

# INVESTMENT REPORT

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

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

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## ECONOMIC UPDATE

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As of December 31, 2025

Market returns in the fourth quarter cooled following the strong third-quarter rally, yet financial markets proved resilient overall, aided by continued support from the Federal Reserve. The U.S. government was shutdown from October 1 to November 12, and as a result all government sourced economic data releases were suspended. Going into the shutdown the labor market had started to show signs of a more significant slowdown, and without weekly jobless claims data and monthly labor reports, the markets had to operate on limited data.

The Federal Reserve (Fed) cut the federal funds rate by 0.25% on October 29 and again on December 10. Additionally, the Federal Reserve ended its quantitative tightening (QT) program on December 1, which stopped the contraction of its balance sheet, and on December 12 they initiated reserve management purchases of Treasury bills, marking the beginning of renewed balance sheet expansion. Each of these actions by the Fed contributed to an easing of financial conditions that supported financial markets through the uncertainty.

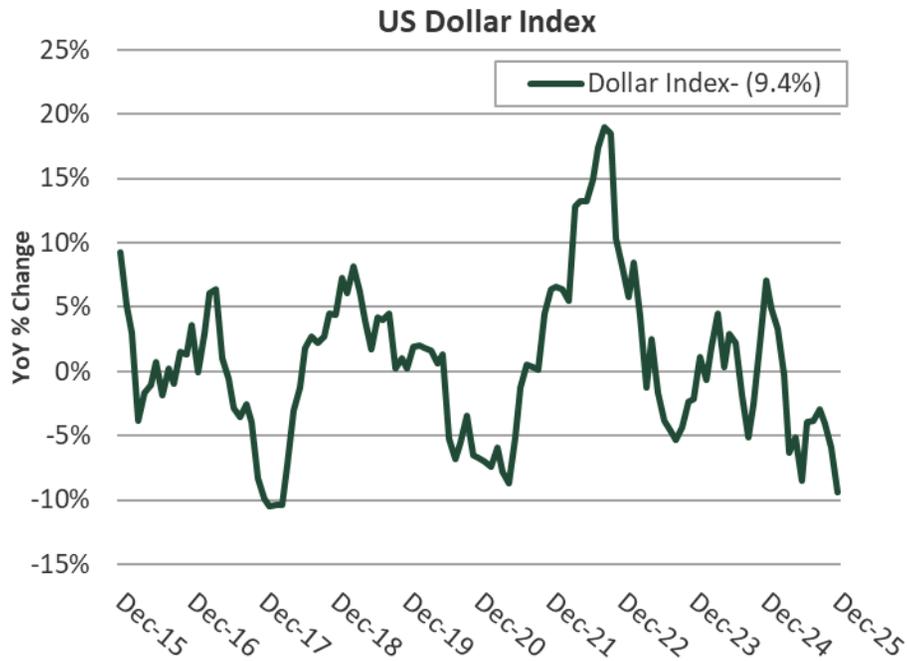
After the December meeting, Chair Powell said the federal funds rate is within the upper bounds of neutral and the committee will pause its rate cuts while it monitors incoming economic data. However, the balance sheet will continue to expand at least through April, which will add liquidity to the market.

There was a marked shift in stock investor sentiment from momentum to value in the fourth quarter. The Russell 1000 Value Index outperformed the Russell 1000 Growth Index by 2.7%, a reversal from the second and third quarters when value underperformed growth by 20.9%. Similarly, the Mag7 stocks including Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta Platforms, and Tesla only outperformed the remaining 493 stocks within the S&P 500 by 1.5% in the fourth quarter versus outperformance of 27.4% during the second and third quarters. Although the S&P 500 remains highly concentrated with the top 10 holdings representing 41% of the index, the shift of sentiment resulted in better breadth, with a larger share of stocks contributing to market gains, and should support stocks going forward.

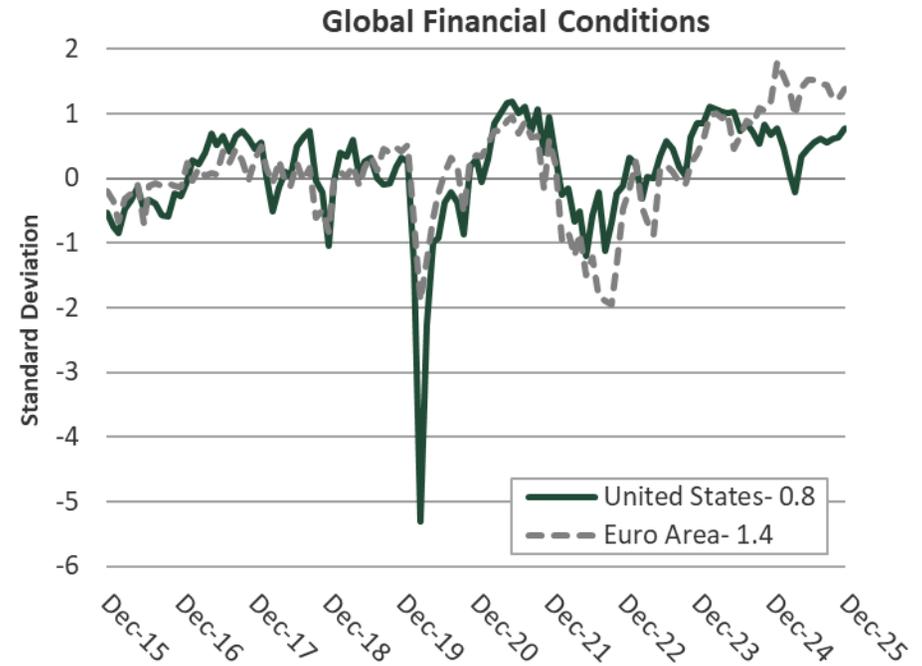
U.S. Treasury yields fell at the front end of the curve reflecting Federal Reserve rate cuts, and the yield curve steepened with the 10-year 2-year spread widening by 0.15% to 0.69%. Credit spreads widened intra-quarter but ended the quarter unchanged. The ICE BofA U.S. Broad Market Index returned 1.0%, while the investment grade and high yield corporate indices returned 0.8% and 1.3%, respectively. International bonds returned 0.5% as yield changes across Europe were mixed and the Japanese 10-year government bond yield rose 0.42% to 2.07%. U.S. REITs gave back some of their strong performance from the third quarter, posting returns of -2.0% despite little change in long term U.S. Treasury yields. Overall, lower but mixed yield changes and unchanged credit spreads produced positive fixed income returns that nonetheless underperformed the third quarter.

The fourth quarter capped a strong year for the Multi Asset Class Strategy. While there are some near-term concerns related to valuations, the longer-term growth outlook should provide strong returns for well-diversified long-term investors. We believe the Multi Asset Class Strategy is well positioned to capture those returns for our investors.

As of December 31, 2025



Source: Bloomberg



Source: Bloomberg Financial Condition Indices

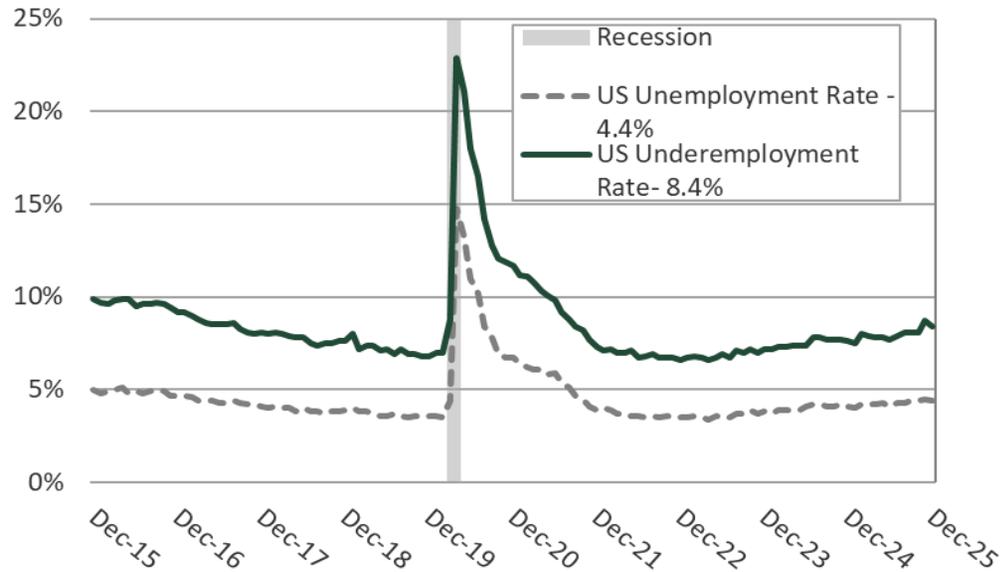
Global growth in Q4 2025 marked a shift from post inflation momentum toward a slower, more normalized pace. Late year data pointed toward moderating expansion. Services outperformed manufacturing, and global Purchasing Managers’ Indexes, or PMIs, remained in expansion. The global composite PMI averaged in the low 50s in November and December, consistent with trend growth. Beneath the surface, U.S. services remained firm, euro area composite activity stayed above 50 despite manufacturing weakness, and China’s official manufacturing PMI moved just above 50 late in the quarter. Trade policy uncertainty weighed on manufacturing activity and capital spending. For context, the International Monetary Fund, or IMF, projects global growth near 3.2% in 2025, easing slightly in 2026, with inflation trending lower but still elevated.

