# CHANDLER WORKERS COMP & EMPLOYER TRUST

## Investment Performance Review

## For the Quarter Ended June 30, 2021


Client Management Team

PFM Asset Management LLC

Paulina Woo, Managing Director
Luke Schneider, CFA, Director
Annette Gaston, Senior Managing Consultant

1820 East Ray Road
Chandler, AZ 85225
855-885-9621

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

## SUMMARY

- In Q2, U.S. economic conditions were impacted by: (1) dramatically lower COVID-19 caseloads as vaccine inoculations accelerated, balanced with waning vaccine demand and the emergence of more infectious variants; (2) strong consumer data supported by ongoing fiscal stimulus measures; (3) elevated inflation fueled by surging economic activity amid labor and supply chain shortages; (4) a late-quarter hawkish signal from the Federal Reserve (Fed), as anticipation of bond purchase tapering gained traction and the timeline for expected rate hikes was pulled forward; and (5) the largest increase in corporate earnings estimates in nearly 20 years, which propelled major U.S. stock indices to all-time highs.
- With the public health situation drastically improving and pent-up consumer demand being released, the U.S. has seemingly turned the corner in its recovery. Due to the quicker-than-expected rebound, Federal Open Market Committee (FOMC) officials have suggested that they have started to contemplate the timing and communication around a potential tapering of asset purchases. The FOMC remains "attuned and attentive" to the inflation outlook amid supply shortages and other risk factors. In the updated June projections, 13 of 18 Fed officials indicated they expect to increase short-term rates by the end of 2023, up from seven who expected that outcome in March.
- Despite significant progress toward a comprehensive economic recovery, headwinds persist and mixed signals remain. Demand is recovering faster than supply, triggering supply chain bottlenecks and wage-price pressures. Inflation is rising sooner than in previous cycles, with core consumer prices recently showing the sharpest monthly increase since 1982. Despite some scary inflation headlines, many market participants believe that the economy's current wave of inflation is likely transitory in nature.
- Looking past this year, economists and strategists have moderated long-term growth projections as uncertainty remains a key characteristic of our current environment. Perhaps the term "cautious optimism" best describes the current mood as we near what we hope to be the final innings of the pandemic.

## ECONOMIC SNAPSHOT

- Following a 4.3% expansion in Q4 2020, U.S. GDP increased 6.4% in Q1. The consumer continues to be the driving force behind recent GDP growth as consumer spending rose by 11.4% in Q2, the second-fastest pace since the 1960s. Goods and services that benefit the most from the reopening of the economy, such as auto sales, food services and travel accommodations, are the main contributors to the growth in spending.
- The U.S. labor market recovery is accelerating after a spring lull. Following a disappointing April jobs report, employers added over 580,000 and 850,000 jobs in May and June, respectively. The service sector led the job recovery in the first half of 2021 as leisure and hospitality accounted for 1.6 million jobs created, or almost half of the year's payroll gains. The robust demand for workers pushed wages up by a brisk pace of 3.6% year-over-year (YoY).
- Surveys of manufacturing and services activity produced mixed signals this quarter. After reaching a record high in March 2021 of 64.7, the ISM Manufacturing PMI declined to 60.6 by the end of Q2. Similarly, the ISM Non-Manufacturing PMI told a similar story, retracting from a record-high reading. The recent survey noted, "challenges with materials shortages, inflation, logistics and employment resources continue to be an impediment to business conditions." Despite these headwinds, both indices remain well above both the 50-point threshold that differentiates growth from contraction and long-term historical averages.
- On the housing front, existing home sales declined roughly 21% YoY largely due to inventory shortages. Stressed supply and demand dynamics are evidenced by the drastic changes seen in housing prices, which increased by 15% YoY. Mortgage rates pulled back from the climb seen earlier this year, as the 30-year mortgage rate finished the quarter at 2.93%, compared to last quarter's reading of 3.18%.

## INTEREST RATES

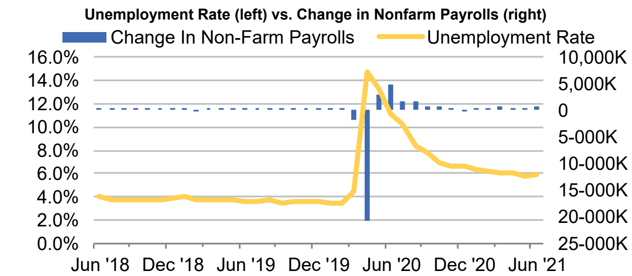
- The U.S. Treasury yield curve flattened modestly over the quarter as longer term yields retraced some of their significant first quarter higher moves, and shorter term maturities inched higher from rock-bottom lows. Near quarter-end, short-term Treasury yields rose in response as the Fed raised by five basis points the interest it pays banks on excess reserves and its offering rate for overnight reverse repurchase agreements. An earlier-than-expected discussion by the FOMC of increasing the overnight target rate also contributed to Treasuries softening on the short end of the curve. Long-term yields fell as investors worried less about inflation over the long term. This view was encouraged in part by a more hawkish tone from the FOMC.
- As a result of a flattening curve, index returns were mixed for the quarter. Shorter-duration U.S. Treasury total return indices (three years and under) were generally flat, while longer-duration indices posted strong positive returns. For example, the 3-month Treasury index returned 0% for the quarter, the 2-year Treasury index returned -0.1%, and the 10-year Treasury index returned 3.2%.

## SECTOR PERFORMANCE

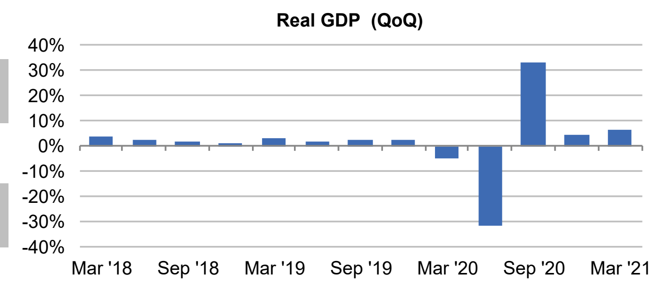
- Diversification away from U.S. Treasuries was again additive to performance in Q2. Broad global demand for yield has continued to push spreads of most bonds tighter. As a result, most investment-grade (IG) spread sectors showed positive excess returns. The lone exception was mortgage-related sectors, where expectations that the FOMC may begin tapering asset purchases caused mortgage-backed security (MBS) spreads to come under pressure and lift off from multi-year tights.
- The federal agency sector saw minimal spread widening of one to two basis points (0.01% to 0.02%), mostly concentrated in the longer duration part of the curve (past three years). Supply remains markedly light, limiting new buying opportunities within the sector. On the flipside, opportunistic selling opportunities are expected to persist for the foreseeable future.
- The taxable municipal sector, once again, was one of the best performing IG sectors during Q2. Municipals boosted relative portfolio performance over the quarter as strong demand for new issues and the general market reach for yield pressured spreads tighter.
- IG corporates generated positive returns this quarter as spreads tightened due to the prospect of strong corporate earnings and supportive monetary policy. The continued demand for yield pushed spreads to retest multi-year lows despite an active new issue market.
- Federal agency-backed mortgage-backed security (MBS) excess returns were negative as FOMC-related selling pressure arrived near quarter end. Generally, all collateral and coupon structures underperformed with the exception of agency-backed commercial MBS (CMBS), which have continued to provide solid absolute and relative returns on a consistent basis over the past 18 months.

# Economic Snapshot

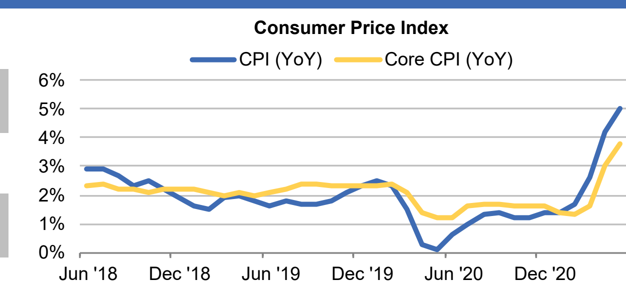
| Labor Market | Latest | | Mar '21 | Jun '20 |
|---|---|---|---|---|
| Unemployment Rate | Jun '21 | 5.9% | 6.0% | 11.1% |
| Change In Non-Farm Payrolls | Jun '21 | 850,000 | 785,000 | 4,846,000 |
| Average Hourly Earnings (YoY) | Jun '21 | 3.6% | 4.3% | 5.0% |
| Personal Income (YoY) | May '21 | 2.8% | 30.1% | 8.2% |
| Initial Jobless Claims (week) | 7/3/21 | 373,000 | 729,000 | 1,436,000 |




| Growth | | | | |
|---|---|---|---|---|
| Real GDP (QoQ SAAR) | 2021Q1 | 6.4% | 4.3% [1] | -5.0% [2] |
| GDP Personal Consumption (QoQ SAAR) | 2021Q1 | 11.4% | 2.3% [1] | -6.9% [2] |
| Retail Sales (YoY) | May '21 | 28.1% | 29.7% | 2.1% |
| ISM Manufacturing Survey (month) | Jun '21 | 60.6 | 64.7 | 52.2 |
| Existing Home Sales SAAR (month) | May '21 | 5.80 mil. | 6.01 mil. | 4.77 mil. |

