

FINANCIAL COMMISSION MEETING AGENDA

6:00 PM - Monday, May 15, 2023

Council Chamber, Los Altos City Hall

Please Note: The Financial Commission Meeting will meet in person as well as via Telephone/Video Conference; Members of the public can attend in person or phone via Telephone/Video Conference.

PLEASE NOTE: Vice-Chair McClatchie will participate in the meeting via videoconference from the site listed below. The meeting agenda will be posted on the videoconference site, which is accessible to the public. Anyone wishing to address the Commission from the videoconference site will be provided with an opportunity to do so.

Location:

43 Dannys Way Wallingford, Connecticut 06492

Meeting Link: <https://losaltosca.gov.zoom.us/j/86251921492?pwd=aUlpcmo2M2tIck5jejIzandoWGs2QT09>

Meeting ID: 862 5192 1492, Passcode: 335062

TO PARTICIPATE VIA THE LINK ABOVE – Members of the public will need to have a working microphone on their device and **must have the latest version of Zoom.**

Public testimony will be taken at the direction of the Chair and members of the public may only comment during times allotted for public comments. Members of the public are also encouraged to submit written testimony prior to the meeting at financialcommissionmeeting@losaltosca.gov. **Emails received prior to the meeting will be included in the public record.**

ESTABLISH QUORUM

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Members of the audience may bring to the Commission's attention any item that is not on the agenda. Please complete a "Request to Speak" form and submit it to the Staff Liaison. Speakers are generally given two or three minutes, at the discretion of the Chair. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during the Public Comment Period. According to State Law (also known as "the Brown Act") items must first be noticed on the agenda before any discussion or action.

ITEMS FOR CONSIDERATION/ACTION

1. Draft Minutes: Approve Minutes for the Meeting held on March 20, 2023
2. Quarterly Investment Portfolio Report – Quarter Ended March 31, 2023
3. Financial Policy Discussion
4. Special Meeting Discussion for May 22, 2023 regarding Budget

COMMISSIONERS' REPORTS AND COMMENTS

POTENTIAL FUTURE AGENDA ITEMS

ADJOURNMENT

SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk at least 48 hours prior to the meeting at (650) 947-2720.

Agendas, Staff Reports and some associated documents for Financial Commission items may be viewed on the Internet at <http://www.losaltosca.gov/meetings>.

If you wish to provide written materials, please provide the Commission Staff Liaison with **10 copies** of any document that you would like to submit to the Commissioners in order for it to become part of the public record.

For other questions regarding the meeting proceedings, please contact the City Clerk at (650) 947-2720.

DRAFT

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**MINUTES OF THE MEETING OF THE FINANCIAL COMMISSION OF THE CITY
OF LOS ALTOS, HELD ON, MONDAY, March 20, 2023, AT 6:00 P.M.
VIDEO/ TELECONFERENCE**

ROLL CALL

PRESENT: Chair Kalkat, Vice-Chair McClatchie, Commissioners Claras, Frey, Kalbach, Richmond, Whipple

ABSENT: None

PLEDGE OF ALLEGIANCE**PUBLIC COMMENTS**

None

ITEMS FOR CONSIDERATION/ACTION

1. Approval of Minutes of the Meeting, February 27, 2023

Action: The Commission approved the minutes of the meeting of February 27, 2023, by the following vote: AYES: Chair Kalkat, Vice-Chair McClatchie, Commissioners, Claras, Frey, Kalbach, Richmond, Whipple. NOES: None; ABSTAIN: None; ABSENT: None

2. CAMP (California Asset Management Program) Presentation

Kyle Tanaka, a representative of the California Asset Management Program (“CAMP”), made a presentation to the Commission regarding the possibility of the City using CAMP as a potential alternative to the Local Agency Investment Fund (“LAIF”) for the investment of short-term funds. Also present for this discussion was Wale Kajopaiye, a representative of the City’s Investment Advisor, PFM Asset Management (“PFM”). Following the presentation, a discussion ensued during which Messrs. Tanaka and Kajopaiye answered the questions posed by the Commissioners.

After Messrs. Tanaka and Kajopaiye departed the meeting, a further discussion ensued regarding the steps necessary to cause CAMP to be approved as a permitted investment option for the City consistent with the prior recommendation of PFM. It was agreed that the Finance Director would pursue the approval of the necessary modification to the City’s Investment Policy to make CAMP a permitted option and thereafter make a recommendation to the Commission regarding any suggested use of CAMP.

Action: The Commission received the presentation

3. FY22 Audit Review Discussion

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Grace Zhang, a representative of the City's independent audit firm, Maze & Associates, made a presentation to the Commission regarding the results of the fiscal year 2022 audit, including the required communications of the audit firm. A discussion ensued involving Ms. Zhang, the Finance Director and the Commission, the topics of which included, among others, policies for cyber security, review of the City's internal controls over financial reporting and the audit process in general.

The Finance Director next led a discussion of the draft Annual Comprehensive Financial Report ("ACFR") that had been provided to the Commission in advance of the meeting and in which Ms. Zhang participated. The Commissioners posed a number of questions, and provided a number of comments regarding the draft ACFR, including as to the presentation of certain liabilities. In addition to the substantive questions and comments posed, it was noted that the draft would benefit from a further review by the Commissioners and a process was established to deliver any additional comments to the Finance Director.

The Finance Director was also encouraged that, with respect to fiscal year 2023 and assuming a return to normalized staffing levels, the City consider recommencing its pre-pandemic practice of providing a simplified financial report directly to residents.

4. Discussion Items

Financial Policy Discussion.

Action: The Finance Director will send the updated Financial Policy to the Commission.

COMMISSION AND STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS

The Finance Director also provided information on the Tyler Technologies implementation and confirmed that she would provide regular updates to the Commission during the implementation process.

ADJOURNMENT

Adjourned the meeting at 7:51 p.m.

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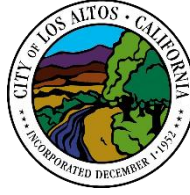
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AGENDA REPORT SUMMARY

Meeting Date: May 23, 2023

Subject Quarterly Investment Portfolio Report – Quarter Ended March 31, 2023

Prepared by: Minh Nguyen, Senior Accountant

Reviewed by: June Du, Finance Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Portfolio Mix Charts
2. Investment Policy Compliance Chart
3. LAIF Balance 03-31-23
4. LAIF Performance Over Time
5. PFM Investment Report Quarter Ended March 31, 2023

Initiated by:

Staff.

Fiscal Impact:

None

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- None

Summary:

- This report presents the status of the City’s investment portfolio through March 31, 2023. The reporting model has been developed in coordination with PFM Asset Management LLC (PFM), the City’s investment portfolio managers.

Staff Recommendation:

Receive the Investment Portfolio Report through March 31, 2023.

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JD



Subject: Quarterly Investment Portfolio Report – Quarter Ended March 31, 2023

Purpose

These quarterly reports are presented to both the City Council and the Financial Commission to keep both bodies apprised as to the status of the City's investment holding and demonstrate compliance with the City's Investment Policy.

Background

A review of the Investment Portfolio Report Quarter Ended March 31, 2023 was presented and discussed by the Financial Commission on May 15, 2023. The Financial Commission reviewed the Quarterly Investment Portfolio Report ending March 31, 2023, and had a brief discussion.

Discussion/Analysis

The summary provided below presents the sum of all City investment holdings. The City's portfolio par value and market value, including LAIF but excluding operating cash, as of March 31, 2023, was \$68,219,230 and \$66,795,316 respectively. The City's operating cash, as of March 31, 2023, was \$5,510,770.

As of March 31, 2023, 3.0% of the City's portfolio was placed in Federal Agency Securities (Fannie Mae, Federal Home Loan Bank, Federal Home Loan Mortgage, and Federal Farm Credit), 12.0% in Asset-Backed Securities, 1.4% in Supra-National Agency Bond, 34.6% in US Treasuries, 20.2% in medium-term Corporate Notes and Commercial Paper, and 2.0% in Certificate of Deposits, with the balance of 26.7% in LAIF. This portfolio mix is illustrated as part of Attachment 1 with LAIF balance and performance as Attachments 3 and 4.

Full compliance with the City's Investment Policy is monitored closely and on a per-trade basis as illustrated in Attachment 2. In accordance with California Government Code 53646(b)(3), the City of Los Altos has the ability to meet its pool expenditure requirements for the next six months.

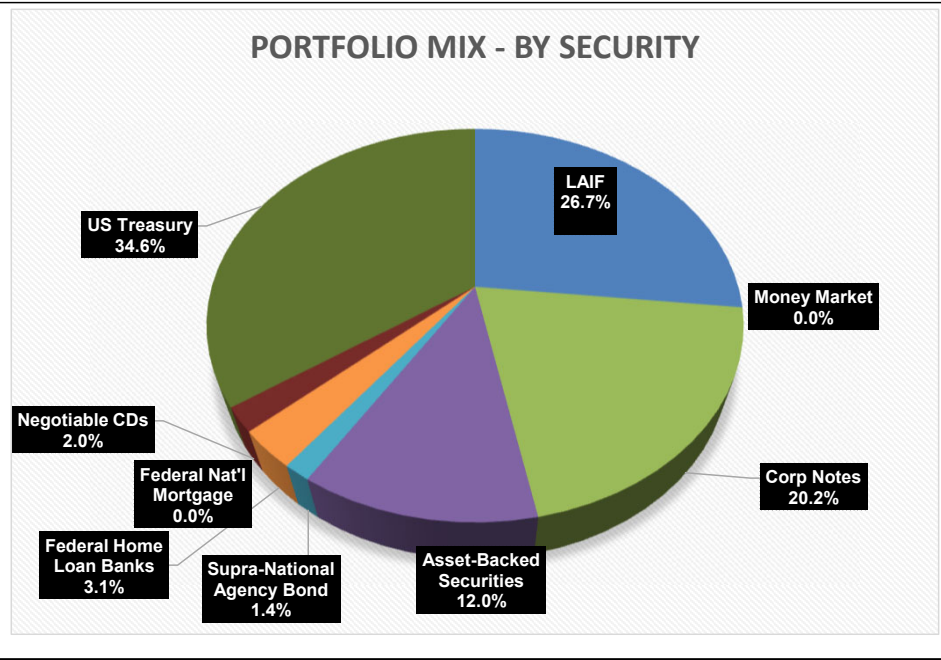
As part of these quarterly updates, a status report is prepared by PFM which is included as Attachment 5: Investment Performance Review for the Quarter Ended March 31, 2023. It is important to note that this report highlights the performance of City investments that fall outside its liquid holdings with LAIF. This has been intentionally crafted to isolate the performance of the City's independently managed investments. The return of the portfolio over ten years is 1.02%, which is highlighted on page 20 of the PFM Investment Performance Review Report (Attachment 5).

Recommendation

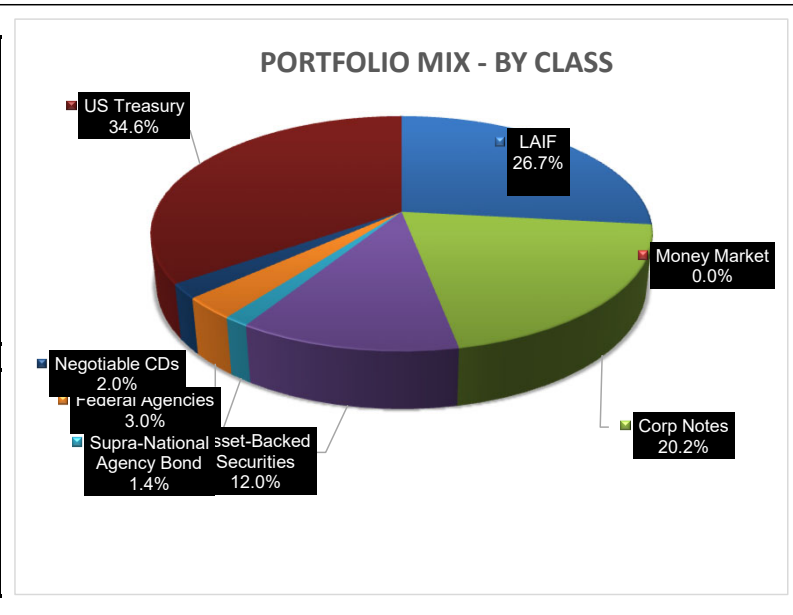
Receive the Investment Portfolio Report Quarter Ended March 31, 2023

**Attachment 1
Portfolio Mix Charts
March 2023**

Security Type	% of Total	Portfolio Mix By Security
LAIF	26.7%	18,191,160
Money Market	0.0%	-
Corp Notes	20.2%	13,756,000
Asset-Backed Securities	12.0%	8,198,200
Supra-National Agency Bond	1.4%	960,000
Federal Home Loan Banks	3.1%	2,111,870
Federal Nat'l Mortgage	0.0%	-
Negotiable CDs	2.0%	1,375,000
US Treasury	34.6%	23,627,000
Commercial Paper	0.0%	-
* Totals	100%	68,219,229.74



Security Type	% of Total	Portfolio Mix Par Value	Market Value
LAIF	26.7%	18,191,160	18,191,160
Money Market	0.0%	-	-
Corp Notes	20.2%	13,756,000	13,369,544
Asset-Backed Securities	12.0%	8,198,200	8,031,291
Supra-National Agency Bond	1.4%	960,000	918,645
Federal Agencies	3.0%	2,111,870	2,025,714
Negotiable CDs	2.0%	1,375,000	1,378,199
US Treasury	34.6%	23,627,000	22,880,763
	100%	68,219,230	66,795,316
Corp Notes		13,756,000	13,369,544
Asset-Backed Securities		8,198,200	8,031,291
Supra-National Agency Bond		960,000	918,645
US Treasury/Agencies		25,738,870	24,906,477
Negotiable CDs		1,375,000	1,378,199
Accrued Interest		-	244,051
		50,028,069.61	48,848,207
Margin Over (Under) Par			(1,179,862)



Attachment 2
Investment Policy Compliance Chart
March 2023

Agenda Item 2.

City Investment	% Mix	Par Value	Earliest Term	City Policy Term Limitation	City Policy \$ Limitation	City Policy % Limitation	CAPACITY	% Compliance Yes/No	Term Compliance Yes/No
LAIF	26.7%	18,191,160	07/01/22	No Term	75,000,000	100%	56,808,840	Yes	N/A
Money Market	0.0%	-		Overnight		20%	13,643,846	Yes	N/A
Corp Notes	20.2%	13,756,000	06/08/23	5 Years		30%	6,709,769	Yes	Yes
Asset-Backed Securities	12.0%	8,198,200	08/21/23	5 Years		20%	5,445,646	Yes	Yes
Supra-National Agency Bond	1.4%	960,000	05/24/23	5 Years		20%	12,683,846	Yes	Yes
Federal Agencies	3.1%	2,111,870	07/01/22	5 Years		100%	66,107,360	Yes	Yes
Commercial Paper	0.0%	-	-	270 Days		25%	17,054,807	Yes	-
Negotiable CDs	2.0%	1,375,000	12/02/22	5 Years		30%	19,090,769	Yes	Yes
US Treasury	34.6%	23,627,000	09/30/23	5 Years		100%	44,592,230	Yes	Yes
	100%	68,219,230							

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

May 02, 2023

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

CITY OF LOS ALTOS

CITY TREASURER
ONE NORTH SAN ANTONIO ROAD
LOS ALTOS, CA 94022

[Tran Type Definitions](#)

Account Number: 98-43-481

March 2023 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	18,191,160.13
Total Withdrawal:	0.00	Ending Balance:	18,191,160.13

Attachment 4 - LAIF Performance Over Time



POOLED MONEY INVESTMENT ACCOUNT

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	2.173
2023	2.425	2.624	2.831									



CITY OF LOS ALTOS

Investment Performance Review For the Quarter Ended March 31, 2023

Client Management Team

Monique Spyke, Managing Director
Wale Kajopaiye, Senior Managing Consultant

PFM Asset Management LLC

1 California Street Ste. 1000
San Francisco, CA 94111-5411
415-393-7270

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

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Agenda

- Market Update
- Portfolio Review

Market Update

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ Lingering inflation that remains well above the Fed's long-term inflation target
 - ▶ A labor market showing the first signs of moderation
 - ▶ Greater economic uncertainty following the surprise failure of Silicon Valley Bank and Signature Bank



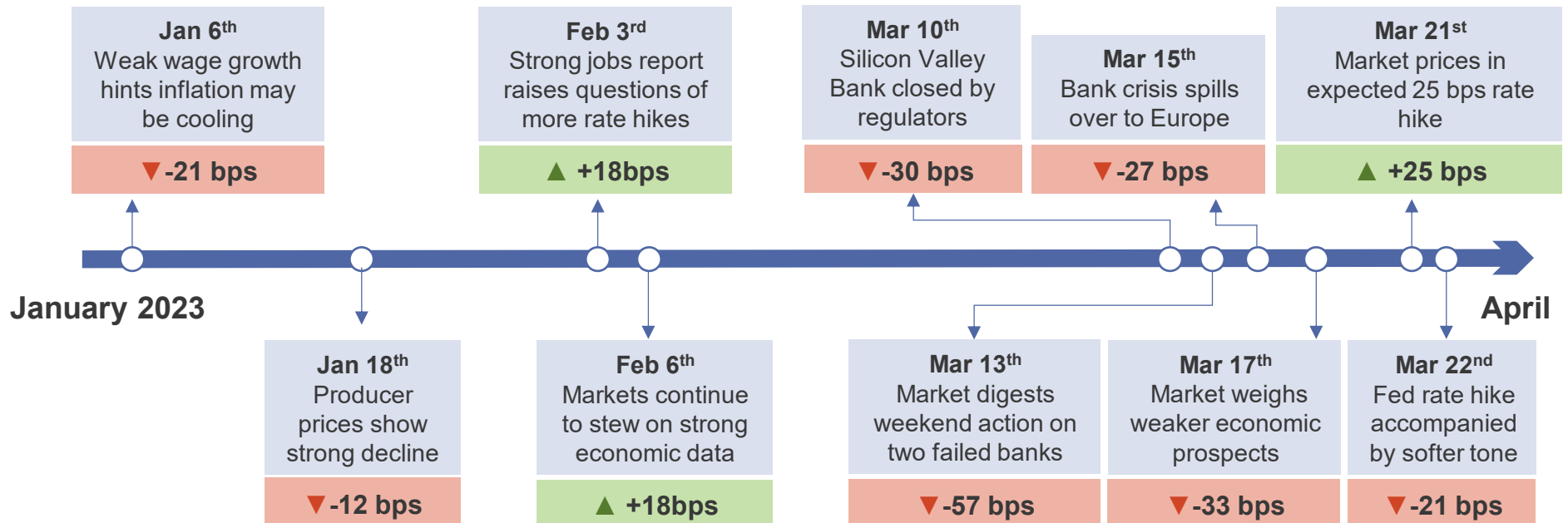
- ▶ Fed policy tightening may be nearly complete
 - ▶ The most recent FOMC statement noted that “some additional policy firming may be appropriate,” but the need for more rate hikes has become less clear
 - ▶ Although the Fed acknowledged the impact of the recent bank failures, their March updated Summary of Economic Projections were little changed from December
 - ▶ The Fed has maintained that they will keep rates elevated for some time, but the market is pricing in rate cuts beginning mid-year



- ▶ Bond markets saw unprecedented volatility in March
 - ▶ In a classic “flight to quality,” Treasury yields fell sharply, with the 2-year Treasury yield falling from 5.07% on March 8 to under 4.00% on March 17
 - ▶ The curve inversion from 3 months to 10 years reached the deepest levels in over 40 years
 - ▶ Credit yield spreads widened, especially those on banks, but not nearly to levels seen during the global financial crisis

Market Events Drive Large Yield Moves

Major Economic and Market Events and the Daily Change in the 2-Year U.S. Treasury Yield



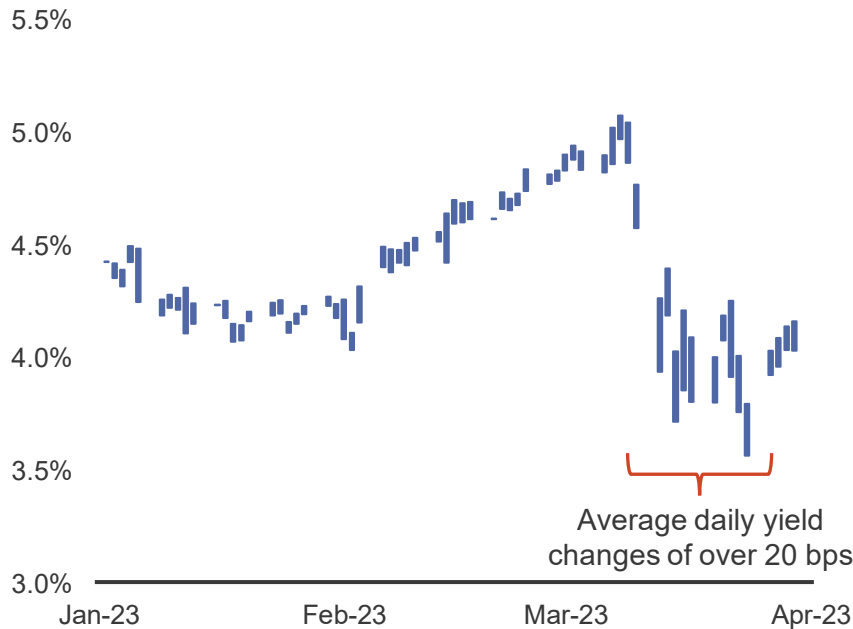
▼/▲ Changes in 2-Year Treasury

Bond Markets Saw Unprecedented Volatility in March

The surprise failure of two large U.S. banks caused volatility in the markets. In a classic “flight to quality,” Treasury yields fell sharply, with the 2-year Treasury yield falling from 5.07% on March 8, to 4.03% on March 31.

