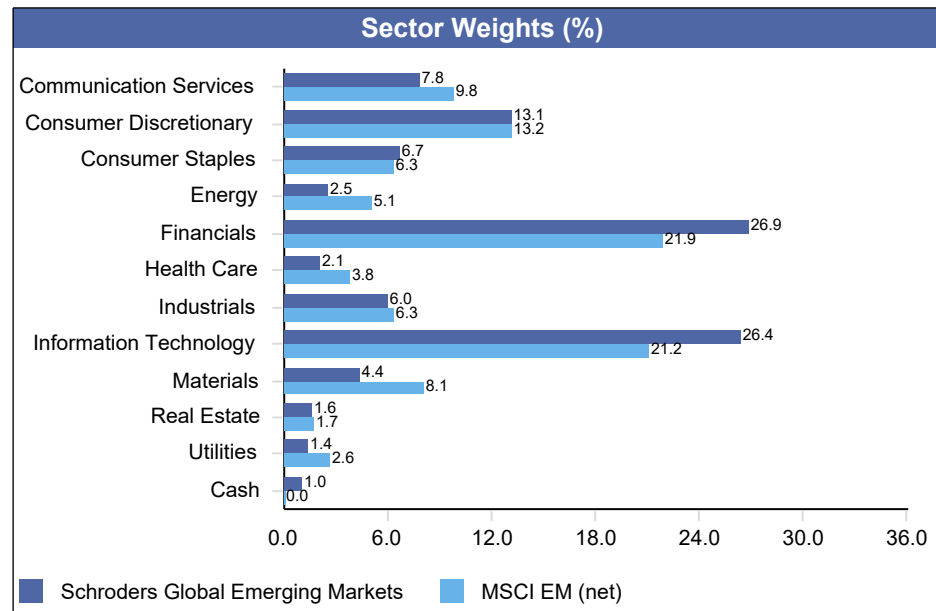


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Baltic Classifieds Group PLC	5.47	0.00	5.47	22.06
Auto Trader Group plc	4.61	0.00	4.61	1.85
Rightmove PLC	4.28	0.14	4.14	-3.58
Alten, Boulogne-Billancourt	3.94	0.12	3.82	-1.36
Haw Par Corp Ltd	3.66	0.00	3.66	-4.20
Grupac Pracuj S.A	3.42	0.01	3.41	5.48
Boa Vista Servicos S A	3.30	0.01	3.29	11.18
Mercari Inc	3.29	0.07	3.22	33.96
CAE Inc.	3.24	0.00	3.24	-0.77
Sarana Menara Nusantara Tbk	3.21	0.00	3.21	16.22
% of Portfolio	38.42	0.35	38.07	

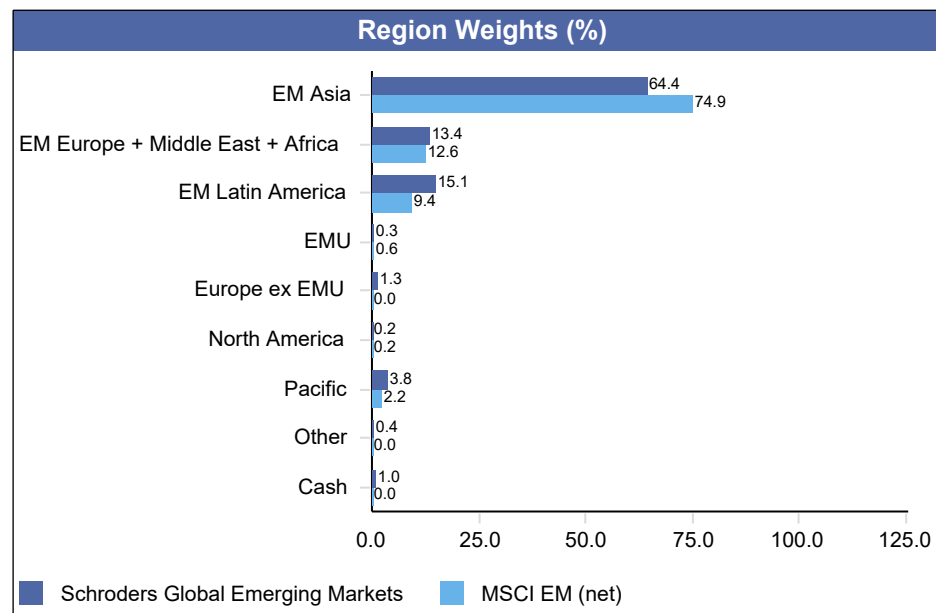


Schroders Global Emerging Markets vs. MSCI EM (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	122,759	101,862
Median Mkt. Cap (\$M)	14,213	6,404
Price/Earnings ratio	13.13	11.63
Price/Book ratio	2.18	2.40
5 Yr. EPS Growth Rate (%)	11.67	15.10
Current Yield (%)	2.85	3.25
Number of Stocks	124	1,423



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	7.89	6.81	1.08	5.65
Samsung Electronics Co Ltd	7.14	3.91	3.23	11.46
Tencent Holdings LTD	4.99	3.93	1.06	-13.28
Alibaba Group Holding Ltd	3.10	2.56	0.54	-18.99
H D F C Bank Ltd	2.11	0.00	2.11	5.62
Icici Bank Ltd	2.05	0.88	1.17	6.95
AIA Group Ltd	1.92	0.00	1.92	-2.74
Hon Hai Precision Industry Co Ltd	1.84	0.68	1.16	6.22
Infosys Ltd	1.83	0.81	1.02	-6.61
Itau Unibanco Holding SA	1.76	0.43	1.33	22.50
% of Portfolio	34.63	20.01	14.62	



◆ PGIM - Core Fixed Income

- **Management:** Michael Collins, CFA (since 2009), Richard Piccirillo (2012) and Gregory Peters (2014) are Senior Portfolio Managers.
- **Objective:** The strategy seeks to outperform the Bloomberg US Aggregate Index over full market cycles.
- **Strategy:** The strategy invests in a broad range of fixed income securities, including U.S. government securities, corporate bonds, taxable municipal securities and mortgage-backed or other asset-backed securities. The strategy may also invest in a limited amount of non-investment grade securities.

The investment process for Core Fixed Income portfolios utilizes both top-down and bottom-up approaches. Sector allocation, duration, yield curve, and “industry bias” decisions are made using top-down research derived from a range of internal sources, including our global macroeconomic research team and heads of the sector investment teams, as well as external sources. Actual subsector and security selections are made by sector specialists after conducting bottom-up fundamental and quantitative research and relative value analysis.

◆ TIAA –Core Impact Bond

- **Management:** Stephen Liberatore, CFA is a Managing Director and Lead Portfolio Manager (2010)
- **Objective:** The strategy seeks a favorable long-term total return through income and capital appreciation while giving special consideration to certain environmental, social, and governance (“ESG”) criteria.
- **Strategy:** The strategy invests in a broad range of fixed income securities, including U.S. government securities, corporate bonds, taxable municipal securities and mortgage-backed or other asset-backed securities. The strategy may also invest in a limited amount of non-investment grade securities. The strategy seeks to add value through duration and yield-curve positioning, sector allocation and security selection. The evaluation process favors companies with leadership in ESG performance relative to their peers.

◆ iShares Core U.S Aggregate Bond ETF

- **Management:** James Mauro and Karen Uyehara (the “Portfolio Managers”) are primarily responsible for the day-to-day management of the Fund. Mr. Mauro and Ms. Uyehara have been co-managing the Fund since 2011 and 2021, respectively.
- **Objective:** The Fund seeks to track the investment results of the Bloomberg U.S. Aggregate Bond Index.
- **Strategy:** BlackRock Fund Advisors (“BFA”) uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. Unlike many investment companies, the Fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

● PineBridge – Investment Grade Credit

- **Management:** Robert Vanden Assem, CFA, Managing Director and Head of Developed Markets IG Fixed Income (2001) & Dana Burns, Sr. Portfolio Manager (2007)
- **Objective:** The total return strategy seeks strong returns by combining a top-down view with a bottom-up, credit intensive research process.
- **Strategy:** The strategy invests in USD-denominated investment grade credit, focused in the corporate sector. The portfolio is constructed combining views of fundamentals, valuations and market technicals affecting sector and individual securities.

● Brown Brothers Harriman – Structured Fixed Income

- **Management:** Neil Hohmann, PhD, Head of Structured Products (2006), Andrew Hofer, Head of Taxable Portfolio Management (2006) & Chris Ling (2020)
- **Objective:** To deliver attractive long-term results through capital preservation and taking advantage of differences between valuations and fundamentals through a bottom-up research process.
- **Strategy:** The strategy is an investment grade portfolio focused on asset-backed securities backed by assets other than real estate (also known as non-traditional asset-backed securities). These securities will include a mix of equipment leases, commercial royalty and insurance-linked, and broad consumer related including: credit card, auto loans, student loans and debt refinancing. The structured fixed-income strategy may also invest a limited amount in commercial mortgage-backed securities and municipal debt instruments that are secured by tangible asset collateral or revenue streams. The structured fixed-income strategies are constructed using either a bottom-up investment approach or a quantitative framework to assess valuation and long-term return potential.

● BrandywineGLOBAL High Yield

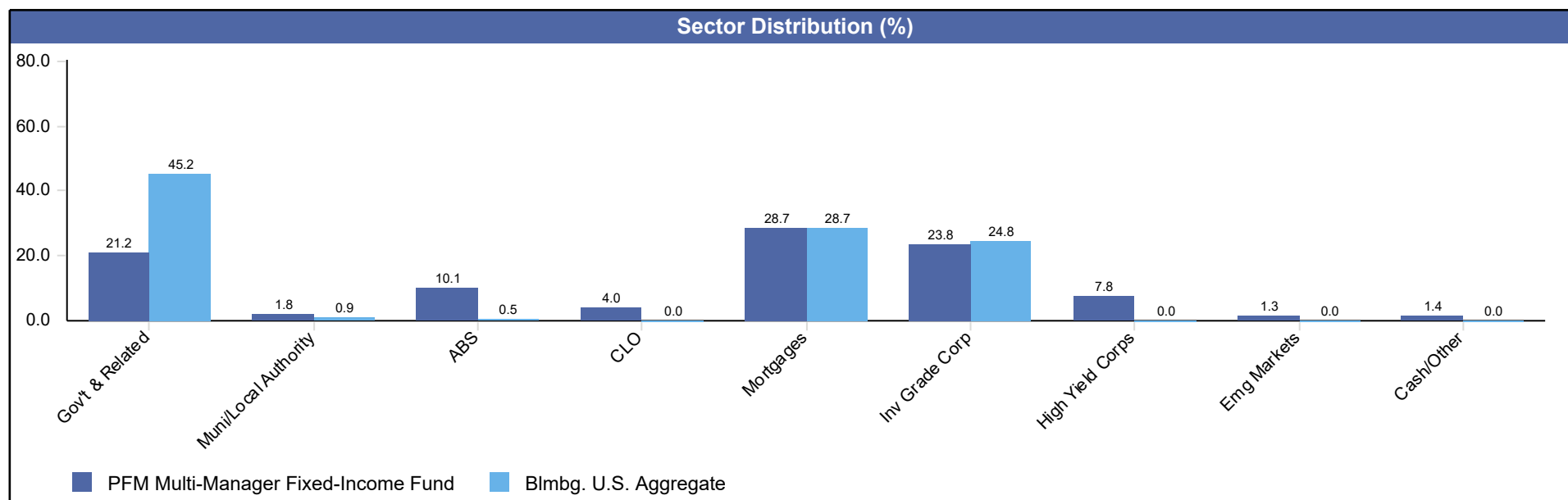
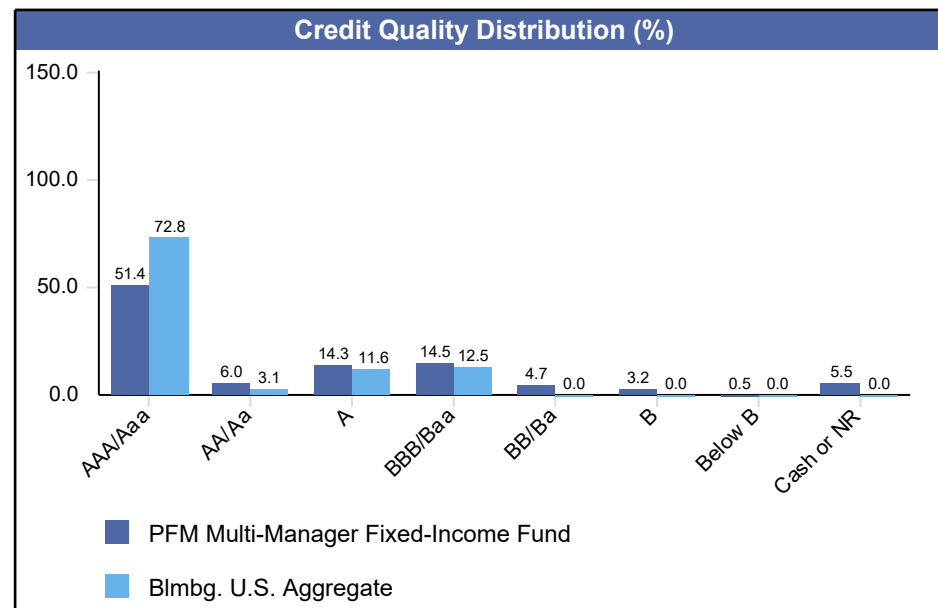
- **Management:** Bill Zox, CFA and John McClain, CFA have led the fund since it's inception in 2014.
- **Objective:** Seeks high current income with the opportunity for capital appreciation.
- **Strategy:** The fund generally holds over 80% of its assets in corporate debt rated below investment grade. Securities are purchased when they believe the yield and total return potential are attractive relative to asset and interest coverage and comparable securities.