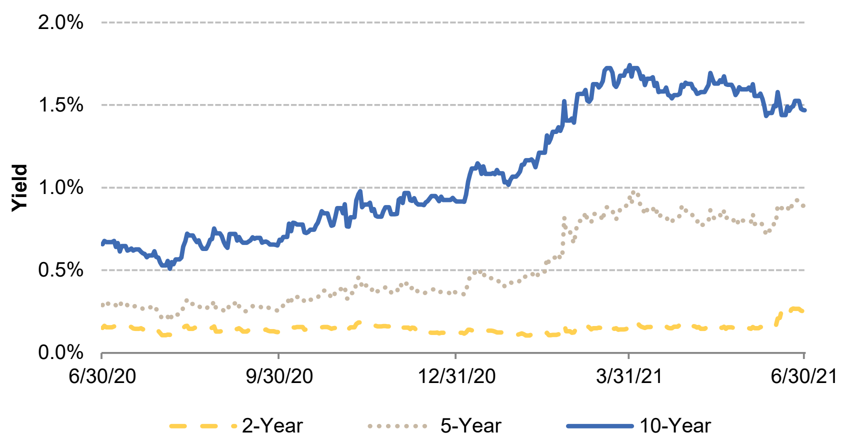


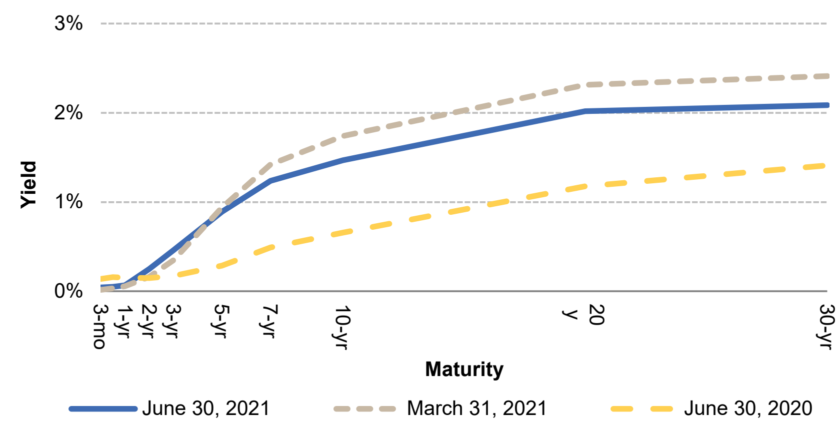

| Inflation / Prices | | | | |
|---|---|---|---|---|
| Personal Consumption Expenditures (YoY) | May '21 | 3.9% | 2.4% | 0.9% |
| Consumer Price Index (YoY) | May '21 | 5.0% | 2.6% | 0.6% |
| Consumer Price Index Core (YoY) | May '21 | 3.8% | 1.6% | 1.2% |
| Crude Oil Futures (WTI, per barrel) | Jun 30 | $73.47 | $59.16 | $39.27 |
| Gold Futures (oz.) | Jun 30 | $1,772 | $1,714 | $1,801 |




*1. Data as of Fourth Quarter 2020.*
*2. Data as of First Quarter 2021.*
*Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.*
*Source: Bloomberg.*

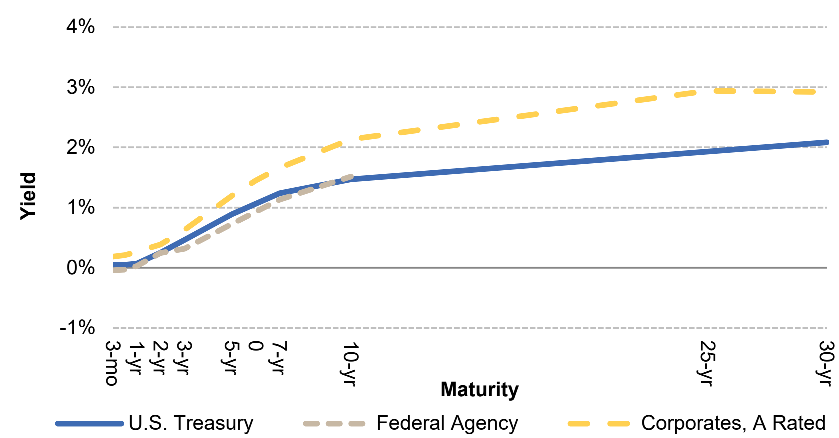
# Interest Rate Overview




## U.S. Treasury Yields

| Maturity | Jun '21 | Mar '21 | Change over Quarter | Jun '20 | Change over Year |
|---|---|---|---|---|---|
| 3-Month | 0.04% | 0.02% | 0.02% | 0.14% | (0.10%) |
| 1-Year | 0.07% | 0.06% | 0.01% | 0.15% | (0.08%) |
| 2-Year | 0.25% | 0.16% | 0.09% | 0.15% | 0.10% |
| 5-Year | 0.89% | 0.94% | (0.05%) | 0.29% | 0.60% |
| 10-Year | 1.47% | 1.74% | (0.27%) | 0.66% | 0.81% |
| 30-Year | 2.09% | 2.41% | (0.32%) | 1.41% | 0.68% |




*Source: Bloomberg.*

## ICE BofAML Index Returns

| | As of 06/30/2021 | | Returns for Periods ended 06/30/2021 | | |
|---|---|---|---|---|---|
| **June 30, 2021** | **Duration** | **Yield** | **3 Month** | **1 Year** | **3 Years** |
| **1-3 Year Indices** | | | | | |
| **U.S. Treasury** | 1.90 | 0.25% | (0.03%) | 0.07% | 2.68% |
| **Federal Agency** | 1.74 | 0.27% | 0.01% | 0.32% | 2.56% |
| **U.S. Corporates, A-AAA rated** | 1.90 | 0.53% | 0.24% | 1.11% | 3.57% |
| **Agency MBS (0 to 3 years)** | 1.73 | 0.75% | (0.82%) | (1.31%) | 3.31% |
| **Taxable Municipals** | 1.74 | 0.39% | 1.54% | 4.25% | 4.30% |
| **1-5 Year Indices** | | | | | |
| **U.S. Treasury** | 2.66 | 0.41% | 0.11% | (0.27%) | 3.26% |
| **Federal Agency** | 2.36 | 0.43% | 0.18% | 0.17% | 2.85% |
| **U.S. Corporates, A-AAA rated** | 2.81 | 0.80% | 0.61% | 1.37% | 4.44% |
| **Agency MBS (0 to 5 years)** | 2.44 | 1.35% | (0.27%) | (0.58%) | 3.32% |
| **Taxable Municipals** | 2.83 | 0.77% | 0.76% | 2.85% | 4.09% |
| **Master Indices (Maturities 1 Year or Greater)** | | | | | |
| **U.S. Treasury** | 7.24 | 0.97% | 2.02% | (3.39%) | 4.72% |
| **Federal Agency** | 3.99 | 0.75% | 1.00% | (0.35%) | 4.22% |
| **U.S. Corporates, A-AAA rated** | 8.52 | 1.81% | 3.46% | 1.47% | 7.17% |
| **Agency MBS (0 to 30 years)** | 3.49 | 1.55% | 0.32% | (0.39%) | 3.86% |
| **Taxable Municipals** | 11.35 | 2.47% | 4.93% | 3.87% | 8.82% |

*Returns for periods greater than one year are annualized.*
*Source: ICE BofAML Indices.*

## DISCLOSURES

*PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.*

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## Portfolio Recap

- Our strategy for second quarter was largely carried forward from the first quarter and encompassed the following:
  - We maintained core allocations in most sectors while we opportunistically trimmed non-Treasury allocations in certain sectors and maturities, matched the benchmark's duration, and carefully managed risk as we considered inflationary pressures and Fed policy uncertainty.
  - The federal agency sector experienced 1 to 2 basis points (0.01% to 0.02%) of spread widening, concentrated in the 4- to 5-year and 7- to 10-year areas of the curve. Allocations to the sector were reduced, locking in strong performance from agencies previously purchased over a year ago when spreads were wider.
  - Investment-grade corporates were aided over the quarter by the prospect of economic recovery, helped by further fiscal stimulus and supportive monetary policy globally. Credit spreads achieved new tights versus comparable-maturity Treasuries despite an active new issue market as investors continued to reach for yield. Like the agency sector, PFM engaged in opportunistic selling, reduced corporate bond holdings that had reached very rich levels—largely those with less than two years remaining until maturity—and reinvesting in longer corporate issues, which captured value along the steeper portions of the curve.
  - The taxable municipal sector once again provided a boost to relative portfolio performance over the quarter as strong demand for new issues and the general market reach for yield pressured spreads tighter still. PFM generally maintained allocations to the sector and participated in new issues where offering levels were relatively attractive.
  - Short-term credit (negotiable CDs and commercial paper) yields continued to decline over the quarter with some of the shortest tenors continuing to offer low absolute yields while still offering a spread to comparable-maturity Treasuries, which have been trading at near zero levels. Towards the end of the quarter, the yield on short-term government securities drifted higher in response to the Fed's adjustment of the interest rate on excess reserves (IOER) and the reverse repo rate (RRP).

