



San Bernardino Community College District  
 BOARD FINANCE COMMITTEE  
 January 09, 2025  
 2:30 pm-3:30 pm Pacific Time

## MEETING AGENDA

*San Bernardino Community College District Boardroom Extension  
 550 E Hospitality Lane, Suite 200, San Bernardino CA*

- I. **Welcome & Introductions - Dr. Stephanie Houston, Chair**
- II. **Public Comment**

*Any member of the public who wishes to address the Committee on any matter is limited to three minutes. The total time for members of the public to speak on the same or a similar issue shall be limited to 20 minutes.*
- III. **Approval of Minutes**

December 13, 2024 (p 3)
- IV. **Current Topics**
  - A. Annual Affirmation of Charge (p 6)
  - B. PARS Pension Rate Stabilization Program Trust Client Review (p 7)
  - C. 2025 Legislative & Budget Advocacy Priorities (p 47)  
(Angel Rodriguez)
  - D. Bond Construction Workforce (p 68)
  - E. BFC Quarterly Activity Report (p 91)
- V. **Monthly Updates (as necessary)**
  - A. State Budget
  - B. Enrollment
  - C. PARS Investment (p 93)
  - D. Bond Construction Highlights (p 95)
  - E. Budget Revenue & Expenditures (p 99)
  - F. BOT Budget to Actual (p 102)
- VI. **Future Topics**
  - A. BFC Planning Calendar (p 103)
  - B. Trustee Suggestions
- VII. **Next Meeting & Adjournment**

## B. Adjournment

### *SBCCD | Mission:*

*SBCCD positively impacts the lives and careers of our students, the well-being of their families, and the prosperity of our community through excellence in educational and training opportunities.*

*BFC Charge: The SBCCD BFC exists as a standing, advisory committee comprised of less than a quorum of Board members and is subject to the California Public Meetings Brown Act. The committee is charged with:*

- Increasing the efficiency of the Board of Trustees by performing time-consuming research on its behalf regarding all fiscal matters of the District.*
- Improving clarity by providing a platform for detailed questions not conducive to the flow of monthly business meetings.*
- Promoting transparency of the SBCCD budgeting process and fiscal matters through detailed discussion of these topics in an open forum.*
- Fostering an environment of understanding by communicating findings and formulating final recommendations to the Board of Trustees.*



## Board of Trustees Finance Committee (BFC)

Meeting Minutes – December 13, 2024, 2:30 p.m.

**Members Present:** Trustees Gonzales, Reyes, Houston

**Members Absent:** None

**Staff Present:**

- Executive Vice Chancellor Jose F. Torres
- Vice Chancellor Nohemy Ornelas
- Executive Director Steve Sutorus

### I. WELCOME & INTRODUCTIONS

*Trustee Gonzales called the meeting to order at 2:30 p.m.*

### II. PUBLIC COMMENT

*There were no public comments.*

### III. APPROVAL OF MINUTES

#### A. November 14, 2024

*Trustee Houston made a motion to approve the minutes which Trustee Reyes seconded. The motion was approved by the following vote.*

*Ayes: Trustees Gonzales, Reyes, Houston*

*Noes: None*

*Abstentions: None*

*Absent: None*

### IV. CURRENT TOPICS

#### A. Prioritize Board Directives for Development of the 2025-26 Budget

*Executive Vice Chancellor Torres explained the process of how the Prioritized Board Directives for Development of the 2025-26 Budget were developed and the changes being made to align with the district's strategic plan and objectives.*

*Trustee Houston suggested a presentation of the Strategic Plan and Objectives take place at the January 9 Board meeting, for the new and existing Trustees.*

*Trustee Houston made a motion to recommend the Prioritized Board Directives for Development of the 2025-26 Budget go to the full Board for the January meeting with a presentation of the Strategic Plan and Objectives. Trustee Reyes seconded the motion, and the motion was approved by the following vote.*

*Ayes: Trustees Gonzales, Reyes, Houston*

*Noes: None*

*Abstentions: None*

*Absent: None*

**B. Guiding Principles for the \$15 Million State Grant to KVCR**

*Executive Vice Chancellor Torres provided context and explained the proposed increase to the Guiding Principles for the \$15 Million State Grant to KVCR.*

*Trustee Reyes made a motion to recommend the Guiding Principles for the \$15 Million State Grant to KVCR go to the full Board in January, which Trustee Houston seconded. The motion was approved by the following vote.*

*Ayes: Trustees Gonzales, Reyes, Houston*

*Noes: None*

*Abstentions: None*

*Absent: None*

**C. Reaffirm Guiding Principles for the FCC Auction Proceeds**

*Executive Vice Chancellor Torres discussed the Guiding Principles for the FCC Auction Proceeds.*

*Trustee Houston made a motion to recommend the Guiding Principles for the FCC Auction Proceeds go to the full Board in January, which Trustee Reyes seconded. The motion was approved by the following vote.*

*Ayes: Trustees Gonzales, Reyes, Houston*

*Noes: None*

*Abstentions: None*

*Absent: None*

**V. UPDATES (as necessary)**

**A. State Budget**

**B. Enrollment FTES**

*Executive Vice Chancellor introduced Vice Chancellor Ornelas to review Enrollment updates.*

*Impact of document students staff training and State Chancellors office toolkit. Ongoing communication creating safe spaces.*

**C. PARS Investment**

*Executive Vice Chancellor Torres updated the committee on the account balance of the PARS Investment.*

**D. Bond Construction Highlights**

*Executive Vice Chancellor gave a highlight and welcomed questions and comments.*

**E. Budget Revenue & Expenditures**

*Executive Vice Chancellor introduced the topic for any questions or concerns.*

**F. BOT Budget to Actual**

*Executive Vice Chancellor advised committee members that BOT expenditures are in line with the budget.*

VI. FUTURE TOPICS

A. BFC Planning Calendar

*Trustee Gonzalez reminded the committee of the upcoming Cal Poly Tour.*

B. Trustee Suggestions

VII. NEXT MEETING DATE & ADJOURNMENT

A. Next Meeting

*The BFC is scheduled to convene again on January 9, 2025 at 2:30 p.m. in the DSO Boardroom Extension.*

B. Adjournment

*The meeting adjourned at 3:06 p.m.*

Not Yet Approved



Board of Trustees Finance Committee (BFC)  
**Annual Affirmation of Charge**  
January 9, 2025

In accordance with SBCCD Board action taken on December 13, 2024, the trustees listed below were elected to continue serving on the Board Finance Committee. BFC members are now asked to affirm the committee charge.

**Committee Members**

- Trustee Stephanie Houston, Committee Chair
- Trustee Nathan Gonzalez
- Trustee Cherina Betters

**Committee Charge**

The SBCCD Board of Trustees Finance Committee exists as a standing, advisory committee comprised of less than a quorum of Board members and is subject to the California Public Meetings Brown Act. The committee is charged with:

- Increasing the efficiency of the Board of Trustees by performing time-consuming research on its behalf regarding all matters of the District.
- Improving clarity by providing a platform for detailed questions not conducive to the flow of monthly business meetings.
- Promoting transparency of the SBCCD budgeting process and fiscal matters through detailed discussion of these topics in an open forum.
- Fostering an environment of understanding by communicating findings and formulating final recommendations to the Board of Trustees.

**PARS**

PUBLIC AGENCY  
RETIREMENT SERVICES



COMMUNITY COLLEGE  
LEAGUE OF CALIFORNIA



# SBCCD BOARD FINANCE COMMITTEE

Pension Rate Stabilization Program (PRSP) Trust Client Review  
January 9, 2025



# CONTACTS

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**Vice President, Consulting**  
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**Senior Coordinator, Client Services**  
(800) 540-6369 x159  
atang@pars.org

# PARS 115 TRUST TEAM

As of September 30, 2024

## Trust Administrator & Consultant\*



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

<b>40</b> Years of Experience (1984-2024)	<b>2,000+</b> Plans under Administration	<b>1,000+</b> Public Agency Clients	<b>500+</b> 115 Trust Clients	<b>500K+</b> Plan Participants	<b>\$9.2B</b> Assets under Administration
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\* See important information regarding PARS in the Disclaimer page at the end of the presentation.

## Trustee



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

<b>161</b> Years of Experience (1863-2024)	<b>\$11.0T</b> Assets under Administration
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## Investment Manager



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

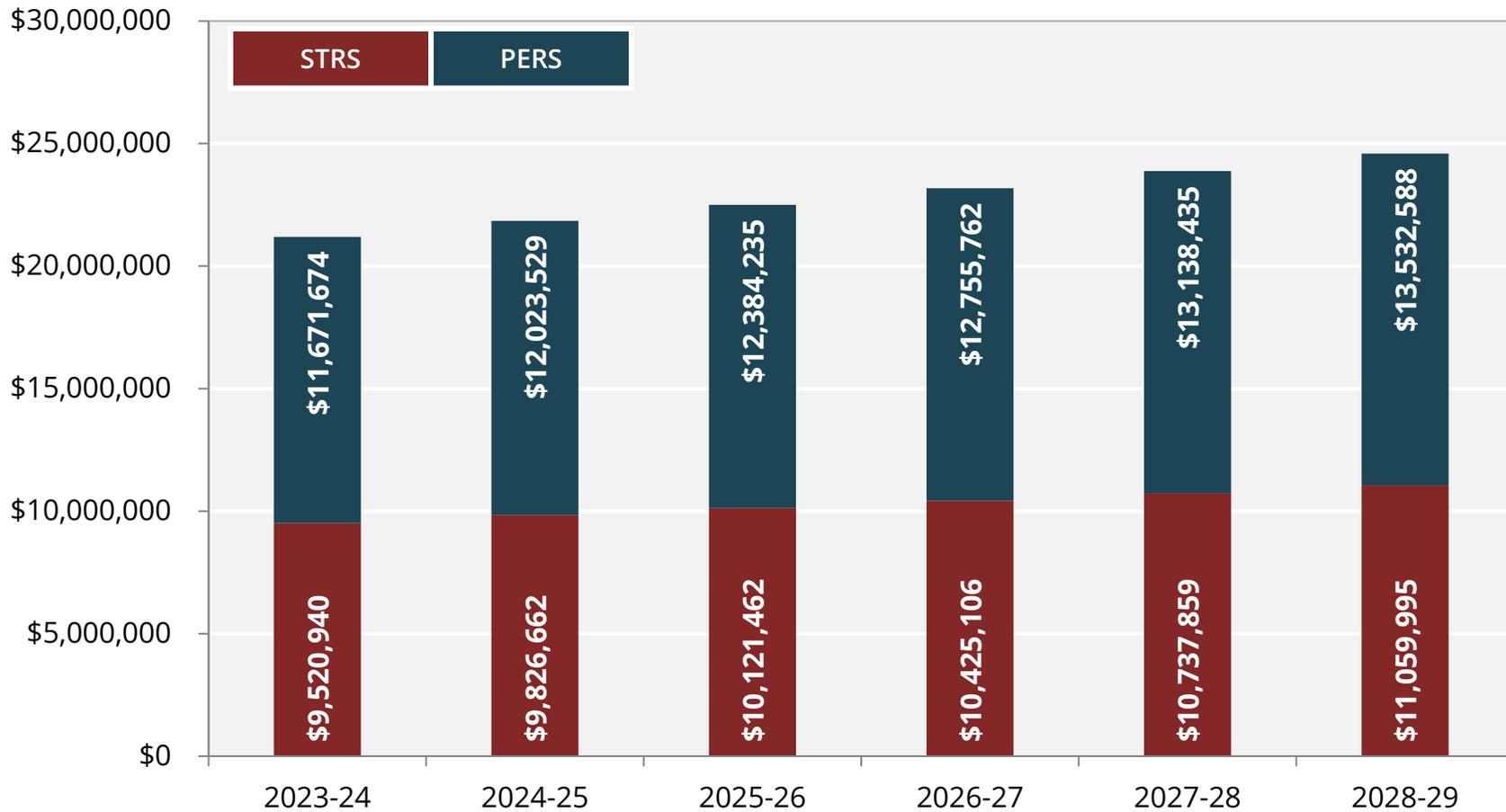
<b>40+</b> Years of Investment Experience	<b>\$240B+*</b> Assets under Management & Advisement
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\*Please see disclosures at the end of this presentation