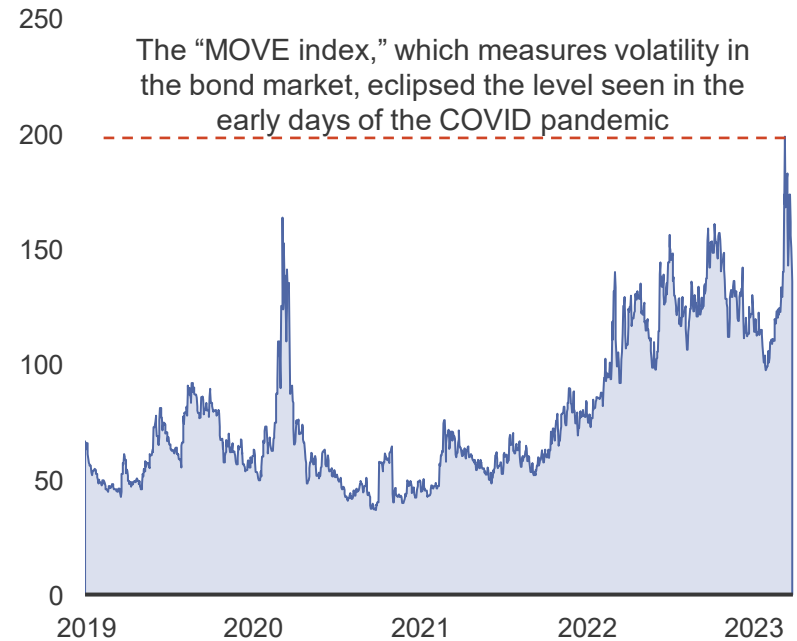
2-Year Treasury

Daily High and Low Yield



Fixed Income Market Volatility

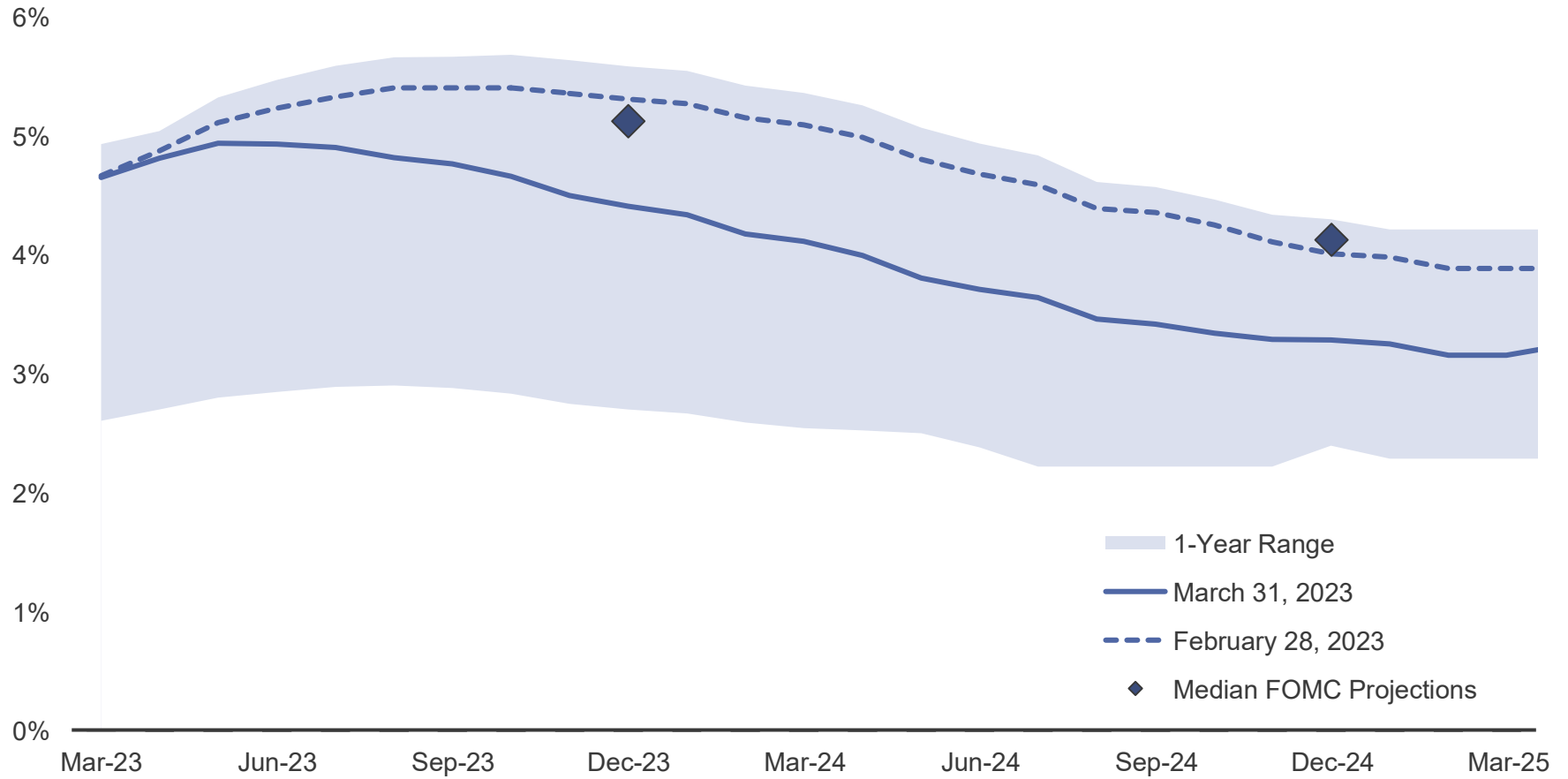
ICE BofA MOVE Index



Source: Bloomberg, ICE BofA Indices. As of 03/31/2023.

Market Expectations Evolve Amid Changing Policy Environment

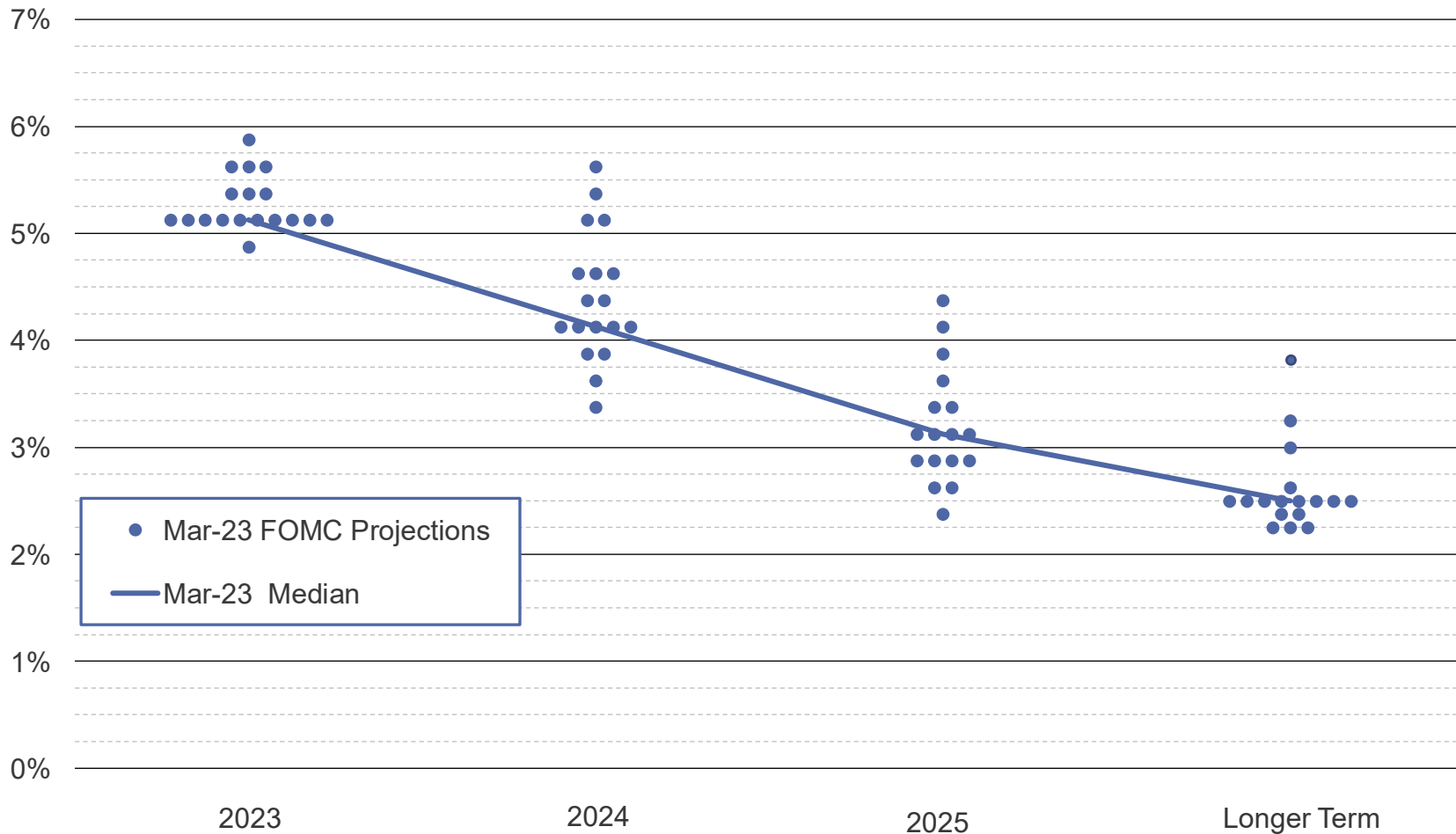
Implied Federal Funds Rate



Source: Bloomberg, Federal Reserve latest economic projection as of 03/31/2023.

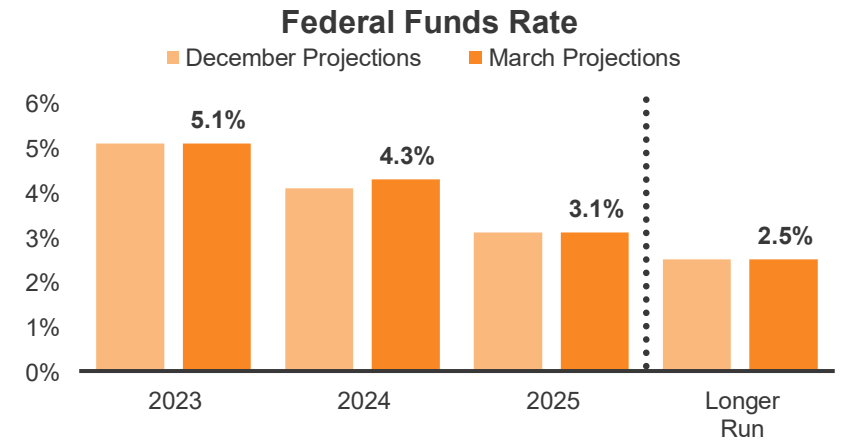
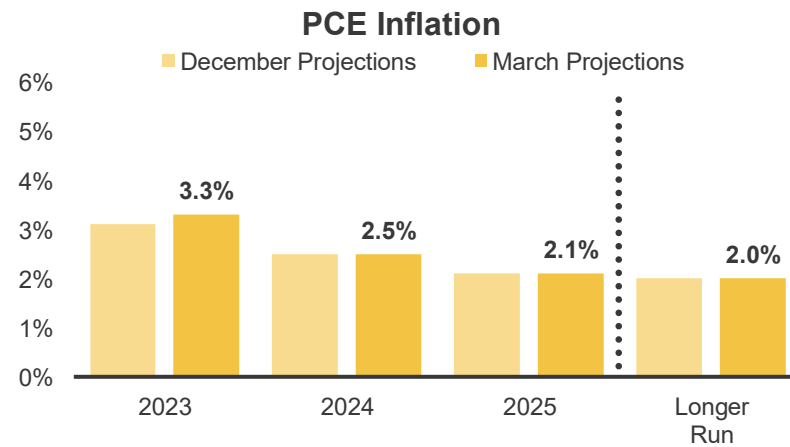
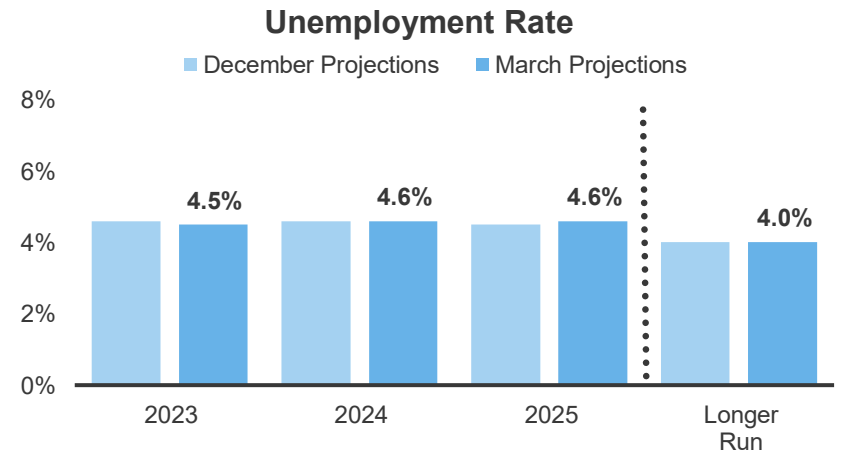
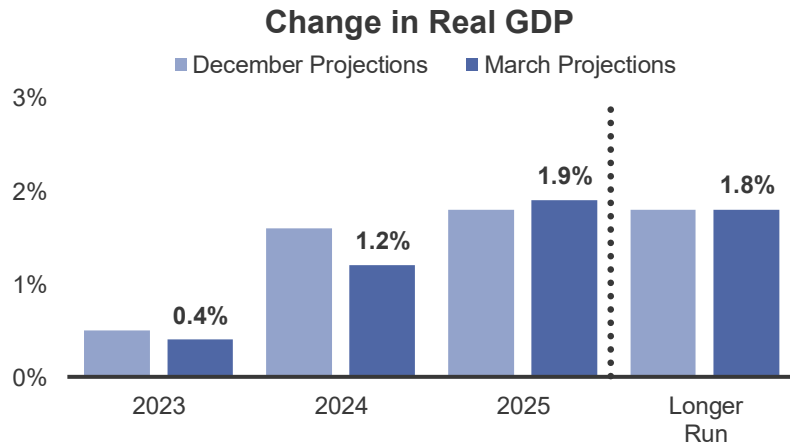
Fed's "Dot Plot" Indicates We Are Nearing Sufficiently Restrictive Territory

Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

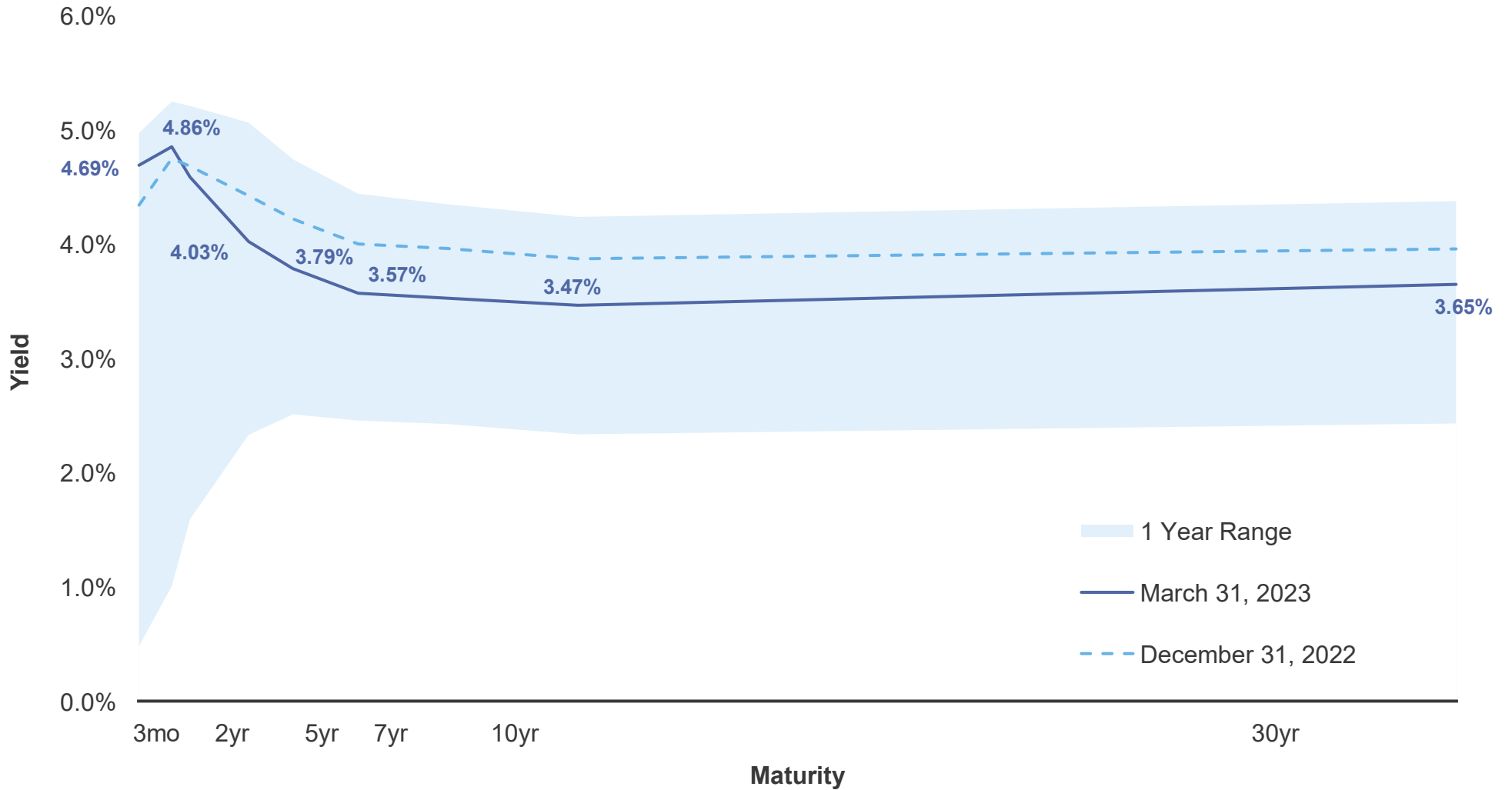
Fed's Updated Projections Reflect Little Change From December



Source: Federal Reserve, latest economic projections as of March 2023.

As Economic Uncertainty Increased, Longer-Term Interest Rates Fell

U.S. Treasury Yield Curve



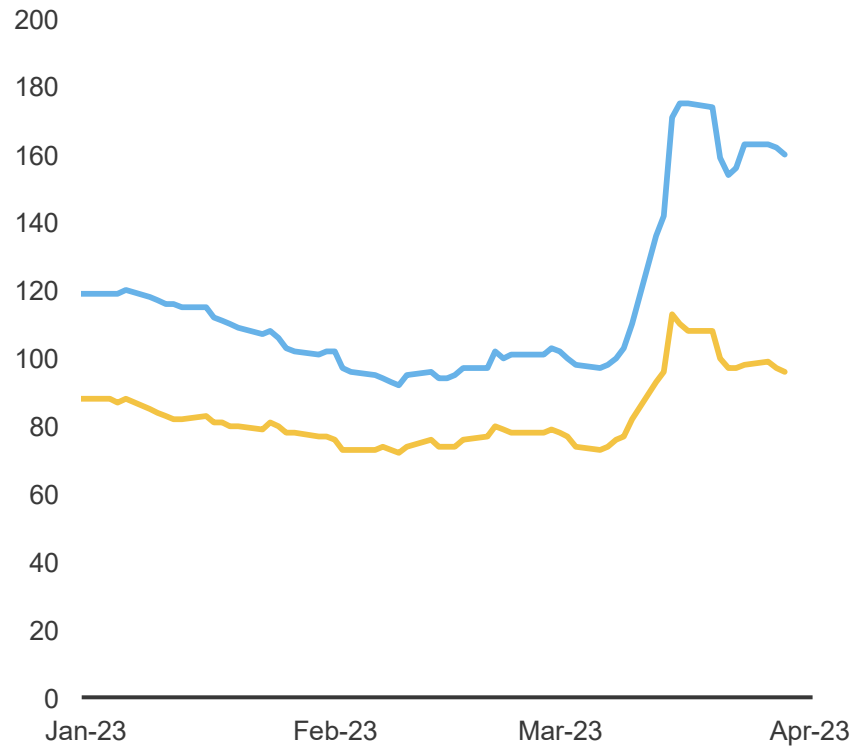
Source: Bloomberg, as of 03/31/2022.

