

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



COMMUNITY COLLEGE
LEAGUE OF CALIFORNIA

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

Pension Rate Stabilization Program (PRSP) Trust Client Review
Meeting Date: September 18, 2018

PARS TRUST TEAM

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.

For over 30 years, PARS has provided retirement plan and trust solutions designed exclusively for public agencies.

TRUST ADMINISTRATOR & CONSULTANT

- Recordkeeping/account valuations
- Monitors contributions
- Processes distributions
- Handles all agency/participant inquiries
- Monitor plan compliance

PLANS & PRODUCTS

Supplementary Retirement Plan (SRP)
Pension Rate Stabilization Program (PRSP)
OPEB Solutions Program
Supplemental Defined Contribution Plan
Alternate Retirement System (ARS)
Accumulated Leave Plan

34

Years of Experience
(1984-2018)

1,600+

Plans under
Administration

850+

Public Agencies

400K+

Plan Participants

\$3.1B

Assets under
Administration



TRUSTEE

- Safeguards plan Assets
- Oversight protection
- Plan fiduciary
- Custodian of assets

155

Years of Experience
(1863-2018)

\$4.0T

Assets under
Administration



Vanguard

INVESTMENT MANAGER

- Independent low-cost
Investment advisor
- Portfolio analysis and management
- Investment strategy and asset allocation
development

43

Years of Experience
(1975-2018)

\$5.0T

Assets under
Administration

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PUBLIC
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Meeting Materials P 8/40

COMMUNITY COLLEGE DISTRICTS (13)

Citrus CCD*

Coast CCD*

Grossmont-Cuyamaca CCD

Hartnell CCD*

Imperial CCD

Marin CCD

Pasadena CCD

San Bernardino CCD

San Luis Obispo CCD (Cuesta College)*

State Center CCD

Victor Valley CCD*

West-Valley Mission CCD*

Yosemite CCD

SPECIAL EDUCATION DISTRICTS (2)

Sonoma County Office of Education

Intelecom

SPECIAL DISTRICTS (83)

Alameda County MAD

Bodega Bay Public Utility District

Calaveras County Water District

California JPIA

California Joint Powers RMA

Central Contra Costa Sanitary District

Central Contra Costa Transit Authority

Coastside Fire Protection District

Contra Costa MVCD

Crestline Village Water District

Delta Diablo (Sanitation District)

Desert Recreation District

East Bay Regional Park District

East Orange County Water District

Eastern Sierra Community Services District

El Dorado Hills County Water District

Fallbrook Public Utility District

Fort Ord Reuse Authority

Fresno Irrigation District

Fresno Metropolitan Flood Control District

Glenn-Colusa Irrigation District

Goleta Cemetery District

Goleta West Sanitary District

Great Basin Unified APCD

Hayward Area Recreation & Park District

Hesperia Fire Protection District

Housing Authority of the County of Butte

Housing Authority of the County of Contra Costa

Housing Authority of the County of San Bernardino

Housing Authority

of the County of Santa Cruz

Humboldt Bay Municipal Water District

Humboldt No. 1 Fire Protection District

Menlo Park Fire Protection District

Mesa Water District

Metropolitan Transportation Commission

Mid-Peninsula Regional Open Space District

Mid-Peninsula Water District

Mojave Desert AQMD

Montecito Fire Protection District

Monterey Bay Air Resources District

Monterey Bay UAPCD

Moraga-Orinda Fire Protection District

Municipal Water District of Orange County

Napa County Mosquito Abatement District

Nevada County Consolidated Fire District*

Novato Sanitary District

Orange County

Mosquito and Vector Control District

Orange County Water District

Placer County Resource Conservation District

Rancho Cucamonga Fire Protection District*

Rancho Murrieta Community Services District

Rowland Water District

San Eliso Joint Powers Authority

San Mateo County MVCD

Santa Barbara County Law Library

Santa Cruz Regional 9-1-1

South Montebello Irrigation District

South Coast Water District

South Orange County Wastewater Authority

South Placer Fire Protection District

Southern Marin Fire Protection District

Superior Court of CA, County of Contra Costa

Superior Court of CA, County of Imperial

Superior Court of CA, County of Inyo

Superior Court of CA, County of Kern

Superior Court of CA, County of Marin

Superior Court of CA, County of Merced

Superior Court of CA, County of Orange

Superior Court of CA, County of San Mateo

Superior Court of CA, County of Shasta

Superior Court of CA, County of Siskiyou

Superior Court of CA, County of Sonoma

Sweetwater Springs Water District*

Three Valleys Municipal Water District

Twentynine Palms Water District*

Vallejo Flood and Wastewater District

Ventura Regional Sanitation District

Walnut Valley Water District

West Bay Sanitary District

West County Wastewater District

Western Riverside Council of Governments

Yorba Linda Water District

CITIES & TOWNS (104)

Alameda	Cypress*	La Habra	Pasadena	Solana Beach
Alhambra	Daly City	La Mesa*	Perris	Stanton
Atherton	Duarte	La Verne	Pico Rivera	Stockton
Atwater	Dublin	Lake Forest	Piedmont	Taft
Bakersfield	El Centro*	Lakewood	Pinole	Temecula
Bell Gardens	El Segundo*	Lemon Grove	Pleasanton	Temple City
Beverly Hills	Elk Grove	Livermore	Port Hueneme	Thousand Oaks*
Brea*	Emeryville	Lodi	Rancho Cucamonga*	Tiburon
Brisbane	Escondido	Los Altos Hills	Redding	Tustin
Burlingame*	Fairfax	Los Gatos	Redwood City	Union City
Camarillo	Fountain Valley	Mammoth Lakes	Rialto	Upland
Capitola*	Fullerton	Manhattan Beach	Richmond	Vallejo
Chino Hills	Galt	Morgan Hill	Rohnert Park	Villa Park
Colma	Glendale	Napa	Rolling Hills	West Covina
Commerce	Grass Valley	National City	Rosemead	West Sacramento
Corcoran*	Half Moon Bay	Norwalk	San Leandro	Westminster*
Coronado	Healdsburg*	Novato	San Ramon	Woodland
Covina	Hemet	Oakley	Santa Ana	Yountville
Crescent City	Hercules	Oroville	Santa Clara	Yuba City
Cudahy	Hermosa Beach	Palo Alto	Santa Clarita	Yucca Valley
Cupertino	Huntington Beach	Palmdale	Sausalito	

COUNTIES (26)

Amador	Inyo	Mono	Shasta	Tulare
Calaveras	Kern	Nevada	Siskiyou	Yolo
Colusa	Kings	Placer	Solano	
Contra Costa	Lake	Plumas	Sonoma	
Humboldt	Lassen	Riverside	Sutter	
Imperial	Merced	San Benito	Trinity	

SCHOOL DISTRICTS (42)

Auburn Union School District	Lakeside Union School District	Visalia Unified School District
Alta Loma School District	Lemon Grove School District	Westside Union School District
Bass Lake Joint Union	Madera Unified School District	Whittier City School District
Elementary School District	Manteca Unified School District	Wilsona School District
Bellflower Unified School District	Moreno Valley Unified School District	
Beverly Hills Unified School District	Natomas Unified School District	
Calistoga Joint Unified School District	Ocean View School District	
Campbell Union High School District	Ontario-Montclair School District	
Compton Unified School District	Placer Union High School District	
Corning Union Elementary School District	Red Bluff Joint Union High School District	
Coronado Unified School District	Red Bluff Union Elementary School District	
Cotati-Rohnert Park Unified School District	River Delta Unified School District	
El Dorado Union High School District	Riverdale Joint Union School District	
El Monte Union High School District	San Bruno Park School District	
Fontana Unified School District	San Marino Unified School District	
Fowler Unified School District	Santa Barbara Unified School District	
Hermosa Beach City School District*	Santa Rita Union School District	
Hesperia Unified School District	Trona Joint Unified School District	
John Swett Unified School District	Twin Rivers Unified School District	

Bolded agencies have adopted PRSP

* PRSP only

PRSP CLIENT LIST (171)

UPDATED: SEPTEMBER 2018

EDUCATION DISTRICTS (37)

Citrus CCD	Victor Valley CCD	Cotati-Rohnert Park USD	Ontario-Montclair SD
Coast CCD	West Valley-Mission CCD	El Monte Union HSD	Placer Union HSD
Grossmont-Cuyamaca CCD	Yosemite CCD	Fontana USD	River Delta USD
Hartnell CCD	Alta Loma USD	Hermosa Beach City SD	San Marino USD
Imperial CCD	Bass Lake Joint Union ESD	Hesperia Unified SD	Santa Rita Union SD
Marin CCD	Beverly Hills USD	Lakeside Union SD	Sonoma County OoE
Pasadena CCD	Calistoga Joint USD	Lemon Grove SD	Visalia USD
San Bernardino CCD	Campbell Union HSD	Madera USD	Whittier City SD
San Luis Obispo CCD	Corning Union ESD	Natomas USD	
(Cuesta College)	Coronado USD	Ocean View SD	

CITIES & TOWNS (81)