**Program Sponsor for Pension Rate Stabilization Program (PRSP):**  COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

# HOW DO RATE INCREASES AFFECT DISTRICT?

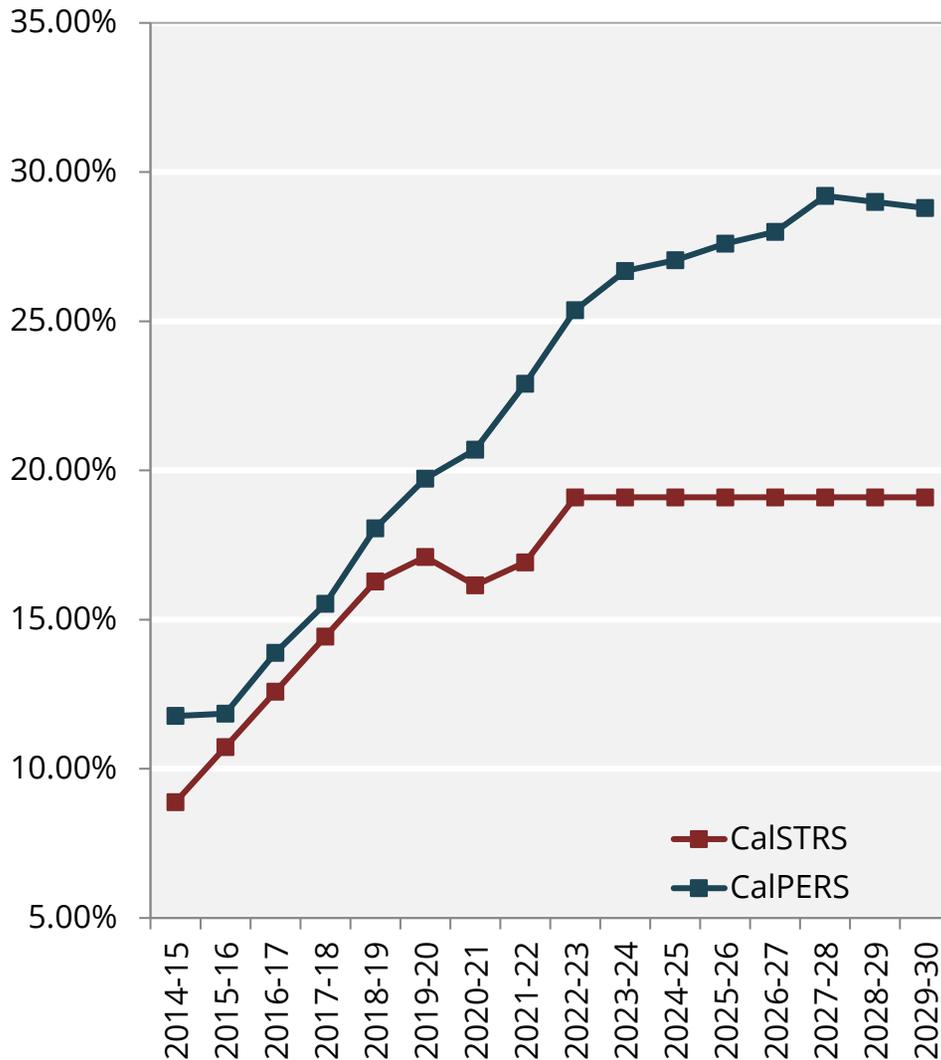
Annual projection pension costs increase from \$21.2 million to \$24.6 million in 2028-29.



\* STRS and PERS numbers were based on the CCFS-311 Reports for Budget Year 2024-25 related to Pension Costs

# HOW MUCH HAVE PENSION COSTS GROWN?

CalSTRS/CalPERS rate increases through 2029-30:



Fiscal Year	CalSTRS*	CalPERS
2014-2015	8.88%	11.77%
2015-2016	10.73%	11.85%
2016-2017	12.58%	13.89%
2017-2018	14.43%	15.53%
2018-2019	16.28%	18.06%
2019-2020	17.10%	19.72%
2020-2021	16.15%	20.70%
2021-2022	16.92%	22.91%
2022-2023	19.10%	25.37%
2023-2024	19.10%	26.68%
2024-2025	19.10%	27.05%
2025-2026	19.10%	27.60%
2026-2027	19.10%	28.00%
2027-2028	19.10%	29.20%
2028-2029	19.10%	29.00%
2029-2030	19.10%	28.80%

\*Chapter 47, AB 1469 (2014) statutorily mandated rate increases to 19.10% through 2020-21, not to exceed 20.25% thereafter without legislative approval.



# DISTRICT'S NET PENSION LIABILITY

Report as of June 30, 2023

	Proportionate Share of NPL (%)	Funded Ratio	Estimated District's Proportionate Share of NPL (\$)
CalSTRS	0.0728%	2018 - 69% 2019 - 71% 2020 - 73% 2021 - 72% 2022 - 87% 2023 - 81%	\$50.6 million
CalPERS	0.2343%	2018 - 72% 2019 - 71% 2020 - 70% 2021 - 70% 2022 - 81% 2023 - 70%	\$80.6 million
<b>TOTAL</b>			<b>\$131.2 million</b>

# Summary of district's trust\*

<b>Plan Type:</b>	IRC Section 115 Irrevocable Exclusive Benefit Trust
<b>Investment Manager:</b>	PFM Asset Management
<b>Plan Effective Date:</b>	November 10, 2016
<b>Plan Administrator:</b>	Executive Vice Chancellor
<b>Current Investment Strategies:</b>	Conservative Strategy

## AS OF NOVEMBER 30, 2024:

Initial Contribution July 2017:	\$5,000,000	
Additional Contributions:	\$96,700,000	
Total Contributions:	\$101,700,000	
<b>Total SBCCD Principal**:</b>		<b>\$101,700,000</b>
Distributions, Earnings, and Expenses:		
Adjustment for Reduction of MAE Principal**:	(-\$1,960,000)	
<b>Total SBCCD Distributions Received**:</b>	<b>(\$22,062,946)</b>	
Total Investment Earnings:	\$35,635,438	
Total Expenses:	(\$1,110,656)	
<b>SBCCD Principal Excess**:</b>		<b>\$12,461,836</b>
<b>Account Balance:</b>		<b>\$112,201,836</b>

\*District's account is made up of 7 active individual sub-accounts

\*\*Supplemental information provided by District

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
**PARS Pension Rate Stabilization Trust Snapshot | November 30, 2024**

	Original Contribution	Changes in Principal	Current Principal	Account Balance	Current Principal Excess/ (Deficit)	Distribution of Gains	Expenses	Total Gains/(Losses) Net of Expenses
<b>General Fund</b>	49,000,000	-3,000,000	46,000,000	51,672,444	5,672,444	12,300,000	616,691	17,972,444
<b>SBVC</b>	5,000,000	0	5,000,000	5,392,882	392,882	1,535,000	58,590	1,927,882
<b>CHC</b>	2,700,000	0	2,700,000	3,315,538	615,538	130,000	27,222	745,538
<b>DSO</b>	0	3,000,000	3,000,000	3,339,012	339,012	0	15,537	339,012
<b>KVCR \$15M</b>	15,000,000	0	15,000,000	17,845,221	2,845,221	600,000	61,522	3,445,221
<b>KVCR</b>	21,000,000	0	21,000,000	22,955,003	1,955,003	5,950,000	255,848	7,905,003
<b>MAE</b>	9,000,000	-1,960,000	7,040,000	7,681,736	641,736	1,547,946	75,246	2,189,682
<b>TOTAL</b>	101,700,000	-1,960,000	99,740,000	112,201,836	12,461,836	22,062,946	1,110,656	34,524,782

