



TOWN OF FOUNTAIN HILLS

Investment Performance Review For the Quarter Ended June 30, 2020

Client Management Team

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

PFM Asset Management LLC

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

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

QUARTERLY MARKET SUMMARY

SUMMARY

- In Q2, U.S. economic conditions were characterized by: (1) unprecedented deterioration in economic fundamentals due to broad lockdowns and stay-at-home orders; (2) economic indicators bottoming out in April and sharply rebounding off historical lows, yet still trailing pre-crisis levels; (3) equity markets posting strong quarterly performance on a positive forward outlook; (4) improving bond market dynamics as the Federal Reserve (Fed) continued to flood the market with liquidity; and (5) COVID-19 hotspots (re)appearing around the nation, raising concerns that the economic recovery may slow.
- The Fed spent the second quarter mobilizing and refining its arsenal of emergency lending programs to provide liquidity and stabilize financial markets. At its two meetings over the quarter, the central bank left the target range for the federal funds rate unchanged at 0% to 0.25%. Released at its June policy meeting, the Federal Open Market Committee's updated economic projections now anticipate a long, slow recovery, with persistently high unemployment, and short-term rates pegged at near 0%.
- Treasury yields were largely range-bound over the second quarter after plummeting to all-time lows in Q1. Returns on Treasuries were muted in Q2, while yield spreads in all other sectors significantly retraced their Q1 widening, resulting in strongly positive excess returns. Diversification was once again a strong benefit in Q2 as diversified portfolios largely recouped the bulk of Q1 underperformance.
- Many nations began to gradually re-open their economies after seemingly containing the spread of the coronavirus. Equity indices, on a global scale, responded positively to the developments and reported solid Q2 returns. U.S. equities performed particularly well, with major indices posting their best quarterly performance in over 20 years.

ECONOMIC SNAPSHOT

- The U.S. economy contracted at 5.0% in Q1 as the pandemic-induced economic shutdown negatively affected most businesses. The American consumer, generally the driving force behind gross domestic product figures, was the largest detractor in Q1 as consumer spending and confidence experienced record drops.
- The U.S. labor market continued to battle the economic slowdown in Q2. While weekly initial jobless claims readings leveled off from the record-breaking 6.9 million claims at the end of March, the indicator was greater than one million in each week of Q2, which is much larger than any pre-coronavirus reading on record dating back to 1967. Despite surprisingly strong jobs gains in May and June, total employment still fell by about 17 million jobs in Q2, with the unemployment rate ending the quarter at 11.1%, the highest rate in over 50 years.
- Earlier in the quarter, U.S. manufacturing and services activity fell materially as lockdowns were enacted by state and local authorities to control the spread of COVID-19. In April, the Markit manufacturing PMI reached its lowest level since 2009 due to customers canceling or postponing orders. The services sector faced similar issues with temporary closures. By the end of the quarter, the manufacturing and services sectors stabilized considerably as COVID-19 restrictions eased, with both indices teetering between contraction and expansion levels.

INTEREST RATES

- U.S. Treasury yields remained near their low levels reached by the end of Q1 while trading in a relatively tight range. By the end of Q2, short-term rates (with maturities less than 6-months) had increased modestly by 4 to 7 basis points (bps) as yields were nudged higher on massive Treasury Bill issuance to finance the stimulus packages. The longest-maturity Treasuries (20 and 30 years), which had fallen to record lows in Q1, rose by 9 to 15 bps. Intermediate-term yields, with maturities between 2 and 7 years, declined between 7 and 10 bps, largely on prospects of potential Fed yield curve control—the targeting by the Fed of specific yields on specific maturities.
- At quarter-end, the yield on a 3-month Treasury bill stood at 0.14%, the 3-year note was 0.17%, the 5-year note was 0.29%, the 10-year note was 0.66%, and the 30-year Treasury ended the quarter at 1.41%.
- As a result of low rates and modest curve steepening, Treasury index returns were mixed for the quarter. For example, the 3-month and 2-year Constant Maturity U.S. Treasury Indices returned 0.02% and 0.10%, respectively. Meanwhile, the 5-year and 30-year indices returned 0.55% and -0.81%.

SECTOR PERFORMANCE

- In contrast to Q1, most non-U.S. Treasury fixed income investment-grade (IG) sectors generated positive excess returns, making up most of the Q1 underperformance, though most sectors still trailed Treasuries' strong year-to-date returns. Diversification away from Treasuries was significantly additive to fixed income portfolios during Q2.
- Throughout much of the quarter, federal agency spreads remained elevated relative to recent historical levels. Agency yield spreads eventually normalized closer to pre-crisis levels, particularly for securities maturing in three years or less. While the agency spread curve steepened by quarter-end, the general tightening across the board resulted in similar return attributes for fixed-rate maturities less than five years.
- The IG corporate sector was one of the best performing sectors in Q2 as spreads snapped back toward pre-crisis levels. The Fed's corporate bond support programs kicked off in earnest, with the Fed buying both IG ETFs and a broad range of individual corporate bonds in the secondary market. Although longer-duration and lower-quality issues outperformed shorter-duration and higher-quality issues on an absolute basis in Q2, the latter recouped a greater percentage of their relative underperformance in Q1.
- Uncertainties facing the asset-backed security (ABS) sector from Q1 carried into Q2, namely over concern about the consumers' ability to make timely payments on credit cards and car loans. Following the Fed's targeted liquidity support, a resilient consumer, and increased credit enhancements on new issues, the sector regained investor appetite and yield spreads narrowed markedly. The result was attractive positive excess returns.
- The federal agency mortgage-backed security sector (MBS) continued to battle record-low mortgage rates, which led to increased refinancing activity and elevated prepayments. The sector also contended with heightened levels of forbearance, which permitted borrowers to defer mortgage payments. The Fed's unwavering support of the market through unlimited bond purchases supported the sector as spreads tightened from March wides.

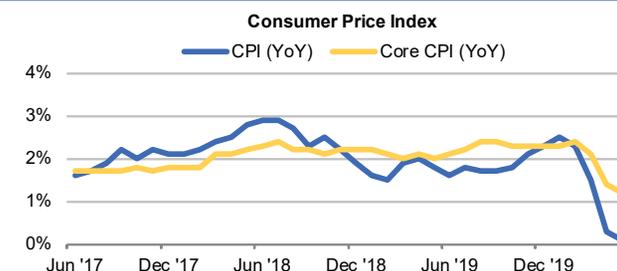
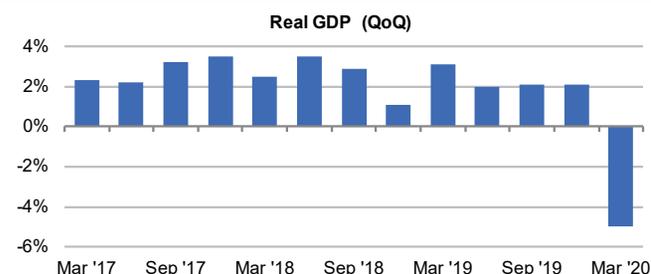
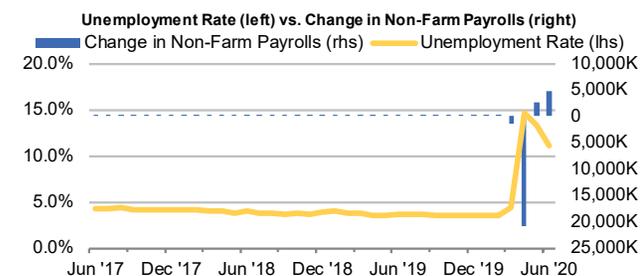
QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market		Latest	Mar '20	Jun '19
Unemployment Rate	Jun '20	11.1%	4.4%	3.7%
Change In Non-Farm Payrolls	Jun '20	4,800,000	-1,373,000	182,000
Average Hourly Earnings (YoY)	Jun '20	5.0%	3.4%	3.4%
Personal Income (YoY)	May '20	7.0%	1.4%	4.6%
Initial Jobless Claims (week)	7/4/20	1,314,000	6,867,000	222,000

Growth		Latest	Mar '20	Jun '19
Real GDP (QoQ SAAR)	2020Q1	-5.0%	2.1% ¹	3.1% ²
GDP Personal Consumption (QoQ SAAR)	2020Q1	-6.8%	1.8% ¹	1.1% ²
Retail Sales (YoY)	May '20	-6.1%	-5.6%	3.6%
ISM Manufacturing Survey (month)	Jun '20	52.6	49.1	51.6
Existing Home Sales SAAR (month)	May '20	3.91 mil.	5.27 mil.	5.32 mil.

Inflation/Prices		Latest	Mar '20	Jun '19
Personal Consumption Expenditures (YoY)	May '20	0.5%	1.3%	1.4%
Consumer Price Index (YoY)	May '20	0.1%	1.5%	1.6%
Consumer Price Index Core (YoY)	May '20	1.2%	2.1%	2.1%
Crude Oil Futures (WTI, per barrel)	Jun 30	\$39.27	\$20.48	\$58.47
Gold Futures (oz.)	Jun 30	\$1,801	\$1,583	\$1,414



1. Data as of Fourth Quarter 2019.

2. Data as of First Quarter 2019.

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

Source: Bloomberg.

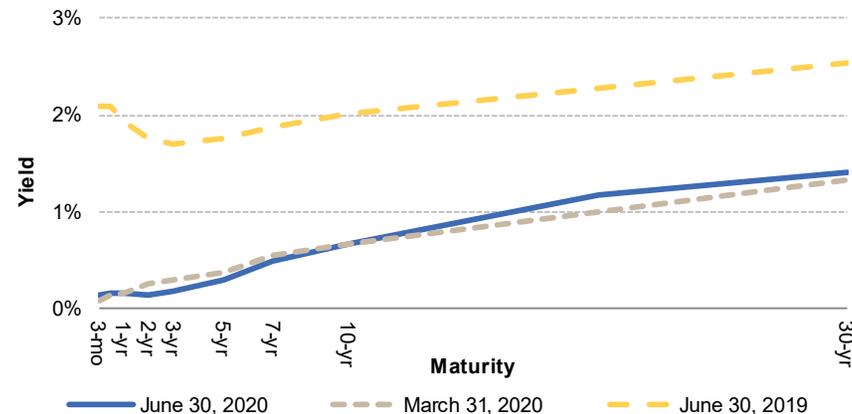
QUARTERLY MARKET SUMMARY

Interest Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve

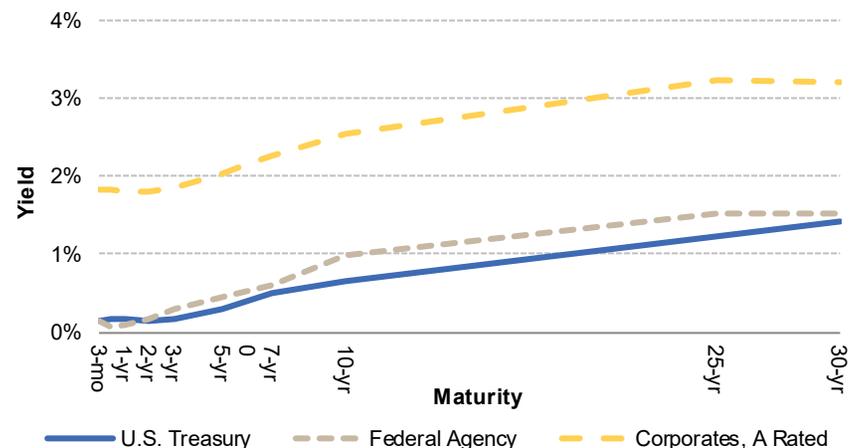


U.S. Treasury Yields

Maturity	Jun '20	Mar '20	Change over Quarter	Jun '19	Change over Year
3-Month	0.14%	0.09%	0.05%	2.09%	(1.95%)
1-Year	0.15%	0.16%	(0.01%)	1.93%	(1.78%)
2-Year	0.15%	0.25%	(0.10%)	1.76%	(1.61%)
5-Year	0.29%	0.38%	(0.09%)	1.77%	(1.48%)
10-Year	0.66%	0.67%	(0.01%)	2.01%	(1.35%)
30-Year	1.41%	1.32%	0.09%	2.53%	(1.12%)

Source: Bloomberg.

