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PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



# CITY OF CUPERTINO

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

July 22, 2024

# PARS TRUST TEAM

## Trust Administrator & Consultant\*



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

<b>40</b>	<b>2,000+</b>	<b>1,000+</b>	<b>500+</b>	<b>500K+</b>	<b>\$8.1B</b>
Years of Experience (1984-2024)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

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

## Trustee



- 5th largest commercial bank
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

<b>161</b>	<b>\$10.3T</b>
Years of Experience (1863-2024)	Assets under Administration

## Investment Manager

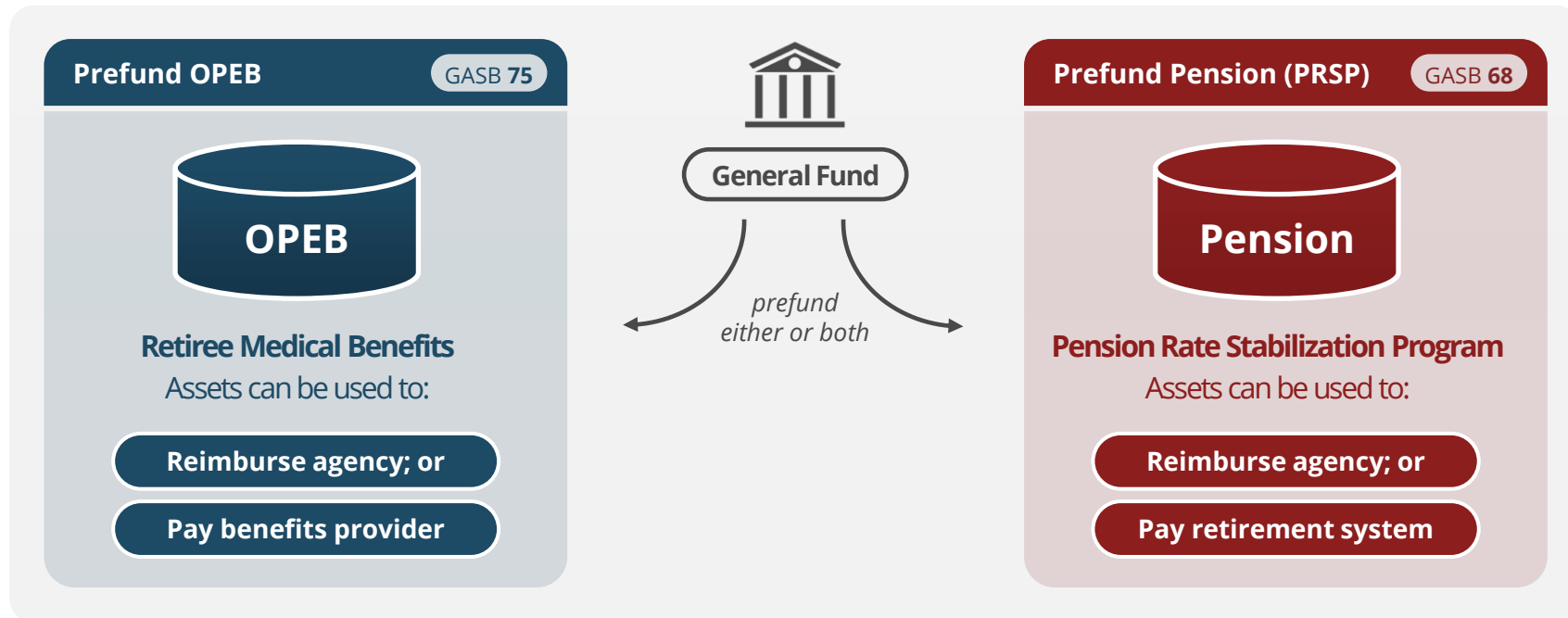


- Investment sub-advisor to trustee U.S. Bank
- Institutional asset management solutions
- Fixed income and multi asset portfolios
- Active and passive platform options
- Customized portfolios (with minimum asset level)

<b>40+</b>	<b>\$244.8B*</b>
Years of Experience (As of 3/31/24)	Assets under Management & Advisement

\*Assets under management and advisement as of March 31, 2024, includes fixed income and multi asset class portfolios  
Investment Management Services by PFM Asset Management as sub-advisor

# 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/CITY OF CUPERTINO 115P

## OPEB & PENSION ACCOUNTS

July 22, 2024

# Your U.S. Bank Team

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# PORTFOLIO REVIEW

Account: XXXXXX9600

Holdings Method: Direct

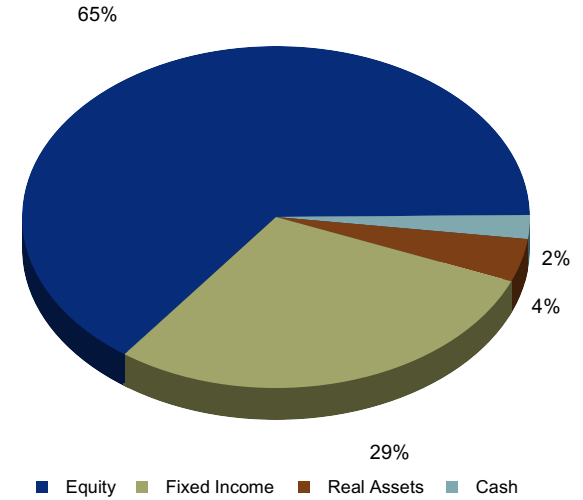
Report Date: 06/28/2024

**Portfolio Summary**

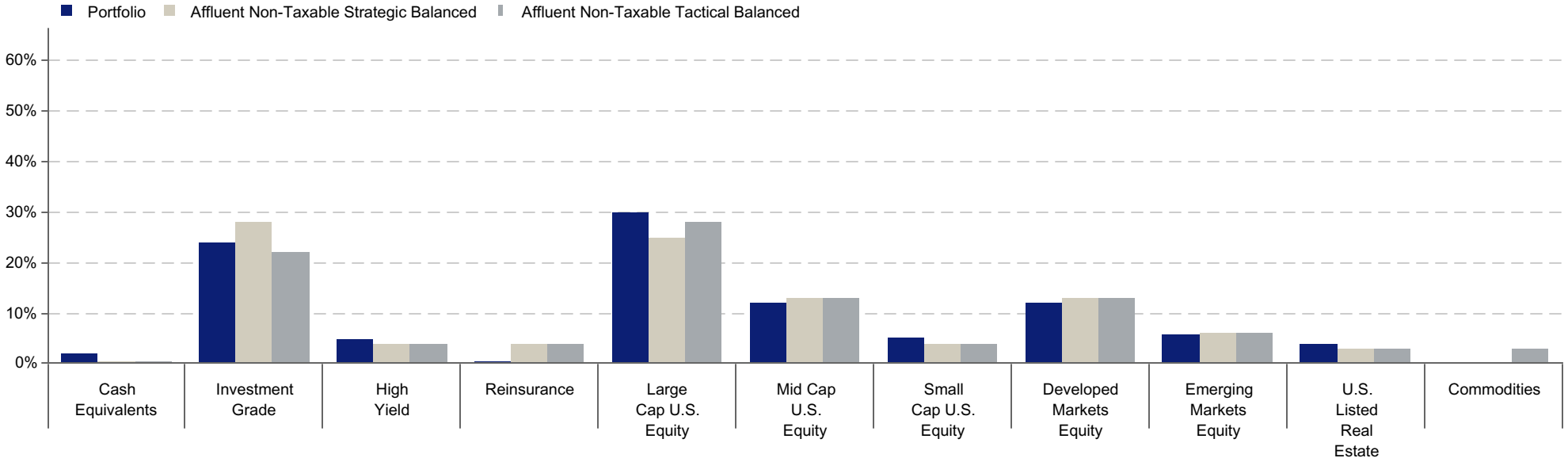
Inv. Objective	Balanced/Nontaxable-1
Total Portfolio Value	\$37,967,443
Net Realized Cap Gains YTD	\$830,232
Annual Income Projected	\$864,680
Current Yield	2.28%
Number of Securities	10
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

**Portfolio Asset Allocation**

Equity	\$24,657,253	64.94%
Fixed Income	\$10,970,152	28.89%
Real Assets	\$1,542,582	4.06%
Cash	\$797,457	2.10%
<b>Invested Total</b>	<b>\$37,967,443</b>	<b>100.00%</b>



**Portfolio Model Allocation**





Account: XXXXXX9600

Holdings Method: Direct

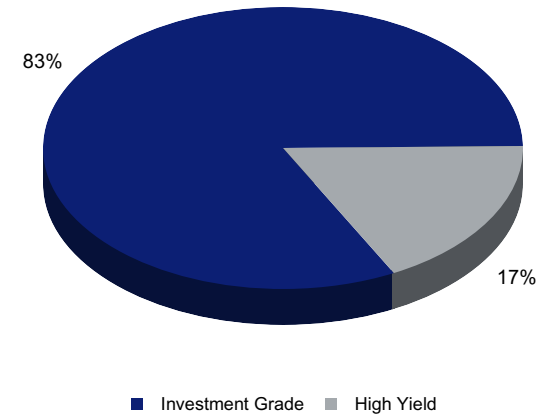
Report Date: 06/28/2024

**Fixed Income Summary**

Inv. Objective	Balanced/Nontaxable-1
Total Fixed Income Value	\$10,970,152
Current Yield	3.96%
Annual Income Projected	\$434,828
Number of Securities	2
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

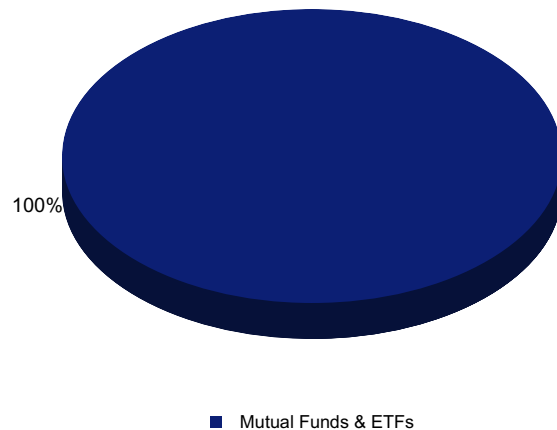
**Fixed Income Asset Allocation**

Investment Grade	\$9,071,092	82.69%
High Yield	\$1,899,060	17.31%

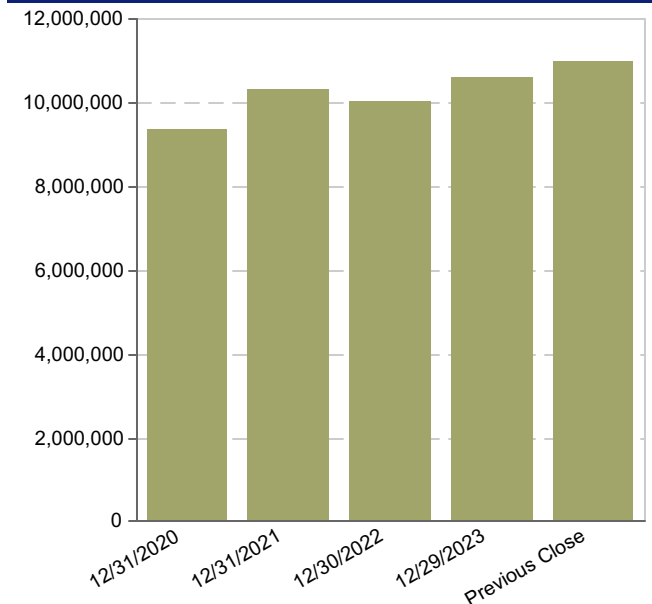


**Fixed Income Sector Exposures**

Mutual Funds & ETFs	\$10,970,152	100.00%
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**Fixed Income Market Value**



