

COOPERATIVE PURCHASE CONTRACT

Contract No. 2025-82

This Cooperative Purchase Contract is made and entered into this _____ day of _____, 2025 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona (“City”) and **U.S. Bancorp Asset Management, Inc.**, a Delaware corporation, as successor in interest to PFM Asset Management LLC a Delaware limited liability company (“Contractor”).

RECITALS:

- A. Contractor is a fully authorized vendor of Investment Management Services.
- B. The **City of Yuma** conducted a competitive and open procurement process through Request for Qualifications **RFQ-24-253** that resulted in Contract No. **RFQ-24-253** with Contractor (“Agency Contract”);
- C. The City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract.

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the Parties agree as follows:

1. Materials and or Services Purchased: Contractor shall provide to the City the materials and/or services, as specified in the Scope of Work attached as Exhibit A, and in accordance with the Agency Contract. A general description of materials and/or services being purchased is:

Investment Management Services

2. Specific Requirements of City: Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Scope of Work attached as Exhibit A and incorporated by reference. The specific requirements of the City are in addition to the scope of work set forth in the underlying Agency Contract.
3. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents attached as Exhibit B, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract, including, specifically changes in price for materials and/or services.
4. Payment:
 - 4.1 Payment to the Contractor for the materials and/or services not to exceed **one hundred sixty thousand dollars and no cents (\$160,000.00) per year**; made in accordance with the price list and terms set forth in the Agency Contract.
 - 4.2 Any adjustment to the Payment amount must be approved by mutual written consent of the parties through a formal amendment.

5. Certificates of Insurance: All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.
6. Term and Renewal: This Cooperative Purchase Contract shall commence on June 1, 2025 and shall continue for a period of one year with an option for one-year extensions for an additional four-year renewal periods presuming that the underlying Agency Contract has not expired or been terminated.
7. Authority to Renew or Amend: The City Manager or his/her designee may approve a contract amendment or renewal if the annual contract price does not exceed \$100,000.00; otherwise, City Council approval is required.
8. Notice: Any formal notice required under the Contract shall be in writing and sent by certified mail and email as follows:

To the City:
 Rick Tadder
 City of Flagstaff
 211 W. Aspen Ave.
 Flagstaff, AZ 86001
rtadder@flagstaffaz.gov
 928-213-2205

To Contractor:
 Annette Gaston
 PFM Asset Management
 1101 W. Washington St.
 Tempe, AZ. 85288
gastona@pfmam.com
 480-271-0432

With a copy to:
 Liane Garcia
 City of Flagstaff
 211 W. Aspen Ave.
 Flagstaff, AZ 86001
lgarcia@flagstaffaz.gov

9. Authority: Each Party warrants that it has authority to enter into the Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into the Contract.

US BANCORP ASSET MANAGEMENT, INC.

By: _____

Title: _____

CITY OF FLAGSTAFF

By: _____

Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney's Office

Last Updated January 6, 2025

EXHIBIT A
SCOPE OF WORK
(attached)

- 1. City of Flagstaff, Investment Policy – 15 pages**

EXHIBIT B
AGENCY CONTRACT
(attached)

- 1. PFM Asset Management LLC Agency Contract - 198 pages.**

SCOPE OF WORK – Investment Management – PFMAM Cooperative

1. Provide investment services in a comprehensive manner to handle the day-to-day administration of the City's investment portfolio.
2. Develop investment strategies to maximize earnings while balancing the constraints of cash flow needs.
3. Execute security purchases and/or sales with broker/dealers in accordance with the City's Investment Policy Statement.
4. Provide monthly investments statements no later than ten (10) business days after the conclusion of any month to include, but not limited to, individual security values at both market and cost, security ratings, transaction details, investment earnings, investment portfolio summary statistics, and credit analysis.
5. Review investment performance and recommendations with City's Treasurer or designee on a quarterly basis. Meet with Treasurer or designee as needed to review investment strategies. Remote meetings are acceptable.
6. Evaluate market risk and develop strategies that minimize the impact on the portfolio.
7. Provide assurance of portfolio compliance with applicable policies and laws and the City's Investment Policy.
8. Establish an appropriate performance benchmark.
9. Review and understand the Investment Policy of the City. Ensure portfolio structure matches City objectives. Assist in reviewing the Investment Policy and provide recommendations for revisions and improvements to the policy.
10. Coordinate with City's custodian to ensure appropriate safe-keeping and reporting of investment assets.
11. Provide annual reporting for Governmental Accounting Standards Board requirements.



City of Flagstaff, Arizona Investment Policy

Revised March 17, 2022

Contents

1.0	Policy	3
2.0	Scope.....	3
3.0	Prudence	3
4.0	Objective	3
5.0	Delegation of Authority	4
6.0	Investment Procedures	4
7.0	Ethics and Conflicts of Interest	5
8.0	Authorized Financial Dealers and Institutions.....	5
9.0	Authorized and Suitable Investments.....	5
10.0	Collateralization	6
11.0	Safekeeping and Custody	7
12.0	Diversification	7
13.0	Maximum Maturities	8
14.0	Internal Controls.....	8
15.0	Performance Standards	8
16.0	Benchmark.....	8
17.0	Reporting	8
18.0	Investment Policy Adoption	8
19.0	Glossary.....	9

1.0 Policy

It is the policy of the City of Flagstaff to invest public funds in a manner which will provide the highest reasonable investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all applicable state and local statutes governing the investment of public funds.

2.0 Scope

This investment policy applies to all financial assets and funds held by the City of Flagstaff. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

2.1 Funds

1. General Funds
2. Special Revenue Funds
3. Capital Project Funds
4. Enterprise Funds
5. Debt Service Funds
6. Internal Service Funds
7. Trust and Agency Funds
8. Permanent Funds
9. Any new funds created by the City, unless specifically exempted

3.0 Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" and/or "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 Objective

The primary objectives, in priority order, of the City of Flagstaff's investment activities shall be safety of principal, liquidity, and return. These objectives are defined as follows.

4.1 Investment Objectives

1. Safety of Principal

Safety of principal is the foremost objective of the investment program. Investments of the City of Flagstaff shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

To attain the City's objectives, diversification is required in the portfolio composition. Diversification of the portfolio will include diversification by maturity and market sector and by broker/dealers. Competitive bidding will be used on each sale and purchase.

2. Liquidity

The City of Flagstaff's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.

3. Return

The City of Flagstaff's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 Delegation of Authority

Authority to manage the City of Flagstaff's investment program is derived from the City Charter, and from City Ordinances and Resolutions. The Management Services Director is designated the Investment Officer of the City and is responsible for investment decisions and activities. The Revenue Director is designated as the Deputy Investment Officer. Investment advisors contracted by the City serve as Designated Investment Officers. All designated officers will comply with provisions of the policy.

6.0 Investment Procedures

The Management Services Director shall establish written administrative investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Management Services Director.

7.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City of Flagstaff.

8.0 Authorized Financial Dealers and Institutions

The City of Flagstaff will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained for approved security broker/dealers selected by credit worthiness that are authorized to provide investment services in the State of Arizona. These may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15c3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the City with the following:

8.1 Qualified Bidder Requirements

1. Most recent annual audited financial statements;
2. Proof of State of Arizona registration;
3. Proof of National Association of Security Dealers certification;
4. Completed broker/dealer questionnaire; and
5. Trading resolution.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the City. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.

If the City utilizes an investment advisor, the advisor may be granted discretion to execute transactions utilizing their own list of approved broker/dealers.

9.0 Authorized and Suitable Investments

The City of Flagstaff may invest in the following types of securities.

9.1 Authorized Investments

1. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities;
2. Obligations of the State of Arizona, or any of its counties, incorporated

- cities or towns, school districts,
3. Fully insured or collateralized certificates of deposit issued by a nationally or state chartered bank or savings institution;
 4. Negotiable or brokered certificates of deposit issued by a nationally or state chartered bank or savings and loan association that are rated within the top three ratings by a nationally recognized rating agency;
 5. Interest bearing savings account deposits at banks and savings and loan institutions doing business within Arizona whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC);
 6. Deposits in one or more federally insured banks or savings and loan associations placed in accordance with the procedures prescribed in section 35-323.01.
 7. Banker's Acceptances eligible as collateral for borrowing from the Federal Reserve, of U.S. banks whose short-term obligations are rated Aa or better by two nationally recognized rating agencies;
 8. Repurchase agreements, with a maximum maturity of 180 days; whose underlying collateral consist of securities in section 9.1.1 of this policy and executed with an Arizona bank or primary dealer;
 9. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States.
 10. Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies.
 11. SEC registered money market funds whose portfolios are limited to the foregoing authorized securities;
 12. The State of Arizona's Local Government Investment Pool (LGIP) by the state treasurer pursuant to section 35-326; and
 13. Companies that are not in the practice of extracting fossil fuels.

9.2 Competitive Bidding Requirement

All securities, including certificates of deposit, will be purchased or sold after a minimum of two (2) offers/bids are taken to verify that the City is receiving a fair market value/price for the investment.

9.3 Master Repurchase Agreement

If repurchase agreements are legal and authorized by policy, a Master Repurchase Agreement must be signed with the bank or dealer.

10.0 Collateralization

Collateralization will be required on two types of investments: certificates of deposit and

repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of the market value of principal and accrued interest.

The City of Flagstaff chooses to limit collateral to the following: treasuries and agency notes. Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted.

11.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City of Flagstaff shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the City and evidenced by safekeeping receipts. Safekeeping receipts should list the specific instrument, rate, maturity, and other pertinent information.

12.0 Diversification

The City of Flagstaff will diversify its investments by security type and institution. Following is a list of diversification limitations:

12.1 Diversification Limitations

		Max % of Portfolio
1.	U.S. Treasury, Agency, and Instrumentality Obligations	100%
	With one agency	100%
2.	State of Arizona State, County, City or Town, or School District Obligations	50%
	With one entity	10%
3.	Certificates of Deposit	25%
	With one financial institution	Fully Amortized \$250,000
4.	Negotiable Certificates of Deposit	25%
	With any one issuer	10%
5.	Interest Bearing Savings Account Deposits	50%
6.	Deposit Placement Programs	25%
7.	Banker's Acceptances	20%
8.	Repurchase Agreements	50%
	With one counterparty	20%
9.	Commercial Paper	20%
	With one issuer	5%
10.	Corporate Bonds	40%
	With one issuer	5%
11.	Money Market Funds	25%
12.	Local Government Investment Pool (LGIP)	100%

13.0 Maximum Maturities

To the extent possible, the City of Flagstaff will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.

14.0 Internal Controls

The City of Flagstaff shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions of employees of the City or investment counterparties.

15.0 Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

16.0 Benchmark

An appropriate benchmark shall be established against which portfolio performance shall be compared on a regular basis. The benchmark shall be reflective of the actual securities being purchased, risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

17.0 Reporting

The City is required to provide audited investment information in our Annual Comprehensive Financial Report as of June 30 of each fiscal year. Upon request of the City Council, the Management Services Director or designee will provide a comprehensive report regarding the City's investment program. The reports may include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies, security information (market value, par, coupon, issuer, earnings rate).

18.0 Investment Policy Adoption

As with all the City of Flagstaff financial policies, the investment policy is considered an administrative policy and adoption by the City Council is not required. The policy shall be reviewed annually by the Management Services Director and designated Investment Officer. Any modifications made thereto must be approved by the Management Services Director.

19.0 Glossary

ACCRUE: To recognize revenues when earned and to recognize expenditures as soon as they result in liabilities for benefits received.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): 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 issuer.

BASIS POINT: A basis point equals one one-hundredth of 1% (0.01%).

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

CITY: City of Flagstaff, Arizona.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT: The official annual report for the City of Flagstaff. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COMMERCIAL PAPER (CP): An unsecured promissory note with a fixed maturity no longer than 270 days issued by banks, corporations, public entities, and finance companies. Public offerings are exempt from SEC regulation.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, *e.g.*, U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.*, S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL FUNDS: Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States.

Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MAXIMUM MATURITY: The longest acceptable time to maturity that any one security in the portfolio may have at the time of purchase.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIME RATE: The rate which banks lend to their best or "prime" customers. Also known as the "reference rate."

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing a RP, it is lending money that is increasing bank reserves.

RETURN: A return, also known as a financial return, in its simplest terms, is the money made or lost on an investment over some period of time. (see also Total Return)

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STATE: State of Arizona

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TOTAL RETURN: Total return, when measuring performance, is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends, and distributions realized over a period. Total return accounts for two categories of return: income including interest paid by fixed-income investments, distributions, or dividends and capital appreciation, representing the change in the market price of an asset.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

WEIGHTED AVERAGE MATURITY: The weighted average time until all securities in a portfolio mature.

[!]bancorp
Asset Management, Inc.

1735 Market Street, 43rd Fl.
Philadelphia, PA 19103

January 24, 2025

City of Yuma
Attn: City Administrator
One City Plaza
Yuma, Arizona 85364

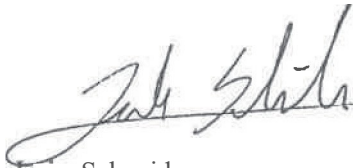
Re: Acknowledgement of Assignment to U.S. Bancorp Asset Management, Inc.

PFM Asset Management LLC ("PFMAM") signed the Offer and Acceptance for RFQ-24-253 with the City of Yuma (the "City") on May 23, 2024. The Offer and Acceptance was countersigned by the City on December 19, 2024, at which point the parties entered into a binding Professional Services Agreement.

In accordance with Paragraph 12.8 of the Professional Services Agreement, the City acknowledges the following:

- PFMAM was consolidated into its parent U.S. Bancorp Asset Management, Inc. ("USBAM") on October 1, 2024,
- PFMAM assigned its interests in the Professional Services Agreement to USBAM, and
- the Professional Services Agreement is now between the City and USBAM.

Sincerely,



Lu'e Schneider
Managing Director

Acknowledged by City of Yuma:



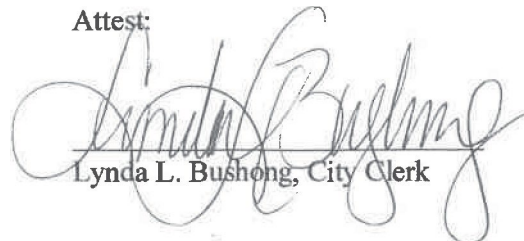
John D. Simonton, City Administrator

Approved as _____



Richard W. Files, City Attorney

Attest:



Lynda L. Bushong, City Clerk



Offer and Acceptance

To the City of Yuma: The undersigned Contractor hereby offers and agrees to furnish the goods and/or services in compliance with this Contract, as the term Contract is defined in this document.

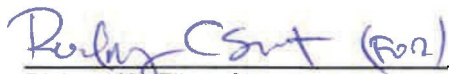
By signing and submitting this Offer, Contractor certifies and warrants that Contractor: has read, understands and agrees to comply with the Contract as defined here, Contractor is qualified to perform all Services required herein; has no known, undisclosed conflict of interest; has not made an offer of any gift(s), payment(s) or other consideration to any City employee, elected official who has or may have had a role in the procurement process for this Contract; pursuant to A.R.S. § 41-4401, Contractor and its subcontractors will comply with all immigration laws and regulations that relate to its employees and A.R.S. § 23-214; and the signatory is an officer or duly authorized agent of the Contractor with full power and authority to submit binding offers for the goods and/or services as specified herein.

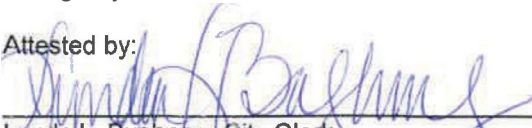
AZ Transaction Privilege Tax License# <i>(if applicable)</i>	n/a
Arizona Contractor License # <i>(if applicable)</i>	n/a
Arizona Registrant License# <i>(if applicable)</i>	n/a
City of Yuma Business License#	n/a
Company Name	PFM Asset Management LLC
Address	1101 W. Washington Street
City, State, ZIP	Tempe, AZ 85288
Telephone	(480) 293-2344
Email Address	schneiderl@pfmam.com
Contact Person Authorized to Sign	Luke Schneider, CFA
Title of Authorized to Sign	Managing Director
Date	5/28/2024
Signature	Luke Schneider Digitally signed by Luke Schneider Date: 2024.05.23 13:31:23 -07'00'

ACCEPTANCE OF OFFER - CITY OF YUMA

Contractor's Offer is hereby accepted and a Contract awarded by the City. Contractor is now bound to provide the goods and/or services as specified in the Scope of Work in this Contract. Contractor shall not start any billable work or provide any material/services until the Contractor receives an executed Purchase Order or written Notice to Proceed.


 Acting City Administrator, John D. Simonton

Approved as to form:

 Richard W. Files, City Attorney

Attested by:

 Lynda L. Bushong, City Clerk

Effective Date: Dec 19, 2024



PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF YUMA
AND
PFM ASSET MANAGEMENT LLC

This Contract ("Agreement") is entered into as of the Effective Date set forth in the executed Offer and Acceptance Form between the City of Yuma, an Arizona municipal corporation, ("the City") and PFM Asset Management LLC, (the "Firm"). The City and the Firm are sometimes referred to individually as the "Party" and collectively as the "Parties".

RECITALS

- A. The City issued a Request for Qualifications, RFQ 24-253 "Investment Management Services" (the "RFQ"), a copy of which is on file in the City Clerk's Office and incorporated by reference.
- B. The Firm responded to the City by submitting a proposal (the "Proposal"), attached as Exhibit A and incorporated by reference, and the City desires to enter into an Agreement with the Firm for the Services.

AGREEMENT

In consideration of the above recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Firm agree as follows:

1. **Term of Agreement.** This Agreement shall be effective as of the Effective Date set forth in the Offer and Acceptance Form fully executed by both Parties. The Agreement term is for a one-year term with the option to renew for four additional one-year periods, one period at a time, depending on the appropriation of funds and satisfactory performance.
2. **Scope of Work.** Firm shall provide the Services as set forth in the Scope of Work, attached as Exhibit B and incorporated herein by reference.
3. **Compensation.** The City shall pay Firm for Services at the rates set forth in the Best and Final Offer dated August 5, 2024, attached as Exhibit C and incorporated by reference.
4. **Payments.** The City shall pay the Firm monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.
5. **Documents.** All documents, including any intellectual property rights thereto, prepared and submitted to the City pursuant to this Agreement shall be the property of the City.
6. **Firm Personnel.** Firm shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Firm agrees to assign specific individuals to key positions. Firm agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prompt written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days or are expected to devote substantially less effort to the Services than initially anticipated, Firm shall immediately notify the City of same and shall replace such personnel with personnel possessing substantially equal ability and qualifications.
7. **RESERVED**
8. **Licenses: Materials.** Firm shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Firm. The City has no obligation to provide Firm, Firm's employees or subfirm any business registrations or licenses required to perform the specific services set forth in this Contract. The City has no obligation to provide tools, equipment or material to Firm.

9. Indemnification. To the fullest extent permitted by law, the Firm shall indemnify, defend and hold harmless the City and each City Council member, officer, director, employee or agent thereof {the City and any such person shall be deemed an "Indemnified Party"}, for, from and against any and all losses, claims, damages, liabilities, fines, penalties, judgments, costs and expenses (including, but not limited to, reasonable Firm' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (collectively "Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the intentional, reckless, or negligent acts, misconduct, errors, directives, mistakes or omissions in connection with the work or services of the Firm, Firm's officers, employees, agents, or any tier of subfirm or person attributable to Firm in the performance of this Agreement. The amount and types of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph. To the fullest extent permitted by law, the City shall indemnify, save and hold harmless the Contractor, Contractor's officers, agents, and employees for, from and against any and all claims, demands, actions, damages, judgements, settlements, personal injury (including sickness, disease, death and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorney's fees and Litigation Expenses asserted by a third-party (i.e. a person or entity other than City or Firm to the extent caused by, in whole or in part, any negligence, recklessness, or intentional wrongful conduct of **the City.**

10. Termination: Cancellation.

10.1 For City's Convenience. This Agreement is for the convenience of the City and, as such, may be terminated without cause after receipt by Firm of written notice by the City. Upon termination for convenience, Firm shall be paid for all undisputed services performed to the termination date.

10.2 For Cause.

If either Party fails to perform any obligation pursuant to this Agreement and such Party fails to cure its nonperformance within thirty (30) days after notice of nonperformance is given by the non-defaulting Party, such Party will be in default. In the event of such default, the non-defaulting Party may terminate this Agreement immediately for cause and will have all remedies that are available to the non-defaulting Party at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting Party's nonperformance is such that the default cannot reasonably be cured within thirty (30) days, then the defaulting Party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting Party immediately (A) provides written notice to the non-defaulting Party and (8) commences to cure the nonperformance and diligently continues to completion the cure of the nonperformance. In no event shall any such cure period exceed ninety (90) days. In the event of such termination for cause, payment shall be made by the City to the Consultant for the undisputed portion of Consultant's fee due as of the termination date.

10.3 Due to Work Stoppage. This Agreement may be terminated by the City upon thirty (30) days' written notice to Firm in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Firm for the undisputed portion of Firm's fee due as of the termination date.

10.4 Conflict of Interest. This Agreement is subject to the provisions of A.R.S. § 38-511. The City may cancel this Agreement without penalty or further obligations by the City or any of City's departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of City's departments or agencies is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other Party to the Agreement in any capacity or a Firm to any other Party of the Agreement with respect to the subject matter of the Agreement.

10.5 **Gratuities.** The City may, by written notice to the Firm, cancel this Agreement if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Firm or any agent or representative of the Firm to any officer, agent or employee of the City for the purpose of securing this Agreement. In the event this Agreement is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Firm an amount equal to 150% of the gratuity.

10.6 **Agreement Subject to Appropriation.** The City is obligated only to pay City's obligations set forth in the Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the City's then current fiscal year. The City's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should the City elect not to appropriate and budget funds to pay City's Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Agreement. The Parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which the Agreement is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for City's obligations under this Agreement. The City shall keep Firm informed as to the availability of funds for this Agreement. The obligation of the City to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the City. Firm waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Agreement pursuant to this section. The City agrees to provide the Provider with prompt notice of any event of non-appropriation.

11. **Insurance.** Before the commencement of any services, the Firm must provide the City with certificates of insurance and formal endorsements identifying this Agreement by the City's agreement number and name. All required insurance policies must name the City, and City's employees, as Additional Insured with endorsement. The required General Liability, Automobile Liability, Workers' Compensation insurance must contain an endorsement waiving subrogation and Firm waives subrogation against the City. All insurance policies are subject to approval by the City. The required General Liability, Automobile policies must include an endorsement providing that such insurance is primary insurance and that any other insurance maintained by the City is excess and noncontributing with the insurance required under this section. Policies must be written on a per occurrence basis. The Firm must give the City 30 days written notice before canceling or terminating any policy. The Firm's failure to furnish evidence of insurance will be considered a breach.

The Certificate Holder must be named as follows: **City of Yuma, Yuma, Arizona**

All certificates are to be sent to: purchasingweb@yumaaz.gov

A. The Firm must carry **Worker's Compensation Insurance** to cover obligations imposed by federal and state statutes having jurisdiction of employees engaged in the performance of the work or services, and Employer's Liability Insurance of not less than \$100,000.00 for each accident, \$100,000.00 disease for each employee, and \$500,000.00 disease policy limit. The policy must contain a waiver of subrogation by the insurance carrier. Firm must also waive subrogation.

The Firm must require subfirm(s) to provide Worker's Compensation and Employer's Liability with at least as much coverage as that provided by the Firm.

B. The Firm must carry **Commercial/Business Automobile Liability** with a combined single limit for bodily injury and property damages of not less than \$1 million for each occurrence on all vehicles the Firm uses, whether owned or leased, in the performance of the work or services under this Agreement. If hazardous materials or wastes are transported, CA 9948 endorsement must be included and \$3 million per accident limits for bodily injury and property damage will apply.

- C. The Firm must carry **Commercial General Liability** insurance with an unimpaired limit of not less than \$1 million for each occurrence with a General Aggregate Limit of \$2 million. The policy must be primary. Coverage must extend for two years past completion and acceptance of the project, and the Firm must provide annual Certificates of Insurance of continued coverage. No endorsement limiting or excluding a required coverage is permitted. All coverage's shall be on an occurrence basis. THE ADDITIONAL INSURED ENDORSEMENT REQUIRED HEREIN SHALL BE AN ISO FORM B (CG 20 10 10 01 or CG 20 34 10 01 AND CG 20 37 10 01), OR EQUIVALENT.
- D. The Firm must carry **Umbrella/Excess Liability** insurance with an unimpaired limit of not less than \$2 million per occurrence combined limit bodily injury and property damage, and applies in excess of the Commercial General Liability, Automobile Liability and Employer's Liability, as required above.
- E. The Firm must carry **Professional Liability** coverage for errors and omissions arising out of the work or services performed by the Firm, its agents, and employees, with an unimpaired limit of \$2 million each claim and \$2 million all claims.

12. Miscellaneous.

12.1 Independent Firm. It is clearly understood that each Party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other, except that the Firm acts as an agent and as a fiduciary when it conducts a trade of portfolio securities or holds such securities on behalf of the City. At all times in the course of performance, the Firm shall act as a fiduciary to the City. An employee or agent of one Party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Firm acknowledges and agrees that the Services provided under this Agreement are being provided as an independent firm, not as an employee or agent of the City. Firm, Firm's employees, and subfirms are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Firm, Firm's employees, or subfirms. The Firm, and not the City, shall determine the time of Firm's performance of the services provided under this Agreement so long as Firm meets the requirements of Firm's agreed Scope of Work as set forth in Section 2 above and Exhibit B. Firm is neither prohibited from entering into other agreements nor prohibited from practicing Firm's profession elsewhere.

12.2 Applicable Law: Venue. Any action to enforce any provision of this Agreement or to obtain any remedy with respect this Agreement shall be brought exclusively in the Superior Court, Yuma County, Arizona (or as may be appropriate, in the Justice Courts of Yuma County, Arizona or in the United States District Court for the District of Arizona, John M. Roll Courthouse if, and only if, the Superior Court lacks jurisdiction over such action). The Parties expressly and irrevocably consent to the exclusive jurisdiction and venue of such courts and expressly waive the right to transfer or remove any such action.

12.3 Laws and Regulations. Firm shall comply with the Americans with Disabilities Act (ADA) and shall indemnify City for any costs, including but not limited to, damages, Firm's fees, and staff time in any action or proceeding brought alleging violation of the ADA by Firm. Firm shall not discriminate against any person based on race, religion, color, age, sex, or national origin in the performance of this Agreement, and must comply with the terms and intent of Title VII of the Civil Rights Act of 1964, P.L. 88-354 (1964) and State Executive Order No. 2023-01. The Firm shall not participate in or cooperate with an international boycott, as defined in Section 999(b)(3) and (4) of the Internal Revenue Code of 1954, as amended, or engage in conduct declared to be unlawful by Arizona state law. The Firm shall include similar requirements of all sub-Firms in Agreements entered for performance of Firm's obligations under this Agreements. Firm shall keep fully informed and shall at all times during the performance of Firm's duties under this Agreement ensure that it and any person for whom the Firm is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to,

the following: (A) existing and future City ordinances and regulations; (B) existing and future State and Federal laws; and (C) existing and future Occupational Safety and Health Administration standards. Firm shall comply with all federal, state, and local laws, regulations, and ordinances applicable to Firm's performance under this Agreement.

12.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Firm.

12.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though such provisions were included and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party, the Agreement will promptly be amended to make such insertion or correction.

12.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Agreement which shall remain in effect without the invalid provision or application.

12.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire Agreement of the Parties with respect to its subject matter, and all previous Agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral Contracts have been made by any of the Parties except as expressly set forth in a written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the Party drafting the Agreement. The Parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

12.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Firm without prior, written permission of the City, signed by the City Administrator, except if the rights and obligations of the Firm are assigned to the Firm's parent company. U.S. Bancorp Asset Management, Inc., or any other U.S. Bancorp affiliated registered investment adviser, provided, however, that the City be provided seven (7) days' prior written notice of such assignment. Any attempted assignment or delegation by Firm in violation of this provision shall be a breach of this Agreement by Firm. The requirements of this Agreement are binding upon the heirs, executors, administrators, successors, and assigns of both Parties.

12.9 Subcontracts. No subcontract shall be entered into by the Firm with any other Party to furnish any of the material or services specified without the prior written and signed approval of the City. The Firm is responsible for performance under this Agreement whether subfirms are used. Failure to pay subfirms in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Firm.

12.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Firm from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

12.11 Attorney's Fees. In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default, the prevailing Party shall be entitled to receive from the other Party reasonable Attorney's fees and reasonable costs and expenses, determined by the court and not the jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment

12.12 Liens. All materials or services shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

12.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Firm any amounts Firm owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Firm any amounts Firm owes to the City for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

12.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the Party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the City:	If to Consultant:
City of Yuma	PFM Asset Management LLC
Attn: City Administrator	Attn: Luke Schneider
One City Plaza	1101 W. Washington Street
Yuma, Arizona 85364	Tempe, Arizona 85288

or at such other address, and to the attention of such other person or officer, as any Party may designate in writing. Notices shall be deemed received (A) when delivered to the Party, (B) three (3) business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a Party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a Party shall mean and refer to the date on which the Party, and not the Party's counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

12.15 Force Majeure. A Party may be excused from performance during the time and to the extent that they are prevented from obtaining, delivering, or performing by act of God, fire, strike, loss or shortage of transportation facilities, lock-out, pandemic, commandeering of materials, products, plants or facilities by the government, when satisfactory evidence is presented to the City, provided that it is satisfactorily established that the non-performance is not due to the fault or neglect of the Party not performing.

12.16 Confidentiality of Records. The Firm shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in Firm's records or obtained from the City or from others in carrying out Firm's obligations under this Agreement shall not be used or disclosed by either, Firm's agents, officers, or employees, except as required to perform Firm's duties under this Agreement. Persons requesting such information should be referred to the City. Firm also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Firm as needed for the performance of duties under this Agreement.

12.17 E-Verify Requirements. To the extent applicable under Arizona Revised Statutes ("A.R.S.") § 41-4401, the Firm will comply, with all federal immigration laws and regulations that relate to their employees and their compliance with the E-Verify requirements under A.R.S. § 23-214(A) ("Immigration Warranty"). Firm's failure to comply with Immigration Warranty shall be deemed a material breach of this Agreement and may subject Firm to penalties up to and including termination of this Agreement at the sole discretion of the City.

Neither Firm nor any subfirm will be deemed to have materially breached the Firm Immigration Warranty if Firm or subfirm establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 2748 of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214 (A).

12.18 Conflicting Terms. In the event of any inconsistency, conflict, or ambiguity among the terms of this Agreement, the Scope of Work, any City-approved Purchase Order, the Fee Proposal, the RFP and the Firm's Proposal, the documents shall govern in the order listed.

12.19 Non-Exclusive Agreement. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods and services from another source when necessary.

12.20 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement Agreements developed by the City, at their discretion and with the Agreement of the awarded Firm. Firm may, at Firm's sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the Parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Firm. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The City assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The City shall not be responsible for any disputes arising out of transactions made by others.

12.21 Time of the Essence. Time is of the essence in this Agreement. Unless otherwise specifically provided, any consent to delay in Firm's performance of Firm's obligations is applicable only to the particular transaction to which it relates and is not applicable to any other obligation or transaction.

12.22 Signatory Authority. Each person signing this Agreement represents that such person has the requisite authority to execute this Agreement on behalf of the entity the person represents and that all necessary formalities have been met.

12.23 Boycott of Israel. The Parties shall comply with the applicable requirements of Arizona Revised Statutes § 35-393.01. Firm certifies that Firm is not currently engaged in and agrees for the duration of this Agreement that the Firm will not engage in a boycott of Israel, as that term is defined in A.R.S. § 35-393.

12.24 Forced Labor of Ethnic Uyghurs Prohibited: Contractor shall comply with the applicable requirements of Arizona Revised Statutes § 35-394 and hereby certifies to the best of its knowledge and agrees Contractor does not currently use and will not use for the term of this Contract: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

12.25 Survival. The obligations of Firm under this Section shall survive the termination of this Agreement.

12.26 Counterparts and Electronic Signatures. This Agreement may be executed in one or more counterparts, and counterparts may be exchanged by electronic transmission (including by email), each of which will be deemed an original, but all of which together constitute one and the same instrument.

OFFER AND ACCEPTANCE FORM ATTACHED (After Fully Executed)

EXHIBIT A
TO
PROFESSIONAL SERVICES CONTRACT
BETWEEN
THE CITY OF YUMA
AND
PFM ASSET MANAGEMENT LLC

[Firm's Proposal]

See following page(s).



May 28, 2024

City of Yuma

Request for Qualifications for Investment
Management Services

RFQ #24-253

Response to RFQ#24-253
Investment Management Services
Attn: Melinda G. Holmes, CPPO, CPPB
City of Yuma, Procurement Division
One City Plaza
Yuma, AZ 85364

**NOT FDIC INSURED :
NO BANK GUARANTEE :
MAY LOSE VALUE**

For Institutional Investor or
Investment Professional Use
Only – This material is not for
inspection by, distribution to, or
quotation to the general public

PFM Asset
Management LLC

1101 W. Washington Street
Tempe, AZ 85288

520.260.1574
pfmam.com

Request for Qualifications for Investment Management Services RFQ #24-253

Table of Contents

Cover Letter	1
I. Technical Proposal	2
A. Executive Summary	2
B. Firm	4
C. Strategy and Approach	6
D. Experience	25
E. Team Makeup	26
II. Additional Requests	26
References (Attachment A)	26
III. Statement of Qualifications Evaluation Criteria	27
A. Qualifications of the Project Team	27
B. Experience	31
C. Project Approach and Methodology	32
IV. Appendices	
A. Certificate of Authority	
B. PFMAM's Form ADV Parts 2A & 2B	
C. Resumes of Key Professionals	
D. PFMAM's Sample Report	
E. PFMAM's Proposed Exceptions	

Required Forms

Attachment A References

Certification Form

Addenda Form

Offer and Acceptance Form

Principal for this Engagement

Luke Schneider, CFA, Managing Director, schneiderl@pfmam.com

For Institutional Investor or Investment Professional Use Only – This material is not for inspection by, distribution to, or quotation to the general public

About PFM Asset Management

PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC") 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.

For more information regarding PFMAM's services or entities, please visit www.pfmam.com

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Melinda G. Holmes, CPPO, CPPB
City of Yuma, Procurement Division
One City Plaza
Yuma, AZ 85364

RE: Request for Qualifications ("RFQ")-24-253 for Investment Management Services

Dear Ms. Holmes:

PFM Asset Management ("PFMAM") is pleased to submit our proposal to provide investment management services to the City of Yuma (the "City"). By leveraging our dedicated fixed income resources and Arizona-specific expertise, we believe we can help the City to improve its investment program to safely increase investment earnings while adhering to the objectives of safety, liquidity, and return.

Since 1980, our nearly 300 investment professionals have assisted local governmental clients with the management of fixed income portfolios with similar mandates to the City.¹ Nationally, we manage or advise on \$229.8 billion in total assets, with \$176.3 billion in discretionary assets under management ("AUM") and \$53.4 billion in non-discretionary assets under advisement ("AUA").¹ In Arizona alone, we manage more than \$7.5 billion for 20 cities and 11 other public entities across the state.¹

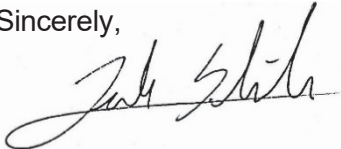
Luke Schneider, CFA is the contact person for our proposal. He and other key personnel are available to begin work on this engagement immediately. His contact information is: 1101 W. Washington Street, Tempe, AZ 85288, schneiderl@pfmam.com, 520.260.1574.

PFM Asset Management (EIN: 41-2003732) is a limited liability company and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). Luke Schneider, CFA is authorized to act on PFMAM's behalf with regards to this proposal. Our headquarters is located at 213 Market Street, Harrisburg, Pennsylvania, and the local office at 1101 W. Washington Street, Tempe, AZ will provide engagement management and support. We include our certificate of authority for Arizona in Appendix A.

PFMAM maintains a nationwide investment advisory practice servicing hundreds of different clients at any one time. All of our client service contracts are terminable in the discretion of the client on short notice. Occasionally, PFMAM receives notice from a client terminating a contract, for a reason other than cause, breach default, nonperformance or non-allocation of funds. PFMAM does not maintain records that are indexed to identify why a client engagement has become inactive and, consequently, PFMAM is not in a position to identify agreements that have been terminated within the past years.

In December 2023, PFMAM was named as one of several defendants by a plan participant of a pension for which we serve as investment manager. The complaint contained allegations related to the employer's mandatory retirement age. PFMAM maintained that the claim was legally and factually unsupported as it relates to PFMAM and that PFMAM had no liability. The plaintiff and primary named defendants (not including PFMAM) settled the matter and the case was dismissed in 2024.

Sincerely,



Luke Schneider
Managing Director
PFM Asset Management LLC



Annette Gaston
Director
PFM Asset Management LLC

¹ As of December 31, 2023.





I. Technical Proposal

A. Executive Summary

Executive Summary: a brief narrative that outlines the key elements of SOQ.

PFMAM’s original practice was founded in 1978 to provide independent financial advisory services to the public sector. PFMAM began providing investment advisory services in 1980. These services have grown to include timely, market-driven portfolio management, bond proceeds reinvestment, cash flow analysis, portfolio design and accounting, as well as related services, such as arbitrage rebate calculation.

For more than 40 years, our investment professionals have assisted local governmental clients with the management of fixed income portfolios with similar mandates to the City. Nationally, we manage or advise on \$229.8 billion in total assets, with \$176.3 billion in discretionary AUM and \$53.4 billion in non-discretionary AUA.² In Arizona alone, we manage more than \$7.5 billion for 20 cities and 11 other public entities across the state.²

PFMAM has been serving public entities in the state since 2002, and we will continue to provide relationship management from our Tempe, Arizona office. Our team has extensive knowledge of relevant provisions of the Arizona Revised Statutes, and the fiscal and political environment in which Arizona cities operate every day. Additionally, we have provided education across the state of Arizona for the last 10 years, and we are active members of the Government Finance Officers Association of Arizona (“GFOAZ”). We have also hosted a complimentary seminar for our Arizona clients focused on issues pertaining to public entities in the state for over a decade.

We further describe how we meet the key elements of the Statement of Qualifications (“SOQ”) below, and describe how we will help the City address its Scope of Work in Section C.

A. Firm will be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 (or be exempt from registration as a bank/trust organization) and be properly registered to provide investment advisory services in Arizona. A copy of the latest Form ADV if applicable, to be included with Response.

PFMAM is registered with the Securities and Exchange Commission (“SEC”) under the Investment Advisors Act of 1940 and are properly registered to provide investment advisory services in Arizona. We include our Form ADV Part II in Appendix B.

² As of December 31, 2023.



B. Firm will have a minimum of ten (10) years of experience managing fixed income portfolios for higher education institutions, state/local governments and/or other public entities.

PFMAM has been managing fixed income portfolios for higher education institutions, state/local governments, and/or other public entities for 44 years. Since our primary focus is on the public sector, we pay special attention to topics that are relevant to our governmental clients. Our focus on specific resource areas allows us to deliver high-quality customized services to each client. We manage operating funds, capital funds, reserve funds, and bond proceeds for governmental and other institutional entities across the country. Our fixed income professionals are dedicated to various aspects of public funds investing, including portfolio management/strategy, technical/research analysis, compliance, accounting and client service.

C. Firm will have experience managing fixed income portfolios in excess of \$50 million.

Nationally, we manage or advise on \$196.4 billion in total fixed income assets, with \$148.7 billion in discretionary AUM and \$47.7 billion in non-discretionary AUA.³ This includes managing portfolios for more than 409 clients, each with assets in excess of \$50 million. Of that total, we manage portfolios ranging in size from \$300-\$500 million for 37 clients.³

D. Firm will have assets under management of at least \$10 billion.

PFMAM manages more than \$176.3 billion in discretionary fixed income and multi-asset class assets nationwide.

E. Firm will assign a portfolio manager to the City's account with a minimum of ten (10) years of experience in providing investment services to higher education institutions and/or public entities.

PFMAM's portfolio managers all have at least 10 years of experience in providing investment services to public entities and/or higher education clients. We will determine primary and backup portfolio managers for the City's portfolio after discussions with the City to determine what we believe is the best strategy to optimize the City's portfolio. We include a graphic illustrating our portfolio management team on the following page.

³ As of December 31, 2023.



Fixed Income Portfolio Management



Fixed Income Leadership

Ken Schiebel, CFA
Chief Investment Officer

Robert Cheddar, CFA
Co-Head of Short & Intermediate Fixed Income (Credit)

Greg Haendel, CFA
Co-Head of Short & Intermediate Fixed Income (Core Bonds)

James Sims, CFA
Co-Head of Short & Intermediate Fixed Income (Securitized)

Jeff Rowe, CFA
Head of Liquidity Products Portfolio Management



Portfolio Trading

Laura Creason
CP & Agency

Crystal Eckenrode
Treasury & Agency

Greta Foust
Repo & CDs

Ryan Petrasic
Securitized Products

Kylie Bueti, CFA
Agency & Supras



Sector Specialist Portfolio Managers

Joseph Creason, CFA
Corporates

Mitul Patel, CFA, FRM
Cash & Short-Duration
Separate Accounts

Michael Downs, CFA
Mortgage-Backed Securities

Cori Farwell
Cash & Short Duration
Separate Accounts

Giancarlo Morales-Belletti
Asset Backed Securities

Dorothy Cooney
Cash & Short Duration
Separate Accounts

Meredith LaBuda Sullivan
Agency & Supranationals

Brian Raubenstine
Municipals

Jason Sharpe, CFA
Corporates

Kerri Muskin
LGIPs and TERM

Philip Levy, CFA, CPA
Corporates

John Zhang, CFA
Corporates



Portfolio Strategies Group

Jack Wilhelm

Chris Rekawek, CFA

Eric Simpson

Mariana Clark

Aaron Gober

Andrew Marchesseault

Chris Harris, CFA, CAIA

Portfolio Construction | Investment Analytics &
Attribution | Structured Products Group



Investment Services Group

Trading Support | Trade Settlement
Data Management



Supported by Credit Research Group*

Preserve Principal | Manage Approved Lists
Generate Alpha



Investment Resources and Tools

Proprietary Models | Bloomberg AIM | TradeWeb
MarketAxess | S&P Global | CreditSights | Sustainalytics

As of April 8, 2024.

* Credit research is a shared service consisting of resources from U.S. Bancorp Asset Management and PFM Asset Management.

F. Firm will be familiar with all applicable Arizona state statutes regarding qualified investments for public entities.

PFMAM has been serving public entities in the State of Arizona since 2002, and we will continue to provide relationship management from our Tempe office. In Arizona alone, we manage more than \$7.5 billion for 20 cities and 11 other public entities across the State.³ Our team has extensive knowledge not only of relevant provisions of the Arizona Revised Statutes, but also of the fiscal and political environment in which Arizona cities operate every day. Additionally, we have provided education in the State for the last 10 years, and we are active members of the GFOAz.

B. Firm

Firm: a profile of the Firm including its business history, range of services provided, and overall qualifications for the contract.

PFMAM began providing investment advisory services in 1980, and in 2001, PFM Asset Management LLC was created to house our asset management business and related services. Our



services include timely, market-driven portfolio management, bond proceeds reinvestment, cash flow analysis, portfolio design and accounting, as well as related services, such as arbitrage rebate calculations. We are registered with the SEC as an investment advisor under the Investment Advisers Act of 1940. PFMAM is a leading provider of independent investment advisory services to public entities and other institutional investors.⁴ PFMAM managed or advised on \$229.8 billion in total assets, including \$176.3 billion in discretionary AUM and \$53.4 billion in non-discretionary AUA.⁵

In December 2021, PFMAM was purchased by USBAM, a subsidiary of U.S. Bank National Association ("U.S. Bank"). We retained nearly all of our current employees after the acquisition, and our leaders continue to set the firm's strategic direction under the USBAM ownership. PFMAM is a direct subsidiary of USBAM, which is a direct subsidiary of U.S. Bank. USBAM and U.S. Bank are, respectively, indirect and direct subsidiaries of U.S. Bancorp.

PFMAM's major business lines are both discretionary and non-discretionary investment management and advisory services for fixed income assets and discretionary management and advisory services for multi-asset class assets. In addition, we serve as investment advisor to 18 local government investment pools ("LGIPs"). These services comprise more than 95% of our revenue, with the additional revenue from services such as arbitrage rebate and bond proceeds investment services.

Our professionals have extensive experience in providing fixed-income investment services for cities and other governmental entities across the nation. We provide a wide range of investment services, including:

- ▶ Discretionary investment management
- ▶ Non-discretionary investment advice
- ▶ Cash flow analyses
- ▶ Investment policy review and development
- ▶ Investment strategy analysis and implementation
- ▶ Performance reporting
- ▶ Credit analysis
- ▶ Management of LGIPs
- ▶ Bond proceeds strategies, including arbitrage rebate services
- ▶ Procurement of banking and custodial services

⁴ Source: *Pensions & Investments, Largest Money Managers 2023*, published June 12, 2023, <https://www.pionline.com/largest-money-managers/2023>

⁵ As of December 31, 2023.



- ▶ Investment education for finance staff and committee members
- ▶ Broker-dealer due diligence and relations
- ▶ Performance analysis and benchmarking
- ▶ Bond proceeds strategies, including arbitrage rebate services

C. Strategy and Approach

Strategy and Approach: overall methodology to be used in conducting the requested analysis while meeting the Scope of Work requirements.

We understand the City is seeking an investment manager with resources to support a comprehensive investment program. PFMAM is qualified to perform all of the required services outlined in the SOQ and has a proven track record of successfully delivering these services to similar governmental clients across Arizona and nationally. We have a disciplined, low-risk approach to investing. Our investment strategies are designed to optimize investment returns, while carefully managing risk, especially during times of market volatility. Our philosophy shares the City's primary objectives of seeking to ensure safety and liquidity—all in compliance with the City's Investment Policy and Arizona state statutes.

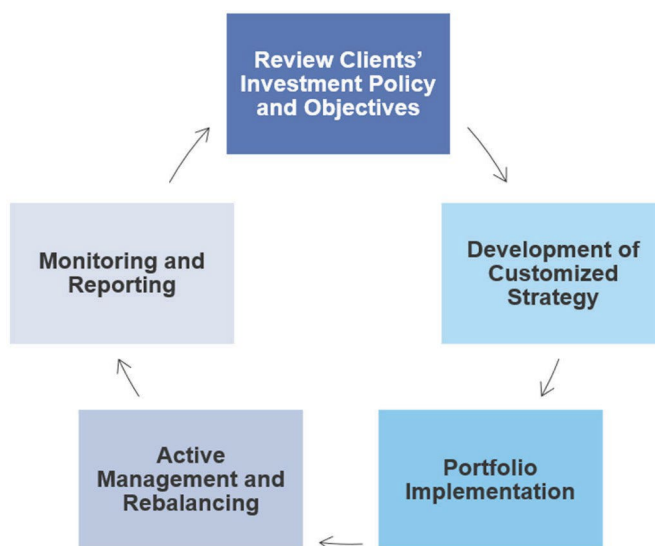
PFMAM believes that a successful investment program begins with a strong investment philosophy foundation. We detail our investment philosophy below, and then address each item included in the City's Scope of Work.

Investment Philosophy

Our core investment philosophy is fundamentally an active, relative-value-based approach, with an emphasis on investment grade securities and downside protection. Our goal is to **outperform high-quality benchmarks, but with lower volatility**. We believe we distinguish ourselves from other investment advisors in that our primary focus is on the management of public sector fixed income funds with short to intermediate investment horizons. We strive to achieve competitive returns for our clients over time, while carefully managing risk and preserving principal.