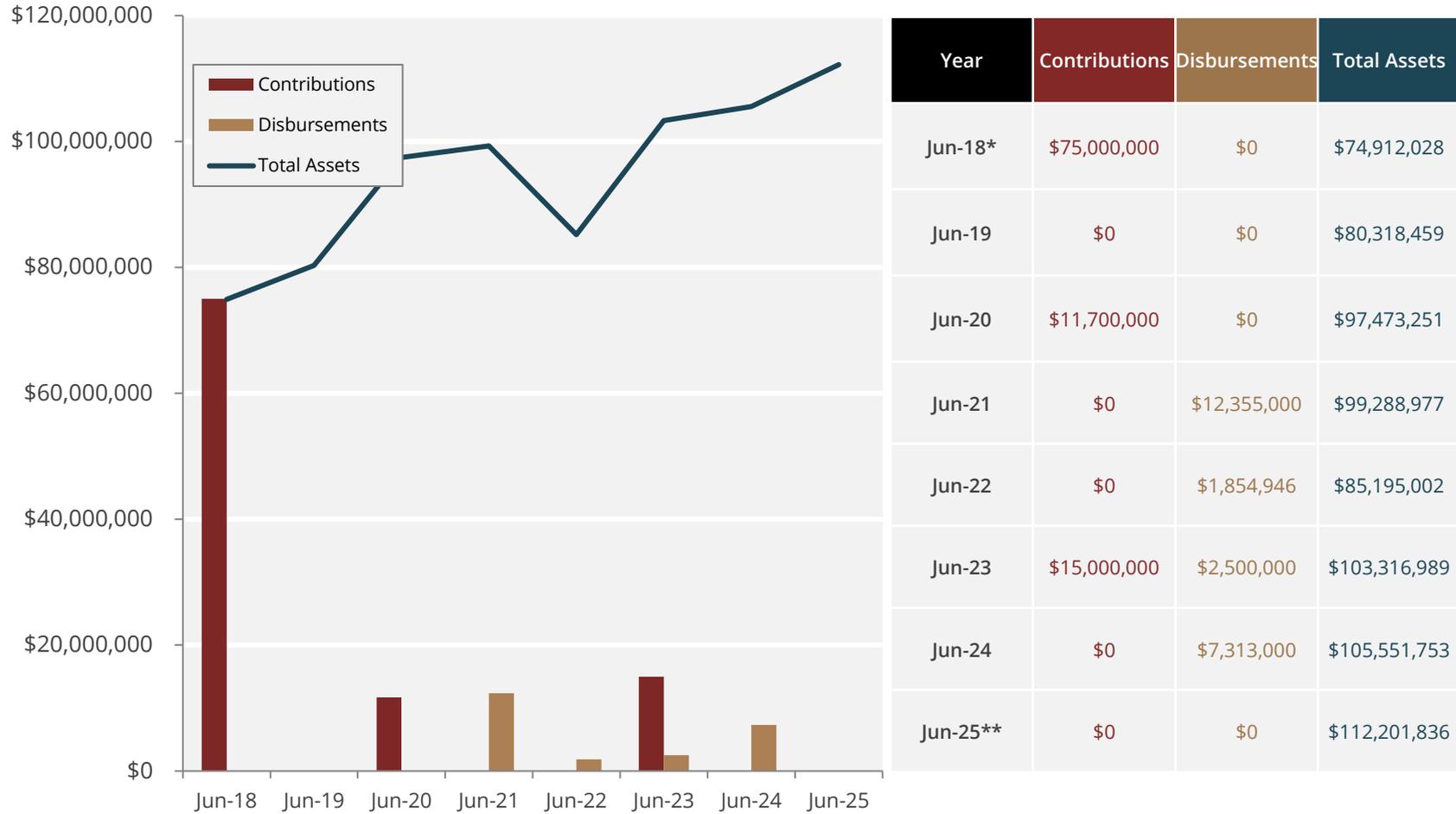
**Account Notes**

- GF includes \$5 million contribution from General Fund invested prior to FCC Auction Proceeds as Board approved 11/10/2016.
- Principal investment has been adjusted to show \$3 million transfer from GF as DSO principal as Board approved 3/10/2022.
- SBVC, CHC, and DSO contain funds fully allocated to the various sites by the Board of Trustees on 4/26/2018.
- MAE refers to overarching Media Academy Endowment, which is comprised of SBVC's Institute of Media Arts and CHC's Digital Media. Principal investment has been reduced by \$1,960 million per Board action on 9/10/2020.
- KVCR \$15 million State grant funds subject to Guiding Principles reaffirmed 3/14/2024.



# SUMMARY OF DISTRICT'S TRUST

## HISTORY OF CONTRIBUTIONS, DISTRIBUTIONS, AND TOTAL ASSETS AS OF NOVEMBER 30, 2024:

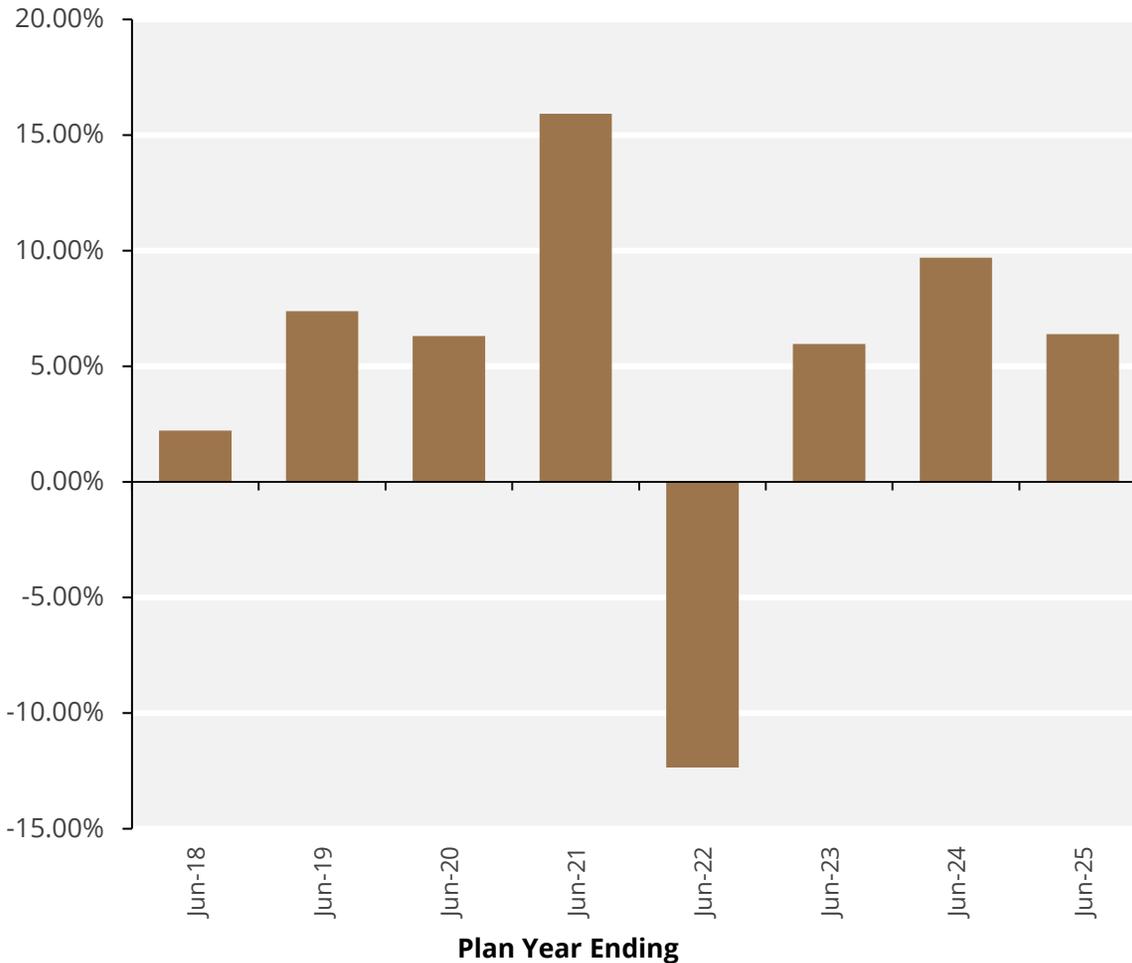


Plan Year Ending

\*Plan Year Ending June 2025 is based on 5 months of activity

# PENSION PLAN TOTAL RETURNS

AS OF YEAR END JUNE 30, 2025:



Year	Returns
Jun-18	2.21%
Jun-19	7.39%
Jun-20	6.30%
Jun-21	15.92%
Jun-22	-12.35%
Jun-23	5.96%
Jun-24	9.69%
Jun-25*	6.39%

Inception to Date (Annualized)
5.29%

\*Plan Year Ending June 2025 is based on 5 months of activity.

Returns are net of the embedded fund fees and gross of trustee and trust administrator fees

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value. Past performance does not guarantee future results. Performance returns are impacted by agency plan activity and may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

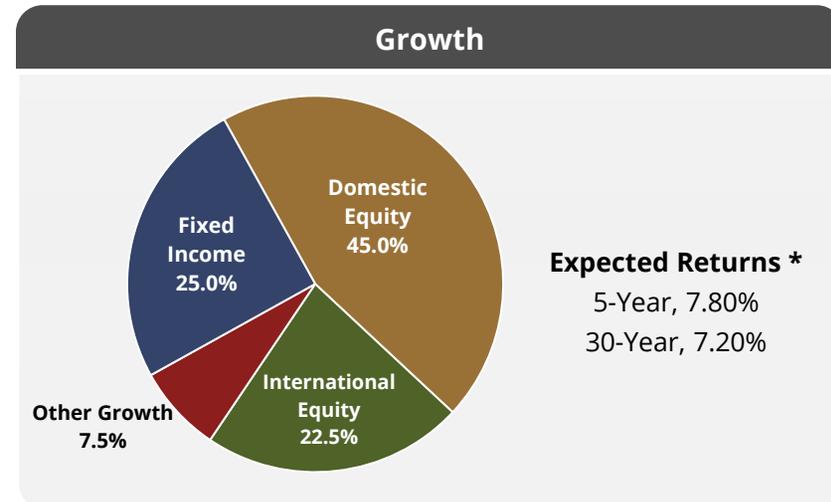
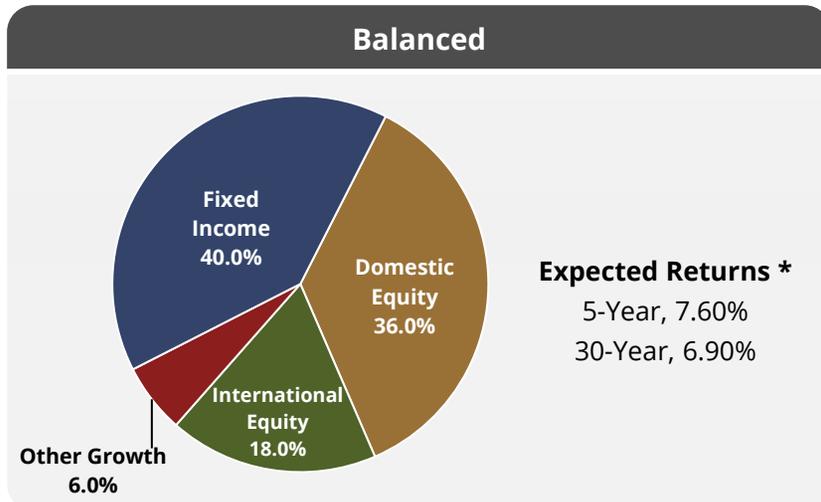
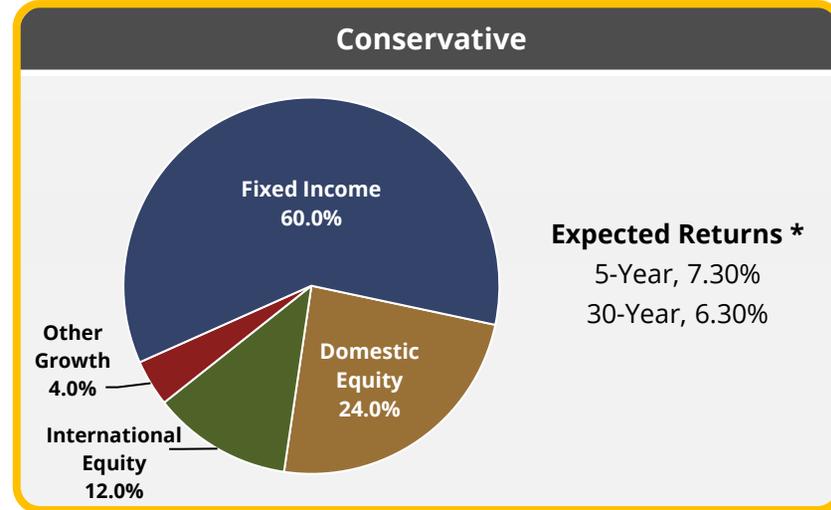
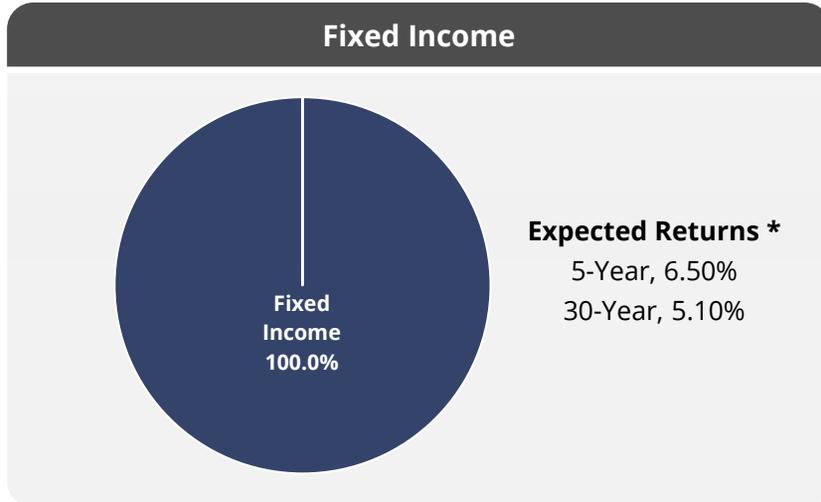
The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Please see important additional disclosures to the PARS portfolios included in the individual strategy information at the end of this presentation.

