



CITY OF SALEM

Investment Performance Review For the Quarter Ended December 31, 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

Allison Kaune, Senior Client Representative

503-837-8445

717-232-2723

Jeremy King, Key Account Manager

Market Update

Markets Weigh Massive Policy Support Against Economic Challenges

◆ Coronavirus

- **Resurgence** in fourth quarter due to colder weather
- Initial distribution of **vaccines**

◆ Economy

- **Recovery** continues
- **Big business** built liquidity cushion
- **Consumers** generally in good shape to drive future spending
- **Impact of pandemic** not felt evenly

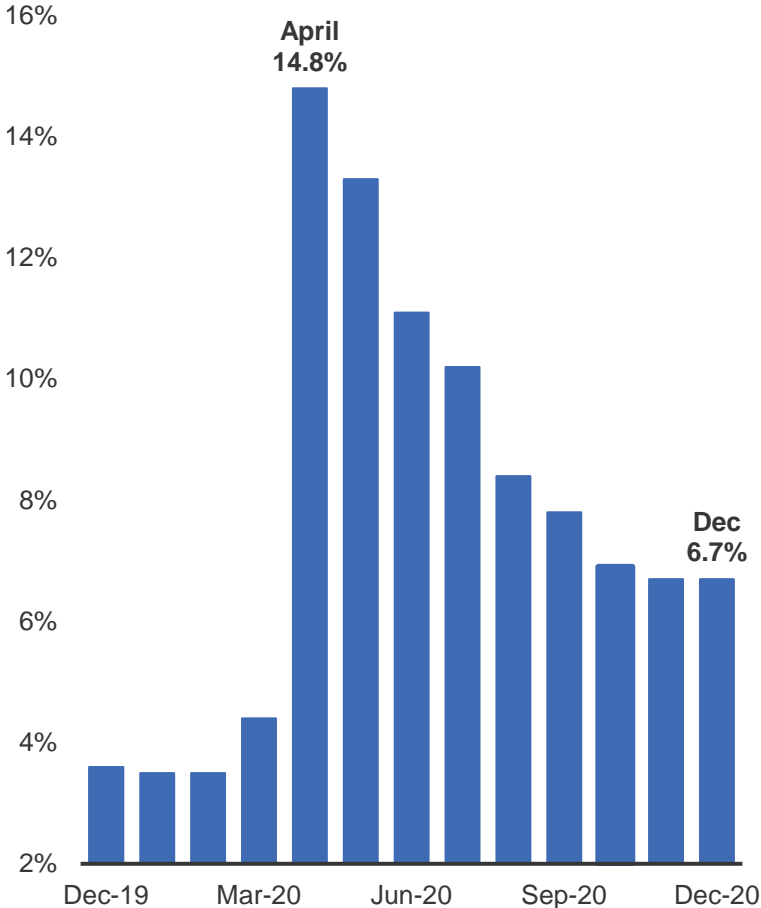
◆ Markets

- Markets rally after **presidential election**
- **Fed** committed to strong accommodation
- Additional **fiscal stimulus** on the way

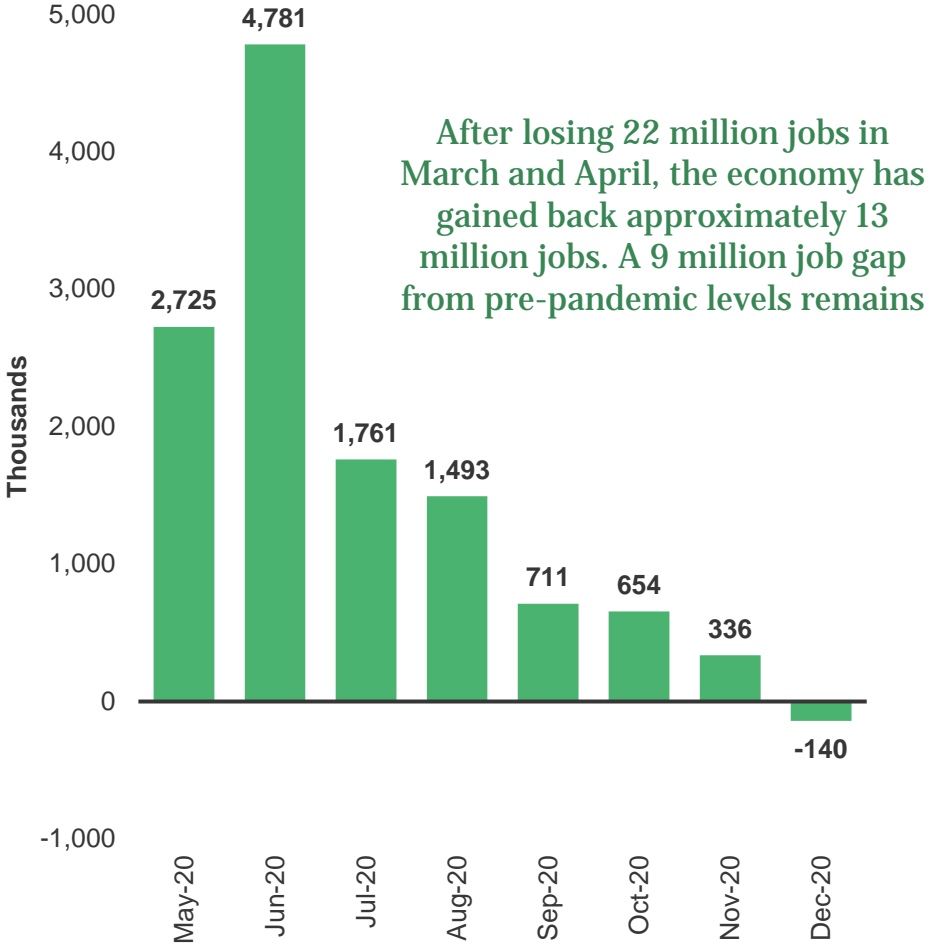


Labor Market Weakens as Coronavirus Resurges in Fourth Quarter

Unemployment Rate



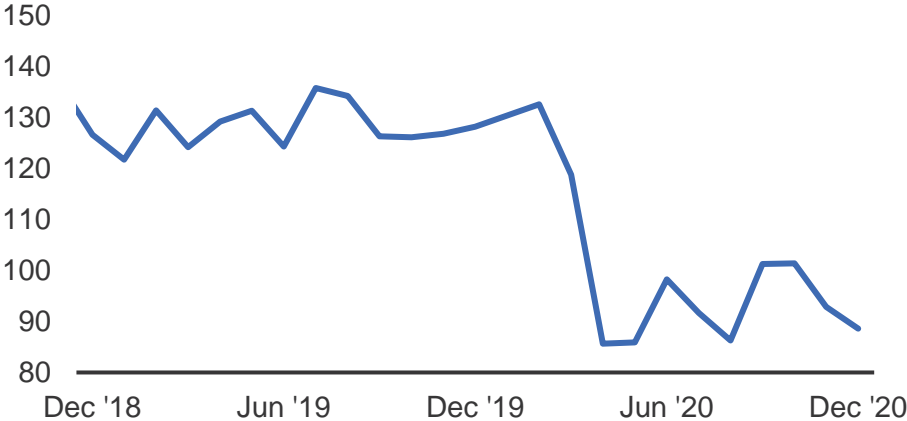
Nonfarm Payrolls MoM



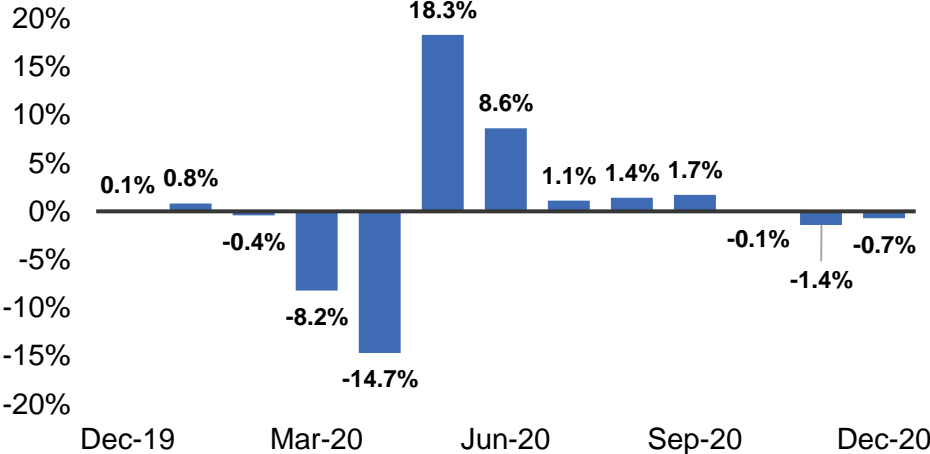
Source: Bloomberg, as of 12/31/2020. Data is seasonally adjusted.

