



Agenda Report

DATE: OCTOBER 3, 2023

TO: CITY COUNCIL

FROM: ADMINISTRATIVE SERVICES DEPARTMENT – FINANCE

SUBJECT: JUNE 2023 INVESTMENT AND SECTION 115 PENSION TRUST REPORT

STATEMENT OF ISSUE:

In compliance with the City's general Investment Policy and Investment Policy for Section 115 Pension Trust, the City Council is provided quarterly reports on the status of the City's investments. This report provides information for the quarter ending June 30, 2023.

RECOMMENDED ACTION:

Accept the June 2023 Investment and IRS Section 115 Pension Trust Report.

DISCUSSION:

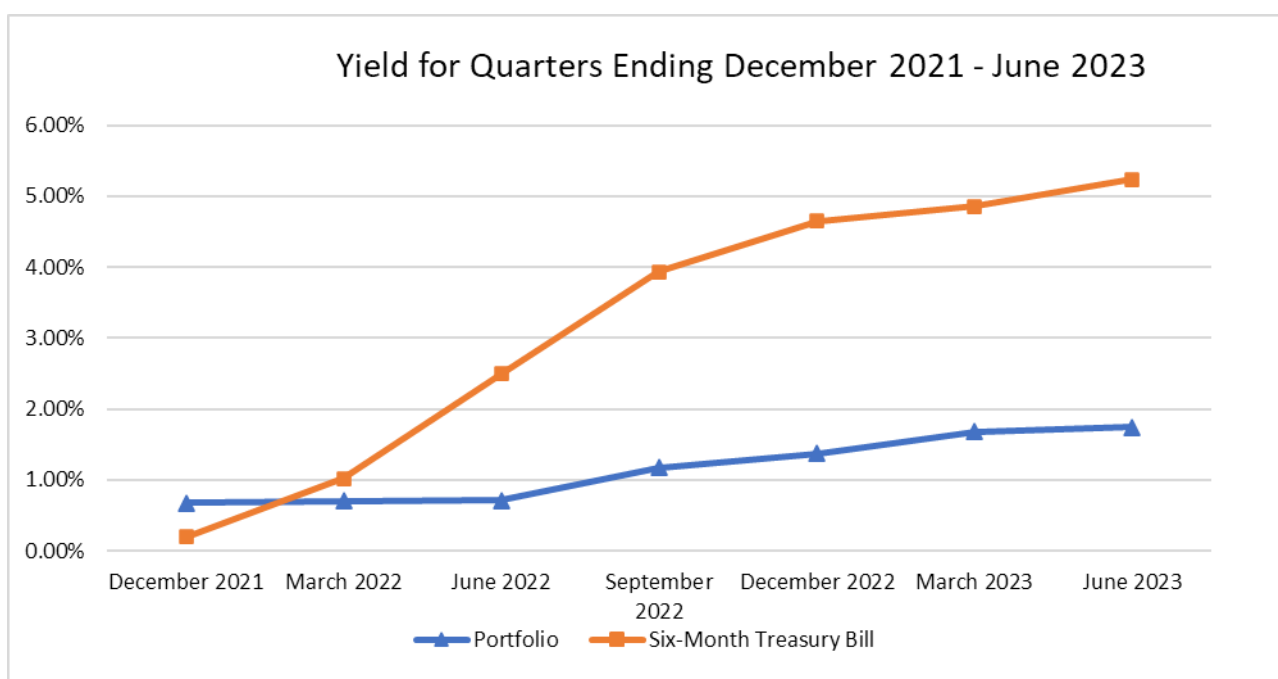
Investment Portfolio

The City's current Investment Policy was updated and adopted by City Council in January 2023. A section of that policy requires the quarterly submission of the City's investment portfolio to the City Council and City Manager. State legislation requires submission of an investment report noting compliance with the City's investment policy, market versus book value of investments and a statement regarding the City's ability to meet expenditure requirements for the next six months. The City Treasurer has the responsibility for the investment of funds in accordance with the City of Walnut Creek's Investment Policy and approves the quarterly investment report prepared by the Administrative Services Department.

Current Status

The effective interest rate of the portfolio as of June 30, 2023 was 1.74%. The current Investment Policy is designed with the objective of exceeding the six-month U.S. Treasury Bill rate while meeting other objectives of safety, liquidity and diversification of the portfolio. The City's portfolio structure remains conservative, with investments held to maturity. With the Federal Reserve interest rates continuing to increase during the quarter, this strategy resulted in the City's portfolio effective rate remaining below rising US Treasury bill rates. The Treasury bill rate, as compared to the City's portfolio yield, is detailed for the past six quarters in the table below:

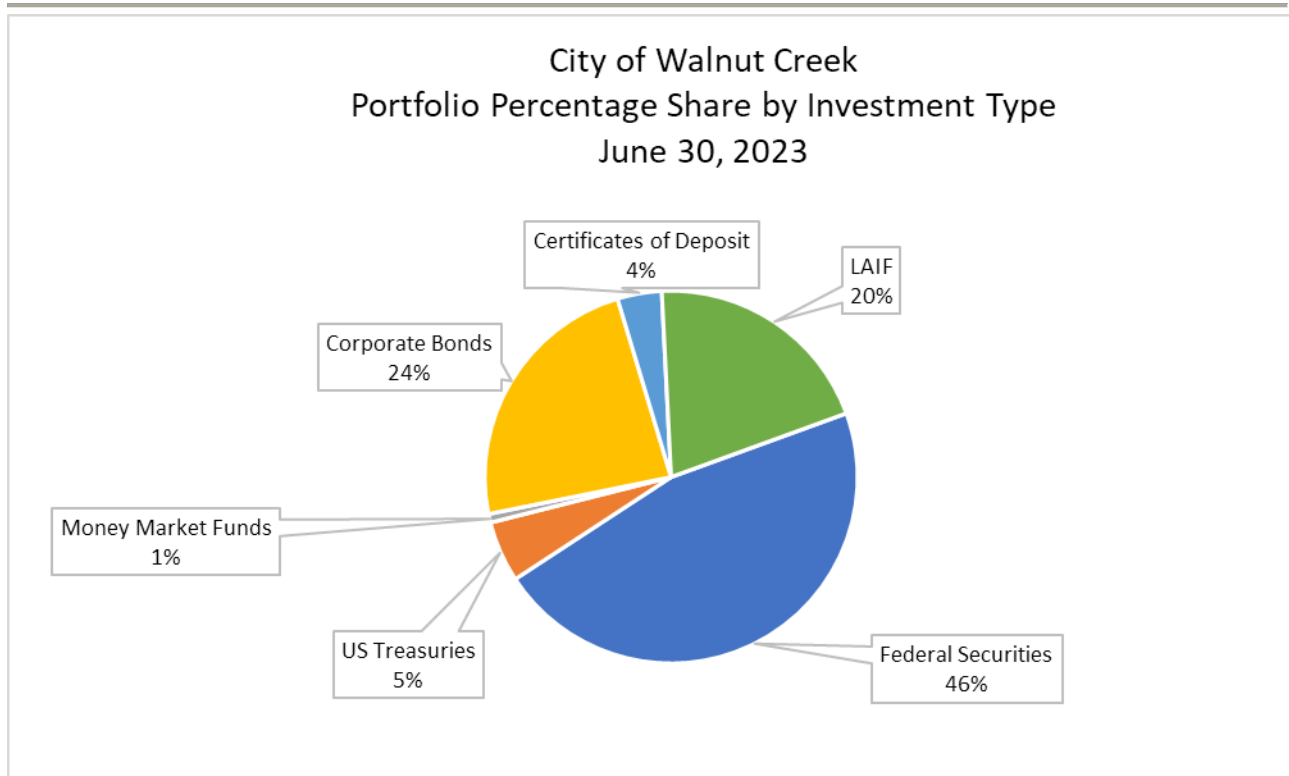
Quarter Ending	Portfolio	Six-Month Treasury Bill
June 2023	1.74%	5.24%
March 2023	1.68%	4.86%
December 2022	1.37%	4.65%
September 2022	1.17%	3.93%
June 2022	0.71%	2.49%
March 2022	0.70%	1.02%
December 2021	0.67%	0.19%



The graph above illustrates the trend of the City’s portfolio yields against the six-month Treasury bill for the last six quarters. The yield is below the six-month Treasury rate as of June 30, 2023, because of the combination of factors noted earlier, including Federal Interest rate increases. In calendar year 2022, the Federal Funds rate was increased by 425 basis points. When the Federal Open Market Committee (FOMC) reviews interest rates, they consider a wide range of information, including readings on public health, labor market conditions, supply chain tensions, inflation pressures and expectations as well as financial and international developments.

As indicated on the pie chart on next page, the City’s portfolio is invested in Local Agency Investment Fund (LAIF), Federal Securities, Money Market (MM) Funds, Certificates of Deposit, California General Obligation bonds and Corporate bonds in order to take advantage of yields, while not compromising the City’s liquidity needs.

Since the City of Walnut Creek holds securities to maturity, the necessary liquidity for daily cash needs is provided through investment in the State Pool (Local Agency Investment Fund), money market funds and short-term securities. Staff does not anticipate any problem in the City’s ability to meet its expenditures and cash flow requirements for the next six months.

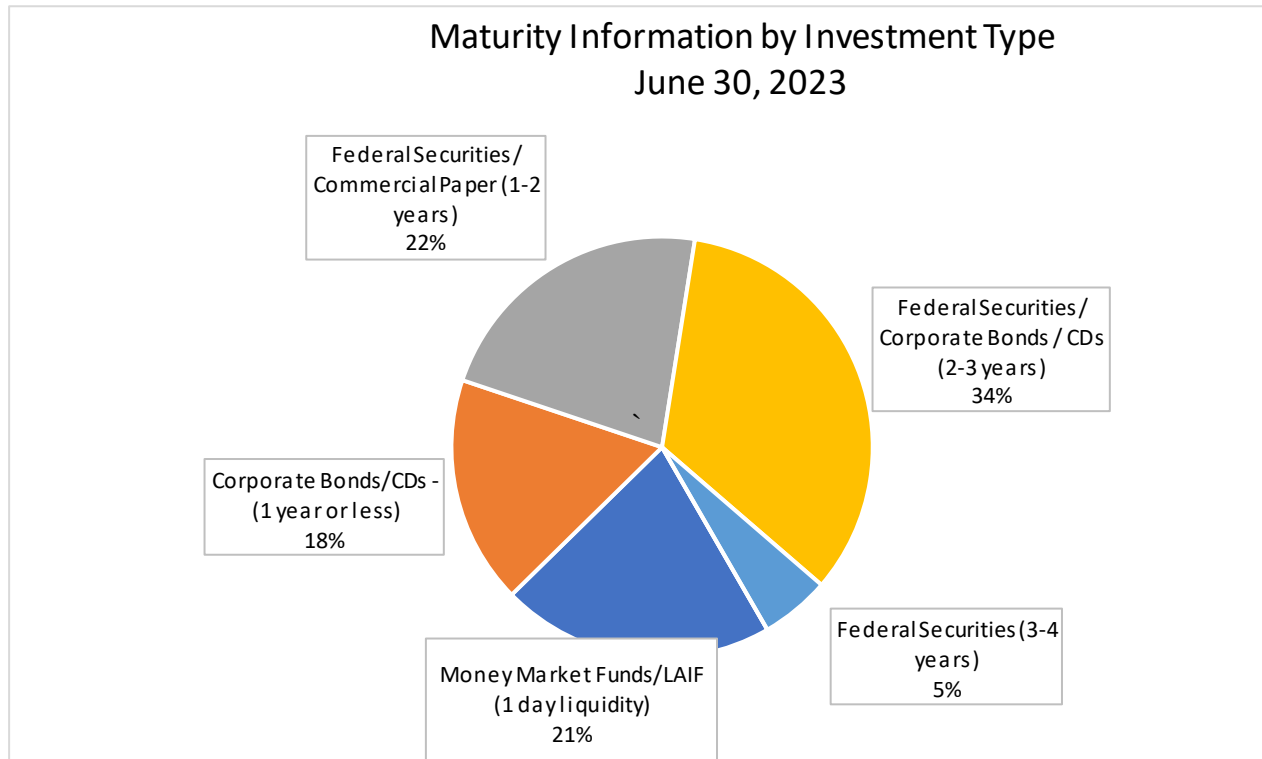


Portfolio Liquidity

The average length to maturity for the June 30, 2023 portfolio (excluding LAIF and Money Market Funds, which are immediately available) is 2.2 years, as detailed below. While the City assumes all securities will be held to maturity, it is important to note that most of the Federal Securities have callable features and thus could be redeemed by the issuers prior to their maturity dates.

MATURITY SCHEDULE SUMMARY OF PORTFOLIO

	Amount	Percent
Money Market Funds/LAIF (1 day liquidity)	\$31,229,832	21%
Corporate Bonds/CDs - (1 year or less)	\$26,040,826	18%
Federal Securities / Commercial Paper (1-2 years)	\$33,246,591	22%
Federal Securities / Corporate Bonds / CDs (2-3 years)	\$50,337,722	34%
Federal Securities (3-4 years)	\$7,933,174	5%
Federal Securities (4-5 years)	\$0	0%
Total Portfolio	148,788,144	100%



Market Value of Investments

The market value and original cost value of investments in short-term instruments of less than one year, such as Certificates of Deposit and Money Market Funds, are reported as the same number. State Pool (Local Agency Investment Fund) market valuations are provided by the State Treasurer’s Office. Other investment instruments, such as Government Securities and Corporate Bonds, are subject to daily changes in market value in the secondary market.

Per adopted policy, the City’s intent is to hold all investments to maturity to maximize its return on investments and minimize exposure to potential losses resulting from temporary declines in market value. However, if a decline in the market value of a security is deemed by Staff to be permanent, the security may be sold early to minimize the loss of principal. As such, any reported gain or loss as shown in this quarterly report is temporary in nature and does not indicate a change in the ultimate value of the investment portfolio upon redemption. The market values as of June 30, 2023 were obtained from the City’s safekeeping institution, Union Bank of California. The table below gives a snapshot of the City’s Investment Portfolio as of June 30, 2023.

Type	Market Value	Amount Over/(Under) Cost	Average Length of Maturity	Effective Rate of Return
Federal Securities	\$68,928,935	(\$4,477,609)	1.7	1.39%
U.S. Treasuries	7,888,620	(\$19,840)	0.3	4.67%
California General Obligation Bonds	0	\$0	-	0.00%
Corporate Bonds	35,015,678	(\$3,333,874)	2.2	1.34%
Certificates of Deposit	5,725,080	(\$187,218)	1.5	3.02%
Money Market Funds	1,109,890	\$0	1 Day	4.97%
LAIF	30,119,942	(\$464,004)	1 Day	3.17%
Total (Portfolio) Investments	\$148,788,144	(\$8,482,546)	1.87	1.74%
U.S. Treasury Money Market (Actor's Equity Account)	26,500	0		
Cash (Net of outstanding checks)	14,329,619	-		
Total Cash and Investments	\$163,144,264	(\$8,482,546)		

Current Cash Balances by Fund Category

The reported totals for cash and investments are accounted for according to the following fund types, most of which are restricted for specific purposes, resulting from state or local policies. Funds are invested until needed to pay bills and demands, meaning that the composition and amount of the investment portfolio is variable. Total portfolio investments increased approximately \$9.4 million (6%) from the prior quarter.

	Amount	Percent
General Fund Contingencies / Future Projects (Assigned)	\$ 73,942,633	45%
Special Revenue Funds (Restricted)	21,469,664	13%
Impact / In Lieu Fee Funds (Restricted)	38,030,069	23%
Capital Project / Assessment District Funds (Restricted)	2,051,589	1%
Enterprise Funds (Restricted)	3,333,450	2%
Internal Service / Replacement Funds (Assigned)	15,218,302	9%
Permanent Fund (Restricted)	1,753,960	1%
Agency Funds (Restricted)	7,344,597	5%
Total	\$ 163,144,264	100%

Portfolio Analysis

Included in this agenda item is a detailed report on the City's investment portfolio, including maturity dates, call dates (if applicable), investment types, market values and effective yields of each of the City's individual investments.

IRS Section 115 Pension Trust

In February 2018, the City Council adopted a resolution authorizing the City Manager to establish an IRS Section 115 irrevocable pension trust fund (the Trust) with PFM Asset Management LLC (PMF). In accordance with the adopted Section 115 Trust Investment Policy Statement, PFM acting as investment advisor has the responsibility for investment of funds in compliance with the Policy Statement. Consistent with the City's Investment Policy Statement for the Section 115 Pension Trust, the Committee herewith includes a quarterly report on performance of the Trust as provided by PFM.

The City Council authorized contributions to the pension trust of \$19.9 million since the trust was established:

- \$16.9 million from the General Fund unassigned fund balance:
 - \$12.8 million (FY16)
 - \$1.1 million (FY17)
 - \$3.0 million (FY18)
- \$3.0 million from the PERS Safety Side Fund Reserve in the General Fund (FY19)

The attached reports (3 and 4) represent Pension Trust activity for the quarter ended June 30, 2023. The closing market value of the trust is \$24,657,031. The weighted portfolio performance over the quarter is 2.48% vs. the blended benchmark of 2.74%. See Attachments 3 and 4, June 30, 2023 Walnut Creek Section 115 Pension Trust Statement and Economic Overview for more details.

FINANCIAL IMPACTS:

Acceptance of the June 30, 2023 Investment and Section 115 Pension Trust Report will have no financial impact.

ALTERNATIVE ACTION:

None.

DOCUMENTS:

- Attachment 1: June 30, 2023 Investment Detail Report
- Attachment 2: June 30, 2023 Supplementary Information by Investment Type
- Attachment 3: June 30, 2023 Walnut Creek Section 115 Pension Trust Statement
- Attachment 4: June 30, 2023 Walnut Creek Section 115 Pension Trust Economic Overview

CITY COUNCIL ACTION RECOMMENDED:

Accept the June 30, 2023 Investment and Section 115 Pension Trust Statement Report as submitted.

STAFF CONTACT: Katie Bruner, Budget Manager
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bruner@walnut-creek.org

