



Town of Leesburg OPEB Trust

Investment Performance Review For the Quarter Ended June 30, 2024

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Financial Markets & Investment Strategy Review

Major Equity and Fixed Income Market Indices

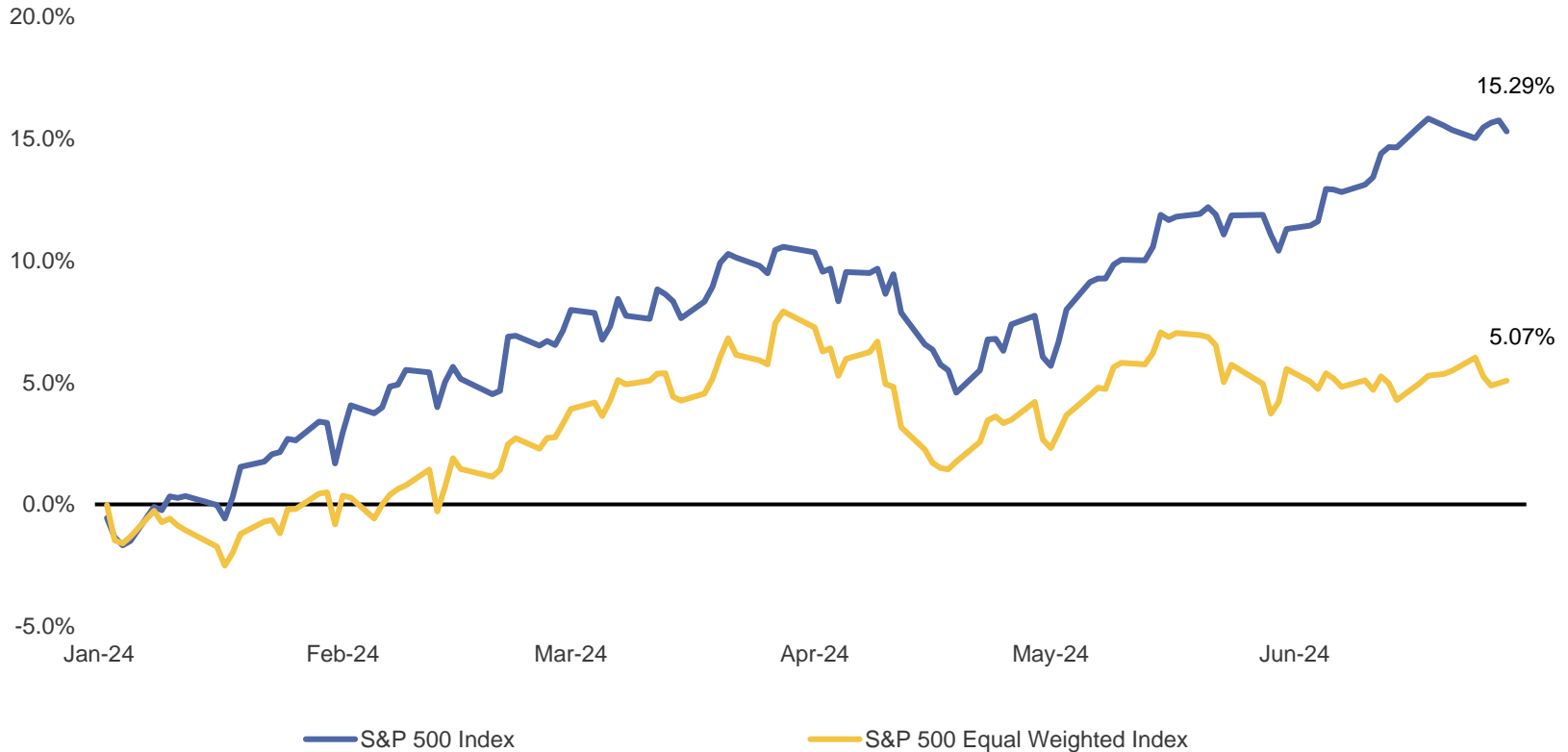
Market Indices as of 06/30/2024					
Domestic Equity	QTD	YTD	1 Year	3 Years	5 years
S&P 500	4.28%	15.29%	24.54%	9.98%	15.01%
Russell 3000	3.22%	13.56%	23.11%	8.02%	14.11%
Russell 2000	-3.28%	1.73%	10.03%	-2.61%	6.90%
Russell 1000	3.57%	14.23%	23.86%	8.72%	14.57%
International Equity	QTD	YTD	1 Year	3 Years	5 years
MSCI ACWI ex US (net)	0.96%	5.69%	11.62%	0.46%	5.54%
MSCI EAFE (net)	-0.42%	5.34%	11.54%	2.89%	6.46%
MSCI Emerging Markets (net)	5.00%	7.49%	12.55%	-5.06%	3.09%
Fixed Income	QTD	YTD	1 Year	3 Years	5 years
Bloomberg Aggregate	0.07%	-0.71%	2.63%	-3.02%	-0.23%
Bloomberg Global Agg	-1.10%	-3.16%	0.93%	-5.49%	-2.02%
ICE BoA 3-Month Treasury	1.32%	2.63%	5.39%	3.03%	2.15%
High Yield Fixed Income	QTD	YTD	1 Year	3 Years	5 years
ICE BoA HY Index	1.09%	2.62%	10.45%	1.64%	3.73%
Alternatives	QTD	YTD	1 Year	3 Years	5 years
MSCI US REIT Index	-0.22%	-0.84%	6.25%	-0.97%	2.68%
MSCI World Core Infrastructure	-1.03%	-1.19%	2.63%	0.60%	3.06%
Bloomberg Commodity Index Total Return	2.89%	5.14%	5.00%	5.65%	7.24%

Source: Bloomberg, as of June 30, 2024

Net total return is calculated by MSCI using the companies' country of incorporation and maximum withholding tax rate applicable to institutional investors to determine the relevant dividend withholding. Net return comprises of price returns and net dividends, which incorporate impact of taxes on dividends.