# Investment Strategy Outlook

- The strong U.S. economic expansion is expected to persist, aided by a vaccine-driven reopening, pent-up consumer demand, and continued fiscal and monetary support. GDP expectations for 2021 have been revised upward, with current forecasts pointing to an annualized 6% growth this year. However, growing inflationary pressures may force the Fed's hand when considering tapering its bond purchases and, ultimately, future rate increases. Given these risks, we plan to maintain the portfolio duration in line with the benchmark as we continue to monitor the economic recovery.

- Our outlook for major investment-grade sectors includes the following:
  - **Treasuries:** Current allocations provide "dry powder" to add to other sectors should spreads become more attractive. Portfolio rebalancing and duration extension trades are focused in the steepest portions of the curve. Along with income, yield curve roll-down should serve as a significant contributor to portfolio returns as the upside for pure price appreciation is quite limited.

  - **Agencies:** There is limited room for further spread tightening from current levels as spreads are in the single-digit range across most of the curve. With spreads likely to remain near zero over the coming quarter, the sector offers very little incremental yield compared to Treasuries. We will continue to reduce allocations, realize gains where appropriate, and favor other sectors.

  - **Corporates:** Continued economic recovery, supportive monetary policy, lower expected supply, and strong investor demand for high quality yield should serve as catalysts for good performance in the corporate sector. While historically tight spreads have encouraged us to position allocations defensively, the sector still represents a core allocation to portfolios.

  - **Taxable Municipals**: Taxable municipals have been a great alternative to corporates over the past year. While we still see opportunities in the sector, we have turned more cautious due to very tight spreads. Similar to other sectors, we may begin to opportunistically sell rich holdings while continuing to evaluate new issues that come to market.

# Sector Allocation and Compliance

- The portfolio is in compliance with the City of Chandler's Investment Policy and Arizona Revised Statutes.

| Security Type | Market Value | % of Portfolio | % Change vs. 3/31/21 | Permitted by Policy | In Compliance |
|---|---|---|---|---|---|
| U.S. Treasury | $4,115,561 | 29.6% | +7.3% | 100% | ✓ |
| Federal Agency | $6,196,959 | 44.6% | -10.7% | 100% | ✓ |
| Municipal | $54,559 | 0.4% | - | 100% | ✓ |
| Negotiable CDs | $1,107,598 | 8.0% | -0.7% | 30% | ✓ |
| Corporate Notes | $1,029,613 | 7.4% | +0.2% | 30% | ✓ |
| **Securities Sub-Total** | **$12,504,289** | **90.0%** | | | |
| Accrued Interest | $17,483 | | | | |
| **Securities Total** | **$12,521,772** | | | | |
| Money Market Fund | $205,927 | 1.5% | -2.0% | 100% | ✓ |
| PFM Funds | $1,185,005 | 8.5% | +6.0% | 100% | ✓ |
| **Total Investments** | **$13,912,705** | **100.0%** | | | |

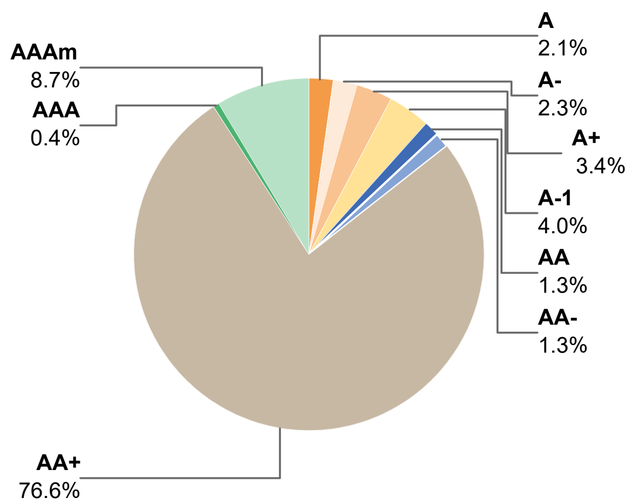
*As of 6/30/2021. Detail may not add to total due to rounding. Investment Policy dated January 2016.*

## Portfolio Statistics

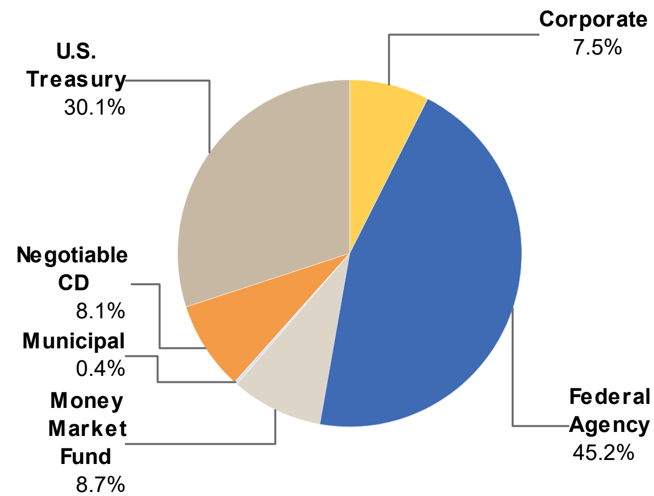
**As of June 30, 2021**

| | |
|---|---|
| **Par Value:** | $13,642,005 |
| **Total Market Value:** | $13,912,705 |
| ***Security Market Value:*** | $12,504,289 |
| ***Accrued Interest:*** | $17,483 |
| ***Cash:*** | $205,927 |
| ***PFM Funds*** | $1,185,005 |
| **Amortized Cost:** | $13,655,589 |
| **Yield at Market:** | 0.32% |
| **Yield at Cost:** | 0.56% |
| **Effective Duration:** | 1.83 Years |
| **Average Maturity:** | 2.04 Years |
| **Average Credit: *** | AA |

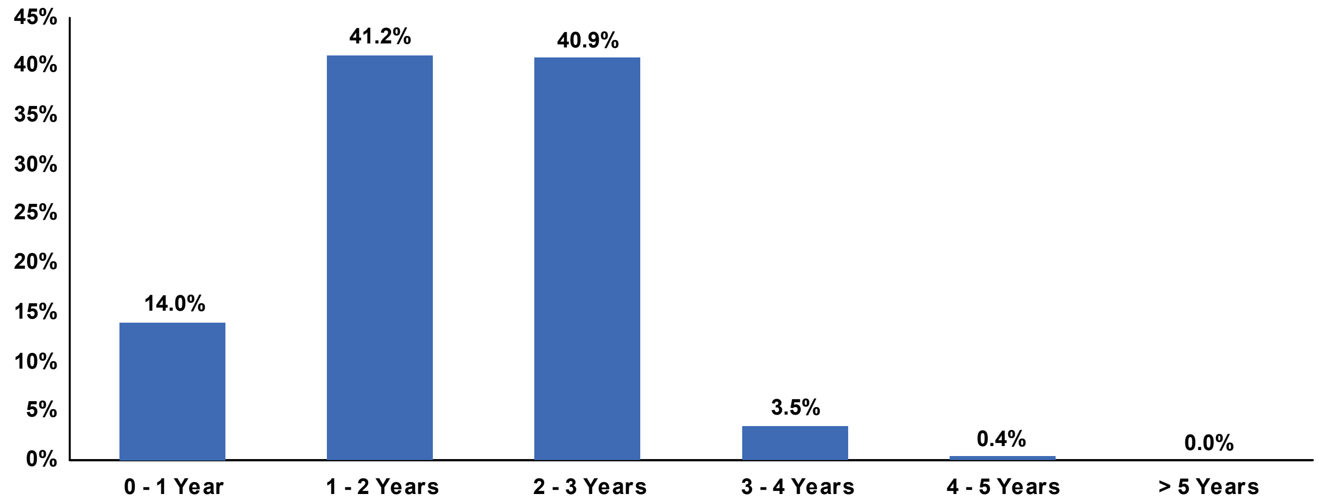
### Credit Quality (S&P Ratings)**




### Sector Allocation




### Maturity Distribution




*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.
**Securities held in the Trust's portfolio are in compliance with Arizona Revised Statutes and the Trust's investment policy dated January 2016.

| Liquidity Vehicle | Quarter-End Yield |
| --- | --- |
| Wells Fargo Public Institutional Bank Deposit Account[1] | 0.01% |
| PFM Funds Money Market Fund[2] | 0.02% |