U.S. Economic Momentum Slows in Fourth Quarter

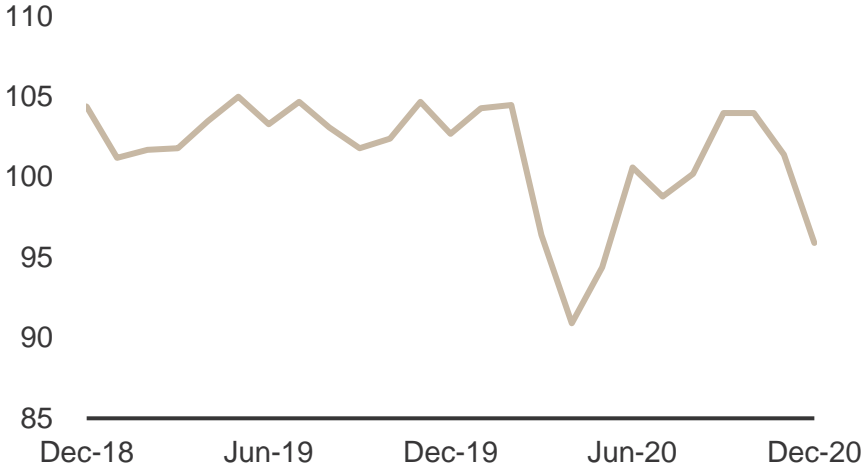
Conference Board Consumer Confidence



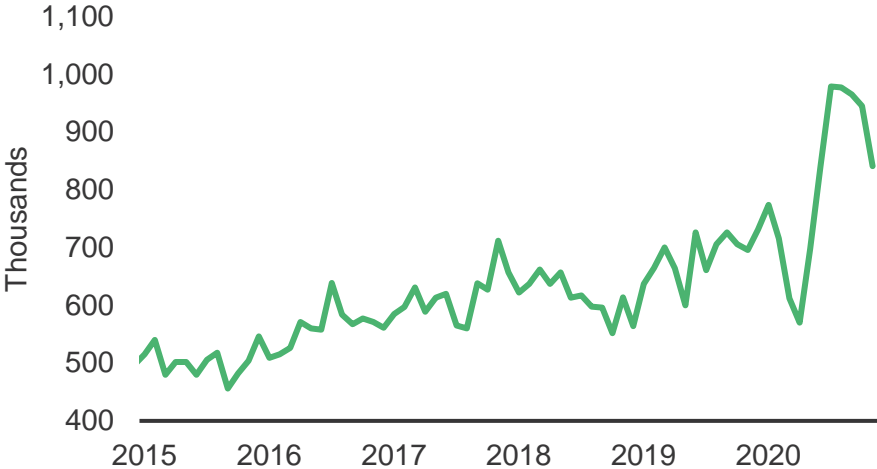
Retail Sales



NFIB Small Business Optimism Index



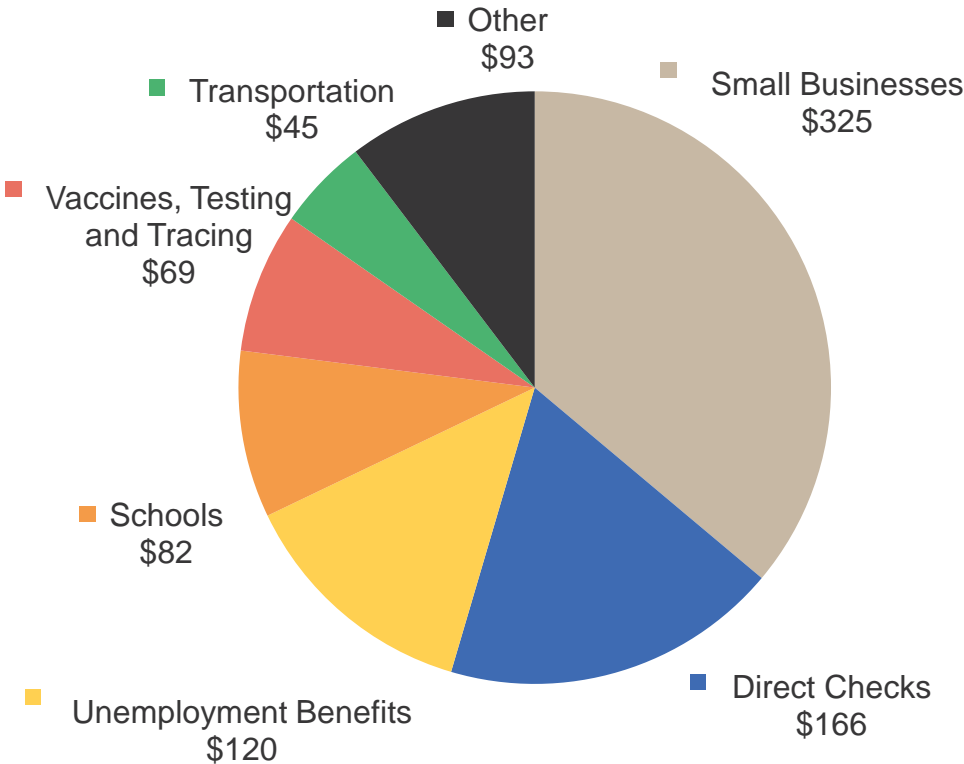
New Home Sales (SAAR)



Source: Bloomberg and FRED, latest available data as of January 2020. SAAR is Seasonally Adjusted Annual Rate.

Congress Passes a New \$900 Billion Pandemic Relief Package

New Emergency Relief Package, in billions



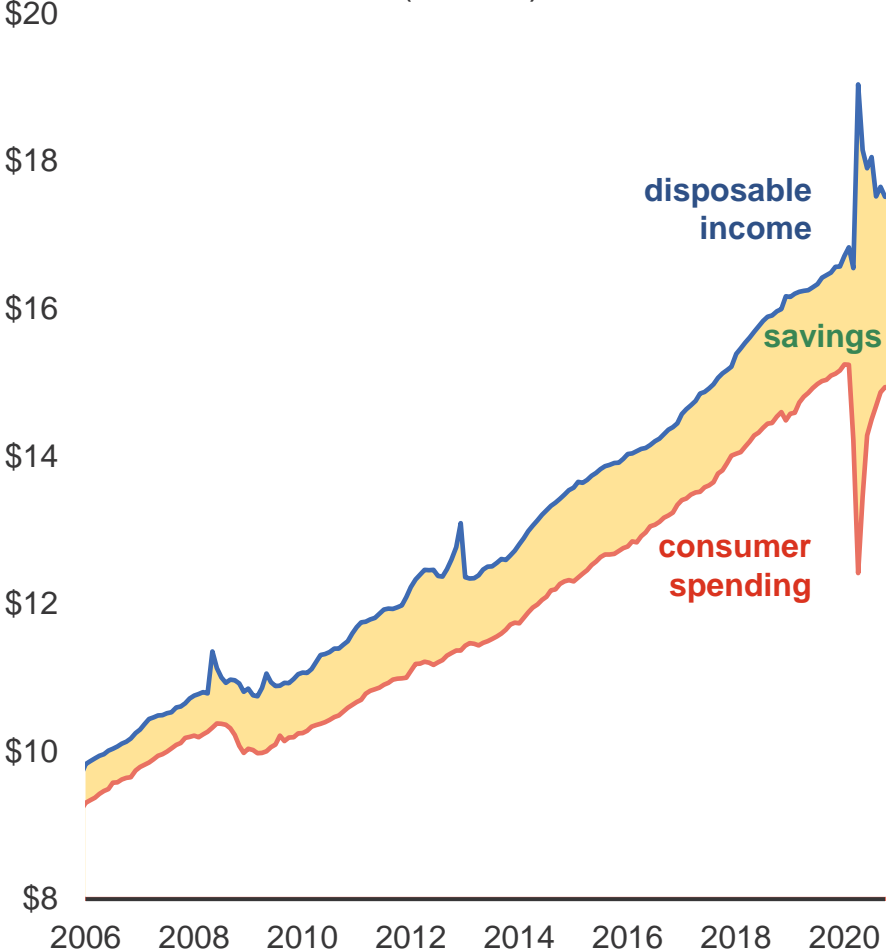
Other Ongoing Economic Support Measures

- Federal Reserve’s near-zero interest rate target
- Federal Reserve’s asset purchase programs and backstop of multiple asset classes
- CARES Act and Pandemic Unemployment Assistance programs
- Reduced bank reserve requirements, allowing looser financial conditions

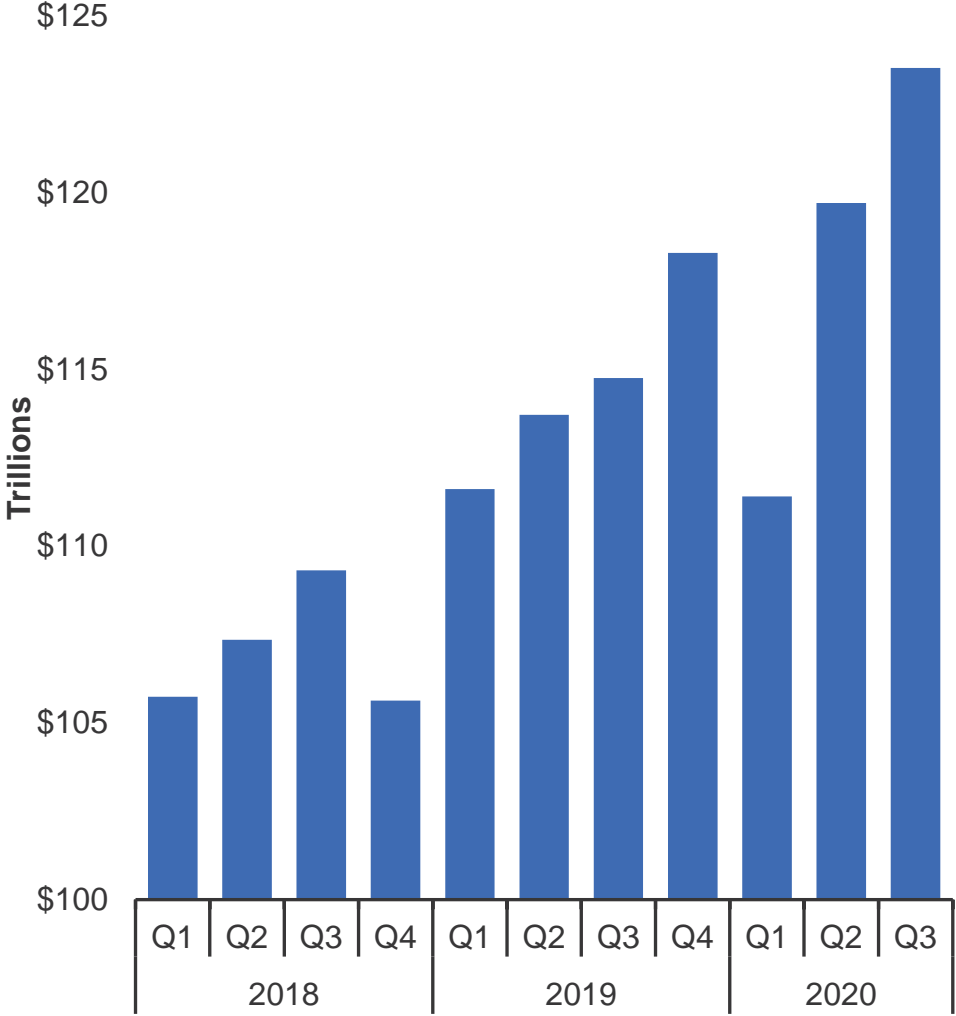
Source: WSJ and Congressional aides, most recent data as of 12/31/2020. “Other” includes support for small banks that serve low-income and minority communities, childcare and broadband services, among other categories.