Concentration within the S&P 500

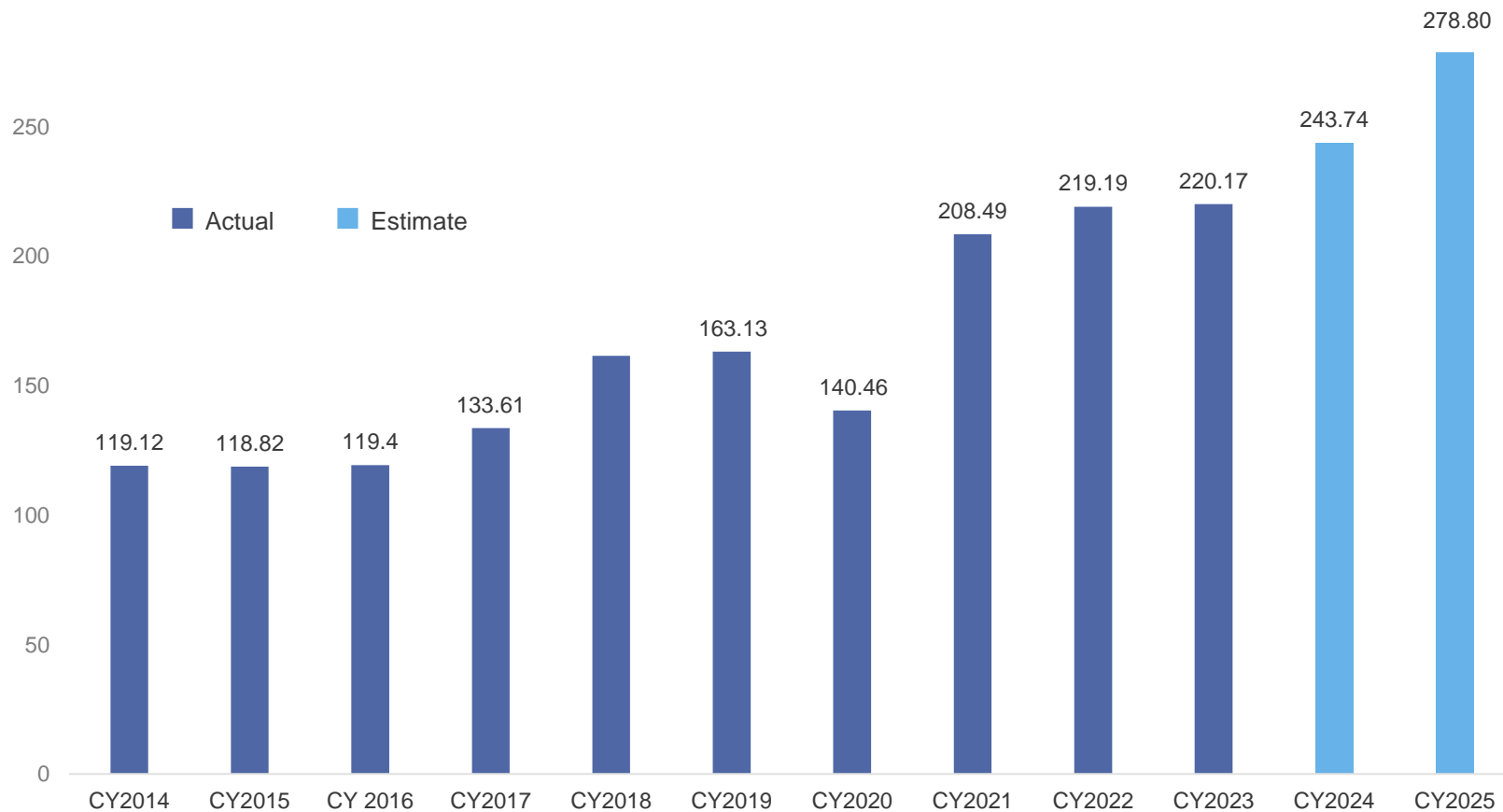
S&P 500 YTD Cumulative Total Returns



Source: Bloomberg, as of June 30, 2024

S&P 500 Calendar Year EPS

S&P 500 Calendar Year Bottom-Up EPS Actuals & Estimates



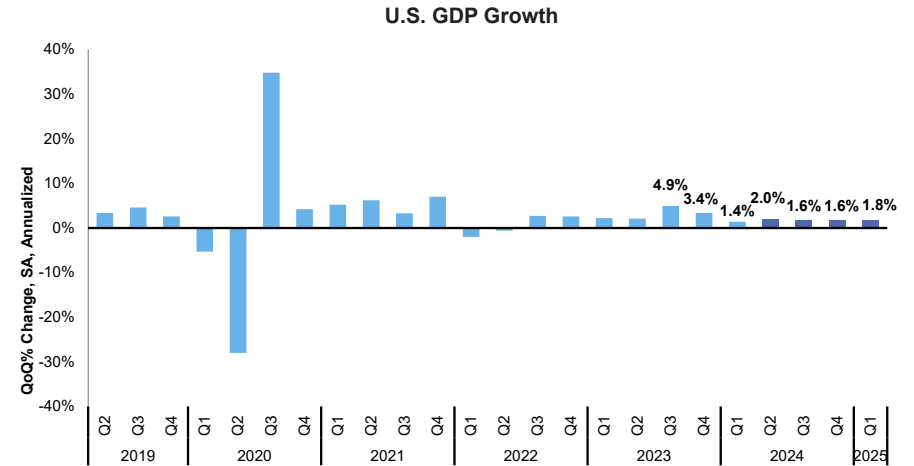
Source: Factset, as of June 30, 2024

THE ECONOMY

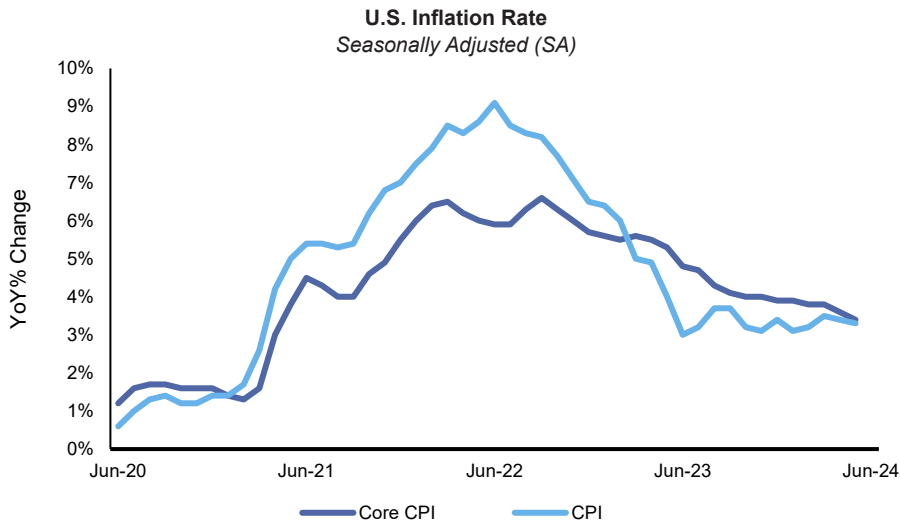
▶ In the first quarter, U.S. gross domestic product (GDP) grew at an annualized rate of 1.4%, cooling from the outsized gain of 3.4% in the fourth quarter of 2023. Consumer spending remained the main driver of growth, rising 1.5%. Within consumer spending this growth was focused entirely in the services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

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

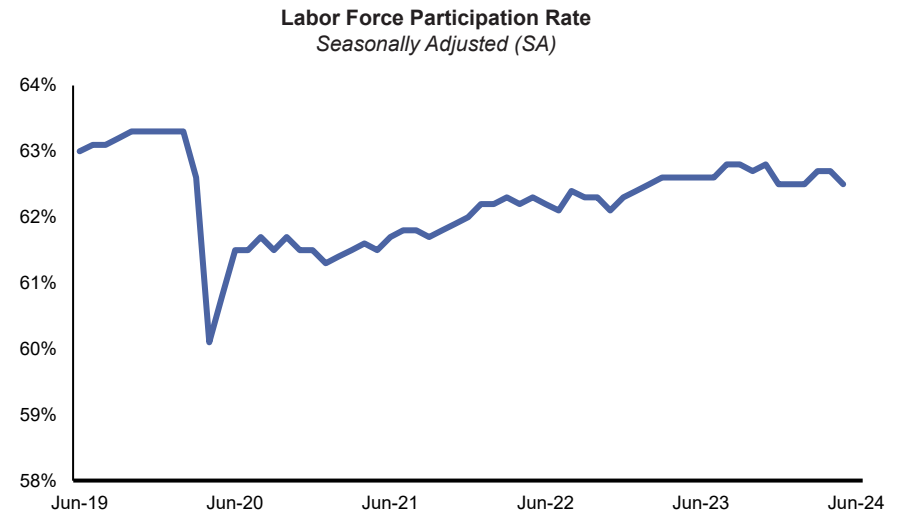
▶ Inflation moderated from the hot pace experienced in the first quarter. Headline inflation (CPI) grew at a YoY rate of 3.3% in May, down from the 3.5% growth in March. Core CPI which excludes volatile food and energy eased to a three year low of 3.4%. The shelter price growth, which remains a driving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



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



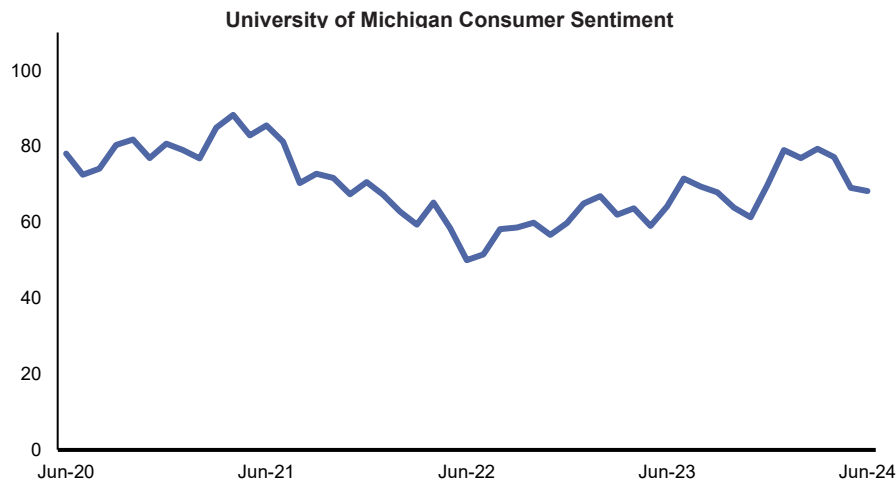
Source: Bureau of Labor Statistics.



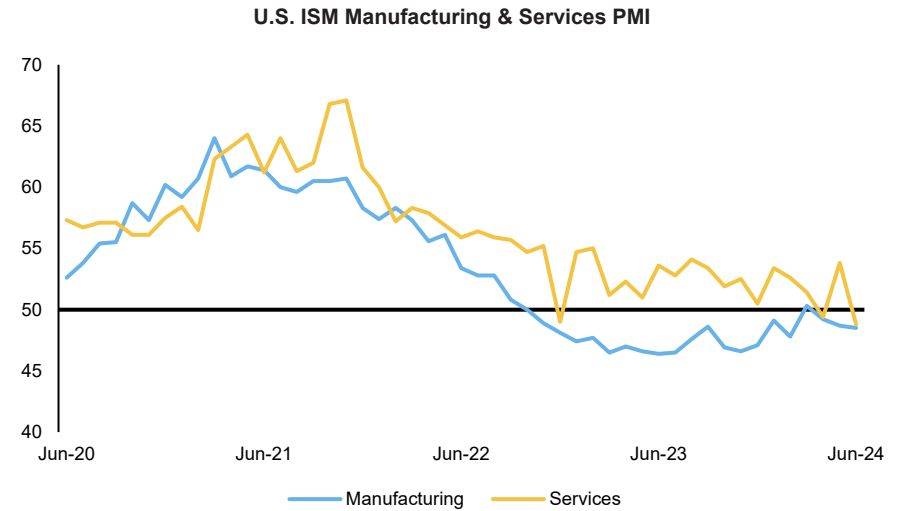
Source: Bureau of Labor Statistics.

WHAT WE'RE WATCHING

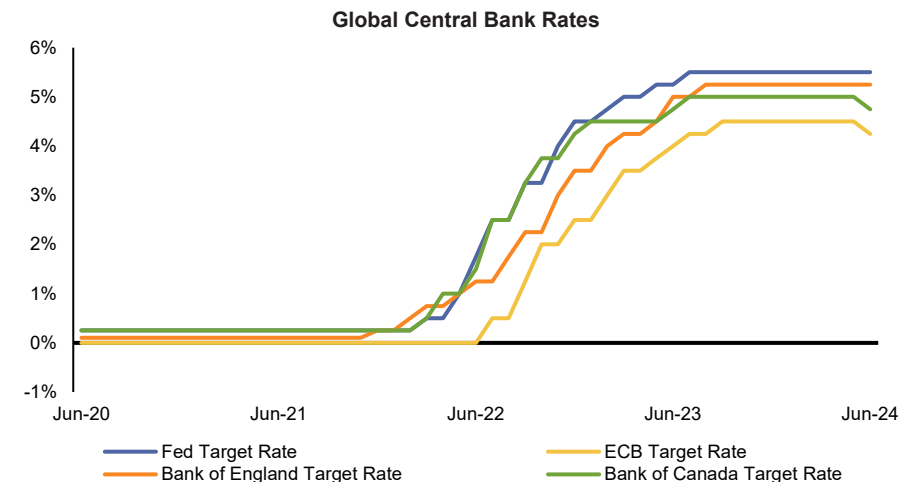
- ▶ The Federal Open Market Committee (FOMC) continued to hold rates steady at 5.50% through the second quarter as Fed officials remain data dependent and are waiting to see signs that inflation is slowing sustainably to 2%. Due to the slower pace of cooling, in their statement of economic projections, the FOMC reduced the expected rate cuts this year down to 25 basis points (bps) from 75 bps. This is in divergence with some of the other major central banks, as the European Central Bank (ECB) and Bank of Canada (BOC) both cut rates in June.
- ▶ U.S. manufacturing activity dipped back into contraction during the second quarter with the ISM U.S. Manufacturing PMI reading at 48.5 in June signaling weak demand. The services sector also fell into contraction with the Services PMI falling to 48.8 in June due to lower business activity and contraction in employment.
- ▶ Consumer confidence, as measured by the University of Michigan's Consumer Sentiment survey, fell during the quarter, posting three consecutive months of decline ending at 68.2 in June down from the 79.4 reading at the end of the first quarter. This decline came as assessments of personal finances dipped, with consumers expressing concerns over the effect of high prices.
- ▶ Looking forward, we continue to watch the evolving geopolitical landscape as countries such as the U.K. and France saw changes in administration following recent elections which may impact domestic economic policy and market returns.



Source: Bloomberg.



Source: Bloomberg.



Source: Bloomberg.

