

# INVESTMENT REPORT

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Western Municipal Water District VEBA Account | As of March 31, 2025

CHANDLER ASSET MANAGEMENT | [chandlerasset.com](http://chandlerasset.com)

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## ECONOMIC UPDATE

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As of March 31, 2025

Markets entered 2025 with strong momentum following two consecutive years of impressive equity gains. However, sentiment shifted quickly as a new policy direction began to unfold in Washington. The inauguration of President Trump, along with the confirmation of key cabinet members, marked the start of significant changes to U.S. trade and economic policy. Among the most impactful developments were newly introduced tariffs, aimed at narrowing the trade deficit and supporting domestic manufacturing. These measures became a central focus for investors, raising concerns about global supply chains, profit margins, and the broader economic outlook.

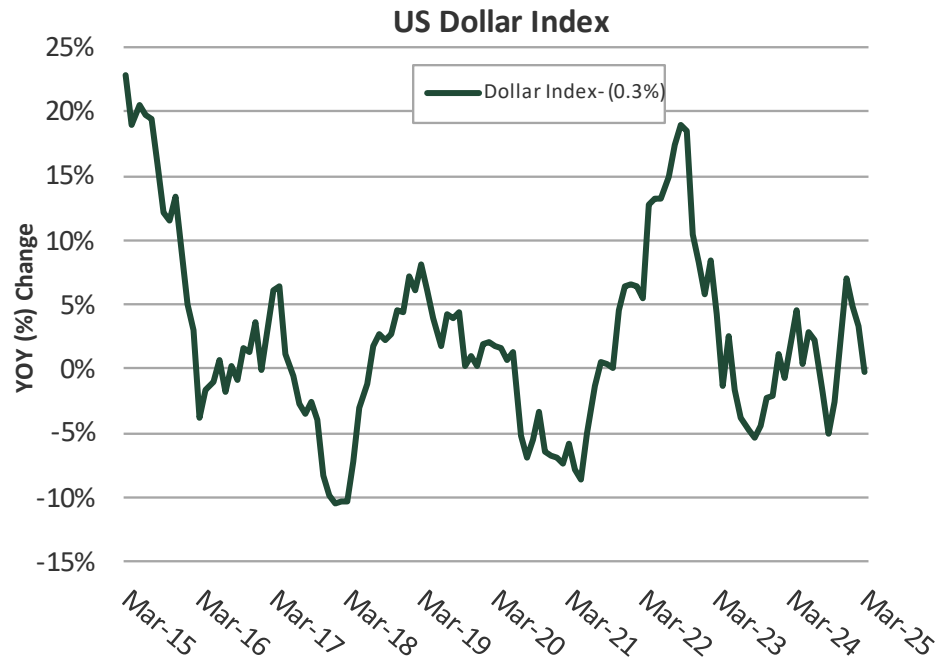
As the quarter progressed, uncertainty surrounding the implementation and impact of these policies took center stage. Market participants questioned how companies would respond—whether investment plans would be delayed, hiring would slow, or operations would need to be restructured. Rising costs and evolving trade dynamics increased risk sensitivity across markets. Still, there was some cautious optimism that these policies could deliver long term structural benefits for the U.S. economy.

This mixed sentiment played out in market performance. After two years of 25% gains, the S&P 500 drifted for much of the quarter before closing down 4.3%. In bonds, the 10 year U.S. Treasury yield fell from 4.76% to 4.21%, signaling a more defensive tone among investors. Lower yields supported fixed income portfolios, boosting total returns across many core bond strategies. The U.S. Dollar Index declined 3.9%, easing pressure on international assets and improving returns for U.S.-based investors in foreign markets. Developed international equities gained 6.2%, supported by currency translation effects, attractive relative valuations, and renewed interest in geographic diversification amid U.S. policy uncertainty.

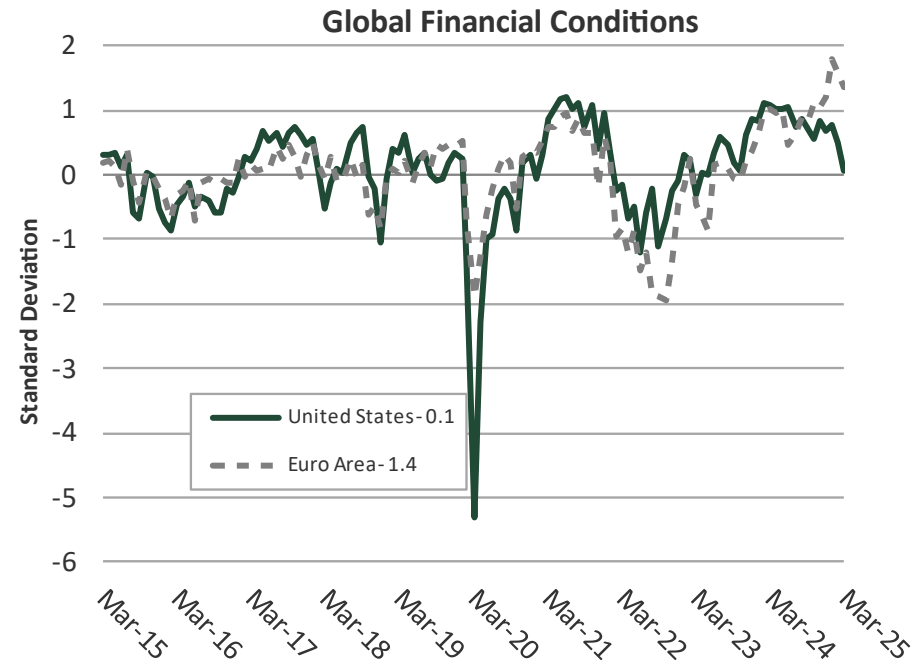
This shift in sentiment became more pronounced following the April 2 announcement of reciprocal tariffs, which marked a clear turning point in market tone. Equity markets began to swing more sharply, while gold and U.S. Treasuries saw increased demand as investors grew uneasy about global trade stability and the direction of policy. The response reflected more than concern over tariffs—it signaled deeper unease about rising international tensions and a lack of clarity around future decisions. In the near term, volatility is likely to remain elevated as markets continue to react to shifting headlines and evolving fiscal signals.

Looking ahead, policy developments will remain a key influence on market direction. While uncertainty persists, opportunities are emerging across asset classes. Resilient consumer demand, easing interest rates, and improving valuations are creating a more supportive backdrop for long term investors. International markets may benefit from a weaker dollar, while domestic sectors with strong fundamentals could offer relative stability. Staying diversified, focused on quality, and adaptable to changing conditions will be essential. We will continue to navigate this environment with discipline and care, working to manage risk and capture opportunities in pursuit of your long term goals.

As of March 31, 2025



Source: Bloomberg Financial Condition Indices

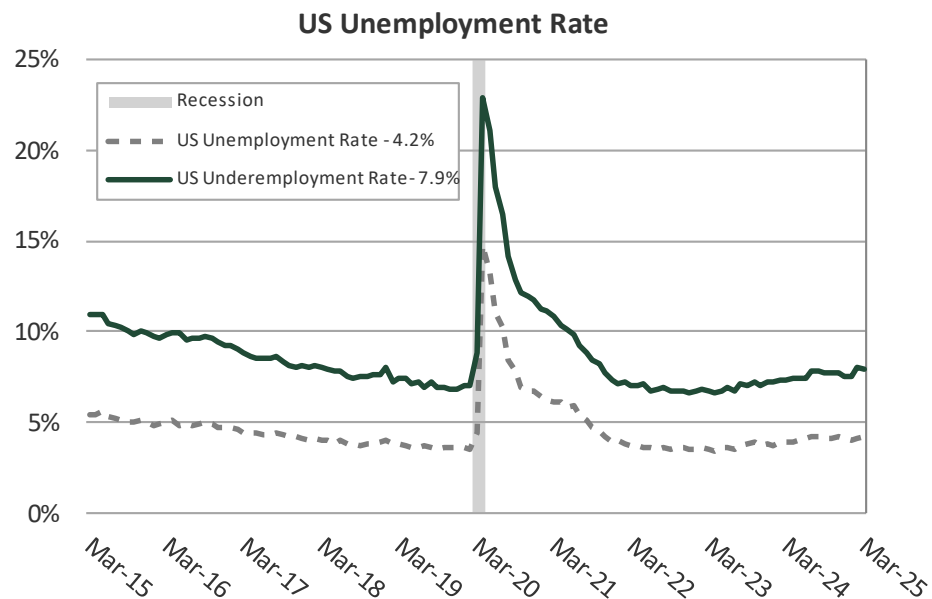


The global economy expanded at a moderate pace in the first quarter of 2025, with the IMF maintaining its full-year growth forecast at 3.3%, unchanged from its January estimate. Ahead of new U.S. tariff announcements in late March, the IMF had raised its U.S. growth outlook to 2.7% for the year, citing solid job gains and stronger than expected business investment. Growth in emerging markets remained robust, with India projected to expand by 6.5% and China by 4.6%. India's performance is being supported by domestic demand and stable macroeconomic conditions, while China's outlook reflects ongoing fiscal support despite continued pressure in its property sector. The euro area lagged behind, with growth forecast at just 1.0% due to weak consumer activity and lingering energy concerns.

