



BUDGET AND FINANCE COMMISSION

Monday, February 22, 2021
6:00 P.M.

REGULAR MEETING AGENDA

SOLANA BEACH CITY HALL
635 S. Highway 101
Solana Beach, CA 92075

This meeting will be conducted in accordance with Governor Newsom's Executive Order N-29-20 related to the COVID-19 virus.

MEETING LOCATION WILL NOT BE OPEN TO THE PUBLIC. Due to the Executive Order to stay home, in person participation at this meeting will not be allowed at this time. In accordance with the Executive Order to stay home, there will be no members of the public in attendance at this meeting.

* **PUBLIC PARTICIPATION** - Written correspondence regarding an agenda item at an open session meeting should be submitted to Ryan Smith at rsmith@cosb.org by 2:00 PM on the day of the meeting. Members of the public who would like to listen to the meeting may do so by using the following Zoom link:

<https://us02web.zoom.us/j/82908245929?pwd=L0JMVlpHU1NjNkFwL3drQzJDdmdsUT09>
Meeting ID: 829 0824 5929 Passcode: 631296 The designated location for viewing public documents is the City's website www.cityofsolanabeach.org.

- 1. Call to Order**
- 2. Oral Communications – Public**
- 3. Oral Communications – Commission Members**
- 4. Approval of Commission Minutes – January 25, 2021**
- 5. December 31, 2020 Investment Report**
 - A. PARS/Highland Capital**
 - B. Chandler Asset Management**
- 6. Mid-Year Budget Update**
- 7. City Manager Roundtable**
- 8. Adjournment**

The City of Solana Beach does not discriminate on the basis of disability. If you have special needs because of a disability, which makes it difficult for you to participate in the Budget and Finance Commission Meetings, please contact the City at (858) 720-2400, so arrangements can be made to accommodate you.



BUDGET AND FINANCE COMMISSION SUMMARY MINUTES

Regular Meeting

Monday, January 25, 2021 - 6:00 P.M.

Solana Beach City Council Chamber – Held via ZOOM

635 S. Highway 101, Solana Beach, CA 92075

1. Call To Order And Roll Call:

Vice Chairperson Lyle called the Budget and Finance Commission (Commission) Meeting to order at 6:04 p.m. on January 25, 2021.

Budget & Finance Commissioners:

Present:

Ed Murphy
Jeff Lyle
Jolene Koester
Dave Clemons
Rod Cooper

Excused:

NA

Staff Members/Other:

City Manager Gregory Wade
Finance Director/Treasurer Ryan Smith
Interim Finance Manager Rod Greek
Senior Accountant Catherine Wong

2. Oral Communications - Public:

Chairperson Murphy opened this portion of the agenda which provides an opportunity for members of the public to address the Commission on items not appearing on the agenda. There were no members of the public to speak to any item not on the agenda.

3. Oral Communications – Commission Members:

Chairperson Murphy asked Commission members if they wished to address the Commission on items not appearing on the agenda. No members of the commission wished to speak to any item not on the agenda.

4. Approval of Meeting Minutes

Meeting minutes for Monday, December 7, 2020 were unanimously approved.

5. New Finance Director Introduction

City Manager Greg Wade introduced Finance Director Ryan Smith. Ryan talked about his experience. There was some discussion about the hiring process and priorities moving forward.

6. FY2021/22 Successor Agency – Recognized Obligation Payment Schedule (ROPS) budget

Interim Finance Director Greek discussed the County Oversight Board process for approval and reviewed the budget documents contained in the agenda packet. Commission Members asked questions about the purpose of the Redevelopment Obligation Payment Schedule and what is being paid for. City Manager Wade and Interim Finance Director Greek answered the various questions satisfactorily.

7. FY2021/22 & FY2022/23 Biennial Budget Preparation calendar

Interim Finance Director Greek shared the budget calendar and discussed how the deliverable dates are determined. Commission members asked several questions. City Manager Wade and Interim Finance Director Greek responded to the various questions. Topics discussed were:

- Property Tax, Sales Tax, TOT
- Labor Negotiations
- Jr. Guards

8. City Manager Roundtable

City Manager Greg Wade shared information regarding COVID, the upcoming Council meeting, Cares Act efforts, Carbon Tax initiative, Expiring Budget & Finance member terms, the Dahlia st. project, and the Army Corp project approval.

9. ADJOURNMENT

The meeting was adjourned at 6:55 pm.

Respectfully Submitted,

Ryan Smith, Finance Director/Treasurer

MINUTES AS APPROVED BY THE BUDGET AND FINANCE COMMISSION:

Approved on _____.

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



CITY OF SOLANA BEACH

PARS 115 Trust – OPEB Prefunding Program and Pension Rate Stabilization Program (PRSP)
February 11, 2021

CONTACTS



Mitch Barker
Executive Vice President
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mbarker@pars.org

Christiane Tsuda
Senior Portfolio Manager
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christiane.tsuda@highmarkcapital.com

Jennifer Meza
Manager, Consulting
(800) 540-6369 x141
jmeza@pars.org

PARS 115 TRUST TEAM

Trust Administrator & Consultant



- Recordkeeping
- Sub-trust accounting
- Monitors plan compliance
- Processes contributions/disbursements
- Hands-on, dedicated support teams
- Coordinates all agency services

37

Years of Experience
(1984-2021)

2,000+

Plans under
Administration

1,000+

Public Agency
Clients

500K+

Plan Participants

\$5.0B

Assets under
Administration

Trustee



- 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

158

Years of Experience
(1863-2021)

\$5.0T

Assets under
Administration

Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

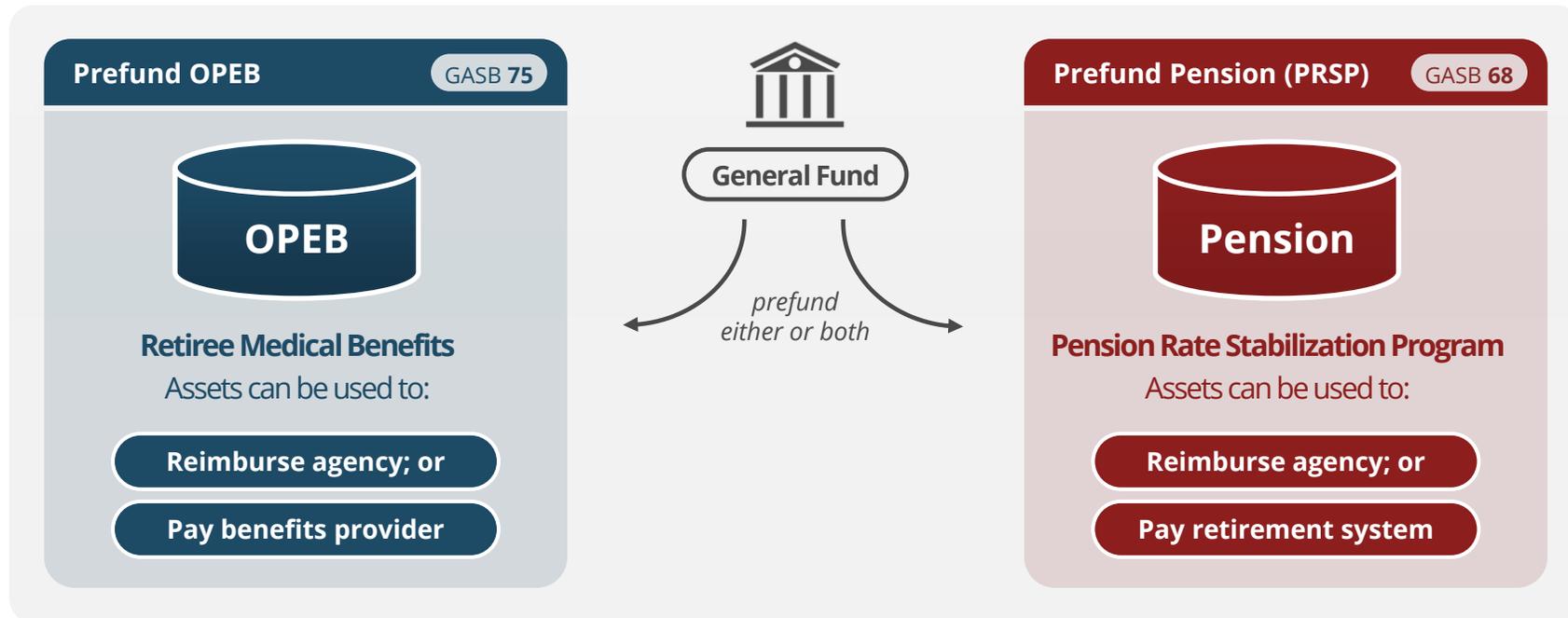
102

Years of Experience
(1919-2021)

\$16.2B

Assets under
Management

PARS IRS-APPROVED SECTION 115 TRUST



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.



PARS 115 CLIENT LIST – 400+ TOTAL CLIENTS, INCLUDING:

SAN DIEGO COUNTY (15)

Updated February 2021

CITIES (7)

- Coronado
- El Cajon
- Escondido
- La Mesa
- Lemon Grove
- National City
- Solana Beach

SCHOOL DISTRICTS (6)

- Coronado USD
- Grossmont-Cuyamaca CCD
- Lakeside Union SD
- Lemon Grove SD
- Poway USD
- San Dieguito Union HSD

SPECIAL DISTRICTS (2)

- Fallbrook Public Utility District
- San Elijo Joint Powers Authority

The

PARS OPEB TRUST PROGRAM

for prefunding Other Post-Employment Benefits

SUMMARY OF AGENCY'S OPEB PLAN

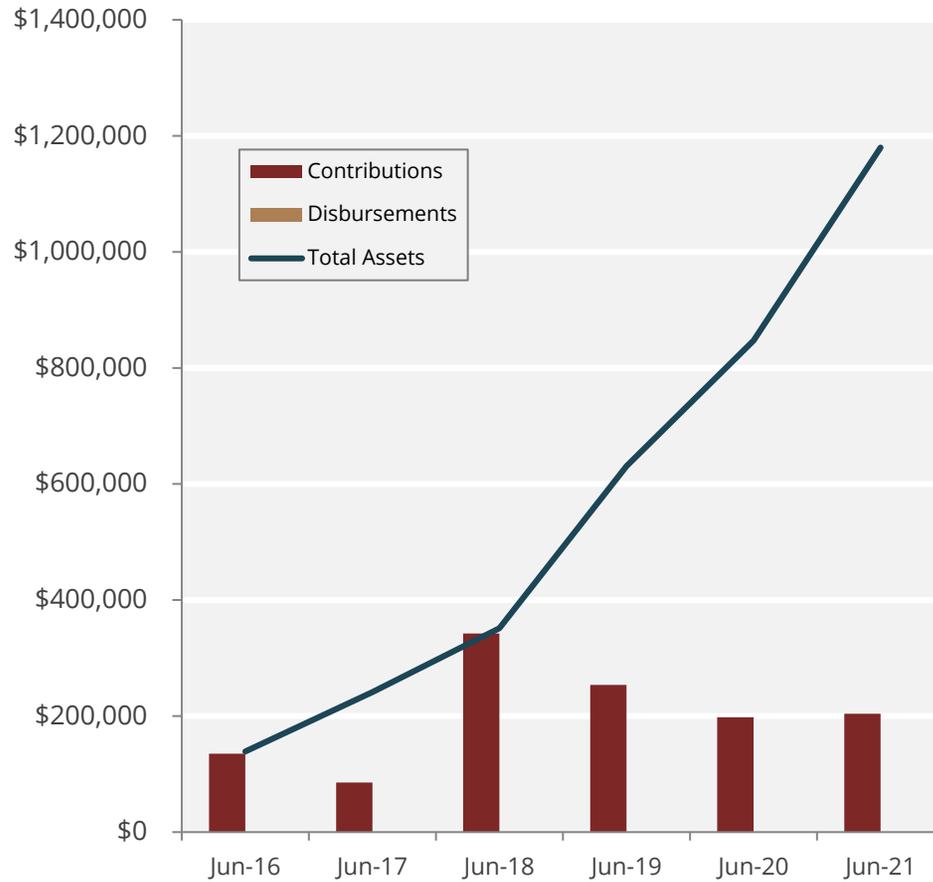
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	October 14, 2015
Plan Administrator:	City Manager
Current Investment Strategy:	Moderate (Active) Strategy; Individual Account

AS OF DECEMBER 31, 2020:

Initial Contribution:	March 2016: \$135,000
Additional Contributions:	\$1,083,241
Total Contributions:	\$963,581
Disbursements:	\$0
Total Investment Earnings:	\$227,355
Account Balance:	\$1,179,842

SUMMARY OF AGENCY'S OPEB PLAN

CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF DECEMBER 31, 2020:



Plan Year Ending

Year	Contributions	Disbursements	Total Assets
Jun-16*	\$135,000	\$0	\$138,968
Jun-17	\$85,376	\$0	\$241,151
Jun-18	\$87,689	\$0	\$351,281
Jun-19	\$253,516	\$0	\$630,704
Jun-20	\$198,000	\$0	\$847,218
Jun-21**	\$204,000	\$0	\$1,179,842

*Plan Year Ending June 2016 is based on 4 months of activity.
 **Plan Year Ending June 2021 is based on 6 months of activity.

OPEB ACTUARIAL RESULTS

- We have received the actuarial report by Bartel Associates with a valuation date as of June 30, 2019. In the table below, we have summarized the results.

Demographic Study	Valuation Date: June 30, 2019 Measurement Date: June 30, 2020
Actives	65
Retirees	58
Total	123

OPEB ACTUARIAL RESULTS

	Valuation Date: June 30, 2019 Measurement Date: June 30, 2020 Discount Rate: 6.00%
Total OPEB Liability (TOL)	\$3,532,448
Fiduciary Net Position	\$847,218
Net OPEB Liability (NOL)	\$2,685,230
Funded Ratio (%)	24%
Actuarially Determined Contribution (ADC) for FY 2019-20	\$378,000
Annual Benefit Payments (Pay-as-you-Go) for FY 2019-20	\$248,040

Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

The

PARS PENSION RATE STABILIZATION PROGRAM

for prefunding pension obligations

SUMMARY OF AGENCY'S PENSION PLAN

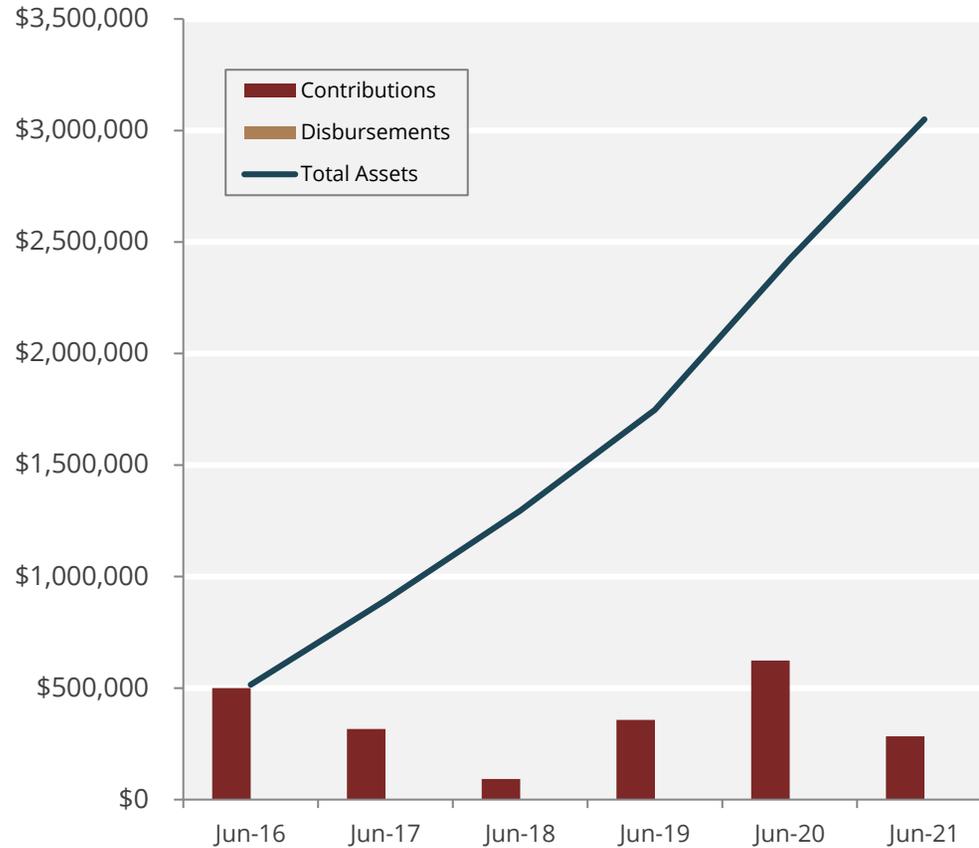
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	October 14, 2015
Plan Administrator:	City Manager
Current Investment Strategy:	Moderate (Active) Strategy; Individual Account

AS OF DECEMBER 31, 2020:

Initial Contribution:	March 2016: \$500,000
Additional Contributions:	\$1,673,391
Total Contributions:	\$2,428,051
Disbursements:	\$0
Total Investment Earnings:	\$651,692
Account Balance:	\$3,049,750

SUMMARY OF AGENCY'S PENSION PLAN

CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF DECEMBER 31, 2020:



Year	Contributions	Disbursements	Total Assets
Jun-16*	\$500,000	\$0	\$514,694
Jun-17	\$316,209	\$0	\$893,195
Jun-18	\$347,094	\$0	\$1,294,957
Jun-19	\$357,098	\$0	\$1,747,863
Jun-20	\$623,724	\$0	\$2,423,859
Jun-21**	\$283,926	\$0	\$3,049,750

Plan Year Ending

*Plan Year Ending June 2016 is based on 4 months of activity.
 **Plan Year Ending June 2021 is based on 6 months of activity.



