Finance & Audit Committee Meeting

ACWA JPIA
YOUR BEST PROTECTION

ACWA JPIA Executive Conference Room
2100 Professional Drive
Roseville, CA 95661

Wednesday
September 25, 2024
1:00 p.m.

Chair: David Drake, Rincon del Diablo Municipal Water District

Vice-Chair: Bruce Rupp, Humboldt Bay Municipal Water District

Jennifer Bryant, Helix Water District

Kurtis Crawford, Yuba Water Agency

Marwan Khalifa, Mesa Water District

Edward Lyons, Cachuma Operation and Maintenance Board

Brett Miller, San Benito County Water District

Cindy Saks, San Bernardino Valley Municipal Water District

Jim Smith, Wheeler Ridge-Maricopa Water Storage

FINANCE AND AUDIT COMMITTEE MEETING

AGENDA

JPIA Executive Conference Room
2100 Professional Drive
Roseville, CA 95661

Wednesday, September 25, 2024 – 1:00 p.m.

Zoom Link Meeting ID: 532 180 4035; Password: 5742; Telephone No.: 1 (669) 900-6833

This meeting shall consist of a simultaneous Zoom teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661, and the following remote sites:

- Bryant – 7811 University Avenue, La Mesa
- Miller – 30 Mansfield Road, Hollister
- Smith – 12109 Highway 166, Bakersfield

WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS

PLEDGE OF ALLEGIANCE

ANNOUNCE RECORDING OF MEETING This meeting may be recorded to assist in preparation of minutes. Recordings will only be kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

PUBLIC COMMENT Members of the public will be allowed to address the Finance and Audit Committee on any agenda item prior to the Committee's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chair know.

HYBRID PARTICIPATION GUIDELINES (See back page of the packet)

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter		Page #
	I. CONSENT AGENDA	
*	A. Approve the Minutes of the March 20, 2024, Meeting	4
	II. ADMINISTRATION	
	A. Report on Meetings Attended on Behalf of the JPIA	

Presenter			Page#
		III. PROGRAM UPDATES	
PFM	*	A. Investment Portfolio Update	**9**
deBernardi	*	B. Review and Provide Recommendation Regarding the Investment Policy	**31**
Drake/Steele	*	C. California Water Insurance Fund Update	**48**
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deBernardi	*	E. Review and Provide Recommendation Regarding the Liability, Property, and Workers' Compensation Programs' CAT Fund Goals	**96**
		IV. STAFF UPDATES	
Steele	*	A. Finance Department Update	**98**
		V. UPCOMING MEETING	
Drake	*	A. Review the Availability of the Committee Members for Upcoming Meeting on March 27, 2025	**99**

ADJOURN

*Related items enclosed.

Americans with Disabilities Act – *The JPIA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the JPIA, shall be made to: Jillian Sciancalepore, Administrative Assistant III, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-JPIA. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)*

Written materials relating to an item on this Agenda that are distributed to the JPIA's Finance and Audit Committee within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-JPIA. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.

Unapproved Minutes

Finance & Audit Committee Meeting

ACWA JPIA
2100 Professional Drive
Roseville, CA 95661
(800) 231-5742

March 20, 2024

This meeting consisted of a simultaneous Zoom teleconference meeting at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Steve Ruettgers – 3200 Rio Mirada Drive, Bakersfield, CA 93308
- Jim Smith – 12109 Highway 166, Bakersfield, CA 93313

MEMBERS PRESENT

Chair: David Drake, Rincon del Diablo Municipal Water District
Vice Chair: Bruce Rupp, Humboldt Bay Municipal Water District
Kurtis Crawford, Yuba Water Agency
Edward Lyons, Cachuma Operation and Maintenance Board
Steve Ruettgers, Kern County Water Agency (via zoom)
Cindy Saks, San Bernardino Valley Municipal Water District
Jim Smith, Wheeler Ridge-Maricopa Water Storage (via zoom)

MEMBERS ABSENT

Jennifer Bryant, Helix Water District
Marwan Khalifa, Mesa Water District

STAFF PRESENT

Chief Executive Officer/Secretary: Adrienne Beatty
Cindy Buschmann, Accountant III
Chimene Camacho, Executive Assistant to the CEO
David deBernardi, Director of Finance
Adam Dedmon, Employee Benefits Manager
Robin Flint, Risk Control Manager
Robert Greenfield, General Counsel
Kyle Hutchings, Senior Accountant
Jennifer Jobe, Director of Pooled Programs (via Zoom)
Erik Kowalewski, Network/Systems Administrator
Dali Matias, Accountant III
Jennifer Nogosek, Liability/Property Claims Manager
Kevin Phillips, Director of Member Outreach
Jillian Sciancalepore, Administrative Assistant, III
Judy Shiu, Senior Claims Adjuster
Heidi Singer, Accountant II (*Recording Secretary*)

Dan Steele, Finance Manager
Kayla Villa, Litigation Manger
Tony Waterford, Human Resources Manager
Cece Wuchter, Lead Senior Claims Adjuster

OTHERS IN ATTENDANCE

Ernie Avila, Contra Costa Water District, ACWA VP (via Zoom)
Chris Kapheim, Kings River Conservation District
Szu Pei Lu-Yang, Rowland Water District
Melody McDonald, San Bernardino Valley Water Conservation District
Scott Ratterman, Calaveras County Water District
Randall J. Reed, Cucamonga Valley Water District
David Wheaton, Citrus Heights Water District
Bob Green, Gilbert CPAs

WELCOME

Chair Drake welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair Drake called the meeting to order at 1:00 p.m. He announced there was a quorum.

PLEDGE OF ALLEGIANCE

Chair Drake led the Pledge of Allegiance.

EVACUATION PROCEDURES

Ms. Beatty gave the evacuation procedure instructions.

ANNOUNCEMENT RECORDING OF MEETING

Chair Drake announced that the meeting would be recorded to assist in preparation of minutes. Recordings are kept 30 days following the meeting, as mandated by the Ralph M. Brown Act. The introduction of Fireflies, an AI note taking service for recording and drafting of the meeting minutes, was noted.

PUBLIC COMMENT

Chair Drake noted that, as the agenda stated, members of the public would be allowed to address the Finance & Audit Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

HYBRID PARTICIPATION GUIDELINES

Ms. Beatty gave the hybrid participation guideline instructions.

INTRODUCTIONS

Chair Drake introduced the Finance & Audit Committee, staff, and others in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair Drake asked for any additions to, or deletions from, the agenda. Mr. Greenfield asked that a motion be made for the approval of excused absences of any Committee Members as this was not included in the consent agenda.

> M/S/C (Rupp/Crawford) (Crawford-Yes; Lyons-Yes; Ruettgers-Yes; Saks-Yes; Smith-Yes, Rupp-Yes; Drake-Yes): That the Finance & Audit Committee approve excused absences of Committee Members.

CONSENT AGENDA

Chair Drake called for approval of the minutes of the September 27,2023 meeting.

> M/S/C (Rupp/Saks) (Crawford-Yes; Lyons-Yes; Ruettgers-Yes; Saks-Yes; Smith-Yes; Rupp-Yes; Drake-Yes): That the Finance & Audit Committee approve the minutes of the September 27,2023 meeting.

ADMINISTRATION

Report on meetings attended on behalf of the JPIA.
Vice Chair Rupp, Director Kapheim, Director Ratterman, and President McDonald reported attending the Association of Governmental Risk Pools (AGRIP) Governance Conference. Chair Drake reported attending the Captive Insurance Companies Association (CICA) Conference.

Presentation of the Government Finance Officers Association (GFOA) Award
Chair Drake presented the Finance Team the GFOA Award for the year ending September 30, 2022.

FINANCIALS

Review and Make Recommendations on the Annual Comprehensive Financial Report
Mr. Green reported that the JPIA received an unmodified opinion that states that the financial statements present fairly and accurately, in all material respects, the financial position of the ACWA JPIA as of September 30, 2023, and the results of its operations and cash flows for the year finalized in conformity with generally accepted accounting principles (GAAP) in the United States of America.

As in the year prior, JPIA prepared an Annual Comprehensive Financial Report (ACFR) in accordance with the Government Finance Officers Association (GFOA) standards. Management intends to submit this report to the GFOA for review to obtain a Certificate of Achievement for Excellence in Financial Reporting once again. Consequently, the ACFR includes additional reports and schedules therein to meet these lofty standards.

> M/S/C (Lyons/Crawford) (Crawford-Yes; Lyons-Yes; Ruettgers-Yes; Saks-Yes; Smith-Yes; Rupp-Yes; Drake-Yes): That the Finance & Audit

Committee recommend the Executive Committee approve the 2022-2023 Audited Financial Statements, as presented, and submit for final approval by the Board of Directors at the subsequent ACWA JPIA Spring Membership Summit in May 2024.

Review and Make Recommendations on the Proposed Operating Budget
Mr. deBernardi conveyed that the most significant changes to the General and Administrative Budget for the 2024-25 fiscal year are to the line items for staff salaries and office building. The primary increase in staff salaries is due to a 5% provision for potential raises/promotions. Additionally, there are placeholder funds for additional staff compared to the previous budget. Office buildings increase is primarily the result of anticipated additional space the JPIA will need to accommodate staff needs.

Executive Committee Member Expenses have an over 50% increase from the previous year's budget. This is due to the JPIA Executive Committee participating in significantly more meetings than the previous years where COVID-19 had severely limited these opportunities.

The overall increase in the Operating Budget is 10.2%.

M/S/C (Saks/Ruettgers) (Crawford-Yes; Lyons-Yes; Ruettgers-Yes; Saks-Yes; Smith-Yes; Rupp-Yes; Drake-Yes): That the Finance & Audit Committee recommend the Executive Committee approve the proposed Operating Budget for the fiscal year ending September 30, 2025, as presented, and submit for final approval by the Board of Directors at the subsequent ACWA JPIA Spring Membership Summit in May 2024.

Retrospective Contribution Adjustment (RCA) Process Update
Mr. Steele reported that per JPIA's policy to only process RCAs once a Program Year is fully five years matured, the newest year to be added into this year's calculation would be 2017-18. The 2018-2019 Liability and Property program years are currently showing considerable negative balances. Likely positive balances from the 2017-18 Program Year will need to be used to offset negative balances in the 2018-19 Program Year. Additionally, reserve balance changes and claims development could have a significant impact on the 2018-19 Program Year funded position by then. As such, the Executive Committee declined to adjust any prior years, at this time; however, modest refunds were approved to be issued to a small number of members based on adjustments from estimated to actual payroll and some members being overfunded in their portion of the JPIA's Catastrophic loss funds.

California Water Insurance Fund (CWIF) Update
Mr. Steele reported that since the last Finance & Audit Committee meeting, the following has transpired with the Captive:

As of December 31, 2023, the book value of the CWIF portfolio was $162,137,835 vs a market value of $168,097,781.

The rate of return since inception is approximately 5.43% whereas typical returns on the JPIA fixed-income portfolio range from 1% to 2% (per year) in most cases.

STAFF UPDATES

Director of Finance Update

Mr. deBernardi reported on relevant current issues. He also reported on the retirement of Committee Member Steve Ruettgers and thanked him for his many years of service.

UPCOMING MEETINGS

Future Agenda Items

None stated.

Availability for Upcoming Meeting

The next scheduled Finance & Audit Committee meeting is September 25, 2024.

The Finance & Audit Committee meeting adjourned at 2:50 p.m.

ACWA JPIA
Investment Portfolio Update
September 25, 2024

BACKGROUND
In November 2008, PFM Asset Management LLC began managing approximately two-thirds of the JPIA's investment portfolio.

CURRENT SITUATION
PFM will present a summary of the Investment Portfolio managed by them. This presentation will include commentary on the current market and thoughts about managing the investments going forward. With the shifting of JPIA funds into its captive, CWIF, the JPIA investment portfolio is all but completely liquidated.

RECOMMENDATION
None, information only.

pfm asset management

ACWA JPIA

Investment Performance Review
For the Quarter Ended June 30, 2024

Client Management Team

Michael Kronbetter, Relationship Manager
Robert Cheddar, CFA, Managing Director
Monique Spyke, Managing Director

PFM Asset Management LLC

633 W 5th St., 25th Floor
Los Angeles, CA 90071
949-230-6896

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Market Update

Current Market Themes



- The U.S. economy is characterized by:
  - Moderating economic growth following two quarters of exceptional strength
  - Recent inflation prints resuming the path towards the Federal Reserve (Fed)'s 2% target
  - Labor markets continuing to show strength while unemployment has ticked up modestly
  - Resilient consumer spending supported by wage growth that is outpacing inflation



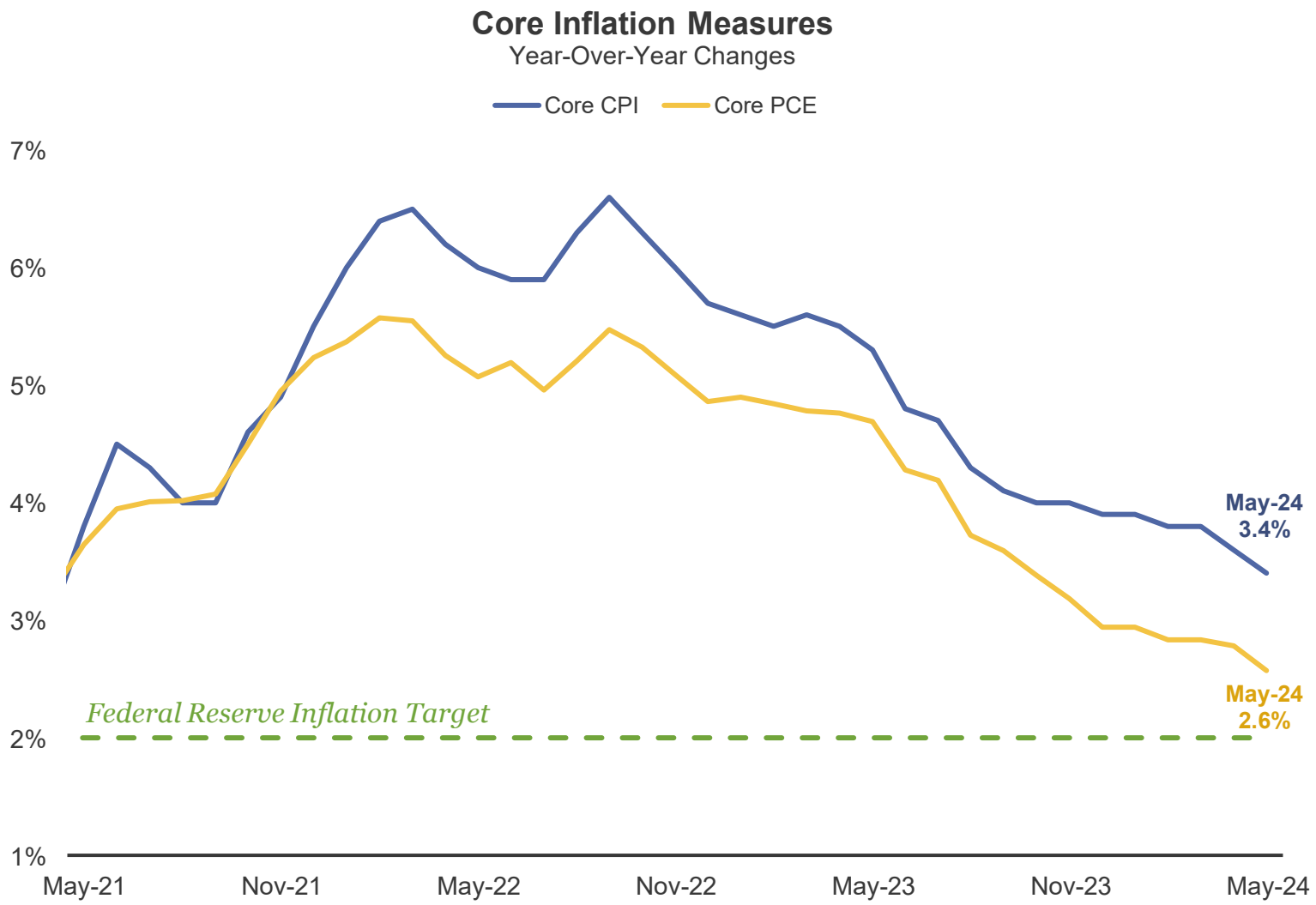
- Federal Reserve pushes out rate cuts
  - Fed revises expectations from 3 rate cuts in 2024 to 1 by year end following a lack of progress in the fight against inflation
  - Market continues to expect 1 or 2 rate cuts in 2024
  - Fed officials note that the risks to its "dual mandate" of stable inflation and maximum employment are becoming more balanced



- Treasury yields increase in response to economic data over the quarter
  - Yields on maturities between 2 and 10 years rose 13-20 basis points during the quarter
  - The yield curve has now been inverted for 24 months, the longest period in history
  - Spreads across most sectors remain near multi-year tights and represent market expectations for a soft landing

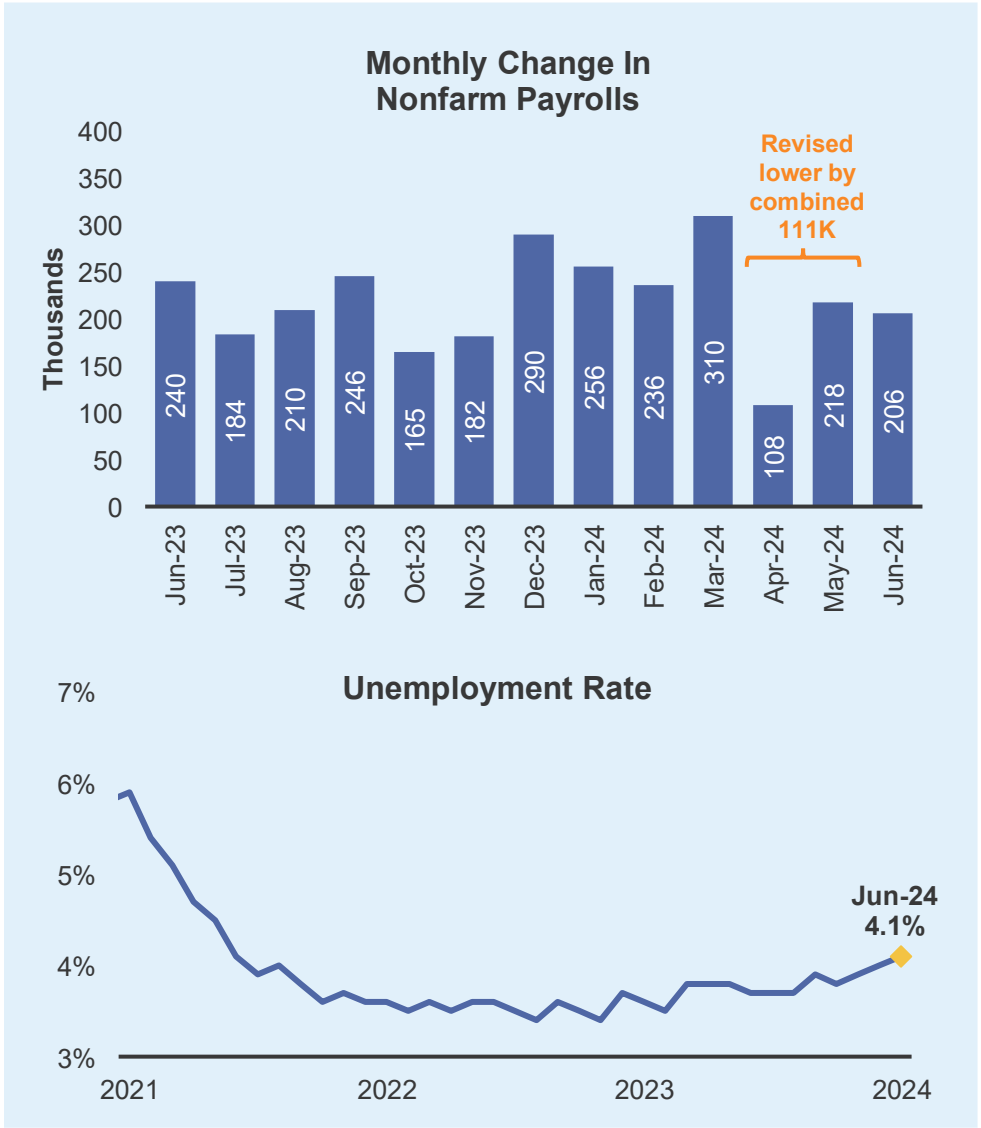
Fed's Preferred Inflation Measure Shows Progress

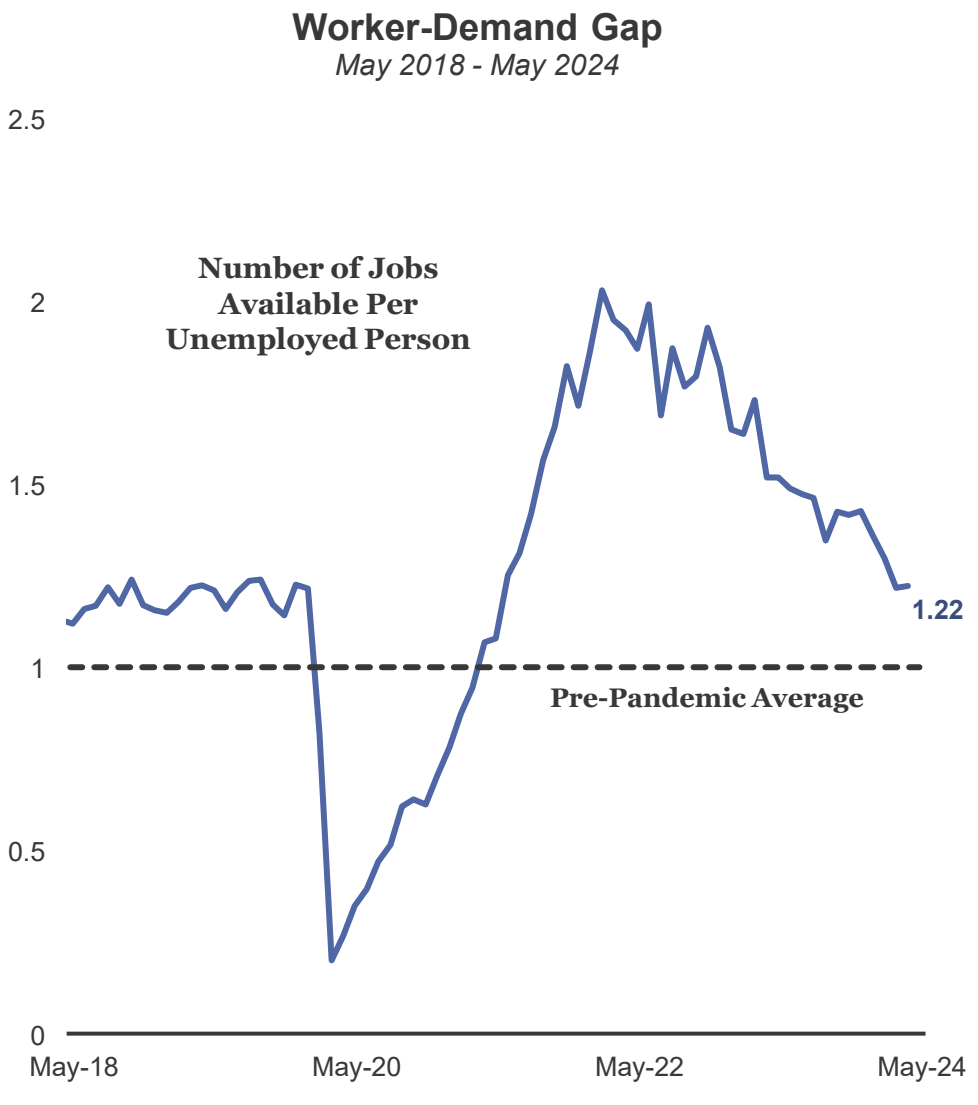
Core CPI and PCE strips out the volatile food and energy components.



Source: Bureau of Labor Statistics, Bureau of Economic Analysis, and Bloomberg. As of May 2024.

