

FINANCIAL COMMISSION MEETING AGENDA

6:00 PM - Monday, February 27, 2023

Telephone/Video Conference Only

Please Note: Per California Executive Order N-29-20, the Financial Commission will meet via teleconference and video only. Members of the Public may join via video at <https://losaltosca.gov.zoom.us/j/84452425499?pwd=aTAyTzZjcWtPQm10OWZVTnplUlhadz09> or call (669) 444-9171 to participate in the conference call (Meeting ID: 844 5242 5499, Passcode 132361. Members of the Public may only comment during times allotted for public comments. 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 November 21, 2022
2. Draft Minutes: Approve Minutes for the Meeting held on January 23, 2023
3. Quarterly Investment Portfolio Report – Quarter Ended December 31, 2022
4. Review Investment Policy for Fiscal Year 2023
5. Discuss in person Commission Meeting beginning March 1, 2023

COMMISSIONERS' REPORTS AND COMMENTS

POTENTIAL FUTURE AGENDA ITEMS

6. Finance Policy Discussion

7. Fiscal Year 2022 Audit
8. Treasurer's Report

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.

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DRAFT

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**MINUTES OF THE MEETING OF THE FINANCIAL COMMISSION OF THE CITY
OF LOS ALTOS, HELD ON, MONDAY, November 21, 2022, 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, October 17, 2022

Action: After adjustment to give effect to comments from Commissioner Claras requesting clarification that cyber security matters were not within the purview of the Commission, on a motion by Commissioner Whipple and second by Commissioner Kalbach, the Commission approved the minutes of the meeting of October 17, 2022 by the following vote: AYES: Chair Kalkat, Vice-Chair McClatchie, Commissioners, Claras, Frey, Kalbach, Richmond, Whipple. NOES: None, ABSTAIN: None; ABSENT: None.

2. Discussion Items

The Commissions discussed several topics including a draft sewer rate study, the quarterly investment report from the City's investment advisor, and a draft FY23 work plan.

- NBS Sewer Rate Study: A representative of the City's consultant, NBS, gave a presentation regarding the proposed findings of that firm's sewer rate study. A discussion ensued surrounding the proposed findings, including the suggested significant increase in sewer rate and the related calculations regarding future cash and capital expenditure needs. In order to provide the opportunity for further follow-up, Chair Kalkat suggested a subcommittee and it was determined that Chair Kalkat and Commissioner Frey would act as a subcommittee to review the report in further detail and report back to the full Commission.
- Quarterly Investment Portfolio report: The Finance Director presented the September 30, 2022 Quarterly Investment Report. Commissioners asked questions and a discussion ensued. The Commission also determined that there was no present need to recommend changes to the Investment Policy.

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- FY23 Work Plan Draft: The draft was shared with the Commission and a discussion ensued. One non-recurring item was noted for follow-up by the Finance Director.

COMMISSION AND STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS

- A discussion took place regarding current expectations regarding returning to in-person/hybrid Commission meetings.
- The Finance Director was requested to set-up calendar invitations for future meetings.

ADJOURNMENT

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**MINUTES OF THE MEETING OF THE FINANCIAL COMMISSION OF THE CITY
OF LOS ALTOS, HELD ON, MONDAY, January 23, 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, November 21, 2022

Action: Commissioner Richmond indicated that he had a number of suggested edits and it was agreed that he would provide them to the Finance Director for action at that next Commission meeting.

2. FY22/23 Budget Appropriation Final Adjustments

Finance Director June Du made a presentation to the Commission on final adjustments to the FY22/23 Budget appropriations and a discussion ensued during which the Finance Director answered the questions posed by the Commissioners.

Action: The Commission resolved to recommend the FY22/23 Budget Appropriation Final Adjustments for action by the City Council at its February 14 meeting, with such resolution being proposed on a motion by Commissioner Kalbach, seconded by Commissioner Whipple, and approved by the Commission by the following vote: AYES: Chair Kalkat, Vice-Chair McClatchie, Commissioners, Claras, Frey, Kalbach, Richmond, Whipple. NOES: None, ABSTAIN: None; ABSENT: None.

3. 2023 Finance Commission Meeting Schedules

The Finance Director proposed to change the February 20 and June 19 meeting dates due to City's holiday schedule. The Commission agreed to change the February 20 date to February 27 and the June 19 date to June 5.

4. Discussion Items

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The Commission discussed several topics including the FY24 City Budget process, presentations, and level of detail, as well as the Commission workplan. The Finance Director advised the Commission that for the FY24 budget cycle the City would be instituting a “zero based” budgeting process. Also during the discussion, Chair Kalkat inquired regarding the Grand Jury agenda item on the January 24 City Council meeting. City Manager Gabe Engeland briefly described the agenda item, the background of the item and the City’s plan to remediate the purported reporting deficiency.

COMMISSION AND STAFF REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS

The Finance Director proposed to discuss the City’s Investment policy, Financial policy, FY22 Audit, and 2nd Quarter Investment Performances at future meetings. Vice-Chair McClatchie recommended a continuing review of the Commission’s workplan in connection with the scheduling of future agenda items.

ADJOURNMENT

Adjourned the meeting at 7:30 p.m.

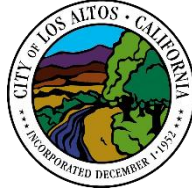
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AGENDA REPORT SUMMARY

Meeting Date: March 14, 2023

Subject Quarterly Investment Portfolio Report – Quarter Ended December 31, 2022

Prepared 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 12-31-22
4. LAIF Performance Over Time
5. PFM Investment Report Quarter Ended December 31, 2022

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 December 31, 2022. 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 December 31, 2022.

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JD



Subject: Quarterly Investment Portfolio Report – Quarter Ended December 31, 2022

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 December 31, 2022 was presented and discussed by the Financial Commission on February 27, 2023. The Financial Commission reviewed the Quarterly Investment Portfolio Report ending December 31, 2022, 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 December 31, 2022, was \$59,002,231 and \$57,005,621 respectively. The City's operating cash, as of December 31, 2022, was \$10,149,644.

As of December 31, 2022, 7.4% 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), 13.8% in Asset-Backed Securities, 1.6% in Supra-National Agency Bond, 35.2% in US Treasuries, 23.4% in medium-term Corporate Notes and Commercial Paper, and 3.1% in Certificate of Deposits, with the balance of 15.5% 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.

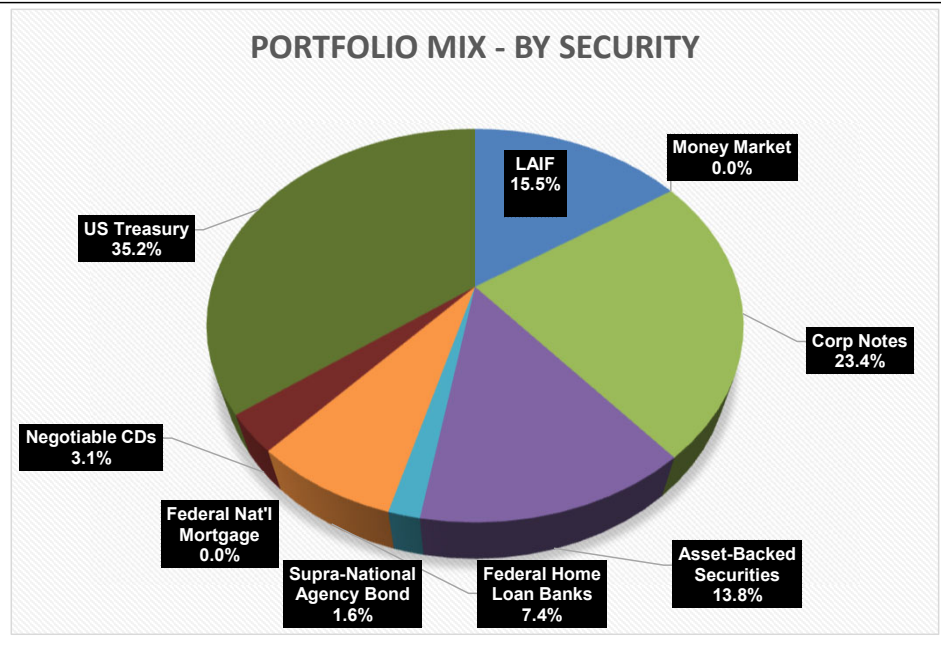
As part of these quarterly updates, a status report is prepared by PFM which is included as Attachment 5: Investment Performance Review for the Quarter Ended December 31, 2022. It is important to note that this report highlights the performance of City investments that fall outside its liquid holdings 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 0.88%, which is highlighted on page 21 of the PFM Investment Performance Review Report (Attachment 5).

Recommendation

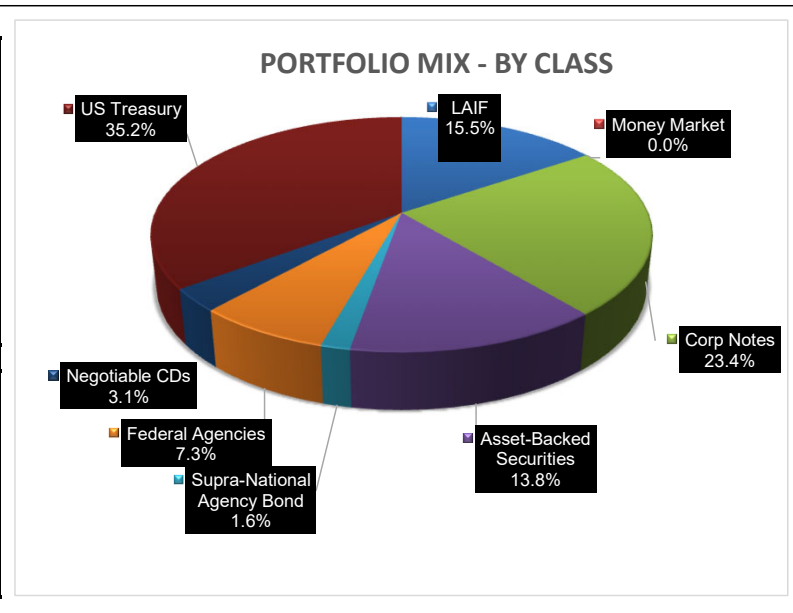
Receive the Investment Portfolio Report Quarter Ended December 31, 2022

**Attachment 1
Portfolio Mix Charts
December 2022**

Security Type	% of Total	Portfolio Mix By Security
LAIF	15.5%	9,143,395
Money Market	0.0%	-
Corp Notes	23.4%	13,814,000
Asset-Backed Securities	13.8%	8,165,286
Supra-National Agency Bond	1.6%	960,000
Federal Home Loan Banks	7.4%	4,352,549
Federal Nat'l Mortgage	0.0%	-
Negotiable CDs	3.1%	1,800,000
US Treasury	35.2%	20,767,000
Commercial Paper	0.0%	-
* Totals	100%	59,002,231.13



Security Type	% of Total	Portfolio Mix Par Value	Market Value
LAIF	15.5%	9,143,395	9,143,395
Money Market	0.0%	-	-
Corp Notes	23.4%	13,814,000	13,286,431
Asset-Backed Securities	13.8%	8,165,286	7,949,811
Supra-National Agency Bond	1.6%	960,000	906,956
Federal Agencies	7.3%	4,352,549	4,185,198
Negotiable CDs	3.1%	1,800,000	1,790,134
US Treasury	35.2%	20,767,000	19,743,695
	100%	59,002,231	57,005,621
Corp Notes		13,814,000	13,286,431
Asset-Backed Securities		8,165,286	7,949,811
Supra-National Agency Bond		960,000	906,956
US Treasury/Agencies		25,119,549	23,928,893
Negotiable CDs		1,800,000	1,790,134
Accrued Interest		-	178,477
		49,858,835.79	48,040,702
Margin Over (Under) Par			(1,818,134)



Attachment 2
Investment Policy Compliance Chart
December 2022

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	15.5%	9,143,395	07/01/22	No Term	75,000,000	100%	65,856,605	Yes	N/A
Money Market	0.0%	-		Overnight		20%	11,800,446	Yes	N/A
Corp Notes	23.4%	13,814,000	06/08/23	5 Years		30%	3,886,669	Yes	Yes
Asset-Backed Securities	13.8%	8,165,286	08/21/23	5 Years		20%	3,635,160	Yes	Yes
Supra-National Agency Bond	1.6%	960,000	05/24/23	5 Years		20%	10,840,446	Yes	Yes
Federal Agencies	7.4%	4,352,549	07/01/22	5 Years		100%	54,649,682	Yes	Yes
Commercial Paper	0.0%	-	-	270 Days		25%	14,750,558	Yes	-
Negotiable CDs	3.1%	1,800,000	12/02/22	5 Years		30%	15,900,669	Yes	Yes
US Treasury	35.2%	20,767,000	09/30/23	5 Years		100%	38,235,231	Yes	Yes
	100%	59,002,231							

California State Treasurer *Fiona Ma, CPA*



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

January 10, 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](#)

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Account Number: 98-43-481

December 2022 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	9,143,395.34
Total Withdrawal:	0.00	Ending Balance:	9,143,395.34

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



CITY OF LOS ALTOS

Investment Performance Review For the Quarter Ended December 31, 2022

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

The Year in Review

Beginning in March, the Fed hiked rates by 425 basis points in 2022

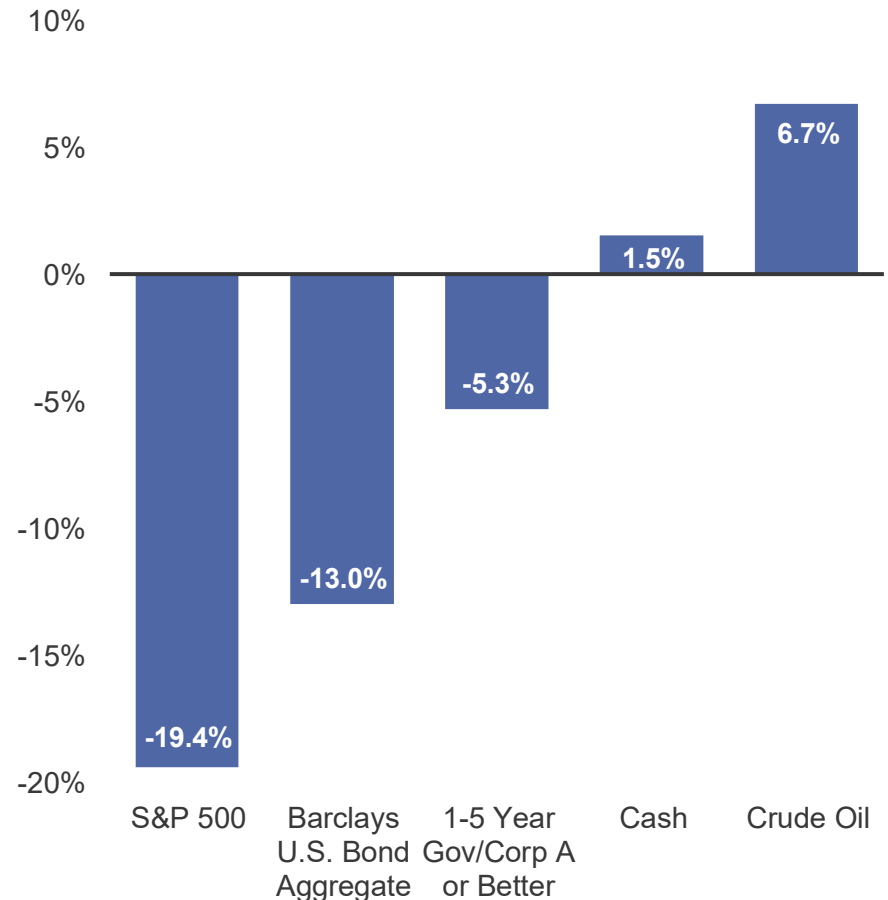
- The 2-year treasury yield rose just 370 bps through 2022

2022 saw an uncommon phenomenon of both stocks and bonds posting negative returns

Consumer spending remained resilient despite price pressures and extended credit levels

Energy prices surged due to uncertainty, geopolitical conflict (war in Ukraine), and storage challenges

2022 Asset Class Returns



Source: Bloomberg, as of 12/31/2022.