PENSION FUNDING STATUS

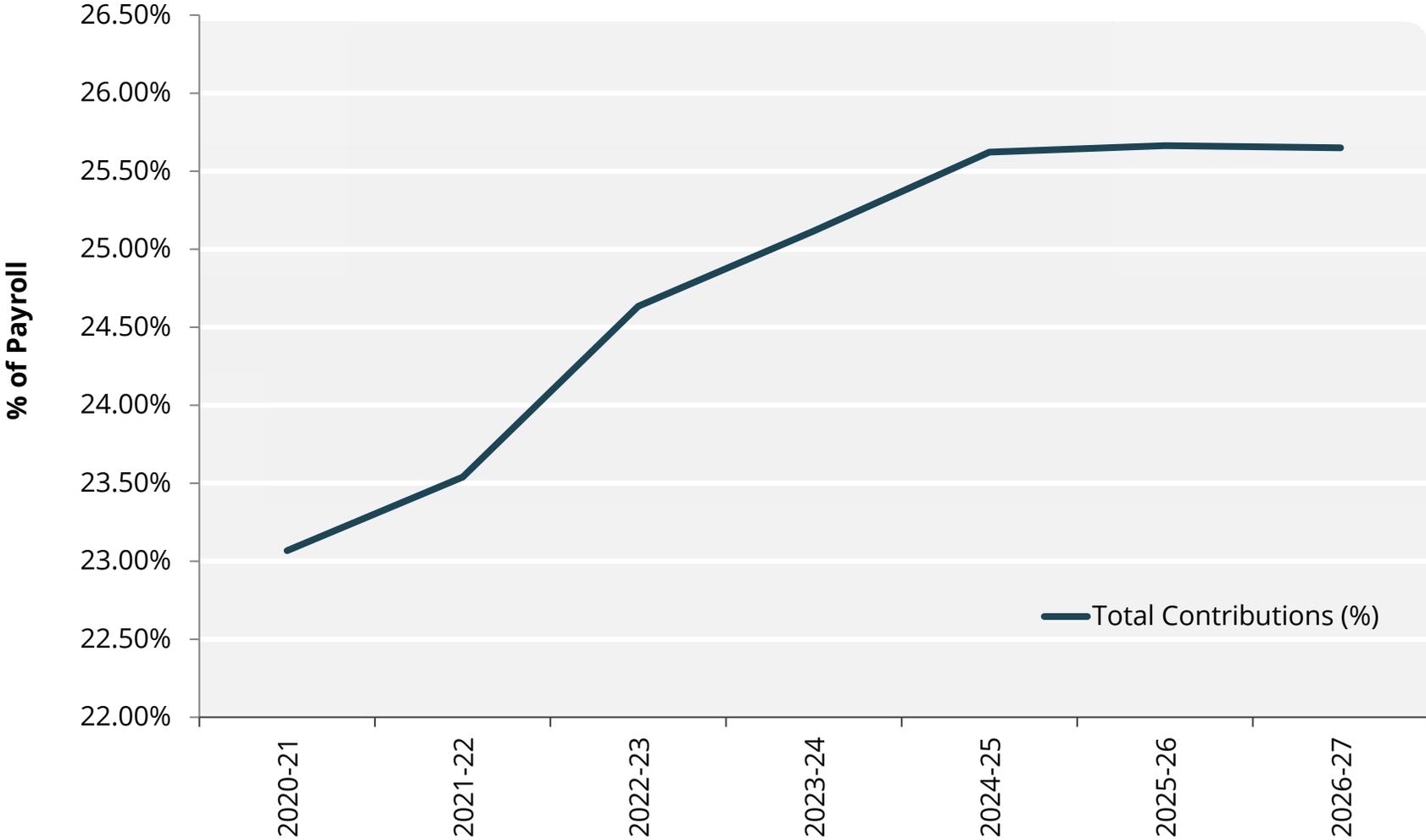
As of June 30, 2019, City of Solana Beach’s CalPERS pension plan is funded as follows*:

Combined Miscellaneous & Safety Groups	Valuation as of June 30, 2018	Valuation as of June 30, 2019	Change
Actuarial Liability	\$55.0 M	\$57.8 M	5.1% ↑
Assets	\$39.3 M	\$41.2 M	5.0% ↑
Unfunded Liability	\$15.8 M	\$16.6 M	5.5% ↑
Funded Ratio	71.4%	71.3%	0.1% ↓
Employer Contribution Amount	\$1.7 M (FY 19-20)	\$1.9 M (FY 20-21)	13.2% ↑
Employer Contribution Amount	---	\$2.6 M (FY 26-27)	35.6% ↑

* Data through 2026-27 from Agency’s latest CalPERS actuarial valuation.

PROJECTED EMPLOYER CONTRIBUTIONS (MISC.)

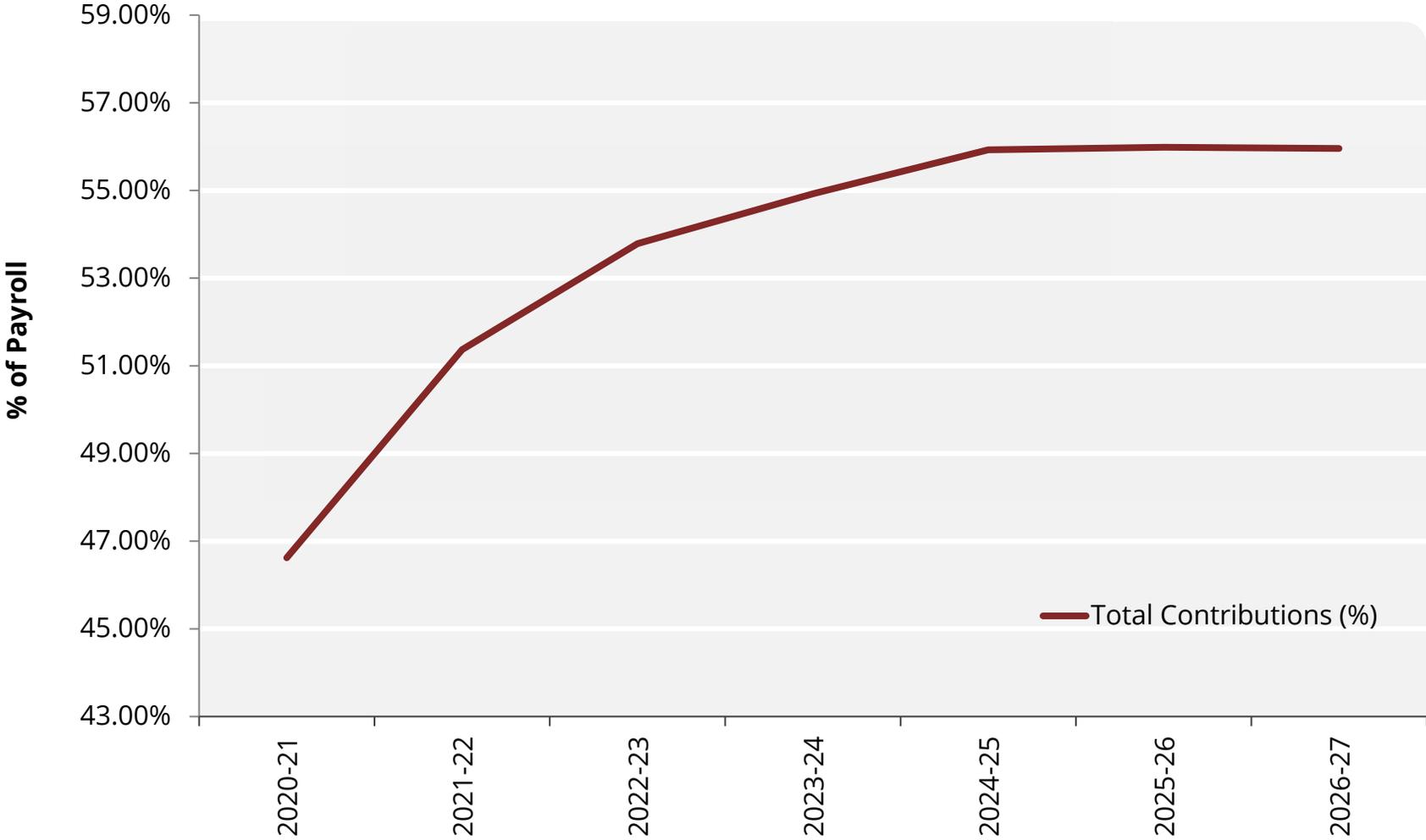
Projected misc. contributions increase from \$1.9M to \$2.6M* (35.6% ↑)



* Data through 2026-27 from Agency's latest CalPERS actuarial valuation.

PROJECTED EMPLOYER CONTRIBUTIONS (SAFETY)

Projected safety contributions increase from \$1.2M to \$1.6M* (33.7% ↑)



* Data through 2026-27 from Agency's latest CalPERS actuarial valuation.

PARS: City of Solana Beach

December 2020

**Presented by:
Christiane Tsuda – Senior Portfolio Manager**

Selected Period Performance

PARS City of Solana Beach

AGG000400

Period Ending: 12/31/2020

Sector	1 Month	3 Months	1 Year	3 Years	Inception to Date 03/01/2016
Cash Equivalents	.00	.01	.36	1.38	1.05
<i>Lipper Money Market Funds Index</i>	<i>.00</i>	<i>.00</i>	<i>.40</i>	<i>1.33</i>	<i>.99</i>
Total Fixed Income	.48	1.57	7.16	4.95	4.44
<i>BBG Barclays US Aggregate Bd Index (USD)</i>	<i>.14</i>	<i>.67</i>	<i>7.51</i>	<i>5.34</i>	<i>4.14</i>
Total Equities	5.18	17.51	18.05	11.62	15.62
Large Cap Funds	4.19	14.05	20.50	14.00	17.02
<i>S&P 500 Composite Index</i>	<i>3.84</i>	<i>12.15</i>	<i>18.40</i>	<i>14.18</i>	<i>17.04</i>
Mid Cap Funds	4.67	19.87	16.83	11.45	15.05
<i>Russell Midcap Index</i>	<i>4.69</i>	<i>19.91</i>	<i>17.10</i>	<i>11.61</i>	<i>15.23</i>
Small Cap Funds	7.61	32.76	20.86	13.43	17.31
<i>Russell 2000 Index (USD)</i>	<i>8.65</i>	<i>31.37</i>	<i>19.96</i>	<i>10.25</i>	<i>15.93</i>
REITs	2.36	8.89	-5.78	4.43	
<i>Wilshire REIT Index</i>	<i>2.78</i>	<i>10.62</i>	<i>-7.90</i>	<i>3.30</i>	
International Equities	6.84	19.05	14.34	6.32	12.70
<i>MSCI EAFE Index (Net)</i>	<i>4.65</i>	<i>16.05</i>	<i>7.82</i>	<i>4.28</i>	<i>9.82</i>
<i>MSCI EM Free Index (Net USD)</i>	<i>7.35</i>	<i>19.70</i>	<i>18.31</i>	<i>6.17</i>	<i>14.90</i>
Total Managed Portfolio	2.60	8.54	12.34	7.86	9.60

Returns are gross of account level investment advisory fees and net of any fees, including fees to manage mutual fund or exchange traded fund holdings. Securities are not FDIC insured, have no bank guarantee, and may lose value. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns.

Asset Allocation – City of Solana Beach

As of December 31, 2020

Current Asset Allocation		Investment Vehicle		
Equity	48.22%		Range: 40% - 60%	\$ 2,037,530
Large Cap Core	5.37%	COFYX	Columbia Contrarian Core Cl Y	226,695
		VGIAX	Vanguard Growth & Income Admiral Shares	406,993
Large Cap Value	4.08%	DODGX	Dodge & Cox Stock Fund	172,348
		IVE	iShares S&P 500 Value ETF	68,363
Large Cap Growth	2.89%	HNACX	Harbor Capital Appreciation Instl	121,913
		PRUFX	T. Rowe Price Growth Stock Fund	121,438
Mid Cap Core	3.18%	IWR	iShares Russell Mid Cap ETF	134,221
Small Cap Value	3.62%	UBVFX	Undiscovered Managers Behavioral Value R6	152,971
Small Cap Growth	3.43%	RSEJX	Victory RS Small Cap Growth Fund	144,798
International Core	1.60%	DODFX	Dodge & Cox International Stock Fund	67,648
		DFALX	DFA Large Cap International Portfolio	107,705
International Growth	1.65%	MGRDX	MFS International Growth Fund	69,794
Emerging Markets	4.08%	HHHFX	Schroder Emerging Market Equity	172,407
REIT	1.66%	VNQ	Vanguard REIT ETF	70,237
Fixed Income	45.50%		Range: 40% - 60%	\$ 1,922,422
Short-Term	8.14%	VFSUX	Vanguard Short-Term Corp Adm Fund	344,009
Intermediate-Term	11.95%	DBLFX	DoubleLine Core Fixed Income I	504,805
		PTRQX	Prudential Total Return Bd Cl Q	507,365
		PTRRX	PIMCO Total Return Instl Fund	506,263
		PHIYX	PIMCO High Yield Instl Fund	59,981
Cash	6.28%		Range: 0% - 20%	\$ 265,307
		FGZXX	First American Government Obligations Fund	265,307
TOTAL	100.00%			\$ 4,225,259

City of Solana Beach

For Period Ending December 31, 2020

LARGE CAP EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Columbia Contrarian Core Inst3	4.30	14.20	22.44	22.44	14.11	14.52	13.92
Vanguard Growth & Income Adm	4.19	12.49	18.08	18.08	13.49	14.63	13.90
Harbor Capital Appreciation Retirement	4.80	12.62	54.56	54.56	26.86	22.53	18.37
T. Rowe Price Growth Stock I	4.07	12.03	37.09	37.09	21.18	19.33	16.95
Dodge & Cox Stock	4.15	20.86	7.16	7.16	7.52	12.27	11.96
iShares S&P 500 Value ETF	3.48	14.44	1.24	1.24	6.62	10.35	10.56
S&P 500 TR USD	3.84	12.15	18.40	18.40	14.18	15.22	13.88
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	4.66	19.85	16.91	16.91	11.45	13.22	12.24
SMALL CAP EQUITY FUNDS							
Undiscovered Managers Behavioral Val R6	8.11	43.26	3.62	3.62	2.72	8.28	10.57
Victory RS Small Cap Growth R6	7.06	22.57	38.32	38.32	20.47	19.31	16.04
Russell 2000 TR USD	8.65	31.37	19.96	19.96	10.25	13.26	11.20
REAL ESTATE FUNDS							
Vanguard Real Estate ETF	2.77	9.25	-4.72	-4.72	4.92	5.64	8.67
INTERNATIONAL EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Dodge & Cox International Stock	5.21	24.69	2.10	2.10	0.93	6.65	4.63
DFA Large Cap International I	5.18	15.94	8.12	8.12	4.24	7.94	5.33
MFS International Growth R6	5.14	11.58	15.82	15.82	10.38	12.88	7.86
MSCI EAFE NR USD	4.65	16.05	7.82	7.82	4.28	7.45	5.51
Hartford Schroders Emerging Mkts Eq F	9.28	21.37	23.78	23.78	8.59	14.79	5.10
MSCI EMNR USD	7.35	19.70	18.31	18.31	6.17	12.81	3.63
BOND FUNDS							
DoubleLine Core Fixed Income I	0.61	1.72	5.60	5.60	4.47	4.44	4.75
PGIM Total Return Bond R6	0.58	2.38	8.10	8.10	6.08	5.95	5.36
PIMCO Total Return Instl	0.31	1.06	8.88	8.88	5.54	4.86	4.19
Vanguard Short-Term Investment-Grade Adm	0.36	0.98	5.25	5.25	4.00	3.38	2.76
BBgBarc US Agg Bond TR USD	0.14	0.67	7.51	7.51	5.34	4.44	3.84
PIMCO High Yield Instl	1.52	5.45	5.34	5.34	5.69	7.32	6.17
ICE BofA BB-B US HY Constnd TR USD	1.60	5.70	6.28	6.28	6.22	8.02	6.63

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.

ADMINISTRATIVE REVIEW

- 1 Future contributions
- 2 Future disbursement requests/options
- 3 Agency's future actuarial valuation for GASB 45/75 compliance
Next valuation measurement date: Up to date
- 4 GASB 75 updates – effective for fiscal years beginning after June 15, 2017
- 5 Investment Guidelines Document – Needed
- 6 Client funding policy
- 7 Client Feedback
- 8 GASB 74/75 Compliance
- 9 Employer Portal – Now Available



EMPLOYER PORTAL

Public Agency Retirement Services (PARS) is pleased to announce the launch of our new employer portal for the IRC Section 115 Trust. Features include:

- Latest monthly account balance
- Transaction history
- Downloadable prior statements
- Investment Performance

To access this powerful new tool for account management, please provide:

- Opt-In Addendum
- Agency Personnel Designation Form

employer.pars.org

GASB COMPLIANCE

- To assist our public agency clients with GASB compliance, PARS will be providing with the following:
 - An individual trust statement of each agency’s plan assets that shows a reconciliation of assets held at the beginning of the fiscal year through the end of the fiscal year, breaking out the appropriate plan contributions, benefit payments, expenses, and investment earnings
 - Year-end audited financial statements of the Trust as a whole including Schedule of Changes in Fiduciary Net Position by Employer completed by Clifton Larson Allen (CLA) that is intended to be compliant with GASB 67/68 requirements.
 - Supporting SOC 1-Type 2 report on the controls over the calculation and allocation of additions and deductions to employer accounts within the Trust
 - Investment allocation data and information on investment policies including target asset allocations and allowable asset class allocation ranges

PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q4 2020

WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

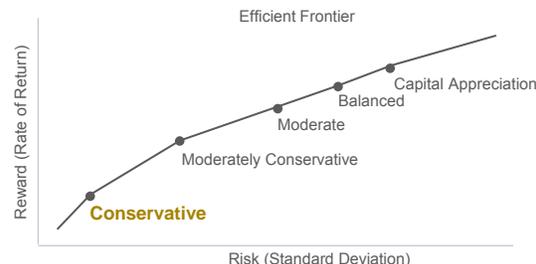
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	15%
Fixed Income	60 – 95%	80%	84%
Cash	0 – 20%	5%	1%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

Current Quarter*	3.90%
Blended Benchmark*,**	3.04%
Year To Date	9.03%
Blended Benchmark**	7.81%
1 Year	9.03%
Blended Benchmark**	7.81%
3 Year	6.10%
Blended Benchmark**	5.68%
5 Year	5.84%
Blended Benchmark**	5.24%
10 Year	4.75%
Blended Benchmark**	4.31%

Index Plus Composite (Passive)

Current Quarter*	3.07%
Blended Benchmark*,**	3.04%
Year To Date	8.56%
Blended Benchmark**	7.81%
1 Year	8.56%
Blended Benchmark**	7.81%
3 Year	5.83%
Blended Benchmark**	5.68%
5 Year	5.35%
Blended Benchmark**	5.24%
10 Year	4.43%
Blended Benchmark**	4.31%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% BBG Barclays US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Govt, 2% ICE BofA US High Yield Master II, 0.5% Wishire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012, the blended benchmark was 12% S&P 500, 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Year Corp./Govt, 40% BBG Barclays US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Govt, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%
2019	11.05%
2020	9.03%

Index Plus Composite (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%
2019	10.37%
2020	8.56%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	07/2004
No of Holdings in Portfolio	20

Index Plus (Passive)

Composite Inception Date	07/2004
No of Holdings in Portfolio	13

HOLDINGS

HighMark Plus (Active)

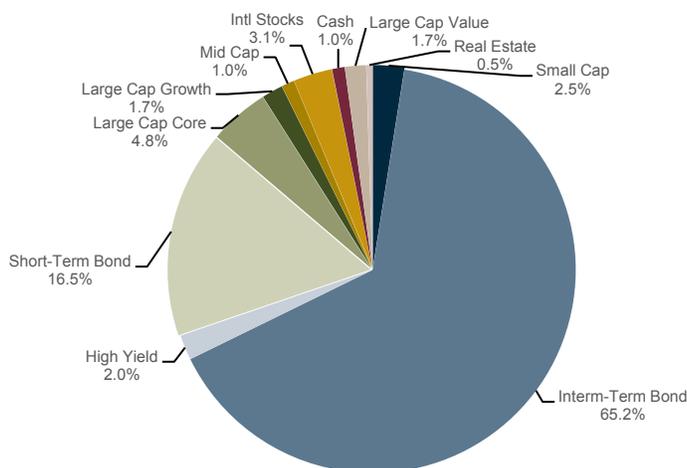
Columbia Contrarian Core I3
 Vanguard Growth & Income Adm
 Dodge & Cox Stock Fund
 iShares S&P 500 Value ETF
 Harbor Capital Appreciation - Retirement
 T. Rowe Price Growth Stock - I
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Victory RS Small Cap Growth - R6
 DFA Large Cap International Portfolio
 Dodge & Cox International Stock
 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO High Yield Instl
 PIMCO Total Return Fund - Inst
 PGIM Total Return Bond - R6
 DoubleLine Core Fixed Income - I
 First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
 iShares S&P 500 Value ETF
 iShares S&P 500 Growth ETF
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares Core MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 SPDR® Blmbg Barclays High Yield Bond
 First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Conservative active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain accounts management and construction for these services. Past performance does not guarantee future results. Individual accounts management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