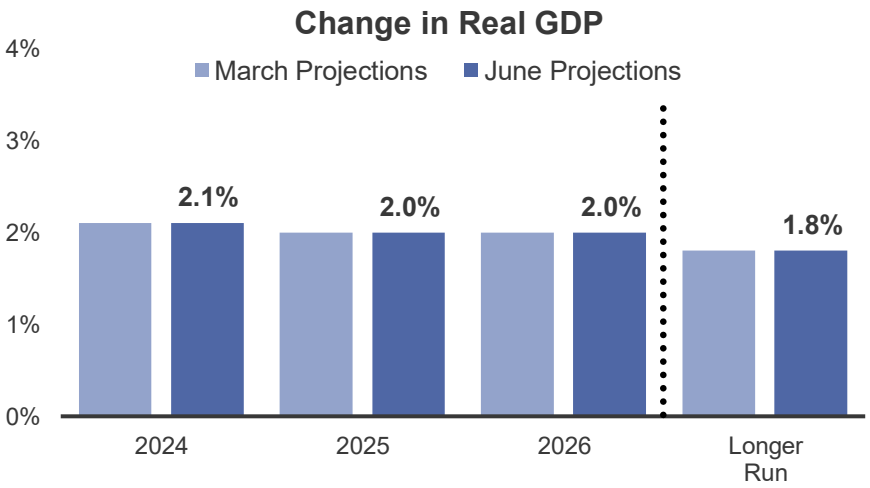
Labor Market Moves Into Better Balance

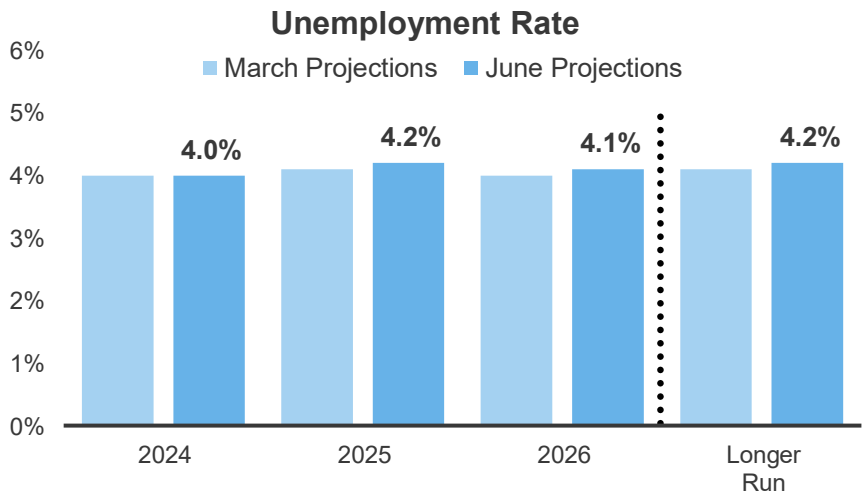


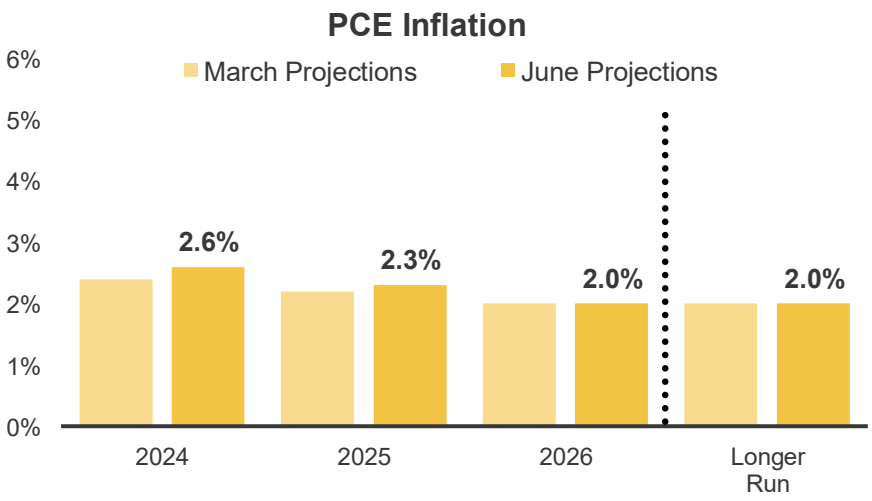


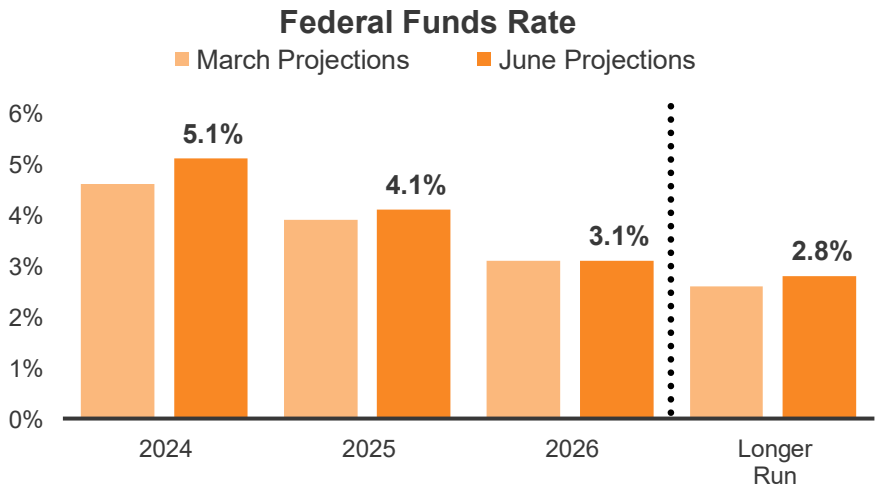
Source: Bloomberg, Bureau of Labor Statistics. Monthly change in nonfarm payrolls and unemployment rate as of June 2024. Data is seasonally adjusted (left). Worker demand gap as of May 2024. Pre-pandemic average from February 2016 – February 2020 (right).

Fed's Updated June Projections Reflect Stable Economic Expectations for 2024



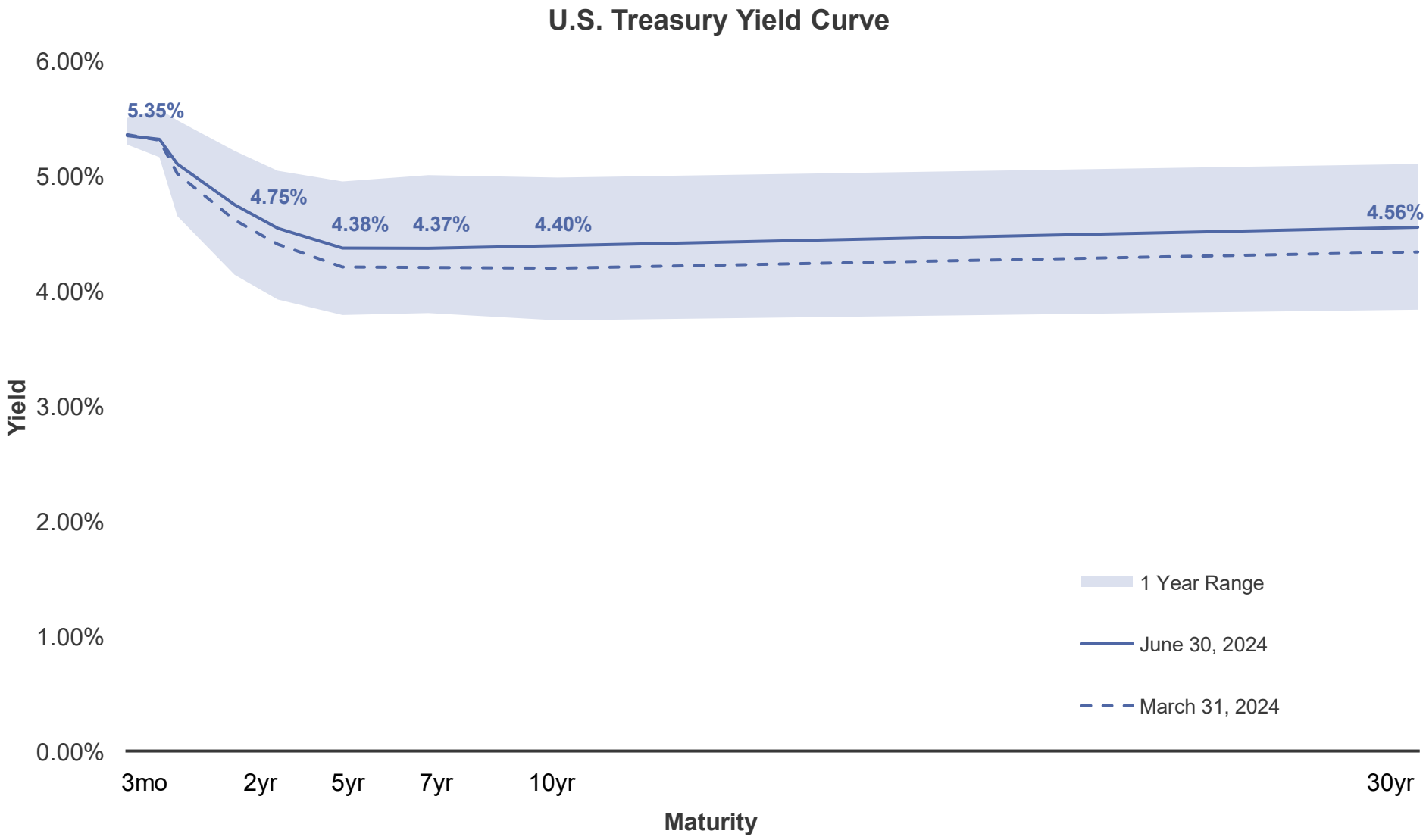






Source: Federal Reserve, latest economic projections as of June 2024.

Treasury Yields Move Higher as Market Evolves to Revised Fed Expectations



Source: Bloomberg, as of 6/30/2024.

Portfolio Review

Certificate of Compliance

During the reporting period for the quarter ended June 30, 2024, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

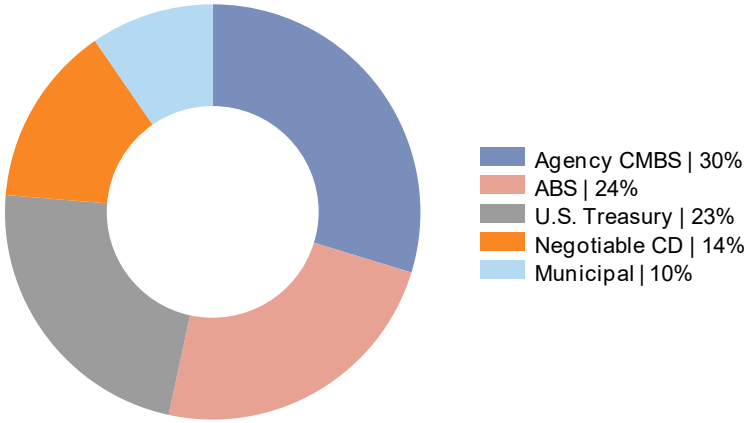
Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

Portfolio Snapshot - ACWA/JPIA EMPLOYEE BENEFITS[1]

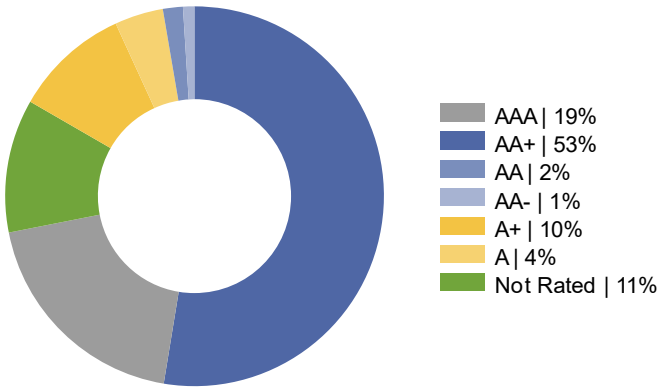
Portfolio Statistics

Total Market Value	$15,987,826.25
Securities Sub-Total	*$8,584,941.67*
Accrued Interest	*$64,210.10*
Cash	*$7,338,674.48*
Portfolio Effective Duration	2.17 years
Benchmark Effective Duration	2.50 years
Yield At Cost	3.98%
Yield At Market	4.91%
Portfolio Credit Quality	AA

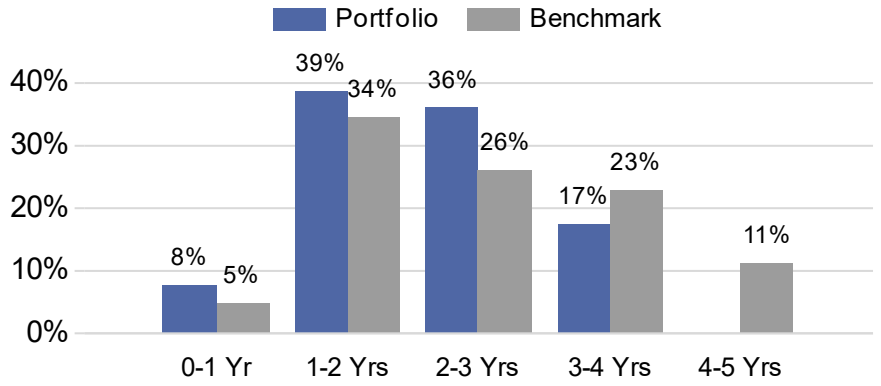
Sector Allocation



Credit Quality - S&P



Duration Distribution

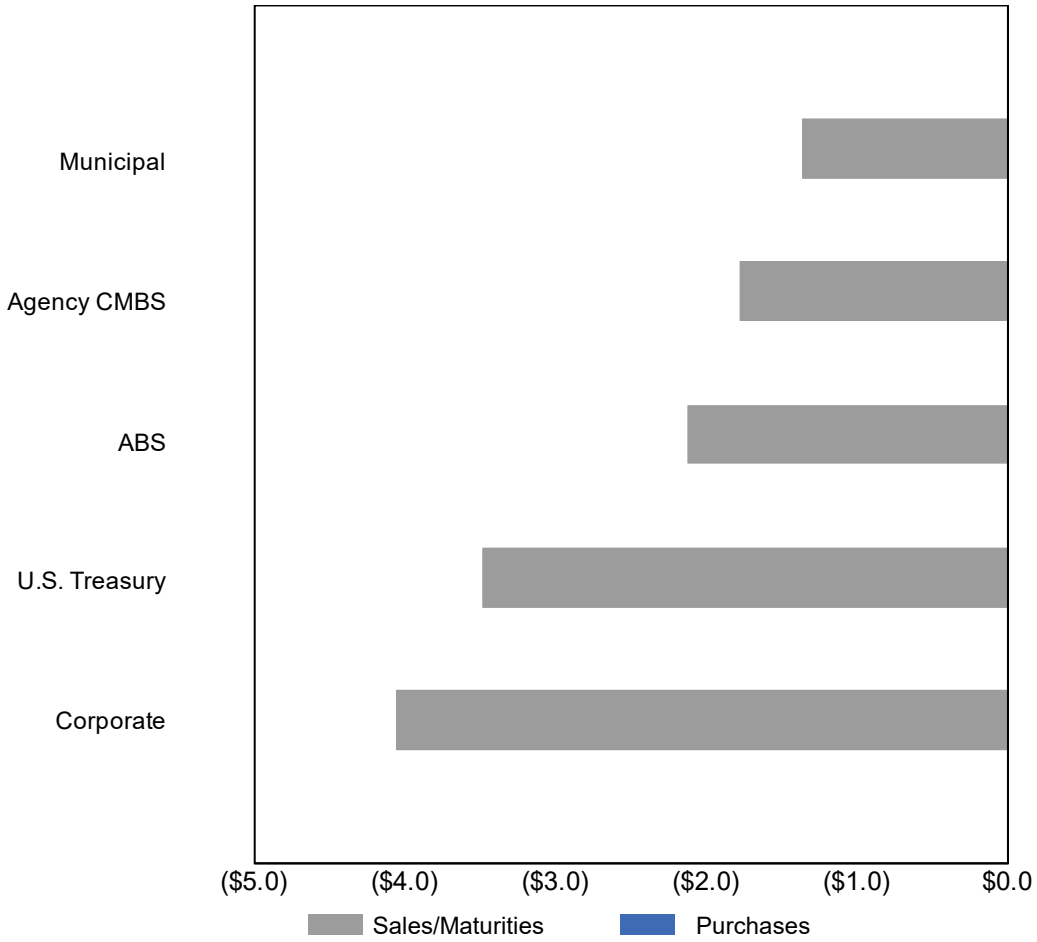


1. *Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury/Agency Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.*

Portfolio Activity - ACWA/JPIA EMPLOYEE BENEFITS

Net Activity by Sector

($ millions)



Sector	Net Activity
Municipal	($1,353,982)
Agency CMBS	($1,773,071)
ABS	($2,121,368)
U.S. Treasury	($3,479,689)
Corporate	($4,049,984)
Total Net Activity	**($12,778,095)**

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Holdings

Issuer Distribution
As of June 30, 2024

Issuer	Market Value ($)	% of Portfolio
FREDDIE MAC	2,191,432	25.53%
UNITED STATES TREASURY	1,961,398	22.85%
RABOBANK NEDERLAND	562,900	6.56%
FANNIE MAE	364,713	4.25%
HARLEY-DAVIDSON MOTORCYCLE TRUST	357,093	4.16%
TORONTO-DOMINION BANK	356,333	4.15%
SAN JUAN UNIFIED SCHOOL DISTRICT	317,163	3.69%
HONDA AUTO RECEIVABLES	298,155	3.47%
NATIXIS NY BRANCH	287,132	3.34%
LOS ANGELES UNIFIED SCHOOL DISTRICT	280,602	3.27%
FIFTH THIRD AUTO TRUST	265,554	3.09%
DAIMLER TRUCKS RETAIL TRUST	230,934	2.69%
FORD CREDIT AUTO OWNER TRUST	208,921	2.43%
CARMAX AUTO OWNER TRUST	203,080	2.37%
UNIVERSITY OF CALIFORNIA	144,740	1.69%
ALLY AUTO RECEIVABLES TRUST	140,398	1.64%
MERCEDES-BENZ AUTO RECEIVABLES	98,980	1.15%
HYUNDAI AUTO RECEIVABLES	85,195	0.99%
CALIFORNIA STATE UNIVERSITY	84,776	0.99%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	80,240	0.93%
BMW VEHICLE OWNER TRUST	65,204	0.76%
Grand Total	**8,584,942**	**100.00%**

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 05/31/2019 2.125% 05/31/2026	9128286X3	300,000.00	AA+	Aaa	6/10/2021	6/10/2021	320,214.84	0.74	539.96	307,780.93	285,656.25
US TREASURY NOTES DTD 08/31/2021 0.750% 08/31/2026	91282CCW9	320,000.00	AA+	Aaa	1/3/2022	1/5/2022	311,512.50	1.34	802.17	316,048.49	294,300.00
US TREASURY NOTES DTD 11/30/2021 1.250% 11/30/2026	91282CDK4	225,000.00	AA+	Aaa	2/15/2022	2/16/2022	217,907.23	1.94	238.22	221,421.15	207,808.61
US TREASURY NOTES DTD 03/31/2022 2.500% 03/31/2027	91282CEF4	500,000.00	AA+	Aaa	4/1/2022	4/5/2022	498,847.66	2.55	3,142.08	499,365.30	473,906.25
US TREASURY NOTES DTD 04/30/2022 2.750% 04/30/2027	91282CEN7	500,000.00	AA+	Aaa	5/3/2022	5/4/2022	495,175.78	2.96	2,316.58	497,264.86	476,328.10
US TREASURY NOTES DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	250,000.00	AA+	Aaa	5/5/2022	5/11/2022	222,021.48	2.94	210.60	234,076.14	223,398.45
Security Type Sub-Total		**2,095,000.00**					**2,065,679.49**	**2.18**	**7,249.61**	**2,075,956.87**	**1,961,397.66**
Negotiable CD											
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.600% 10/27/2025	89115B6K1	355,000.00	A	A1	10/27/2022	10/31/2022	355,000.00	5.58	13,805.56	355,000.00	356,332.67
COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	565,000.00	A+	Aa2	7/17/2023	7/20/2023	565,000.00	5.08	13,075.36	565,000.00	562,900.46
NATIXIS NY BRANCH CERT DEPOS DTD 09/20/2023 5.610% 09/18/2026	63873QP65	285,000.00	A+	A1	9/18/2023	9/20/2023	285,000.00	5.61	12,657.56	285,000.00	287,131.80
Security Type Sub-Total		**1,205,000.00**					**1,205,000.00**	**5.36**	**39,538.48**	**1,205,000.00**	**1,206,364.93**
Municipal											
SAN JUAN USD, CA TXBL GO BONDS DTD 10/29/2020 0.702% 08/01/2024	798306WN2	165,000.00	NR	Aa2	10/16/2020	10/29/2020	165,000.00	0.70	482.63	165,000.00	164,462.10

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Municipal											
UNIV OF CAL TXBL REV BONDS DTD 07/16/2020 0.933% 05/15/2025	91412HFM0	150,000.00	AA	Aa2	7/10/2020	7/16/2020	150,000.00	0.93	178.83	150,000.00	144,739.50
SAN JUAN USD, CA TXBL GO BONDS DTD 10/29/2020 0.852% 08/01/2025	798306WP7	160,000.00	NR	Aa2	10/16/2020	10/29/2020	160,000.00	0.85	568.00	160,000.00	152,700.80
LOS ANGELES USD, CA TXBL GO BONDS DTD 11/10/2021 1.455% 07/01/2026	544647FC9	300,000.00	NR	Aa2	10/28/2021	11/10/2021	300,000.00	1.46	2,182.50	300,000.00	280,602.00
CA ST UNIV TRUSTEES - MUNICIPAL BONDS DTD 08/09/2023 4.755% 11/01/2026	13077DTC6	85,000.00	AA-	Aa2	7/20/2023	8/9/2023	85,000.00	4.75	673.63	85,000.00	84,775.60
Security Type Sub-Total		**860,000.00**					**860,000.00**	**1.44**	**4,085.59**	**860,000.00**	**827,280.00**
Agency CMBS											
FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXQY1	400,000.00	AA+	Aaa	8/16/2023	8/18/2023	377,312.50	4.98	1,074.67	382,900.90	383,027.24
FHLMC MULTIFAMILY STRUCTURED P DTD 07/01/2017 3.243% 04/01/2027	3137F1G44	405,000.00	AA+	Aaa	6/8/2023	6/13/2023	388,088.09	4.44	1,094.51	392,766.89	387,278.11
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	298,152.69	AA+	Aaa	7/19/2023	7/27/2023	298,145.20	4.78	1,186.90	298,146.64	296,961.04
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	375,000.00	AA+	Aaa	7/13/2023	7/20/2023	378,745.50	4.59	1,505.94	378,014.52	373,883.40
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BQDE6	375,000.00	AA+	Aaa	7/18/2023	7/31/2023	368,642.58	4.58	1,309.38	369,831.28	364,713.17
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	380,000.00	AA+	Aaa	9/7/2023	9/14/2023	374,378.66	4.99	1,472.50	375,206.10	376,632.85
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	375,000.00	AA+	Aaa	9/20/2023	9/28/2023	370,517.63	5.07	1,500.00	371,137.13	373,648.92
Security Type Sub-Total		**2,608,152.69**					**2,555,830.16**	**4.77**	**9,143.90**	**2,568,003.46**	**2,556,144.73**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	4,986.62	NR	NR	4/20/2021	4/28/2021	4,986.09	0.38	0.84	4,986.47	4,974.06
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	8,870.16	AAA	NR	1/20/2021	1/27/2021	8,868.41	0.34	1.34	8,869.64	8,815.36
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	39,732.03	AAA	NR	4/13/2021	4/21/2021	39,723.47	0.52	9.18	39,729.14	39,298.89
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	158,313.09	AAA	Aaa	7/21/2021	7/28/2021	158,287.04	0.55	38.70	158,302.66	154,965.27
HAROT 2022-2 A3 DTD 08/24/2022 3.730% 07/20/2026	43815PAC3	53,507.68	AAA	NR	8/15/2022	8/24/2022	53,504.48	3.73	72.07	53,506.00	52,848.20
DTRT 2023-1 A3 DTD 09/27/2023 5.900% 03/15/2027	233868AC2	230,000.00	NR	Aaa	9/20/2023	9/27/2023	229,996.48	5.90	603.11	229,997.19	230,934.26
MBART 2023-1 A3 DTD 01/25/2023 4.510% 11/15/2027	58770AAC7	100,000.00	AAA	NR	1/18/2023	1/25/2023	99,988.00	4.51	200.44	99,991.58	98,979.52
FORDO 2023-A A3 DTD 03/31/2023 4.650% 02/15/2028	344928AD8	95,000.00	AAA	NR	3/28/2023	3/31/2023	94,990.09	4.65	196.33	94,992.64	94,108.10
HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815QAC1	245,000.00	AAA	NR	8/15/2023	8/22/2023	244,949.48	5.42	478.63	244,959.15	245,306.96
BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2	65,000.00	AAA	NR	7/11/2023	7/18/2023	64,988.48	5.47	59.26	64,990.87	65,204.40
HART 2023-B A3 DTD 07/19/2023 5.480% 04/17/2028	44933XAD9	80,000.00	AAA	NR	7/11/2023	7/19/2023	79,996.53	5.48	194.84	79,997.23	80,220.98
FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4	115,000.00	AAA	NR	6/21/2023	6/26/2023	114,998.45	5.23	267.31	114,998.77	114,813.39
ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	140,000.00	NR	Aaa	7/11/2023	7/19/2023	139,976.13	5.46	339.73	139,980.84	140,398.34
GMCAR 2023-3 A3 DTD 07/19/2023 5.450% 06/16/2028	36267KAD9	80,000.00	AAA	Aaa	7/11/2023	7/19/2023	79,996.91	5.45	181.67	79,997.51	80,239.91
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	265,000.00	AAA	Aaa	8/15/2023	8/23/2023	264,983.57	5.53	651.31	264,986.40	265,553.56

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	355,000.00	AAA	Aaa	9/20/2023	9/27/2023	354,919.73	5.70	897.76	354,930.82	357,093.15
Security Type Sub-Total		**2,035,409.58**					**2,035,153.34**	**4.91**	**4,192.52**	**2,035,216.91**	**2,033,754.35**
Managed Account Sub Total		**8,803,562.27**					**8,721,662.99**	**3.98**	**64,210.10**	**8,744,177.24**	**8,584,941.67**
Securities Sub Total		**$8,803,562.27**					**$8,721,662.99**	**3.98%**	**$64,210.10**	**$8,744,177.24**	**$8,584,941.67**
Accrued Interest											**$64,210.10**
Total Investments											**$8,649,151.77**

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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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- Accrued Interest: Interest that is due on a bond or other fixed income security since the last interest payment was made.
- Agencies: Federal agency securities and/or Government-sponsored enterprises.
- Amortized Cost: The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- Asset-Backed Security: A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- Bankers' Acceptance: A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- Commercial Paper: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- Contribution to Total Return: The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- Effective Duration: A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- Effective Yield: The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- FDIC: Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- Interest Rate: Interest per year divided by principal amount and expressed as a percentage.
- Market Value: The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- Maturity: The date upon which the principal or stated value of an investment becomes due and payable.
- Negotiable Certificates of Deposit: A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- Par Value: The nominal dollar face amount of a security.
- Pass-through Security: A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

ACWA JPIA
Investment Policy
September 25, 2024

BACKGROUND
The current investment policy was approved by the Board of Directors in November 2023. Every year, per the JPIA Bylaws, the investment policy must be approved by the Board of Directors.

CURRENT SITUATION
After review by staff and the JPIA's investment advisor, there are some proposed changes summarized in an attached memo from PFM.

RECOMMENDATION
That the Finance & Audit Committee recommends that the Executive Committee approve the changes to the Investment Policy and forward it to the Board of Directors at Fall Summit for final approval.

pfm asset management

September 6, 2024

Memorandum

To: Dan Steel, Finance Manager
ACWA JPIA

From: Monique Spyke, Managing Director
Michael Kronbetter, Relationship Manager
Richard Babbe, CCM, Relationship Manager
PFM Asset Management LLC

RE: 2024 Investment Policy Review

We reviewed ACWA JPIA's (the "Authority") Investment Policy (the "Policy"), as part of the Authority's annual review process. As written, the Policy is consistent with the applicable California Government Code (the "Code") sections regulating the investment of public funds. Although no changes are needed, we are recommending a couple changes for the Authority's consideration. We have attached a marked-up copy of the Policy illustrating our recommended change).