Yield Curves as of 06/30/2020



QUARTERLY MARKET SUMMARY

ICE BofAML Index Returns

June 30, 2020	As of 06/30/2020		Returns for Periods ended 06/30/2020		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.89	0.17%	0.13%	4.07%	2.68%
Federal Agency	1.61	0.31%	0.37%	3.53%	2.55%
U.S. Corporates, A-AAA rated	1.90	0.71%	3.33%	4.80%	3.38%
Agency MBS (0 to 3 years)	2.38	1.53%	0.06%	5.73%	3.89%
Taxable Municipals	1.58	1.74%	2.03%	3.90%	3.46%
1-5 Year Indices					
U.S. Treasury	2.64	0.19%	0.29%	5.25%	3.23%
Federal Agency	2.09	0.38%	0.49%	4.14%	2.82%
U.S. Corporates, A-AAA rated	2.77	0.87%	4.34%	5.98%	4.00%
Agency MBS (0 to 5 years)	1.53	1.31%	0.59%	5.11%	3.40%
Taxable Municipals	2.36	1.59%	2.36%	4.34%	3.60%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.44	0.52%	0.20%	10.76%	5.72%
Federal Agency	4.03	0.63%	1.01%	6.98%	4.33%
U.S. Corporates, A-AAA rated	8.52	1.77%	7.12%	10.19%	6.37%
Agency MBS (0 to 30 years)	2.19	1.45%	0.81%	5.80%	4.05%
Taxable Municipals	11.77	2.68%	7.95%	11.42%	8.45%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

QUARTERLY MARKET SUMMARY

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Portfolio Recap

- The pandemic-induced three-fold crisis continued to affect the U.S. in the second quarter:
 - Global health crisis – Broad lockdowns and stay-at-home orders were effective in slowing the spread of COVID-19 initially and reducing stress on the U.S. healthcare system. However, late in the second quarter as social distancing measures were eased, daily confirmed coronavirus cases in the U.S. began to spike sharply higher.
 - Economic shutdown – The pandemic upended economies across the globe. In the U.S., gross domestic product (GDP) fell at an annualized rate of 5% in the first quarter. The pandemic-induced shutdown shocked the labor market, which shed 17 million jobs from February to June, swelling the unemployment rate to 11.1%. While economic data improved markedly in May and early June, bouncing off cyclical lows, the resurgence of coronavirus cases near the end of the second quarter may limit further improvement in the near term.
 - Financial markets – After reducing rates to zero in March, the Federal Reserve (Fed) mobilized its tool chest of emergency lending programs to stabilize fragile markets and shore up market liquidity. The Fed's balance sheet expanded from \$4 trillion to more than \$7 trillion and included its first time purchasing corporate bond exchange-traded funds (ETFs) and individual corporate bonds. Measures of market stress experienced notable improvements as a result.
- 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 corporates, and asset-backed securities (ABS) 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.
 - Portfolio durations were maintained generally in line with benchmarks—a strategy consistent with high levels of market uncertainty as well as expectations that rates will remain low for a prolonged period. Our neutral duration strategy over the past 18 months has been an important element in sustaining performance as yields draw close to all-time lows.

Portfolio Recap

- We also increased liquidity within portfolios by generally making larger allocations to U.S. Treasuries. As market conditions stabilized, we began to cautiously reallocate this excess liquidity into sectors and issuers that offered opportunities to safely enhance earnings.
- 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, portfolios 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.
 - A key element to our strategy during the second quarter was to cautiously maintain overall exposure to the credit sector, emphasizing issuers with strong balance sheets and limited overseas exposure.
 - This strategy benefited portfolios significantly as investment grade corporates significantly outperformed Treasuries during the second quarter and mostly offset the negative underperformance experienced in the first quarter.
- The ABS sector was challenged by many unknowns during the second quarter as high unemployment threatened consumers' ability to make timely payments on credit cards and car loans. The Fed revived a program from 2009 to provide financing to eligible ABS investors, boosting confidence in the sector. In addition, new deals were structured with increased credit enhancements.
 - PFM generally avoided new exposure to ABS during the quarter as risks and uncertainties appeared to outweigh the benefits. The outperformance of existing holdings boosted portfolio performance relative to benchmarks in the second half of the quarter.
- Short-term credit spreads (negotiable CDs) completely reversed the brief, crisis-induced sell-off in March which suppressed the value of most money market instruments. Allocations were reduced in favor of Treasury Bills whose yields ticked up on the back of huge issuance.

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. Considering these uncertainties, we plan on structuring portfolios to have neutral durations to their respective benchmarks.
- ◆ Our outlook for major investment grade sectors includes the following:
 - We plan to focus the majority of new federal agency purchases in maturities beyond three years as 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.
 - Supranationals look expensive along most of the curve, although some shorter maturity issues offer decent yield pick-ups relative to agencies. New issues remain the preferred outlet for new allocations.
 - 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.
 - ABS allocations are expected to remain stable. Liquidity has improved and spreads have narrowed due to Fed support. However, we continue to carefully follow consumer trends for signs of material deterioration in collateral performance.

Sector Allocation and Compliance

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

Security Type	Market Value	% of Portfolio	% Change vs. 3/31/20	Permitted by Policy	In Compliance
U.S. Treasury	\$4,695,481	50.0%	-23.0%	100%	✓
Federal Agency	\$1,794,973	19.1%	17.7%	100%	✓
Supranationals	\$231,841	2.5%	0.5%	100%	✓
Negotiable CDs	\$355,492	3.8%	-	30%	✓
Corporate Notes	\$2,052,954	21.9%	3.4%	30%	✓
Asset-Backed Securities	\$232,436	2.5%	1.2%	30%	✓
Securities Sub-Total	\$9,363,176	99.7%			
Accrued Interest	\$36,242				
Securities Total	\$9,399,418	99.7%			
Money Market Fund	\$32,402	0.3%	-	100%	✓
Total Investments	\$9,431,820	100.0%			

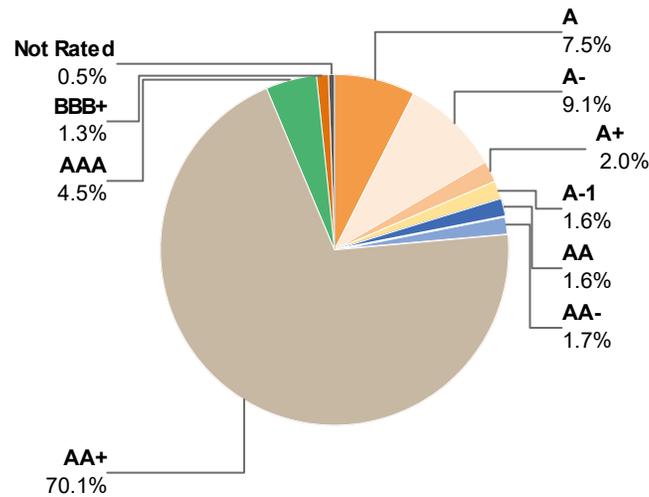
Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of April 2017.

Portfolio Statistics

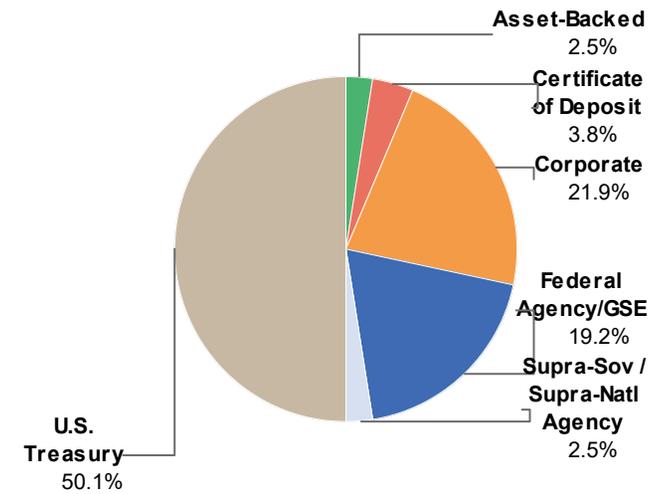
As of June 30, 2020

Par Value:	\$9,170,000
Total Market Value:	\$9,431,820
Security Market Value:	\$9,363,176
Accrued Interest:	\$36,242
Cash:	\$32,402
Amortized Cost:	\$9,201,473
Yield at Market:	0.40%
Yield at Cost:	1.39%
Effective Duration:	1.91 Years
Average Maturity:	2.02 Years
Average Credit: *	AA

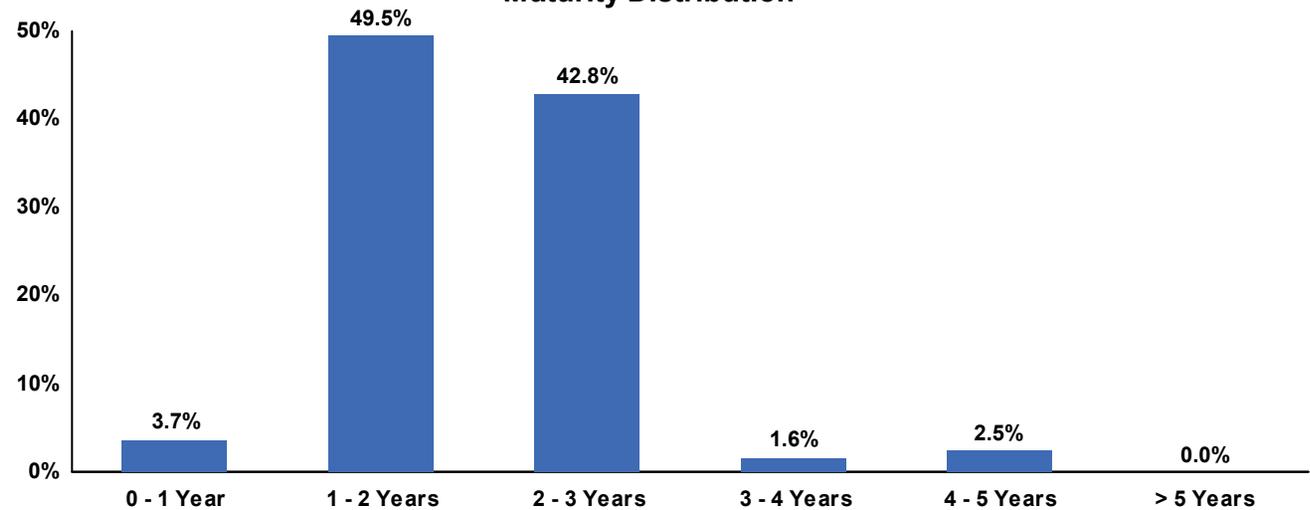
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution

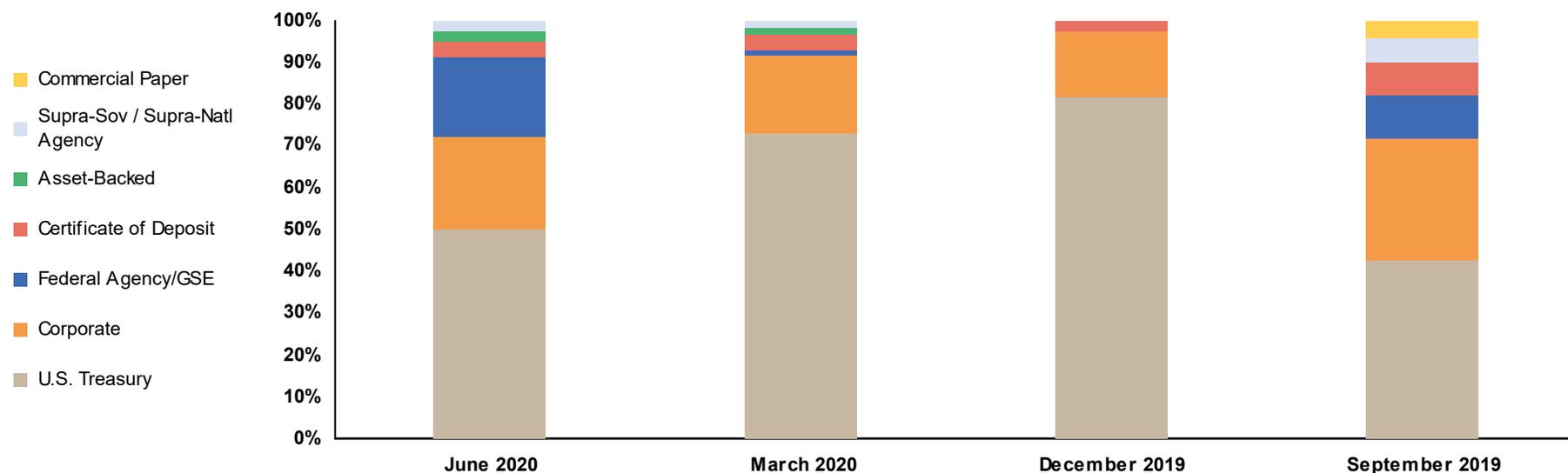


* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Securities held in the Town's portfolio are in compliance with Arizona Revised Statutes and the Town's investment policy dated April 2017.

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	4.7	50.1%	6.8	73.1%	7.4	81.8%	3.7	42.7%
Corporate	2.1	21.9%	1.7	18.5%	1.4	15.4%	2.5	29.1%
Federal Agency/GSE	1.8	19.2%	0.1	1.4%	0.0	0.0%	0.9	10.2%
Certificate of Deposit	0.4	3.8%	0.4	3.8%	0.3	2.8%	0.7	7.8%
Asset-Backed	0.2	2.5%	0.1	1.3%	0.0	0.0%	0.0	0.0%
Supra-Sov / Supra-Natl Agency	0.2	2.5%	0.2	1.9%	0.0	0.0%	0.5	6.1%
Commercial Paper	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.3	4.1%
Total	\$9.4	100.0%	\$9.3	100.0%	\$9.1	100.0%	\$8.6	100.0%

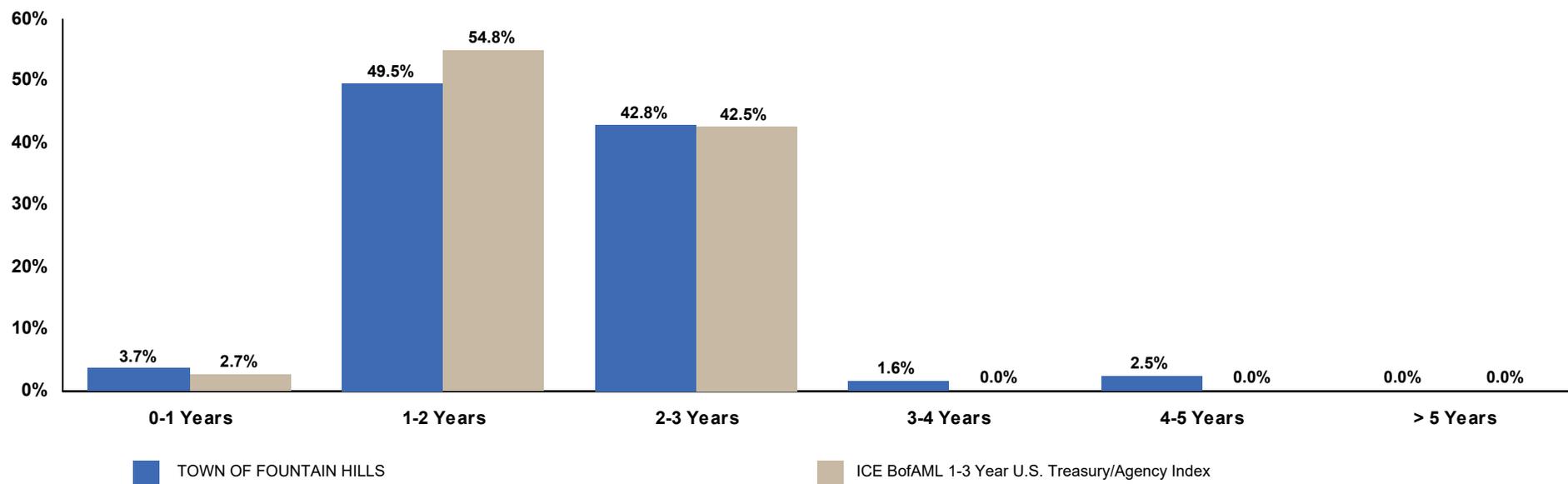


Detail may not add to total due to rounding.

Maturity Distribution

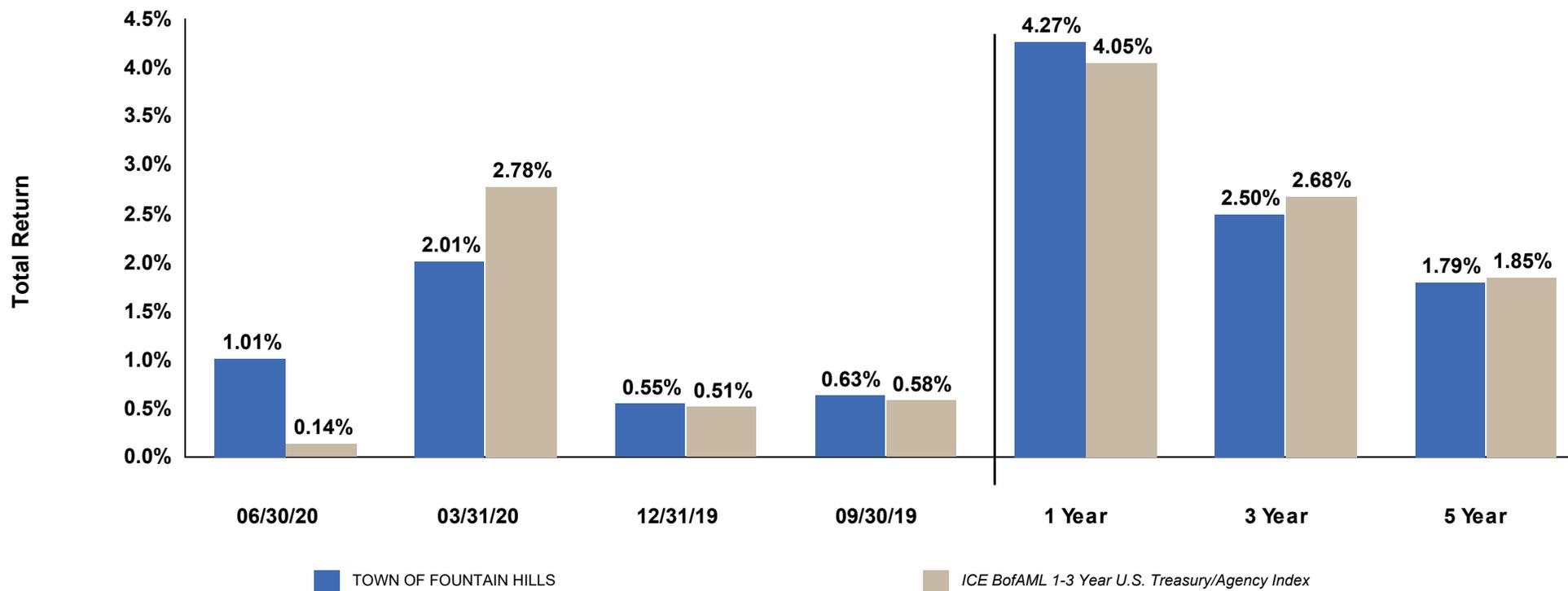
As of June 30, 2020

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF FOUNTAIN HILLS	0.40%	2.02 yrs	3.7%	49.5%	42.8%	1.6%	2.5%	0.0%
ICE BofAML 1-3 Year U.S. Treasury/Agency Index	0.18%	1.94 yrs	2.7%	54.8%	42.5%	0.0%	0.0%	0.0%



Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		06/30/20	03/31/20	12/31/19	09/30/19	1 Year	3 Year	5 Year
TOWN OF FOUNTAIN HILLS	1.91	1.01%	2.01%	0.55%	0.63%	4.27%	2.50%	1.79%
ICE BofAML 1-3 Year U.S. Treasury/Agency Index	1.81	0.14%	2.78%	0.51%	0.58%	4.05%	2.68%	1.85%
Difference		0.87%	-0.77%	0.04%	0.05%	0.22%	-0.18%	-0.06%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Earnings*Quarter-Ended June 30, 2020*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2020)	\$9,284,622.49	\$9,147,316.12
Net Purchases/Sales	\$23,741.33	\$23,741.33
Change in Value	\$54,812.65	\$30,415.50
Ending Value (06/30/2020)	\$9,363,176.47	\$9,201,472.95
Interest Earned	\$40,125.41	\$40,125.41
Portfolio Earnings	\$94,938.06	\$70,540.91

