



California Water Insurance Fund

California Water Insurance Fund (CWIF) Board Meeting

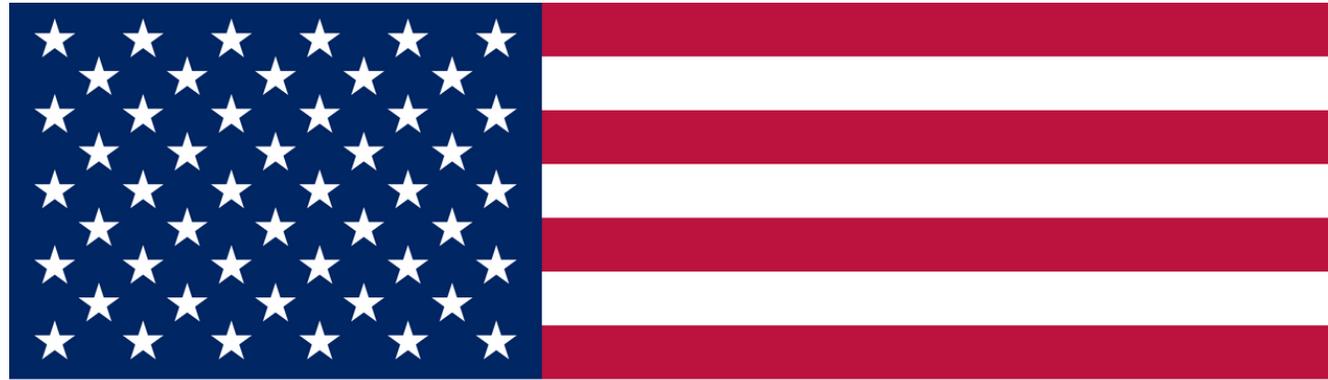
December 1, 2025

8:15 AM

Introductions



Pledge of Allegiance



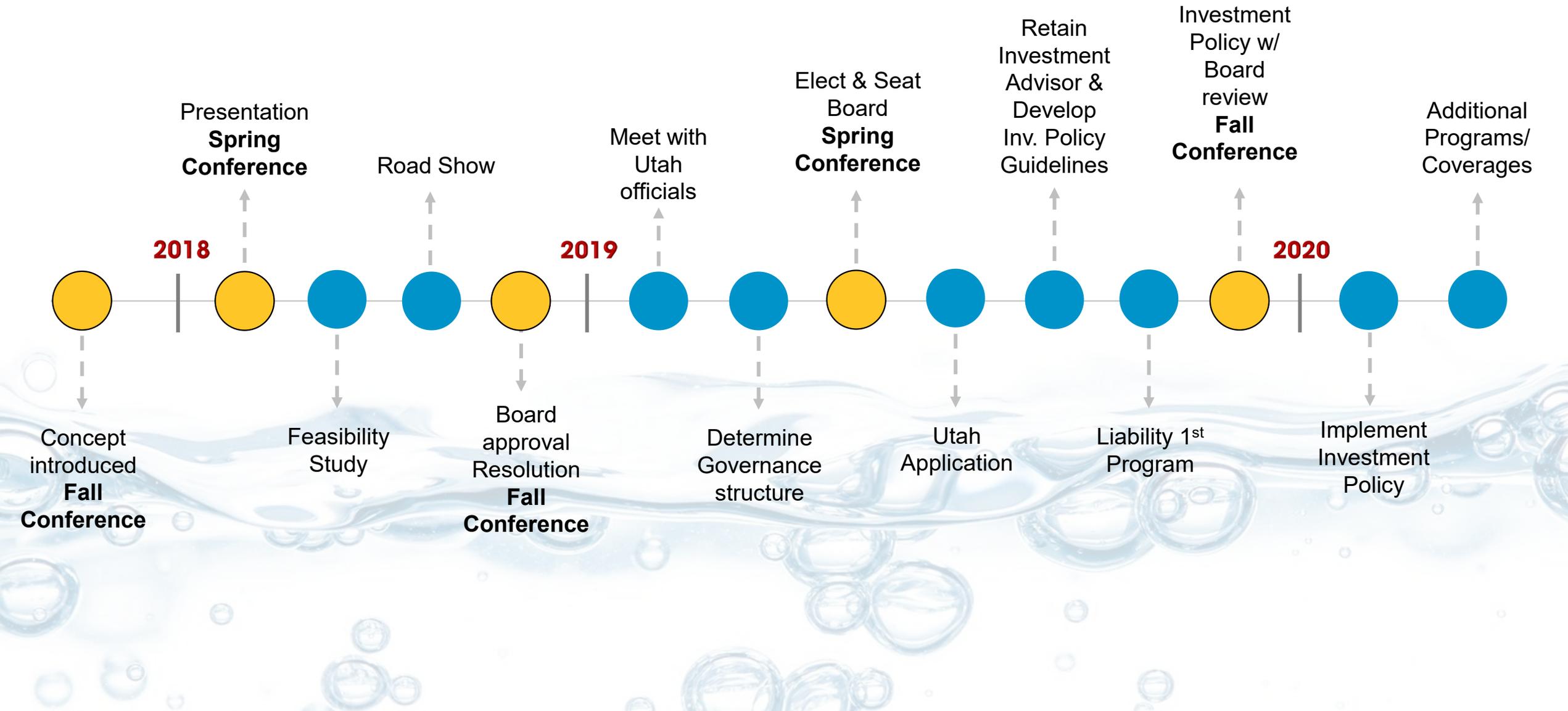
Andy Morris
CWIF Chair

**Approve the Minutes of the
September 30, 2025, Board Meeting**

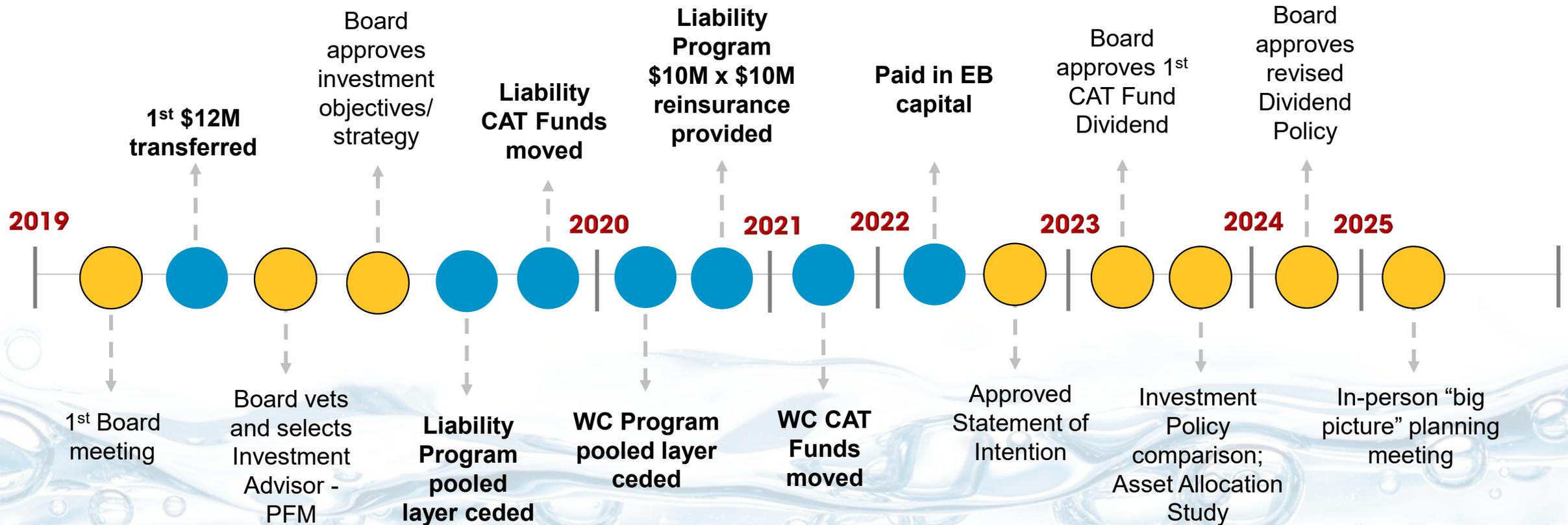
Adrienne Beatty
CWIF President

Program Status

JPLA Board of Directors Captive Timeline



CWIF Board of Directors Timeline



CWIF exists for the sole purpose of advancing and supporting the insurance and risk management needs and insurance-related support programs of the ACWA JPIA.

June 4, 2025, CWIF Board Meeting