# INVESTMENT REVIEW

# PFMAM TARGET INDEX-BASED STRATEGIES

As of September 30, 2024

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



\* Data from PFMAM Target Index-Based strategies: Asset Allocation Summary. Representative as of 9/30/2024. Asset allocations and assumptions are subject to change. Please see important disclosures at the end of this presentation for additional information.

# TARGET INDEX-BASED INVESTMENT RETURNS

As of September 30, 2024

Strategy	Equity (%)	1 Year	3 Years	5 Years
Growth	75%	26.65%	5.32%	9.52%
Balanced	60%	23.59%	4.26%	7.88%
Conservative	40%	20.46%	2.84%	5.82%
Fixed Income	0%	12.26%	--	--

<sup>1</sup>The 1-, 3- and 5-Year returns are calculated by U.S. Bank for the PARS 115/PRHCP Target Index portfolios as of September 30, 2024. The returns provided are gross of investment advisory fees and net of embedded fund fees. All performance data, while deemed obtained from reliable sources, is not guaranteed for accuracy. Please see important additional disclosures to the PARS portfolios included in the individual strategy fact sheets.

Asset Allocation



Portfolios		Fixed Income	Conservative	Balanced	Growth
	<i>Target Weights</i>				
	Equity	0%	40%	60%	75%
	Fixed Income	100%	60%	40%	25%
<b>Total Equity</b>		<b>0.00%</b>	<b>36.00%</b>	<b>54.00%</b>	<b>67.50%</b>
	Domestic Equity	0.00%	24.00%	36.00%	45.00%
	International Equity	0.00%	12.00%	18.00%	22.50%
<b>Total Other Growth</b>		<b>0.00%</b>	<b>4.00%</b>	<b>6.00%</b>	<b>7.50%</b>
	Real Estate	0.00%	2.00%	3.00%	3.75%
	Global Infrastructure	0.00%	2.00%	3.00%	3.75%
<b>Total Fixed Income</b>		<b>100.00%</b>	<b>60.00%</b>	<b>40.00%</b>	<b>25.00%</b>
	Investment Grade	92.50%	55.50%	37.00%	23.13%
	High Yield	7.50%	4.50%	3.00%	1.88%
	Total weighted average expense ratio	0.03%	0.04%	0.05%	0.05%

The information above is for illustration purposes only and is not a recommendation to buy or sell investments. Each investment objective reflects the associated PARS diversified portfolio as of the date above. Investments and weights may change without notice based on prevailing market conditions and changes to asset allocation and/or portfolio construction decisions. The weighted expense ratio reflects the net expense ratios reflected in fund prospectuses based on current investments and weights as reflected above.

# Disclosures

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

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

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

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

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

*For Institutional Investor or Investment Professional Use Only – This material is not for inspection by, distribution to, or quotation to the general public.*

# Additional Disclosures

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

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# Important Disclosures for Return Projections (Intermediate and Long-Term)

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

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

Past performance is not a guarantee of future results. Prior to investing, you should consult your accounting, tax, and legal advisors to understand the implications of such an investment. PARS fixed income, conservative, balanced, and growth are representative; asset class and risk return analytics are run through Morningstar, Inc.





# PARS OPEB and Pension Trust Target Index Conservative

## Investment Performance Review For the Quarter Ended September 30, 2024

Client Management Team

PFM Asset Management LLC

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PFM Asset Management

1 California Street  
Suite 1000  
San Francisco, CA 94111

1735 Market Street  
43rd Floor  
Philadelphia, PA 19103

# **Financial Markets & Investment Strategy Review**

**Factors to Consider Over the Next 6-12 Months**



*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 at the time of distribution (September 30, 2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.*

**Investment Strategy Overview**

Asset Class	Our Q4 2024 Investment Outlook	Comments
<b>U.S. Equities</b>		<ul style="list-style-type: none"> <li>Moderate economic growth coupled with Fed easing should result in continued positive performance for US equities. We are concerned about the high valuations, but believe that soft landing economic scenario and earnings growth strength will provide tailwinds.</li> <li>Equity markets experienced a period of volatility during Q3 which we expect to continue amidst slowing growth, geopolitical tensions and election related uncertainty.</li> <li>Small-caps have lagged large caps since the sell off in first week of August pointing to lack of fundamental support to rally in July, but we expect fundamentals to improve as rate cuts take hold. Worries from the Banking Crisis on regional banks seems to be in our rearview mirror.</li> </ul>
Large-Caps		
Small-Caps		
<b>Non-U.S. Equities</b>		<ul style="list-style-type: none"> <li>International equities continue to trade at a discount to U.S. and have been recently helped by ECB rate cuts and weakening dollar. BoJ continues to tighten while other central banks are embarking on rate cuts.</li> <li>EM equity performance is reliant on Indian and Chinese equities, which constitute roughly 45% of the MSCI Emerging Market Index. Indian equities are trading at expensive valuations, and we don't expect a sustained recovery in Chinese equities due to stimulus unless there are structural/geopolitical changes addressing debt overhang and geopolitical stability.</li> </ul>
Developed Markets		
Emerging Markets		
<b>Fixed Income</b>		<ul style="list-style-type: none"> <li>Slowing inflation and softening labor markets led to Fed cutting by 50 bps at their September meeting. Further rate cuts are expected which is positive for fixed income investors.</li> <li>About \$6.3 trillion is sitting in money market funds which could flow into fixed income as the rates becomes more attractive.</li> <li>Credit markets remain attractive due to strong corporate fundamentals. We remain positive on investment grade but are staying closer to targets on high yield given tighter spreads. We continue to closely watch for signs for any distress in the corporate credit space.</li> </ul>
Core Bonds		
Investment Grade Credit		
High Yield Credit		
<b>Diversifying Assets</b>		<ul style="list-style-type: none"> <li>Continued economic growth, falling rates, strengthening fundamentals along with attractive valuations relative to equities are tailwinds to listed real estate performance leading us to overweight the exposure.</li> <li>Transition to renewable energy and increase in AI led data center infrastructure spend are tailwinds for listed infrastructure. Utilities which make up about ~50% of the universe have been performing well recently due to lower rates.</li> </ul>
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook    ○ Outlook one quarter ago



The view expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (September 30, 2024) and are subject to change.

# Plan Performance Summary

Asset Allocation & Performance

	Allocation		Performance(%)							
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Portfolio - PARS/115P Target Index Conservative</b>	<b>100.00</b>	<b>6.20</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.27</b>	<b>04/01/2024</b>
<i>Blended Benchmark - PARS/Target Index Conservative</i>		6.14	N/A	N/A	N/A	N/A	N/A	N/A	7.18	
<b>Domestic Equity</b>	<b>24.03</b>	<b>6.16</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>9.59</b>	<b>04/01/2024</b>
<i>Russell 3000 Index</i>		6.23	20.63	35.19	10.29	15.26	13.74	12.83	9.65	
Fidelity Total Market Index	24.03	6.16	20.61	35.27	10.15	15.17	13.66	12.77	9.60	04/01/2024
<i>Russell 3000 Index</i>		6.23	20.63	35.19	10.29	15.26	13.74	12.83	9.65	
<b>International Equity</b>	<b>11.69</b>	<b>7.90</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.72</b>	<b>04/01/2024</b>
<i>MSCI AC World ex USA (Net)</i>		8.06	14.21	25.35	4.14	7.59	5.44	5.22	9.10	
iShares Core MSCI Total Intl Stock ETF	11.69	7.90	13.69	25.09	3.90	7.69	5.49	5.44	8.90	04/01/2024
<i>MSCI AC World ex USA (Net)</i>		8.06	14.21	25.35	4.14	7.59	5.44	5.22	9.10	
<b>Other Growth</b>	<b>4.10</b>	<b>15.17</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>14.64</b>	<b>04/01/2024</b>
Vanguard Real Estate ETF	2.08	17.19	13.60	34.20	2.49	4.74	6.37	7.31	14.97	04/01/2024
<i>MSCI US REIT Index</i>		16.12	15.84	34.38	4.98	5.47	6.96	7.77	16.21	
iShares Global Infrastructure ETF	2.02	13.16	17.34	30.14	8.91	6.16	5.75	5.59	15.86	04/01/2024
<i>S&amp;P Global Infrastructure (Net)</i>		13.19	17.13	29.68	8.60	5.97	5.54	5.38	15.83	
<b>Fixed Income</b>	<b>59.66</b>	<b>5.32</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.70</b>	<b>04/01/2024</b>
<i>Blmbg. U.S. Aggregate</i>		5.20	4.45	11.57	-1.39	0.33	1.47	1.84	5.26	
iShares Core US Aggregate Bond ETF	48.18	5.21	4.56	11.55	-1.39	0.31	1.44	1.81	5.35	04/01/2024
iShares 5-10 Year Invmt Grd Corp Bd ETF	7.08	5.92	6.50	15.12	-0.22	1.76	2.96	2.89	6.46	04/01/2024
<i>Blmbg. U.S. Aggregate</i>		5.20	4.45	11.57	-1.39	0.33	1.47	1.84	5.26	
SPDR Portfolio High Yield Bond	4.40	5.22	7.99	15.79	3.32	4.88	4.56	4.68	6.44	04/01/2024
<i>ICE BofA US High Yield Index</i>		5.28	8.03	15.66	3.08	4.55	4.56	4.95	6.42	
<b>Cash Equivalent</b>	<b>0.53</b>	<b>1.31</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.64</b>	<b>04/01/2024</b>
<i>ICE BofA 3 Month U.S. T-Bill</i>		1.37	4.03	5.46	3.49	2.32	2.22	1.65	2.71	
First American Government Obligation - X	0.53	1.31	3.98	5.36	3.50	2.25	2.14	N/A	2.63	04/01/2024
<i>ICE BofA 3 Month U.S. T-Bill</i>		1.37	4.03	5.46	3.49	2.32	2.22	1.65	2.71	

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Calendar Year Comparative Performance