HIGHMARK CAPITAL MANAGEMENT

350 California Street
 Suite 1600
 San Francisco, CA 94104
 800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$9.3 billion in assets under management and \$8.9 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
 Investment Experience: since 1994
 HighMark Tenure: since 1997
 Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
 Investment Experience: since 2004
 HighMark Tenure: since 2014
 Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
 Investment Experience: since 1985
 HighMark Tenure: since 1995
 Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
 Investment Experience: since 1987
 HighMark Tenure: since 2010
 Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
 Investment Experience: since 1987
 HighMark Tenure: since 2007
 Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
 Investment Experience: since 2002
 HighMark Tenure: since 2017
 Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
 Average Years of Experience: 25
 Average Tenure (Years): 13

Manager Review Group

Number of Members: 7
 Average Years of Experience: 17
 Average Tenure (Years): 8

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q4 2020

WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

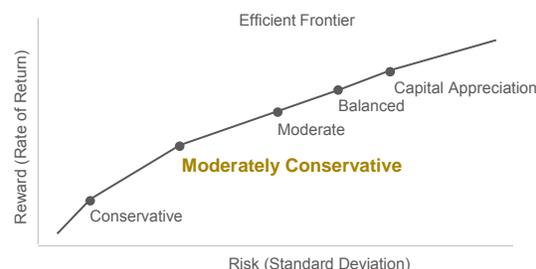
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	31%
Fixed Income	50 - 80%	65%	68%
Cash	0 - 20%	5%	1%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	6.26%	Current Quarter*	5.17%
Blended Benchmark**, **	5.40%	Blended Benchmark**, **	5.40%
Year To Date	10.76%	Year To Date	9.74%
Blended Benchmark**	9.90%	Blended Benchmark**	9.90%
1 Year	10.76%	1 Year	9.74%
Blended Benchmark**	9.90%	Blended Benchmark**	9.90%
3 Year	7.06%	3 Year	6.76%
Blended Benchmark**	6.98%	Blended Benchmark**	6.98%
5 Year	7.12%	5 Year	6.76%
Blended Benchmark**	6.89%	Blended Benchmark**	6.89%
10 Year	5.99%	10 Year	5.70%
Blended Benchmark**	5.85%	Blended Benchmark**	5.85%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% BBG Barclays US Agg, 14% ICE BofA 1-3 Yr US Corp/Gov't, 1.75% ICE BofA US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofA 1-3 Year Corp./Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofA 1-3Yr Corp/Gov, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-15.37%	2008	-12.40%
2009	18.71%	2009	11.92%
2010	10.46%	2010	9.72%
2011	1.75%	2011	3.24%
2012	10.88%	2012	8.24%
2013	7.30%	2013	6.78%
2014	4.41%	2014	5.40%
2015	0.32%	2015	-0.18%
2016	4.94%	2016	5.42%
2017	9.56%	2017	8.08%
2018	-2.60%	2018	-2.33%
2019	13.73%	2019	13.53%
2020	10.76%	2020	9.74%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	08/2004	Composite Inception Date	05/2005
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

HOLDINGS

HighMark Plus (Active)

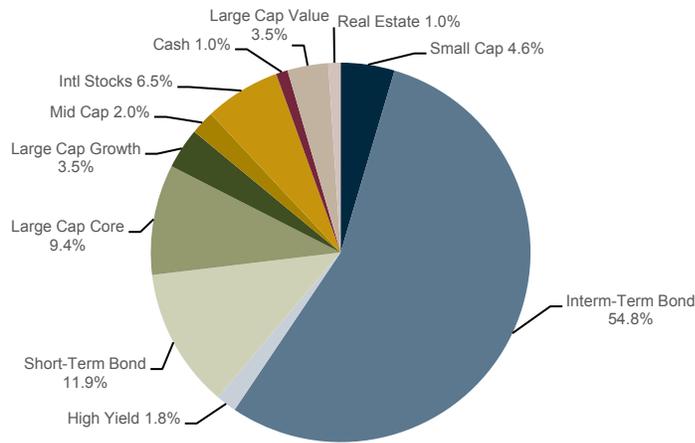
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO High Yield Instl
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
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First American Government Obligations Z

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STYLE



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HIGHMARK CAPITAL MANAGEMENT

350 California Street
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San Francisco, CA 94104
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ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$9.3 billion in assets under management and \$8.9 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 17
Average Years of Experience: 25
Average Tenure (Years): 13

Manager Review Group

Number of Members: 7
Average Years of Experience: 17
Average Tenure (Years): 8

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFJ Union Bank, N.A.

PARS DIVERSIFIED PORTFOLIOS
MODERATE

Q4 2020

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

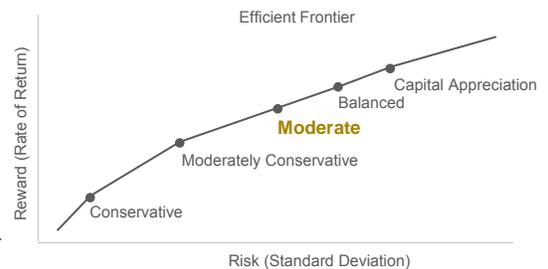
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	51%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	1%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	9.38%	Current Quarter*	8.08%
Blended Benchmark**, **	8.56%	Blended Benchmark**, **	8.56%
Year To Date	12.92%	Year To Date	11.23%
Blended Benchmark**	12.02%	Blended Benchmark**	12.02%
1 Year	12.92%	1 Year	11.23%
Blended Benchmark**	12.02%	Blended Benchmark**	12.02%
3 Year	8.45%	3 Year	7.85%
Blended Benchmark**	8.39%	Blended Benchmark**	8.39%
5 Year	8.98%	5 Year	8.46%
Blended Benchmark**	8.84%	Blended Benchmark**	8.84%
10 Year	7.49%	10 Year	7.28%
Blended Benchmark**	7.68%	Blended Benchmark**	7.68%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% BBG Barclays US Agg, 10% ICE BofA 1-3 Yr US Corp/Govt, 1.50% ICE BofA US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofA 1-3 Year Corp./Govt, 30% BBG Barclays US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofA 1-3Yr Corp/Govt, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-22.88%	2008	-18.14%
2009	21.47%	2009	16.05%
2010	12.42%	2010	11.77%
2011	0.55%	2011	2.29%
2012	12.25%	2012	10.91%
2013	13.06%	2013	12.79%
2014	4.84%	2014	5.72%
2015	0.14%	2015	-0.52%
2016	6.45%	2016	7.23%
2017	13.19%	2017	11.59%
2018	-4.03%	2018	-4.03%
2019	17.71%	2019	17.52%
2020	12.92%	2020	11.23%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	10/2004	Composite Inception Date	05/2006
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

HOLDINGS

HighMark Plus (Active)

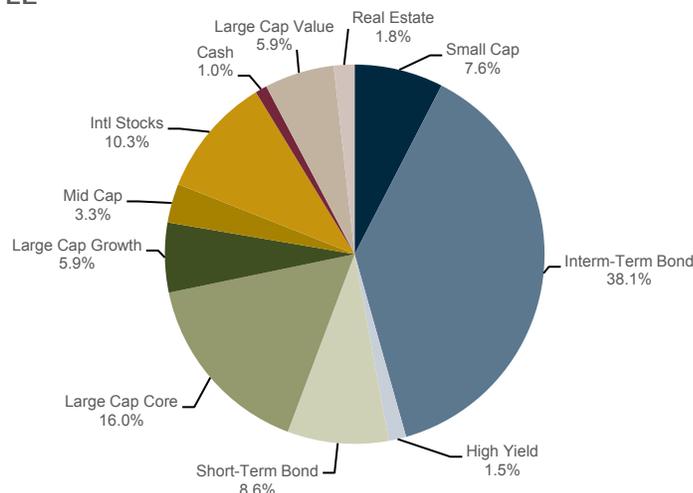
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Hartford Schroders Emerging Markets Eq
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DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
SPDR® Blmbg Barclays High Yield Bond
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Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Moderate active and passive objectives.

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Asset Allocation Committee

Number of Members: 17
Average Years of Experience: 25
Average Tenure (Years): 13

Manager Review Group

Number of Members: 7
Average Years of Experience: 17
Average Tenure (Years): 8

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PARS DIVERSIFIED PORTFOLIOS
BALANCED

Q4 2020

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

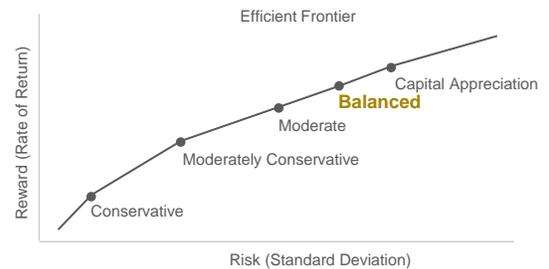
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	61%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	1%

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

ANNUALIZED TOTAL RETURNS

HighMark Plus Composite (Active)

Current Quarter*	11.09%
Blended Benchmark*, **	10.16%
Year To Date	14.06%
Blended Benchmark**	13.08%
1 Year	14.06%
Blended Benchmark**	13.08%
3 Year	9.15%
Blended Benchmark**	9.08%
5 Year	9.90%
Blended Benchmark**	9.81%
10 Year	8.24%
Blended Benchmark**	8.63%

Index Plus Composite (Passive)

Current Quarter*	9.52%
Blended Benchmark*, **	10.16%
Year To Date	12.07%
Blended Benchmark**	13.08%
1 Year	12.07%
Blended Benchmark**	13.08%
3 Year	8.37%
Blended Benchmark**	9.08%
5 Year	9.33%
Blended Benchmark**	9.81%
10 Year	8.01%
Blended Benchmark**	8.63%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% BBG Barclays US Agg, 6.75% ICE BofA 1-3 Yr US Corp/Gov't, 1.25% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500; 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp./Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3Yr Corp/Gov, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-25.72%
2009	21.36%
2010	14.11%
2011	-0.46%
2012	13.25%
2013	16.61%
2014	4.70%
2015	0.04%
2016	6.81%
2017	15.46%
2018	-4.88%
2019	19.85%
2020	14.06%

Index Plus Composite (Passive)

2008	-23.22%
2009	17.62%
2010	12.76%
2011	1.60%
2012	11.93%
2013	15.63%
2014	6.08%
2015	-0.81%
2016	8.25%
2017	13.39%
2018	-5.05%
2019	19.59%
2020	12.07%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	10/2006
No of Holdings in Portfolio	20

Index Plus (Passive)

Composite Inception Date	10/2007
No of Holdings in Portfolio	13

HOLDINGS

HighMark Plus (Active)

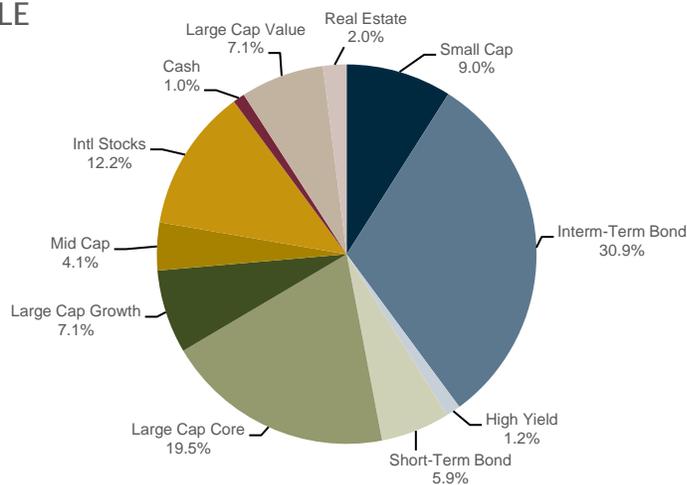
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Victory RS Small Cap Growth - R6
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth - R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO High Yield Instl
PIMCO Total Return Fund - Inst
PGIM Total Return Bond - R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
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First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Balanced active and passive objectives.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

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Average Tenure (Years): 13

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PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q4 2020

WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

Comprehensive Investment Solution

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Rigorous Manager Due Diligence

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Flexible Investment Options

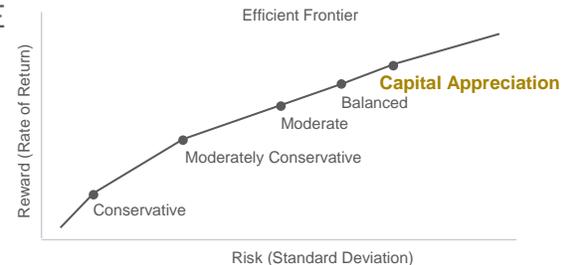
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Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	76%
Fixed Income	10 - 30%	20%	23%
Cash	0 - 20%	5%	1%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

Current Quarter*	12.77%
Blended Benchmark*, **	12.52%
Year To Date	14.50%
Blended Benchmark**	14.38%
1 Year	14.50%
Blended Benchmark**	14.38%
3 Year	9.76%
Blended Benchmark**	9.88%
5 Year	10.92%
Blended Benchmark**	11.12%
10 Year	9.15%
Blended Benchmark**	9.50%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM (net), 10.25% MSCI EAFE (net), 16% BBG Barclays US Agg, 3% ICE BofA 1-3 Yr US Corp/Govt, 1% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Consolidated Composite

2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%
2016	8.81%
2017	16.72%
2018	-5.82%
2019	22.62%
2020	14.50%

PORTFOLIO FACTS

Consolidated Composite

Composite Inception Date	01/2009
No of Holdings in Portfolio	20

HOLDINGS

HighMark Plus (Active)

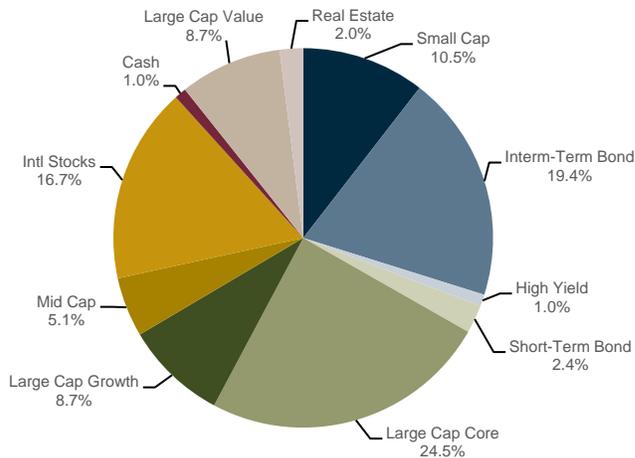
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 Harbor Capital Appreciation – Retirement
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 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Victory RS Small Cap Growth - R6
 DFA Large Cap International Portfolio
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City of Solana Beach

Period Ending December 31, 2020

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Portfolio Holdings
SECTION 4	Transactions