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ High inflation that shows signs of slowing
 - ▶ Continued strong labor market
 - ▶ Potentially declining health of U.S. household finances
 - ▶ Expectations for a modest yet broad economic downturn



- ▶ The Federal Reserve is expected to wrap up their normalization process
 - ▶ Slowing pace of rate hikes
 - ▶ Fed projecting short-term fed funds rate to reach 5.00% to 5.25% by year-end, with markets expecting rate cuts in the second half of 2023
 - ▶ Fed officials reaffirm that restoring price stability is the utmost priority, despite risks of overtightening



- ▶ Volatile markets potentially calming
 - ▶ Treasury yields in the belly of the curve (3-7 years) ended the quarter slightly lower, while shorter and longer maturities ended higher
 - ▶ Yield curve inversion has deepened further since last quarter
 - ▶ While still elevated, volatility and liquidity challenges have begun subsiding

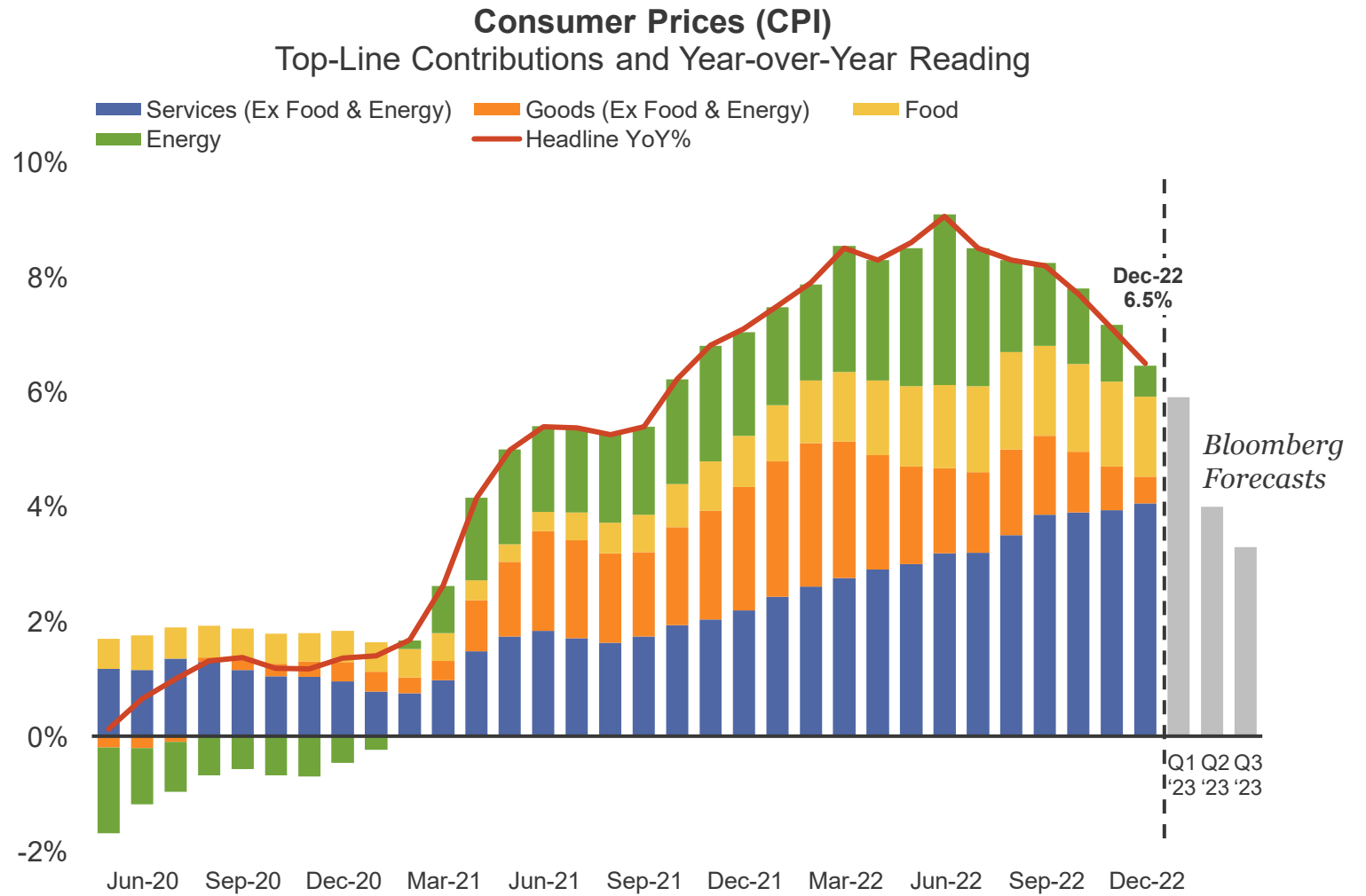
Rates Remain Sensitive to Fed and Inflation



The 2-year Treasury is commonly used to gauge market reactions and near-term policy expectations

Source: Bloomberg, as of 12/31/2022.

Inflation Now Trending Lower

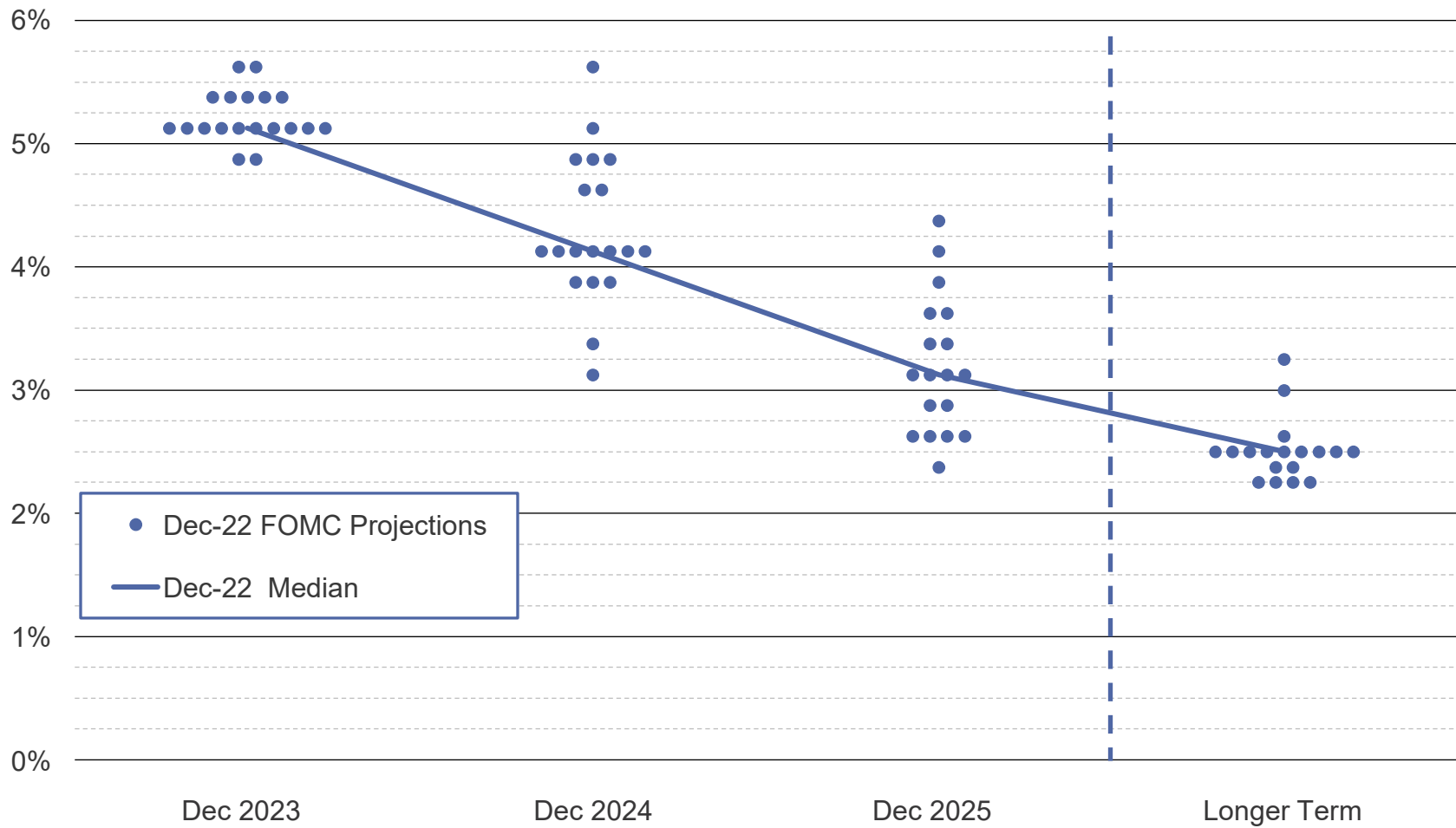


Lower energy and goods prices help to offset increases in wage-driven services costs

Source: Bloomberg, as of December 2022.

Fed's "Dot Plot" Suggests Expectations for a Drawn Out Normalization of Policy

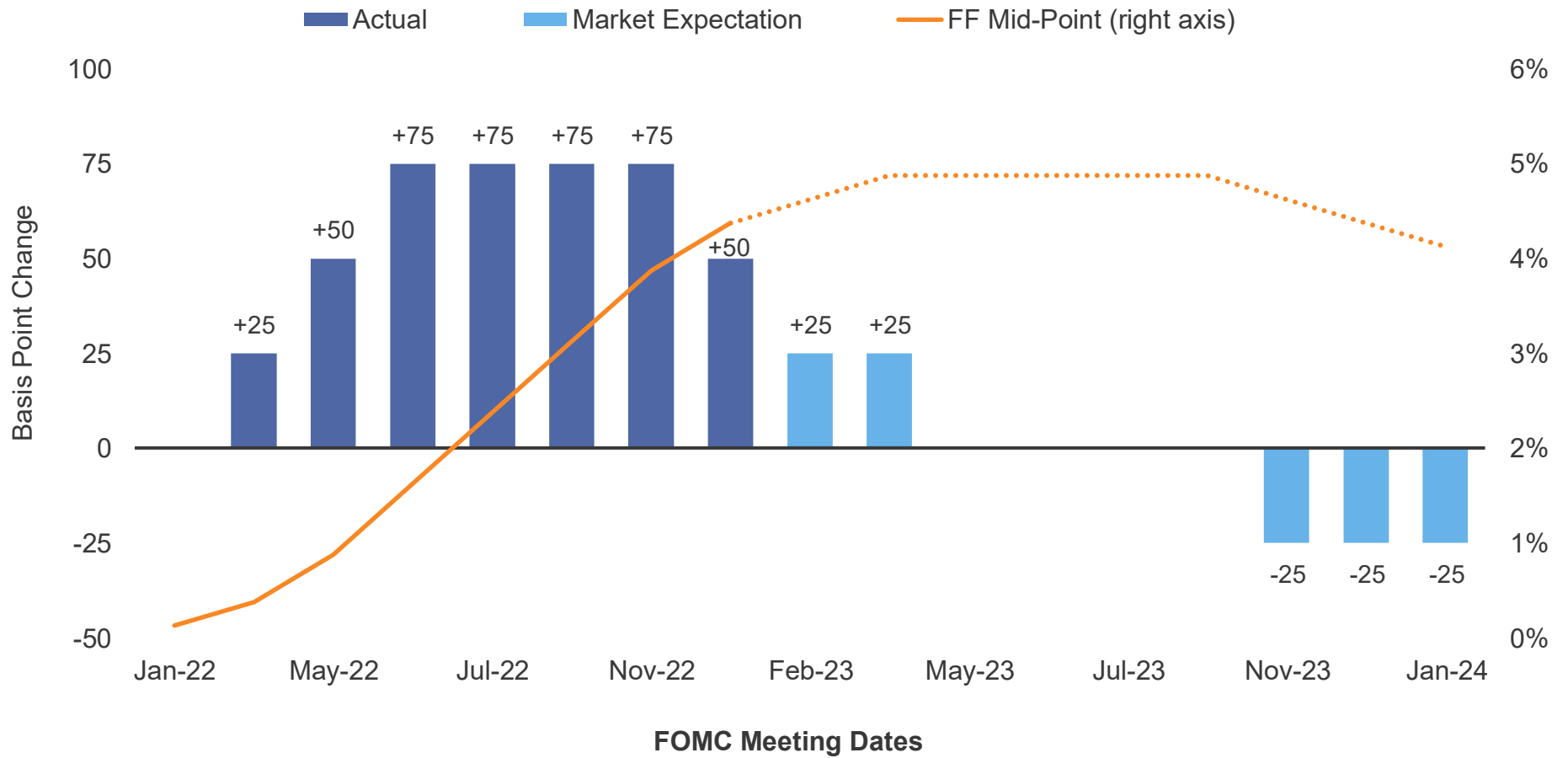
Fed Participants' Assessments of 'Appropriate' Monetary Policy



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.

What Could the Fed's Pivot Look Like?

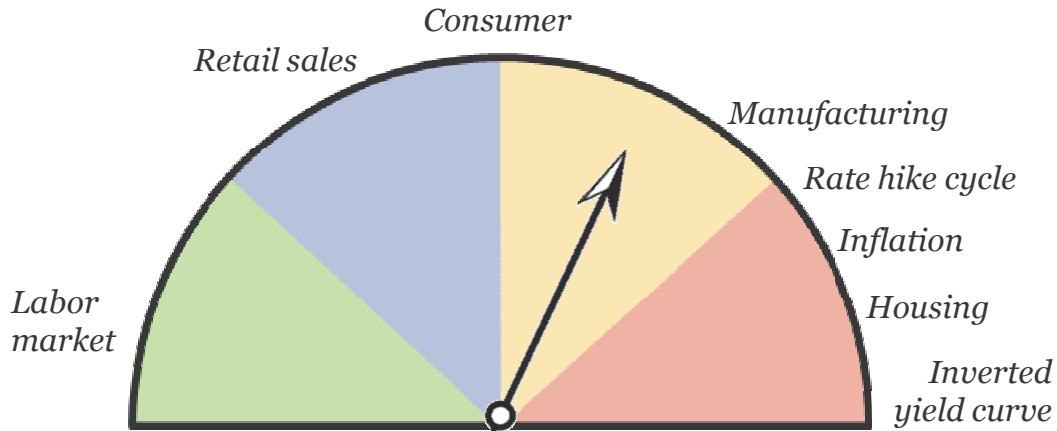
Changes to the Target Fed Funds Rate



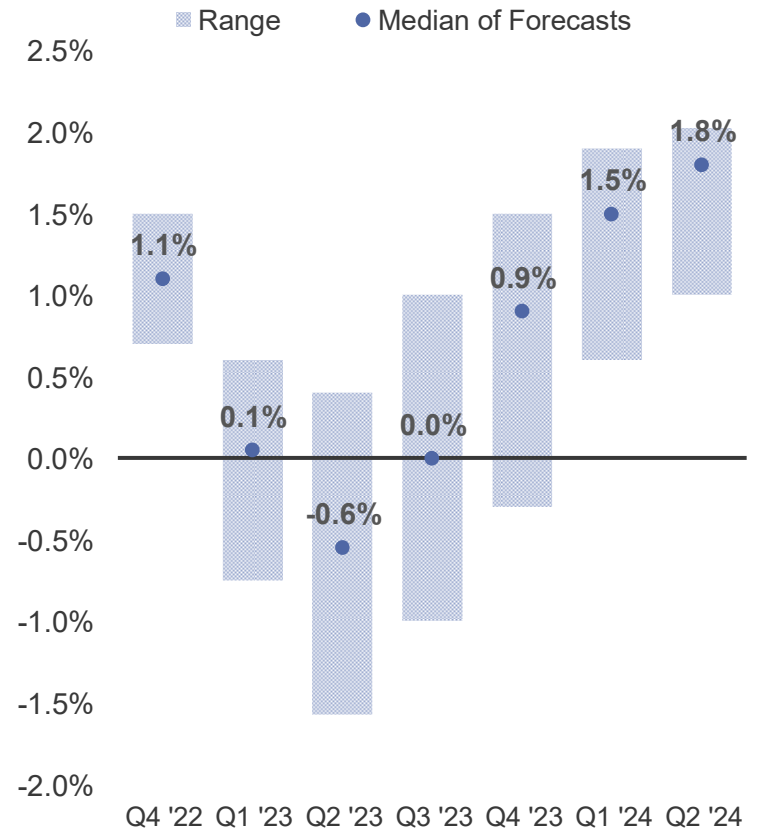
Source: Bloomberg WIRP Interest Rate Probability as of 1/9/2023.

Recession Gauge Flashing Yellow, but GDP Expected to Grow by End of Year

Recession Risk



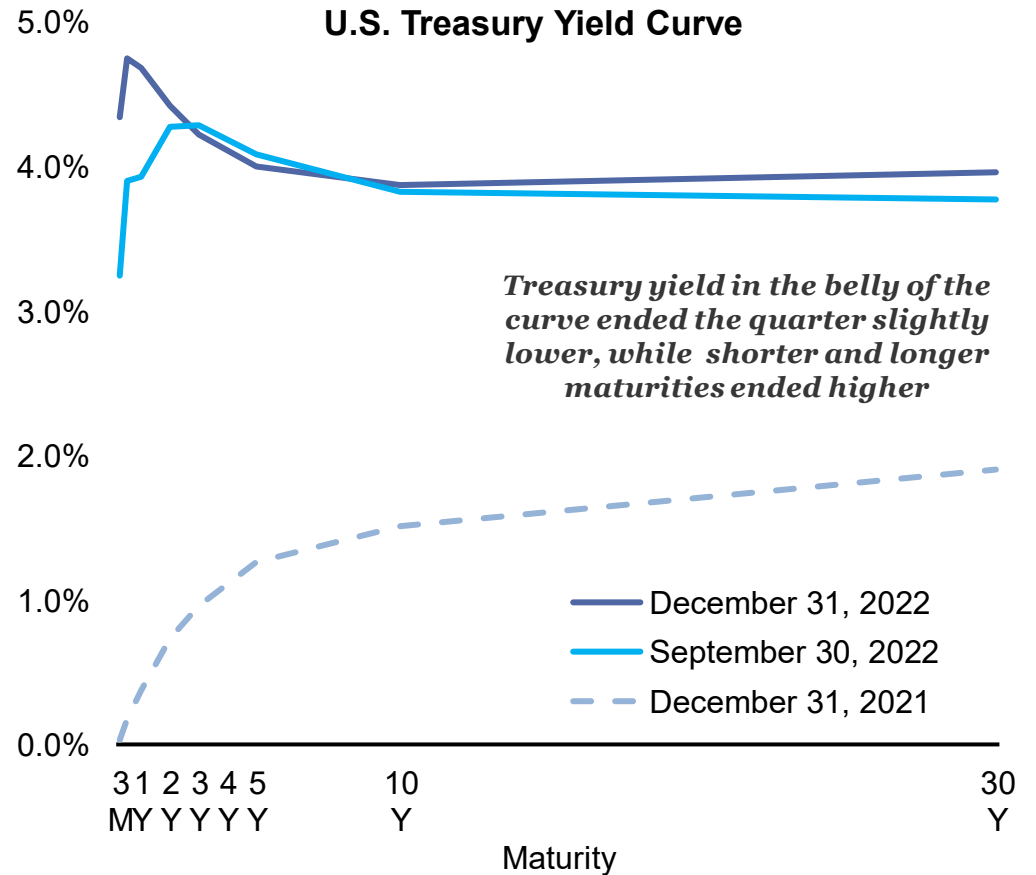
U.S. GDP Forecasts
Annualized Rate



Source: Bloomberg, Economist Forecasts. Recession risk based on most recent economic data as of 1/9/2023.