● Mainstay MacKay Shields High Yield Corporate

- **Management:** Andrew Susser is the lead portfolio manager (since 2013). He is supported by about a dozen analysts and traders.
- **Objective:** To outperform the high yield market over the long term through superior credit selection, while mitigating downside risks.
- **Strategy:** A bottom-up, value-oriented approach to investing in the high yield market. The team sets a minimum of 1.5x asset coverage on the universe of corporate bonds then breaks down the remainder into four risk groups with differing spread levels needed for potential inclusion. The result is a diversified portfolio that may include some exposure to loans or investment grade credits.

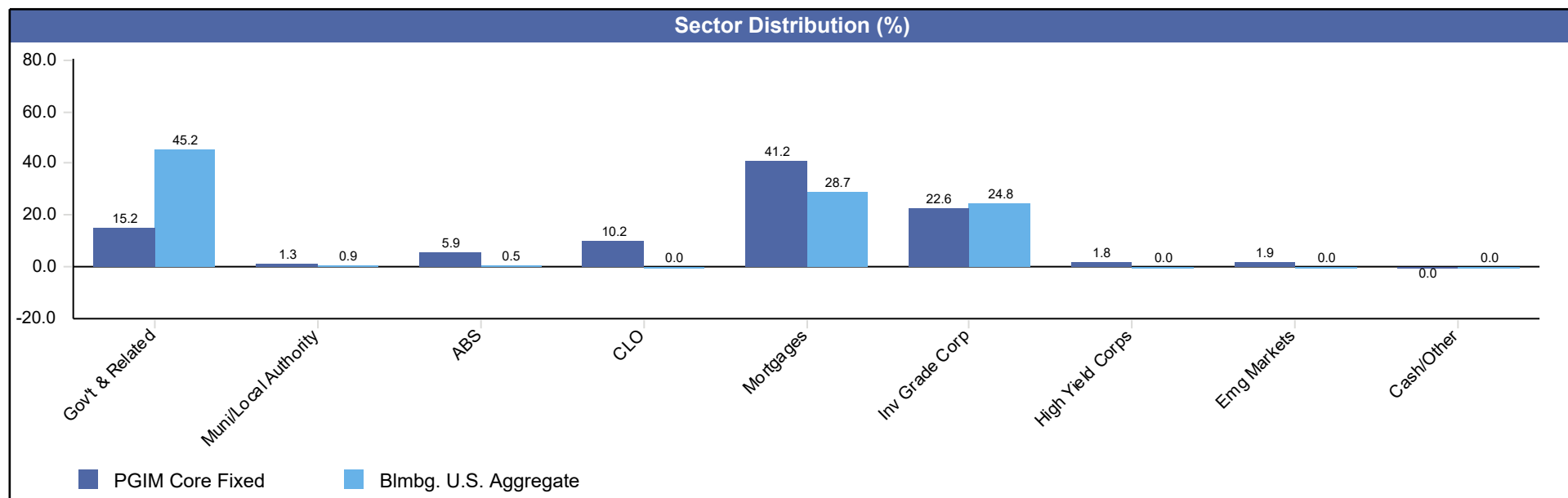
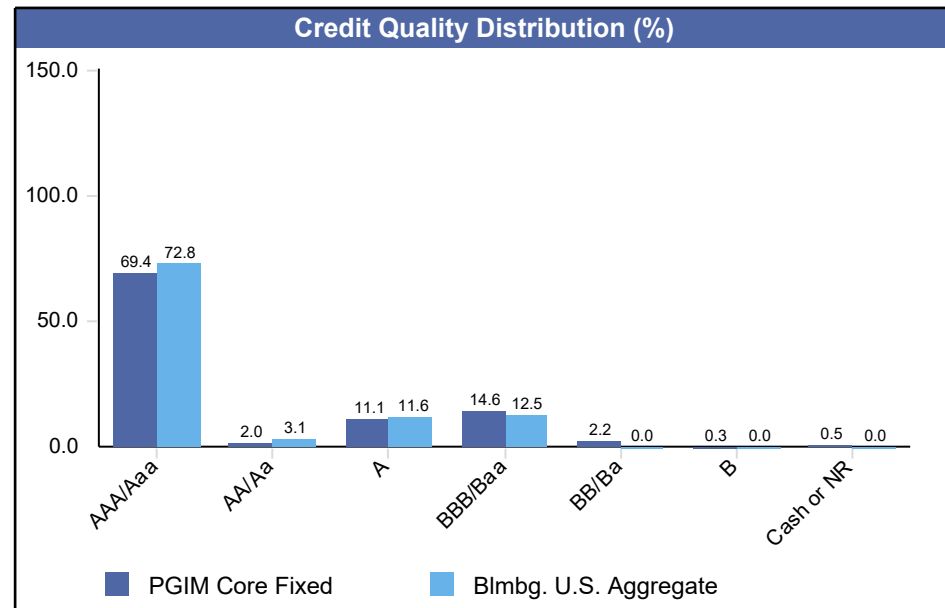
PFM Multi-Manager Fixed-Income Fund vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.71	6.31
Yield To Maturity (%)	5.89	4.81
Avg. Maturity	8.32	8.60
Avg. Quality	AA	AA
Coupon Rate (%)	3.62	2.88



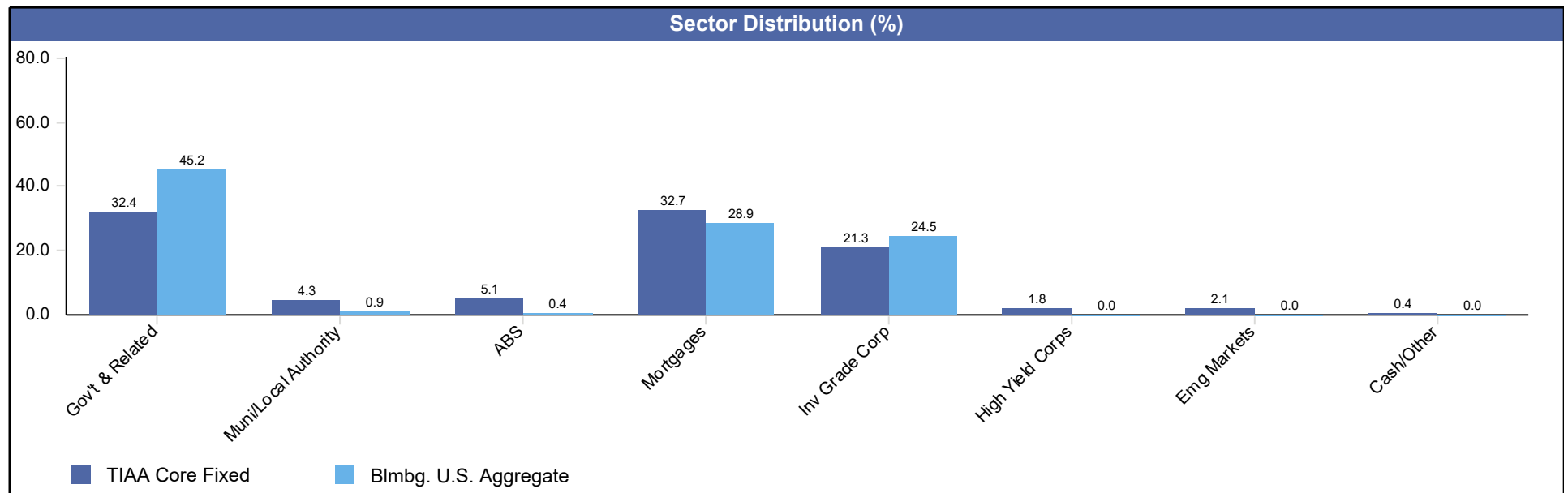
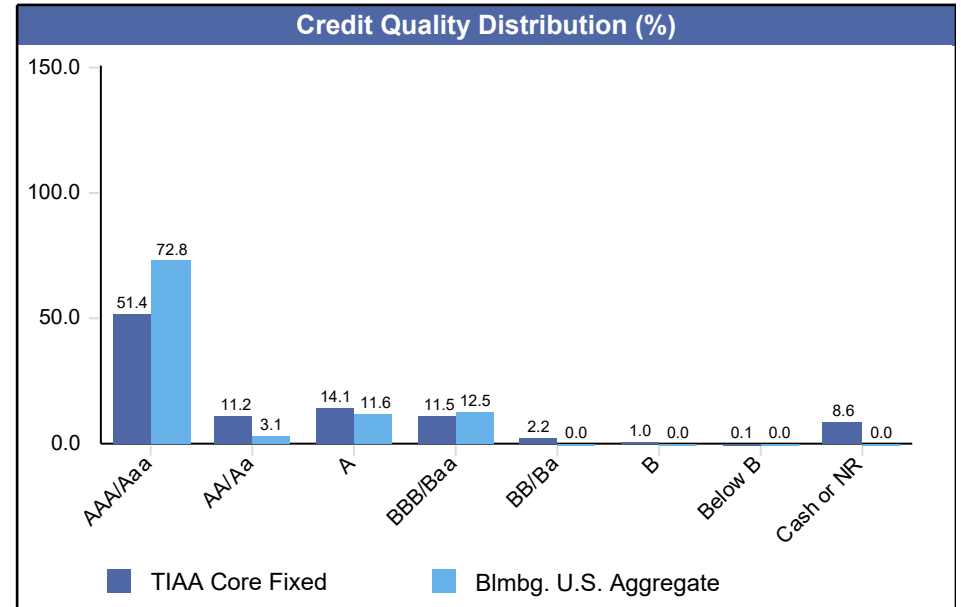
PGIM Core Fixed vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.24	6.31
Yield To Maturity (%)	5.67	4.81
Avg. Maturity	8.69	8.60
Avg. Quality	AA	AA
Coupon Rate (%)	3.64	2.88



