PLACER RESOURCE CONSERVATION DISTRICT

Wednesday, August 19, 2026
11641 Blocker Drive, Suite 120
Auburn, CA 95603

The public may attend at the address listed above.

Finance Committee Meeting
5:00 pm

1) CALL TO ORDER

2) MEMBERS & GUESTS PRESENT

3) APPROVE THE AGENDA

4) PUBLIC COMMENT

5) NEW BUSINESS

    a) PARS Presentation
    PARS will provide an update on the District's investment account

    b) Fiscal Year 26/27 (FY27) Annual Budget Review
    The committee will review the FY27 Annual Budget

    c) Reserve Policy Review
    The committee will review the Reserve Policy and may make recommendations for updates

5) ADJOURNMENT

PLACER COUNTY RESOURCE CONSERVATION DISTRICT

PARS 115 Trust – OPEB Prefunding Program Client Review & Pension Rate Stabilization Program Update

August 2026

PARS TRUST TEAM

As of June 30, 2026

Trust Administrator & Consultant*

PARS PUBLIC AGENCY RETIREMENT SERVICES

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

40+	2,300+	1,100+	550+	750K+	$11.7 B+
Years of Experience (1984-2026)	Total Plans Administered	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

** See important information regarding PARS in the Disclaimer page at the end of the presentation.*

Trustee

usbank

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

163	$11.0T
Years of Experience (1863-2026)	Assets under Administration

Investment Manager

pfm asset management

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

41	$252.8B *
Years of Investment Experience *(As of 6/30/2026)*	Assets under Management & Advisement

**Please see disclosures at the end of this presentation*

PARS IRS-APPROVED SECTION 115 TRUST

Existing OPEB-Only Trust

OPEB
$287.1 K

Assets from your existing OPEB trust can be quickly and securely transferred to the PARS Section 115 Combination Trust, which is capable of prefunding both OPEB & Pension.

Transfer

PARS Section 115 Combo Trust

General Fund

OPEB
$287.1 K
GASB 75

prefund either or both

Pension
GASB 68

Assets in both accounts are accounted for separately per GASB rules.

Subaccounts

OPEB and Pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center

Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.

Flexible Investing

Allows separate investment strategies for OPEB and Pension subaccounts.

Anytime Access

Trust funds are available anytime; OPEB for OPEB and Pension for Pension.

Economies-of-Scale

OPEB and Pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!

No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

SECTION 115 TRUST BACKGROUND

- Section 115 Trusts are used by local governments to fund essential governmental functions (i.e., pension benefits and retiree health care) into an irrevocable trust
- The PARS Trust received the first IRS Private Letter Ruling (PLR) in June 2015 to fund both OPEB and Pension Liabilities for a multiple-employer trust
- Any income derived from a Section 115 Trust is tax exempt
- Govt Code Section 53216.6 and 53620 govern plan investments within the Trust
- Once contributions are placed into The PARS Trust, assets from the Trust can be used for specific benefit plan purposes including:
  - Reimbursing the District for OPEB Pay-as-you-Go expenses
  - Pay OPEB expenses directly to retiree
  - Paying plan expenses (actuarial valuation or audit)

SUMMARY OF AGENCY'S OPEB PLAN

Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	November 26, 2013
Plan Administrator:	Executive Director
Current Investment Strategy:	Balanced Strategic Blend; Pooled Account

AS OF JULY 31, 2026:

Initial Contribution:	April 2014: $150,000
Additional Contributions:	$0
Total Contributions:	$150,000
Disbursements:	$0
Net Investment Earnings:	$137,148
Account Balance:	$287,148

SUMMARY OF AGENCY'S OPEB PLAN

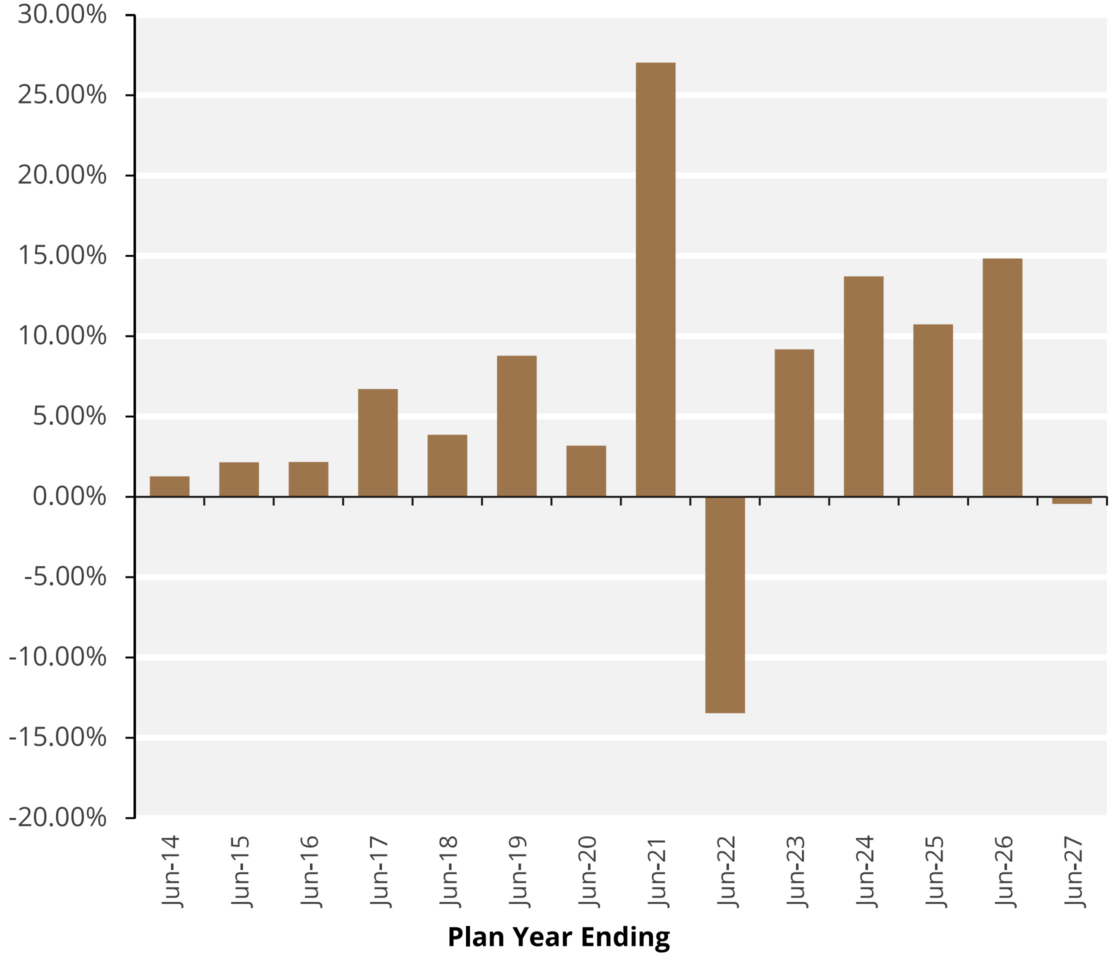
HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF JULY 31, 2026:

Year	Contributions	Disbursements	Total Assets
Jun-14*	$150,000	$0	$151,320
Jun-15	$0	$0	$150,643
Jun-16	$0	$0	$149,869
Jun-17	$0	$0	$155,770
Jun-18	$0	$0	$157,686
Jun-19	$0	$0	$167,767
Jun-20	$0	$0	$172,103
Jun-21	$0	$0	$217,355
Jun-22	$0	$0	$186,973
Jun-23	$0	$0	$202,966
Jun-24	$0	$0	$229,545
Jun-25	$0	$0	$252,718
Jun-26	$0	$0	$288,567
Jun-27**	$0	$0	$287,148

**Plan Year Ending June 2014 is based on 3 months of activity*
***Plan Year Ending June 2027 is based on 1 month of activity*

OPEB PLAN TOTAL RETURNS

AS OF JULY 31, 2026:



Year	Returns
Jun-14*	1.28%
Jun-15	2.16%
Jun-16	2.17%
Jun-17	6.71%
Jun-18	3.86%
Jun-19	8.80%
Jun-20	3.20%
Jun-21	27.05%
Jun-22	-13.47%
Jun-23	9.18%
Jun-24	13.73%
Jun-25	10.75%
Jun-26	14.85%
Jun-27**	-0.44%

Inception to Date (Annualized)
6.89%

**Plan Year Ending June 2014 is based on 3 months of activity.*
***Plan Year Ending June 2025 is based on 2 months of activity.*

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

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

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

INVESTMENT REVIEW

PARS OPEB Trust Balanced Strategic Blend

Investment Performance Review
For the Quarter Ended June 30, 2026

Client Management Team

PFM Asset Management
A division of U.S. Bancorp Asset Management, Inc.

PFM Asset Management

1 California Street
Suite 1000
San Francisco, CA 94111

1735 Market Street
43rd Floor
Philadelphia, PA 19103

About PFM Asset Management*

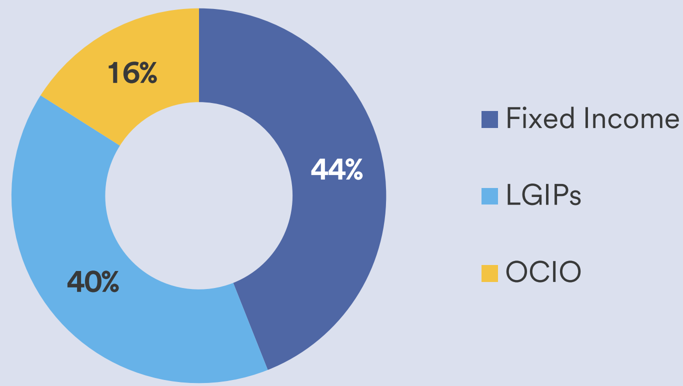
Our Investment Solutions

- **Outsourced Chief Investment Officer (OCIO):** Multi-asset class portfolios for institutional investors
- **Fixed Income:** High-quality, short- and intermediate-term portfolios for operating funds, reserves, working capital, self-insurance funds and bond proceeds
- **Local Government Investment Pools (LGIPs):** services for programs with options ranging from fully liquid cash management to a fixed-rate, fixed-term investment
- **Specialized Solutions:** Arbitrage rebate, escrow restructuring, bond proceeds investments, structured investments

40+ years *of* experience in the public sector**

$176.8b in public sector assets under management**

Assets by Investment Solution[1]



[1]Illustrates public sector assets under management by investment solution as of March 31, 2026. Total may not add up to 100% due to rounding.

