

# Health Care Benefits Trust Board Regular Meeting

November 16, 2023 | Immediately following the Workers'  
Compensation & Employer Liability Trust Board

Council Chambers Conference Room  
88 E. Chicago St., Chandler, AZ  
or Webex 1-415-655-0001  
code 26629016466 password pSE2JR3X96R



## Board Members

Chair Terry Bond  
Vice Chair Lily Longacre  
Secretary Jennifer Huppenthal  
Val Gale  
Mark Knight

Pursuant to Resolution No. 4464 of the City of Chandler and to A.R.S. § 38-431.02, notice is hereby given to the members of the Health Care Benefits Trust Board and to the general public that the Health Care Benefits Trust Board will hold a REGULAR MEETING open to the public on Thursday, November 16, 2023, immediately following the Workers' Compensation and Employer Liability Trust Board which begins at 4:00 p.m., at City Council Chambers, 88 E. Chicago Street, Chandler, AZ or via Webex by dialing 1-415-655-0001, Access Code 2662 901 6466, and password: pSE2JR3X96R.

Persons with disabilities may request a reasonable modification or communication aids and services by contacting the City Clerk's office at (480) 782-2181(711 via AZRS). Please make requests in advance as it affords the City time to accommodate the request.

Agendas are available in the Office of the City Clerk, 175 S. Arizona Avenue.

# **Health Care Benefits Trust Board Regular Meeting Agenda - November 16, 2023**

## **Call to Order/Roll Call**

## **Scheduled/Unscheduled Public Appearances**

Members of the audience may address any item not on the agenda. State Statute prohibits the Board or Commission from discussing an item that is not on the agenda, but the Board or Commission does listen to your concerns and has staff follow up on any questions you raise.

## **Consent Agenda**

Items listed on the Consent Agenda may be enacted by one motion and one vote. If a discussion is required by members of the Board or Commission, the item will be removed from the Consent Agenda for discussion and determination will be made if the item will be considered separately.

1. **August 17, 2023, City of Chandler Health Care Benefits Trust Board Minutes**  
Move to approve the City of Chandler Health Care Benefits Trust Board meeting minutes from August 17, 2023.

## **Briefing**

2. **Medical Trust Actuarial Report - Segal**
3. **Financial Statements and Wellness Report - Management Services**
4. **Investment Report - Management Services**

## **Member Comments/Announcements**

## **Calendar**

5. The next meeting is Wednesday, February 28, 2024.

## **Information Items - For Future Meetings**

6. Actuarial Audit Report - Segal
7. Financial Statements and Wellness Report - Management Services
8. Investment Report - Management Services

## **Adjourn**



**Health Care Benefits Trust Board      Human Resources    Memo No.**

**Date:**     11/16/2023  
**To:**       Health Care Benefits Trust Board  
**From:**    Teresa Canjar, Management Assistant  
**Subject:** **August 17, 2023, City of Chandler Health Care Benefits Trust Board Minutes**

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**Proposed Motion:**

Move to approve the City of Chandler Health Care Benefits Trust Board meeting minutes from August 17, 2023.

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**Attachments**

Minutes

# Meeting Minutes

## Health Care Benefits Trust Board

### Regular Meeting

August 17, 2023 | 4:00 p.m.  
City Hall, 2<sup>nd</sup> Floor Training Room A  
175 S. Arizona Ave., Chandler, AZ



### Call to Order

The meeting was called to order by Chair Terry Bond at 4:05 p.m.

### Roll Call

#### Board Attendance

Chair Terry Bond  
Vice Chair Lily Longacre  
Secretary Jennifer Huppenthal  
Val Gale  
Mark Knight

#### Other Attendance

Dee Hooker, Benefits Analyst  
Fernanda Acurio, Benefits/Compensation Manager  
Kristi Smith, Financial Services Assistant Director  
Rachel Calisi, Segal Consultants  
Robert Steele, Accounting Senior Manager  
Roni Laxa, Assistant City Attorney  
Teresa Canjar, Management Assistant

### Consent Agenda and Discussion

1. June 15, 2023 Minutes  
Secretary Huppenthal made a motion to approve the minutes as presented from the June 15, 2023, meeting of the city of Chandler Health Care Benefits Trust Board, seconded by Vice Chair Longacre, motion carried.

### Scheduled and Unscheduled Public Appearances

Fernanda Acurio introduced Mark Knight, our new board member. Welcome Mark!

### Briefing

1. Medical Trust Actuarial Report

Rachel Calisi from Segal provided an overview of the Medical and Prescription Drug Plan Quarterly Report from January 1, 2023, through December 31, 2023 - data through May 31, 2023. The Dashboard report shows the previous years' information and compares it to our current year's information. Contributions are up attributed to an increase in enrollment. Net Paid Medical Claims are down compared to last year. Total claims are down from last year. Stop Loss and Admin Expenses are up from last year. Total Claims and Expenses are down from last year and our Surplus/Deficient is down. We are at a 103% loss ratio this year compared to 114% last year. The reason we are seeing an increase in our pharmacy claims is because of specialty drug claims.

Chair Bond asked if there was a specific category in the specialty drug claims for the increase? Rachel responded that she didn't have those details, but specialty drugs are very expensive.

There has been an increase in enrollment 1,807 compared to 1,773 last year. Age and gender index remains consistent. We have 6 large claimants compared to 7 last year, but the total dollar amount paid was down 25.2% and they make up 9.4% of our medical/pharmacy claims. Medical In-Network Usage and Discounts are up slightly to 98.0% and Discount from Billed is up at 70.2%.

Chair Bond asked about the increase in hospital bed days? Rachel responded these numbers were reviewed because of the large increase and it is because of large medical claims which we will detail on the next page. Rachel referred to Secretary Huppenthal who explained it is higher when you look at national benchmarks, but when you look at average stay or bed days, our contract with BC/BS is DAG. They are paid a lump sum for diagnosis and it doesn't matter on the length of stay. Rachel said she could request this information from BC/BS. Secretary Huppenthal said to ask if the high dollar claims (over \$100,000) are case managed? Fernanda confirmed that the high dollar claims are case managed.

Member cost share is at 16.9% and Plan Paid is down by 4.0%. The beginning of the year is always going to be more and as we get further in the year, these numbers will shift.

Rachel highlighted the 2022-2023 Medical/RX Contributions and Expenses Report. The key numbers between 2022 and 2023 were noted. This report shows the medical claims paid detail. In 2022, the medical paid average was \$1,614,365 and for 2023 an increase to \$1,679,622. Our deficit for this year is \$317,419. Our Stop loss ratio is at 103.1%. Stop Loss reimbursements are up at \$1,380,248, which is driven by stop loss reimbursements. She also noted the pharmacy increase from \$357,658 to \$399,559.

Secretary Huppenthal asked if there was a way to ask BC/BS if there anything the city could be doing better or enhancement that can be done to the plan? Fernanda responded this would fall under the Health Task Force and the plan design.

The 2023 Enrollment by Status and Plan report shows the only increase was in the red plan at 6%. Overall, there was a 2% increase.

The Medical/RX YTD Claims Paid by Plan and Status comparison chart shows the difference between the different plans and actives versus retirees. The red plan is up across the board, the blue plan active is up, the white plan retirees are up.

The 2023 Contributions and Paid Claims by Status and Plan Report shows a further breakdown of the actives and retirees looking at the loss ratios with contributions and total expenses. The white plan is at 86% and will go up over the year. The actives are running at a 110% loss ratio and the loss ratio for the retirees is 177%. All three plans are running at over 100%. The overall loss ratio is 116% when we look at total expenses.

The 2023 Contributions and Expenses by Status and Plan charts are broken out by active versus retiree. There is a deficit in all plans except the active white plan and the retiree blue plan. Overall retirees make up 12% of enrollment, 10% of contributions, and 15% of claims and expenses.

The 2023 Incurred Medical Claims Paid in Excess of \$100,000 report shows that large claims over \$100,000 account for 10.1% of the total medical/RX paid. There are 4 on the red plan and 2 on the white plan. The six large claims paid \$1,049,261 in Medical/RX. None of these claims are in excess of the \$350,000 Stop Loss Deductible.

The Thirteen Month Snapshot shows the net medical trend at 15.7% and the RX trend at 11.2% both are a significant increase from the last report. This is a perfect example of why we use a national trend instead of a case specific trend. These percentages will continue to increase.

## 2. Financial Statements and Wellness Report

### Statement of Net Position as of June 30, 2023

Robert Steele advised the Board that the total assets were \$23,421,819 which is up from last quarter and due to increase in Cash and Investments. There is \$11,033,327 in liabilities which is up from the prior quarter related to increases in due to city. The unrestricted net position is \$12,388,492 when comparing the total net position to the reserve goal of \$8,314,000 there is a surplus of over \$4 million.

### Statement of Revenues, Expenses and Changes in Net Position – June 30, 2023

Some items are based on the number of payrolls with and without insurance, others are based on the number of months, and some may be at 100%, if fully expended. The budget was reviewed after the June presentation, and some values have been adjusted due to formula issues found for the last quarter resulting in an increase in budgeted revenue. The total actual operating revenues are

\$12,529,589 which are \$24,161 under budget. Actual operating expenses are at \$12,851,213, which is \$1,606,591 under budget. The actual operating income is at \$321,624, while an operating loss was anticipated, we saw a lower loss than expected due to lower than expected expenditures. The non-operating revenues exceeded expenses by \$470,854 providing a positive change in net position of \$358,486. The ending net position is \$12,388,492 which agrees with the Statement of Net Position.

#### Statement of Cash Flows – June 30, 2023

Robert Steele advised the Board that this report shows the inflows and outflows of cash by activity. The cash and investments total \$23,284,622 which agrees with the Statement of Net Position.

#### Wellness Programs Tracking Report – June 30, 2023

Robert Steele advised the Board that the Wellness Program tracking shows \$107,827.78 which is cumulative over the years. We have received the \$25,000 from Blue Cross and there have been \$23,386.77 expenditures to date. This number agrees with the wellness programs operating expense on the Statement of Revenues, Expenses and Changes in Net Position.

### 3. Investment Report – June 30, 2023

Robert Steele provided a brief overview of the Investment Performance Review. The portfolio statistics yield at cost is 2.73% which is up from 2.64% the previous quarter. Maturity distribution shows the yield at market of 4.96% which is up from the prior quarter at 4.32%. The effective duration is 1.50 which is in line with the benchmark of 1.75. The money market rate for Allspring is 4.97% and FAF is 4.95%, which is an increase from last quarter. There is a marginal change on the Sector Allocation Review shift from Agency to Treasury.

Chair Bond asked if the US Treasury is primarily bonds? Robert responded there is a more detailed allocation on the next page.

Secretary Huppenthal asked how the benchmark is determined? Kristi Smith referred to footnote 3 on the Portfolio Snapshot page. We are currently benchmark ICE BofA 1-3 Year U.S. Treasury Index. We consult regularly with our advisors and can shift depending on how the market is doing, it can be 0-3 or 0-5. We have been 1-3 since 2018. Kristi referred the group to pages 21-25 for details on our investments.

### 4. Review of Calendar Year 2024 Meeting Dates – Human Resources

### 5. Resolution No. HB-014 for 2024 Rates – Human Resources

There was some discussion about the 8% increase. Questions were asked about changes to the plan in the future. The total premiums are shown on the Resolution; there is an 80/20 split red/blue plans and white plan is 90/10 split. Chair Bond asked how the employees feel about this increase? Fernanda responded that the increase will be between \$5-\$13 and the employees know this is coming as it was presented last year. They know there will be an increase next year too.

Once this resolution is adopted, the information will be shared. She also mentioned that the city of Chandler hasn't had an increase for many years compared to other cities.

## **Action Items**

Secretary Huppenthal moved to approve the city of Chandler Health Care Benefits Trust Resolution No. HB-014 establishing the Total Monthly Rates for Employee Premiums for the Red Plan, Blue Plan, and White Plan for Calendar Year 2024; seconded by Vice Chair Longacre, motion carried.

## **Member Comments/Announcements**

## **Calendar**

The next regular meeting will be held on Thursday, November 16, 2023, at 4:00 p.m., in the Council Chambers Conference Room, 88 E. Chicago Street.

## **Informational Items**

Agenda Items for Future Meeting Dates

Actuarial Audit Report – Segal

Financial Statements and Wellness Report – Management Services

Investment Report – Management Services

## **Adjourn**

Vice Chair Longacre made a motion to adjourn the meeting of the city of Chandler Health Care Benefits Trust Board of August 17, 2023, at 4:43 p.m., seconded by Secretary Huppenthal, motion carried.

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Teresa Canjar, Secretary

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Terry Bond, Chair





**Health Care Benefits Trust Board      Human Resources    Memo No.**

**Date:** 11/16/2023  
**To:** Health Care Benefits Trust Board  
**From:** Teresa Canjar, Management Assistant  
**Subject:** **Medical Trust Actuarial Report - Segal**

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**Attachments**

Segal Report



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Senior Health Consultant  
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October 10, 2023

Ms. Rae Lynn Nielsen  
Human Resources Director  
City of Chandler  
PO Box 4008  
Chandler, AZ 85244-4008

**Re: City of Chandler  
Medical and Prescription Drug Plan Monthly Reporting  
January 1, 2023 through December 31, 2023 – Data through August**

Dear Rae Lynn:

Enclosed is the monthly experience reporting for the City's medical and prescription drug plans. The report contains medical claims, prescription drug claims, enrollment, and expense information as furnished by Blue Cross Blue Shield of Arizona (Whyzen Analytics reporting tool) through August 31, 2023.

For the month of August, Medical paid claims were approximately \$1,771,000 while net Rx claims were about \$511,000. For the 2023 plan year-to-date, claims and expenses (after stop-loss reimbursements and pharmacy rebates) exceeded contributions by approximately \$1,134,000 or 6.8% of contributions. Based on paid claims and expenses, Actives and Retirees on the Red Plan, as well as Actives on the Blue Plan, and Retirees on the White Plan experienced an operating deficit, as displayed on Page 8.

There are twelve claimants with paid claims in excess of \$100,000 during the reporting period. There are three individuals in the current plan year who has exceeded the stop loss deductible of \$350,000.

Expenses included in this report are medical plan administration, stop-loss premium, capitation for behavioral health & chiropractic services, value based services, out-of-network shared savings costs, HSA administration, and fees associated with the Affordable Care Act. Also included is the amount of \$99,454 per month from the 2023 Operating Budget. These expenses exclude those funded by Blue Cross Blue Shield of Arizona. These expenses include categories such as wellness incentives, wellness portal, personnel support, audit & financial services, promotional, operating supplies & equipment, bank charges, contractual services, IT reports, and health savings and flex account contributions.

In August 2023, approximately 39.8% of all active employees and retirees were enrolled in the Red plan, with 5.1% enrolled in the Blue plan, and 55.1% enrolled in the White plan. The current

average total enrollment in 2023 is approximately 2.2% higher than the 2022 average enrollment.

I look forward to discussing this report with you.

Sincerely yours,

A handwritten signature in black ink that reads "Rachel Calisi". The script is cursive and fluid, with the first name "Rachel" and last name "Calisi" clearly distinguishable.

Rachel Calisi  
Senior Health Consultant



**City of Chandler**

# Medical/Rx Monthly Reporting: January 2023 - December 2023

(Data Through August 2023)

10/10/2023

Presented by: Rachel Calisi

**Segal**

# City of Chandler

## HealthPlan Dashboard - Data thru August 2023

### Financial

Income vs Paid Medical/Rx Claims + Expenses			
	Aug'23	Jan'23-Aug'23	Jan'22-Dec'22
Contributions (PEPM)	\$1,143.23	\$1,141.04	\$1,063.64
Net Paid Medical Claims (PEPM)	\$839.88	\$800.82	\$847.10
Net Paid Rx Claims (PEPM)	\$280.84	\$235.81	\$201.38
Total Claims (PEPM)	\$1,120.71	\$1,036.63	\$1,048.48
Stop Loss & Adm Expenses (PEPM)	\$183.76	\$182.46	\$161.99
Total Claims & Expenses (PEPM)	\$1,304.47	\$1,219.09	\$1,210.47
Surplus/Deficit (PEPM)	-\$161.24	-\$78.05	-\$146.83
Loss Ratio	114%	107%	114%
PEPM % Change	7.0%	0.7%	

### Prescription Drugs (Rx)

Pharmacy Spend <sup>2</sup>			
	Jan'23-Aug'23	Jan'22-Dec'22	% Change
Generic (PEPM)	\$31.55	\$29.53	6.9%
Brand Preferred (PEPM)	\$223.35	\$227.47	-1.8%
Brand Non-Preferred (PEPM)	\$11.95	\$13.40	-10.8%
Specialty (PEPM)	\$168.57	\$106.53	58.2%
Total (PEPM)	\$435.43	\$376.94	15.5%
Pharmacy Retail vs Mail Order			
	Jan'23-Aug'23	Jan'22-Dec'22	% Change
Retail Scripts PMPY	9.52	14.19	-32.9%
Mail Order Scripts PMPY	0.29	0.26	11.2%
% Mail Order	3.0%	1.8%	63.9%
Pharmacy Per Script Metrics <sup>2</sup>			
	Jan'23-Aug'23	Jan'22-Dec'22	% Change
Generic Dispensing Rate	81.5%	82.2%	-0.8%
Generic Plan Paid/Script	\$10.13	\$9.41	7.6%
Brand Plan Paid/Script	\$349.43	\$368.71	-5.2%
Specialty Plan Paid/Script	\$4,942.92	\$3,940.46	25.4%
Total Plan Paid/Script	\$113.87	\$98.71	15.4%

### Enrollment

Demographics			
	Aug'23	Jan'23-Aug'23	Jan'22-Dec'22
Avg. # of Employees	1,819	1,812	1,773
Avg. # of Members	4,675	4,668	4,650
Ratio Members to EEs	2.57	2.58	2.62
Age/Gender Index <sup>1</sup>	-	0.981	0.973

### Medical Utilization

Large Claimants (> \$100,000)			
	Jan'23-Aug'23	Jan'22-Aug'22	% Change
# of Claimants	12	23	-47.8%
\$ of Medical/Rx Paid Claims	\$3,287,335	\$4,114,187	-20.1%
% of Medical/Rx Paid Claims	19.7%	28.1%	-30.0%
Inpatient Hospital			
	Jan'23-Aug'23	Jan'22-Dec'22	% Change
Bed Days/1,000	290.8	350.7	-17.1%
Avg Length of Stay	6.3	6.9	-8.6%

### Medical Network

Medical In-Network Usage & Discounts			
	Jan'23-Aug'23	Jan'22-Dec'22	% Change
In-Network Allowed %	97.8%	97.3%	0.6%
Discount from Billed <sup>5</sup>	68.9%	66.4%	3.8%

### Medical/Rx Plan Design

Medical/Rx Plan - Member Cost Sharing <sup>3</sup>			
	Jan'23-Aug'23	Jan'22-Dec'22	% Change
Member Cost Share %	15.1%	13.4%	12.7%
Plan Paid %	84.9%	86.6%	-2.0%

(1) BCBS factor for measuring the cost deviation of a population from that of a benchmark population based on age and gender attributes.