[This Photo](#) by Unknown Author is licensed under [CC BY-SA-NC](#)

Approval of a \$20M Dividend

Ratified new Board Members*

Elected Chair/Vice Chair

Revised Investment Policy

Received investment portfolio update

Reviewed 2023-24 Audited Financials

Explored “big picture” concepts

CWIF Investment Objectives

Long-term rate of return = 20 years

Average annual rate of return target = 7%

To provide for funding and anticipated withdrawals for payment of long-term liabilities

To enhance the value of assets through asset appreciation and income generation

Diversification to minimize the impact of large losses

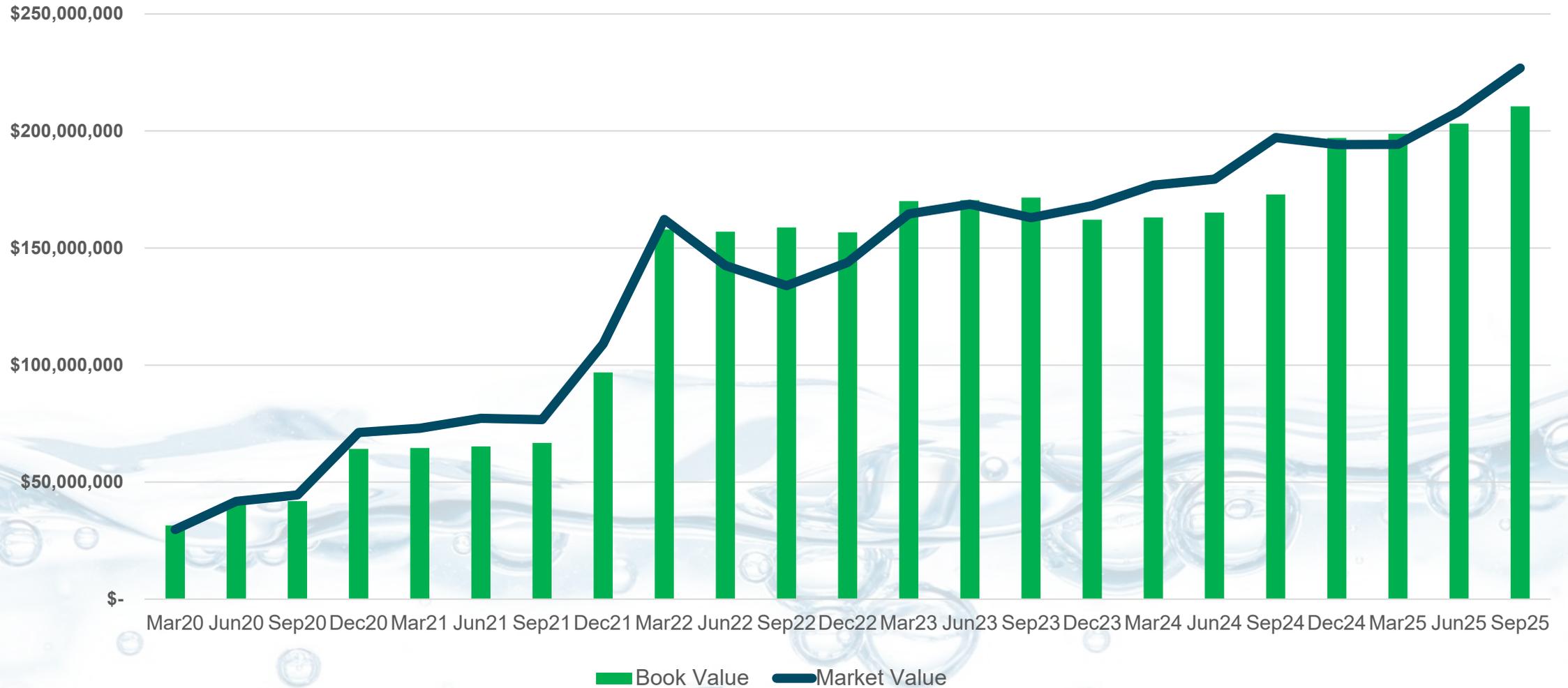
Portfolio Value Fluctuations

CWIF Investment Policy Statement – Section 2. Time Horizon:

