



December 22, 2021

City of Santa Rosa

Response to Request for Proposal- Section 115
Trust Administration Services

Presented by:

Paulina Woo, Managing Director

Ellen Clark, Director

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NO BANK GUARANTEE :
MAY LOSE VALUE**

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Management LLC

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Scott Wagner
Financial Analyst
City of Santa Rosa
90 Santa Rosa Avenue
Santa Rosa, CA 95404

RE: Request for Proposal – Section 115 Trust Administration Services

Dear Scott:

PFM Asset Management LLC (“PFMAM”) appreciates the opportunity to provide an overview of our investment advisory services to establish an irrevocable Internal Revenue Service (IRS) Code Section 115 Trust(s) for the City of Santa Rosa (the “City”). The objective of the trust is to assist the City in:

- Reducing the current unfunded accrued liability (UAL);
- Offsetting any potential increases to the City’s UAL;
- Absorbing potential increases to the Employer Contribution Rate; and
- Making additional discretionary payments.

As a client of PFMAM, you already know we focus on meeting our clients’ specific needs and providing independent investment advice. We believe that, in collaboration with the City, we can implement an innovative solution that will meet the City’s goals for establishing a Section 115 Pension and OPEB Trust.

PFMAM offers a Multiple-Employer Section 115 Trust in collaboration with Wells Fargo Bank N.A.¹ The PFM/Wells Fargo Multiple-Employer Section 115 Trust obtained a Private Letter Ruling (“PLR”) from the IRS on November 4, 2015. This structure allows us to provide the City with objective and transparent advice and join the City as co-fiduciaries as we administer the investment program. PFMAM is able to provide services that encompass everything from benefit and trust design to funding analysis to establishing investment and governance policies that are tailored to each client’s unique situation. As an organization, we are committed to our independence, and we have never received fees or any remunerations from a third-party.

Our Multiple-Employer Section 115 Trust offers:

- An easy, straight-forward set-up process;

¹ Principal Financial Group acquired Wells Fargo Institutional Retirement and Trust business in July 2019. The final transition of systems to Principal Trust is anticipated to be complete by April 2022.



- A comprehensive solution that includes investment management and custody services in a cost-efficient manner;
- Customizable investment options, designed to meet the unique needs and preferences of each client;
- Disciplined, time-tested investment process focused on fundamental analysis and seeking downside protection;
- Dedicated administrative support along with the information needed to complete annual reports, audits, and associated GASB filings; and
- An institutional-quality investment reporting package.

PFMAM Advantages and Distinguishing Features

PFMAM's core competency is investment management and consulting for the public sector. More than 90% of our revenue comes from public clients. Our professionals have been providing investment advisory services to public retirement plans for decades and have a strong knowledge of the requirements of public retirement plans that we believe is hard to replicate by other investment firms. We understand that each client faces different goals, challenges, objectives, and liquidity needs. Each City has its own priorities and circumstances that influence what type of portfolio is most appropriate. PFMAM specializes in custom solutions designed to meet your unique needs and preferences. Our trust services are characterized by the following factors that we believe differentiate us from other firms:

- **Proactive Investment Solution.** We will proactively manage the City's portfolio in response to changing market conditions, acting as a fiduciary, and using our discretion to make investment decisions on each client's behalf. This benefits the City by providing not only timely decisions based upon the evolving market environment, but also by providing administrative efficiencies so that City staff can gain additional time to focus on other important strategic matters.
- **Low-Cost Approach.** Our disciplined investment philosophy combines a relatively low-cost structure, due to a bias towards passive strategies, with our dynamic asset allocation overweighting undervalued and underweighting overvalued asset classes.
- **Client-Centric Approach to Service.** We treat each client relationship as a partnership, and we strive to deliver on each of our clients' unique needs. PFMAM provides high-quality, customized client service through a combination of dedicated local senior advisors, as well as regional and national support. We are offering the City a senior team with in-depth experience in asset management to provide timely investment advisory services to the City.
- **Strong and Consistent Performance.** Our proactive approach and investment philosophy are primary drivers of our strong and consistent performance record. Our Global Investment Performance



Standards (“GIPS®”) performance track record spans more than 10 years. Please refer to our table showing the GIPS® composites we recommend to the City on Page 10.

- **Fiduciary Independence.** PFMAM will act as a co-fiduciary of the plan. PFMAM is independent and takes no custody of assets, fees, or soft dollars from the underlying managers. We provide objective, well-reasoned, and independent advice.
- **Client Education.** PFMAM ensures that stakeholders are educated and informed during the entire Trust development and management processes. We dedicate time and resources to ensure transparency and clear communication with regard to strategy and performance.

Experience

PFMAM has served public agencies in California **since 1987** and has a deep understanding of clients’ needs. We have provided investment advisory services to clients with Section 115 trusts since 2007 when we began working with other post-employment benefit (“OPEB”) trusts. This expanded to include funds set aside for pension funding in 2015.

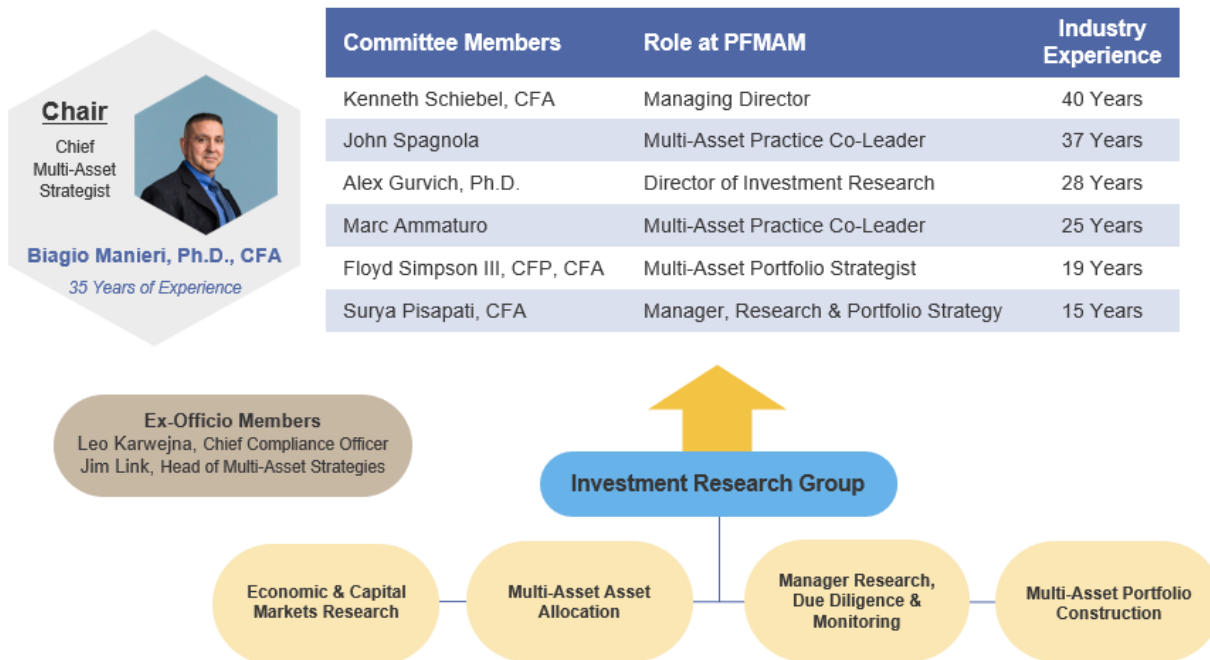
Additionally, we serve as the City’s investment advisor, have advised on the establishment of an OPEB trust, and have prepared a pension reform study and a Long-Range Financial Plan for the City. The City has been a client of PFMAM since 2007. We currently manage more than \$550 million in operating funds and reserve funds to specific fixed-income strategies. We have developed customized portfolio reporting for the City and its Council. We work with the City on optimizing its cash flow and updating its investment policy.

PFMAM also manages more than \$44 million in OPEB trust funds for the City. We were hired as discretionary managers in 2008, and Ellen Clark has been servicing the City since 2012. As of September 30, 2021, the Operating Engineers OPEB Trust fund gained 6.2% through the first three quarters of 2021 versus a benchmark of 5.0%. Furthermore, the Trust gained 9.9% against a benchmark of 8.8% since inception. This demonstrates PFMAM’s ability to add significant value and exceed the City’s benchmark. The establishment of a pension and/or OPEB trust(s) would be an extension of the services already provided to the six OPEB trust sponsored by the City.

Our services encompass everything from benefit and trust design to funding analysis to establishing investment and governance policies that are tailored to each client’s unique situation. Over the past decade, we have refined our services to meet the needs of our clients. Key differentiators of our program include our ***completely customized program*** for each client and ***our focus on the investment performance.***



When managing multi-asset class portfolios, we collaborate with the client to determine suitable asset classes for investment, as well as asset allocation parameters. Then, our investment professionals use their discretion to select, monitor, and terminate investment managers on behalf of our clients. Our Investment Committee is led by PFMAM's Chief Multi-Asset Class Strategist, Dr. Biagio Manieri, CFA, who is supported by a team of analysts in our Multi-Asset Class Investment Research Group (illustrated below).



Client Service Team

Our client service team, based in San Francisco, will provide the City with local support while being able to draw upon the firm's 230 investment professionals nationwide. The engagement team proposed to work with the City includes Ellen Clark, Multi-Asset Class Portfolio Strategist, as the City's Relationship Manager and day-to-day contact for this work; she will be supported by Joseph Federico, Senior Managing Consultant, whom the City also knows well, as the City's primary contact for your Stipend Plans. Paulina Woo, Managing Director, will oversee our relationship with the City.

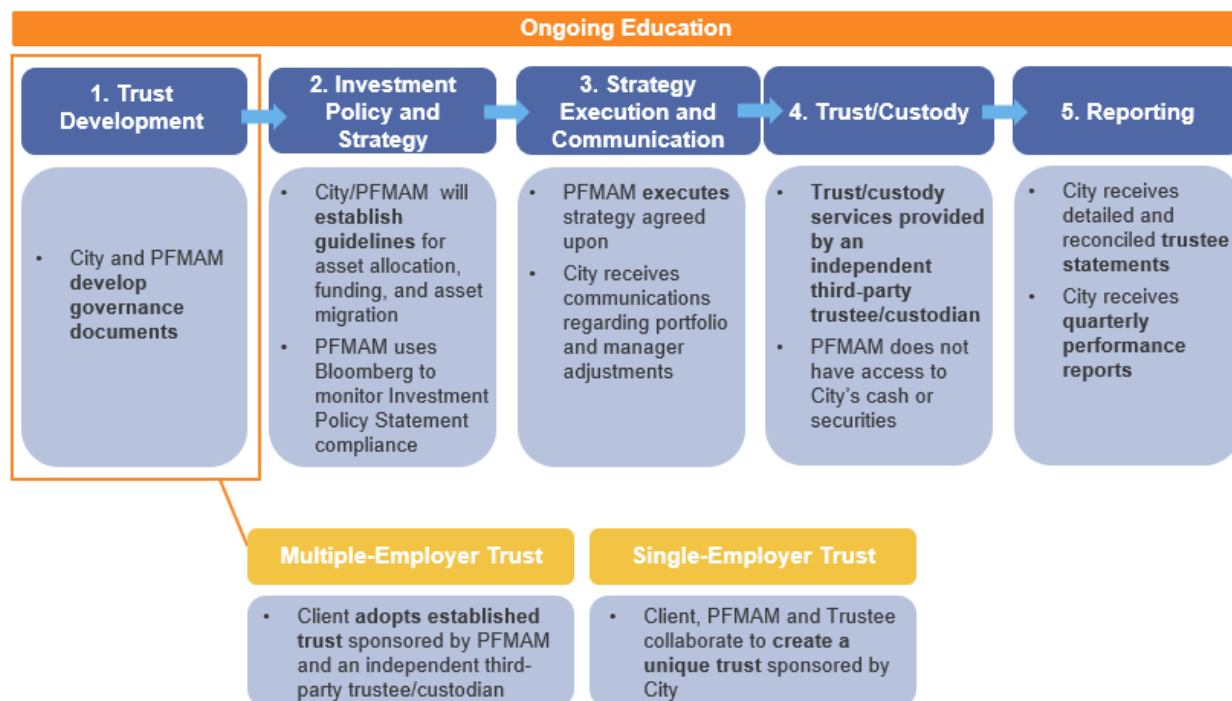
The client relationship team will be supported by the Multi-Asset Class Investment Committee mentioned above. Detailed resumes of the engagement team are attached.



PFMAM's Full-Service Section 115 Trust Services

Illustrated in the following graphic, we have structured our Section 115 trust program to offer comprehensive fiduciary support and administrative and investment advisory services through a customized full-service program while maintaining **simplicity, flexibility, and control**.

PFMAM's full range of services include:



- Section 115 Trust Administration.** In collaboration with Wells Fargo Bank N.A., we have established a PFM/Wells Fargo Multiple-Employer Section 115 Trust for which a Private Letter Ruling ("PLR") was obtained from the IRS on November 4, 2015. The PLR provides assurance to adopting entities that earnings of the trust are tax-exempt. The trust meets the three primary requirements for compliance with GASB Statements 43, 45, 74, and 75. To be GASB qualifying, the trust must be (1) irrevocable, (2) remote from the creditors of the employer and administrator, and (3) for the exclusive benefit of the trust's participants and beneficiaries. The trust is easy to adopt, reducing the time that decisionmakers spend on complicated paperwork, thereby increasing the time available to focus on what is more important to the trust—ensuring its long-term sustainability.



- **Investment Policy Development.** At the beginning of the relationship, we would undergo a thorough portfolio planning process with the City that will result in the drafting of a customized investment policy based on the Section 115 Pension Trust's unique set of objectives and constraints.



- **Diversified Asset Allocation.** PFMAM maintains strict adherence to a disciplined process that ultimately determines the amounts recommended to be allocated to equities, fixed income, or alternative investments. While other firms may limit their portfolios to core asset classes, we have the resources and capabilities to carefully diversify the Trust into non-core asset classes that can help enhance its performance and meet its targeted rate of return. Our process for recommending an overall portfolio structure, including a target asset allocation and investment policy, starts with a review of the City's time horizon, risk management, liquidity needs, and return assumptions. In order to understand and evaluate these parameters, we typically conduct a detailed asset allocation to identify potential alternative target asset allocations. This is an iterative process. We will examine various portfolio structures using Monte Carlo simulation to evaluate different asset allocations depending upon your risk tolerance and return objectives. The end result will be the selection of an asset allocation that best meets the appropriate long-term balance between the City's ability to withstand losses and its desire to grow the portfolio. Based on the asset allocation structure selected by the City, we will draft a customized investment policy statement that includes strategic targets and permissible ranges for each asset class to allow for a degree of tactical asset allocation adjustments.
- **Active/Passive Management Balance.** We believe a combination of active and passive management allows our clients to achieve their investment goals at a lower overall cost. In general, we recommend passive management in the more efficient asset classes where it is very difficult for active managers to outperform the broad market (e.g., large-cap domestic equities), and we recommend active management in the less efficient asset classes where talented investment managers are rewarded (e.g., emerging-markets equities). This approach to investing is designed to help our clients achieve market returns at a lower cost, while also benefiting from active management, which we feel will result in higher returns in certain asset classes.
- **Investment Manager Research.** PFMAM has developed an extensive manager platform that includes quantitative and qualitative analyses, proprietary scoring models, formal



manager reviews, and fee negotiation. Our research analysts follow a disciplined due diligence process to determine appropriateness.

- **Performance Measuring, Monitoring, and Reporting.** Our quarterly performance reports include Global Investment Performance Standards (“GIPS®”)-compliant performance reporting, an economic update and outlook, a comparison of the portfolio’s actual asset allocation versus its policy limitations, and an assessment of the performance of each underlying manager. On an ongoing basis, we monitor the overall portfolio and each manager’s adherence to clients’ policy objectives and guidelines. The City will be provided with an annual financial report from your custodian that will comply with the guidance provided by GASB. The City will have access to our Easy Online Network (“EON”), and we will provide the City with a monthly statement that can be published on EON (<https://eon.pfmam.com>). The statement will show the City’s security positions and transactions for the Trust as well as portfolio composition. EON also offers the City daily access to portfolio holdings, as well as the ability to review and print complete portfolio details. We are committed to providing excellent customer service to the City of Santa Rosa. We are available to meet with the City as needed but anticipate meeting at least semi-annually to provide an overview of the markets, and review portfolio strategy and performance. Please find attached a sample performance report.
- **Training and Educational Services.** We offer a comprehensive variety of educational services to clients, with frequency and content determined by both client needs and new research or market conditions. Listed on the next page are examples of forums that would be available to the City, led by members of our Investment Committee or other senior PFMAM professionals.

Client-Specific Education and Training

- **In-Meeting Topics:** We typically discuss economic issues and research ideas at each quarterly meeting.
- **Client-Tailored Education:** We will also design specific training presentations covering various topics at the client’s request.
- **Individual Review:** We will meet with new or current board members to inform and educate them on the structure of the portfolio, in addition to discussing other strategic directives being addressed.



Client Publications and Educational Opportunities

- **Manager Alerts:** These alerts describe any material change that could impact the investments with a particular manager. Please find sample alerts attached.
- **Special Reports:** We distribute these reports on an as-needed basis to announce important market events, such as Federal Open Market Committee announcements and rating agency downgrades.
- **Webinars and Conference Calls:** We provide periodic web and telephone conferences covering a wide variety of investment, public sector, economic, and other topics.
- **Education Symposiums:** We host an annual client education conference to review the previous year and look at the upcoming year.
- **Off-Site Client Training:** Clients are invited regularly to our sponsored educational seminars held at off-site locations. These training events often feature industry subject matter experts on various economic, investment, or other finance-related topics. Many of our training sessions also qualify for continuing professional education credits.

Institutional Trust and Custody Services.

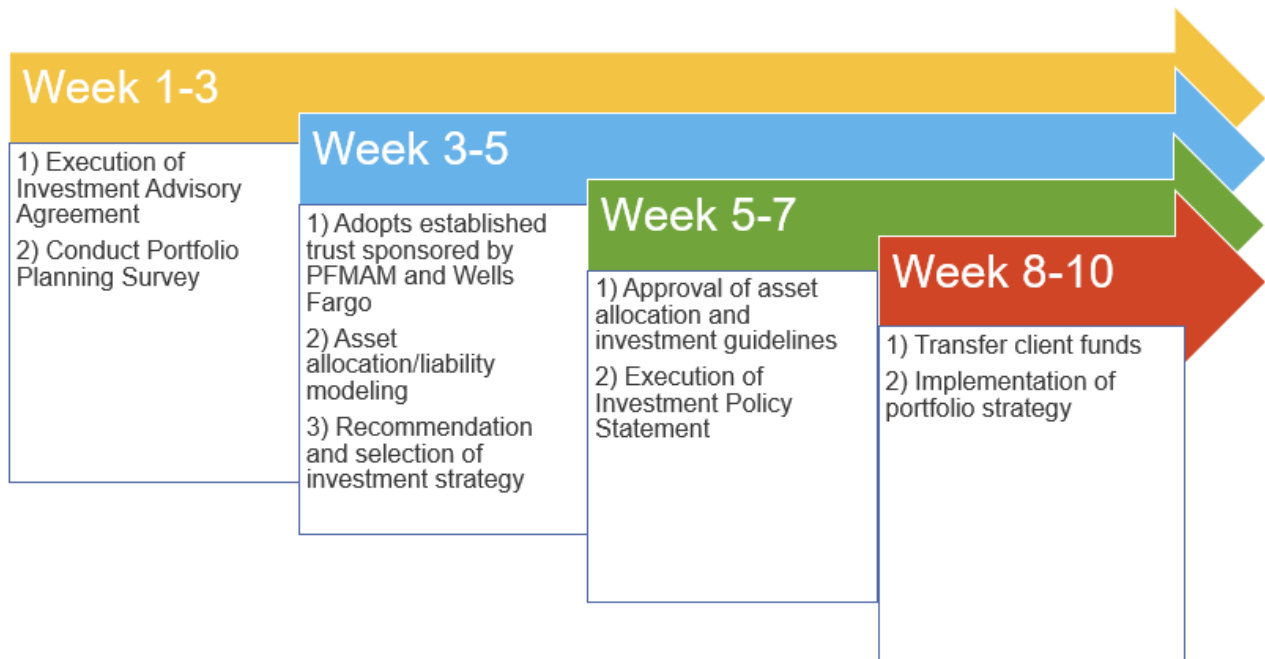
Trust and custody services for our Multiple-Employer Section 115 Trust Solution are provided by Wells Fargo N.A. Contribution and distribution requests would need to be directed to Wells Fargo Bank N.A. as the Trust's custodian under our Section 115 solution. Contributions may be received by wire, ACH, or check. Wells Fargo will promptly inform PFMAM of the receipt of any contributions so that funds may be invested in a timely manner. Disbursements may be made, when directed by an authorized party, by wire, ACH, or check. Upon receipt of the request, Wells Fargo directs our firm to provide the necessary liquidity and the transfer is made.

As GASB recommends, PFMAM has implemented a structure that includes a dedicated trustee (Wells Fargo) and a separate investment fiduciary (PFMAM). This structure provides control and risk mitigation through a process of checks and balances. The trustee has custody of the assets but must generally take direction relating to the investment of assets. The investment fiduciary is responsible for making investment decisions that are in the best interests of the plan and its participants but does not have custody of the assets. Therefore, the client always has two independent parties acting as fiduciaries in the investing and safekeeping of plan assets.



Implementation Schedule

We understand the City is seeking a qualified firm to establish and oversee the City's Section 115 Pension Trust and provide administration and investment management services. As we have helped many clients over the years establish new Section 115 trusts for pension and OPEB assets, we will guide the City through an implementation process that meets the City's deadline. It is possible to execute the documents, conduct an asset allocation study, and implement the trust program within 90 days. The timing is dependent upon the availability of the City. The illustration below also outlines how we envision the City and PFMAM will work together to implement a thoughtful and comprehensive investment program.



Fees

PFMAM's fees are assessed based upon assets under management, which we believe provides a competitive, unbiased, and cost-effective approach to meeting the City's investment needs. This fee includes all services described throughout this letter, travel and other out of pocket expenses. PFMAM's current fee schedule for all multi-asset class services is on the next page. Assets are aggregated,



including the existing Stipend plans and any new assets, for fee calculation purposes. *All new assets will have a fee of approximately 0.23%.* For example, if the City funds \$5,000,000 into the new trust the annual fee would be approximately \$11,500 on these assets. In addition, due to the current schedule and aggregation of assets the City will realize a fee savings of \$36,000 on the Stipend plans. A reminder, if the City uses our multiple employer trust, you will also pay Wells Fargo/Principal Trust to provide institutional trust and custody services. We have provided both fee schedules as a separate attachment to this letter.

Assets Under Management	Annual Fee*
Initial \$25 million	30 basis points (0.30%)
Next \$75 million	15 basis points (0.15%)
Next \$150 million	10 basis points (0.10%)
Next \$250 million	5 basis points (0.05%)
Over \$500 million	2 basis points (0.02%)

*Minimum fee of \$15,000 applies.

Strong Track Record

PFMAM believes that each client is unique. Rather than requiring our clients to select from a limited menu of model portfolios, we work with each client to develop a customized investment strategy, tailored to that client's unique goals and risk/return objectives. We do not simply place each of our clients into a standard "model" portfolio. Therefore, the available investment options can be tailored to the City's specific needs and preferences.

Below we highlight the return history for four common investment strategies chosen by our clients establishing a Section 115 Pension Trust. Each composite is a blend of equity and fixed income. For example, PFM Multi-Asset Class 60:40 Composite represents 60% Equity/40% Fixed Income.

Strategy/Benchmark	Average Annual Total Returns							
	for periods ended September 30, 2021							
	3Q21	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
PFM Multi Asset Class 60:40 Composite	-0.41%	18.23%	14.66%	11.15%	10.26%	10.53%	8.77%	10.01%
39% Russell 3000, 21% MSCI ACWI ex US, 40% Barclays Aggregate	-0.62%	16.43%	13.10%	10.46%	9.47%	9.81%	8.14%	9.38%
PFM Multi Asset Class 50:50 Composite	-0.28%	15.63%	13.03%	10.35%	9.35%	9.42%	7.97%	9.14%
33% Russell 3000, 17% MSCI ACWI ex US, 50% Barclays Aggregate	-0.49%	13.44%	11.49%	9.73%	8.61%	8.73%	7.41%	8.39%
PFM Multi Asset Class 40:60 Composite	-0.16%	12.91%	11.40%	9.57%	8.36%	8.33%	7.16%	8.13%
26% Russell 3000, 14% MSCI ACWI ex US, 60% Barclays Aggregate	-0.39%	10.43%	9.77%	8.88%	7.62%	7.57%	6.58%	7.30%
PFM Multi Asset Class 30:70 Composite	-0.01%	11.18%	9.87%	8.77%	7.53%	7.34%	6.43%	7.18%
20% Russell 3000, 10% MSCI ACWI ex US, 70% Barclays Aggregate	-0.26%	7.55%	8.14%	8.09%	6.71%	6.47%	5.81%	6.28%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate. Data shown is prior to the deduction of investment advisory fees. GIPS compliant composite presentations are available upon request.



References

Over the past decade, PFMAM has been able to assist numerous California public agencies in establishing and managing their Section 115 Trust. The City of Walnut Creek, City of Sunnyvale, and City of Santa Cruz are a sample of the clients for whom we work. We would be pleased to provide you with the contact information for these clients, so you can learn about their experience with our multi-asset class services.

We hope this letter, along with your experience as a client, gives you an overview of the services PFMAM can provide the City for the new pension and OPEB section 115 trust you plan to establish to supplement your CalPERS obligations and fund the City's PEMHCA OPEB obligations. We appreciate your consideration and welcome the opportunity to discuss our services in greater detail. Should you have any questions or need clarification about our services, please contact either of us by phone or email listed below.

Wishing you pleasant holiday.

Sincerely,



Paulina Woo
Managing Director
PFM Asset Management LLC
(415) 470-7815
woop@pfmam.com



Ellen Clark
Director
PFM Asset Management LLC
(415) 509-6863
clarke@pfmam.com

Enclosures:

Resumes

Performance Report

Alerts

Trust Agreement

Adoption Agreement

Administrative Services Agreement

Fee Schedules – *included as a separate document*





Enclosures



Resumes



Paulina Woo

Managing Director

PFM Asset Management LLC

Paulina joined PFM Asset Management in 2007 and manages client relationships for public agencies located throughout the western United States. Her responsibilities include: investment advisory and consulting services, cash flow modeling, portfolio structuring, economic research, treasury management consulting and investment policy evaluations. She works with a diverse number of municipalities, institutions of higher education and non-profit organizations.

Paulina is a frequent speaker at municipal conferences and seminars for clients and board members; covering such subjects as bond proceeds investment, building an investment program, permitted investments, development of investment policies and internal controls, and managing risk in public investment.

She is a member of the Government Finance Officers Association (GFOA) and is an Advisor member of the GFOA Committee On Treasury and Investment Management (TIM). She is also an active participant in several additional public finance organizations, including the National Association of Counties (NACo), Government Finance Officers Association of Arizona (GFOAz), New Mexico Government Finance Officers Association (NMGFOA), the Arizona County Treasurer's Association (ACTA), and Colorado River Finance Officers Association (CRFOA). She also participates in Women in Public Finance, National Association of Hispanic County Officials, and Asian Americans in Public Finance.



Contact

1201 S Alma School Road
Mesa, AZ 85210

woop@pfmam.com
415.470.7815 office

Specialties

Healthcare, State & Local
Governments

Education

B.A. in Ancient History and
History
University of Texas at Austin

M.A. in History
University of California,
Berkeley

Professional Designations or Licenses

FINRA Series 6 and 63
licenses

Started with PFM: 2007

Started in the Field: 2007

Ellen Clark

Director

PFM Asset Management LLC

Ellen Clark joined PFM Asset Management in 2012 as a multi-asset class specialist. In her role, she is responsible for assisting clients with investing long-term total return portfolios - primarily for pension plans, other post-employment benefit (OPEB) trusts and endowments, and foundations using the firm's discretionary outsourced chief investment officer (OCIO) services. Ellen primarily works with local governments to establish Section 115 trusts for OPEB and pension rate stabilization, develop investment policy and asset allocation guidelines, and monitors their investment programs.

Prior to joining the firm, she was a Senior Investment Consultant with Watson Wyatt Investment Consulting. Her clients ranged from defined benefit and defined contribution plans, both corporate and public, healthcare organizations, endowments, and foundations. Ellen has also held business development, client relationship, and investment research roles at INVESCO and Kidder Peabody and Co.

Ellen has over 30 years of industry experience and firmly believes an "educated client is a good client". She enjoys working with her clients, speaking on topics related to multi-asset class investing, and the challenges investors face in today's investing environment.

She holds a Bachelor's of Arts in Psychology from Whitman College and an Master of Business Administration in Finance and Marketing from Seattle University.