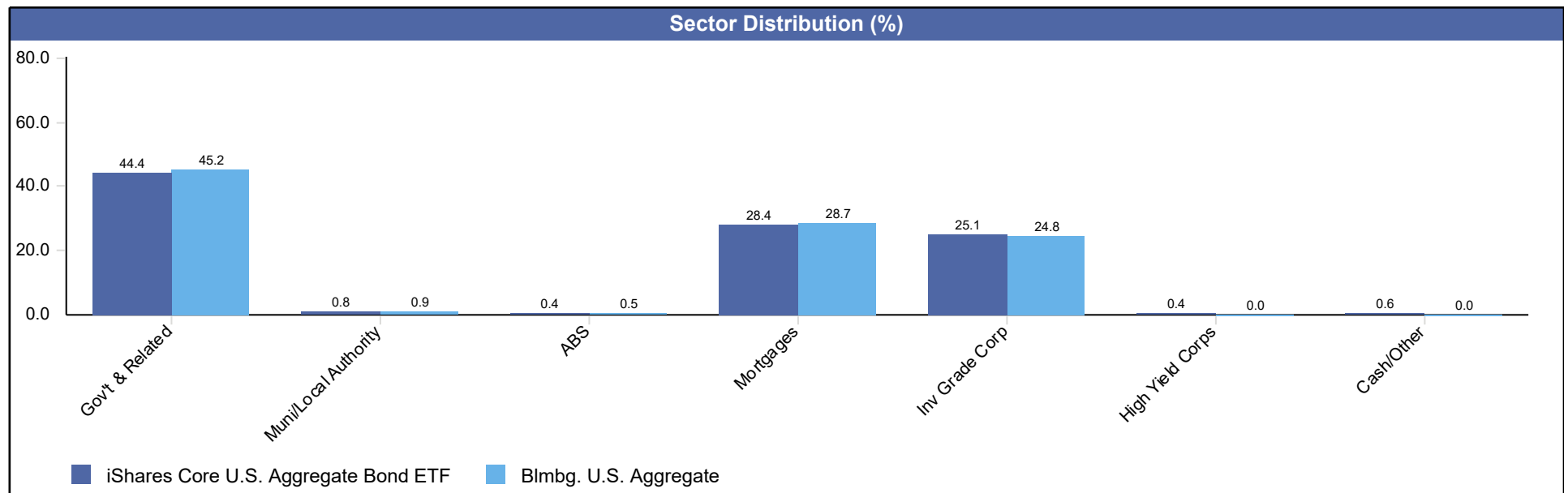
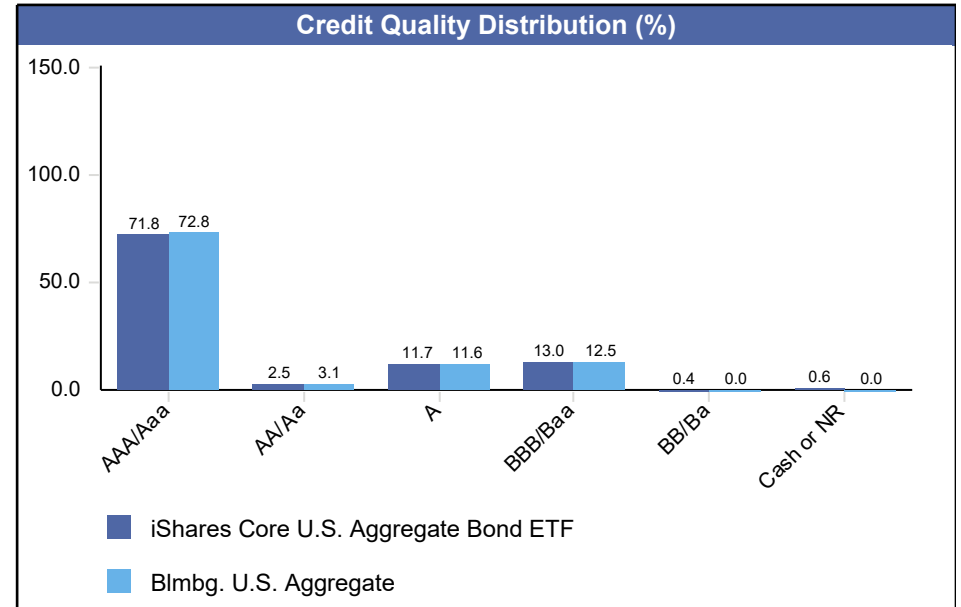
TIAA Core Fixed vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.17	6.31
Yield To Maturity (%)	5.54	4.81
Avg. Maturity	9.42	8.60
Avg. Quality	AA	AA
Coupon Rate (%)	2.93	2.88



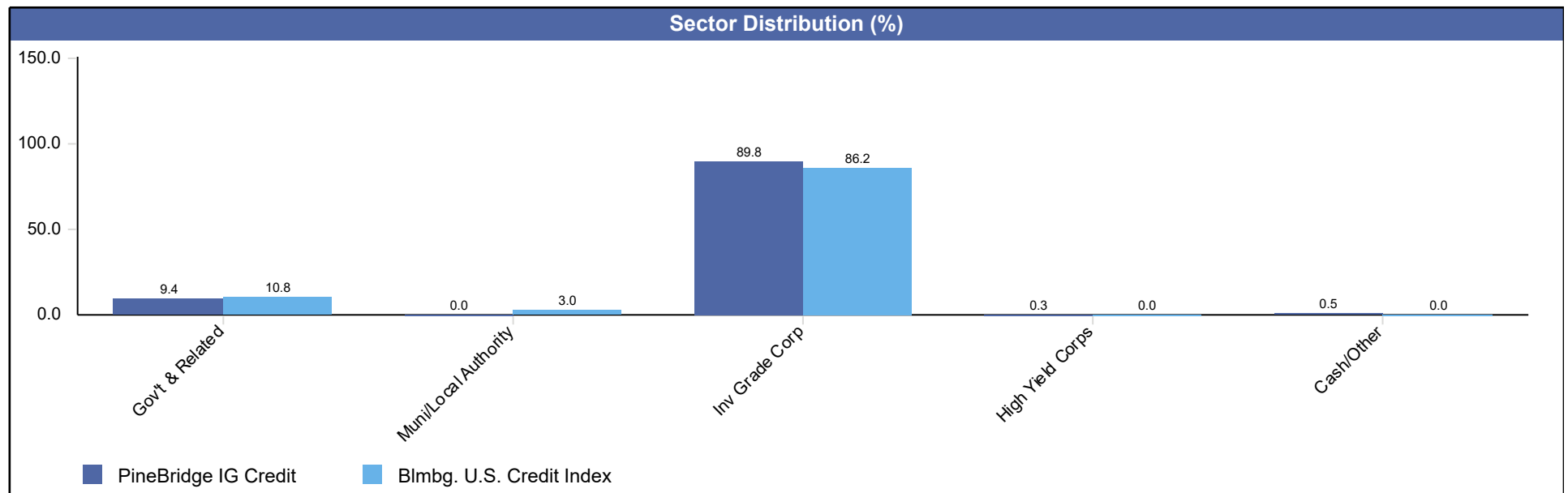
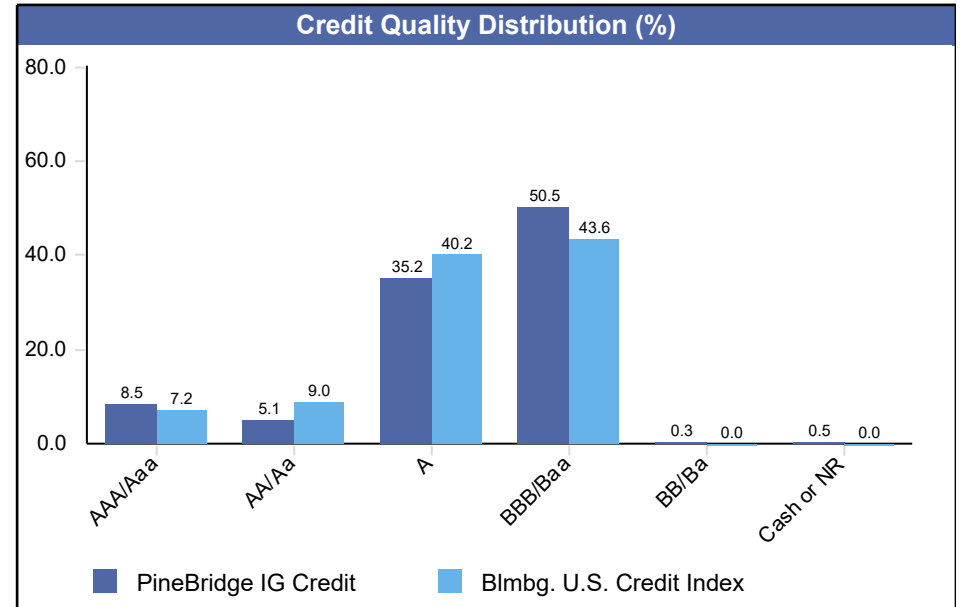
iShares Core U.S. Aggregate Bond ETF vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.30	6.31
Yield To Maturity (%)	4.80	4.81
Avg. Maturity	8.80	8.60
Avg. Quality	AA	AA
Coupon Rate (%)	2.90	2.88



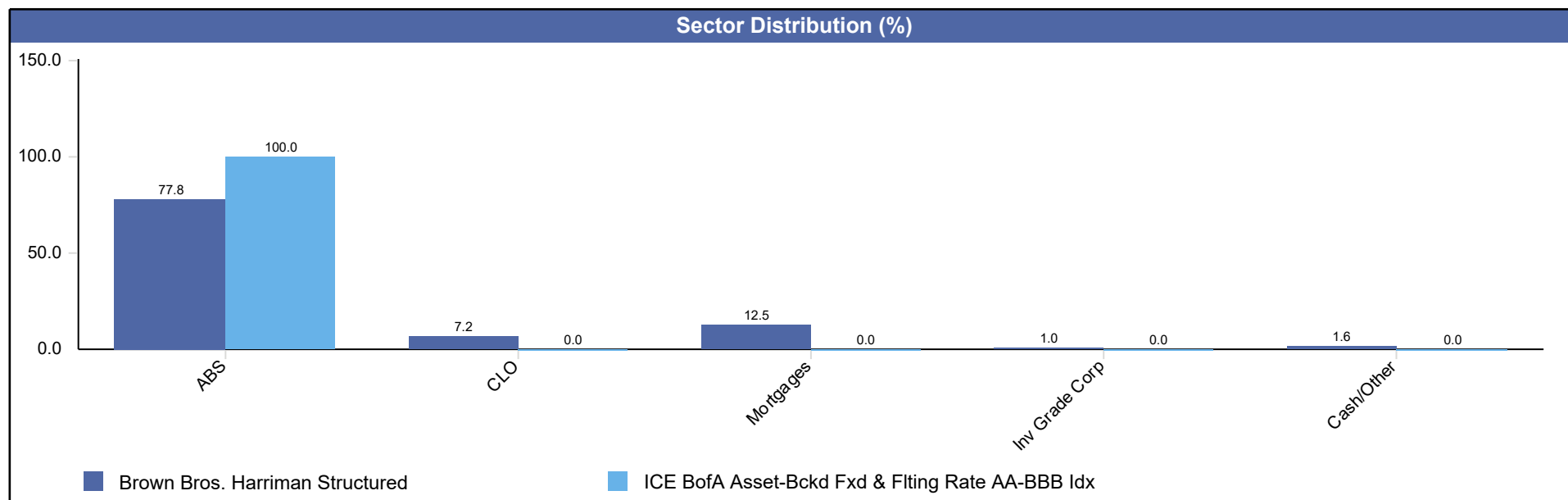
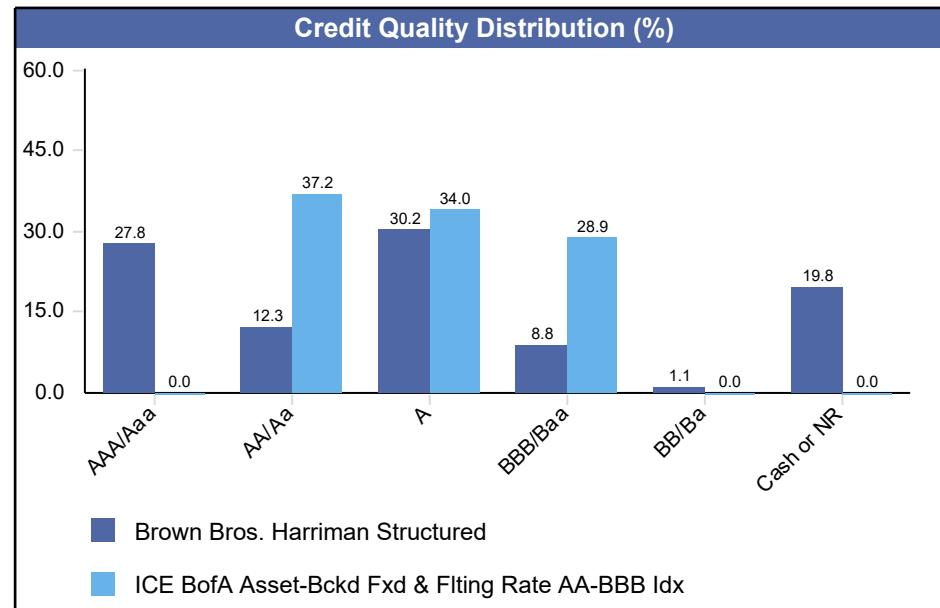
PineBridge IG Credit vs. Blmbg. U.S. Credit Index