Against this backdrop, central bank conditions in Q4 highlighted policy divergence. The Federal Reserve shifted toward easing as inflation moderated, while the European Central Bank moved more cautiously amid soft euro area growth. Japan continued gradual normalization, and China maintained an accommodative bias. These differences weakened the U.S. dollar in 2025. Measured by the U.S. Dollar Index (DXY), the dollar declined approximately 9.4% in 2025, with most weakness in the first half before stabilizing in Q4. For financial markets, this environment reinforces the importance of global diversification and a long-term view, while remaining flexible as the global landscape recalibrates following broad tariff implementation.

# US UNEMPLOYMENT

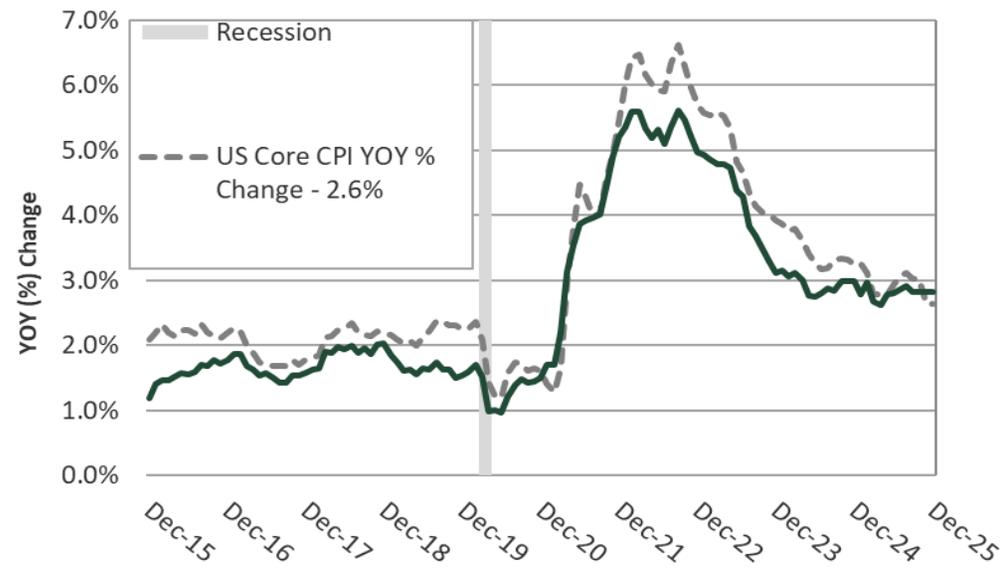
As of December 31, 2025

### US Unemployment Rate



Source: US Department of Labor

### US Inflation



Q4 2025 marked a clear inflection point for the labor market, as conditions shifted from gradual cooling to more visible signs of slowdown. The unemployment rate rose to 4.6% based on the latest available data, hiring slowed meaningfully, and job gains became more narrowly concentrated in health care and other service sectors. In contrast, manufacturing and government employment weakened, while wage growth eased modestly, pointing to softer labor demand. By comparison, Q3 2025 still reflected residual strength, with unemployment ending the quarter near 4.4%, steadier payroll growth, and firmer wage gains. Quarter to quarter comparisons are less precise in this period, as the October federal government shutdown delayed and disrupted several key labor market releases.

As labor market momentum softened, inflation trends improved during Q4 2025. Despite data disruptions related to the shutdown, available releases and market-based indicators continued to point toward moderation. The Consumer Price Index showed inflation moving closer to the Federal Reserve’s long-term objective, with headline CPI running at 2.7% year over year as of the November reading. The combination of slower growth and clearer disinflation reduced upside policy risks and reinforced a backdrop of easing economic pressures. This environment was consistent with the Federal Reserve’s December rate cut and supported expectations for additional policy easing in 2026.

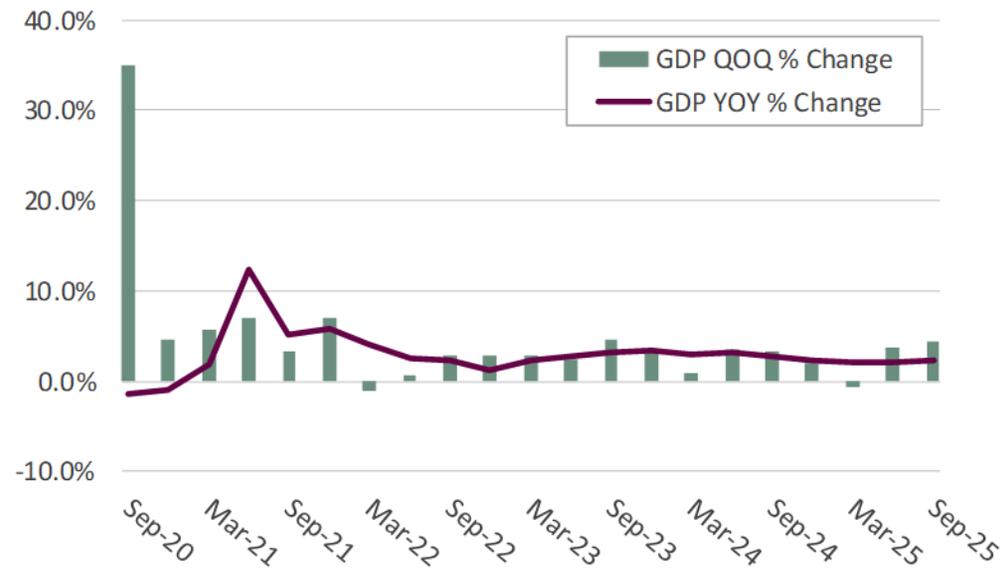
# GROSS DOMESTIC PRODUCT (GDP)

As of December 31, 2025

Components of GDP	12/24	3/25	6/25	9/25
Personal Consumption Expenditures	2.6%	0.4%	1.7%	2.4%
Gross Private Domestic Investment	-1.3%	3.8%	-2.7%	0.0%
Net Exports and Imports	-0.1%	-4.7%	4.8%	1.6%
Federal Government Expenditures	0.3%	-0.4%	-0.4%	0.2%
State and Local (Consumption and Gross Investment)	0.3%	0.2%	0.3%	0.2%
<b>Total</b>	<b>1.9%</b>	<b>-0.6%</b>	<b>3.8%</b>	<b>4.3%</b>

Source: US Department of Commerce

### Gross Domestic Product (GDP)



Source: US Department of Commerce

The U.S. inflation adjusted gross domestic product (GDP) report demonstrated continued strength in the third quarter, with the first estimate showing a 4.3% annualized quarter-over-quarter increase, up from 3.8% in the second quarter. Consumer spending accelerated, while exports contributed 1.6 percentage points to growth—both key drivers of the quarter’s performance. The stronger-than-expected result represented the fastest pace of U.S. economic expansion in two years. The consensus projection calls for 1.8% growth in the fourth quarter and 2.0% growth for the full year 2025.