DOMESTIC EQUITY

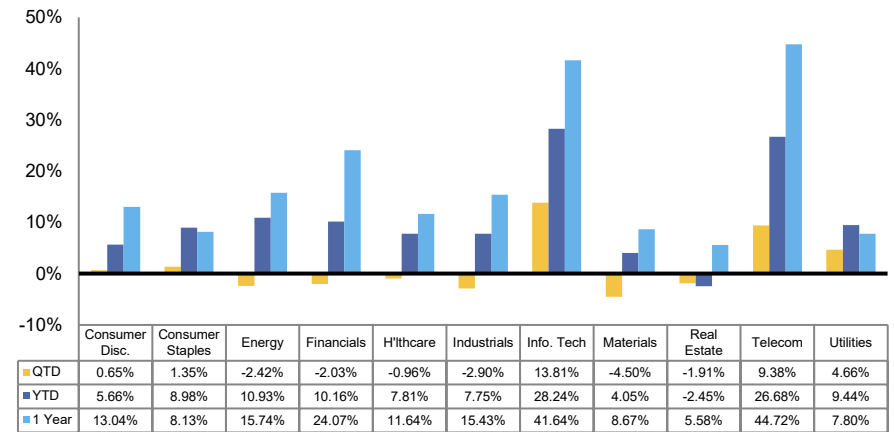
- ▶ The S&P 500 Index (S&P) posted a 4.28% return for the second quarter of 2024. As of June 28, 2024, the trailing 1-year return for the index was 24.56%.
- ▶ The market capitalization-weighted S&P 500 continued its streak of outperformance over the equal-weighted S&P 500 Index. During the quarter, the Magnificent Seven (M7) as a group outperformed, as the index return would have been -0.7% if the M7 were excluded from the benchmark.
- ▶ Within S&P 500, six of eleven GICS sectors posted negative returns over the quarter. The worst performing sectors were Materials (-4.5%), Industrials (-2.9%), and Energy (-2.4%). The best performing sectors were Information Technology (13.8%), Communication Services (9.4%), and Utilities (4.7%).
- ▶ Small-caps, as represented by the Russell 2000 Index, returned -3.3% during the quarter, and slightly outperformed mid-caps but underperformed large-caps. The Russell Midcap and Russell 1000 indices returned -3.4% and 3.6%, respectively.

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

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

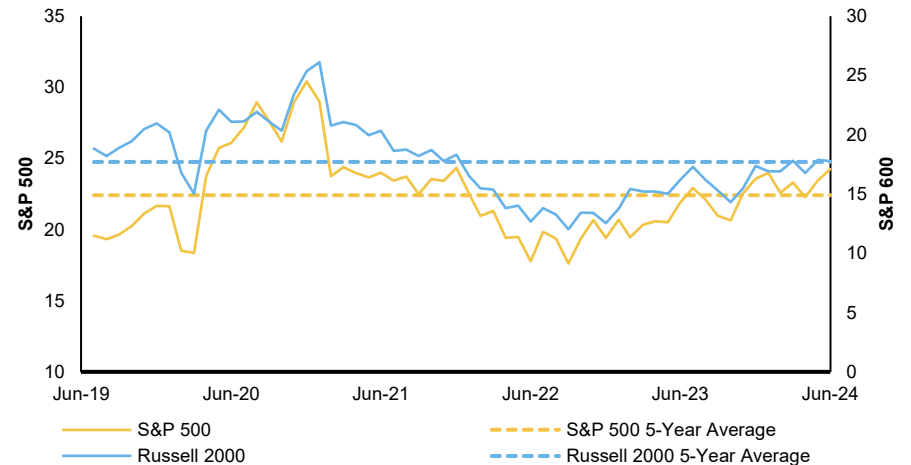
S&P 500 Index Performance by Sector

Periods Ended June 30, 2024



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

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

NON-U.S. EQUITY

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

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

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

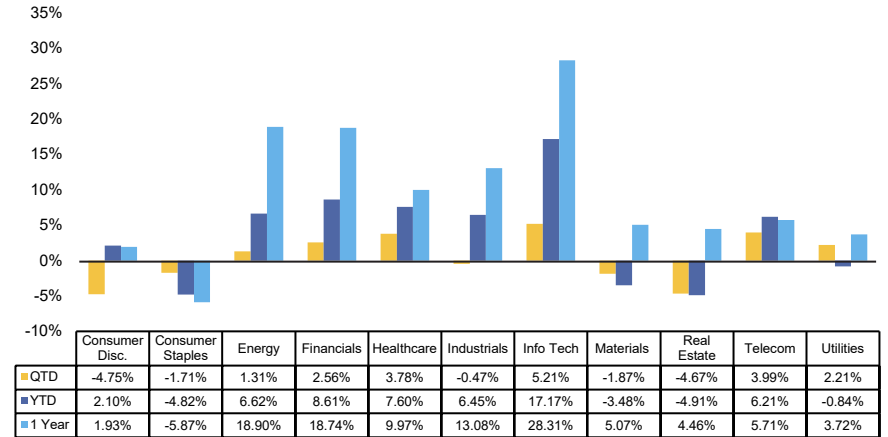
▶ Within emerging markets, EM Asia (7.54%) was the largest contributor to overall returns during the quarter, benefitting from MSCI India and MSCI Taiwan's strong returns of 10.36% and 15.20%, respectively. MSCI China (7.16%) also fared well, buoyed by additional stimulus measures in the form of lower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

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

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

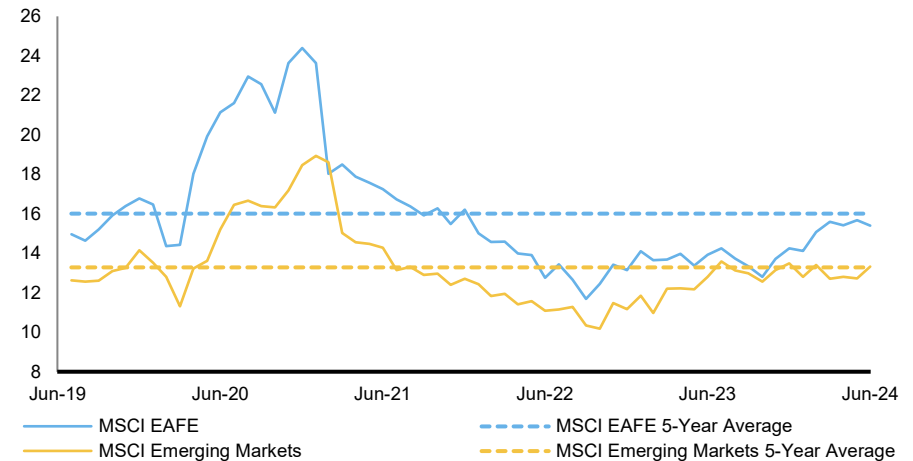
MSCI ACWI ex-U.S. Sectors

Periods Ended June 30, 2024



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



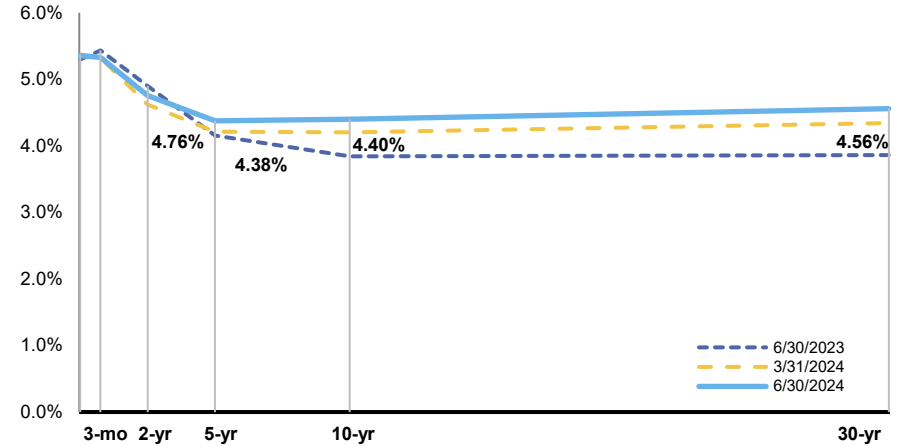
Source: Bloomberg.

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

FIXED INCOME

- ▶ The U.S. bond market represented by the Bloomberg U.S. Aggregate (Aggregate) Index was slightly positive in the second quarter, up 0.07%. The trailing one-year period return is 2.63%.
- ▶ The Bloomberg U.S. Treasury Index closed the quarter with a small gain of 0.09%. During the period, the FOMC maintained Fed funds rate at 5.5% and continued to signal fewer cuts for 2024 than the market originally anticipated. In reaction to lower number of cuts, rates beyond the one-year duration range generally rose higher. At the quarter end, the yield curve remained inverted, with the 10-year yield rising to 4.4%, while the 2-year yield ended at 4.8%.
- ▶ Corporate credit had mixed results for the quarter on the rising rates. The investment-grade (IG) Bloomberg U.S. Corporate (IG Corp) Index lost -0.09% while high yield bonds, as represented by the Bloomberg U.S. Corporate High Yield (HY) Index, gained 1.09%. Spreads widened in the “CCC” category while “BB” rated securities performed the best.
- ▶ The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index gained 0.07%. On the commercial side returns were positive with the Bloomberg U.S. Agency CMBS Index up 0.60% while the non-agency CMBS index gained 0.75%.
- ▶ EM USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified index, gained 0.30% supported by quasi-sovereign names. Venezuela, which recently re-entered the index, had a strong quarter.

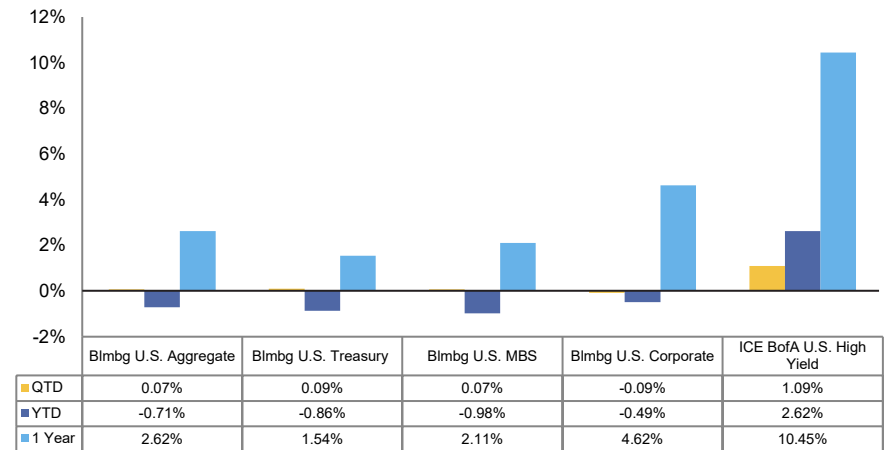
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended June 30, 2024



Source: Bloomberg.