(2) The amount that plan participants enrolled in the White plan pay for their prescription drugs is not included in the Pharmacy Spend and Pharmacy Per Script Metric sections of the Dashboard because the information is not available broken down by pharmacy category in the BCBSAZ Whyzen system. Differences in pharmacy spend may also be due to the reporting data source.

(3) Cost share means the member's out-of-pocket expense compared to the sum of plan paid claims plus member out-of-pocket. Percentages do not reflect employee contributions.

(4) Percentages are rounded to the first decimal. (5) Dashboard Large Claims data is taken from the BCBSAZ Whyzen reporting tool, which is a utilization "snapshot in time" possibly resulting in a difference between the dashboard and the monthly report.

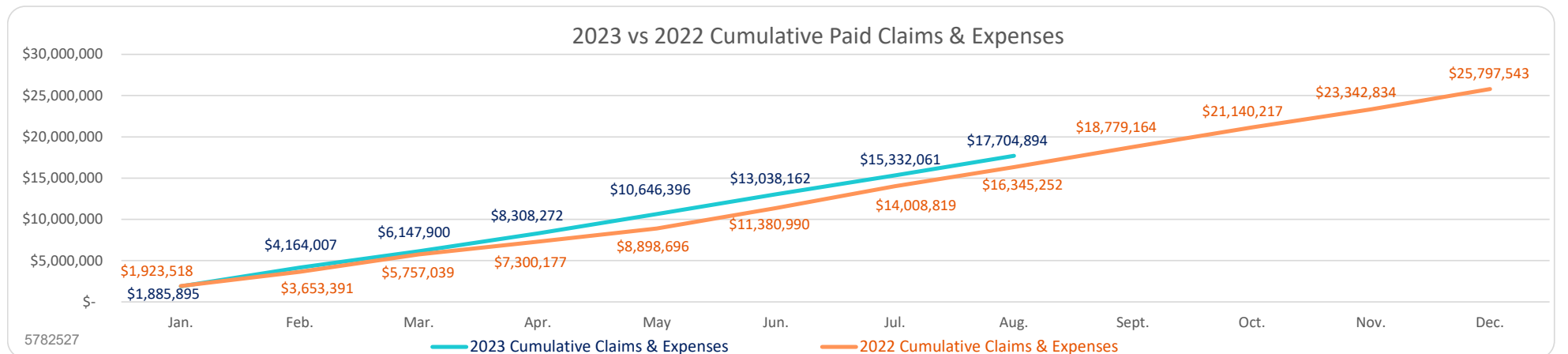
**City of Chandler**  
**2022-2023 Medical/Rx Contributions and Expenses**  
**Year-to-date through August 2023**

Month	Enrollment	Contributions <sup>1</sup>	Medical Paid <sup>2,3</sup>	Stop Loss Refunds	Rx Paid	Net Claims	Expenses <sup>4</sup>	Total Paid Claims and Expenses	Surplus/ (Deficit)	Total Loss Ratio
Jan-22	1,760	\$1,871,210	\$1,507,401	(\$191,783)	\$326,101	\$1,641,719	\$281,799	\$1,923,518	(\$52,308)	102.8%
Feb-22	1,756	\$1,865,487	\$1,231,204	(\$21,351)	\$235,866	\$1,445,719	\$284,154	\$1,729,873	\$135,614	92.7%
Mar-22	1,747	\$1,857,678	\$1,649,945	(\$117,877)	\$288,374	\$1,820,442	\$283,206	\$2,103,648	(\$245,971)	113.2%
Apr-22	1,748	\$1,858,559	\$818,074	\$123,627	\$318,247	\$1,259,948	\$283,190	\$1,543,138	\$315,421	83.0%
May-22	1,751	\$1,861,273	\$1,078,484	(\$78,321)	\$317,526	\$1,317,688	\$280,830	\$1,598,519	\$262,755	85.9%
Jun-22	1,760	\$1,873,065	\$1,879,251	(\$100,053)	\$415,766	\$2,194,964	\$287,330	\$2,482,294	(\$609,229)	132.5%
Jul-22	1,751	\$1,866,769	\$2,082,781	(\$74,800)	\$336,149	\$2,344,130	\$283,699	\$2,627,829	(\$761,060)	140.8%
Aug-22	1,786	\$1,900,415	\$1,848,497	(\$226,992)	\$427,426	\$2,048,932	\$287,501	\$2,336,433	(\$436,018)	122.9%
Sep-22	1,808	\$1,923,563	\$1,923,765	(\$138,353)	\$358,691	\$2,144,102	\$289,810	\$2,433,912	(\$510,349)	126.5%
Oct-22	1,809	\$1,924,393	\$1,704,342	(\$119,102)	\$466,946	\$2,052,187	\$308,866	\$2,361,053	(\$436,660)	122.7%
Nov-22	1,815	\$1,930,281	\$1,721,274	(\$226,115)	\$416,835	\$1,911,995	\$290,621	\$2,202,616	(\$272,336)	114.1%
Dec-22	1,821	\$1,935,584	\$1,927,357	(\$147,886)	\$383,966	\$2,163,436	\$291,273	\$2,454,710	(\$519,126)	126.8%
<b>2022 Total</b>	<b>21,312</b>	<b>\$22,668,277</b>	<b>\$19,372,376</b>	<b>(\$1,319,006)</b>	<b>\$4,291,893</b>	<b>\$22,345,263</b>	<b>\$3,452,281</b>	<b>\$25,797,543</b>	<b>(\$3,129,267)</b>	<b>113.8%</b>
<b>2022 Avg.</b>	<b>1,776</b>	<b>\$1,889,023</b>	<b>\$1,614,365</b>	<b>(\$109,917)</b>	<b>\$357,658</b>	<b>\$1,862,105</b>	<b>\$287,690</b>	<b>\$2,149,795</b>	<b>(\$260,772)</b>	<b>113.8%</b>
Jan-23	1,813	\$2,072,635	\$1,757,955	(\$529,140)	\$346,274	\$1,575,089	\$310,806	\$1,885,895	\$186,740	91.0%
Feb-23	1,809	\$2,065,461	\$2,234,521	(\$651,299)	\$373,487	\$1,956,708	\$321,404	\$2,278,112	(\$212,651)	110.3%
Mar-23	1,810	\$2,069,164	\$1,496,646	(\$141,915)	\$307,300	\$1,662,031	\$321,862	\$1,983,893	\$85,271	95.9%
Apr-23	1,803	\$2,055,673	\$1,389,050	(\$29,892)	\$472,317	\$1,831,474	\$328,899	\$2,160,373	(\$104,700)	105.1%
May-23	1,815	\$2,067,151	\$1,519,940	(\$28,001)	\$498,414	\$1,990,353	\$347,770	\$2,338,123	(\$270,973)	113.1%
Jun-23	1,825	\$2,076,418	\$1,596,502	\$2,865	\$451,471	\$2,050,838	\$340,928	\$2,391,766	(\$315,348)	115.2%
Jul-23	1,829	\$2,085,306	\$1,557,845	(\$72,498)	\$464,618	\$1,949,965	\$343,934	\$2,293,899	(\$208,593)	110.0%
Aug-23	1,819	\$2,079,534	\$1,771,460	(\$243,721)	\$510,839	\$2,038,578	\$334,255	\$2,372,833	(\$293,299)	114.1%
Sep-23										
Oct-23										
Nov-23										
Dec-23										
<b>2023 Total</b>	<b>14,523</b>	<b>\$16,571,343</b>	<b>\$13,323,918</b>	<b>(\$1,693,602)</b>	<b>\$3,424,721</b>	<b>\$15,055,037</b>	<b>\$2,649,858</b>	<b>\$17,704,894</b>	<b>(\$1,133,551)</b>	<b>106.8%</b>
<b>2023 Avg.</b>	<b>1,815</b>	<b>\$2,071,418</b>	<b>\$1,665,490</b>	<b>(\$211,700)</b>	<b>\$428,090</b>	<b>\$1,881,880</b>	<b>\$331,232</b>	<b>\$2,213,112</b>	<b>(\$141,694)</b>	<b>106.8%</b>

(1) Contributions for COBRA are assumed to be the same as the Actives. (2) Medical Paid claims include BCBSAZ AEA amounts, access fees, and capitation.

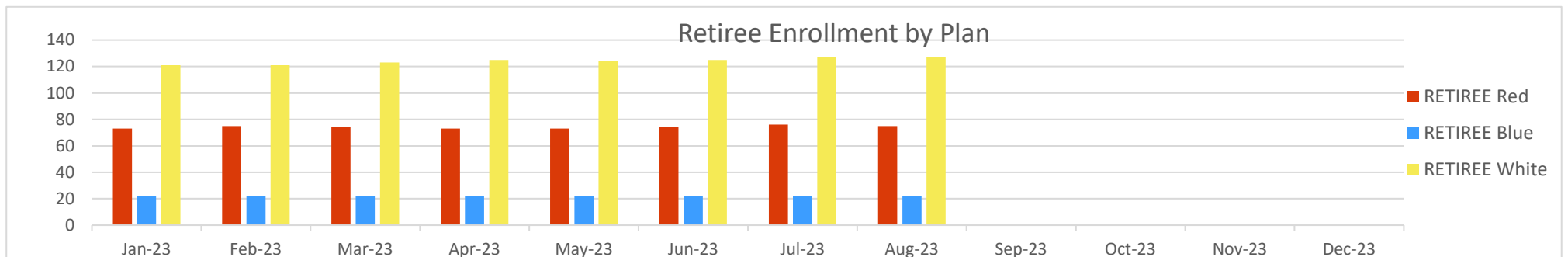
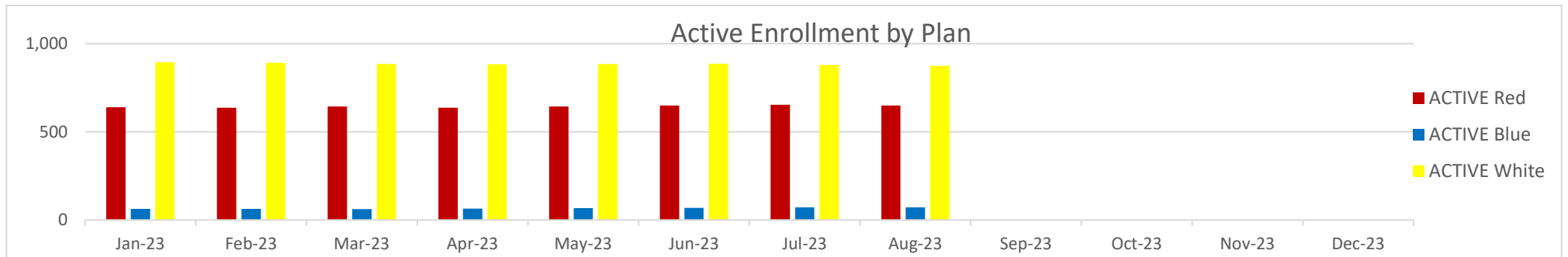
(3) Medical Paid claims includes retroactive adjustments which causes discrepancies when comparing to BCBSAZ invoices. (4) Expenses include prorated monthly PCORI fees.

(5) Enrollment may change retrospectively based on updated BCBSAZ reporting.

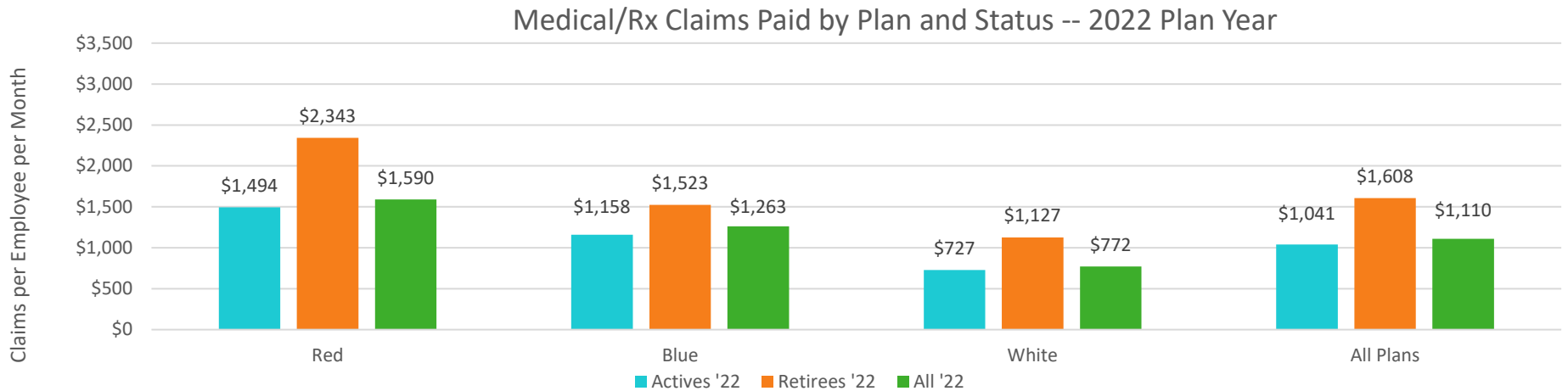
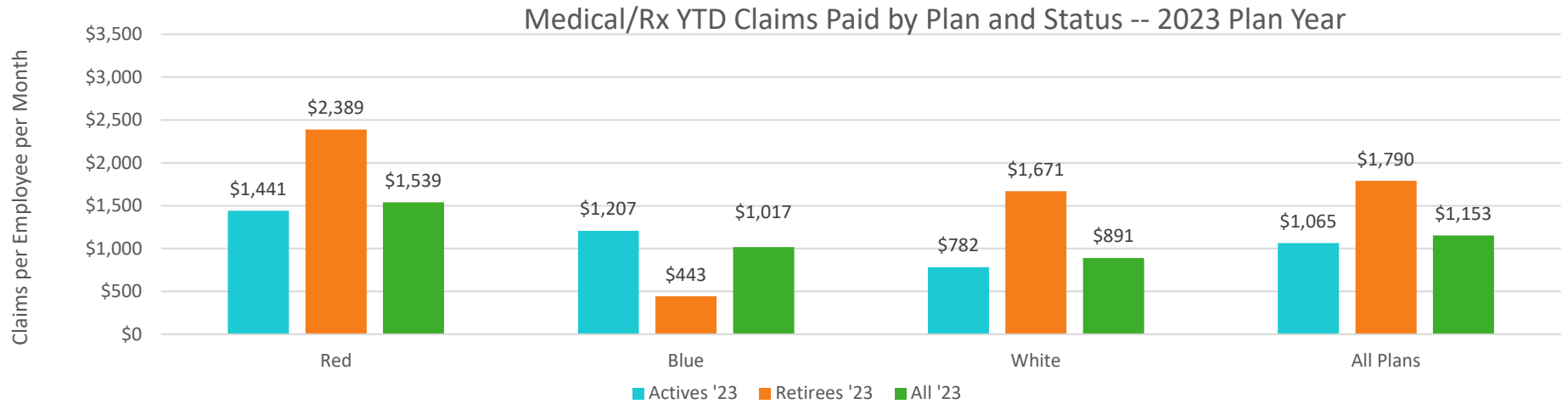


**City of Chandler**  
**2023 Enrollment by Status and Plan**  
**Year-to-date through August 2023**

	ACTIVE				RETIREE				TOTAL			
	Red	Blue	White	Total	Red	Blue	White	Total	Red	Blue	White	Total
Jan-23	639	63	895	1,597	73	22	121	216	712	85	1,016	1,813
Feb-23	637	63	891	1,591	75	22	121	218	712	85	1,012	1,809
Mar-23	644	62	885	1,591	74	22	123	219	718	84	1,008	1,810
Apr-23	636	64	883	1,583	73	22	125	220	709	86	1,008	1,803
May-23	644	67	885	1,596	73	22	124	219	717	89	1,009	1,815
Jun-23	649	69	886	1,604	74	22	125	221	723	91	1,011	1,825
Jul-23	654	71	879	1,604	76	22	127	225	730	93	1,006	1,829
Aug-23	649	71	875	1,595	75	22	127	224	724	93	1,002	1,819
Sep-23												
Oct-23												
Nov-23												
Dec-23												
<b>2023 Avg.</b>	<b>644</b>	<b>66</b>	<b>885</b>	<b>1,595</b>	<b>74</b>	<b>22</b>	<b>124</b>	<b>220</b>	<b>718</b>	<b>88</b>	<b>1,009</b>	<b>1,815</b>
<b>% of Total</b>	<b>35%</b>	<b>4%</b>	<b>49%</b>	<b>88%</b>	<b>4%</b>	<b>1%</b>	<b>7%</b>	<b>12%</b>	<b>40%</b>	<b>5%</b>	<b>56%</b>	<b>100%</b>
2022 Avg.	604	64	892	1,559	77	26	114	217	681	90	1,005	1,776
% Change	7%	4%	-1%	2%	-4%	-15%	9%	2%	5%	-2%	0%	2%



**City of Chandler**  
**2023 Medical/Rx Paid Claims by Plan and Status**  
**Year-to-date through August 2023**



**Notes:**

Paid claims illustrated include capitation but are not reduced for stop loss reimbursements and prescription drug rebates.