As of December 31, 2025

Equity Index	Country	YOY % Chg (In Local Currency Terms)	YOY % Chg (In USD terms)
Dow Jones Industrial Average	United States	14.9%	14.9%
S&P 500 Index	United States	17.9%	17.9%
NASDAQ Composite Index	United States	21.2%	21.2%
S&P/Toronto Composite Index	Canada	31.7%	38.1%
FTSE 100 Index	United Kingdom	25.7%	35.1%
CAC -40	France	14.3%	29.6%
German Stock Index	Germany	23.0%	39.1%
Nikkei 225 index	Japan	28.6%	29.3%
Hang Seng Index	Hong Kong	32.5%	32.2%
Bovespa Stock Index	Brazil	34.0%	50.9%

Source: Bloomberg

Global developed stock markets slowed their advance in the fourth quarter and increased 3.3%<sup>1</sup> after climbing 7.6%<sup>1</sup> in the third quarter. International stocks outperformed U.S. stocks even without the support of a weakening U.S. dollar, which moved sideways in the fourth quarter and increased 0.6%<sup>2</sup>.

Developed ex-U.S. markets returned 5.2%<sup>1</sup> led by Canadian stocks up 7.7%<sup>1</sup>, followed by European stocks up 6.1%<sup>1</sup>, while Japanese stocks returned 3.2%<sup>1</sup>. Emerging market stocks returned 4.7%<sup>1</sup>, weighed down by Chinese stocks that declined 7.4%<sup>1</sup>. President Trump met with President Xi in October in South Korea, and both sides agreed to a one year truce. However, the meeting’s outcome may have disappointed market participants who were looking for a more convincing resolution. Stocks in Taiwan increased 10.4%<sup>1</sup>, including Taiwan Semiconductor, which was up 9.1%.

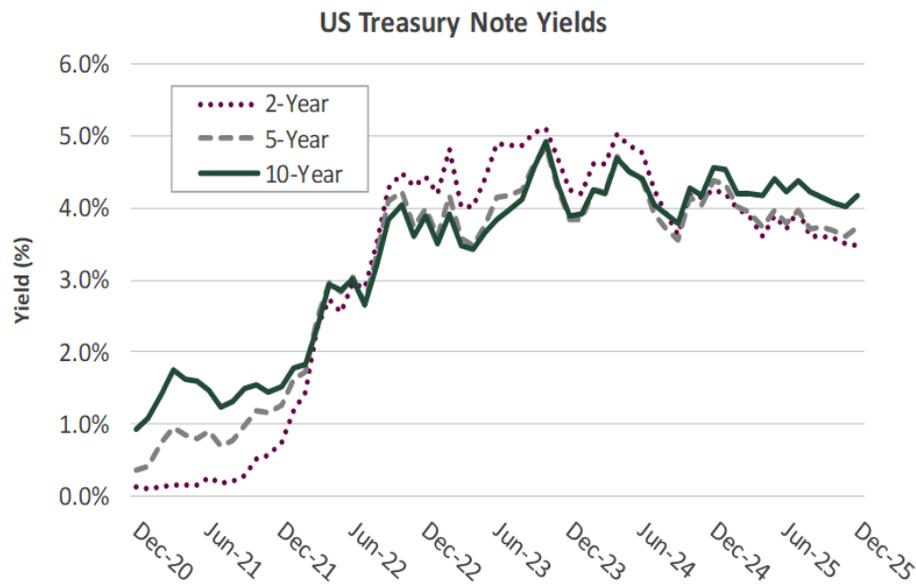
U.S. large cap stocks returned 2.7%<sup>3</sup>, led by the Health Care sector up 11.7%<sup>3</sup>. Within Health Care, the top contributors were Eli Lilly up 41.1%, Johnson & Johnson up 12.3%, and Merck up 26.5%. Mag 7 stocks had mixed returns as the market shifted its focus to the outlook for growth of individual companies rather than the group. Alphabet returned 28.8%, followed by Apple up 6.9% and Amazon up 5.1%, while Meta and Microsoft declined 10.0% and 6.5%, respectively. Breadth within the S&P 500 finished the quarter healthy with 56% of stocks above their 50 day moving averages and the S&P 500 Equal Weight Index at the top of its twelve-month range. Mid and small cap stocks underperformed with returns of 1.6%<sup>3</sup> and 1.7%<sup>3</sup>, respectively.

<sup>1</sup> MSCI Indices

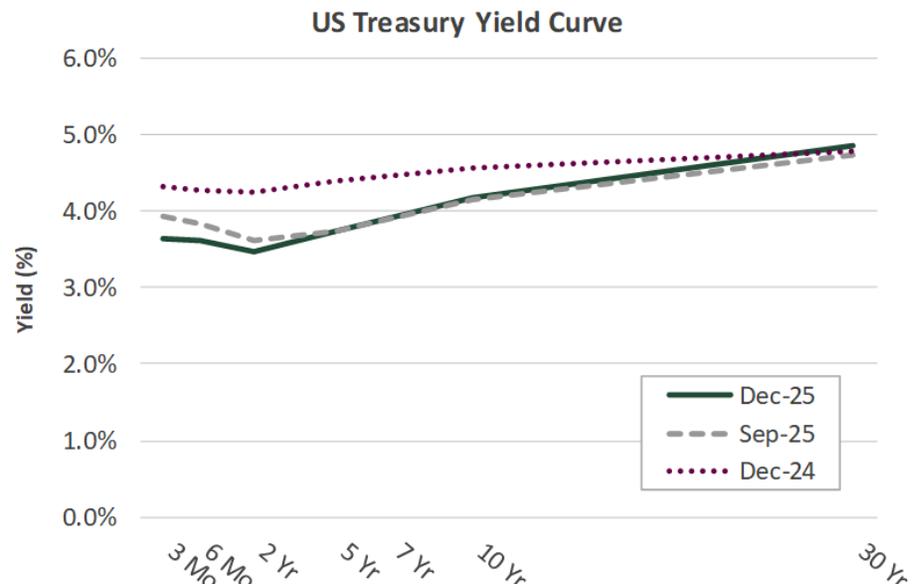
<sup>2</sup> U.S. Dollar Index (DXY)

<sup>3</sup> S&P Indices

As of December 31, 2025



Source: Bloomberg



Source: Bloomberg

The U.S. Federal Reserve cut its overnight fed funds rate by 0.25% at its October and December meetings and took the effective Fed Funds rate from 4.09% down to 3.64%. Chair Powell indicated that the rate was now within the upper range of neutral and the committee would take a pause in cuts while it evaluates new macroeconomic data. U.S. Treasury yields fell at the front of the curve out to 5 years while the 10-year yield increased 0.02%. As a result, the Treasury curve steepened with the spread between the 10-year and 2-year yields increasing 0.15% to 0.69%.

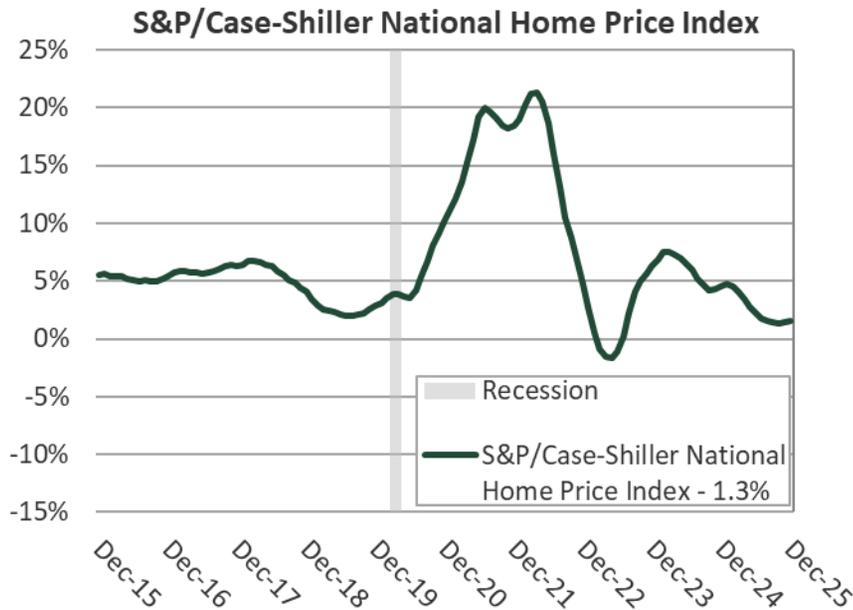
Investment-grade and high yield corporate bond spreads widened in the first half but finished the quarter unchanged. Investment grade spreads peaked at 0.86% in November but ended the quarter up 0.03% to 0.79%<sup>1</sup>. High-yield spreads peaked at 3.20% in November but finished the quarter up 0.01% to 2.81%<sup>2</sup>. Both spreads remain near historically tight levels indicating the market is pricing little credit related risk and an optimistic outlook for U.S. businesses.

