



## INVESTMENT ADVISORY COMMITTEE AGENDA

### Monday, July 26, 2021 at 10:00 a.m.

Executive Conference Room and via Zoom  
Brea Civic & Cultural Center, Third Floor

**CHAIR:** Council Member Christine Marick  
**ALTERNATE:** Council Member Marty Simonoff

This meeting is being conducted consistent with Governor Newsom's Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. The Investment Advisory Committee Meeting will be held on Monday, July 26, 2021 at 10:00 a.m. and the public is welcome to participate. To provide comments in person, the Executive Conference Room will be open to a limited number of members from the public in observance of social distancing guidelines. To provide comments by teleconference (Zoom), members of the public must contact City Staff at (714) 990-7676 or [arlenem@cityofbrea.net](mailto:arlenem@cityofbrea.net) no later than 12:00 p.m. Thursday July 22, 2021 to obtain the Zoom Meeting ID number and password. Participants will be muted until recognized at the appropriate time by the Committee. Written comments may be sent to the Administrative Services Department at [arlenem@cityofbrea.net](mailto:arlenem@cityofbrea.net) no later than 12:00 p.m. on Thursday, July 22, 2021. Any comments received via email will be summarized aloud into the record at the meeting.

The Investment Advisory Committee meeting agenda can be viewed on the City of Brea's website at <https://www.ci.brea.ca.us/509/Meeting-Agendas-Minutes>. Hard copies of the agenda packet are available via USPS with proper notice by calling (714) 990-7676. Materials related to an item on this agenda submitted to the Investment Advisory Committee after distribution of the agenda packet are available for public inspection in the Administrative Services Department located on the third floor of the Civic & Cultural Center at 1 Civic Center Circle, Brea, CA 92821 during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

### CALL TO ORDER / ROLL CALL

1. **Matters from the Audience**

### CONSENT

2. **April 26, 2021 Investment Advisory Committee Regular Meeting Minutes - Approve.**

#### Attachments

04-26-2021 IAC Draft Minutes

### DISCUSSION

3. **Review Quarterly Investment Report Period Ended June 30, 2021 from Chandler Asset Management**  
- Presented by Mia Corral Brown and Chris McCarry

#### Attachments

Investment Report

4. **Review of PARS Pension Rate Stabilization Program Investment Report for Period Ended June 30, 2021** - Presented by PARS and HighMark Capital Management

#### Attachments

Investment Report

5. **Investment Policy Guidelines for the City of Brea's Employee Benefits Fund Pension Plan** - Review and approve the Investment Policy Guidelines for the City of Brea's Employee Benefits Fund Pension Plan through Public Agency Retirement Services (PARS).

**Attachments**

Attachment A - Draft 2021 Employee Benefits Fund Pension Plan Investment Policy Guidelines

6. **Investment Policy Guidelines for the City of Brea's Other Post Employment Benefits (OPEB) Trust Fund** - Review and approve the Investment Guidelines for the City's Other Post Employment Benefits (OPEB) Trust Fund through Public Agency Retirement Services (PARS).

**Attachments**

Attachment A - Other Post Employment Benefits (OPEB) Trust Fund Plan Investment Policy Guidelines

7. **Statement of Investment Policy for the City/Brea Successor Agency to the Brea Redevelopment Agency** - Review and approve the City of Brea/Successor Agency to the Brea Redevelopment Agency Statement of Investment Policy.

**Attachments**

Current Investment Policy - Adopted 8/18/20

Draft Investment Policy - Redline

Draft Investment Policy - Clean Version

8. **Monthly Report of Cash Investments for the City of Brea for Period Ended June 30, 2021** - Receive and file.

**Attachments**

Attachment A

9. **Monthly Report of Cash Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ended June 30, 2021** - Receive and file.

**Attachments**

Attachment A

10. **Annual Update to City Council:** August 17, 2021 at 7:00 PM

11. **Schedule Next Meeting:** October 25, 2021

cc: Mayor Steven Vargas  
Mayor Pro Tem Cecilia Hupp  
Council Member Glenn Parker

**Special Accommodations**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

City of Brea

---

**COMMUNICATION**

**TO:** Honorable Chair and Members

**FROM:** Bill Gallardo

**DATE:** 07/26/2021

**SUBJECT:** April 26, 2021 Investment Advisory Committee Regular Meeting Minutes -  
Approve.

---

---

**Attachments**

04-26-2021 IAC Draft Minutes

---



# INVESTMENT ADVISORY COMMITTEE MINUTES

**Monday, April 26, 2021 10:00 a.m.**

Via Zoom Teleconference  
Brea Civic & Cultural Center  
1 Civic Center Circle, Brea, California

This meeting is being conducted consistent with Governor Newsom's Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. The Investment Advisory Committee Meeting will be held on Monday, April 26, 2021 at 10:00 a.m. via Zoom and the public is welcome to participate. To provide comments by teleconference (Zoom), members of the public must contact City Staff at (714) 990-7676 or [arlenem@cityofbrea.net](mailto:arlenem@cityofbrea.net) no later than 12:00 p.m. on Friday, April 23, 2021 to obtain the Zoom Meeting ID number and password. Participants will be muted until recognized at the appropriate time by the Committee. Written comments may be sent to the Administrative Services Department at [arlenem@cityofbrea.net](mailto:arlenem@cityofbrea.net) no later than 12:00 p.m. on Friday, April 23, 2021. Any comments received via email will be summarized aloud into the record at the meeting.

The Investment Advisory Committee meeting agenda can be viewed on the City of Brea's website at <https://www.ci.brea.ca.us/509/Meeting-Agendas-Minutes>. Hard copies of the agenda packet are available via USPS with proper notice by calling (714) 990-7676. Materials related to an item on this agenda submitted to the Investment Advisory Committee after distribution of the agenda packet are available for public inspection in the third floor lobby of the Civic & Cultural Center at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

## CALL TO ORDER / ROLL CALL

ATTENDEES: Council Member Christine Marick, City Treasurer Denise Eby, Ho-El Park, David Penn, Gary Terrazas, Cindy Russell, Faith Madrazo, Alicia Brenner and Ana Conrique

OTHER ATTENDEES: Chris McCarry (Chandler)

1. Matters from the Audience – *None*.

## CONSENT

2. January 25, 2021 Investment Advisory Committee Regular Meeting Minutes - *Approved*.

## DISCUSSION

3. Review Quarterly Investment Report Period Ending March 31, 2021 from Chandler Asset Management - Presented by ChrisMcCarry – *The Committee reviewed the quarterly report as presented and recommended to receive and file.*
4. Monthly Report of Cash Investments for the City of Brea for Period Ending March 31, 2021 – *The Committee reviewed the report and committee member Ho-El Park requested clarification on the difference between book and market value (document page 67) in the PARS account. Staff to contact Keith Stribling of HighMark for additional information and clarification to be shared with committee members. Recommended for City Council to receive and file*
5. Monthly Report of Cash Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending March 31, 2021 – *Recommended for City Council to receive and file*
6. Schedule Next Meeting: July 26, 2021
7. Meeting adjourned: 10:38AM

### Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)



City of Brea

---

**COMMUNICATION**

**TO:** Honorable Chair and Members

**FROM:** Bill Gallardo

**DATE:** 07/26/2021

**SUBJECT:** Review Quarterly Investment Report Period Ended June 30, 2021 from  
**Chandler Asset Management** - Presented by Mia Corral Brown and Chris  
McCarry

---

---

**Attachments**

Investment Report

---

# City of Brea

*Period Ending June 30, 2021*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)



<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Portfolio Holdings</b>
<b>SECTION 4</b>	<b>Transactions</b>



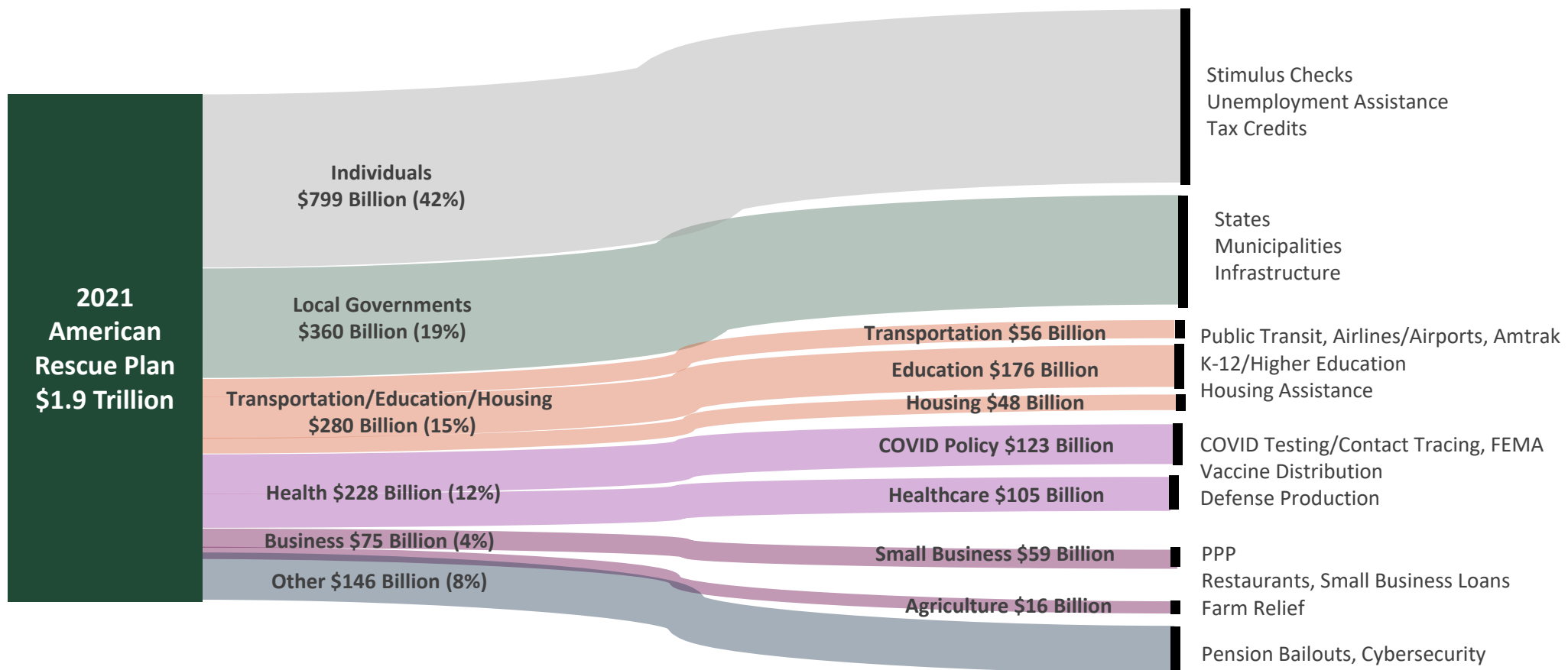
## Section 1 | Economic Update

## Economic Update

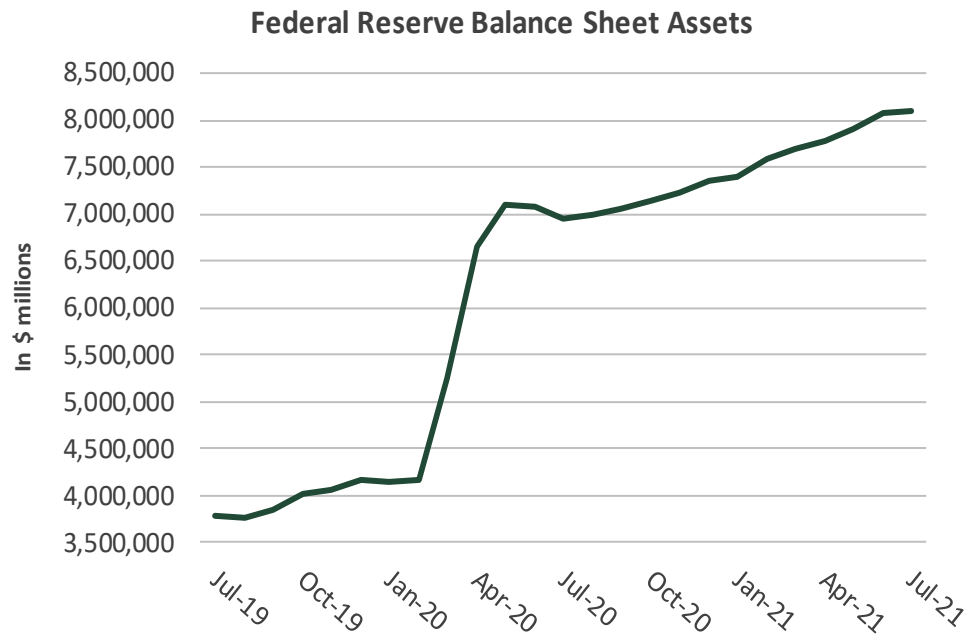
- The US economy continues to recover and while some pockets of the economy remain dislocated, real gross domestic product (GDP) is approaching pre-pandemic levels. The recovery has been fueled by robust fiscal spending, accommodative monetary policy, and a swift vaccine rollout. These factors are beginning to moderate but should continue to provide tailwinds for the economy in the coming quarters. Vaccinations have slowed down, and infection rates in the US have recently ticked up but remain well below their peak. Some pandemic-related fiscal relief is starting to phase out, but President Biden and a group of bipartisan senators have agreed to an overall framework for a roughly \$1 trillion infrastructure plan (including about \$579 billion in new federal spending above previously approved levels). Though the details still need to be hashed out and a deal would need full congressional approval, the negotiations signal that more fiscal stimulus is likely on the horizon. Meanwhile, the Federal Reserve continues to signal that it will look past any near-term uptick in inflation to facilitate continued improvement in the labor market. Estimates for US GDP growth remain strong. The current Bloomberg consensus estimate for 2021 and 2022 US GDP growth are 6.6% and 4.1%, respectively.
- The Federal Open Market Committee (FOMC) kept monetary policy unchanged at its June meeting. The fed funds target rate remains in the range of 0.0% to 0.25%, and the Fed continues to purchase \$80 billion of Treasuries per month, and \$40 billion of agency mortgage-backed securities per month. The Fed has started to discuss the idea of reducing its asset purchases at some point, but that decision remains uncertain. FOMC members' updated economic projections also suggest that the Fed may start to raise interest rates in 2023, versus the previous estimate of 2024, as the economy may be on track to reach their employment and inflation goals at a faster than expected pace. Overall, monetary policy remains highly accommodative for now, but the Fed seems to be inching toward a path of policy normalization. We anticipate the Fed will remain on the sidelines over the near-term, but we believe the probability that the Fed will begin tapering its asset purchases during the first half of next year has increased.
- The yield curve flattened in June. We believe multiple factors influenced Treasury rates in the month, including market technicals, dollar strengthening, uneven global vaccination rates, and a more modest forecast for U.S. infrastructure spending than initially expected. Nevertheless, we believe longer-term rates have room to move higher this year and we believe the Treasury yield curve is poised to steepen in the second half of the year.

# Will \$5.5 Trillion Stimulus Propel Growth and Inflation?

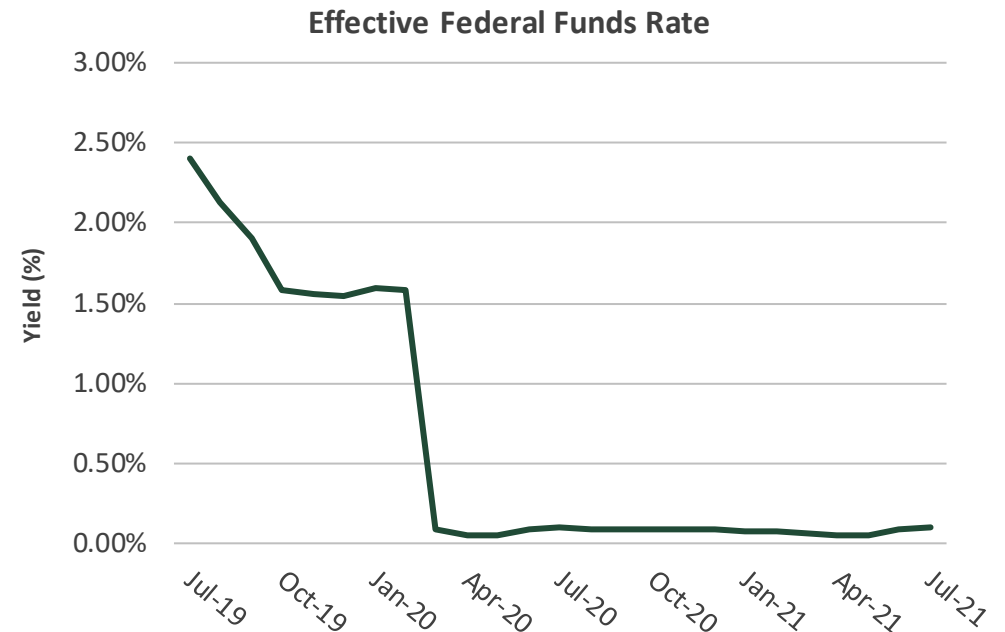
Fiscal Package	Amount
CARES Act	\$2.23 Trillion
Coronavirus Relief Bill	\$484 Billion
Phase 4 Stimulus	\$908 Billion
American Rescue Plan	\$1.9 Trillion
<b>Total So Far</b>	<b>\$5.5 Trillion</b>



# Federal Reserve



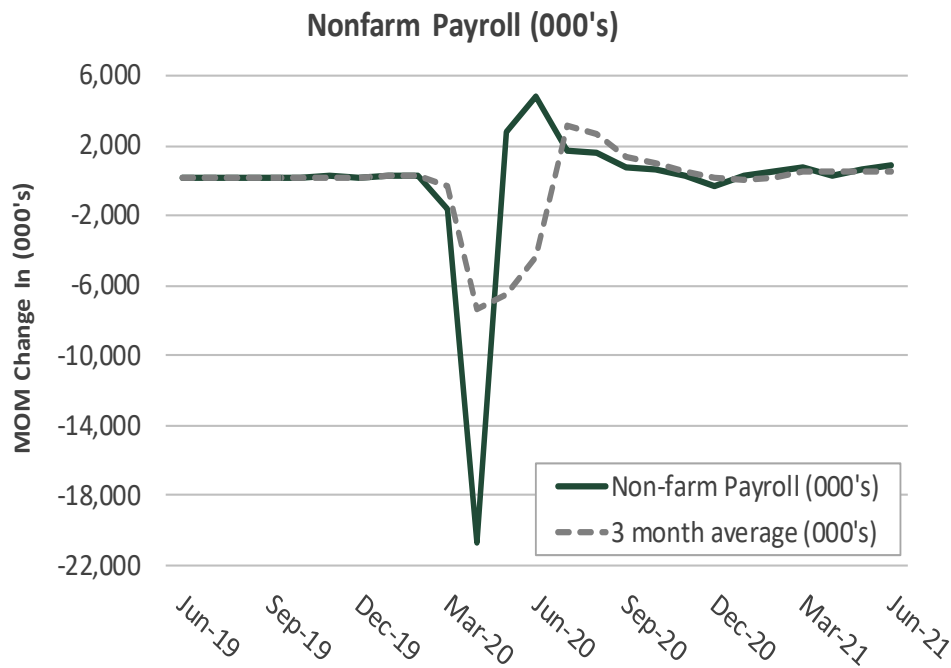
Source: Federal Reserve



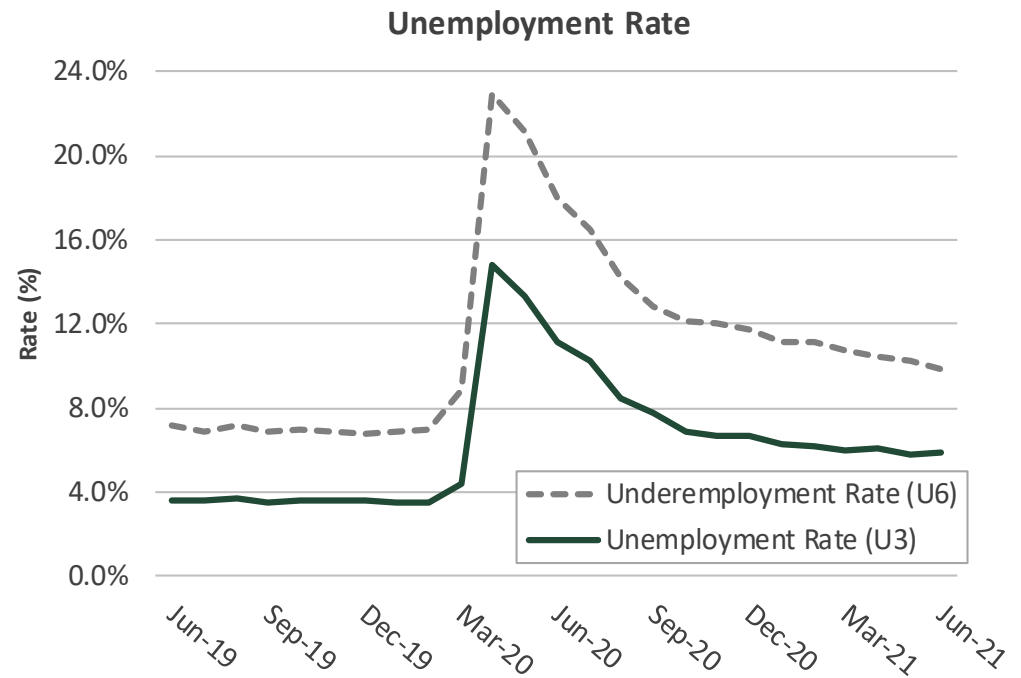
Source: Bloomberg

Last year, the Fed took a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Last year, policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility. The Fed also established the Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, Term Asset-Backed Securities Loan Facility, Paycheck Protection Program Liquidity Facility, Main Street Lending Facility, and Municipal Liquidity Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Notably, many of the Fed's lending facilities expired at the end of 2020, including the Fed's corporate credit, asset-backed securities, municipal lending, and Main Street Lending programs. In June 2021, the Fed announced plans to gradually unwind its corporate credit facility and expects to sell the full portfolio by year-end.

# Employment



Source: US Department of Labor



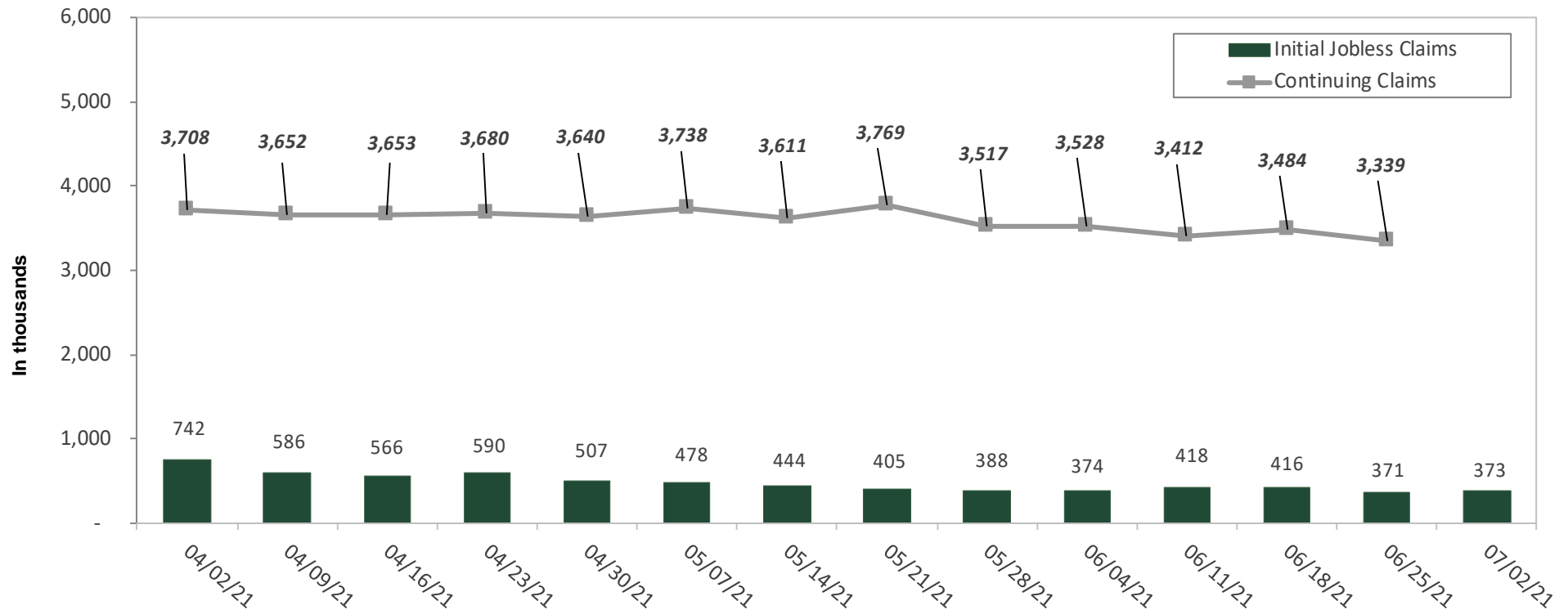
Source: US Department of Labor

Job growth was stronger than expected in June. U.S. nonfarm payrolls increased by 850,000, versus the consensus forecast of 720,000. May payrolls were also revised up by 24,000 to 583,000. On a trailing 3-month and 6-month basis, payrolls increased by an average of 567,000 and 543,000 per month, respectively, which is indicative of a steady recovery in the labor market. The leisure and hospitality sectors continue to drive the job gains in June and increased by 343,000. Government payrolls also posted a solid increase of 188,000 in June. The labor participation rate was unchanged at 61.6% in June and is 1.7% lower than the pre-pandemic level. The employment-population ratio was also unchanged in the month at 58.0% and is 3.1% below the pre-pandemic level. The unemployment rate ticked higher to 5.9% in June from 5.8% in May and remains well above the pre-pandemic low of 3.5% in February 2020. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 9.8% in June from 10.2% in May (versus 7.0% in February 2020). The index of aggregate private weekly payrolls was up 2.8% in June from February 2020, suggesting a solid increase in aggregate wages.



# Initial Claims for Unemployment

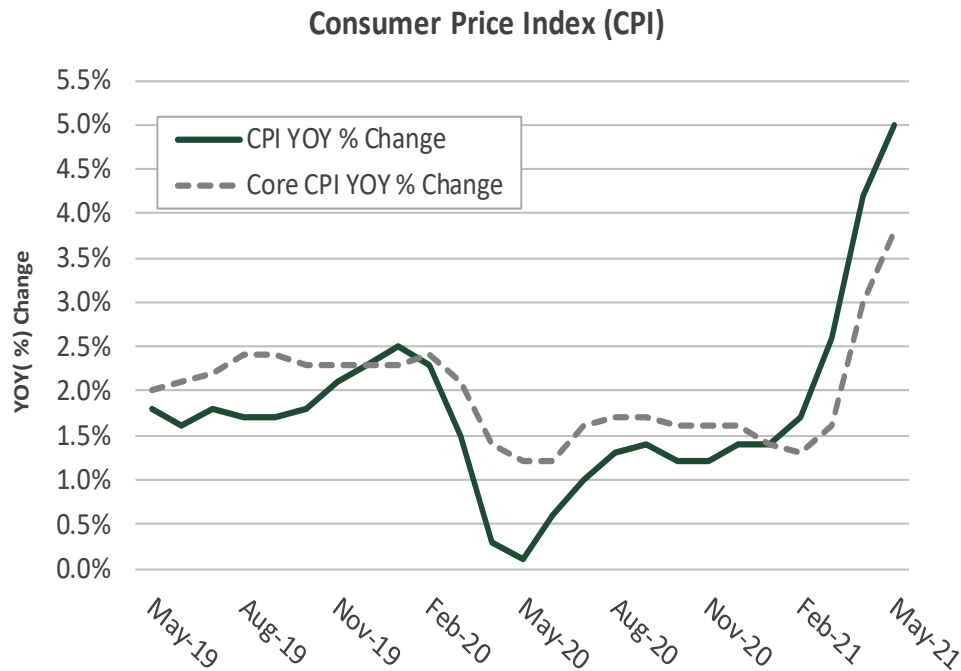
Initial Claims For Unemployment April 02, 2021 - July 02, 2021



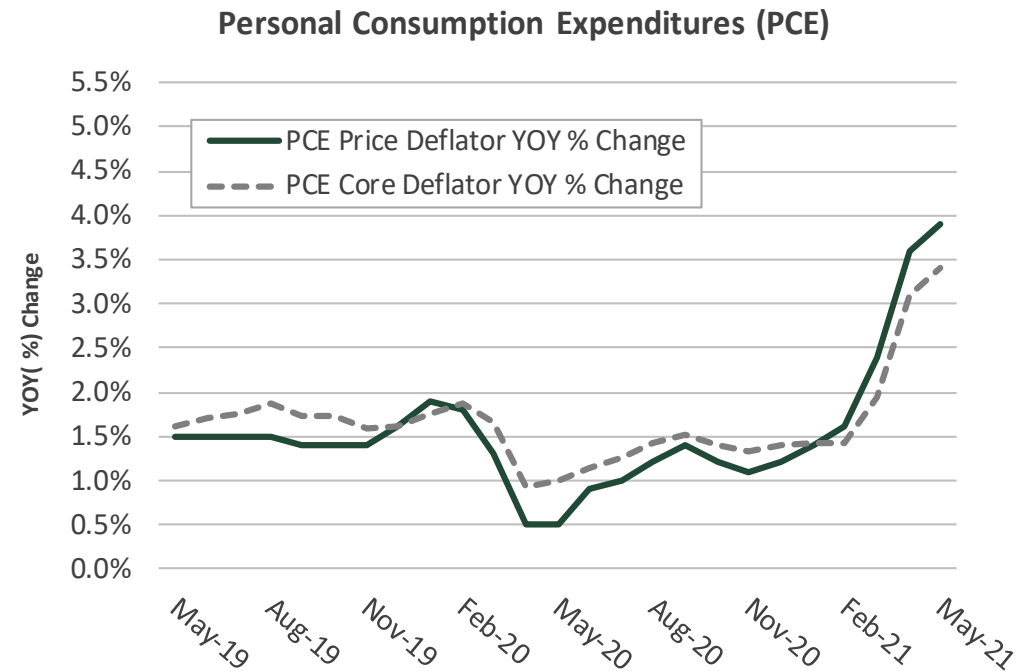
Source: US Department of Labor

In the most recent week, the number of initial jobless claims was 373,000 versus 371,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) declined modestly to 3.339 million versus 3.484 million in the prior week. Although continuing jobless claims have declined significantly from the peak of nearly 25 million last May, they remained above the 2019 (pre-pandemic) average of 1.7 million.