City Of Walnut Creek Investment Report Detail

June 30, 2023

ATTACHMENT 1

Type	1st Call Date	S&P Ratings	Purchase Date	Maturity Date	Days to Maturity	Original Cost	Par Value of Investment	Market Value As of 6/30/23	US Bank Effective Yield	
FEDERAL SECURITIES (Maximum maturity of 5 years - see additional restrictions below)										
FHLB	11/27/2020	AA+	08/27/20	08/27/25	3	789	999,500.00	1,000,000	911,850.00	0.66%
FHLB	11/27/2020	AA+	08/27/20	08/27/25	3	789	1,399,650.00	1,400,000	1,276,590.00	0.66%
FHLB	12/11/2020	AA+	09/11/20	09/11/25	3	804	999,000.00	1,000,000	910,380.00	0.64%
FHLB	8/18/2021	AA+	04/01/21	11/18/24	2	507	996,000.00	1,000,000	932,190.00	0.32%
FHLB	8/18/2021	AA+	05/03/21	11/18/24	2	507	995,000.00	1,000,000	932,190.00	0.32%
FHLB	8/18/2021	AA+	05/06/21	11/18/24	2	507	498,000.00	500,000	466,095.00	0.32%
FHLB	8/26/2021	AA+	02/26/21	08/26/24	2	423	1,000,000.00	1,000,000	942,470.00	0.35%
FHLB	9/24/2021	NA	03/24/21	09/24/24	2	452	1,000,000.00	1,000,000	940,840.00	0.53%
FHLB	6/15/2021	AA+	03/15/21	03/15/24	1	259	999,388.00	1,000,000	963,880.00	0.39%
FHLB	6/24/2021	AA+	03/24/21	03/24/25	2	633	1,323,012.50	1,325,000	1,224,008.50	0.65%
FHLB	7/8/2021	AA+	04/08/21	04/08/24	1	283	1,000,000.00	1,000,000	960,750.00	0.39%
FHLB	7/26/2021	NA	04/26/21	07/26/24	2	392	1,000,000.00	1,000,000	947,760.00	0.47%
FHLB	7/22/2021	AA+	04/22/21	07/22/24	2	388	1,000,000.00	1,000,000	946,300.00	0.53%
FHLB	10/15/2021	AA+	04/15/21	10/15/24	2	473	999,850.00	1,000,000	939,220.00	0.61%
FHLB	8/27/2021	AA+	05/27/21	05/27/26	3	1062	1,000,000.00	1,000,000	904,930.00	0.66%
FHLB	12/10/2021	AA+	06/10/21	12/10/24	2	529	1,000,000.00	1,000,000	932,530.00	0.54%
FHLB	9/28/2021	AA+	07/08/21	06/28/24	1	364	999,250.00	1,000,000	950,560.00	0.42%
FHLB	9/28/2021	AA+	06/28/21	11/28/25	3	882	999,000.00	1,000,000	909,600.00	0.82%
FHLB	9/28/2021	AA+	07/02/21	03/28/25	2	637	999,000.00	1,000,000	923,820.00	0.60%
FHLB	12/30/2021	AA+	10/12/21	04/30/25	2	670	999,250.00	1,000,000	921,990.00	0.68%
FHLB	12/30/2021	NA	09/30/21	06/30/25	3	731	1,000,000.00	1,000,000	919,450.00	0.82%
FHLB	9/28/2022	AA+	09/29/21	03/28/25	2	637	1,000,000.00	1,000,000	923,310.00	0.69%
FHLB	5/24/2022	AA+	11/24/21	11/24/26	4	1243	1,000,000.00	1,000,000	897,990.00	1.39%
FHLB	11/22/2022	NA	11/22/21	05/22/25	2	692	1,000,000.00	1,000,000	927,080.00	1.08%
FHLB	3/14/2022	AA+	12/14/21	12/14/26	4	1263	500,000.00	500,000	456,805.00	1.09%
FHLB	4/28/2022	AA+	01/31/22	04/28/26	3	1033	499,500.00	500,000	457,975.00	1.75%
FHLB	5/24/2022	AA+	02/24/22	11/24/25	3	878	998,000.00	1,000,000	949,400.00	1.45%
FHLB	7/14/2022	NA	04/14/22	04/14/27	4	1384	1,000,000.00	1,000,000	944,250.00	3.18%
FHLB	7/17/2023	AA+	04/17/23	04/17/24	1	292	1,000,000.00	1,000,000	994,090.00	5.03%
FHLB	2/24/2023	NA	09/24/22	08/24/23	1	55	1,000,000.00	1,000,000	996,440.00	3.14%
FHLB	2/15/2023	NA	08/15/22	08/15/23	1	46	1,000,000.00	1,000,000	997,420.00	3.26%
FHLB	2/15/2023	NA	09/06/22	08/15/23	1	46	999,900.00	1,000,000	997,420.00	3.26%
FHLB	3/27/2023	AA+	09/27/22	09/27/24	2	455	997,500.00	1,000,000	981,350.00	4.08%
FHLB	6/28/2023	AA+	06/12/23	06/28/24	1	364	956,540.71	1,000,000	956,230.00	0.96%
FHLB		AA+	06/02/23	12/13/24	2	532	1,000,000.00	1,000,000	991,130.00	4.67%
FFCB		AA+	05/18/23	08/18/25	3	780	1,000,000.00	1,000,000	982,020.00	4.07%
FFCB	2/4/2021	AA+	08/04/20	08/04/25	3	766	2,000,000.00	2,000,000	1,821,660.00	0.74%
FFCB	8/12/2021	AA+	08/12/20	08/12/25	3	774	999,403.00	1,000,000	912,590.00	0.62%
FFCB	8/12/2021	AA+	08/17/20	08/12/25	3	774	999,000.00	1,000,000	912,590.00	0.62%
FFCB		NA	09/23/21	03/21/25	2	630	1,299,675.00	1,300,000	1,201,941.00	0.61%
FFCB	11/4/2021	AA+	09/09/21	11/04/24	2	493	999,060.00	1,000,000	935,520.00	0.47%
FFCB	2/16/2021	AA+	11/16/20	05/16/24	1	321	999,250.00	1,000,000	955,650.00	0.37%
FFCB	9/15/2021	AA+	07/13/21	09/15/23	1	77	998,916.00	1,000,000	988,880.00	0.16%
FFCB	4/14/2021	AA+	01/14/21	07/14/25	3	745	1,497,000.00	1,500,000	1,367,775.00	0.43%
FFCB	5/12/2021	AA+	02/25/21	11/12/24	2	501	998,000.00	1,000,000	932,820.00	0.32%
FFCB	8/17/2021	AA+	02/26/21	02/17/26	3	963	996,031.00	1,000,000	896,710.00	0.66%
FFCB	9/1/2021	AA+	03/19/21	03/01/24	1	245	997,058.00	1,000,000	965,020.00	0.26%
FFCB	11/10/2021	AA+	08/11/21	02/10/25	2	591	999,000.00	1,000,000	927,480.00	0.52%
FHLMC	10/29/2021	NA	06/15/21	10/29/25	3	852	1,490,298.00	1,500,000	1,350,645.00	0.50%
FHLMC	8/20/2021	NA	08/20/20	08/20/25	3	782	2,000,000.00	2,000,000	1,826,040.00	0.68%
FHLMC	8/12/2021	NA	08/12/20	08/12/25	3	774	1,000,000.00	1,000,000	913,180.00	0.66%
FHLB	6/17/2022	AA+	03/17/22	03/17/25	2	626	999,701.62	1,000,000	948,910.00	2.16%
FHLMC	7/8/2022	AA+	04/08/22	10/08/24	2	466	998,000.00	1,000,000	960,320.00	2.60%
FNMA	8/14/2023	AA+	05/03/21	08/14/25	3	776	991,579.00	1,000,000	911,040.00	0.55%
FNMA		NA	08/27/20	08/25/25	3	787	995,320.00	1,000,000	909,950.00	0.41%
FNMA	7/29/2021	NA	07/29/20	07/29/25	3	760	999,000.00	1,000,000	909,660.00	0.66%
FNMA	7/29/2021	NA	07/29/20	07/29/25	3	760	2,000,000.00	2,000,000	1,832,980.00	0.76%
FNMA	8/27/2021	AA+	08/27/20	08/27/25	3	789	1,000,000.00	1,000,000	911,850.00	0.66%
FNMA	2/28/2022	NA	08/28/20	08/28/25	3	790	1,000,000.00	1,000,000	907,260.00	0.66%
FNMA	8/27/2021	AA+	08/27/20	08/27/25	3	789	998,500.00	1,000,000	905,350.00	0.55%
FNMA	2/28/2022	AA+	08/28/20	08/28/25	3	790	2,000,000.00	2,000,000	1,824,540.00	0.69%
FREDDIE MAC	2/23/2023	AA+	11/23/22	08/23/24	2	420	1,000,000.00	1,000,000	990,760.00	5.05%
FAMC	6/12/2024		06/20/23	06/12/26	3	1078	995,576.72	1,000,000	992,050.00	5.32%
FFCB	11/3/2022	AA+	11/03/22	11/03/25	3	857	1,000,000.00	1,000,000	991,610.00	5.24%
FNMA	8/25/2021	NA	08/25/20	08/25/25	3	787	1,000,000.00	1,000,000	913,230.00	0.72%
FHLB			02/09/23	02/09/24	1	224	1,000,000.00	1,000,000	997,910.00	5.01%
FHLB	8/28/2023		02/28/23	11/28/23	1	151	1,000,000.00	1,000,000	997,320.00	5.01%
FHLB			02/24/23	10/24/23	1	116	1,000,000.00	1,000,000	998,010.00	5.01%
FHLMC		AA+	01/07/21	09/23/25	3	816	998,833.97	1,000,000	907,370.00	0.41%
TOTAL FEDERAL SECURITIES					1.7		\$73,406,543.52	\$73,525,000	\$68,928,934.50	1.39%
					years					

City Of Walnut Creek Investment Report Detail

June 30, 2023

ATTACHMENT 1

Type	1st Call Date	S&P Ratings	Purchase Date	Maturity Date	Days to Maturity	Original Cost	Par Value of Investment	Market Value As of 6/30/23	US Bank Effective Yield
U.S TREASURIES									
US TREASURY NOTE			01/10/22	12/15/24	2 534	999,726.56	1,000,000	941,130.00	1.06%
US TREASURY NOTE			04/21/23	07/20/23	1 20	987,675.00	1,000,000	997,640.00	5.08%
US TREASURY NOTE			05/30/23	08/31/23	1 62	986,773.33	1,000,000	991,540.00	5.29%
US TREASURY NOTE			05/09/23	09/05/23	1 67	984,129.17	1,000,000	990,880.00	5.11%
US TREASURY NOTE			06/01/23	08/03/23	1 34	991,851.06	1,000,000	995,600.00	5.16%
US TREASURY NOTE			06/01/23	08/24/23	1 55	988,669.04	1,000,000	992,520.00	5.19%
US TREASURY NOTE			06/01/23	07/25/23	1 25	992,938.74	1,000,000	996,940.00	5.17%
US TREASURY NOTE			05/09/23	11/02/23	1 125	976,697.34	1,000,000	982,370.00	5.31%
TOTAL U.S. TREASURIES					0.3	\$7,908,460.24	\$8,000,000.00	\$7,888,620	4.67%
					years				
CALIFORNIA GENERAL OBLIGATION (G.O.) BONDS									
TOTAL CALIFORNIA G.O. BONDS					0.0	0.00	0	0.00	
					years				
COMMERCIAL PAPER									
(For Commercial Paper, maximum \$2 million per institution, total may not exceed 15% of portfolio for maximum of 270 days)									
TOTAL COMMERCIAL PAPER					0.0	\$0	\$0	\$0	0.00%
					years				
CORPORATE BONDS									
=Amortized monthly									
(For Medium Term Notes (i.e. more than 270 days)- maximum 30% of portfolio, no more than \$5 million in one institution, maturity not to exceed 5 yrs)									
AMAZON.COM	AA		05/13/21	05/12/26	3 1047	999,750.00	1,000,000	899,030.00	1.11%
AMERICAN HONDA FINANCE	A-		04/18/22	07/08/25	3 739	948,050.00	1,000,000	920,210.00	1.30%
APPLE INC CORP	AA+		01/07/20	09/11/24	2 439	1,000,000.00	1,000,000	961,850.00	1.87%
APPLE INC CORP	AA+		05/11/20	05/11/25	2 681	1,001,813.89	1,000,000	931,690.00	1.21%
APPLE INC CORP	AA+		02/08/21	02/08/26	3 954	1,000,000.00	1,000,000	901,470.00	0.78%
BANK OF AMERICA CORP	A-		01/26/21	01/26/26	3 941	1,000,000.00	1,000,000	888,510.00	0.68%
BANK OF AMERICA CORP	A-		01/26/21	01/26/26	3 941	1,000,000.00	1,000,000	888,510.00	0.68%
BANK OF AMERICA CORP	A-		01/29/21	01/29/26	3 944	1,000,000.00	1,000,000	868,520.00	0.86%
BANK OF AMERICA CORP	A-		05/28/21	05/28/26	3 1063	1,000,000.00	1,000,000	875,220.00	1.43%
BANK OF AMERICA CORP	A-		07/30/21	07/30/26	4 1126	1,000,000.00	1,000,000	859,910.00	1.40%
BANK OF AMERICA CORP	A-		08/26/21	08/26/26	4 1153	1,000,000.00	1,000,000	863,170.00	1.45%
BANK OF MONTREAL	NA		12/22/21	12/22/26	4 1271	1,000,000.00	1,000,000	863,880.00	2.32%
BANK OF MONTREAL	NA		05/22/23	03/17/26	3 991	891,709.82	1,000,000	868,480.00	1.40%
BNY MELLON CORP	A		03/19/20	10/24/24	2 482	1,000,000.00	1,000,000	955,730.00	2.20%
BNY MELLON CORP	A		07/21/21	01/28/26	3 943	999,500.00	1,000,000	890,000.00	0.84%
BARCLAYS BK	A		10/29/21	04/29/25	2 669	2,000,000.00	2,000,000	1,788,480.00	1.12%
BARCLAYS BK PLC	NA		08/29/22	08/29/25	3 791	2,000,000.00	2,000,000	1,908,220.00	4.35%
BBT CORP	A		12/10/19	12/06/24	2 525	998,970.00	1,000,000	942,880.00	2.28%
CATERPILLAR FINL SRV	A		02/12/21	09/14/23	1 76	1,000,373.51	1,000,000	990,450.00	0.45%
CATERPILLAR FINL SRV	A		11/20/20	11/13/25	3 867	1,353,184.20	1,350,000	1,221,912.00	0.88%
CATERPILLAR FINL SRV	A		01/21/21	11/13/25	3 867	2,004,721.24	2,000,000	1,810,240.00	0.88%
CATERPILLAR FINL SRV	A		03/08/21	03/02/26	3 976	793,416.00	800,000	719,360.00	1.00%
JOHN DEERE	A		03/23/20	01/09/25	2 559	979,770.00	1,000,000	952,150.00	2.15%
JOHN DEERE CAPITAL	A		01/27/21	01/15/26	3 930	1,400,000.00	1,400,000	1,259,426.00	0.78%
JOHN DEERE CAPITAL	A		07/21/21	01/15/26	3 930	999,500.00	1,000,000	899,590.00	0.78%
JPMORGAN CHASE	A+		01/22/21	01/22/26	3 937	1,000,000.00	1,000,000	868,530.00	0.81%
JPMORGAN CHASE	A+		09/14/21	09/14/26	4 1172	1,000,000.00	1,000,000	877,820.00	1.14%
JPMORGAN CHASE	A-		08/30/21	08/28/26	4 1155	1,000,000.00	1,000,000	863,450.00	1.39%
JPMORGAN CHASE	NA		10/29/21	10/29/26	4 1217	1,000,000.00	1,000,000	875,520.00	1.60%
ROYAL BANK OF CANADA	A		03/12/21	01/19/24	1 203	995,620.23	1,000,000	976,190.00	0.44%
TORONTO DOMINION	A		10/13/20	09/11/25	3 804	1,000,000.00	1,000,000	905,340.00	0.83%
TORONTO DOMINION	A		04/19/21	03/04/24	1 248	1,001,995.68	1,000,000	966,870.00	0.57%
TOYOTA MTR CORP	A+		09/15/21	10/16/25	3 839	995,995.66	1,000,000	905,810.00	0.88%
TRUIST BK TFC	A		03/30/20	03/10/25	2 619	1,985,182.10	2,000,000	1,847,260.00	1.62%
TOTAL CORPORATE BONDS					2.2	\$38,349,552.33	\$38,550,000	\$35,015,678.00	1.34%
					years				

City Of Walnut Creek Investment Report Detail

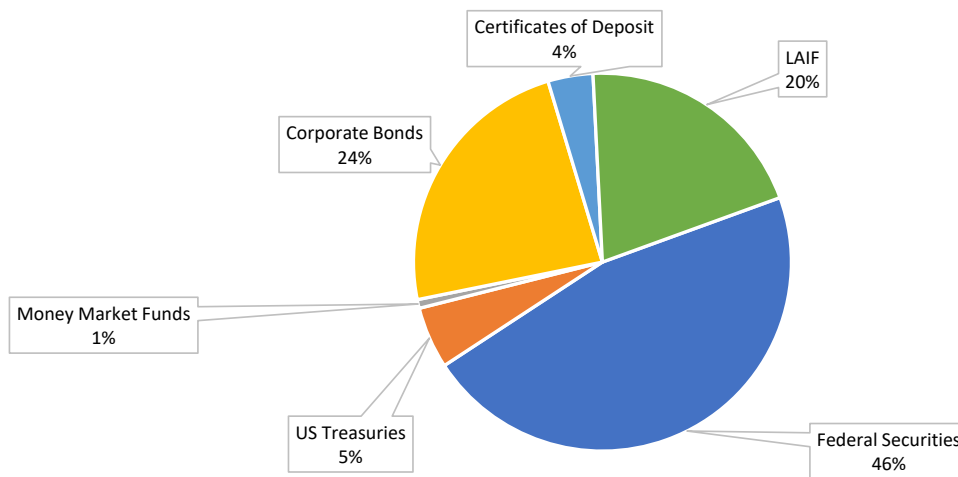
June 30, 2023

ATTACHMENT 1

Type	1st Call Date	S&P Ratings	Purchase Date	Maturity Date	Days to Maturity	Original Cost	Par Value of Investment	Market Value As of 6/30/23	US Bank Effective Yield
CERTIFICATES OF DEPOSIT									
(Maximum 20% of portfolio - no more than \$2 million in one institution , weighted average maturity not to exceed 3 years)									
AMER CHRISTIAN CD			10/14/22	10/13/23	1 105	244,000.00	244,000	243,343.64	4.36%
FARMERS INS CD			01/18/23	01/18/24	1 202	248,000.00	248,000	247,580.88	5.01%
TECHNOLOGY CU CD			01/19/23	01/21/25	2 571	248,000.00	248,000	246,343.36	5.03%
CALIFORNIA CRED CD			10/20/22	10/20/23	1 112	244,000.00	244,000	243,133.80	4.32%
AUSTIN TELCO CD			11/28/22	11/27/24	2 516	248,000.00	248,000	246,298.72	4.98%
ALASKA USA FEDERAL CU			03/23/23	03/23/26	3 997	249,000.00	249,000	247,388.97	5.03%
PACIFIC WESTERN BANK CD			03/07/23	03/07/25	2 616	248,000.00	248,000	246,249.12	5.04%
MBS-GREENSTATE CU CD			08/18/20	08/18/23	1 49	245,000.00	245,000	243,424.65	0.40%
VS-STATE BANK INDIA CD			02/25/21	02/25/26	3 971	245,000.00	245,000	216,224.75	0.68%
VS-SALLIE MAE BK CD			07/14/21	07/14/26	4 1110	245,000.00	245,000	215,173.70	1.14%
MBS-SALLIE MAE BK CD			08/11/21	08/11/26	4 1138	245,000.00	245,000	215,205.55	1.25%
VS-SYNCHRONY BK CD			09/10/21	09/10/24	2 438	245,000.00	245,000	231,319.20	0.64%
VS-MEDALLION BK CD			09/16/21	09/16/24	2 444	245,000.00	245,000	231,137.90	0.64%
VS-SYNCHRONY BK CD			10/22/21	10/22/24	2 480	248,000.00	248,000	233,273.76	0.74%
BEAL BANK USA CD			02/24/22	02/21/24	1 236	245,000.00	245,000	238,558.95	1.23%
AmericanExpress CD			03/11/22	03/11/24	1 255	245,000.00	245,000	238,752.50	1.64%
TVI-CAPITAL ONE CD			05/25/22	05/28/24	1 333	246,000.00	246,000	240,359.22	2.92%
CONNEXUS CREDIT CD			08/26/22	08/28/24	2 425	248,000.00	248,000	242,241.44	3.48%
CONNEXUS CREDIT CD			08/26/22	08/26/25	3 788	245,000.00	245,000	235,454.80	3.64%
MOUNTAIN AMERICA CREDIT UNION CD			08/31/22	02/28/25	2 609	245,000.00	245,000	237,267.80	3.56%
VYSTAR CU			05/12/23	10/06/23	1 98	248,004.00	249,000	248,310.27	4.26%
STAGEPOINT FCU			05/12/23	11/21/23	1 144	248,477.10	249,000	248,566.74	4.86%
AMERICAN SOUTHWEST CU			05/12/23	09/28/23	1 90	247,817.25	249,000	248,215.65	4.01%
ESSENTIAL FED CD			09/09/22	09/09/24	2 437	247,000.00	247,000	241,254.78	3.53%
TOTAL CERTIFICATES OF DEPOSIT					1.5 years	\$5,912,298.35	\$5,915,000	\$5,725,080.15	3.02%
MONEY MARKET FUNDS									
US Bank Government Money Market Fund				N/A		1,109,889.97	1,109,890	1,109,889.97	4.97%
TOTAL MUTUAL FUNDS						1,109,889.97	\$1,109,890	1,109,889.97	4.97%
PUBLIC INTEREST CHECKING ACCOUNT									
Pacific Premier (formerly Opus) Bank Checking Account - Closed 3/05/21						-	-	-	-
POOLED PUBLIC AGENCY INVESTMENTS (\$75 million limit per account)									
Local Agency Investment Fund (LAIF) - City				N/A		25,872,377.31	25,872,377	25,479,854.51	3.167%
Local Agency Investment Fund (LAIF) - Successor Agency				N/A		4,711,315.78	4,711,316	4,639,838.05	3.167%
Local Agency Investment Fund (LAIF) - WCPFFA				N/A		253.11	253	249.27	3.167%
TOTAL POOLED PUBLIC AGENCY INVESTMENTS						30,583,946.20	\$30,583,946	30,119,941.83	3.167%
TOTAL INVESTED PORTFOLIO ⁽¹⁾						157,270,690.61	157,683,836.17	148,788,144.45	1.74%
MATURITY SCHEDULE SUMMARY OF PORTFOLIO									
Money Market Funds/Public Interest Checking/LAIF (1 day liquidity)								\$31,229,832	20.99%
Maturing in 1 year or less								\$26,040,826	17.50%
Maturing in 1-2 years								\$33,246,591	22.34%
Maturing in 2-3 years								\$50,337,722	33.83%
Maturing in 3-4 years								\$7,933,174	5.33%
Maturing in 4-5 years								\$0	0.00%
Total Portfolio								\$148,788,144	99.99%
SUMMARY BY INVESTMENT TYPE									
Federal Securities								\$68,928,935	46.33%
U.S. Treasuries								\$7,888,620	5.30%
California General Obligation Bonds								\$0	0.00%
Commercial Paper								\$0	0.00%
Corporate Bonds								\$35,015,678	23.53%
Certificates of Deposit								\$5,725,080	3.85%
Money Market Funds								\$1,109,890	0.75%
Public Interest Checking Account								-	0.00%
LAIF								\$30,119,942	20.24%
GRAND TOTAL								\$148,788,145	100.00%
% OF FEDERAL SECURITIES CALLABLE									83%

⁽¹⁾ See page 5 of Agenda Report for additional details regarding the restricted use of these funds

City of Walnut Creek
Portfolio Percentage Share by Investment Type
June 30, 2023



TYPE OF INSTRUMENT	Market Value	Amount Over/(Under) Cost	Effective Rate of Return	% of Portfolio	Average Maturity in Years *
Federal Home Loan Bank (FHLB)	\$36,170,444	(\$1,986,599)	1.64%	24.31%	0.79
Federal Farm Credit Bureau (FFCB)	\$14,792,266	(\$990,127)	1.03%	9.94%	0.37
Federal National Mortgage Assn (FNMA)	\$10,025,860	(\$958,539)	0.65%	6.74%	0.32
Government National Mortgage Association (GNMA)	\$0	\$0	0.00%	0.00%	0.00
Federal Agricultural Mortgage Corporation (FAMC)	\$992,050	(\$3,527)	5.32%	0.67%	0.04
Federal Home Loan Mortgage Corporation (FHLMC)	\$6,948,315	(\$538,817)	1.45%	4.67%	0.20
SUB -TOTAL FEDERAL SECURITIES	68,928,935	(4,477,609)	1.39%	46.33%	1.72
U.S. Treasuries	\$7,888,620	(\$19,840)	4.67%	5.30%	0.32
California General Obligation Bonds	\$0	\$0	0.00%	0.00%	0.00
Commercial Paper	\$0	\$0	0.00%	0.00%	0.00
Corporate Bonds	\$35,015,678	(\$3,333,874)	1.34%	23.53%	2.24
Certificates of Deposit	\$5,725,080	(\$187,218)	3.02%	3.85%	1.52
Money Market Funds	\$1,109,890	\$0	4.97%	0.75%	0.00
LAIF	\$30,119,942	(\$464,004)	3.17%	20.24%	0.00
GRAND TOTAL **	\$148,788,144	(\$8,482,546)	1.74%	100.00%	1.87

* Grand Total for Average Maturity Years reflects average for Federal Securities, Commercial Paper, Corporate Bonds and Certificate of Deposit only. LAIF and Money Market funds have same day availability.