Accumulated Savings and Wealth Are Likely to Fuel Consumer Spending

Personal Savings in U.S. (trillions)



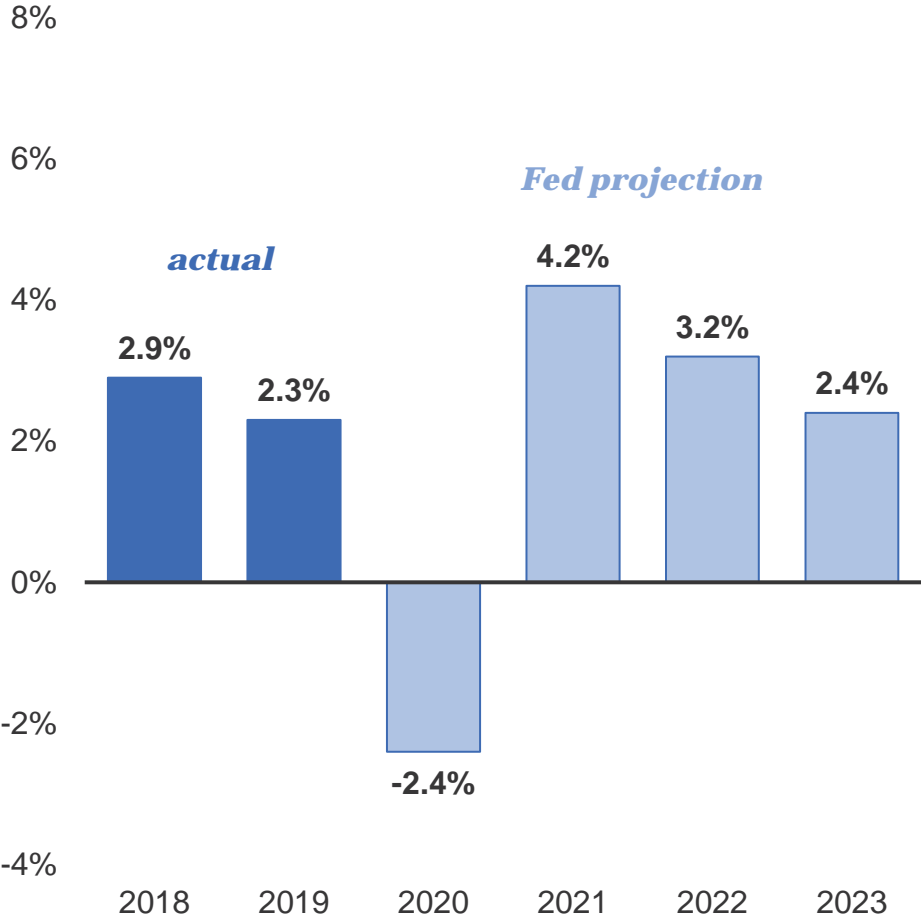
Household Net Worth



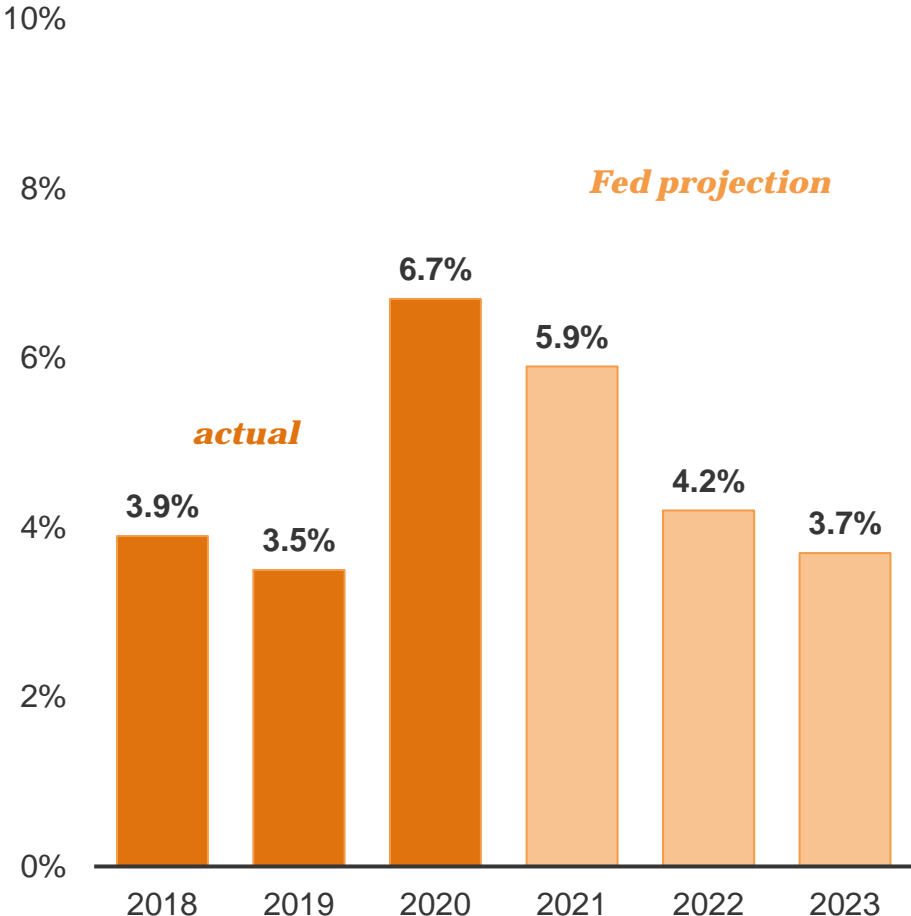
Source (left): Federal Reserve, as of December 2020. Sources (right): U.S. Bureau of Economic Analysis and FRED.

Fed Expects Economy to Recover Further in 2021

Change in Real GDP



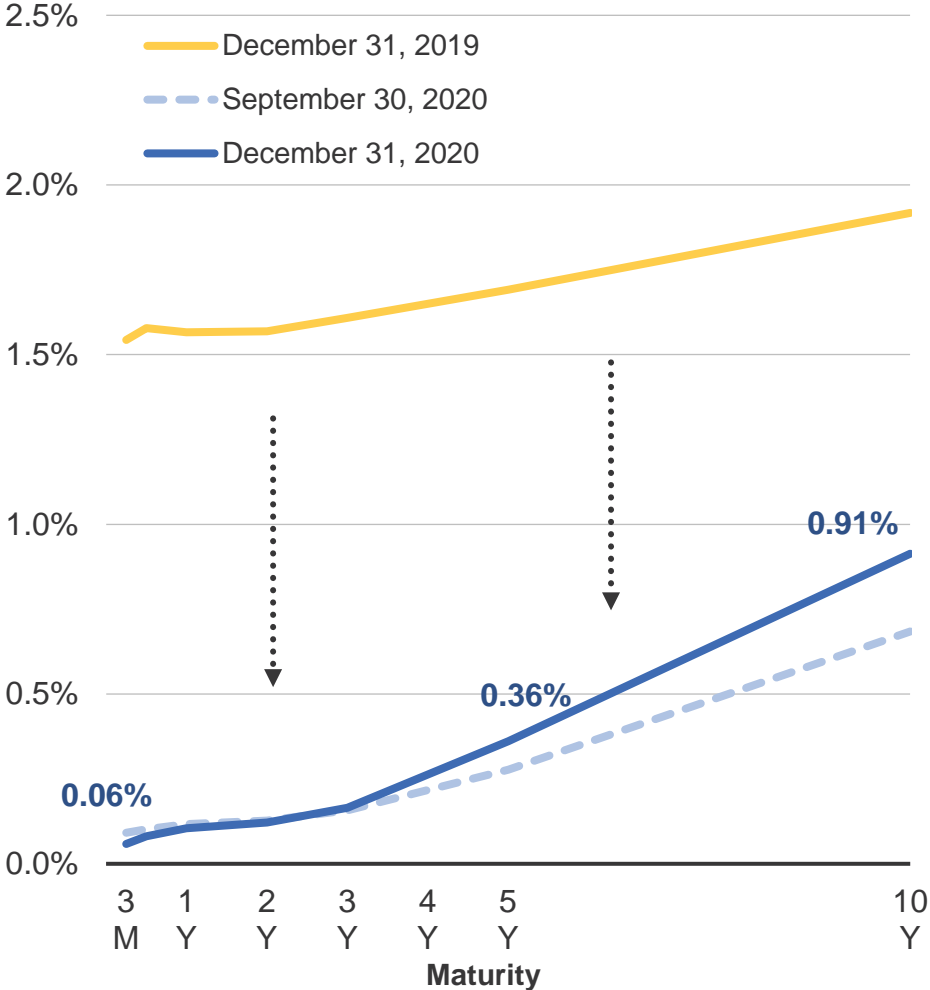
Unemployment Rate



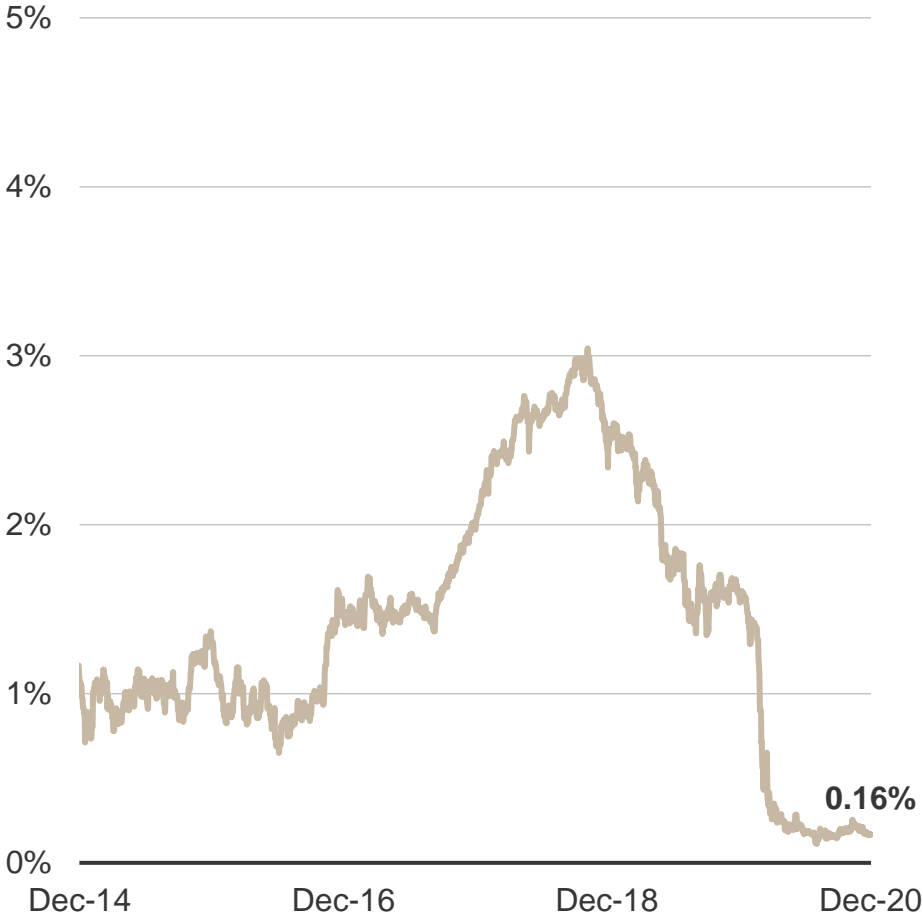
Source: Federal Reserve, economic projections as of December 2020.