Contact

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San Francisco, CA 94111

clarke@pfmam.com
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Specialties

Pensions & Other Post-Employment Benefits (OPEB), State & Local Governments, Endowments, Foundations & Charitable Institutions

Education

B.A. in Psychology
Whitman College

MBA in Finance and Marketing
Seattle University

Professional Designations or Licenses

FINRA Series 6 and 63
Licenses

Started with PFM: 2012

Started in the Field: 1982

Joseph Federico

Senior Managing Consultant
PFM Asset Management LLC

Joseph Federico is a senior managing consultant who primarily works with local governments. He establishes Section 115 trusts for OPEB and pension rate stabilization, develop investment policy and asset allocation guidelines, and monitors their investment programs.

Joe joined PFM Asset Management in 2012 as an analyst in our Philadelphia office. Since then, Joe relocated to our San Francisco office and is currently responsible for assisting clients with investing long-term total return portfolios - primarily for pension plans, other post-employment benefit (OPEB) trusts and endowments, and foundations using PFM's discretionary outsourced chief investment officer (OCIO) services.

Prior to joining the firm, Joe worked with Fairman Group Family Office within Investment Advisory Services and TE Connectivity as a State Tax Reporter.

He holds a Bachelor of Science in Business Administration (Finance) from Drexel University's LeBow College of Business.



Contact

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San Francisco, CA 94111

federicoj@pfmam.com
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Specialties

Outsourced Chief Investment
Officer (OCIO)

State & Local Governments,
Endowments, Foundations &
Charitable Institutions

Education

B.S.B.A. in Finance
Drexel University

Professional Designations or Licenses

FINRA Series 6 and 63

Started with PFM: 2012

Started in the Field: 2012

Biagio Manieri, Ph.D., CFA

Managing Director

PFM Asset Management LLC

Dr. Biagio Manieri joined PFM Asset Management in 2012 as the director of research. He has more than 30 years of experience in economics research, finance and investment management. In 2018, Biagio expanded his responsibilities to become the firm's Global Chief Multi-Asset Class Strategist.

In his current role, he is responsible for leading the firm's economic and capital markets research. As chair of the Multi-Asset Class Investment Committee, he leads the discretionary investment management of clients' multi-asset class, multi-manager portfolios. Biagio is also responsible for leading the firm's thought leadership, writing white papers and presenting at investor conferences.

Prior to joining the firm, Biagio was the Investment Officer at the Federal Reserve overseeing the investment management of over \$13 billion in defined benefit and defined contribution plan assets. He reported to the Federal Reserve's Investment Committee, consisting of Federal Reserve Presidents and Board of Governors. He was responsible for setting the asset allocation of the pension plans and oversaw a team of manager due diligence analysts. Prior to his tenure at the Federal Reserve, he was a portfolio manager and investment analyst at several asset management firms, including Lord Abbett & Co., FP Asset Management, Inc., and Goldman Sachs & Co.

Biagio graduated *summa cum laude* from the City College of the City University of New York. He went on to receive a doctorate from Columbia University, where he also taught for five years from 1991 to 1996.



Contact

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Education

B.E. in Electrical Engineering
City College of New York

Ph.D. in Political Science and
International Relations
Columbia University

Professional Designations or Licenses

Chartered Financial Analyst
(CFA)

Started with PFM: 2012

Started in the Field: 1986



Performance Report





Sample Client - Multi-Asset Class Management

Investment Performance Review For the Quarter Ended September 30, 2021

Client Management Team

PFM Asset Management LLC

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Philadelphia, PA 19103
215-567-6100

Financial Markets & Investment Strategy Review

QUARTERLY MARKET SUMMARY

Market Index Performance

As of September 30, 2021

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
DOMESTIC EQUITY							
S&P 500	0.58%	15.92%	30.00%	15.99%	16.90%	14.01%	16.63%
Russell 3000 Index	-0.10%	14.99%	31.88%	16.00%	16.85%	13.93%	16.60%
Russell 1000 Value Index	-0.78%	16.14%	35.01%	10.07%	10.94%	9.32%	13.51%
Russell 1000 Growth Index	1.16%	14.30%	27.32%	22.00%	22.84%	18.51%	19.68%
Russell Midcap Index	-0.93%	15.17%	38.11%	14.22%	14.39%	12.15%	15.52%
Russell 2500 Index	-2.68%	13.83%	45.03%	12.47%	14.25%	12.19%	15.27%
Russell 2000 Value Index	-2.98%	22.92%	63.92%	8.58%	11.03%	10.19%	13.22%
Russell 2000 Index	-4.36%	12.41%	47.68%	10.54%	13.45%	11.90%	14.63%
Russell 2000 Growth Index	-5.65%	2.82%	33.27%	11.70%	15.34%	13.19%	15.74%
INTERNATIONAL EQUITY							
MSCI EAFE (net)	-0.45%	8.35%	25.73%	7.62%	8.81%	5.80%	8.10%
MSCI AC World Index (Net)	-1.05%	11.12%	27.44%	12.58%	13.20%	9.95%	11.90%
MSCI AC World ex USA (Net)	-2.99%	5.90%	23.92%	8.03%	8.94%	5.68%	7.48%
MSCI AC World ex USA Small Cap (Net)	0.00%	12.23%	33.06%	10.33%	10.28%	8.15%	9.44%
MSCI EM (Net)	-8.09%	-1.25%	18.20%	8.58%	9.23%	5.62%	6.09%
ALTERNATIVES							
FTSE NAREIT Equity REIT Index	0.98%	23.15%	37.39%	10.01%	6.83%	9.04%	11.27%
FTSE EPRA/NAREIT Developed Index	-0.73%	15.26%	30.81%	7.18%	5.51%	6.65%	9.27%
Bloomberg Commodity Index Total Return	6.59%	29.13%	42.29%	6.86%	4.54%	-1.49%	-2.66%
FIXED INCOME							
Blmbg. Barc. U.S. Aggregate	0.05%	-1.56%	-0.90%	5.35%	2.94%	3.26%	3.01%
Blmbg. Barc. U.S. Government/Credit	0.04%	-1.93%	-1.13%	5.94%	3.24%	3.54%	3.24%
Blmbg. Barc. Intermed. U.S. Government/Credit	0.02%	-0.87%	-0.40%	4.63%	2.60%	2.74%	2.52%
Blmbg. Barc. U.S. Treasury: 1-3 Year	0.07%	-0.03%	0.02%	2.68%	1.64%	1.47%	1.17%
Blmbg. Barc. U.S. Corp: High Yield	0.89%	4.53%	11.28%	6.91%	6.52%	5.89%	7.42%
Credit Suisse Leveraged Loan index	1.13%	4.65%	8.46%	4.09%	4.64%	4.25%	5.04%
ICE BofAML Global High Yield Constrained (USD)	-0.35%	2.13%	9.75%	6.43%	6.04%	5.27%	7.12%
Blmbg. Barc. Global Aggregate Ex USD	-1.59%	-5.95%	-1.16%	3.17%	1.10%	1.23%	0.90%
JPM EMBI Global Diversified	-0.70%	-1.36%	4.36%	5.65%	3.89%	4.90%	5.80%
CASH EQUIVALENT							
90 Day U.S. Treasury Bill	0.02%	0.04%	0.07%	1.18%	1.15%	0.85%	0.61%

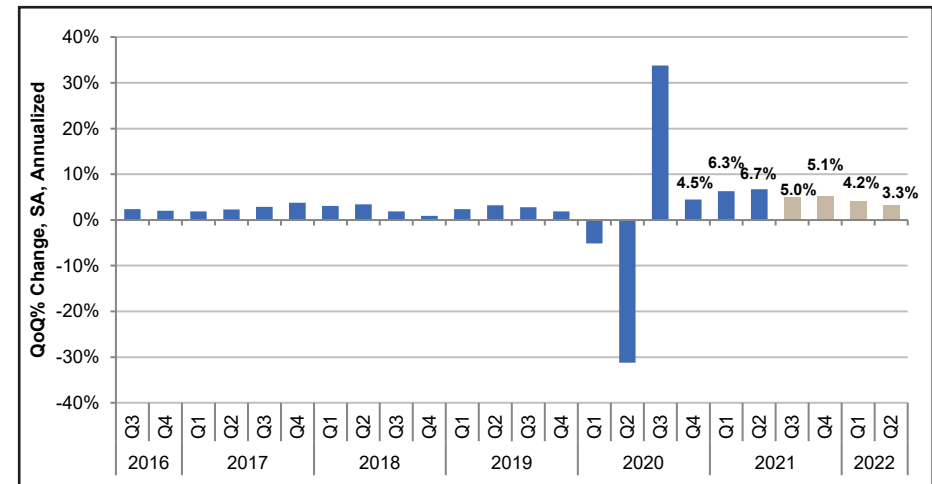
Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

THE ECONOMY

- Over the quarter, a surge of COVID-19 infections driven by the highly contagious delta variant put a strain on economic recovery as well as healthcare systems. The spike in global cases had widespread effects that reached many corners of the economic environment. Consumer sentiment declined all throughout the quarter, dropping to its lowest level since November last year. Whether this drag on recovery will continue is yet to be seen. Signs point to a decline in delta, as new case growth, on a seven-day-average basis, decreased by one-third during September. The positive test rate was down by a similar amount, and hospitalizations have been falling by almost as much. The improvement has been sharp, and it may well continue.
- The labor market showed inconsistent signs of recovery. While wages have increased and the number of job openings climbs higher, labor force participation has remained depressed with many industries unable to find workers. The positivity of the quarter-end decline in initial jobless claims was overshadowed by a jobs growth report that showed employment continuing to slow to its weakest pace this year.
- In the September meeting, the Federal Open Market Committee (FOMC) hinted at the possible tapering of asset purchasing later this year, perhaps as early as November. However, a “substantial further progress” hurdle on jobs and inflation in order to begin tapering was set in December. The updated September projections showed officials are now evenly split on whether or not it will be appropriate to begin raising the Federal Funds at least once in 2022. The Federal Reserve (Fed) has telegraphed it would not raise it before 2024, but policymakers’ timelines have been expedited over rising inflation concerns as August saw inflation at 4.3%. Consumer concerns about inflation have been high as well, with September’s survey of American households showing expectations of inflation rose to 5.3%.
- The U.S. trade deficit widened to a record high in August, jumping 4.2% as American consumers continued to show a strong appetite for imported goods such as pharmaceutical products and toys. However, supply chain disruptions continued to constrain global trade. The trade gap expanded to \$73.3 billion in August from \$70.3 billion in July. The increasing trade deficit will increasingly drag growth, subtracting from gross domestic product (GDP) growth for four straight quarters. The Atlanta Federal Reserve is forecasting a slowing of the GDP growth to a 2.3% annualized rate in the third quarter, a significant decrease from the incredible recent recovery, which resulted in a 6.7% growth rate in the second quarter.

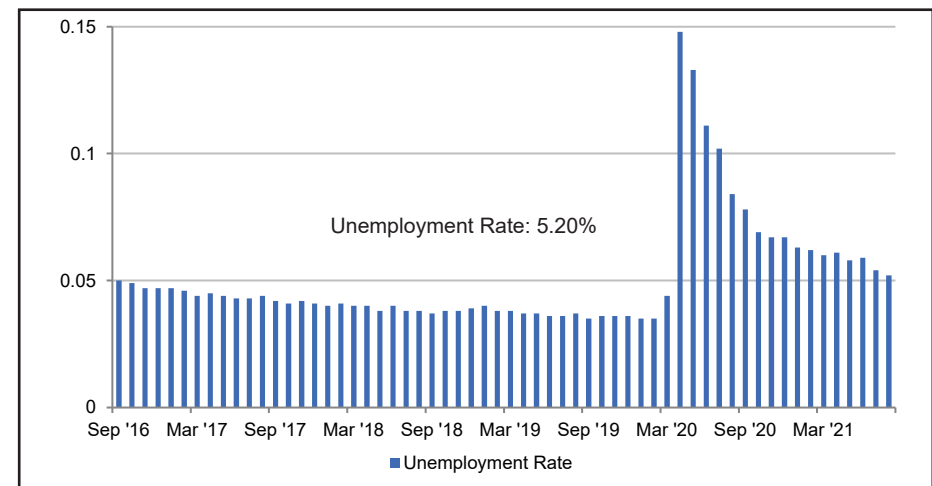
U.S. Real GDP Growth

Seasonally Adjusted (SA)



Source: Bloomberg. Blue bars indicate actual numbers; taupe bars indicate forecasted estimates.

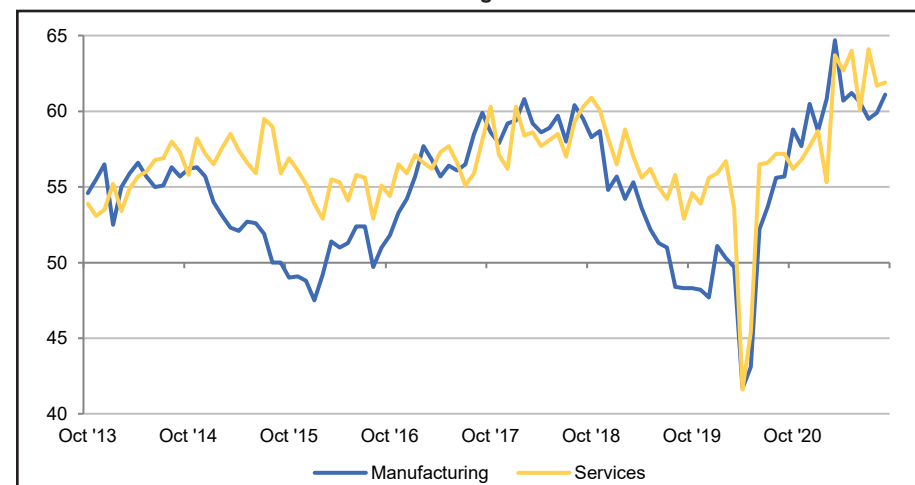
Monthly Unemployment Rate



WHAT WE'RE WATCHING

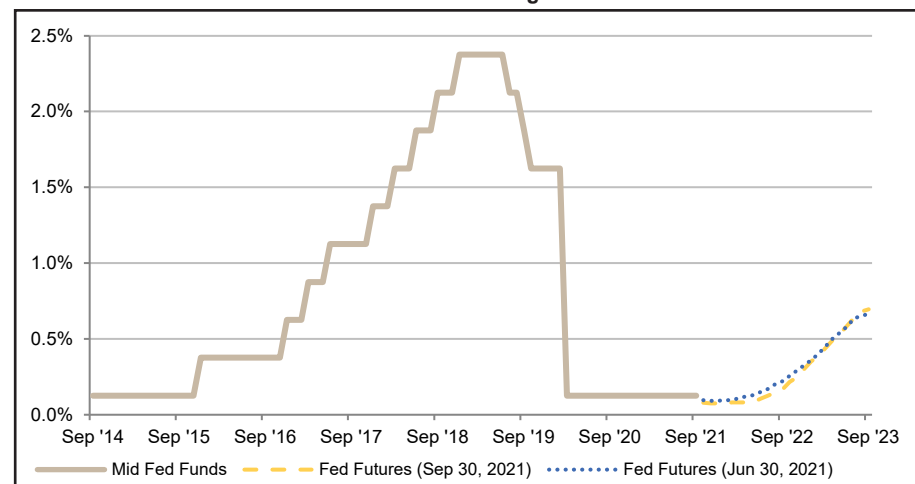
- The supply chain crisis continues, prompting worries about the world economy possibly slumping while prices are still rising quickly. Drewry's shipping index measures the composite cost of shipping containers and is up 291% compared with a year ago, with some of the busiest routes up sixfold. Contributing to the high prices are the long waits as ships and goods pile up at ports, met with a shortage workers and drivers. Even as other parts of the economy continue to recover, bottlenecks are forecast to constrain manufacturing output well into next year, hurting a sector that had powered the global recovery until recently. The IMF has revised their projections for the global economy's growth, stating the current global growth projection is 5.9% in 2021 and 4.9% in 2022, 0.1% lower for 2021 than in the July forecast.
- The global energy crisis is making its mark across all economies. More than half of China's provinces have been rationing electricity, causing China's factory activity to unexpectedly shrink in September as manufacturers are forced to pause production. While China has just loosened its regulation of coal-powered energy producers in a bid to encourage more energy production, the energy shortage may weigh on GDP growth in 2022. In Europe, natural gas prices have rocketed almost 600% this year on worries that current low storage levels will be insufficient for the winter. Meanwhile, an increasing number of gas stations have been running out of fuel in the UK due to its "just-in-time market," leaving the country with little reserves. An agreement with Russia may reduce some of the issues in supply, but it remains to be seen if and how that will play out. Here in the U.S., gas prices have risen by 47% since the start of August and oil prices have hit a seven-year high, a ripple effect of the energy crunch elsewhere in the world.
- The ending of emergency stimulus and raising of rates across the world is creeping closer as central bankers look to the balance of risks. They will have to decide between targeting inflation with tighter monetary policy adding to the pressure on economies or trying to boost demand, possibly igniting prices further. Some countries have taken a more aggressive approach, with Norway, Brazil, Mexico, South Korea and New Zealand already raising interest rates. Others are more concerned about slowing growth. The European Central Bank and the Bank of Japan have communicated a continued plan to keep stimulating their economies, maintaining that the current inflation is transitory. The U.S. stands somewhere in the middle with the plans to taper bond purchases while maintaining rates.

ISM Manufacturing & Services PMI



Source: Bloomberg.

Federal Funds Target Rate



Source: Bloomberg.

QUARTERLY MARKET SUMMARY

For the Quarter Ended September 30, 2021

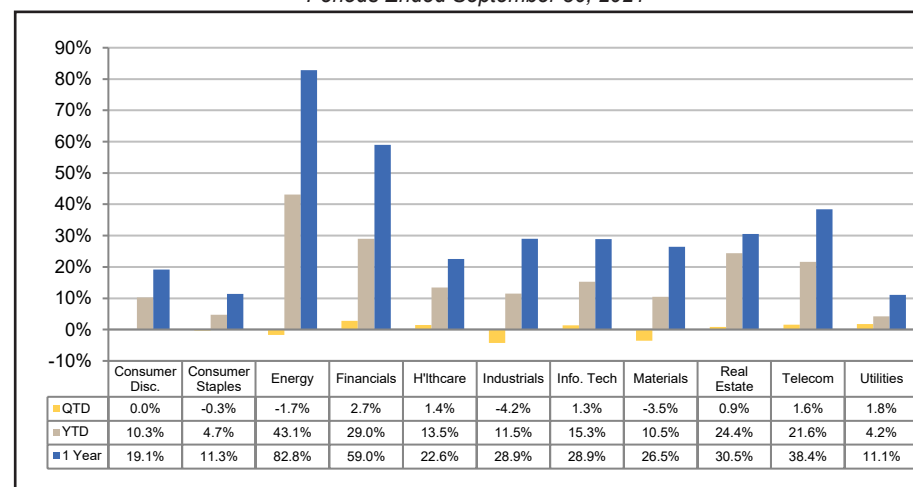
Multi-Asset Class Management

DOMESTIC EQUITY

- The S&P 500 Index (S&P) posted a return of 0.58% for the quarter because September posted a negative return of -4.65%, which was a drag on the July and August returns. The Fed's recent meeting suggested tapering asset purchases, rising inflation expectations, debt ceiling discussions and slowing activity indicators. This resulted from the delta variant surge that led to higher volatility during the back half of the quarter.
- Within the S&P, six out of 11 sectors produced positive returns, with Financials (+2.7%), Utilities (+1.8%), and Communication services (+1.6%) leading the way. The Industrials (-4.2%) sector was the worst-performing sector during the quarter.
- Value stocks, as represented by the Russell 1000 Value Index, returned -0.78%, lagging growth stocks, as represented by the Russell 1000 Growth Index, which returned 1.16%.
- Small-caps, as represented by the Russell 2000 Index, returned -4.36% during the quarter, lagging mid- and large-caps. The Russell Midcap and Russell 1000 indices returned -0.93% and 0.21%, respectively.

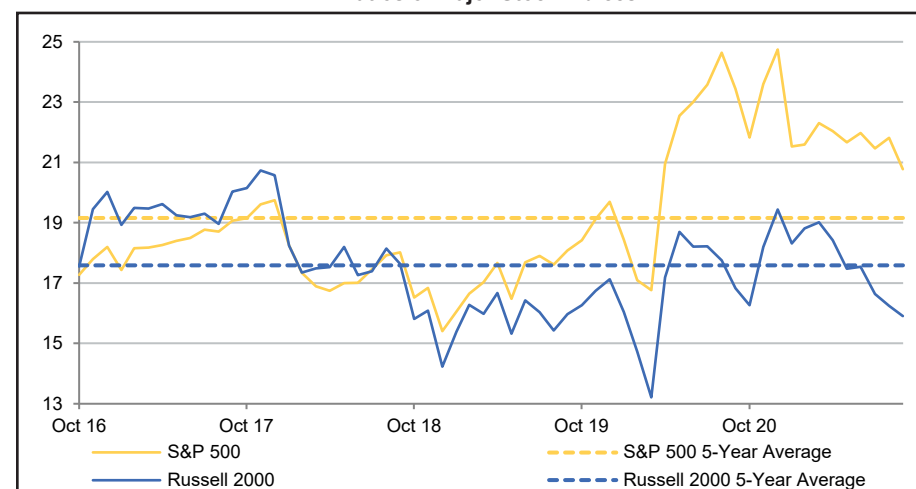
S&P 500 Index Performance by Sector

Periods Ended September 30, 2021



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.

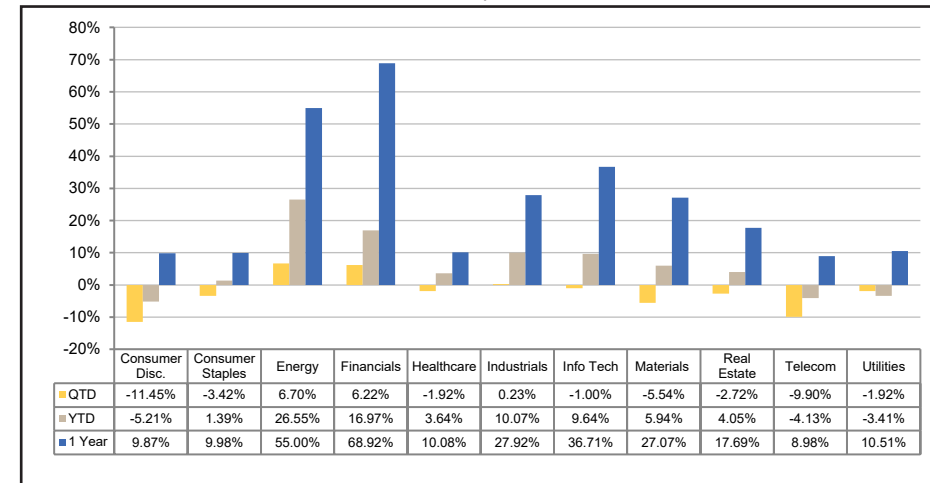
QUARTERLY MARKET SUMMARY

NON-U.S. EQUITY

- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, underperformed their U.S. counterparts, returning -2.99% for the quarter. Within the index, three of the 11 sectors posted positive returns for the quarter. Energy was the best-performing sector returning 6.7%, while Consumer Discretionary was the worst-performing sector returning -11.5%.
- Emerging markets (EM), as represented by MSCI Emerging Market Index, underperformed Developed ex-U.S. Markets, represented by the MSCI EAFE Index, returning -8.09% versus -0.45% for the quarter. MSCI China was a significant detractor returning -18.17% for the quarter, as the uncertainty surrounding the recent regulatory shifts and the default of Evergrande Property Group created a negative sentiment for Chinese equities.
- Value outperformed growth for the quarter across the International Markets (MSCI AC World ex-USA Value -2.32% versus MSCI AC World ex-USA Growth -2.99%), a reversal from the second quarter of 2021.
- Small-caps outperformed within the international equity markets, returning 0.00% for the quarter, as represented by MSCI ACWI ex-U.S. Small Cap Index.

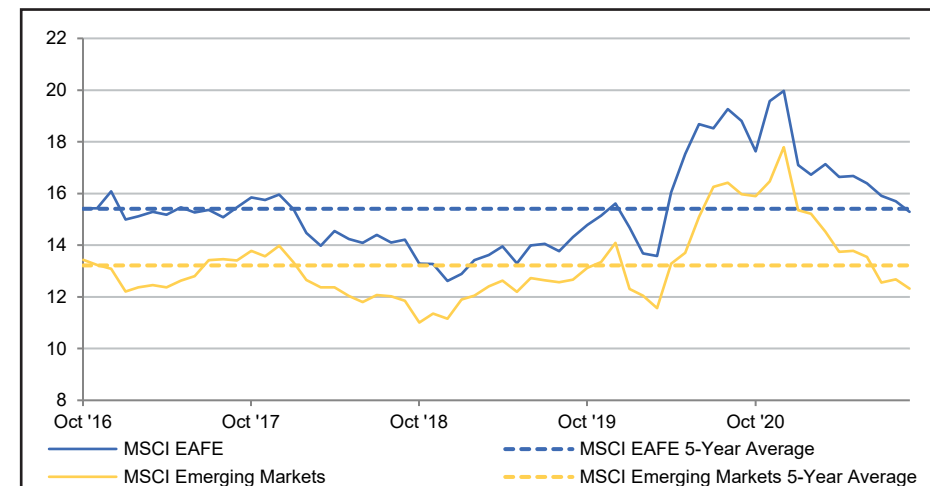
MSCI ACWI ex-U.S. Sectors

Periods Ended September 30, 2021



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



Source: Bloomberg.

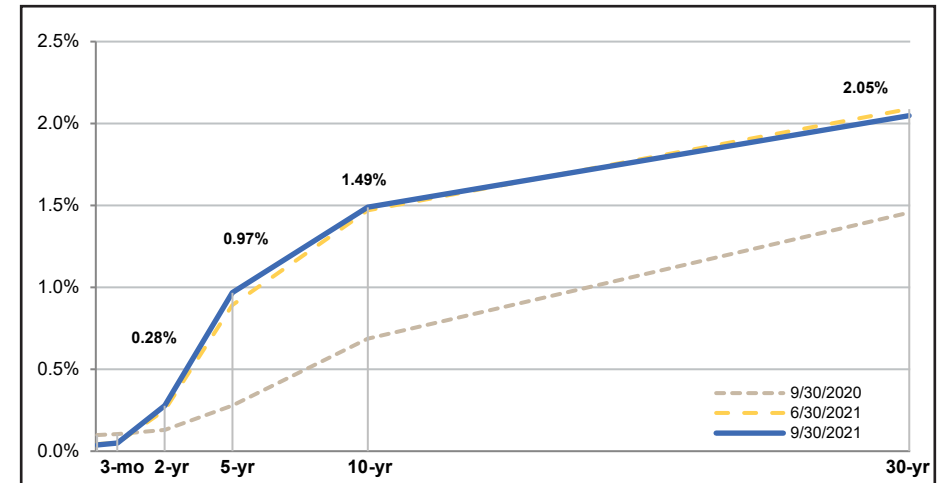
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

QUARTERLY MARKET SUMMARY

FIXED INCOME

- The U.S. bond market represented by the Bloomberg U.S. Aggregate (Aggregate) Index posted a mild gain of 0.05% in the third quarter.
- After drifting lower much of the quarter, long-term rates spiked in late September and erased the prior movement. Concerns arose after the FOMC meeting and inflation data. The 10- and 30-year treasury rates ended up seven and two basis points (bps) higher, respectively, versus the prior quarter-end. While the 5-year gained 11 bps. The Bloomberg Barclays U.S. Treasury Index gained 0.09%.
- Due to its higher duration, corporate credit had mixed results because the Bloomberg U.S. Corporate Index was flat for the quarter. High yield bonds, as represented by the Bloomberg U.S. Corporate High Yield (HY) Index, posted a return of 0.89% despite some spread widening. Within HY, results were strongest in the BB-rated area.
- The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index, had another weak performance and only gained 0.10%. Meanwhile, the Bloomberg U.S. Agency CMBS Index (measuring commercial MBS) fell 0.22%.
- EM USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified Index, fell 70 bps. By region, Africa and Latin America have the most significant selloffs.

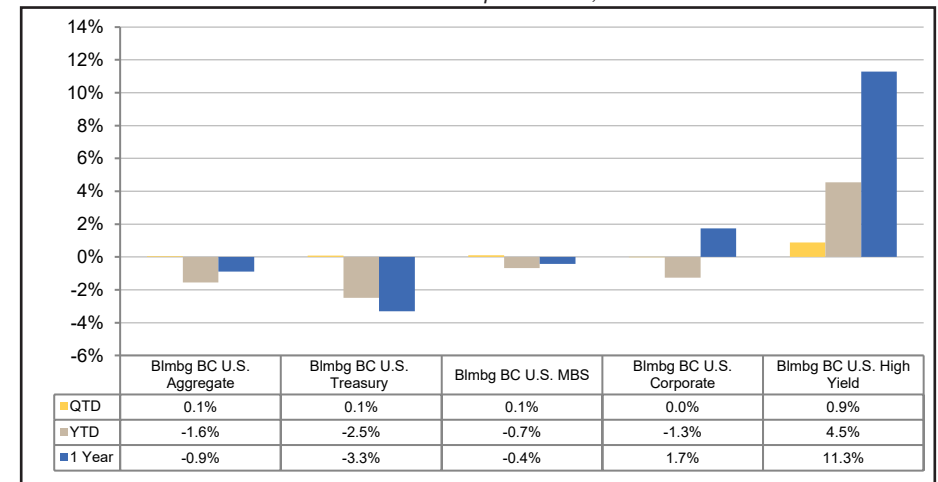
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended September 30, 2021



Source: Bloomberg. "Blmbg BC" is Bloomberg Barclays.