** See page 5 of Agenda Report for additional details regarding the restricted use of these funds



City of Walnut Creek - Section 115 Pension Trust

Investment Performance Review For the Quarter Ended June 30, 2023

Client Management Team

PFM Asset Management LLC

Ellen Clark, Director
Matt Smith, CFA, Senior Managing Consultant
Chrystal Thomas, Analyst

1 California Street
10th Floor
San Francisco, CA 94111
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1735 Market Street
43rd Floor
Philadelphia, PA 19103

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Financial Markets & Investment Strategy Review

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

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

THE ECONOMY

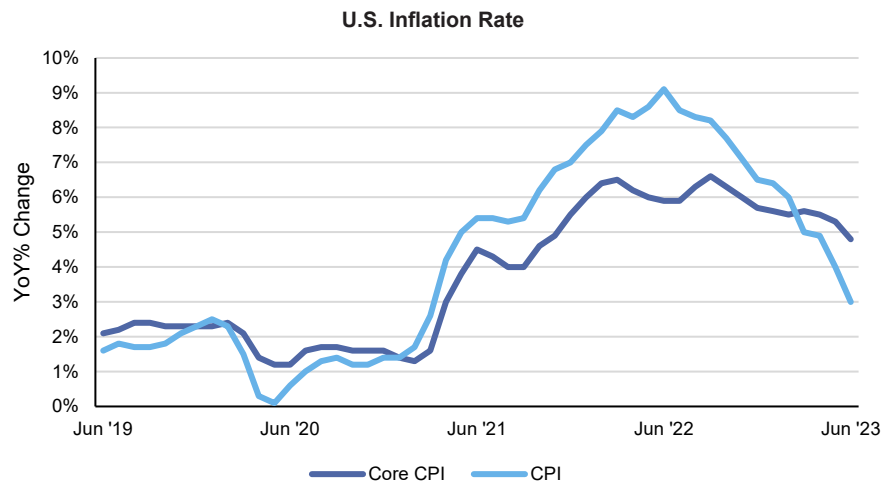
▶ In the first quarter, U.S. gross domestic product (GDP) grew at an annualized rate of 2%. This marked a slowdown from the 3.2% and 2.9% growth in the third and fourth quarters of 2022, but a sharp revision upwards from the previous estimate and market expectation or 1.3%. Globally, the World Bank's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

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

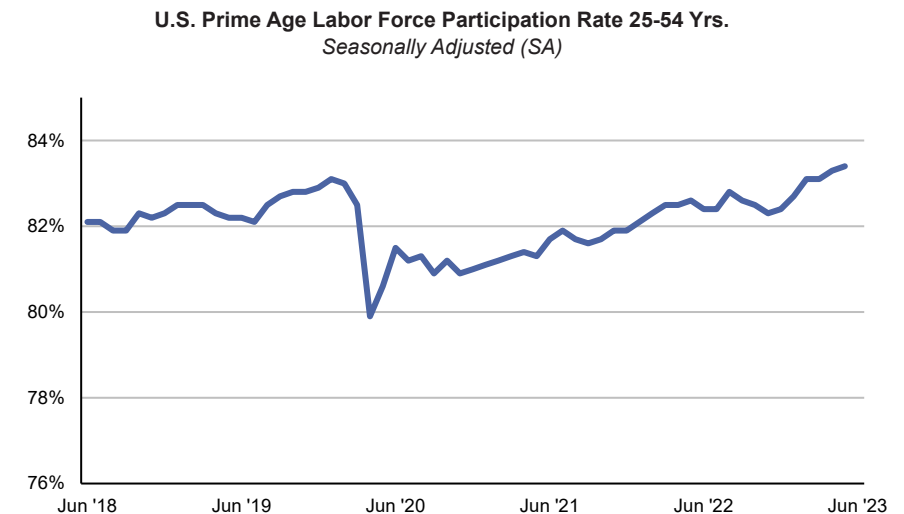
▶ Inflation has continued to cool in the second quarter with headline U.S. Consumer Price Inflation falling to its lowest rate in more than two years at 3% year-over-year (YoY) in June. Core price inflation (excluding volatile food and energy prices), rose 4.8%, moderating from the 5.6% pace at the end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



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



Source: Bureau of Labor Statistics.

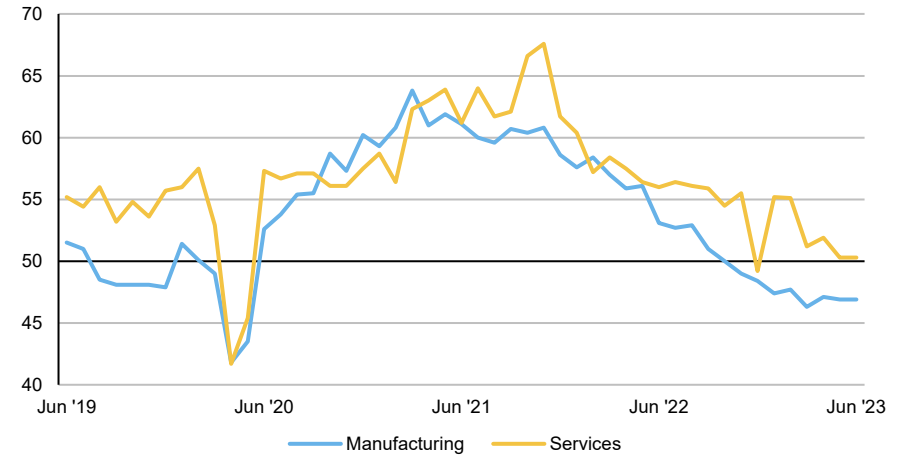


Source: Bureau of Labor Statistics.

WHAT WE'RE WATCHING

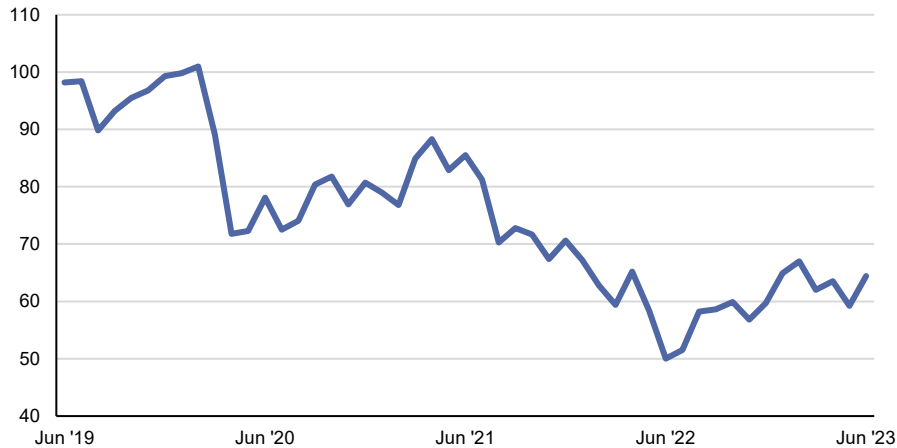
- ▶ The second quarter saw rate hikes domestically and abroad, with the Federal Reserve (Fed) raising rates 25 basis points (bps) in May and the European Central Bank (ECB) raising rates by 25 bps both in May and June. The Fed's latest projections suggest two additional rate hikes with the median expectation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

U.S. ISM Manufacturing & Services PMI



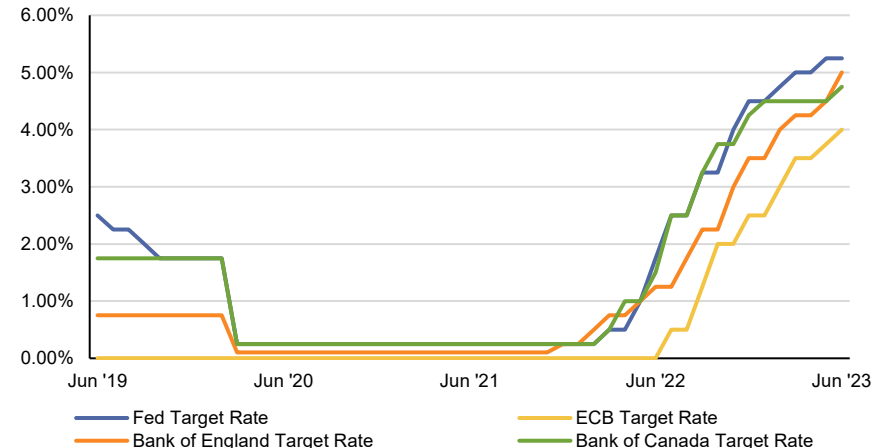
Source: Bloomberg.

U.S. Consumer Confidence



Source: Bloomberg.

Global Central Bank Rates



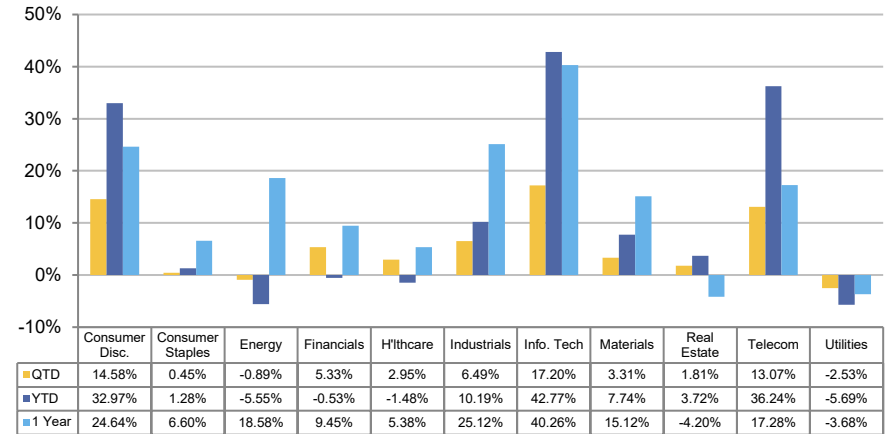
Source: Bloomberg.

DOMESTIC EQUITY

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

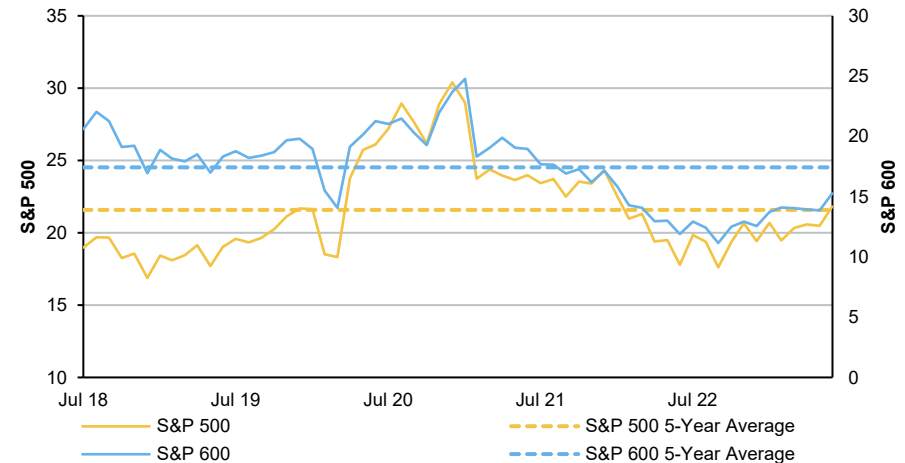
S&P 500 Index Performance by Sector

Periods Ended June 30, 2023



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

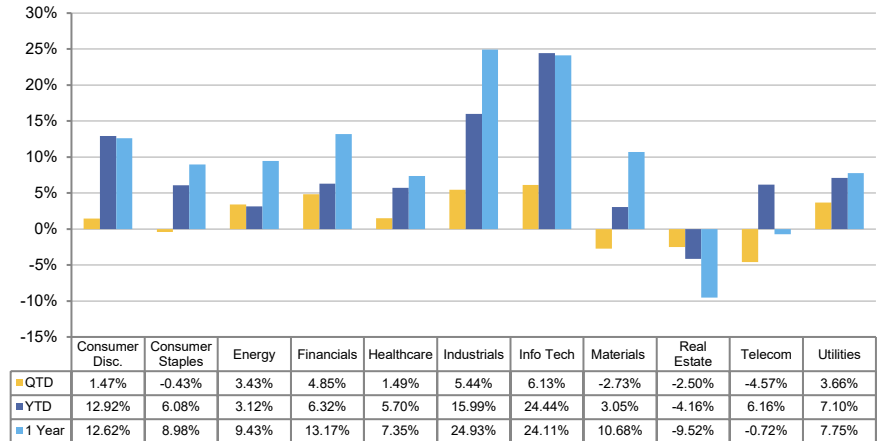
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

NON-U.S. EQUITY

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

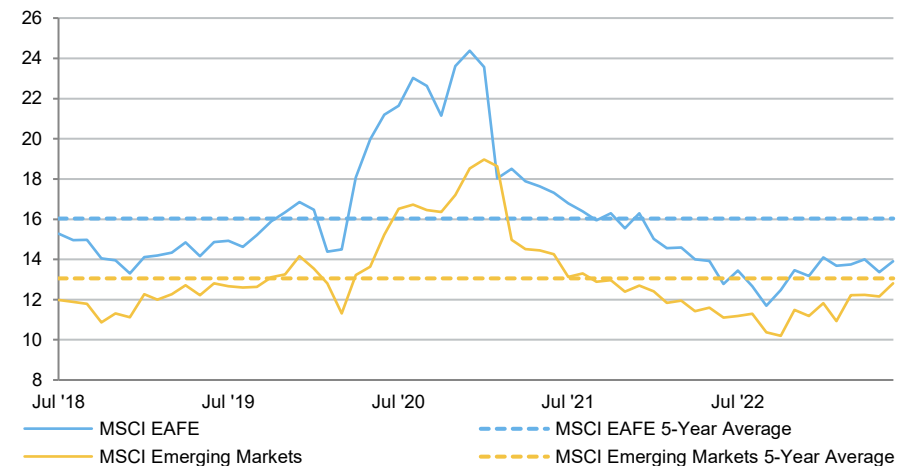
MSCI ACWI ex-U.S. Sectors

Periods Ended June 30, 2023



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



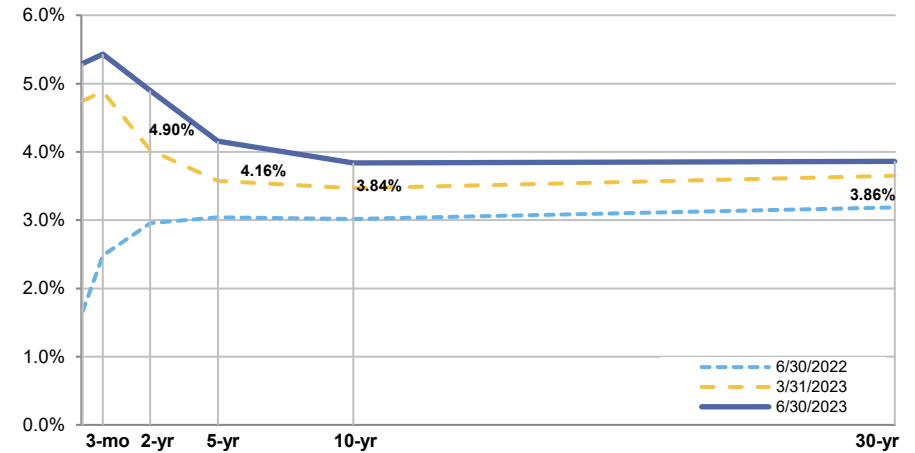
Source: Bloomberg.

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

FIXED INCOME

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

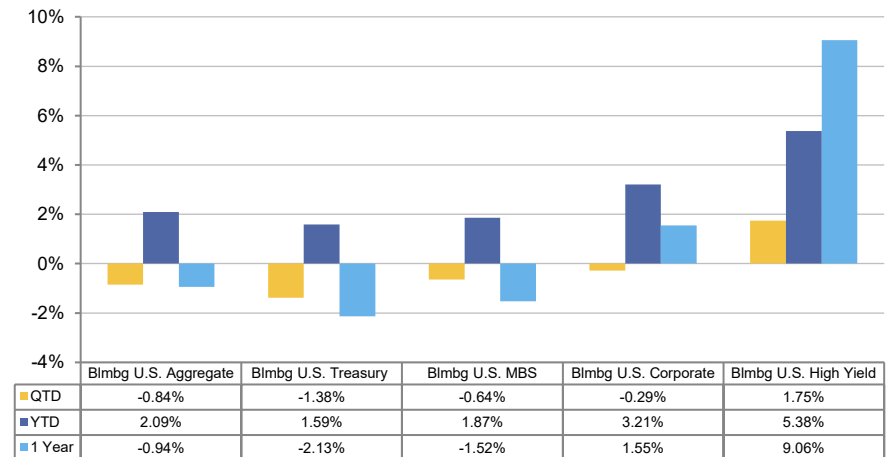
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended June 30, 2023



Source: Bloomberg.

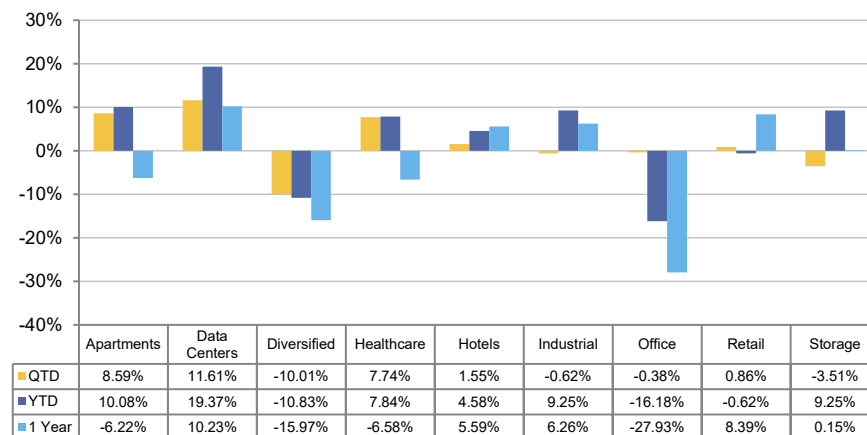
ALTERNATIVES

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

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

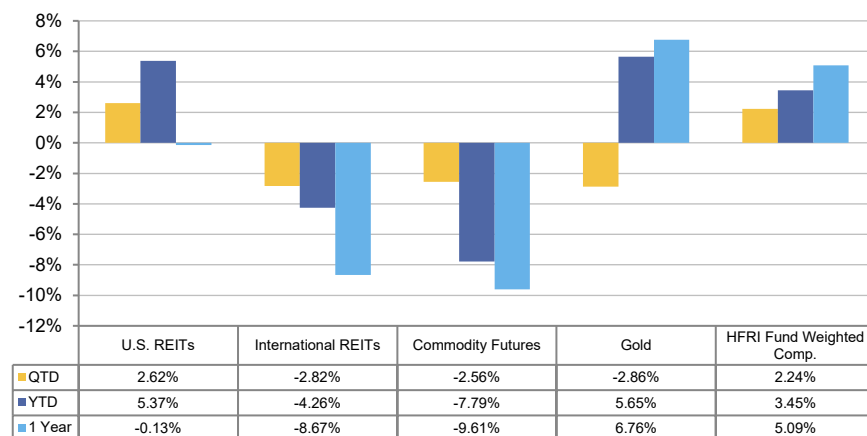
▶ Private real estate, as measured by the NCREIF Property Index, fell -1.81% in the first quarter of 2023, resulting in a -1.60% return over the twelve-month period ended March 2023. This was the second consecutive quarter of negative returns for the index. Hotel properties were again the top performers,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

FTSE NAREIT Sectors
Periods Ended June 30, 2023



Source: Bloomberg.

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



Sources: Bloomberg and Hedge Fund Research, Inc.

