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CITY OF SAN LEANDRO

PARS 115 Trust – OPEB Prefunding Program Client Review
September 7, 2021

CONTACTS



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SUMMARY OF AGENCY'S OPEB PLAN

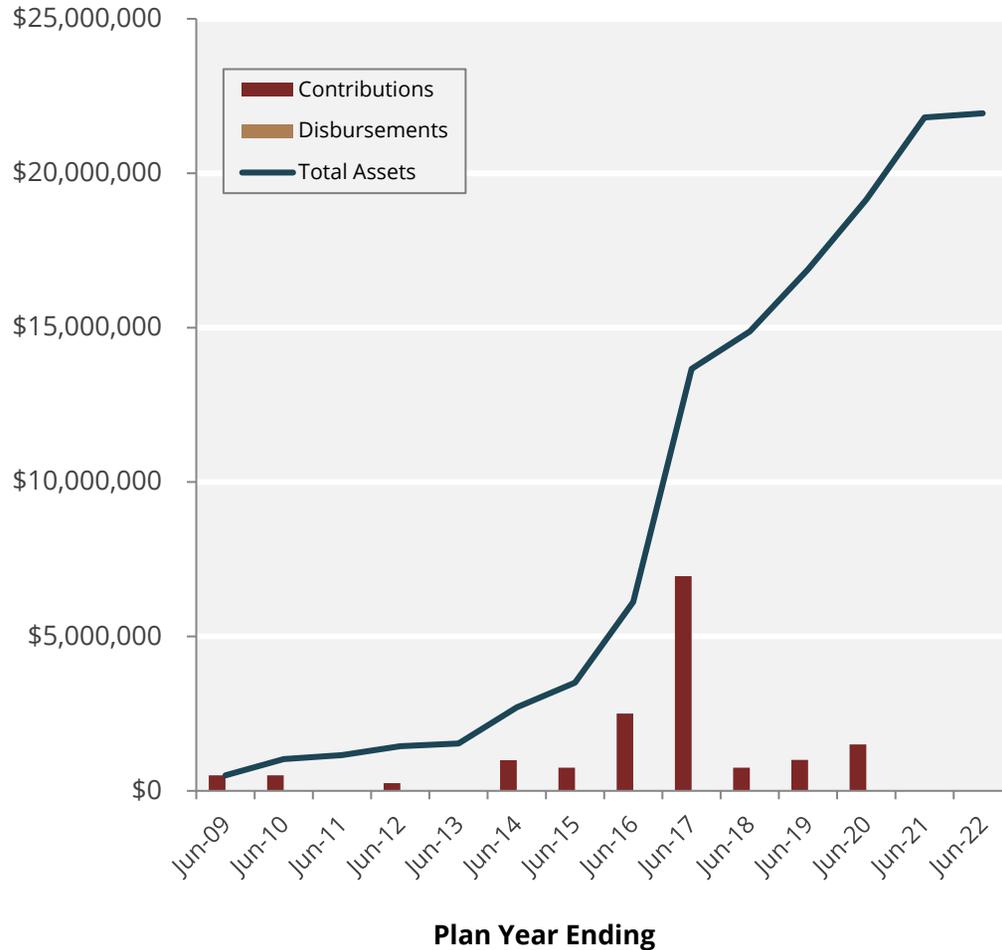
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	June 1, 2009
Plan Administrator:	City Manager
Current Investment Strategy:	Moderately Conservative HM PLUS (Active) Strategy; Individual Account

AS OF JULY 31, 2021:

Initial Contribution:	June 2009: \$500,000
Additional Contributions:	\$15,190,000
Total Contributions:	\$15,690,000
Disbursements:	\$0
Total Investment Earnings:	\$6,695,809
Account Balance:	\$21,944,546

SUMMARY OF AGENCY'S OPEB PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF JULY 31, 2021:



Year	Contributions	Disbursements	Total Assets
Jun-09*	\$500,000	\$0	\$500,288
Jun-10	\$500,000	\$0	\$1,026,342
Jun-11	\$0	\$0	\$1,156,626
Jun-12	\$250,000	\$0	\$1,443,468
Jun-13	\$0	\$0	\$1,531,994
Jun-14	\$990,000	\$0	\$2,700,083
Jun-15	\$750,000	\$0	\$3,502,137
Jun-16	\$2,500,000	\$0	\$6,115,430
Jun-17	\$6,950,000	\$0	\$13,665,308
Jun-18	\$750,000	\$0	\$14,876,397
Jun-19	\$1,000,000	\$0	\$16,887,508
Jun-20	\$1,500,000	\$0	\$19,149,376
Jun-21	\$0	\$0	\$21,807,092***
Jun-22**	\$0	\$0	\$21,944,546

*Plan Year Ending June 2009 is based on 1 month of activity.
 **Plan Year Ending June 2022 is based on 1 month of activity.
 ***Account value as of quarter-end includes all interest and dividends.