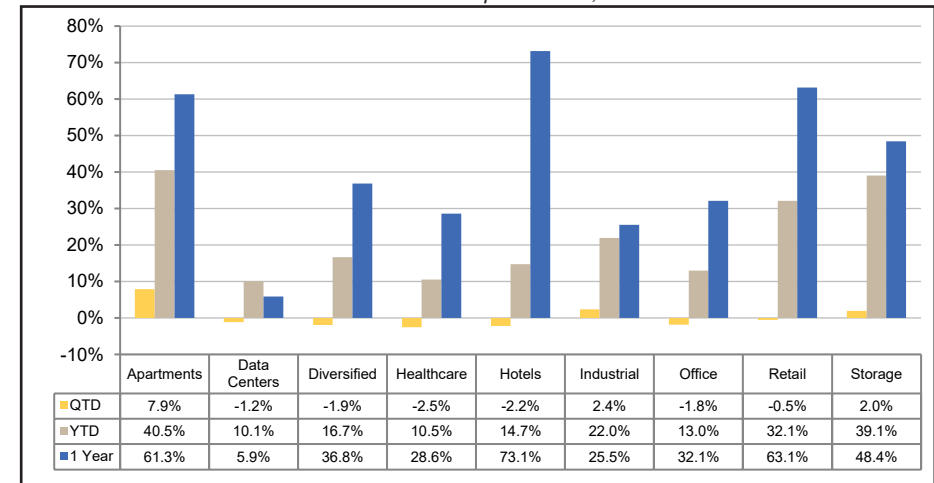
QUARTERLY MARKET SUMMARY

ALTERNATIVES

- REITs, as measured by the FTSE NAREIT Equity REITs Index, returned just 1.0% in the third quarter of 2021, compared to a 12.0% return in the prior quarter. Several major sectors posted moderate losses over the third quarter, suggesting that investors are taking some profits following a strong performance in the industry over the course of the year. The gains were led by the Residential and Industrial sectors, which posted returns of 6.8% and 2.4%, respectively. Healthcare fell 2.5% and was the worst-performing sector in the third quarter.
- Private real estate, as measured by the NCREIF Property Index, returned 3.6% in the second quarter of 2021, resulting in a 7.4% return over the last twelve-month period. Industrial properties continued to be the top-performing sector, with a total return of 8.9% in the second quarter, comprising 1.1% in income return and 7.8% in appreciation return. Hotel properties were again the worst performers, but the sector still posted a slightly positive total return of 0.6%, comprised of -0.2% in income return and 0.8% in appreciation return.
- Hedge fund returns were relatively flat in the third quarter of 2021, with the HFRI Fund Weighted Composite Index returning -0.03%. During the same period, the HFRI Macro (Total) Index returned 0.02%. The HFRI Equity Hedge (Total) Index and the HFRI Fund of Funds Index returned -0.45% and 1.37%, respectively.
- In the second quarter of 2021, private capital fundraising was led by private equity funds, which closed on \$139 billion, followed by \$40 billion raised by private debt funds, \$29 billion raised by real assets funds, and \$24 billion raised by private real estate funds. Global private equity dry powder, which accounts for the bulk of private capital dry powder, reached a record \$2.3 trillion as of August 2021. According to Cambridge Associates, U.S. private equity generated a return of 15.3% for the five years ended Q4 2020. According to Cliffwater Direct Lending Index, U.S. middle-market loans, a proxy for private debt, generated a return of 8.9% for the five years ended Q2 2021.
- Commodity futures, represented by the Bloomberg Commodity Total Return Index, returned 6.6% in the third quarter of 2021. The U.S. Dollar Index (DXY) gained 1.9% over the same period. Gold spot price finished the quarter at \$1,756.95 per ounce, a -0.7% decline over the period. Despite the dip in the middle of the quarter, the West Texas Intermediate (WTI) Crude Oil spot price ended higher, increasing 2.3% from \$73.52 to \$75.22 per barrel during the third quarter of 2021.

FTSE NAREIT Sectors

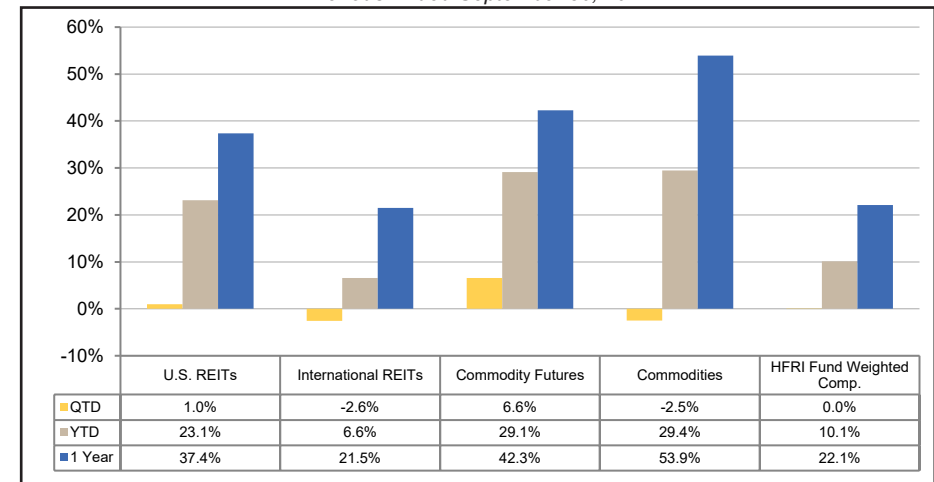
Periods Ended September 30, 2021



Source: Bloomberg.

Returns for Alternative Assets

Periods Ended September 30, 2021



Sources: Bloomberg and Hedge Fund Research, Inc.

QUARTERLY MARKET SUMMARY

Investment Strategy Overview

For the Fourth Quarter 2021

Asset Class	Our Investment Outlook	Comments
U.S. EQUITIES		
Large-Caps		<ul style="list-style-type: none"> Strong economic recovery and corporate earnings are currently baked into equity valuations. We expect equities to outperform fixed income in the near term, but we see higher volatility amidst rising inflation and Fed's tapering.
Mid-Caps		<ul style="list-style-type: none"> Earnings and profit margins are recovering strongly but possible rise in corporate taxes and impact of rising inflation needs to be considered.
Small-Caps		<ul style="list-style-type: none"> Tilt towards large-caps which provide higher quality exposure while being neutral on mid- and small-caps.
NON - U.S. EQUITIES		
Developed Markets		<ul style="list-style-type: none"> International equities continue to trade at a discount to U.S. equities. Steady improvement in economic activity is a tailwind while higher cyclical exposure does not offer defensive positioning.
Emerging Markets		<ul style="list-style-type: none"> Improving global trade and pent-up demand are tailwinds for export-oriented developed economies.
International Small-Caps		<ul style="list-style-type: none"> EM economies are still struggling with uneven recovery as lack of vaccines has been a headwind for most. Softer economic data coupled with regulatory crackdown in China create headline risk for EM.
FIXED INCOME		
Long Duration, Interest-Rate-Sensitive Sectors		<ul style="list-style-type: none"> International small-caps are expected to recover as economic recovery continues.
Credit-Sensitive Sectors		<ul style="list-style-type: none"> Concerns of rising inflation have pressured long term rates this year. We expect to see long term rates rising further in anticipation of Fed tapering and rate rise. We expect the rise in inflation and long-term rates to be range bound.
ALTERNATIVES		
Real Estate		<ul style="list-style-type: none"> Corporate spreads have narrowed substantially as credit markets have stabilized. A strong economic recovery is a tailwind while the tighter spreads limit the upside.
Private Equity		<ul style="list-style-type: none"> Attractive valuations, low level of interest rates and improving economic activity resulting in higher asset prices and steady income are positives for Real Estate.
Private Debt		<ul style="list-style-type: none"> Improved credit market conditions and easy access to capital are a positive for private equity strategies especially as strong economic recovery takes hold.
Hedge Funds		<ul style="list-style-type: none"> Private debt strategies are better poised for economic recovery and have better expected returns and higher yield potential over public markets due to differentiated opportunity set.

● Current outlook ○ Outlook one quarter ago

Negative Slightly Negative Neutral Slightly Positive Positive

QUARTERLY MARKET SUMMARY

For the Quarter Ended September 30, 2021

Multi-Asset Class Management

Factors to Consider Over the Next 6-12 Months For Fourth Quarter 2021

Monetary Policy: <ul style="list-style-type: none"> The Fed could start tapering before the year end and could raise rates in 2022. Globally, while all major central banks continue on the path of accommodative monetary policy, rate rise is being considered in light of rising inflation concerns. 	Economic Growth: <ul style="list-style-type: none"> Global growth expectations have slowed from the recent highs due to the impact of delta variants. Developed economies are expected to grow faster while uneven recovery expected across EM economies. 	Fiscal Stimulus: <ul style="list-style-type: none"> Infrastructure and stimulus through budget reconciliation bills are currently being debated. Benefits of infrastructure spending accrue over long-term unlike relief-based measures which have near-term impact.
COVID-19 Containment: <ul style="list-style-type: none"> Delta variant negatively impacted consumer spending on high-touch services recently. Globally, pockets of vulnerability remain as new strains spread but vaccination rates have picked up pace too. 	Consumer Spending (U.S.): <ul style="list-style-type: none"> Labor market conditions continue to improve as economy reopens. Pent-up demand, strong consumer balance sheet and improving financial prospects expected to spur consumer spending. The strong housing market is a positive. 	Inflation (U.S.): <ul style="list-style-type: none"> Rising inflation risk continues to evolve as supply constraints put upward pressure on various inflation metrics. Inflation expectations, and its impact on Fed policy will continue to weigh on risk-asset performance in the near-term.
Corporate Fundamentals: <ul style="list-style-type: none"> Earnings and profit margins are recovering strongly in 2021 globally but persistent inflation could dent these expectations. Impact of potential increase in corporate tax rate and taxation on stock buybacks needs to be considered. 	Valuations: <ul style="list-style-type: none"> Within U.S. equities, strong earnings growth is driving returns. Rising level of interest rates and rising inflation are headwinds make current valuation levels less attractive. Credit spreads are closer to historical lows, but strong economic recovery is a tailwind. 	Political Risks: <ul style="list-style-type: none"> The U.S. and China continue to evolve with the risk of polarization between U.S. and China increasing.

● Current outlook ○ Outlook one quarter ago

Stance
Unfavorable to
Risk Assets



Stance
Favorable to
Risk Assets

The view expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (9/30/2021) and are subject to change.

Plan Performance Review

Account Reconciliation

Sample Client - Multi-Asset Class Management As of September 30, 2021

QTR

	Market Value As of 07/01/2021	Net Flows	Return On Investment	Market Value As of 09/30/2021
TOTAL FUND	107,368,868	(300,000)	(488,620)	106,580,248

YTD

	Market Value As of 01/01/2021	Net Flows	Return On Investment	Market Value As of 09/30/2021
TOTAL FUND	100,132,595	(550,000)	6,997,653	106,580,248

1 Year

	Market Value As of 10/01/2020	Net Flows	Return On Investment	Market Value As of 09/30/2021
TOTAL FUND	91,056,939	6,235,977	9,287,332	106,580,248

Asset Allocation & Performance

	Allocation	Performance(%)								
	%	1 Month	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
TOTAL FUND	100.00	-3.19	-0.51	7.28	18.03	11.19	10.59	8.78	7.80	07/01/2006
<i>Policy Index</i>		-2.75	-0.62	6.36	16.45	10.38	9.77	8.18	6.92	07/01/2006
Domestic Equity	38.41									
Manager A	32.40	-4.49	-0.06	15.18	32.09	16.04	16.87	13.94	45.82	04/01/2020
<i>Russell 3000 Index</i>		-4.49	-0.10	14.99	31.88	16.00	16.85	13.93	45.63	04/01/2020
Manager B	4.11	-5.17	2.17	13.29	26.24	16.07	17.36	15.52	18.18	04/01/2019
<i>S&P 500</i>		-4.65	0.58	15.92	30.00	15.99	16.90	14.01	20.32	04/01/2019
Manager C	1.90	-3.99	-1.79	15.47	43.59	11.02	12.90	11.50	N/A	10/01/2021
<i>S&P MidCap 400</i>		-3.97	-1.76	15.52	43.68	11.08	12.97	11.57	N/A	10/01/2021
International Equity	20.67									
Manager D	6.25	-3.40	-2.97	6.46	24.48	8.37	9.05	6.06	34.82	04/01/2020
<i>MSCI AC World ex USA (Net)</i>		-3.20	-2.99	5.90	23.92	8.03	8.94	5.68	32.71	04/01/2020
Manager E	4.87	-4.52	-1.33	2.71	16.24	11.49	10.88	8.90	11.61	01/01/2016
<i>MSCI AC World ex USA (Net)</i>		-3.20	-2.99	5.90	23.92	8.03	8.94	5.68	8.80	01/01/2016
Manager F	5.50	-5.05	-2.38	3.76	20.50	9.93	10.78	8.63	24.04	07/01/2020
<i>MSCI AC World ex USA (Net)</i>		-3.20	-2.99	5.90	23.92	8.03	8.94	5.68	24.62	07/01/2020
Manager G	1.14	-4.19	-1.33	4.53	23.30	15.92	13.97	N/A	4.53	01/01/2021
<i>MSCI AC World ex USA Smid Cap Index (Net)</i>		-3.34	-0.94	9.48	28.94	8.88	9.40	7.30	9.48	01/01/2021
Manager H	1.60	-5.93	-1.19	6.32	30.82	14.79	15.82	N/A	6.32	01/01/2021
<i>MSCI AC World ex USA Small Cap (Net)</i>		-3.04	0.00	12.23	33.06	10.33	10.28	8.15	12.23	01/01/2021
Manager I	1.32	-4.88	-8.13	-2.21	18.69	10.37	10.76	7.09	5.45	03/01/2018
<i>MSCI EM (net)</i>		-3.97	-8.09	-1.25	18.20	8.58	9.23	5.62	3.82	03/01/2018
Other Growth	3.00									
Manager J	1.48	-5.72	1.07	22.86	33.48	14.13	9.65	11.16	13.18	04/01/2021
Manager K	1.52	-5.40	1.47	21.73	32.85	13.01	9.23	10.86	13.79	04/01/2021
<i>MSCI US REIT Index</i>		-5.51	0.98	23.00	37.16	10.10	6.84	8.98	13.09	04/01/2021
Manager L	3.04	-2.10	-1.46	4.11	26.66	20.86	17.40	13.51	N/A	10/01/2021
<i>Bloomberg Liquid US Convertibles Index</i>		-2.12	-1.33	4.81	27.78	21.72	18.13	14.10	N/A	10/01/2021

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

Asset Allocation & Performance

	Allocation	Performance(%)								
	%	1 Month	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Fixed Income	27.58									
Manager M	7.20	-0.82	0.13	-0.90	0.53	6.21	3.83	4.01	4.01	05/01/2014
<i>Blmbg. U.S. Aggregate</i>		-0.87	0.05	-1.56	-0.90	5.35	2.94	3.26	3.26	05/01/2014
Manager N	3.31	-0.67	0.14	-0.11	1.61	4.65	3.08	3.41	3.26	09/01/2017
Manager O	8.67	-1.13	-0.01	-1.45	0.90	6.27	4.02	4.30	4.26	09/01/2017
<i>Blmbg. U.S. Aggregate</i>		-0.87	0.05	-1.56	-0.90	5.35	2.94	3.26	3.47	09/01/2017
Manager P	4.66	-0.77	0.18	-0.90	0.91	6.09	3.78	3.97	4.08	01/01/2020
<i>Blmbg. U.S. Aggregate</i>		-0.87	0.05	-1.56	-0.90	5.35	2.94	3.26	3.29	01/01/2020
Manager Q	2.00	-0.87	0.09	-1.08	1.33	7.54	4.60	4.25	4.81	10/01/2019
<i>ICE BofAML U.S. Corporate 5-10 Year Index</i>		-0.94	-0.01	-0.98	1.51	7.69	4.64	4.90	5.01	10/01/2019
Manager R	0.99	-2.37	-0.95	-2.15	3.69	5.45	3.39	4.39	4.90	07/01/2020
<i>JPM EMBI Global Diversified</i>		-2.07	-0.70	-1.36	4.36	5.65	3.89	4.90	5.38	07/01/2020
Manager S	0.75	0.27	0.99	5.04	10.29	6.45	5.98	5.85	2.16	06/01/2021
<i>ICE BofAML High Yield Master II</i>		0.03	0.94	4.67	11.46	6.62	6.35	5.76	2.32	06/01/2021
Other Income	3.02									
Manager T	3.02	-0.74	0.03	4.33	12.20	7.04	5.25	5.47	-0.74	09/01/2021
<i>ICE Exchange-Listed Preferred & Hybrid Securities</i>		-0.72	0.23	4.88	12.72	8.49	N/A	N/A	-0.72	09/01/2021
Real Return	2.11									
Manager U	2.11	4.50	7.26	33.84	50.62	10.07	6.54	-0.29	8.95	06/01/2021
<i>Bloomberg Commodity Index Total Return</i>		4.98	6.59	29.13	42.29	6.86	4.54	-1.49	8.56	06/01/2021
Cash Equivalent	2.15									
Manager V	2.15	0.00	0.01	0.02	0.03	0.99	1.00	0.73	1.00	07/01/2006

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

Sample Client - Multi-Asset Class Management
As of September 30, 2021
Comparative Performance

	2020	2019	2018	2017	2016	2015	2014
TOTAL FUND	16.64	20.33	-5.20	15.71	6.49	0.79	5.43
<i>Policy Index</i>	13.99	19.88	-4.83	14.95	7.05	-0.58	7.38
Domestic Equity							
Manager A	20.95	30.80	-5.13	21.16	12.68	0.40	12.56
<i>Russell 3000 Index</i>	20.89	31.02	-5.24	21.13	12.74	0.48	12.56
Manager B	18.62	29.34	2.44	23.56	12.29	1.80	11.98
<i>S&P 500 Index</i>	18.40	31.49	-4.38	21.83	11.96	1.38	13.69
Manager C	13.61	26.14	-11.14	16.19	20.63	-2.23	9.64
<i>S&P MidCap 400</i>	13.66	26.20	-11.08	16.24	20.74	-2.18	9.77
International Equity							
Manager D	11.32	21.58	-14.42	27.52	4.72	-4.28	-4.17
Manager E	8.99	20.39	-14.52	27.96	4.46	-6.44	-6.69
Manager F	20.33	25.23	-13.96	29.90	5.30	-1.62	-1.61
<i>MSCI AC World ex USA (Net)</i>	10.65	21.51	-14.20	27.19	4.50	-5.66	-3.87
Manager G	33.31	36.66	-16.75	33.61	N/A	N/A	N/A
<i>MSCI AC World ex USA Smid Cap Index (Net)</i>	12.01	22.36	-17.06	30.35	3.57	0.44	-3.05
Manager H	24.46	27.66	-6.67	28.67	21.16	-0.78	N/A
<i>MSCI AC World ex USA Small Cap (Net)</i>	14.24	22.42	-18.20	31.65	3.91	2.60	-4.03
Manager I	23.57	22.11	-15.56	40.87	10.41	-12.68	-4.61
<i>MSCI EM (net)</i>	18.31	18.44	-14.58	37.28	11.19	-14.92	-2.19
Other Growth							
Manager J	-2.57	33.01	-3.99	7.45	5.91	5.23	30.18
Manager K	-3.23	31.13	-4.31	9.03	5.93	4.22	32.36
<i>MSCI US REIT Index</i>	-7.57	25.84	-4.57	5.07	8.60	2.52	30.38
Manager L	53.37	22.39	-2.32	16.24	10.50	-0.61	7.50
<i>Bloomberg Liquid US Convertibles Index</i>	54.45	22.79	-1.79	17.32	10.22	-0.28	8.23

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

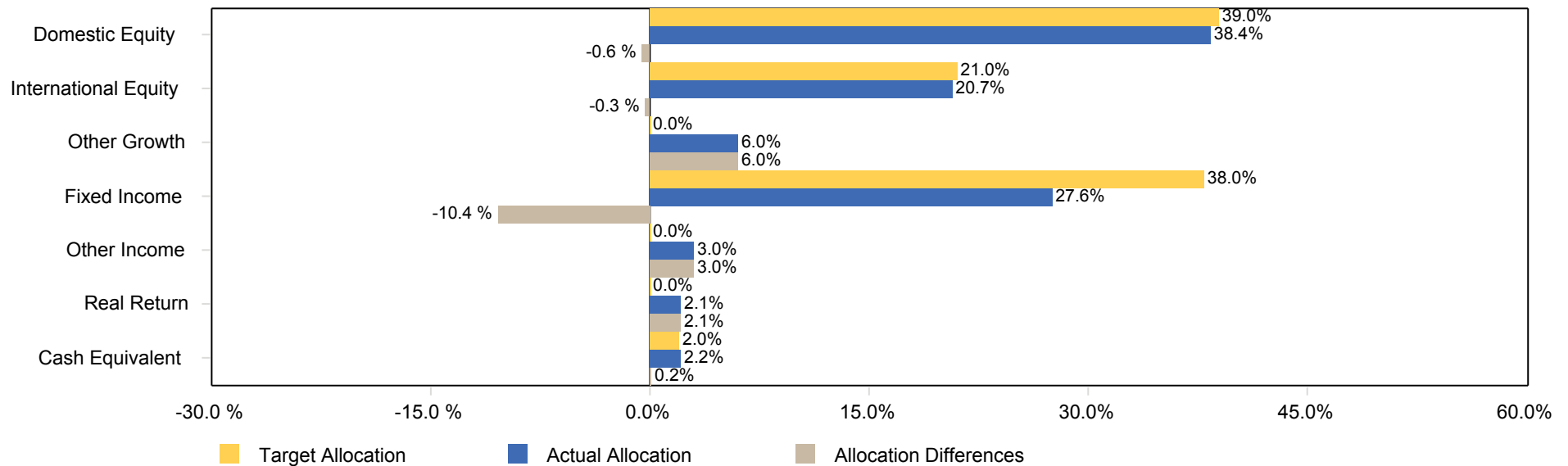
Sample Client - Multi-Asset Class Management
As of September 30, 2021
Comparative Performance

	2020	2019	2018	2017	2016	2015	2014
Fixed Income							
Manager M	8.80	10.11	-0.51	4.65	4.73	0.14	6.59
Manager N	5.60	7.99	-0.02	4.66	4.11	0.63	6.86
Manager O	8.10	11.14	-0.63	6.71	4.83	0.09	7.25
Manager P	8.22	10.06	-0.25	4.84	4.04	0.73	6.89
<i>Blmbg. U.S. Aggregate</i>	<i>7.51</i>	<i>8.72</i>	<i>0.01</i>	<i>3.54</i>	<i>2.65</i>	<i>0.55</i>	<i>5.97</i>
Manager Q	9.62	14.37	-0.52	3.50	3.37	0.68	3.89
<i>ICE BofAML U.S. Corporate 5-10 Year Index</i>	<i>9.95</i>	<i>14.31</i>	<i>-1.67</i>	<i>5.90</i>	<i>5.79</i>	<i>0.78</i>	<i>7.44</i>
Manager R	5.48	15.57	-5.67	9.98	9.41	0.43	6.69
<i>JPM EMBI Global Diversified</i>	<i>5.26</i>	<i>15.04</i>	<i>-4.26</i>	<i>10.26</i>	<i>10.15</i>	<i>1.18</i>	<i>7.43</i>
Manager S	5.28	13.03	-1.34	6.79	15.99	-1.44	1.75
<i>ICE BofAML High Yield Master II</i>	<i>6.17</i>	<i>14.41</i>	<i>-2.27</i>	<i>7.48</i>	<i>17.49</i>	<i>-4.64</i>	<i>2.50</i>
Other Income							
Manager T	7.94	15.62	-4.77	8.33	1.26	4.62	13.45
<i>ICE Exchange-Listed Preferred & Hybrid Securities</i>	<i>8.58</i>	<i>18.45</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Real Return							
Manager U	0.82	12.27	-13.77	2.70	14.54	-25.70	-18.06
<i>Bloomberg Commodity Index Total Return</i>	<i>-3.12</i>	<i>7.69</i>	<i>-11.25</i>	<i>1.70</i>	<i>11.77</i>	<i>-24.66</i>	<i>-17.01</i>
Cash Equivalent							
Manager V	0.37	2.08	1.70	0.75	0.23	0.01	0.01

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

Asset Allocation Summary

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
TOTAL FUND	100.0	100.0	N/A	N/A	0.0
Domestic Equity	38.4	39.0	19.0	59.0	-0.6
International Equity	20.7	21.0	1.0	41.0	-0.3
Other Growth	6.0	0.0	0.0	20.0	6.0
Fixed Income	27.6	38.0	18.0	58.0	-10.4
Other Income	3.0	0.0	0.0	20.0	3.0
Real Return	2.1	0.0	0.0	20.0	2.1
Cash Equivalent	2.2	2.0	0.0	20.0	0.2



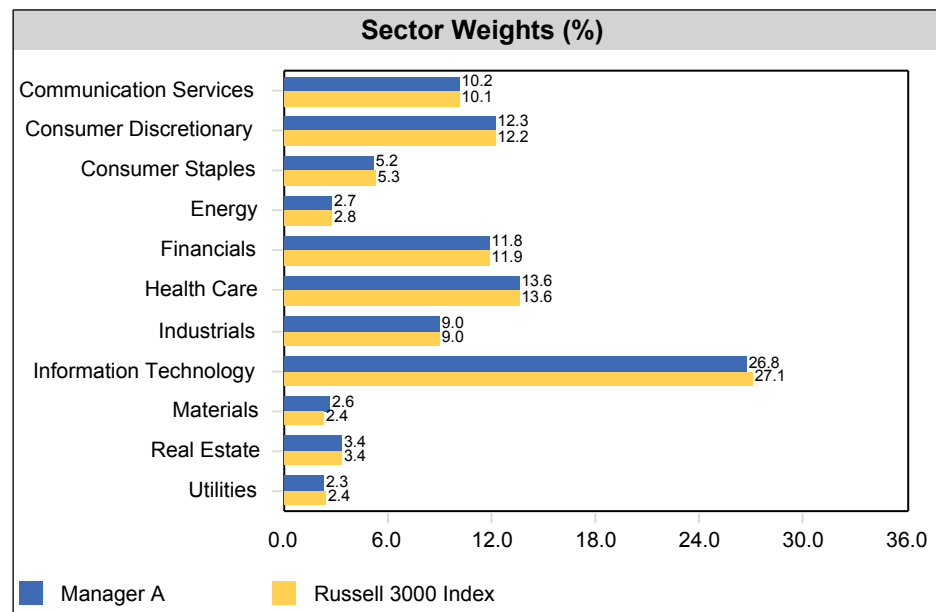
Investment Manager Review

Portfolio Characteristics

As of September 30, 2021

Manager A vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	457,381	461,435
Median Mkt. Cap (\$M)	1,339	2,481
Price/Earnings ratio	23.77	23.75
Price/Book ratio	4.32	4.30
5 Yr. EPS Growth Rate (%)	20.09	20.13
Current Yield (%)	1.32	1.33
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	3,994	3,052
Debt to Equity (%)	39.10	38.86



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	5.02	5.05	-0.03	3.47
Microsoft Corp	4.79	4.83	-0.04	4.27
Amazon.com Inc	3.19	3.24	-0.05	-4.51
Meta Platforms Inc	1.83	1.85	-0.02	-2.39
Alphabet Inc	1.82	1.83	-0.01	9.49
Alphabet Inc	1.64	1.70	-0.06	6.34
Tesla Inc	1.40	1.40	0.00	14.09
NVIDIA Corporation	1.11	1.13	-0.02	3.59
JPMorgan Chase & Co	1.10	1.10	0.00	5.85
Berkshire Hathaway Inc	1.06	1.15	-0.09	-1.79
% of Portfolio	22.96	23.28	-0.32	