Our investment objectives are consistent with the conservative and prudent nature of the City and are, in order of priority:

- ▶ Safety – Preservation of capital and legality of investments
- ▶ Liquidity – Provide liquidity when needed





- ▶ Return – Seek to optimize return, consistent with the primary objectives of safety and liquidity

Our conservative approach means that we always put safety and liquidity ahead of the risks involved with simply chasing higher yields. We understand the importance of protecting the City's investments, not only from an actual loss, but also from a loss of public trust.

The market volatility stemming from the COVID-19 pandemic to the Russia/Ukraine conflict solidifies for us the importance of focusing on safety and liquidity before return. As such, PFMAM always emphasizes a strong allocation to governmental securities, particularly Treasuries. We help our clients structure their portfolios with the understanding of the potential need to access these reserves during times of stress.

The objectives listed above are achieved by putting into practice our key principles:

- ▶ **We strive to deeply understand the needs of our clients when providing investment advice.** At the beginning of this engagement, we will work closely with the City to gain an understanding of its investment program objectives and risk tolerance.
- ▶ **We strive to create and manage investment programs that are safe, diversified and have low volatility.** Our investment approach is based on relative value—the thorough analysis of the relative merits and risks of various investment types, maturities, and issuers in the context of current market conditions. Every investment decision is thoroughly analyzed and compared against a range of investment alternatives.
- ▶ **We incorporate a low-risk, proactive management approach designed to complement and enhance our relative value approach.** Active management can capture opportunities for enhancing earnings as markets or the relationships between investment alternatives change. In other words, our portfolio managers do not hold all securities to maturity. Market opportunities may arise whereby a security could be sold, and another purchased which enhances the return of the portfolio. This approach is especially important in portfolios managed to a total return benchmark.
- ▶ **We employ a rigorous and diligent risk management process that includes careful monitoring of holdings.** Our primary goal will be to keep the City's portfolio safe. We perform ongoing and continuous due diligence on every issuer held in the portfolio. We use various monitoring tools as an early warning system to avoid negative surprises and conduct thorough issuer reviews that encompasses fundamentals such as liquidity, earnings, debt-to-equity ratios, and other factors.



Credit Process

PFMAM has a disciplined credit review process, described below, to monitor investments within the City's portfolio. We have the capabilities and internal research to assist, upon request, in performing due diligence on broker-dealers and financial institutions, including the City's depository and custodian bank.

PFMAM's Credit Monitoring Process

PFMAM employs a rigorous, market-driven credit review, approval, and monitoring process that relies primarily on internal research. We evaluate both the quantitative and qualitative aspects of issuers from the perspective of a public agency investor. Our approach to credit research was tested during the 2007-08 financial crisis and COVID-19 pandemic, and this process allowed us to help clients avoid the losses suffered by many investors during those difficult market conditions. No securities in our client's portfolios experienced a default or material liquidity issue during this period of extreme financial stress.

PFMAM's Fixed Income Credit Committee ("Credit Committee") is the cornerstone of our credit review process. Our Credit Committee—including the firm's chief compliance officer ("CCO"), the chief investment officer ("CIO"), portfolio managers, traders, strategy and research staff and a representative from PFMAM's Compliance Group—meets formally on a monthly basis, or more frequently if market conditions warrant. The Credit Committee is responsible for approving new issuers, monitoring existing holdings, and maintaining our Approved Issuer List. All portfolio managers and traders are restricted to purchasing only those issuers on our firm's approved credit list. Issuers are added to our approved lists only if they (1) meet our stringent credit requirements; (2) have stable or improving credit fundamentals; (3) are frequent issuers; and (4) offer yields which represent value in their respective sector and industry.

Issuers are monitored on an ongoing basis and are proactively removed if conditions warrant. We assign credit research responsibilities to portfolio managers and traders involved directly with our investment process, rather than separate credit analysts. Our conservative approach to credit and the direct involvement of our portfolio management team has resulted in exceptional outcomes, even during times of stress. We do not rely on a "hands-off" approach, as we feel it is necessary to be directly involved in the investment process so that important signals and changes in conditions impacting the credit markets are not overlooked. An overreliance on quantitative analysis and other traditional methods of credit research have proven to be insufficient to effectively assess credit risk.

Portfolio Strategy and Analysis

In reviewing the information provided throughout the bidding process, PFMAM has reviewed the City's current portfolio. We believe we may be able to offer additional strategies to help meet the City's needs, as shown in the information below. The sample portfolios are provided for illustrative purposes only.

The portfolio on the following page is based on the City's current IPS.

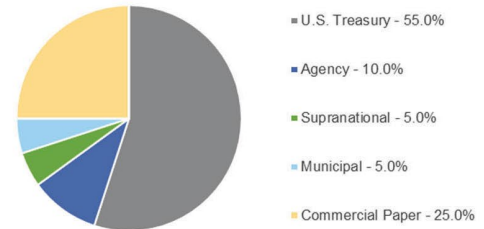


Sample Portfolio: 0-5 Year Strategy (Investment Policy)

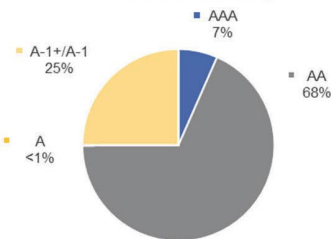
Portfolio Statistics

Duration	2.05 years
Yield at Market	4.93%

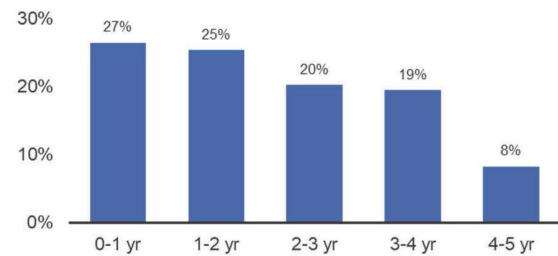
Sector Allocation



Credit Quality



Duration Distribution



- Data Source: Bloomberg. Data as of May 23, 2024.
- Sample portfolio structured by PFMAM. Please see important disclosures at the end of this presentation.



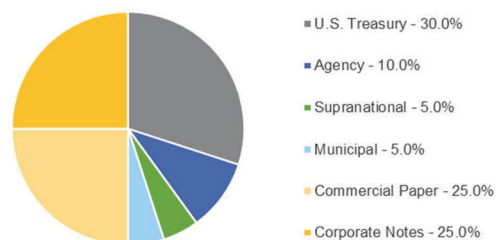
The portfolio below includes a 25% allocation to A-rated or better corporates. This is based on our current target allocation for an account that can invest in securities out to 5 years.

Sample Portfolio: 0-5 Year Strategy (Investment Policy + Corporates)

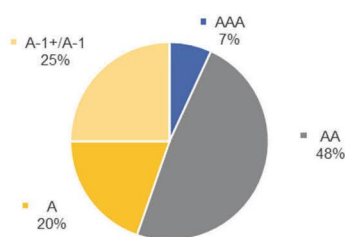
Portfolio Statistics

Duration	2.06 years
Yield at Market	5.05%

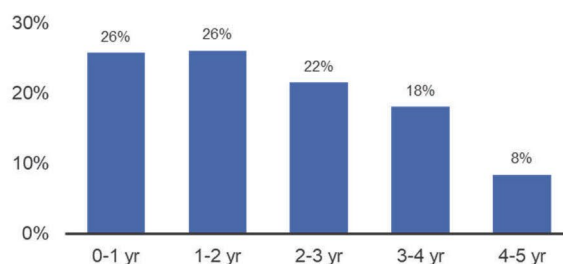
Sector Allocation



Credit Quality



Duration Distribution



- Data Source: Bloomberg. Data as of May 23, 2024.
- Sample portfolio structured by PFAMM. Please see important disclosures at the end of this presentation.

Sample portfolio is provided for illustrative purposes only and is not a recommendation.

Portfolio based on assumed investment noted under each portfolio.

Yield source Bloomberg for individual securities, as of May 23, 2024.

Ratings shown are S&P, or the equivalent Moody's or Fitch rating.

Security universe sourced from Bloomberg and Market Axess and further limited to those issuers permitted by PFAMM's internal Approved Credit List.

Actual yields and security availability may vary at time of purchase.

As economic and market conditions may change in the future, so may PFAMM's recommendations as to the sale and purchase of securities in the portfolio.



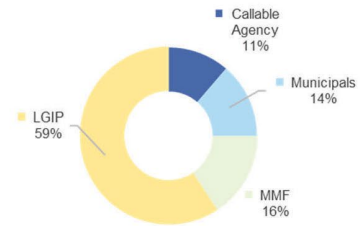
Current Portfolio

Portfolio Overview

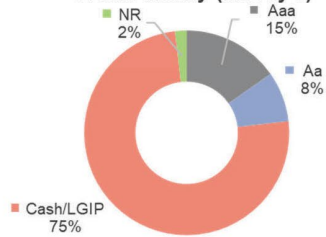
Portfolio Statistics

Par Amount Invested	\$ 391,499,674
Number of Holdings	35
Duration	0.43 years
Average Maturity	0.43 years
Average Maturity to Call	0.10 years
Average Market Yield	4.23%
Average Quality	Aa1

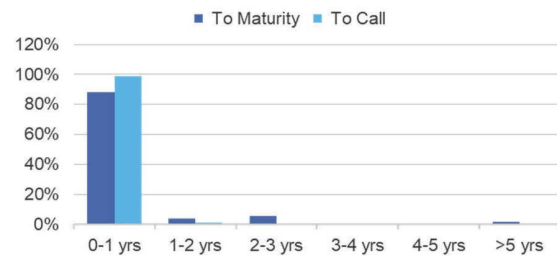
Sector Allocation



Credit Quality (Moody's)



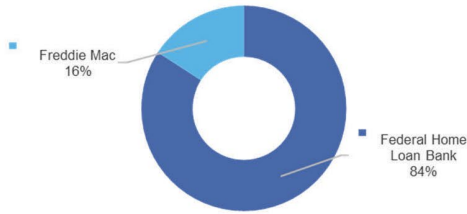
Maturity Distribution



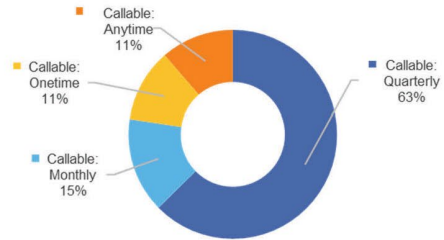
Source: Bloomberg, Portfolio data as of 3/31/24.

Agency Summary

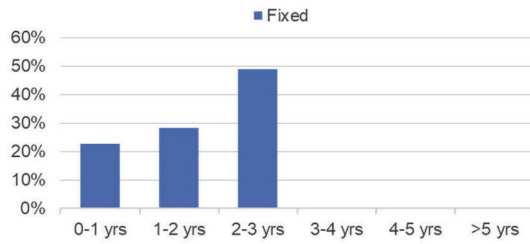
Issuer



Call Feature



Duration Distribution

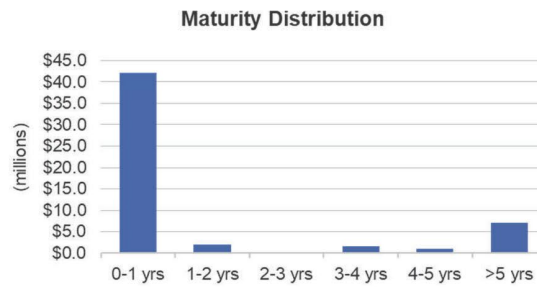
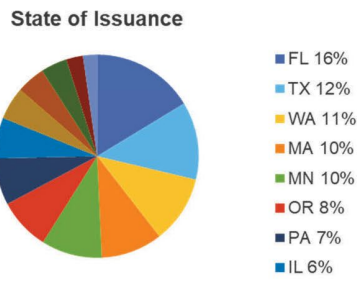
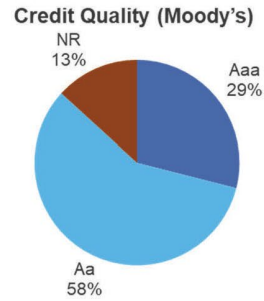
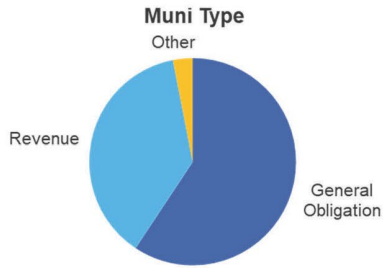


Maturity Distribution



Source: Bloomberg, Portfolio data as of 3/31/24.

Municipal Summary



Source: Bloomberg, Portfolio data as of 3/31/24.



Scope of Work

A. Provide investment services in a comprehensive manner to handle the day-to-day administration of the City's investment portfolio.

PFMAM is proposing an investment program built on our five-step plan to help ensure the City's investment program rests on a strong foundation and follows a disciplined process.

1. *Initial Review*

At the beginning of the engagement, we will meet with the City's staff to review the scope of the engagement, key project milestones, and review the City's Investment Policy and guidelines in depth.

Where appropriate, we will provide policy recommendations for the City's consideration. If the City is willing to segment the portfolio and identify a "core" portfolio, we would also discuss the potential risk and return that is associated with a slightly longer weighted average maturity. Meanwhile, the "liquidity" allocation would have a shorter weighted average maturity target. The consideration of longer-term investment strategies has historically shown to be the best way to enhance returns and reduce income volatility through market and budgetary cycles. However, long-term investing exposes a portfolio to different types of investment risk. The actual maximum maturity and/or average maturity requirement for any security type or for a portfolio should be set around the City's risk aversion.

2. *Liquidity Analysis*

In conjunction with recommendations for modifications to the Investment Policy, we will work with staff to analyze historical cash flow patterns and consider any significant forecastable changes to liquidity needs. This cash flow analysis will help us confirm the City's "core" portfolio and understand any extra liquidity the City may want to maintain for unforeseen circumstances. In rising interest rate environments, as we are currently experiencing, there is increased opportunity cost associated with excess liquidity as short-term money market instruments (T-bills, agency discount notes, commercial paper, etc.) become attractive alternatives to liquid investments and deposits. We will work with the City to obtain a thorough and ongoing evaluation of cash flow expectations and provide recommendations to the City to proactively utilize these securities with the goal of increasing the portfolio's overall income potential.

3. *Investment Strategy Development*

Based on the information developed from the discussions above, we will meet with the City's staff to formulate an investment strategy for each of the liquidity and core allocations for the City's portfolios. We will review potential strategies with the City to determine the approach that best meets its specific investment objectives and constraints including a careful consideration of the City's tolerance for interest rate and credit risk. The strategy development process is unique to each of the City's funds, as their related cash flow expectations and use of funds vary. The nuances will be considered, and we will work with the City to determine the



appropriate performance benchmark for each of the managed funds. The finer points of the strategy—such as sector allocation targets—will be dependent on current market conditions and our assessment of relative value.

4. Portfolio Management and Monitoring

PFMAM's objective is to (1) ensure the safety of principal, (2) provide needed liquidity and within these constraints (3) maximize earnings. Our active management approach permits us to adjust the portfolio in response to changes in the cash flow needs to help ensure that funds are available as they are needed while investment returns on remaining funds are optimized. Through our extensive market presence, we have the necessary resources to undertake analysis with the objective to identify securities with the highest available yields. Moreover, we carefully monitor the markets to take advantage of investment opportunities created by market volatility.

Our portfolio management and monitoring approach entails:

- ▶ Portfolios are customized to each client's particular financial situation, investment balances, cash flow requirements, budget, and sophistication. For example, bond proceeds are managed differently from operating funds.
- ▶ Portfolios are managed as a whole, rather than as a series of individual transactions.
- ▶ Portfolios are monitored simultaneously for value-added trade ideas, and to mitigate risk in volatile markets.
- ▶ Portfolio characteristics such as duration, average maturity, credit quality and yield are designed and carefully implemented to meet each client's unique needs, policy constraints, and risk tolerance.
- ▶ Investments are evaluated both for yield/return potential and risk. Careful risk management is a constant and overriding consideration in all investment decisions.
- ▶ We regularly analyze investment alternatives and decide which sectors/maturities have value and then shop for them, rather than responding to broker pitches for what is "hot."
- ▶ Every effort is made to competitively bid trades to a minimum of three to five (when available) carefully selected brokers to seek best pricing.
- ▶ Trades are processed through Bloomberg Asset and Investment Manager ("AIM"), which performs a compliance check before each trade, after each trade, and at the end of each day for every portfolio.
- ▶ Straight-through processing from trading to settlement to accounting, which helps ensures timely and accurate trading and accounting.



5. **Accounting and Reporting**

PFMAM will maintain accurate records of all investments under our management. Our systems and procedures are structured to accurately track all investment activity and proactively identify any discrepancies and quickly correct them. PFMAM's Accounting Group reconciles our internal records with the custodian bank to help ensure accuracy of transactions and account holdings. This reconciliation is done by accounting staff independent of the trading desk.

We will provide the City with daily, monthly, and quarterly reports to keep staff informed about all aspects of the investment program.

B. Develop investment strategies to maximize earnings while balancing the constraints of cash flow needs.

As the City's full-time investment manager on a discretionary basis, we will formulate an investment strategy for the City's investment funds; determining the asset types, maturity ranges, and credit categories offering the City what we believe to be the best value for its investment; and, will seek best execution on all trades. We will review the City's portfolio holdings and provide our observations and recommendations to the City's upon commencement of this engagement.

PFMAM will work closely with the City to construct a portfolio that simultaneously meets all of the City's specific policy requirements while seeking to ensure a high degree of safety, liquidity and return. These opportunities can vary significantly over time, so an optimal portfolio a year from now might look different from one today. At all times, however, the portfolio would bear the following characteristics:

- ▶ **Safety.** PFMAM seeks to ensure the safety of funds by providing investment advice designed to strictly adhere to policy constraints on minimum credit ratings. We monitor the credit markets and, within regulatory requirements, can communicate with the City's staff on investments issued by issuers that have been included on our list of approved issuers.
- ▶ **Liquidity.** We will work with the City to understand cash flow needs, and make recommendations matched specifically to those identified needs.
- ▶ **Return.** PFMAM has developed a broad range of analytical tools and approaches that seek to maximize return safely. This involves selecting investment types that meet the City's objectives of safety and liquidity, and diversifying those investments in ways that are aimed to enhance return. Our recommendations to the City will be designed with the aim to increase yield, lower risk, and/or enhance future earnings.

We will maintain regular communication with the City to acquire real-time knowledge of the timing for upcoming cash flows, in order to provide proper foresight to any portfolio management decisions required to meet the City's cash needs. Using our proprietary cash flow models, we will work closely with the City's to examine and model actual historical cash flows so that we can determine optimal maturity allocations for each portfolio. Additionally, our



proprietary earnings projection tool will help the City determine expected investment earnings, which will inform the City’s budgeting process, cash planning, and earnings tracking throughout the fiscal year.

C. Provide discretionary investment advisory services to help govern the City’s investment portfolio, currently valued at approximately \$386MM.

PFMAM will provide discretionary investment advisory services for the City’s investment portfolio. We will actively manage the City’s portfolio, seeking to take advantage of market conditions.

Our investment process for fixed income portfolios involves a combination of committee-driven strategic decisions and daily review and implementation by the assigned portfolio manager. Our Fixed Income Investment Committee (“Investment Committee”) establishes key investment strategy parameters, such as duration and sector allocation targets, while the portfolio manager makes day-to-day decisions that incorporate the City’s objectives, constraints and optimal portfolio structure. The portfolio management process is also informed by detailed sector reports and analysis distributed weekly by sector experts and by analytical support provided by the firm’s Portfolio Strategies Group (“PSG”).

To further shape how the portfolio strategy is developed and implemented, relationship managers like Annette and Luke will coordinate with our portfolio strategists and the portfolio manager. This approach allows us to provide more customized recommendations to our clients, such as cash flow considerations.

The City’s portfolio management team is backed by dedicated fixed income groups that collaborate and reach consensus in a way to help ensure our clients receive our best ideas and solutions. This continual dialogue around our trading desk is informed by our:

- ▶ **Fixed Income Investment Committee** – meets formally at least once per month to review market conditions, assess relative value, review and evaluate analysis from a series of internal models, and discuss market risks and opportunities.

The Investment Committee establishes strategic targets for portfolio duration, sector allocation preferences, yield curve placement, portfolio structure and any specific opportunities to be exploited or risks to be avoided.

- ▶ **Trading Desk** – comprises of a multi-disciplinary fixed-income trading desk which includes portfolio managers, traders, sector specialists, analysts, and PSG.

Within the Investment Committee’s strategic parameters, fixed-income portfolio managers have the flexibility to buy and sell securities to implement the strategy mandate for each portfolio, and to take advantage of market movements, relative value changes or specific opportunities. Trades must conform to our standards and limits, our Approved Issuer universe, our Approved Broker List, as well as all client investment policies and objectives.



- ▶ **Portfolio Strategies Group** – supports the analytical needs of the Investment Committee and Trading Desk in support of the investment strategy decision making framework. The group supports with portfolio oversight and the creation and implementation of specific strategies for fixed income clients.

D. Execute security purchases and/or sales with broker/dealers in accordance with the City’s Investment Policy Statement.

Every purchase and sale of securities is competitively bid seeking to obtain the best possible execution for our clients. We typically (when available) solicit bids from a minimum of three broker-dealers and maintain complete records of all competitive pricing. PFMAM was founded on the principle of providing sound, independent advice that is solely in the best interest of our clients. Our firm executes transactions through a carefully screened set of third-party broker-dealers. Our trading volume of nearly \$2.06 billion per day as of December 31, 2023, broad market access through approximately 60 national and regional broker-dealers, and security evaluation tools help our firm seek the best execution for our clients.

E. Provide monthly investments statements no later than ten (10) days after the conclusion of any month to include, but not limited to, individual security values at both market and cost, security ratings, transaction details, investment earnings and investment portfolio summary statistics.

PFMAM uses Connect, our password-protected Internet reporting site to deliver reports and other information to clients. Connect is available 24/7 and City staff will have real-time access to comprehensive monthly statements that detail investment activity, earnings, the value of the investment portfolio, portfolio return, market valuations, and weighted average maturity, accrued interest by investment type, and rating of investments by Standard & Poor’s (“S&P”) and Moody’s Investors Service (“Moody’s”). PFMAM’s monthly statements are prepared in accordance with generally accepted accounting principles (“GAAP”) and contain the required information to comply with Governmental Accounting Standards Board (“GASB”) 31 and 40. Daily confirmation statements are available through Connect on the next business day. Monthly statements are available online through Connect by the fifth business day of the new month. Trade confirmations are provided electronically. Additionally, transactions can be queried and downloaded from Connect in a comma-separated values (“CSV”) format or in Microsoft Excel format so that the City can easily upload this information to its own accounting systems if desired.

F. Provide monthly investment reports including a description of market conditions, investment performance and suggested changes to investment strategies.

PFMAM will provide monthly statements to the City. These will detail investment activity, earnings, the value of the investment portfolio, portfolio return, market valuations, and weighted average maturity, accrued interest by investment type, and rating of investments by S&P and Moody’s. In addition, we will provide the City with a monthly market report which contains a description of market conditions and how those impact our views on investment strategies.



G. Review investment performance and recommendations with City’s Director of Finance or designee on a quarterly basis. Meet with Director of Finance or designee as needed to review investment strategies.

Annette and/or Luke will meet with the City’s Director of Finance or designee on a quarterly basis to review investment performance and recommendations and will also review investment strategies.

H. Provide the City with maturity analysis.

Through a series of analytical models, we identify those maturities that offer the greatest value—that is, the most amount of yield or return potential for a given amount of risk. Our analysis includes assessing the impact of extending maturity by evaluating the benefit of both higher initial yields and “roll down”—the tendency of longer maturities to appreciate as they age and shorten in maturity and are re-priced along the yield curve—a powerful force underestimated by most managers. We are happy to review these with the City at our quarterly meetings.

I. Provide credit analysis of investment instruments in portfolio.

PFMAM has a disciplined credit review process, described below, to monitor investments within the City’s portfolio. We have the capabilities and internal research to assist, upon request, in performing due diligence on broker-dealers and financial institutions, including the City’s depository and custodian bank.

We believe a strong credit process, including issuer monitoring, is more important than ever as markets increasingly face global events such as the pandemic and military conflicts. PFMAM benefits from the Credit Research Group, which represents the combined resources of USBAM and PFMAM’s credit analyst teams, further enhancing our time-tested credit process.

We conduct our own independent credit research and do not rely solely on rating agencies to determine the quality or suitability of any investment. Our rigorous, market-driven approach to credit analysis evaluates both the quantitative and qualitative aspects of issuers that we recommend for investments. Our credit research seeks to identify issuers that meet our credit quality standards and that offer incremental value with minimal credit risk, allowing us to safely increase yield. Our Approved Lists consist of corporate issuers, issuers of asset-backed securities (“ABS”) and asset-backed commercial paper (“ABCP”), and governmental and sovereign issuers. Each credit analyst focuses on specific sectors—such as technology, financial services, and telecom—as well as individual issuers. On average, each credit analyst follows approximately 30-50 separate credits.

We deploy credit in a manner which minimizes issuer concentration risk. We believe that having a lower allocation to a broader array of names is consistent with prudent risk management practices and limits the adverse impact that any one issuer can have on a portfolio. We have put in place extensive monitoring capabilities that can identify changes in security prices, ratings, and current news for every issuer on our approved lists. Our robust



internal credit review and monitoring procedures are critical elements of the security selection process, and allocations to individual issuers are limited to ensure broad diversification.

Our credit process is fully integrated into the investment process, and all portfolio managers and traders at PFMAM are involved in the monitoring process. Any adverse events are evaluated, and appropriate action taken. This proactive monitoring function is essential to assessing credit risks and taking appropriate actions to protect client assets. The Credit Research Group will continue to monitor the City's corporate issuers. We monitor issuers in and out of our Approved Issuer universe on a continual basis in order to identify potential downgrades before they occur. If a downgrade below the level required to purchase were to occur for a security in the City's portfolio, we would (1) notify the City, (2) fully assess the issuer's credit situation and (3) recommend a course of action based on the portfolio's circumstances.

When assessing the issuer's credit stance, we first determine whether those circumstances will continue to impact the creditworthiness of an issuer. In some cases, further purchases of an issuer may be suspended until a thorough review is completed, or in more serious cases, holdings are liquidated. In cases where the credit event is likely to be a one-time event (e.g., a one-time write-off, or if the issuer was downgraded but assigned a stable outlook) and the security is still rated within policy limits, no action may be necessary. If circumstances are serious, uncertain or likely to lead to additional potential downgrades, immediate action may be taken. Considerations of a sale would include the remaining time to maturity, policy requirements regarding downgrades and the state of the market.

Fixed Income Credit Committees

The Credit Research Group performs fundamental credit research and analysis, prepares and presents formal credit reviews, makes recommendations for inclusion on various approved lists, and conducts regular monitoring of issuers. The Credit Research Group supports two formal credit committees—one for taxable/corporate securities (the "Taxable Credit Committee"), and one for public and municipal securities (the "Public Finance Credit Committee"). The primary output of these committees is a series of approved lists. These committees are responsible for approving additions and deletions of issuers and securities to the relevant approved lists, and include representatives from the Credit Research Group, the CIOs of PFMAM and USBAM, and risk management personnel. PFMAM portfolio managers and traders can only purchase issues on the appropriate approved list.

PFMAM Credit Risk Management Committee

This committee is responsible for establishing credit policies and managing credit risk in PFMAM's fixed income portfolios. It develops and approves policies and procedures related to PFMAM clients' credit exposure, monitors and performs oversight of PFMAM's aggregate fixed income credit exposure, establishes credit categories and restrictions on issuers as necessary to enhance the approved lists to manage credit risk, and develops credit strategies and portfolio management initiatives with regard to the corporate and other credit-sensitive sectors.

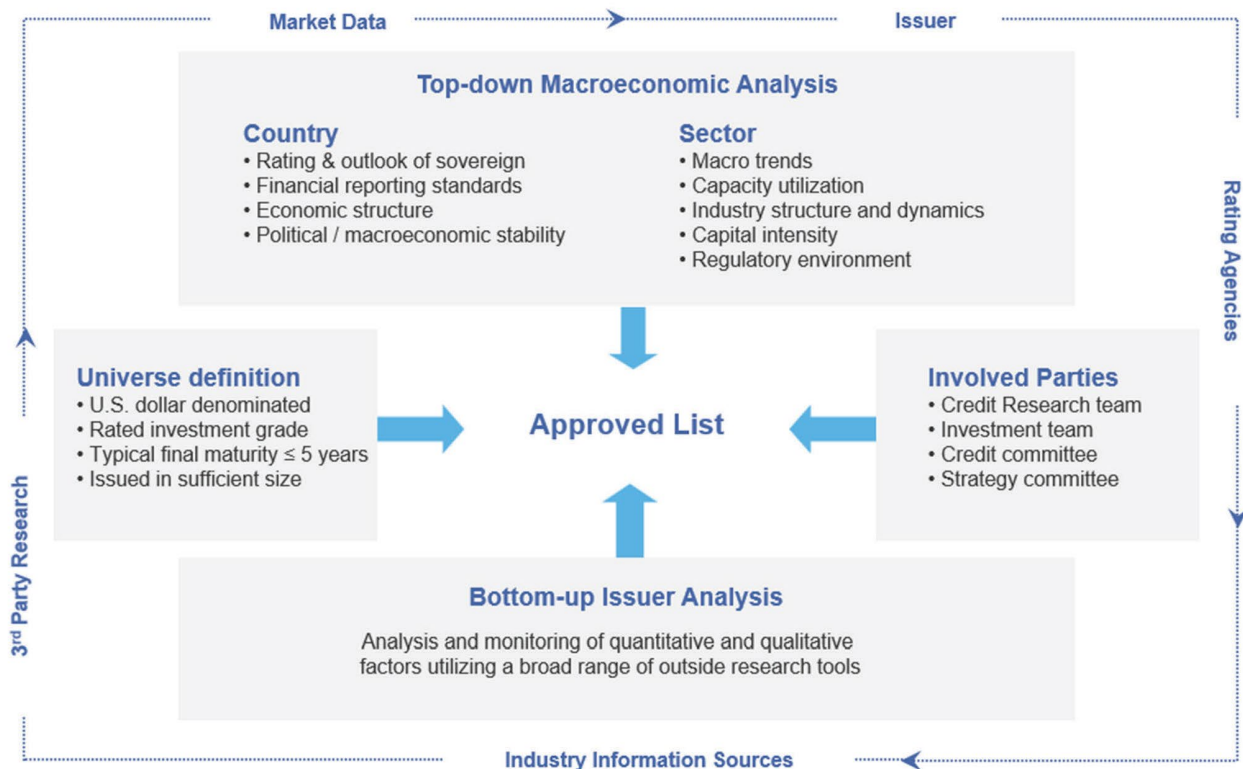


The additional restrictions and parameters applied to the approved lists do not rely solely on rating agencies, but rather employ a rigorous, market-driven approach that evaluates both the quantitative and qualitative aspects of issuers from the perspective of a public agency investor. We believe this process will allow us to continue to help clients successfully navigate the markets during volatile times such as the 2007-2009 credit crisis and COVID-19 pandemic.

Integration of Research Ideas

In addition to monthly Investment Committee and Credit Risk Committee meetings, senior investment and strategy staff, portfolio managers, and sector specialists meet regularly to discuss detailed internal research and analysis of major fixed income sectors: Treasuries, federal agencies, callable federal agencies, corporates, municipals, mortgage-backed securities (“MBS”), ABS and supranationals. During these discussions, short-term opportunities are identified, sector allocation targets are reassessed and new or unique investment ideas are vetted. Strategy discussions also take place frequently among members of the trading desk to evaluate new issues and any significant market-moving event.

Credit Research Process





J. Provide monthly/quarterly annual reporting on all government entity funds.

PFMAM will provide monthly and quarterly reporting on all government entity funds.

K. Attend three meetings per year with City staff (remote is acceptable).

Annette and/or Luke will meet with the City at least three times each year.

L. Evaluate market risk and develop strategies that minimize the impact on the portfolio.

Investment decisions are monitored and evaluated at the portfolio level through a series of daily and weekly reports used by the portfolio management team to assess portfolio duration, sector allocation, maturity structure, and performance. Performance is compared to comparable market benchmarks and dissected to determine the source of relative performance differences.

At the individual security level, all risk characteristics are monitored regularly, triggering re-evaluation if necessary. In particular, we have monitoring systems in place to immediately identify important news that might affect an issuer, as well as any rating agency actions, such as upgrades, downgrades, credit watch, or changes to ratings outlooks. In fact, our credit review process seeks to identify potential rating changes **before** they occur. Individual holdings are also regularly assessed from both a yield and performance perspective. All holdings within a sector are evaluated against the universe of investments in that sector to identify individual securities with the best value.

M. Provide assurance of portfolio compliance with applicable policies and laws and the City's Investment Policy.

PFMAM can provide a statement of portfolio compliance with applicable policies and laws and the City's Investment Policy in each quarterly report. The City's portfolio holdings will be monitored daily for compliance with the City's Investment Policy and the Arizona Revised Statutes.

PFMAM uses Bloomberg Asset and Investment Manager ("AIM"), along with accounting and investment software that allows for fully customized reporting. This allows PFMAM to maintain and report on the City's account.

The senior portfolio management staff assigned to serve the City will be familiar with the City's investment parameters and the Arizona Revised Statutes.

N. Establish an appropriate performance benchmark.

It is our philosophy that a performance benchmark should reflect the client's tolerance for risk. If selected as the City's investment advisor, we will work with the City to select a performance benchmark that accurately reflects the City's investment objectives and risk-return preferences procedures.

This process will be an iterative discussion with the City's decision-makers and will include an in-depth discussion of various potential benchmarks and the risks and rewards associated with



each. Ultimately, as a result of these discussions, the City will feel confident in its selection of an appropriate benchmark that provides the appropriate balance between risk and return and also provides an accurate comparison of the performance of the City's portfolio versus the performance of the larger high-quality fixed income investment markets.

Client objectives differ widely, and may include goals such as achieving predictable income, maintaining level earnings, or enhancing growth of overall portfolio value.

With clients seeking to grow the size of their assets, they often select a total return benchmark that measures the overall growth of the portfolio. We most often assist entities with selecting total return benchmarks based on the targeted maturity range of the portfolio and the types of securities permitted by the client's investment policy. We typically utilize the ICE Bank of America ("BofA") Indexes to compare portfolio performance, as they are considered industry standards. With this backdrop, we would begin the benchmark recommendation process with either the ICE BofA 0-3, 1-3 year 0-5, or 1-5 year U.S. Treasury indexes, which are often chosen by entities with similar circumstances.

O. Indicate full understanding of Investment Policy.

PFMAM has been helping public agencies similar to the City with developing and updating their investment policies and portfolio management guidelines for more than 40 years, specifically in Arizona for more than 20 years. We understand all applicable sections of Arizona Revised Statutes that regulate the investment activities of Arizona local governments. At the beginning of the relationship, we will provide comprehensive review of the City's Investment Policy Statement ("IPS"), and we propose annual reviews thereafter. Investment policies we update are designed to enable clients to meet their objectives of safety and liquidity, while providing enough flexibility to meet performance objectives. Additionally, as an active member of the Association of Public Treasurers of the United States and Canada ("APT US&C") and Government Finance Officers Association ("GFOA"), we incorporate best practices from these public-sector organizations when developing investment policies with our clients. We will keep the City apprised of any legislative or industry changes that might impact the City's Investment Policy.

P. Ensure portfolio structure matches City objectives.

At the outset of the engagement, and annually thereafter, PFMAM will review the City's Investment Policy (the "Policy") to help ensure that it is in line with Arizona Revised Statutes, and that it is consistent with the City's tolerances for risk. We will also keep the City apprised of any legislative or industry changes that might impact the City's Policy.

We will focus on the following policy factors during our initial review of the City's Policy to customize the City's portfolio and help ensure we understand the City's risk tolerances:

- ▶ **Statement of Objectives.** Once PFMAM understands the City's goals and objectives, we will offer language suggestions to better reflect them in the Policy.



- ▶ **Permitted Investments.** PFMAM can provide the City with a risk/return analysis of Arizona Revised Statutes-permitted security types. Together, we'll identify which investment types the City is comfortable including in the Policy.
- ▶ **Investment Guidelines.** We will discuss how maturity, sector and issuer percentage limits can promote diversification for the portfolio.
- ▶ **Credit Quality.** Together with the City, we will establish minimum credit requirements and defined action steps in the event a security is downgraded.
- ▶ **Safekeeping of Assets.** GFOA best practice is that institutional investors should have a third party hold assets in custody. PFMAM works with approximately 20 custodians, including major and regional banks. Even before our acquisition by U.S. Bank, we had established a particularly strong working relationship with U.S. Bank, which serves as the independent custodian for the majority of our clients. As a result, we were able to negotiate a highly competitive fee structure for our clients.
- ▶ **Reporting of Investment Activity and Results.** We will help the City describe when and how it reviews its investment objectives, investment performance, and security transactions in order to keep stakeholders informed.

The completed investment policy will then establish investment parameters and guide our efforts to:

- ▶ **Develop and Implement the Investment Strategy.** We will work with the City to develop a long-term investment strategy that will form the framework for all investment decisions. The strategy will incorporate the City's investment policy, expected cash flow requirements and risk tolerance, and will provide enough flexibility to allow the City to meet realistic performance objectives. We will implement the investment strategy and execute transactions on behalf of the City.
- ▶ **Assist in Selecting Appropriate Performance Benchmark.** It is our philosophy that a performance benchmark should reflect the client's tolerance for risk and help the client determine the value of an investment advisor. We will work with the City to select a benchmark that reflects the City's investment objectives and risk-return preferences and procedures to help ensure portfolio diversification.

Q. Coordinate with City's custodian to ensure appropriate safe-keeping and reporting of investment assets.

We reconcile our internal holdings and transaction records to that of each client's custodian bank on a weekly and month-end basis to ensure accuracy of transactions and account holdings. This reconciliation is completed by PFMAM's Accounting Group, which is independent of the trading desk and includes a review of cash positions, holdings, deposits, withdrawals and security purchases and sales. Any discrepancies will be promptly reviewed and reconciled. Month-end portfolio statements are also reconciled to those of the custodian.

We have built and maintain an automated reconciliation process with the largest eight custodians used by our clients.

D. Experience

Experience: provide an overview of similar projects undertaken for communities of Yuma’s size.

In Arizona alone, we manage more than \$7.5 billion for 20 cities and 11 other public entities across the State.⁶ We encourage the City to contact the references below for a representation of the quality of our services. Should the City have additional questions, we are happy to provide additional references. We do not include client lists in order to protect the confidentiality of our clients.

Client Name	Contact Information	Services Provided
Town of Gilbert	Hakon Johanson, <i>Director of Finance</i> 480.503.6902	Investment Advisory Services
City of Mesa	Michael Kennington, <i>Deputy City Manager/Chief Financial Officer (“CFO”)</i> 480.644.3606	Investment Advisory Services
City of Peoria	Sean Kindell, <i>CFO</i> 623.773.7819	Investment Advisory Services
City of Tempe	Lisette Camacho, <i>Financial Services Director</i> 480.350.8504	Investment Advisory Services
City of Tucson	Angele Ozoemelum, <i>Business Services Director</i> 520.837.4384	Investment Advisory Services
City of Chandler	Dawn Lang, <i>CFO</i> 480.782.2255	Investment Advisory Services

⁶ As of December 31, 2023.



E. Team Makeup

Team Makeup: key person who will lead this engagement along with other persons or sub-Firms assigned to this task. A brief description of team member roles in this engagement would be appreciated.

We will pledge significant, senior-level resources to the City to help ensure that its investment needs are being met. Our proposed team is committed to providing the City with a high level of service. We include resumes of key professionals in Appendix C. Our project team includes:

- ▶ Client Contacts: **Luke Schneider, CFA**, Managing Director, Engagement Manager. 17 years of experience, 9 years with PFMAM. **Annette Gaston**, Director, Day-to-Day Relationship Manager. 19 years of experience, 6 years with PFMAM.

Luke and Annette will serve as the main contacts for the City. They will answer any questions concerning the City's portfolio and will work with our portfolio management and strategy teams to develop a strategy that seeks to meet the City's needs and risk tolerances.

- ▶ Head of Portfolio Management: **Bob Cheddar, CFA**, Managing Director and Head of Portfolio Management. 26 years of experience, 20 years with PFMAM.

Bob will oversee the management of the City's portfolio and will work with the assigned portfolio managers to implement the agreed-upon strategy.

- ▶ Strategy: **Christopher Harris, CFA, CAIA**, Director and Head of PSG. 16 years of experience, 16 years with PFMAM.

Chris will work with other PSG team members to design a portfolio strategy for the City, incorporating market events.

- ▶ Oversight: **Kenneth Schiebel, CFA**, Managing Director and CIO. 43 years of experience, 30 years with PFMAM. **Leo Karwejna**, Managing Director and Chief Compliance Officer. 25 years of experience, 13 years with PFMAM.

Ken and Leo will provide oversight for the City's portfolio, from investment and compliance-related perspectives.

II. Additional Requests

References (Attachment A)

We upload this separately.




III. Statement of Qualifications Evaluation Criteria

A. Qualifications of the Project Team



1. Provide an organizational chart of the Project Team. Include the names and brief description of project roles for each key personnel that will be performing the proposed services. Attach resumes of the key personnel in the Appendix.

Annette Gaston and **Luke Schneider, CFA** will serve as the City’s client contacts and will provide day-to-day services, with **Lauren Brant** providing engagement oversight. **Robert Cheddar, CFA** will serve as Head of Portfolio Management. Our Client Services Group is also available by phone and email as an additional resource to answer client questions or forward inquiries to the appropriate subject matter expert at PFMAM.

Below, we provide biographic information on our engagement team members. We provide resumes further detailing our engagement team’s qualifications and experience in Appendix C.

Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
 <p>Annette Gaston <i>Director</i></p> <p>Proposed Role: Relationship Manager</p> <p>Educational Background: B.A. in Finance and Economics, Grand Canyon University</p> <p>Professional Designations or Licenses: Financial Industry Regulatory Authority (“FINRA”) Series 6, 7, 63 and 66 Licenses</p>	<p>6 Years with PFMAM 19 Years of Experience</p> <ul style="list-style-type: none"> ▶ Serves as primary contact and will assist the City in developing an investment strategy in collaboration with the portfolio management team ▶ Manages client relationships for public agency clients throughout Arizona and the Western United States ▶ Responsibilities include investment advisory services, investment policy evaluation, economic research, portfolio analysis and cash flow modeling ▶ Possesses expertise in all applicable Arizona statutes and State law ▶ Prior to joining the firm, served as a sales representative for Johnson & Johnson where she worked with key account clients in the Southern California market ▶ Before joining Johnson & Johnson, spent five years as a Consulting Group analyst managing private wealth and institutional client portfolios, in Arizona and Southern California





Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
 <p>Luke Schneider, CFA <i>Managing Director</i></p> <p>Proposed Role: Back-up Relationship Manager</p> <p>Educational Background: B.S. in Finance, University of Arizona M.Acc., University of Southern California</p> <p>Professional Designations or Licenses: Chartered Financial Analyst (“CFA”) FINRA Series 7, 24 and 66 Licenses</p>	<p>9 Years with PFMAM 17 Years of Experience</p> <ul style="list-style-type: none">▶ Serves as a secondary contact and will work with Annette to develop an investment strategy in collaboration with the portfolio management team▶ Manages and advises on fixed income portfolios in PFMAM’s Western region for institutional clients▶ Prior to joining the firm, served as managing director and senior portfolio manager at Government Portfolio Advisors (“GPA”) where he spent two years managing institutional investment portfolios▶ Member of the CFA Institute, CFA Society of Tucson, and Finance Committee Member for the Community Foundation of Southern Arizona
 <p>Lauren Brant <i>Managing Director</i></p> <p>Proposed Role: Engagement Oversight</p> <p>Educational Background: B.S. in Economics, Pennsylvania State University</p> <p>Professional Designations or Licenses: FINRA Series 6, 26, 52 and 63 Licenses</p>	<p>29 Years with PFMAM 29 Years of Experience</p> <ul style="list-style-type: none">▶ Will provide engagement oversight to help ensure quality of investment advisory services▶ Serves as a client liaison for selected clients in the Western region where she coordinates client services, presents investment reports, and works with clients to develop a customized investment policy▶ Conducts workshops and seminars for clients’ staff and board members on subjects including permitted investments, developing investment policies and internal controls and oversight to seek safety of principal invested▶ Member of the California Association of County Treasurers and Tax Collectors, the California Municipal Treasurers Association, the California Society of Municipal Finance Officers, and the California Association of Joint Powers Authorities



Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
 <p>Christopher Harris, CFA, CAIA <i>Director and Head of PFMAM's PSG and Structured Products Group</i></p> <p>Proposed Role: Portfolio Strategy Oversight</p> <p>Educational Background: B.A. in Economics, Dickinson College M.S. in Financial Mathematics, Johns Hopkins University</p> <p>Professional Designations or Licenses: CFA Chartered Alternative Investment Analyst ("CAIA")</p>	<p>16 Years with PFMAM 16 Years of Experience</p> <ul style="list-style-type: none"> ▶ Oversees the investment strategies for the City's portfolios and provides subject matter expertise ▶ Leads PSG's efforts in the investment strategy development process for many PFMAM client relationships similar to the State ▶ Will help devise a customized portfolio strategy designed to meet the State's specific investment needs ▶ Member of PFMAM's Investment Committee and Credit Risk Management Committee
 <p>Robert Cheddar, CFA <i>Managing Director & Head of Portfolio Management</i></p> <p>Proposed Role: Head of Portfolio Management</p> <p>Educational Background: B.S. in Business Administration, Susquehanna University MBA, Pennsylvania State University</p> <p>Professional Designations or Licenses: CFA</p>	<p>20 Years with PFMAM 26 Years of Experience</p> <ul style="list-style-type: none"> ▶ Oversees the portfolio management process ▶ Manages fixed-income assets and developing customized strategies for clients like cities, counties, insurance and self-insurance organizations, school districts, state and local government agencies, public finance authorities, and universities and has expertise in the government investment codes for various states ▶ Focuses on the managing operating funds, capital reserves, bond proceeds, and other post-employment benefits ("OPEB") obligation funds ▶ Chair of PFMAM's Credit Risk Management Committee and member of the Investment Committee



Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
 <p>Kenneth Schiebel, CFA <i>Managing Director and CIO</i></p> <p>Proposed Role: Portfolio Strategy Oversight</p> <p>Educational Background: B.A. in Mathematics and Computer Science, University of Michigan Executive Education, Behavioral Finance, Harvard University, John F. Kennedy School of Government</p> <p>Professional Designations or Licenses: CFA FINRA Series 7 and 63 Licenses</p>	<p>30 Years with PFMAM 43 Years of Experience</p> <ul style="list-style-type: none"> ▶ Serves as managing director and PFMAM's CIO ▶ Previously co-head of PFMAM's PSG, where he led a team of portfolio managers, traders, and research staff, responsible for the management of the fixed-income separate account business ▶ Serves as Chair of the Investment Committee and a member of the Credit Risk Management Committee ▶ Background in actuarial analysis helped establish the asset management practice as a market leader in managing assets in the insurance and self-insurance industry ▶ Prior to joining the firm in 1994, spent 13 years at Aetna Life & Casualty. As senior portfolio manager, he managed \$5 billion of corporate operating funds, insurance reserves, and pension fund assets for Aetna and its investment advisory clients ▶ Member of the CFA Institute, invited as a guest lecturer in the University of Connecticut's MBA program, provided expert testimony to the GASB Deposit and Investment Risk Disclosure Task Force, and has spoken at numerous industry conferences, workshops, and seminars
 <p>Leo Karwejna <i>Managing Director and Chief Compliance Officer</i></p> <p>Proposed Role: Compliance Oversight</p> <p>Educational Background: B.S. in Finance, St. Joseph's University J.D., Temple University School of Law</p>	<p>13 Years with PFMAM 25 Years of Experience</p> <ul style="list-style-type: none"> ▶ Assists our professionals with specific compliance advisory guidance and leads the firm's efforts to develop, maintain, and monitor firm-wide compliance with policies, procedures, and regulatory requirements ▶ Serves as an Arbitrator within the FINRA Dispute Resolution Services program for securities-related issues among the investing public and/or industry participants



Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
Professional Designations or Licenses: FINRA Series 7 and 66 Licenses	

2. List the subFirms and briefly describe their area(s) of involvement.

PFMAM does not anticipate the use of subcontractors on this engagement.