Against this backdrop, central banks held interest rates steady throughout the quarter, following a round of easing in late 2024. The Federal Reserve kept its benchmark rate at 4.25% to 4.50%, signaling a wait-and-see approach as inflation continues to slow. The OECD projects G20 inflation will ease to 3.8% this year, down from 5.3% in 2024. Meanwhile, the U.S. dollar weakened nearly 4% over the quarter, reversing early strength after the tariff news shifted market expectations. Looking ahead, central banks will need to carefully weigh policy decisions as trade tensions and fiscal shifts complicate the global outlook.

## US UNEMPLOYMENT

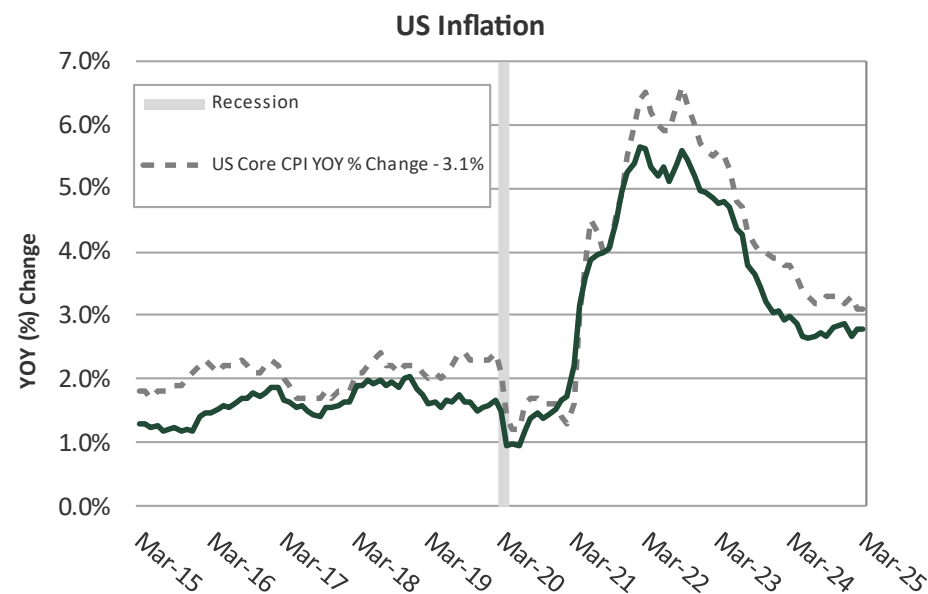
As of March 31, 2025



Source: US Department of Labor

The U.S. economy added 228,000 jobs in March, showing steady momentum despite signs of cooling in some areas. Hiring was led by health care, retail, and transportation and warehousing, according to the Bureau of Labor Statistics. The unemployment rate ticked up to 4.2% from 4.1% in February, as more people entered the labor force. The labor force participation rate held at 62.5%, still below its pre-pandemic level. A broader measure of labor slack, the U-6 rate, rose to 7.9%. Average hourly earnings rose 0.3% for the month and 3.8% from a year ago, pointing to a gradual slowdown in wage growth.

Inflation remained moderate in February, the latest month available. Consumer prices rose 0.2% from January and 2.8% over the past year. Core inflation, which strips out food and energy, rose 0.2% on the month and 3.1% from a year earlier. Long-term Treasury yields moved higher as investors reacted to sticky inflation and new import tariffs announced by the Trump administration. These policies have stirred concerns about future price pressures and global trade, complicating the Federal Reserve's path forward as it balances inflation risks against slower economic growth

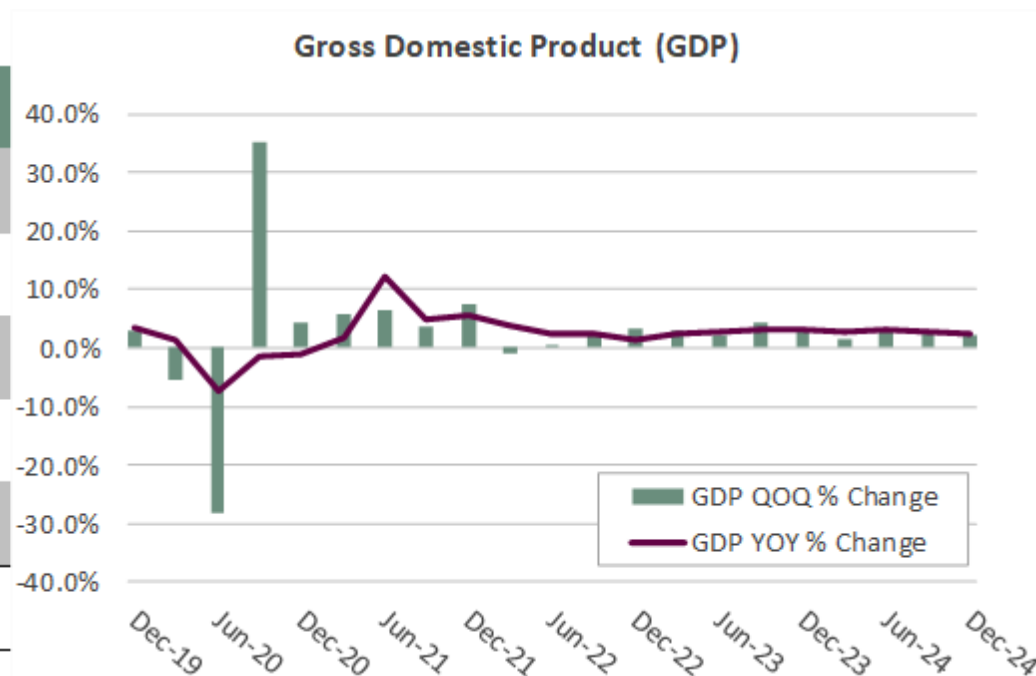


## GROSS DOMESTIC PRODUCT (GDP)

As of March 31, 2025

Components of GDP	3/24	6/24	9/24	12/24
Personal Consumption Expenditures	1.3%	1.9%	2.5%	2.7%
Gross Private Domestic Investment	0.6%	1.5%	0.2%	-1.0%
Net Exports and Imports	-0.6%	-0.9%	-0.4%	0.3%
Federal Government Expenditures	0.0%	0.3%	0.6%	0.3%
State and Local (Consumption and Gross Investment)	0.3%	0.3%	0.3%	0.3%
<b>Total</b>	<b>1.6%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>2.4%</b>

Source: US Department of Commerce



Source: US Department of Commerce

According to the third estimate, fourth quarter GDP increased at an annualized rate of 2.4 percent, revised up 0.1 percentage point from the second estimate. Growth continues to be powered by consumer spending and government spending, partly offset by a decrease in investment. Imports also decreased. Real GDP increased 2.8 percent in 2024. The consensus projection calls for 1.2% growth for the first quarter and 2.0% for the full year 2025.

As of March 31, 2025

Equity Index	Country	YOY % Chg	
		(In Local Currency Terms)	(In USD terms)
Dow Jones Industrial Average	United States	7.4%	7.4%
S&P 500 Index	United States	8.2%	8.2%
NASDAQ Composite Index	United States	6.4%	6.4%
S&P/Toronto Composite Index	Canada	15.8%	9.1%
FTSE 100 Index	United Kingdom	11.8%	14.3%
CAC -40	France	-2.1%	-2.0%
German Stock Index	Germany	19.9%	20.0%
Nikkei 225 index	Japan	-10.1%	-9.3%
Hang Seng Index	Hong Kong	46.4%	47.3%
Bovespa Stock Index	Brazil	1.7%	-11.0%

Source: Bloomberg

The MSCI All Country World Index declined 1.3%<sup>1</sup> during the quarter. Developed markets outside the U.S. rose 6.2%<sup>1</sup>, while emerging markets gained 2.9%<sup>1</sup>. U.S. large cap stocks underperformed with a return of -4.3%<sup>2</sup>.

A 3.9% weakening of the .US. Dollar Index contributed to the outperformance of developed markets. Top contributors included Germany (15.5%)<sup>1</sup>, Switzerland (11.4%)<sup>1</sup>, and France (10.3%)<sup>1</sup>. Japan and Canada lagged with gains of 0.3%<sup>1</sup> and 1.1%<sup>1</sup>, respectively. In emerging markets, China rose 15.0%<sup>1</sup>, offset by declines in India (-3.0%)<sup>1</sup> and Taiwan (-12.6%)<sup>1</sup>.

Deteriorating U.S. market breadth, noted last quarter, continued to weaken. The percentage of S&P 500 companies trading above their 200-day moving averages fell to 43% from 54%. The index was dragged down by the MAG7, which had an average decline of 15.7% for the group. The S&P 500 Equal Weight Index also dropped, though more modestly at -0.6%. Within large caps, energy led with a return of 10.2%<sup>1</sup>, followed by health care at 6.5%<sup>1</sup> and consumer staples at 5.0%<sup>1</sup>. Mid and small caps underperformed with returns of -6.1%<sup>1</sup> and -8.9%<sup>1</sup>, respectively.