COUNTIES (16)

Alameda	Emeryville	National City	Solana Beach	Calaveras
Atwater	Escondido	Norwalk	Stanton	Colusa
Bell Gardens	Fairfax	Oakley	Stockton	Humboldt
Beverly Hills	Fountain Valley	Oroville	Taft	Kings
Brea	Fullerton	Palmdale	Temecula	Lake
Brisbane	Glendale	Palo Alto	Thousand Oaks	Lassen
Burlingame	Grass Valley	Pasadena	Tiburon	Nevada
Camarillo	Half Moon Bay	Perris	Tustin	Placer
Capitola	Healdsburg	Pico Rivera	Union City	Plumas
Chino Hills	Hercules	Piedmont	Upland	Riverside
Colma	Huntington Beach	Pinole	Vallejo	San Benito
Commerce	La Habra	Pleasanton	Villa Park	Siskiyou
Corcoran	La Mesa	Port Hueneme	West Covina	Solano
Coronado	Lake Forest	Rancho Cucamonga	West Sacramento	Sutter
Cudahy	Lemon Grove	Redwood City	Westminster	Tulare
Cupertino	Lodi	Rohnert Park	Yountville	Yolo
Cypress	Los Altos Hills	Rolling Hills	Yuba City	
Daly City	Los Gatos	San Ramon	Yucca Valley	
Dublin	Manhattan Beach	Santa Ana		
El Centro	Morgan Hill	Santa Clara		
El Segundo	Napa	Sausalito		

SPECIAL DISTRICTS (37)

Alameda County MAD	Housing Authority of the County of Santa Cruz	Novato Sanitary District
Central Contra Costa Sanitary District	Humboldt Bay Municipal Water District	Orange County Mosquito & Vector District
Delta Diablo (Sanitation District)	Mesa Water District	Rancho Cucamonga Fire PD
East Bay Regional Park District	Midpeninsula Regional Open Space District	San Elijo Joint Powers Authority
East Orange County Water District	Midpeninsula Water District	South Coast Water District
El Dorado Hills County Water District	Mojave Desert AQMD	Southern Marin Fire Protection District
Fallbrook Public Utility District	Montecito Fire Protection District	Superior Court of CA - County of Kern
Fort Ord Reuse Authority	Monterey Bay Air Resources District	Sweetwater Springs Water District
Goleta Cemetery District	Moraga-Orinda Fire Protection District	Three Valleys Municipal Water District
Goleta West Sanitary District	Municipal Water District of Orange County	Twentynine Palms Water District
Great Basin Unified APCD	Napa County MAD	West Bay Sanitary District
Hesperia Fire Protection District	Nevada County Consolidated FD	Yorba Linda Water District
Housing Authority of the County of Butte		



SUMMARY OF AGENCY'S PLAN

Plan Effective Date

November 10, 2016

Trustee Approach

Discretionary

Plan Administrator

Vice Chancellor,
Business & Fiscal Services

Type of Plan

IRC Section 115 Irrevocable
Exclusive Benefit Trust

Current Investment Strategy

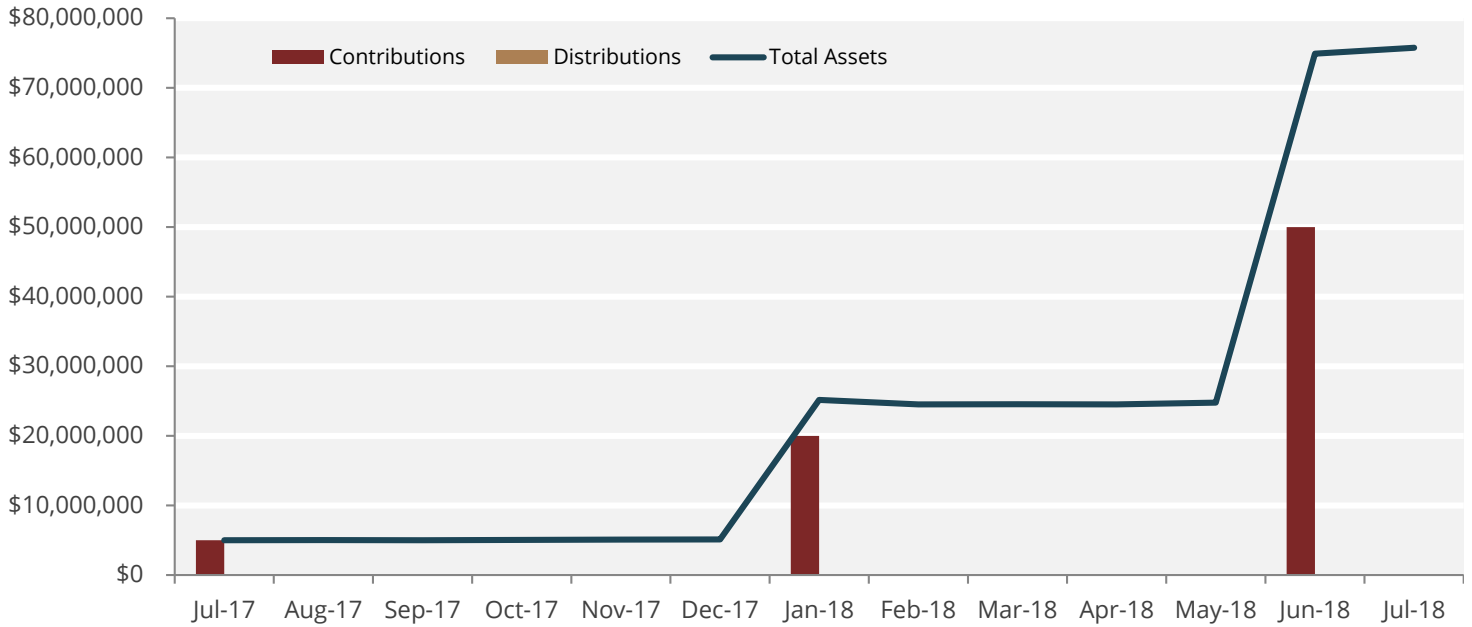
Vanguard Conservative

PLAN OVERVIEW

Initial Contribution:	July 2017: \$5,000,000
Additional Contributions:	\$70,000,000
Total Contributions:	\$75,000,000
Disbursements:	\$0
Expenses:	\$36,339
Total Investment Earnings:	\$790,977
Account Balance:	\$75,754,638



CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS



Plan Month Ending

Month	Contributions	Distributions	Total Assets
Jul-17	\$5,000,000	\$0	\$5,002,101
Aug-17	\$0	\$0	\$5,035,333
Sep-17	\$0	\$0	\$5,014,417
Oct-17	\$0	\$0	\$5,047,376
Nov-17	\$0	\$0	\$5,094,373
Dec-17	\$0	\$0	\$5,130,915
Jan-18	\$20,000,000	\$0	\$25,172,265
Feb-18	\$0	\$0	\$24,526,389
Mar-18	\$0	\$0	\$24,553,116
Apr-18	\$0	\$0	\$24,533,017
May-18	\$0	\$0	\$24,776,985
Jun-18	\$50,000,000	\$0	\$74,912,028
Jul-18	\$0	\$0	\$75,754,638

PENSION

Total Contributions:	\$25,000,000
Disbursements:	\$0
Expenses:	\$30,080
Total Investment Earnings:	\$173,076
Account Balance:	\$25,142,996

PENSION - SBVC

Total Contributions:	\$5,000,000
Disbursements:	\$0
Expenses:	\$625
Total Investment Earnings:	\$61,790
Account Balance:	\$5,061,164

PENSION - KVCR

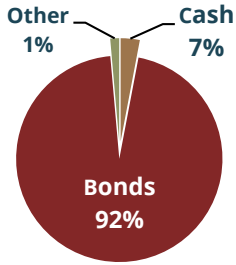
Total Contributions:	\$21,000,000
Disbursements:	\$0
Expenses:	\$2,629
Total Investment Earnings:	\$20,452
Account Balance:	\$21,256,889

PENSION - FCC

Total Contributions:	\$24,000,000
Disbursements:	\$0
Expenses:	\$3,004
Total Investment Earnings:	\$296,592
Account Balance:	\$24,293,588

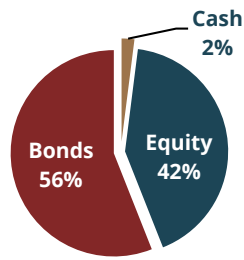


PLAN INVESTMENT OPTIONS



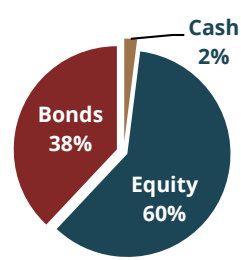
Fixed Income

10-Yr. Exp. Returns: 3.36%
30-Yr. Exp. Returns: 3.92%



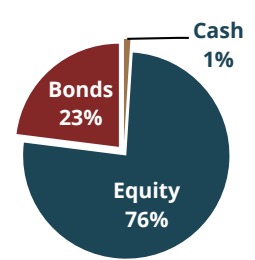
Conservative

10-Yr. Exp. Returns: 4.26%
30-Yr. Exp. Returns: 5.56%



Balanced

10-Yr. Exp. Returns: 4.52%
30-Yr. Exp. Returns: 6.08%



Growth

10-Yr. Exp. Returns: 4.75%
30-Yr. Exp. Returns: 6.56%

- Investment pools have been designed specifically by Vanguard for PARS Section 115 Trust Programs.
- Assets are pooled for economies of scale but there is no cross sharing of earnings or liabilities.
- Portfolios are comprised of institutional class, index-based, mutual funds selected for their low-weighted expense ratios.

