

# El Camino Real Charter High School

## AS OF JUNE 30, 2022

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# MARKET PERFORMANCE 2Q22

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## U.S. Equities

- The S&P 500 posted a second negative quarter (16.1%), resulting in the third-worst start in the equity market in history (-20.0% YTD) and dragging one-year performance into negative territory at -10.6%.
- Negative equity returns have been driven by multiple compressions as the Fed raises interest rates. Corporate earnings have remained relatively stable and may be vulnerable if the U.S. economy falls into recession.
- All equity sectors posted negative returns for the quarter, with consumer discretionary the biggest loser (-25.5%). Only Energy, Utilities, Consumer Staples, and Healthcare one-year returns remain positive.
- Large Cap Value outpaced Mid Cap and Small Cap, and Growth lagged Value for the second quarter in a row. The long-term return divergence in Growth vs. Value continues.

## Non-U.S. Equities

- Unhedged Non-U.S. Developed equities posted negative returns (-14.5%) during the quarter and -19.6% YTD, slightly outperforming domestic equities.
- Emerging Market (EM) equities posted a negative -11.4% for the quarter and -17.6% YTD. EM lags all equity categories for the one-year period at -25.3%.
- Uncertainty over the outlook is increasing, but it appears that valuations continue to favor non-U.S. equities over a longer-term horizon.

## U.S. Fixed Income

- Core U.S. bonds have had the worst start to a year in history, down -10.3% year-to-date and -4.7% in 2Q22. One-year bond market returns are in deeply negative territory (also -10.3%). Higher go-forward yields are a silver lining to the recent, historically poor performance.
- Yields across the curve rose materially. U.S. Treasury 10-year notes ended the quarter up +67bps to 3.01% and year-to-date have risen +150bps. At the short end, U.S. Treasury 2-year notes rose +62bps to 2.95%, up 222bps year-to-date. The yield curve (2x10 year) flattened by 71 bps year-to-date and inverted briefly in April.
- Credit spreads widened substantially; U.S. High Yield was +244bps wider to +569bps during the quarter, while U.S. Investment Grade widened +39bps to 155bps.
- U.S. Muni bonds were down -2.9% on the quarter and -8.6% for the year ended June 30, 2022. U.S. High Yield was down -10.0% in 2Q22 and is down -12.7% for the one-year period.

## Non-U.S. Fixed Income

- Global developed market bonds suffered significant losses during the quarter and ended down -8.3%, the worst quarterly loss on record. From the index peak in January 2021, global bonds suffered the worst drawdown on record (-12.0% as of June 14, 2022).
- Emerging Markets Sovereign Debt (EMD) posted another negative return (-8.7%) in 2Q22 and -18.0% for the year ended June 30. Year-to-date, EMD posted a horrific -17.1% return.

# ECONOMIC PERFORMANCE 2Q22

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## U.S. Economy

- The U.S. economy declined at a rate of -1.6% in 1Q22. Policy support has decisively reversed, and the probability of recession has increased. Economists expect 2Q22 growth to be about 2.0% QOQ - we would characterize this as optimistic.
- Fed policymakers have communicated that they will continue to tighten financial conditions by increasing interest rates and decreasing the size of their balance sheet to slow economic activity and tame inflation. Year-to-date, the Fed has increased interest rates by +150bps. We expect the Fed will raise rates to at least 2.5% by end-July, and as necessary in months to come.
- The ISM Manufacturing PMI ended July at 53.0, down 4.1 points in the quarter, while the ISM Services PMI settled at 55.3, down 3 points during the quarter. Any value above 50 indicates expansion.

## Employment

- The labor market remains dislocated with near-record job openings of 11.3M and a “quits rate” that averaged 2.9% in the quarter. The quits rate measures voluntary separations by employees for reasons other than retirement and indicates a strong labor market.
- Non-farm payrolls averaged a 383K per month increase in 2Q22 as the labor market continues to show signs of healing, albeit at a lower rate than in 1Q22.
- The U.S. Unemployment Rate remained steady throughout the quarter at 3.6% in June (March – May). Average hourly earnings were up 5.1% year-on-year in June, elevated but down from the peak of 5.6% in March 2022.

## U.S. Inflation

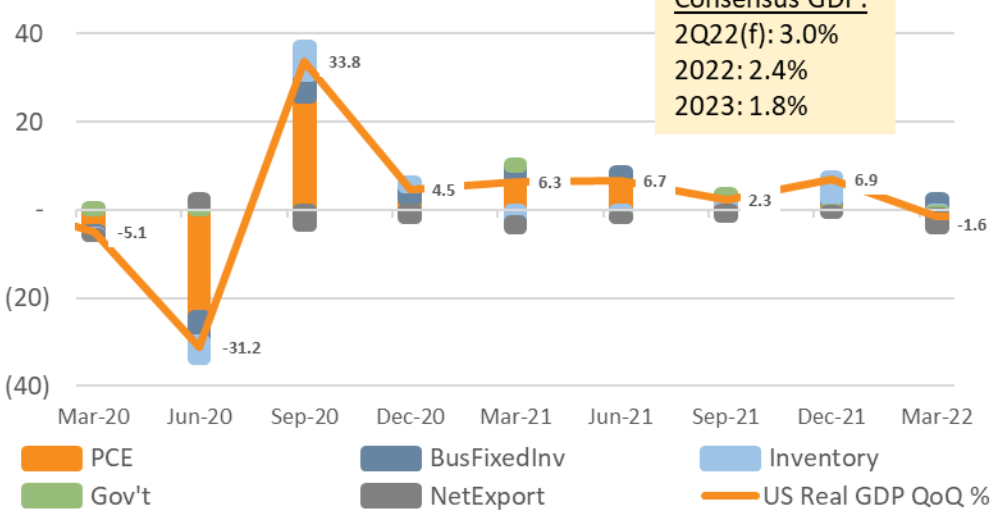
- Inflation continues to accelerate, and the U.S. Consumer Price Index reached 9.1% in June, the highest in 40 years. A tight labor market, continued disruptions of the global supply chain, COVID-19 in China, and a decrease in supply of energy and grain from Russia and Ukraine are all contributors.
- Core CPI (less food and energy) averaged 6.0% for the quarter and may be showing signs of plateauing, a welcomed development.
- The U.S. Personal Consumption Expenditure Core Price Index (PCE Core), the Fed’s preferred inflation measure, was 4.7% at the end of May. The Fed has aggressively tightened policy to maintain inflation expectations near their comfort zone.

## Financial Conditions/Recession Probabilities

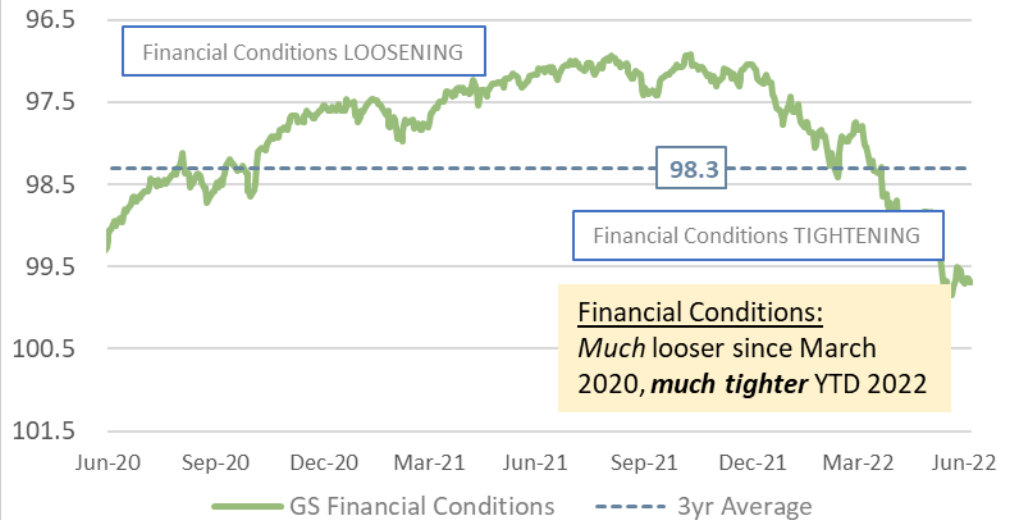
- Financial conditions have tightened meaningfully year-to-date with Fed rate hikes causing historic bond and equity market declines.
- The Fed needs to slow economic activity to reverse inflation. Doing so by throwing the economy into recession is not the goal, but a “soft-landing” is a difficult proposition. Near-term recession probabilities in the U.S. have risen materially.
- The Fed is getting what it wants by tightening financial conditions and will continue to do so until inflation is tamed.

# U.S. ECONOMIC REVIEW

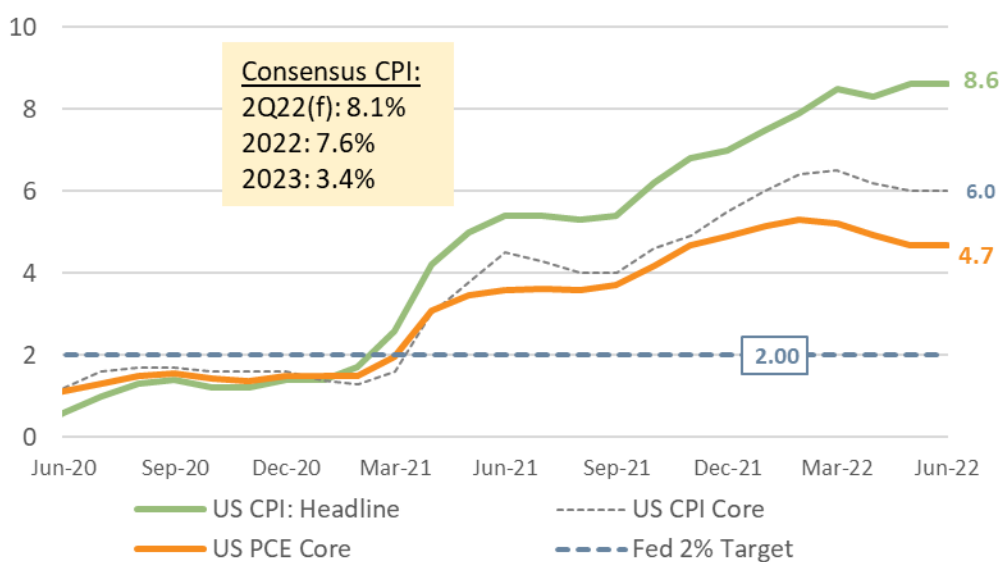
U.S. Real GDP, QoQ Annualized, with Contributions (C+I+G+X and Inventory)



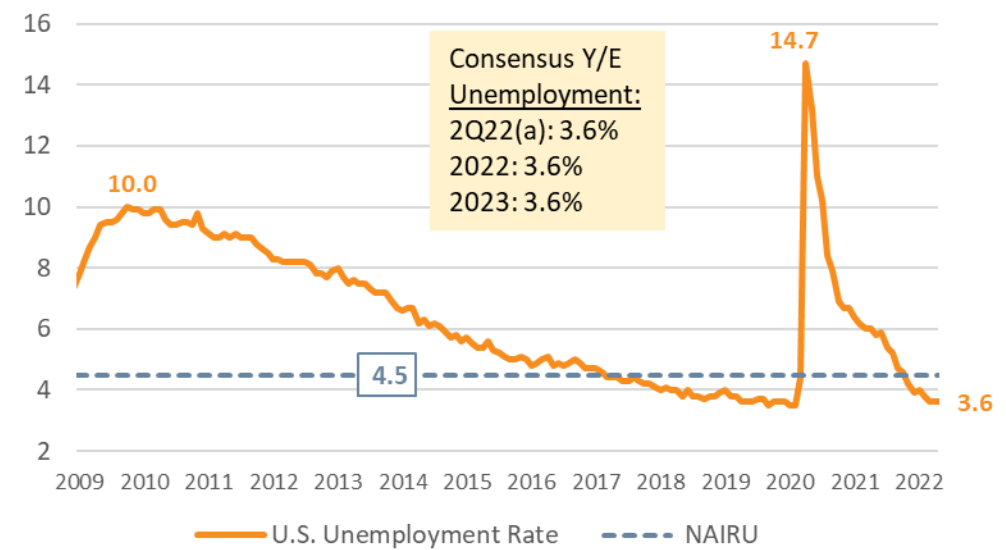
GS Financial Conditions Index, level (inverted - UP is loosening)



U.S. Inflation




U.S. Unemployment Rate, %



# POINTE OF VIEW

**Secular Theme:** “*Financial Repression*”

**Cyclical Theme:** “*Late Cycle Dynamics*”



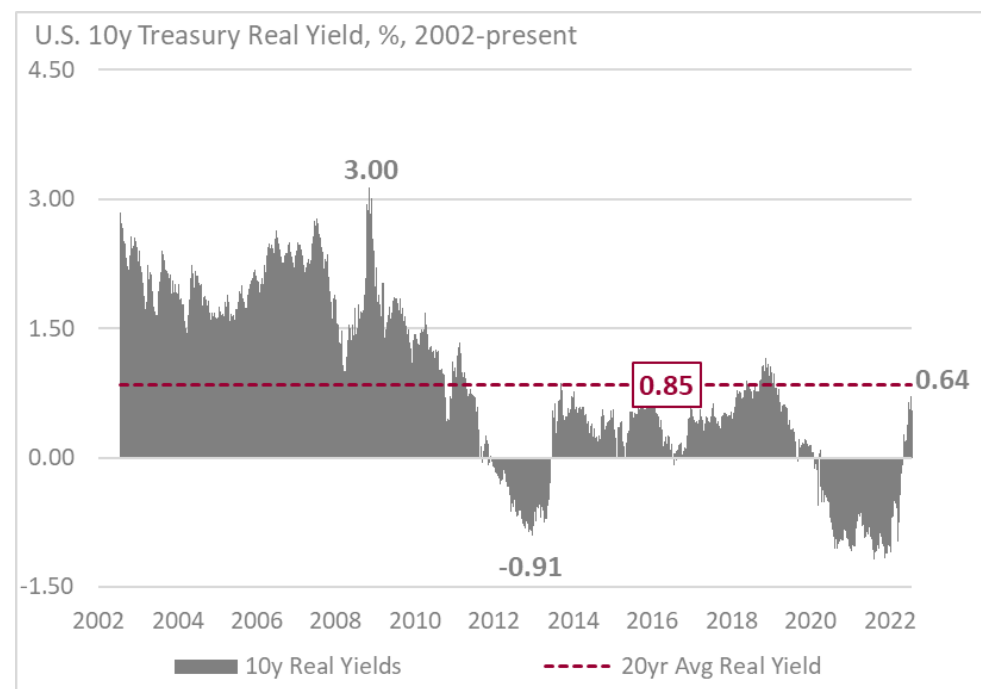
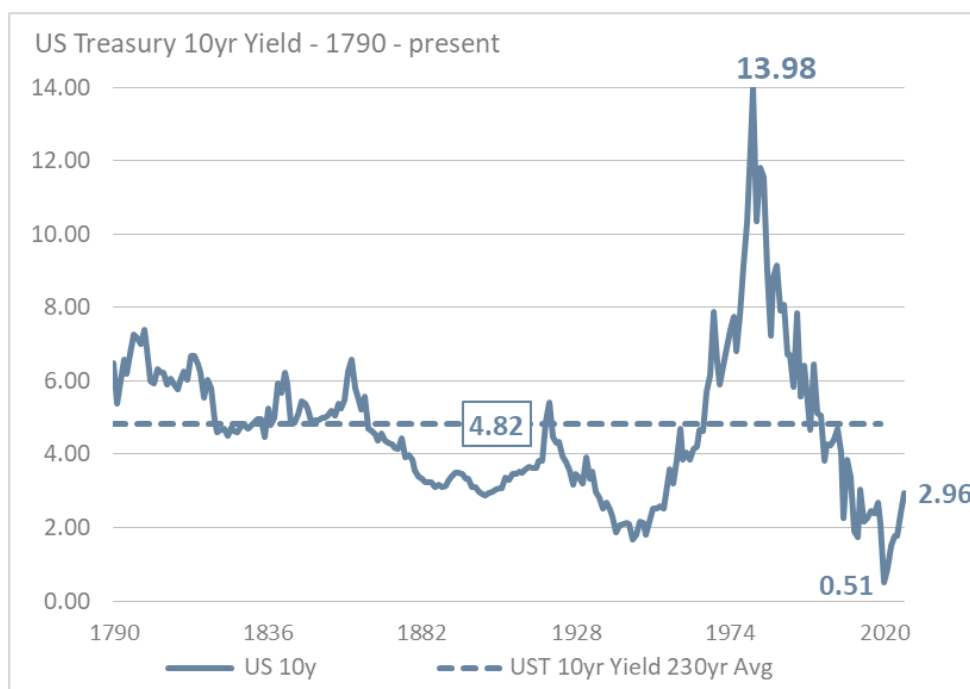
We are in a period of “Financial Repression”<sup>1</sup> – historically low *NOMINAL* interest rates and higher inflation = negative *REAL* rates. Repression policies are taking a back seat to inflation fighting – *temporarily*.