3. Clearly show the availability of key personnel who will be working on the project.

Key personnel will be available for the City via email, phone and in-person meetings. Luke and Annette are available from 7 AM to 5 PM weekdays and on an as-needed basis outside of those times, with advance notice. We use a team approach to managing portfolios, which allows us to provide a high level of attention to our clients and to share what we believe to be our best ideas. The portfolio strategy and management teams use the team approach to provide for backup in case the primary portfolio manager/strategist is out of the office. Our team approach also helps us maintain continuity in our investment and client service approach so that our clients have access to key staff when necessary or requested.

B. Experience

1. Describe knowledge and familiarity with the development of investment management services. Describe public and stakeholder involvement, coordination efforts with Municipalities.

PFMAM works with municipalities nationwide to develop and implement investment management programs. We work with stakeholders and members of the public, host training sessions and webinars for stakeholders, and are happy to present at city meetings as requested.

2. Provide specific examples of similar project experience with investment management services.

We encourage the City to contact our references for details of specific engagements.

For more than 40 years, PFMAM has been managing fixed income assets for public sector clients like the City. Nationally, we manage or advise on \$196.4 billion in total fixed income assets, including \$148.7 billion in discretionary AUM and \$47.7 billion in non-discretionary AUA as of December 31, 2023.

Since our primary focus is on the public sector, we pay special attention to topics that are relevant to our governmental clients. Our focus on specific resource areas allows us to deliver high-quality customized services to each client. We manage operating funds, capital funds,



reserve funds, and bond proceeds for governmental and other institutional entities across the country. Our fixed income professionals are dedicated to all aspects of public investing, including portfolio management/strategy, technical/research analysts, compliance, accounting and client service. We believe that our professionals' successful management of high-quality assets is evidenced by a number of major accomplishments, including:

- ▶ Pioneering the nation's first grassroots LGIP in 1981;
- ▶ Successfully protecting our client assets during the 2007-2009 financial crisis and COVID-19 pandemic without a loss of principal due to default or bankruptcy;
- ▶ Adopting the CFA Institute's GIPS® in 2003;
- ▶ Surpassing \$200 billion of public funds under management and advisement in 2022;
- ▶ Helping develop GFOA Best Practices related to investing public funds through membership on the GFOA's Committee on Treasury and Investment Management; and
- ▶ Maintaining an unblemished record of ethics and integrity.

C. Project Approach and Methodology

1. Understanding and completeness of approach to perform planning and development efforts required to successfully deliver investment management services.

We understand the City is seeking an investment manager with resources to support a comprehensive investment program. PFMAM is qualified to perform all of the required services outlined in the SOQ and has a proven track record of successfully delivering these services to similar governmental clients across Arizona and nationally. We have a disciplined, low-risk approach to investing. Our investment strategies are designed to optimize investment returns, while carefully managing risk, especially during times of market volatility. Our philosophy shares the City's primary objectives of seeking to ensure safety and liquidity—all in compliance with the City's Investment Policy and Arizona state statutes.

We detail our approach, methodology, and understanding of the City's needs throughout our response.

2. Describe innovative approach to solving key issues, minimizing risks, and addressing concerns when addressing a variety of interests.

In addition to the core investment management services that we have described throughout our proposal, PFMAM also provides a wide range of ancillary services to our public-sector clients that may offer innovating approaches to solving key issues, minimizing risks, and/or addressing concerns. We have developed these services based on requests from our clients and have innovated to serve the needs of the public sector. These services will be negotiated under a separate contract with the City and may be provided by our affiliates. We are happy to further discuss any of these services with City staff.



Multi-Asset Class Practice. We believe that creating customized multi-manager strategies is one of our greatest areas of expertise. Our approach is collaborative in nature, which has allowed us to create an investment solution that fits our clients' distinct needs, objectives and cash flow requirements. Our multi-asset class services seek to implement innovative solutions that will help our clients save valuable time and resources, while allowing for transparency of our investment strategy.

- I> **Other Post-Employment Benefits Programs.** PFMAM's OPEB management program provides thorough and rigorous solutions to the decision-making process, budget implications analysis, and ongoing investment management services to offer a comprehensive program for public entities.
- I> **Endowments and Foundations ("E&Fs").** The professionals in our firm's endowment and foundation national practice have partnered with our clients to develop comprehensive multi-asset class investment programs that are tailored to address the distinct challenges experienced in the non-profit community. In addition, our practice plays a vital role in providing our E&F clients with resources, guidance, and thought leadership to make informed decisions to help drive their unique missions.
- ▶ **Bond Proceeds Resources.** PFMAM has experience with all aspects managing bond proceeds and other capital project funds and employs multiple dedicated resources for these funds: (1) a Structured Products Group that has advised issuers on nearly 3,500 bond proceeds-related transactions totaling more than \$330.2 billion (from 2006 through December 31, 2023); (2) an Arbitrage and Tax Compliance Group that allows us to look at bond proceeds investments from a tax planning standpoint; and (3) a Debt Service Reserve Fund Committee that meets regularly to determine portfolio structures and duration targets in consideration of valuation requirements.
- ▶ **Environmental, Social and Governance ("ESG").** Currently, we have clients whose portfolios incorporate ESG principles in various custom ways, such as exclusionary and inclusionary ESG guidelines. We partner with Sustainalytics to aid in our ESG screening process. We offer clients the ability to define the ESG investment parameters that would be applied to select permitted industries and issuers and to manage ESG risk exposure in a customized ESG investment portfolio. Clients maintain the flexibility to modify the parameters as market conditions or ESG targets change over time.
- ▶ **Arbitrage Rebate.** Our Arbitrage and Tax Compliance Group is focused exclusively on the challenges of arbitrage rebate and post-issuance compliance. We know arbitrage, routinely provide training to governmental finance officers on arbitrage rebate and post-issuance compliance issues, and work with issuers of every size nationwide. Our internally developed, sophisticated arbitrage rebate calculation models maintain the flexibility needed to analyze a wide variety of tax scenarios.
- ▶ **Post-Issuance Compliance.** We can assist issuers with the development of a system for post-issuance compliance that meets the best practices sought by the Internal Revenue



Service. This compliance system builds upon current business procedures and documents by incorporating client-specific processes, written policies and procedures, and internal controls to help ensure continued and timely application.

- ▶ **Procurement Card (“P-Card”) Program.** The P-Card program is a simple, easy-to-use purchasing card program designed to help clients streamline the purchasing process, offer spending controls to mitigate risk, and provide free insurance protection from any employee misuse.

3. **Specific planning principles or methodology to be used to perform the services.**

At PFMAM, we use a team approach to managing portfolios. This approach helps ensure that multiple investment professionals are knowledgeable about each client’s portfolio, actively participate in discussions about investment strategies, and have access to portfolio recommendations at all times. The portfolio strategy and management teams also use the team approach to provide for backup in case the primary portfolio manager/strategist is out of the office.

Each team consists of: (1) a portfolio strategist or client engagement manager who analyzes client requirements, evaluates macro investment options, and develops an overall investment approach; (2) a portfolio manager who provides input to the strategy-development process, implements the investment strategy, and makes sector and issue selections within the context of each client’s investment policy; and (3) a trader who assembles market offerings, runs a comparative security analysis, executes trades on a competitive basis, and helps coordinate the settlement of trades.



IV. Appendices



A. Certificate of Authority

STATE OF ARIZONA

ti)

Office of the
CORPORATION COMMISSION

CERTIFICATE OF REGISTRATION

To all to whom these presents shall come, **greeting:**

I, **Brian C. McNeil**, **Executive Secretary** of the **Arizona Corporation Commission**, do **hereby** certify that

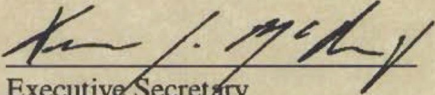
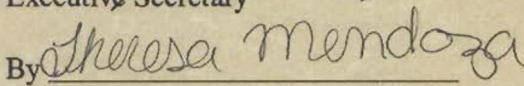
***** PFM ASSET MANAGEMENT LLC *****

a foreign limited liability company organized under the laws of the jurisdiction of Pennsylvania did obtain a Certificate of Registration in Arizona on the 5th day of JUNE 2004.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 7th Day of JUNE, 2004, A. D.




Executive Secretary
By 



B. PFMAM's Form ADV Parts 2A & 2B



Form ADV, Part 2A

Brochure

March 29, 2024



213 Market Street
Harrisburg, PA 17101-2141
717-232-2723 (phone)
717-233-6073 (fax)
www.pfmam.com

SEC File No. 801-60449
IARD/CRD No. 122141

This brochure provides information about the qualifications and business practices of PFM Asset Management LLC (PFMAM). If you have any questions about the contents of this brochure, please contact us at pfmamrequest@pfmam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about PFMAM is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for PFM Asset Management LLC is 122141.

PFMAM is a Registered Investment Adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Brochure

Notice of material changes

As an investment adviser registered with the SEC, PFMAM is required to maintain a written disclosure statement on our background and business experience, and to offer our investment advisory clients a current version of this statement when material changes occur.

There are no material changes from our last Brochure dated April 21, 2023.

If you would like another copy of this Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, Leo Karwejna, at 717-231-2723 or at pfmamrequest@pfmam.com.

Table of Contents

Item 1: Cover Page	
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation	6
Item 6: Performance-Based Fees and Side-by-Side Management.....	9
Item 7: Types of Clients	9
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9: Disciplinary Information	16
Item 10: Other Financial Industry Activities and Affiliations	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Item 12: Brokerage Practices	18
Item 13: Review of Accounts.....	20
Item 14: Client Referrals and Other Compensation	20
Item 15: Custody	21
Item 16: Investment Discretion.....	21
Item 17: Voting Client Securities	21
Item 18: Financial Information	23

Item 4: Advisory Business

Effective December 7, 2021, PFMAM became a wholly-owned subsidiary of U.S. Bancorp Asset Management, Inc. (USBAM). USBAM is a direct wholly-owned subsidiary of U.S. Bank National Association (U.S. Bank) and an indirect wholly-owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM continues to operate as a separate registered investment adviser.

Prior to December 7, 2021, PFMAM was part of the PFM Group of companies which included Public Financial Management, Inc. (PFM, Inc.). PFM, Inc. was founded in 1975 to provide independent financial advisory services to the public sector and began providing investment advisory services to public entities in 1980. Effective June 1, 2016, financial advisory services historically offered through PFM, Inc. were offered through a new operating company, PFM Financial Advisors LLC (PFMFA). PFM, Inc., PFMFA, PFMAM and certain other affiliated companies were collectively referred to as "PFM". PFMAM and other related businesses within PFM were indirect, wholly owned subsidiaries of a holding company, named PFM I, LLC.

PFMAM is a Delaware limited liability company.

As of December 31, 2023, the amount of client assets we managed on a discretionary basis was \$176,338,510,327 and the amount we managed on a non-discretionary basis was \$544,843,438. In addition, as of December 31, 2023, we provided investment consulting services with respect to assets in the amount of \$53,428,084,398.

We offer the following types of investment advice:

Discretionary Advice

We offer discretionary advisory services for government, corporate, nonprofit and other institutional investors who invest in fixed-income and multi-asset class strategies. When a client gives us investment discretion, we have the authority to determine, without obtaining specific approval, (1) overall asset allocation, (2) the specific securities to be bought and sold, (3) the amount of securities to be bought and sold and (4) the broker or dealer through which the securities are bought or sold. For some accounts we may also have discretion to select the manager or sub-adviser to be utilized to manage some, or all, of the portfolio assets. These decisions are subject to limitations of law and restrictions in the contract with our client and limitations in our client's written investment policies. For discretionary advisory engagements, we assume day-to-day management responsibility for the assets covered by the investment advisory agreement. Examples of the securities we may recommend include U.S. Treasury securities, Federal Agency securities, investment-grade corporate obligations, mortgage and asset backed securities, municipal securities, institutional mutual funds (including exchange traded funds [ETFs]), private fund investments and money market instruments. We arrange for the purchase and sale of these securities to meet the investment objectives and cash flow requirements of each client. Additionally, we may outsource management of all or part of a portfolio to a sub-adviser or co-adviser through a contractual separate account arrangement.

We manage many fixed-income portfolios on a total return basis. We also implement liability-driven strategies that seek to generate cash flows from a portfolio of fixed-income securities to match specific liabilities such as bond-funded defeasance accounts, construction accounts, insurance liabilities or pension liabilities.

We also provide services to the PFM Multi-Manager Series Trust (MMST or the Trust), a registered open-end investment company, utilizing predominantly a manager-of-managers structure. The Trust offers several funds (MMST Funds), with each MMST Fund having specific investment objectives, policies, and restrictions. We are responsible for, among other overall management services, determining investment strategies, selecting and monitoring unaffiliated investment sub-advisers for each MMST Fund and for allocating and reallocating assets among the sub-advisers consistent with each MMST Fund's investment objective and strategies. We can also purchase securities directly for the MMST Funds.

For some of our clients, including trusts, pension plans, endowments, foundations, other post-employment benefits (OPEB) plans, insurance and self-insurance pools, or other similar asset pools, we serve as a discretionary manager to invest a client's assets in multiple types of investments. Generally, these accounts include a variety of asset classes, which may include domestic equity, international equity, fixed income and alternative asset classes, including shares of MMST Funds.

We provide discretionary multi-asset class investment services for multi-asset class mandates (sometimes known as outsourced chief investment officer, implemented consulting and a variety of other generic terms, collectively, "OCIO"). We work with the client to determine a target asset allocation based on a variety of risk and return characteristics. We then implement the asset allocation, either by buying shares of mutual funds (including ETF's and shares of the MMST Funds) and/or pooled funds or other investment vehicles (collectively, Funds), or by selecting separate investment managers (sub-advisers) who will manage separate accounts of specific asset classes and/or strategies. Under this approach, we have discretion to make the initial selection of the Funds or investment sub-advisers. We also provide ongoing periodic monitoring by evaluating the Fund's or the investment sub-adviser's portfolio management philosophy, policies, processes, controls, personnel and investment performance. Clients who hire us give us authority to change, drop or add funds or investment sub-advisers. The client generally gives the investment sub-advisers both investment and brokerage discretion in managing its portion of the portfolio. We prepare for these clients periodic reports on the investment performance of the various funds, investment sub-advisers and the portfolio as a whole.

We also offer clients the option to integrate non-pecuniary investment guidelines such as ESG (Environmental, Social and Governance), or DEI (Diversity, Equity and Inclusion) factors into the investment approach employed for their separately managed fixed-income or OCIO strategies. Through this approach, our clients define objective investment parameters related to the investment guidelines they wish to adopt that would be applied to select permitted issuers for their separately managed fixed-income portfolio and permitted funds, strategies and/or managers for their OCIO strategies. In addition, our OCIO ESG strategy provides clients with the option to implement ESG into a dedicated sleeve of the portfolio or in funds or managers that incorporate ESG themes or considerations.

We utilize third-party ESG data and analytics to evaluate issuer level and equity fund level ESG risks. For OCIO strategies, eligible domestic equity funds are required to meet certain screening criteria on a best-efforts basis. We monitor those funds' ESG risk scores to help ensure they continue to exhibit the appropriate ESG risk characteristics.

Services to Local Government Investment Pools and a Registered Investment Company

PFMAM currently provides investment advisory and/or administrative services to 18 pooled investment programs (generally known as local government investment pools) across 16 states and one registered investment company whose series or classes are registered in multiple states. We generally, but not always, provide administration services and an affiliate generally provides distribution services as described in this document. Where PFMAM is the investment adviser to a pooled investment vehicle, investment objectives, guidelines and any investment restrictions are described in the relevant offering documents for the vehicle.

Non-discretionary Advice and Consulting Services

We also may provide advice on a non-discretionary basis where we offer clients investment recommendations, subject to their specific approval and further execution instructions. In this case our client makes trades directly or specifically approves our purchase or sale of specific securities, which may include non-negotiable certificates of deposit.

We also provide non-discretionary investment consulting services to:

- governmental entities,
- public, Taft-Hartley and corporate pension funds,
- hospital endowments and foundations,
- trusts,

- OPEB plans, and
- other similar institutional investors.

As a consultant we may provide advice to the client in developing or revising its investment or spending policy, evaluating investment options, establishing and implementing a target asset allocation, determining performance benchmarks, conducting cash flow analysis, and selecting money managers, pooled trusts or mutual funds to carry out the client's investment strategy. Subject to the client's specific approval, we may also purchase or sell pooled trusts or mutual funds, hire or drop managers, or reallocate assets between managers or funds.

We typically begin these services by assessing the client's investment objectives, time horizon and risk tolerance and liquidity needs, if any. As part of our consulting service, we provide reporting that may include an inventory of holdings, portfolio analytics, credit analysis and investment performance, and whether the client's portfolio complies with its investment policy.

Our consulting services to OPEB plans and pension plans may involve financial reporting, analyzing cash flow implications of different funding strategies, and other matters relating to the OPEB benefits or pension benefits and funding arrangements. Often, we perform these services by working with our client's other professional advisors, such as the client's auditor or actuary.

Structured Products

We also provide analytical services for structuring and procuring portfolios in connection with the current issuance or advance refunding of municipal bonds and the investment of bond proceeds. For these engagements we arrange for purchases of specific securities that are generally government obligations or structured investments such as forward delivery agreements or guaranteed investment contracts by obtaining bids on a competitive basis or by negotiating on behalf of our client. We also advise clients on termination of existing investment agreements.

Services for Corporations, Insurers, Banks and Other Similar Financial Institutions

We also provide discretionary and non-discretionary advice tailored for corporations, insurers, banks and other similar financial institutions which invest in fixed-income securities or OCIO portfolios. These services are tailored to the particular investment needs, restrictions and requirements which apply to these types of clients.

General Approach to Advisory Services

We tailor our advisory services taking into account the following factors, including but not limited to:

- the services that the client has requested,
- the client's investment objective,
- the client's investment policy,
- the client's time horizon,
- the client's risk tolerance,
- the client's liquidity needs, if any,
- the client's tax status.

A client may impose additional restrictions, including restrictions on the types, quality or maturity of securities in which we can invest. We adhere to any investment restrictions provided by the client.

Item 5: Fees and Compensation

The fees we charge our advisory clients vary depending upon several factors including the types of investments permitted, the personnel providing the advisory services, the particular strategy, the size of portfolio being managed, the relationship with the client, and service requirements associated with the account.

Fees may also differ based on account type (e.g., a commingled, pooled account or a separate individual portfolio account).

Fees for Discretionary Advice – Separate Accounts

We generally receive compensation calculated as a percentage of assets we manage. We receive this compensation after a service is provided, and we bill in arrears on a monthly or quarterly basis. For some accounts based on assets under management, we charge a minimum fee and for some we apply a fee cap. Related client accounts can be aggregated for purposes of applying fee breakpoints.

As a general guideline, we charge the following range of fees for investment advisory services for fixed-income separate account management:

Fixed-Income Assets Under Management	Annual Rate (basis points)
First \$50,000,000	6 - 30
Next \$50,000,000	5 - 20
Next \$100,000,000	4.5 - 15
Next \$100,000,000	4 - 5
Above \$300,000,000	3 - 4

For fixed-income separate account management, we generally charge a minimum annual fee of \$40,000. The minimum annual fee may be waived or reduced. Generally, the fees we charge are calculated based on the value of the assets as determined by us using the agreed-upon measure in the contract with our client, typically month end market value of assets or amortized value plus accrued interest, as determined on a daily basis in good faith by PFMAM.

As a general guideline for the OCIO discretionary management, we charge the following range of fees for investment advisory services:

OCIO Assets Under Management	Annual Rate (basis points)
Up to \$25,000,000	12 - 36
Next \$75,000,000	8 - 20
Next \$150,000,000	8 - 10
Next \$250,000,000	5 - 8
Thereafter	2 - 5

For OCIO discretionary management, we generally charge a minimum annual fee of \$25,000. The minimum annual fee may be waived or reduced. Generally, the fees we charge are calculated based on the value of the assets as determined by us using the agreed-upon measure in the contract with our client, typically market value of assets or amortized value plus accrued interest, as determined by the custodian on settlement date.

Registered Investment Company and Pools

The fees we charge for the investment services we provide to the registered investment company and local government investment pools vary by program. The fee schedule may include various breakpoints depending on asset levels and may include fee caps or waivers which can be triggered by the overall expense ratio of the pool. We may also receive compensation for the marketing and administrative services we provide (through ourselves or an affiliate) to the registered investment company or local government investment pools.

We generally provide these administrative and marketing services as an integral part of our investment advisory services, and the fees we receive for these services may be included as a component of the investment advisory fees we charge.

Non-discretionary Advice

We generally charge fixed fees for these services, depending upon the services that the client requests, and the complexity of the services.

We also offer non-discretionary advice on certificate of deposit investment programs, which are designed to provide clients with a fixed rate to a fixed maturity date. Fees typically range up to 0.25% per annum of the cost of the investment purchased by our clients. Under the certificate of deposit programs, we provide clients with the option to set aside moneys in client accounts to pay our fee after we have performed the service.

Consulting Services

For investment consulting services we generally charge clients either a fixed fee or a fee that is based on a percentage of assets. The fixed fee is based on the size of the portfolio, complexity, and scope of services which we perform. As a general guideline, we charge asset-based fees in a range from 0.05% to 0.30% annually, based on the characteristics listed above. From time to time, we charge hourly fees for these types of services.

Structured Products

In these engagements, we usually charge a fixed fee. We and our clients agree upon a fee at the outset of each of these engagements and the fee is a function of the size and complexity of the engagement. The client may pay the fee or may instruct the investment contract counterparty or underwriter in writing to pay our fee on the client's behalf. As a general guideline, the typical fee for investment of municipal bond proceeds in a structured investment, or in a refunding bond escrow structuring and procurement engagement, is less than or equal to 0.20% of the cost of the portfolio or the sum of the total deposits under the agreement.

Other Important Information About Our Compensation

Because we tailor our services to the individual needs of a client, we may offer clients more than one of the services described above. In addition, we may also provide services not mentioned above, such as assisting our clients with a one-time purchase or sale of securities. The fees we charge are negotiable and vary depending upon the particular services we perform and the complexity and extent of the work we provide.

We may charge a minimum fee for small accounts, as described above. Other than these minimum fee requirements, there are no other requirements for maintaining the account.

Fees are negotiable so one client may pay a higher fee than another client with similar investment objectives or goals.

In limited circumstances, the fee percentage will be higher, often because the portfolio is small.

All fees are payable to us only after we perform the services. We do not require our clients to pay our fees in advance. Under some engagements, our investment advisory engagements clients authorize us to deduct fees from their investment accounts after they are notified. Under some engagements, the client pays our fees from other sources. The method of payment of our fees is subject to negotiation, and clients have the ability to choose the method of payment, depending on the type of service. For most of our accounts, we bill monthly in arrears. Under some client contracts we bill the client quarterly. For some services, we bill the client on a one-time basis only when we complete the service.

We have an affiliate, PFM Fund Distributors, Inc. (PFMFD), that is a broker-dealer under the Securities Exchange Act of 1934. PFMFD typically serves as exclusive distributor of shares of the registered investment company and local government investment pools (Pooled Funds) for which we serve as investment adviser and/or administrator and we receive fees from this arrangement, as more fully described in Item 10 below.

No supervised person of our affiliated broker-dealer is compensated for the sale of securities.

PFMAM employees are paid a base salary and may also receive year end incentive compensation. The incentive compensation is dependent upon the profitability of the firm, each group's contribution to the overall profitability of the firm, and each individual's contribution to the group's success. The firm's compensation plan is intended to recognize and reward excellent performance on the part of individuals; however, no PFMAM employee is compensated on a commission-related basis.

Item 6: Performance-Based Fees and Side-by-Side Management

In rare instances we enter into advisory agreements under which the client pays us a fee, all or part of which is performance based. For example, we may enter into agreements where the client pays us all or part of our fee to the extent that the performance of the portfolio we manage exceeds a predetermined benchmark, measured over a designated period of time. We may manage both accounts that are charged a performance-based fee and accounts which are charged other fees, typically a percentage of the value of assets managed. To address any concern that we may have an incentive to favor certain investment opportunities for a performance-based account we follow written procedures designed to allocate trades on an equitable basis considering the investment objectives of the account and without regard to whether an account has a performance-based fee. Accounts with the same objectives and permitted investments should receive a fair allocation over time of similar securities purchased.

Item 7: Types of Clients

PFMAM provides investment advisory services to institutional investors, including state and local governments and their agencies, local government investment pools, non-profit organizations, pension and OPEB funds, banks, corporations, hospitals and insurance and self-insurance pools. For information concerning minimum fee requirements, please see Item 5 above.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Fixed-Income Portfolios – Analysis and Strategy

Investment strategies are developed by the Fixed-Income Investment Committee which considers the macroeconomic, interest rate, credit market, and other conditions described below. The strategies provide guidance for portfolio managers with regard to appropriate duration and sector allocation for individual portfolios. We may use a variety of analyses as well as internal (including affiliates) and external data sources and market research. External sources include various news and information sources, books, government bulletins, databases, research prepared by others and publications from rating agencies, unaffiliated broker-dealers and third-party information providers and in-person meetings with issuers. We also collect information from clients to determine their liquidity requirements, risk tolerances and any other policies or procedures that guide the investment of the client's assets.

For clients whose objectives are measured by total return or income our investment approach emphasizes the use of active management strategies that seek to add value. For liability-driven investment portfolios, such as those funded with bond proceeds and used to pay project costs, we identify securities whose cash flows are expected

to meet a draw schedule and we may modify the portfolio as the draw schedule changes or as investment opportunities present themselves, although in the latter case the draw schedule is considered first when making modifications.

Our Fixed-Income Active Management Process

The following describes the principles of our fixed-income investment strategy:

- Disciplined decision-making process,
- Seek relative value through sector weightings, yield spread analysis, yield curve positioning, security selection, and duration management, and
- Duration positioning to manage risk: generally manage durations so they are close to relevant benchmarks, usually no more than +/- 25% of a designated benchmark, and

We use top-down analysis to assess macroeconomic conditions including interest rates, the shape of the yield curve, Federal Reserve monetary policy, and current and historical yield spreads between sectors. Top-down analysis is a key element of our duration and sector allocation decision-making process.

We believe identifying macro-level trends in these areas is important for adding value, controlling risk, and lowering volatility.

We use a bottom-up approach to security selection that seeks to identify those industries and issuers with fundamental characteristics and financial strength that enhances their potential to perform well. We seek to combine fundamentally sound investments into a portfolio that optimizes return potential in consideration of investment guidelines or restrictions.

Lastly, we incorporate low-risk active management techniques designed to augment our relative value approach. We believe active management can capture market inefficiencies that create opportunities for return enhancement. While we expect that every security we buy will be suitable to hold to maturity, we frequently identify opportunities to swap one investment for another to increase earnings, adjust portfolio duration, improve liquidity, or restructure a portfolio to better meet future needs.

Our portfolio managers and analytical team have access to three major on-line market trading systems: Bloomberg, MarketAxess, and TradeWeb. These systems provide active market quotes, including real-time securities pricing. We also have access to news from Bloomberg News, Dow Jones/Wall Street Journal, CNBC, and other public or specialized news services. In addition, we communicate daily with major securities dealers and regional and specialty broker-dealers and receive market information from them that assists us in identifying specific market opportunities. We supplement these external systems and data sources with proprietary analytic tools which we have developed.

We add value through asset allocation strategies which involve sector selection (security type), yield curve placement (maturity), yield spread analysis and issue selection. Our overall view of the financial markets provides the context for selecting maturities which we believe represent the best relative value along the yield curve and the highest potential for enhanced return, for example by “rolling down the curve” and for selecting specific securities within a sector. We perform proprietary analysis on the yield curve to identify “cheap” areas of the curve, and to evaluate a variety of portfolio structures. Using the results of this analysis, our portfolios may be over- or under-weighted in certain maturity ranges.

We think there is a significant opportunity to enhance earnings with a strategy that focuses on the selection of securities based on relative value. Sectors are selected which represent the best relative value based on our sector outlook and historical yield spreads. Investments other than Treasuries are purchased when spreads are wide and avoided or sold when spreads are narrow. Many of our portfolio managers and traders are assigned to specific

market sectors in order to monitor products and opportunities and these responsibilities run across all portfolios. Individual issues are selected based on our assessment of issuer financial quality and rating trends, interest rate spread, credit trends, issue structure and liquidity. Analysis of individual issuers is supported by a Credit Research Group, which is a shared service with USBAM. In addition, the PFMAM Credit Risk Management Committee establishes overall credit policy for the firm, manages the PFMAM approved list of issuers that may include limits or constraints more restrictive (but never less restrictive) than those provided by the shared Credit Research Group, and other activities related to managing credit risk. Portfolios are generally diversified by security type, maturity and issuer to avoid concentrated investment in a single issuer and to accommodate varying cash flow needs to provide periodic liquidity.

After selecting investments to meet cash flow requirements and other objectives, we may position a portfolio's duration to take advantage of expected interest rate movements: positioning with a shorter bias when we expect rates to rise and longer when we expect rates to fall. We establish a duration (or average maturity) target for the portfolio based on our macro view of the economy and the financial markets, the type of funds, cash-flow analysis and benchmark chosen by a client. We seek to add value by re-balancing the portfolio to take advantage of market opportunities and in anticipation of interest rate movements. Duration targets for our strategies are established by our Fixed-Income Investment Committee and may be provided to our clients as a management and oversight tool.

We furnish monthly account summaries to each fixed-income portfolio client with assets under continuous management, which may be delivered by a third party. The summaries include details of all transactions during the reporting period, and holdings at the end of the period. We also provide access to account summaries on a daily basis via our internet-based client portal. We may also provide an investment advice memorandum upon advising and/or completing an order for a buy or sell of securities.

Fixed-Income Portfolios – Risk

Our fixed-income strategies involve certain risks which are typical for fixed-income portfolios. For portfolios whose investments are limited to obligations of the U.S government or its agencies and instrumentalities, we believe the risk of default is minimal. Portfolios whose investments include corporate and municipal obligations are subject to the risk that an issuer will fail to pay principal or interest on a timely basis, while those containing mortgage-backed and asset-backed securities are also subject to the risk of uncertain timing of principal payments. In order to manage risks, we seek to diversify portfolio holdings and we limit our investments in corporate and municipal obligations and in asset- and mortgage-backed securities to those that are investment grade. Generally speaking, the lower a security's credit rating, the higher its credit risk. If a security's credit rating is downgraded, its price tends to decline sharply, especially as it becomes more probable that the issuer will default.

Portfolios are also subject to interest rate risk. This is because the market value of securities changes as interest rates change, with a rise in rates typically reducing market values and a decline in rates typically increasing market values. Changes in interest rates generally affect longer maturity securities more than they affect shorter maturity securities, other things being equal. We manage this risk by managing these portfolios within duration ranges consistent with portfolio objectives. Nonetheless, investors should expect to experience market value and total return volatility which can include unrealized losses in excess of periodic income. Although the investment strategies we employ do not involve significant or unusual risk beyond that of the general investment grade fixed-income markets, investors should recognize that investing in securities involves a risk of loss that the investor should be prepared to bear. Past performance is not a guarantee of future returns.

The risk of our top-down strategy is that our macro view of the economy and financial markets is wrong and we position a portfolio's duration or sector allocation in a manner that is not optimal. We seek to manage this risk by limiting variations from duration or maturity concentrations from those of client benchmarks and by diversifying holdings among security types. For liability-driven investment portfolios, we seek to minimize market risk by approximately matching portfolio cash flows with expected liabilities.

The risk of our bottom-up strategy is that securities that we include in a portfolio because they are perceived to have relative value may later lose value when compared with the general fixed-income market. We

seek to manage this risk by careful and systematic analysis of relative values, monitoring news on issuers on the approved list, by reviewing credit analysis provided by the Credit Research Group and by diversifying holdings.

Frequent trading of securities can create higher overall transaction costs that will reduce portfolio income. We manage portfolios actively and we seek to minimize trading costs by recommending liquid issues that are actively traded in the markets and by utilizing competitive bidding wherever feasible.

Certain portfolios may invest in ETFs. An ETF is an individual security that trades on an exchange and represents a basket of securities or other assets that is designed to track the performance of specified indices, sectors or asset classes. ETFs are subject to various risks, including the ability of the ETF's managers to meet the investment objective, and to manage appropriately the ETF's portfolio when the underlying securities are redeemed or sold, particularly during periods of market turmoil and as investors' perceptions regarding ETFs or their underlying investments change. There is also no guarantee that an ETF will achieve a high degree of correlation to its targeted index and therefore achieve its investment objective.

Outsourced Chief Investment Officer (OCIO) – Analysis and Strategy

The Outsourced Chief Investment Officer (formerly Multi-Asset Class Management) Investment Committee: 1) oversees OCIO portfolio strategies by establishing asset allocation targets and approving investment sub-advisers (investment managers)/funds for all discretionary OCIO accounts; 2) provides investment and portfolio risk oversight for investment decisions; and 3) determines Capital Market Assumptions that are utilized to develop our OCIO portfolio strategies. Capital Market Assumptions are generally determined annually for intermediate- and long-term time periods and include expected returns and volatility measures for a wide range of asset classes. Intermediate-term (five years) assumptions are derived from our assessment of current economic conditions, including interest rates, yield spreads, corporate profits, balance sheets, and current valuations for various asset classes. Long-term assumptions (thirty years) are derived using an economic building block approach that projects economic and corporate profit growth; and that takes into consideration the fundamental factors driving long-term real economic growth, and our expectation for inflation, productivity and labor force growth. We may use a variety of analyses as well as internal (including affiliates) and external data sources and market research.

We use a consistent approach to OCIO accounts that involves:

- **Portfolio planning** – we use a survey to facilitate a discussion with clients on all the asset classes to help decide which should be permitted in the final overall allocation. The survey also provides information about goals, objectives, cash flow projections, risk tolerance, ability to withstand losses, as well as the view of the economy and the markets. The survey is revisited periodically throughout the life of the engagement as client circumstances change.
- **Determining asset allocation structure** – we believe that the asset allocation decision is the most important factor in determining the expected investment return of a portfolio. The use of the portfolio planning survey and Capital Market Assumptions allow us to determine an asset allocation plan for the client. We use a modeling program from FactSet Research Systems Inc., along with a proprietary modeling program which allow us to conduct a detailed asset/liability modeling study. Each model uses the latest historical data on asset class investment returns, volatility, and correlation with other asset classes. Our goal is to determine an “optimal” portfolio. We do this by running a series of tests on each model to determine the probability of achieving the desired investment objective under different market scenarios. Existing funding requirements may override the more subjective “tolerance for loss.” This process helps inform our clients of the range of outcome possibilities associated with each asset allocation plan, and to identify a plan that best meets the expectations set forth in the portfolio planning survey.
- **Investment manager selection** – our research team screens and evaluates managers and funds across a wide range of asset classes, sectors and styles. Managers/funds are selected based on objective criteria that includes evaluation of investment process, personnel and performance history. Once selected, the research team monitors the investment products included in our client portfolios. The research team corresponds with investment managers on a regular basis and meets with them routinely to maintain an understanding of each manager's investment process and strategy. As part of

- ongoing manager due diligence, research analysts run a series of risk/return statistics, peer universe analysis, portfolio attribution and style analysis on all investment strategies employed in our clients' portfolios to help ensure they continue to be an appropriate component of the overall portfolio.
- **Rebalancing** - we evaluate a client's portfolio regularly to determine the need for rebalancing based on factors including current positioning, allocation targets, perceived assessment of relative value, and changes in Capital Market Assumptions. For OCIO portfolios where we have discretion, we may establish target levels for each asset class in the planning stages along with a minimum /maximum range and may update these as our Capital Markets Assumptions and market conditions change. These parameters are recommended for inclusion in the client's investment policy statement.
 - **Ongoing Monitoring** - we monitor a client's asset allocation, as well as the portfolio's money managers/mutual funds on an ongoing basis through detailed analysis and our proprietary manager ranking system. For our discretionary accounts, we may place a manager or fund on the watch list as a result of lagging performance, poor risk metrics, style drift, and/or qualitative issues, among other things. Removal from the watch list is typically based on several quarters of improved performance against peers and an appropriate benchmark or remediation of other issues. If problems endure, probation is a subsequent step in the process of reviewing managers. Ultimately, if the problem persists, our OCIO Investment Committee may terminate the manager.

The strategies are implemented in OCIO accounts through mutual funds or ETFs and/or separately managed accounts, and some OCIO accounts, for clients who qualify, invest in private investment vehicles advised by advisers that are not affiliated with us. In MMST, the strategies are implemented either by allocating assets to investment managers or by investing in mutual funds or ETFs advised by advisers that are not affiliated with us. Shares of MMST Funds may make up a portion or all of the assets of a client's OCIO account.

Outsourced Chief Investment Officer – Risk

Investing in OCIO strategies involves a risk of loss that an investor should be prepared to bear. The investment strategies we employ do not involve significant or unusual risk beyond that of the general markets for international and domestic equities, fixed income, publicly traded real estate, and other investments we recommend. In order to manage the risks inherent in these markets we seek to diversify portfolios by blending equity, fixed income, alternatives, and cash-based securities, in a manner that is designed to meet the client's risk tolerance, with the objective of reducing the risk of long-term losses. There is no assurance that client objectives will be met. Past performance is not a guarantee of future returns.

Investing in cash, fixed income, and equity funds through separate account managers, mutual funds ETFs or private investment vehicles involves risk. Each asset class has its own idiosyncratic risk and return characteristics. In modeling portfolios for our clients, we assess the individual characteristics of asset classes from a historic and forward-looking point of view, to optimize the best blend given the client's investment objectives and tolerance for risk. There is risk that our macro view of the economy and assumptions about asset class characteristics is wrong and we position a portfolio's asset allocation in a manner that is not optimal.

ETFs (described previously) are subject to various risks, including the ability of the ETF's managers to meet the investment objective, and to manage appropriately the ETF's portfolio when the underlying securities are redeemed or sold, particularly during periods of market turmoil and as investors' perceptions regarding ETFs or their underlying investments change. There is also no guarantee that an ETF will achieve a high degree of correlation to its targeted index and therefore achieve its investment objective.

Use of Co- and Sub-Advisers for Certain Strategy Implementations

When third-party managers are engaged to carry out a fixed-income strategy or OCIO strategy, they are chosen based upon their skill in specific investment styles or sectors and there is risk involved. We employ a due diligence process to review the capabilities of any proposed third-party manager and monitor third parties on an ongoing basis. Specifically, we examine their experience, background, expertise, investment philosophies, applicable operational capabilities, and past performance to assess how the manager has invested over a period of time and in different economic conditions. We monitor managers, with such monitoring typically including evaluating the

underlying holdings, strategies, concentrations, terms and performing reference checks as part of our initial and/or periodic risk assessment. A risk of investing with a third-party manager who has been successful in the past is that the third-party manager will not be able to replicate that success in the future. In addition, because we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager will deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment. Where multiple third-party managers are employed to manage a single account there is risk that the managers will have offsetting strategies or overlapping investment holdings. We do not control a third-party manager's daily business, regulatory compliance or operations, and seek to mitigate the investment, business, regulatory and reputational risks by undertaking due diligence and ongoing monitoring of the managers including monitoring of their adherence to the investment policy and guidelines they are employed to implement. From time to time a client may direct us to hire a specific third-party manager to manage a portion of the portfolio. In cases where a client directs assets to a manager that is not approved, the level of ongoing diligence we perform may be limited and clients acknowledge this in writing.

ESG Investing – Analysis and Strategy

PFMAM has developed an investment approach to help our clients integrate ESG factors into their investment process and strategy, if they specifically choose to do so. Our fixed-income ESG service provides our clients with the tools and methodology to develop and implement a customized ESG approach based on their defined ESG criteria. We employ third parties, such as Sustainalytics, who provide ESG data and ratings of companies that issue securities that we may recommend. We may also use third-party sub-advisers to manage funds with specific ESG or impact investing goals, such as geographically-targeted mortgage-backed securities or municipals.

For clients who choose to do so, we offer the potential for further customization through a range of screening tools, which can allow our clients to exclude specific issuers, industries, and funds based on certain defined criteria. Once objective ESG criteria are defined, we work with the client to evaluate investment strategies based on ESG investment parameters. Investment parameters are applied using an ESG risk rating system and other evaluation tools. The risk rating system is designed to objectively quantify an issuer's or fund's ESG risk from both an industry/sub-industry and issuer/fund-specific standpoint. Much like traditional credit ratings, the risk rating system provides a basis to evaluate issuers on a consistent basis and facilitates comparisons across industries and issuers.

Our OCIO ESG investment strategy enables clients who wish to include ESG principles into their strategy to select approved funds that meet certain ESG risk rating thresholds as determined by third-party providers. In addition, our OCIO ESG strategy provides clients with the option to implement ESG into a dedicated sleeve of the portfolio or into a customized ESG product that addresses a specific theme.

The following provides some additional detail related to our ESG strategies:

- ESG integration strategies include systematic and explicit consideration of ESG factors in the investment decision-making process.
- Values-based strategies, including screening for or avoiding certain companies or industries as specified by the client.
- Best in class strategies include making investments in companies based on positive ESG performance relative to industry peers.
- Theme-based strategies, including making investments based on specific environmental themes or assets related to sustainability.
- Hybrid strategy, including a combination of two or more of the above approaches.

We work through this process with our clients to help them develop and implement ESG investment approaches that are customized to their sustainable investment objectives. This dynamic approach also provides our clients with the flexibility to modify their ESG investment parameters as their sustainable investment objectives evolve.

ESG Risk

ESG approaches could cause an account to perform differently compared to accounts that do not utilize ESG investment strategies. The criteria related to certain ESG approaches may result in an account forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so or selling securities for ESG reasons when it might be otherwise disadvantageous to do so.

In addition, there is a risk that the companies identified by an ESG approach do not operate as expected when addressing ESG issues. A company's or fund's ESG performance or performance of the strategy could vary over time, which could cause a portfolio to be temporarily invested in companies that do not comply with the client's objectives in considering ESG characteristics. There can be significant differences in interpretations of what it means for a company to have positive ESG characteristics and strategy investment decisions may differ depending on these interpretations. In making investment decisions, we rely on information and data that could be incomplete or erroneous, which could cause us to incorrectly assess a company's ESG characteristics.

Consulting Engagements – Analysis Strategy and Risk

For OCIO consulting engagements where we do not have discretion, the methods and analysis generally are similar to those for discretionary accounts as described above. However, determining asset allocation, setting an appropriate asset mix and manager selection are the responsibilities of the client, and not us. We generally make recommendations and report the results at periodic client meetings and follow client direction with regard to selecting managers and re-balancing accounts. As directed by the client, portfolios may include managers that are not approved for our discretionary accounts. In cases where a client directs assets to a manager that is not approved, the level of ongoing diligence we perform may be limited and clients acknowledge this in writing. Risk for these accounts is similar to risk for discretionary OCIO accounts.

Regulatory Risk

Changes to monetary policy by the Federal Reserve or other regulatory actions could expose fixed-income and related markets to heightened volatility, interest rate movements, yield spread changes, and reduced liquidity, which may impact the universe of potential investment options, market values, and return potential.

Cybersecurity Risk

In addition to the risks identified above for each strategy, investing involves various operational and financial risks associated with cybersecurity. These risks include both intentional and unintentional events at our facilities or at one of our clients, third-party counterparties or service providers, that may result in a theft, loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our ability to conduct our business. A cybersecurity breach may also result in a third party obtaining unauthorized access to our clients' information, including account numbers, account balances, and account holdings. We have established and maintain business continuity plans and cybersecurity systems and protections designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because we do not directly control the cybersecurity systems of clients, issuers, trading counterparties, or third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

Business, Terrorism, and Catastrophe Risks

These are the risks of loss that may be incurred, indirectly, due to the occurrence of various events, including hurricanes, earthquakes and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on our business and on clients' portfolios, including investments we make.

Item 9: Disciplinary Information

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

We and other entities under the common control of U.S. Bancorp, including USBAM, U.S. Bank, U.S. Bank Global Fund Services (USBGFS) and U.S. Bancorp Investments, Inc. (USBII) are related persons. We have certain relationships with related persons, as described below, which may conflict with clients' interests. At a minimum, conflicts are addressed by disclosing the conflicts to affected clients or prospective clients.

Our affiliate, PFMFD, is registered as a broker-dealer under the Securities Exchange Act of 1934. Its sole activities are to serve as exclusive distributor to the registered investment company and local government investment pools (Pooled Funds) for which we serve as investment adviser and/or administrator. If our client invests in a Pooled Fund, we disclose this relationship to the client, through the Form ADV Part 2A and the offering statement for the Pooled Fund. In addition, where Pooled Funds are employed as part of our investment strategy, our investment advisory agreement with the client provides that if we invest client assets in a Pooled Fund, either we will not take these assets into account for purposes of calculating our fees under the client's investment advisory agreement, or we will credit the investment advisory fee we earn on the client's Pooled Fund investment against investment advisory fees due us related to the client's separately managed account that holds assets in the Pooled Fund. This includes any assets that we may invest in registered investment companies advised by USBAM.

We serve as investment adviser to the MMST and the MMST Funds. We may enter arrangements with a third party to compensate for services provided. Such compensation payable to the third party is paid out of the fee we receive from the Pooled Fund. Our affiliate USBGFS provides services to the MMST Funds and receives a fee. We also serve as administrator and/or investment adviser to the following local government investment pools:

- California Asset Management Trust (CAMP),
- Colorado Statewide Investment Pool (CSIP),
- Florida Public Assets for Liquidity Management (FL PALM),
- Illinois Trust,
- Massachusetts Development Finance Agency Short-Term Asset Reserve Fund (Mass STAR),
- Michigan Liquid Asset Fund Plus (MILAF+),
- Minnesota Association of Governments Investing for Counties (MAGIC),
- Minnesota School District Liquid Asset Fund Plus (MSDLAF+),
- Missouri Securities Investment Program (MOSIP),
- Nebraska Liquid Asset Fund (NLAF),
- New Hampshire Public Deposit Investment Pool (NH PDIP),
- New Jersey Asset & Rebate Management Program (NJ/ARM),
- North Carolina Investment Pool (NCIP),
- Pennsylvania Local Government Investment Trust (PLGIT),
- Pennsylvania OPEB Trust (adviser and distributor only),
- TexasTERM Local Government Investment Pool d/b/a Texas Range Investment Program (Texas Range)
- Virginia State Non-Arbitrage Program (SNAP), and
- Wyoming Government Investment Fund (WGIF).

PFMFD serves as distributor to all pools listed above.

We may receive referral business from our related persons and may pay referral fees to them, as described further under "Client Referrals and Other Compensation" below.

