

Section 115 Trust

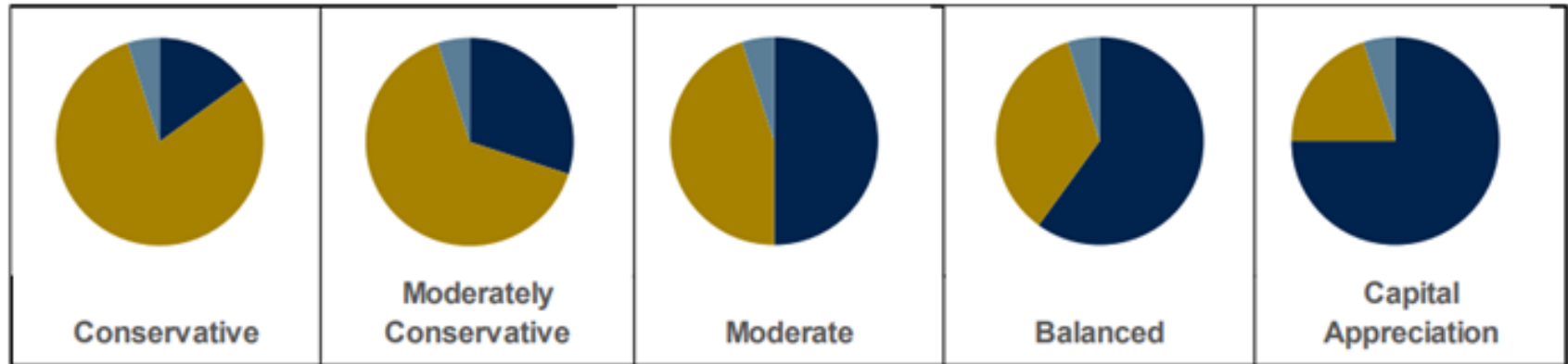
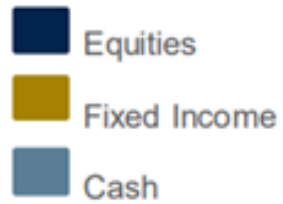
Investment Strategy