ALTERNATIVES (continued)

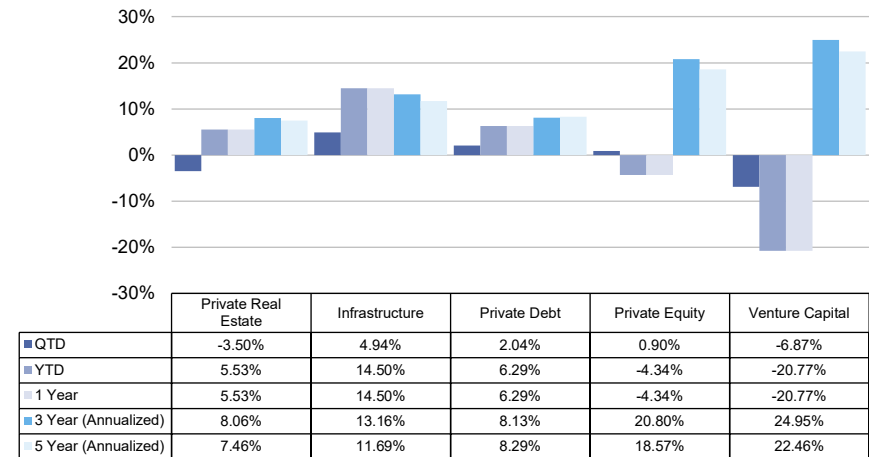
▶ In the first quarter of 2023, infrastructure funds raised \$2.04 billion, which is a significant drop from the prior quarter (\$12.15 Billion). Most of the capital raised went to core infrastructure funds as opposed to those pursuing opportunistic strategies. Infrastructure dry powder has also fallen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

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

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

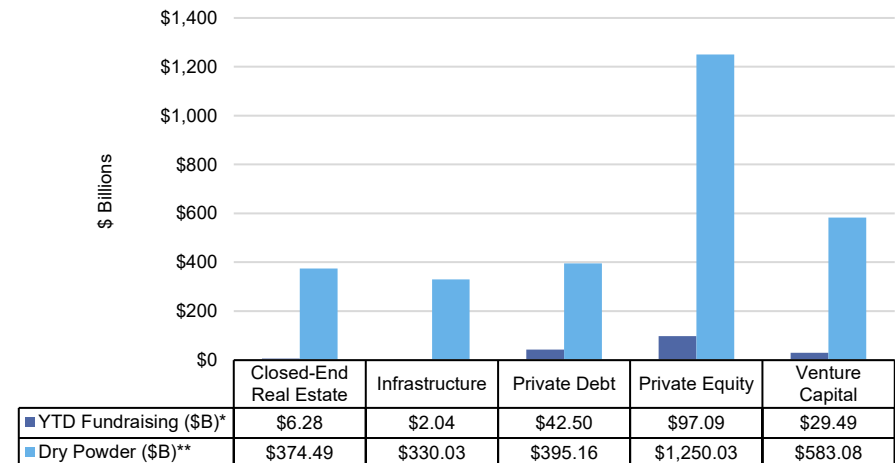
▶ Hedge fund returns were positive in the second quarter with the HFRI Fund Weighted Composite Index returning 2.24%. During the same period, the HFRI Macro (Total) Index returned 2.03%. The HFRI Equity Hedge (Total) Index and the HFRI Fund of Funds Index returned 2.97% and 1.52%, respectively.

Returns for Private Capital Assets



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

Private Capital Fundraising & Dry Powder



Sources: Pitchbook.

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

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

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

Investment Strategy Overview










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

Current outlook ○ Outlook one quarter ago



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

Factors to Consider Over the Next 6-12 Months

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



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (06/30/2023) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

Plan Performance Review

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Fiscal Year To Date	Year To Date	1 Year	3 Years	Since Inception	Inception Date
City of Walnut Creek - Total Fund	24,657,031	100.00	2.48	6.72	7.29	6.72	4.48	4.86	09/01/2018
Blended Policy Benchmark			2.74	7.91	7.90	7.91	3.84	4.66	09/01/2018
Domestic Equity	8,532,495	34.60							
PFM Multi-Manager Domestic Equity Fund	8,532,495	34.60	6.88	15.97	13.54	15.97	12.91	9.74	09/01/2018
<i>Russell 3000 Index</i>			8.39	18.95	16.17	18.95	13.89	10.26	09/01/2018
Vanguard Total Stock Market ETF - 69.4%			8.42	18.96	16.18	18.96	13.76	10.88	02/01/2020
<i>Russell 3000 Index</i>			8.39	18.95	16.17	18.95	13.89	10.98	02/01/2020
Vaughan Nelson Select - 10.1% (^)			6.58	18.67	16.38	18.67	18.51	13.50	09/01/2018
Nuance All Cap Value - 7.5% (^)			4.42	11.32	8.05	11.32	12.34	9.76	09/01/2018
<i>Russell 3000 Index</i>			8.39	18.95	16.17	18.95	13.89	10.26	09/01/2018
Aristotle Atlantic Core Equity - 7.6%(^)			9.10	16.94	14.80	16.94	N/A	-4.30	11/01/2021
<i>Russell 3000 Index</i>			8.39	18.95	16.17	18.95	13.89	-2.38	11/01/2021
Champlain Mid Cap Core - 3.0% (^)			4.72	13.99	10.58	13.99	9.75	9.35	09/01/2018
<i>S&P MidCap 400</i>			4.85	17.61	8.84	17.61	15.44	6.98	09/01/2018
Jacobs Levy Small Cap - 2.1% (^)			3.53	9.55	6.88	9.55	20.84	11.14	05/01/2019
<i>S&P SmallCap 600</i>			3.38	9.75	6.03	9.75	15.19	7.08	05/01/2019
International Equity	4,149,517	16.83							
PFM Multi-Manager International Equity Fund	4,149,517	16.83	2.37	11.74	9.22	11.74	6.15	2.98	09/01/2018
<i>MSCI AC World ex USA (Net)</i>			2.44	12.72	9.47	12.72	7.22	3.59	09/01/2018
iShares Core MSCI Total Int'l Stock ETF - 42.2%			2.55	12.69	9.61	12.69	7.57	3.84	02/01/2020
<i>MSCI AC World ex USA (Net)</i>			2.44	12.72	9.47	12.72	7.22	3.57	02/01/2020
WCM Focused Growth International - 12.5% (^)			4.02	19.79	15.20	19.79	8.16	8.93	12/01/2019
<i>MSCI AC World ex USA (Net)</i>			2.44	12.72	9.47	12.72	7.22	3.84	12/01/2019
Ninety One Int'l Dynamic Equity - 15.1% (^)			1.49	12.20	8.55	12.20	N/A	-6.09	12/01/2021
<i>MSCI AC World ex USA (Net)</i>			2.44	12.72	9.47	12.72	7.22	-2.70	12/01/2021
Acadian Non-U.S. Equity - 6.5% (^)			1.49	12.36	5.47	12.36	9.32	4.69	01/01/2020
<i>MSCI EAFE (net)</i>			2.95	18.77	11.67	18.77	8.93	3.97	01/01/2020
Aristotle International Equity - 12.8% (^)			5.07	17.37	12.54	17.37	9.70	5.01	09/01/2018
<i>MSCI EAFE (net)</i>			2.95	18.77	11.67	18.77	8.93	4.44	09/01/2018
Kayne Anderson International Small Cap - 1.0% (^)			6.80	14.77	15.42	14.77	N/A	-8.81	05/01/2021
<i>MSCI AC World ex USA Small Cap (Net)</i>			2.05	10.93	6.84	10.93	8.15	-5.99	05/01/2021
Schroders Global Emerging Markets - 9.7% (^)			1.36	5.36	6.17	5.36	3.98	0.85	01/01/2020
<i>MSCI EM (net)</i>			0.90	1.75	4.89	1.75	2.32	-0.97	01/01/2020

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

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

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Fiscal Year To Date	Year To Date	1 Year	3 Years	Since Inception	Inception Date
Fixed Income	11,922,919	48.36							
PFM Multi-Manager Fixed-Income Fund	11,922,919	48.36	-0.41	0.44	2.67	0.44	-2.84	0.89	09/01/2018
<i>Blmbg. U.S. Aggregate</i>			-0.84	-0.94	2.09	-0.94	-3.97	0.65	09/01/2018
PGIM Core Fixed - 33.1% (^)			-0.57	-0.21	2.53	-0.21	-3.42	1.11	09/01/2018
TIAA Core Fixed - 33.1% (^)			-0.84	-1.07	2.60	-1.07	-3.28	1.23	09/01/2018
<i>Blmbg. U.S. Aggregate</i>			-0.84	-0.94	2.09	-0.94	-3.97	0.65	09/01/2018
iShares Core U.S. Aggregate Bond ETF - 11.8%			-0.85	-0.93	2.26	-0.93	-3.97	-4.85	05/01/2021
<i>Blmbg. U.S. Aggregate</i>			-0.84	-0.94	2.09	-0.94	-3.97	-4.85	05/01/2021
PineBridge IG Credit - 5.6% (^)			-0.13	0.45	2.67	0.45	-2.71	2.68	09/01/2018
<i>Blmbg. U.S. Credit Index</i>			-0.31	1.39	3.13	1.39	-3.38	1.45	09/01/2018
Brown Bros. Harriman Structured - 8.4% (^)			0.50	2.86	2.87	2.86	1.90	2.42	09/01/2018
<i>ICE BofA Asset-Bckd Fxd & Fltng Rate AA-BBB Idx</i>			0.41	2.45	3.42	2.45	0.99	1.66	09/01/2018
Brandywine Global High Yield - 3.9%			2.75	10.71	6.01	10.71	4.64	2.85	10/01/2020
<i>Blmbg. Ba to B U.S. High Yield</i>			1.35	8.85	4.83	8.85	2.64	1.36	10/01/2020
MainStay MacKay High Yield Corp Bond Fund - 3.9%			1.30	8.89	5.27	8.89	3.95	-0.27	06/01/2021
<i>ICE BofA High Yield Master II</i>			1.63	8.87	5.42	8.87	3.21	-1.75	06/01/2021
Cash Equivalent	52,101	0.21							
Wells Fargo Advantage Gov't MM Fund	52,101	0.21	1.21	3.64	2.28	3.64	1.25	1.29	09/01/2003

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

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

Comparative Performance

	Year To Date	2022	2021	2020	2019	2018
City of Walnut Creek - Total Fund	7.29	-16.24	11.18	14.02	18.54	N/A
<i>Blended Policy Benchmark</i>	7.90	-15.28	8.57	13.23	18.17	N/A
Domestic Equity						
PFM Multi-Manager Domestic Equity Fund	13.54	-18.97	26.28	20.05	29.70	N/A
<i>Russell 3000 Index</i>	16.17	-19.21	25.66	20.89	31.02	-5.24
Vanguard Total Stock Market ETF - 69.4%	16.18	-19.50	25.72	20.95	30.80	-5.13
Vaughan Nelson Select - 10.1% (^)	16.38	-15.79	41.05	20.01	29.17	N/A
Nuance All Cap Value - 7.5% (^)	8.05	-6.46	15.15	9.69	31.33	N/A
Aristotle Atlantic Core Equity - 7.6% (^)	14.80	-21.43	N/A	N/A	N/A	N/A
<i>Russell 3000 Index</i>	16.17	-19.21	25.66	20.89	31.02	-5.24
Champlain Mid Cap Core - 3.0% (^)	10.58	-25.67	25.95	30.51	27.82	N/A
<i>S&P MidCap 400</i>	8.84	-13.06	24.76	13.66	26.20	-11.08
Jacobs Levy Small Cap - 2.1% (^)	6.88	-15.58	39.61	18.81	N/A	N/A
<i>S&P SmallCap 600</i>	6.03	-16.10	26.82	11.29	22.78	-8.48
International Equity						
PFM Multi-Manager International Equity Fund	9.22	-20.79	9.38	13.74	21.23	N/A
<i>MSCI AC World ex USA (Net)</i>	9.47	-16.00	7.82	10.65	21.51	-14.20
iShares Core MSCI Total Int'l Stock ETF - 42.2%	9.61	-16.35	8.52	11.14	21.85	-14.55
WCM Focused Growth International - 12.5% (^)	15.20	-28.14	18.78	32.21	N/A	N/A
Ninety One Int'l Dynamic Equity - 15.1% (^)	8.55	-19.77	N/A	N/A	N/A	N/A
<i>MSCI AC World ex USA (Net)</i>	9.47	-16.00	7.82	10.65	21.51	-14.20
Acadian Non-U.S. Equity - 6.5% (^)	5.47	-12.37	14.31	11.10	N/A	N/A
Aristotle International Equity - 12.8% (^)	12.54	-20.52	17.21	10.14	25.45	N/A
<i>MSCI EAFE (net)</i>	11.67	-14.45	11.26	7.82	22.01	-13.79
Kayne Anderson International Small Cap - 1.0% (^)	15.42	-31.47	N/A	N/A	N/A	N/A
<i>MSCI AC World ex USA Small Cap (Net)</i>	6.84	-19.97	12.93	14.24	22.42	-18.20
Schroders Global Emerging Markets - 9.7% (^)	6.17	-21.11	-3.38	27.26	N/A	N/A
<i>MSCI EM (net)</i>	4.89	-20.09	-2.54	18.31	18.42	-14.57

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Comparative Performance

	Year To Date	2022	2021	2020	2019	2018
Fixed Income						
PFM Multi-Manager Fixed-Income Fund	2.67	-13.06	-0.85	7.86	9.56	N/A
<i>Blmbg. U.S. Aggregate</i>	2.09	-13.01	-1.55	7.51	8.72	0.01
PGIM Core Fixed - 33.1% (^)	2.53	-13.76	-0.98	9.01	9.65	N/A
TIAA Core Fixed - 33.1% (^)	2.60	-14.23	-0.64	9.76	9.59	N/A
iShares Core U.S. Aggregate Bond ETF - 11.8%	2.26	-13.06	-1.67	7.42	8.68	-0.05
<i>Blmbg. U.S. Aggregate</i>	2.09	-13.01	-1.55	7.51	8.72	0.01
PineBridge IG Credit - 5.6% (^)	2.67	-15.83	0.02	14.54	15.48	N/A
<i>Blmbg. U.S. Credit Index</i>	3.13	-15.26	-1.08	9.35	13.80	-2.11
Brown Bros. Harriman Structured - 8.4% (^)	2.87	-3.87	3.01	3.42	5.07	N/A
<i>ICE BofA Asset-Bckd Fxd & Fltng Rate AA-BBB Idx</i>	3.42	-6.33	1.77	3.94	4.31	3.16
Brandywine Global High Yield - 3.9%	6.01	-9.38	5.52	13.92	15.56	1.27
<i>Blmbg. Ba to B U.S. High Yield</i>	4.83	-10.59	4.71	7.78	15.18	-1.86
MainStay MacKay High Yield Corp Bond Fund - 3.9%	5.27	-7.81	5.35	5.28	13.03	-1.34
Cash Equivalent						
Wells Fargo Advantage Gov't MM Fund	2.28	1.47	0.01	0.34	2.06	1.69

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

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

Financial Reconciliation

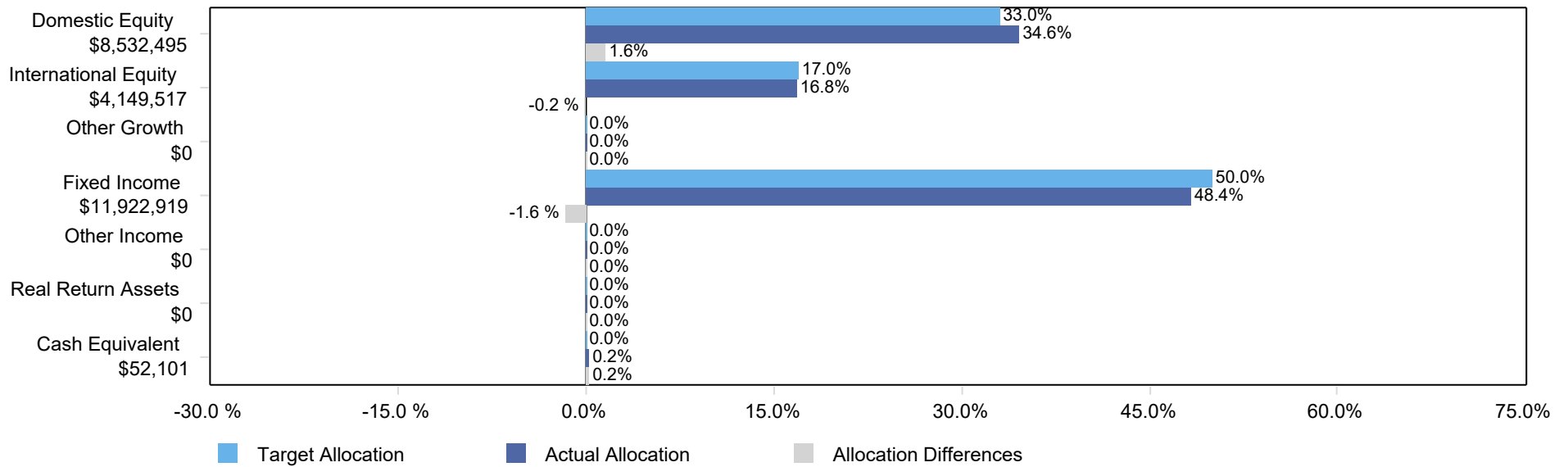
QTR	Market Value As of 04/01/2023	Net Flows	Return On Investment	Market Value As of 06/30/2023
City of Walnut Creek - Total Fund	24,073,672	(13,735)	597,094	24,657,031

YTD	Market Value As of 01/01/2023	Net Flows	Return On Investment	Market Value As of 06/30/2023
City of Walnut Creek - Total Fund	23,009,268	(27,926)	1,675,690	24,657,031

1 Year	Market Value As of 07/01/2022	Net Flows	Return On Investment	Market Value As of 06/30/2023
City of Walnut Creek - Total Fund	23,160,942	(58,076)	1,554,166	24,657,031

Asset Allocation Compliance - City of Walnut Creek - Total Fund

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
City of Walnut Creek - Total Fund	100.0	100.0	N/A	N/A	0.0
Domestic Equity	34.6	33.0	13.0	53.0	1.6
International Equity	16.8	17.0	0.0	37.0	-0.2
Other Growth	0.0	0.0	0.0	20.0	0.0
Fixed Income	48.4	50.0	30.0	70.0	-1.6
Other Income	0.0	0.0	0.0	20.0	0.0
Real Return Assets	0.0	0.0	0.0	20.0	0.0
Cash Equivalent	0.2	0.0	0.0	20.0	0.2



Historical Hybrid Composition - Blended Policy Benchmark

Allocation Mandate	Weight (%)
Sep-2018	
Russell 3000 Index	33.0
MSCI AC World ex USA (Net)	17.0
Blmbg. U.S. Aggregate	50.0

Investment Manager Review

◆ **Vanguard Total Stock Market Index**

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

◆ **Vaughan Nelson Select**

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

◆ **Nuance All Cap Value**

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

● Aristotle Atlantic Core Equity

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

● Champlain Mid Cap Core

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

● Jacobs Levy Small Cap Equity

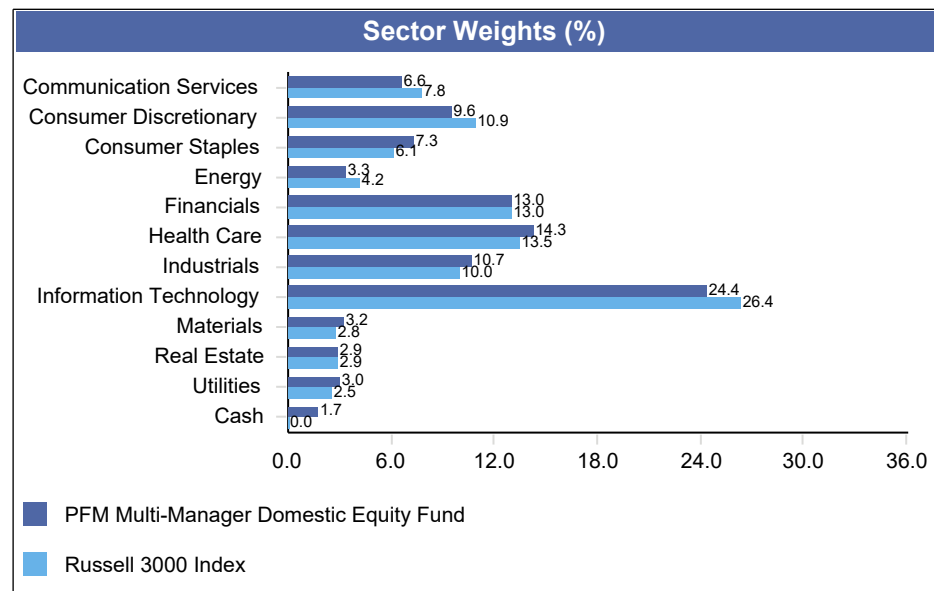
- **Management:** Dr. Bruce I. Jacobs and Mr. Kenneth N. Levy co-founded Jacobs Levy in 1986. The two individuals own 100% of the firm and are the portfolio managers responsible for the day-to-day management of firm assets. The two individuals are backed by a team of over 50 investment professionals.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

Portfolio Characteristics

As of June 30, 2023

PFM Multi-Manager Domestic Equity vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	500,176	580,225
Median Mkt. Cap (\$M)	1,032	1,973
Price/Earnings ratio	22.78	21.97
Price/Book ratio	4.16	4.24
5 Yr. EPS Growth Rate (%)	15.27	16.59
Current Yield (%)	1.50	1.53
Number of Stocks	3,835	3,010