Account: XXXXXX9600

Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs)

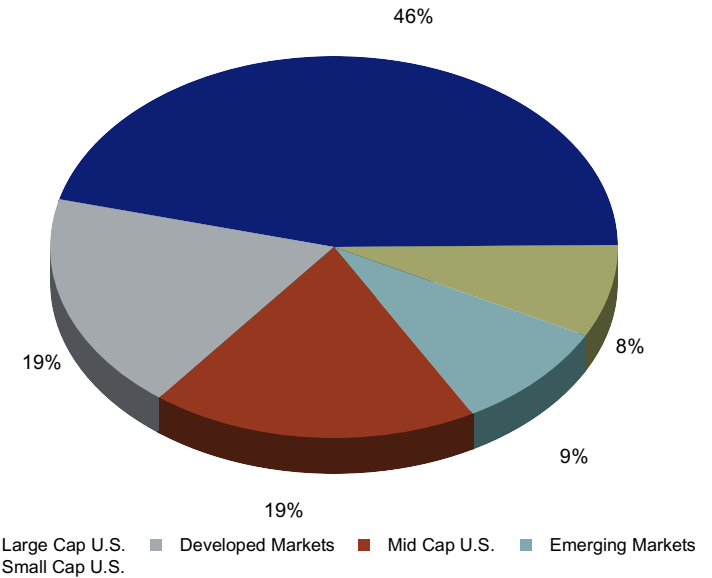
Report Date: 06/28/2024

**Equity Summary**

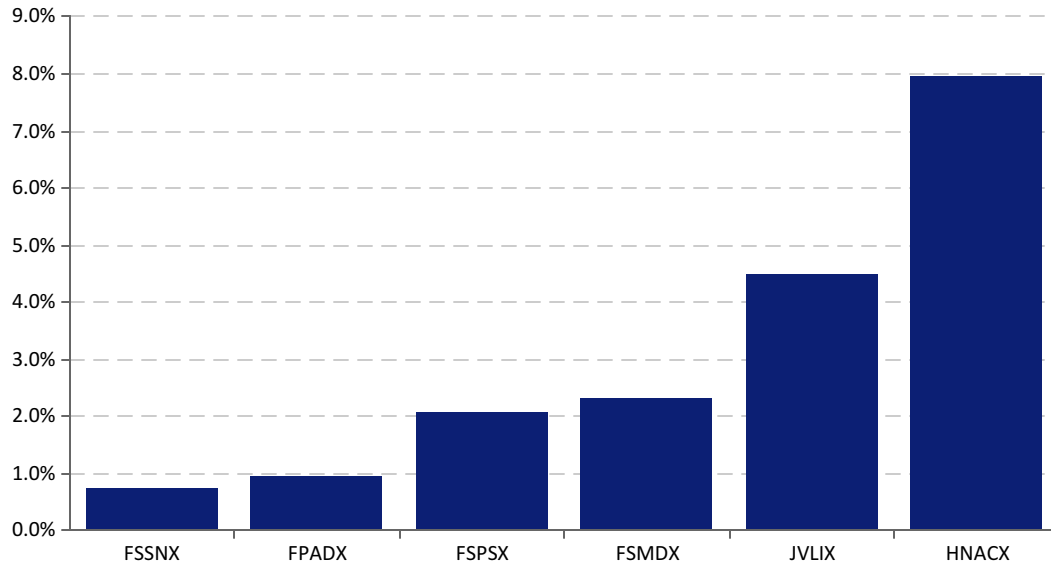
Inv. Objective	Balanced/Nontaxable-1
Total Equity Value	\$24,657,253
Current Yield	1.37%
Annual Income Projected	\$338,360
Number of Securities	6
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

**Equity Asset Allocation**

Large Cap U.S.	\$11,367,327	46.10%
Developed Markets	\$4,565,110	18.51%
Mid Cap U.S.	\$4,562,111	18.50%
Emerging Markets	\$2,240,993	9.09%
Small Cap U.S.	\$1,921,711	7.79%



**Bottom 5/ Top 5 Contributors (Trailing 12 Months)**



**Equity Global Distribution**



**Equity Country Distribution**



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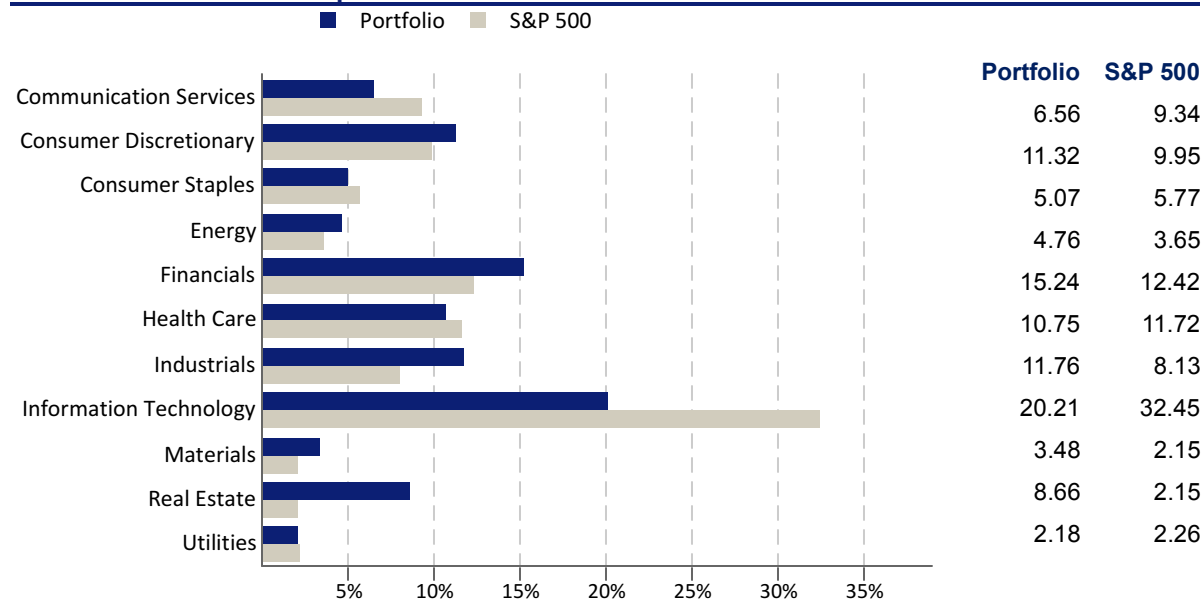
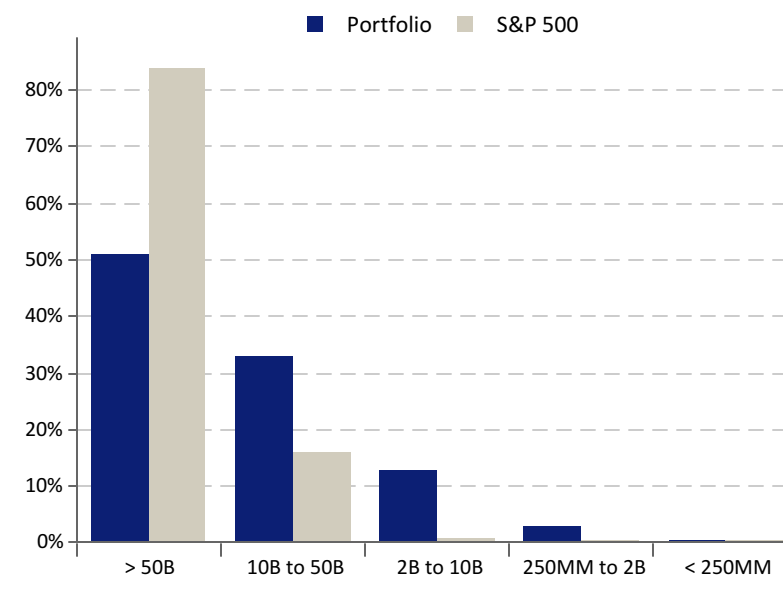
Holdings Date: 6/28/2024

**Top 10 Common Stock Holdings**

	Stock Wt. (%)	Full Port Wt. (%)	Yield (%)	YTD Return (%)*	52 Wk Return (%)*
NVIDIA Corporation	2.55	2.45	0.03	149.5	200.5
Amazon.com, Inc.	1.88	1.80	0.00	27.2	49.8
Microsoft Corporation	1.85	1.78	0.64	19.3	34.1
Alphabet Inc. Class A	1.23	1.18	0.42	30.5	51.7
Meta Platforms Inc Class A	1.11	1.06	0.38	42.7	77.1
Broadcom Inc.	1.05	1.00	1.20	44.9	92.7
JPMorgan Chase & Co.	1.01	0.97	2.24	20.3	49.8
Advanced Micro Devices, Inc.	1.00	0.96	0.00	10.0	47.2
Eli Lilly and Company	0.99	0.95	0.57	55.8	98.8
Apple Inc.	0.94	0.90	0.44	9.7	11.9

**Common Stock Characteristics**

	Portfolio	S&P 500
Market Cap - Wtd Avg	\$364.5B	\$1010.5B
Market Cap - Median	\$5.0B	\$35.1B
Dividend Yield (%)	1.77	1.35
P/E NTM	17.4	21.1
P/E LTM	20.4	26.8
ROE (%)	21.3	30.1
1 Yr Beta vs. S&P Composite	.93	1.03
Est 3-5 Yr EPS Growth (%)	14.5	16.2
Hist 3 Yr EPS Growth (%)	26.1	25.0
Number of Securities	4955	503

**Common Stock Sector Exposures**

**Common Stock Market Cap Distribution**


\*Specific to the security - does not represent performance in the portfolio.