Sector/Issuer Distribution

As of June 30, 2020

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
CARMAX AUTO OWNER TRUST	30,867	13.3%	0.3%
HARLEY-DAVIDSON MOTORCYCLE TRUST	25,578	11.0%	0.3%
JOHN DEERE OWNER TRUST	45,270	19.5%	0.5%
MERCEDES-BENZ AUTO RECEIVABLES	35,039	15.1%	0.4%
NISSAN AUTO RECEIVABLES	40,023	17.2%	0.4%
VERIZON OWNER TRUST	25,616	11.0%	0.3%
WORLD OMNI AUTO REC TRUST	30,043	12.9%	0.3%
Sector Total	232,436	100.0%	2.5%
Certificate of Deposit			
DNB ASA	103,822	29.2%	1.1%
SOCIETE GENERALE	100,621	28.3%	1.1%
SWEDBANK AB	151,049	42.5%	1.6%
Sector Total	355,492	100.0%	3.8%
Corporate			
ADOBE INC	36,256	1.8%	0.4%
AMAZON.COM INC	52,533	2.6%	0.6%
AMERICAN HONDA FINANCE	92,416	4.5%	1.0%
APPLE INC	77,204	3.8%	0.8%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
BANK OF AMERICA CO	150,604	7.3%	1.6%
BANK OF NOVA SCOTIA	102,964	5.0%	1.1%
BP PLC	52,707	2.6%	0.6%
CATERPILLAR INC	71,915	3.5%	0.8%
CHEVRON CORPORATION	78,971	3.8%	0.8%
CITIGROUP INC	76,493	3.7%	0.8%
COMCAST CORP	33,272	1.6%	0.4%
DEERE & COMPANY	61,949	3.0%	0.7%
EXXON MOBIL CORP	73,171	3.6%	0.8%
GENERAL DYNAMICS CORP	37,735	1.8%	0.4%
HOME DEPOT INC	41,952	2.0%	0.4%
IBM CORP	104,592	5.1%	1.1%
JP MORGAN CHASE & CO	97,425	4.7%	1.0%
MORGAN STANLEY	46,741	2.3%	0.5%
NATIONAL RURAL UTILITIES CO FINANCE CORP	51,078	2.5%	0.5%
PACCAR FINANCIAL CORP	51,452	2.5%	0.5%
PEPSICO INC	25,226	1.2%	0.3%
ROYAL BANK OF CANADA	46,371	2.3%	0.5%
THE BANK OF NEW YORK MELLON CORPORATION	46,458	2.3%	0.5%
TORONTO-DOMINION BANK	103,175	5.0%	1.1%
TOYOTA MOTOR CORP	73,082	3.6%	0.8%
TRUIST FIN CORP	137,850	6.7%	1.5%
UNITED PARCEL SERVICE INC	101,275	4.9%	1.1%
US BANCORP	41,751	2.0%	0.4%
WELLS FARGO & COMPANY	86,338	4.2%	0.9%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	2,052,954	100.0%	21.9%
Federal Agency/GSE			
FANNIE MAE	349,640	19.5%	3.7%
FEDERAL FARM CREDIT BANKS	375,480	20.9%	4.0%
FEDERAL HOME LOAN BANKS	128,628	7.2%	1.4%
FREDDIE MAC	941,225	52.4%	10.1%
Sector Total	1,794,973	100.0%	19.2%
Supra-Sov / Supra-Natl Agency			
AFRICAN DEVELOPMENT BANK	80,951	34.9%	0.9%
ASIAN DEVELOPMENT BANK	100,595	43.4%	1.1%
INTER-AMERICAN DEVELOPMENT BANK	50,294	21.7%	0.5%
Sector Total	231,841	100.0%	2.5%
U.S. Treasury			
UNITED STATES TREASURY	4,695,481	100.0%	50.1%
Sector Total	4,695,481	100.0%	50.1%
Portfolio Total	9,363,176	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
3/26/20	4/3/20	80,000	008281BC0	AFRICAN DEVELOPMENT BANK SUPRANATL	0.75%	4/3/23	79,888.80	0.80%	
3/31/20	4/7/20	100,000	045167ET6	ASIAN DEVELOPMENT BANK SUPRANATL	0.62%	4/7/22	99,909.00	0.67%	
4/3/20	4/8/20	175,000	3133ELWD2	FEDERAL FARM CREDIT BANK NOTES	0.37%	4/8/22	174,741.00	0.45%	
4/17/20	4/20/20	225,000	3137EAEQ8	FREDDIE MAC NOTES	0.37%	4/20/23	224,437.50	0.46%	
4/17/20	4/24/20	50,000	4581X0DM7	INTER-AMERICAN DEVEL BK CORPORATE NOTES	0.50%	5/24/23	49,983.00	0.51%	
4/24/20	4/28/20	40,000	91159HHC7	US BANCORP (CALLABLE) NOTE	3.00%	3/15/22	41,609.73	1.03%	
4/27/20	4/29/20	45,000	89236TGW9	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	2.90%	3/30/23	47,182.30	1.28%	
4/29/20	5/1/20	25,000	713448EY0	PEPSICO INC CORPORATE NOTES	0.75%	5/1/23	24,950.50	0.82%	
5/4/20	5/11/20	30,000	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/23	29,918.40	0.84%	
5/5/20	5/7/20	190,000	3137EAER6	FREDDIE MAC NOTES	0.37%	5/5/23	189,920.20	0.39%	
5/7/20	5/11/20	25,000	166764BV1	CHEVRON CORP CORPORATE NOTES	1.14%	5/11/23	25,000.00	1.14%	
5/7/20	5/11/20	30,000	20030NCR0	COMCAST CORP CORPORATE NOTES	3.70%	4/15/24	32,947.87	1.20%	
5/8/20	5/12/20	35,000	369550BD9	GENERAL DYNAMICS CORP NOTES	3.37%	5/15/23	38,034.98	1.00%	
5/12/20	5/15/20	15,000	14913R2B2	CATERPILLAR FINL SERVICE CORPORATE NOTES	0.95%	5/13/22	14,986.65	1.00%	
5/12/20	5/14/20	20,000	30231GBB7	EXXON MOBIL CORPORATION	1.90%	8/16/22	20,576.39	0.82%	
5/12/20	5/14/20	35,000	24422EUT4	JOHN DEERE CAPITAL CORP	2.95%	4/1/22	36,468.03	0.89%	
5/19/20	5/27/20	50,000	46647PBQ8	JPMORGAN CHASE & CO CORPORATE NOTES	1.51%	6/1/24	50,000.00	1.51%	
5/20/20	5/22/20	225,000	3135G04Q3	FANNIE MAE NOTES	0.25%	5/22/23	224,322.75	0.35%	
5/20/20	5/26/20	25,000	89236THA6	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	1.35%	8/25/23	24,990.75	1.36%	
5/26/20	6/2/20	40,000	95000U2R3	WELLS FARGO & COMPANY CORPORATE NOTES	1.65%	6/2/24	40,000.00	1.65%	
6/3/20	6/4/20	200,000	3133ELE75	FEDERAL FARM CREDIT BANK NOTES	0.25%	6/2/22	199,867.98	0.28%	
6/3/20	6/4/20	125,000	3135G04Q3	FANNIE MAE NOTES	0.25%	5/22/23	124,605.42	0.36%	
6/3/20	6/4/20	125,000	3137EAER6	FREDDIE MAC NOTES	0.37%	5/5/23	125,135.16	0.35%	
6/10/20	6/11/20	175,000	3134GVJ66	FREDDIE MAC NOTES	0.25%	6/8/22	174,963.40	0.26%	
6/16/20	6/23/20	35,000	58769VAC4	MBART 2020-1 A3	0.55%	2/18/25	34,997.27	0.55%	
6/16/20	6/24/20	30,000	98163WAC0	WOART 2020-B A3	0.63%	5/15/25	29,997.65	0.63%	

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
6/23/20	6/30/20	40,000	65479CAD0	NAROT 2020-B A3	0.55%	7/15/24	39,998.90	0.55%	
6/24/20	6/26/20	225,000	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/23	224,343.00	0.35%	
Total BUY		2,415,000					2,423,776.63		

INTEREST

4/1/20	4/1/20	100,000	911312BP0	UNITED PARCEL SERVICE CORPORATE BOND	2.05%	4/1/21	1,025.00		
4/1/20	4/1/20	45,000	46647PBB1	JPMORGAN CHASE & CO BONDS	3.20%	4/1/23	721.58		
4/1/20	4/1/20	0	MONEY0002	MONEY MARKET FUND			2.95		
4/1/20	4/1/20	150,000	06051GGS2	BANK OF AMERICA CORP (CALLABLE)	2.32%	10/1/21	1,746.00		
4/15/20	4/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
4/15/20	4/15/20	350,000	9128286M7	UNITED STATES TREASURY NOTES	2.25%	4/15/22	3,937.50		
4/15/20	4/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
4/15/20	4/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	46.75		
4/15/20	4/15/20	275,000	912828YK0	UNITED STATES TREASURY NOTES	1.37%	10/15/22	1,890.63		
4/20/20	4/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
4/30/20	4/30/20	725,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	4,531.25		
5/1/20	5/1/20	0	MONEY0002	MONEY MARKET FUND			0.26		
5/4/20	5/4/20	75,000	17308CC46	CITIGROUP INC	2.31%	11/4/22	867.00		
5/10/20	5/10/20	50,000	10373QAL4	BP CAP MARKETS AMERICA CORP BONDS	2.75%	5/10/23	687.50		
5/10/20	5/10/20	40,000	02665WDH1	AMERICAN HONDA FINANCE	1.95%	5/10/23	260.00		
5/10/20	5/10/20	35,000	478160CH5	JOHNSON & JOHNSON CORP NOTE	1.95%	11/10/20	341.25		
5/13/20	5/13/20	100,000	459200JX0	IBM CORP	2.85%	5/13/22	1,425.00		
5/13/20	5/13/20	45,000	037833BF6	APPLE INC CORP NOTES	2.70%	5/13/22	607.50		
5/15/20	5/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
5/15/20	5/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
5/15/20	5/15/20	100,000	064159SH0	BANK OF NOVA SCOTIA HOUSTON CORP NOTES	2.00%	11/15/22	1,166.67		
5/15/20	5/15/20	35,000	369550BD9	GENERAL DYNAMICS CORP NOTES	3.37%	5/15/23	590.63		
5/15/20	5/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	41.25		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/18/20	5/18/20	150,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	1,721.42		
5/18/20	5/18/20	55,000	14913Q3C1	CATERPILLAR FINL SERVICE	1.95%	11/18/22	372.40		
5/19/20	5/19/20	45,000	61744YAH1	MORGAN STANLEY CORP NOTES	2.75%	5/19/22	618.75		
5/20/20	5/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
5/20/20	5/20/20	50,000	02665WDF5	AMERICAN HONDA FINANCE CORP NOTES	1.95%	5/20/22	484.79		
5/24/20	5/24/20	50,000	4581X0DM7	INTER-AMERICAN DEVEL BK CORPORATE NOTES	0.50%	5/24/23	20.83		
5/31/20	5/31/20	700,000	912828U65	US TREASURY NOTES	1.75%	11/30/21	6,125.00		
6/1/20	6/1/20	100,000	89114QCD8	TORONTO-DOMINION BANK	1.90%	12/1/22	950.00		
6/1/20	6/1/20	0	MONEY0002	MONEY MARKET FUND			0.25		
6/2/20	6/2/20	100,000	23341VZT1	DNB BANK ASA/NY LT CD	2.04%	12/2/22	1,014.33		
6/15/20	6/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
6/15/20	6/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	41.25		
6/15/20	6/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
6/20/20	6/20/20	45,000	05531FBG7	BRANCH BANKING & TRUST CORP NOTES	3.05%	6/20/22	686.25		
6/20/20	6/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
6/24/20	6/24/20	50,000	166764AH3	CHEVRON CORP	3.19%	6/24/23	797.75		
Total INTEREST		3,845,000					33,095.99		
MATURITY									
6/16/20	6/16/20	75,000	61761JB32	MORGAN STANLEY CORPORATE NOTES	2.80%	6/16/20	76,050.00		0.00
Total MATURITY		75,000					76,050.00		0.00
SELL									
3/26/20	4/2/20	75,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	75,828.36		1,114.01
3/31/20	4/7/20	95,000	9128286M7	UNITED STATES TREASURY NOTES	2.25%	4/15/22	99,836.87		2,588.30
4/3/20	4/8/20	170,000	9128286M7	UNITED STATES TREASURY NOTES	2.25%	4/15/22	178,778.79		4,747.56

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
4/17/20	4/20/20	275,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	278,163.43		3,988.91
4/24/20	4/28/20	25,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	25,286.61		352.68
4/27/20	4/29/20	50,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	50,555.38		685.30
4/29/20	5/1/20	25,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	25,278.42		341.13
5/4/20	5/11/20	25,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	25,278.17		329.67
5/5/20	5/7/20	185,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	187,083.78		2,498.10
5/7/20	5/11/20	60,000	912828Z86	UNITED STATES TREASURY NOTES	1.37%	2/15/23	62,170.70		998.60
5/8/20	5/12/20	40,000	912828Z86	UNITED STATES TREASURY NOTES	1.37%	2/15/23	41,426.77		644.51
5/12/20	5/14/20	45,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	45,508.83		595.49
5/12/20	5/14/20	20,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	20,226.93		265.45
5/19/20	5/27/20	35,000	912828Y20	UNITED STATES TREASURY NOTES	2.62%	7/15/21	36,310.50		559.56
5/20/20	5/22/20	35,000	478160CH5	JOHNSON & JOHNSON CORP NOTE	1.95%	11/10/20	35,247.80		230.93
5/20/20	5/22/20	225,000	912828Z86	UNITED STATES TREASURY NOTES	1.37%	2/15/23	233,022.67		3,573.72
6/1/20	6/2/20	25,000	61761JB32	MORGAN STANLEY CORPORATE NOTES	2.80%	6/16/20	25,340.03		13.01
6/3/20	6/4/20	430,000	912828Y20	UNITED STATES TREASURY NOTES	2.62%	7/15/21	445,979.00		6,603.66
6/10/20	6/11/20	170,000	9128286M7	UNITED STATES TREASURY NOTES	2.25%	4/15/22	177,043.75		4,446.51
6/23/20	6/30/20	35,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	36,043.51		640.31
6/25/20	6/26/20	180,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	185,387.87		3,366.26
6/25/20	6/26/20	40,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	41,197.30		744.44
Total SELL		2,265,000					2,330,995.47		39,328.11