ALTERNATIVES

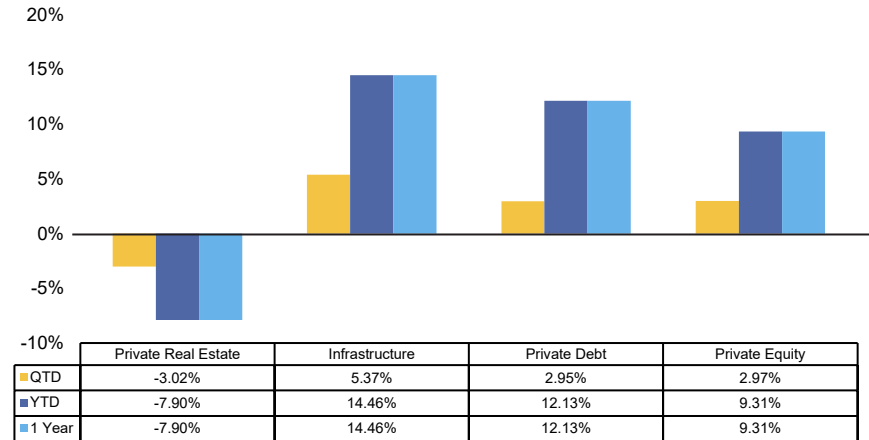
► Public REITs, as measured by the FTSE NAREIT Equity REITs Index, returned 0.06% in the second quarter of 2024, compared to a -0.20% return in the prior quarter. Persistent high interest rates have kept returns in check for the asset class. Private real estate, as measured by the NCREIF Property Index,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

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

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

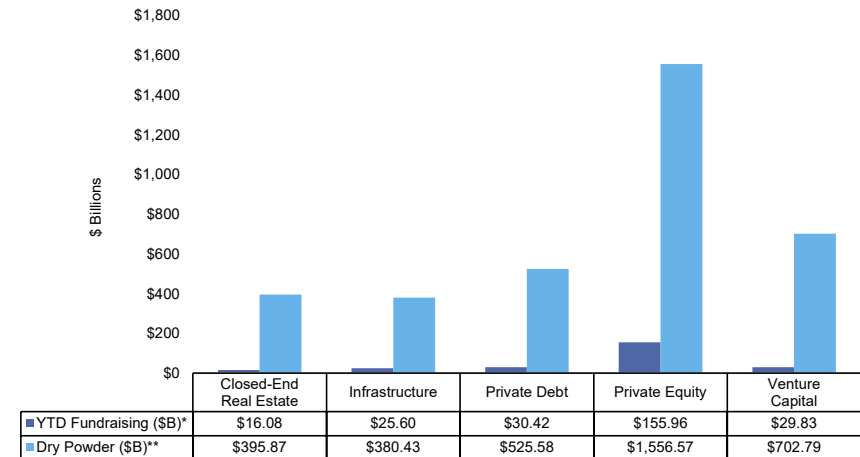
► In Q1 2024, 110 private equity funds raised \$155.96 billion, a strong pace despite the challenging market environment. Recently, private equity performance has been impacted due to high borrowing costs, limited debt availability, and muted deal flow and exit activity. Recent trailing performance has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

Returns for Private Capital Assets



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

Private Capital Fundraising & Dry Powder



Sources: Pitchbook.

* Total capital raised in 2024 as of March 31, 2024 - most recent period for which ALL fundraising data is available.

** Cumulative dry powder as of September 30, 2023, unless specified otherwise.

Factors to Consider Over the Next 6-12 Months



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (June 30, 2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

Investment Strategy Overview

Asset Class	Our Q3 2024 Investment Outlook	Comments
U.S. Equities		<ul style="list-style-type: none"> Recent earnings strength, fiscal support, and moderating inflation are positives, while rate cut uncertainty, election related volatility, higher valuations and geopolitical turbulence are negatives. The fed continues to be data dependent with recent guidance pointing to one rate cut. Given the rate cut uncertainty, we prefer to remain close to targets currently. Rising valuations for large caps are supported by improving earnings growth expectations but market breadth (measured by performance difference between equal weight and market cap weighted S&P 500) has been lagging in the recent months. Small-cap valuations are attractive and would benefit as investor sentiment/earnings growth expectations improve. Exposure to interest rate sensitive sectors such as regional banks remains a concern.
Large-Caps		
Small-Caps		
Non-U.S. Equities		<ul style="list-style-type: none"> International equities continue to trade at a discount to U.S. equities but stronger dollar and slower growth in Eurozone warrants a neutral stance. Recent ECB rate cuts, the recovery in manufacturing and services activity along with recent recovery in PEs are positive for developed market equities that continue to look attractive, but election related volatility needs to be watched. EM equities trade at attractive valuations relative to developed market equities but strong dollar and China's uncertain growth weigh on outlook.
Developed Markets		
Emerging Markets		
Fixed Income		<ul style="list-style-type: none"> The higher for longer narrative has led to increased volatility and uncertainty around rate cut path. Yields at the short-end of the curve look attractive even as long-term yields fell back from the recent highs. Given the rate cut scenarios, we are maintaining duration close to the benchmark duration and consider ways to close any duration gap over the next few months. Credit markets remain attractive due to strong corporate fundamentals. We remain positive on investment-grade but are scaling down our exposure within high yield given the tighter spreads. We continue to closely watch for signs for any distress in the corporate credit space.
Core Bonds		
Investment Grade Credit		
High Yield Credit		
Diversifying Assets		<ul style="list-style-type: none"> Lower office sector exposure, attractive valuations and possibility of rate cuts this year are positives for listed real estate while higher level of interest rates is a headwind. Transition to renewable energy and increase in AI led data center infrastructure spend are tailwinds for listed infrastructure while higher level of interest rates is a headwind.
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook ○ Outlook one quarter ago



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Long-Term Strategic Approach to Private Capital/Alternatives

Sub-Asset Class	Long-Term Strategic View	Recent Trends
Private Equity	Provide attractive returns with lower correlations to public market equities due to their ability to invest in early-stage growth companies or ability to turnaround a struggling firm.	<ul style="list-style-type: none"> Higher interest rates, lower valuations, a lack of deal transparency, and economic uncertainty have been headwinds for this group over the past couple quarters leading to a decline in activity across the board The current environment is favoring strategies such as secondaries and coinvesting while venture capital and growth investing strategies have seen a pull back. Dry powder for new opportunities remains at historic highs, while trailing short-term performance is lagging public markets.
Private Debt	Provides higher returns than the public market debt due to the ability to customize terms and floating rate structure of most notes.	<ul style="list-style-type: none"> Less leveraged buyouts being completed has resulted in lower lending deal flow, but lower bank lending has created more opportunities for private lenders. Higher interest rates are creating attractive credit opportunities in higher risk/return areas of the market. Pessimism and higher interest rates benefitting providers of new real estate-backed debt.
Real Assets Real Estate Infrastructure	Provides exposure to inflation sensitive assets that typically generate returns from a combination of capital appreciation and income generation.	<ul style="list-style-type: none"> High interest rates and tight lending standards have been a drag on the real estate market pressuring both cap rates and valuations. Commercial real estate space remains a focal point for the markets. Real estate performance is bifurcated – with office and commercial struggling while residential & industrial assets have done well. The Artificial Intelligence boom is driving demand for improved energy infrastructure while decarbonization trend is driving demand for clean energy infrastructure.
Diversifying Assets Hedge Funds	Expected to lower the volatility and correlation within portfolios while providing access to esoteric strategies	<ul style="list-style-type: none"> YTD 2024, macro and equity hedge strategies have generated strong returns amid economic uncertainty and strong public equity performance. Higher interest rates have contributed to performance of credit strategies. Extreme concentration within the equity markets hasn't been a substantial headwind to performance as seen with active public market equity managers.

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Plan Performance Summary

Asset Allocation & Performance

	Allocation		Performance(%)							
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	2 Years	3 Years	5 Years	Since Inception	Inception Date
Total Fund - OPEB Trust	18,399,322	100.00	1.63	6.50	12.87	10.87	1.52	7.00	7.22	08/01/2016
<i>Blended Benchmark</i>			1.49	6.09	12.30	10.98	2.15	6.76	7.10	
Domestic Equity	7,334,076	39.86	3.36	13.75	23.30	19.59	7.25	14.11	13.54	09/01/2016
<i>Russell 3000 Index</i>			3.22	13.56	23.12	21.02	8.05	14.14	13.81	
Fidelity Total Market Index Fund	7,334,076	39.86	3.24	13.61	23.25	21.07	7.93	14.06	3.11	06/01/2024
<i>Russell 3000 Index</i>			3.22	13.56	23.12	21.02	8.05	14.14	3.10	
International Equity	3,848,961	20.92	0.92	5.23	10.73	11.67	-2.27	5.38	6.40	09/01/2016
<i>MSCI AC World ex USA (Net)</i>			0.96	5.69	11.62	12.17	0.46	5.55	6.38	
iShares Core MSCI Total International Stock ETF	3,848,961	20.92	0.93	5.37	11.15	11.92	0.26	5.70	-0.77	06/01/2024
<i>MSCI AC World ex USA (Net)</i>			0.96	5.69	11.62	12.17	0.46	5.55	-0.10	
Fixed Income	7,181,080	39.03	0.31	-0.01	3.94	1.83	-2.69	0.02	1.03	09/01/2016
<i>Blmbg. U.S. Aggregate</i>			0.07	-0.71	2.63	0.83	-3.02	-0.23	0.66	
Baird Core Plus	1,549,193	8.42	0.30	0.12	4.32	2.38	-2.30	0.65	1.50	08/01/2016
<i>Blmbg. U.S. Aggregate</i>			0.07	-0.71	2.63	0.83	-3.02	-0.23	0.64	
PGIM Total Return Bond	1,154,913	6.28	0.47	0.61	5.10	2.88	-2.54	0.33	1.38	09/01/2017
<i>Blmbg. U.S. Aggregate</i>			0.07	-0.71	2.63	0.83	-3.02	-0.23	0.69	
Voya Intermediate Bond	1,519,480	8.26	0.70	0.58	4.88	2.26	-2.56	0.38	-0.21	01/01/2020
<i>Blmbg. U.S. Aggregate</i>			0.07	-0.71	2.63	0.83	-3.02	-0.23	-0.79	
iShares Core US Aggregate Bond ETF	2,707,088	14.71	0.13	-0.62	2.61	0.82	-3.02	-0.26	-1.57	04/01/2020
<i>Blmbg. U.S. Aggregate</i>			0.07	-0.71	2.63	0.83	-3.02	-0.23	-1.56	
iShares Intermediate-Term Corporate Bond ETF	250,405	1.36	0.51	0.55	6.01	4.05	-2.08	1.11	0.63	10/01/2019
<i>ICE BofA U.S. Corporate 5-10 Year Index</i>			0.53	0.58	6.02	3.92	-2.17	1.15	0.67	
Cash Equivalent	35,206	0.19	1.30	2.61	5.33	4.48	3.02	2.07	1.79	09/01/2016
First American Gov't Obligation - Z	35,206	0.19	1.30	2.61	5.33	4.48	3.02	2.07	1.77	08/01/2016
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.32	2.63	5.40	4.49	3.03	2.16	1.88	