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	7.02	6.97
Yield To Maturity (%)	5.69	5.40
Avg. Maturity	11.23	10.84
Avg. Quality	A	A
Coupon Rate (%)	4.03	3.80



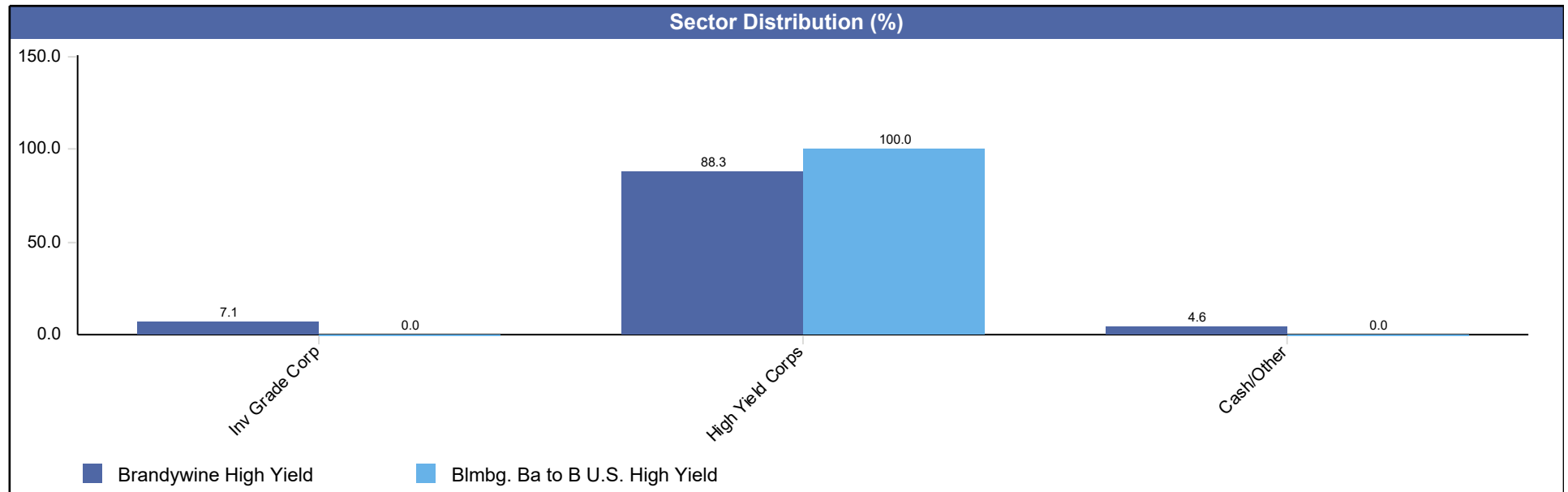
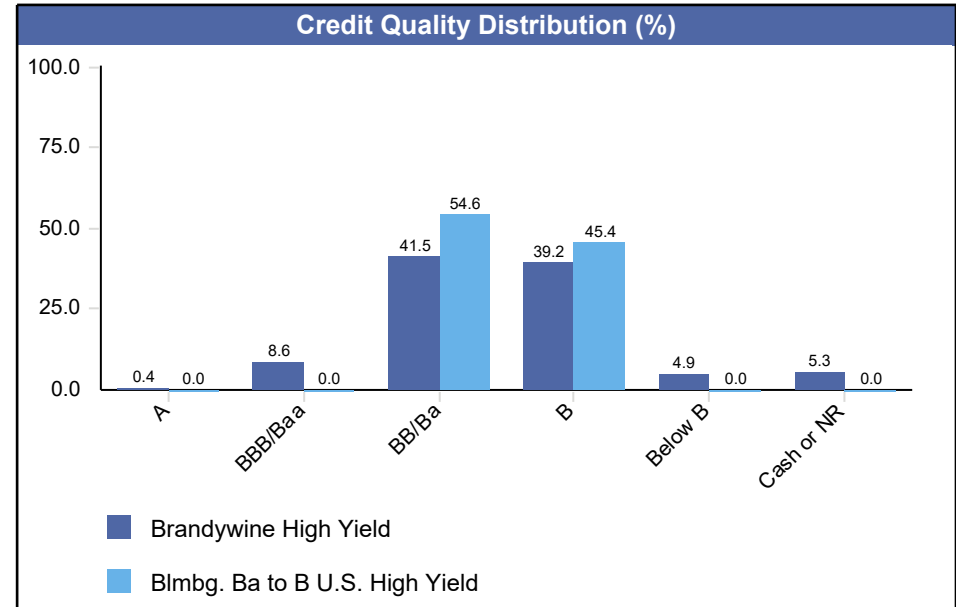
Brown Bros. Harriman Structured vs. ICE BofA Asset-Bckd Fxd & Fltng Rate AA-BBB Idx

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	2.26	2.65
Yield To Maturity (%)	7.68	7.06
Avg. Maturity	2.96	3.70
Avg. Quality	A	A
Coupon Rate (%)	4.63	3.95



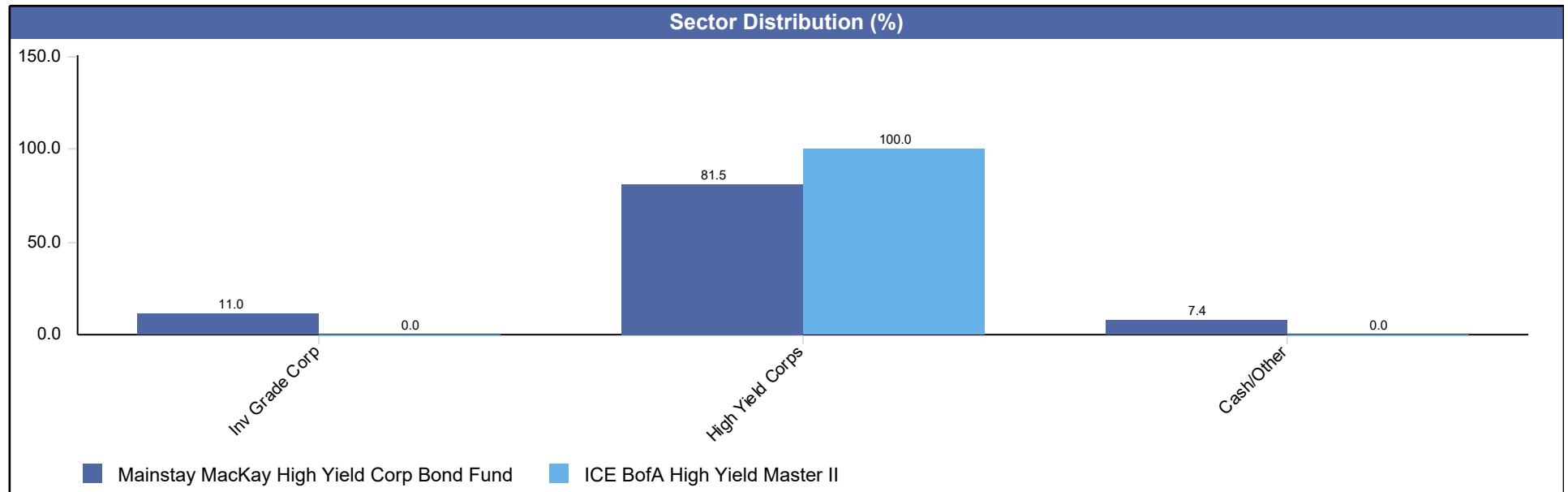
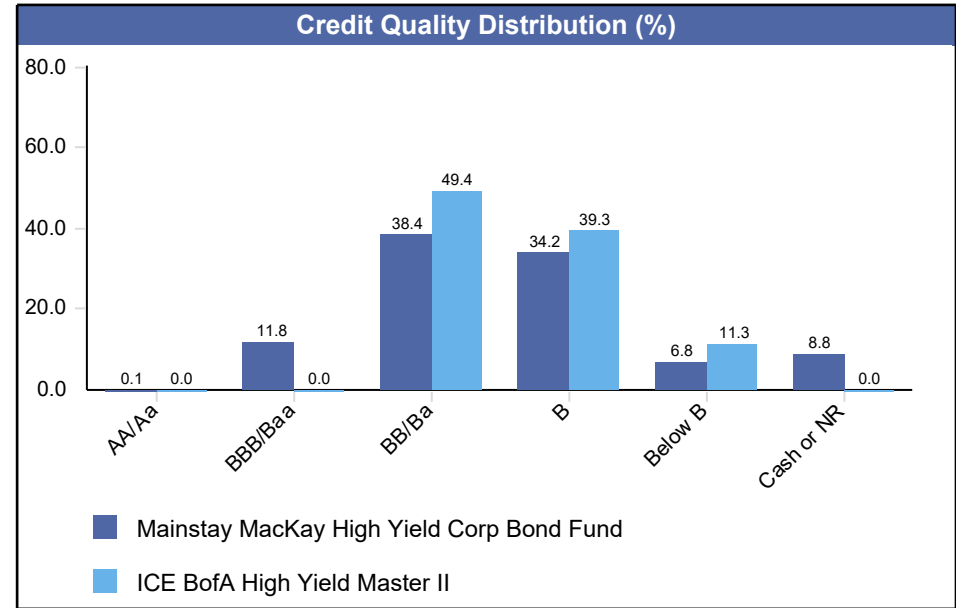
Brandywine High Yield vs. Blmbg. Ba to B U.S. High Yield

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	3.33	3.55
Yield To Maturity (%)	8.47	7.84
Yield To Worst	8.56	N/A
Avg. Maturity	5.05	5.17
Avg. Quality	BB	BB
Coupon Rate (%)	6.35	5.65



Mainstay MacKay High Yield Corp Bond Fund vs. ICE BofA High Yield Master II

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	3.41	3.63
Yield To Maturity (%)	8.09	8.59
Avg. Maturity	5.27	5.08
Avg. Quality	BB	BB
Coupon Rate (%)	5.92	5.91



IMPORTANT DISCLOSURES

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. 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.

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(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

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Portfolio Update

Multi-Asset Class Portfolio Update

May 11, 2023

SUMMARY

PFMAM's Multi-Asset Class Investment Committee (the "Committee") has voted to remove the overweight to U.S. mid caps and small caps in multi-asset class client portfolios.