**A division of U.S. Bancorp Asset Management, Inc.*
***As of March 31, 2026. Public sector includes government, pool, and TERM. Total assets under management for U.S. Bancorp Asset Management, Inc. were $435.8 billion.*

Financial Markets & Investment Strategy Review

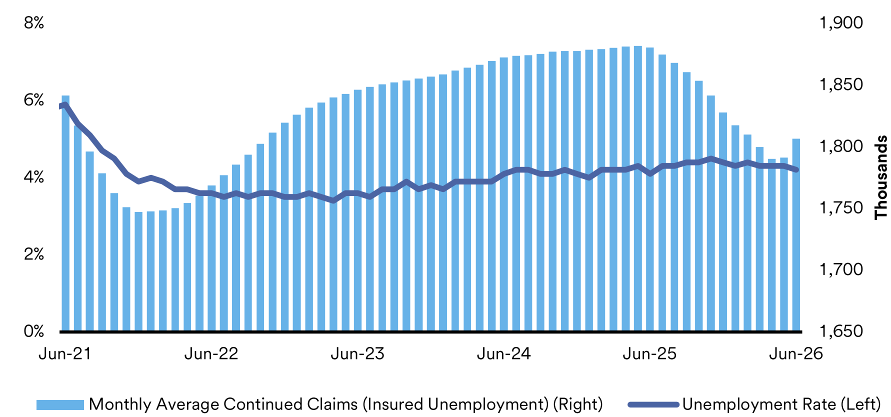
Index Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500	15.20%	10.21%	22.32%	20.61%	13.41%	16.08%	15.51%
Russell 3000	15.44%	10.88%	22.82%	20.36%	12.31%	15.51%	15.06%
Russell 1000 Growth	16.74%	5.33%	17.71%	22.58%	13.71%	18.80%	18.58%
Russell 1000	15.14%	10.33%	22.02%	20.47%	12.66%	15.79%	15.30%
Russell 1000 Value	13.87%	16.26%	27.12%	17.79%	11.17%	12.10%	11.52%
Russell Midcap Growth	14.55%	7.27%	6.17%	15.61%	6.03%	11.60%	13.04%
Russell Midcap	13.83%	15.30%	21.63%	16.51%	8.50%	11.93%	12.00%
Russell Midcap Value	13.40%	17.58%	26.62%	16.51%	9.48%	11.35%	10.63%
Russell 2000 Growth	25.71%	22.18%	38.74%	18.44%	5.57%	10.82%	11.97%
Russell 2000	21.49%	22.57%	40.78%	18.60%	6.98%	11.34%	11.62%
Russell 2000 Value	17.19%	22.99%	43.01%	18.73%	8.23%	11.36%	10.89%
INTERNATIONAL EQUITY							
MSCI EAFE	10.82%	9.44%	20.23%	16.44%	9.05%	9.90%	9.66%
MSCI AC World	14.93%	11.25%	23.67%	19.70%	10.98%	13.28%	12.78%
MSCI AC World ex USA	14.49%	13.68%	27.66%	18.82%	8.79%	10.16%	9.93%
MSCI AC World ex USA Small Cap	9.62%	9.10%	19.83%	16.42%	6.30%	9.68%	9.10%
MSCI EM (Emerging Markets)	24.05%	23.85%	43.51%	23.03%	7.20%	9.82%	10.07%
LISTED REAL ASSETS							
FTSE NAREIT All Equity REITs	10.73%	14.90%	15.43%	10.06%	3.71%	5.86%	5.88%
FTSE Global Core Infrastructure 50/50	2.33%	10.66%	15.78%	12.24%	7.65%	6.71%	7.47%
Bloomberg Commodity	-8.08%	14.36%	25.46%	11.69%	9.37%	9.46%	5.83%
FIXED INCOME							
Bloomberg U.S. Aggregate	0.67%	0.62%	3.79%	4.16%	0.08%	1.22%	1.54%
Bloomberg U.S. Government/Credit	0.70%	0.49%	3.32%	3.97%	-0.10%	1.25%	1.59%
Bloomberg U.S. Intermediate Government/Credit	0.43%	0.40%	3.14%	4.68%	1.22%	1.89%	1.92%
Bloomberg U.S. Treasury (1-3 Y)	0.37%	0.64%	2.92%	4.38%	1.90%	1.95%	1.75%
ICE BofA U.S. High Yield	2.45%	1.89%	5.74%	8.79%	4.13%	4.92%	5.70%
Bloomberg Global Aggregate	0.87%	-0.21%	0.62%	3.41%	-1.55%	-0.15%	0.38%
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	0.90%	1.77%	3.89%	4.69%	3.58%	2.80%	2.38%

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

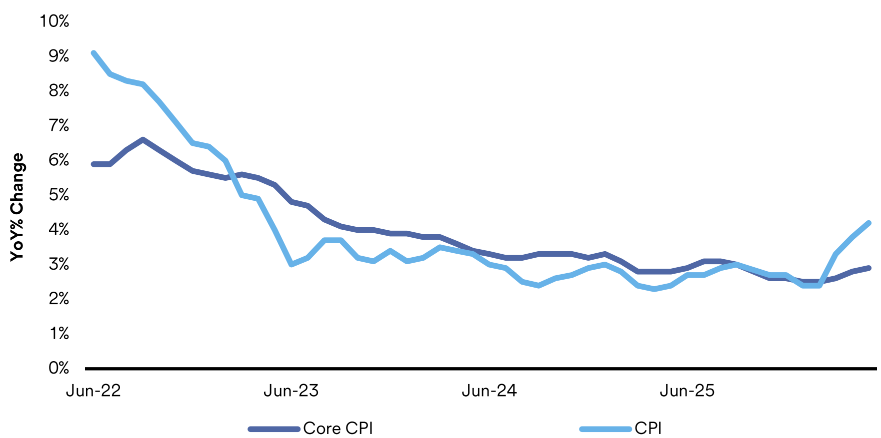
- U.S. real gross domestic product (GDP) grew at a seasonally adjusted annualized rate of 2.1% in the first quarter, up from 0.5% in Q4 2025. While personal consumption growth was 0.5%, its weakest pace since 2022, private domestic investment grew 7.9%. It was largely supported by business investment in information processing equipment and software IP, underscoring the impact of AI-related spending. Government spending was up also 4.4%, recovering from a 5.6% contraction, as activity resumed following the end of the government shutdown.
- U.S. labor-market conditions remained broadly stable in Q2. The three-month average gain in non-farm payrolls rose to 111k jobs, though hiring momentum slowed as the quarter progressed. The moderation appeared industry-specific rather than indicative of broad labor-market weakness. While the unemployment rate ticked down to 4.2%, labor-force participation also fell, suggesting slower labor-force growth, rather than stronger employment gains, was the primary driver of the decline.
- Inflation accelerated in the second quarter, as headline Consumer Price Index inflation (CPI) rose 4.2% year-over-year (YoY) in May, up from 3.3% at the end of the first quarter. Energy prices were the key driver, rising 23.5% YoY, while core CPI rose a more moderate 2.9%. Producer Price Index (PPI) inflation rose 6.5% YoY, the highest rate since late 2022. Core PPI (ex. food, energy and trade services), increased 5.1%, suggesting that inflation pressures broadened across the economy rather than being confined to the energy sector.

U.S. Unemployment and Monthly Average Continued Claims



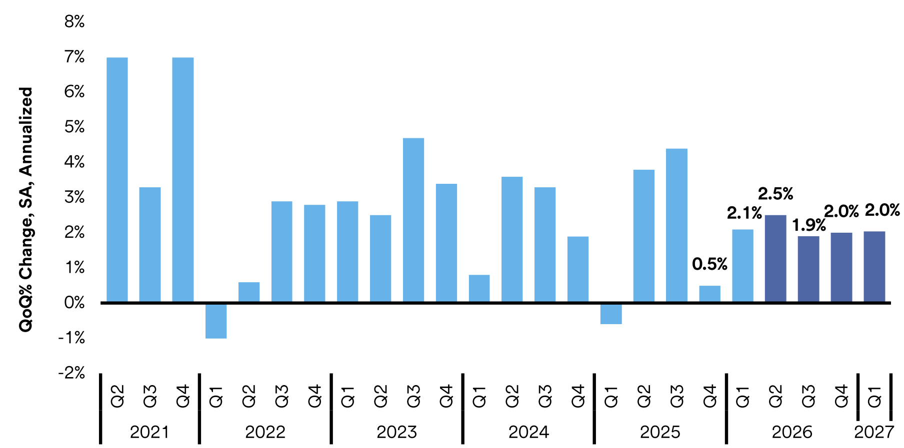
Source: Bloomberg.