Yield Curve Inversion Deepens

	4Q2022 12/31/22	3Q2022 09/30/22	QoQ Change
3-month	4.34%	3.25%	+1.10%
1-year	4.69%	3.93%	+0.75%
2-year	4.43%	4.28%	+0.15%
3-year	4.22%	4.29%	-0.06%
5-year	4.00%	4.09%	-0.09%
10-year	3.87%	3.83%	+0.05%
30-year	3.96%	3.78%	+0.19%

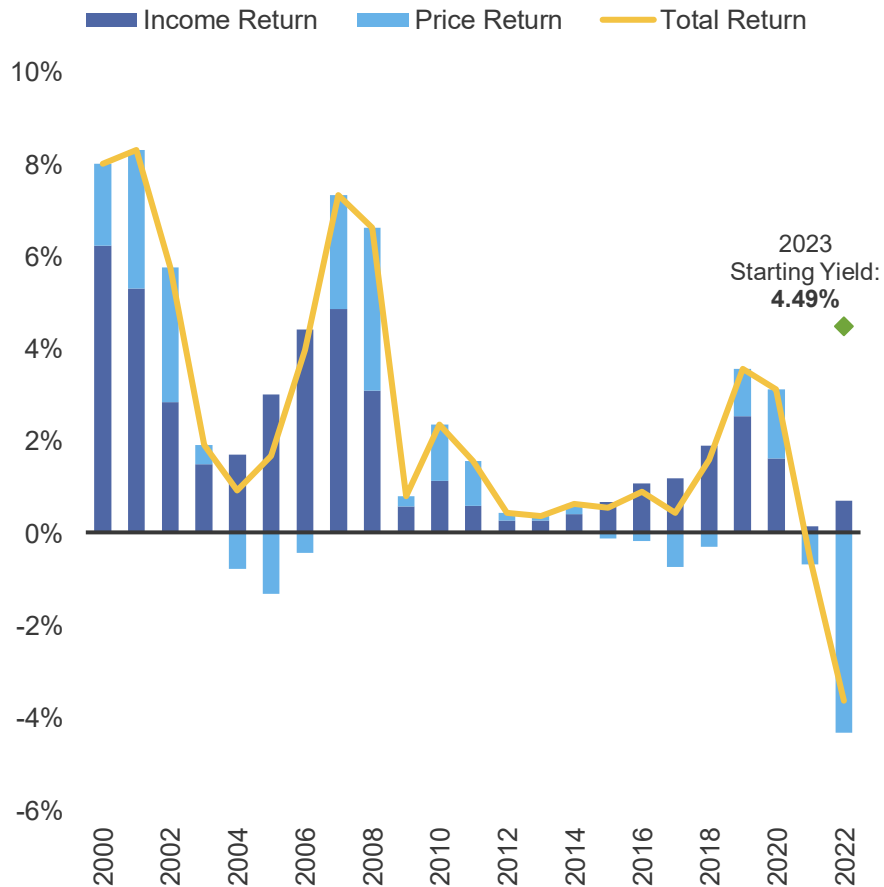


Source: Bloomberg, as of December 2022.

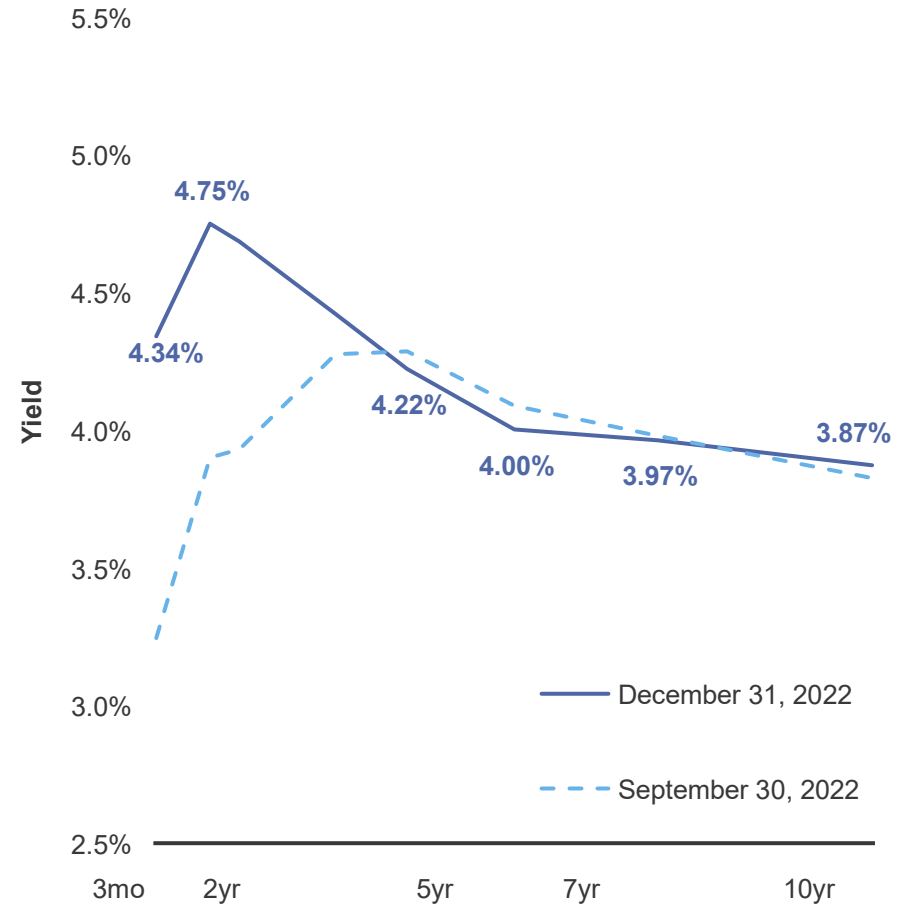
Higher Yields Can Offset Some of the Price Depreciation Woes

Annual Price & Income Returns

1-3 Year Treasury Index



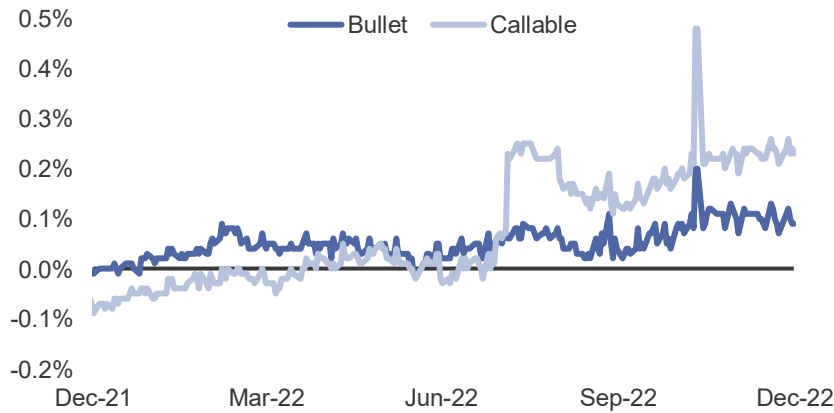
U.S. Treasury Yield Curve



Source: ICE BofAML Indices via Bloomberg, as of 12/31/2022. PFMAM Calculations. Income return represents the yield of the benchmark index, as of the end of the prior calendar year, respective to the year of performance shown.

Sector Yield Spreads

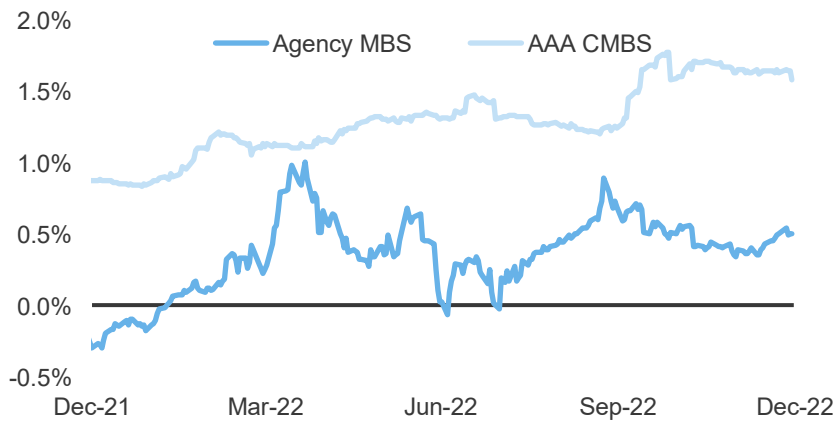
Federal Agency Yield Spreads



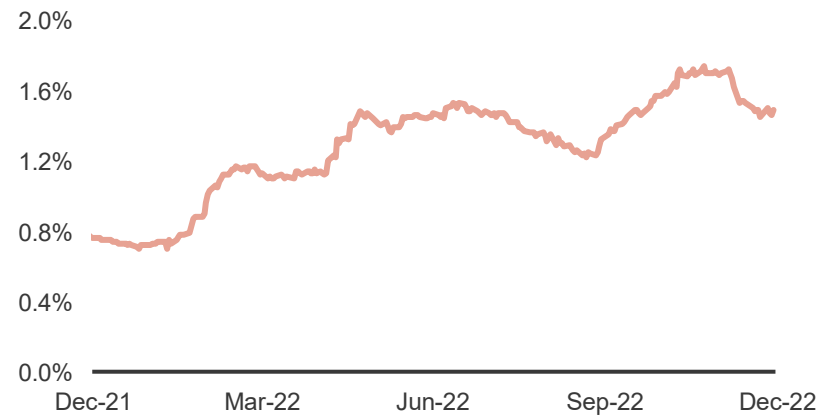
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads

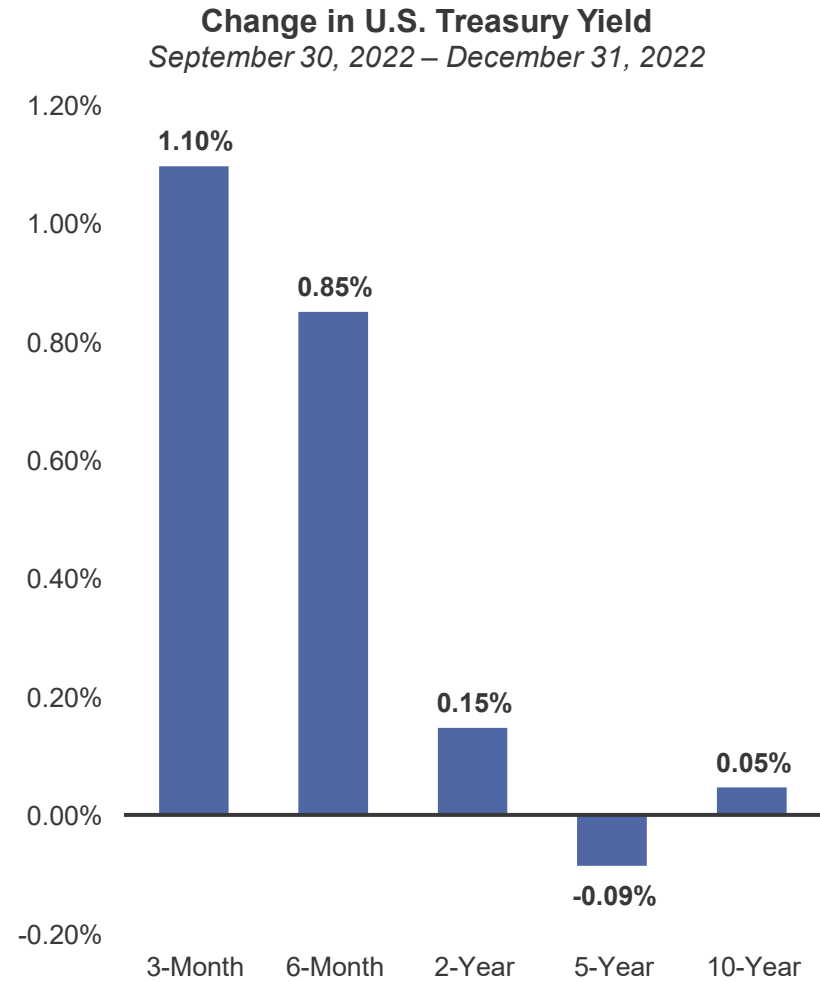
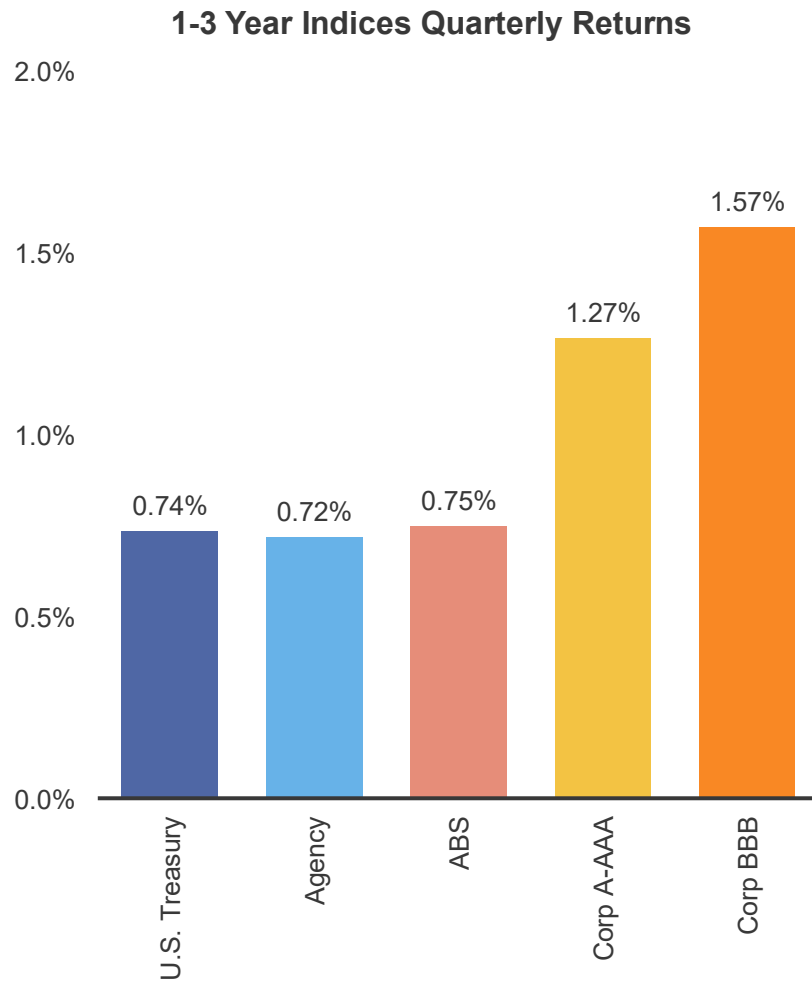


Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of 12/31/2022. 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 Q4 2022



Source: ICE BofAML Indices. ABS indices are 0-3 year, based on weighted average life. As of 12/31/2022.
Right Chart: Generic US Treasury securities via Bloomberg, change in yield from 9/30/2022 to 12/31/2022.

Fixed-Income Sector Commentary – 4Q 2022

- ▶ **U.S. Treasury** yields settled into a wide range after surging for the first three quarters of the year. The result of more stable yields was generally positive returns for the quarter.
- ▶ **Federal agency** bullet spreads finally broke single digits and climbed to the widest levels in the past 12 months for certain maturities. Callable structures were attractive early in the quarter as new issues came to market at wide levels on the heels of historically high bond volatility.
- ▶ **Supranational** issuance fell notably short of expectations in Q4 limiting new investment opportunities. Liquidity was better than that of federal agencies, which provided some ability to swap into other sectors which were more attractive.
- ▶ **Investment-Grade Corporate** yield spreads fluctuated in Q4 underscoring the historic levels of volatility experienced throughout the year. After reaching post-pandemic wides in late October, credit spreads reversed, ending the quarter modestly tighter. The sector generated strong excess returns in Q4 and buoyed portfolio returns relative to benchmarks.
- ▶ **Asset-Backed** yield spreads lagged the narrowing move in the corporate sector for much of Q4 but rallied into year end, ending the quarter only modestly wider than where they began. ABS and IG corporate spreads diverged markedly in November, growing to the widest margin since 2020 and leading to a year-end rally which brought performance just shy of matched-duration U.S. Treasuries.
- ▶ **Mortgage-Backed Securities** reversed course in Q4 after the dreadful negative returns for the first three quarters of 2022. Although still negative for the year, excess returns on MBS were near top-of-class amongst investment-grade options in Q4.
- ▶ **Taxable Municipal** issuance remained underwhelming as deals were heavily oversubscribed, dragging spreads lower, while secondary inventory at attractive levels was sparse.
- ▶ The **short-term credit** (commercial paper and CDs) yield curve was notably steep throughout the quarter as the market priced the expectation for further Fed rate increases. The aggressive pace of those rate hikes created valuable opportunities in floating-rate securities.