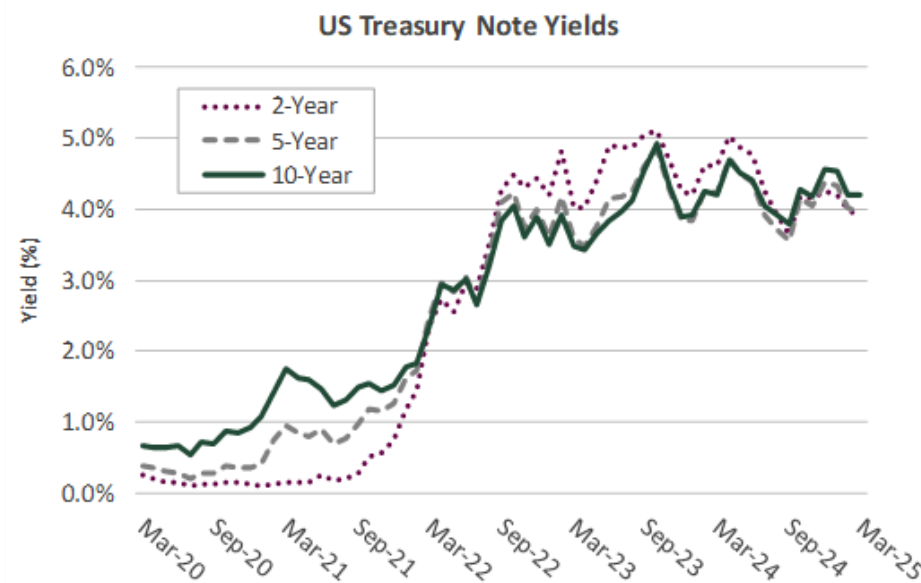
After quarter end, on April 2, President Trump announced the details of his reciprocal tariff policy, sparking a sharp rise in market volatility. Early in April, the S&P 500 Volatility Index climbed as high as 60, while the S&P 500 Index fell nearly 14% from the end of March. The Chandler team is closely monitoring developments and market response.

<sup>1</sup> MSCI indices (in U.S. Dollars)

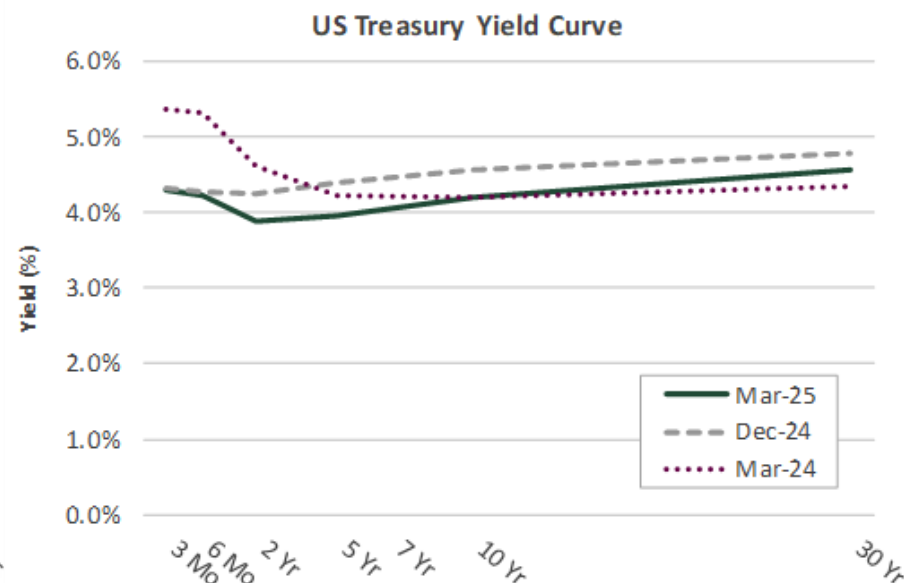
<sup>2</sup> S&P Indices



As of March 31, 2025



Source: Bloomberg



Source: Bloomberg

The U.S. Federal Reserve (Fed) met in January and March, keeping the Fed Funds rate unchanged at both meetings. In March, the Fed updated its Summary of Economic Projections (SEP), showing slightly lower GDP growth, a higher unemployment rate, and higher inflation. The projected range for the Fed Funds rate in 2025 and 2026 moved slightly higher, suggesting fewer cuts ahead.

Yields across the U.S. Treasury curve declined. The 2-year yield dropped 0.36% to 3.89%, while the 10-year yield declined 0.37% to 4.21%. The spread between the 2-year and 10-year Treasuries remained relatively stable and ended the quarter at 0.32%.

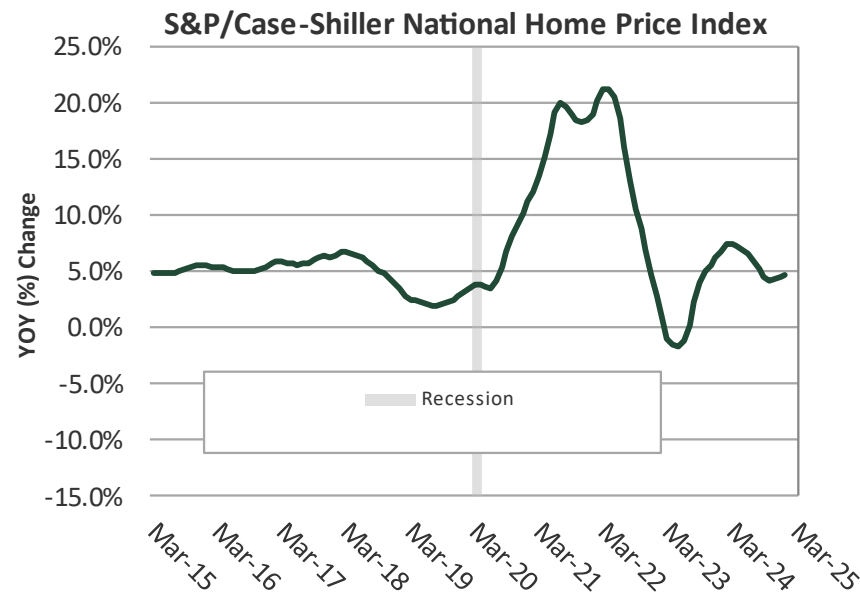
Corporate bond spreads, a measure of credit risk, widened during the quarter. Investment grade spreads rose 0.15% to 0.97%<sup>1</sup>, and high yield spreads increased 0.63% to 3.55%<sup>2</sup>. While still low by historical standards, both were near their tightest levels in the past ten years. The widening may signal a shift in investor appetite for credit risk.

Yields in Japan continued to rise, with the 10-year government bond yield up 0.39% to 1.49%, its highest since 2009. The German 10-year Bund yield rose 0.37% to 2.74%. In China, the 10-year bond yield increased 0.14% to 1.82%, up from the prior quarter but down from 2.30% a year ago. Chinese yields continued their fall following quarter end, reflecting expectations for slower growth and rising risks tied to the escalating trade tensions with the U.S.

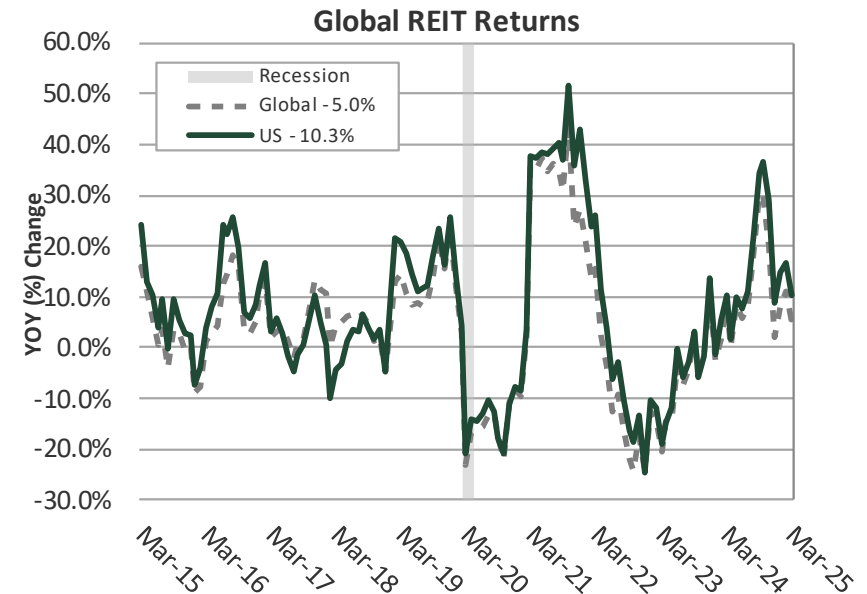
<sup>1</sup> ICE BofA US Corporate Index (COA0) Govt OAS