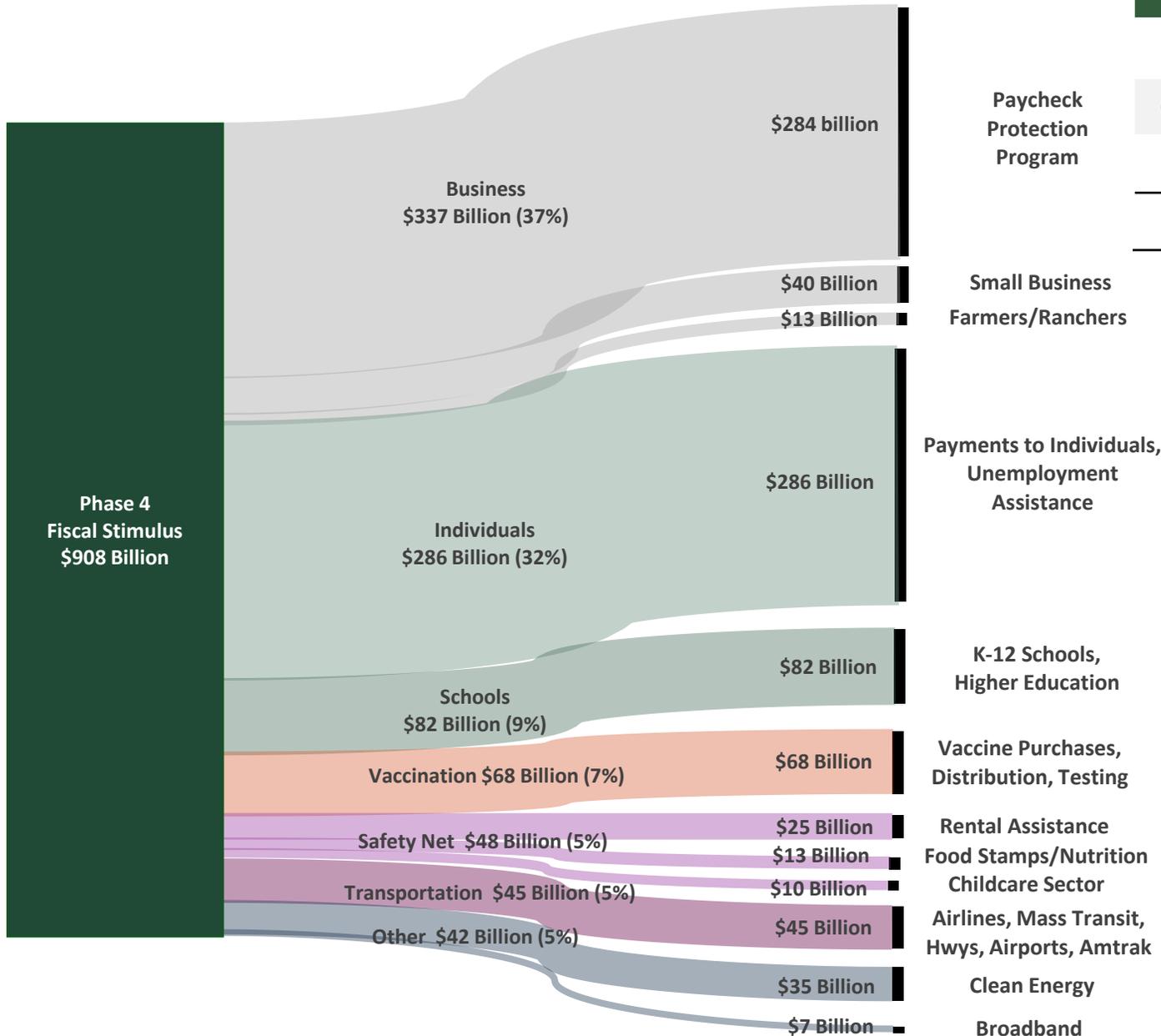


Section 1 | Economic Update

Economic Update

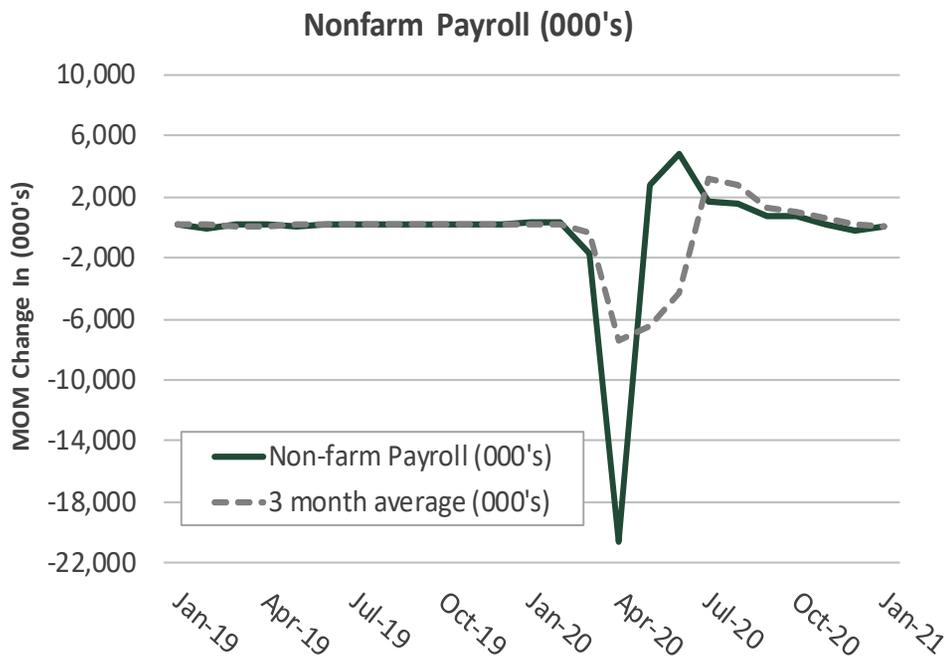
- Recent economic data suggests that the economy has lost some momentum. We believe the near-term outlook remains challenging as the labor market remains under pressure and many regions have ongoing business restrictions due to the pandemic. However, the recent passage of a new \$900 billion COVID-19 fiscal relief bill should help cushion the economy over the next few months, and an additional \$1.9 trillion relief package is currently under negotiation. We also remain optimistic about progress on vaccines and expect more widespread distribution in the second and third quarter of 2021. We believe the distribution of vaccines and therapeutics will help fuel the economic recovery later this year. We also expect the Fed's highly accommodative monetary policy framework will continue to provide support for the financial markets.
- The Federal Open Market Committee (FOMC) kept monetary policy unchanged at their January meeting as expected, with the fed funds target rate in a range of 0.0% to 0.25%. The Fed also continues to purchase \$80 billion of Treasuries per month, and \$40 billion of agency mortgage-backed securities per month. The Fed intends to remain highly accommodative until their goals of maximum employment and higher inflation are achieved. Fed Chair Powell said it would be premature to begin talking about tapering their asset purchases and said they will telegraph their plans well in advance of any changes in monetary policy. Notably, Chair Powell also said that the Fed believes inflation will pick up in the coming months, but the increase is likely to be transient. As such, we expect the Fed to look through any near-term increase in inflation, even if it begins to exceed 2.0% this spring, and is likely to keep policy on hold for at least the next 6-12 months.
- In 2020, the yield on 2-year Treasuries was down 145 basis points to 0.12% and the yield on 10-year Treasuries was down about 100 basis points to 0.91%. The yield curve steepened modestly at year-end and continued to steepen in January, likely due in part to favorable developments on the vaccine front. In January, the yield on 2-year Treasuries edged down about one basis point while the yield on 10-year Treasuries increased 15 basis points. We believe the Treasury yield curve is poised to steepen modestly further in 2021 as the economy reopens, driven by an increase in longer-term rates as the front end of the curve is likely to remain anchored near 0.0%.

\$3.6 Trillion Stimulus And Counting

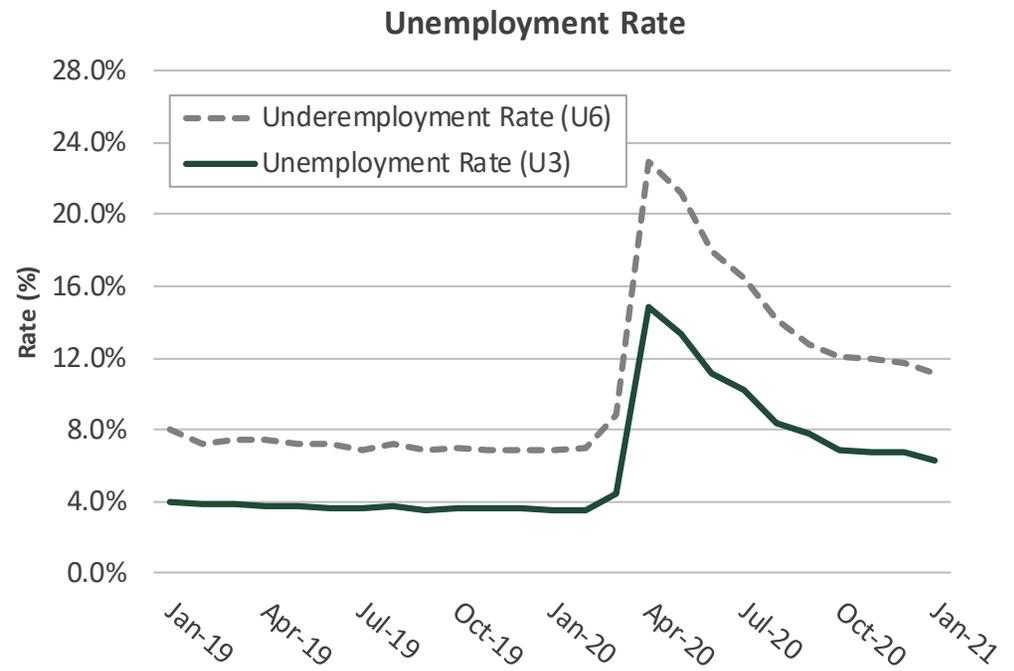


Fiscal Package	Amount
CARES Act	\$2.23 Trillion
Paycheck Protection Program	\$284 Billion
Coronavirus Relief Bill	\$484 Billion
Phase 4 Stimulus	\$908 Billion
Total So Far	\$3.6 Trillion

Employment



Source: US Department of Labor

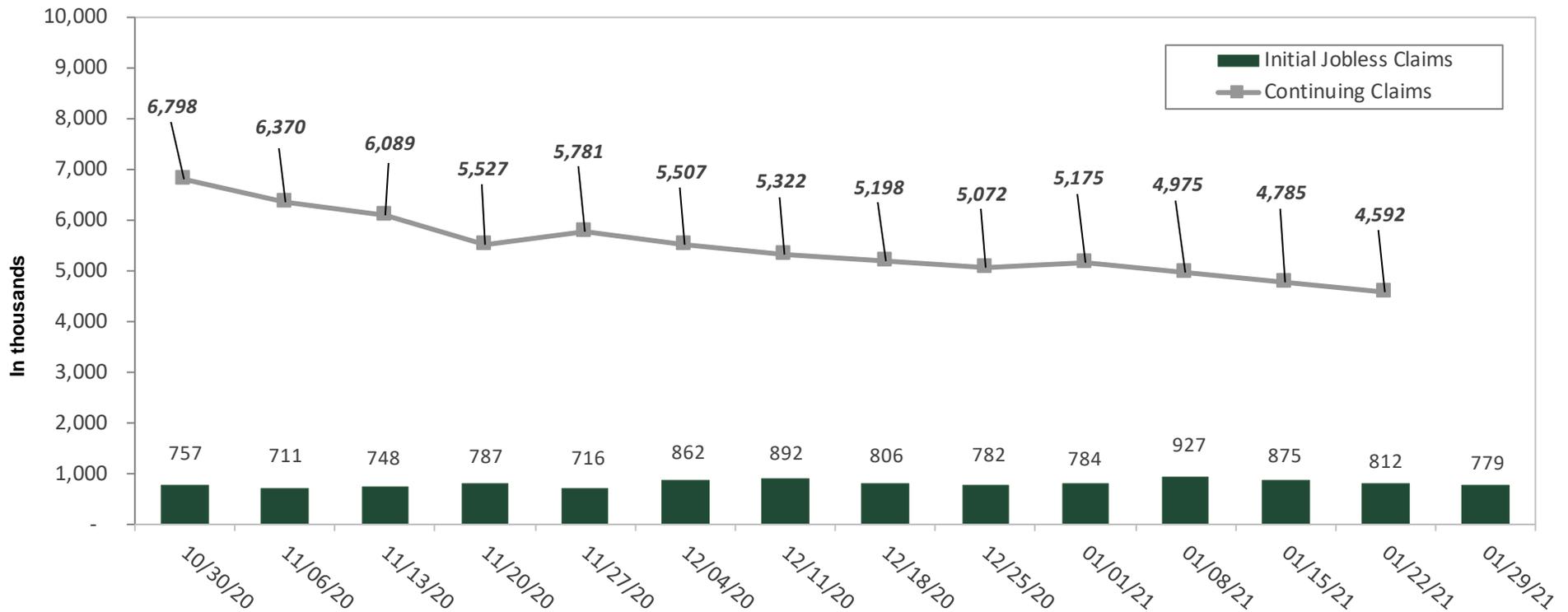


Source: US Department of Labor

U.S. nonfarm payrolls were up just 49,000 in January, versus the consensus forecast of 105,000. December payrolls were revised down by 87,000 to 227,000. On a seasonally adjusted basis, the increase in January payrolls was led by an 80,900 net gain in temporary help services and a 43,000 net gain in government jobs. Meanwhile, payrolls in the leisure and hospitality sector declined 61,000 in January, following a large 536,000 net decline in December. The unemployment rate unexpectedly declined to 6.3% in January from 6.7% in December, but this was due in part to a decline in the participation rate to 61.4% in January from 61.5% in December. Although the unemployment rate has improved from the peak of 14.8% last April, more than 10.1 million people remain unemployed. Workers who classified themselves as employed but absent from work in January continued to understate the unemployment rate by about 0.6%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, remained high but declined to 11.1% in January from 11.7% in December.

Initial Claims for Unemployment

Initial Claims For Unemployment October 30, 2020 - January 29, 2021

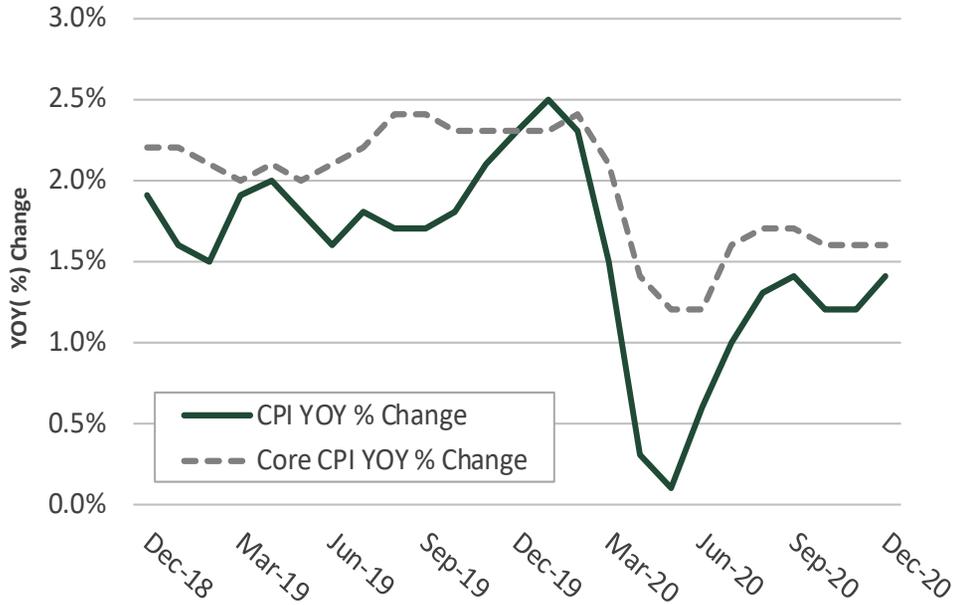


Source: US Department of Labor

In the most recent week, the number of initial jobless claims decreased to 779,000 compared to 812,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) also declined slightly to about 4.6 million from roughly 4.8 million in the prior week. Although continuing jobless claims are much lower than the peak of nearly 25 million last May, they remained well above the 2019 average of 1.7 million.

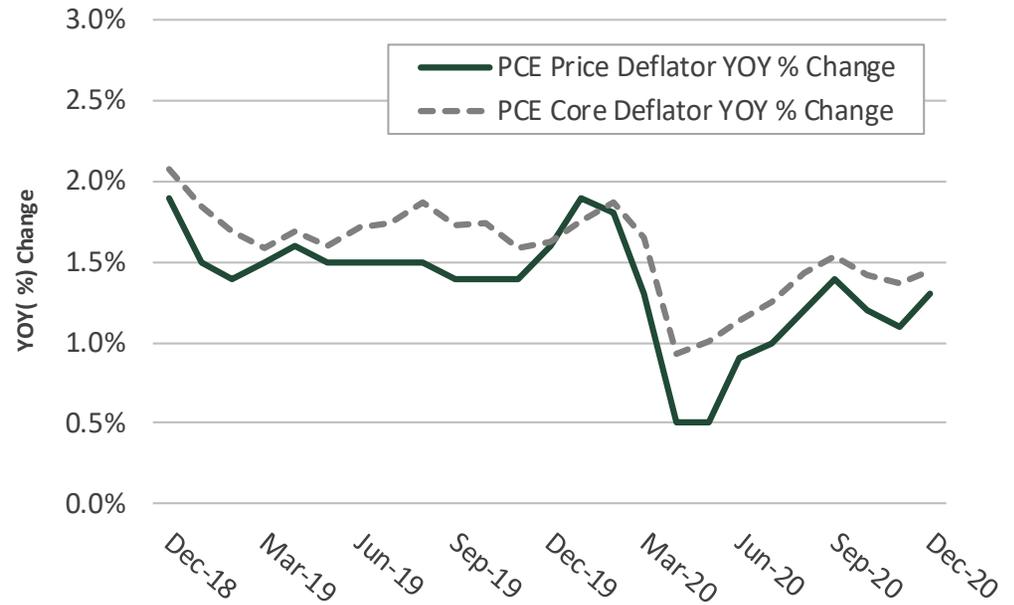
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

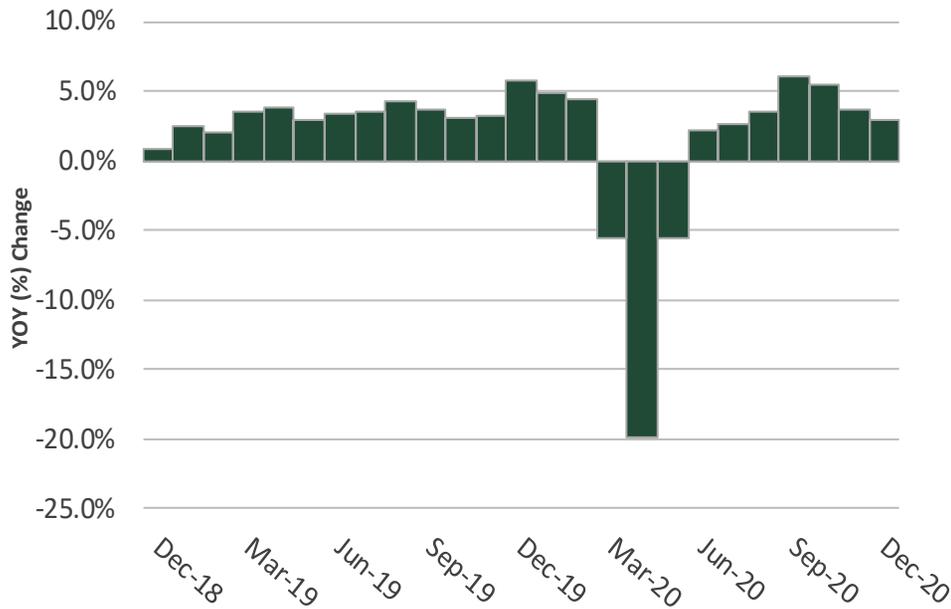


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.4% year-over-year in December, versus up 1.2% year-over-year in November. Core CPI (CPI less food and energy) was up 1.6% year-over-year in December, unchanged from November. The Personal Consumption Expenditures (PCE) index was up 1.3% year-over-year in December, versus up 1.1% year-over-year in November. Core PCE, which is the Fed's primary inflation gauge, was up 1.5% year-over-year in December, versus up 1.4% year-over-year in November. Inflation remains below the Fed's longer-run 2.0% target.

Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

Consumer Confidence



Source: The Conference Board

Retail sales momentum slowed during the holiday shopping season. On a year-over-year basis, retail sales were up 2.9% in December versus 3.7% in November. On a month-over-month basis, retail sales declined 0.7% in December, following a 1.4% decline in November. The month-over-month declines were broad-based in December on a seasonally adjusted basis, with outsized declines for non-store (e-commerce) sales, electronic & appliance stores, food service & drinking places, and department stores. Sales at clothing and accessories stores were positive in December, but this followed a sharp decline in November. Sales of motor vehicles and parts and gasoline also showed relative strength in December. According to the Energy Information Administration, average US regular retail gas prices increased nearly 6% in the month. Excluding vehicles and gas, retail sales fell 2.1% in December, following a 1.3% decline in November. The Consumer Confidence index increased to 89.3 in January from 87.1 in December, with strength in expectations for future conditions.