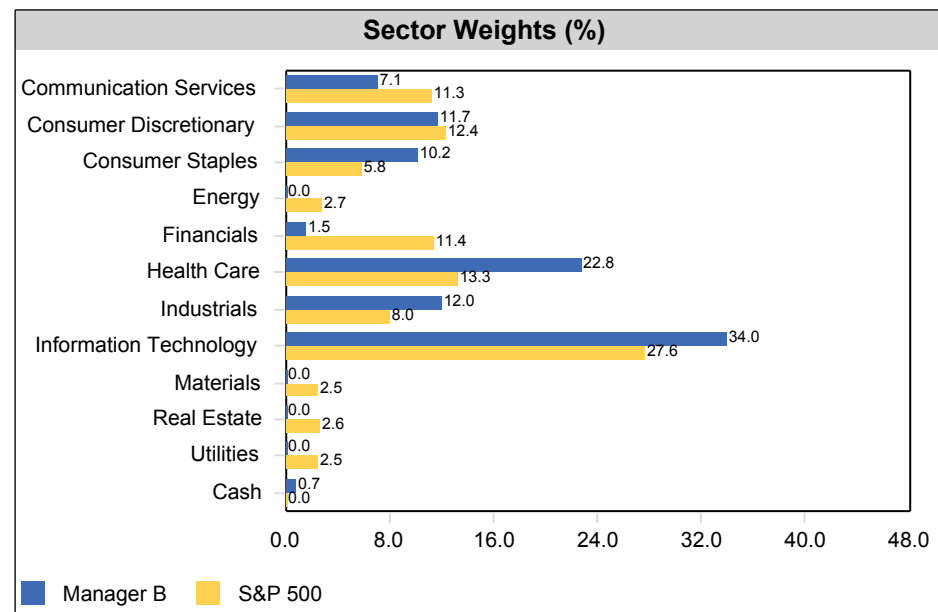
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Camber Energy Inc	0.00	0.00	0.00	479.76
Aehr Test Systems	0.00	0.00	0.00	394.56
Mediacore Holding Inc	0.00	0.00	0.00	223.89
State Auto Financial Corp	0.00	0.00	0.00	198.19
NeuroMetrix Inc	0.00	0.00	0.00	197.36
Fulcrum Therapeutics Inc	0.00	0.00	0.00	169.18
IVERIC bio Inc	0.00	0.00	0.00	157.37
Upstart Holdings Inc	0.04	0.03	0.01	153.35
Leap Therapeutics Inc	0.00	0.00	0.00	144.51
NanoVibronix Inc	0.00	0.00	0.00	142.04
% of Portfolio	0.04	0.03	0.01	

Portfolio Characteristics

As of September 30, 2021

Manager B vs. S&P 500

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	516,817	553,979
Median Mkt. Cap (\$M)	132,622	30,680
Price/Earnings ratio	29.71	24.75
Price/Book ratio	7.88	4.50
5 Yr. EPS Growth Rate (%)	13.22	20.07
Current Yield (%)	1.57	1.42
Number of Stocks	30	505



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Alphabet Inc	7.09	2.20	4.89	9.49
Microsoft Corp	7.07	5.80	1.27	4.27
PepsiCo Inc	6.09	0.57	5.52	2.21
Johnson & Johnson	5.43	1.16	4.27	-1.38
Stryker Corp	4.85	0.24	4.61	1.78
Apple Inc	4.62	6.08	-1.46	3.47
3M Co	4.60	0.28	4.32	-11.01
Becton Dickinson and Co	4.59	0.19	4.40	1.40
Accenture PLC	4.48	0.56	3.92	8.83
Unitedhealth Group Inc	4.11	1.01	3.10	-2.07
% of Portfolio	52.93	18.09	34.84	

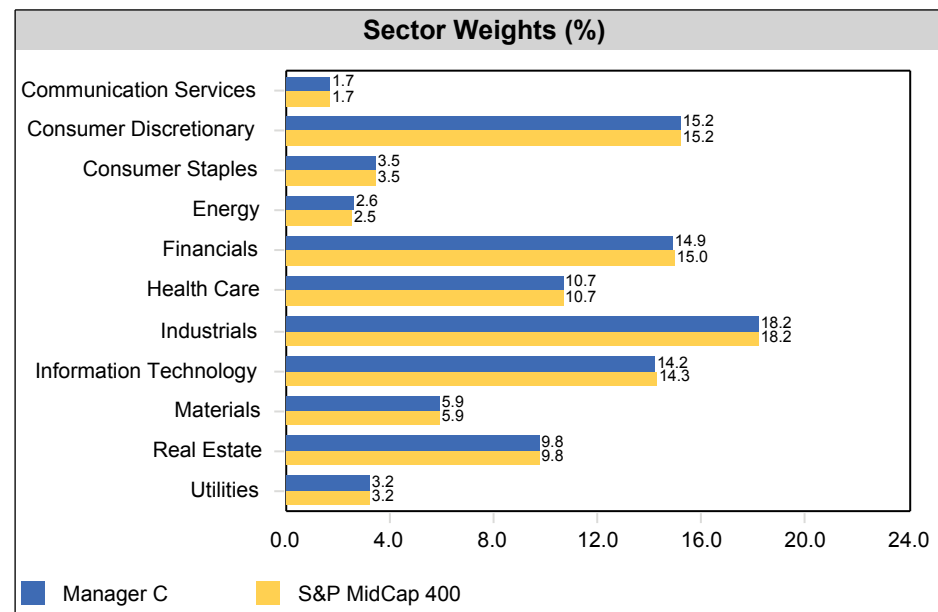
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Verisk Analytics Inc	1.19	0.09	1.10	14.79
Pfizer Inc	3.81	0.66	3.15	10.83
Intuit Inc.	3.68	0.40	3.28	10.19
Alphabet Inc	7.09	2.20	4.89	9.49
Accenture PLC	4.48	0.56	3.92	8.83
Marsh & McLennan Companies Inc	1.49	0.21	1.28	8.04
Cognizant Technology Solutions Corp	2.96	0.11	2.85	7.49
Amphenol Corp	1.01	0.12	0.89	7.25
Waste Management Inc.	2.08	0.16	1.92	6.99
Equifax Inc.	2.33	0.08	2.25	5.96
% of Portfolio	30.12	4.59	25.53	

Portfolio Characteristics

As of September 30, 2021

Manager C vs. S&P MidCap 400

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	7,411	7,412
Median Mkt. Cap (\$M)	5,588	5,588
Price/Earnings ratio	19.21	19.19
Price/Book ratio	2.91	2.91
5 Yr. EPS Growth Rate (%)	16.75	16.73
Current Yield (%)	1.29	1.30
Number of Stocks	400	400



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Signature Bank	0.71	0.71	0.00	11.11
Molina Healthcare Inc.	0.69	0.69	0.00	7.21
FactSet Research Systems Inc.	0.65	0.65	0.00	17.88
Camden Property Trust	0.64	0.64	0.00	11.77
Repligen Corp	0.64	0.64	0.00	44.77
Cognex Corp	0.61	0.61	0.00	-4.49
SolarEdge Technologies Inc	0.60	0.60	0.00	-4.03
Masimo Corp	0.59	0.59	0.00	11.66
Williams-Sonoma Inc.	0.58	0.58	0.00	11.50
Nordson Corp	0.56	0.56	0.00	8.73
% of Portfolio	6.27	6.27	0.00	

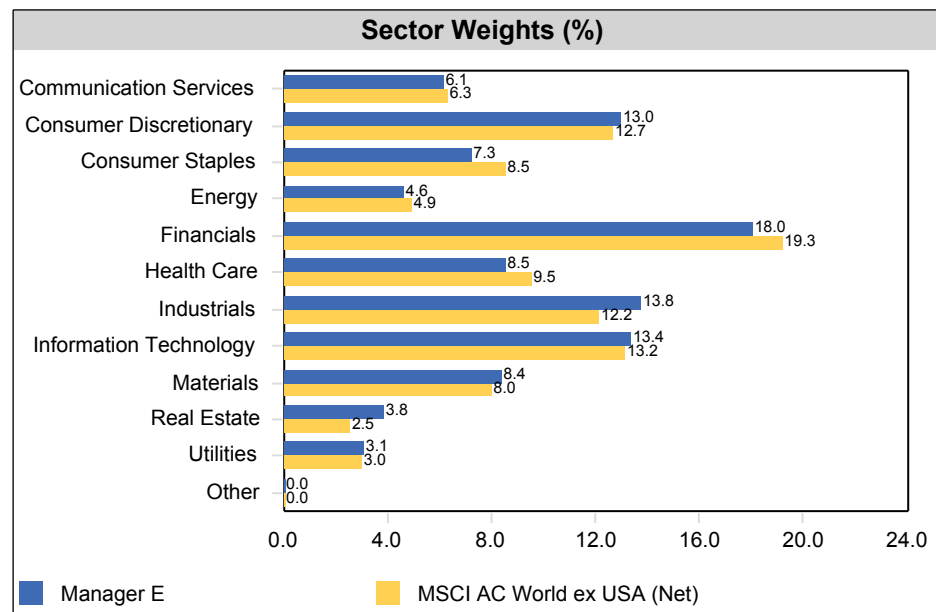
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Avis Budget Group Inc	0.24	0.24	0.00	49.58
Paylocity Holding Corp	0.48	0.48	0.00	46.96
Repligen Corp	0.64	0.64	0.00	44.77
Hill-Rom Holdings Inc	0.43	0.43	0.00	32.26
Pilgrim's Pride Corp	0.06	0.06	0.00	31.11
AutoNation Inc	0.23	0.23	0.00	28.43
Jones Lang LaSalle Inc	0.54	0.54	0.00	26.93
Murphy USA Inc	0.17	0.17	0.00	25.61
Dick's Sporting Goods Inc.	0.34	0.34	0.00	24.91
Crocs Inc	0.39	0.39	0.00	23.14
% of Portfolio	3.52	3.52	0.00	

Portfolio Characteristics

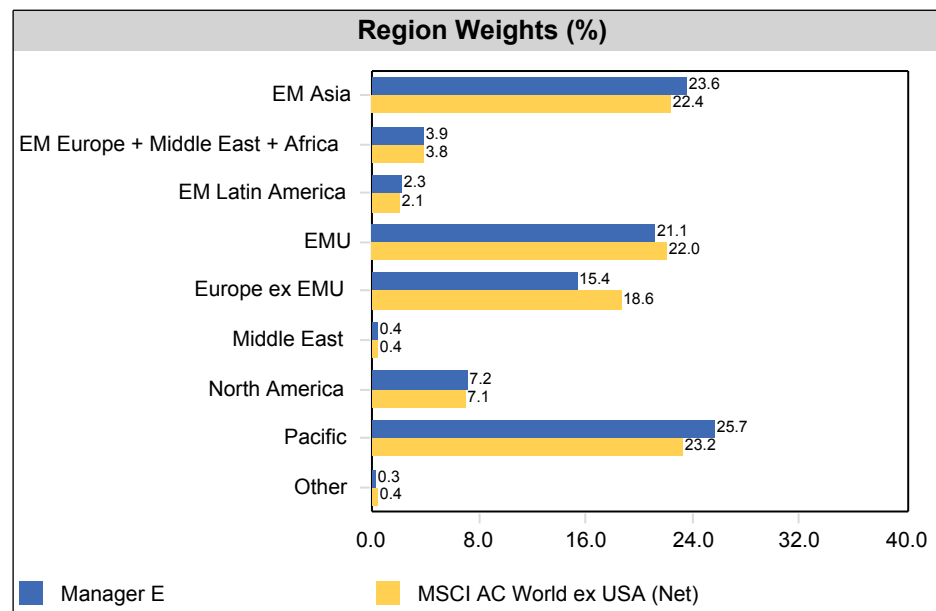
As of September 30, 2021

Manager E vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	76,859	91,316
Median Mkt. Cap (\$M)	1,936	10,102
Price/Earnings ratio	14.76	15.07
Price/Book ratio	2.61	2.69
5 Yr. EPS Growth Rate (%)	12.03	13.39
Current Yield (%)	2.54	2.64
Beta (5 Years, Monthly)	1.01	1.00
Number of Stocks	7,732	2,354



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	1.69	1.93	-0.24	-1.81
Tencent Holdings LTD	1.20	1.28	-0.08	-21.19
Nestle SA, Cham Und Vevey	1.15	1.31	-0.16	-3.09
ASML Holding NV	1.00	1.18	-0.18	8.97
Samsung Electronics Co Ltd	0.99	1.12	-0.13	-11.74
Alibaba Group Holding Ltd	0.88	1.04	-0.16	-35.52
Roche Holding AG	0.85	0.97	-0.12	-2.80
Toyota Motor Corp	0.75	0.71	0.04	7.41
LVMH Moet Hennessy Louis Vui	0.61	0.75	-0.14	-8.34
Novartis AG	0.59	0.69	-0.10	-9.72
% of Portfolio	9.71	10.98	-1.27	

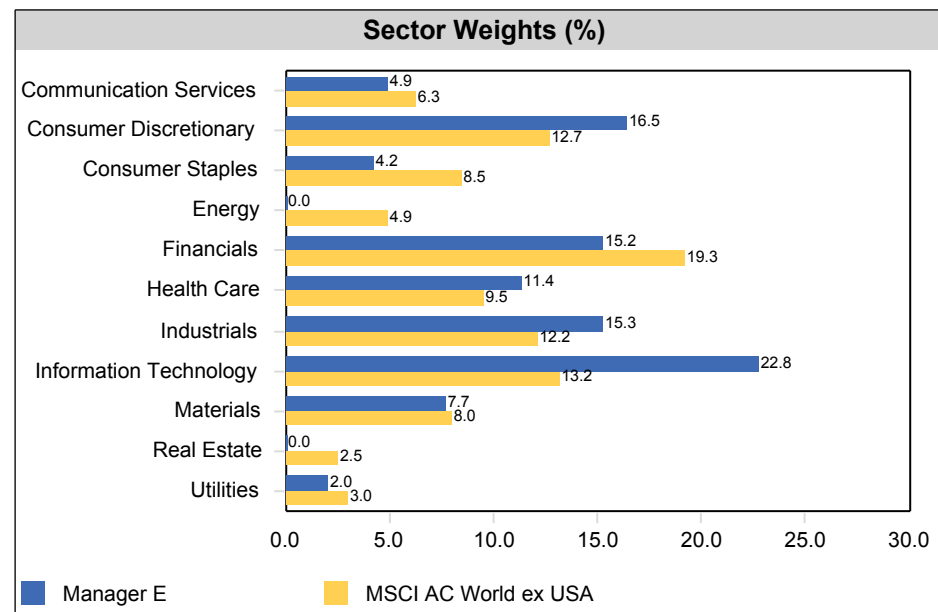


Portfolio Characteristics

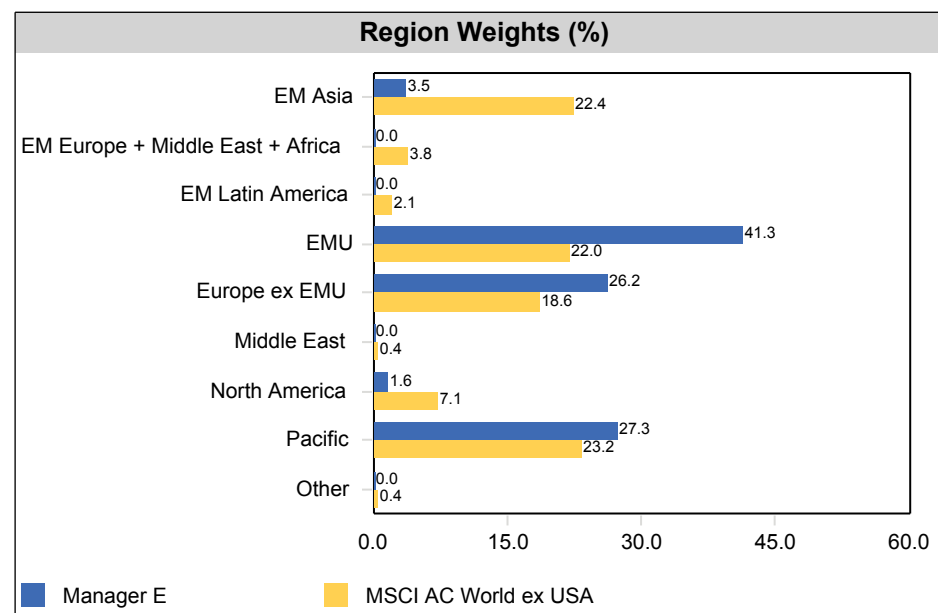
As of September 30, 2021

Manager E vs. MSCI AC World ex USA

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	62,808	91,316
Median Mkt. Cap (\$M)	40,519	10,102
Price/Earnings ratio	20.45	15.07
Price/Book ratio	3.53	2.69
5 Yr. EPS Growth Rate (%)	13.58	13.39
Current Yield (%)	1.81	2.64
Beta (5 Years, Monthly)	0.82	1.00
Number of Stocks	50	2,354
Debt to Equity (%)	83.01	105.82



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Z Holdings Corp	2.85	0.06	2.79	28.25
Icon PLC	2.58	0.00	2.58	26.76
Recruit Holdings Co Ltd	2.48	0.31	2.17	24.46
STMicroelectronics NV	2.38	0.11	2.27	20.78
Vestas Wind Systems A/S	2.34	0.15	2.19	2.79
Koninklijke Ahold Delhaize NV	2.34	0.13	2.21	13.78
Orix Corp	2.32	0.09	2.23	14.03
Advantest Corp	2.29	0.07	2.22	0.18
Sony Group Corporation	2.29	0.53	1.76	14.86
FinecoBank S.p.A.	2.28	0.04	2.24	4.20
% of Portfolio	24.15	1.49	22.66	

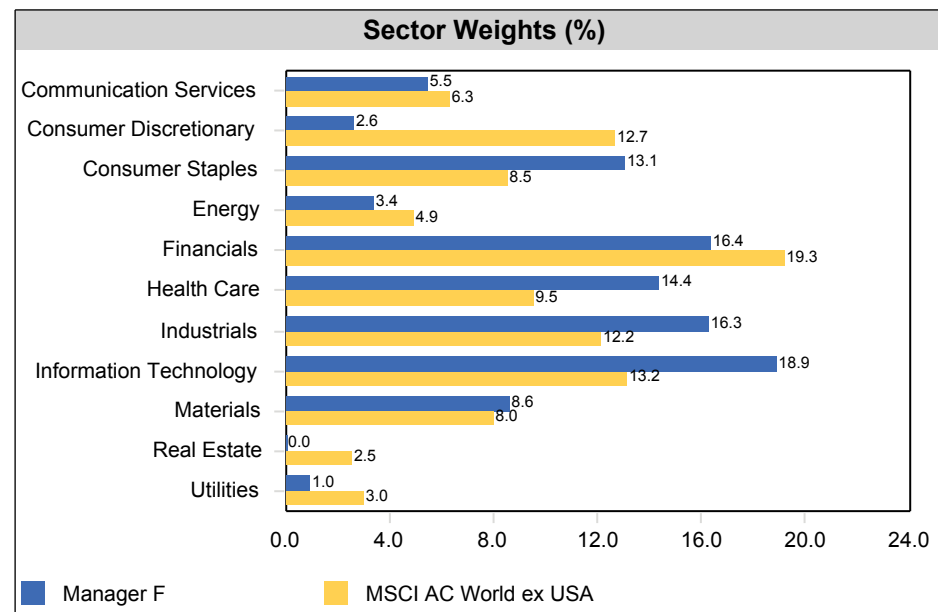


Portfolio Characteristics

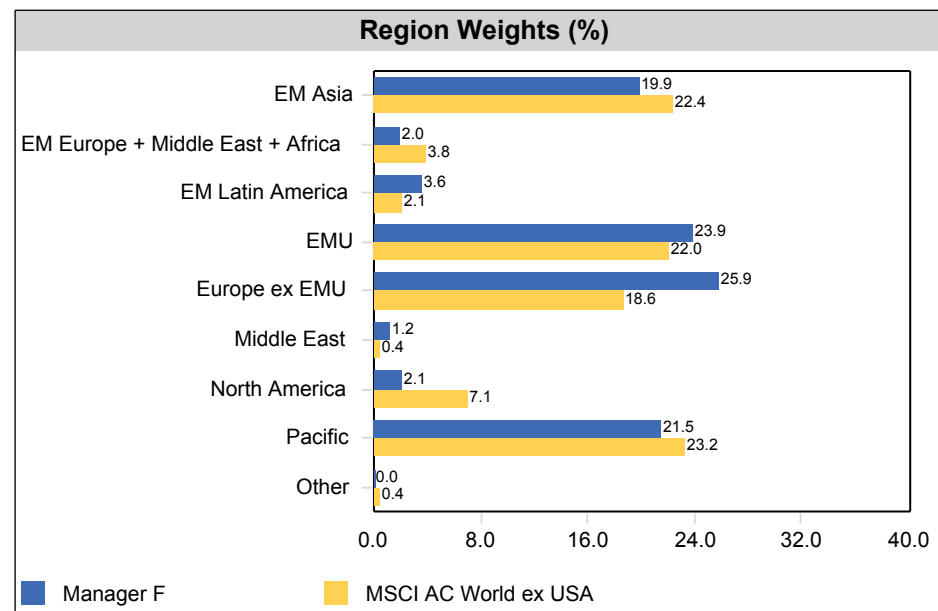
As of September 30, 2021

Manager F vs. MSCI AC World ex USA

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	125,506	91,316
Median Mkt. Cap (\$M)	53,773	10,102
Price/Earnings ratio	21.29	15.07
Price/Book ratio	3.42	2.69
5 Yr. EPS Growth Rate (%)	16.26	13.39
Current Yield (%)	2.09	2.64
Beta (5 Years, Monthly)	0.57	1.00
Number of Stocks	60	2,354
Debt to Equity (%)	64.06	105.82



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Atlas Copco AB	3.63	0.15	3.48	-0.68
Taiwan Semicon Manu Co ADR	3.59	1.93	1.66	-6.70
L'Oreal S.A., Paris	3.34	0.39	2.95	-7.18
Tencent Holdings LTD	3.24	1.28	1.96	-21.19
Infineon Technologies AG	3.22	0.20	3.02	2.68
AIA Group Ltd	2.96	0.52	2.44	-6.63
Roche Holding AG	2.85	0.97	1.88	-2.80
Adyen N.V	2.82	0.21	2.61	14.57
Schneider Electric SA	2.76	0.34	2.42	6.02
Samsung Electronics Co Ltd	2.63	0.18	2.45	-12.39
% of Portfolio	31.04	6.17	24.87	

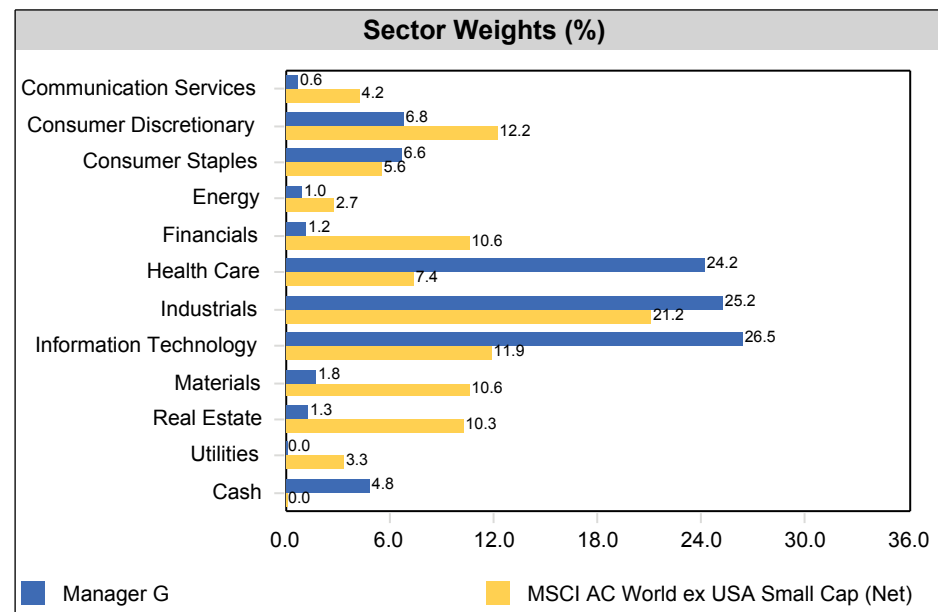


Portfolio Characteristics

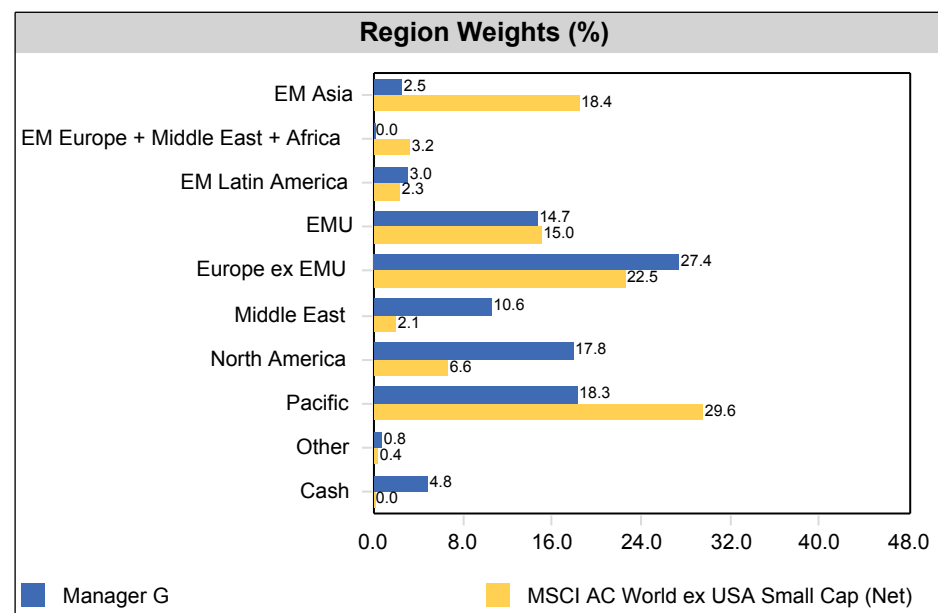
As of September 30, 2021

Manager G vs. MSCI AC World ex USA Small Cap (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	8,056	3,014
Median Mkt. Cap (\$M)	3,559	1,188
Price/Earnings ratio	38.26	15.24
Price/Book ratio	4.40	2.46
5 Yr. EPS Growth Rate (%)	14.25	11.57
Current Yield (%)	0.89	2.19
Beta	N/A	1.00
Number of Stocks	129	4,391
Debt to Equity (%)	44.32	103.46



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	4.81	0.00	4.81	N/A
NICE Ltd	3.81	0.00	3.81	14.78
Kornit Digital Ltd	3.09	0.15	2.94	16.42
SG Holdings Co Ltd	2.23	0.00	2.23	9.27
Alcon Inc	1.94	0.00	1.94	16.30
Metso Outotec Oyj	1.87	0.12	1.75	-21.03
Jet2 plc	1.79	0.06	1.73	5.73
Azbil Corp	1.77	0.00	1.77	4.58
Convatec Group Plc	1.66	0.10	1.56	-11.76
Rotork PLC	1.57	0.09	1.48	0.90
% of Portfolio	24.54	0.52	24.02	

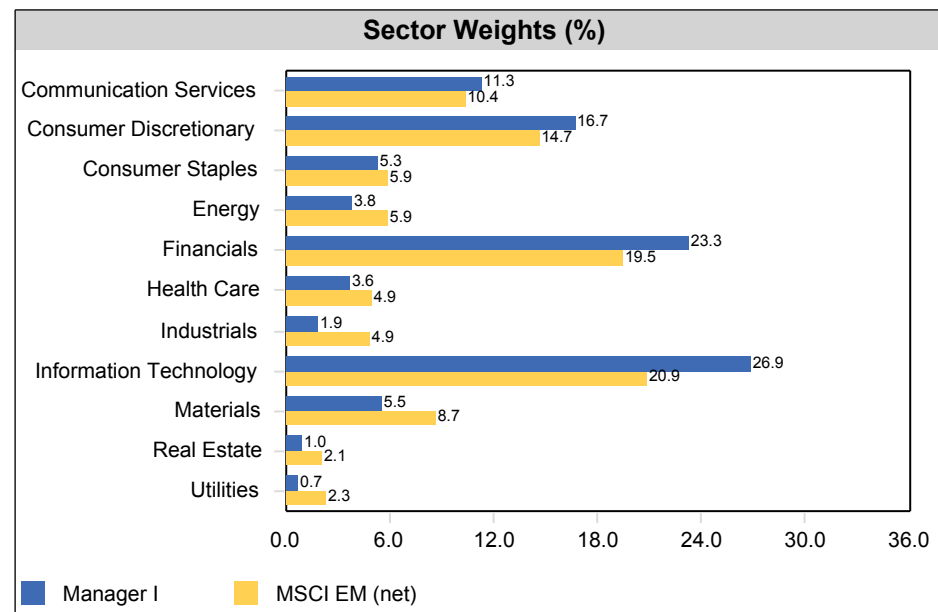


Portfolio Characteristics

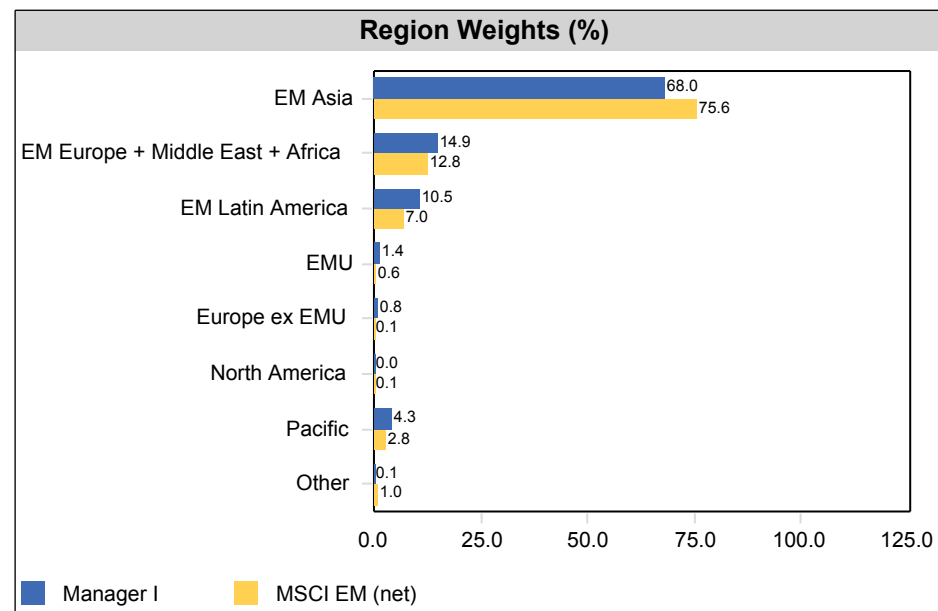
As of September 30, 2021

Manager I vs. MSCI EM (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	148,113	127,496
Median Mkt. Cap (\$M)	16,457	6,793
Price/Earnings ratio	16.00	13.21
Price/Book ratio	2.76	2.78
5 Yr. EPS Growth Rate (%)	16.19	15.51
Current Yield (%)	2.18	2.46
Beta (5 Years, Monthly)	0.99	1.00
Number of Stocks	114	1,418
Debt to Equity (%)	84.28	90.26