<sup>2</sup> ICE BofA US High Yield Index (HOA0) Govt OAS

As of March 31, 2025



Source: Standard and Poor's



Source: NCREIF

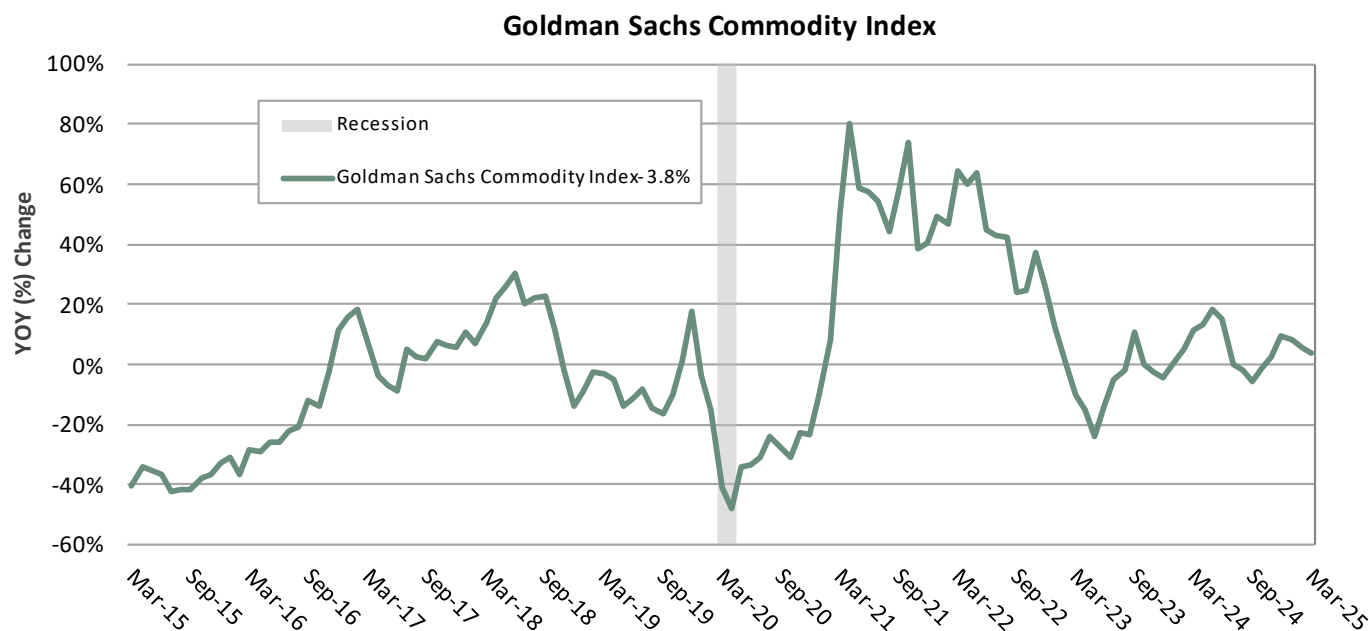
Real Estate Investment Trusts (REITs) posted modest gains in the first quarter of 2025. Global REITs returned 1.5%<sup>2</sup>, supported by lower interest rates and improved investor confidence. U.S. REITs rose 0.8%<sup>1</sup>, while international REITs performed best, gaining 3.3%<sup>2</sup> due to a weaker U.S. dollar, which increased the value of foreign investments. In comparison, the S&P 500 fell 4.3% as the market reacted to new tariffs, inflation concerns, and slower consumer spending.

Although quarterly returns were positive, March was more challenging for REITs. The FTSE Nareit All Equity REITs Index declined 2.4%<sup>1</sup>, though broader stock indexes fell even more. The 10-year Treasury yield ended the month at 4.21%, nearly unchanged, but well below its January peak of 4.79%. That drop supported REIT valuations earlier in the quarter. Within the REIT market, sectors like telecommunications, gaming, and health care led performance, while lodging, data centers, and industrial properties lagged. As of March 31, equity REITs offered a dividend yield of about 4%<sup>1</sup>. With steady income and attractive pricing, REITs continue to be a compelling choice for investors seeking diversification and income in today's uncertain environment.

<sup>1</sup>FTSE NAREIT Indices (In U.S. Dollar Terms)

<sup>2</sup>MSCI REIT Indices (In U.S. Dollar Terms)

As of March 31, 2025



Source: Goldman Sachs

The S&P GSCI broad commodity index rose 4.9%<sup>1</sup> during the quarter, supported by strong gains in energy, industrial metals, and precious metals. The energy subindex, which holds the largest weight at 57%, increased 4.8%. West Texas Intermediate crude oil was flat at \$71, while natural gas extended its rally, rising 13.4% to \$4.12. Industrial metals gained 5.2%<sup>1</sup>, driven by a 25.0% jump in copper prices to \$5.03. While demand from electric vehicles remains strong, part of the rise may reflect stockpiling ahead of potential tariffs.

Precious metals led commodity performance, with the subindex up 18.2%<sup>1</sup>. Silver increased 18.4% to \$34.61, while gold surpassed \$3,000 and ended the quarter at \$3,123, up 18.2%. Continued demand from global central banks and gold's role as a safe haven supported the rally. The agriculture and livestock subindex posted a 1.3%<sup>1</sup> gain. Cocoa prices fell 33.3%, giving back most of last quarter's gains after a forecasted supply surplus for 2025. In contrast, coffee rose 21.6%, driven by supply concerns as Vietnam faces new U.S. tariffs.

With broad-based gains across major categories, commodities continue to show their value in a diversified portfolio. In addition to return potential, they offer a meaningful hedge against inflation and market volatility, especially during periods of heightened uncertainty.

<sup>1</sup>S&P GSCI Indices

## ACCOUNT PROFILE

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### **Investment Objectives**

The Western Municipal Water District Retirement Medical Benefit Plan and VEBA Trust investment objective is to grow the portfolio over the long-term. The Medical Trust will assume an appropriate level of risk to preserve, grow, and pay benefits to the beneficiaries.

### **Chandler Asset Management Performance Objective**

The performance objective of the Medical Trust is to achieve an annual rate of return on its portfolio which meets the long-term actuarial liability.

### **Strategy**

In order to achieve its objective, we invest the Medical Trusts' funds in a well diversified portfolio of assets including but not limited to stocks, bonds, commodities and REIT's.

## STATEMENT OF COMPLIANCE

Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
<b>CASH EQUIVALENTS</b>				
Max % (MV)	10.0	0.3	Compliant	
Min % (MV)	0.0	0.3	Compliant	
<b>COMMODITIES</b>				
Max % (MV)	25.0	0.6	Compliant	
Min % (MV)	0.0	0.6	Compliant	
<b>DOMESTIC BONDS</b>				
Max % (MV)	75.0	31.4	Compliant	
Min % (MV)	15.0	31.4	Compliant	
<b>DOMESTIC EQUITIES</b>				
Max % (MV)	75.0	37.9	Compliant	
Min % (MV)	20.0	37.9	Compliant	
<b>FIXED INCOME</b>				
Max % (MV)	75.0	36.5	Compliant	
Min % (MV)	25.0	36.5	Compliant	
<b>INTERNATIONAL BONDS</b>				
Max % (MV)	35.0	1.9	Compliant	
Min % (MV)	0.0	1.9	Compliant	
<b>INTERNATIONAL EQUITIES</b>				
Max % (MV)	50.0	15.8	Compliant	
Min % (MV)	5.0	15.8	Compliant	
<b>INTERNATIONAL REAL ESTATE</b>				
Max % (MV)	10.0	1.4	Compliant	
Min % (MV)	0.0	1.4	Compliant	
<b>US REAL ESTATE</b>				
Max % (MV)	25.0	5.5	Compliant	
Min % (MV)	0.0	5.5	Compliant	

## PERIODIC TABLE OF ASSET CLASS RETURNS

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
US Real Estate 2.5%	US Small Cap Stocks 20.4%	Emerging Market Stocks 37.3%	International Bonds 3.2%	US Large Cap Stocks 31.5%	US Mid Cap Stocks 19.8%	US Real Estate 43.1%	Diversified Commodities 26.0%	US Large Cap Stocks 26.3%	US Large Cap Stocks 25.0%	International Stocks 6.9%
US Large Cap Stocks 1.4%	US High Yield Bonds 17.5%	International Stocks 25.0%	US Core Bonds 0.0%	US Mid Cap Stocks 30.6%	US Small Cap Stocks 19.2%	Diversified Commodities 40.4%	US High Yield Bonds -11.2%	US Small Cap Stocks 19.1%	US Mid Cap Stocks 17.2%	Diversified Commodities 4.9%
International Bonds 1.3%	US Mid Cap Stocks 12.6%	US Large Cap Stocks 21.8%	US High Yield Bonds -2.3%	US Small Cap Stocks 25.9%	US Large Cap Stocks 18.4%	US Large Cap Stocks 28.7%	International Bonds -12.7%	International Stocks 18.2%	US Small Cap Stocks 11.0%	International Real Estate 3.3%
US Core Bonds 0.6%	US Large Cap Stocks 12.0%	US Mid Cap Stocks 20.3%	US Large Cap Stocks -4.4%	US Real Estate 25.8%	Emerging Market Stocks 18.3%	US Mid Cap Stocks 24.0%	US Core Bonds -13.3%	US Mid Cap Stocks 14.5%	Diversified Commodities 9.2%	Emerging Market Stocks 2.9%
US Mid Cap Stocks -0.6%	Diversified Commodities 11.4%	International Real Estate 20.0%	US Real Estate -4.6%	International Stocks 22.0%	International Stocks 7.8%	US Small Cap Stocks 21.1%	International Stocks -14.5%	US Real Estate 13.7%	US Real Estate 8.8%	US Core Bonds 2.8%
International Stocks -0.8%	Emerging Market Stocks 11.2%	US Small Cap Stocks 15.2%	International Real Estate -6.4%	International Real Estate 21.0%	US Core Bonds 7.6%	International Stocks 11.3%	US Mid Cap Stocks -16.9%	US High Yield Bonds 13.5%	US High Yield Bonds 8.2%	US Real Estate 1.1%
International Real Estate -3.8%	US Real Estate 8.6%	US High Yield Bonds 7.5%	US Mid Cap Stocks -8.1%	Emerging Market Stocks 18.4%	US High Yield Bonds 6.2%	International Real Estate 8.1%	US Small Cap Stocks -17.8%	Emerging Market Stocks 9.8%	Emerging Market Stocks 7.5%	US High Yield Bonds 0.9%
US Small Cap Stocks -4.1%	International Bonds 4.9%	Diversified Commodities 5.8%	US Small Cap Stocks -11.0%	Diversified Commodities 17.6%	International Bonds 4.7%	US High Yield Bonds 5.4%	US Large Cap Stocks -18.1%	International Bonds 8.7%	International Stocks 3.8%	International Bonds -0.1%
US High Yield Bonds -4.6%	US Core Bonds 2.6%	US Real Estate 5.1%	International Stocks -13.8%	US High Yield Bonds 14.4%	International Real Estate -7.1%	US Core Bonds -1.6%	Emerging Market Stocks -20.1%	International Real Estate 6.3%	International Bonds 3.8%	US Large Cap Stocks -4.3%
Emerging Market Stocks -14.9%	International Real Estate 1.3%	US Core Bonds 3.6%	Diversified Commodities -13.8%	US Core Bonds 9.0%	US Real Estate -7.6%	International Bonds -2.1%	International Real Estate -24.3%	US Core Bonds 5.4%	US Core Bonds 1.3%	US Mid Cap Stocks -4.3%
Diversified Commodities -32.9%	International Stocks 1.0%	International Bonds 2.6%	Emerging Market Stocks -14.6%	International Bonds 8.1%	Diversified Commodities -23.7%	Emerging Market Stocks -2.5%	US Real Estate -24.5%	Diversified Commodities -4.3%	International Real Estate -8.4%	US Small Cap Stocks -8.4%