# Custom Benchmark

## CITY OF CUPERTINO

Asset Class	Benchmark	Range	Target	Actual
Equities	MSCI AC World Free Index	50%-70%	63%	64.9%
Fixed Income	BBARC Global Aggregate Index	20%-40%	29%	28.9%
Real Estate	S&P Global REIT TR USD	0%-15%	5%	4.1%
Commodities	S&P GSCI Commodity Index	0%-10%	2%	0%
Cash	FTSE 3-Mo US T-Bill Index	0%-10%	1%	2.1%

**Selected Period Performance**

Selected Period Performance

	Market Value	1 Month	3 Months	Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 07/01/2010
<b>Total Portfolio Gross of Fees</b>	38,008,520	1.12	.48	6.44	13.85	1.53	6.54	6.71
<b>Total Portfolio Net of Fees</b>	38,008,520	1.11	.44	6.35	13.65	1.35	6.34	
City of Cupertino		1.57	1.55	6.37	13.32	2.39	6.92	7.34
<b>Total Equity</b>	24,657,253	1.14	.67	9.85	19.19	3.12	10.94	11.52
<b>Domestic Equity</b>	17,851,149	1.70	.41	11.33	22.24	5.81	12.06	
S&P 500 Index (Total Return)		3.59	4.28	15.29	24.56	10.01	15.05	14.84
S&P MidCap 400 Index		-1.58	-3.45	6.17	13.57	4.47	10.27	12.37
S&P SmallCap 600 Index		-2.28	-3.11	-.72	8.66	-.26	8.06	11.89
<b>Foreign Equity</b>	6,806,103	-.35	1.40	6.04	11.40	-3.89	7.79	
MSCI EAFE Index (Net)		-1.61	-.42	5.34	11.54	2.89	6.46	6.81
MSCI Emerging Markets Index (Net)		3.94	5.00	7.49	12.55	-5.07	3.10	3.70
<b>Total Fixed Income</b>	11,007,984	1.00	.13	-.02	4.06	-1.75	-.94	1.58
BBARC US Aggregate Bond Index		.95	.07	-.71	2.63	-3.02	-.23	2.02
BBARC Global Aggregate Index		.14	-1.10	-3.16	.93	-5.49	-2.02	.96
<b>Total Real Assets</b>	1,542,582	2.80	.13	-.27	8.05	-.43	3.56	
<b>Real Estate</b>	1,542,582	2.80	.13	-.27	8.05	-.43	3.56	
S&P Global REIT Index (Gross)		1.33	-1.18	-2.08	6.34	-2.02	1.71	7.63
S&P GSCI Index		1.43	.65	11.08	15.01	12.69	8.28	-.57
<b>Total Cash Equivalents</b>	800,702	.43	1.30	2.62	5.34	3.03	2.06	1.01
ICE BofAML US 3-Month Treasury Bill Index		.41	1.32	2.63	5.40	3.03	2.16	1.11
<b>Pending Cash</b>	0	.00	.00	.00	.00	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

Investment products and services are:  
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Account: XXXXXX9600

Holdings Method: Direct

Report Date: 06/28/2024

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
<b>Total</b>		<b>100.0</b>			<b>37,967,443</b>	<b>32,311,429</b>	<b>5,656,014</b>	<b>2.28</b>	<b>864,680</b>
<b>Cash</b>		<b>2.10</b>			<b>797,457</b>	<b>797,457</b>	<b>0</b>	<b>5.24</b>	<b>41,753</b>
<b>Cash Equivalents</b>		<b>2.10</b>			<b>797,457</b>	<b>797,457</b>	<b>0</b>	<b>5.24</b>	<b>41,753</b>
FIRST AM GOVT OB FD CL X	31846V336	2.10	1.00	797,457	797,457	797,457	0	5.24	41,753
<b>Fixed Income</b>		<b>28.89</b>			<b>10,970,152</b>	<b>10,319,424</b>	<b>650,727</b>	<b>3.96</b>	<b>434,828</b>
<b>Investment Grade</b>		<b>23.89</b>			<b>9,071,092</b>	<b>8,270,511</b>	<b>800,581</b>	<b>3.18</b>	<b>288,141</b>
<b>Mutual Funds &amp; ETFs</b>		<b>23.89</b>			<b>9,071,092</b>	<b>8,270,511</b>	<b>800,581</b>	<b>3.18</b>	<b>288,141</b>
Fidelity U.S. Bond Index Fund	FXNAX	23.89	10.20	889,323	9,071,092	8,270,511	800,581	3.18	288,141
<b>High Yield</b>		<b>5.00</b>			<b>1,899,060</b>	<b>2,048,913</b>	<b>-149,853</b>	<b>7.72</b>	<b>146,687</b>
<b>Mutual Funds &amp; ETFs</b>		<b>5.00</b>			<b>1,899,060</b>	<b>2,048,913</b>	<b>-149,853</b>	<b>7.72</b>	<b>146,687</b>
Artisan High Income Fund - Institutional Sh...	APHFX	5.00	8.92	212,899	1,899,060	2,048,913	-149,853	7.72	146,687
<b>Equity</b>		<b>64.94</b>			<b>24,657,253</b>	<b>19,506,841</b>	<b>5,150,412</b>	<b>1.37</b>	<b>338,360</b>
<b>Large Cap U.S. Equity</b>		<b>29.94</b>			<b>11,367,327</b>	<b>9,882,065</b>	<b>1,485,262</b>	<b>0.50</b>	<b>57,113</b>
<b>Mutual Funds &amp; ETFs</b>		<b>29.94</b>			<b>11,367,327</b>	<b>9,882,065</b>	<b>1,485,262</b>	<b>0.50</b>	<b>57,113</b>
Harbor Capital Appreciation Fund - Retire...	HNACX	14.89	117.24	48,224	5,653,731	4,329,354	1,324,376	0.00	0
John Hancock Fds III Disciplined Value Fu...	JVLIX	15.05	24.41	234,068	5,713,597	5,552,711	160,886	1.00	57,113
<b>Mid Cap U.S. Equity</b>		<b>12.02</b>			<b>4,562,111</b>	<b>1,613,156</b>	<b>2,948,955</b>	<b>1.33</b>	<b>60,528</b>
<b>Mutual Funds &amp; ETFs</b>		<b>12.02</b>			<b>4,562,111</b>	<b>1,613,156</b>	<b>2,948,955</b>	<b>1.33</b>	<b>60,528</b>
Fidelity Mid Cap Index Fund	FSMDX	12.02	31.43	145,151	4,562,111	1,613,156	2,948,955	1.33	60,528
<b>Small Cap U.S. Equity</b>		<b>5.06</b>			<b>1,921,711</b>	<b>1,743,926</b>	<b>177,785</b>	<b>1.41</b>	<b>27,108</b>
<b>Mutual Funds &amp; ETFs</b>		<b>5.06</b>			<b>1,921,711</b>	<b>1,743,926</b>	<b>177,785</b>	<b>1.41</b>	<b>27,108</b>
Fidelity Small Cap Index Fund	FSSNX	5.06	25.45	75,509	1,921,711	1,743,926	177,785	1.41	27,108
<b>Developed Markets Equity</b>		<b>12.02</b>			<b>4,565,110</b>	<b>4,244,701</b>	<b>320,409</b>	<b>3.01</b>	<b>137,586</b>
<b>Mutual Funds &amp; ETFs</b>		<b>12.02</b>			<b>4,565,110</b>	<b>4,244,701</b>	<b>320,409</b>	<b>3.01</b>	<b>137,586</b>
Fidelity International Index Fund	FSPSX	12.02	49.77	91,724	4,565,110	4,244,701	320,409	3.01	137,586
<b>Emerging Markets Equity</b>		<b>5.90</b>			<b>2,240,993</b>	<b>2,022,992</b>	<b>218,001</b>	<b>2.50</b>	<b>56,025</b>
<b>Mutual Funds &amp; ETFs</b>		<b>5.90</b>			<b>2,240,993</b>	<b>2,022,992</b>	<b>218,001</b>	<b>2.50</b>	<b>56,025</b>
Fidelity Emerging Markets Index Fund	FPADX	5.90	10.76	208,271	2,240,993	2,022,992	218,001	2.50	56,025
<b>Real Assets</b>		<b>4.06</b>			<b>1,542,582</b>	<b>1,687,707</b>	<b>-145,126</b>	<b>3.22</b>	<b>49,739</b>
<b>U.S. Listed Real Estate</b>		<b>4.06</b>			<b>1,542,582</b>	<b>1,687,707</b>	<b>-145,126</b>	<b>3.22</b>	<b>49,739</b>

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Holdings Date: 6/28/2024



Account: XXXXXX9600

Holdings Method: Direct

Report Date: 06/28/2024

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
iShares Core U.S. REIT ETF	USRT	4.06	53.56	28,801	1,542,582	1,687,707	-145,126	3.22	49,739



Account: XXXXXX9601

Holdings Method: Direct

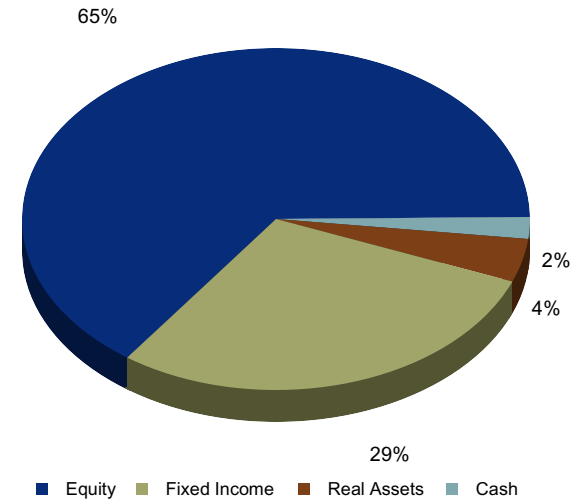
Report Date: 06/28/2024

**Portfolio Summary**

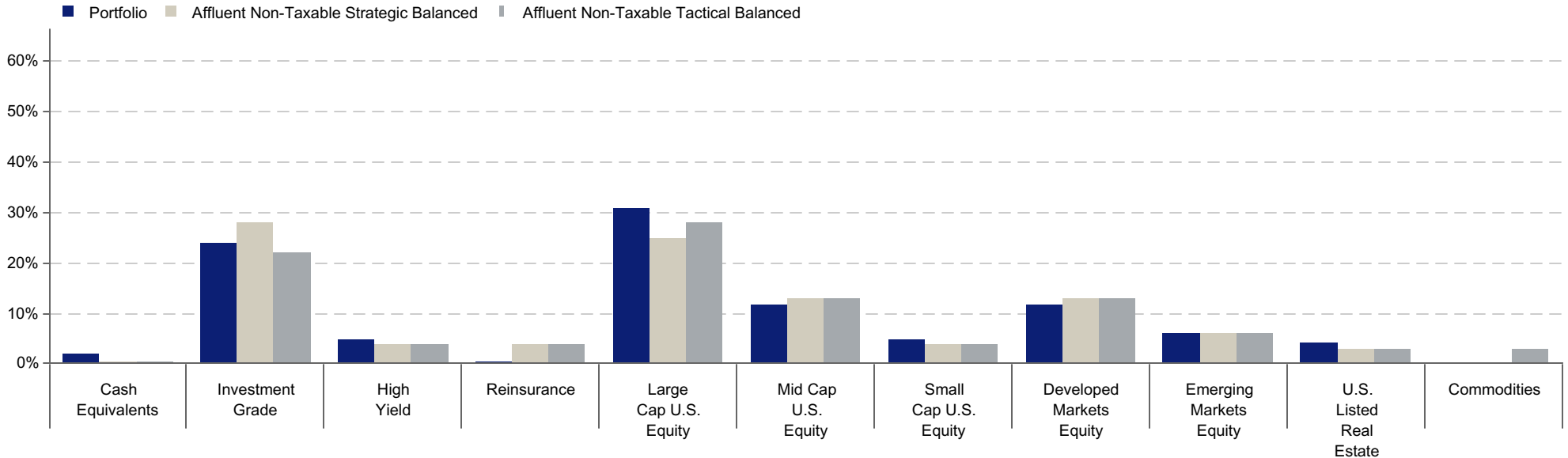
Inv. Objective	Balanced/Nontaxable-1
Total Portfolio Value	\$21,638,445
Net Realized Cap Gains YTD	\$-34,093
Annual Income Projected	\$487,162
Current Yield	2.25%
Number of Securities	10
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