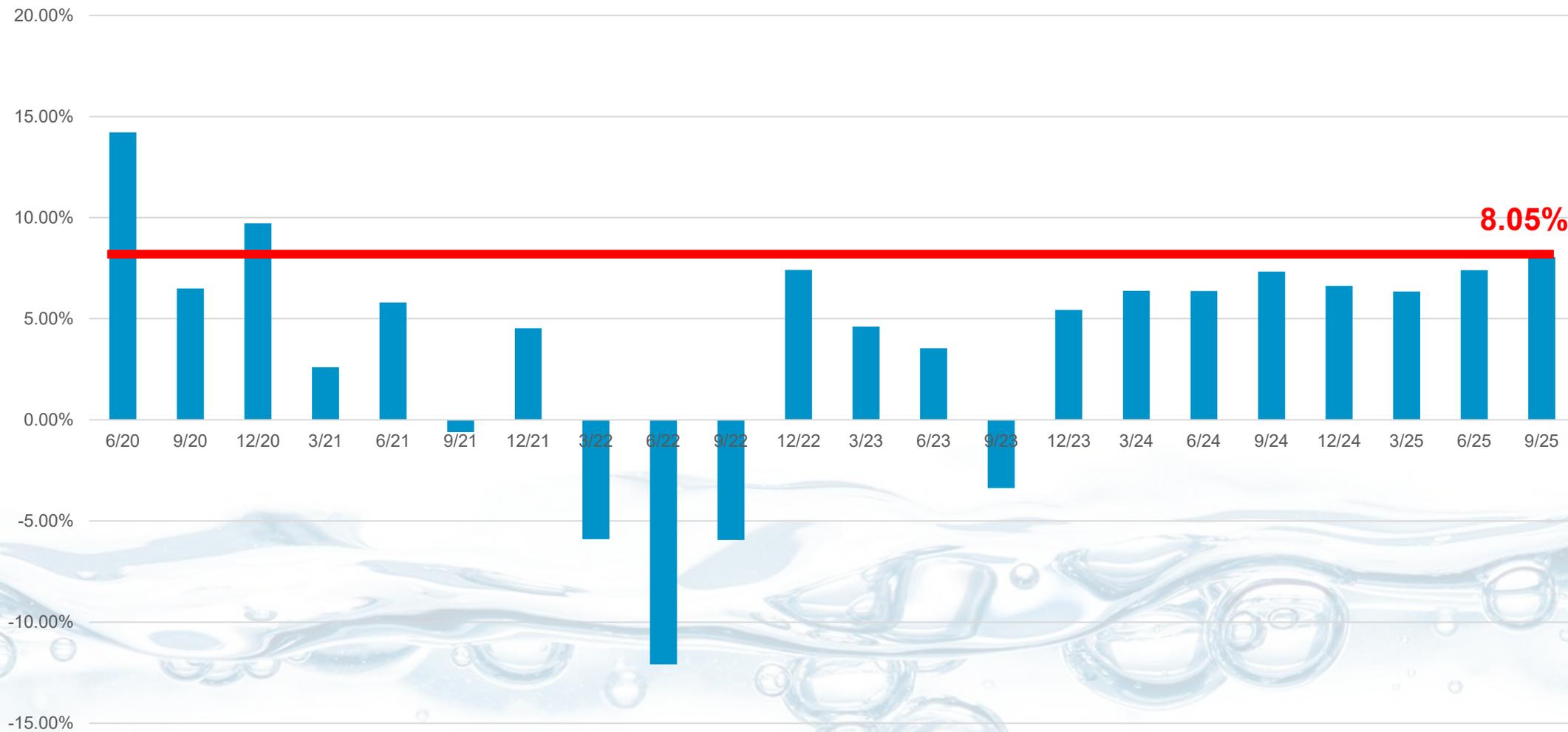
Interim fluctuations should be viewed with appropriate perspective. The long-term investment horizon contemplates risks and duration of investment losses, which are carefully weighed against the long-term potential for appreciation of assets.

CWIF Quarterly Portfolio Values

Portfolio Values - Quarter End



CWIF Quarterly Rate of Return



CWIF Actual Earnings

Current Rate of Return

8.05%

Investment income earned

\$43.8M

Dividends paid to JPIA

\$38.5M

Andrew Brown

PFM Asset Management

Investment Portfolio Update



California Water Insurance Fund (CWIF) Investment Portfolio Update

Market and Investment Program Update

December 1, 2025

Andrew Brown, CFA, Director

Major Equity and Fixed Income Market Indices

Market Indices as of 9/30/2025					
Domestic Equity	QTD	YTD	1 Year	3 Years	5 Years
S&P 500	8.12%	14.83%	17.52%	24.86%	16.41%
Russell 3000	8.18%	14.40%	17.34%	24.05%	15.69%
Russell 2000	12.39%	10.39%	10.71%	15.17%	11.52%
Russell Midcap	5.33%	10.42%	11.06%	17.64%	12.62%
Russell 1000	7.99%	14.60%	17.67%	24.57%	15.93%
International Equity	QTD	YTD	1 Year	3 Years	5 Years
MSCI ACWI ex US (net)	6.89%	26.02%	16.38%	20.62%	10.23%
MSCI EAFE (net)	6.89%	25.14%	14.93%	21.64%	11.12%
MSCI Emerging Markets (net)	10.64%	27.53%	17.25%	18.16%	6.99%
Fixed Income	QTD	YTD	1 Year	3 Years	5 Years
Bloomberg Aggregate	2.03%	6.13%	2.87%	4.92%	-0.45%
Bloomberg Global Agg	0.60%	7.91%	2.39%	5.43%	-1.55%
High Yield Fixed Income	QTD	YTD	1 Year	3 Years	5 Years
ICE BoFA HY Index	2.40%	7.06%	7.20%	10.94%	5.52%
Listed Real Assets	QTD	YTD	1 Year	3 Years	5 Years
MSCI US REIT Index	4.49%	3.75%	-2.87%	9.48%	8.01%
MSCI World Core Infrastructure (net)	1.80%	15.48%	8.18%	11.31%	7.84%

Source: Factset, as of 9/30/2025. It is not possible to invest directly in an index. The index returns shown do not represent the results of actual trading of investor assets. Net total return is calculated by MSCI using the companies' country of incorporation and maximum withholding tax rate applicable to institutional investors to determine the relevant dividend withholding. Net return comprises of price returns and net dividends, which incorporate impact of taxes on dividends.

Portfolio Update as of September 30, 2025

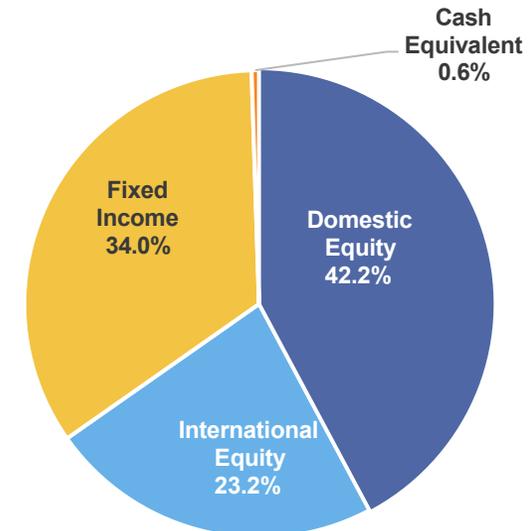
	Last 3 Months	1 Year	3 Years	5 Years	Since Inception ¹
CWIF Performance	5.32%	11.40%	15.96%	8.48%	8.05%
<i>Benchmark Performance²</i>	<i>5.71%</i>	<i>12.14%</i>	<i>16.51%</i>	<i>8.83%</i>	<i>8.48%</i>

	9/30/2025
CWIF Market Value	\$226,882,701

Asset Class	Range	Target	9/30/25 Allocation
Growth Assets			
Domestic Equity	22-62%	42%	42.2%
International Equity	3-43%	23%	23.2%
Other Growth	0-10%	0%	0%
Income Assets			
Fixed Income	15-70%	35%	34%
Other Income	0-10%	0%	0%
Real Return Assets			
Cash Equivalents	0-20%	0%	0.6%