U.S. Inflation Rate
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

U.S. GDP Growth

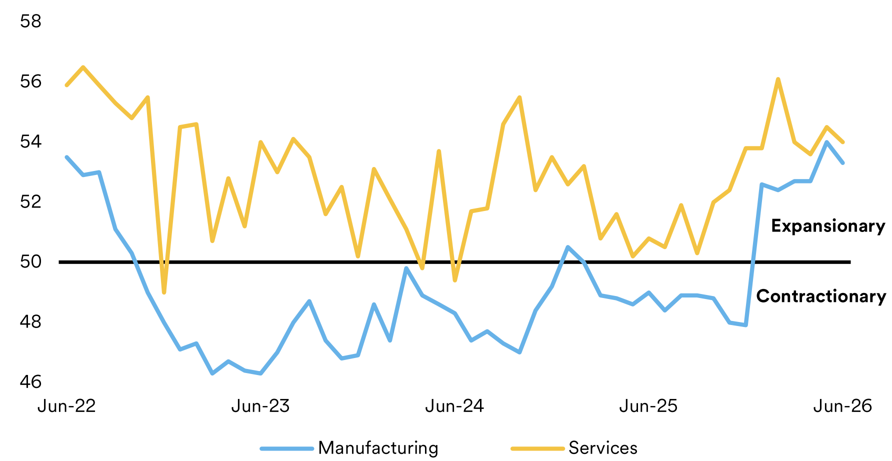


Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

WHAT WE'RE WATCHING

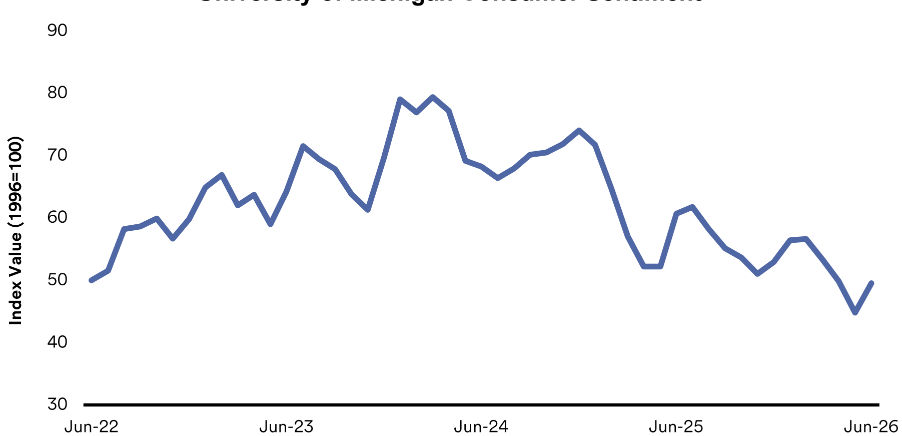
- The Federal Reserve (Fed) held its target rate at 3.75% through Q2. The Federal Open Market Committee meeting delivered a more hawkish message, removing language suggesting an easing bias, while the updated dot plot shifted from implying a 2026 rate cut to a potential rate hike. Outside the U.S., the European Central Bank hiked rates for the first time since 2023, citing energy inflation across the Eurozone. The Bank of Japan also raised interest rates, marking the highest rate in 31 years, citing concerns that energy related price pass-through could push consumer inflation above the 2% target.
- Consumer sentiment recovered from its May low but finished below its March level, with the University of Michigan Survey of Consumers, at 49.5 in June. Manufacturing and services indicators were also in expansionary territory at quarter-end, with the ISM U.S. PMI surveys reporting of 53.3 and 54.0, respectively.
- The conflict with Iran and the disrupted Middle Eastern oil supplies have been major market drags since the effective closure of the Strait of Hormuz. Energy alone drove more than 60% of May's headline inflation, however an interim peace deal brokered in June prompted a sharp pullback in oil prices. The Brent Crude spot price fell to near pre-conflict levels at quarter end. Shipping transit through the Strait has begun also to pick up, though it remains less than half the pre-war average. Any renewed disruption could have an impact on inflation and economic growth.

U.S. ISM Manufacturing & Services PMI



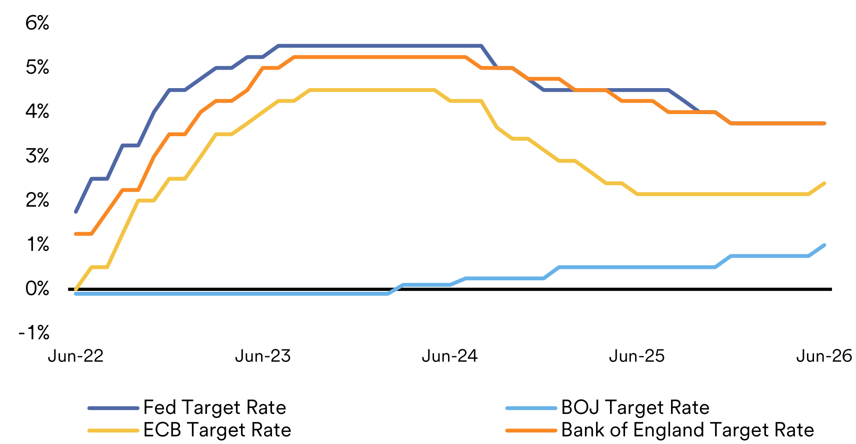
Source: Bloomberg.

University of Michigan Consumer Sentiment



Source: Bloomberg.

Global Central Bank Rates

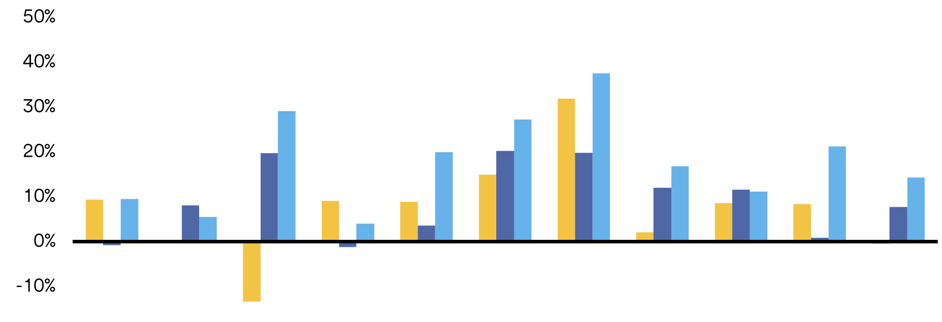


Source: Bloomberg.

DOMESTIC EQUITY

- Domestic equity markets advanced sharply in the second quarter of 2026. The S&P 500 Index returned 15.2% for the quarter and 10.2% year to date, while the Russell 3000 Index returned 15.4% for the quarter and 10.9% year to date.
- Within the S&P 500, nine of the 11 sectors posted positive returns. Information Technology led performance, returning 31.8%. Industrials also posted strong gains, returning 14.9%. The weakest sector was Energy, which declined 13.4%, followed by Utilities with a near-flat return of -0.5%.
- Small-cap stocks outperformed mid-and-large caps during the quarter, with the Russell 2000 Index returning 21.5%, while Russell 1000 Index returned 15.4% and Russell Midcap Index returned 13.8%. Growth stocks outpaced value stocks across all capitalizations, with small caps in particular seeing wider dispersion, as the growth benchmark outperformed the value benchmark by more than 8% for the quarter. This trend reversed in the last month of the quarter, with leadership rotating toward value across all capitalizations, and large cap growth seeing negative returns for the month of June.
- According to FactSet Earnings Insight (as of July 2, 2026), the expected Q2 2026 earnings growth is 23.3% YoY, up from 18.8% at the start of the quarter. If this estimate holds, it would mark the second consecutive quarter of earnings growth above 20% and the seventh straight quarter of double-digit earnings growth. Revenue growth is projected to be 12.2%, the strongest pace since Q2 2022, while S&P 500 net profit margins are expected to remain robust at 14.2%, near record levels. Looking ahead, analysts forecast earnings growth of 24.1% for full-year 2026, supported by continued strength in technology and energy-related earnings.
- At quarter end, the S&P 500's adjusted positive forward price-to-earnings ratio stood at 23.1, roughly in line with its five-year average of 23.1. The Russell 2000 Index, which represents small-cap stocks, posted an adjusted positive forward price-to-earnings ratio was 21.0, above its five-year average of 17.5.

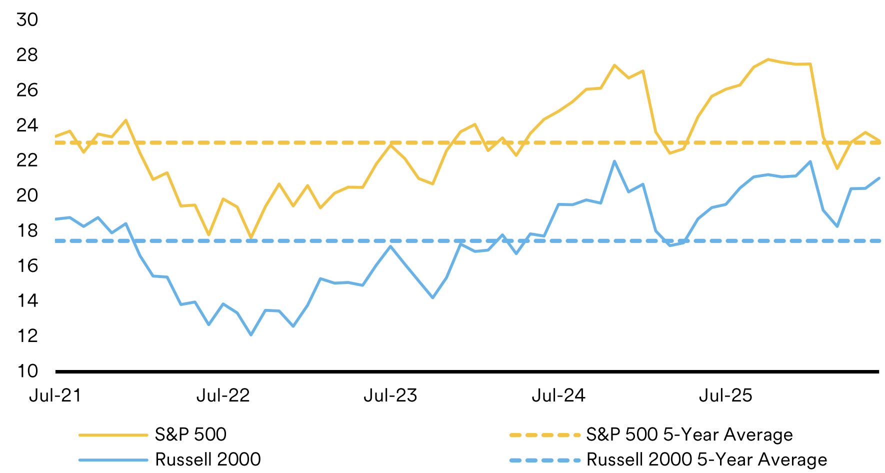
S&P 500 Index Performance by Sector
Periods Ended June 30, 2026



	Consumer Disc.	Consumer Staples	Energy	Financials	H'lthcare	Industrials	Info. Tech	Materials	Real Estate	Telecom	Utilities
QTD	9.3%	0.3%	-13.4%	9.0%	8.8%	14.9%	31.8%	2.0%	8.5%	8.3%	-0.5%
YTD	-0.8%	8.0%	19.7%	-1.3%	3.5%	20.2%	19.8%	12.0%	11.5%	0.8%	7.7%
1 Year	9.5%	5.5%	29.0%	3.9%	19.9%	27.1%	37.5%	16.7%	11.1%	21.1%	14.2%

Source: Bloomberg.

P/E Ratios of Major U.S. Stock Indices*

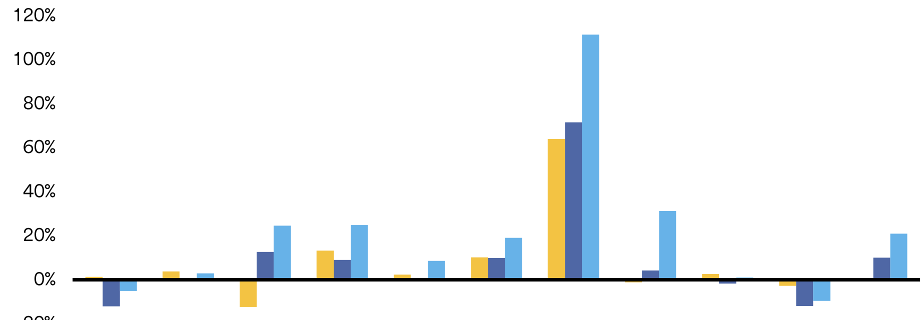


Source: Bloomberg.
**P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.*

INTERNATIONAL EQUITY

- International equity markets also posted strong gains in the second quarter. The MSCI AC World ex USA Index returned 14.5% for the quarter and 13.7% year to date. Developed ex-U.S. markets, represented by the MSCI EAFE Index, returned 10.8% for the quarter and 9.4% year to date. Emerging markets, represented by the MSCI Emerging Markets Index, returned 24.1% for the quarter and 23.8% year-to-date.
- Among the five largest-weighted countries in the MSCI EAFE Index, the MSCI Japan (+14.2%) and MSCI Switzerland (+12.2%) indices outperformed the broader index, while MSCI France (+8.7%), and MSCI Germany (+8.1%), and MSCI United Kingdom (+4.1%) indices underperformed.
- Within emerging markets (EM), MSCI Korea (+87.6%) and MSCI Taiwan (+48.9%) outperformed the MSCI Emerging Markets index, while MSCI China (-6.6%) and MSCI Brazil (-8.23%) returned negative for the quarter.
- International sector level performance was uneven, with three of the 11 sectors posting negative returns. The leading sector, Information Technology, returned 64.1% for the quarter. Financials returned 13.2% for the quarter, while Energy declined 12.3%, reversing strong gains earlier in the year.
- Value and growth stocks both posted positive returns outside the U.S. The MSCI ACWI ex U.S. Growth Index returned 17.0% for the quarter, while the MSCI ACWI ex U.S. Value Index returned 12.2%. Within emerging markets, growth (MSCI EM Growth) returned 26.0%, ahead of value (MSCI EM Value) at 20.7%.
- International equity valuations finished the quarter above recent averages for developed markets and near longer-term averages for emerging markets. The MSCI EAFE adjusted positive forward P/E ratio stood at 17.1 versus a five-year average of 15.3, while the MSCI Emerging Markets adjusted positive forward P/E ratio was 12.8 versus a five-year average of 12.9.