Fixed-Income Sector Outlook – 1Q 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

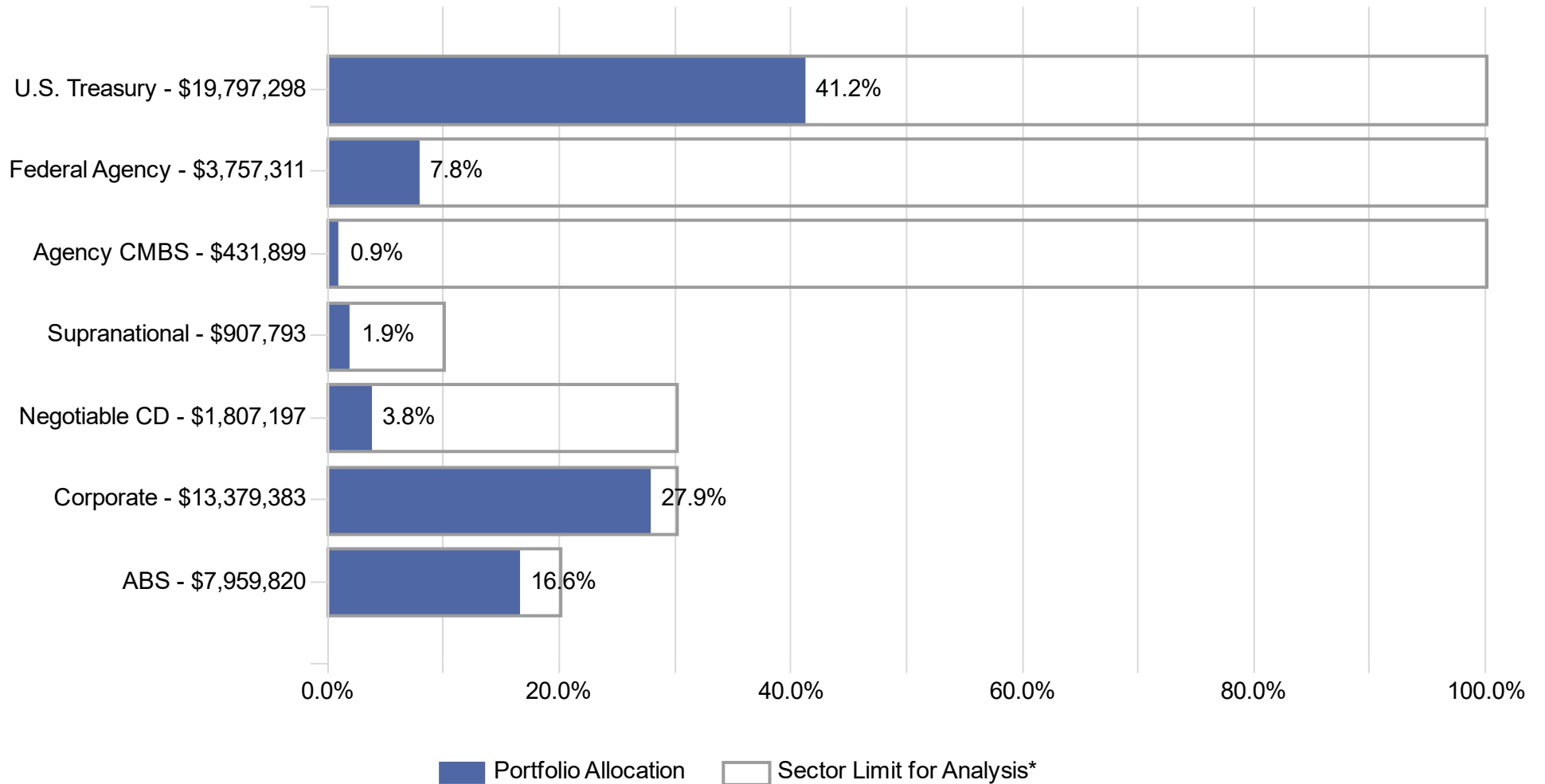
Certificate of Compliance

During the reporting period for the quarter ended December 31, 2022, 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	<u>December 31, 2022</u>	Analytics ¹	<u>December 31, 2022</u>
PFMAM Managed Account	\$47,862,225	Yield at Market	4.49%
Amortized Cost	\$49,882,256	Yield on Cost	1.83%
Market Value	\$47,862,225	Portfolio Duration	1.66
Accrued Interest	\$178,477		
Cash	\$149,068		

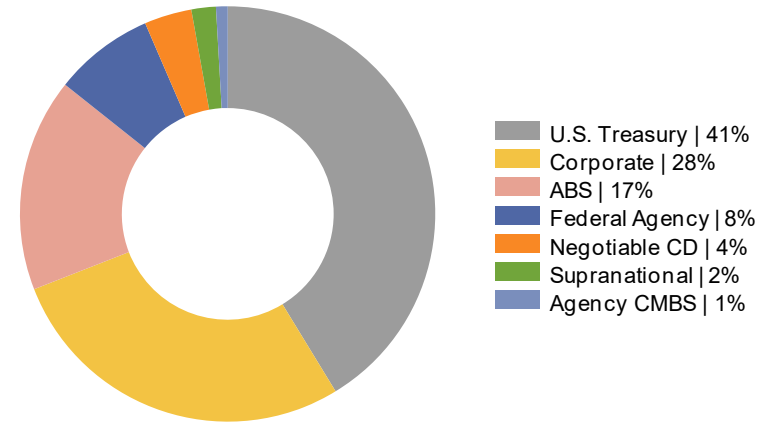
1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

Portfolio Snapshot - CITY OF LOS ALTOS INVESTMENT PORTFOLIO¹

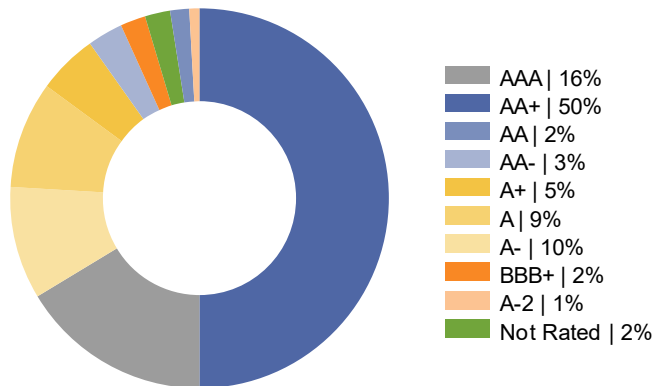
Portfolio Statistics

Total Market Value	\$48,189,769.61
<i>Securities Sub-Total</i>	\$47,862,225.29
<i>Accrued Interest</i>	\$178,476.75
<i>Cash</i>	\$149,067.57
Portfolio Effective Duration	1.66 years
Benchmark Effective Duration	1.74 years
Yield At Cost	1.83%
Yield At Market	4.49%
Portfolio Credit Quality	AA

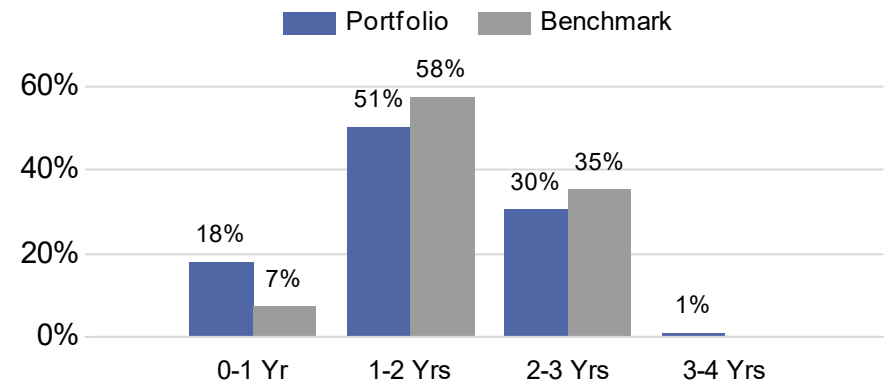
Sector Allocation



Credit Quality - S&P



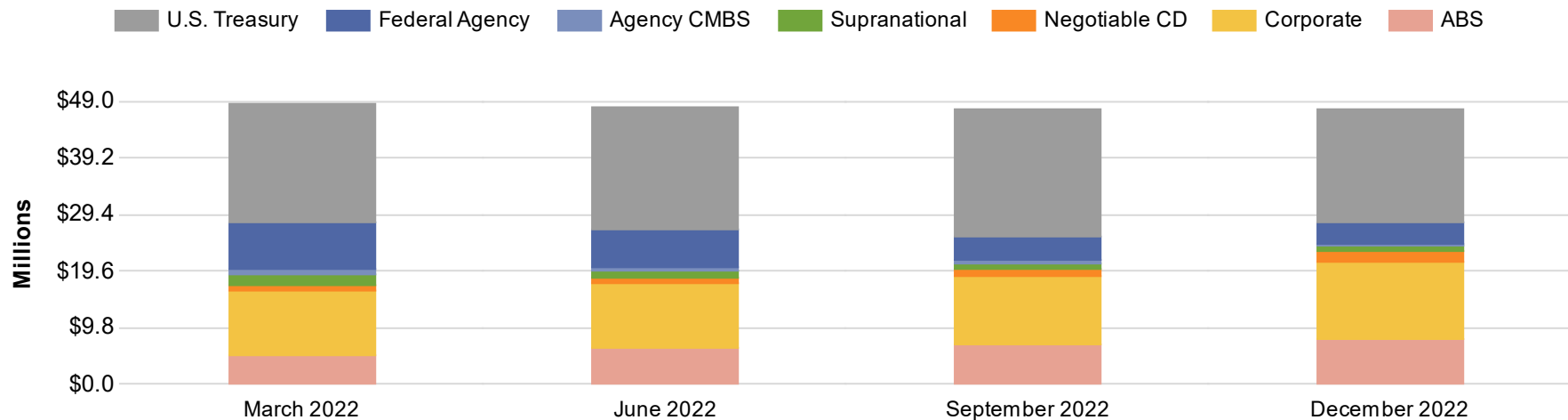
Duration Distribution



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

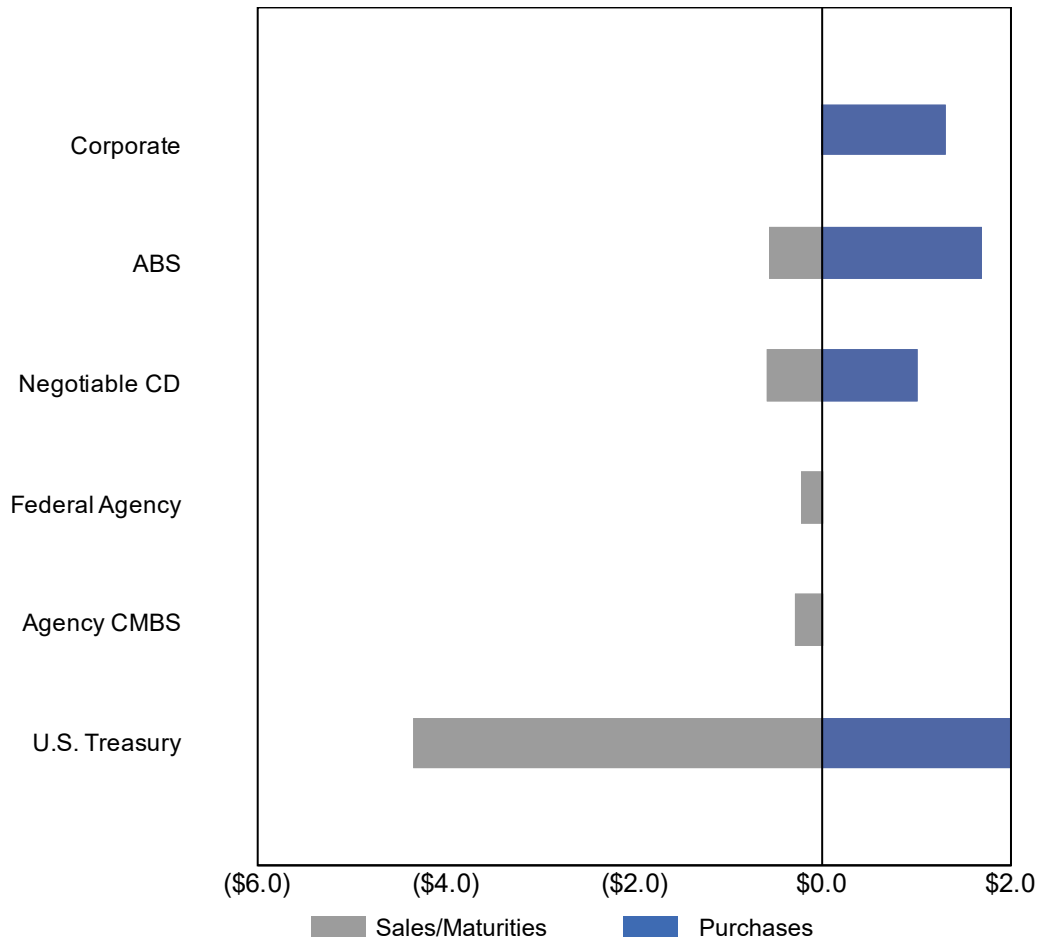
Security Type	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total	Dec-22	% of Total
U.S. Treasury	\$20.5	42.1%	\$21.3	44.3%	\$22.0	46.1%	\$19.7	41.3%
Federal Agency	\$8.1	16.8%	\$6.4	13.4%	\$4.0	8.3%	\$3.8	7.8%
Agency CMBS	\$0.9	1.8%	\$0.5	1.0%	\$0.7	1.5%	\$0.4	0.9%
Supranational	\$1.7	3.6%	\$1.3	2.8%	\$0.9	1.9%	\$0.9	1.9%
Negotiable CD	\$1.0	2.1%	\$1.0	2.1%	\$1.4	2.9%	\$1.8	3.7%
Corporate	\$11.4	23.4%	\$11.1	23.1%	\$11.9	25.0%	\$13.3	27.8%
ABS	\$4.9	10.2%	\$6.4	13.3%	\$6.8	14.3%	\$7.9	16.6%
Total	\$48.5	100.0%	\$48.0	100.0%	\$47.6	100.0%	\$47.9	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

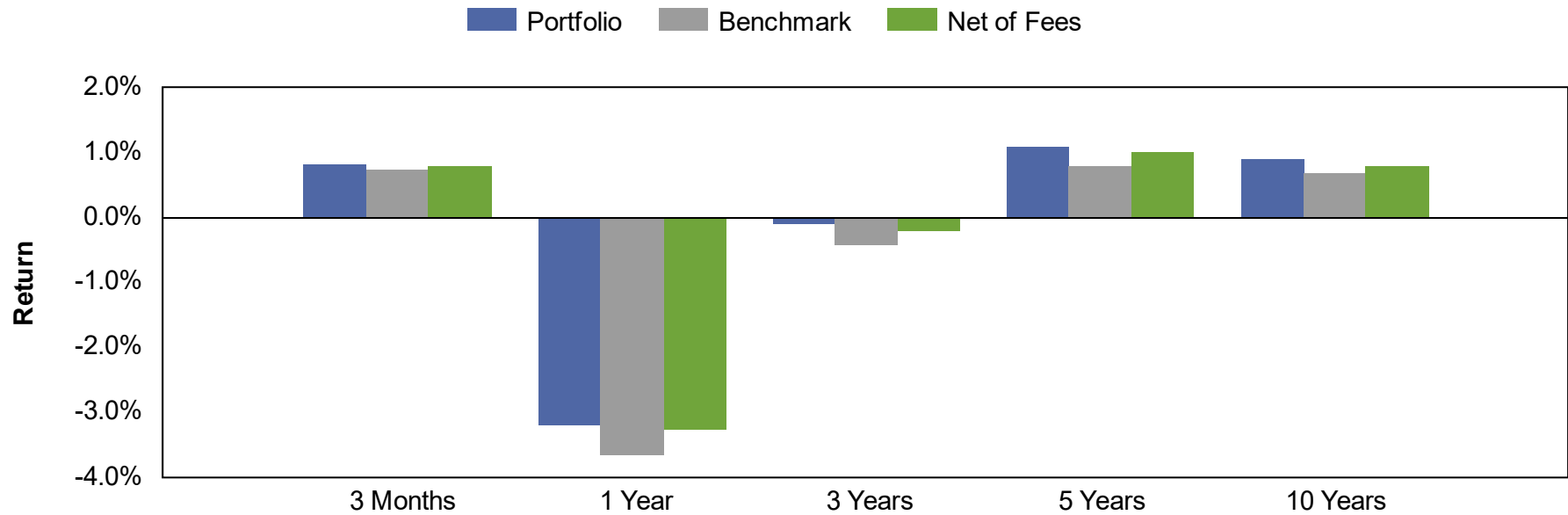
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Corporate	\$1,304,316
ABS	\$1,147,033
Negotiable CD	\$422,018
Federal Agency	(\$217,151)
Agency CMBS	(\$281,072)
U.S. Treasury	(\$2,331,118)
Total Net Activity	\$44,025

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

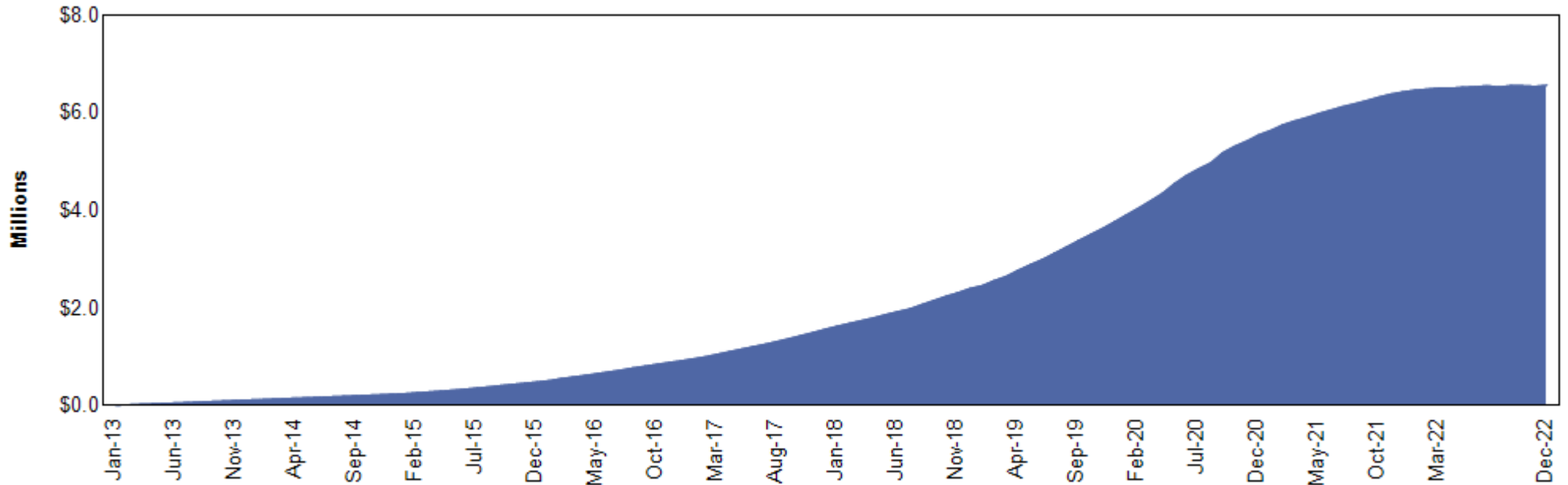
Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earned ²	\$201,363	\$580,143	\$2,335,334	\$4,789,433	\$6,448,590
Change in Market Value	\$183,654	(\$2,200,922)	(\$2,210,718)	(\$1,414,487)	(\$1,959,846)
Total Dollar Return	\$385,017	(\$1,620,779)	\$124,616	\$3,374,946	\$4,488,744
Total Return³					
Portfolio	0.81%	-3.18%	-0.10%	1.08%	0.88%
Benchmark ⁴	0.74%	-3.65%	-0.41%	0.77%	0.67%
Basis Point Fee	0.02%	0.09%	0.09%	0.09%	0.09%
Net of Fee Return	0.78%	-3.27%	-0.19%	0.99%	0.79%