PERMITTED INVESTMENTS:

16. Asset Backed Securities. We recommend the Authority update this section to incorporate a minor Code revision that took effect January 1, 2024. Senate Bill 882, Local Government Omnibus Act of 2023, made various minor edits to state statues, including a change to Code Section 53601(o). The Bill codified the common Code interpretation that mortgage-backed securities issued by federal agencies are excluded from the Code's requirements described in Section 53601(o) for privately issued asset- and mortgage-backed securities. This change does not otherwise modify the Code's or the Policy's requirements for the purchase of agency mortgage-backed securities.

17. Placement Service Deposits.

Placement Service Deposits. To provide the Authority with additional investment flexibility, we recommend that the Authority add Placement Service Deposits to the Policy's list of permitted investments. Placement service deposits are fully insured bank deposits (both demand deposits and certificates of deposits are available). This investment type was added to Code to enable local banks the ability to accept local agency deposits without having to collateralize deposits while at the same time ensuring public funds were protected.

Please let us know if you have any questions or if you would like to set up a time to discuss.

ASSOCIATION OF CALIFORNIA WATER AGENCIES

JOINT POWERS INSURANCE AUTHORITY

INVESTMENT POLICY

Revised: 09/2023 - Approved: 11/2023

INVESTMENT POLICY

OBJECTIVE

The objectives of the Investment Policy of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA or Authority) are as follows, in order of priority.

(1) Safeguard the principal of the funds under its control by maintaining an appropriate risk level.
(2) Meet the liquidity needs of the Authority.
(3) Achieve an optimum rate of return (defined as income plus realized and unrealized capital gains and losses) on available assets (not required for current operating needs), commensurate with an appropriate level of risk.

SCOPE

Except for funds held in the JPIA's working bank accounts used for the daily operations, funds with the California Water Insurance Fund, and any retirement funds held in a trust, it is intended that this policy cover investment funds and activities of the Authority.

DELEGATION OF AUTHORITY

Section 53600, et seq. of the Government Code provide legal authorization and reporting requirements for the investment of funds of local agencies when applicable. All investments of the JPIA shall conform to the restrictions of these laws. In accordance with Section 53607 the authority to invest or reinvest the funds of the Authority is delegated to the Treasurer of the JPIA for a one-year period. Each year the Authority's Board of Directors meets at the ACWA Spring and Fall Conference and therein delegates its authority to invest funds to the Authority's Treasurer, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

PRUDENCE

All participants in the investment process shall recognize that the investment portfolio is subject to the prudent investor standard as set forth by California Government Code and to public review and evaluation and shall seek to act responsibly as fiduciaries of the public trust. The prudent investor standard states that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Authority, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like, aims, to safeguard the principal and maintain the liquidity needs of the Authority.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Chief Executive Officer any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Authority.

PERMISSIBLE INVESTMENTS

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. See table on page 6 for further limits.

The classes of investments that most adequately meet the criteria for purchases are listed as follows.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

   There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

   There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category. No more than 50% of the Authority's investment portfolio may be invested in any one federal agency.

3. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO).

   There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

4. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a NRSRO.

   There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

5. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a NRSRO.

There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

6. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest rating category as provided for by a NRSRO.

   Purchases of Bankers' Acceptances may not exceed 180 days' maturity or 20% of the Authority's investment portfolio.

7. Commercial paper rated in the highest letter and number rating as provided for by an NRSRO. The entity that issues the commercial paper shall meet all of the conditions in either paragraph (a) or (b):

   a. The entity meets the following criteria:

      (i) Is organized and operating in the United States as a general corporation.

      (ii) Has total assets in excess of five hundred million dollars ($500,000,000).

      (iii) Has debt other than commercial paper that, if any, is rated in a rating category "A," its equivalent or higher by an NRSRO.

   b. The entity meets the following criteria:

      (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

      (ii) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

      (iii) Has commercial paper that is rated in a rating category "A-1" or higher, or the equivalent, by an NRSRO.

   Purchases of eligible commercial paper may not exceed 270 days' maturity.

   Purchases of commercial paper may not exceed 40% of the Authority's investment portfolio (The limit is 25% if the Authority has less than $100 million of investment assets).

8. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term corporate notes shall be rated in a rating category "A", its equivalent, or better by an NRSRO.

   Purchase of medium-term corporate notes may not exceed 30% of the Authority's investment portfolio.

9. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a federally- or state-licensed branch of a foreign bank; provided that the senior

debt obligations of the issuing institution are rated in a rating category "A", its equivalent, or better by an NRSRO.

Purchase of negotiable certificates of deposit may not exceed 30% of the Authority's investment portfolio.

10. FDIC insured or fully collateralized time certificates of deposit (Time CDs) in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in as specified under Government Code Section 53630 et seq. The Treasurer, at their discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance.
11. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
    a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
    b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o) Government Code Section 53601, inclusive.
    c. The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

    The purchase price of shares shall not exceed 50% of the investment portfolio of the Authority.
12. State of California's Local Agency Investment Fund (LAIF). Investment in LAIF may not exceed the lesser of the limit established by LAIF or 50% of the portfolio and should be reviewed periodically. (Government Code § 16429.1)
13. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds and with assets under management in excess of $500,000,000.

    The purchase price of shares shall not exceed 20% of the investment portfolio of the Authority.

14. Repurchase Agreements used solely as short-term investments not to exceed 92 days.

    The Authority may enter into Repurchase Agreements with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

    The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in this section, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each Repurchase Agreement must equal or exceed, 102% of the total dollar value of the money invested by the Authority for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed at least weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day.

    Market value must be calculated each time there is a substitution of collateral.

    The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

    The Authority will have properly executed SIFMA agreement with each counter party with which it enters into Repurchase Agreements.

    Purchases of repurchase agreements shall not exceed 20% of the investment portfolio of the Authority.

15. Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AAA", its equivalent, or better by an NRSRO.

    Purchases of supranationals shall not exceed 20% of the investment portfolio of the Authority.

16. Asset-Backed Securities. Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds. For securities eligible for investment under this subdivision not issued or guaranteed by the issuers in subsections 1 and 2 above the following limitations apply:

    a. The security shall be rated in a rating category "AA" or its equivalent or better by at least one NRSRO ~~with a~~and have a maximum remaining

maturity of five years or less. ~~Securities eligible for investment under this subdivision shall be rated in a rating category "AA" or its equivalent or better by at least one NRSRO.~~

b. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's total portfolio.

17. Placement Service Deposits. Bank deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Deposits shall meet all of the requirements of Government Code Section 53601.8. Purchases of Placement Service CDs may not exceed 50% of the Authority's total portfolio.

The JPIA shall also have the option of depositing funds with banks, savings and loans, and credit unions (Government Code §53620 et seq.) as a means to complement the investment program when appropriate. The financial institutions shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisorial agency of its record of meeting the credit needs of California’s communities as required by (Government Code § 53635.2). All bank deposits must be collateralized as specified under Government Code Section 53630 et seq. The Treasurer, at their discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance.

LIMITATIONS/DIVERSIFICATION

Below is a table summarizing the maximum percentage and minimum credit quality required for each permissible investment type. Percent limitations shown are based on book value at time of purchase. Percentages may change after purchase as a result of withdrawals from the portfolio. Credit quality refers to the credit rating at the time the security is purchased. If an investment’s credit rating falls below the minimum rating, the Treasurer will perform a timely review and decide whether to sell or hold the investment.

The average life of the total portfolio at any time shall not exceed four years. The maximum maturity, measured from settlement date, for all investments, unless otherwise noted, is 5 years. U.S. Treasuries and Federal Agencies with maturities longer than 5 years may be purchased for specific purposes with the prior approval by the Executive Committee at least 90 days in advance of the purchase.

No more than 5% of the portfolio will be invested in any one issuer excluding U.S. Treasuries, Federal Agencies, supranationals, and investment pools (LAIF, LGIPs, and money market funds).

INVESTMENT TYPE	% OF INVESTMENT PORTFOLIO	% OF ISSUER REGARDLESS OF SECTOR	MAXIMUM MATURITY	MINIMUM RATING CATEGORY
US TREASURY	100%	100%	5 YEARS	
FEDERAL AGENCY	100%	50%	5 YEARS	
CALIFORNIA STATE OBLIGATIONS	100%	5%	5 YEARS	A
CALIFORNIA LOCAL GOVERNMENT OBLIGATIONS	100%	5%	5 YEARS	A
OTHER STATE OBLIGATIONS	100%	5%	5 YEARS	A
BANKERS' ACCEPTANCES	20%	5%	180 DAYS	Highest by NRSRO
COMMERCIAL PAPER	40%/25%*	5%	270 DAYS	Highest by NRSRO
MEDIUM TERM NOTES	30%	5%	5 YEARS	A
NEGOTIABLE CD'S	30%	5%	5 YEARS	A
TIME CDS	30%	FDIC/NCUA LIMITS	5 YEARS	BANKS/S&I/CU INSURED
LGIP	50%	N/A	-	AAAm
LAIF	50%	N/A	DAILY	N/A
MONEY MARKET FUNDS	20%	20%	-	TREASURY/ AGENCY ONLY
REPURCHASE AGREEMENTS	20%	20%	92 DAYS	Primary Dealer
SUPRANATIONALS	20%	20%	5 YEARS	AAA
ASSET-BACKED SECURITIES	20%	5%	5 YEARS	AA
PLACEMENT SERVICE DEPOSITS	50%	N/A	5 YEARS	FDIC/NCUA INSURED

* The limit is 25% if the Authority has less than $100 million of investment assets

INVESTMENT POOLS

Prior to investing in any pooled investment program and at least annually thereafter, the Authority shall perform a review of the investment policy and portfolio of any investment pools in which the Authority invests, including LAIF and LGIPs. In addition, the Treasurer shall maintain on file a copy of the pool's current disclosure document describing the program.

PROHIBITED INVESTMENTS

The Authority shall not invest in inverse floaters, range notes, mortgage derived interest-only strips, or in any security that could result in zero earnings accrual if held to maturity, except as authorized by Code Section 53601.6, and any investment not expressly authorized in the Government Code.

The Authority is prohibited from investing in securities unless specifically permitted by this Investment Policy.

TRADING

The Authority shall not make investments for the purpose of trading or speculation as the dominant criterion such as anticipation of appreciation of capital value through changes in market rates.

BORROWING

Any borrowing in the amount of one hundred thousand dollars or more shall be considered and deliberated as a separate item of business on the agenda of the JPIA's Executive Committee. Borrowing does not include bank overdrafts.

INTERNAL CONTROLS

The Treasurer shall establish and maintain a system of internal controls designed to ensure that the assets of the Authority are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management. The internal controls should include references to safekeeping, master repo agreements, wire transfer agreements, banking service contracts, collateral/depository agreements, and other investment related activities as applicable.

Accordingly, the Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures**.**

COLLATERALIZATION

Collateralization for repurchase agreements and non-negotiable Certificates of Deposit shall be required in accordance with state law.

SAFEKEEPING/CUSTODY

Investment securities are to be purchased when possible in book-entry form in the Authority's name. All deliverable securities owned by the Authority shall be held in safekeeping by a third party bank trust department acting as agent for the Authority under the terms of a written custody agreement executed by the bank and the Authority. All investment transactions require the bank to provide a safekeeping receipt or acknowledgment generated from the trade. All security transactions, including collateral for repurchase agreements, entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. The safekeeping institution is required to provide a listing all securities held in safekeeping with current market data and other information on a monthly basis.

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The Executive Committee authorized Term and non-negotiable instruments, such as certificates of deposit, to be held by the Treasurer, or in safekeeping as the Treasurer deems appropriate.

PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the Authority. The Authority shall establish a performance benchmark. Benchmarks may change over time based on changes in market conditions, investment preferences, or cash flow requirements.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

If an investment advisor is authorized to initiate investment transactions on the Authority's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to Authority upon request.

For any investment transactions conducted by the Treasurer, a list will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the Authority's investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted.

For all investment transactions, the Authority or its investment advisor shall seek a minimum of three bids/offers from brokers and dealers on the Authority's or investment advisor's list of approved broker/dealers.

ADVISORS

The JPIA's Executive Committee shall pre-approve investment advisors given the authority to manage all or part of the JPIA investment portfolio prior to establishing a relationship.

REPORTING/REVIEW

The Treasurer shall render a monthly list of investment transactions to the Chief Executive Officer, the JPIA's Executive, and Finance & Audit Committees as required by the California Government Code §53607 when investment authority has been delegated by the Executive Committee. The Treasurer shall render a quarterly report incorporating the following:

(1) For each investment, the report will describe the type of investment, issuer, date of maturity, par and dollar amount invested, yield to maturity, credit quality, duration and current market value as of the date of the report. Any managed funds shall be described in the quarterly report.

(2) The quarterly report shall state compliance of the portfolio to the statement of the investment policy, or manner in which the portfolio is not in compliance.

(3) The quarterly report shall include a statement denoting the ability of the Authority to meet its expenditure requirements for the next six months, or provide an explanation as why sufficient money shall, or shall not, be available.

The Treasurer shall review the Authority's portfolio for compliance at least annually. The Treasurer shall establish procedures to report to the Finance Committee incidences of noncompliance through the review of the portfolio.

REVIEW OF INVESTMENT PORTFOLIO

It is the intent of the JPIA that the Policy will be followed at all times. Because some securities may not comply with this Investment Policy's requirements subsequent to the date of purchase, the Treasurer shall at least annually review the portfolio to identify those securities that do not comply. If a non-compliance issue has been identified it shall be taken to the JPIA's Finance or Executive Committee at the next scheduled meeting. The Committee will determine if any action is needed. Investments or securities found not to be in compliance with this Investment Policy do not necessarily require immediate action.

INVESTMENT POLICY ADOPTION

The Treasurer shall render annually a statement of investment policy to the JPIA's Executive Committee for consideration and approval.

Glossary

Asset-backed securities (ABS) are securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Bankers' Acceptances are short-term credit arrangements to enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at maturity. An acceptance is a high-grade negotiable instrument.

Broker-Dealer is a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Certificates of Deposit

1. **Negotiable Certificates of Deposit** are large-denomination CDs issued in $1 million increments. These securities have average trades in the secondary market of $5 million to $10 million. They are issued at face value and typically pay interest at maturity, if maturing in less than 12 months. CDs that mature beyond this range pay interest semi-annually. Negotiable CDs are issued by U.S. banks (domestic CDs), U.S. branches of foreign banks (Yankee CDs), and thrifts. There is an active secondary market for negotiable domestic and Yankee CDs. However, the negotiable thrift CD secondary market is limited. Yields on CDs exceed those on U.S. treasuries and agencies of similar maturities. This higher yield compensates the investor for accepting the risk of reduced liquidity and the risk that the issuing bank might fail. State law does not require the collateralization of negotiable CDs.

2. **Non-negotiable Certificates of Deposit** are time deposits with financial institutions that earn interest at a specified rate for a specified term. Liquidation of the CD prior to maturity incurs a penalty. There is no secondary market for those instruments, therefore, they are not liquid. They are classified as public deposits and financial institutions are required to collateralize them. Collateral may be waived for the portion of the deposits that are covered by FDIC insurance.

Collateral is securities, evidence of deposits, or other property that a borrower pledges to secure repayment of a loan. It also refers to securities pledged by a bank to secure deposits. In California, repurchase agreements, reverse repurchase agreements, and public deposits must be collateralized.

Commercial Paper is a short term, unsecured, promissory note issued by a corporation to raise working capital.

Delivery versus Payment (DVP) is a settlement system in which the transfer of securities and associated payment occur simultaneously. This ensures that the final transfer of the security occurs, if and only if, the final transfer of the associated payment (or other assets) occurs.

Federal Agency Obligations are issued by U.S. Government Agencies or Government Sponsored Enterprises (GSE). Although they were created or sponsored by the U.S. Government, most Agencies and GSEs are not guaranteed by the United States Government. Examples of these securities are notes, bonds, bills and discount notes issued by Fannie Mae (FNMA), Freddie Mac (FHLMC), the Federal Home Loan Bank system (FHLB), and Federal Farm Credit Bank (FFCB). The Agency market is a very large and liquid market, with billions traded every day.

Issuer means any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Liquidity refers to the ease and speed with which an asset can be converted into cash without loss of value. In the money market, a security is said to be liquid if the difference between the bid and asked prices is narrow and reasonably sized trades can be done at those quotes.

Local Agency Investment Fund (LAIF) is a special fund in the State Treasury that local agencies may use to deposit funds for investment. There is no minimum investment period and the minimum transaction is $5,000, in multiples of $1,000 above that, with a maximum of $75 million for any California public agency. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly via direct deposit to the agency's LAIF account. The State keeps an amount for reasonable costs of making the investments, not to exceed one-quarter of one per cent of the earnings.

Local Government Investment Pool (LGIP) is a collection of funds from various governmental entities invested in a common portfolio. Each investor earns interest proportional to their investment in the overall pool.

Market Value is the price at which a security is trading and could presumably be purchased or sold.

Maturity is the date upon which the principal or stated value of an investment becomes due and payable.

Medium-Term Notes are debt obligations issued by corporations and banks, usually in the form of unsecured promissory notes. These are negotiable instruments that can be bought and sold in a large and active secondary market. For the purposes of California Government Code, the term “Medium Term” refers to a maximum remaining maturity of five years or less. They can be issued with fixed or floating-rate coupons, and with or without early call features, although the vast majority are fixed-rate and non-callable. Corporate notes have greater risk than Treasuries or Agencies because they rely on the ability of the issuer to make payment of principal and interest.

Money Market Fund is a type of safe investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must maintain a stable net asset value (NAV) of $1 per share.

Municipal Obligations are debt instruments issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency registered with the U.S. Securities and Exchange Commission (SEC) that that provides ratings that indicate the agency’s opinion of the relative credit quality of securities. The three largest NRSROs are Standard & Poor’s, Moody’s Investors Service, and Fitch Ratings.

Principal describes the original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Repurchase Agreements are short-term investment transactions. Banks buy temporarily idle funds from a customer by selling him U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date at an agreed upon interest rate. Repurchase Agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the prevailing demand for Federal Funds and the maturity of the Repo. Repurchase Agreements must be collateralized.

Supranationals are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

U.S. Treasury Issues are direct obligations of the United States Government. They are highly liquid and are considered the safest investment security. U.S. Treasury issues include:

1. **Treasury Bills** that are non-interest-bearing discount securities issued by the U.S. Treasury to finance the national debt. Bills are currently issued in one, three, six, and twelve month maturities.

2. **Treasury Notes** that have original maturities of one to ten years.

3. **Treasury Bonds** that have original maturities of greater than 10 years.

Yield to Maturity is the rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.

ACWA JPIA
California Water Insurance Fund Update
September 25, 2024

BACKGROUND
At the November 26, 2018, meeting, the Board of Directors approved a resolution to proceed with forming a Captive Insurance Company. The Captive is a private company wholly owned by the JPIA, domiciled in the state of Utah. In addition to Paid in Equity, the JPIA also cedes losses at the primary level for the Liability and Workers' Compensation Programs. Additionally, JPIA uses CWIF in the $10M x $10M layer in the Liability Program.

CURRENT SITUATION

Paid in Equity	$97.0 million
Prepaid Claims and Expenses	64.6 million
Realized Investment Income	12.8 million
Dividends Paid to JPIA	(9.4 million)
Book Value 06/30/2024	$165 million
Market Value 06/30/2024	$179.5 million
Unrealized Gain	**$14.5 million**
Rate of Return since inception (As of June 30, 2024)	**6.37%**

As of June 30, 2024, the book value of the CWIF mixed-asset portfolio was $165,085,984 vs. a market value of $179,454,505. The rate of return since inception reported from PFM was valued at 6.37% (PFM's benchmark was 6.69% at this time), whereas typical returns on the JPIA fixed-income portfolio range from 1% to 2% (per year) in most cases.

RECOMMENDATION
None, information only.

CWIF

California Water Insurance Fund

CWIF exists for the sole purpose of advancing and supporting the insurance and risk management needs and insurance-related support programs of the ACWA JPIA.

Shareholder and Board of Directors' Meeting

AGENDA

Holland & Hart
222 South Main Street, Suite 2200
Salt Lake City, Utah 84101

Friday, May 31, 2024 – 9:00 AM

Presenter			Page #
Beatty	*	1. Shareholder Approval and Ratification of Newly Elected Board Members	**3**
Morris	*	2. Approve the minutes of the November 27, 2023 Meeting	**4**
Drake	*	3. Update from CICA Conference Held on March 10-12, 2024	**7**
Beatty	*	4. Program Status	**13**
PFM	*	5. PFM Investment Portfolio Update	**18**
deBernardi	*	6. Review and Take Action on the 2022/23 Audited Financial Statements	**38**
deBernardi	*	7. Revise Dividend Policy	**72**
Morris		8. Discuss Next Meeting Date on June 21, 2024	

ADJOURN

**Related items enclosed.*

CWIF

California Water Insurance Fund

CWIF exists for the sole purpose of advancing and supporting the insurance and risk management needs and insurance-related support programs of the ACWA JPIA.

Board of Directors and Shareholder Meeting

AGENDA

ACWA JPIA
2100 Professional Drive
Roseville, California 95661

Friday, June 21, 2024 – 11:00 AM

Presenter			Page #
Morris	*	1. Approve the Minutes of the May 31, 2024 Meeting	**3**
Beatty	*	2. Workers' Compensation Reinsurance Agreements for 2024-25 Policy Year	**5**
Morris	*	3. Review Qualified Candidates for Open Board Position and Appoint New Member	**11**
deBernardi	*	4. Review Revised Dividend Policy	**25**
Morris		5. Discuss Availability for Next Meeting on September 26, 2024	
Beatty	*	6. Shareholder Approval and Ratification of Newly Appointed Board Member	**29**

ADJOURN

**Related items enclosed.*

pfm asset management

California Water Insurance Fund

Investment Performance Review
For the Quarter Ended June 30, 2024

Client Management Team

Lauren Brant, Managing Director
Andrew Brown, CFA, Sr. Investment Strategist/Portfolio Manager

PFM Asset Management LLC

1 California Street
Suite 1000
San Francisco, CA 94111

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	*4.28%*	*15.29%*	*24.56%*	*10.01%*	*15.05%*	*14.28%*	*12.86%*
Russell 3000 Index	*3.22%*	*13.56%*	*23.12%*	*8.05%*	*14.14%*	*13.48%*	*12.15%*
Russell 1000 Value Index	*-2.17%*	*6.62%*	*13.06%*	*5.52%*	*9.01%*	*8.61%*	*8.23%*
Russell 1000 Index	*3.57%*	*14.24%*	*23.88%*	*8.74%*	*14.61%*	*13.93%*	*12.51%*
Russell 1000 Growth Index	*8.33%*	*20.70%*	*33.48%*	*11.28%*	*19.34%*	*18.64%*	*16.33%*
Russell Midcap Index	*-3.35%*	*4.96%*	*12.88%*	*2.37%*	*9.46%*	*9.63%*	*9.04%*
Russell 2000 Value Index	*-3.64%*	*-0.85%*	*10.90%*	*-0.53%*	*7.07%*	*5.89%*	*6.23%*
Russell 2000 Index	*-3.28%*	*1.73%*	*10.06%*	*-2.58%*	*6.94%*	*6.85%*	*7.00%*
Russell 2000 Growth Index	*-2.92%*	*4.44%*	*9.14%*	*-4.86%*	*6.17%*	*7.28%*	*7.39%*
INTERNATIONAL EQUITY							
MSCI EAFE (Net)	*-0.42%*	*5.34%*	*11.54%*	*2.89%*	*6.46%*	*5.73%*	*4.33%*
MSCI AC World Index (Net)	*2.87%*	*11.30%*	*19.38%*	*5.43%*	*10.76%*	*10.02%*	*8.43%*
MSCI AC World ex USA (Net)	*0.96%*	*5.69%*	*11.62%*	*0.46%*	*5.55%*	*5.17%*	*3.84%*
MSCI AC World ex USA Small Cap (Net)	*0.66%*	*2.78%*	*11.26%*	*-1.45%*	*6.13%*	*4.92%*	*4.44%*
MSCI EM (Net)	*5.00%*	*7.49%*	*12.55%*	*-5.07%*	*3.10%*	*3.54%*	*2.79%*
ALTERNATIVES							
FTSE NAREIT Equity REIT Index	*0.06%*	*-0.13%*	*7.79%*	*0.30%*	*3.90%*	*4.86%*	*5.90%*
MSCI US REIT INDEX	*-0.22%*	*-0.84%*	*6.25%*	*-0.97%*	*2.68%*	*3.59%*	*4.55%*
FTSE Global Core Infrastructure 50/50 Index (Net)	*0.73%*	*2.29%*	*4.34%*	*2.18%*	*3.07%*	*4.71%*	*4.79%*
Bloomberg Commodity Index Total Return	*2.89%*	*5.14%*	*5.00%*	*5.65%*	*7.25%*	*5.14%*	*-1.29%*
FIXED INCOME							
Blmbg. U.S. Aggregate	*0.07%*	*-0.71%*	*2.63%*	*-3.02%*	*-0.23%*	*0.86%*	*1.35%*
Blmbg. U.S. Government/Credit	*0.05%*	*-0.68%*	*2.74%*	*-3.11%*	*-0.07%*	*1.04%*	*1.51%*
Blmbg. Intermed. U.S. Government/Credit	*0.64%*	*0.49%*	*4.19%*	*-1.18%*	*0.71%*	*1.39%*	*1.55%*
Blmbg. U.S. Treasury: 1-3 Year	*0.91%*	*1.19%*	*4.51%*	*0.33%*	*1.02%*	*1.30%*	*1.12%*
ICE BofA U.S. High Yield	*1.09%*	*2.62%*	*10.45%*	*1.65%*	*3.73%*	*4.10%*	*4.21%*
Blmbg. Global Aggregate Ex USD	*-2.11%*	*-5.26%*	*-0.66%*	*-7.48%*	*-3.56%*	*-1.61%*	*-1.86%*
JPM EMBI Global Diversified	*0.30%*	*2.34%*	*9.23%*	*-2.60%*	*-0.03%*	*1.44%*	*2.60%*
CASH EQUIVALENT							
90 Day U.S. Treasury Bill	*1.32%*	*2.63%*	*5.40%*	*3.03%*	*2.16%*	*2.07%*	*1.50%*

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

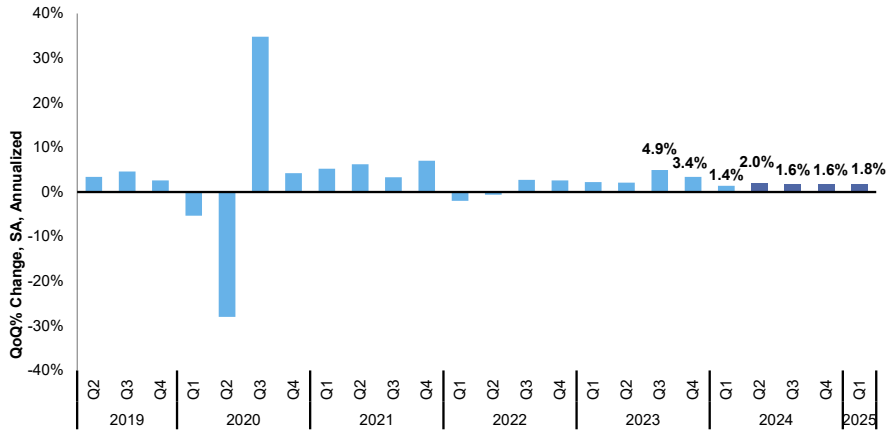
THE ECONOMY

► In the first quarter, U.S. gross domestic product (GDP) grew at an annualized rate of 1.4%, cooling from the outsized gain of 3.4% in the fourth quarter of 2023. Consumer spending remained the main driver of growth, rising 1.5%. Within consumer spending this growth was focused entirely in the services sector as spending on goods fell modestly. While the first quarter's growth was a significant decline from the end of 2023, the U.S. economy remains significantly stronger than other developed markets such as Japan which shrank 0.5% during the quarter, and the Euro area which barely escaped another quarter of contraction with 0.3% growth.

