

Agenda

PFMAM Overview

Credit Process

Sustainable and ESG
Solutions

Structure of Organizational Support and Resources

U.S. Bancorp

- Parent company of U.S. Bank, N.A.
- 70k+ employees and \$700b in assets

U.S. Bank, N.A.

- Among the largest commercial banks in the U.S. by assets

U.S. Bancorp Asset Management, Inc.

- Institutionally focused Registered Investment Adviser
- Fixed income and multi-asset solutions for institutional investors
- \$435.8b in assets under management

PFM Asset Management

- A division of U.S. Bancorp Asset Management, Inc.
- 40+ years of providing public sector investment solutions

At a Glance

Built to Serve the Public Sector

We serve state and local governments, public pensions, higher education, other post employment benefit trusts (OPEB), and public insurance and captives

- Public sector investment and relationship management teams experienced in the specific investment codes & needs of public sector clients
- Strong performance track record, transparent reporting and commitment to client education

Our Solutions

- Local Government Investment Pools (LGIPs)
- Fixed Income Strategies
 - Cash & Enhanced Cash
 - Short & Intermediate Duration
 - Core Aggregate
- Outsourced Chief Investment Officer (OCIO)
- Specialized Solutions
 - Structured Products
 - Arbitrage Rebate

\$176.8b

in Public Sector Assets Under Management*

40+

Years Serving the Public Sector*

700+

Public Sector Clients*

**As of March 31, 2026. Public sector includes government, pool, and TERM. Total assets under management for U.S. Bancorp Asset Management, Inc. were \$435.8 billion.*

Across the State

Active Participant in the California Public Finance Community

- Serving clients in California since 1986
- Educators and sponsors for CACTTC, CSMFO, CMTA, CDIAC**
- Membership with CSMFO Professional Standards Committee
- Offices in Irvine, Sacramento, and San Francisco

\$60.9 billion

in total assets*
for 177 clients
in California

\$11.5 billion

in total assets*
for 68 cities
in California

**Total assets include discretionary assets as of 03/31/2026.*

***California Association of County Treasurers and Tax Collectors, California Society of Municipal Finance Officers, California Municipal Treasurers Association, California Debt and Investment Advisory Commission.*

Total assets under management for U.S. Bancorp Asset Management, Inc. were \$491.5 billion as of March 31, 2026



Fixed Income Investment Resources

Portfolio Management Leadership

Greg Haendel, CFA

Managing Director – Head of Corporate Fixed Income

Jeff Rowe, CFA

Managing Director – Head of Liquidity Portfolio Management

Robert Cheddar, CFA

Managing Director – Senior Fixed Income Portfolio

James Sims, CFA

Managing Director – Head of Public Sector Fixed Income

Credit Research Group

- Preserve Principal
- Manage Approved Lists
- Generate Alpha

Investment Services Group

Trading Support | Trade Settlement | Data Management

Portfolio Strategies Group

Portfolio Construction | Investment Analytics & Attribution
Structured Products Group

45+

Investment professionals*

20+

Average Years Experience*

Sector Specialists & Investment Strategies

Sectors:

- Agencies
- Asset-Backed Securities
- Certificates of Deposits
- Commercial Paper
- Corporates
- Mortgage-Backed Securities
- Municipals
- Repurchase Agreements
- Supranationals
- Treasuries

Portfolio Types:

- Money Market Funds and Securities Lending
- Local Government Investment Pools
- Fixed Maturity TERM Investments
- Cash & Enhanced Cash
- Short & Intermediate Duration
- Core Aggregate Fixed Income
- Structured/Escrow
- Asset/Liability Matched

Investment Resources and Tools

Proprietary Models | Bloomberg AIM | TradeWeb | MarketAxess
S&P Global | CreditSights | Sustainability

*Investment professionals include fixed income portfolio managers, traders, credit research, portfolio strategy teams. Average years of industry experience.

Credit Process



Credit Research Team



Robert Hajduch

Managing Director - Head of Taxable Credit Research

38 years experience



Tim Russell

Managing Director - Head of Municipal Credit Research

30 years experience



Eric Espeseth

Director - Senior Credit Research Analyst

22 years experience



Winnie Cheng, CFA

Director - Senior Credit Research Analyst

40 years experience



Marin Komlan

Director - Senior Credit Analyst

24 years experience



Cynthia Ma, CFA

Director - Senior Credit Research Analyst

19 years experience



Joe Morrison

Associate Credit Research Analyst

5 years experience



Kevin Xie, CFA

Credit Research Analyst

7 years experience



Jackson Nelson

Associate Credit Research Analyst

4 years experience



Approved List

Driven by Fundamental Analysis and Monitoring Cycle

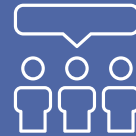
Fundamental Analysis

Proprietary Common Analytic Framework
Issuer Fundamentals, News, Filings
Top-Down Industry Fundamentals
Bottom-Up Analysis
3rd Party Research + Rating Agencies