European 10-year government bond yields were mixed. German bonds increased 0.14%, U.K. gilts declined 0.22% and French bonds increased 0.03%. Japanese 10-year government yields continued to rise, increasing 0.42% to 2.07%, which is the highest yield since 1999. Its currency, the Yen weakened 5.6% and ended the quarter at ¥156.72/USD. Chinese 10-year yields declined 0.02% to 1.86%; Chinese yields are up from the low of 1.63% in April following the U.S. tariff announcement, reflecting an easing of concerns due to the trade tensions with the U.S.

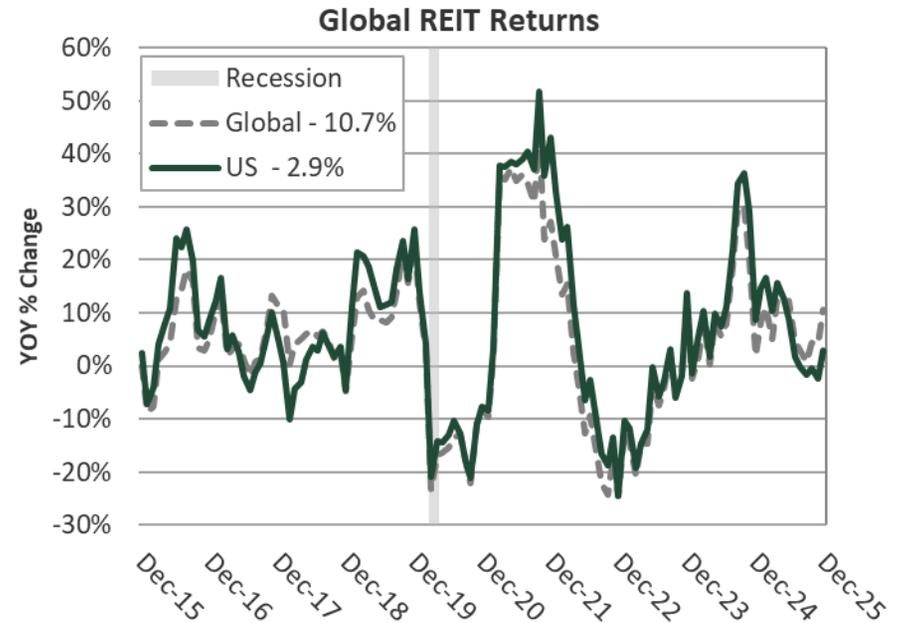
<sup>1</sup> ICE BofA US Corporate Index (COA0) Govt OAS

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

As of December 31, 2025



Source: Standard and Poor's



Source: NCREIF

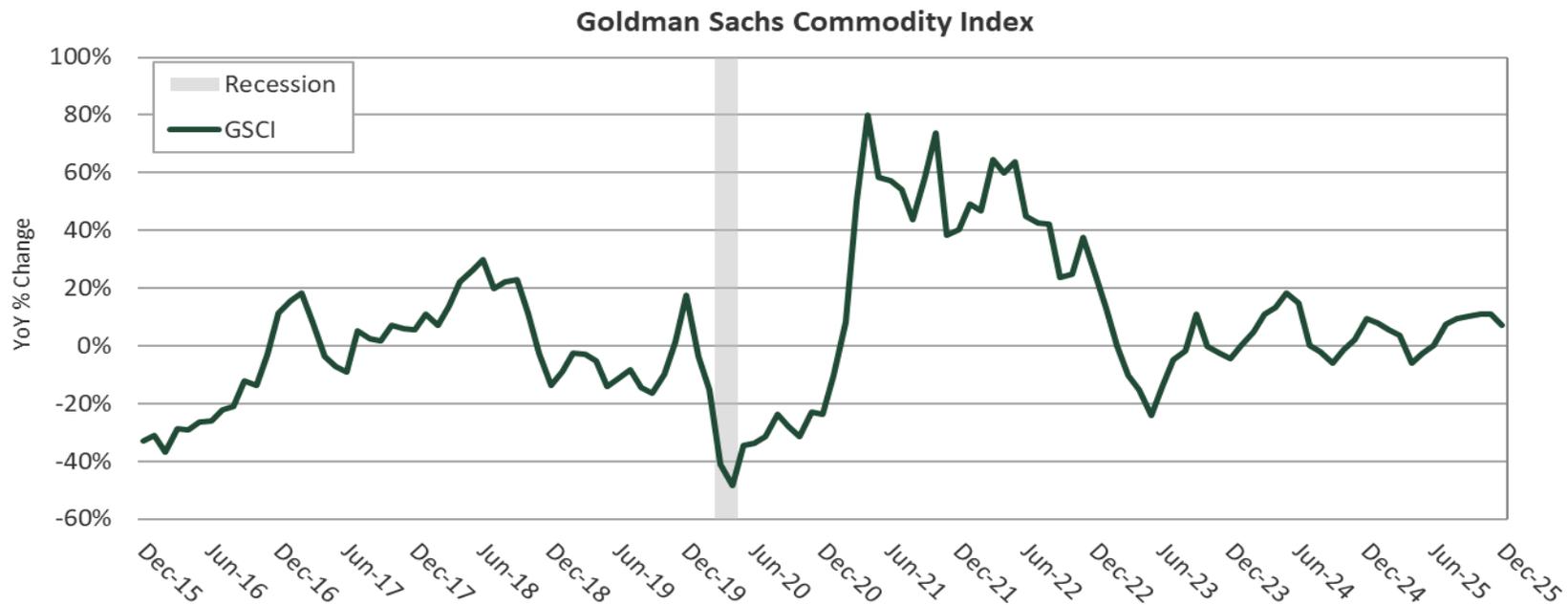
Real Estate Investment Trust performance in 2025 was modest, reflecting uneven results across regions. Against this backdrop, global REITs declined 1.1%<sup>1</sup> in Q4 but finished the year up 7.2%. Non-U.S. REITs returned 1.2%<sup>1</sup> in Q4 and 25.2% for the full year, while U.S. REITs fell 2.0%<sup>2</sup> in Q4 and gained 1.7% for the year, underperforming their international peers. This gap was driven by heavier U.S. exposure to office properties, higher refinancing costs, and a slower recovery in transaction activity. Currency effects also contributed, as a softer U.S. dollar supported non-U.S. REIT returns. Income remained the primary driver of performance, with REIT dividend yields near 4.1%, well above the broader equity market and supportive of total returns and consistent cash flow for long-term investors.

Q4 was more challenging, as December weakness emerged despite broadly stable long term Treasury yields. Rate sensitivity weighed on some sectors, though timberland, lodging, and apartments proved more resilient. Mortgage REITs outperformed for the year, supported by lower interest rates and improving funding conditions. Looking ahead, limited new supply, disciplined balance sheets, and durable demand tied to demographics and digital infrastructure support a more constructive setup for 2026. After a period of underperformance, REITs are positioned to deliver durable income, portfolio diversification, and improved long term return potential as valuations reset and cash flows remain resilient.

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

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

As of December 31, 2025



Source: Bloomberg

The S&P GSCI production weighted commodity index increased 1.0%<sup>1</sup> in the fourth quarter. The energy spot subindex, which represents the majority of the overall commodity index was down 5.0%<sup>1</sup> due to the continued weakness in oil prices. The price of WTI oil declined 7.9%<sup>2</sup> from \$62 per barrel to \$57 per barrel.

The largest contributors to the commodity index were the metals, with the industrial metals subindex up 15.8%<sup>1</sup> and the precious metals subindex up 15.6%<sup>1</sup>. Copper prices increased 17.0%<sup>2</sup> and ended the quarter at \$5.68 per pound, near all-time highs. The price increase was driven by new demand from A.I. and the build out of data centers, which added to the continued secular demand from electric vehicles and renewable energy. Precious metals continued to climb in their bull market, with the price of silver in particular accelerating higher. The price of silver increased 51.4%<sup>2</sup> to \$70.60 per ounce. Silver was added to the U.S. Geological Survey (USGS) list of critical minerals in November, which formalized its strategic importance for the U.S. In addition, China reclassified silver as a strategic mineral and implemented tighter export restrictions that began January 1. The price of gold increased 13.0%<sup>2</sup> to \$4,341, driven by sustained demand from global central banks diversifying their reserves out of fiat currencies.