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 08/15/2011 2.125% 08/15/2021	912828RC6	70,000.00	AA+	Aaa	9/16/2019	9/16/2019	70,415.63	1.81	559.86	70,243.79	71,520.32
US TREASURY NOTES DTD 08/15/2011 2.125% 08/15/2021	912828RC6	750,000.00	AA+	Aaa	10/17/2019	10/17/2019	756,855.47	1.62	5,998.45	754,207.70	766,289.10
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	275,000.00	AA+	Aaa	11/8/2019	11/12/2019	272,679.69	1.69	579.14	273,428.39	278,953.13
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	450,000.00	AA+	Aaa	12/2/2019	12/4/2019	446,572.27	1.66	947.69	447,605.02	456,468.75
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	700,000.00	AA+	Aaa	10/23/2019	10/24/2019	702,160.15	1.60	1,037.57	701,454.16	715,640.66
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	705,000.00	AA+	Aaa	10/17/2019	10/17/2019	709,461.32	1.59	5,519.92	708,086.15	723,946.88
UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	180,000.00	AA+	Aaa	10/17/2019	10/17/2019	182,868.75	1.60	852.05	182,056.30	186,693.75
US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	9128282P4	350,000.00	AA+	Aaa	10/25/2019	10/29/2019	352,187.50	1.64	2,740.38	351,652.58	362,468.75
US TREASURY NOTES DTD 08/31/2017 1.625% 08/31/2022	9128282S8	650,000.00	AA+	Aaa	10/17/2019	10/17/2019	650,939.45	1.57	3,530.40	650,708.39	670,414.03
UNITED STATES TREASURY NOTES DTD 10/15/2019 1.375% 10/15/2022	912828YK0	275,000.00	AA+	Aaa	11/1/2019	11/4/2019	273,689.45	1.54	795.51	273,981.77	282,562.50
UNITED STATES TREASURY NOTES DTD 02/15/2020 1.375% 02/15/2023	912828Z86	175,000.00	AA+	Aaa	3/2/2020	3/4/2020	178,041.99	0.78	905.65	177,706.19	180,523.44
Security Type Sub-Total		4,580,000.00					4,595,871.67	1.58	23,466.62	4,591,130.44	4,695,481.31
Supra-National Agency Bond / Note											
ASIAN DEVELOPMENT BANK SUPRANATL DTD 04/07/2020 0.625% 04/07/2022	045167ET6	100,000.00	AAA	Aaa	3/31/2020	4/7/2020	99,909.00	0.67	145.83	99,919.60	100,595.30

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
Supra-National Agency Bond / Note											
AFRICAN DEVELOPMENT BANK SUPRANATL DTD 04/03/2020 0.750% 04/03/2023	008281BC0	80,000.00	AAA	Aaa	3/26/2020	4/3/2020	79,888.80	0.80	146.67	79,897.84	80,951.28
INTER-AMERICAN DEVEL BK CORPORATE NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	50,000.00	AAA	Aaa	4/17/2020	4/24/2020	49,983.00	0.51	25.69	49,984.03	50,294.05
Security Type Sub-Total		230,000.00					229,780.80	0.68	318.19	229,801.47	231,840.63
Federal Agency Bond / Note											
FEDERAL FARM CREDIT BANK NOTES DTD 04/08/2020 0.375% 04/08/2022	3133ELWD2	175,000.00	AA+	Aaa	4/3/2020	4/8/2020	174,741.00	0.45	151.30	174,770.80	175,428.05
FEDERAL FARM CREDIT BANK NOTES DTD 06/02/2020 0.250% 06/02/2022	3133ELE75	200,000.00	AA+	Aaa	6/3/2020	6/4/2020	199,865.20	0.28	40.28	199,870.20	200,052.20
FREDDIE MAC NOTES DTD 06/08/2020 0.250% 06/08/2022	3134GVJ66	175,000.00	AA+	Aaa	6/10/2020	6/11/2020	174,959.75	0.26	27.95	174,960.86	175,046.03
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	125,000.00	AA+	Aaa	2/20/2020	2/21/2020	124,770.00	1.44	620.66	124,797.59	128,628.25
FREDDIE MAC NOTES DTD 04/20/2020 0.375% 04/20/2023	3137EAEQ8	225,000.00	AA+	Aaa	4/17/2020	4/20/2020	224,437.50	0.46	166.41	224,474.49	225,622.80
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	190,000.00	AA+	Aaa	5/5/2020	5/7/2020	189,920.20	0.39	106.88	189,924.22	190,479.75
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	125,000.00	AA+	Aaa	6/3/2020	6/4/2020	125,100.00	0.35	70.31	125,097.46	125,315.63
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	125,000.00	AA+	Aaa	6/3/2020	6/4/2020	124,595.00	0.36	33.85	124,605.11	124,871.25
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	225,000.00	AA+	Aaa	5/20/2020	5/22/2020	224,322.75	0.35	60.94	224,347.49	224,768.25
FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	225,000.00	AA+	Aaa	6/24/2020	6/26/2020	224,343.00	0.35	7.81	224,346.00	224,760.83

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
Security Type Sub-Total		1,790,000.00					1,787,054.40	0.44	1,286.39	1,787,194.22	1,794,973.04
Corporate Note											
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	70,000.00	A-	A3	11/16/2017	11/20/2017	69,636.00	2.32	627.08	69,933.05	70,592.55
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	20,000.00	A-	A3	10/23/2017	10/26/2017	19,990.80	2.17	179.17	19,998.34	20,169.30
UNITED PARCEL SERVICE CORPORATE BOND DTD 11/14/2017 2.050% 04/01/2021	911312BP0	100,000.00	A-	A2	11/9/2017	11/14/2017	99,842.00	2.10	512.50	99,962.42	101,275.40
WELLS FARGO & CO CORP NOTES DTD 07/25/2016 2.100% 07/26/2021	949746SA0	45,000.00	A-	A2	10/17/2019	10/21/2019	45,041.40	2.05	406.88	45,025.07	45,785.66
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	150,000.00	A-	A2	11/27/2017	11/29/2017	149,293.50	2.46	873.00	149,769.71	150,604.35
NATIONAL RURAL UTIL COOP CORP NOTE DTD 02/05/2020 1.750% 01/21/2022	63743HET5	50,000.00	A	A2	1/22/2020	2/5/2020	49,956.00	1.79	354.86	49,965.03	51,078.05
HOME DEPOT INC DTD 12/06/2018 3.250% 03/01/2022	437076BV3	40,000.00	A	A2	3/6/2020	3/10/2020	41,801.20	0.94	433.33	41,518.90	41,951.68
US BANCORP (CALLABLE) NOTE DTD 03/02/2012 3.000% 03/15/2022	91159HHC7	40,000.00	A+	A1	4/24/2020	4/28/2020	41,466.40	1.03	353.33	41,323.77	41,751.36
JOHN DEERE CAPITAL CORP DTD 03/07/2019 2.950% 04/01/2022	24422EUT4	35,000.00	A	A2	5/12/2020	5/14/2020	36,344.70	0.89	258.13	36,250.75	36,526.88
IBM CORP DTD 05/15/2019 2.850% 05/13/2022	459200JX0	100,000.00	A	A2	10/30/2019	11/1/2019	102,084.00	2.00	380.00	101,535.94	104,591.60
APPLE INC CORP NOTES DTD 05/13/2015 2.700% 05/13/2022	037833BF6	45,000.00	AA+	Aa1	3/5/2020	3/9/2020	46,714.05	0.93	162.00	46,468.26	46,912.64
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/15/2020 0.950% 05/13/2022	14913R2B2	15,000.00	A	A3	5/12/2020	5/15/2020	14,986.65	1.00	18.21	14,987.51	15,112.35

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											
MORGAN STANLEY CORP NOTES DTD 05/19/2017 2.750% 05/19/2022	61744YAH1	45,000.00	BBB+	A3	10/25/2019	10/29/2019	45,616.05	2.20	144.38	45,453.62	46,740.51
AMERICAN HONDA FINANCE CORP NOTES DTD 11/21/2019 1.950% 05/20/2022	02665WDF5	50,000.00	A-	A3	11/18/2019	11/21/2019	49,983.00	1.96	111.04	49,987.16	51,086.25
BRANCH BANKING & TRUST CORP NOTES DTD 03/18/2019 3.050% 06/20/2022	05531FBG7	45,000.00	A-	A3	3/5/2020	3/9/2020	46,833.75	1.23	41.94	46,582.79	47,088.59
EXXON MOBIL CORPORATION DTD 08/16/2019 1.902% 08/16/2022	30231GBB7	20,000.00	AA	Aa1	5/12/2020	5/14/2020	20,483.40	0.82	142.65	20,455.24	20,572.74
CITIGROUP INC DTD 11/04/2019 2.312% 11/04/2022	17308CC46	75,000.00	BBB+	A3	10/28/2019	11/4/2019	75,000.00	2.31	274.55	75,000.00	76,492.88
BANK OF NOVA SCOTIA HOUSTON CORP NOTES DTD 10/15/2019 2.000% 11/15/2022	064159SH0	100,000.00	A-	A2	10/17/2019	10/21/2019	99,641.00	2.12	255.56	99,722.34	102,963.50
CATERPILLAR FINL SERVICE DTD 01/13/2020 1.950% 11/18/2022	14913Q3C1	55,000.00	A	A3	1/9/2020	1/13/2020	54,974.70	1.97	128.10	54,978.84	56,803.01
TORONTO-DOMINION BANK DTD 10/10/2019 1.900% 12/01/2022	89114QCD8	100,000.00	A	Aa3	10/17/2019	10/21/2019	99,467.00	2.08	158.33	99,586.07	103,174.50
ROYAL BANK OF CANADA DTD 01/17/2020 1.950% 01/17/2023	78015K7D0	45,000.00	A	A2	1/13/2020	1/17/2020	44,972.55	1.97	399.75	44,976.71	46,371.47
BANK OF NY MELLON CORP NOTES DTD 01/28/2020 1.850% 01/27/2023	06406RAM9	45,000.00	A	A1	1/21/2020	1/28/2020	44,968.50	1.87	353.81	44,972.96	46,457.78
ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	35,000.00	A	A2	1/23/2020	2/3/2020	34,991.95	1.71	244.61	34,993.05	36,255.70
PACCAR FINANCIAL CORP NOTE DTD 11/07/2019 1.900% 02/07/2023	69371RQ41	50,000.00	A+	A1	10/31/2019	11/7/2019	49,997.50	1.90	380.00	49,998.00	51,451.90
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	50,000.00	AA-	A2	3/4/2020	3/6/2020	51,920.00	1.08	430.00	51,712.58	52,532.65