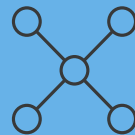
Base Case

Business Risk Profile
Financial Risk Profile
Ratings Outlook
Credit Structure
Fundamental Credit Outlook



Analysis Events

Financial Results
Operating, Regulatory,
Macro Environment
Corporate Events
External Factors
Business Cycle

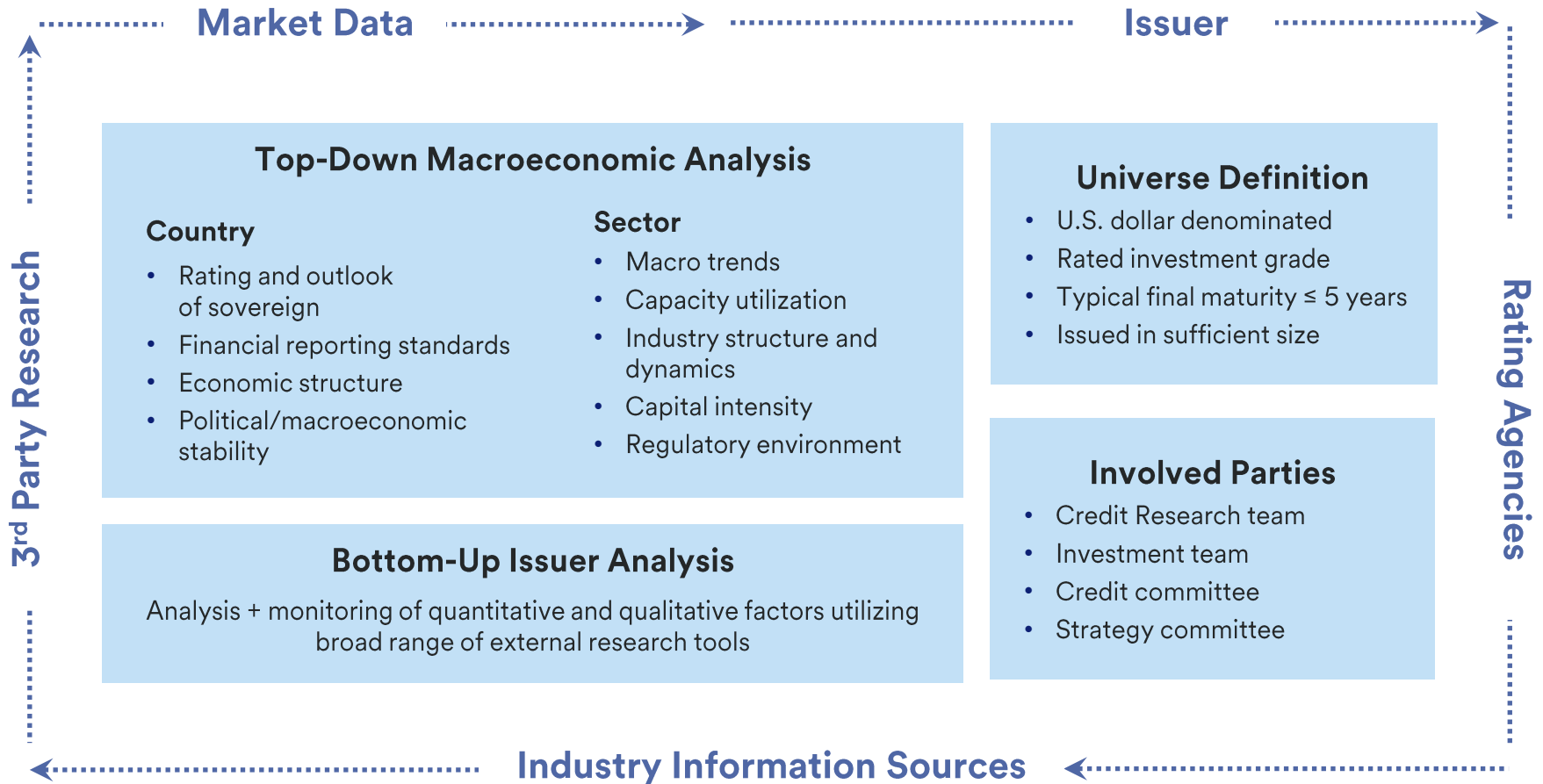


Credit Committee

Consensus on
Credit Risks
Unanimous Approved List
Any Member May
Remove An Issuer



A Closer Look at Constructing the Approved List

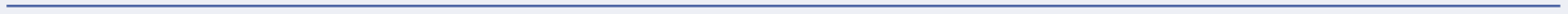


Sustainable and ESG Solutions



***The following information is provided as
requested by the City***

Please see important disclosures at the end of this presentation



Screening Permitted Credit Investments

For clients with an SRI/ESG mandate

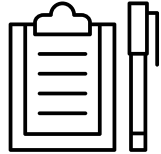
1) Applicable State Laws & Statutes

2) Our Approved Credit List

- Credit research is integral to our investment process
- Senior credit research analysts continuously monitor an approved credit list driven by fundamental analysis
- Credit risk is assessed at the security, issuer, and sector level