	Performance(%)				
	2023	2022	2021	2020	2019
<b>Total Portfolio - PARS/115P Target Index Conservative</b>	N/A	N/A	N/A	N/A	N/A
<i>Blended Benchmark - PARS/Target Index Conservative</i>	N/A	N/A	N/A	N/A	N/A
<b>Domestic Equity</b>	N/A	N/A	N/A	N/A	N/A
<i>Russell 3000 Index</i>	25.96	-19.21	25.66	20.89	31.02
Fidelity Total Market Index	26.12	-19.51	25.65	20.78	30.92
<i>Russell 3000 Index</i>	25.96	-19.21	25.66	20.89	31.02
<b>International Equity</b>	N/A	N/A	N/A	N/A	N/A
<i>MSCI AC World ex USA (Net)</i>	15.62	-16.00	7.82	10.65	21.51
iShares Core MSCI Total Intl Stock ETF	15.62	-16.35	8.52	11.14	21.85
<i>MSCI AC World ex USA (Net)</i>	15.62	-16.00	7.82	10.65	21.51
<b>Other Growth</b>	N/A	N/A	N/A	N/A	N/A
Vanguard Real Estate ETF	11.75	-26.20	40.38	-4.72	28.91
<i>MSCI US REIT Index</i>	13.74	-24.51	43.06	-7.57	25.84
iShares Global Infrastructure ETF	6.16	-0.95	11.21	-6.28	26.01
<i>S&amp;P Global Infrastructure (Net)</i>	5.78	-0.99	11.04	-6.49	25.75
<b>Fixed Income</b>	N/A	N/A	N/A	N/A	N/A
<i>Blmbg. U.S. Aggregate</i>	5.53	-13.01	-1.55	7.51	8.72
iShares Core US Aggregate Bond ETF	5.59	-13.06	-1.67	7.42	8.68
iShares 5-10 Year Invmt Grd Corp Bd ETF	9.17	-14.06	-1.65	9.62	14.37
<i>Blmbg. U.S. Aggregate</i>	5.53	-13.01	-1.55	7.51	8.72
SPDR Portfolio High Yield Bond	13.56	-10.76	5.84	6.57	13.09
<i>ICE BofA US High Yield Index</i>	13.46	-11.22	5.36	6.17	14.41
<b>Cash Equivalent</b>	N/A	N/A	N/A	N/A	N/A
<i>ICE BofA 3 Month U.S. T-Bill</i>	5.02	1.46	0.05	0.67	2.28
First American Government Obligation - X	5.00	1.54	0.03	0.40	2.12
<i>ICE BofA 3 Month U.S. T-Bill</i>	5.02	1.46	0.05	0.67	2.28

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

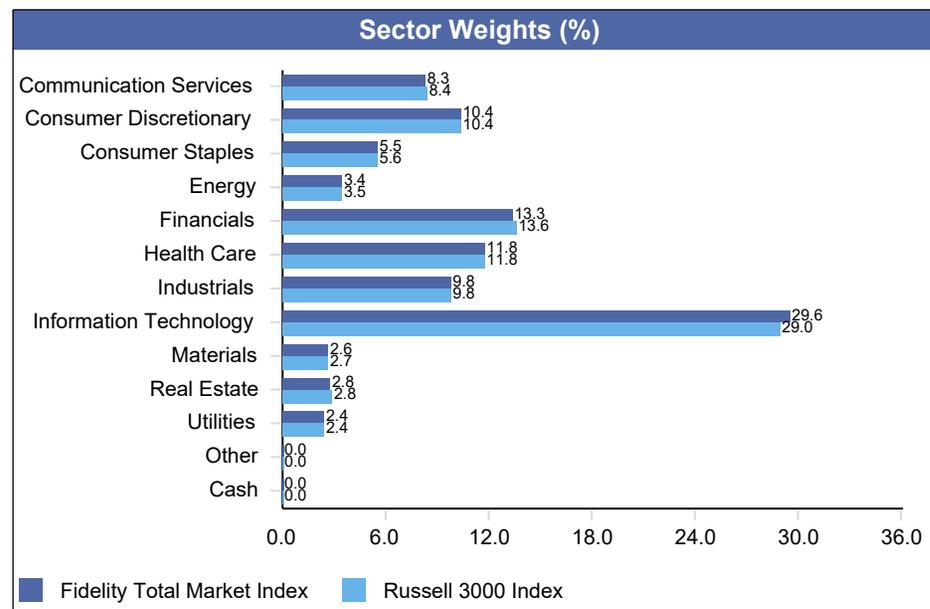
Historical Hybrid Composition - Blended Benchmark - PARS/Target Index Conservative

Allocation Mandate	Weight (%)
<b>Apr-2024</b>	
Russell 3000 Index	24.0
MSCI AC World ex USA (Net)	12.0
MSCI US REIT Index	2.0
MSCI World Core Infrastructure Index (Net)	2.0
Blmbg. U.S. Aggregate	54.5
ICE BofA US High Yield Index	4.5
FTSE 1 Month T-Bill	1.0

# Manager Overview

Fidelity Total Market Index vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	866,149	851,765
Median Mkt. Cap (\$M)	1,106	2,253
Price/Earnings ratio	26.96	26.86
Price/Book ratio	4.74	4.70
5 Yr. EPS Growth Rate (%)	18.60	18.41
Current Yield (%)	1.30	1.31
Number of Stocks	3,801	2,987

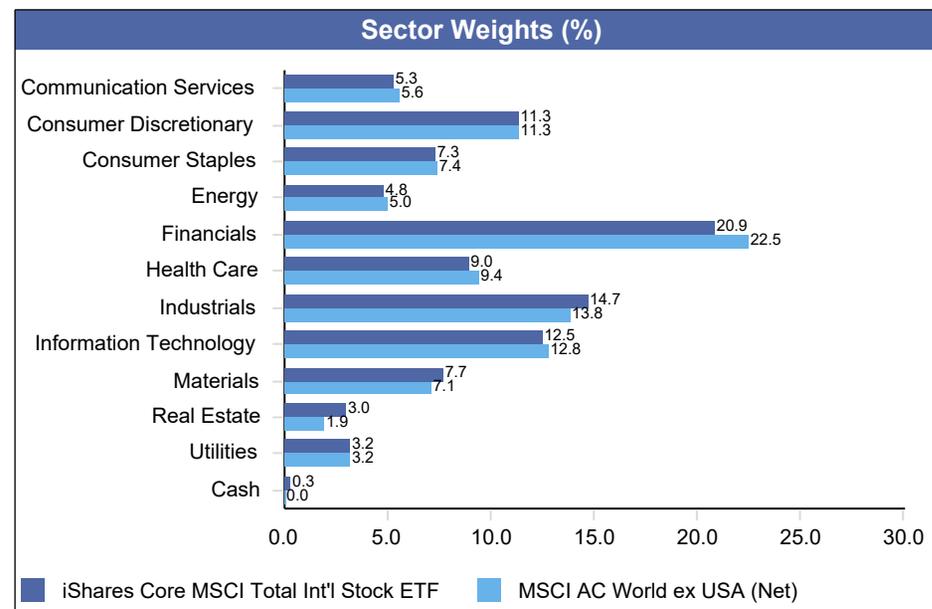


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	6.37	6.11	0.26	10.75
Microsoft Corp	5.75	5.77	-0.02	-3.55
NVIDIA Corporation	5.37	5.12	0.25	-1.69
Amazon.com Inc	3.13	3.12	0.01	-3.58
Meta Platforms Inc	2.25	2.26	-0.01	13.64
Alphabet Inc	1.75	1.76	-0.01	-8.83
Berkshire Hathaway Inc	1.52	1.52	0.00	13.14
Alphabet Inc	1.44	1.49	-0.05	-8.73
Broadcom Inc	1.44	1.41	0.03	7.78
Tesla Inc	1.31	1.31	0.00	32.22
% of Portfolio	30.33	29.87	0.46	

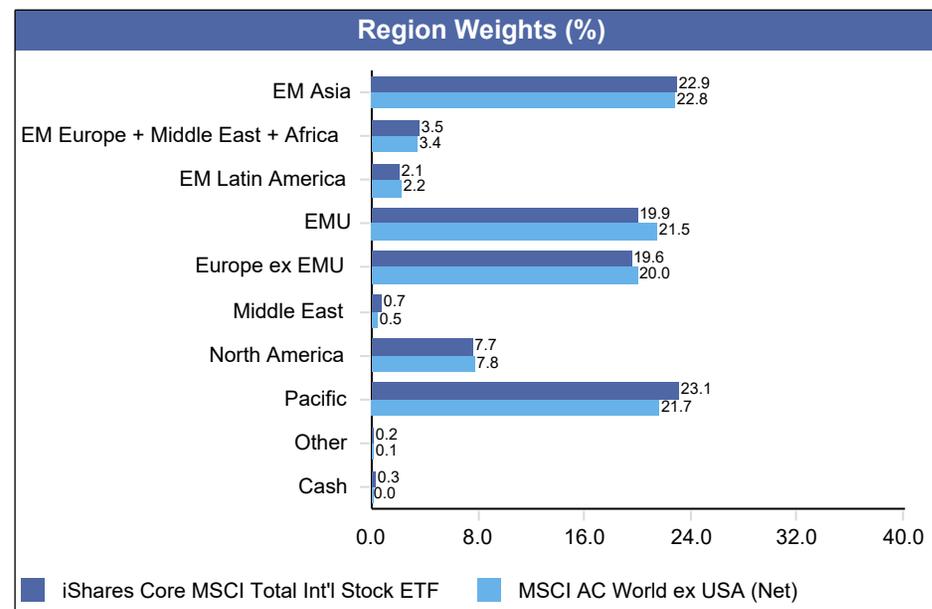
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Laser Photonics Corporation	0.00	0.00	0.00	749.48
Instil Bio Inc	0.00	0.00	0.00	554.23
Lumen Technologies Inc	0.01	0.01	0.00	545.46
CommScope Holding Co Inc	0.00	0.00	0.00	396.75
Personalis Inc	0.00	0.00	0.00	359.83
Neonode Inc	0.00	0.00	0.00	339.61
Serve Robotics Inc	0.00	0.00	0.00	307.69
Nutex Health Inc	0.00	0.00	0.00	264.77
Alpha Teknova Inc	0.00	0.00	0.00	253.29
Capricor Therapeutics Inc	0.00	0.00	0.00	218.87
% of Portfolio	0.01	0.01	0.00	

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

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	94,480	110,144
Median Mkt. Cap (\$M)	3,500	10,377
Price/Earnings ratio	15.48	15.60
Price/Book ratio	2.60	2.66
5 Yr. EPS Growth Rate (%)	10.83	10.67
Current Yield (%)	2.90	2.90
Number of Stocks	4,400	2,094



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	2.28	2.66	-0.38	1.99
Novo Nordisk A/S	1.16	1.36	-0.20	-18.19
Tencent Holdings LTD	1.14	1.34	-0.20	20.00
ASML Holding NV	1.01	1.19	-0.18	-19.32
Nestle SA, Cham Und Vevey	0.81	0.94	-0.13	-1.33
Astrazeneca PLC	0.73	0.86	-0.13	0.13
SAP SE	0.73	0.85	-0.12	12.31
Novartis AG	0.69	0.81	-0.12	7.61
Roche Holding AG	0.69	0.81	-0.12	15.53
Samsung Electronics Co Ltd	0.68	0.80	-0.12	-20.57
% of Portfolio	9.92	11.62	-1.70	



## Portfolio Characteristics

As of September 30, 2024

### Vanguard Real Estate Index

#### Portfolio Characteristics

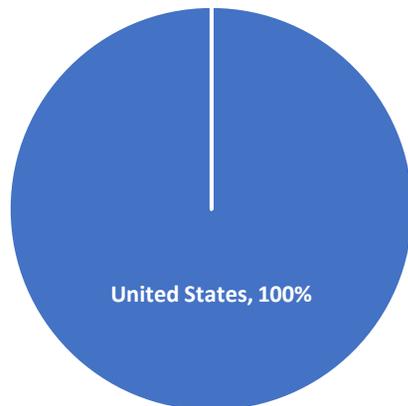
Net Assets (\$ millions)	68,900
Inception Date	9/23/2004
Gross Expense Ratio (ETF)	0.13%
Net Expense Ratio (ETF)	0.13%
Number of Holdings	154
Turnover Rate	9%
Wgt. Avg. Market Cap. (\$ millions)	34,700
12-Month Distribution Yield	3.29%
30-Day SEC Yield	-