HIGHMARK CAPITAL MANAGEMENT INVESTMENT REVIEW

City of San Leandro
Second Quarter 2021

Presented by
Randall Yurchak, CFA

DISCUSSION HIGHLIGHTS – City of San Leandro

Investment objective –Moderately Conservative HighMark Plus (Active)

Asset Allocation:

- Allocation: 31.3% stocks (20-40% range), 67.7% bonds (50-80% range), 1.0% cash (0-20% range)
- Sub-Asset Class: Large Cap 16.4%, Mid Cap 2.3%, Small Cap 4.5%, International 7.1%, REIT 1.0%

Performance *(as of 06-30-21; net fund fees, gross investment management. fees):*

- 3-month: 3.66%
- 1-year: 14.27%
- 3-year: 8.65%
- 5-year: 7.26%
- Inception (07/09): 6.79%

- Bonds: Recent decline in bond yields suggests inflation may be transitory and that recent prices increase across many products and services will subside going forward.
- Stocks: Equities higher given easy monetary policies and expected economic improvement throughout the year.
 - Domestic markets: Large Cap outperformed Small Cap recently as moderating growth expectations impact higher-risk assets.
 - International: International underperformed domestic as vaccination roll-out and growth had lagged the US.

Recent Changes:

- Stocks: remain overweight
- Bonds: remain overweight
- Cash: remain underweight

Outlook 2022:

- Unanticipated change in Fed policy; e.g. elevated inflation prompting sooner-than-expected tightening
- Potential tax law changes
- FY21 est. S&P 500 earnings +50%
- Geopolitical uncertainty: China, Middle East, Russia

Selected Period Performance
City of San Leandro OPEB Plan
Period Ending: 6/30/2021

	3 Months	Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	Inception to Date 07/01/2009
Cash Equivalents	.01	.01	.03	1.14	1.00	.52	.47
<i>Lipper Money Market Funds Index</i>	.00	.00	.01	1.11	.95	.48	.40
Total Fixed Income	2.07	-.62	2.53	5.31	3.36	3.45	4.22
<i>BBG Barclays US Aggregate Bd Index</i>	1.83	-1.60	-.33	5.34	3.03	3.39	3.93
Total Equities	7.21	14.67	45.37	15.91	16.30	11.88	13.73
Large Cap Funds	9.17	16.83	45.06	18.77	18.70	14.49	15.41
<i>S&P 500 Composite Index</i>	8.55	15.25	40.79	18.67	17.65	14.84	16.05
Mid Cap Funds	7.27	16.05	49.51	16.27	15.52	11.86	
<i>Russell Midcap Index</i>	7.50	16.25	49.80	16.45	15.62	13.24	16.11
Small Cap Funds	3.83	14.30	59.82	15.01	17.77	14.24	17.15
<i>Russell 2000 Index</i>	4.29	17.54	62.03	13.52	16.47	12.34	14.99
International Equities	4.24	8.27	38.20	10.75	11.99	5.33	7.87
<i>MSCI EAFE Index</i>	5.17	8.83	32.35	8.27	10.28	5.89	7.74
<i>MSCI EM Free Index</i>	5.05	7.45	40.90	11.27	13.03	4.28	7.55
REIT Funds	11.43	21.15	33.80	11.72	7.22		
<i>Wilshire REIT Index</i>	12.84	22.78	37.52	10.06	6.36	9.38	14.66
Total Managed Portfolio	3.66	3.98	14.27	8.65	7.26	6.01	6.79

***Account Inception: 7/1/2009, Initial Contribution received June 2009.**

Aggregate is composed of account XXXXXX9203 from 07/01/2009 until 08/31/2015 and of account XXXXXX0400 from 09/01/2015 until present. 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. 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. Securities are not FDIC insured, have no bank guarantee, and may lose value.