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											
EXXON MOBIL CORPORATION CORP NOTES DTD 03/03/2016 2.726% 03/01/2023	30231GAR3	50,000.00	AA	Aa1	2/26/2020	3/2/2020	51,786.00	1.50	454.33	51,588.46	52,598.20
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 04/01/2020 2.900% 03/30/2023	89236TGW9	45,000.00	A+	A1	4/27/2020	4/29/2020	47,080.80	1.28	326.25	46,957.71	47,662.74
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	45,000.00	A-	A2	1/17/2020	1/22/2020	46,119.15	2.39	360.79	45,893.92	46,745.78
JOHN DEERE CAPITAL CORP CORP NOTES DTD 03/09/2020 1.200% 04/06/2023	24422EVE6	25,000.00	A	A2	3/4/2020	3/9/2020	24,994.00	1.21	93.33	24,994.61	25,422.60
PEPSICO INC CORPORATE NOTES DTD 05/01/2020 0.750% 05/01/2023	713448EY0	25,000.00	A+	A1	4/29/2020	5/1/2020	24,950.50	0.82	31.25	24,953.26	25,226.05
BP CAP MARKETS AMERICA CORP BONDS DTD 12/14/2018 2.750% 05/10/2023	10373QAL4	50,000.00	A-	A1	2/26/2020	2/28/2020	51,725.00	1.64	194.79	51,541.71	52,706.55
AMERICAN HONDA FINANCE DTD 01/10/2020 1.950% 05/10/2023	02665WDH1	40,000.00	A-	A3	1/7/2020	1/10/2020	39,985.20	1.96	110.50	39,987.31	41,329.56
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	30,000.00	AA+	Aa1	5/4/2020	5/11/2020	29,918.40	0.84	31.25	29,922.20	30,291.42
CHEVRON CORP CORPORATE NOTES DTD 05/11/2020 1.141% 05/11/2023	166764BV1	25,000.00	AA	Aa2	5/7/2020	5/11/2020	25,000.00	1.14	39.62	25,000.00	25,414.28
GENERAL DYNAMICS CORP NOTES DTD 05/11/2018 3.375% 05/15/2023	369550BD9	35,000.00	A	A2	5/8/2020	5/12/2020	37,454.20	1.00	150.94	37,339.30	37,734.87
CHEVRON CORP DTD 06/24/2013 3.191% 06/24/2023	166764AH3	50,000.00	AA	Aa2	2/25/2020	2/27/2020	52,536.50	1.62	31.02	52,275.11	53,556.35
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 05/26/2020 1.350% 08/25/2023	89236THA6	25,000.00	A+	A1	5/20/2020	5/26/2020	24,990.75	1.36	32.81	24,991.03	25,419.28

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											
COMCAST CORP CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	30,000.00	A-	A3	5/7/2020	5/11/2020	32,867.70	1.20	234.33	32,765.78	33,271.89
JPMORGAN CHASE & CO CORPORATE NOTES DTD 05/27/2020 1.514% 06/01/2024	46647PBQ8	50,000.00	A-	A2	5/19/2020	5/27/2020	50,000.00	1.51	71.49	50,000.00	50,678.90
WELLS FARGO & COMPANY CORPORATE NOTES DTD 06/02/2020 1.654% 06/02/2024	95000U2R3	40,000.00	A-	A2	5/26/2020	6/2/2020	40,000.00	1.65	53.30	40,000.00	40,551.88
Security Type Sub-Total		1,990,000.00					2,015,414.30	1.76	9,839.21	2,013,368.51	2,052,953.65
Certificate of Deposit											
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	150,000.00	A-1	P-1	11/16/2017	11/17/2017	150,000.00	2.27	416.17	150,000.00	151,048.80
SOCIETE GENERALE NY CERT DEPOS DTD 02/19/2020 1.800% 02/14/2022	83369XDL9	100,000.00	A	A1	2/14/2020	2/19/2020	100,000.00	1.80	660.00	100,000.00	100,621.00
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	100,000.00	AA-	Aa2	12/4/2019	12/6/2019	100,000.00	2.03	164.33	100,000.00	103,822.10
Security Type Sub-Total		350,000.00					350,000.00	2.07	1,240.50	350,000.00	355,491.90
Asset-Backed Security											
NAROT 2020-B A3 DTD 06/30/2020 0.550% 07/15/2024	65479CAD0	40,000.00	AAA	Aaa	6/23/2020	6/30/2020	39,998.90	0.55	0.61	39,998.90	40,022.84
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	25,000.00	AAA	Aaa	1/21/2020	1/29/2020	24,997.07	1.85	14.13	24,997.35	25,616.34
JOHN DEERE OWNER TRUST DTD 03/11/2020 1.100% 08/15/2024	47789KAC7	45,000.00	NR	Aaa	3/4/2020	3/11/2020	44,997.25	1.10	22.00	44,997.44	45,270.49

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
Asset-Backed Security											
HDMOT 2020-A A3 DTD 01/29/2020 1.870% 10/15/2024	41284UAD6	25,000.00	AAA	Aaa	1/21/2020	1/29/2020	24,994.55	1.87	20.78	24,995.04	25,578.05
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	30,000.00	AAA	NR	1/14/2020	1/22/2020	29,994.11	1.89	25.20	29,994.64	30,866.62
MBART 2020-1 A3 DTD 06/23/2020 0.550% 02/18/2025	58769VAC4	35,000.00	AAA	NR	6/16/2020	6/23/2020	34,997.27	0.55	4.28	34,997.28	35,038.57
WOART 2020-B A3 DTD 06/24/2020 0.630% 05/15/2025	98163WAC0	30,000.00	AAA	NR	6/16/2020	6/24/2020	29,997.65	0.63	3.68	29,997.66	30,043.03
Security Type Sub-Total		230,000.00					229,976.80	1.14	90.68	229,978.31	232,435.94
Managed Account Sub Total		9,170,000.00					9,208,097.97	1.39	36,241.59	9,201,472.95	9,363,176.47
Securities Sub-Total		\$9,170,000.00					\$9,208,097.97	1.39%	\$36,241.59	\$9,201,472.95	\$9,363,176.47
Accrued Interest											\$36,241.59
Total Investments											\$9,399,418.06

Bolded items are forward settling trades.

IMPORTANT DISCLOSURES

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

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

GLOSSARY

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

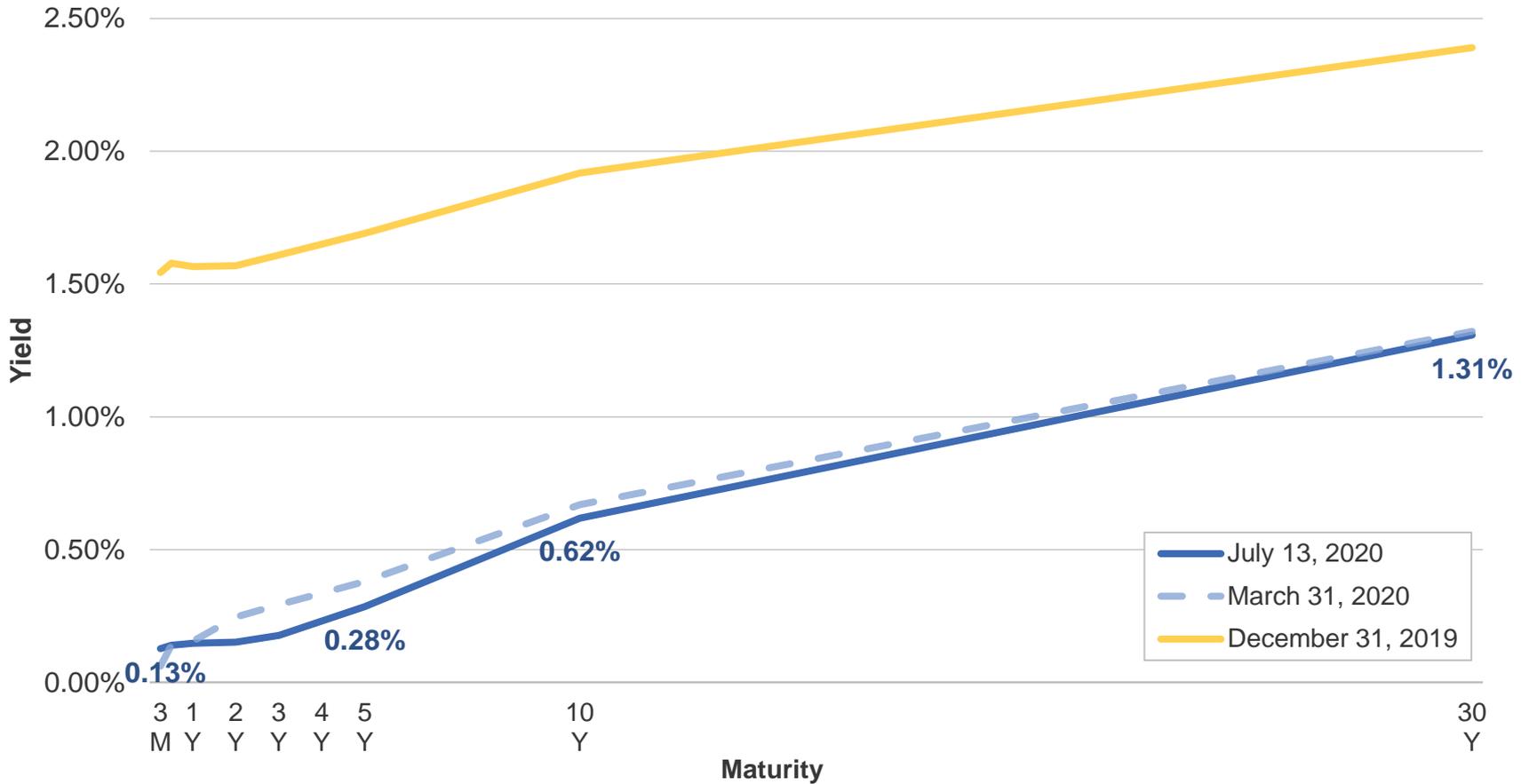


Economic Update



Treasury Yield Curve Little Changed During Second Quarter

U.S. Treasury Yield Curve



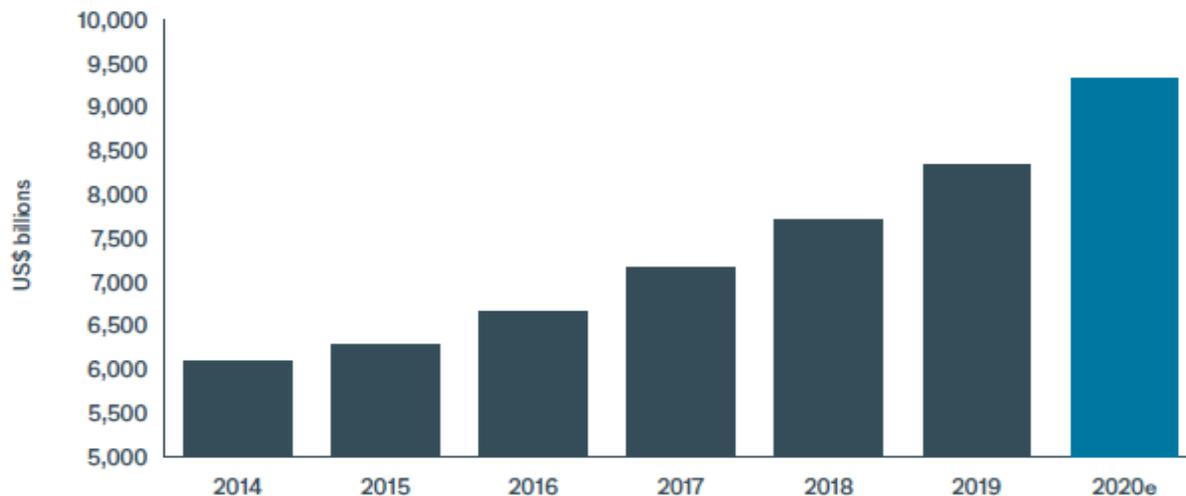
Source: Bloomberg, as of 7/13/2020.