The claims information by Active and Retiree status is approximate based on the status information reported to Blue Cross Blue Shield as of the date the claim was adjudicated.



**City of Chandler**  
**2023 Contributions and Paid Claims by Status and Plan**  
**Year-to-date through August 2023**

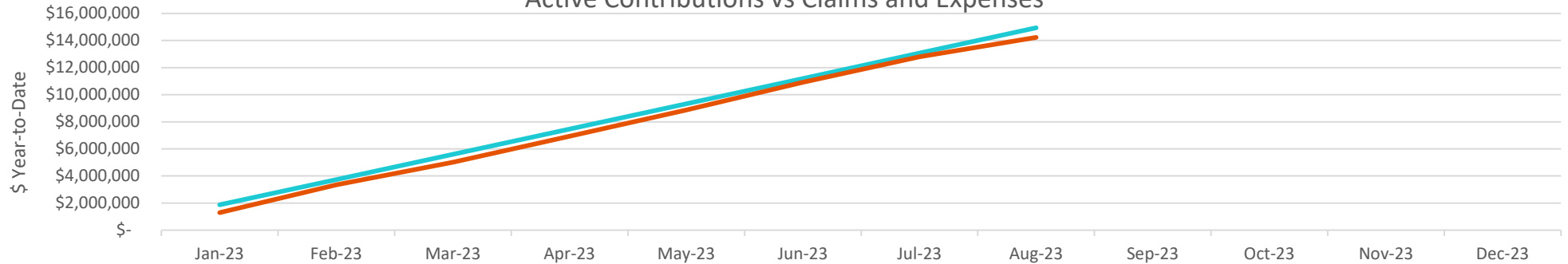
	ACTIVE				RETIREE				TOTAL			
	Enrollment	Contributions	Claims & Expenses	Active Loss Ratio	Enrollment	Contributions	Claims & Expenses	Retiree Loss Ratio	Enrollment	Contributions	Total Claims & Expenses	Total Loss Ratio
<b>All Plans</b>	12,761	\$14,940,349	\$15,923,397	107%	1,762	\$1,630,995	\$3,475,099	213%	14,523	\$16,571,343	\$19,398,496	117%
<b>% of Total</b>	88%	90%	82%		12%	10%	18%		100%	100%	100%	
<b>Red Plan</b>	5,152	\$7,391,404	\$8,362,699	113%	593	\$650,152	\$1,524,939	235%	5,745	\$8,041,556	\$9,887,638	123%
<b>% of Total</b>	90%	92%	85%		10%	8%	15%		40%	49%	51%	
<b>Blue Plan</b>	530	\$558,492	\$736,695	132%	176	\$163,798	\$110,118	67%	706	\$722,289	\$846,813	117%
<b>% of Total</b>	75%	77%	87%		25%	23%	13%		5%	4%	4%	
<b>White Plan</b>	7,079	\$6,990,453	\$6,824,004	98%	993	\$817,045	\$1,840,041	225%	8,072	\$7,807,498	\$8,664,045	111%
<b>% of Total</b>	88%	90%	79%		12%	10%	21%		56%	47%	45%	

**Notes:** Paid claims include capitation but are unadjusted for stop loss reimbursements.

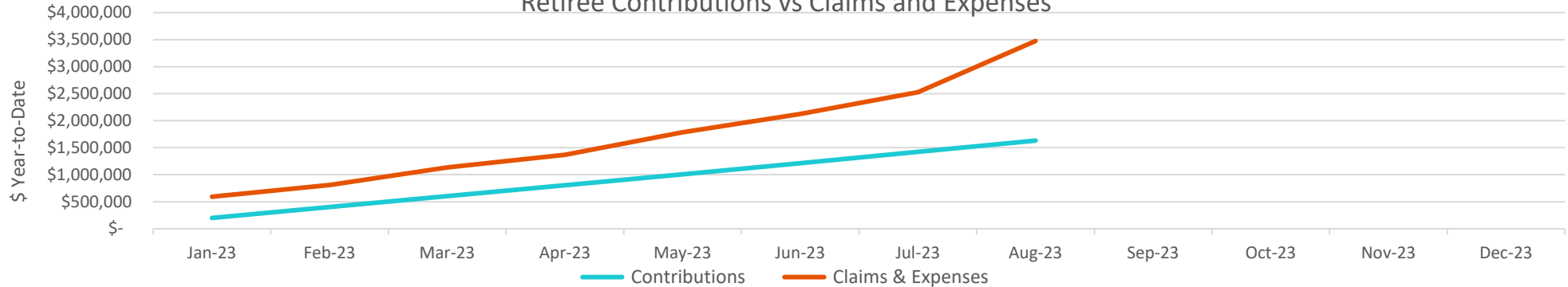
Percent of Total rows sum Active and Retiree columns by plan and show each plan's percentage of the total in the Total columns.

The claims information by Active and Retiree is approximate based on the status information reported to Blue Cross Blue Shield as of the date the claim was adjudicated.

**Active Contributions vs Claims and Expenses**



**Retiree Contributions vs Claims and Expenses**



**City of Chandler**  
**Enrollment by Tier**  
**Year-to-date through August 2023**

Actives												
	Red				Blue				White			
Month	EE	EE+SP	EE+Ch(rn)	EE+Fam	EE	EE+SP	EE+Ch(rn)	EE+Fam	EE	EE+SP	EE+Ch(rn)	EE+Fam
Jan-23	171	137	91	240	31	7	13	12	293	105	93	404
Feb-23	173	133	92	239	32	7	12	12	294	100	91	406
Mar-23	176	136	93	239	31	7	12	12	291	99	89	406
Apr-23	174	137	95	230	31	7	12	14	291	98	88	406
May-23	177	140	95	232	33	7	13	14	297	96	88	404
Jun-23	183	143	95	228	33	8	13	15	297	94	88	407
Jul-23	183	141	97	233	35	8	12	16	295	93	88	403
Aug-23	178	140	96	235	35	8	12	16	292	93	88	402
Sep-23												
Oct-23												
Nov-23												
Dec-23												
<b>2023 Total</b>	<b>1,415</b>	<b>1,107</b>	<b>754</b>	<b>1,876</b>	<b>261</b>	<b>59</b>	<b>99</b>	<b>111</b>	<b>2,350</b>	<b>778</b>	<b>713</b>	<b>3,238</b>
<b>2023 Avg.</b>	<b>177</b>	<b>138</b>	<b>94</b>	<b>235</b>	<b>33</b>	<b>7</b>	<b>12</b>	<b>14</b>	<b>294</b>	<b>97</b>	<b>89</b>	<b>405</b>

Retirees												
	Red				Blue				White			
Month	Retiree	Ret+SP	Ret+Ch(rn)	Ret+Fam	Retiree	Ret+SP	Ret+Ch(rn)	Ret+Fam	Retiree	Ret+SP	Ret+Ch(rn)	Ret+Fam
Jan-23	39	29	3	2	12	9	0	1	52	49	4	16
Feb-23	40	30	3	2	12	9	0	1	54	48	4	15
Mar-23	40	29	3	2	12	9	0	1	54	48	5	16
Apr-23	40	28	3	2	12	9	0	1	54	48	6	17
May-23	40	28	3	2	12	9	0	1	53	48	6	17
Jun-23	40	29	3	2	12	9	0	1	53	47	6	19
Jul-23	39	32	3	2	12	9	0	1	55	45	7	20
Aug-23	38	32	3	2	12	9	0	1	54	45	7	21
Sep-23												
Oct-23												
Nov-23												
Dec-23												
<b>2023 Total</b>	<b>316</b>	<b>237</b>	<b>24</b>	<b>16</b>	<b>96</b>	<b>72</b>	<b>0</b>	<b>8</b>	<b>429</b>	<b>378</b>	<b>45</b>	<b>141</b>
<b>2023 Avg.</b>	<b>40</b>	<b>30</b>	<b>3</b>	<b>2</b>	<b>12</b>	<b>9</b>	<b>0</b>	<b>1</b>	<b>54</b>	<b>47</b>	<b>6</b>	<b>18</b>

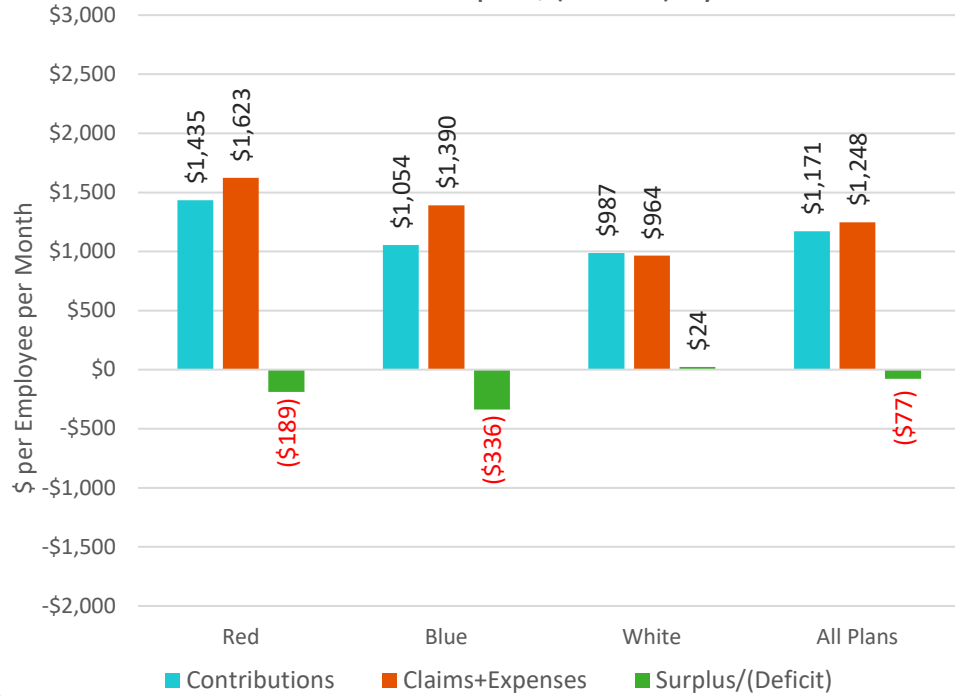
**City of Chandler  
Enrollment by Tier  
Plan Year 2022**

Actives												
Month	Red				Blue				White			
	EE	EE+SP	EE+Ch(rn)	EE+Fam	EE	EE+SP	EE+Ch(rn)	EE+Fam	EE	EE+SP	EE+Ch(rn)	EE+Fam
Jan-22	148	136	81	226	26	6	10	14	277	117	100	415
Feb-22	145	136	81	223	26	7	10	14	278	115	99	413
Mar-22	141	136	81	222	25	8	10	14	278	111	99	410
Apr-22	144	135	82	223	25	8	10	14	278	110	97	407
May-22	146	132	83	225	28	9	11	14	276	110	96	405
Jun-22	151	134	85	225	28	9	12	15	271	110	96	405
Jul-22	149	133	87	225	29	9	12	15	268	107	94	403
Aug-22	154	137	89	229	33	8	13	16	277	109	93	407
Sep-22	158	140	91	232	32	8	14	16	284	110	91	409
Oct-22	163	132	90	240	29	8	15	16	292	107	89	406
Nov-22	168	133	91	243	31	8	15	16	292	105	89	405
Dec-22	173	133	91	242	32	7	15	17	291	105	90	406
<b>2022 Total</b>	<b>1,840</b>	<b>1,617</b>	<b>1,032</b>	<b>2,755</b>	<b>344</b>	<b>95</b>	<b>147</b>	<b>181</b>	<b>3,362</b>	<b>1,316</b>	<b>1,133</b>	<b>4,891</b>
<b>2022 Avg.</b>	<b>153</b>	<b>135</b>	<b>86</b>	<b>230</b>	<b>29</b>	<b>8</b>	<b>12</b>	<b>15</b>	<b>280</b>	<b>110</b>	<b>94</b>	<b>408</b>

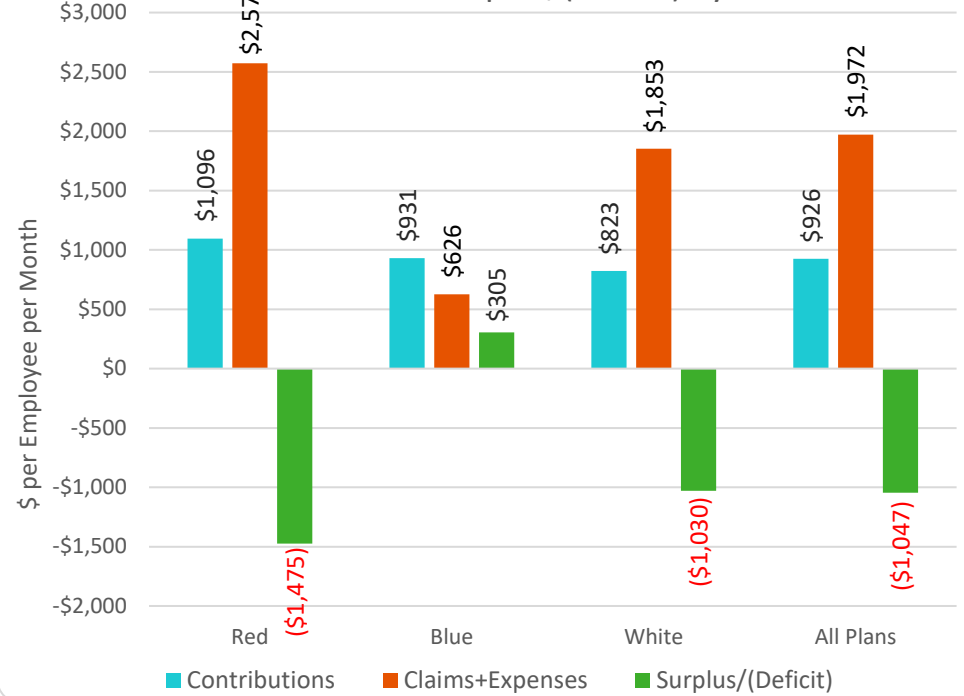
Retirees												
Month	Red				Blue				White			
	Retiree	Ret+SP	Ret+Ch(rn)	Ret+Fam	Retiree	Ret+SP	Ret+Ch(rn)	Ret+Fam	Retiree	Ret+SP	Ret+Ch(rn)	Ret+Fam
Jan-22	33	32	5	3	14	13	0	0	47	44	4	9
Feb-22	34	33	5	3	14	12	0	1	48	44	4	11
Mar-22	33	34	5	3	14	12	0	1	48	45	4	13
Apr-22	36	33	5	3	14	12	0	1	47	45	4	15
May-22	37	34	4	3	14	12	0	1	49	44	3	15
Jun-22	37	34	4	3	14	12	0	1	50	44	3	17
Jul-22	37	35	4	3	14	11	0	1	48	47	3	17
Aug-22	37	35	4	3	14	10	0	1	49	47	4	17
Sep-22	36	35	4	4	14	10	0	1	50	48	4	17
Oct-22	37	35	4	3	13	10	0	1	51	48	3	17
Nov-22	37	33	4	3	13	10	0	1	52	46	4	16
Dec-22	38	32	4	4	12	10	0	1	52	46	4	16
<b>2022 Total</b>	<b>432</b>	<b>405</b>	<b>52</b>	<b>38</b>	<b>164</b>	<b>134</b>	<b>0</b>	<b>11</b>	<b>591</b>	<b>548</b>	<b>44</b>	<b>180</b>
<b>2022 Avg.</b>	<b>36</b>	<b>34</b>	<b>4</b>	<b>3</b>	<b>14</b>	<b>11</b>	<b>0</b>	<b>1</b>	<b>49</b>	<b>46</b>	<b>4</b>	<b>15</b>