ASSESSMENT

The Committee voted to remove the U.S. mid and small cap overweights within multi-asset class client portfolios. The S&P 400 Index (U.S. mid cap) and S&P 600 Index (U.S. small cap) remain attractively valued relative to the S&P 500 Index (U.S. large cap) on a trailing and forward 52-week P/E basis. However, amid continued uncertainty with the Federal Reserve's pathway for pausing rate hikes, the probability of rate cuts, and the volatility emerging from regional bank failures, the Committee decided to reduce risk in client portfolios by removing the mid and small cap overweights and allocating to the broad market index. U.S. mid and small cap equities had been outperforming large cap equities to start the year until regional bank failures such as SVB and Signature Bank surfaced. This has resulted in reduced liquidity for mid and small cap companies as bank credit standards have been tightened, which the Committee views as increasing risk and uncertainty.

PORTFOLIO IMPLICATIONS

Following these changes, multi-asset class client portfolios will remain at policy targets at the asset class level. Within U.S. equity, client portfolios will no longer have an overweight to mid and small caps (vs. large caps).

We appreciate your continued confidence in PFMAM. Should you have any specific questions or wish to discuss this topic in more detail, please contact your client manager directly.

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**CHINO VALLEY INDEPENDENT FIRE DISTRICT
STAFF REPORT**

DATE: AUGUST 23, 2023

TO: SECTION 115 TRUST INVESTMENT COMMITTEE

FROM: DAVE WILLIAMS, FIRE CHIEF

**SUBJECT: CHINO VALLEY FIRE DISTRICT SECTION 115 TRUST ANNUAL
REPORT**

PURPOSE:

Purpose is to review and discuss the 2022-23 Annual Report for the Section 115 Trust.

DISCUSSION:

The 115 Retirement Trust bylaws require that an annual report of the Trust be made within 90 days of fiscal year end to the District's Board of Directors. The bylaws also require that an annual independent audit of the Trust be conducted. The Trust's fiscal year end is June 30.

Vice Chair Shaker will prepare and deliver the annual report for the Trust to the District's Board of Directors at a regular meeting of the Board on September 13, 2023.

The annual audit for the 115 Retirement Trust will be incorporated into the District's annual audit. The fieldwork portion of the audit will be completed in early October, and it is anticipated that the final audit report will be released in either November or December.

RECOMMENDATION:

It is recommended that the 115 Trust Committee review and discuss the 2022-23 annual report of the Chino Valley 115 Trust.

ATTACHMENTS:

Trust Annual Report 2022-23

Chino Valley Fire District

Section 115 Trust Annual Report Fiscal Year 2022-2023

September 13, 2023

415.393.7225

pfmam.com

PFM Asset Management LLC

Matt Smith, CFA
Senior Managing Consultant

Purpose and Performance Objective of District's Section 115 Trust

- ▶ **Purpose:** To provide funding of District retirement benefits provided by CalPERS for those eligible employees.
- ▶ **Performance Objective:** Over five years or longer, achieve an average total annual rate of return that is equal to or greater than the Trust's stated total return objective of 5.5%.

Target Asset Allocation

PFMAM 60/40 Model	
Equity	60.0%
Domestic Equity	39.0%
International Developed Equity	15.0%
Emerging Markets Equity	6.0%
Fixed Income	40.0%
Core Fixed Income	20.0%
Investment Grade Corporate	10.0%
Emerging Markets Debt	5.0%
High Yield	5.0%
Intermediate-Term Assump. (5 Years)	
Expected Return	7.3%
Standard Deviation	10.6%
Probability of 6.0% Return	54.9%
Long-Term Assump. (30 Years)	
Expected Return	6.8%
Standard Deviation	10.6%
Probability of 6.0% Return	53.2%

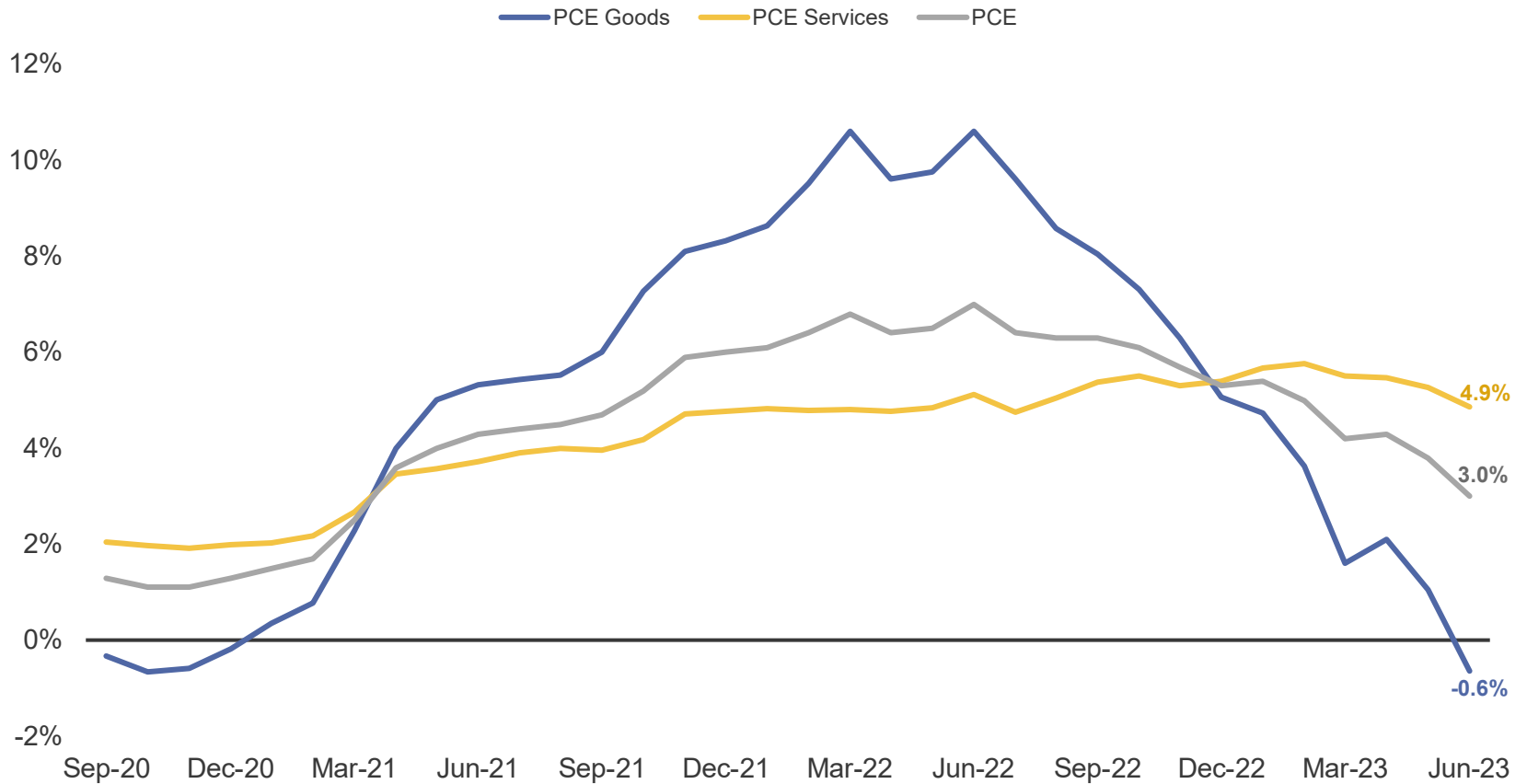
Equity and Fixed Income Market Indices

Market Index Performance as of 6/30/2023					
DOMESTIC EQUITY	QTD	YTD	1 Year	3 Years	5 Years
S&P 500	8.7%	16.9%	19.6%	14.6%	12.3%
Russell 1000 Index	8.4%	16.2%	18.9%	13.9%	11.4%
Russell 2000 Index	5.2%	8.1%	12.3%	10.8%	4.2%
Russell 3000 Index	8.6%	16.7%	19.3%	14.1%	11.9%
INTERNATIONAL EQUITY	QTD	YTD	1 Year	3 Years	5 Years
MSCI EAFE (net)	3.0%	11.7%	18.8%	8.9%	4.4%
MSCI AC World ex USA (Net)	2.4%	9.5%	12.7%	7.2%	3.5%
MSCI EM (net)	0.9%	4.9%	1.8%	2.3%	0.9%
ALTERNATIVES	QTD	YTD	1 Year	3 Years	5 Years
FTSE NAREIT Equity REIT Index	1.2%	3.0%	-4.4%	6.1%	4.8%
Bloomberg Commodity Index Total Return	-2.6%	-7.8%	-9.6%	17.8%	4.7%
FIXED INCOME	QTD	YTD	1 Year	3 Years	5 Years
Blmbg. U.S. Aggregate	-0.8%	2.1%	-0.9%	-4.0%	0.8%
Blmbg. Global Aggregate Ex USD	-2.2%	0.83%	-1.8%	-5.9%	-2.7%
Blmbg. U.S. Corp: High Yield	1.7%	5.4%	9.1%	3.1%	3.4%

Source: Investment Metrics, as of June 30, 2023.

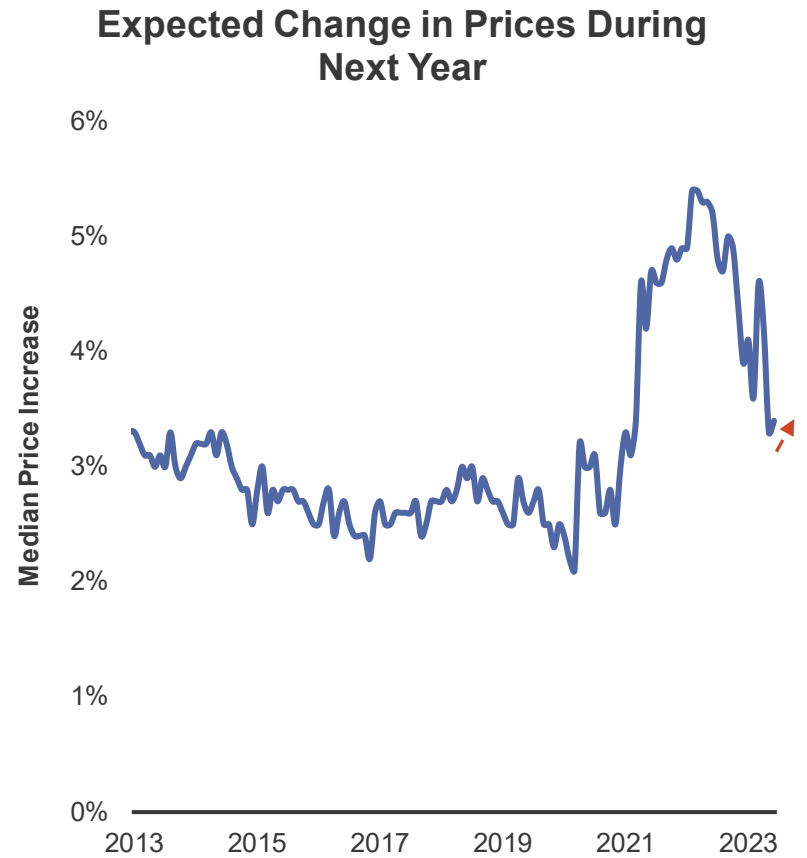
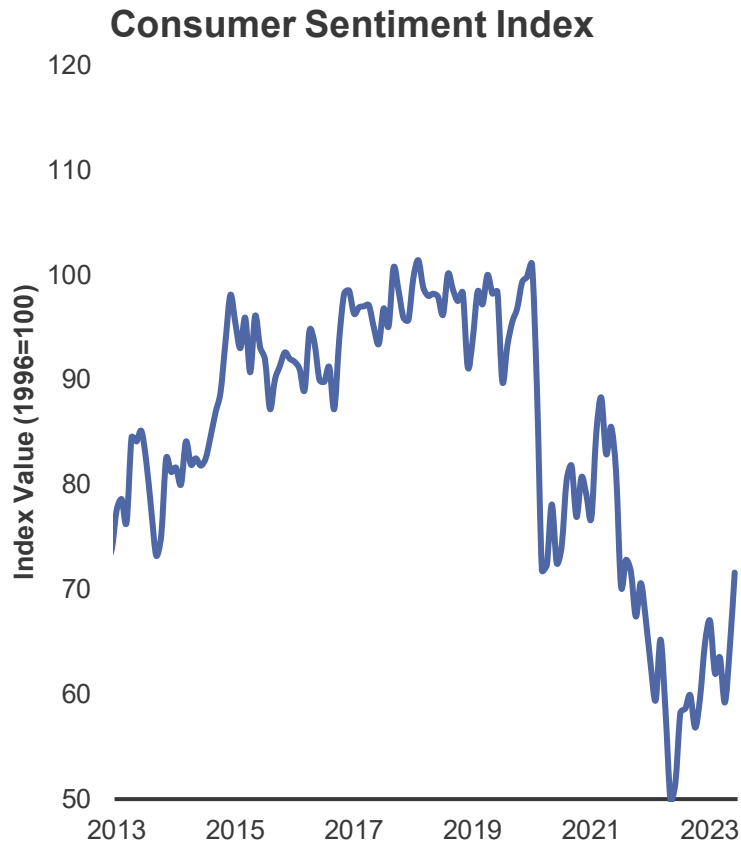
Inflation Cools While Still Above Fed's Target