RETURNS AS OF JUNE 30, 2018

	Equity (%)	1 Year	3 Years	5 Years	10 Years
Fixed Income	0.00%	0.55%	2.17%	2.61%	3.89%
Conservative	42.40%	4.60%	5.16%	5.89%	5.93%
Balanced	60.10%	6.94%	6.57%	7.48%	6.67%
Growth	75.80%	8.78%	7.82%	8.97%	7.38%

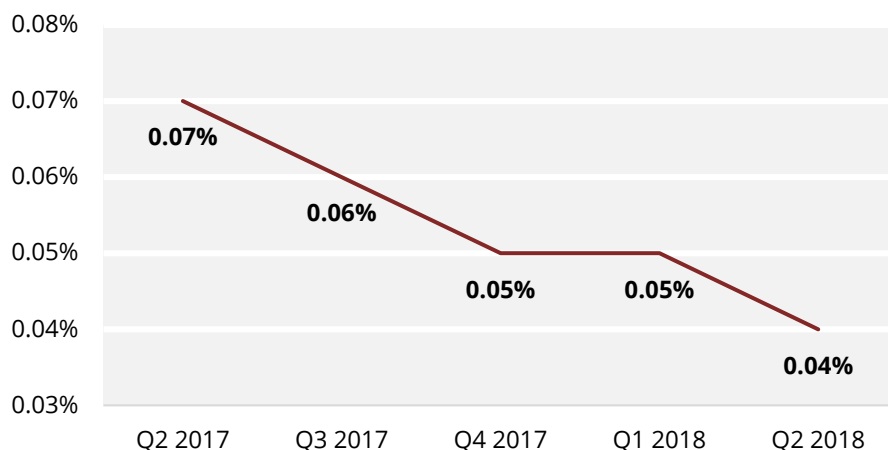


INVESTMENT MANAGEMENT FEES

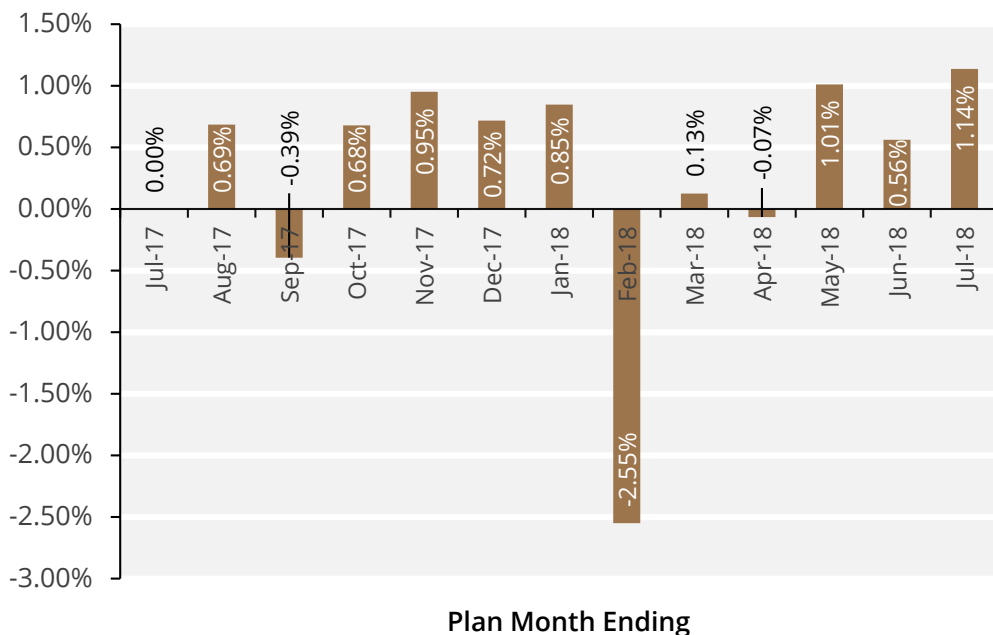
- Vanguard's investment management fees are based on total assets of all participants in the four portfolio options.
- As of June 30, 2018, the investment management fee for Vanguard investment program clients is 0.04% of assets (4 basis points).**

Vanguard Fee Schedule

- 0.07%** for assets \$0-50 million
- 0.04%** for assets \$50-150 million
- 0.03%** for assets \$150-250 million
- 0.01%** for assets \$250-500 million
- 0.005%** for assets over \$500 million