CWIF Portfolio Asset Allocation

As of 9/30/2025



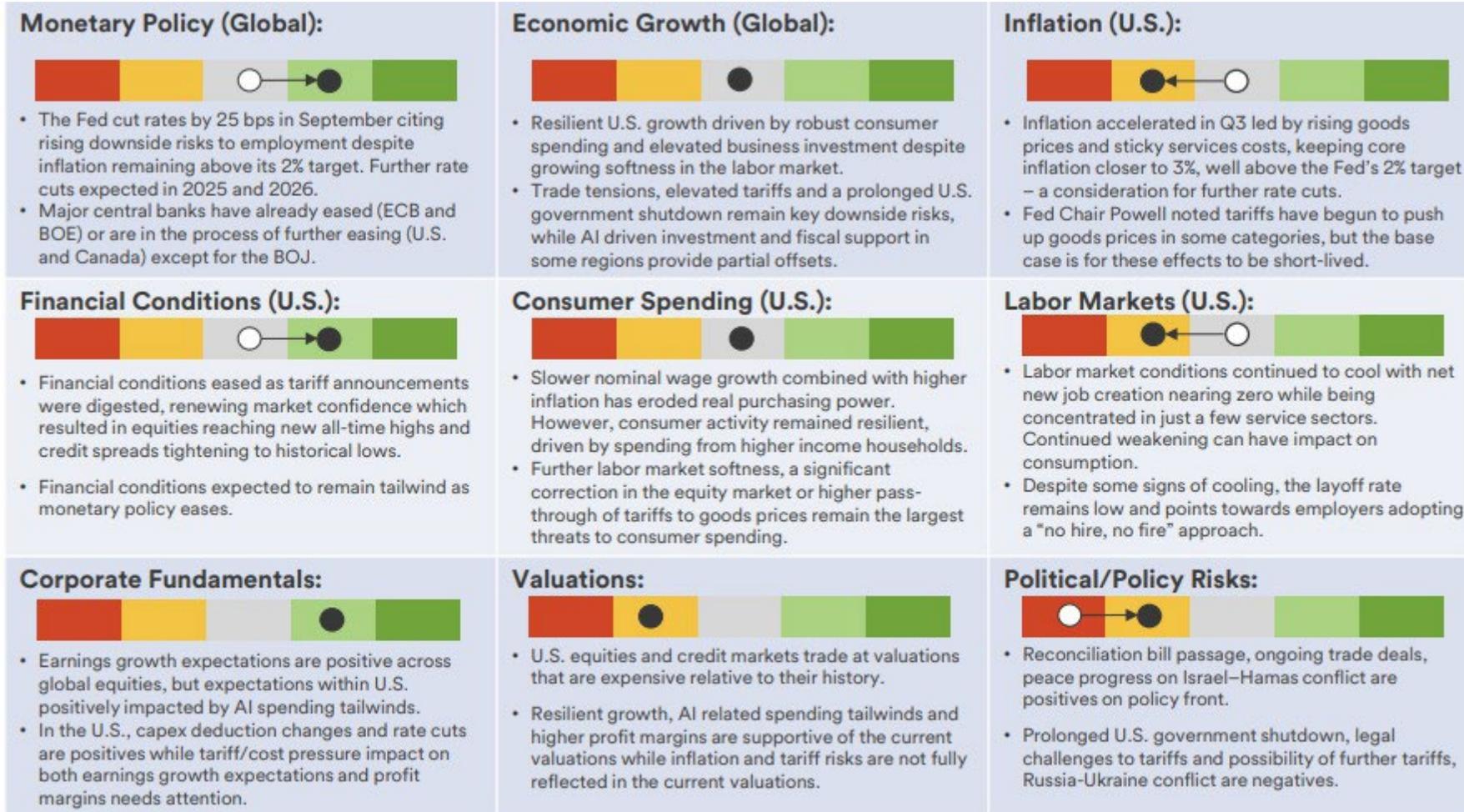
1. Since Inception, February 1, 2020

2. Customized benchmark makeup: 42% Russell 3000 Index, 23% MSCI AC World ex USA (Net), 35% Bloomberg Aggregate Index.

Overview of Economic Conditions



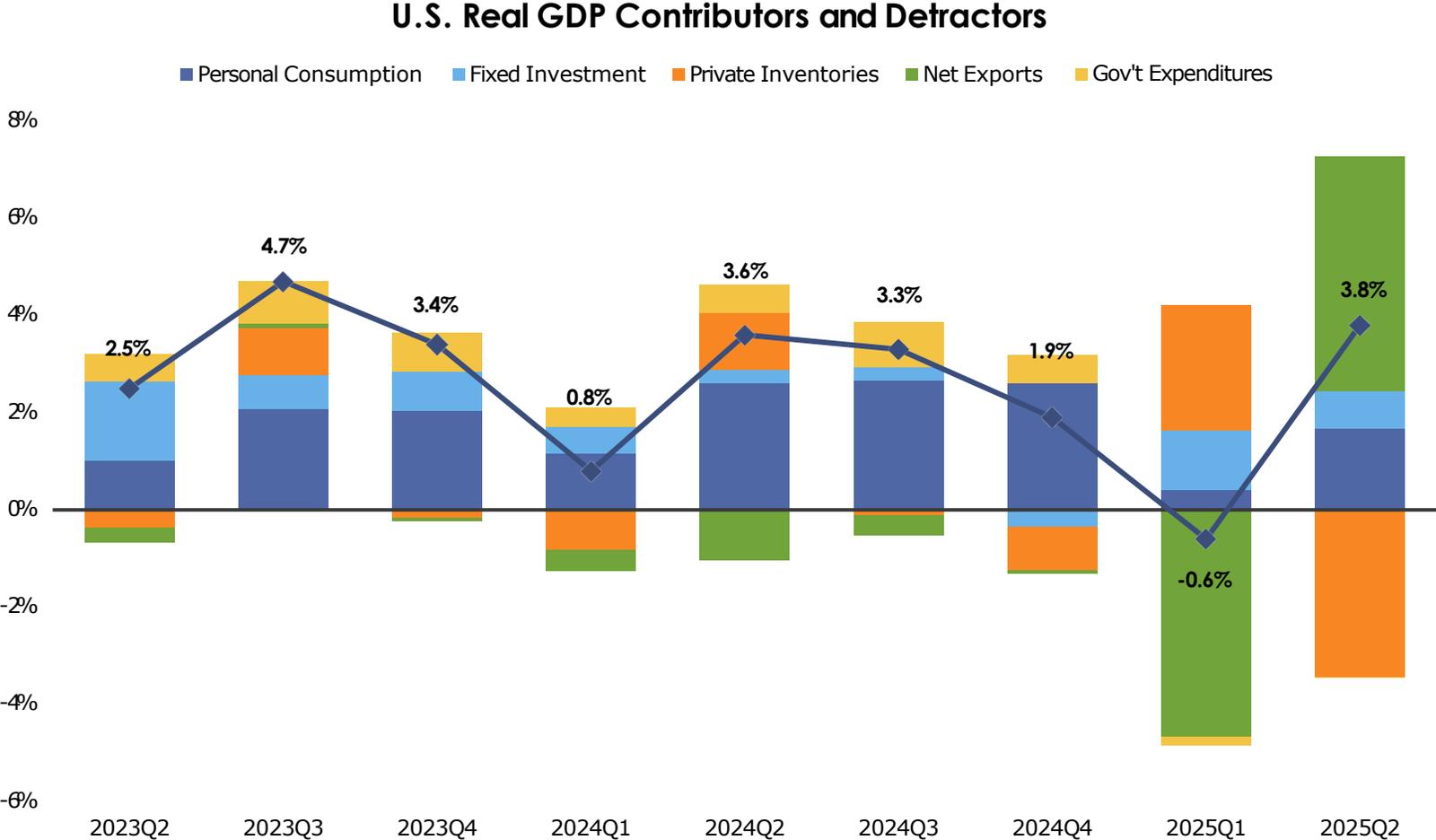
Factors to Consider for 6-12 Months



● Current outlook ○ Outlook one quarter ago **Stance Unfavorable to Risk Assets** Negative Slightly Negative Neutral Slightly Positive Positive **Stance Favorable to Risk Assets**