With fiscal and monetary policy in reverse, the economy is slowing, and the chance of recession is increasing. Risk assets will remain challenged accordingly.

Inflation is uncomfortably high, but inflation expectations remain relatively well-anchored. The Fed will be forced to continue to aggressively tighten monetary policy until inflation trends invert.

Higher interest rates and the economic slowdown continue to support a rotation out of long-duration assets into shorter-duration assets and out of U.S. Large Cap Growth stocks and into U.S. Large Cap Value. Alternative investments can help stem volatility, diversify portfolios, and add uncorrelated returns.

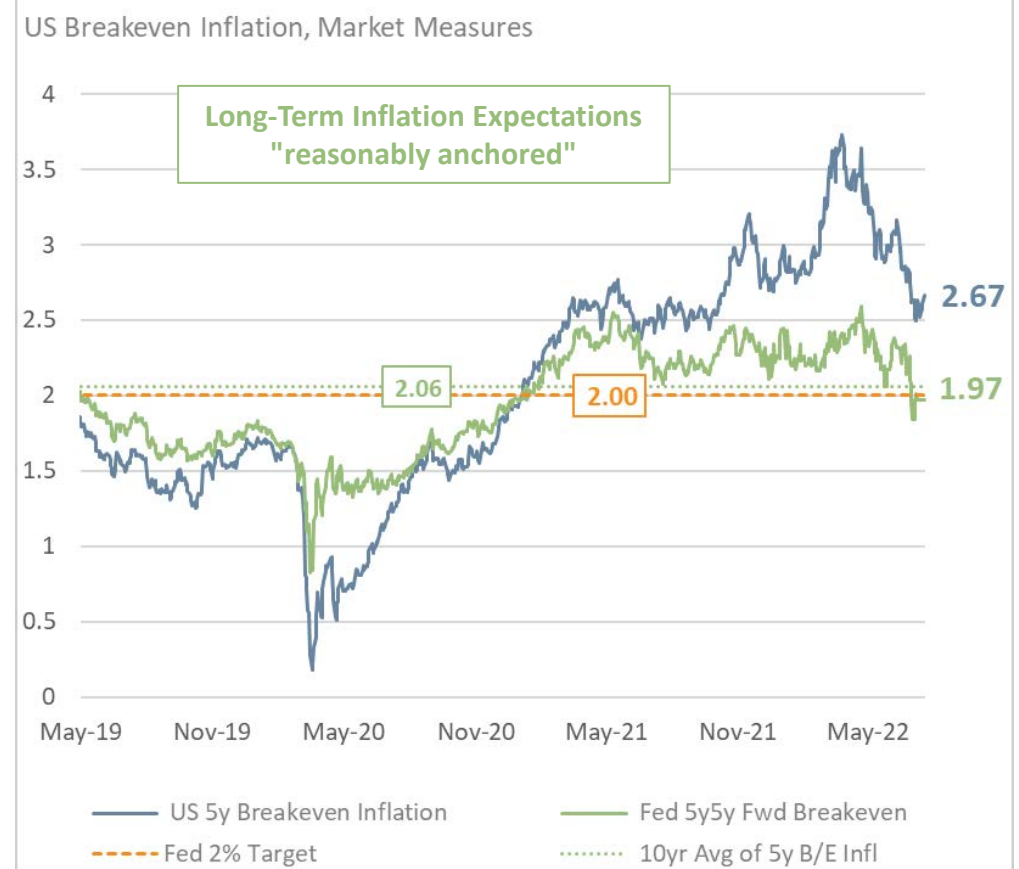
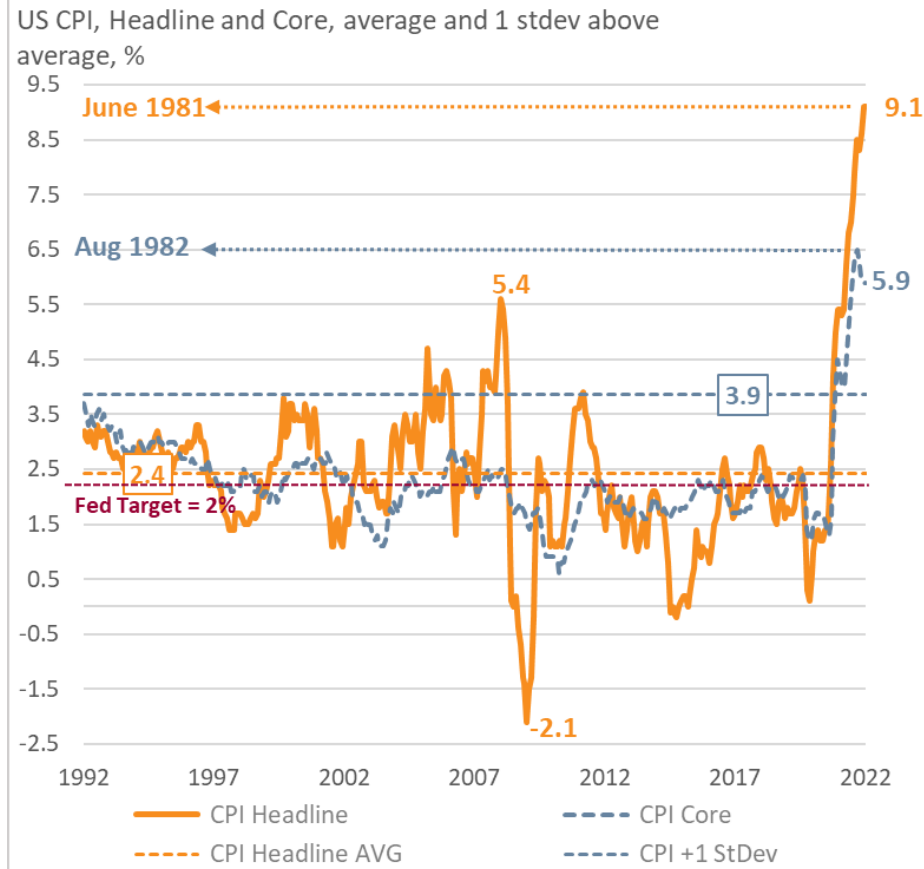
# HISTORICALLY LOW INTEREST RATES – NOMINAL AND *REAL*



- Interest rates have risen from the multi-century lows reached in August 2020 when the U.S. Treasury 10-year yield bottomed at 0.51%. Rates rose dramatically in the 1H22 but remain at historically low and formerly *repressed* levels. Repression tactics will be on hold while the Fed fights inflation.
- We expect that nominal interest rates will remain at very low levels historically, and in conjunction with higher realized inflation, the result is *low real* yields – the hallmark of a concerted government effort to pursue policies of financial repression. Real yields are POSITIVE for the first time since April 2020, thanks to the move higher in nominal yields – longer-term inflation expectations have remained relatively well anchored.

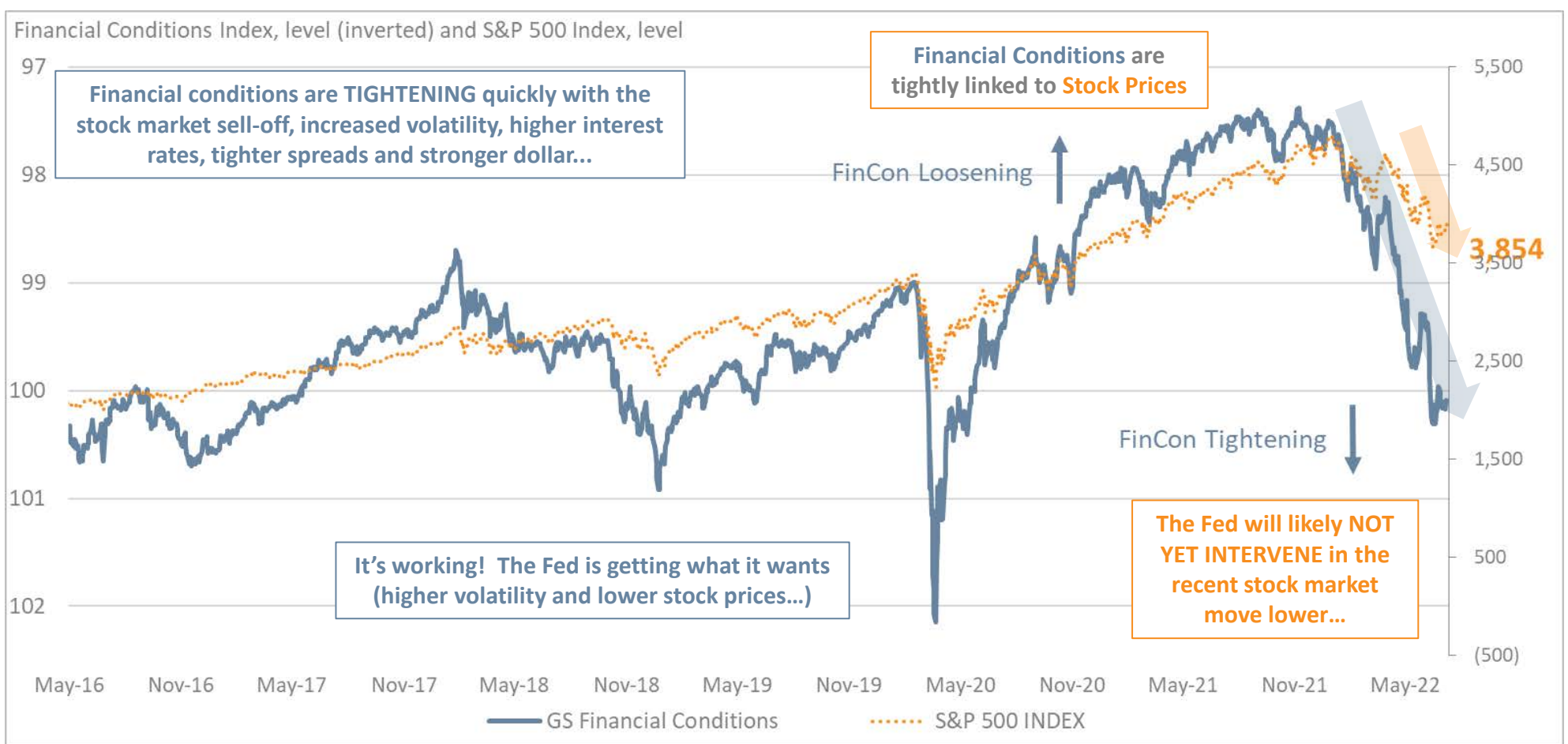


# U.S. INFLATION: TRANSITORY OR PERSISTENT?



- Inflation is more than three standard deviations higher than the long-term average. It has risen to the highest level since 1981 on loose monetary policy, a tight labor market, supply chain disruptions, and rising commodity prices.
- Analysis of the Consumer Price Index (CPI) suggests that inflation is the result of both potentially transitory (supply chain) and more persistent (wages and rents) components. The Fed expects the transitory price pressures to resolve in time – hence, they will focus on the persistent components when deciding how fast and how high to raise interest rates.
- The Fed will raise rates just enough to protect their hard-won inflation fighting credibility and to contain longer-term inflation expectations. The risk of a Fed policy mistake that results in an economic slowdown is rising.

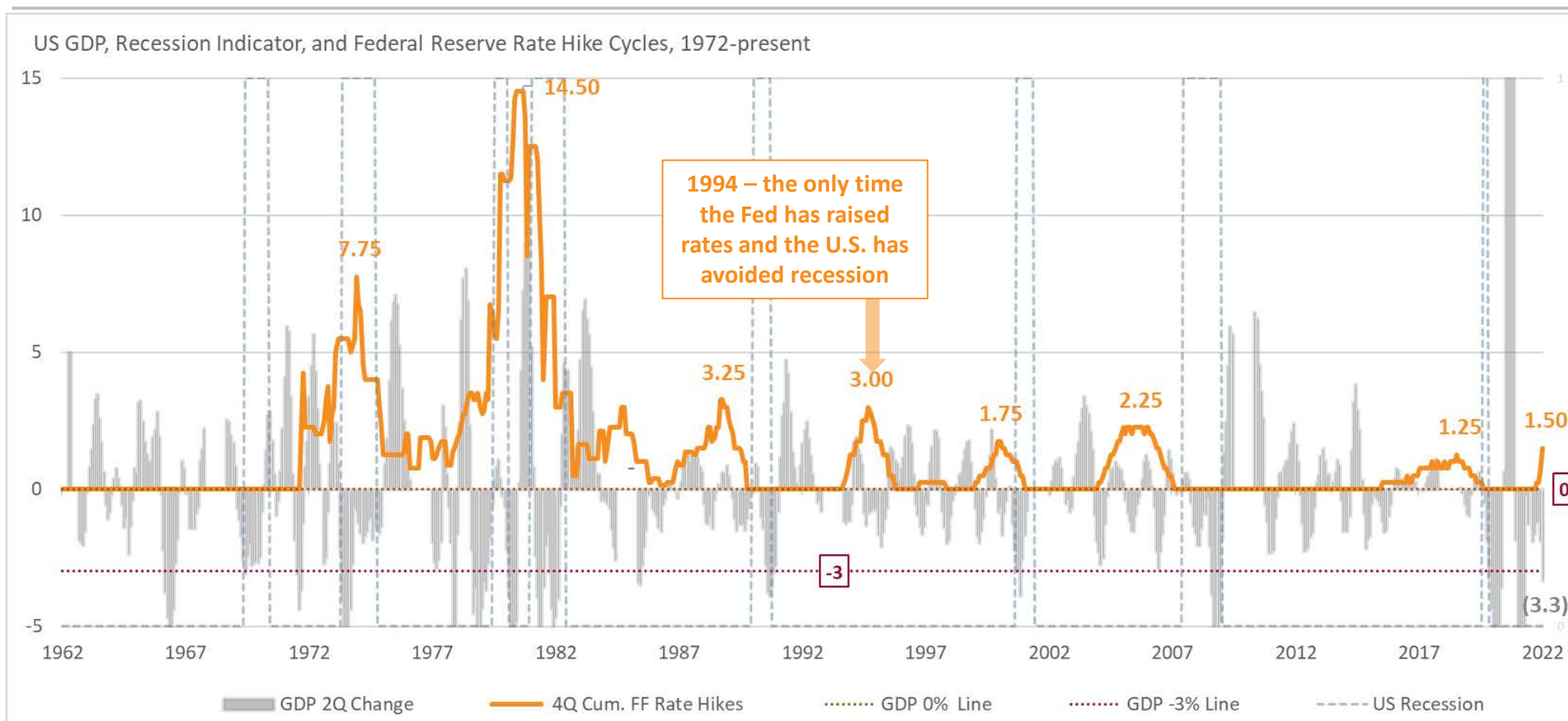
# FINANCIAL CONDITIONS TIGHTENING



- The Fed manages the economy based on Financial Conditions.
- The Fed is explicitly tightening Financial Conditions to slow economic growth – this process will continue until inflation is under control.