► The U.S. unemployment rate ticked up slightly ending the quarter at 4.1%. The average hourly earnings year-over-year (YoY) growth cooled to 3.9%%. This bodes well for easing wage pressures on inflation without large increases in unemployment as the labor market cools without a marked increase in layoffs.

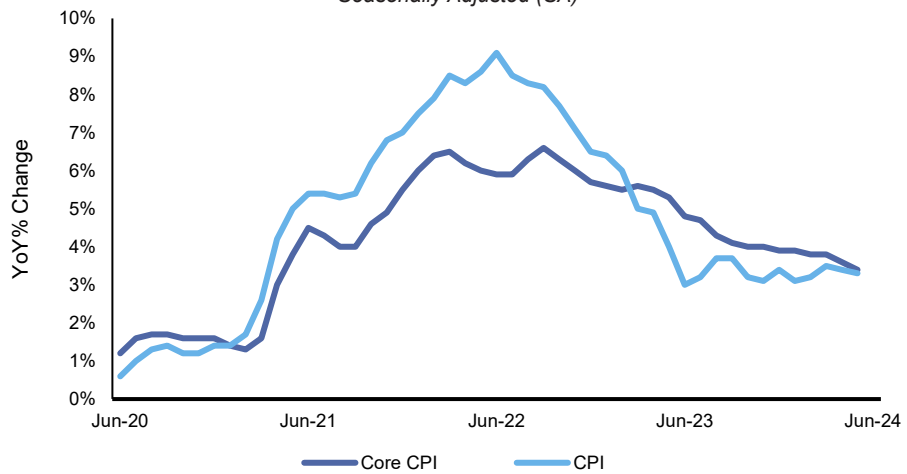
► Inflation moderated from the hot pace experienced in the first quarter. Headline inflation (CPI) grew at a YoY rate of 3.3% in May, down from the 3.5% growth in March. Core CPI which excludes volatile food and energy eased to a three year low of 3.4%. The shelter price growth, which remains a driving force keeping overall inflation elevated, showed some promising deceleration to 5.4%. Both readings remain well above the Federal Reserve (Fed) target of 2%, likely reinforcing the Fed's wait and see approach to rate cuts.

U.S. GDP Growth



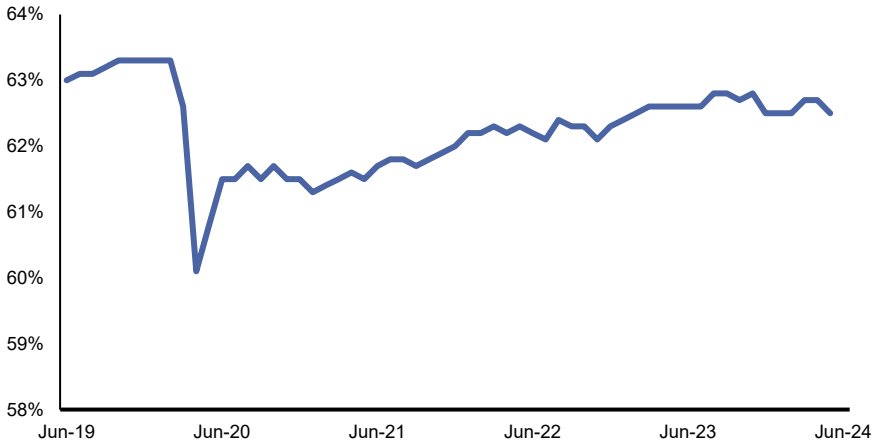
Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

U.S. Inflation Rate
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

Labor Force Participation Rate
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

WHAT WE'RE WATCHING

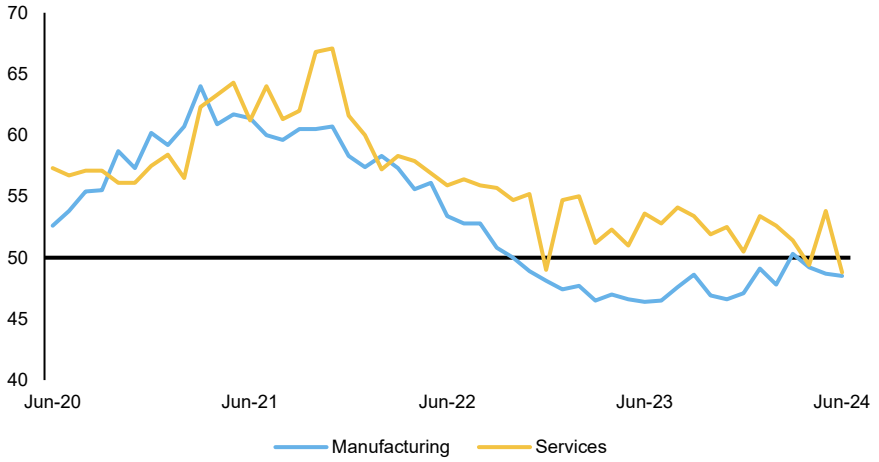
► The Federal Open Market Committee (FOMC) continued to hold rates steady at 5.50% through the second quarter as Fed officials remain data dependent and are waiting to see signs that inflation is slowing sustainably to 2%. Due to the slower pace of cooling, in their statement of economic projections, the FOMC reduced the expected rate cuts this year down to 25 basis points (bps) from 75 bps. This is in divergence with some of the other major central banks, as the European Central Bank (ECB) and Bank of Canada (BOC) both cut rates in June.

► U.S. manufacturing activity dipped back into contraction during the second quarter with the ISM U.S. Manufacturing PMI reading at 48.5 in June signaling weak demand. The services sector also fell into contraction with the Services PMI falling to 48.8 in June due to lower business activity and contraction in employment.

► Consumer confidence, as measured by the University of Michigan's Consumer Sentiment survey, fell during the quarter, posting three consecutive months of decline ending at 68.2 in June down from the 79.4 reading at the end of the first quarter. This decline came as assessments of personal finances dipped, with consumers expressing concerns over the effect of high prices.

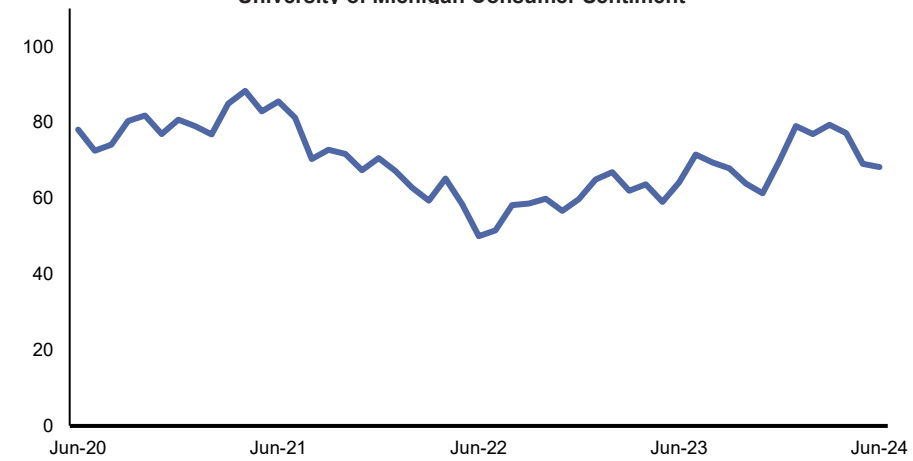
► Looking forward, we continue to watch the evolving geopolitical landscape as countries such as the U.K. and France saw changes in administration following recent elections which may impact domestic economic policy and market returns.

U.S. ISM Manufacturing & Services PMI



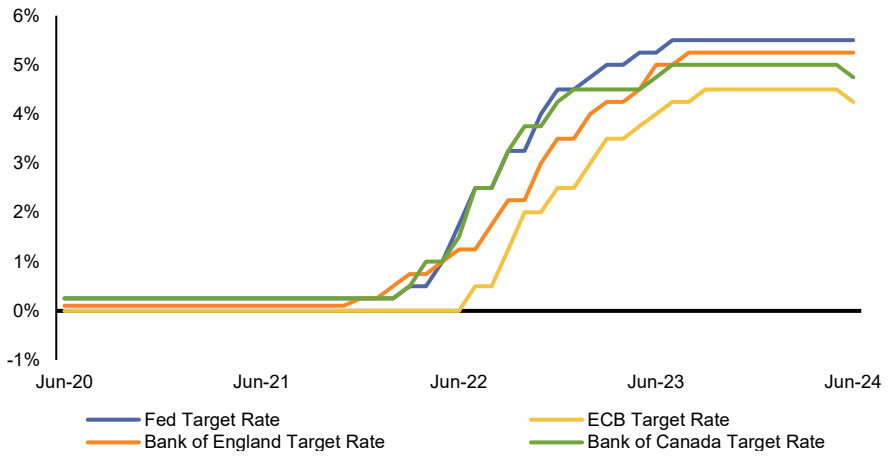
Source: Bloomberg.

University of Michigan Consumer Sentiment



Source: Bloomberg.

Global Central Bank Rates



Source: Bloomberg.

DOMESTIC EQUITY

► The S&P 500 Index (S&P) posted a 4.28% return for the second quarter of 2024. As of June 28, 2024, the trailing 1-year return for the index was 24.56%.

► The market capitalization-weighted S&P 500 continued its streak of outperformance over the equal-weighted S&P 500 Index. During the quarter, the Magnificent Seven (M7) as a group outperformed, as the index return would have been -0.7% if the M7 were excluded from the benchmark.

► Within S&P 500, six of eleven GICS sectors posted negative returns over the quarter. The worst performing sectors were Materials (-4.5%), Industrials (-2.9%), and Energy (-2.4%). The best performing sectors were Information Technology (13.8%), Communication Services (9.4%), and Utilities (4.7%).

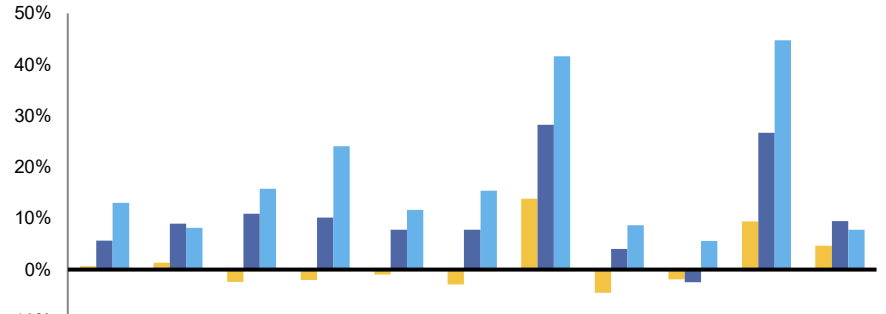
► Small-caps, as represented by the Russell 2000 Index, returned -3.3% during the quarter, and slightly outperformed mid-caps but underperformed large-caps. The Russell Midcap and Russell 1000 indices returned -3.4% and 3.6%, respectively.

► According to FactSet Earnings Insight (as of June 21, 2024), the expected YoY earnings growth rate for S&P 500 for Q2 2024 was 8.8%, slightly down from the March 31 estimate of 9.0%. At the sector level, Energy (11% to 14.7%) and Communication Services (16.3% to 18.5%) saw the best improvement in YoY earnings growth estimates from March 31 and June 21. Conversely, Industrials (0.9% to -3.3%) and Utilities (11.6% to 8.3%) saw the biggest decrease in estimates for this period.

► As of the end of the quarter, the S&P 500 forward P/E ratio was 24.3, above its 5-year average of 22.4. By comparison, the Russell 2000, which represents small-cap stocks, had a forward P/E ratio of 17.8, above its 5-year average of 17.7.

S&P 500 Index Performance by Sector

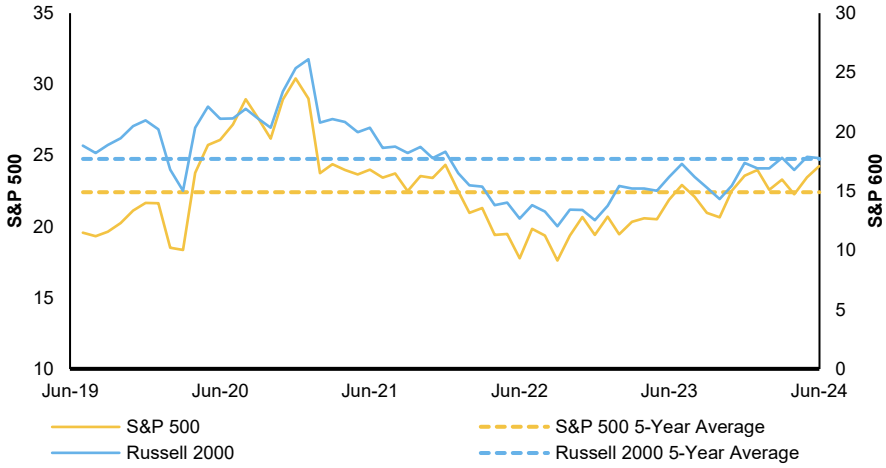
Periods Ended June 30, 2024



	Consumer Disc.	Consumer Staples	Energy	Financials	H'lthcare	Industrials	Info. Tech	Materials	Real Estate	Telecom	Utilities
QTD	0.65%	1.35%	-2.42%	-2.03%	-0.96%	-2.90%	13.81%	-4.50%	-1.91%	9.38%	4.66%
YTD	5.66%	8.98%	10.93%	10.16%	7.81%	7.75%	28.24%	4.05%	-2.45%	26.68%	9.44%
1 Year	13.04%	8.13%	15.74%	24.07%	11.64%	15.43%	41.64%	8.67%	5.58%	44.72%	7.80%

Source: Bloomberg.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

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

NON-U.S. EQUITY

► Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, underperformed their U.S. counterparts, returning 0.96% for the quarter. Six of the 11 sectors posted strong positive returns for the quarter, with Information Technology (5.21%) leading the way, followed by Communication Services (3.99%) and Healthcare (3.78%). Consumer Discretionary (-4.75%) was the worst performer for the quarter.

► Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, significantly underperformed emerging markets (EM), represented by the MSCI Emerging Market Index, returning -0.42% versus 5.00% for the quarter.

► MSCI UK (3.70%) outperformed the MSCI EAFE Index on the back of a strengthening economy and improving business and manufacturing activity. Of the five largest-weighted countries in the index, France was the worst performer. French equities fell 6.96% as investors priced in fears of political instability and uncertainty surrounding election results.

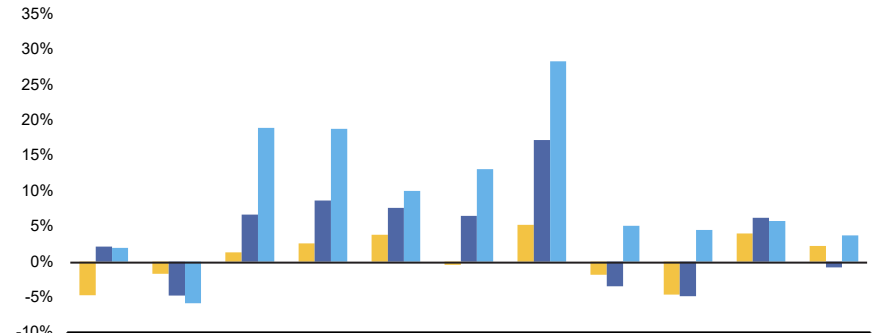
► Within emerging markets, EM Asia (7.54%) was the largest contributor to overall returns during the quarter, benefitting from MSCI India and MSCI Taiwan's strong returns of 10.36% and 15.20%, respectively. MSCI China (7.16%) also fared well, buoyed by additional stimulus measures in the form of lower mortgage rates and lower downpayment for home loans. MSCI Latin America (-12.05%) on the other hand, underperformed the MSCI EM Index, dragged down by sticky inflation in Brazil.

► Value stocks outperformed growth stocks across the international equity markets. MSCI AC World ex-USA Value returned 1.26% while MSCI AC World ex-USA Growth returned 0.72%. Small-caps, as represented by MSCI ACWI ex-U.S. Small Cap Index, underperformed within the international equity markets, returning 0.66% for the quarter.

► Non-U.S. equities valuations have moved closer to their long-term average across international equity markets. As of June 30, 2024, MSCI EAFE's forward P/E stood at 15.40 versus a five-year average of 16.02. MSCI EM ended the quarter with a forward P/E ratio of 13.33, slightly higher than its five-year average of 13.29.

MSCI ACWI ex-U.S. Sectors

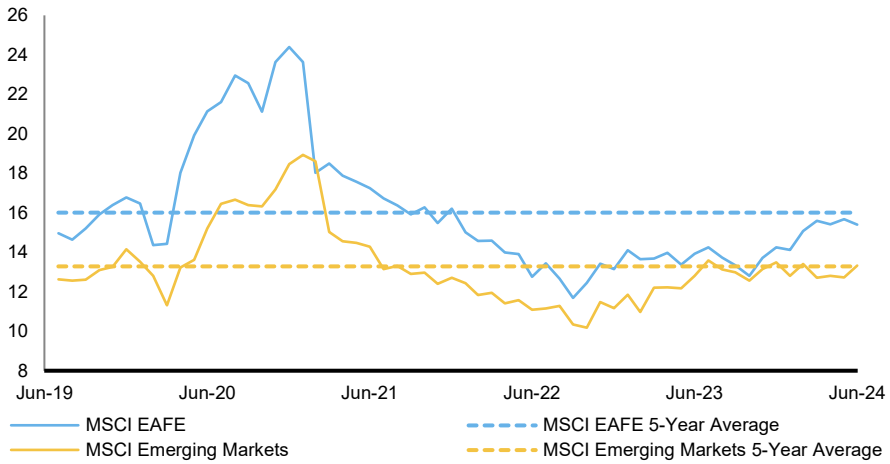
Periods Ended June 30, 2024



	Consumer Disc.	Consumer Staples	Energy	Financials	Healthcare	Industrials	Info Tech	Materials	Real Estate	Telecom	Utilities
QTD	-4.75%	-1.71%	1.31%	2.56%	3.78%	-0.47%	5.21%	-1.87%	-4.67%	3.99%	2.21%
YTD	2.10%	-4.82%	6.62%	8.61%	7.60%	6.45%	17.17%	-3.48%	-4.91%	6.21%	-0.84%
1 Year	1.93%	-5.87%	18.90%	18.74%	9.97%	13.08%	28.31%	5.07%	4.46%	5.71%	3.72%

Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



Source: Bloomberg.

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

FIXED INCOME

► The U.S. bond market represented by the Bloomberg U.S. Aggregate (Aggregate) Index was slightly positive in the second quarter, up 0.07%. The trailing one-year period return is 2.63%.

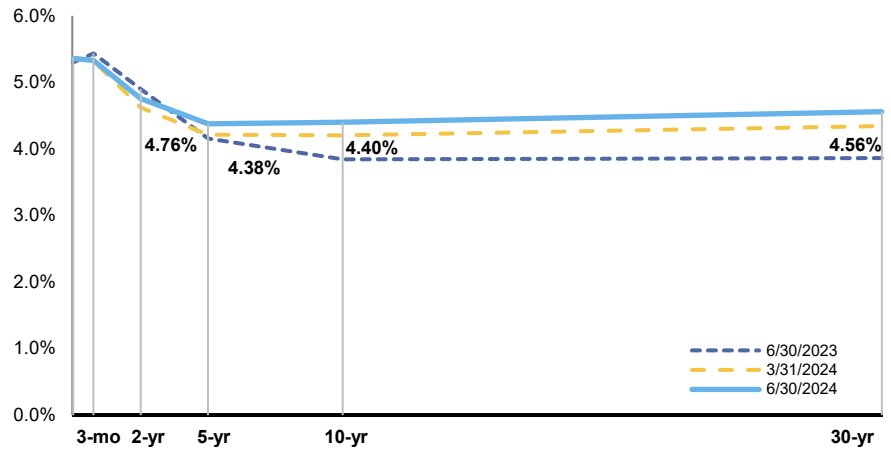
► The Bloomberg U.S. Treasury Index closed the quarter with a small gain of 0.09%. During the period, the FOMC maintained Fed funds rate at 5.5% and continued to signal fewer cuts for 2024 than the market originally anticipated. In reaction to lower number of cuts, rates beyond the one-year duration range generally rose higher. At the quarter end, the yield curve remained inverted, with the 10-year yield rising to 4.4%, while the 2-year yield ended at 4.8%.

► Corporate credit had mixed results for the quarter on the rising rates. The investment-grade (IG) Bloomberg U.S. Corporate (IG Corp) Index lost -0.09% while high yield bonds, as represented by the Bloomberg U.S. Corporate High Yield (HY) Index, gained 1.09%. Spreads widened in the "CCC" category while "BB" rated securities performed the best.

► The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index gained 0.07%. On the commercial side returns were positive with the Bloomberg U.S. Agency CMBS Index up 0.60% while the non-agency CMBS index gained 0.75%.

► EM USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified index, gained 0.30% supported by quasi-sovereign names. Venezuela, which recently re-entered the index, had a strong quarter.

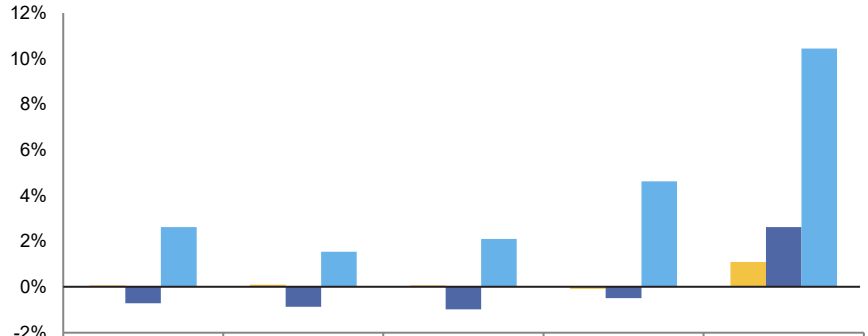
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended June 30, 2024



	Blmbg U.S. Aggregate	Blmbg U.S. Treasury	Blmbg U.S. MBS	Blmbg U.S. Corporate	ICE BofA U.S. High Yield
QTD	0.07%	0.09%	0.07%	-0.09%	1.09%
YTD	-0.71%	-0.86%	-0.98%	-0.49%	2.62%
1 Year	2.62%	1.54%	2.11%	4.62%	10.45%

Source: Bloomberg.

ALTERNATIVES

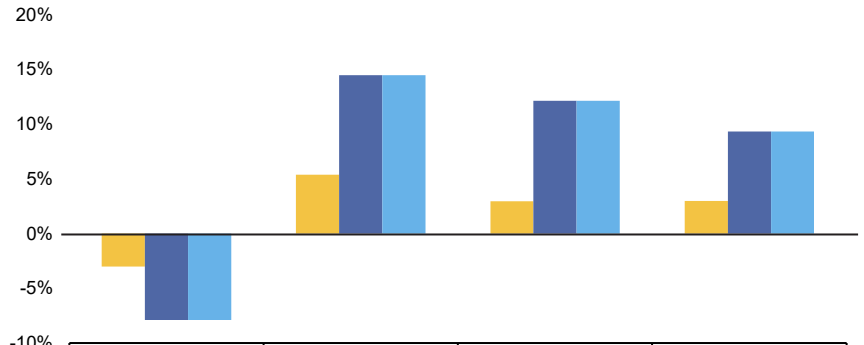
► Public REITs, as measured by the FTSE NAREIT Equity REITs Index, returned 0.06% in the second quarter of 2024, compared to a -0.20% return in the prior quarter. Persistent high interest rates have kept returns in check for the asset class. Private real estate, as measured by the NCREIF Property Index, fell -0.98% in the first quarter of 2024, resulting in a -7.20% return over the twelve-month period ended March 2024. This was the sixth consecutive quarter of negative returns for the index. Weak performance has been driven by property value declines, primarily within the Office and Apartment sectors.

► Listed infrastructure, as measured by the S&P Global Infrastructure Index, gained 2.67% in the second quarter of 2024, compared to a 1.34% increase in the prior quarter. Performance was mixed, but mostly positive across the major sectors. In Q1 2024, 13 private infrastructure funds raised $25.60 billion, a modest figure despite the broad slowdown seen in private markets fundraising. The asset class has received attention from investors in recent years due to expectations of income-like, countercyclical, and inflation-resistant returns. Long-term trends such as decarbonization, deglobalization, and digitization have also increased demand for the asset class. According to PitchBook, infrastructure funds posted a return of 5.37% in Q4 2023. The asset class has generated an annualized return of 10.81% for the five years ended Q4 2023.