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

<sup>2</sup>Front month future contract prices

## 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 December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
<b>CASH EQUIVALENTS</b>				
Max % (MV)	10.0	0.5	Compliant	
Min % (MV)	0.0	0.5	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	37.6	Compliant	
Min % (MV)	15.0	37.6	Compliant	
<b>DOMESTIC EQUITIES</b>				
Max % (MV)	75.0	39.3	Compliant	
Min % (MV)	20.0	39.3	Compliant	
<b>FIXED INCOME</b>				
Max % (MV)	75.0	37.6	Compliant	
Min % (MV)	25.0	37.6	Compliant	
<b>INTERNATIONAL BONDS</b>				
Max % (MV)	35.0	1.7	Compliant	
Min % (MV)	0.0	1.7	Compliant	
<b>INTERNATIONAL EQUITIES</b>				
Max % (MV)	50.0	14.0	Compliant	
Min % (MV)	5.0	14.0	Compliant	
<b>INTERNATIONAL REAL ESTATE</b>				
Max % (MV)	10.0	1.7	Compliant	
Min % (MV)	0.0	1.7	Compliant	
<b>US REAL ESTATE</b>				
Max % (MV)	25.0	4.7	Compliant	
Min % (MV)	0.0	4.7	Compliant	

# PERIODIC TABLE OF ASSET CLASS RETURNS



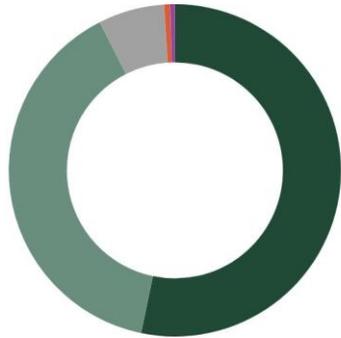
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
US Real Estate 2.5%	US Small Cap Stocks 20.4%	Emerging Market Stocks 37.3%	International Bonds 3.2%	US Large Cap Stocks 31.5%	US Mid Cap Stocks 19.8%	US Real Estate 43.1%	Diversified Commodities 26.0%	US Large Cap Stocks 26.3%	US Large Cap Stocks 25.0%	Emerging Market Stocks 33.6%
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%	International Stocks 31.2%
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 25.2%
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%	US Large Cap Stocks 17.9%
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 Small Cap Stocks 12.1%
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 Mid Cap Stocks 11.3%
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 8.5%
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%	US Core Bonds 7.2%
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%	Diversified Commodities 7.1%
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%	International Bonds 3.0%
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 Real Estate 2.9%

Index returns as of 12/31/2025. 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 December 31, 2025

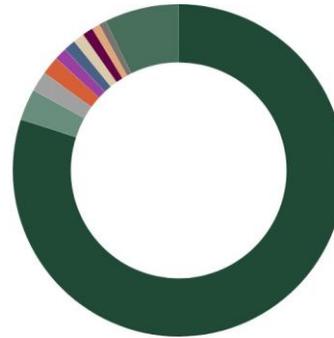
## Asset Allocation



- Equity **53.28%**
- Bonds **39.26%**
- Real Estate (REIT) **6.41%**
- Commodities **0.59%**
- Cash **0.46%**

	Market Value	% Held
Equity	13,742,733.65	53.28%
Bonds	10,127,743.00	39.26%
Real Estate (REIT)	1,653,383.60	6.41%
Commodities	153,118.40	0.59%
Cash	118,273.61	0.46%
<b>Total</b>	<b>25,795,252.26</b>	<b>100.00%</b>

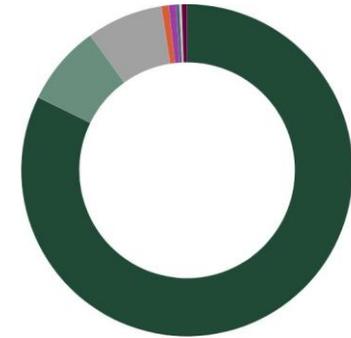
## Country Allocation



- United States **79.97%**
- Japan **3.06%**
- Canada **1.96%**
- United Kingdom **1.79%**
- China **1.22%**
- Germany **1.15%**
- France **1.09%**
- Australia **1.04%**
- Taiwan **0.77%**
- India **0.70%**
- Other **7.25%**

Country	Region	% held
United States	North America	79.97%
Japan	Asia	3.06%
Canada	North America	1.96%
United Kingdom	Europe	1.79%
China	Asia	1.22%
Germany	Europe	1.15%
France	Europe	1.09%
Australia	Australia	1.04%
Taiwan	Asia	0.77%
India	Asia	0.70%
Other	Various	7.25%
<b>Total</b>		<b>100.00%</b>

## Regional Allocation

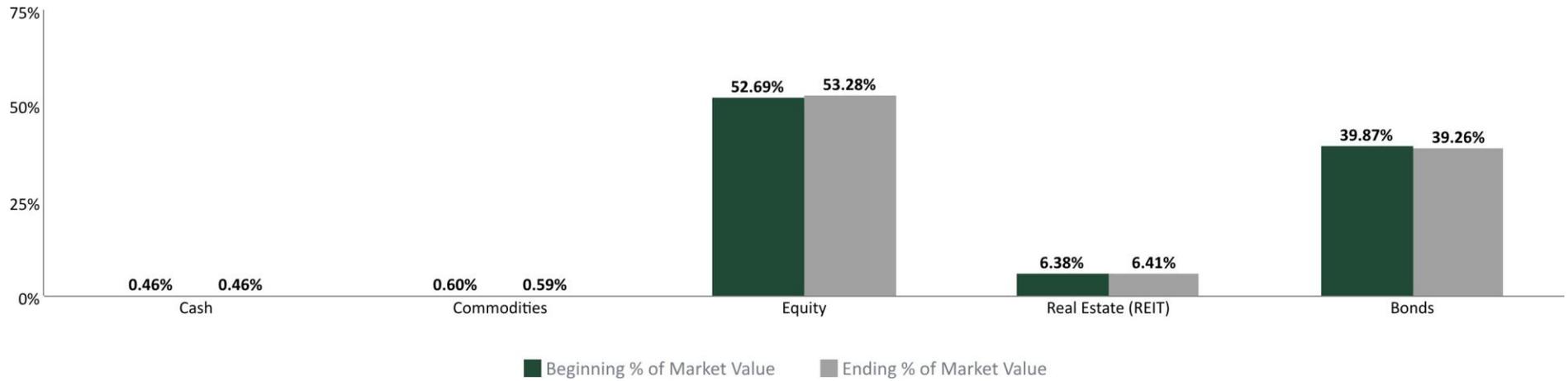


- North America **82.25%**
- Asia Pacific **7.84%**
- Western Europe **7.42%**
- Africa / Middle East **0.71%**
- Central Asia **0.70%**
- South & Central America **0.34%**
- Eastern Europe **0.23%**
- Other **0.51%**

Region	% held
North America	82.25%
Asia Pacific	7.84%
Western Europe	7.42%
Africa / Middle East	0.71%
Central Asia	0.70%
South & Central America	0.34%
Eastern Europe	0.23%
Other	0.51%
<b>Total</b>	<b>100.00%</b>

## CHANGE IN PORTFOLIO HOLDINGS

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



	December 31, 2025		September 30, 2025		Change	
	Market Value	% Held	Market Value	% Held	Market Value	% Held
Cash	118,273.61	0.46%	116,988.64	0.46%	1,284.97	0.00%
Commodities	153,118.40	0.59%	152,520.80	0.60%	597.60	(0.00)
Equity	13,742,733.65	53.28%	13,459,706.20	52.69%	283,027.45	0.58%
Real Estate (REIT)	1,653,383.60	6.41%	1,630,960.80	6.38%	22,422.80	0.02%
Bonds	10,127,743.00	39.26%	10,184,137.00	39.87%	(56,394.00)	(0.61)