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	\$201,363	\$580,143	\$2,335,334	\$4,789,433	\$6,448,590
Realized Gains / (Losses) ³	(\$187,692)	(\$372,956)	\$649,040	\$323,773	\$328,558
Change in Amortized Cost	(\$7,307)	(\$71,127)	(\$184,845)	(\$115,937)	(\$209,911)
Total Earnings	\$6,364	\$136,060	\$2,799,529	\$4,997,269	\$6,567,237

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	41.2%	
UNITED STATES TREASURY	41.2%	AA / Aaa / AAA
Federal Agency	7.8%	
FEDERAL HOME LOAN BANKS	1.0%	AA / Aaa / NR
FREDDIE MAC	6.8%	AA / Aaa / AAA
Agency CMBS	0.9%	
FANNIE MAE	0.4%	AA / Aaa / AAA
FREDDIE MAC	0.5%	AA / Aaa / AAA
Supranational	1.9%	
INTER-AMERICAN DEVELOPMENT BANK	1.0%	AAA / Aaa / AAA
INTL BANK OF RECONSTRUCTION AND DEV	0.9%	AAA / Aaa / AAA
Negotiable CD	3.8%	
CREDIT AGRICOLE SA	0.8%	A / Aa / AA
CREDIT SUISSE GROUP RK	0.9%	BBB / A / BBB
NORDEA BANK ABP	1.0%	AA / Aa / AA
TORONTO-DOMINION BANK	1.1%	A / A / NR
Corporate	27.9%	
ABBOTT LABORATORIES	0.3%	AA / A / NR
AMAZON.COM INC	1.1%	AA / A / AA
AMERICAN EXPRESS CO	0.8%	BBB / A / A
AMERICAN HONDA FINANCE	0.9%	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	0.4%	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	27.9%	
CATERPILLAR INC	0.8%	A / A / A
CHARLES SCHWAB	0.3%	A / A / A
CINTAS CORPORATION NO. 2	0.4%	A / A / NR
CITIGROUP INC	0.8%	BBB / A / A
COLGATE-PALMOLIVE COMPANY	0.1%	AA / Aa / NR
COMCAST CORP	0.8%	A / A / A
DEERE & COMPANY	0.7%	A / A / A
EXXON MOBIL CORP	0.3%	AA / Aa / NR
GENERAL DYNAMICS CORP	0.3%	A / A / NR
GOLDMAN SACHS GROUP INC	0.6%	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
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	0.5%	AA / Aa / NR
NATIONAL RURAL UTILITIES CO FINANCE CORP	0.5%	A / A / A
PACCAR FINANCIAL CORP	0.8%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.7%	A / A / A
PRAXAIR INC	0.9%	A / A / NR
RABOBANK NEDERLAND	1.0%	A / Aa / AA

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	27.9%	
STATE STREET CORPORATION	0.7%	A / A / AA
TARGET CORP	0.4%	A / A / A
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	0.5%	A / A / A
UNITEDHEALTH GROUP INC	0.5%	A / A / A
WAL-MART STORES INC	0.5%	AA / Aa / AA
ABS	16.6%	
ALLY AUTO RECEIVABLES TRUST	1.4%	AAA / Aaa / NR
AMERICAN EXPRESS CO	1.0%	AAA / NR / AAA
BMW FINANCIAL SERVICES NA LLC	0.1%	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	2.4%	AAA / Aaa / AAA
DISCOVER FINANCIAL SERVICES	1.4%	AAA / Aaa / AAA
FORD CREDIT AUTO OWNER TRUST	0.3%	AAA / NR / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	1.2%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.3%	AAA / NR / AAA
HARLEY-DAVIDSON MOTORCYCLE TRUST	0.5%	AAA / Aaa / NR
HONDA AUTO RECEIVABLES	0.5%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	1.5%	AAA / NR / AAA
MERCEDES-BENZ AUTO LEASE TRUST	0.0%	AAA / NR / AAA
MERCEDES-BENZ AUTO RECEIVABLES	0.8%	AAA / Aaa / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	16.6%	
NISSAN AUTO RECEIVABLES	0.6%	AAA / Aaa / NR
TOYOTA MOTOR CORP	0.9%	AAA / Aaa / AAA
VERIZON OWNER TRUST	0.4%	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 December 31, 2022

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	19,743,695	41.26%
FREDDIE MAC	3,525,943	7.38%
CARMAX AUTO OWNER TRUST	1,154,289	2.42%
CAPITAL ONE FINANCIAL CORP	1,000,842	2.10%
AMERICAN EXPRESS CO	838,481	1.76%
TOYOTA MOTOR CORP	801,036	1.68%
HYUNDAI AUTO RECEIVABLES	739,901	1.55%
THE BANK OF NEW YORK MELLON CORPORATION	729,703	1.52%
JP MORGAN CHASE & CO	701,501	1.47%
DISCOVER FINANCIAL SERVICES	695,441	1.45%
ALLY AUTO RECEIVABLES TRUST	685,483	1.43%
BANK OF AMERICA CO	680,619	1.42%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	563,858	1.18%
AMAZON.COM INC	549,909	1.15%
TORONTO-DOMINION BANK	499,779	1.04%
INTER-AMERICAN DEVELOPMENT BANK	498,526	1.04%
NORDEA BANK ABP	494,459	1.03%
RABOBANK NEDERLAND	479,189	1.00%
FEDERAL HOME LOAN BANKS	467,450	0.98%
CREDIT SUISSE GROUP RK	420,897	0.88%
PRAXAIR INC	418,226	0.87%
INTL BANK OF RECONSTRUCTION AND DEV	408,430	0.85%
AMERICAN HONDA FINANCE	407,322	0.85%
MERCEDES-BENZ AUTO RECEIVABLES	393,186	0.82%

Issuer	Market Value (\$)	% of Portfolio
CITIGROUP INC	384,962	0.80%
CATERPILLAR INC	380,536	0.80%
CREDIT AGRICOLE SA	375,000	0.78%
PACCAR FINANCIAL CORP	374,623	0.78%
COMCAST CORP	374,132	0.78%
HONEYWELL INTERNATIONAL	371,878	0.78%
IBM CORP	368,898	0.77%
HSBC HOLDINGS PLC	367,436	0.77%
MORGAN STANLEY	355,433	0.74%
PNC FINANCIAL SERVICES GROUP	352,094	0.74%
TRUIST FIN CORP	351,819	0.74%
DEERE & COMPANY	351,684	0.73%
STATE STREET CORPORATION	345,035	0.72%
GOLDMAN SACHS GROUP INC	292,459	0.61%
ASTRAZENECA PLC	273,754	0.57%
NISSAN AUTO RECEIVABLES	264,467	0.55%
NATIONAL RURAL UTILITIES CO FINANCE CORP	260,235	0.54%
UNITEDHEALTH GROUP INC	259,849	0.54%
HARLEY-DAVIDSON MOTORCYCLE TRUST	257,685	0.54%
WORLD OMNI AUTO REC TRUST	255,845	0.53%
ANZ BANKING GROUP LTD	250,945	0.52%
NATIONAL AUSTRALIA BANK LTD	246,980	0.52%
HONDA AUTO RECEIVABLES	235,398	0.49%
WAL-MART STORES INC	221,904	0.46%
UNILEVER PLC	215,249	0.45%
VERIZON OWNER TRUST	206,111	0.43%
TARGET CORP	195,890	0.41%

Issuer	Market Value (\$)	% of Portfolio
BRISTOL-MYERS SQUIBB CO	192,966	0.40%
FANNIE MAE	191,805	0.40%
LOCKHEED MARTIN CORP	176,151	0.37%
CINTAS CORPORATION NO. 2	169,444	0.35%
CHARLES SCHWAB	166,566	0.35%
BMW VEHICLE OWNER TRUST	166,539	0.35%
HORMEL FOODS CORP	164,780	0.34%
GENERAL DYNAMICS CORP	160,532	0.34%
ABBOTT LABORATORIES	160,012	0.33%
GM FINANCIAL LEASINGTRUST	149,032	0.31%
MERCK & CO INC	124,651	0.26%
EXXON MOBIL CORP	124,272	0.26%
FORD CREDIT AUTO OWNER TRUST	123,673	0.26%
BURLINGTON NORTHERN SANTA FE	120,193	0.25%
HERSHEY COMPANY	118,729	0.25%
BROWN-FORMAN CORP	112,067	0.23%
VOLKSWAGEN AUTO LEASE TURST	97,426	0.20%
HOME DEPOT INC	92,457	0.19%
TEXAS INSTRUMENTS INC	54,942	0.11%
COLGATE-PALMOLIVE COMPANY	53,160	0.11%
BMW FINANCIAL SERVICES NA LLC	40,938	0.09%
MERCEDES-BENZ AUTO LEASE TRUST	13,426	0.03%
Grand Total	47,862,225	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 N/B NOTES DTD 11/30/2021 0.500% 11/30/2023	91282CDM0	600,000.00	AA+	Aaa	12/1/2021	12/3/2021	599,039.06	0.58	263.74	599,559.84	577,218.72
US TREASURY NOTES DTD 12/15/2020 0.125% 12/15/2023	91282CBA8	1,500,000.00	AA+	Aaa	1/6/2021	1/7/2021	1,496,425.78	0.21	87.57	1,498,839.71	1,436,718.75
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	1,328.13	2,298,702.53	2,192,906.25
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	165.25	349,628.03	332,500.00
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	590.18	1,247,940.53	1,187,500.00
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	1,969.61	587,351.21	554,785.19
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	16.58	141,596.26	133,280.32
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	233.52	1,993,588.08	1,877,187.60
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	1,039.40	599,668.22	561,937.50
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	1,299.25	750,459.10	702,421.88
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	2,230.89	1,574,053.10	1,471,394.61
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	1,118.78	997,645.64	931,718.80
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	4,238.95	1,681,645.52	1,562,859.38
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	758.24	586,582.31	544,003.93
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	1,285.72	994,882.84	922,441.46

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 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	151.79	324,848.22	304,078.13
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	6.91	937,764.22	905,625.00
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	16,630.43	1,196,072.39	1,162,125.00
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	5,889.95	419,413.82	411,585.94
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	6,265.19	588,897.98	587,812.50
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	8,033.49	1,393,622.21	1,383,593.75
Security Type Sub-Total		20,767,000.00					20,798,043.64	1.09	53,603.57	20,762,761.76	19,743,694.71
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	109.20	424,727.13	408,429.68
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	728.19	534,772.07	498,526.38
Security Type Sub-Total		960,000.00					958,690.35	0.43	837.39	959,499.20	906,956.06
Negotiable CD											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	425,000.00	A-2	P-2	3/19/2021	3/23/2021	425,000.00	0.59	2,019.93	425,000.00	420,897.05
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	5,765.63	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	4,822.22	500,000.00	499,778.90

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	4,454.72	500,000.00	494,458.50
Security Type Sub-Total		1,800,000.00					1,800,000.00	4.08	17,062.50	1,800,000.00	1,790,134.45
Federal Agency											
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	675,000.00	AA+	Aaa	8/19/2020	8/21/2020	674,311.50	0.28	595.31	674,852.64	655,479.68
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	735,000.00	AA+	Aaa	9/2/2020	9/4/2020	734,757.45	0.26	576.77	734,944.82	712,429.62
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	625,000.00	AA+	Aaa	10/7/2020	10/8/2020	624,800.00	0.26	490.45	624,953.05	605,807.50
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	465,000.00	AA+	Aaa	9/2/2020	9/4/2020	465,084.91	0.24	364.90	465,019.32	450,720.78
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAF2	900,000.00	AA+	Aaa	12/2/2020	12/4/2020	899,109.00	0.28	168.75	899,725.78	862,491.60
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	736.11	478,757.61	467,450.00
Security Type Sub-Total		3,900,000.00					3,872,270.77	0.66	2,932.29	3,878,253.22	3,754,379.18
Corporate											
GOLDMAN SACHS CORP NOTES DTD 03/03/2014 4.000% 03/03/2024	38141GVM3	150,000.00	BBB+	A2	1/21/2021	1/25/2021	165,336.00	0.67	1,966.67	155,779.76	148,106.10
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	175,000.00	A	A2	3/16/2021	3/18/2021	174,912.50	0.77	375.52	174,964.71	166,566.05
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	200,000.00	A-	A3	5/7/2020	5/11/2020	219,118.00	1.20	1,562.22	205,977.78	196,907.40
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	225,000.00	AA	A1	5/10/2021	5/12/2021	224,671.50	0.50	137.81	224,851.04	212,260.73

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											
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	160.81	75,261.13	73,758.60
UNITEDHEALTH GROUP INC (CALLABLE) CORP N DTD 05/19/2021 0.550% 05/15/2024	91324PEB4	190,000.00	A+	A3	5/17/2021	5/19/2021	189,802.40	0.59	133.53	189,909.52	179,096.47
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	321.62	150,000.00	147,517.20
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/17/2021 0.450% 05/17/2024	14913R2L0	275,000.00	A	A2	5/10/2021	5/17/2021	274,631.50	0.50	151.25	274,831.22	258,975.20
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	1,445.31	374,989.56	367,435.88
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	186.08	289,987.78	273,753.62
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	88.47	171,457.60	164,780.00
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 06/10/2021 0.450% 06/07/2024	24422EVQ9	80,000.00	A	A2	6/7/2021	6/10/2021	79,900.00	0.49	24.00	79,952.15	75,201.68
TARGET CORP CORPORATE NOTES DTD 06/26/2014 3.500% 07/01/2024	87612EBD7	200,000.00	A	A2	11/23/2021	11/29/2021	212,528.00	1.04	3,500.00	207,251.66	195,889.80
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	3,391.73	203,390.21	197,797.80
BRISTOL MYERS SQUIBB CO CORP NOTES (CALL DTD 01/26/2020 2.900% 07/26/2024	110122CM8	83,000.00	A+	A2	10/5/2020	10/7/2020	89,863.27	0.69	1,036.35	85,739.24	80,746.47
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	2,359.38	229,629.51	216,851.40

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											
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	285.97	144,958.14	135,026.61
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	547.29	184,932.82	173,164.07
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	241.71	100,000.00	93,838.00
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	3,471.35	249,905.77	245,813.25
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	303.86	150,000.00	144,353.10
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	375.00	199,946.74	186,409.00
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	414.56	275,000.00	263,751.95
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	1,669.21	209,967.23	210,015.54
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	308.76	54,976.74	54,942.20
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	1,306.25	219,930.19	205,570.42
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	1,632.81	248,645.84	233,376.00
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	1,750.00	249,866.11	234,158.00

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	1,880.76	176,766.22	167,438.08
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	487.50	64,573.44	60,913.13
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	825.00	109,997.69	103,083.75
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	1,400.21	134,468.83	124,650.63
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	1,380.00	203,473.29	188,364.00
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	358.91	170,000.00	160,245.23
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	365.63	49,963.46	47,207.40
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	731.25	99,870.49	94,414.80
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	1,124.99	134,213.04	124,272.07
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	168.23	24,992.19	23,637.18
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	336.46	50,072.63	47,274.35
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	1,433.21	166,806.34	160,012.05

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	1,160.16	127,393.28	121,411.25
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	937.50	130,023.00	120,193.25
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	1,662.50	249,950.95	239,596.00
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	2,275.00	349,577.04	337,648.50
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	849.72	118,199.62	112,066.58
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	228.00	39,947.53	38,270.64
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	372.22	122,764.74	116,146.00
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	402.00	136,766.21	125,437.68
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	1,535.42	249,972.99	242,134.00
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	402.50	69,840.31	67,777.43
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	286.13	175,203.87	163,685.73
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	603.75	104,982.03	101,666.15

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											
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	430.67	94,905.00	92,386.17
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	136.00	29,997.64	29,174.58
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	737.92	169,747.14	160,532.13
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	236.90	345,000.00	321,743.21
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	196.88	172,196.95	161,862.05
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	677.08	246,218.13	241,013.50
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	97.50	126,140.81	118,729.13
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	617.28	239,559.11	224,278.36
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	545.42	255,000.00	246,979.74
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	92.00	59,748.21	57,742.92
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	61.33	39,991.50	38,495.28
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	4,046.25	230,201.54	219,512.48

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	1,492.22	84,917.43	82,961.19
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	6,416.67	375,000.00	368,898.38
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	3,632.81	230,661.43	219,069.68
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	672.53	54,956.06	53,160.47
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	2,730.00	224,858.88	221,903.55
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	623.33	54,982.09	54,186.83
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	721.00	79,993.23	80,752.24
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	737.00	79,786.47	80,526.00
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	875.19	95,043.93	95,624.63
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	1,091.67	110,000.00	111,080.20
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	866.25	109,748.20	111,398.54
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	511.88	64,983.33	65,826.41
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	125.00	119,938.47	112,219.75
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	848.61	249,736.65	250,788.00

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											
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	812.67	250,000.00	250,945.00
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	773.58	110,000.00	102,773.55
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	2,817.75	290,000.00	272,471.53
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	1,869.94	258,713.82	242,261.22
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	3,230.80	170,473.65	167,269.80
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	1,520.38	80,000.00	78,715.20
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	1,176.83	65,055.69	63,770.26
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	1,176.83	65,000.00	63,770.27
Security Type Sub-Total		13,814,000.00					13,946,890.55	2.38	92,952.74	13,874,477.00	13,286,430.67
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	239,013.76
FNA 2016-M3 A2 DTD 03/31/2016 2.702% 02/01/2026	3136ARTE8	202,549.48	AA+	Aaa	8/31/2022	9/6/2022	195,689.69	3.76	456.07	195,689.69	191,805.01
Security Type Sub-Total		452,549.48					442,808.83	3.54	1,080.03	442,808.83	430,818.77