**City of Chandler**  
**2023 Contributions and Expenses by Status and Plan**  
**Year-to-date through August 2023**

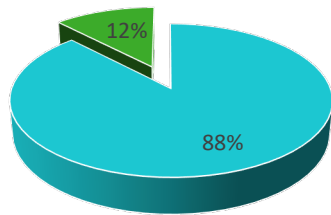
**Active Surplus/(Deficit) by Plan**



**Retiree Surplus/(Deficit) by Plan**

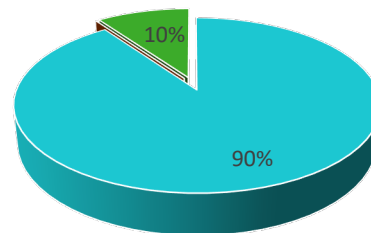


**Enrollment**



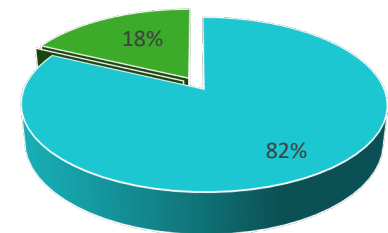
■ Active % ■ Retiree %

**Contributions**



■ Active ■ Retiree

**Claims and Expenses**



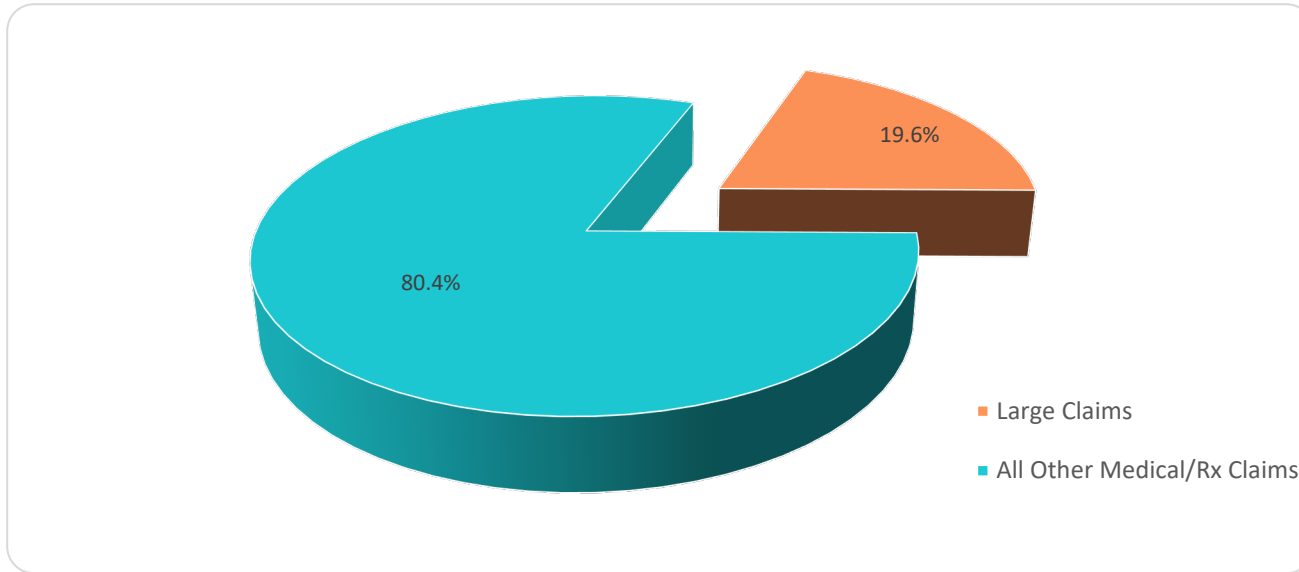
■ Active ■ Retiree

Claims include capitation (allocated by claims paid year-to-date), but are unreduced for stop loss reimbursements.

The claims information by Active and Retiree status is approximate based on the status information reported to Blue Cross as of the date the claim was adjudicated.

Expenses on these graphs are limited to self-insurance administrative fees, PCORI fees, and paid claims.

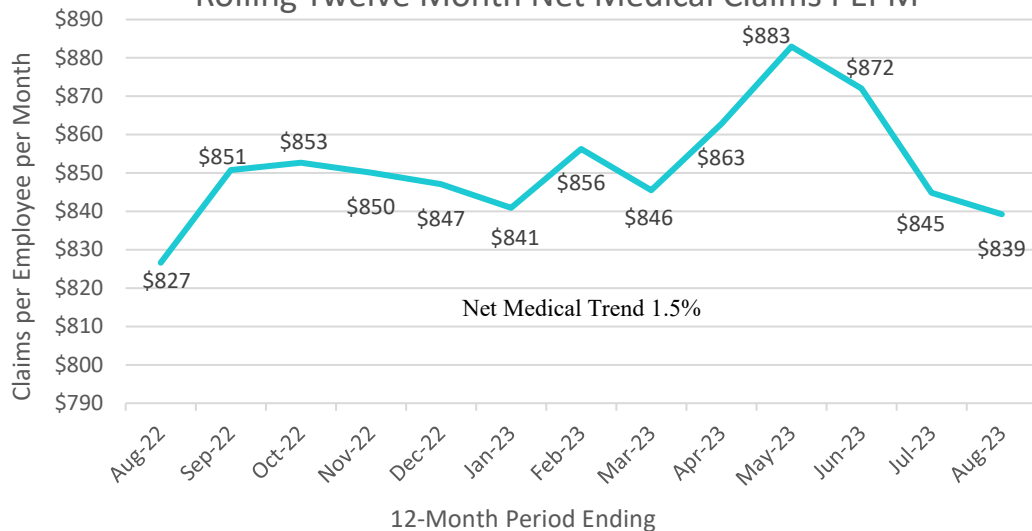
**City of Chandler**  
**2023 Incurred Medical Claims Paid in Excess of \$100,000**  
**Year-to-date through August 2023**



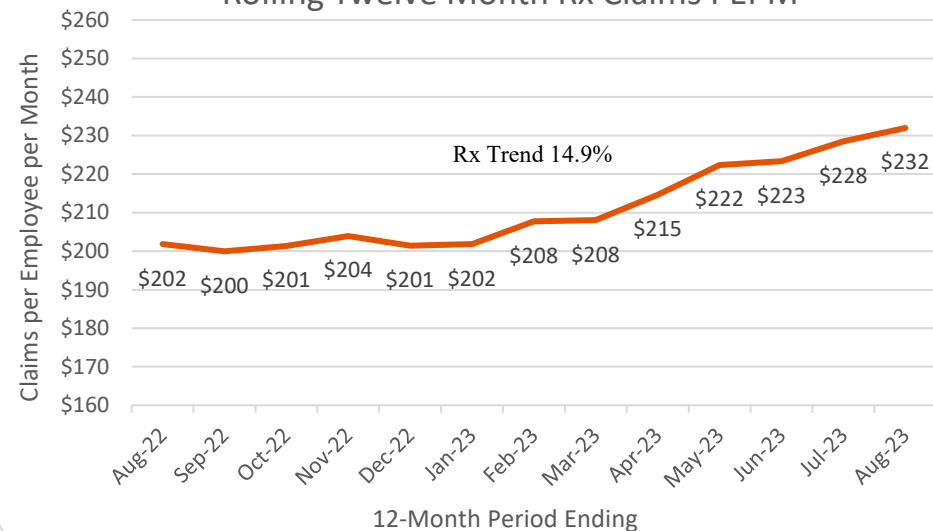
Rank	Plan	Medical/Rx Paid YTD	Medical/Rx Paid in Excess of \$350K Stop Loss Deductible
1	White Plan	\$697,567	\$347,567
2	Red Plan	\$439,349	\$89,349
3	White Plan	\$388,292	\$38,292
4	Red Plan	\$309,473	\$0
5	White Plan	\$268,973	\$0
6	White Plan	\$266,737	\$0
7	White Plan	\$251,089	\$0
8	Blue Plan	\$167,489	\$0
9	Red Plan	\$137,948	\$0
10	Red Plan	\$129,255	\$0
11	White Plan	\$124,912	\$0
12	White Plan	\$106,250	\$0
<b>Total of twelve claimants</b>		<b>\$3,287,335</b>	<b>\$475,209</b>
<b>Percentage of Total Medical/Rx Paid:</b>		<b>19.6%</b>	

**City of Chandler**  
**Thirteen Month Snapshot - Medical and Rx Plan Paid Claims Through August 2023**

**Rolling Twelve Month Net Medical Claims PEPM**



**Rolling Twelve Month Rx Claims PEPM**



Twelve Month Period Ending	(a) Enrollment	(b) Medical Claims Paid	(c) Stop Loss Reimbursements	(d)=(b)+(c) Net Medical Claims	(e) Rx Paid	(f)=(d)+(e) Net Claims	(d)/(a) Net Medical Claims PEPM	(e)/(a) Rx Claims PEPM
Aug-22	20,996	\$18,725,563	(\$1,369,990)	\$17,355,574	\$4,236,868	\$21,592,441	\$826.61	\$201.79
Sep-22	21,087	\$19,317,256	(\$1,376,623)	\$17,940,633	\$4,216,574	\$22,157,206	\$850.79	\$199.96
Oct-22	21,163	\$19,420,783	(\$1,375,851)	\$18,044,932	\$4,260,514	\$22,305,446	\$852.66	\$201.32
Nov-22	21,243	\$19,475,389	(\$1,417,669)	\$18,057,719	\$4,332,196	\$22,389,915	\$850.06	\$203.94
Dec-22	21,312	\$19,372,376	(\$1,319,006)	\$18,053,370	\$4,291,893	\$22,345,263	\$847.10	\$201.38
Jan-23	21,365	\$19,622,929	(\$1,656,363)	\$17,966,567	\$4,312,066	\$22,278,633	\$840.93	\$201.83
Feb-23	21,418	\$20,626,247	(\$2,286,311)	\$18,339,935	\$4,449,687	\$22,789,622	\$856.29	\$207.75
Mar-23	21,481	\$20,472,947	(\$2,310,350)	\$18,162,598	\$4,468,614	\$22,631,211	\$845.52	\$208.03
Apr-23	21,536	\$21,043,923	(\$2,463,869)	\$18,580,054	\$4,622,683	\$23,202,738	\$862.74	\$214.65
May-23	21,600	\$21,485,380	(\$2,413,549)	\$19,071,831	\$4,803,572	\$23,875,402	\$882.96	\$222.39
Jun-23	21,665	\$21,202,631	(\$2,310,632)	\$18,891,999	\$4,839,277	\$23,731,276	\$872.01	\$223.37
Jul-23	21,743	\$20,677,694	(\$2,308,329)	\$18,369,365	\$4,967,746	\$23,337,111	\$844.84	\$228.48
Aug-23	21,776	\$20,600,656	(\$2,325,058)	\$18,275,598	\$5,051,159	\$23,326,757	\$839.25	\$231.96

**Notes:**

Medical Claims Paid includes capitation.



**Health Care Benefits Trust Board      Human Resources   Memo No.**

**Date:**      11/16/2023  
**To:**      Health Care Benefits Trust Board  
**From:**      Teresa Canjar, Management Assistant  
**Subject:** **Financial Statements and Wellness Report - Management Services**

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**Attachments**

HCBT Financials - as of 9-30-23  
CY Wellness Report - Trust Board- SEP 23

**CITY OF CHANDLER**  
**Chandler Health Care Benefits Self-Insurance Trust Fund**  
**Statement of Net Position**  
**September 30, 2023**

**ASSETS**

Cash and investments	\$ 18,018,840
Accrued interest	108,244
Due from City - premiums	4,230,642
Accounts Receivable	102,853
<b>Total assets</b>	<u>22,460,578</u>

**LIABILITIES**

Compensated absences payable	44,792
Claims incurred but not reported (IBNR) Current 90%	3,085,200
Claims incurred but not reported (IBNR) Non-current 10%	342,800
Employees claims payable, due to Blue Cross Blue Shield	1,559,871
Retirees claims payable, due to Blue Cross Blue Shield	446,502
COBRA claims payable, due to Blue Cross Blue Shield	3,455
<b>Total liabilities</b>	<u>5,482,620</u>

**NET POSITION**

Unrestricted	16,977,958
<b>Total net position</b>	<u>\$ 16,977,958</u>

**Note:** December 31, 2022 minimum end of year reserve including IBNR and two months costs as projected by Segal Consulting.

\$ 8,314,000



**CITY OF CHANDLER**  
**Chandler Health Care Benefits Self-Insurance Trust Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Nine Months Ended September 30, 2023**

	<b>2023 Budget</b>	<b>2023 Budget Prorated</b>	<b>Actuals</b>	<b>Budget to Actual Difference</b>
<b>OPERATING REVENUES</b>				
Contributions:				
Employer self insurance premiums	\$ 19,983,795	14,987,846	\$ 14,555,705	\$ (432,141)
Employee self insurance premiums	2,297,780	1,723,335	2,165,228	441,893
Retiree premiums	2,381,820	1,786,365	1,841,107	54,742
COBRA premiums	54,105	40,579	36,735	(3,844)
Other:				
BCBS wellness programs	25,000	25,000	25,000	-
BCBS wellness coordinator	100,000	100,000	100,000	-
BCBS administration	25,000	25,000	25,000	-
BCBS communication	30,000	30,000	30,000	-
Recovery of medical claims	30,000	22,500	5,662	(16,838)
<b>Total operating revenues</b>	<b>24,927,500</b>	<b>18,740,625</b>	<b>18,784,438</b>	<b>43,813</b>
<b>OPERATING EXPENSES</b>				
Personnel support	472,335	363,335	306,980	(56,354)
Audits & financial services	9,000	6,923	8,580	1,657
Promotional	30,000	22,500	600	(21,900)
Operating supplies & equipment	40,027	30,020	11,219	(18,801)
Bank charges	400	300	248	(52)
Contractual services	180,000	135,000	(995)	(135,995)
Other:				
Self-insurance administrative fees	2,960,896	2,220,672	1,894,719	(325,953)
PCORI fees	11,000	-	10,200	10,200
Wellness programs	137,350	103,013	28,688	(74,324)
Health savings & flex spending acct contributions	292,800	292,800	196,000	(96,800)
Claims paid:				
Employees	19,876,000	14,907,000	13,374,224	(1,532,776)
Retirees	4,481,000	3,360,750	3,596,722	235,972
COBRA	143,000	107,250	259,886	152,636
<b>Total operating expenses</b>	<b>28,633,808</b>	<b>21,549,562</b>	<b>19,687,072</b>	<b>(1,862,491)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,706,308)</b>	<b>(2,808,937)</b>	<b>(902,634)</b>	<b>1,906,303</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Transfers Out - Technology Fund	(5,530)	(5,530)	(5,530)	-
Transfers In - General Fund	5,000,000	5,000,000	5,000,000	-
Interest income (loss)	407,450	305,588	856,116	550,529
<b>Total nonoperating revenues (expenses)</b>	<b>5,401,920</b>	<b>5,300,058</b>	<b>5,850,586</b>	<b>550,529</b>
<b>Change in net position</b>	<b>1,695,612</b>	<b>2,491,120</b>	<b>4,947,952</b>	<b>2,456,831</b>
<b>NET POSITION:</b>				
<b>Total net position, as of January 1, 2023</b>	<b>12,030,006</b>	<b>12,030,006</b>	<b>12,030,006</b>	<b>-</b>
<b>Total net position, as of September 30, 2023</b>	<b>\$ 13,725,618</b>	<b>\$ 14,521,126</b>	<b>\$ 16,977,958</b>	<b>\$ 2,456,831</b>

**CITY OF CHANDLER**  
**Chandler Health Care Benefits Self-Insurance Trust Fund**  
**Statement of Cash Flows**  
**For the Nine Months Ended September 30, 2023**

**Cash flows from operating activities:**

Cash received for premiums and other operating purposes	\$ 17,239,803
Cash payments for claims	(17,387,368)
Cash payments to suppliers for other services	(2,157,181)
Cash payments to employees for services	(317,744)
Net cash provided by operating activities	<u>(2,622,490)</u>

**Cash flows from noncapital financing activities:**

Cash paid to City for technology replacement	(5,530)
Cash received from City	5,000,000
Net cash used for noncapital financing activities	<u>4,994,470</u>

**Cash flows from investing activities:**

Investment income	397,839
Proceeds from sales of investments	31,305,600
Purchases of investments	(34,075,419)
Net cash used for investing activities	<u>(2,371,980)</u>

**Net increase in cash and cash equivalents**

-

**Cash and cash equivalents, January 1, 2023**

-

**Cash and cash equivalents, September 30, 2023**

\$ -

**Reconciliation of operating income to cash provided by operating activities:**

Operating income	\$ (902,634)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
(Increase)/Decrease in due from (to) City	(1,532,540)
(Increase)/Decrease in Accounts Receivable	(12,095)
Increase/(Decrease) in claims payable	(156,536)
Increase/(Decrease) in accounts payable	(7,921)
Increase/(Decrease) in accrued payroll	(10,764)
Net cash provided by operating activities	<u>\$ (2,622,490)</u>

**Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:**

Cash and cash equivalents	\$ -
Investments	18,018,840
Cash and investments	<u>\$ 18,018,840</u>