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

Comparative Performance

	2023	2022	2021	2020	2019
Total Fund - OPEB Trust	14.36	-17.17	11.49	16.94	20.40
<i>Blended Benchmark</i>	15.43	-15.77	10.58	14.14	20.02
Domestic Equity	21.73	-18.60	25.73	24.25	29.78
<i>Russell 3000 Index</i>	25.96	-19.21	25.66	20.89	31.02
Fidelity Total Market Index Fund	26.12	-19.51	25.65	20.78	30.92
<i>Russell 3000 Index</i>	25.96	-19.21	25.66	20.89	31.02
International Equity	16.35	-23.73	7.23	22.21	21.25
<i>MSCI AC World ex USA (Net)</i>	15.62	-16.00	7.82	10.65	21.51
iShares Core MSCI Total International Stock ETF	15.62	-16.35	8.52	11.14	21.85
<i>MSCI AC World ex USA (Net)</i>	15.62	-16.00	7.82	10.65	21.51
Fixed Income	6.57	-13.57	-1.32	7.33	9.84
<i>Blmbg. U.S. Aggregate</i>	5.53	-13.01	-1.55	7.51	8.72
Baird Core Plus	6.89	-12.87	-1.02	8.80	10.11
PGIM Total Return Bond	7.78	-14.86	-1.15	8.10	11.14
Voya Intermediate Bond	7.07	-14.16	-0.99	8.22	10.06
iShares Core US Aggregate Bond ETF	5.59	-13.06	-1.67	7.42	8.68
<i>Blmbg. U.S. Aggregate</i>	5.53	-13.01	-1.55	7.51	8.72
iShares Intermediate-Term Corporate Bond ETF	9.17	-14.06	-1.65	9.62	14.37
<i>ICE BofA U.S. Corporate 5-10 Year Index</i>	8.83	-14.10	-1.40	9.95	14.31
Cash Equivalent	4.98	1.49	0.02	0.39	2.07
First American Gov't Obligation - Z	4.96	1.51	0.02	0.37	2.08

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

Account Reconciliation

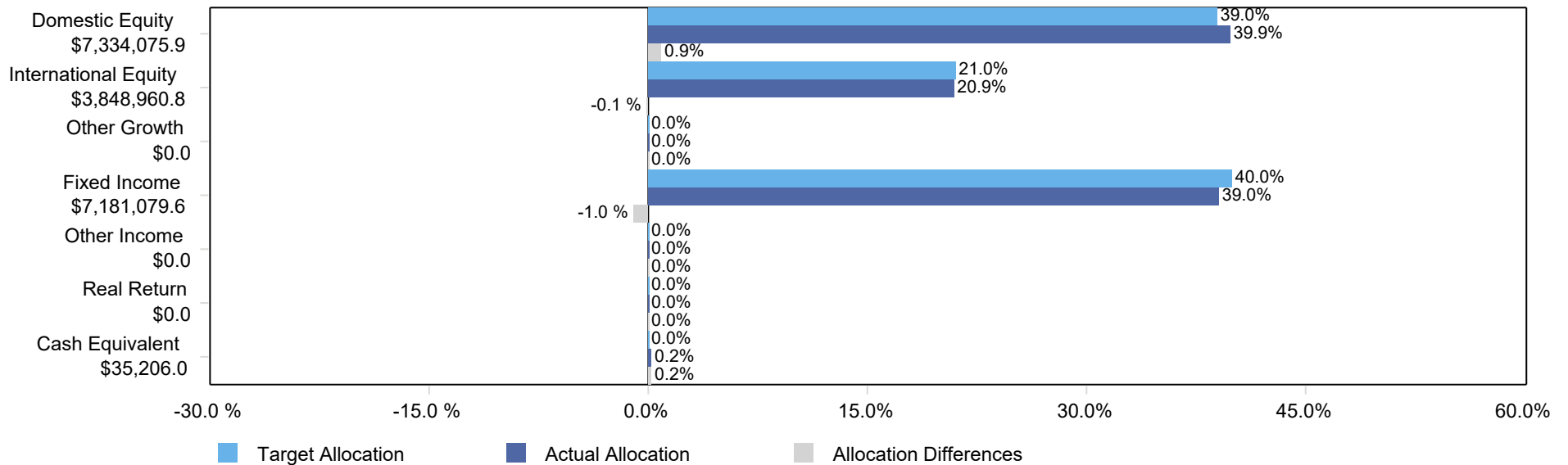
QTR				
	Market Value As of 04/01/2024	Net Flows	Return On Investment	Market Value As of 06/30/2024
Total Fund - OPEB Trust	18,118,287	(14,237)	295,273	18,399,322

YTD				
	Market Value As of 01/01/2024	Net Flows	Return On Investment	Market Value As of 06/30/2024
Total Fund - OPEB Trust	17,304,071	(28,130)	1,123,382	18,399,322

1 Year				
	Market Value As of 07/01/2023	Net Flows	Return On Investment	Market Value As of 06/30/2024
Total Fund - OPEB Trust	16,353,766	(54,605)	2,100,161	18,399,322

Asset Allocation Compliance - Total Fund - OPEB Trust

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
Total Fund - OPEB Trust	100.0	100.0	N/A	N/A	0.0
Domestic Equity	39.9	39.0	19.0	59.0	0.9
International Equity	20.9	21.0	1.0	41.0	-0.1
Other Growth	0.0	0.0	0.0	20.0	0.0
Fixed Income	39.0	40.0	20.0	60.0	-1.0
Other Income	0.0	0.0	0.0	20.0	0.0
Real Return	0.0	0.0	0.0	20.0	0.0
Cash Equivalent	0.2	0.0	0.0	20.0	0.2



Historical Hybrid Composition - Blended Benchmark

Allocation Mandate	Weight (%)
Aug-2016	
Russell 3000 Index	39.0
MSCI AC World ex USA (Net)	21.0
Blmbg. U.S. Aggregate	40.0

Fee Schedule

	Fee Schedule	Market Value As of 06/30/2024 (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Domestic Equity		7,334,076	1,100	0.02
Fidelity Total Market Index Fund	0.02 % of Assets	7,334,076	1,100	0.02
International Equity		3,848,961	2,694	0.07
iShares Core MSCI Total International Stock ETF	0.07 % of Assets	3,848,961	2,694	0.07
Fixed Income		7,181,080	14,622	0.20
Baird Core Plus	0.30 % of Assets	1,549,193	4,648	0.30
PGIM Total Return Bond	0.39 % of Assets	1,154,913	4,504	0.39
Voya Intermediate Bond	0.30 % of Assets	1,519,480	4,558	0.30
iShares Core US Aggregate Bond ETF	0.03 % of Assets	2,707,088	812	0.03
iShares Intermediate-Term Corporate Bond ETF	0.04 % of Assets	250,405	100	0.04
Cash Equivalent		35,206	63	0.18
First American Gov't Obligation - Z	0.18 % of Assets	35,206	63	0.18
Total Fund - OPEB Trust		18,399,322	18,480	0.10

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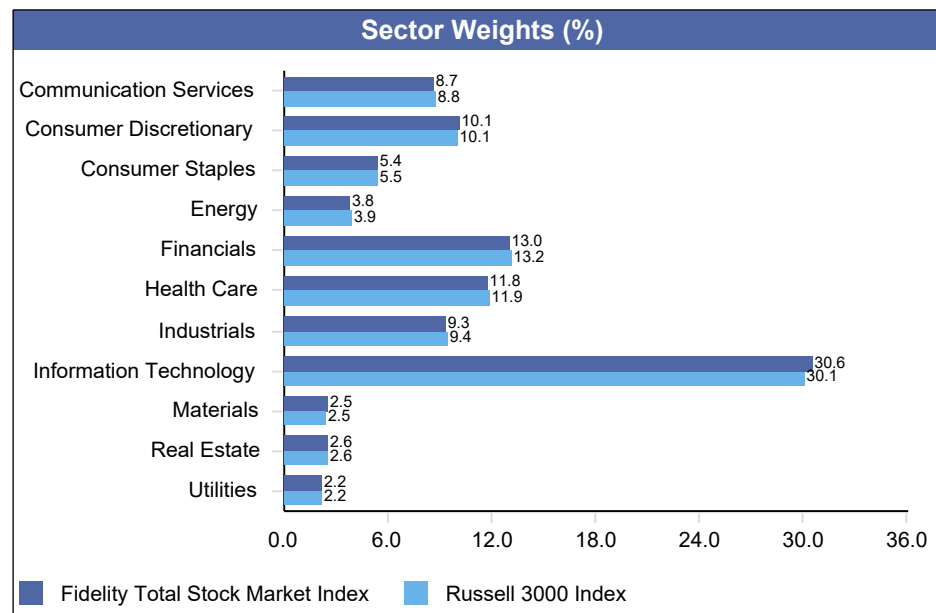
Investment Manager Review

◆ Fidelity Total Market Index

- **Management:** The fund is managed by Geode Capital Management. Geode Capital Management has been the manager on the fund since August 2003.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- **Strategy:** The Fund employs a “passive management” – or indexing – investment approach designed to track the performance of the Dow Jones U.S. Total Stock Market Index. The Fund tracks an unmanaged market capitalization-weighted index of over 5,000 U.S. equity securities.

Fidelity Total Stock Market Index vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	875,929	876,938
Median Mkt. Cap (\$M)	1,008	2,138
Price/Earnings ratio	25.92	25.83
Price/Book ratio	4.58	4.57
5 Yr. EPS Growth Rate (%)	17.58	17.51
Current Yield (%)	1.36	1.36
Number of Stocks	3,808	2,925



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	6.34	6.37	-0.03	6.42
NVIDIA Corporation	5.80	5.62	0.18	36.74
Apple Inc	5.80	5.89	-0.09	22.99
Amazon.com Inc	3.38	3.34	0.04	7.13
Meta Platforms Inc	2.11	2.14	-0.03	3.94
Alphabet Inc	2.04	2.07	-0.03	20.82
Alphabet Inc	1.71	1.76	-0.05	20.60
Berkshire Hathaway Inc	1.41	1.43	-0.02	-3.26
Eli Lilly and Co	1.38	1.47	-0.09	16.57
Broadcom Inc	1.34	1.33	0.01	21.53
% of Portfolio	31.31	31.42	-0.11	