Index returns as of 03/31/2025. Past performance is not indicative of future results. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. It is not possible to invest directly in an index. This information is not intended to constitute an offer, solicitation, recommendation, or advice regarding securities or investment strategy. Please see attached Asset Class Disclosure.

## CURRENT ASSET ALLOCATION

Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

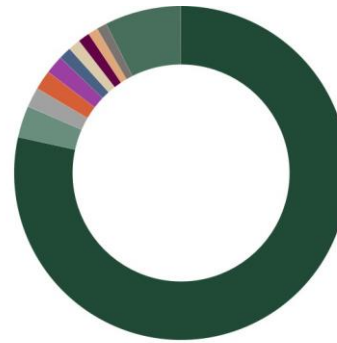
### Asset Allocation



Equity <b>53.74%</b>	Bonds <b>38.42%</b>
Real Estate (REIT) <b>6.94%</b>	Commodities <b>0.65%</b>
Cash <b>0.25%</b>	

	Market Value	% Held
Equity	12,569,055.00	53.74%
Bonds	8,985,160.00	38.42%
Real Estate (REIT)	1,623,257.20	6.94%
Commodities	151,192.80	0.65%
Cash	58,481.62	0.25%
Total	23,387,146.62	100.00%

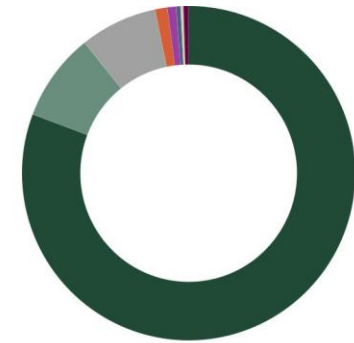
### Country Allocation



United States <b>78.46%</b>	Japan <b>3.07%</b>
China <b>1.92%</b>	Canada <b>1.90%</b>
United Kingdom <b>1.79%</b>	Germany <b>1.22%</b>
India <b>1.18%</b>	France <b>1.12%</b>
Australia <b>0.97%</b>	Taiwan <b>0.96%</b>
Other <b>7.41%</b>	

Country	Region	% held
United States	North America	78.46%
Japan	Asia	3.07%
China	Asia	1.92%
Canada	North America	1.90%
United Kingdom	Europe	1.79%
Germany	Europe	1.22%
India	Asia	1.18%
France	Europe	1.12%
Australia	Australia	0.97%
Taiwan	Asia	0.96%
Other	Various	7.41%
Total		100.00%

### Regional Allocation



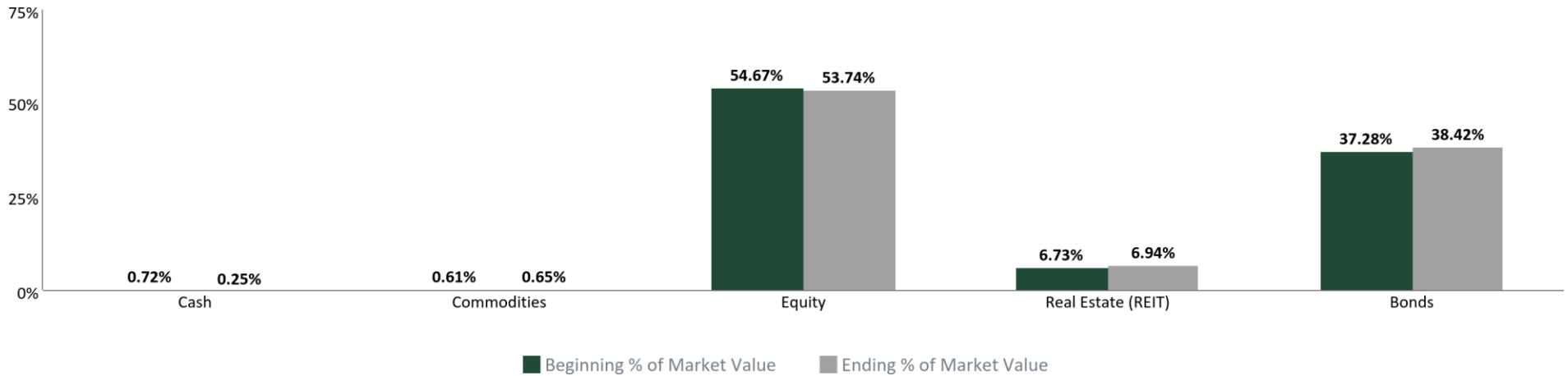
North America <b>80.73%</b>	Asia Pacific <b>8.53%</b>
Western Europe <b>7.51%</b>	Central Asia <b>1.18%</b>
Africa / Middle East <b>0.85%</b>	South & Central America <b>0.43%</b>
Eastern Europe <b>0.27%</b>	Other <b>0.50%</b>

Region	% held
North America	80.73%
Asia Pacific	8.53%
Western Europe	7.51%
Central Asia	1.18%
Africa / Middle East	0.85%
South & Central America	0.43%
Eastern Europe	0.27%
Other	0.50%
Total	100.00%



## CHANGE IN PORTFOLIO HOLDINGS

Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025



	March 31, 2025		December 31, 2024		Change	
	Market Value	% Held	Market Value	% Held	Market Value	% Held
Cash	58,481.62	0.25%	170,669.24	0.72%	(112,187.62)	(0.47)
Commodities	151,192.80	0.65%	144,552.80	0.61%	6,640.00	0.04%
Equity	12,569,055.00	53.74%	12,957,164.00	54.67%	(388,109.00)	(0.92)
Real Estate (REIT)	1,623,257.20	6.94%	1,595,071.20	6.73%	28,186.00	0.21%
Bonds	8,985,160.00	38.42%	8,835,372.00	37.28%	149,788.00	1.14%

## CHANGE IN PORTFOLIO HOLDINGS DETAIL



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

	March 31, 2025		December 31, 2024		Change	
	Market Value	% Held	Market Value	% Held	Market Value	% Held
<b>BONDS</b>						
Core Bonds	7,345,000.00	31.41%	7,191,000.00	30.34%	154,000.00	1.07%
Intl Bonds	439,380.00	1.88%	441,450.00	1.86%	(2,070.00)	0.02%
US Bonds	1,200,780.00	5.13%	1,202,922.00	5.08%	(2,142.00)	0.06%
<b>Total Bonds</b>	<b>8,985,160.00</b>	<b>38.42%</b>	<b>8,835,372.00</b>	<b>37.28%</b>	<b>149,788.00</b>	<b>1.14%</b>
<b>CASH</b>						
Money Mkt Fd	58,409.13	0.25%	170,243.10	0.72%	(111,833.97)	(0.47)
Cash	72.49	0.00%	426.14	0.00%	(353.65)	(0.00)
<b>Total Cash</b>	<b>58,481.62</b>	<b>0.25%</b>	<b>170,669.24</b>	<b>0.72%</b>	<b>(112,187.62)</b>	<b>(0.47)</b>
<b>COMMODITIES</b>						
Commodities	151,192.80	0.65%	144,552.80	0.61%	6,640.00	0.04%
<b>Total Commodities</b>	<b>151,192.80</b>	<b>0.65%</b>	<b>144,552.80</b>	<b>0.61%</b>	<b>6,640.00</b>	<b>0.04%</b>
<b>EQUITY</b>						
Emrging Mkts	1,212,968.00	5.19%	1,180,272.00	4.98%	32,696.00	0.21%
Intl Equity	2,485,587.00	10.63%	2,338,398.00	9.87%	147,189.00	0.76%
Mid Cap	3,325,950.00	14.22%	3,551,670.00	14.98%	(225,720.00)	(0.76)
Small Cap	2,173,150.00	9.29%	2,354,744.00	9.93%	(181,594.00)	(0.64)
Large Cap	3,371,400.00	14.42%	3,532,080.00	14.90%	(160,680.00)	(0.49)
<b>Total Equity</b>	<b>12,569,055.00</b>	<b>53.74%</b>	<b>12,957,164.00</b>	<b>54.67%</b>	<b>(388,109.00)</b>	<b>(0.92)</b>
<b>REAL ESTATE (REIT)</b>						
Intl RE	328,535.20	1.40%	321,227.20	1.36%	7,308.00	0.05%
Real Estate	1,294,722.00	5.54%	1,273,844.00	5.37%	20,878.00	0.16%