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	8.94	6.51	2.43	-1.81
Samsung Electronics Co Ltd	6.17	3.80	2.37	-11.74
Tencent Holdings LTD	6.04	4.33	1.71	-21.19
Mediatek Incorporation	2.21	0.62	1.59	-1.89
AIA Group Ltd	2.15	0.00	2.15	-6.63
Firststrand Ltd	2.07	0.28	1.79	14.53
Icici Bank Ltd	1.96	0.61	1.35	11.65
Itau Unibanco Holding SA	1.94	0.33	1.61	-11.88
JD.com Inc	1.87	0.80	1.07	-7.49
Alibaba Group Holding Ltd	1.86	3.52	-1.66	-34.72
% of Portfolio	35.21	20.80	14.41	

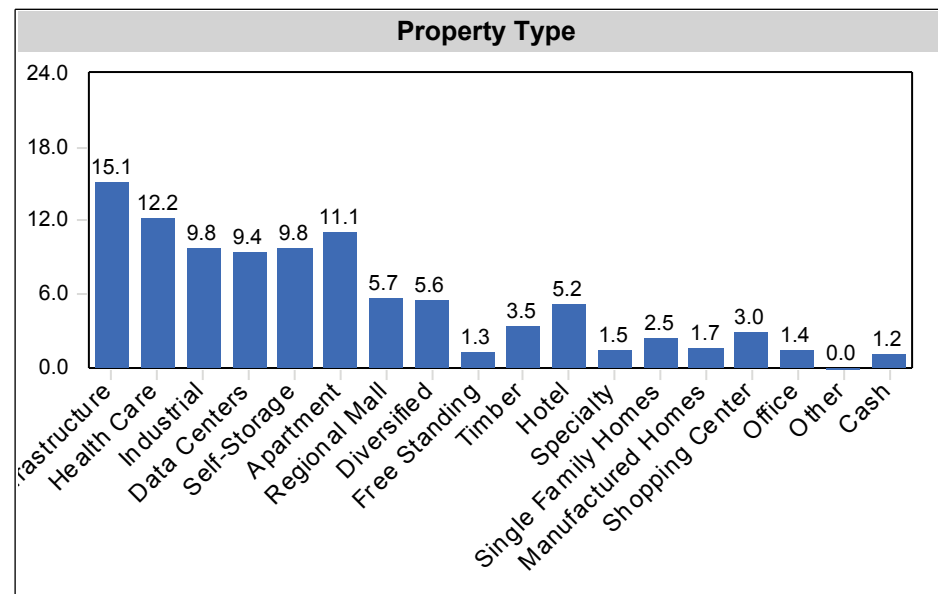


Portfolio Characteristics

As of September 30, 2021

Manager J vs. MSCI US REIT Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	37,884	28,480
Median Mkt. Cap (\$M)	19,453	3,977
Price/Earnings ratio	42.16	43.37
Price/Book ratio	3.40	2.66
5 Yr. EPS Growth Rate (%)	7.30	4.42
Current Yield (%)	2.60	3.10
Number of Stocks	37	136



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
American Tower Corp	9.81	0.00	9.81	-1.28
Public Storage	8.00	4.17	3.83	-0.57
Simon Property Group Inc.	5.76	3.81	1.95	1.81
Duke Realty Corp	5.09	1.60	3.49	1.60
Healthpeak Properties Inc	4.89	1.61	3.28	1.40
Welltower Inc	4.33	3.07	1.26	-0.12
UDR Inc	4.13	1.40	2.73	8.92
SBA Communications Corp	3.63	0.00	3.63	3.90
Essex Property Trust Inc.	3.61	1.85	1.76	7.26
Weyerhaeuser Co	3.52	0.00	3.52	3.82
% of Portfolio	52.77	17.51	35.26	

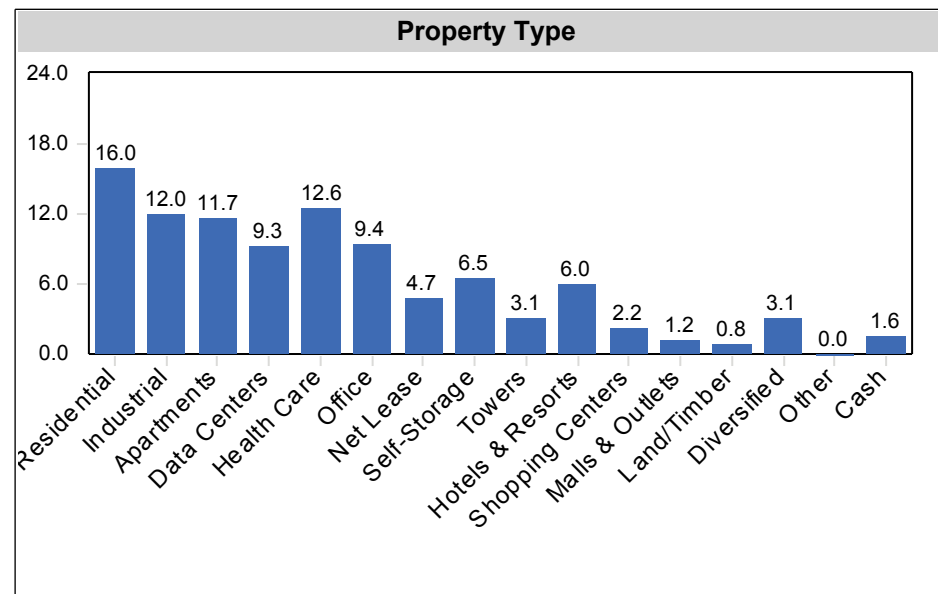
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Jones Lang LaSalle Inc	2.54	0.00	2.54	26.93
Healthcare Trust of America Inc	1.46	0.58	0.88	11.09
CyrusOne Inc	2.69	0.85	1.84	8.97
UDR Inc	4.13	1.40	2.73	8.92
Sun Communities Inc.	1.66	1.85	-0.19	8.47
Caesars Entertainment Inc	0.89	0.00	0.89	8.22
Essex Property Trust Inc.	3.61	1.85	1.76	7.26
Equity Residential	0.95	2.56	-1.61	5.87
Prologis Inc	2.39	8.27	-5.88	5.43
SBA Communications Corp	3.63	0.00	3.63	3.90
% of Portfolio	23.95	17.36	6.59	

Portfolio Characteristics

As of September 30, 2021

Manager K vs. MSCI US REIT Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	28,177	28,480
Median Mkt. Cap (\$M)	8,702	3,977
Price/Earnings ratio	41.43	43.37
Price/Book ratio	2.66	2.66
5 Yr. EPS Growth Rate (%)	8.78	4.42
Current Yield (%)	2.73	3.10
Number of Stocks	48	136



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Equinix Inc	6.63	6.31	0.32	-1.21
Prologis Inc	6.53	8.27	-1.74	5.43
Invitation Homes Inc	5.36	1.94	3.42	3.23
AvalonBay Communities Inc.	5.24	2.76	2.48	6.21
Essex Property Trust Inc.	4.50	1.85	2.65	7.26
Sun Communities Inc.	4.01	1.85	2.16	8.47
Ventas Inc.	3.97	1.94	2.03	-2.54
American Homes 4 Rent	3.71	0.99	2.72	-1.64
Extra Space Storage Inc	3.66	2.00	1.66	3.24
Alexandria Real Estate Equities Inc.	3.50	2.39	1.11	5.63
% of Portfolio	47.11	30.30	16.81	

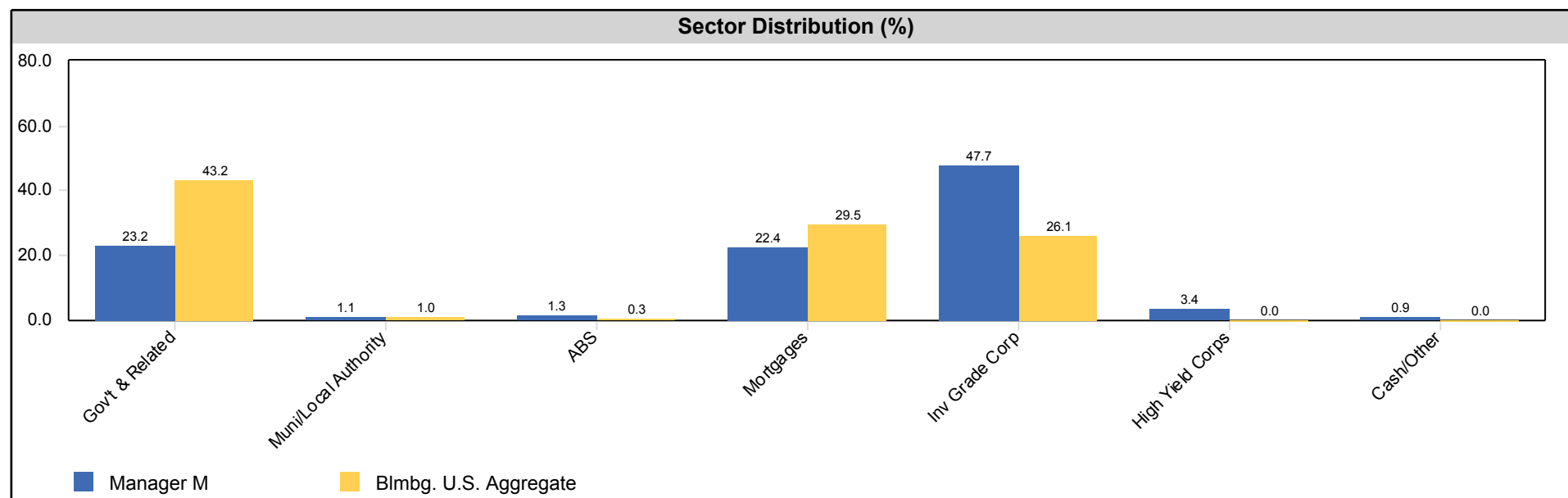
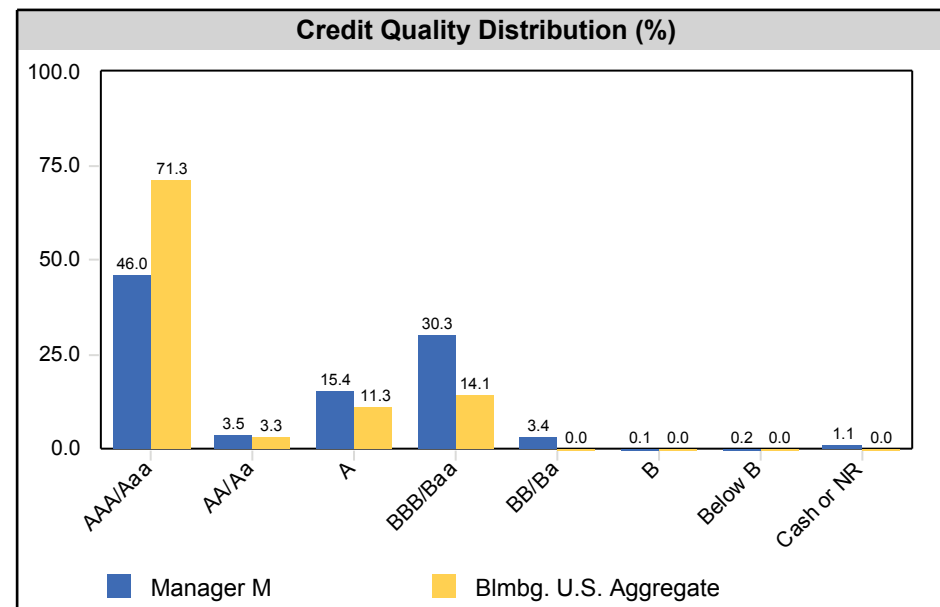
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Healthcare Trust of America Inc	1.99	0.58	1.41	11.09
CyrusOne Inc	0.51	0.85	-0.34	8.97
Sun Communities Inc.	4.01	1.85	2.16	8.47
Essex Property Trust Inc.	4.50	1.85	2.65	7.26
Broadstone Net Lease Inc	1.50	0.32	1.18	7.07
PS Business Parks Inc.	1.54	0.29	1.25	6.56
Choice Hotels International Inc.	0.32	0.00	0.32	6.50
AvalonBay Communities Inc.	5.24	2.76	2.48	6.21
Regency Centers Corp.	1.84	0.92	0.92	6.01
MGM Growth Properties LLC	1.23	0.52	0.71	5.99
% of Portfolio	22.68	9.94	12.74	

Portfolio Characteristics

As of September 30, 2021

Manager M vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.49	6.71
Yield To Maturity (%)	1.75	1.55
Avg. Maturity	8.13	8.63
Avg. Quality	A	AA
Coupon Rate (%)	3.19	2.48

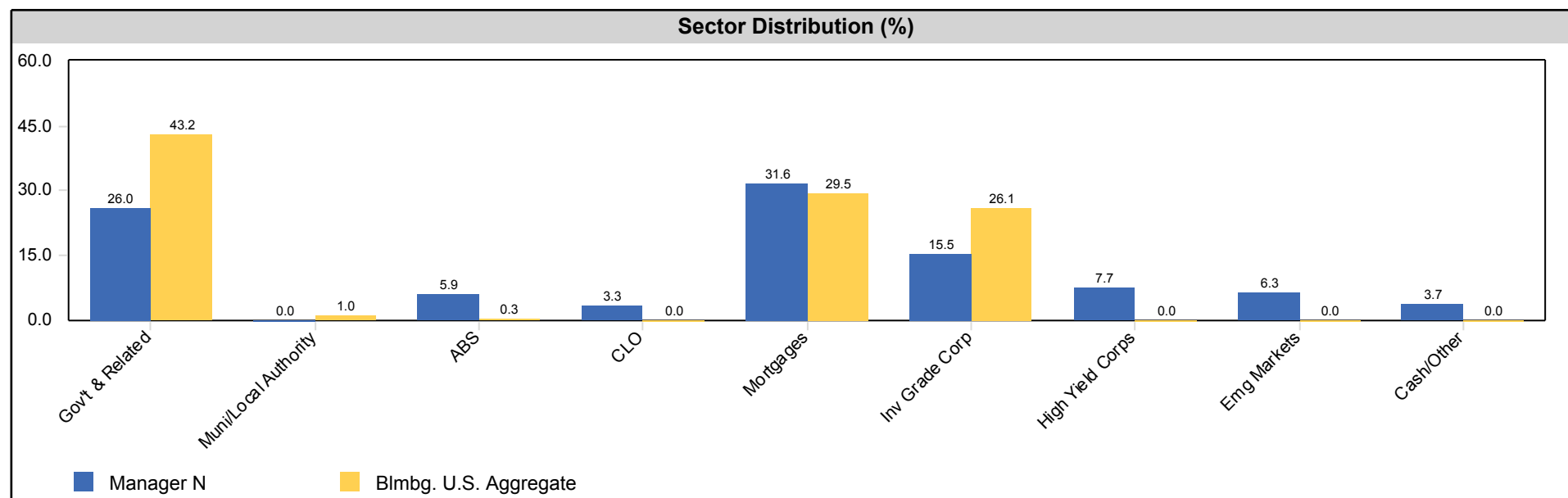
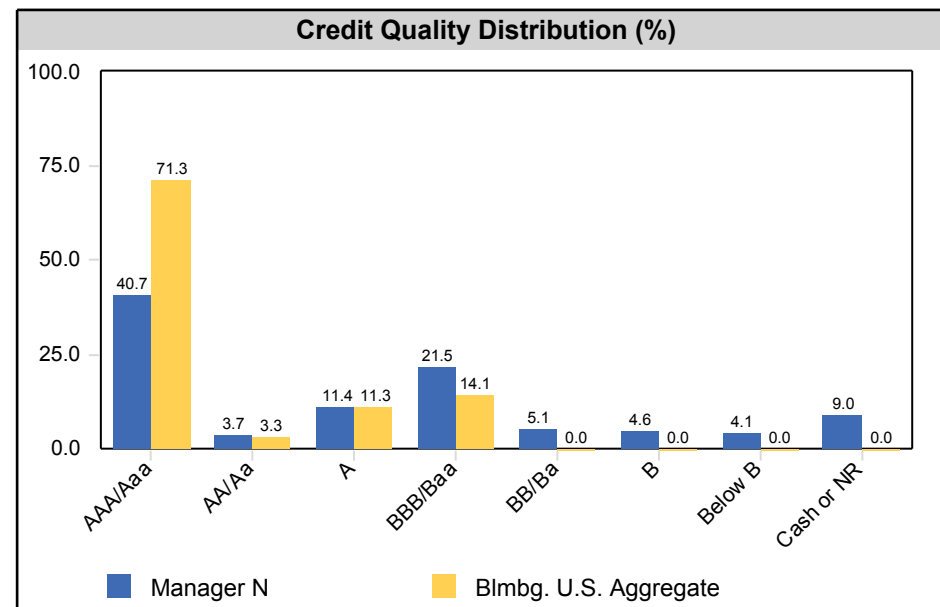


Portfolio Characteristics

As of September 30, 2021

Manager N vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.89	6.71
Yield To Maturity (%)	2.28	1.55
Avg. Maturity	6.99	8.63
Avg. Quality	A	AA
Coupon Rate (%)	2.94	2.48

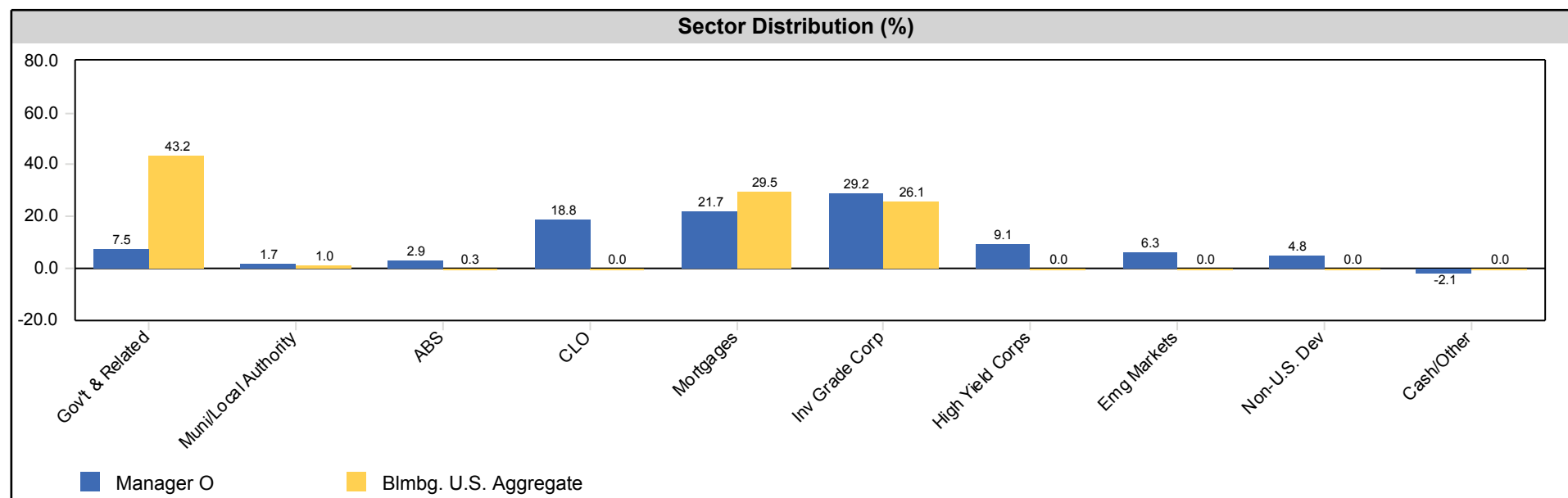
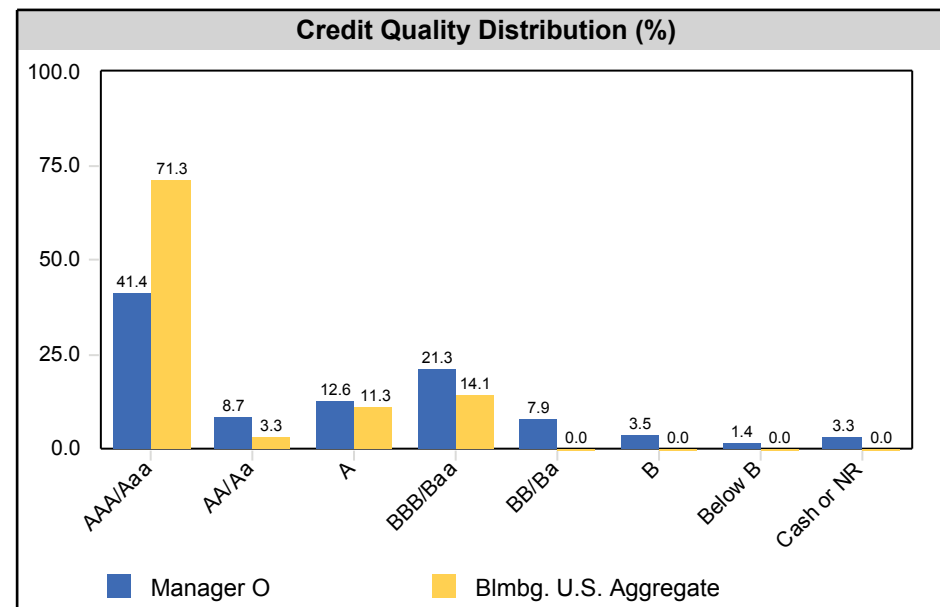


Portfolio Characteristics

As of September 30, 2021

Manager O vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.96	6.71
Yield To Maturity (%)	2.87	1.55
Avg. Maturity	9.12	8.63
Avg. Quality	A	AA
Coupon Rate (%)	3.24	2.48

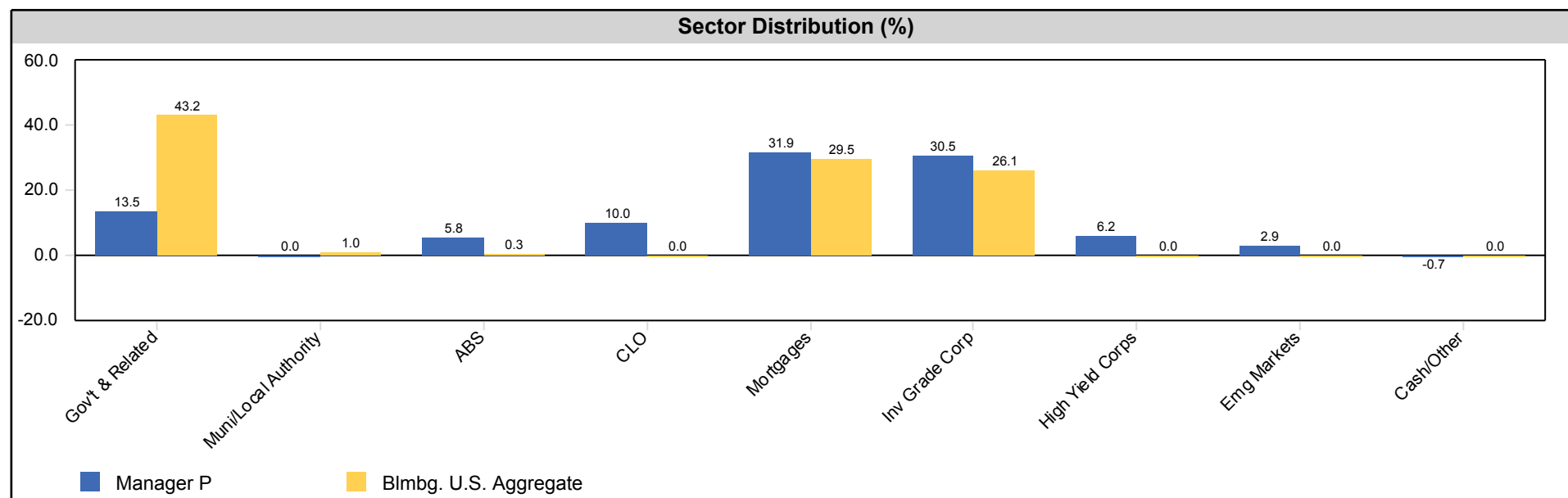
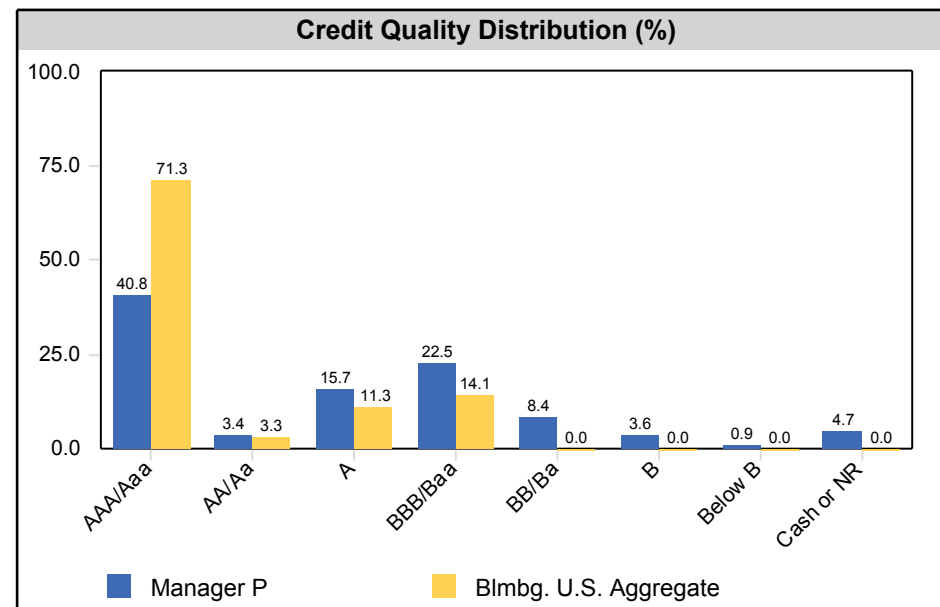


Portfolio Characteristics

As of September 30, 2021

Manager P vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.56	6.71
Yield To Maturity (%)	2.78	1.55
Avg. Maturity	8.04	8.63
Avg. Quality	A	AA
Coupon Rate (%)	3.05	2.48