Short Rates Were Steady, but the Yield Curve Steepened in Fourth Quarter

U.S. Treasury Yield Curve



3-Year Treasury Yield



Source: Bloomberg as of 12/31/2020.

Equities Rise to Record High on Vaccine News and Passing of New Stimulus

S&P 500 Price Chart



Source: Bloomberg, as of 12/31/2020.



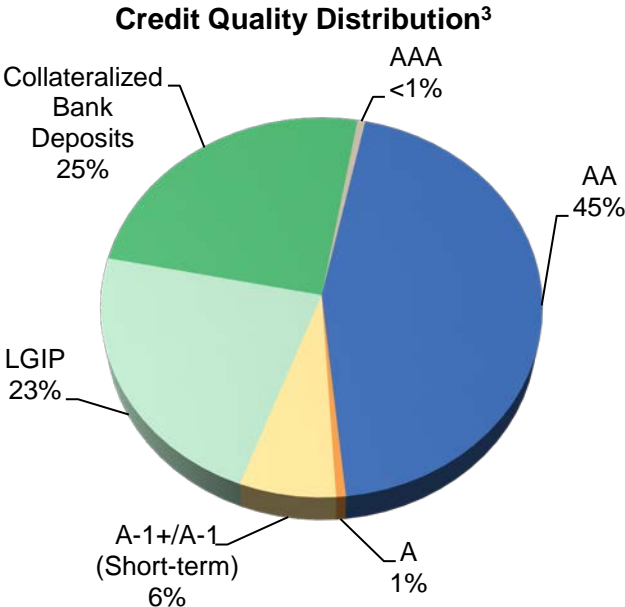
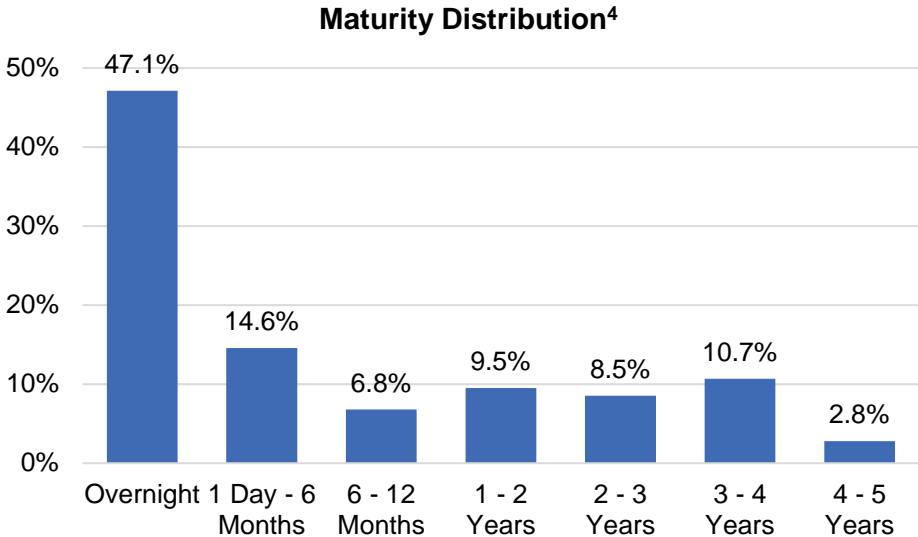
CITY OF SALEM COMBINED PORTFOLIO

**Investment Performance Review
For the Quarter Ended December 31, 2020**

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

Quarter Ended December 31, 2020 – 4Q20 ¹	
Quarterly Summary	
Market Value (MV)	\$422,617,066
Amortized Cost	\$417,559,645
Portfolio Yield on Cost	1.21%
Weighted Average Maturity	0.94 years
Cash Basis Earnings for Quarter ²	\$1,109,037
Accrual Basis Earnings for Quarter ²	\$988,153
Quarterly Change	
Amortized Cost – 4Q20	\$417,559,645
Beginning MV – 3Q20	\$359,805,808
Net Contributions	\$5,038,214
Change in Cash	\$57,599,811
Change in MV	\$173,234
Ending MV – 4Q20	\$422,617,066

Sector Distribution ¹				
Sector	Amortized Cost	Market Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$152,063,428	\$156,561,397	37%	100%
Federal Agencies	\$21,726,967	\$21,801,161	5%	100%
Municipal Obligations	\$1,480,005	\$1,489,309	<1%	10%
Commercial Paper	\$21,729,834	\$21,731,189	5%	Combined
Corporate Notes	\$21,440,709	\$21,915,307	5%	35% Max.
LGIP	\$95,118,385	\$95,118,385	23%	ORS limit
Collateralized Deposit Accounts	\$104,000,318	\$104,000,318	25%	100%
Total	\$417,559,645	\$422,617,066	100%	



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 December 31, 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

- Shorter-term Treasury yields remained low in the fourth calendar quarter, anchored by the Fed's near-zero interest rate policy. Longer-term Treasury yields rose sharply, steepening the curve and increasing the spread between the yield on 10- and 2-year Treasuries to 0.79% at year-end—a three-year high. The bond market appears to be looking beyond the current economic challenges and focusing more on the outlook for stronger growth later in the year and a potential rise in inflation. The vaccine rollout has pulled forward some of that optimism, while the prospects for additional fiscal stimulus and deficit spending from the new administration has increased.
- At quarter-end, the yield on a 3-month Treasury Bill stood at 0.07%, the 2-year note was 0.12%, the 5-year was 0.36%, while the 10- and 30-year were 0.92% and 1.65%, respectively. The 10-year Treasury was up 23 basis points (0.23%) during the quarter.
- As a result of low rates and a steeper yield curve, Treasury index returns were mixed. Short-term Treasury benchmarks (5 years and under) ended the quarter with slightly positive returns, while longer-duration indices were notably negative,
- Portfolio strategy for the fourth quarter encompassed the following:
 - Approaches carried forward from the third quarter: maintain allocations in most sectors, opportunistically extend the portfolio's duration, and carefully manage risk considering various headwinds caused by the uneven and decelerating recovery.
 - Yield spreads returned to near pre-pandemic levels in most sectors at the same time that new supply waned. This limited new investment opportunities in the fourth quarter.
 - After months of consistent supply and attractive value in the federal agency sector, the market saw a decline in new issuance towards year-end. However, the sector continued to offer value and we made additional purchases. Federal agencies outperformed Treasuries for the quarter, boosting the portfolio's return once again.
 - Investment grade corporates outpaced the performance of most other sectors during the quarter. Corporates proved to be a valuable asset class for both the quarter and for all of 2020, despite significant market disruptions early in the year. Investors' strong demand for yield pushed spreads even tighter during the fourth quarter, which ended the year near 20-year lows.
- The City's Long-Term Portfolio performed in line with its benchmark for the past quarter and the past several years. Since inception, the portfolio has outperformed the benchmark by 0.17% per year on average. For the past year, the portfolio had a very strong return of 4.13%, however, the portfolio underperformed the benchmark due to the portfolio's shorter duration relative to the benchmark. We continue to purchase longer maturity securities to strategically extend the portfolio's duration, while remaining sensitive to the City's longer-term cash needs and risk tolerances.

Investment Strategy Outlook

- As 2020 ends, the uncertainties of 2021 now come into focus. Significant central bank intervention is expected to continue, and we expect interest rates will remain low for the foreseeable future. The speed of vaccine rollouts will ultimately drive the pace of the anticipated “return to normalcy.”
- Yield spreads in all sectors, including federal agencies and corporates, remain tight, in many cases at or tighter than pre-pandemic levels.
- Our outlook for major investment-grade sectors includes the following:
 - Agencies: Strong demand for agency bonds has pushed incremental yield spreads in basis points down to single digits. While the portfolio currently includes larger allocations relative to prior years when spreads were consistently tight to similar-duration treasuries, in 2021 agency strategy will likely include reduced holdings of shorter maturities where spreads may be narrower while continued participation in attractive longer new issues.
 - Taxable Municipals: There is value in the sector and we will evaluate opportunities to participate in new high-quality issues and increase the portfolio’s allocation while the sector remains attractive. Additional fiscal stimulus targeted to state and local governments would be a big credit positive should it occur under the new federal administration.
 - Corporates: Continued economic recovery, vaccine rollouts, and supportive monetary policies around the world serve as primary tailwinds. Due to incremental income potential, corporates will remain a core, long-term holding. We may look to add to the sector should spreads widen, however, this may be challenging, as market demand seems insatiable while issuance is expected to fall from the record new supply seen in 2020.