Low Rate Environment/Economic Pressures Drive Corporate Debt Issuance

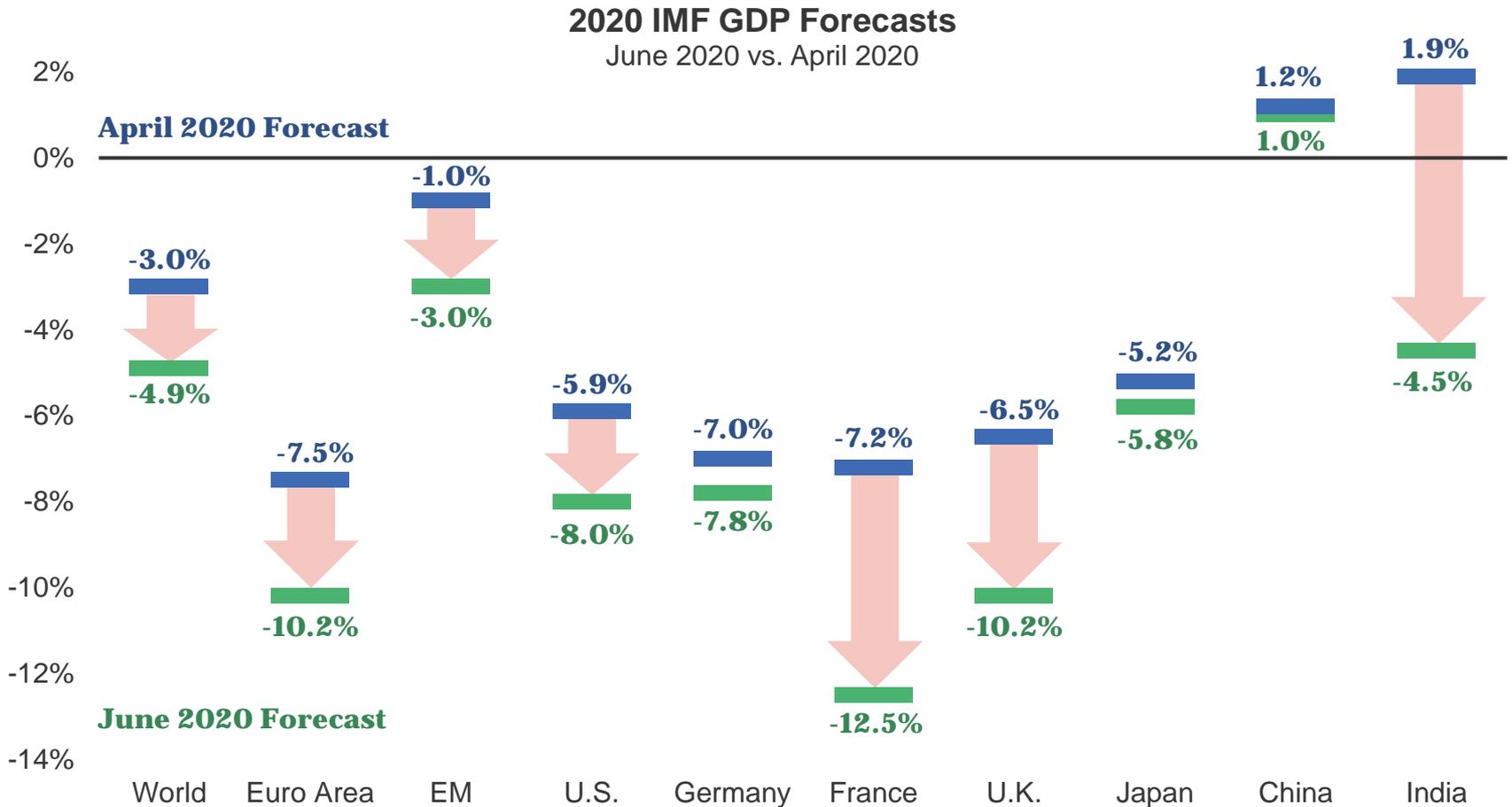
- Global corporate debt is estimated to increase by **12%** in 2020 compared to 8% in 2019.
 - **Companies plan to take on \$1 trillion of new debt in attempts to preserve finances.**
 - \$384 billion of debt has already been issued between January and May 2020, with riskier “high yield” firms carrying lower credit ratings setting new records for debt issuance.
- U.S. companies owe almost half of the world’s corporate debt and have seen the fastest increase in the last five years of any major economy with the exception of Switzerland.

COMPANY NET DEBT – GLOBAL





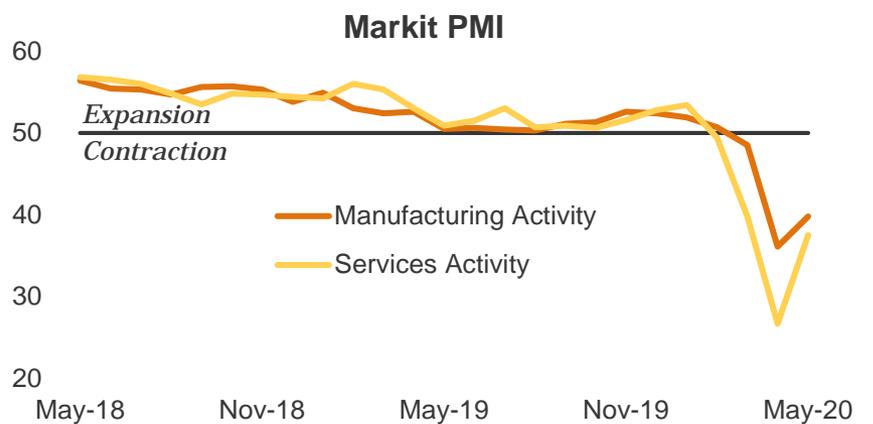
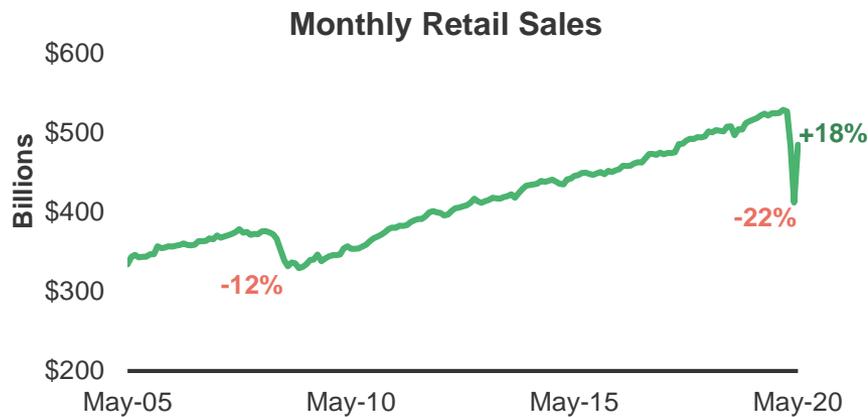
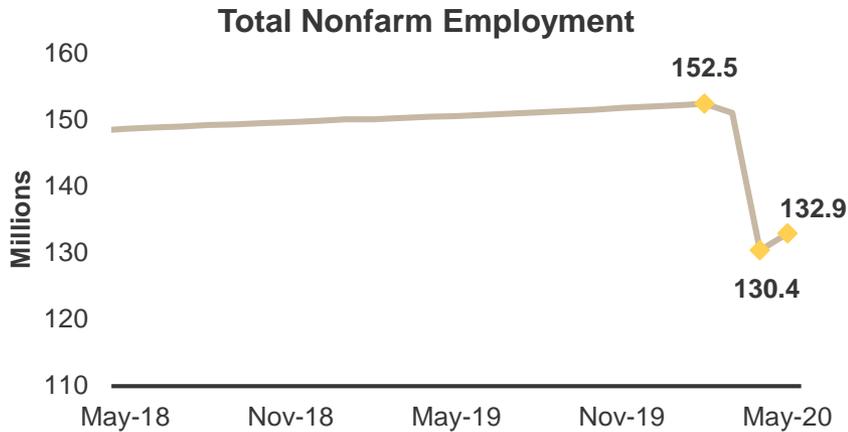
Global Growth Expectations Revised Downward



Source: International Monetary Fund Global Outlook, as of 6/24/2020.



Economic Conditions Are Depressed: V or W Recovery?



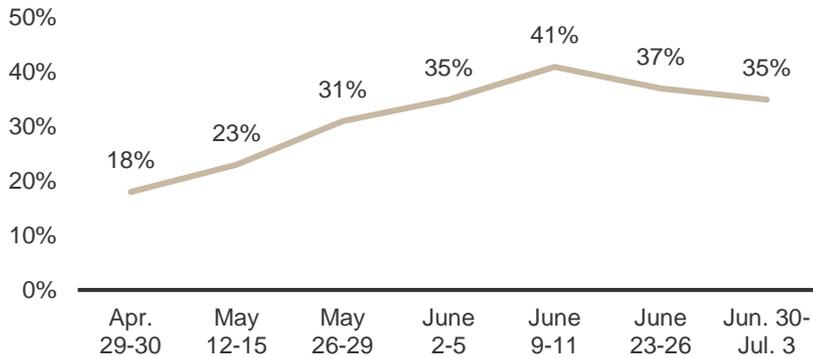
Source: Bloomberg, data available as of 6/22/2020.



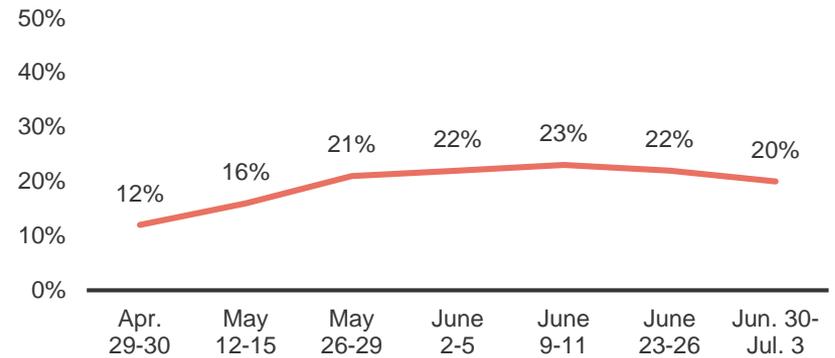
Consumers' Comfort Level with Activities Falls Amid COVID-19 Surge

Share of U.S. adults who said they'd feel comfortable doing the following activities **right now**.