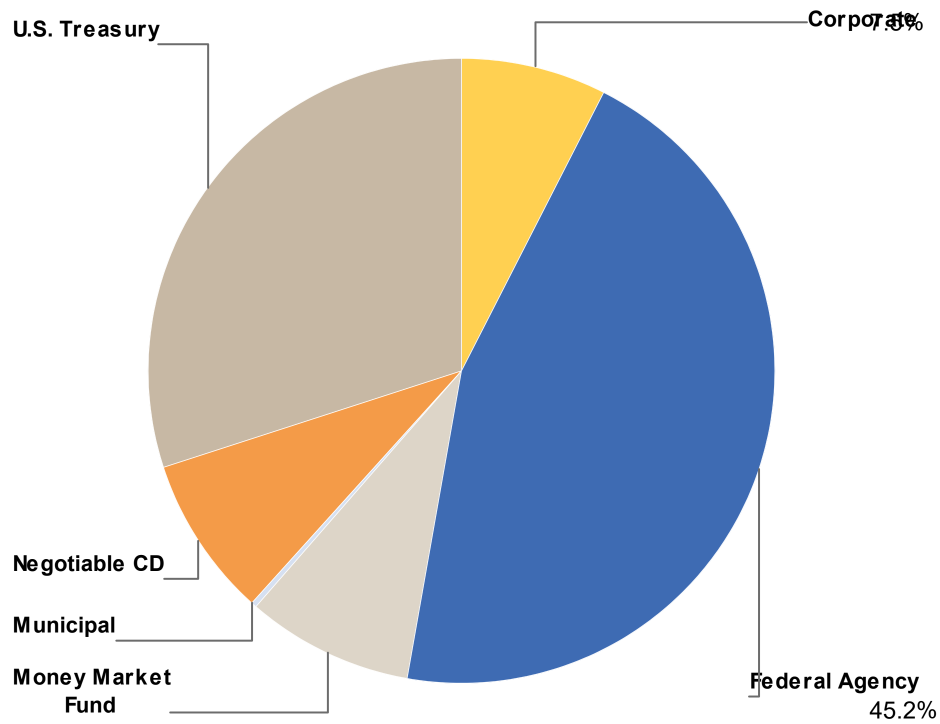
1. Wells Fargo Public Institutional Bank Deposit Account yield from the Trust custody statement as of 6/30/21

2. *This information does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer is not qualified to do so, or to anyone to whom it is unlawful to make such an offer or solicitation, or to anyone in any jurisdiction outside the United States. Investors should consider the investment objectives, risks, charges and expenses before investing in any of the Fund's portfolios. This and other information about the Fund is available in the Fund's current Prospectus, which should be read carefully before investing. A copy of the Fund's Prospectus may be obtained by calling 1-800-338-3383 or is available on the Fund's website at www.pfmfunds.com. While the Fund's portfolio seeks to maintain a stable net asset value of $1.00 per share, it is possible to lose money investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Fund are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.*

## Sector Allocation

***As of June 30, 2021***

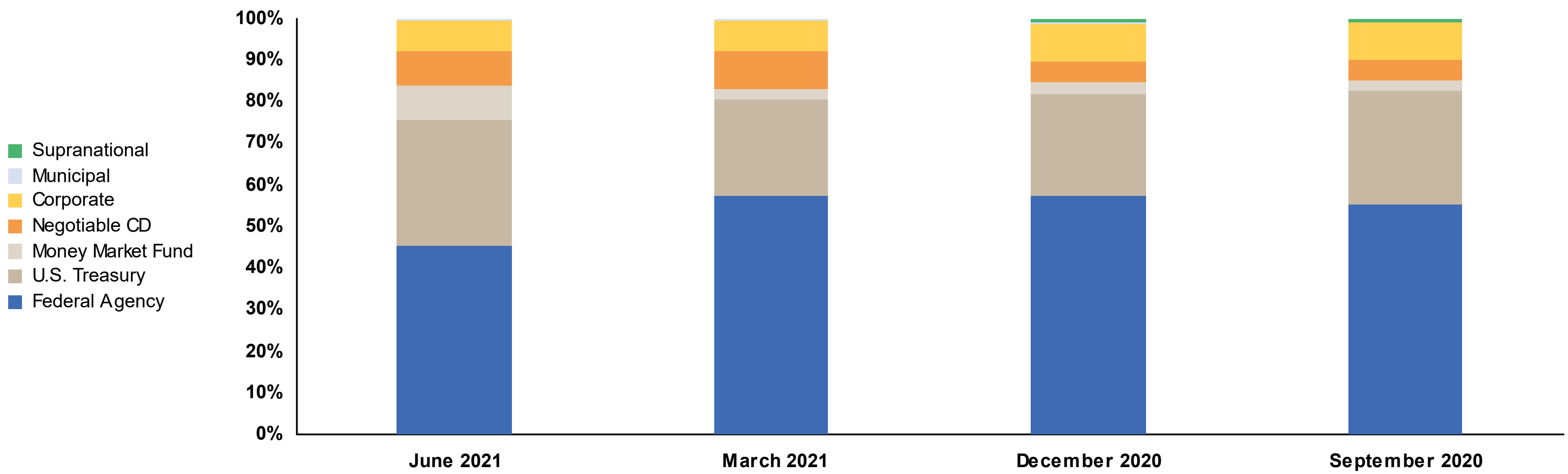
| Sector | Market Value ($) | % of Portfolio |
|---|---|---|
| **Federal Agency** | 6,196,959 | 45.2% |
| **U.S. Treasury** | 4,115,561 | 30.1% |
| **Money Market Fund** | 1,185,005 | 8.7% |
| **Negotiable CD** | 1,107,598 | 8.1% |
| **Corporate** | 1,029,613 | 7.5% |
| **Municipal** | 54,559 | 0.4% |
| **Total** | **$13,689,295** | **100.0%** |




*Detail may not add to total due to rounding.*

## Sector Allocation

| | June 30, 2021 | | March 31, 2021 | | December 31, 2020 | | September 30, 2020 | |
|---|---|---|---|---|---|---|---|---|
| **Sector** | **MV ($MM)** | **% of Total** | **MV ($MM)** | **% of Total** | **MV ($MM)** | **% of Total** | **MV ($MM)** | **% of Total** |
| **Federal Agency** | 6.2 | 45.2% | 7.0 | 57.4% | 6.8 | 57.2% | 6.6 | 55.2% |
| **U.S. Treasury** | 4.1 | 30.1% | 2.8 | 23.1% | 2.9 | 24.5% | 3.2 | 27.1% |
| **Money Market Fund** | 1.2 | 8.7% | 0.3 | 2.6% | 0.3 | 2.7% | 0.3 | 2.7% |
| **Negotiable CD** | 1.1 | 8.1% | 1.1 | 9.0% | 0.6 | 5.1% | 0.6 | 5.1% |
| **Corporate** | 1.0 | 7.5% | 0.9 | 7.5% | 1.1 | 9.1% | 1.1 | 9.0% |
| **Municipal** | 0.1 | 0.4% | 0.1 | 0.4% | 0.1 | 0.5% | 0.0 | 0.0% |
| **Supranational** | 0.0 | 0.0% | 0.0 | 0.0% | 0.1 | 0.9% | 0.1 | 0.9% |
| **Total** | **$13.7** | **100.0%** | **$12.3** | **100.0%** | **$11.8** | **100.0%** | **$11.9** | **100.0%** |

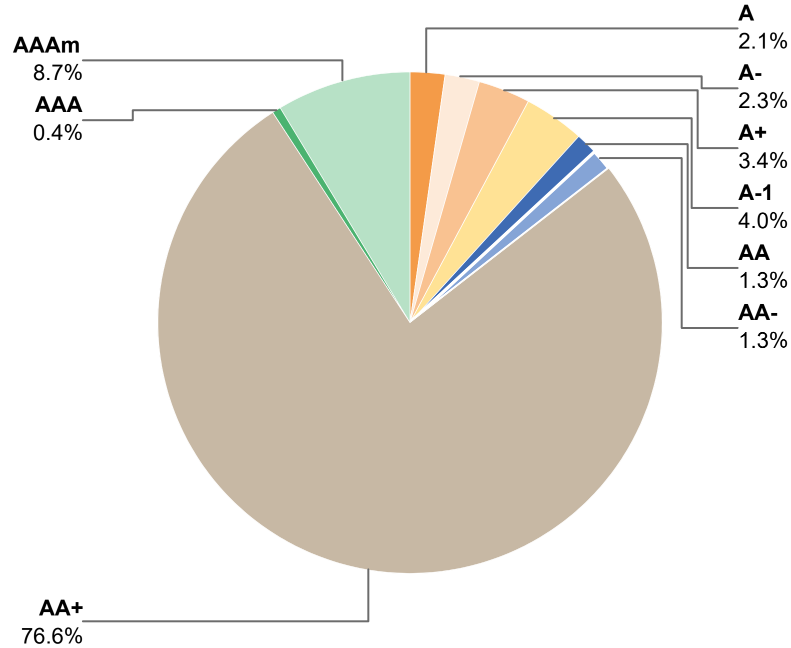



*Detail may not add to total due to rounding.*

## Credit Quality*

*As of June 30, 2021*

| S&P Rating | Market Value ($) | % of Portfolio |
|---|---|---|
| AA+ | $10,489,610 | 76.6% |
| AAAm | $1,185,005 | 8.7% |
| A-1 | $541,447 | 4.0% |
| A+ | $458,739 | 3.4% |
| A- | $316,991 | 2.3% |
| A | $286,602 | 2.1% |
| AA- | $183,898 | 1.3% |
| AA | $172,443 | 1.3% |
| AAA | $54,559 | 0.4% |
| **Totals** | **$13,689,295** | **100.0%** |