#### Top 10 Holdings

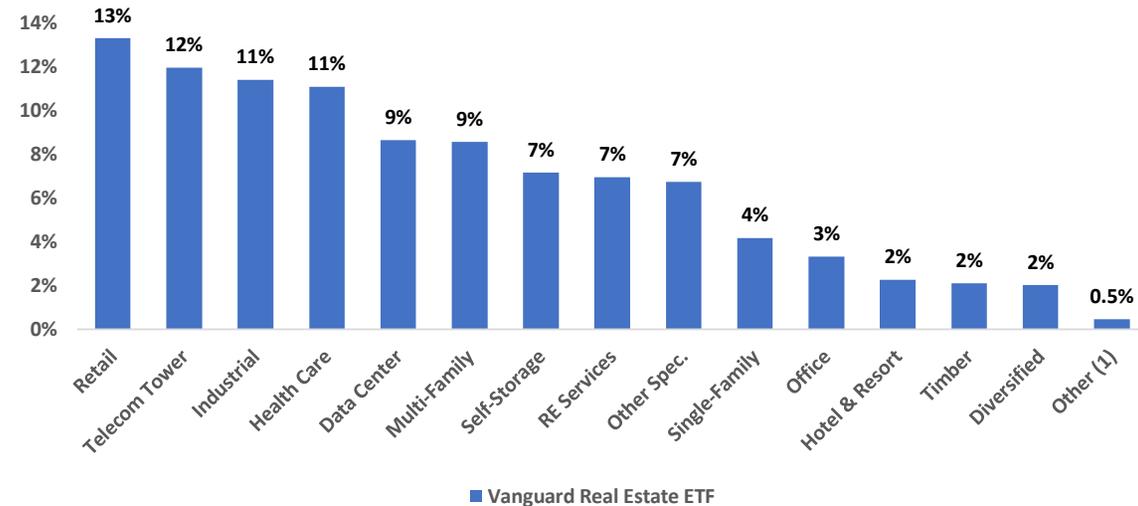
Prologis, Inc.	Industrial	United States	6.37%
American Tower Corp.	Telecom Tower	United States	5.92%
Equinix, Inc.	Data Centers	United States	4.47%
Welltower, Inc.	Health Care	United States	4.08%
Public Storage	Self Storage	United States	3.14%
Realty Income Corp.	Retail	United States	3.01%
Simon Property Group, Inc.	Retail	United States	3.00%
Digital Realty Trust, Inc.	Data Centers	United States	2.86%
Crown Castle, Inc.	Telecom Tower	United States	2.81%
CBRE Group, Inc.	Real Estate Services	United States	2.08%

#### Portfolio

#### Geographic Exposure



#### Sector Exposure



(1) Other includes Diversified Real Estate Activities, Real Estate Development, and Real Estate Operating Companies.

## Portfolio Characteristics

As of September 30, 2024

### iShares Global Infrastructure ETF

#### Portfolio Characteristics

Net Assets (\$ millions)	4,202
Inception Date	12/10/2007
Gross Expense Ratio	0.42%
Net Expense Ratio	0.42%
Number of Holdings	75
Turnover Rate	13%
Wgt. Avg. Market Cap. (\$ millions)	27,150
12-Month Distribution Yield	3.20%
30-Day SEC Yield	2.94%

#### Top 10 Holdings

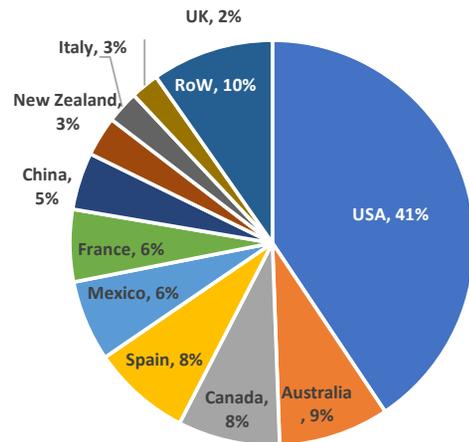
Nextera Energy, Inc.
AENA SME SA
Transurban Group Stapled Units
Enbridge, Inc.
Southern
Grupo Aeroportuario Del Pacifico A
Auckland International Airport Ltd.
Iberdrola SA
Duke Energy Corp.
Constellation Energy Corp.

Utilities	United States
Industrials	Spain
Industrials	Australia
Energy	Canada
Utilities	United States
Industrials	Mexico
Industrials	New Zealand
Utilities	Spain
Utilities	United States
Utilities	United States

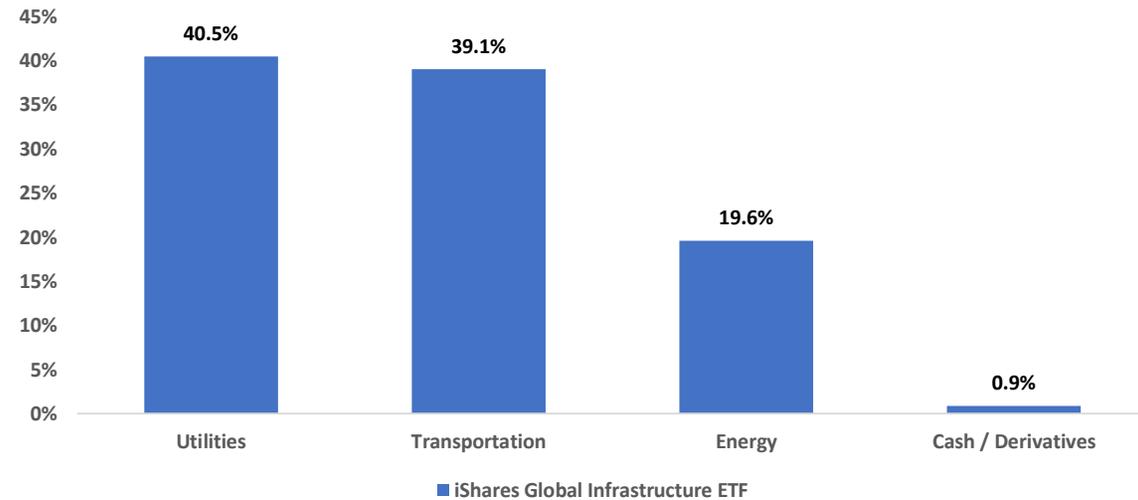
#### Portfolio

4.99%
4.87%
4.78%
4.14%
3.32%
3.18%
3.17%
3.02%
2.99%
2.73%

#### Geographic Exposure

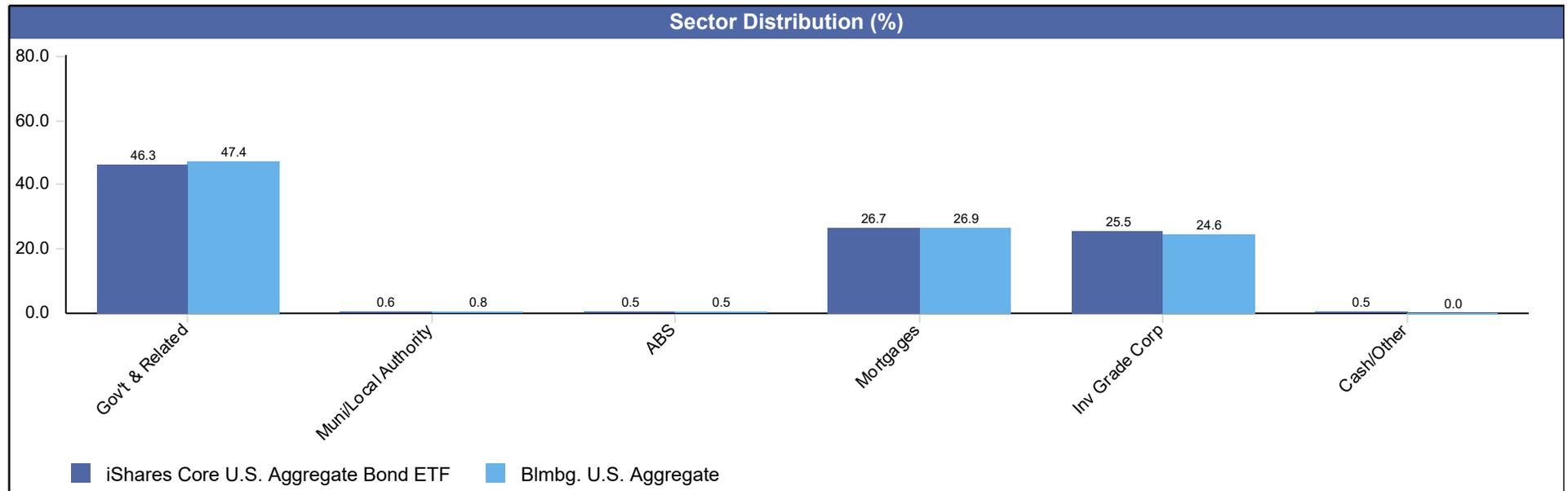
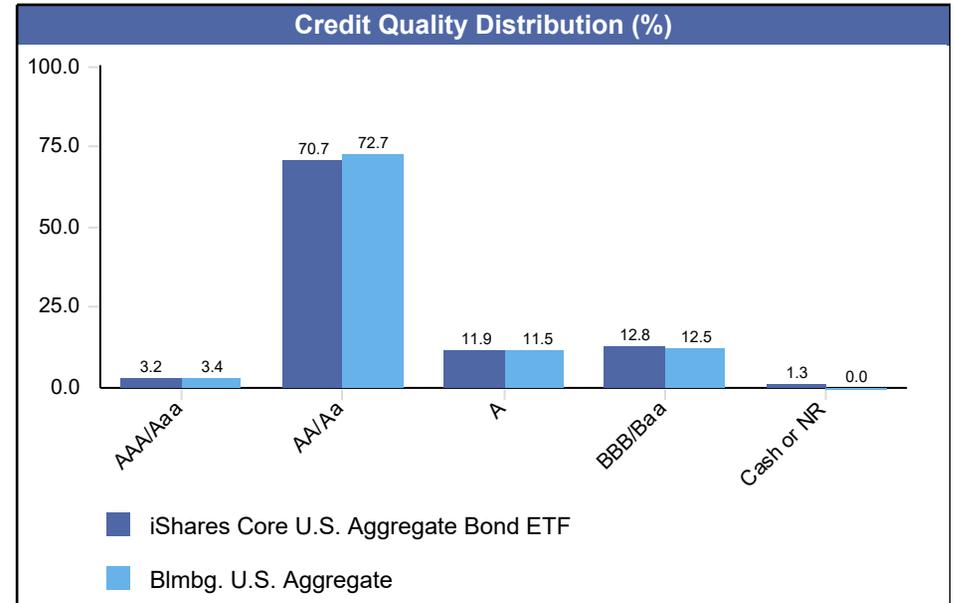