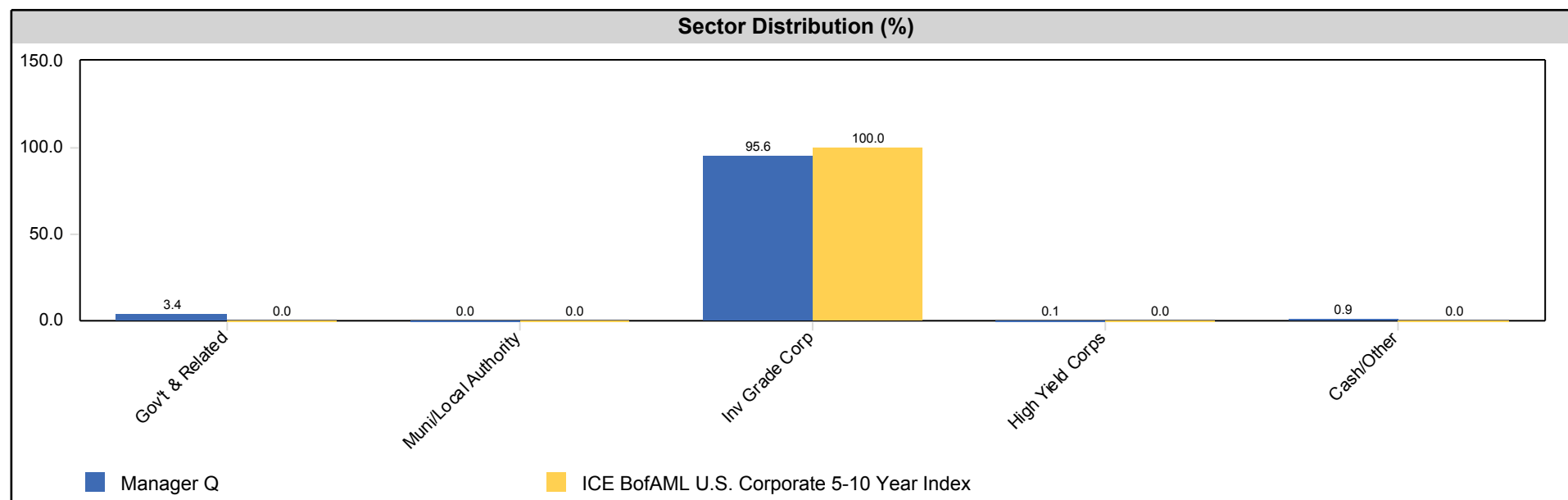
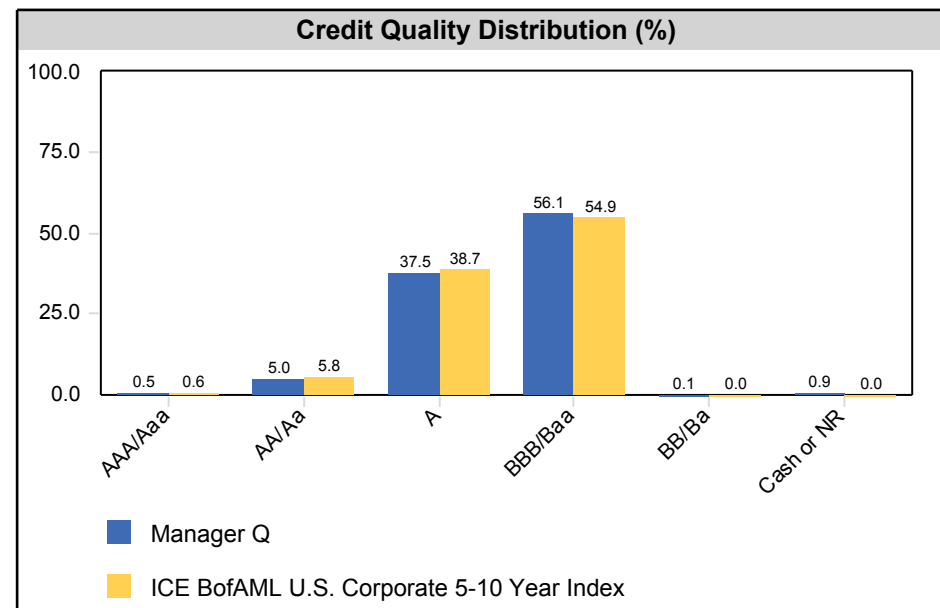


Portfolio Characteristics

As of September 30, 2021

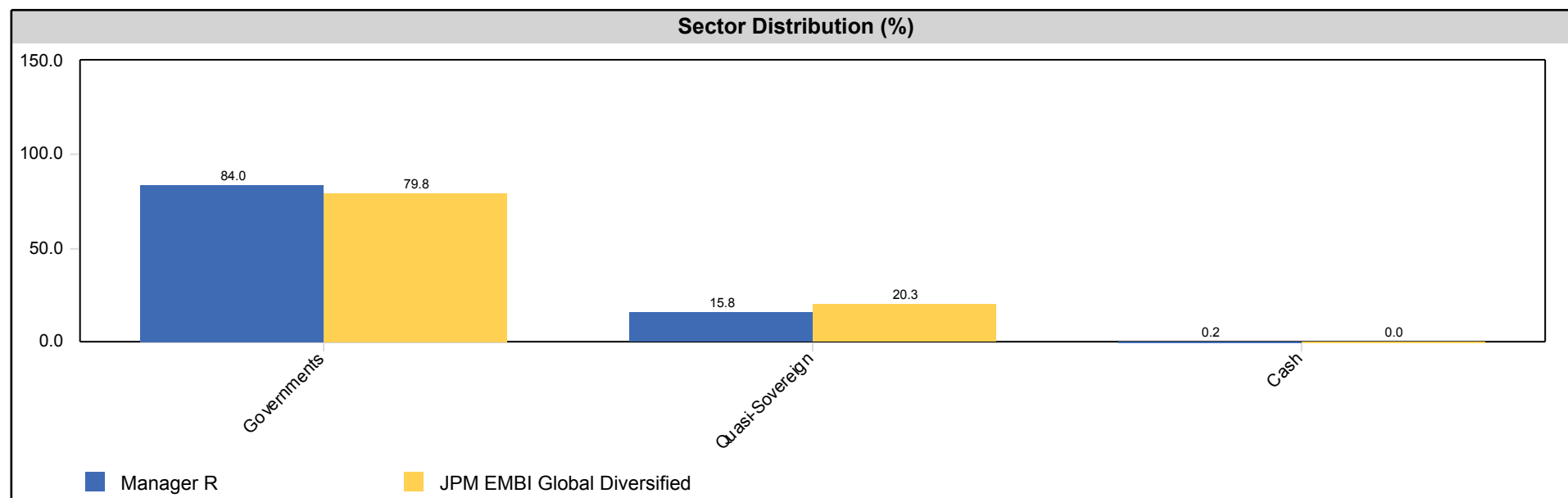
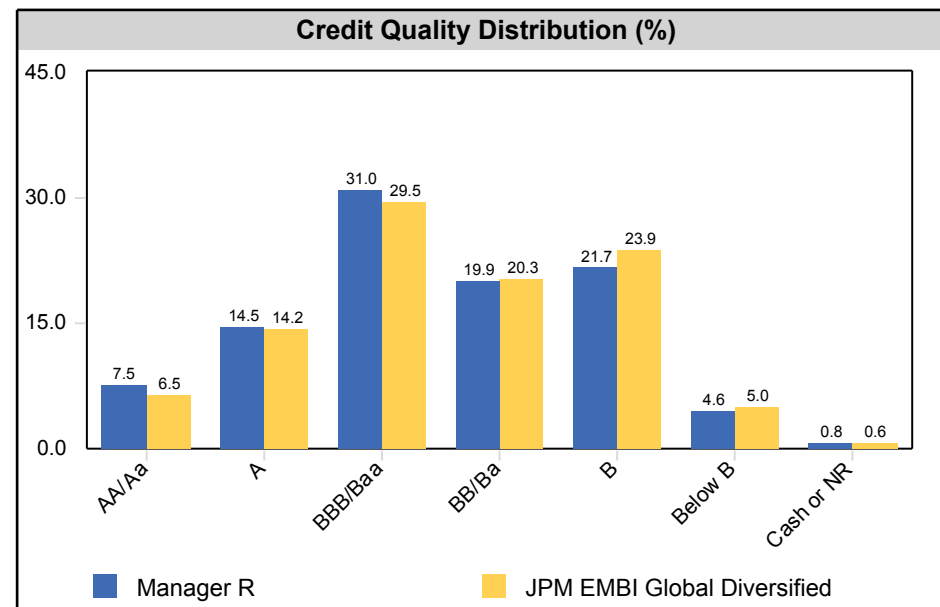
Manager Q vs. ICE BofAML U.S. Corporate 5-10 Year Index

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.48	6.46
Yield To Maturity (%)	2.12	2.18
Avg. Maturity	7.44	7.35
Avg. Quality	BBB	A
Coupon Rate (%)	3.25	3.45



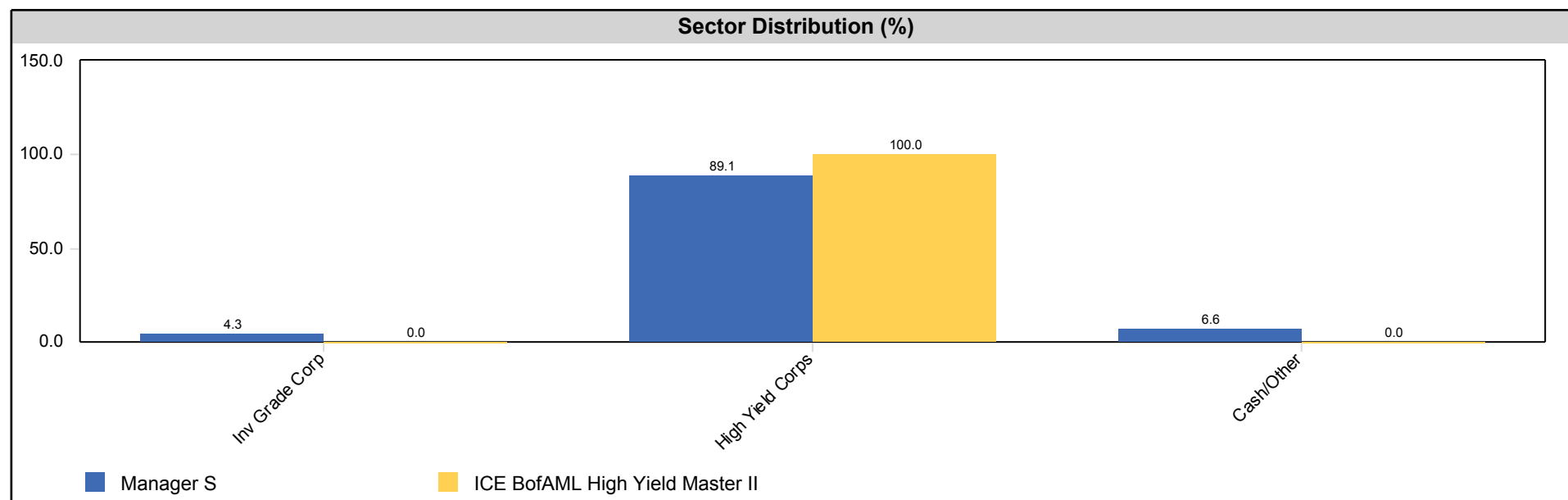
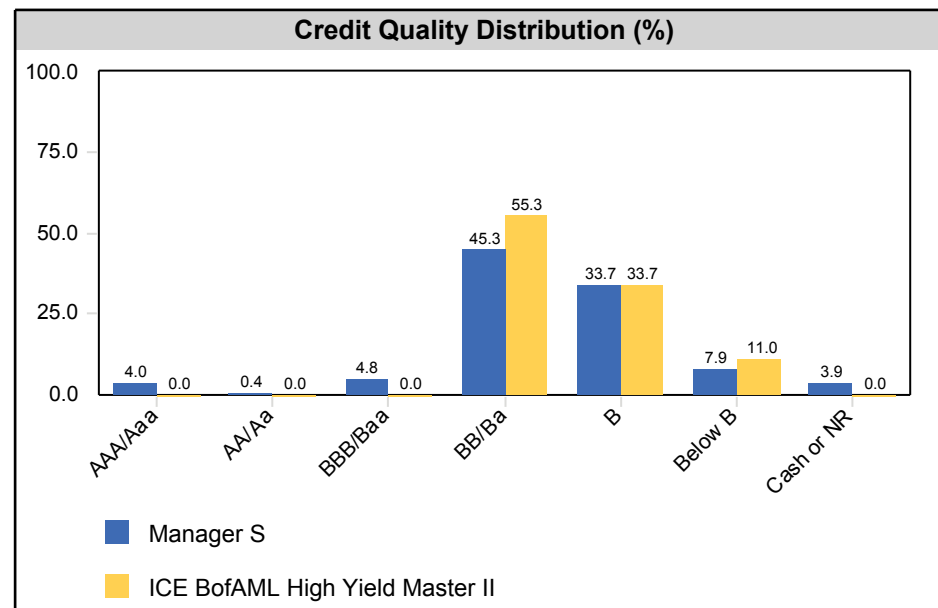
Manager R vs. JPM EMBI Global Diversified

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	8.40	7.97
Yield To Maturity (%)	4.42	5.13
Avg. Maturity	13.54	12.35
Avg. Quality	BBB	BB
Coupon Rate (%)	4.96	5.21



Manager S vs. ICE BofAML High Yield Master II

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	3.53	4.05
Yield To Maturity (%)	4.35	4.61
Avg. Maturity	5.77	6.55
Avg. Quality	BB	B
Coupon Rate (%)	5.71	5.76



Statistics Definition

Statistics	Definition
Return	- Compounded rate of return for the period.
Standard Deviation	- A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Alpha	- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
Treyner Ratio	- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Active Return	- Arithmetic difference between the managers return and the benchmark return over a specified time period.
Tracking Error	- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Information Ratio	- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
R-Squared	- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means higher correlation of the portfolio's performance to the appropriate benchmark.
Up Market Capture	- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.
Down Market Capture	- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.

IMPORTANT DISCLOSURES

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

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Alerts



SUMMARY

The recent uptick in volatility in the equity, credit and commodity markets is driven by several investor concerns: rising Covid-19 cases due to Omicron variant; the likely probability that the Build Back Better (“BBB”) bill is dead after Senator Joe Manchin came out against it; and the U.S. Federal Reserve (“Fed”) reducing monetary accommodation even as the economic recovery moderates over the next several years. These concerns combined with lower liquidity this time of the year is leading to exaggerated price movements. We believe that investors are over-reacting and view the recent sell-off as more of a market event rather than a reflection of deteriorating fundamental conditions.

We expect the global economy to continue to grow above trend in 2022 before slowing down to trend growth of 3.5% or so in 2023 and beyond. The U.S. economy is expected to grow over 4% in 2022, well above trend growth of 2% or so. While the additional spending in the BBB bill would have added to economic growth over the next several years, our view is that this additional spending would have led to inflation coming down at a slower pace. Investors are also over-reacting, in our opinion, to the Omicron variant. Current vaccines have been shown to be efficacious against the Omicron variant, especially after a booster shot. We also believe that the Federal Reserve will be “data dependent” and not hike rates regardless of economic and market conditions. In other words, given that the BBB bill is unlikely to pass and our expectations that inflation is likely to moderate, we view it as likely that the Fed may not raise rates three times next year. Therefore, while we acknowledge and share the concern that the Fed is hiking rates in the face of a slowing economy, we believe this risk is manageable.

We do not see the current volatility as a reflection of a turn in the business cycle. As a result, we believe that no immediate action is warranted to reduce risk in client portfolios at this time.

We will continue to monitor market developments and economic fundamentals and will take appropriate action if we see a deterioration in fundamentals.

UPDATE ON RECENT MARKET VOLATILITY

After a strong performance, equities have been range bound since early November and over the next couple of weeks, have declined about 4% or so. Investor concerns include: Omicron variant, fiscal drag next year after two years of extraordinary fiscal spending and the end of accommodative monetary policy. We acknowledge that each of these risks by themselves and in combination have the potential to derail the economic recovery that started in mid-2020. But our current expectations are that these risks are manageable.

With respect to fiscal policy, we would point out that while fiscal spending is expected to moderate in 2022 and beyond, as a percent of GDP, it will still be larger than pre-pandemic based on CBO projections. One unintended consequence of the extraordinary fiscal and monetary policy responses to Covid-19 is higher inflation. Moderating fiscal spending, we believe, will lead to moderating inflation. And this plays into our expectations about monetary policy.

After maintaining accommodative monetary policy even as the economy continued to grow above trend, the Fed at its last meeting, indicated that it will end its QE program by March 2022 and likely hike rates three times in 2022. These projections, we believe, are based on expectations at the time of the meeting: likelihood that some form of BBB would pass and current inflation of almost 7%. We believe the Fed will be data dependent and adjust its views to take into consideration moderating inflation and slowing economic growth. The result is that the Fed may not raise rates three times in 2022. We would point out that market expectations for the terminal fed fund rate as well as the yield on 10-year Treasuries have both dropped, indicating that the fixed income markets do not expect the Fed to raise rates as many times as it projects.

We also believe investors may be over-reacting to the impact of the Omicron variant on economic growth. As consensus data indicates that while Omicron spreads more rapidly, its health effects are less alarming and that current vaccines, especially after a booster shot, are proving to be effective against this variant. While it is true that some high-profile events such as holiday shows in NYC have been canceled, the impact on the economy is modest so far. Projections from the Atlanta Fed real-time economic model estimates growth in the fourth quarter of 7% vs. the 4% estimate of Wall Street economists.

ASSESSMENT

The global and U.S. economy slowed down in the third quarter due to the negative impact from the Delta variant. We became more constructive as the economy regained momentum in the fourth quarter. Based on various models, economic growth in the fourth quarter is likely to show a significant improvement. Corporate fundamentals remain very strong. Profit growth for S&P 500 companies is expected to be approximately 50% vs 2020. In 2022, corporate profits are expected to grow in the low double digits. We note that as equity prices weakened the past few weeks, companies stepped up their stock repurchase. We view the additional stock repurchase as a sign of confidence from company managements, who are in the best position to assess their business outlook over the next several quarters.

While the current equity market correction may continue to pressure equities lower for some time, we believe the U.S. economy remains on track for continued expansion, albeit at a slowing pace vs the very strong growth we saw in the second half of 2020 and 2021. After lagging U.S. economic growth, international economies are expected to catch up and possibly grow faster in 2022 as their recovery lags the U.S.

While we expect monetary policy to begin to normalize over the next several years, we do not think that rates are likely to rise to levels that would derail the economic recovery. Central banks including the Fed are likely to be data dependent and will adjust their guidance as needed.

As we continue to monitor the recent rise in volatility, we believe that it is in line with historical norms. Volatility as measured by the CBOE Volatility Index (VIX) came down significantly as fiscal authorities and central banks aggressively responded to the threat from Covid-19. As a result, investors have been accustomed to lower volatility over the past year and half. We believe that heightened volatility in response to possible risks we face is normal and not indicating that the economic recovery is at risk. The increased volatility is likely exaggerated due to lower liquidity this time of the year. We continue to believe that next year the global economy will experience synchronized growth. Therefore, we believe that no immediate action is warranted to reduce risk in client portfolios at this time. We continue to maintain a tactical overweight to equities as well as other asset classes that we expect to outperform while we remain underweight to fixed income, which we believe will continue to struggle in 2022.

We will continue to monitor market developments and economic fundamentals and will take appropriate action when needed.

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.



Trust Agreement

POST-EMPLOYMENT BENEFITS TRUST AGREEMENT

by and between



PFM ASSET MANAGEMENT LLC,
as Trust Administrator

and



WELLS FARGO BANK, N.A.
as Trustee

Effective July 1, 2015

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS.....	2
ARTICLE 2 ESTABLISHMENT AND PURPOSE	3
ARTICLE 3 PARTICIPATION.....	3
3.1 Eligibility	3
3.2 Commencement of Participation.....	3
3.3 Termination of Participation.....	3
ARTICLE 4 GENERAL TRUST PROVISIONS	4
4.1 Irrevocable Trust	4
4.2 No Diversion.....	4
4.3 Title to Trust Assets	4
4.4 Spendthrift Provision	4
4.5 Account Assets	5
4.6 Separate Accounts.....	5
ARTICLE 5 TRUST ADMINISTRATOR	6
5.1 Powers and Duties of the Trust Administrator	6
5.2 Reliance	6
5.3 Annual Audit.....	6
5.4 Trust Administrator not Custodian of Trust Assets	6
5.5 Furnishing of Administrative Services, Office Space, Equipment and Personnel	6
5.6 Registered Investment Advisor	7
5.7 Investment Advice to Other Clients.....	7
5.8 Notice of Regulatory Action	7
5.9 Trust Administrator Separate from Employer and Trustee	7
5.10 Recordkeeping	7
5.11 Disclosure Statement	7
5.12 Survival of Agreement and Assignment.....	7
ARTICLE 6 TRUSTEE.....	8
6.1 Powers and Duties of the Trustee.....	8
ARTICLE 7 INVESTMENTS	9
7.1 Trustee	9
7.2 Trust Administrator	9
7.3 Combining of Assets for Investment	10
7.4 Investment Direction	10
7.5 Broker Executed Investments	10
7.6 Affiliated Broker/Dealers	10
7.7 Quarterly Reports.....	10
ARTICLE 8 PAYMENTS FROM TRUST	10
8.1 Plan Administrator.....	10
8.2 Trustee Reliance	11
8.3 Payments	11



ARTICLE 9 TAXES, EXPENSES AND COMPENSATION OF THE TRUSTEE AND TRUST

ADMINISTRATOR.....	11
9.1 Payment of Fees	11
9.2 Trust Administration Fees	11
9.3 Trustee Fees	11
9.4 Reimbursement of Expenses.....	11

ARTICLE 10 RECORDKEEPING AND VALUATION..... 12

10.1 Trust Records.....	12
10.2 Separate Account Records	12
10.3 Quarterly Reports.....	12
10.4 Valuation	12

ARTICLE 11 STANDARD OF CARE AND INDEMNIFICATION..... 12

11.1 Exclusive Purpose.....	12
11.2 Standard of Care.....	12
11.3 Trustee Indemnification of Trust Administrator	12
11.4 Trust Administrator Indemnification of Trustee	13
11.5 Survival of Indemnifications	13

ARTICLE 12 RESIGNATION AND REMOVAL OF TRUST ADMINISTRATOR..... 13

12.1 Resignation or Removal of Trust Administrator	13
12.2 Designation of Successor Trust Administrator.....	13
12.3 Compensation Pending Appointment of Successor	13
12.4 Merger, Conversion, Consolidation or Sale of Trust Administrator	13
12.5 Successor Trust Administrator - No Duty to Investigate	13

ARTICLE 13 RESIGNATION AND REMOVAL OF TRUSTEE..... 13

13.1 Resignation of Trustee	13
13.2 Removal of Trustee.....	14
13.3 Designation of Successor Trustee	14
13.4 Application to Court to Designate Successor	14
13.5 Trustee Compensation Pending Appointment of Successor	14
13.6 Merger, Conversion, Consolidation or Sale of Trustee.....	14
13.7 Transfer of Assets and Records	14
13.8 Payment of Expenses	14
13.9 Successor Trust Administrator - No Duty to Investigate	14

ARTICLE 14 AMENDMENT, TERMINATION, MERGER, TRANSFER 14

14.1 Amendment.....	14
14.2 Termination of Trust	15
14.3 Termination of Employer's Account.	15
14.4 Mistake of Fact.....	16
14.5 Merger or Transfer	16
14.6 Reversion	16

ARTICLE 15 MISCELLANEOUS 16

15.1 Choice of Law	16
15.2 No Joint Powers Agreement	16



15.3	Authorized Signatories	16
15.4	List of Persons Authorize to Act for Employer	16
15.5	List of Persons Authorized to Act for Trust Administrator	16
15.6	Agreement Controls	16
15.7	Severability.....	16
15.8	Counterparts	17
15.9	Delivery of Communications	17



POST-EMPLOYMENT BENEFITS TRUST AGREEMENT

This Post-Employment Benefits Trust Agreement ("Agreement") is made effective July 1, 2015, between WELLS FARGO BANK, N.A. (together with any successor trustee hereunder, the "Trustee") and PFM ASSET MANAGEMENT LLC (together with any successor trust administrator hereunder, the "Trust Administrator");

WHEREAS, the Trust Administrator wishes to establish a means by which public-agency employers may set aside moneys to fund the employers' obligations to provide eligible persons ("Beneficiaries") with (i) pension benefits and (ii) retiree-health benefits and other post-employment benefits other than pension benefits ("OPEB");

WHEREAS, to accomplish these objectives, the Trustee wishes to establish a multiple-employer trust ("Trust") for the exclusive purpose of providing amounts to fund participating employers' obligations to provide OPEB or pension benefits, or both, with the intent that (i) the Trust's income will be exempt from federal and state income tax (under Internal Revenue Code Section 115 with respect to federal income tax), (ii) contributions and transfers to the Trust will not be taxable to Beneficiaries, (iii) Trust assets are intended to qualify as "plan assets" to the maximum extent permitted under Governmental Accounting Standards Board statements applicable to OPEB and pension benefits, and (iv) all assets of the Trust are and will be irrevocably dedicated to, and will be used for the exclusive purposes of, providing for payments of OPEB and pension obligations as described in this Agreement, and paying the reasonable expenses of administering the Trust, and will not be available to any participating employer's creditors;

WHEREAS, the Trust Administrator and Trustee are unaffiliated entities;

WHEREAS, the Trustee is willing to accept the Trust;

WHEREAS, the Trust is an entity separate from the participating employers for the exclusive benefit of the Beneficiaries and not of the employers;

WHEREAS, the indicia of ownership of Trust assets will be held by the Trustee at all times and the Trust assets will not be considered participating employers' funds or assets for any purpose;

WHEREAS, PFM Asset Management LLC is willing to serve as the Trust Administrator of the Trust with the rights and duties of the Trust Administrator provided in this Agreement;

WHEREAS, the Trust Administrator will have exclusive authority and responsibility for the management, administration, and investment of Trust assets in its sole judgment in accordance with this Agreement, without any requirement of consent by any participating employer or, except as expressly provided herein, of notice to any participating employer;

WHEREAS, every Employer is a state, political subdivision of a state, or other entity whose income is excludible from gross income under Section 115 of the Code; and

WHEREAS, the Trustee is a national banking association and a corporate trustee, with all requisite powers and capabilities to act as the Trustee and administer the Trust as set forth in this Agreement.

NOW, THEREFORE, the Trust Administrator and the Trustee agree as follows:



ARTICLE 1

DEFINITIONS

- 1.1 "Account" is defined in Section 4.6.
- 1.2 "Adoption Agreement" means the written instrument by which the Employer adopts and participates in the Trust in accordance with this Agreement, and by which the Employer makes certain elections relating to its participation in the Trust.
- 1.3 "Agreement" means this Post-Employment Benefits Trust Agreement between the Trustee and the Trust Administrator.
- 1.4 "Beneficiary" means a person who is entitled to post-employment benefits under the Employer's OPEB Plan or Pension Plan.
- 1.5 "Code" means the Internal Revenue Code of 1986, as amended.
- 1.6 "Employer" means each public agency that executes the Adoption Agreement, thereby becoming a participating agency in the Trust. Such agency must be a state, a political subdivision of a state, or an entity whose income is excludible from gross income under Section 115 of the Code.
- 1.7 "Investment Policy Statement" means the separate statement of policy for investing the assets of each Employer's Account, a copy of which is attached to the Employer's Adoption Agreement and which is satisfactory to the Employer.
- 1.8 "Omnibus Account" is defined in Section 4.6.
- 1.9 "OPEB" means post-employment health and welfare benefits (other than pensions) provided by the Employer under the OPEB Plan to Beneficiaries, including medical, dental, vision, life insurance, long-term care and other similar benefits.
- 1.10 "OPEB Account" is defined in Section 4.6.
- 1.11 "OPEB Obligation" means the Employer's obligation to provide OPEB under the Employer's OPEB Plan, including the direct costs of the OPEB and the expenses associated with providing the OPEB.
- 1.12 "OPEB Plan" means the policies, collective bargaining agreement, or other arrangements under which a Beneficiary is entitled to receive OPEB, but only if the policy, agreement, or other arrangement is specified by the Employer in the Adoption Agreement.
- 1.13 "Pension Account" is defined in Section 4.6.
- 1.14 "Pension Obligation" means the Employer's obligation to contribute to the qualified trust of the Employer's Pension Plan and to pay the expenses associated with providing benefits under the Pension Plan. For this purpose, "qualified trust" means a trust that is qualified under Section 401(a) of the Code and that funds retirement benefits provided under the Pension Plan. A qualified trust is separate from this Trust and will not be considered part of this Trust for any purpose.
- 1.15 "Pension Plan" means one or more defined-benefit plans, each of which is (i) qualified under Section 401(a) of the Code, (ii) sponsored by the Employer in order to provide retirement benefits to Beneficiaries, including but not limited to a stand-alone plan maintained solely by the Employer or a multiple-employer or multiemployer plan in which the Employer participates along with one or



more other employers, (iii) partly or wholly funded by the Employer's contributions, and (iv) specified by the Employer in the Adoption Agreement.

- 1.16 "Plan Administrator" means the person(s) or entity appointed by the Employer with the plenary authority over the Account. The Plan Administrator may delegate all or any part of its authority to any person(s) or entity. The Employer must, at the time and in the manner specified by the Trustee and the Trust Administrator, certify in writing to the Trustee and the Trust Administrator the names and specimen signatures of the Plan Administrator and its delegates; no appointment or delegation under this Section 1.16 will be effective without that certification. If no person or entity is appointed as Plan Administrator, the Employer will be the Plan Administrator.
- 1.17 "Trust" means the Post-Employment Benefits Trust established by this Agreement.
- 1.18 "Trust Administrative Services Agreement" means the agreement in the form attached to each Adoption Agreement and executed between the Employer and the Trust Administrator which authorizes the Trust Administrator to administer the Employer's Account.
- 1.19 "Trust Administrator" means PFM Asset Management LLC or any successor thereof designated by the Employers under Article 12.
- 1.20 "Trustee" means Wells Fargo Bank, N.A., or any successor trustee designated by the Trust Administrator in accordance with Article 13.