Personal Consumption Expenditure Price Index Goods vs Services, YoY



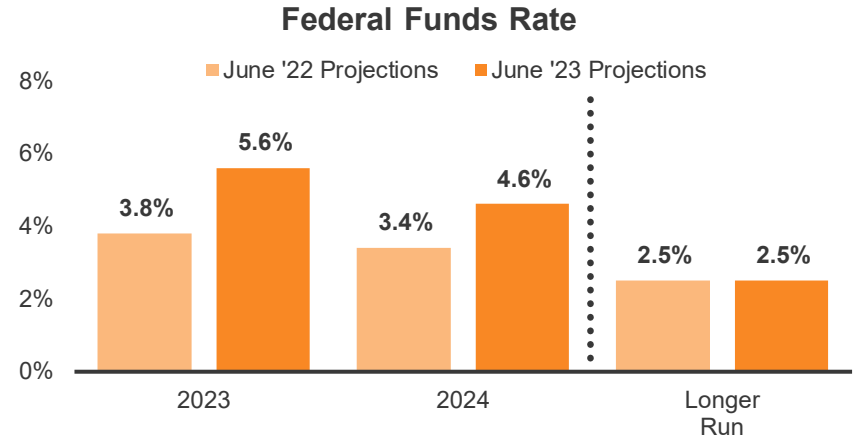
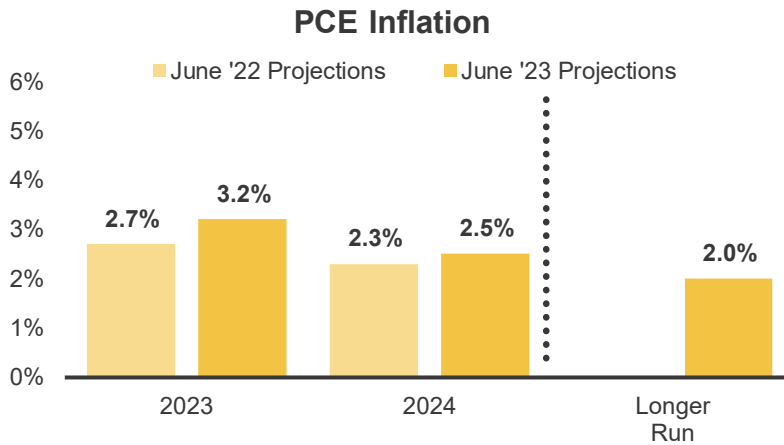
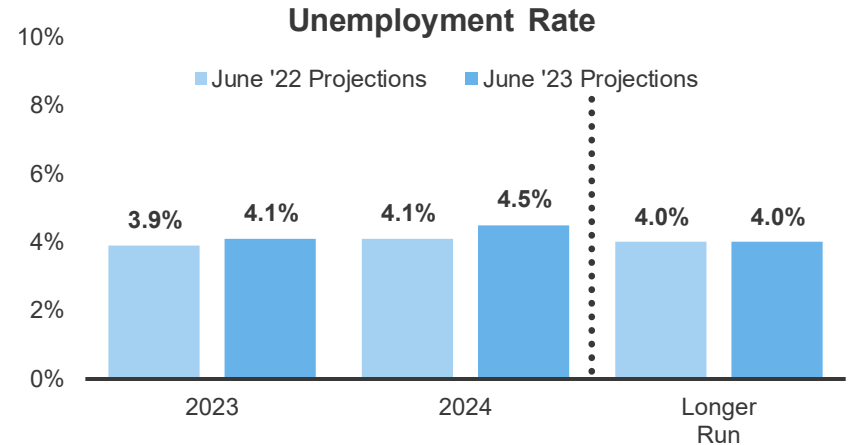
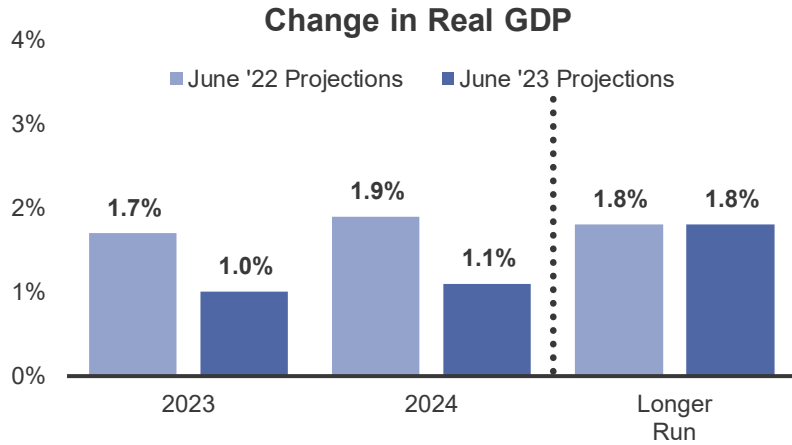
Source: Bloomberg, as of June 2023.

Consumer Sentiment Improves Further



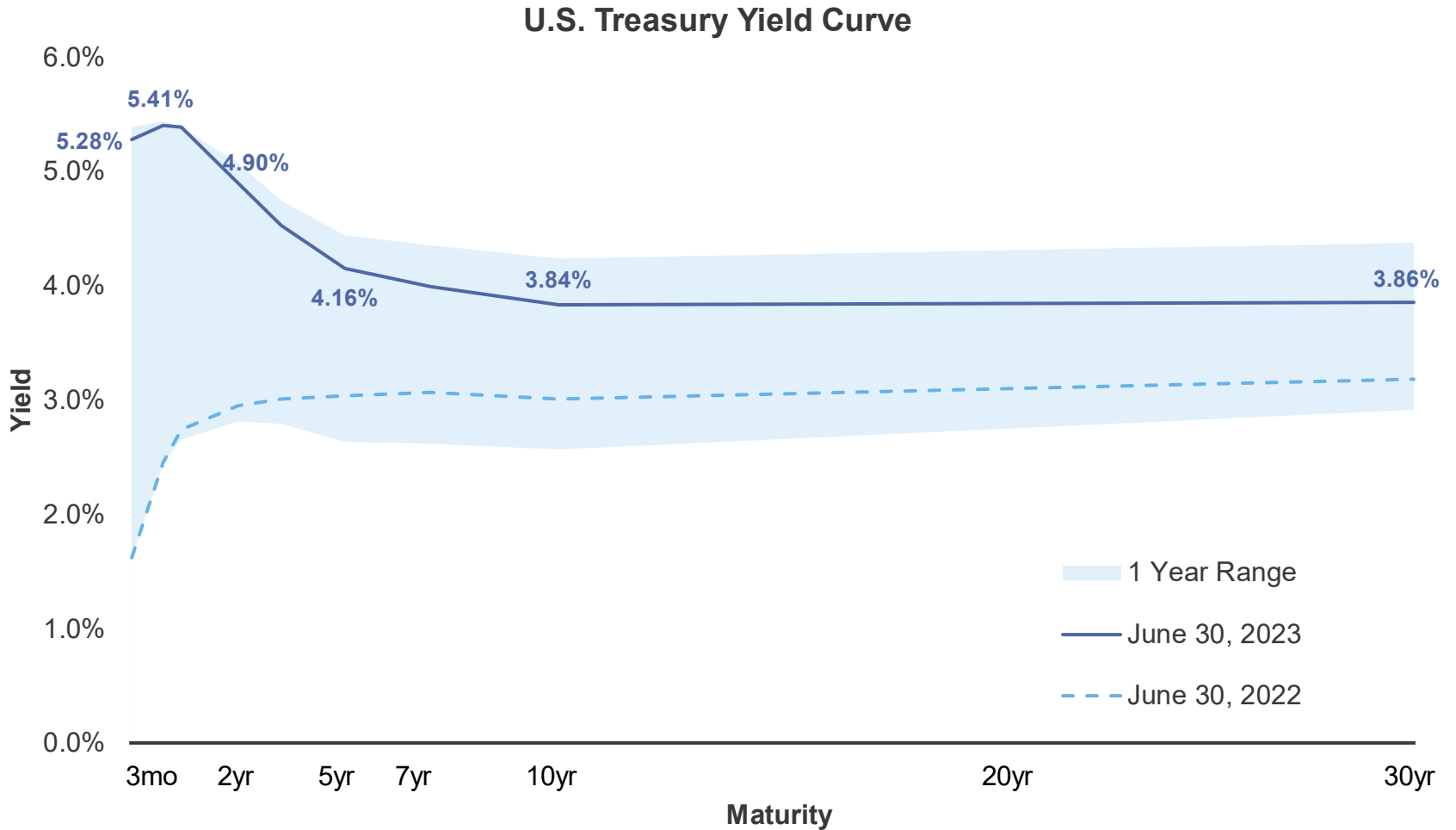
Source: Bloomberg, University of Michigan Consumer Sentiment and underlying index components, as of July 2023.

Modest Growth, Strong Employment, Fed Continues to Fight Inflation



Source: Federal Reserve, latest economic projections as of June 2023.