PLAN RETURNS



1-Month Returns

1.14%

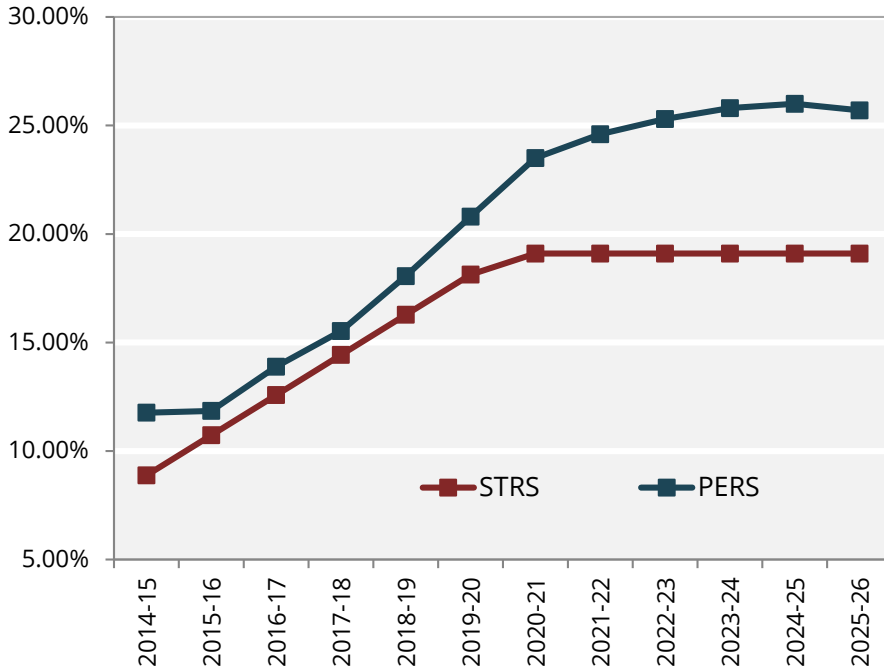
3-Month Returns

2.54%

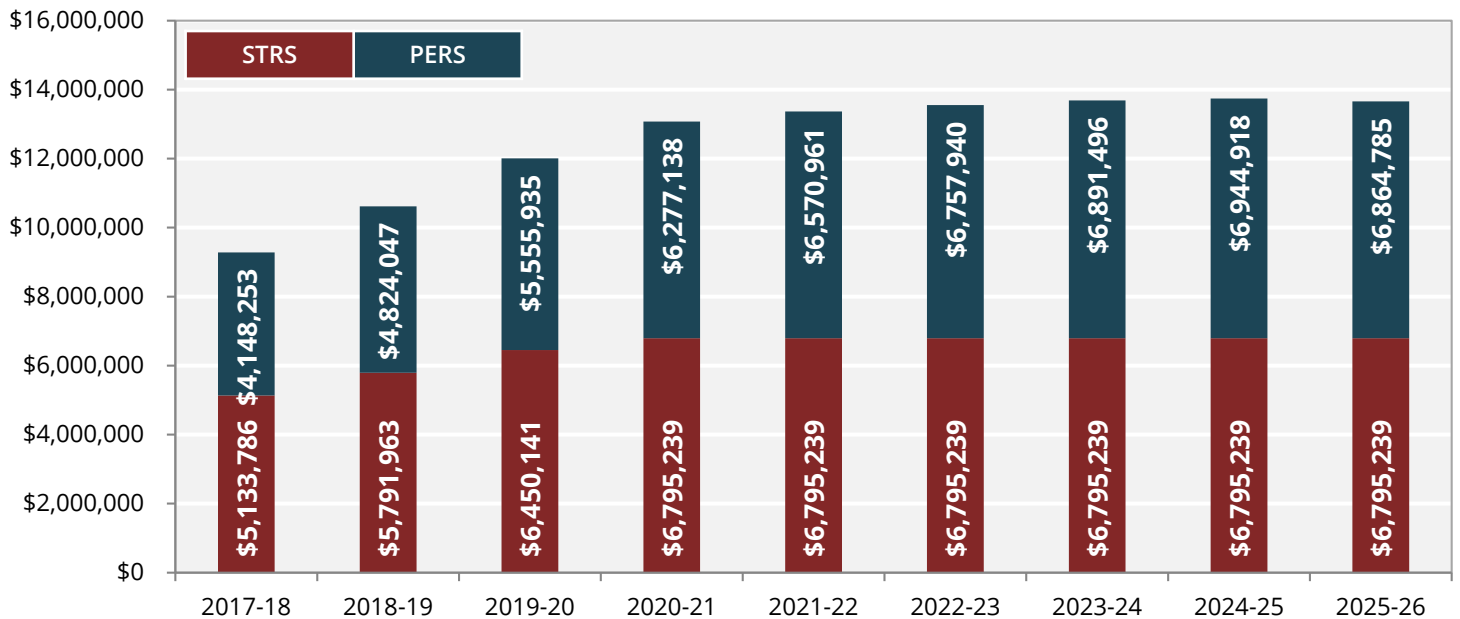
1-Year Returns

3.06%

PENSION FUNDING STATUS



Year	STRS	PERS
2016-2017	12.58%	13.89%
2017-2018	14.43%	15.53%
2018-2019	16.28%	18.06%
2019-2020	18.13%	20.80%
2020-2021	19.10%	23.50%
2021-2022	19.10%	24.60%
2022-2023	19.10%	25.30%
2023-2024	19.10%	25.80%
2024-2025	19.10%	26.00%
2025-2026	19.10%	25.70%



CalSTRS Employer Contributions

FY 2017-18: \$5,133,786
 FY 2025-26 (Projected*): \$6,795,240
% Increase 32.36%

CalPERS Employer Contributions

FY 2017-18: \$4,148,253
 FY 2025-26 (Projected*): \$6,894,784
% Increase 65.49%

*Assuming 0.00% COLA

*Based on data from District's 2017 Audit Report

The Vanguard Solution

September 18, 2018



Vanguard

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Meeting Materials P 18/40

Timeless principles that guide our investment philosophy



Goals

Create clear, appropriate investment goals



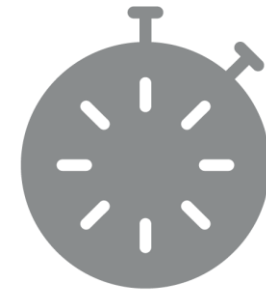
Balance

Develop a suitable asset allocation using broadly diversified funds



Cost

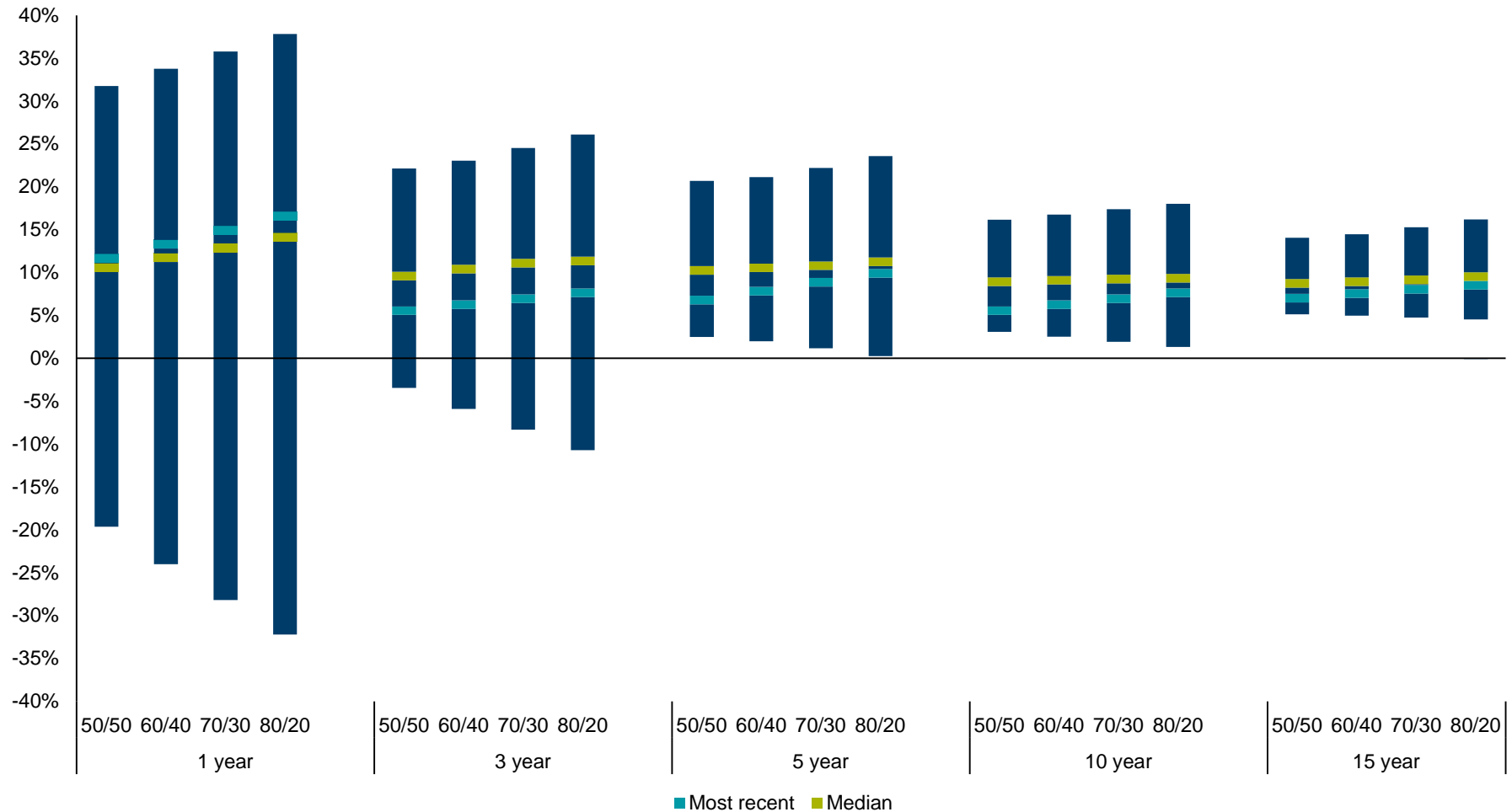
Minimize cost



Discipline

Maintain perspective and long-term discipline

Historic returns



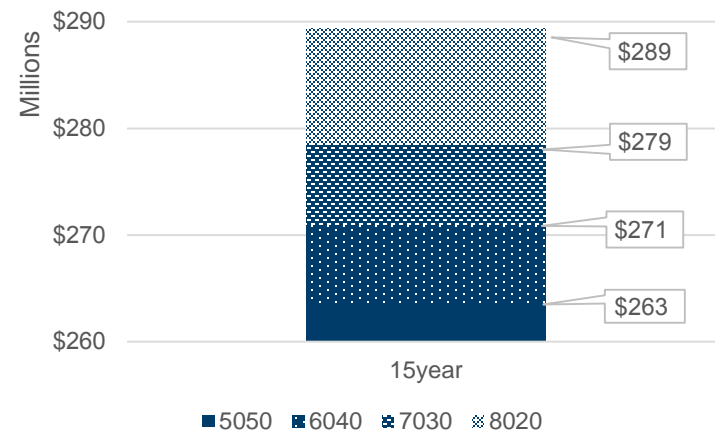
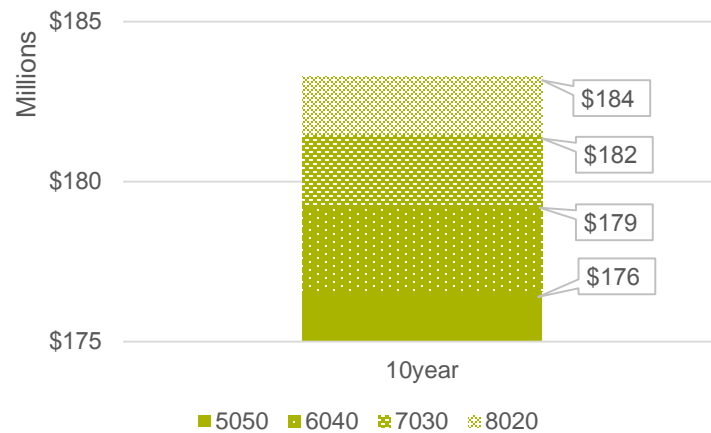
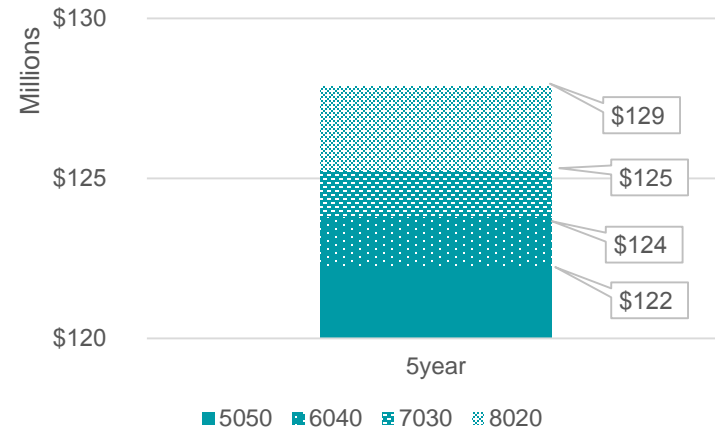
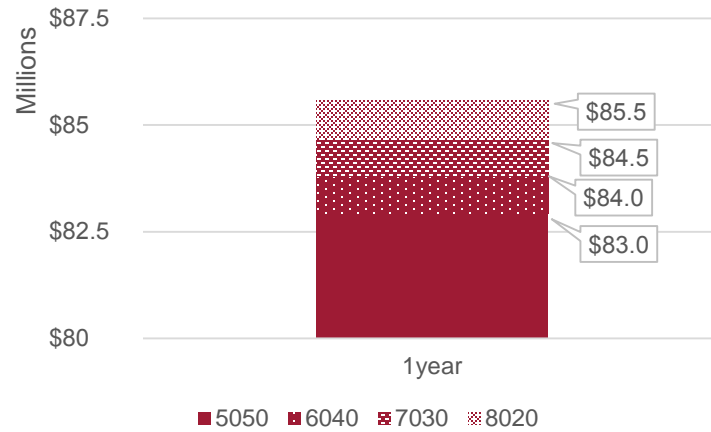
Source: Vanguard