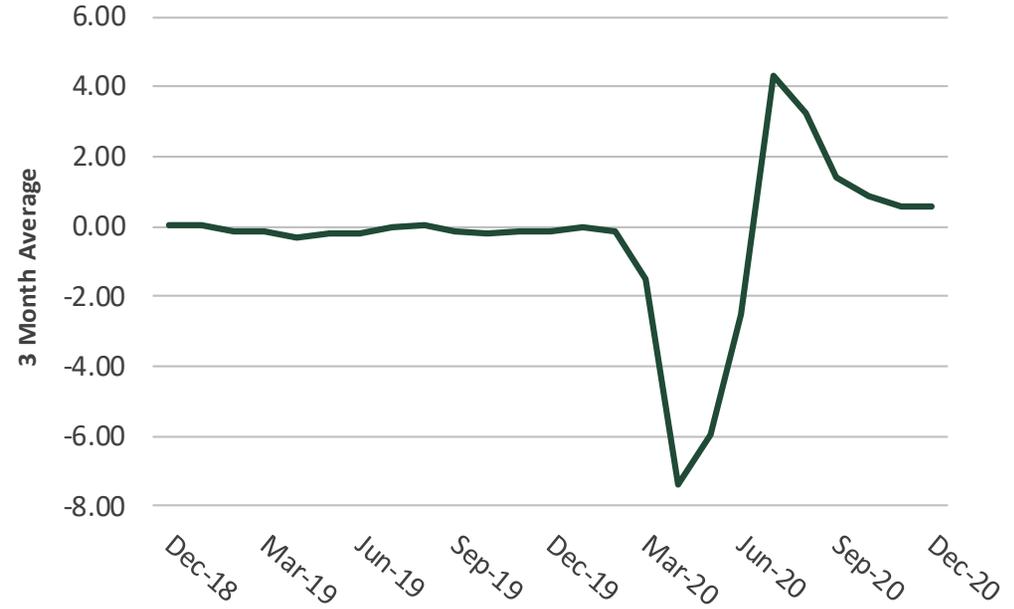
Economic Activity

Leading Economic Indicators (LEI)



Source: The Conference Board

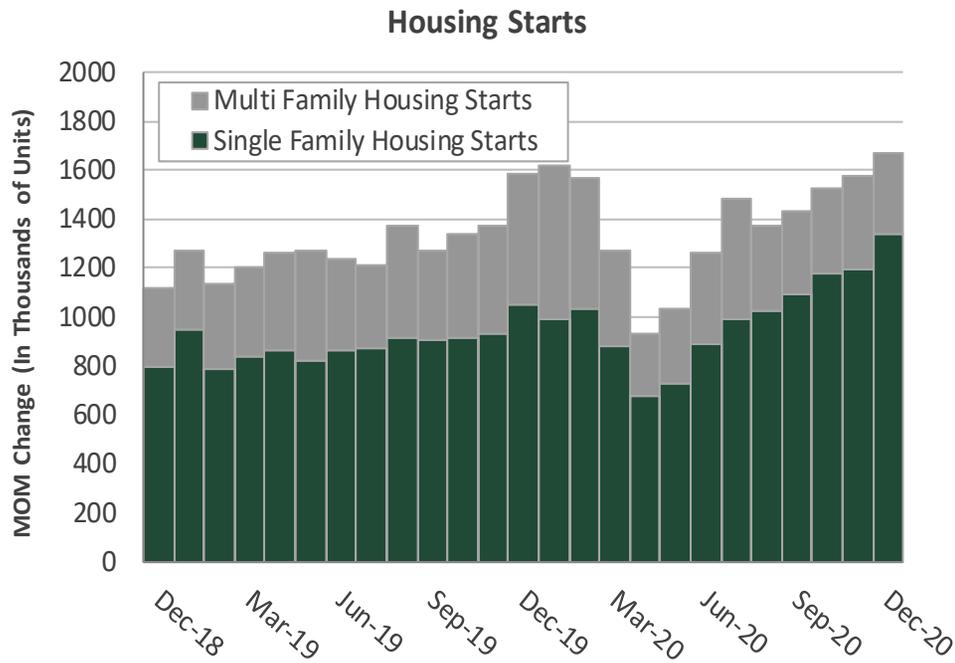
Chicago Fed National Activity Index (CFNAI)



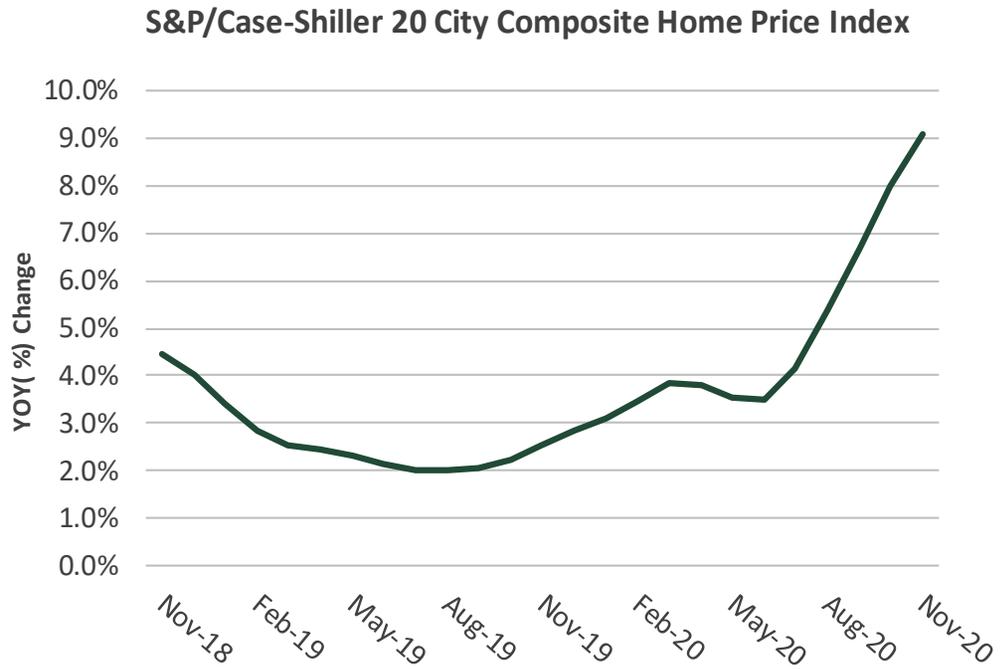
Source: Federal Reserve Bank of Chicago

The Conference Board’s Leading Economic Index (LEI) rose 0.3% in December (following a 0.7% increase in November) but remained down 1.7% year-over-year. According to the Conference Board, a decelerating pace of improvement in the LEI in recent months suggests that economic growth continues to moderate. However, the Conference Board expects the economy to gain momentum throughout the year. Meanwhile, the Chicago Fed National Activity Index (CFNAI) increased to 0.52 in December from 0.31 in November. On a 3-month moving average basis, the CFNAI edged up to 0.61 in December from 0.59 in November. The index improved on both a one month and 3-month basis, and a positive index reading corresponds to above trend growth.

Housing



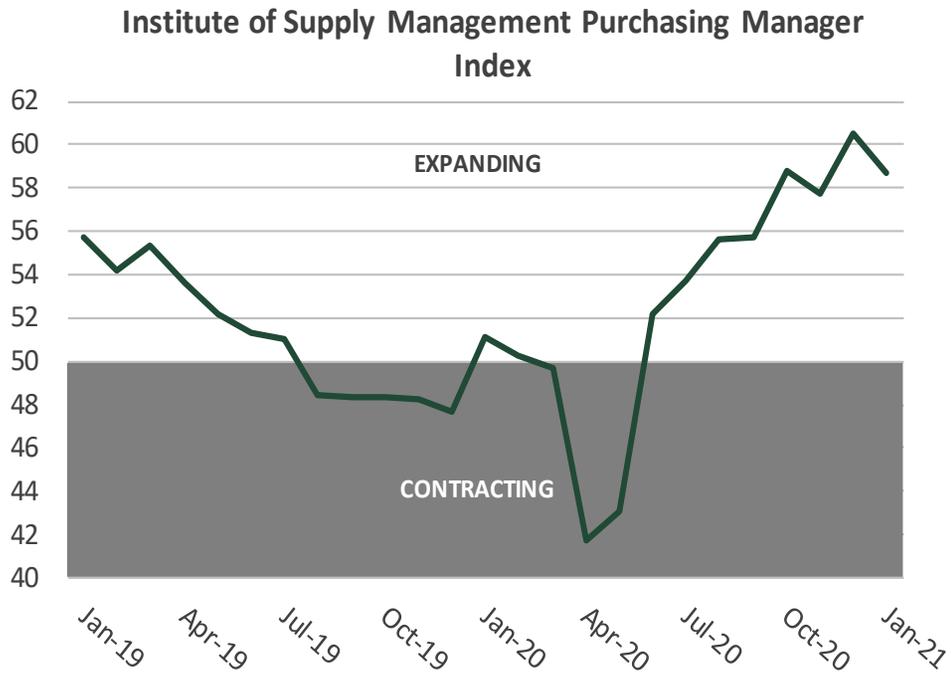
Source: US Department of Commerce



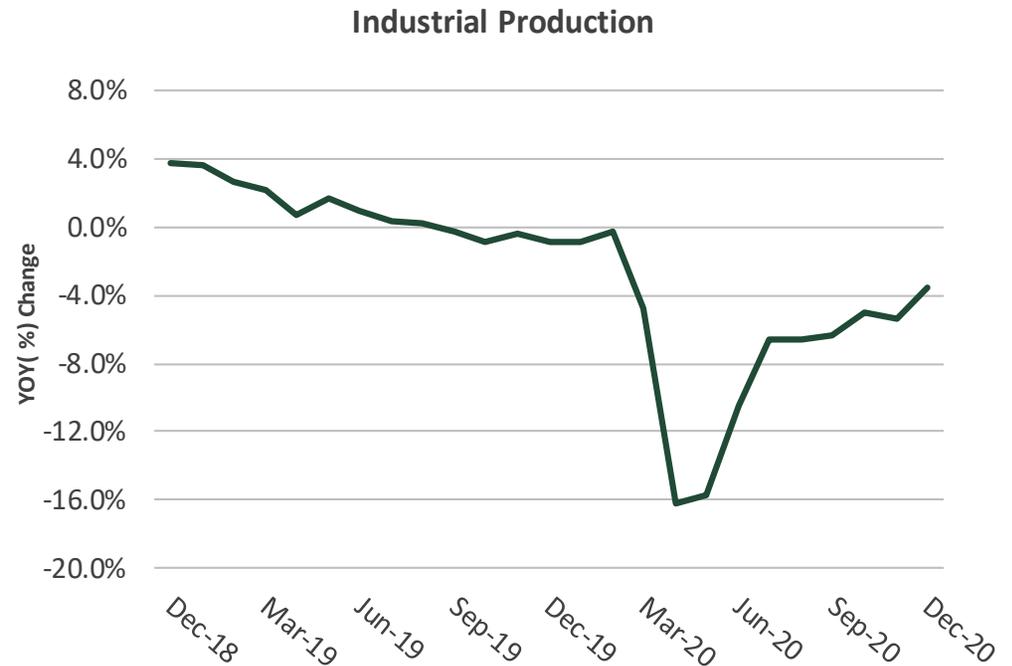
Source: S&P

Total housing starts increased 5.8% in December to an annual pace of 1,669,000 (the strongest rate since 2006). Single family starts jumped 12.0% to an annualized rate of 1,338,000, while multi-family starts declined 13.6% to an annualized rate of 331,000. On a year-over-year basis, total housing starts were up 5.2% in December, driven by growth in single-family starts. Meanwhile, permits were up 4.5% on a month-over-month basis in December, to an annualized rate of 1,709,000 (also the strongest rate since 2006). According to the Case-Shiller 20-City home price index, home prices were up 9.1% year-over-year in November versus up 8.0% year-over-year in October. The housing market has been an area of strength during the pandemic. Very low mortgage rates, solid stock market performance, and a meaningful shift toward working from home are providing strong tailwinds for the housing sector.

Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

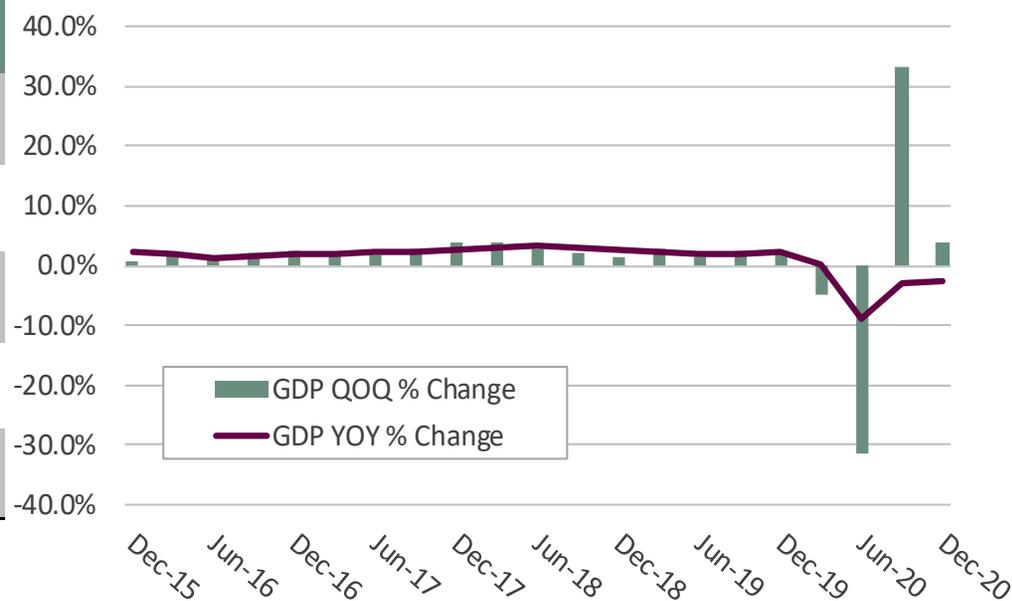
The Institute for Supply Management (ISM) manufacturing index decreased to 58.7 in January from 60.5 in December. Although the index declined, readings above 50.0 are indicative of expansion in the manufacturing sector. We believe a weaker US dollar has been supportive of the US manufacturing sector throughout the pandemic. The Industrial Production index was down 3.6% year-over-year in December, versus down 5.4% in November. On a month-over-month basis, the Industrial Production index increased 1.6% in December, following a 0.5% increase in November. Capacity Utilization increased to 74.5% in December from 73.4% in November, but remains well below the long-run average of 79.8%. Overall manufacturing conditions have improved since the deep contraction in activity earlier this year, but industrial production remains lower on a year-over-year basis.

Gross Domestic Product (GDP)

Components of GDP	3/20	6/20	9/20	12/20
Personal Consumption Expenditures	-4.8%	-24.0%	25.4%	1.7%
Gross Private Domestic Investment	-1.6%	-8.8%	12.0%	4.1%
Net Exports and Imports	1.1%	0.6%	-3.2%	-1.5%
Federal Government Expenditures	0.1%	1.2%	-0.4%	0.0%
State and Local (Consumption and Gross Investment)	0.1%	-0.4%	-0.4%	-0.2%
Total	-5.0%	-31.4%	33.4%	4.0%

Source: US Department of Commerce

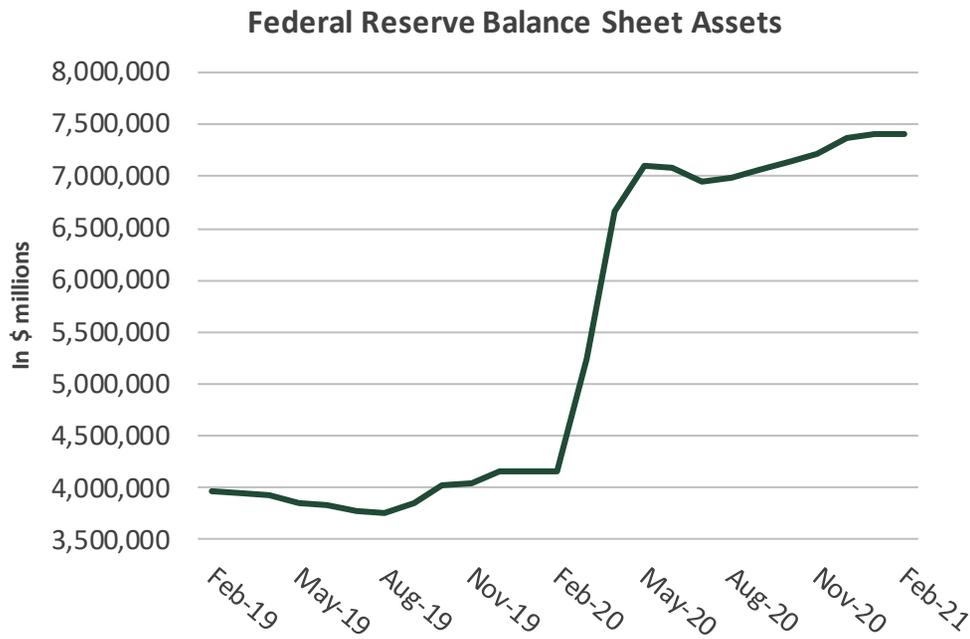
Gross Domestic Product (GDP)



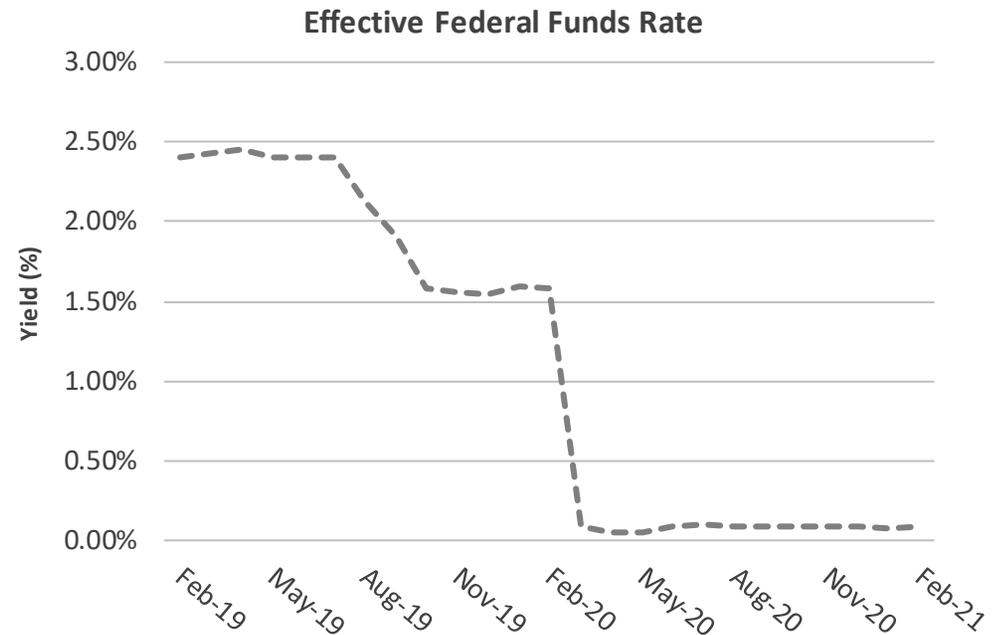
Source: US Department of Commerce

According to the advance estimate, real US gross domestic product (GDP) grew at an annualized rate of 4.0% in the fourth quarter of 2020 (slightly below expectations of 4.2%), following 33.4% growth in the third quarter and a 31.4% annualized decline in the second quarter. Personal consumption expenditures rose at an annual rate of 2.5% in the fourth quarter, falling short of the 3.1% consensus estimate. We believe the resurgence of the virus in the fourth quarter and the delay in fiscal relief contributed to the slower than expected growth. The consensus forecast for US gross domestic product growth in 2021 is 4.1%, following a 3.5% decline in 2020. The consensus estimate calls for GDP growth to moderate in the current quarter to an annualized rate of 2.3%. GDP growth is expected to reaccelerate in the second and third quarter of this year, as vaccine distribution becomes more widespread.

Federal Reserve



Source: Federal Reserve



Source: Bloomberg

Last year, the Fed took a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Last year, policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility. The Fed also established the Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, Term Asset-Backed Securities Loan Facility, Paycheck Protection Program Liquidity Facility, Main Street Lending Facility, and Municipal Liquidity Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Notably, many of the Fed's lending facilities expired at the end of 2020, including the Fed's corporate credit, asset-backed securities, municipal lending, and Main Street Lending programs.