Background

- Pension Funding Policy
- CALPERS ROI, June 30, 2022 -6.1%

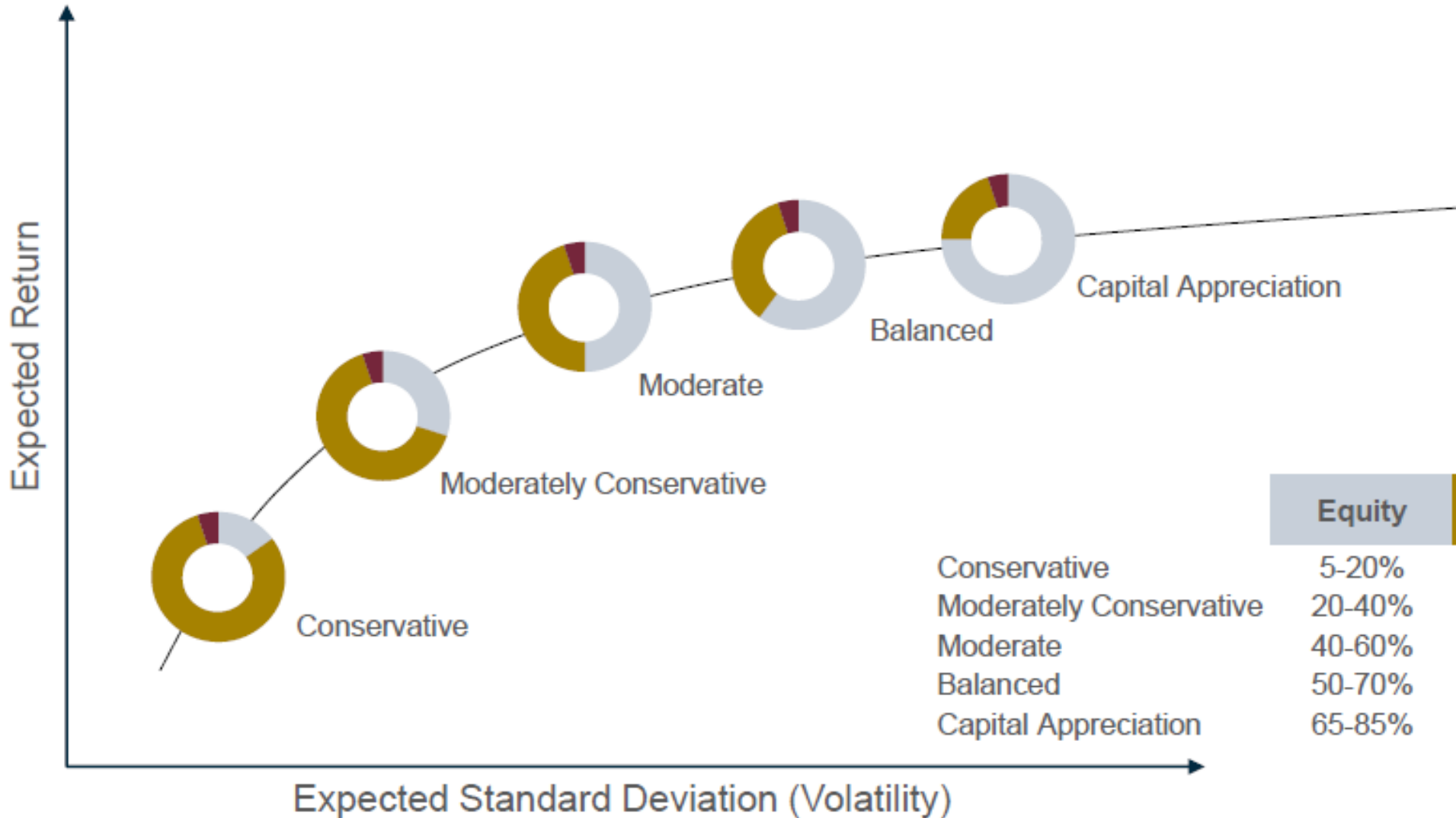
PARS Investment Objectives

As of April 2022



	Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
Equity	15.00%	30.00%	50.00%	60.00%	75.00%
Large Cap Core	7.50%	15.50%	26.50%	32.00%	39.50%
Mid Cap Core	1.50%	3.00%	5.00%	6.00%	7.50%
Small Cap Core	2.50%	4.50%	7.50%	9.00%	10.50%
Real Estate	0.50%	1.00%	1.75%	2.00%	2.00%
International	2.00%	4.00%	6.00%	7.00%	10.25%
Emerging Markets	1.00%	2.00%	3.25%	4.00%	5.25%
Fixed Income	80.00%	65.00%	45.00%	35.00%	20.00%
Short Term Bond	25.75%	14.00%	10.00%	6.75%	3.00%
Intermediate Term Bond	52.25%	49.25%	33.50%	27.00%	16.00%
High Yield	2.00%	1.75%	1.50%	1.25%	1.00%
Cash	5.00%	5.00%	5.00%	5.00%	5.00%
Expected Return	4.66%	5.30%	5.95%	6.24%	6.60%
Expected Standard Deviation	3.46%	5.28%	8.47%	10.20%	12.86%

Asset Allocation Strategy



HIGHMARK CAPITAL MANAGEMENT

As of March 31, 2022

ACTIVE PORTFOLIO RETURNS

Strategy	Equity (%)	1 Year	3 Years	5 Years	10 Years
Capital Appreciation	65-85%	4.22%	11.34%	9.99%	9.19%
Balanced	50-70%	2.49%	9.69%	8.73%	7.94%
Moderate	40-60%	1.50%	8.42%	7.64%	6.99%
Moderately Conservative	20-40%	-0.56%	5.80%	5.48%	5.16%
Conservative	5-20%	-2.02%	3.88%	3.92%	3.79%

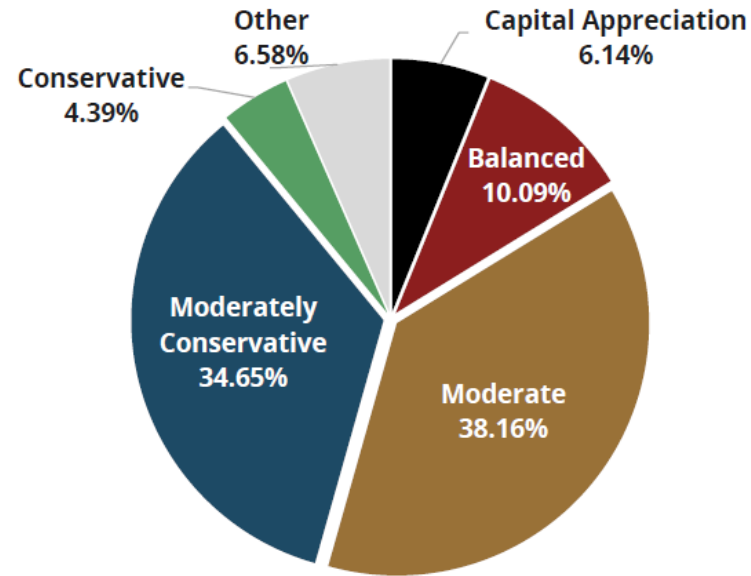
* Past performance does not guarantee future results.

PRSP STRATEGY ALLOCATION – CLIENTS

As of March 31, 2022

HIGHMARK CAPITAL MANAGEMENT

Strategy	Allocation* (%)
Capital Appreciation (65-85% Equity)	6.14%
Balanced (50-70% Equity)	10.09%
Moderate (40-60% Equity)	38.16%
Mod. Conservative (20-40% Equity)	34.65%
Conservative (5-20% Equity)	4.39%
Other (Custom)	6.58%
TOTAL	100.00%



Active Platform: 53% / Passive Platform: 47%

*Allocations are based on agencies who have funded

FISCAL IMPACT

- **\$750k** FY 2020/21 Unassigned Reserves
\$350k FY 2021/22 Budget
\$1.1 Million (initial contribution)
 - **\$250k** FY 22 /23 Adopted Budget
- Funds to be invested on a dollar average basis over the next 12 months
- Quarterly Performance Reporting to the Finance & Admin Committee (Treasurer's Report)

- HIGHMARK CAPITAL – Market Update