**Chandler Health Care Benefits Trust**  
**Wellness Programs Tracking thru September 30, 2023**

	Jan - Dec 2011	Jan - Dec 2012	Jan - Dec 2013	Jan - Dec 2014	Jan - Dec 2015	Jan - Dec 2016	Jan - Dec 2017	Jan - Dec 2018	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2022	Jan - Sep 2023	Cumulative Total Since Inception
<b>Revenue</b>														
Wellness Funds from BCBS	24,031.73	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	324,031.73
YOGA Program Revenues	-	2,150.00	2,288.00	2,466.00	2,266.00	1,820.00	1,062.00	2,148.00	-	-	-	-	-	14,200.00
Total Wellness Program Revenue	24,031.73	27,150.00	27,288.00	27,466.00	27,266.00	26,820.00	26,062.00	27,148.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	338,231.73
<b>Expenses</b>														
YOGA Program Expenses	-	1,820.00	3,360.00	3,220.00	3,150.00	2,905.00	2,555.00	1,000.00	-	-	360.00	-	-	18,370.00
Other Professional Services	-	-	-	1,200.00	-	93.62	-	-	-	-	-	2,500.00	17,700.00	21,493.62
Promotional/Advertising Svcs	-	7,547.42	22,174.80	24,361.61	10,408.85	8,567.47	15,024.50	10,060.07	17,712.80	9,759.42	10,434.58	16,795.78	9,338.08	162,185.38
Supplies (printing, office, etc.)	-	227.89	2,954.17	1,259.37	1,447.85	1,735.20	12.30	3.02	35.22	-	-	-	379.08	8,054.10
Food & Events	-	350.19	375.02	64.56	795.09	677.75	427.82	535.24	1,163.33	424.57	843.38	648.96	41.55	6,347.46
Clothing & Uniforms	-	628.00	-	-	-	-	51.58	-	-	-	-	-	-	679.58
Other Supplies	-	26.16	-	26.75	-	-	-	-	-	-	-	-	-	52.91
Office Furniture	-	-	-	-	-	-	-	-	-	-	-	489.80	440.88	930.68
Employee Activities/Recognition	-	-	-	-	-	1,000.00	-	-	-	-	1,121.00	3,200.73	260.96	5,582.69
Postage & Freight	-	-	481.63	-	-	-	-	-	-	-	-	-	-	481.63
Travel	-	-	27.12	-	-	-	288.50	942.96	1,327.36	-	-	-	-	2,585.94
Subscriptions & Memberships	-	365.00	352.00	310.00	-	-	395.00	365.00	-	-	-	574.22	450.00	2,811.22
Education & Training	-	-	(600.00)	-	120.00	79.00	439.10	625.50	895.50	460.00	419.00	-	-	2,438.10
Other Wellness Expenses	2,648.92	-	-	-	-	-	-	-	-	-	-	-	-	2,648.92
Registrations	-	-	-	-	-	-	625.50	-	200.00	-	70.00	70.00	77.85	1,043.35
Total Wellness Program Expenses	2,648.92	10,964.66	29,124.74	30,442.29	15,921.79	15,058.04	19,819.30	13,531.79	21,334.21	10,643.99	13,247.96	24,279.49	28,688.40	235,705.58
Net Wellness Funds Remaining														102,526.15



**Health Care Benefits Trust Board      Human Resources   Memo No.**

**Date:** 11/16/2023  
**To:** Health Care Benefits Trust Board  
**From:** Teresa Canjar, Management Assistant  
**Subject:** Investment Report - Management Services

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**Attachments**

Chandler\_HCBT\_3Q2023



# CITY OF CHANDLER HEALTH CARE BENEFITS TRUST

## Investment Performance Review For the Quarter Ended September 30, 2023

### Client Management Team

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

### PFM Asset Management LLC

1101 W. Washington St.  
Tempe, AZ 85288  
480-271-0432

213 Market Street  
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717-232-2723

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# **Agenda**

- Market Summary
- Account Summary
- Portfolio Review

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## Market Summary

## Summary

- ▶ The third quarter was characterized by the consumer continuing to spend, supported by rising wages and a strong labor market. The potential for additional monetary policy tightening by the Federal Reserve (Fed) remains possible in light of the Fed's projections for stronger gross domestic product (GDP) growth, higher inflation, and slightly lower unemployment for the balance of the year. As interest rates climbed to recent highs, equity markets declined from calendar year highs and modest de-risking swept markets near quarter-end.
- ▶ After initially showing signs of cooling in July, U.S. inflation (as measured by CPI) posted two straight large monthly increases in August and September, rising by 0.6% and 0.4% month-over-month (MoM) respectively. The August reading was the biggest monthly increase of 2023 as higher shelter costs and rising energy prices fed much of the gain. Core inflation, which excludes food and energy, continues to moderate, rising 4.1% year-over-year, down from 4.3% in August and 4.7% in July.
- ▶ The Fed met twice during Q3, increasing the target rate 25 basis points (bps) in July to a new range of 5.25% to 5.50% while holding that range steady following the September meeting. Despite the pause in September, the post-meeting dot plot projections dominated headlines as calendar year end 2024 and 2025 median rate expectations were adjusted higher by 50 bps each, highlighting the reality of a potentially "higher for much longer" interest rate environment.
- ▶ Equity markets declined off their intra-quarter and year-to-date (YTD) highs largely in response to the increased outlook for an extended period of higher yields. The S&P 500 Index closed the quarter down 3.3%, although YTD is still up over 13%.

## Economic Snapshot

- ▶ Real GDP increased at an annual rate of 2.1% in Q2 2023. Although slightly slower than the Q1 2023 final release of 2.2%, Q2 growth was much higher than originally expected in July and as a result caused the Fed to double their growth projections for calendar year 2023 to 2.1% from 1.0% three months ago.
- ▶ Consumer spending was revised significantly lower to a 0.8% annualized rate, down from the 1.7% in the previous estimate. Stronger business fixed investment helped offset the slowdown in consumer spending, buoying the headline GDP figure. The consumer's ability to continue to carry the economy remains the center of attention as headwinds begin to mount, including higher prices at the pump, increasing shelter costs, slowing wage growth, the depletion of additional savings accumulated during the pandemic, and the looming reinstatement of student loan payments.
- ▶ A strong U.S. labor market remains a tailwind to economic growth and consumer outlooks. Over the quarter, the U.S. economy added 799,000 new jobs, besting the Q2 rate of 603,000 while remaining well above the pre-COVID pace. The unemployment rate (3.8%) remains near all-time lows and the labor force participation rate also trended upward and is now at the highest level since the pandemic.

## Interest Rates

- ▶ U.S. Treasury yields increased across the entire curve during Q3, with most tenors closing the quarter at multi-decade highs. While the yield curve still remains deeply inverted due to yields on the front end reacting to several quarters of Fed rate increases, more recent yield increases have been led by longer maturities.
- ▶ Over the quarter, the yield on a 2-, 10-, and 30-year U.S. Treasury security increased 15 bps, 73 bps, and 84 bps, respectively, while the yield on a 3-month U.S. Treasury Bill increased only 5 bps. The increase in the 30-year yield marked the largest quarterly increase in more than 14 years. Along with the steepening of the curve, the inversion of the yield curve became less severe by quarter-end. After reaching a low of -108 bps in early July, the yield difference between the 2- and 10-year U.S. Treasury yield closed the quarter at -47 bps.
- ▶ As a result of higher absolute yields on longer-maturity tenors, U.S. Treasury indexes with durations greater than three years posted negative total returns in Q3. The ICE BofA 5-, 10-, and 30-year U.S. Treasury indices returned -1.26%, -5.15%, and -12.75% respectively. On the flipside, along with relatively muted rate increases over the quarter, short-duration indices posted positive total returns, as higher income more than offset negative price impacts. The ICE BofA 3-month, 1-, and 2-year U.S. Treasury indexes returned +1.31%, +1.21%, and +0.54% respectively.

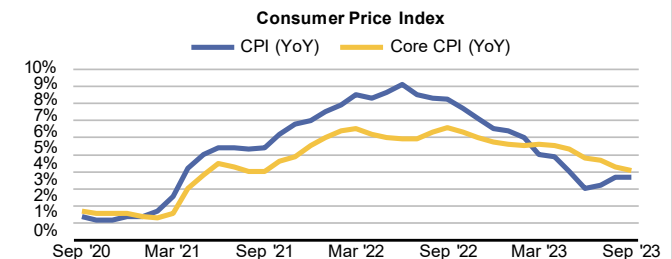
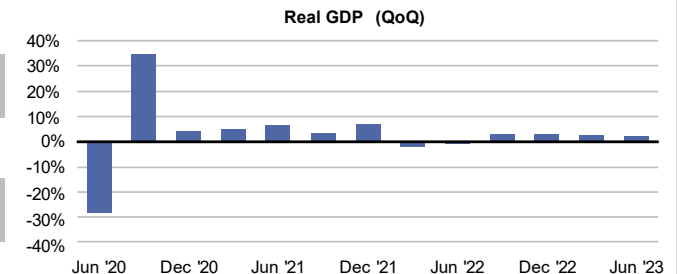
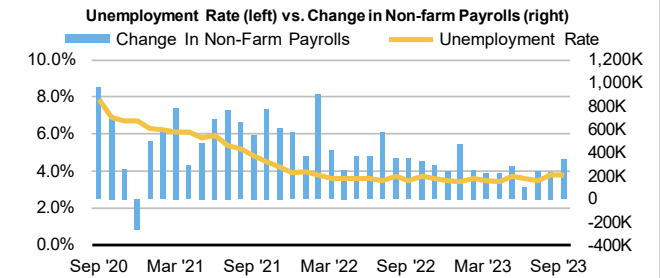
## Sector Performance

- ▶ Diversification away from U.S. Treasury securities was generally additive to fixed-income performance during Q3 as spreads across most sectors tightened or remained relatively stable. Broadly, lower quality and longer duration securities outperformed their higher quality and shorter-term counterparts.
- ▶ Federal agency and supranational spreads traded in a low and narrow range for the better part of the last several quarters. Incremental income from these sectors continue to benefit portfolios, especially those with government-heavy mandates.
- ▶ Investment-grade (IG) corporates eked out positive excess returns for the quarter as modest spread widening was offset by higher incremental income, underscoring the attractive total return attributes of the sector in the current environment. Even with sector spreads widening, higher yields and elevated income in the sector helped offset those negative price returns. Financial issuers and lower-rated credit issuers outperformed their industrial and higher-quality counterparts notably during Q3 as lingering spread tightening continued from mid-March waxes.
- ▶ AAA-rated asset-backed securities (ABS) performed exceedingly well in Q3 as spreads tightened marginally over the quarter on strong consumer sentiment and robust investor appetite for the sector.
- ▶ Agency mortgage-backed securities broadly underperformed during Q3 as spreads widened, approaching multi-year highs by quarter-end. Along with volatility that has remained historically high and bank balance sheet sales that further weighed on valuations, agency-backed mortgages were one of the worst performing sectors during the quarter, regardless of structure and collateral.



## Economic Snapshot

Labor Market		Latest	Jun '23	Sep '22
Unemployment Rate	Sep '23	3.8%	3.6%	3.5%
Change In Non-Farm Payrolls	Sep '23	336,000	105,000	350,000
Average Hourly Earnings (YoY)	Sep '23	4.2%	4.4%	5.1%
Personal Income (YoY)	Aug '23	4.8%	5.5%	5.1%
Initial Jobless Claims (week)	10/7/23	209,000	249,000	198,000
Growth				
Real GDP (QoQ SAAR)	2023Q2	2.1%	2.2% <sup>1</sup>	-0.6% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2023Q2	0.8%	3.8% <sup>1</sup>	2.0% <sup>2</sup>
Retail Sales (YoY)	Aug '23	2.5%	1.5%	9.4%
ISM Manufacturing Survey (month)	Sep '23	49.0	46.0	51.0
Existing Home Sales SAAR (month)	Aug '23	4.04 mil.	4.16 mil.	4.68 mil.
Inflation/Prices				
Personal Consumption Expenditures (YoY)	Aug '23	3.5%	3.2%	6.6%
Consumer Price Index (YoY)	Sep '23	3.7%	3.0%	8.2%
Consumer Price Index Core (YoY)	Sep '23	4.1%	4.8%	6.6%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$90.79	\$70.64	\$79.49
Gold Futures (oz.)	Sep 30	\$1,848	\$1,929	\$1,662



1. Data as of First Quarter 2023.

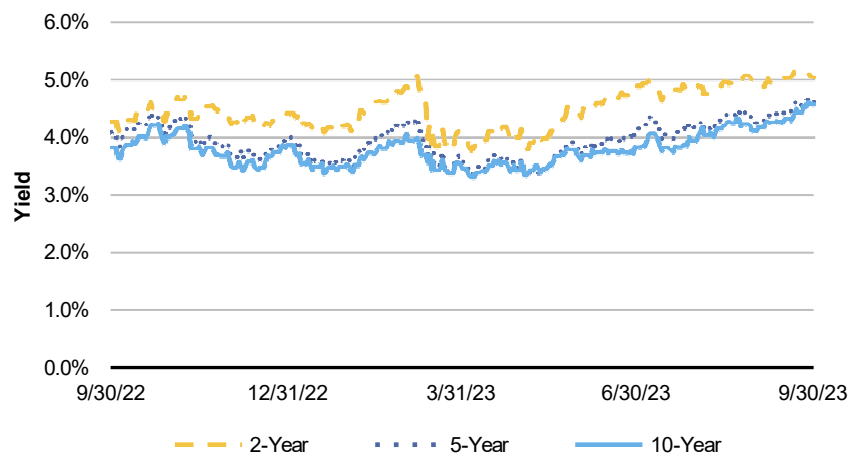
2. Data as of Second Quarter 2022.

Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

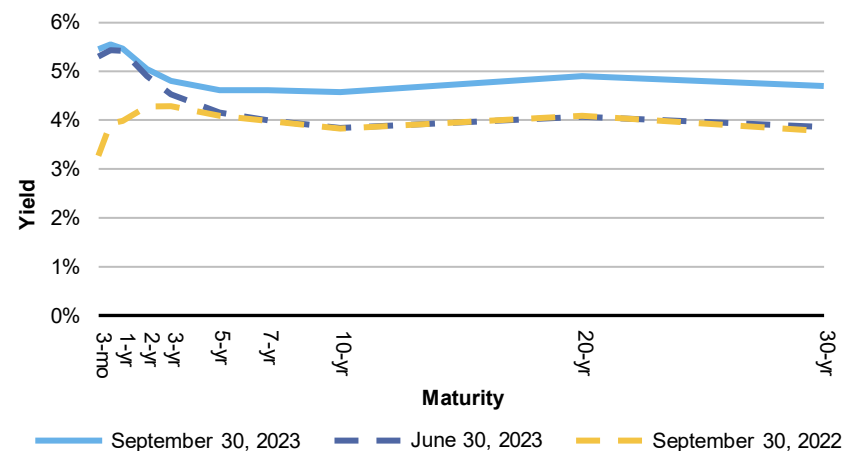
Source: Bloomberg.

## Interest Rate Overview

U.S. Treasury Note Yields



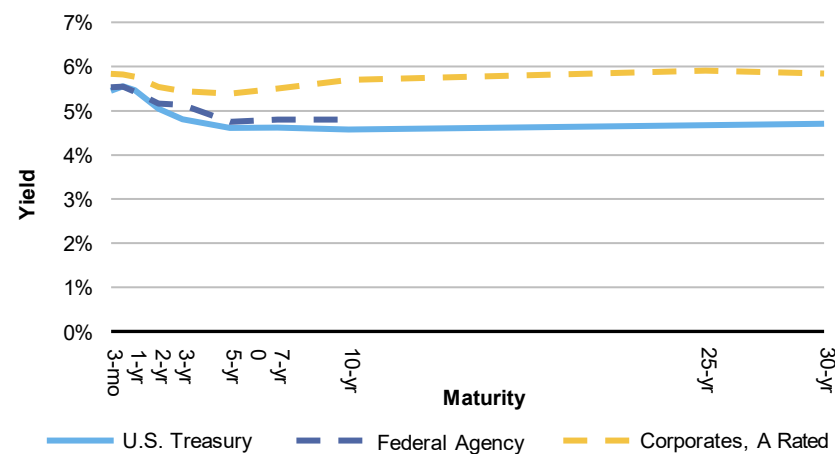
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Sep '23	Jun '23	Change over Quarter	Sep '22	Change over Year
3-Month	5.45%	5.30%	0.15%	3.27%	2.18%
1-Year	5.46%	5.42%	0.04%	3.99%	1.47%
2-Year	5.05%	4.90%	0.15%	4.28%	0.77%
5-Year	4.61%	4.16%	0.45%	4.09%	0.52%
10-Year	4.57%	3.84%	0.73%	3.83%	0.74%
30-Year	4.70%	3.86%	0.84%	3.78%	0.92%

Yield Curves as of 09/30/2023



Source: Bloomberg.