**Portfolio Asset Allocation**

Equity	\$14,102,415	65.17%
Fixed Income	\$6,227,033	28.78%
Real Assets	\$880,526	4.07%
Cash	\$428,471	1.98%
<b>Invested Total</b>	<b>\$21,638,445</b>	<b>100.00%</b>



**Portfolio Model Allocation**



Account: XXXXXX9601

Holdings Method: Direct

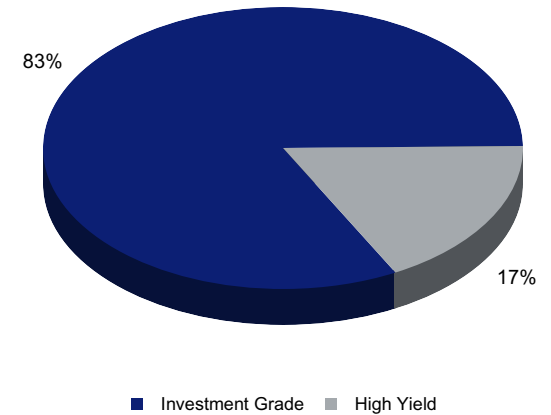
Report Date: 06/28/2024

**Fixed Income Summary**

Inv. Objective	Balanced/Nontaxable-1
Total Fixed Income Value	\$6,227,033
Current Yield	3.96%
Annual Income Projected	\$246,465
Number of Securities	2
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

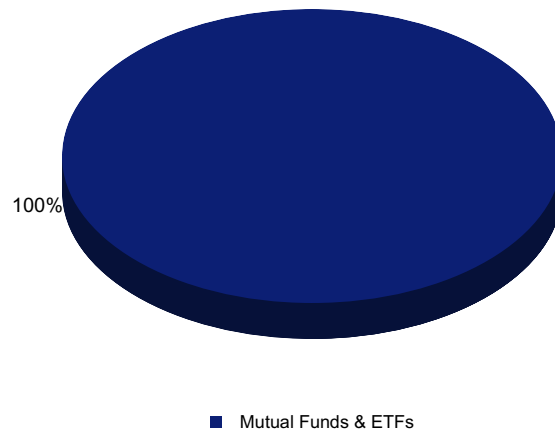
**Fixed Income Asset Allocation**

Investment Grade	\$5,156,949	82.82%
High Yield	\$1,070,083	17.18%

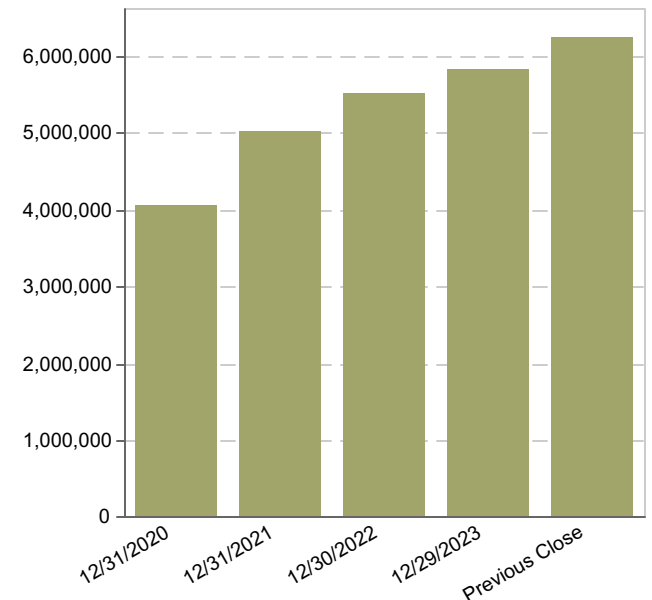


**Fixed Income Sector Exposures**

Mutual Funds & ETFs	\$6,227,033	100.00%
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**Fixed Income Market Value**



Account: XXXXXX9601

Holdings Method: Direct and Indirect (securities held in mutual funds & ETFs)

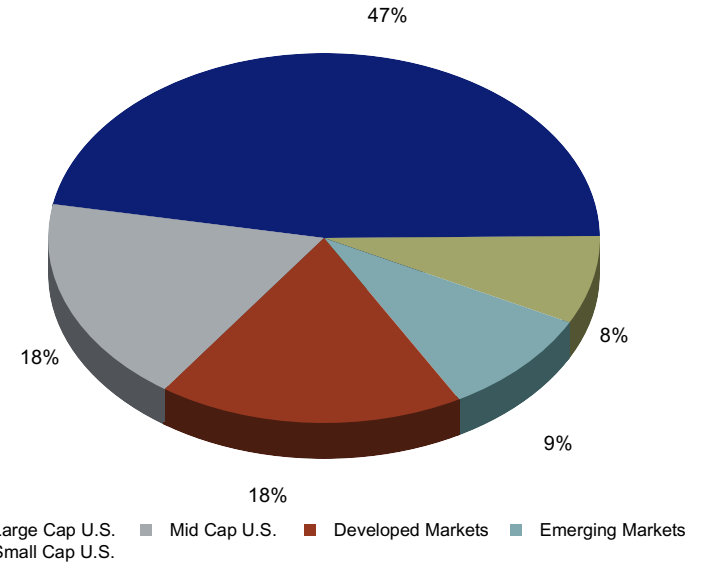
Report Date: 06/28/2024

**Equity Summary**

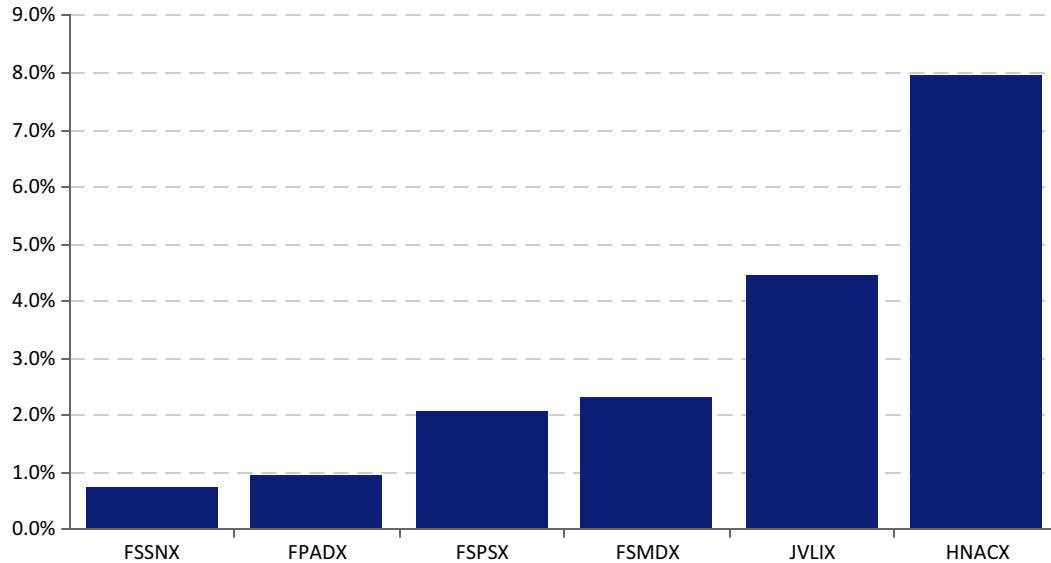
Inv. Objective	Balanced/Nontaxable-1
Total Equity Value	\$14,102,415
Current Yield	1.35%
Annual Income Projected	\$189,872
Number of Securities	6
Portfolio Mgr.	Kenneth Donaldson, CFP®, CTFA

**Equity Asset Allocation**

Large Cap U.S.	\$6,642,714	47.10%
Mid Cap U.S.	\$2,568,454	18.21%
Developed Markets	\$2,511,909	17.81%
Emerging Markets	\$1,308,880	9.28%
Small Cap U.S.	\$1,070,457	7.59%



**Bottom 5/ Top 5 Contributors (Trailing 12 Months)**



**Equity Global Distribution**



**Equity Country Distribution**



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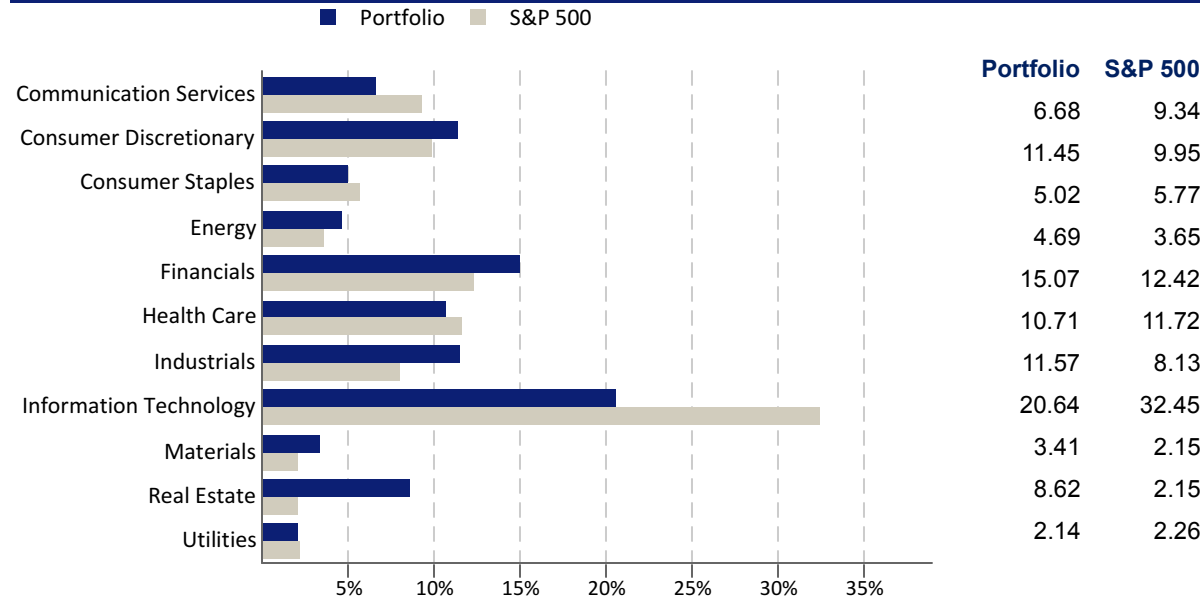
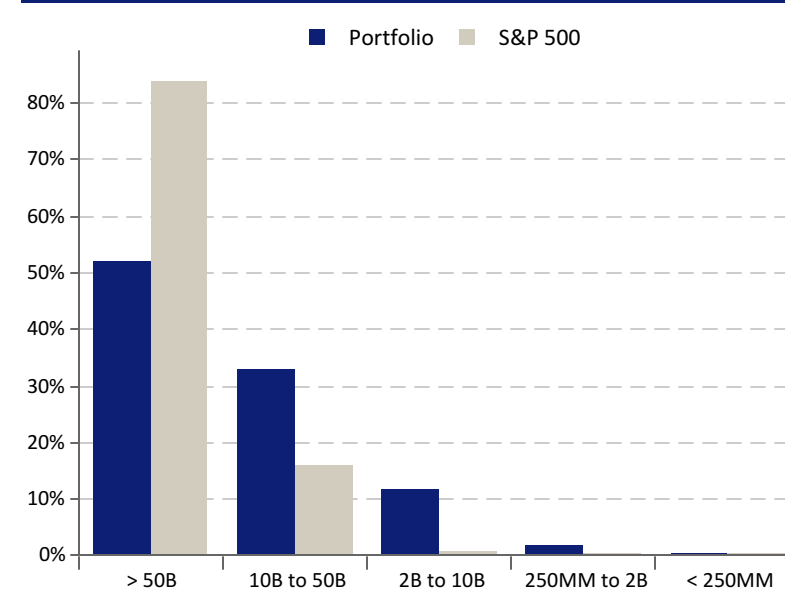
Holdings Date: 6/28/2024