CHANGE IN PORTFOLIO HOLDINGS DETAIL



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

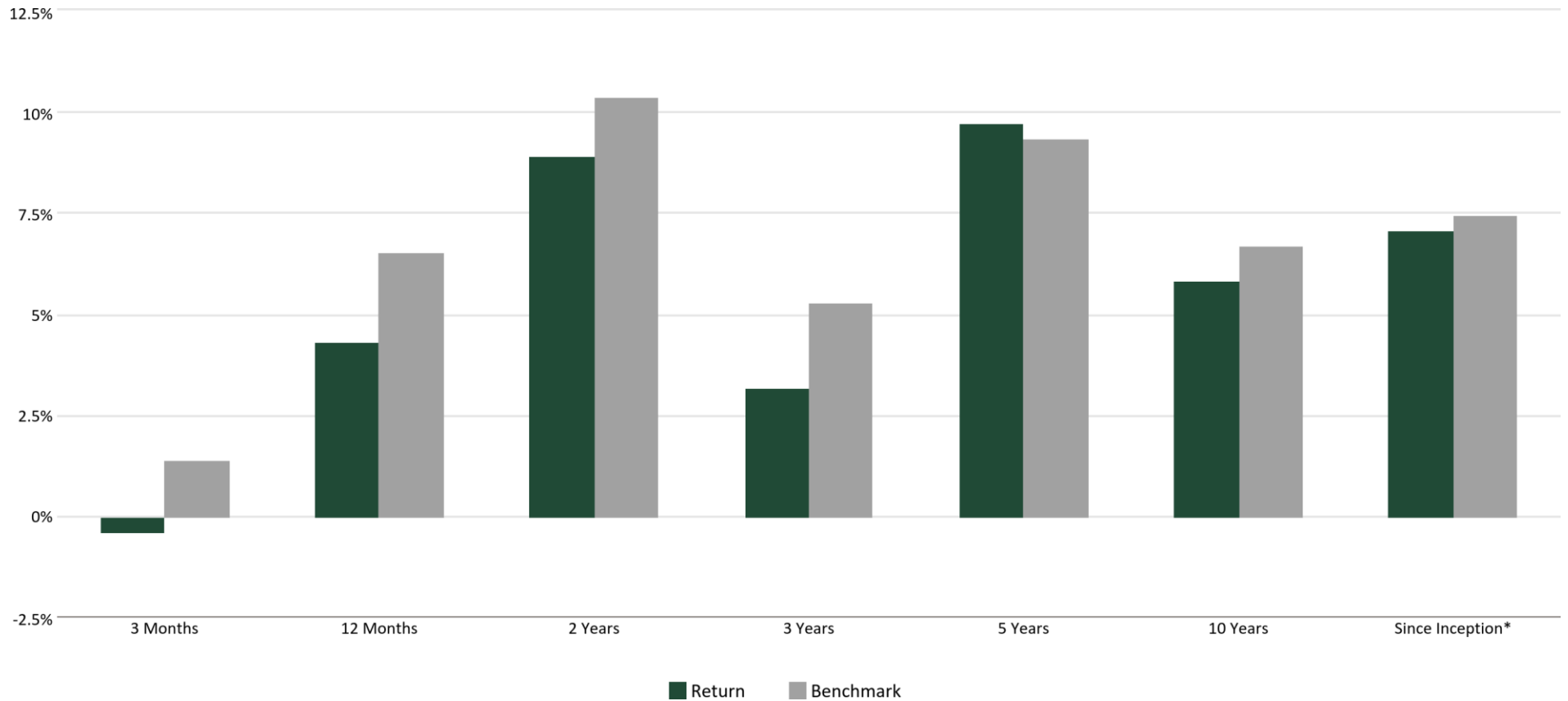
	March 31, 2025		December 31, 2024		Change	
	Market Value	% Held	Market Value	% Held	Market Value	% Held
Total Real Estate (REIT)	1,623,257.20	6.94%	1,595,071.20	6.73%	28,186.00	0.21%
TOTAL PORTFOLIO	23,387,146.62	100.00%	23,702,829.24	100.00%	(315,682.62)	0.00%

## INVESTMENT PERFORMANCE



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Total Rate of Return Annualized Since Inception | 12/01/2009



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
<b>TOTAL RATE OF RETURN</b>							
WMWD VEBA Account	(0.38%)	4.34%	8.94%	3.18%	9.76%	5.86%	7.07%
Benchmark*	1.42%	6.53%	10.39%	5.29%	9.36%	6.73%	7.47%

\*Periods over one year are annualized.

Benchmark: 40% ICE BofA US Corporate, Government and Mortgage Index, 35% S&P 500 Index and 25% MSCI EAFE

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.

## PORTFOLIO HOLDINGS

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# HOLDINGS REPORT



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
<b>CASH</b>								
CCYUSD	Receivable	72.49	72.49	72.49	1.00	72.49	0.00	0.00% 0.00
<b>Total Cash</b>		<b>72.49</b>	<b>72.49</b>	<b>72.49</b>	<b>1.00</b>	<b>72.49</b>	<b>0.00</b>	<b>0.00% 0.00</b>
<b>COMMODITIES</b>								
46428R107	ISHARES:S&P GSCI CMDTY	6,640.00	217,350.73	217,350.73	22.77	151,192.80	0.00	0.65% (66,157.93)
<b>Total Commodities</b>		<b>6,640.00</b>	<b>217,350.73</b>	<b>217,350.73</b>	<b>22.77</b>	<b>151,192.80</b>	<b>0.00</b>	<b>0.65% (66,157.93)</b>
<b>EMERGING MARKET EQUITY</b>								
922042858	VANGUARD EM ST I ETF	26,800.00	1,128,160.33	1,128,160.33	45.26	1,212,968.00	0.00	5.19% 84,807.67
<b>Total Emerging Market Equity</b>		<b>26,800.00</b>	<b>1,128,160.33</b>	<b>1,128,160.33</b>	<b>45.26</b>	<b>1,212,968.00</b>	<b>0.00</b>	<b>5.19% 84,807.67</b>
<b>INTERNATIONAL BONDS</b>								
92203J407	VANGUARD TOT ITL BI ETF	9,000.00	487,240.31	487,240.31	48.82	439,380.00	0.00	1.88% (47,860.31)
<b>Total International Bonds</b>		<b>9,000.00</b>	<b>487,240.31</b>	<b>487,240.31</b>	<b>48.82</b>	<b>439,380.00</b>	<b>0.00</b>	<b>1.88% (47,860.31)</b>
<b>INTERNATIONAL EQUITY</b>								
921943858	VANGUARD DEV MKT ETF	48,900.00	1,899,464.60	1,899,464.60	50.83	2,485,587.00	0.00	10.63% 586,122.40
<b>Total International Equity</b>		<b>48,900.00</b>	<b>1,899,464.60</b>	<b>1,899,464.60</b>	<b>50.83</b>	<b>2,485,587.00</b>	<b>0.00</b>	<b>10.63% 586,122.40</b>

## HOLDINGS REPORT



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
<b>INTERNATIONAL REAL ESTATE</b>								
922042676	VANGUARD GXUS RE ETF	8,120.00	335,193.60	335,193.60	40.46	328,535.20	0.00	1.40% (6,658.40)
<b>Total International Real Estate</b>		<b>8,120.00</b>	<b>335,193.60</b>	<b>335,193.60</b>	<b>40.46</b>	<b>328,535.20</b>	<b>0.00</b>	<b>1.40% (6,658.40)</b>
<b>LARGE CAP US EQUITY</b>								
464287200	ISHARES:CORE S&P 500	6,000.00	1,592,005.65	1,592,005.65		3,371,400.00	0.00	14.42%
<b>Total Large Cap US Equity</b>		<b>6,000.00</b>	<b>1,592,005.65</b>	<b>1,592,005.65</b>		<b>3,371,400.00</b>	<b>0.00</b>	<b>14.42%</b>
<b>MID CAP US EQUITY</b>								
464287507	ISHARES:CORE S&P MD-CP	57,000.00	2,051,485.42	2,051,485.42	58.35	3,325,950.00	0.00	14.22%
<b>Total Mid Cap US Equity</b>		<b>57,000.00</b>	<b>2,051,485.42</b>	<b>2,051,485.42</b>	<b>58.35</b>	<b>3,325,950.00</b>	<b>0.00</b>	<b>14.22%</b>
<b>MONEY MARKET FUND</b>								
31846V203	FIRST AMER:GVT OBLG Y	58,409.13	58,409.13	58,409.13	1.00	58,409.13	0.00	0.25% 0.00
<b>Total Money Market Fund</b>		<b>58,409.13</b>	<b>58,409.13</b>	<b>58,409.13</b>	<b>1.00</b>	<b>58,409.13</b>	<b>0.00</b>	<b>0.25% 0.00</b>
<b>REAL ESTATE</b>								
922908553	VANGUARD RE IDX ETF	14,300.00	939,755.03	939,755.03	90.54	1,294,722.00	0.00	5.54% 354,966.97
<b>Total Real Estate</b>		<b>14,300.00</b>	<b>939,755.03</b>	<b>939,755.03</b>	<b>90.54</b>	<b>1,294,722.00</b>	<b>0.00</b>	<b>5.54% 354,966.97</b>