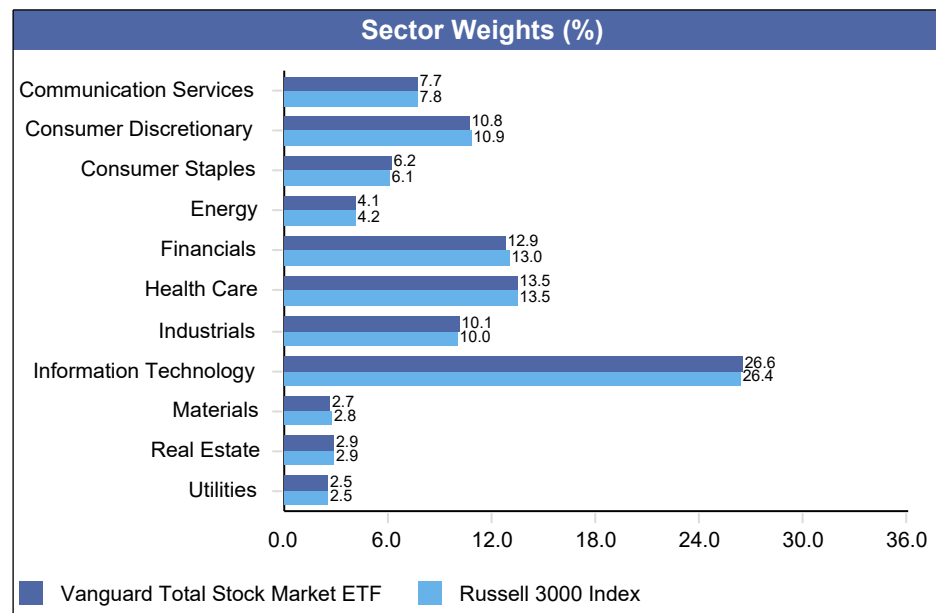
Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	5.26	5.83	-0.57	18.38
Apple Inc	5.21	6.66	-1.45	17.79
Amazon.com Inc	2.86	2.70	0.16	26.21
NVIDIA Corporation	2.20	2.31	-0.11	52.31
Alphabet Inc	1.99	1.64	0.35	15.40
Berkshire Hathaway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

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

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

Vanguard Total Stock Market ETF vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	581,059	580,225
Median Mkt. Cap (\$M)	1,021	1,973
Price/Earnings ratio	22.05	21.97
Price/Book ratio	4.25	4.24
5 Yr. EPS Growth Rate (%)	16.56	16.59
Current Yield (%)	1.53	1.53
Number of Stocks	3,822	3,010

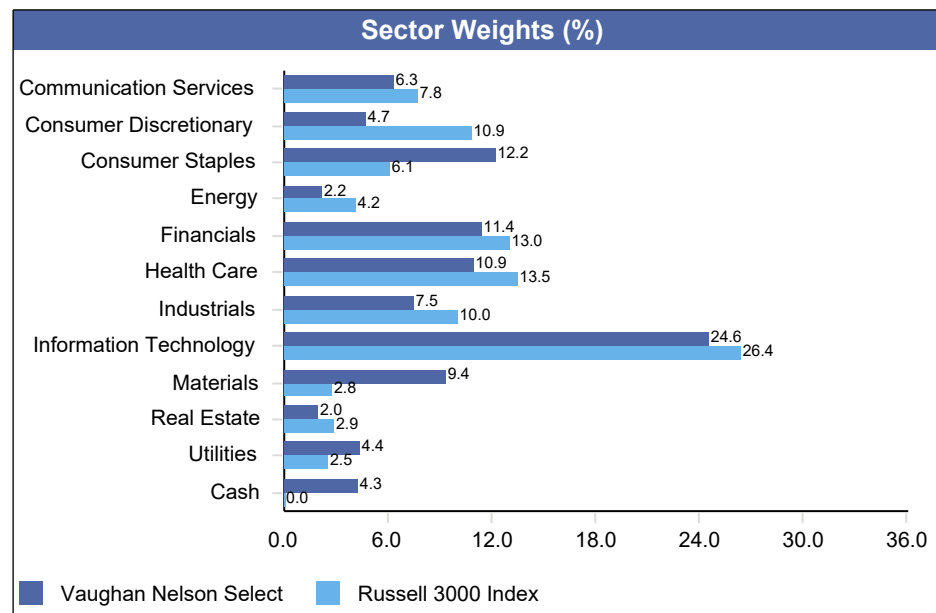


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	6.70	6.66	0.04	17.79
Microsoft Corp	5.86	5.83	0.03	18.38
Amazon.com Inc	2.63	2.70	-0.07	26.21
NVIDIA Corporation	2.30	2.31	-0.01	52.31
Alphabet Inc	1.64	1.64	0.00	15.40
Tesla Inc	1.63	1.66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

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

Vaughan Nelson Select vs. Russell 3000 Index

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

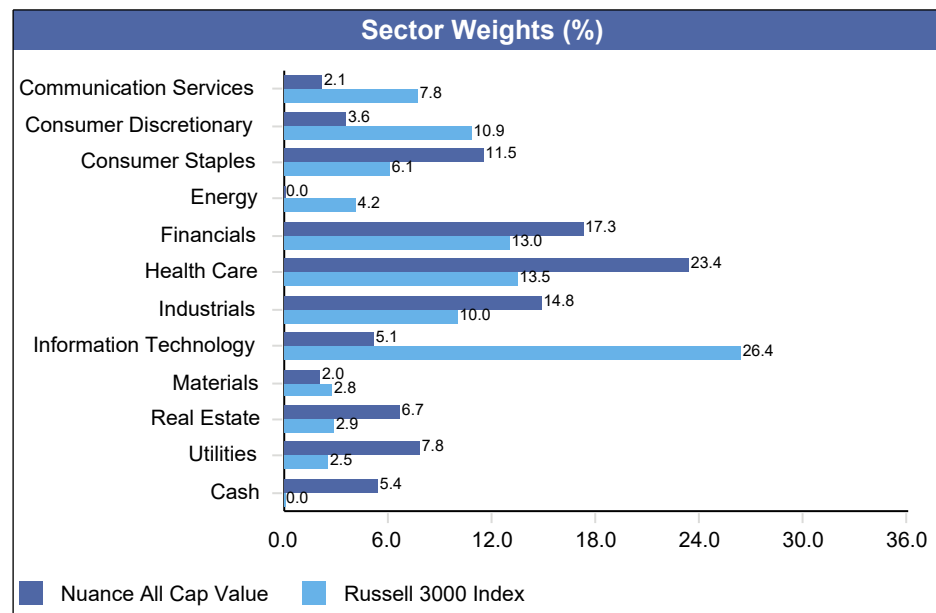


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	6.47	5.83	0.64	18.38
Sherwin-Williams Co (The)	5.00	0.15	4.85	18.44
Amazon.com Inc	4.69	2.70	1.99	26.21
Intercontinental Exchange Inc	4.54	0.14	4.40	8.84
Wheaton Precious Metals Corp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

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

Nuance All Cap Value vs. Russell 3000 Index

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

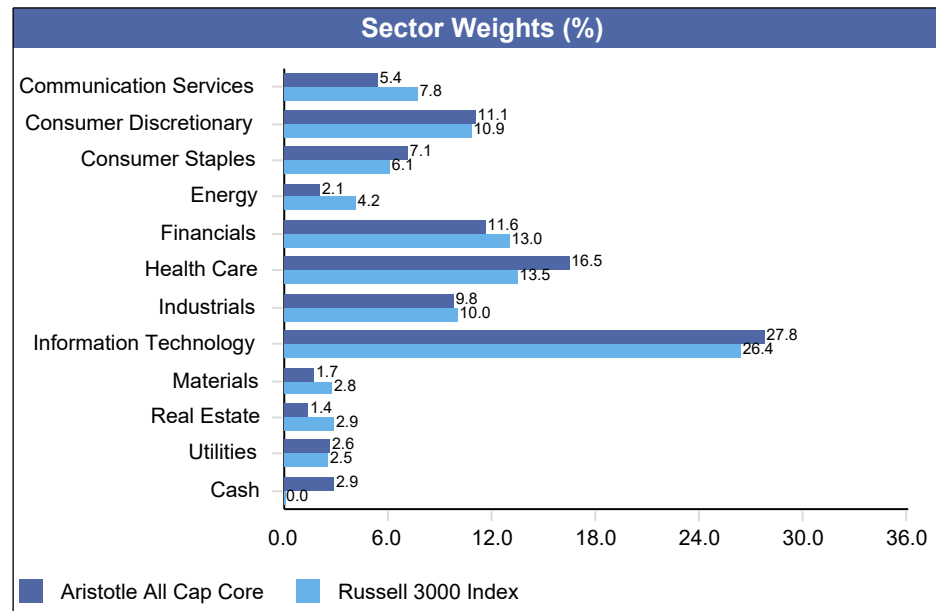


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	5.39	0.00	5.39	N/A
3M Co	4.87	0.13	4.74	-3.34
Northern Trust Corp	4.85	0.03	4.82	-15.03
Universal Health Services Inc.	4.70	0.02	4.68	24.32
DENTSPLY SIRONA Inc	4.64	0.02	4.62	2.25
Henkel AG & Co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

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

Aristotle All Cap Core vs. Russell 3000 Index

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

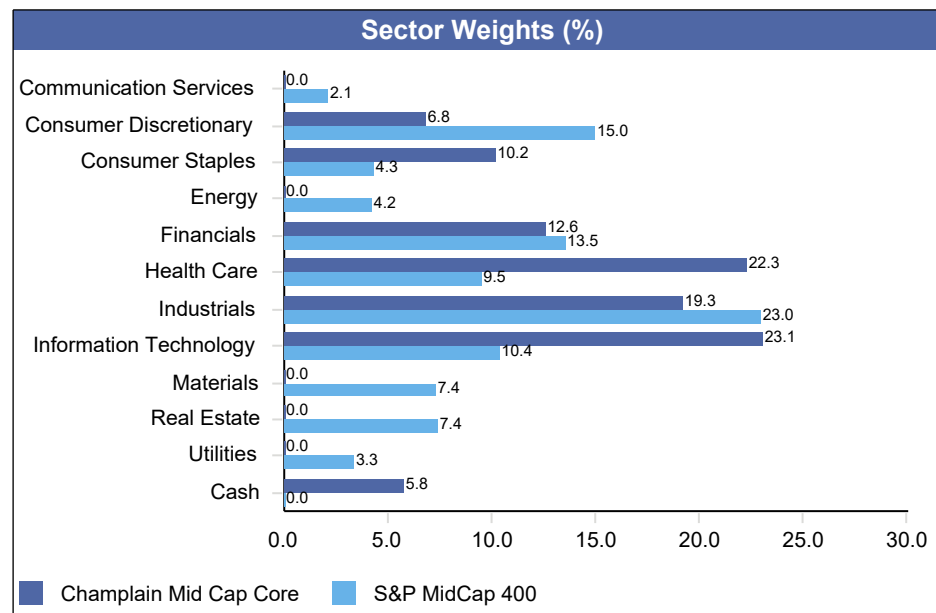


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	7.40	6.66	0.74	17.79
Microsoft Corp	7.18	5.83	1.35	18.38
Alphabet Inc	4.47	1.64	2.83	15.40
Amazon.com Inc	3.84	2.70	1.14	26.21
NVIDIA Corporation	3.58	2.31	1.27	52.31
CASH	2.86	0.00	2.86	N/A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

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

Champlain Mid Cap Core vs. S&P MidCap 400

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

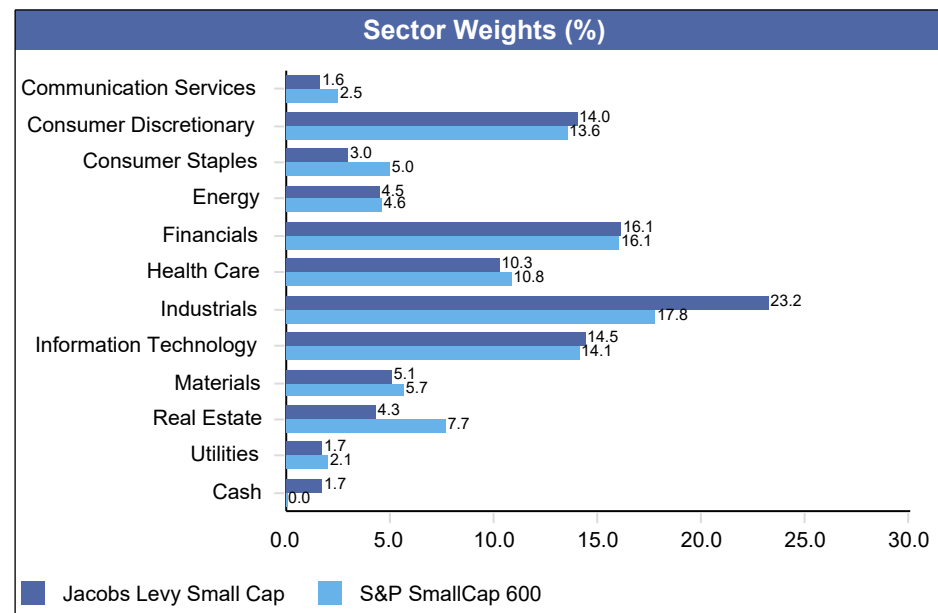


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	5.80	0.00	5.80	N/A
AMETEK Inc	3.63	0.00	3.63	11.57
Fortive Corp	3.53	0.00	3.53	9.80
Workday Inc	3.44	0.00	3.44	9.37
Everest Group Ltd	3.10	0.00	3.10	-4.06
Pure Storage Inc	2.74	0.00	2.74	44.34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

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

Jacobs Levy Small Cap vs. S&P SmallCap 600

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



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

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

● **iShares Core MSCI Total International Stock**

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

● **WCM Focused Growth**

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

● **Ninety-One International Dynamic Equity**

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

● **Acadian Non-U.S. Equity**

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

◆ Aristotle International Equity

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

◆ Virtus Kayne Anderson International Small Cap Equity

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

◆ Schroders Emerging Markets Equity

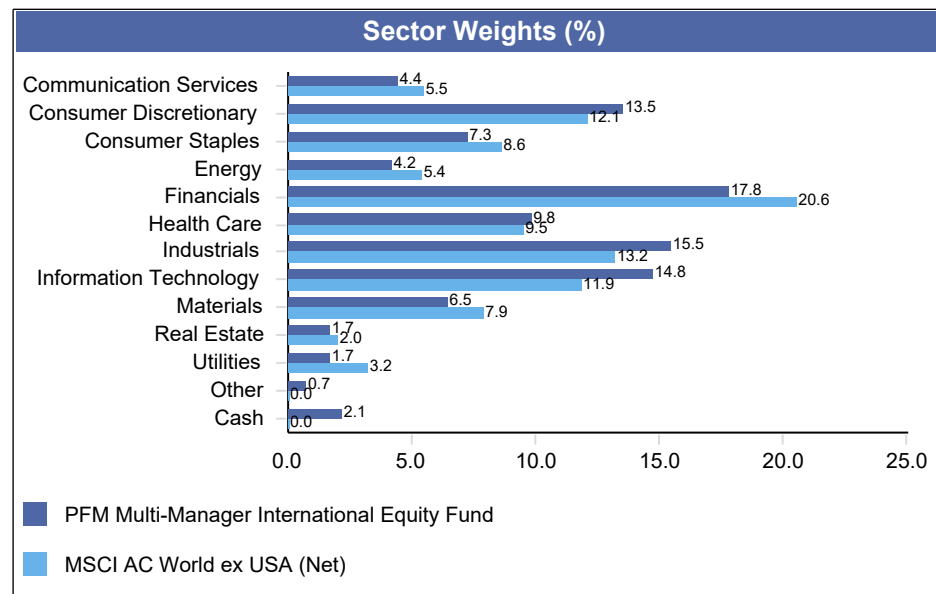
- **Management:** The fund is managed by a team of six portfolio managers led by Tom Wilson, Schroders' Head of Emerging Markets Equity. He has worked at Schroders since 2001 and has been involved with emerging markets equities at Schroders since 2004.
- **Objective:** The Fund seeks capital appreciation.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

Portfolio Characteristics

As of June 30, 2023

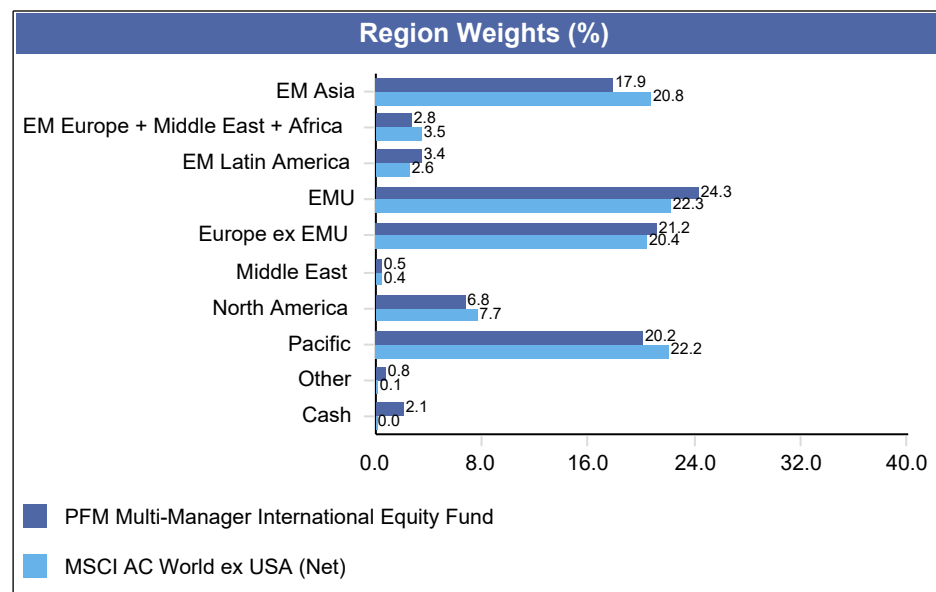
PFM Multi-Manager International Equity vs. MSCI AC World ex USA (net)

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



Top Ten Equity Holdings

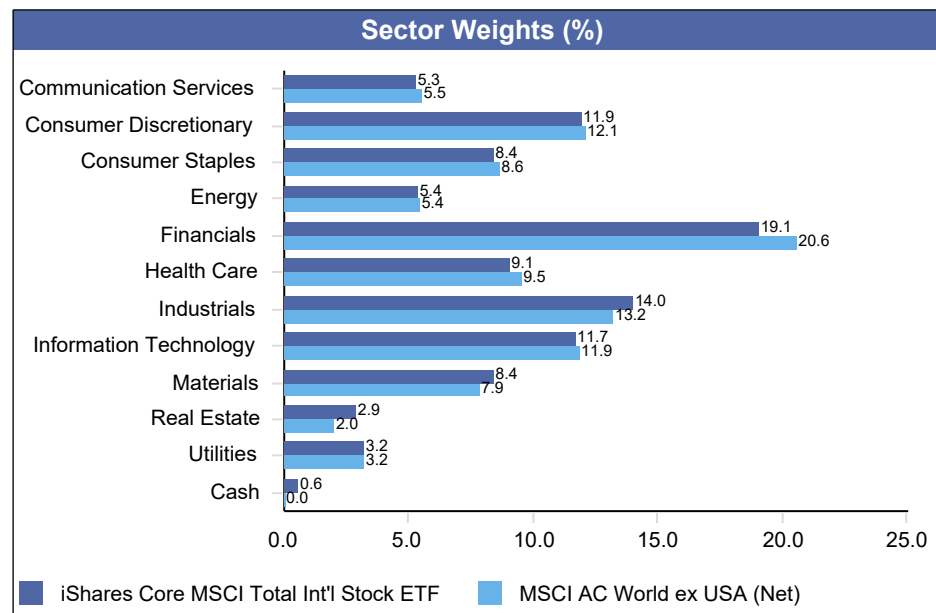
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
LVMH Moet Hennessy Louis Vui	1.80	1.08	0.72	3.44
Novo Nordisk A/S	1.62	1.11	0.51	1.72
Samsung Electronics Co Ltd	1.52	1.09	0.43	11.46
Taiwan Semicon Manu Co	1.43	1.89	-0.46	5.65
AIA Group Ltd	1.22	0.49	0.73	-2.74
Astrazeneca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



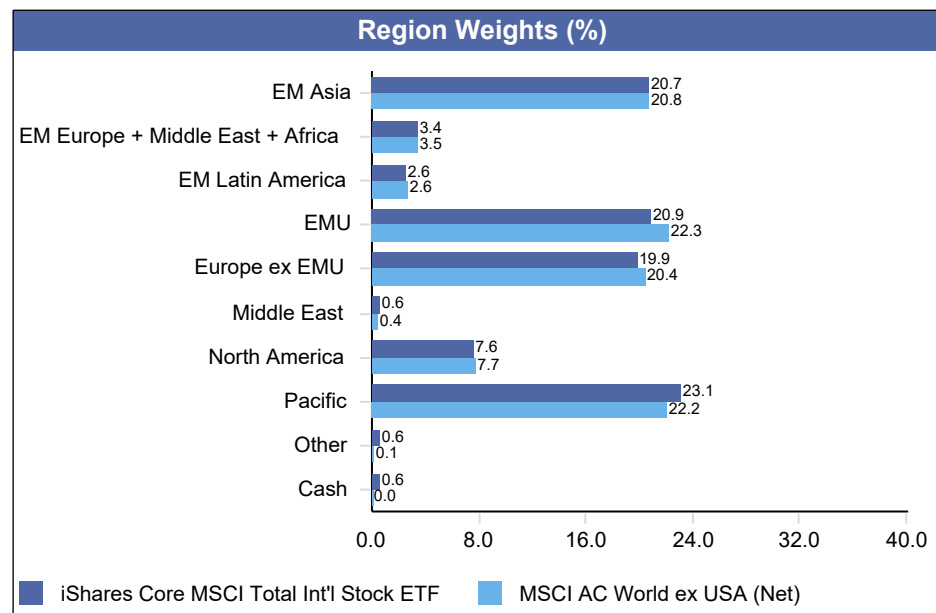
The fund characteristics and top holdings shown above are based on a look-through of any underlying mutual funds or ETFs held within the Fund. ETF holdings are available daily, while mutual fund holdings are only published on a monthly or quarterly basis. As a result, holdings used for the look-through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