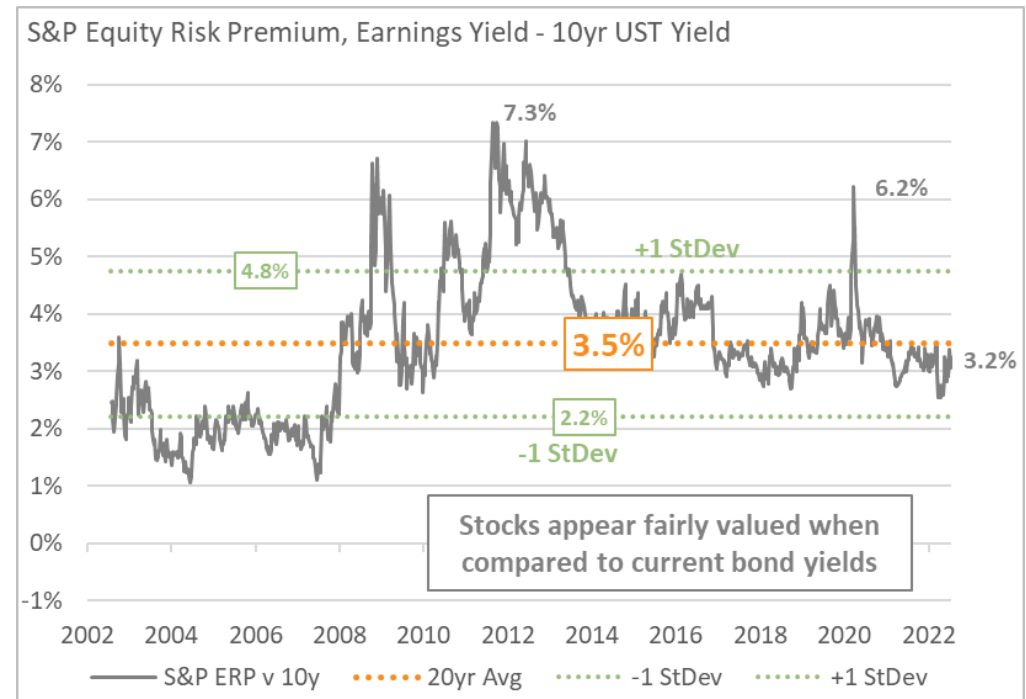
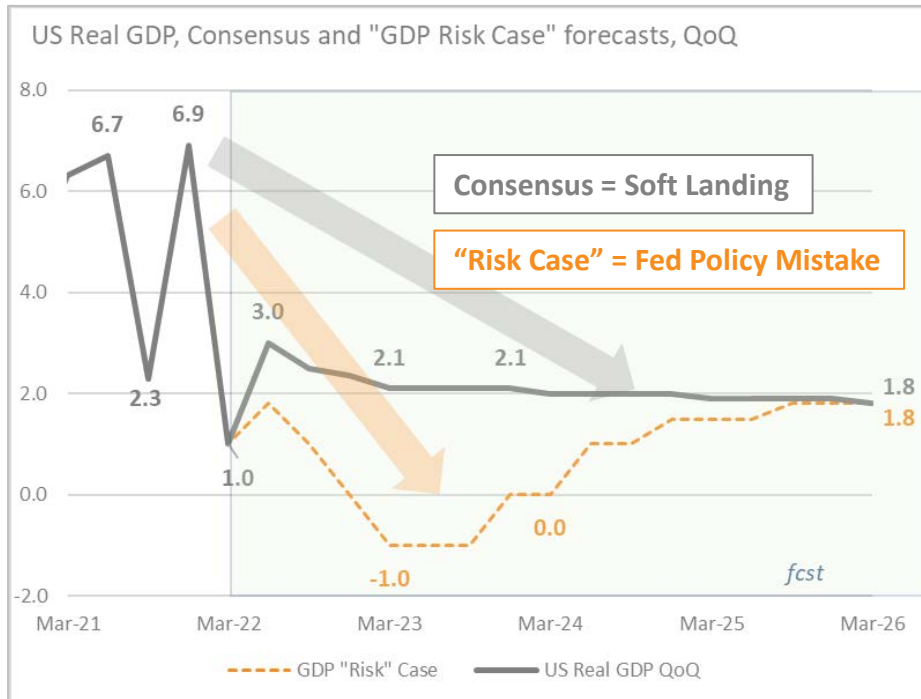


# TIGHTENING POLICY RISKS THROWING THE ECONOMY INTO RECESSION



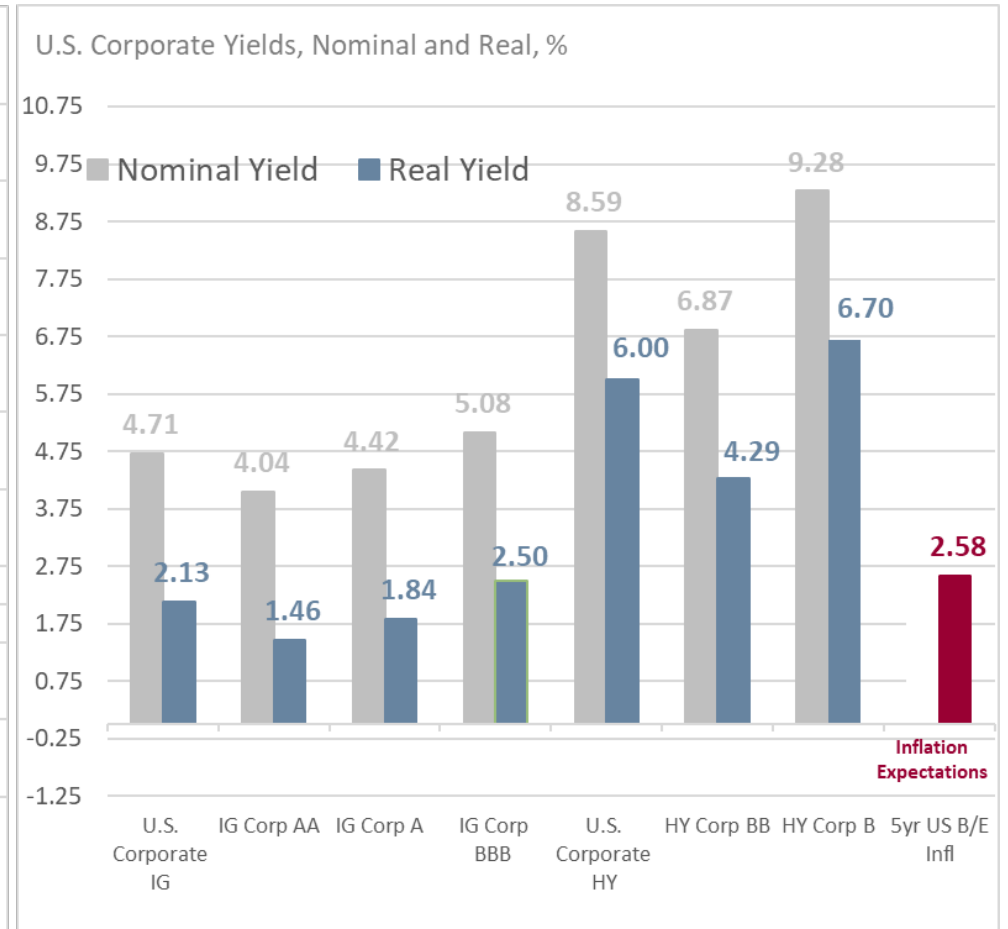
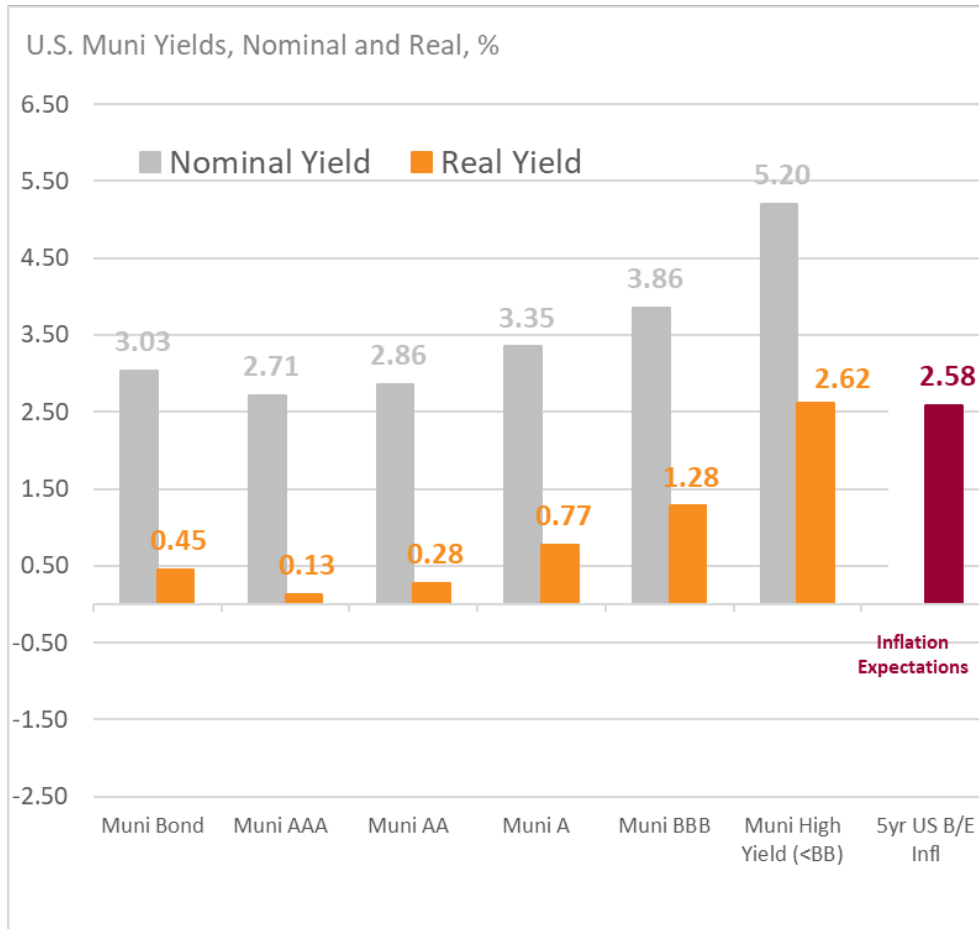
- “Late Cycle Dynamics” include peak economic activity and less accommodative monetary policy – these two features are correlated. The Fed will be forced to continue to tighten financial conditions to slow activity, in order to relieve pressure on prices until inflation trends invert.
- The chart above shows U.S. GDP changes over two quarters and cumulative Fed rate hikes for the last eight cycles. When the Fed raises rates, GDP generally falls -3.0% or more over the next two quarters. Seven out of eight cycles since 1972 have ended in recession.
- The outlier is 1994 when recession was avoided, and the Fed engineered an elusive “soft landing.”

# ECONOMIC SLOWDOWN + AVERAGE COMPENSATION FOR RISK TAKING



- “Late Cycle Dynamics” include peak economic activity, higher inflation, less accommodative monetary and fiscal policy, and less compensation for risk. The Bloomberg economist's outlook for GDP is lower but no recession – a rare “soft-landing.”
- The Fed has awakened to the dangers of higher and more persistent inflation, and monetary policy will tighten accordingly. Fiscal policy will be greatly reduced in 2022 as compared with 2021, due in part to political gridlock.
- A spectacular recovery in asset prices since March 2020, less accommodative monetary policy, and slowing corporate profit growth are likely to challenge risk-taking in coming quarters as compensation for risk-taking has declined.

# THERE IS POSITIVE REAL YIELD IN CREDIT MARKETS



- *Nominal* (observable) yields are historically low due to the Federal Reserve’s Quantitative Easing (QE) policy. Realized inflation and inflation expectations have risen beyond the Fed’s comfort zone. The result is low *real* yields (Nominal Yields – Inflation).
- *Real* yields (Nominal Credit Yields deflated by 5yr U.S. Breakeven Inflation) on higher-quality municipal and corporate bonds were deeply negative. There is now positive real yield available in investment-grade bonds for the first time since April 2020.

# CAPITAL MARKETS REVIEW



# MARKET PERFORMANCE SUMMARY

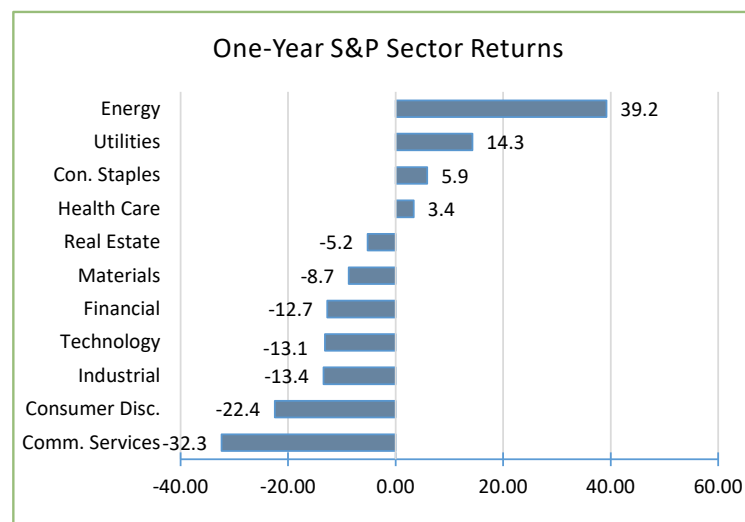
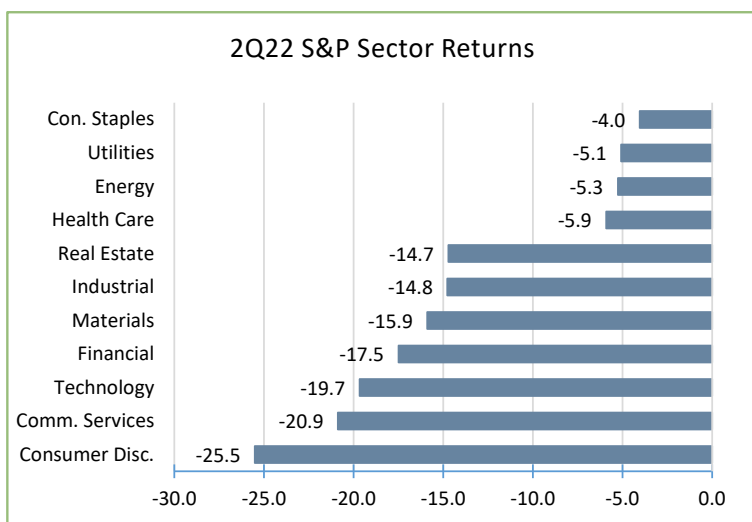
As of June 30, 2022

	Quarter Return	YTD Return	1 Year Return	3 Year Return	5 Year Return	7 Year Return	10 Year Return
<b>Equity</b>							
S&P 500	-16.1	-20.0	-10.6	10.6	11.3	11.1	13.0
Russell 1000 Growth	-20.9	-28.1	-18.8	12.6	14.3	13.5	14.8
Russell 1000	-16.8	-21.1	-13.4	9.7	10.4	10.2	12.2
Russell 1000 Value	-12.2	-12.9	-6.8	6.9	7.2	7.7	10.5
Russell Mid Cap	-16.8	-21.6	-17.3	6.6	8.0	8.0	11.3
Russell 2000 Growth	-19.3	-29.5	-33.4	1.4	4.8	5.0	9.3
Russell 2000	-17.2	-23.4	-25.2	4.2	5.2	5.9	9.4
Russell 2000 Value	-15.3	-17.3	-16.3	6.2	4.9	6.4	9.1
Russell 3000	-16.7	-21.1	-13.9	9.8	10.6	10.4	12.6
MSCI ACWI Ex USA	-13.7	-18.4	-19.4	1.4	2.5	2.9	4.8
MSCI ACWI	-15.7	-20.2	-15.8	6.2	7.0	7.0	8.8
MSCI EAFE	-14.5	-19.6	-17.8	1.1	2.2	2.7	5.4
MSCI EM	-11.4	-17.6	-25.3	0.6	2.2	2.8	3.1
<b>Fixed Income</b>							
US Aggregate Bond	-4.7	-10.3	-10.3	-0.9	0.9	1.4	1.5
US Govt/Credit Intermediate	-2.4	-6.8	-7.3	-0.2	1.1	1.4	1.5
US Muni 1-10yr	-0.7	-5.2	-5.1	0.1	1.2	1.5	1.6
US Treasury Bill 3m	0.1	0.1	0.2	0.6	1.1	0.9	0.6
US High Yield	-9.8	-14.2	-12.8	0.2	2.1	3.5	4.5
Global High Yield	-11.9	-16.9	-17.8	-2.6	0.1	2.3	3.6
Citi WGBI	-8.9	-14.8	-16.8	-4.3	-1.2	0.1	-0.7
EM Sovereign Debt USD	-8.7	-17.1	-18.0	-3.5	-0.3	1.7	2.5
<b>Alternatives</b>							
FTSE NAREIT Composite	-14.7	-19.2	-6.7	4.7	6.3	7.8	8.0
S&P Global Natural Resources	-15.6	-1.4	2.9	8.6	8.9	7.1	4.6
Bloomberg Commodity	-5.7	18.4	24.3	14.3	8.4	2.8	-0.8