## ICE BofAML Index Returns

As of 09/30/2023		Returns for Periods ended 09/30/2023			
September 30, 2023	Duration	Yield	3 Month	1 Year	3 Years
<b>1-3 Year Indices</b>					
U.S. Treasury	1.82	5.12%	0.74%	2.47%	(0.84%)
Federal Agency	1.68	5.31%	0.81%	2.85%	(0.67%)
U.S. Corporates, A-AAA rated	1.85	5.87%	0.81%	3.57%	(0.36%)
Agency MBS (0 to 3 years)	2.01	5.68%	0.29%	3.16%	(1.97%)
Taxable Municipals	1.62	5.48%	1.05%	3.57%	0.57%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.57	4.96%	0.23%	2.13%	(1.76%)
Federal Agency	2.02	5.24%	0.52%	2.70%	(1.41%)
U.S. Corporates, A-AAA rated	2.57	5.82%	0.30%	3.76%	(1.26%)
Agency MBS (0 to 5 years)	3.32	5.64%	(1.21%)	2.18%	(2.84%)
Taxable Municipals	2.45	5.40%	0.51%	3.35%	(0.68%)
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	6.11	4.86%	(3.33%)	(1.05%)	(6.09%)
Federal Agency	3.29	5.18%	(0.59%)	1.93%	(2.85%)
U.S. Corporates, A-AAA rated	6.61	5.84%	(2.99%)	2.84%	(5.26%)
Agency MBS (0 to 30 years)	5.98	5.66%	(4.07%)	(0.20%)	(5.12%)
Taxable Municipals	8.91	5.69%	(4.81%)	1.37%	(6.36%)

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

## Disclosures

*PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM.*

*The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution and are subject to change. Information is 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. The information contained in this report is not an offer to purchase or sell any securities.*

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## Account Summary

## Fixed-Income Sector Commentary – 3Q 2023

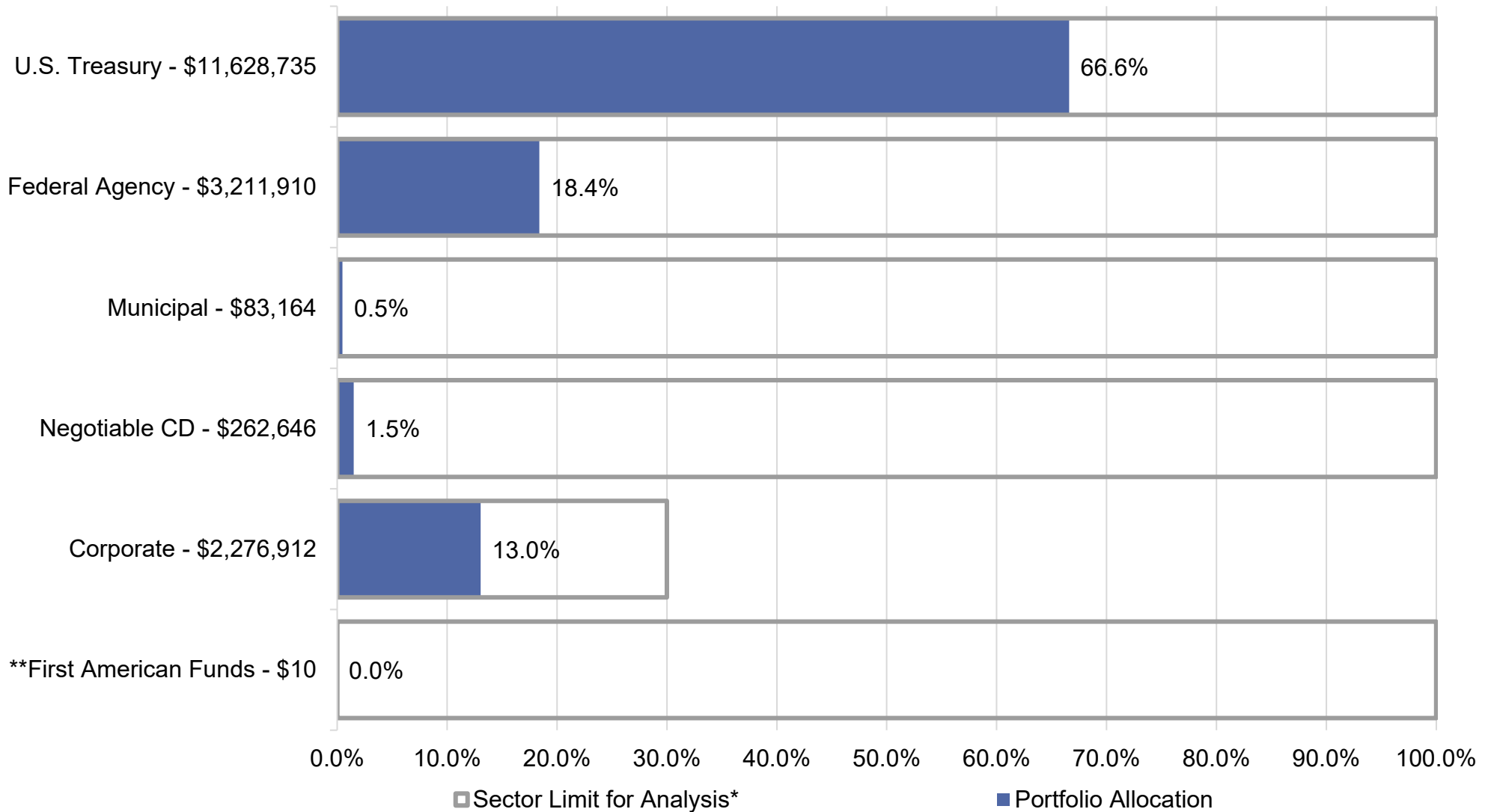
- ▶ **U.S. Treasuries:** Fitch rating agency downgraded the U.S. Government from AAA to AA- citing erosion of governance standards, repeated debt-limit standoffs, and rising general government deficits. Yields hit their highest level since 2006-07, but the Treasury yield curve remains inverted despite the notable increase in the 10-year yield over the 3rd quarter.
- ▶ **Federal agency** yield spreads remained narrow, favoring opportunities in other sectors. Fitch followed their U.S. Government ratings action with downgrades to Fannie Mae and Freddie Mac, although the impact to spreads was muted.
- ▶ **Supranational** spreads, similar to agencies, remained low and range bound in the single digits for much of the quarter. Value was limited and the spread curve on supras is generally flat.
- ▶ **Investment-Grade Corporates:** Financial issuers outperformed industrials and lower-rated issues outperformed higher-rated issues as higher incremental yields offset a few basis points of spread widening during the 3rd quarter. Good fundamentals, modestly attractive spreads and a positive economic outlook make credit attractive, but higher yields are a headwind for financials and the economy as a whole.
- ▶ **Asset-Backed Securities** performed exceedingly well in Q3 as spreads tightened marginally over the quarter on strong consumer sentiment and robust investor appetite for the sector. Incremental income from the sector is quite attractive from a historical perspective and offers value.
- ▶ **Mortgage-Backed Securities** were one of the worst performing sectors during the quarter, regardless of structure. Spreads widened, approaching multi-year highs, while volatility remained historically high and bank balance sheet sales weighed on valuations.
- ▶ **Taxable Municipals** issuance remained heavily oversubscribed due to a lack of new issuance. The secondary market had sporadic but limited opportunities that offered an attractive pickup versus corporates industrials.
- ▶ **Short-term credit** (commercial paper and CDs) yields increased over the quarter steepening the short-term credit curve. Similarly, Treasury Bill yields rose to reflect the Fed rate hike in July and the significant increase in T-Bill issuance since the resolution of the debt ceiling. 6- to 12-month CP/CDs continued to offer notable incremental spread income for enhanced cash and other short-duration portfolios, and in some instances carried yields close to 6%.

## Account Summary

CHANDLER HEALTH CARE BENEFITS TRUST			
Portfolio Values	September 30, 2023	Analytics <sup>1</sup>	September 30, 2023
PFMAM Managed Account	\$17,355,122	Yield at Market	5.16%
Amortized Cost	\$17,738,568	Yield on Cost	3.00%
Market Value	\$17,355,122	Portfolio Duration	1.42
Accrued Interest	\$108,244		
Cash	\$280,261		

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.

## Sector Allocation Analytics



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

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

\*\*First American Funds Balance as of 9/29/23.



## Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>U.S. Treasury</b>	<b>66.6%</b>	
UNITED STATES TREASURY	66.6%	AA / Aaa / AA
<b>Federal Agency</b>	<b>18.4%</b>	
FANNIE MAE	6.0%	AA / Aaa / AA
FEDERAL HOME LOAN BANKS	4.9%	AA / Aaa / NR
FREDDIE MAC	7.4%	AA / Aaa / AA
<b>Municipal</b>	<b>0.5%</b>	
CITY OF SCOTTSDALE	0.5%	AAA / Aaa / AAA
<b>Negotiable CD</b>	<b>1.5%</b>	
TORONTO-DOMINION BANK	1.5%	A / A / NR
<b>Corporate</b>	<b>13.0%</b>	
AMAZON.COM INC	1.1%	AA / A / AA
APPLE INC	1.5%	AA / Aaa / NR
BANK OF AMERICA CO	0.8%	A / A / AA
CISCO SYSTEMS INC	1.3%	AA / A / NR
INTEL CORPORATION	0.8%	A / A / A
JP MORGAN CHASE & CO	1.2%	A / A / AA
MICROSOFT CORP	1.5%	AAA / Aaa / NR
NOVARTIS AG	1.3%	AA / A / AA
PEPSICO INC	0.9%	A / A / NR
TEXAS INSTRUMENTS INC	0.2%	A / Aa / NR
TOYOTA MOTOR CORP	0.8%	A / A / A
WAL-MART STORES INC	1.7%	AA / Aa / AA
<b>Total</b>	<b>100.0%</b>	

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.

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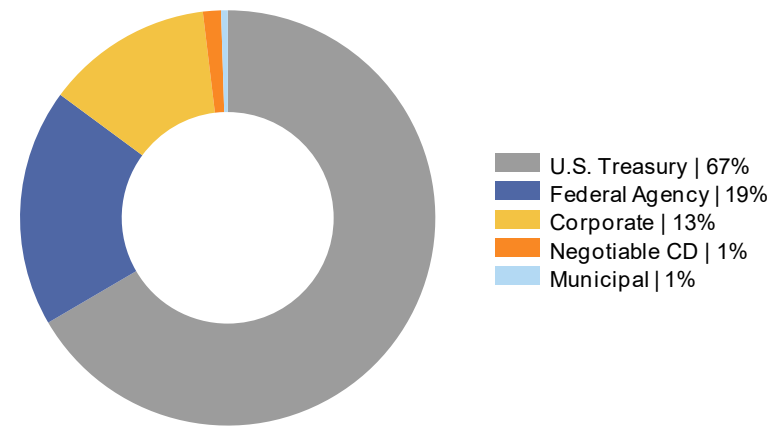
Portfolio Review:  
CHANDLER HEALTH CARE BENEFITS TRUST

## Portfolio Snapshot - CHANDLER HEALTH CARE BENEFITS TRUST<sup>1</sup>

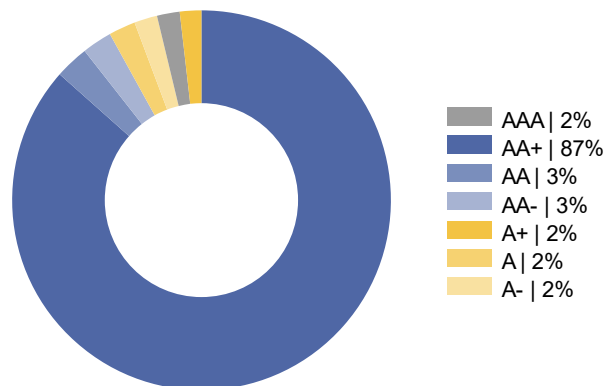
### Portfolio Statistics

<b>Total Market Value</b>	\$17,743,626.94
Securities Sub-Total	\$17,355,121.63
Accrued Interest	\$108,244.00
Cash	\$280,261.31
<b>Portfolio Effective Duration</b>	1.42 years
<b>Benchmark Effective Duration</b>	1.75 years
<b>Yield At Cost</b>	3.00%
<b>Yield At Market</b>	5.16%
<b>Portfolio Credit Quality</b>	AA

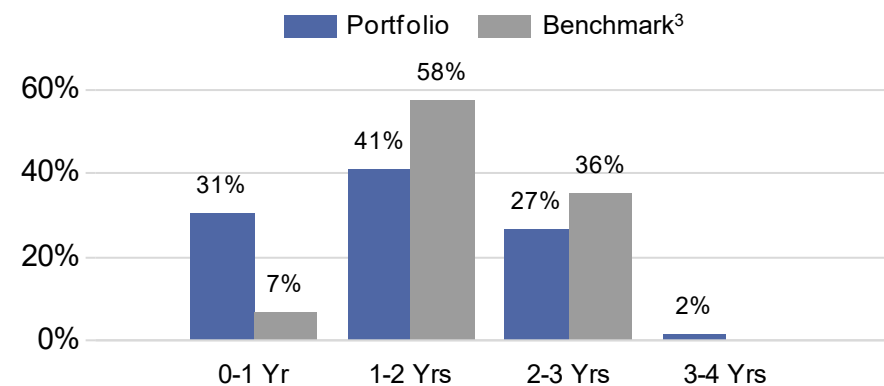
### Sector Allocation



### Credit Quality - S&P<sup>2</sup>



### Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest.

2. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

3. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg.

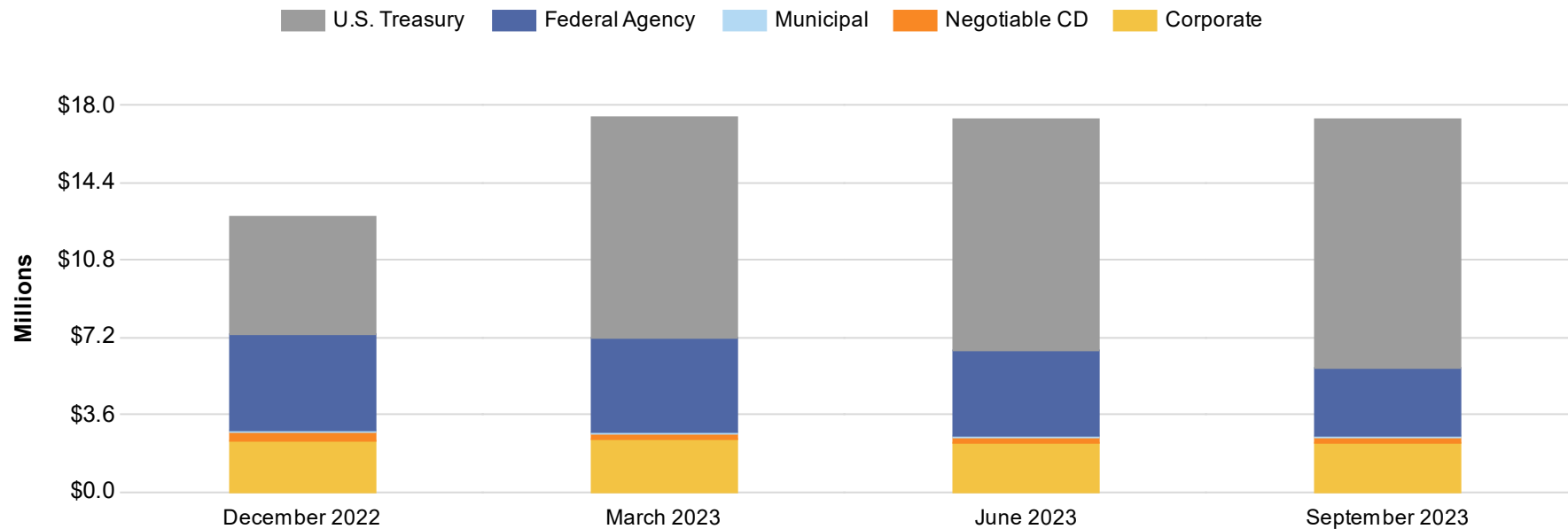
Liquidity Vehicle	Quarter-End Yield
Allspring Treasury Plus Money Market A Fund <sup>1</sup>	5.20%
First American Funds <sup>2</sup>	5.21%

1. Allspring Treasury Plus Money Market A Fund ticker symbol PISXX. Account yield from the Fund Fact Sheet as of 9/30/23.