CITY OF SALEM LONG-TERM PORTFOLIO

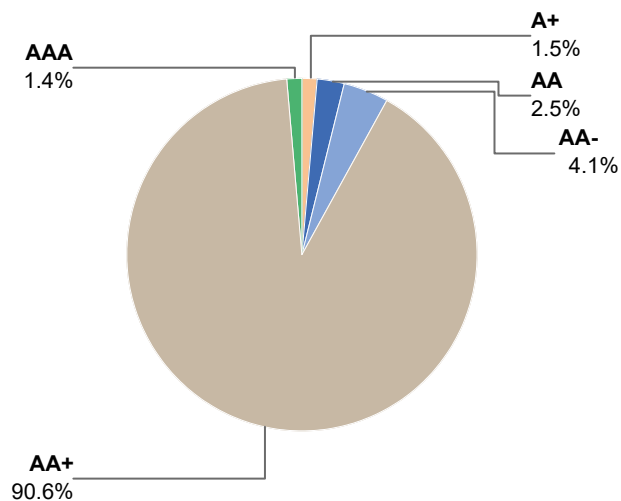
**Investment Performance Review
For the Quarter Ended December 31, 2020**

Portfolio Statistics

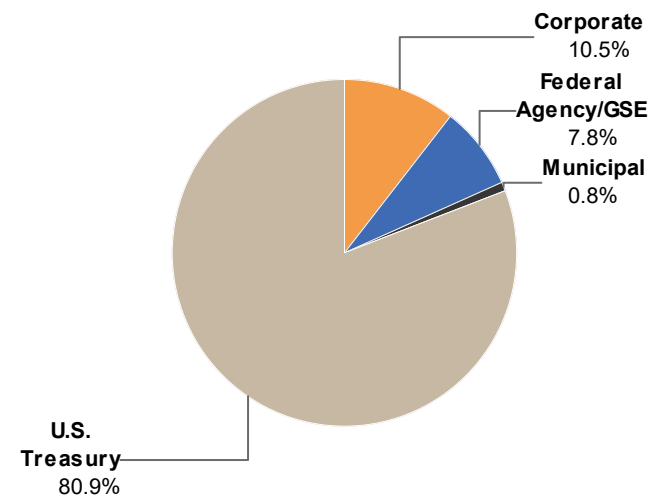
As of December 31, 2020

Par Value:	\$180,010,000
Total Market Value:	\$186,080,992
Security Market Value:	\$185,251,818
Accrued Interest:	\$829,174
Cash:	-
Amortized Cost:	\$180,230,940
Yield at Market:	0.22%
Yield at Cost:	2.03%
Effective Duration:	1.93 Years
Average Maturity:	1.97 Years
Average Credit: *	AA

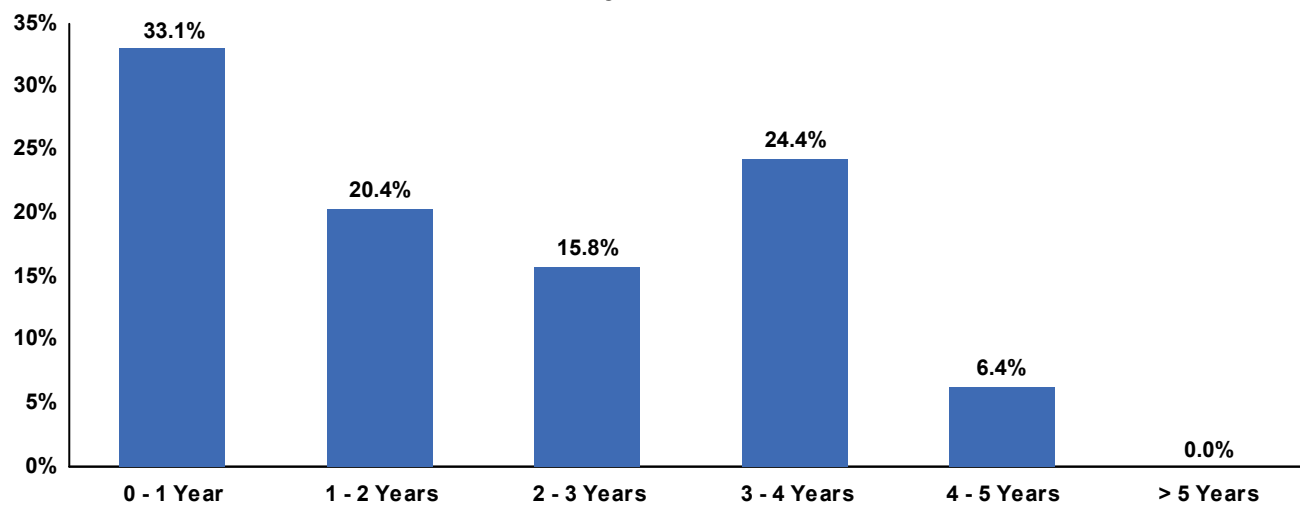
Credit Quality (S&P Ratings)



Sector Allocation



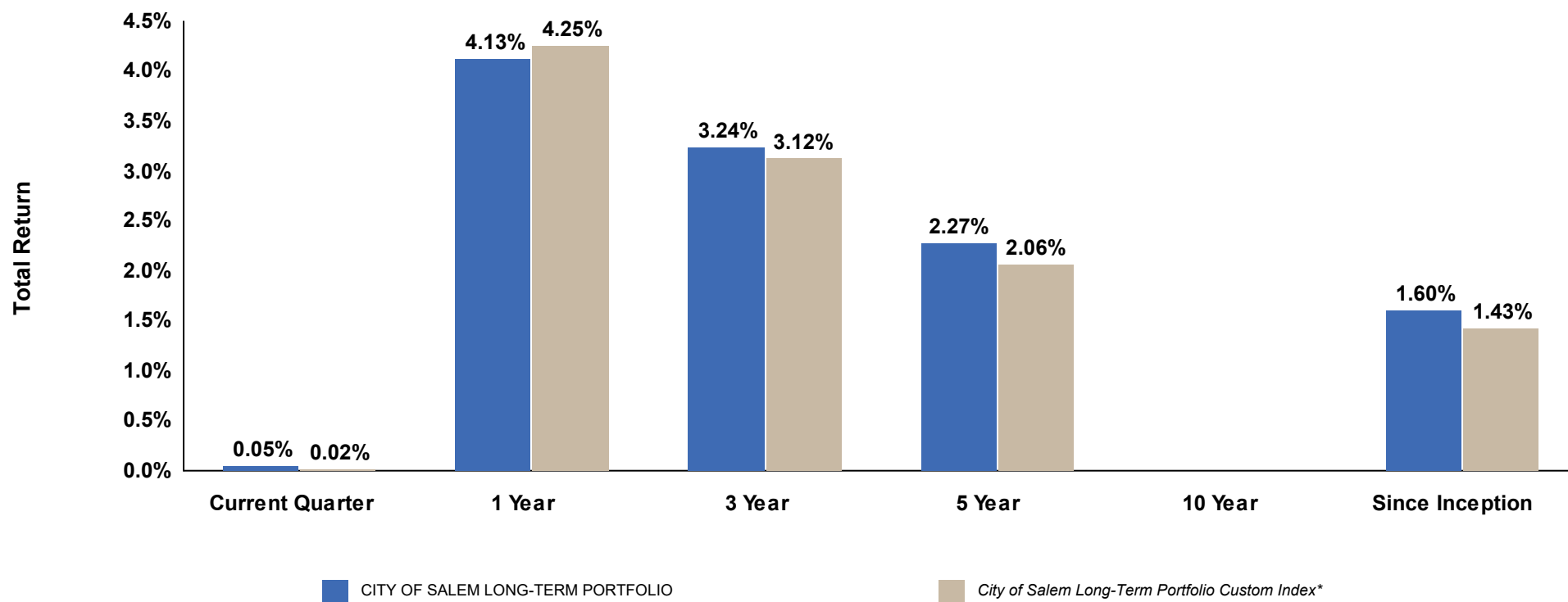
Maturity Distribution



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

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (12/31/12)
			1 Year	3 Year	5 Year	10 Year	
CITY OF SALEM LONG-TERM PORTFOLIO	1.93	0.05%	4.13%	3.24%	2.27%	-	1.60%
City of Salem Long-Term Portfolio Custom Index*	2.59	0.02%	4.25%	3.12%	2.06%	-	1.43%
Difference		0.03%	-0.12%	0.12%	0.21%	-	0.17%



Portfolio performance is gross of fees unless otherwise indicated.

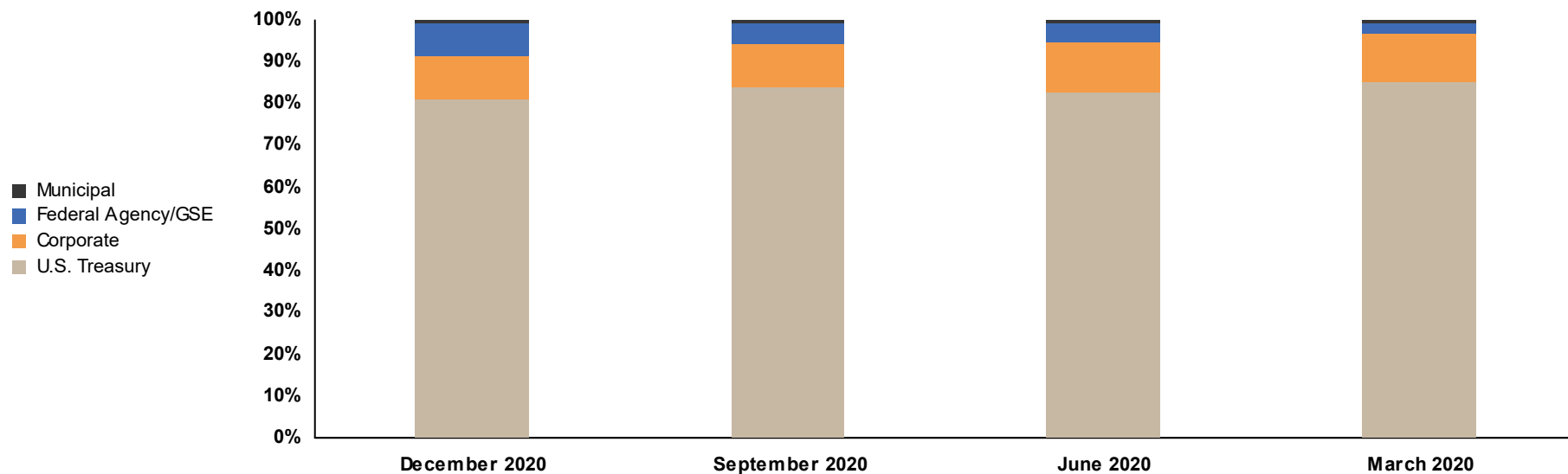
*Performance benchmark is the ICE BofAML 1-5 Year U.S. Treasury index as of 12/31/19. Prior to that, it was the ICE BofAML 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BofAML 1-3 Year U.S. Treasury Index from 6/30/16 to 12/31/19.