Corporate Yield Spreads Modestly Wider, Led By Financials

Investment Grade Corporate Spreads

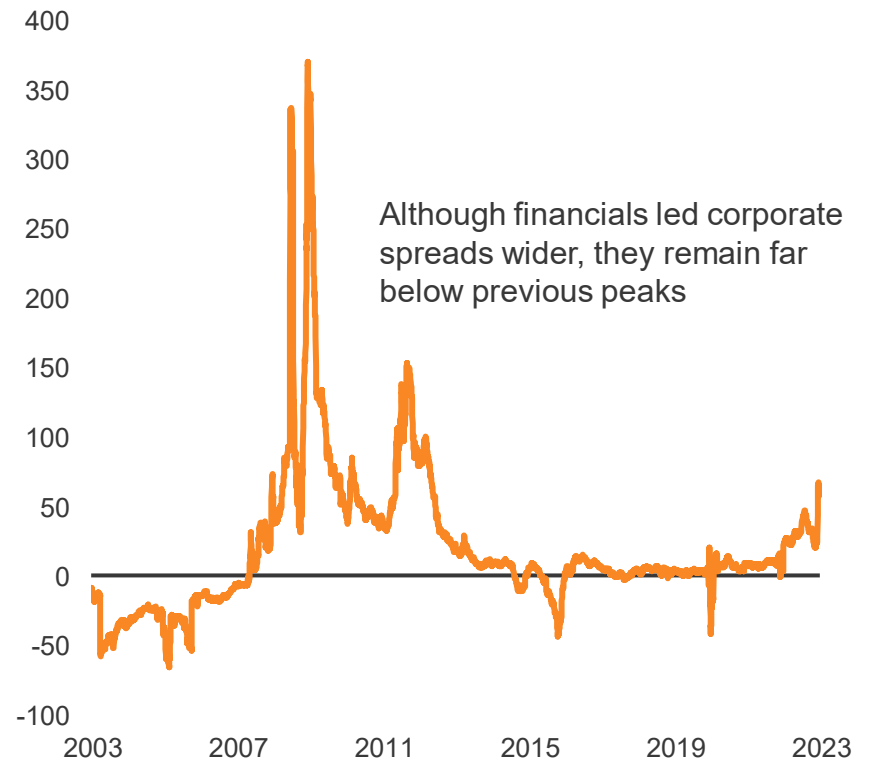
1-5 Year U.S. Corporate Index

— Financials — Industrials



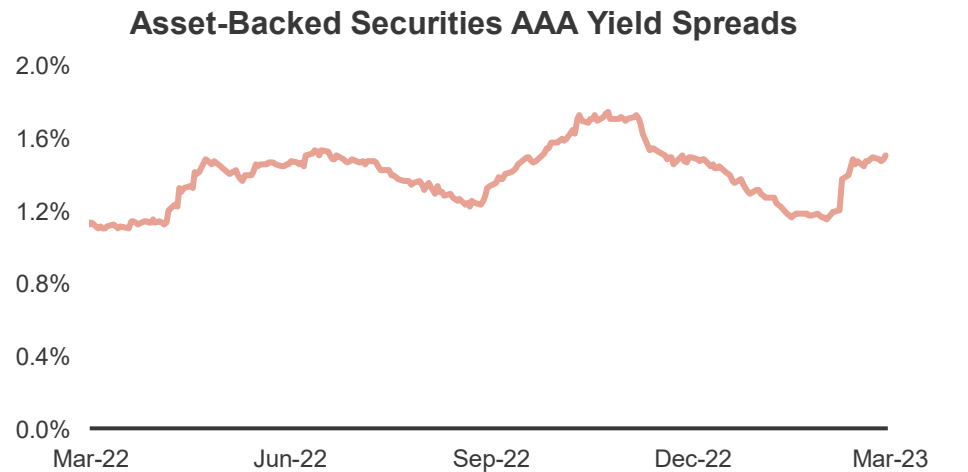
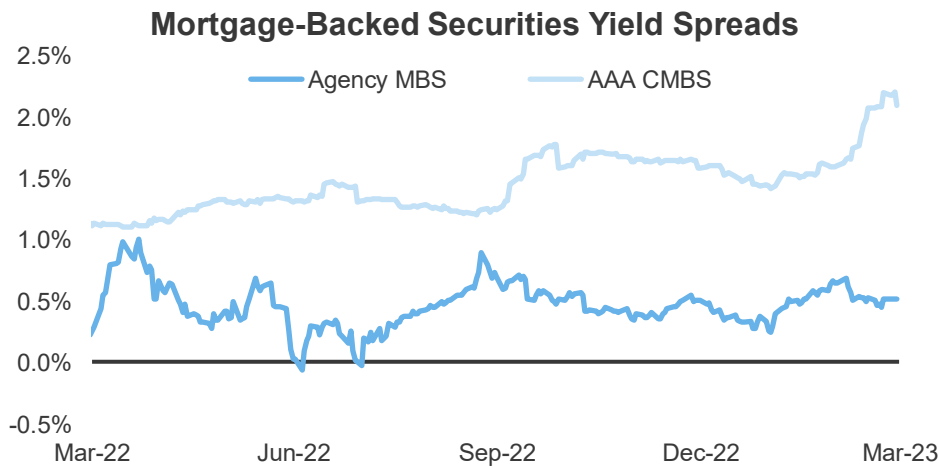
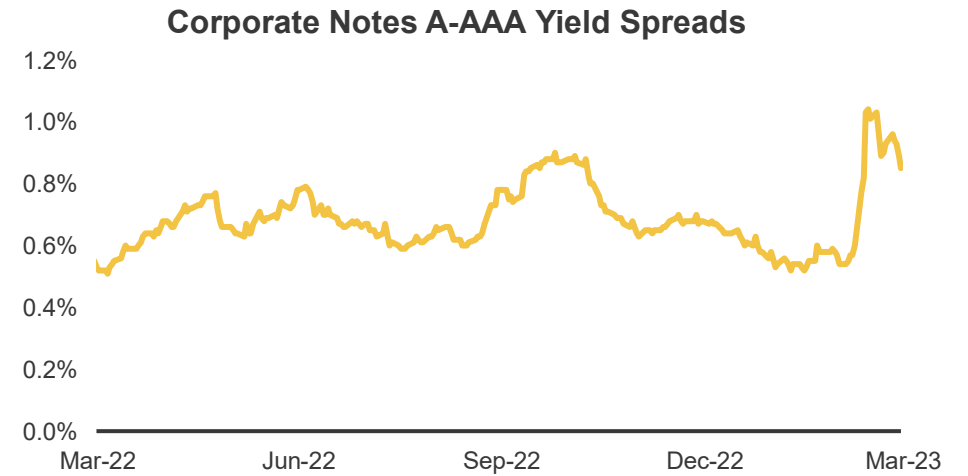
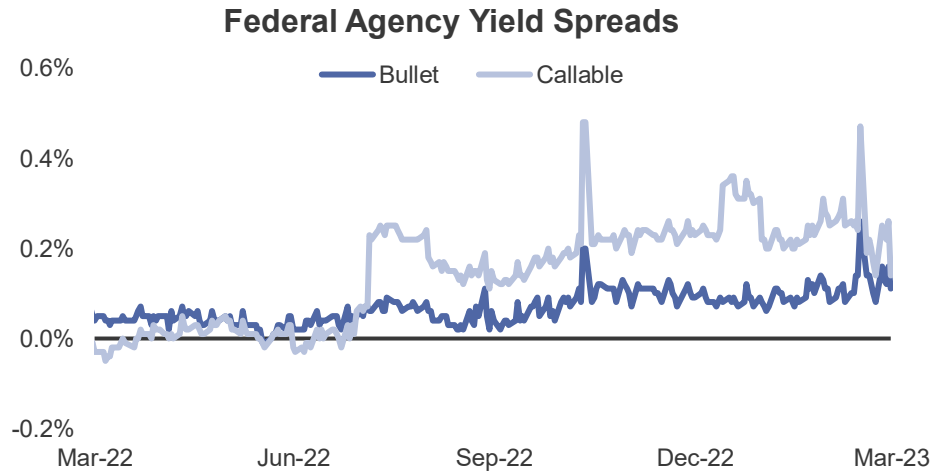
Difference Between Financial and Industrial Corporate Yield Spreads

1-5 Year U.S. Corporate Index



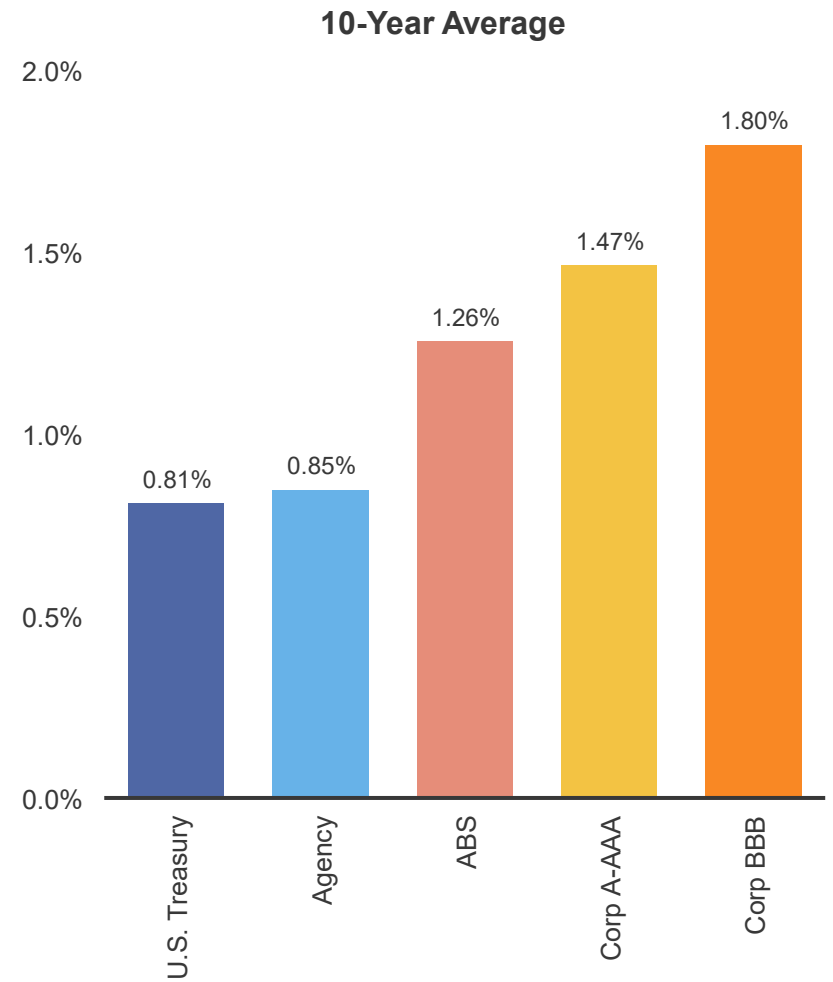
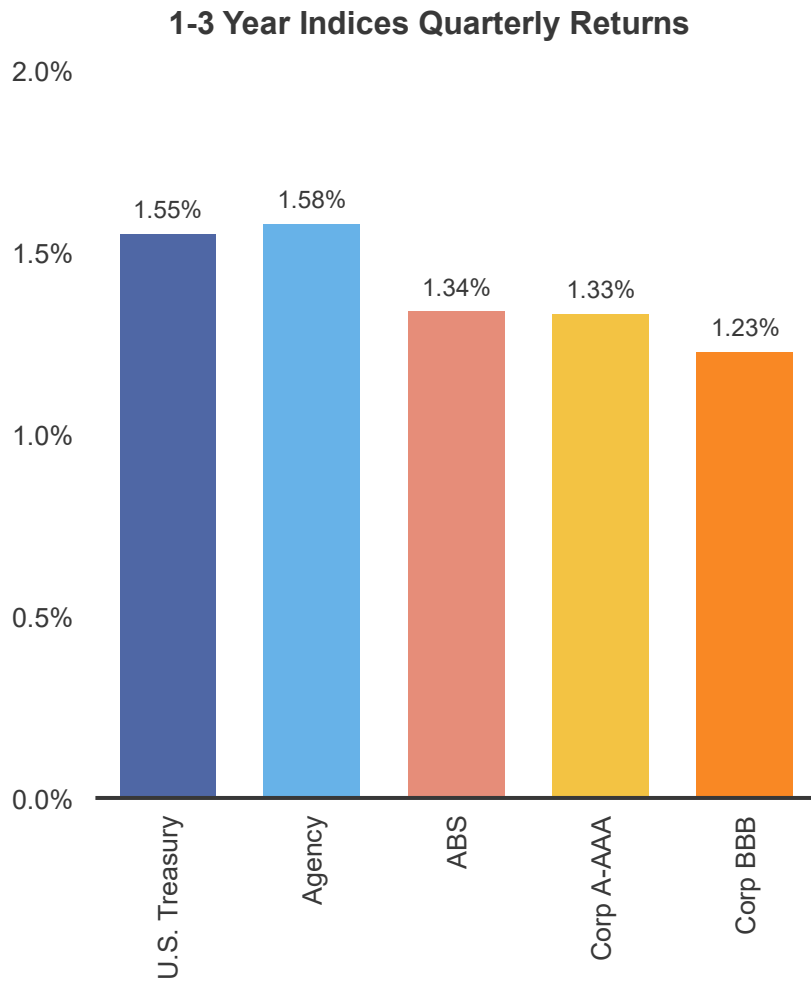
Source: Bloomberg, ICE BofA Indices as of 03/31/2023.

Sector Yield Spreads



Source: ICE BofAML 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of 03/31/2023. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Fixed-Income Markets in Q1 2023



Source: ICE BofAML Indices. ABS indices are 0-3 year, based on weighted average life. As of 03/31/2023.

Fixed-Income Sector Commentary – 1Q 2023

- ▶ **U.S. Treasury** experienced a classic “flight-to-quality” in March which caused 2-Year U.S. Treasury yields to plummet by more than 100 basis points in the biggest 3-day slide since 1987. Yields across the curve followed suit and shifted lower, further inverting the yield curve.
- ▶ **Federal agency** yield spreads widened this quarter as interest rates fell and new issuance was heavy. Callable agency spreads also widened for certain structures with the surge in market volatility.
- ▶ **Supranational** issuance experienced a strong start to the year as the value of U.S. dollar funding levels improved throughout Q1 vs. the Euro. Spreads ended the quarter tighter and the sector generated strong excess returns vs. other fixed income sectors.
- ▶ **Investment-Grade Corporate** fundamentals were stable to start the year, with yield spreads priced for continued economic growth and benign credit markets. However, spreads ended the quarter markedly wider, led by financials, in response to concerns in the banking sector. Spreads on industrial issues widened less, but appeared attractive relative to recent levels when considering the strength of their fundamentals.
- ▶ **Asset-Backed Security** fundamentals remain positive for prime deals. Collateral performance has slightly deteriorated, but remains well within typical historical norms. The new issue market has been active, causing spreads to touch multi-month wides near quarter-end.
- ▶ **Mortgage-Backed Securities** underperformed Treasuries for the quarter after outperforming during the first two months of the year. Elevated mortgage rates are leading to slower refinancings and prepayments while volatility led to wider spreads.
- ▶ **Taxable Municipal** saw little activity in Q1 and what issuance occurred was heavily oversubscribed. The secondary market had few opportunities as spreads were generally unattractive favoring sells over buys.
- ▶ **Short-term credit** (commercial paper and CDs) was impacted by the debt ceiling impasse to start the quarter and spreads narrowed. Along with the broad risk-off widening of credit in Q1; however, there were large dislocations between primary (new issue) and secondary offerings and a wide dispersion between financial and non-financial names. Short-term rates remain near the highest level in 15 years.

Fixed-Income Sector Outlook – 2Q 2023

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	



Portfolio Review: CITY OF LOS ALTOS INVESTMENT PORTFOLIO

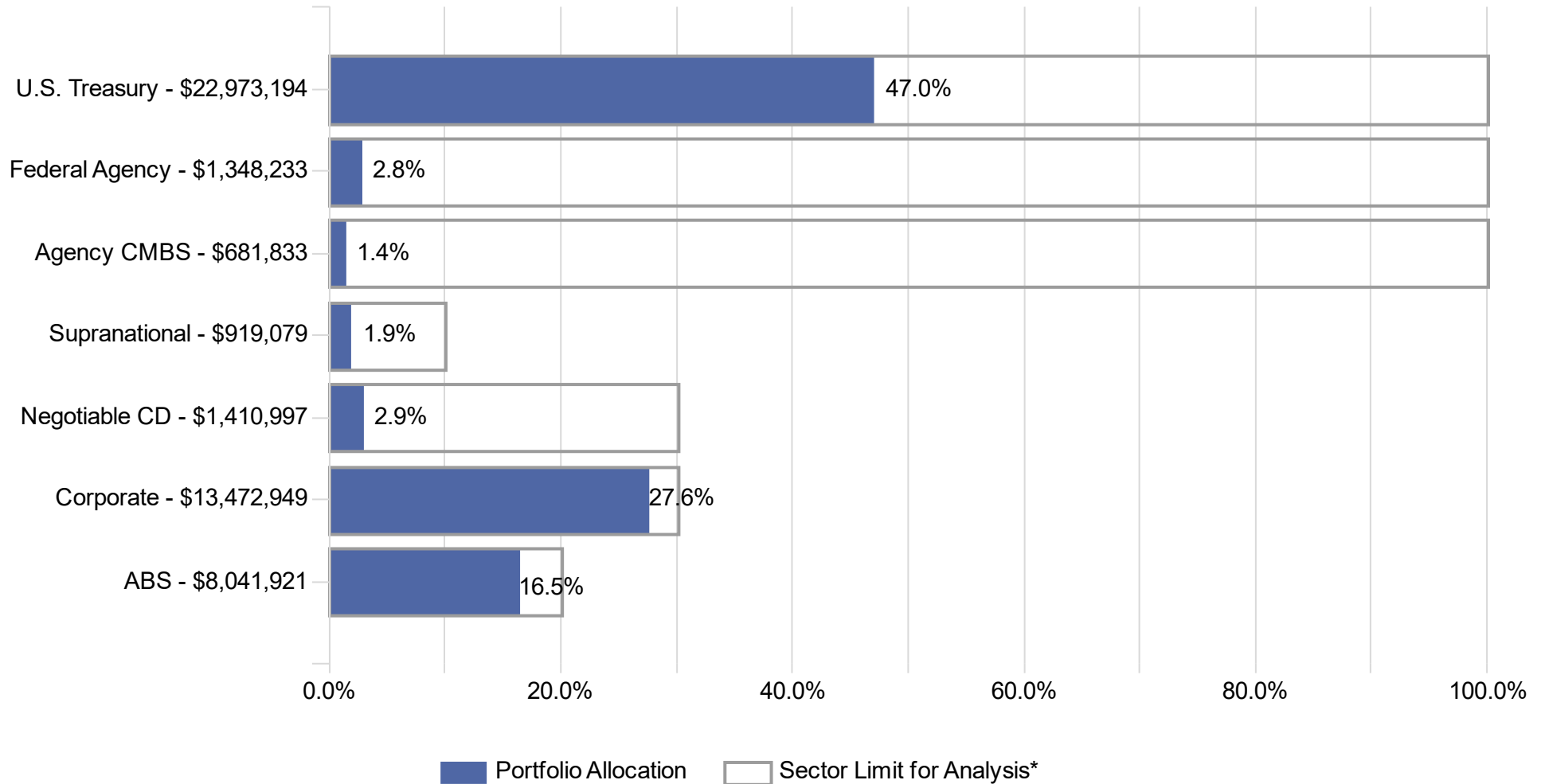
Certificate of Compliance

During the reporting period for the quarter ended March 31, 2023, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

**Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

Account Summary

CITY OF LOS ALTOS INVESTMENT PORTFOLIO			
Portfolio Values		Analytics¹	
	March 31, 2023		March 31, 2023
PFMAM Managed Account	\$48,604,156	Yield at Market	4.29%
Amortized Cost	\$49,959,463	Yield on Cost	2.33%
Market Value	\$48,604,156	Portfolio Duration	1.69
Accrued Interest	\$244,051		
Cash	\$73,736		

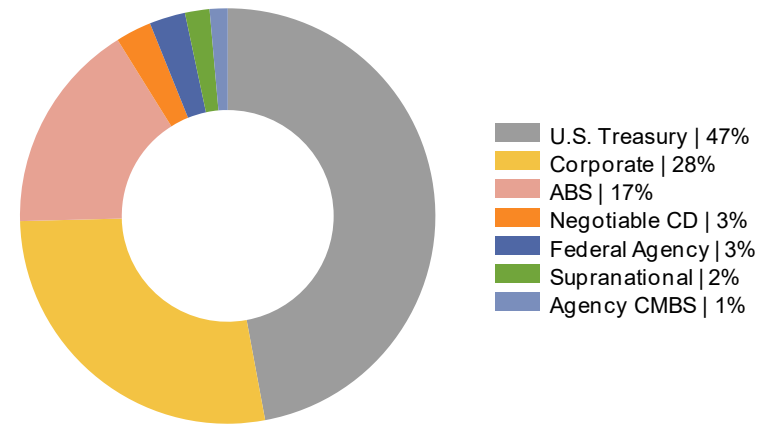
1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