Note: Data is from January 1, 1976 through December 31, 2017. 50/50 allocation is 30% DJ U.S. Total Stock Market Index, 20% MSCI EAFE Index, and 50% BloomBarc US Aggregate Bond Index prior to February 28,1990, 30% DJ U.S. Total Stock Market Index, 20% MSCI EAFE Index, and 35% BloomBarc US Aggregate Bond, 15% BloomBarc Global Aggregate Index thereafter. 60/40 allocation is 36% DJ U.S. Total Stock Market Index, 24% MSCI EAFE Index, and 40% BloomBarc US Aggregate Bond Index prior to February 28,1990, 36% DJ U.S. Total Stock Market Index, 24% MSCI EAFE Index, and 28% BloomBarc US Aggregate Bond, 12% BloomBarc Global Aggregate Index thereafter. 70/30 allocation is 42% DJ U.S. Total Stock Market Index, 28% MSCI EAFE Index, and 30% BloomBarc US Aggregate Bond Index prior to February 28,1990, 42% DJ U.S. Total Stock Market Index, 28% MSCI EAFE Index, and 21% BloomBarc US Aggregate Bond, 9% BloomBarc Global Aggregate Index thereafter. 80/20 allocation is 48% DJ U.S. Total Stock Market Index, 32% MSCI EAFE Index, and 20% BloomBarc US Aggregate Bond Index prior to February 28,1990, 48% DJ U.S. Total Stock Market Index, 32% MSCI EAFE Index, and 14% BloomBarc US Aggregate Bond, 6% BloomBarc Global Aggregate Index thereafter.

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For fund performance data current to the most recent

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Historic growth of \$75 million



Source: Vanguard

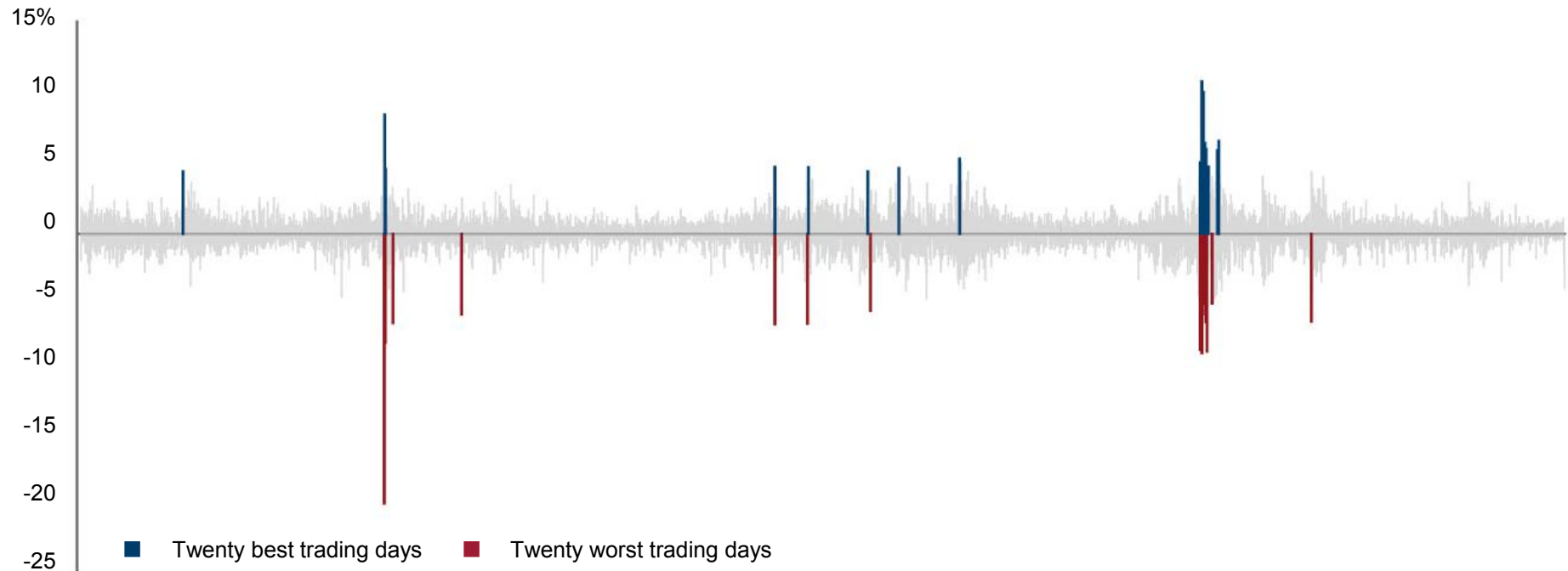
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Timing the market is futile: The best and worst trading days happen close together

S&P 500 Index daily returns, December 31, 1979, through January 31, 2018*



Twelve of the twenty best trading days
occurred in years with negative annual returns

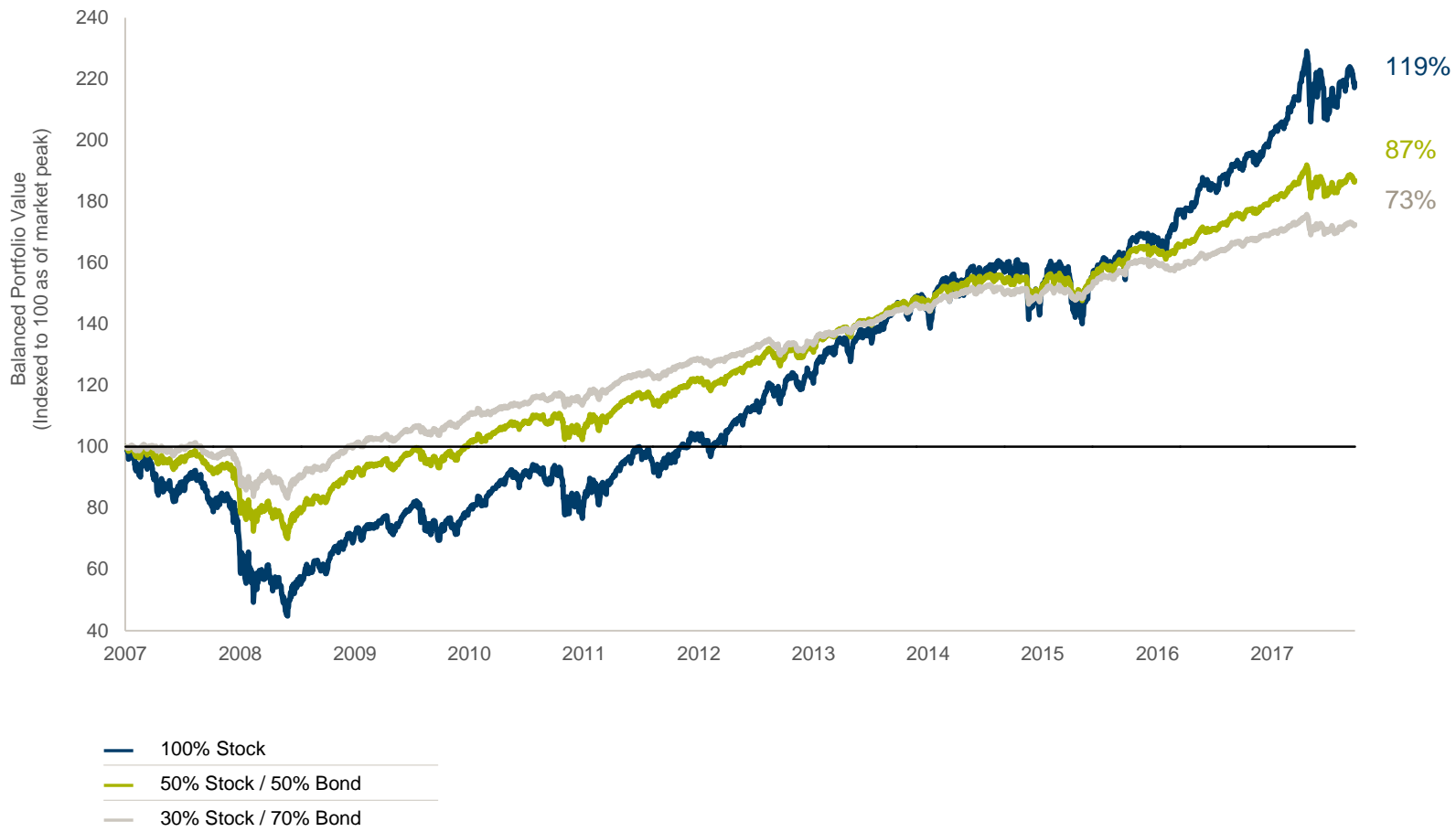
Nine of the twenty worst trading days
occurred in years with positive annual returns

Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

* Source: Vanguard.