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											
MBALT 2020-B A3 DTD 09/23/2020 0.400% 11/15/2023	58769EAC2	13,451.51	AAA	NR	9/15/2020	9/23/2020	13,450.83	0.40	2.39	13,451.32	13,426.45
BMWLT 2021-1 A3 DTD 03/10/2021 0.290% 01/25/2024	05591RAC8	41,256.98	AAA	Aaa	3/2/2021	3/10/2021	41,255.67	0.29	1.99	41,256.50	40,938.31
VZOT 2019-C A1A DTD 10/08/2019 1.940% 04/22/2024	92348AAA3	12,741.95	AAA	NR	10/1/2019	10/8/2019	12,740.96	1.94	7.55	12,741.67	12,722.89
GMALT 2021-2 A3 DTD 05/26/2021 0.340% 05/20/2024	380144AC9	150,866.82	AAA	NR	5/18/2021	5/26/2021	150,843.13	0.35	15.67	150,855.84	149,031.86
NAROT 2019-C A3 DTD 10/23/2019 1.930% 07/15/2024	65479JAD5	32,490.79	AAA	Aaa	10/16/2019	10/23/2019	32,489.07	1.93	27.87	32,490.23	32,328.72
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	22,045.01	AAA	Aaa	1/21/2020	1/29/2020	22,042.43	1.85	12.46	22,044.11	21,942.25
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	73,822.57	AAA	Aaa	7/21/2020	7/27/2020	73,816.89	0.44	14.44	73,820.16	72,668.30
HDMOT 2020-A A3 DTD 01/29/2020 1.870% 10/15/2024	41284UAD6	9,817.15	AAA	Aaa	1/21/2020	1/29/2020	9,815.01	1.87	8.16	9,816.34	9,801.09
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	90,284.29	AAA	NR	9/22/2020	9/29/2020	90,271.04	0.37	12.06	90,278.42	88,296.28
BMWOT 2020-A A3 DTD 07/15/2020 0.480% 10/25/2024	09661RAD3	35,478.96	AAA	NR	7/8/2020	7/15/2020	35,476.28	0.48	2.84	35,477.82	34,978.14
HART 2020-B A3 DTD 07/22/2020 0.480% 12/16/2024	44933FAC0	61,852.55	AAA	NR	7/14/2020	7/22/2020	61,840.97	0.48	13.20	61,847.40	60,998.74
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	52,200.88	AAA	NR	1/14/2020	1/22/2020	52,190.64	1.89	43.85	52,196.79	51,576.53
VZOT 2020-B A DTD 08/12/2020 0.470% 02/20/2025	92290BAA9	174,132.05	NR	Aaa	8/4/2020	8/12/2020	174,095.48	0.47	25.01	174,114.77	171,445.38
GMCAR 2020-3 A3 DTD 08/19/2020 0.450% 04/16/2025	362590AC5	95,049.09	NR	Aaa	8/11/2020	8/19/2020	95,027.34	0.46	17.82	95,038.40	92,853.51
WOART 2020-B A3 DTD 06/24/2020 0.630% 05/15/2025	98163WAC0	76,935.13	AAA	NR	6/16/2020	6/24/2020	76,929.10	0.63	21.54	76,932.21	75,200.82
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	99,993.45	97,426.15
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	107,455.87	AAA	NR	4/20/2021	4/28/2021	107,444.56	0.38	18.15	107,448.89	103,927.70

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											
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	154,976.00	147,101.96
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	120,404.71	AAA	NR	4/13/2021	4/21/2021	120,378.76	0.52	27.83	120,387.89	115,892.07
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	119,979.92	113,078.26
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	129,987.85	123,672.72
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	260,000.00	AAA	Aaa	7/21/2021	7/28/2021	259,957.23	0.55	63.56	259,969.75	247,275.60
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	134,994.01	131,560.74
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	144,997.16	140,279.54
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	159,997.71	150,513.60
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	154,975.24	144,270.08
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	99,998.07	94,155.83
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	189,980.19	180,644.31
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	139,995.55	133,341.05
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	244,959.16	238,224.06
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	304,967.18	284,781.86
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	109,992.32	104,098.03
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	254,963.71	247,884.28
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	189,975.18	184,774.24

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											
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	124,977.76	121,217.85
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	249,984.03	239,742.90
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	104,983.87	101,992.26
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	264,994.35	257,379.40
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	154,999.04	151,532.93
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	334,952.46	325,803.41
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	449,994.69	447,258.60
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	269,980.71	260,403.88
AMXCA 2022-2 A DTD 05/24/2022 3.390% 05/17/2027	02582JJT8	370,000.00	AAA	NR	5/17/2022	5/24/2022	369,918.16	3.39	557.47	369,928.15	359,175.98
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	234,954.11	232,137.94
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	324,998.49	328,555.50
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	299,965.77	290,767.14
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	389,924.65	393,186.22
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	294,933.27	297,391.57
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	109,989.47	111,322.63

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
ABS											
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	119,994.24	120,831.89
Security Type Sub-Total		8,165,286.31					8,164,248.44	2.86	10,008.23	8,164,456.27	7,949,811.45
Managed Account Sub Total		49,858,835.79					49,982,952.58	1.83	178,476.75	49,882,256.28	47,862,225.29
Securities Sub Total		\$49,858,835.79					\$49,982,952.58	1.83%	\$178,476.75	\$49,882,256.28	\$47,862,225.29
Accrued Interest											\$178,476.75
Total Investments											\$48,040,702.04

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/4/2022	10/12/2022	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	449,994.42	4.76%	
10/6/2022	10/11/2022	600,000.00	91282CFK2	US TREASURY N/B NOTES	3.50%	9/15/2025	589,484.85	4.23%	
10/19/2022	10/24/2022	80,000.00	539830BU2	LOCKHEED MARTIN CORP NOTES (CALLABLE)	4.95%	10/15/2025	79,772.00	5.05%	
10/25/2022	10/28/2022	80,000.00	91324PEN8	UNITEDHEALTH GROUP INC CORPORATE NOTES	5.15%	10/15/2025	79,992.80	5.15%	
10/25/2022	10/28/2022	110,000.00	693475BH7	PNC FINANCIAL SERVICES CORP NOTE (CALLAB	5.67%	10/28/2025	110,000.00	5.67%	
10/26/2022	10/31/2022	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	294,930.82	5.35%	
10/27/2022	10/31/2022	500,000.00	89115B6K1	TORONTO DOMINION BANK NY CERT DEPOS	5.60%	10/27/2025	500,000.00	5.58%	
10/27/2022	11/3/2022	120,000.00	02582JJX9	AMXCA 2022-4 A	4.95%	10/15/2027	119,994.05	4.95%	
10/28/2022	11/2/2022	210,000.00	438516CH7	HONEYWELL INTERNATIONAL CORPORATE NOTES	4.85%	11/1/2024	209,964.30	4.86%	
10/31/2022	11/7/2022	65,000.00	20030NDZ1	COMCAST CORP CORPORATE NOTES	5.25%	11/7/2025	64,982.45	5.26%	
11/1/2022	11/8/2022	110,000.00	89239HAD0	TAOT 2022-D A3	5.30%	9/15/2027	109,989.14	5.30%	
11/1/2022	11/9/2022	325,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	324,998.44	5.39%	
11/1/2022	11/3/2022	95,000.00	539830BU2	LOCKHEED MARTIN CORP NOTES (CALLABLE)	4.95%	10/15/2025	95,164.11	4.93%	
11/2/2022	11/3/2022	500,000.00	65558UYF3	NORDEA BANK ABP NEW YORK CERT DEPOS	5.53%	11/3/2025	500,000.00	5.53%	
11/3/2022	11/7/2022	110,000.00	20030NDZ1	COMCAST CORP CORPORATE NOTES	5.25%	11/7/2025	109,734.90	5.34%	
11/15/2022	11/18/2022	55,000.00	882508BR4	TEXAS INSTRUMENTS INC CORPORATE NOTES	4.70%	11/18/2024	54,975.25	4.72%	
11/15/2022	11/22/2022	390,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	389,922.86	5.21%	