► In Q1 2024, 25 private debt funds raised $30.42 billion, marking the weakest start to a year since 2016. The asset class has performed well relative to public fixed income over the long-term. While more opportunities may emerge as tight lending standards push banks out of the market, competition between private debt managers and a resurgence of the broadly syndicated loan market may keep future asset class returns in check. According to Cliffwater Direct Lending Index, U.S. middle market loans, a proxy for private debt, posted a return of 3.02% in Q1 2024. The asset class has also generated an annualized return of 9.15% for the five years ended Q1 2024.

► In Q1 2024, 110 private equity funds raised $155.96 billion, a strong pace despite the challenging market environment. Recently, private equity performance has been impacted due to high borrowing costs, limited debt availability, and muted deal flow and exit activity. Recent trailing performance has lagged public equity indices; but remains strong longer term. According to Cambridge Associates, U.S. private equity posted a return of 2.97% in Q4 2023. The asset class has generated an annualized return of 17.92% for the five years ended Q4 2023.

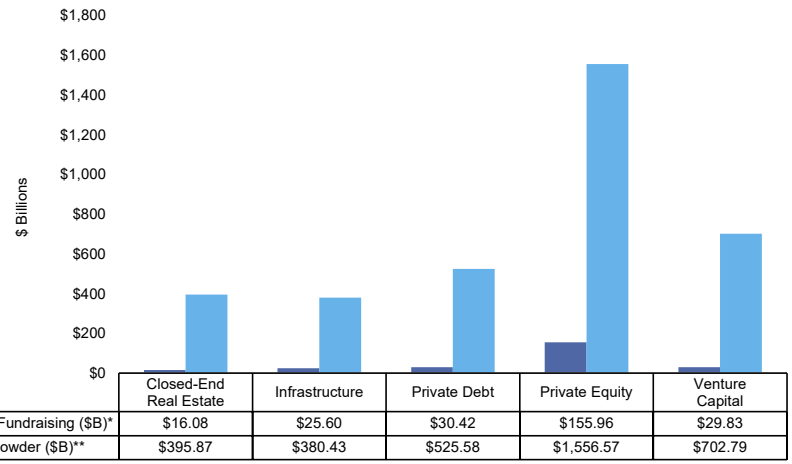
Returns for Private Capital Assets



	Private Real Estate	Infrastructure	Private Debt	Private Equity
QTD	-3.02%	5.37%	2.95%	2.97%
YTD	-7.90%	14.46%	12.13%	9.31%
1 Year	-7.90%	14.46%	12.13%	9.31%

Source: NCREIF, PitchBook, Cliffwater, Cambridge Associates.
As of December 31, 2023, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder



	Closed-End Real Estate	Infrastructure	Private Debt	Private Equity	Venture Capital
YTD Fundraising ($B)*	$16.08	$25.60	$30.42	$155.96	$29.83
Dry Powder ($B)**	$395.87	$380.43	$525.58	$1,556.57	$702.79

Sources: Pitchbook.

** Total capital raised in 2024 as of March 31, 2024 - most recent period for which ALL fundraising data is available.*
*** Cumulative dry powder as of September 30, 2023, unless specified otherwise.*

Factors to Consider Over the Next 6-12 Months

Monetary Policy (Global):



- Fed remains data dependent. Recent Fed guidance has been revised from three rate cuts to one rate cut in 2024 with markets expecting two cuts.
- Globally, major central banks have begun easing cycle with rate cuts leading to divergence from Fed policy.

Economic Growth (Global):



- U.S. economic growth remains resilient but some softness as consumer spending tapers.
- Economic growth outside U.S. remain mixed with slower but improved growth projected in Eurozone and continued growth projected in emerging markets.

Inflation (U.S.):



- The latest inflation reading has revived market confidence that inflation is heading in the right direction after experiencing broad disinflation across both goods and services.
- Despite progress on inflation, policymakers would like more data to confirm the downward trend.

Financial Conditions (U.U.):



- Market measures, such as narrow corporate yield spreads, record equity index levels and low volatility, reflect economic confidence.
- With interest rates elevated and the gradual normalization of labor markets and the consumer, we continue to focus on identifying potential catalysts for a broader slow down.

Consumer Spending (U.S.):



- The consumer has begun to exercise caution and limit spending shedding light on a notable downshift over recent months.
- Moderation in the pace of overall spending is expected to continue given persistent inflation, reduced/lower savings, and a cooling job market.

Labor Markets:



- The labor market normalization has begun. After the pandemic led jolt, labor force participation rate and non-farm payrolls have moved to be in line with long term averages.
- With the quits rate and excess demand for workers reaching a better balance, this should help cool wage pressures and inflation.

Corporate Fundamentals:



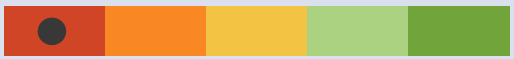
- Earnings growth expectations and profit margins are improving across U.S. large caps while earnings growth recovery has been slower for U.S. small-cap and international equities.
- Higher cash levels especially across S&P 500 companies a positive.

Valuations:



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

Political Risks:



- Geopolitical risks continue to remain elevated. Tensions between the U.S. and China, the war between Russia and Ukraine, the Israel and Hamas conflict, China's moves in South China Sea and Taiwan Strait further add to risks.
- Elections across the globe could also lead to short-term volatility.

● **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 (June 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 LLC cannot guarantee its accuracy, completeness, or suitability.

Investment Strategy Overview

Asset Class	Our Q3 2024 Investment Outlook	Comments
U.S. Equities		• Recent earnings strength, fiscal support, and moderating inflation are positives, while rate cut uncertainty, election related volatility, higher valuations and geopolitical turbulence are negatives. The fed continues to be data dependent with recent guidance pointing to one rate cut. Given the rate cut uncertainty, we prefer to remain close to targets currently. • Rising valuations for large caps are supported by improving earnings growth expectations but market breadth (measured by performance difference between equal weight and market cap weighted S&P 500) has been lagging in the recent months. • Small-cap valuations are attractive and would benefit as investor sentiment/earnings growth expectations improve. Exposure to interest rate sensitive sectors such as regional banks remains a concern.
Large-Caps		
Small-Caps		
Non-U.S. Equities		• International equities continue to trade at a discount to U.S. equities but stronger dollar and slower growth in Eurozone warrants a neutral stance. • Recent ECB rate cuts, the recovery in manufacturing and services activity along with recent recovery in PEs are positive for developed market equities that continue to look attractive, but election related volatility needs to be watched. • EM equities trade at attractive valuations relative to developed market equities but strong dollar and China's uncertain growth weigh on outlook.
Developed Markets		
Emerging Markets		
Fixed Income		• The higher for longer narrative has led to increased volatility and uncertainty around rate cut path. Yields at the short-end of the curve look attractive even as long-term yields fell back from the recent highs. • Given the rate cut scenarios, we are maintaining duration close to the benchmark duration and consider ways to close any duration gap over the next few months. • Credit markets remain attractive due to strong corporate fundamentals. We remain positive on investment-grade but are scaling down our exposure within high yield given the tighter spreads. We continue to closely watch for signs for any distress in the corporate credit space.
Core Bonds		
Investment Grade Credit		
High Yield Credit		
Diversifying Assets		• Lower office sector exposure, attractive valuations and possibility of rate cuts this year are positives for listed real estate while higher level of interest rates is a headwind. • Transition to renewable energy and increase in AI led data center infrastructure spend are tailwinds for listed infrastructure while higher level of interest rates is a headwind.
Listed Real Estate		
Listed Global Infrastructure		

● **Current outlook** ○ **Outlook one quarter ago**

Negative	Slightly Negative	Neutral	Slightly Positive	Positive

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

Long-Term Strategic Approach to Private Capital/Alternatives

Sub-Asset Class	Long-Term Strategic View	Recent Trends
Private Equity	Provide attractive returns with lower correlations to public market equities due to their ability to invest in early-stage growth companies or ability to turnaround a struggling firm.	• Higher interest rates, lower valuations, a lack of deal transparency, and economic uncertainty have been headwinds for this group over the past couple quarters leading to a decline in activity across the board • The current environment is favoring strategies such as secondaries and coinvesting while venture capital and growth investing strategies have seen a pull back. • Dry powder for new opportunities remains at historic highs, while trailing short-term performance is lagging public markets.
Private Debt	Provides higher returns than the public market debt due to the ability to customize terms and floating rate structure of most notes.	• Less leveraged buyouts being completed has resulted in lower lending deal flow, but lower bank lending has created more opportunities for private lenders. • Higher interest rates are creating attractive credit opportunities in higher risk/return areas of the market. • Pessimism and higher interest rates benefitting providers of new real estate-backed debt.
Real Assets Real Estate Infrastructure	Provides exposure to inflation sensitive assets that typically generate returns from a combination of capital appreciation and income generation.	• High interest rates and tight lending standards have been a drag on the real estate market pressuring both cap rates and valuations. • Commercial real estate space remains a focal point for the markets. • Real estate performance is bifurcated – with office and commercial struggling while residential & industrial assets have done well. • The Artificial Intelligence boom is driving demand for improved energy infrastructure while decarbonization trend is driving demand for clean energy infrastructure.
Diversifying Assets Hedge Funds	Expected to lower the volatility and correlation within portfolios while providing access to esoteric strategies	• YTD 2024, macro and equity hedge strategies have generated strong returns amid economic uncertainty and strong public equity performance. • Higher interest rates have contributed to performance of credit strategies. • Extreme concentration within the equity markets hasn't been a substantial headwind to performance as seen with active public market equity managers.

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

Plan Performance Summary

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value ($)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Fund	**179,528,102**	**100.00**	**1.48**	**6.81**	**13.56**	**2.23**	**N/A**	**6.37**	**02/01/2020**
Blended Benchmark			*1.61*	*6.65*	*13.10*	*2.55*	*N/A*	*6.69*	*02/01/2020*
Domestic Equity	**76,495,822**	**42.61**							
Vanguard Total Stock Market ETF	76,495,822	42.61	3.24	13.58	23.20	7.92	14.06	20.57	04/01/2020
Russell 3000 Index			*3.22*	*13.56*	*23.12*	*8.05*	*14.14*	*20.63*	*04/01/2020*
International Equity	**41,417,825**	**23.07**							
Vanguard Total International Stock ETF	24,596,008	13.70	0.81	5.15	11.00	0.39	5.80	12.21	04/01/2020
MSCI AC World ex USA (Net)			*0.96*	*5.69*	*11.62*	*0.46*	*5.55*	*11.66*	*04/01/2020*
J. O. Hambro International Select	2,822,113	1.57	-4.15	3.62	7.80	-4.60	3.91	3.61	02/01/2020
MSCI AC World ex USA (Net)			*0.96*	*5.69*	*11.62*	*0.46*	*5.55*	*5.34*	*02/01/2020*
Harding Loevner International Equity	2,795,912	1.56	-0.04	1.58	5.24	-1.64	5.51	6.29	07/01/2020
MSCI AC World ex USA (Net)			*0.96*	*5.69*	*11.62*	*0.46*	*5.55*	*8.31*	*07/01/2020*
Goldman Sachs GQG Ptnrs Intl Opportunities	4,144,216	2.31	2.98	17.01	29.38	8.70	12.11	28.68	09/01/2023
MSCI AC World ex USA (Net)			*0.96*	*5.69*	*11.62*	*0.46*	*5.55*	*12.34*	*09/01/2023*
Vanguard FTSE Developed Markets ETF	4,991,568	2.78	-0.71	4.41	10.63	1.82	6.54	4.63	03/01/2022
MSCI EAFE (net)			*-0.42*	*5.34*	*11.54*	*2.89*	*6.46*	*5.77*	*03/01/2022*
Hartford Schroders Emerging Markets Equity	2,068,007	1.15	5.57	9.15	10.97	-6.29	3.21	2.95	02/01/2020
MSCI EM (net)			*5.00*	*7.49*	*12.55*	*-5.07*	*3.10*	*3.03*	*02/01/2020*
Fixed Income	**61,248,571**	**34.12**							
Baird Core Plus	16,304,166	9.08	0.30	0.12	4.32	-2.30	0.65	-0.33	02/01/2020
DoubleLine Core Fixed Income	6,480,869	3.61	0.26	0.09	3.47	-2.44	-0.09	-0.90	02/01/2020
PGIM Total Return Bond Fund	13,554,076	7.55	0.47	0.61	5.10	-2.54	0.33	-0.86	02/01/2020
Voya Intermediate Bond	7,370,572	4.11	0.56	0.55	4.82	-2.65	0.31	-0.77	02/01/2020
Blmbg. U.S. Aggregate			*0.07*	*-0.71*	*2.63*	*-3.02*	*-0.23*	*-1.24*	*02/01/2020*
iShares Core US Aggregate Bond ETF	12,044,349	6.71	0.13	-0.62	2.61	-3.02	-0.26	1.15	02/01/2023
Blmbg. U.S. Aggregate			*0.07*	*-0.71*	*2.63*	*-3.02*	*-0.23*	*1.16*	*02/01/2023*
iShares Intermediate-Term Corporate Bond ETF	3,000,658	1.67	0.51	0.55	6.01	-2.08	1.11	-0.10	02/01/2020
ICE BofA U.S. Corporate 5-10 Year Index			*0.53*	*0.58*	*6.02*	*-2.17*	*1.15*	*-0.06*	*02/01/2020*
MainStay MacKay High Yield Corp Bond Fund	2,493,883	1.39	1.41	3.12	9.69	2.54	4.22	2.85	06/01/2021
ICE BofA US High Yield Index			*1.09*	*2.62*	*10.45*	*1.65*	*3.73*	*2.05*	*06/01/2021*
Cash Equivalent	**365,883**	**0.20**							
Dreyfus Government Securities Cash Management	365,883	0.20	1.23	2.46	5.03	2.79	1.88	4.18	07/01/2022
ICE BofA 3 Month U.S. T-Bill			*1.32*	*2.63*	*5.40*	*3.03*	*2.16*	*4.49*	*07/01/2022*

Returns are net of mutual fund fees.
Returns are expressed as percentages.

Comparative Performance

	Year To Date	2023	2022	2021	2020	2019
Total Fund	**6.81**	**15.17**	**-16.41**	**12.80**	**N/A**	**N/A**
Blended Benchmark	*6.65*	*16.25*	*-16.02*	*11.59*	*N/A*	*N/A*
Domestic Equity						
Vanguard Total Stock Market ETF	13.58	26.02	-19.50	25.72	20.95	30.80
Russell 3000 Index	*13.56*	*25.96*	*-19.21*	*25.66*	*20.89*	*31.02*
International Equity						
Vanguard Total International Stock ETF	5.15	15.56	-15.99	8.69	11.32	21.58
J. O. Hambro International Select	3.62	18.12	-32.38	9.21	29.71	19.04
Harding Loevner International Equity	1.58	15.06	-20.23	8.51	20.33	25.23
Goldman Sachs GQG Ptnrs Intl Opportunities	17.01	22.15	-11.10	12.49	15.77	27.64
MSCI AC World ex USA (Net)	*5.69*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*
Vanguard FTSE Developed Markets ETF	4.41	17.77	-15.35	11.49	10.29	22.08
MSCI EAFE (net)	*5.34*	*18.24*	*-14.45*	*11.26*	*7.82*	*22.01*
Hartford Schroders Emerging Markets Equity	9.15	8.79	-22.28	-5.10	23.57	22.11
MSCI EM (net)	*7.49*	*9.83*	*-20.09*	*-2.54*	*18.31*	*18.42*
Fixed Income						
Baird Core Plus	0.12	6.89	-12.87	-1.02	8.80	10.11
DoubleLine Core Fixed Income	0.09	6.43	-12.76	-0.34	5.60	7.99
PGIM Total Return Bond Fund	0.61	7.78	-14.86	-1.15	8.10	11.14
Voya Intermediate Bond	0.55	7.01	-14.21	-1.03	8.08	10.02
iShares Core US Aggregate Bond ETF	-0.62	5.59	-13.06	-1.67	7.42	8.68
Blmbg. U.S. Aggregate	*-0.71*	*5.53*	*-13.01*	*-1.55*	*7.51*	*8.72*
iShares Intermediate-Term Corporate Bond ETF	0.55	9.17	-14.06	-1.65	9.62	14.37
ICE BofA U.S. Corporate 5-10 Year Index	*0.58*	*8.83*	*-14.10*	*-1.40*	*9.95*	*14.31*
MainStay MacKay High Yield Corp Bond Fund	3.12	11.97	-7.81	5.35	5.28	13.03
ICE BofA US High Yield Index	*2.62*	*13.46*	*-11.22*	*5.36*	*6.17*	*14.41*
Cash Equivalent						
Dreyfus Government Securities Cash Management	2.46	4.71	1.24	0.01	0.26	1.76
ICE BofA 3 Month U.S. T-Bill	*2.63*	*5.02*	*1.46*	*0.05*	*0.67*	*2.28*

Returns are net of mutual fund fees.
Returns are expressed as percentages.

Account Reconciliation

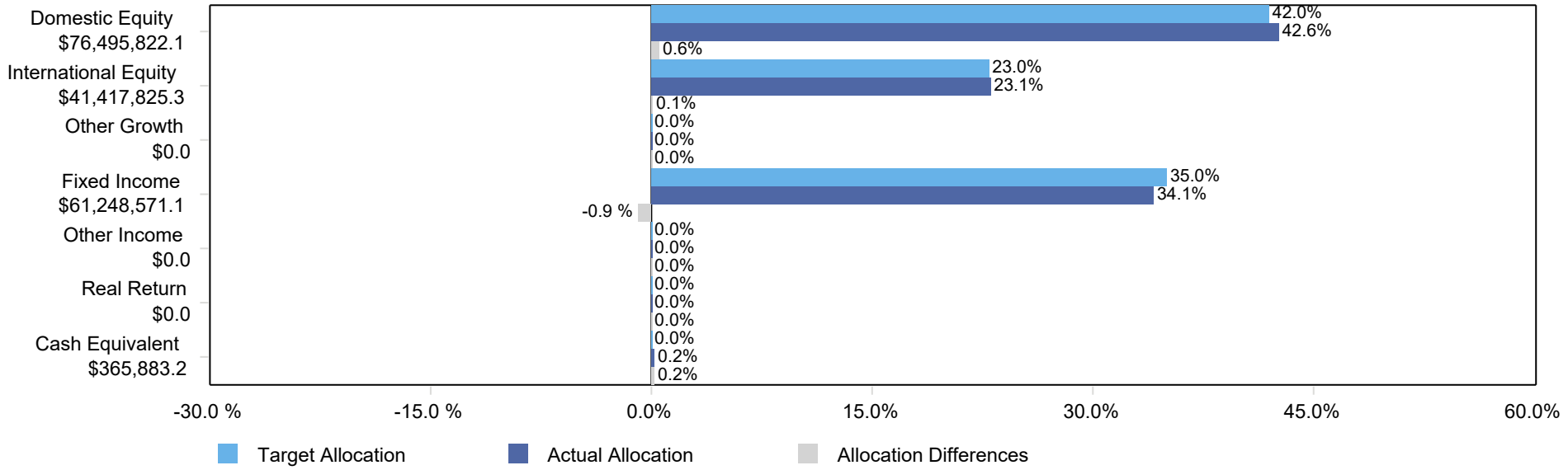
QTR	Market Value As of 04/01/2024	Net Flows	Return On Investment	Market Value As of 06/30/2024
Total Fund	176,987,010	(76,372)	2,617,463	179,528,102

YTD	Market Value As of 01/01/2024	Net Flows	Return On Investment	Market Value As of 06/30/2024
Total Fund	168,232,801	(151,605)	11,446,906	179,528,102

1 Year	Market Value As of 07/01/2023	Net Flows	Return On Investment	Market Value As of 06/30/2024
Total Fund	168,849,687	(10,276,127)	20,954,541	179,528,102

Asset Allocation Compliance - Total Fund

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
Total Fund	**100.0**	**100.0**	**N/A**	**N/A**	**0.0**
Domestic Equity	42.6	42.0	22.0	62.0	0.6
International Equity	23.1	23.0	3.0	43.0	0.1
Other Growth	0.0	0.0	0.0	10.0	0.0
Fixed Income	34.1	35.0	15.0	70.0	-0.9
Other Income	0.0	0.0	0.0	10.0	0.0
Real Return	0.0	0.0	0.0	10.0	0.0
Cash Equivalent	0.2	0.0	0.0	20.0	0.2



Historical Hybrid Composition - Blended Benchmark

Allocation Mandate	Weight (%)
Feb-2020	
Russell 3000 Index	42.0
MSCI AC World ex USA (Net)	23.0
Blmbg. U.S. Aggregate	35.0

Investment Manager Review

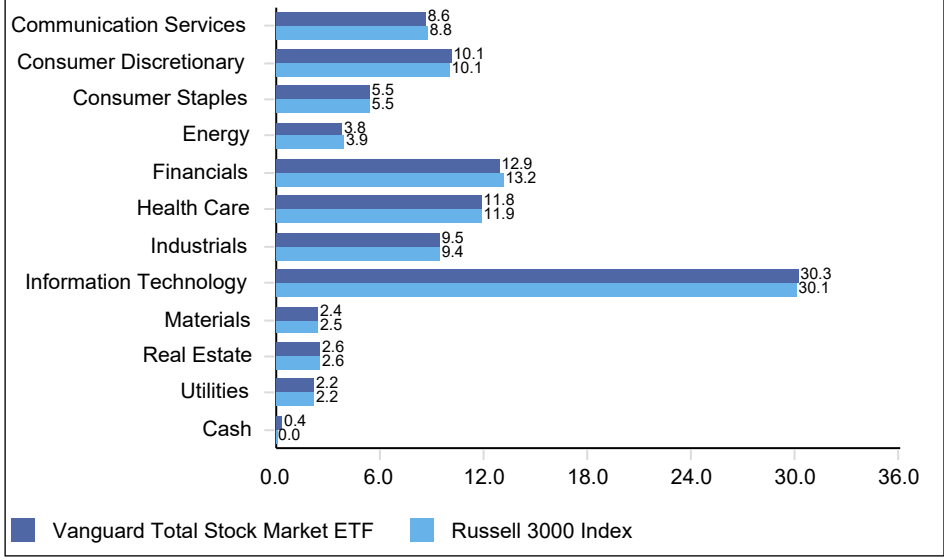
- **Vanguard Total Stock Market Index**
  - **Management:** Gerard C. O'Reilly has managed the Fund since its inception in 1994. Walter Nejman has been co-portfolio manager for the fund since 2016. Michelle Louie was added as a co-portfolio manager in 2023. They have been in the investment management 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 and characteristics 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.

Vanguard Total Stock Market ETF vs. Russell 3000 Index

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	871,448	876,938
Median Mkt. Cap ($M)	1,148	2,138
Price/Earnings ratio	26.00	25.83
Price/Book ratio	4.60	4.57
5 Yr. EPS Growth Rate (%)	17.45	17.51
Current Yield (%)	1.36	1.36
Number of Stocks	3,634	2,925

Sector Weights (%)



Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	6.35	6.37	-0.02	6.42
Apple Inc	5.86	5.89	-0.03	22.99
NVIDIA Corporation	5.52	5.62	-0.10	36.74
Amazon.com Inc	3.46	3.34	0.12	7.13
Meta Platforms Inc	2.11	2.14	-0.03	3.94
Alphabet Inc	2.05	2.07	-0.02	20.82
Alphabet Inc	1.67	1.76	-0.09	20.60
Eli Lilly and Co	1.48	1.47	0.01	16.57
Broadcom Inc	1.42	1.33	0.09	21.53
Berkshire Hathaway Inc	1.38	1.43	-0.05	-3.26
% of Portfolio	31.30	31.42	-0.12	

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
AST SpaceMobile Inc	0.00	0.00	0.00	300.34
Candel Therapeutics Inc	0.00	0.00	0.00	292.41
iPower Inc	0.00	0.00	0.00	292.30
Inseego Corp	0.00	0.00	0.00	280.72
Barfresh Food Group Inc	0.00	0.00	0.00	205.00
GeneDx Holdings Corp	0.00	0.00	0.00	186.31
Emergent BioSolutions Inc	0.00	0.00	0.00	169.56
Novavax Inc	0.00	0.00	0.00	164.86
Core Scientific Inc	0.00	0.00	0.00	162.71
Eliem Therapeutics Inc	0.00	0.00	0.00	159.49
% of Portfolio	0.00	0.00	0.00	

Vanguard Total International Stock Index

- **Management:** The Fund is co-managed by Michael Perre and Christine Franquin. Mr. Perre has advised the Fund since 2008 and Ms. Franquin has advised the fund since 2017. They have been in the investment industry since 1990 and 2000, respectively.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks across all market capitalizations issued by companies domiciled in both emerging markets and developed markets outside the United States.
- **Strategy:** The Fund employs a "passive management" – or indexing – investment approach that seeks to track the investment performance of the FTSE Global All Cap ex U.S. Index, an unmanaged benchmark representing stocks from global developed and emerging markets, excluding the United States, across the market capitalization spectrum.

J O Hambro International Select

- **Management:** The fund is co-managed by Christopher Lees and Nudgem Richyal. Both the senior fund managers joined the firm in 2008, having previously worked together at Baring Asset Management.
- **Objective:** The fund managers aim to exploit market anomalies via an investment process that combines both top-down and bottom-up research.
- **Strategy:** The fund managers target multiple sources of performance, looking for stocks, sectors, and countries with rising earnings estimates, rising or high and sustainable return on equity, appropriate valuation, and attractive mean reversion and momentum characteristics. They evaluate the correlation between each stock and its sector or country in order to avoid buying "good stocks in bad neighborhoods". A ruthless sell discipline is employed, whereby a stock is immediately sold to zero weight when its fundamentals or technicals deteriorate, or when there is contagion from deteriorating fundamentals or technicals in a stock's sector or country.

Harding Loevner International Equity

- **Management:** The fund is co-managed by Ferrill Roll and Andrew West, each managing 50% of the portfolio. The two have been with Harding Loevner since 1996 and 2006, respectively. The portfolio managers are supported by a group of 30 global sector and region analysts.
- **Objective:** The fund managers seek outperformance relative to MSCI ACWI ex US by investing in high quality growing businesses that are trading at reasonable valuations.
- **Strategy:** The investment team pairs quantitative and qualitative analysis to create a portfolio comprised of four parts: competitive advantage, quality management, financial strength, and sustainable growth. The two portfolio managers rely heavily on the global analysts' buy/hold/sell recommendation that is determined through deep fundamental analysis on companies.