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg and FactSet. The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution (9/30/2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

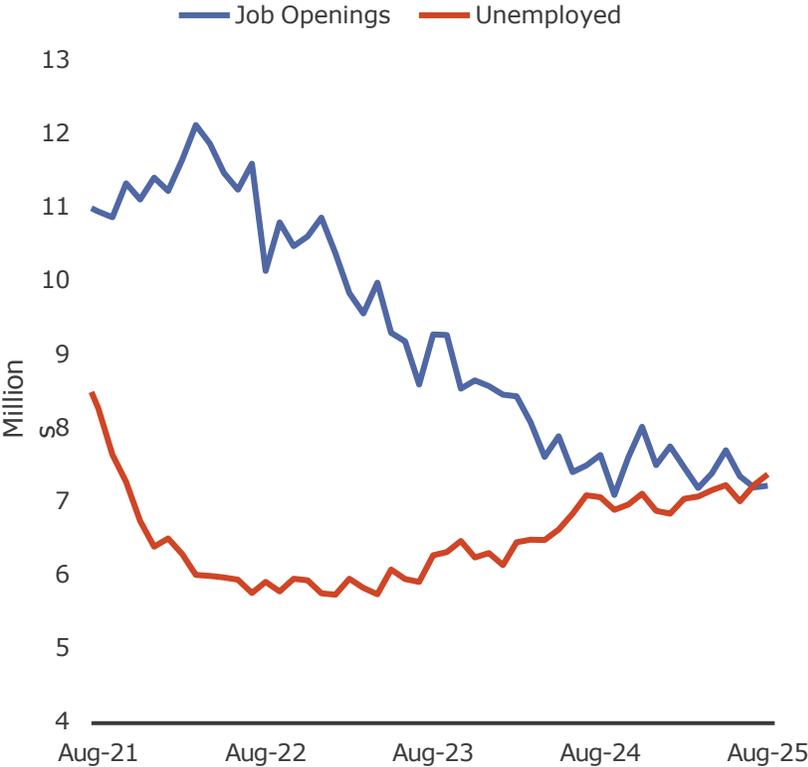
U.S. Real GDP Contributors and Detractors



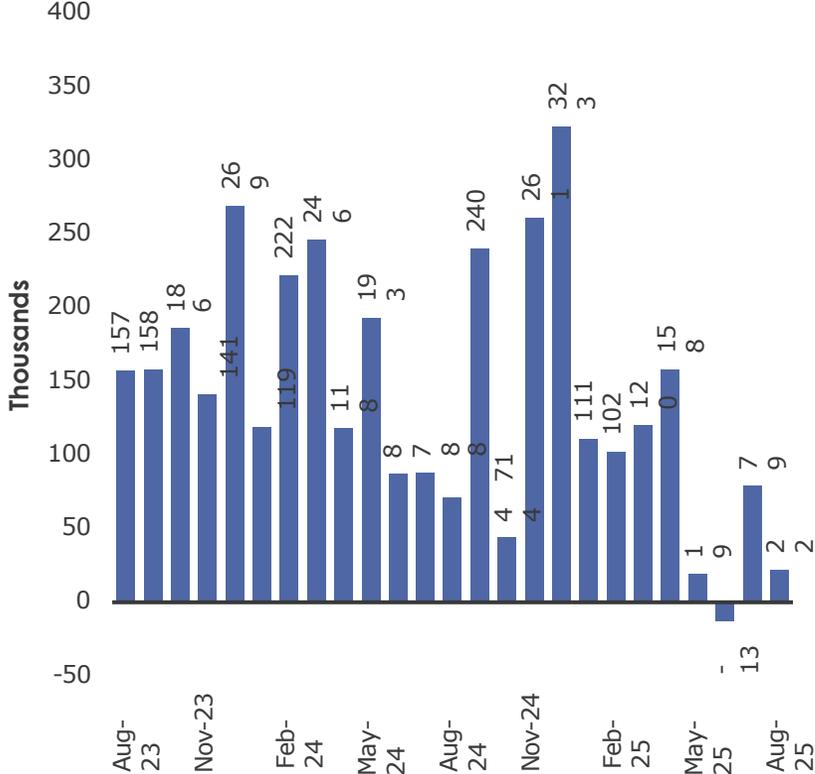
Source: Bloomberg Finance L.P., Bureau of Economic Analysis, as of August 2025.

Labor Market: Job Openings and Changes to Nonfarm Payrolls

Job Openings vs. Unemployed Workers



Monthly Change In Nonfarm Payrolls



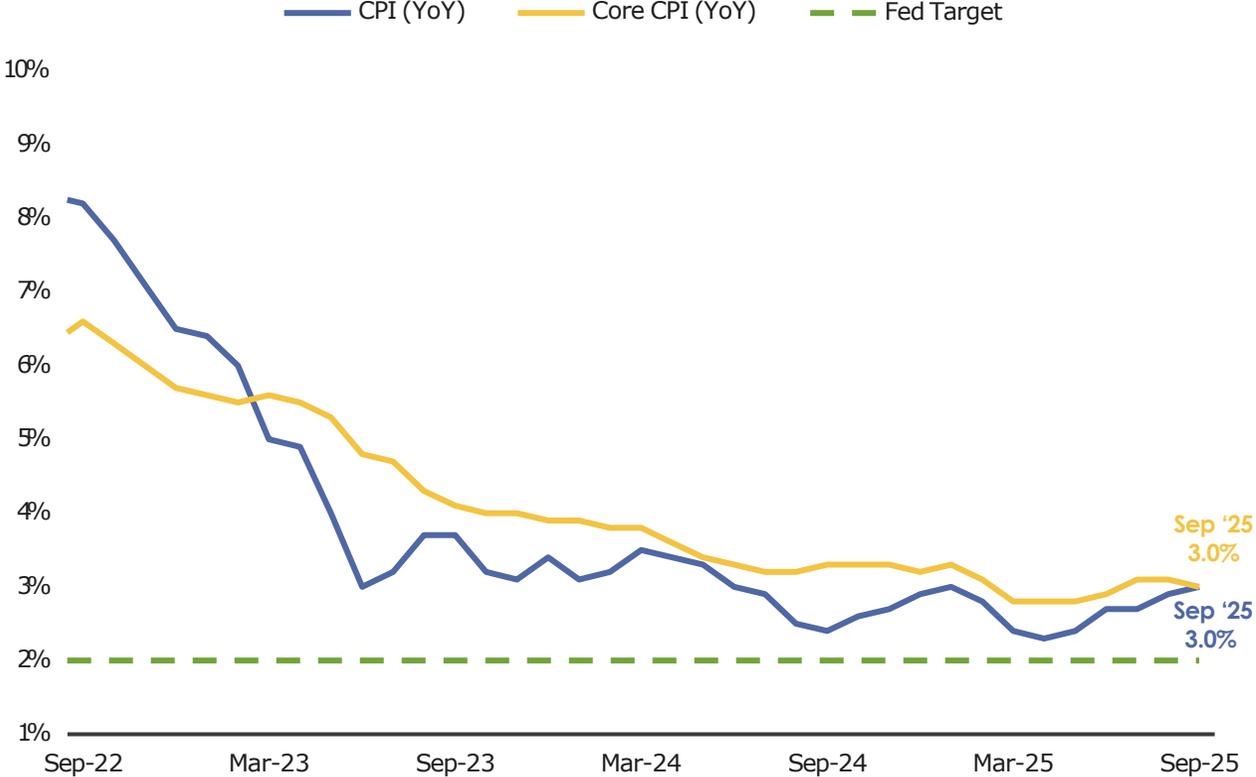
Source: Bureau of Labor Statistics and Bloomberg Finance L.P. Monthly change in nonfarm payrolls and unemployed workers as of August 2025. Job openings as of August 2025. Data is seasonally adjusted.