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
11/28/2022	12/5/2022	250,000.00	53522KAB9	LINDE INC/CT CORPORATE NOTES (CALLABLE)	4.70%	12/5/2025	249,730.00	4.74%	
11/29/2022	12/8/2022	250,000.00	05254JAA8	AUST & NZ BANKING GRP NY CORPORATE NOTES	5.08%	12/8/2025	250,000.00	5.09%	
12/16/2022	12/16/2022	1,375,000.00	91282CFW6	US TREASURY N/B NOTES	4.50%	11/15/2025	1,399,204.94	3.99%	
Total BUY		5,970,000.00					5,982,835.33		0.00
INTEREST									
10/1/2022	10/1/2022	125,000.00	12189LAV3	BURLINGTN NORTH SANTA FE CORP NOTES (CAL	3.00%	4/1/2025	1,875.00		
10/1/2022	10/25/2022	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
10/1/2022	10/25/2022	1,236.72	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	2.16		
10/1/2022	10/25/2022	7,400.02	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	19.75		
10/1/2022	10/25/2022	224,625.81	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	505.78		
10/1/2022	10/25/2022	78,986.88	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	150.08		
10/1/2022	10/25/2022	171,253.93	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	358.21		
10/3/2022	10/3/2022		MONEY0002	MONEY MARKET FUND			192.50		
10/7/2022	10/7/2022	250,000.00	69371RR73	PACCAR FINANCIAL CORP CORPORATE NOTES	2.85%	4/7/2025	3,562.50		
10/13/2022	10/13/2022	350,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	5,250.00		
10/15/2022	10/15/2022	71,262.60	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	112.24		
10/15/2022	10/15/2022	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									
10/15/2022	10/15/2022	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
10/15/2022	10/15/2022	89,659.80	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	35.86		
10/15/2022	10/15/2022	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
10/15/2022	10/15/2022	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
10/15/2022	10/15/2022	115,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	36.42		
10/15/2022	10/15/2022	102,143.93	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	37.45		
10/15/2022	10/15/2022	15,523.79	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	34.67		
10/15/2022	10/15/2022	60,974.84	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	98.07		
10/15/2022	10/15/2022	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
10/15/2022	10/15/2022	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
10/15/2022	10/15/2022	200,000.00	20030NCR0	COMCAST CORP (CALLABLE) CORPORATE NOTES	3.70%	4/15/2024	3,700.00		
10/15/2022	10/15/2022	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
10/15/2022	10/15/2022	22,944.13	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	35.75		
10/15/2022	10/15/2022	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
10/15/2022	10/15/2022	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
10/15/2022	10/15/2022	37,953.27	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	12.65		
10/15/2022	10/15/2022	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/15/2022	10/15/2022	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
10/15/2022	10/15/2022	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
10/15/2022	10/15/2022	115,000.00	115637AS9	BROWN-FORMAN CORP NOTES (CALLABLE)	3.50%	4/15/2025	2,012.50		
10/15/2022	10/15/2022	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
10/15/2022	10/15/2022	99,015.13	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	51.98		
10/15/2022	10/15/2022	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		
10/15/2022	10/15/2022	40,000.00	437076CM2	HOME DEPOT INC (CALLABLE) CORPORATE NOTE	2.70%	4/15/2025	591.00		
10/15/2022	10/15/2022	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
10/15/2022	10/15/2022	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	494.94		
10/15/2022	10/15/2022	125,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	54.17		
10/15/2022	10/15/2022	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
10/15/2022	10/15/2022	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
10/15/2022	10/15/2022	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
10/15/2022	10/15/2022	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
10/16/2022	10/16/2022	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
10/16/2022	10/16/2022	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
10/16/2022	10/16/2022	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/16/2022	10/16/2022	121,781.81	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	45.67		
10/16/2022	10/16/2022	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
10/18/2022	10/18/2022	118,702.47	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	36.60		
10/20/2022	10/20/2022	47,189.61	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	72.75		
10/20/2022	10/20/2022	18,279.21	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	6.85		
10/20/2022	10/20/2022	61,763.72	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	99.85		
10/20/2022	10/20/2022	272,780.64	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	106.84		
10/20/2022	10/20/2022	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		
10/20/2022	10/20/2022	209,998.35	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	59.50		
10/21/2022	10/21/2022	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
10/24/2022	10/24/2022	260,000.00	06406RAN7	BANK OF NY MELLON (CALLABLE) CORP NOTES	1.60%	4/24/2025	2,080.00		
10/24/2022	10/24/2022	275,000.00	06051GJH3	BANK OF AMERICA CORP (CALLABLE) CORPORAT	0.81%	10/24/2024	1,113.75		
10/25/2022	10/25/2022	52,073.92	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	20.83		
10/25/2022	10/25/2022	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
10/25/2022	10/25/2022	71,035.66	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	17.17		
10/25/2022	10/25/2022	250,000.00	06406RBC0	BANK OF NY MELLON CORP (CALLABLE) CORP N	3.35%	4/25/2025	4,164.24		
10/31/2022	10/31/2022	1,650,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	12,375.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/31/2022	10/31/2022	1,425,000.00	91282CDD0	US TREASURY N/B NOTES	0.37%	10/31/2023	2,671.88		
10/31/2022	10/31/2022	575,000.00	912828X70	US TREASURY NOTES	2.00%	4/30/2024	5,750.00		
11/1/2022	11/25/2022	7,378.51	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	19.69		
11/1/2022	11/25/2022	1,140.59	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	1.99		
11/1/2022	11/25/2022	47,467.17	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	90.19		
11/1/2022	11/25/2022	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
11/1/2022	11/25/2022	224,376.25	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	505.22		
11/1/2022	11/1/2022	175,000.00	172967MX6	CITIGROUP INC (CALLABLE) CORPORATE NOTES	0.98%	5/1/2025	858.38		
11/1/2022	11/1/2022	175,000.00	17252MAP5	CINTAS CORPORATION NO. 2 CORP NOTE (CALL	3.45%	5/1/2025	2,985.21		
11/1/2022	11/1/2022		MONEY0002	MONEY MARKET FUND			276.11		
11/8/2022	11/8/2022	500,000.00	3130APQ81	FEDERAL HOME LOAN BANK NOTES (CALLABLE)	1.00%	11/8/2024	2,500.00		
11/12/2022	11/12/2022	225,000.00	023135BW5	AMAZON.COM INC CORPORATE NOTES	0.45%	5/12/2024	506.25		
11/13/2022	11/13/2022	125,000.00	110122DN5	BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	0.75%	11/13/2025	468.75		
11/13/2022	11/13/2022	125,000.00	14913R2V8	CATERPILLAR FINL SERVICE CORPORATE NOTES	3.40%	5/13/2025	2,125.00		
11/15/2022	11/15/2022	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
11/15/2022	11/15/2022	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
11/15/2022	11/15/2022	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2022	11/15/2022	50,928.15	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	81.91		
11/15/2022	11/15/2022	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
11/15/2022	11/15/2022	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
11/15/2022	11/15/2022	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
11/15/2022	11/15/2022	125,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	54.17		
11/15/2022	11/15/2022	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
11/15/2022	11/15/2022	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
11/15/2022	11/15/2022	115,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	36.42		
11/15/2022	11/15/2022	190,000.00	91324PEB4	UNITEDHEALTH GROUP INC (CALLABLE) CORP N	0.55%	5/15/2024	522.50		
11/15/2022	11/15/2022	79,773.68	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	31.91		
11/15/2022	11/15/2022	92,287.62	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	33.84		
11/15/2022	11/15/2022	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
11/15/2022	11/15/2022	165,000.00	369550BG2	GENERAL DYNAMICS CORP (CALLABLE) CORP NO	3.50%	5/15/2025	2,887.50		
11/15/2022	11/15/2022	91,320.37	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	47.94		
11/15/2022	11/15/2022	64,425.43	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	101.47		
11/15/2022	11/15/2022	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
11/15/2022	11/15/2022	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2022	11/15/2022	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
11/15/2022	11/15/2022	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	873.42		
11/15/2022	11/15/2022	225,000.00	172967MR9	CITIGROUP INC (CALLABLE) CORPORATE NOTES	1.67%	5/15/2024	1,887.75		
11/15/2022	11/15/2022	8,875.91	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	19.82		
11/15/2022	11/15/2022	260,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	119.17		
11/15/2022	11/15/2022	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	1,963.50		
11/15/2022	11/15/2022	2,015,000.00	91282CAW1	US TREASURY NOTES	0.25%	11/15/2023	2,518.75		
11/15/2022	11/15/2022	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
11/15/2022	11/15/2022	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
11/15/2022	11/15/2022	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
11/15/2022	11/15/2022	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
11/15/2022	11/15/2022	30,137.60	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	10.05		
11/15/2022	11/15/2022	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
11/15/2022	11/15/2022	17,972.50	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	28.01		
11/15/2022	11/15/2022	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
11/15/2022	11/15/2022	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	656.38		
11/16/2022	11/16/2022	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/16/2022	11/16/2022	112,082.71	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	42.03		
11/16/2022	11/16/2022	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
11/16/2022	11/16/2022	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
11/16/2022	11/16/2022	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
11/17/2022	11/17/2022	275,000.00	14913R2L0	CATERPILLAR FINL SERVICE CORPORATE NOTES	0.45%	5/17/2024	618.75		
11/18/2022	11/18/2022	108,720.90	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	33.52		
11/20/2022	11/20/2022	189,603.81	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	53.72		
11/20/2022	11/20/2022	236,113.15	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	92.48		
11/20/2022	11/20/2022	38,217.74	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	58.92		
11/20/2022	11/20/2022	5,081.25	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	1.91		
11/20/2022	11/20/2022	43,738.49	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	70.71		
11/20/2022	11/20/2022	100,000.00	92868AAC9	VWALT 2022-A A3	3.44%	7/21/2025	286.67		
11/21/2022	11/21/2022	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
11/24/2022	11/24/2022	375,000.00	40428HTA0	HSBC USA INC CORPORATE NOTES	3.75%	5/24/2024	7,031.25		
11/24/2022	11/24/2022	425,000.00	459058JM6	INTL BK RECON & DEVELOP NOTES	0.25%	11/24/2023	531.25		
11/25/2022	11/25/2022	60,391.23	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	14.59		
11/25/2022	11/25/2022	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/25/2022	11/25/2022	46,193.06	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	18.48		
11/28/2022	11/28/2022	290,000.00	04636NAC7	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	0.70%	5/28/2024	1,015.00		
11/30/2022	11/30/2022	1,550,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	11,625.00		
11/30/2022	11/30/2022	600,000.00	91282CDM0	US TREASURY N/B NOTES	0.50%	11/30/2023	1,500.00		
12/1/2022	12/25/2022	210,590.23	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	474.18		
12/1/2022	12/25/2022	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
12/1/2022	12/25/2022	7,358.16	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	19.64		
12/1/2022	12/1/2022	345,000.00	46647PCH7	JPMORGAN CHASE & CO (CALLABLE) CORP NOTE	0.82%	6/1/2025	1,421.40		
12/1/2022	12/1/2022		MONEY0002	MONEY MARKET FUND			189.97		
12/1/2022	12/1/2022	130,000.00	427866BF4	HERSHEY CO CORP NOTES (CALLABLE)	0.90%	6/1/2025	585.00		
12/1/2022	12/1/2022	175,000.00	438516CB0	HONEYWELL INTL CORP NOTES (CALLABLE)	1.35%	6/1/2025	1,181.25		
12/1/2022	12/1/2022	250,000.00	69353REQ7	PNC BANK NA CORP NOTE (CALLABLE)	3.25%	6/1/2025	4,062.50		
12/3/2022	12/3/2022	175,000.00	440452AG5	HORMEL FOODS CORP NOTES (CALLABLE)	0.65%	6/3/2024	568.75		
12/4/2022	12/4/2022	900,000.00	3137EAFA2	FREDDIE MAC NOTES	0.25%	12/4/2023	1,125.00		
12/5/2022	12/5/2022	231,000.00	05531FBE2	TRUIST FINANCIAL CORP NOTES (CALLABLE)	3.70%	6/5/2025	4,273.50		
12/7/2022	12/7/2022	80,000.00	24422EVQ9	JOHN DEERE CAPITAL CORP CORPORATE NOTES	0.45%	6/7/2024	180.00		
12/9/2022	12/9/2022	255,000.00	63254ABD9	NATIONAL AUSTRALIA BK/NY CORPORATE NOTES	3.50%	6/9/2025	4,462.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2022	12/15/2022	270,000.00	254683CS2	DCENT 2022-A2 A	3.32%	5/17/2027	747.00		
12/15/2022	12/15/2022	235,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	873.42		
12/15/2022	12/15/2022	22,208.27	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	7.40		
12/15/2022	12/15/2022	160,000.00	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	102.67		
12/15/2022	12/15/2022	260,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	119.17		
12/15/2022	12/15/2022	145,000.00	89238FAD5	TAOT 2022-B A3	2.93%	9/15/2026	354.04		
12/15/2022	12/15/2022	325,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	1,751.75		
12/15/2022	12/15/2022	255,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	650.25		
12/15/2022	12/15/2022	265,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	876.71		
12/15/2022	12/15/2022	120,000.00	02582JJX9	AMXCA 2022-4 A	4.95%	10/15/2027	693.00		
12/15/2022	12/15/2022	83,931.29	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	44.06		
12/15/2022	12/15/2022	300,000.00	254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	890.00		
12/15/2022	12/15/2022	41,628.52	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	66.95		
12/15/2022	12/15/2022	114,193.79	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	36.16		
12/15/2022	12/15/2022	190,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	128.25		
12/15/2022	12/15/2022	100,000.00	63743HFE7	NATIONAL RURAL UTIL COOP CORPORATE NOTES	3.45%	6/15/2025	2,117.92		
12/15/2022	12/15/2022	2,142,000.00	91282CCG4	US TREASURY N/B NOTES	0.25%	6/15/2024	2,677.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2022	12/15/2022	2,438.16	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	5.45		
12/15/2022	12/15/2022	1,500,000.00	91282CBA8	US TREASURY NOTES	0.12%	12/15/2023	937.50		
12/15/2022	12/15/2022	250,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	583.33		
12/15/2022	12/15/2022	325,000.00	91282CDN8	US TREASURY N/B NOTES	1.00%	12/15/2024	1,625.00		
12/15/2022	12/15/2022	140,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	259.00		
12/15/2022	12/15/2022	82,879.56	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	30.39		
12/15/2022	12/15/2022	110,000.00	89239HAD0	TAOT 2022-D A3	5.30%	9/15/2027	599.19		
12/15/2022	12/15/2022	105,000.00	89231CAD9	TAOT 2022-C A3	3.76%	4/15/2027	329.00		
12/15/2022	12/15/2022	120,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	74.00		
12/15/2022	12/15/2022	390,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,298.16		
12/15/2022	12/15/2022	125,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	54.17		
12/15/2022	12/15/2022	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
12/15/2022	12/15/2022	370,000.00	02582JJT8	AMXCA 2022-2 A	3.39%	5/17/2027	1,045.25		
12/15/2022	12/15/2022	305,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	264.33		
12/15/2022	12/15/2022	335,000.00	14041NGA3	COMET 2022-A2 A	3.49%	5/15/2027	974.29		
12/15/2022	12/15/2022	70,477.93	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	28.19		
12/15/2022	12/15/2022	13,638.31	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	21.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2022	12/15/2022	130,000.00	345286AC2	FORDO 2022-A A3	1.29%	6/15/2026	139.75		
12/15/2022	12/15/2022	58,112.41	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	91.53		
12/15/2022	12/15/2022	450,000.00	02008MAC3	ALLYA 2022-2 A3	4.76%	5/17/2027	1,785.00		
12/15/2022	12/15/2022	190,000.00	14317HAC5	CARMX 2022-2 A3	3.49%	2/16/2027	552.58		
12/15/2022	12/15/2022	245,000.00	02008JAC0	ALLYA 2022-1 A3	3.31%	11/15/2026	675.79		
12/15/2022	12/15/2022	295,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	1,312.75		
12/16/2022	12/16/2022	110,000.00	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	115.50		
12/16/2022	12/16/2022	155,000.00	36265WAD5	GMCAR 2022-3 A3	3.64%	4/16/2027	470.17		
12/16/2022	12/16/2022	125,000.00	362585AC5	GMCAR 2022-2 A3	3.10%	2/16/2027	322.92		
12/16/2022	12/16/2022	103,616.77	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	38.86		
12/16/2022	12/16/2022	100,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	56.67		
12/18/2022	12/18/2022	99,275.07	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	30.61		
12/20/2022	12/20/2022	29,589.16	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	45.62		
12/20/2022	12/20/2022	201,899.48	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	79.08		
12/20/2022	12/20/2022	26,987.96	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	43.63		
12/20/2022	12/20/2022	169,384.92	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	47.99		
12/20/2022	12/20/2022	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									
12/21/2022	12/21/2022	155,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	113.67		
12/25/2022	12/25/2022	135,000.00	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	361.13		
12/25/2022	12/25/2022	40,801.30	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	16.32		
12/25/2022	12/25/2022	50,620.39	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	12.23		
12/31/2022	12/31/2022	1,000,000.00	912828ZW3	US TREASURY NOTES	0.25%	6/30/2025	1,250.00		
Total INTEREST		45,205,444.04					162,382.18		0.00
MATURITY									
11/1/2022	11/1/2022	33,357.47	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	33,427.24		
12/1/2022	12/1/2022	11,048.14	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	11,069.13		
12/1/2022	12/1/2022	14,526.25	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	14,553.85		
Total MATURITY		58,931.86					59,050.22		0.00
PAYDOWNS									
10/1/2022	10/25/2022	17,903.20	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	17,903.20		
10/1/2022	10/25/2022	249.56	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	249.56		8.45
10/1/2022	10/25/2022	96.13	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	96.13		
10/1/2022	10/25/2022	13,616.51	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	13,616.51		
10/1/2022	10/25/2022	137,896.46	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	137,896.46		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
10/11/2022	10/25/2022	21.51	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	21.51		
10/15/2022	10/15/2022	10,046.69	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	10,046.69		
10/15/2022	10/15/2022	7,815.67	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	7,815.67		
10/15/2022	10/15/2022	4,971.63	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	4,971.63		
10/15/2022	10/15/2022	9,856.31	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	9,856.31		
10/15/2022	10/15/2022	9,886.12	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	9,886.12		
10/15/2022	10/15/2022	7,694.76	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	7,694.76		
10/15/2022	10/15/2022	6,647.88	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	6,647.88		
10/15/2022	10/15/2022	6,837.17	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	6,837.17		
10/16/2022	10/16/2022	9,699.10	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	9,699.10		
10/18/2022	10/18/2022	9,981.57	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	9,981.57		
10/20/2022	10/20/2022	36,667.49	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	36,667.49		
10/20/2022	10/20/2022	18,025.23	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	18,025.23		
10/20/2022	10/20/2022	8,971.87	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	8,971.87		
10/20/2022	10/20/2022	13,197.96	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	13,197.96		
10/20/2022	10/20/2022	20,394.54	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	20,394.54		
10/25/2022	10/25/2022	5,880.86	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	5,880.86		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
10/25/2022	10/25/2022	10,644.43	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	10,644.43		
11/1/2022	11/25/2022	12,435.10	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	12,435.10		
11/1/2022	11/25/2022	1,140.59	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	1,140.59		
11/1/2022	11/25/2022	13,786.02	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	13,786.02		466.89
11/1/2022	11/25/2022	20.35	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	20.35		
11/1/2022	11/25/2022	9,457.68	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	9,457.68		
11/15/2022	11/15/2022	806.21	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	806.21		
11/15/2022	11/15/2022	7,389.08	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	7,389.08		
11/15/2022	11/15/2022	9,295.75	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	9,295.75		
11/15/2022	11/15/2022	4,334.19	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	4,334.19		
11/15/2022	11/15/2022	9,408.06	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	9,408.06		
11/15/2022	11/15/2022	6,313.02	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	6,313.02		
11/15/2022	11/15/2022	6,437.75	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	6,437.75		
11/15/2022	11/15/2022	9,299.63	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	9,299.63		
11/15/2022	11/15/2022	7,929.33	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	7,929.33		
11/16/2022	11/16/2022	8,465.94	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	8,465.94		
11/18/2022	11/18/2022	9,445.83	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	9,445.83		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
11/20/2022	11/20/2022	16,750.53	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	16,750.53		
11/20/2022	11/20/2022	34,213.67	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	34,213.67		
11/20/2022	11/20/2022	20,218.89	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	20,218.89		
11/20/2022	11/20/2022	8,628.58	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	8,628.58		
11/20/2022	11/20/2022	5,081.25	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	5,081.25		
11/25/2022	11/25/2022	5,391.76	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	5,391.76		
11/25/2022	11/25/2022	9,770.84	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	9,770.84		
12/1/2022	12/25/2022	8,040.75	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	8,040.75		272.32
12/1/2022	12/25/2022	7,358.16	3137FKK39	FHMS KP05 A	3.20%	7/1/2023	7,358.16		
12/15/2022	12/15/2022	4,595.29	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	4,595.29		
12/15/2022	12/15/2022	8,625.38	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	8,625.38		
12/15/2022	12/15/2022	6,996.16	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	6,996.16		
12/15/2022	12/15/2022	9,056.99	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	9,056.99		
12/15/2022	12/15/2022	2,438.16	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/2024	2,438.16		
12/15/2022	12/15/2022	8,756.76	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	8,756.76		
12/15/2022	12/15/2022	3,821.16	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/2024	3,821.16		
12/15/2022	12/15/2022	5,911.53	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	5,911.53		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
12/15/2022	12/15/2022	6,737.92	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	6,737.92		
12/15/2022	12/15/2022	9,137.73	65479JAD5	NAROT 2019-C A3	1.93%	7/15/2024	9,137.73		
12/16/2022	12/16/2022	8,567.68	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	8,567.68		
12/18/2022	12/18/2022	8,990.78	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	8,990.78		
12/20/2022	12/20/2022	14,246.01	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	14,246.01		
12/20/2022	12/20/2022	7,544.15	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	7,544.15		
12/20/2022	12/20/2022	27,767.43	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	27,767.43		
12/20/2022	12/20/2022	18,518.10	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	18,518.10		
12/25/2022	12/25/2022	5,322.34	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	5,322.34		
12/25/2022	12/25/2022	9,363.41	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	9,363.41		
Total PAYDOWNS		764,818.59					764,818.59		747.66
SELL									
10/4/2022	10/12/2022	450,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	432,951.15		-16,965.95
10/6/2022	10/11/2022	575,000.00	23341VZT1	DNB BANK ASA/NY LT CD	2.04%	12/2/2022	577,982.29		-1,286.13
10/11/2022	10/12/2022	10,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	9,614.49		-383.66
10/26/2022	10/28/2022	165,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	158,689.54		-6,300.19
10/27/2022	10/31/2022	225,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	217,150.94		-7,891.67

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
10/27/2022	11/3/2022	125,000.00	91282CDD0	US TREASURY N/B NOTES	0.37%	10/31/2023	120,042.94		-4,781.02
10/27/2022	10/31/2022	300,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	288,626.37		-11,361.81
10/28/2022	11/2/2022	225,000.00	91282CDD0	US TREASURY N/B NOTES	0.37%	10/31/2023	215,881.61		-8,798.30
11/1/2022	11/3/2022	125,000.00	91282CDD0	US TREASURY N/B NOTES	0.37%	10/31/2023	119,764.62		-5,059.34
11/2/2022	11/8/2022	450,000.00	91282CDD0	US TREASURY N/B NOTES	0.37%	10/31/2023	431,246.27		-18,152.26
11/2/2022	11/3/2022	500,000.00	91282CDD0	US TREASURY N/B NOTES	0.37%	10/31/2023	478,960.85		-20,335.02
11/2/2022	11/3/2022	25,000.00	91282CAW1	US TREASURY NOTES	0.25%	11/15/2023	23,913.98		-1,123.44
11/3/2022	11/7/2022	110,000.00	91282CAW1	US TREASURY NOTES	0.25%	11/15/2023	105,164.33		-5,002.91
11/16/2022	11/22/2022	290,000.00	91282CAW1	US TREASURY NOTES	0.25%	11/15/2023	277,938.24		-12,166.15
11/28/2022	12/5/2022	150,000.00	91282CAW1	US TREASURY NOTES	0.25%	11/15/2023	143,798.06		-6,267.71
11/30/2022	12/7/2022	275,000.00	91282CAW1	US TREASURY NOTES	0.25%	11/15/2023	263,515.41		-11,608.48
12/13/2022	12/16/2022	1,300,000.00	91282CAW1	US TREASURY NOTES	0.25%	11/15/2023	1,249,700.19		-50,956.08
Total SELL		5,300,000.00					5,114,941.28		-188,440.12

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.



CONSENT CALENDAR

Agenda Item #

AGENDA REPORT SUMMARY

Meeting Date: March 14, 2023

Subject: 2023 Update of City Investment Policy

Prepared by: June Du, Finance Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Investment Policy (with track changes to highlight edits)

Initiated by:

Staff and the Financial Commission

Previous Council Consideration:

February 8, 2022

Fiscal Impact:

None

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- Does the Council wish to adopt the recommended investment strategies contained within the revised Investment Policy?

Summary:

- Revised investment strategies have been recommended by the Financial Commission

Staff Recommendation:

Move to adopt the revised Investment Policy for 2023.

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JD



Subject: 2023 Update of City Investment Policy

Purpose

The City Council’s primary responsibilities over the investment function include approving the Policy, annually reviewing such policy, reviewing investment reports issued by the City Treasurer, authorizing bond documents and other unique financing transactions, and authorizing any deviations from the City’s investment policies.

Background

The City’s Investment Policy sets forth guidelines that ensure the City’s funds are invested in compliance with State law and in a prudent manner. The Policy is reviewed on an annual basis by the Financial Commission. The Policy was reviewed by the Financial Commission on February 27, 2023.

At the commission meeting of January 24,2022, the City’s investment advisor, PFM Asset Management (PFM), presented recommended changes to the Policy as the following, the changes were recommended by the Finance Commission and later adopted by the City Council on February 8, 2022.

1. Add additional language under Section M: Prohibited Investment Instruments

The city shall not invest in any security that could result in zero interest accrual if held to maturity, except as provided in the subsequent paragraph.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2021, the City may invest in securities issued by, or backed by, the United States government that could result in zero-or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The City may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 2026, and as of that date is repealed.

2. LAIF Deposit Limit increase to \$75 million.

Discussion/Analysis

On an annual basis, the Financial Commission reviews the Investment Policy to ensure there is diversity, while still fiscally prudent when investing the City’s funds. The recommended changes by the Financial Commission to the Investment Policy January 2023 includes the following:

1. Code section 53601& 53646 update:

Senate Bill 1489, also known as the Local Government Omnibus Act of 2022, made a number of changes to Code, including several that impact the investment of public funds and the reporting practices of public agencies. Changes made to Code section 53601, the section of Code that governs the investment of public funds, include language stating that an investment’s term or remaining maturity shall be measured from the settlement date to final maturity, and, that a security purchased in accordance with Code section 53601 shall not have a forward settlement date exceeding 45 days from the time of investment. SB 1489 also increased the deadline for quarterly reports in Code section 53646 (b)(1) to 45 days from 30 days. As the Policy does not reference a reporting deadline, no change is required.

2. Allowing the city to invest in Joint Power Authorities such as the California Asset Management Program (CAMP).

To address these Code changes, we have made the following recommended edits in the City’s Investment Policy:

- 1. In section K, Maximum Maturity, we recommend adding language stating that a security’s maturity is calculated from settlement date to maturity date. We also recommend adding the new Code language regarding forward settlement.
- 2. In Exhibit A, under City of Los Altos Allowable Investments, we recommend adding shares of beneficial interest issued by a Joint Powers Authority as an allowable investment. Investments. The pool’s rating and investment advisor must meet the requirements outlined in CA Code 53601.

Options

- 1) Adopt the revised Investment Policy

Advantages: Allows the City to invest its funds in a broader way to maximize the City’s return on investment, while still maintaining fiscal prudent in investments

Disadvantages: None identified

- 2) Provide direction on additional changes/edits to the Investment Policy

Advantages: Additional changes in allowable investments could result in a greater return on the City’s investments

Disadvantages: These investments could result in a greater risk of loss of City funds

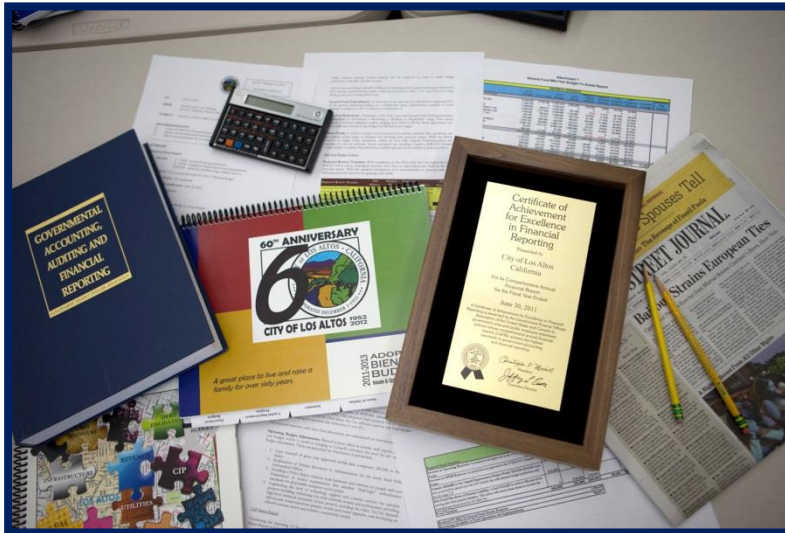
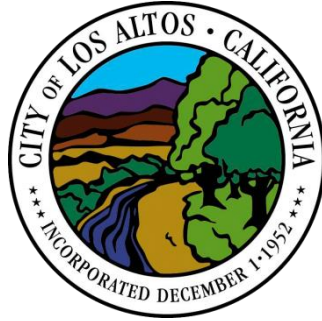
3) Do not adopt the revised Investment Policy

Advantages: None identified

Disadvantages: The City's investments will remain governed by the 2022 Investment Policy and was recommended by the Financial Commission for changes

Recommendation

The staff recommends Option 1.