# Inflation



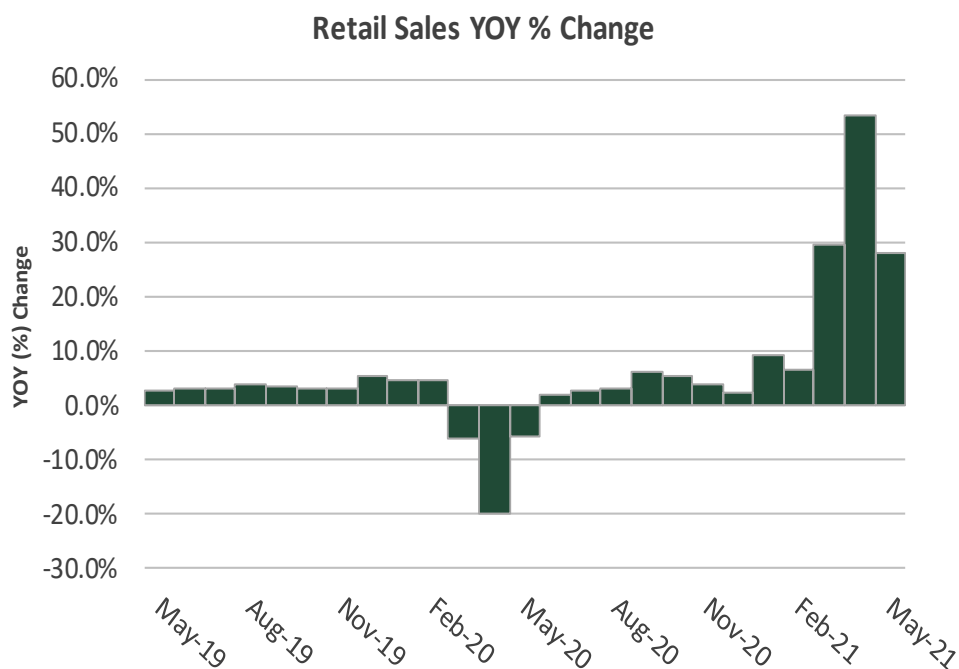
Source: US Department of Labor



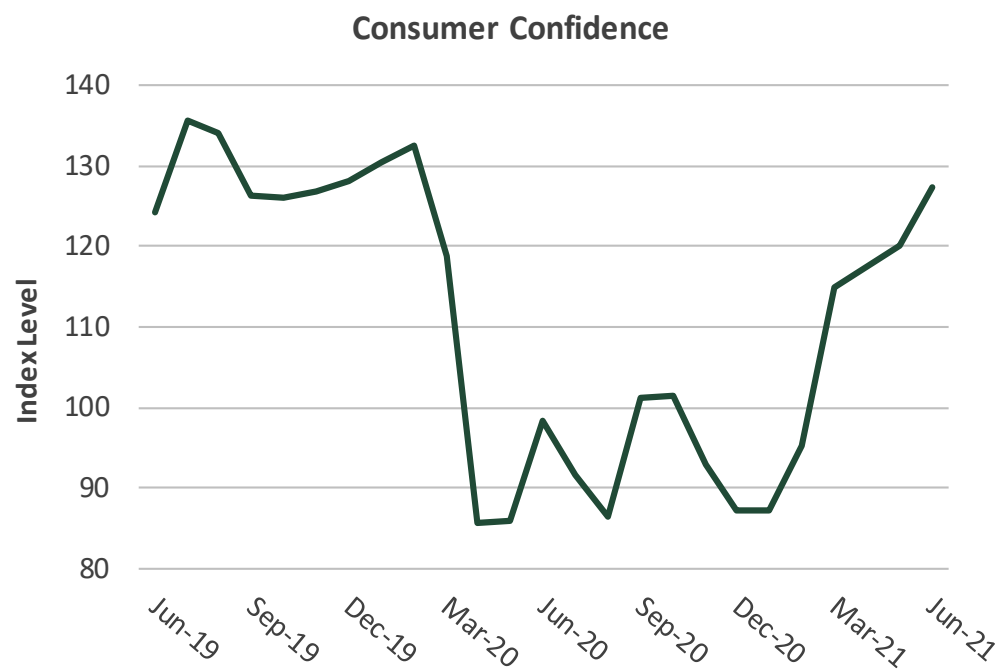
Source: US Department of Commerce

The Consumer Price Index (CPI) was up 5.0% year-over-year in May versus up 4.2% in April. Core CPI (CPI less food and energy) was up 3.8% year-over-year in May, versus up 3.0% in April. The Personal Consumption Expenditures (PCE) index was up 3.9% year-over-year in May, versus up 3.6% year-over-year in April. Core PCE was up 3.4% year-over-year in May, versus up 3.1% year-over-year in April. Current inflation readings are running well above the Fed's longer-run target of around 2.0%. However, the Fed believes that much (if not all) of the recent pricing pressure have been caused by pandemic-related factors (e.g., base effects and supply chain disruptions). Fed policymakers have reiterated that they believe most of those factors will be temporary.

## Consumer



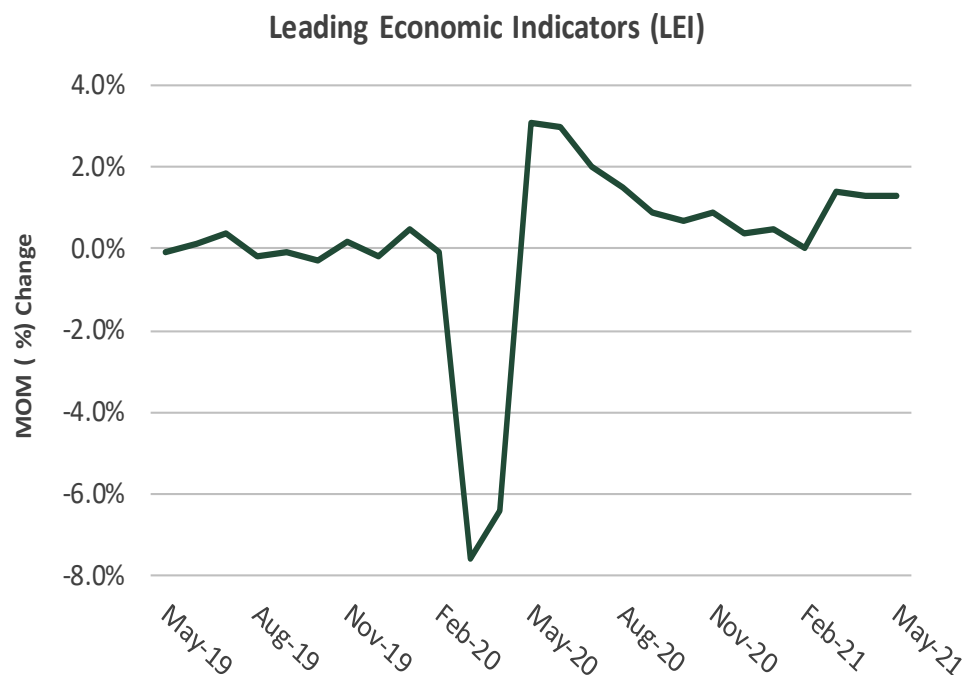
Source: US Department of Commerce



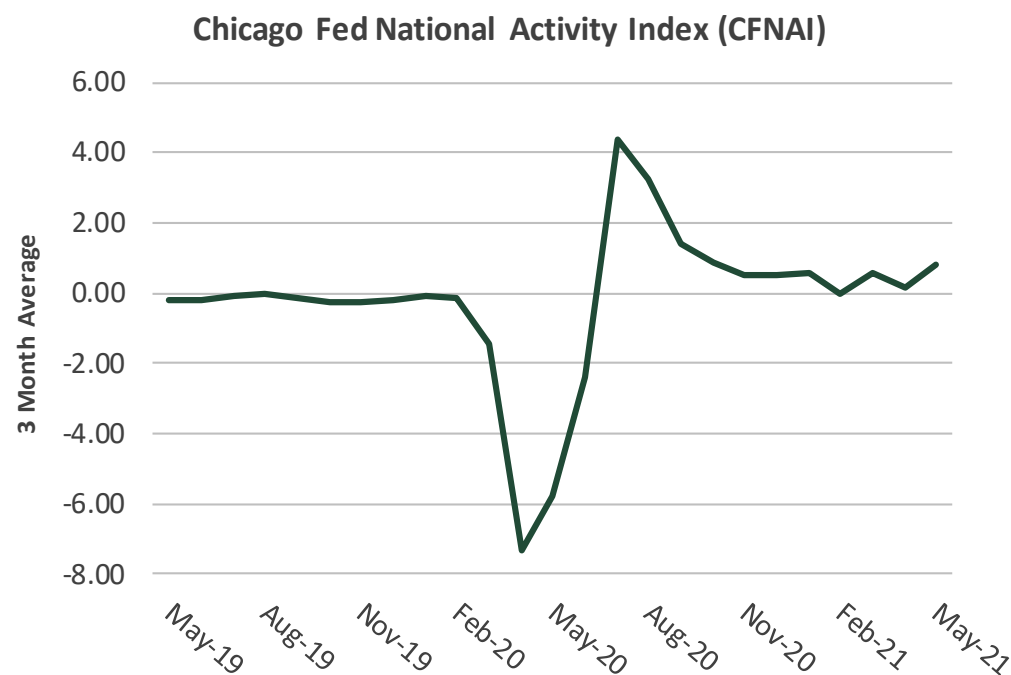
Source: The Conference Board

On a year-over-year basis, retail sales were up 28.1% in May versus up 53.4% in April. The year-over-year gains are distorted by the drop-off in spending and activity at the early stage of the pandemic last year. On a month-over-month basis, retail sales declined 1.3% in May, following a 0.9% increase in April. Retail sales have been somewhat uneven on a monthly basis due to the timing of fiscal stimulus and economic reopening. Overall, we believe consumer spending remains healthy and consistent with an ongoing recovery in economic activity. The Consumer Confidence index jumped to 127.3 in June from 120.0 in May, reflecting a strong view of current conditions and a more upbeat outlook.

## Economic Activity



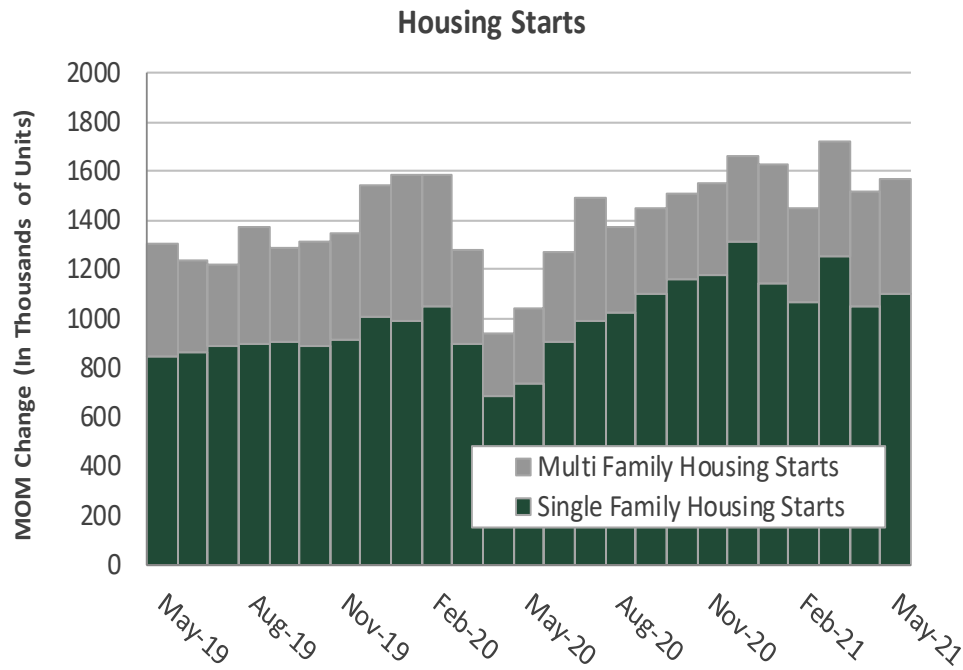
Source: The Conference Board



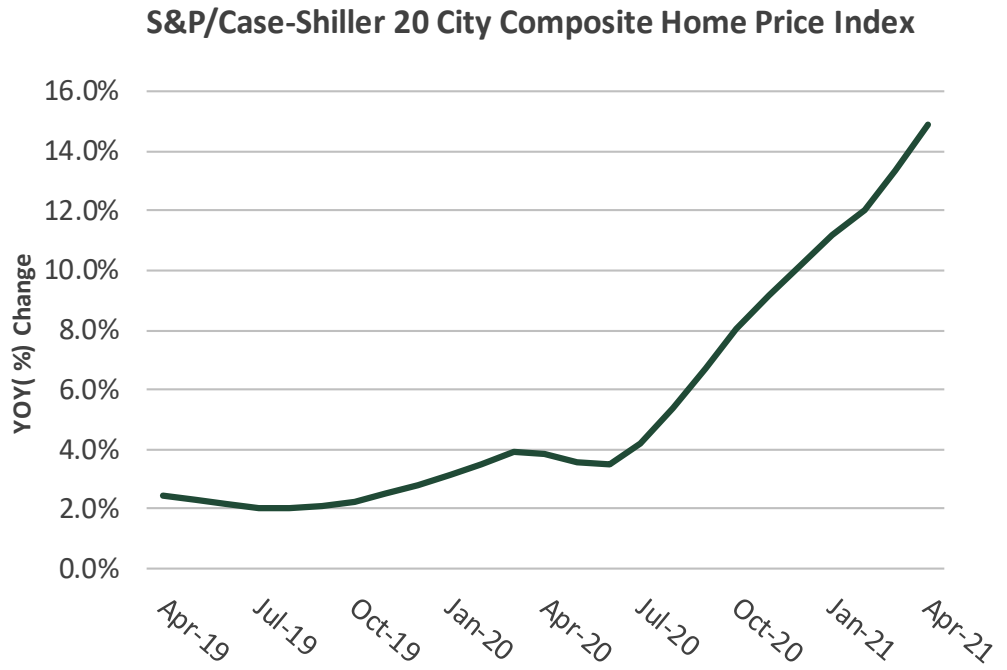
Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) increased 1.3% month-over-month in May (in line with expectations), following a 1.3% increase in April. On a year-over-year basis, the LEI was up 14.7% in May against a severe decline in the index during the early stage of the pandemic last year. According to the Conference Board, the index suggests that economic growth will remain strong in the near term. Meanwhile, the Chicago Fed National Activity Index (CFNAI) increased to 0.29 in May from -0.09 in April. On a 3-month moving average basis, the CFNAI increased to 0.81 in May from 0.17 in April, and it continues to signal above-trend economic growth.

# Housing



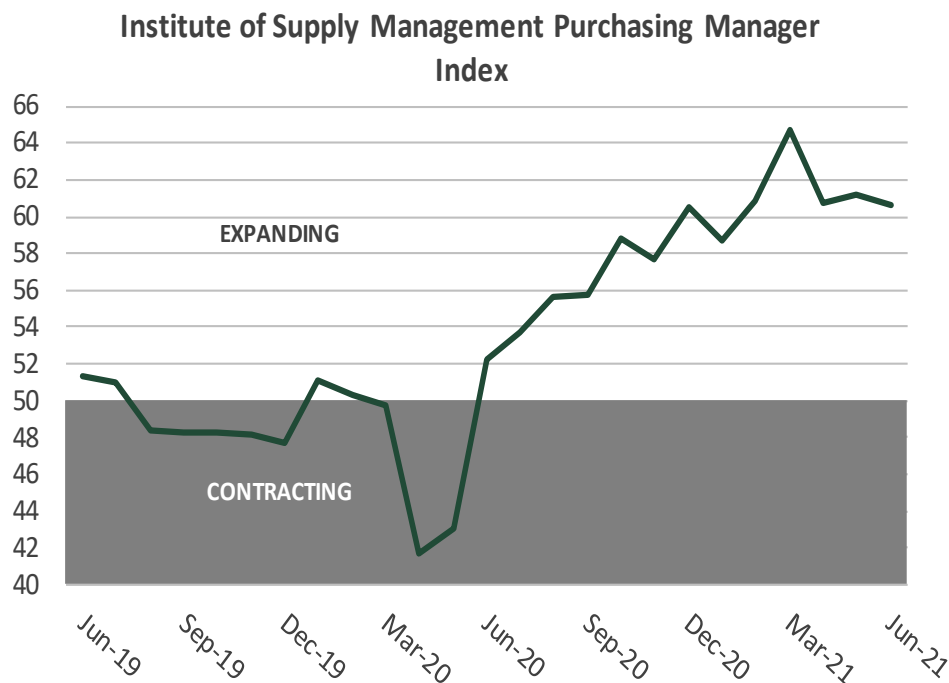
Source: US Department of Commerce



Source: S&P

Total housing starts rose 3.6% in May to an annual pace of 1,572,000. Single-family starts rose 4.2% in May while multi-family starts were up 2.4%. On a year-over-year basis, housing starts were up 50.3% in May, due in part to the steep decline in activity during the early stage of the pandemic last year. According to the Case-Shiller 20-City home price index, home prices were up 14.9% year-over-year in April versus up 13.4% year-over-year in March. Low inventory and strong demand continue to put upward pressure on home prices.

# Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

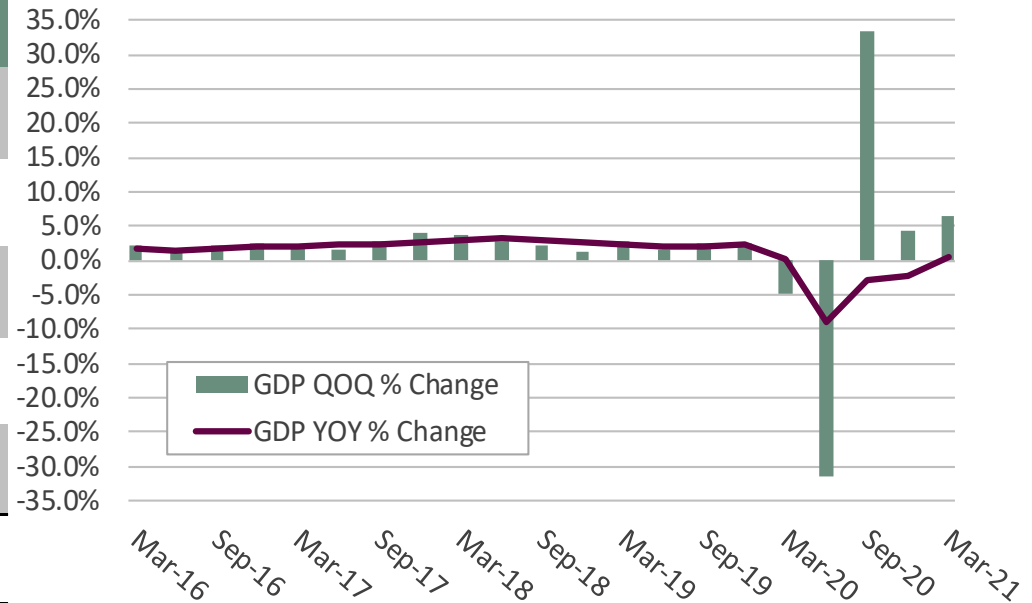
The Institute for Supply Management (ISM) manufacturing index eased slightly to 60.6 in June from 61.2 in May. The index continues to point to strength in manufacturing, as readings above 50.0 are indicative of expansion in the manufacturing sector. We believe a weaker US dollar has been supportive of the US manufacturing sector during the pandemic, though the dollar index has been creeping higher since the end of May. The Industrial Production index was up 16.3% year-over-year in May, versus up 17.6% in April. The year-over-year rates are distorted by the effects of the pandemic last year. On a month-over-month basis, the Industrial Production index increased 0.8% in May, following a 0.1% increase in April. Capacity Utilization increased to 75.2% in May from 74.6% in April but remains well below the long-run average of 79.8%. Chip shortages continue to weigh on activity in the manufacturing sector.

## Gross Domestic Product (GDP)

Components of GDP	6/20	9/20	12/20	3/21
Personal Consumption Expenditures	-24.0%	25.4%	1.6%	7.4%
Gross Private Domestic Investment	-8.8%	12.0%	4.4%	-0.6%
Net Exports and Imports	0.6%	-3.2%	-1.5%	-1.5%
Federal Government Expenditures	1.2%	-0.4%	-0.1%	0.9%
State and Local (Consumption and Gross Investment)	-0.4%	-0.4%	-0.1%	0.1%
<b>Total</b>	<b>-31.4%</b>	<b>33.4%</b>	<b>4.3%</b>	<b>6.4%</b>

Source: US Department of Commerce

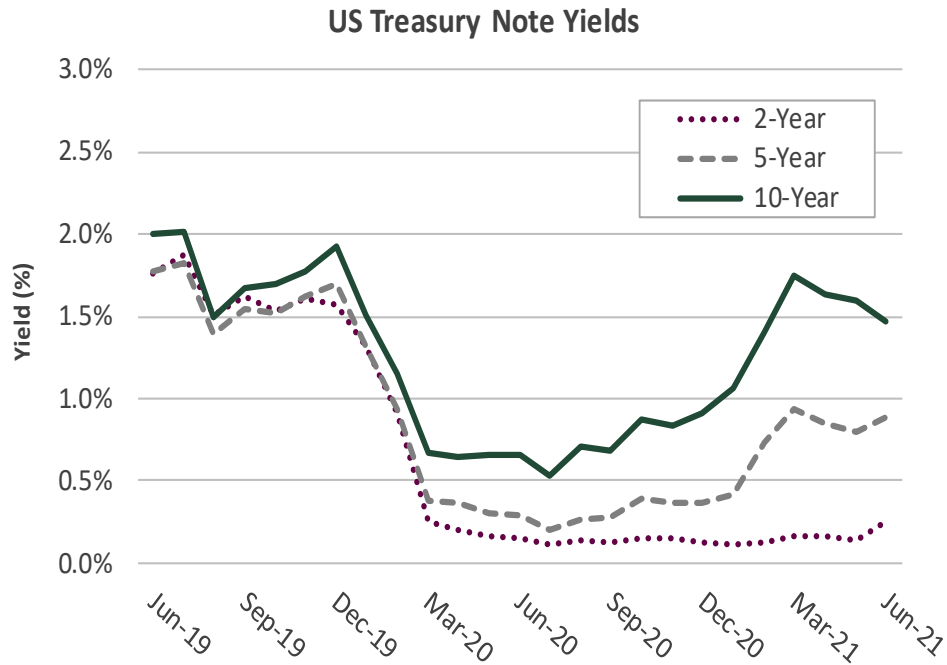
Gross Domestic Product (GDP)



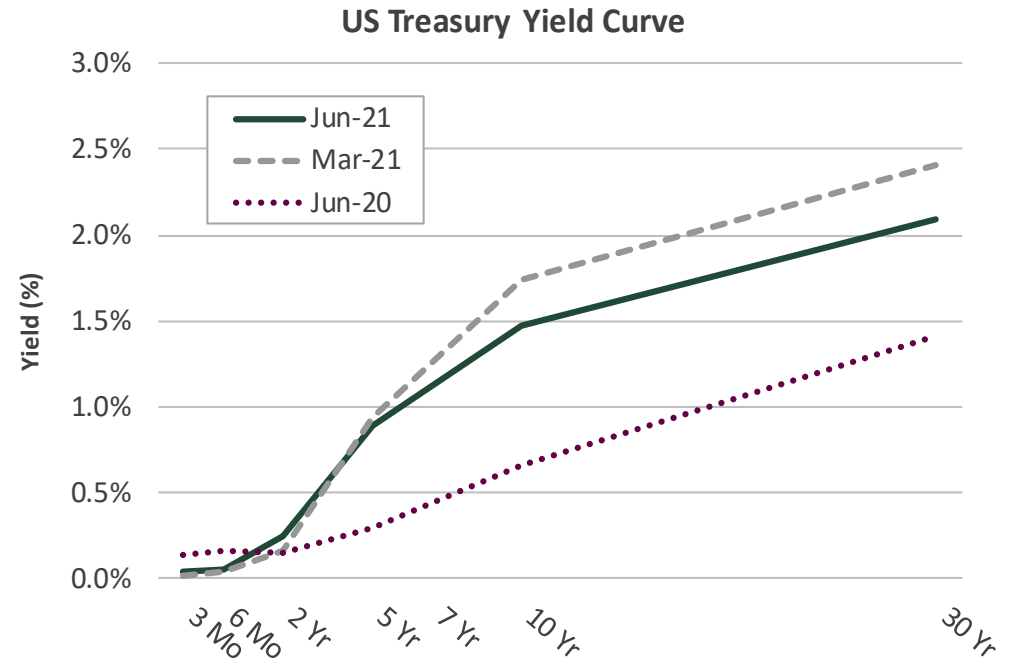
Source: US Department of Commerce

US economic growth accelerated in the first quarter. According to the third estimate, real US gross domestic product (GDP) grew at an annualized rate of 6.4% in the first quarter, following 4.3% growth in the fourth quarter of 2020. Economic growth is believed to have accelerated even further in the second quarter to an annualized rate of 9.2%. The consensus forecast for full year 2021 US gross domestic product growth is 6.6%, following a 3.5% decline in 2020.

# Bond Yields



Source: Bloomberg



Source: Bloomberg

The treasury yield curve is steeper on a year-over-year basis. The 3-month T-bill yield was about nine basis points lower, while the 2-year Treasury yield was about ten basis points higher, and the 10-Year Treasury yield was about 81 basis points higher, year-over-year, as of June month-end. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero until 2023. We believe longer-term rates still have room to move higher this year.





## Section 2 | Account Profile

## **Investment Objectives**

The City of Brea and the Successor Agency to the Brea Redevelopment Agency's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program.

## **Chandler Asset Management Performance Objective**

The performance objective for both accounts is to achieve a rate of return over a market cycle that equals or exceeds the return on a market index of similar duration and sector allocation.

## **Strategy**

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

## City of Brea

Assets managed by Chandler Asset Management are in full compliance with state law and with the Client's investment policy

Category	Standard	Comment
U.S Treasuries	No limitations; Bills, Notes, and Bonds	Complies
Federal Agencies	25% max per issuer; 5% max in callables bonds issued by Agencies; U.S. Government Agency securities and instrumentality of government-sponsored corporations	Complies
Supranational Obligations	"AA" rated or higher by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer; Other investments that are legal investments through the State of California Government Code	Complies
Corporate Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset-Backed Securities (ABS), CMOs	"AA" rated or higher by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer	Complies
Negotiable Certificates of Deposit (NCD)	30% maximum; 5% max per issuer	Complies
Certificates of Deposit (CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
Local Agency Investment Fund (LAIF)	40%;<60%, with OCIP	Complies
OCIP/ County Pool	40%;<60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Prohibited	Derivatives, inverse floaters, range notes, or interest-only strips derived from a pool of mortgages; any security that could result in a zero interest accrual if held to maturity	Complies
Downgrade	If a security owned by the City is downgraded to a level below the requirements of the policy, making the security ineligible for additional purchases, the following steps will be taken: -Any actions taken related to the downgrade by the investment manager will be communicated to the City Treasurer and the Administrative Services Director within two (2) business days; -If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.	Complies
Max Per Issuer	5% max per issuer, with the exception of U.S. Treasuries, U.S. Federal Government Agency obligations, Approved State and County investment pools	Complies
Maximum Maturity	5 years	Complies

## Portfolio Characteristics

As of June 30, 2021

### City of Brea

	6/30/2021		3/31/2021
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.66	2.88	2.85
Average Modified Duration	2.59	2.60	2.58
Average Purchase Yield	n/a	1.51%	1.59%
Average Market Yield	0.41%	0.49%	0.45%
Average Quality**	NR	AA/Aa1	AA/Aa1
Total Market Value		93,846,506	93,653,874

\*ICE BAML 1-5 Year US Treasury/Agency Index

\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Multiple securities were purchased across Asset Backed, Corporate and Supranational sectors to keep the overall duration and asset allocation of the portfolio consistent with Chandler's internal targets. The purchased securities ranged in maturity from April 2023 to June 2026. Several shorter maturity Agency, Treasury and Corporate securities were sold to facilitate the new holdings in the portfolio.