2. First American Funds ticker symbol FGZXX; Account yield from statement as of 9/30/23. For U.S. Treasury, Treasury Obligations and Government Obligations – You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

## Sector Allocation Review - CHANDLER HEALTH CARE BENEFITS TRUST

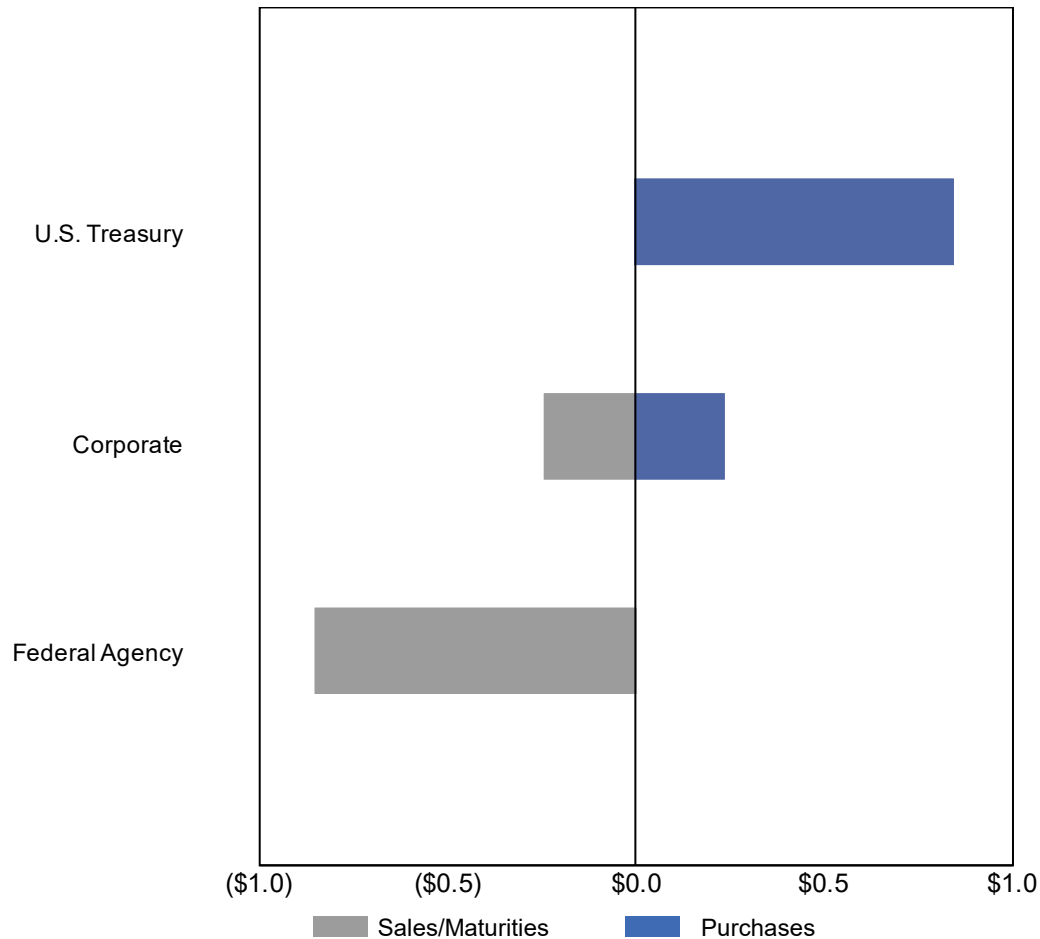
Security Type	Dec-22	% of Total	Mar-23	% of Total	Jun-23	% of Total	Sep-23	% of Total
U.S. Treasury	\$5.5	42.9%	\$10.3	59.0%	\$10.7	61.8%	\$11.6	66.6%
Federal Agency	\$4.5	35.0%	\$4.4	25.0%	\$4.0	23.2%	\$3.2	18.5%
Municipal	\$0.1	0.6%	\$0.1	0.5%	\$0.1	0.5%	\$0.1	0.5%
Negotiable CD	\$0.4	3.0%	\$0.2	1.4%	\$0.2	1.4%	\$0.2	1.4%
Corporate	\$2.4	18.5%	\$2.5	14.1%	\$2.3	13.1%	\$2.3	13.0%
<b>Total</b>	<b>\$12.8</b>	<b>100.0%</b>	<b>\$17.4</b>	<b>100.0%</b>	<b>\$17.3</b>	<b>100.0%</b>	<b>\$17.4</b>	<b>100.0%</b>



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.

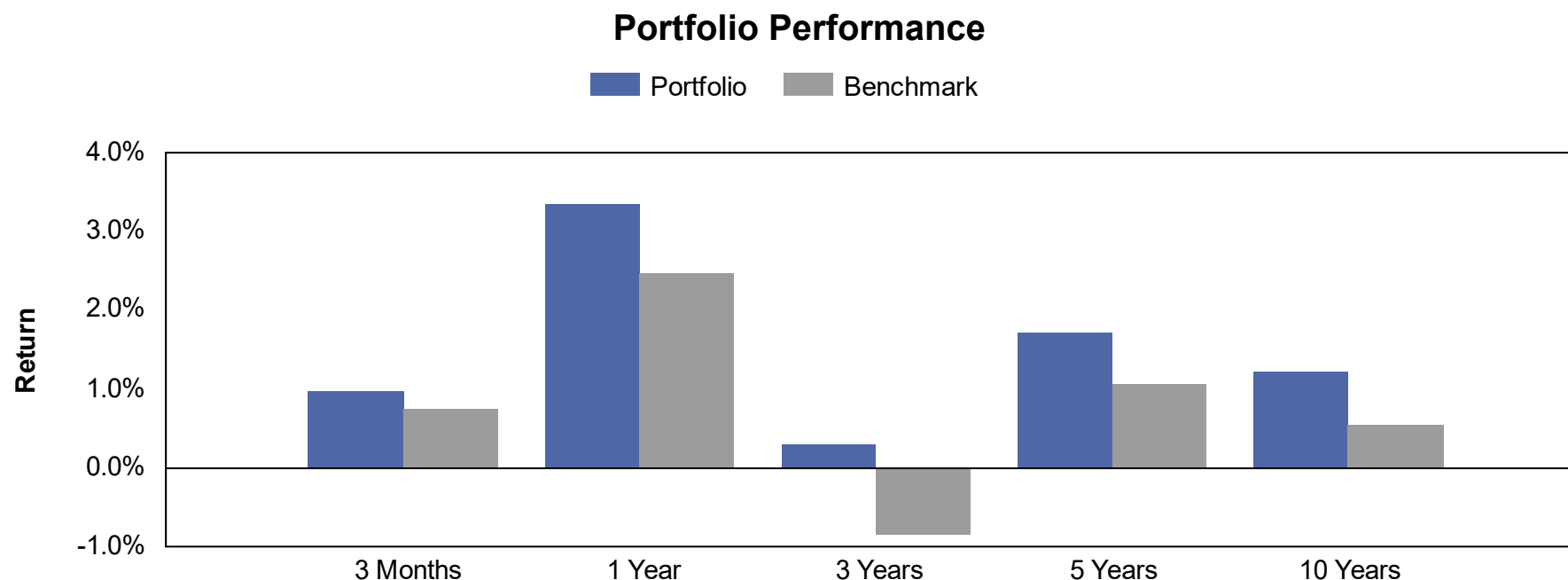
## Portfolio Activity - CHANDLER HEALTH CARE BENEFITS TRUST

**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$843,593
Corporate	(\$5,871)
Federal Agency	(\$851,227)
<b>Total Net Activity</b>	<b>(\$13,504)</b>

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



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years <sup>1</sup>
Interest Earned <sup>2</sup>	\$163,431	\$465,641	\$832,556	\$1,456,151	\$1,964,702
Change in Market Value	\$41,807	\$125,341	(\$1,229,661)	(\$673,058)	(\$946,693)
<b>Total Dollar Return</b>	<b>\$205,238</b>	<b>\$590,982</b>	<b>(\$397,105)</b>	<b>\$783,094</b>	<b>\$1,018,009</b>
<b>Total Return<sup>3</sup></b>					
Portfolio	0.96%	3.35%	0.28%	1.72%	1.22%
Benchmark <sup>4</sup>	0.74%	2.47%	-0.84%	1.06%	0.54%

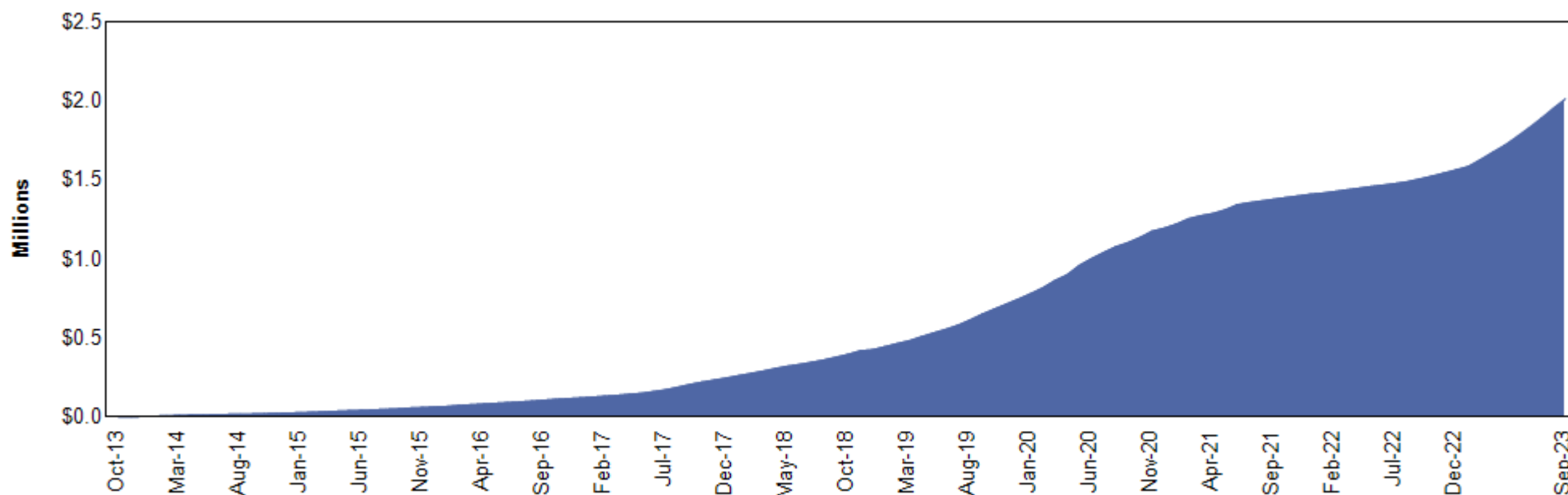
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is December 31, 2010.

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 BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg.

## Accrual Basis Earnings - CHANDLER HEALTH CARE BENEFITS TRUST



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year <sup>1</sup>
Interest Earned <sup>2</sup>	\$163,431	\$465,641	\$832,556	\$1,456,151	\$1,964,702
Realized Gains / (Losses) <sup>3</sup>	-	(\$6,453)	\$86,259	\$149,977	\$115,363
Change in Amortized Cost	\$20,171	\$47,536	(\$9,098)	\$27,728	(\$66,893)
<b>Total Earnings</b>	<b>\$183,602</b>	<b>\$506,724</b>	<b>\$909,717</b>	<b>\$1,633,855</b>	<b>\$2,013,172</b>

1. The lesser of 10 years or since inception is shown. Performance inception date is December 31, 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.



**Issuer Distribution  
As of September 30, 2023**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	11,558,718	66.60%
FREDDIE MAC	1,298,692	7.48%
FANNIE MAE	1,050,233	6.05%
FEDERAL HOME LOAN BANKS	854,557	4.92%
WAL-MART STORES INC	303,239	1.75%
APPLE INC	256,148	1.48%
MICROSOFT CORP	253,862	1.46%
TORONTO-DOMINION BANK	249,921	1.44%
CISCO SYSTEMS INC	222,603	1.28%
NOVARTIS AG	219,121	1.26%
JP MORGAN CHASE & CO	210,882	1.22%
AMAZON.COM INC	196,286	1.13%
PEPSICO INC	150,226	0.87%
INTEL CORPORATION	145,175	0.84%
BANK OF AMERICA CO	134,162	0.77%
TOYOTA MOTOR CORP	133,610	0.77%
CITY OF SCOTTSDALE	83,027	0.48%
TEXAS INSTRUMENTS INC	34,659	0.20%
<b>Grand Total</b>	<b>17,355,122</b>	<b>100.00%</b>

## 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
<b>U.S. Treasury</b>											
US TREASURY NOTES DTD 01/15/2021 0.125% 01/15/2024	91282CBE0	770,000.00	AA+	Aaa	2/2/2021	2/4/2021	768,766.80	0.18	204.01	769,878.40	758,450.00
US TREASURY NOTES DTD 03/15/2021 0.250% 03/15/2024	91282CBR1	100,000.00	AA+	Aaa	3/22/2021	3/23/2021	99,792.97	0.32	10.99	99,968.41	97,718.75
US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	309,000.00	AA+	Aaa	1/5/2022	1/6/2022	317,497.50	0.88	17.94	310,897.60	303,930.49
US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	140,000.00	AA+	Aaa	4/16/2021	4/19/2021	147,360.94	0.33	8.13	141,243.91	137,703.13
US TREASURY N/B NOTES DTD 04/15/2021 0.375% 04/15/2024	91282CBV2	100,000.00	AA+	Aaa	4/22/2021	4/26/2021	100,167.97	0.32	173.16	100,030.50	97,312.50
US TREASURY N/B NOTES DTD 07/31/2022 3.000% 07/31/2024	91282CFA4	375,000.00	AA+	Aaa	8/9/2023	8/10/2023	366,811.52	5.33	1,895.38	368,007.59	367,324.20
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	935,000.00	AA+	Aaa	6/2/2021	6/4/2021	969,660.74	0.43	4,713.32	946,580.76	894,239.80
US TREASURY NOTES DTD 01/31/2020 1.375% 01/31/2025	912828Z52	615,000.00	AA+	Aaa	5/5/2021	5/7/2021	634,867.38	0.50	1,424.69	622,102.77	583,865.63
US TREASURY N/B NOTES DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	235,000.00	AA+	Aaa	3/22/2023	3/24/2023	223,075.59	4.31	450.20	226,357.38	223,176.56
US TREASURY N/B NOTES DTD 05/15/2022 2.750% 05/15/2025	91282CEQ0	495,000.00	AA+	Aaa	8/12/2022	8/15/2022	488,773.83	3.23	5,141.68	491,328.79	476,128.13
US TREASURY N/B NOTES DTD 07/15/2022 3.000% 07/15/2025	91282CEY3	235,000.00	AA+	Aaa	8/15/2022	8/16/2022	234,045.31	3.15	1,494.29	234,414.09	226,407.81
US TREASURY N/B NOTES DTD 07/15/2022 3.000% 07/15/2025	91282CEY3	650,000.00	AA+	Aaa	8/8/2022	8/9/2022	647,384.77	3.14	4,133.16	648,405.47	626,234.38
US TREASURY N/B NOTES DTD 08/15/2022 3.125% 08/15/2025	91282CFE6	100,000.00	AA+	Aaa	9/12/2022	9/12/2022	98,765.63	3.57	399.11	99,209.45	96,468.75
US TREASURY N/B NOTES DTD 08/15/2022 3.125% 08/15/2025	91282CFE6	135,000.00	AA+	Aaa	9/29/2022	9/29/2022	130,923.63	4.25	538.81	132,347.06	130,232.81
US TREASURY NOTES DTD 08/17/2015 2.000% 08/15/2025	912828K74	2,375,000.00	AA+	Aaa	2/7/2023	2/8/2023	2,249,663.09	4.23	6,066.58	2,281,713.33	2,243,261.60

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
<b>U.S. Treasury</b>											
US TREASURY N/B NOTES DTD 11/15/2022 4.500% 11/15/2025	91282CFW6	270,000.00	AA+	Aaa	12/12/2022	12/13/2022	272,562.89	4.15	4,589.27	271,862.17	267,131.25
US TREASURY N/B NOTES DTD 11/15/2022 4.500% 11/15/2025	91282CFW6	125,000.00	AA+	Aaa	12/1/2022	12/2/2022	126,665.04	4.02	2,124.66	126,197.47	123,671.87
US TREASURY N/B NOTES DTD 11/15/2022 4.500% 11/15/2025	91282CFW6	105,000.00	AA+	Aaa	11/29/2022	11/30/2022	105,750.59	4.24	1,784.71	105,538.81	103,884.38
US TREASURY N/B NOTES DTD 12/15/2022 4.000% 12/15/2025	91282CGA3	270,000.00	AA+	Aaa	1/3/2023	1/4/2023	268,565.63	4.19	3,186.89	268,925.56	264,346.88
US TREASURY N/B NOTES DTD 01/15/2023 3.875% 01/15/2026	91282CGE5	2,280,000.00	AA+	Aaa	2/7/2023	2/8/2023	2,266,017.19	4.10	18,726.36	2,269,082.45	2,225,850.00
US TREASURY N/B NOTES DTD 02/15/2023 4.000% 02/15/2026	91282CGL9	110,000.00	AA+	Aaa	4/19/2023	4/20/2023	109,918.36	4.03	561.96	109,931.33	107,662.50
US TREASURY N/B NOTES DTD 04/15/2023 3.750% 04/15/2026	91282CGV7	147,000.00	AA+	Aaa	5/1/2023	5/1/2023	146,643.98	3.84	2,545.39	146,694.42	142,957.50
US TREASURY N/B NOTES DTD 04/15/2023 3.750% 04/15/2026	91282CGV7	185,000.00	AA+	Aaa	5/12/2023	5/15/2023	185,317.97	3.69	3,203.38	185,276.51	179,912.50
US TREASURY N/B NOTES DTD 05/15/2023 3.625% 05/15/2026	91282CHB0	250,000.00	AA+	Aaa	5/19/2023	5/22/2023	247,324.22	4.01	3,423.06	247,648.56	242,343.75
US TREASURY N/B NOTES DTD 08/15/2023 4.375% 08/15/2026	91282CHU8	165,000.00	AA+	Aaa	8/22/2023	8/24/2023	163,330.66	4.74	921.96	163,389.02	162,937.50
US TREASURY N/B NOTES DTD 08/15/2023 4.375% 08/15/2026	91282CHU8	185,000.00	AA+	Aaa	9/7/2023	9/8/2023	183,410.16	4.69	1,033.71	183,444.27	182,687.50
US TREASURY N/B NOTES DTD 08/15/2023 4.375% 08/15/2026	91282CHU8	130,000.00	AA+	Aaa	8/17/2023	8/18/2023	128,984.38	4.66	726.39	129,025.26	128,375.00
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	180,000.00	AA+	Aaa	9/1/2022	9/1/2022	170,894.53	3.37	517.26	172,882.73	164,503.12
<b>Security Type Sub-Total</b>		<b>11,971,000.00</b>					<b>11,852,943.27</b>	<b>3.15</b>	<b>70,016.45</b>	<b>11,852,384.07</b>	<b>11,558,718.29</b>