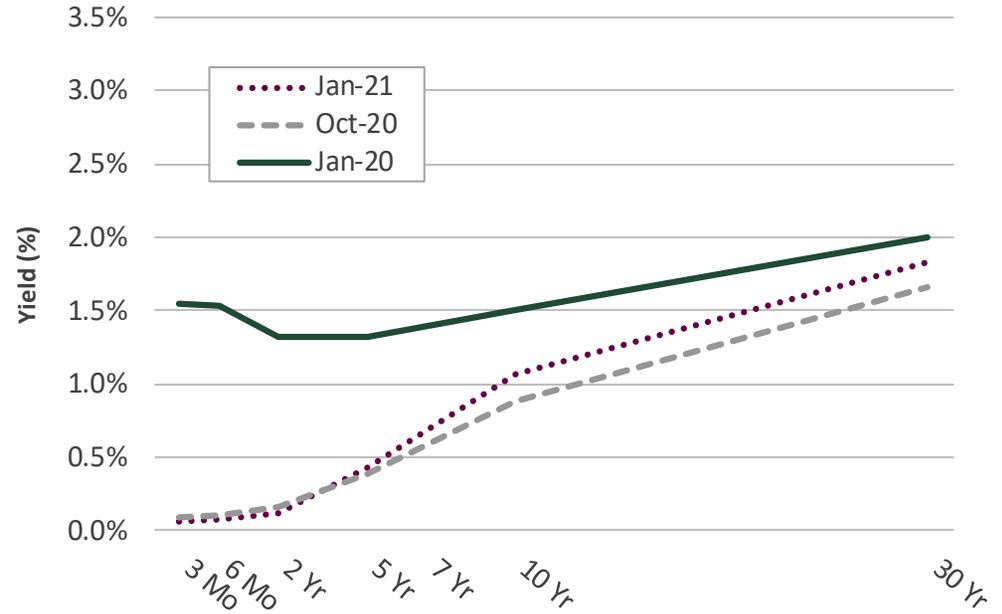
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

Treasury yields are much lower on a year-over-year basis. The 3-month T-bill yield was down 149 basis points, the 2-year Treasury yield was down 120 basis points, and the 10-Year Treasury yield was down 44 basis points, year-over-year, at January month-end. Yields declined precipitously in March 2020, with the Fed cutting rates by a total of 150 basis points and a flight to safe-haven assets driving down yields across the curve. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero for at least the next few years.



Section 2 | Account Profile

Investment Objectives

The investment objectives for the City of Solana Beach, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs, and a market rate of return consistent with the investment program.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

City of Solana Beach

Assets managed by Chandler Asset Management are in full compliance with state law and the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Federal Agencies	25% per agency issuer	Complies
Municipal Securities	"A" or higher by a NRSRO; 30% maximum; 5% max per issuer	Complies
Supranationals	"AA" rated or higher by a NRSRO; 30% max; 10% max per issuer; U.S. dollar denominated; Issued by: IBRD, IFC, IADB	Complies
Corporate Medium Term Notes	"A" or higher by a NRSRO; 30% maximum; 5% max per issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
FDIC insured Time Deposits/ Certificates of Deposit	Amount per institution limited to the max covered under FDIC; 20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer	Complies
Collateralized Time Deposits/ Certificates of Deposit	20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer	Complies
Negotiable Certificates of Deposit	No rating required if amount of the NCD is covered by FDIC insured limit; If above FDIC insured limit, requires "A-1" rated or higher by a NRSRO or "A" rated long term issuer by a NRSRO; 30% maximum (inclusive of CDARS); 5% max per issuer	Complies
Banker's Acceptances	"A-1" or higher short-term rating by a NRSRO; or "A" or higher long-term by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" or higher short term rating by a NRSRO; "A" rated long term issuer by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer is a corporation organized and operating in U.S. with assets in excess of \$500 million; 10% max of the issuer's outstanding commercial paper	Complies
Asset-Backed Securities/ Mortgage-Backed Securities	"AA" or higher by a NRSRO; "A" rated issuer rating or higher by a NRSRO; 20% maximum; 5% max per Asset-backed or Commercial Mortgage security issuer; There is no issuer limitation on any Mortgage security where the issuer is the U.S. Treasury or a Federal City/GSE.	Complies
Mutual Funds and Money Market Mutual Funds	Highest rating or "AAA" rated by two NRSROs; or SEC registered adviser with AUM >\$500 million and experience greater than 5 years; 20% maximum combined in Money Market Mutual Funds and Mutual Funds; 10% max per Mutual Fund; 20% max per Money Market Mutual Fund	Complies
Prohibited Securities	Futures and Options; Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities; Margin; Reverse Repurchase Agreements; Securities lending; Foreign currency denominated; Purchases of securities issued by fossil fuel companies that directly source the majority of their revenue from oil, gas, and or coal production.	Complies
Repurchase Agreements	1 year max maturity; collateralized 102% of market value; Not used by investment adviser	Complies
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	Complies
Investment Trust of California (CALTRUST)	Pursuant to CGC; Not used by investment adviser	Complies
Callable Securities	20% maximum (does not include "make whole call" securities)	Complies
Max per Issuer	No more than 5% in any single issuer, except US Gov, Agencies, Supranationals, Money Market Mutual Funds, LAIF, LGIP, or where otherwise specified in the investment policy	Complies
Maximum Maturity	5 years	Complies

Portfolio Characteristics

As of December 31, 2020

City of Solana Beach

	12/31/2020		9/30/2020
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	1.86	1.77	1.91
Average Modified Duration	1.83	1.68	1.81
Average Purchase Yield	n/a	1.78%	2.00%
Average Market Yield	0.13%	0.16%	0.19%
Average Quality**	AAA	AA+/Aa1	AA+/Aa1
Total Market Value		26,905,462	25,881,554

*ICE BAML 1-3 Yr US Treasury/Agency Index

**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

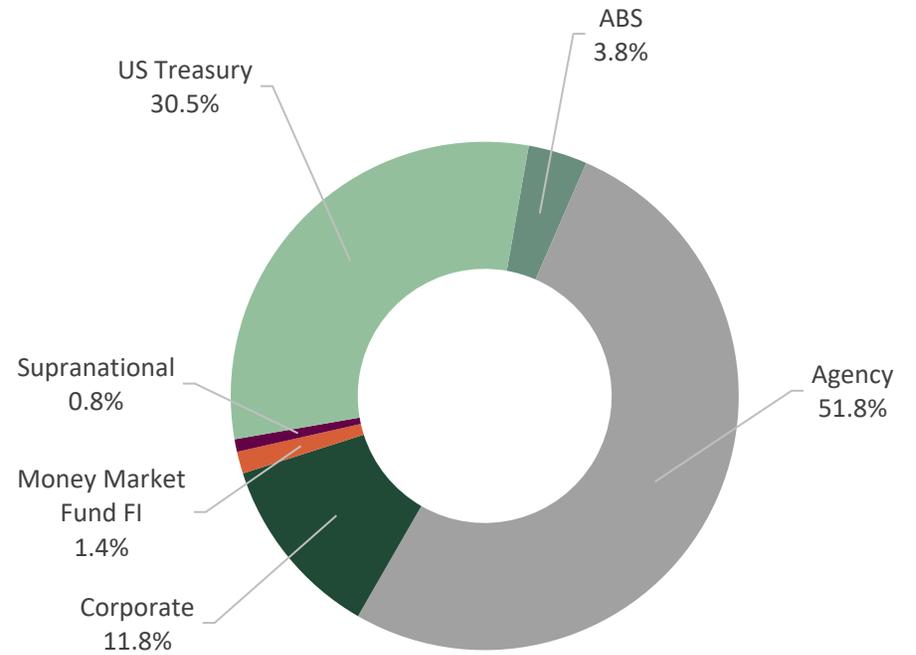
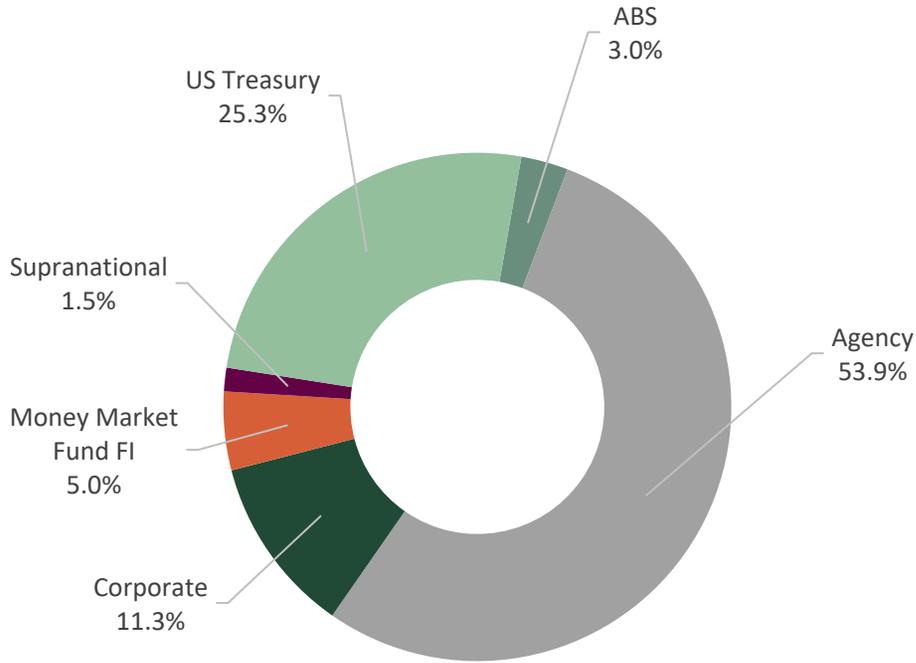
Sector Distribution

As of December 31, 2020

City of Solana Beach

December 31, 2020

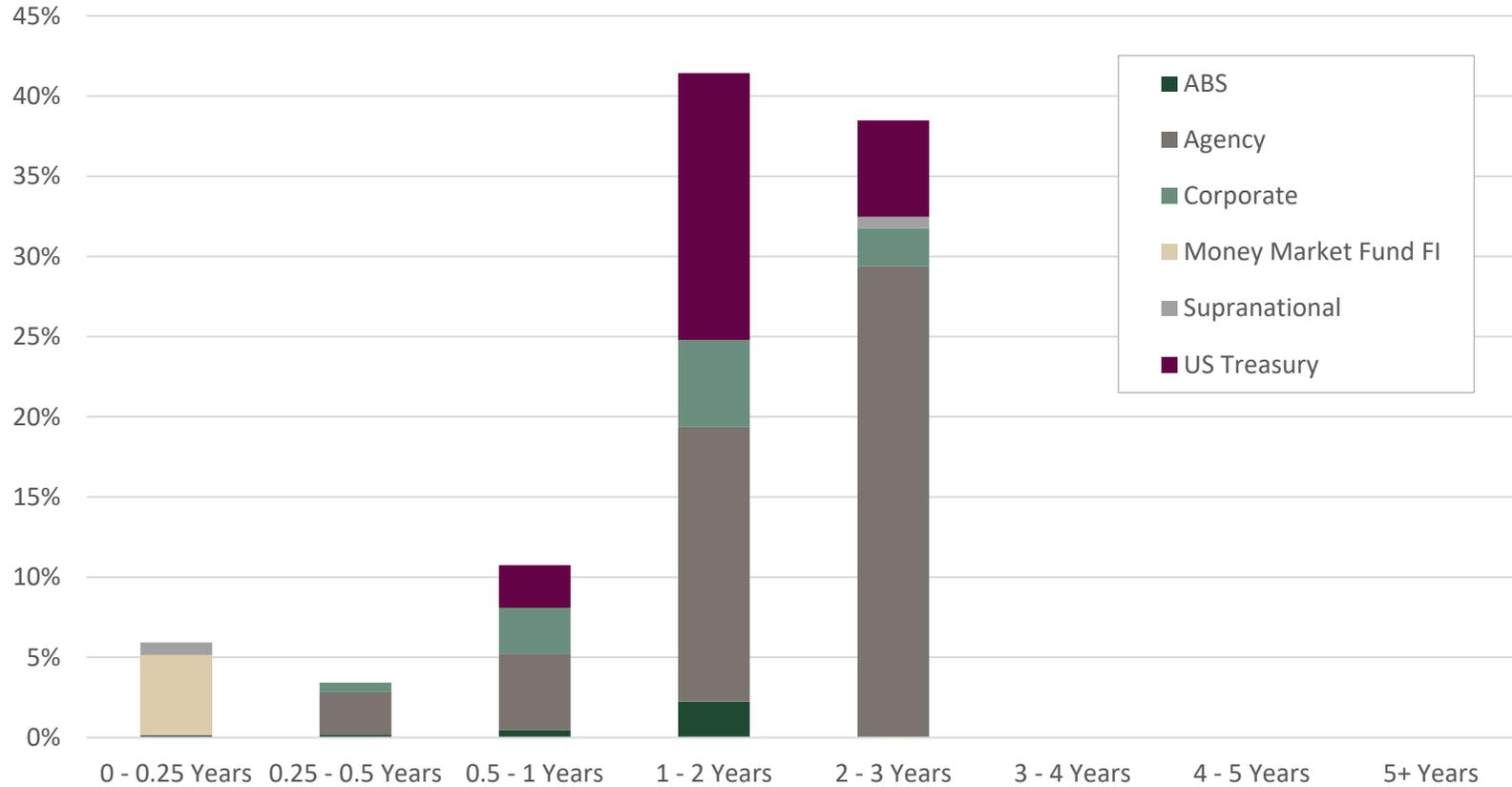
September 30, 2020



Duration Allocation

As of December 31, 2020

City of Solana Beach



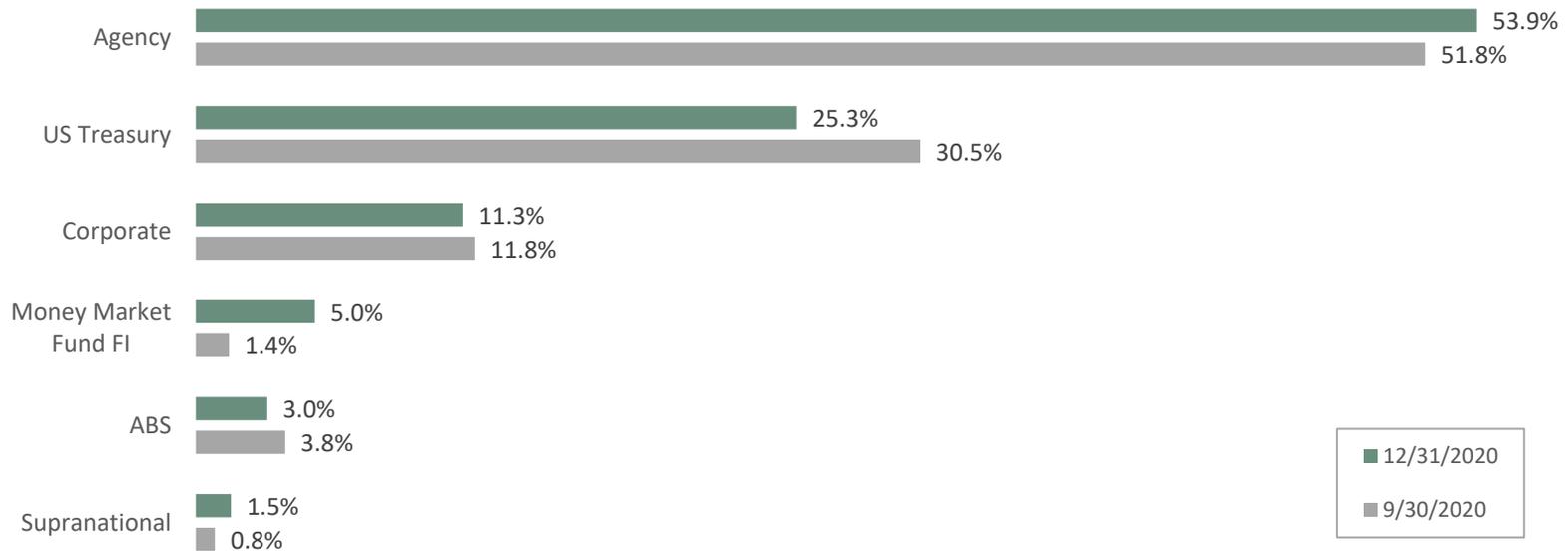
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
12/31/20	5.9%	3.4%	10.7%	41.4%	38.5%	0.0%	0.0%	0.0%