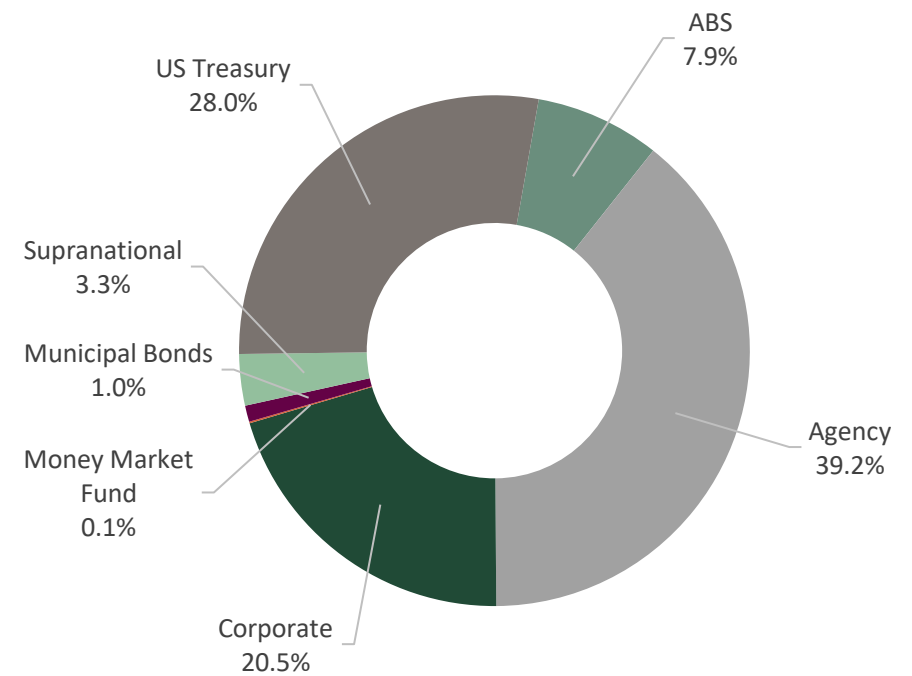
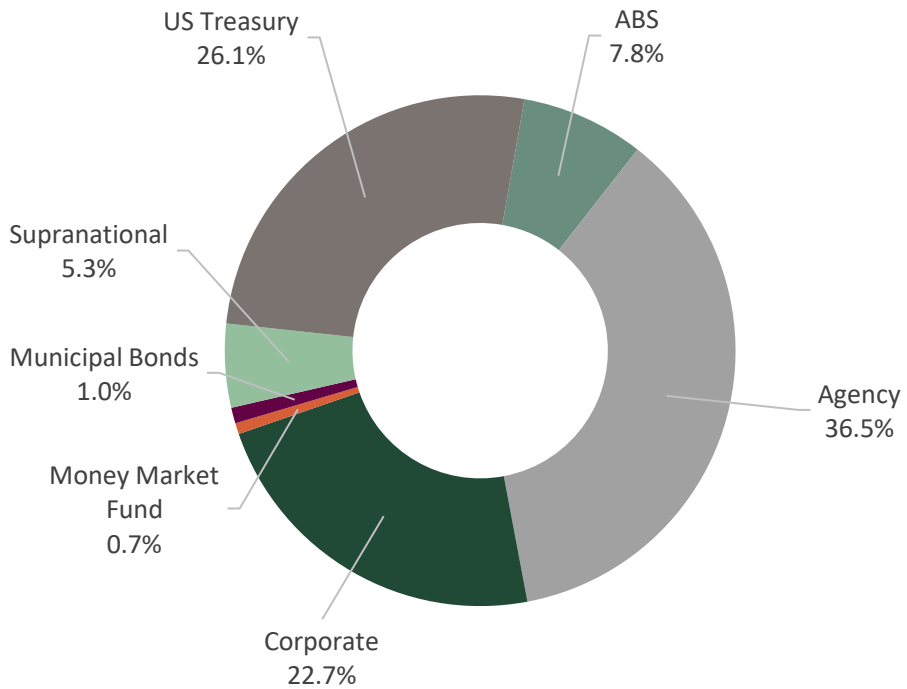
# Sector Distribution

As of June 30, 2021

## City of Brea

June 30, 2021

March 31, 2021



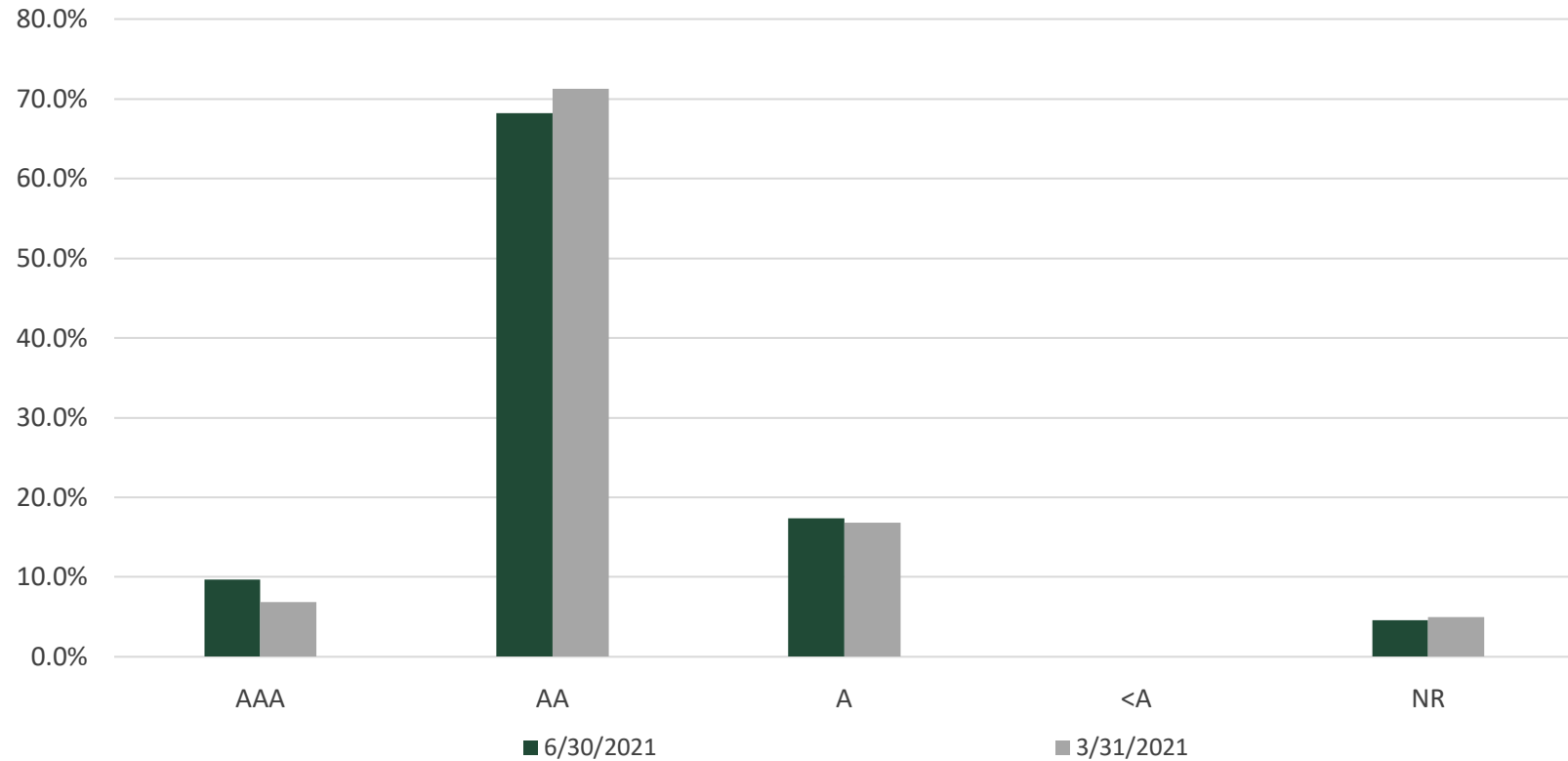
## City of Brea – Account #120

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	26.05%
Federal National Mortgage Association	Agency	15.47%
Federal Home Loan Bank	Agency	10.88%
Federal Home Loan Mortgage Corp	Agency	10.12%
Inter-American Dev Bank	Supranational	4.30%
JP Morgan Chase & Co	Corporate	1.90%
Bank of America Corp	Corporate	1.75%
Honda ABS	ABS	1.68%
Amazon.com Inc	Corporate	1.55%
Deere & Company	Corporate	1.41%
Charles Schwab Corp/The	Corporate	1.40%
Toyota ABS	ABS	1.37%
Toyota Motor Corp	Corporate	1.35%
John Deere ABS	ABS	1.35%
Toronto Dominion Holdings	Corporate	1.27%
HSBC Holdings PLC	Corporate	1.25%
Caterpillar Inc	Corporate	1.23%
Royal Bank of Canada	Corporate	1.23%
Bank of New York	Corporate	1.19%
Honda Motor Corporation	Corporate	1.12%
Verizon Owner Trust	ABS	1.09%
Paccar Financial	Corporate	1.09%
US Bancorp	Corporate	1.07%
Nissan ABS	ABS	1.06%
Wal-Mart Stores	Corporate	1.02%
State of California	Municipal Bonds	1.02%
Apple Inc	Corporate	1.00%
Intl Bank Recon and Development	Supranational	1.00%
PNC Financial Services Group	Corporate	0.98%
Hyundai Autot Receivables	ABS	0.93%
Fidelity Institutional Treasury Portfolio	Money Market Fund	0.66%
Microsoft	Corporate	0.63%
Mercedes-Benz Auto Lease Trust	ABS	0.30%
United Health Group Inc	Corporate	0.26%
<b>TOTAL</b>		<b>100.00%</b>

# Quality Distribution

As of June 30, 2021

**City of Brea**  
June 30, 2021 vs. March 31, 2021



	AAA	AA	A	<A	NR
06/30/21	9.7%	68.2%	17.4%	0.0%	4.6%
03/31/21	6.9%	71.3%	16.8%	0.0%	5.0%

Source: S&P Ratings

## **Agency**

- Agency spreads compressed during the quarter as demand remains robust with little benchmark issuance from Fannie Mae and Freddie Mac to help moderate extremely tight valuations.
- Chandler activity in the sector will remain low until relative valuations improve.

## **Investment Grade Credit**

- Investment Grade credit spreads continued to narrow towards all-time tights even though new issuance activity this year has exceeded expectations.
- The Chandler team remains focused on identifying stable to improving credits meeting the credit quality requirements of the City's portfolio. There should continue to be opportunities to add to the portfolio's credit exposure in the coming quarter including the new issue market.

## **Asset Backed**

- Spreads in the high-quality Asset Backed market also tightened during the quarter.
- The Chandler Team continues to participate in the new issue market and is focused on adding securities that are appropriate for the City's strategy including high quality auto lease securitizations.

## **Municipal**

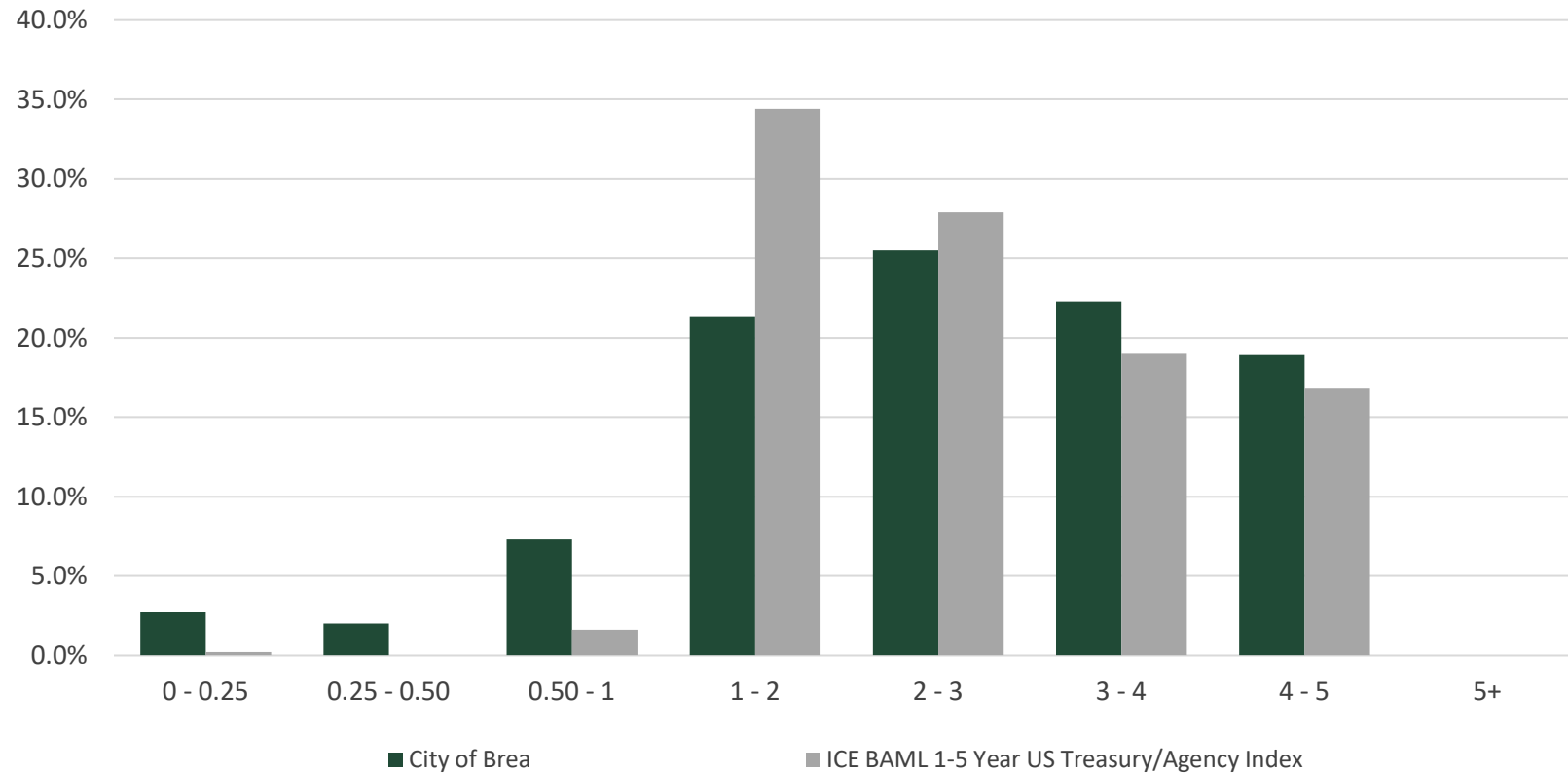
- Municipal bond funds continued to see sizable inflows throughout the quarter which helped support spreads on Taxable Municipal securities.
- Supply has been scarce relative to demand, but issuance is expected to pick up in the next quarter.
- We continue to see better relative value opportunities in other sectors of the fixed income market.



# Duration Distribution

As of June 30, 2021

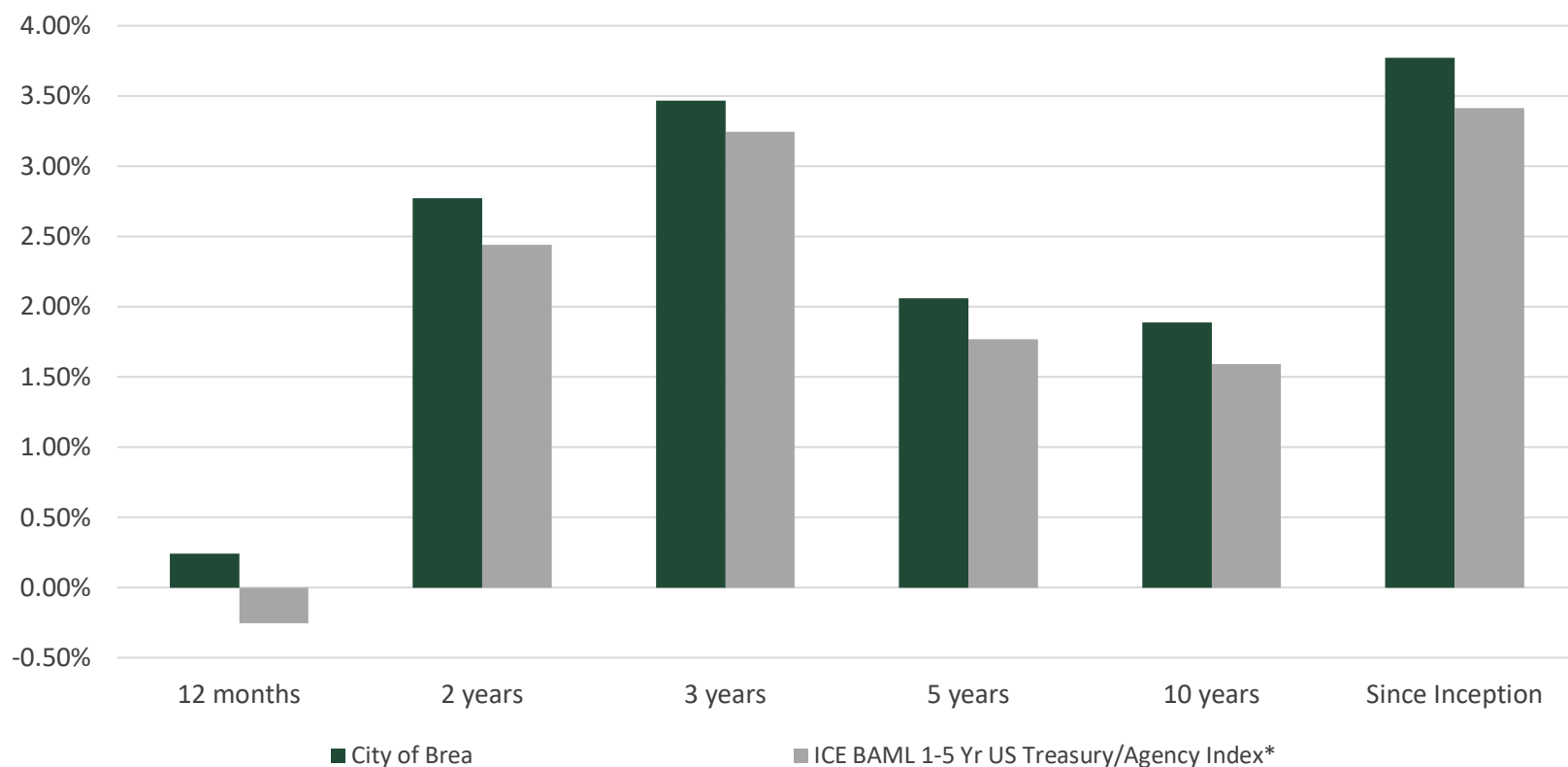
**City of Brea**  
Portfolio Compared to the Benchmark as of June 30, 2021



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	2.7%	2.0%	7.3%	21.3%	25.5%	22.3%	18.9%	0.0%
Benchmark*	0.2%	0.0%	1.6%	34.4%	27.9%	19.0%	16.8%	0.0%

\*ICE BAML 1-5 Year US Treasury/Agency Index

## City of Brea Total Rate of Return Annualized Since Inception 04/30/1996



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
City of Brea	0.21%	0.24%	2.77%	3.47%	2.06%	1.89%	3.77%
ICE BAML 1-5 Year US Treasury/Agency Index	0.11%	-0.25%	2.44%	3.25%	1.77%	1.59%	3.41%

\*ICE BAML 1-Yr US Treasury Bill Index to 9/30/01,

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

## Portfolio Characteristics

As of June 30, 2021

### City of Brea Laif

	6/30/2021 Portfolio	3/31/2021 Portfolio
<b>Average Maturity (yrs)</b>	0.00	0.00
<b>Modified Duration</b>	0.00	0.00
<b>Average Purchase Yield</b>	0.25%	0.35%
<b>Average Market Yield</b>	0.25%	0.35%
<b>Average Quality*</b>	NR/NR	NR/NR
<b>Total Market Value</b>	13,595,671	13,582,813

*\*Portfolio is S&P and Moody's, respectively.*

## Portfolio Characteristics

As of June 30, 2021

### Successor Agency to the Brea RDA LAIF

	6/30/2021 Portfolio	3/31/2021 Portfolio
<b>Average Maturity (yrs)</b>	0.00	0.00
<b>Modified Duration</b>	0.00	0.00
<b>Average Purchase Yield</b>	0.25%	0.35%
<b>Average Market Yield</b>	0.25%	0.35%
<b>Average Quality*</b>	NR/NR	NR/NR
<b>Total Market Value</b>	18,969	18,953

*\*Portfolio is S&P and Moody's, respectively.*

**City Brea Bond Reserve Funds**  
**Portfolio Characteristics**  
**Summary of Accounts Managed**

Name of Account	Average Maturity (Years)	Average Book Yield	Market Value	Average Quality
Brea Lease Revenue Bonds, Reserve Account	0.00	0.01%	262,772	AAA/Aaa
Brea CFD 2008 2 17 Reserve Fund	1.87	2.19%	684,904	AA+/Aaa
<b>Total</b>	<b>1.33</b>	<b>1.58%</b>	<b>\$947,676</b>	



## Section 3 | Portfolio Holdings

# Holdings Report

As of June 30, 2021

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.950% Due 08/22/2022	82,187.16	08/21/2018 2.981%	82,175.89 82,183.93	100.52 0.30%	82,613.55 67.35	0.09% 429.62	Aaa / NR AAA	1.15 0.20
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.960% Due 09/15/2022	109,384.72	07/25/2019 2.307%	110,542.66 109,831.09	100.40 0.26%	109,819.63 143.90	0.12% (11.46)	Aaa / AAA NR	1.21 0.15
47788EAC2	John Deere Owner Trust 2018-B A3 3.080% Due 11/15/2022	66,633.54	07/18/2018 3.102%	66,628.49 66,631.93	100.51 0.14%	66,976.30 91.21	0.07% 344.37	Aaa / NR AAA	1.38 0.17
47789JAD8	John Deere Owner Trust 2019-A A3 2.910% Due 07/17/2023	314,539.91	06/24/2020 0.826%	322,808.87 318,886.41	101.15 0.18%	318,170.02 406.80	0.34% (716.39)	Aaa / NR AAA	2.05 0.42
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.780% Due 08/15/2023	509,704.46	08/20/2019 1.787%	509,700.23 509,702.79	100.92 0.23%	514,397.31 403.23	0.55% 4,694.52	Aaa / AAA NR	2.13 0.59
58769EAC2	Mercedes-Benz Auto Lease Trust 2020-B A3 0.400% Due 11/15/2023	280,000.00	09/15/2020 0.403%	279,985.80 279,990.53	100.18 0.25%	280,496.44 49.78	0.30% 505.91	NR / AAA AAA	2.38 1.16
477870AC3	John Deere Owner Trust 2019-B A3 2.210% Due 12/15/2023	196,677.83	07/16/2019 2.230%	196,636.08 196,654.50	101.30 0.09%	199,242.31 193.18	0.21% 2,587.81	Aaa / NR AAA	2.46 0.61
92348AAA3	Verizon Owner Trust 2019-C A1A 1.940% Due 04/22/2024	370,000.00	10/01/2019 1.951%	369,971.47 369,982.35	101.41 0.22%	375,226.25 219.33	0.40% 5,243.90	NR / AAA AAA	2.81 0.82
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	980,000.00	Various 1.705%	984,828.76 983,471.53	101.24 0.29%	992,188.26 840.62	1.06% 8,716.73	Aaa / AAA NR	3.04 0.76
43813DAC2	Honda Auto Receivables 2020-2 A3 0.820% Due 07/15/2024	280,000.00	05/18/2020 0.825%	279,977.96 279,983.80	100.64 0.27%	281,796.20 102.04	0.30% 1,812.40	Aaa / AAA NR	3.04 1.15
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	460,000.00	03/04/2020 1.105%	459,971.89 459,980.18	100.77 0.34%	463,540.62 224.89	0.49% 3,560.44	Aaa / NR AAA	3.13 1.01
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	465,000.00	09/22/2020 0.377%	464,931.69 464,948.10	100.13 0.28%	465,597.99 62.13	0.50% 649.89	NR / AAA AAA	3.30 1.43
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	215,000.00	07/14/2020 0.517%	214,967.23 214,976.09	100.25 0.29%	215,533.42 48.73	0.23% 557.33	Aaa / NR AAA	3.38 1.13
89236XAC0	Toyota Auto Receivables 2020-D A3 0.350% Due 01/15/2025	370,000.00	10/06/2020 0.359%	369,931.07 369,942.64	100.09 0.28%	370,335.96 57.56	0.39% 393.32	NR / AAA AAA	3.55 1.32
92290BAA9	Verizon Owner Trust 2020-B A 0.470% Due 02/20/2025	650,000.00	08/04/2020 0.480%	649,863.50 649,890.17	100.27 0.30%	651,747.85 93.35	0.69% 1,857.68	Aaa / NR AAA	3.65 1.58
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.270% Due 04/21/2025	230,000.00	02/17/2021 0.271%	229,995.79 229,996.27	99.93 0.32%	229,837.62 17.25	0.24% (158.65)	Aaa / NR AAA	3.81 1.49
44891RAC4	Hyundai Auto Receivables Trust 2020-C A3 0.380% Due 05/15/2025	470,000.00	10/20/2020 0.390%	469,891.76 469,913.86	100.07 0.34%	470,312.55 79.38	0.50% 398.69	NR / AAA AAA	3.88 1.76

# Holdings Report

As of June 30, 2021

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
89240BAC2	Toyota Auto Receivables Owners 2021-A A3 0.260% Due 05/15/2025	810,000.00	02/02/2021 0.269%	809,849.66 809,868.67	99.91 0.32%	809,300.16 93.60	0.86% (568.51)	Aaa / NR AAA	3.88 1.58
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.380% Due 09/15/2025	400,000.00	04/20/2021 0.385%	399,957.92 399,960.34	99.97 0.40%	399,874.80 67.56	0.43% (85.54)	NR / AAA AAA	4.21 2.11
<b>TOTAL ABS</b>		<b>7,259,127.62</b>	<b>0.95%</b>	<b>7,272,616.72</b> <b>7,266,795.18</b>	<b>0.28%</b>	<b>7,297,007.24</b> <b>3,261.89</b>	<b>7.78%</b> <b>30,212.06</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>3.16</b> <b>1.16</b>
<b>Agency</b>									
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	1,085,000.00	10/04/2016 1.325%	1,074,974.60 1,084,925.18	100.04 0.13%	1,085,420.98 5,662.34	1.16% 495.80	Aaa / AA+ AAA	0.04 0.04
3130AF5B9	FHLB Note 3.000% Due 10/12/2021	1,350,000.00	11/29/2018 2.907%	1,353,402.00 1,350,334.68	100.83 0.08%	1,361,171.25 8,887.50	1.46% 10,836.57	Aaa / AA+ NR	0.28 0.28
3130A3KM5	FHLB Note 2.500% Due 12/09/2022	775,000.00	08/28/2018 2.828%	764,808.75 771,570.32	103.32 0.19%	800,747.05 1,184.03	0.85% 29,176.73	Aaa / AA+ NR	1.44 1.42
3135G0T94	FNMA Note 2.375% Due 01/19/2023	625,000.00	03/14/2018 2.727%	615,087.50 621,824.64	103.37 0.20%	646,070.63 6,679.69	0.70% 24,245.99	Aaa / AA+ AAA	1.56 1.52
3137EAER6	FHLMC Note 0.375% Due 05/05/2023	1,660,000.00	05/05/2020 0.389%	1,659,302.80 1,659,570.71	100.25 0.24%	1,664,198.14 968.33	1.77% 4,627.43	Aaa / AA+ AAA	1.85 1.84
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	1,200,000.00	07/20/2018 2.860%	1,193,976.00 1,197,586.37	104.91 0.25%	1,258,880.40 1,100.00	1.34% 61,294.03	Aaa / AA+ AAA	1.97 1.93
3137EAEV7	FHLMC Note 0.250% Due 08/24/2023	1,025,000.00	08/19/2020 0.284%	1,023,954.50 1,024,253.49	99.98 0.26%	1,024,757.08 903.99	1.09% 503.59	Aaa / AA+ AAA	2.15 2.14
313383YJ4	FHLB Note 3.375% Due 09/08/2023	1,200,000.00	10/29/2018 3.081%	1,215,756.00 1,207,100.42	106.58 0.35%	1,278,948.00 12,712.50	1.38% 71,847.58	Aaa / AA+ NR	2.19 2.11
3135G0U43	FNMA Note 2.875% Due 09/12/2023	1,500,000.00	06/21/2019 1.886%	1,559,805.00 1,531,163.80	105.69 0.28%	1,585,297.50 13,057.29	1.70% 54,133.70	Aaa / AA+ AAA	2.20 2.13
3135G06H1	FNMA Note 0.250% Due 11/27/2023	1,610,000.00	11/23/2020 0.288%	1,608,164.60 1,608,529.34	99.81 0.33%	1,606,971.59 380.14	1.71% (1,557.75)	Aaa / AA+ AAA	2.41 2.40
3130A0F70	FHLB Note 3.375% Due 12/08/2023	1,075,000.00	Various 2.741%	1,106,057.50 1,090,447.23	107.34 0.35%	1,153,952.30 2,317.97	1.23% 63,505.07	Aaa / AA+ AAA	2.44 2.36
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	1,500,000.00	04/29/2019 2.373%	1,500,105.00 1,500,058.06	105.49 0.32%	1,582,344.00 11,182.29	1.70% 82,285.94	Aaa / AA+ NR	2.69 2.60
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	1,500,000.00	06/18/2019 1.960%	1,564,890.20 1,538,428.39	106.99 0.49%	1,604,857.51 2,036.46	1.71% 66,429.12	Aaa / AA+ NR	2.96 2.85
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	1,200,000.00	09/13/2019 1.788%	1,262,028.00 1,239,787.70	107.44 0.53%	1,289,280.00 10,350.00	1.38% 49,492.30	Aaa / AA+ AAA	3.21 3.06



# Holdings Report

As of June 30, 2021

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,755,000.00	Various 1.491%	1,765,434.95 1,762,443.42	103.59 0.52%	1,818,008.01 6,020.63	1.94% 55,564.59	Aaa / AA+ AAA	3.30 3.20
3135G0X24	FNMA Note 1.625% Due 01/07/2025	1,875,000.00	Various 1.472%	1,888,349.75 1,884,696.19	103.56 0.60%	1,941,800.63 14,726.57	2.08% 57,104.44	Aaa / AA+ AAA	3.53 3.40
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	1,920,000.00	02/13/2020 1.516%	1,918,521.60 1,918,929.07	103.21 0.60%	1,981,589.76 11,120.00	2.12% 62,660.69	Aaa / AA+ AAA	3.62 3.51
3135G03U5	FNMA Note 0.625% Due 04/22/2025	1,510,000.00	04/22/2020 0.667%	1,506,889.40 1,507,627.83	99.91 0.65%	1,508,680.26 1,808.85	1.61% 1,052.43	Aaa / AA+ AAA	3.81 3.76
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	1,800,000.00	Various 0.465%	1,802,513.00 1,802,483.52	99.41 0.65%	1,789,401.60 350.00	1.91% (13,081.92)	Aaa / AA+ AAA	3.97 3.92
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	1,800,000.00	Various 0.448%	1,793,673.60 1,794,745.32	98.63 0.72%	1,775,341.81 3,000.00	1.89% (19,403.51)	Aaa / AA+ AAA	4.06 4.01
3135G05X7	FNMA Note 0.375% Due 08/25/2025	1,800,000.00	Various 0.454%	1,793,460.00 1,794,163.30	98.56 0.73%	1,774,036.80 2,362.51	1.89% (20,126.50)	Aaa / AA+ AAA	4.16 4.10
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	1,805,000.00	Various 0.436%	1,799,651.55 1,800,387.37	98.47 0.74%	1,777,462.92 1,842.61	1.90% (22,924.45)	Aaa / AA+ AAA	4.24 4.18
3135G06G3	FNMA Note 0.500% Due 11/07/2025	1,825,000.00	Various 0.566%	1,819,098.50 1,819,844.58	98.91 0.75%	1,805,160.43 1,368.75	1.92% (14,684.15)	Aaa / AA+ AAA	4.36 4.29
<b>TOTAL Agency</b>		<b>33,395,000.00</b>	<b>1.37%</b>	<b>33,589,904.80</b> <b>33,510,900.93</b>	<b>0.47%</b>	<b>34,114,378.65</b> <b>120,022.45</b>	<b>36.48%</b> <b>603,477.72</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.91</b> <b>2.85</b>
<b>Corporate</b>									
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.550% Due 08/08/2021	590,000.00	Various 1.575%	589,298.90 589,985.41	100.02 0.49%	590,138.65 3,632.60	0.63% 153.24	Aaa / AAA AAA	0.11 0.02
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.450% Due 07/28/2022	890,000.00	07/25/2017 2.452%	889,919.90 889,982.80	102.16 0.28%	909,185.73 9,267.13	0.98% 19,202.93	A2 / A A+	1.08 0.98
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.650% Due 01/25/2023	750,000.00	05/20/2019 2.725%	748,027.50 749,159.05	103.36 0.38%	775,226.25 8,612.50	0.84% 26,067.20	A2 / A A	1.57 1.45
24422ETG4	John Deere Capital Corp Note 2.800% Due 03/06/2023	650,000.00	Various 3.234%	637,699.50 645,646.06	104.19 0.30%	677,218.10 5,813.89	0.73% 31,572.04	A2 / A A	1.68 1.64
89236TJD8	Toyota Motor Credit Corp Note 0.400% Due 04/06/2023	275,000.00	04/06/2021 0.441%	274,777.25 274,802.68	100.03 0.39%	275,069.03 250.56	0.29% 266.35	A1 / A+ A+	1.77 1.76
06406RAG2	Bank of NY Mellon Corp Note 3.500% Due 04/28/2023	800,000.00	05/16/2019 2.783%	821,248.00 809,834.03	105.80 0.32%	846,379.20 4,900.00	0.91% 36,545.17	A1 / A AA-	1.83 1.78