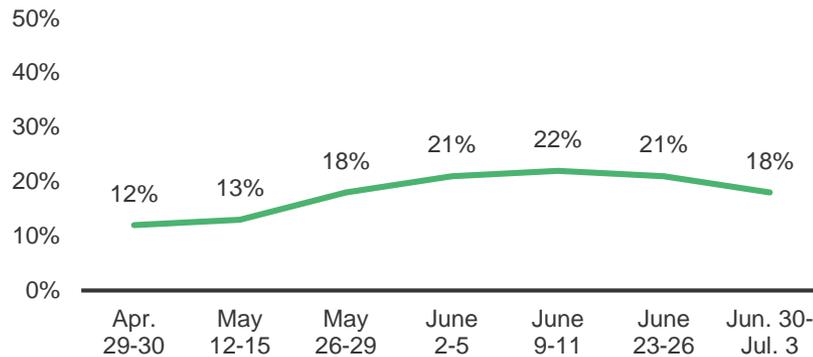
Going out to eat



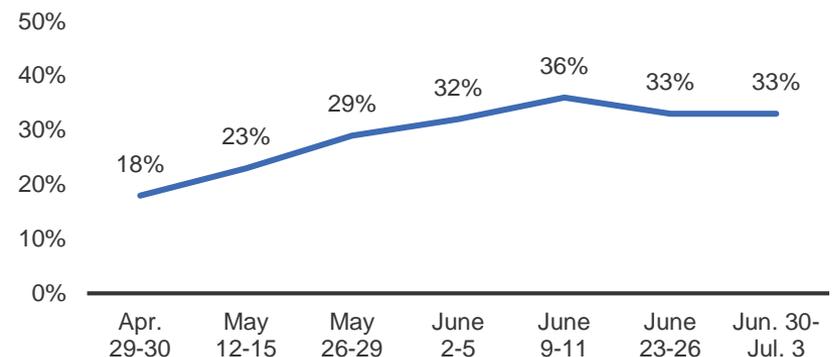
Going to the movies



Going to the gym



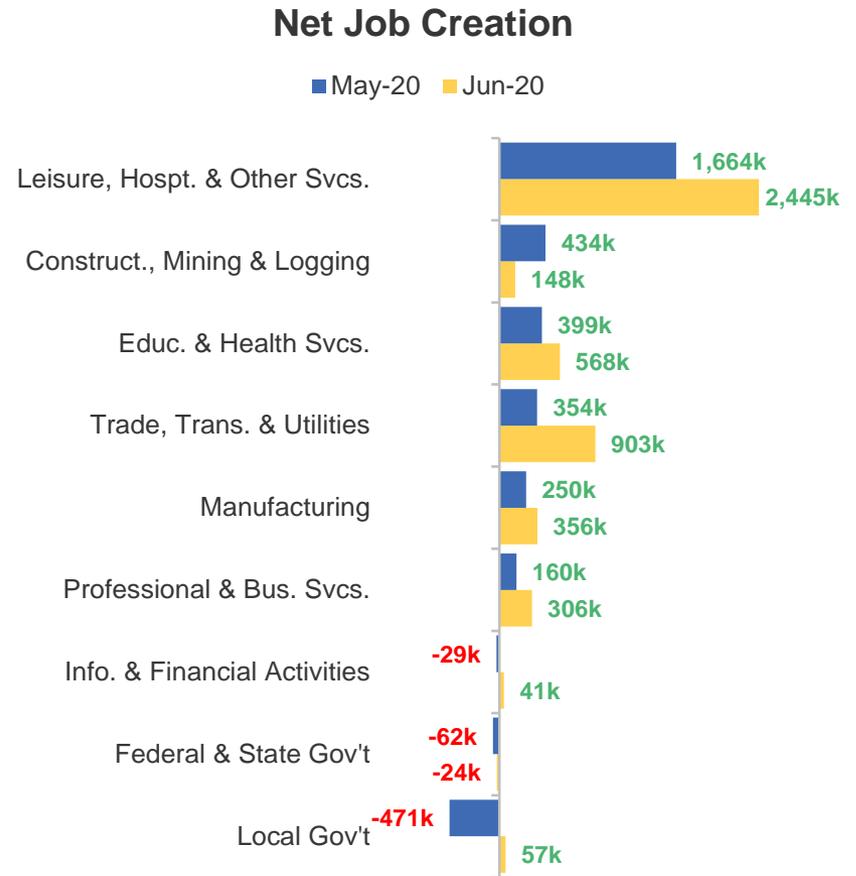
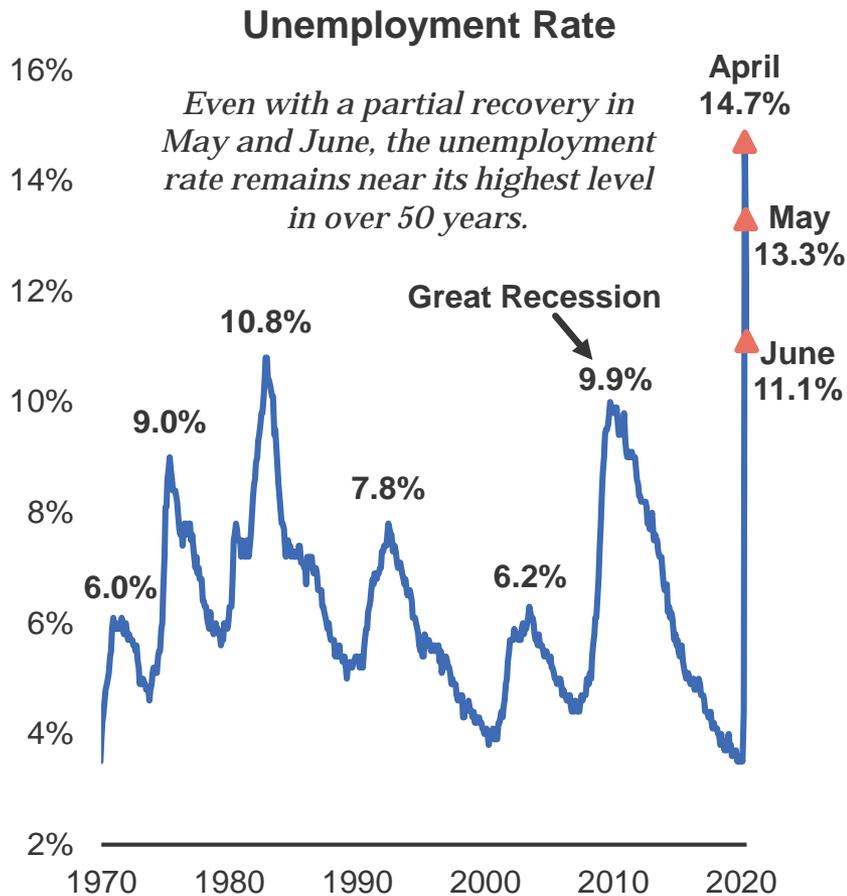
Going on vacation



Source: Morning Consult, as of 7/6/2020.



U.S. Labor Market Continues to Suffer Despite Partial Rebound



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



Retail Sales Rebound Strongly in June

June 2020



retail
+7.5%



auto and other motor vehicles
+8.2%



clothing and clothing accessories
+105.1%



furniture and home furnishings
+32.5%



building material
-0.3%

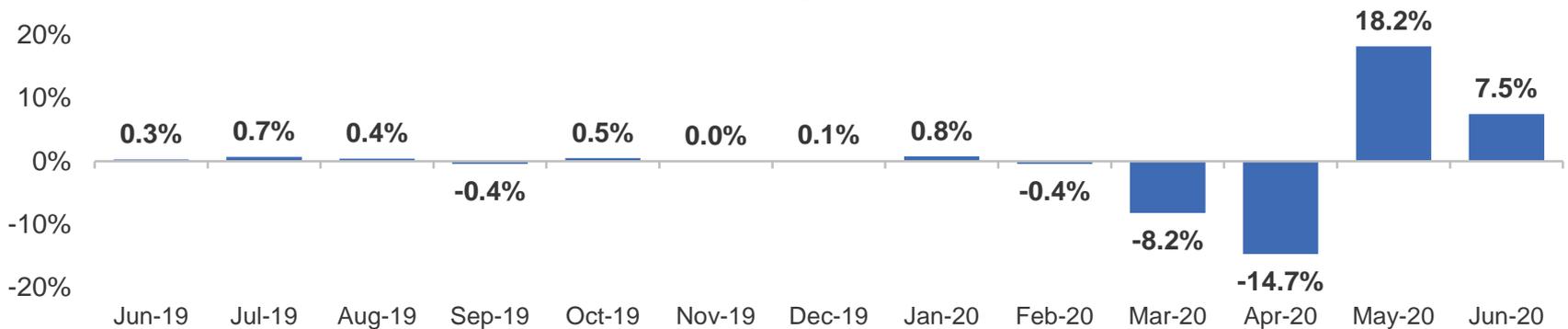


food and beverage stores
-1.2%



gasoline stations
+15.3%

Retail Sales

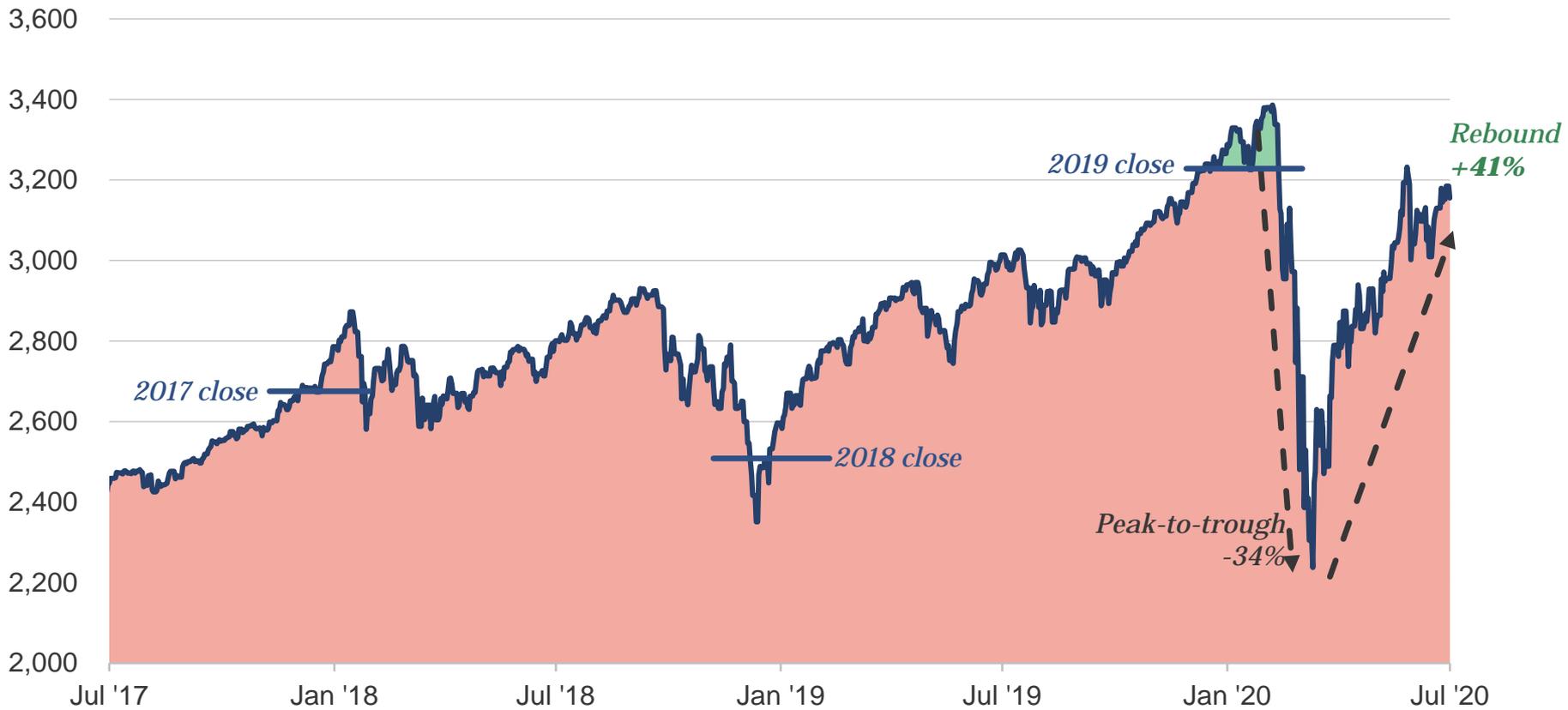


Source (top): U.S. Census Bureau, as of 7/20/2020. Source (bottom): Bloomberg.



Stocks Continue to Recover

S&P Price Change



Source: Bloomberg, as of 7/13/2020.



How Disconnected Are Equities from Economic Fundamentals?

How Far is U.S. Consumer Activity From Normal?

Seasonally-adjusted search activity: beauty/fitness, events, home improvement, relocation, property inspections, travel, and urban transport



Source: Bloomberg, as of June 29, 2020. Search activity is seasonally adjusted.

Arbor Research analyzed levels of search terms via Google Trends such as:

- Beauty
- Fitness
- Travel
- Events
- Home Improvement
- Relocation
- Property
- Urban Transport

While searching isn't the same as buying, the data shows a high correlation between search activity and the S&P 500.

It will be interesting to see if the correlation holds given increasing COVID-19 infections, subsequent slowing economic activity, and sustained high unemployment.



Disclosures

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