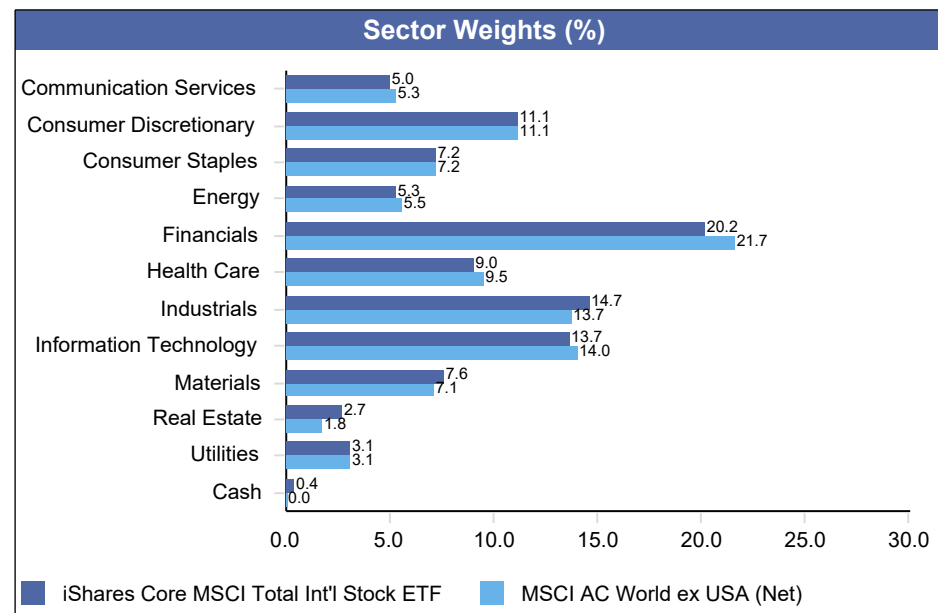
Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Mediaco Holding Inc	0.00	0.00	0.00	581.65
Faraday Future Intelligent Electric Inc	0.00	0.00	0.00	406.60
AST SpaceMobile Inc	0.00	0.00	0.00	300.34
Candel Therapeutics Inc	0.00	0.00	0.00	292.41
iPower Inc	0.00	0.00	0.00	292.30
Inseego Corp	0.00	0.00	0.00	280.72
Regis Corp	0.00	0.00	0.00	206.67
Barfresh Food Group Inc	0.00	0.00	0.00	205.00
GeneDx Holdings Corp	0.00	0.00	0.00	186.31
Emergent BioSolutions Inc	0.00	0.00	0.00	169.56
% of Portfolio	0.00	0.00	0.00	

◆ iShares Core MSCI Total International Stock ETF

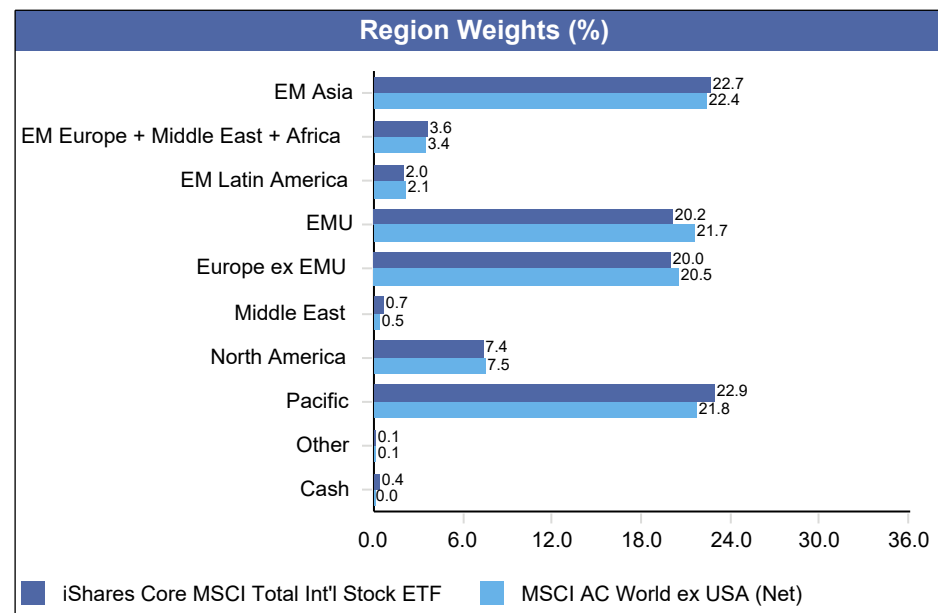
- **Management:** BlackRock Fund Advisors is the investment adviser for the fund. The three portfolio managers responsible for managing the fund include Jennifer Hsui, Greg Savage, and Paul Whitehead.
- **Objective:** The strategy seeks to track the performance of a benchmark index that measures the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

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

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	96,377	112,367
Median Mkt. Cap (\$M)	3,266	9,176
Price/Earnings ratio	16.17	16.27
Price/Book ratio	2.55	2.57
5 Yr. EPS Growth Rate (%)	10.38	10.28
Current Yield (%)	3.01	3.02
Number of Stocks	4,437	2,159



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	2.41	2.82	-0.41	22.80
Novo Nordisk A/S	1.55	1.81	-0.26	13.26
ASML Holding NV	1.36	1.59	-0.23	7.46
Tencent Holdings LTD	1.03	1.21	-0.18	23.94
Samsung Electronics Co Ltd	0.93	1.09	-0.16	-3.27
Nestle SA, Cham Und Vevey	0.89	1.05	-0.16	-0.92
Astrazeneca PLC	0.79	0.93	-0.14	15.79
Shell Plc	0.76	0.88	-0.12	9.07
Toyota Motor Corp	0.71	0.83	-0.12	-18.37
SAP SE	0.70	0.81	-0.11	5.51
% of Portfolio	11.13	13.02	-1.89	



◆ Baird Core Plus

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

◆ PGIM Total Return

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

◆ Voya Intermediate Bond - Core Plus

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

● iShares Core U.S Aggregate Bond ETF

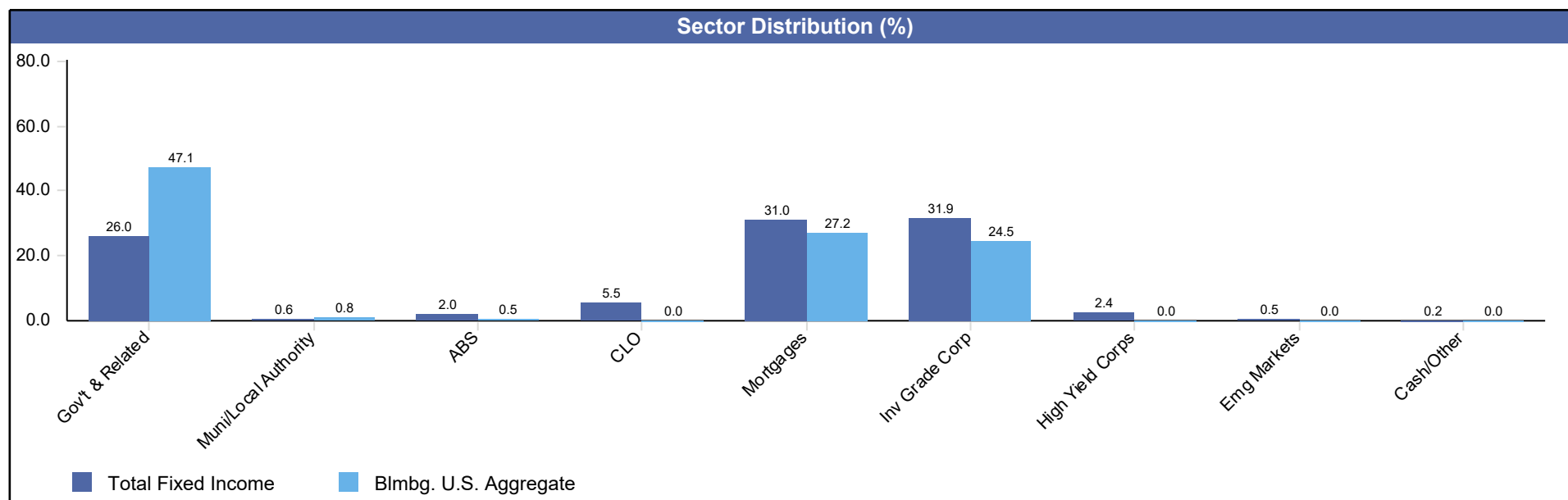
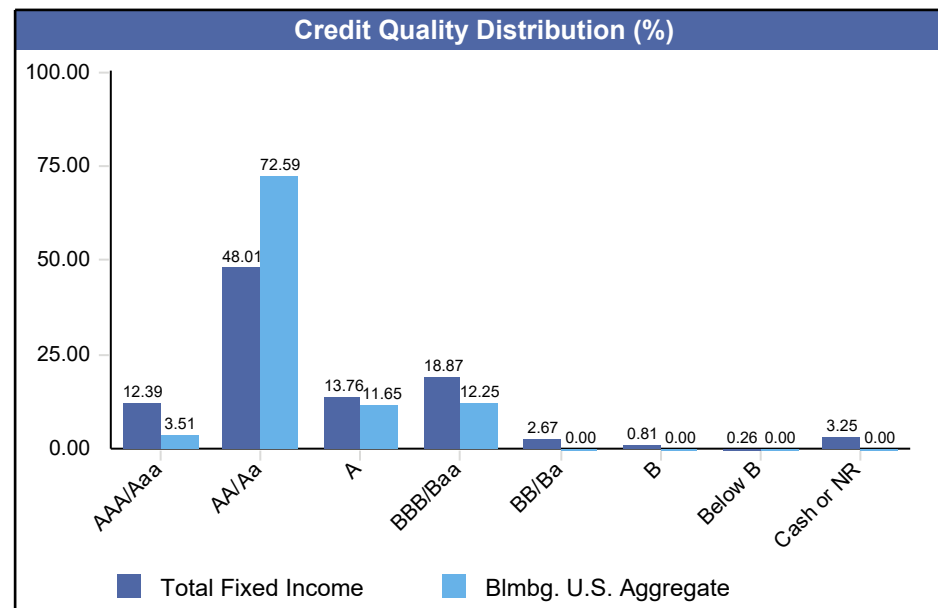
- **Management:** James Mauro and Karen Uyehara (the “Portfolio Managers”) are primarily responsible for the day-to-day management of the Fund. Mr. Mauro and Ms. Uyehara have been co-managing the Fund since 2011 and 2021, respectively.
- **Objective:** The Fund seeks to track the investment results of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