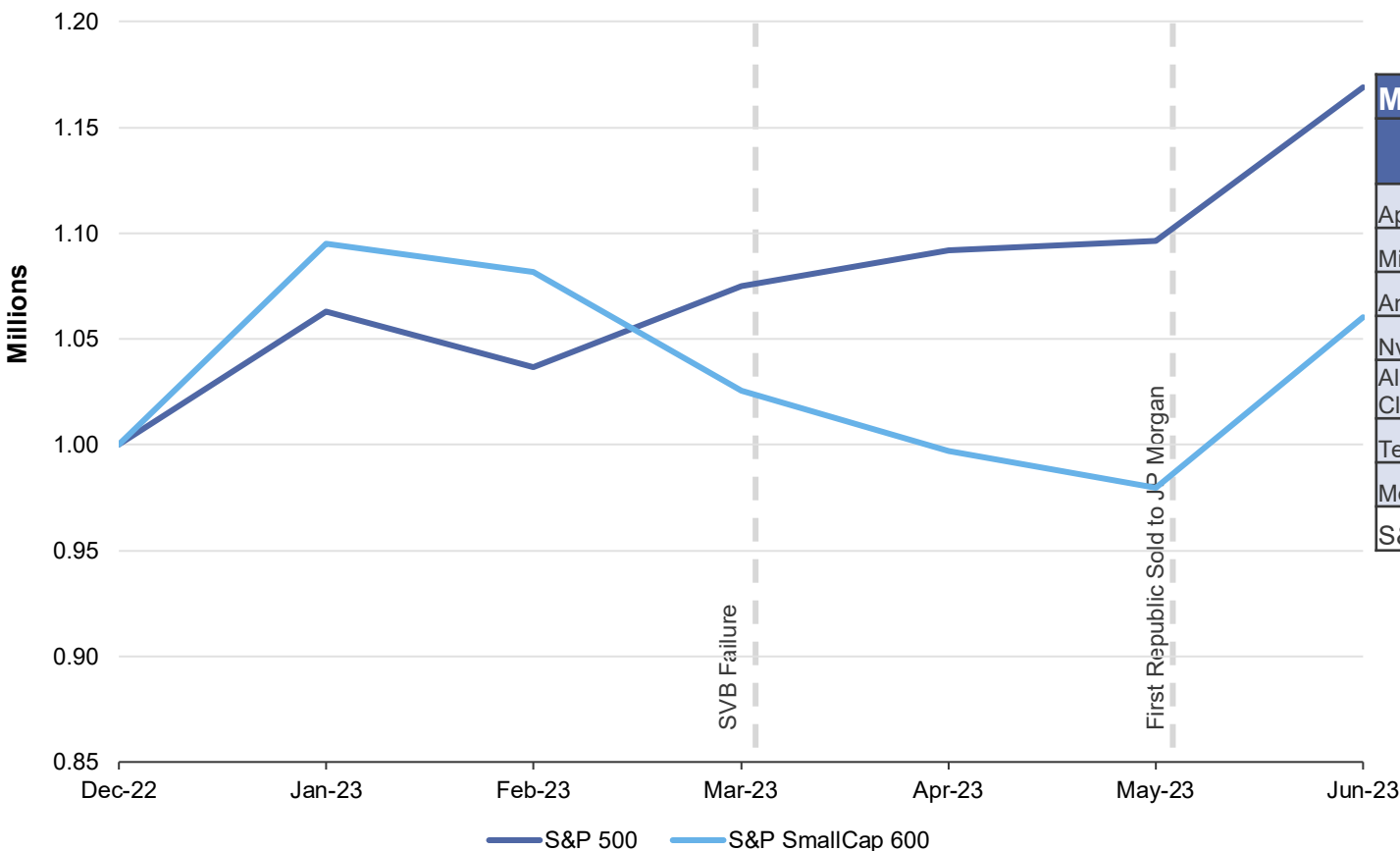
Short-Term Rates Rise to Decade Highs



Source: Bloomberg, as of 06/30/2023.

U.S. Equity: Performance Dominated by Big Tech Names

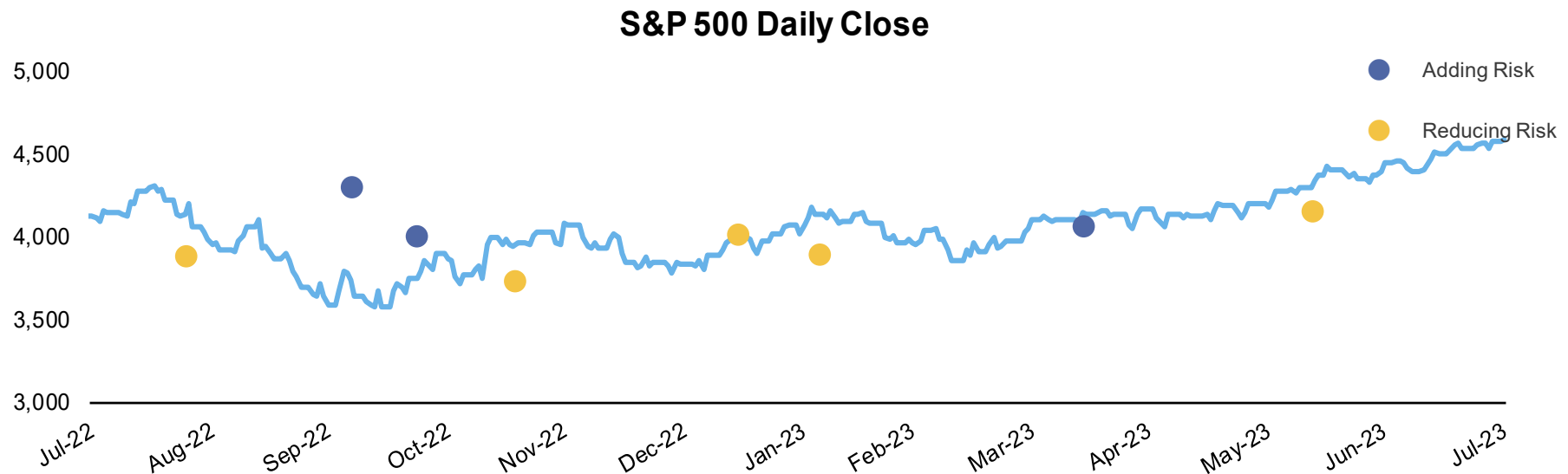
Growth of Million Dollars



Market Movers vs Index			
	12/31 Weight	6/30 Weight	YTD Returns
Apple	6.05%	7.69%	49.7%
Microsoft	5.57%	6.79%	42.7%
Amazon	2.32%	3.12%	55.2%
Nvidia	1.13%	2.81%	189.5%
Alphabet Class A	1.64%	1.91%	35.7%
Tesla	1.03%	1.89%	112.5%
Meta	0.84%	1.70%	138.5%
S&P 500			16.9%

Source: Left: InvestmentMetrics, as of June 30, 2023, Right: Returns Bloomberg as of June 30, 2023 Weights are based on the Vanguard S&P500 index fund for the respective dates.

Investment Committee Decision Timeline



- ▶ **June:** *Increased exposure to domestic small and midcap equity*, added MBS to fixed income allocation, while continuing to be defensive by maintaining a cash allocation and reducing exposure to some active international equity managers
- ▶ **Aug:** *Reduced tactical allocation to cash*, adding exposure to international equities and fixed income
- ▶ **Sept:** Reduced allocation to active international equity manager adding to passive international equities
- ▶ **Oct:** Removed tactical allocations to preferreds, allocating to domestic equity, international equity, fixed income, & cash
- ▶ **Dec:** *Removed tactical cash allocation and brought fixed income to target allocation*
- ▶ **Feb:** *Increased allocation to domestic small and midcap equity*, increased allocation to emerging market equity
- ▶ **March:** Decreased allocation to short duration fixed income
- ▶ **May:** *Removed overweight to mid and small cap allocations* within domestic equity and decreased allocation to short duration fixed income

Source: Bloomberg, as of June 30, 2023

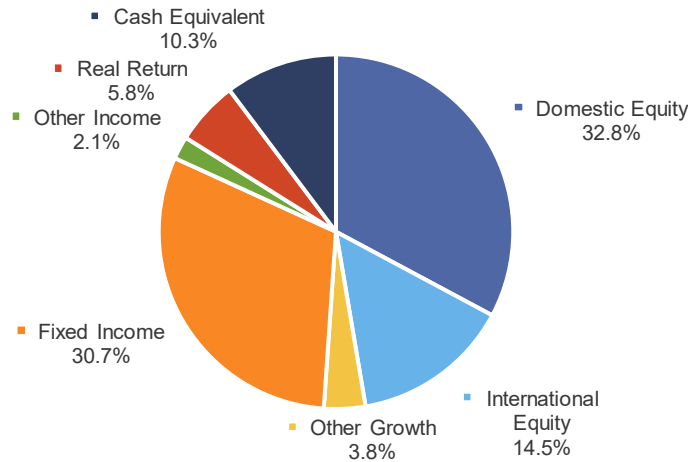
PFMAM issued Portfolio Updates and notification explaining the change to the portfolio and rationale.

Portfolio Update as of June 30, 2023

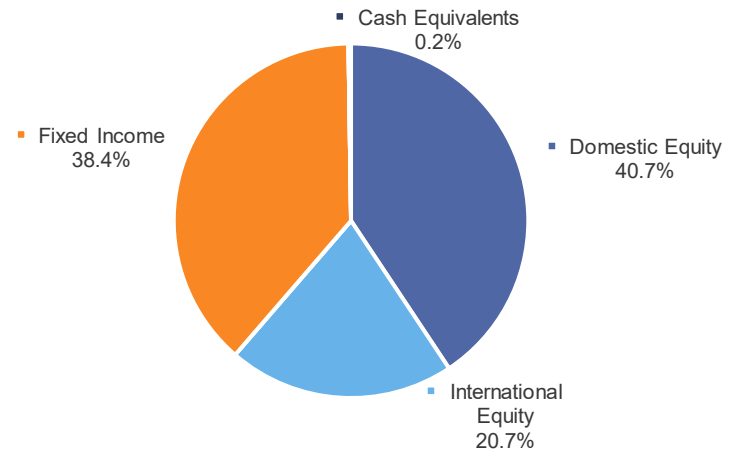
	Quarter	1 Year	3 Year	Since Inception ¹
Section 115 Performance	3.1%	8.0%	4.5%	5.6%
<i>Benchmark Performance²</i>	3.4%	9.7%	4.1%	5.4%

Assets as of June 30, 2023	
Total Market Value ¹	\$9,492,407

Trust Allocation
June 30, 2022



Trust Allocation
June 30, 2023



1. PFMAM began managing this portfolio in May 2017.

2. Blended benchmark consists of 39% Russell 3000 Index, 21% MSCI AC World Ex USA (net), 40% Bloomberg US Aggregate

Domestic Equity – Neutral

- ▶ 2023 economic growth proving resilient, and 2024 growth expected to improve
- ▶ Corporate profit margins stabilizing to pre-pandemic levels
- ▶ Small-mid cap valuation more attractive but market sentiment remains cautious

International Equity – Neutral

- ▶ More attractive valuations compared to domestic equities
- ▶ Watching global financial conditions as this may impact future returns
- ▶ Emerging market equities poised for outperformance over the long-term, however China economy is lagging

Fixed Income – Neutral

- ▶ Rate hike cycle nearing peak with possibility of one more rate hike before year-end
- ▶ Credit products remain attractive due to strong corporate fundamentals