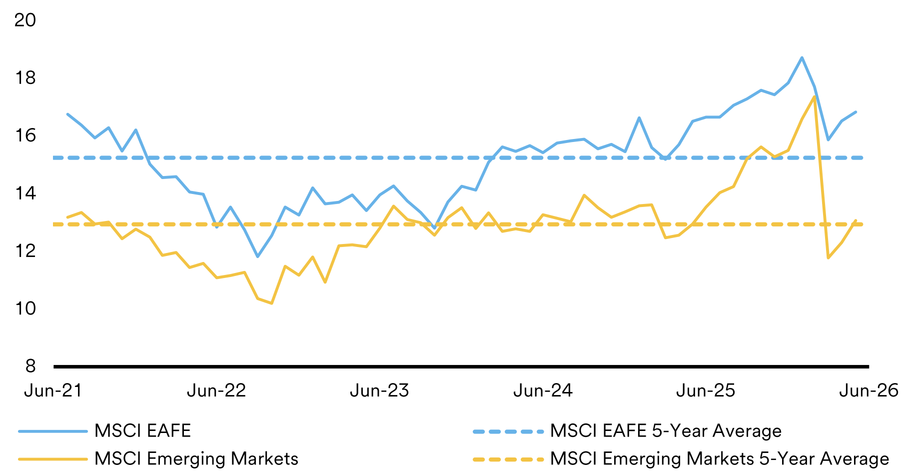
MSCI ACWI ex-U.S. Sectors
Periods Ended June 30, 2026



	Consumer Disc.	Consumer Staples	Energy	Financials	Healthcare	Industrials	Info Tech	Materials	Real Estate	Telecom	Utilities
QTD	1.4%	3.8%	-12.3%	13.2%	2.4%	10.2%	64.1%	-1.1%	2.7%	-2.8%	0.9%
YTD	-12.1%	0.8%	12.7%	9.1%	-0.8%	10.0%	71.6%	4.2%	-1.8%	-12.0%	10.2%
1 Year	-5.0%	3.0%	24.6%	24.8%	8.6%	19.2%	111.4%	31.2%	1.1%	-9.7%	20.9%

Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*

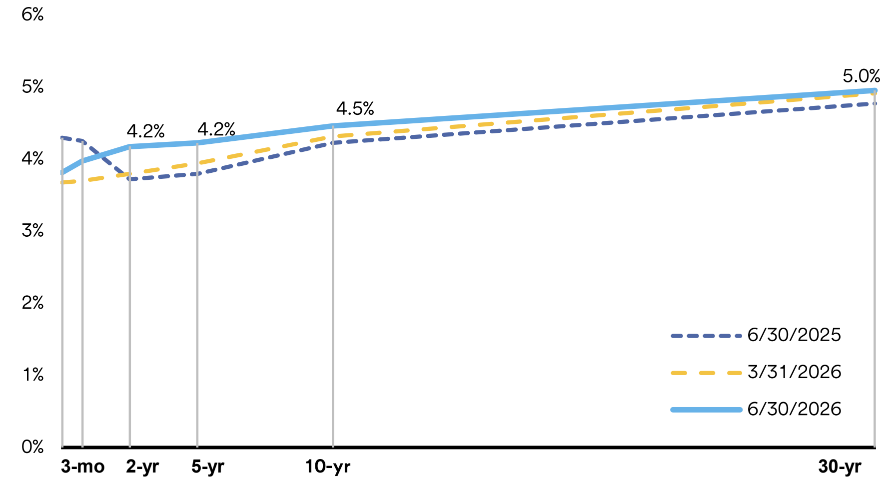


Source: Bloomberg.
**P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.*

FIXED INCOME

- The U.S. bond market, as represented by the Bloomberg U.S. Aggregate Index, returned 0.7% in the second quarter of 2026 and 0.6% year to date. Intermediate government/credit bonds returned 0.4% for the quarter, while short-term Treasury bonds, represented by the Bloomberg U.S. Treasury 1-3 Year Index, returned 0.4%.
- The Bloomberg U.S. Treasury Index returned 0.3% in the second quarter as treasury yields moved modestly upwards. While the Fed held rates steady, treasury yields moved higher as investors reassessed the potential rate path. The 2-year Treasury yield rose from 3.8% at the end of March to 4.2% at quarter end, while the 10-year Treasury yield rose from 4.3% to 4.5%. The 30-year Treasury yield stayed near flat, rising 4 basis points to 5.0%. As of the quarter end, the market has priced in a 50% probability of a rate-hike at the September meeting.
- Credit markets generated positive returns during the quarter. The Bloomberg U.S. Corporate Index returned 1.4%, while the ICE BofA U.S. High Yield Index returned 2.5%. Investment-grade spreads narrowed to 74 basis points (bps) from 89 bps at the end of March, nearing the year-to-date tights of 71 bps set in January. High-yield spreads also narrowed to 270bps from 317bps. Both sit well below their long-term averages.

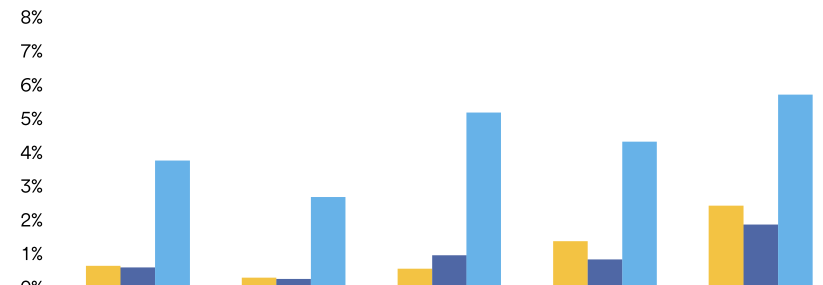
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended June 30, 2026



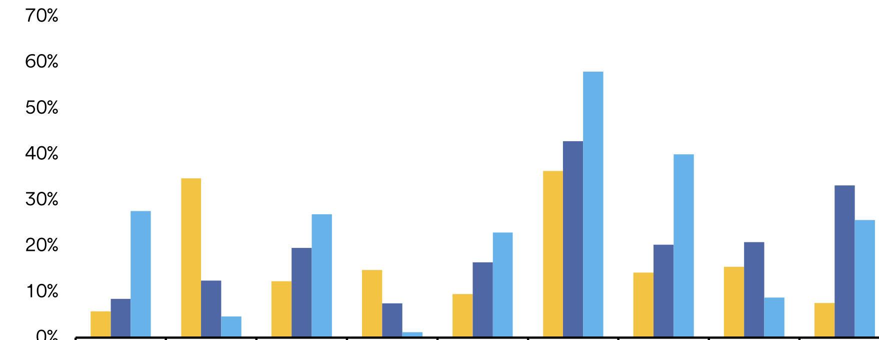
	Blmbg U.S. Aggregate	Blmbg U.S. Treasury	Blmbg U.S. MBS	Blmbg U.S. Corporate	ICE BofA U.S. HY
QTD	0.7%	0.3%	0.6%	1.4%	2.5%
YTD	0.6%	0.3%	1.0%	0.9%	1.9%
1 Year	3.8%	2.7%	5.2%	4.3%	5.7%

Source: Bloomberg.

LISTED REAL ASSETS

- Real estate investment trusts (REITs), as measured by the FTSE NAREIT All Equity REITs Index, returned 10.7% for the quarter and 14.9% year-to-date. Within listed real estate, Office and Lodging/Resorts were the strongest subsectors, returning 34.7% and 36.3%, respectively. The weakest sectors were Data Centers (+7.5%) and Industrial (+5.7%).
- Performance of listed infrastructure lagged broader global equities as represented by the FTSE Global Core Infrastructure 50/50 Index, returning 2.3% in the second quarter and 10.7% year to date. The exposure to U.S. midstream energy was a drag for the quarter as energy prices fell in anticipation of a resolution in Iran, while listed infrastructure benefited from global exposure to utilities and transport.

Listed Real Estate Returns by Sector



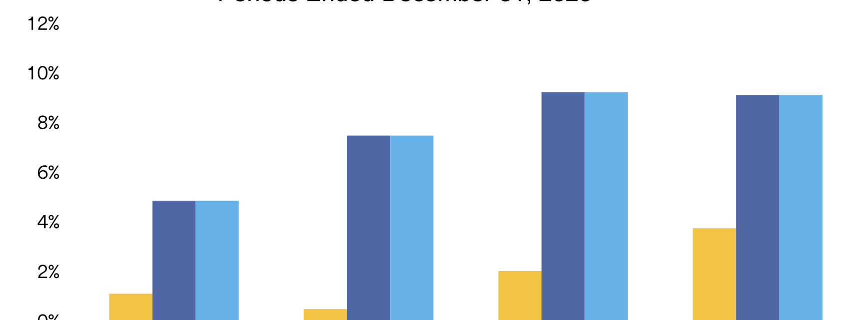
	Industrial	Office	Retail	Residential	Diversified	Lodging/ Resorts	Healthcare	Self-Storage	Data Centers
QTD	5.7%	34.7%	12.3%	14.7%	9.5%	36.3%	14.1%	15.4%	7.5%
YTD	8.4%	12.4%	19.5%	7.5%	16.4%	42.8%	20.2%	20.8%	33.2%
1 Year	27.6%	4.6%	26.9%	1.2%	22.9%	57.9%	39.9%	8.7%	25.6%

Source: Bloomberg.

ALTERNATIVES

- Within private real assets, private real estate, as measured by the NCREIF Property Index, gained 1.2% in the fourth quarter of 2025. This was primarily driven by income return as capital return (price change less any capital expenditures) was flat for the quarter. Eight of the property sectors produced positive total returns. Senior housing continued to lead with a return of 3.3%, up from 2.9% during the third quarter.
- According to PitchBook, private infrastructure funds posted returns of 0.5% in the fourth quarter of 2025. Within infrastructure, datacenter demand continued to drive fundraising in Q1 2026. Infrastructure and real estate funds investing exclusively in datacenters and telecom infrastructure collectively raised $26 billion in 2025.
- Private debt, as measured by the Cliffwater Direct Lending Index, continued to see steady performance, reporting a 2.1% return for the fourth quarter. Income remained high, delivering a 2.4% return in the fourth quarter. Realized losses remain substantially below their long-term historical average, while unrealized losses increased slightly, signaling a modest pickup in future credit losses.
- According to PitchBook, private equity funds returned 3.8% in the fourth quarter of 2025 and have generated an annualized return of 14.2% for the five years. The slowing of private equity fundraising activity extended into Q1 2026, with the strategy's rolling 12-month fundraising figure falling for an eighth consecutive quarter.