Portfolio Earnings*Quarter-Ended December 31, 2020*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2020)	\$186,039,844.23	\$180,186,276.53
Net Purchases/Sales	(\$15,846.00)	(\$15,846.00)
Change in Value	(\$772,179.77)	\$60,509.39
Ending Value (12/31/2020)	\$185,251,818.46	\$180,230,939.92
Interest Earned	\$873,384.78	\$873,384.78
Portfolio Earnings	\$101,205.01	\$933,894.17

Sector Allocation

Sector	December 31, 2020		September 30, 2020		June 30, 2020		March 31, 2020	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	149.9	80.9%	155.9	83.8%	156.4	82.6%	156.5	84.9%
Corporate	19.4	10.5%	19.5	10.5%	22.0	11.7%	21.7	11.8%
Federal Agency/GSE	14.5	7.8%	9.2	4.9%	9.2	4.9%	4.6	2.5%
Municipal	1.5	0.8%	1.5	0.8%	1.5	0.8%	1.5	0.8%
Total	\$185.3	100.0%	\$186.0	100.0%	\$189.2	100.0%	\$184.3	100.0%

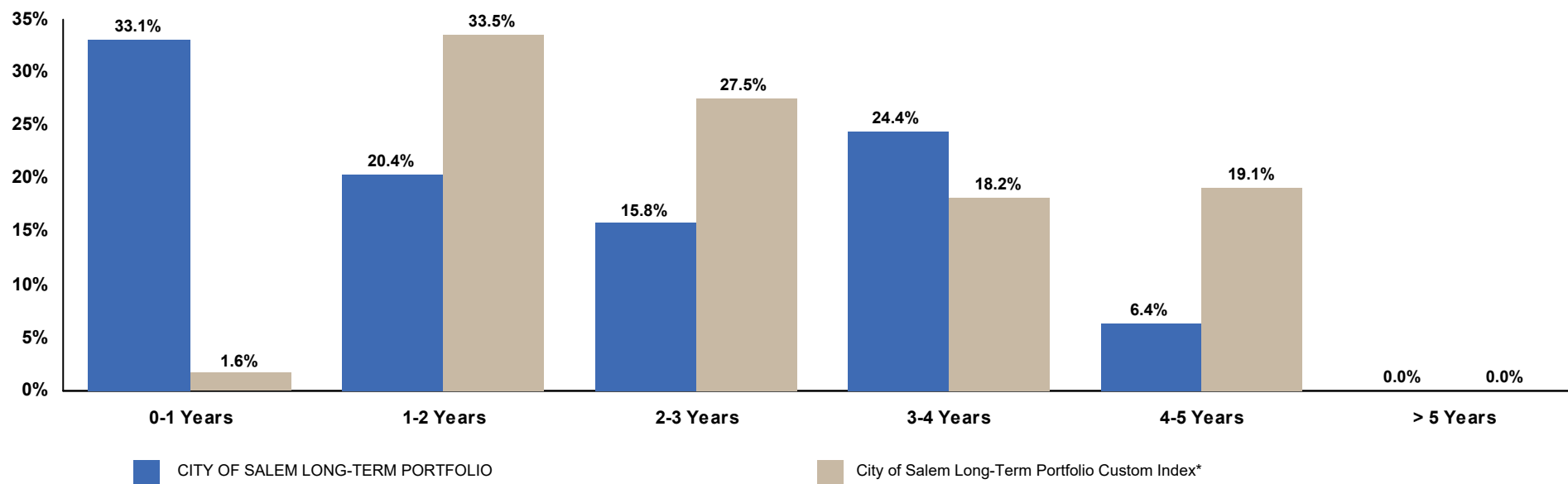


Detail may not add to total due to rounding.

Maturity Distribution

As of December 31, 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	0.22%	1.97 yrs	33.1%	20.4%	15.8%	24.4%	6.4%	0.0%
City of Salem Long-Term Portfolio Custom Index*	0.18%	2.73 yrs	1.6%	33.5%	27.5%	18.2%	19.1%	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

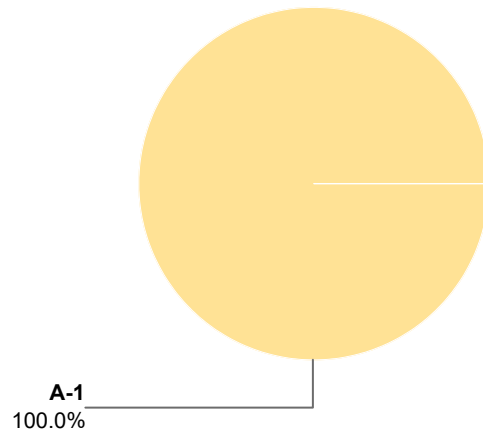
Investment Performance Review
For the Quarter Ended December 31, 2020

Portfolio Statistics

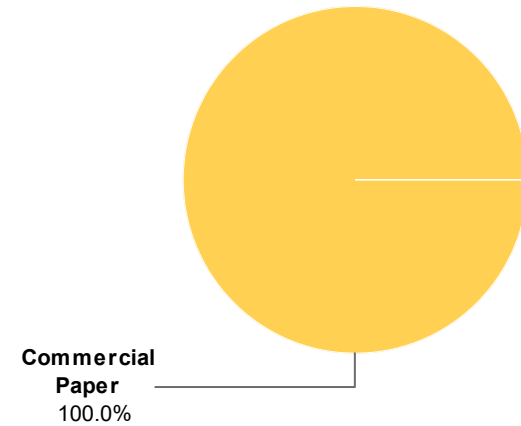
As of December 31, 2020

Par Value:	\$21,000,000
Total Market Value:	\$20,981,552
Security Market Value:	\$20,981,552
Accrued Interest:	-
Cash:	-
Amortized Cost:	\$20,980,184
Yield at Market:	0.20%
Yield at Cost:	0.22%
Effective Duration:	0.44 Years
Average Maturity:	0.44 Years
Average Credit: *	A

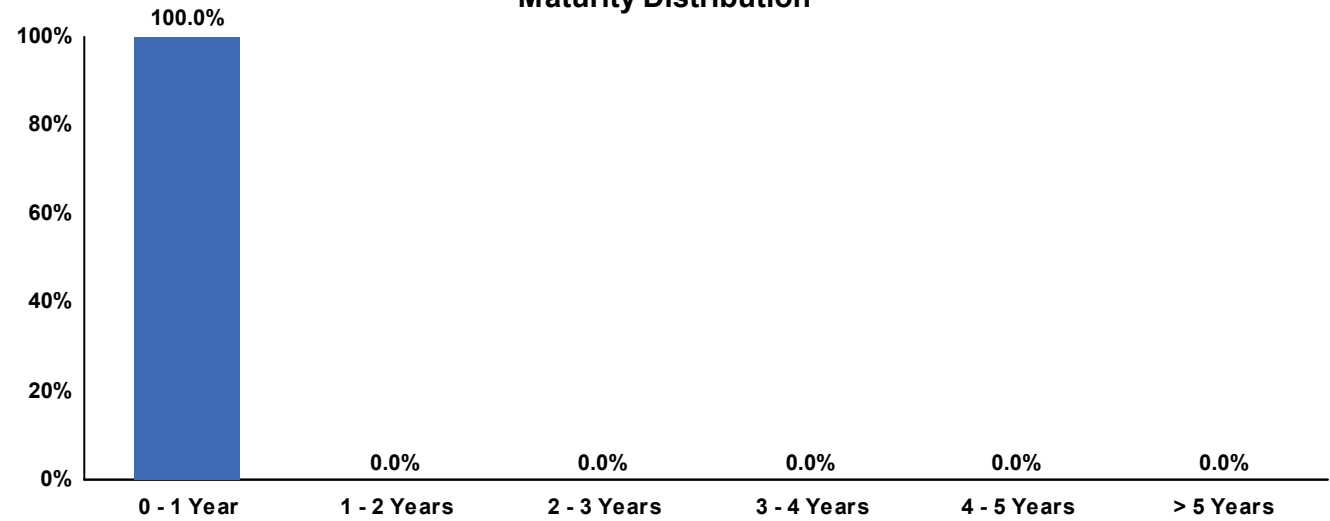
Credit Quality (S&P Ratings)



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 December 31, 2020*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2020)	\$10,014,844.00	\$9,999,911.08
Net Purchases/Sales	\$10,977,174.17	\$10,977,174.17
Change in Value	(\$10,466.67)	\$3,098.92
Ending Value (12/31/2020)	\$20,981,551.50	\$20,980,184.17
Interest Earned	\$16,427.59	\$16,427.59
Portfolio Earnings	\$5,960.92	\$19,526.51



CITY OF SALEM STREETS & BRIDGES GO BONDS

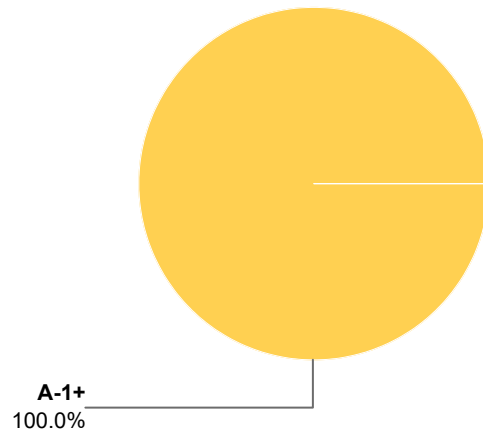
Investment Performance Review
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Portfolio Statistics

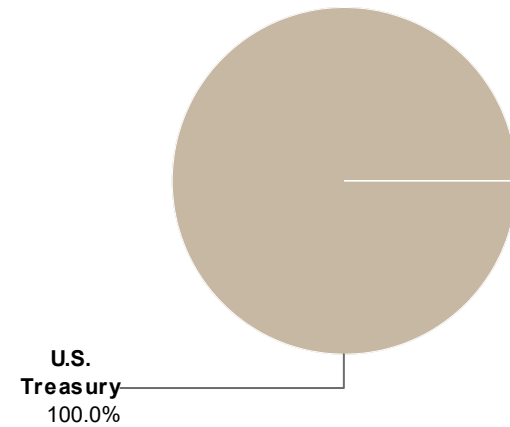
As of December 31, 2020

Par Value:	\$1,615,000
Total Market Value:	\$1,614,451
Security Market Value:	\$1,614,451
Accrued Interest:	-
Cash:	-
Amortized Cost:	\$1,614,330
Yield at Market:	0.09%
Yield at Cost:	0.11%
Effective Duration:	0.39 Years
Average Maturity:	0.38 Years
Average Credit: *	AA