Appendix



Allocation and Performance

As of June 30, 2023

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
CVFD - Section 115 Trust - Total Fund	9,492,407	100.00	3.10	8.28	8.01	4.47	5.18	5.57	05/01/2017
<i>Policy Benchmark</i>			3.43	9.04	9.67	4.10	5.21	5.44	05/01/2017
Domestic Equity	3,860,479	40.67	6.99	13.65	15.96	12.57	11.03	11.64	05/01/2017
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	11.95	05/01/2017
PFM Multi-Manager Domestic Equity Fund	3,860,479	40.67	6.88	13.54	15.97	12.91	N/A	9.74	09/01/2018
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	10.26	09/01/2018
Vanguard Total Stock Market ETF - 69.4%			8.42	16.18	18.96	13.76	11.31	10.88	02/01/2020
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	10.98	02/01/2020
Vaughan Nelson Select - 10.1% (^)			6.50	16.17	18.23	18.08	13.63	13.71	06/01/2018
Nuance All Cap Value - 7.5% (^)			4.29	7.79	10.77	11.77	9.81	9.63	06/01/2018
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	10.26	09/01/2018
Aristotle Atlantic Core Equity - 7.6%(^)			9.10	14.80	16.94	N/A	N/A	-4.30	11/01/2021
<i>Russell 3000 Index</i>			8.39	16.17	18.95	13.89	11.39	-2.38	11/01/2021
Champlain Mid Cap Core - 3.0% (^)			4.49	10.12	13.04	8.94	9.77	9.68	06/01/2018
<i>S&P MidCap 400</i>			4.85	8.84	17.61	15.44	7.79	6.98	09/01/2018
Jacobs Levy Small Cap - 2.1% (^)			3.42	6.67	9.07	20.29	N/A	10.62	05/01/2019
<i>S&P SmallCap 600</i>			3.38	6.03	9.75	15.19	5.22	7.08	05/01/2019
International Equity	1,962,618	20.68	2.38	9.23	11.57	5.40	2.90	4.54	05/01/2017
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	4.61	05/01/2017
PFM Multi-Manager International Equity Fund	1,962,618	20.68	2.37	9.22	11.74	6.15	N/A	2.98	09/01/2018
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	3.59	09/01/2018
iShares Core MSCI Total Int'l Stock ETF - 42.2%			2.55	9.61	12.69	7.57	3.59	3.84	02/01/2020
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	3.57	02/01/2020
WCM Focused Growth International - 12.5% (^)			3.90	14.88	19.22	7.57	N/A	8.36	12/01/2019
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	3.84	12/01/2019
Ninety One Int'l Dynamic Equity - 15.1% (^)			1.49	8.55	12.20	N/A	N/A	-6.09	12/01/2021
<i>MSCI AC World ex USA (Net)</i>			2.44	9.47	12.72	7.22	3.52	-2.70	12/01/2021
Acadian Non-U.S. Equity - 6.5% (^)			1.35	5.20	11.81	8.77	N/A	4.16	01/01/2020
<i>MSCI EAFE (net)</i>			2.95	11.67	18.77	8.93	4.39	3.97	01/01/2020
Aristotle International Equity - 12.8% (^)			4.95	12.30	16.88	9.25	4.81	4.87	06/01/2018
<i>MSCI EAFE (net)</i>			2.95	11.67	18.77	8.93	4.39	4.44	09/01/2018
Kayne Anderson International Small Cap - 1.0% (^)			6.80	15.42	14.77	N/A	N/A	-8.81	05/01/2021
<i>MSCI AC World ex USA Small Cap (Net)</i>			2.05	6.84	10.93	8.15	2.62	-5.99	05/01/2021
Schroders Global Emerging Markets - 9.7% (^)			1.25	5.86	4.95	3.12	N/A	0.01	01/01/2020
<i>MSCI EM (net)</i>			0.90	4.89	1.75	2.32	0.93	-0.97	01/01/2020

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Fixed Income	3,647,100	38.42	-0.35	2.67	0.41	-2.90	1.00	0.90	05/01/2017
<i>Blmbg. U.S. Aggregate</i>			-0.84	2.09	-0.94	-3.97	0.77	0.66	05/01/2017
PFM Multi-Manager Fixed-Income Fund	3,647,100	38.42	-0.41	2.67	0.44	-2.84	N/A	0.89	09/01/2018
<i>Blmbg. U.S. Aggregate</i>			-0.84	2.09	-0.94	-3.97	0.77	0.65	09/01/2018
PGIM Core Fixed - 33.1% (^)			-0.61	2.44	-0.42	-3.63	1.01	0.96	06/01/2018
TIAA Core Fixed - 33.1% (^)			-0.90	2.47	-1.30	-3.52	1.12	1.08	06/01/2018
<i>Blmbg. U.S. Aggregate</i>			-0.84	2.09	-0.94	-3.97	0.77	0.65	09/01/2018
iShares Core U.S. Aggregate Bond ETF - 11.8%			-0.85	2.26	-0.93	-3.97	0.74	-4.85	05/01/2021
<i>Blmbg. U.S. Aggregate</i>			-0.84	2.09	-0.94	-3.97	0.77	-4.85	05/01/2021
PineBridge IG Credit - 5.6% (^)			-0.20	2.55	0.20	-2.96	2.60	2.44	06/01/2018
<i>Blmbg. U.S. Credit Index</i>			-0.31	3.13	1.39	-3.38	1.65	1.45	09/01/2018
Brown Bros. Harriman Structured - 8.4% (^)			0.41	2.70	2.50	1.55	2.11	2.07	06/01/2018
<i>ICE BofA Asset-Bckd Fxd & Fltng Rate AA-BBB Idx</i>			0.41	3.42	2.45	0.99	1.73	1.66	09/01/2018
Brandywine Global High Yield - 3.9%			2.75	6.01	10.71	4.64	5.79	2.85	10/01/2020
<i>Blmbg. Ba to B U.S. High Yield</i>			1.35	4.83	8.85	2.64	3.74	1.36	10/01/2020
MainStay MacKay High Yield Corp Bond Fund - 3.9%			1.30	5.27	8.89	3.95	3.68	-0.27	06/01/2021
<i>ICE BofA High Yield Master II</i>			1.63	5.42	8.87	3.21	3.18	-1.75	06/01/2021
Cash Equivalent	22,209	0.23	1.21	2.28	3.64	1.25	1.43	1.37	05/01/2017
Allspring Government Money Market Fund	22,209	0.23	1.21	2.28	3.64	1.25	1.43	1.36	05/01/2017

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**CHINO VALLEY INDEPENDENT FIRE DISTRICT
STAFF REPORT**

DATE: AUGUST 23, 2023

TO: SECTION 115 TRUST INVESTMENT COMMITTEE

FROM: DAVE WILLIAMS, FIRE CHIEF

SUBJECT: ANNUAL REVIEW OF INVESTMENT POLICY STATEMENT

PURPOSE:

Purpose is to conduct an annual review of the Chino Valley Fire District 115 Trust Investment Policy and to discuss potential future changes to the asset allocation of the Trust's investments.

DISCUSSION:

The current Investment Policy is attached. No changes are proposed to the Investment Policy Statement at this time. Changes were last made in August 30, 2021.

RECOMMENDATION:

It is recommended that the 115 Trust Committee review and discuss the Investment Policy.

ATTACHMENTS:

Investment Policy 8-30-2021

INVESTMENT POLICY STATEMENT
FOR
CHINO VALLEY FIRE DISTRICT SECTION 115 TRUST

Adopted March 29, 2017
Amended November 13, 2019

Revised August 30, 2021

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The Chino Valley Fire District (the "District") has established the Chino Valley Fire District Section 115 Trust (the "Trust"). This Trust is intended to provide funding of District retirement benefits provided by California Public Employees Retirement System ("CalPERS") for those eligible employees who meet the specified age and service requirements. The Chino Valley Fire District Section 115 Trust Investment Committee hereby adopts this Investment Policy Statement ("Policy Statement") for the following purposes.

Purpose

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the District's stated objectives for the Trust.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for Trust assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Trust assets.

Investment Authority

The District's Board of Directors has established the Chino Valley Fire District Section 115 Trust Investment Committee (the "Committee") to oversee certain policies and procedures related to the operation and administration of the Trust. The Committee will have authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust. In implementing this Policy Statement, the Committee believes it may delegate certain functions to:

1. An investment advisor ("Advisor") to assist the Committee in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Committee in establishing investment policy objectives and guidelines and may also select investments with discretion to purchase, sell, or hold specific securities that will be used to meet the

Fund's investment objectives. The Advisor will: a) adjust asset allocation for the Fund subject to the guidelines and limitations set forth in this Policy Statement; b) select investment managers ("Managers") and strategies consistent with its role as a fiduciary; c) monitor and review Managers and measure and evaluate their performance against their peers based upon the performance of the total funds under their direct management; and d) execute other tasks as deemed appropriate in its role as Advisor for Fund assets. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor shall never take possession of securities, cash or other assets of the Fund, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Trust to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trust, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the Committee shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Committee in meeting its responsibilities and obligations to administer Trust assets prudently.

Statement of Investment Objectives

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals on a continuing basis for payment of benefits and reasonable expenses of operation of the Trust.
3. To enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. Subject to performance expectations over the long-term, to minimize principal fluctuations over the Time Horizon (as defined below).

5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

Investment Guidelines

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, private or leveraged equity, certain real estate investments, and hedge funds focused on equity risk mitigation or equity-like returns.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, certain real estate investments, and hedge funds focused on interest rate risk mitigation or income investment-like returns.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities, certain real estate investments and hedge funds.

Time Horizon

The Trust's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Committee has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the "Trust Distributions"). Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

Asset Allocation

The Committee believes that to achieve the greatest likelihood of meeting the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust's target rate of return over the long-term, as described in the section titled "Performance Expectations".

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	19% - 59%	39%
International Equity	1% - 41%	21%
Other	0% - 20%	0%
Income Assets		
Fixed Income	20% - 60%	40%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	0% - 20%	0%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions.

Risk Tolerance

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

Performance Expectations

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's stated total return objective.

Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

Selection of Investment Managers

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS[®]), Securities & Exchange Commission (“SEC”), Financial Industry Regulatory Agency (“FINRA”) or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal (“RFP”) completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

Guidelines for Portfolio Holdings

Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments.

Limitations on Managers' Portfolios

EQUITIES

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities. Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities. The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

FIXED INCOME

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization ("NRSRO").

OTHER ASSETS (ALTERNATIVES)

Alternatives may consist of non-traditional asset classes such as private equity, real estate and commodities, when deemed appropriate. The total allocation to this category may not exceed 20% of the overall portfolio. Prior to adding an allocation to any of the following asset classes, with the exception of publicly-traded mutual fund vehicles, the Advisor shall receive approval from the District.

Private Equity: Private equity is less liquid than publicly traded equity securities and can provide returns that are greater than what is available in publicly traded markets. The private equity portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, venture capital, buyout, turnaround, mezzanine, distressed security, and special situation funds. The private equity portfolio is recognized to be long-term in nature and highly illiquid. Due to their higher risk, private equity investments are expected to provide higher returns than publicly traded equity securities. For purposes of asset allocation targets and limitations, these funds will be categorized as "Other" under the Growth Assets category.

Private Debt: Private debt is less liquid than publicly traded debt and can provide returns that are greater than what is available in publicly traded markets. The private debt portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, direct

lending, distressed debt, multi-asset credit, structured credit, mezzanine debt, real estate debt, and special situations. Due to their higher risk, private debt investments are expected to provide higher long-term returns than publicly traded debt securities. For purposes of asset allocation targets and limitations, these funds will be categorized as “Other” under the Income Assets category.

Real Assets: Real assets are typically physical assets that have intrinsic worth due to their substance and properties. Real assets are primarily used for their lower correlation to traditional assets (i.e. stocks and bonds) and their inflation hedging properties. Categories of real asset investments include, but are not limited to, real estate, infrastructure, land, farmland, timberland, precious metals, and commodities. Real assets include securities and assets with varying levels of liquidity. Private real assets are illiquid and long-term in nature, whereas public real assets are publicly traded and more liquid. The benefit of lower correlation investments is that, when implemented correctly, these investments can potentially improve a portfolio’s expected risk-adjusted return over the long-term. The real assets category can be extended to include other forms of assets that offer similar inflation hedging properties such as pooled vehicles holding: commodities contracts, Treasury Inflation Protected Securities (“TIPS”), index-linked derivative contracts, certain forms of intellectual property, and the equity of companies in businesses thought to hedge inflation. For purposes of asset allocation targets and limitations, real assets may be categorized as “Other” under either the Growth Assets or Income Assets category or in the Real Return Assets category, depending on the nature and risk/return profile of the investment

CASH EQUIVALENTS

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities). Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

Safekeeping

All assets of the Trust shall be held by a custodian approved by the Committee for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

Control Procedures

Review of Investment Objectives

The Advisor shall review annually and report to the Committee the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

Review of Investment Performance

The Advisor shall report on a quarterly basis to the Committee to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Committee advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities, Bloomberg Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Bloomberg Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

Voting of Proxies

The Committee recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

Adoption of Investment Policy Statement

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Committee. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the Chino Valley Fire District Section 115 Trust Investment Committee:

Steve Del
Vice Chair

Spert. Kuchwara
Secretary

8/30/21
Date

8/30/21
Date