# Holdings Report

As of June 30, 2021

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	900,000.00	Various	871,569.25	103.75	933,734.71	1.00%	Aa1 / AA+ NR	1.84
			3.182%	888,028.68	0.36%	3,480.00	45,706.03		1.80
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	904,000.00	04/26/2019	928,769.60	105.98	958,019.42	1.02%	Aa2 / AA AA	1.99
			2.685%	915,560.26	0.25%	426.89	42,459.16		1.86
02665WCJ8	American Honda Finance Note 3.450% Due 07/14/2023	225,000.00	07/11/2018	224,610.75	106.18	238,900.73	0.26%	A3 / A- NR	2.04
			3.488%	224,841.44	0.40%	3,600.94	14,059.29		1.96
69371RP59	Paccar Financial Corp Note 3.400% Due 08/09/2023	760,000.00	Various	763,588.40	106.18	806,932.28	0.87%	A1 / A+ NR	2.11
			3.278%	761,807.36	0.45%	10,192.44	45,124.92		2.02
06406RAJ6	Bank of NY Mellon Corp Note 3.450% Due 08/11/2023	250,000.00	05/16/2019	256,575.00	106.50	266,262.00	0.29%	A1 / A AA-	2.12
			2.785%	253,283.24	0.36%	3,354.17	12,978.76		2.03
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	750,000.00	Various	757,259.00	107.11	803,344.50	0.86%	A3 / A- NR	2.28
			3.384%	753,791.64	0.48%	6,117.19	49,552.86		2.19
24422EVN6	John Deere Capital Corp Note 0.450% Due 01/17/2024	640,000.00	03/01/2021	639,545.60	99.90	639,343.36	0.68%	A2 / A A	2.55
			0.475%	639,597.15	0.49%	936.00	(253.79)		2.53
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.550% Due 03/05/2024	1,100,000.00	Various	1,114,320.00	105.06	1,155,673.20	1.24%	A2 / A- AA-	2.68
			2.738%	1,108,755.19	0.52%	12,582.78	46,918.01		1.63
89114QCB2	Toronto Dominion Bank Note 3.250% Due 03/11/2024	1,100,000.00	Various	1,121,362.00	107.07	1,177,723.80	1.27%	Aa3 / A AA-	2.70
			2.794%	1,112,573.63	0.60%	10,923.61	65,150.17		2.58
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	530,000.00	03/16/2021	529,735.00	100.57	533,035.31	0.57%	A2 / A A	2.72
			0.767%	529,760.39	0.53%	1,137.29	3,274.92		2.60
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.950% Due 05/18/2024	1,100,000.00	Various	1,156,826.00	106.22	1,168,385.90	1.25%	A3 / A- A+	2.88
			2.131%	1,135,354.53	0.62%	5,189.86	33,031.37		1.82
69371RQ25	Paccar Financial Corp Note 2.150% Due 08/15/2024	195,000.00	08/08/2019	194,569.05	104.45	203,674.77	0.22%	A1 / A+ NR	3.13
			2.197%	194,730.86	0.71%	1,583.83	8,943.91		3.01
78015K7C2	Royal Bank of Canada Note 2.250% Due 11/01/2024	1,100,000.00	Various	1,102,086.00	104.76	1,152,382.00	1.23%	A2 / A AA	3.34
			2.207%	1,101,473.47	0.80%	4,125.00	50,908.53		3.21
14913Q3B3	Caterpillar Finl Service Note 2.150% Due 11/08/2024	1,100,000.00	01/28/2020	1,111,770.00	104.89	1,153,770.20	1.23%	A2 / A A	3.36
			1.914%	1,108,274.09	0.67%	3,481.81	45,496.11		3.24
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.050% Due 01/21/2025	955,000.00	01/16/2020	952,965.85	104.44	997,433.52	1.07%	A1 / AA- AA-	3.56
			2.095%	953,552.60	0.75%	8,701.11	43,880.92		3.33
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 06/01/2025	985,000.00	05/24/2021	986,279.75	99.82	983,187.60	1.05%	A2 / A- AA-	3.92
			0.735%	986,253.47	0.89%	676.37	(3,065.87)		2.88

# Holdings Report

As of June 30, 2021

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
46647PCK0	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 06/23/2025	470,000.00	Various 0.872%	470,293.55 470,292.14	100.13 0.93%	470,592.20 101.21	0.50% 300.06	A2 / A- AA-	3.98 2.93
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	312,000.00	05/20/2021 1.105%	323,646.96 323,337.24	103.44 1.16%	322,735.30 1,245.63	0.35% (601.94)	A2 / A- AA-	4.81 3.65
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1.000% Due 05/12/2026	1,455,000.00	05/10/2021 1.089%	1,448,714.40 1,448,886.51	100.06 0.99%	1,455,836.63 1,980.42	1.55% 6,950.12	A1 / AA AA-	4.87 4.65
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	240,000.00	Various 1.081%	240,776.80 240,770.33	100.05 1.14%	240,123.60 322.00	0.26% (646.73)	A3 / A+ A	4.88 4.64
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	995,000.00	06/15/2021 1.134%	994,562.20 994,565.32	99.77 1.17%	992,759.26 404.22	1.06% (1,806.06)	A1 / A+ A+	4.97 4.81
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 06/19/2026	475,000.00	06/17/2021 1.228%	476,643.50 476,634.49	100.26 1.25%	476,215.05 208.84	0.51% (419.44)	A2 / A- AA-	4.97 3.85
<b>TOTAL Corporate</b>		<b>20,496,000.00</b>	<b>2.08%</b>	<b>20,627,439.71</b> <b>20,581,534.06</b>	<b>0.63%</b>	<b>21,203,282.30</b> <b>113,248.29</b>	<b>22.71%</b> <b>621,748.24</b>	<b>A1 / A+</b> <b>AA-</b>	<b>2.88</b> <b>2.56</b>
<b>Money Market Fund</b>									
316175884	Fidelity Institutional Money Market Fund 696	615,711.15	Various 0.010%	615,711.15 615,711.15	1.00 0.01%	615,711.15 0.00	0.66% 0.00	Aaa / AAA NR	0.00 0.00
<b>TOTAL Money Market Fund</b>		<b>615,711.15</b>	<b>0.01%</b>	<b>615,711.15</b> <b>615,711.15</b>	<b>0.01%</b>	<b>615,711.15</b> <b>0.00</b>	<b>0.66%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>Municipal Bonds</b>									
13063DRK6	California State Taxable GO 2.400% Due 10/01/2024	900,000.00	10/16/2019 1.910%	920,673.00 913,613.93	105.51 0.69%	949,554.00 5,400.00	1.02% 35,940.07	Aa2 / AA- AA	3.26 3.12
<b>TOTAL Municipal Bonds</b>		<b>900,000.00</b>	<b>1.91%</b>	<b>920,673.00</b> <b>913,613.93</b>	<b>0.69%</b>	<b>949,554.00</b> <b>5,400.00</b>	<b>1.02%</b> <b>35,940.07</b>	<b>Aa2 / AA-</b> <b>AA</b>	<b>3.26</b> <b>3.12</b>
<b>Supranational</b>									
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 01/18/2022	1,275,000.00	01/10/2017 2.151%	1,273,431.75 1,274,827.37	101.06 0.19%	1,288,560.90 12,267.45	1.39% 13,733.53	Aaa / NR AAA	0.55 0.54
4581X0CZ9	Inter-American Dev Bank Note 1.750% Due 09/14/2022	800,000.00	Various 2.399%	777,732.00 794,128.68	101.88 0.19%	815,067.20 4,161.12	0.87% 20,938.52	Aaa / AAA AAA	1.21 1.19

# Holdings Report

As of June 30, 2021

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	945,000.00	Various 0.536%	943,389.35 943,566.12	98.81 0.78%	933,749.78 826.88	1.00% (9,816.34)	Aaa / AAA AAA	4.33 4.27
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	1,915,000.00	04/13/2021 0.969%	1,906,229.30 1,906,575.13	100.04 0.87%	1,915,691.32 3,304.70	2.04% 9,116.19	Aaa / AAA AAA	4.81 4.69
<b>TOTAL Supranational</b>		<b>4,935,000.00</b>	<b>1.42%</b>	<b>4,900,782.40 4,919,097.30</b>	<b>0.56%</b>	<b>4,953,069.20 20,560.15</b>	<b>5.30% 33,971.90</b>	<b>Aaa / AAA Aaa</b>	<b>3.01 2.95</b>
<b>US Treasury</b>									
912828F96	US Treasury Note 2.000% Due 10/31/2021	200,000.00	01/27/2017 1.942%	200,524.11 200,036.85	100.64 0.07%	201,289.20 673.91	0.22% 1,252.35	Aaa / AA+ AAA	0.34 0.33
912828J43	US Treasury Note 1.750% Due 02/28/2022	1,360,000.00	03/13/2017 2.136%	1,335,407.68 1,356,713.78	101.11 0.09%	1,375,087.84 7,954.89	1.47% 18,374.06	Aaa / AA+ AAA	0.67 0.66
912828XG0	US Treasury Note 2.125% Due 06/30/2022	1,100,000.00	08/15/2017 1.819%	1,115,601.34 1,103,193.98	102.02 0.11%	1,122,171.60 63.52	1.20% 18,977.62	Aaa / AA+ AAA	1.00 0.99
912828L24	US Treasury Note 1.875% Due 08/31/2022	1,000,000.00	09/26/2017 1.866%	1,000,433.04 1,000,102.54	102.04 0.13%	1,020,391.00 6,266.98	1.09% 20,288.46	Aaa / AA+ AAA	1.17 1.15
912828L57	US Treasury Note 1.750% Due 09/30/2022	1,240,000.00	10/17/2017 1.986%	1,226,243.75 1,236,530.50	102.01 0.14%	1,264,945.08 5,454.64	1.35% 28,414.58	Aaa / AA+ AAA	1.25 1.24
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,150,000.00	01/25/2018 2.462%	1,132,121.09 1,144,556.87	102.91 0.18%	1,183,512.15 66.41	1.26% 38,955.28	Aaa / AA+ AAA	1.50 1.48
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,500,000.00	05/29/2019 2.053%	1,472,988.28 1,485,749.85	103.04 0.32%	1,545,528.00 4,106.66	1.65% 59,778.15	Aaa / AA+ AAA	2.34 2.29
912828V23	US Treasury Note 2.250% Due 12/31/2023	1,250,000.00	06/21/2019 1.795%	1,274,560.55 1,263,581.94	104.71 0.35%	1,308,935.00 76.43	1.39% 45,353.06	Aaa / AA+ AAA	2.50 2.44
912828B66	US Treasury Note 2.750% Due 02/15/2024	1,500,000.00	04/29/2019 2.312%	1,529,648.44 1,516,228.80	106.20 0.38%	1,592,929.50 15,497.24	1.71% 76,700.70	Aaa / AA+ AAA	2.63 2.53
91282CBR1	US Treasury Note 0.250% Due 03/15/2024	950,000.00	03/30/2021 0.332%	947,699.22 947,895.21	99.60 0.40%	946,215.20 697.01	1.01% (1,680.01)	Aaa / AA+ AAA	2.71 2.69
912828X70	US Treasury Note 2.000% Due 04/30/2024	1,000,000.00	06/10/2019 1.924%	1,003,515.63 1,002,036.50	104.45 0.42%	1,044,492.00 3,369.57	1.12% 42,455.50	Aaa / AA+ AAA	2.84 2.76
912828XX3	US Treasury Note 2.000% Due 06/30/2024	1,450,000.00	12/12/2019 1.737%	1,466,595.70 1,460,940.57	104.59 0.46%	1,516,495.55 78.80	1.62% 55,554.98	Aaa / AA+ AAA	3.00 2.92
912828D56	US Treasury Note 2.375% Due 08/15/2024	1,500,000.00	03/05/2020 0.681%	1,611,093.75 1,578,101.03	105.88 0.48%	1,588,242.00 13,383.98	1.71% 10,140.97	Aaa / AA+ AAA	3.13 3.00
9128283D0	US Treasury Note 2.250% Due 10/31/2024	1,500,000.00	11/07/2019 1.773%	1,533,925.78 1,522,716.66	105.68 0.53%	1,585,254.00 5,686.14	1.70% 62,537.34	Aaa / AA+ AAA	3.34 3.21

# Holdings Report

As of June 30, 2021

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	2,000,000.00	03/18/2020 0.806%	2,030,859.38 2,022,849.94	101.85 0.61%	2,037,032.00 7,520.38	2.18% 14,182.06	Aaa / AA+ AAA	3.67 3.58
91282CAM3	US Treasury Note 0.250% Due 09/30/2025	1,900,000.00	02/19/2021 0.512%	1,877,363.28 1,879,100.42	97.93 0.75%	1,860,590.20 1,193.99	1.98% (18,510.22)	Aaa / AA+ AAA	4.25 4.21
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	1,900,000.00	02/11/2021 0.418%	1,885,156.25 1,886,354.44	97.81 0.76%	1,858,363.40 800.27	1.98% (27,991.04)	Aaa / AA+ AAA	4.34 4.29
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	1,350,000.00	03/26/2021 0.766%	1,325,794.92 1,327,127.83	98.24 0.78%	1,326,217.05 428.79	1.41% (910.78)	Aaa / AA+ AAA	4.42 4.37
<b>TOTAL US Treasury</b>		<b>23,850,000.00</b>	<b>1.43%</b>	<b>23,969,532.19</b> <b>23,933,817.71</b>	<b>0.43%</b>	<b>24,377,690.77</b> <b>73,319.61</b>	<b>26.05%</b> <b>443,873.06</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.76</b> <b>2.71</b>
<b>TOTAL PORTFOLIO</b>		<b>91,450,838.77</b>	<b>1.51%</b>	<b>91,896,659.97</b> <b>91,741,470.26</b>	<b>0.49%</b>	<b>93,510,693.31</b> <b>335,812.39</b>	<b>100.00%</b> <b>1,769,223.05</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>2.88</b> <b>2.60</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>93,846,505.70</b>			

# Holdings Report

As of June 30, 2021

## Brea Lease Revenue Bonds, Reserve Account - Account #10129

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Money Market Fund</b>									
825252109	Invesco Treasury MMFD Private Class	262,772.33	Various 0.010%	262,772.33 262,772.33	1.00 0.01%	262,772.33 0.00	100.00% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund</b>		<b>262,772.33</b>	<b>0.01%</b>	<b>262,772.33</b>	<b>0.01%</b>	<b>262,772.33</b> <b>0.00</b>	<b>100.00%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>262,772.33</b>	<b>0.01%</b>	<b>262,772.33</b>	<b>0.01%</b>	<b>262,772.33</b> <b>0.00</b>	<b>100.00%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>262,772.33</b>			

# Holdings Report

As of June 30, 2021

## City of Brea Laif - Account #10164

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	13,584,265.99	Various 0.250%	13,584,265.99 13,584,265.99	1.00 0.25%	13,584,265.99 11,405.20	100.00% 0.00	NR / NR NR	0.00 0.00
<b>TOTAL LAIF</b>		<b>13,584,265.99</b>	<b>0.25%</b>	<b>13,584,265.99</b>	<b>0.25%</b>	<b>13,584,265.99</b> <b>11,405.20</b>	<b>100.00%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>13,584,265.99</b>	<b>0.25%</b>	<b>13,584,265.99</b>	<b>0.25%</b>	<b>13,584,265.99</b> <b>11,405.20</b>	<b>100.00%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>13,595,671.19</b>			

# Holdings Report

As of June 30, 2021

## Successor Agency to the Brea RDA LAIF - Account #10166

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	18,953.75	Various 0.250%	18,953.75 18,953.75	1.00 0.25%	18,953.75 15.14	100.00% 0.00	NR / NR NR	0.00 0.00
<b>TOTAL LAIF</b>		<b>18,953.75</b>	<b>0.25%</b>	<b>18,953.75</b> <b>18,953.75</b>	<b>0.25%</b>	<b>18,953.75</b> <b>15.14</b>	<b>100.00%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>18,953.75</b>	<b>0.25%</b>	<b>18,953.75</b> <b>18,953.75</b>	<b>0.25%</b>	<b>18,953.75</b> <b>15.14</b>	<b>100.00%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>18,968.89</b>			



# Holdings Report

As of June 30, 2021

## Brea CFD 2008 2 17 Reserve Fund - Account #10600

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Money Market Fund</b>									
825252109	Invesco Treasury MMFD Private Class	4,134.38	Various 0.010%	4,134.38 4,134.38	1.00 0.01%	4,134.38 0.00	0.60% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund</b>		<b>4,134.38</b>	<b>0.01%</b>	<b>4,134.38</b>	<b>0.01%</b>	<b>4,134.38</b>	<b>0.60%</b>	<b>Aaa / AAA</b>	<b>0.00</b>
<b>US Treasury</b>									
912828F21	US Treasury Note 2.125% Due 09/30/2021	110,000.00	06/28/2018 2.640%	108,242.58 109,865.50	100.51 0.08%	110,565.95 587.57	16.23% 700.45	Aaa / AA+ AAA	0.25 0.25
912828J43	US Treasury Note 1.750% Due 02/28/2022	110,000.00	06/13/2018 2.791%	105,986.72 109,283.24	101.11 0.09%	111,220.34 643.41	16.33% 1,937.10	Aaa / AA+ AAA	0.67 0.66
912828L24	US Treasury Note 1.875% Due 08/31/2022	110,000.00	06/13/2018 2.822%	105,887.89 108,861.76	102.04 0.13%	112,243.01 689.37	16.49% 3,381.25	Aaa / AA+ AAA	1.17 1.15
9128284D9	US Treasury Note 2.500% Due 03/31/2023	110,000.00	06/13/2018 2.837%	108,345.70 109,397.23	103.98 0.22%	114,382.84 691.26	16.80% 4,985.61	Aaa / AA+ AAA	1.75 1.71
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	110,000.00	06/18/2019 1.841%	113,381.64 111,979.54	105.93 0.42%	116,526.96 351.22	17.06% 4,547.42	Aaa / AA+ AAA	2.88 2.78
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	115,000.00	12/30/2020 0.377%	114,986.52 114,987.86	98.14 0.80%	112,866.18 1.17	16.48% (2,121.68)	Aaa / AA+ AAA	4.51 4.45
<b>TOTAL US Treasury</b>		<b>665,000.00</b>	<b>2.20%</b>	<b>656,831.05</b>	<b>0.29%</b>	<b>677,805.28</b>	<b>99.40%</b>	<b>Aaa / AA+</b>	<b>1.88</b>
<b>TOTAL PORTFOLIO</b>		<b>669,134.38</b>	<b>2.19%</b>	<b>660,965.43</b>	<b>0.29%</b>	<b>681,939.66</b>	<b>100.00%</b>	<b>Aaa / AA+</b>	<b>1.87</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>684,903.66</b>			



## Section 4 | Transactions

# Transaction Ledger

As of June 30, 2021

## City of Brea - Account #120

March 31, 2021 through June 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	04/09/2021	89236TJD8	275,000.00	Toyota Motor Credit Corp Note 0.4% Due: 04/06/2023	99.919	0.44%	274,777.25	0.00	274,777.25	0.00
Purchase	04/20/2021	4581X0DV7	1,915,000.00	Inter-American Dev Bank Note 0.875% Due: 04/20/2026	99.542	0.97%	1,906,229.30	0.00	1,906,229.30	0.00
Purchase	04/28/2021	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due: 09/15/2025	99.989	0.38%	399,957.92	0.00	399,957.92	0.00
Purchase	05/12/2021	023135BX3	1,455,000.00	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due: 05/12/2026	99.568	1.09%	1,448,714.40	0.00	1,448,714.40	0.00
Purchase	05/24/2021	46647PBK1	312,000.00	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due: 04/22/2026	103.733	1.11%	323,646.96	577.69	324,224.65	0.00
Purchase	06/01/2021	46647PCH7	195,000.00	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due: 06/01/2025	100.000	0.77%	195,000.00	0.00	195,000.00	0.00
Purchase	06/01/2021	46647PCH7	525,000.00	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due: 06/01/2025	100.163	0.73%	525,855.75	0.00	525,855.75	0.00
Purchase	06/01/2021	46647PCH7	265,000.00	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due: 06/01/2025	100.160	0.73%	265,424.00	0.00	265,424.00	0.00
Purchase	06/16/2021	91324PEC2	160,000.00	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due: 05/15/2026	100.333	1.08%	160,532.80	138.00	160,670.80	0.00
Purchase	06/17/2021	91324PEC2	80,000.00	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due: 05/15/2026	100.305	1.08%	80,244.00	71.56	80,315.56	0.00
Purchase	06/18/2021	89236TJK2	995,000.00	Toyota Motor Credit Corp Note 1.125% Due: 06/18/2026	99.956	1.13%	994,562.20	0.00	994,562.20	0.00
Purchase	06/21/2021	06051GJD2	475,000.00	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due: 06/19/2026	100.346	1.23%	476,643.50	34.81	476,678.31	0.00

# Transaction Ledger

As of June 30, 2021

## City of Brea - Account #120

March 31, 2021 through June 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	06/23/2021	46647PCK0	185,000.00	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due: 06/23/2025	100.000	0.89%	185,000.00	0.00	185,000.00	0.00
Purchase	06/24/2021	46647PCK0	285,000.00	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due: 06/23/2025	100.103	0.86%	285,293.55	7.67	285,301.22	0.00
<b>Subtotal</b>			<b>7,522,000.00</b>				<b>7,521,881.63</b>	<b>829.73</b>	<b>7,522,711.36</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>7,522,000.00</b>				<b>7,521,881.63</b>	<b>829.73</b>	<b>7,522,711.36</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	04/08/2021	3130A8QS5	200,000.00	FHLB Note 1.125% Due: 07/14/2021	100.289	1.33%	200,578.00	525.00	201,103.00	680.90
Sale	04/15/2021	3135G04Q3	850,000.00	FNMA Note 0.25% Due: 05/22/2023	100.107	0.35%	850,909.50	844.10	851,753.60	2,701.62
Sale	04/15/2021	3135G05G4	1,365,000.00	FNMA Note 0.25% Due: 07/10/2023	100.069	0.32%	1,365,941.85	900.52	1,366,842.37	3,128.84
Sale	05/12/2021	912828T34	850,000.00	US Treasury Note 1.125% Due: 09/30/2021	100.430	1.48%	853,652.34	1,097.34	854,749.68	4,787.77
Sale	05/27/2021	48128BAB7	75,000.00	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due: 01/15/2023	101.710	3.06%	76,282.50	817.30	77,099.80	1,440.77
Sale	06/16/2021	912828F96	425,000.00	US Treasury Note 2% Due: 10/31/2021	100.738	1.94%	428,137.70	1,085.60	429,223.30	3,049.76
Sale	06/18/2021	89236TDP7	750,000.00	Toyota Motor Credit Corp Note 2.6% Due: 01/11/2022	101.352	3.11%	760,140.00	8,504.17	768,644.17	12,372.29
Sale	06/18/2021	912828F96	80,000.00	US Treasury Note 2% Due: 10/31/2021	100.727	1.94%	80,581.25	213.04	80,794.29	564.94
Sale	06/21/2021	912828F96	320,000.00	US Treasury Note 2% Due: 10/31/2021	100.707	1.94%	322,262.50	904.35	323,166.85	2,198.70

# Transaction Ledger

As of June 30, 2021

## City of Brea - Account #120

March 31, 2021 through June 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	06/23/2021	48128BAB7	850,000.00	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due: 01/15/2023	101.454	3.06%	862,359.00	11,087.21	873,446.21	14,075.40
<b>Subtotal</b>			<b>5,765,000.00</b>				<b>5,800,844.64</b>	<b>25,978.63</b>	<b>5,826,823.27</b>	<b>45,000.99</b>
Maturity	05/11/2021	369550BE7	410,000.00	General Dynamics Corp Note 3% Due: 05/11/2021	100.000		410,000.00	0.00	410,000.00	0.00
Maturity	05/19/2021	857477AV5	940,000.00	State Street Bank Note 1.95% Due: 05/19/2021	100.000		940,000.00	0.00	940,000.00	0.00
<b>Subtotal</b>			<b>1,350,000.00</b>				<b>1,350,000.00</b>	<b>0.00</b>	<b>1,350,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>7,115,000.00</b>				<b>7,150,844.64</b>	<b>25,978.63</b>	<b>7,176,823.27</b>	<b>45,000.99</b>

# Important Disclosures

*As of June 30, 2021*

2021 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

## ICE BAML 3-Month US Treasury Bill Index

*The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G001. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## 0-3 yr Treasury\*

*The ICE BAML 0-3 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publically issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. (Index: G1QA. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 1-Year Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G003. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G001. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 6-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G002. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML 1-3 Year US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance. (Index: G1O2. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## ICE BAML 3-5 Yr US Treasury/Agency Index

*The ICE BAML 3-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least three years remaining term to final maturity and less than five years remaining term to final maturity, at least three years to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G2A0. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx

*The ICE BAML US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: GU10. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## **ICE BAML 1-5 Yr US Treasury/Agency Index\***

*The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 1-Year Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G003. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*



City of Brea

---

**COMMUNICATION**

**TO:** Honorable Chair and Members

**FROM:** Bill Gallardo

**DATE:** 07/26/2021

**SUBJECT:** Review of PARS Pension Rate Stabilization Program Investment Report for  
Period Ended June 30, 2021 - Presented by PARS and HighMark Capital  
Management

---

---

**Attachments**

Investment Report

---



PUBLIC  
AGENCY  
RETIREMENT  
SERVICES

**PARS**

TRUSTED SOLUTIONS. LASTING RESULTS.

# CITY OF BREA

Pension Rate Stabilization Program (PRSP) Client Review  
July 26, 2021

# CONTACTS

---



## JENNIFER MEZA

Manager, Consulting



[jmeza@pars.org](mailto:jmeza@pars.org)

(800) 540-6369 x141

## KEITH STRIBLING

Senior Portfolio Manager



[keith.stribling@highmarkcapital.com](mailto:keith.stribling@highmarkcapital.com)

(949) 553-2591

## DENNIS YU

Executive Vice President



[dyu@pars.org](mailto:dyu@pars.org)

(800) 540-6369 x104

# PARS 115 TRUST TEAM

## Trust Administrator & Consultant



- Recordkeeping
- Sub-trust accounting
- Monitors plan compliance
- Processes contributions/disbursements
- Hands-on, dedicated support teams
- Coordinates all agency services

37

Years of Experience  
(1984-2021)

2,000+

Plans under  
Administration

1,000+

Public Agency  
Clients

430+

115 Trust Clients

500K+

Plan Participants

\$6.0B

Assets under  
Administration

## Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

158

Years of Experience  
(1863-2021)

\$5.0T

Assets under  
Administration

## Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

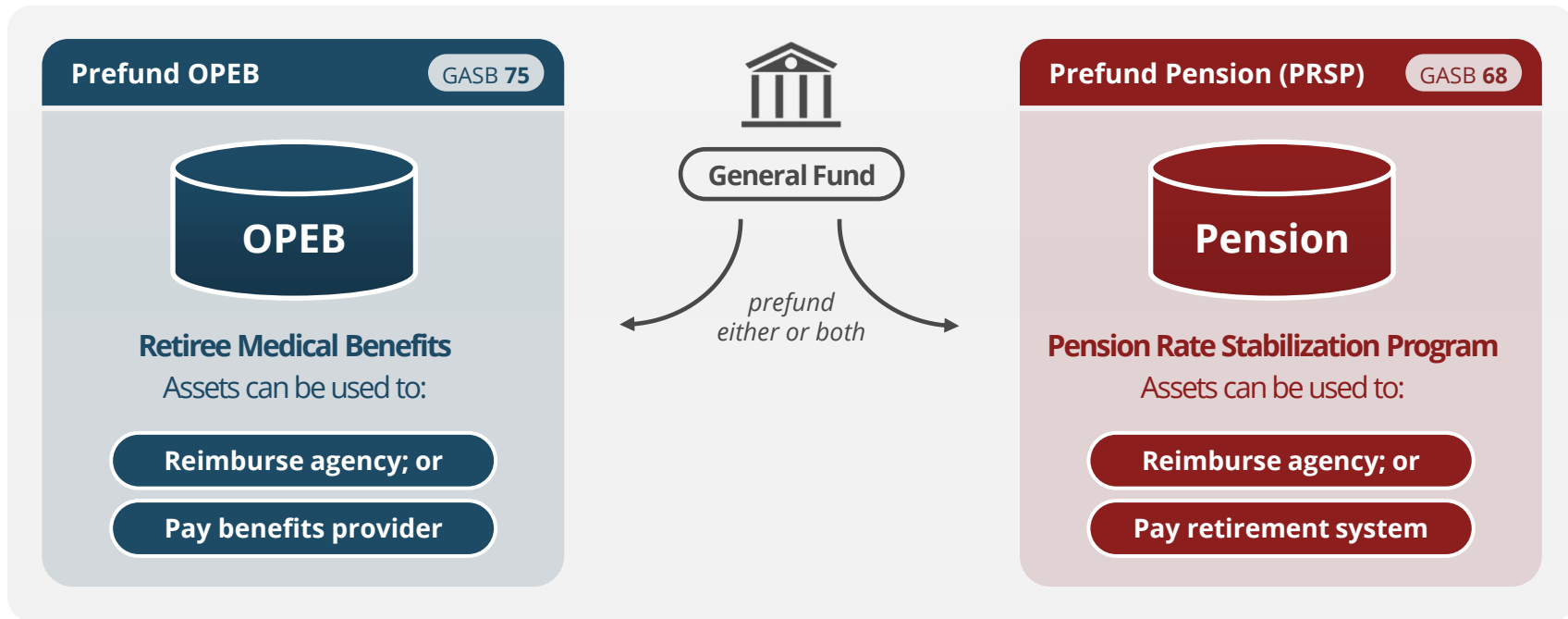
102

Years of Experience  
(1919-2021)

\$18.2B

Assets under  
Management &  
Advisement

# PARS 115 TRUST STRUCTURE & BENEFITS



## Subaccounts

OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center



## Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.