**Top 10 Common Stock Holdings**

	Stock Wt. (%)	Full Port Wt. (%)	Yield (%)	YTD Return (%)*	52 Wk Return (%)*
NVIDIA Corporation	2.70	2.58	0.03	149.5	200.5
Amazon.com, Inc.	1.98	1.90	0.00	27.2	49.8
Microsoft Corporation	1.96	1.88	0.64	19.3	34.1
Alphabet Inc. Class A	1.24	1.19	0.42	30.5	51.7
Meta Platforms Inc Class A	1.17	1.12	0.38	42.7	77.1
Broadcom Inc.	1.11	1.06	1.20	44.9	92.7
Eli Lilly and Company	1.04	1.00	0.57	55.8	98.8
Advanced Micro Devices, Inc.	1.04	0.99	0.00	10.0	47.2
JPMorgan Chase & Co.	1.00	0.96	2.24	20.3	49.8
Apple Inc.	0.99	0.95	0.44	9.7	11.9

**Common Stock Characteristics**

	Portfolio	S&P 500
Market Cap - Wtd Avg	\$378.8B	\$1010.5B
Market Cap - Median	\$5.0B	\$35.1B
Dividend Yield (%)	1.75	1.35
P/E NTM	17.5	21.1
P/E LTM	20.6	26.8
ROE (%)	21.6	30.1
1 Yr Beta vs. S&P Composite	.94	1.03
Est 3-5 Yr EPS Growth (%)	14.6	16.2
Hist 3 Yr EPS Growth (%)	26.1	25.0
Number of Securities	4955	503

**Common Stock Sector Exposures**

**Common Stock Market Cap Distribution**


\*Specific to the security - does not represent performance in the portfolio.

# Custom Benchmark

## CITY OF CUPERTINO

Asset Class	Benchmark	Range	Target	Actual
Equities	MSCI AC World Free Index	50%-70%	63%	65.2%
Fixed Income	BBARC Global Aggregate Index	20%-40%	29%	28.8%
Real Estate	S&P Global REIT TR USD	0%-15%	5%	4.1%
Commodities	S&P GSCI Commodity Index	0%-10%	2%	0%
Cash	FTSE 3-Mo US T-Bill Index	0%-10%	1%	2.0%

**Selected Period Performance**

Selected Period Performance

	Market Value	1 Month	3 Months	Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 05/01/2019
<b>Total Portfolio Gross of Fees</b>	21,661,254	1.12	.48	6.42	13.83	1.56	7.28	7.16
<b>Total Portfolio Net of Fees</b>	21,661,254	1.11	.44	6.33	13.63	1.38	7.08	6.97
City of Cupertino		1.57	1.55	6.37	13.32	2.39	6.92	6.98
<b>Total Equity</b>	14,102,415	1.13	.67	9.85	19.19	3.13	10.97	10.55
<b>Domestic Equity</b>	10,281,626	1.70	.41	11.33	22.25	5.81	12.06	11.66
S&P 500 Index (Total Return)		3.59	4.28	15.29	24.56	10.01	15.05	14.58
S&P MidCap 400 Index		-1.58	-3.45	6.17	13.57	4.47	10.27	9.72
S&P SmallCap 600 Index		-2.28	-3.11	-.72	8.66	-.26	8.06	7.38
<b>Foreign Equity</b>	3,820,789	-.35	1.40	6.04	11.39	-3.89	7.83	7.36
MSCI EAFE Index (Net)		-1.61	-.42	5.34	11.54	2.89	6.46	6.42
MSCI Emerging Markets Index (Net)		3.94	5.00	7.49	12.55	-5.07	3.10	2.70
<b>Total Fixed Income</b>	6,248,047	.99	.12	-.03	4.05	-1.75	-.92	-.46
BBARC US Aggregate Bond Index		.95	.07	-.71	2.63	-3.02	-.23	.36
BBARC Global Aggregate Index		.14	-1.10	-3.16	.93	-5.49	-2.02	-1.28
<b>Total Real Assets</b>	880,526	2.80	.13	-.27	8.05	-.39	3.60	3.84
<b>Real Estate</b>	880,526	2.80	.13	-.27	8.05	-.39	3.60	3.84
S&P Global REIT Index (Gross)		1.33	-1.18	-2.08	6.34	-2.02	1.71	2.03
S&P GSCI Index		1.43	.65	11.08	15.01	12.69	8.28	7.12
<b>Total Cash Equivalents</b>	430,265	.43	1.30	2.62	5.34	2.98	2.03	2.04
ICE BofAML US 3-Month Treasury Bill Index		.41	1.32	2.63	5.40	3.03	2.16	2.18
<b>Pending Cash</b>	0	.00	.00	.00	.00	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

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# PARS/CITY OF CUPERTINO 115P- PENSION

## Portfolio Holdings

Account: XXXXXX9601

Holdings Method: Direct

Report Date: 06/28/2024

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
<b>Total</b>		<b>100.0</b>			<b>21,638,445</b>	<b>19,250,561</b>	<b>2,387,884</b>	<b>2.25</b>	<b>487,162</b>
<b>Cash</b>		<b>1.98</b>			<b>428,471</b>	<b>428,471</b>	<b>0</b>	<b>5.24</b>	<b>22,434</b>
<b>Cash Equivalents</b>		<b>1.98</b>			<b>428,471</b>	<b>428,471</b>	<b>0</b>	<b>5.24</b>	<b>22,434</b>
FIRST AM GOVT OB FD CL X	31846V336	1.98	1.00	428,471	428,471	428,471	0	5.24	22,434
<b>Fixed Income</b>		<b>28.78</b>			<b>6,227,033</b>	<b>6,442,206</b>	<b>-215,174</b>	<b>3.96</b>	<b>246,465</b>
<b>Investment Grade</b>		<b>23.83</b>			<b>5,156,949</b>	<b>5,298,190</b>	<b>-141,241</b>	<b>3.18</b>	<b>163,809</b>
<b>Mutual Funds &amp; ETFs</b>		<b>23.83</b>			<b>5,156,949</b>	<b>5,298,190</b>	<b>-141,241</b>	<b>3.18</b>	<b>163,809</b>
Fidelity U.S. Bond Index Fund	FXNAX	23.83	10.20	505,583	5,156,949	5,298,190	-141,241	3.18	163,809
<b>High Yield</b>		<b>4.95</b>			<b>1,070,083</b>	<b>1,144,016</b>	<b>-73,933</b>	<b>7.72</b>	<b>82,656</b>
<b>Mutual Funds &amp; ETFs</b>		<b>4.95</b>			<b>1,070,083</b>	<b>1,144,016</b>	<b>-73,933</b>	<b>7.72</b>	<b>82,656</b>
Artisan High Income Fund - Institutional Sh...	APHFX	4.95	8.92	119,964	1,070,083	1,144,016	-73,933	7.72	82,656
<b>Equity</b>		<b>65.17</b>			<b>14,102,415</b>	<b>11,434,134</b>	<b>2,668,281</b>	<b>1.35</b>	<b>189,872</b>
<b>Large Cap U.S. Equity</b>		<b>30.70</b>			<b>6,642,714</b>	<b>5,608,201</b>	<b>1,034,513</b>	<b>0.49</b>	<b>32,267</b>
<b>Mutual Funds &amp; ETFs</b>		<b>30.70</b>			<b>6,642,714</b>	<b>5,608,201</b>	<b>1,034,513</b>	<b>0.49</b>	<b>32,267</b>
Harbor Capital Appreciation Fund - Retire...	HNACX	15.78	117.24	29,126	3,414,682	2,504,520	910,163	0.00	0
John Hancock Fds III Disciplined Value Fu...	JVLIX	14.92	24.41	132,242	3,228,032	3,103,681	124,351	1.00	32,267
<b>Mid Cap U.S. Equity</b>		<b>11.87</b>			<b>2,568,454</b>	<b>1,386,296</b>	<b>1,182,158</b>	<b>1.33</b>	<b>34,077</b>
<b>Mutual Funds &amp; ETFs</b>		<b>11.87</b>			<b>2,568,454</b>	<b>1,386,296</b>	<b>1,182,158</b>	<b>1.33</b>	<b>34,077</b>
Fidelity Mid Cap Index Fund	FSMDX	11.87	31.43	81,720	2,568,454	1,386,296	1,182,158	1.33	34,077
<b>Small Cap U.S. Equity</b>		<b>4.95</b>			<b>1,070,457</b>	<b>972,122</b>	<b>98,336</b>	<b>1.41</b>	<b>15,100</b>
<b>Mutual Funds &amp; ETFs</b>		<b>4.95</b>			<b>1,070,457</b>	<b>972,122</b>	<b>98,336</b>	<b>1.41</b>	<b>15,100</b>
Fidelity Small Cap Index Fund	FSSNX	4.95	25.45	42,061	1,070,457	972,122	98,336	1.41	15,100
<b>Developed Markets Equity</b>		<b>11.61</b>			<b>2,511,909</b>	<b>2,286,209</b>	<b>225,700</b>	<b>3.01</b>	<b>75,706</b>
<b>Mutual Funds &amp; ETFs</b>		<b>11.61</b>			<b>2,511,909</b>	<b>2,286,209</b>	<b>225,700</b>	<b>3.01</b>	<b>75,706</b>
Fidelity International Index Fund	FSPSX	11.61	49.77	50,470	2,511,909	2,286,209	225,700	3.01	75,706
<b>Emerging Markets Equity</b>		<b>6.05</b>			<b>1,308,880</b>	<b>1,181,306</b>	<b>127,575</b>	<b>2.50</b>	<b>32,722</b>
<b>Mutual Funds &amp; ETFs</b>		<b>6.05</b>			<b>1,308,880</b>	<b>1,181,306</b>	<b>127,575</b>	<b>2.50</b>	<b>32,722</b>
Fidelity Emerging Markets Index Fund	FPADX	6.05	10.76	121,643	1,308,880	1,181,306	127,575	2.50	32,722
<b>Real Assets</b>		<b>4.07</b>			<b>880,526</b>	<b>945,750</b>	<b>-65,224</b>	<b>3.22</b>	<b>28,392</b>
<b>U.S. Listed Real Estate</b>		<b>4.07</b>			<b>880,526</b>	<b>945,750</b>	<b>-65,224</b>	<b>3.22</b>	<b>28,392</b>

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Holdings Date: 6/28/2024





Account: XXXXXX9601

Holdings Method: Direct

Report Date: 06/28/2024

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
iShares Core U.S. REIT ETF	USRT	4.07	53.56	16,440	880,526	945,750	-65,224	3.22	28,392

# MARKET SUMMARY

Provided by Sub-Advisor - PFM Asset Management LLC

## U.S. Equity

- ▶ Domestic equity markets, as represented by the S&P 500 Index (S&P) and the Russell 3000, returned -4.96% and -4.72% respectively in May.
- ▶ Within the S&P, 10 of the 11 sectors posted positive returns. The Information Technology sector was the best performer for the month, returning 10.08%, while the second-best performing sector, Utilities, posted a return of 8.97%. Energy was the worst performing sector, posting a return of -0.39%.
- ▶ Positive returns were seen across all capitalizations, with small-caps (Russell 2000) returning 5.01%, mid-caps (Russell Mid Cap Index) returning 2.85%, and large-caps (Russell 1000 Index) returning 4.71%. Growth stocks outperformed value stocks across small and large capitalizations while value outperformed in mid-caps.
- ▶ According to FactSet Earnings Insight (as of May 31, 2024), the Q1 blended (year-over-year) earnings growth rate for the S&P 500 was 5.9% and the projected earnings growth for the S&P 500 for Q2 is 9.2%.