# U.S. EQUITY SECTOR REVIEW

2Q22	Value	Core	Growth
Large	-12.2	-16.8	-20.9
Mid	-14.7	-16.8	-21.1
Small	-15.3	-17.2	-19.3

One Year	Value	Core	Growth
Large	-6.8	-13.4	-18.8
Mid	-10.0	-17.3	-29.6
Small	-16.3	-25.2	-33.4

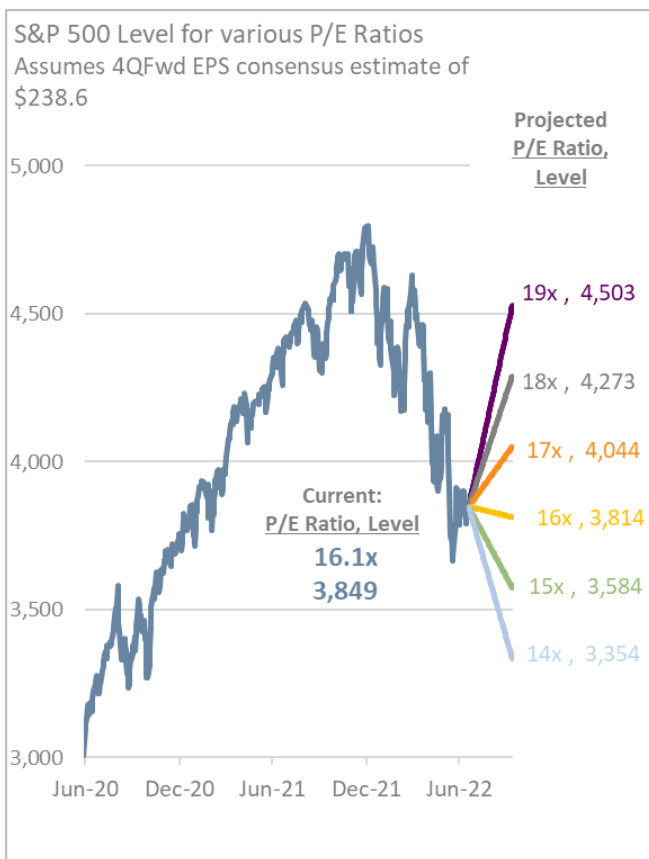


- Large Cap Value returned -12.2% in the second quarter but outperformed Large Cap Growth, which returned -20.9%. Value also outperformed growth in Mid Cap and Small Cap. Over the past twelve months, all segments of the U.S. equity market have posted negative returns.
- All sectors posted negative returns for the quarter. Over the prior twelve-month period, only Energy, Utilities, Consumer Staples, and Healthcare posted positive returns.



# U.S. EQUITY CORPORATE EARNINGS – SOME ADDITIONAL CLARITY...

Expected S&P 500 Level and Returns - Sensitivity Analysis

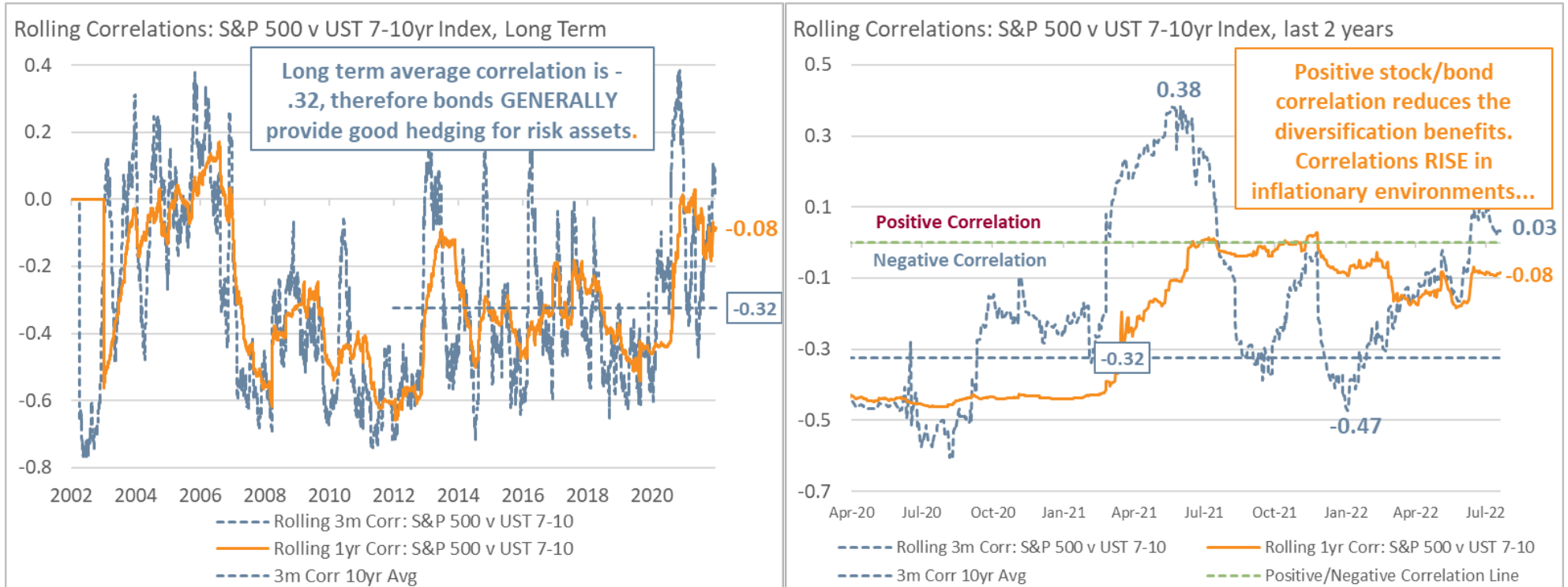


S&P 500 LEVELS		4QFwdEPS	238.28	Index:	3,849	P/E	16.2				
		P/E Ratio									
EPS growth	EPS	13	14	15	16	16.2	17	18	19	20	
-8.4%	218	2,838	3,056	3,274	3,492	3,526	3,711	3,929	4,147	4,366	
-6.3%	223	2,903	3,126	3,349	3,572	3,606	3,796	4,019	4,242	4,466	
-4.2%	228	2,968	3,196	3,424	3,652	3,687	3,881	4,109	4,337	4,566	
-2.1%	233	3,033	3,266	3,499	3,732	3,768	3,966	4,199	4,432	4,666	
-	238	3,098	3,336	3,574	3,812	3,849	4,051	4,289	4,527	4,766	
2.1%	243	3,163	3,406	3,649	3,892	3,929	4,136	4,379	4,622	4,866	
4.2%	248	3,228	3,476	3,724	3,972	4,010	4,221	4,469	4,717	4,966	
6.3%	253	3,293	3,546	3,799	4,052	4,091	4,306	4,559	4,812	5,066	
8.4%	258	3,358	3,616	3,874	4,132	4,172	4,391	4,649	4,907	5,166	

S&P 500 RETURNS		P/E Ratio									
EPS growth	EPS	13	14	15	16	16.2	17	18	19	20	
-8.4%	218	-26%	-21%	-15%	-9%	-8%	-4%	2%	8%	13%	
-6.3%	223	-25%	-19%	-13%	-7%	-6%	-1%	4%	10%	16%	
-4.2%	228	-23%	-17%	-11%	-5%	-4%	1%	7%	13%	19%	
-2.1%	233	-21%	-15%	-9%	-3%	-2%	3%	9%	15%	21%	
-	238	-20%	-13%	-7%	-1%	0%	5%	11%	18%	24%	
2.1%	243	-18%	-12%	-5%	1%	2%	7%	14%	20%	26%	
4.2%	248	-16%	-10%	-3%	3%	4%	10%	16%	23%	29%	
6.3%	253	-14%	-8%	-1%	5%	6%	12%	18%	25%	32%	
8.4%	258	-13%	-6%	1%	7%	8%	14%	21%	28%	34%	

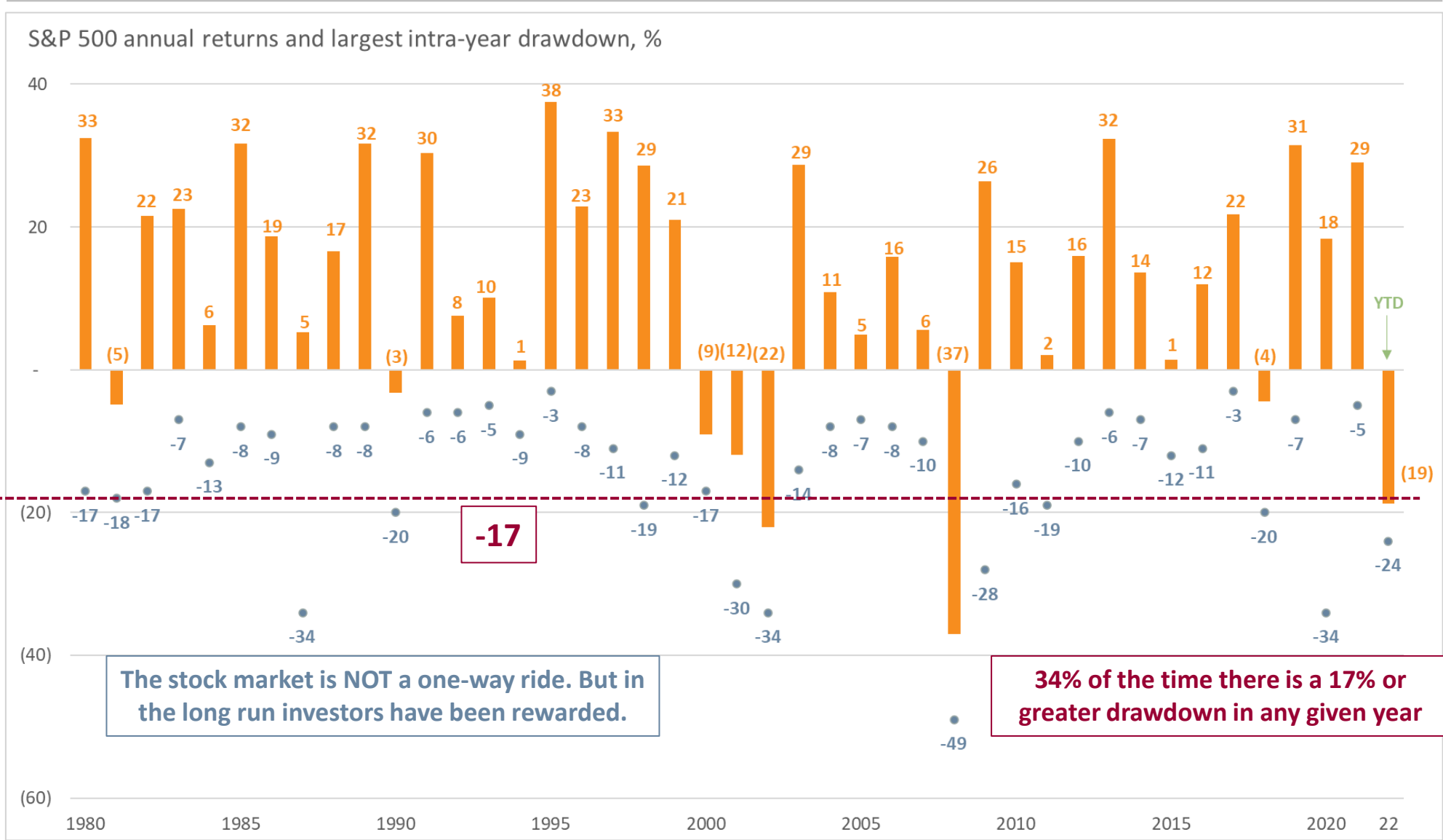
- Current forward twelve-month consensus earnings per share are ~\$239, equating to a P/E ratio of 16.1x (with the S&P at 3,849 on July 18, 2022), in line with the 10-year average of about ~16x.
- U.S. equities posted their worst first half performance since 1970 with the S&P 500 down 20.0%, of which 16.1% in the second quarter. The P/E multiple for the S&P 500 has now derated from 20x at the beginning of the year to a more reasonable 16x. The market is still discounting strong earnings growth in 2022 and 2023 (consensus: +9.9% YOY/\$229 for 2022, +8.3%/\$248 for 2023).

# STOCK AND BOND CORRELATION



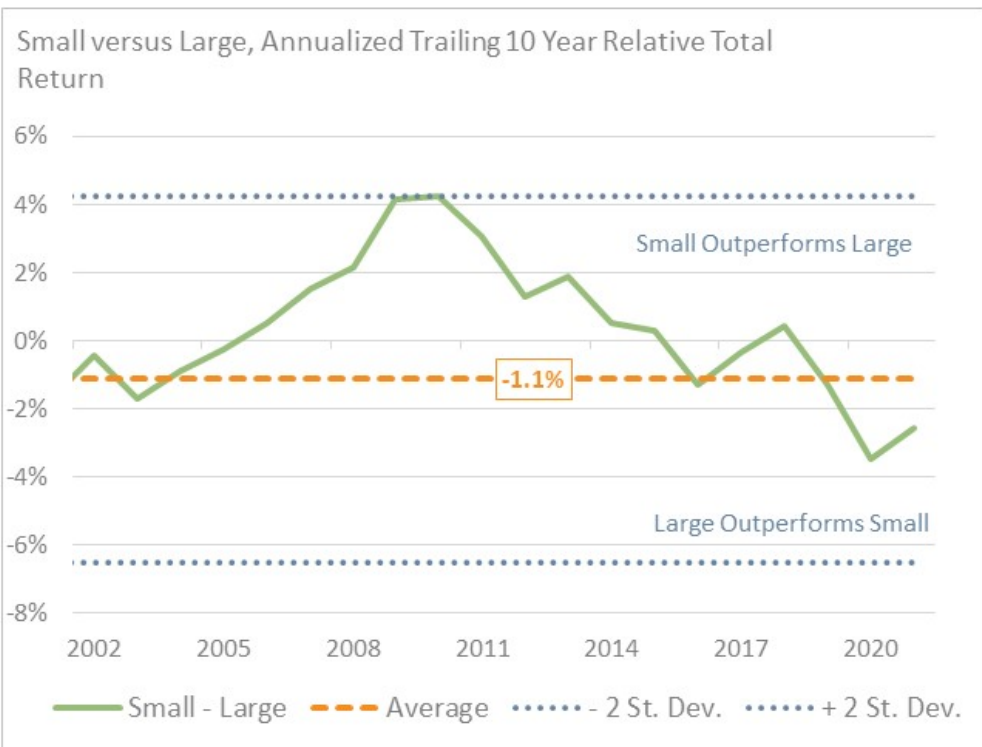
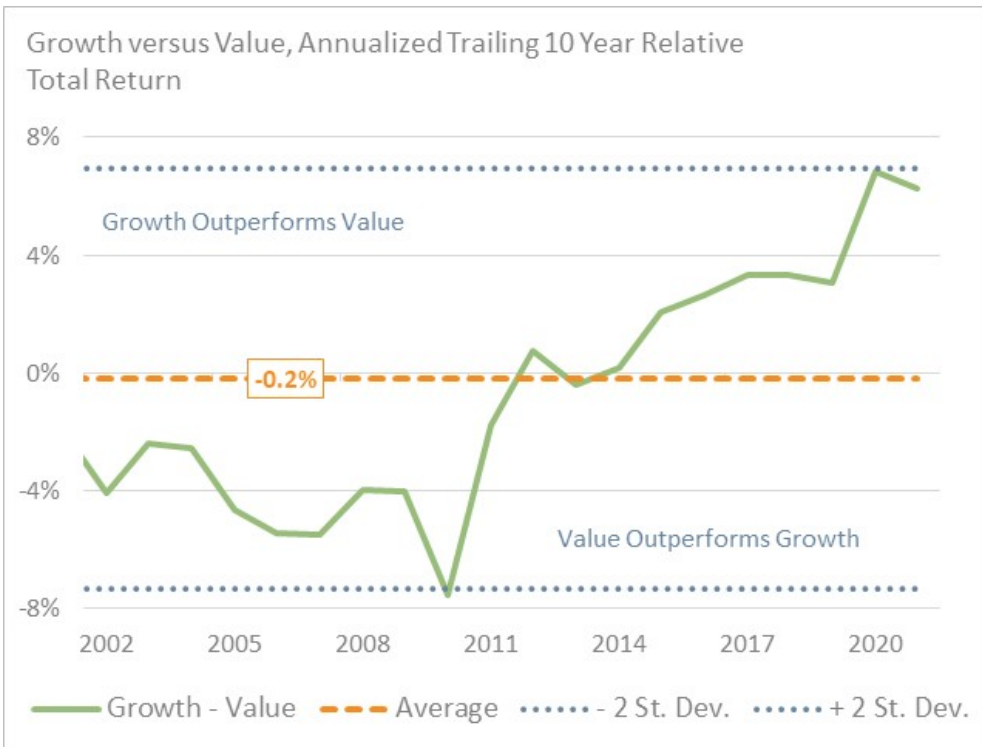
- The inflation regime determines whether bonds provide an effective hedge to equities. In a persistent inflation environment, bonds have historically been a much less efficient hedge to risk assets.
- Bonds posted their worst half year in decades. The Bloomberg U.S. Aggregate Bond index, the U.S. fixed income benchmark, has delivered total year-to-date losses of 10.3%, setting fixed income on course for the worst year on record.
- Bonds did not do the job for clients in 1H22 but they can, going forward.