Goldman Sachs GQG Partners International Opportunities

- **Management:** The fund is managed by a team of four portfolio managers led by Rajiv Jain, GQG Partners' Chairman and Chief Investment Officer. Rajiv has been managing the fund since its inception in 2016. Brian Kersmanc, Sudarshan Murthy, and Siddarth Jain have been co-portfolio managers since 2019, 2022, and 2024, respectively.
- **Objective:** The Fund seeks long-term capital appreciation.
- **Strategy:** The Fund seeks a focused portfolio of international companies that have sustainable long-term growth prospects at a reasonable price. The strategy employs a bottom-up fundamental process for identifying and investing in stocks with a high probability of compounding capital over the next five years. Each potential holding is rigorously evaluated through a fundamental approach based on the strength of the business, growth potential, revenue drivers, and valuations.

Vanguard FTSE Developed Markets ETF

- **Management:** The Fund is co-managed by Michael Perre and Christine Franquin. Ms. Franquin has advised the Fund since 2013 and Mr. Perre has advised the fund since 2017. They have been in the investment industry since 2000 and1990, respectively.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in Canada and the major markets of Europe and the Pacific region.
- **Strategy:** The Fund employs a "passive management" – or indexing – investment approach that seeks to track the investment performance of the FTSE Developed All Cap ex US Index, a market-capitalization-weighted index made up of stocks of large-, mid-, and small-cap companies located in Canada and the major markets of Europe and the Pacific region.

Schroders Emerging Markets Equity

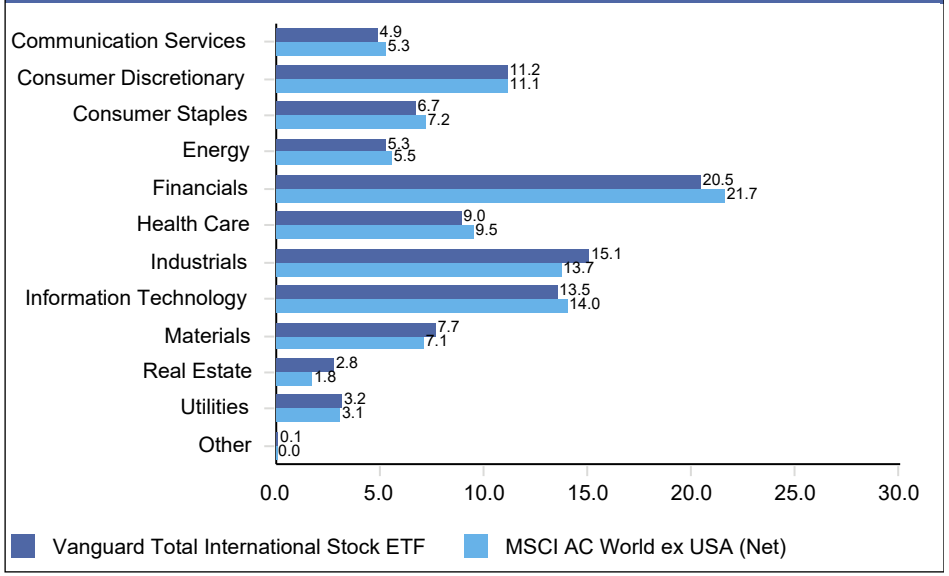
- **Management:** The fund is managed by a team of six portfolio managers led by Tom Wilson, Schroders' Head of Emerging Markets Equity. He has worked at Schroders since 2001 and has been involved with emerging markets equities at Schroders since 2004.
- **Objective:** The Fund seeks capital appreciation.
- **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.

Vanguard Total International Stock ETF vs. MSCI AC World ex USA (Net)

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	95,497	112,367
Median Mkt. Cap ($M)	1,649	9,176
Price/Earnings ratio	16.03	16.27
Price/Book ratio	2.53	2.57
5 Yr. EPS Growth Rate (%)	10.28	10.28
Current Yield (%)	3.03	3.02
Number of Stocks	8,544	2,159

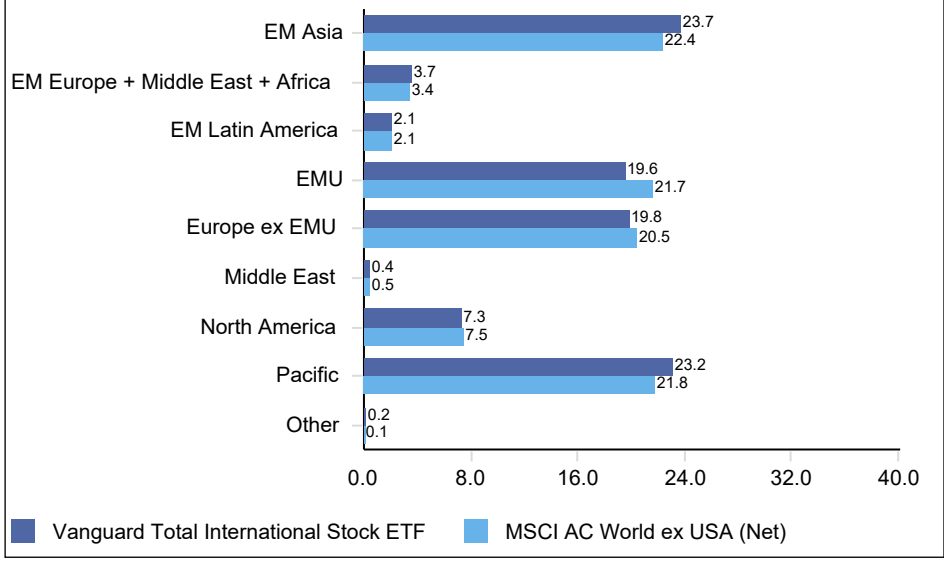
Sector Weights (%)



Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	2.35	2.82	-0.47	22.80
Novo Nordisk A/S	1.45	1.81	-0.36	13.26
ASML Holding NV	1.34	1.59	-0.25	7.46
Tencent Holdings LTD	0.98	1.21	-0.23	23.94
Samsung Electronics Co Ltd	0.93	1.09	-0.16	-3.27
Nestle SA, Cham Und Vevey	0.88	1.05	-0.17	-0.92
Toyota Motor Corp	0.80	0.83	-0.03	-18.37
Astrazeneca PLC	0.77	0.93	-0.16	15.79
Shell Plc	0.75	0.88	-0.13	9.07
SAP SE	0.73	0.81	-0.08	5.51
% of Portfolio	10.98	13.02	-2.04	

Region Weights (%)

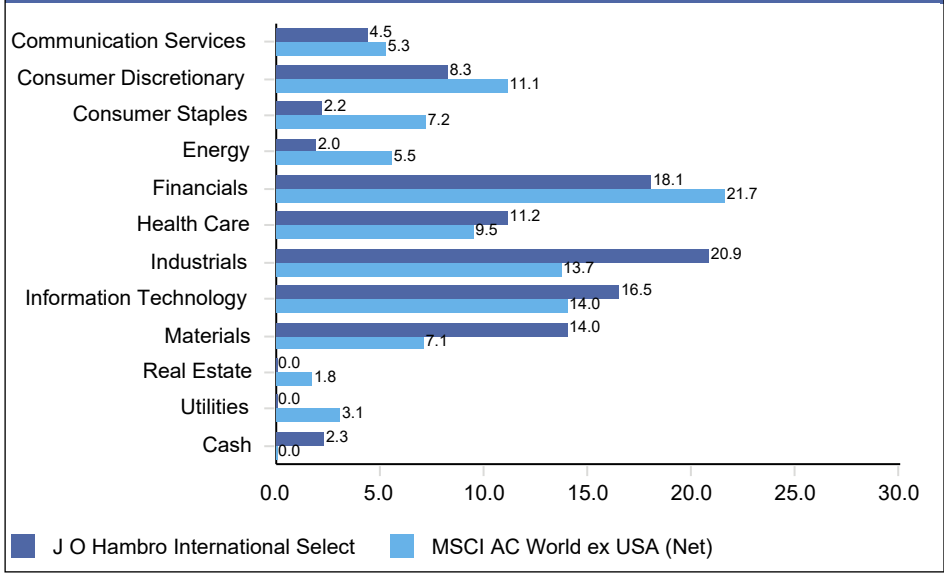


J O Hambro International Select vs. MSCI AC World ex USA (Net)

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	65,456	112,367
Median Mkt. Cap ($M)	40,118	9,176
Price/Earnings ratio	21.79	16.27
Price/Book ratio	3.18	2.57
5 Yr. EPS Growth Rate (%)	13.96	10.28
Current Yield (%)	1.98	3.02
Number of Stocks	41	2,159

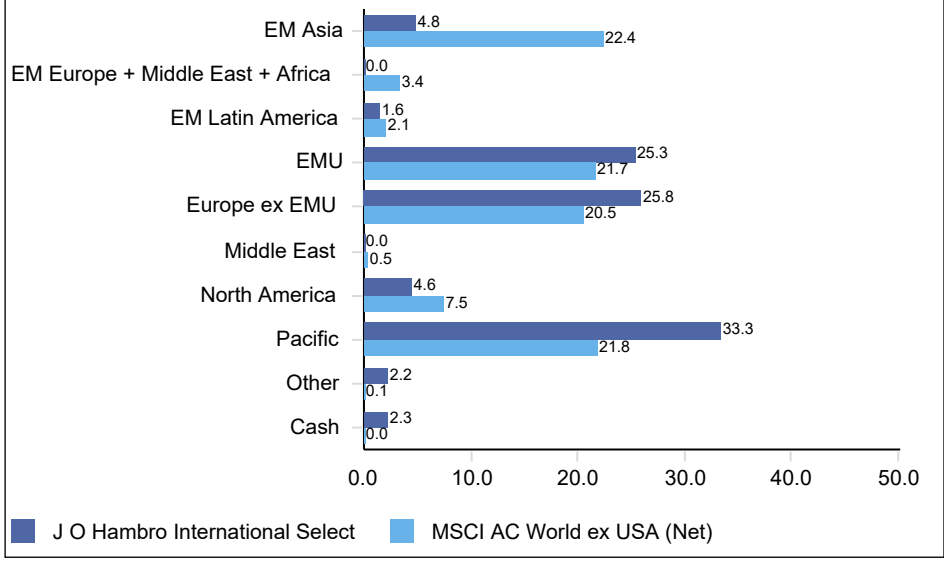
Sector Weights (%)



Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Zealand Pharma AS	3.31	0.00	3.31	29.99
Nec Corp	3.19	0.08	3.11	13.39
Novo Nordisk A/S	3.18	1.81	1.37	13.26
Hitachi Ltd	3.15	0.40	2.75	21.83
Recruit Holdings Co Ltd	3.06	0.31	2.75	20.74
SK Hynix Inc	3.03	0.36	2.67	26.39
Fujifilm Holdings Corp	2.99	0.10	2.89	5.03
Schneider Electric S E	2.85	0.50	2.35	7.77
Disco Corp	2.82	0.13	2.69	0.42
Orix Corp	2.68	0.10	2.58	1.30
% of Portfolio	30.26	3.79	26.47	

Region Weights (%)

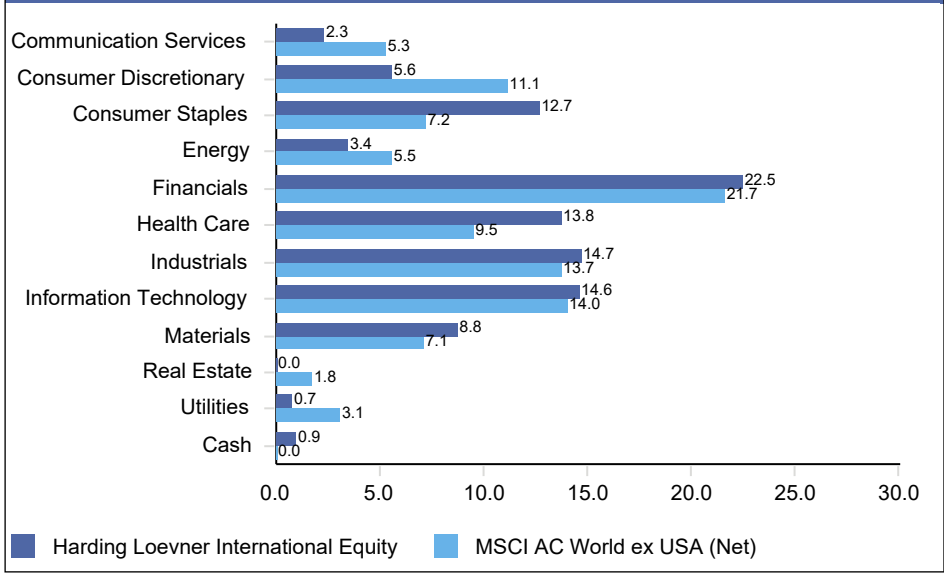


Harding Loevner International Equity vs. MSCI AC World ex USA (Net)

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	127,332	112,367
Median Mkt. Cap ($M)	48,014	9,176
Price/Earnings ratio	18.07	16.27
Price/Book ratio	2.65	2.57
5 Yr. EPS Growth Rate (%)	10.48	10.28
Current Yield (%)	2.78	3.02
Number of Stocks	63	2,159

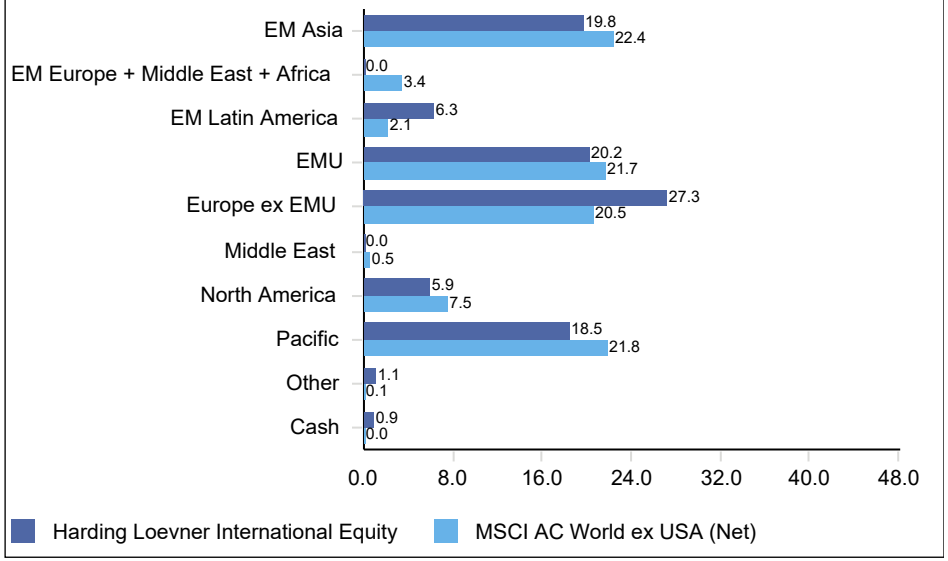
Sector Weights (%)



Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co ADR	4.14	2.82	1.32	28.16
Samsung Electronics Co Ltd	3.80	0.15	3.65	-0.47
Shell Plc	3.43	0.88	2.55	9.07
DBS Group Holdings Ltd	3.19	0.20	2.99	12.16
Manulife Financial Corp	3.19	0.18	3.01	7.68
Roche Holding AG	3.16	0.75	2.41	8.87
Allianz SE	2.79	0.42	2.37	-2.44
Schneider Electric S E	2.78	0.50	2.28	7.77
Haleon plc	2.57	0.11	2.46	-3.09
Chugai Pharmaceutical Co Ltd	2.49	0.09	2.40	-6.20
% of Portfolio	31.54	6.10	25.44	

Region Weights (%)

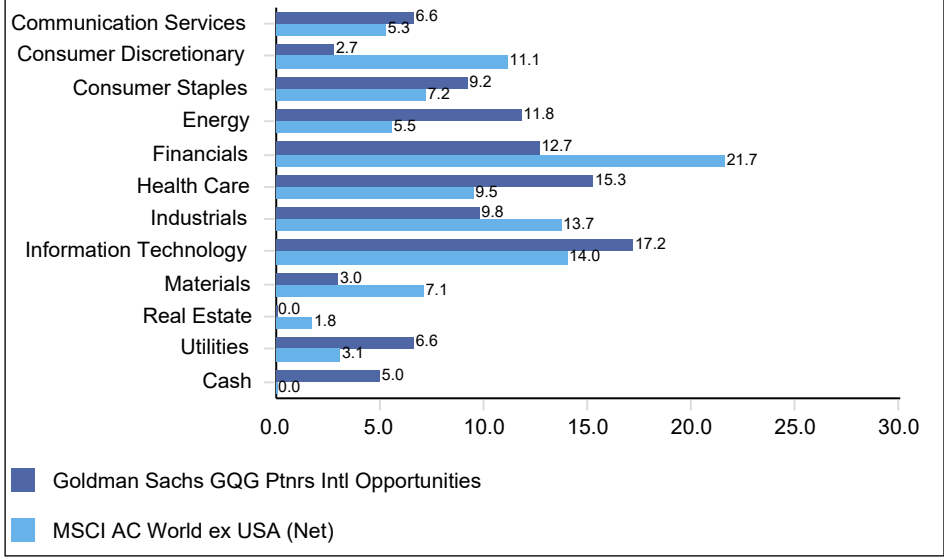


Goldman Sachs GQG Ptnrs Intl Opportunities vs. MSCI AC World ex USA (Net)

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	332,297	112,367
Median Mkt. Cap ($M)	80,043	9,176
Price/Earnings ratio	19.78	16.27
Price/Book ratio	3.86	2.57
5 Yr. EPS Growth Rate (%)	19.35	10.28
Current Yield (%)	2.85	3.02
Number of Stocks	71	2,159

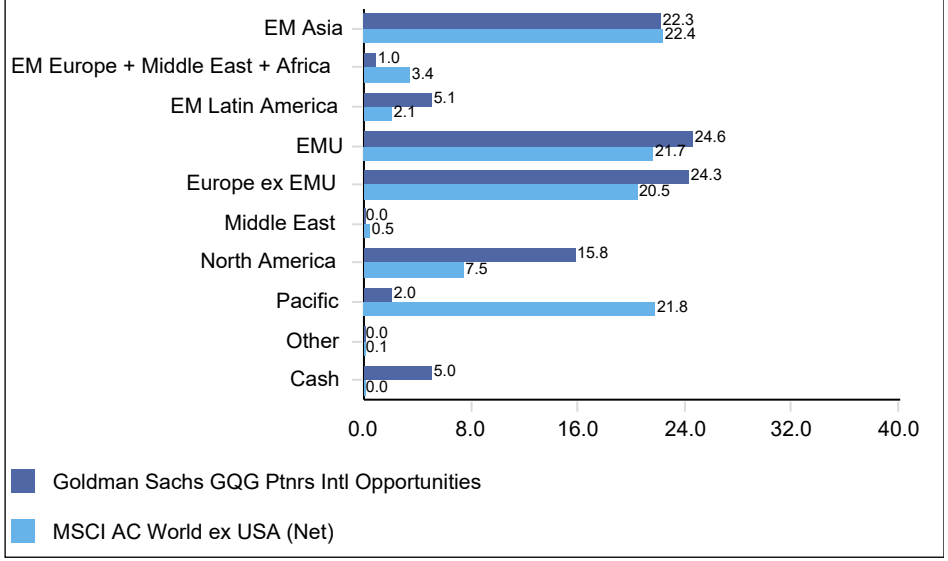
Sector Weights (%)



Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	7.93	1.81	6.12	13.26
CASH	5.00	0.00	5.00	N/A
Astrazeneca PLC	4.78	0.93	3.85	15.79
TotalEnergies SE	4.09	0.55	3.54	-1.30
NVIDIA Corporation	3.59	0.00	3.59	36.74
ASML Holding NV	3.25	1.59	1.66	7.46
SAP SE	2.69	0.81	1.88	5.51
Taiwan Semicon Manu Co	2.61	2.82	-0.21	22.80
Glencore Plc	2.59	0.23	2.36	4.88
Adani Power Ltd	2.52	0.03	2.49	34.64
% of Portfolio	39.05	8.77	30.28	

Region Weights (%)

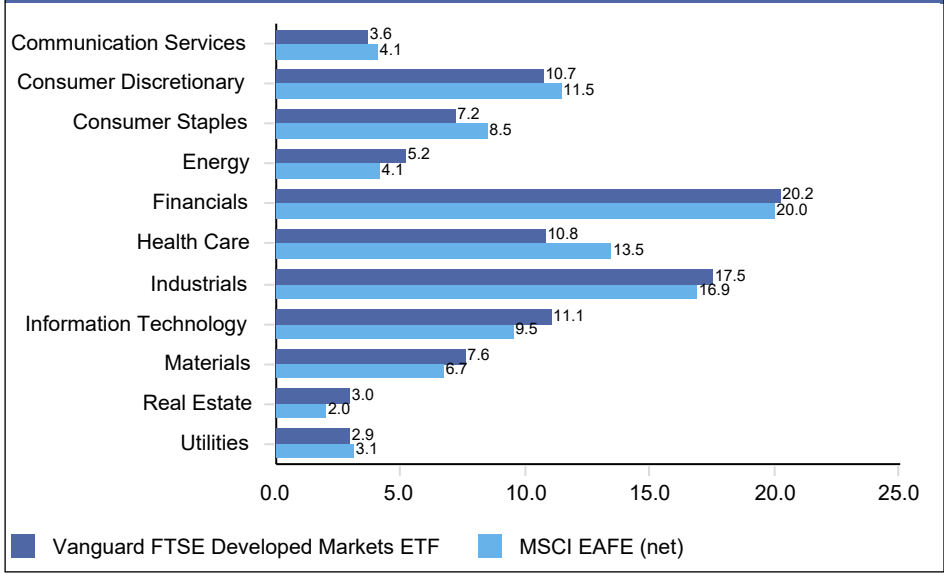


Vanguard FTSE Developed Markets ETF vs. MSCI EAFE (net)

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	84,589	100,942
Median Mkt. Cap ($M)	1,605	13,989
Price/Earnings ratio	16.18	16.74
Price/Book ratio	2.44	2.67
5 Yr. EPS Growth Rate (%)	8.67	9.12
Current Yield (%)	3.10	3.13
Beta (5 Years, Monthly)	1.05	1.00
Number of Stocks	3,967	742

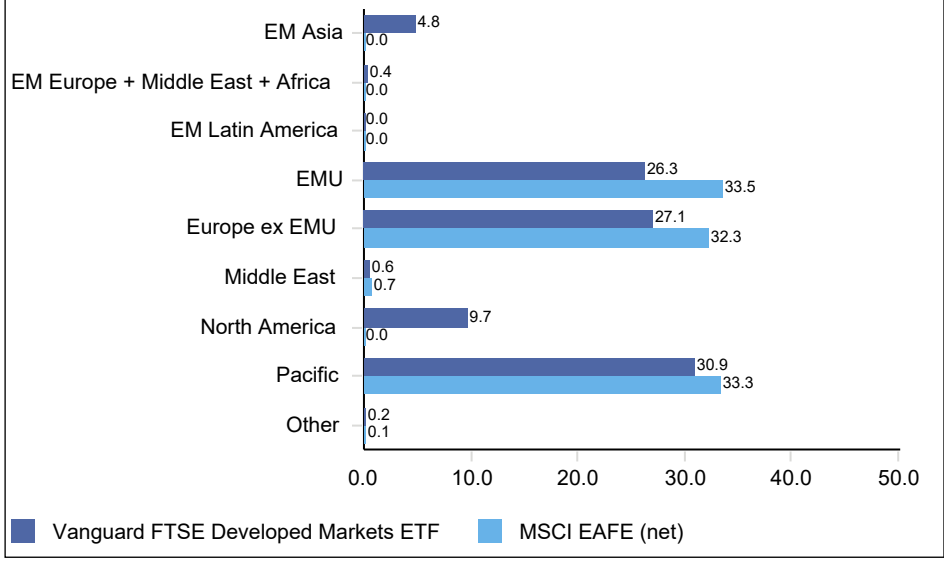
Sector Weights (%)



Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	1.98	2.85	-0.87	13.26
ASML Holding NV	1.82	2.50	-0.68	7.46
Samsung Electronics Co Ltd	1.26	0.00	1.26	-3.27
Nestle SA, Cham Und Vevey	1.20	1.65	-0.45	-0.92
Toyota Motor Corp	1.09	1.31	-0.22	-18.37
Astrazeneca PLC	1.05	1.46	-0.41	15.79
Shell Plc	1.03	1.39	-0.36	9.07
SAP SE	1.00	1.28	-0.28	5.51
Novartis AG	0.98	1.28	-0.30	10.33
Roche Holding AG	0.86	1.18	-0.32	8.87
% of Portfolio	12.27	14.90	-2.63	

Region Weights (%)

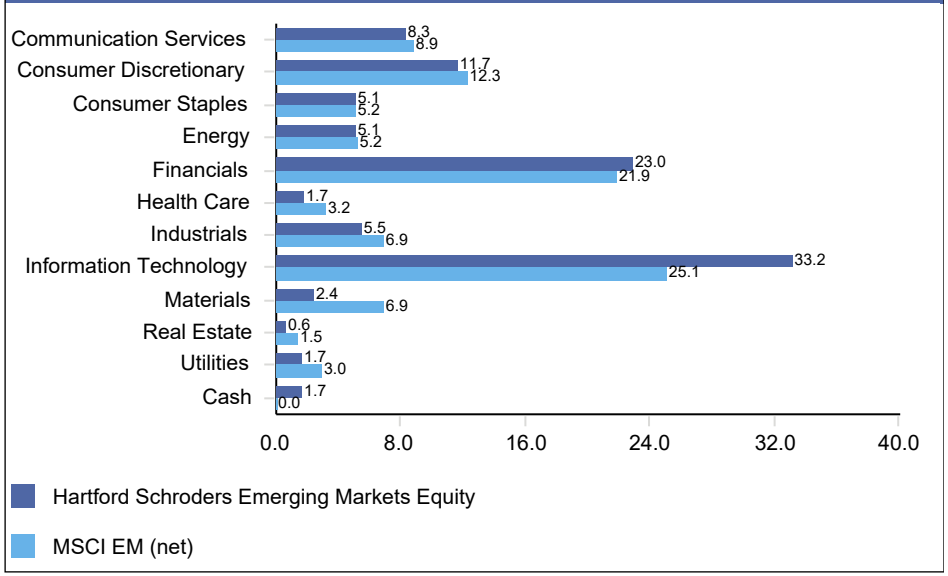


Hartford Schroders Emerging Markets Equity vs. MSCI EM (net)