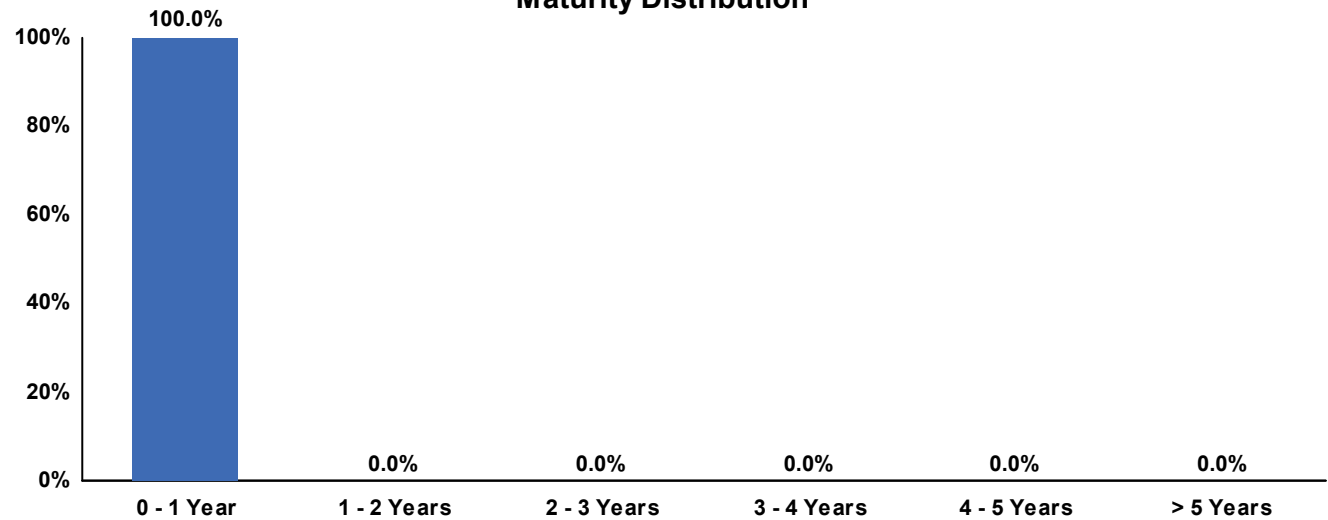
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



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Portfolio Earnings

Quarter-Ended December 31, 2020

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2020)	\$1,613,963.65	\$1,613,885.99
Net Purchases/Sales	\$0.00	\$0.00
Change in Value	\$487.25	\$443.68
Ending Value (12/31/2020)	\$1,614,450.90	\$1,614,329.67
Interest Earned	\$0.00	\$0.00
Portfolio Earnings	\$487.25	\$443.68



CITY OF SALEM LIBRARY PROJ GO BONDS 2018

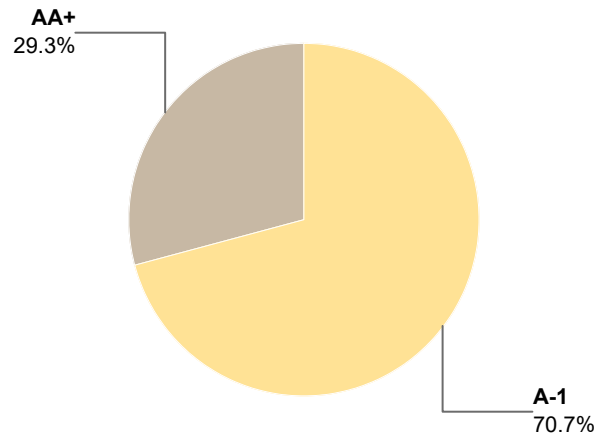
Investment Performance Review
For the Quarter Ended December 31, 2020

Portfolio Statistics

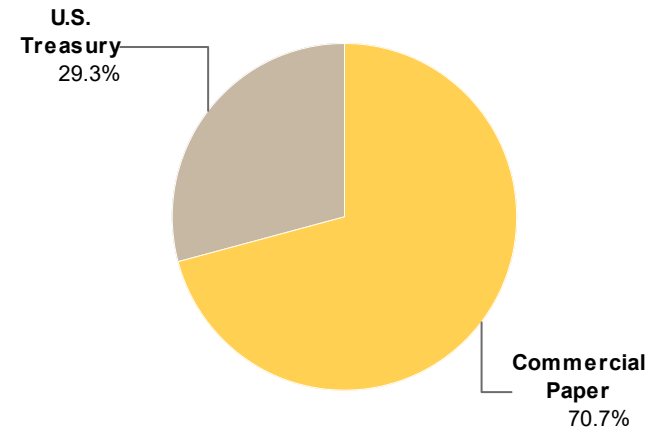
As of December 31, 2020

Par Value:	\$1,060,000
Total Market Value:	\$1,061,712
Security Market Value:	\$1,059,928
Accrued Interest:	\$1,784
Cash:	-
Amortized Cost:	\$1,059,405
Yield at Market:	0.21%
Yield at Cost:	0.83%
Effective Duration:	0.20 Years
Average Maturity:	0.20 Years
Average Credit: *	A

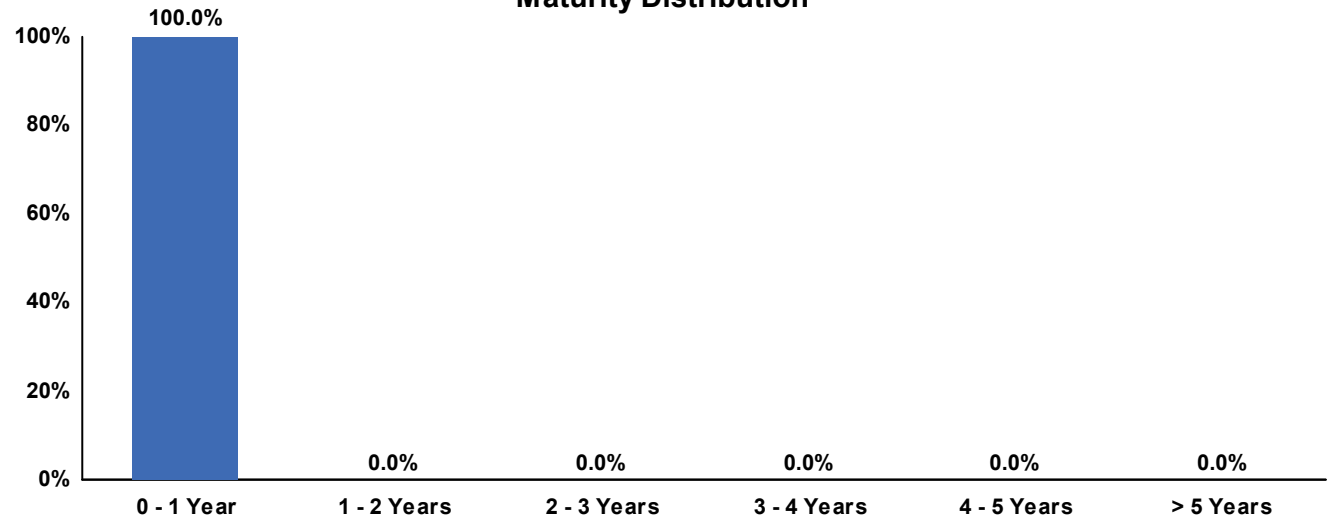
Credit Quality (S&P Ratings)



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 December 31, 2020*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2020)	\$3,916,797.56	\$3,902,001.07
Net Purchases/Sales	(\$2,846,005.66)	(\$2,846,005.66)
Change in Value	(\$10,863.52)	\$3,409.14
Ending Value (12/31/2020)	\$1,059,928.38	\$1,059,404.55
Interest Earned	\$12,222.11	\$12,222.11
Portfolio Earnings	\$1,358.59	\$15,631.25

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
11/30/20	12/1/20	2,850,000	3137EAEU9	FREDDIE MAC NOTES	0.37%	7/21/25	2,847,929.00	0.42%	
11/30/20	12/1/20	2,500,000	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/25	2,491,743.75	0.46%	
Total BUY		5,350,000					5,339,672.75		
INTEREST									
10/1/20	10/1/20	1,480,000	13063DGA0	CA ST TXBL GO BONDS	2.80%	4/1/21	20,720.00		
10/13/20	10/13/20	3,100,000	3135G0U27	FANNIE MAE NOTES	2.50%	4/13/21	38,750.00		
10/15/20	10/15/20	9,965,000	9128285F3	UNITED STATES TREASURY NOTES	2.87%	10/15/21	143,246.88		
10/31/20	10/31/20	1,750,000	912828WZ9	US TREASURY N/B NOTES	1.75%	4/30/22	15,312.50		
10/31/20	10/31/20	5,250,000	912828YM6	UNITED STATES TREASURY NOTES	1.50%	10/31/24	39,375.00		
10/31/20	10/31/20	5,400,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	50,625.00		
10/31/20	10/31/20	4,500,000	912828R28	US TREASURY N/B NOTES	1.62%	4/30/23	36,562.50		
11/15/20	11/15/20	4,070,000	912828G38	US TREASURY NOTES	2.25%	11/15/24	45,787.50		
11/15/20	11/15/20	5,000,000	912828TY6	US TREASURY NOTES	1.62%	11/15/22	40,625.00		
11/15/20	11/15/20	1,015,000	9128284P2	US TREASURY NOTES	2.62%	5/15/21	13,321.88		
11/19/20	11/19/20	875,000	02079KAA5	ALPHABET INC CORP NOTE	3.62%	5/19/21	15,859.38		
11/30/20	11/30/20	5,250,000	912828XT2	US TREASURY N/B NOTES	2.00%	5/31/24	52,500.00		
11/30/20	11/30/20	5,000,000	912828U65	US TREASURY NOTES	1.75%	11/30/21	43,750.00		
11/30/20	11/30/20	7,700,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	77,000.00		
11/30/20	11/30/20	960,000	912828XR6	US TREASURY NOTES	1.75%	5/31/22	8,400.00		
12/23/20	12/23/20	2,500,000	931142EJ8	WAL-MART STORES INC CORP NOTES	3.12%	6/23/21	39,062.50		
12/31/20	12/31/20	4,750,000	912828YY0	US TREASURY N/B	1.75%	12/31/24	41,562.50		
12/31/20	12/31/20	3,530,000	912828V23	US TREASURY NOTES	2.25%	12/31/23	39,712.50		
12/31/20	12/31/20	4,600,000	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	46,000.00		