Returns for Private Capital Assets
Periods Ended December 31, 2025*



	Private Real Estate	Private Infrastructure	Private Debt	Private Equity
QTD	1.2%	0.5%	2.1%	3.8%
YTD	4.9%	7.5%	9.3%	9.2%
1 Year	4.9%	7.5%	9.3%	9.2%

Source: NCREIF, PitchBook, Cliffwater.
**The most recent period for which all performance data is available.*

Factors to Consider Over the Next 6-12 Months

Monetary Policy (Global):

- The Federal Reserve held rates steady at Chair Warsh's first meeting and removed forward guidance while shifting its focus to price stability. The June "dot plot" shifted more hawkish.
- Global central banks diverged, with ECB and BoJ hiking on persistent inflation while others remain on hold.

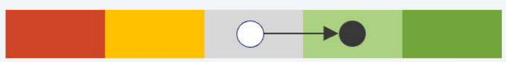
Economic Growth (Global):

- Global growth prospects improved following easing Middle East tensions, easing a key overhang on global supply chains and energy prices.
- AI-related productivity boost and easing tariff pressures are expected to mitigate downside risks to global growth amid geopolitical uncertainty and signs of softer consumer demand.

Inflation (U.S.):

- Headline inflation remains above target but may be at or near its peak as falling oil prices provide a disinflationary impulse.
- While long-run inflation expectations remain anchored, the Fed remains focused on the passthrough of higher energy prices into core inflation.

Financial Conditions (U.S.):

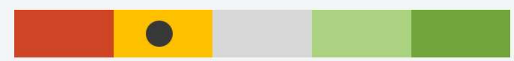


- Equity and fixed-income markets largely looked through the Middle East conflict, remaining focused on fundamentals and earnings strength.
- Recent capital raises amidst strong corporate fundamentals along with credit spreads near historical tights reflect steady financial conditions.

Consumer Spending (U.S.):

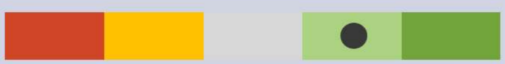
- Consumer spending remained resilient amidst high energy prices, supported by higher-income households while affordability pressures persist for lower-income consumers.
- Real wages have turned modestly negative as inflation outpaces nominal wage gains, eroding purchasing power. Savings rate at multi-year lows.

Labor Markets (U.S.):



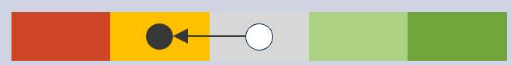
- Recent payroll gains exceeding expectations and the unemployment rate holding steady. Falling labor force participation a concern.
- Hiring breadth remains narrow, concentrated in healthcare and social assistance.
- The "low-hire, low-fire" dynamic persists, with labor demand stable but hiring activity subdued.

Corporate Fundamentals:



- Earnings growth expectations continued to improve for 2026 and 2027 across global equities with double digit growth expected across U.S. and international equity benchmarks.
- In the U.S., AI related capex spend, M&A, tax changes and rising profit margins are positives.

Valuations:



- Valuations across U.S. equities and credit markets reflect resilient growth, strong earnings growth and profit margins.
- Equity markets recovered strongly in Q1 leading to valuations higher than averages.

Political/Policy Risks:

- Conflict with Iran and the ongoing geopolitical uncertainty remain center stage even as MoU is signed to resolve the U.S.-Iran conflict.
- Tariff-related uncertainty and upcoming mid-term elections in the U.S. also warrant attention.

● Current outlook ○ Outlook one quarter ago

Stance Unfavorable to Risk Assets	Negative	Slightly Negative	Neutral	Slightly Positive	Positive	Stance Favorable to Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2026) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Investment Strategy Overview

Asset Class	Our Q3 2026 Investment Outlook	Comments
U.S. Equities Large-Caps Small-Caps		• The U.S.-Iran conflict has largely been resolved following the signing of an MoU, though some uncertainty remains and could affect energy prices and the inflation outlook, thereby impacting risk assets. • Underlying fundamentals remain supportive of positive equity returns, with corporate earnings expected to grow at a high double-digit pace. • Equity market broadening and strong earnings growth led us to modestly overweight domestic small caps in Q1, prior to the U.S.-Iran conflict. The subsequent recovery in valuations led us to close the overweight position and realign portfolios with strategic targets.
Non-U.S. Equities Developed Markets Emerging Markets		• Several major central banks outside the U.S. have begun raising rates in response to near-term inflation pressures. At the same time, relatively attractive valuations and strong earnings growth provide a cushion against rising inflation expectations. • Emerging markets have been strong performers this year, driven by a rally in semiconductor-related companies, particularly in Korea and Taiwan. Earnings and profit margin estimates for EM equities continue to improve, while valuations remain attractive. However, a concentrated return profile, potential Fed rate hikes, and geopolitical uncertainty lead us to maintain an equal-weight allocation.
Fixed Income Core Bonds Investment Grade Credit High Yield Credit		• The Fed remains on hold, with its June projections signaling a more hawkish stance. Future rate decisions will be dependent on inflation moving closer to 2%, as energy-related pressures ease. Increased uncertainty around the rate path is expected to weigh on risk assets. • Absolute yield levels remain attractive, while credit spreads are near historical lows. Returns are expected to be driven primarily by yield/carry rather than price appreciation. Strong profit margins, continued issuance, ongoing share buybacks, and active M&A activity point to a healthy corporate environment that remains supportive of credit spreads. • We remain neutral across both duration and credit sectors.
Diversifying Assets Listed Real Estate Listed Global Infrastructure		• Listed REITs recovered more strongly than listed infrastructure in Q2 as the economic resilience narrative gained traction. However, the long-duration and rate-sensitive nature of both asset classes leads us to maintain a neutral stance. • In addition to providing diversified sources of return, improving sentiment around AI continues to support data center and utility buildout, creating a favorable tailwind for listed real assets.

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

Negative	Slightly Negative	Neutral	Slightly Positive	Positive

The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2026) and are subject to change.

Sources

FactSet

Bloomberg

NCREIF

PitchBook

Cliffwater

U.S. Bureau of Economic Analysis (BEA)

University of Michigan

WTO in partnership with AXSMarine

Disclosures

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Plan Performance Summary

Asset Allocation & Performance

	Allocation	Performance(%)								
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Portfolio	**100.00**	**8.45**	**7.33**	**14.86**	**13.06**	**6.41**	**8.66**	**8.85**	**6.72**	**02/01/2007**
Blended Benchmark		*8.80*	*7.59*	*15.62*	*13.05*	*6.87*	*8.89*	*8.80*	*6.98*	
Domestic Equity	**36.17**	**15.79**	**10.63**	**22.58**	**19.77**	**11.10**	**14.33**	**14.37**	**9.95**	**02/01/2007**
Russell 3000 Index		*15.43*	*10.86*	*22.81*	*20.35*	*12.30*	*15.51*	*15.06*	*10.75*	
Columbia Contrarian Core Inst3	7.75	15.22	8.76	20.20	20.01	12.78	16.35	15.09	19.89	02/01/2024
S&P 500		*15.20*	*10.21*	*22.33*	*20.61*	*13.41*	*16.08*	*15.51*	*21.38*	
Putnam Core Equity Fund Y	3.17	12.93	7.14	20.17	20.05	13.12	16.90	16.38	15.53	10/01/2024
Schwab US Large-Cap ETF	23.29	15.08	10.04	21.67	20.52	12.70	15.83	15.36	17.61	10/01/2024
S&P 500		*15.20*	*10.21*	*22.33*	*20.61*	*13.41*	*16.08*	*15.51*	*17.72*	
PIMCO RAE US Small Cap Fund	0.95	19.74	20.98	36.87	21.52	11.92	16.39	14.25	20.98	01/01/2026
Russell 2000 Value Index		*17.19*	*22.99*	*43.01*	*18.73*	*8.23*	*11.36*	*10.89*	*22.99*	
Russell 2000 Index		*21.49*	*22.57*	*40.78*	*18.60*	*6.98*	*11.34*	*11.62*	*22.57*	
Columbia Small Cap Growth Inst3	0.50	35.57	30.41	55.45	27.35	7.39	15.75	18.05	33.26	10/01/2024
Russell 2000 Growth Index		*25.71*	*22.18*	*38.74*	*18.44*	*5.57*	*10.82*	*11.97*	*21.41*	
Russell 2000 Index		*21.49*	*22.57*	*40.78*	*18.60*	*6.98*	*11.34*	*11.62*	*20.57*	
Emerald Growth Institutional	0.50	39.16	38.29	73.13	31.82	13.78	16.61	16.89	40.00	02/01/2024
Russell 2000 Growth Index		*25.71*	*22.18*	*38.74*	*18.44*	*5.57*	*10.82*	*11.97*	*22.80*	
Russell 2000 Index		*21.49*	*22.57*	*40.78*	*18.60*	*6.98*	*11.34*	*11.62*	*21.61*	
International Equity	**17.75**	**11.42**	**13.28**	**24.43**	**16.87**	**7.27**	**9.64**	**9.61**	**4.83**	**02/01/2007**
MSCI AC World ex USA (Net)		*14.49*	*13.68*	*27.66*	*18.82*	*8.79*	*10.16*	*9.93*	*5.20*	
MFS International Growth R6	3.37	5.67	2.00	7.09	11.36	6.07	8.81	10.00	13.61	02/01/2024
MSCI AC World ex USA (Net)		*14.49*	*13.68*	*27.66*	*18.82*	*8.79*	*10.16*	*9.93*	*21.60*	
Fidelity International Index	6.65	9.04	10.08	20.46	16.73	9.35	10.18	9.83	19.50	07/01/2024
MSCI EAFE (net)		*10.82*	*9.44*	*20.23*	*16.44*	*9.05*	*9.90*	*9.66*	*18.97*	
Hartford Schroders Intl Multi-Cap Value Fund	3.55	11.26	16.93	36.61	24.30	12.84	12.39	10.76	3.73	05/01/2026
MSCI AC World ex USA (Net)		*14.49*	*13.68*	*27.66*	*18.82*	*8.79*	*10.16*	*9.93*	*4.42*	
Fidelity Emerging Markets Index Fund	4.18	21.98	26.17	45.96	23.35	7.36	9.83	9.99	44.06	08/01/2025
MSCI EM (net)		*24.05*	*23.85*	*43.51*	*23.03*	*7.20*	*9.82*	*10.07*	*40.76*	