ARTICLE 2

ESTABLISHMENT AND PURPOSE

The Trust is a multiple-employer trust arrangement established and maintained for the sole purposes of holding the assets used to fund Employers' OPEB Obligations and Pension Obligations, and for paying each Employer's reasonable, allocable expenses of administering the Trust. As such, the Trust is divided into separate Accounts to hold the assets of each participating Employer. Consistent with its purpose, the Trust is intended to qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code. Each participating Employer retains an interest only in the assets held in that Employer's Account as set forth in Section 4.6.

ARTICLE 3

PARTICIPATION

- 3.1 Eligibility. Only public agencies may become participating Employers in the Trust. For this purpose, a public agency means a state, political subdivision of a state, or an entity whose income is excludible from gross income under Section 115 of the Code.
- 3.2 Commencement of Participation. A public agency may become a participating Employer in the Trust by furnishing the Trust Administrator with the following: (i) an executed Adoption Agreement, (ii) an executed Trust Administrative Services Agreement, (iii) a certified copy of a resolution, minutes, or other documentary evidence of the Employer's governing body approving the adoption of the Agreement, and (iv) any other documentation as the Trust Administrator may require. The public agency will become a participating Employer upon the Trust Administrator's written acceptance of the documents described in the preceding sentence.
- 3.3 Termination of Participation.
 - (a) An Employer may elect in writing to withdraw from the Trust by filing such election with the Trust Administrator and the Trustee at least 30 days before the effective date of the



withdrawal. As soon as administratively practicable after the effective date, the Trustee will segregate the withdrawing Employer's Account and transfer the assets in such Account to a trust established by agreement between the Employer and a successor trustee, but only if the Employer certifies in writing to the Trust Administrator that the trust satisfies the requirements of Section 115 of the Code.

- (b) In the event the Trust Administrator contemplates an assignment of this Agreement in connection with a change of control or otherwise (collectively, an "assignment"), the Trust Administrator will provide each Employer with written notice at least 60 days before the effective date of such assignment. Upon receipt of such notice, each Employer may elect to terminate participation and withdraw from the Trust at any point prior to the effective date of the assignment as set forth in the notice. If an Employer does not provide notice of its desire to terminate within the 60-day notice period, the Employer's consent to the contemplated assignment will be implied.
- (c) If the Employer has an Omnibus Account and both its Pension Obligation and OPEB Obligation have terminated, Section 14.3(b) will apply. If the Employer has an OPEB Account and its OPEB Obligation has terminated, Section 14.3(c) will apply. If the Employer has a Pension Account and its Pension Obligation has terminated, Section 14.3(d) will apply. An Employer's Pension Obligation or OPEB Obligation will be deemed terminated for these purposes upon the Trust Administrator's receipt of a certified copy of a resolution, minutes, or other documentary evidence of the Employer's governing body approving of the respective termination.
- (d) Each Employer agrees to immediately notify the Trust Administrator upon receipt of a determination from the Internal Revenue Service that has the effect of rendering the Employer's Account ineligible for the tax exemption under Section 115 of the Code, such as any determination that the Employer is not a public agency. In such a case, as soon as administratively practicable after the Trust Administrator notifies the Trustee of the Internal Revenue Service's determination, the Trustee will segregate and place the Employer's Omnibus Account, OPEB Account, and Pension Account (as applicable) in a separate trust established for the exclusive purpose of funding the Employer's OPEB and Pension Obligation, OPEB Obligation only, or Pension Obligation only, respectively.

ARTICLE 4

GENERAL TRUST PROVISIONS

- 4.1 Irrevocable Trust. The Trust is irrevocable.
- 4.2 No Diversion. The principal of the Trust, together with any earnings thereon, will be held in trust by the Trustee separate and apart from any assets of the Employer. Except as provided in Sections 14.3 and 14.4, all assets in each Account and all income thereon are irrevocably dedicated to, and will be used for the exclusive purpose of, making payments of OPEB Obligations or Pension Obligations, as applicable, under the OPEB Plan or Pension Plan for which the Account was established and for paying the reasonable expenses of the Employer's participation in the Trust. At no time will the assets in any Employer's Account be used for, or diverted to, any other purposes, including but not limited to payment of any other Employer's OPEB Obligations or Pension Obligations.
- 4.3 Title to Trust Assets. The Trustee has exclusive right, title, and interest in and to the assets of the Trust.
- 4.4 Spendthrift Provision. Assets held in the Trust may not be used to satisfy claims of creditors of any Employer. No Beneficiary will be deemed a third-party beneficiary of this Agreement, nor will any Beneficiary have the right to compel any payment of any amount from the assets of the Trust



or to enforce any duties of any party to or other entity referred to in this Agreement. Beneficiaries will not have any preferred claim, lien on, or security interest in, or any beneficial interest in any particular assets of the Trust. Beneficiaries will be entitled to receive payments of assets of the Trust only when, as, and if determined by the Employer in accordance with this Agreement. Except to the extent allowed by law, the Trust is not subject to attachment or garnishment or other legal process by any creditor of any such Beneficiary, nor will any Beneficiary have the right to alienate, anticipate, commute, pledge, encumber, or assign any Trust assets.

4.5 Account Assets. Each Employer may at any time make (or cause to be made) contributions or transfers of cash or other assets acceptable to the Trustee to the Trust from any source. Neither the Trustee nor any Beneficiary or any party to or any other entity referred to in this Agreement will have any right to compel such contributions or transfers or any duty to determine whether any such contributions or transfers comply with the Employer's OPEB Plan or Pension Plan, as applicable. In addition, neither the Trustee nor the Trust Administrator is responsible for separately accounting of any contributions or transfers to the Trust or for determining the source of these amounts.

4.6 Separate Accounts.

- (a) Upon the effective date of an Employer's participation in the Trust under Article 3, the Trustee will establish a separate Account to which the Trustee will (i) credit all contributions or transfers from the Employer to the Trust and any income and gains attributable to those amounts, and (ii) debit all distributions, transfers from the Trust, and any losses and expenses attributable to those amounts. The Employer will have an interest only in the assets in the Employer's Account, and those assets will be available only to pay the Employer's OPEB Obligations and Pension Obligations and will not be available to pay any other Employer's obligations.
- (b) At the direction of the Trust Administrator, the Trustee may pool or commingle for investment purposes assets in the Employer's Account with other assets of the Trust and may invest all or a portion of those assets in any separate fund or account (including common investment pools or trusts) established under this Agreement or other investments permitted under this Agreement as set forth in Article 7. If any of the Employer's Account assets are pooled or commingled for investment purposes with other assets of the Trust or invested with other assets of the Trust in a separate fund or account, the Employer's Account will have an undivided beneficial interest in the Trust itself or in the particular investment funds, as the case may be, and these ownership interests will be represented by units or shares that the Trustee will hold in the Employer's Account.
- (c) Each Employer's Account contains up to three types of subaccounts (each of which may contain one or more subaccounts): an "Omnibus Account," "Pension Account," and "OPEB Account". Assets under the Omnibus Account are available to fund the Employer's Pension Obligations or OPEB Obligations and allocable expenses of participating in the Trust. Assets under the Employer's Pension Account are available only to fund the Employer's Pension Obligation and allocable expenses of participating in the Trust. Assets under the Employer's OPEB Account are available only to fund the Employer's OPEB Obligation and allocable expenses of participating in the Trust. Contributions or transfers to an Employer's Account will be allocated to the subaccounts as follows:
 - (1) Contributions and transfers received by the Trust on the Employer's behalf will be allocated to the Omnibus Account, Pension Account or OPEB Account, or any combination of these subaccounts, as directed by the Plan Administrator.



- (2) Any contributions or transfers for which the Plan Administrator does not provide allocation directions will be held in the Omnibus Account. The Plan Administrator may at any time direct the allocation of amounts in the Omnibus Account to either the Pension Account or the OPEB Account.
- (3) Once allocated to the Pension Account or the OPEB Account, amounts under the Trust may not subsequently be transferred to any other subaccount. Notwithstanding the preceding sentence, at the Plan Administrator's direction, the Trustee will reverse any allocation to the Pension Account or OPEB Account and deposit the funds (together with allocable earnings and losses) in one or both of the other two subaccounts, but only if the Plan Administrator notifies the Trustee in writing within 30 days after the allocation that the allocation was due to mistake of fact and provides any other documentation required by the Trustee in its sole discretion.

ARTICLE 5

TRUST ADMINISTRATOR

- 5.1 Powers and Duties of the Trust Administrator. The Trust Administrator has sole discretion and authority to do any of the following:
 - (a) At the direction of the Plan Administrator, instruct the Trustee to make distributions from the Employer's Account, including from any subaccount under the Account;
 - (b) Direct the Trustee to pay the fees of the Trust Administrator;
 - (c) Direct the Trustee as to the investment and management of Trust assets; and
 - (d) Such other acts as may be agreed to by the Employer and the Trust Administrator in the Trust Administrative Services Agreement or are necessary or appropriate to effect the intent of this Agreement.
- 5.2 Reliance. In the performance of its duties hereunder, the Trust Administrator is entitled to rely on, and is under no obligation to investigate instructions or data received from the Plan Administrator, including whether the amount of contributions or transfers made to the Trust by the Employer comply with the Employer's OPEB Plan or Pension Plan. Accordingly, the Trust Administrator will not be liable for action or inaction that is caused directly or indirectly by erroneous or late instructions or data furnished by the Plan Administrator.
- 5.3 Annual Audit. The Trust Administrator shall appoint a responsible accounting firm to conduct an annual audit of the Trust at the sole expense of the Employers. The results of such audit will be provided to the Trust Administrator, the Trustee, and each of the Employers. The Employer will be solely responsible for any expenses associated with any separate audit of the Employer's Account or the Employer's participation in the Trust, and no Trust assets outside the Employer's Account may be used to pay any part of those expenses.
- 5.4 Trust Administrator not Custodian of Trust Assets. The Trustee shall have sole custody of cash, securities and other assets of the Trust. The Trust Administrator is authorized to give instructions to the Trustee as to deliveries of securities and payments of cash for the account of the Trust. The Trust Administrator shall not take possession of or act as custodian for the cash, securities or other assets of the Trust and shall have no responsibility in connection therewith.
- 5.5 Furnishing of Administrative Services, Office Space, Equipment and Personnel. The Trust Administrator shall furnish at its own expense all necessary administrative services, office space,



equipment, clerical personnel, telephone and other communication facilities, and executive and supervisory personnel required to perform its duties under this Agreement.

- 5.6 Registered Investment Advisor. The Trust Administrator hereby represents that it is a registered investment advisor under the Investment Advisers Act of 1940. The Trust Administrator shall immediately notify every Employer and the Trustee if at any time during the term of this Agreement it is not so registered or if its registration is suspended. The Trust Administrator agrees to perform its duties and responsibilities under this Agreement with reasonable care as provided by law. The federal securities laws impose liabilities under certain circumstances on persons who are required to act in good faith. Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which the Employers, the Trust Administrator, or the Trustee may have under any federal securities laws.
- 5.7 Investment Advice to Other Clients. The Employers and the Trustee understand that the Trust Administrator performs investment advisory services for various other clients which may include investment companies, commingled trust funds and individual portfolios. The Employers and the Trustee agree that the Trust Administrator may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Trust, so long as it is the policy and practice of the Trust Administrator, to the extent practical, to allocate investment opportunities to the Trust over a period of time on a fair and equitable basis relative to other clients. The Trust Administrator will not have any obligation to purchase, sell or exchange any security for the Trust solely by reason of the fact that the Trust Administrator, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for themselves.
- 5.8 Notice of Regulatory Action. The Trust Administrator shall promptly give notice to each Employer and the Trustee if the Trust Administrator has received written notice of the filing against it or any professional of the Trust Administrator who has performed any service with respect to the Trust in the 24 preceding months, of any complaints or disciplinary actions by the Securities and Exchange Commission or any other regulatory agency or department of the United States, any registered securities exchange, the FINRA, any Attorney General, or any regulatory agency or authority of any State.
- 5.9 Trust Administrator Separate from Employer and Trustee. The Trust Administrator, its employees, officers and representatives, shall not be deemed to be employees, agents, partners, servants, and/or joint ventures of any of the Employers or the Trustee by virtue of this Agreement or any actions or services rendered under this Agreement.
- 5.10 Recordkeeping. The Trust Administrator shall maintain appropriate records of all its activities hereunder.
- 5.11 Disclosure Statement. The Trust Administrator warrants that at least five business days before the execution of this Agreement, it has delivered to the Trustee the Trust Administrator's current Securities and Exchange Commission Form ADV, Part II. The Trustee hereby acknowledges receipt of the disclosure statement at least five business days before the execution of this Agreement.
- 5.12 Survival of Agreement and Assignment. The provisions of this Agreement will be binding on the Trust Administrator and its successors and assigns. The Trust Administrator may not, however, assign this Agreement without the consent of the Employers, which consent will be obtained through the process described in Section 3.3(b).



ARTICLE 6

TRUSTEE

- 6.1 Powers and Duties of the Trustee. To the extent directed by the Trust Administrator, the Trustee is authorized and empowered to do the following:
- (a) Invest and reinvest Trust assets, together with the income therefrom.
 - (b) Establish and maintain Accounts to which the Trustee will (i) credit all contributions or transfers from the Employer to the Trust and any income and gains attributable to those amounts, and (ii) debit all distributions, transfers from the Trust, and any losses and expenses attributable to those amounts.
 - (c) Maintain accounts with, execute transactions through, and lend stocks, bonds or other securities on an adequately secured basis to, any brokerage firm.
 - (d) Perform accounting and maintain records of each Employer's Account and reconciling such Account with the Trust.
 - (e) Vote upon or tender any stocks, bonds or other securities and to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options of which the Trustee receives actual notice, and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held in Trust.
 - (f) Deposit or invest all or any part of the assets of the Trust in savings accounts or certificates of deposit or other deposits in a bank or savings and loan association or other depository institution, including the Trustee or any of its affiliates; provided that, with respect to such deposits with the Trustee or an affiliate, the deposits bear a reasonable rate of interest.
 - (g) Invest and reinvest any Trust assets in one or more collective investment funds.
 - (h) Hold, manage, improve, repair and control all investment property, real or personal, forming part of the Trust; to sell, convey, transfer, exchange, partition, pledge, encumber, lease for any term, even extending beyond the duration of this Trust, and otherwise dispose of the same from time to time.
 - (i) Take such actions as may be necessary or desirable to protect the Trust from loss due to the default on mortgages held in the Trust including the appointment of agents or trustees in such other jurisdictions as may seem desirable, to transfer property to such agents or trustees, to grant to such agents such powers as are necessary or desirable to protect the Trust, to direct such agent or trustee, or to delegate such power to direct, and to remove such agent or trustee.
 - (j) Settle, compromise or abandon all claims and demands in favor of or against the Trust.
 - (k) Borrow money from any source and to execute promissory notes, mortgages, or other obligations and to pledge or mortgage any Trust assets as security.



- (l) Designate and engage the services of such agents, representatives, advisers, counsel and accountants, any of whom may be an affiliate of the Trustee or a person who renders services to such an affiliate and, as part of its expenses under this Agreement, to pay their reasonable expenses and compensation.
- (m) Hold in cash, without liability for interest, such portion of the Trust assets as is pending investment, or payment of expenses, or distribution.
- (n) Make, execute and deliver, as the Trustee, any and all deeds, leases, mortgages, conveyances, waivers, releases or other instruments in writing necessary or appropriate for the accomplishment of any powers listed in this Agreement.
- (o) Register securities, or any other property, in its name or in the name of any nominee, including the name of any affiliate or the nominee name designated by any affiliate, with or without indication of the capacity in which property shall be held, or to hold securities in bearer form and to deposit any securities or other property in a depository or clearing corporation.
- (p) Pay or cause to be paid from the Trust any and all real or personal property taxes, income taxes or other taxes with respect to the Trust.
- (q) Enter into interest rate, currency, cash-flow, indexed (including indexed to equities) and other types of swaps and hedges designed to hedge payment, interest rate, currency, duration, spread or similar exposure related to any investment or program of investments of Trust assets or to manage asset/liability matching between investments and OPEB Obligations or Pension Obligations, or both, to be paid therefrom.
- (r) Exercise all of the further rights, powers, options and privileges granted, provided for, or vested in trustees generally under applicable state law so that the powers conferred upon the Trustee herein shall not be in limitation of any authority conferred by law or under this Agreement, but shall be in addition thereto; provided that such powers satisfy applicable state law requirements (if any).
- (s) Any other acts which the Trustee deems necessary or appropriate for the protection of the Trust.

ARTICLE 7

INVESTMENTS

- 7.1 Trustee. The Trustee shall hold and administer Trust assets without distinction between principal and income.
- 7.2 Trust Administrator. The Trust Administrator has exclusive authority and responsibility for the management and investment of Trust assets, and the Trustee is authorized and directed to comply with the written directions of the Trust Administrator concerning Trust assets. The Trust Administrator may, from time to time and in its sole discretion, allocate some or all of the cash in an Account at the end of each business day into a sweep investment fund managed by the Trust Administrator. Any amounts held in a sweep investment fund would typically be reallocated on the next business day. The Trust Administrator may not issue any such direction in violation of the terms of the Trust. The Trustee has no duty or authority to (i) review, question, approve or make inquiries as to any investment directions given pursuant to this Agreement, or (ii) determine whether investments directed by the Trust Administrator are in compliance with any applicable State laws.



- 7.3 Combining of Assets for Investment. As instructed by the Trust Administrator, the Trustee may commingle, for investment or administration purposes, the assets (or a portion of the assets) of the Trust in any group trust within the meaning of Section 401(a)(24) of the Code, but only if the commingled trust qualifies as tax exempt under Revenue Ruling 2011-1 and any subsequent relevant guidance from the Internal Revenue Service. In addition, at the Trust Administrator's direction, the Trustee may aggregate the balances of one or more Accounts within the Trust for investment or administrative purposes, in which case the Trustee will credit and debit each Account in accordance with Section 4.6.
- 7.4 Investment Direction. The Trust Administrator will direct the Trustee to invest the assets of each Employer's Account in accordance with the principles set forth in the Investment Policy Statement in any investments permitted under this Agreement.
- 7.5 Broker Executed Investments. Transactions in investments that require execution through a broker will be executed through such broker or brokers as the Trust Administrator will select. The indicia of ownership of Trust assets will be held by the Trustee at all times, and the Trustee shall serve as sole custodian of Trust assets.
- 7.6 Affiliated Broker/Dealers. Neither the Trustee nor any affiliate of the Trustee will act as broker dealer to execute transactions, including the purchase of securities directly distributed, underwritten or issued by an affiliate of the Trustee, or otherwise provide investment services with respect to the Trust; provided, however, that the Trustee (or its affiliate) may provide ancillary non-advisory investment services with respect to the Trust, including investment of Trust assets in money market or stable value funds distributed, underwritten or issued by the Trustee (or its affiliate) to the extent these investments are permitted under this Agreement. The Trustee and the Trust Administrator will disclose any services or relationships to each Employer before the Employer's commencement of participation in the Trust and at least annually thereafter, and any such services will be provided at standard commission rates, mark-ups or concessions.
- 7.7 Quarterly Reports. The Trust Administrator will provide to each Employer a quarterly analysis of the performance of the investments of each Account and statement of any changes in investments made in such quarter. The asset information for such analysis will be supplied to Trust Administrator by the Trustee. The report required by this Section 7.7 is separate from the reports required by Section 10.3.

ARTICLE 8

PAYMENTS FROM TRUST

- 8.1 Plan Administrator.
- (a) Each Employer's Plan Administrator has the exclusive authority and responsibility to determine the extent to which amounts will be paid from the Employer's Account. Neither the Trust Administrator nor the Trustee will make or authorize disbursements or transfers from any Employer's Account without the explicit written direction from the Employer's Plan Administrator.
 - (b) From time to time, the Plan Administrator will direct the Trustee in writing to disburse amounts from the Employer's Omnibus Account for any purpose permitted under Section 8.1(c) or (d).
 - (c) From time to time, the Plan Administrator will direct the Trustee in writing to disburse amounts from the Employer's OPEB Account for OPEB Obligations to (i) the Plan Administrator for subsequent distribution to or for the benefit of the Employer's Beneficiaries, (ii) any party providing services for the Employer's OPEB Plan, including but not limited to any insurer, third-party administrator, or other service provider, (iii) the



Employer's Beneficiaries themselves directly, or (iii) the Employer as reimbursement for any OPEB Obligation amount paid or incurred by the Employer.

- (d) From time to time, the Plan Administrator will direct the Trustee in writing to disburse amounts from the Employer's Pension Account to (i) the Pension Plan as contributions to the plan's qualified trust, (ii) the Plan Administrator, for subsequent payment of the Employer's Pension Obligation, (iii) any party providing services for the Employer's Pension Plan, including but not limited to any insurer, third-party administrator, or other service provider, or (iv) the Employer as reimbursement for any Pension Obligation amount paid or incurred by the Employer.

- 8.2 Trustee Reliance. Except as otherwise provided by law, the Trustee will be fully protected in making payments out of any Employer's Account at the direction of the Employer's Plan Administrator. The Trustee's sole obligation as to those disbursements shall be to observe the instructions of the Plan Administrator to the extent that the Account has assets to make disbursements as instructed by the Plan Administrator. Nothing in the Trust or any Plan shall constitute a guarantee that Trust assets will be sufficient to pay the Employer's OPEB Obligations or Pension Obligations.
- 8.3 Payments. The Trustee is authorized to disburse amounts from the Trust to pay the fees and expenses of administering the Trust as expressly authorized by this Agreement, or as instructed in writing by the Trust Administrator.

ARTICLE 9

TAXES, EXPENSES AND COMPENSATION OF THE TRUSTEE AND TRUST ADMINISTRATOR

- 9.1 Payment of Fees. Subject to Section 4.2, each Employer's Account will be charged for allocable Trustee Fees, Trust Administration Fees, and any other fees specified in the Trust Administrative Service Agreement. To the extent permitted in the Trust Administrative Service Agreement and Adoption Agreement, the Employer may elect in the Adoption Agreement to instead pay such fees from the Employer's assets.
- 9.2 Trust Administration Fees. "Trust Administration Fees" means the fees of the applicable investment funds and the fees for all services of the Trust Administrator specified in the Trust Administrative Services Agreement. The Trust Administrator is authorized to instruct the Trustee to disburse funds from the Account for the payment of the Trust Administration Fees to the Trust Administrator to the extent not paid by the Employer or deducted from the gross earnings of the investment funds. If and to the extent that the Trustee requests that the Trust Administrator render services to the Trust other than those to be rendered by the Trust Administrator hereunder, such additional services will be compensated separately on terms to be agreed upon between the Trust Administrator and the Trustee.
- 9.3 Trustee Fees. "Trustee Fees" means the Trustee's fees for services provided by it under this Agreement. These fees will be separately disclosed to the Employer prior to the commencement of the Employer's participation in the Trust. The Trustee is authorized to disburse funds from the Trust to itself for the payment of these fees to the extent not paid by the Employers. The Trustee will notify the Trust Administrator in writing of any change in the Trustee Fees at least 90 days before the effective date of the change.
- 9.4 Reimbursement of Expenses. Except as expressly provided otherwise herein, the Trustee is authorized to disburse funds from the Trust to pay all reasonable expenses of administering the Trust, including, without limitation, any taxes payable by the Trust, fees and expenses of legal counsel to the Trust, insurance premiums, and expenses associated with performing the annual audit provided for in Section 5.3.



ARTICLE 10

RECORDKEEPING AND VALUATION

- 10.1 Trust Records. The Trustee will keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions, including such specific records as may be agreed upon in writing between the Trust Administrator and the Trustee with respect to the Trust.
- 10.2 Separate Account Records. The Trustee will keep accurate and detailed records of all investments, receipts, disbursement, and all other transactions with respect to each separate Employer Account.
- 10.3 Quarterly Reports. Within 45 days after the last day of each calendar quarter (and within 60 days after removal or resignation of the Trustee), the Trustee will deliver to the Trust Administrator and each Employer a written account of the Employer's Account during such calendar quarter (or during the period from the close of the last preceding calendar quarter to the date of such removal or resignation), setting forth all deposits, investments, receipts, disbursements and other transactions effected by it with respect to the Account, including a description of transfers made and income received by the Account, all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), all disbursements for the payment of OPEB Obligations and Pension Obligations, administrative expenses (any amounts paid to the Trustee shown separately) of the Trust paid from the Account, and showing all cash, securities and other property held in the Account at the end of such calendar quarter or as of the date of such removal or resignation, as the case may be.
- 10.4 Valuation. All securities will be valued at fair market value as of the date of valuation, as determined by the Trustee on the basis of all available information that the Trustee deems reasonable.

ARTICLE 11

STANDARD OF CARE AND INDEMNIFICATION

- 11.1 Exclusive Purpose. Except as provided in Sections 14.3 and 14.4, all Trust assets and all income thereon will be used for the exclusive purpose of providing for the payments of OPEB Obligations and Pension Obligations and for paying the reasonable expenses of administering the Trust.
- 11.2 Standard of Care. The Trustee and the Trust Administrator, when making, selling or otherwise managing investments of the funds, will discharge their duties with respect to the investment of the funds (i) solely in the interest of, and for the exclusive purposes of funding OPEB Obligations and Pension Obligations, maximizing the amount available for such funding, and paying reasonable expenses of administering the Trust, and (ii) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims. The Trust Administrator will invest assets in each Employer's Account accordance with the applicable Investment Policy Statement, but only to the extent that doing so does not conflict with the duties described in the preceding sentence.
- 11.3 Trustee Indemnification of Trust Administrator. The Trustee, solely from its assets and not from the Trust assets, will indemnify the Trust Administrator and each of its affiliates against, and will hold them harmless from, any and all damages imposed upon or incurred by any of them by reason of, or in connection with the Trustee's or affiliate's performance (or non-performance) of its duties under this Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 11.2, except to the extent that such damages resulted from the Trust Administrator's or affiliate's performance (or non-performance) of its duties under this



Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 11.2.

- 11.4 Trust Administrator Indemnification of Trustee. The Trust Administrator, solely from its assets and not from the Trust assets, will indemnify the Trustee and each of its affiliates against, and will hold them harmless from, any and all damages imposed upon or incurred by any of them by reason of, or in connection with the Trustee's and each of its affiliates' services under this Agreement, except to the extent that such damages resulted from the Trustee's or affiliate's performance (or non-performance) of its duties under this Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 11.2. The foregoing shall in no way limit or otherwise restrict any rights to indemnification which the Trust Administrator may have under any Adoption Agreement executed and delivered by the Trust Administrator and an Employer.
- 11.5 Survival of Indemnifications. The indemnification obligations provided for in this Agreement will survive the termination of this Agreement.

ARTICLE 12

RESIGNATION AND REMOVAL OF TRUST ADMINISTRATOR

- 12.1 Resignation or Removal of Trust Administrator. The Trust Administrator may resign at any time upon 90 days' prior written notice to each of the Employers, which notice may be waived in writing by the Employers. With the approval of at least two-thirds of the participating Employers, the Employers may remove the Trust Administrator upon 90 days' prior written notice to the Trust Administrator and the Trustee, which notice may be waived by the Trust Administrator.
- 12.2 Designation of Successor Trust Administrator. Upon notice of the Trust Administrator's resignation, the Employers will promptly designate a successor Trust Administrator qualified to act as the Trust Administrator of the Trust under applicable state law, such resignation to be effective upon acceptance of appointment by such successor Trust Administrator. The Employers will not remove the Trust Administrator unless Employers have designated such a successor Trust Administrator who shall have agreed with Employers and the Trustee to act as the Trust Administrator under an agreement substantially similar to this Agreement.
- 12.3 Compensation Pending Appointment of Successor. Until a successor Trust Administrator is appointed and assumes its duties as the Trust Administrator under this Agreement, the Trust Administrator shall be entitled to compensation for its services in accordance with Article 9.
- 12.4 Merger, Conversion, Consolidation or Sale of Trust Administrator. Any company into which the Trust Administrator may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trust Administrator may sell or transfer all or substantially all of its investment advisory business, shall be, with the prior consent of Employers in the manner set forth in Section 3.3(b), the successor to such Trust Administrator.
- 12.5 Successor Trust Administrator - No Duty to Investigate. A successor Trust Administrator shall have no duty to audit or otherwise inquire into the acts or transactions of its predecessor.

ARTICLE 13

RESIGNATION AND REMOVAL OF TRUSTEE

- 13.1 Resignation of Trustee. The Trustee may resign at any time upon 90 days prior written notice to the Trust Administrator, which notice may be waived by the Trust Administrator.