## Flexible Investing

Allows separate investment strategies for OPEB and pension subaccounts.



## Anytime Access

Trust funds are available anytime; OPEB for OPEB and pension for pension.



## Economies-of-Scale

OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!



## No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

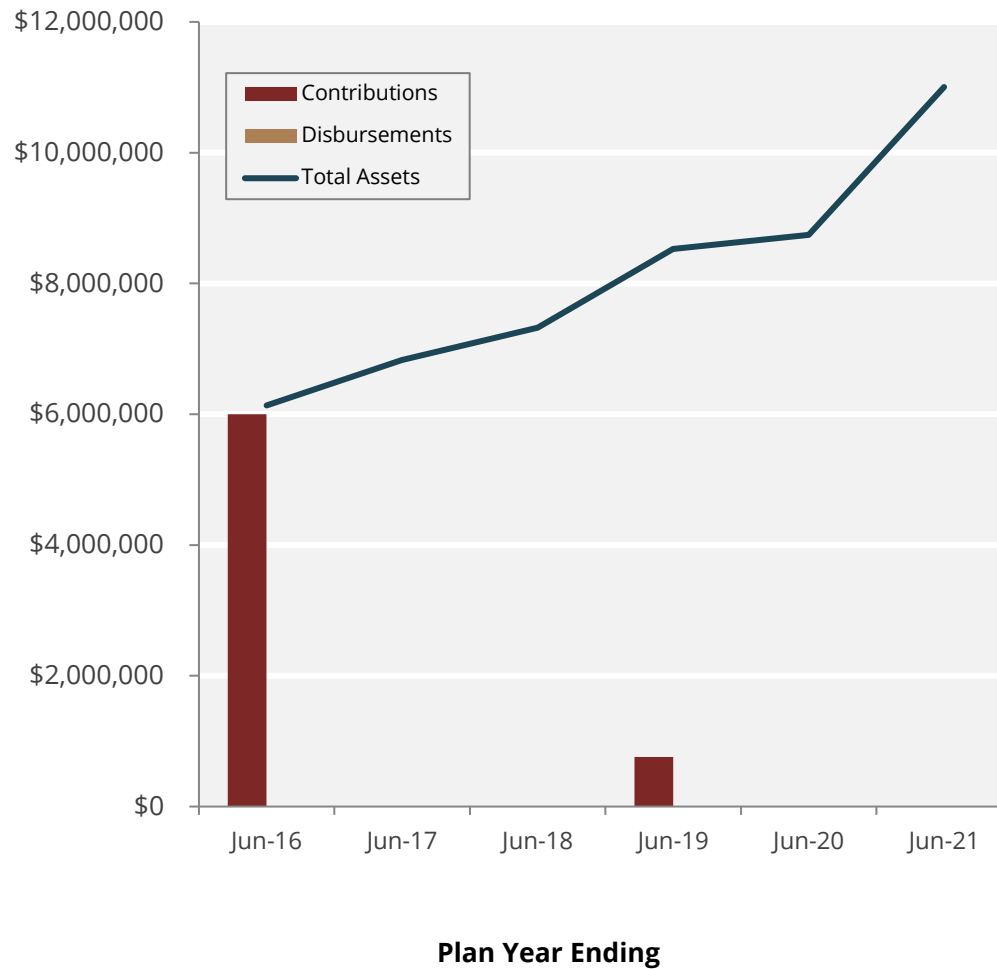
# SUMMARY OF AGENCY'S PRSP PLAN

---

<b>Type of Plan:</b>	IRC Section 115 Irrevocable Exclusive Benefit Trust
<b>Trustee Approach:</b>	Discretionary
<b>Plan Effective Date:</b>	November 17, 2015
<b>Plan Administrator:</b>	Bill Gallardo - City Manager
<b>Current Investment Strategy:</b>	Balanced HighMark PLUS (Active) – Individual Acct
<b>Initial Contribution:</b>	February 19, 2016 – \$2,000,000
<b>Additional Contributions:</b>	April 22, 2016 - \$2,000,000 June 17, 2016 - \$2,000,000 June 25, 2019 – \$756,800
<b>Net Earnings:</b>	\$4,254,081

# SUMMARY OF AGENCY'S PENSION PLAN

## CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF JUNE 30, 2021:



Year	Contributions	Disbursements	Total Assets
Jun-16	\$6,000,000	\$0	\$6,136,584
Jun-17	\$0	\$7,802	\$6,827,779
Jun-18	\$0	\$0	\$7,325,249
Jun-19	\$756,800	\$0	\$8,529,618
Jun-20	\$0	\$0	\$8,744,443
Jun-21	\$0	\$0	\$11,003,080

## **PARS Plan: City of Brea**

**July 15, 2021**

**Presented by  
Keith Stribling, CFA**



# DISCUSSION HIGHLIGHTS – City of Brea

## Investment objective – Balanced

### Asset Allocation: PARS/Balanced (As of 6/30/2021)

- Allocation Target – 63.94% stocks (50-70% range), 31.42% bonds (30-50% range), 4.64% cash (0-20% range)
- Large cap 35.71%, Mid-cap 4.66%, Small cap 8.77%, International 12.64%; REIT 2.16%

### Performance: City of Brea

*(as of 6/30/2021) gross of investment management fees, net of fund fees*

- 3 Months: 5.15%
- 6 Months (YTD): 9.03%
- 1 Year: 26.58%
- 3 Years: 11.59%
- 5 years: 10.92%
- ITD (2/1/2016): 11.18%

### Asset Allocation:

- Added high yield
- Adding to REIT's

## Economic Review

- Coronavirus delta variant continues to impact on the global growth...trying to find a path forward to re-open the economy
- Fed QE liquidity fueled rally...willing to accept risk of inflation to support economy
- Finally some inflation but Fed believes it's transitory
- New administration with President Biden – brings a new direction of globalism and normalizing relations with allies
- Democrats seize both houses of Congress...more fiscal stimulus appears likely...help for struggling states...future tax hikes...some version of a green new deal/clean energy.

As of: June 30, 2021

Account Name: PARS/ CITY OF BREA PRSP

Account ID: xxxxx50800



## Performance Report

	3 Months	Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 02/01/2016
Cash Equivalents	.01	.01	.03	1.15	1.00	.93
Lipper Money Market Funds Index	.00	.00	.01	1.11	.95	.88
Total Fixed Income	1.53	-.05	1.61	4.66	2.78	
BBG Barclays US Aggregate Bd Index (USD)	1.83	-1.60	-.33	5.34	3.03	3.52
Total Equities	7.25	14.61	45.64	16.17	16.60	17.12
Large Cap Funds	9.24	16.93	45.27	18.92	18.77	18.84
S&P 500 Composite Index	8.55	15.25	40.79	18.67	17.65	18.10
Mid Cap Funds	7.39	16.14	49.55	16.24	15.43	16.54
Russell Midcap Index	7.50	16.25	49.80	16.45	15.62	16.92
Small Cap Funds	3.63	13.81	58.95	15.26	17.67	18.48
Russell 2000 Index (USD)	4.29	17.54	62.03	13.52	16.47	17.56
International Equities	4.33	8.27	38.38	10.75	11.99	12.70
MSCI EAFE Index (Net)	5.17	8.83	32.35	8.27	10.28	10.05
MSCI EM Free Index (Net USD)	5.05	7.45	40.90	11.27	13.03	14.67
Real Estate - ETFs / Sctr Fds	11.60	23.57	36.56	11.82		
Wilshire REIT Index	12.84	22.78	37.52	10.06	6.36	8.74
Total Managed Portfolio	5.15	9.03	26.58	11.59	10.92	11.18

Returns are gross of fees not including account level advisory fees unless otherwise stated. Gross returns are presented before management and custodial fees but after all trading expenses, embedded and reflect the reinvestment of dividends and other income. Net returns are net of investment management fees in effect for the respective time period. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured have no bank guarantee and may lose value.

## ASSET ALLOCATION- City of Brea

Current Asset Allocation	Weight	Ticker	Investment Vehicle	Market Value
<b>Equity</b>	<b>63.94%</b>		<b>Range: 50%-70%</b>	<b>\$ 7,020,553.71</b>
Large Cap Core	7.06%	COFYX	Columbia Contrarian Core Cl Y	\$775,006.11
	13.54%	VGIAX	Vanguard Gro & Inc Admiral Shares	\$1,487,003.46
Large Cap Value	5.20%	DODGX	Dodge & Cox International Stock Fund	\$571,485.47
	2.03%	IVE	iShares S&P 500 Value ETF	\$222,788.76
Large Cap Growth	3.96%	HNACX	Harbor CP Appre Rtrmt Cl	\$435,320.21
	3.91%	PRUFX	T. Rowe Price Growth Stock Fund	\$429,024.20
Mid Cap Growth	4.66%	IWR	iShares Russell Mid Cap ETF	\$511,890.40
Small Cap Value	4.37%	UBVFX	Undiscovered Mgrs Behavrl R6	\$479,603.33
Small Cap Growth	4.40%	RSEJX	Victory RS Small Cap Growth	\$482,948.40
International Core	3.12%	DFALX	DFA Large Cap International Port	\$342,365.59
International Value	1.99%	DODFX	Dodge & Cox International Stock Fund	\$218,232.66
International Growth	2.06%	MGRDX	MFS International Growth Fund	\$226,373.90
Emerging Markets	5.47%	HHHFX	Hartford Schrodr Mkts Eq	\$601,035.15
REIT	2.16%	VNQ	Vngrd Index Tr Reit Viper Shs	\$237,476.07
<b>Fixed Income</b>	<b>31.42%</b>		<b>Ranges 30%-50%</b>	<b>\$ 3,450,490.77</b>
Individuals Fixed Income	22.28%		Corporate Bonds	\$2,446,745.50
Short-Term	5.50%	VFSUX	Vngrd ST Term Invmt Grade	\$603,415.09
Intermediate	1.97%	PTRQX	Prudential Total Return	\$216,732.00
High Yield	1.67%	PHIYX	PIMCO High Yield	\$183,598.18
<b>Cash</b>	<b>4.64%</b>		<b>Range: 0%-20%</b>	<b>\$ 509,313.17</b>
	4.64%	FGZXX	FIRST AMERN GOVT OBLIG FD CL Z	\$509,313.17
<b>TOTAL</b>	<b>100.00%</b>			<b>\$10,980,358</b>

## ASSET ALLOCATION- City of Brea

Current Asset Allocation		Weight	Ticker	Investment Vehicle		Market Value
Fixed Income				Range: 30%-50%		
1-3 yrs		3.05%				
	A+	0.92%	STI	Suntrust bank	2.700% 1/27/22	\$101,234.00
	AA-	1.42%	AAPL	Apple	2.850% 2/23/23	\$155,781.00
	A-	0.71%	JP	JPMorgan Chase	2.700% 5/18/23	\$77,979.75
3-5 yrs		11.32%				
	A-	0.98%	PNC	PNC Finl Svc Grp	3.500% 1/23/24	\$107,344.00
	A	0.48%	HBAN	Huntington Bancshar	2.625% 8/06/24	\$52,766.50
	AA+	0.98%	WFC	Wells Fargo Corp	3.300% 9/09/24	\$107,813.00
	AA+	0.97%	XOM	Exxon Mobil Sr	2.709% 3/06/25	\$106,320.00
		1.98%	ZBH	Zimmer Biomet	3.550% 4/01/25	\$216,980.00
	A+	0.73%	PEP	Pepsico Inc	2.750% 4/30/25	\$80,064.75
	A-	0.99%	SYK	Stryker Corp	3.375% 11/01/25	\$109,195.00
	A	1.01%	ICE	Intercontinental Exchange	3.750% 12/01/25	\$110,810.00
	BBB	0.76%	MDLZ	Mondelez Inc	3.625% 2/13/26	\$82,986.00
	A	0.99%	KMB	Kimberly Clark	2.750% 2/15/26	\$108,535.00
	AA-	1.45%	NKE	Nike Inc	2.375% 11/01/26	\$159,624.00
5-7 yrs		11.11%				
	BBB	1.55%	ATT	AT&T Inc	4.250% 3/01/27	\$170,164.50
	BBB+	1.41%	KEY	Keycorp Medium Term	2.250% 4/06/27	\$155,313.00
	BBB	2.05%	COF	Capital One	3.800% 1/31/28	\$225,296.00
	A+	0.95%	RDS.A	Shell Intl	2.375% 11/07/29	\$103,792.00
	BBB+	0.98%	ENB	Enbridge Inc	3.125% 11/15/29	\$107,091.00
	A-	0.98%	BAC	Bank of America Corp	3.194% 7/23/30	\$107,656.00
Total		22.28%				\$2,446,745.50

# City of Brea

## For Period Ending June 30, 2021

LARGE CAP EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to- Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Columbia Contrarian Core Inst3	1.86	8.36	16.09	44.13	20.19	17.45	15.01
Vanguard Growth & Income Adm	2.06	8.38	15.89	41.52	18.08	17.18	14.86
Dodge & Cox Stock	-0.20	8.83	26.09	58.92	15.79	17.44	13.89
iShares S&P 500 Value ETF	-1.18	4.96	16.18	39.27	12.96	12.36	11.67
Harbor Capital Appreciation Retirement	8.01	13.55	9.73	43.18	26.38	26.57	18.51
T. Rowe Price Growth Stock I	7.00	12.73	15.63	45.33	23.22	24.36	18.06
<b>S&amp;P 500 TR USD</b>	<b>2.33</b>	<b>8.55</b>	<b>15.25</b>	<b>40.79</b>	<b>18.67</b>	<b>17.65</b>	<b>14.84</b>
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	1.45	7.43	16.15	49.53	16.29	15.44	13.06
SMALL CAP EQUITY FUNDS							
Undiscovered Managers Behavioral Val R6	-2.30	4.18	27.85	84.83	10.16	12.80	12.70
Victory RS Small Cap Growth R6	3.86	3.09	0.44	34.82	15.92	22.23	14.64
<b>Russell 2000 TR USD</b>	<b>1.94</b>	<b>4.29</b>	<b>17.54</b>	<b>62.03</b>	<b>13.52</b>	<b>16.47</b>	<b>12.34</b>
REAL ESTATE FUNDS							
Vanguard Real Estate ETF	2.62	11.66	21.37	34.33	11.92	7.06	9.72
INTERNATIONAL EQUITY FUNDS							
Dodge & Cox International Stock	-1.61	4.66	12.15	40.39	7.48	10.22	5.52
DFA Large Cap International I	-1.44	5.55	10.41	34.71	8.60	10.56	5.85
MFS International Growth R6	-0.24	7.01	7.77	31.10	12.74	14.08	8.16
<b>MSCI EAFE NR USD</b>	<b>-1.13</b>	<b>5.17</b>	<b>8.83</b>	<b>32.35</b>	<b>8.27</b>	<b>10.28</b>	<b>5.89</b>
Hartford Schroders Emerging Mkts Eq F	0.56	2.90	6.54	43.85	13.28	15.03	5.57
<b>MSCI EM NR USD</b>	<b>0.17</b>	<b>5.05</b>	<b>7.45</b>	<b>40.90</b>	<b>11.27</b>	<b>13.03</b>	<b>4.28</b>
BOND FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to- Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
DoubleLine Core Fixed Income I	0.60	1.86	-0.25	3.33	4.70	3.29	4.23
PGIM Total Return Bond R6	1.25	3.14	-1.44	2.70	6.24	4.31	4.76
PIMCO Total Return Instl	0.75	2.09	-1.06	1.47	5.77	3.84	3.77
Vanguard Short-Term Investment-Grade Adm	-0.05	0.68	0.21	2.13	4.18	2.80	2.61
<b>BBgBarc US Agg Bond TR USD</b>	<b>0.70</b>	<b>1.83</b>	<b>-1.60</b>	<b>-0.33</b>	<b>5.34</b>	<b>3.03</b>	<b>3.39</b>
PIMCO High Yield Instl	1.26	2.48	2.54	12.44	6.89	6.59	5.99
<b>ICE BofA US High Yield Mstr II Index</b>	<b>1.37</b>	<b>2.77</b>	<b>3.70</b>	<b>15.62</b>	<b>7.15</b>	<b>7.30</b>	<b>6.53</b>

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.

City of Brea

---

**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 07/26/2021

**SUBJECT:** Investment Policy Guidelines for the City of Brea's Employee Benefits Fund Pension Plan

---

**RECOMMENDATION**

Review and approve the Investment Policy Guidelines for the City of Brea's Employee Benefits Fund Pension Plan through Public Agency Retirement Services (PARS).

**BACKGROUND/DISCUSSION**

On November 17, 2015, the City Council approved participation within the Public Agencies Post-Employment Benefit Trust Program that established the City of Brea's Employee Benefits Fund Pension Plan ("Plan"). The Plan is administered by Public Agencies Retirement Services (PARS) to assist the City in "pre-funding" its pension obligations in an irrevocable Section 115 Trust account. Some of the benefits of participating in the program are summarized below:

- City maintains oversight of investment management and control over the risk tolerance level of the portfolio;
- Assets held in the PARS Section 115 Trust account allow for greater investment flexibility and risk diversification compared to the City's General Fund investments;
- Assets could be accessed to offset unexpected CalPERS rate increases (rate stabilization);
- Potential to improve an agency's bond rating; and
- Flexibility to access assets at any time as long as it is used to pay employer's pension obligations.

The investment strategies for these assets are defined within the City's Investment Policy Guidelines that were developed and evaluated by PARS, HighMark Capital Management (the Plan's Investment Advisory Firm) and the City's Investment Advisory Committee (IAC). The purpose of the Investment Policy Guidelines is to facilitate communication and confirm the City's investment objectives for the Plan. It also helps maintain a long-term perspective when market volatility is caused by short-term market movements. The policy also details the Plan's Trustee, the Investment Manager and the Investment Advisory Committee's roles and responsibilities.

On January 19, 2016, the City Council adopted the City's Investment Policy Guidelines for the Plan and confirmed the Investment Advisory Committee's recommendation of selecting the "Balanced" Asset Allocation Strategy of the five strategies offered by the Plan's Investment Advisory Firm, HighMark Capital Management. This strategy provides growth of

principal and income on the long term horizon.

On April 24, 2017, the Investment Advisory Committee, including PARS and HighMark Capital Management, reviewed the Investment Policy Guidelines and recommended expanding the responsibilities of the Investment Manager to include *“Notifying City Treasurer, Administrative Services Director and Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.”*

These changes were incorporated as part of the 2016 and 2017 annual review of the Investment Policy Guidelines. No changes are recommended as part of this annual review. The draft Investment Policy Guidelines is included as Attachment A. At this time, there are no changes recommended for the 2021 annual review.

### **FISCAL IMPACT/SUMMARY**

There is no fiscal impact for approving the Investment Policy Guidelines.

### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

---

### **Attachments**

Attachment A - Draft 2021 Employee Benefits Fund Pension Plan Investment Policy Guidelines

---



# Investment Policy Guidelines

**DRAFT**

City of Brea

Employee Benefits Fund Pension Plan

**July 2021**



# Investment Policy Guidelines

## Scope and Purpose

---

The purpose of these Investment Policy Guidelines is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

### Key Plan Sponsor Account Information as of July 2021

**Plan Sponsor:** City of Brea

**Governance:** Investment Advisory Committee for the City of Brea

**Plan Name ("Plan"):** City of Brea Employee Benefit Fund Pension Plan

**Trustee:** US Bank

Contact: Sue Hughes, 949-224-7209

[Susan.Hughes@usbank.com](mailto:Susan.Hughes@usbank.com)

**Type of Account:** Pension Plan

**Investment Manager:** US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser

Contact: Keith Stribling, CFA, 949-553-2591

[Keith.stribling@highmarkcapital.com](mailto:Keith.stribling@highmarkcapital.com)

**Investment Authority:** Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

## **Investment Objectives and Constraints**

---

The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

**Investment Time Horizon:** Long-term

**Anticipated Cash Flows:** Assets in the Plan will seek to mitigate the impact of future rate increases from CalPERS. Typically increases in rates come with a one-year advance warning, however this Plan may transfer assets to CalPERS at any time.

**Investment Objective:** The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth herein. The investment objective the Plan Sponsor has selected is the **Balanced Objective**, which has a dual goal to seek growth of income and principal.

**Risk Tolerance:** *Balanced*  
The account's risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

**Strategic Asset Allocation:** The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	30%-50%	50%-70%
Policy: 5%	Policy: 35%	Policy: 60%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

**Security Guidelines:**

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	50%-70%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	20%-50%
Domestic Mid Cap Equity	0%-15%
Domestic Small Cap Equity	0%-20%
International Equity (incl. Emerging Markets)	0%-20%
Real Estate Investment Trust (REIT)	0%-10%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	30%-50%
--------------------	---------

**Eligible Investments**

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities (MBS)
- Asset Backed Securities (ABS)
- Collateralized Mortgage Obligations (CMO)
- Commercial Mortgage-Backed Securities (CMBS)

- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates

#### **Quality**

The portfolio will maintain a minimum weighted average quality of A- at all times. Individual securities shall have a minimum quality rating of Baa3 by Moody's or BBB- by Standard & Poor's (S&P).

#### **Duration**

The manager will maintain the portfolio duration within +/- 25% of the benchmark duration at all times.

#### **Diversification**

- Any individual issuer position size is to be less than 10% of the portfolio assets at time of purchase, with the exception of securities issued or guaranteed by the U.S. Government, its agencies, and Government Sponsored Enterprises
- High Yield will be managed with funds and/or ETF's at less than 5% of the total portfolio.

#### **Performance Benchmarks:**

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

#### **Total Portfolio Blended Benchmark**

32.00%	S&P500 Index
6.00%	Russell Mid Cap Index
9.00%	Russell 2000 Index
4.00%	MSCI Emerging Market Index
7.00%	MSCI EAFE Index
2.00%	Wilshire REIT
27.00%	BC US Aggregate Index
6.75%	ML 1-3 Year US Corp/Gov't
1.25%	US High Yield Master II
5.00%	Citi 1Mth T-Bill

### Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell Mid Cap Index
Growth	Russell Mid Cap Growth
Value	Russell Mid Cap Value
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth
Value	Russell 2000 Value
REITs	Wilshire REIT
International Equity	MSCI EAFE
Investment Grade Bonds	Barclays US Aggregate

### **Security Selection**

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

### **Investment Limitations:**

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales\*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions\*
- Commodities Transactions Puts, calls, straddles, or other option strategies\*
- Purchases of real estate, with the exception of REITs
- Individual high yield or below investment grade rated bonds (high yield will be managed with funds and/or ETF's)
- Derivatives, with exception of ETFs\*

*\*Permissible in diversified mutual funds and exchange-traded funds*

## **Duties and Responsibilities**

---

### ***Responsibilities of Plan Sponsor***

The Investment Advisory Committee of the City of Brea is responsible for:

- Confirming in writing the accuracy of this Investment Policy Guidelines.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.

The City Treasurer and Administrative Services Director is responsible for:

- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.
- Providing quarterly investment reports to the City Council.

### ***Responsibilities of Trustee***

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

### ***Responsibilities of Investment Manager***

The Investment Manager is responsible for:

- Assisting the Investment Advisory Committee with the development and maintenance of this Investment Policy Guidelines annually.
- Meeting with Investment Advisory Committee semi-annually to review portfolio structure, holdings, and performance.
- Meeting with City Council annually to review portfolio structure, holdings, and performance.
- Providing quarterly investment reports to the Investment Advisory Committee.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Notify Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.
- Voting proxies, if applicable.
- Recommending changes to any of the above.
- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

## Acknowledgement and Acceptance

---

I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Policy Guidelines, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Policy Guidelines supersedes all previous versions of an Investment Policy Guidelines or investment objective instructions that may have been executed for this account.

\_\_\_\_\_  
Plan Sponsor: City of Brea

Date: \_\_\_\_\_

\_\_\_\_\_  
Investment Manager: Keith Stribling, CFA, Senior Portfolio Manager, (949) 553-2591

Date: \_\_\_\_\_

City of Brea

---

**COUNCIL COMMUNICATION**

---

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 07/26/2021

**SUBJECT:** Investment Policy Guidelines for the City of Brea's Other Post Employment Benefits (OPEB) Trust Fund

---

**RECOMMENDATION**

Review and approve the Investment Guidelines for the City's Other Post Employment Benefits (OPEB) Trust Fund through Public Agency Retirement Services (PARS).

**BACKGROUND/DISCUSSION**

At their May 5, 2020 meeting, the City Council approved the Investment Guidelines as presented for the City's OPEB Trust Program ("Plan") following the Investment Advisory Committee's recommendation of a Moderate Investment Objective. The below chart summarizes the Strategic Asset Allocation for the Moderate Investment Objective:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	40%-60%	40%-60%
Policy: 5%	Policy: 45%	Policy: 50%

The goal of the Plan's investment program, as identified in the Investment Guidelines, is to provide a reasonable level of growth which will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan; and
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

The purpose of the guidelines are to:

- Facilitate the process of ongoing communication between the Plan sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies



applicable to the investment portfolio identified below and obtained from the Plan sponsor;

- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers; and
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

In light of the economic uncertainty of the COVID-19 pandemic, the initial contribution to this Plan was temporarily suspended. The Plan currently has no assets and the City Council is anticipated to discuss an initial contribution at the Mid-Year Budget Update in February 2022. Any initial contribution is recommended to be dollar cost averaged over a 12-month period based upon the Investment Advisory Committee recommendation discussed at the April 27, 2020 Investment Advisory Committee meeting.

No changes are recommended as part of this annual 2021 review and attached is the draft Investment Policy Guidelines provided as Attachment A.

### **FISCAL IMPACT/SUMMARY**

There is no fiscal impact for approving the Investment Policy Guidelines.

### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

---

### **Attachments**

Attachment A - Other Post Employment Benefits (OPEB) Trust Fund Plan Investment Policy Guidelines

---



# Investment Policy Guidelines

**DRAFT**

City of Brea

OPEB

**July 2021**

# Investment Policy Guidelines

## Scope and Purpose

---

The purpose of these Investment Policy Guidelines is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

### Key Plan Sponsor Account Information as of July 2021

**Plan Sponsor:** City of Brea

**Governance:** Investment Advisory Committee for the City of Brea

**Plan Name ("Plan"):** City of Brea OPEB plan

**Trustee:** US Bank

Contact: Sue Hughes, 949-224-7209

[Susan.Hughes@usbank.com](mailto:Susan.Hughes@usbank.com)

**Type of Account:** Other Post Employment Benefit (OPEB) Plan

**Investment Manager:** US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser

Contact: Keith Stribling, CFA, 949-553-2591

[Keith.stribling@highmarkcapital.com](mailto:Keith.stribling@highmarkcapital.com)

**Investment Authority:** Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

## **Investment Objectives and Constraints**

---

The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

**Investment Time Horizon:** Long-term

**Anticipated Cash Flows:** An amount equal to one hundred percent (100%) of the annual OPEB obligations up to the annual required contribution is anticipated to be deposited upfront in July of each year with disbursements to be made monthly to pay ongoing OPEB obligations.

**Target Rate of Return:** 3.87%

**Investment Objective:** **Moderate Objective:** The primary objective is to generate a reasonable level of growth. The investment objective the Plan Sponsor has selected is the **Moderate Objective**, which has a dual goal to seek growth of income and principal.

**Risk Tolerance:** **Moderate**  
The account's risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

**Portfolio Type:** **Highmark Plus (active strategy)**

**Strategic Asset Allocation:** The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	40%-60%	40%-60%
Policy: 5%	Policy: 45%	Policy: 50%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

**Security Guidelines:**

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	40%-60%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	15%-45%
Domestic Mid Cap Equity	0%-10%
Domestic Small Cap Equity	0%-15%
International Equity (incl. Emerging Markets)	0%-15%
Real Estate Investment Trust (REIT)	0%-15%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	40%-60%
<i>Fixed Income Style</i>	<i>Range</i>
Long-term bonds (maturities >7 years)	0%-25%
Intermediate-term bonds (maturities 3-7 years)	25%-60%
Short-Term bonds (maturities <3 years)	0%-25%
High Yield bonds	0%-10%

**Performance Benchmarks:**

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

**Total Portfolio Blended Benchmark**

26.50%	S&P500 Index
5.00%	Russell Mid Cap Index
7.50%	Russell 2000 Index
3.25%	MSCI Emerging Market Index
6.00%	MSCI EAFE Index
1.75%	Wilshire REIT
33.50%	Barclays Capital US Aggregate Index
10.00%	ML 1-3 Year US Corp/Gov't
1.50%	US High Yield Master II
5.00%	Citi 1Mth T-Bill

**Asset Class/Style Benchmarks**

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell Mid Cap Index
Growth	Russell Mid Cap Growth
Value	Russell Mid Cap Value
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth
Value	Russell 2000 Value
REITs	Wilshire REIT
International Equity	MSCI EAFE
Investment Grade Bonds	Barclays US Aggregate

**Security Selection**

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

***Investment Limitations:***

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales\*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions\*
- Commodities Transactions Puts, calls, straddles, or other option strategies\*
- Purchases of real estate, with the exception of REITs
- Individual high yield or below investment grade rated bonds (high yield will be managed with funds and/or ETF's)
- Derivatives, with exception of ETFs\*

*\*Permissible in diversified mutual funds and exchange-traded funds*

---

**Duties and Responsibilities*****Responsibilities of Plan Sponsor***

The Investment Advisory Committee of the City of Brea is responsible for: Confirming in writing the accuracy of this Investment Policy Guidelines.

- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.

The City Treasurer and Administrative Services Director is responsible for:

- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.
- Providing quarterly investment reports to the City Council.

***Responsibilities of Trustee***

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

***Responsibilities of Investment Manager***

The Investment Manager is responsible for:

- Assisting the Investment Advisory Committee with the development and maintenance of this Investment Policy Guidelines annually.
- Meeting with Investment Advisory Committee annually to review portfolio structure, holdings, and performance.
- Meeting with City Council annually to review portfolio structure, holdings, and performance.
- Providing quarterly investment reports to the Investment Advisory Committee.

- ## Acknowledgement and Acceptance

I have read the Investment Policy Guidelines, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Policy Guidelines supersedes all previous versions of an Investment Policy Guidelines or investment objective instructions that may have been executed for this account.

\_\_\_\_\_  
Investment Manager: Keith Stribling, CFA, Senior Portfolio Manager, (949) 553-2591



City of Brea

---

**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 07/26/2021

**SUBJECT:** Statement of Investment Policy for the City/Brea Successor Agency to the Brea Redevelopment Agency

---

**RECOMMENDATION**

Review and approve the City of Brea/Successor Agency to the Brea Redevelopment Agency Statement of Investment Policy.

**BACKGROUND/DISCUSSION**

State law allows the City Council to annually adopt the Statement of Investment Policy. Thus, per the City's fiscal policies, "The City Council will review and adopt annually an investment policy as recommended by the Investment Advisory Committee." The Investment Policy serves as a guideline for the investment of City and Successor Agency funds. The Brea Investment Advisory Committee annually reviews the Statement of Investment Policy for the City of Brea and the Successor Agency to the Brea Redevelopment Agency.

The below changes and additions have been recommended by Chandler Asset Management for review and approval by the Investment Advisory Committee. The City's current investment policy takes advantage of the maximum allowable allocation in the Government Code for permitted investments such as Medium Term Corporate Notes, Pass Thru Securities, Bankers Acceptances, Money Market Funds, etc. Additionally, SB 998 provides updates regarding investment in zero or negative interest accrual investments. Therefore, Chandler Asset Management, the City's Portfolio Manager, recommends the following to update the document to be consistent with the passing of SB 988, which went into effect January 1, 2021.

1. Investment Instruments Section (Commercial Paper) – Update the language related to the maximum allowable allocation to Commercial Paper. SB 998 allows public agencies with more \$100,000,000 of investable assets to increase the percent of portfolio invested in commercial paper to 40%. This provision is set to expire on January 1, 2026. (page 3)
2. Prohibited Investments Section (zero or negative interest accrual investments) – SB 998 Authorizes a local agency to invest in securities issued by, or backed by, the United States government that could result in zero- or negative- interest accrual if held to maturity. Currently, zero and negative interest rate policies are currently being adopted by multiple developed market central banks:

- a. US Federal Reserve Fed Funds Policy Rate: 0.00% to 0.25%
- b. European Central Bank Policy Rate: -0.50%
- c. Bank of Japan Policy Rate: -0.10%

Existing law generally prohibits a local agency from investing any funds that could result in zero interest accrual if held to maturity. The amendment accommodates the possibility of a negative yield investment environment, if it should occur like it has in other developed countries. Leaving the funds in the bank may also result in a zero- or negative-interest accrual because of additional fees and penalties applied to large deposits and banks may also limit the size of deposits that can be held in an account in a negative yield environment because they are no longer profitable. The change requested is to adopt SB 998 as a risk mitigation tool. The base case does not call for a negative rate policy in the US; however, with rates already pegged close to zero, the policy tool cannot be ruled out. The language added to the policy also includes language that zero or negative interest securities, "will only be permitted in the portfolio in the event the United States Federal Reserve adopts a negative interest rate monetary policy framework" and "notification to the City Council will be given when securities of this type are being added to the portfolio" (page 4).

Also, the references throughout the Investment Policy to the Revenue and Budget Manager have changed to reflect the revised position to Financial Services Manager. This title change was approved by the City Council with the adoption of the FY 2021-22 Budget.

For ease of reference, the current Investment Policy is attached along with the red-lined version with recommended changes. In addition, a clean version with the recommended changes is also attached.

#### **FISCAL IMPACT/SUMMARY**

There is no fiscal impact from the adoption of the Statement of Investment Policy.

#### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Faith Madrazo, Financial Services Manager

Concurrence: Cindy Russell, Administrative Services Director

---

#### **Attachments**

Current Investment Policy - Adopted 8/18/20

Draft Investment Policy - Redline

Draft Investment Policy - Clean Version

---

## **City Of Brea / Successor Agency to the Brea Redevelopment Agency**

### **STATEMENT OF INVESTMENT POLICY August 18, 2020**

**Purpose:** This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

**Objective:** The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

**Scope:** This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

**Investment Responsibility:** Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Revenue and Budget Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

**Reporting:** The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.

- B. Monthly transactions for the period.
- C. A one-page summary report that shows:
  - 1. Average maturity of the portfolio and modified duration of the portfolio;
  - 2. Maturity distribution of the portfolio;
  - 3. Average portfolio credit quality; and,
  - 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

**Prudence:** The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Revenue and Budget Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

**Ethics and Conflicts of Interest:** Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain

from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

**Investment Instruments:** Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et seq.) so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
  - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
    - Maximum maturity of 5 years
    - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the City Council, the Investment Advisory Committee, City Treasurer and the Administrative Services Director within two (2) business days.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

**Prohibited Investments:** The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

**Collateralization:** Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
  1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
  2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
  3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
- B. Repurchase and Reverse Repurchase Agreements
  1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions.

Market value must be calculated each time there is a substitution of collateral.

2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

**Investment Criteria:** Criteria for selecting investments and the order of priority are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.

B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.

C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

**Diversification:** The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

**Investment Pools:** The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and

losses are treated.

- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

**Maturity Limitations:** Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

**Safekeeping and Custody:** All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

**Qualified Broker/Dealers:** For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels, references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written



confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

**Monitoring and Adjusting the Portfolio:** The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

**Performance Standards:** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

**Bond Funds/Arbitrage:** The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of yield and to rebate excess earnings, if necessary.

**Review/or Modification:** The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

**Internal Controls:** The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing,

executing and recording transactions, custody of investments and performing reconciliation's will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

**Investment Advisory Committee:** An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

A. Purpose

1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.

B. Composition of Committee

1. City Treasurer
2. City Council Member, who serves as the Chair (selected by the City Council)
3. Administrative Services Director
4. Revenue and Budget Manager
5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)

C. Functions

1. Annually (or as needed)
  - a. To review and approve Statement of Investment Policy
  - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
2. Monthly or Quarterly
  - a. To review the City's investments
  - b. To recommend any modifications to the Investment Policy
  - c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
  - d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

**Disclosure:** Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

**SEGREGATION OF RESPONSIBILITIES**  
(External)

<b>FUNCTION</b>	<b>RESPONSIBILITY</b>
Develop formal Statement of Investment Policy	Administrative Services Director Revenue and Budget Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or Revenue and Budget Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

## SEGREGATION OF RESPONSIBILITIES

### (Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or Revenue and Budget Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

## **GLOSSARY OF INVESTMENTS TERMS**

**AGENCIES:** Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

**FFCB:** The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

**FHLB:** The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

**FHLMC:** Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie MacFreddieMac” issues discount notes, bonds and mortgage pass-through securities.

**FNMA:** Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie MaeFannieMae,” issues discount notes, bonds and mortgage pass-through securities.

**GNMA:** The Government National Mortgage Association, known as “Ginnie MaeGinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

**PEFCO:** The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

**TVA:** The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

**ASSET BACKED SECURITIES:** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**AVERAGE LIFE:** In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

**BANKER’S ACCEPTANCE:** A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

**BENCHMARK:** A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

**BROKER:** A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA):** Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

**CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO):** Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

**CALLABLE:** A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate.

**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):** A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

**COLLATERAL:** **COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

**COLLATERALIZED BANK DEPOSIT:** A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO):** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**COLLATERALIZED TIME DEPOSIT:** Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**PAPER:** The short-term unsecured debt of corporations.

**COUPON:** The rate of return at which interest is paid on a bond.

**CREDIT RISK:** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

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

**VS. PAYMENT (DVP):** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

**DERIVATIVE:** Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

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

**DIVERSIFICATION:** Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

**DURATION:** The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

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

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

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

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

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.



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

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

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

**INTEREST:** The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

**INVERSE FLOATER:** A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

**FEDERALLY INSURED TIME DEPOSIT:** A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

**LEVERAGE:** Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

**LIQUIDITY:** The speed and ease with which an asset can be converted to cash.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**POOL:** Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**MAKE WHOLE CALL:** A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

**MARGIN:** The difference between the market value of a security and the loan a broker makes using that security as collateral.

**MARKET RISK:** The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

**MARKET VALUE:** The price at which a security can be traded.

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

**MATURITY:** The final date upon which the principal of a security becomes due and payable.

**MEDIUM TERM NOTES:** Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

**MODIFIED DURATION:** The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

**MARKET:** The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

**MONEY MARKET MUTUAL FUND:** A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

**MORTGAGE PASS-THROUGH SECURITIES:** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**MUNICIPAL SECURITIES:** Securities issued by state and local agencies to finance capital and operating expenses.

**MUTUAL FUND:** An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):** A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating

agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

**NEGOTIABLE CERTIFICATE OF DEPOSIT (CD):** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

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

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

**PASSBOOK SAVINGS ACCOUNT:** A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

**PASS-THOUGH SECURITY:** A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

**PRINCIPAL:** The face value or par value of an investment.

**PRUDENT INVESTOR STANDARD:** Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

**PRUDENT PERSON (PRUDENT INVESTOR) RULE:** A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

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

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

**REPURCHASE AGREEMENT:** Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

**SAFEKEEPING:** A service to bank customers whereby securities are held by the bank in the customer's name.

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

**SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC):** The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

**SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15c3-1:** An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

**STRUCTURED NOTE:** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

**SUPRANATURAL:** A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TOTAL RATE OF RETURN:** A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

**U.S. TREASURY OBLIGATIONS:** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

**TREASURY BONDS:** All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

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

**YIELD TO MATURITY:** The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

**City Of Brea / Successor Agency to the Brea Redevelopment Agency**

DRAFT

**STATEMENT OF INVESTMENT POLICY**

August 17, 2021

Deleted: 8

Deleted: 0

**Purpose:** This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

**Objective:** The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

**Scope:** This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

**Investment Responsibility:** Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) **Financial Services** Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

Deleted: Revenue and Budget

**Reporting:** The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.



- B. Monthly transactions for the period.
- C. A one-page summary report that shows:
  - 1. Average maturity of the portfolio and modified duration of the portfolio;
  - 2. Maturity distribution of the portfolio;
  - 3. Average portfolio credit quality; and,
  - 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

**Prudence:** The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Financial Services Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Deleted: Revenue and Budget

**Ethics and Conflicts of Interest:** Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain

from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

**Investment Instruments:** Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et sec.) so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. [Under a provision sunseting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the Agency's investment assets under management are greater than \\$100,000,000.](#) Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
  - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
    - Maximum maturity of 5 years
    - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the

**Commented [CM1]:** Recommend updating maximum portfolio percentage to 40% to be in line with SB 998



California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the City Council, the Investment Advisory Committee, City Treasurer and the Administrative Services Director within two (2) business days.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

**Prohibited Investments:** The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

However, the City is authorized to invest in securities that could result in zero or negative interest accrual if held to maturity if they are issued by or backed by the United States Government. Negative interest rate securities in United States Government securities will only be permitted in the portfolio in the event the United States Federal Reserve adopts a negative interest rate monetary policy framework. Notification to the City Council will be given when securities of this type are being added to the portfolio, this allows for full disclosure and understanding of the strategy given the market conditions.

**Collateralization:** Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
  1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
  2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
  3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the

**Deleted:** T

**Deleted:**

**Deleted:** that could result in zero or negative interest accrual if held to maturity

**Commented [CM2]:** Recommend adding language on zero or negative interest securities backed by US Government to be in line with the passing of SB 998

face amount of the deposit

B. Repurchase and Reverse Repurchase Agreements

1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.
2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

**Investment Criteria:** Criteria for selecting investments and the order of priority are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.

B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.

C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

**Diversification:** The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

**Investment Pools:** The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

**Maturity Limitations:** Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

**Safekeeping and Custody:** All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

**Qualified Broker/Dealers:** For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment

transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels, references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

**Monitoring and Adjusting the Portfolio:** The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

**Performance Standards:** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

**Bond Funds/Arbitrage:** The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of

yield and to rebate excess earnings, if necessary.

**Review/or Modification:** The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

**Internal Controls:** The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliation's will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

**Investment Advisory Committee:** An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

A. Purpose

1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.

B. Composition of Committee

1. City Treasurer
2. City Council Member, who serves as the Chair (selected by the City Council)
3. Administrative Services Director
4. Financial Services Manager
5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)

Deleted: Revenue and Budget Manager

C. Functions

1. Annually (or as needed)
  - a. To review and approve Statement of Investment Policy
  - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
2. Monthly or Quarterly

- a. To review the City's investments
- b. To recommend any modifications to the Investment Policy
- c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
- d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

**Disclosure:** Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

**SEGREGATION OF RESPONSIBILITIES**  
(External)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	Administrative Services Director <del>Financial Services Manager</del>
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director <del>Financial Services Manager</del>
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer <del>Investment Advisory Committee</del>
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or <del>Financial Services Manager</del>
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or <del>Financial Services Manager</del>
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

**Deleted:** ¶  
Revenue and Budget Manager

**Deleted:** Revenue and Budget Manager

**Deleted:** ¶

**Deleted:** Revenue and Budget Manager

**Deleted:** Revenue and Budget Manager

**SEGREGATION OF RESPONSIBILITIES**  
(Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director <u>Financial Services Manager</u>
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director <u>Financial Services Manager</u> Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or <u>Financial Services Manager</u>
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or <u>Financial Services Manager</u>
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

**Deleted:** Revenue and Budget Manager

**Deleted:** Revenue and Budget Manager

**Deleted:**

**Deleted:** Revenue and Budget Manager

**Deleted:** Revenue and Budget Manager



## **GLOSSARY OF INVESTMENTS TERMS**

**AGENCIES:** Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

**FFCB:** The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

**FHLB:** The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

**FHLMC:** Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "Freddie MacFreddieMac" issues discount notes, bonds and mortgage pass-through securities.

**FNMA:** Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "Fannie MaeFannieMae," issues discount notes, bonds and mortgage pass-through securities.

**GNMA:** The Government National Mortgage Association, known as "Ginnie MaeGinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

**PEFCO:** The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

**TVA:** The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

**ASSET BACKED SECURITIES:** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**AVERAGE LIFE:** In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

**BANKER'S ACCEPTANCE:** A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

**BENCHMARK:** A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

**BROKER:** A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA):** Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

**CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO):** Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

**CALLABLE:** A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate.

**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):** A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

**COLLATERAL:** **COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

**COLLATERALIZED BANK DEPOSIT:** A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO):** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**COLLATERIALIZED TIME DEPOSIT:** Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**PAPER:** The short-term unsecured debt of corporations.

**COUPON:** The rate of return at which interest is paid on a bond.

**CREDIT RISK:** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

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

**VS. PAYMENT (DVP):** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

**DERIVATIVE:** Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

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

**DIVERSIFICATION:** Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

**DURATION:** The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

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

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

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

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

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

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

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

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

**INTEREST:** The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

**INVERSE FLOATER:** A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

**FEDERALLY INSURED TIME DEPOSIT:** A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

**LEVERAGE:** Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

**LIQUIDITY:** The speed and ease with which an asset can be converted to cash.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**POOL:** Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**MAKE WHOLE CALL:** A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

**MARGIN:** The difference between the market value of a security and the loan a broker makes using that security as collateral.

**MARKET RISK:** The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

**MARKET VALUE:** The price at which a security can be traded.

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

**MATURITY:** The final date upon which the principal of a security becomes due and payable.

**MEDIUM TERM NOTES:** Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

**MODIFIED DURATION:** The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

**MARKET:** The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

**MONEY MARKET MUTUAL FUND:** A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

**MORTGAGE PASS-THROUGH SECURITIES:** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**MUNICIPAL SECURITIES:** Securities issued by state and local agencies to finance capital and operating expenses.

**MUTUAL FUND:** An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):** A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating

agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

**NEGOTIABLE CERTIFICATE OF DEPOSIT (CD):** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

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

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

**PASSBOOK SAVINGS ACCOUNT:** A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

**PASS-THROUGH SECURITY:** A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

**PRINCIPAL:** The face value or par value of an investment.

**PRUDENT INVESTOR STANDARD:** Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

**PRUDENT PERSON (PRUDENT INVESTOR) RULE:** A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

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

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

**REPURCHASE AGREEMENT:** Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

**SAFEKEEPING:** A service to bank customers whereby securities are held by the bank in the customer's name.

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

**SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC):** The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

**SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15c3-1:** An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

**STRUCTURED NOTE:** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

**SUPRANATURAL:** A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TOTAL RATE OF RETURN:** A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

**U.S. TREASURY OBLIGATIONS:** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

**TREASURY BONDS:** All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

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

**YIELD TO MATURITY:** The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



**City Of Brea / Successor Agency to the Brea Redevelopment Agency**

DRAFT

**STATEMENT OF INVESTMENT POLICY**

**August 17, 2021**

**Purpose:** This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

**Objective:** The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

**Scope:** This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

**Investment Responsibility:** Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Financial Services Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

**Reporting:** The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.

- B. Monthly transactions for the period.
- C. A one-page summary report that shows:
  - 1. Average maturity of the portfolio and modified duration of the portfolio;
  - 2. Maturity distribution of the portfolio;
  - 3. Average portfolio credit quality; and,
  - 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

**Prudence:** The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Financial Services Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

**Ethics and Conflicts of Interest:** Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain

from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

**Investment Instruments:** Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et seq.) so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Under a provision sunseting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the Agency's investment assets under management are greater than \$100,000,000. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
  - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
    - Maximum maturity of 5 years
    - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the

California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the City Council, the Investment Advisory Committee, City Treasurer and the Administrative Services Director within two (2) business days.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

**Prohibited Investments:** The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

However, the City is authorized to invest in securities that could result in zero or negative interest accrual if held to maturity if they are issued by or backed by the United States Government. Negative interest rate securities in United States Government securities will only be permitted in the portfolio in the event the United States Federal Reserve adopts a negative interest rate monetary policy framework. Notification to the City Council will be given when securities of this type are being added to the portfolio, this allows for full disclosure and understanding of the strategy given the market conditions.

**Collateralization:** Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
  1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
  2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
  3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the

face amount of the deposit

B. Repurchase and Reverse Repurchase Agreements

1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.
2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

**Investment Criteria:** Criteria for selecting investments and the order of priority are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.

B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.

C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

**Diversification:** The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

**Investment Pools:** The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

**Maturity Limitations:** Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

**Safekeeping and Custody:** All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

**Qualified Broker/Dealers:** For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment

transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels, references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

**Monitoring and Adjusting the Portfolio:** The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

**Performance Standards:** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

**Bond Funds/Arbitrage:** The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of

yield and to rebate excess earnings, if necessary.

**Review/or Modification:** The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

**Internal Controls:** The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliation's will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

**Investment Advisory Committee:** An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

A. Purpose

1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.

B. Composition of Committee

1. City Treasurer
2. City Council Member, who serves as the Chair (selected by the City Council)
3. Administrative Services Director
4. Financial Services Manager
5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)

C. Functions

1. Annually (or as needed)
  - a. To review and approve Statement of Investment Policy
  - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
2. Monthly or Quarterly



- a. To review the City's investments
- b. To recommend any modifications to the Investment Policy
- c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
- d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

**Disclosure:** Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

**SEGREGATION OF RESPONSIBILITIES**  
**(External)**

<b>FUNCTION</b>	<b>RESPONSIBILITY</b>
Develop formal Statement of Investment Policy	Administrative Services Director Financial Services Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Financial Services Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or Financial Services Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or Financial Services Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

**SEGREGATION OF RESPONSIBILITIES**  
(Internal)

<b>FUNCTION</b>	<b>RESPONSIBILITY</b>
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Financial Services Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Financial Services Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or Financial Services Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or Financial Services Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

## **GLOSSARY OF INVESTMENTS TERMS**

**AGENCIES:** Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

**FFCB:** The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

**FHLB:** The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

**FHLMC:** Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie MacFreddieMac” issues discount notes, bonds and mortgage pass-through securities.

**FNMA:** Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie MaeFannieMae,” issues discount notes, bonds and mortgage pass-through securities.

**GNMA:** The Government National Mortgage Association, known as “Ginnie MaeGinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

**PEFCO:** The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

**TVA:** The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

**ASSET BACKED SECURITIES:** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**AVERAGE LIFE:** In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

**BANKER’S ACCEPTANCE:** A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

**BENCHMARK:** A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

**BROKER:** A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

**CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA):** Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

**CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO):** Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

**CALLABLE:** A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate.

**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):** A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

**COLLATERAL:** **COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

**COLLATERALIZED BANK DEPOSIT:** A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO):** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**COLLATERALIZED TIME DEPOSIT:** Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**PAPER:** The short-term unsecured debt of corporations.

**COUPON:** The rate of return at which interest is paid on a bond.

**CREDIT RISK:** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

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

**VS. PAYMENT (DVP):** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

**DERIVATIVE:** Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

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

**DIVERSIFICATION:** Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

**DURATION:** The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

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

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

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

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

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

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

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

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

**INTEREST:** The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

**INVERSE FLOATER:** A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

**FEDERALLY INSURED TIME DEPOSIT:** A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

**LEVERAGE:** Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

**LIQUIDITY:** The speed and ease with which an asset can be converted to cash.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**POOL:** Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**MAKE WHOLE CALL:** A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

**MARGIN:** The difference between the market value of a security and the loan a broker makes using that security as collateral.

**MARKET RISK:** The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

**MARKET VALUE:** The price at which a security can be traded.

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

**MATURITY:** The final date upon which the principal of a security becomes due and payable.

**MEDIUM TERM NOTES:** Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

**MODIFIED DURATION:** The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

**MARKET:** The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

**MONEY MARKET MUTUAL FUND:** A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

**MORTGAGE PASS-THROUGH SECURITIES:** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**MUNICIPAL SECURITIES:** Securities issued by state and local agencies to finance capital and operating expenses.

**MUTUAL FUND:** An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):** A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating



agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

**NEGOTIABLE CERTIFICATE OF DEPOSIT (CD):** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

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

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

**PASSBOOK SAVINGS ACCOUNT:** A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

**PASS-THOUGH SECURITY:** A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

**PRINCIPAL:** The face value or par value of an investment.

**PRUDENT INVESTOR STANDARD:** Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

**PRUDENT PERSON (PRUDENT INVESTOR) RULE:** A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

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

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

**REPURCHASE AGREEMENT:** Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

**SAFEKEEPING:** A service to bank customers whereby securities are held by the bank in the customer's name.

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

**SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC):** The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

**SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15c3-1:** An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

**STRUCTURED NOTE:** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

**SUPRANATURAL:** A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TOTAL RATE OF RETURN:** A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

**U.S. TREASURY OBLIGATIONS:** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

**TREASURY BONDS:** All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

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

**YIELD TO MATURITY:** The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

City of Brea

---

**INVESTMENT ADVISORY COMMITTEE COMMUNICATION**

---

**TO:** Honorable Chair and Committee Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 07/26/2021

**SUBJECT:** Monthly Report of Cash Investments for the City of Brea for Period Ended June 30, 2021

---

**RECOMMENDATION**

Receive and file.

**BACKGROUND/DISCUSSION**

The Monthly Report of Cash and Investments is in accordance with Government Code Sections (GCS) 41004 and 53607 and contains information on the cash and investment activities for the month of June 2021. Cash for day-to-day activities is deposited in the demand and interest-bearing checking accounts. The Local Agency Investment Fund (LAIF) is used for short term investment and functions like a savings account. The City's managed investment portfolio is for longer-term investments which are managed through Chandler Asset Management (Chandler). Together, the short and long-term investment accounts represent the City's investment portfolio.

Attachment A includes a Cash and Investment Information Summary and Monthly Account Statement prepared by Chandler for invested funds. The book value is the cost plus or minus amortization/accretion. As of June 30, 2021, the total market value of the managed investment portfolio, including accrued interest, was \$93,846,505.70 as compared to \$94,041,781.82 at May 31, 2021. The weighted average investment yield for June 30, 2021 was 1.51%, which was slightly less than the prior month. The City's Local Agency Investment Fund (LAIF) had a total market value, including accrued interest of \$13,595,671.90 at June 30, 2021. This brings the total value of the City's investment portfolio as of June 30, 2021 to \$107,442,177.60 as compared to \$111,133,896.34 at May 31, 2021.

The City has restricted cash and investments held in the post-employment benefits trust account administered by PARS (PARS account), which are managed by HighMark Capital (HighMark) and the City's various bond reserve accounts which are managed by Chandler. Attachment A includes a monthly statement from US Bank for the PARS account as well as a portfolio report from Chandler for each bond reserve account that is invested. As of June 30, 2021, the market value of the PARS account, including short-term cash and accrued interest was \$11,003,079.92 compared to \$10,888,174.09 from the prior month. All other restricted cash investments (bond reserve accounts), including short-term cash and accrued interest, was \$3,400,280.00 in comparison to \$1,134,368.65 from the prior month.

Pursuant to the City's investment policy, all City investments, with the exception of LAIF, direct time certificates of deposits and money market mutual funds are held by third-party custodians, The Bank of New York Mellon Trust Company, N.A. (BNY) for accounts managed by Chandler and US Bank for the PARS account managed by HighMark which act as agents of the City. These financial institutions are not a counter party to the investment transaction and all securities are held in the name of the City of Brea. The custodial accounts have been reconciled to the par value of the applicable portfolio report for the month. The City of Brea has sufficient cash flow to meet its expected expenditures for the next six months.

### **FISCAL IMPACT/SUMMARY**

During the month of June, the total value of the City's investment portfolio decreased by \$3,691,718.74. The decrease was primarily due to funds being sent to the City's bond trustee in anticipation of debt service payments for the 2004 and 2010 Refunding Lease Revenue Bonds as well as the 2014, 2019 and 2020 Water Bonds. The City's PARS account increased by \$114,905.83 due to market rate adjustments and the City's bond reserve accounts increased by \$2,265,911.35 due to the aforementioned debt service payments.