Asset Allocation

As of June 30, 2021

Current Asset Allocation		Investment Vehicle		
Equity	31.34%		Range: 20%-40%	6,828,846
Large Cap Core	3.10%	COFYX	Columbia Contrarian Core Inst3	675,162
	5.83%	VGIAX	Vanguard Growth & Income Adm	1,271,031
Large Cap Value	2.70%	DODGX	Dodge & Cox Stock Fund	587,452
	1.26%	IVE	iShares S&P 500 Value ETF	275,349
Large Cap Growth	1.75%	HNACX	Harbor Capital Appreciation Retirement	380,925
	1.75%	PRUFX	T. Rowe Price Growth Stock Fund I	380,351
Mid Cap Core	2.28%	IWR	iShares Russell Mid-Cap ETF	496,439
Small Cap Value	2.25%	UBVFX	Undiscovered Managers Behavioral Val R6	490,760
Small Cap Growth	2.28%	RSEJX	Victory RS Small Cap Growth R6	496,789
International Core	2.15%	DFALX	DFA Large Cap International I	468,357
International Value	1.08%	DODFX	Dodge & Cox International Stock Fund	235,427
International Growth	1.10%	MGRDX	MFS® International Growth R6	239,332
Emerging Markets	2.78%	HHHFX	Hartford Schrodgers Emerging Mkts Eq F	605,295
Real Estate	1.04%	VNQ	Vanguard Real Estate ETF	226,177
Fixed Income	67.71%		Range: 50%-80%	14,752,777
High Yield	2.67%	PHIYX	PIMCO High Yield Instl	582,735
Short-Term	11.71%	VFSUX	Vanguard Short-Term Investment-Grade Adm	2,551,300
Intermediate-Term	17.73%	DBLFX	DoubleLine Core Fixed Income I	3,862,318
	17.79%	PTTRX	PIMCO Total Return Instl Fund	3,876,423
	17.81%	PTRQX	Prudential Total Return Bond Q	3,880,001
Cash	0.94%		Range: 0%-20%	205,228
	0.94%	FGZXX	First American Government Oblig Z	205,228
TOTAL	100.00%			\$21,786,851

CITY OF SAN LEANDRO

For Period Ending June 30, 2021

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	1.86	8.36	16.09	44.13	20.19	17.45	15.01
Vanguard Growth & Income Adm	2.06	8.38	15.89	41.52	18.08	17.18	14.86
Dodge & Cox Stock	-0.20	8.83	26.09	58.92	15.79	17.44	13.89
iShares S&P 500 Value ETF	-1.18	4.96	16.18	39.27	12.96	12.36	11.67
Harbor Capital Appreciation Retirement	8.01	13.55	9.73	43.18	26.38	26.57	18.51
T. Rowe Price Growth Stock I	7.00	12.73	15.63	45.33	23.22	24.36	18.06
S&P 500 TR USD	2.33	8.55	15.25	40.79	18.67	17.65	14.84

MID CAP EQUITY FUNDS

iShares Russell Mid-Cap ETF	1.45	7.43	16.15	49.53	16.29	15.44	13.06
Russell Mid Cap TR USD	1.47	7.50	16.25	49.80	16.45	15.62	13.24

SMALL CAP EQUITY FUNDS

Undiscovered Managers Behavioral Val R6	-2.30	4.18	27.85	84.83	10.16	12.80	12.70
Victory RS Small Cap Growth R6	3.86	3.09	0.44	34.82	15.92	22.23	14.64
Russell 2000 TR USD	1.94	4.29	17.54	62.03	13.52	16.47	12.34

INTERNATIONAL EQUITY FUNDS

Dodge & Cox International Stock	-1.61	4.66	12.15	40.39	7.48	10.22	5.52
DFA Large Cap International I	-1.44	5.55	10.41	34.71	8.60	10.56	5.85
MFS International Growth R6	-0.24	7.01	7.77	31.10	12.74	14.08	8.16
MSCI EAFE NR USD	-1.13	5.17	8.83	32.35	8.27	10.28	5.89
Hartford Schoders Emerging Mkts Eq F	0.56	2.90	6.54	43.85	13.28	15.03	5.57
MSCI EM NR USD	0.17	5.05	7.45	40.90	11.27	13.03	4.28

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.

CITY OF SAN LEANDRO

For Period Ending June 30, 2021

REAL ESTATE FUNDS

Fund Name	1-Month Return	3-Month Return	Year-to- Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Vanguard Real Estate ETF	2.62	11.66	21.37	34.33	11.92	7.06	9.72

BOND FUNDS

PIMCO Total Return Instl	0.75	2.09	-1.06	1.47	5.77	3.84	3.77
PGIM Total Return Bond R6	1.25	3.14	-1.44	2.70	6.24	4.31	4.76
Vanguard Short-Term Investment-Grade Adm	-0.05	0.68	0.21	2.13	4.18	2.80	2.61
DoubleLine Core Fixed Income I	0.60	1.86	-0.25	3.33	4.70	3.29	4.23
BBgBarc US Agg Bond TR USD	0.70	1.83	-1.60	-0.33	5.34	3.03	3.39
PIMCO High Yield Instl	1.26	2.48	2.54	12.44	6.89	6.59	5.99
ICE BofA US High Yield Mstr II Index	1.37	2.77	3.70	15.62	7.15	7.30	6.53

Source: SEI Investments, Morningstar Investments

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