Portfolio Snapshot - CITY OF LOS ALTOS INVESTMENT PORTFOLIO¹

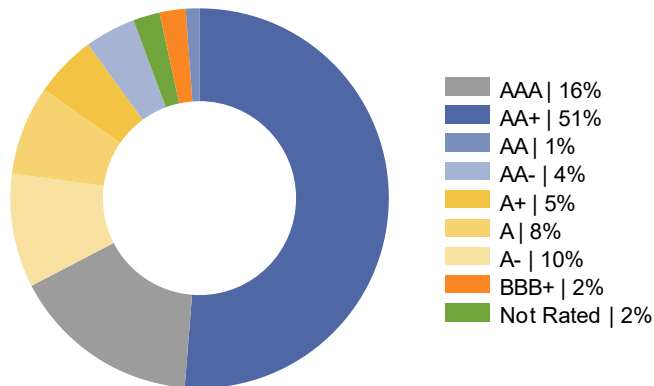
Portfolio Statistics

Total Market Value	\$48,921,943.25
<i>Securities Sub-Total</i>	\$48,604,155.99
<i>Accrued Interest</i>	\$244,051.15
<i>Cash</i>	\$73,736.11
Portfolio Effective Duration	1.69 years
Benchmark Effective Duration	1.75 years
Yield At Cost	2.33%
Yield At Market	4.29%
Portfolio Credit Quality	AA

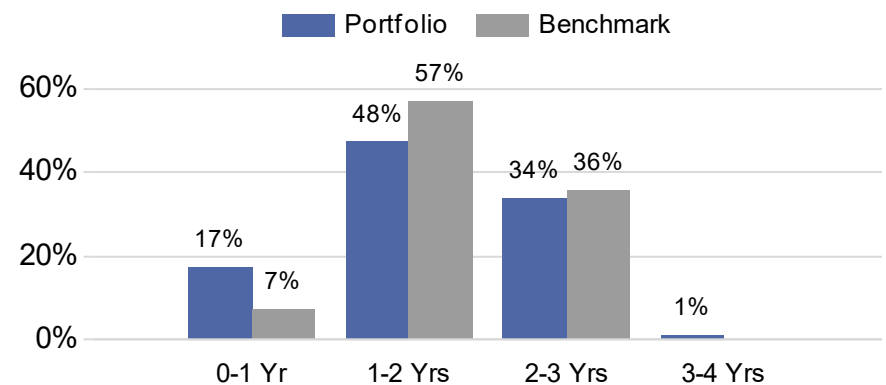
Sector Allocation



Credit Quality - S&P



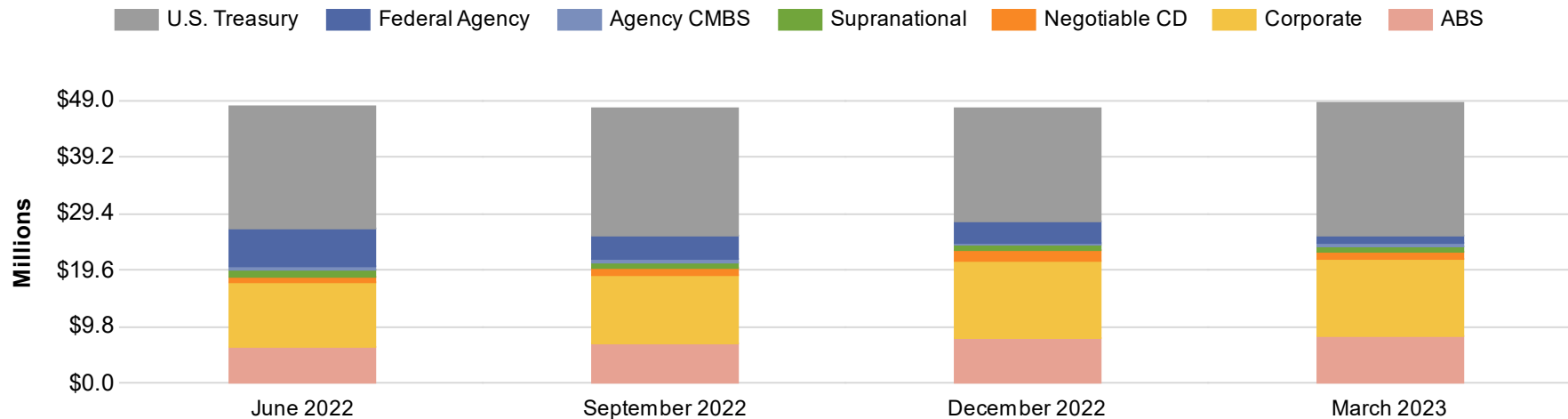
Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Review - CITY OF LOS ALTOS INVESTMENT PORTFOLIO

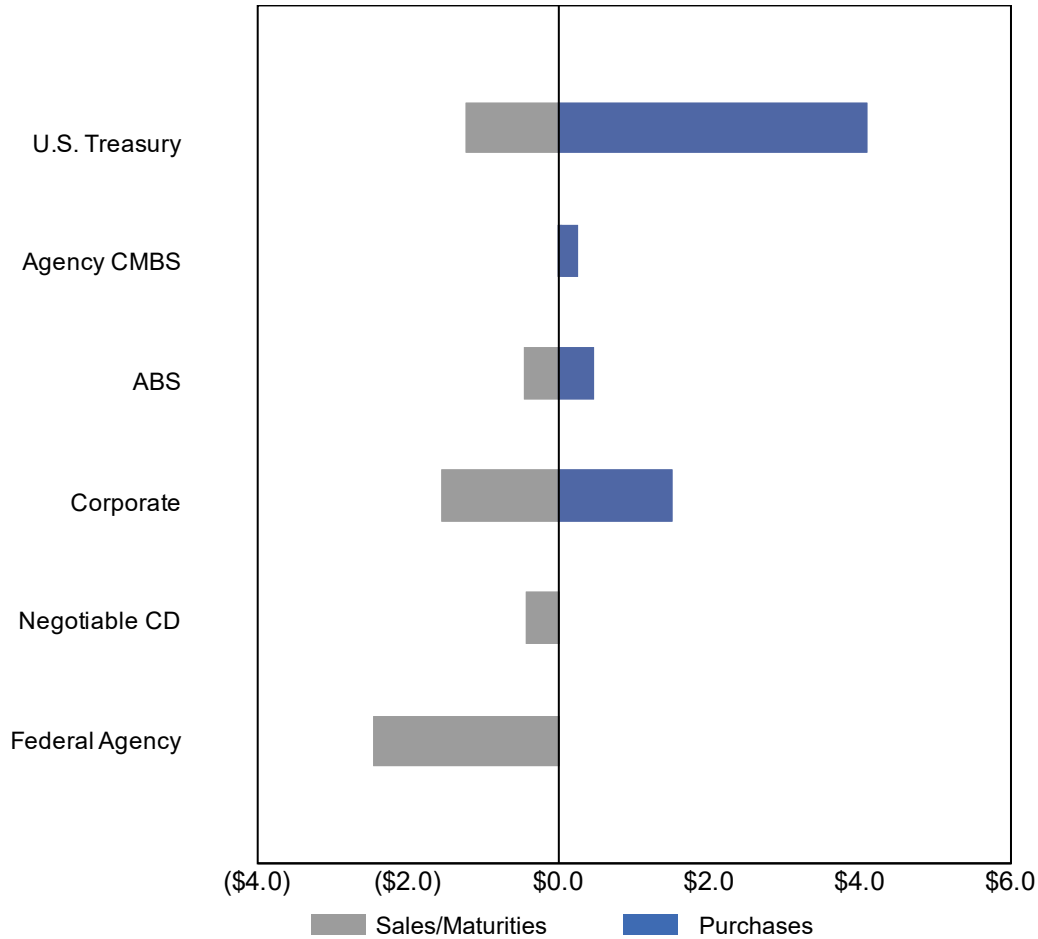
Security Type	Jun-22	% of Total	Sep-22	% of Total	Dec-22	% of Total	Mar-23	% of Total
U.S. Treasury	\$21.3	44.3%	\$22.0	46.1%	\$19.7	41.3%	\$22.9	47.1%
Federal Agency	\$6.4	13.4%	\$4.0	8.3%	\$3.8	7.8%	\$1.3	2.8%
Agency CMBS	\$0.5	1.0%	\$0.7	1.5%	\$0.4	0.9%	\$0.7	1.4%
Supranational	\$1.3	2.8%	\$0.9	1.9%	\$0.9	1.9%	\$0.9	1.9%
Negotiable CD	\$1.0	2.1%	\$1.4	2.9%	\$1.8	3.7%	\$1.4	2.8%
Corporate	\$11.1	23.1%	\$11.9	25.0%	\$13.3	27.8%	\$13.4	27.5%
ABS	\$6.4	13.3%	\$6.8	14.3%	\$7.9	16.6%	\$8.0	16.5%
Total	\$48.0	100.0%	\$47.6	100.0%	\$47.9	100.0%	\$48.6	100.0%



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Portfolio Activity - CITY OF LOS ALTOS INVESTMENT PORTFOLIO

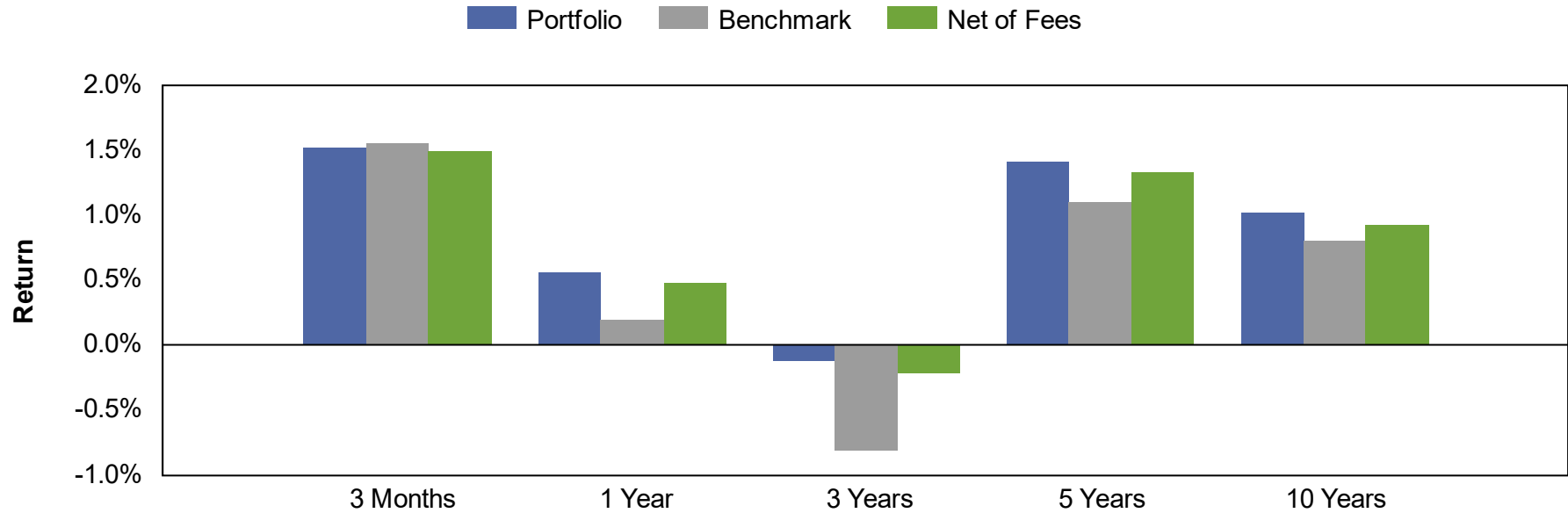
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$2,877,537
Agency CMBS	\$241,211
ABS	\$32,883
Corporate	(\$21,259)
Negotiable CD	(\$424,868)
Federal Agency	(\$2,439,173)
Total Net Activity	\$266,332

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

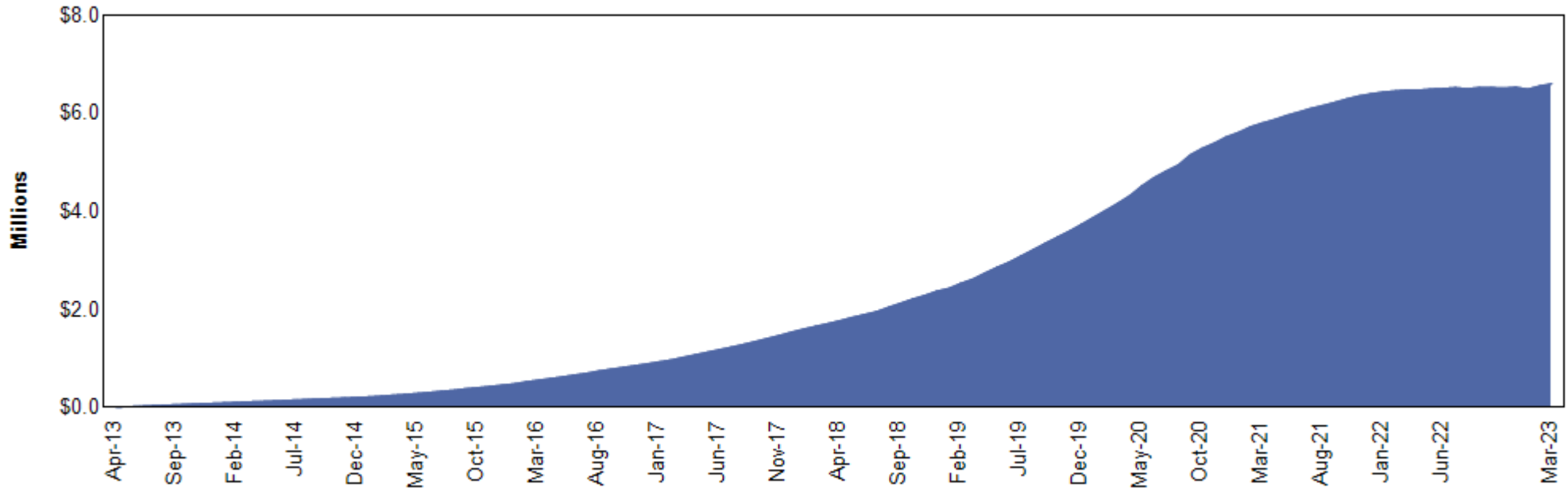
Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years ¹
Interest Earned ²	\$258,739	\$732,594	\$2,255,649	\$4,824,865	\$6,659,651
Change in Market Value	\$473,435	(\$455,957)	(\$2,324,936)	(\$620,411)	(\$1,456,187)
Total Dollar Return	\$732,174	\$276,637	(\$69,287)	\$4,204,454	\$5,203,464
Total Return³					
Portfolio	1.52%	0.57%	-0.12%	1.42%	1.02%
Benchmark ⁴	1.55%	0.20%	-0.81%	1.11%	0.81%
Basis Point Fee	0.02%	0.09%	0.09%	0.09%	0.09%
Net of Fee Return	1.50%	0.48%	-0.21%	1.33%	0.93%

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is June 30, 2010.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.
 4. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - CITY OF LOS ALTOS INVESTMENT PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year ¹
Interest Earned ²	\$258,739	\$732,594	\$2,255,649	\$4,824,865	\$6,659,651
Realized Gains / (Losses) ³	(\$186,807)	(\$557,038)	\$375,099	\$184,480	\$141,751
Change in Amortized Cost	(\$4,482)	(\$50,850)	(\$194,378)	(\$118,813)	(\$195,703)
Total Earnings	\$67,449	\$124,130	\$2,436,370	\$4,890,532	\$6,605,698

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2010.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Realized gains / (losses) are shown on an amortized cost basis.

Portfolio Holdings and Transactions

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	47.0%	
UNITED STATES TREASURY	47.0%	AA / Aaa / AAA
Federal Agency	2.8%	
FEDERAL HOME LOAN BANKS	1.0%	AA / Aaa / NR
FREDDIE MAC	1.8%	AA / Aaa / AAA
Agency CMBS	1.4%	
FANNIE MAE	0.4%	AA / Aaa / AAA
FREDDIE MAC	1.0%	AA / Aaa / AAA
Supranational	1.9%	
INTER-AMERICAN DEVELOPMENT BANK	1.0%	AAA / Aaa / AAA
INTL BANK OF RECONSTRUCTION AND DEV	0.8%	AAA / Aaa / AAA
Negotiable CD	2.9%	
CREDIT AGRICOLE SA	0.8%	A / Aa / AA
NORDEA BANK ABP	1.1%	AA / Aa / AA
TORONTO-DOMINION BANK	1.0%	A / A / NR
Corporate	27.6%	
ABBOTT LABORATORIES	0.3%	AA / A / NR
AMAZON.COM INC	0.7%	AA / A / AA
AMERICAN EXPRESS CO	0.7%	BBB / A / A
AMERICAN HONDA FINANCE	0.8%	A / A / A
ANZ BANKING GROUP LTD	0.5%	AA / Aa / A
ASTRAZENECA PLC	0.6%	A / A / A
BANK OF AMERICA CO	1.4%	A / A / AA
BRISTOL-MYERS SQUIBB CO	0.2%	A / A / NR
BROWN-FORMAN CORP	0.2%	A / A / NR
BURLINGTON NORTHERN SANTA FE	0.3%	AA / A / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	27.6%	
CATERPILLAR INC	0.3%	A / A / A
CINTAS CORPORATION NO. 2	0.4%	A / A / NR
CITIGROUP INC	0.8%	BBB / A / A
COLGATE-PALMOLIVE COMPANY	0.6%	AA / Aa / NR
COMCAST CORP	0.4%	A / A / A
DEERE & COMPANY	0.6%	A / A / A
EXXON MOBIL CORP	0.3%	AA / Aa / NR
GENERAL DYNAMICS CORP	0.3%	A / A / NR
GOLDMAN SACHS GROUP INC	0.3%	BBB / A / A
HERSHEY COMPANY	0.2%	A / A / NR
HOME DEPOT INC	0.2%	A / A / A
HONEYWELL INTERNATIONAL	0.8%	A / A / A
HORMEL FOODS CORP	0.3%	A / A / NR
HSBC HOLDINGS PLC	0.8%	A / A / A
IBM CORP	0.8%	A / A / NR
INTEL CORPORATION	0.4%	A / A / A
JP MORGAN CHASE & CO	1.5%	A / A / AA
LOCKHEED MARTIN CORP	0.4%	A / A / A
MERCK & CO INC	0.3%	A / A / NR
MORGAN STANLEY	0.7%	A / A / A
NATIONAL AUSTRALIA BANK LTD	1.4%	AA / Aa / NR
NATIONAL RURAL UTILITIES CO FINANCE CORP	0.8%	A / A / A
PACCAR FINANCIAL CORP	0.8%	A / A / NR
PEPSICO INC	0.8%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.7%	A / A / A
PRAXAIR INC	0.9%	A / A / NR

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	27.6%	
RABOBANK NEDERLAND	1.0%	A / Aa / AA
STATE STREET CORPORATION	0.7%	A / A / AA
TEXAS INSTRUMENTS INC	0.1%	A / Aa / NR
THE BANK OF NEW YORK MELLON CORPORATION	1.5%	A / A / AA
TOYOTA MOTOR CORP	0.8%	A / A / A
TRUIST FIN CORP	0.7%	A / A / A
UNILEVER PLC	0.4%	A / A / A
UNITEDHEALTH GROUP INC	0.2%	A / A / A
WAL-MART STORES INC	0.5%	AA / Aa / AA
WELLS FARGO & COMPANY	0.4%	BBB / A / A
ABS	16.5%	
ALLY AUTO RECEIVABLES TRUST	1.4%	AAA / Aaa / NR
AMERICAN EXPRESS CO	1.0%	AAA / NR / AAA
BMW FINANCIAL SERVICES NA LLC	0.0%	AAA / Aaa / NR
BMW VEHICLE OWNER TRUST	0.3%	AAA / Aaa / AAA
CAPITAL ONE FINANCIAL CORP	2.1%	AAA / Aaa / AAA
CARMAX AUTO OWNER TRUST	2.3%	AAA / Aaa / AAA
DISCOVER FINANCIAL SERVICES	1.4%	AAA / Aaa / AAA
FORD CREDIT AUTO OWNER TRUST	0.5%	AAA / NR / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	1.1%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.2%	AAA / NR / AAA
HARLEY-DAVIDSON MOTORCYCLE TRUST	0.9%	AAA / Aaa / AAA
HONDA AUTO RECEIVABLES	0.4%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	1.4%	AAA / NR / AAA
MERCEDES-BENZ AUTO RECEIVABLES	0.8%	AAA / Aaa / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	16.5%	
NISSAN AUTO RECEIVABLES	0.5%	AAA / Aaa / NR
TOYOTA MOTOR CORP	1.2%	AAA / Aaa / AAA
VERIZON OWNER TRUST	0.2%	AAA / Aaa / AAA
VOLKSWAGEN AUTO LEASE TURST	0.2%	NR / Aaa / AAA
WORLD OMNI AUTO REC TRUST	0.5%	AAA / NR / AAA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Issuer Distribution As of March 31, 2023

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	22,880,763	47.09%
FREDDIE MAC	1,360,204	2.80%
CARMAX AUTO OWNER TRUST	1,121,793	2.31%
CAPITAL ONE FINANCIAL CORP	1,006,696	2.07%
TOYOTA MOTOR CORP	946,331	1.95%
AMERICAN EXPRESS CO	842,110	1.73%
THE BANK OF NEW YORK MELLON CORPORATION	728,858	1.50%
JP MORGAN CHASE & CO	710,921	1.46%
DISCOVER FINANCIAL SERVICES	701,585	1.44%
HYUNDAI AUTO RECEIVABLES	699,688	1.44%
ALLY AUTO RECEIVABLES TRUST	691,678	1.42%
BANK OF AMERICA CO	686,181	1.41%
NATIONAL AUSTRALIA BANK LTD	665,828	1.37%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	542,554	1.12%
INTER-AMERICAN DEVELOPMENT BANK	505,913	1.04%
NORDEA BANK ABP	503,489	1.04%
TORONTO-DOMINION BANK	499,710	1.03%
RABOBANK NEDERLAND	481,321	0.99%
FEDERAL HOME LOAN BANKS	472,728	0.97%
HARLEY-DAVIDSON MOTORCYCLE TRUST	420,543	0.87%
PRAXAIR INC	420,023	0.86%
INTL BANK OF RECONSTRUCTION AND DEV	412,732	0.85%
AMERICAN HONDA FINANCE	411,983	0.85%
MERCEDES-BENZ AUTO RECEIVABLES	394,066	0.81%