#### Sector Exposure



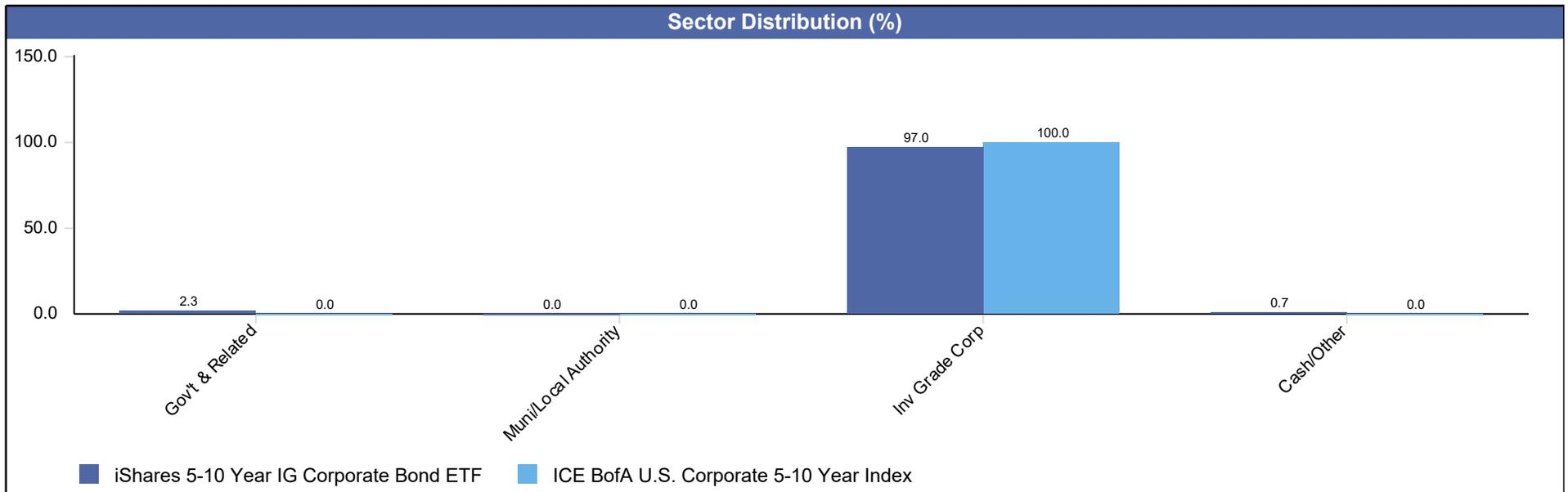
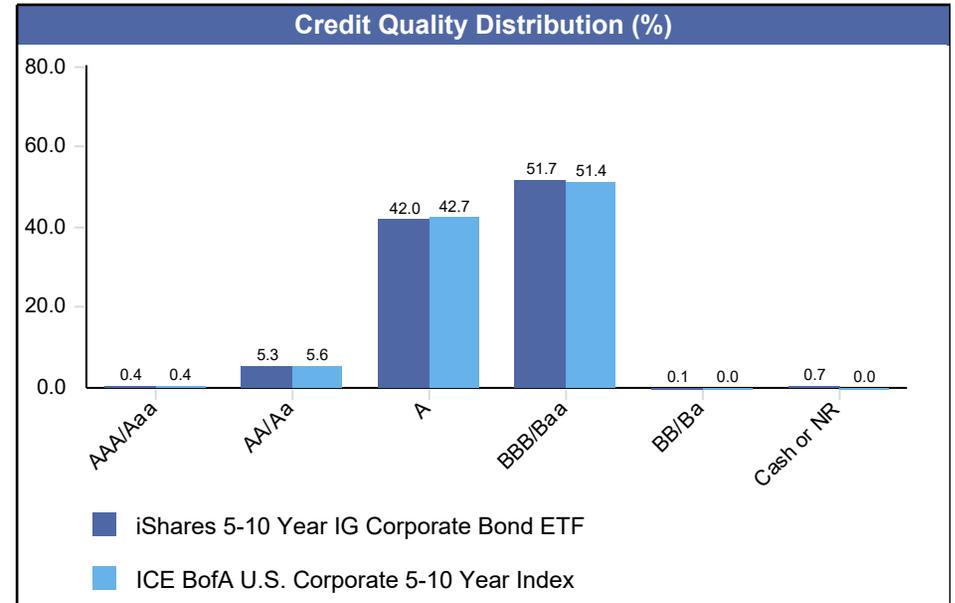
iShares Core U.S. Aggregate Bond ETF vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.19	6.20
Yield To Maturity (%)	4.25	4.23
Avg. Maturity	8.37	8.36
Avg. Quality	AA	AA
Coupon Rate (%)	3.41	3.37



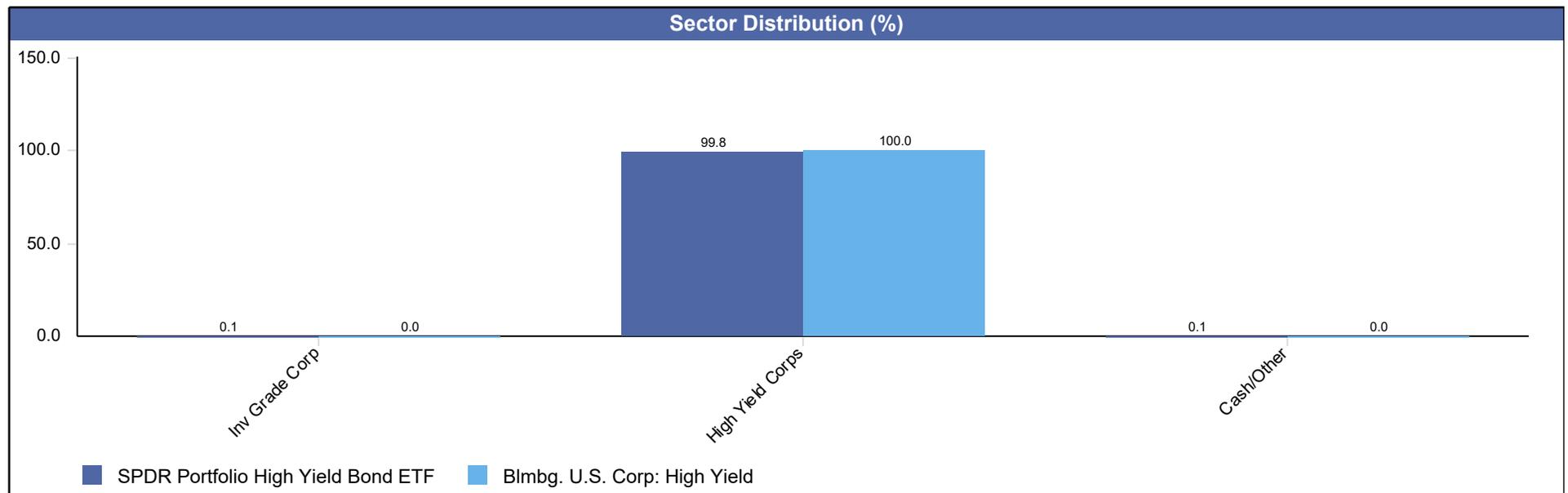
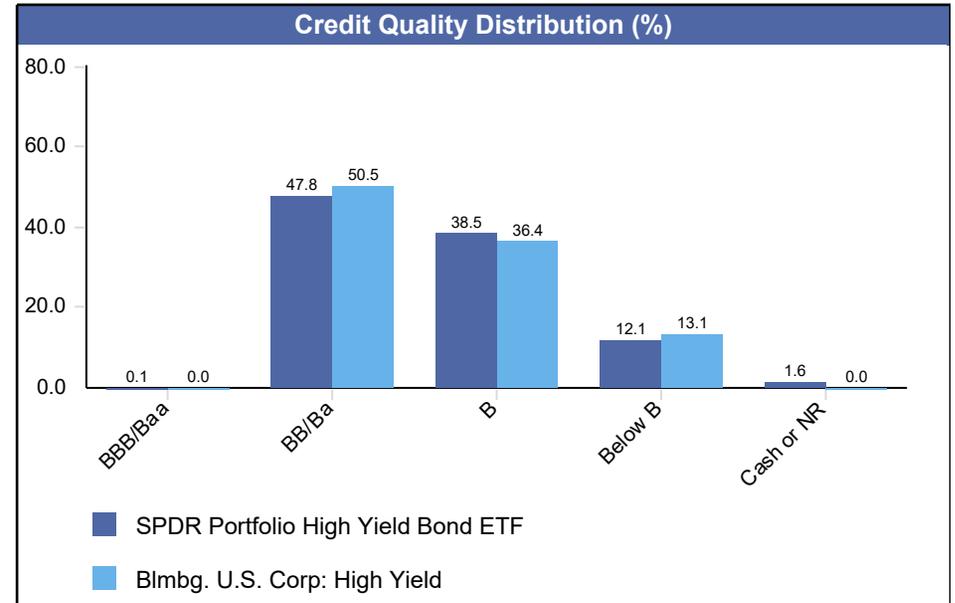
iShares 5-10 Year IG Corporate Bond ETF vs. ICE BofA U.S. Corporate 5-10 Year Index

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.04	5.98
Yield To Maturity (%)	4.77	4.75
Avg. Maturity	7.93	7.28
Avg. Quality	BBB	A
Coupon Rate (%)	4.20	4.34



SPDR Portfolio High Yield Bond ETF vs. Blmbg. U.S. Corp: High Yield

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	2.89	2.93
Yield To Maturity (%)	7.36	7.22
Avg. Maturity	4.79	4.84
Avg. Quality	B	B
Coupon Rate (%)	6.56	6.34