## HOLDINGS REPORT



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
<b>SMALL CAP US EQUITY</b>								
922908751	VANGUARD S-C ID ETF	9,800.00	1,052,855.95	1,052,855.95		2,173,150.00	0.00	9.29%
<b>Total Small Cap US Equity</b>		<b>9,800.00</b>	<b>1,052,855.95</b>	<b>1,052,855.95</b>		<b>2,173,150.00</b>	<b>0.00</b>	<b>9.29%</b>
<b>US CORE BONDS</b>								
921937835	VANGUARD TOT BD ETF	100,000.00	7,887,726.12	7,887,726.12	73.45	7,345,000.00	0.00	31.41%
<b>Total US Core Bonds</b>		<b>100,000.00</b>	<b>7,887,726.12</b>	<b>7,887,726.12</b>	<b>73.45</b>	<b>7,345,000.00</b>	<b>0.00</b>	<b>31.41%</b>
<b>US HIGH YIELD BONDS</b>								
78468R622	SPDR BBG HIGH YIELD BD	12,600.00	1,424,638.95	1,424,638.95	95.30	1,200,780.00	0.00	5.13%
<b>Total US High Yield Bonds</b>		<b>12,600.00</b>	<b>1,424,638.95</b>	<b>1,424,638.95</b>	<b>95.30</b>	<b>1,200,780.00</b>	<b>0.00</b>	<b>5.13%</b>
<b>Total Portfolio</b>		<b>357,641.62</b>	<b>19,074,358.30</b>	<b>19,074,358.30</b>		<b>23,387,146.62</b>	<b>0.00</b>	<b>100.00%</b>
<b>Total Market Value + Accrued</b>						<b>23,387,146.62</b>		



## TRANSACTIONS

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## TRANSACTION LEDGER



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	01/03/2025	31846V203	426.14	FIRST AMER:GVT OBLG Y	1.000	4.09%	(426.14)	0.00	(426.14)	0.00
Purchase	01/30/2025	31846V203	5,428.11	FIRST AMER:GVT OBLG Y	1.000	4.09%	(5,428.11)	0.00	(5,428.11)	0.00
Purchase	02/04/2025	31846V203	403.95	FIRST AMER:GVT OBLG Y	1.000	4.02%	(403.95)	0.00	(403.95)	0.00
Purchase	02/05/2025	31846V203	24,406.00	FIRST AMER:GVT OBLG Y	1.000	4.02%	(24,406.00)	0.00	(24,406.00)	0.00
Purchase	02/06/2025	31846V203	6,749.66	FIRST AMER:GVT OBLG Y	1.000	4.02%	(6,749.66)	0.00	(6,749.66)	0.00
Purchase	03/04/2025	31846V203	222.23	FIRST AMER:GVT OBLG Y	1.000	3.99%	(222.23)	0.00	(222.23)	0.00
Purchase	03/05/2025	31846V203	22,801.00	FIRST AMER:GVT OBLG Y	1.000	3.99%	(22,801.00)	0.00	(22,801.00)	0.00
Purchase	03/06/2025	31846V203	6,652.26	FIRST AMER:GVT OBLG Y	1.000	3.99%	(6,652.26)	0.00	(6,652.26)	0.00
Purchase	03/21/2025	31846V203	9,507.32	FIRST AMER:GVT OBLG Y	1.000	3.95%	(9,507.32)	0.00	(9,507.32)	0.00
Purchase	03/21/2025	31846V203	10,368.78	FIRST AMER:GVT OBLG Y	1.000	3.95%	(10,368.78)	0.00	(10,368.78)	0.00
Purchase	03/25/2025	31846V203	13,097.82	FIRST AMER:GVT OBLG Y	1.000	3.94%	(13,097.82)	0.00	(13,097.82)	0.00
Purchase	03/27/2025	31846V203	13,326.17	FIRST AMER:GVT OBLG Y	1.000	3.95%	(13,326.17)	0.00	(13,326.17)	0.00
Purchase	03/31/2025	31846V203	9,004.24	FIRST AMER:GVT OBLG Y	1.000	3.97%	(9,004.24)	0.00	(9,004.24)	0.00
<b>Total Purchase</b>			<b>122,393.68</b>				<b>(122,393.68)</b>	<b>0.00</b>	<b>(122,393.68)</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>122,393.68</b>				<b>(122,393.68)</b>	<b>0.00</b>	<b>(122,393.68)</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	01/02/2025	31846V203	(300.00)	FIRST AMER:GVT OBLG Y	1.000	4.09%	300.00	0.00	300.00	0.00
Sale	01/08/2025	31846V203	(50,094.12)	FIRST AMER:GVT OBLG Y	1.000	4.09%	50,094.12	0.00	50,094.12	0.00
Sale	01/10/2025	31846V203	(3,652.03)	FIRST AMER:GVT OBLG Y	1.000	4.09%	3,652.03	0.00	3,652.03	0.00
Sale	01/13/2025	31846V203	(7,650.00)	FIRST AMER:GVT OBLG Y	1.000	4.09%	7,650.00	0.00	7,650.00	0.00
Sale	01/27/2025	31846V203	(4,387.80)	FIRST AMER:GVT OBLG Y	1.000	4.09%	4,387.80	0.00	4,387.80	0.00
Sale	01/29/2025	31846V203	(55,908.66)	FIRST AMER:GVT OBLG Y	1.000	4.09%	55,908.66	0.00	55,908.66	0.00
Sale	02/03/2025	31846V203	(300.00)	FIRST AMER:GVT OBLG Y	1.000	4.02%	300.00	0.00	300.00	0.00
Sale	02/10/2025	31846V203	(3,613.43)	FIRST AMER:GVT OBLG Y	1.000	3.99%	3,613.43	0.00	3,613.43	0.00
Sale	02/26/2025	31846V203	(51,319.27)	FIRST AMER:GVT OBLG Y	1.000	3.99%	51,319.27	0.00	51,319.27	0.00

## TRANSACTION LEDGER

Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	03/03/2025	31846V203	(300.00)	FIRST AMER:GVT OBLG Y	1.000	3.98%	300.00	0.00	300.00	0.00
Sale	03/06/2025	31846V203	(51,319.27)	FIRST AMER:GVT OBLG Y	1.000	3.99%	51,319.27	0.00	51,319.27	0.00
Sale	03/07/2025	31846V203	(3,633.07)	FIRST AMER:GVT OBLG Y	1.000	3.99%	3,633.07	0.00	3,633.07	0.00
Sale	03/19/2025	31846V203	(1,750.00)	FIRST AMER:GVT OBLG Y	1.000	3.95%	1,750.00	0.00	1,750.00	0.00
<b>Total Sale</b>							<b>234,227.65</b>	<b>0.00</b>	<b>234,227.65</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>							<b>234,227.65</b>	<b>0.00</b>	<b>234,227.65</b>	<b>0.00</b>
<b>OTHER TRANSACTIONS</b>										
Cash Transfer	01/02/2025	CCYUSD	(300.00)	Cash			(300.00)	0.00	(300.00)	0.00
Cash Transfer	01/08/2025	CCYUSD	4,582.17	Cash			4,582.17	0.00	4,582.17	0.00
Cash Transfer	01/29/2025	CCYUSD	(55,908.66)	Cash			(55,908.66)	0.00	(55,908.66)	0.00
Cash Transfer	01/30/2025	CCYUSD	5,428.11	Cash			5,428.11	0.00	5,428.11	0.00
Cash Transfer	02/03/2025	CCYUSD	(300.00)	Cash			(300.00)	0.00	(300.00)	0.00
Cash Transfer	02/26/2025	CCYUSD	(51,319.27)	Cash			(51,319.27)	0.00	(51,319.27)	0.00
Cash Transfer	03/03/2025	CCYUSD	(300.00)	Cash			(300.00)	0.00	(300.00)	0.00
Cash Transfer	03/06/2025	CCYUSD	(51,319.27)	Cash			(51,319.27)	0.00	(51,319.27)	0.00
<b>Total Cash Transfer</b>							<b>(149,436.92)</b>	<b>0.00</b>	<b>(149,436.92)</b>	<b>0.00</b>
Custody Fee	01/27/2025	CCYUSD	(4,387.80)	Cash			(4,387.80)	0.00	(4,387.80)	0.00
<b>Total Custody Fee</b>			<b>(4,387.80)</b>				<b>(4,387.80)</b>	<b>0.00</b>	<b>(4,387.80)</b>	<b>0.00</b>
Dividend	01/31/2025	31846V203	0.00	FIRST AMER:GVT OBLG Y		4.02%	403.95	0.00	403.95	0.00
Dividend	02/28/2025	31846V203	0.00	FIRST AMER:GVT OBLG Y		3.98%	222.23	0.00	222.23	0.00
Dividend	03/31/2025	31846V203	0.00	FIRST AMER:GVT OBLG Y		3.97%	72.49	0.00	72.49	0.00
<b>Total Dividend</b>			<b>0.00</b>				<b>698.67</b>	<b>0.00</b>	<b>698.67</b>	<b>0.00</b>
Equity Dividend	02/05/2025	921937835	0.00	VANGUARD TOT BD ETF			23,479.90	0.00	23,479.90	0.00
Equity Dividend	02/05/2025	92203J407	0.00	VANGUARD TOT ITL BI ETF			926.10	0.00	926.10	0.00
Equity Dividend	02/06/2025	78468R622	0.00	SPDR BBG HIGH YIELD BD			6,749.66	0.00	6,749.66	0.00
Equity Dividend	03/05/2025	921937835	0.00	VANGUARD TOT BD ETF			21,946.00	0.00	21,946.00	0.00