# ANNUAL RETURNS AND INTRA-YEAR DECLINES



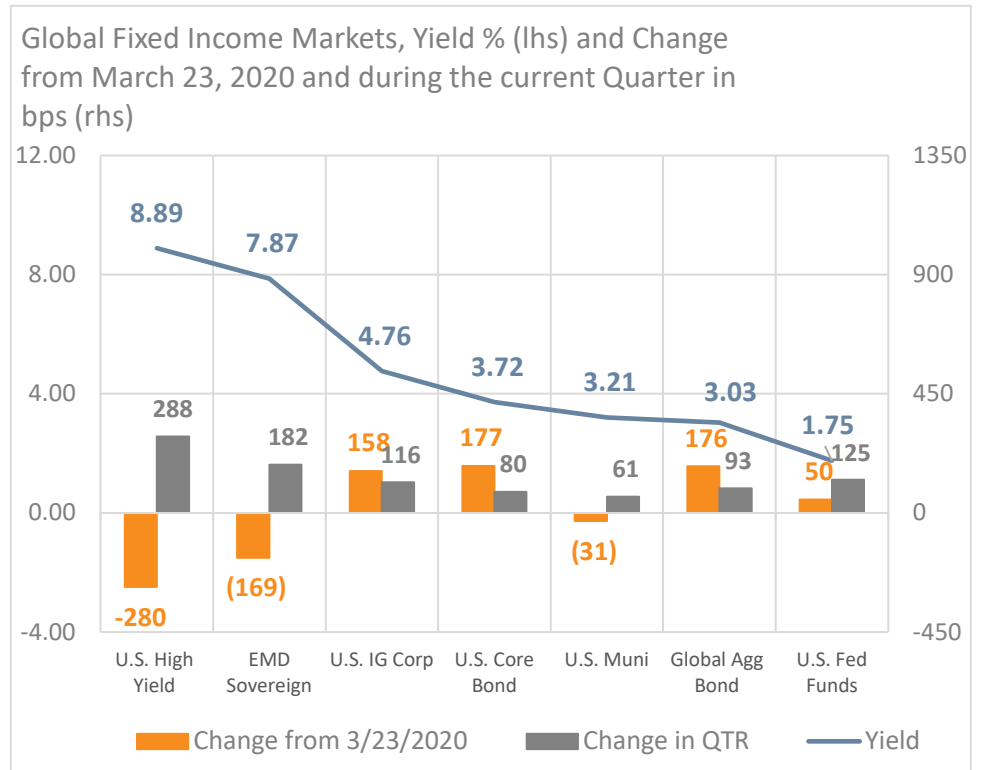
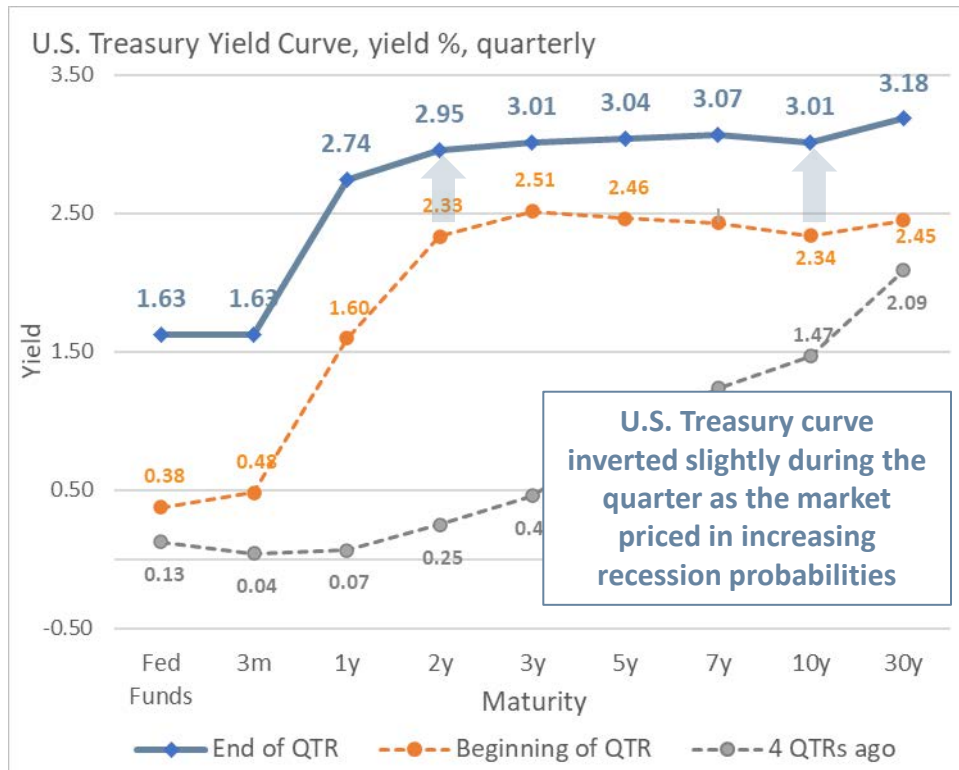
- Large (10-15%) drawdowns should be EXPECTED. Most years end positively. We were due.

# SIZE – SMALL PERFORMS WELL, GROWTH *STILL* OVERVALUED



- Value outperformed Growth significantly in 2Q22. Value remains *much* cheaper than Growth based on rolling 10-year relative performance.
- The Russell 1000 Index has outperformed the Russell 2000 Index on average by 1.1% over the past 30 years of rolling 10-year periods. Small Cap equities remain modestly undervalued relative to Large Cap.

# FIXED INCOME REVIEW – CURVE FLATTENS, SPREADS TIGHTEN



- U.S. Treasury bond yields rose across the curve from Fed Funds out to 30-year maturities as inflation fears grew. The curve inverted briefly at the end of the quarter, a sign of a possible economic slowdown to come.
- The Federal Reserve raised its target interest rate +125bps during the quarter. The market – and Beacon Pointe – expect the Fed to raise rates aggressively in coming months in order to preserve its inflation-fighting credibility.
- Riskier global bond markets had rallied substantially from the low prices of two years ago. During 2Q22, one of the worst bond markets on record, yields rose dramatically and reversed some of the appreciation we have seen in the past seven quarters. The result of the sell-off is that some bonds have a *positive* inflation-adjusted yield for the first time since 4Q2020.

# MACRO THEMES





# CURRENT INVESTMENT THEMES AND CATALYSTS – JULY 2022

## Secular Theme – “Financial Repression”

- **Financial Repression remains the long-term operating framework** as governments work to reduce the high debt levels accumulated during pandemic mitigation efforts. However, over our cyclical horizon, we do expect that **repression policies will be put on “pause” in order to fight inflation** and will reappear once inflation expectations are affirmed near Fed comfort levels.
- Global **Monetary Policy has reversed course, and central banks have rapidly tightened financial conditions in response to inflationary pressures.** Most central banks will attempt some interest rate normalization should economic and pandemic developments allow.
- Containing COVID-19 has proven effective enough to move virus developments off the front burner as other cyclical concerns are taking precedence. COVID-19 moving to a more endemic state would be a welcomed development.

## Cyclical Outlook – “Late Cycle Dynamics”

- The economic recovery since 2Q20 was the result of an unprecedented monetary policy response, massive fiscal stimulus, and positive virus and vaccine developments. The tremendous salutatory impact of **dual policy support pillars has reversed** with expected Federal Reserve rate hikes and substantial fiscal tightening in 2022. “Stagflation Lite” is possible as we progress towards the later stages of the business cycle.
- Dislocated supply chains and increasing demand caused a mismatch in goods markets in 2021 and so far in 2022. Coupled with massive fiscal stimulus, too loose monetary policy and a tight labor market, this produced **a surge in realized inflation that has materially breached the Fed’s 2% target.** As we expected, price pressures have been more persistent than originally projected by the Fed and they **have been forced to respond by aggressively raising interest rates.**
- U.S. real interest rates have risen sharply with a less accommodative Fed. This increase in rates restarted a rotation from Large Cap Growth stocks to Large Cap Value. An expected rotation to International stocks has not yet fully materialized.
- The unemployment rate has declined steadily to below 4.0% but is flattered by labor market participation that remains below pre-COVID levels. The willingness of workers to quit (the “quits rate”) is near record level, putting upward pressure on wages. We expect these phenomena to reverse as savings rates decline, the pandemic retreats as a major factor in labor markets, and higher wages lure employees back to work.
- There are **significant constraints to implementing a progressive policy agenda.** Razor thin Democratic majorities in Congress and declining presidential approval ratings have stymied the Biden legislative agenda. Midterm elections in November loom large.

## Risks – “Inflation and Recession Fears”

- The efforts to reflate the economy – especially monetary stimulus – coupled with economic reopening has caused an unwelcome, **persistent rise in inflation** that has been met with aggressive Fed tightening, re-anchoring inflation expectations. The risk of a recession has therefore increased materially.
- Any material reversal of progress on containing the virus – a new, more virulent variant for example – will cause economic and equity market stress.
- The “Fed Put” is struck at a much lower level – any additional **shocks to the economy or financial markets will be met with risk aversion. At the same time, the Fed’s ability to provide policy support to the equity market is constrained given extremely elevated inflation.**
- While the policy degrees of freedom are limited, concerns about the long-term ability of the U.S. to respond to shocks will not exert a material impact on markets until and if a credible reserve currency substitute emerges to challenge the U.S. dollar. We view this as a distant tail risk.

# PERIODIC TABLE OF RETURNS – JUNE 2022

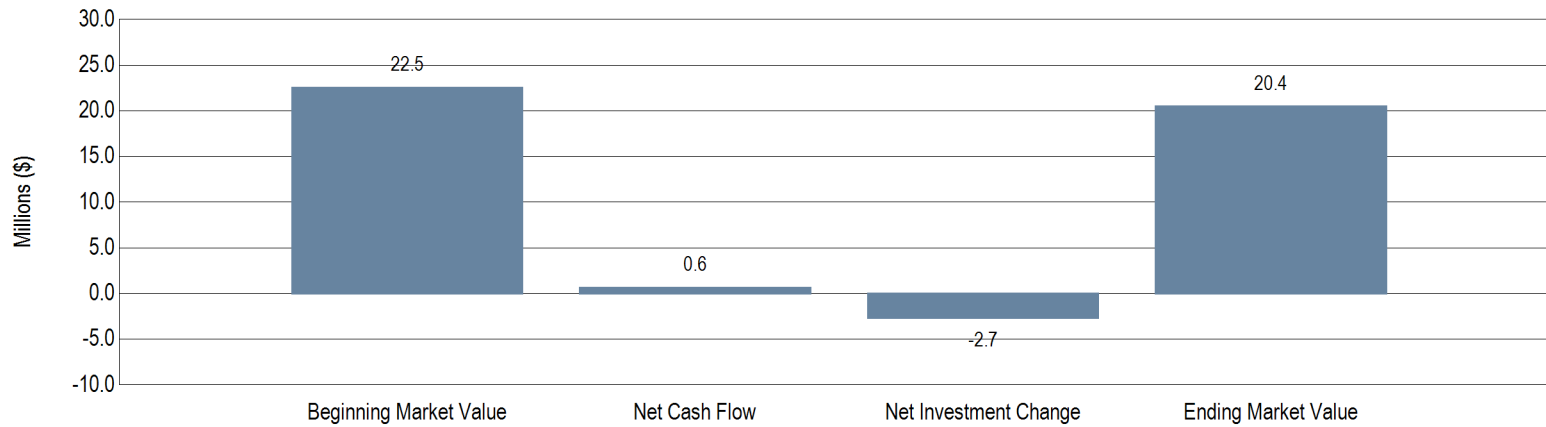
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD	5 Year	10 Year
US Large Blend	28.94	43.30	15.19	5.67	31.74	37.28	1.87	36.39	38.49	28.71	18.44	14.29	12.96
US Large Value	18.22	38.82	13.69	1.38	21.31	30.21	0.01	31.49	34.63	28.27	0.14	11.31	10.50
US Large Growth	18.05	34.52	13.45	0.87	17.34	25.03	-1.51	28.48	19.96	27.60	-6.28	8.39	14.80
US Small Blend	17.51	33.48	13.05	0.55	11.96	22.17	-4.02	26.54	18.40	27.11	-10.35	7.17	9.35
US Small Value	17.32	32.53	5.97	0.05	11.77	21.83	-4.38	25.52	18.31	26.65	-12.86	5.17	9.05
US Small Growth	16.35	32.39	5.60	-0.27	11.32	15.41	-5.52	22.85	13.49	25.16	-16.28	4.89	9.30
International Equity	16.00	22.78	4.96	-0.81	11.19	14.65	-6.05	22.39	10.27	14.82	-17.31	4.83	5.40
Emerging Markets Equity	15.26	12.32	4.89	-0.98	7.08	13.66	-8.27	22.01	7.82	11.26	-17.63	4.80	3.06
US Fixed Income	14.59	8.96	4.22	-1.38	5.92	13.23	-9.31	19.41	7.51	10.20	-19.57	3.69	1.54
Cash	11.48	5.87	3.36	-3.83	5.37	7.84	-11.01	18.42	4.63	6.53	-19.96	3.00	0.64
Commodities	4.79	0.07	0.03	-4.41	2.65	7.77	-11.25	8.72	2.80	2.83	-20.39	2.20	-0.82
Real Estate	4.21	-2.02	-2.19	-7.47	1.00	3.54	-12.86	8.39	0.67	0.05	-23.43	2.18	6.03
Hedge Funds	0.11	-2.60	-4.90	-14.92	0.52	1.70	-13.79	7.69	-3.12	(1.54)	-28.07	1.11	3.78
60%MSCI ACWI / 40% BloomBarc Agg	-1.06	-9.52	-17.01	-24.66	0.33	0.86	-14.57	2.28	-6.20	(2.54)	-29.45	0.88	6.04