Core Inflation Remains Flat

The Consumer Price Index ("CPI"), commonly referred to as the "headline inflation number", measures the change in the cost of a representative basket of goods paid by consumers.

Core CPI strips out volatile food and energy components.

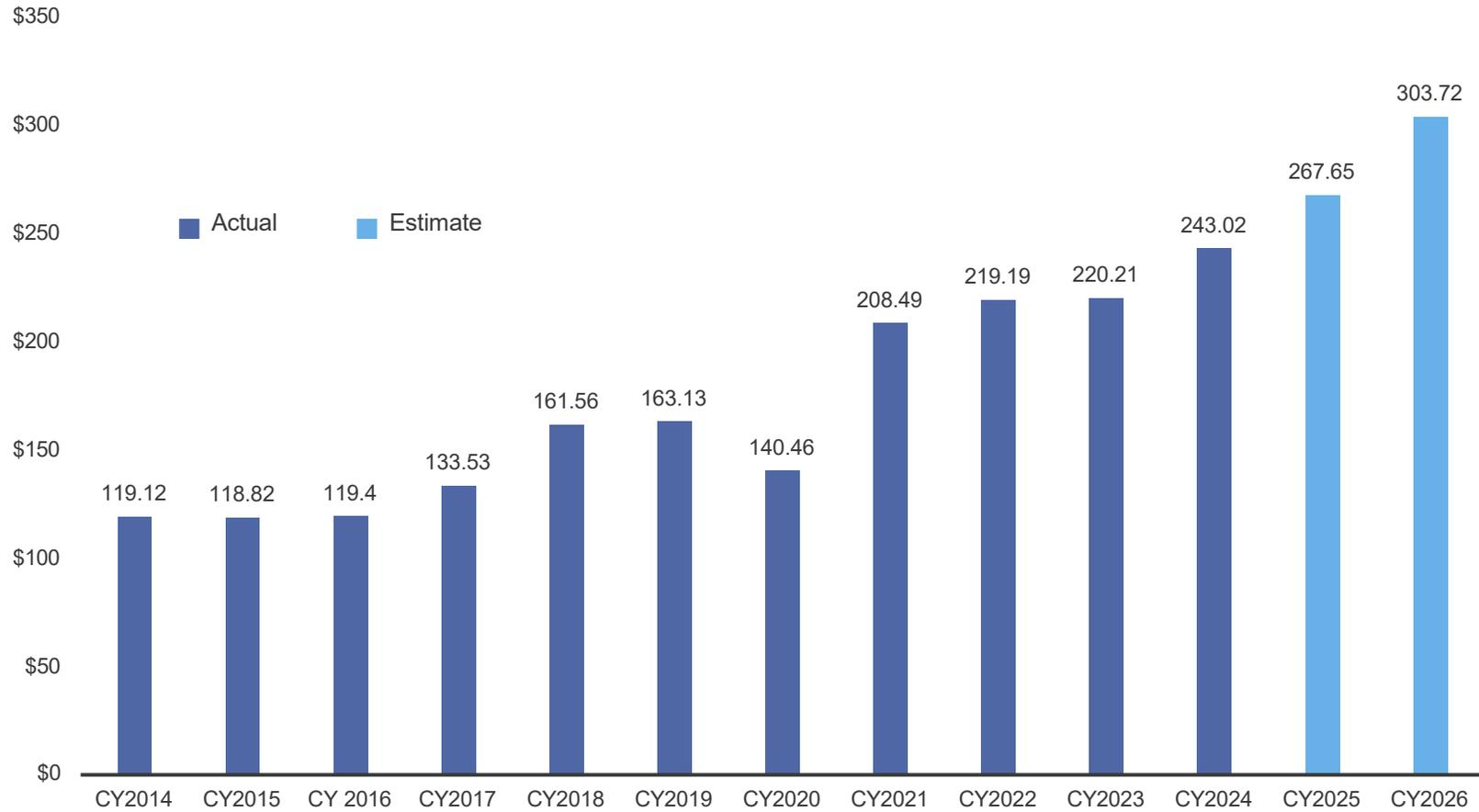
Consumer Price Index (CPI) Year-Over-Year Changes



Source: Bureau of Labor Statistics, Federal Reserve, and Bloomberg Finance L.P., as of September 2025.

S&P 500 Calendar Year EPS

S&P 500 Calendar Year Bottom-Up EPS Actuals & Estimates



Source: Factset, as of 9/30/2025.