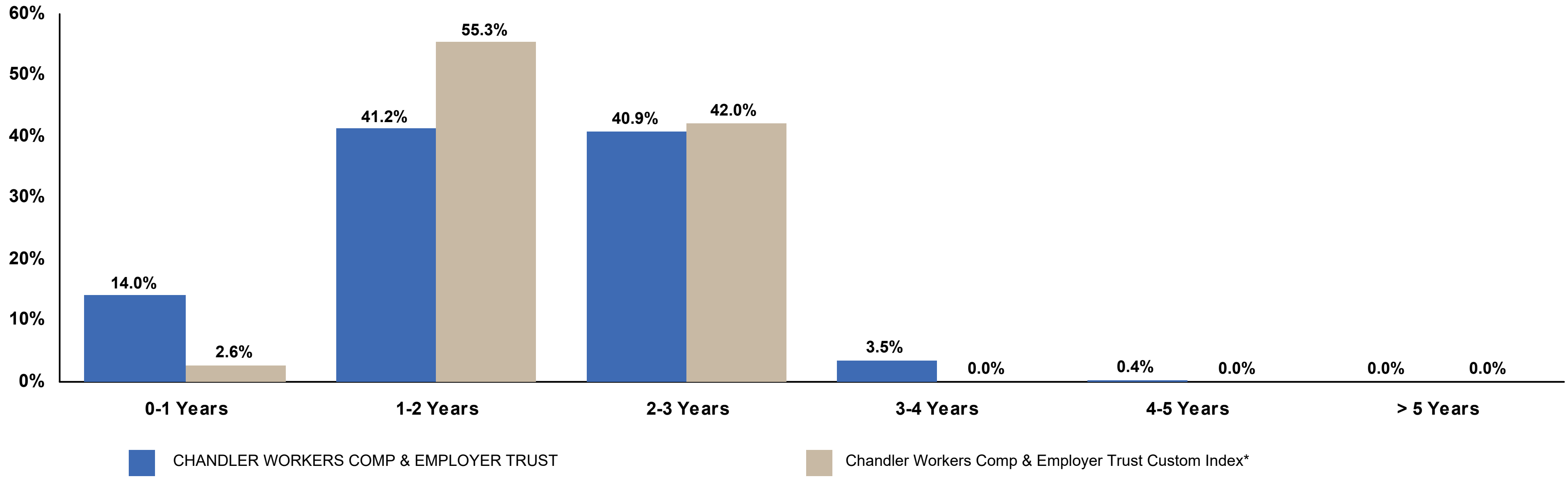

*Detail may not add to total due to rounding.*

**Securities held in the Trust's portfolio are in compliance with Arizona Revised Statutes and the Trust's investment policy dated January 2016.*

## Maturity Distribution

***As of June 30, 2021***

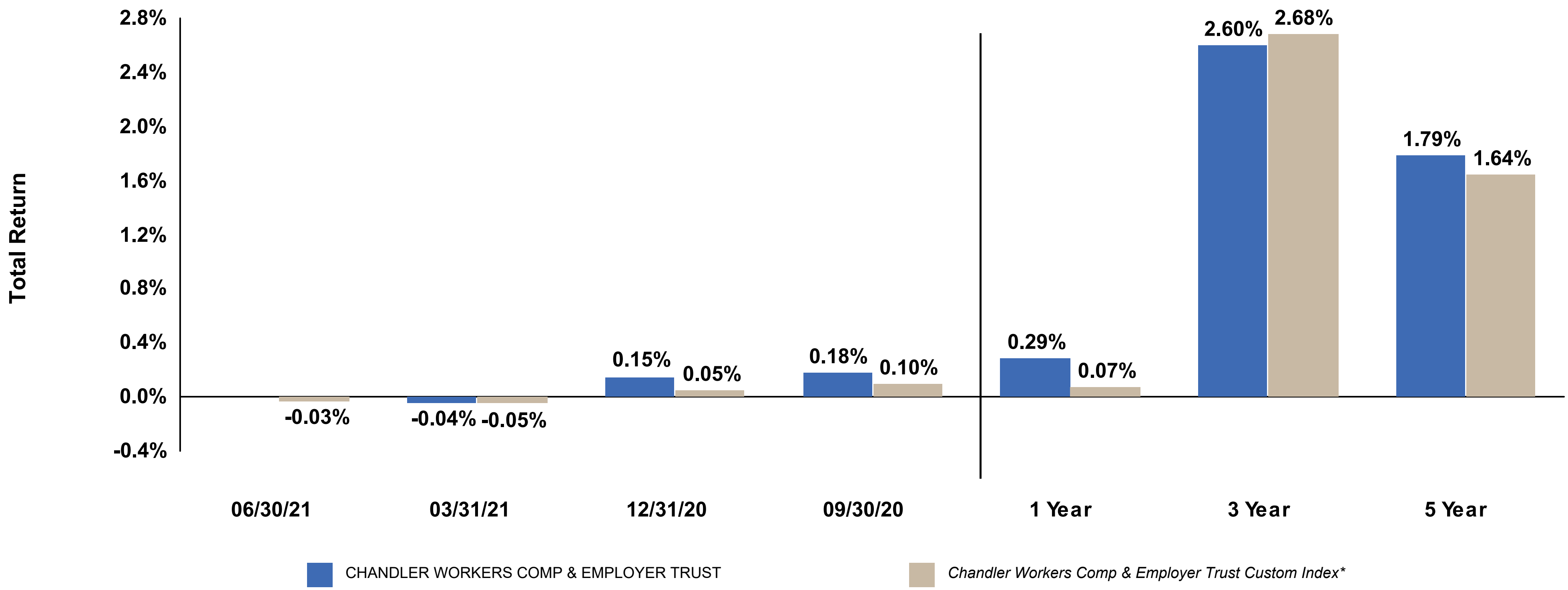
| Portfolio/Benchmark | Yield at Market | Average Maturity | 0-1 Years | 1-2 Years | 2-3 Years | 3-4 Years | 4-5 Years | >5 Years |
|---|---|---|---|---|---|---|---|---|
| **CHANDLER WORKERS COMP & EMPLOYER TRUST** | 0.32% | 2.04 yrs | 14.0% | 41.2% | 40.9% | 3.5% | 0.4% | 0.0% |
| **Chandler Workers Comp & Employer Trust Custom Index*** | *0.25%* | *1.94 yrs* | *2.6%* | *55.3%* | *42.0%* | *0.0%* | *0.0%* | *0.0%* |




**The custom benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index, as of March 31, 2017. Prior to March 31, 2017, the benchmark was the ICE BofAML 0-3 year U.S Treasury Index.*

## Portfolio Performance (Total Return)

| Portfolio/Benchmark | Effective Duration | Quarter Ended 06/30/21 | 03/31/21 | 12/31/20 | 09/30/20 | 1 Year | Annualized Return 3 Year | 5 Year |
|---|---|---|---|---|---|---|---|---|
| **CHANDLER WORKERS COMP & EMPLOYER TRUST** | 1.83 | 0.00% | -0.04% | 0.15% | 0.18% | 0.29% | 2.60% | 1.79% |
| ***Chandler Workers Comp & Employer Trust Custom Index**** | *1.84* | *-0.03%* | *-0.05%* | *0.05%* | *0.10%* | *0.07%* | *2.68%* | *1.64%* |
| **Difference** | | 0.03% | 0.01% | 0.10% | 0.08% | 0.22% | -0.08% | 0.15% |




*Portfolio performance is gross of fees unless otherwise indicated.*
**The custom benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index, as of March 31, 2017. Prior to March 31, 2017, the benchmark was the ICE BofAML 0-3 year U.S Treasury Index.*

## Portfolio Earnings

***Quarter-Ended June 30, 2021***

| | Market Value Basis | Accrual (Amortized Cost) Basis |
|---|---|---|
| **Beginning Value (03/31/2021)** | $12,264,702.74 | $12,205,536.56 |
| **Net Purchases/Sales** | $1,443,525.55 | $1,443,525.55 |
| **Change in Value** | ($18,933.38) | $6,526.92 |
| **Ending Value (06/30/2021)** | $13,689,294.91 | $13,655,589.03 |
| **Interest Earned** | $19,190.82 | $19,190.82 |
| **Portfolio Earnings** | $257.44 | $25,717.74 |