The benefits of long-term perspective, balance and diversification

A balanced diversified investor has fared relatively well







Sources: Vanguard calculations based on data from FactSet.

Notes: Each balanced portfolio represented by the mixture of equity and fixed income from the following indices: S&P 500 Total Return Index for equities and Bloomberg Barclays U.S. Aggregate Bond Index for fixed income. Each portfolio is constructed using historical daily data implemented with a monthly rebalancing scheme. Data as of March 30, 2018. Past performance is no guarantee of future returns.

Suite of portfolio options

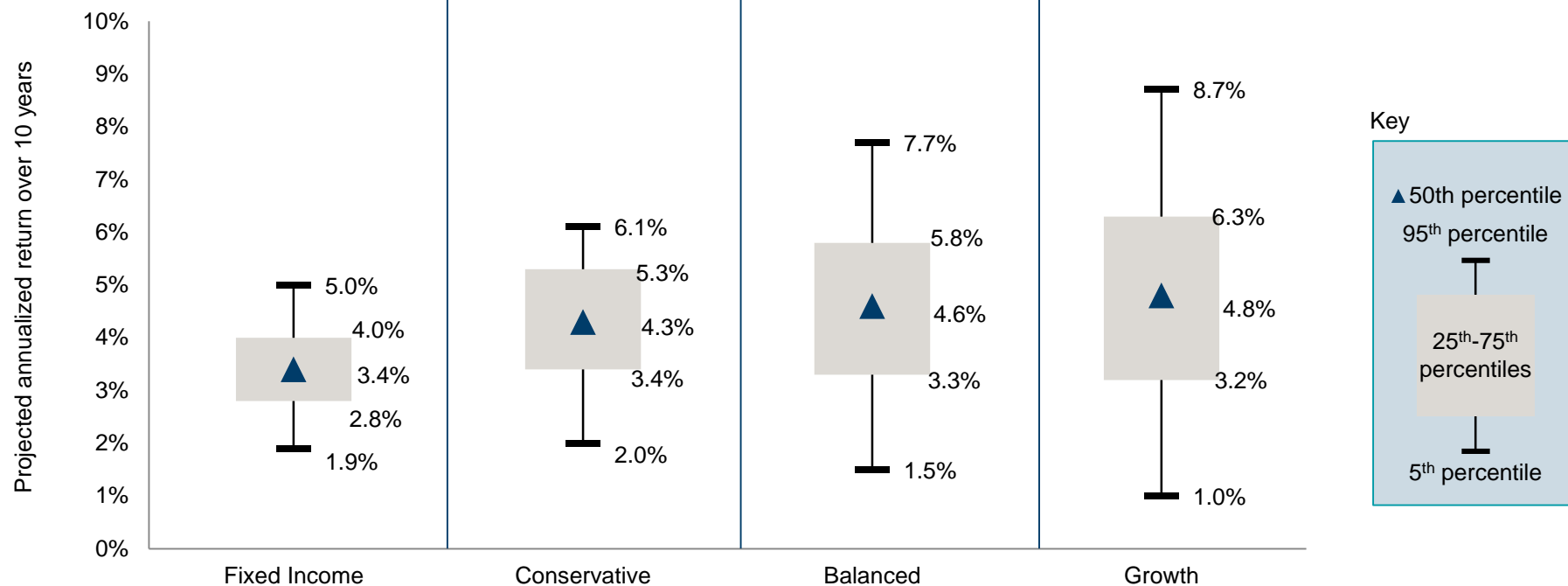
Investment	Fixed Income Portfolio (0/100)	Conservative Portfolio (35/57/8)	Balanced Portfolio (53/39/8)	Growth Portfolio (69/23/8)
Total Equity	0.0%	35.0%	53.0%	69.0%
● Total Stock Market Index	0.0%	24.5%	37.1%	48.3%
● Total International Stock Market Index	0.0%	10.5%	15.9%	20.7%
Total Fixed Income	100.0%	57.0%	39.0%	23.0%
● Total Bond Market Index	24.0%	21.0%	12.0%	9.0%
● Total International Bond Market Index	24.0%	0.0%	0.0%	0.0%
● Intermediate-Term Investment-Grade	20.0%	12.6%	7.2%	5.4%
● Short-Term Investment-Grade	28.0%	8.4%	4.8%	3.6%
● Short-Term Inflation-Protected Securities	4.0%	0.0%	0.0%	0.0%
● Inflation-Protected Securities	0.0%	15.0%	15.0%	5.0%
Total Real Estate	0.0%	8.0%	8.0%	8.0%
● Real Estate Index	0.0%	8.0%	8.0%	8.0%
All-in fee*	0.14%	0.13%	0.13%	0.12%

* All-in fee consists of the portfolio weighted average expense ratio and the advisory fee.
Source: Vanguard. As of March 31, 2018.
IPRES-3665

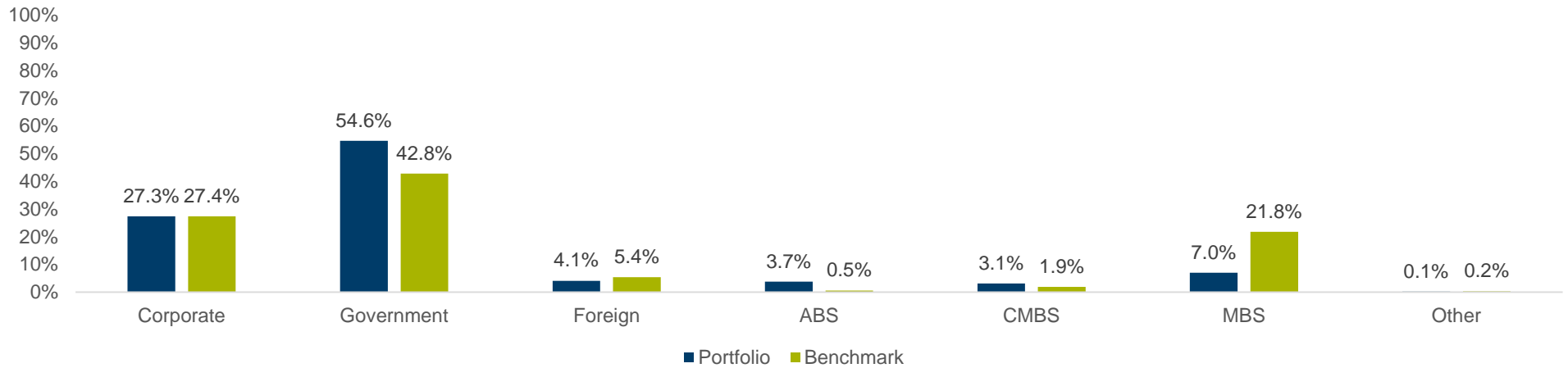
Portfolio analysis

Median expected outcomes	Fixed Income	Conservative	Balanced	Growth
Returns	3.4%	4.3%	4.6%	4.8%
Real returns	1.5%	2.4%	2.7%	2.9%
Volatility	3.6%	6.7%	9.0%	11.5%
Sharpe ratio	0.15	0.24	0.22	0.21
EQ/REITS/FI (%)	0/0/100	35/8/57	53/8/39	69/8/23