## Non-U.S. Equity

- ▶ Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S., returned 2.90%. Developed markets, represented by the MSCI EAFE Index returned 3.87%, as Europe (MSCI Europe Index) returned 4.84%.
- ▶ Emerging markets (EM), as represented by the MSCI Emerging Markets Index, returned 0.57% in May, as China (MSCI China Index) returned 2.4% and India (MSCI India Index) returned 0.71% for the month.
- ▶ Within the ACWI ex-U.S. Index, all of the 11 sectors posted positive returns. Financials were the best performing sector, with a return of 4.58%. Utilities, the second-best performer in May posted a strong return of 4.66%. Consumer Discretionary was the worst performing sector, posting a return of 0.50%.

## Fixed Income

- ▶ U.S. Treasury yields fell along the entire yield curve as weaker-than-expected gross domestic product (GDP) and jobs data modestly pressured market expectations for Federal Reserve (Fed) cuts through the balance of the year. On the long end, the yield on the 10-year fell 18 basis point (bps) and the yield on the 30-year fell by 14 bps. Meanwhile, on the shorter end, the yield on the 2-year fell 17 bps and the 5-year fell 21 bps, causing the Broad Treasury Index to return 1.49% for the month.
- ▶ The Bloomberg U.S. Aggregate Index (Aggregate) returned 1.70% in May. Investment-grade (IG) credit as a whole returned 1.82%, AAA-rated bonds returned 1.25%, AA-rated

bonds returned 1.69%, A-rated bonds returned 1.81%, and BBB-rated bonds returned 1.96%. High-yield corporates, as represented by ICE BofA U.S. High Yield, saw a positive return of 1.13% during the month.

## Diversifying Assets

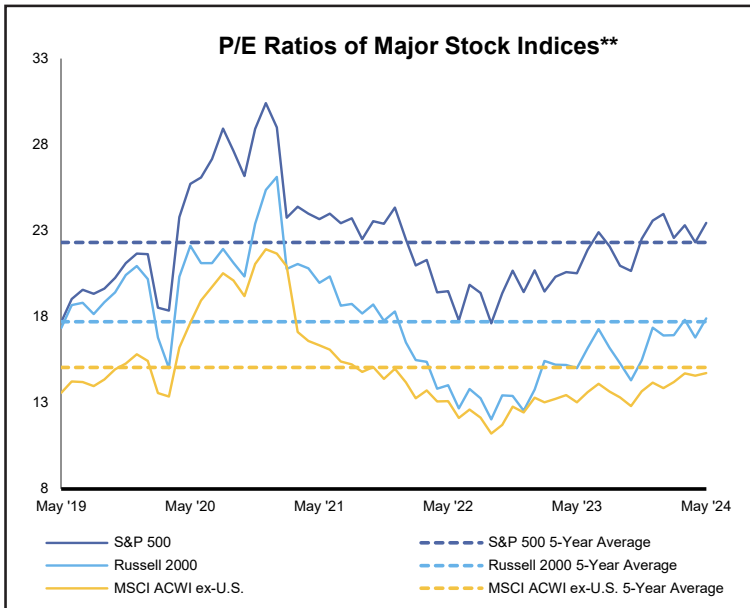
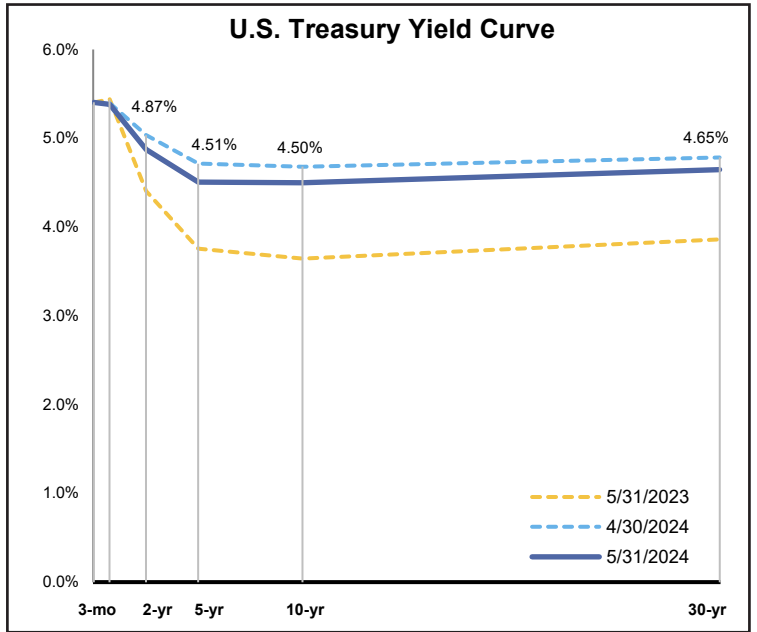
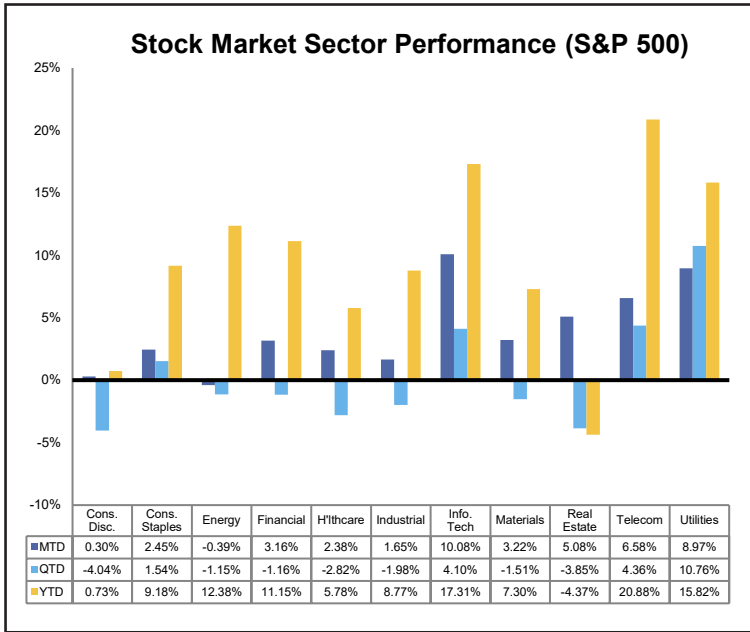
- ▶ During May, real estate investment trusts (REITs), as represented by the MSCI U.S. REIT Index and the FTSE NAREIT Index returned 4.63% and 4.59%, respectively. Eight of the nine real estate sectors had positive returns for the month. The Healthcare sector did the best, returning 9.76%. The worst performing sector for the month was Lodging and Resorts, returning -2.79%. Listed infrastructure, represented by the MSCI World Infrastructure Index, returned 4.82% for the month.
- ▶ The active contract for West Texas Intermediate (WTI) crude fell to \$76.99/barrel in May, down \$4.94 from \$81.93/barrel at the end of April.

## Items to Watch

- ▶ The bumpy path of cooling inflation saw the U.S. annual inflation rate fall slightly in April, after an uptick in March. U.S. inflation, as represented by the Consumer Price Index (CPI), fell to 3.4%, while core inflation (measured by core CPI) slowed to 3.6%, the lowest reading since April 2021. Outside the U.S., the initial inflation estimate for the Eurozone ticked up to 2.6% in May as service prices remained sticky. Meanwhile, inflation in Japan also accelerated during May, rising to 2.2% on higher electricity prices.
- ▶ Manufacturing in the U.S. continues to struggle with the ISM manufacturing index registering at 48.7 in May, down slightly from April's reading of 49.2 (a reading below 50 is contractionary). Despite a brief uptick to expansionary mode in March, this points to an extended contraction in the sector, with 18 of the last 19 readings coming in below the (neutral) 50 mark. Services, as represented by ISM's non-manufacturing index, saw expansion, with a gain of 4.4 points to 53.8 in May.
- ▶ Job openings dropped to 8.06 million in April, down from 8.35M in March. Meanwhile, overall unemployment rose in May, ticking up to 4% - the highest level since January 2022. Despite this, the overall labor market remains resilient, as total non-farm payroll employment growth beat expectations, rising 272,000 last month and wage gains remained firm in May, with the average hourly earnings growth ticking up to 4.1% YoY.
- ▶ U.S. consumer confidence improved in May, as the Conference Board Consumer Confidence Survey index rose, following three consecutive months of declines. Consumers showed increased optimism as the resilient labor market supported confidence in the economy.