## Sector/Issuer Distribution

***As of June 30, 2021***

| Sector / Issuer | Market Value ($) | % of Sector | % of Total Portfolio |
|---|---|---|---|
| **Corporate** | | | |
| ADOBE INC | 102,178 | 9.9% | 0.7% |
| AMAZON.COM INC | 172,443 | 16.7% | 1.3% |
| AMERICAN HONDA FINANCE | 101,874 | 9.9% | 0.7% |
| APPLE INC | 177,091 | 17.2% | 1.3% |
| BANK OF AMERICA CO | 100,301 | 9.7% | 0.7% |
| CATERPILLAR INC | 94,917 | 9.2% | 0.7% |
| HERSHEY COMPANY | 89,508 | 8.7% | 0.7% |
| JP MORGAN CHASE & CO | 114,816 | 11.2% | 0.8% |
| TOYOTA MOTOR CORP | 76,486 | 7.4% | 0.6% |
| **Sector Total** | **1,029,613** | **100.0%** | **7.5%** |
| **Federal Agency** | | | |
| FANNIE MAE | 1,084,567 | 17.5% | 7.9% |
| FREDDIE MAC | 5,112,392 | 82.5% | 37.3% |
| **Sector Total** | **6,196,959** | **100.0%** | **45.3%** |
| **Money Market Fund** | | | |
| PFM FUNDS - GOVT SELECT, INSTL CL | 1,185,005 | 100.0% | 8.7% |
| **Sector Total** | **1,185,005** | **100.0%** | **8.7%** |

| Sector / Issuer | Market Value ($) | % of Sector | % of Total Portfolio |
|---|---|---|---|
| **Municipal** | | | |
| CITY OF SCOTTSDALE | 54,559 | 100.0% | 0.4% |
| **Sector Total** | **54,559** | **100.0%** | **0.4%** |
| **Negotiable CD** | | | |
| BARCLAYS PLC | 235,114 | 21.2% | 1.7% |
| CREDIT SUISSE GROUP RK | 100,160 | 9.0% | 0.7% |
| DNB ASA | 66,697 | 6.0% | 0.5% |
| HSBC HOLDINGS PLC | 120,032 | 10.8% | 0.9% |
| NORDEA BANK ABP | 117,202 | 10.6% | 0.9% |
| SKANDINAVISKA ENSKILDA BANKEN AB | 132,504 | 12.0% | 1.0% |
| SOCIETE GENERALE | 100,902 | 9.1% | 0.7% |
| SUMITOMO MITSUI FINANCIAL GROUP INC | 85,399 | 7.7% | 0.6% |
| UBS AG | 149,589 | 13.5% | 1.1% |
| **Sector Total** | **1,107,598** | **100.0%** | **8.1%** |
| **U.S. Treasury** | | | |
| UNITED STATES TREASURY | 4,115,561 | 100.0% | 30.1% |
| **Sector Total** | **4,115,561** | **100.0%** | **30.1%** |
| **Portfolio Total** | **13,689,295** | **100.0%** | **100.0%** |

## Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| INTEREST | 4/1/21 | 4/1/21 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 3.85 | | |
| INTEREST | 4/1/21 | 4/1/21 | 0.00 | 83369XDL9 | SOCIETE GENERALE NY CERT DEPOS | 1.80% | 2/14/22 | (10.00) | | |
| BUY | 4/5/21 | 4/7/21 | 625,000.00 | 91282CBR1 | US TREASURY NOTES | 0.25% | 3/15/24 | (623,071.29) | 0.36% | |
| SELL | 4/5/21 | 4/7/21 | 625,000.00 | 3135G04U4 | FANNIE MAE NOTES (CALLED, OMD 06/01/23) | 0.45% | 6/1/21 | 626,240.63 | | 301.14 |
| INTEREST | 4/16/21 | 4/16/21 | 155,000.00 | 3137EAEY1 | FREDDIE MAC NOTES | 0.12% | 10/16/23 | 96.88 | | |
| INTEREST | 4/20/21 | 4/20/21 | 150,000.00 | 3137EAEQ8 | FREDDIE MAC NOTES | 0.37% | 4/20/23 | 281.25 | | |
| INTEREST | 4/24/21 | 4/24/21 | 100,000.00 | 06051GJH3 | BANK OF AMERICA CORP (CALLABLE) CORPORAT | 0.81% | 10/24/24 | 411.75 | | |
| INTEREST | 5/3/21 | 5/3/21 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 3.70 | | |
| BUY | 5/3/21 | 5/4/21 | 595,000.00 | 91282CBV2 | US TREASURY N/B NOTES | 0.37% | 4/15/24 | (596,068.76) | 0.32% | |
| INTEREST | 5/5/21 | 5/5/21 | 1,830,000.00 | 3137EAER6 | FREDDIE MAC NOTES | 0.37% | 5/5/23 | 3,431.25 | | |
| INTEREST | 5/6/21 | 5/6/21 | 570,000.00 | 3137EAEZ8 | FREDDIE MAC NOTES | 0.25% | 11/6/23 | 716.46 | | |
| BUY | 5/10/21 | 5/12/21 | 70,000.00 | 023135BW5 | AMAZON.COM INC CORPORATE NOTES | 0.45% | 5/12/24 | (69,897.80) | 0.50% | |
| SELL | 5/10/21 | 5/12/21 | 70,000.00 | 023135AJ5 | AMAZON.COM INC CORP NOTES | 2.50% | 11/29/22 | 72,852.46 | | 61.07 |
| INTEREST | 5/15/21 | 5/15/21 | 85,000.00 | 427866AZ1 | HERSHEY COMPANY | 3.37% | 5/15/23 | 1,434.38 | | |
| INTEREST | 5/15/21 | 5/15/21 | 340,000.00 | 912828TY6 | US TREASURY NOTES | 1.62% | 11/15/22 | 2,762.50 | | |
| INTEREST | 5/22/21 | 5/22/21 | 135,000.00 | 3135G04Q3 | FANNIE MAE NOTES | 0.25% | 5/22/23 | 168.75 | | |
| INTEREST | 5/24/21 | 5/24/21 | 230,000.00 | 3134GXDT8 | FREDDIE MAC NOTES (CALLABLE) | 0.35% | 11/24/23 | 402.50 | | |
| SELL | 5/24/21 | 5/28/21 | 115,000.00 | 912828YW4 | US TREASURY NOTES | 1.62% | 12/15/22 | 118,541.76 | | 2,590.80 |
| BUY | 5/24/21 | 6/1/21 | 115,000.00 | 46647PCH7 | JPMORGAN CHASE & CO CORPORATE NOTES | 0.82% | 6/1/25 | (115,000.00) | 0.82% | |
| INTEREST | 5/27/21 | 5/27/21 | 355,000.00 | 3135G06H1 | FANNIE MAE NOTES | 0.25% | 11/27/23 | 448.68 | | |

| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| INTEREST | 5/29/21 | 5/29/21 | 100,000.00 | 023135AJ5 | AMAZON.COM INC CORP NOTES | 2.50% | 11/29/22 | 1,250.00 | | |
| INTEREST | 5/31/21 | 5/31/21 | 20,000.00 | 912828M80 | US TREASURY NOTES | 2.00% | 11/30/22 | 200.00 | | |
| INTEREST | 6/1/21 | 6/1/21 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 1.99 | | |
| MATURITY | 6/1/21 | 6/1/21 | 200,000.00 | 3135G04U4 | FANNIE MAE NOTES (CALLED, OMD 06/01/23) | 0.45% | 6/1/21 | 200,450.00 | | 0.00 |
| BUY | 6/1/21 | 6/2/21 | 200,000.00 | 91282CCC3 | US TREASURY N/B NOTES | 0.25% | 5/15/24 | (199,704.15) | 0.30% | |
| INTEREST | 6/2/21 | 6/2/21 | 65,000.00 | 23341VZT1 | DNB BANK ASA/NY LT CD | 2.04% | 12/2/22 | 670.37 | | |
| BUY | 6/2/21 | 6/4/21 | 260,000.00 | 912828YV6 | US TREASURY NOTES | 1.50% | 11/30/24 | (269,680.90) | 0.43% | |
| SELL | 6/2/21 | 6/4/21 | 275,000.00 | 9128282S8 | US TREASURY NOTES | 1.62% | 8/31/22 | 281,429.43 | | 4,883.71 |
| INTEREST | 6/4/21 | 6/4/21 | 800,000.00 | 3137EAFA2 | FREDDIE MAC NOTES | 0.25% | 12/4/23 | 1,000.00 | | |
| INTEREST | 6/15/21 | 6/15/21 | 259,000.00 | 912828YW4 | US TREASURY NOTES | 1.62% | 12/15/22 | 2,104.38 | | |
| INTEREST | 6/26/21 | 6/26/21 | 160,000.00 | 3137EAES4 | FREDDIE MAC NOTES | 0.25% | 6/26/23 | 200.00 | | |
| INTEREST | 6/27/21 | 6/28/21 | 100,000.00 | 02665WCY5 | AMERICAN HONDA FINANCE | 2.20% | 6/27/22 | 1,100.00 | | |
| INTEREST | 6/30/21 | 6/30/21 | 30,000.00 | 912828N30 | US TREASURY NOTES | 2.12% | 12/31/22 | 318.75 | | |
| **TOTALS** | | | | | | | | **(556,911.18)** | | **7,836.72** |