- 13.2 Removal of Trustee. With approval of at least two-thirds of the participating Employers, the Employers may instruct the Trust Administrator in writing to remove the Trustee (or any successor trustee) upon 90 days prior written notice to the Trustee, which notice may be waived in writing by the Trustee, and to replace the Trustee with a corporate Trustee satisfactory to the Trust Administrator in its sole judgment.
- 13.3 Designation of Successor Trustee. Upon notice of the Trustee's resignation or removal, the Trust Administrator shall promptly designate a successor corporate Trustee qualified to act as the Trustee of the Trust under applicable state law, such resignation or removal to be effective upon acceptance of appointment by such successor corporate Trustee.
- 13.4 Application to Court to Designate Successor. If the Trust Administrator does not designate a successor corporate Trustee, or if a successor corporate Trustee designated by the Trust Administrator has not accepted its appointment within 90 days after the Trustee gives notice of its resignation or receives notice of removal, the Trustee may, at the expense of the Trust, apply to a court of competent jurisdiction to appoint a successor corporate Trustee.
- 13.5 Trustee Compensation Pending Appointment of Successor. Until a successor corporate Trustee is appointed and assumes its duties, the Trustee shall be entitled to compensation for its services according to its fee schedule then in effect for acting as the Trustee in accordance with the Trust.
- 13.6 Merger, Conversion, Consolidation or Sale of Trustee. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be, with the prior written consent of the Trust Administrator, the successor to such Trustee.
- 13.7 Transfer of Assets and Records. A resigning Trustee shall transfer the Trust assets and shall deliver the books, accounts and records of the Trust to the successor corporate Trustee as soon as practicable.
- 13.8 Payment of Expenses. A resigning Trustee is authorized to reserve such amount as may be necessary for the payment of its fees and expenses incurred prior to its resignation or removal, and the Trust assets shall remain liable to reimburse the resigning or removed Trustee for any costs or fees payable to the Trustee under the terms of this Agreement.
- 13.9 Successor Trust Administrator - No Duty to Investigate. A successor corporate Trustee shall have no duty to audit or otherwise inquire into the acts or transactions of its predecessor.

ARTICLE 14

AMENDMENT, TERMINATION, MERGER, TRANSFER

- 14.1 Amendment. With the approval of at least two-thirds of the Employers then participating in the Trust, the Trust Administrator and the Trustee may amend the Trust; provided, however, that no amendment may:
- (a) cause any assets held in any Employer's Account to be used for or diverted to any purpose other than for the exclusive purposes of funding the Employer's OPEB Obligations or Pension Obligations, as applicable, or defraying the reasonable expenses of administering the Account; or
 - (b) eliminate the requirement that none of the assets held in any Employer's Account revert to the Employer prior to the satisfaction of all OPEB Obligations or Pension Obligations



(as applicable) under the OPEB Plan or Pension Plan for which the Account was established.

14.2 Termination of Trust.

- (a) The Trust may be terminated by the unanimous agreement of all Employers, which action must be in writing and delivered to the Trustee and Trust Administrator. Upon termination of the Trust, the Trust will continue to exist and the Trust Administrator and the Trustee will continue to have all powers provided in this Agreement as are necessary or desirable for the orderly liquidation and distribution of Trust assets in accordance with the provisions hereof until all Trust assets have been distributed. The Trustee will distribute assets remaining in each Employer's Account at the direction of the Trust Administrator in the following order of priority: (1) payment of reasonable administrative expenses (including taxes and termination costs) of the Trust, (2) payment of the OPEB Obligations and Pension Obligations currently payable under the Employer's OPEB Plan and Pension Plan, as applicable, and (3) payment to a trust that satisfies the requirements of Section 115 of the Code and any other applicable law.
- (b) Contributions and transfers to the Trust are conditioned on initial qualification of the Trust under Section 115 of the Code. If the Trust receives an adverse determination with respect to its initial qualification, then the Trust and this Trust Agreement will automatically terminate without any action by any Employer or other parties. After such termination, the assets of each Employer's Omnibus Account, Pension Account, or OPEB Account, as applicable, will be returned by the Trustee to the Employer as directed by the Plan Administrator in accordance with this Section 14.2(b) to the extent permitted by law and consistent with the requirements of Section 115 of the Code. This Section 14.2(b) will cease to apply upon the Trust's receipt of a favorable determination with respect to its initial qualification.

14.3 Termination of Employer's Account.

- (a) An Employer's Account will automatically terminate upon the termination of the Employer's participation in the Trust and the transfer of the assets in the Employer's Account under Section 3.3.
- (b) If an Employer has an Omnibus Account and maintains an OPEB Plan or Pension Plan, but not both, Section 14.3(b) or (c) (as applicable) will apply to the assets in the Omnibus Account. If the Employer maintains both an OPEB Plan and Pension Plan, the Trustee will continue to maintain, and will have all of the powers and duties under this Agreement with respect to, the Employer's Omnibus Account until the Employer's OPEB Obligation under its OPEB Plan and Pension Obligation under its Pension Plan are fully satisfied. Any assets remaining in the Employer's Omnibus Account after both such obligations are fully satisfied will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.
- (c) If an Employer's OPEB Plan terminates, the Trustee will continue to maintain, and will have all of the powers and duties under this Agreement with respect to, the Employer's OPEB Account until the Employer's OPEB Obligation under its OPEB Plan is fully satisfied. Any assets remaining in the Employer's OPEB Account after its OPEB Obligation is fully satisfied will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.
- (d) If an Employer's Pension Plan terminates, the Trustee will continue to maintain, and will have all of the powers and duties under this Agreement with respect to, the Employer's Pension Account until the Employer's Pension Obligation under its Pension Plan is fully satisfied. Any assets remaining in the Employer's Pension Account after its Pension



Obligation is fully satisfied will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

- 14.4 Mistake of Fact. At the written direction of an Employer and after receipt of any indemnification that the Trustee may require from the Employer, the Trustee will return any contribution or transfer made to the Trust by the Employer due a mistake of fact, excluding any earnings but reduced by any losses, to the Employer within one year after the Employer discovers the mistake.
- 14.5 Merger or Transfer. At any time that there is in existence any trust created by Employer which satisfies the requirements in Articles 2 and 4, at the direction of Employer, the Trust may be merged with such trust, or all or part of its assets (net of any amount as may be reasonably necessary to pay the fees and expenses of the Trust Administrator, the Trustee and other expenses of the Trust) transferred to such trust; provided, however, that no such merger or transfer may increase the Trustee's obligations under this Agreement without the Trustee's written approval, no such merger or transfer may render the Trust "revocable" or otherwise adversely affect the status of the Trust as described in Articles 2 and 4.
- 14.6 Reversion. Neither the Trust Administrator nor the Employers nor any entity related to any of them will have any beneficial interest in the Trust or receive any amounts upon termination of the Trust or at any other time, except as provided in Sections 14.3 and 14.4.

ARTICLE 15

MISCELLANEOUS

- 15.1 Choice of Law. The Trust is governed by, and will be interpreted in a manner consistent with, the laws of the Commonwealth of Pennsylvania and, to the extent applicable, the Internal Revenue Code.
- 15.2 No Joint Powers Agreement. This Agreement is not a joint exercise of powers agreement, does not create a joint powers or joint action authority, and the obligations of Employer, the Trustee, and the Trust Administrator are several and not joint. Neither the Trustee nor the Trust Administrator is responsible for any contributions, costs, benefits, distributions, acts or omissions of the Employers or the Plan Administrators.
- 15.3 Authorized Signatories. Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party are authorized and empowered to sign and deliver this Agreement for such party.
- 15.4 List of Persons Authorize to Act for Employer. Each of the Employers will certify to the Trust Administrator and the Trustee in writing of the person or persons, by office or other position of employment, who are authorized to act on behalf of the Employer in all matters relating to the Trust.
- 15.5 List of Persons Authorized to Act for Trust Administrator. The Trust Administrator shall notify the Trustee and each of the Employers in a separate writing of all those who are authorized to act on behalf of the Trust Administrator in all matters relating to the Trust.
- 15.6 Agreement Controls. If there is any conflict between any Pension Plan or OPEB Plan and this Agreement, this Agreement will control.
- 15.7 Severability. In the event any provision of this Agreement is held to be invalid for any reason, such invalidity will not affect any other provisions of this Agreement and this Agreement will be construed and enforced as if the invalid provision had never been included.



- 15.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be considered as an original.
- 15.9 Delivery of Communications. All communications under this Agreement must be in writing and will be deemed to have been duly given (1) on the date of receipt if served personally or by confirmed facsimile or other similar communication; (2) on the first business day after sending if sent for guaranteed next day delivery by a next-day courier service; or (3) on the fourth business day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to an Employer: At the address listed for such purpose on the Employer's Adoption Agreement

If to Trust Administrator: PFM Asset Management LLC
Two Logan Square, Suite 1600
18th and Arch Streets
Philadelphia, PA 19103
Attention: Leo Karwejna

If to Trustee: Wells Fargo Bank, N.A.
1751 Pinnacle Drive, 3rd Floor
McLean, VA 22102
Attention: Timothy S. Rueling

IN WITNESS WHEREOF, and as evidence of establishment of the Trust created hereunder, the parties have caused this Agreement to be executed as of the date set forth below:

**PFM ASSET MANAGEMENT LLC,
As Trust Administrator**

By: _____

Name: _____

Title: _____

Date: _____

**WELLS FARGO BANK, N.A.
As Trustee**

By: _____

Name: _____

Title: _____

Date: _____





Adoption Agreement

**ADOPTION AGREEMENT
FOR THE
POST-EMPLOYMENT BENEFITS TRUST**



**PFM ASSET MANAGEMENT LLC,
Trust Administrator**



**WELLS FARGO BANK, N.A.
Trustee**

TABLE OF CONTENTS

INTRODUCTION.....	1
ARTICLE 1 EMPLOYER INFORMATION.....	1
ARTICLE 2 PLAN INFORMATION	1
ARTICLE 3 TRUST ADMINISTRATIVE SERVICES	1
ARTICLE 4 INVESTMENTS	2
ARTICLE 5 TRUST FEES AND EXPENSES	2
ARTICLE 6 REPRESENTATIONS AND WARRANTIES.....	2
ARTICLE 7 STANDARD OF CARE AND INDEMNIFICATION	3
ARTICLE 8 AMENDMENT.....	3
ARTICLE 9 NO GUARANTEE OF INVESTMENT RESULTS.....	3
ADOPTION OF TRUST AGREEMENT	4
EXHIBIT A.....	A-1
EXHIBIT B.....	B-1
EXHIBIT C.....	C-1



INTRODUCTION

By executing this Adoption Agreement, the Employer named in Article 2 of this Adoption Agreement hereby adopts and agrees to be bound by the terms of the Post-Employment Benefits Trust Agreement (the "Trust Agreement"), a copy of which is attached as Exhibit A. To the extent there is a conflict between this Adoption Agreement and the Trust Agreement, the Trust Agreement will control. Unless otherwise specified below, initially capitalized terms used in this Adoption Agreement are defined in the Trust Agreement.

ARTICLE 1

EMPLOYER INFORMATION

1.1 Employer's Name, Address, and Telephone Number

(a) Name: _____

(b) Address: _____

(c) Telephone: _____

1.2 Employer's Taxpayer Identification Number: _____

ARTICLE 2

PLAN INFORMATION

2.1 Plan Names:

OPEB Plan(s): _____

Pension Plan(s): _____

(Each a "Plan" and collectively, the "Plans")

2.2 Employer-designated: Plan Administrator's Name, Title, Address, and Telephone Number:

(a) Name: _____

(b) Title: _____

(c) Address: _____

(d) Telephone: _____

ARTICLE 3

TRUST ADMINISTRATIVE SERVICES

As a condition of the Employer's participation in the Trust, the Employer and the Trust Administrator have executed the Trust Administrative Services Agreement attached as Exhibit B.



ARTICLE 4

INVESTMENTS

The Employer hereby directs the Trust Administrator to direct the Trustee to invest the assets in the Employer's Account in accordance with the investment strategy mutually agreed to by the Employer and the Trust Administrator as set forth in the Investment Policy Statement attached as Exhibit C.

ARTICLE 5

TRUST FEES AND EXPENSES

5.1 Method of Payment. Unless the Employer otherwise elects below, the Trust Administration Fees (as defined in Section 9.2 of the Trust Agreement), Trustee Fees (as defined in Section 9.3 of the Trust Agreement), and any other reasonable fees and expenses of administering the Employer's Account will be paid from the Employer's Account. In lieu of payments from its Account, the Employer hereby elects to pay the following amounts:

- ☐ Trust Administration Fees
- ☐ Trustee Fees
- ☐ All expenses of the Employer's Account other than fees
- ☐ Other (please insert description):

Please refer to Section 4 of the Trust Administrative Services Agreement for further information about payment of fees and expenses.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

6.1 The Employer hereby represents and warrants that each of the following statements is true and correct to the best of its knowledge:

- (a) The Employer is a state, a political subdivision of a state or another public agency whose income is excludable from gross income under section 115 of the Code that is established and maintained under the laws of the [State/Commonwealth] of _____.
- (b) The Employer has established and maintains one or more Plans the exclusive purpose of each is to provide OPEB or retirement benefits to its former employees.
- (c) The exclusive purpose of the Employer's participation in the Trust is to fund the Pension Obligation or OPEB Obligation, or both, under the Employer's Plans.



- (d) The Employer's participation in the Trust for the purpose of funding, as applicable, the Pension Obligation or OPEB Obligation, or both, under the Employer's Plans is authorized under the laws of the [State/Commonwealth] of _____.
- (e) The Employer's Plans do not permit participants to direct or otherwise exercise in any manner, whether direct or indirect, control over the investment of their accounts or benefits accrued under the Plans.
- (f) The Employer has received copies, and has read and understands the terms, of the Trust Agreement.

ARTICLE 7

STANDARD OF CARE AND INDEMNIFICATION

- 7.1 Standard of Care. The Trustee and the Trust Administrator must discharge their duties with respect to the investment and management of Trust assets in accordance with the standard of care set forth in Section 11.2 of the Trust Agreement.
- 7.2 Employer Indemnification of Trustee. The Employer, from its own funds and not from any assets of the Trust, agrees to indemnify the Trustee and each of its affiliates against, and will hold them harmless from, any and all loss, claims, liability, and expense, including cost of defense and reasonable attorneys' fees, imposed upon or incurred at any time by any of them by reason of or in connection with the performance of the Trustee's services under this Agreement, except to the extent such damages resulted from the Trustee's or affiliate's performance (or non-performance) of its duties under the Trust Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 11.2 of the Trust Agreement.
- 7.3 Employer Indemnification of Trust Administrator. Employer, from its own funds and not from any assets of the Trust, agrees to indemnify the Trust Administrator and each of its affiliates against, and will hold them harmless from, any and all damages imposed upon or incurred by any of them by reason of, or in connection with its services under the Trust Agreement or the Trust Administrative Services Agreement, except to the extent that such damages resulted from the Trust Administrator's or affiliate's performance (or non-performance) of its duties under the Trust Agreement or the Trust Administrative Services Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 11.2 of the Trust Agreement.

ARTICLE 8

AMENDMENT

The Employer understands and agrees that the Trust Agreement may be amended from time to time by the Trustee and the Trust Administrator with the approval of two-thirds of the Employers then participating in the Trust.

ARTICLE 9

NO GUARANTEE OF INVESTMENT RESULTS

The Employer understands and acknowledges that investments in the Trust involve risk and that there is no guarantee of investment performance or other performance of the Trust, including but not limited to custodians, depositories, or counterparties to investment strategies of the Trust.



ADOPTION OF TRUST AGREEMENT

By executing this Adoption Agreement, the Employer hereby adopts and agrees to be bound by the terms of the Trust Agreement and hereby approves, ratifies and confirms the appointment of Wells Fargo Bank, N.A. as the Trustee and PFM Asset Management LLC as the Trust Administrator as of the effective date of this Adoption Agreement. This Adoption Agreement and the Trust Agreement are effective on the ____ day of _____, 20__.

EMPLOYER

Agency Name

By: _____

Its: _____

Date: _____

ACCEPTED:

**TRUST ADMINISTRATOR
PFM ASSET MANAGEMENT LLC**

By: _____

Its: _____

Date: _____

**TRUSTEE
WELLS FARGO BANK, N.A.**

By: _____

Its: _____

Date: _____



EXHIBIT A

FEES

Trust Administration Fees	
Assets Under Management	Annual Fee
First \$25 million	0.30%
Next \$75 million	0.15%

Minimum Annual Fee \$20,000

Trustee/Custody Fees		
Trustee/Custody Per Annum Fees	Unit Price	
Domestic Administration Total Portfolio Assets	Base Fee	Per Additional Account
\$0 - \$20 million	\$5,000	\$500
\$20 million - \$100 million	\$8,000	\$500
Over \$100 million	Individually priced on a deal-by-deal basis	
Benefit Payments		
Web-Based Online Reporting & Administration – RPP	Included	
Periodic ACH without Advice	\$1.50	
Periodic Check/ACH with Advice	\$2.00	
Lump Sum Payments	\$20.00	
Form 1099 Reports	\$0.00	
Stop Payments	\$0.00	



EXHIBIT B
TRUST ADMINISTRATIVE SERVICES AGREEMENT



EXHIBIT C
INVESTMENT POLICY STATEMENT





Administrative Services Agreement



TRUST ADMINISTRATIVE SERVICES AGREEMENT

This agreement ("Agreement") is made this ____ day of _____, 20____, by and between _____ (the "Employer") and PFM ASSET MANAGEMENT LLC, a Delaware limited liability company (the "Trust Administrator").

WHEREAS, the Employer has adopted one or more plans, policies, or collective bargaining agreements ("Plans") the exclusive purpose of each is to provide other post-employment health and welfare benefits (other than pensions) ("OPEB") or retirement benefits; and

WHEREAS, the Trust Administrator, Wells Fargo Bank, N.A. (the "Trustee"), and various public agencies have entered into an agreement (the "Trust Agreement") establishing the Post-Employment Benefits Trust (the "Trust"); and

WHEREAS, the Employer has adopted the Trust by executing the adoption agreement to which this Agreement is attached (the "Adoption Agreement") in order to fund the OPEB and retirement benefits payable under the Plans; and

WHEREAS, the Employer wishes to retain the services of the Trust Administrator to administer the Employer's account under the Trust ("Account").

NOW THEREFORE, the Employer and the Trust Administrator hereby agree as follows:

Capitalized words not defined this document are defined in the Trust Agreement.

1. Trust Administrator Services

The Trust Administrator will provide the following services for the Employer's Account:

1.1 Administrative Services

- A. Instruct the Trustee to make disbursements from the Employer's Account at the direction of the Plan Administrator for the payment of OPEB or retirement benefits under the Employer's Plans funded by the Account;
- B. Coordinate the annual audit of the Trust, the results of which will be provided to the Employer; and
- C. Coordinate such other actions with the Trustee as directed by the Plan Administrator that are within the scope of the Trust Administrator's duties under the Trust Agreement.

1.2 Investment Management Services

- A. Determine the asset allocation of investments in the Employer's Account ("Investment Strategy") based on information provided by the Employer or the Plan Administrator, including the anticipated amounts of cash required by the Plans for distributions and other expenses, and the appropriate risk tolerance for the Plans based on the Plans' asset-liability characteristics and the Employer's resources;
- B. Prepare a recommended policy statement of the Account's Investment Strategy acceptable to the Employer to the extent necessary to accomplish the Account's Investment Strategy ("Investment Policy Statement");
- C. Execute the Account's Investment Strategy by instructing the Trustee to buy and sell shares of investments permitted under the Trust in accordance with the Investment Policy Statement;
- D. In consultation with the Employer, reassess and alter the Investment Strategy and Investment Policy Statement at least annually to the extent necessary to "rebalance" the Account investments;
- E. Perform reviews at least annually of the performance of the investments held in the Account, add or reduce allocations to each investment or add or delete investments in its judgment (to the extent permitted under the Investment Policy Statement and the Trust), and promptly advise the Employer of any additions or deletions of Account investments; and
- F. Provide the Employer after the end of each calendar quarter with an analysis of the performance of the investments of the Account and a statement of the changes in the investments made during such calendar quarter.

2. Compensation

- 2.1 Fees.** For all services provided by the Trust Administrator under this Agreement and the Trustee under the Trust Agreement, the following fees will apply:

[Fees will be determined on an employer-by-employer basis. This section will itemize fees by category: Trust Administration Fees, Trustee Fees, and other categories as appropriate.]

The Trust Administrator will notify the Employer in writing of any change in the above fee amounts at least 60 days before the effective date of the change.

- 2.2 Fees for Additional Services.** If and to the extent that the Employer requests the Trust Administrator to render services other than those described under this Agreement, such additional services will be compensated separately on terms to be agreed upon between the Trust Administrator and the Employer.



2.3 Pooled Investments. Assets invested by the Trust Administrator under the terms of this Agreement may from time to time be invested in individual securities, or in a proprietary money market mutual fund or local government investment pool (either, a “Pool”). Each Pool is a commingled fund managed by the Trust Administrator. Average daily net assets subject to the fees described in this section shall not take into account any funds invested in the Pool. Expenses of the Pool, including compensation for the Trust Administrator and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool.

3. Expenses

3.1 Furnishing of Administrative Services, Office Space, Equipment and Personnel. The Trust Administrator will furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel required to perform the services under this Agreement, inclusive of reasonable costs required to attend meetings with the Employer.

3.2 Expenses of Employer’s Account. Except as otherwise provided in this Agreement, Employer agrees to pay all expenses under the Trust incurred by (or allocable to) the Employer’s Account including, without limitation, taxes, expenses (including front- or back-end charges) of an investment fund, fees and expenses of the Account’s independent auditors and legal counsel, insurance premiums, expenses of the Trustee, the keeping of books and accounts, and the allocable costs of the annual Trust audit described in Section 5.3 of the Trust Agreement. The Trust Administrator will calculate expenses allocable to the Account on a pro-rata basis, or in any other reasonable and equitable manner determined by the Trust Administrator.

4. Payment Terms. At the end of each calendar month, the Trust Administrator will prepare and submit to the Employer for approval a monthly invoice for fees and expenses under this Agreement as described in Sections 2.1 and 3.2. The invoice will include a statement of the basis upon which the fees and expenses were calculated. Except to the extent that the Employer has elected in the Adoption Agreement to pay such invoices, the Employer authorizes the Trust Administrator to charge such invoices to the Employer’s Account and authorizes and instructs the Trustee to disburse funds from the Account for the payment of the fees and expenses. If the Employer has elected in the Adoption Agreement to pay such invoices, but does not fully pay any invoice within 15 calendar days after the invoice’s postmark, then the Employer hereby authorizes the Trust Administrator to charge the unpaid amount to the Account and instructs the Trustee to disburse such amount from the Account for the payment of the fees and expenses. If sufficient funds are not available or cannot for any reason otherwise be disbursed from the Account, the Trust Administrator will notify the Employer, and the Employer will pay the unpaid amount to the Trust Administrator from other sources within 10 calendar days after receiving the notice.

5. Registered Advisor; Duty of Care. The Trust Administrator hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940. The Trust Administrator will immediately notify the Employer if at any time during the term of this



Agreement it is not so registered or if its registration is suspended. The Trust Administrator agrees to perform its duties and responsibilities under this Agreement with reasonable care. Notwithstanding the foregoing, the Trust Administrator has no responsibility or liability for determining whether or to what extent the Trust or Trustee is eligible to receive funds from the Employer under applicable law; and it is the Employer's sole responsibility to make such determination upon the establishment of its account under the Trust and at all subsequent times. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein in any way constitutes a waiver or limitation of any rights which the Employer or the Trust may have under any federal securities laws. The Employer hereby authorizes the Trust Administrator to sign an Internal Revenue Service Form W-9 on behalf of the Employer and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.

6. **Trust Administrator's Other Clients.** The Employer understands that the Trust Administrator performs investment advisory services for various other clients which may include investment companies, commingled trust funds and/or individual portfolios. The Employer agrees that the Trust Administrator, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Account. The Trust Administrator has no obligation to purchase, sell or exchange any security for the Employer solely by reason of the fact that the Trust Administrator, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for itself or its own accounts.
7. **Term of Agreement.** This Agreement will remain in effect until terminated by either party at any time by giving 90 days' written notice to the other party of its intent to terminate.
8. **Force Majeure.** The Trust Administrator has no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Agreement which result from events beyond its control, including interruption of the business activities of the Trust Administrator or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.
9. **Disciplinary Actions.** The Trust Administrator will promptly notify the Employer if the Trust Administrator is found to have violated any state or federal securities law or regulation in any final and unappealable judgment in any criminal action or civil suit in any state or federal court or in any disciplinary proceeding before the Securities and Exchange Commission or any other regulatory agency or department of the United States, any registered securities exchange, the Financial Industry Regulatory Authority, or any regulatory authority of any State based upon the performance of services as an investment advisor.
10. **Confidentiality.** The Trust Administrator will not disclose any information relating to the Plans or the Account except to authorized officers of the Employer, the Plan Administrator the Trustee and third parties retained by the Trust Administrator to perform specific services within this Agreement without the Employer's consent, unless such disclosure is required by law or by regulatory or judicial process. The Employer will not



disclose any information relating the Trust to individuals other than authorized officers of the Employer and the Plan Administrator, or their respective designees, without the Trust Administrator's consent.

11. **Independent Contractor.** The Trust Administrator, its employees, officers and representatives, will not be deemed to be employees, agents (except as to the purchase or sale of securities described in Section 1), partners, servants, and/or joint ventures of the Employer or the Account by virtue of this Agreement or any actions or services rendered under this Agreement.
12. **Records.** The Trust Administrator will maintain appropriate records of all its activities hereunder. The Trust Administrator will use its best efforts to provide the Employer with a statement within 60 days following the end of each calendar quarter showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received during the quarter, and the value of assets held on the last business day of the calendar quarter, all as provided for in the Trust Agreement, based on the information requested from and furnished to it by the Trustee.
13. **Ownership of Reports and Documents.** The Trust Administrator acknowledges that the originals of all correspondence, documents, reports and records produced in the course of providing the services pursuant to this Agreement are the property of the Employer. In the event this Agreement is terminated, the Trust Administrator agrees to provide such originals to the Employer. The Trust Administrator will not furnish copies of any such correspondence, documents reports and records to any party other than the Employer or the Plan Administrator, or their respective designees, or third parties retained by the Trust Administrator to perform services under this Agreement without the Employer's consent.
14. **Trust Administrator's Brochure and Brochure Supplement.** The Trust Administrator warrants that it has delivered to the Employer prior to the execution of this Agreement, the Trust Administrator's current Securities and Exchange Commission Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). The Employer acknowledges receipt of such brochure and brochure supplement prior to the execution of this Agreement.
15. **Amendment.** This Agreement shall not be changed, modified, terminated or discharged in whole or in part, except by an instrument in writing signed by both parties hereto, or their respective successors or assigns.
16. **Successors and Assigns.** The provisions of this Agreement are binding on the Trust Administrator and its respective successors and assigns, provided, however, that the rights and obligations of the Trust Administrator may not be assigned without the Employer's consent.
17. **Designees.** In accordance with Section 1.8 of the Trust Agreement, the Employer will certify to the Trust Administrator in writing the persons or entity with the plenary authority pursuant to applicable state law over the investment and management of the Employer's Plans or its designee ("Plan Administrator"). The Plan Administrator has the authority to act on behalf of, and to exercise any of the rights of, the Employer under this Agreement. In accordance with Section 6.1(I) of the Trust Agreement, the Trust Administrator may designate and engage the services of such agents, representatives, advisors, counsel, accountants and other third parties, including affiliates of the Trust Administrator, and



delegate its authority to perform specified services under this Agreement to such third parties. Any such designee shall have the authority to perform the services delegated to it by the Trust Administrator. Any officer of the Trust Administrator has the authority to exercise any of the rights of the Trust Administrator under this Agreement.

18. **Notice.** Written notices required under this Agreement will be sent by regular mail, certified mail, overnight delivery or courier, and will be deemed given when received at the parties' respective addresses shown below. Either party must notify the other party in writing of a change in address.

Employer's Address:

Attn:

Trust Administrator's Address:

PFM Asset Management LLC

Attn:

With a Copy to:

PFM Asset Management LLC
1735 Market Street, 42nd Floor
Philadelphia, PA 19103

Attn: Controller

19. **Applicable Law.** This Agreement will be construed, enforced and administered according to the laws of the **[Commonwealth] [OR] [State] of [State Name]**, without regard to its conflicts of law principles. In the event that either party institutes legal proceedings against the other, venue will lie in any court of competent jurisdiction in the **[Commonwealth] [OR] [State] of [State Name]**.
20. **Entire Agreement.** This Agreement, including exhibits and any other documents referenced herein, constitutes the entire agreement of the parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, with respect thereto.
21. **Severability.** If any provision of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Agreement will continue in full force and effect.
22. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed will be deemed to be a complete original and all of which together will constitute one and the same Agreement.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers on the date set forth in the first paragraph of this Agreement.

**TRUST ADMINISTRATOR
PFM ASSET MANAGEMENT LLC**

By: _____

Its: _____

**AGENCY
[NAME OF AGENCY]**

By: _____

Its: _____