Issuer	Market Value (\$)	% of Portfolio
CITIGROUP INC	389,935	0.80%
NATIONAL RURAL UTILITIES CO FINANCE CORP	387,641	0.80%
PACCAR FINANCIAL CORP	378,213	0.78%
PEPSICO INC	376,487	0.77%
HONEYWELL INTERNATIONAL	375,893	0.77%
CREDIT AGRICOLE SA	375,000	0.77%
IBM CORP	370,748	0.76%
HSBC HOLDINGS PLC	365,836	0.75%
MORGAN STANLEY	358,800	0.74%
STATE STREET CORPORATION	347,881	0.72%
PNC FINANCIAL SERVICES GROUP	347,676	0.72%
TRUIST FIN CORP	346,310	0.71%
AMAZON.COM INC	340,532	0.70%
DEERE & COMPANY	279,658	0.58%
ASTRAZENECA PLC	276,732	0.57%
COLGATE-PALMOLIVE COMPANY	268,530	0.55%
FORD CREDIT AUTO OWNER TRUST	254,663	0.52%
ANZ BANKING GROUP LTD	252,187	0.52%
NISSAN AUTO RECEIVABLES	240,014	0.49%
WORLD OMNI AUTO REC TRUST	237,214	0.49%
WAL-MART STORES INC	224,254	0.46%
UNILEVER PLC	215,891	0.44%
HONDA AUTO RECEIVABLES	211,138	0.43%
INTEL CORPORATION	197,067	0.41%
FANNIE MAE	192,782	0.40%
WELLS FARGO & COMPANY	188,978	0.39%
COMCAST CORP	178,701	0.37%

Issuer	Market Value (\$)	% of Portfolio
LOCKHEED MARTIN CORP	177,809	0.37%
CINTAS CORPORATION NO. 2	171,023	0.35%
HORMEL FOODS CORP	166,359	0.34%
GENERAL DYNAMICS CORP	161,403	0.33%
ABBOTT LABORATORIES	161,294	0.33%
BMW VEHICLE OWNER TRUST	151,701	0.31%
GOLDMAN SACHS GROUP INC	146,570	0.30%
MERCK & CO INC	127,021	0.26%
EXXON MOBIL CORP	126,229	0.26%
CATERPILLAR INC	122,384	0.25%
BURLINGTON NORTHERN SANTA FE	121,443	0.25%
HERSHEY COMPANY	120,305	0.25%
BRISTOL-MYERS SQUIBB CO	114,140	0.23%
BROWN-FORMAN CORP	112,312	0.23%
VERIZON OWNER TRUST	105,079	0.22%
VOLKSWAGEN AUTO LEASE TURST	98,087	0.20%
HOME DEPOT INC	93,308	0.19%
GM FINANCIAL LEASINGTRUST	91,114	0.19%
UNITEDHEALTH GROUP INC	81,355	0.17%
TEXAS INSTRUMENTS INC	55,381	0.11%
BMW FINANCIAL SERVICES NA LLC	13,383	0.03%
Grand Total	48,604,156	100.00%

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 12/15/2020 0.125% 12/15/2023	91282CBA8	850,000.00	AA+	Aaa	1/6/2021	1/7/2021	847,974.60	0.21	312.33	849,512.54	823,171.88
US TREASURY NOTES DTD 01/15/2021 0.125% 01/15/2024	91282CBE0	2,300,000.00	AA+	Aaa	2/2/2021	2/3/2021	2,296,316.41	0.18	603.59	2,299,010.63	2,218,421.76
US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024	91282CBM2	1,250,000.00	AA+	Aaa	3/1/2021	3/3/2021	1,244,580.08	0.27	194.23	1,248,392.61	1,201,171.87
US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024	91282CBM2	350,000.00	AA+	Aaa	2/23/2021	2/25/2021	349,015.63	0.22	54.39	349,709.68	336,328.13
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	575,000.00	AA+	Aaa	4/1/2021	4/5/2021	603,547.85	0.37	4,828.73	585,059.23	559,007.81
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	142,000.00	AA+	Aaa	6/22/2021	6/24/2021	141,173.52	0.45	104.35	141,664.69	134,988.75
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	2,000,000.00	AA+	Aaa	7/1/2021	7/7/2021	1,987,031.25	0.47	1,469.78	1,994,674.84	1,901,250.00
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	600,000.00	AA+	Aaa	8/9/2021	8/10/2021	599,367.19	0.41	472.38	599,721.45	569,718.72
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	750,000.00	AA+	Aaa	8/4/2021	8/6/2021	750,878.91	0.33	590.47	750,385.44	712,148.40
US TREASURY N/B NOTES DTD 08/15/2021 0.375% 08/15/2024	91282CCT6	1,575,000.00	AA+	Aaa	9/1/2021	9/3/2021	1,573,277.34	0.41	734.20	1,574,197.05	1,491,328.13
US TREASURY N/B NOTES DTD 09/15/2021 0.375% 09/15/2024	91282CCX7	1,000,000.00	AA+	Aaa	10/1/2021	10/6/2021	995,937.50	0.51	173.23	997,985.76	944,687.50
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	1,650,000.00	AA+	Aaa	5/4/2021	5/6/2021	1,710,263.67	0.44	10,392.27	1,677,388.28	1,580,132.73
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	975,000.00	AA+	Aaa	6/2/2021	6/7/2021	1,011,181.64	0.42	4,901.78	992,322.81	932,496.05
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	575,000.00	AA+	Aaa	6/15/2021	6/17/2021	595,911.13	0.44	2,890.80	585,091.03	549,933.56
US TREASURY N/B NOTES DTD 12/15/2021 1.000% 12/15/2024	91282CDN8	325,000.00	AA+	Aaa	1/3/2022	1/5/2022	324,771.48	1.02	955.36	324,867.35	307,937.50

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 06/30/2020 0.250% 06/30/2025	912828ZW3	1,000,000.00	AA+	Aaa	6/1/2022	6/3/2022	923,281.25	2.88	628.45	943,912.65	921,562.50
US TREASURY N/B NOTES DTD 07/15/2022 3.000% 07/15/2025	91282CEY3	1,200,000.00	AA+	Aaa	8/5/2022	8/8/2022	1,195,453.13	3.14	7,558.01	1,196,454.12	1,174,125.00
US TREASURY N/B NOTES DTD 07/15/2022 3.000% 07/15/2025	91282CEY3	425,000.00	AA+	Aaa	9/1/2022	9/6/2022	418,708.01	3.55	2,676.80	419,956.76	415,835.94
US TREASURY N/B NOTES DTD 09/15/2022 3.500% 09/15/2025	91282CFK2	600,000.00	AA+	Aaa	10/6/2022	10/11/2022	587,976.56	4.23	970.11	589,909.30	594,187.50
US TREASURY N/B NOTES DTD 11/15/2022 4.500% 11/15/2025	91282CFW6	1,375,000.00	AA+	Aaa	12/16/2022	12/16/2022	1,393,906.25	3.99	23,416.78	1,392,024.50	1,395,195.31
US TREASURY N/B NOTES DTD 01/15/2023 3.875% 01/15/2026	91282CGE5	2,550,000.00	AA+	Aaa	1/30/2023	2/1/2023	2,544,123.05	3.96	20,745.17	2,544,444.40	2,550,796.88
US TREASURY N/B NOTES DTD 02/15/2023 4.000% 02/15/2026	91282CGL9	1,560,000.00	AA+	Aaa	3/2/2023	3/3/2023	1,532,700.00	4.64	7,756.91	1,533,433.06	1,566,337.50
Security Type Sub-Total		23,627,000.00					23,627,376.45	1.69	92,430.12	23,590,118.18	22,880,763.42
Supranational											
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	425,000.00	AAA	Aaa	11/17/2020	11/24/2020	424,086.25	0.32	374.83	424,802.23	412,731.95
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	535,000.00	AAA	Aaa	9/15/2021	9/23/2021	534,604.10	0.52	59.44	534,804.58	505,913.12
Security Type Sub-Total		960,000.00					958,690.35	0.43	434.27	959,606.81	918,645.07
Negotiable CD											
CREDIT AGRICOLE CIB NY CERT DEPOS DTD 08/19/2022 4.100% 08/16/2024	22536AZR8	375,000.00	A+	Aa3	8/17/2022	8/19/2022	375,000.00	4.07	9,609.38	375,000.00	375,000.00
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.600% 10/27/2025	89115B6K1	500,000.00	A	A1	10/27/2022	10/31/2022	500,000.00	5.58	11,822.22	500,000.00	499,710.00

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Negotiable CD											
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 11/03/2022 5.530% 11/03/2025	65558UYF3	500,000.00	AA-	Aa3	11/2/2022	11/3/2022	500,000.00	5.53	11,367.22	500,000.00	503,488.50
Security Type Sub-Total		1,375,000.00					1,375,000.00	5.15	32,798.82	1,375,000.00	1,378,198.50
Federal Agency											
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	900,000.00	AA+	Aaa	12/2/2020	12/4/2020	899,109.00	0.28	731.25	899,799.02	872,788.50
FEDERAL HOME LOAN BANK NOTES (CALLABLE) DTD 11/08/2021 1.000% 11/08/2024	3130APQ81	500,000.00	AA+	Aaa	8/5/2022	8/9/2022	474,207.91	3.40	1,986.11	481,581.56	472,727.50
Security Type Sub-Total		1,400,000.00					1,373,316.91	1.38	2,717.36	1,381,380.58	1,345,516.00
Corporate											
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/14/2020 1.678% 05/15/2024	172967MR9	75,000.00	BBB+	A3	10/2/2020	10/6/2020	76,853.25	0.98	475.43	75,085.74	74,538.98
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/14/2020 1.678% 05/15/2024	172967MR9	150,000.00	BBB+	A3	5/7/2020	5/14/2020	150,000.00	1.68	950.87	150,000.00	149,077.95
HSBC USA INC CORPORATE NOTES DTD 05/24/2022 3.750% 05/24/2024	40428HTA0	375,000.00	A-	A1	5/17/2022	5/24/2022	374,985.00	3.75	4,960.94	374,991.40	365,836.13
ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 0.700% 05/28/2024	04636NAC7	290,000.00	A	A3	5/25/2021	5/28/2021	289,973.90	0.70	693.58	289,989.93	276,731.63
HORMEL FOODS CORP NOTES (CALLABLE) DTD 06/03/2021 0.650% 06/03/2024	440452AG5	175,000.00	A-	A1	3/10/2022	3/14/2022	169,457.75	2.12	372.85	172,071.89	166,359.38
BANK OF AMERICA (CALLABLE) CORP NOTES DTD 07/23/2018 3.864% 07/23/2024	06051GHL6	200,000.00	A-	A2	9/28/2020	10/1/2020	216,830.00	1.58	1,459.73	201,879.85	198,898.20
AMERICAN EXPRESS CO CORP NOTES (CALLABLE) DTD 07/30/2019 2.500% 07/30/2024	025816CG2	225,000.00	BBB+	A2	11/19/2021	11/23/2021	233,055.00	1.14	953.13	228,866.40	216,961.43

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 09/09/2021 0.750% 08/09/2024	02665WDY4	185,000.00	A-	A3	9/7/2021	9/9/2021	184,877.90	0.77	200.42	184,943.13	175,271.04
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/09/2021 0.500% 08/09/2024	69371RR40	145,000.00	A+	A1	8/3/2021	8/9/2021	144,921.70	0.52	104.72	144,964.56	136,819.68
UNILEVER CAPITAL CORP (CALLABLE) CORPORA DTD 08/12/2021 0.626% 08/12/2024	904764BN6	100,000.00	A+	A1	8/9/2021	8/12/2021	100,000.00	0.63	85.21	100,000.00	94,518.70
COOPERAT RABOBANK UA/NY CORPORATE NOTES DTD 08/22/2022 3.875% 08/22/2024	21688AAU6	250,000.00	A+	Aa2	8/15/2022	8/22/2022	249,885.00	3.90	1,049.48	249,919.92	246,188.50
GOLDMAN SACHS GROUP INC (CALLABLE) CORP DTD 06/10/2021 0.657% 09/10/2024	38141GYE8	150,000.00	BBB+	A2	6/7/2021	6/10/2021	150,000.00	0.66	57.49	150,000.00	146,569.95
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 09/13/2021 0.625% 09/13/2024	89236TJN6	200,000.00	A+	A1	9/8/2021	9/13/2021	199,906.00	0.64	62.50	199,954.46	188,731.00
BANK OF AMERICA CORP (CALLABLE) CORPORAT DTD 10/21/2020 0.810% 10/24/2024	06051GJH3	275,000.00	A-	A2	10/16/2020	10/21/2020	275,000.00	0.81	971.44	275,000.00	267,281.85
HONEYWELL INTERNATIONAL CORPORATE NOTES DTD 11/02/2022 4.850% 11/01/2024	438516CH7	210,000.00	A	A2	10/28/2022	11/2/2022	209,964.30	4.86	4,215.46	209,971.64	211,385.16
TEXAS INSTRUMENTS INC CORPORATE NOTES DTD 11/18/2022 4.700% 11/18/2024	882508BR4	55,000.00	A+	Aa3	11/15/2022	11/18/2022	54,975.25	4.72	955.01	54,979.79	55,381.26
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/10/2022 1.250% 01/10/2025	24422EVY2	220,000.00	A	A2	1/4/2022	1/10/2022	219,896.60	1.27	618.75	219,938.68	208,025.84
COOPERATIEVE RABOBANK UA CORPORATE NOTES DTD 01/12/2022 1.375% 01/10/2025	21688AAS1	250,000.00	A+	Aa2	1/19/2022	1/24/2022	248,020.00	1.65	773.44	248,810.54	235,132.50
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 01/13/2022 1.500% 01/13/2025	02665WEA5	250,000.00	A-	A3	1/11/2022	1/13/2022	249,802.50	1.53	812.50	249,882.33	236,712.00

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
LINDE INC/CT (CALLABLE) CORPORATE NOTES DTD 02/05/2015 2.650% 02/05/2025	74005PBN3	175,000.00	A	A2	3/4/2022	3/8/2022	177,549.75	2.13	721.39	176,530.37	169,103.55
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 02/07/2022 1.875% 02/07/2025	63743HFC1	65,000.00	A-	A2	2/22/2022	2/24/2022	64,400.70	2.20	182.81	64,623.42	61,602.78
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 02/07/2022 1.875% 02/07/2025	63743HFC1	110,000.00	A-	A2	1/31/2022	2/7/2022	109,996.70	1.88	309.38	109,997.96	104,250.85
MERCK & CO INC CORP NOTES DTD 02/10/2015 2.750% 02/10/2025	58933YAR6	130,000.00	A+	A1	3/9/2021	3/11/2021	138,819.20	0.98	506.46	133,876.50	127,020.92
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	200,000.00	A+	A1	9/23/2021	9/27/2021	205,542.00	0.96	480.00	203,069.42	190,076.20
JPMORGAN CHASE & CO CORP NOTES (CALLABLE DTD 02/16/2021 0.563% 02/16/2025	46647PBY1	170,000.00	A-	A1	2/9/2021	2/16/2021	170,000.00	0.56	119.64	170,000.00	162,639.34
AMERICAN EXPRESS CO CORP NOTES (CALLABLE DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	100,000.00	BBB+	A2	3/2/2022	3/4/2022	99,821.00	2.31	168.75	99,885.19	94,916.40
AMERICAN EXPRESS CO CORP NOTES (CALLABLE DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	50,000.00	BBB+	A2	3/1/2022	3/4/2022	49,949.50	2.29	84.38	49,967.61	47,458.20
EXXON MOBIL CORP CORPORATE NT (CALLABLE) DTD 03/06/2015 2.709% 03/06/2025	30231GAF9	130,000.00	AA-	Aa2	3/26/2021	3/30/2021	138,049.60	1.10	244.56	133,675.21	126,228.96
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 03/07/2022 2.125% 03/07/2025	24422EWB1	50,000.00	A	A2	3/3/2022	3/7/2022	50,100.00	2.06	70.83	50,064.42	47,755.00
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 03/07/2022 2.125% 03/07/2025	24422EWB1	25,000.00	A	A2	3/2/2022	3/7/2022	24,989.25	2.14	35.42	24,993.08	23,877.50
ABBOTT LABORATORIES CORP NOTE (CALLABLE) DTD 03/10/2015 2.950% 03/15/2025	002824BB5	165,000.00	AA-	A1	3/10/2022	3/14/2022	167,547.60	2.41	216.33	166,578.65	161,294.27

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
UNILEVER CAPITAL CORP NOTES (CALLABLE) DTD 03/22/2018 3.375% 03/22/2025	904764BB2	125,000.00	A+	A1	2/22/2022	2/24/2022	129,088.75	2.27	105.47	126,902.63	121,372.63
BURLINGTN NORTH SANTA FE CORP NOTES (CAL DTD 03/09/2015 3.000% 04/01/2025	12189LAV3	125,000.00	AA-	A3	3/5/2021	3/9/2021	134,578.75	1.07	1,875.00	129,404.58	121,443.00
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 04/07/2022 2.850% 04/07/2025	69371RR73	250,000.00	A+	A1	3/31/2022	4/7/2022	249,935.00	2.86	3,443.75	249,956.29	241,393.25
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	350,000.00	AA	A1	4/11/2022	4/13/2022	349,443.50	3.06	4,900.00	349,622.74	340,532.15
BROWN-FORMAN CORP NOTES (CALLABLE) DTD 03/26/2018 3.500% 04/15/2025	115637AS9	115,000.00	A-	A1	2/24/2022	2/28/2022	119,465.45	2.21	1,855.97	117,828.53	112,312.22
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	40,000.00	A	A2	3/24/2022	3/28/2022	39,930.00	2.76	498.00	39,953.19	38,700.00
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	125,000.00	A	A1	3/10/2022	3/14/2022	121,988.75	2.41	872.22	123,003.09	115,430.62
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	135,000.00	A	A1	3/9/2021	3/11/2021	138,202.20	1.01	942.00	136,570.69	124,665.08
BANK OF NY MELLON CORP (CALLABLE) CORP N DTD 04/26/2022 3.350% 04/25/2025	06406RBC0	250,000.00	A	A1	4/19/2022	4/26/2022	249,965.00	3.36	3,629.17	249,975.87	242,513.75
CINTAS CORPORATION NO. 2 CORP NOTE (CALL DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	70,000.00	A-	A3	5/2/2022	5/4/2022	69,794.90	3.55	1,006.25	69,857.20	68,409.04
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	175,000.00	BBB+	A3	4/28/2021	5/4/2021	175,458.50	0.91	715.31	175,166.12	166,317.90
CINTAS CORPORATION NO. 2 CORP NOTE (CALL DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	105,000.00	A-	A3	4/26/2022	5/3/2022	104,976.90	3.46	1,509.38	104,983.93	102,613.56

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/13/2022 3.400% 05/13/2025	14913R2V8	30,000.00	A	A2	5/10/2022	5/13/2022	29,997.00	3.40	391.00	29,997.88	29,372.07
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/13/2022 3.400% 05/13/2025	14913R2V8	95,000.00	A	A2	5/10/2022	5/13/2022	94,879.35	3.44	1,238.17	94,914.91	93,011.56
GENERAL DYNAMICS CORP (CALLABLE) CORP NO DTD 05/11/2018 3.500% 05/15/2025	369550BG2	165,000.00	A-	A3	3/4/2022	3/8/2022	171,512.55	2.21	2,181.67	169,215.74	161,403.33
PNC BANK NA CORP NOTE (CALLABLE) DTD 06/01/2015 3.250% 06/01/2025	69353REQ7	250,000.00	A	A2	8/23/2022	8/25/2022	245,665.00	3.92	2,708.33	246,604.04	237,628.50
HONEYWELL INTL CORP NOTES (CALLABLE) DTD 05/18/2020 1.350% 06/01/2025	438516CB0	175,000.00	A	A2	3/2/2022	3/4/2022	171,234.00	2.04	787.50	172,482.98	164,507.88
HERSHEY CO CORP NOTES (CALLABLE) DTD 06/01/2020 0.900% 06/01/2025	427866BF4	130,000.00	A	A1	2/23/2022	2/25/2022	124,784.40	2.18	390.00	126,534.60	120,304.73
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	345,000.00	A-	A1	5/24/2021	6/1/2021	345,000.00	0.82	947.60	345,000.00	327,035.85
TRUIST FINANCIAL CORP NOTES (CALLABLE) DTD 06/05/2018 3.700% 06/05/2025	05531FBE2	231,000.00	A-	A3	2/7/2022	2/9/2022	242,822.58	2.10	2,754.03	238,658.15	221,043.67
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.500% 06/09/2025	63254ABD9	255,000.00	AA-	Aa3	5/31/2022	6/9/2022	255,000.00	3.50	2,776.67	255,000.00	247,267.38
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	60,000.00	A-	A2	5/2/2022	5/4/2022	59,680.20	3.63	609.50	59,773.50	58,226.70
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	40,000.00	A-	A2	4/27/2022	5/4/2022	39,989.20	3.46	406.33	39,992.35	38,817.80
JP MORGAN CHASE CORP NOTES (CALLABLE) DTD 07/21/2015 3.900% 07/15/2025	46625HMN7	225,000.00	A-	A1	3/10/2022	3/14/2022	232,026.75	2.91	1,852.50	229,640.89	221,245.88