## 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 Bond / Note** | | | | | | | | | | | |
| US TREASURY NOTES DTD 11/15/2012 1.625% 11/15/2022 | 912828TY6 | 340,000.00 | AA+ | Aaa | 12/2/2019 | 12/4/2019 | 339,800.78 | 1.65 | 705.64 | 339,907.14 | 346,853.11 |
| US TREASURY NOTES DTD 11/30/2015 2.000% 11/30/2022 | 912828M80 | 20,000.00 | AA+ | Aaa | 8/1/2019 | 8/2/2019 | 20,119.53 | 1.81 | 33.88 | 20,050.82 | 20,518.75 |
| US TREASURY NOTES DTD 12/15/2019 1.625% 12/15/2022 | 912828YW4 | 259,000.00 | AA+ | Aaa | 1/3/2020 | 1/7/2020 | 259,465.39 | 1.56 | 183.99 | 259,230.74 | 264,503.75 |
| US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022 | 912828N30 | 30,000.00 | AA+ | Aaa | 11/1/2019 | 11/5/2019 | 30,530.86 | 1.55 | 1.73 | 30,252.53 | 30,876.56 |
| US TREASURY NOTES DTD 01/15/2020 1.500% 01/15/2023 | 912828Z29 | 120,000.00 | AA+ | Aaa | 2/3/2020 | 2/5/2020 | 120,585.94 | 1.33 | 830.39 | 120,306.87 | 122,437.50 |
| US TREASURY NOTES DTD 02/15/2020 1.375% 02/15/2023 | 912828Z86 | 530,000.00 | AA+ | Aaa | 3/2/2020 | 3/4/2020 | 538,943.75 | 0.80 | 2,737.85 | 534,928.19 | 540,185.96 |
| US TREASURY NOTES DTD 01/15/2021 0.125% 01/15/2024 | 91282CBE0 | 588,000.00 | AA+ | Aaa | 2/2/2021 | 2/4/2021 | 587,058.28 | 0.18 | 339.07 | 587,187.05 | 584,508.75 |
| US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024 | 91282CBM2 | 375,000.00 | AA+ | Aaa | 3/4/2021 | 3/9/2021 | 372,993.16 | 0.31 | 176.11 | 373,206.38 | 372,597.68 |
| US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024 | 91282CBM2 | 50,000.00 | AA+ | Aaa | 3/1/2021 | 3/1/2021 | 49,787.11 | 0.27 | 23.48 | 49,811.14 | 49,679.69 |
| US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024 | 91282CBM2 | 100,000.00 | AA+ | Aaa | 3/3/2021 | 3/4/2021 | 99,511.72 | 0.29 | 46.96 | 99,565.62 | 99,359.38 |
| US TREASURY NOTES DTD 03/15/2021 0.250% 03/15/2024 | 91282CBR1 | 625,000.00 | AA+ | Aaa | 4/5/2021 | 4/7/2021 | 622,973.63 | 0.36 | 458.56 | 623,134.15 | 622,558.63 |
| US TREASURY N/B NOTES DTD 04/15/2021 0.375% 04/15/2024 | 91282CBV2 | 595,000.00 | AA+ | Aaa | 5/3/2021 | 5/4/2021 | 595,952.93 | 0.32 | 469.42 | 595,901.61 | 594,256.25 |
| US TREASURY N/B NOTES DTD 05/15/2021 0.250% 05/15/2024 | 91282CCC3 | 200,000.00 | AA+ | Aaa | 6/1/2021 | 6/2/2021 | 199,679.69 | 0.30 | 63.86 | 199,688.31 | 198,937.50 |
| US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024 | 912828YV6 | 260,000.00 | AA+ | Aaa | 6/2/2021 | 6/4/2021 | 269,638.28 | 0.43 | 330.33 | 269,434.18 | 268,287.50 |
| **Security Type Sub-Total** | | **4,092,000.00** | | | | | **4,107,041.05** | **0.61** | **6,401.27** | **4,102,604.73** | **4,115,561.01** |

## 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Municipal Bond / Note** | | | | | | | | | | | |
| SCOTTSDALE, AZ TXBL GO BONDS DTD 12/30/2020 0.608% 07/01/2025 | 810454BL1 | 55,000.00 | AAA | Aaa | 12/10/2020 | 12/30/2020 | 55,000.00 | 0.61 | 168.13 | 55,000.00 | 54,559.45 |
| **Security Type Sub-Total** | | **55,000.00** | | | | | **55,000.00** | **0.61** | **168.13** | **55,000.00** | **54,559.45** |
| **Federal Agency Bond / Note** | | | | | | | | | | | |
| FREDDIE MAC NOTES DTD 07/23/2020 0.125% 07/25/2022 | 3137EAET2 | 105,000.00 | AA+ | Aaa | 7/21/2020 | 7/23/2020 | 104,762.70 | 0.24 | 56.88 | 104,873.89 | 104,998.64 |
| FREDDIE MAC NOTES (CALLABLE) DTD 08/06/2020 0.300% 02/06/2023 | 3134GWLD6 | 755,000.00 | AA+ | Aaa | 8/10/2020 | 8/11/2020 | 754,886.75 | 0.31 | 912.30 | 754,927.12 | 755,163.84 |
| FREDDIE MAC NOTES (CALLABLE) DTD 08/06/2020 0.300% 02/06/2023 | 3134GWLD6 | 130,000.00 | AA+ | Aaa | 8/3/2020 | 8/6/2020 | 130,000.00 | 0.30 | 157.08 | 130,000.00 | 130,028.21 |
| FREDDIE MAC NOTES DTD 04/20/2020 0.375% 04/20/2023 | 3137EAEQ8 | 150,000.00 | AA+ | Aaa | 4/17/2020 | 4/20/2020 | 149,625.00 | 0.46 | 110.94 | 149,774.66 | 150,416.55 |
| FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023 | 3137EAER6 | 100,000.00 | AA+ | Aaa | 8/3/2020 | 8/4/2020 | 100,490.00 | 0.20 | 58.33 | 100,328.46 | 100,265.70 |
| FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023 | 3137EAER6 | 1,295,000.00 | AA+ | Aaa | 6/2/2020 | 6/5/2020 | 1,297,408.70 | 0.31 | 755.42 | 1,296,523.55 | 1,298,440.81 |
| FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023 | 3137EAER6 | 435,000.00 | AA+ | Aaa | 5/7/2020 | 5/8/2020 | 435,648.15 | 0.32 | 253.75 | 435,399.46 | 436,155.80 |
| FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023 | 3135G04Q3 | 135,000.00 | AA+ | Aaa | 5/20/2020 | 5/22/2020 | 134,593.65 | 0.35 | 36.56 | 134,743.94 | 135,049.55 |
| FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023 | 3137EAES4 | 160,000.00 | AA+ | Aaa | 6/24/2020 | 6/26/2020 | 159,532.80 | 0.35 | 5.56 | 159,690.67 | 160,029.92 |
| FANNIE MAE NOTES DTD 07/10/2020 0.250% 07/10/2023 | 3135G05G4 | 210,000.00 | AA+ | Aaa | 7/8/2020 | 7/10/2020 | 209,548.50 | 0.32 | 249.38 | 209,695.29 | 209,967.03 |
| FANNIE MAE NOTES (CALLABLE) DTD 08/10/2020 0.300% 08/10/2023 | 3135G05R0 | 240,000.00 | AA+ | Aaa | 8/11/2020 | 8/12/2020 | 239,568.00 | 0.36 | 282.00 | 239,695.66 | 239,954.40 |
| FANNIE MAE NOTES (CALLABLE) DTD 08/18/2020 0.360% 08/18/2023 | 3135G05V1 | 145,000.00 | AA+ | Aaa | 8/20/2020 | 8/21/2020 | 145,000.00 | 0.36 | 192.85 | 145,000.00 | 145,086.86 |