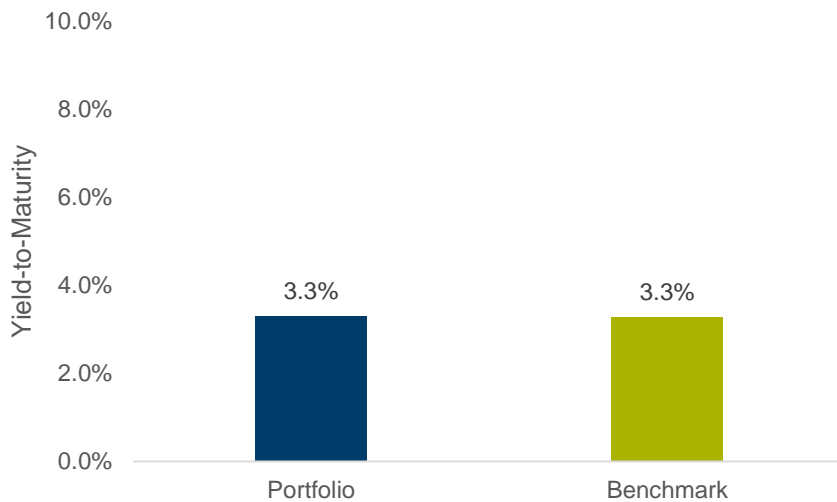


Domestic fixed income portfolio characteristics

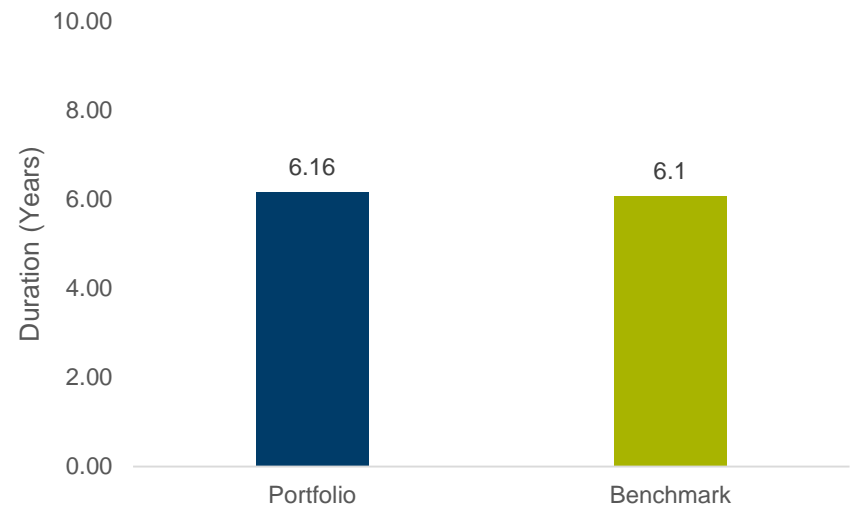
Bond Sector Allocation vs. Benchmark



Portfolio Yield-to-Maturity vs. Benchmark



Portfolio Duration vs. Benchmark



Source: Vanguard
Data as of 6/30/2018

Current fixed income portfolio is 31% Vanguard Total Bond Index, 19% Vanguard Intermediate-term Investment Grade, 12% Vanguard Short-term Investment Grade, and 38% Vanguard Inflation Protected Securities

For institutional use only. Not for distribution to retail investors. |

Benchmark is the BloomBarc USAgg Flt Adjlx

Overview

The PARS Investment Partnership relates to a relationship between Vanguard and PARS where Vanguard manages four trusts (Conservative, Balanced, Growth, and Fixed Income) in which individual clients can invest their assets according to their appropriate investment objective.

Investment objective

The Conservative Portfolio seeks to provide current income and low to moderate capital appreciation consistent with its current allocation.

Investment strategy

The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation. The underlying funds are: Vanguard Total Stock Market Index Fund, Vanguard Total International Stock Index Fund, Vanguard Total Bond Market Index Fund, Vanguard Intermediate-Term Investment-Grade Fund, Vanguard Short-Term Investment-Grade Fund, Vanguard Inflation-Protected Securities Fund, and Vanguard REIT Index Fund.

The Portfolio's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid-, and small-capitalization stocks. The Portfolio's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and investment-grade U.S. corporate bonds; mortgage backed and asset-backed securities; and government, agency, and corporate bonds.

Fees

The fees for managing the portfolio consists of the expense ratios of the individual funds and the advisor fee. Both of these fees are dependent on the assets under management. Currently the average expense ratio is **0.08%** which consists of averaging the expense ratio of the individual funds which are outlined above. The average advisory fee is **0.04%** based on the current assets under management.

PARS Investment Partnership - Conservative Portfolio

Portfolio holdings

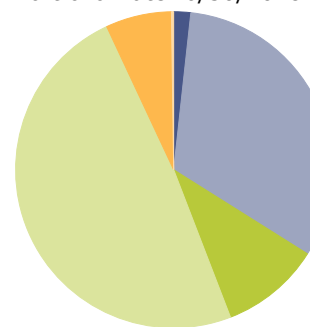
Portfolio Date: 6/30/2018



	%
Vanguard Total Stock Mkt Idx Adm	24.5
Vanguard Total Bond Market Index Adm	21.0
Vanguard Inflation-Protected Secs Adm	15.0
Vanguard Interm-Term Investment-Grde Adm	12.6
Vanguard Total Intl Stock Index Inv	10.5
Vanguard Short-Term Investment-Grade Adm	8.4
Vanguard Real Estate Index Admiral	8.0
Total	100.0

Asset allocation

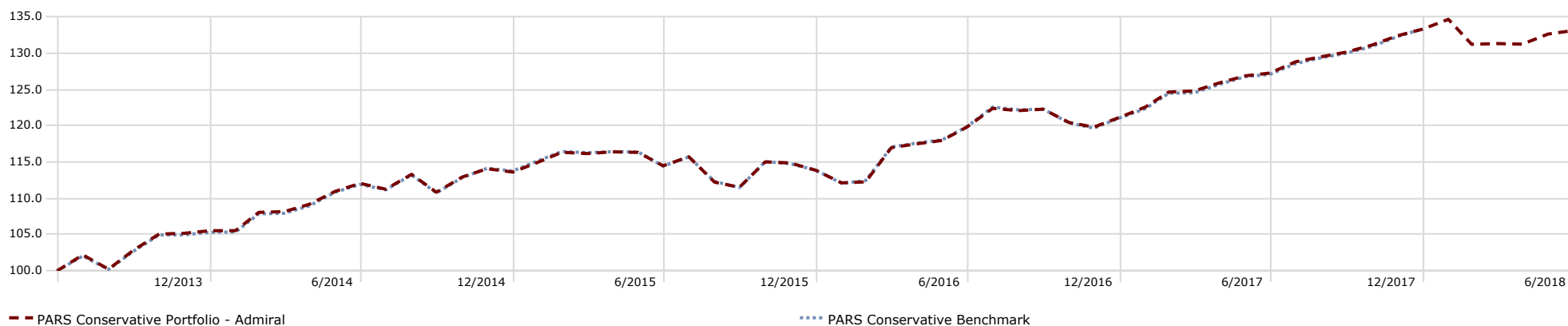
Portfolio Date: 6/30/2018



	%
Cash	1.7
US Equity	32.2
Non-US Equity	10.2
US Bond	48.9
Non-US Bond	6.7
Other	0.2
Total	100.0

Investment growth

Time Period: 7/1/2013 to 6/30/2018

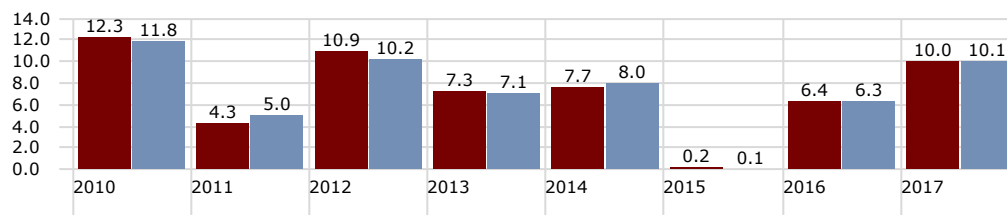


Trailing Returns - Annualized after one year

As of Date: 6/30/2018

	YTD One Year	Three Years	Five Years	Eight Years	Ten Years
PARS Conservative Portfolio - Admiral	-0.15	4.60	5.16	5.89	7.20
PARS Conservative Benchmark	-0.19	4.73	5.17	5.88	7.15

Annual returns



Benchmark

24.5% Spliced Total Stock Mkt Index (equal to CRSP US Total Market Index as of 6/2/13, MSCI US Broad Market Index through 4/22/05, prior DJ Wilshire 5000 Index)/ 10.5% Spliced Total International Composite Index (Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI ACWI ex USA IMI Index through 6/2/13; and the FTSE Global All Cap ex US Index thereafter) / 42% Spliced Barclays US Aggregate Float-Adjusted Bond Index/ 15% Barclays US Treasury Inflation-Protected Securities Index / 8% US REIT Spliced Index (equal to MSCI US REIT Index adjusted for a 2% cash position though 4/30/2009; MSCI US REIT Index thereafter).