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

Asset Allocation & Performance

	Allocation	Performance(%)								
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Other Growth	**5.99**	**5.03**	**11.26**	**13.86**	**N/A**	**N/A**	**N/A**	**N/A**	**11.99**	**02/01/2024**
Cohen & Steers Inst Realty Shares	2.98	9.99	14.00	12.45	10.04	4.42	7.08	6.89	12.40	06/01/2024
MSCI US REIT Index		*12.15*	*17.58*	*21.15*	*12.39*	*5.83*	*6.92*	*6.07*	*15.80*	
Lazard Global Listed Infrastructure Inst	1.56	1.11	8.15	15.57	14.14	11.55	9.73	10.41	16.82	10/01/2024
MSCI World Core Infrastructure Index (Net)		*1.09*	*9.00*	*11.31*	*11.51*	*6.59*	*6.67*	*7.91*	*10.09*	
NYLI CBRE Global Infrastructure	1.46	0.60	9.54	14.46	11.66	7.16	7.44	8.02	13.99	06/01/2024
FTSE Global Core Infrastructure 50/50 Index (Net)		*2.33*	*10.66*	*15.78*	*12.24*	*7.65*	*6.71*	*7.47*	*14.20*	
Fixed Income	**37.35**	**0.93**	**0.92**	**4.28**	**4.90**	**0.79**	**1.79**	**2.11**	**3.56**	**02/01/2007**
Blmbg. U.S. Aggregate		*0.67*	*0.62*	*3.79*	*4.16*	*0.08*	*1.22*	*1.54*	*3.16*	
Baird Aggregate Bond Inst	11.20	0.81	0.76	3.96	4.61	0.32	1.60	1.94	4.87	03/01/2024
iShares Core US Aggregate Bond ETF	3.70	0.67	0.71	3.80	4.16	0.09	1.20	1.52	4.65	03/01/2024
Blmbg. U.S. Aggregate		*0.67*	*0.62*	*3.79*	*4.16*	*0.08*	*1.22*	*1.54*	*4.65*	
Dodge & Cox Income	7.09	0.77	0.81	4.67	5.23	1.33	2.60	2.93	4.71	02/01/2024
PGIM Total Return Bond R6	7.11	1.02	1.05	4.62	5.44	0.64	1.81	2.46	4.78	02/01/2024
Blmbg. U.S. Aggregate		*0.67*	*0.62*	*3.79*	*4.16*	*0.08*	*1.22*	*1.54*	*3.87*	
Voya Intermediate Bond	5.43	0.97	0.99	4.23	5.27	0.57	1.81	2.27	4.62	05/01/2025
Blmbg. U.S. Aggregate		*0.67*	*0.62*	*3.79*	*4.16*	*0.08*	*1.22*	*1.54*	*3.96*	
NYLI MacKay High Yield Corp Bond Fund	2.82	2.11	1.89	5.09	7.54	4.10	4.86	5.50	6.76	03/01/2024
ICE BofA US High Yield Index		*2.45*	*1.89*	*5.74*	*8.79*	*4.13*	*4.92*	*5.70*	*7.84*	
Cash Equivalent	**2.73**	**0.89**	**1.79**	**3.88**	**4.47**	**3.43**	**2.62**	**2.21**	**1.33**	**01/01/2008**
ICE BofA 3 Month U.S. T-Bill		*0.88*	*1.74*	*3.84*	*4.64*	*3.52*	*2.75*	*2.34*	*1.42*	
First American Government Obligation - X	2.73	0.89	1.79	3.88	4.64	3.54	2.72	2.28	4.46	02/01/2024
ICE BofA 3 Month U.S. T-Bill		*0.88*	*1.74*	*3.84*	*4.64*	*3.52*	*2.75*	*2.34*	*4.45*	

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Calendar Year Comparative Performance

	Performance(%)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Portfolio	**13.66**	**10.98**	**15.95**	**-15.21**	**11.52**	**13.60**	**20.13**	**-4.73**	**15.63**	**6.69**
Blended Benchmark	*13.46*	*11.61*	*15.19*	*-14.58*	*12.54*	*13.07*	*19.78*	*-4.18*	*13.54*	*8.39*
Domestic Equity	**17.20**	**21.60**	**24.92**	**-18.85**	**23.57**	**18.56**	**29.35**	**-5.92**	**21.73**	**11.40**
Russell 3000 Index	*17.15*	*23.81*	*25.96*	*-19.21*	*25.66*	*20.89*	*31.02*	*-5.24*	*21.13*	*12.74*
Columbia Contrarian Core Inst3	17.51	23.51	32.21	-18.45	24.45	22.44	33.08	-8.81	21.89	8.77
Putnam Core Equity Fund Y	17.31	26.47	27.99	-15.87	30.75	17.66	32.50	-7.91	24.01	13.58
Schwab US Large-Cap ETF	17.42	24.90	26.86	-19.44	26.74	20.90	31.40	-4.52	21.91	11.78
S&P 500	*17.88*	*25.02*	*26.29*	*-18.11*	*28.71*	*18.40*	*31.49*	*-4.38*	*21.83*	*11.96*
PIMCO RAE US Small Cap Fund	6.29	22.08	20.06	-4.64	40.37	6.88	20.22	-11.66	9.27	27.14
Russell 2000 Value Index	*12.59*	*8.05*	*14.65*	*-14.48*	*28.27*	*4.63*	*22.39*	*-12.86*	*7.84*	*31.74*
Russell 2000 Index	*12.81*	*11.54*	*16.93*	*-20.44*	*14.82*	*19.96*	*25.53*	*-11.01*	*14.65*	*21.31*
Columbia Small Cap Growth Inst3	21.86	24.45	26.39	-36.51	-2.54	70.41	41.18	-1.92	28.94	13.00
Emerald Growth Institutional	31.95	19.41	19.06	-24.50	4.04	38.85	28.70	-11.57	28.11	10.89
Russell 2000 Growth Index	*13.01*	*15.15*	*18.66*	*-26.36*	*2.83*	*34.63*	*28.48*	*-9.31*	*22.17*	*11.32*
Russell 2000 Index	*12.81*	*11.54*	*16.93*	*-20.44*	*14.82*	*19.96*	*25.53*	*-11.01*	*14.65*	*21.31*
International Equity	**29.48**	**4.22**	**14.07**	**-15.86**	**4.69**	**14.40**	**23.68**	**-15.54**	**30.22**	**3.33**
MSCI AC World ex USA (Net)	*32.39*	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*	*27.19*	*4.50*
MFS International Growth R6	21.23	9.24	14.96	-15.02	9.65	15.82	27.31	-8.79	32.58	2.79
MSCI AC World ex USA (Net)	*32.39*	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*	*27.19*	*4.50*
Fidelity International Index	31.96	3.71	18.31	-14.24	11.45	8.17	22.00	-13.52	25.38	1.34
MSCI EAFE (net)	*31.22*	*3.82*	*18.24*	*-14.45*	*11.26*	*7.82*	*22.01*	*-13.79*	*25.03*	*1.00*
Hartford Schroders Intl Multi-Cap Value Fund	46.09	6.97	13.85	-11.58	13.91	1.14	18.56	-15.23	23.27	8.94
MSCI AC World ex USA (Net)	*32.39*	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*	*27.19*	*4.50*
Fidelity Emerging Markets Index Fund	33.94	6.80	9.50	-20.07	-3.04	17.82	18.26	-14.63	37.65	11.26
MSCI EM (net)	*33.57*	*7.50*	*9.83*	*-20.09*	*-2.54*	*18.31*	*18.42*	*-14.57*	*37.28*	*11.19*

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

Calendar Year Comparative Performance

	Performance(%)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Other Growth	**11.44**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Cohen & Steers Inst Realty Shares	3.09	6.24	12.72	-24.73	42.47	-2.57	33.01	-3.99	7.45	5.91
MSCI US REIT Index	*2.95*	*8.75*	*13.74*	*-24.51*	*43.06*	*-7.57*	*25.84*	*-4.57*	*5.07*	*8.60*
Lazard Global Listed Infrastructure Inst	23.86	6.71	10.89	-1.30	19.87	-4.48	22.26	-3.73	20.80	9.30
MSCI World Core Infrastructure Index (Net)	*15.85*	*5.73*	*4.01*	*-7.93*	*17.13*	*-0.80*	*26.64*	*-2.66*	*19.25*	*10.96*
NYLI CBRE Global Infrastructure	15.55	7.68	3.96	-6.08	15.22	1.17	28.46	-6.56	20.48	10.13
FTSE Global Core Infrastructure 50/50 Index (Net)	*14.36*	*9.53*	*2.21*	*-4.87*	*14.88*	*-4.06*	*25.13*	*-3.99*	*18.39*	*10.87*
Fixed Income	**7.56**	**2.22**	**6.94**	**-12.26**	**-0.73**	**7.26**	**8.33**	**-0.27**	**4.53**	**3.21**
Blmbg. U.S. Aggregate	*7.30*	*1.25*	*5.53*	*-13.01*	*-1.55*	*7.51*	*8.72*	*0.01*	*3.54*	*2.65*
Baird Aggregate Bond Inst	7.36	1.85	6.43	-13.35	-1.46	8.63	9.48	-0.30	4.20	3.52
iShares Core US Aggregate Bond ETF	7.19	1.37	5.59	-13.06	-1.67	7.42	8.68	-0.05	3.53	2.56
Dodge & Cox Income	8.32	2.26	7.70	-10.86	-0.91	9.45	9.73	-0.31	4.36	5.61
PGIM Total Return Bond R6	7.79	3.03	7.78	-14.86	-1.15	8.10	11.13	-0.63	6.71	4.83
Voya Intermediate Bond	7.62	2.93	7.07	-14.16	-0.99	8.22	10.06	-0.25	4.84	4.05
Blmbg. U.S. Aggregate	*7.30*	*1.25*	*5.53*	*-13.01*	*-1.55*	*7.51*	*8.72*	*0.01*	*3.54*	*2.65*
NYLI MacKay High Yield Corp Bond Fund	7.10	7.14	11.97	-7.81	5.35	5.28	13.03	-1.34	6.79	15.99
ICE BofA US High Yield Index	*8.50*	*8.20*	*13.46*	*-11.22*	*5.36*	*6.17*	*14.41*	*-2.27*	*7.48*	*17.49*
Cash Equivalent	**4.23**	**4.73**	**4.95**	**1.48**	**0.02**	**0.35**	**2.08**	**1.72**	**0.75**	**0.27**
ICE BofA 3 Month U.S. T-Bill	*4.18*	*5.25*	*5.02*	*1.46*	*0.05*	*0.67*	*2.28*	*1.87*	*0.86*	*0.33*
First American Government Obligation - X	4.23	5.19	5.02	1.52	0.03	0.40	2.12	1.74	0.79	N/A
ICE BofA 3 Month U.S. T-Bill	*4.18*	*5.25*	*5.02*	*1.46*	*0.05*	*0.67*	*2.28*	*1.87*	*0.86*	*0.33*