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

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

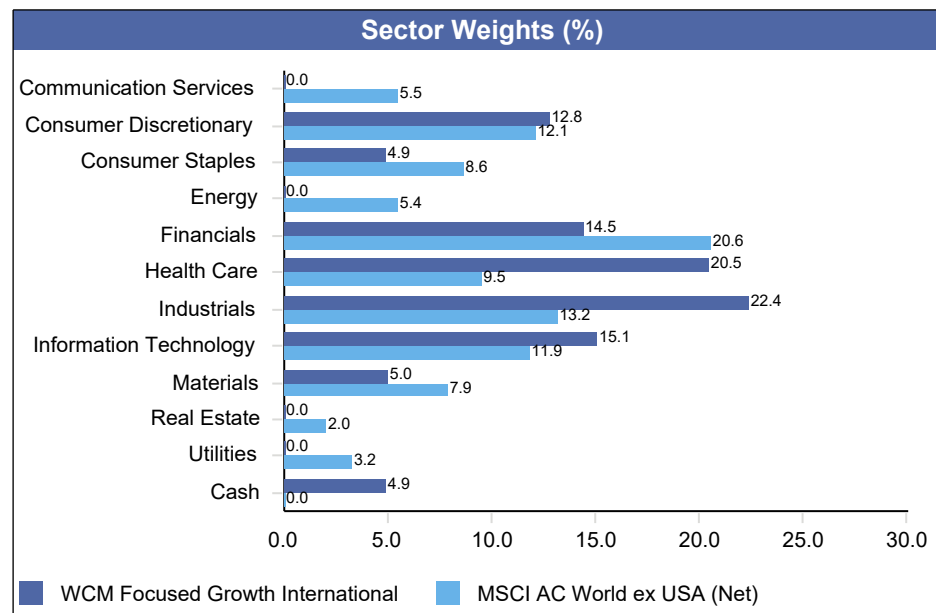


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	1.61	1.89	-0.28	5.65
Nestle SA, Cham Und Vevey	1.16	1.37	-0.21	1.11
ASML Holding NV	1.03	1.21	-0.18	6.80
Novo Nordisk A/S	0.94	1.11	-0.17	1.72
Tencent Holdings LTD	0.93	1.09	-0.16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

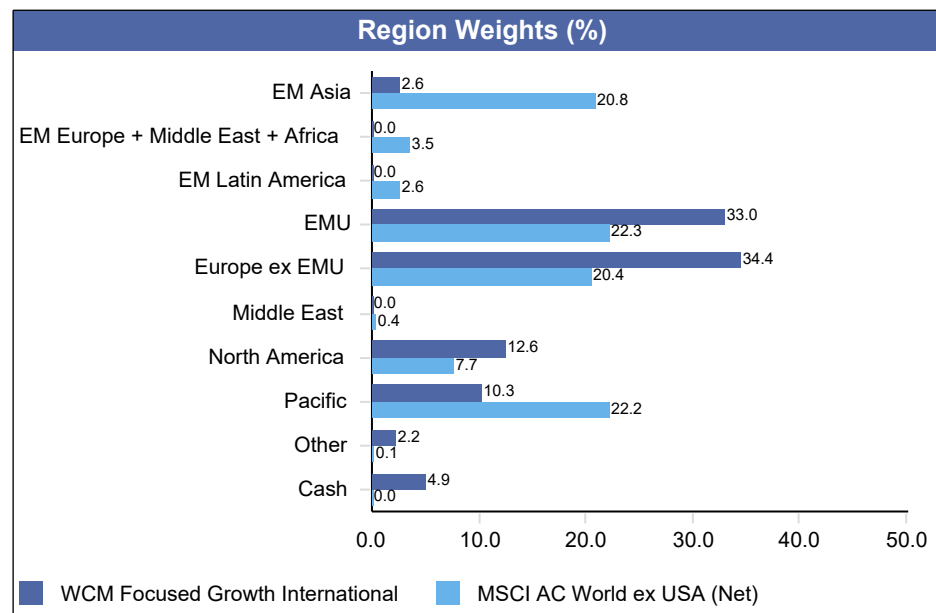


WCM Focused Growth International vs. MSCI AC World ex USA (Net)

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

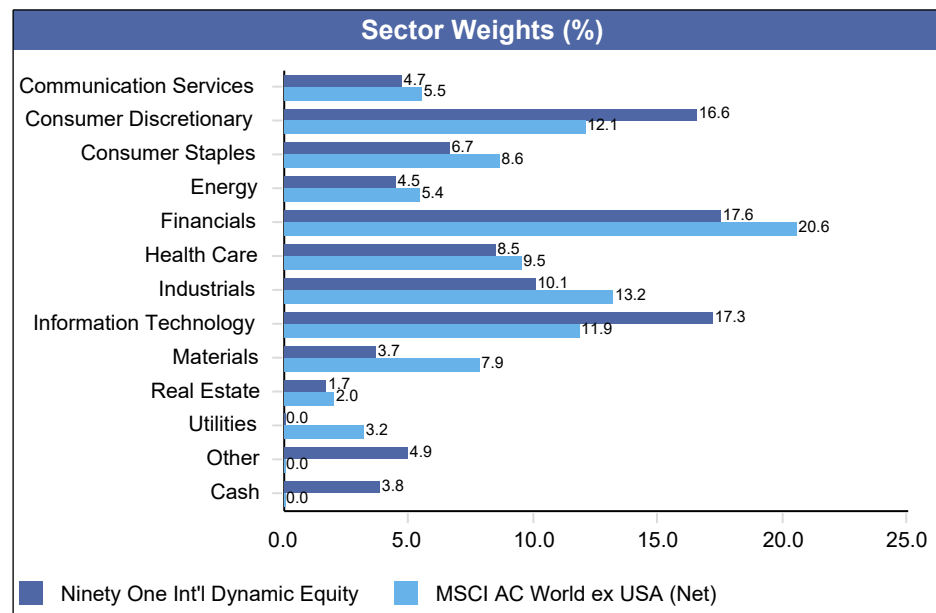


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	4.94	0.00	4.94	N/A
Novo Nordisk A/S	4.59	1.11	3.48	1.72
Ferrari NV	4.51	0.17	4.34	21.50
Canadian Pacific Kansas City Ltd	4.47	0.31	4.16	5.17
Adyen N.V	3.98	0.16	3.82	9.13
Aon plc	3.75	0.00	3.75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

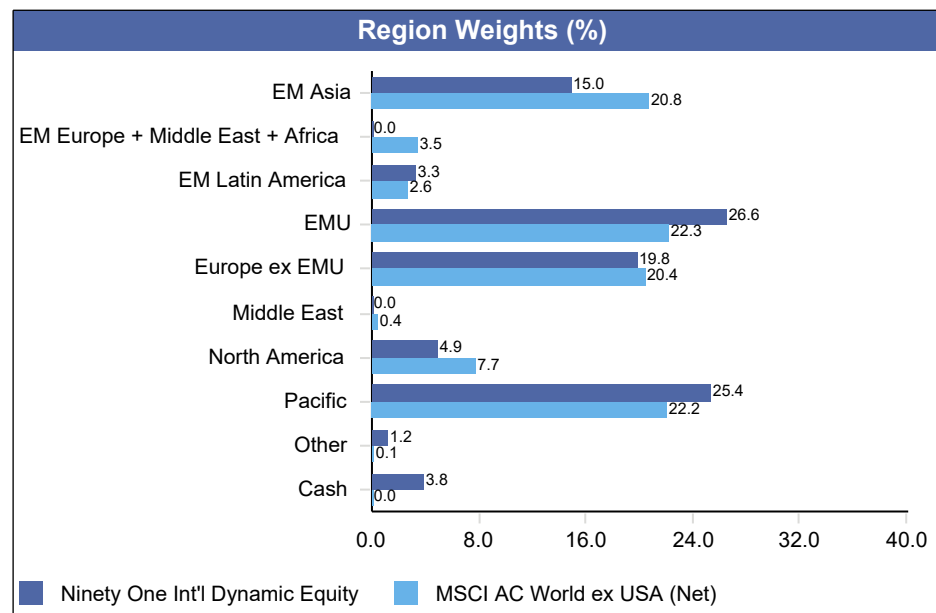


Ninety One Int'l Dynamic Equity vs. MSCI AC World ex USA (Net)

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

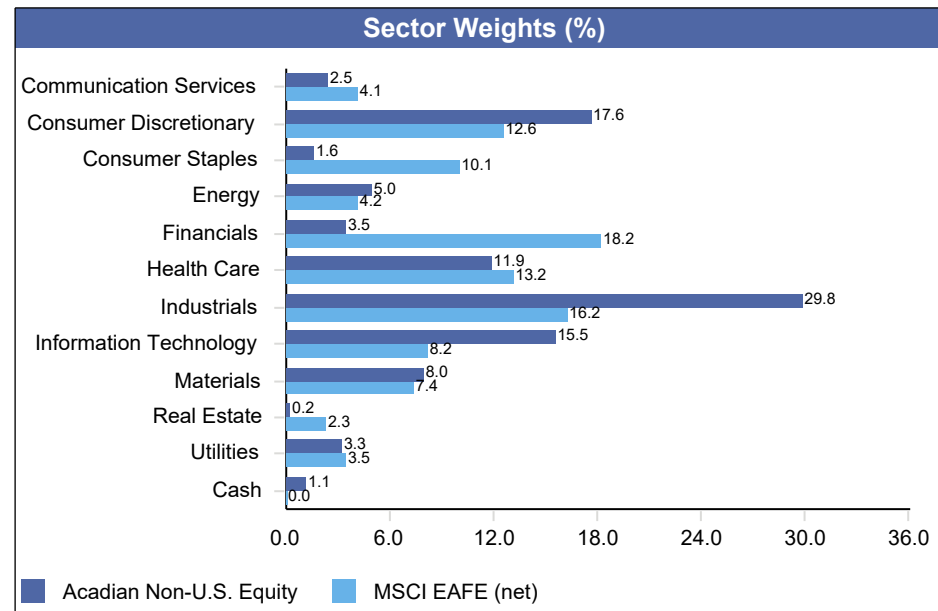


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
iShares Trust - MSCI India ETF	4.94	0.00	4.94	11.24
CASH	3.81	0.00	3.81	N/A
LVMH Moet Hennessy Louis Vui	3.54	1.08	2.46	3.44
Taiwan Semicon Manu Co ADR	3.33	1.89	1.44	8.49
Sony Group Corporation	3.10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

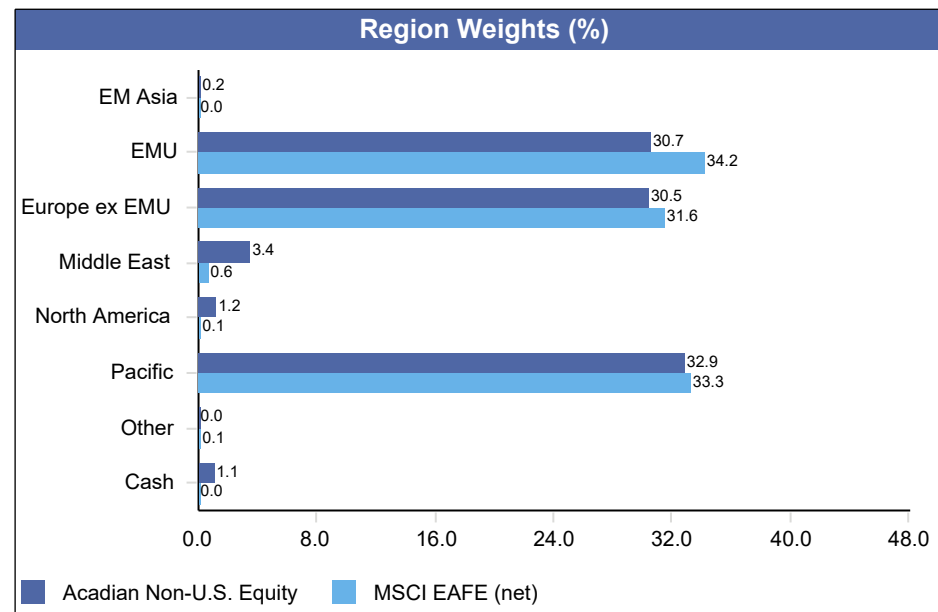


Acadian Non-U.S. Equity vs. MSCI EAFE (net)

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

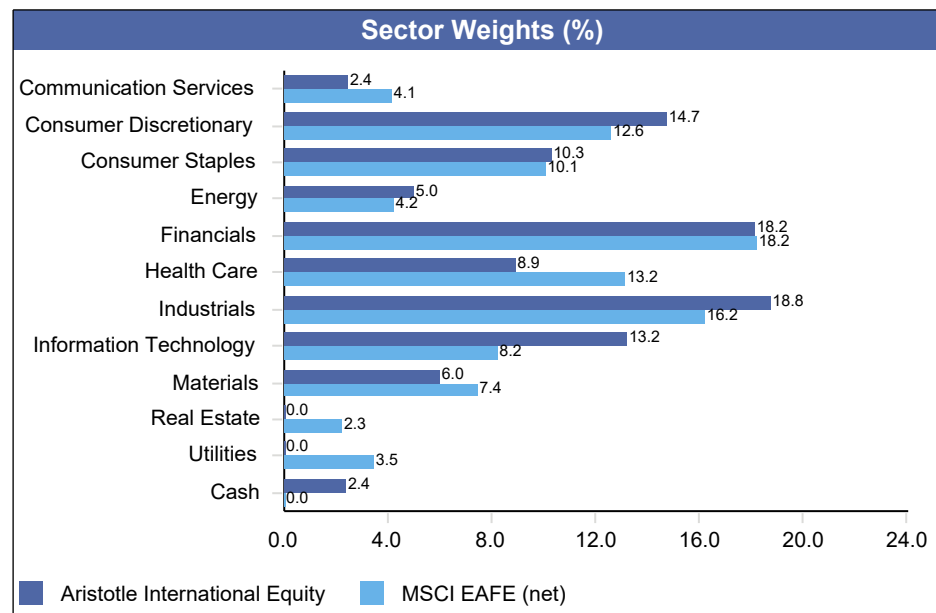


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	3.84	1.71	2.13	1.72
Siemens AG	2.89	0.81	2.08	2.63
Cie Financiere Richemont AG, Zug	2.83	0.57	2.26	6.14
BP PLC	2.80	0.66	2.14	-5.96
Hermes International SA	2.64	0.44	2.20	7.72
Industria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

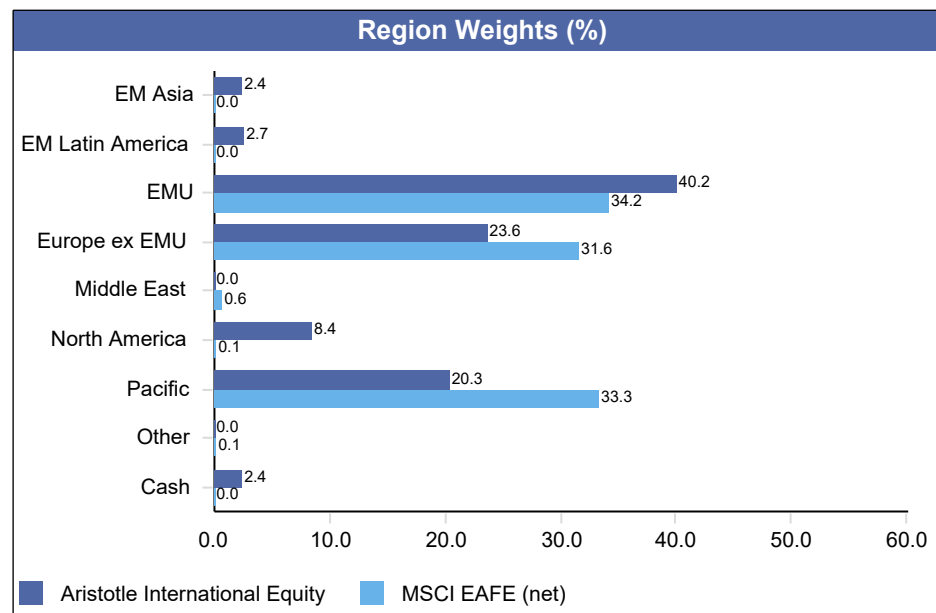


Aristotle International Equity vs. MSCI EAFE (net)

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

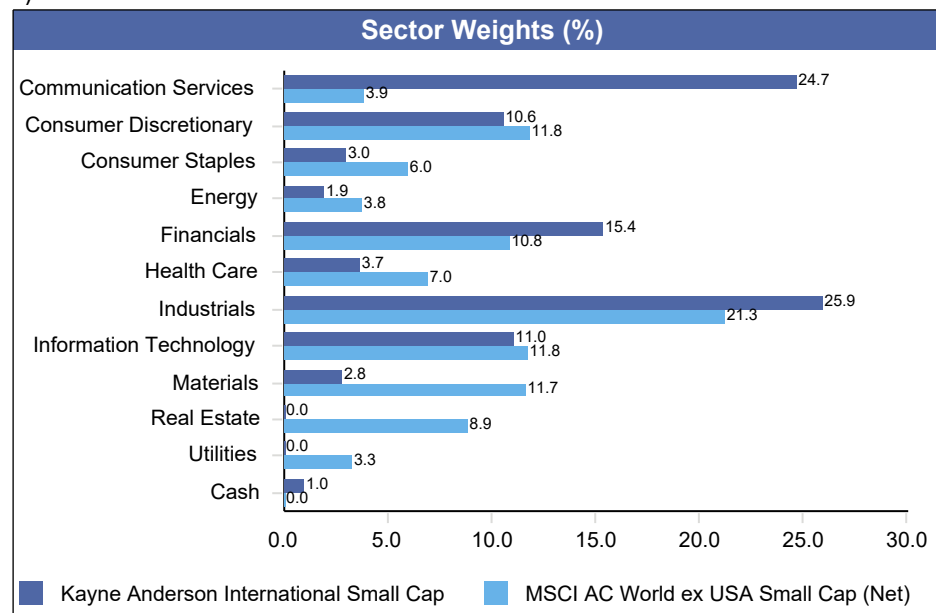


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Accenture PLC	4.58	0.00	4.58	8.39
Ashtead Group PLC	3.86	0.20	3.66	12.90
Muenchener Rueck-Gesllft Aktgslht	3.77	0.34	3.43	10.75
Sony Group Corporation	3.76	0.73	3.03	-0.39
LVMH Moet Hennessy Louis Vui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

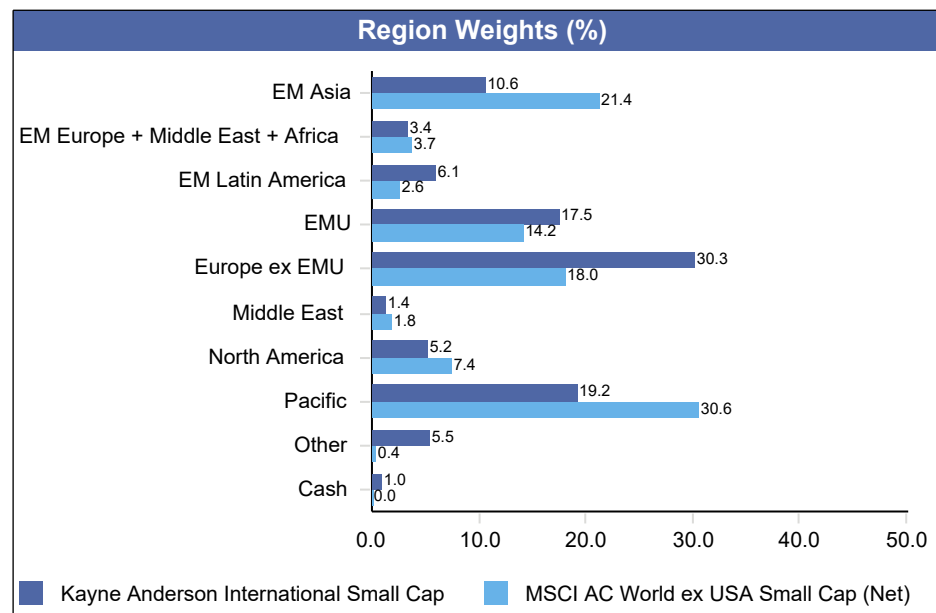


Kayne Anderson International Small Cap vs. MSCI AC World ex USA Small Cap (Net)

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

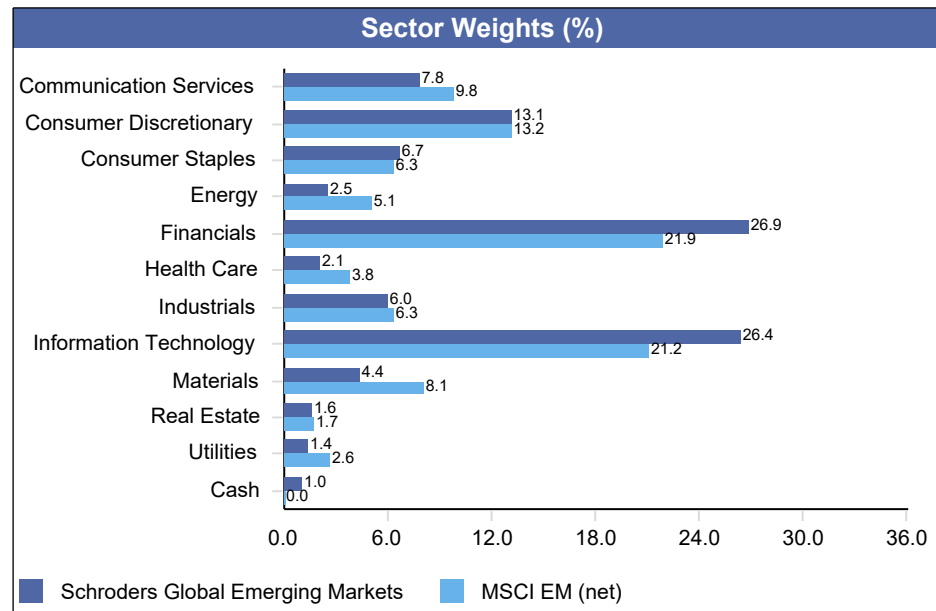


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Baltic Classifieds Group PLC	5.47	0.00	5.47	22.06
Auto Trader Group plc	4.61	0.00	4.61	1.85
Rightmove PLC	4.28	0.14	4.14	-3.58
Alten, Boulogne-Billancourt	3.94	0.12	3.82	-1.36
Haw Par Corp Ltd	3.66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