## CHANGE IN PORTFOLIO HOLDINGS DETAIL



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

	December 31, 2025		September 30, 2025		Change	
	Market Value	% Held	Market Value	% Held	Market Value	% Held
<b>BONDS</b>						
Core Bonds	7,962,525.00	30.87%	7,994,775.00	31.30%	(32,250.00)	(0.43)
Intl Bonds	434,880.00	1.69%	445,140.00	1.74%	(10,260.00)	(0.06)
US Bonds	1,730,338.00	6.71%	1,744,222.00	6.83%	(13,884.00)	(0.12)
<b>Total Bonds</b>	<b>10,127,743.00</b>	<b>39.26%</b>	<b>10,184,137.00</b>	<b>39.87%</b>	<b>(56,394.00)</b>	<b>(0.61)</b>
<b>CASH</b>						
Money Mkt Fd	117,890.52	0.46%	110,909.66	0.43%	6,980.86	0.02%
Cash	383.09	0.00%	6,078.98	0.02%	(5,695.89)	(0.02)
<b>Total Cash</b>	<b>118,273.61</b>	<b>0.46%</b>	<b>116,988.64</b>	<b>0.46%</b>	<b>1,284.97</b>	<b>0.00%</b>
<b>COMMODITIES</b>						
Commodities	153,118.40	0.59%	152,520.80	0.60%	597.60	(0.00)
<b>Total Commodities</b>	<b>153,118.40</b>	<b>0.59%</b>	<b>152,520.80</b>	<b>0.60%</b>	<b>597.60</b>	<b>(0.00)</b>
<b>EQUITY</b>						
Emrging Mkts	844,032.00	3.27%	850,626.00	3.33%	(6,594.00)	(0.06)
Small Cap	1,806,939.75	7.00%	1,781,231.40	6.97%	25,708.35	0.03%
Intl Equity	2,766,796.30	10.73%	2,653,856.80	10.39%	112,939.50	0.34%
Large Cap	4,958,965.60	19.22%	4,845,732.00	18.97%	113,233.60	0.25%
Mid Cap	3,366,000.00	13.05%	3,328,260.00	13.03%	37,740.00	0.02%
<b>Total Equity</b>	<b>13,742,733.65</b>	<b>53.28%</b>	<b>13,459,706.20</b>	<b>52.69%</b>	<b>283,027.45</b>	<b>0.58%</b>
<b>REAL ESTATE (REIT)</b>						
Intl RE	449,919.60	1.74%	387,648.80	1.52%	62,270.80	0.23%
Real Estate	1,203,464.00	4.67%	1,243,312.00	4.87%	(39,848.00)	(0.20)

## CHANGE IN PORTFOLIO HOLDINGS DETAIL



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

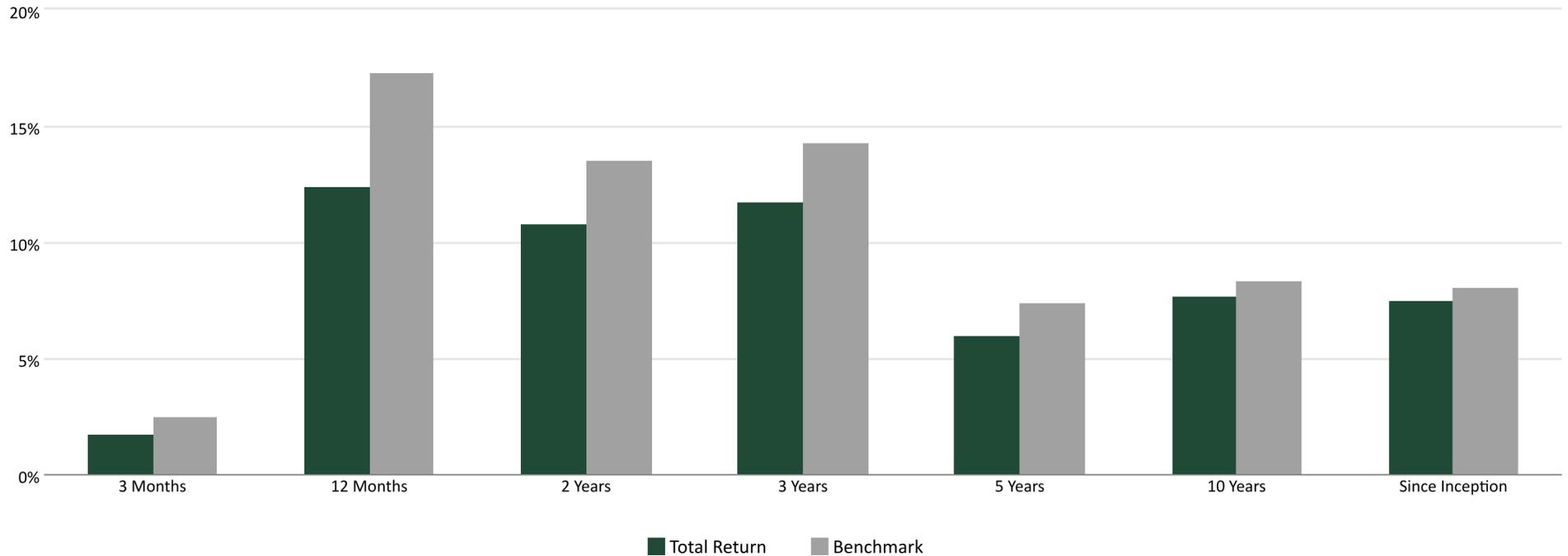
	December 31, 2025		September 30, 2025		Change	
	Market Value	% Held	Market Value	% Held	Market Value	% Held
<b>Total Real Estate (REIT)</b>	<b>1,653,383.60</b>	<b>6.41%</b>	<b>1,630,960.80</b>	<b>6.38%</b>	<b>22,422.80</b>	<b>0.02%</b>
<b>TOTAL PORTFOLIO</b>	<b>25,795,252.26</b>	<b>100.00%</b>	<b>25,544,313.44</b>	<b>100.00%</b>	<b>250,938.82</b>	<b>(0.00)</b>

# INVESTMENT PERFORMANCE



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

Total Rate of Return : Inception | 12/01/2009



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
WMWD VEBA Account	1.79%	12.43%	10.85%	11.79%	6.02%	7.76%	7.53%
Benchmark	2.59%	17.33%	13.62%	14.34%	7.46%	8.43%	8.09%

\*Periods over 1 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 market 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 December 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	383.09	383.09	383.09	1.00	383.09	0.00	0.00% 0.00
<b>Total Cash</b>		<b>383.09</b>	<b>383.09</b>	<b>383.09</b>	<b>1.00</b>	<b>383.09</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	23.06	153,118.40	0.00	0.59% (64,232.33)
<b>Total Commodities</b>		<b>6,640.00</b>	<b>217,350.73</b>	<b>217,350.73</b>	<b>23.06</b>	<b>153,118.40</b>	<b>0.00</b>	<b>0.59% (64,232.33)</b>
<b>EMERGING MARKET EQUITY</b>								
922042858	VANGUARD EM ST I ETF	15,700.00	662,257.36	662,257.36	53.76	844,032.00	0.00	3.27% 181,774.64
<b>Total Emerging Market Equity</b>		<b>15,700.00</b>	<b>662,257.36</b>	<b>662,257.36</b>	<b>53.76</b>	<b>844,032.00</b>	<b>0.00</b>	<b>3.27% 181,774.64</b>
<b>INTERNATIONAL BONDS</b>								
92203J407	VANGUARD TOT ITL BI ETF	9,000.00	487,240.31	487,240.31	48.32	434,880.00	0.00	1.69% (52,360.31)
<b>Total International Bonds</b>		<b>9,000.00</b>	<b>487,240.31</b>	<b>487,240.31</b>	<b>48.32</b>	<b>434,880.00</b>	<b>0.00</b>	<b>1.69% (52,360.31)</b>
<b>INTERNATIONAL EQUITY</b>								
921943858	VANGUARD DEV MKT ETF	44,290.00	1,872,528.34	1,872,528.34	62.47	2,766,796.30	0.00	10.73% 894,267.96
<b>Total International Equity</b>		<b>44,290.00</b>	<b>1,872,528.34</b>	<b>1,872,528.34</b>	<b>62.47</b>	<b>2,766,796.30</b>	<b>0.00</b>	<b>10.73% 894,267.96</b>