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

Historical Hybrid Composition - PARS Balanced/Moderately Aggressive

Allocation Mandate	Weight (%)
Jul-2025	
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	18.0
MSCI US REIT Index	3.0
MSCI World Core Infrastructure Index (Net)	3.0
Blmbg. U.S. Aggregate	35.0
ICE BofA US High Yield Index	3.0
ICE BofA 3 Month U.S. T-Bill	2.0
Oct-2012	
S&P 500	32.0
Blmbg. U.S. Aggregate	27.0
Russell 2000 Index	9.0
MSCI EAFE (net)	7.0
ICE BofA 1-3 Yr. Gov/Corp	6.8
Russell Midcap Index	6.0
FTSE 1 Month T-Bill	5.0
MSCI EM (net)	4.0
Wilshire US REIT Index	2.0
ICE BofA US High Yield Index	1.3
Apr-2007	
S&P 500	51.0
Blmbg. U.S. Aggregate	30.0
MSCI EAFE (net)	6.0
ICE BofA 1-3 Yr. Gov/Corp	5.0
FTSE 1 Month T-Bill	5.0
Russell 2000 Index	3.0

Allocation Mandate	Weight (%)
Jul-1986	
S&P 500	60.0
Blmbg. U.S. Aggregate	30.0
ICE BofA 1-3 Yr. Gov/Corp	5.0
FTSE 1 Month T-Bill	5.0

*The benchmark for the PARS Balanced strategy defined above was assigned to the PARS OPEB Trust Balanced Strategic Blend upon its inception on February 2007

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

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PLACER COUNTY RESOURCE CONSERVATION DISTRICT- FY27 PROPOSED ANNUAL BUDGET

EXPENSES	TOTAL			PER LINE ITEM	
Accounting	**$ 19,960.00**		Auditing Services 26/27	$ 18,410.00	
			Acturial Study-Gasby 75 per quote 26/27	$ 1,550.00	
Contracted Services: GRANTS/CONTRACTS	**$ 2,531,552.90**		*FEEDS IN FROM GRANT EXPENDITURE SPREADSHEET*	$ 2,531,552.90	
Contracted Services: GRANTS/CONTRACTS/FARMERS	**$ 950,000.00**		*FEEDS IN FROM GRANT EXPENDITURE SPREADSHEET*	$ 950,000.00	
Contracted Services: OUTREACH	**$ 2,000.00**		*FEEDS IN FROM OUTREACH BUDGET SPREADSHEET*	$ 2,000.00	
Contracted Services: OPS	**$ 83,679.00**		HR TO GO; Employee Handbook Revisions	$ 1,500.00	
			IT support services - TeamLogic	$ 14,040.00	$1110 per month FY27 est; 14*60; 18*15 = 5% inc
			Strategic Plan Consultant; Amy Stork	$ 29,469.00	Per quote received via email 6/26/26 +5K Travel Costs
			HR Consulting Services	$ 4,500.00	Quote from Kim Tucker; one on one with staff for prep for Sarah's return
			RPF Consulting Services	$ 5,000.00	Possibile Need to Support LC & EM till new Forestry Director hired
			Indirct Cost Consultant	$ 15,000.00	
			Carpet Cleaning Blocker Dr	$ 750.00	
			Office cleaning with Clean Pro	$ 7,920.00	$580 per month/$145 per week x 52 + 5%
			Dave Curry 1 on 1 coaching @ $150 per session x 20 sessions	$ 3,000.00	20 Session $150 ea session
			Printed District Apparel	$ 2,500.00	
Copier Lease	**$ 1,544.40**		Northshore Leasing	$ 1,544.40	$128.70*12
Education Training Fees	**$ 43,000.00**		All Staff, not including staff time	$ 36,000.00	18 x $2000
(Professional Development)			ED Conference Expenses for CSDA and Other?	$ 2,500.00	
			Annual CARCD Fall Conference		included in above
			Admin & Fin Mgr Conference; Board Sec Meeting	$ 2,000.00	
			Board Members	$ 2,500.00	
Equipment: GRANTS	**$ 71,500.00**		*FEEDS IN FROM GRANT EXPENDITURE SPREADSHEET*	$ 71,500.00	
Equipment: OPS	**$ 12,000.00**		Technology- computer/monitor/misc	$ 12,000.00	Lewis & Cordi need new computers most likely (Lewis wrote his into a grant that is pending approval); + 1 for administration
Insurance Liability: Ops	**$ 32,132.38**			$ 29,211.25	Operations Only; $12,456.70 in Chipper Program Exp; Forestry field trucks in M&S
			Contingency - 10%	**$ 2,921.13**	For add'l CofI's or new equipment insurance not billable to grants
Insurance: Health Retirees	**$ 34,200.00**		Mark White $950 per mo max;	$ 11,400.00	$950/mo maximum assumed for all
Can be pulled from PARS account			Kathryn Maloney $950 per mo max;	$ 11,400.00	
			Richard Gresham $950 per mo max;	$ 11,400.00	
Insurance: Health Active	**$ 291,170.06**		Health and Other (Dental, EPA, Vision, Life); adj for vacancies	$ 291,170.06	Pulled from Wage-Ben SS; Health Cap at Max due to possible inc in Jan'27
Insurance: Workmans Comp	**$ 42,551.04**			$ 42,551.04	Per Quote June '26; adjusted per est PR * 93 Exp Mod; less other credits
LAFCO Fees	**$ 703.00**			$ 703.00	Per Placer County LAFCO Workplan FY27 $680. PC doc shows 702.73
Legal Fees	**$ 70,000.00**			$ 20,000.00	Internal Legal Needs; FY25 $8,600
				$ 50,000.00	Outside Legal Needs
Materials & Supplies:GRANTS	**$ 89,134.00**		*FEEDS IN FROM GRANT EXPENDITURE SPREADSHEET*	$ 89,134.00	
Materials & Supplies: FORESTRY TRUCK	**$ 6,000.00**		Forestry Truck	$ 6,000.00	*Forestry Truck expenses; fuel, cleaning, insurance ($5622.92) LESS Mileage Reimb to Grants*
Materials & Supplies: Outreach	**$ 2,280.00**		*FEEDS IN FROM OUTREACH BUDGET SPREADSHEET*	$ 2,280.00	
Materials & Supplies:OPS	**$ 13,900.00**		Printer Supplies: Milk Man	$ 1,800.00	Approx $1600 FY26
			Office Supplies; Amazon/Staples/Home Depot	$ 5,000.00	Approx $5,000 FY26, including computer for Jason
			Safety Supplies	$ 4,000.00	$1750 ea AED + other supplies; **Sarah to order for our office + chipper warehouse**
			Safety Clothing Allowance; Field Staff	$ 3,100.00	$350 FT PP 8; $150 PT PP 2 (chipper exp in chipper budget)
Meals & Entertainment: OPS	**$ 3,500.00**		Operations Only	$ 3,500.00	Team Building, Meetings, Empl Evals, PD incl. OHV Training lunch, Summer BBQ's, Xmas party, Staff Appreciation lunch ; FY26 spent $1500
Membership Dues	**$ 10,617.00**		CARCD	$ 7,500.00	FY26 Board voted to not renew; changed mind and fee was paid
			NACD	$ 775.00	Same as FY26
			CSDA	$ 2,077.00	FY26 $1888.00; + 10% FY27
			CA Licensed Foresters Assoc; Annual Exp for License Renewal	$ -	LC not due to 7/2028
			Costco	$ 65.00	Business membership
			Amazon Business Prime Membership	$ 200.00	

Other Grant/Program Costs -GRANTS	**$ 153,517.81**		*FEEDS IN FROM GRANT EXPENDITURE SPREADSHEET*	$ 153,517.81	
Other Grant/Program Costs/ Outreach	**$ 4,300.00**		*FEEDS IN FROM OUTREACH BUDGET SPREADSHEET*	$ 4,300.00	
Property Tax Admin	**$ 10,529.00**		Pending County Estimate	$ 10,529.00	10% increase assumed $9,572.86 actual FY26
Postage & Mail Delivery	**$ 550.00**			$ 550.00	Office only; FY26=$388; Budget same as '26 due to ACH payments
Payroll-County Admin Fees	**$ 11,445.00**			$ 11,445.00	Per MOU FY27; All accounting fees
Rent expense	**$ 54,892.00**		RCD Office only	$ 54,892.00	$4513.6*7 +$4659.2*5 = 3.5% increase (Creekside) Lease expires 1/31/29; Chipper in grant exp
Subscriptions	**$ 22,461.04**		Arc GIS ESRI	$ -	Paid 4/9/26 $628; 1 LTAA bal to Mosq3
			Adobe	$ 4,200.00	$4250 FY26; Currently $339.89/mo; Est $350 mox12 FY27
			Avenza	$ -	Paid 6/5/26 $993.93; Mosq3 (3), NFPIII (2), Chipper (1) LTAA (1)+1 FY27
			Microsoft	$ 4,846.00	2FY26 $4404.98 + 10%
			Quickbooks	$ 3,470.00	FY26 $2970, FY25 $2538; FY27 assumed $500 increase
			Zoom	$ 175.00	$159 PY + 10%
			ArchiveSocial	$ 4,848.13	FY26 $4617.27; Quote Rec'd FY27 7.1.26
			Clockify	$ 330.00	OPS Expense; 10% to PY
Subscriptions/ Outreach			*FEEDS IN FROM OUTREACH BUDGET SPREADSHEET*	$ 2,130.00	
			CNDDB Subscription payable to St of CA Fish & Wildlife	$ 420.00	Paid 6/1/26 $400; all to Mosq3; est for 6/27
			Contingency - 10%	**$ 2,041.91**	
Utilities	**$ 16,995.00**		PGE, office only; chipper in grant exp	$ 8,100.00	$675/mo estimated; $7560 FY26
			Phone/Internet; Astound	$ 7,350.00	Est FY26 $7000 + 5% increase
			Contingency - 10%	**$ 1,545.00**	
Telephone (Cell Phone)	**$ 7,200.00**		Cell phone F/T	$ 6,600.00	11 FTx50x12
			Cell phone P/T	$ 600.00	2 PTx25x12
Payroll - Wages Total	**$ 1,594,578.15**		Office staff/FT	$ 384,659.20	From Wage & Benefits SS Includes adjustments for leave and vacancy
			Chipper Program Staff not inc DT, SJ, KE	$ 416,187.20	
			FT Forestry	$ 417,418.86	
			FT Ag & Outreach	$ 261,248.00	
			Mark & Jerry	$ 39,132.60	Jerry @ 25%, Mark @ 12.5%
			Contingency 5%	**$ 75,932.29**	
Accrued-vacation payout	**$ 20,000.00**			$ 20,000.00	Potentially owed if someone resigns from the district
PERS	**$ 136,631.98**			$ 130,125.69	From Wage & Benefits SS
			Contingency 5%	**$ 6,506.28**	
Payroll Tax expense	**$ 127,718.23**			$ 121,636.41	From Wage & Benefits SS
			Contingency 5%	**$ 6,081.82**	
Unfunded Retirement	**$ 42,682.00**		CALPERS - Plan 1742		paid July 26; estimate now a combined one?
			CALPERS - Plan 26386	$ 41,982.00	paid July 26
			GASB Annual Fee due to CALPERS	$ 700.00	
Travel & Mileage: Outreach	**$ 200.00**		*FEEDS IN FROM OUTREACH BUDGET SPREADSHEET*	$ 200.00	
Travel & Mileage; OPS	**$ 7,750.00**		ED Conference budget	$ 1,000.00	2 conferences above + travel to others for netwoking
(Airfare, Hotel, Car Rental, Parking, Taxi, Mileage)			Mileage Annual other staff, excluding mileage to grants	$ 1,000.00	
			Mileage Office Staff	$ 750.00	Office staff mileage to county, etc.
			Hotel, Meals and other travel expenses other than mileage	$ 5,000.00	Costs other than Mileage to support PD/Conferences above
6830 Travel & Mileage; Grants	**$ 8,982.50**		*FEEDS IN FROM GRANT EXPENDITURE SPREADSHEET*	$ 8,982.50	
TOTAL EXPENSES	**$ 6,531,856.49**				
TOTAL REVENUES	**$ 6,591,548.61**			**$ 6,531,856.49**	
Subtotal Net Income/Deficit	**$ 59,692.12**				