● iShares Intermediate Corporate Bond

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

Total Fixed Income vs. Blmbg. U.S. Aggregate

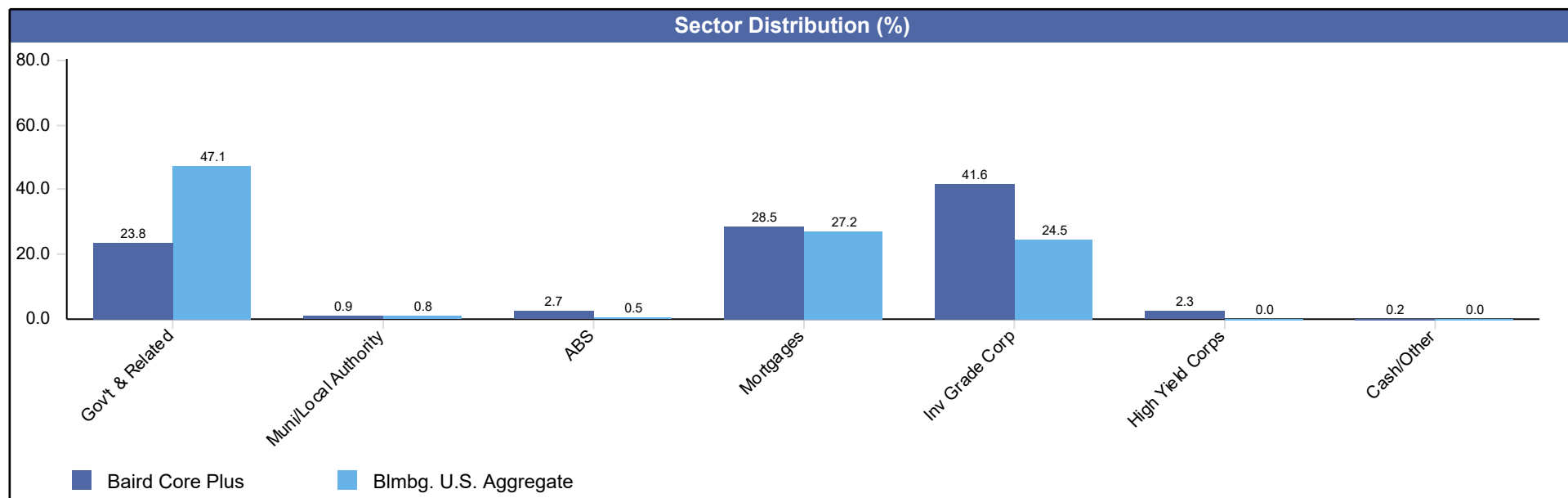
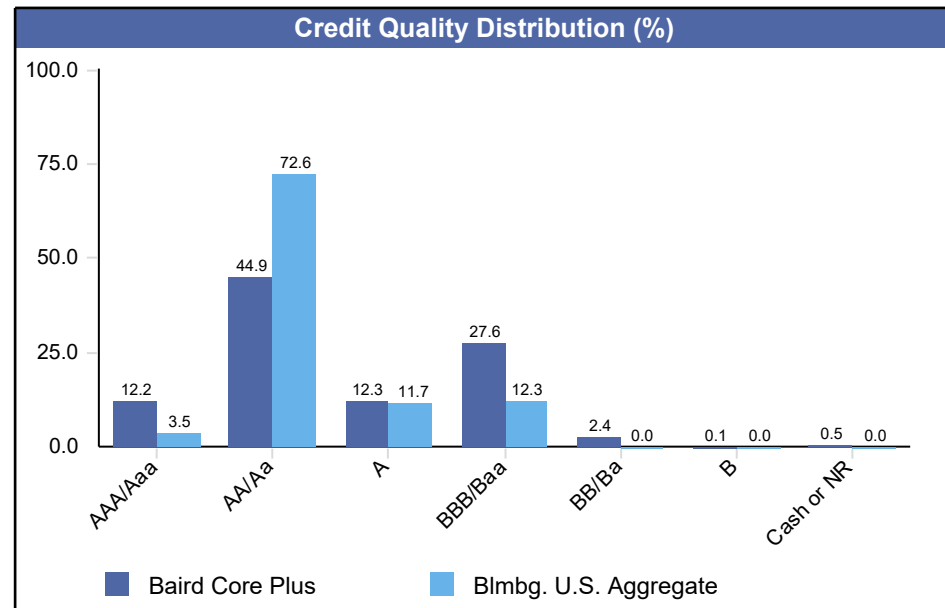
Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.06	6.13
Yield To Maturity (%)	5.54	5.00
Avg. Maturity	8.11	8.43
Avg. Quality	AA	AA
Coupon Rate (%)	3.87	3.30



Portfolio characteristics are based on a weighted average of the underlying fixed income manager line-up based on their target allocations (21.75% Baird Core Plus, 16.25% PGIM Total Return, 21% Voya Intermediate Bond, 37.25% iShares Core US Agg ETF, and 3.75% iShares Intermediate- Term Corp). Individual manager characteristics were provided by each manager and aggregated by PFMAM to arrive at a combined set of characteristics. Average credit quality is calculated by PFMAM using market weights of the rated portion of underlying manager portfolios. Distribution or SEC yield may be substituted for yield to maturity where applicable. High Yield Corp allocation is inclusive of bank loans.

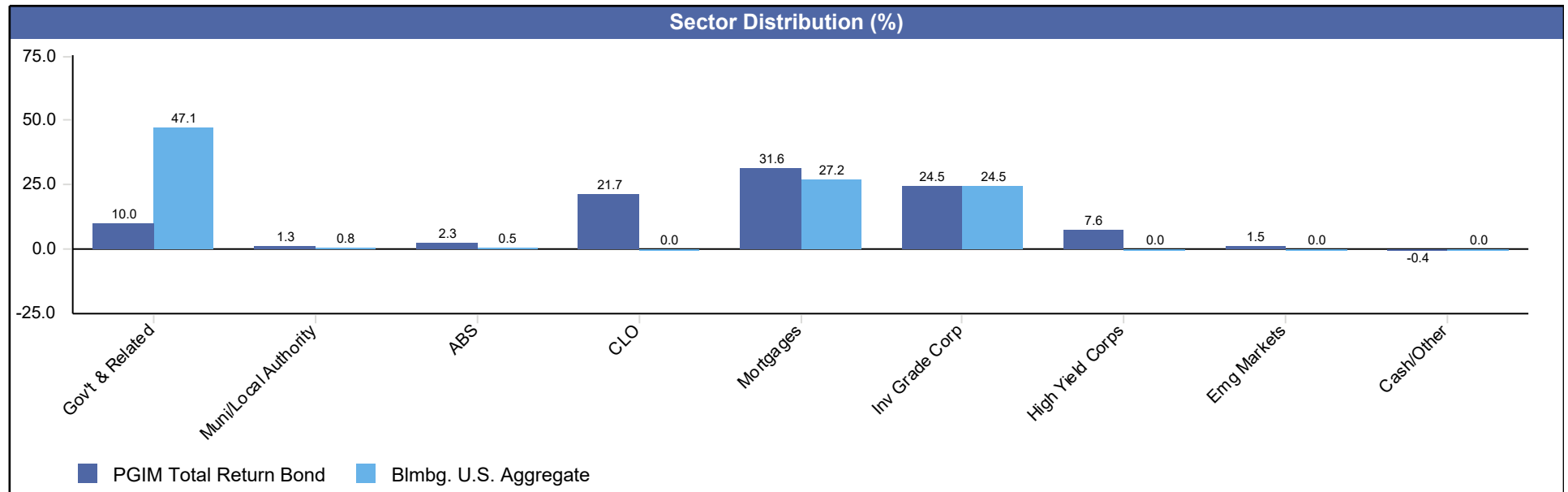
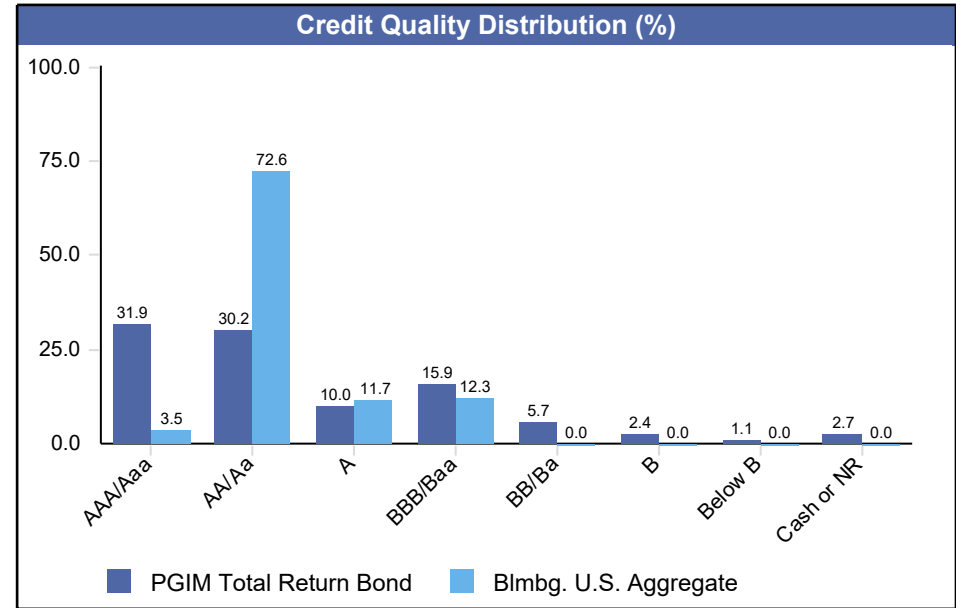
Baird Core Plus vs. Blmbg. U.S. Aggregate

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



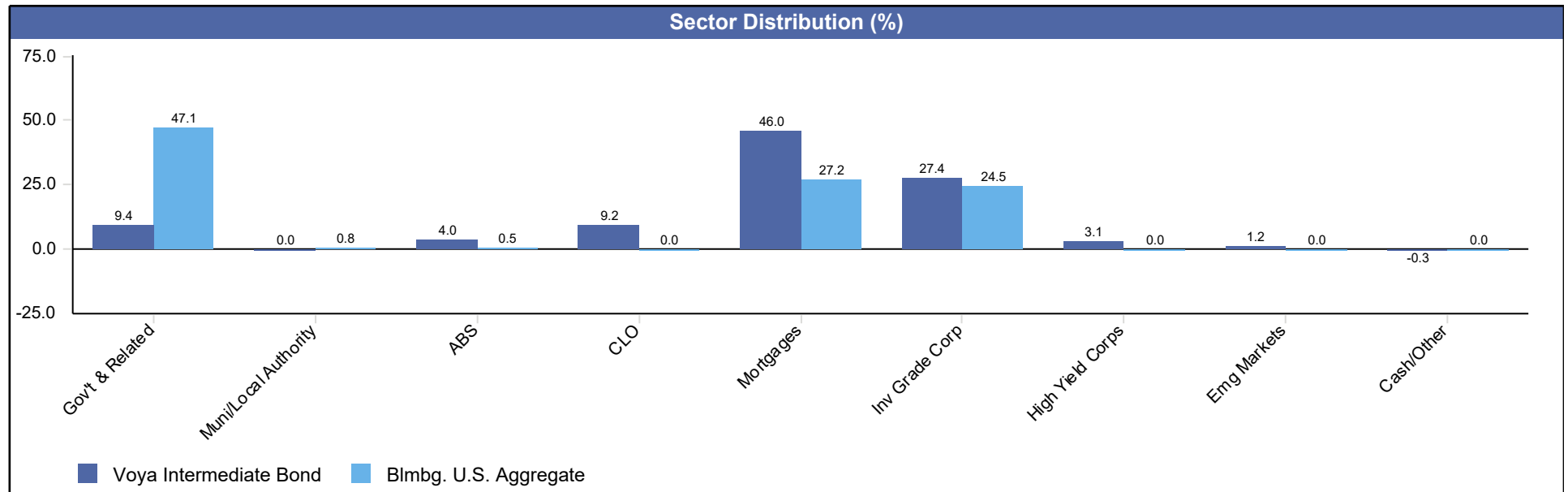
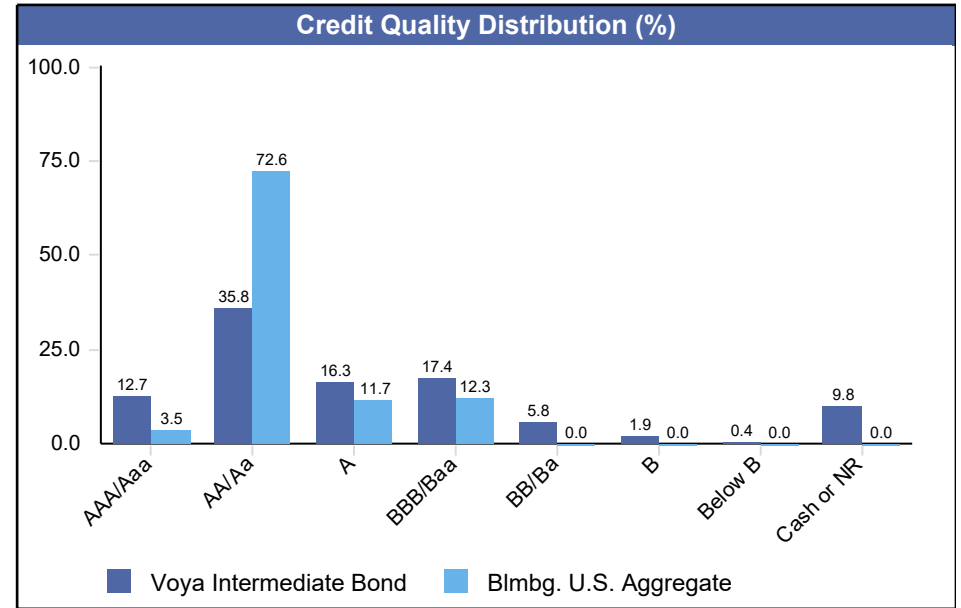
PGIM Total Return Bond vs. Blmbg. U.S. Aggregate