Disclosures

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE



David deBernardi
CWIF Treasurer

Review and Approve Investment Policy Statement

David deBernardi
CWIF Treasurer

**Transition of Fiscal Year to
7/1 - 6/30**

Budget Process Timeline & Fiscal Year Review

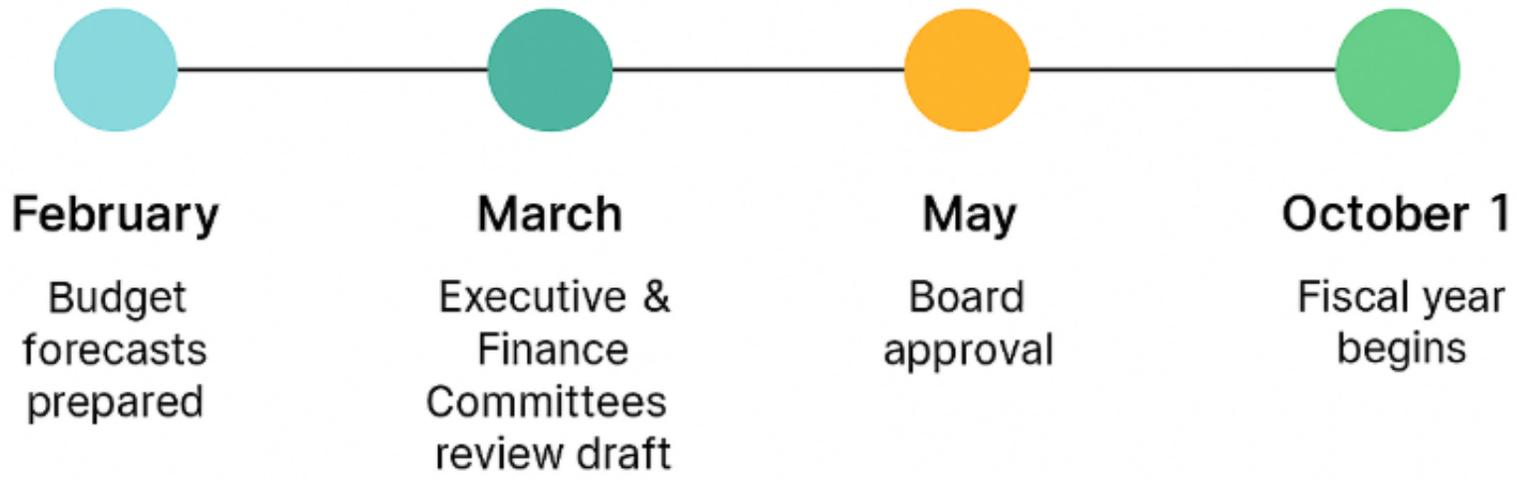
Presentation to the California
Water Insurance Fund (CWIF)
Board of Directors
December 1, 2025

By David deBernardi
CWIF Treasurer
JPIA Director of Finance

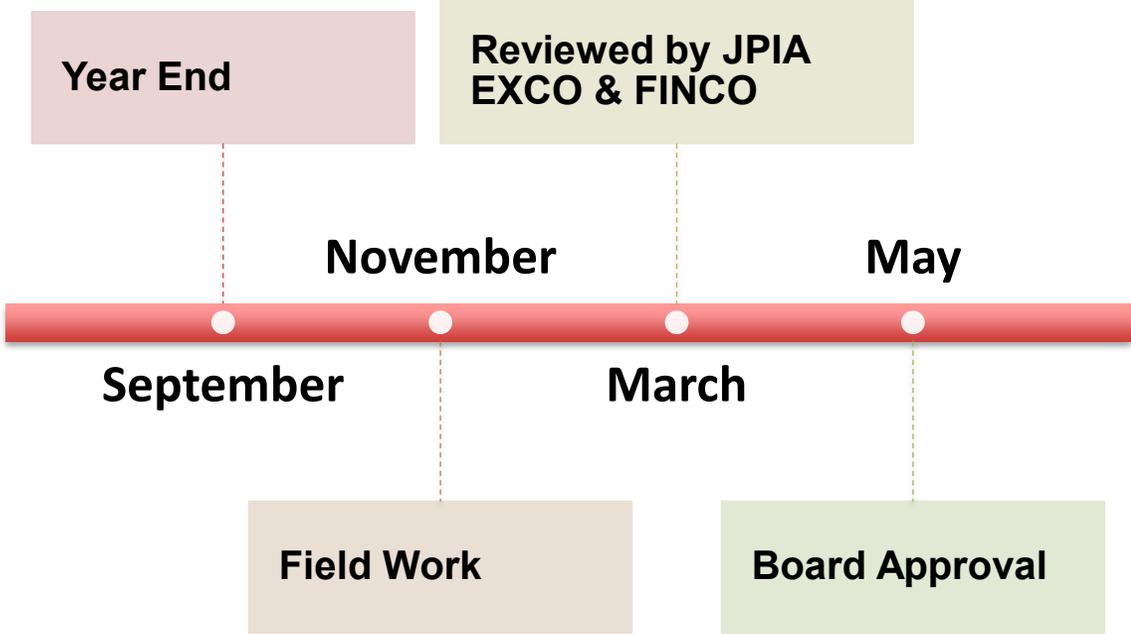




Current JPIA G&A Budget Process Overview



Current JPIA Financial Statement Audit Process Overview



* The CWIF Board also approves the CWIF Audited Financial Statements in May/June.