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	4.96%	0.67%	11.30%	28.17%
Russell 3000	4.72%	0.12%	10.15%	27.57%
Russell 2000	5.01%	-2.38%	2.68%	20.08%
Russell 1000	4.71%	0.25%	10.57%	27.99%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	2.90%	1.06%	5.79%	16.74%
MSCI EAFE	3.87%	1.21%	7.07%	18.53%
MSCI Emerging Markets	0.57%	1.02%	3.41%	12.39%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg Barclays U.S. Agg	1.70%	-0.87%	-1.64%	1.31%
Bloomberg Barclays Global Agg	1.31%	-1.25%	-3.30%	0.77%
Bloomberg Barclays U.S. HY	1.13%	0.12%	1.63%	11.17%
Alternatives and Diversifying	MTD	QTD	YTD	1 YR
MSCI U.S. REIT	4.63%	-2.81%	-3.41%	8.47%
FTSE NAREIT Index	4.59%	-2.74%	-2.93%	10.17%
MSCI World Core Infrastructure	4.82%	0.88%	0.73%	8.38%
Bloomberg Commodity	1.30%	3.52%	4.41%	5.13%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	4.0%	3.9%
Initial Jobless Claims (4 week average)	222.5 K	220 K
CB Leading Economic Indicators	-0.6	-0.3
Capacity Utilization	78.4%	78.5%
GDP (annual growth rate)	1.3%	3.4%
University of Michigan Consumer Confidence	69.1	77.2
New Home Starts	634 K	665 K
Existing Home Sales	4.1 MM	4.2 MM
Retail Sales (YoY)	3.6%	4.0%
U.S. Durable Goods (MoM)	0.6%	0.8%
Consumer Price Index (YoY)	3.4%	3.5%
Producer Price Index (MoM)	0.4%	0.0%
Developed International*	3/31/2024	12/31/2023
Market GDP (annual rate)	1.4%	1.5%
Market Unemployment	4.6%	4.5%



Source: Bloomberg. Data as of May 31, 2024, unless otherwise noted.  
 \*Developed market data is calculated with respect to the weightings in the MSCI World ex-U.S. Index. Most current data is as of March 31, 2024 due to release dates of numerous countries.  
 \*\*P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

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# Important disclosures (page 1 of 4)

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# Important disclosures (page 2 of 4)

**Equity securities** are subject to stock market fluctuations that occur in response to economic and business developments. **Stocks of small-capitalization companies** involve substantial risk. These stocks historically have experienced greater price volatility than stocks of larger companies and may be expected to do so in the future. **Stocks of mid-capitalization companies** can be expected to be slightly less volatile than those of small-capitalization companies, but still involve substantial risk and may be subject to more abrupt or erratic movements than large-capitalization companies. The value of **large-capitalization stocks** will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions. **Growth investments** focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends, which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments. **Value investments** focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

**International investing** involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility.

Investments in **real estate securities** can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults). There are special risks associated with an investment in **commodities**, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return, but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments.

# Important disclosures (page 3 of 4)

The **municipal bond** market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issues of municipal securities. Interest rate increases can cause the price of a bond to decrease. Income on municipal bonds is free from federal taxes, but may be subject to the federal alternative minimum tax (AMT), state and local taxes. **Treasury Inflation-Protected Securities (TIPS)** offer a lower return compared to other similar investments and the principal value may increase or decrease with the rate of inflation. Gains in principal are taxable in that year, even though not paid out until maturity.

Non-financial **specialty assets**, such as real estate, farm, ranch and timber properties, oil, gas and mineral interests or closely-held business interests are complex and involve unique risks specific to each asset type, including the total loss of value. Special risk considerations may include natural events or disasters, complex tax considerations and lack of liquidity. Specialty assets may not be suitable for all investors.

**Alternative investments** very often use speculative investment and trading strategies. There is no guarantee that the investment program will be successful. Alternative investments are designed only for investors who are able to tolerate the full loss of an investment. These products are not suitable for every investor even if the investor does meet the financial requirements. It is important to consult with your investment professional to determine how these investments might fit your asset allocation, risk profile and tax situation. **Hedge funds** are speculative and involve a high degree of risk. An investment in a hedge fund involves a substantially more complicated set of risk factors than traditional investments in stocks or bonds, including the risks of using derivatives, leverage and short sales, which can magnify potential losses or gains. Restrictions exist on the ability to redeem or transfer interests in a fund. **Exchange-traded funds (ETFs)** are baskets of securities that are traded on an exchange like individual stocks at negotiated prices and are not individually redeemable. ETFs are designed to generally track a market index and shares may trade at a premium or a discount to the net asset value of the underlying securities. **Private equity** investments provide investors and funds the potential to invest directly into private companies or participate in buyouts of public companies that result in a delisting of the public equity. Investors considering an investment in private equity must be fully aware that these investments are illiquid by nature, typically represent a long-term binding commitment and are not readily marketable. The valuation procedures for these holdings are often subjective in nature. **Private debt** investments may be either direct or indirect and are subject to significant risks, including the possibility of default, limited liquidity and the infrequent availability of independent credit ratings for private companies. **Structured products** are subject to market risk and/or principal loss if sold prior to maturity or if the issuer defaults on the security. Investors should request and review copies of Structured Products Pricing Supplements and Prospectuses prior to approving or directing an investment in these securities.

# Important disclosures (page 4 of 4)

**Mutual fund investing** involves risk and principal loss is possible. Investing in certain funds involves special risks, such as those related to investments in small- and mid-capitalization stocks, foreign, debt and high-yield securities and funds that focus their investments in a particular industry. Please refer to the fund prospectus for additional details pertaining to these risks. An investment in **money market funds** is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although these funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in these funds.

**Holdings of First American Funds:** U.S. Bancorp Asset Management, Inc. is a registered investment advisor and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, performance or services of U.S. Bancorp Asset Management. U.S. Bancorp Asset Management, Inc. serves as an investment advisor to First American Funds. **Holdings of Nuveen mutual funds:** Firststar Capital Corporation (Firststar Capital), an affiliate of U.S. Bancorp, holds a less-than-10 percent ownership interest in Windy City Investments Holdings, LLC which was formerly the parent of Windy City Investment Inc. and the indirect parent of Nuveen Fund Advisors, LLC which is the investment advisor to the Nuveen Mutual Funds. On October 1, 2014, Windy City Investments, Inc. was sold to Teachers Insurance and Annuity Association of America. As a result of the sale, U.S. Bancorp no longer has an indirect ownership interest in Nuveen Fund Advisors, LLC. Depending on the outcome of certain factors, Firststar Capital might in the future receive an earn-out payment in respect of its interest in Windy City Investment Holdings, LLC, under the terms of the sale. **Non-proprietary mutual funds:** U.S. Bank may enter into agreements with other non-proprietary mutual funds or their service providers whereby U.S. Bank provides shareholder services and/or sub-transfer agency, custodial and other administrative support services and receives compensation for these services. Compensation received by U.S. Bank directly or indirectly from mutual funds does not increase fund fees and expenses beyond what is disclosed in the fund prospectuses. For more information, review the fund prospectus.

# Definitions of report and statement terms (page 1 of 5)

**Accredited Investor:** Private placement securities generally require that investors be accredited due to the additional risks and speculative nature of the securities. For natural persons, the criteria is met by a net worth of more than \$1 million (excluding primary residence) or an income of more than \$200,000 individually (\$300,000 jointly) for the two most recent years and a reasonable expectation for the same in the current year. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$5 million in assets. See full definition in Rule 501 of Regulation D under the Securities Act of 1933.

**Alpha:** A measure of risk-adjusted performance. A statistic measuring that portion of a stock, fund or composite's total return attributable to specific or non-market risk. Alpha measures non-market return and indicates how much value has been added or lost. A positive Alpha indicates the fund or composite has performed better than its Beta would predict (i.e., the manager has added value above the benchmark). A negative Alpha indicates a fund or composite has underperformed given the composite's Beta.

**Alternative Investments:** As used by U.S. Bank, an investment considered to be outside of the traditional asset classes of long-only stocks, bonds and cash. Examples of alternative investments include hedge funds, private equity, options and financial derivatives.

**Annualized Excess Return:** Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided annualize only periods greater than one year.

**Annualized or Annual Rate of Return:** Represents the average annual change in the value of an investment over the periods indicated.

**Batting Average:** Shows how consistently the portfolio return met or beat the market.

**Beta:** A measure of your portfolio's risk relative to a benchmark. A portfolio with a beta of 1.5, for example, would be expected to return roughly 1.5 times the benchmark's return. A high Beta indicates a riskier portfolio.

**Bond Credit Rating:** A grade given to bonds by a private independent rating service that indicates their credit quality. Ratings are the opinion of Standard & Poor's or other agencies as noted and not the opinion of U.S. Bank.

**Consumer Price Index (CPI):** A measure of the average change in prices over time in a market basket of goods and services and is one of the most frequently used statistics for identifying periods of inflation and deflation.

**Convexity to Stated Maturity:** A measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. Convexity is used as a risk-management tool and helps to measure and manage the amount of market risk to which a portfolio of bonds is exposed. This version of convexity measures the rate change in duration of a bond as the yield to (stated) maturity changes.

# Definitions of report and statement terms (page 2 of 5)

**Cost basis/book value:** The original value of an asset at the time it was acquired. This is normally the purchase price or appraised value at the time of acquisition. This data is for information purposes only.

**Cumulative Excess Return:** Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided use unannualized returns in periods up to one year, but annualized returns for periods exceeding one year.

**Downside Capture:** The downside capture ratio reflects how a portfolio compares to a benchmark during periods when the benchmark is down. A downside capture ratio of 0.80 (or 80 percent) means the portfolio has historically declined only 80 percent as much as the benchmark during down markets.

**Downside Deviation:** The deviation of returns that fall below a minimum acceptable return (MAR). Although the numerator includes only returns below the MAR, the denominator includes all returns in the performance period. This risk statistic is similar to the downside standard deviation except the sum is restricted to returns less than the MAR instead of the mean.

**Downside Standard Deviation:** The deviation of returns that fall below the mean return. Although the numerator includes only returns below the mean, the denominator includes all returns in the performance period. This risk statistic is similar to the downside deviation except the sum is restricted to returns less than the mean instead of the minimum acceptable return (MAR).

**Effective Maturity:** The date of a bond's most likely redemption, given current market conditions, taking into consideration the optional and mandatory calls, the optional, mandatory and recurring puts, and the stated maturity.

**Estimated annual income:** The amount of income a particular asset is anticipated to earn over the period indicated. The shares multiplied by the annual income rate.

**Gain/loss calculation:** If an asset was sold, the difference between the proceeds received from the sale compared to the cost of acquiring the asset. If the value of the proceeds is the higher of the two numbers, then a gain was realized. If the value of the proceeds is the lower of the two numbers, a loss was incurred. This data is for information purposes only.

**Information Ratio:** The information ratio compares the average excess return of the portfolio over its associated benchmark divided by the tracking error.

**M-Squared:** The hypothetical return of the portfolio after its risk has been adjusted to match a benchmark.

# Definitions of report and statement terms (page 3 of 5)

**Market Value:** Publicly traded assets are valued using market quotations or valuation methods from financial industry services believed by us to be reliable. Assets, that are not publicly traded, may be reflected at values from other external sources or special valuations prepared by us. Assets for which a current value is not available may be reflected as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could have been bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

**Market Value Over Time:** Many factors can impact the portfolio value over time, such as contributions to the account, distributions from the account, the investment of dividends and interest, the deduction of fees and expenses, and market performance.

**Modified Duration to Effective Maturity:** A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration takes into consideration a “horizon date/price” that is, given current conditions, the most likely redemption date/price using the set of calls/puts, as well as stated maturity.

**Modified Duration to Stated Maturity:** A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration uses stated maturity as the “horizon date/price” and ignores any potential call/put/pre-refunding, even if they are mandatory.

**Price/Earnings Ratio (P/E):** The P/E ratio of a company is calculated by dividing the price of the company’s stock by its trailing 12-month earnings per share. A high P/E usually indicates that the market is paying a premium for current earnings because it believes in the firm’s ability to grow its earnings. A low P/E indicates the market has less confidence that the company’s earnings will increase. Within a portfolio, P/E is the weighted average of the price/earnings ratios of the stocks in the portfolio.