## 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Federal Agency Bond / Note** | | | | | | | | | | | |
| FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023 | 3137EAEV7 | 105,000.00 | AA+ | Aaa | 8/19/2020 | 8/21/2020 | 104,892.90 | 0.28 | 92.60 | 104,923.53 | 104,960.10 |
| FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023 | 3137EAEW5 | 50,000.00 | AA+ | Aaa | 9/2/2020 | 9/4/2020 | 50,009.13 | 0.24 | 39.24 | 50,006.64 | 49,969.75 |
| FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023 | 3137EAEW5 | 70,000.00 | AA+ | Aaa | 9/2/2020 | 9/4/2020 | 69,976.90 | 0.26 | 54.93 | 69,983.21 | 69,957.65 |
| FREDDIE MAC NOTES DTD 10/16/2020 0.125% 10/16/2023 | 3137EAEY1 | 155,000.00 | AA+ | Aaa | 10/14/2020 | 10/16/2020 | 154,421.85 | 0.25 | 40.36 | 154,558.07 | 154,424.18 |
| FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023 | 3137EAEZ8 | 570,000.00 | AA+ | Aaa | 11/3/2020 | 11/5/2020 | 569,487.00 | 0.28 | 217.71 | 569,598.40 | 569,230.50 |
| FREDDIE MAC NOTES (CALLABLE) DTD 11/24/2020 0.350% 11/24/2023 | 3134GXDT8 | 230,000.00 | AA+ | Aaa | 2/12/2021 | 2/16/2021 | 230,126.50 | 0.33 | 82.74 | 230,000.00 | 229,851.65 |
| FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023 | 3135G06H1 | 205,000.00 | AA+ | Aaa | 1/7/2021 | 1/8/2021 | 205,055.35 | 0.24 | 48.40 | 205,046.20 | 204,716.49 |
| FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023 | 3135G06H1 | 150,000.00 | AA+ | Aaa | 11/23/2020 | 11/25/2020 | 149,829.00 | 0.29 | 35.42 | 149,862.98 | 149,792.55 |
| FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023 | 3137EAFA2 | 95,000.00 | AA+ | Aaa | 12/2/2020 | 12/4/2020 | 94,905.95 | 0.28 | 17.81 | 94,923.90 | 94,821.69 |
| FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023 | 3137EAFA2 | 705,000.00 | AA+ | Aaa | 12/4/2020 | 12/7/2020 | 704,739.15 | 0.26 | 132.19 | 704,788.36 | 703,676.71 |
| **Security Type Sub-Total** | | **6,195,000.00** | | | | | **6,194,507.98** | **0.30** | **3,832.45** | **6,194,343.99** | **6,196,958.58** |
| **Corporate Note** | | | | | | | | | | | |
| APPLE INC CORP NOTES DTD 02/09/2017 2.500% 02/09/2022 | 037833CM0 | 175,000.00 | AA+ | Aa1 | 1/7/2019 | 1/9/2019 | 172,403.00 | 3.01 | 1,725.69 | 174,486.13 | 177,090.55 |
| AMERICAN HONDA FINANCE DTD 06/27/2019 2.200% 06/27/2022 | 02665WCY5 | 100,000.00 | A- | A3 | 7/8/2019 | 7/10/2019 | 99,567.00 | 2.35 | 24.44 | 99,855.67 | 101,873.70 |
| AMAZON.COM INC CORP NOTES DTD 11/29/2012 2.500% 11/29/2022 | 023135AJ5 | 100,000.00 | AA | A1 | 6/9/2020 | 6/11/2020 | 104,546.00 | 0.64 | 222.22 | 102,603.48 | 102,595.10 |

## 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Corporate Note** | | | | | | | | | | | |
| ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023 | 00724PAA7 | 100,000.00 | A | A2 | 1/22/2020 | 2/3/2020 | 99,863.00 | 1.75 | 708.33 | 99,927.37 | 102,177.80 |
| CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 03/01/2021 0.250% 03/01/2023 | 14913R2J5 | 95,000.00 | A | A2 | 2/22/2021 | 3/1/2021 | 94,918.30 | 0.29 | 79.17 | 94,931.95 | 94,916.59 |
| HERSHEY COMPANY DTD 05/10/2018 3.375% 05/15/2023 | 427866AZ1 | 85,000.00 | A | A1 | 3/11/2020 | 3/13/2020 | 88,299.70 | 2.10 | 366.56 | 86,946.20 | 89,507.72 |
| TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 05/26/2020 1.350% 08/25/2023 | 89236THA6 | 75,000.00 | A+ | A1 | 5/20/2020 | 5/26/2020 | 74,972.25 | 1.36 | 354.38 | 74,981.63 | 76,486.43 |
| AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024 | 023135BW5 | 70,000.00 | AA | A1 | 5/10/2021 | 5/12/2021 | 69,897.80 | 0.50 | 42.88 | 69,902.46 | 69,847.61 |
| BANK OF AMERICA CORP (CALLABLE) CORPORAT DTD 10/21/2020 0.810% 10/24/2024 | 06051GJH3 | 100,000.00 | A- | A2 | 10/16/2020 | 10/21/2020 | 100,000.00 | 0.81 | 150.75 | 100,000.00 | 100,301.40 |
| JPMORGAN CHASE & CO CORPORATE NOTES DTD 06/01/2021 0.824% 06/01/2025 | 46647PCH7 | 115,000.00 | A- | A2 | 5/24/2021 | 6/1/2021 | 115,000.00 | 0.82 | 78.97 | 115,000.00 | 114,815.89 |
| **Security Type Sub-Total** | | **1,015,000.00** | | | | | **1,019,467.05** | **1.50** | **3,753.39** | **1,018,634.89** | **1,029,612.79** |
| **Certificate of Deposit** | | | | | | | | | | | |
| BARCLAYS BANK PLC NY CERT DEPOS DTD 02/12/2021 0.290% 02/04/2022 | 06742TWL6 | 235,000.00 | A-1 | P-1 | 2/10/2021 | 2/12/2021 | 235,000.00 | 0.29 | 263.13 | 235,000.00 | 235,113.89 |
| SOCIETE GENERALE NY CERT DEPOS DTD 02/19/2020 1.800% 02/14/2022 | 83369XDL9 | 100,000.00 | A-1 | P-1 | 2/14/2020 | 2/19/2020 | 100,000.00 | 1.80 | 685.00 | 100,000.00 | 100,902.00 |
| HSBC BANK USA NA DTD 02/26/2021 0.250% 02/25/2022 | 40435RKU4 | 120,000.00 | A-1 | P-1 | 2/26/2021 | 2/26/2021 | 120,000.00 | 0.25 | 104.17 | 120,000.00 | 120,031.80 |

## 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Certificate of Deposit** | | | | | | | | | | | |
| SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022 | 86565CKU2 | 85,000.00 | A-1 | P-1 | 7/10/2020 | 7/14/2020 | 85,000.00 | 0.70 | 287.58 | 85,000.00 | 85,399.33 |
| UBS AG STAMFORD CT CERT DEPOS DTD 02/18/2021 0.250% 08/16/2022 | 90275DNC0 | 150,000.00 | A+ | Aa2 | 2/16/2021 | 2/18/2021 | 150,000.00 | 0.25 | 138.54 | 150,000.00 | 149,588.85 |
| SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022 | 83050PDR7 | 130,000.00 | A+ | Aa2 | 8/29/2019 | 9/3/2019 | 130,000.00 | 1.85 | 839.58 | 130,000.00 | 132,503.93 |
| NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022 | 65558TLL7 | 115,000.00 | AA- | Aa3 | 8/27/2019 | 8/29/2019 | 115,000.00 | 1.84 | 738.72 | 115,000.00 | 117,201.79 |
| DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022 | 23341VZT1 | 65,000.00 | AA- | Aa2 | 12/5/2019 | 12/6/2019 | 65,000.00 | 2.03 | 106.82 | 65,000.00 | 66,696.57 |
| CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023 | 22552G3C2 | 100,000.00 | A+ | Aa3 | 3/19/2021 | 3/23/2021 | 100,000.00 | 0.59 | 163.89 | 100,000.00 | 100,159.50 |
| **Security Type Sub-Total** | | **1,100,000.00** | | | | | **1,100,000.00** | **0.93** | **3,327.43** | **1,100,000.00** | **1,107,597.66** |
| **Managed Account Sub Total** | | **12,457,000.00** | | | | | **12,476,016.08** | **0.56** | **17,482.67** | **12,470,583.61** | **12,504,289.49** |
| **Money Market Mutual Fund** | | | | | | | | | | | |
| PFM Funds - Govt Select, Instl Cl | | 1,185,005.42 | AAAm | NR | | | 1,185,005.42 | | 0.00 | 1,185,005.42 | 1,185,005.42 |
| **Liquid Sub Total** | | **1,185,005.42** | | | | | **1,185,005.42** | | **0.00** | **1,185,005.42** | **1,185,005.42** |
| **Securities Sub-Total** | | **$13,642,005.42** | | | | | **$13,661,021.50** | **0.56%** | **$17,482.67** | **$13,655,589.03** | **$13,689,294.91** |
| **Accrued Interest** | | | | | | | | | | | **$17,482.67** |
| **Total Investments** | | | | | | | | | | | **$13,706,777.58** |

Bolded items are forward settling trades.

## IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- 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.
- **BANKERS' ACCEPTANCE:** A draft or bill or 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 DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **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.
- **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.