# HOLDINGS REPORT



Western Municipal Water District VEBA Account | Account #254 | As of December 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	9,815.00	413,129.70	413,129.70	45.84	449,919.60	0.00	1.74% 36,789.90
<b>Total International Real Estate</b>		<b>9,815.00</b>	<b>413,129.70</b>	<b>413,129.70</b>	<b>45.84</b>	<b>449,919.60</b>	<b>0.00</b>	<b>1.74% 36,789.90</b>
<b>LARGE CAP US EQUITY</b>								
464287200	ISHARES:CORE S&P 500	7,240.00	2,520,626.52	2,520,626.52		4,958,965.60	0.00	19.22% 2,438,339.08
<b>Total Large Cap US Equity</b>		<b>7,240.00</b>	<b>2,520,626.52</b>	<b>2,520,626.52</b>		<b>4,958,965.60</b>	<b>0.00</b>	<b>19.22% 2,438,339.08</b>
<b>MID CAP US EQUITY</b>								
464287507	ISHARES:CORE S&P MD-CP	51,000.00	1,936,495.64	1,936,495.64	66.00	3,366,000.00	0.00	13.05% 1,429,504.36
<b>Total Mid Cap US Equity</b>		<b>51,000.00</b>	<b>1,936,495.64</b>	<b>1,936,495.64</b>	<b>66.00</b>	<b>3,366,000.00</b>	<b>0.00</b>	<b>13.05% 1,429,504.36</b>
<b>MONEY MARKET FUND</b>								
31846V203	FIRST AMER:GVT OBLG Y	117,890.52	117,890.52	117,890.52	1.00	117,890.52	0.00	0.46% 0.00
<b>Total Money Market Fund</b>		<b>117,890.52</b>	<b>117,890.52</b>	<b>117,890.52</b>	<b>1.00</b>	<b>117,890.52</b>	<b>0.00</b>	<b>0.46% 0.00</b>
<b>REAL ESTATE</b>								
922908553	VANGUARD RE IDX ETF	13,600.00	909,426.90	909,426.90	88.49	1,203,464.00	0.00	4.67% 294,037.10

# HOLDINGS REPORT



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

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
<b>Total Real Estate</b>		<b>13,600.00</b>	<b>909,426.90</b>	<b>909,426.90</b>	<b>88.49</b>	<b>1,203,464.00</b>	<b>0.00</b>	<b>4.67%</b> <b>294,037.10</b>
<b>SMALL CAP US EQUITY</b>								
922908751	VANGUARD S-C ID ETF	7,005.00	830,457.22	830,457.22		1,806,939.75	0.00	7.00% 976,482.53
<b>Total Small Cap US Equity</b>		<b>7,005.00</b>	<b>830,457.22</b>	<b>830,457.22</b>		<b>1,806,939.75</b>	<b>0.00</b>	<b>7.00%</b> <b>976,482.53</b>
<b>US CORE BONDS</b>								
921937835	VANGUARD TOT BD ETF	107,500.00	8,435,509.72	8,435,509.72	74.07	7,962,525.00	0.00	30.87% (472,984.72)
<b>Total US Core Bonds</b>		<b>107,500.00</b>	<b>8,435,509.72</b>	<b>8,435,509.72</b>	<b>74.07</b>	<b>7,962,525.00</b>	<b>0.00</b>	<b>30.87%</b> <b>(472,984.72)</b>
<b>US HIGH YIELD BONDS</b>								
78468R622	SS SPDR BBG HIGH YLD BD	17,800.00	1,934,342.95	1,934,342.95	97.21	1,730,338.00	0.00	6.71% (204,004.95)
<b>Total US High Yield Bonds</b>		<b>17,800.00</b>	<b>1,934,342.95</b>	<b>1,934,342.95</b>	<b>97.21</b>	<b>1,730,338.00</b>	<b>0.00</b>	<b>6.71%</b> <b>(204,004.95)</b>
<b>Total Portfolio</b>		<b>407,863.61</b>	<b>20,337,639.00</b>	<b>20,337,639.00</b>		<b>25,795,252.26</b>	<b>0.00</b>	<b>100.00%</b> <b>5,457,613.26</b>
<b>Total Market Value + Accrued</b>						<b>25,795,252.26</b>		

# TRANSACTIONS

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# TRANSACTION LEDGER



Western Municipal Water District VEBA Account | Account #254 | 10/01/2025 Through 12/31/2025 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/01/2025	31846V203	5,340.43	FIRST AMER:GVT OBLG Y	1.000	3.73%	(5,340.43)	0.00	(5,340.43)	0.00
Purchase	10/02/2025	31846V203	438.55	FIRST AMER:GVT OBLG Y	1.000	3.73%	(438.55)	0.00	(438.55)	0.00
Purchase	10/03/2025	31846V203	26,455.96	FIRST AMER:GVT OBLG Y	1.000	3.73%	(26,455.96)	0.00	(26,455.96)	0.00
Purchase	10/06/2025	31846V203	9,570.97	FIRST AMER:GVT OBLG Y	1.000	3.73%	(9,570.97)	0.00	(9,570.97)	0.00
Purchase	11/04/2025	31846V203	357.24	FIRST AMER:GVT OBLG Y	1.000	3.69%	(357.24)	0.00	(357.24)	0.00
Purchase	11/05/2025	31846V203	27,168.63	FIRST AMER:GVT OBLG Y	1.000	3.62%	(27,168.63)	0.00	(27,168.63)	0.00
Purchase	11/06/2025	31846V203	9,494.11	FIRST AMER:GVT OBLG Y	1.000	3.58%	(9,494.11)	0.00	(9,494.11)	0.00
Purchase	12/02/2025	31846V203	192.86	FIRST AMER:GVT OBLG Y	1.000	3.64%	(192.86)	0.00	(192.86)	0.00
Purchase	12/03/2025	31846V203	26,586.09	FIRST AMER:GVT OBLG Y	1.000	3.59%	(26,586.09)	0.00	(26,586.09)	0.00
Purchase	12/04/2025	31846V203	9,396.51	FIRST AMER:GVT OBLG Y	1.000	3.55%	(9,396.51)	0.00	(9,396.51)	0.00
Purchase	12/19/2025	31846V203	34,302.37	FIRST AMER:GVT OBLG Y	1.000	3.33%	(34,302.37)	0.00	(34,302.37)	0.00
Purchase	12/22/2025	31846V203	8,717.40	FIRST AMER:GVT OBLG Y	1.000	3.33%	(8,717.40)	0.00	(8,717.40)	0.00
Purchase	12/22/2025	31846V203	26,513.59	FIRST AMER:GVT OBLG Y	1.000	3.33%	(26,513.59)	0.00	(26,513.59)	0.00
Purchase	12/23/2025	31846V203	88,511.13	FIRST AMER:GVT OBLG Y	1.000	3.35%	(88,511.13)	0.00	(88,511.13)	0.00
Purchase	12/24/2025	31846V203	17,379.03	FIRST AMER:GVT OBLG Y	1.000	3.34%	(17,379.03)	0.00	(17,379.03)	0.00
Purchase	12/30/2025	922042676	1,695.00	VANGUARD GXUS RE ETF	45.970	0.00%	(77,936.10)	0.00	(77,936.10)	0.00
<b>Total Purchase</b>			<b>292,119.87</b>				<b>(368,360.97)</b>	<b>0.00</b>	<b>(368,360.97)</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>292,119.87</b>				<b>(368,360.97)</b>	<b>0.00</b>	<b>(368,360.97)</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	10/07/2025	31846V203	(3,794.20)	FIRST AMER:GVT OBLG Y	1.000	3.72%	3,794.20	0.00	3,794.20	0.00
Sale	10/15/2025	31846V203	(60,451.68)	FIRST AMER:GVT OBLG Y	1.000	3.78%	60,451.68	0.00	60,451.68	0.00
Sale	10/27/2025	31846V203	(4,647.28)	FIRST AMER:GVT OBLG Y	1.000	3.78%	4,647.28	0.00	4,647.28	0.00
Sale	11/03/2025	31846V203	(300.00)	FIRST AMER:GVT OBLG Y	1.000	3.68%	300.00	0.00	300.00	0.00
Sale	11/04/2025	31846V203	(420.00)	FIRST AMER:GVT OBLG Y	1.000	3.69%	420.00	0.00	420.00	0.00
Sale	11/06/2025	31846V203	(56,609.52)	FIRST AMER:GVT OBLG Y	1.000	3.58%	56,609.52	0.00	56,609.52	0.00