Name	Q2-22	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>US Equity</b>						
Russell 3000	-16.7	-21.1	-13.9	9.8	10.6	12.6
S&P 500	-16.1	-20.0	-10.6	10.6	11.3	13.0
Russell 1000	-16.7	-20.9	-13.0	10.2	11.0	12.8
Russell 1000 Growth	-20.9	-28.1	-18.8	12.6	14.3	14.8
Russell 1000 Value	-12.2	-12.9	-6.8	6.9	7.2	10.5
Russell MidCap	-16.8	-21.6	-17.3	6.6	8.0	11.3
Russell 2000	-17.2	-23.4	-25.2	4.2	5.2	9.4
Russell 2000 Growth	-19.3	-29.5	-33.4	1.4	4.8	9.3
Russell 2000 Value	-15.3	-17.3	-16.3	6.2	4.9	9.1
<b>International Equity</b>						
MSCI ACWI	-15.7	-20.2	-15.8	6.2	7.0	8.8
MSCI World ex USA	-14.7	-18.8	-16.8	1.7	2.7	5.4
MSCI EAFE	-14.5	-19.6	-17.8	1.1	2.2	5.4
MSCI Emerging Markets	-11.4	-17.6	-25.3	0.6	2.2	3.1
<b>Fixed Income</b>						
91 Day T-Bills	0.1	0.1	0.2	0.5	1.0	0.6
Bloomberg US Aggregate TR	-4.7	-10.3	-10.3	-0.9	0.9	1.5
Bloomberg US Govt/Credit TR	-5.0	-11.0	-10.9	-0.8	1.0	1.7
Bloomberg US Municipal TR	-2.9	-9.0	-8.6	-0.2	1.5	2.4
Bloomberg US High Yield TR	-9.8	-14.2	-12.8	0.2	2.1	4.5
FTSE WGBI TR	-8.9	-14.8	-16.8	-4.3	-1.2	-0.7
FTSE WGBI ex US TR	-12.5	-18.7	-21.9	-6.7	-2.6	-1.7
<b>Real Estate</b>						
FTSE NAREIT All REIT	-14.8	-19.3	-6.9	4.6	6.2	8.1
NCREIF Property Index	--	--	--	--	--	--
<b>Alternatives</b>						
HFRI Fund of Funds Composite Index	-4.1	-6.7	-5.7	3.9	3.6	3.7
<b>Inflation</b>						
Consumer Price Index	3.1	6.3	9.1	5.0	3.9	2.6

Summary Of Cash Flows

	Second Quarter	Year-To-Date	One Year	Three Years	Five Years	Inception 9/1/21
Beginning Market Value	\$22,518,835	\$23,412,518	--	--	--	\$22,389,294
Net Cash Flow	\$598,455	\$1,416,620	\$2,271,562	\$2,271,562	\$2,271,562	\$2,271,562
Net Investment Change	-\$2,668,159	-\$4,380,007	\$18,177,570	\$18,177,570	\$18,177,570	-\$4,211,724
Ending Market Value	\$20,449,132	\$20,449,132	\$20,449,132	\$20,449,132	\$20,449,132	\$20,449,132

Change in Market Value  
From April 01, 2022 To June 30, 2022



# El Camino Real OPEB

# Total Composite

As of June 30, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
<b>Total Composite</b>	<b>20,449,132</b>	<b>100.0</b>	<b>-11.5</b>	<b>-17.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-16.9</b>	<b>Sep-21</b>
<i>Policy Index</i>			-11.4	-16.3	--	--	--	--	--	--	-15.4	Sep-21
<b>Total Equity</b>	<b>10,638,650</b>	<b>52.0</b>	<b>-15.4</b>	<b>-22.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-21.8</b>	<b>Sep-21</b>
<i>MSCI ACWI</i>			-15.7	-20.2	-15.8	6.2	7.0	7.0	8.8	7.1	-18.4	Sep-21
<b>Total Domestic Equity</b>	<b>6,830,626</b>	<b>33.4</b>	<b>-17.0</b>	<b>-23.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-20.8</b>	<b>Sep-21</b>
<i>Russell 3000</i>			-16.7	-21.1	-13.9	9.8	10.6	10.4	12.6	11.5	-17.6	Sep-21
<b>Total International Equity</b>	<b>3,808,024</b>	<b>18.6</b>	<b>-12.3</b>	<b>-20.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-23.1</b>	<b>Sep-21</b>
<i>MSCI ACWI ex USA</i>			-13.7	-18.4	-19.4	1.4	2.5	2.9	4.8	2.9	-19.6	Sep-21
<b>Total Fixed</b>	<b>6,826,750</b>	<b>33.4</b>	<b>-4.6</b>	<b>-9.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-10.6</b>	<b>Sep-21</b>
<i>Bloomberg US Aggregate TR</i>			-4.7	-10.3	-10.3	-0.9	0.9	1.4	1.5	2.2	-11.1	Sep-21
<b>Total Alternatives</b>	<b>2,674,549</b>	<b>13.1</b>	<b>-12.3</b>	<b>-15.2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-11.8</b>	<b>Sep-21</b>
<i>Custom Alts Index</i>			-13.0	-15.9	--	--	--	--	--	--	-12.9	Sep-21
<b>Total Cash</b>	<b>309,183</b>	<b>1.5</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.1</b>	<b>Sep-21</b>
<i>ICE BofA 91 Days T-Bills TR</i>			0.1	0.1	0.2	0.6	1.1	0.9	0.6	0.6	0.2	Sep-21

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Within IPS Range?
US Equity	\$6,830,626	33.4%	35.0%	20.0% - 50.0%	-1.6%	Yes
International Equity	\$3,808,024	18.6%	20.0%	10.0% - 30.0%	-1.4%	Yes
Fixed Income	\$6,826,750	33.4%	30.0%	20.0% - 50.0%	3.4%	Yes
Alternatives	\$2,674,549	13.1%	15.0%	0.0% - 25.0%	-1.9%	Yes
Cash	\$309,183	1.5%	0.0%	0.0% - 10.0%	1.5%	Yes
<b>Total</b>	<b>\$20,449,132</b>	<b>100.0%</b>	<b>100.0%</b>			

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
<b>Total Composite</b>	<b>20,449,132</b>	<b>100.0</b>	<b>-11.5</b>	<b>-17.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-16.9</b>	<b>Sep-21</b>
<i>Policy Index</i>			-11.4	-16.3	--	--	--	--	--	--	-15.4	Sep-21
<b>Total Equity</b>	<b>10,638,650</b>	<b>52.0</b>	<b>-15.4</b>	<b>-22.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-21.8</b>	<b>Sep-21</b>
<i>MSCI ACWI</i>			-15.7	-20.2	-15.8	6.2	7.0	7.0	8.8	7.1	-18.4	Sep-21
<b>Total Domestic Equity</b>	<b>6,830,626</b>	<b>33.4</b>	<b>-17.0</b>	<b>-23.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-20.8</b>	<b>Sep-21</b>
<i>Russell 3000</i>			-16.7	-21.1	-13.9	9.8	10.6	10.4	12.6	11.5	-17.6	Sep-21
Fiduciary Management: Large Cap Instl	2,039,390	10.0	-12.9	-17.7	-13.3	--	--	--	--	--	-13.0	Sep-21
<i>Russell 1000 Value</i>			-12.2	-12.9	-6.8	6.9	7.2	7.7	10.5	9.5	-9.4	Sep-21
Polen Capital Focus Growth	1,788,785	8.7	-22.2	-32.7	-32.7	--	--	--	--	--	-32.8	Sep-21
<i>Russell 1000 Growth</i>			-20.9	-28.1	-18.8	12.6	14.3	13.5	14.8	13.7	-24.2	Sep-21
Vanguard S&P 500 ETF	1,910,268	9.3	-16.1	-20.0	-10.6	10.6	11.3	11.1	12.9	11.9	-15.2	Sep-21
<i>S&amp;P 500</i>			-16.1	-20.0	-10.6	10.6	11.3	11.1	13.0	12.0	-15.3	Sep-21
Vanguard Mid-Cap ETF	811,319	4.0	-16.9	-22.2	-16.0	7.2	8.3	8.1	11.5	9.9	-19.5	Sep-21
<i>CRSP US Mid Cap TR USD</i>			-17.0	-22.2	-16.0	7.2	8.3	8.2	11.5	10.0	-19.5	Sep-21
Vanguard Russell 2000 ETF	280,864	1.4	-17.2	-23.5	-25.2	4.3	5.2	5.9	9.4	7.9	-24.1	Sep-21
<i>CRSP US Small Cap TR USD</i>			-16.9	-21.6	-20.7	5.4	6.9	7.1	10.5	9.1	-21.1	Sep-21
<b>Total International Equity</b>	<b>3,808,024</b>	<b>18.6</b>	<b>-12.3</b>	<b>-20.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-23.1</b>	<b>Sep-21</b>
<i>MSCI ACWI ex USA</i>			-13.7	-18.4	-19.4	1.4	2.5	2.9	4.8	2.9	-19.6	Sep-21
Artisan International Value Instl	1,601,454	7.8	-10.4	-13.1	-11.8	6.3	4.8	5.3	8.6	7.2	-12.1	Sep-21
<i>MSCI EAFE</i>			-14.5	-19.6	-17.8	1.1	2.2	2.7	5.4	3.5	-19.8	Sep-21
American Europacific F3	1,486,397	7.3	-14.7	-25.1	-27.7	1.5	3.1	3.6	6.1	4.2	-29.0	Sep-21
<i>MSCI ACWI ex USA</i>			-13.7	-18.4	-19.4	1.4	2.5	2.9	4.8	2.9	-19.6	Sep-21
Invesco Developing Mkts	720,173	3.5	-11.4	-25.3	-34.9	-4.3	0.3	1.6	2.6	1.3	-30.4	Sep-21
<i>MSCI Emerging Markets</i>			-11.4	-17.6	-25.3	0.6	2.2	2.8	3.1	1.0	-21.9	Sep-21



# El Camino Real OPEB

# Total Composite

As of June 30, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
<b>Total Fixed</b>	<b>6,826,750</b>	<b>33.4</b>	<b>-4.6</b>	<b>-9.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-10.6</b>	<b>Sep-21</b>
<i>Bloomberg US Aggregate TR</i>			-4.7	-10.3	-10.3	-0.9	0.9	1.4	1.5	2.2	-11.1	Sep-21
Metropolitan West Total Return	2,969,379	14.5	-5.7	-11.7	-11.6	-0.8	1.1	1.5	2.3	2.8	-12.5	Sep-21
<i>Bloomberg US Aggregate TR</i>			-4.7	-10.3	-10.3	-0.9	0.9	1.4	1.5	2.2	-11.1	Sep-21
Dodge & Cox Income	2,896,371	14.2	-4.7	-9.7	-10.0	0.3	1.7	2.3	2.6	3.0	-10.6	Sep-21
<i>Bloomberg US Aggregate TR</i>			-4.7	-10.3	-10.3	-0.9	0.9	1.4	1.5	2.2	-11.1	Sep-21
PIMCO Short Asset Investment	961,000	4.7	-0.5	-1.2	-1.3	0.4	1.1	1.2	1.1	--	-0.5	Apr-22
<b>Total Alternatives</b>	<b>2,674,549</b>	<b>13.1</b>	<b>-12.3</b>	<b>-15.2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-11.8</b>	<b>Sep-21</b>
<i>Custom Alts Index</i>			-13.0	-15.9	--	--	--	--	--	--	-12.9	Sep-21
Swan Hedged Equity US ETF	1,853,151	9.1	-8.8	-12.5	-8.3	--	--	--	--	--	-9.1	Sep-21
<i>60% S&amp;P 500 / 40% Barclays US Aggregate</i>			-11.6	-16.1	-10.2	6.2	7.4	7.4	8.5	8.2	-13.4	Sep-21
PGIM Global Real Estate Fund	821,398	4.0	-19.2	-22.8	-14.7	0.2	3.6	3.7	5.3	5.2	-19.2	Sep-21
<i>FTSE EPRA/NAREIT Developed TR USD</i>			-17.2	-20.4	-12.7	-0.2	2.9	4.0	5.6	5.4	-17.1	Sep-21
<b>Total Cash</b>	<b>309,183</b>	<b>1.5</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.1</b>	<b>Sep-21</b>
<i>ICE BofA 91 Days T-Bills TR</i>			0.1	0.1	0.2	0.6	1.1	0.9	0.6	0.6	0.2	Sep-21
FIRST AM US TREAS MM CL Z	309,183	1.5	0.1	0.1	0.1	--	--	--	--	--	0.1	Sep-21
<i>ICE BofA 91 Days T-Bills TR</i>			0.1	0.1	0.2	0.6	1.1	0.9	0.6	0.6	0.2	Sep-21

**Policy Benchmark History**

As of June 30, 2022

<b>Total Composite</b>		
9/1/2021	Present	60% MSCI ACWI / 40% Bloomberg US Aggregate TR
<b>Total Equity</b>		

**Allocation Benchmark History**

As of June 30, 2022

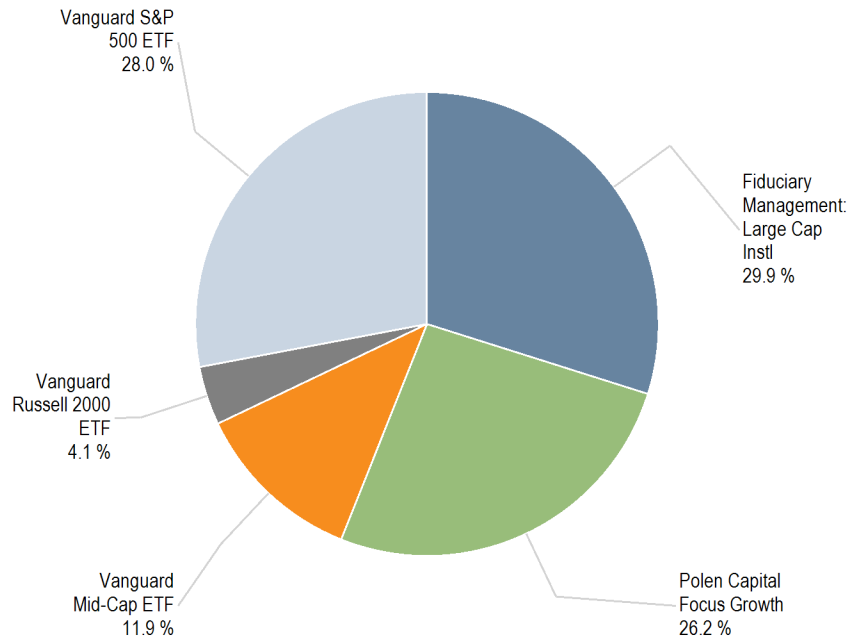
<b>Total Equity</b>		
9/1/2021	Present	MSCI ACWI
<b>Total Domestic Equity</b>		
9/1/2021	Present	Russell 3000
<b>Total International Equity</b>		
9/1/2021	Present	MSCI ACWI ex USA

**Custom Alts Benchmark History**

As of June 30, 2022

<b>Total Alternatives</b>		
9/1/2021	Present	32% FTSE EPRA/NAREIT Developed TR USD / 57% 60% S&P 500 / 40% Barclays US Aggregate / 11% S&P Global Infrastructure