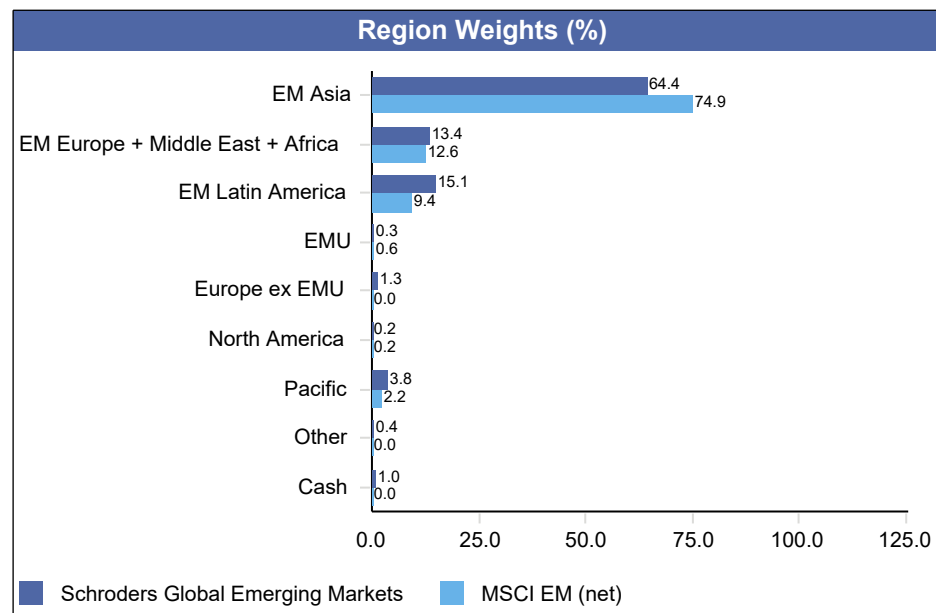


Schroders Global Emerging Markets vs. MSCI EM (net)

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



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



◆ PGIM - Core Fixed Income

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

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

◆ TIAA –Core Impact Bond

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

◆ iShares Core U.S Aggregate Bond ETF

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

● PineBridge – Investment Grade Credit

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

● Brown Brothers Harriman – Structured Fixed Income

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

● BrandywineGLOBAL High Yield

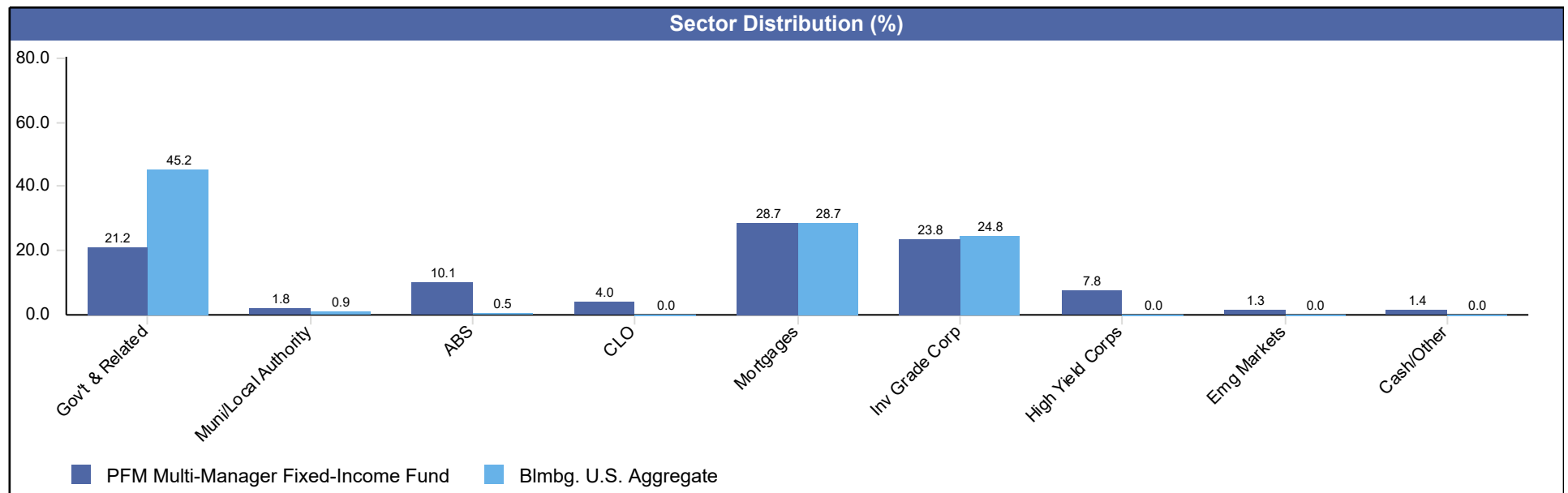
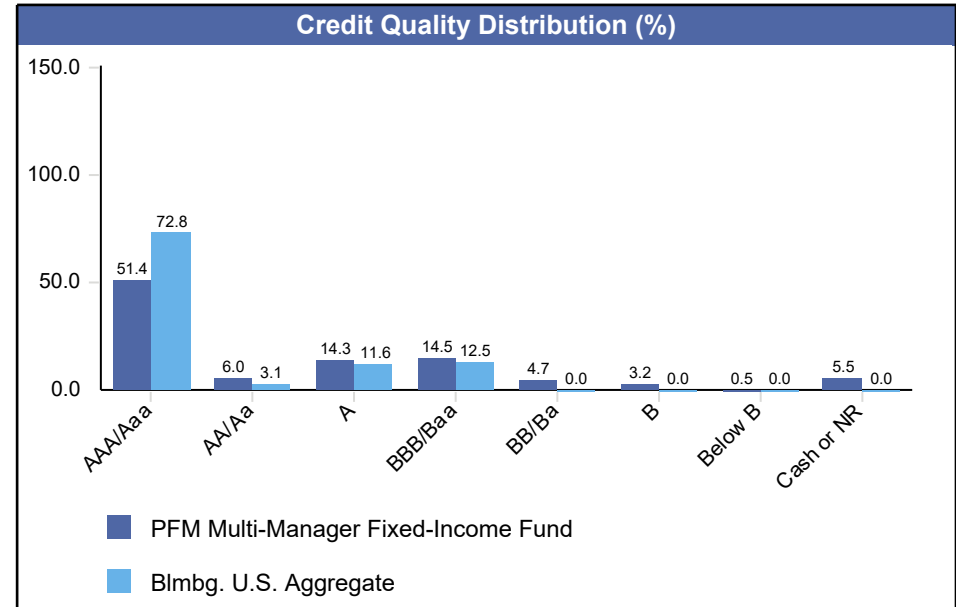
- **Management:** Bill Zox, CFA and John McClain, CFA have led the fund since it's inception in 2014.
- **Objective:** Seeks high current income with the opportunity for capital appreciation.
- **Strategy:** The fund generally holds over 80% of its assets in corporate debt rated below investment grade.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

● Mainstay MacKay Shields High Yield Corporate

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

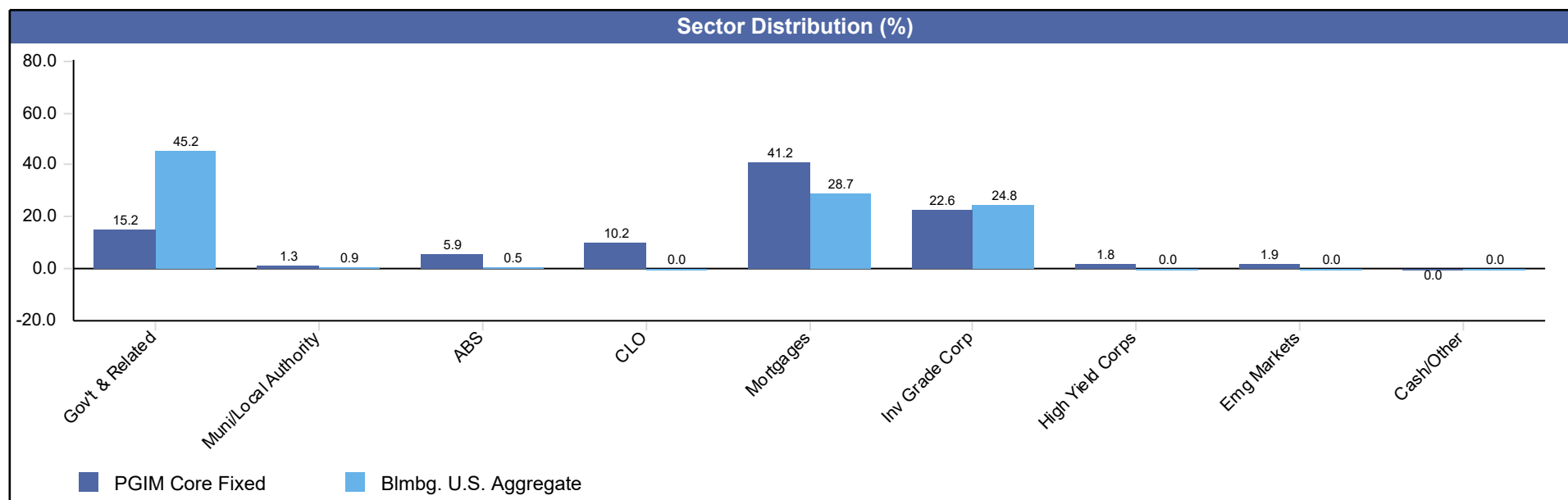
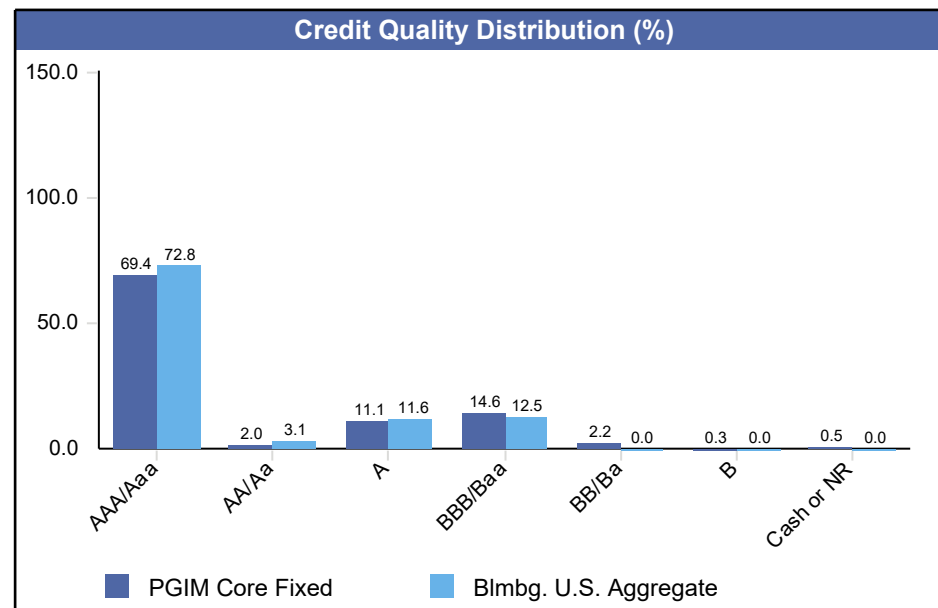
PFM Multi-Manager Fixed-Income Fund vs. Blmbg. U.S. Aggregate

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



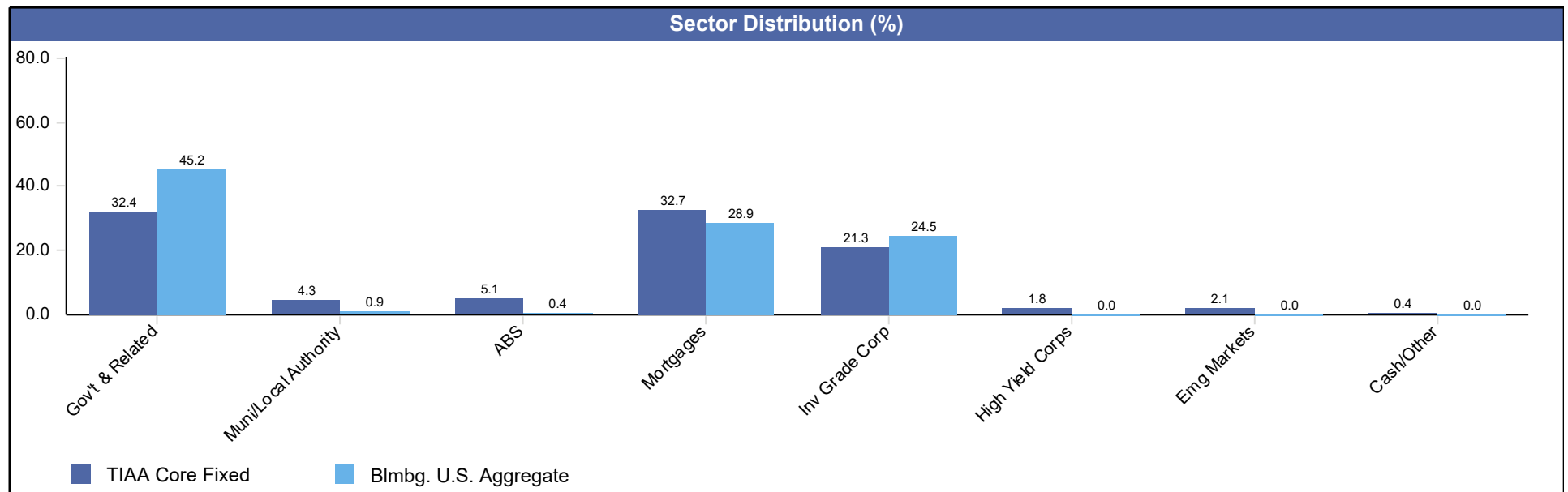
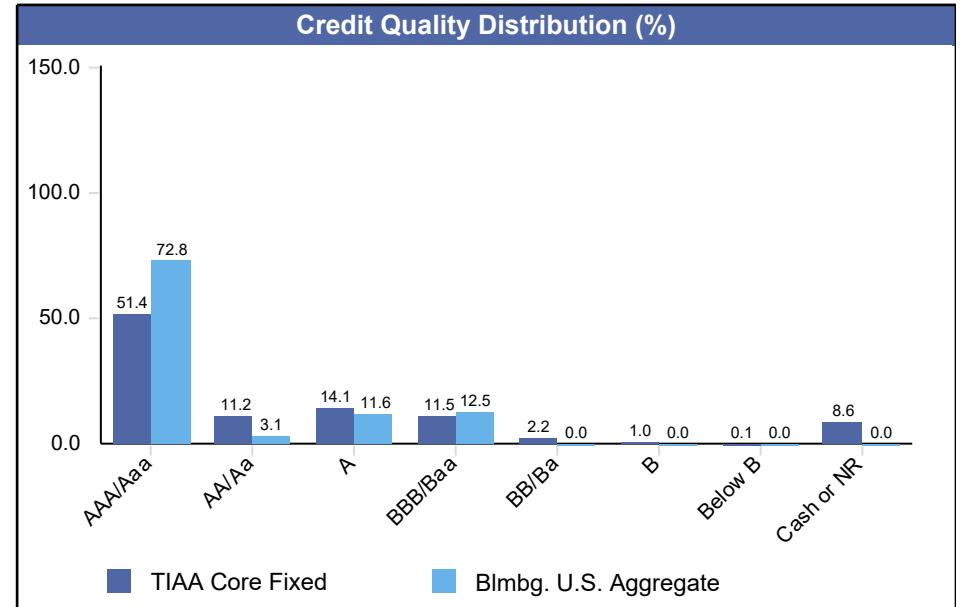
PGIM Core Fixed vs. Blmbg. U.S. Aggregate

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



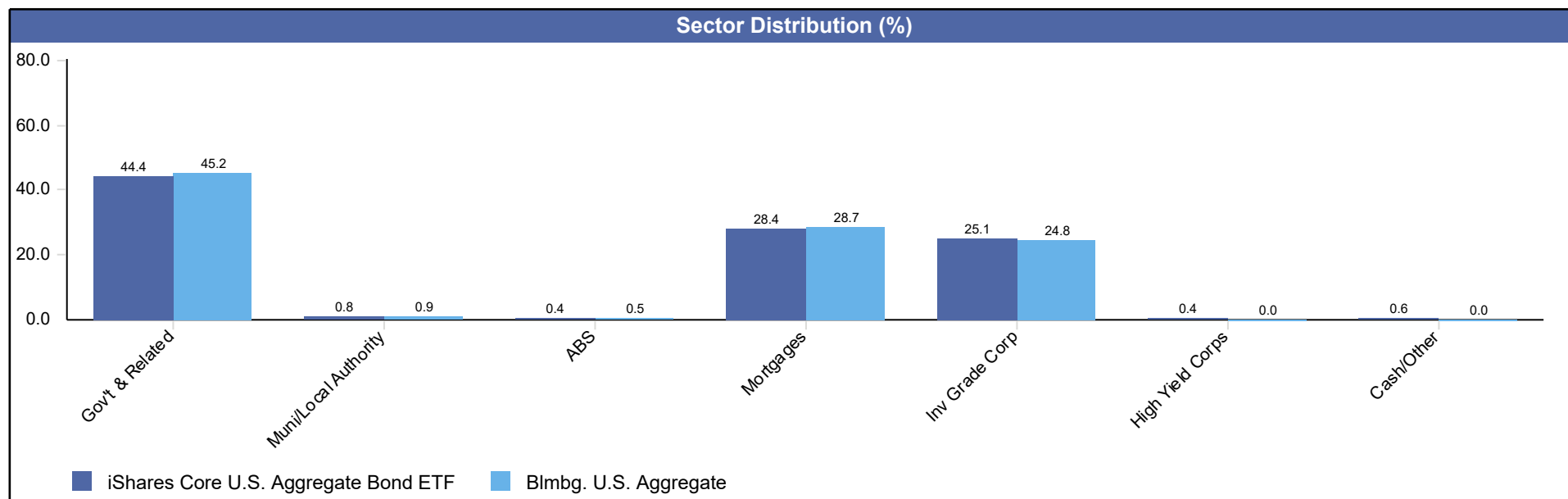
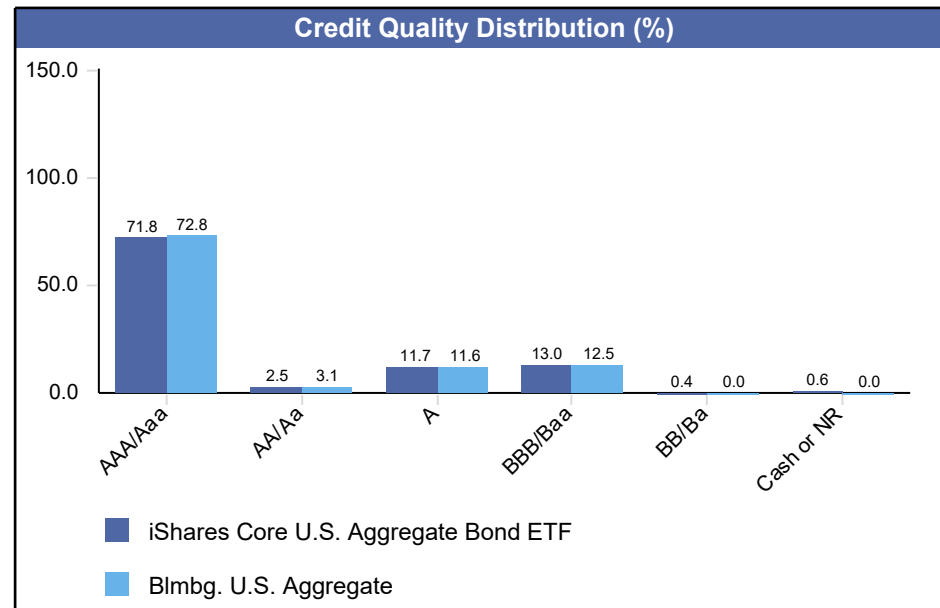
TIAA Core Fixed vs. Blmbg. U.S. Aggregate