# TRANSACTION LEDGER



Western Municipal Water District VEBA Account | Account #254 | 10/01/2025 Through 12/31/2025 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	11/12/2025	31846V203	(3,825.02)	FIRST AMER:GVT OBLG Y	1.000	3.57%	3,825.02	0.00	3,825.02	0.00
Sale	12/01/2025	31846V203	(300.00)	FIRST AMER:GVT OBLG Y	1.000	3.64%	300.00	0.00	300.00	0.00
Sale	12/05/2025	31846V203	(3,842.07)	FIRST AMER:GVT OBLG Y	1.000	3.52%	3,842.07	0.00	3,842.07	0.00
Sale	12/26/2025	31846V203	(4,820.00)	FIRST AMER:GVT OBLG Y	1.000	3.34%	4,820.00	0.00	4,820.00	0.00
Sale	12/29/2025	31846V203	(66,498.14)	FIRST AMER:GVT OBLG Y	1.000	3.38%	66,498.14	0.00	66,498.14	0.00
Sale	12/30/2025	31846V203	(77,936.10)	FIRST AMER:GVT OBLG Y	1.000	3.38%	77,936.10	0.00	77,936.10	0.00
<b>Total Sale</b>							<b>283,444.01</b>	<b>0.00</b>	<b>283,444.01</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>							<b>283,444.01</b>	<b>0.00</b>	<b>283,444.01</b>	<b>0.00</b>
<b>OTHER TRANSACTIONS</b>										
Cash Transfer	10/01/2025	CCYUSD	(300.00)	Cash		0.00%	(300.00)	0.00	(300.00)	0.00
Cash Transfer	10/15/2025	CCYUSD	(60,451.68)	Cash		0.00%	(60,451.68)	0.00	(60,451.68)	0.00
Cash Transfer	11/03/2025	CCYUSD	(300.00)	Cash		0.00%	(300.00)	0.00	(300.00)	0.00
Cash Transfer	11/06/2025	CCYUSD	(56,609.52)	Cash		0.00%	(56,609.52)	0.00	(56,609.52)	0.00
Cash Transfer	12/01/2025	CCYUSD	(300.00)	Cash		0.00%	(300.00)	0.00	(300.00)	0.00
Cash Transfer	12/29/2025	CCYUSD	(66,498.14)	Cash		0.00%	(66,498.14)	0.00	(66,498.14)	0.00
<b>Total Cash Transfer</b>							<b>(184,459.34)</b>	<b>0.00</b>	<b>(184,459.34)</b>	<b>0.00</b>
Custody Fee	10/27/2025	CCYUSD	(4,647.28)	Cash		0.00%	(4,647.28)	0.00	(4,647.28)	0.00
<b>Total Custody Fee</b>			<b>(4,647.28)</b>				<b>(4,647.28)</b>	<b>0.00</b>	<b>(4,647.28)</b>	<b>0.00</b>
Dividend	10/31/2025	31846V203	0.00	FIRST AMER:GVT OBLG Y		3.68%	357.24	0.00	357.24	0.00
Dividend	11/30/2025	31846V203	0.00	FIRST AMER:GVT OBLG Y		3.64%	192.86	0.00	192.86	0.00
Dividend	12/31/2025	31846V203	0.00	FIRST AMER:GVT OBLG Y		3.40%	383.09	0.00	383.09	0.00
<b>Total Dividend</b>			<b>0.00</b>				<b>933.19</b>	<b>0.00</b>	<b>933.19</b>	<b>0.00</b>
Equity Dividend	10/03/2025	921937835	0.00	VANGUARD TOT BD ETF		0.00%	25,512.76	0.00	25,512.76	0.00
Equity Dividend	10/03/2025	92203J407	0.00	VANGUARD TOT ITL BI ETF		0.00%	943.20	0.00	943.20	0.00
Equity Dividend	10/06/2025	78468R622	0.00	SPDR BBG HIGH YIELD BD		0.00%	9,570.97	0.00	9,570.97	0.00
Equity Dividend	11/05/2025	921937835	0.00	VANGUARD TOT BD ETF		0.00%	26,190.33	0.00	26,190.33	0.00

# TRANSACTION LEDGER



Western Municipal Water District VEBA Account | Account #254 | 10/01/2025 Through 12/31/2025 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Equity Dividend	11/05/2025	92203J407	0.00	VANGUARD TOT ITL BI ETF		0.00%	978.30	0.00	978.30	0.00
Equity Dividend	11/06/2025	78468R622	0.00	SS SPDR BBG HIGH YLD BD		0.00%	9,494.11	0.00	9,494.11	0.00
Equity Dividend	12/03/2025	921937835	0.00	VANGUARD TOT BD ETF		0.00%	25,646.49	0.00	25,646.49	0.00
Equity Dividend	12/03/2025	92203J407	0.00	VANGUARD TOT ITL BI ETF		0.00%	939.60	0.00	939.60	0.00
Equity Dividend	12/04/2025	78468R622	0.00	SS SPDR BBG HIGH YLD BD		0.00%	9,396.51	0.00	9,396.51	0.00
Equity Dividend	12/19/2025	464287200	0.00	ISHARES:CORE S&P 500		0.00%	17,474.41	0.00	17,474.41	0.00
Equity Dividend	12/19/2025	464287507	0.00	ISHARES:CORE S&P MD-CP		0.00%	16,827.96	0.00	16,827.96	0.00
Equity Dividend	12/22/2025	921937835	0.00	VANGUARD TOT BD ETF		0.00%	26,513.59	0.00	26,513.59	0.00
Equity Dividend	12/22/2025	92203J407	0.00	VANGUARD TOT ITL BI ETF		0.00%	8,717.40	0.00	8,717.40	0.00
Equity Dividend	12/23/2025	922042858	0.00	VANGUARD EM ST I ETF		0.00%	16,210.25	0.00	16,210.25	0.00
Equity Dividend	12/23/2025	921943858	0.00	VANGUARD DEV MKT ETF		0.00%	46,061.60	0.00	46,061.60	0.00
Equity Dividend	12/23/2025	922042676	0.00	VANGUARD GXUS RE ETF		0.00%	17,507.53	0.00	17,507.53	0.00
Equity Dividend	12/23/2025	78468R622	0.00	SS SPDR BBG HIGH YLD BD		0.00%	8,731.75	0.00	8,731.75	0.00
Equity Dividend	12/24/2025	922908751	0.00	VANGUARD S-C ID ETF		0.00%	6,492.23	0.00	6,492.23	0.00
Equity Dividend	12/24/2025	922908553	0.00	VANGUARD RE IDX ETF		0.00%	10,886.80	0.00	10,886.80	0.00
<b>Total Equity Dividend</b>			<b>0.00</b>				<b>284,095.79</b>	<b>0.00</b>	<b>284,095.79</b>	<b>0.00</b>
Management Fee	10/07/2025	CCYUSD	(3,794.20)	Cash		0.00%	(3,794.20)	0.00	(3,794.20)	0.00
Management Fee	11/04/2025	CCYUSD	(420.00)	Cash		0.00%	(420.00)	0.00	(420.00)	0.00
Management Fee	11/12/2025	CCYUSD	(3,825.02)	Cash		0.00%	(3,825.02)	0.00	(3,825.02)	0.00
Management Fee	12/05/2025	CCYUSD	(3,842.07)	Cash		0.00%	(3,842.07)	0.00	(3,842.07)	0.00
Management Fee	12/26/2025	CCYUSD	(1,995.00)	Cash		0.00%	(1,995.00)	0.00	(1,995.00)	0.00
Management Fee	12/26/2025	CCYUSD	(2,300.00)	Cash		0.00%	(2,300.00)	0.00	(2,300.00)	0.00
Management Fee	12/26/2025	CCYUSD	(525.00)	Cash		0.00%	(525.00)	0.00	(525.00)	0.00
<b>Total Management Fee</b>							<b>(16,701.29)</b>	<b>0.00</b>	<b>(16,701.29)</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>							<b>79,221.07</b>	<b>0.00</b>	<b>79,221.07</b>	<b>0.00</b>

## IMPORTANT DISCLOSURES



2025 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

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

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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.

- **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
<p>40% ICE BofA US Corporate, Government and Mortgage Index, 35% S&amp;P 500 Index and 25% MSCI EAFE</p>	<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>
<p>50% S&amp;P 500, 50% ICE BofA US Corp, Govt &amp; Mortgage Index</p>	<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>