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)
12/31/20	12/31/20	5,000,000	912828S27	US TREASURY N/B	1.12%	6/30/21	28,125.00		
Total INTEREST		81,695,000					836,298.14		
MATURITY									
11/30/20	11/30/20	5,350,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	5,393,468.75		0.00
Total MATURITY		5,350,000					5,393,468.75		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
12/7/20	12/8/20	10,500,000	62479LT88	MUFG BANK LTD/NY COMM PAPER	0.00%	6/8/21	10,487,260.00	0.24%	
12/7/20	12/8/20	10,500,000	22533TT89	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	6/8/21	10,489,914.17	0.19%	
Total BUY		21,000,000					20,977,174.17		
MATURITY									
10/15/20	10/15/20	5,000,000	912828Z22	US TREASURY N/B NOTES	1.62%	10/15/20	5,040,625.00		0.00
11/30/20	11/30/20	5,000,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	5,040,625.00		0.00
Total MATURITY		10,000,000					10,081,250.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
MATURITY									
12/31/20	12/31/20	2,060,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	2,078,025.00		0.00
Total MATURITY		2,060,000					2,078,025.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/5/20	10/6/20	250,000	63873JR10	NATIXIS NY BRANCH COMM PAPER	0.00%	4/1/21	249,778.75	0.18%	
10/5/20	10/6/20	250,000	62479LR15	MUFG BANK LTD/NY COMM PAPER	0.00%	4/1/21	249,766.46	0.19%	
10/5/20	10/6/20	250,000	09659BR10	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	4/1/21	249,766.46	0.19%	
10/15/20	10/16/20	4,250,000	9127964S5	US TREASURY BILL	0.00%	11/17/20	4,249,682.67	0.08%	
Total BUY		5,000,000					4,998,994.34		
MATURITY									
10/1/20	10/1/20	360,000	594918AH7	MICROSOFT CORP NOTES	3.00%	10/1/20	365,400.00		0.00
10/31/20	10/31/20	840,000	912828L99	US TREASURY NOTES	1.37%	10/31/20	845,775.00		0.00
11/17/20	11/17/20	4,250,000	9127964S5	US TREASURY BILL	0.00%	11/17/20	4,250,000.00		0.00
11/30/20	11/30/20	1,200,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	1,209,750.00		0.00
12/31/20	12/31/20	1,195,000	912828A83	US TREASURY NOTES	2.37%	12/31/20	1,209,190.63		0.00
Total MATURITY		7,845,000					7,880,115.63		0.00

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 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	28,770.38	4,997,151.62	5,004,687.50
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	63,198.90	7,440,304.35	7,466,737.87
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	3,459.27	1,014,911.62	1,024,198.44
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	9,142.86	5,185,896.19	5,239,812.24
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	4,395.60	2,494,014.18	2,519,140.50
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	155.39	4,962,908.25	5,025,000.00
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	20,479.48	7,039,511.19	7,179,550.43
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	3,592.89	1,237,534.18	1,259,570.25
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	61,391.52	9,956,309.74	10,178,312.78
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	7,692.31	4,954,251.68	5,073,437.50
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	93,546.20	8,095,003.42	8,298,702.72
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	15,927.14	2,483,883.25	2,550,781.25
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	5,245.17	1,739,307.41	1,787,734.38
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	17,341.16	5,376,934.37	5,524,875.00
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	1,476.92	960,686.93	981,900.00

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 Bond / Note											
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	24,479.01	5,457,159.04	5,596,493.75
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	10,549.03	4,996,957.15	5,139,062.50
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	14,371.57	3,742,367.28	3,863,671.88
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	12,524.17	4,504,624.64	4,654,687.50
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	19,616.17	3,716,971.14	3,856,640.63
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	21,023.83	4,475,220.85	4,646,250.00
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	13,173.94	3,726,873.98	3,875,390.63
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	219.41	3,595,225.30	3,749,521.88
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	43,312.50	4,687,694.80	4,893,250.00
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	24,974.59	4,673,437.92	4,887,500.00
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	9,230.77	5,315,688.67	5,570,742.45
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	254.14	4,659,610.39	4,886,062.50
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	22,298.00	5,181,197.57	5,445,234.38
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	17,629.12	4,581,240.99	4,817,062.50
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	13,487.57	5,225,323.60	5,501,836.20

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 11/17/2014 2.250% 11/15/2024	912828G38	4,070,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,192,735.94	1.62	11,889.57	4,165,619.07	4,384,153.13
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	229.63	4,772,062.09	5,030,546.88
Security Type Sub-Total		145,425,000.00					144,559,817.03	2.07	595,078.21	145,415,882.86	149,912,547.67
Municipal Bond / Note											
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	1,480,004.97	1,489,309.20
Security Type Sub-Total		1,480,000.00					1,480,059.20	2.80	10,360.00	1,480,004.97	1,489,309.20
Federal Agency Bond / Note											
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	3,099,570.13	3,120,549.90
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	23,031.25	4,588,321.99	4,616,838.00
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	2,850,000.00	AA+	Aaa	11/30/2020	12/1/2020	2,844,129.00	0.42	4,690.63	2,844,236.50	2,846,491.65
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	2,500,000.00	AA+	Aaa	11/30/2020	12/1/2020	2,490,025.00	0.46	2,500.00	2,490,201.00	2,493,307.50
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	1,400,000.00	AA+	Aaa	9/29/2020	9/30/2020	1,397,830.00	0.41	1,400.00	1,397,940.95	1,396,252.20
Security Type Sub-Total		14,350,000.00					14,445,355.00	0.89	48,413.55	14,420,270.57	14,473,439.25
Corporate Note											
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	2,000,942.92	2,002,034.00

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
Corporate Note											
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	1,248,747.73	1,253,827.50
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	877,307.23	886,022.38
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	2,499,980.20	2,533,257.50
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	2,734,949.58	2,814,383.00
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	2,487,477.47	2,553,107.50
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	2,514,586.95	2,577,030.00
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	2,453,912.02	2,559,968.46
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	2,096,877.42	2,196,892.00
Security Type Sub-Total		18,755,000.00					18,992,261.50	2.56	175,322.18	18,914,781.52	19,376,522.34
Managed Account Sub Total		180,010,000.00					179,477,492.73	2.03	829,173.94	180,230,939.92	185,251,818.46
Securities Sub-Total		\$180,010,000.00					\$179,477,492.73	2.03%	\$829,173.94	\$180,230,939.92	\$185,251,818.46
Accrued Interest											\$829,173.94
Total Investments											\$186,080,992.40

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
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 12/07/2020 0.000% 06/08/2021	22533TT89	10,500,000.00	A-1	P-1	12/7/2020	12/8/2020	10,489,914.17	0.19	0.00	10,491,244.17	10,491,936.00
MUFG BANK LTD/NY COMM PAPER DTD 10/01/2020 0.000% 06/08/2021	62479LT88	10,500,000.00	A-1	P-1	12/7/2020	12/8/2020	10,487,260.00	0.24	0.00	10,488,940.00	10,489,615.50
Security Type Sub-Total		21,000,000.00					20,977,174.17	0.22	0.00	20,980,184.17	20,981,551.50
Managed Account Sub Total		21,000,000.00					20,977,174.17	0.22	0.00	20,980,184.17	20,981,551.50
Securities Sub-Total		\$21,000,000.00					\$20,977,174.17	0.22%	\$0.00	\$20,980,184.17	\$20,981,551.50
Accrued Interest											\$0.00
Total Investments											\$20,981,551.50

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
U.S. Treasury Bill											
TREASURY BILL BILLS DTD 05/21/2020 0.000% 05/20/2021	9127962Y4	1,615,000.00	A-1+	P-1	9/10/2020	9/11/2020	1,613,789.54	0.11	0.00	1,614,329.67	1,614,450.90
Security Type Sub-Total		1,615,000.00					1,613,789.54	0.11	0.00	1,614,329.67	1,614,450.90
Managed Account Sub Total		1,615,000.00					1,613,789.54	0.11	0.00	1,614,329.67	1,614,450.90
Securities Sub-Total		\$1,615,000.00					\$1,613,789.54	0.11%	\$0.00	\$1,614,329.67	\$1,614,450.90
Accrued Interest											\$0.00
Total Investments											\$1,614,450.90

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
U.S. Treasury Bond / Note											
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	1,783.76	309,754.55	310,290.63
Security Type Sub-Total		310,000.00					301,499.22	2.38	1,783.76	309,754.55	310,290.63
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 07/14/2020 0.000% 04/01/2021	09659BR10	250,000.00	A-1	P-1	10/5/2020	10/6/2020	249,766.46	0.19	0.00	249,881.25	249,901.25
NATIXIS NY BRANCH COMM PAPER DTD 07/07/2020 0.000% 04/01/2021	63873JR10	250,000.00	A-1	P-1	10/5/2020	10/6/2020	249,778.75	0.18	0.00	249,887.50	249,864.00
MUFG BANK LTD/NY COMM PAPER DTD 07/14/2020 0.000% 04/01/2021	62479LR15	250,000.00	A-1	P-1	10/5/2020	10/6/2020	249,766.46	0.19	0.00	249,881.25	249,872.50
Security Type Sub-Total		750,000.00					749,311.67	0.19	0.00	749,650.00	749,637.75
Managed Account Sub Total		1,060,000.00					1,050,810.89	0.83	1,783.76	1,059,404.55	1,059,928.38
Securities Sub-Total		\$1,060,000.00					\$1,050,810.89	0.83%	\$1,783.76	\$1,059,404.55	\$1,059,928.38
Accrued Interest											\$1,783.76
Total Investments											\$1,061,712.14

Bolted items are forward settling trades.

IMPORTANT DISCLOSURES

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

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

GLOSSARY

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

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.