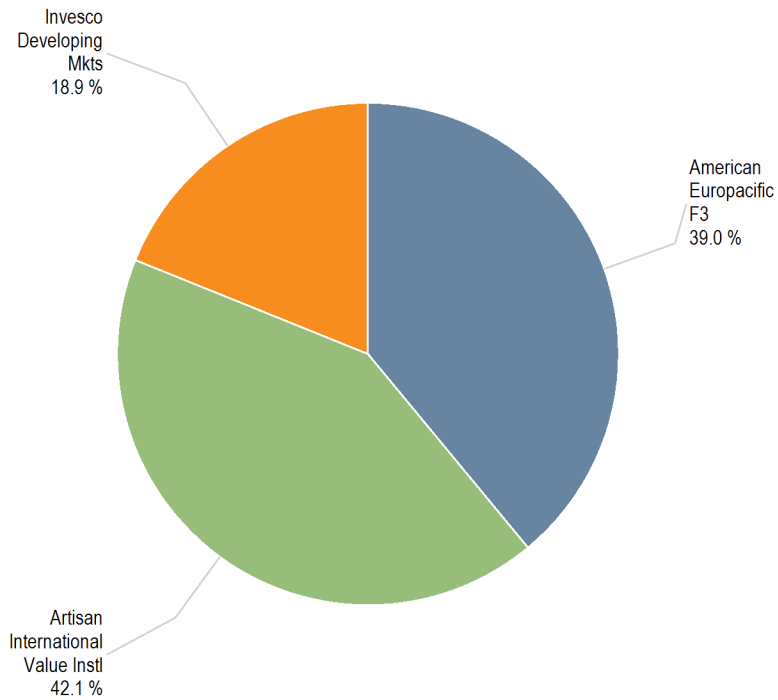
Current Allocation



Asset Allocation on June 30, 2022

	Actual	Actual
Fiduciary Management: Large Cap Instl	\$2,039,390	29.9%
Polen Capital Focus Growth	\$1,788,785	26.2%
Vanguard Mid-Cap ETF	\$811,319	11.9%
Vanguard Russell 2000 ETF	\$280,864	4.1%
Vanguard S&P 500 ETF	\$1,910,268	28.0%
<b>Total</b>	<b>\$6,830,626</b>	<b>100.0%</b>

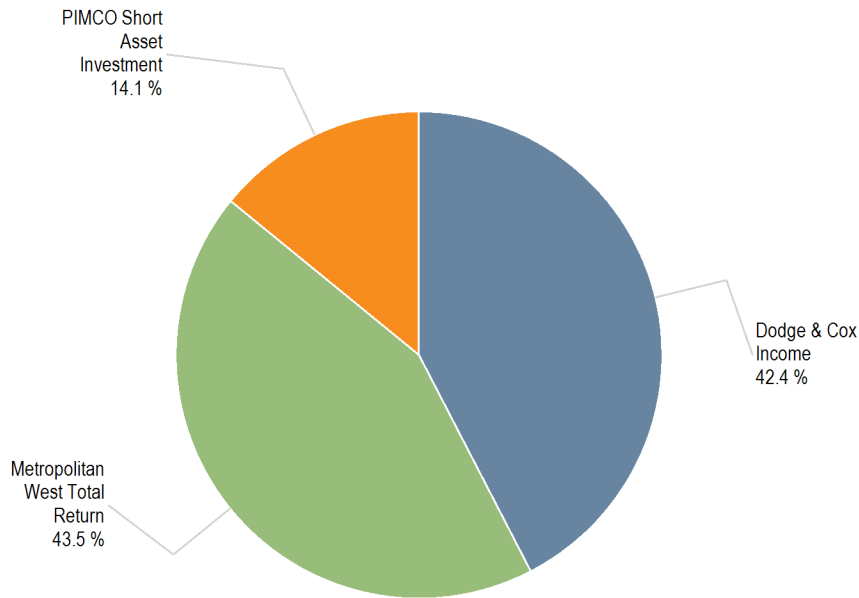
Current Allocation



Asset Allocation on June 30, 2022

	Actual	Actual
American Europacific F3	\$1,486,397	39.0%
Artisan International Value Instl	\$1,601,454	42.1%
Invesco Developing Mkts	\$720,173	18.9%
<b>Total</b>	<b>\$3,808,024</b>	<b>100.0%</b>

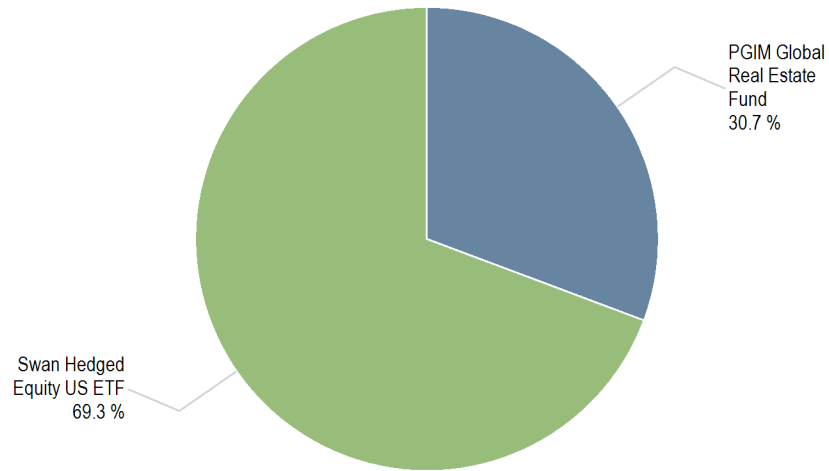
Current Allocation



Asset Allocation on June 30, 2022

	Actual	Actual
Dodge & Cox Income	\$2,896,371	42.4%
Metropolitan West Total Return	\$2,969,379	43.5%
PIMCO Short Asset Investment	\$961,000	14.1%
<b>Total</b>	<b>\$6,826,750</b>	<b>100.0%</b>

Current Allocation



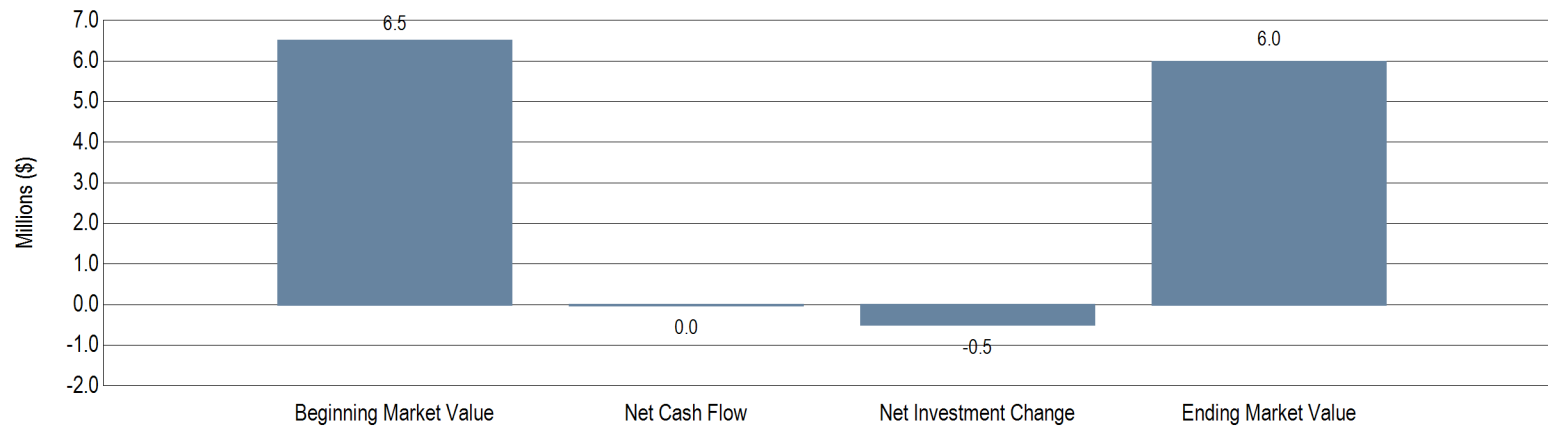
Asset Allocation on June 30, 2022

	Actual	Actual
PGIM Global Real Estate Fund	\$821,398	30.7%
Swan Hedged Equity US ETF	\$1,853,151	69.3%
<b>Total</b>	<b>\$2,674,549</b>	<b>100.0%</b>






Summary Of Cash Flows

	Second Quarter	Year-To-Date	One Year	Three Years	Five Years	Inception 8/1/21
Beginning Market Value	\$6,495,329	\$6,881,075	--	--	--	\$6,815,498
Net Cash Flow	-\$18,072	-\$18,975	-\$30,968	-\$30,968	-\$30,968	-\$30,968
Net Investment Change	-\$503,734	-\$888,577	\$6,004,490	\$6,004,490	\$6,004,490	-\$811,008
Ending Market Value	\$5,973,523	\$5,973,523	\$5,973,523	\$5,973,523	\$5,973,523	\$5,973,523

Change in Market Value  
From April 01, 2022 To June 30, 2022



	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
<b>Total Composite</b>	<b>5,973,523</b>	<b>100.0</b>	<b>-7.7</b>	<b>-12.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-11.9</b>	<b>Aug-21</b>
<i>Policy Index</i>			<i>-8.1</i>	<i>-13.3</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-12.7</i>	<i>Aug-21</i>
<b>Total Equity</b>	<b>1,556,854</b>	<b>26.1</b>	<b>-15.8</b>	<b>-22.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-18.4</b>	<b>Aug-21</b>
<i>MSCI ACWI</i>			<i>-15.7</i>	<i>-20.2</i>	<i>-15.8</i>	<i>6.2</i>	<i>7.0</i>	<i>7.0</i>	<i>8.8</i>	<i>7.1</i>	<i>-16.3</i>	<i>Aug-21</i>
<b>Total Domestic Equity</b>	<b>1,168,009</b>	<b>19.6</b>	<b>-16.9</b>	<b>-23.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-18.4</b>	<b>Aug-21</b>
<i>Russell 3000</i>			<i>-16.7</i>	<i>-21.1</i>	<i>-13.9</i>	<i>9.8</i>	<i>10.6</i>	<i>10.4</i>	<i>12.6</i>	<i>11.5</i>	<i>-15.3</i>	<i>Aug-21</i>
<b>Total International Equity</b>	<b>388,844</b>	<b>6.5</b>	<b>-12.4</b>	<b>-18.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-18.6</b>	<b>Aug-21</b>
<i>MSCI ACWI ex USA</i>			<i>-13.7</i>	<i>-18.4</i>	<i>-19.4</i>	<i>1.4</i>	<i>2.5</i>	<i>2.9</i>	<i>4.8</i>	<i>2.9</i>	<i>-18.1</i>	<i>Aug-21</i>
<b>Total Fixed</b>	<b>3,996,893</b>	<b>66.9</b>	<b>-3.9</b>	<b>-8.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-9.4</b>	<b>Aug-21</b>
<i>Bloomberg US Aggregate TR</i>			<i>-4.7</i>	<i>-10.3</i>	<i>-10.3</i>	<i>-0.9</i>	<i>0.9</i>	<i>1.4</i>	<i>1.5</i>	<i>2.2</i>	<i>-11.3</i>	<i>Aug-21</i>
<b>Total Alternatives</b>	<b>297,645</b>	<b>5.0</b>	<b>-13.0</b>	<b>-16.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-11.5</b>	<b>Aug-21</b>
<b>Total Cash</b>	<b>122,132</b>	<b>2.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.1</b>	<b>Aug-21</b>
<i>ICE BofA 91 Days T-Bills TR</i>			<i>0.1</i>	<i>0.1</i>	<i>0.2</i>	<i>0.6</i>	<i>1.1</i>	<i>0.9</i>	<i>0.6</i>	<i>0.6</i>	<i>0.2</i>	<i>Aug-21</i>

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Within IPS Range?
 US Equity	\$1,168,009	19.6%	20.0%	10.0% - 30.0%	-0.4%	Yes
 International Equity	\$388,844	6.5%	5.0%	0.0% - 15.0%	1.5%	Yes
 Fixed Income	\$3,996,893	66.9%	70.0%	50.0% - 90.0%	-3.1%	Yes
 Alternatives	\$297,645	5.0%	5.0%	0.0% - 15.0%	0.0%	Yes
 Cash	\$122,132	2.0%	0.0%	0.0% - 20.0%	2.0%	Yes
<b>Total</b>	<b>\$5,973,523</b>	<b>100.0%</b>	<b>100.0%</b>			



# El Camino Real GA

# Total Composite

As of June 30, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
<b>Total Composite</b>	<b>5,973,523</b>	<b>100.0</b>	<b>-7.7</b>	<b>-12.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-11.9</b>	<b>Aug-21</b>
<i>Policy Index</i>			-8.1	-13.3	--	--	--	--	--	--	-12.7	Aug-21
<b>Total Equity</b>	<b>1,556,854</b>	<b>26.1</b>	<b>-15.8</b>	<b>-22.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-18.4</b>	<b>Aug-21</b>
<i>MSCI ACWI</i>			-15.7	-20.2	-15.8	6.2	7.0	7.0	8.8	7.1	-16.3	Aug-21
<b>Total Domestic Equity</b>	<b>1,168,009</b>	<b>19.6</b>	<b>-16.9</b>	<b>-23.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-18.4</b>	<b>Aug-21</b>
<i>Russell 3000</i>			-16.7	-21.1	-13.9	9.8	10.6	10.4	12.6	11.5	-15.3	Aug-21
Fiduciary Management: Large Cap	419,037	7.0	-12.9	-17.8	-11.6	--	--	--	--	--	-11.6	Aug-21
<i>Russell 1000 Value</i>			-12.2	-12.9	-6.8	6.9	7.2	7.7	10.5	9.5	-7.6	Aug-21
Polen Capital Focus Growth	336,879	5.6	-22.3	-32.9	-29.0	--	--	--	--	--	-30.5	Aug-21
<i>Russell 1000 Growth</i>			-20.9	-28.1	-18.8	12.6	14.3	13.5	14.8	13.7	-21.4	Aug-21
Vanguard S&P 500 ETF	412,093	6.9	-16.1	-20.0	-10.6	10.6	11.3	11.1	12.9	11.9	-12.7	Aug-21
<i>S&amp;P 500</i>			-16.1	-20.0	-10.6	10.6	11.3	11.1	13.0	12.0	-12.7	Aug-21
<b>Total International Equity</b>	<b>388,844</b>	<b>6.5</b>	<b>-12.4</b>	<b>-18.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-18.6</b>	<b>Aug-21</b>
<i>MSCI ACWI ex USA</i>			-13.7	-18.4	-19.4	1.4	2.5	2.9	4.8	2.9	-18.1	Aug-21
Artisan International Value Instl	214,682	3.6	-10.4	-13.1	-11.8	6.3	4.8	5.3	8.6	7.2	-11.9	Aug-21
<i>MSCI EAFE</i>			-14.5	-19.6	-17.8	1.1	2.2	2.7	5.4	3.5	-18.4	Aug-21
American Funds Europacific Growth	174,162	2.9	-14.7	-25.1	-27.7	1.5	3.1	3.6	6.1	4.2	-26.6	Aug-21
<i>MSCI ACWI ex USA</i>			-13.7	-18.4	-19.4	1.4	2.5	2.9	4.8	2.9	-18.1	Aug-21
<b>Total Fixed</b>	<b>3,996,893</b>	<b>66.9</b>	<b>-3.9</b>	<b>-8.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-9.4</b>	<b>Aug-21</b>
<i>Bloomberg US Aggregate TR</i>			-4.7	-10.3	-10.3	-0.9	0.9	1.4	1.5	2.2	-11.3	Aug-21
Dodge & Cox Income	1,034,116	17.3	-4.7	-9.7	-10.0	0.3	1.7	2.3	2.6	3.0	-10.7	Aug-21
<i>Bloomberg US Aggregate TR</i>			-4.7	-10.3	-10.3	-0.9	0.9	1.4	1.5	2.2	-11.3	Aug-21
Metropolitan West Total Return Bond	1,499,642	25.1	-5.7	-11.7	-11.6	-0.8	1.1	1.5	2.3	2.8	-12.6	Aug-21
<i>Bloomberg US Aggregate TR</i>			-4.7	-10.3	-10.3	-0.9	0.9	1.4	1.5	2.2	-11.3	Aug-21
PIMCO Low Duration	1,463,134	24.5	-1.4	-4.3	-5.0	-0.1	0.8	1.0	1.1	1.3	-5.1	Aug-21
<i>Bloomberg US Govt 1-3 Yr TR</i>			-0.5	-3.0	-3.5	0.2	0.9	0.8	0.8	0.8	-3.7	Aug-21
<b>Total Alternatives</b>	<b>297,645</b>	<b>5.0</b>	<b>-13.0</b>	<b>-16.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-11.5</b>	<b>Aug-21</b>
Swan Hedged Equity US ETF	185,719	3.1	-8.9	-12.7	-7.0	--	--	--	--	--	-7.3	Aug-21
<i>60% S&amp;P 500 / 40% Barclays US Aggregate</i>			-11.6	-16.1	-10.2	6.2	7.4	7.4	8.5	8.2	-11.9	Aug-21