**Qualified Purchaser:** Some private placement securities require that investors be Qualified Purchasers in addition to being Accredited Investors. For natural persons, the criteria is generally met when the client (individually or jointly) owns at least \$5 million in investments. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$25 million in investments though there are other eligibility tests that may apply. See full definition in Section 2(a)(51) of the Investment Company Act of 1940.

**R-Squared:** Measures the portion of the risk in your portfolio that can be attributed to the risk in the benchmark.

**Realized and Unrealized Gains/Losses:** Are calculated for individual tax lots based on the records we have available. Some data may be incomplete or differ from what you are required to report on your tax return. Some data used in these calculations may have been obtained from outside sources and cannot be verified by U.S. Bank. The data is intended for informational purposes only and should not be used for tax reporting purposes. Please consult with your tax or legal advisor for questions concerning your personal tax or financial situation.

# Definitions of report and statement terms (page 4 of 5)

**Residual Risk:** The amount of risk specific to the assets in a portfolio distinct from the market, represented by a benchmark.

**Return:** An indication of the past performance of your portfolio.

**Sharpe Ratio:** Measures of risk-adjusted return that calculates the return per unit of risk, where risk is the Standard Deviation of your portfolio. A high Sharpe ratio indicates that the portfolio is benefiting from taking risk.

**Sortino Ratio:** Intended to differentiate between good and bad volatility. Similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.

**Spread:** The difference between the yields of two bonds with differing credit ratings (most often, a corporate bond with a certain amount of risk is compared to a standard traditionally lower risk Treasury bond). The bond spread will show the additional yield that could be earned from a bond which has a higher risk.

**Standard Deviation:** A measure of the volatility and risk of your portfolio. A low standard deviation indicates a portfolio with less volatile returns and therefore less inherent risk.

**Time-weighted Return:** The method used to calculate performance. Time-weighted return calculates period by period returns that negates the effect of external cash flows. Returns for periods of greater than one year are reported as an annualized (annual) rate of return. Returns of less than one year are reported on a cumulative return basis. Cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period involved.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

**Traditional Investments:** As used by U.S. Bank, an investment made in equity, fixed income or cash securities, mutual funds or exchange-traded funds (ETFs) where the investor buys at a price with the goal that the investment will go up in value.

**Top 10 Holdings:** The 10 assets with the highest market values in the account.

**Total Portfolio Gross of Fees:** Represents all assets included in the calculation of the portfolio, before the deduction of trust and asset management fees, and is inclusive of all applicable third-party security fees and expenses. Details of those fees and expenses are provided in the security's prospectus or offering documents.



# Definitions of report and statement terms (page 5 of 5)

**Total Return:** The rate of return that includes the realized and unrealized gains and losses plus income for the measurement period.

**Treynor Ratio:** Measures the performance of a sector relative to risk by dividing the return of the sector in excess of the risk-free return by the sector's Beta. The higher the Treynor ratio, the better the return relative to risk.

**Turnover Percent:** Indicates how frequently asset are bought and sold within a portfolio.

**Turnover Ratio:** The percentage of a mutual fund's or other investment vehicle's holdings that have been "turned over" or replaced with other holdings in a given year.

**Unrealized gain (loss)** — The difference between the current market value (at the end of the statement period) and the cost to acquire the asset. If the current market value is higher than the cost, a gain is reflected. If the current market value is lower than the cost paid, a loss is reflected. This data is for information purposes only.

**Upside Capture:** The upside capture ratio reflects how a portfolio compares to the selected model benchmark during periods when the benchmark is up. An upside capture ratio of 1.15 (or 115 percent) means the portfolio has historically beat the benchmark by 15 percent during up markets.

**Yield:** The annual rate of return on an investment, expressed as a percentage. For bonds, it is the coupon rate divided by the market price. For stocks, it is the annual dividend divided by the market price.

# Frequently used indexes (page 1 of 5)

**Bloomberg Barclays 1-3 year U.S. Treasury Index:** Measures the performance of the U.S. government bond market and includes public obligations of the U.S. Treasury with a maturity between one year and up to (but not including) three years.

**Bloomberg Barclays 1-5 year U.S. Treasury Index:** Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than five years, are rated investment grade and have \$250 million or more of outstanding face value.

**The Bloomberg Barclays 1-5 year Municipal Index:** Measures the performance of municipal bonds with time to maturity of more than one year and less than five years.

**Bloomberg Barclays 7-year Municipal Index:** Includes municipal bonds with a minimum credit rating of Baa that have been issued as part of a transaction of at least \$50 million, have a maturity value of at least \$5 million and a maturity range of four to six years.

**Bloomberg Barclays Global Aggregate Index ex-U.S. Index:** Measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

**Bloomberg Barclays Global Treasury ex-U.S. Index:** Includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

**Bloomberg Barclays High Yield Municipal Bond Index:** An unmanaged index made up of bonds that are non-investment grade, unrated or below Ba1 bonds.

**Bloomberg Barclays Intermediate Aggregate Index:** Consists of one- to 10-year governments, one- to 10-year corporate bonds, all mortgages and all asset-backed securities within the Aggregate Index.

**Bloomberg Barclays Mortgage-Backed Securities Index:** Covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable-rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Bloomberg Barclays U.S. Aggregate Bond Index:** Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

**Bloomberg Barclays U.S. Corporate Bond Index:** Measures the investment grade, fixed-rate, taxable corporate bond market and includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

# Frequently used indexes (page 2 of 5)

**Bloomberg Barclays U.S. Corporate High Yield Bond Index:** Measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market.

**Bloomberg Barclays U.S. Municipal Bond Index:** Measures the investment grade, U.S. dollar-denominated, fixed tax-exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

**Bloomberg Barclays U.S. Treasury Index:** Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

**Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index:** An unmanaged index includes all publicly issued, U.S. TIPS that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

**Cambridge U.S. Private Equity Index:** This index is based on returns data compiled for U.S. private equity funds (including buyout, growth equity and mezzanine funds) that represent the majority of institutional capital raised by private equity partnerships formed since 1986. Returns may be delayed by up to six months. Quarterly performance is prorated based on the cube root for the months of the quarter.

**Citigroup 3-Month Treasury Bills:** An unmanaged index and represents monthly return equivalents of yield averages of the last three-month Treasury Bill issues.

**Citigroup 6-Month Treasury Bills:** An unmanaged index and represents monthly return equivalents of yield averages of the last six-month Treasury Bill issues.

**Credit Suisse Leverage Loan Index:** Represents tradable, senior-secured, U.S. dollar-denominated non-investment grade loans.

**Dow Jones Industrial Average (DJIA):** The price-weighted average of 30 significant U.S. stocks traded on the New York Stock Exchange and NASDAQ. The DJIA is the oldest and single most watched index in the world.

**Dow Jones Select REIT Index:** Measures the performance of publicly traded REITs and REIT-like securities in the U.S. and is a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

**HFRI Indices:** The Hedge Fund Research, Inc. (HFRI) indexes are a series of benchmarks designed to reflect hedge fund industry performance by constructing composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database.

# Frequently used indexes (page 3 of 5)

**HFRI Equity Hedge Total Index:** Uses the HFR (Hedge Fund Research) database and consists only of equity hedge funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

**HFRI Relative Value Fixed Income Corporate Index:** Uses the HFR (Hedge Fund Research) database and consists of only relative value fixed income corporate funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

**ICE BofAML 1-3 Year Corporate Index:** Tracks U.S. dollar-denominated investment grade public debt issued in the U.S. bond market with maturities of one to three years.

**ICE BofAML 1-5 Year Corporate and Government Index:** Tracks the performance of short-term U.S. investment grade government and corporate securities with maturities between one and five years.

**ICE BofAML U.S. 7-10 Year Index:** Tracks the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market and includes all securities with a remaining term to maturity of greater than or equal to seven years and less than 10 years.

**ICE BofAML Global Broad Market Index:** Tracks the performance of investment grade public debt issued in the major domestic and Eurobond markets, including global bonds.

**ICE BofAML U.S. High Yield Master II Index:** Commonly used benchmark index for high yield corporate bonds and measures the broad high yield market.

**J.P. Morgan Emerging Markets Bond Index Global (EMBI Global):** Tracks total returns for traded external debt instruments in the emerging markets.

**London Interbank Offered Rate (LIBOR) 3-months:** The interest rate offered by a specific group of London banks for U.S. dollar deposits with a three-month maturity.

**London Interbank Offered Rate (LIBOR) 9-months:** The interest rate offered by a specific group of London banks for U.S. dollar deposits with a nine-month maturity.

**MSCI All Country World Index (ACWI):** Designed to measure the equity market performance of developed and emerging markets.

# Frequently used indexes (page 4 of 5)

**Russell 2000 Value Index:** Measures companies in the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

**Russell 3000 Index:** Measures the performance of the 3,000 largest U.S. securities based on total market capitalization.

**Russell Midcap Index:** Measures the 800 smallest companies in the Russell 3000 Index.

**Russell Midcap Growth Index:** Measures companies in the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

**Russell Midcap Value Index:** Measures companies in the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

**MSCI All County World ex-U.S. Index (ACWI, excluding United States):** Tracks the performance of stocks representing developed and emerging markets around the world that collectively comprise most foreign stock markets. U.S. stocks are excluded from the index.

**MSCI EAFE Index:** Includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East.

**MSCI Emerging Markets (EM) Index:** Designed to measure equity market performance in global emerging markets.

**MSCI World Index:** Tracks equity market performance of developed markets through individual country indices.

**NAREIT Index:** Includes REITs (Real Estate Investment Trusts) listed on the New York Stock Exchange, NASDAQ and American Stock Exchange.

**NASDAQ Composite Index:** A market capitalization-weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market.

**NCREIF Property Index (NPI):** Measures the investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

**Russell 1000 Index:** Measures the performance of the 1,000 largest companies in the Russell 3000 Index and is representative of the U.S. large capitalization securities market.

# Frequently used indexes (page 5 of 5)

**Russell 1000 Growth Index:** Measures companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

**Russell 1000 Value Index:** Measures companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

**Russell 2000 Index:** Measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market.

**Russell 2000 Growth Index:** Measures companies in the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values, and is representative of U.S. securities exhibiting growth characteristics. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

**S&P 500 Index:** Consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market.

**S&P Global ex-U.S. Property Index:** Measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the United States. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment.

**S&P GSCI:** A composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

**S&P/Case-Shiller Home Price Indexes:** A group of indexes that track changes in home prices throughout the United States. Case-Shiller produces indexes representing certain metropolitan statistical areas (MSA) as well as a national index.

**Swiss Re Global Cat Bond Total Return Index:** Tracks the aggregate performance of all U.S. dollar-denominated euros and Japanese yen-denominated catastrophe bonds, capturing all ratings, perils and triggers.

**U.S. Dollar Index:** Indicates the general international value of the U.S. dollar by averaging the exchange rates between the U.S. dollar and six major world currencies.

**Wilshire 5000 Index:** Composed of more than 6,700 publicly-traded U.S. companies and is designed to track the overall performance of the American stock markets.