3) Client's Investment Policy Statement

- Details of credit quality restrictions, maturity limits, and permitted sectors that align with the client's investment objectives and risk tolerances
- If applicable, defined sustainability considerations which may include:
 - Socially responsible investing (SRI) criteria to avoid specific issuers and/or industries
 - Environmental, social, and governance (ESG) criteria to restrict credit investments based on specific sustainability objectives



The client can provide a specific list of issuers that it wants to avoid within its investment portfolio as part of its investment policy/mandate



PFMAM will add those companies to a do-not-buy list within our trade compliance system, Bloomberg AIM



Traders will be notified that a trade is not permitted if they attempt to purchase from an issuer on the prohibited list

The client can include exclusions for specific industries and/or subindustries within its investment policy/mandate

Using Bloomberg Classifications

- Bloomberg has over 800 categories available in its proprietary sector classifications system (“BB Sectors”), which are all available for exclusionary coding within our trade management system (Bloomberg AIM).
 - Example classifications include firearms and ammunition, private corrections, oil & gas, coal, tobacco, wine/spirits, brewery, night clubs, etc.

Using Sustainalytics Classifications

- Sustainalytics has categorized each rated organization into one of over 40 industries and one of over 135 subindustries.
 - Example classifications include oil & gas, refiners & pipelines, energy services, tobacco, pharmaceuticals, paper/forestry, etc.

The client can require investment screening based on ESG Risk Rating metrics within its investment policy/mandate

Sustainable Criteria Options

Limit Overall ESG-Related Risk

Select up to one

1. Universal Rating with Exception Rule

Issuers must have medium or lower ESG Risk Rating; high-ESG Risk Rating issuers can still be eligible if within top 25th percentile of subindustry

2. Universal Rating

Limit eligibility to issuers with medium or lower ESG Risk Ratings

3. Relative Rating

Issuers must rank within top half of their subindustry; rankings are based on overall ESG Risk Ratings of issuers within the same subindustry

4. Universal & Relative Rating Hybrid

All eligible issuers must have a medium or lower ESG Risk Rating and score within the top half of their subindustry

least restrictive

most restrictive

Notes on Sustainable Investing Options

- The three options detailed herein are **not** mutually exclusive; the client can choose a blend of all options if it wishes to do so.
- Screenings only apply to credit issuers.
- There is no additional fee associated with company-specific exclusions (option 1 as defined in this document).
- For adding SRI and/or ESG criteria, fees depend on a variety of factors—including the complexity of the criteria chosen—but are typically an additional 1-2 basis points on total AUM (options 2 & 3).
- If the client incorporates ESG Risk Rating metrics (option 3) within the parameters defined in its investment policy, PFMAM will also provide ESG-specific updates and portfolio reporting on a quarterly basis.
- PFMAM does not recommend specific SRI or ESG criteria. Instead, we create rules-based solutions for the client to implement the parameters defined in its investment policy/mandate.
- Criteria is sourced from Sustainalytics, a Morningstar subsidiary, unless otherwise noted.

Our Perspectives Align with Your Goals

Philosophy

Safety Preserve capital with high-quality investments

Liquidity Plan for and provide liquidity as needed

Yield Seek to increase earnings through disciplined portfolio strategy

Approach

Portfolios are designed to match our clients' specific investment needs.

We seek to achieve strong results by:

- 1 Understanding our clients' investment objectives
- 2 Carefully matching maturities to the client's cash flow needs
- 3 Limiting investments to those of high quality
- 4 Selecting investments based on relative value
- 5 Utilizing low-risk portfolio management techniques to add value



Disclosures

Indexes shown are not available for investment. The index data reference herein is the property of the index provider and/ or its licensors. The index provider assumes no liability in connections with its use and does not sponsor, endorse or recommend the products or services contained herein. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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*Please remember you could lose money with this investment. Safety of principal is not guaranteed. **Past performance does not guarantee future results.** Individual account performance may be greater or less than performance of the composite.*

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NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE



ESG & Sustainability Disclosures

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There is a risk that the issuers selected to support client sustainable objectives may not perform as expected in addressing sustainability considerations or such performance may change over time, which could cause a client account to temporarily hold securities that are not in alignment with the account's sustainable objectives. Further, there is a risk that information used to evaluate ESG criteria may not be readily available, complete or accurate, which could negatively impact an account's ability to apply its sustainable objectives. In managing client's sustainability objectives, PFM Asset Management may rely on analysis and ratings provided by third parties in determining whether an issuer meets an account's sustainability objectives. A client's perception may differ from PFM Asset Management's or a third party's on how to judge an issuer's adherence to client's guidelines.