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
<b>Negotiable CD</b>											
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.470% 10/25/2024	89115B6F2	250,000.00	A	A1	10/27/2022	10/31/2022	250,000.00	5.44	12,725.35	250,000.00	249,920.53
<b>Security Type Sub-Total</b>		<b>250,000.00</b>					<b>250,000.00</b>	<b>5.44</b>	<b>12,725.35</b>	<b>250,000.00</b>	<b>249,920.53</b>
<b>Municipal</b>											
SCOTTSDALE, AZ TXBL GO BONDS DTD 12/30/2020 0.608% 07/01/2025	810454BL1	90,000.00	AAA	Aaa	12/10/2020	12/30/2020	90,000.00	0.61	136.80	90,000.00	83,026.80
<b>Security Type Sub-Total</b>		<b>90,000.00</b>					<b>90,000.00</b>	<b>0.61</b>	<b>136.80</b>	<b>90,000.00</b>	<b>83,026.80</b>
<b>Federal Agency</b>											
FREDDIE MAC NOTES DTD 10/16/2020 0.125% 10/16/2023	3137EAEY1	250,000.00	AA+	Aaa	10/14/2020	10/16/2020	249,067.50	0.25	143.23	249,987.23	249,476.50
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	185,000.00	AA+	Aaa	11/19/2020	11/24/2020	184,863.10	0.28	186.28	184,995.42	184,092.21
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	600,000.00	AA+	Aaa	11/3/2020	11/5/2020	599,460.00	0.28	604.16	599,982.26	597,055.80
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	120,000.00	AA+	Aaa	1/19/2021	1/20/2021	120,139.20	0.21	120.83	120,004.91	119,411.16
FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023	3135G06H1	455,000.00	AA+	Aaa	1/7/2021	1/8/2021	455,122.85	0.24	391.81	455,006.65	451,379.56
FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023	3135G06H1	235,000.00	AA+	Aaa	11/23/2020	11/25/2020	234,732.10	0.29	202.36	234,986.08	233,130.11
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	150,000.00	AA+	Aaa	12/2/2020	12/4/2020	149,851.50	0.28	121.88	149,991.32	148,656.45
FEDERAL HOME LOAN BANK NOTES (CALLABLE) DTD 08/08/2022 4.100% 08/08/2025	3130ASRJ0	875,000.00	AA+	Aaa	8/5/2022	8/8/2022	874,562.50	4.12	5,281.60	874,729.76	854,557.38
FANNIE MAE NOTES (CALLABLE) DTD 08/30/2022 4.000% 08/28/2025	3135GACV1	375,000.00	AA+	Aaa	8/25/2022	8/30/2022	374,981.25	4.00	1,375.00	374,988.05	365,723.25
<b>Security Type Sub-Total</b>		<b>3,245,000.00</b>					<b>3,242,780.00</b>	<b>1.72</b>	<b>8,427.15</b>	<b>3,244,671.68</b>	<b>3,203,482.42</b>

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
<b>Corporate</b>											
BANK OF AMERICA CORP NOTES (CALLED, OMD DTD 10/21/2020 0.810% 10/24/2023	06051GJH3	135,000.00	A-	A1	10/16/2020	10/21/2020	135,000.00	0.81	476.89	135,000.00	134,162.33
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	110,000.00	AA	A1	5/10/2021	5/12/2021	109,839.40	0.50	191.13	109,967.18	106,580.98
TEXAS INSTRUMENTS INC CORPORATE NOTES DTD 11/18/2022 4.700% 11/18/2024	882508BR4	35,000.00	A+	Aa3	11/15/2022	11/18/2022	34,984.25	4.72	607.74	34,991.08	34,658.75
APPLE INC CORPORATE NOTES DTD 05/13/2015 3.200% 05/13/2025	037833BG4	265,000.00	AA+	Aaa	12/15/2022	12/19/2022	257,103.00	4.52	3,250.67	259,681.24	256,147.68
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	115,000.00	A-	A1	5/24/2021	6/1/2021	115,000.00	0.82	315.87	115,000.00	111,168.43
CISCO SYSTEMS INC CORPORATE NOTES DTD 06/17/2015 3.500% 06/15/2025	17275RAW2	230,000.00	AA-	A1	12/15/2022	12/19/2022	224,910.10	4.45	2,370.28	226,511.54	222,602.51
PEPSICO INC CORP NOTES (CALLABLE) DTD 07/17/2015 3.500% 07/17/2025	713448CY2	155,000.00	A+	A1	1/17/2023	1/19/2023	151,523.35	4.46	1,115.14	152,497.58	150,226.16
INTEL CORP NOTES (CALLABLE) DTD 07/29/2015 3.700% 07/29/2025	458140AS9	150,000.00	A	A2	1/17/2023	1/19/2023	147,154.50	4.50	955.83	147,941.49	145,175.40
MICROSOFT CORP NOTES (CALLABLE) DTD 11/03/2015 3.125% 11/03/2025	594918BJ2	265,000.00	AAA	Aaa	1/23/2023	1/25/2023	256,737.30	4.33	3,404.51	258,768.31	253,862.32
NOVARTIS CAPITAL CORP NOTES (CALLABLE) DTD 11/20/2015 3.000% 11/20/2025	66989HAJ7	230,000.00	AA-	A1	1/27/2023	1/31/2023	221,862.60	4.35	2,510.83	223,793.64	219,120.77
AMAZON INC CORP NOTES (CALLABLE) DTD 05/12/2021 1.000% 05/12/2026	023135BX3	100,000.00	AA	A1	6/2/2023	6/6/2023	90,597.00	4.45	386.11	91,624.22	89,705.50
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2023 5.000% 08/14/2026	89236TKX2	135,000.00	A+	A1	8/22/2023	8/25/2023	134,380.35	5.17	881.25	134,401.48	133,609.77

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
<b>Corporate</b>											
WAL MART INC CORP NOTES (CALLABLE) DTD 09/17/2021 1.050% 09/17/2026	931142ER0	340,000.00	AA	Aa2	1/30/2023	1/31/2023	304,092.60	4.22	138.83	310,677.88	303,239.20
JPMORGAN CHASE CORP NOTES (CALLABLE) DTD 02/24/2022 2.947% 02/24/2028	46647PCW4	110,000.00	A-	A1	9/14/2023	9/18/2023	100,580.70	5.13	333.17	100,656.29	99,713.79
<b>Security Type Sub-Total</b>		<b>2,375,000.00</b>					<b>2,283,765.15</b>	<b>3.90</b>	<b>16,938.25</b>	<b>2,301,511.93</b>	<b>2,259,973.59</b>
<b>Managed Account Sub Total</b>		<b>17,931,000.00</b>					<b>17,719,488.42</b>	<b>3.00</b>	<b>108,244.00</b>	<b>17,738,567.68</b>	<b>17,355,121.63</b>
<b>Securities Sub Total</b>		<b>\$17,931,000.00</b>					<b>\$17,719,488.42</b>	<b>3.00%</b>	<b>\$108,244.00</b>	<b>\$17,738,567.68</b>	<b>\$17,355,121.63</b>
<b>Accrued Interest</b>											<b>\$108,244.00</b>
<b>Total Investments</b>											<b>\$17,463,365.63</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
8/9/2023	8/10/2023	375,000.00	91282CFA4	US TREASURY N/B NOTES	3.00%	7/31/2024	367,117.23	5.33%	
8/17/2023	8/18/2023	130,000.00	91282CHU8	US TREASURY N/B NOTES	4.37%	8/15/2026	129,030.75	4.66%	
8/22/2023	8/24/2023	165,000.00	91282CHU8	US TREASURY N/B NOTES	4.37%	8/15/2026	163,507.21	4.74%	
8/22/2023	8/25/2023	135,000.00	89236TKX2	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	5.00%	8/14/2026	134,586.60	5.17%	
9/7/2023	9/8/2023	185,000.00	91282CHU8	US TREASURY N/B NOTES	4.37%	8/15/2026	183,938.01	4.69%	
9/14/2023	9/18/2023	110,000.00	46647PCW4	JPMORGAN CHASE CORP NOTES (CALLABLE)	2.94%	2/24/2028	100,796.81	5.13%	
<b>Total BUY</b>		<b>1,100,000.00</b>					<b>1,078,976.61</b>		<b>0.00</b>
<b>INTEREST</b>									
7/1/2023	7/1/2023	90,000.00	810454BL1	SCOTTSDALE, AZ TXBL GO BONDS	0.60%	7/1/2025	273.60		
7/3/2023	7/3/2023		MONEY0002	MONEY MARKET FUND			18,609.97		
7/15/2023	7/15/2023	770,000.00	91282CBE0	US TREASURY NOTES	0.12%	1/15/2024	481.25		
7/15/2023	7/15/2023	885,000.00	91282CEY3	US TREASURY N/B NOTES	3.00%	7/15/2025	13,275.00		
7/15/2023	7/15/2023	2,280,000.00	91282CGE5	US TREASURY N/B NOTES	3.87%	1/15/2026	44,175.00		
7/17/2023	7/17/2023	155,000.00	713448CY2	PEPSICO INC CORP NOTES (CALLABLE)	3.50%	7/17/2025	2,712.50		
7/29/2023	7/29/2023	150,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	2,775.00		
7/31/2023	7/31/2023	615,000.00	912828Z52	US TREASURY NOTES	1.37%	1/31/2025	4,228.13		
8/1/2023	8/1/2023		MONEY0002	MONEY MARKET FUND			22,050.39		

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
8/8/2023	8/8/2023	875,000.00	3130ASRJ0	FEDERAL HOME LOAN BANK NOTES (CALLABLE)	4.10%	8/8/2025	17,937.50		
8/15/2023	8/15/2023	110,000.00	91282CGL9	US TREASURY N/B NOTES	4.00%	2/15/2026	2,200.00		
8/15/2023	8/15/2023	2,375,000.00	912828K74	US TREASURY NOTES	2.00%	8/15/2025	23,750.00		
8/15/2023	8/15/2023	235,000.00	91282CFE6	US TREASURY N/B NOTES	3.12%	8/15/2025	3,671.88		
8/15/2023	8/15/2023	235,000.00	91282CDZ1	US TREASURY N/B NOTES	1.50%	2/15/2025	1,762.50		
8/15/2023	8/15/2023	180,000.00	9128282R0	US TREASURY NOTES	2.25%	8/15/2027	2,025.00		
8/28/2023	8/28/2023	375,000.00	3135GACV1	FANNIE MAE NOTES (CALLABLE)	4.00%	8/28/2025	7,500.00		
9/1/2023	9/1/2023		MONEY0002	MONEY MARKET FUND			16,085.60		
9/15/2023	9/15/2023	100,000.00	91282CBR1	US TREASURY NOTES	0.25%	3/15/2024	125.00		
9/17/2023	9/17/2023	340,000.00	931142ER0	WAL MART INC CORP NOTES (CALLABLE)	1.05%	9/17/2026	1,785.00		
9/30/2023	9/30/2023	449,000.00	912828W71	US TREASURY NOTES	2.12%	3/31/2024	4,770.63		
<b>Total INTEREST</b>		<b>10,219,000.00</b>					<b>190,193.95</b>		<b>0.00</b>
<b>MATURITY</b>									
8/10/2023	8/10/2023	370,000.00	3135G05R0	FANNIE MAE NOTES (CALLABLE)	0.30%	8/10/2023	370,555.00		
8/18/2023	8/18/2023	130,000.00	3135G05V1	FANNIE MAE NOTES (CALLABLE)	0.36%	8/18/2023	130,234.00		
8/24/2023	8/24/2023	165,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	165,206.25		
8/25/2023	8/25/2023	135,000.00	89236THA6	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	1.35%	8/25/2023	135,911.25		



## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>MATURITY</b>									
9/8/2023	9/8/2023	80,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	80,100.00		
9/8/2023	9/8/2023	105,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	105,131.25		
9/16/2023	9/16/2023	105,000.00	46647PBS4	JPMORGAN CHASE CORP NOTES (CALLED,OMD 9/	0.65%	9/16/2023	105,342.83		
<b>Total MATURITY</b>		<b>1,090,000.00</b>					<b>1,092,480.58</b>		<b>0.00</b>

## Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY	8/9/2023	8/10/2023	375,000.00	91282CFA4	US TREASURY N/B NOTES	3.00%	7/31/2024	367,117.23	5.33%	
BUY	8/17/2023	8/18/2023	130,000.00	91282CHU8	US TREASURY N/B NOTES	4.37%	8/15/2026	129,030.75	4.66%	
BUY	8/22/2023	8/24/2023	165,000.00	91282CHU8	US TREASURY N/B NOTES	4.37%	8/15/2026	163,507.21	4.74%	
BUY	8/22/2023	8/25/2023	135,000.00	89236TKX2	TOYOTA MOTOR CREDIT CORP	5.00%	8/14/2026	134,586.60	5.17%	
BUY	9/7/2023	9/8/2023	185,000.00	91282CHU8	US TREASURY N/B NOTES	4.37%	8/15/2026	183,938.01	4.69%	
BUY	9/14/2023	9/18/2023	110,000.00	46647PCW4	JPMORGAN CHASE CORP NOTES	2.94%	2/24/2028	100,796.81	5.13%	
INTEREST	7/1/2023	7/1/2023	90,000.00	810454BL1	SCOTTSDALE, AZ TXBL GO BONDS	0.60%	7/1/2025	273.60		
INTEREST	7/3/2023	7/3/2023		MONEY0002	MONEY MARKET FUND			18,609.97		
INTEREST	7/15/2023	7/15/2023	770,000.00	91282CBE0	US TREASURY NOTES	0.12%	1/15/2024	481.25		
INTEREST	7/15/2023	7/15/2023	885,000.00	91282CEY3	US TREASURY N/B NOTES	3.00%	7/15/2025	13,275.00		
INTEREST	7/15/2023	7/15/2023	2,280,000.00	91282CGE5	US TREASURY N/B NOTES	3.87%	1/15/2026	44,175.00		
INTEREST	7/17/2023	7/17/2023	155,000.00	713448CY2	PEPSICO INC CORP NOTES (CALLABLE)	3.50%	7/17/2025	2,712.50		
INTEREST	7/29/2023	7/29/2023	150,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	2,775.00		
INTEREST	7/31/2023	7/31/2023	615,000.00	912828Z52	US TREASURY NOTES	1.37%	1/31/2025	4,228.13		
INTEREST	8/1/2023	8/1/2023		MONEY0002	MONEY MARKET FUND			22,050.39		
INTEREST	8/8/2023	8/8/2023	875,000.00	3130ASRJ0	FEDERAL HOME LOAN BANK NOTES	4.10%	8/8/2025	17,937.50		
INTEREST	8/15/2023	8/15/2023	110,000.00	91282CGL9	US TREASURY N/B NOTES	4.00%	2/15/2026	2,200.00		
INTEREST	8/15/2023	8/15/2023	2,375,000.00	912828K74	US TREASURY NOTES	2.00%	8/15/2025	23,750.00		

## Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	8/15/2023	8/15/2023	235,000.00	91282CFE6	US TREASURY N/B NOTES	3.12%	8/15/2025	3,671.88		
INTEREST	8/15/2023	8/15/2023	235,000.00	91282CDZ1	US TREASURY N/B NOTES	1.50%	2/15/2025	1,762.50		
INTEREST	8/15/2023	8/15/2023	180,000.00	9128282R0	US TREASURY NOTES	2.25%	8/15/2027	2,025.00		
INTEREST	8/28/2023	8/28/2023	375,000.00	3135GACV1	FANNIE MAE NOTES (CALLABLE)	4.00%	8/28/2025	7,500.00		
INTEREST	9/1/2023	9/1/2023		MONEY0002	MONEY MARKET FUND			16,085.60		
INTEREST	9/15/2023	9/15/2023	100,000.00	91282CBR1	US TREASURY NOTES	0.25%	3/15/2024	125.00		
INTEREST	9/17/2023	9/17/2023	340,000.00	931142ER0	WAL MART INC CORP NOTES	1.05%	9/17/2026	1,785.00		
INTEREST	9/30/2023	9/30/2023	449,000.00	912828W71	US TREASURY NOTES	2.12%	3/31/2024	4,770.63		
MATURITY	8/10/2023	8/10/2023	370,000.00	3135G05R0	FANNIE MAE NOTES (CALLABLE)	0.30%	8/10/2023	370,555.00		
MATURITY	8/18/2023	8/18/2023	130,000.00	3135G05V1	FANNIE MAE NOTES (CALLABLE)	0.36%	8/18/2023	130,234.00		
MATURITY	8/24/2023	8/24/2023	165,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	165,206.25		
MATURITY	8/25/2023	8/25/2023	135,000.00	89236THA6	TOYOTA MOTOR CREDIT CORP	1.35%	8/25/2023	135,911.25		
MATURITY	9/8/2023	9/8/2023	80,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	80,100.00		
MATURITY	9/8/2023	9/8/2023	105,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	105,131.25		
MATURITY	9/16/2023	9/16/2023	105,000.00	46647PBS4	JPMORGAN CHASE CORP NOTES	0.65%	9/16/2023	105,342.83		
<b>TOTALS</b>			<b>12,409,000.00</b>					<b>2,361,651.14</b>		<b>0.00</b>

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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.