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



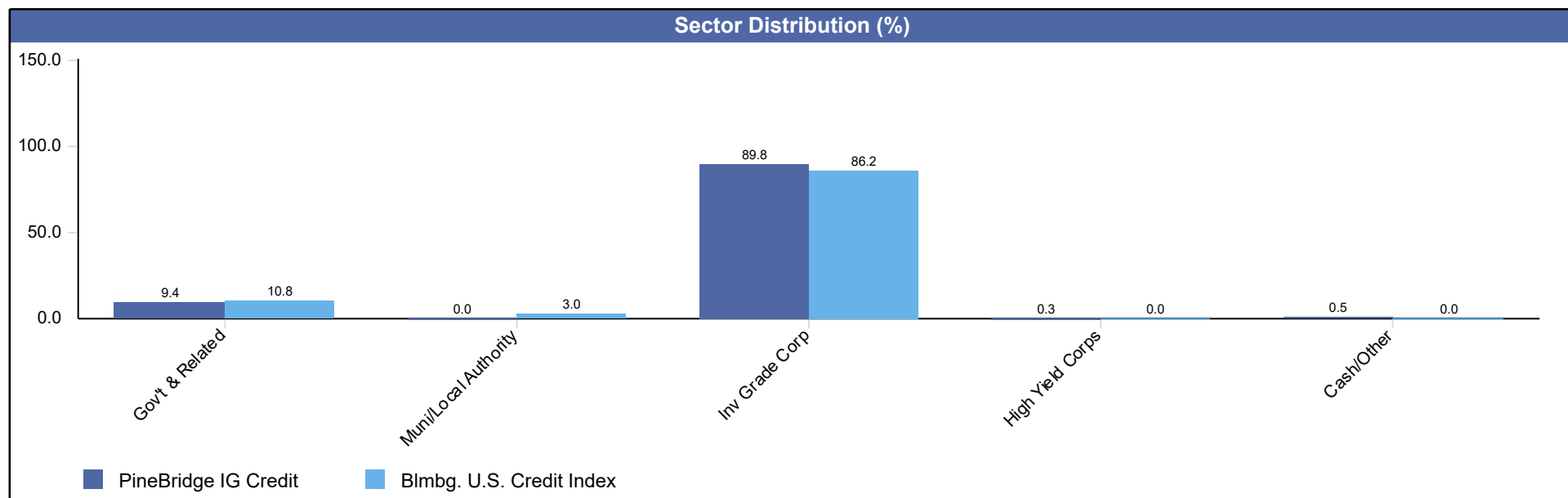
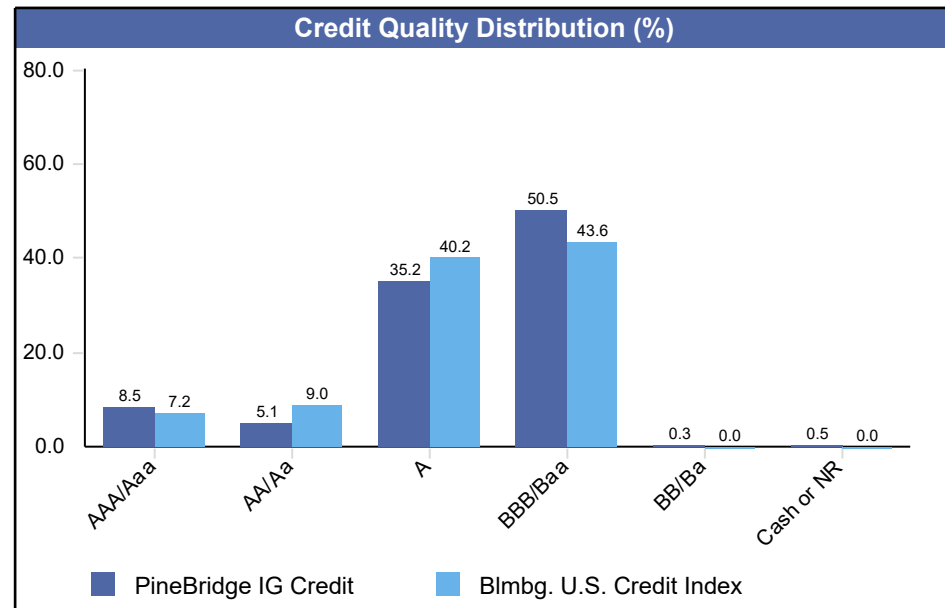
iShares Core U.S. Aggregate Bond ETF vs. Blmbg. U.S. Aggregate

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



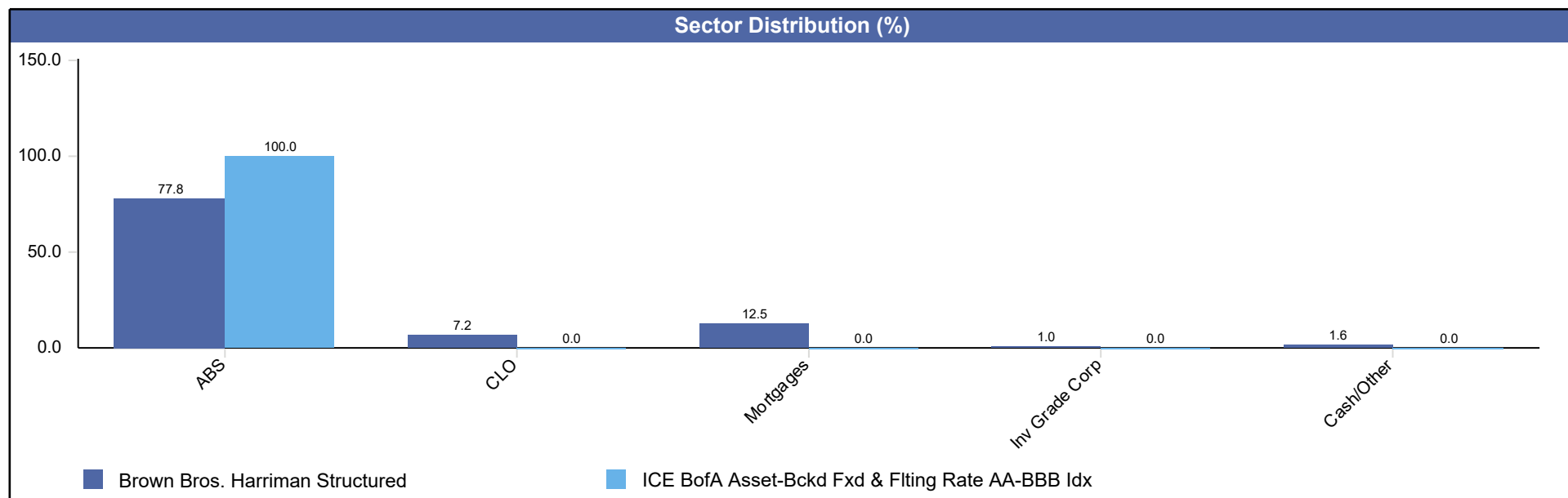
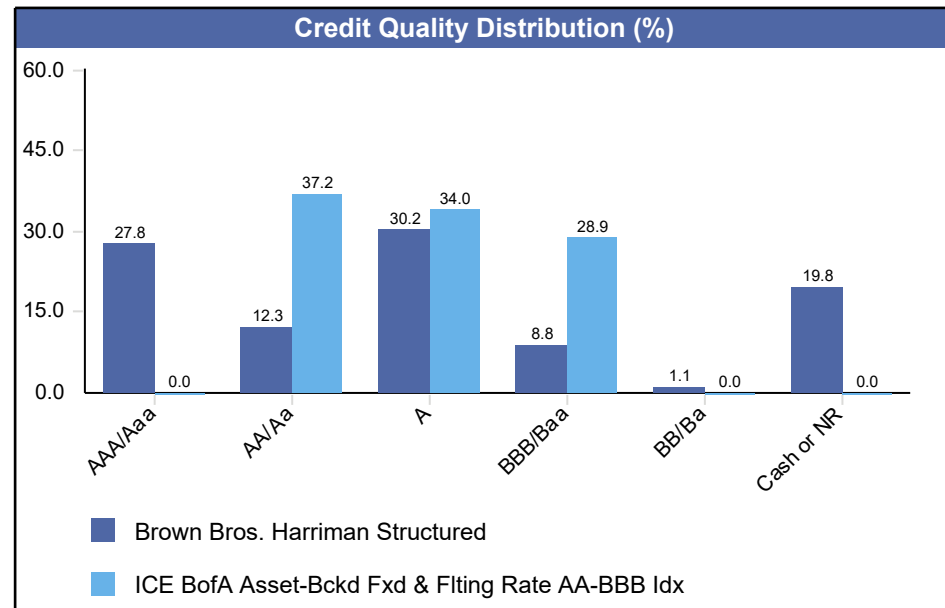
PineBridge IG Credit vs. Blmbg. U.S. Credit Index

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



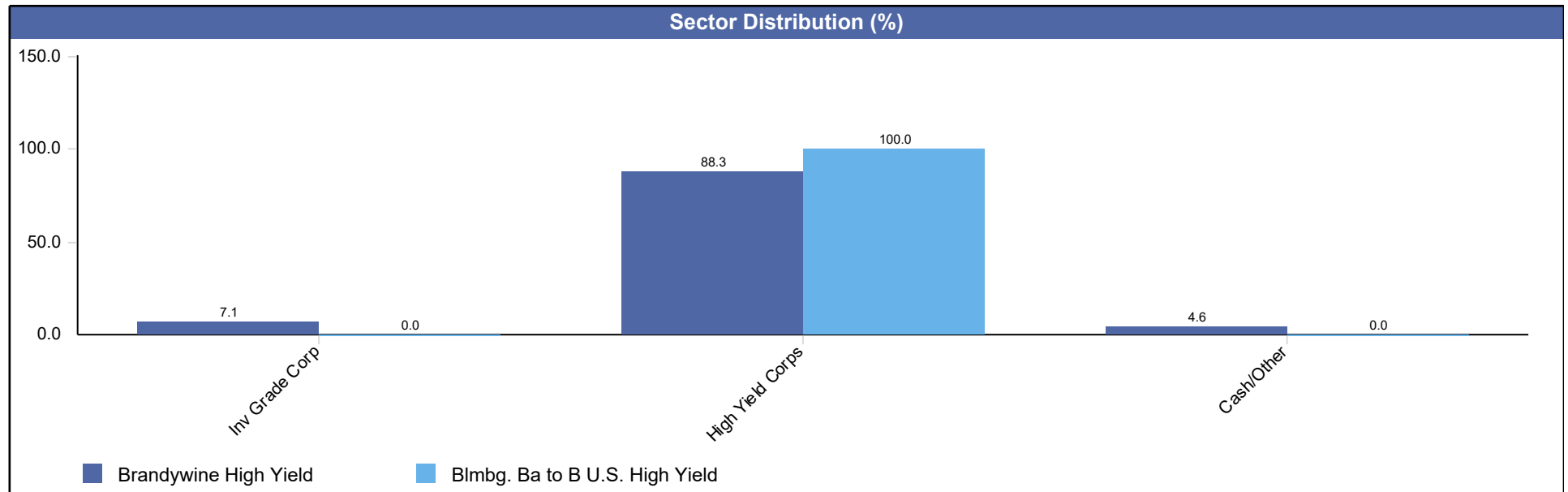
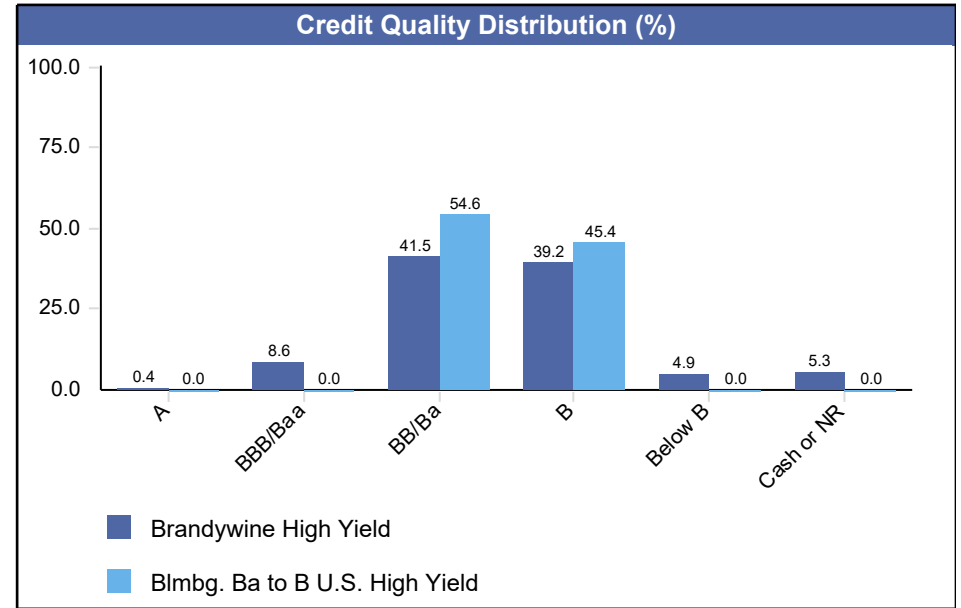
Brown Bros. Harriman Structured vs. ICE BofA Asset-Bckd Fxd & Fltng Rate AA-BBB Idx

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



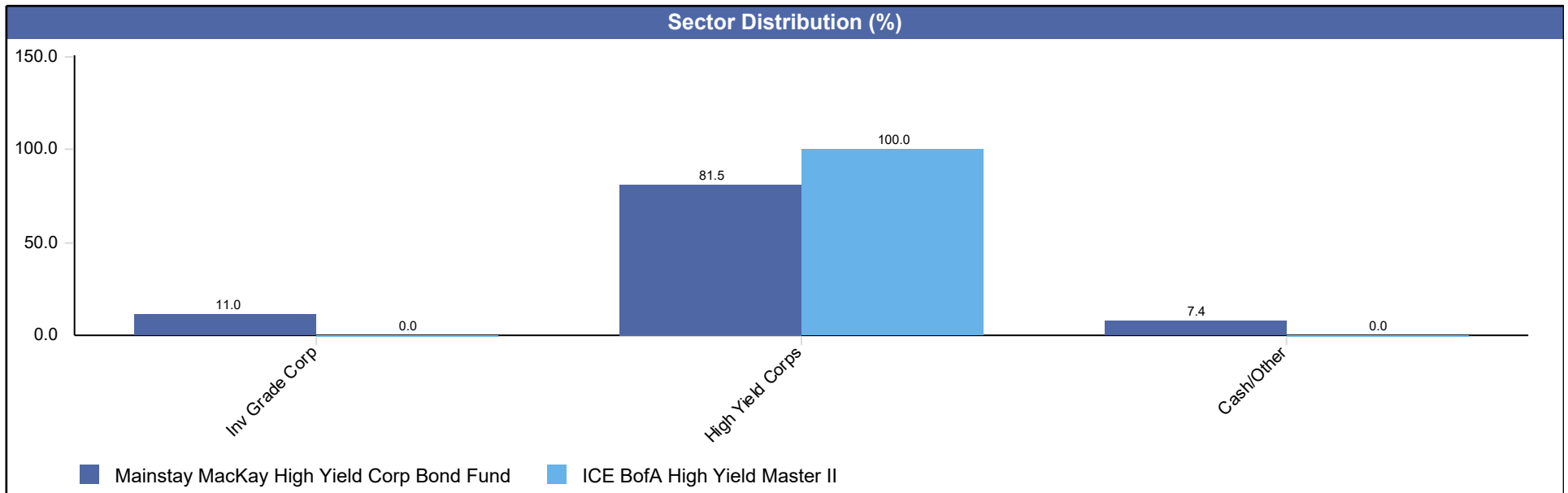
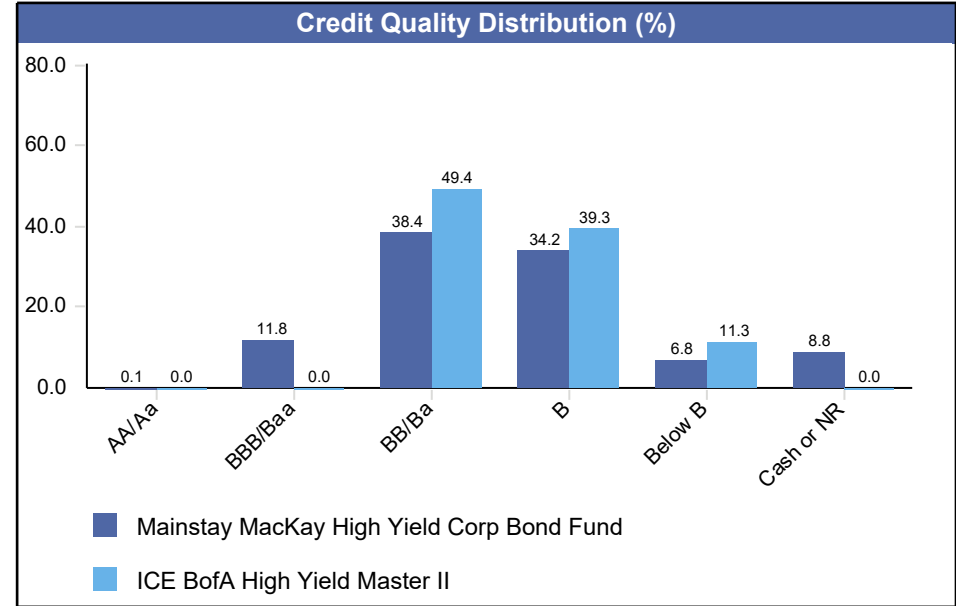
Brandywine High Yield vs. Blmbg. Ba to B U.S. High Yield

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



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

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



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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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

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Portfolio Updates

Multi-Asset Class Portfolio Update

May 11, 2023

SUMMARY

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

ASSESSMENT

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

PORTFOLIO IMPLICATIONS

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

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

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City of Walnut Creek Pension Trust

Economic Overview

The second quarter saw rate hikes domestically and abroad, with the Federal Reserve (Fed) raising rates 25 basis points (bps) in May and the European Central Bank (ECB) raising rates 25 bps both in May and June. The Fed's latest projections suggest two additional rate hikes with the median expectation for the target rate to peak at 5.6% this year, significantly higher than the March projection of 5.1%. In Europe, more hikes are also expected with ECB president Lagarde stating that the ECB has more ground to cover.

The U.S. labor market remained strong and tight in Q2. Over the second quarter, the U.S. economy added 732,000 new jobs. Although the pace of job gains has trended lower over the past two years, job creation remains elevated compared to pre-pandemic levels. The unemployment rate closed the quarter at 3.6%, very near its 50-year low of 3.4% reached in April. But, the strength of the labor market has moderated slightly, as weekly unemployment claims have risen, the number of job openings has fallen from record highs, and the labor force participation rate reached a post-pandemic high of 62.6%. Wage growth, measured by average hourly earnings, remains elevated at 4.4% YoY.

U.S. inflation, as measured by the consumer price index (CPI), has fallen from 6.5% year-over-year (YoY) at the beginning of the year to just 3.0% as of June as monthly gains have moderated. Prices for energy, used cars and airlines fares have shown sharp declines over the past year. But, Core CPI, excluding food and energy prices, remained elevated at 4.8% YoY due to elevated prices for shelter, food, and medical services.

Domestic Equity: The S&P 500 Index posted a positive return of 8.74% for the second quarter of 2023. As of June 30, 2023, the trailing 1-year return for the index is 19.56%. Over the quarter, markets saw a continued rally in Mega-Cap stocks since the first quarter, where index returns were driven by a handful of stocks. At the end of the quarter, that narrow leadership started to broaden out, as small- and mid-cap stocks represented by the S&P 600 (8.23%) and S&P 400 (9.16%) indices, outperformed large-cap stocks, represented by the S&P 500 Index (6.61%) for the month of June.

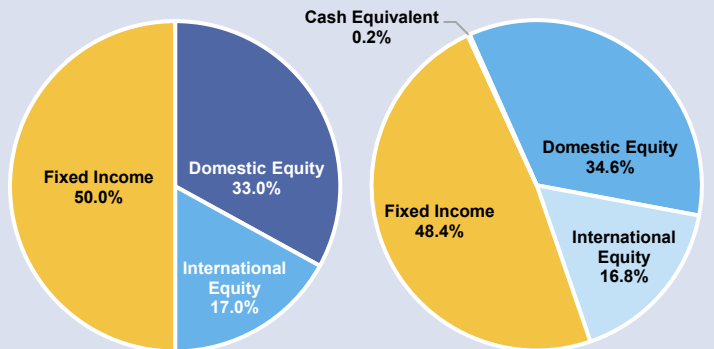
International Equity: Equity markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, significantly underperformed their U.S. counterparts, returning 2.44% for the quarter. Emerging markets (EM), as represented by MSCI Emerging Market Index, underperformed Developed ex-U.S. Markets, represented by the MSCI EAFE Index, returning 0.90% versus 2.95% for the quarter. Within EM, MSCI China (-9.71%) was the largest headwind as the highly anticipated economic recovery remains underwhelming.

Fixed Income: The Bloomberg U.S. Treasury index closed the quarter with a loss of -1.38%. During the period, the FOMC raised interest rates by a quarter point but paused at the June meeting. Despite the pause, hawkish rhetoric of more tightening to come kept interest rates across the curve rising off the low experienced after the banking issues of March. Rates rose across the curve with the 3-month bill reaching 5.30% while the 10-year treasury ended the quarter at 3.84%, continuing a deeper inversion.

Portfolio Performance (Period Ending June 30, 2023)					
	2 nd Quarter	Fiscal Year to Date	1 Year	3 Year	Since Inception ¹
Pension Trust	2.48%	6.72%	6.72%	4.48%	4.86%
Benchmark²	2.74%	7.91%	7.91%	3.84%	4.66%

Target Allocation

Actual Allocation³



City of Walnut Creek Portfolio Growth 2023 2Q Account Reconciliation	
Beginning Market Value	\$24,073,672
Net Flows⁴	-\$13,735
Earnings	\$597,094
Ending Market Value	\$24,657,031

1. Inception date of September 1, 2018.
 2. Blended Benchmark – September 2018: 33% Russell 3000 Index + 17% MSCI AC World ex USA (Net) + 50% Bloomberg Aggregate.
 3. The asset allocation ranges are: Domestic Equity: 13%-53%; International Equity: 0%-37%; Fixed Income 30%-70%.
 4. Net cash flows equal cash inflows (contributions) less cash outflows (distributions, fees).