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



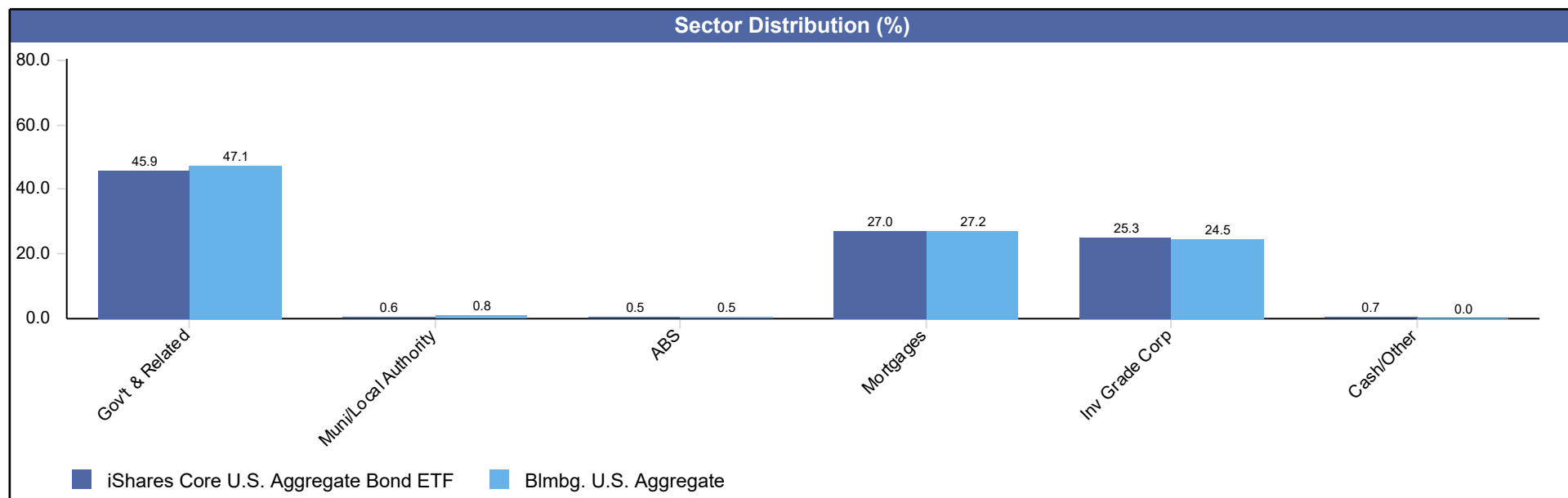
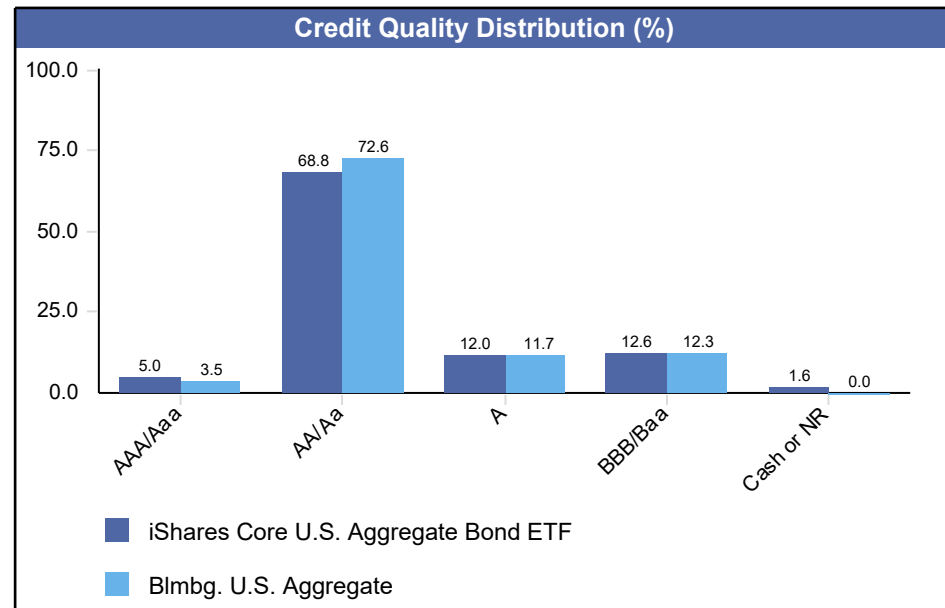
Voya Intermediate Bond vs. Blmbg. U.S. Aggregate

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



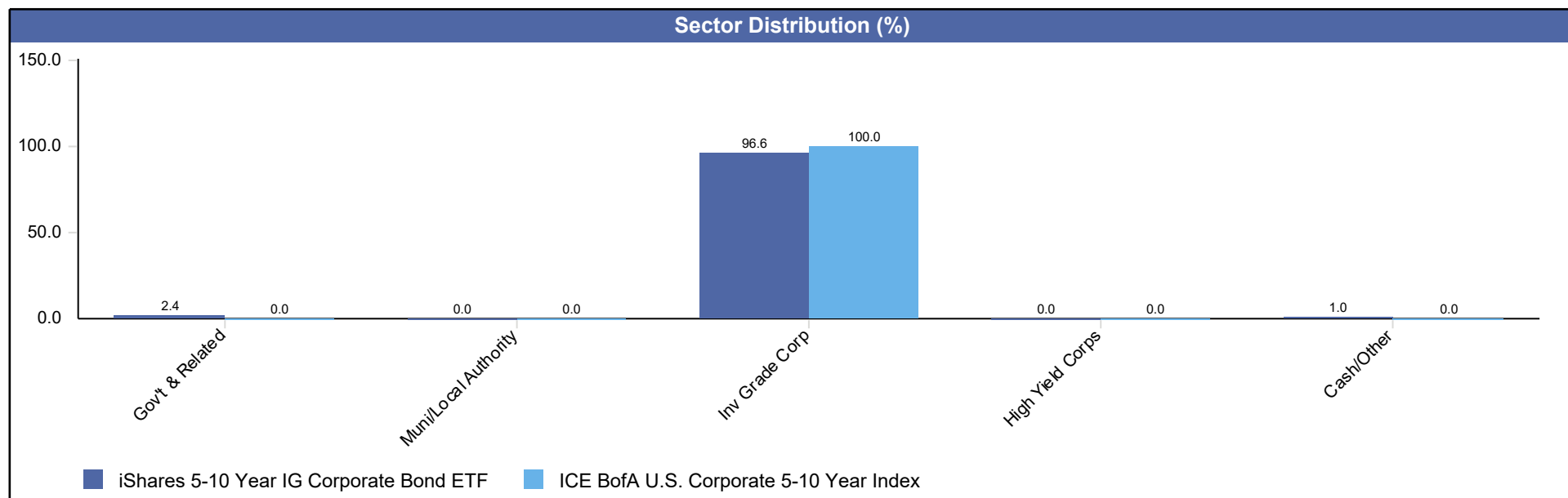
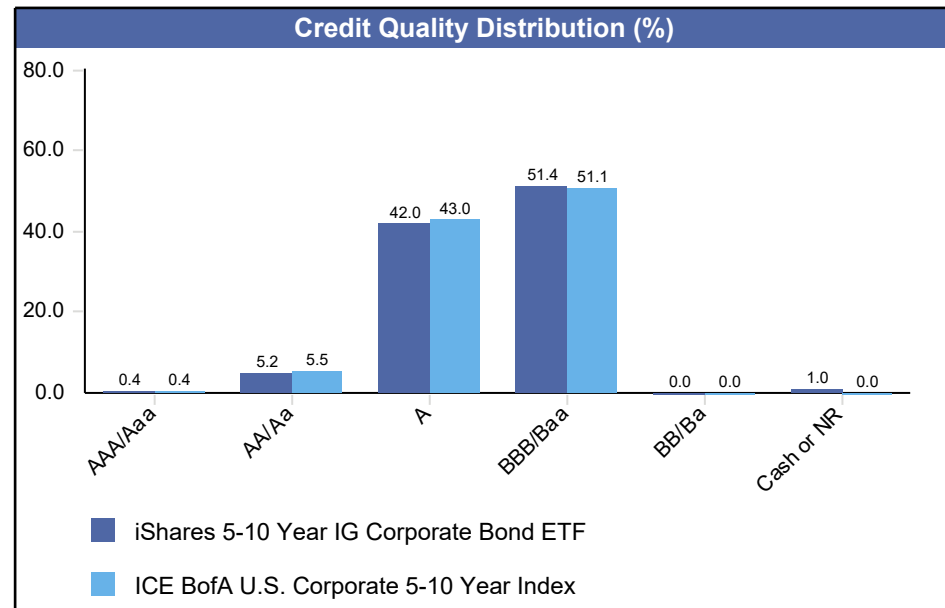
iShares Core U.S. Aggregate Bond ETF vs. Blmbg. U.S. Aggregate

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



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

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



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