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
MORGAN STANLEY CORP NOTES DTD 07/23/2015 4.000% 07/23/2025	6174468C6	85,000.00	A-	A1	6/22/2022	6/24/2022	84,900.55	4.04	642.22	84,925.39	83,327.03
IBM CORP CORPORATE NOTES DTD 07/27/2022 4.000% 07/27/2025	459200KS9	375,000.00	A-	A3	7/20/2022	7/27/2022	375,000.00	4.00	2,666.67	375,000.00	370,747.88
INTEL CORP NOTES (CALLABLE) DTD 07/29/2015 3.700% 07/29/2025	458140AS9	200,000.00	A	A2	1/30/2023	2/1/2023	195,476.00	4.67	1,274.44	195,769.64	197,067.40
BANK OF AMERICA CORP NOTES DTD 07/30/2015 3.875% 08/01/2025	06051GFS3	225,000.00	A-	A2	3/10/2022	3/14/2022	232,420.50	2.84	1,453.13	230,121.11	220,001.40
COLGATE-PALMOLIVE CO CORPORATE NOTES DTD 08/09/2022 3.100% 08/15/2025	194162AM5	55,000.00	AA-	Aa3	8/1/2022	8/9/2022	54,949.40	3.13	217.86	54,960.19	53,582.21
WALMART INC CORPORATE NOTES DTD 09/09/2022 3.900% 09/09/2025	931142EW9	225,000.00	AA	Aa2	9/6/2022	9/9/2022	224,842.50	3.93	536.25	224,871.82	224,253.68
HOME DEPOT INC NOTES (CALLABLE) DTD 09/19/2022 4.000% 09/15/2025	437076CR1	55,000.00	A	A2	9/12/2022	9/19/2022	54,980.20	4.01	97.78	54,983.72	54,608.07
UNITEDHEALTH GROUP INC CORPORATE NOTES DTD 10/28/2022 5.150% 10/15/2025	91324PEN8	80,000.00	A+	A3	10/25/2022	10/28/2022	79,992.80	5.15	1,751.00	79,993.83	81,354.80
LOCKHEED MARTIN CORP NOTES (CALLABLE) DTD 10/24/2022 4.950% 10/15/2025	539830BU2	80,000.00	A-	A3	10/19/2022	10/24/2022	79,772.00	5.05	1,727.00	79,805.35	81,283.92
LOCKHEED MARTIN CORP NOTES (CALLABLE) DTD 10/24/2022 4.950% 10/15/2025	539830BU2	95,000.00	A-	A3	11/1/2022	11/3/2022	95,046.55	4.93	2,050.81	95,039.93	96,524.66
PNC FINANCIAL SERVICES CORP NOTE (CALLAB DTD 10/28/2022 5.671% 10/28/2025	693475BH7	110,000.00	A-	A3	10/25/2022	10/28/2022	110,000.00	5.67	2,651.19	110,000.00	110,047.19
COMCAST CORP CORPORATE NOTES DTD 11/07/2022 5.250% 11/07/2025	20030NDZ1	110,000.00	A-	A3	11/3/2022	11/7/2022	109,734.90	5.34	2,310.00	109,769.97	112,326.17
COMCAST CORP CORPORATE NOTES DTD 11/07/2022 5.250% 11/07/2025	20030NDZ1	65,000.00	A-	A3	10/31/2022	11/7/2022	64,982.45	5.26	1,365.00	64,984.77	66,374.56
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 11/13/2020 0.750% 11/13/2025	110122DN5	125,000.00	A+	A2	2/22/2022	2/24/2022	118,435.00	2.23	359.38	120,373.56	114,139.63

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
LINDE INC/CT CORPORATE NOTES (CALLABLE) DTD 12/05/2022 4.700% 12/05/2025	53522KAB9	250,000.00	A	A2	11/28/2022	12/5/2022	249,730.00	4.74	3,786.11	249,758.82	250,919.50
AUST & NZ BANKING GRP NY CORPORATE NOTES DTD 12/08/2022 5.088% 12/08/2025	05254JAA8	250,000.00	AA-	Aa3	11/29/2022	12/8/2022	250,000.00	5.09	3,992.67	250,000.00	252,186.75
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 01/12/2023 4.966% 01/12/2026	63253QAA2	415,000.00	AA-	Aa3	1/4/2023	1/12/2023	415,000.00	4.97	4,522.51	415,000.00	418,560.29
STATE STREET CORP (CALLABLE) CORPORATE N DTD 02/07/2022 1.746% 02/06/2026	857477BR3	110,000.00	A	A1	2/2/2022	2/7/2022	110,000.00	1.75	293.43	110,000.00	104,158.01
PEPSICO INC CORP NOTES (CALLABLE) DTD 02/15/2023 4.550% 02/13/2026	713448FQ6	370,000.00	A+	A1	2/13/2023	2/15/2023	369,785.40	4.57	2,151.14	369,794.23	376,487.21
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 02/18/2022 2.630% 02/18/2026	61747YEM3	290,000.00	A-	A1	2/16/2022	2/18/2022	290,000.00	2.63	911.00	290,000.00	275,472.74
COLGATE-PALMOLIVE CO CORPORATE NOTES DTD 03/01/2023 4.800% 03/02/2026	194162AQ6	210,000.00	AA-	Aa3	2/27/2023	3/1/2023	209,756.40	4.84	840.00	209,763.28	214,948.23
NATIONAL RURAL UTIL COOP CORP NOTES (CAL DTD 02/09/2023 4.450% 03/13/2026	63743HFH0	125,000.00	A-	A2	2/3/2023	2/9/2023	124,536.25	4.58	803.48	124,557.22	124,743.13
STATE STREET CORP NOTES (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	255,000.00	A	A1	2/17/2022	2/22/2022	260,133.15	2.38	20.55	258,305.71	243,722.63
WELLS FARGO & CO CORP NOTES DTD 04/22/2016 3.000% 04/22/2026	949746RW3	200,000.00	BBB+	A1	3/28/2023	3/30/2023	188,176.00	5.11	2,650.00	188,197.13	188,978.00
BANK OF NEW YORK MELLON CORP NOTES (CALL DTD 07/26/2022 4.414% 07/24/2026	06406RBJ5	80,000.00	A	A1	7/19/2022	7/26/2022	80,000.00	4.41	657.20	80,000.00	78,799.60
BANK OF NEW YORK MELLON CORP NOTES (CALL DTD 07/26/2022 4.414% 07/24/2026	06406RBJ5	170,000.00	A	A1	7/20/2022	7/26/2022	170,554.20	4.32	1,396.54	170,428.06	167,449.15

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
TRUIST FIN CORP NOTES (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	65,000.00	A-	A3	7/26/2022	7/28/2022	65,065.00	4.23	484.58	65,050.35	62,633.35
TRUIST FIN CORP NOTES (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	65,000.00	A-	A3	7/25/2022	7/28/2022	65,000.00	4.26	484.58	65,000.00	62,633.35
Security Type Sub-Total		13,756,000.00					13,818,857.43	2.84	103,405.24	13,772,006.07	13,369,544.24
Agency CMBS											
FHMS K053 A2 DTD 03/29/2016 2.995% 12/01/2025	3137BN6G4	250,000.00	AA+	Aaa	8/4/2022	8/9/2022	247,119.14	3.36	623.96	247,119.14	240,994.71
FNA 2016-M3 A2 DTD 03/31/2016 2.702% 02/01/2026	3136ARTE8	201,869.87	AA+	Aaa	8/31/2022	9/6/2022	195,033.10	3.76	454.54	195,033.10	192,782.07
FHMS K057 A2 DTD 09/28/2016 2.570% 07/01/2026	3137BRQJ7	260,000.00	AA+	Aaa	3/2/2023	3/7/2023	241,779.69	4.86	556.83	241,779.69	246,420.98
Security Type Sub-Total		711,869.87					683,931.93	4.02	1,635.33	683,931.93	680,197.76
ABS											
BMWLT 2021-1 A3 DTD 03/10/2021 0.290% 01/25/2024	05591RAC8	13,467.21	AAA	Aaa	3/2/2021	3/10/2021	13,466.78	0.29	0.65	13,467.09	13,383.46
GMALT 2021-2 A3 DTD 05/26/2021 0.340% 05/20/2024	380144AC9	91,981.80	AAA	NR	5/18/2021	5/26/2021	91,967.35	0.35	9.56	91,976.30	91,114.42
NAROT 2019-C A3 DTD 10/23/2019 1.930% 07/15/2024	65479JAD5	6,750.65	AAA	Aaa	10/16/2019	10/23/2019	6,750.29	1.93	5.79	6,750.55	6,744.38
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	4,193.03	AAA	Aaa	1/21/2020	1/29/2020	4,192.54	1.85	2.37	4,192.89	4,183.17
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	48,130.98	AAA	Aaa	7/21/2020	7/27/2020	48,127.28	0.44	9.41	48,129.63	47,563.78
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	64,524.75	AAA	NR	9/22/2020	9/29/2020	64,515.28	0.37	8.62	64,521.13	63,244.33
BMWOT 2020-A A3 DTD 07/15/2020 0.480% 10/25/2024	09661RAD3	20,510.70	AAA	NR	7/8/2020	7/15/2020	20,509.15	0.48	1.64	20,510.13	20,312.96
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	34,769.68	AAA	NR	1/14/2020	1/22/2020	34,762.86	1.89	29.21	34,767.30	34,470.43

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
HART 2020-B A3 DTD 07/22/2020 0.480% 12/16/2024	44933FAC0	37,592.59	AAA	NR	7/14/2020	7/22/2020	37,585.55	0.48	8.02	37,589.85	37,227.63
VZOT 2020-B A DTD 08/12/2020 0.470% 02/20/2025	92290BAA9	101,968.08	NR	Aaa	8/4/2020	8/12/2020	101,946.66	0.47	14.64	101,959.13	100,895.98
GMCAR 2020-3 A3 DTD 08/19/2020 0.450% 04/16/2025	362590AC5	71,485.35	NR	Aaa	8/11/2020	8/19/2020	71,468.99	0.46	13.40	71,478.18	70,137.89
WOART 2020-B A3 DTD 06/24/2020 0.630% 05/15/2025	98163WAC0	57,333.58	AAA	NR	6/16/2020	6/24/2020	57,329.08	0.63	16.05	57,331.63	56,292.69
VWALT 2022-A A3 DTD 06/14/2022 3.440% 07/21/2025	92868AAC9	100,000.00	NR	Aaa	6/7/2022	6/14/2022	99,992.04	3.44	105.11	99,994.08	98,086.55
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	87,597.25	AAA	NR	4/20/2021	4/28/2021	87,588.03	0.38	14.79	87,592.08	84,983.54
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	155,000.00	NR	Aaa	11/16/2021	11/24/2021	154,967.33	0.89	37.89	154,977.93	147,893.23
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	101,237.34	AAA	NR	4/13/2021	4/21/2021	101,215.52	0.52	23.40	101,224.31	97,740.69
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	120,000.00	AAA	NR	11/9/2021	11/17/2021	119,973.22	0.75	39.47	119,981.38	114,561.38
FORDO 2022-A A3 DTD 01/24/2022 1.290% 06/15/2026	345286AC2	130,000.00	AAA	NR	1/19/2022	1/24/2022	129,984.56	1.29	74.53	129,988.72	124,424.17
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	256,656.75	AAA	Aaa	7/21/2021	7/28/2021	256,614.53	0.55	62.74	256,629.02	245,891.28
BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	135,000.00	AAA	Aaa	5/10/2022	5/18/2022	134,992.98	3.21	72.23	134,994.41	131,387.68
COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	160,000.00	AAA	Aaa	10/19/2021	10/27/2021	159,996.98	0.77	54.76	159,997.86	151,777.66
TAOT 2022-B A3 DTD 04/13/2022 2.930% 09/15/2026	89238FAD5	145,000.00	AAA	Aaa	4/7/2022	4/13/2022	144,996.61	2.93	188.82	144,997.35	140,590.09
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	155,000.00	AAA	Aaa	9/20/2021	9/27/2021	154,966.81	0.58	39.96	154,976.89	145,652.60
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	100,000.00	AAA	Aaa	10/13/2021	10/21/2021	99,997.45	0.68	28.33	99,998.20	94,819.20
HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	140,000.00	AAA	NR	3/9/2022	3/16/2022	139,994.61	2.22	138.13	139,995.84	134,595.50

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	190,000.00	AAA	NR	10/26/2021	11/3/2021	189,974.12	0.81	68.40	189,981.48	180,920.96
COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/15/2026	14041NFY2	305,000.00	AAA	NR	11/18/2021	11/30/2021	304,957.97	1.04	140.98	304,969.27	287,017.72
ALLYA 2022-1 A3 DTD 05/18/2022 3.310% 11/15/2026	02008JAC0	245,000.00	AAA	Aaa	5/10/2022	5/18/2022	244,952.57	3.31	360.42	244,961.76	239,679.24
GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	110,000.00	AAA	NR	1/11/2022	1/19/2022	109,990.44	1.26	57.75	109,992.81	104,572.03
HDMOT 2022-A A3 DTD 04/20/2022 3.060% 02/15/2027	41284YAD8	255,000.00	AAA	Aaa	4/12/2022	4/20/2022	254,957.54	3.06	346.80	254,965.88	249,240.09
GMCAR 2022-2 A3 DTD 04/13/2022 3.100% 02/16/2027	362585AC5	125,000.00	AAA	Aaa	4/5/2022	4/13/2022	124,973.88	3.10	161.46	124,979.09	121,041.66
CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	190,000.00	AAA	Aaa	4/21/2022	4/28/2022	189,971.10	3.49	294.71	189,976.67	185,841.83
COMET 2022-A1 A1 DTD 03/30/2022 2.800% 03/15/2027	14041NFZ9	250,000.00	AAA	NR	3/23/2022	3/30/2022	249,981.15	2.80	311.11	249,984.97	241,089.45
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	265,000.00	AAA	NR	7/12/2022	7/20/2022	264,993.75	3.97	467.58	264,994.67	259,428.48
TAOT 2022-C A3 DTD 08/16/2022 3.760% 04/15/2027	89231CAD9	105,000.00	AAA	NR	8/8/2022	8/16/2022	104,982.45	3.76	175.47	104,984.80	103,033.26
GMCAR 2022-3 A3 DTD 07/13/2022 3.640% 04/16/2027	36265WAD5	155,000.00	NR	Aaa	7/6/2022	7/13/2022	154,998.93	3.64	235.08	154,999.09	151,983.22
COMET 2022-A2 A DTD 06/14/2022 3.490% 05/15/2027	14041NGA3	335,000.00	AAA	NR	6/6/2022	6/14/2022	334,946.47	3.49	519.62	334,955.14	326,810.69
AMXCA 2022-2 A DTD 05/24/2022 3.390% 05/17/2027	02582JTT8	370,000.00	AAA	NR	5/17/2022	5/24/2022	369,918.16	3.39	557.47	369,932.20	361,191.93
ALLYA 2022-2 A3 DTD 10/12/2022 4.760% 05/17/2027	02008MAC3	450,000.00	AAA	Aaa	10/4/2022	10/12/2022	449,994.42	4.76	952.00	449,994.99	451,998.68
NAROT 2022-B A3 DTD 09/28/2022 4.460% 05/17/2027	65480JAC4	235,000.00	AAA	Aaa	9/20/2022	9/28/2022	234,951.38	4.46	465.82	234,956.70	233,269.70
DCENT 2022-A2 A DTD 05/26/2022 3.320% 05/17/2027	254683CS2	270,000.00	NR	Aaa	5/19/2022	5/26/2022	269,978.05	3.32	398.40	269,981.79	262,614.96
HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3	325,000.00	AAA	NR	11/1/2022	11/9/2022	324,998.44	5.39	778.56	324,998.57	328,319.58

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3	300,000.00	AAA	Aaa	8/2/2022	8/9/2022	299,962.77	3.56	474.67	299,967.63	293,317.44
CARMX 2022-4 A3 DTD 10/31/2022 5.340% 08/16/2027	14318UAD3	295,000.00	AAA	NR	10/26/2022	10/31/2022	294,930.82	5.35	700.13	294,936.83	298,420.11
MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	390,000.00	AAA	Aaa	11/15/2022	11/22/2022	389,922.86	5.21	903.07	389,928.66	394,065.87
TAOT 2022-D A3 DTD 11/08/2022 5.300% 09/15/2027	89239HAD0	110,000.00	NR	Aaa	11/1/2022	11/8/2022	109,989.14	5.30	259.11	109,990.02	111,554.25
TAOT 2023-A A3 DTD 01/30/2023 4.630% 09/15/2027	891940AC2	165,000.00	AAA	NR	1/24/2023	1/30/2023	164,999.92	4.63	339.53	164,999.92	164,781.94
AMXCA 2022-4 A DTD 11/03/2022 4.950% 10/15/2027	02582JJX9	120,000.00	AAA	NR	10/27/2022	11/3/2022	119,994.05	4.95	264.00	119,994.54	121,582.19
HDMOT 2023-A A3 DTD 02/23/2023 5.050% 12/15/2027	41285JAD0	170,000.00	NR	Aaa	2/13/2023	2/23/2023	169,982.88	5.05	381.56	169,983.24	171,302.59
FORDO 2023-A A3 DTD 03/31/2023 4.650% 02/15/2028	344928AD8	130,000.00	AAA	NR	3/28/2023	3/31/2023	129,986.44	4.65	16.79	129,986.45	130,238.44
Security Type Sub-Total		8,198,199.74					8,197,192.18	3.09	10,630.01	8,197,419.05	8,031,291.00
Managed Account Sub Total		50,028,069.61					50,034,365.25	2.33	244,051.15	49,959,462.62	48,604,155.99
Securities Sub Total		\$50,028,069.61					\$50,034,365.25	2.33%	\$244,051.15	\$49,959,462.62	\$48,604,155.99
Accrued Interest											\$244,051.15
Total Investments											\$48,848,207.14