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	183,776	152,426
Median Mkt. Cap ($M)	18,908	7,008
Price/Earnings ratio	15.28	15.38
Price/Book ratio	2.55	2.62
5 Yr. EPS Growth Rate (%)	15.55	13.55
Current Yield (%)	2.61	2.75
Number of Stocks	115	1,330

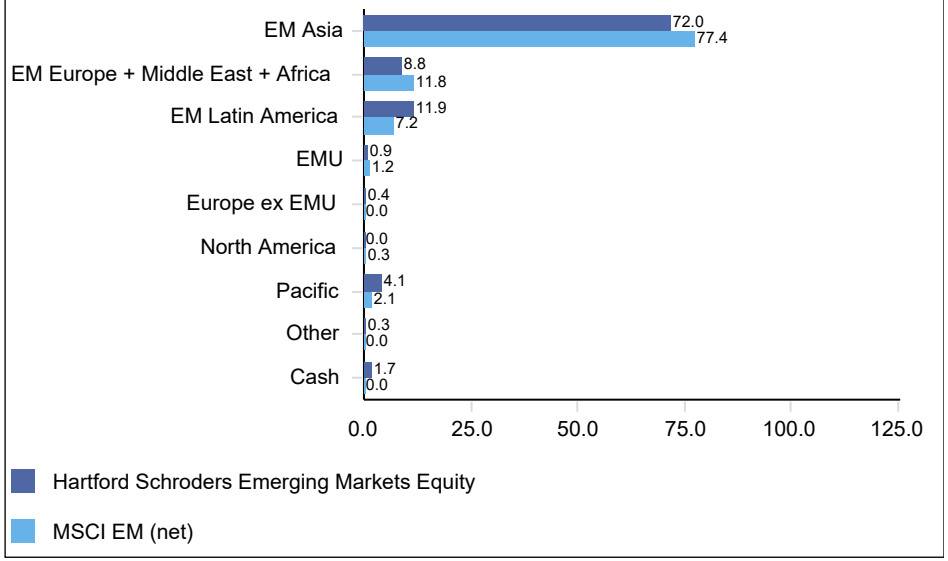
Sector Weights (%)



Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	11.87	9.72	2.15	22.80
Samsung Electronics Co Ltd	6.58	3.75	2.83	-3.27
Tencent Holdings LTD	5.74	4.18	1.56	23.94
Hon Hai Precision Industry Co Ltd	2.26	1.09	1.17	40.74
Axis Bank Ltd	2.18	0.46	1.72	20.84
SK Hynix Inc	2.03	1.24	0.79	26.39
Mediatek Incorporation	1.93	0.87	1.06	15.57
Icici Bank Ltd	1.91	0.99	0.92	9.74
Reliance Industries Ltd	1.87	1.51	0.36	5.37
Meituan	1.79	0.96	0.83	15.05
% of Portfolio	38.16	24.77	13.39	

Region Weights (%)



Baird Core Plus

- **Management:** The Fund has been managed by a team of generalist portfolio managers including 4 since its inception in 2000. The most senior trio of the management team has been working together for over 30 years.
- **Objective:** The Fund seeks to maximize long-term total return and achieve an annual return that exceeds its benchmark.
- **Strategy:** The Fund normally invests at least 80% of assets in the following types of U.S. dollar-denominated debt securities: U.S. government, U.S. government agencies, asset-backed and mortgage-backed obligations of U.S. issuers and corporate debt of U.S. and foreign issuers. It invests primarily in investment-grade debt securities but can invest up to 20% of net assets in non-investment grade securities.

DoubleLine Core Fixed

- **Management:** Jeff Gundlach, CEO/CIO of DoubleLine Capital has been managing the Fund since 2010. Jeff Sherman, Deputy CIO, has co-managed the Fund since 2016.
- **Objective:** The Fund seeks to maximize current income and total return.
- **Strategy:** The Fund may invest in fixed income securities of any credit quality including up to a third of its net assets in junk bonds, bank loans and assignments rated below investment grade or unrated but determined by the Adviser to be of comparable quality, and credit default swaps of companies in the high yield universe. The Fund may also invest a portion of its net assets in fixed income instruments issued or guaranteed by companies, financial institutions and government entities in emerging market countries. The Fund may pursue its investment objective and obtain exposures to some or all of the asset classes described above by investing in other investment companies, including, ETFs and investment companies sponsored or managed by the Adviser and its affiliates. In managing the Fund's investments, under normal market conditions, the portfolio manager intends to seek to construct an investment portfolio with a weighted average effective duration of no less than two years and no more than eight years.

PGIM Total Return

- **Management:** Senior portfolio managers Rich Piccirillo (since 2012) and Greg Peters (co-CIO, 2014) lead the management of the Fund joined by Chief Investment Strategist Robert Tipp (2002) portfolio managers Tyler Thorn (2023) and Matt Angelucci (2023). Michael Collins moved to an advisory role as of 1q24. PGIM Fixed Income is the primary public fixed-income asset management unit of PGIM, a wholly-owned subsidiary of Prudential Financial, Inc.
- **Objective:** The Fund seeks total return by investing in a diversified portfolio of bonds from multiple fixed income sectors.
- **Strategy:** The Fund allocates assets among different debt securities, including (but not limited to) US Government securities, mortgage-related and asset-backed securities, corporate debt securities and foreign securities. The Fund may invest up to 30% of its investable assets in high risk, below investment-grade securities. The Fund may invest up to 30% of its investable assets in foreign debt securities. The Fund has the flexibility to allocate its investments across different sectors of the fixed-income securities markets at varying duration. Up to 25% may be expressed through various derivative strategies.

- **Voya Intermediate Bond - Core Plus**
  - **Management:** Matt Toms, CFA was the Global Chief Investment Officer at Voya but transitioned to CEO in January 2024. Eric Stein was named the CIO of Fixed Income. Others involved in management of this portfolio include Sean Banai, CFA (Head of Portfolio Management), Dave Goodson (Head of Securitized Fixed Income), Randy Parrish, CFA (Head of Public Credit) and Raj Jadav (Portfolio Manager).
  - **Objective:** The strategy seeks to maximize total return through income and capital appreciation
  - **Strategy:** The strategy may invest in fixed income securities of any credit quality including up to 20% of its net assets in junk bonds and assignments rated below investment grade or unrated but determined by the manager to be of comparable quality. Duration is managed within plus or minus 1.0 years to the Bloomberg U.S. Aggregate Index. Interest rate derivatives may be used for hedging purposes.

- **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.

- **iShares Intermediate Corporate Bond**
  - **Management:** The Fund is managed by James Mauro and Karen Uyehara of BlackRock Fund Advisors
  - **Objective:** The Fund seeks to replicate performance and characteristics of ICE BofA 5-10 Yr Corporate Index
  - **Strategy:** The Fund seeks to track the investment results of the ICE BofA 5-10 Year US Corporate Index which measures the performance of investment-grade corporate bonds of both U.S. and non-U.S. issuers that are U.S. dollar denominated and publicly issued in the U.S. domestic market and have a remaining maturity of greater than or equal to five years and less than ten years

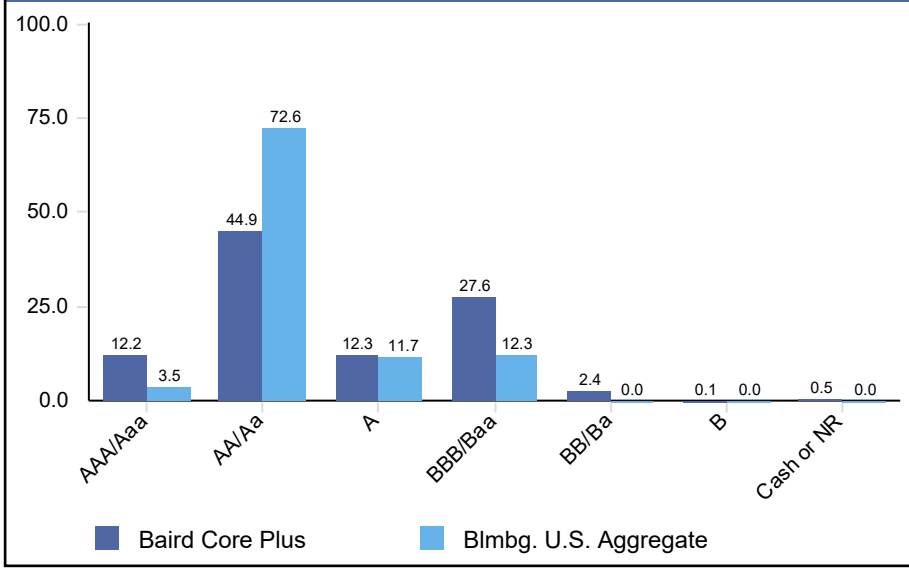
- **Mainstay MacKay Shields High Yield Corporate**
  - **Management:** Andrew Susser is the lead portfolio manager (since 2013). Dohyun Cha, Won Choi and Nate Hudson we added as co-PMs in February 2024. They are supported by about a dozen analysts and traders.
  - **Objective:** To outperform the high 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.

Baird Core Plus vs. Blmbg. U.S. Aggregate

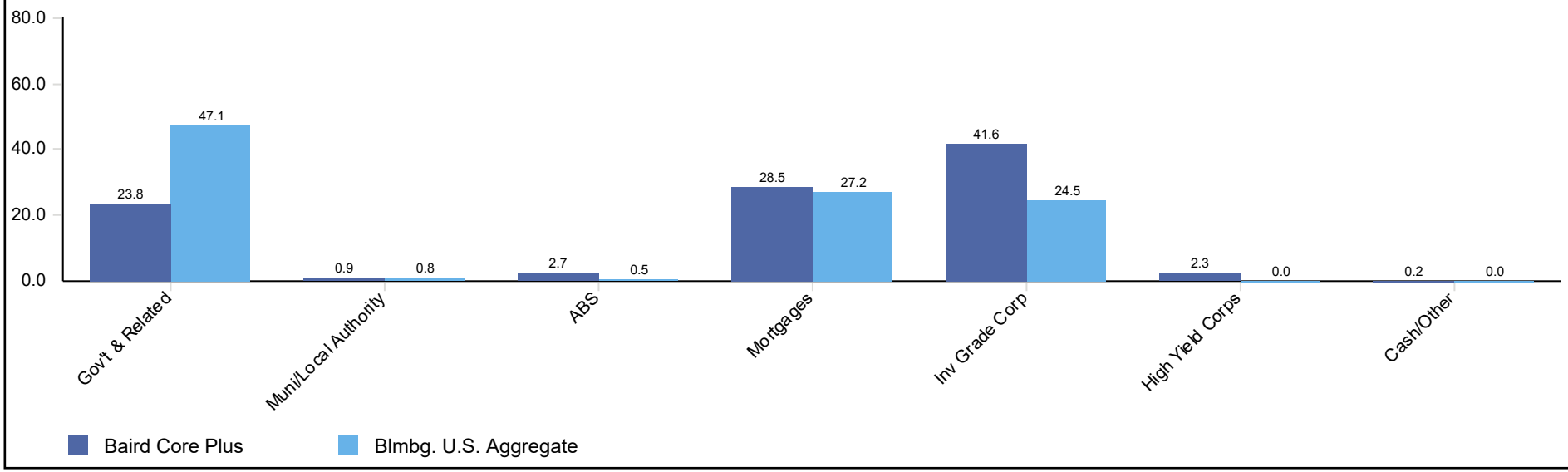
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	5.90	6.13
Yield To Maturity (%)	5.37	5.00
Avg. Maturity	7.97	8.43
Avg. Quality	AA	AA
Coupon Rate (%)	3.80	3.30

Credit Quality Distribution (%)



Sector Distribution (%)

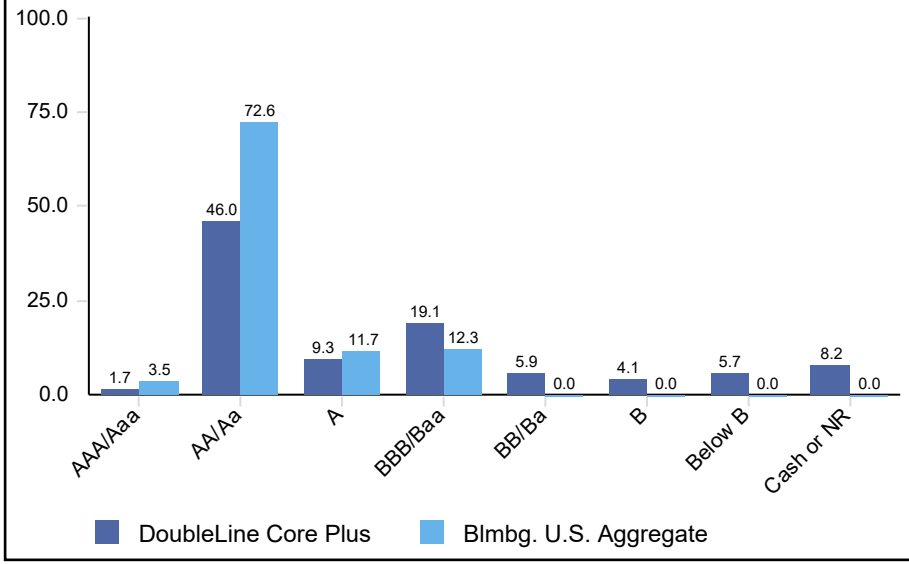


DoubleLine Core Plus vs. Blmbg. U.S. Aggregate

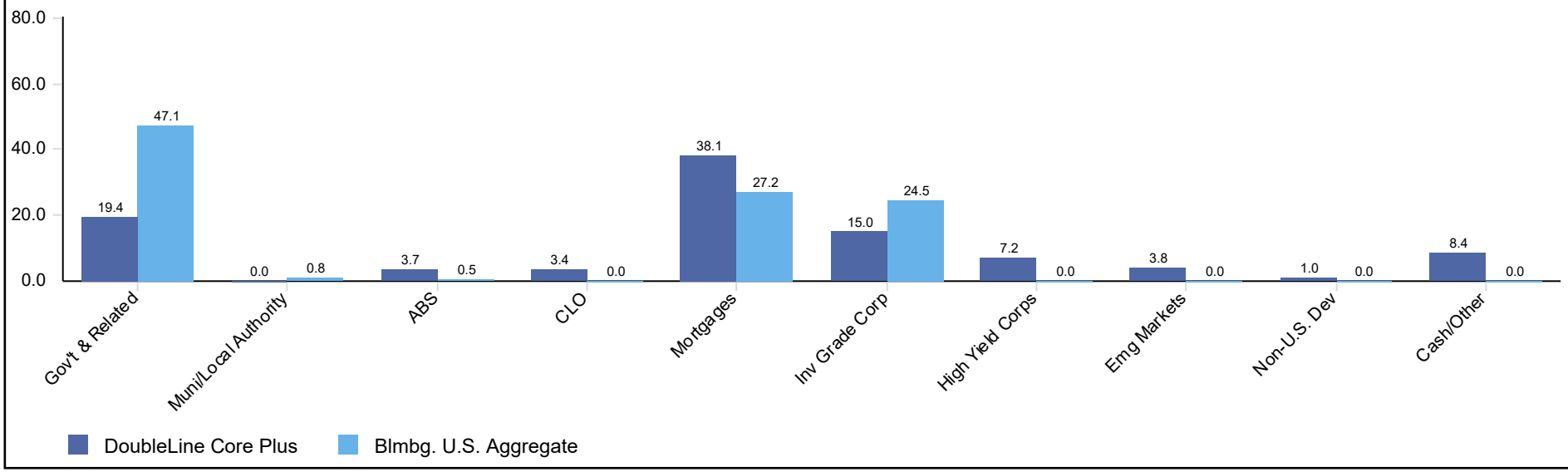
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	5.95	6.13
Yield To Maturity (%)	6.01	5.00
Avg. Maturity	7.27	8.43
Avg. Quality	A	AA
Coupon Rate (%)	4.14	3.30

Credit Quality Distribution (%)



Sector Distribution (%)

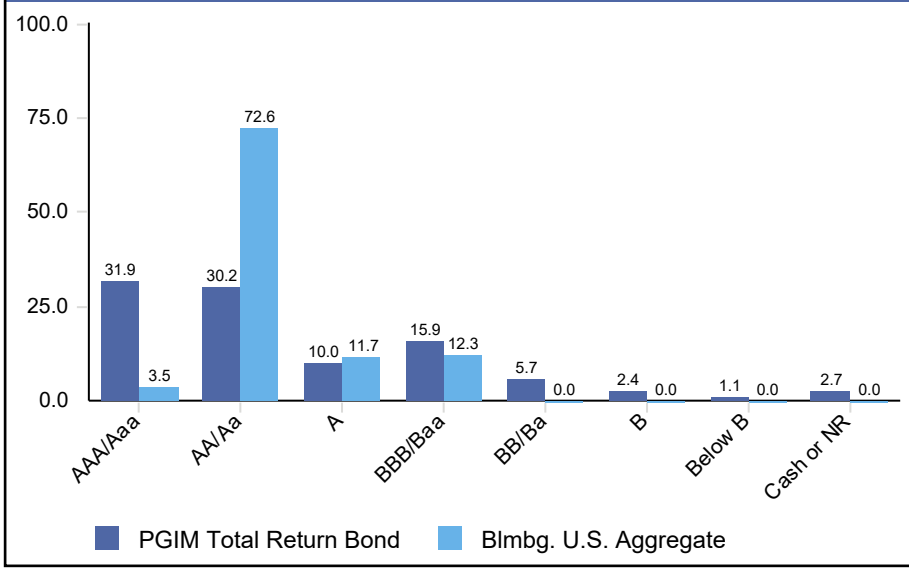


PGIM Total Return Bond vs. Blmbg. U.S. Aggregate

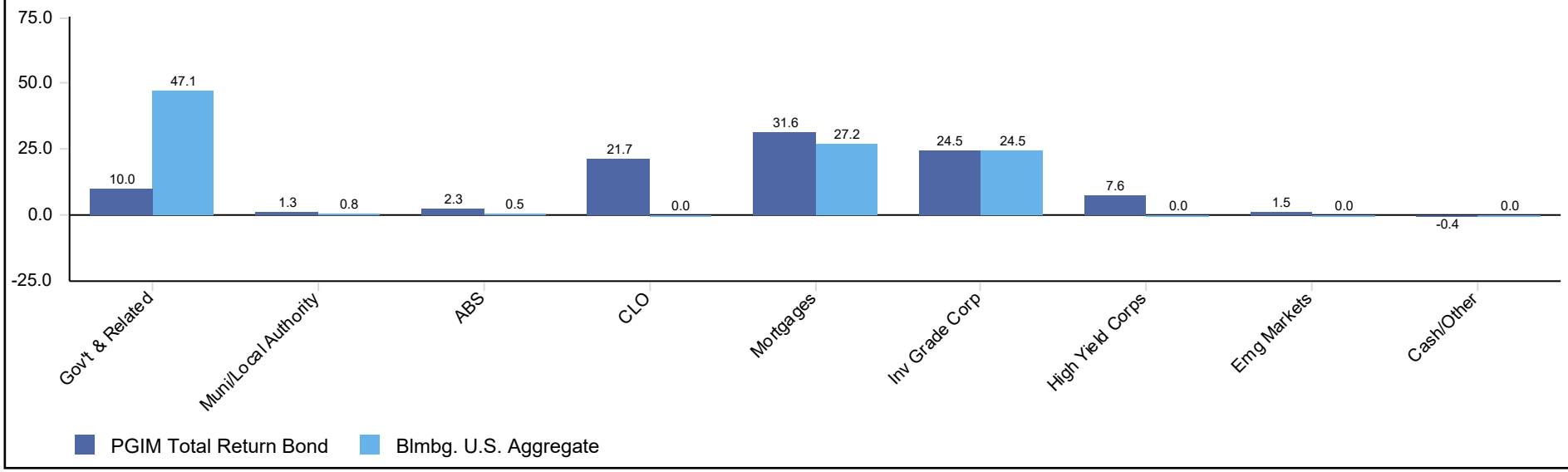
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.05	6.13
Yield To Maturity (%)	6.52	5.00
Avg. Maturity	8.02	8.43
Avg. Quality	AA	AA
Coupon Rate (%)	4.33	3.30

Credit Quality Distribution (%)



Sector Distribution (%)

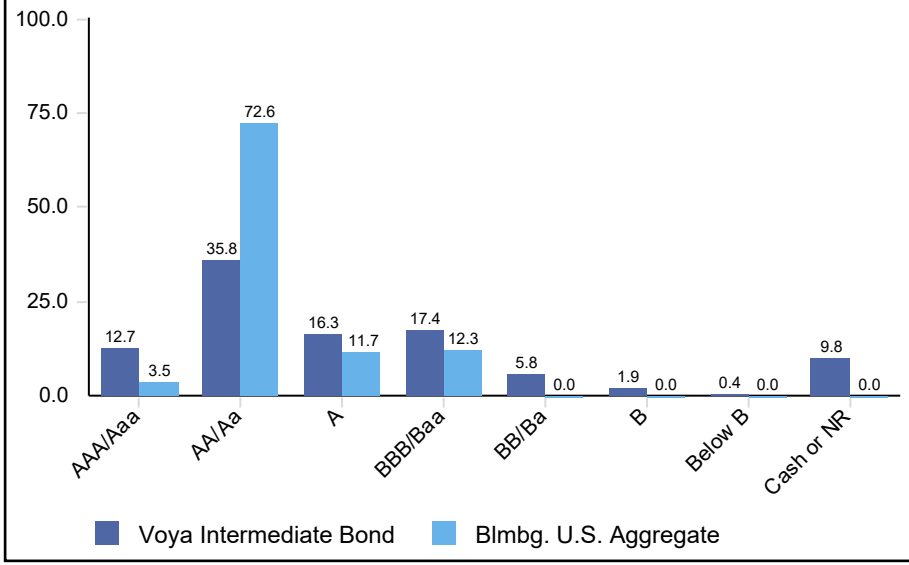


Voya Intermediate Bond vs. Blmbg. U.S. Aggregate

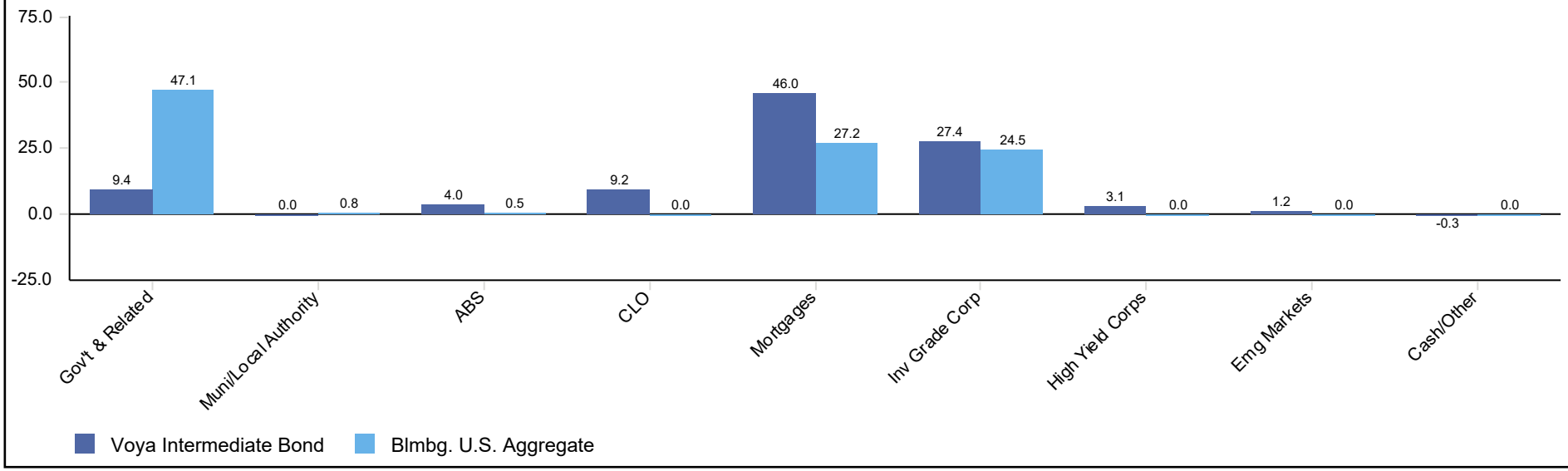
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.20	6.13
Yield To Maturity (%)	5.90	5.00
Avg. Maturity	7.68	8.43
Avg. Quality	A	AA
Coupon Rate (%)	4.45	3.30

Credit Quality Distribution (%)



Sector Distribution (%)