CITY OF LOS ALTOS INVESTMENT POLICY

JANUARY 2022

A. INTRODUCTION

This document sets forth policies designed to ensure that the City's public funds are invested prudently, efficiently, and in compliance with legal requirements. It was developed in accordance with California Government Code Sections 53600 *et seq.* and is reviewed by the Financial Commission and adopted by City Council each fiscal year.

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

- A. Introduction
- B. Scope
- C. Prudent Investor Standard
- D. Objectives
- E. Guiding Principles
- F. Delegation of Authority
- G. Financial Commission Oversight
- H. Ethics and Conflict of Interest
- I. Safekeeping and Custody
- J. Reporting Requirements
- K. Maximum Maturity
- L. Permitted Investment Instruments
- M. Prohibited Investment Instruments
- N. Glossary of Investment Terms

B. SCOPE

This policy covers all public funds under the direction of the Finance/Administrative Services Director or their successor within the following fund types:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

The investment of bond proceeds is governed separately by the provisions of the relevant bond documents.

C. PRUDENT INVESTOR STANDARD

All persons involved in investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing the City's investment portfolio shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City.

D. OBJECTIVES

The primary objectives, in order of their priority, of the City's investment program shall be:

Safety - The preservation of the principal of the City's overall investment portfolio is the foremost objective of the investment program.

Liquidity - The City's investment portfolio will remain sufficiently liquid to meet its cash flow requirements.

Return on Investment - The City's investment portfolio shall be designed with the objective of attaining a reasonable and prudent rate of return consistent with the risk constraints and liquidity demands imposed by its safety objective and cash flow requirements.

E. GUIDING PRINCIPLES

The following guiding principles are important in the pursuit of such objectives:

Minimizing Liquidity, Credit and Market Risks: Investment decisions should minimize liquidity, credit or market risks in the following ways:

Liquidity Risk - The risk that the investment portfolio will not provide adequate cash liquidity for operations shall be mitigated by structuring the portfolio so that securities mature at the same time that major cash outflows occur, thus minimizing the need to sell securities prior to their scheduled maturity date unless market conditions present favorable repositioning opportunities.

Credit Risk - The risk of loss of principal associated with the failure of any one security issuer shall be mitigated by investing in only very safe highly-rated securities and prudently diversifying the investment portfolio to avoid concentrating investments in specific security types, maturity durations, or in individual financial institutions.

Market Risk - The risk of market value fluctuations arising from overall changes in the general level of interest rates shall be mitigated through maintaining prudent duration levels, staggering investment maturity dates evenly over a desired overall duration target and prohibiting the taking of short positions (selling securities that the City does not own) and interest rate sensitive derivative instruments. It is explicitly recognized herein, however, that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

Market Average Rate of Return: The investment portfolio shall be managed to attain a market average rate of return based upon a benchmark that is appropriate for a fund of like character and aims and commensurate with the portfolio's current investment strategy.

Non-Speculative Approach: This policy specifically prohibits all speculative investment practices, including, but not limited to, those that seek to gain or profit through transactions of high and unusual risk, or that utilize securities whose price is dependent upon or derived from one or more underlying assets (Derivatives).

Professionalism and Public Trust: The City's investment portfolio is subject to public review and evaluation and shall be designed and managed with the high degree of professionalism that is worthy of the public trust.

F. DELEGATION OF AUTHORITY

The management responsibility for the City's investment program has been delegated to the Finance/Administrative Services Director or their successor. The Finance/Administrative Services Director or their successor shall monitor and review all investments for consistency with this policy, and may delegate investment decision-making and execution authority to investment advisors in accordance with an agreement as authorized by the City Council. The investment advisor shall follow and comply with this policy and all other written instructions provided by the City. The Finance/Administrative Services Director or their successor may, in writing, further delegate such investment authority to designated management staff in the Executive and/or Finance Department in the event of the Finance/Administrative Services Director or their successor's absence or other unavailability. The Finance/Administrative Services Director or their successor shall prepare and file documents with all financial institutions with which the City conducts investment activities certifying the names of those persons authorized to effect transactions on behalf of the City.

G. FINANCIAL COMMISSION OVERSIGHT

The Financial Commission consists of citizen members appointed by the City Council. The Financial Commission shall meet periodically, at least quarterly, to review general investment strategies and monitor the results of the City's investment portfolio in coordination with the Finance/Administrative Services Director or their successor or finance staff designee. The Financial Commission shall also review any proposed changes to this policy before they are submitted to the City Council for final adoption.

H. ETHICS AND CONFLICT OF INTEREST

All persons involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the City's investment program or which could impair their ability to make impartial decisions.

I. SAFEKEEPING AND CUSTODY

All investments of the City's investment portfolio shall have the City of Los Altos as the registered owner, and all interest and principal payments and withdrawals shall indicate the City of Los Altos as the payee.

All securities shall be safely kept with a qualified financial institution, contracted independently by the City as a third party. All securities shall be acquired by the safekeeping institution on a "delivery-vs.-payment" (DVP) basis. In other words, the security must be delivered before funds are released. The DVP basis for delivery applies also to the delivery and safekeeping of repurchase agreement collateral.

J. REPORTING REQUIREMENTS

The Finance/Andre Director will present to the City Council quarterly investment reports, which will present an overall summary of investment performance and include the following type of information:

- Description of investment instruments held
- Interest rate and yield to maturity
- Maturity dates
- Purchase price
- Par value
- Current market value as of the date of the report, including the source of such valuation
- Overall portfolio yield based on cost
- Total return (Quarterly)
- Benchmark comparisons
- Detailed transaction reports shall be made available upon request by any governing member or member of the public

K. MAXIMUM MATURITY

The City may not invest in a security with a maturity date that exceeds five years from the date of purchase.

For purposes of compliance with this Policy, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. In addition, a security purchased shall not have a forward settlement date exceeding 45 days from time of investment.

L. PERMITTED INVESTMENT INSTRUMENTS

The California Government Code in section 53600 *et seq.* sets certain limits on the investment instruments, credit criteria, maximum maturity dates, concentration percentages and other conditions of eligibility in which a government agency's funds may be invested. However, this policy sets limits on the investment of the City's investment portfolio that are more restrictive than such California law. The California Code limits and the more restrictive limits applicable to this policy are listed and summarized in the attached **Exhibit A** (City of Los Altos Allowable Investments). The City's investment portfolio may be invested only in those instruments permitted in **Exhibit A**.

It is important to note that from time to time the City may be invested in a security whose rating is downgraded subsequent to the original date of purchase. The Finance/Administrative Services Director or their successor

directly or indirectly through the delegation of authority to the investment advisor, shall monitor the status of security ratings. When the City uses the services of outside investment advisors and a rating of a prior-purchased security drops below the minimum allowed rating category for that given investment type, the investment advisor shall immediately notify the Finance/Administrative Services Director or their successor and recommend a plan of action.

M. PROHIBITED INVESTMENT INSTRUMENTS

Investment of the City's investment portfolio in any of the following identified instruments is specifically prohibited:

- **Reverse Repurchase Agreements** - Differs from a Repurchase Agreement in the sense that a reverse repurchase agreement is one that sells security positions in return for cash with an agreement to repurchase the securities for an agreed upon price.
- **Derivatives** - Financial instruments whose values are based on or determined by another security, financial instrument or index, including instruments used for hedging.
- **California State and Local Agency Obligations** - Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Nothing in this section shall be construed to exclude the City's participation in the Local Agency Investment Fund (LAIF) operated by the State of California Treasurer's Office.
- **Other State Obligations** - Registered debt obligations of any of the other 49 United States beyond California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority.
- **Prohibited Investments Cited in California Government Code Section 53601.6 including, but not limited to:**
 - Inverse Floaters
 - Range Notes
 - Mortgage Derivatives or other similar asset backed securities
 - Interest Only Strips
 - Zero Interest Coupon Securities*

*Additionally, the City shall not invest in any security that could result in zero interest accrual if held to maturity, except as provided in the subsequent paragraph.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2021, the City may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The City may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

N. GLOSSARY OF INVESTMENT TERMS

Exhibit B contains a glossary of key investment terms that may be used in this policy.

Exhibit A
City of Los Altos Allowable Investments

Exhibit A

City of Los Altos Allowable Investments

Investment Instruments	Calif. Code Limitation	City Policy Limitation
Collateralized Bank Deposits	No term 100% of portfolio	No term 100% of portfolio
State of California - Local Agency Investment Fund (LAIF)	No term 100% of portfolio Max \$75 million	No term 100% of portfolio Max \$75 million
Money Market Mutual Funds (SEC Rule 2a7)	No term 20% of portfolio 10% per issuer	Overnight 20% of portfolio US owned Calif. institution 10% of portfolio per issuer
U.S. Treasuries	5 years 100% of portfolio	5 years 100% of portfolio
Federal Agencies (including, mortgage-backed securities, callable securities)	5 years 100% of portfolio	5 years 100% of portfolio 20% of portfolio per issuer 35% of portfolio in callables
Municipal Obligations (including notes issued by the State of California, California local agencies, and the other 49 states)	5 years 100% of portfolio	5 years 30% of portfolio Credit rating category of "A" or its equivalent or higher by a nationally recognized statistical-rating organization (NRSRO) Other ¹
Bank /Time Certificates of Deposit	5 years 100% of portfolio	3 years 50% of portfolio 10% of portfolio per issuer US owned Calif. institution FDIC/NCUA Insured and/or collateralized in Treasuries and Agencies
Negotiable Certificates of Deposit	5 years 30% of portfolio	5 years 30% of portfolio 3% of portfolio per issuer Credit rating category of "A" or its equivalent or higher by a NRSRO
Corporate Medium Term Notes	5 years 30% of portfolio Credit rating of no less than A by any NRSRO	5 years 30% of portfolio 3% of portfolio per issuer Credit rating category of "A" or its equivalent or higher by a NRSRO

¹Municipal bonds must also be either (1) a general obligation bond whose principal and interest payments are secured by the full faith and credit of the issuer and supported by either the issuer's unlimited or limited taxing power, or (2) an essential service bond secured with revenue from a water, sewer, power or electric system.

Investment Instruments	Calif. Code Limitation	City Policy Limitation
Repurchase Agreements	1 year 100% of portfolio 102% Collateral	180 days 20% of portfolio 10% of portfolio per issuer 102% Collateral Treasuries/Agencies US owned Calif. financial institution
Bankers' Acceptances	180 days 40% of portfolio 30% per issuer	180 days 20% of portfolio 10% of portfolio per issuer US owned Calif. institution
Commercial Paper	270 days 25% of portfolio 10% per issuer	270 days 25% of portfolio 5% of portfolio per issuer Credit rating of no less than "A-1" or its equivalent or higher by an NRSRO.
Obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank	5 years 30% of portfolio Credit rating of no less than AA by an NRSRO	5 years 10% of portfolio Credit rating of no less than AAA by an NRSRO
Asset-Backed Securities ²	5 years 20% of portfolio Credit rating of no less than AA by an NRSRO	5 years (WAM) 20% of portfolio 3% of portfolio per issuer Security shall be rated AAA by an NRSRO
Supranationals	5 years 30% of portfolio Credit rating of no less than AA by an NRSRO	5 years 20% of portfolio Credit rating of no less than AA by an NRSRO
Shares of beneficial interest issued by a Joint Powers Authority	100% of portfolio Advisor requirements	100% of portfolio Advisor and rating requirements must meet CA Code 53601

² Asset-Backed Securities shall not include mortgage related products issued by commercial entities. Investments in asset-backed securities shall generally be limited to those in "senior" tranches.

Exhibit B
Glossary of Investment Terms

Exhibit B

Glossary of Investment Terms

Agency - See "Federal Agency."

Asset-Backed Securities (ABS) - Securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Bankers' Acceptance (BA's) - A draft or bill of exchange drawn upon and accepted by a bank frequently used to finance the shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Benchmark - A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance, and duration of the actual portfolio's investments.

Certificate of Deposit (CD) - Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as ten years to maturity, but most CDs purchased by public agencies are one year and under.

Collateral - Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

Commercial Paper - Short-term unsecured promissory note issued by a company or financial institution that is issued at a discount and matures for par or face value. This instrument usually matures at a maximum maturity of 270 days and bears a short-term debt rating by one or more Nationally Recognized Statistical Rating Organization (NRSRO).

Corporate Medium Term Notes - A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years. Used frequently to refer to corporate notes of medium maturity (five years and under).

Custody - Safekeeping services offered by a bank, financial institution or trust company, referred to as the "custodian." Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement and market values.

Delivery Versus Payment (DVP) - The settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Federal Reserve Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC) - A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs, and BAs clear through DTC.

Derivative - A financial instrument whose value is based on or determined by another security, financial instrument, or index.

Diversification - Dividing investment funds among a variety of security types, maturities, industries, and issuers offering potentially independent returns.

Federal Agency - These are Federal government sponsored and/or owned entities created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest federal agencies are Fannie Mae, Freddie Mac, FHLB, FFCB, and TVA.

Federal Reserve System (the Fed) - The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Federal Reserve Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven-member Board of Governors known as the "Federal Reserve Board" and led by its Chairman.

Federal Treasuries - A collective term used to describe debt instruments backed by the U.S. Government and issued through the U.S. Department of the Treasury that includes Treasury bills, Treasury notes, and Treasury bonds. Also a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

Fiduciary Funds - Term used when a governmental unit acts in a fiduciary capacity such as a trustee or agent. The government unit is responsible for handling the assets placed under its control.

Government Sponsored Enterprise (GSE) - A privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Examples of GSEs include: FHLB, FHLMC, FNMA, and SLMA.

Governmental Funds - Term used in Government Accounting to apply to all funds except for the profit and loss funds (e.g., enterprise fund, internal service fund) and trust and agency funds. Examples of government funds are the general fund, special assessment fund, and capital projects fund. Governmental funds use the modified accrual accounting method.

Government Instrumentalities (Supranationals) – Entities formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. Examples of supranational institutions include the European Investment Bank and the World Bank. Similarly to the government bonds, the bonds issued by these institutions are considered direct obligations of the issuing nations and have a high credit rating.

Index - A compilation of statistical data that tracks changes in the economy or in financial markets.

Interest-Only (IO) Strips - A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing. Therefore, IOs are considered risky investments and are usually associated with mortgage-backed securities.

Inverse Floater - A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed income investments and whose interest rate can fall to zero.

Investment Advisor - A company that provides professional advice managing investment portfolios offers investment recommendations and/or research in exchange for a management fee.

Liquidity – This is a measure of the relative ease of converting an asset into cash without significant loss of value and the level of cash and near-cash items in a portfolio of assets. This term also describes the marketability of money market security correlating to the narrowness of the spread between bid and ask prices.

Local Agency Investment Fund (LAIF) - Special fund in the California State Treasurer’s Office which local agencies may access to deposit funds for short-term investment and reinvestment.

Market Value - The fair market value of a security or commodity or the price at which a willing buyer and seller would pay for a security.

Maturity Date - Date on which principal payment of a financial obligation is due.

Money Market Mutual Fund (2a-7) - A type of mutual fund that invests solely in money market instruments, such as Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject “rule 2a-7” which significantly limits average maturity and credit quality of holdings.

Mortgage-Backed Securities (MBS) - Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA and FHLMC. There are a variety of MBS structures, some of which can be very risky and complicated. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance at lower rates or simply because the underlying property was sold.

Mortgage Pass-Through Securities - A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. Largest issuer is GNMA.

Municipal Note/Bond - Debt issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Mutual Fund - Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (bond, equity, money market fund); all except money market funds operate on a variable net asset value (NAV).

NRSRO - “Nationally Recognized Statistical Rating Organization.” An entity designated as a rating organization that the SEC has recognized as having a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of an NRSRO may be used for the regulatory purposes of rating. They include Moody’s, Standard & Poor’s, and Fitch among others.

Par Value - Face value, stated value or maturity value of a security.

Principal - Face value of a financial instrument on which interest accrues which may be less than par value if some principal has been repaid or retired. For a transaction, principal is par value as a factor of price and includes any premium or discount.

Proprietary Funds - In governmental accounting, one having profit and loss aspects; therefore it uses the *accrual* rather than modified accrual accounting method. The two types of proprietary funds are the Enterprise Fund and the Internal Service Fund.

Prudent Investor Standard - Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. This standard is more stringent than the “prudent person” standard as it implies a level of knowledge commensurate with the responsibility at hand.

Range Note - A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

Rate of Return - Amount of income received from an investment, expressed as a percentage of the amount invested.

Repurchase Agreement (Repo) - A short-term investment vehicle in which an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor’s custodial bank, or “tri-party” where the securities are delivered to a third-party intermediary. Any type of security can be used as “collateral,” but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate approved banking master repurchase agreement is in place.

Reverse Repurchase Agreement (Reverse Repo) - This is a repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

Safekeeping - Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

Supranational Bonds - Are defined as those issued by entities formed by two or more central governments to promote economic development for the member countries. For example, United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

Total Return - Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Weighted average maturity (WAM) - is the weighted average amount of time of the maturities on the underlying mortgages in a mortgage-backed security (MBS) and assets in asset backed securities (ABS). This term is used more broadly to describe maturities for these instruments as these securities invest in multiple specified pools of underlying assets and these underlying pools may have varying maturities.

Yield to Maturity (YTM) - Calculated return on an investment, assuming all cash flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.