Portfolio Allocation & Duration Changes

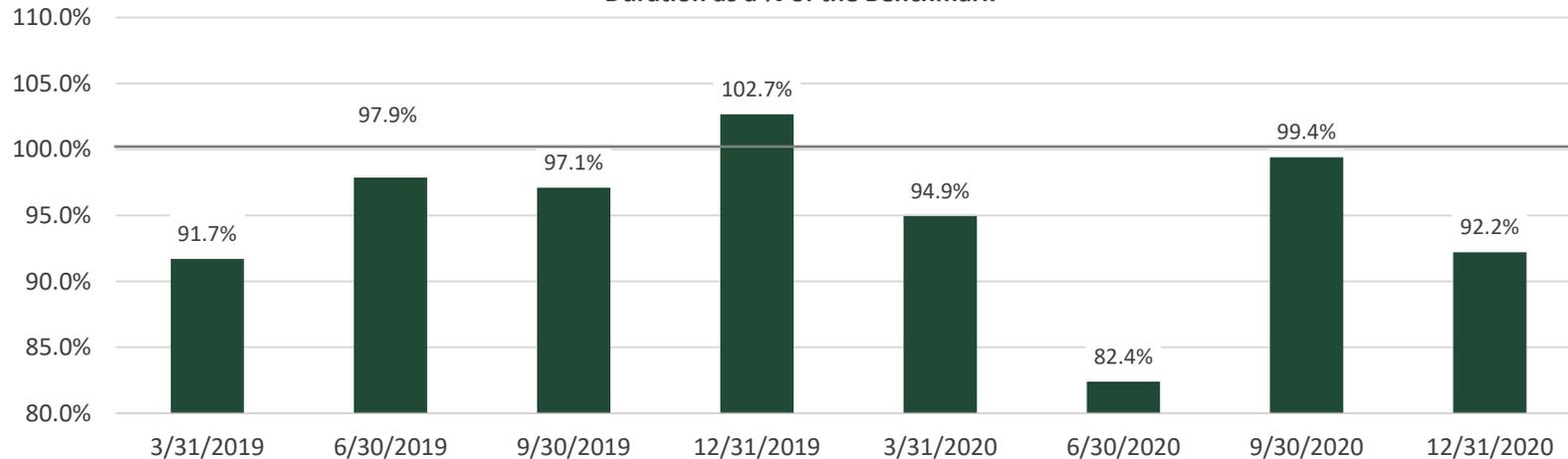
As of December 31, 2020

City of Solana Beach

Portfolio Allocation



Duration as a % of the Benchmark

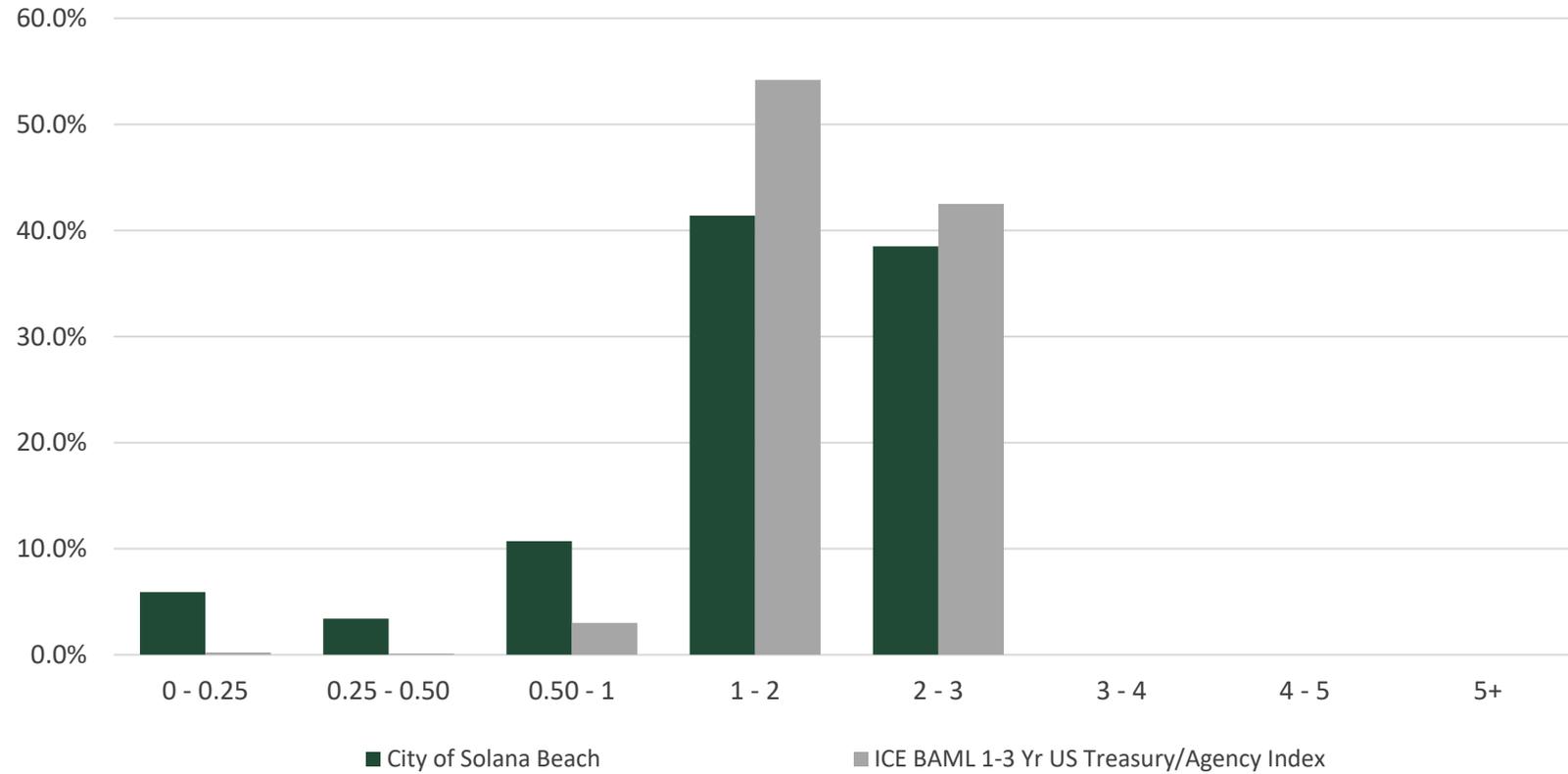


Benchmark: ICE BAML 1-3 Yr US Treasury/Agency Index

Duration Distribution

As of December 31, 2020

City of Solana Beach
Portfolio Compared to the Benchmark as of December 31, 2020



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	5.9%	3.4%	10.7%	41.4%	38.5%	0.0%	0.0%	0.0%
Benchmark*	0.2%	0.1%	3.0%	54.2%	42.5%	0.0%	0.0%	0.0%

*ICE BAML 1-3 Yr US Treasury/Agency Index

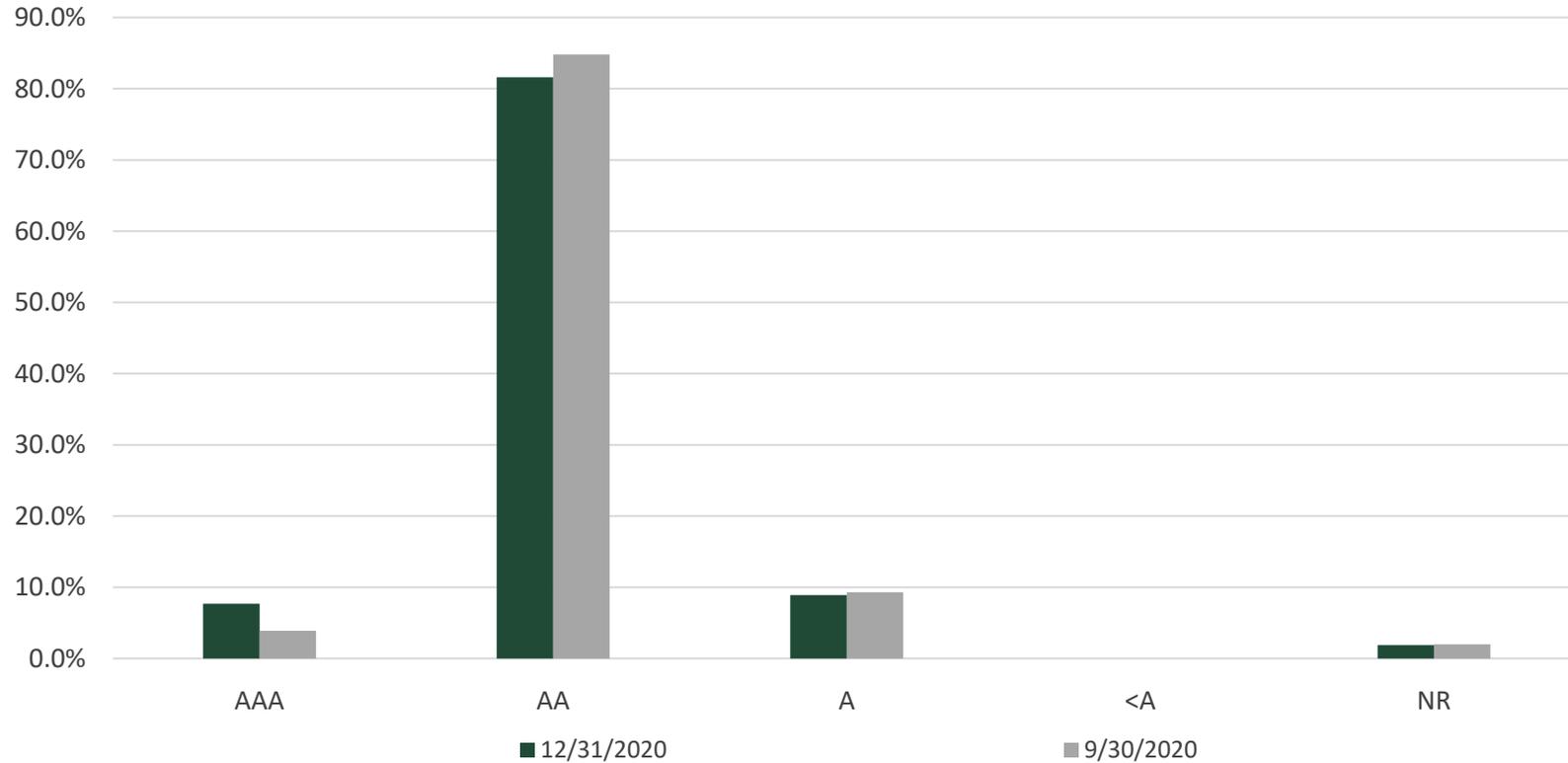
City of Solana Beach – Account #10471

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	25.31%
Federal National Mortgage Association	Agency	16.21%
Federal Farm Credit Bank	Agency	14.93%
Federal Home Loan Bank	Agency	12.46%
Federal Home Loan Mortgage Corp	Agency	10.33%
First American Govt Oblig Fund	Money Market Fund FI	5.02%
Paccar Financial	Corporate	1.91%
United Parcel Service	Corporate	1.53%
Oracle Corp	Corporate	1.52%
Deere & Company	Corporate	1.38%
Bank of New York	Corporate	1.37%
Berkshire Hathaway	Corporate	1.36%
John Deere ABS	ABS	1.04%
Honda ABS	ABS	1.00%
Apple Inc	Corporate	1.00%
Nissan ABS	ABS	0.84%
International Finance Corp	Supranational	0.77%
Intl Bank Recon and Development	Supranational	0.71%
Charles Schwab Corp/The	Corporate	0.60%
Toyota Motor Corp	Corporate	0.58%
Toyota ABS	ABS	0.13%
TOTAL		100.00%

Quality Distribution

As of December 31, 2020

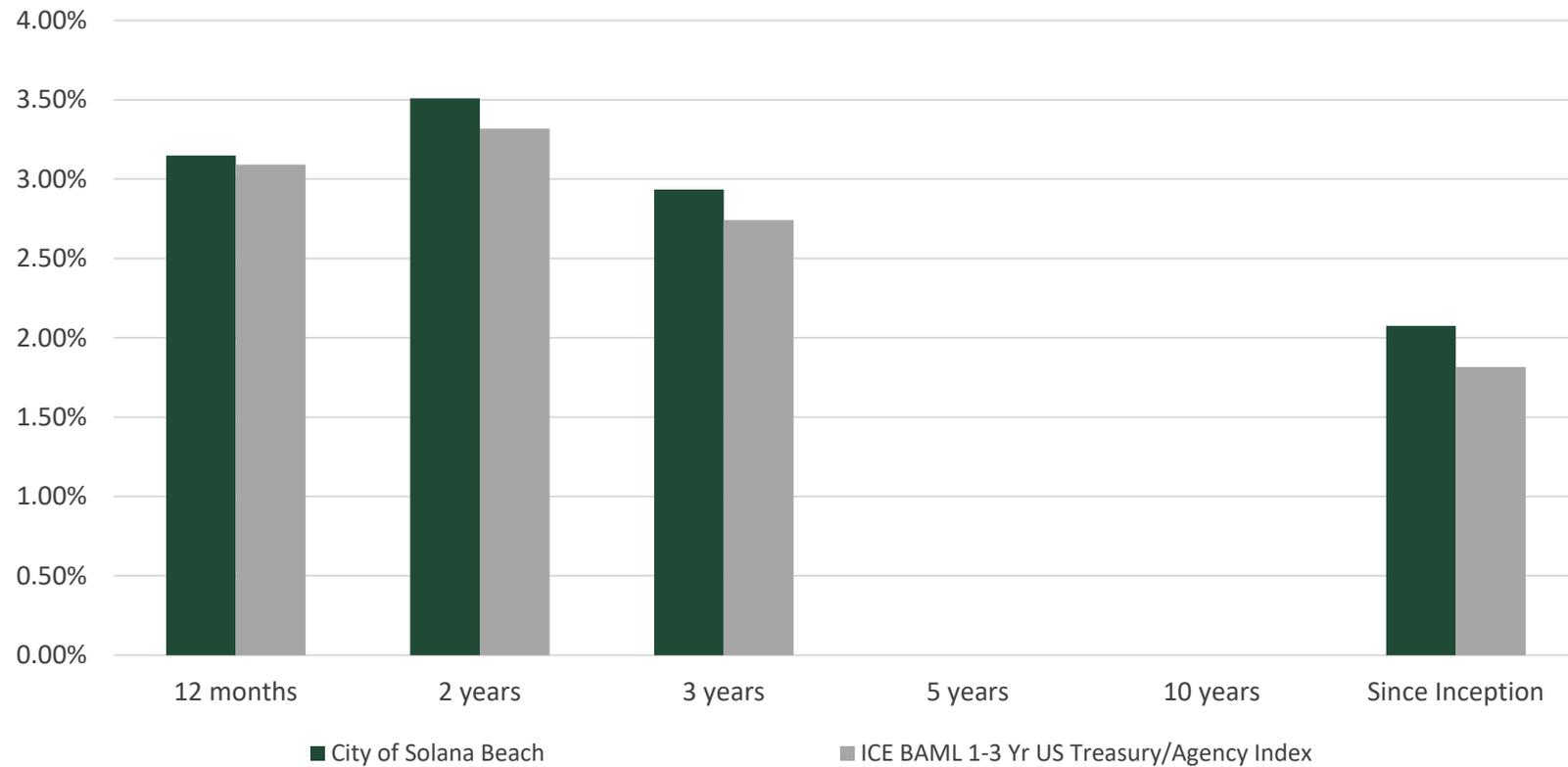
City of Solana Beach
December 31, 2020 vs. September 30, 2020



	AAA	AA	A	<A	NR
12/31/20	7.7%	81.6%	8.9%	0.0%	1.9%
09/30/20	3.9%	84.8%	9.3%	0.0%	2.0%

Source: S&P Ratings

City of Solana Beach Total Rate of Return Annualized Since Inception 03/31/2016



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
City of Solana Beach	0.12%	3.15%	3.51%	2.93%	N/A	N/A	2.08%
ICE BAML 1-3 Yr US Treasury/Agency Index	0.05%	3.09%	3.32%	2.74%	N/A	N/A	1.82%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Investment Comparison

As of December 31, 2020

City of Solana Beach

	LAIF EARNINGS ESTIMATE*	GROSS INCOME EARNED CHANDLER-MANAGED PORTFOLIO	INCOME EARNED CHANDLER-MANAGED PORTFOLIO**
Apr 2016 - Dec 2016	\$113,770	\$185,849	\$169,455
2017	\$327,563	\$439,162	\$410,891
2018	\$628,152	\$553,633	\$524,542
2019	\$716,012	\$600,606	\$573,809
Jan 2020	\$49,264	\$50,455	\$48,299
Feb 2020	\$44,979	\$48,235	\$46,067
Mar 2020	\$45,516	\$50,120	\$47,939
Apr 2020	\$40,066	\$45,695	\$43,505
May 2020	\$35,084	\$43,370	\$41,174
June 2020	\$29,833	\$41,159	\$38,961
July 2020	\$23,785	\$41,335	\$39,135
Aug 2020	\$17,561	\$40,648	\$38,564
Sept 2020	\$14,791	\$39,455	\$37,487
Oct 2020	\$13,843	\$38,882	\$36,914
Nov 2020	\$12,448	\$37,932	\$35,964
Dec 2020	\$12,215	\$36,465	\$34,467
Total:	\$2,124,882	\$2,293,001	\$2,167,173

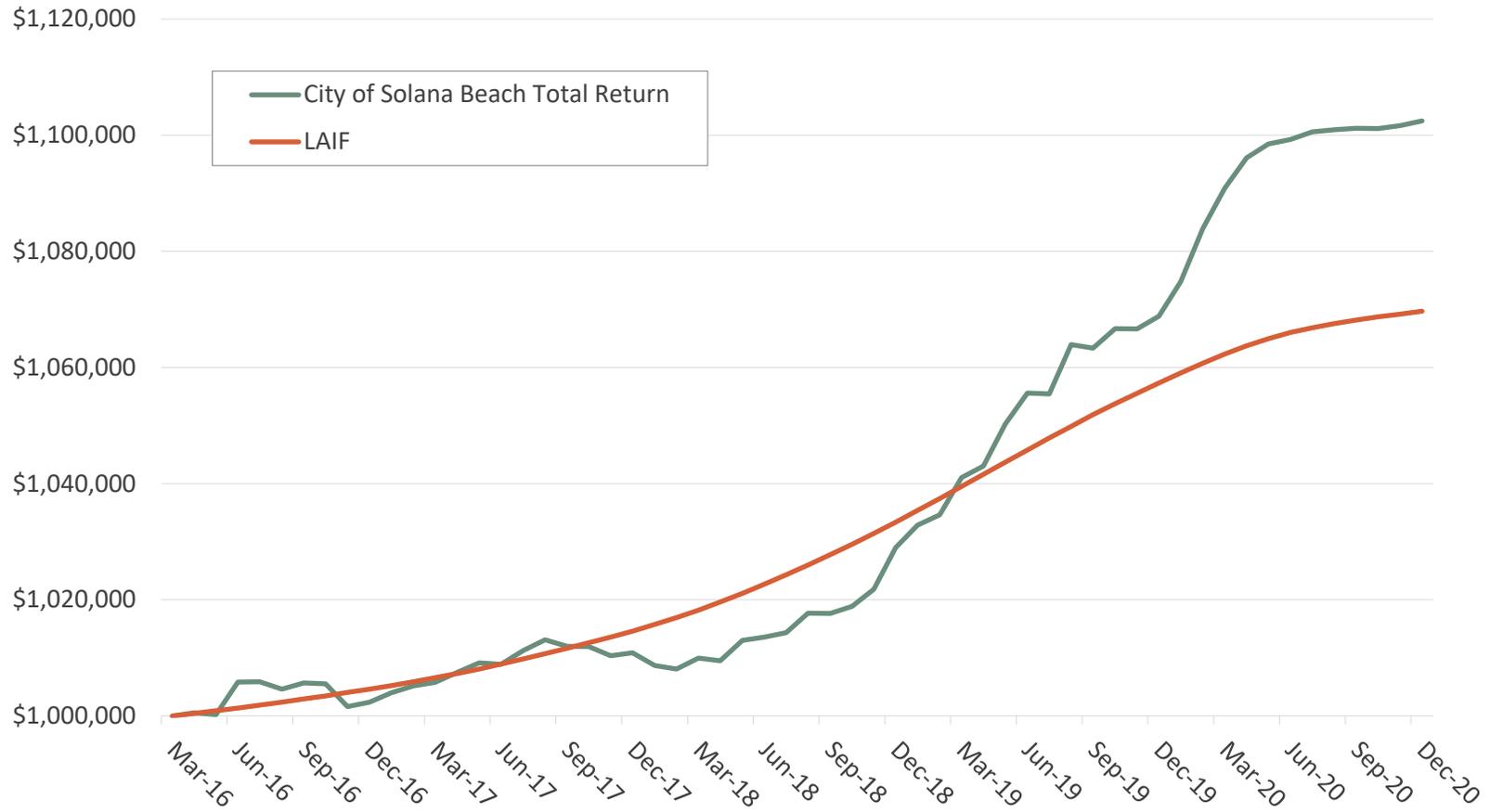
*LAIF earnings estimate calculated using daily yield

**Income earned net of Chandler fees

Growth of a Dollar

As of December 31, 2020

City of Solana Beach



Historical Return of \$1 Million Invested on March 31,2016

As of 12/31/2020	Dollar Value	Return
City of Solana Beach Total Return	\$1,102,483	2.08%
LAIF	\$1,069,682	1.43%