## **Supplemental Material**

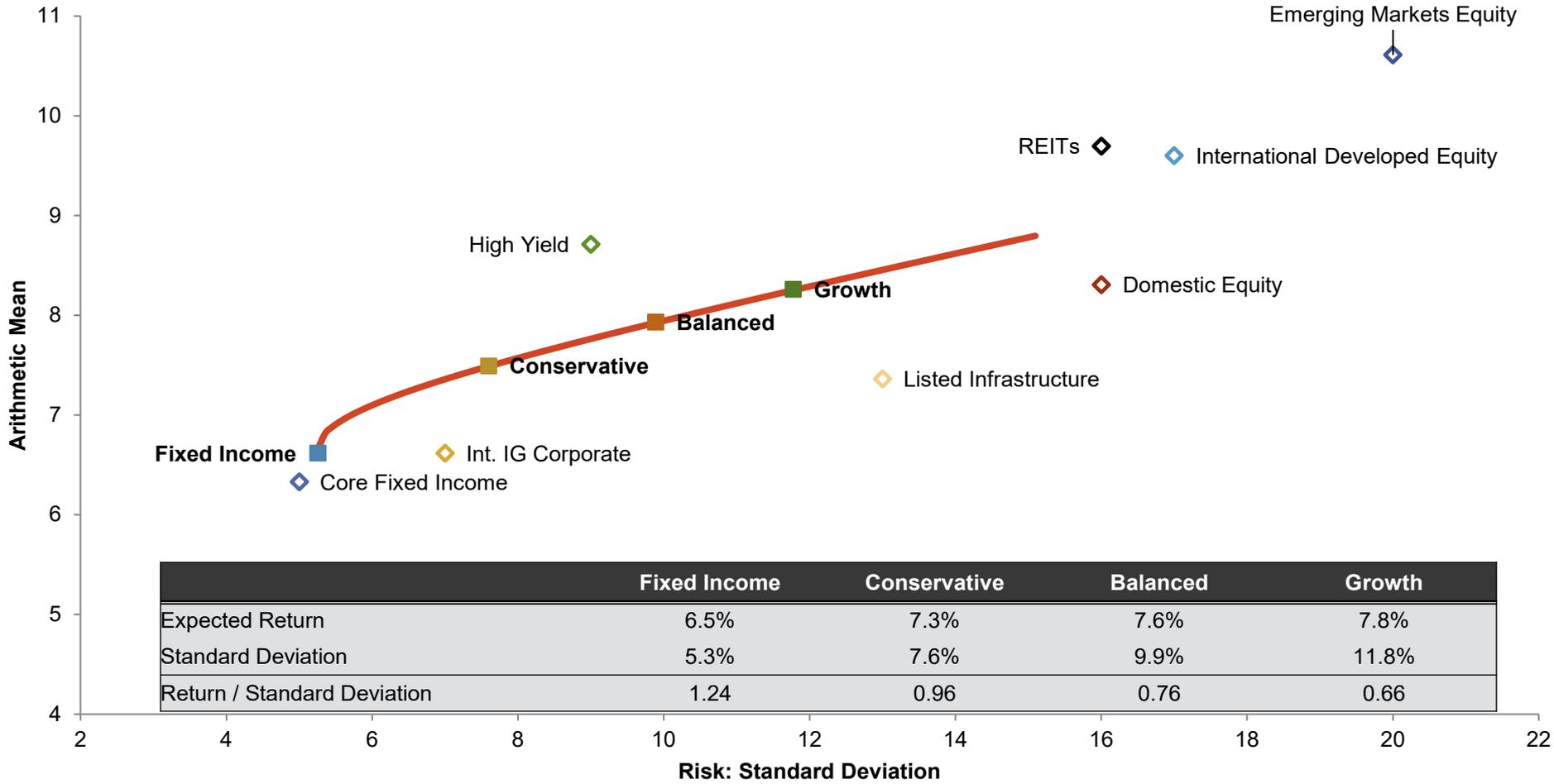
Asset Allocation



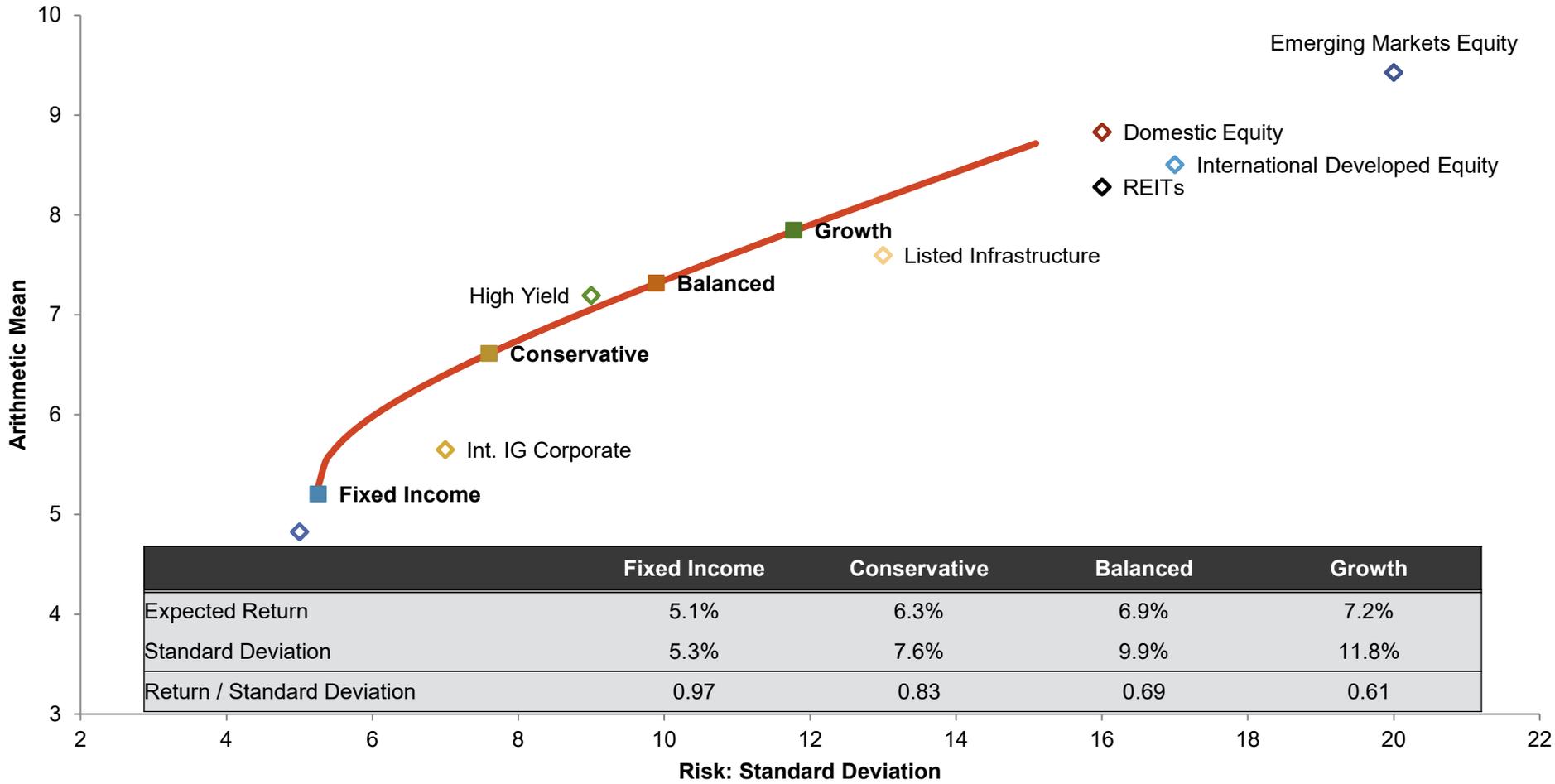
Portfolios		Fixed Income	Conservative	Balanced	Growth
	<i>Target Weights</i>				
	Equity	0%	40%	60%	75%
	Fixed Income	100%	60%	40%	25%
<b>Total Equity</b>		<b>0.00%</b>	<b>36.00%</b>	<b>54.00%</b>	<b>67.50%</b>
	Domestic Equity	0.00%	24.00%	36.00%	45.00%
	International Equity	0.00%	12.00%	18.00%	22.50%
<b>Total Other Growth</b>		<b>0.00%</b>	<b>4.00%</b>	<b>6.00%</b>	<b>7.50%</b>
	Real Estate	0.00%	2.00%	3.00%	3.75%
	Global Infrastructure	0.00%	2.00%	3.00%	3.75%
<b>Total Fixed Income</b>		<b>100.00%</b>	<b>60.00%</b>	<b>40.00%</b>	<b>25.00%</b>
	Investment Grade	92.50%	55.50%	37.00%	23.13%
	High Yield	7.50%	4.50%	3.00%	1.88%
Total weighted average expense ratio		0.03%	0.04%	0.05%	0.05%

The information above is for illustration purposes only and is not a recommendation to buy or sell investments. Each investment objective reflects the associated PARS diversified portfolio as of the date above. Investments and weights may change without notice based on prevailing market conditions and changes to asset allocation and/or portfolio construction decisions. The weighted expense ratio reflects the net expense ratios reflected in fund prospectuses based on current investments and weights as reflected above.

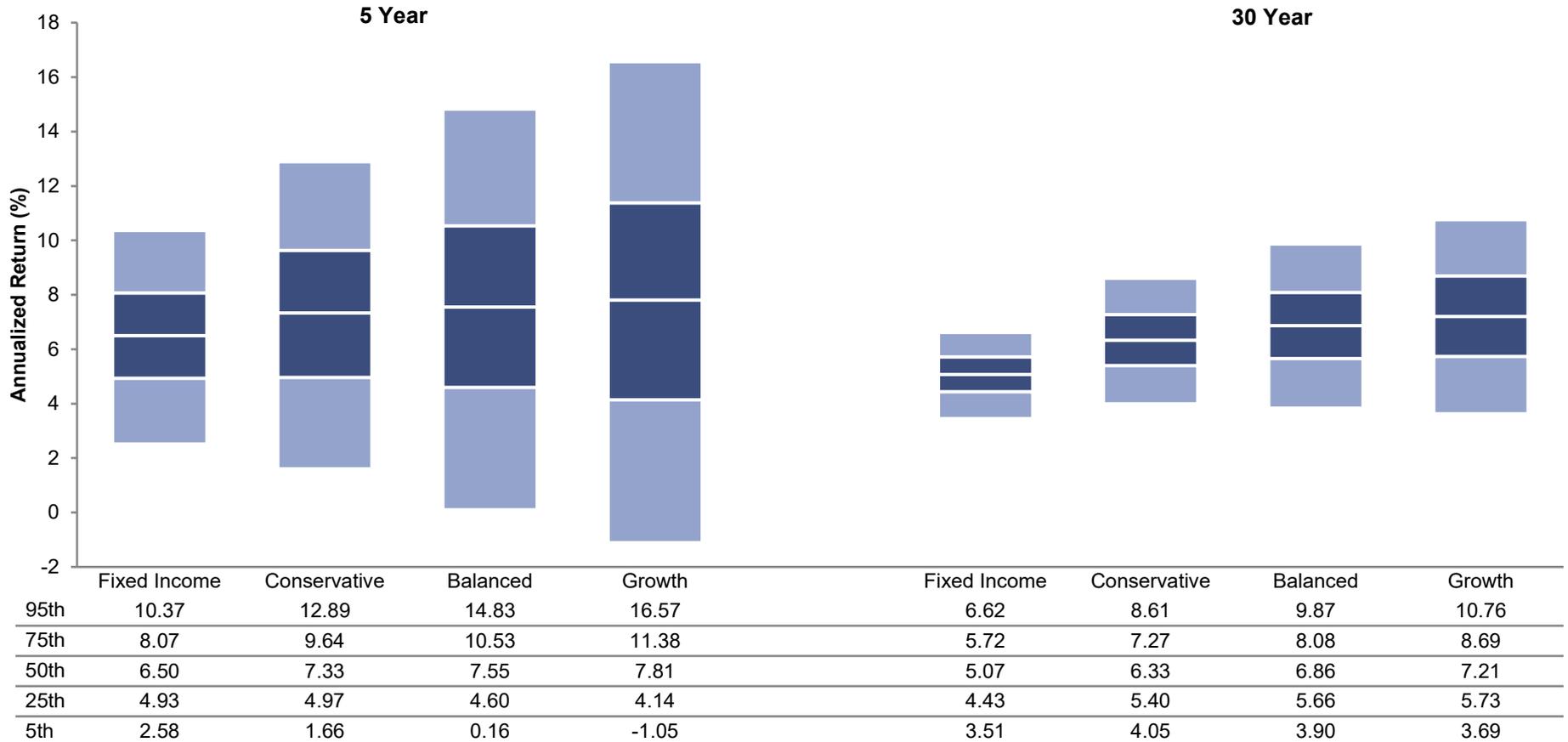
Efficient Frontier (Intermediate-Term: 5 Years)



Efficient Frontier (Long-Term: 30 Years)



Return Projections



### Capital Market Assumptions Disclosures

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

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

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

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