PLACER RESOURCE CONSERVATION DISTRICT- FY26/27 PROPOSED ANNUAL BUDGET

	DIRECT & IND			
4010 Federal Grants/contracts	**$ 1,972,302.39**	Direct	Indirect	Total 25/26
CWSF WUI Grant (USFS to Admin by CF)		$ 74,865.00	$ 19,464.90	**$ 94,329.90**
NRCS - LTAA		$ 6,553.84	$ 1,704.00	**$ 8,257.84**
USFS Mosquito Post Fire Disaster & Recovery in PC & EDC (Mosquito 4)		$ 1,048,833.62	$ 66,583.37	**$ 1,115,416.99**
USFS Mosquito Restoration Project (Mosquite 5)		$ 701,962.50	$ 30,819.38	**$ 732,781.88**
USFWS -Placer County Riparian Restoration		$ 19,559.80	$ 1,955.98	**$ 21,515.78**
4020 State Grants	**$ 3,170,138.70**			
CF Forestland Newsletter #2		$ 39,692.60	$ 5,953.89	**$ 45,646.49**
CF Forestry and National Resource Mentorship Program		$ 66,521.00	$ 7,982.52	**$ 74,503.52**
CF Mosquito Fire Recovery & Reforestation 3		$ 561,394.60	$ 67,367.35	**$ 628,761.95**
CALFIRE North Fork Phase III		$ 190,436.90	$ 22,852.43	**$ 213,289.33**
CF PC Chipper Grant		$ 375,765.65	$ 45,091.88	**$ 420,857.53**
CALFIRE Placer Sierra Fuels Reduction Program		$ 84,457.40	$ 10,096.01	**$ 94,553.41**
CF PBPL Program		$ 267,129.28	$ 30,255.51	**$ 297,384.79**
CDFA Healthy Soils Block Grant		$ 1,155,093.50	$ 51,273.38	**$ 1,206,366.88**
WCB Pollinator Habitat		$ 175,402.18	$ 13,372.63	**$ 188,774.81**
4050 Foundation Grants	**$ 56,468.94**			
CARCD Workforce Developoment Grant		$ 9,386.26	$ 1,866.75	**$ 11,253.01**
CARCD Forestry TA		$ 10,895.60	$ 2,723.90	**$ 13,619.50**
Wild Turkey Federation; PRIOR YEAR INCOME HELD IN RES		$ 5,000.00	$ -	**$ 5,000.00**
Tahoe Truckee Community Foundation; PRIOR YEAR INCOME HELD IN RES		$ 10,000.00	$ -	**$ 10,000.00**
RCPP (Regional Conservation Partnership Prog) (CARCD/NRCS)		$ 10,344.40	$ 2,486.10	**$ 12,830.50**
Equity Grant (CARCD/NRCS)		$ 3,378.45	$ 387.48	**$ 3,765.93**
4080 Landowner Contributions /Equipment Sales	**$ 40,000.00**	$ 13,000.00	$ 27,000.00	**$ 40,000.00**
5021 County Contracts	**$ 494,630.53**			
Placer County Air Quality Control District: AG Chipping		$ 30,060.20	$ 10,258.57	**$ 40,318.77**
Placer County Cooperative Agreement AG Tour		$ 21,207.52	$ 3,792.08	**$ 24,999.60**
Placer County Cooperative Agreement Stormwater A&B		$ 5,920.00	$ 2,096.50	**$ 8,016.50**
Placer County Parks Dept (& Open Spaces)		$ 959.75	$ 335.91	**$ 1,295.66**
Probation Chipper Program		$ 375,000.00	$ 45,000.00	**$ 420,000.00**
5035 Special District Income/Foundation Income	**$ 162,666.58**			
Atwood Preserve- Auburn Rec Dist		$ 3,579.84	$ 958.94	**$ 4,538.78**
City of San Mateo		$ 96,002.30	$ 3,997.70	**$ 100,000.00**
PCWA; Water Storage Tank Rebate Program		$ 13,374.20	$ 4,540.97	**$ 17,915.17**
Red Sesbania -Rose Foundation		$ 15,492.85	$ 229.54	**$ 15,722.39**
Red Sesbania- SAFCA		$ 21,826.75	$ 2,663.49	**$ 24,490.24**
Total Grant/Project Revenue	**$ 5,896,207.14**	**$ 5,413,095.98**	**$ 483,111.16**	
5070 Interest Income	**$ 60,000.00**	not including reserve interest		
5005 Property Tax Revenue	**$ 635,341.48**	5% revenue growth over FY26		
TOTAL EARNED REVENUES	**$ 6,591,548.61**			

OPERATING RESERVE POLICY

Pending Board Approval August 25, 2026

I. POLICY INTENT

The purpose of the Operating Reserve Policy for the Placer County Resource Conservation District (District) is to ensure financial security through the maintenance of a reserve fund. This policy guides the creation, maintenance, and use of the reserve fund. The District's primary objective is to maintain a prudent level of financial resources to ensure the stability of the mission, programs, employment, and ongoing operations of the organization.

The operating reserve is intended to provide an internal source of funds for situations such as:

- Unanticipated expenditure
- Unanticipated revenue shortfalls
- One-time unbudgeted expenses, including capital purchases
- Maintain minimal operation sustainability in periods of economic uncertainty

Operating reserves are not intended to replace a permanent loss of regular or ongoing funds or eliminate an ongoing budget gap.

II. POLICY STATEMENT

The fund balance of the District's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or new opportunities. This amount also provides the liquidity necessary to accommodate the District's somewhat unpredictable cash flow due to the intermittent nature of receipt of property tax revenues and seasonal nature of project expenses that are pre-paid prior to invoicing grantor.

With approval by the Board of Directors, operating reserve fund(s) will:

- Be established from unrestricted funds (funds not obligated by law, contract or agreement).
- Be recorded in the financial records (Balance Sheet) as either Committed or Assigned from within the fund balance.
- Will remain in the General Fund account held at Placer County Treasury.

III. RESERVE FUNDING

In order for the District to achieve these objectives, the Board of Directors finds it prudent to create and maintain the following:

● An A*ssigned Fund Balance* of not less than what is equal to six (6) months of average operating costs, calculated by using the highest annual operating expenses from the previous three fiscal years. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, rent, office supplies, travel, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes pass-through program expenses. The amount of the operating reserve fund target minimum will be calculated each year after approval of the annual budget and included in the regular financial reports.

This level of reserve fund balance exceeds the Governmental Finance Officers Association's' Best Practices which recommends a minimum of two (2) months operation revenues or expenditures be maintained in a general fund balance.

● An *Assigned Fund Balance* created by the audited net income earned annually by the Chipper Cost-Share Program. This will support the Chipper Cost-Share Program during temporary revenue shortfalls, unpredicted expenditures, and equipment purchases.

IV. USE OF RESERVES

Use of the operating reserves requires three steps:

1. Identification of appropriate use of reserve funds
The Executive Director, in collaboration with the Administration & Finance Manager, will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. This step requires analysis of the reason for the shortfall and the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and if possible, replenished.

2. Authority to use operating reserves
Authority for use of operating reserves is delegated to the Executive Director in consultation with the Administration & Finance Manager and the Board of Directors. The use of operating reserves will be reported to the Board of Directors at its next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds, and plans for replenishment to restore the operating reserve fund to the target minimum amount. The Executive Director must receive prior approval from the Board of Directors if the operating reserve will take longer than 12 months to replenish.

3. Reporting and monitoring
The Administration & Finance Manager is responsible for ensuring that the operating reserve fund is maintained and used only as described in this policy. Upon approval for the use of operating reserve funds, the Administration & Finance Manager will maintain records of the use of funds, plan for replenishment and provide regular reports to the Board of Directors regarding progress to restore the fund to the target minimum amount.

V. DEFINITIONS

- Fund Balance is the excess of assets over liabilities in a governmental fund.
- Non-spendable Fund Balance consists of funds that cannot be spent due to their form, such as prepaid expenses, or funds that legally or contractually must be maintained.
- Restricted Fund Balance consists of funds that are *mandated for a specific purpose* by external parties, such as grantors (advance payments) through legal document language or constitutional provisions.
- Committed Fund Balance consists of funds that are *set aside for a specific purpose* by the Board of Directors. Funds must be reported as committed and amounts cannot be used for any other purpose unless the Board of Directors removes or changes the constraint.
- Assigned Fund Balance consists of funds that are *set aside with the intent to be used for a specific purpose* by the Board of Directors or by the Executive Director, in the case that such authority to do so is delegated to him/her.

- Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered unrestricted and a spendable resource for any purpose. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfall.

VI. AUTHORITY

This policy may be amended as desired by a majority vote by the District's Board of Directors at any properly noticed meeting.

The foregoing policy was approved and adopted the ____ day of ______________, 2026 by the following vote:

Ayes:______________ Board Chair_____________________________________

Noes:______________ Signature_______________________________________

Abstain:____________

Absent:____________