Challenges with Current Timeline



**FORECASTING
8-20 MONTHS
ADVANCE**



**COSTS DIFFICULT
TO ANTICIPATE**



**REDUCED
ACCURACY**



**LIMITED
FLEXIBILITY**



**AUDIT REPORT
TIMELINESS**



Proposal to JPIA Finance & Audit Committee and Executive Committee

Shift the fiscal year

10/1 – 9/30 → 7/1 – 6/30

**Budget
proximity**

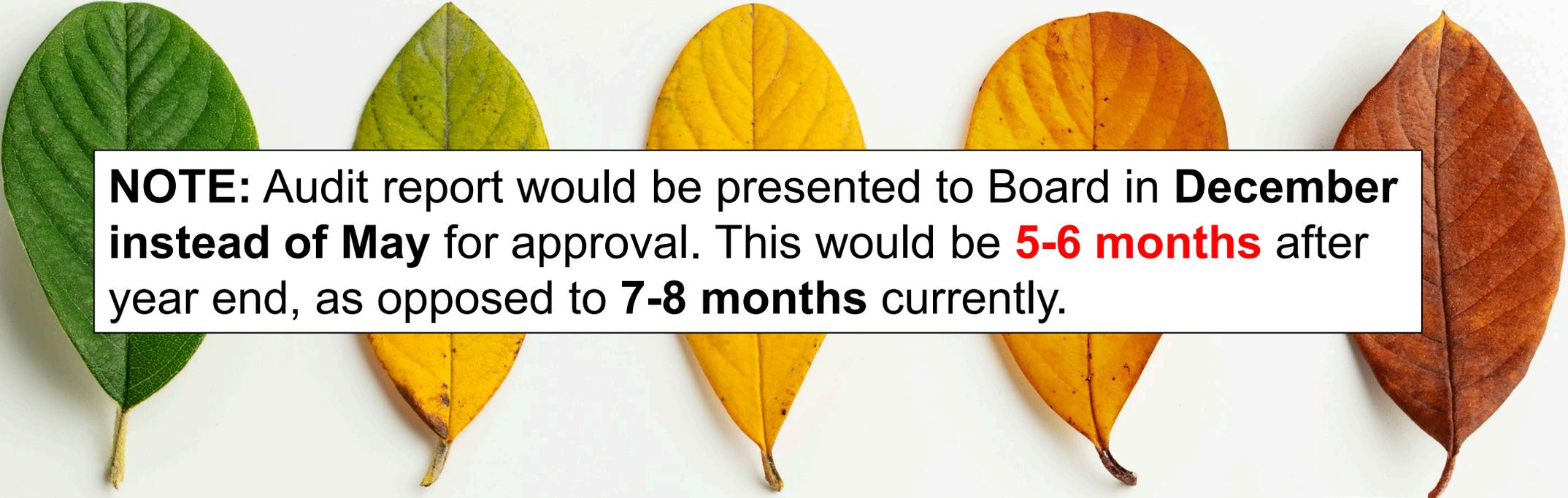
**Aligns with
members**

Accuracy

**Audit
timeliness**

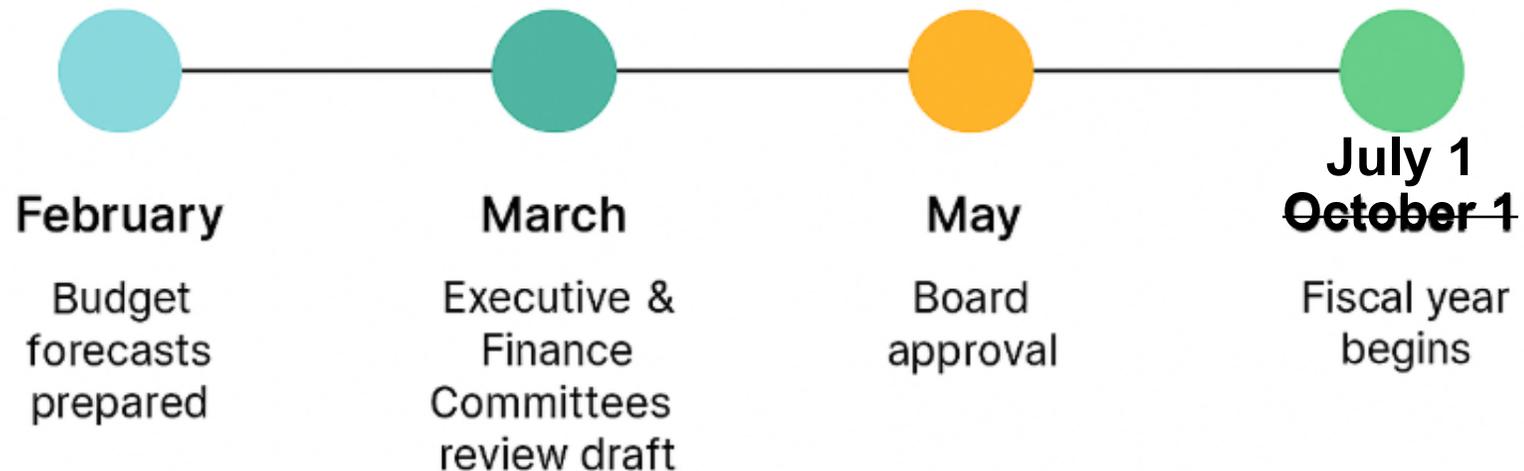
**Formal
change**

**Transition
year**

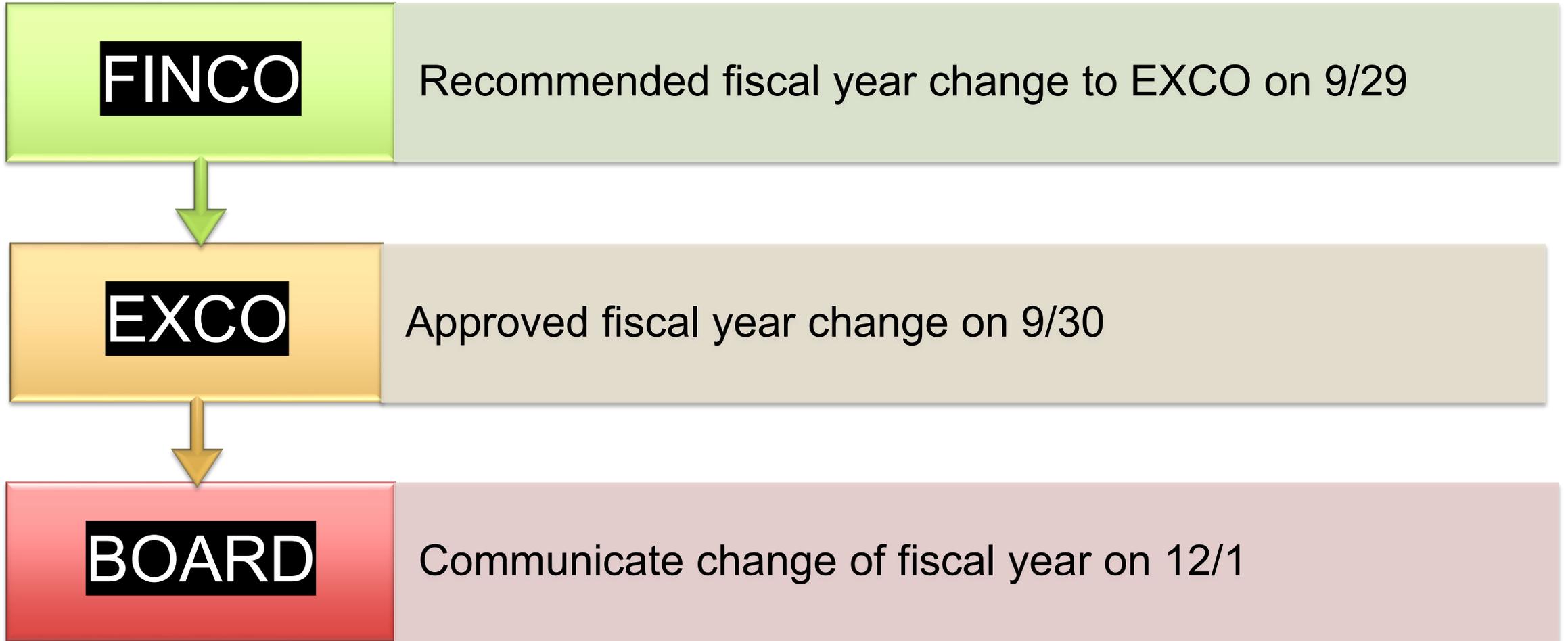


NOTE: Audit report would be presented to Board in **December** instead of **May** for approval. This would be **5-6 months** after year end, as opposed to **7-8 months** currently.

Proposed Revised JPIA G&A Budget Timeline



Next Steps





Questions

David deBernardi
CWIF Treasurer

Review and Approve Dividends

CWIF Historical Dividends

<u>Year</u>	<u>Dividend</u> (in millions)	<u>Portfolio</u> (in millions)	<u>Percent</u>	<u>9/30 Balance</u>
2020	\$ -	\$ 44	0.0%	\$ 44,725,067
2021	\$ 4.1	\$ 77	5.3%	\$ 76,956,007
2022	\$ 3.7	\$ 134	2.8%	\$ 134,187,652
2023	\$ 2.1	\$ 163	1.3%	\$ 163,247,052
2024	\$ 8.6	\$ 197	4.4%	\$ 197,464,718
2025	\$ 20	\$ 226	8.8%	\$ 226,687,161
Add	\$ 3.55			
Total	\$ 42.05	\$ 841	5.0%	

Andy Morris
CWIF Chair

**Review Availability of the
CWIF Board of Directors
for the May 29, 2026, Meeting
to be Held in Utah**





California Water Insurance Fund

End of CWIF Board Meeting

Next

Presentation: Parametric Protection for a Stronger Property Program