USBAM also provides credit research and analysis to PFMAM, including development and management of various approved issuers lists and approved counterparties used by both PFMAM and USBAM.

U.S. Bank serves as custodian and/or depository for a significant number of our separately managed accounts and Pooled Funds. U.S. Bank may also participate as a member of underwriting syndicates in securities offerings, for which it may receive a fee. We may provide various investment advisory services to U.S. Bank for compensation, including managing accounts of certain U.S. Bank clients as sub-adviser under authority delegated by U.S. Bank, for which we may earn a negotiated fee.

We may invest client assets in mutual funds (including the First American Funds for which USBAM serves as investment adviser) or other pooled investment vehicles to whom USBGFS provides services and receives a fee.

USBII, a direct subsidiary of U.S. Bancorp, is a registered broker-dealer and SEC-registered investment adviser. USBII may participate as a member of underwriting syndicates in securities offerings, for which it may receive underwriting discounts or commissions. In certain circumstances and in compliance with applicable laws, regulations and regulatory guidance, including Rule 10f-3 under the Investment Company Act of 1940 (the "Investment Company Act"), we may recommend or purchase such securities for a client from a member of an underwriting syndicate of which USBII is also a member. For non-investment company client accounts, we may recommend or purchase such securities in which USBII participates in the underwriting syndicate if client investment guidelines, restrictions, or other directives do not specifically prohibit the account from purchasing during such securities offering and purchases are made from unaffiliated broker-dealers, unless client consent is obtained to allow for purchases from USBII.

We have no arrangements with other investment advisers for direct or indirect compensation for recommending those advisers to our clients. As a matter of policy and practice, we do not accept any fees, commissions or other forms of compensation from any underlying investment managers or others affiliated with our clients' accounts.

We may invest client assets in the publicly traded securities of other PFMAM clients or prospective clients. In such circumstances, we do not and will not receive any compensation from the issuers specifically for investing client assets in such issuers' securities. We may also invest the assets of the clients in securities issued by companies that are customers of our affiliates. For example, an issuer may be an investment advisory or commercial banking customer of one of our affiliates, or one of our affiliates may be involved in the underwriting or distribution of debt securities purchased by us on behalf of our clients. In such circumstances, the potential for a conflict of interest exists between our obligation to seek the most suitable investments for our clients and the perception that we have an incentive to assist in the success of our affiliate. In certain cases, we may also manage an issuer's proceeds from an underwriting in which an affiliate has been involved, and may receive an advisory fee for doing so, including where we have used our discretionary authority to purchase a portion of that issue for other clients.

PFMAM has arrangements with certain of its affiliates under which PFMAM provides or receives supplemental account administration, operations, client service, sales and marketing, product development and management, risk management, information technology, legal and compliance services, human resources and other corporate, finance or administrative services to or for such affiliates or its clients, or PFMAM or its clients receive such services from such affiliates. Certain personnel perform services for both PFMAM and one or more of its affiliates. The scope of certain such services and arrangements varies depending on the particular strategy, distribution channel, program, and client size and type.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Under Rule 204A-1 of the Investment Advisers Act of 1940, our employees are subject to our Code of Ethics ("Code"). Compliance with the Code is a condition of employment for all our employees.

This Code sets out ethical standards applicable to our employees. Employees are expected to maintain the highest ethical standards, embody a business culture that supports actions based on what is right rather than expediency, deal fairly with clients and one another, protect confidential information and seek guidance about ethical questions. More specifically with respect to advisory activities, the Code requires that whenever our personnel act in a fiduciary capacity, we will endeavor to put the client's interest ahead of the firm's. We will disclose

actual and potential meaningful conflicts of interest. We will manage actual conflicts in accordance with applicable regulatory and legal standards. If applicable regulatory and legal standards do not permit management of a conflict, we will seek to avoid the conflict.

We will not engage in fraudulent, deceptive or manipulative conduct with respect to clients. We will act with appropriate care, skill and diligence.

Our employees are required to know when we are acting as a fiduciary with respect to the work they are doing. If we are acting as a fiduciary, they are expected to comply with all fiduciary standards which apply to us in performing their duties. In addition, they must also put the client's interest ahead of their own personal interest. An employee's fiduciary duty is a personal obligation. While advisory personnel may rely upon subordinates to perform many tasks that are part of their responsibilities, they are personally responsible for fiduciary obligations even if carried out through subordinates.

In general, the Code expresses our recognition of our responsibilities to the public, clients and professional associates. Our Code also contains various reporting, disclosure and approval requirements regarding employees' personal securities transactions. The Code requires that our employees whom we deem to be "Access Persons" must report certain personal securities transactions, including transactions in mutual funds advised by us, to our Chief Compliance Officer, or to the person he designates. Additionally, Access Persons are required to pre-clear personal securities transactions. We prohibit our Access Persons from participating in initial public offerings unless our Chief Compliance Officer gives his approval. We also prohibit our employees from purchasing any security on PFMAM's restricted list.

You can receive a copy of our Code by contacting us at 213 Market Street, Harrisburg, PA 17101, by calling 717-231-2723 or by emailing pfmamrequest@pfmam.com.

On infrequent occasions, our employees may invest in securities that coincidentally we also recommend for purchase or sale in our client accounts. The securities we recommend for purchase and sale within our fixed-income and OCIO portfolios are of the type which the Securities and Exchange Commission has expressly recognized as presenting little opportunity for the type of improper trading which compliance with the Code reporting requirements is designed to uncover. Further, our employees are subject to our Code described above, and because our personnel are acting in a fiduciary capacity, we require our employees to put the client's interests ahead of their individual interests or that of the firm with respect to the purchase and sale of securities.

We have no obligation to buy, sell or recommend for purchase or sale any security that we or our employees may purchase or sell for themselves or for any of our clients. We have no obligation to seek to obtain any material nonpublic information about any issuer of securities, nor to effect transactions for our clients based on any material nonpublic information as may come into our possession.

"Cross transactions" are generally defined as transactions where an adviser effects transactions between and among client accounts. We do not engage in cross transactions.

Certain client assets are invested in investment companies for which we or an affiliate provide investment advisory services. However, in such circumstances, we do not charge a separate advisory fee with respect to the portion of the assets in a client's account that are invested in such fund(s).

Item 12: Brokerage Practices

We generally exercise brokerage discretion as follows: typically, our clients allow us to choose the broker or dealer to execute the trades. In these situations, we deal with brokers and dealers whom we determine to be major market makers for the types of securities purchased or sold. As a matter of policy, we do not recommend, request or require a client to direct us to execute transactions through a specified broker-dealer. If a client provides us with an approved list of brokers and dealers, we place all orders for the purchase or sale of securities for the client's account with those brokers or dealers and this may limit our ability to achieve the most favorable price or execution. Under these circumstances, the client and the broker or dealer determine the commission rates.

The factors that we consider in selecting or recommending a particular broker or dealer may include: the execution, clearance and settlement capabilities of the firm; our knowledge of negotiated commission rates currently available and other current transaction costs; the nature of the portfolio transaction; the size of the transaction; the timing of the trade; the activity existing and expected in the market for the particular transaction; confidentiality; the availability of research and research related services provided through such firms (as discussed below); our knowledge of the financial stability of the firm; and our knowledge of actual or apparent operational problems of the firm. Given these factors, our clients may pay transaction costs in excess of those which another firm might have charged for effecting the same transaction.

When we select or recommend a firm that executes orders or is a party to portfolio transactions, relevant factors taken into consideration may also include whether that firm has furnished research and research related products and/or services. We receive a broad range of research services, including information on the economy, industries, groups of securities and individual companies, statistical information, market data, accounting and tax law interpretations, political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information which may affect the economy and/or security prices. Research may also consist of computer databases. Currently, as a matter of policy, we do not enter into any third party or proprietary soft dollar arrangements where a broker-dealer provides research services in exchange for an expectation of receiving a certain dollar amount of commissions.

From time to time some brokers offer us market commentary and data and statistical research reports on the economy and financial markets and on specific issuers. We believe that this information improves the quality of our investment and trading decisions for the benefit of all our clients. We obtain express authorization from our clients to consider the furnishing of statistical research and other information by the broker or dealer. It is possible that the use of a particular brokerage firm or firms may result from time to time in a less favorable price for a transaction than if we canvassed a broader range of brokers. We believe that the practice of taking into account the furnishing of market information is reasonable. For fixed-income and ETF securities we seek to minimize the effect, if any, of research on the transaction costs by seeking multiple competitive bids and offers and involving major market makers wherever feasible and use electronic trading platforms for many trades to facilitate market access and to minimize transaction costs.

We have no agreement, understanding or other arrangement, either internal or with brokers and/or dealers, which would influence the allocation of securities transactions among brokers and/or dealers, and we do not utilize soft dollar arrangements other than those activities explicitly authorized under Section 28(e) of the Securities Exchange Act of 1934.

In the fixed-income and ETF markets, we may cause securities transactions to be executed for a client's account concurrently with authorizations to purchase or sell the same securities or shares for other accounts we manage. It is our policy where feasible to aggregate the purchase or sale of securities or shares for various client accounts in order to achieve efficiency of execution and better pricing. Each client participating in an aggregate transaction will participate at the same price. Where we receive an allocation that is less than our aggregate order, we normally allocate the securities or shares to the participating client accounts on a pro rata basis in proportion to the size of the orders placed for each account, to the extent that we can. We may increase or decrease the amount of securities or shares allocated to a client if necessary due to factors including avoiding odd lots in a particular security.

We do not currently anticipate effecting brokerage transactions with any broker-dealer affiliated with us, except for potential transactions with USBII, as described above under "Other Financial Industry Activities and Affiliations."

We are prohibited from entering into any agreements or understandings under which brokerage with respect to portfolio securities transactions, or other compensation, is directed to a broker-dealer as consideration for the promotion or distribution of the First American Funds' shares, also referred to as "directed brokerage arrangements." Portfolio management and management involved in the process of selecting broker-dealers for portfolio securities transactions are prohibited from considering the level of the First American Funds' sales or promotional efforts of any broker-dealer in connection with such selection process.

Item 13: Review of Accounts

For fixed-income accounts our Fixed-Income Investment Committee generally meets monthly, or more frequently as necessary, to review the overall strategic direction and relative value and market risks. Tactical opportunities are presented routinely through reports and analysis prepared by sector specialists and may be discussed at a meeting. These reports highlight interest rate trends and the relative value of different sectors and maturity structures in the market. This investment committee consists of portfolio managers, senior research staff and our chief investment officer.

Ad-hoc strategy discussions take place regularly, and may occur after any significant market moving event, such as sudden changes in financial market conditions, change in general economic conditions, credit ratings downgrades, and/or a material change in the value of a particular portfolio security or market sector.

Many of our fixed-income portfolio managers and traders are assigned specific accounts and review client portfolios on a regular basis. The review includes upcoming maturities and any upcoming deposits or cash needs in a portfolio.

OCIO accounts are overseen by our Outsourced Chief Investment Officer Investment Committee which also meets generally on a monthly basis, or more frequently as necessary to review the overall strategic direction of markets. This investment committee consists of portfolio managers, research staff, our chief investment officer, and other investment professionals. We monitor the performance of OCIO accounts on at least a quarterly basis to determine whether the underlying investments selected are performing in line with expectations and are meeting the needs of the individual client. We provide our OCIO clients an analysis of the performance of the underlying funds in which the client's assets are invested and of any reallocation of assets among these underlying funds quarterly, or at the frequency requested by the client. At least annually, we will consult with the client to determine whether there are reasons to revise the client's target investment strategy.

Changes in our Capital Market Assumptions, our outlook for asset class valuation, sudden changes in financial market conditions, and general economic conditions may trigger a review of our OCIO accounts. Accounts are reviewed by an investment professional or in consultation with research staff or a portfolio manager. Normally, we sequence account reviews in a manner that provides for first review of the accounts that have the greatest potential exposure to the effects of the event which triggers the review.

Pursuant to our investment advisory agreements, we may also provide quarterly performance and economic reviews for some clients.

The custodians of our OCIO portfolio clients provides each client with a periodic statement of account detailing the client's period-end balances and any transactions which occurred during the period. We review these statements to determine whether transactions executed by the custodian are in agreement with any instructions which we or the client provided. In addition, we provide written statements monthly and performance reports quarterly, or on the frequency requested by the client.

Item 14: Client Referrals and Other Compensation

We maintain relationships with U.S. Bank, and at times with unaffiliated third parties pursuant to which we pay U.S. Bank and such unaffiliated third parties if they are responsible for introducing new client relationships. Under these arrangements, we enter into a written agreement with the party that describes the party's activities on our behalf and the amount we agree to pay the party. The agreement also contains the party's undertaking to act in a manner consistent with our instructions and with the provisions of the Investment Advisers Act of 1940. If the referral subsequently enters into an investment advisory agreement with us, we pay the promoter a percentage of our investment advisory fee, which fee arrangement is disclosed to the prospect by the promoter prior to any contact or meeting with the prospect.

Item 15: Custody

Custody

We do not have direct custody of client funds or securities, except that certain clients may have selected U.S. Bank to serve as custodian. The custody function is performed by other providers such as brokers, banks, or other qualified custodians with whom our clients contract. However, there are certain cases in which we have authority to initiate a withdrawal from a client account to pay our management fees; we are deemed to have custody for regulatory purposes solely as a consequence of this. For example, certain of our clients have authorized us to charge our fee against the account we manage after they have received our invoice. The client also has instructed the custodian to disburse funds from the managed account to pay our advisory fees. At all times, the custodial bank maintains actual custody of those assets. Clients receive regular statements from their custodians which list their assets, including information such as cost and market value, and transaction activity for the period. We urge clients to review these statements carefully and to contact their custodians if they have any concerns.

Differences Between Our Statements and Custodial Statements

The statements clients receive from us can differ from the statements clients receive from their custodian. We advise clients to consider the records of its custodian as the official records of their assets. A common difference involves the market value of certain securities. Since custodians may use a different pricing vendor to price securities than we do, the reported prices for certain securities may vary. In addition, the accounting system used by a client's custodian may differ from our accounting system and may employ a different reporting method. Our reports are based upon trade date accounting with accruals, whereas some custodians report activity on a settlement date basis with or without accruals. While both reporting methods are accurate and acceptable, clients should be aware of the potential differences that could appear. We urge clients to compare our reports with those received from their custodian and to contact us with any questions they may have.

Item 16: Investment Discretion

We offer discretionary advisory services with respect to a client's investable assets. These decisions are subject to limitations of law and any other restrictions in the contract with our client or in our client's investment policies. Many of our clients have their own investment policies which usually contain restrictions on the types and credit quality of investments. We agree contractually to follow those guidelines. In addition, many of our clients are subject to state investment statutes or other applicable regulatory requirements which we comply with as well. Our clients typically grant us discretionary authority in the investment advisory agreement which we enter into with them.

Item 17: Voting Client Securities

Because many of our clients will be invested primarily in fixed-income securities, the receipt of proxy requests on behalf of a client are infrequent. In these situations, while we expect client accounts will rarely hold voting securities, clients may confer upon us complete discretion to vote proxies. We also offer certain of our clients discretionary investment advice on securities which are mutual funds (including ETFs). These mutual funds send us proxies, which we vote on behalf of these discretionary clients if they have given us the authorization to vote them. We also occasionally receive consent requests related to fixed-income securities. Generally we arrange for the portfolio manager overseeing the client's investments to be responsible for making proxy-voting or consent decisions. We seek to vote proxy proposals, consents or resolutions in a manner that serves the best interests of our clients because it is our fiduciary duty to do so. When reviewing whether a proposed action would be in our client's best interests, we take into account the following factors:

- The impact on the valuation of securities,
- The anticipated costs and benefits associated with the proposal,
- An increase or decrease in costs, particularly management fees, of investment in the securities,
- The effect on liquidity, and
- Customary industry and business practices.

In reviewing proxy issues of the type described below, we will apply the following general principles:

- With respect to an election of directors, we will typically vote in favor of the management-proposed slate of directors unless there is a proxy contest for seats on the board of a portfolio fund or other important reasons for withholding votes for directors. We may abstain if there is insufficient information about the nominees disclosed in the proxy statement.
- Similarly, we will also generally support management's recommendation for the appointment of auditors unless there are reasons for us to question the independence or performance of the nominees.
- We will vote in accordance with management's recommendations on issues that are technical and administrative in nature, such as changes to increase the number of directors or to adopt term limits. However, we review and vote on a case-by-case basis any non-routine proposals which are likely to affect the structure and operation of the portfolio company. Examples of these types of proposals include any limitations on shareholder rights, or those which have a material economic effect on the company.
- We will generally vote in favor of proposals that give shareholders a greater vote in the affairs of the company and oppose any measure that seeks to limit those rights.
- We also generally support proposals promoting transparency and accountability within a company to ensure that the directors fulfill their obligations to shareholders.
- We review proposals that result in an increase of compensation to investment advisers and other service providers of portfolio mutual funds on a case-by-case basis, with particular emphasis on the relative performance of the fund.
- We also review proposals relating to executive compensation plans to ensure that the long-term interests of management and shareholders are properly aligned.
- We generally oppose proposals to give shareholders the right to vote on executive compensation.

These policies are not exhaustive due to the variety of proxy voting issues that we may be required to consider.

With the exception of a client's shareholdings in the Pooled Funds, a conflict of interest between us, and a client whose investments are managed by us, is unlikely. We are the investment adviser to the Pooled Funds. We either receive no investment advisory fee from a client for managing client assets which we invest in the Pooled Funds, or we credit to the client any investment advisory fee we receive from the Pooled Funds investment. In regard to voting of securities in the Pooled Funds for which we are the investment adviser (or where it would appear that we have an interest), we apply the following principles:

- If the proposal relates to the matters in which the outcome does not directly affect us, we will follow our general voting policies.
- If the proxy proposal relates to a transaction which directly affects us, or otherwise requires a case-by-case determination by us under our voting policies, we will seek the advice either of the managers of the client or of a qualified, independent third party, and we will submit the proxy statement to them. We will then follow the decision of our client's management or the recommendation of the third party in voting the proxy.

As an indirect, wholly-owned subsidiary of U.S. Bancorp, a large, multi-service financial institution, we recognize that there are circumstances where we have a perceived or real conflict of interest in voting the proxies of issuers or proxy proponents (e.g., a special interest group) who are clients or potential clients of some part of the U.S. Bancorp enterprise. Directors and officers of such companies may have personal or familial relationships with

the U.S. Bancorp enterprise and/or its employees that could give rise to potential conflicts of interest. We will vote proxies in the best interest of our clients regardless of such real or perceived conflicts of interest. To minimize this risk, we will discuss conflict avoidance at least annually with our affiliates to ensure that appropriate parties understand the actual and perceived conflicts of interest we face in voting proxies on behalf of our clients.

If we become aware of a material conflict, we will discuss with our affiliates and determine a course of action designed to address the conflict. Such actions could include, but are not limited to: (1) obtaining instructions from the affected clients on how to vote the proxy; (2) disclosing the conflict to the affected clients and seeking their consent to permit us to vote the proxy; (3) abstaining from voting; (4) voting in proportion to the other shareholders to the extent this can be determined; or (5) recusing a party from all discussion or consideration of the matter, if the material conflict is due to such person's actual or potential conflict of interest.

In addition to the above, our employees must notify the CCO of any direct, indirect or perceived improper influence exerted by any employee, officer or director within the U.S. Bancorp enterprise about how we should vote proxies. The CCO will investigate any such allegations and report the findings to the appropriate parties, typically the CEO and legal personnel. If it is determined that improper influence was attempted, appropriate action will be taken, which may include disciplinary action, notification of the appropriate senior managers within the U.S. Bancorp enterprise, or notification of the appropriate regulatory authorities. In all cases, we will not consider any improper influence in determining how to vote proxies and will vote in the best interests of clients.

We maintain records relating to all proxy voting for five years. We will provide information to any client about how we voted proxies for securities in the client's account. Our Proxy Voting Policy is available upon request by contacting us at 213 Market Street, Harrisburg, PA 17101, by calling 717-231-2723 or by emailing pfmamrequest@pfmam.com.

Under certain of our engagements we do not assume the responsibility for voting proxies on client securities. The clients make arrangements to receive proxies from their custodian. If we receive a proxy and we do not have authority to vote on it, we forward it to our client. Clients may contact the portfolio manager for their account if they have questions about a particular solicitation.

Item 18: Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to carry out our commitments and responsibilities under our client contracts.

Form ADV, Part 2B

Brochure Supplement
March 29, 2024



pfm  **asset
management**

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723 (phone)
www.pfmam.com

SEC File No. 801-60449

Brochure Supplement

What you need to know

This Brochure Supplement provides information about our investment personnel listed below and supplements the PFM Asset Management LLC brochure. You should have received a copy of that brochure. Please contact our Compliance Department at 717.231.2723 or contact us by emailing pfmamrequest@pfmam.com if you did not receive our Firm's brochure or if you have any questions about the contents of this supplement.

Investment Personnel

Marc D. Ammaturo
Andrew Brown, CFA
Robert H. Cheddar, CFA
Dorothy F. Cooney
Joseph W. Creason, CFA
Ken S. Donaldson, CFP®, CTFA
Michael P. Downs, CFA
Cori C. Farwell
Scott S. Grimm, CFA
Alex Gurvich, Ph.D.
Gregory Haendel, CFA
Christopher Harris, CFA, CAIA
Philip Levy, CFA
Patrick J. Mahoney
Michael T. Maloney
Giancarlo Morales
Dennis S. Mullins, CFA
Kerri Muskin
Mitul Patel, CFA, FRM
Surya M. Pisapati, CFA
Brian Raubenstein
Christopher Rekawek, CFA
Richard A. Rosenthal
Jeffrey H. Rowe, CFA
Wayne A. Sattler, CFA
Kenneth E. Schiebel, CFA
Jason P. Sharpe, CFA
Floyd Simpson III, CFA, CAIA, CFP®
James P. Sims, CFA
John Spagnola
Keith Stribling, CFA
Meredith L. Sullivan
John Zhang, CFA

Location

Philadelphia, PA
San Francisco, CA
Harrisburg, PA
San Francisco, CA
Harrisburg, PA
Cincinnati, OH
Harrisburg, PA
San Francisco, CA
Philadelphia, PA
Philadelphia, PA
Los Angeles, CA
Harrisburg, PA
San Francisco, CA
Minneapolis, MN
Philadelphia, PA
Harrisburg, PA
Philadelphia, PA
Harrisburg, PA
Harrisburg, PA
Philadelphia, PA
Harrisburg, PA
Harrisburg, PA
Harrisburg, PA
Philadelphia, PA
Harrisburg, PA
Milwaukee, WI
Harrisburg, PA
Los Angeles, CA
Philadelphia, PA
Harrisburg, Pa
Philadelphia, PA
Irvine, CA
Harrisburg, PA
Harrisburg, PA

Cincinnati

425 Walnut Street
Cincinnati, OH 45202

Milwaukee

1515 N. RiverCenter Drive
Milwaukee, WI 53212

Harrisburg

213 Market Street
Harrisburg, PA 17101-2141

Minneapolis

800 Nicollet Mall, 16th Floor
Minneapolis, MN 55402

Irvine

18300 Von Karman Ave.
Irvine, CA 92612

Philadelphia

1735 Market Street, 43rd Floor
Philadelphia, PA 19103

Los Angeles, CA

633 W. 5th St.
Los Angeles, CA 90071

San Francisco, CA

1 California Street
San Francisco, CA 94111

350 California Street, Suite 1600
San Francisco, CA 94104

Table of Contents

Educational Background and Business Experience	4
Disciplinary Information	17
Other Business Activities	18
Additional Compensation	19
Supervision	19

Educational Background and Business Experience

Item 2

Item 2 of Form ADV, Part 2B asks us to disclose background in education and business for our supervised persons who formulate the various types of investment advice we offer. Most types of our investment advice are provided to you by a team of more than five individuals. We have prepared background information for the team members who have the most responsibility for the advice the team prepares. We have provided the person's name, year of birth, formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years of our supervised persons. Also listed are certain professional designations held by the supervised person. An explanation of the minimum qualifications required for each designation is included so you may better understand the value of the designation.

Investment Professional

Educational Background and Business Experience

Area of Focus

Marc D. Ammaturo

Year of Birth: 1974

Formal Education after High School

- Pennsylvania State University, University Park, PA, Bachelor of Science, Accounting, Graduated 1996
- University of Maryland, College Park, MD, Master of Business Administration, Finance, Graduated 2004

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Managing Director, 1/2012 – Present

- Outsourced Chief Investment Officer services

Andrew Brown, CFA

Year of Birth: 1966

Formal Education after High School

- University of Southern California, Los Angeles, CA, Bachelor of Arts, International Relations, Graduated 1989
- University of Southern California, Los Angeles, CA, Master of Business Administration, Graduated 1997

Business Background – Previous Five Years

- PFM Asset Management LLC, San Francisco, CA, Portfolio Manager, 1/2024 – Present
- HighMark Capital Management, Inc., San Francisco, CA, Director and Senior Portfolio Manager, 2001 – 12/2023

- Outsourced Chief Investment Officer services

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

Robert H. Cheddar, CFA

Year of Birth: 1966

Formal Education after High School

- Susquehanna University, Selingsgrove, PA, Bachelor of Science, Business, Graduated 1988
- Pennsylvania State University, Malvern, PA, Master of Business Administration, Graduated 2003

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Managing Director, 1/2011 – Present

- Fixed Income

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

Investment
Professional

Educational Background and
Business Experience

Dorothy F. Cooney
Year of Birth: 1961

Formal Education after High School

- University of Colorado, Bachelor of Arts, Political Science, Graduated 1983
- University of San Francisco, Master of Business Administration, Graduated 1990

Business Background – Previous Five Years

- PFM Asset Management LLC, San Francisco, Portfolio Manager, 1/2024 – Present
- HighMark Capital Management, Inc., San Francisco, CA, Vice President and Senior Portfolio Manager, 1997 – 12/2023

- Fixed Income

Joseph W. Creason, CFA
Year of Birth: 1976

Formal Education after High School

- Shippensburg University, Shippensburg, PA, Bachelor of Science, Finance, and Bachelor of Science, Economics, Graduated 2000

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 07/2000 – 1/2017; Director/Sr. Portfolio Manager, 2/2017 – Present

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income

**Ken S. Donaldson, CFP®,
CTFA**
Year of Birth: 1968

Formal Education after High School

- The University of Evansville, Evansville, IN, Bachelor of Science, Finance and Economics, Graduated 1990
- Harlaxton College, Grantham England, International Business, 1988-1989 academic year study abroad program

Business Background – Previous Five Years

- PFM Asset Management LLC, Cincinnati, OH, Sr. Institutional Client Portfolio Manager, 7/2023 – Present
- U.S. Bank National Association, Cincinnati, OH, Sr. Portfolio Manager, 11/2012 – 6/2023

Certifications

- Certified Financial Planner. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.
- Certified Trust and Fiduciary Advisor. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Outsourced Chief Investment Officer services

Investment Professional

Educational Background and Business Experience

Area of Focus

Michael P. Downs, CFA

Year of Birth: 1964

Formal Education after High School

- The Ohio State University, Columbus, OH, Bachelor of Science, Finance and Accounting, Graduated 1987
- The Ohio State University, Columbus, OH, Master of Business Administration, Finance, Graduated 1991

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 4/2014 – Present

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income

Cori Farwell

Year of Birth: 1966

Formal Education after High School

- California State University – San Francisco, San Francisco, CA, Bachelor of Science, Business Administration/Management, Graduated 1990
- St. Mary's College, Moraga, CA, Master of Business Administration, Finance, Graduated 2001

Business Background – Previous Five Years

- PFM Asset Management LLC, San Francisco, CA, Portfolio Manager, 1/ 2024 – Present
- HighMark Capital Management, Inc., San Francisco, CA, Director, Short Duration Fixed Income Strategies Manager, 2002 – 12/2023

- Fixed Income

Scott S. Grimm, CFA

Year of Birth: 1966

Formal Education after High School

- The University of Washington, Seattle, WA, Bachelor of Arts, Business Administration, Accounting, Graduated 1989

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Sr. Institutional Client Portfolio Manager, 7/2023 – Present
- U.S. Bank National Association, Austin, TX, Senior Portfolio Manager, 5/2018 – 6/2023

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Outsourced Chief Investment Officer services

Investment Professional

Educational Background and Business Experience

Alex Gurvich, Ph.D.

Year of Birth: 1964

Formal Education after High School

- University of Chicago, Chicago, IL, Bachelor of Arts, Physics, Graduated 1986
- INSEAD, Fontainebleau, France, Master of Business Administration, Graduated 1993
- New York University, New York, NY, Master of Science, Financial Engineering, Graduated 2009
- Stevens Institute of Technology, Hoboken, NJ, Doctor of Philosophy, Financial Engineering, Graduated 2020

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Director of Research, 6/2018 – Present

- Outsourced Chief Investment Officer services

Gregory Haendel, CFA

Year of Birth: 1975

Formal Education after High School

- Amherst College, Amherst, MA, Bachelor of Arts, Economics, Graduated 1998
- UCLA Anderson School of Management, Los Angeles, CA, Master of Business Administration, Graduated 2003

Business Background – Previous Five Years

- PFM Asset Management LLC, Los Angeles, CA, Managing Director, 1/ 2024 – Present
- HighMark Capital Management, Inc., Los Angeles, CA, Managing Director and Head of Fixed Income, 8/2020 — 12/2023
- Bradford & Marzec/Tortoise Credit Strategies, Head of Investment Grade Credit, 8/2013—7/2020

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income

Christopher Harris, CFA, CAIA

Year of Birth: 1986

Formal Education after High School

- Dickinson College, Carlisle, PA, Bachelor of Arts, Economics, Graduated 2008
- Johns Hopkins University, Baltimore, MD, Master of Science in Financial Mathematics, Graduated 2023

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Analyst, 6/2008 — 12/2012; Senior Managing Consultant, 1/2013 – 1/2017; Director; 2/2017 — 7/2022; Head of Structured Products, 7/2022 — Present; Interim Head of Portfolio Strategies, 4/2023 — 10/2023; Head of Portfolio Strategies, 10/2023 — Present

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.
- Chartered Alternative Investment Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income
- Structured Products

**Investment
Professional**

**Educational Background and
Business Experience**

Area of Focus

Philip Levy, CFA
Year of Birth: 1968

Formal Education after High School

- University of California, Santa Barbara, Bachelor of Arts, Business Economics/Accounting, Graduated 1990

Business Background – Previous Five Years

- PFM Asset Management LLC, San Francisco, Portfolio Manager, 1/2024 – Present
- HighMark Capital Management, Inc., San Francisco, CA, Director, Core Intermediate Fixed Income Manager, 2/2008 – 12/2023

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income

Patrick J. Mahoney
Year of Birth: 1972

Formal Education after High School

- University of St. Thomas, St. Paul, MN, Bachelor of Arts, Economics and Political Science, Graduated 1995
- Washington University, St. Louis, MO, Master of Business Administration, Graduated 1999

Business Background – Previous Five Years

- PFM Asset Management LLC, Minneapolis, MN, Managing Director, Client Portfolio and Practice Management, 7/2023 – Present
- U.S. Bank Institutional Asset Management, Minneapolis, MN, Director, 4/2019 – 6/2023
- Wells Fargo Institutional Retirement and Trust, Minneapolis, MN, Senior Portfolio Manager, 8/2013 – 4/2019

- Outsourced Chief Investment Officer services

**Investment
Professional**

**Educational Background and
Business Experience**

Area of Focus

Michael T. Maloney

Year of Birth: 1964

Formal Education after High School

- St. Ambrose University, Davenport, IA, Bachelor of Arts, Economics/Finance, Graduated 1986
- DePaul University, Chicago IL, Master of Business Administration, Graduated 1990

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Sr. Institutional Client Portfolio Manager, 7/2023 – Present
- U.S. Bank National Association, Dubuque, IA, Vice President, Senior Portfolio Manager, U.S. Bank Institutional Asset Management, 10/2007 – 6/2023

- Outsourced Chief Investment Officer services

Giancarlo Morales

Year of Birth: 1987

Formal Education after High School

- Indiana University of Pennsylvania, Indiana, PA, Bachelor of Science, Finance, Graduated 2010

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 1/2017–1/2021; Director/Sr. Portfolio Manager, 2/2021 – Present

- Fixed Income

Dennis S. Mullins, CFA

Year of Birth: 1959

Formal Education after High School

- Wright State University, Dayton, OH, Bachelor of Science, Business, Accounting, Graduated 1982

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Sr. Institutional Client Portfolio Manager, 7/2023 – Present
- U.S. Bank National Association, Cincinnati, OH, Institutional Asset Management Senior Portfolio Manager, 4/2011 – 6/2023

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Outsourced Chief Investment Officer services

Investment
ProfessionalEducational Background and
Business Experience**Kerri L. Muskin**

Year of Birth: 1983

Formal Education after High School

- Pennsylvania State University, Harrisburg, PA, Bachelor of Science, Business Management, Graduated 2006

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 7/2012 – 1/2017; Director/Sr. Portfolio Manager, 2/2017– Present

- Fixed Income

Mitul Patel, CFA, FRM

Year of Birth: 1985

Formal Education after High School

- Temple University, Philadelphia, PA, Bachelor of Business Administration, Finance, Risk Management and Insurance, and Real Estate, Graduated 2008
- Temple University, Philadelphia, PA, Master of Science, Finance and Accounting, Graduated 2010

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Director/Sr. Portfolio Manager, 6/2022 – Present
- Blackrock, Philadelphia, PA, Sr. Portfolio Manager, 11/2018 – 06/2022; Portfolio Manager 8/2013 – 11/2018

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.
- Financial Risk Manager. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income

Surya M. Pisapati, CFA

Year of Birth: 1984

Formal Education after High School

- Jawaharlal Nehru Technological University, Hyderabad, Telangana, India, Bachelors in Mechanical Engineering, Graduated 2005
- Indian Institute of Management, Indore, Madhya Pradesh, India, Master of Business Administration, Finance, Graduated 2007
- Villanova University, Radnor, PA, Master of Science, Finance, Graduated 2012

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Senior Research Analyst 5/2016 – 12/2018; Manager, Research & Portfolio Strategy, 1/2019 – 12/2020; Director of Global Equities & Portfolio Strategist, 1/2021 – 6/2023; Director, Portfolio Strategies, 7/2023 – Present

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Outsourced Chief Investment Officer services

**Investment
Professional**

**Educational Background and
Business Experience**

Area of Focus

Brian Raubenstine
Year of Birth: 1983

Formal Education after High School

- Pennsylvania State University, University Park, PA, Bachelor of Science, Finance, and a Minor in History, Graduated 2006

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 9/2008—1/2021; Director/Sr. Portfolio Manager, 2/2021 – Present

- Fixed Income

**Christopher Rekawek,
CFA**
Year of Birth: 1986

Formal Education after High School

- Boston University, Boston, MA, Bachelor of Arts, Economics, Graduated 2008

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Analyst, 12/2014 — 12/2015; Senior Analyst, 12/2015 – 12/2019; Senior Managing Consultant 1/2020 – 3/2022; 3/2023 – Present
- T-Rowe Price, Baltimore, MD, Analyst, 3/2022-3/2023

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Structured Products

Richard A. Rosenthal
Year of Birth: 1973

Formal Education after High School

- University of Arizona, Tucson, AZ, Bachelor of Arts, Economics, Graduated 1995
- Loyola Marymount University, Los Angeles, CA, Master of Business Administration, Finance, Graduated 2007

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Sr. Institutional Client Portfolio Manager, 7/2023 – Present
- U.S. Bancorp Asset Management, Inc., Los Angeles, CA and Chicago, IL, Senior Portfolio Manager, 1/2012 – 6/2023

- Outsourced Chief Investment Officer services

**Investment
Professional**

**Educational Background and
Business Experience**

Area of Focus

Jeffrey H. Rowe, CFA

Year of Birth: 1982

Formal Education after High School

- Pennsylvania State University, University Park, PA, Bachelor of Science, Finance, Minor in Supply Chain and Information Systems Technology, Graduated 2005

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 5/2010 – 1/2017; Managing Director, 2/2017 – Present

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income

Wayne A. Sattler, CFA

Year of Birth: 1958

Formal Education after High School

- University of Wisconsin—Milwaukee, Milwaukee, WI, Bachelor of Business Administration, Finance and Management Information Systems, Graduated 1984
- University of Wisconsin—Milwaukee, Milwaukee, WI, Master of Business Administration, Graduated 1986

Business Background – Previous Five Years

- PFM Asset Management LLC, Milwaukee, WI, Sr. Institutional Client Portfolio Manager, 7/2023 – Present
- U.S. Bank Institutional Asset Management, Milwaukee, WI, Senior Vice President, Managing Director, Municipal Advisory Group Head, 10/2014 – 6/2023

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Outsourced Chief Investment Officer services

Kenneth E. Schiebel, CFA

Year of Birth: 1959

Formal Education after High School

- University of Michigan, Ann Arbor, MI, Bachelor of Arts, Mathematics & Computer Science, Graduated 1981

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Managing Director and Co-head of Portfolio Strategies, 1/1997 – 11/2021; Chief Investment Officer, 12/2021 – Present

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income
- Outsourced Chief Investment Officer services
- Structured Products

**Investment
Professional**

**Educational Background and
Business Experience**

Area of Focus

Jason P. Sharpe, CFA

Year of Birth: 1973

Formal Education after High School

- Biola University, Los Angeles, Bachelor of Science, Finance, Graduated 1995

Business Background – Previous Five Years

- PFM Asset Management LLC, Los Angeles, CA, Portfolio Manager, 1/2024 – Present
- Highmark Capital Management, Inc., Los Angeles, CA, Portfolio Manager, 2022 – 12/2023
- Bradford and Marzec/Tortoise Credit Strategies, Los Angeles, CA, Portfolio Manager, 2012 – 2022

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income

**Floyd Simpson III, CFA,
CAIA, CFP®**

Year of Birth: 1980

Formal Education after High School

- Truman State University, Kirksville, MO, Bachelor of Business Administration, Finance, Graduated 2002
- De Paul University, Chicago, IL, Master of Business Administration, Financial Analysis and Strategy, Execution, and Valuation, Graduated 2005
- Northwestern University, Evanston, IL, School of Continuing Studies-Financial Planning, Completed 2007

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Senior Managing Consultant, 10/2019 – 6/2023; Director, Portfolio Strategies, 7/2023 – Present
- Xponance (FIS Group), Philadelphia, PA, Investment Officer, 9/2010 – 9/2019

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.
- Chartered Alternative Investment Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.
- Certified Financial Planner. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Outsourced Chief Investment Officer services

**Investment
Professional**

**Educational Background and
Business Experience**

Area of Focus

James P. Sims, CFA

Year of Birth: 1970

Formal Education after High School

- Georgia State University, Atlanta, GA, Bachelor of Business Administration, Finance, Graduated 1993
- Georgia State University, Atlanta, GA, Master of Science, Finance, Graduated 1997

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Director/Senior Portfolio Manager, 2/2016 – 10/2021; Managing Director, 12/2021 – Present

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Fixed Income

John S. Spagnola

Year of Birth: 1957

Formal Education after High School

- Yale University, New Haven, CT, Bachelor of Arts, Political Science, Graduated 1980

Business Background – Previous Five Years

- PFM Asset Management LLC, Philadelphia, PA, Managing Director, 1/2003 – Present

- Outsourced Chief Investment Officer services

Keith Stribling, CFA

Year of Birth: 1962

Formal Education after High School

- Stetson University, DeLand, FL, Bachelor of Business Administration Finance, Graduated 1984

Business Background – Previous Five Years

- PFM Asset Management LLC, Irvine, CA, Portfolio Manager, 1/2024 – Present
- HighMark Capital Management, Inc., San Francisco, CA, Co-Director, Value Equity, 1995 – 12/2023

Certifications

- Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.

- Outsourced Chief Investment Officer services

Investment Professional

Educational Background and Business Experience

Area of Focus

Meredith L. Sullivan

Year of Birth: 1985

Formal Education after High School

- Temple University Fox School of Business, Philadelphia, PA
Bachelor of Science, Finance, Graduated 2008

Business Background – Previous Five Years

- PFM Asset Management LLC, Harrisburg, PA, Fixed Income
Trader, 1/2013 – 1/2018; Portfolio Manager, 1/2018 – 1/2021,
Director Senior Portfolio Manager 1/2021 – Present

- Fixed Income

John Zhang, CFA

Year of Birth: 1993

Formal Education after High School

- Franklin & Marshall College, Lancaster, PA, Bachelor of Arts,
Economics & Mathematics, Graduated 2016

Business Background

- PFM Asset Management LLC, Harrisburg, PA, Portfolio Strategies
Analyst, 5/2016 – 1/2018; Credit Analyst, 1/2018 – 1/2020,
Senior Credit Analyst, 01/2020 – 6/2022, Portfolio Manager,
7/2022 – Present

- Fixed Income

Certifications

- Chartered Financial Analyst. An explanation of the minimum
qualifications required for this designation is provided at the
conclusion of this Item.

SUMMARY OF PROFESSIONAL DESIGNATIONS

This Summary should assist you with evaluating the professional designations and the minimum requirements that an individual must meet to hold this designation.

CAIA – Chartered Alternative Investment Analyst

This designation is issued by the Chartered Alternative Investment Analyst Association (www.caia.org). In order to participate in the CAIA program, a candidate must: 1) Hold a bachelor's degree or the equivalent and have more than one year of professional experience (defined as full-time employment in a professional capacity within the regulatory, banking, financial, or related field); or 2) Have at least four years of professional experience. The educational requirements that must be completed involve 200 hours of study for each of the 2 levels, and there are 2 course exams. There is a continuing education requirement every three years.

CFA – Chartered Financial Analyst

This designation is issued by the CFA Institute (www.cfainstitute.org). The requirements to become a CFA charterholder include: 1) Obtaining a bachelor's degree or equivalent from a 4-year college/university or meeting a combination of higher education and qualified professional work requirements; 2) Passing the three levels of CFA exams, each of which involves approximately 300 hours of self-study; 3) Having at least 4,000 hours of relevant investment-related work experience, completed in a minimum of 36 months; and 4) Abiding by the CFA Code of Ethics. Continuing education is encouraged but not required.

CFP® – Certified Financial Planner

This designation is issued by the CFP Board of Standards (www.cfp.net). The requirements to become a CFP professional include: 1) Obtaining a bachelor's degree in any discipline from an accredited college/university; 2) Taking college or university-level coursework through a CFP Board Registered Program; 3) Passing the exam; 4) Having at least 4,000-6,000 hours of relevant financial planning related work experience, completed before 10 years

and/or after 5 years of completing the exam; and 5) Abiding by the CFP Code of Ethics. There is a continuing education requirement each two-year reporting period.

CTFA – Certified Trust and Fiduciary Advisor

This designation is issued by the American Bankers Association (www.aba.com). In order to participate in the CTFA program, a candidate must: 1) Have three years minimum experience in wealth management and completion of a specified wealth management training program within the last seven years; 2) Have five years minimum experience in wealth management and a bachelor's degree; or 3) Have ten or more years of experience in wealth management, with at least five of the last ten years within the last seven years. The requirements to become a CTFA include passing an exam and abiding by the ABA Professional Certifications Code of Ethics. There is a continuing education requirement each three-year reporting period.

FRM – Financial Risk Manager

This designation is issued by the Global Association of Risk Professionals (www.garp.org). The requirements to become a FRM include passing a two-part exam and having at least two years of relevant work experience. Continuing education is encouraged but not required.

Disciplinary Information

Item 3

If there are legal or disciplinary events material to your evaluation of the supervised person, Item 3 requires us to disclose all material facts regarding those events.

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the supervised person**
- was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;*
 - is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;*
 - was found to have been involved in a violation of an investment-related statute or regulation; or*
 - was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.*

Not applicable. None of the personnel listed in Item 2 above has ever been subject to any such criminal or civil action.

- B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the supervised person**
- was found to have caused an investment-related business to lose its authorization to do business; or*
 - was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority*
 - denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;*
 - barring or suspending the supervised person's association with an investment-related business;*
 - otherwise significantly limiting the supervised person's investment-related activities; or*
 - imposing a civil money penalty of more than \$2,500 on the supervised person.*

Not applicable. None of the personnel listed in Item 2 above has ever been subject to any such administrative proceeding

- C. A self-regulatory organization (SRO) proceeding in which the supervised person**
- was found to have caused an investment-related business to lose its authorization to do business; or*

2. *was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.*

Not applicable. None of the personnel listed in Item 2 above has ever been subject to any such proceeding by an SRO.

- D. *Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.*

Not applicable. None of the personnel listed in Item 2 above has ever been subject to any such suspension or revocation.

Other Business Activities

Item 4

- A. *If the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, we are required to disclose this fact and describe the business relationship, if any, between the advisory business and the other business.*

We have an affiliate, PFM Fund Distributors, Inc. ("PFMFD"), which is a broker-dealer registered under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority ("FINRA"). PFMFD serves as distributor of shares, on either an exclusive or nonexclusive basis, of registered investment companies and local government investment pools ("Pooled Funds") for which we or our affiliated entities serve as investment adviser and/or administrator and we receive fees from this arrangement. Messrs. Ammaturo, Schiebel, Simpson and Spagnola are registered representatives of PFMFD.

- *If a relationship between the advisory business and the supervised person's other financial industry activities creates a material conflict of interest with clients, describe the nature of the conflict and generally how you address it.*

If a client invests in a Pooled Fund, we disclose this relationship to the client through our firm brochure (the Form ADV, Part 2A) and the offering statement for the Pooled Fund. In addition, if we have an investment advisory arrangement with a client to manage a separate account, our investment advisory agreement with the client provides that if we invest client assets in a Pooled Fund, we will not take these assets into account for purposes of calculating our fees for managing the separate account or we will credit investment advisory fees we earn on the client's Pooled Fund investment against investment advisory fees due us related to the client's separately managed account that holds assets in the Pooled Fund.

- *If the supervised person receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.*

PFMFD registered representatives listed in this Brochure Supplement do not receive commissions, bonuses or other compensation directly based on the sale of shares in the Pooled Funds.

- B. If the supervised person is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the supervised person's income or involve a substantial amount of the supervised person's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the supervised person's time and income, you may presume that they are not substantial.**

None of our supervised persons described in this Brochure Supplement engages in any other business or occupation which provides a substantial source of income or involves a substantial amount of time.

Additional Compensation

Item 5

If someone who is not a client provides an economic benefit to the supervised person for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the supervised person's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

We do not have any arrangements in which someone other than a client provides any economic benefit to our supervised persons for providing advisory services.

Supervision

Item 6

Explain how you supervise the supervised person, including how you monitor the advice the supervised person provides to clients. Provide the name, title and telephone number of the person responsible for supervising the supervised person's advisory activities on behalf of your firm.

Kenneth Schiebel as Chief Investment Officer of PFM Asset Management LLC oversees or participates in meetings of the committees which develop investment strategies for the various types of investment advice we offer to our clients. The strategies and advice developed by these committees are then marketed to our clients and prospects by the managing directors of our firm and our additional personnel. As the Chief Investment Officer of the firm, Mr. Schiebel meets regularly with the other members of senior management, the Firm's Chief Compliance Officer, and the Operating Committee and officers of the Firm's parent company. Mr. Schiebel reports to Eric Thole, CEO and President of PFM Asset Management LLC (PFMAM). Mr. Thole is also the CEO and President of U.S. Bancorp Asset Management, Inc. (USBAM). Effective December 7, 2021, PFMAM became a wholly-owned subsidiary of USBAM. Mr. Schiebel may be reached at 717.231.6215.



C. Resumes of Key Professionals



Annette Gaston

Director
PFM Asset Management LLC

Annette Gaston joined PFM Asset Management in 2018 as a senior managing consultant in the Chandler, AZ office. Annette oversees client relationships for public agency clients throughout the Western United States. Her responsibilities include investment advisory services, investment policy evaluation, economic research, portfolio analysis, and cash flow modeling.

Prior to joining the firm, Annette was a sales representative for Johnson & Johnson where she worked with key account clients in the Southern California market. Before joining Johnson & Johnson, Annette spent five years as a Consulting Group analyst managing private wealth and institutional client portfolios, in Arizona and Southern California. She brings a demonstrated history of working in the financial services industry, and multiple years of experience. She is an Arizona native and a graduate of Grand Canyon University where she pursued a degree in Finance and Economics.



Contact

1101 W. Washington Street
Tempe, AZ 85288

gastona@pfmam.com
480.271.0432 office

Education

B.A. in Finance and
Economics
Grand Canyon University

Professional Designations or Licenses

FINRA Series 6, 7, 63 and 66
Licenses

Started with PFM: 2018

Started in the Field: 2005

Luke Schneider, CFA

Managing Director
PFM Asset Management LLC

Luke Schneider joined PFM Asset Management in 2015 and oversees engagements in the Western region. Luke has extensive experience managing and advising on investment portfolios for institutional clients.

Prior to joining the firm, Luke was a managing director and senior portfolio manager at Government Portfolio Advisors (GPA) where he managed institutional investment portfolios. Before joining GPA, Luke spent four years with D.A. Davidson as a portfolio analyst and sales and trading representative.

Luke is a member of the CFA Institute and CFA Society of Tucson. He volunteers at many non-profits and is on the finance committee for the Community Foundation of Southern Arizona.



Contact

1101 W. Washington Street
Tempe, AZ 85288

schneiderl@pfmam.com
520.260.1574 cell

Specialties

State & Local Governments,
Endowments, Foundations &
Charitable Institutions

Education

B.S. in Finance
University of Arizona

M.Acc.
University of Southern
California

Professional Designations or Licenses

FINRA Series 7, 24 and 66
Licenses

Chartered Financial Analyst
(CFA)

Started with PFM: 2015

Started in the Field: 2007

Lauren Brant

Managing Director
PFM Asset Management LLC

Lauren has been with PFM Asset Management since 1995 and currently serves as a client liaison for selected clients in the Western region. She coordinates client services, presents investment reports, and works with clients to develop a customized investment policy designed to meet their particular needs. She has conducted workshops and seminars for clients' staff and board members on subjects including permitted investments, developing investment policies and internal controls and oversight to seek safety of principal invested.

Lauren assists clients with the development and implementation of a long-term strategy for their investment programs beginnings with a thorough review of the client's investment policy and risk tolerances, followed by an extensive look at the client's historical and future cash flow needs. She is responsible for helping to ensure that each client's liquidity needs are being met, the funds are being invested appropriately and the portfolio is generating strong results relative to established benchmarks. She typically meets with her clients once a quarter to review recent market events and to provide a portfolio update.

Lauren is a member of the California Association of County Treasurers and Tax Collectors, the California Municipal Treasurers Association, the California Society of Municipal Finance Officers, and the California Association of Joint Powers Authorities.



Contact

1 California Street
Suite 1000
San Francisco, CA 94111

brantl@pfmam.com

Specialties

State & Local Governments

Education

B.S. in Economics
Pennsylvania State University

Professional Designations or Licenses

FINRA Series 6, 26, 52 and 63
Licenses

Started with PFM: 1995

Started in the Field: 1995

Christopher Harris, CFA, CATA

Director

PFM Asset Management LLC

Chris joined PFM Asset Management in 2008 and works in the Harrisburg office. He is the head of the Portfolio Strategies Group and the head of the Structured Products Group.

As the head of the Portfolio Strategies Group, Chris focuses on the investment strategy development process for many large and strategically important client relationships. He is also a member of the Fixed Income Investment Committee and Credit Risk Management Committee.

As the head of the Structured Products Group, Chris oversees projects related to the procurement, valuation, and termination of structured investments and the structuring and procurement of asset-liability matching portfolios such as refunding and cash defeasance escrows. Chris also has experience negotiating and monetizing bankruptcy claims settlements and restructuring and terminating leveraged lease portfolios.

Chris also conducts training sessions on escrow optimization, bond proceeds reinvestment, structured investments, and fixed-income investment strategy for clients and colleagues. He is also a member of the firm's Reserve Fund Committee and assists with the firm's management of reserve fund proceeds.



Contact

213 Market Street
Harrisburg, PA 17101

harrisc@pfmam.com
717.213.3810 office

Specialties

Transportation, State & Local
Governments, Public Power

Education

B.A. in Economics
Dickinson College

M.S. in Financial Mathematics
Johns Hopkins University

Professional Designations or Licenses

Chartered Financial Analyst
(CFA)

Chartered Alternative
Investment Analyst (CAIA)

Started with PFM: 2008

Started in the Field: 2008

Robert Cheddar, CPA

Managing Director
PFM Asset Management LLC

Bob joined PFM Asset Management (PFMAM) in 2004 as a senior portfolio manager and was promoted to managing director in 2011. He manages client accounts across the country, specializing in high-quality fixed-income assets. He is responsible for the management of client assets in separate portfolios for cities, counties, insurance and self-insurance organizations, school districts, state and local government agencies, public finance authorities, and universities. Assets under management include operating funds, capital reserves, bond proceeds, and other post-employment benefits (OPEB) obligation funds.

Bob is the leader of PFMAM's short- and intermediate-term separate account management team. The team of portfolio managers and traders is responsible for managing separate accounts for PFMAM clients. He serves as the Chair of PFMAM's Credit Risk Management Committee and is a member of the Fixed Income Investment Committee.



Contact

213 Market Street
Harrisburg, PA 17101

cheddarr@pfmam.com
717.231.6202 office

Education

B.S. in Business
Administration
Susquehanna University

MBA
Pennsylvania State University

Professional Designations or Licenses

Chartered Financial Analyst
(CFA)

Started with PFM: 2004

Started in the Field: 1998

Kenneth Schiebel, CFA

Chief Investment Officer
PFM Asset Management LLC

Ken Schiebel is a managing director and the firm's Chief Investment Officer. He was previously co-head of PFM Asset Management's Portfolio Strategies Group, and had led a team of portfolio managers, traders, and research staff, responsible for the management of the fixed-income separate account business. Ken's background in actuarial analysis helped establish the asset management practice as a market leader in managing assets in the insurance and self-insurance industry.

Prior to joining the firm in 1994, Ken spent 13 years at Aetna Life & Casualty. As senior portfolio manager, he managed \$5 billion of corporate operating funds, insurance reserves, and pension fund assets for Aetna and its investment advisory clients. He also was responsible for managing Aetna's short-term debt issuance.

Ken holds the Chartered Financial Analyst (CFA) designation, is a member of the CFA Institute, and is a General Securities Registered Representative holding the Financial Industry Regulatory Authority (FINRA) Series 7 and 63 licenses. He has been a guest lecturer in the University of Connecticut's MBA program, provided expert testimony to the GASB Deposit and Investment Risk Disclosure Task Force, and has spoken at numerous industry conferences, workshops, and seminars. Ken is Chair of the Fixed Income Investment Committee and a member of the Credit Risk Management Committee.



Contact

213 Market Street
Harrisburg, PA 17101

schiebelk@pfmam.com
717.231.6215 office

Specialties

State & Local Governments,
Insurance & Self-Insurance

Education

B.A. in Mathematics and
Computer Science
University of Michigan

Executive Education
Behavioral Finance
Harvard University
John F. Kennedy School of
Government

Professional Designations or Licenses

FINRA Series 7 and 63
Licenses

Chartered Financial Analyst
(CFA)

Started with PFM: 1994

Started in the Field: 1981

Leo Karwejna

Managing Director
PFM Asset Management LLC

Leo Karwejna joined PFM Asset Management to head the Compliance Group in 2011 as chief compliance officer and managing director. He has over 22 years of experience providing compliance support to firms in the investment advisory and securities-trading businesses including equity, fixed income, real estate (direct property and REIT securities) and additional alternative investment strategies.

Leo is responsible for all regulatory compliance program efforts related to the firm's business activities and personnel. He assists firm professionals with specific compliance advisory guidance and leads the firm's Compliance team's efforts to develop, maintain and monitor firm-wide compliance with appropriate policies, procedures and regulatory requirements.

Leo's prior experience includes compliance management positions at PFM Financial Advisors, Prudential Financial Inc., Deutsche Asset Management, and RREEF Alternative Investments. He serves as an Arbitrator within the FINRA Dispute Resolution Services program for securities-related issues among the investing public and/or industry participants.



Contact

213 Market Street
Harrisburg, PA 17101

karwejna@pfmam.com
717.213.3847 office

Education

B.S. in Finance
St. Joseph's University

J.D.
Temple University School of
Law

Professional Designations or Licenses

FINRA Series 7 and 66
Licenses

Started with PFM: 2011

Started in the Field: 1999



D. PFMAM's Sample Report





SAMPLE CLIENT

Investment Performance Review For the Quarter Ended March 31, 2024

Client Management Team

Luke Schneider, CFA, Managing Director
Annette Gaston, Director

PFM Asset Management LLC

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

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

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

For Institutional Investor or Investment Professional Use Only - This material is not for inspection by, distribution to, or quotation to the general public

Agenda

- Market Summary
- Account Summary
- Portfolio Review
- Market Update

Market Summary

Summary

- ▶ The first quarter of 2024 was characterized by continued economic resilience led by strong consumer spending, inflation that continues to slowly grind lower, and a robust labor market.
- ▶ The Federal Reserve (Fed) kept the overnight rate at its current target range of 5.25% to 5.50% at its March 20 meeting, as expected, marking the fifth consecutive pause following the last rate hike in July 2023. The Fed's updated "dot plot" implies three 0.25% rate cuts through 2024 while the number of cuts implied for 2025 was reduced from three to two. Markets entered the year pricing in over six cuts in 2024 but since have now converged to Fed projections. The Fed chair has said they need more confidence that inflation is moving toward its 2% target before the first rate cut. Yields moved higher in the first quarter with the return of the Fed's "higher-for-longer" stance.
- ▶ A strong economic backdrop and increasing likelihood for a soft-landing led equity markets to reach new record highs. The S&P 500 Index jumped 10.6% in the first quarter, while yields on U.S. Treasury maturities from one to 30 years were higher by 25 to 40 basis points (bps).

Economic Snapshot

- ▶ Although January and February inflation readings came in above expectations, CPI actually trended lower in the first quarter and continued to decline from its mid-2022 peak. Headline and core CPI (which excludes food and energy) registered year-over-year increases of 3.2% and 3.8%, respectively, through February.
- ▶ U.S. real gross domestic product (GDP) growth in the fourth quarter came in at an impressive 3.4%, capping a strong year in which GDP grew 3.1%. The economy continues to be bolstered by strong consumer spending, supported by the strength of the labor market. This trend is expected to continue before moderating through the balance of the year.
- ▶ The U.S. labor market showed little signs of softening, adding over 800,000 jobs in the first quarter after 637,000 were added in the fourth quarter. In the latest reading, 303,000 jobs were created in March, which is the highest level since May of 2023. The unemployment rate also ticked down to 3.8% and has been below 4% for over two years. Strong wage increases reflect a competitive labor market and further support consumer spending.

Interest Rates

- ▶ The market spent the majority of the first quarter adjusting its expectations as strong economic data and Fed commentary pushed back on the notion that a rate cut was imminent. As a result, fed funds futures recalibrated expectations throughout the quarter and are now priced for the first rate cut to occur in July, a four-month delay from expectations at the beginning of the year.

- ▶ Reflecting the market adjustment to delayed rate cuts expectations, U.S. Treasury yields increased notably over the quarter. The yield on the 2-, 5-, and 10-year U.S. Treasuries rose 37 bps, 37 bps, and 32 bps, respectively.
- ▶ As a result of higher absolute yields, U.S. Treasury indices with longer durations generated negative returns, with the breakeven point around the two-year maturity. For example, the ICE BofA 3-, 5-, and 10-year U.S. Treasury indices returned -0.21%, -0.76%, and -1.61%, respectively. On the flipside, shorter-duration indices posted positive total returns, as higher income was able to more than offset negative price impacts. The ICE BofA 3-month, 1-, and 2-year U.S. Treasury indices returned +1.29%, +0.83%, and +0.21% respectively.

Sector Performance

- ▶ Yield spreads across most investment-grade (IG) sectors continued to tighten throughout the first quarter, resulting in positive excess returns on corporates and most other non-government fixed income sectors. Diversification across these "spread sectors" helped bolster relative performance given the absolute back-up in yields to start the year.
- ▶ Federal agency, municipal, and supranational spreads remained low and range bound throughout the first quarter. These sectors eked out positive excess returns, mostly from their modest incremental income. Callable agencies outperformed bullet agencies as bond market volatility waned from recent multi-year highs.
- ▶ IG corporates produced strong excess returns on robust market demand and continued yield spread tightening. IG corporates finished the quarter at their lowest spread in over two years. As a result of historically tight spreads, value in the sector is now more opportunistic.
- ▶ The asset-backed security (ABS) sector was the strongest-performing fixed income sector in the first quarter. The rally in the sector was supported by strong structural elements of the asset class as well as ongoing optimism regarding the strength of the American consumer and, like IG corporates, robust appetite for new issues. Incremental income from ABS remains attractive and our fundamental outlook for the economy remains supportive for the sector.
- ▶ Mortgage-backed security (MBS) performance was mixed for the first quarter, with yield spreads widening in longer maturity structures. Volatility was relatively muted compared to the fourth quarter and helped returns in the first quarter, but the overall sector underperformed. On the other hand, agency commercial mortgage-backed security spreads tightened relative to pass-throughs, resulting in strong relative performance.

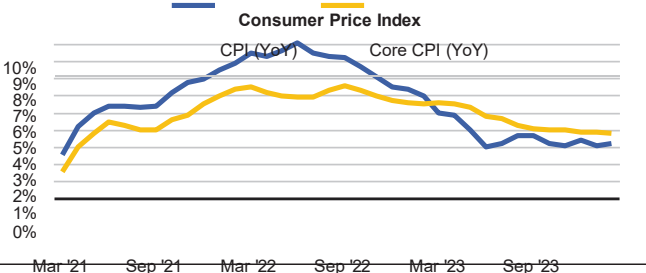
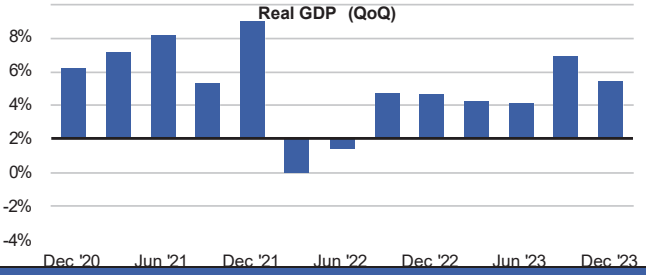
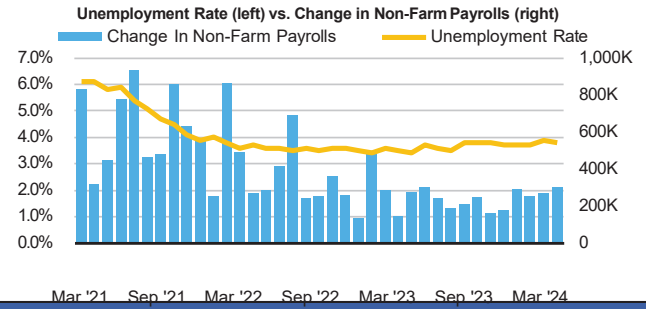
Economic Snapshot

Labor Market	Latest	Dec '23	Mar '23	
Unemployment Rate	Mar '24	3.8%	3.7%	3.5%
Change In Non-Farm Payrolls	Mar '24	303,000	290,000	146,000
Average Hourly Earnings (YoY)	Mar '24	4.1%	4.3%	4.6%
Personal Income (YoY)	Feb '24	4.6%	4.9%	5.8%
Initial Jobless Claims (Week)	3/30/24	221,000	198,000	216,000

Growth	Latest	Dec '23	Mar '23	
Real GDP (QoQ SAAR)	2024Q4	3.4%	4.9% ¹	2.6% ²
GDP Personal Consumption (QoQ SAAR)	2024Q4	3.3%	3.1% ¹	1.2% ²
Retail Sales (YoY)	Feb '24	1.5%	5.0%	2.2%
ISM Manufacturing Survey (Month)	Mar '24	50.3	47.1	46.5

Existing Home Sales SAAR (Month)	Feb '24	4.38 mil.	3.88 mil.	4.35 mil.
----------------------------------	---------	-----------	-----------	-----------

Inflation/Prices	Latest	Dec '23	Mar '23	
Personal Consumption Expenditures (YoY)	Feb '24	2.5%	2.6%	4.4%
Consumer Price Index (YoY)	Feb '24	3.2%	3.4%	5.0%
Consumer Price Index Core (YoY)	Feb '24	3.8%	3.9%	5.6%
Crude Oil Futures (WTI, per barrel)	Mar 31	\$83.17	\$71.65	\$75.67
Gold Futures (oz)	Mar 31	\$2,217	\$2,072	\$1,969



1. Data as of Third Quarter 2023.

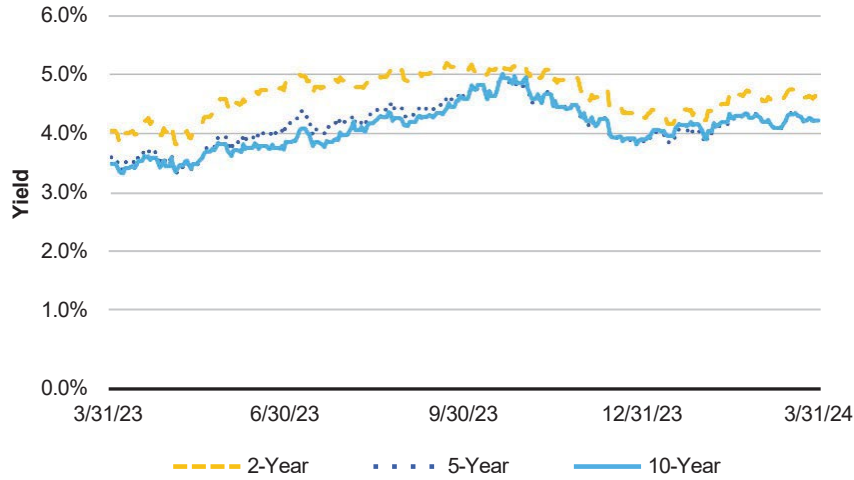
2. Data as of Fourth Quarter 2022.

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

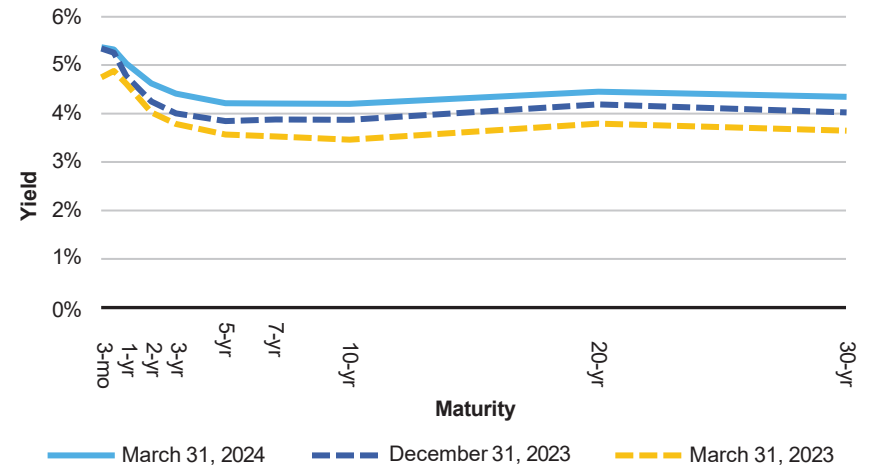
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



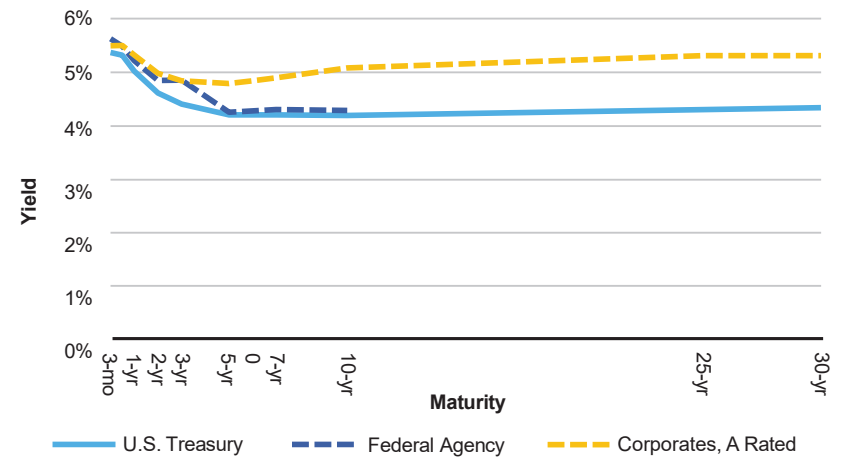
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Mar '24	Dec '23	Change over Quarter	Mar '23	Change over Year
3-Month	5.37%	5.34%	0.03%	4.75%	0.62%
1-Year	5.03%	4.77%	0.26%	4.62%	0.41%
2-Year	4.62%	4.25%	0.37%	4.03%	0.59%
5-Year	4.21%	3.85%	0.36%	3.58%	0.63%
10-Year	4.20%	3.88%	0.32%	3.47%	0.73%
30-Year	4.34%	4.03%	0.31%	3.65%	0.69%

Yield Curves as of March 31, 2024



Source: Bloomberg.

ICE BofAML Index Returns

March 31, 2024	As of 03/31/2024		Returns for Periods ended 03/31/2024		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.83	4.70%	0.30%	2.97%	0.08%
Federal Agency	1.62	4.80%	0.46%	3.54%	0.27%
U.S. Corporates, A-AAA rated	1.84	5.23%	0.73%	4.71%	0.72%
Agency MBS (0 to 3 years)	1.97	5.27%	0.49%	3.84%	(0.49%)
Taxable Municipals	1.35	4.95%	0.89%	3.98%	1.09%
1-5 Year Indices					
U.S. Treasury	2.59	4.55%	(0.02%)	2.42%	(0.59%)
Federal Agency	1.96	4.70%	0.33%	3.29%	(0.29%)
U.S. Corporates, A-AAA rated	2.54	5.15%	0.58%	4.68%	0.14%
Agency MBS (0 to 5 years)	3.03	5.14%	0.30%	3.49%	(1.01%)
Taxable Municipals	2.25	4.87%	0.43%	3.40%	0.16%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.31	4.45%	(0.94%)	(0.19%)	(2.82%)
Federal Agency	3.32	4.65%	0.09%	2.89%	(1.01%)
U.S. Corporates, A-AAA rated	6.85	5.18%	(0.32%)	3.62%	(1.98%)
Agency MBS (0 to 30 years)	5.63	5.05%	(1.07%)	1.36%	(2.93%)
Taxable Municipals	8.94	5.10%	(0.38%)	2.43%	(3.01%)

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.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Further distribution is not permitted without prior written consent.

Account Summary

Fixed-Income Sector Commentary - 1Q 2024

- ▶ **U.S. Treasuries** markets spent the quarter adjusting its expectations as strong economic data and Fed commentary pushed back on the notion that a rate cut was imminent. Yields reflected the repricing and are higher by over 30 basis points for maturities greater than a year.
- ▶ **Federal Agency, Municipal, and Supranational** yield spreads remained low and range bound. These sectors eked out positive excess returns, mostly from their modest incremental income. Callable agencies outperformed bullet agencies, as bond market volatility generally waned from recent multi-year highs.
- ▶ **Investment-Grade (IG) Corporates** produced strong excess returns on robust market demand and continued spread tightening in the sector. IG corporates finished the quarter at their tightest spread levels in over two years. Lower rated issues performed best. With spreads near historical tight, some caution in the sector is warranted.
- ▶ **Asset-Backed Securities** were the strongest-performing fixed income sector. The rally in the sector was led by ongoing optimism regarding the strength of the American consumer and, like IG corporates, robust appetite for investment opportunities in the sector. Incremental income from ABS remains attractive and our fundamental outlook for the economy is supportive for the sector.
- ▶ **Mortgage-Backed Securities** performance was mixed with spreads widening in longer maturity structures. Volatility was relatively muted compared to Q4 and helped bolster returns in the sector. Agency commercial mortgage-backed security spreads tightened more aggressively relative to pass-throughs, resulting in strong relative performance.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yield spreads continued to tighten over the quarter while the credit curve has steepened. Shorter-term maturities are less attractive and we prefer issues with maturities between 6 and 12 months.

SAMPLE CLIENT

Account Summary

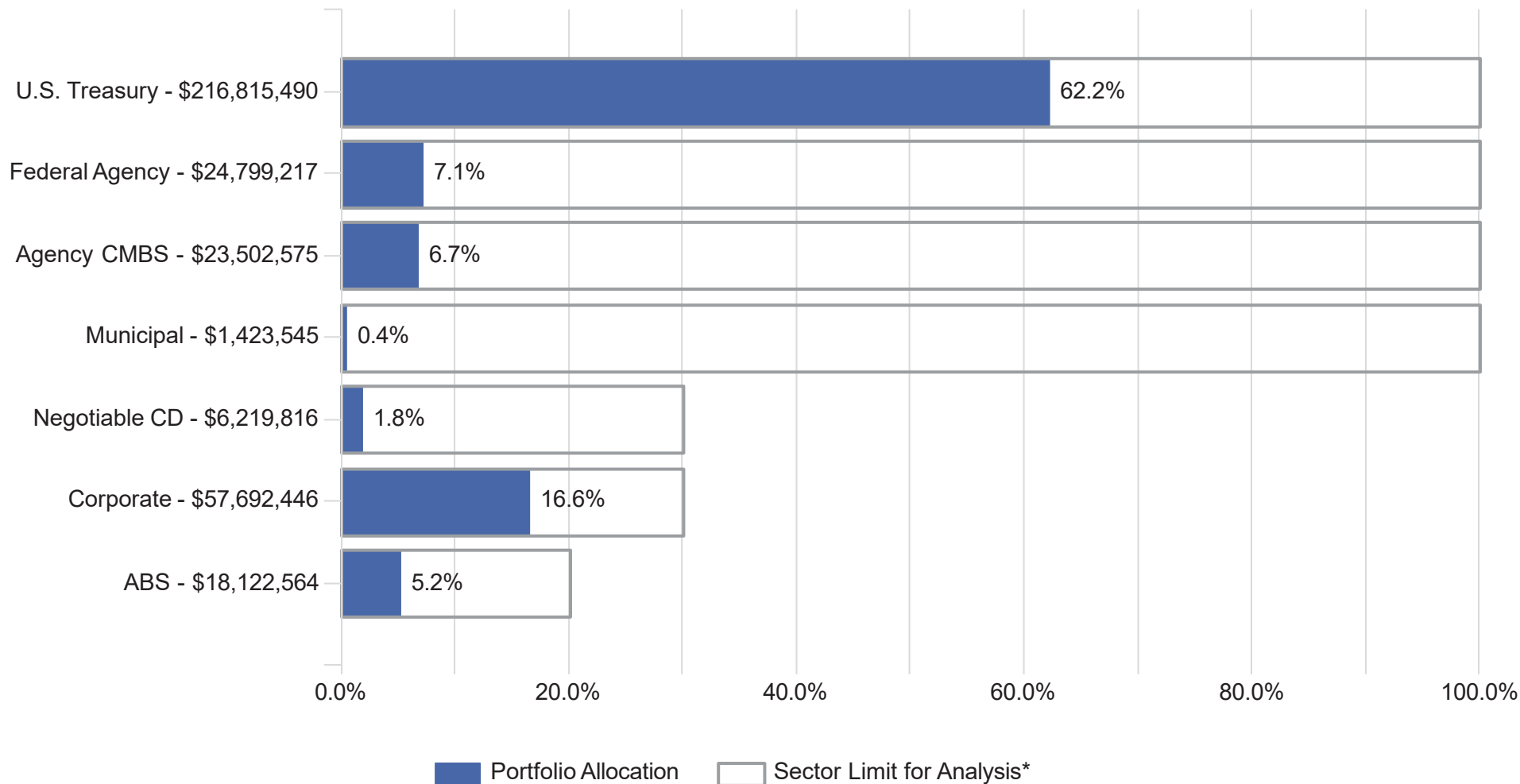
SAMPLE CLIENT CORE PORTFOLIO			
Portfolio Values	March 31, 2024	Analytics ¹	March 31, 2024
PFMAM Managed Account	\$347,037,216	Yield at Market	4.77%
Amortized Cost	\$356,808,303	Yield on Cost	3.25%
Market Value	\$347,037,216	Portfolio Duration	2.07
Accrued Interest	\$1,538,437		
Cash	\$160,952		

SAMPLE CLIENT AUTHORITY			
Portfolio Values	March 31, 2024	Analytics ¹	March 31, 2024
PFMAM Managed Account	\$1,025,804	Yield at Market	4.86%
Amortized Cost	\$1,028,926	Yield on Cost	4.68%
Market Value	\$1,025,804	Portfolio Duration	1.47
Accrued Interest	\$9,028		
Cash	\$47,880		

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

Portfolio Review: SAMPLE CLIENT CORE PORTFOLIO

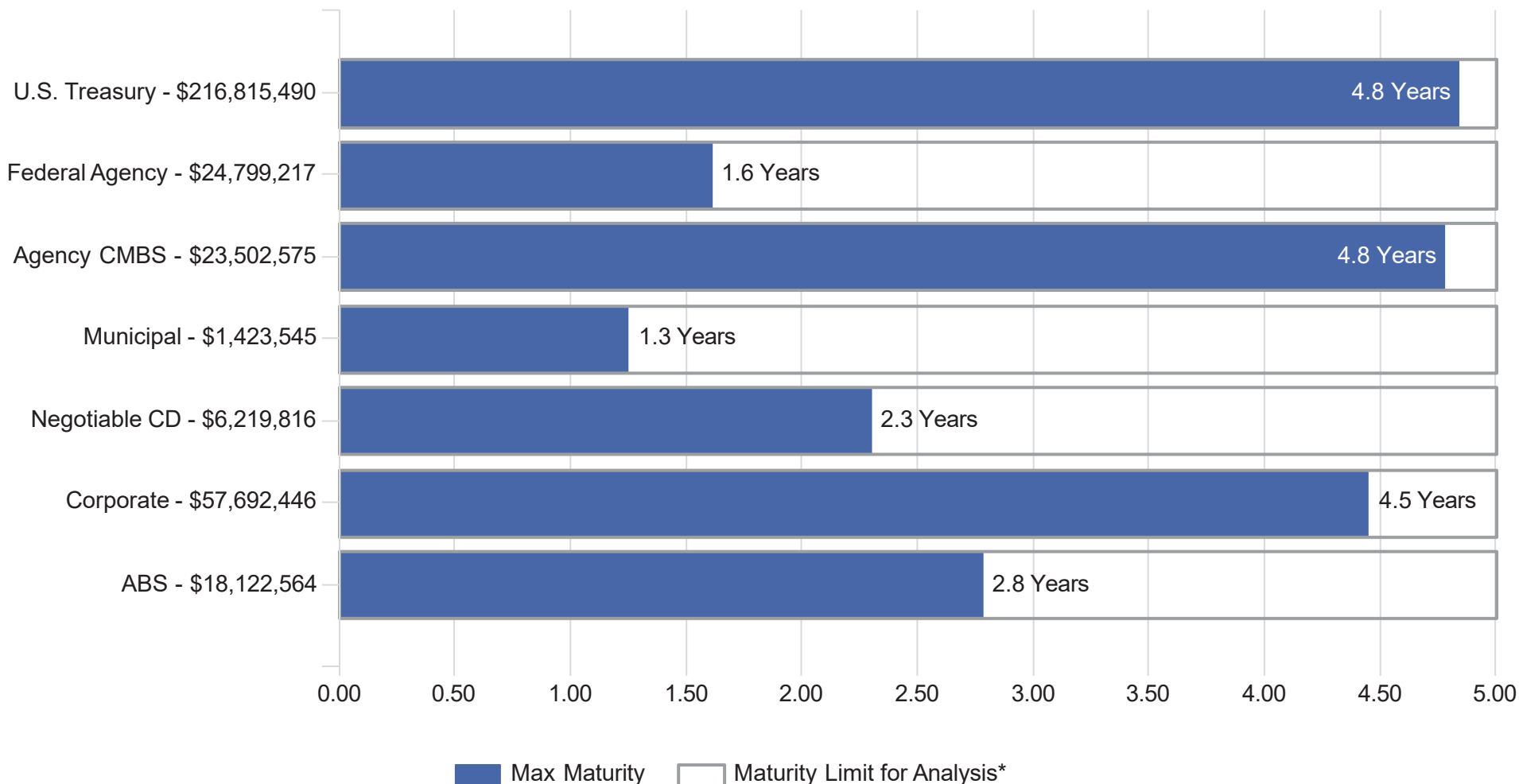
Sector Allocation Analytics



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

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

Max Maturity Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest and excludes balances invested in overnight funds.

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

Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.

SAMPLE CLIENT

Issuer Diversification

Security Type / Issuer	Market Value (l)	S&P / Moody's / Fitch
U.S. Treasury	62.2/	
UNITED STATES TREASURY	62.2%	AA / Aaa / AA
Federal Agency	7.1/	
FANNIE MAE	3.5%	AA / Aaa / AA
FREDDIE MAC	3.6%	AA / Aaa / AA
Agency CMBS	6.7/	
FREDDIE MAC	6.7%	AA / Aaa / AA
Municipal	0.4/	
CITY OF SCOTTSDALE	0.4%	AAA / Aaa / AAA
Negotiable CD	1.8/	
RABOBANK NEDERLAND	0.9%	A / Aa / AA
TORONTO-DOMINION BANK	0.9%	A / A / NR
Corporate	16.6/	
ADOBE INC	0.9%	A / A / NR
AMAZON.COM INC	0.4%	AA / A / AA
BANK OF AMERICA CO	1.5%	A / Aa / AA
CATERPILLAR INC	0.7%	A / A / A
DEERE & COMPANY	0.4%	A / A / A
HOME DEPOT INC	1.0%	A / A / A
IBM CORP	0.6%	A / A / A
JP MORGAN CHASE & CO	1.5%	A / Aa / AA
MASTERCARD INC	0.5%	A / Aa / NR
MICROSOFT CORP	0.8%	AAA / Aaa / NR
MORGAN STANLEY	0.5%	A / A / A
NOVARTIS AG	1.8%	AA / Aa / AA
QUALCOMM INC	0.5%	A / A / NR

Security Type / Issuer	Market Value (l)	S&P / Moody's / Fitch
Corporate	16.6/	
STATE STREET CORPORATION	0.1%	A / A / AA
TARGET CORP	0.6%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	1.0%	A / A / AA
TOYOTA MOTOR CORP	0.5%	A / A / A
TRUIST FIN CORP	0.6%	A / A / A
WAL-MART STORES INC	1.4%	AA / Aa / AA
WELLS FARGO & COMPANY	1.3%	A / Aa / AA
ABS	5.2/	
BANK OF AMERICA CO	1.4%	NR / Aaa / AAA
CARMAX AUTO OWNER TRUST	0.1%	AAA / NR / AAA
CHASE ISSURANCE	0.9%	AAA / NR / AAA
CITIGROUP INC	0.2%	AAA / Aaa / AAA
CNH EQUIPMENT TRUST	0.1%	AAA / NR / AAA
DISCOVER FINANCIAL SERVICES	0.2%	AAA / Aaa / NR
FIFTH THIRD AUTO TRUST	0.6%	AAA / Aaa / NR
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.1%	NR / Aaa / AAA
HONDA AUTO RECEIVABLES	0.6%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.4%	AAA / NR / AAA
KUBOTA CREDIT OWNER TRUST	0.2%	NR / Aaa / AAA
TOYOTA MOTOR CORP	0.5%	AAA / Aaa / AAA
Total	100.0/	

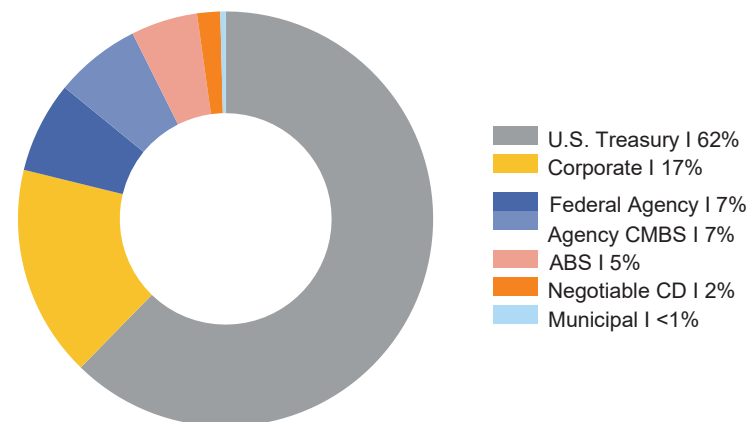
Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type 1 issuer category using all available security ratings, excluding 1ot-Rated (1R) ratings. For security type 1 issuer categories where a rating from the applicable 1RSRO is not available, a rating of 1R is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Portfolio Snapshot - SAMPLE CLIENT CORE PORTFOLIO1

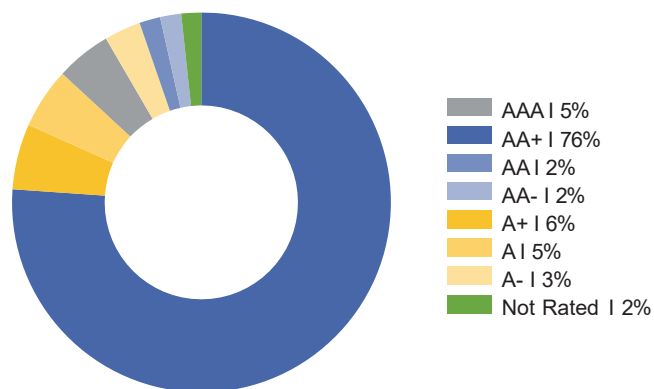
Portfolio Statistics

Total Market Value	\$348,736,605.10
<i>Securities Sub-Total</i>	\$347,037,216.40
<i>Accrued Interest</i>	\$1,538,437.06
<i>Cash</i>	\$160,951.64
Portfolio Effective Duration	2.07 years
Benchmark Effective Duration	2.52 years
Yield At Cost	3.25%
Yield At Market	4.77%
Portfolio Credit Quality	AA

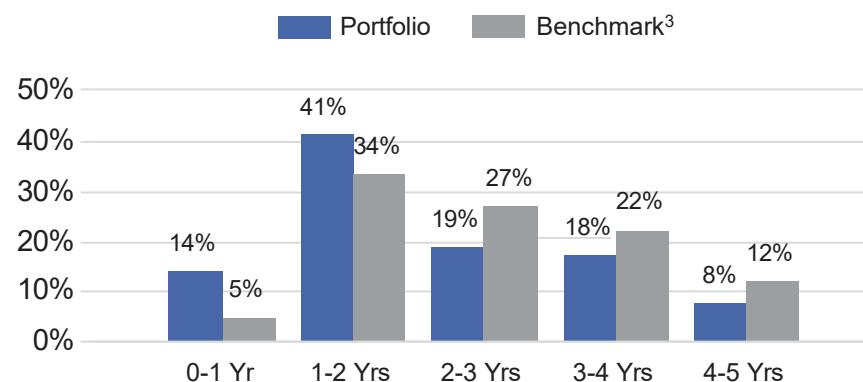
Sector Allocation



Credit Quality S&P²



Duration Distribution

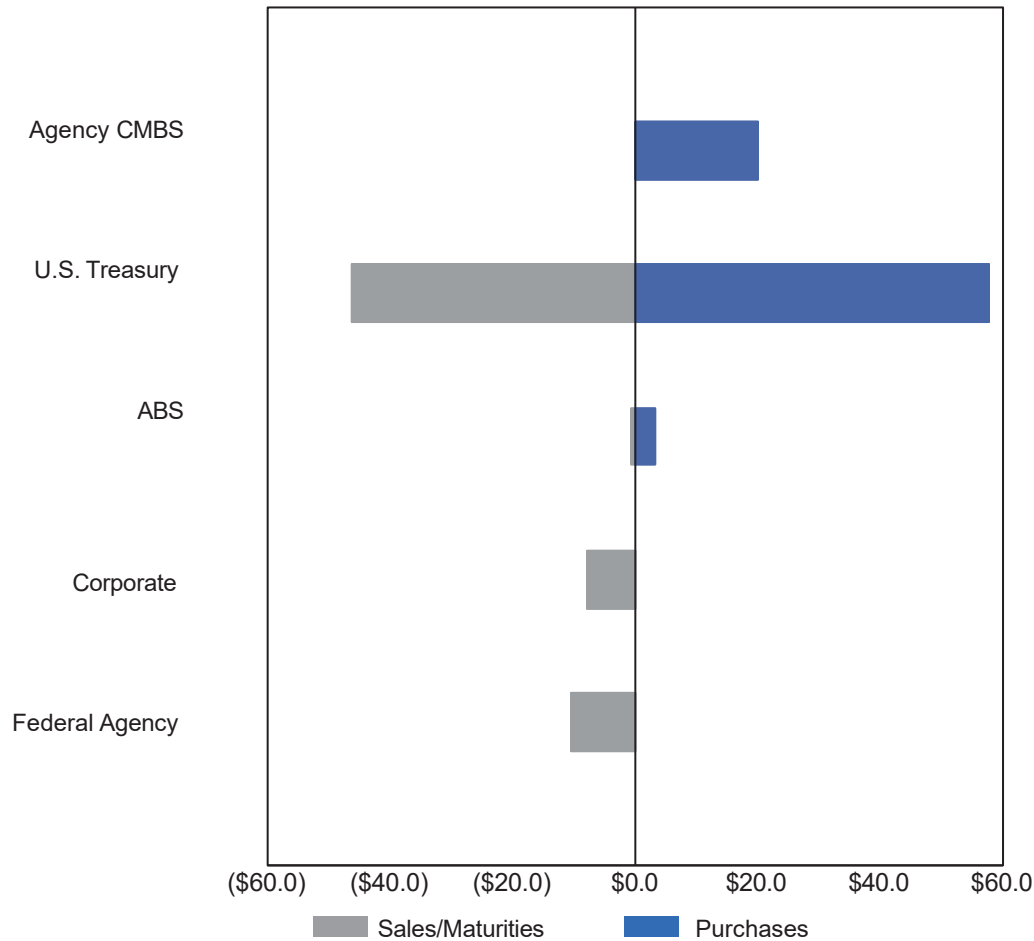


1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest.

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 currently the ICE BofA 1 Year U.S Treasury Index. Prior to 12/31/2 it was the ICE BofA 1 3 Year U.S Treasury Index. Prior to /3 /1 it was the ICE BofA 3 Year U.S Treasury Index. Prior to 12/31/12 it was the ICE BofA 1 Year U.S Treasury index. Source: Bloomberg.

Portfolio Activity - SAMPLE CLIENT CORE PORTFOLIO

Net Activity by Sector
(\$ millions)

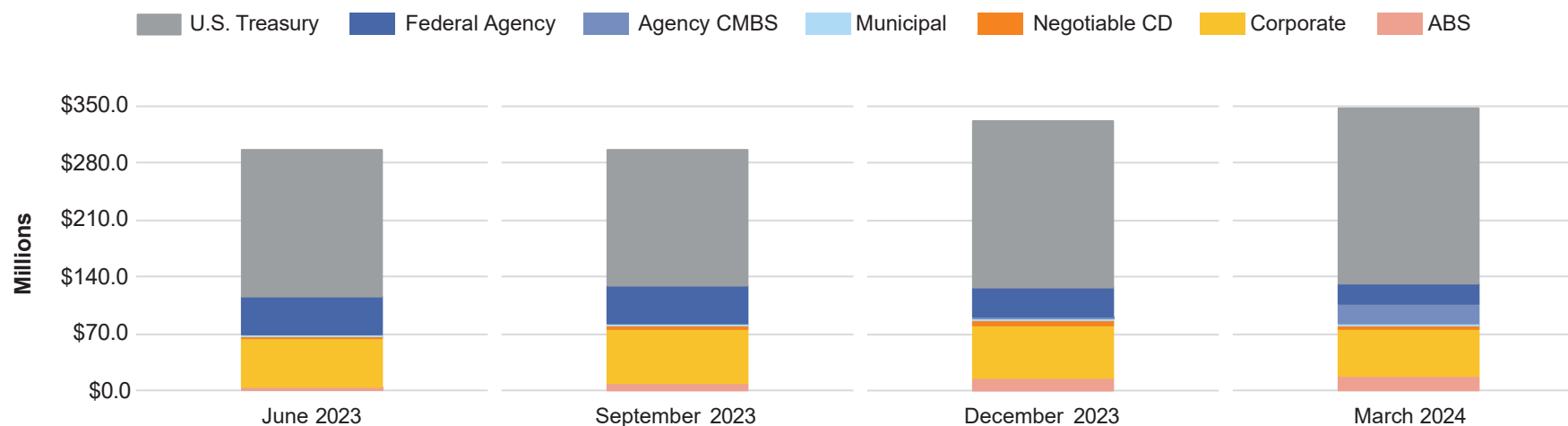


Sector	Net Activity
Agency CMBS	\$20,039,350
U.S. Treasury	\$11,399,517
ABS	\$2,730,917
Corporate	(\$7,946,533)
Federal Agency	(\$10,400,474)
Total Net Activity	\$15,822,777

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

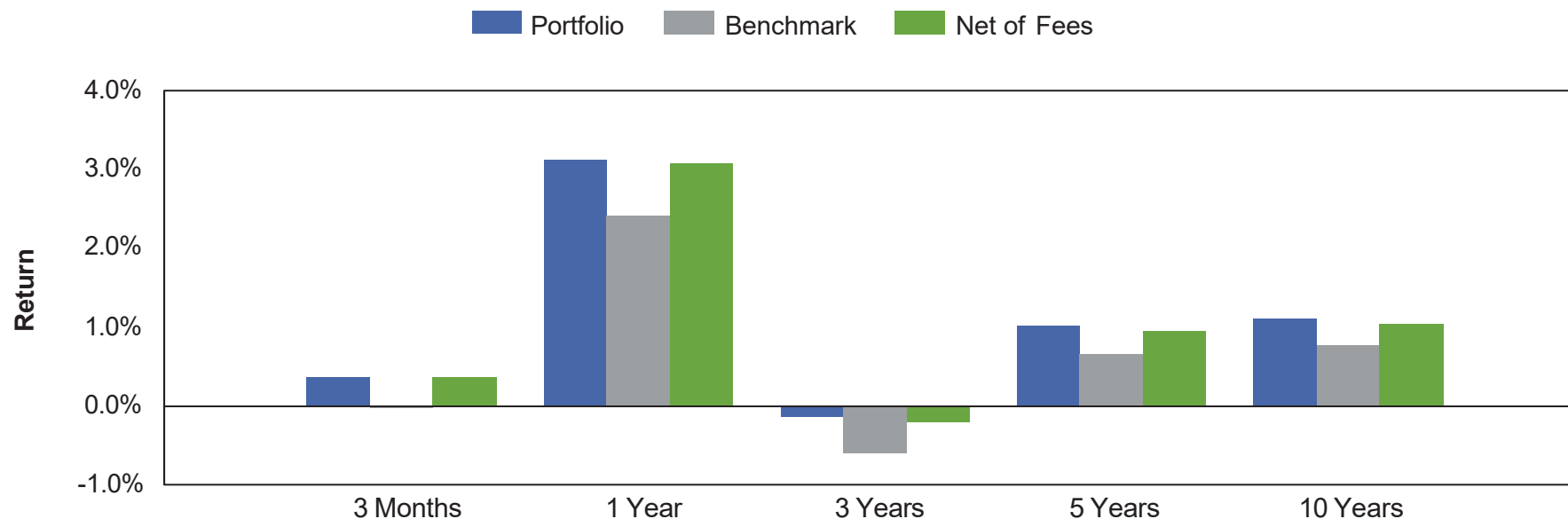
Sector Allocation Review - SAMPLE CLIENT CORE PORTFOLIO

Security Type	Jun-23	/ of Total	Sep-23	/ of Total	Dec-23	/ of Total	Mar-24	/ of Total
U.S. Treasury	\$180.7	60.8%	\$168.1	56.6%	\$204.8	61.7%	\$216.0	62.3%
Federal Agency	\$47.4	16.0%	\$45.6	15.3%	\$35.1	10.6%	\$24.8	7.1%
Agency CMBS	\$0.0	0.0%	\$0.0	0.0%	\$3.5	1.1%	\$23.4	6.7%
Municipal	\$1.4	0.5%	\$1.4	0.5%	\$1.4	0.4%	\$1.4	0.4%
Negotiable CD	\$3.1	1.1%	\$6.1	2.0%	\$6.1	1.8%	\$6.1	1.8%
Corporate	\$60.0	20.1%	\$66.0	22.2%	\$65.4	19.7%	\$57.3	16.5%
ABS	\$4.4	1.5%	\$10.2	3.4%	\$15.4	4.7%	\$18.1	5.2%
Total	\$296.9	100.0/	\$297.3	100.0/	\$331.7	100.0/	\$347.0	100.0/



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

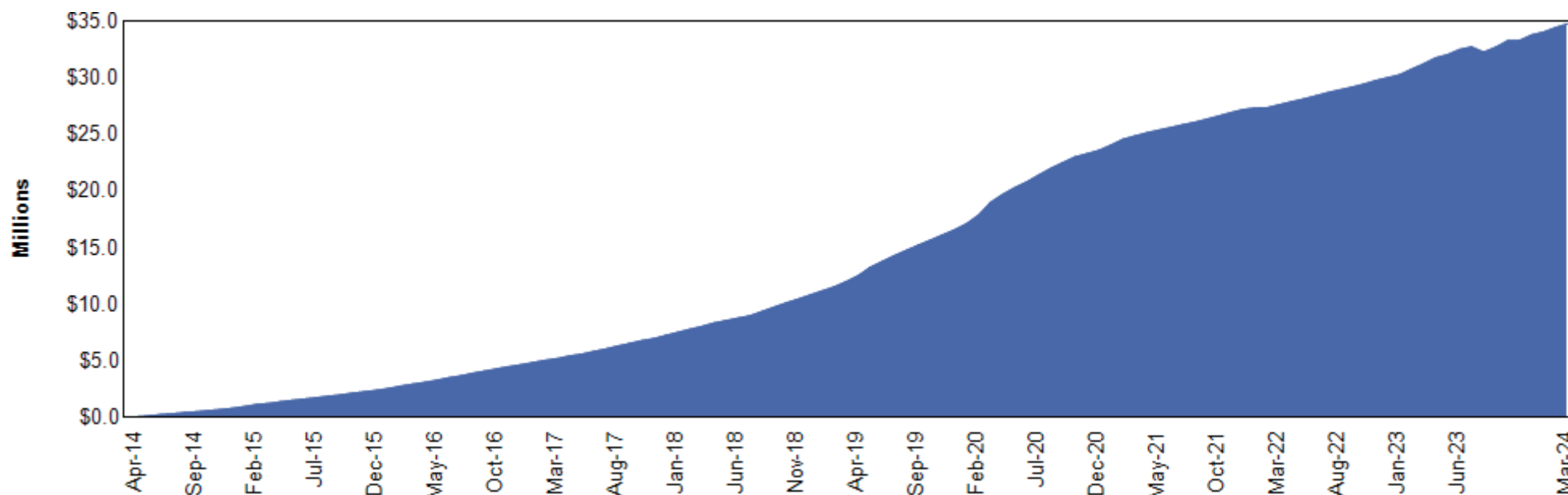
Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earned ²	\$1,605,332	\$5,368,620	\$11,698,621	\$21,224,251	\$35,858,308
Change in Market Value	(\$359,828)	\$4,516,614	(\$12,915,337)	(\$8,837,603)	(\$10,951,260)
Total Dollar Return	\$1,245,504	\$9,885,234	(\$1,216,716)	\$12,386,648	\$24,907,048
Total Return³					
Portfolio	0.37%	3.12%	-0.15%	1.01%	1.10%
Benchmark ⁴	-0.02%	2.42%	-0.59%	0.66%	0.76%
Basis Point Fee	0.01%	0.05%	0.06%	0.06%	0.07%
Net of Fee Return	0.35%	3.07%	-0.21%	0.95%	1.03%

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 March 31, 2005.
 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 currently the ICE BofA 1-5 Year U.S Treasury Index. Prior to 12131120 it was the ICE BofA 1-3 Year U.S Treasury Index. Prior to 6130116 it was the ICE BofA 0-3 Year U.S Treasury Index. Prior to 12131112 it was the ICE BofA 1 Year U.S Treasury index. Source: Bloomberg.

Accrual Basis Earnings - SAMPLE CLIENT CORE PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year ¹
Interest Earned ²	\$1,605,332	\$5,368,620	\$11,698,621	\$21,224,251	\$35,858,308
Realized Gains / (Losses) ³	(\$1,691,834)	(\$4,571,336)	(\$4,907,787)	(\$1,533,505)	(\$2,608,176)
Change in Amortized Cost	\$1,055,564	\$2,734,801	\$3,107,431	\$3,063,026	\$1,511,441
Total Earnings	\$969,063	\$3,532,085	\$9,898,265	\$22,753,773	\$34,761,573

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2005.

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 March 31, 2024

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	215,965,222	62.24%
FREDDIE MAC	36,087,796	10.41%
FANNIE MAE	12,084,188	3.48%
BANK OF AMERICA CO	9,820,014	2.83%
NOVARTIS AG	6,221,347	1.79%
JP MORGAN CHASE & CO	5,067,780	1.46%
WAL-MART STORES INC	4,909,458	1.41%
WELLS FARGO & COMPANY	4,515,771	1.30%
THE BANK OF NEW YORK MELLON CORPORATION	3,625,782	1.04%
HOME DEPOT INC	3,429,707	0.99%
TOYOTA MOTOR CORP	3,418,347	0.99%
ADOBE INC	3,210,136	0.93%
TORONTO-DOMINION BANK	3,131,207	0.90%
CHASE ISSURANCE	3,028,983	0.87%
RABOBANK NEDERLAND	2,981,544	0.86%
MICROSOFT CORP	2,745,129	0.79%
CATERPILLAR INC	2,380,943	0.69%
TRUIST FIN CORP	2,155,299	0.62%
FIFTH THIRD AUTO TRUST	2,123,892	0.61%
IBM CORP	2,079,553	0.60%
TARGET CORP	2,041,624	0.59%
HONDA AUTO RECEIVABLES	1,991,578	0.57%
MORGAN STANLEY	1,781,026	0.51%
QUALCOMM INC	1,599,804	0.46%

SAMPLE CLIENT

Issuer	Market Value (\$)	% of Portfolio
MASTERCARD INC	1,597,367	0.46%
CITY OF SCOTTSDALE	1,421,265	0.41%
DEERE & COMPANY	1,381,184	0.40%
AMAZON.COM INC	1,334,831	0.38%
HYUNDAI AUTO RECEIVABLES	1,257,219	0.36%
DISCOVER FINANCIAL SERVICES	816,494	0.24%
KUBOTA CREDIT OWNER TRUST	777,015	0.22%
CITIGROUP INC	721,069	0.21%
STATE STREET CORPORATION	424,712	0.12%
CARMAX AUTO OWNER TRUST	358,558	0.10%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	314,158	0.09%
CNH EQUIPMENT TRUST	237,218	0.07%
Grand Total	347,037,216	100.00%

SAMPLE CLIENT

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	14,285,000.00	AA+	Aaa	1/17/2024	1/18/2024	14,001,532.03	5.23	10,538.11	14,142,314.78	14,137,685.94
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	3,340,000.00	AA+	Aaa	12/1/2023	12/5/2023	3,253,368.75	5.30	2,463.93	3,306,335.01	3,305,556.25
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,710,000.00	AA+	Aaa	3/21/2024	3/25/2024	1,690,628.91	5.36	1,261.48	1,692,282.54	1,692,365.62
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	565,000.00	AA+	Aaa	1/3/2024	1/4/2024	552,662.70	5.27	416.80	559,323.33	559,173.44
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	2,755,000.00	AA+	Aaa	12/1/2023	12/4/2023	2,683,004.10	5.32	2,032.38	2,727,166.53	2,726,589.06
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	4,010,000.00	AA+	Aaa	3/21/2024	3/21/2024	3,962,381.25	5.36	2,958.20	3,968,472.02	3,968,646.88
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	8,675,000.00	AA+	Aaa	11/20/2023	11/20/2023	8,430,337.89	5.35	6,399.59	8,586,780.49	8,585,539.06
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	2,285,000.00	AA+	Aaa	6/8/2021	6/9/2021	2,258,044.14	0.55	1,919.77	2,277,110.03	2,163,609.38
US TREASURY NOTES DTD 06/15/2022 2.875% 06/15/2025	91282CEU1	19,590,000.00	AA+	Aaa	3/4/2024	3/5/2024	19,109,432.81	4.87	166,193.85	19,137,217.21	19,112,493.75
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	3,315,000.00	AA+	Aaa	9/7/2021	9/9/2021	3,259,318.36	0.67	22.64	3,294,448.14	3,097,453.13
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	4,550,000.00	AA+	Aaa	4/22/2021	4/26/2021	4,457,044.92	0.71	4,781.25	4,517,417.81	4,237,187.50
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	8,970,000.00	AA+	Aaa	10/4/2021	10/6/2021	8,780,088.28	0.78	9,425.89	8,896,131.24	8,353,312.50
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	120,000.00	AA+	Aaa	2/2/2021	2/4/2021	119,104.69	0.41	126.10	119,700.87	111,750.00
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	2,220,000.00	AA+	Aaa	1/21/2021	1/22/2021	2,213,235.94	0.44	2,797.75	2,217,680.46	2,064,946.76
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	2,100,000.00	AA+	Aaa	11/2/2021	11/3/2021	2,046,597.66	1.01	2,646.52	2,078,179.69	1,953,328.02

SAMPLE CLIENT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	4,650,000.00	AA+	Aaa	11/1/2021	11/2/2021	4,523,214.84	1.06	5,860.15	4,598,230.10	4,325,226.33
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	5,475,000.00	AA+	Aaa	5/5/2021	5/6/2021	5,384,320.31	0.74	5,189.22	5,440,915.10	5,078,062.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	5,540,000.00	AA+	Aaa	4/5/2021	4/7/2021	5,408,641.41	0.89	5,250.82	5,491,452.78	5,138,350.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	4,750,000.00	AA+	Aaa	4/19/2021	4/21/2021	4,660,566.41	0.78	4,502.06	4,716,677.51	4,405,625.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	5,150,000.00	AA+	Aaa	2/18/2021	2/19/2021	5,111,375.00	0.53	4,881.18	5,136,102.83	4,776,625.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	4,780,000.00	AA+	Aaa	5/3/2022	5/4/2022	4,346,812.50	2.95	3,003.92	4,567,839.46	4,419,259.14
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	5,285,000.00	AA+	Aaa	2/17/2022	2/18/2022	4,984,622.07	1.87	3,321.28	5,145,531.38	4,886,147.39
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,150,000.00	AA+	Aaa	7/2/2021	7/7/2021	3,089,460.94	0.80	1,979.57	3,125,697.32	2,912,273.28
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	1,595,000.00	AA+	Aaa	5/13/2022	5/16/2022	1,455,935.94	2.87	1,002.35	1,526,288.41	1,474,627.26
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	4,850,000.00	AA+	Aaa	1/6/2022	1/10/2022	4,657,894.53	1.38	3,047.91	4,763,150.70	4,483,976.32
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	2,400,000.00	AA+	Aaa	2/26/2021	2/26/2021	2,350,312.50	0.80	1,508.24	2,381,505.21	2,218,874.88
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	6,100,000.00	AA+	Aaa	12/3/2021	12/7/2021	5,935,585.94	1.15	2,652.17	6,025,672.92	5,637,734.68
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	1,095,000.00	AA+	Aaa	6/14/2021	6/15/2021	1,083,622.27	0.72	476.09	1,090,380.07	1,012,019.59
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	4,685,000.00	AA+	Aaa	4/19/2021	4/21/2021	4,666,516.21	0.83	96.00	4,677,534.80	4,340,945.31
US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	2,500,000.00	AA+	Aaa	5/27/2021	5/28/2021	2,493,261.72	0.81	7,881.18	2,497,155.53	2,309,375.00
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	500,000.00	AA+	Aaa	6/7/2021	6/7/2021	498,867.19	0.80	1,260.25	499,508.02	460,625.00
US TREASURY NOTES DTD 05/31/2019 2.125% 05/31/2026	9128286X3	5,890,000.00	AA+	Aaa	3/4/2022	3/4/2022	5,999,747.27	1.67	42,062.81	5,945,971.82	5,590,898.73

SAMPLE CLIENT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 06/15/2023 4.125% 06/15/2026	91282CHH7	9,765,000.00	AA+	Aaa	3/4/2024	3/5/2024	9,683,370.70	4.51	118,860.86	9,686,019.73	9,670,401.56
US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	9,235,000.00	AA+	Aaa	4/5/2022	4/7/2022	8,503,054.10	2.77	220.78	8,827,220.73	8,450,025.00
US TREASURY NOTES DTD 12/31/2021 1.250% 12/31/2026	91282CDQ1	3,900,000.00	AA+	Aaa	1/30/2023	1/31/2023	3,540,164.06	3.81	12,321.43	3,647,359.94	3,580,078.32
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	3,700,000.00	AA+	Aaa	8/9/2022	8/10/2022	3,282,015.63	3.00	4,675.82	3,422,514.58	3,268,140.44
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	4,550,000.00	AA+	Aaa	8/25/2022	8/26/2022	3,992,802.73	3.25	5,750.00	4,176,750.27	4,018,929.46
US TREASURY NOTES DTD 06/30/2022 3.250% 06/30/2027	91282CEW7	3,610,000.00	AA+	Aaa	1/30/2023	1/31/2023	3,535,402.73	3.76	29,653.57	3,555,128.64	3,486,470.13
US TREASURY NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	2,530,000.00	AA+	Aaa	9/29/2022	9/29/2022	2,386,600.39	4.05	11,659.55	2,431,260.52	2,402,709.38
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	3,950,000.00	AA+	Aaa	9/1/2022	9/6/2022	3,744,939.45	3.40	11,231.46	3,810,072.32	3,687,695.51
US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	1,800,000.00	AA+	Aaa	11/1/2022	11/3/2022	1,788,257.81	4.27	202.87	1,791,632.38	1,785,937.50
US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	3,580,000.00	AA+	Aaa	12/6/2022	12/8/2022	3,629,784.38	3.81	62,072.18	3,616,419.45	3,551,471.70
US TREASURY NOTES DTD 12/31/2022 3.875% 12/31/2027	91282CGC9	3,515,000.00	AA+	Aaa	1/30/2023	1/31/2023	3,541,637.11	3.70	34,425.76	3,535,315.43	3,458,979.69
US TREASURY NOTES DTD 02/28/2023 4.000% 02/29/2028	91282CGP0	6,000,000.00	AA+	Aaa	3/3/2023	3/7/2023	5,933,437.50	4.25	20,869.57	5,947,737.47	5,930,625.00
US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028	91282CHA2	6,610,000.00	AA+	Aaa	5/15/2023	5/16/2023	6,619,811.72	3.47	97,243.27	6,618,072.59	6,411,700.00
US TREASURY NOTES DTD 05/31/2023 3.625% 05/31/2028	91282CHE4	5,235,000.00	AA+	Aaa	1/2/2024	1/3/2024	5,164,654.69	3.96	63,774.74	5,168,543.34	5,102,489.06
US TREASURY NOTES DTD 05/31/2021 1.250% 05/31/2028	91282CCE9	5,565,000.00	AA+	Aaa	11/2/2023	11/3/2023	4,788,725.98	4.67	23,377.56	4,858,409.46	4,923,285.94
US TREASURY NOTES DTD 07/31/2023 4.125% 07/31/2028	91282CHQ7	3,450,000.00	AA+	Aaa	8/1/2023	8/2/2023	3,432,345.70	4.24	23,849.07	3,434,696.38	3,429,515.63

SAMPLE CLIENT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B NOTES DTD 01/31/2024 4.000% 01/31/2029	91282CJW2	3,300,000.00	AA+	Aaa	2/13/2024	2/14/2024	3,255,011.72	4.31	22,120.88	3,256,065.97	3,266,484.54
Security Type Sub-Total		227,180,000.00					220,289,555.88	3.08	850,268.83	222,933,393.31	215,965,221.56
Negotiable CD											
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.470% 10/25/2024	89115B6F2	3,135,000.00	A	A1	10/27/2022	10/31/2022	3,135,000.00	5.44	75,738.99	3,135,000.00	3,131,206.65
COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	3,000,000.00	A+	Aa2	7/17/2023	7/20/2023	3,000,000.00	5.08	31,326.67	3,000,000.00	2,981,544.00
Security Type Sub-Total		6,135,000.00					6,135,000.00	5.26	107,065.66	6,135,000.00	6,112,750.65
Municipal											
SCOTTSDALE, AZ TXBL GO BONDS DTD 12/30/2020 0.608% 07/01/2025	810454BL1	1,500,000.00	AAA	Aaa	12/10/2020	12/30/2020	1,500,000.00	0.61	2,280.00	1,500,000.00	1,421,265.00
Security Type Sub-Total		1,500,000.00					1,500,000.00	0.61	2,280.00	1,500,000.00	1,421,265.00
Federal Agency											
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,100,000.00	AA+	Aaa	2/21/2020	2/24/2020	1,106,567.00	1.38	2,245.83	1,101,146.96	1,066,164.00
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	4,705,000.00	AA+	Aaa	4/22/2020	4/24/2020	4,695,307.70	0.67	12,987.76	4,702,948.89	4,491,520.04
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	1,200,000.00	AA+	Aaa	1/4/2021	1/5/2021	1,207,284.00	0.36	1,733.33	1,201,982.47	1,136,720.40
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	4,500,000.00	AA+	Aaa	2/9/2021	2/10/2021	4,480,020.00	0.47	375.00	4,493,600.71	4,214,160.00
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	5,145,000.00	AA+	Aaa	1/7/2021	1/11/2021	5,125,243.20	0.46	428.75	5,138,782.83	4,818,189.60
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	2,760,000.00	AA+	Aaa	9/23/2020	9/25/2020	2,751,692.40	0.44	230.00	2,757,540.51	2,584,684.80

SAMPLE CLIENT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency											
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	3,485,000.00	AA+	Aaa	12/3/2020	12/4/2020	3,482,804.45	0.51	6,970.00	3,484,286.05	3,253,648.28
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	3,430,000.00	AA+	Aaa	11/16/2020	11/16/2020	3,425,060.80	0.53	6,860.00	3,428,409.78	3,202,299.45
Security Type Sub-Total		26,325,000.00					26,273,979.55	0.55	31,830.67	26,308,698.20	24,767,386.57
Corporate											
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/10/2022 1.250% 01/10/2025	24422EVY2	1,425,000.00	A	A1	3/8/2022	3/10/2022	1,391,113.50	2.12	4,007.81	1,415,719.61	1,381,184.10
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,365,000.00	AA	A1	4/11/2022	4/13/2022	1,362,829.65	3.06	19,110.00	1,364,253.45	1,334,830.77
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	270,000.00	A	A2	3/24/2022	3/28/2022	269,527.50	2.76	3,361.50	269,839.25	262,698.93
QUALCOMM INC CORP NOTES (CALLABLE) DTD 05/20/2015 3.450% 05/20/2025	747525AF0	1,630,000.00	A	A2	5/17/2022	5/19/2022	1,633,879.40	3.37	20,463.29	1,631,250.80	1,599,804.25
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 10/19/2021 1.164% 10/21/2025	61747YEG6	1,830,000.00	A-	A1	5/17/2022	5/19/2022	1,709,732.40	3.21	9,467.20	1,775,394.09	1,781,025.54
NOVARTIS CAPITAL CORP NOTES (CALLABLE) DTD 11/20/2015 3.000% 11/20/2025	66989HAJ7	1,665,000.00	AA-	Aa3	1/27/2023	1/31/2023	1,606,092.30	4.35	18,176.25	1,630,598.82	1,615,997.39
NOVARTIS CAPITAL CORP NOTES (CALLABLE) DTD 11/20/2015 3.000% 11/20/2025	66989HAJ7	4,745,000.00	AA-	Aa3	1/30/2023	1/31/2023	4,575,176.45	4.37	51,799.58	4,645,825.70	4,605,349.90
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 01/06/2023 4.800% 01/06/2026	14913R3B1	2,385,000.00	A	A2	1/17/2023	1/19/2023	2,411,735.85	4.39	27,030.00	2,400,923.01	2,380,943.12
BANK OF NY MELLON CORP (CALLABLE) CORPOR DTD 01/28/2021 0.750% 01/28/2026	06406RAQ0	3,925,000.00	A	A1	2/2/2021	2/4/2021	3,922,331.00	0.76	5,151.56	3,924,021.32	3,625,781.55

SAMPLE CLIENT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
STATE STREET CORP (CALLABLE) CORPORATE N DTD 02/07/2022 1.746% 02/06/2026	857477BR3	440,000.00	A	A1	2/2/2022	2/7/2022	440,000.00	1.75	1,173.70	440,000.00	424,711.76
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 03/22/2022 3.384% 04/02/2026	06051GKM0	3,100,000.00	A-	A1	3/17/2022	3/22/2022	3,100,000.00	3.38	52,160.60	3,100,000.00	3,033,588.70
WELLS FARGO BANK NA BANK NOTES (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	4,495,000.00	A+	Aa2	8/18/2023	8/22/2023	4,486,054.95	5.52	36,746.63	4,487,900.23	4,515,771.40
MICROSOFT CORP (CALLABLE) NOTES DTD 08/08/2016 2.400% 08/08/2026	594918BR4	2,895,000.00	AAA	Aaa	2/23/2022	2/25/2022	2,927,105.55	2.14	10,229.00	2,911,063.25	2,745,128.75
BANK OF AMERICA NA CORPORATE NOTES DTD 08/18/2023 5.526% 08/18/2026	06428CAA2	1,985,000.00	A+	Aa1	8/17/2023	8/21/2023	1,984,880.90	5.53	13,101.99	1,984,905.31	2,003,847.58
WAL MART INC CORP NOTES (CALLABLE) DTD 09/17/2021 1.050% 09/17/2026	931142ER0	5,365,000.00	AA	Aa2	1/24/2023	1/26/2023	4,806,127.95	4.16	2,190.71	4,987,236.11	4,909,457.85
MASTERCARD INC CORP NOTES (CALLABLE) DTD 11/21/2016 2.950% 11/21/2026	57636QAG9	1,675,000.00	A+	Aa3	12/20/2022	12/22/2022	1,592,623.50	4.33	17,843.40	1,619,467.87	1,597,367.10
JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	3,300,000.00	A+	Aa2	12/5/2023	12/8/2023	3,300,000.00	5.11	52,931.08	3,300,000.00	3,303,003.00
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	390,000.00	A	A2	1/19/2022	1/24/2022	389,337.00	1.99	1,605.50	389,628.18	361,924.29
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,810,000.00	A	A2	1/28/2022	2/1/2022	1,799,321.00	2.08	7,451.17	1,803,984.58	1,679,699.91
ADOBE INC (CALLABLE) CORP NOTE DTD 02/03/2020 2.150% 02/01/2027	00724PAC3	3,440,000.00	A+	A1	12/13/2022	12/15/2022	3,175,464.00	4.20	12,326.67	3,258,383.50	3,210,135.76
IBM CORP NOTES (CALLABLE) DTD 07/27/2022 4.150% 07/27/2027	459200KT7	2,125,000.00	A-	A3	8/2/2022	8/4/2022	2,167,117.50	3.71	15,677.78	2,152,842.78	2,079,552.63

SAMPLE CLIENT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
TRUIST FINANCIAL CORP NOTES (CALLABLE) DTD 08/03/2020 1.125% 08/03/2027	89788MAC6	2,460,000.00	A-	A3	8/3/2022	8/5/2022	2,151,589.80	3.91	4,458.75	2,253,885.95	2,155,299.48
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	3,370,000.00	A	A2	1/25/2023	1/27/2023	3,179,898.30	4.15	4,455.89	3,228,238.77	3,167,008.05
JPMORGAN CHASE CORP NOTES (CALLABLE) DTD 02/24/2022 2.947% 02/24/2028	46647PCW4	1,880,000.00	A-	A1	9/14/2023	9/18/2023	1,719,015.60	5.13	5,694.26	1,738,492.72	1,764,776.68
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 09/11/2023 5.250% 09/11/2028	89236TLB9	1,725,000.00	A+	A1	9/11/2023	9/13/2023	1,730,692.50	5.17	5,031.25	1,730,132.79	1,751,911.73
Security Type Sub-Total		59,695,000.00					57,831,646.60	3.86	401,645.57	58,443,988.09	57,290,800.22
Agency CMBS											
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	3,500,000.00	AA+	Aaa	1/22/2024	1/25/2024	3,527,480.47	4.55	13,825.00	3,526,459.92	3,500,392.95
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	1,800,000.00	AA+	Aaa	11/28/2023	12/7/2023	1,794,828.60	4.93	7,290.00	1,795,132.76	1,810,196.21
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	1,635,000.00	AA+	Aaa	12/11/2023	12/21/2023	1,650,267.63	4.78	6,812.50	1,649,482.63	1,653,654.14
FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	2,020,000.00	AA+	Aaa	2/1/2024	2/8/2024	2,040,197.98	4.34	7,696.20	2,039,643.14	2,008,974.40
FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5	1,850,000.00	AA+	Aaa	1/10/2024	1/18/2024	1,868,479.65	4.50	7,282.83	1,867,783.00	1,851,786.36
FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5	3,020,000.00	AA+	Aaa	3/5/2024	3/14/2024	3,110,557.72	4.66	13,476.75	3,109,741.66	3,102,926.51
FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5	2,445,000.00	AA+	Aaa	3/19/2024	3/28/2024	2,504,034.53	4.83	11,002.50	2,503,915.89	2,524,086.31
FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0	3,375,000.00	AA+	Aaa	2/29/2024	3/7/2024	3,476,239.88	4.78	15,404.06	3,474,981.51	3,482,542.32

SAMPLE CLIENT

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
Agency CMBS											
FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPDO	3,375,000.00	AA+	Aaa	2/14/2024	2/22/2024	3,465,922.50	4.78	15,187.50	3,464,148.97	3,470,038.38
Security Type Sub-Total		23,020,000.00					23,438,008.96	4.69	97,977.34	23,431,289.48	23,404,597.58
ABS											
HAROT 2021-1 A3 DTD 02/24/2021 0.270% 04/21/2025	43813GAC5	54,157.33	NR	Aaa	2/17/2021	2/24/2021	54,156.34	0.27	4.06	54,157.08	53,848.55
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	100,918.84	AAA	NR	4/20/2021	4/28/2021	100,908.22	0.38	17.04	100,915.31	100,077.14
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	83,480.17	AAA	NR	1/20/2021	1/27/2021	83,463.66	0.34	12.61	83,474.40	82,378.24
CNH 2021-A A3 DTD 03/15/2021 0.400% 12/15/2025	12598AAC4	239,689.01	AAA	NR	3/9/2021	3/15/2021	239,632.98	0.41	42.61	239,668.90	237,218.32
TAOT 2021-C A3 DTD 09/27/2021 0.430% 01/15/2026	89239BAC5	465,384.76	AAA	Aaa	9/21/2021	9/27/2021	465,347.66	0.43	88.94	465,369.32	454,371.62
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	280,774.71	AAA	NR	4/13/2021	4/21/2021	280,714.20	0.52	64.89	280,751.13	276,179.35
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	263,438.25	AAA	NR	11/9/2021	11/17/2021	263,379.46	0.75	86.64	263,410.50	257,634.13
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	835,000.00	AAA	Aaa	9/20/2021	9/27/2021	834,821.23	0.58	215.24	834,911.60	816,493.73
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2027	161571HV9	3,045,000.00	AAA	NR	1/24/2024	1/31/2024	3,044,536.25	4.61	6,225.33	3,044,561.14	3,028,982.69
CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027	17305EGW9	720,000.00	AAA	Aaa	12/4/2023	12/11/2023	719,909.71	5.23	12,552.00	719,916.03	721,068.77
KCOT 2023-2A A3 DTD 07/26/2023 5.280% 01/18/2028	500945AC4	775,000.00	NR	Aaa	7/18/2023	7/26/2023	774,804.24	5.29	1,818.67	774,834.14	777,014.77
BAAT 2023-1A A3 DTD 07/31/2023 5.530% 02/15/2028	06428AAC2	1,255,000.00	NR	Aaa	7/25/2023	7/31/2023	1,254,952.44	5.53	3,084.51	1,254,959.46	1,259,941.69
HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815QAC1	1,930,000.00	AAA	NR	8/15/2023	8/22/2023	1,929,602.03	5.42	3,770.47	1,929,656.11	1,937,729.26
TAOT 2023-C A3 DTD 08/15/2023 5.160% 04/17/2028	89231FAD2	600,000.00	AAA	NR	8/8/2023	8/15/2023	599,864.28	5.17	1,376.00	599,882.57	600,816.48

SAMPLE CLIENT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	2,315,000.00	NR	Aaa	11/15/2023	11/21/2023	2,314,958.10	5.74	5,905.82	2,314,961.04	2,343,595.74
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	605,000.00	AAA	NR	11/7/2023	11/14/2023	604,934.78	5.54	1,489.64	604,939.41	611,246.93
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	2,110,000.00	AAA	Aaa	8/15/2023	8/23/2023	2,109,869.18	5.53	5,185.91	2,109,885.15	2,123,891.82
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	890,000.00	AAA	NR	11/3/2023	11/13/2023	889,882.97	5.54	2,191.38	889,891.00	899,507.60
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	1,175,000.00	NR	Aaa	12/7/2023	12/14/2023	1,174,842.20	4.98	2,600.67	1,174,850.72	1,179,040.24
GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	315,000.00	NR	Aaa	1/9/2024	1/17/2024	314,936.65	4.85	636.56	314,939.02	314,157.75
Security Type Sub-Total		18,057,843.07					18,055,516.58	4.68	47,368.99	18,055,934.03	18,075,194.82
Managed Account Sub Total		361,912,843.07					353,523,707.57	3.25	1,538,437.06	356,808,303.11	347,037,216.40
Securities Sub Total		\$361,912,843.07					\$353,523,707.57	3.25/	\$1,538,437.06	\$356,808,303.11	\$347,037,216.40
Accrued Interest											\$1,538,437.06
Total Investments											\$348,575,653.46

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/2/2024	1/3/2024	5,235,000.00	91282CHE4	US TREASURY NOTES	3.62%	5/31/2028	5,182,283.48	3.96%	
1/3/2024	1/4/2024	565,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	552,739.89	5.27%	
1/9/2024	1/17/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	314,936.65	4.85%	
1/10/2024	1/18/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	1,872,606.59	4.50%	
1/17/2024	1/18/2024	14,285,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	14,004,849.58	5.23%	
1/22/2024	1/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	3,538,540.47	4.55%	
1/24/2024	1/31/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	3,044,536.25	4.61%	
2/1/2024	2/8/2024	2,020,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,041,993.76	4.34%	
2/13/2024	2/14/2024	3,300,000.00	91282CJW2	US TREASURY N/B NOTES	4.00%	1/31/2029	3,260,088.64	4.31%	
2/14/2024	2/22/2024	3,375,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	3,476,553.75	4.78%	
2/29/2024	3/7/2024	3,375,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	3,479,320.69	4.78%	
3/4/2024	3/5/2024	9,765,000.00	91282CHH7	US TREASURY NOTES	4.12%	6/15/2026	9,772,516.35	4.51%	
3/4/2024	3/5/2024	19,590,000.00	91282CEU1	US TREASURY NOTES	2.87%	6/15/2025	19,234,078.20	4.87%	
3/5/2024	3/14/2024	3,020,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	3,116,397.65	4.66%	
3/19/2024	3/28/2024	2,445,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	2,513,936.78	4.83%	
3/21/2024	3/21/2024	4,010,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	3,965,038.15	5.36%	

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
3/21/2024	3/25/2024	1,710,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,691,808.62	5.36%	
Total BUY		81,405,000.00					81,062,225.50		0.00
INTEREST									
1/1/2024	1/1/2024	1,500,000.00	810454BL1	SCOTTSDALE, AZ TXBL GO BONDS	0.60%	7/1/2025	4,560.00		
1/1/2024	1/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
1/1/2024	1/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
1/2/2024	1/2/2024		MONEY0002	MONEY MARKET FUND			785.67		
1/6/2024	1/6/2024	2,385,000.00	14913R3B1	CATERPILLAR FINL SERVICE CORPORATE NOTES	4.80%	1/6/2026	57,240.00		
1/10/2024	1/10/2024	1,425,000.00	24422EVY2	JOHN DEERE CAPITAL CORP CORPORATE NOTES	1.25%	1/10/2025	8,906.25		
1/15/2024	1/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	5,038.79		
1/15/2024	1/15/2024	306,980.97	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	102.33		
1/15/2024	1/15/2024	398,247.92	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	172.57		
1/15/2024	1/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
1/15/2024	1/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
1/15/2024	1/15/2024	614,952.64	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	220.36		
1/15/2024	1/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
1/15/2024	1/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
1/15/2024	1/15/2024	131,285.82	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	37.20		
1/15/2024	1/15/2024	341,804.47	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	210.78		
1/15/2024	1/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
1/15/2024	1/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
1/15/2024	1/15/2024	185,089.39	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	58.61		
1/15/2024	1/15/2024	2,200,000.00	87612EBM7	TARGET CORP CORP NOTES (CALLABLE)	1.95%	1/15/2027	21,450.00		
1/15/2024	1/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
1/15/2024	1/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
1/17/2024	1/17/2024	3,000,000.00	21684LGS5	COOPERAT RABOBANK UA/NY CERT DEPOS	5.08%	7/17/2026	74,930.00		
1/18/2024	1/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
1/21/2024	1/21/2024	138,037.56	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	31.06		
1/27/2024	1/27/2024	2,125,000.00	459200KT7	IBM CORP NOTES (CALLABLE)	4.15%	7/27/2027	44,093.75		
1/28/2024	1/28/2024	3,925,000.00	06406RAQ0	BANK OF NY MELLON CORP (CALLABLE) CORPOR	0.75%	1/28/2026	14,718.75		
1/29/2024	1/29/2024	3,225,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	59,662.50		
1/31/2024	1/31/2024	22,060,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	41,362.50		
1/31/2024	1/31/2024	2,530,000.00	91282CFB2	US TREASURY NOTES	2.75%	7/31/2027	34,787.50		
1/31/2024	1/31/2024	3,450,000.00	91282CHQ7	US TREASURY NOTES	4.12%	7/31/2028	71,156.25		

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/1/2024	2/1/2024	3,440,000.00	00724PAC3	ADOBE INC (CALLABLE) CORP NOTE	2.15%	2/1/2027	36,980.00		
2/1/2024	2/1/2024		MONEY0002	MONEY MARKET FUND			1,799.64		
2/1/2024	2/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	13,825.00		
2/1/2024	2/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
2/1/2024	2/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
2/1/2024	2/25/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	7,282.83		
2/3/2024	2/3/2024	2,460,000.00	89788MAC6	TRUIST FINANCIAL CORP NOTES (CALLABLE)	1.12%	8/3/2027	13,837.50		
2/6/2024	2/6/2024	440,000.00	857477BR3	STATE STREET CORP (CALLABLE) CORPORATE N	1.74%	2/6/2026	3,841.20		
2/7/2024	2/7/2024	4,495,000.00	94988J6D4	WELLS FARGO BANK NA BANK NOTES (CALLABLE)	5.45%	8/7/2026	121,127.76		
2/8/2024	2/8/2024	2,895,000.00	594918BR4	MICROSOFT CORP (CALLABLE) NOTES	2.40%	8/8/2026	34,740.00		
2/12/2024	2/12/2024	1,100,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	8,250.00		
2/15/2024	2/15/2024	315,476.88	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	194.54		
2/15/2024	2/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
2/15/2024	2/15/2024	3,950,000.00	9128282R0	US TREASURY NOTES	2.25%	8/15/2027	44,437.50		
2/15/2024	2/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
2/15/2024	2/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
2/15/2024	2/15/2024	565,637.72	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	202.69		

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/15/2024	2/15/2024	280,123.93	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	93.37		
2/15/2024	2/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
2/15/2024	2/15/2024	156,468.10	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	49.55		
2/15/2024	2/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
2/15/2024	2/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	4,876.25		
2/15/2024	2/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
2/15/2024	2/15/2024	115,679.24	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	32.78		
2/15/2024	2/15/2024	358,319.07	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	155.27		
2/15/2024	2/15/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	5,836.25		
2/15/2024	2/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
2/15/2024	2/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
2/16/2024	2/16/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	1,230.69		
2/18/2024	2/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
2/18/2024	2/18/2024	1,985,000.00	06428CAA2	BANK OF AMERICA NA CORPORATE NOTES	5.52%	8/18/2026	54,845.55		
2/21/2024	2/21/2024	109,570.63	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	24.65		
2/24/2024	2/24/2024	1,880,000.00	46647PCW4	JPMORGAN CHASE CORP NOTES (CALLABLE)	2.94%	2/24/2028	27,701.80		
2/25/2024	2/25/2024	9,625,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	18,046.88		

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
2/29/2024	2/29/2024	7,195,000.00	91282CBQ3	US TREASURY NOTES	0.50%	2/28/2026	17,987.50		
2/29/2024	2/29/2024	6,000,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	120,000.00		
3/1/2024	3/1/2024		MONEY0002	MONEY MARKET FUND			771.45		
3/1/2024	3/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
3/1/2024	3/25/2024	3,375,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	15,187.50		
3/1/2024	3/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	13,825.00		
3/1/2024	3/25/2024	2,020,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	7,696.20		
3/1/2024	3/25/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	7,282.83		
3/1/2024	3/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
3/11/2024	3/11/2024	1,725,000.00	89236TLB9	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	5.25%	9/11/2028	45,281.25		
3/14/2024	3/14/2024	3,370,000.00	437076BT8	HOME DEPOT INC CORP NOTES (CALLABLE)	2.80%	9/14/2027	47,180.00		
3/15/2024	3/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	4,876.25		
3/15/2024	3/15/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	11,672.50		
3/15/2024	3/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
3/15/2024	3/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
3/15/2024	3/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
3/15/2024	3/15/2024	128,123.26	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	40.57		

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/15/2024	3/15/2024	318,322.91	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	137.94		
3/15/2024	3/15/2024	288,836.63	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	178.12		
3/15/2024	3/15/2024	99,375.67	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	28.16		
3/15/2024	3/15/2024	513,298.13	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	183.93		
3/15/2024	3/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
3/15/2024	3/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
3/15/2024	3/15/2024	259,584.68	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	86.53		
3/15/2024	3/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
3/15/2024	3/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
3/15/2024	3/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
3/16/2024	3/16/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	1,273.13		
3/17/2024	3/17/2024	5,365,000.00	931142ER0	WAL MART INC CORP NOTES (CALLABLE)	1.05%	9/17/2026	28,166.25		
3/18/2024	3/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
3/21/2024	3/21/2024	81,371.45	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	18.31		
3/23/2024	3/23/2024	12,405,000.00	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/2025	23,259.38		
3/31/2024	3/31/2024	1,800,000.00	91282CFM8	US TREASURY NOTES	4.12%	9/30/2027	37,125.00		
3/31/2024	3/31/2024	9,235,000.00	91282CCZ2	US TREASURY NOTES	0.87%	9/30/2026	40,403.13		

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
3/31/2024	3/31/2024	3,315,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	4,143.75		
3/31/2024	3/31/2024	4,685,000.00	91282CBT7	US TREASURY NOTES	0.75%	3/31/2026	17,568.75		
Total INTEREST		211,486,587.07					1,471,348.59		0.00
PAYDOWNS									
1/15/2024	1/15/2024	15,606.58	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	15,606.58		
1/15/2024	1/15/2024	39,928.85	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39,928.85		
1/15/2024	1/15/2024	28,621.29	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	28,621.29		
1/15/2024	1/15/2024	26,857.04	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	26,857.04		
1/15/2024	1/15/2024	26,327.59	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	26,327.59		
1/15/2024	1/15/2024	49,314.92	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	49,314.92		
1/21/2024	1/21/2024	28,466.93	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	28,466.93		
2/15/2024	2/15/2024	39,996.16	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39,996.16		
2/15/2024	2/15/2024	16,303.57	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	16,303.57		
2/15/2024	2/15/2024	28,344.84	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	28,344.84		
2/15/2024	2/15/2024	52,339.59	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	52,339.59		
2/15/2024	2/15/2024	26,640.25	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	26,640.25		
2/15/2024	2/15/2024	20,539.25	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	20,539.25		

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
2/21/2024	2/21/2024	28,199.18	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	28,199.18		
3/15/2024	3/15/2024	27,204.42	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	27,204.42		
3/15/2024	3/15/2024	47,913.37	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	47,913.37		
3/15/2024	3/15/2024	25,398.38	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	25,398.38		
3/15/2024	3/15/2024	37,548.20	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	37,548.20		
3/15/2024	3/15/2024	19,895.67	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	19,895.67		
3/15/2024	3/15/2024	15,895.50	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	15,895.50		
3/21/2024	3/21/2024	27,214.12	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	27,214.12		
Total PAYDOWNS		628,555.70					628,555.70		0.00
SELL									
1/2/2024	1/3/2024	5,285,000.00	9128284Z0	US TREASURY NOTES	2.75%	8/31/2025	5,190,604.59		-238,526.85
1/12/2024	1/17/2024	2,320,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	2,177,396.09		-134,831.49
1/22/2024	1/25/2024	2,650,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	2,590,967.65		-92,892.52
1/22/2024	1/25/2024	565,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	550,295.74		-21,113.47
1/25/2024	1/31/2024	1,480,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	1,443,060.66		-53,832.81
1/25/2024	1/31/2024	1,400,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	1,364,260.33		-47,338.67
2/5/2024	2/8/2024	2,185,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	2,038,528.79		-133,567.60

SAMPLE CLIENT

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
2/13/2024	2/14/2024	3,495,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	3,264,461.42		-220,213.41
2/16/2024	2/22/2024	3,150,000.00	57636QAN4	MASTERCARD INC CORP NOTES (CALLABLE)	2.00%	3/3/2025	3,085,138.00		-128,943.09
3/4/2024	3/5/2024	1,950,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,924,037.87		697.57
3/4/2024	3/5/2024	2,815,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	2,777,521.35		367.94
3/4/2024	3/5/2024	4,235,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	4,178,615.59		1,674.79
3/4/2024	3/5/2024	17,400,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	17,168,337.99		-640.47
3/4/2024	3/5/2024	3,000,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	2,960,058.28		-179.10
3/4/2024	3/7/2024	3,225,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	3,170,128.42		-30,532.69
3/11/2024	3/14/2024	3,335,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	3,132,792.00		-197,276.88
3/20/2024	3/21/2024	940,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	882,228.38		-56,471.13
3/20/2024	3/21/2024	5,350,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	5,021,193.46		-326,762.54
3/21/2024	3/25/2024	1,700,000.00	023135BW5	AMAZON.COM INC CORPORATE NOTES	0.45%	5/12/2024	1,691,266.25		-11,451.30
Total SELL		66,480,000.00					64,610,892.86		-1,691,833.7

SAMPLE CLIENT

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	1/2/2024	1/3/2024	5,235,000.00	91282CHE4	US TREASURY NOTES	3.62%	5/31/2028	5,182,283.48	3.96%	
BUY	1/3/2024	1/4/2024	565,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	552,739.89	5.27%	
BUY	1/9/2024	1/17/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	314,936.65	4.85%	
BUY	1/10/2024	1/18/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	1,872,606.59	4.50%	
BUY	1/17/2024	1/18/2024	14,285,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	14,004,849.58	5.23%	
BUY	1/22/2024	1/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	3,538,540.47	4.55%	
BUY	1/24/2024	1/31/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	3,044,536.25	4.61%	
BUY	2/1/2024	2/8/2024	2,020,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,041,993.76	4.34%	
BUY	2/13/2024	2/14/2024	3,300,000.00	91282CJW2	US TREASURY N/B NOTES	4.00%	1/31/2029	3,260,088.64	4.31%	
BUY	2/14/2024	2/22/2024	3,375,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	3,476,553.75	4.78%	
BUY	2/29/2024	3/7/2024	3,375,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	3,479,320.69	4.78%	
BUY	3/4/2024	3/5/2024	9,765,000.00	91282CHH7	US TREASURY NOTES	4.12%	6/15/2026	9,772,516.35	4.51%	
BUY	3/4/2024	3/5/2024	19,590,000.00	91282CEU1	US TREASURY NOTES	2.87%	6/15/2025	19,234,078.20	4.87%	
BUY	3/5/2024	3/14/2024	3,020,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	3,116,397.65	4.66%	
BUY	3/19/2024	3/28/2024	2,445,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	2,513,936.78	4.83%	
BUY	3/21/2024	3/21/2024	4,010,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	3,965,038.15	5.36%	
BUY	3/21/2024	3/25/2024	1,710,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,691,808.62	5.36%	
INTEREST	1/1/2024	1/1/2024	1,500,000.00	810454BL1	SCOTTSDALE, AZ TXBL GO BONDS	0.60%	7/1/2025	4,560.00		

SAMPLE CLIENT

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	1/1/2024	1/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
INTEREST	1/1/2024	1/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
INTEREST	1/2/2024	1/2/2024		MONEY0002	MONEY MARKET FUND			785.67		
INTEREST	1/6/2024	1/6/2024	2,385,000.00	14913R3B1	CATERPILLAR FINL SERVICE	4.80%	1/6/2026	57,240.00		
INTEREST	1/10/2024	1/10/2024	1,425,000.00	24422EVY2	JOHN DEERE CAPITAL CORP	1.25%	1/10/2025	8,906.25		
INTEREST	1/15/2024	1/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	5,038.79		
INTEREST	1/15/2024	1/15/2024	306,980.97	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	102.33		
INTEREST	1/15/2024	1/15/2024	398,247.92	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	172.57		
INTEREST	1/15/2024	1/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
INTEREST	1/15/2024	1/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
INTEREST	1/15/2024	1/15/2024	614,952.64	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	220.36		
INTEREST	1/15/2024	1/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
INTEREST	1/15/2024	1/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
INTEREST	1/15/2024	1/15/2024	131,285.82	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	37.20		
INTEREST	1/15/2024	1/15/2024	341,804.47	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	210.78		
INTEREST	1/15/2024	1/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
INTEREST	1/15/2024	1/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
INTEREST	1/15/2024	1/15/2024	185,089.39	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	58.61		

SAMPLE CLIENT

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	1/15/2024	1/15/2024	2,200,000.00	87612EBM7	TARGET CORP CORP NOTES	1.95%	1/15/2027	21,450.00		
INTEREST	1/15/2024	1/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
INTEREST	1/15/2024	1/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
INTEREST	1/17/2024	1/17/2024	3,000,000.00	21684LGS5	COOPERAT RABOBANK UA/NY CERT	5.08%	7/17/2026	74,930.00		
INTEREST	1/18/2024	1/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
INTEREST	1/21/2024	1/21/2024	138,037.56	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	31.06		
INTEREST	1/27/2024	1/27/2024	2,125,000.00	459200KT7	IBM CORP NOTES (CALLABLE)	4.15%	7/27/2027	44,093.75		
INTEREST	1/28/2024	1/28/2024	3,925,000.00	06406RAQ0	BANK OF NY MELLON CORP	0.75%	1/28/2026	14,718.75		
INTEREST	1/29/2024	1/29/2024	3,225,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	59,662.50		
INTEREST	1/31/2024	1/31/2024	22,060,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	41,362.50		
INTEREST	1/31/2024	1/31/2024	2,530,000.00	91282CFB2	US TREASURY NOTES	2.75%	7/31/2027	34,787.50		
INTEREST	1/31/2024	1/31/2024	3,450,000.00	91282CHQ7	US TREASURY NOTES	4.12%	7/31/2028	71,156.25		
INTEREST	2/1/2024	2/1/2024	3,440,000.00	00724PAC3	ADOBE INC (CALLABLE) CORP NOTE	2.15%	2/1/2027	36,980.00		
INTEREST	2/1/2024	2/1/2024		MONEY0002	MONEY MARKET FUND			1,799.64		
INTEREST	2/1/2024	2/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	13,825.00		
INTEREST	2/1/2024	2/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
INTEREST	2/1/2024	2/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
INTEREST	2/1/2024	2/25/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	7,282.83		

SAMPLE CLIENT

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	2/3/2024	2/3/2024	2,460,000.00	89788MAC6	TRUIST FINANCIAL CORP NOTES	1.12%	8/3/2027	13,837.50		
INTEREST	2/6/2024	2/6/2024	440,000.00	857477BR3	STATE STREET CORP (CALLABLE)	1.74%	2/6/2026	3,841.20		
INTEREST	2/7/2024	2/7/2024	4,495,000.00	94988J6D4	WELLS FARGO BANK NA BANK NOTES	5.45%	8/7/2026	121,127.76		
INTEREST	2/8/2024	2/8/2024	2,895,000.00	594918BR4	MICROSOFT CORP (CALLABLE) NOTES	2.40%	8/8/2026	34,740.00		
INTEREST	2/12/2024	2/12/2024	1,100,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	8,250.00		
INTEREST	2/15/2024	2/15/2024	315,476.88	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	194.54		
INTEREST	2/15/2024	2/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
INTEREST	2/15/2024	2/15/2024	3,950,000.00	9128282R0	US TREASURY NOTES	2.25%	8/15/2027	44,437.50		
INTEREST	2/15/2024	2/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
INTEREST	2/15/2024	2/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
INTEREST	2/15/2024	2/15/2024	565,637.72	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	202.69		
INTEREST	2/15/2024	2/15/2024	280,123.93	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	93.37		
INTEREST	2/15/2024	2/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
INTEREST	2/15/2024	2/15/2024	156,468.10	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	49.55		
INTEREST	2/15/2024	2/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
INTEREST	2/15/2024	2/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	4,876.25		
INTEREST	2/15/2024	2/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
INTEREST	2/15/2024	2/15/2024	115,679.24	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	32.78		

SAMPLE CLIENT

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	2/15/2024	2/15/2024	358,319.07	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	155.27		
INTEREST	2/15/2024	2/15/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	5,836.25		
INTEREST	2/15/2024	2/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
INTEREST	2/15/2024	2/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
INTEREST	2/16/2024	2/16/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	1,230.69		
INTEREST	2/18/2024	2/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
INTEREST	2/18/2024	2/18/2024	1,985,000.00	06428CAA2	BANK OF AMERICA NA CORPORATE	5.52%	8/18/2026	54,845.55		
INTEREST	2/21/2024	2/21/2024	109,570.63	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	24.65		
INTEREST	2/24/2024	2/24/2024	1,880,000.00	46647PCW4	JPMORGAN CHASE CORP NOTES	2.94%	2/24/2028	27,701.80		
INTEREST	2/25/2024	2/25/2024	9,625,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	18,046.88		
INTEREST	2/29/2024	2/29/2024	7,195,000.00	91282CBQ3	US TREASURY NOTES	0.50%	2/28/2026	17,987.50		
INTEREST	2/29/2024	2/29/2024	6,000,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	120,000.00		
INTEREST	3/1/2024	3/1/2024		MONEY0002	MONEY MARKET FUND			771.45		
INTEREST	3/1/2024	3/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
INTEREST	3/1/2024	3/25/2024	3,375,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	15,187.50		
INTEREST	3/1/2024	3/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	13,825.00		
INTEREST	3/1/2024	3/25/2024	2,020,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	7,696.20		
INTEREST	3/1/2024	3/25/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	7,282.83		

SAMPLE CLIENT

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	3/1/2024	3/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
INTEREST	3/11/2024	3/11/2024	1,725,000.00	89236TLB9	TOYOTA MOTOR CREDIT CORP	5.25%	9/11/2028	45,281.25		
INTEREST	3/14/2024	3/14/2024	3,370,000.00	437076BT8	HOME DEPOT INC CORP NOTES	2.80%	9/14/2027	47,180.00		
INTEREST	3/15/2024	3/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	4,876.25		
INTEREST	3/15/2024	3/15/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	11,672.50		
INTEREST	3/15/2024	3/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
INTEREST	3/15/2024	3/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
INTEREST	3/15/2024	3/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
INTEREST	3/15/2024	3/15/2024	128,123.26	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	40.57		
INTEREST	3/15/2024	3/15/2024	318,322.91	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	137.94		
INTEREST	3/15/2024	3/15/2024	288,836.63	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	178.12		
INTEREST	3/15/2024	3/15/2024	99,375.67	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	28.16		
INTEREST	3/15/2024	3/15/2024	513,298.13	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	183.93		
INTEREST	3/15/2024	3/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
INTEREST	3/15/2024	3/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
INTEREST	3/15/2024	3/15/2024	259,584.68	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	86.53		
INTEREST	3/15/2024	3/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
INTEREST	3/15/2024	3/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		

SAMPLE CLIENT

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	3/15/2024	3/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
INTEREST	3/16/2024	3/16/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	1,273.13		
INTEREST	3/17/2024	3/17/2024	5,365,000.00	931142ER0	WAL MART INC CORP NOTES	1.05%	9/17/2026	28,166.25		
INTEREST	3/18/2024	3/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
INTEREST	3/21/2024	3/21/2024	81,371.45	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	18.31		
INTEREST	3/23/2024	3/23/2024	12,405,000.00	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/2025	23,259.38		
INTEREST	3/31/2024	3/31/2024	1,800,000.00	91282CFM8	US TREASURY NOTES	4.12%	9/30/2027	37,125.00		
INTEREST	3/31/2024	3/31/2024	9,235,000.00	91282CCZ2	US TREASURY NOTES	0.87%	9/30/2026	40,403.13		
INTEREST	3/31/2024	3/31/2024	3,315,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	4,143.75		
INTEREST	3/31/2024	3/31/2024	4,685,000.00	91282CBT7	US TREASURY NOTES	0.75%	3/31/2026	17,568.75		
PAYDOWN	1/15/2024	1/15/2024	15,606.58	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	15,606.58		
PAYDOWN	1/15/2024	1/15/2024	39,928.85	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39,928.85		
PAYDOWN	1/15/2024	1/15/2024	28,621.29	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	28,621.29		
PAYDOWN	1/15/2024	1/15/2024	26,857.04	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	26,857.04		
PAYDOWN	1/15/2024	1/15/2024	26,327.59	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	26,327.59		
PAYDOWN	1/15/2024	1/15/2024	49,314.92	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	49,314.92		
PAYDOWN	1/21/2024	1/21/2024	28,466.93	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	28,466.93		
PAYDOWN	2/15/2024	2/15/2024	39,996.16	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39,996.16		

SAMPLE CLIENT

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)
PAYDOWN	2/15/2024	2/15/2024	16,303.57	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	16,303.57		
PAYDOWN	2/15/2024	2/15/2024	28,344.84	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	28,344.84		
PAYDOWN	2/15/2024	2/15/2024	52,339.59	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	52,339.59		
PAYDOWN	2/15/2024	2/15/2024	26,640.25	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	26,640.25		
PAYDOWN	2/15/2024	2/15/2024	20,539.25	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	20,539.25		
PAYDOWN	2/21/2024	2/21/2024	28,199.18	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	28,199.18		
PAYDOWN	3/15/2024	3/15/2024	27,204.42	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	27,204.42		
PAYDOWN	3/15/2024	3/15/2024	47,913.37	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	47,913.37		
PAYDOWN	3/15/2024	3/15/2024	25,398.38	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	25,398.38		
PAYDOWN	3/15/2024	3/15/2024	37,548.20	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	37,548.20		
PAYDOWN	3/15/2024	3/15/2024	19,895.67	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	19,895.67		
PAYDOWN	3/15/2024	3/15/2024	15,895.50	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	15,895.50		
PAYDOWN	3/21/2024	3/21/2024	27,214.12	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	27,214.12		
SELL	1/2/2024	1/3/2024	5,285,000.00	9128284Z0	US TREASURY NOTES	2.75%	8/31/2025	5,190,604.59		-238,526.85
SELL	1/12/2024	1/17/2024	2,320,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	2,177,396.09		-134,831.49
SELL	1/22/2024	1/25/2024	2,650,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	2,590,967.65		-92,892.52
SELL	1/22/2024	1/25/2024	565,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	550,295.74		-21,113.47
SELL	1/25/2024	1/31/2024	1,480,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	1,443,060.66		-53,832.81

SAMPLE CLIENT

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)
SELL	1/25/2024	1/31/2024	1,400,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	1,364,260.33		-47,338.67
SELL	2/5/2024	2/8/2024	2,185,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	2,038,528.79		-133,567.60
SELL	2/13/2024	2/14/2024	3,495,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	3,264,461.42		-220,213.41
SELL	2/16/2024	2/22/2024	3,150,000.00	57636QAN4	MASTERCARD INC CORP NOTES	2.00%	3/3/2025	3,085,138.00		-128,943.09
SELL	3/4/2024	3/5/2024	1,950,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,924,037.87		697.57
SELL	3/4/2024	3/5/2024	2,815,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	2,777,521.35		367.94
SELL	3/4/2024	3/5/2024	4,235,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	4,178,615.59		1,674.79
SELL	3/4/2024	3/5/2024	17,400,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	17,168,337.99		-640.47
SELL	3/4/2024	3/5/2024	3,000,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	2,960,058.28		-179.10
SELL	3/4/2024	3/7/2024	3,225,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	3,170,128.42		-30,532.69
SELL	3/11/2024	3/14/2024	3,335,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	3,132,792.00		-197,276.88
SELL	3/20/2024	3/21/2024	940,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	882,228.38		-56,471.13
SELL	3/20/2024	3/21/2024	5,350,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	5,021,193.46		-326,762.54
SELL	3/21/2024	3/25/2024	1,700,000.00	023135BW5	AMAZON.COM INC CORPORATE NOTES	0.45%	5/12/2024	1,691,266.25		-11,451.30
TOTALS			360,000,142.77					147,773,022.65		-1,691,833.72

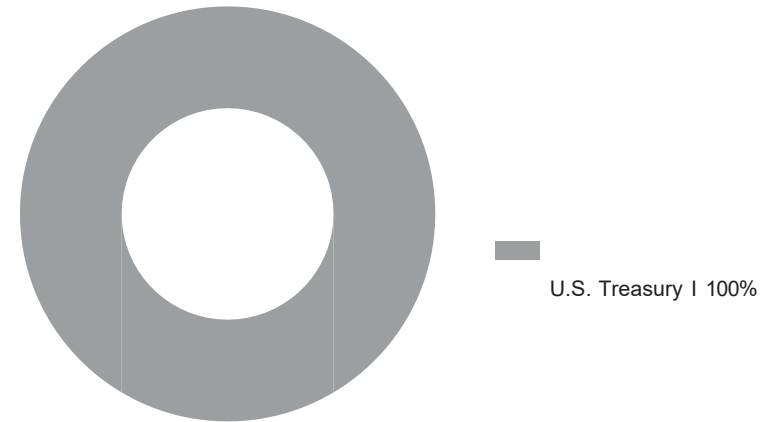
Portfolio Review: SAMPLE CLIENT AUTHORITY

Portfolio Snapshot - SAMPLE CLIENT AUTHORITY1

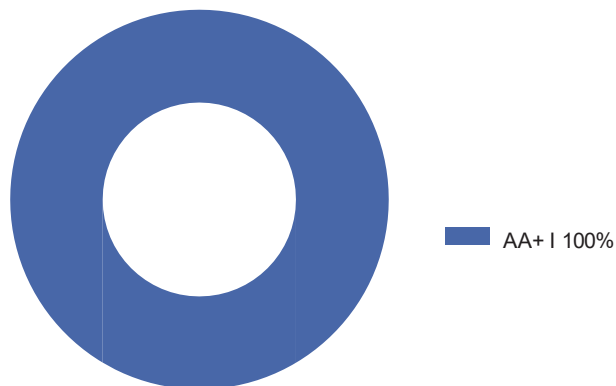
Portfolio Statistics

Total Market Value	\$1,082,712.59
<i>Securities Sub-Total</i>	\$1,025,804.08
<i>Accrued Interest</i>	\$9,028.23
<i>Cash</i>	\$47,880.28
Portfolio Effective Duration	1.47 years
Yield At Cost	4.68%
Yield At Market	4.86%
Portfolio Credit Quality	AA

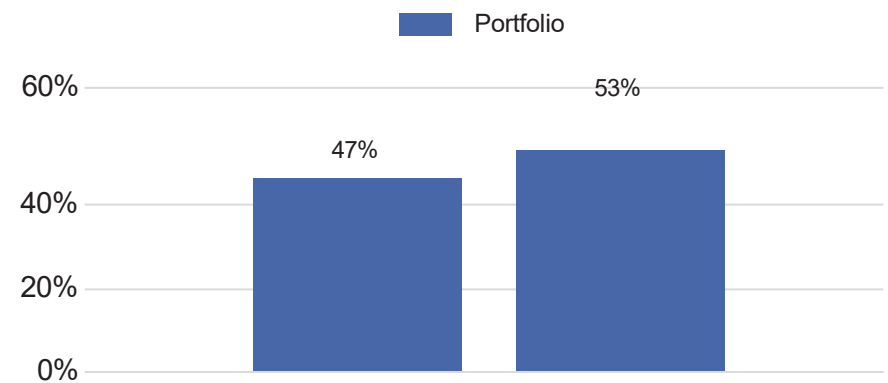
Sector Allocation



Credit Quality S&P²



Duration Distribution



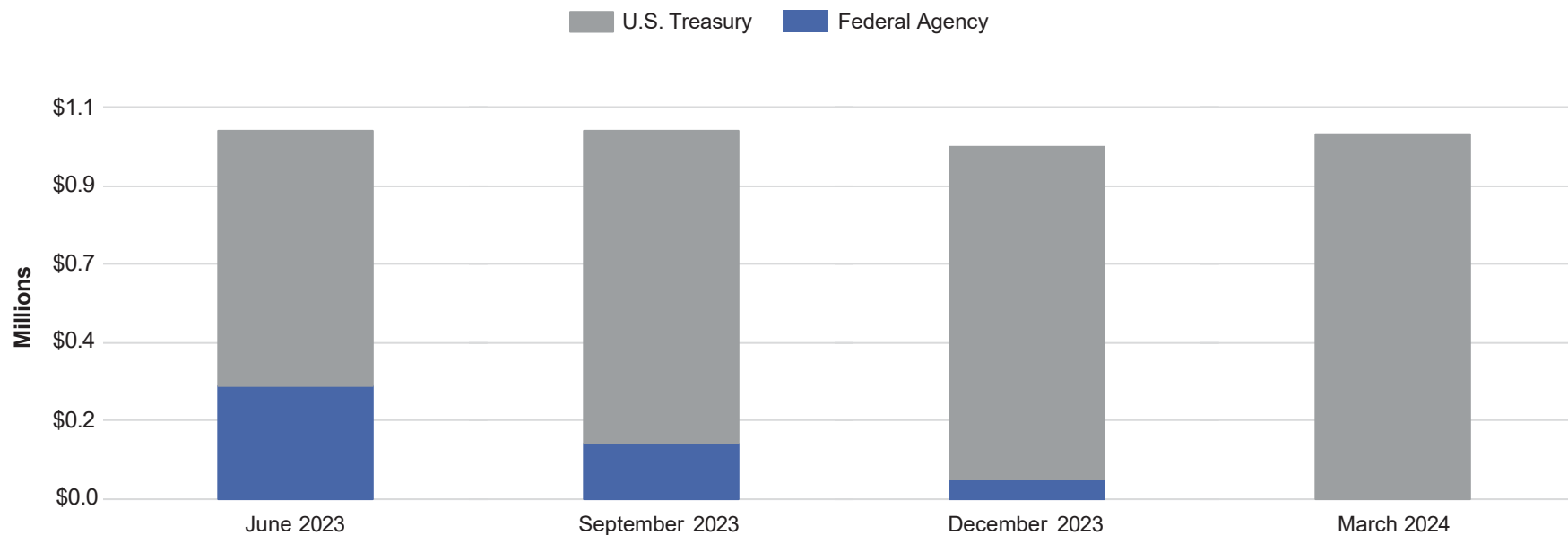
0-1 Yr

2-3 Yrs

- 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.

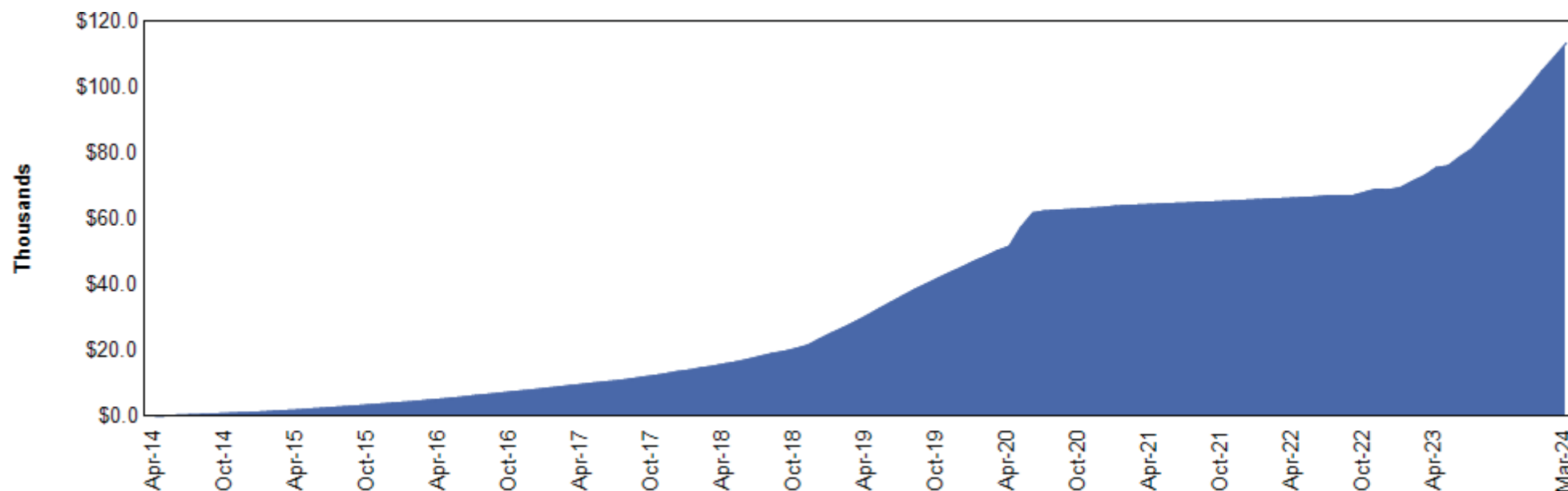
Sector Allocation Review - SAMPLE CLIENT AUTHORITY

Security Type	Jun-23	∕ of Total	Sep-23	∕ of Total	Dec-23	∕ of Total	Mar-24	∕ of Total
U.S. Treasury	\$0.7	69.5%	\$0.9	85.2%	\$0.9	94.4%	\$1.0	100.0%
Federal Agency	\$0.3	30.5%	\$0.2	14.8%	\$0.1	5.6%	\$0.0	0.0%
Total	\$1.0	100.0∕	\$1.0	100.0∕	\$1.0	100.0∕	\$1.0	100.0∕



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

Accrual Basis Earnings - SAMPLE CLIENT AUTHORITY



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year ¹
Interest Earned ²	\$7,291	\$17,485	\$26,358	\$46,952	\$80,834
Realized Gains / (Losses) ³	-	(\$3,966)	(\$8,900)	\$2,811	\$181
Change in Amortized Cost	\$5,336	\$26,776	\$31,677	\$34,844	\$32,303
Total Earnings	\$12,626	\$40,295	\$49,135	\$84,608	\$113,317

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2005.
 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 March 31, 2024**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	1,025,804	100.00 %
Grand Total	1,025,804	100.00 %

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	100,000.00	AA+	Aaa	5/1/2023	5/2/2023	97,234.38	4.88	840.66	99,779.66	99,718.75
US TREASURY NOTES DTD 04/30/2019 2.250% 04/30/2024	9128286R6	110,000.00	AA+	Aaa	5/18/2023	5/19/2023	107,207.03	5.02	1,040.32	109,766.58	109,707.82
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	110,000.00	AA+	Aaa	6/1/2023	6/2/2023	104,603.13	5.18	81.15	108,932.02	108,865.63
US TREASURY NOTES DTD 06/30/2022 3.000% 06/30/2024	91282CEX5	160,000.00	AA+	Aaa	7/6/2023	7/7/2023	156,256.25	5.48	1,213.19	159,061.46	159,100.00
US TREASURY N/B NOTES DTD 11/15/2023 4.625% 11/15/2026	91282CJK8	40,000.00	AA+	Aaa	12/1/2023	12/4/2023	40,182.81	4.46	701.37	40,163.69	40,131.25
US TREASURY N/B NOTES DTD 12/15/2023 4.375% 12/15/2026	91282CJP7	300,000.00	AA+	Aaa	1/30/2024	1/31/2024	301,746.09	4.16	3,872.95	301,650.29	299,250.00
US TREASURY N/B NOTES DTD 01/15/2024 4.000% 01/15/2027	91282CJT9	55,000.00	AA+	Aaa	1/26/2024	1/29/2024	54,755.08	4.16	465.38	54,768.59	54,346.88
US TREASURY N/B NOTES DTD 02/15/2024 4.125% 02/15/2027	91282CKA8	156,000.00	AA+	Aaa	2/29/2024	2/29/2024	154,769.06	4.41	813.21	154,803.36	154,683.75
Security Type Sub-Total		1,031,000.00					1,016,753.83	4.68	9,028.23	1,028,925.65	1,025,804.08
Managed Account Sub Total		1,031,000.00					1,016,753.83	4.68	9,028.23	1,028,925.65	1,025,804.08
Securities Sub Total		\$1,031,000.00					\$1,016,753.83	4.68/	\$9,028.23	\$1,028,925.65	\$1,025,804.08
Accrued Interest											\$9,028.23
Total Investments											\$1,034,832.31

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/26/2024	1/29/2024	55,000.00	91282CJT9	US TREASURY N/B NOTES	4.00%	1/15/2027	54,839.70	4.16%	
1/30/2024	1/31/2024	300,000.00	91282CJP7	US TREASURY N/B NOTES	4.37%	12/15/2026	303,431.54	4.16%	
2/29/2024	2/29/2024	156,000.00	91282CKA8	US TREASURY N/B NOTES	4.12%	2/15/2027	155,016.56	4.41%	
Total BUY		511,000.00					513,287.80		0.00
INTEREST									
1/2/2024	1/2/2024		MONEY0002	MONEY MARKET FUND			193.11		
2/1/2024	2/1/2024		MONEY0002	MONEY MARKET FUND			202.70		
3/1/2024	3/1/2024		MONEY0002	MONEY MARKET FUND			109.28		
Total INTEREST		0.00					505.09		0.00
MATURITY									
1/28/2024	1/28/2024	55,000.00	3130AWV56	FEDERAL HOME LOAN BANK NOTES (CALLED,OMD	5.72%	1/28/2024	56,310.83		
1/31/2024	1/31/2024	165,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	165,721.88		
1/31/2024	1/31/2024	100,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	100,437.50		
2/29/2024	2/29/2024	155,000.00	91282CEA5	US TREASURY NOTES	1.50%	2/29/2024	156,162.50		
Total MATURITY		475,000.00					478,632.71		0.00

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), 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 information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

For more information regarding PFMAM's services or entities, please visit www.pfmam.com.

© 2023 PFM Asset Management LLC. Further distribution is not permitted without prior written consent.

Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **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.



Economic Update



Fedspeak: Week of 4-8

“Despite the progress in restoring balance, two important indicators point to lingering tightness in the labor market: job openings and wage growth ... Job vacancies, which reached record highs in 2022, have trended lower since then, but are still quite elevated relative to pre-pandemic norms. And while we have seen measures of wage growth come down from their pandemic-era peaks, they remain above pre-Covid rates ... **There's no clear need to adjust monetary policy in the very near term.”**

- *New York Fed Pres. John Williams*

“At this point, I think it's one [rate cut]. But as months pass, I may move to two or I might move to zero and we'll just have to see where the chips fall.”

- *Atlanta Fed Pres. Raphael Bostic*

“We've had multiple inflation readings that were higher than we wanted ... [but PCE] is the better measure ... If we start getting better readings that show us that arc of inflation coming down ... that will make us feel a lot better about where we are ... If PCE is reinflating - we will stabilize prices ... The **most important number** to be watching on the inflation front here in the immediate term **is what is happening with housing**. If that doesn't go down to something like it was pre-COVID we will have a hard time getting the overall back to target.”

- *Chicago Fed Pres. Austan Goolsbee*

“Overall, the recent data have not materially changed my outlook, but they do highlight uncertainties related to timing, and the need for patience. This also implies that **less easing of policy this year than previously thought may be warranted ...** Recent data suggest it may take more time than I had previously thought to gain greater confidence in inflation's downward trajectory, before beginning to ease policy ... **Less concern about labor market fragilities, combined with the possibility that policy is only modestly restrictive, also reduces the urgency to ease ...** [I am] **in the range of two** [cuts for 2024]”

- *Boston Fed Pres. Susan Collins*

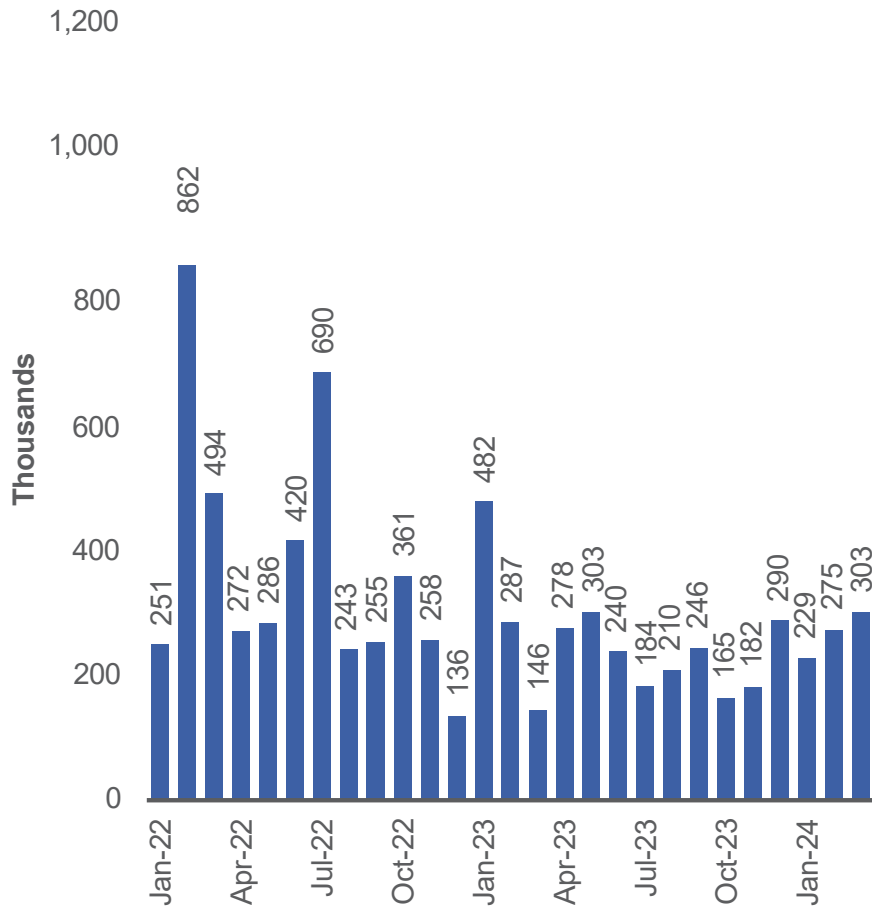
"Policy's in a good place right now, and I need to be fully confident that inflation is on track to come down to 2%, which is our definition of price stability, before we would consider a rate cut ... **There's absolutely, in my mind, no urgency to adjust the policy rate.**"

- *San Francisco Fed Pres. Mary Daly*

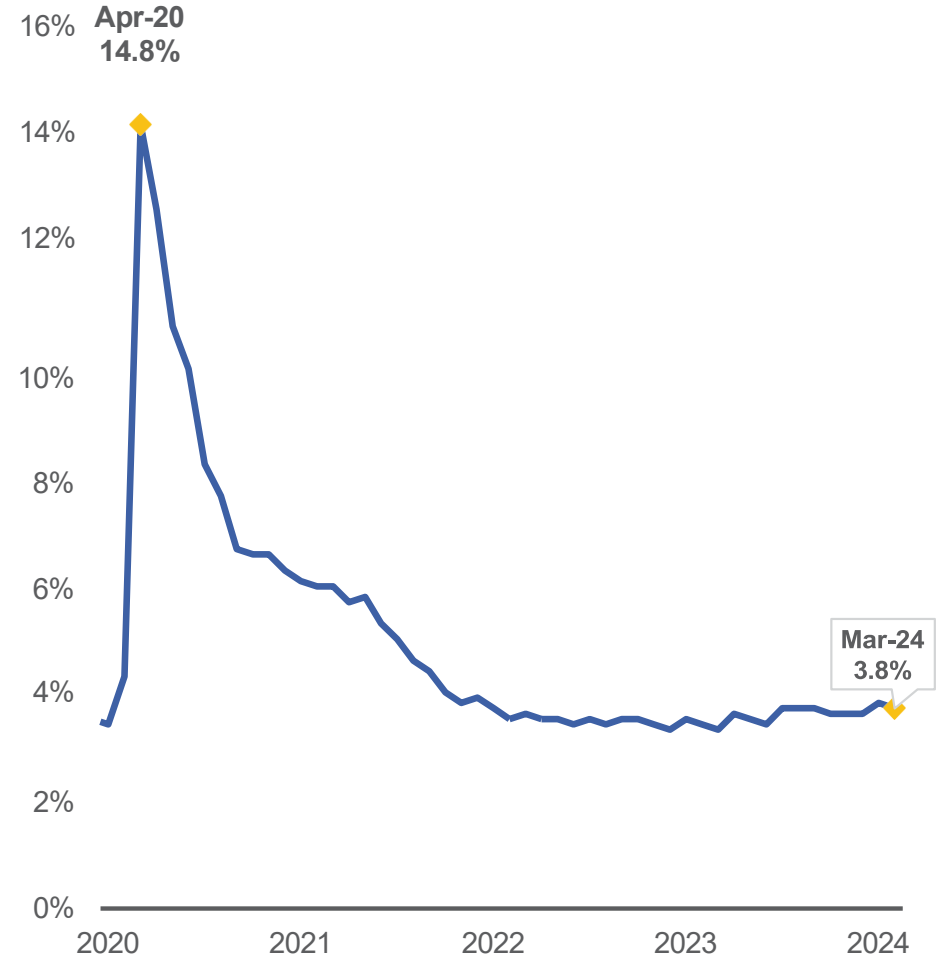


Barkin: "That's a quite strong jobs report"

Monthly Change In Nonfarm Payrolls



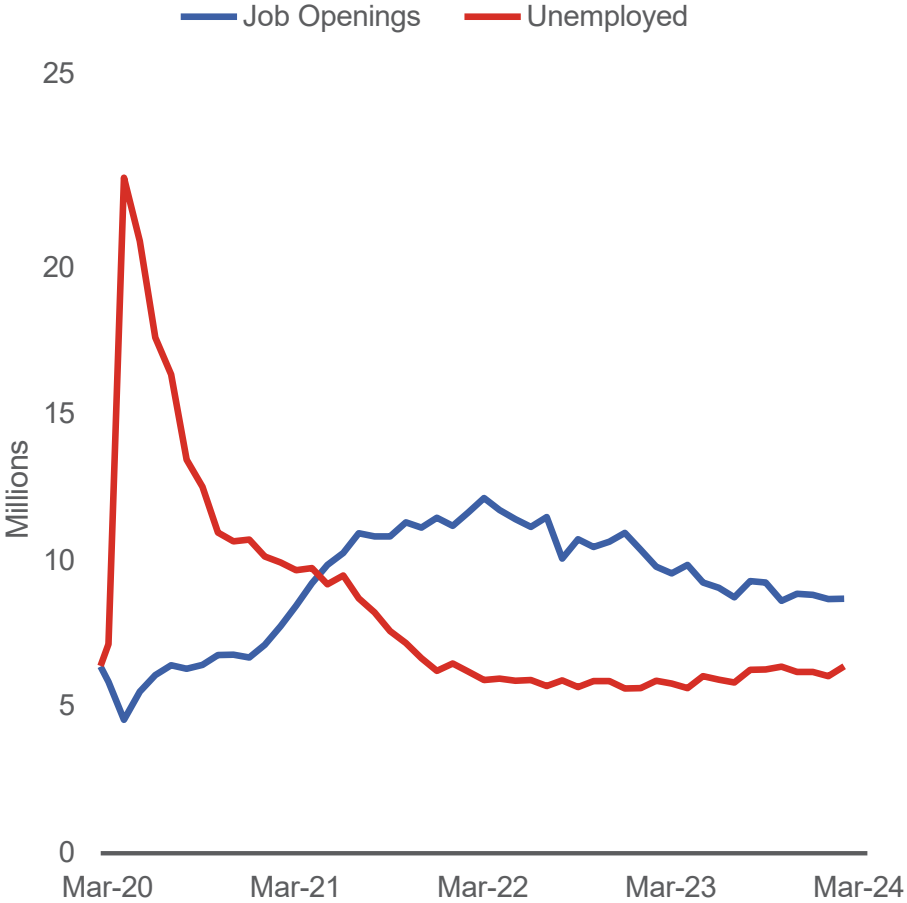
Unemployment Rate



Source: Bloomberg, as of March 2024. Data is seasonally adjusted.

Worker-Demand Gap Continues to Narrow

Job Openings vs. Unemployed Workers



Average Hourly Earnings MoM Change

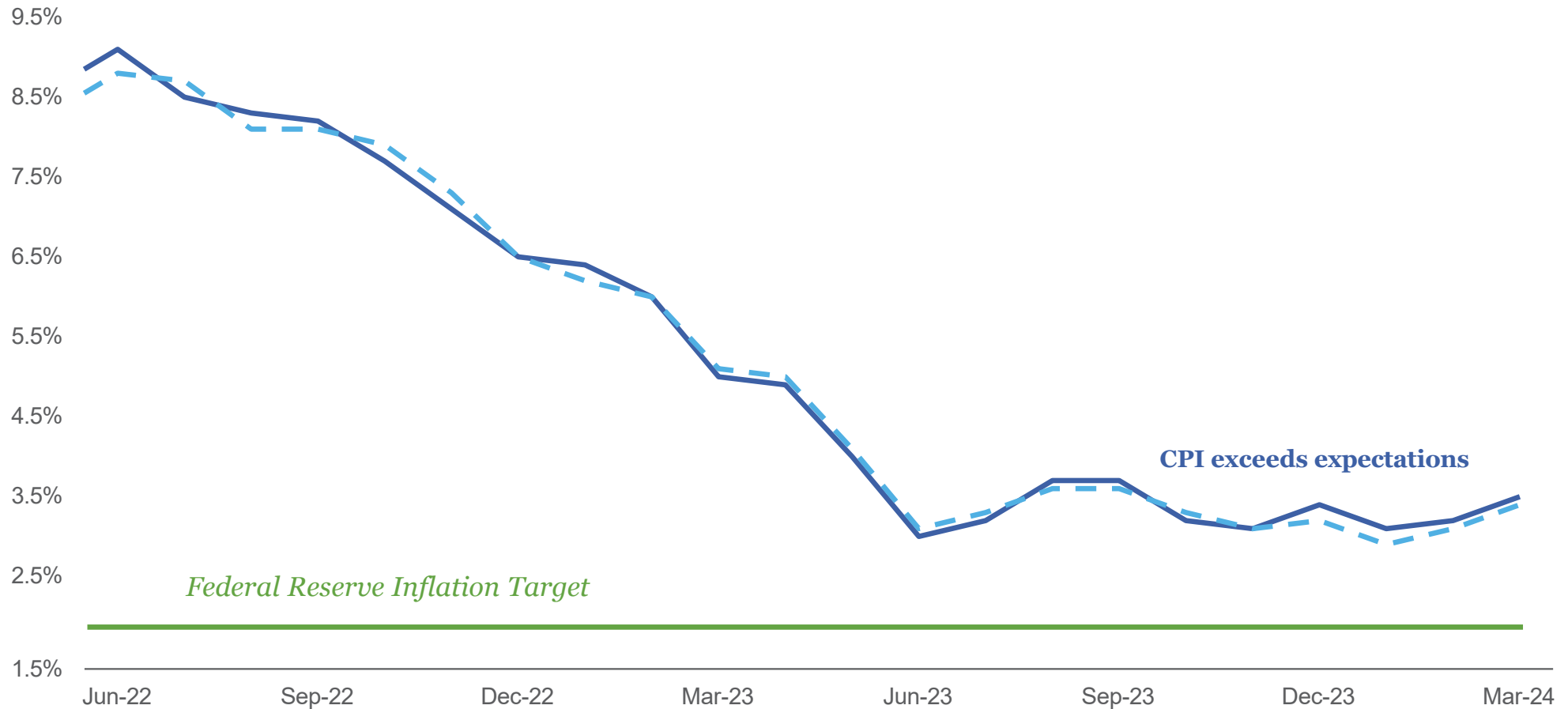


Source: Bloomberg. Job openings as of February 2024; Monthly change in nonfarm payrolls as of March 2024. Data is seasonally adjusted.

Inflation Remains Range Bound After Significant Decline in CPI in 2022 and Early 2023

Consumer Price Index
Year-Over-Year Changes

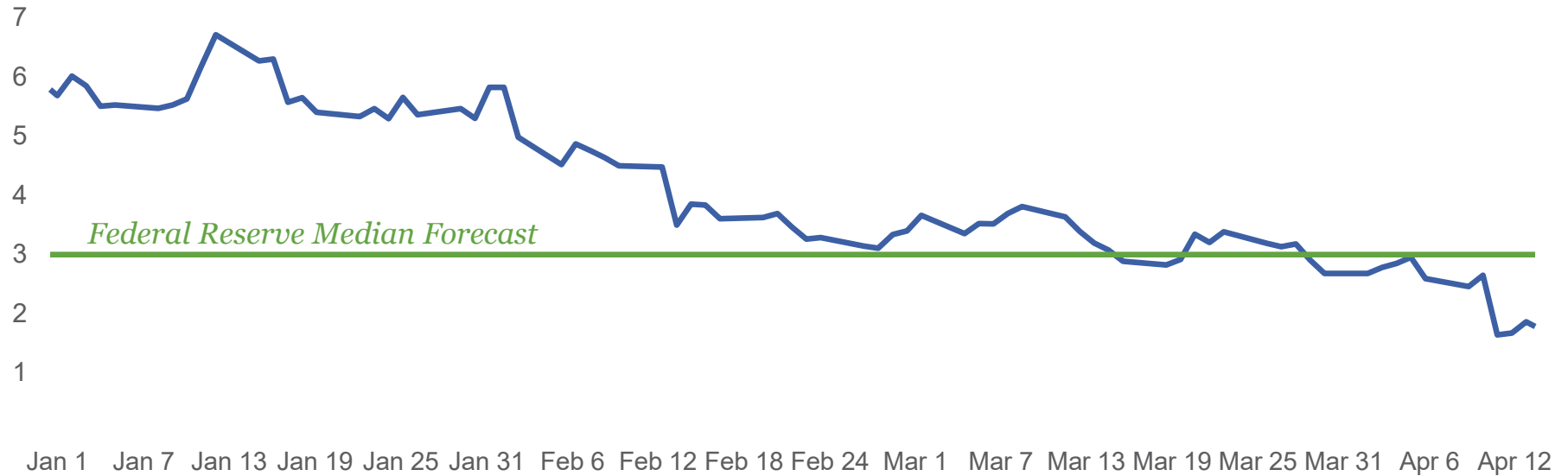
— CPI - - - CPI Forecast — Fed Target



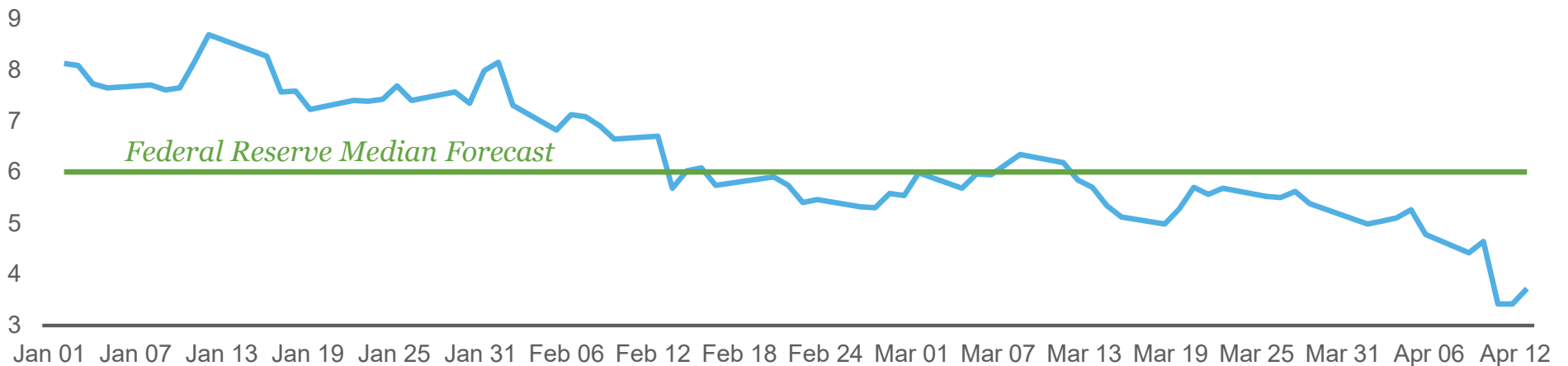
Source: Bureau of Labor Statistics and Bloomberg, as of 4/10/24

Number of Rate Cuts Continues to Trend Down

Number of Implied Rate Cuts by December 2024



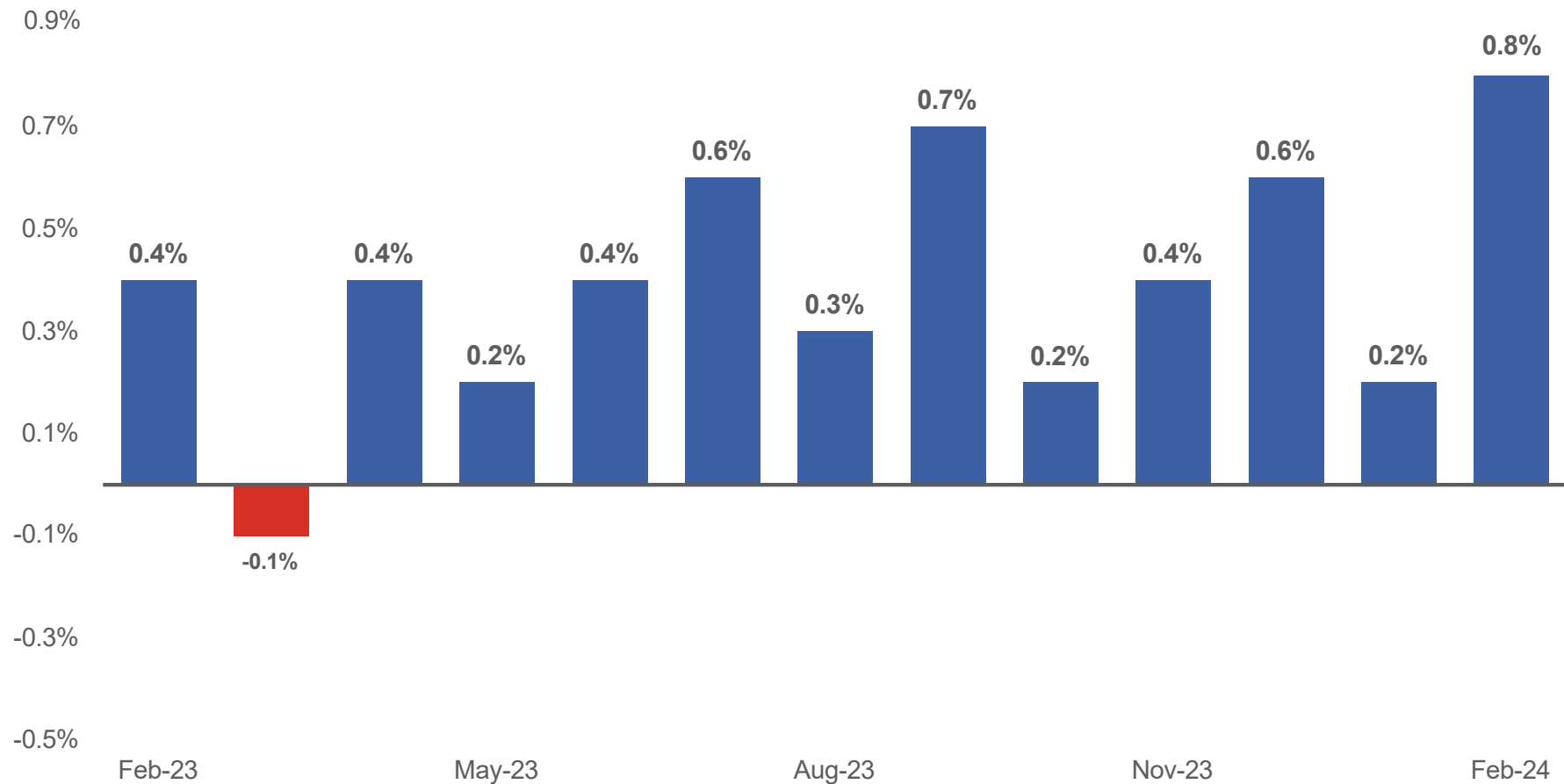
Number of Implied Rate Cuts by December 2025



Source: Institute for Supply Management; Bloomberg, as of 4/15/2024.

Personal Spending Exceeds Market Expectations

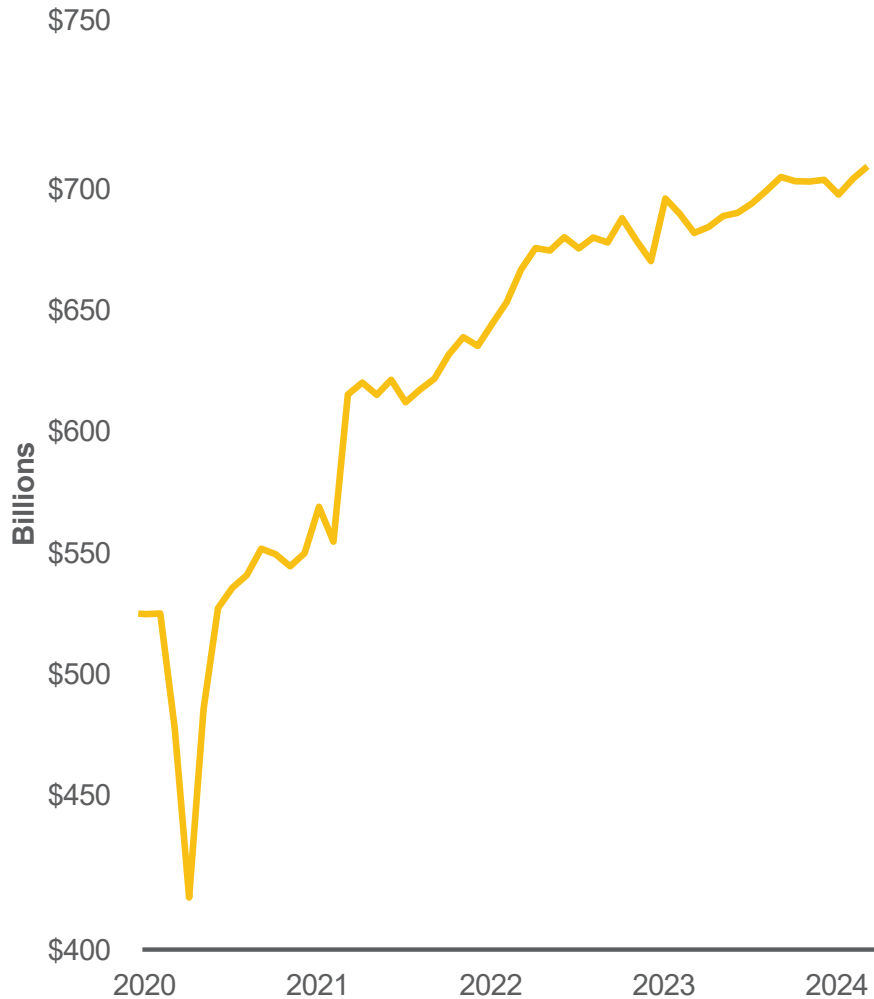
Personal Spending
Personal Consumption Expenditure MoM



Source: Bloomberg, Federal Reserve, and U.S. Bureau of Economic Analysis as of February 2024.

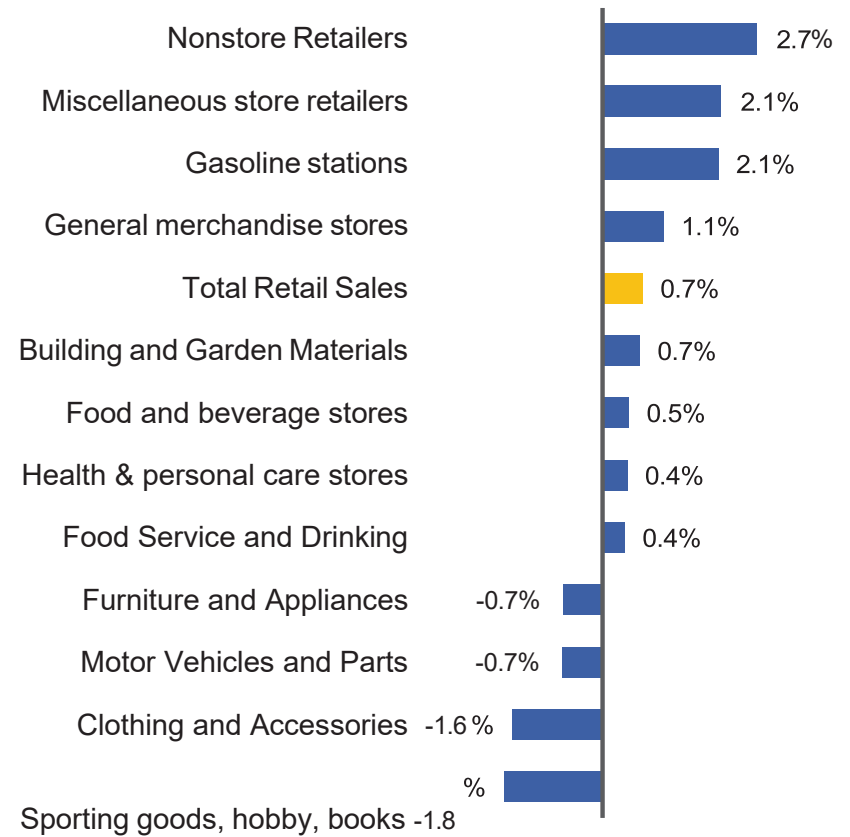
Retail Sales Tick Up More than Expected in March

Retail Sales (Monthly)



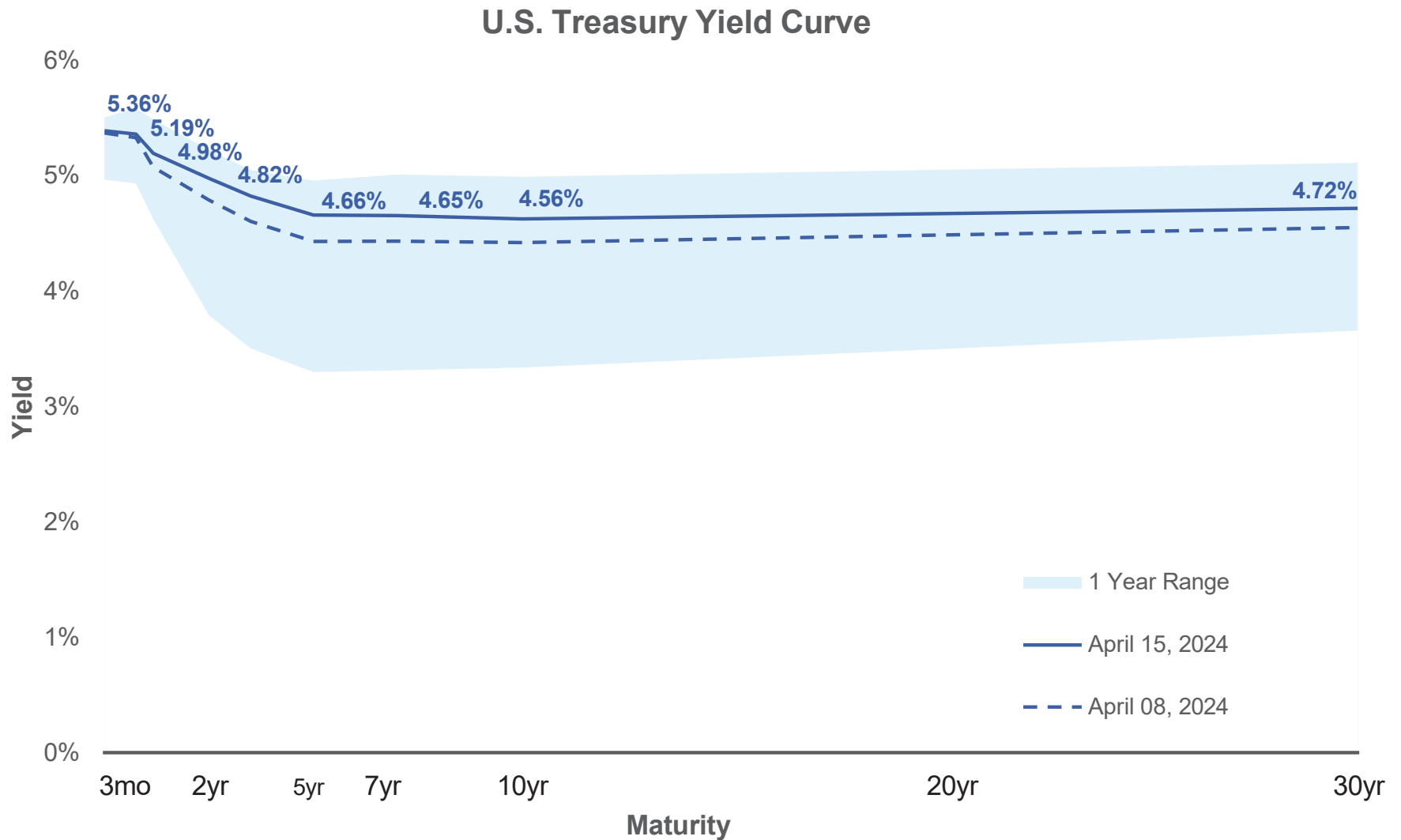
Retail Sales (Year over Year)

March 2024



Source: Bloomberg, as of March 2024.

Yields are Near Higher End of 12-Month Range



Source: Bloomberg, as of 4/15/2024.

Disclaimer

Investment advisory services are provided by PFM Asset Management LLC (“PFMAM”), 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 information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

For more information regarding PFMAM’s services please visit www.pfmam.com.





E. PFMAM’s Proposed Exceptions





Exceptions to the RFQ

City of Yuma RFQ 24-253 – Section 7.1 (page 14 of 21)

SECTION E: Delineation of Responsibilities

E. Firm recognizes that all work completed under this contract will be considered property of the City and may be used or reproduced by the City for any purpose, unless such work is proprietary or confidential. All reports, research, calculations, and other work performed under this scope of work will become property of the City and will be delivered to the City within thirty days following completion of the work or termination of the contract.

Explanation: PFM Asset Management LLC (“PFMAM”) respectfully requests the right to protect proprietary or confidential material from redistribution or public disclosure.

SECTION G: Delineation of Responsibilities

G. Immigration Compliance / Employment Verification

- a) Firm warrants, ~~and shall require its sub-Firms to warrant~~, that it is in compliance with all federal immigration laws and regulations that relate to its employees directly providing services to the City under the Solicitation/Contract and with A.R.S. § 23-214 relating to verification of employment eligibility.

Explanation: The term subcontractor does not include vendors of the Firm who do not provide a service directly to the City and are not hired by Firm specifically for performance under the Solicitation/Contract.

- ~~c) City retains the legal right to inspect the papers of any Firm or sub-Firm employee who works on this Agreement to ensure that the Firm or sub-Firm is complying with this warranty.~~

Explanation: U.S. Bank does not share employee records and other jurisdictions (e.g. Colorado law 24-74-105) prohibit the bank from allowing this type of inspection and enforcement.

SECTION I: Records and Audits (Page 15 of 21)

A. Records and Audits

The Firm shall maintain accurate and complete financial records of its activities and operations relating to the Contract in accordance with generally accepted accounting principles. Upon reasonable prior notice, during the Firm’s regular business hours and not more than once a year, the City, and/or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to the Contract for the purpose of reviewing compliance with the Contract. ~~All such material, including, but not limited to, architectural clearances, permits, all financial records, timecards and other employment records, and proprietary data and information, shall be turned over to the City following the final site inspection, and before a final invoice is paid~~



Explanation: PFMAM respectfully requests that audits be conducted with prior notice, during business hours, no more than once a year and for the purpose of reviewing compliance with the Contract. PFMAM requests that the last sentence be deleted as not applicable to a contract for investment management services.

Sample Contract (“Professional Services Contract”)

If PFMAM is awarded the engagement, we respectfully request the inclusion of certain provisions in the resulting contract that are driven by our status as an investment adviser registered under the Investment Advisers Act of 1940 (e.g., registered adviser description; conflict of interest provision; our maintenance of books and records; and our brochure and brochure supplement [Form ADV, Parts 2A and 2B]).

Sample Contract – Section 6 (page 1 of 11)

6. Firm Personnel. Firm shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Contract. Firm agrees to assign specific individuals to key positions. Firm agrees that, upon commencement of the Services to be performed under this Contract, key personnel shall not be removed or replaced without ~~prior prompt~~ written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days or are expected to devote substantially less effort to the Services than initially anticipated, Firm shall immediately notify the City of same and shall, RFQ 24-253 Investment Management Services Page 2 of 11 Awarded Firm Revised: 2/2024 ~~subject to the concurrence of the City~~, replace such personnel with personnel possessing substantially equal ability and qualifications.

Explanation: PFMAM respectfully requests that changes to the key personnel be conditioned upon notice to City. Because PFMAM would be managing the City’s investment portfolio, PFMAM is charged with daily management of the portfolio and must be able to respond immediately to changing mzcrcdit quality of portfolio securities and market conditions (such as those occurring at the onset of the pandemic). If making a replacement or addition is dependent upon City’s written approval and PFMAM has no control over the timing of that approval process, PFMAM may be precluded from providing uninterrupted management of the portfolio. PFMAM respectfully requests that instead, PFMAM would provide City prompt notice of any replacement or addition.

Sample Contract – Section 7 (page 2 of 11)

~~7. [Reserved] Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during Firm’s performance. The Firm shall provide and maintain a selfinspection system that is acceptable to the City~~

Explanation: PFMAM respectfully requests that Section 7 regarding inspection and acceptance be deleted as not applicable to investment management services.

Sample Contract – Section 9 (page 2 of 11)

9. Indemnification. To the fullest extent permitted by law, Contractor shall indemnify, save and hold harmless the City, City’s elected officials, officers, agents and employees (hereinafter referred to as "Indemnatee") for, from and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorney’s fees and Litigation Expenses asserted by a third-party (i.e. a person or entity other than City or Contractor) to the extent caused by, in whole or in part, any negligence, recklessness, or intentional



wrongful conduct of the Contractor. ~~Contractor's directors, officers, employees, agents, representatives, or any tier of Subcontractors or any other person for whose acts, errors, fault, mistakes, omissions, work or service the Contractor may be legally liable in the performance of this Contract. To the fullest extent permitted by law, the City shall indemnify, save and hold harmless the Contractor, Contractor's officers, agents and employees for, from and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorney's fees and Litigation Expenses asserted by a third-party (i.e. a person or entity other than City or Contractor) to the extent caused by, in whole or in part, any negligence, recklessness, or intentional wrongful conduct of the City.~~

Explanation: PFMAM respectfully requests parallel indemnification and has deleted the second sentence as it cannot agree to make non-parties liable to the City under this contract.

Sample Contract – Section 10.6 (page 3 of 11)

10.6 Contract Subject to Appropriation. The City is obligated only to pay City's obligations set forth in the Contract as may lawfully be made from funds appropriated and budgeted for that purpose during the City's then current fiscal year. The City's obligations under this Contract are current expenses subject to the "budget law" and the unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should the City elect not to appropriate and budget funds to pay City's Contract obligations, this Contract shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Contract. The Parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City's obligations set forth in this Contract in any budget in any fiscal year other than the fiscal year in which the Contract is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for City's obligations under this Contract. The City shall keep Firm informed as to the availability of funds for this Contract. The obligation of the City to make any payment pursuant to this Contract is not a general obligation or indebtedness of the City. Firm hereby waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Contract pursuant to this section. The City agrees to provide the Provider with prompt notice of any event of non-appropriation.

Explanation: PFMAM respectfully requests that the City notify PFMAM in the event that the relevant funds become unavailable.

Sample Contract – Section 11 (page 3 of 11)

11. Insurance. Before the commencement of any services, the Firm must provide the City with certificates of insurance and formal endorsements identifying this Contract by the City's contract number and name. All required insurance policies, ~~except Workers' Compensation and Professional Liability~~ must name the City, and its employees, as Additional Insured with endorsement. The required General Liability, Automobile Liability, Workers' Compensation and Professional Liability insurance must contain an endorsement waiving subrogation and Firm must waive subrogation against the City. All insurance policies are subject to approval by the City. ~~All~~ The required General Liability, Automobile policies, ~~except Workers' Compensation and Professional Liability,~~ must include an endorsement providing that such insurance as is afforded policies under Firm's policy is primary insurance as respects the additional insured and that any other insurance maintained by the additional insured is excess and noncontributing with the insurance required hereunder. Policies must be written on a per occurrence basis. The Firm must give the City thirty days written notice before canceling, ~~or~~



terminating, ~~or altering~~ any policy. The Firm's failure to furnish evidence of insurance may be considered a breach.

Sample Contract – Section 12.1 (page 4 of 11)

12.1 Independent Firm. It is clearly understood that each Party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other, except that the Firm acts as an agent when it conducts a trade of portfolio securities on behalf of the City. An employee or agent of one Party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Firm acknowledges and agrees that the Services provided under this Contract are being provided as an independent Firm, not as an employee or agent of the City. Firm, Firm's employees, and Sub-Firms are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Firm, Firm's employees, or Sub-Firms. The Firm, and not the City, shall determine the time of Firm's performance of the services provided under this Contract so long as Firm meets the requirements of Firm's agreed Scope of Work as set forth in Section 2 above and Exhibit B. Firm is neither prohibited from entering into other contracts nor prohibited from practicing Firm's profession RFQ 24-253 Investment Management Services Page 5 of 11 Awarded Firm Revised: 2/2024 elsewhere. City and Firm do not intend to, nor will they combine business operations under this Contract.

Explanation: PFMAM respectfully notes that if it is otherwise conducting trades of portfolio securities on behalf of the City, it would be doing so as **agent** of the City and would bind the City to such purchase or sale.

Sample Contract – Section 12.8 (page 6 of 11)

12.8 Assignment; Delegation. No right or interest in this Contract shall be assigned or delegated by Firm without prior, written permission of the City, signed by the City Administrator, except if the rights and obligations of the Firm are assigned to the Firm's parent company, U.S. Bancorp Asset Management, Inc., or any other U.S. Bancorp affiliated registered investment adviser, provided, however, that the City be provided seven (7) days' prior written notice of such assignment. Any attempted assignment or delegation by Firm in violation of this provision shall be a breach of this Contract by Firm. The requirements of this Contract are binding upon the heirs, executors, administrators, successors, and assigns of both Parties.

Explanation: PFMAM respectfully requests to negotiate the language in any resulting contract to permit PFMAM to assign the resulting contract to either PFMAM's parent company, U.S. Bancorp Asset Management, Inc., or any other U.S. Bancorp affiliated registered investment adviser upon notice to the City.

Sample Contract – Section 12.17 (page 7 of 11)

12.17 E-Verify Requirements. To the extent applicable under Arizona Revised Statutes ("A.R.S.") § 41-4401, the Firm ~~and Firm's subFirms warrant compliance, and are contractually obligated to will~~ comply, with all federal immigration laws and regulations that relate to their employees and their compliance with the E-Verify requirements under A.R.S. § 23-214(A) ("Immigration Warranty"). Firm's ~~or Firm's subFirm's~~ failure to comply with Immigration Warranty shall be deemed a material breach of this Contract and may subject Firm to penalties up to and including termination of this Contract at the sole discretion of the City.

~~The City retains the legal right to inspect the papers of all Firm personnel who provide services under this Contract to ensure that Firm or Firm's subFirms are complying with the Immigration Warranty. Firm agrees to assist the City in regard to any such inspections. The City may, at City's sole discretion, conduct random verification of the employment records of Firm and any subFirm to ensure compliance~~



~~with the Immigration Warranty. Firm agrees to assist the City in regard to any random verification performed.~~

Neither Firm nor any subFirm will be deemed to have materially breached the Firm Immigration Warranty if Firm or subFirm establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214 (A).

Explanation: The term Sub-Firm does not include vendors of the Firm who do not provide a service directly to the city and are not hired by Firm specifically for performance under the Contract.

The 2nd paragraph needs to be struck since (1) U.S. Bank does not share employee records and (2) other jurisdictions (e.g. Colorado law 24-74-105) prohibits the bank from allowing this type of inspection and enforcement. "





Addenda Acknowledgement Form

Solicitation addenda are posted on the City of Yuma Bonfire Procurement Portal identified as:

Ref #: RFQ-24-253

Project: Investment Management Services

It is the responsibility of the Responder to check the Yuma Procurement Portal for any addenda to the solicitation.

Responders must acknowledge any and all solicitation addenda issued to include the date of the addenda. Written acknowledgement is material term of the bidding contract and a material consideration for the awarding of any contract. The Responder's signature(s) below confirms receipt and consideration of the information contained in the addenda. If no addenda were issued, indicate as such by signing at the bottom of the page and upload to the Yuma Procurement Portal. Failure to meet this material term results in a non-responsive bid and will not be considered for evaluation and award.

company Name: PFM Asset Management LLC

	<i>Dated</i>	<i>Acknowledgement/Signature</i>
Addendum #1	05/13/2024	Luke Schneider
Addendum #2	05/20/2024	Luke Schneider <small>Digitally signed by Luke Schneider, Date: 2024.05.21 04:23:41 -0700</small>
Addendum #3	05/20/2024	Luke Schneider <small>Digitally signed by Luke Schneider, Date: 2024.05.21 04:23:56 -0700</small>
Addendum #4		
Addendum #5		
Addendum #6		
Addendum #7		
Addendum #8		
Addendum #9		
Addendum #10		

No Addenda were issued as part of this solicitation.

Signature
Date

Upload this completed and signed document to the Yuma Procurement Portal for the associated solicitation.



Certification Form

Ref #: RFQ-24-253

Project: Investment Management Services

Submission of Response: Undersigned hereby offers and agrees to provide goods and/or services in compliance with all the solicitation documents as indicated by the latest dated version below:

Offer Date: 05/28/24

PFM Asset Management LLC

(480) 293-2344

Responder Company Name

Contact Phone #

1101 W. Washington St.

Luke Schneider

Address

Printed Name

Tempe, AZ 85288

Managing Director

City, State, Zip

Title

schneiderl@pfmam.com

X Luke Schne Digitally signed by Luke Schneider
Date: 2024.05.23 13:18:12-0700

Contact Email Address

Signature of Person Authorized to Sign Offer

By signature in the Offer section above, the Respondent certifies:

1. The Respondent will not discriminate against any employee, or applicant for employment in violation of Federal Executive Order 11246 or A.R.S. § 31-1461 Et. Seq.
2. The Respondent has not given, offered to give, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted bid.
3. The Respondent submitting the Certification Form hereby certifies that the individual signing this form is an authorized agent for the company/firm and has the authority to bind the Respondent and the contract.

Upload this completed and signed document to the Yuma Procurement Portal for the associated solicitation.

EXHIBIT 8
TO
PROFESSIONAL SERVICES CONTRACT
BETWEEN
THE CITY OF YUMA
AND
PFM ASSET MANAGEMENT LLC

[Scope of Work]

See following page(s).

Scope of Work

- A. Provide investment services in a comprehensive manner to handle the day-to-day administration of the City's investment portfolio.

PFMAM is proposing an investment program built on our five-step plan to help ensure the City's investment program rests on a strong foundation and follows a disciplined process.

1. *Initial Review*

At the beginning of the engagement, we will meet with the City's staff to review the scope of the engagement, key project milestones, and review the City's Investment Policy and guidelines in depth.

Where appropriate, we will provide policy recommendations for the City's consideration. If the City is willing to segment the portfolio and identify a "core" portfolio, we would also discuss the potential risk and return that is associated with a slightly longer weighted average maturity. Meanwhile, the "liquidity" allocation would have a shorter weighted average maturity target. The consideration of longer-term investment strategies has historically shown to be the best way to enhance returns and reduce income volatility through market and budgetary cycles. However, long-term investing exposes a portfolio to different types of investment risk. The actual maximum maturity and/or average maturity requirement for any security type or for a portfolio should be set around the City's risk aversion.

2. *Liquidity Analysis*

In conjunction with recommendations for modifications to the Investment Policy, we will work with staff to analyze historical cash flow patterns and consider any significant forecastable changes to liquidity needs. This cash flow analysis will help us confirm the City's "core" portfolio and understand any extra liquidity the City may want to maintain for unforeseen circumstances. In rising interest rate environments, as we are currently experiencing, there is increased opportunity cost associated with excess liquidity as short-term money market instruments (T-bills, agency discount notes, commercial paper, etc.) become attractive alternatives to liquid investments and deposits. We will work with the City to obtain a thorough and ongoing evaluation of cash flow expectations and provide recommendations to the City to proactively utilize these securities with the goal of increasing the portfolio's overall income potential.

3. *Investment Strategy Development*

Based on the information developed from the discussions above, we will meet with the City's staff to formulate an investment strategy for each of the liquidity and core allocations for the City's portfolios. We will review potential strategies with the City to determine the approach that best meets its specific investment objectives and constraints including a careful consideration of the City's tolerance for interest rate and credit risk. The strategy development process is unique to each of the City's funds, as their related cash flow expectations and use of funds vary. The nuances will be considered, and we will work with the City to determine the

appropriate performance benchmark for each of the managed funds. The finer points of the strategy-such as sector allocation targets-will be dependent on current market conditions and our assessment of relative value.

4. Portfolio Management and Monitoring

PFMAM's objective is to (1) ensure the safety of principal, (2) provide needed liquidity and within these constraints (3) maximize earnings. Our active management approach permits us to adjust the portfolio in response to changes in the cash flow needs to help ensure that funds are available as they are needed while investment returns on remaining funds are optimized. Through our extensive market presence, we have the necessary resources to undertake analysis with the objective to identify securities with the highest available yields. Moreover, we carefully monitor the markets to take advantage of investment opportunities created by market volatility.

Our portfolio management and monitoring approach entails:

- ▶ Portfolios are customized to each client's particular financial situation, investment balances, cash flow requirements, budget, and sophistication. For example, bond proceeds are managed differently from operating funds.
- ▶ Portfolios are managed as a whole, rather than as a series of individual transactions.
- ▶ Portfolios are monitored simultaneously for value-added trade ideas, and to mitigate risk in volatile markets.
- ▶ Portfolio characteristics such as duration, average maturity, credit quality and yield are designed and carefully implemented to meet each client's unique needs, policy constraints, and risk tolerance.
- ▶ Investments are evaluated both for yield/return potential and risk. Careful risk management is a constant and overriding consideration in all investment decisions.
- ▶ We regularly analyze investment alternatives and decide which sectors/maturities have value and then shop for them, rather than responding to broker pitches for what is "hot."
- ▶ Every effort is made to competitively bid trades to a minimum of three to five (when available) carefully selected brokers to seek best pricing.
- ▶ Trades are processed through Bloomberg Asset and Investment Manager ("AIM"), which performs a compliance check before each trade, after each trade, and at the end of each day for every portfolio.
- ▶ Straight-through processing from trading to settlement to accounting, which helps ensures timely and accurate trading and accounting.

5. *Accounting and Reporting*

PFMAM will maintain accurate records of all investments under our management. Our systems and procedures are structured to accurately track all investment activity and proactively identify any discrepancies and quickly correct them. PFMAM's Accounting Group reconciles our internal records with the custodian bank to help ensure accuracy of transactions and account holdings. This reconciliation is done by accounting staff independent of the trading desk.

We will provide the City with daily, monthly, and quarterly reports to keep staff informed about all aspects of the investment program.

- B. Develop investment strategies to maximize earnings while balancing the constraints of cash flow needs.

As the City's full-time investment manager on a discretionary basis, we will formulate an investment strategy for the City's investment funds; determining the asset types, maturity ranges, and credit categories offering the City what we believe to be the best value for its investment; and, will seek best execution on all trades. We will review the City's portfolio holdings and provide our observations and recommendations to the City's upon commencement of this engagement.

PFMAM will work closely with the City to construct a portfolio that simultaneously meets all of the City's specific policy requirements while seeking to ensure a high degree of safety, liquidity and return. These opportunities can vary significantly over time, so an optimal portfolio a year from now might look different from one today. At all times, however, the portfolio would bear the following characteristics:

- ▶ **Safety.** PFMAM seeks to ensure the safety of funds by providing investment advice designed to strictly adhere to policy constraints on minimum credit ratings. We monitor the credit markets and, within regulatory requirements, can communicate with the City's staff on investments issued by issuers that have been included on our list of approved issuers.
- ▶ **Liquidity.** We will work with the City to understand cash flow needs, and make recommendations matched specifically to those identified needs.
- ▶ **Return.** PFMAM has developed a broad range of analytical tools and approaches that seek to maximize return safely. This involves selecting investment types that meet the City's objectives of safety and liquidity, and diversifying those investments in ways that are aimed to enhance return. Our recommendations to the City will be designed with the aim to increase yield, lower **risk**, and/or enhance future earnings.

We will maintain regular communication with the City to acquire real-time knowledge of the timing for upcoming cash flows, in order to provide proper foresight to any portfolio management decisions required to meet the City's cash needs. Using our proprietary cash flow models, we will work closely with the City's to examine and model actual historical cash flows so that we can determine optimal maturity allocations for each portfolio. Additionally, our

proprietary earnings projection tool will help the City determine expected investment earnings, which will inform the City's budgeting process, cash planning, and earnings tracking throughout the fiscal year.

- C. Provide discretionary investment advisory services to help govern the City's investment portfolio, currently valued at approximately **\$386MM**.

PFMAM will provide discretionary investment advisory services for the City's investment portfolio. We will actively manage the City's portfolio, seeking to take advantage of market conditions.

Our investment process for fixed income portfolios involves a combination of committee-driven strategic decisions and daily review and implementation by the assigned portfolio manager. Our Fixed Income Investment Committee ("Investment Committee") establishes key investment strategy parameters, such as duration and sector allocation targets, while the portfolio manager makes day-to-day decisions that incorporate the City's objectives, constraints and optimal portfolio structure. The portfolio management process is also informed by detailed sector reports and analysis distributed weekly by sector experts and by analytical support provided by the firm's Portfolio Strategies Group ("PSG").

To further shape how the portfolio strategy is developed and implemented, relationship managers like Annette and Luke will coordinate with our portfolio strategists and the portfolio manager. This approach allows us to provide more customized recommendations to our clients, such as cash flow considerations.

The City's portfolio management team is backed by dedicated fixed income groups that collaborate and reach consensus in a way to help ensure our clients receive our best ideas and solutions. This continual dialogue around our trading desk is informed by our:

- ▶ **Fixed Income Investment Committee** - meets formally at least once per month to review market conditions, assess relative value, review and evaluate analysis from a series of internal models, and discuss market risks and opportunities.

The Investment Committee establishes strategic targets for portfolio duration, sector allocation preferences, yield curve placement, portfolio structure and any specific opportunities to be exploited or risks to be avoided.

- ▶ **Trading Desk** - comprises of a multi-disciplinary fixed-income trading desk which includes portfolio managers, traders, sector specialists, analysts, and PSG.

Within the Investment Committee's strategic parameters, fixed-income portfolio managers have the flexibility to buy and sell securities to implement the strategy mandate for each portfolio, and to take advantage of market movements, relative value changes or specific opportunities. Trades must conform to our standards and limits, our Approved Issuer universe, our Approved Broker List, as well as all client investment policies and objectives.

-
- ▶ **Portfolio Strategies Group** - supports the analytical needs of the Investment Committee and Trading Desk in support of the investment strategy decision making framework. The group supports with portfolio oversight and the creation and implementation of specific strategies for fixed income clients.

D. Execute security purchases and/or sales with broker/dealers in accordance with the City's Investment Policy Statement.

Every purchase and sale of securities is competitively bid seeking to obtain the best possible execution for our clients. We typically (when available) solicit bids from a minimum of three broker-dealers and maintain complete records of all competitive pricing. PFMAM was founded on the principle of providing sound, independent advice that is solely in the best interest of our clients. Our firm executes transactions through a carefully screened set of third-party broker-dealers. Our trading volume of nearly \$2.06 billion per day as of December 31, 2023, broad market access through approximately 60 national and regional broker-dealers, and security evaluation tools help our firm seek the best execution for our clients.

- E. Provide monthly investments statements no later than ten (10) days after the conclusion of any month to include, but not limited to, individual security values at both market and cost, security ratings, transaction details, investment earnings and investment portfolio summary statistics.**

PFMAM uses Connect, our password-protected Internet reporting site to deliver reports and other information to clients. Connect is available 24/7 and City staff will have real-time access to comprehensive monthly statements that detail investment activity, earnings, the value of the investment portfolio, portfolio return, market valuations, and weighted average maturity, accrued interest by investment type, and rating of investments by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). PFMAM's monthly statements are prepared in accordance with generally accepted accounting principles ("GAAP") and contain the required information to comply with Governmental Accounting Standards Board ("GASB") 31 and 40. Daily confirmation statements are available through Connect on the next business day. Monthly statements are available online through Connect by the fifth business day of the new month. Trade confirmations are provided electronically. Additionally, transactions can be queried and downloaded from Connect in a comma-separated values ("CSV") format or in Microsoft Excel format so that the City can easily upload this information to its own accounting systems if desired.

- F. Provide monthly investment reports including a description of market conditions, investment performance and suggested changes to investment strategies.**

PFMAM will provide monthly statements to the City. These will detail investment activity, earnings, the value of the investment portfolio, portfolio return, market valuations, and weighted average maturity, accrued interest by investment type, and rating of investments by S&P and Moody's. In addition, we will provide the City with a monthly market report which contains a description of market conditions and how those impact our views on investment strategies.

-
- G. Review investment performance and recommendations with City's Director of Finance or designee on a quarterly basis. Meet with Director of Finance or designee as needed to review investment strategies.

Annette and/or Luke will meet with the City's Director of Finance or designee on a quarterly basis to review investment performance and recommendations and will also review investment strategies.

- H. Provide the City with maturity analysis.

Through a series of analytical models, we identify those maturities that offer the greatest value-that is, the most amount of yield or return potential for a given amount of risk. Our analysis includes assessing the impact of extending maturity by evaluating the benefit of both higher initial yields and "roll down"-the tendency of longer maturities to appreciate as they age and shorten in maturity and are re-priced along the yield curve-a powerful force underestimated by most managers. We are happy to review these with the City at our quarterly meetings.

- I. Provide credit analysis of investment instruments in portfolio.

PFMAM has a disciplined credit review process, described below, to monitor investments within the City's portfolio. We have the capabilities and internal research to assist, upon request, in performing due diligence on broker-dealers and financial institutions, including the City's depository and custodian bank.

We believe a strong credit process, including issuer monitoring, is more important than ever as markets increasingly face global events such as the pandemic and military conflicts. PFMAM benefits from the Credit Research Group, which represents the combined resources of USBAM and PFMAM's credit analyst teams, further enhancing our time-tested credit process.

We conduct our own independent credit research and do not rely solely on rating agencies to determine the quality or suitability of any investment. Our rigorous, market-driven approach to credit analysis evaluates both the quantitative and qualitative aspects of issuers that we recommend for investments. Our credit research seeks to identify issuers that meet our credit quality standards and that offer incremental value with minimal credit risk, allowing us to safely increase yield. Our Approved Lists consist of corporate issuers, issuers of asset-backed securities ("ABS") and asset-backed commercial paper ("ABCP"), and governmental and sovereign issuers. Each credit analyst focuses on specific sectors-such as technology, financial services, and telecom-as well as individual issuers. On average, each credit analyst follows approximately 30-50 separate credits.

We deploy credit in a manner which minimizes issuer concentration risk. We believe that having a lower allocation to a broader array of names is consistent with prudent risk management practices and limits the adverse impact that any one issuer can have on a portfolio. We have put in place extensive monitoring capabilities that can identify changes in security prices, ratings, and current news for every issuer on our approved lists. Our robust

internal credit review and monitoring procedures are critical elements of the security selection process, and allocations to individual issuers are limited to ensure broad diversification.

Our credit process is fully integrated into the investment process, and all portfolio managers and traders at PFMAM are involved in the monitoring process. Any adverse events are evaluated, and appropriate action taken. This proactive monitoring function is essential to assessing credit risks and taking appropriate actions to protect client assets. The Credit Research Group will continue to monitor the City's corporate issuers. We monitor issuers in and out of our Approved Issuer universe on a continual basis in order to identify potential downgrades before they occur. If a downgrade below the level required to purchase were to occur for a security in the City's portfolio, we would (1) notify the City, (2) fully assess the issuer's credit situation and (3) recommend a course of action based on the portfolio's circumstances.

When assessing the issuer's credit stance, we first determine whether those circumstances will continue to impact the creditworthiness of an issuer. In some cases, further purchases of an issuer may be suspended until a thorough review is completed, or in more serious cases, holdings are liquidated. In cases where the credit event is likely to be a one-time event (e.g., a one-time write-off, or if the issuer was downgraded but assigned a stable outlook) and the security is still rated within policy limits, no action may be necessary. If circumstances are serious, uncertain or likely to lead to additional potential downgrades, immediate action may be taken. Considerations of a sale would include the remaining time to maturity, policy requirements regarding downgrades and the state of the market.

Fixed Income Credit Committees

The Credit Research Group performs fundamental credit research and analysis, prepares and presents formal credit reviews, makes recommendations for inclusion on various approved lists, and conducts regular monitoring of issuers. The Credit Research Group supports two formal credit committees—one for taxable/corporate securities (the "Taxable Credit Committee"), and one for public and municipal securities (the "Public Finance Credit Committee"). The primary output of these committees is a series of approved lists. These committees are responsible for approving additions and deletions of issuers and securities to the relevant approved lists, and include representatives from the Credit Research Group, the CIOs of PFMAM and USBAM, and risk management personnel. PFMAM portfolio managers and traders can only purchase issues on the appropriate approved list.

PFMAM Credit Risk Management Committee

This committee is responsible for establishing credit policies and managing credit risk in PFMAM's fixed income portfolios. It develops and approves policies and procedures related to PFMAM clients' credit exposure, monitors and performs oversight of PFMAM's aggregate fixed income credit exposure, establishes credit categories and restrictions on issuers as necessary to enhance the approved lists to manage credit risk, and develops credit strategies and portfolio management initiatives with regard to the corporate and other credit-sensitive sectors.

The additional restrictions and parameters applied to the approved lists do not rely solely on rating agencies, but rather employ a rigorous, market-driven approach that evaluates both the quantitative and qualitative aspects of issuers from the perspective of a public agency investor. We believe this process will allow us to continue to help clients successfully navigate the markets during volatile times such as the 2007-2009 credit crisis and COVID-19 pandemic.

Integration of Research Ideas

In addition to monthly Investment Committee and Credit **Risk** Committee meetings, senior investment and strategy staff, portfolio managers, and sector specialists meet regularly to discuss detailed internal research and analysis of major fixed income sectors: Treasuries, federal agencies, callable federal agencies, corporates, municipals, mortgage-backed securities ("MBS"), ABS and supranationals. During these discussions, short-term opportunities are identified, sector allocation targets are reassessed and new or unique investment ideas are vetted. Strategy discussions also take place frequently among members of the trading desk to evaluate new issues and any significant market-moving event.



J. Provide monthly/quarterly annual reporting on all government entity funds.

PFMAM will provide monthly and quarterly reporting on all government entity funds.

K. Attend three meetings per year with City staff {remote is acceptable}.

Annette and/or Luke will meet with the City at least three times each year.

L. Evaluate market risk and develop strategies that minimize the impact on the portfolio.

Investment decisions are monitored and evaluated at the portfolio level through a series of daily and weekly reports used by the portfolio management team to assess portfolio duration, sector allocation, maturity structure, and performance. Performance is compared to comparable market benchmarks and dissected to determine the source of relative performance differences.

At the individual security level, all risk characteristics are monitored regularly, triggering re-evaluation if necessary. In particular, we have monitoring systems in place to immediately identify important news that might affect an issuer, as well as any rating agency actions, such as upgrades, downgrades, credit watch, or changes to ratings outlooks. In fact, our credit review process seeks to identify potential rating changes **before** they occur. Individual holdings are also regularly assessed from both a yield and performance perspective. All holdings within a sector are evaluated against the universe of investments in that sector to identify individual securities with the best value.

M. Provide assurance of portfolio compliance with applicable policies and laws and the City's Investment Policy.

PFMAM can provide a statement of portfolio compliance with applicable policies and laws and the City's Investment Policy in each quarterly report. The City's portfolio holdings will be monitored daily for compliance with the City's Investment Policy and the Arizona Revised Statutes.

PFMAM uses Bloomberg Asset and Investment Manager ("AIM"), along with accounting and investment software that allows for fully customized reporting. This allows PFMAM to maintain and report on the City's account.

The senior portfolio management staff assigned to serve the City will be familiar with the City's investment parameters and the Arizona Revised Statutes.

N. Establish an appropriate performance benchmark.

It is our philosophy that a performance benchmark should reflect the client's tolerance for risk. If selected as the City's investment advisor, we will work with the City to select a performance benchmark that accurately reflects the City's investment objectives and risk-return preferences procedures.

This process will be an iterative discussion with the City's decision-makers and will include an in-depth discussion of various potential benchmarks and the risks and rewards associated with

each. Ultimately, as a result of these discussions, the City will feel confident in its selection of an appropriate benchmark that provides the appropriate balance between risk and return and also provides an accurate comparison of the performance of the City's portfolio versus the performance of the larger high-quality fixed income investment markets.

Client objectives differ widely, and may include goals such as achieving predictable income, maintaining level earnings, or enhancing growth of overall portfolio value.

With clients seeking to grow the size of their assets, they often select a total return benchmark that measures the overall growth of the portfolio. We most often assist entities with selecting total return benchmarks based on the targeted maturity range of the portfolio and the types of securities permitted by the client's investment policy. We typically utilize the ICE Bank of America ("BofA") Indexes to compare portfolio performance, as they are considered industry standards. With this backdrop, we would begin the benchmark recommendation process with either the ICE BofA 0-3, 1-3 year 0-5, or 1-5 year U.S. Treasury indexes, which are often chosen by entities with similar circumstances.

O. Indicate full understanding of Investment Policy.

PFMAM has been helping public agencies similar to the City with developing and updating their investment policies and portfolio management guidelines for more than 40 years, specifically in Arizona for more than 20 years. We understand all applicable sections of Arizona Revised Statutes that regulate the investment activities of Arizona local governments. At the beginning of the relationship, we will provide comprehensive review of the City's Investment Policy Statement ("IPS"), and we propose annual reviews thereafter. Investment policies we update are designed to enable clients to meet their objectives of safety and liquidity, while providing enough flexibility to meet performance objectives. Additionally, as an active member of the Association of Public Treasurers of the United States and Canada ("APT US&C") and Government Finance Officers Association ("GFOA"), we incorporate best practices from these public-sector organizations when developing investment policies with our clients. We will keep the City apprised of any legislative or industry changes that might impact the City's Investment Policy.

P. Ensure portfolio structure matches City objectives.

At the outset of the engagement, and annually thereafter, PFMAM will review the City's Investment Policy (the "Policy") to help ensure that it is in line with Arizona Revised Statutes, and that it is consistent with the City's tolerances for risk. We will also keep the City apprised of any legislative or industry changes that might impact the City's Policy.

We will focus on the following policy factors during our initial review of the City's Policy to customize the City's portfolio and help ensure we understand the City's risk tolerances:

- ▶ **Statement of Objectives.** Once PFMAM understands the City's goals and objectives, we will offer language suggestions to better reflect them in the Policy.

-
- ▶ **Permitted Investments.** PFMAM can provide the City with a risk/return analysis of Arizona Revised Statutes-permitted security types. Together, we'll identify which investment types the City is comfortable including in the Policy.
 - ▶ **Investment Guidelines.** We will discuss how maturity, sector and issuer percentage limits can promote diversification for the portfolio.
 - ▶ **Credit Quality.** Together with the City, we will establish minimum credit requirements and defined action steps in the event a security is downgraded.
 - ▶ **Safekeeping of Assets.** GFOA best practice is that institutional investors should have a third party hold assets in custody. PFMAM works with approximately 20 custodians, including major and regional banks. Even before our acquisition by U.S. Bank, we had established a particularly strong working relationship with U.S. Bank, which serves as the independent custodian for the majority of our clients. As a result, we were able to negotiate a highly competitive fee structure for our clients.
 - ▶ **Reporting of Investment Activity and Results.** We will help the City describe when and how it reviews its investment objectives, investment performance, and security transactions in order to keep stakeholders informed.

The completed investment policy will then establish investment parameters and guide our efforts to:

- ▶ **Develop and Implement the Investment Strategy.** We will work with the City to develop a long-term investment strategy that will form the framework for all investment decisions. The strategy will incorporate the City's investment policy, expected cash flow requirements and risk tolerance, and will provide enough flexibility to allow the City to meet realistic performance objectives. We will implement the investment strategy and execute transactions on behalf of the City.
 - ▶ **Assist in Selecting Appropriate Performance Benchmark.** It is our philosophy that a performance benchmark should reflect the client's tolerance for risk and help the client determine the value of an investment advisor. We will work with the City to select a benchmark that reflects the City's investment objectives and risk-return preferences and procedures to help ensure portfolio diversification.
- Q. Coordinate with City's custodian to ensure appropriate safe-keeping and reporting of investment assets.

We reconcile our internal holdings and transaction records to that of each client's custodian bank on a weekly and month-end basis to ensure accuracy of transactions and account holdings. This reconciliation is completed by PFMAM's Accounting Group, which is independent of the trading desk and includes a review of cash positions, holdings, deposits, withdrawals and security purchases and sales. Any discrepancies will be promptly reviewed and reconciled. Month-end portfolio statements are also reconciled to those of the custodian.

EXHIBIT C
TO
PROFESSIONAL SERVICES CONTRACT
BETWEEN
THE CITY OF YUMA
AND
PFM ASSET MANAGEMENT LLC

[Best and Final Offer]

See following page(s)

pfm)asset management

August 5, 2024

Melinda G. Holmes, CPPO, CPPB
City of Yuma, Procurement Division
One City Plaza
Yuma, AZ 85364

RE: Best and Final Offer Response to Request for Proposals for Investment Advisor Services

Dear Ms. Holmes:

As a follow-up to the email dated July 31, 2024, PFM Asset Management LLC ("PFMAM") is pleased to submit the following Best and Final Offer to the City of Yuma (the "City").

As we discussed during our interview, we understand the City's economy, cash flow patterns and investment needs. This knowledge better positions us to help:

- ▶ Add value through a holistic review of the City's investment program;
- ▶ Identify sectors and securities that offer increased earnings potential;
- ▶ Optimize the liquidity portion of the City's portfolio with intra-fiscal year pool investments; and
- ▶ Take on day-to-day management, settlement and reporting responsibilities.

Our fee schedule for the City is included below (only applicable to the securities portfolio).

Assets Under Management	Annual Fee in Basis Points ("bps")
On the first \$100 million	7.0 bps (0.07%)
On the next \$100 million	6.0 bps (0.06%)
On the next \$200 million	5.0 bps (0.05%)
On all assets over \$400 million	4.0 bps (0.04%)

Maximum annual fee of \$40,000 applies to all accounts.

We are offering a fee cap of \$175,000 for the first year. This represents a fee of 4.375 bps (.04375%) on a portfolio of \$400 Million and an approximate 24% discount to the fee schedule listed above.

Fees are charged monthly in arrears based on the daily net assets under management on an amortized cost basis, including accrued interest, for the month. This fee represents the only revenue PFMAM will receive for this engagement, and it includes all of the services described throughout our proposal response, attendance at all requested meetings, and all travel and other out-of-pocket expenses. PFMAM fees are charged on assets managed by our firm and not on bank deposits or state of Arizona LGIP balances.



Thank you for your consideration of **PFMAM's** proposal. We enjoyed meeting you at our interview and look forward to the possibility of partnering with the City on this engagement. Should you have questions about our Best and Final Offer, please contact Luke Schneider at 520.260.1574 or schneiderl@pfmam.com.

Sincerely,



Luke Schneider
Managing Director
PFM Asset Management LLC





1101 W. Washington Street
Tempe, AZ 85288

PFM Asset Management LLC
520.260.15741 pfmam.com