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/4/2023	1/12/2023	415,000.00	63253QAA2	NATIONAL AUSTRALIA BK/NY CORPORATE NOTES	4.96%	1/12/2026	415,000.00	4.97%	
1/24/2023	1/30/2023	165,000.00	891940AC2	TAOT 2023-A A3	4.63%	9/15/2027	164,999.92	4.63%	
1/30/2023	2/1/2023	200,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	195,517.11	4.67%	
1/30/2023	2/1/2023	2,550,000.00	91282CGE5	US TREASURY N/B NOTES	3.87%	1/15/2026	2,548,763.42	3.96%	
2/3/2023	2/9/2023	125,000.00	63743HFH0	NATIONAL RURAL UTIL COOP CORP NOTES (CAL	4.45%	3/13/2026	124,536.25	4.58%	
2/13/2023	2/15/2023	370,000.00	713448FQ6	PEPSICO INC CORP NOTES (CALLABLE)	4.55%	2/13/2026	369,785.40	4.57%	
2/13/2023	2/23/2023	170,000.00	41285JAD0	HDMOT 2023-A A3	5.05%	12/15/2027	169,982.88	5.05%	
2/27/2023	3/1/2023	210,000.00	194162AQ6	COLGATE-PALMOLIVE CO CORPORATE NOTES	4.80%	3/2/2026	209,756.40	4.84%	
3/2/2023	3/3/2023	1,560,000.00	91282CGL9	US TREASURY N/B NOTES	4.00%	2/15/2026	1,535,458.01	4.64%	
3/2/2023	3/7/2023	260,000.00	3137BRQJ7	FHMS K057 A2	2.57%	7/1/2026	241,891.06	4.86%	
3/28/2023	3/30/2023	200,000.00	949746RW3	WELLS FARGO & CO CORP NOTES	3.00%	4/22/2026	190,809.33	5.11%	
3/28/2023	3/31/2023	130,000.00	344928AD8	FORDO 2023-A A3	4.65%	2/15/2028	129,986.44	4.65%	
Total BUY		6,355,000.00					6,296,486.22		0.00
INTEREST									
1/1/2023	1/1/2023	200,000.00	87612EBD7	TARGET CORP CORPORATE NOTES	3.50%	7/1/2024	3,500.00		
1/1/2023	1/25/2023	202,549.48	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	456.07		
1/1/2023	1/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/3/2023	1/3/2023		MONEY0002	MONEY MARKET FUND			300.49		
1/10/2023	1/10/2023	220,000.00	24422EVY2	JOHN DEERE CAPITAL CORP CORPORATE NOTES	1.25%	1/10/2025	1,375.00		
1/10/2023	1/10/2023	250,000.00	21688AAS1	COOPERATIEVE RABOBANK UA CORPORATE	1.37%	1/10/2025	1,718.75		
1/13/2023	1/13/2023	250,000.00	02665WEA5	AMERICAN HONDA FINANCE CORPORATE NOTES	1.50%	1/13/2025	1,875.00		
1/15/2023	1/15/2023	76,935.13	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	40.39		
1/15/2023	1/15/2023	32,490.79	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	52.26		
1/15/2023	1/15/2023	2,300,000.00	91282CBE0	US TREASURY NOTES	0.12%	1/15/2024	1,437.50		
1/15/2023	1/15/2023	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
1/15/2023	1/15/2023	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
1/15/2023	1/15/2023	73,822.57	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	27.07		
1/15/2023	1/15/2023	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
1/15/2023	1/15/2023	13,451.51	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	4.48		
1/15/2023	1/15/2023	9,817.15	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	15.30		
1/15/2023	1/15/2023	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
1/15/2023	1/15/2023	107,455.87	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	34.03		
1/15/2023	1/15/2023	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
1/15/2023	1/15/2023	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/15/2023	1/15/2023	325,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	1,459.79		
1/15/2023	1/15/2023	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	873.42		
1/15/2023	1/15/2023	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
1/15/2023	1/15/2023	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
1/15/2023	1/15/2023	110,000.00	89239HAD0	TAOT 2022-D A3	5.30%	9/15/2027	485.83		
1/15/2023	1/15/2023	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
1/15/2023	1/15/2023	1,625,000.00	91282CEY3	US TREASURY N/B NOTES	3.00%	7/15/2025	24,375.00		
1/15/2023	1/15/2023	390,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,693.25		
1/15/2023	1/15/2023	120,404.71	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	52.18		
1/15/2023	1/15/2023	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	1,785.00		
1/15/2023	1/15/2023	52,200.88	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	82.22		
1/15/2023	1/15/2023	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
1/15/2023	1/15/2023	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
1/15/2023	1/15/2023	260,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	119.17		
1/15/2023	1/15/2023	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
1/15/2023	1/15/2023	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
1/15/2023	1/15/2023	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/15/2023	1/15/2023	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
1/15/2023	1/15/2023	61,852.55	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	24.74		
1/15/2023	1/15/2023	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	1,312.75		
1/15/2023	1/15/2023	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
1/15/2023	1/15/2023	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		
1/15/2023	1/15/2023	225,000.00	46625HMN7	JP MORGAN CHASE CORP NOTES (CALLABLE)	3.90%	7/15/2025	4,387.50		
1/15/2023	1/15/2023	120,000.00	02582JJX9	AMXCA 2022-4 A	4.95%	10/15/2027	495.00		
1/15/2023	1/15/2023	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
1/15/2023	1/15/2023	1,350,000.00	91282CCL3	US TREASURY N/B NOTES	0.37%	7/15/2024	2,531.25		
1/16/2023	1/16/2023	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
1/16/2023	1/16/2023	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
1/16/2023	1/16/2023	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
1/16/2023	1/16/2023	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
1/16/2023	1/16/2023	95,049.09	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	35.64		
1/18/2023	1/18/2023	90,284.29	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	27.84		
1/20/2023	1/20/2023	12,741.95	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	20.60		
1/20/2023	1/20/2023	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/20/2023	1/20/2023	22,045.01	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	33.99		
1/20/2023	1/20/2023	150,866.82	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	42.75		
1/20/2023	1/20/2023	174,132.05	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	68.20		
1/21/2023	1/21/2023	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
1/23/2023	1/23/2023	200,000.00	06051GHL6	BANK OF AMERICA (CALLABLE) CORP NOTES	3.86%	7/23/2024	3,864.00		
1/23/2023	1/23/2023	85,000.00	6174468C6	MORGAN STANLEY CORP NOTES	4.00%	7/23/2025	1,700.00		
1/24/2023	1/24/2023	250,000.00	06406RBJ5	BANK OF NEW YORK MELLON CORP NOTES (CALL	4.41%	7/24/2026	5,456.19		
1/25/2023	1/25/2023	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
1/25/2023	1/25/2023	41,256.98	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	9.97		
1/25/2023	1/25/2023	35,478.96	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	14.19		
1/26/2023	1/26/2023	83,000.00	110122CM8	BRISTOL MYERS SQUIBB CO CORP NOTES (CALL	2.90%	7/26/2024	1,203.50		
1/27/2023	1/27/2023	375,000.00	459200KS9	IBM CORP CORPORATE NOTES	4.00%	7/27/2025	7,500.00		
1/28/2023	1/28/2023	130,000.00	89788MAH5	TRUIST FIN CORP NOTES (CALLABLE)	4.26%	7/28/2026	2,769.00		
1/30/2023	1/30/2023	225,000.00	025816CG2	AMERICAN EXPRESS CO CORP NOTES (CALLABLE	2.50%	7/30/2024	2,812.50		
2/1/2023	2/1/2023	225,000.00	06051GFS3	BANK OF AMERICA CORP NOTES	3.87%	8/1/2025	4,359.38		
2/1/2023	2/1/2023		MONEY0002	MONEY MARKET FUND			495.54		
2/1/2023	2/25/2023	202,340.69	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	455.60		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/1/2023	2/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
2/5/2023	2/5/2023	175,000.00	74005PBN3	LINDE INC/CT (CALLABLE) CORPORATE NOTES	2.65%	2/5/2025	2,318.75		
2/6/2023	2/6/2023	110,000.00	857477BR3	STATE STREET CORP (CALLABLE) CORPORATE N	1.74%	2/6/2026	960.30		
2/7/2023	2/7/2023	175,000.00	63743HFC1	NATIONAL RURAL UTIL COOP CORPORATE NOTES	1.87%	2/7/2025	1,640.63		
2/9/2023	2/9/2023	185,000.00	02665WDY4	AMERICAN HONDA FINANCE CORPORATE NOTES	0.75%	8/9/2024	693.75		
2/9/2023	2/9/2023	145,000.00	69371RR40	PACCAR FINANCIAL CORP CORPORATE NOTES	0.50%	8/9/2024	362.50		
2/10/2023	2/10/2023	130,000.00	58933YAR6	MERCK & CO INC CORP NOTES	2.75%	2/10/2025	1,787.50		
2/12/2023	2/12/2023	100,000.00	904764BN6	UNILEVER CAPITAL CORP (CALLABLE) CORPORA	0.62%	8/12/2024	313.00		
2/13/2023	2/13/2023	200,000.00	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/2025	1,800.00		
2/15/2023	2/15/2023	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
2/15/2023	2/15/2023	120,000.00	02582JJX9	AMXCA 2022-4 A	4.95%	10/15/2027	495.00		
2/15/2023	2/15/2023	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
2/15/2023	2/15/2023	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
2/15/2023	2/15/2023	110,000.00	89239HAD0	TAOT 2022-D A3	5.30%	9/15/2027	485.83		
2/15/2023	2/15/2023	1,600,000.00	91282CBM2	US TREASURY NOTES	0.12%	2/15/2024	1,000.00		
2/15/2023	2/15/2023	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	873.42		
2/15/2023	2/15/2023	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/15/2023	2/15/2023	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
2/15/2023	2/15/2023	100,786.52	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	31.92		
2/15/2023	2/15/2023	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
2/15/2023	2/15/2023	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
2/15/2023	2/15/2023	113,644.93	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	49.25		
2/15/2023	2/15/2023	55,000.00	194162AM5	COLGATE-PALMOLIVE CO CORPORATE NOTES	3.10%	8/15/2025	880.92		
2/15/2023	2/15/2023	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
2/15/2023	2/15/2023	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		
2/15/2023	2/15/2023	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
2/15/2023	2/15/2023	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	1,785.00		
2/15/2023	2/15/2023	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
2/15/2023	2/15/2023	1,575,000.00	91282CCT6	US TREASURY N/B NOTES	0.37%	8/15/2024	2,953.13		
2/15/2023	2/15/2023	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
2/15/2023	2/15/2023	70,148.16	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	36.83		
2/15/2023	2/15/2023	3,598.06	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	1.20		
2/15/2023	2/15/2023	390,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,693.25		
2/15/2023	2/15/2023	260,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	119.17		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/15/2023	2/15/2023	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
2/15/2023	2/15/2023	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
2/15/2023	2/15/2023	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
2/15/2023	2/15/2023	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
2/15/2023	2/15/2023	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
2/15/2023	2/15/2023	6,101.96	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	9.51		
2/15/2023	2/15/2023	46,134.21	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	72.66		
2/15/2023	2/15/2023	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
2/15/2023	2/15/2023	53,250.08	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	21.30		
2/15/2023	2/15/2023	65,125.89	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	23.88		
2/15/2023	2/15/2023	165,000.00	891940AC2	TAOT 2023-A A3	4.63%	9/15/2027	318.31		
2/15/2023	2/15/2023	325,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	1,459.79		
2/15/2023	2/15/2023	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	1,312.75		
2/15/2023	2/15/2023	23,745.81	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	38.19		
2/16/2023	2/16/2023	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
2/16/2023	2/16/2023	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
2/16/2023	2/16/2023	170,000.00	46647PBY1	JPMORGAN CHASE & CO CORP NOTES (CALLABLE	0.56%	2/16/2025	478.55		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/16/2023	2/16/2023	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
2/16/2023	2/16/2023	86,987.24	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	32.62		
2/16/2023	2/16/2023	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
2/18/2023	2/18/2023	290,000.00	61747YEM3	MORGAN STANLEY CORP NOTES (CALLABLE)	2.63%	2/18/2026	3,813.50		
2/18/2023	2/18/2023	81,354.88	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	25.08		
2/20/2023	2/20/2023	147,462.71	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	57.76		
2/20/2023	2/20/2023	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		
2/20/2023	2/20/2023	15,110.36	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	23.30		
2/20/2023	2/20/2023	131,299.52	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	37.20		
2/20/2023	2/20/2023	194.39	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	0.31		
2/21/2023	2/21/2023	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
2/22/2023	2/22/2023	250,000.00	21688AAU6	COOPERAT RABOBANK UA/NY CORPORATE NOTES	3.87%	8/22/2024	4,843.75		
2/25/2023	2/25/2023	30,175.28	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	12.07		
2/25/2023	2/25/2023	31,696.65	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	7.66		
2/25/2023	2/25/2023	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
3/1/2023	3/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
3/1/2023	3/25/2023	202,131.07	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	455.13		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/1/2023	3/1/2023		MONEY0002	MONEY MARKET FUND			511.21		
3/4/2023	3/4/2023	150,000.00	025816CQ0	AMERICAN EXPRESS CO CORP NOTES (CALLABLE	2.25%	3/4/2025	1,687.50		
3/6/2023	3/6/2023	130,000.00	30231GAF9	EXXON MOBIL CORP CORPORATE NT (CALLABLE)	2.70%	3/6/2025	1,760.85		
3/7/2023	3/7/2023	75,000.00	24422EWB1	JOHN DEERE CAPITAL CORP CORPORATE NOTES	2.12%	3/7/2025	796.88		
3/9/2023	3/9/2023	225,000.00	931142EW9	WALMART INC CORPORATE NOTES	3.90%	9/9/2025	4,387.50		
3/10/2023	3/10/2023	150,000.00	38141GYE8	GOLDMAN SACHS GROUP INC (CALLABLE) CORP	0.65%	9/10/2024	492.75		
3/13/2023	3/13/2023	200,000.00	89236TJN6	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	0.62%	9/13/2024	625.00		
3/15/2023	3/15/2023	165,000.00	891940AC2	TAOT 2023-A A3	4.63%	9/15/2027	636.63		
3/15/2023	3/15/2023	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
3/15/2023	3/15/2023	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
3/15/2023	3/15/2023	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
3/15/2023	3/15/2023	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
3/15/2023	3/15/2023	45,189.06	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	18.08		
3/15/2023	3/15/2023	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
3/15/2023	3/15/2023	165,000.00	002824BB5	ABBOTT LABORATORIES CORP NOTE (CALLABLE)	2.95%	3/15/2025	2,433.75		
3/15/2023	3/15/2023	120,000.00	02582JJX9	AMXCA 2022-4 A	4.95%	10/15/2027	495.00		
3/15/2023	3/15/2023	56,277.25	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	20.63		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/15/2023	3/15/2023	63,485.13	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	33.33		
3/15/2023	3/15/2023	14,954.83	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	24.05		
3/15/2023	3/15/2023	55,000.00	437076CR1	HOME DEPOT INC NOTES (CALLABLE)	4.00%	9/15/2025	1,075.56		
3/15/2023	3/15/2023	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	873.42		
3/15/2023	3/15/2023	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
3/15/2023	3/15/2023	325,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	1,459.79		
3/15/2023	3/15/2023	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
3/15/2023	3/15/2023	110,000.00	89239HAD0	TAOT 2022-D A3	5.30%	9/15/2027	485.83		
3/15/2023	3/15/2023	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
3/15/2023	3/15/2023	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	1,785.00		
3/15/2023	3/15/2023	600,000.00	91282CFK2	US TREASURY N/B NOTES	3.50%	9/15/2025	10,500.00		
3/15/2023	3/15/2023	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
3/15/2023	3/15/2023	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
3/15/2023	3/15/2023	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	1,312.75		
3/15/2023	3/15/2023	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
3/15/2023	3/15/2023	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
3/15/2023	3/15/2023	260,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	119.17		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/15/2023	3/15/2023	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
3/15/2023	3/15/2023	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
3/15/2023	3/15/2023	94,040.74	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	29.78		
3/15/2023	3/15/2023	1,000,000.00	91282CCX7	US TREASURY N/B NOTES	0.37%	9/15/2024	1,875.00		
3/15/2023	3/15/2023	2,379.36	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	3.71		
3/15/2023	3/15/2023	390,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,693.25		
3/15/2023	3/15/2023	40,310.56	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	63.49		
3/15/2023	3/15/2023	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
3/15/2023	3/15/2023	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
3/15/2023	3/15/2023	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
3/15/2023	3/15/2023	170,000.00	41285JAD0	HDMOT 2023-A A3	5.05%	12/15/2027	524.64		
3/15/2023	3/15/2023	107,322.89	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	46.51		
3/15/2023	3/15/2023	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		
3/16/2023	3/16/2023	79,217.22	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	29.71		
3/16/2023	3/16/2023	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
3/16/2023	3/16/2023	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
3/16/2023	3/16/2023	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/16/2023	3/16/2023	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
3/18/2023	3/18/2023	72,762.98	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	22.44		
3/20/2023	3/20/2023	110,965.65	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	31.44		
3/20/2023	3/20/2023	123,157.61	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	48.24		
3/20/2023	3/20/2023	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		
3/20/2023	3/20/2023	9,158.28	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	14.12		
3/21/2023	3/21/2023	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
3/22/2023	3/22/2023	125,000.00	904764BB2	UNILEVER CAPITAL CORP NOTES (CALLABLE)	3.37%	3/22/2025	2,109.38		
3/23/2023	3/23/2023	535,000.00	4581X0DZ8	INTER-AMERICAN DEVEL BK NOTES	0.50%	9/23/2024	1,337.50		
3/25/2023	3/25/2023	25,220.29	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	10.09		
3/25/2023	3/25/2023	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
3/25/2023	3/25/2023	22,523.46	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	5.44		
3/30/2023	3/30/2023	255,000.00	857477BM4	STATE STREET CORP NOTES (CALLABLE)	2.90%	3/30/2026	3,698.78		
Total INTEREST		42,704,089.51					191,000.75		0.00
PAYDOWNS									
1/1/2023	1/25/2023	208.79	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	208.79		7.07
1/15/2023	1/15/2023	6,759.78	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	6,759.78		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
1/15/2023	1/15/2023	6,669.35	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	6,669.35		
1/15/2023	1/15/2023	8,696.68	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	8,696.68		
1/15/2023	1/15/2023	9,853.45	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	9,853.45		
1/15/2023	1/15/2023	8,744.98	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	8,744.98		
1/15/2023	1/15/2023	3,715.19	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	3,715.19		
1/15/2023	1/15/2023	8,602.47	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	8,602.47		
1/15/2023	1/15/2023	6,786.97	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	6,786.97		
1/15/2023	1/15/2023	6,066.67	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	6,066.67		
1/16/2023	1/16/2023	8,061.85	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	8,061.85		
1/18/2023	1/18/2023	8,929.41	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	8,929.41		
1/20/2023	1/20/2023	19,567.30	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	19,567.30		
1/20/2023	1/20/2023	6,934.65	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	6,934.65		
1/20/2023	1/20/2023	12,547.56	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	12,547.56		
1/20/2023	1/20/2023	26,669.34	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	26,669.34		
1/25/2023	1/25/2023	5,303.68	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	5,303.68		
1/25/2023	1/25/2023	9,560.33	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	9,560.33		
2/1/2023	2/25/2023	209.62	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	209.62		7.10

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
2/15/2023	2/15/2023	6,745.78	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	6,745.78		
2/15/2023	2/15/2023	3,598.06	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	3,598.06		
2/15/2023	2/15/2023	8,790.98	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	8,790.98		
2/15/2023	2/15/2023	6,663.03	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	6,663.03		
2/15/2023	2/15/2023	8,848.64	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	8,848.64		
2/15/2023	2/15/2023	6,322.04	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	6,322.04		
2/15/2023	2/15/2023	8,061.02	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	8,061.02		
2/15/2023	2/15/2023	3,722.60	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	3,722.60		
2/15/2023	2/15/2023	5,823.65	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	5,823.65		
2/16/2023	2/16/2023	7,770.02	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	7,770.02		
2/18/2023	2/18/2023	8,591.90	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	8,591.90		
2/20/2023	2/20/2023	5,952.08	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	5,952.08		
2/20/2023	2/20/2023	24,305.10	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	24,305.10		
2/20/2023	2/20/2023	20,333.87	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	20,333.87		
2/20/2023	2/20/2023	194.39	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	194.39		
2/25/2023	2/25/2023	9,173.19	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	9,173.19		
2/25/2023	2/25/2023	4,954.99	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	4,954.99		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
3/1/2023	3/25/2023	261.20	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	261.20		8.85
3/15/2023	3/15/2023	2,379.36	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	2,379.36		
3/15/2023	3/15/2023	7,596.47	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	7,596.47		
3/15/2023	3/15/2023	6,443.49	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	6,443.49		
3/15/2023	3/15/2023	6,085.55	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	6,085.55		
3/15/2023	3/15/2023	3,343.25	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	3,343.25		
3/15/2023	3/15/2023	6,151.55	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	6,151.55		
3/15/2023	3/15/2023	5,540.88	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	5,540.88		
3/15/2023	3/15/2023	8,204.18	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	8,204.18		
3/15/2023	3/15/2023	8,146.27	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	8,146.27		
3/16/2023	3/16/2023	7,731.87	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	7,731.87		
3/18/2023	3/18/2023	8,238.23	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	8,238.23		
3/20/2023	3/20/2023	4,965.25	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	4,965.25		
3/20/2023	3/20/2023	21,189.53	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	21,189.53		
3/20/2023	3/20/2023	18,983.85	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	18,983.85		
3/25/2023	3/25/2023	4,709.59	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	4,709.59		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
3/25/2023	3/25/2023	9,056.25	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	9,056.25		
Total PAYDOWNS		432,766.18					432,766.18		23.02
SELL									
1/5/2023	1/12/2023	275,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	267,563.54		-7,642.78
1/30/2023	2/1/2023	225,000.00	023135BW5	AMAZON.COM INC CORPORATE NOTES	0.45%	5/12/2024	213,612.19		-11,470.33
1/30/2023	2/1/2023	600,000.00	91282CDM0	US TREASURY N/B NOTES	0.50%	11/30/2023	579,964.54		-20,155.51
1/30/2023	2/1/2023	150,000.00	38141GVM3	GOLDMAN SACHS CORP NOTES	4.00%	3/3/2024	150,870.67		-6,956.16
1/30/2023	2/1/2023	83,000.00	110122CM8	BRISTOL MYERS SQUIBB CO CORP NOTES (CALL	2.90%	7/26/2024	80,916.93		-4,699.07
1/30/2023	2/1/2023	400,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	390,308.11		-10,052.20
1/30/2023	2/1/2023	275,000.00	14913R2L0	CATERPILLAR FINL SERVICE CORPORATE NOTES	0.45%	5/17/2024	260,453.88		-14,642.14
1/30/2023	2/1/2023	175,000.00	808513BN4	CHARLES SCHWAB CORP NOTES (CALLABLE)	0.75%	3/18/2024	167,650.15		-7,801.94
1/30/2023	2/1/2023	425,000.00	22552G3C2	CREDIT SUISSE NEW YORK CERT DEPOS	0.59%	3/17/2023	424,867.75		-2,368.10
1/30/2023	2/1/2023	80,000.00	24422EVQ9	JOHN DEERE CAPITAL CORP CORPORATE NOTES	0.45%	6/7/2024	75,608.40		-4,400.59
1/30/2023	2/1/2023	200,000.00	87612EBD7	TARGET CORP CORPORATE NOTES	3.50%	7/1/2024	197,295.33		-10,128.69
1/30/2023	2/1/2023	190,000.00	91324PEB4	UNITEDHEALTH GROUP INC (CALLABLE) CORP N	0.55%	5/15/2024	180,483.11		-9,652.63
1/30/2023	2/1/2023	200,000.00	20030NCR0	COMCAST CORP (CALLABLE) CORPORATE NOTES	3.70%	4/15/2024	199,772.89		-7,961.66
2/13/2023	2/15/2023	235,000.00	91282CBA8	US TREASURY NOTES	0.12%	12/15/2023	225,943.78		-8,947.98

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
2/14/2023	2/22/2023	65,000.00	91282CBA8	US TREASURY NOTES	0.12%	12/15/2023	62,529.66		-2,442.97
2/27/2023	3/1/2023	150,000.00	91282CBA8	US TREASURY NOTES	0.12%	12/15/2023	144,337.98		-5,604.81
3/2/2023	3/3/2023	465,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	453,865.70		-11,714.00
3/2/2023	3/3/2023	625,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	610,034.55		-15,689.51
3/2/2023	3/3/2023	735,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	717,400.63		-18,450.89
3/28/2023	3/30/2023	200,000.00	91282CBA8	US TREASURY NOTES	0.12%	12/15/2023	193,908.06		-6,048.48
Total SELL		5,753,000.00					5,597,387.85		-186,830.44

Important Disclosures

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. 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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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

FINANCIAL POLICY

OVERVIEW

This document establishes policies of overall financial management, budget development, and fiscal administration for the City of Los Altos. Included herein are statements and principles designed to guide the City in maintaining its financial stability.