# El Camino Real GA

# Total Composite

As of June 30, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
PGIM Global Real Estate Fund	111,926	1.9	-19.2	-22.8	-14.7	0.2	3.6	3.7	5.3	5.2	-17.8	Aug-21
<i>FTSE EPRA/NAREIT Developed TR USD</i>			-17.2	-20.4	-12.7	-0.2	2.9	4.0	5.6	5.4	-16.0	Aug-21
<b>Total Cash</b>	<b>122,132</b>	<b>2.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.1</b>	<b>Aug-21</b>
<i>ICE BofA 91 Days T-Bills TR</i>			0.1	0.1	0.2	0.6	1.1	0.9	0.6	0.6	0.2	Aug-21
FIRST AM US TREAS MM CL Z	122,132	2.0	0.1	0.1	0.1	--	--	--	--	--	0.1	Aug-21
<i>ICE BofA 91 Days T-Bills TR</i>			0.1	0.1	0.2	0.6	1.1	0.9	0.6	0.6	0.2	Aug-21

**Policy Benchmark History**

As of June 30, 2022

<b>Total Composite</b>		
8/1/2021	Present	30% MSCI ACWI / 70% Bloomberg US Aggregate TR
<b>Total Equity</b>		
8/1/2021	Present	MSCI ACWI

**Allocation Benchmark History**

As of June 30, 2022

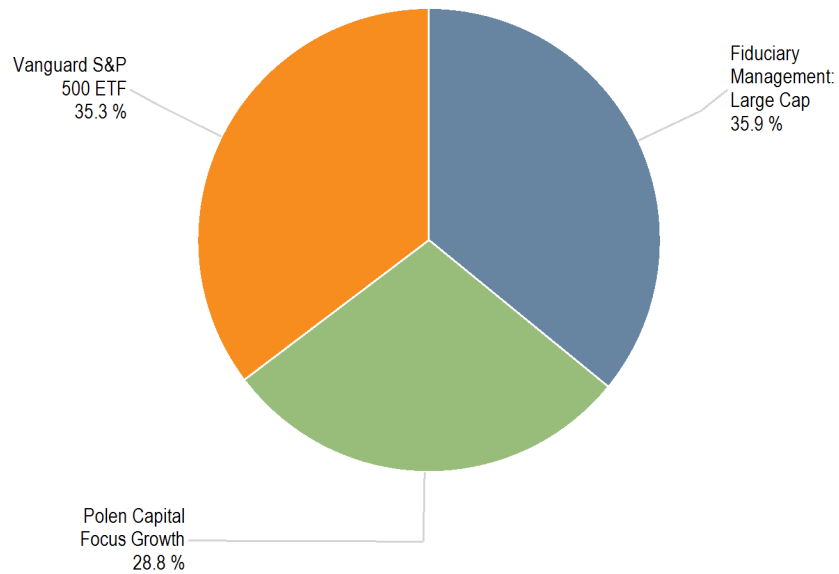
<b>Total International Equity</b>		
8/1/2021	Present	MSCI ACWI ex USA

**Custom Alts Benchmark History**




As of June 30, 2022

<b>Total Alternatives</b>		
8/1/2021	Present	Custom Alts Index

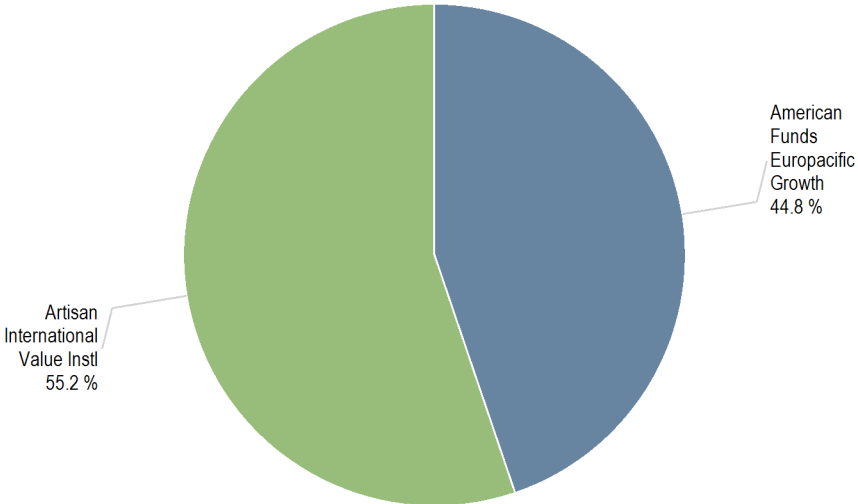
Current Allocation



Asset Allocation on June 30, 2022

	Actual	Actual
 Fiduciary Management: Large Cap	\$419,037	35.9%
 Polen Capital Focus Growth	\$336,879	28.8%
 Vanguard S&P 500 ETF	\$412,093	35.3%
<b>Total</b>	<b>\$1,168,009</b>	<b>100.0%</b>

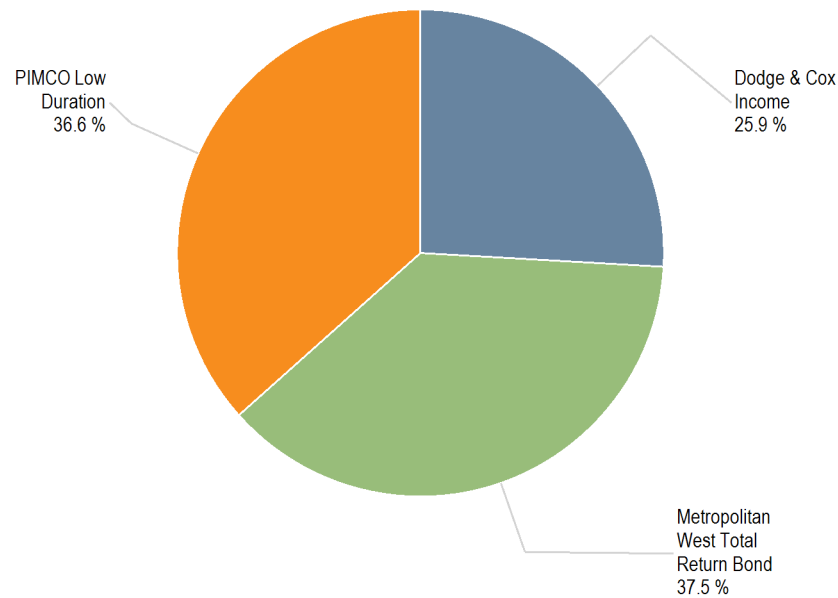
Current Allocation



Asset Allocation on June 30, 2022

	Actual	Actual
American Funds Europacific Growth	\$174,162	44.8%
Artisan International Value Instl	\$214,682	55.2%
<b>Total</b>	<b>\$388,844</b>	<b>100.0%</b>

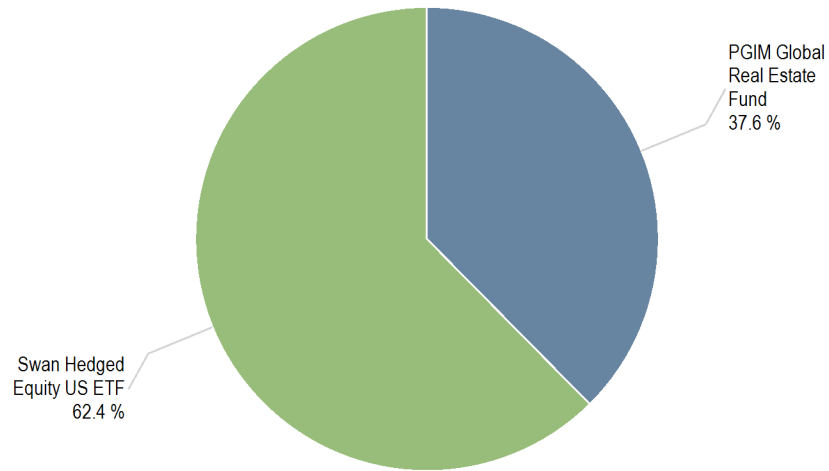
Current Allocation



Asset Allocation on June 30, 2022

	Actual	Actual
Dodge & Cox Income	\$1,034,116	25.9%
Metropolitan West Total Return Bond	\$1,499,642	37.5%
PIMCO Low Duration	\$1,463,134	36.6%
<b>Total</b>	<b>\$3,996,893</b>	<b>100.0%</b>

Current Allocation



Asset Allocation on June 30, 2022

	Actual	Actual
PGIM Global Real Estate Fund	\$111,926	37.6%
Swan Hedged Equity US ETF	\$185,719	62.4%
<b>Total</b>	<b>\$297,645</b>	<b>100.0%</b>

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**Definitions:** **Up/down Capture:** The up and down capture is a measure of how well a manager was able to replicate or improve on phases of positive benchmark returns and how badly the manager was affected by phases of negative benchmark returns. **Standard Deviation:** Shows how much variation or dispersion exists from the average (mean), or expected value. The more spread apart the data, the higher the deviation. In Finance, standard deviation is applied to the annual rate of return of an investment to measure the investment’s volatility. **Annualized Returns:** The average amount of money earned by an investment each year over a given time period. An annualized total return provides only a snapshot of an investment’s performance and does not give investors any indication of its volatility. Annualized total return merely provides a geometric average, rather than an arithmetic average. **Excess Return:** Excess return represents the difference between the returns of two portfolios. In a typical application, excess return provides a measure of the difference between a manager’s return and the return of a benchmark for that manager. In the context of a beta benchmark, excess return refers to the difference between a manager or market benchmark and T-bills. A positive excess return implies that the manager outperformed the benchmark. **Information Ratio:** A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns. The information ratio (IR) measures a portfolio manager’s ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait. **Significance Level:** The significance level of a manager series vs. a benchmark series indicates the level of confidence with which the statement “the manager’s annualized excess return over the benchmark is positive” or “the manager’s annualized excess return over the benchmark is negative,” as the case may be, holds true. This measurement ranges from 50% (chance) to 100%. A manager with consistent under- or over-performance compared to its benchmark over a long period of time would have a high significance level. **Explained Variance:** The variance explained is also referred to as Standard R<sup>2</sup> in StyleADVISOR. This is usually very close to the correlation squared. To understand what variance explained means, think of a manager and a style benchmark. Any variance in the difference between manager and style benchmark (i.e. any variance in the excess return of manager over benchmark) represents a failure of the style benchmark variance to explain the manager variance. Hence, the quotient of variance of excess return over variance of manager represents the unexplained variance. The variance explained is 1 minus the unexplained variance: Variance Explained =  $1 - \text{Var}(e) / \text{Var}(M)$ , Where:  $\text{var}(M) = \text{variance of manager returns}$   $\text{var}(e) = \text{variance of excess return of manager over benchmark}$ . **Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. Tracking errors are reported as a “standard deviation percentage” difference. This measure reports the difference between the return an investor receives and that of the benchmark he or she was attempting to imitate. **Alpha:** Alpha is a measure of risk (beta)-adjusted return. Alpha measures the difference between a portfolio’s actual returns and what it might be expected to deliver based on its level of risk. Theoretically, higher risk should equate to higher return. A positive alpha means the fund has beaten expectations. A negative alpha means that the fund has failed to match performance given its level of risk. If two managers have the same return, but one has a lower beta, that manager would have a higher alpha. **Beta:** Beta represents the systematic risk of a portfolio and measures its sensitivity to a benchmark. A portfolio with a beta of one is considered to be as risky as the benchmark and would therefore provide expected returns equal to those of the market benchmark during both up and down periods. A portfolio with a beta of two would move approximately twice as much as the benchmark. **Cumulative Return:** The aggregate amount that an investment has gained or lost over time, independent of the period of time involved. Presented as a percentage, the cumulative return is the raw mathematical return of the following calculation:  $(\text{Current Price of Security}) - (\text{Original Price of Security}) / (\text{Original Price of Security})$ . **Sharpe Ratio:** The Sharpe ratio is calculated as the portfolio’s excess return over the risk-free rate divided by the portfolio’s standard deviation. **The Barclays 1-10 Year Managed Money (MM) Index:** A subset of the Barclays Municipal Managed Money Index, representing bonds with one to ten years to maturity. The Barclays Municipal Managed Money Index is an unmanaged index that is rules-based, market-value weighted engineered for the tax exempt bond market. All bonds in the National Municipal Bond Index must be rated Aa3/AA- or higher by at least two of the following statistical ratings agencies: Moody’s, S&P and Fitch.

# PERFORMANCE DISCLOSURES & GLOSSARY TERMS

**Indices:** Indices are not available for direct investment and do not reflect the deduction of any fees. Performance for blended benchmarks is calculated based on allocations that are rebalanced back to the stated targets on a quarterly basis and are not adjusted for transaction costs or management fees. Indices are not available for direct investment and do not reflect the deduction of any fees. Performance for blended benchmarks is calculated based on allocations that are rebalanced back to the stated targets on a quarterly basis and are not adjusted for transaction costs or management fees.

**Barclays US Aggregate:** The index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. **Barclays US Municipal Bond Index:** a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed tax exempt bond market. The index includes state and local general obligation, revenue, insured, and pre-refunded bonds. The US Municipal Index was inceptioned in January 1980. **Citigroup - The World Government Bond Index (WGBI):** Measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 25 years of history available. The WGBI provides a broad benchmark for the global sovereign fixed income market. Sub-indices are available in any combination of currency, maturity, or rating. **MSCI ACWI:** Captures large and mid cap representation across 23 Developed Markets (DM) and 23 Emerging Markets (EM) countries\*. With 2,476 constituents, the index covers approximately 85% of the global investable equity opportunity set. **The MSCI ACWI ex USA Index:** Captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 23 Emerging Markets (EM) countries\*. With 1,839 constituents, the index covers approximately 85% of the global equity opportunity set outside the US. **The MSCI EAFE Index:** A broadly recognized as the pre-eminent benchmark for U.S. investors to measure international equity performance. It comprises the MSCI country indexes capturing large and mid-cap equities across developed markets in Europe, Australasia and the Far East, excluding the U.S. and Canada. Numerous exchange-traded funds are based on the MSCI EAFE Index, and the Chicago Mercantile Exchange, NYSE Liffe US and the Bclear platform of Liffe are licensed to list futures contracts on this index as well. **The MSCI Emerging Markets Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. **The Russell 1000 Index:** Measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market. The Russell 1000 Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected. **The Russell 1000 Growth Index:** Measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. **The Russell 1000 Value Index:** Measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 1000 Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. **The Russell 2000 Value Index:** Measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics. **The Russell 2500™ Index:** Measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set. **The Russell 2500™ Value Index:** Measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology. The Russell 2500 Value Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics. **The Russell 3000 Growth Index:** Includes companies that display signs of above average growth. The index is used to provide a gauge of the performance of growth stocks in the U.S. **The Russell 3000 Index:** Measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. **The Russell 3000 Value Index:** Measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000 Value Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad value market. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. **The Russell Midcap Index:** Measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies. The Russell Midcap Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set. **The Russell Midcap Value Index;** Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Value Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap value market. **The S&P 500:** A free-float market capitalization weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested and is not available for direct investment. The composition of the subadvisor's strategy shown may differ significantly from the securities that comprise the index due to the subadvisor's active investment process and smaller number of holdings. The subadvisor's investment program does not, and the subadvisor makes no attempt to, mirror performance of the index in the aggregate, and the volatility of the subadvisor's investment program may be materially different from that of the referenced indices.

Thank you for your continued confidence in Beacon Pointe. We appreciate your business.