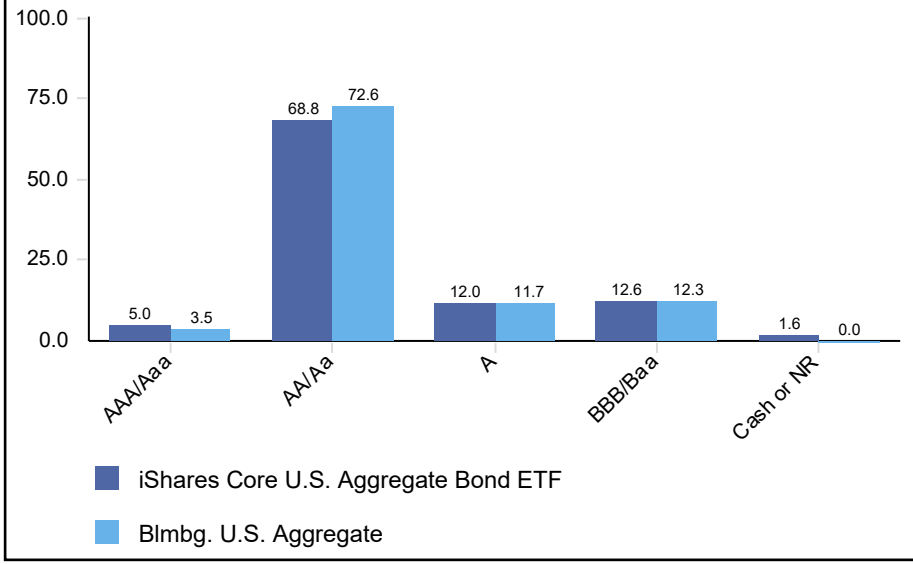


iShares Core U.S. Aggregate Bond ETF vs. Blmbg. U.S. Aggregate

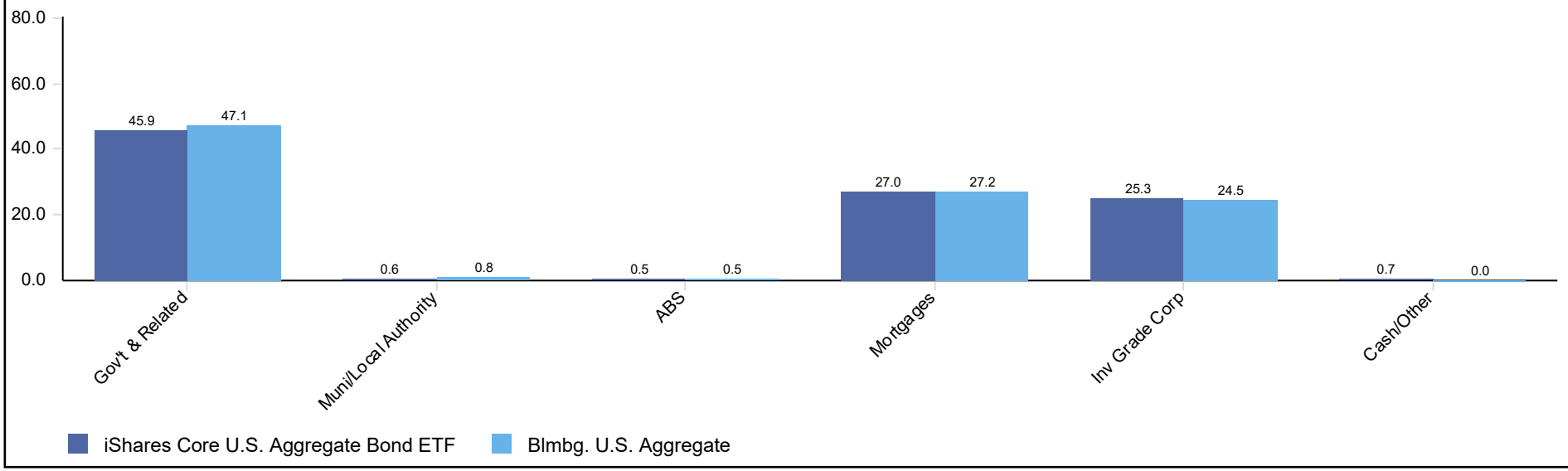
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.09	6.13
Yield To Maturity (%)	5.01	5.00
Avg. Maturity	8.50	8.43
Avg. Quality	AA	AA
Coupon Rate (%)	3.36	3.30

Credit Quality Distribution (%)



Sector Distribution (%)

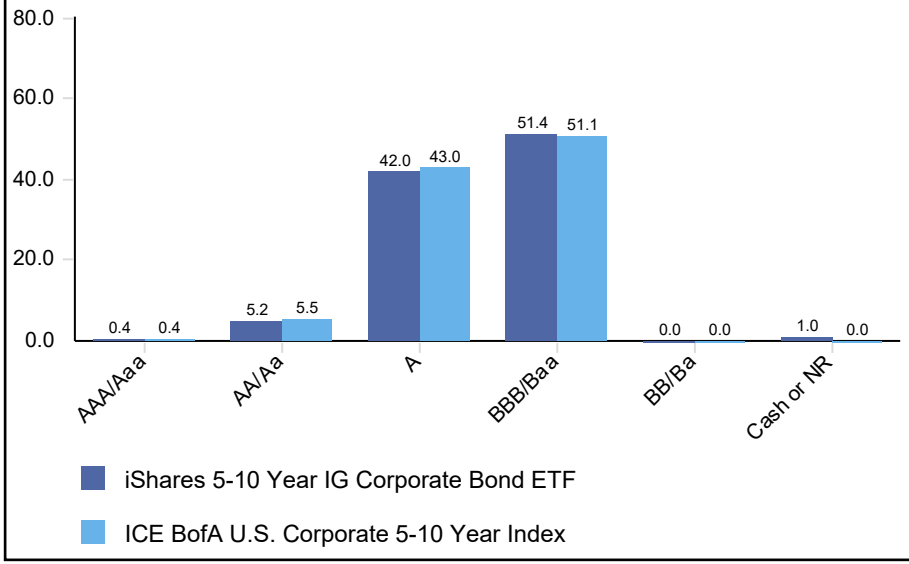


iShares 5-10 Year IG Corporate Bond ETF vs. ICE BofA U.S. Corporate 5-10 Year Index

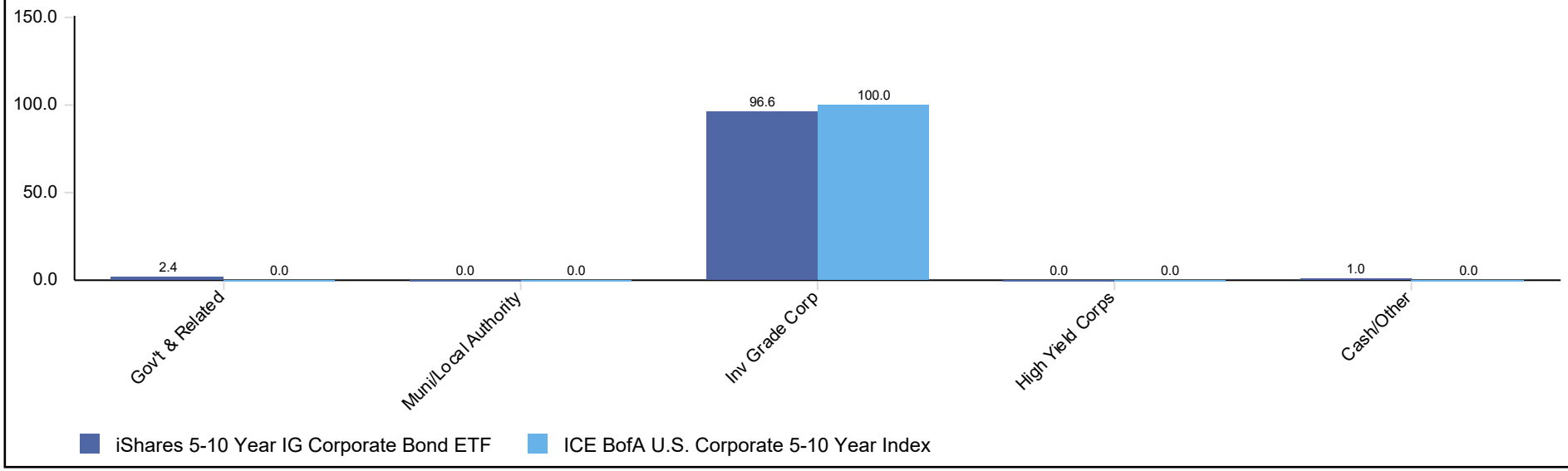
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.06	6.03
Yield To Maturity (%)	5.48	5.49
Avg. Maturity	7.95	8.32
Avg. Quality	A	A
Coupon Rate (%)	4.13	4.31

Credit Quality Distribution (%)



Sector Distribution (%)

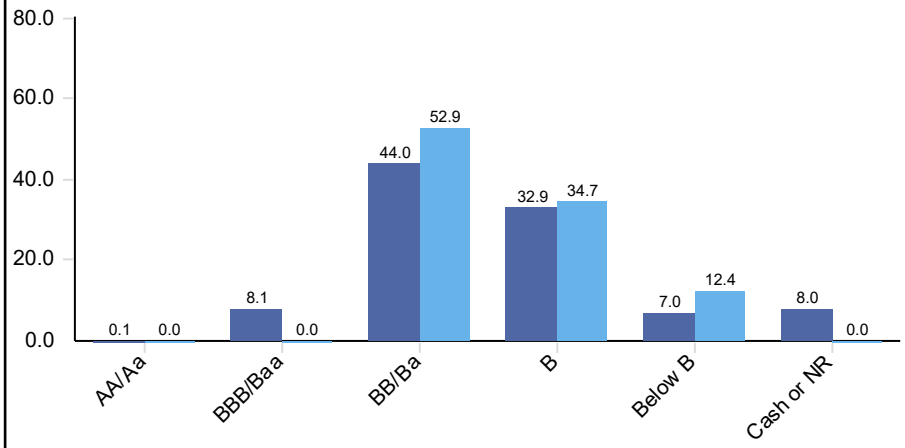


Mainstay MacKay High Yield Corp Bond Fund vs. ICE BofA US High Yield Index

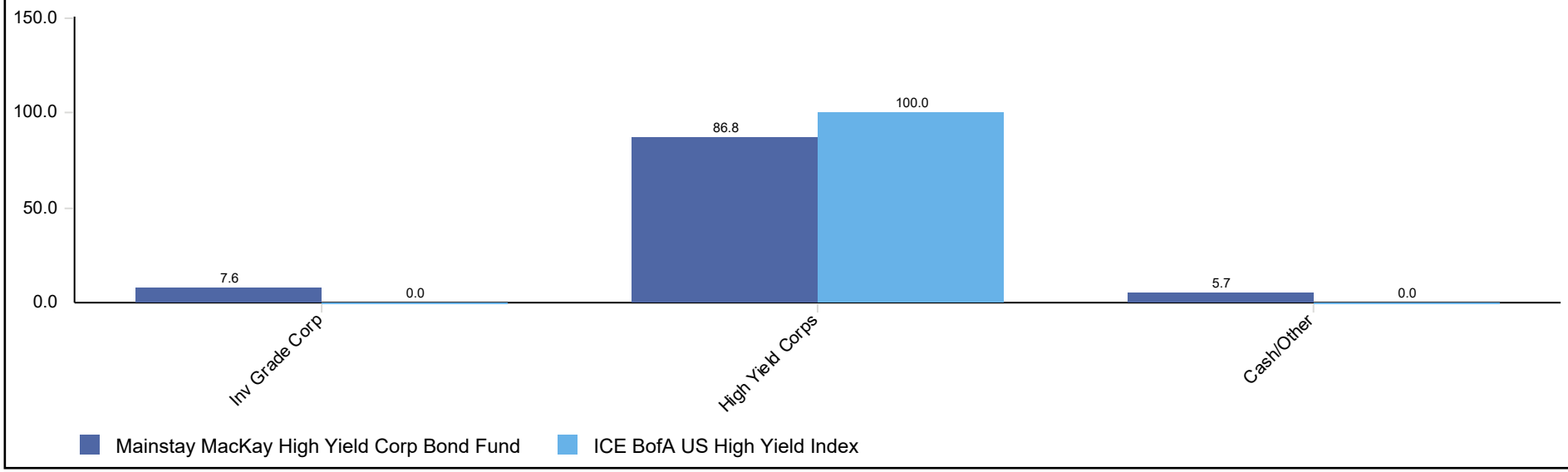
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	3.60	3.18
Yield To Maturity (%)	7.37	8.00
Avg. Maturity	4.29	5.71
Avg. Quality	BB	B
Coupon Rate (%)	6.12	6.32

Credit Quality Distribution (%)



Sector Distribution (%)



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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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CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH JUN 30, 2024

ALL PROGRAMS

		LIABILITY	WORKERS' COMP	EMPLOYEE BENEFITS	Total
1	**REVENUE**				
2	Deposit Premiums Earned (SIR)	$ 80,955,087	$ 29,005,335	$ 0	$ 109,960,422
3	Deposit Premiums Earned (10x10)	4,888,744	0	0	4,888,744
4	Realized Investment Income (Loss)	7,776,735	2,490,515	2,086,833	12,354,084
5	**Total Revenue**	93,620,566	31,495,850	2,086,833	127,203,250
6	**EXPENSES**				
7	Paid Claims	26,976,543	4,185,434	0	31,161,977
8	General/Administrative	9,818,043	8,512,678	1,295	18,332,017
9	Dividends paid to JPIA	7,104,210	1,690,288	620,864	9,415,362
10	**Total Expenses**	43,898,796	14,388,401	622,160	58,909,356
11	Paid in capital	22,560,890	14,477,555	60,000,000	97,038,445
12	**Book balance**	$ 72,282,660	$ 31,585,005	$ 61,464,674	$ 165,332,338

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH JUN 30, 2024

LIABILITY PROGRAM

	Policy Year 10/1/19-20	Policy Year 10/1/20-21	Policy Year 10/1/21-22	Policy Year 10/1/22-23	Total
REVENUE					
Deposit Premiums Earned (SIR)	$ 19,400,000	$ 21,054,700	$ 20,422,300	$ 20,078,087	$ 80,955,087
Deposit Premiums Earned (10x10)	0	1,386,700	1,421,146	2,080,898	4,888,744
Realized Investment Income (Loss)	2,731,032	2,956,111	1,292,215	797,378	7,776,735
Total Revenue	22,131,032	25,397,511	23,135,661	22,956,363	93,620,566
EXPENSES					
Paid Claims	7,358,677	6,932,966	2,684,900	10,000,000	26,976,543
General/Administrative	3,108,584	3,182,059	3,526,947	453	9,818,043
Dividends paid to JPIA	2,254,529	2,500,722	848,959	1,500,000	7,104,210
Total Expenses	12,721,790	12,615,747	7,060,806	11,500,453	43,898,796
Paid in capital	22,249,990	0	0	310,900	22,560,890
Book balance	$ 31,659,231	$ 12,781,764	$ 16,074,855	$ 11,766,809	$ 72,282,660

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH JUN 30, 2024

WORKERS COMPENSATION PROGRAM

	Policy Year 7/1/20-21	Policy Year 7/1/21-22	Policy Year 7/1/22-23	Total
REVENUE				
Deposit Premiums Earned	$ 13,426,250	$ 13,377,935	$ 2,201,150	$ 29,005,335
Deposit Premiums Earned (10x10)	0	0	0	0
Realized Investment Income (Loss)	1,852,407	558,901	79,207	2,490,515
Total Revenue	15,278,657	13,936,836	2,280,357	31,495,850
EXPENSES				
Paid Claims	2,767,921	1,336,009	81,504	4,185,434
General/Administrative	4,055,625	4,457,009	45	8,512,678
Dividends paid to JPIA	1,560,303	129,985	0	1,690,288
Total Expenses	8,383,849	5,923,004	81,549	14,388,401
Paid in capital	0	14,700,000	(222,445)	14,477,555
Book balance	$ 6,894,809	$ 22,713,832	$ 1,976,363	$ 31,585,005

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH JUN 30, 2024

EMPLOYEE BENEFITS PROGRAM

	Policy Year 2022	Policy Year 2023	Policy Year 2024	Total
REVENUE				
Deposit Premiums Earned	$ 0	$ 0	$ 0	$ 0
Deposit Premiums Earned (10x10)	0	0	0	0
Realized Investment Income (Loss)	(169,034)	1,176,711	1,079,156	2,086,833
Total Revenue	(169,034)	1,176,711	1,079,156	2,086,833
EXPENSES				
Paid Claims	0	0	0	0
General/Administrative	0	1,295	0	1,295
Dividends paid to JPIA	620,864	0	0	620,864
Total Expenses	620,864	1,295	0	622,160
Paid in capital	60,000,000	0	0	60,000,000
Book balance	$ 59,210,102	$ 1,175,416	$ 1,079,156	$ 61,464,674

ACWA JPIA
2023-24 Budget to Actual Review
September 25, 2024

BACKGROUND
The 2023-24 budget was approved by the JPIA Board in the Spring of 2023. This period covers from October 1, 2023, to September 30, 2024.

CURRENT SITUATION
Staff will provide an update on budget vs actual for the fiscal year 2024.

RECOMMENDATION
None, information only.

ACWA JPIA Budget vs Actual
As of 7/31/2024

		PRIOR YEAR FYE 9/30/23	BUDGET FYE 9/30/24	% OF TOTAL	ACTUAL FYE 9/30/24	Remaining	Prorated Budget	Over (Under)
	ACWA/JPIA STAFF SERVICES							
1	Staff Salaries & Temporary Services	6,559,663	$ 6,840,000	**50.7%**	**$ 5,973,112**	$ 866,888	5,700,000	273,112
2	Staff Employee Benefits	2,199,179	3,410,000	**25.3%**	**2,148,403**	1,261,597	2,841,667	(693,264)
3	Office Buildings	159,120	137,000	**1.0%**	**209,719**	(72,719)	114,167	95,552
4	Postage and Freight	48,855	54,000	**0.4%**	**46,628**	7,372	45,000	1,628
5	Telephone Service	47,777	52,000	**0.4%**	**57,959**	(5,959)	43,333	14,626
6	JPIA Perspective Printing & Distribution	-	-	**0.0%**	-	-	-	-
7	Outside Printing	15,970	15,000	**0.1%**	**14,899**	101	12,500	2,399
8	JPIA Office Insurance	24,420	25,000	**0.2%**	**25,242**	(242)	20,833	4,409
9	General Office Supplies	43,722	35,000	**0.3%**	**45,134**	(10,134)	29,167	15,968
10	Computer Equipment, Software and Office Furniture	990,689	910,000	**6.7%**	**912,080**	(2,080)	758,333	153,746
11	Dues, Subscriptions, & Misc. Publications	130,913	110,000	**0.8%**	**84,865**	25,135	91,667	(6,802)
12	Staff Education/Training Seminars & Coursework	115,467	95,000	**0.7%**	**186,331**	(91,331)	79,167	107,164
14	Depreciation on Capital Assets	220,526	213,000	**1.6%**	**176,777**	36,223	177,500	(723)
15	Staff Travel Related Expenses	133,588	90,000	**0.7%**	**101,822**	(11,822)	75,000	26,822
16	Staff RAS Travel-Related Expenses	46,991	50,000	**0.4%**	**38,820**	11,180	41,667	(2,847)
17	Member Informational Workshops	100,598	125,000	**0.9%**	**190,181**	(65,181)	104,167	86,014
18	Lending Library	398	2,000	**0.0%**	**-**	2,000	1,667	(1,667)
19	Member Safety & Loss Control Incentive Awards	66,171	110,000	**0.8%**	**106,599**	3,401	91,667	14,932
	Total ACWA/JPIA Staff Services	**10,904,047**	**12,273,000**	**91.0%**	**10,318,571**	**1,954,430**	10,227,500	91,071
	COMMITTEES & BOARD OF DIRECTORS' SERVICES							
20	Executive Committee Member Expenses	268,607	185,000	**1.4%**	**223,087**	(38,087)	154,167	68,921
21	Finance/Audit Committee & Sub-Committee Expenses	31,511	15,000	**0.1%**	**22,687**	(7,687)	12,500	10,187
22	Semi-Annual ACWA Conf. & Board of Directors' Expense	196,827	160,000	**1.2%**	**203,038**	(43,038)	133,333	69,705
	Total Committees & Board of Directors' Services	**496,945**	**360,000**	**2.7%**	**448,813**	**(88,813)**	300,000	148,813
	EXTERNAL CONSULTING AND PROFESSIONAL SERVICES							
23	Insurance Program Actuarial Analysis	36,750	22,000	**0.2%**	**-**	22,000	18,333	(18,333)
24	Consulting Services	5,766	25,000	**0.2%**	**86,866**	(61,866)	20,833	66,032
25	Occu-Med	105,174	106,000	**0.8%**	**90,585**	15,415	88,333	2,252
26	Target Safety	138,400	150,000	**1.1%**	**119,370**	30,630	125,000	(5,630)
27	General Legal/Attorney Services	44,612	10,000	**0.1%**	**79,941**	(69,941)	8,333	71,607
28	Specific Claims & Coverage Related Legal Fees	72,550	45,000	**0.3%**	**31,947**	13,053	37,500	(5,553)
29	External Claims Administration	375,376	270,000	**2.0%**	**303,482**	(33,482)	225,000	78,482
30	ACWA JPIA Financial Audit	70,900	67,000	**0.5%**	**68,000**	(1,000)	55,833	12,167
31	Insurance Programs Claims Audits	10,450	-	**0.0%**	**36,820**	(36,820)	-	36,820
32	Personnel Consulting Services	-	5,000	**0.0%**	**-**	5,000	4,167	(4,167)
33	**Total External Consulting / Professional Services**	**859,978**	**700,000**	**5.2%**	**817,011**	**(117,011)**	583,333	233,677
34	**PROGRAM DEVELOPMENT / CONTINGENCIES**	-	150,000	**1.1%**	**-**	150,000	125,000	(125,000)
35	**TOTAL GENERAL & ADMINISTRATIVE EXPENSES**	**$12,260,970**	**$13,483,000**	**100.0%**	**$11,584,395**	**$ 1,898,605**	**$ 11,235,833**	**$ 348,561**

ACWA JPIA
Liability, Property, and Workers' Compensation Programs' CAT Fund Goals
September 25, 2024

BACKGROUND
Both the Liability and the Workers' Compensation Programs have catastrophic funding (CAT Fund) goals that were approved by the JPIA's Executive Committee. The current goals are as follows:

Liability Program $25M
Workers' Compensation Program $15M
Property Program $0

The Liability and Workers' Compensation Program CAT Fund goals were determined by comparing the projected losses at expected (50-55% confidence level) versus the estimated outstanding losses at 99% confidence level. The difference between the numbers was used as a barometer to set the perspective goals. For the Property Program an analysis of this nature has not been done historically to determine a CAT Fund goal. There is, however, $2M in the Natural Disaster Fund – funds set aside in the Property Program that were meant to be used for the same purposes as CAT Funds.

CURRENT SITUATION
Over time loss trends change as well as JPIA membership. Reviewing and updating these goals based on updated actuarial information is prudent. Per review of the JPIA's recent actuary studies the CAT Funds should be as follows:

Liability Program $29M
Workers' Compensation Program $12M
Property Program $14M

Reaching these goals will take time. Funding will be discussed in future meetings. This discussion and recommendation are for the purpose of revising/setting goals.

RECOMMENDATION
That the Finance and Audit Committee recommends to the Executive Committee the new goals as outlined above.

ACWA JPIA
CAT FUND GOALS

LIABILITY PROGRAM

99% Confidence Level	87,423,372	
At Expected	58,282,248	
Difference	29,141,124	
Suggested CAT Fund Goal	29,000,000	rounded nearest million
Current CAT Fund Goal	25,000,000	
Current CAT Fund Balance	22,010,569	As of 6/30/2024

WORKERS' COMP PROGRAM

99% Confidence Level	40,817,249	
At Expected	29,155,178	
Difference	11,662,071	
Suggested CAT Fund Goal	12,000,000	rounded nearest million
Current CAT Fund Goal	15,000,000	
Current CAT Fund Balance	14,220,686	As of 6/30/2024

PROPERTY PROGRAM

99% Confidence Level	35,511,647	
At Expected	21,522,210	
Difference	13,989,437	
Suggested CAT Fund Goal	14,000,000	rounded nearest million
Current CAT Fund Goal	-	
Current CAT Fund Balance	2,000,000	As of 6/30/2024

ACWA JPIA
Finance Department Update
September 25, 2024

BACKGROUND
ACWA JPIA Finance Department update reviews projects currently underway or slated for the near future.

CURRENT SITUATION
1.) Preparation for the fiscal year close 2023-2024. Audit field work begins early November 2024 with Gilbert CPAs. Bob Green will be the managing partner for the second year in a row.
2.) Yooz AI-based accounts payable software program implemented and saving time and resources.
3.) Visa Spend Clarity program fully rolled out, saving time and resources, and yielding almost double the rewards of the previous “Amazing Card” program with California Bank & Trust.
4.) Continued collaboration with Milena and her team building the new IDMS software program.
5.) Investigation of RPA – Robotic Process Automation processes, like Power Automate.
6.) Investigation of Fortis – online based ACH payment program to be implemented alongside IDMS portal, allowing members to submit secure ACH payments for JPIA program contributions.
7.) Consolidation of job duties from Lindsey Johnson, Accountant III, to remaining Finance Department staff. Lindsey’s position will be eliminated.

RECOMMENDATION
None, information only.

Meeting Dates	Board of Directors	Executive	Personnel	Finance & Audit	Programs				Risk Mgmt	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
Jan 15			10:00 AM *							
Jan 29		10:30 AM							8:00 AM	
March 9-11 CICA Conference – Tucson, AZ										
March 16-19 AGRiP Governance Conference – Las Vegas										
Mar 27				1:00 PM		3:00 PM				
Mar 28		8:30 AM								
April 30					9:00 AM *					
May 12-15 ACWA JPIA Spring Membership Summit/ACWA Conference – Monterey										
May 12	1:45 PM	10:30 AM					8:00 AM			
June 2			3:00 PM *							
June 4										9:00 AM (Utah)
June 26							3:00 PM	1:00 PM		
June 27		8:30 AM								11:00 AM
July 14-15 Executive Committee Onboarding Workshop (Location TBD)										
July 15					1:00 PM					
July 16		8:30 AM								
Sept 3			10:00 AM *							
September 16-19 CAJPA Annual Conference - Monterey										
Sept 29				1:00 PM		3:00 PM				
Sept 30		8:30 AM								11:00 AM
Oct 22		10:00 AM *								
December 1-4 ACWA JPIA Fall membership Summit/ACWA Fall Conference – San Diego										
Dec 1	1:45 PM	10:30 AM								8:00 AM

*Virtual Meeting

Hybrid Meeting Participation Guidelines

For Remote Meeting Participants

Remember to mute yourself until you are ready to speak.

If you have a question or comment, raise your hand in Zoom.

To raise or lower your hand:

1. For PC users:
    a. Press 'Alt-Y' on your keyboard
    b. Or go to 'Reactions' on your Zoom screen
2. For IPAD users, go to 'More'.
3. For telephone (audio only) users, press * then 9.

For In-House Meeting Participants

Remember to use your microphone when speaking.

- Remote participants will not hear you if you don't.
- Before speaking, check that your mic is unmuted (green light).

For in-house participants that do not have a microphone, please wait for the mic runner before speaking.