## TRANSACTION LEDGER



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Equity Dividend	03/05/2025	92203J407	0.00	VANGUARD TOT ITL BI ETF			855.00	0.00	855.00	0.00
Equity Dividend	03/06/2025	78468R622	0.00	SPDR BBG HIGH YIELD BD			6,652.26	0.00	6,652.26	0.00
Equity Dividend	03/21/2025	464287507	0.00	ISHARES:CORE S&P MD-CP			9,288.66	0.00	9,288.66	0.00
Equity Dividend	03/21/2025	464287200	0.00	ISHARES:CORE S&P 500			10,368.78	0.00	10,368.78	0.00
Equity Dividend	03/21/2025	464287200	0.00	ISHARES:CORE S&P 500			218.66	0.00	218.66	0.00
Equity Dividend	03/25/2025	921943858	0.00	VANGUARD DEV MKT ETF			11,843.58	0.00	11,843.58	0.00
Equity Dividend	03/25/2025	922042858	0.00	VANGUARD EM ST I ETF			1,254.24	0.00	1,254.24	0.00
Equity Dividend	03/27/2025	922908553	0.00	VANGUARD RE IDX ETF			13,326.17	0.00	13,326.17	0.00
Equity Dividend	03/31/2025	922908751	0.00	VANGUARD S-C ID ETF			9,004.24	0.00	9,004.24	0.00
<b>Total Equity Dividend</b>			<b>0.00</b>				<b>115,913.25</b>	<b>0.00</b>	<b>115,913.25</b>	<b>0.00</b>
Management Fee	01/08/2025	CCYUSD	(54,676.29)	Cash			(54,676.29)	0.00	(54,676.29)	0.00
Management Fee	01/10/2025	CCYUSD	(3,652.03)	Cash			(3,652.03)	0.00	(3,652.03)	0.00
Management Fee	01/13/2025	CCYUSD	(7,650.00)	Cash			(7,650.00)	0.00	(7,650.00)	0.00
Management Fee	02/10/2025	CCYUSD	(3,613.43)	Cash			(3,613.43)	0.00	(3,613.43)	0.00
Management Fee	03/07/2025	CCYUSD	(3,633.07)	Cash			(3,633.07)	0.00	(3,633.07)	0.00
Management Fee	03/19/2025	CCYUSD	(1,750.00)	Cash			(1,750.00)	0.00	(1,750.00)	0.00
<b>Total Management Fee</b>							<b>(74,974.82)</b>	<b>0.00</b>	<b>(74,974.82)</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>							<b>(112,187.62)</b>	<b>0.00</b>	<b>(112,187.62)</b>	<b>0.00</b>

## IMPORTANT DISCLOSURES



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

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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.

- **US Small Cap Stocks - Morgan Stanley Capital International (MSCI) Small Cap 1750** - The MSCI Small Cap 1750 is a market capitalization weighted index that measures the performance of small capitalization U.S. stocks.
- **US Mid Cap Stocks - Morgan Stanley Capital International (MSCI) Mid Cap 450** - The MSCI Mid Cap 450 is a market capitalization weighted index that measures the performance of mid-capitalization U.S. stocks.
- **US Large Cap Stocks - Standard & Poor's 500** - The S&P 500 is a market value weighted index of 500 large capitalization stocks. The 500 companies included in the index capture approximately 80% of available U.S. market capitalization.
- **International Stocks - Morgan Stanley Capital International (MSCI) EAFE** - The MSCI EAFE International Equity Index is a market capitalization weighted index that captures international equity performance of large and mid-cap stocks in the developed stock markets of Europe, Australasia, and the Far East.
- **Emerging Market Stocks - Morgan Stanley Capital International (MSCI) Emerging Markets** - The MSCI Emerging Markets Index is a market capitalization weighted index that captures equity performance of large and mid-cap stocks across emerging market countries.
- **U.S. Real Estate - Morgan Stanley Capital International (MSCI) REIT** - The MSCI US REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. It represents about 99% of the US REIT universe and securities are classified in the REIT sector according to the Global Industry Classification Standard (GICS®). It excludes Mortgage REIT and selected Specialized REITs.
- **International Real Estate - S&P Developed Ex-US Property** - The S&P Developed Ex-US Property Index is a market capitalization weighted index that captures the performance of a universe of publicly traded property companies based in developing countries outside of the US. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **US Core Bonds - ICE BofA US Corporate, Government, Mortgage** - The ICE BofA US Corporate, Government, Mortgage index is a broad measure of US investment grade bond performance, including US Treasuries, agencies, investment-grade corporates and mortgage securities.
- **US High Yield Bonds - ICE BofA US High Yield** - The ICE BofA High Yield Bond Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds.
- **International Bonds - Bloomberg Barclays Global Aggregate ex-USD Total Return Index Value Unhedged USD - Index from 2/1/2013 - current** - This index measures the performance 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. S&P Citigroup International Govt Bond - Index from 1/1/2009 - 1/31/2013. This index measures the performance of sovereign bonds of non-U.S. developed countries.
- **Diversified Commodities - S&P GSCI Commodity Index** - The S&P GSCI Commodity Index is a world production-weighted measure of general commodity price movements and inflation in the world economy. It consists of a basket of physical commodity futures contracts.

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*All investments contain risk and may lose value. Fixed income investments are subject to interest rate, 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. International: Non-US markets may be more volatile due to a variety of factors including less liquidity, transparency and oversight of companies and assets. Values of non-US investments may fluctuate due to changes in currency exchange rates. Non-US companies are also subject to risks that come with political and economic stability that may affect their respective countries. These risks may be greater in emerging market countries. Equities: Investments on equities are subject to risks from stock market fluctuations that occur in response to economic and business developments.*

Benchmark	Disclosure
40% ICE BofA US Corporate, Government and Mortgage Index, 35% S&P 500 Index and 25% MSCI EAFE	<p>The S&amp;P 500 is a market value weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization.</p> <p>The MSCI EAFE International Equity Index is a market capitalization weighted index that captures international equity performance of large- and mid-cap stocks in the developed stock markets of Europe, Australasia, and the Far East.</p> <p>The ICE BofA US Corporate, Government &amp; Mortgage Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasuries, quasi-governments, corporates, covered bonds and residential mortgage pass-throughs. Non-residential mortgage collateralized debt such as commercial mortgage backed securities and asset backed securities are excluded from this index, as are all collateralized mortgage obligations. Most qualifying securities must have an investment grade rating (based on an average of Moody's, S&amp;P and Fitch). They must also have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance and a fixed coupon schedule. Amounts outstanding for qualifying US Treasuries must be at least \$1 billion; US agencies, foreign governments, supranationals, corporates and covered bonds must have at least \$250 million outstanding. Qualifying residential mortgage pass-through securities include fixed rate securities publicly issued by US agencies. 30-year, 20-year and 15-year fixed rate mortgage pools must have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250 million per production year within each generic coupon.</p>
50% S&P 500, 50% ICE BofA US Corp, Govt & Mortgage Index	<p>The S&amp;P 500 is a market value weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization.</p> <p>The ICE BofA US Corporate, Government &amp; Mortgage Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasuries, quasi-governments, corporates, covered bonds and residential mortgage pass-throughs. Non-residential mortgage collateralized debt such as commercial mortgage backed securities and asset backed securities are excluded from this index, as are all collateralized mortgage obligations. Most qualifying securities must have an investment grade rating (based on an average of Moody's, S&amp;P and Fitch). They must also have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance and a fixed coupon schedule. Amounts outstanding for qualifying US Treasuries must be at least \$1 billion; US agencies, foreign governments, supranationals, corporates and covered bonds must have at least \$250 million outstanding. Qualifying residential mortgage pass-through securities include fixed rate securities publicly issued by US agencies. 30-year, 20-year and 15-year fixed rate mortgage pools must have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250 million per production year within each generic coupon.</p>