Section 3 | Portfolio Holdings

Holdings Report

As of December 31, 2020

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
89238KAD4	Toyota Auto Receivables Trust 2017-D A3 1.930% Due 01/18/2022	35,612.90	10/17/2019 1.97%	35,604.55 35,604.55	100.19 0.19%	35,682.17 24.82	0.13% 77.62	Aaa / AAA NR	1.05 0.11
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.010% Due 05/18/2022	49,815.96	05/22/2018 3.03%	49,814.87 49,814.87	100.83 0.33%	50,231.28 54.15	0.19% 416.41	NR / AAA AAA	1.38 0.31
477870AC3	John Deere Owner Trust 2019-B A3 2.210% Due 12/15/2023	120,000.00	07/16/2019 2.23%	119,974.52 119,974.52	101.93 0.17%	122,316.00 117.87	0.46% 2,341.48	Aaa / NR AAA	2.96 0.94
43813RAC1	Honda Auto Receivables 2020-1 A3 1.610% Due 04/22/2024	215,000.00	02/19/2020 1.62%	214,957.86 214,957.86	102.09 0.27%	219,499.09 96.15	0.82% 4,541.23	Aaa / NR AAA	3.31 1.55
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	220,000.00	10/16/2019 1.94%	219,988.38 219,988.38	102.04 0.43%	224,486.90 188.71	0.84% 4,498.52	Aaa / AAA NR	3.54 1.35
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	155,000.00	03/04/2020 1.11%	154,990.53 154,990.53	101.25 0.30%	156,944.63 75.78	0.58% 1,954.10	Aaa / NR AAA	3.62 1.56
TOTAL ABS		795,428.86	1.81%	795,330.71	0.30%	809,160.07 557.48	3.01% 13,829.36	Aaa / AAA Aaa	3.16 1.26
Agency									
3135G0U35	FNMA Note 2.750% Due 06/22/2021	700,000.00	06/28/2018 2.68%	701,295.00 701,295.00	101.24 0.14%	708,679.30 481.25	2.64% 7,384.30	Aaa / AA+ AAA	0.47 0.47
3133EJT74	FFCB Note 3.050% Due 11/15/2021	600,000.00	12/11/2018 2.87%	602,994.00 602,994.00	102.56 0.12%	615,344.40 2,338.33	2.30% 12,350.40	Aaa / AA+ AAA	0.87 0.86
3135G0S38	FNMA Note 2.000% Due 01/05/2022	650,000.00	Various 2.04%	649,156.00 649,156.00	101.90 0.12%	662,369.50 6,355.55	2.49% 13,213.50	Aaa / AA+ AAA	1.01 1.00
3133EKBV7	FFCB Note 2.550% Due 03/01/2022	600,000.00	02/28/2019 2.57%	599,718.00 599,718.00	102.79 0.15%	616,756.20 5,100.00	2.31% 17,038.20	Aaa / AA+ AAA	1.16 1.15
3135G0V59	FNMA Note 2.250% Due 04/12/2022	360,000.00	04/11/2019 2.36%	358,819.20 358,819.20	102.79 0.07%	370,054.80 1,777.50	1.38% 11,235.60	Aaa / AA+ AAA	1.28 1.26
313379Q69	FHLB Note 2.125% Due 06/10/2022	700,000.00	06/06/2018 2.81%	681,828.70 681,828.70	102.89 0.12%	720,203.40 867.71	2.68% 38,374.70	Aaa / AA+ AAA	1.44 1.43
3135G0W33	FNMA Note 1.375% Due 09/06/2022	580,000.00	09/05/2019 1.49%	577,981.60 577,981.60	102.13 0.11%	592,341.82 2,547.57	2.21% 14,360.22	Aaa / AA+ AAA	1.68 1.66
313380GJ0	FHLB Note 2.000% Due 09/09/2022	600,000.00	11/28/2018 3.02%	578,358.00 578,358.00	103.13 0.14%	618,771.60 3,733.33	2.31% 40,413.60	Aaa / AA+ NR	1.69 1.66
3133EKY91	FFCB Note 1.375% Due 10/11/2022	500,000.00	10/08/2019 1.46%	498,715.00 498,715.00	102.17 0.15%	510,853.00 1,527.78	1.90% 12,138.00	Aaa / AA+ AAA	1.78 1.76

Holdings Report

As of December 31, 2020

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3130AFE78	FHLB Note 3.000% Due 12/09/2022	600,000.00	12/20/2018 2.77%	605,208.00 605,208.00	105.60 0.11%	633,574.80 1,100.00	2.36% 28,366.80	Aaa / AA+ AAA	1.94 1.90
3135G0T94	FNMA Note 2.375% Due 01/19/2023	500,000.00	10/04/2018 3.10%	485,610.00 485,610.00	104.58 0.14%	522,900.50 5,343.75	1.96% 37,290.50	Aaa / AA+ AAA	2.05 1.99
3133EKUA2	FFCB Note 1.850% Due 02/01/2023	600,000.00	07/23/2019 1.86%	599,850.00 599,850.00	103.47 0.18%	620,836.80 4,625.00	2.32% 20,986.80	Aaa / AA+ AAA	2.09 2.04
3133ELNW0	FFCB Note 1.450% Due 02/21/2023	600,000.00	02/14/2020 1.45%	599,988.00 599,988.00	102.71 0.18%	616,248.00 3,141.67	2.30% 16,260.00	Aaa / AA+ AAA	2.14 2.10
3130ADRG9	FHLB Note 2.750% Due 03/10/2023	600,000.00	01/18/2019 2.75%	600,072.00 600,072.00	105.70 0.15%	634,170.00 5,087.50	2.38% 34,098.00	Aaa / AA+ NR	2.19 2.13
3135G04Q3	FNMA Note 0.250% Due 05/22/2023	500,000.00	08/11/2020 0.25%	499,990.00 499,990.00	100.24 0.15%	501,180.50 135.42	1.86% 1,190.50	Aaa / AA+ AAA	2.39 2.38
3133834G3	FHLB Note 2.125% Due 06/09/2023	700,000.00	06/10/2019 2.00%	703,318.00 703,318.00	104.73 0.18%	733,122.60 909.03	2.73% 29,804.60	Aaa / AA+ NR	2.44 2.39
3133EKS7	FFCB Note 1.770% Due 06/26/2023	500,000.00	06/21/2019 1.89%	497,675.00 497,675.00	103.85 0.22%	519,233.50 122.92	1.93% 21,558.50	Aaa / AA+ AAA	2.48 2.44
3137EAES4	FHLMC Note 0.250% Due 06/26/2023	500,000.00	08/11/2020 0.26%	499,875.00 499,875.00	100.22 0.16%	501,087.00 17.36	1.86% 1,212.00	Aaa / AA+ AAA	2.48 2.48
3135G05G4	FNMA Note 0.250% Due 07/10/2023	520,000.00	07/08/2020 0.32%	518,882.00 518,882.00	100.24 0.16%	521,241.76 617.50	1.94% 2,359.76	Aaa / AA+ AAA	2.52 2.51
3133EL3V4	FFCB Note 0.200% Due 08/14/2023	500,000.00	08/12/2020 0.27%	498,955.00 498,955.00	99.93 0.23%	499,640.50 380.56	1.86% 685.50	Aaa / AA+ AAA	2.62 2.61
3137EAEV7	FHLMC Note 0.250% Due 08/24/2023	475,000.00	08/19/2020 0.28%	474,515.50 474,515.50	100.20 0.18%	475,936.23 428.82	1.77% 1,420.73	Aaa / AA+ AAA	2.65 2.64
3137EAEW5	FHLMC Note 0.250% Due 09/08/2023	500,000.00	09/29/2020 0.23%	500,310.00 500,310.00	100.19 0.18%	500,971.50 406.25	1.86% 661.50	Aaa / AA+ AAA	2.69 2.67
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	400,000.00	10/29/2020 0.24%	398,596.00 398,596.00	99.93 0.15%	399,726.40 104.17	1.49% 1,130.40	Aaa / AA+ AAA	2.79 2.78
3137EAEZ8	FHLMC Note 0.250% Due 11/06/2023	525,000.00	11/03/2020 0.28%	524,527.50 524,527.50	100.08 0.22%	525,444.15 204.17	1.95% 916.65	Aaa / AA+ AAA	2.85 2.83
3135G06H1	FNMA Note 0.250% Due 11/27/2023	465,000.00	11/23/2020 0.29%	464,469.90 464,469.90	100.09 0.22%	465,419.43 116.25	1.73% 949.53	Aaa / AA+ AAA	2.91 2.89

Holdings Report

As of December 31, 2020

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3137EAF2	FHLMC Note 0.250% Due 12/04/2023	375,000.00	12/02/2020 0.28%	374,628.75 374,628.75	100.11 0.21%	375,399.75 70.31	1.40% 771.00	Aaa / AA+ AAA	2.93 2.91
TOTAL Agency		14,150,000.00	1.63%	14,095,336.15	0.16%	14,461,507.44 47,539.70	53.93% 366,171.29	Aaa / AA+ Aaa	1.99 1.97
Corporate									
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.250% Due 05/21/2021	160,000.00	05/17/2018 3.25%	159,995.20 159,995.20	100.90 0.31%	161,432.48 577.78	0.60% 1,437.28	A2 / A A	0.39 0.31
69371RP42	Paccar Financial Corp Note 3.150% Due 08/09/2021	500,000.00	08/06/2018 3.16%	499,845.00 499,845.00	101.71 0.32%	508,566.50 6,212.50	1.91% 8,721.50	A1 / A+ NR	0.61 0.60
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	250,000.00	10/12/2017 2.11%	248,072.50 248,072.50	101.01 0.28%	252,517.50 1,398.61	0.94% 4,445.00	A3 / A A-	0.71 0.62
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	150,000.00	04/18/2018 3.10%	147,382.50 147,382.50	102.36 0.30%	153,538.05 1,841.67	0.58% 6,155.55	A1 / A+ A+	1.03 1.01
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.500% Due 05/15/2022	150,000.00	06/13/2018 3.21%	146,086.50 146,086.50	102.67 0.28%	154,010.40 479.17	0.57% 7,923.90	A3 / A A-	1.37 1.19
084664BT7	Berkshire Hathaway Note 3.000% Due 05/15/2022	350,000.00	12/11/2018 3.31%	346,510.50 346,510.50	103.81 0.22%	363,347.60 1,341.67	1.36% 16,837.10	Aa2 / AA A+	1.37 1.35
911312BC9	UPS Callable Note Cont 4/16/2022 2.350% Due 05/16/2022	400,000.00	04/10/2018 2.99%	390,204.00 390,204.00	102.68 0.27%	410,728.40 1,175.00	1.53% 20,524.40	A2 / A- NR	1.37 1.28
24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	350,000.00	10/29/2019 1.96%	357,889.00 357,889.00	104.82 0.30%	366,885.40 4,593.75	1.38% 8,996.40	A2 / A A	2.02 1.95
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	256,000.00	05/02/2019 2.75%	252,605.44 252,605.44	104.90 0.30%	268,534.78 989.87	1.00% 15,929.34	Aa1 / AA+ NR	2.34 2.28
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.200% Due 08/16/2023	350,000.00	09/12/2019 2.15%	350,616.00 350,616.00	104.75 0.26%	366,638.30 2,887.50	1.37% 16,022.30	A1 / A AA-	2.62 2.39
TOTAL Corporate		2,916,000.00	2.76%	2,899,206.64	0.28%	3,006,199.41 21,497.52	11.25% 106,992.77	A1 / A+ A	1.43 1.35

Holdings Report

As of December 31, 2020

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Money Market Fund FI									
31846V203	First American Govt Obligation Fund Class Y	1,350,634.07	Various 0.01%	1,350,634.07 1,350,634.07	1.00 0.01%	1,350,634.07 0.00	5.02% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund FI		1,350,634.07	0.01%	1,350,634.07	0.01%	1,350,634.07 0.00	5.02% 0.00	Aaa / AAA Aaa	0.00 0.00
Supranational									
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	205,000.00	01/18/2018 2.35%	204,397.30 204,397.30	100.13 0.35%	205,259.53 1,998.75	0.77% 862.23	Aaa / AAA NR	0.07 0.07
459058JM6	Intl. Bank Recon & Development Note 0.250% Due 11/24/2023	190,000.00	11/17/2020 0.32%	189,591.50 189,591.50	100.04 0.24%	190,081.70 48.82	0.71% 490.20	Aaa / AAA AAA	2.90 2.88
TOTAL Supranational		395,000.00	1.38%	393,988.80	0.29%	395,341.23 2,047.57	1.48% 1,352.43	Aaa / AAA Aaa	1.42 1.41
US Treasury									
912828U81	US Treasury Note 2.000% Due 12/31/2021	700,000.00	01/30/2018 2.41%	689,226.56 689,226.56	101.87 0.13%	713,070.40 38.67	2.65% 23,843.84	Aaa / AA+ AAA	1.00 0.99
912828H86	US Treasury Note 1.500% Due 01/31/2022	550,000.00	08/15/2017 1.77%	543,578.01 543,578.01	101.48 0.13%	558,164.20 3,452.45	2.09% 14,586.19	Aaa / AA+ AAA	1.08 1.07
912828W55	US Treasury Note 1.875% Due 02/28/2022	700,000.00	Various 2.03%	695,585.94 695,585.94	102.03 0.13%	714,218.40 4,459.60	2.67% 18,632.46	Aaa / AA+ AAA	1.16 1.15
912828XW5	US Treasury Note 1.750% Due 06/30/2022	700,000.00	Various 2.56%	677,368.48 677,368.48	102.43 0.13%	717,035.20 33.84	2.67% 39,666.72	Aaa / AA+ AAA	1.50 1.49
9128282P4	US Treasury Note 1.875% Due 07/31/2022	600,000.00	12/16/2019 1.67%	603,187.50 603,187.50	102.76 0.13%	616,570.20 4,707.88	2.31% 13,382.70	Aaa / AA+ AAA	1.58 1.56
912828YA2	US Treasury Note 1.500% Due 08/15/2022	600,000.00	12/31/2019 1.59%	598,593.75 598,593.75	102.23 0.13%	613,359.60 3,399.46	2.29% 14,765.85	Aaa / AA+ AAA	1.62 1.60
912828L24	US Treasury Note 1.875% Due 08/31/2022	600,000.00	04/08/2019 2.30%	591,632.81 591,632.81	102.90 0.13%	617,390.40 3,822.51	2.31% 25,757.59	Aaa / AA+ AAA	1.67 1.63
912828M80	US Treasury Note 2.000% Due 11/30/2022	600,000.00	11/27/2019 1.61%	606,843.75 606,843.75	103.58 0.13%	621,492.00 1,054.95	2.31% 14,648.25	Aaa / AA+ AAA	1.92 1.88
9128284D9	US Treasury Note 2.500% Due 03/31/2023	500,000.00	02/21/2019 2.51%	499,707.03 499,707.03	105.30 0.14%	526,484.50 3,193.68	1.97% 26,777.47	Aaa / AA+ AAA	2.25 2.19
912828R28	US Treasury Note 1.625% Due 04/30/2023	450,000.00	12/04/2019 1.60%	450,404.30 450,404.30	103.45 0.14%	465,521.40 1,252.42	1.73% 15,117.10	Aaa / AA+ AAA	2.33 2.29

Holdings Report

As of December 31, 2020

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828R69	US Treasury Note 1.625% Due 05/31/2023	600,000.00	04/11/2019 2.30%	584,062.50 584,062.50	103.57 0.14%	621,398.40 857.14	2.31% 37,335.90	Aaa / AA+ AAA	2.41 2.37
TOTAL US Treasury		6,600,000.00	2.05%	6,540,190.63	0.13%	6,784,704.70	25.31% 244,514.07	Aaa / AA+ Aaa	1.65 1.62
TOTAL PORTFOLIO		26,207,062.93	1.78%	26,074,687.00	0.16%	26,807,546.92	100.00% 732,859.92	Aa1 / AA+ Aaa	1.77 1.68
TOTAL MARKET VALUE PLUS ACCRUALS						26,905,461.79			



Section 4 | Transactions

Transaction Ledger

As of December 31, 2020

City of Solana Beach - Account #10471

September 30, 2020 through December 31, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/30/2020	3137EAEY1	400,000.00	FHLMC Note 0.125% Due: 10/16/2023	99.649	0.24%	398,596.00	19.44	398,615.44	0.00
Purchase	11/05/2020	3137EAEZ8	525,000.00	FHLMC Note 0.25% Due: 11/06/2023	99.910	0.28%	524,527.50	0.00	524,527.50	0.00
Purchase	11/24/2020	459058JM6	190,000.00	Intl. Bank Recon & Development Note 0.25% Due: 11/24/2023	99.785	0.32%	189,591.50	0.00	189,591.50	0.00
Purchase	11/25/2020	3135G06H1	465,000.00	FNMA Note 0.25% Due: 11/27/2023	99.886	0.29%	464,469.90	0.00	464,469.90	0.00
Purchase	12/04/2020	3137EAFA2	375,000.00	FHLMC Note 0.25% Due: 12/04/2023	99.901	0.28%	374,628.75	0.00	374,628.75	0.00
Subtotal			1,955,000.00				1,951,813.65	19.44	1,951,833.09	0.00
TOTAL ACQUISITIONS			1,955,000.00				1,951,813.65	19.44	1,951,833.09	0.00
DISPOSITIONS										
Sale	11/05/2020	912828T34	600,000.00	US Treasury Note 1.125% Due: 09/30/2021	100.898	0.13%	605,390.63	667.58	606,058.21	18,466.74
Sale	11/25/2020	912828M98	450,000.00	US Treasury Note 1.625% Due: 11/30/2020	100.020	0.19%	450,087.89	3,556.35	453,644.24	4,480.91
Sale	12/04/2020	313383ZU8	600,000.00	FHLB Note 3% Due: 09/10/2021	102.214	0.11%	613,284.00	4,200.00	617,484.00	12,534.00
Subtotal			1,650,000.00				1,668,762.52	8,423.93	1,677,186.45	35,481.65
TOTAL DISPOSITIONS			1,650,000.00				1,668,762.52	8,423.93	1,677,186.45	35,481.65

Important Disclosures

As of December 31, 2020

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

ICE BAML 1-3 Yr US Treasury/Agency Index

The ICE BAML 1-3 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G1A0. Please visit www.mlindex.ml.com for more information)

City of Solana Beach

Mid-Year Budget Review
FY 2020/21

February 22, 2021



General Fund Revenues

Mid-Year Adjustments

<u>Account</u>	<u>Additions/ (Deletions)</u>
Property Tax	\$ 115,000
Real Property Transfer Tax	70,000
Sales & Use Tax	(160,000)
Franchise Fees	(68,000)
Short Term Vacation Rental TOT	220,000
Building Permits	100,000
Building Plan Check Fees	100,000
Interest	45,000
Motor Vehicle In-Lieu	7,000
CVC Fines	(45,000)
Redflex Citations	(45,000)
Community Grants	15,000
<i>Total General Fund Revenues</i>	<u><u>\$ 354,000</u></u>

General Fund Expenditures

Mid-Year Adjustments

<u>Account</u>	<u>Additions/ (Deletions)</u>
Salary and Benefits	
Finance	\$ 90,000
Information Technology	10,000
Planning - Overtime	6,000
Human Resources	19,775
Public Works - Engineering	(20,000)
Professional Services	
Animal Control	4,300
Building Services	150,000
City Manager	61,976
Equipment	
Recreation	7,942
Special Department Supplies	
Civil Defense	25,000
 <i>Total General Fund</i>	 <u>\$ 354,993</u>

General Fund Mid-Year Budget Summary

Adopted Budget Surplus	\$	74,000
Resolution 2020-101 - FY 2020/21 Budget Update		20,000
Increased Net - Revenues		354,000
Increased Net - Expenditures		(354,993)
<i>Total Projected Budget Surplus/Deficit</i>	\$	<u>19,007</u>

Other Funds

Mid-Year Adjustments (Expenditures)

<u>Fund Name</u>	<u>Description</u>		<u>Amount</u>
Sanitation	Conveyance	\$	7,112
Solana Energy Alliance	Energy Mailers		2,504
<i>Total Other Funds</i>		\$	<u>9,616</u>