Formal adopted financial policies assist elected officials and staff in the development of fiscal management practices, save time and energy in making financial decisions, promote public confidence, and provide continuity over time. While these policies will be updated periodically, they provide the basic framework for many of the financial decisions that the City will address. They support long-term planning and enhance the City's effectiveness.

This document discusses the most important elements of financial management in one comprehensive centralized format and is organized into the following areas of discussion:

- General Financial Principles
- Operating Budget
- Capital Improvements Program
- Revenues
- Expenditures
- Cash Management
- Debt Management
- Fund Balances and Reserves
- Financial Reporting
- Annual Review and Update
- Exhibits



GENERAL FINANCIAL PRINCIPLES

It is the overall policy of the City of Los Altos to:

- Provide financial information in a relevant, thorough, timely fashion, and in a format that effectively communicates financial status to Council, citizens, and City employees.
- Manage its financial resources in a responsible and planned manner.
- Establish and maintain prudent fund balance levels.
- Maintain financial reporting in compliance with current governmental accounting standards.
- Promote and implement a relevant and strong system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.
- Promote constructive and proactive financial decision making.
- Integrate long-term operating and capital resources planning.
- Allow for uncertainties and maintain a posture of financial flexibility.
- Develop programs in a manner that supports the City's long-term ability to cover costs and provide the level and quality of service required by its citizens.
- Manage debt responsibly.
- Establish and maintain investment policies in accordance with State law.

FINANCIAL POLICY

OPERATING BUDGET

The budget will be adopted by the City Council no later than June 30th of each year. The City Manager may develop and present a biennial budget. The City should strive to develop a multi-year financial plan (a five-year forecast) that is updated as part of the periodic budget process.

A balanced provisional operating budget will be presented to City Council for review and adoption, ~~with total projected expenditures not exceeding total estimated revenues. Should it be necessary, City Council may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.~~

A “balanced budget” means that recurring expenditures do not exceed recurring revenues. Total expenditures should not exceed total revenue plus available funds. Available funds may include the use of fund balances on hand. The city adheres to a structurally balanced budget in that ongoing revenues are matched to ongoing expenses and one-time or cyclical revenues cover one-time expenses to manage to a net zero or positive bottom line.

Funds may not be expended for a new fiscal year until the budget for that fiscal year has been adopted by City Council.

One-time revenue sources are not to be relied upon to fund ongoing operations.

Budgetary control is maintained at the fund level:

- The City Manager may make budget transfers between departments or programs as long as those changes do not increase overall appropriations within any one given fund. Transfers between funds, overall increases in fund appropriations, and overall increases in project budgets can only be made through City Council action. Transfers between departments should be reported to the City Council as part of the budget update process, either at mid-year or at the proposal of a new budget term
- Department heads are held directly responsible and accountable for developing and managing their operational budgets. Their level of control is held at the department level. Departments that operate programs among different funds are limited to the appropriation levels within any one fund.

Operating expenditure appropriations not spent during the fiscal year lapse at year- end, except for:

- Encumbrances or commitments, as in the form of finalized Purchase Orders, made during the fiscal year that have not been completed at year- end.
- Appropriations for capital improvement projects and ongoing grants with a life-cycle beyond one year.

Governmental funds use the modified accrual basis of accounting while proprietary and fiduciary fund types are budgeted on a full accrual basis of accounting. The Annual Comprehensive Financial Report (ACFR) presents City’s finances on a generally accepted accounting principles (GAAP) basis and the City’s budget is prepared in conformance with these standards.

The City budget must comply with the annual determination of the City’s appropriations limit calculated in accordance with Article XIII B of the Constitution of the State of California and adopt an annual resolution to this effect.

FINANCIAL POLICY

CAPITAL IMPROVEMENT PROGRAM

The City will develop and maintain a five-year capital improvement project plan (CIP) to be updated annually in conjunction with the operating budget. The CIP should reflect the current and changing needs of the community as well as enhance the quality of the community's quality of life.

All projects within the CIP are to be tracked systematically and reported to management quarterly. CIP tracking reports should clearly display budget-to-actual performance by project, fund category and project status.

Capital improvements that specifically benefit a select group of users and/or are fee- for-service based are to be financed through user fees, service charges, special assessments and taxes, or development impact fees.

Capital improvements that specifically benefit a fee-for-service enterprise operation (such as Sewer) are to be financed through the service fees generated within that operation and fund. Such fees should be supported by periodic updates to the related utility master plan.

Transfers of resources into the CIP fund will be evaluated on an annual basis dependent upon the existence of available surplus dollars.

The City should strive to maximize the use of capital grants and state subventions in funding capital improvements before tapping general revenue sources.

REVENUES

The City will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.

The City will seek out, apply for, and effectively administer federal, state, and other grants that address the City's current operating and capital priorities.

Independent user-fee studies should be performed and updated periodically (three to five years) to ensure the proper balance of costs and service charges. The City should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent that City Council approves defined subsidy levels by program area.

Operating departments are to review public services to identify and determine those appropriate for fee collection. Recommendations for new fees are to be presented to the City Council as fees are periodically updated.

Operating departments are to review existing fees periodically and recommend adjustments, if necessary, to ensure they reflect all direct and reasonable indirect costs of providing such services. Enterprise operations will be self-supporting and shall reimburse the General Fund for any and all material and services provided on their behalf.

FINANCIAL POLICY

EXPENDITURES

Expenditures are to be budgeted and controlled so as to not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years.

The City will conduct a mid-year financial status review to determine if projected revenues and expenditures meet target levels. If an operating deficit is projected at year-end, the City should evaluate the need for immediate corrective and/or mitigating actions, including operating or capital expenditure reductions and/or activate the use of established contingency balances. The deferral of essential and scheduled operational expenditures into the following fiscal year or the use of short-term loans and transfers to balance the budget should be avoided.

The City should implement a formal purchasing system, principles, and guidelines to ensure that expenditure levels are kept in check in the course of any fiscal year.

CASH MANAGEMENT

The Financial Commission will review the City's investment policy annually and make recommendations to the City Council when appropriate.

The responsibility of investing City funds rests with the Finance Director who is to exercise due diligence to adhere to the investment policy. The Finance Director will present to the City Council quarterly investment reports presenting a summary of the portfolio status and compliance with the conditions set forth in the investment policy.

DEBT MANAGEMENT

The City should plan the use of debt in a manner that sustains financing payments at manageable levels.

The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.

The City will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project can be used if the overall project cost exceeds anticipated available resources and/or if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.

The City will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to City Council.

The City will diligently monitor its compliance with bond covenants.

The City will not issue long-term debt to finance current operations. Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt.

FINANCIAL POLICY

The City will use a lease-purchase method of financing for equipment if the lease rates are more favorable than the City's expected overall investment rate of return.

The City will not incur general obligation indebtedness for public improvements which exceed in aggregate 15% of the assessed value of all real and personal property of the City as specified in the California Government Code Section 43605.

FUND BALANCE

GOVERNMENT FUND TYPE DEFINITIONS

The City's governmental fund types include the general fund, special revenue funds, capital projects funds, ~~and debt service funds and permanent funds~~. GASB has clarified the definitions of these funds as follows:

GENERAL FUND

The General Fund should be used to account for and report all financial resources not accounted for and reported in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt service funds should be used to report resources if legally mandated.

FINANCIAL POLICY

~~PERMANENT FUNDS~~

~~Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Permanent funds do not include private purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.~~

Commented [JD1]: City currently does not have the Permanent Fund

FUND BALANCE CLASSIFICATIONS

Fund balance is defined as the difference between assets and liabilities. Beginning in FY2010-2011, the City is required to reclassify fund balances into the following five categories to comply with the Governmental Accounting Standards Board Statement (GASB) No. 54, Fund Balance and Governmental Fund Types.

NONSPENDABLE

This is a portion of fund balance not available for appropriations by its nature or external restriction. Examples are inventories and donations that require intact principal values.

SPENDABLE: RESTRICTED

The restricted portion of fund balance is subject to externally enforceable legal restrictions. Examples are Gas Tax revenues and grant proceeds.

COMMITTED

The committed portion of fund balance is constrained by the limitations imposed through formal City Council action. Only formal City Council action can remove or modify a previously committed amount.

ASSIGNED

The Assigned portion of fund balance is established for intended use by either the City Council or its designee, such as the City Manager. No formal City Council action is needed to remove the intended use. GAAP required reserves, such as the Other Post-Employment Benefits (OPEB) reserve, belong to this category. The Fiscal Policy and State Revenue Stabilization policy balances belong to this category.

UNASSIGNED

The Unassigned portion of fund balance is that remaining after the non- spendable, the restricted, the committed, and the assigned fund balances are identified and recorded.

FINANCIAL POLICY

GOVERNING BODY ORDER OF FUND UTILIZATION

The City of Los Altos will use GASB's definitions of fund balance for the annual financial reports (audits) and for all other financial reporting. For all financial planning purposes, the term Budgetary Fund Balance will be used and will include any portion of the fund balance that is available for appropriation. Portions of the fund balance not available for appropriation will be identified as follows.

The City of Los Altos policy establishes the order of use of unrestricted resources as follows:

The City shall strive to use the most restricted fund balances prior to utilizing those that are less restricted. The following order of use reflects this guideline:

- Nonspendable (if funds become spendable)
- Restricted
- Committed
- Assigned
- Unassigned

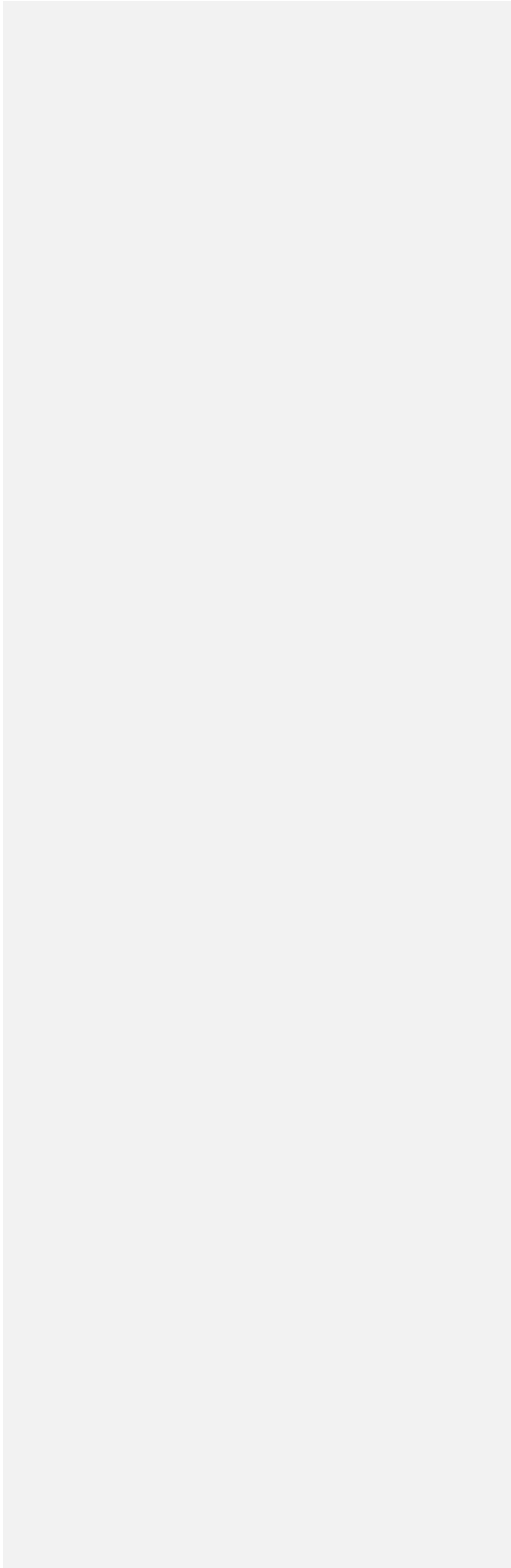
SPECIAL REVENUE CLASSIFICATIONS

Only the General Fund has an unassigned category since money remaining in any other fund is automatically designated or assigned to the purposes of that fund. Under the new GASB 54 rules, if the balance of a Special Revenue Fund is not formally restricted or committed by fiscal year end, then it must be reported as part of the General Fund for fiscal year end audited financial statement purposes. For some of the City's special revenue funds, this necessitates the City Council to provide direction on the intended use of resources for the future. Staff recommends that the City Council adopt the following list of the City's Special Revenue Funds and their expected fund balance classifications:

- Vehicle Impound Fund – Restricted to Public Safety Use
- Supplemental Law Enforcement Fund – Restricted by State Statute
- Gas Tax Funds – Restricted by State Statute
- Proposition 1B – Restricted by State Statute
- Storm Drain Deposits – Restricted to Storm Drain Use
- Community Development Block Grants – Restricted by Federal/State Statute
- Downtown Parking Fund – Restricted by Council Action
- In-Lieu Park Fee – Restricted by State Statute
- Traffic Impact Fee – Restricted by State Statute
- Estate Donation Fund – Restricted by Council Intent
- Transportation Development Act (TDA) Funds – Restricted by State Statute
- Measure B Fund – Restricted by State Statute
- Vehicle Registration Fund - Restricted by State Statute
- PEG Fees Fund – Restricted by State Statute
- Public Art Fund - Restricted by Council Intent
- AB- 1379 CASP Fee- Restricted by State Statute

FINANCIAL POLICY

In addition, GASB 54 allows the City Council authority to "assign" ending fund balances or bestow this authority to a City officer or designee. To provide the City with the most flexibility in financial reporting, the City Manager is given authority to assign resources and ending fund balances.



FINANCIAL POLICY

FUND BALANCE POLICY LEVELS

PURPOSE

The City of Los Altos (City) has enacted the Fund Balance policies in an effort to ensure financial security through the maintenance of a healthy fund contingency balance that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City’s primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City’s maintenance of a healthy fund balance.

GENERAL FUND

The City’s fiscal goal is to maintain annual expenditure increases at a sustainable growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The Council directed target is to maintain an unrestricted fund balance within the range of not less than 17% of annual operating expenditures for the fiscal year with a multi-year goal of achieving a 20% unrestricted fund balance level for the reasons noted below. This level of coverage includes General Fund balance amounts specifically assigned for annual Emergency and Operating Reserve as discussed and defined further below:

- To provide funding to cover approximately two (2) months of operating expenses with the goal of achieving three months coverage in the long term.
- To provide the liquidity necessary to accommodate the City’s uneven cash flow, which is inherent in its periodic tax collection schedule.
- To provide the liquidity to respond to contingent liabilities.
- To adhere to Government Finance Officers Association (GFOA) recommendation that a minimum General Fund unrestricted fund balance to be maintained of no less than either two (2) months of regular operating revenues or expenditures.

EMERGENCY AND OPERATING RESERVE

~~These balances are hereby defined as assigned by the City Council to allow the City to weather unpredicted cyclical and rapid downturns in the economy. These funds would be available for use in such conditions to mitigate negative economic fiscal impacts or State takeaways and can be activated within any one budget cycle through Council action. An economic downturn would entail a projected and/or sudden drop in core revenues (major tax and service revenue loss) of equal to or greater than 5% (including the impact of inflation) and/or a change in economic parameters (such as interest rates, debt service rates, commodity prices, pension rates) that cause a material change in expenditures of 5% or more, or the occurrence of a local natural disaster or unexpected financial claim requiring the immediate use of cash balances.~~

INTENDED USES FOR RESERVE

- ~~Interruptions in cash inflows~~

~~Examples include the State holding back on or altering tax disbursements, loss of sales~~

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tax receipts of a one time nature, or a significant economic slowdown. If the cash inflow interruption is of an ongoing nature, reserve use is limited to a consecutive two-year period, not to exceed 40% of the beginning reserve balance.

- Emergencies

In the event of an emergency or disaster such as earthquakes, fires, floods or other such emergencies, the entire balance may be used to temporarily fund recovery costs. It is understood that all aide assistance options will be sought to fund recovery efforts or reimbursement of the Contingency Reserve for fronting of recovery costs.

- Capital Acquisitions

Up to one-third of the Contingency Reserve balance may be used to finance capital acquisitions, as long as a repayment plan is approved. The repayment plan must be financially feasible based on the City's adopted Long-Term Financial Forecast. Alternative financing options shall be presented for consideration along with the use of the Contingency Reserve

- Emergent Opportunities

Up to one-third of the Contingency Reserve balance may be used to finance opportunities that directly benefit the City in a variety of ways. These include, yet are not limited to, creating, enhancing, or preserving revenue streams, or otherwise strengthening the City's financial performance.

OTHER CRITERIA FOR USE

A majority vote from the City Council is required to determine that it is necessary to use the Contingency Reserve for any of the uses listed above. With the exception of the emergency scenario, the reserve contingency balance allocated for other intended uses shall not exceed 50% of the required balance in any given year.

REPLENISHMENT PLAN

Unless a repayment plan is pre-established at the time reserves are allocated, Staff shall bring for Council consideration a replenishment plan, within 60-days of allocation from the reserve. It would be Council's expectation that every effort would be made to replenish the reserve as soon as it is financially feasible and practical to do so. If the reserve cannot be replenished by the next annual budget, a repayment plan not to exceed five years should be approved by council by a majority vote.

CALPERs Unfunded Accrual Liability (UAL) & ~~GENERAL FUND~~ OTHER POST-EMPLOYMENT BENEFITS (OPEB) ~~BALANCES FUNDING~~

The City conducted ~~an~~ actuarial studies to comply with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits* and *GASB Statement No. 68, Accounting and*

FINANCIAL POLICY

~~Financial Reporting for Pension and to determine the City's obligations for the other post-employment benefits (OPEB). The studies concluded that the City should set aside annual funding for those obligations and the City has maintained internal funding of UAL and OPEB obligations for this purpose. Additionally, the City will conduct an actuarial update every two to three years to maintain the current status of this valuation.~~

SEWER FUND BALANCES

The City should maintain the balances in the Sewer Fund at a level sufficient to accommodate operating and capital needs. The Sewer Master Plan has set this reserve at 25% of annual operating expenditures, ~~including estimated capital improvements~~. This level of funding should be established pursuant to the performance of a utility fund rate-study and/or master plan and are to be used for unanticipated operating and capital needs, and to level future rate increases. Multi-year fee studies for this fund should be updated periodically as a basis for defining the revenue sources necessary to maintain system infrastructure and required services levels. As a result of the periodic fee or master plan studies, adjustments to user charges may be necessary to maintain recommended fund balance levels.

WORKERS' COMPENSATION AND LIABILITY INSURANCE FUNDING

Periodic actuarial studies of self-insured workers' compensation and general liabilities will be conducted to ensure that proper levels of liabilities are accrued for claims and that rates charged to operating departments are appropriate.

EQUIPMENT REPLACEMENT FUNDING

An equipment replacement fund will be maintained to provide for the timely replacement of vehicles and other operating capital equipment. This fund is to be reviewed on an annual basis and rates charged to the using departments based on the depreciation guidelines established in this policy.

FINANCIAL REPORTING

The City's accounting and financial reports are to be maintained in conformance with GAAP.

An annual financial audit will be performed by an independent public accounting firm familiar with municipal government activities. The independent auditor will issue an audit opinion to be included in the City's Annual Comprehensive Financial Report (ACFR). Additionally, the auditor will present the ACFR and discuss audit findings to the Financial Commission. The City encourages the rotation of audit service providers on a periodic basis.

The City is encouraged to submit the Annual ACFR to State and/or National Government Finance Professional organizations (Government Finance Officers' Association's Certification of Achievement for Excellence in Financial Reporting - California Society of Municipal Finance Officers ACFR Award) for independent review and evaluation.

Internal financial status reports are to be issued on a periodic and timely basis – no less than quarterly and be made readily available citywide.

FINANCIAL POLICY

CAPITAL ASSETS

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

The City is to record the depreciation equipment, buildings and facilities, and infrastructure as follows and in line with internally established capitalization guidelines:

CAPITALIZATION THRESHOLDS

- | | |
|---------------------------------------|-----------|
| • Land purchases | Any value |
| • Equipment | \$5,000 |
| • Buildings and facility improvements | \$25,000 |
| • Infrastructure | \$100,000 |

DEPRECIATION

Depreciation will be recorded on a straight-line basis over the following estimated useful lives:

- | | |
|--|----------------|
| • Equipment | 3 – 10 years |
| • Site Improvements other than buildings | 30 – 50 years |
| • Buildings | 50 years |
| • Infrastructure | 30 – 100 years |

In June 1999, the GASB issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City included all infrastructure into the Basic Financial Statements. The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital asset construction, if any, is capitalized for the business type and proprietary funds as part of the asset cost.

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