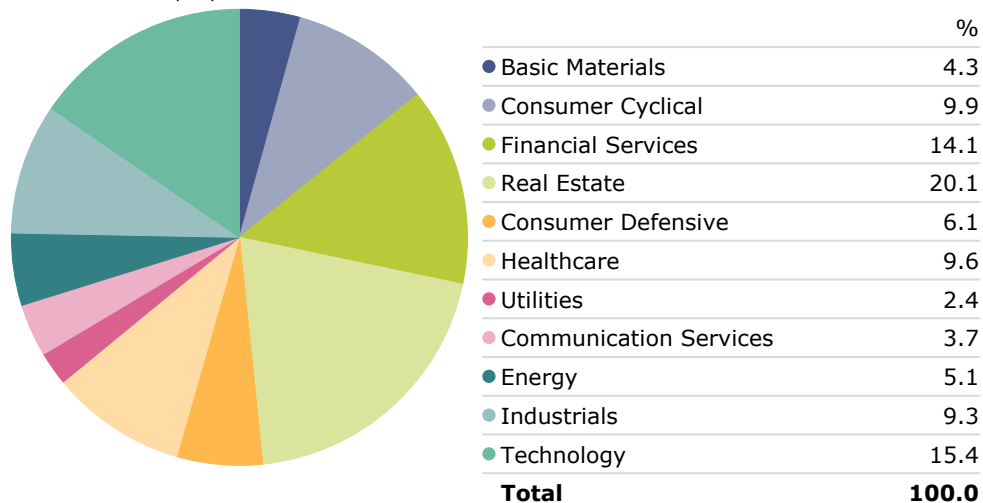
The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. Returns are net of the fund expense ratio, gross of advisory fees. Returns represent the historical performance for a Vanguard composite based on the portfolio holdings listed above.

Source: Morningstar Direct

PARS Investment Partnership - Conservative Portfolio

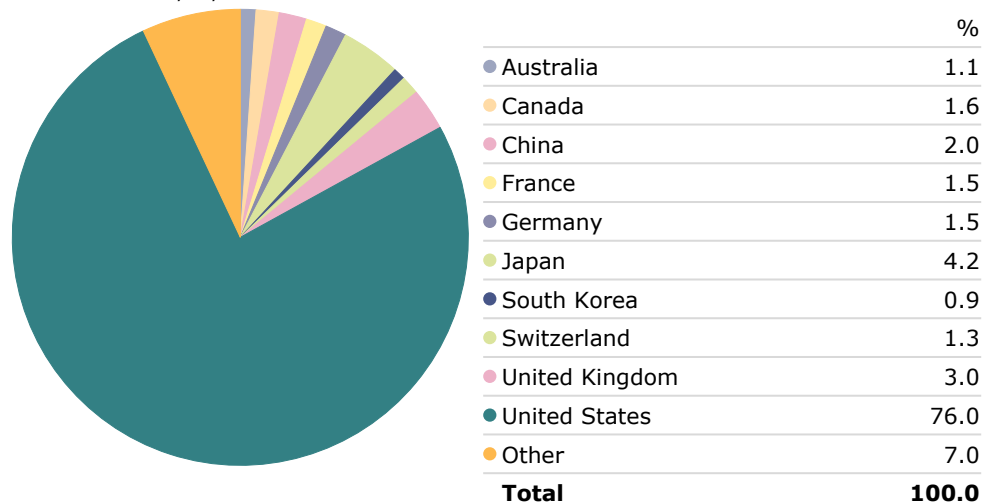
Equity sectors

Portfolio Date: 6/30/2018



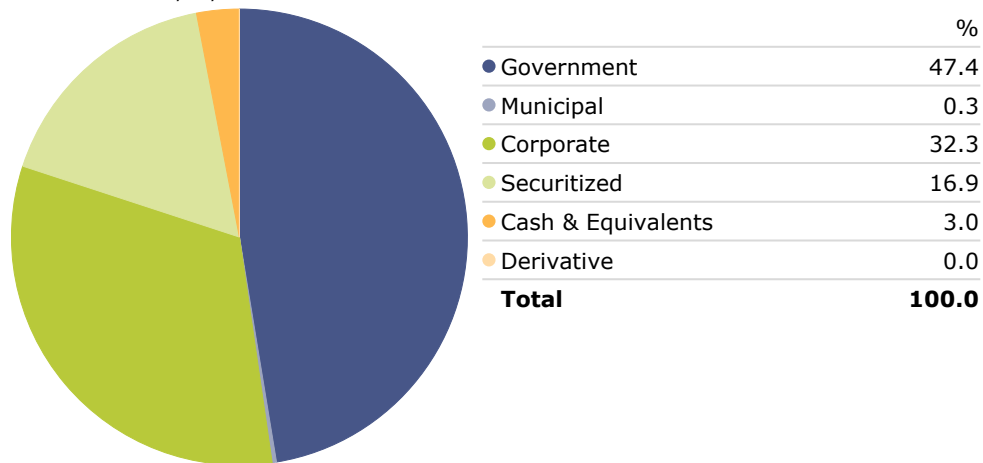
Equity country exposure

Portfolio Date: 6/30/2018



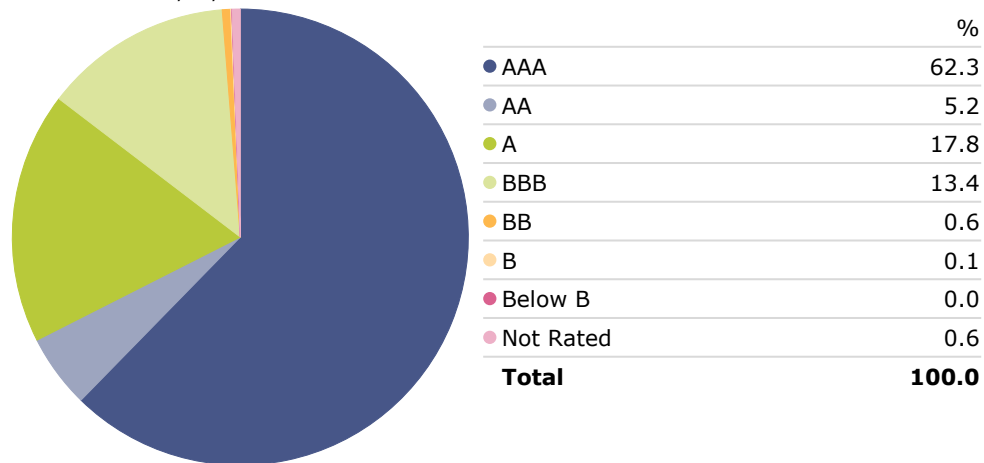
Fixed income sectors

Portfolio Date: 6/30/2018



Fixed income credit quality

Portfolio Date: 6/30/2018



Administrative Review

1. *Future anticipated contributions*
2. *Future anticipated disbursement requests/options*
3. *Funding policy*
4. *SOC 1-Type 2*
5. *Audit of 115 Trust*
6. *Subaccount Reporting*
7. *Ongoing Plan/Investment Review frequency*
8. *Discussion of any administrative questions or concerns*



CONTACTS

Maureen Toal
Senior Vice President, PARS
mtoal@pars.org
(844) 540-6732

Rachael Sanders
Manager, Consulting, PARS
rsanders@pars.org
(800) 540-6369 x121

Will Rogers
Client Services Coordinator, PARS
wrogers@pars.org
(800) 540-6369 x161

William Burns
Senior Investment Advisor, Vanguard
william_burns@vanguard.com
(610) 503-2501

Nick Piccarreta
Senior Investment Consultant, Vanguard
Nicholas_Piccarreta@vanguard.com
(480) 713-4463



4350 Von Karman Avenue, Suite 100
Newport Beach, CA 92660

T: (800) 540-6369

F: (800) 660-8057

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
9/1/2018 to 9/30/2018

Jose Torres
Vice Chancellor, Business & Fiscal Services
San Bernardino Community College District
114 South Del Rosa Drive
San Bernardino, CA 92408

Account Summary

Source	Beginning Balance as of 9/1/2018	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 9/30/2018
PENSION	\$25,429,408.11	\$0.00	-\$116,633.45	\$3,156.31	\$0.00	\$0.00	\$25,309,618.35
PENSION - SBVC	\$5,118,817.55	\$0.00	-\$23,477.75	\$635.35	\$0.00	\$0.00	\$5,094,704.45
PENSION - KVCR	\$21,499,033.75	\$0.00	-\$98,606.56	\$2,668.47	\$0.00	\$0.00	\$21,397,758.72
PENSION - FCC	\$24,570,324.27	\$0.00	-\$112,693.21	\$3,049.68	\$0.00	\$0.00	\$24,454,581.38
Totals	\$76,617,583.68	\$0.00	-\$351,410.97	\$9,509.81	\$0.00	\$0.00	\$76,256,662.90

Investment Selection

Source

PENSION	Vanguard Conservative Strategy
PENSION - SBVC	Vanguard Conservative Strategy
PENSION - KVCR	Vanguard Conservative Strategy
PENSION - FCC	Vanguard Conservative Strategy

Investment Objective

Source

PENSION	The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.
PENSION - SBVC	The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.
PENSION - KVCR	The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.
PENSION - FCC	The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
PENSION	-0.46%	1.83%	3.46%	-	-	-	7/27/2017
PENSION - SBVC	-0.46%	1.83%	-	-	-	-	6/22/2018
PENSION - KVCR	-0.46%	1.83%	-	-	-	-	6/22/2018
PENSION - FCC	-0.46%	1.83%	-	-	-	-	6/22/2018

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees