



# CITY OF SALEM

## **Investment Performance Review For the Quarter Ended June 30, 2020**

Client Management Team

PFM Asset Management LLC

Lauren Brant, Managing Director

650 NE Holladay St., Suite 1600

213 Market Street

Robert Cheddar, CFA, Managing Director

Portland, OR 97232

Harrisburg, PA 17101-2141

Luke Schneider, CFA, Director

503-837-8445

717-232-2723

Allison Kaune, Senior Client Representative

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# Market Update

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## COVID-19 Impact Update

### Health Pandemic

- Confirmed cases exceed 10 million worldwide
- U.S. is leading the world with roughly 25% of cases and deaths
- Recent surge in new U.S. case numbers threatens economic reopening



### Effects on the Economy

- Significant negative impact of lockdowns apparent in first and second quarter economic data
- Early signs of rebound have appeared as some states start to reopen

Limited  
Capacity

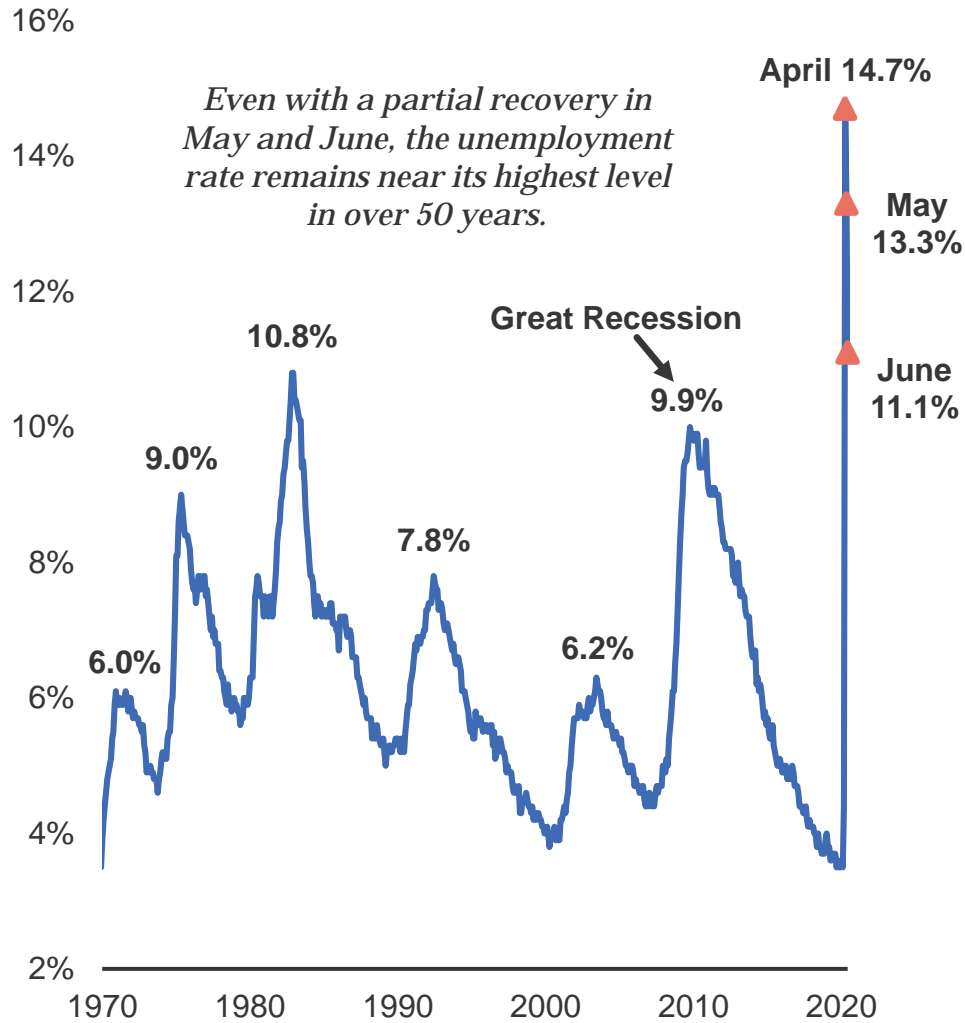
### Effects on the Financial Markets

- Yields remain very low and are not expected to move meaningfully over the near term
- Fed support stabilized the bond market and returned liquidity
- Equity markets substantially recovered in second quarter

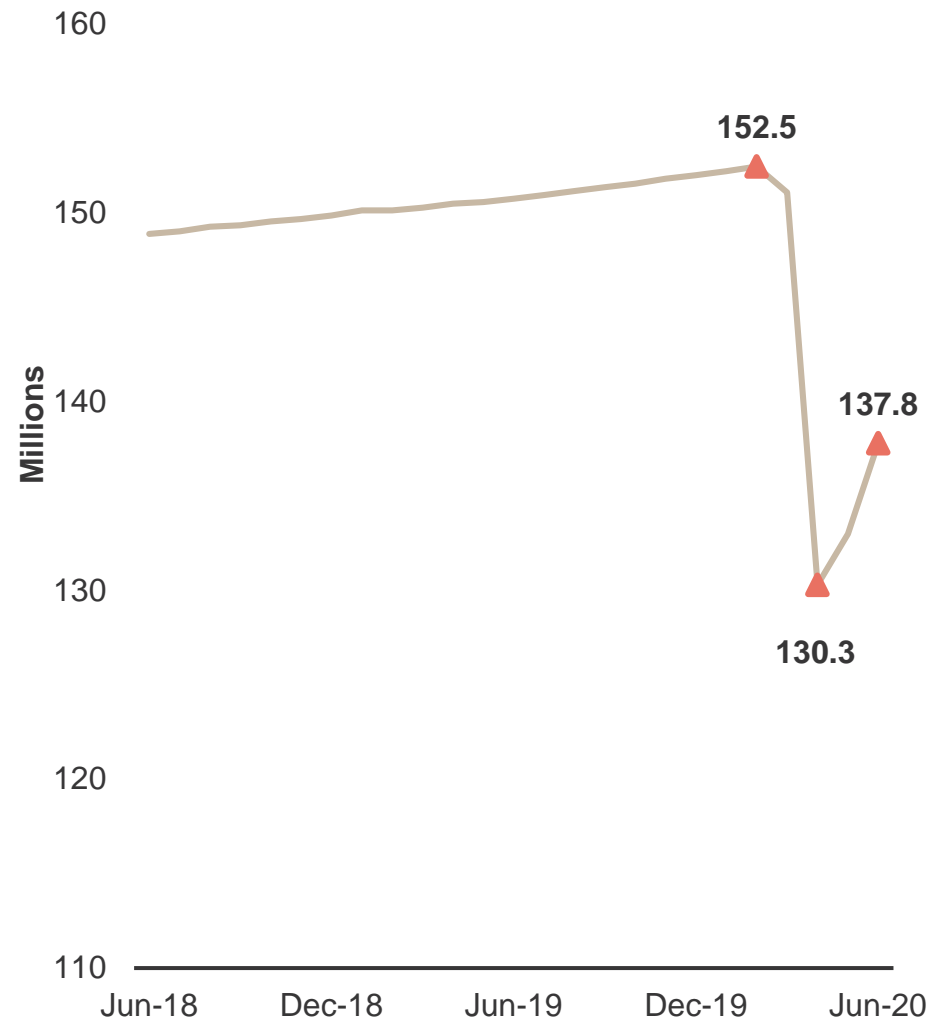


## Labor Market Struggling; Early Signs of Recovery Present

### Unemployment Rate

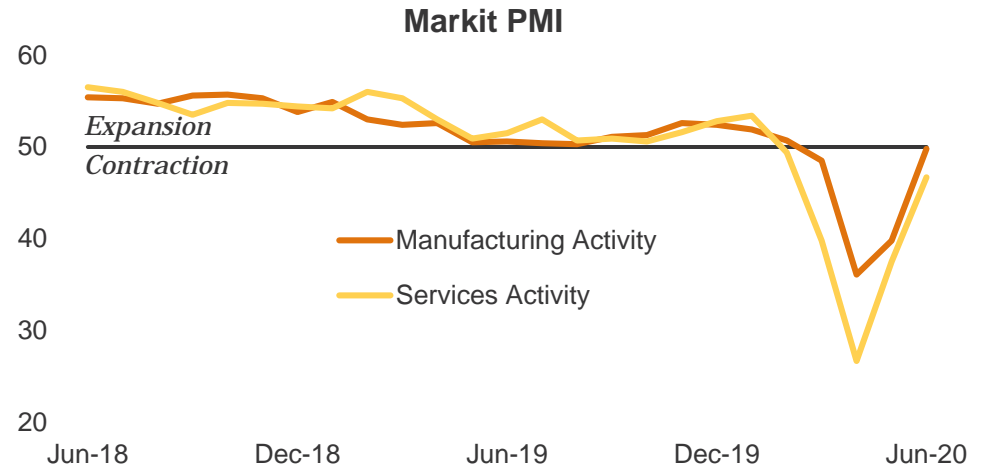
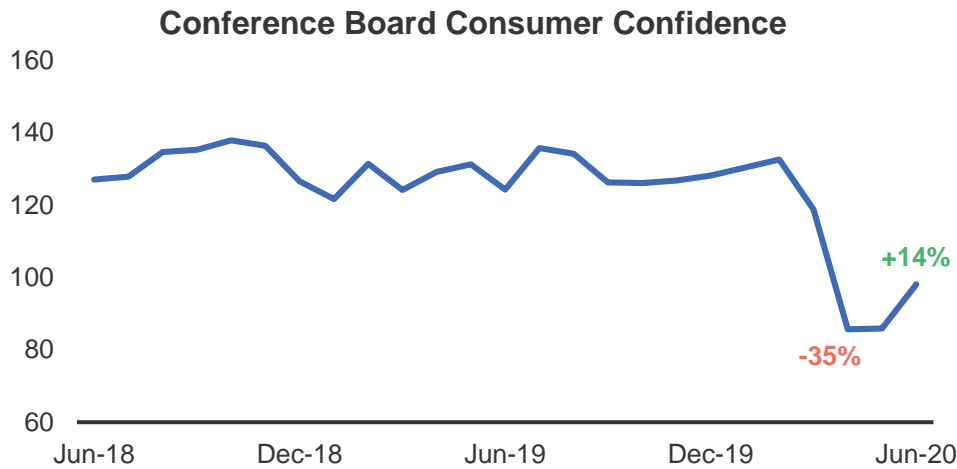
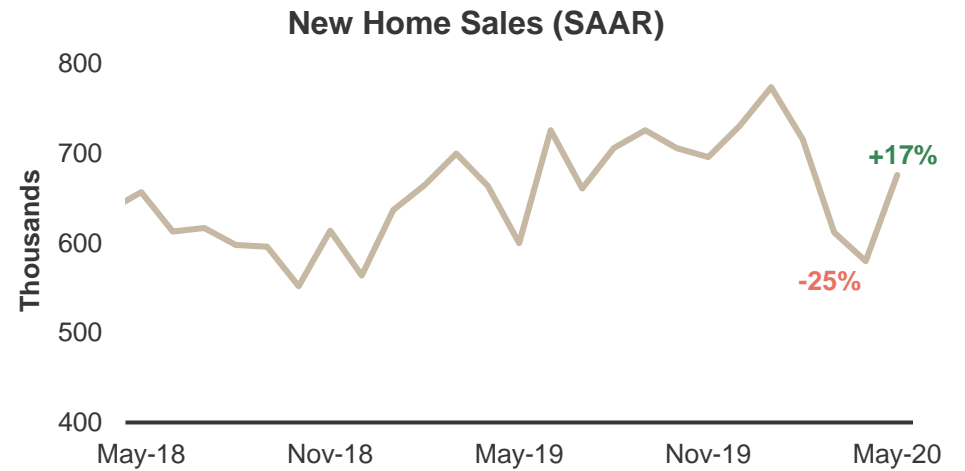
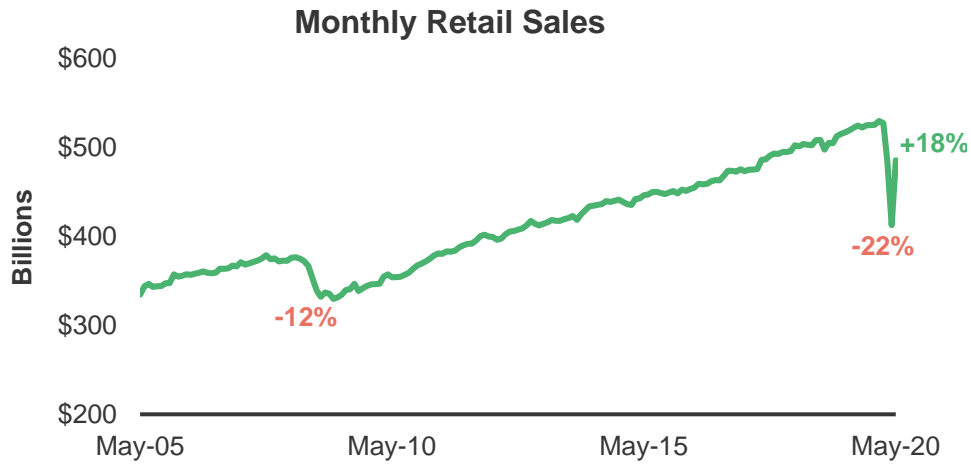


### Total Nonfarm Employment



Source: Bloomberg, as of 6/30/2020. Data is seasonally adjusted.

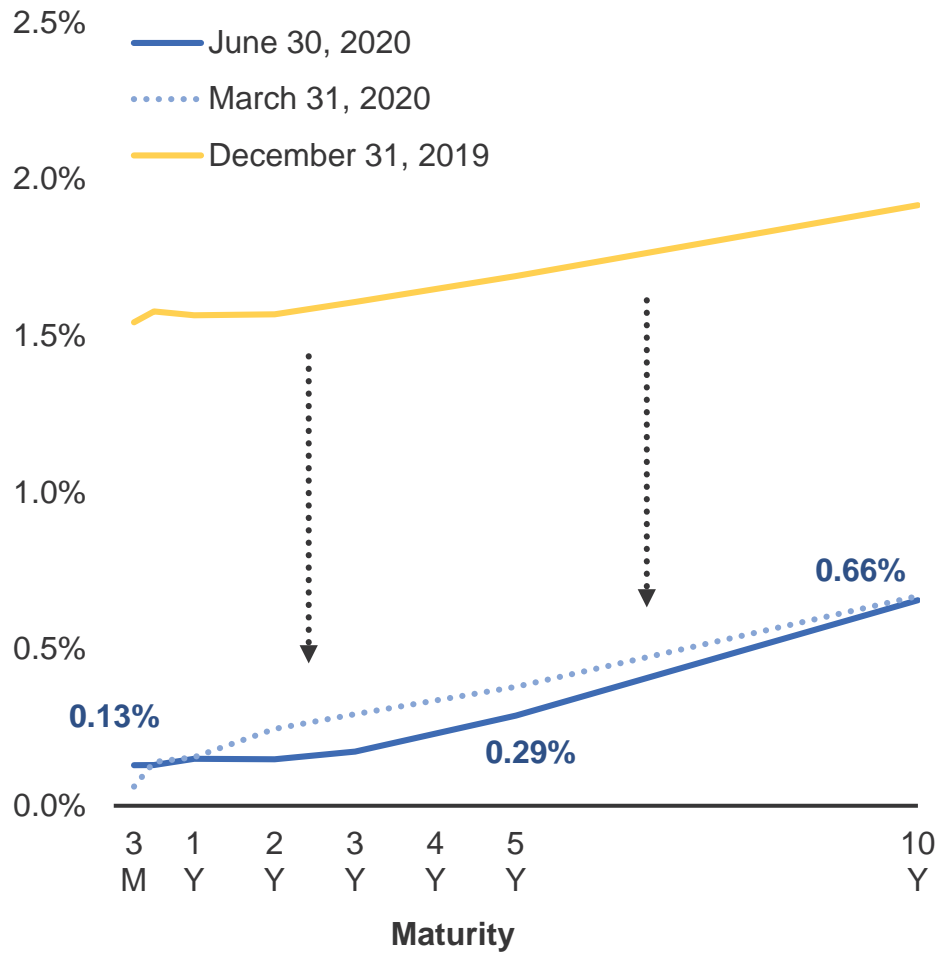
## Economic Conditions Are Depressed, but Appear to Have Bottomed



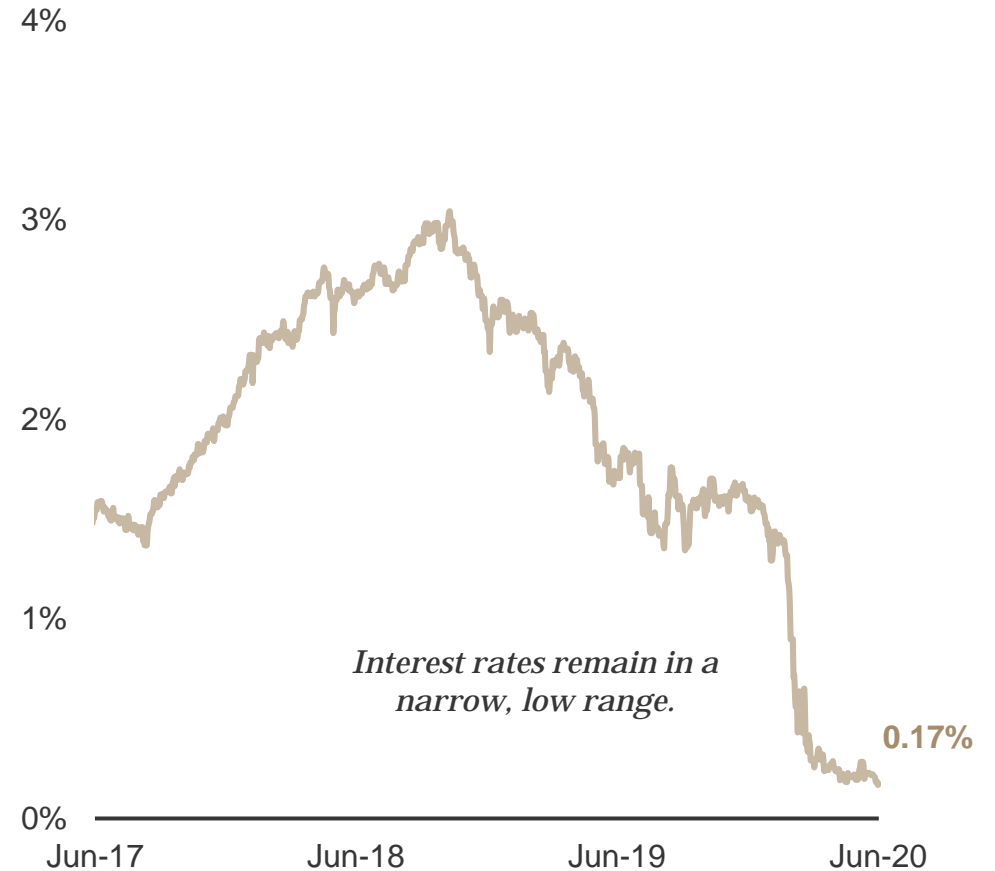
Source: Bloomberg, data available as of 6/30/2020.

## Interest Rates Traded in a Narrow Range During the Second Quarter

### US Treasury Yield Curve



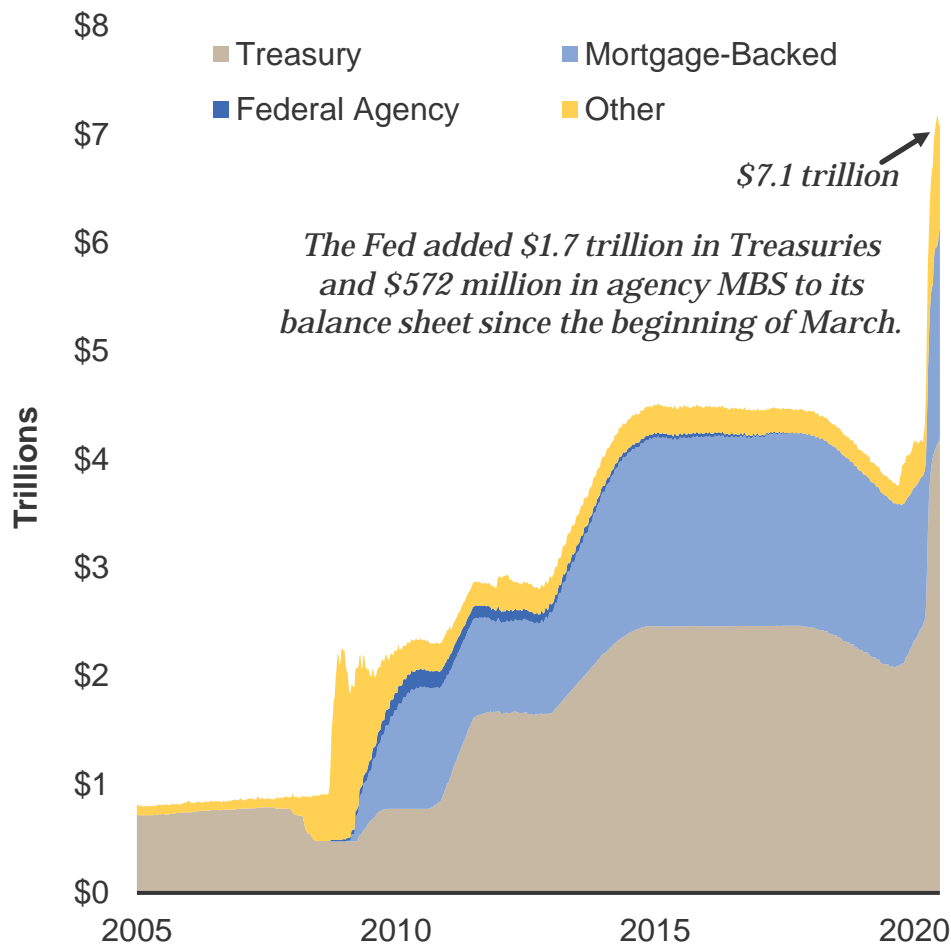
### 3-Year Treasury Yield



Source: Bloomberg, as of 6/30/2020.

## Federal Reserve Has Provided \$3 Trillion in Monetary Stimulus

### Assets of the Federal Reserve



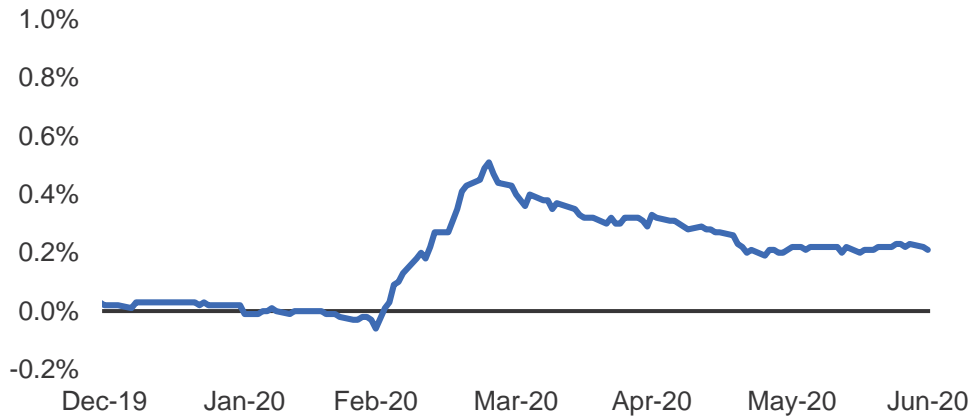
Amount Allocated to Fed's Liquidity Programs	
Fed Facility	Holdings (billions)
Discount Window	\$7.1
Primary Dealer Credit Facility	\$4.0
Money Market Mutual Fund Liquidity Facility	\$23.5
Commercial Paper Funding Facility	\$12.8
Paycheck Protection Program Liquidity Facility	\$59.4
Swap Lines	\$276.7
Repurchase Agreements	\$73.1
Municipal Liquidity Facility	\$16.1
Main Street Lending Facility	\$32.7
Primary Corporate Credit Facility	\$0.0
Secondary Corporate Credit Facility	\$40.0
Term Asset-Backed Securities Loan Facility	\$7.3

Source: Federal Reserve, as of 6/26/2020.

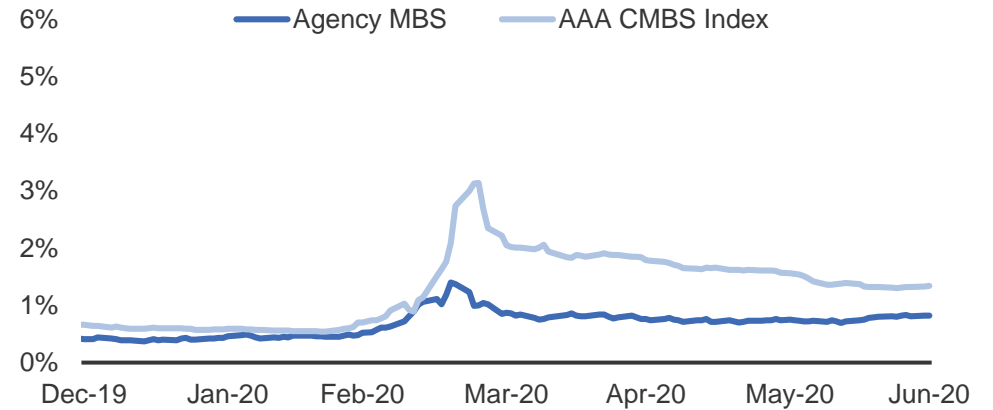
## Sector Spreads Tightened Significantly, Moving Toward Pre-COVID Levels

### 1-5 Year Indices

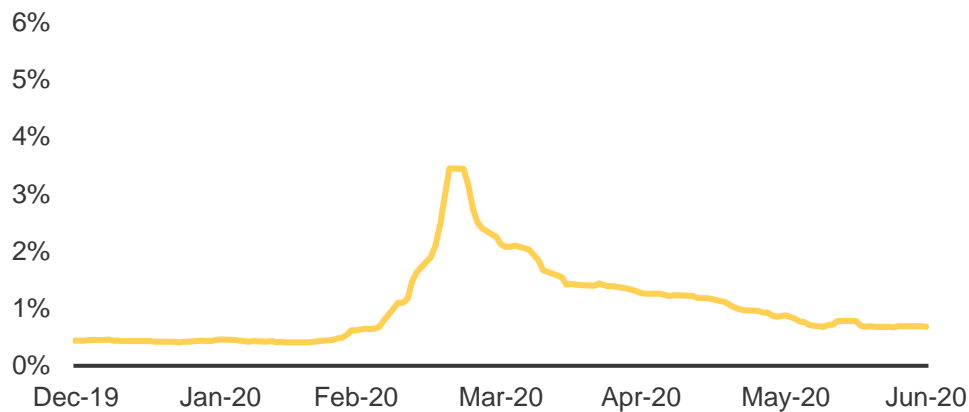
Federal Agency Yield Spreads



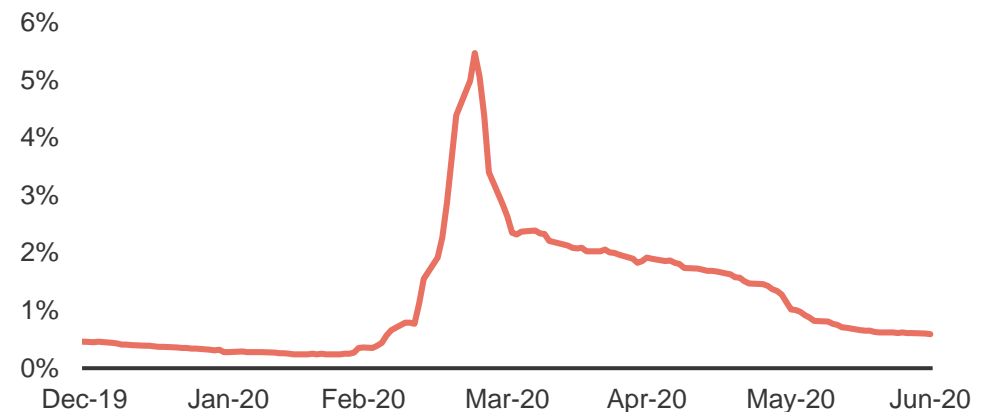
Mortgage-Backed Securities Yield Spreads



Corporate Notes A-AAA Yield Spreads



Asset-Backed Securities Yield Spreads

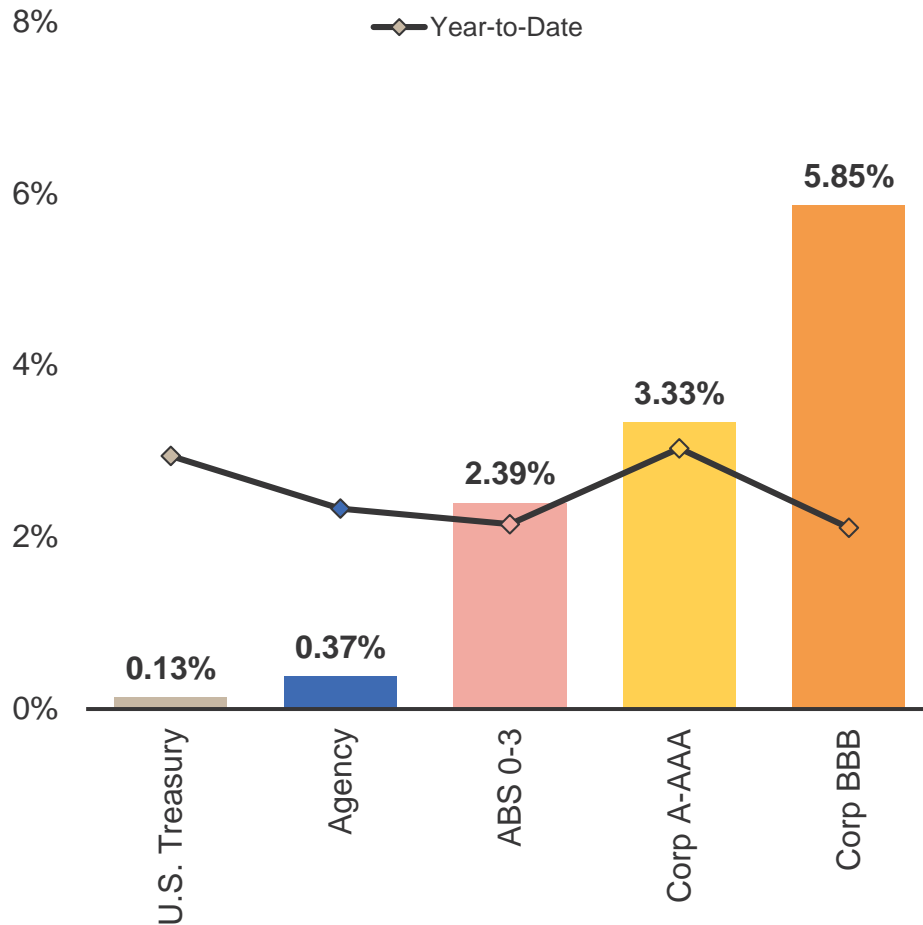


Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess, and PFM, as of 6/30/2020. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable-maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

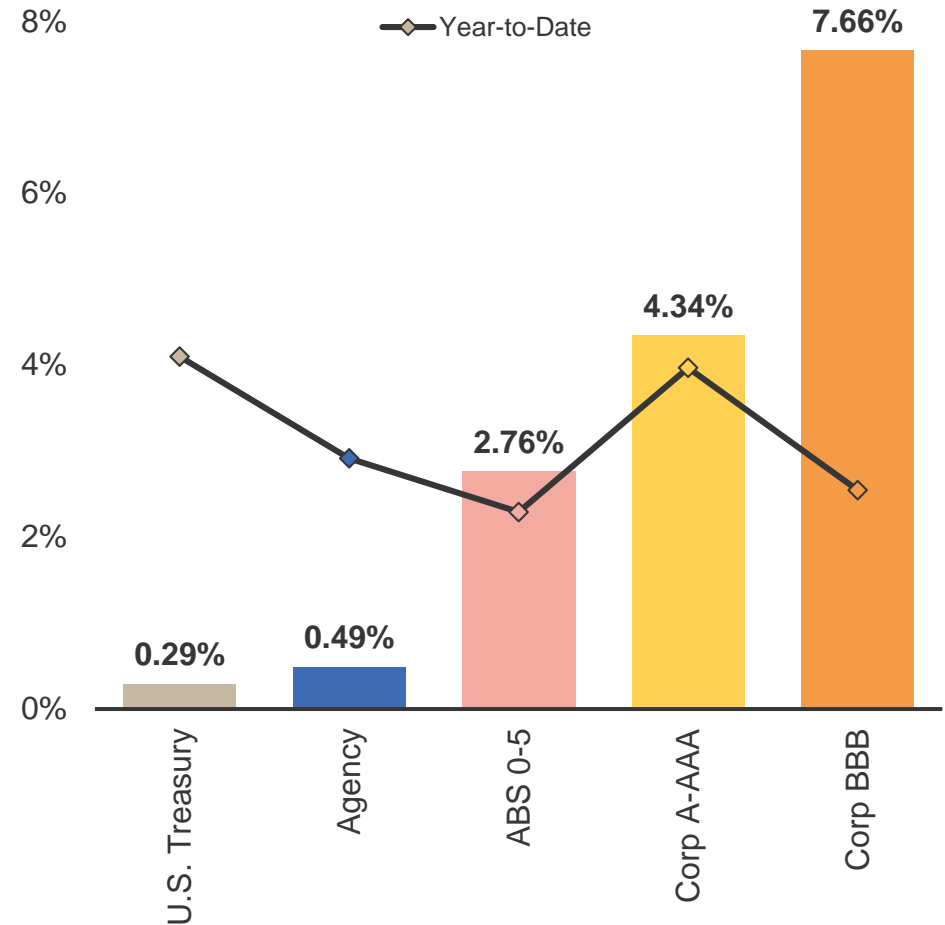


## Credit Outperforms in Second Quarter Due to Massive Spread Tightening

### 1-3 Year Indices Second Quarter Returns



### 1-5 Year Indices Second Quarter Returns



Source: Bloomberg, as of 6/30/2020.

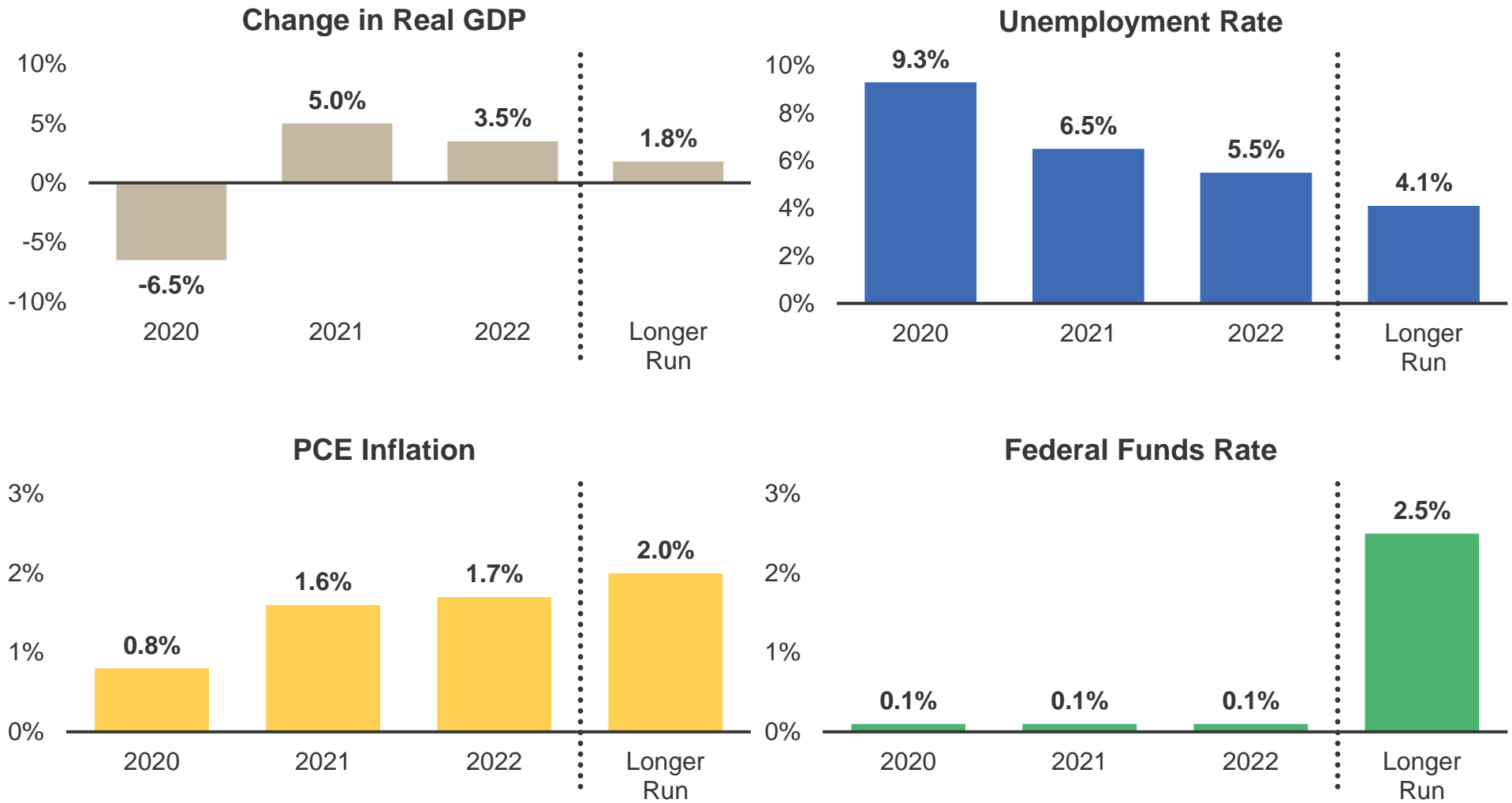
### Stocks Staged an Impressive Rebound in Second Quarter After Pandemic-Driven Sell-Off

#### S&P 500 Price Change



Source: Bloomberg, as of 6/30/2020.

## Fed's June Economic Projections Indicate Long Recovery Ahead



Source: Federal Reserve, economic projections as of June 2020.



# CITY OF SALEM COMBINED PORTFOLIO

**Investment Performance Review  
For the Quarter Ended June 30, 2020**

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The portfolio is in compliance with applicable state statutes and the City's Investment Policy C-7.

**Quarter Ended June 30, 2020 – 2Q20<sup>1</sup>**

**Quarterly Summary**

Market Value (MV)	\$386,915,619
Amortized Cost	\$380,196,353
Portfolio Yield on Cost	1.58%
Weighted Average Maturity	1.21 years
Cash Basis Earnings for Quarter <sup>2</sup>	\$1,292,701
Accrual Basis Earnings for Quarter <sup>2</sup>	\$1,211,821

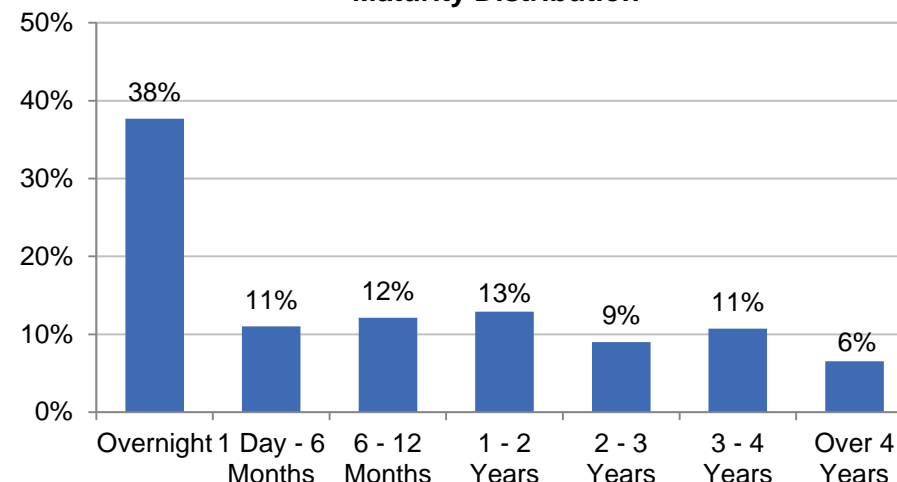
**Quarterly Change**

Amortized Cost – 2Q20	\$380,196,353
Beginning MV – 1Q20	\$382,648,264
Net Contributions	-\$15,357,093
Change in Cash	\$19,433,143
Change in MV	\$191,306
Ending MV – 2Q20	\$386,915,619

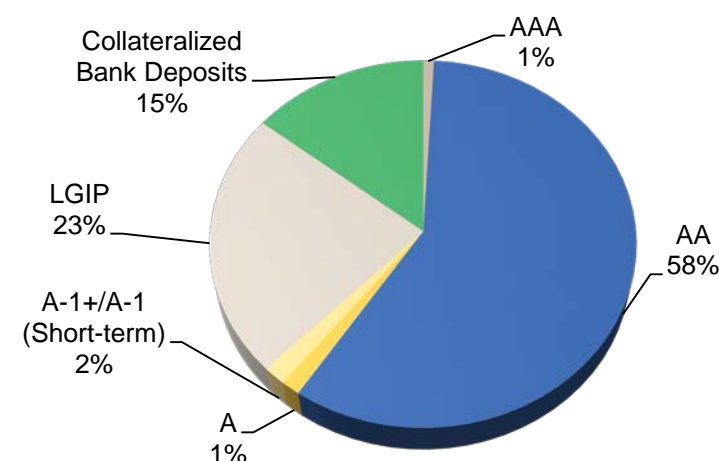
**Sector Distribution<sup>1</sup>**

Sector	Amortized Cost	Market Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$188,521,015	\$194,499,483	50%	100%
Federal Agencies	\$18,968,673	\$19,063,418	5%	100%
Municipal Obligations	\$1,480,015	\$1,507,632	<1%	10%
Commercial Paper	\$0	\$0	0%	Combined 35% Max.
Corporate Notes	\$25,081,307	\$25,699,743	7%	
LGIP	\$90,292,378	\$90,292,378	23%	ORS limit
Collateralized Deposit Accounts	\$55,852,965	\$55,852,965	15%	100%
<b>Total</b>	<b>\$380,196,353</b>	<b>\$386,915,619</b>	<b>100%</b>	

**Maturity Distribution<sup>4</sup>**



**Credit Quality Distribution<sup>3</sup>**



1. Combined portfolio includes funds in the PFM-managed portfolios, funds in the Oregon LGIP, and the City's US Bank account. Portfolio values are as of June 30, 2020 and exclude accrued interest on the PFM-managed funds.
2. Excludes earnings on LGIP and deposit accounts.
3. Ratings by Standard & Poor's (S&P).
4. Callable securities are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

## Portfolio Recap

- ◆ Following the plunge in the U.S. Treasury yield curve during the first quarter, yields were relatively stable over the second quarter, leading to muted returns for Treasury indexes.
  - Yield spreads on all other asset classes retraced significantly from March's wide levels as unprecedented fiscal and monetary stimulus helped support the economy and financial markets.
  - In stark contrast to the first quarter, allocations to corporate notes were strongly additive to performance in the second quarter.
- ◆ PFM's strategy for the second quarter encompassed the following:
  - We remained proactive in response to the market effects and uncertainty created by the pandemic. We continued to apply our strong credit process, reassessing every issuer for the short- and intermediate-term impact of the disrupted economy. As financial markets began to normalize during the second quarter, investment-grade issuers on PFM's approved issuer list were carefully vetted with many issuers gradually reapproved.
  - Throughout much of the second quarter, yield spreads on federal agencies were wide and attractive, so we took this opportunity to add allocations back to the sector. As yields began to narrow back to pre-crisis lows, especially in maturities under three years, the portfolio benefited from incremental performance.
  - Investment grade corporate bonds faced a multitude of uncertainties heading into the second quarter as economies were shut down and companies contended with growing concerns around revenue, profitability, liquidity, and sustainability. Aggressive Fed actions calmed the credit markets and restored liquidity, leading to a sharp tightening of the wide yield spreads from March. This allowed companies to bring a record amount of new issuance to market.
    - The portfolio's allocation to corporate notes benefited the portfolio significantly as investment grade corporates significantly outperformed Treasuries during the second quarter and mostly offset the negative underperformance experienced in the first quarter.

## Investment Strategy Outlook

- ◆ A cloud of uncertainty hangs over the U.S. and global economies entering the second half of 2020. Economic data has rebounded significantly from the April lows but remains well below pre-pandemic levels. To recapture previous economic highs, it will be important that COVID-19 hotspots are contained so that public confidence can be restored.
- ◆ Our outlook for major investment grade sectors includes the following:
  - Federal agency securities with maturities beyond three years offer attractive yield spreads, while yield spreads on shorter maturities are now back near pre-pandemic levels. Some callable agencies also appear to have value given low yields and narrowing yield spreads.
  - The investment grade corporate market should continue to benefit from Fed support moving into the third quarter. Yield spreads for shorter corporates are back to near pre-crisis levels, but the credit curve is relatively steep. As a result, longer maturity corporates appear attractive, as the “roll down” effect in the credit curve is back in play. We will continue our enhanced due diligence to track the progress of individual issuers as they navigate the recovery phase of the coronavirus pandemic.
  - While tax-exempt municipal spreads have narrowed to historical levels and are no longer attractive, taxable municipals appear to be one of the more attractive investment-grade sectors available for purchase. Value remains, and supply is expected to pick up over the coming months. As a result, we will look to add to the sector through participation in new issues.



# CITY OF SALEM LONG-TERM PORTFOLIO

**Investment Performance Review  
For the Quarter Ended June 30, 2020**

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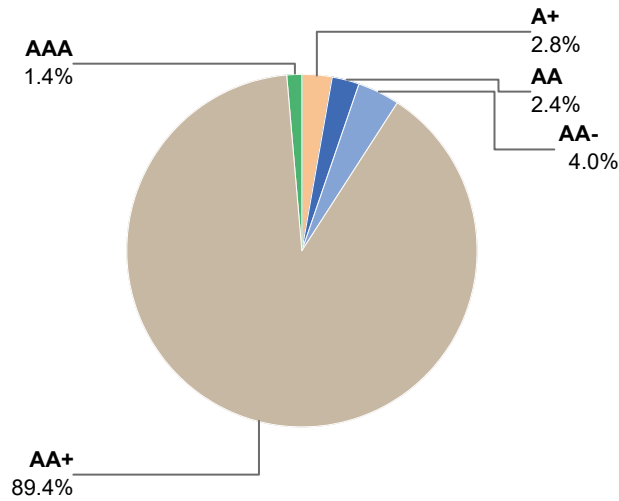


**Portfolio Statistics**

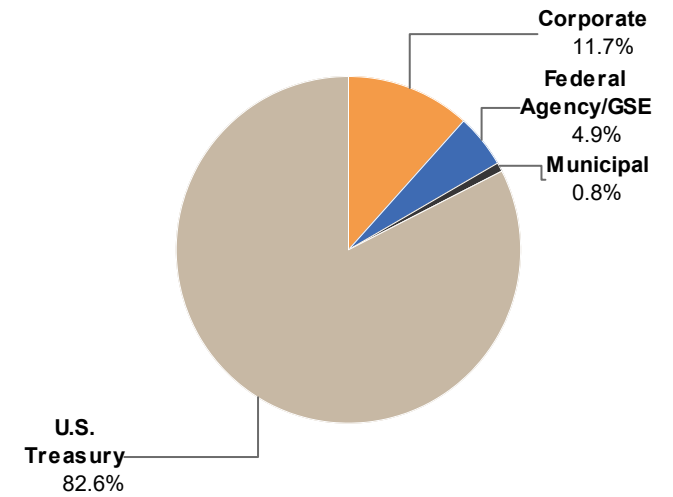
As of June 30, 2020

<b>Par Value:</b>	\$182,510,000
<b>Total Market Value:</b>	\$190,015,415
<b>Security Market Value:</b>	\$189,170,896
<b>Accrued Interest:</b>	\$844,519
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$182,626,734
<b>Yield at Market:</b>	0.26%
<b>Yield at Cost:</b>	2.08%
<b>Effective Duration:</b>	2.21 Years
<b>Average Maturity:</b>	2.27 Years
<b>Average Credit: *</b>	AA

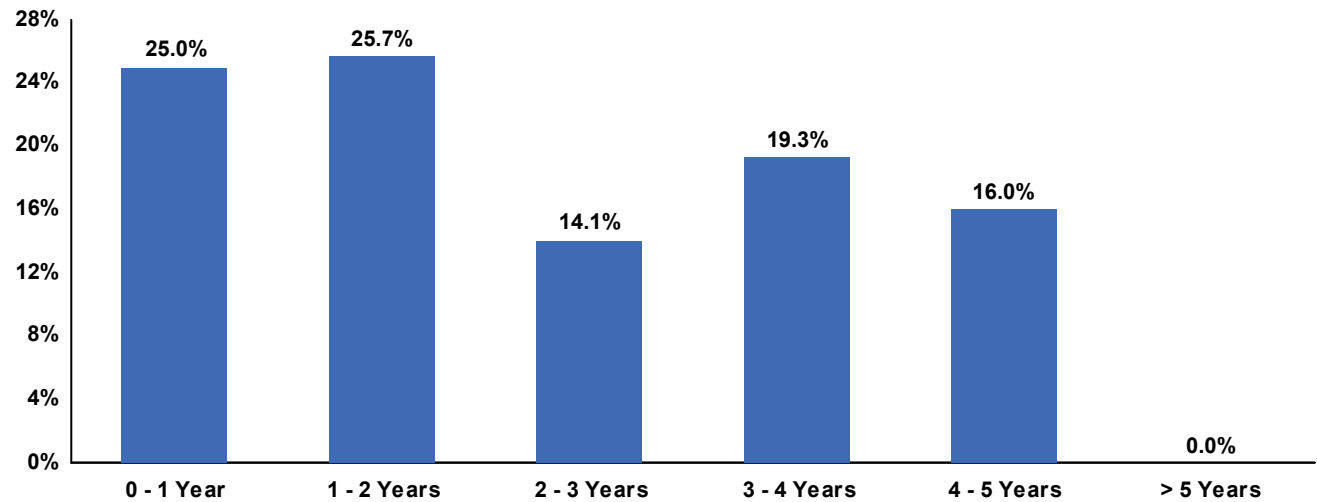
**Credit Quality (S&P Ratings)**



**Sector Allocation**



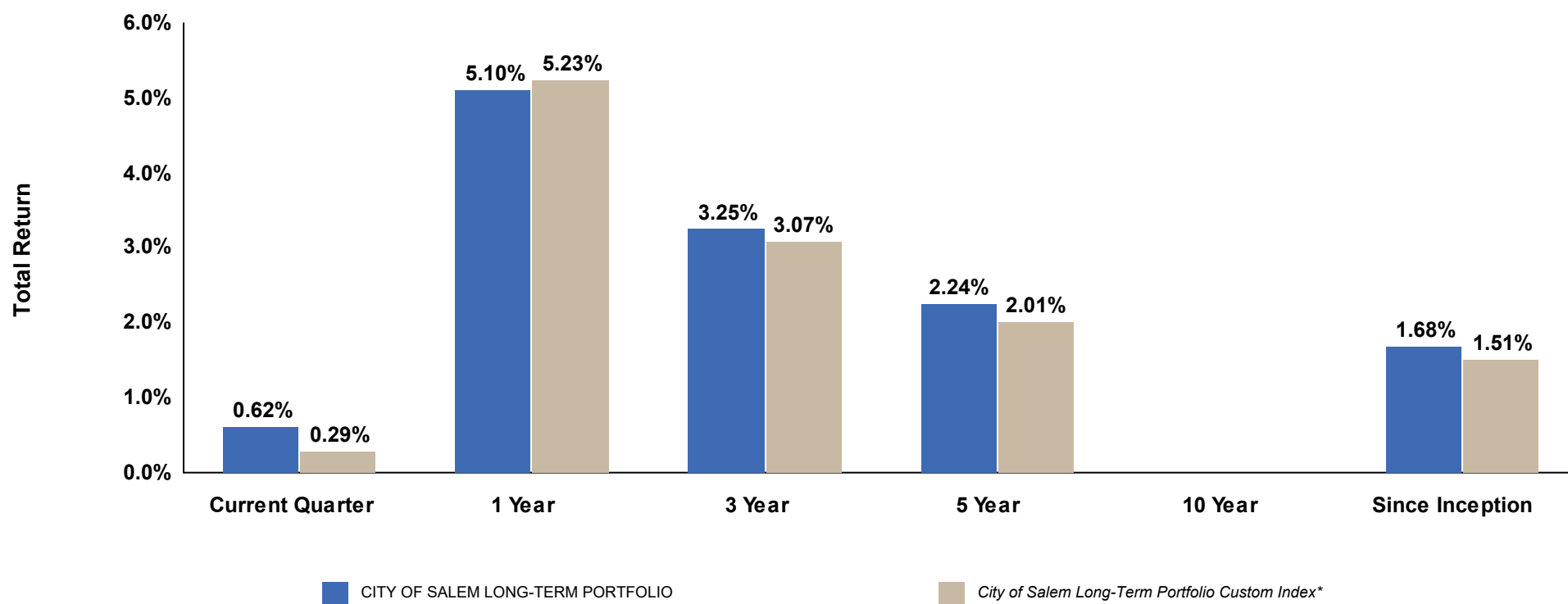
**Maturity Distribution**



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

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				
			1 Year	3 Year	5 Year	10 Year	Since Inception (12/31/12)
CITY OF SALEM LONG-TERM PORTFOLIO	2.21	0.62%	5.10%	3.25%	2.24%	-	1.68%
City of Salem Long-Term Portfolio Custom Index*	2.58	0.29%	5.23%	3.07%	2.01%	-	1.51%
Difference		0.33%	-0.13%	0.18%	0.23%	-	0.17%



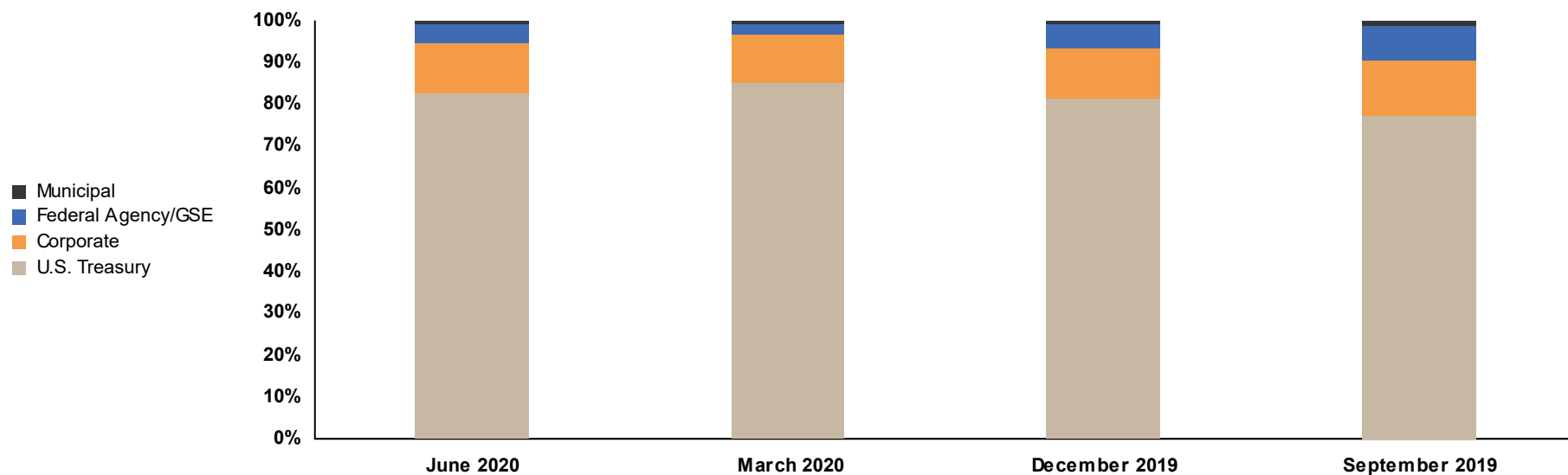
Portfolio performance is gross of fees unless otherwise indicated. \*Performance benchmark is the ICE BofAML 1-5 Year U.S. Treasury index as of 12/31/19. Prior to that, it was the ICE BofAML 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BofAML 1-3 Year U.S. Treasury Index from 6/30/16 to 12/31/19.

**Portfolio Earnings***Quarter-Ended June 30, 2020*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2020)</b>	\$184,263,546.81	\$177,937,276.98
<b>Net Purchases/Sales</b>	\$4,617,990.00	\$4,617,990.00
<b>Change in Value</b>	\$289,359.20	\$71,466.67
<b>Ending Value (06/30/2020)</b>	\$189,170,896.01	\$182,626,733.65
<b>Interest Earned</b>	\$883,789.18	\$883,789.18
<b>Portfolio Earnings</b>	\$1,173,148.38	\$955,255.85

Sector Allocation

Sector	June 30, 2020		March 31, 2020		December 31, 2019		September 30, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	156.4	82.6%	156.5	84.9%	145.5	81.2%	97.5	77.0%
Corporate	22.0	11.7%	21.7	11.8%	21.7	12.1%	17.1	13.5%
Federal Agency/GSE	9.2	4.9%	4.6	2.5%	10.5	5.9%	10.5	8.3%
Municipal	1.5	0.8%	1.5	0.8%	1.5	0.8%	1.5	1.2%
<b>Total</b>	<b>\$189.2</b>	<b>100.0%</b>	<b>\$184.3</b>	<b>100.0%</b>	<b>\$179.3</b>	<b>100.0%</b>	<b>\$126.6</b>	<b>100.0%</b>

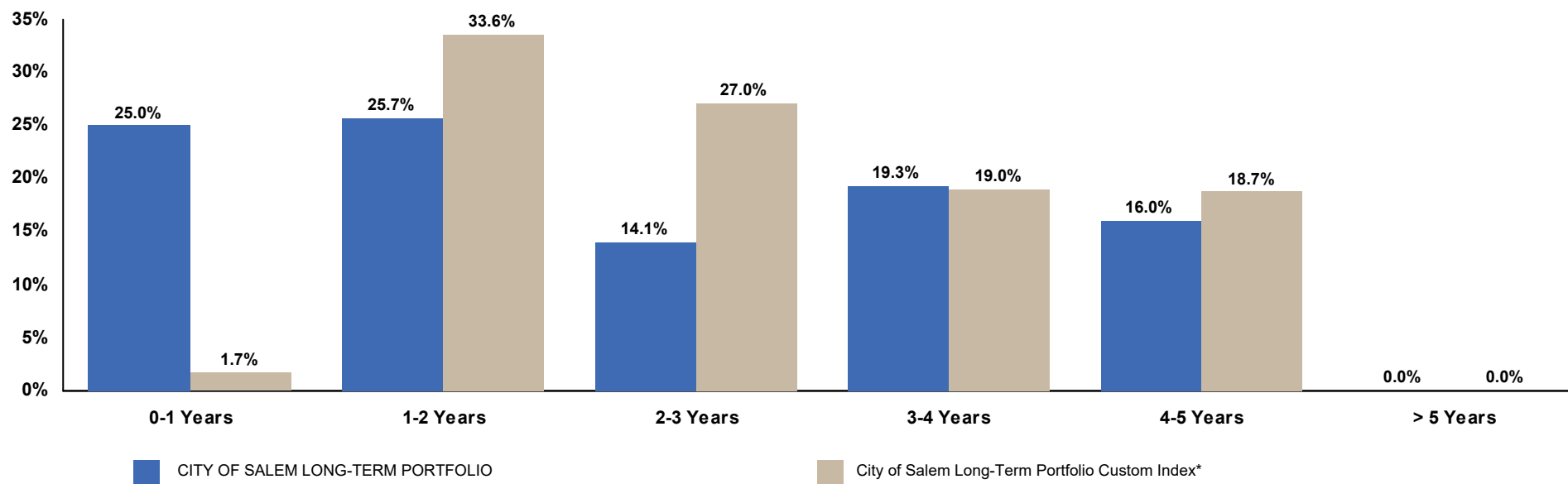


Detail may not add to total due to rounding.

**Maturity Distribution**

*As of June 30, 2020*

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF SALEM LONG-TERM PORTFOLIO	0.26%	2.27 yrs	25.0%	25.7%	14.1%	19.3%	16.0%	0.0%
City of Salem Long-Term Portfolio Custom Index*	0.19%	2.73 yrs	1.7%	33.6%	27.0%	19.0%	18.7%	0.0%



\*Performance benchmark is the ICE BofAML 1-5 Year U.S. Treasury index as of 12/31/19. Prior to that, it was the ICE BofAML 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BofAML 1-3 Year U.S. Treasury Index from 6/30/16 to 12/31/19.



# CITY OF SALEM SHORT-TERM PORTFOLIO

**Investment Performance Review  
For the Quarter Ended June 30, 2020**

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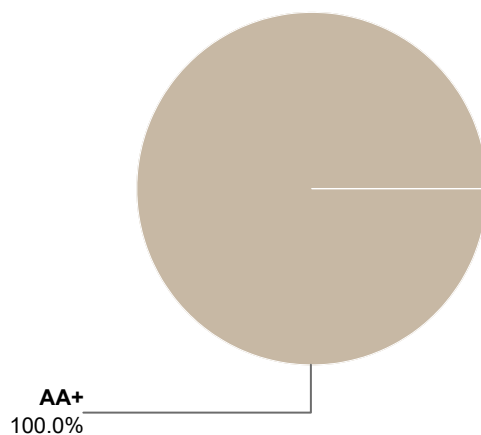
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**Portfolio Statistics**

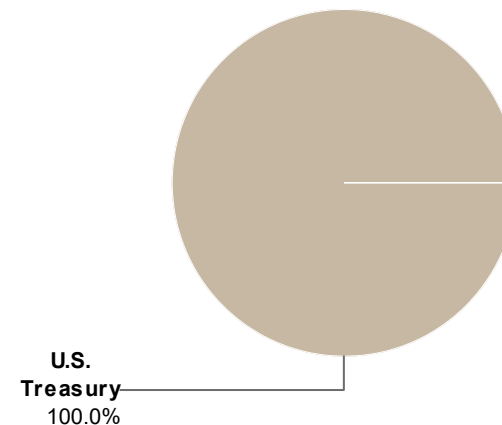
As of June 30, 2020

<b>Par Value:</b>	\$19,920,000
<b>Total Market Value:</b>	\$20,062,897
<b>Security Market Value:</b>	\$19,990,969
<b>Accrued Interest:</b>	\$71,928
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$19,916,286
<b>Yield at Market:</b>	0.20%
<b>Yield at Cost:</b>	1.63%
<b>Effective Duration:</b>	0.26 Years
<b>Average Maturity:</b>	0.26 Years
<b>Average Credit: *</b>	AA

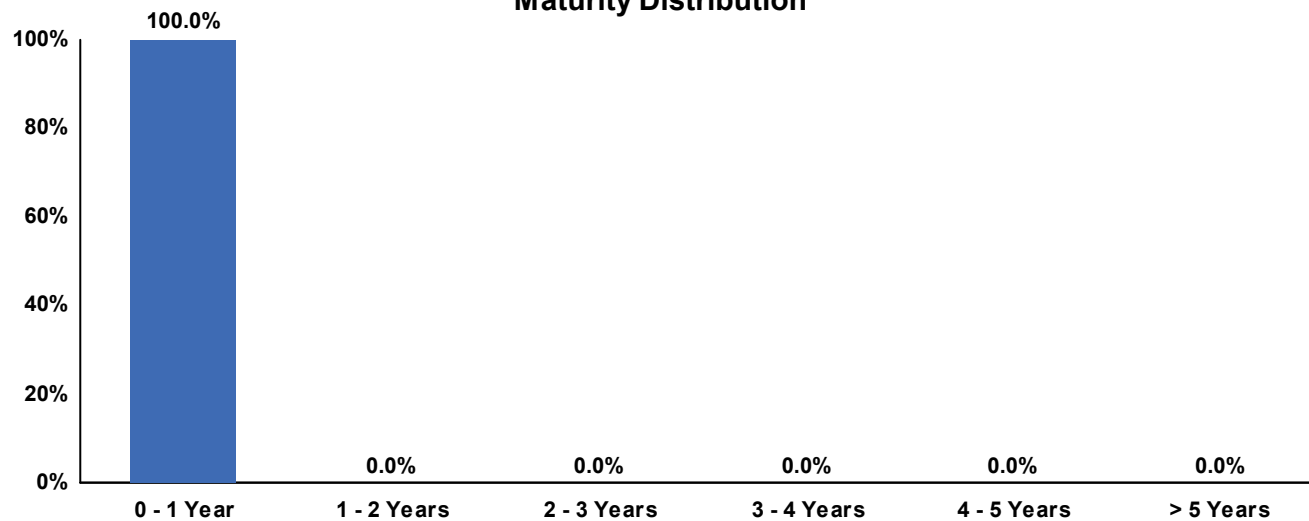
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



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

**Portfolio Earnings***Quarter-Ended June 30, 2020*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2020)</b>	\$32,765,210.35	\$32,616,087.38
<b>Net Purchases/Sales</b>	(\$12,750,000.00)	(\$12,750,000.00)
<b>Change in Value</b>	(\$24,241.35)	\$50,198.83
<b>Ending Value (06/30/2020)</b>	\$19,990,969.00	\$19,916,286.21
<b>Interest Earned</b>	\$76,857.78	\$76,857.78
<b>Portfolio Earnings</b>	\$52,616.43	\$127,056.61





# CITY OF SALEM STREETS & BRIDGES GO BONDS

**Investment Performance Review For  
the Quarter Ended June 30, 2020**

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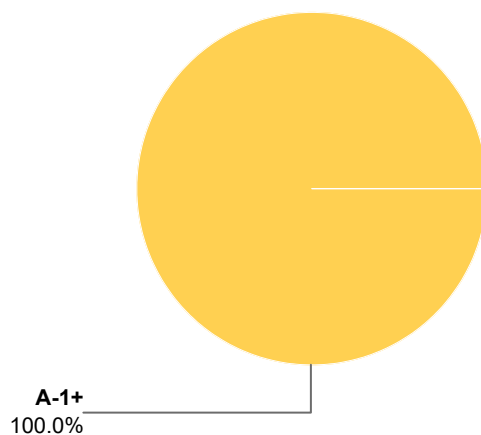
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**Portfolio Statistics**

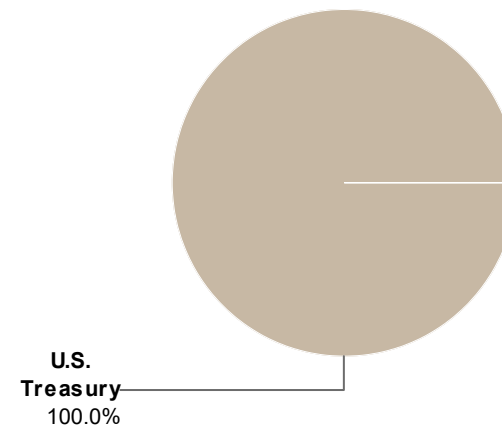
As of June 30, 2020

<b>Par Value:</b>	\$1,615,000
<b>Total Market Value:</b>	\$1,614,570
<b>Security Market Value:</b>	\$1,614,570
<b>Accrued Interest:</b>	-
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$1,610,222
<b>Yield at Market:</b>	0.13%
<b>Yield at Cost:</b>	1.52%
<b>Effective Duration:</b>	0.20 Years
<b>Average Maturity:</b>	0.20 Years
<b>Average Credit: *</b>	AA

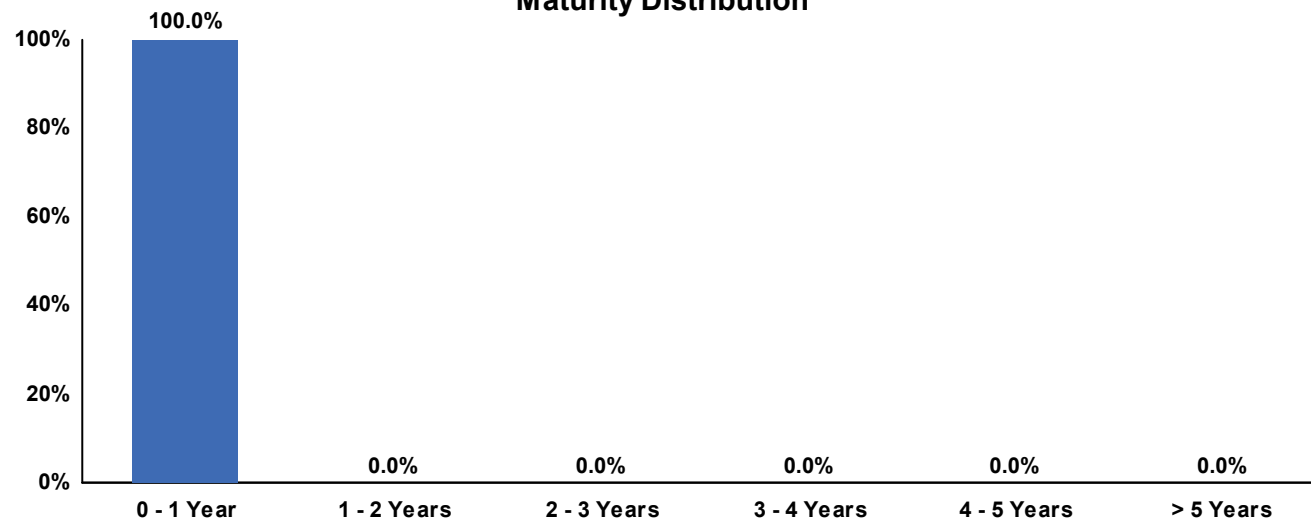
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



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

**Portfolio Earnings***Quarter-Ended June 30, 2020*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2020)</b>	\$5,424,321.16	\$5,406,250.69
<b>Net Purchases/Sales</b>	(\$3,809,000.00)	(\$3,809,000.00)
<b>Change in Value</b>	(\$751.07)	\$12,971.60
<b>Ending Value (06/30/2020)</b>	\$1,614,570.09	\$1,610,222.29
<b>Interest Earned</b>	\$2,781.73	\$2,781.73
<b>Portfolio Earnings</b>	\$2,030.66	\$15,753.33



# CITY OF SALEM POLICE FACILITY BONDS 2017

**Investment Performance Review  
For the Quarter Ended June 30, 2020**

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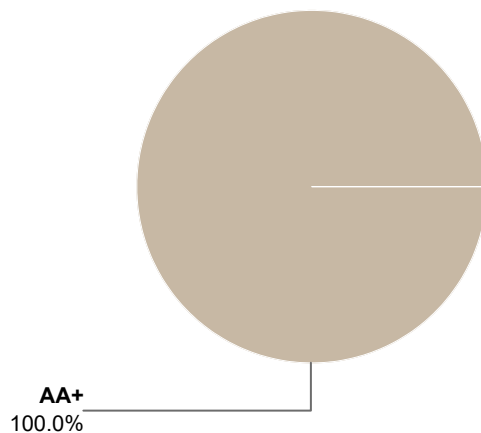
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**Portfolio Statistics**

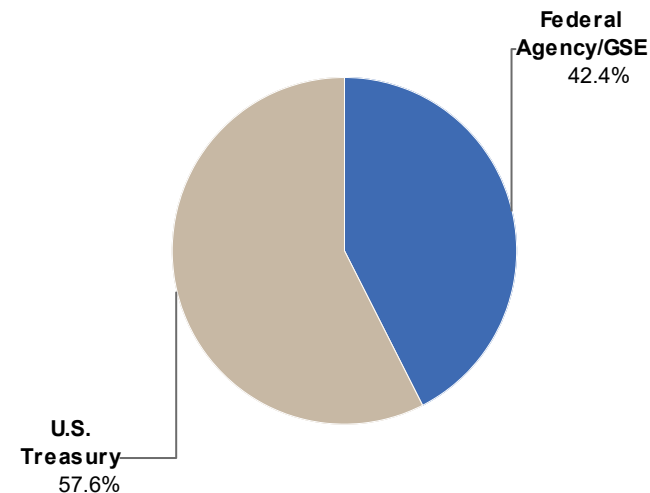
As of June 30, 2020

<b>Par Value:</b>	\$5,835,000
<b>Total Market Value:</b>	\$5,877,786
<b>Security Market Value:</b>	\$5,857,609
<b>Accrued Interest:</b>	\$20,177
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$5,836,869
<b>Yield at Market:</b>	0.20%
<b>Yield at Cost:</b>	1.51%
<b>Effective Duration:</b>	0.27 Years
<b>Average Maturity:</b>	0.27 Years
<b>Average Credit: *</b>	AA

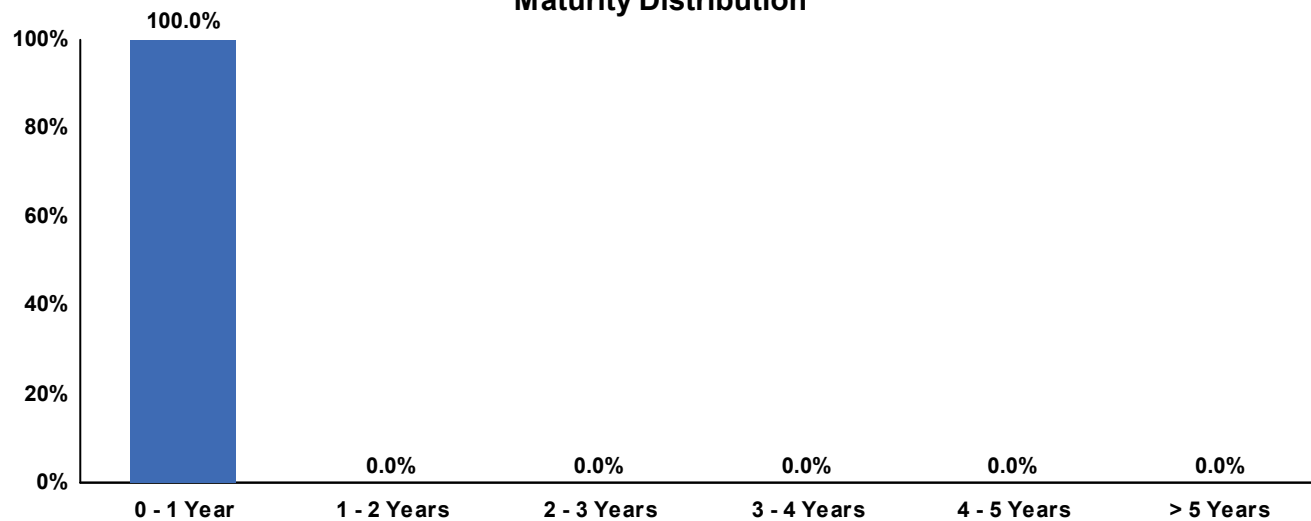
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



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

**Portfolio Earnings***Quarter-Ended June 30, 2020*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2020)</b>	\$17,866,889.97	\$17,816,623.69
<b>Net Purchases/Sales</b>	(\$11,980,000.00)	(\$11,980,000.00)
<b>Change in Value</b>	(\$29,280.66)	\$244.88
<b>Ending Value (06/30/2020)</b>	\$5,857,609.31	\$5,836,868.57
<b>Interest Earned</b>	\$39,070.44	\$39,070.44
<b>Portfolio Earnings</b>	\$9,789.78	\$39,315.32



# CITY OF SALEM LIBRARY PROJ GO BONDS 2018

**Investment Performance Review  
For the Quarter Ended June 30, 2020**

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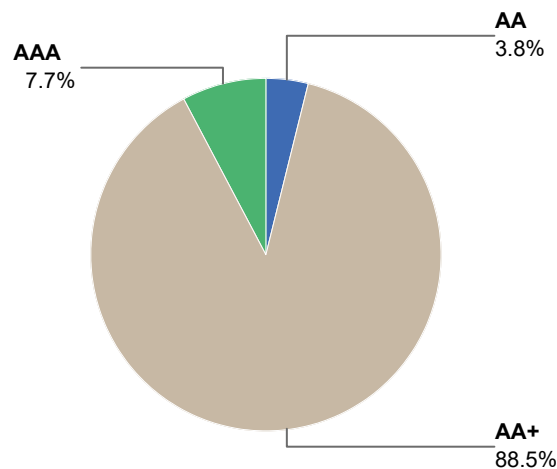
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**Portfolio Statistics**

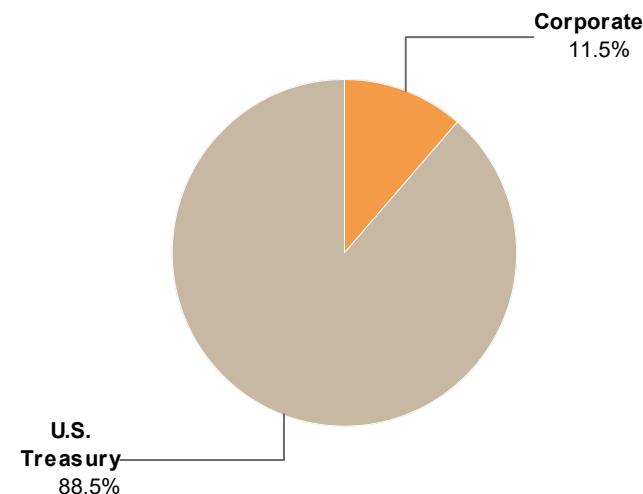
As of June 30, 2020

<b>Par Value:</b>	\$9,425,000
<b>Total Market Value:</b>	\$9,505,967
<b>Security Market Value:</b>	\$9,465,316
<b>Accrued Interest:</b>	\$40,651
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$9,410,959
<b>Yield at Market:</b>	0.25%
<b>Yield at Cost:</b>	2.33%
<b>Effective Duration:</b>	0.27 Years
<b>Average Maturity:</b>	0.28 Years
<b>Average Credit: *</b>	AA

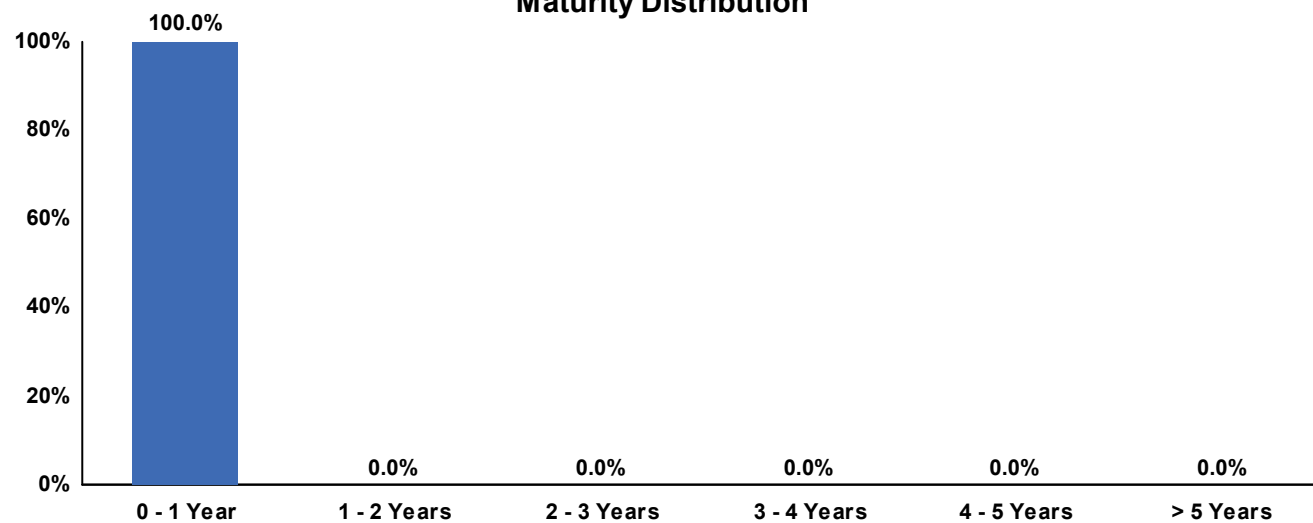
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



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



**Portfolio Earnings***Quarter-Ended June 30, 2020*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2020)</b>	\$14,561,986.12	\$14,456,365.79
<b>Net Purchases/Sales</b>	(\$5,064,000.00)	(\$5,064,000.00)
<b>Change in Value</b>	(\$32,670.23)	\$18,593.09
<b>Ending Value (06/30/2020)</b>	\$9,465,315.89	\$9,410,958.88
<b>Interest Earned</b>	\$48,264.21	\$48,264.21
<b>Portfolio Earnings</b>	\$15,593.98	\$66,857.30



# CITY OF SALEM WATER-SEWER REV BOND 2020

**Investment Performance Review  
For the Quarter Ended June 30, 2020**

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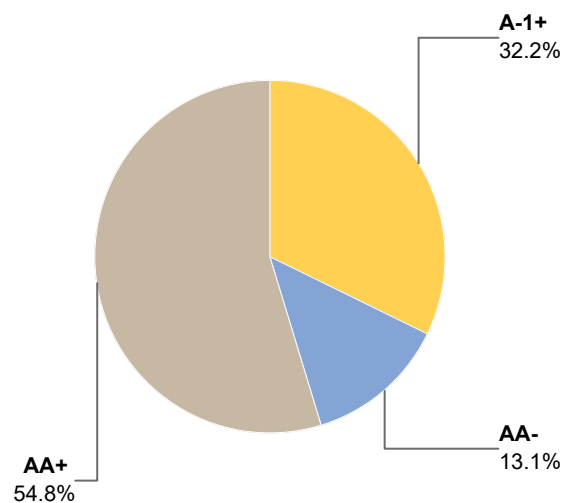
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**Portfolio Statistics**

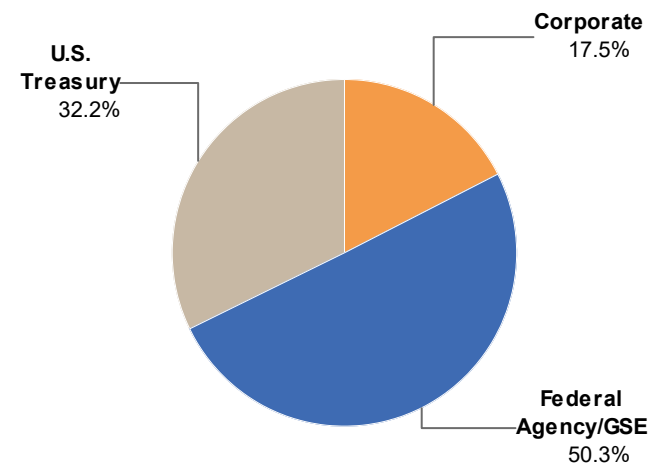
As of June 30, 2020

<b>Par Value:</b>	\$14,215,000
<b>Total Market Value:</b>	\$14,764,740
<b>Security Market Value:</b>	\$14,670,916
<b>Accrued Interest:</b>	\$93,824
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$14,649,940
<b>Yield at Market:</b>	0.26%
<b>Yield at Cost:</b>	0.32%
<b>Effective Duration:</b>	1.73 Years
<b>Average Maturity:</b>	1.79 Years
<b>Average Credit: *</b>	AA

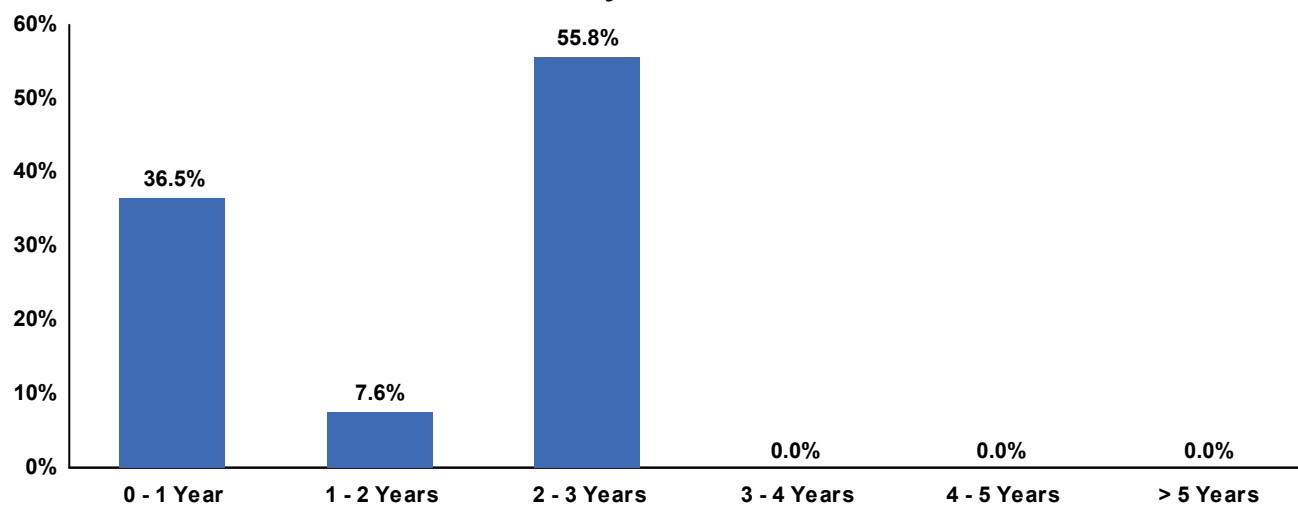
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



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

**Portfolio Earnings***Quarter-Ended June 30, 2020*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2020)</b>	\$0.00	\$0.00
<b>Net Purchases/Sales</b>	\$14,682,026.85	\$14,682,026.85
<b>Change in Value</b>	(\$11,110.90)	(\$32,086.88)
<b>Ending Value (06/30/2020)</b>	\$14,670,915.95	\$14,649,939.97
<b>Interest Earned</b>	(\$54,154.77)	(\$54,154.77)
<b>Portfolio Earnings</b>	(\$65,265.67)	(\$86,241.65)

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# Portfolio Transactions

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## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
4/13/20	4/15/20	4,500,000	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	4,627,271.25	0.44%	
<b>Total BUY</b>		<b>4,500,000</b>					<b>4,627,271.25</b>		
<b>INTEREST</b>									
4/1/20	4/1/20	1,480,000	13063DGA0	CA ST TXBL GO BONDS	2.80%	4/1/21	20,720.00		
4/13/20	4/13/20	3,100,000	3135G0U27	FANNIE MAE NOTES	2.50%	4/13/21	38,750.00		
4/15/20	4/15/20	9,965,000	9128285F3	UNITED STATES TREASURY NOTES	2.87%	10/15/21	143,246.88		
4/30/20	4/30/20	5,400,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	50,625.00		
4/30/20	4/30/20	4,500,000	912828R28	US TREASURY N/B NOTES	1.62%	4/30/23	36,562.50		
4/30/20	4/30/20	5,250,000	912828YM6	UNITED STATES TREASURY NOTES	1.50%	10/31/24	39,375.00		
4/30/20	4/30/20	1,750,000	912828WZ9	US TREASURY N/B NOTES	1.75%	4/30/22	15,312.50		
5/15/20	5/15/20	1,015,000	9128284P2	US TREASURY NOTES	2.62%	5/15/21	13,321.88		
5/15/20	5/15/20	5,000,000	912828TY6	US TREASURY NOTES	1.62%	11/15/22	40,625.00		
5/15/20	5/15/20	4,070,000	912828G38	US TREASURY NOTES	2.25%	11/15/24	45,787.50		
5/19/20	5/19/20	875,000	02079KAA5	ALPHABET INC CORP NOTE	3.62%	5/19/21	15,859.38		
5/31/20	5/31/20	960,000	912828XR6	US TREASURY NOTES	1.75%	5/31/22	8,400.00		
5/31/20	5/31/20	7,700,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	77,000.00		
5/31/20	5/31/20	5,000,000	912828U65	US TREASURY NOTES	1.75%	11/30/21	43,750.00		
5/31/20	5/31/20	5,250,000	912828XT2	US TREASURY N/B NOTES	2.00%	5/31/24	52,500.00		
5/31/20	5/31/20	5,350,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	43,468.75		
6/23/20	6/23/20	2,500,000	931142EJ8	WAL-MART STORES INC CORP NOTES	3.12%	6/23/21	39,062.50		
6/30/20	6/30/20	3,530,000	912828V23	US TREASURY NOTES	2.25%	12/31/23	39,712.50		
6/30/20	6/30/20	4,750,000	912828YY0	US TREASURY N/B	1.75%	12/31/24	41,562.50		
6/30/20	6/30/20	5,000,000	912828S27	US TREASURY N/B	1.12%	6/30/21	28,125.00		

## CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
6/30/20	6/30/20	4,600,000	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	46,000.00		
<b>Total INTEREST</b>		<b>87,045,000</b>					<b>879,766.89</b>		

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
4/15/20	4/15/20	5,000,000	912828Z2	US TREASURY N/B NOTES	1.62%	10/15/20	40,625.00		
5/31/20	5/31/20	5,000,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	40,625.00		
<b>Total INTEREST</b>		<b>10,000,000</b>					<b>81,250.00</b>		
<b>MATURITY</b>									
4/15/20	4/15/20	1,750,000	912828X21	US TREASURY N/B NOTES	1.50%	4/15/20	1,763,125.00		0.00
6/5/20	6/5/20	2,000,000	09659BF54	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	6/5/20	2,000,000.00		0.00
6/25/20	6/25/20	4,500,000	89233GFR2	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	6/25/20	4,500,000.00		0.00
6/25/20	6/25/20	4,500,000	22533TFR2	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	6/25/20	4,500,000.00		0.00
<b>Total MATURITY</b>		<b>12,750,000</b>					<b>12,763,125.00</b>		<b>0.00</b>



## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>MATURITY</b>									
4/30/20	4/30/20	1,000,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	1,006,875.00		0.00
5/15/20	5/15/20	930,000	912828X96	US TREASURY N/B NOTES	1.50%	5/15/20	936,975.00		0.00
6/4/20	6/4/20	1,879,000	912796TX7	UNITED STATES TREASURY BILL	0.00%	6/4/20	1,879,000.00		0.00
<b>Total MATURITY</b>		<b>3,809,000</b>					<b>3,822,850.00</b>		<b>0.00</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
6/30/20	6/30/20	2,060,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	18,025.00		
<b>Total INTEREST</b>		<b>2,060,000</b>					<b>18,025.00</b>		
<b>MATURITY</b>									
4/9/20	4/9/20	4,500,000	912796TQ2	UNITED STATES TREASURY BILL	0.00%	4/9/20	4,500,000.00		0.00
4/20/20	4/20/20	2,500,000	3137EAEF2	FHLMC AGENCY NOTES	1.37%	4/20/20	2,517,187.50		0.00
5/31/20	5/31/20	2,500,000	912828XE5	US TREASURY NOTES	1.50%	5/31/20	2,518,750.00		0.00
6/22/20	6/22/20	2,480,000	3135G0D75	FNMA BENCHMARK NOTES	1.50%	6/22/20	2,498,600.00		0.00
<b>Total MATURITY</b>		<b>11,980,000</b>					<b>12,034,537.50</b>		<b>0.00</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
4/1/20	4/1/20	360,000	594918AH7	MICROSOFT CORP NOTES	3.00%	10/1/20	5,400.00		
4/30/20	4/30/20	840,000	912828L99	US TREASURY NOTES	1.37%	10/31/20	5,775.00		
5/31/20	5/31/20	1,200,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	9,750.00		
6/30/20	6/30/20	1,195,000	912828A83	US TREASURY NOTES	2.37%	12/31/20	14,190.63		
<b>Total INTEREST</b>		<b>3,595,000</b>					<b>35,115.63</b>		
<b>MATURITY</b>									
4/2/20	4/2/20	1,100,000	912796TM1	UNITED STATES TREASURY BILL	0.00%	4/2/20	1,100,000.00		0.00
4/7/20	4/7/20	450,000	62479LD77	MUFG BANK LTD/NY COMM PAPER	0.00%	4/7/20	450,000.00		0.00
4/17/20	4/17/20	370,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	373,607.50		0.00
4/30/20	4/30/20	530,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	533,643.75		0.00
5/11/20	5/11/20	375,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	378,375.00		0.00
5/21/20	5/21/20	64,000	912796SR1	UNITED STATES TREASURY BILL	0.00%	5/21/20	64,000.00		0.00
5/26/20	5/26/20	750,000	22533TES1	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	5/26/20	750,000.00		0.00
5/31/20	5/31/20	525,000	912828XE5	US TREASURY NOTES	1.50%	5/31/20	528,937.50		0.00
6/30/20	6/30/20	900,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	907,312.50		0.00
<b>Total MATURITY</b>		<b>5,064,000</b>					<b>5,085,876.25</b>		<b>0.00</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
4/24/20	4/28/20	4,725,000	9127962F5	TREASURY BILL BILLS	0.00%	3/25/21	4,718,861.40	0.14%	
4/24/20	4/28/20	615,000	742718EU9	PROCTER & GAMBLE CO/THE CORP NOTES	2.15%	8/11/22	640,675.40	0.51%	
4/24/20	4/28/20	5,950,000	3135G0T94	FANNIE MAE NOTES	2.37%	1/19/23	6,323,369.94	0.30%	
4/27/20	4/29/20	1,080,000	3135G0U92	FANNIE MAE NOTES	2.62%	1/11/22	1,130,765.40	0.32%	
4/27/20	4/29/20	605,000	92826CAC6	VISA INC CORPORATE (CALLABLE) NOTES	2.80%	12/14/22	642,842.75	0.79%	
4/30/20	5/4/20	605,000	037833BU3	APPLE CORP NOTES (CALLABLE)	2.85%	2/23/23	642,413.70	0.82%	
5/5/20	5/7/20	635,000	17275RBD3	CISCO SYSTEMS INC CORP NOTES	2.20%	2/28/21	645,723.03	0.63%	
<b>Total BUY</b>		<b>14,215,000</b>					<b>14,744,651.62</b>		
<b>INTEREST</b>									
6/14/20	6/14/20	605,000	92826CAC6	VISA INC CORPORATE (CALLABLE) NOTES	2.80%	12/14/22	8,470.00		
<b>Total INTEREST</b>		<b>605,000</b>					<b>8,470.00</b>		

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# Portfolio Holdings

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## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	5,350,000.00	AA+	Aaa	1/8/2018	1/10/2018	5,284,169.92	2.07	7,363.56	5,340,515.48	5,381,765.63
US TREASURY NOTES DTD 02/01/2016 1.375% 01/31/2021	912828N89	5,000,000.00	AA+	Aaa	1/8/2018	1/10/2018	4,893,945.31	2.09	28,708.79	4,979,681.55	5,034,375.00
US TREASURY N/B DTD 02/28/2019 2.500% 02/28/2021	9128286D7	7,440,000.00	AA+	Aaa	3/7/2019	3/11/2019	7,443,778.13	2.47	62,168.48	7,441,269.87	7,553,925.00
US TREASURY NOTES DTD 05/15/2018 2.625% 05/15/2021	9128284P2	1,015,000.00	AA+	Aaa	5/24/2018	5/29/2018	1,014,286.33	2.65	3,402.87	1,014,790.25	1,036,568.75
US TREASURY NOTES DTD 05/31/2014 2.000% 05/31/2021	912828WN6	2,500,000.00	AA+	Aaa	6/5/2018	6/7/2018	2,456,542.97	2.61	4,234.97	2,486,671.58	2,541,406.25
US TREASURY NOTES DTD 05/31/2014 2.000% 05/31/2021	912828WN6	5,200,000.00	AA+	Aaa	6/14/2018	6/18/2018	5,098,640.63	2.69	8,808.75	5,168,595.52	5,286,125.00
US TREASURY N/B DTD 06/30/2016 1.125% 06/30/2021	912828S27	5,000,000.00	AA+	Aaa	6/14/2018	6/18/2018	4,771,679.69	2.70	152.85	4,924,992.24	5,046,875.00
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	7,125,000.00	AA+	Aaa	9/11/2018	9/12/2018	6,774,873.05	2.82	20,148.56	6,981,680.53	7,208,496.45
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	1,250,000.00	AA+	Aaa	3/6/2018	3/7/2018	1,190,283.20	2.53	3,534.84	1,229,101.41	1,264,648.50
UNITED STATES TREASURY NOTES DTD 10/15/2018 2.875% 10/15/2021	9128285F3	9,965,000.00	AA+	Aaa	11/9/2018	11/13/2018	9,932,691.60	2.99	60,273.28	9,950,738.28	10,310,660.94
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	5,000,000.00	AA+	Aaa	12/4/2018	12/7/2018	4,850,390.63	2.80	7,411.20	4,928,973.33	5,111,719.00
US TREASURY NOTES DTD 01/15/2019 2.500% 01/15/2022	9128285V8	8,100,000.00	AA+	Aaa	1/30/2019	1/31/2019	8,085,761.72	2.56	93,461.54	8,092,577.64	8,389,827.72
US TREASURY N/B NOTES DTD 02/28/2017 1.875% 02/28/2022	912828W55	2,500,000.00	AA+	Aaa	2/26/2019	2/27/2019	2,458,203.13	2.46	15,667.46	2,476,872.65	2,570,703.00
US TREASURY N/B NOTES DTD 04/30/2015 1.750% 04/30/2022	912828WZ9	1,750,000.00	AA+	Aaa	5/8/2019	5/13/2019	1,726,074.22	2.23	5,159.65	1,735,242.46	1,800,585.85
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	5,400,000.00	AA+	Aaa	5/10/2019	5/16/2019	5,348,531.25	2.21	17,058.42	5,368,165.62	5,567,906.52

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	960,000.00	AA+	Aaa	9/19/2019	9/20/2019	961,312.50	1.70	1,422.95	960,932.36	988,949.95
UNITED STATES TREASURY NOTES DTD 09/15/2019 1.500% 09/15/2022	912828YF1	5,470,000.00	AA+	Aaa	11/13/2019	11/15/2019	5,448,632.81	1.64	24,079.89	5,453,360.43	5,631,535.66
US TREASURY NOTES DTD 11/15/2012 1.625% 11/15/2022	912828TY6	5,000,000.00	AA+	Aaa	11/13/2019	11/15/2019	4,995,117.19	1.66	10,377.04	4,996,137.41	5,172,656.00
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,738,574.22	1.59	14,139.34	3,740,652.48	3,886,523.25
US TREASURY N/B NOTES DTD 05/02/2016 1.625% 04/30/2023	912828R28	4,500,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,506,503.91	1.58	12,319.97	4,505,626.92	4,683,515.40
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,702,685.55	1.60	19,574.18	3,710,512.79	3,873,046.88
US TREASURY NOTES DTD 08/31/2016 1.375% 08/31/2023	912828D1	4,500,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,466,425.78	1.59	20,681.05	4,470,530.15	4,670,156.25
US TREASURY N/B DTD 09/30/2016 1.375% 09/30/2023	912828T26	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,717,480.47	1.61	12,961.07	3,722,627.28	3,894,726.75
US TREASURY NOTES DTD 01/03/2017 2.250% 12/31/2023	912828V23	3,530,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,619,491.02	1.61	215.83	3,606,195.55	3,782,063.89
US TREASURY N/B NOTES DTD 01/31/2017 2.250% 01/31/2024	912828V80	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,718,953.13	1.61	43,219.78	4,702,037.78	4,935,656.48
US TREASURY N/B DTD 03/31/2017 2.125% 03/31/2024	912828W71	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,698,289.06	1.61	24,571.04	4,684,840.94	4,927,750.00
US TREASURY N/B NOTES DTD 05/31/2017 2.000% 05/31/2024	912828XT2	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,333,876.95	1.62	8,893.44	5,325,389.09	5,613,398.70
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,678,343.75	1.61	250.00	4,668,206.25	4,923,437.50
UNITED STATES TREASURY NOTES DTD 08/31/2019 1.250% 08/31/2024	912828YE4	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,163,457.03	1.62	21,934.44	5,171,735.95	5,469,023.70
UNITED STATES TREASURY NOTES DTD 09/30/2019 1.500% 09/30/2024	912828YH7	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,575,742.19	1.61	17,344.26	4,578,717.85	4,844,375.00

## 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
<b>U.S. Treasury Bond / Note</b>											
UNITED STATES TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,219,238.28	1.63	13,267.66	5,222,078.09	5,532,187.50
US TREASURY NOTES DTD 11/17/2014 2.250% 11/15/2024	912828G38	4,070,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,192,735.94	1.62	11,695.72	4,178,061.73	4,422,945.52
US TREASURY N/B DTD 12/31/2019 1.750% 12/31/2024	912828YY0	4,750,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,777,275.39	1.63	225.88	4,774,842.52	5,066,171.88
<b>Security Type Sub-Total</b>		<b>150,775,000.00</b>					<b>149,843,986.95</b>	<b>2.07</b>	<b>594,728.76</b>	<b>150,592,353.98</b>	<b>156,423,708.92</b>
<b>Municipal Bond / Note</b>											
CA ST TXBL GO BONDS DTD 04/25/2018 2.800% 04/01/2021	13063DGA0	1,480,000.00	AA-	Aa2	4/18/2018	4/25/2018	1,480,059.20	2.80	10,360.00	1,480,015.13	1,507,631.60
<b>Security Type Sub-Total</b>		<b>1,480,000.00</b>					<b>1,480,059.20</b>	<b>2.80</b>	<b>10,360.00</b>	<b>1,480,015.13</b>	<b>1,507,631.60</b>
<b>Federal Agency Bond / Note</b>											
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,400,000.00	AA+	Aaa	9/7/2017	9/8/2017	1,395,506.00	1.48	4,972.92	1,399,641.61	1,404,067.00
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	3,100,000.00	AA+	Aaa	4/12/2018	4/13/2018	3,095,381.00	2.55	16,791.67	3,098,794.68	3,156,125.50
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	4,500,000.00	AA+	Aaa	4/13/2020	4/15/2020	4,617,990.00	0.44	22,343.75	4,609,237.37	4,630,617.00
<b>Security Type Sub-Total</b>		<b>9,000,000.00</b>					<b>9,108,877.00</b>	<b>1.33</b>	<b>44,108.34</b>	<b>9,107,673.66</b>	<b>9,190,809.50</b>
<b>Corporate Note</b>											
3M COMPANY CORP NOTES DTD 08/07/2015 2.000% 08/07/2020	88579YAQ4	2,500,000.00	A+	A1	8/2/2017	8/7/2017	2,522,500.00	1.69	20,000.00	2,500,759.58	2,499,857.50
BERKSHIRE HATHAWAY FINANCE CORP NOTES DTD 01/11/2011 4.250% 01/15/2021	084664BQ3	2,000,000.00	AA	Aa2	5/15/2018	5/17/2018	2,065,600.00	2.96	39,194.44	2,013,335.52	2,042,010.00



## 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
<b>Corporate Note</b>											
CISCO SYSTEMS INC CORP NOTES DTD 02/29/2016 2.200% 02/28/2021	17275RBD3	1,250,000.00	AA-	A1	3/6/2018	3/7/2018	1,226,487.50	2.86	9,395.83	1,244,775.00	1,265,248.75
ALPHABET INC CORP NOTE DTD 04/27/2016 3.625% 05/19/2021	02079KAA5	875,000.00	AA+	Aa2	5/16/2018	5/17/2018	893,357.50	2.89	3,700.52	880,383.53	901,200.13
WAL-MART STORES INC CORP NOTES DTD 06/27/2018 3.125% 06/23/2021	931142EJ8	2,500,000.00	AA	Aa2	6/20/2018	6/27/2018	2,499,875.00	3.13	1,736.11	2,499,959.13	2,568,970.00
TOYOTA MOTOR CREDIT CORP BONDS DTD 01/09/2017 2.600% 01/11/2022	89236TDP7	2,750,000.00	A+	A1	1/8/2019	1/10/2019	2,705,972.50	3.16	33,763.89	2,727,564.84	2,828,828.75
JOHNSON & JOHNSON CORP NOTES DTD 03/03/2017 2.250% 03/03/2022	478160CD4	2,500,000.00	AAA	Aaa	3/5/2019	3/7/2019	2,467,900.00	2.70	18,437.50	2,482,068.68	2,571,930.00
PROCTER & GAMBLE CO/THE CORP NOTES DTD 08/11/2017 2.150% 08/11/2022	742718EU9	2,500,000.00	AA-	Aa3	11/13/2019	11/15/2019	2,524,850.00	1.78	20,902.78	2,519,159.35	2,594,245.00
APPLE INC (CALLABLE) BONDS DTD 02/09/2017 3.000% 02/09/2024	037833CG3	2,380,000.00	AA+	Aa1	1/17/2020	1/22/2020	2,477,699.00	1.94	28,163.33	2,466,598.41	2,574,557.86
BLACKROCK INC CORP NOTES DTD 03/18/2014 3.500% 03/18/2024	09247XAL5	2,000,000.00	AA-	Aa3	11/19/2019	11/21/2019	2,130,520.00	1.92	20,027.78	2,112,086.84	2,201,898.00
<b>Security Type Sub-Total</b>		<b>21,255,000.00</b>					<b>21,514,761.50</b>	<b>2.46</b>	<b>195,322.18</b>	<b>21,446,690.88</b>	<b>22,048,745.99</b>
<b>Managed Account Sub Total</b>		<b>182,510,000.00</b>					<b>181,947,684.65</b>	<b>2.08</b>	<b>844,519.28</b>	<b>182,626,733.65</b>	<b>189,170,896.01</b>
<b>Securities Sub-Total</b>		<b>\$182,510,000.00</b>					<b>\$181,947,684.65</b>	<b>2.08%</b>	<b>\$844,519.28</b>	<b>\$182,626,733.65</b>	<b>\$189,170,896.01</b>
<b>Accrued Interest</b>											<b>\$844,519.28</b>
<b>Total Investments</b>											<b>\$190,015,415.29</b>

Bolded items are forward settling trades.

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY N/B NOTES DTD 08/15/2017 1.500% 08/15/2020	9128282Q2	4,920,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,915,771.88	1.62	27,776.37	4,919,273.80	4,927,687.50
US TREASURY N/B NOTES DTD 09/15/2017 1.375% 09/15/2020	9128282V1	5,000,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,989,843.75	1.63	20,176.63	4,997,365.61	5,012,500.00
US TREASURY N/B NOTES DTD 10/16/2017 1.625% 10/15/2020	9128282Z2	5,000,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,999,414.06	1.64	17,093.58	4,999,807.71	5,021,094.00
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	5,000,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,999,609.38	1.63	6,881.83	4,999,839.09	5,029,687.50
<b>Security Type Sub-Total</b>		<b>19,920,000.00</b>					<b>19,904,639.07</b>	<b>1.63</b>	<b>71,928.41</b>	<b>19,916,286.21</b>	<b>19,990,969.00</b>
<b>Managed Account Sub Total</b>		<b>19,920,000.00</b>					<b>19,904,639.07</b>	<b>1.63</b>	<b>71,928.41</b>	<b>19,916,286.21</b>	<b>19,990,969.00</b>
<b>Securities Sub-Total</b>		<b>\$19,920,000.00</b>					<b>\$19,904,639.07</b>	<b>1.63%</b>	<b>\$71,928.41</b>	<b>\$19,916,286.21</b>	<b>\$19,990,969.00</b>
<b>Accrued Interest</b>											<b>\$71,928.41</b>
<b>Total Investments</b>											<b>\$20,062,897.41</b>

Bolted items are forward settling trades.

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bill</b>											
UNITED STATES TREASURY BILL DTD 09/12/2019 0.000% 09/10/2020	912796TJ8	1,615,000.00	A-1+	P-1	12/18/2019	12/19/2019	1,597,100.42	1.52	0.00	1,610,222.29	1,614,570.09
<b>Security Type Sub-Total</b>		<b>1,615,000.00</b>					<b>1,597,100.42</b>	<b>1.52</b>	<b>0.00</b>	<b>1,610,222.29</b>	<b>1,614,570.09</b>
<b>Managed Account Sub Total</b>		<b>1,615,000.00</b>					<b>1,597,100.42</b>	<b>1.52</b>	<b>0.00</b>	<b>1,610,222.29</b>	<b>1,614,570.09</b>
<b>Securities Sub-Total</b>		<b>\$1,615,000.00</b>					<b>\$1,597,100.42</b>	<b>1.52%</b>	<b>\$0.00</b>	<b>\$1,610,222.29</b>	<b>\$1,614,570.09</b>
<b>Accrued Interest</b>											<b>\$0.00</b>
<b>Total Investments</b>											<b>\$1,614,570.09</b>

Bolded items are forward settling trades.

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,295,000.00	AA+	Aaa	9/1/2017	9/7/2017	1,291,003.71	1.48	4,475.89	1,294,675.01	1,298,844.60
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	2,060,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,074,484.38	1.53	97.96	2,062,188.80	2,076,093.75
<b>Security Type Sub-Total</b>		<b>3,355,000.00</b>					<b>3,365,488.09</b>	<b>1.51</b>	<b>4,573.85</b>	<b>3,356,863.81</b>	<b>3,374,938.35</b>
<b>Federal Agency Bond / Note</b>											
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	2,480,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,480,173.60	1.50	15,603.33	2,480,004.76	2,482,670.96
<b>Security Type Sub-Total</b>		<b>2,480,000.00</b>					<b>2,480,173.60</b>	<b>1.50</b>	<b>15,603.33</b>	<b>2,480,004.76</b>	<b>2,482,670.96</b>
<b>Managed Account Sub Total</b>		<b>5,835,000.00</b>					<b>5,845,661.69</b>	<b>1.51</b>	<b>20,177.18</b>	<b>5,836,868.57</b>	<b>5,857,609.31</b>
<b>Securities Sub-Total</b>		<b>\$5,835,000.00</b>					<b>\$5,845,661.69</b>	<b>1.51%</b>	<b>\$20,177.18</b>	<b>\$5,836,868.57</b>	<b>\$5,857,609.31</b>
<b>Accrued Interest</b>											<b>\$20,177.18</b>
<b>Total Investments</b>											<b>\$5,877,786.49</b>

Bolded items are forward settling trades.

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	1,265,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,244,888.48	2.33	8,583.93	1,264,294.33	1,266,383.66
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	1,625,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,588,183.59	2.34	7,468.16	1,622,465.24	1,628,300.70
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,260,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,230,468.75	2.34	4,354.92	1,257,066.22	1,263,740.69
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	645,000.00	AA+	Aaa	9/25/2019	9/30/2019	642,026.95	1.84	2,229.30	644,260.80	646,914.87
US TREASURY NOTES DTD 11/02/2015 1.375% 10/31/2020	912828L99	840,000.00	AA+	Aaa	3/27/2018	3/29/2018	819,360.94	2.36	1,945.92	837,341.11	843,412.50
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	1,200,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,177,312.50	2.36	1,651.64	1,196,470.32	1,207,125.00
US TREASURY NOTES DTD 12/31/2013 2.375% 12/31/2020	912828A83	1,195,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,195,513.48	2.36	77.12	1,195,093.22	1,208,070.31
US TREASURY NOTES DTD 02/01/2016 1.375% 01/31/2021	912828N89	310,000.00	AA+	Aaa	3/27/2018	3/29/2018	301,499.22	2.38	1,779.95	308,249.12	312,131.25
<b>Security Type Sub-Total</b>		<b>8,340,000.00</b>					<b>8,199,253.91</b>	<b>2.31</b>	<b>28,090.94</b>	<b>8,325,240.36</b>	<b>8,376,078.98</b>
<b>Corporate Note</b>											
WAL MART STORES INC. CORP NOTES DTD 07/08/2010 3.625% 07/08/2020	931142CU5	360,000.00	AA	Aa2	3/27/2018	3/29/2018	368,956.80	2.49	6,271.25	360,075.36	360,195.84
JOHNSON & JOHNSON GLOBAL NOTES DTD 08/17/2010 2.950% 09/01/2020	478160AW4	365,000.00	AAA	Aaa	3/27/2018	3/29/2018	369,142.75	2.46	3,589.17	365,289.57	366,634.11
MICROSOFT CORP NOTES DTD 09/27/2010 3.000% 10/01/2020	594918AH7	360,000.00	AAA	Aaa	3/27/2018	3/29/2018	363,524.40	2.59	2,700.00	360,353.59	362,406.96
<b>Security Type Sub-Total</b>		<b>1,085,000.00</b>					<b>1,101,623.95</b>	<b>2.52</b>	<b>12,560.42</b>	<b>1,085,718.52</b>	<b>1,089,236.91</b>

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Managed Account Sub Total</b>		<b>9,425,000.00</b>					<b>9,300,877.86</b>	<b>2.33</b>	<b>40,651.36</b>	<b>9,410,958.88</b>	<b>9,465,315.89</b>
<b>Securities Sub-Total</b>		<b>\$9,425,000.00</b>					<b>\$9,300,877.86</b>	<b>2.33%</b>	<b>\$40,651.36</b>	<b>\$9,410,958.88</b>	<b>\$9,465,315.89</b>
<b>Accrued Interest</b>											<b>\$40,651.36</b>
<b>Total Investments</b>											<b>\$9,505,967.25</b>

Bolded items are forward settling trades.

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bill</b>											
TREASURY BILL BILLS DTD 03/26/2020 0.000% 03/25/2021	9127962F5	4,725,000.00	A-1+	P-1	4/24/2020	4/28/2020	4,718,861.40	0.14	0.00	4,720,048.32	4,719,217.55
<b>Security Type Sub-Total</b>		<b>4,725,000.00</b>					<b>4,718,861.40</b>	<b>0.14</b>	<b>0.00</b>	<b>4,720,048.32</b>	<b>4,719,217.55</b>
<b>Federal Agency Bond / Note</b>											
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	1,080,000.00	AA+	Aaa	4/27/2020	4/29/2020	1,122,260.40	0.32	13,387.50	1,117,980.01	1,119,655.44
FANNIE MAE NOTES DTD 01/23/2018 2.375% 01/19/2023	3135G0T94	5,950,000.00	AA+	Aaa	4/24/2020	4/28/2020	6,284,509.00	0.30	63,590.63	6,263,014.45	6,270,282.55
<b>Security Type Sub-Total</b>		<b>7,030,000.00</b>					<b>7,406,769.40</b>	<b>0.30</b>	<b>76,978.13</b>	<b>7,380,994.46</b>	<b>7,389,937.99</b>
<b>Corporate Note</b>											
CISCO SYSTEMS INC CORP NOTES DTD 02/29/2016 2.200% 02/28/2021	17275RBD3	635,000.00	AA-	A1	5/5/2020	5/7/2020	643,045.45	0.63	4,773.08	641,555.55	642,746.37
PROCTER & GAMBLE CO/THE CORP NOTES DTD 08/11/2017 2.150% 08/11/2022	742718EU9	615,000.00	AA-	Aa3	4/24/2020	4/28/2020	637,847.25	0.51	5,142.08	636,096.08	638,184.27
VISA INC CORPORATE (CALLABLE) NOTES DTD 12/14/2015 2.800% 12/14/2022	92826CAC6	605,000.00	AA-	Aa3	4/27/2020	4/29/2020	636,490.25	0.79	799.94	634,281.02	638,376.64
APPLE CORP NOTES (CALLABLE) DTD 02/23/2016 2.850% 02/23/2023	037833BU3	605,000.00	AA+	Aa1	4/30/2020	5/4/2020	639,013.10	0.82	6,130.67	636,964.54	642,453.13
<b>Security Type Sub-Total</b>		<b>2,460,000.00</b>					<b>2,556,396.05</b>	<b>0.69</b>	<b>16,845.77</b>	<b>2,548,897.19</b>	<b>2,561,760.41</b>
<b>Managed Account Sub Total</b>		<b>14,215,000.00</b>					<b>14,682,026.85</b>	<b>0.32</b>	<b>93,823.90</b>	<b>14,649,939.97</b>	<b>14,670,915.95</b>

CITY OF SALEM WATER-SEWER REV BOND 2020

Portfolio Holdings

<b>Securities Sub-Total</b>	<b>\$14,215,000.00</b>	<b>\$14,682,026.85</b>	<b>0.32%</b>	<b>\$93,823.90</b>	<b>\$14,649,939.97</b>	<b>\$14,670,915.95</b>
<b>Accrued Interest</b>						<b>\$93,823.90</b>
<b>Total Investments</b>						<b>\$14,764,739.85</b>

Bolded items are forward settling trades.



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**IMPORTANT DISCLOSURES**

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

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

## GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill 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 DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.
- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

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**GLOSSARY**

- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.