### **RESPECTFULLY SUBMITTED**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

---

### **Attachments**

Attachment A

---

**City of Brea**  
**Cash and Investment Information**  
June 30, 2021

			<b>Book Value</b>		<b>Market Value*</b>
<b>Demand and Interest-Bearing Checking Accounts</b>	Citizen's Bank	\$	<b>3,252,986.35</b>	\$	<b>3,252,986.35</b>
<b>Local Agency Investment Fund</b>	LAIF	\$	<b>13,584,265.99</b>	\$	<b>13,595,671.90</b>
<b>Managed Investment Portfolio - CHANDLER</b>	Chandler/BNY	\$	<b>91,741,470.26</b>	\$	<b>93,846,505.70</b>
<b>PARS Post-Employment Benefits Trust**</b>	Highmark/US Bank	\$	<b>8,748,614.29</b>	\$	<b>11,003,079.92</b>
<b><u>Fiscal Agent Cash &amp; Investments**</u></b>					
2010 Lease Revenue Bonds	Chandler/BNY	\$	262,772.85	\$	262,772.85
2014 Downtown Brea Public Improvements CFD Bonds (CFD 1996-1)	Chandler/BNY	\$	163,005.80	\$	163,005.80
2014 Water Revenue Bonds	Chandler/BNY	\$	424,350.00	\$	424,350.00
2017 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2)	Chandler/BNY	\$	672,736.19	\$	689,130.34
2019 Olinda Ranch Public Improvements CFD Bonds (CFD 1997-1)	Chandler/BNY	\$	18.15	\$	18.15
2019 Water Revenue Bonds	Chandler/BNY	\$	1,275,050.00	\$	1,275,050.00
2020 Water Revenue Refunding Bonds	Chandler/BNY	\$	585,952.86	\$	585,952.86
<b>Sub-total - Fiscal Agent Cash &amp; Investments</b>		\$	<b>3,383,885.85</b>	\$	<b>3,400,280.00</b>
<b>Report Grand Total</b>			<b>\$ 120,711,222.74</b>		<b>\$ 125,098,523.87</b>

\* Includes accrued interest on invested funds

\*\* Reserve Fund

**City of Brea**  
**Cash and Investment Information**  
June 30, 2021

<b>Fiscal Agent Cash &amp; Investments Detail</b>		<b>Book Value</b>	<b>Market Value</b>
10129	2010 Lease Revenue Bonds - <b>CHANDLER</b>	\$ 262,772.33	\$ 262,772.33
	Short-Term Treasury Funds - <b>BNY</b>	\$ 0.52	\$ 0.52
	<b>Sub-total</b>	<b>\$ 262,772.85</b>	<b>\$ 262,772.85</b>
	2014 Downtown Brea Public Improvements CFD Bonds - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ 163,005.80	\$ 163,005.80
	<b>Sub-total</b>	<b>\$ 163,005.80</b>	<b>\$ 163,005.80</b>
	2014 Water Revenue Bonds - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ 424,350.00	\$ 424,350.00
	<b>Sub-total</b>	<b>\$ 424,350.00</b>	<b>\$ 424,350.00</b>
10600	2017 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2) - <b>CHANDLER</b>	\$ 668,509.51	\$ 684,903.66
	Short-Term Treasury Funds - <b>BNY</b>	\$ 4,226.68	\$ 4,226.68
	<b>Sub-total</b>	<b>\$ 672,736.19</b>	<b>\$ 689,130.34</b>
	2019 Olinda Ranch Public Improvements Bonds (CFD 1997-1) - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ 18.15	\$ 18.15
	<b>Sub-total</b>	<b>\$ 18.15</b>	<b>\$ 18.15</b>
	2019 Water Revenue Bonds - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ 1,275,050.00	\$ 1,275,050.00
	<b>Sub-total</b>	<b>\$ 1,275,050.00</b>	<b>\$ 1,275,050.00</b>
	2020 Water Revenue Refunding Bonds - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ 585,952.86	\$ 585,952.86
	<b>Sub-total</b>	<b>\$ 585,952.86</b>	<b>\$ 585,952.86</b>
<b>Report Grand Total</b>		<b>\$ 3,383,885.85</b>	<b>\$ 3,400,280.00</b>

**City of Brea**  
**Accounting of Cash Receipts, Disbursements and Balances**  
**For the Month of June 2021**

<b>Fund</b>	<b>Fund Name</b>	<b>Cash Balance 05/31/21 <sup>1</sup></b>	<b>Cash Receipts <sup>2</sup></b>	<b>Cash Disbursements <sup>2</sup></b>	<b>Cash Balance 06/30/2021 <sup>1</sup></b>
110	GENERAL FUND	18,629,938.61	4,623,536.54	(4,652,858.51)	18,600,616.64
120	GENERAL MAINTENANCE PLAN	1,347,905.26	887.79	-	1,348,793.05
130	BREA WAR MEMORIAL	11,364.33	-	-	11,364.33
140	CBED FUND	4,881,969.33	404.37	(33,367.64)	4,849,006.06
150	OPEB FUND	105,638.34	75,116.64	(80,941.70)	99,813.28
172	PUBLIC SAFETY AUG-PROP172	403,540.88	76,041.14	(37,085.93)	442,496.09
173	SUPPL LAW ENF SVC - COPS	82,329.86	43.98	(8,333.00)	74,040.84
174	PARAMEDIC SERVICES	232,415.34	123,780.53	(704,133.17)	(347,937.30)
181	EQUIP REPL FUND-BCC	908,643.31	15,492.34	(16,776.69)	907,358.96
182	FIXED ASSET REPL FUND	5,889,151.86	50,000.00	(135,973.83)	5,803,178.03
220	GAS TAX	1,394,666.73	165,623.99	(103,377.83)	1,456,912.89
221	ROAD MAINTENANCE & REPAIR	1,881,928.56	65,520.79	(233,661.20)	1,713,788.15
230	NARC ENF ASSET SEIZ - FED	(0.01)	0.01	-	-
231	NARC ENF ASSET SEIZ-TREAS	317,377.49	-	(0.01)	317,377.48
240	AIR QUALITY IMPROV FEES	404,186.43	15,278.40	-	419,464.83
250	PARK DEVELOPMENT	2,451,619.39	-	-	2,451,619.39
260	MEASURE M TRANSPORT TAX	1,753,688.51	9.99	(50,383.43)	1,703,315.07
270	AFFORDABLE HOUSING TRUST	3,217,340.94	-	(28,215.00)	3,189,125.94
280	HOUSING PROGRAMS & SERVIC	5,518,748.74	9,857.88	(16,878.04)	5,511,728.58
290	COMM DEV BLK GRANT (CDBG)	(68,423.62)	-	(99,513.87)	(167,937.49)
341	LNDSP & LGT MAINT DIST #1	15,796.10	1,151.66	(6,215.30)	10,732.46
342	LIGHTING MAINT DIST #2	38,821.09	1.47	(557.69)	38,264.87
343	LNDSP & LTG MAINT DIST #3	159,505.52	1,918.12	(23,179.60)	138,244.04
344	LIGHTING MAINT DIST #4	19,655.89	-	(187.42)	19,468.47
345	LNDSP & LTG MAINT DIST #5	121,391.08	356.14	(36,822.95)	84,924.27
346	LNDSP & LTG MAINT DIST #6	109,678.69	5,218.49	(19,396.58)	95,500.60
347	LNDSP & LTG MAINT DIST #7	12,186.39	841.47	(4,040.70)	8,987.16
360	CFD-BLACKSTONE (2008-1)	2,107,156.78	10,826.53	(93,862.29)	2,024,121.02
361	CFD-LA FLORESTA (2011-1)	383,301.64	983.31	(42,772.86)	341,512.09
362	CFD-TAYLOR MORR (2013-1)	141,066.90	30.54	(4,444.65)	136,652.79
363	CFD-CENTRAL PARK VILLAGE	129,988.76	45.81	(6,116.79)	123,917.78
410	URBAN RUNOFF FUND	728,335.15	39,002.38	(29,582.37)	737,755.16
420	WATER UTILITY	24,353,351.11	2,210,042.86	(4,523,405.70)	22,039,988.27
430	SEWER UTILITY	4,710,649.87	217,231.58	(208,863.70)	4,719,017.75
440	SANITATION & ST SWEEPING	(263,015.13)	337,127.45	(336,140.54)	(262,028.22)
460	IT EXTERNAL SERVICES	338,703.75	53,181.05	(98,382.63)	293,502.17
465	GOLF COURSE	1,441,968.73	430,766.86	(345,029.44)	1,527,706.15
470	RISK MANAGEMENT	4,601,558.23	123,642.68	(138,933.61)	4,586,267.30
475	INFORMATION TECHNOLOGY	1,028,013.52	205,464.36	(210,690.27)	1,022,787.61
480	EQUIP & VEHICLE MAINT	1,650,653.99	266,378.78	(276,516.18)	1,640,516.59
490	BUILDING OCCUPANCY	1,366,122.66	282,271.01	(246,718.86)	1,401,674.81
510	CAPITAL IMPROVEMENT	4,715,364.24	2,298,933.25	(2,358,663.24)	4,655,634.25
540	IMPACT FEES - TRAFFIC	4,599,672.14	-	(96,610.20)	4,503,061.94
541	IMPACT FEES - WATER	1,097,939.81	-	-	1,097,939.81
542	IMPACT FEES - FIRE	706,062.13	-	-	706,062.13
543	IMPACT FEES - DISPATCH	18,122.02	-	-	18,122.02
550	STORM DRAIN CONSTRUCTION	344,057.42	-	-	344,057.42
560	CAPITAL & MITIGATION IMPR	4,298,701.85	-	-	4,298,701.85
630	REDEV SUPPORT AREA AB	(9,682.38)	8,993.75	(2,516.90)	(3,205.53)
810	PARS POST EMPLOY BENEFIT	-	-	-	-
830	SPEC DEPOSITS-REFUNDABLE	250,914.91	19,400.00	(3,555.00)	266,759.91
840	DEVELOPMENT	1,520,411.49	167,931.92	(276,880.23)	1,411,463.18
845	MIDBURY ASSESSMENT AUTHOR	1,751.94	-	-	1,751.94
865	HILLSIDE OPEN SPACE ED C	570,900.93	-	-	570,900.93
875	COMM FAC DISTRICT 08-2	433,520.22	-	(3,408.36)	430,111.86



880	COMM FAC DISTRICT 96-1	52,005.91	14.34	(2,970.24)	49,050.01
890	COMM FAC DISTRICT 97-1	372,646.76	-	(4,691.11)	367,955.65
910	GENERAL FIXED ASSETS	-	-	-	-
911	DISASTER RECOVERY FUND	66,808.30	-	(588.18)	66,220.12
920	GEN LONG-TERM DEBT - CITY	-	-	-	-
924	GEN LONG-TERM DEBT - BPFA	-	-	-	-
940	GASB34 CONVERSION	-	-	-	-
944	GASB34 BREA PUBLIC FINANC	-	-	-	-
950	ILJAOC - OPERATING	51,776.01	36,852.08	(42,816.35)	45,811.74
951	ILJAOC - REPLACEMENT	115,966.51	1,034.40	(1,856.00)	115,144.91
952	ILJAOC - GRANTS	-	-	-	-
<b>Subtotal of Cash and Investments Held in City Funds</b>		<b>111,765,861.21</b>	<b>11,941,236.68</b>	<b>(15,647,915.79)</b>	<b>108,059,182.10</b>

**DEDUCT**

930	CASH HELD AS INVESTMENTS	(108,298,608.64)	3,500,116.44	(7,703.55)	(104,806,195.75)
			<b>15,441,353.12</b>	<b>(15,655,619.34)</b>	

**Cash Balance per General Ledger as of 06/30/2021 \$ 3,252,986.35**

<b>Reconciliation of Cash Held As Investments in Fund 930</b>		<b>Balance 6/30/2021</b>
Investments Held in LAIF		13,584,265.99
Investments Held (at Par) - Chandler		91,450,838.77
Unallocated Interest Earnings		(519,540.50)
Investment Premiums / Discounts		290,631.49
<b>Investment Balances held in Fund 930</b>		<b>\$ 104,806,195.75</b>

<sup>1</sup> Cash balances between funds are subject to change due to 1. Interest Allocation 2. Subsequent Journal Entries.

<sup>2</sup> Cash receipts and disbursements may include accounting entries between funds.



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	0.25%
Average Purchase YTM	0.25%
Average Market YTM	0.25%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

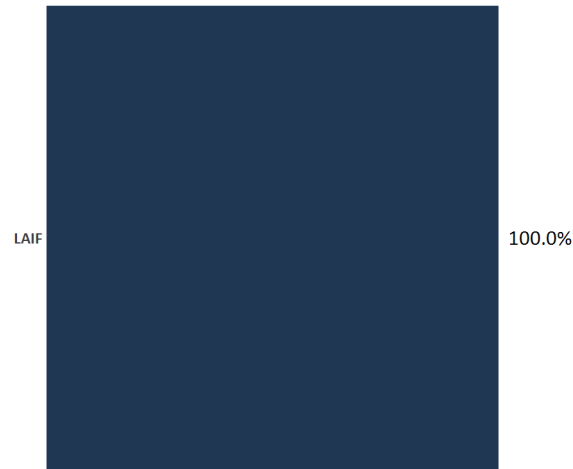
## ACCOUNT SUMMARY

	Beg. Values as of 5/31/21	End Values as of 6/30/21
Market Value	17,084,266	13,584,266
Accrued Interest	7,849	11,405
Total Market Value	<b>17,092,115</b>	<b>13,595,671</b>
Income Earned	3,940	3,557
Cont/WD		-3,500,000
Par	17,084,266	13,584,266
Book Value	17,084,266	13,584,266
Cost Value	17,084,266	13,584,266

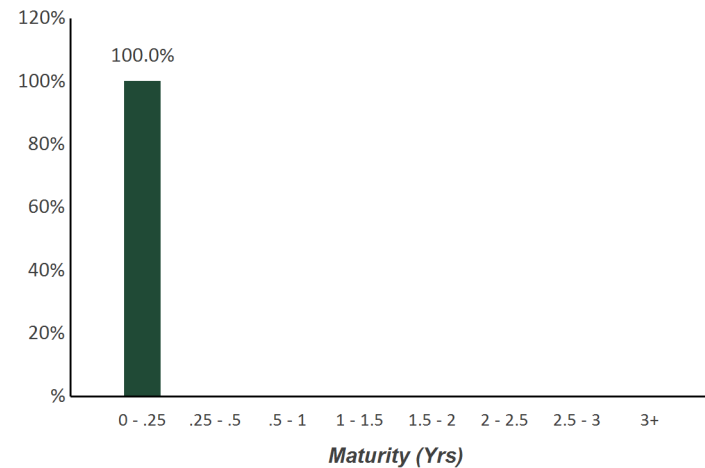
## TOP ISSUERS

Local Agency Investment Fund	100.0%
<b>Total</b>	<b>100.0%</b>

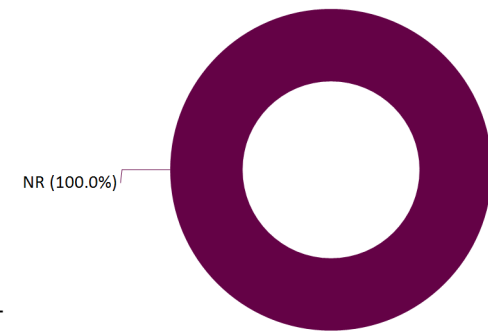
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	2/28/2012
City of Brea Laif	0.02%	0.09%	0.20%	0.62%	1.35%	1.71%	1.44%	N/A	N/A

Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	13,584,265.99	Various 0.25%	13,584,265.99 13,584,265.99	1.00 0.25%	13,584,265.99 11,405.20	100.00% 0.00	NR / NR NR	0.00 0.00
Total LAIF		13,584,265.99	0.25%	13,584,265.99	0.25%	13,584,265.99 11,405.20	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO				13,584,265.99 13,584,265.99	0.25%	13,584,265.99 11,405.20	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						13,595,671.19			

Transaction Ledger

As of June 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Security Withdrawal	06/17/2021	90LAIF\$00	1,500,000.00	Local Agency Investment Fund State Pool	1.000		1,500,000.00	0.00	1,500,000.00	0.00
Security Withdrawal	06/30/2021	90LAIF\$00	2,000,000.00	Local Agency Investment Fund State Pool	1.000		2,000,000.00	0.00	2,000,000.00	0.00
Subtotal			3,500,000.00				3,500,000.00	0.00	3,500,000.00	0.00
TOTAL DISPOSITIONS			3,500,000.00				3,500,000.00	0.00	3,500,000.00	0.00

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
<b>LOCAL AGENCY INVESTMENT FUND</b>						
90LAIF\$00	Local Agency Investment Fund	06/30/2019	17,084,265.99	7,848.53	0.00	3,556.67
	State Pool	06/30/2019	0.00	0.00	0.00	
		13,584,265.99	3,500,000.00	11,405.20	0.00	
			13,584,265.99	3,556.67	3,556.67	
			<b>17,084,265.99</b>	<b>7,848.53</b>	<b>0.00</b>	
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
			<b>3,500,000.00</b>	<b>11,405.20</b>	<b>0.00</b>	
<b>Total Local Agency Investment Fund</b>		<b>13,584,265.99</b>	<b>13,584,265.99</b>	<b>3,556.67</b>	<b>3,556.67</b>	<b>3,556.67</b>
			<b>17,084,265.99</b>	<b>7,848.53</b>	<b>0.00</b>	
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
			<b>3,500,000.00</b>	<b>11,405.20</b>	<b>0.00</b>	
<b>TOTAL PORTFOLIO</b>		<b>13,584,265.99</b>	<b>13,584,265.99</b>	<b>3,556.67</b>	<b>3,556.67</b>	<b>3,556.67</b>

Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/15/2021	Dividend	90LAIF\$00	1,352,453,510.69	Local Agency Investment Fund State Pool	0.00	11,287.08	11,287.08
JUL 2021					0.00	11,287.08	11,287.08
TOTAL					0.00	11,287.08	11,287.08



Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at [www.chandlerasset.com](http://www.chandlerasset.com).

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

**Custody:** Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

**Valuation:** Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

**Performance:** Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE PERMITS USE OF THE ICE INDICES AND RELATED DATA ON AN "AS IS" BASIS; ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS GUARANTEE THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND LICENSEE'S USE IS AT LICENSEE'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND CHANDLER, OR ANY OF ITS PRODUCTS OR SERVICES.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

**Ratings:** Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.60
Average Coupon	1.64%
Average Purchase YTM	1.51%
Average Market YTM	0.49%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.88 yrs
Average Life	2.66 yrs

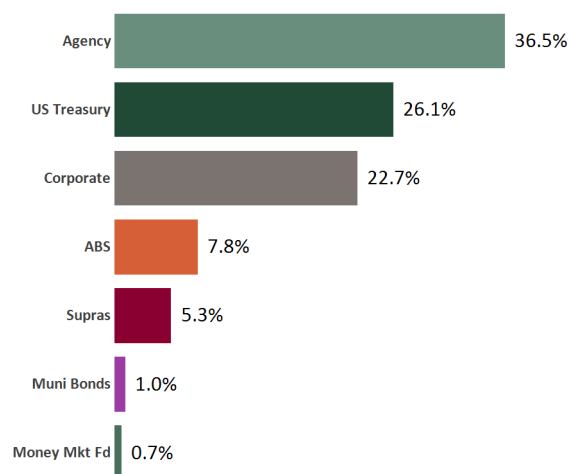
## ACCOUNT SUMMARY

	Beg. Values as of 5/31/21	End Values as of 6/30/21
Market Value	93,666,279	93,510,693
Accrued Interest	375,503	335,812
Total Market Value	<b>94,041,782</b>	<b>93,846,506</b>
Income Earned	121,004	118,372
Cont/WD		0
Par	91,259,310	91,450,839
Book Value	91,551,146	91,741,470
Cost Value	91,685,842	91,896,660

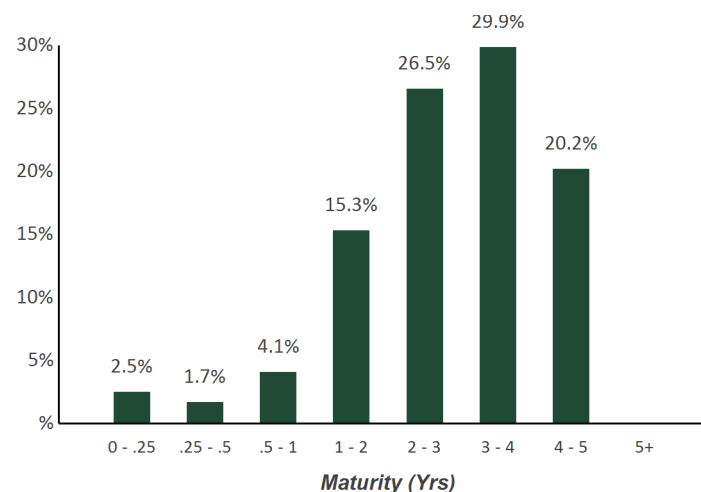
## TOP ISSUERS

Government of United States	26.1%
Federal National Mortgage Assoc	15.5%
Federal Home Loan Bank	10.9%
Federal Home Loan Mortgage Corp	10.1%
Inter-American Dev Bank	4.3%
JP Morgan Chase & Co	1.9%
Bank of America Corp	1.8%
Honda ABS	1.7%
<b>Total</b>	<b>72.2%</b>

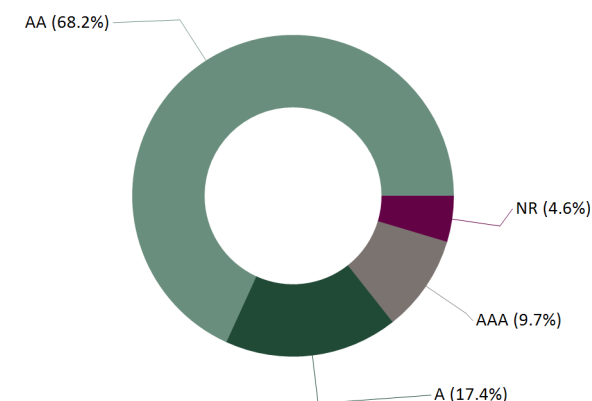
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	4/30/1996
City of Brea	-0.21%	0.21%	-0.31%	0.24%	2.77%	3.47%	2.06%	1.89%	3.77%
ICE BAML 1-5 Yr US Treasury/Agency Index*	-0.22%	0.11%	-0.41%	-0.25%	2.44%	3.25%	1.77%	1.59%	3.41%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.21%	0.16%	-0.38%	-0.09%	2.58%	3.38%	1.90%	1.73%	N/A

\*ICE BAML 1-Yr US Treasury Bill Index to 9/30/01,



# Statement of Compliance

As of June 30, 2021

Attachment A



## City of Brea

Assets managed by Chandler Asset Management are in full compliance with state law and with the Client's investment policy

Category	Standard	Comment
U.S Treasuries	No limitations; Bills, Notes, and Bonds	Complies
Federal Agencies	25% max per issuer; 5% max in callables bonds issued by Agencies; U.S. Government Agency securities and instrumentality of government-sponsored corporations	Complies
Supranational Obligations	"AA" rated or higher by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer; Other investments that are legal investments through the State of California Government Code	Complies
Corporate Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset-Backed Securities (ABS), CMOs	"AA" rated or higher by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer	Complies
Negotiable Certificates of Deposit (NCD)	30% maximum; 5% max per issuer	Complies
Certificates of Deposit (CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
Local Agency Investment Fund (LAIF)	40%; <60%, with OCIP	Complies
OCIP/ County Pool	40%; <60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Prohibited	Derivatives, inverse floaters, range notes, or interest-only strips derived from a pool of mortgages; any security that could result in a zero interest accrual if held to maturity	Complies
Downgrade	If a security owned by the City is downgraded to a level below the requirements of the policy, making the security ineligible for additional purchases, the following steps will be taken: -Any actions taken related to the downgrade by the investment manager will be communicated to the City Treasurer and the Administrative Services Director within two (2) business days; -If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.	Complies
Max Per Issuer	5% max per issuer, with the exception of U.S. Treasuries, U.S. Federal Government Agency obligations, Approved State and County investment pools	Complies
Maximum Maturity	5 years	Complies

## Reconciliation Summary

As of June 30, 2021



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$91,551,146.21</b>
<b><u>Acquisition</u></b>		
+ Security Purchases	\$3,168,555.80	
+ Money Market Fund Purchases	\$2,584,130.79	
+ Money Market Contributions	\$138,568.62	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$5,891,255.21</b>
<b><u>Dispositions</u></b>		
- Security Sales	\$2,453,480.45	
- Money Market Fund Sales	\$2,983,807.84	
- MMF Withdrawals	\$138,568.62	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$148,794.40	
<b>Total Dispositions</b>		<b>\$5,724,651.31</b>
<b><u>Amortization/Accretion</u></b>		
+/- Net Accretion	(\$8,540.94)	
		(\$8,540.94)
<b><u>Gain/Loss on Dispositions</u></b>		
+/- Realized Gain/Loss	\$32,261.09	
		\$32,261.09
<b>ENDING BOOK VALUE</b>		<b>\$91,741,470.26</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$1,015,388.20</b>
<b><u>Acquisition</u></b>		
Contributions	\$138,568.62	
Security Sale Proceeds	\$2,453,480.45	
Accrued Interest Received	\$21,794.37	
Interest Received	\$145,056.49	
Dividend Received	\$5.08	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$148,794.40	
<b>Total Acquisitions</b>	<b>\$2,907,699.41</b>	
<b><u>Dispositions</u></b>		
Withdrawals	\$138,568.62	
Security Purchase	\$3,168,555.80	
Accrued Interest Paid	\$252.04	
<b>Total Dispositions</b>	<b>\$3,307,376.46</b>	
<b>ENDING BOOK VALUE</b>		<b>\$615,711.15</b>

## Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	82,187.16	08/21/2018 2.98%	82,175.89 82,183.93	100.52 0.30%	82,613.55 67.35	0.09% 429.62	Aaa / NR AAA	1.15 0.20
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	109,384.72	07/25/2019 2.31%	110,542.66 109,831.09	100.40 0.26%	109,819.63 143.90	0.12% (11.46)	Aaa / AAA NR	1.21 0.15
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	66,633.54	07/18/2018 3.10%	66,628.49 66,631.93	100.51 0.14%	66,976.30 91.21	0.07% 344.37	Aaa / NR AAA	1.38 0.17
47789JAD8	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	314,539.91	06/24/2020 0.83%	322,808.87 318,886.41	101.15 0.18%	318,170.02 406.80	0.34% (716.39)	Aaa / NR AAA	2.05 0.42
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	509,704.46	08/20/2019 1.79%	509,700.23 509,702.79	100.92 0.23%	514,397.31 403.23	0.55% 4,694.52	Aaa / AAA NR	2.13 0.59
58769EAC2	Mercedes-Benz Auto Lease Trust 2020- B A3 0.4% Due 11/15/2023	280,000.00	09/15/2020 0.40%	279,985.80 279,990.53	100.18 0.25%	280,496.44 49.78	0.30% 505.91	NR / AAA AAA	2.38 1.16
477870AC3	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	196,677.83	07/16/2019 2.23%	196,636.08 196,654.50	101.30 0.09%	199,242.31 193.18	0.21% 2,587.81	Aaa / NR AAA	2.46 0.61
92348AAA3	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	370,000.00	10/01/2019 1.95%	369,971.47 369,982.35	101.41 0.22%	375,226.25 219.33	0.40% 5,243.90	NR / AAA AAA	2.81 0.82
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	980,000.00	Various 1.71%	984,828.76 983,471.53	101.24 0.29%	992,188.26 840.62	1.06% 8,716.73	Aaa / AAA NR	3.04 0.76
43813DAC2	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	280,000.00	05/18/2020 0.83%	279,977.96 279,983.80	100.64 0.27%	281,796.20 102.04	0.30% 1,812.40	Aaa / AAA NR	3.04 1.15
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	460,000.00	03/04/2020 1.11%	459,971.89 459,980.18	100.77 0.34%	463,540.62 224.89	0.49% 3,560.44	Aaa / NR AAA	3.13 1.01
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	465,000.00	09/22/2020 0.38%	464,931.69 464,948.10	100.13 0.28%	465,597.99 62.13	0.50% 649.89	NR / AAA AAA	3.30 1.43
47787NAC3	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	215,000.00	07/14/2020 0.52%	214,967.23 214,976.09	100.25 0.29%	215,533.42 48.73	0.23% 557.33	Aaa / NR AAA	3.38 1.13
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	370,000.00	10/06/2020 0.36%	369,931.07 369,942.64	100.09 0.28%	370,335.96 57.56	0.39% 393.32	NR / AAA AAA	3.55 1.32

## Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
92290BAA9	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	650,000.00	08/04/2020 0.48%	649,863.50 649,890.17	100.27 0.30%	651,747.85 93.35	0.69% 1,857.68	Aaa / NR AAA	3.65 1.58
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	230,000.00	02/17/2021 0.27%	229,995.79 229,996.27	99.93 0.32%	229,837.62 17.25	0.24% (158.65)	Aaa / NR AAA	3.81 1.49
44891RAC4	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	470,000.00	10/20/2020 0.39%	469,891.76 469,913.86	100.07 0.34%	470,312.55 79.38	0.50% 398.69	NR / AAA AAA	3.88 1.76
89240BAC2	Toyota Auto Receivables Owners 2021- A A3 0.26% Due 5/15/2025	810,000.00	02/02/2021 0.27%	809,849.66 809,868.67	99.91 0.32%	809,300.16 93.60	0.86% (568.51)	Aaa / NR AAA	3.88 1.58
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	400,000.00	04/20/2021 0.38%	399,957.92 399,960.34	99.97 0.40%	399,874.80 67.56	0.43% (85.54)	NR / AAA AAA	4.21 2.11
<b>Total ABS</b>		<b>7,259,127.62</b>	<b>0.95%</b>	<b>7,272,616.72</b> <b>7,266,795.18</b>	<b>0.28%</b>	<b>7,297,007.24</b> <b>3,261.89</b>	<b>7.78%</b> <b>30,212.06</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.16</b> <b>1.16</b>

<b>AGENCY</b>									
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,085,000.00	10/04/2016 1.33%	1,074,974.60 1,084,925.18	100.04 0.13%	1,085,420.98 5,662.34	1.16% 495.80	Aaa / AA+ AAA	0.04 0.04
3130AF5B9	FHLB Note 3% Due 10/12/2021	1,350,000.00	11/29/2018 2.91%	1,353,402.00 1,350,334.68	100.83 0.08%	1,361,171.25 8,887.50	1.46% 10,836.57	Aaa / AA+ NR	0.28 0.28
3130A3KM5	FHLB Note 2.5% Due 12/9/2022	775,000.00	08/28/2018 2.83%	764,808.75 771,570.32	103.32 0.19%	800,747.05 1,184.03	0.85% 29,176.73	Aaa / AA+ NR	1.44 1.42
3135G0T94	FNMA Note 2.375% Due 1/19/2023	625,000.00	03/14/2018 2.73%	615,087.50 621,824.64	103.37 0.20%	646,070.63 6,679.69	0.70% 24,245.99	Aaa / AA+ AAA	1.56 1.52
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	1,660,000.00	05/05/2020 0.39%	1,659,302.80 1,659,570.71	100.25 0.24%	1,664,198.14 968.33	1.77% 4,627.43	Aaa / AA+ AAA	1.85 1.84
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	1,200,000.00	07/20/2018 2.86%	1,193,976.00 1,197,586.37	104.91 0.25%	1,258,880.40 1,100.00	1.34% 61,294.03	Aaa / AA+ AAA	1.97 1.93
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,025,000.00	08/19/2020 0.28%	1,023,954.50 1,024,253.49	99.98 0.26%	1,024,757.08 903.99	1.09% 503.59	Aaa / AA+ AAA	2.15 2.14
313383YJ4	FHLB Note 3.375% Due 9/8/2023	1,200,000.00	10/29/2018 3.08%	1,215,756.00 1,207,100.42	106.58 0.35%	1,278,948.00 12,712.50	1.38% 71,847.58	Aaa / AA+ NR	2.19 2.11

## Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3135G0U43	FNMA Note 2.875% Due 9/12/2023	1,500,000.00	06/21/2019 1.89%	1,559,805.00 1,531,163.80	105.69 0.28%	1,585,297.50 13,057.29	1.70% 54,133.70	Aaa / AA+ AAA	2.20 2.13
3135G06H1	FNMA Note 0.25% Due 11/27/2023	1,610,000.00	11/23/2020 0.29%	1,608,164.60 1,608,529.34	99.81 0.33%	1,606,971.59 380.14	1.71% (1,557.75)	Aaa / AA+ AAA	2.41 2.40
3130A0F70	FHLB Note 3.375% Due 12/8/2023	1,075,000.00	Various 2.74%	1,106,057.50 1,090,447.23	107.34 0.35%	1,153,952.30 2,317.97	1.23% 63,505.07	Aaa / AA+ AAA	2.44 2.36
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	1,500,000.00	04/29/2019 2.37%	1,500,105.00 1,500,058.06	105.49 0.32%	1,582,344.00 11,182.29	1.70% 82,285.94	Aaa / AA+ NR	2.69 2.60
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	1,500,000.00	06/18/2019 1.96%	1,564,890.20 1,538,428.39	106.99 0.49%	1,604,857.51 2,036.46	1.71% 66,429.12	Aaa / AA+ NR	2.96 2.85
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	1,200,000.00	09/13/2019 1.79%	1,262,028.00 1,239,787.70	107.44 0.53%	1,289,280.00 10,350.00	1.38% 49,492.30	Aaa / AA+ AAA	3.21 3.06
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,755,000.00	Various 1.49%	1,765,434.95 1,762,443.42	103.59 0.52%	1,818,008.01 6,020.63	1.94% 55,564.59	Aaa / AA+ AAA	3.30 3.20
3135G0X24	FNMA Note 1.625% Due 1/7/2025	1,875,000.00	Various 1.47%	1,888,349.75 1,884,696.19	103.56 0.60%	1,941,800.63 14,726.57	2.08% 57,104.44	Aaa / AA+ AAA	3.53 3.40
3137EAEPO	FHLMC Note 1.5% Due 2/12/2025	1,920,000.00	02/13/2020 1.52%	1,918,521.60 1,918,929.07	103.21 0.60%	1,981,589.76 11,120.00	2.12% 62,660.69	Aaa / AA+ AAA	3.62 3.51
3135G03U5	FNMA Note 0.625% Due 4/22/2025	1,510,000.00	04/22/2020 0.67%	1,506,889.40 1,507,627.83	99.91 0.65%	1,508,680.26 1,808.85	1.61% 1,052.43	Aaa / AA+ AAA	3.81 3.76
3135G04Z3	FNMA Note 0.5% Due 6/17/2025	1,800,000.00	Various 0.46%	1,802,513.00 1,802,483.52	99.41 0.65%	1,789,401.60 350.00	1.91% (13,081.92)	Aaa / AA+ AAA	3.97 3.92
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	1,800,000.00	Various 0.45%	1,793,673.60 1,794,745.32	98.63 0.72%	1,775,341.81 3,000.00	1.89% (19,403.51)	Aaa / AA+ AAA	4.06 4.01
3135G05X7	FNMA Note 0.375% Due 8/25/2025	1,800,000.00	Various 0.45%	1,793,460.00 1,794,163.30	98.56 0.73%	1,774,036.80 2,362.51	1.89% (20,126.50)	Aaa / AA+ AAA	4.16 4.10
3137EAXE3	FHLMC Note 0.375% Due 9/23/2025	1,805,000.00	Various 0.44%	1,799,651.55 1,800,387.37	98.47 0.74%	1,777,462.92 1,842.61	1.90% (22,924.45)	Aaa / AA+ AAA	4.24 4.18
3135G06G3	FNMA Note 0.5% Due 11/7/2025	1,825,000.00	Various 0.57%	1,819,098.50 1,819,844.58	98.91 0.75%	1,805,160.43 1,368.75	1.92% (14,684.15)	Aaa / AA+ AAA	4.36 4.29
<b>Total Agency</b>		<b>33,395,000.00</b>	<b>1.37%</b>	<b>33,589,904.80</b> <b>33,510,900.93</b>	<b>0.47%</b>	<b>34,114,378.65</b> <b>120,022.45</b>	<b>36.48%</b> <b>603,477.72</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.91</b> <b>2.85</b>

## Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.55% Due 8/8/2021	590,000.00	Various 1.57%	589,298.90 589,985.41	100.02 0.49%	590,138.65 3,632.60	0.63% 153.24	Aaa / AAA AAA	0.11 0.02
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	890,000.00	07/25/2017 2.45%	889,919.90 889,982.80	102.16 0.28%	909,185.73 9,267.13	0.98% 19,202.93	A2 / A A+	1.08 0.98
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	750,000.00	05/20/2019 2.73%	748,027.50 749,159.05	103.36 0.38%	775,226.25 8,612.50	0.84% 26,067.20	A2 / A A	1.57 1.45
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	650,000.00	Various 3.23%	637,699.50 645,646.06	104.19 0.30%	677,218.10 5,813.89	0.73% 31,572.04	A2 / A A	1.68 1.64
89236TJD8	Toyota Motor Credit Corp Note 0.4% Due 4/6/2023	275,000.00	04/06/2021 0.44%	274,777.25 274,802.68	100.03 0.39%	275,069.03 250.56	0.29% 266.35	A1 / A+ A+	1.77 1.76
06406RAG2	Bank of NY Mellon Corp Note 3.5% Due 4/28/2023	800,000.00	05/16/2019 2.78%	821,248.00 809,834.03	105.80 0.32%	846,379.20 4,900.00	0.91% 36,545.17	A1 / A AA-	1.83 1.78
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	900,000.00	Various 3.18%	871,569.25 888,028.68	103.75 0.36%	933,734.71 3,480.00	1.00% 45,706.03	Aa1 / AA+ NR	1.84 1.80
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	904,000.00	04/26/2019 2.68%	928,769.60 915,560.26	105.98 0.25%	958,019.42 426.89	1.02% 42,459.16	Aa2 / AA AA	1.99 1.86
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	225,000.00	07/11/2018 3.49%	224,610.75 224,841.44	106.18 0.40%	238,900.73 3,600.94	0.26% 14,059.29	A3 / A- NR	2.04 1.96
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	760,000.00	Various 3.28%	763,588.40 761,807.36	106.18 0.45%	806,932.28 10,192.44	0.87% 45,124.92	A1 / A+ NR	2.11 2.02
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	250,000.00	05/16/2019 2.79%	256,575.00 253,283.24	106.50 0.36%	266,262.00 3,354.17	0.29% 12,978.76	A1 / A AA-	2.12 2.03
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	750,000.00	Various 3.38%	757,259.00 753,791.64	107.11 0.48%	803,344.50 6,117.19	0.86% 49,552.86	A3 / A- NR	2.28 2.19
24422EVN6	John Deere Capital Corp Note 0.45% Due 1/17/2024	640,000.00	03/01/2021 0.47%	639,545.60 639,597.15	99.90 0.49%	639,343.36 936.00	0.68% (253.79)	A2 / A A	2.55 2.53
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	1,100,000.00	Various 2.74%	1,114,320.00 1,108,755.19	105.06 0.52%	1,155,673.20 12,582.78	1.24% 46,918.01	A2 / A- AA-	2.68 1.63
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	1,100,000.00	Various 2.79%	1,121,362.00 1,112,573.63	107.07 0.60%	1,177,723.80 10,923.61	1.27% 65,150.17	Aa3 / A AA-	2.70 2.58

## Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	530,000.00	03/16/2021 0.77%	529,735.00 529,760.39	100.57 0.53%	533,035.31 1,137.29	0.57% 3,274.92	A2 / A A	2.72 2.60
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 5/18/2024	1,100,000.00	Various 2.13%	1,156,826.00 1,135,354.53	106.22 0.62%	1,168,385.90 5,189.86	1.25% 33,031.37	A3 / A- A+	2.88 1.82
69371RQ25	Paccar Financial Corp Note 2.15% Due 8/15/2024	195,000.00	08/08/2019 2.20%	194,569.05 194,730.86	104.45 0.71%	203,674.77 1,583.83	0.22% 8,943.91	A1 / A+ NR	3.13 3.01
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	1,100,000.00	Various 2.21%	1,102,086.00 1,101,473.47	104.76 0.80%	1,152,382.00 4,125.00	1.23% 50,908.53	A2 / A AA	3.34 3.21
14913Q3B3	Caterpillar Finl Service Note 2.15% Due 11/8/2024	1,100,000.00	01/28/2020 1.91%	1,111,770.00 1,108,274.09	104.89 0.67%	1,153,770.20 3,481.81	1.23% 45,496.11	A2 / A A	3.36 3.24
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	955,000.00	01/16/2020 2.10%	952,965.85 953,552.60	104.44 0.75%	997,433.52 8,701.11	1.07% 43,880.92	A1 / AA- AA-	3.56 3.33
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	985,000.00	05/24/2021 0.74%	986,279.75 986,253.47	99.82 0.89%	983,187.60 676.37	1.05% (3,065.87)	A2 / A- AA-	3.92 2.88
46647PCK0	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 6/23/2025	470,000.00	Various 0.87%	470,293.55 470,292.14	100.13 0.93%	470,592.20 101.21	0.50% 300.06	A2 / A- AA-	3.98 2.93
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 4/22/2026	312,000.00	05/20/2021 1.11%	323,646.96 323,337.24	103.44 1.16%	322,735.30 1,245.63	0.35% (601.94)	A2 / A- AA-	4.81 3.65
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due 5/12/2026	1,455,000.00	05/10/2021 1.09%	1,448,714.40 1,448,886.51	100.06 0.99%	1,455,836.63 1,980.42	1.55% 6,950.12	A1 / AA AA-	4.87 4.65
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 5/15/2026	240,000.00	Various 1.08%	240,776.80 240,770.33	100.05 1.14%	240,123.60 322.00	0.26% (646.73)	A3 / A+ A	4.88 4.64
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 6/18/2026	995,000.00	06/15/2021 1.13%	994,562.20 994,565.32	99.77 1.17%	992,759.26 404.22	1.06% (1,806.06)	A1 / A+ A+	4.97 4.81
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 6/19/2026	475,000.00	06/17/2021 1.23%	476,643.50 476,634.49	100.26 1.25%	476,215.05 208.84	0.51% (419.44)	A2 / A- AA-	4.97 3.85



## Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Total Corporate</b>		<b>20,496,000.00</b>	<b>2.08%</b>	<b>20,627,439.71</b> <b>20,581,534.06</b>	<b>0.63%</b>	<b>21,203,282.30</b> <b>113,248.29</b>	<b>22.71%</b> <b>621,748.24</b>	<b>A1 / A+</b> <b>AA-</b>	<b>2.88</b> <b>2.56</b>
<b>MONEY MARKET FUND</b>									
316175884	Fidelity Institutional Money Market Fund 696	615,711.15	Various 0.01%	615,711.15 615,711.15	1.00 0.01%	615,711.15 0.00	0.66% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund</b>		<b>615,711.15</b>	<b>0.01%</b>	<b>615,711.15</b> <b>615,711.15</b>	<b>0.01%</b>	<b>615,711.15</b> <b>0.00</b>	<b>0.66%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>MUNICIPAL BONDS</b>									
13063DRK6	California State Taxable GO 2.4% Due 10/1/2024	900,000.00	10/16/2019 1.91%	920,673.00 913,613.93	105.51 0.69%	949,554.00 5,400.00	1.02% 35,940.07	Aa2 / AA- AA	3.26 3.12
<b>Total Municipal Bonds</b>		<b>900,000.00</b>	<b>1.91%</b>	<b>920,673.00</b> <b>913,613.93</b>	<b>0.69%</b>	<b>949,554.00</b> <b>5,400.00</b>	<b>1.02%</b> <b>35,940.07</b>	<b>Aa2 / AA-</b> <b>AA</b>	<b>3.26</b> <b>3.12</b>
<b>SUPRANATIONAL</b>									
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,275,000.00	01/10/2017 2.15%	1,273,431.75 1,274,827.37	101.06 0.19%	1,288,560.90 12,267.45	1.39% 13,733.53	Aaa / NR AAA	0.55 0.54
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	800,000.00	Various 2.40%	777,732.00 794,128.68	101.88 0.19%	815,067.20 4,161.12	0.87% 20,938.52	Aaa / AAA AAA	1.21 1.19
459058JL8	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	945,000.00	Various 0.54%	943,389.35 943,566.12	98.81 0.78%	933,749.78 826.88	1.00% (9,816.34)	Aaa / AAA AAA	4.33 4.27
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 4/20/2026	1,915,000.00	04/13/2021 0.97%	1,906,229.30 1,906,575.13	100.04 0.87%	1,915,691.32 3,304.70	2.04% 9,116.19	Aaa / AAA AAA	4.81 4.69
<b>Total Supranational</b>		<b>4,935,000.00</b>	<b>1.42%</b>	<b>4,900,782.40</b> <b>4,919,097.30</b>	<b>0.56%</b>	<b>4,953,069.20</b> <b>20,560.15</b>	<b>5.30%</b> <b>33,971.90</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.01</b> <b>2.95</b>
<b>US TREASURY</b>									
912828F96	US Treasury Note 2% Due 10/31/2021	200,000.00	01/27/2017 1.94%	200,524.11 200,036.85	100.64 0.07%	201,289.20 673.91	0.22% 1,252.35	Aaa / AA+ AAA	0.34 0.33
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,360,000.00	03/13/2017 2.14%	1,335,407.68 1,356,713.78	101.11 0.09%	1,375,087.84 7,954.89	1.47% 18,374.06	Aaa / AA+ AAA	0.67 0.66



## Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,100,000.00	08/15/2017 1.82%	1,115,601.34 1,103,193.98	102.02 0.11%	1,122,171.60 63.52	1.20% 18,977.62	Aaa / AA+ AAA	1.00 0.99
912828L24	US Treasury Note 1.875% Due 8/31/2022	1,000,000.00	09/26/2017 1.87%	1,000,433.04 1,000,102.54	102.04 0.13%	1,020,391.00 6,266.98	1.09% 20,288.46	Aaa / AA+ AAA	1.17 1.15
912828L57	US Treasury Note 1.75% Due 9/30/2022	1,240,000.00	10/17/2017 1.99%	1,226,243.75 1,236,530.50	102.01 0.14%	1,264,945.08 5,454.64	1.35% 28,414.58	Aaa / AA+ AAA	1.25 1.24
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,150,000.00	01/25/2018 2.46%	1,132,121.09 1,144,556.87	102.91 0.18%	1,183,512.15 66.41	1.26% 38,955.28	Aaa / AA+ AAA	1.50 1.48
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,500,000.00	05/29/2019 2.05%	1,472,988.28 1,485,749.85	103.04 0.32%	1,545,528.00 4,106.66	1.65% 59,778.15	Aaa / AA+ AAA	2.34 2.29
912828V23	US Treasury Note 2.25% Due 12/31/2023	1,250,000.00	06/21/2019 1.80%	1,274,560.55 1,263,581.94	104.71 0.35%	1,308,935.00 76.43	1.39% 45,353.06	Aaa / AA+ AAA	2.50 2.44
912828B66	US Treasury Note 2.75% Due 2/15/2024	1,500,000.00	04/29/2019 2.31%	1,529,648.44 1,516,228.80	106.20 0.38%	1,592,929.50 15,497.24	1.71% 76,700.70	Aaa / AA+ AAA	2.63 2.53
91282CBR1	US Treasury Note 0.25% Due 3/15/2024	950,000.00	03/30/2021 0.33%	947,699.22 947,895.21	99.60 0.40%	946,215.20 697.01	1.01% (1,680.01)	Aaa / AA+ AAA	2.71 2.69
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	06/10/2019 1.92%	1,003,515.63 1,002,036.50	104.45 0.42%	1,044,492.00 3,369.57	1.12% 42,455.50	Aaa / AA+ AAA	2.84 2.76
912828XX3	US Treasury Note 2% Due 6/30/2024	1,450,000.00	12/12/2019 1.74%	1,466,595.70 1,460,940.57	104.59 0.46%	1,516,495.55 78.80	1.62% 55,554.98	Aaa / AA+ AAA	3.00 2.92
912828D56	US Treasury Note 2.375% Due 8/15/2024	1,500,000.00	03/05/2020 0.68%	1,611,093.75 1,578,101.03	105.88 0.48%	1,588,242.00 13,383.98	1.71% 10,140.97	Aaa / AA+ AAA	3.13 3.00
912828D0	US Treasury Note 2.25% Due 10/31/2024	1,500,000.00	11/07/2019 1.77%	1,533,925.78 1,522,716.66	105.68 0.53%	1,585,254.00 5,686.14	1.70% 62,537.34	Aaa / AA+ AAA	3.34 3.21
912828ZC7	US Treasury Note 1.125% Due 2/28/2025	2,000,000.00	03/18/2020 0.81%	2,030,859.38 2,022,849.94	101.85 0.61%	2,037,032.00 7,520.38	2.18% 14,182.06	Aaa / AA+ AAA	3.67 3.58
91282CAM3	US Treasury Note 0.25% Due 9/30/2025	1,900,000.00	02/19/2021 0.51%	1,877,363.28 1,879,100.42	97.93 0.75%	1,860,590.20 1,193.99	1.98% (18,510.22)	Aaa / AA+ AAA	4.25 4.21
91282CAT8	US Treasury Note 0.25% Due 10/31/2025	1,900,000.00	02/11/2021 0.42%	1,885,156.25 1,886,354.44	97.81 0.76%	1,858,363.40 800.27	1.98% (27,991.04)	Aaa / AA+ AAA	4.34 4.29

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	1,350,000.00	03/26/2021 0.77%	1,325,794.92 1,327,127.83	98.24 0.78%	1,326,217.05 428.79	1.41% (910.78)	Aaa / AA+ AAA	4.42 4.37
Total US Treasury		23,850,000.00	1.43%	23,969,532.19 23,933,817.71	0.43%	24,377,690.77 73,319.61	26.05% 443,873.06	Aaa / AA+ AAA	2.76 2.71
TOTAL PORTFOLIO		91,450,838.77	1.51%	91,896,659.97 91,741,470.26	0.49%	93,510,693.31 335,812.39	100.00% 1,769,223.05	Aa1 / AA AAA	2.88 2.60
TOTAL MARKET VALUE PLUS ACCRUED						93,846,505.70			

## Transaction Ledger

As of June 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/01/2021	46647PCH7	195,000.00	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	100.000	0.77%	195,000.00	0.00	195,000.00	0.00
Purchase	06/01/2021	46647PCH7	525,000.00	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	100.163	0.73%	525,855.75	0.00	525,855.75	0.00
Purchase	06/01/2021	46647PCH7	265,000.00	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	100.160	0.73%	265,424.00	0.00	265,424.00	0.00
Purchase	06/02/2021	316175884	5.08	Fidelity Institutional Money Market Fund 696	1.000	0.01%	5.08	0.00	5.08	0.00
Purchase	06/08/2021	316175884	18,140.63	Fidelity Institutional Money Market Fund 696	1.000	0.01%	18,140.63	0.00	18,140.63	0.00
Purchase	06/09/2021	316175884	9,687.50	Fidelity Institutional Money Market Fund 696	1.000	0.01%	9,687.50	0.00	9,687.50	0.00
Purchase	06/14/2021	316175884	21,562.50	Fidelity Institutional Money Market Fund 696	1.000	0.01%	21,562.50	0.00	21,562.50	0.00
Purchase	06/15/2021	316175884	93.33	Fidelity Institutional Money Market Fund 696	1.000	0.01%	93.33	0.00	93.33	0.00
Purchase	06/15/2021	316175884	421.67	Fidelity Institutional Money Market Fund 696	1.000	0.01%	421.67	0.00	421.67	0.00
Purchase	06/15/2021	316175884	91.38	Fidelity Institutional Money Market Fund 696	1.000	0.01%	91.38	0.00	91.38	0.00
Purchase	06/15/2021	316175884	191.33	Fidelity Institutional Money Market Fund 696	1.000	0.01%	191.33	0.00	191.33	0.00
Purchase	06/15/2021	316175884	148.83	Fidelity Institutional Money Market Fund 696	1.000	0.01%	148.83	0.00	148.83	0.00
Purchase	06/15/2021	316175884	126.67	Fidelity Institutional Money Market Fund 696	1.000	0.01%	126.67	0.00	126.67	0.00
Purchase	06/15/2021	316175884	1,576.17	Fidelity Institutional Money Market Fund 696	1.000	0.01%	1,576.17	0.00	1,576.17	0.00
Purchase	06/15/2021	316175884	175.50	Fidelity Institutional Money Market Fund 696	1.000	0.01%	175.50	0.00	175.50	0.00

## Transaction Ledger

As of June 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/15/2021	316175884	107.92	Fidelity Institutional Money Market Fund 696	1.000	0.01%	107.92	0.00	107.92	0.00
Purchase	06/15/2021	316175884	36,103.96	Fidelity Institutional Money Market Fund 696	1.000	0.01%	36,103.96	0.00	36,103.96	0.00
Purchase	06/15/2021	316175884	13,226.96	Fidelity Institutional Money Market Fund 696	1.000	0.01%	13,226.96	0.00	13,226.96	0.00
Purchase	06/15/2021	316175884	17,491.71	Fidelity Institutional Money Market Fund 696	1.000	0.01%	17,491.71	0.00	17,491.71	0.00
Purchase	06/15/2021	316175884	32,668.84	Fidelity Institutional Money Market Fund 696	1.000	0.01%	32,668.84	0.00	32,668.84	0.00
Purchase	06/15/2021	316175884	31,413.61	Fidelity Institutional Money Market Fund 696	1.000	0.01%	31,413.61	0.00	31,413.61	0.00
Purchase	06/16/2021	316175884	429,223.30	Fidelity Institutional Money Market Fund 696	1.000	0.01%	429,223.30	0.00	429,223.30	0.00
Purchase	06/16/2021	91324PEC2	160,000.00	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 5/15/2026	100.333	1.08%	160,532.80	138.00	160,670.80	0.00
Purchase	06/17/2021	316175884	4,500.00	Fidelity Institutional Money Market Fund 696	1.000	0.01%	4,500.00	0.00	4,500.00	0.00
Purchase	06/17/2021	91324PEC2	80,000.00	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 5/15/2026	100.305	1.08%	80,244.00	71.56	80,315.56	0.00
Purchase	06/18/2021	316175884	768,644.17	Fidelity Institutional Money Market Fund 696	1.000	0.01%	768,644.17	0.00	768,644.17	0.00
Purchase	06/18/2021	316175884	80,794.29	Fidelity Institutional Money Market Fund 696	1.000	0.01%	80,794.29	0.00	80,794.29	0.00
Purchase	06/18/2021	316175884	143.37	Fidelity Institutional Money Market Fund 696	1.000	0.01%	143.37	0.00	143.37	0.00
Purchase	06/18/2021	89236TJK2	995,000.00	Toyota Motor Credit Corp Note 1.125% Due 6/18/2026	99.956	1.13%	994,562.20	0.00	994,562.20	0.00
Purchase	06/19/2021	316175884	16,500.00	Fidelity Institutional Money Market Fund 696	1.000	0.01%	16,500.00	0.00	16,500.00	0.00

## Transaction Ledger

As of June 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/21/2021	06051GJD2	475,000.00	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 6/19/2026	100.346	1.23%	476,643.50	34.81	476,678.31	0.00
Purchase	06/21/2021	316175884	323,166.85	Fidelity Institutional Money Market Fund 696	1.000	0.01%	323,166.85	0.00	323,166.85	0.00
Purchase	06/21/2021	316175884	254.58	Fidelity Institutional Money Market Fund 696	1.000	0.01%	254.58	0.00	254.58	0.00
Purchase	06/21/2021	316175884	51.75	Fidelity Institutional Money Market Fund 696	1.000	0.01%	51.75	0.00	51.75	0.00
Purchase	06/21/2021	316175884	598.17	Fidelity Institutional Money Market Fund 696	1.000	0.01%	598.17	0.00	598.17	0.00
Purchase	06/21/2021	316175884	20,737.76	Fidelity Institutional Money Market Fund 696	1.000	0.01%	20,737.76	0.00	20,737.76	0.00
Purchase	06/23/2021	316175884	688,446.21	Fidelity Institutional Money Market Fund 696	1.000	0.01%	688,446.21	0.00	688,446.21	0.00
Purchase	06/23/2021	46647PCK0	185,000.00	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 6/23/2025	100.000	0.89%	185,000.00	0.00	185,000.00	0.00
Purchase	06/24/2021	46647PCK0	285,000.00	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 6/23/2025	100.103	0.86%	285,293.55	7.67	285,301.22	0.00
Purchase	06/26/2021	316175884	15,368.00	Fidelity Institutional Money Market Fund 696	1.000	0.01%	15,368.00	0.00	15,368.00	0.00
Purchase	06/30/2021	316175884	52,468.75	Fidelity Institutional Money Market Fund 696	1.000	0.01%	52,468.75	0.00	52,468.75	0.00
<b>Subtotal</b>			<b>5,749,130.79</b>				<b>5,752,686.59</b>	<b>252.04</b>	<b>5,752,938.63</b>	<b>0.00</b>
Security Contribution	06/01/2021	316175884	120,911.72	Fidelity Institutional Money Market Fund 696	1.000		120,911.72	0.00	120,911.72	0.00
Security Contribution	06/21/2021	316175884	17,656.90	Fidelity Institutional Money Market Fund 696	1.000		17,656.90	0.00	17,656.90	0.00
<b>Subtotal</b>			<b>138,568.62</b>				<b>138,568.62</b>	<b>0.00</b>	<b>138,568.62</b>	<b>0.00</b>

## Transaction Ledger

As of June 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Short Sale	06/01/2021	316175884	-986,279.75	Fidelity Institutional Money Market Fund 696	1.000		-986,279.75	0.00	-986,279.75	0.00
Short Sale	06/16/2021	316175884	-160,670.80	Fidelity Institutional Money Market Fund 696	1.000		-160,670.80	0.00	-160,670.80	0.00
Short Sale	06/18/2021	316175884	-994,562.20	Fidelity Institutional Money Market Fund 696	1.000		-994,562.20	0.00	-994,562.20	0.00
Short Sale	06/21/2021	316175884	-476,678.31	Fidelity Institutional Money Market Fund 696	1.000		-476,678.31	0.00	-476,678.31	0.00
<b>Subtotal</b>			<b>-2,618,191.06</b>				<b>-2,618,191.06</b>	<b>0.00</b>	<b>-2,618,191.06</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>3,269,508.35</b>				<b>3,273,064.15</b>	<b>252.04</b>	<b>3,273,316.19</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Closing Purchase	06/01/2021	316175884	-986,279.75	Fidelity Institutional Money Market Fund 696	1.000		-986,279.75	0.00	-986,279.75	0.00
Closing Purchase	06/16/2021	316175884	-160,670.80	Fidelity Institutional Money Market Fund 696	1.000		-160,670.80	0.00	-160,670.80	0.00
Closing Purchase	06/18/2021	316175884	-994,562.20	Fidelity Institutional Money Market Fund 696	1.000		-994,562.20	0.00	-994,562.20	0.00
Closing Purchase	06/21/2021	316175884	-476,678.31	Fidelity Institutional Money Market Fund 696	1.000		-476,678.31	0.00	-476,678.31	0.00
<b>Subtotal</b>			<b>-2,618,191.06</b>				<b>-2,618,191.06</b>	<b>0.00</b>	<b>-2,618,191.06</b>	<b>0.00</b>
Sale	06/01/2021	316175884	986,279.75	Fidelity Institutional Money Market Fund 696	1.000	0.01%	986,279.75	0.00	986,279.75	0.00
Sale	06/16/2021	316175884	160,670.80	Fidelity Institutional Money Market Fund 696	1.000	0.01%	160,670.80	0.00	160,670.80	0.00
Sale	06/16/2021	912828F96	425,000.00	US Treasury Note 2% Due 10/31/2021	100.738	1.94%	428,137.70	1,085.60	429,223.30	3,049.76
Sale	06/17/2021	316175884	80,315.56	Fidelity Institutional Money Market Fund 696	1.000	0.01%	80,315.56	0.00	80,315.56	0.00
Sale	06/18/2021	316175884	994,562.20	Fidelity Institutional Money Market Fund 696	1.000	0.01%	994,562.20	0.00	994,562.20	0.00

## Transaction Ledger

As of June 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Sale	06/18/2021	89236TDP7	750,000.00	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	101.352	3.11%	760,140.00	8,504.17	768,644.17	12,372.29
Sale	06/18/2021	912828F96	80,000.00	US Treasury Note 2% Due 10/31/2021	100.727	1.94%	80,581.25	213.04	80,794.29	564.94
Sale	06/21/2021	316175884	476,678.31	Fidelity Institutional Money Market Fund 696	1.000	0.01%	476,678.31	0.00	476,678.31	0.00
Sale	06/21/2021	912828F96	320,000.00	US Treasury Note 2% Due 10/31/2021	100.707	1.94%	322,262.50	904.35	323,166.85	2,198.70
Sale	06/23/2021	48128BAB7	850,000.00	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	101.454	3.06%	862,359.00	11,087.21	873,446.21	14,075.40
Sale	06/24/2021	316175884	285,301.22	Fidelity Institutional Money Market Fund 696	1.000	0.01%	285,301.22	0.00	285,301.22	0.00
<b>Subtotal</b>			<b>5,408,807.84</b>				<b>5,437,288.29</b>	<b>21,794.37</b>	<b>5,459,082.66</b>	<b>32,261.09</b>
Paydown	06/15/2021	43813DAC2	0.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	100.000		0.00	191.33	191.33	0.00
Paydown	06/15/2021	43815NAC8	35,295.54	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	100.000		35,295.54	808.42	36,103.96	0.00
Paydown	06/15/2021	44891RAC4	0.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	100.000		0.00	148.83	148.83	0.00
Paydown	06/15/2021	44933LAC7	0.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	100.000		0.00	126.67	126.67	0.00
Paydown	06/15/2021	477870AC3	12,841.10	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	100.000		12,841.10	385.86	13,226.96	0.00
Paydown	06/15/2021	47787NAC3	0.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	100.000		0.00	91.38	91.38	0.00
Paydown	06/15/2021	47788EAC2	17,276.34	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	100.000		17,276.34	215.37	17,491.71	0.00
Paydown	06/15/2021	47789JAD8	31,828.90	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	100.000		31,828.90	839.94	32,668.84	0.00

## Transaction Ledger

As of June 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Paydown	06/15/2021	47789KAC7	0.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	100.000		0.00	421.67	421.67	0.00
Paydown	06/15/2021	58769EAC2	0.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	100.000		0.00	93.33	93.33	0.00
Paydown	06/15/2021	65479JAD5	0.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	100.000		0.00	1,576.17	1,576.17	0.00
Paydown	06/15/2021	89236XAC0	0.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	100.000		0.00	107.92	107.92	0.00
Paydown	06/15/2021	89238TAD5	31,067.16	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	100.000		31,067.16	346.45	31,413.61	0.00
Paydown	06/15/2021	89240BAC2	0.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	100.000		0.00	175.50	175.50	0.00
Paydown	06/18/2021	43813KAC6	0.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	100.000		0.00	143.37	143.37	0.00
Paydown	06/21/2021	43813GAC5	0.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	100.000		0.00	51.75	51.75	0.00
Paydown	06/21/2021	43815HAC1	20,485.36	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	100.000		20,485.36	252.40	20,737.76	0.00
Paydown	06/21/2021	92290BAA9	0.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	100.000		0.00	254.58	254.58	0.00
Paydown	06/21/2021	92348AAA3	0.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	100.000		0.00	598.17	598.17	0.00
<b>Subtotal</b>			<b>148,794.40</b>				<b>148,794.40</b>	<b>6,829.11</b>	<b>155,623.51</b>	<b>0.00</b>
Security Withdrawal	06/01/2021	316175884	120,911.72	Fidelity Institutional Money Market Fund 696	1.000		120,911.72	0.00	120,911.72	0.00



## Transaction Ledger

As of June 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Security Withdrawal	06/21/2021	316175884	17,656.90	Fidelity Institutional Money Market Fund 696	1.000		17,656.90	0.00	17,656.90	0.00
<b>Subtotal</b>			<b>138,568.62</b>				<b>138,568.62</b>	<b>0.00</b>	<b>138,568.62</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>3,077,979.80</b>				<b>3,106,460.25</b>	<b>28,623.48</b>	<b>3,135,083.73</b>	<b>32,261.09</b>

<b>OTHER TRANSACTIONS</b>										
Interest	06/08/2021	3130A0F70	1,075,000.00	FHLB Note 3.375% Due 12/8/2023	0.000		18,140.63	0.00	18,140.63	0.00
Interest	06/09/2021	3130A3KM5	775,000.00	FHLB Note 2.5% Due 12/9/2022	0.000		9,687.50	0.00	9,687.50	0.00
Interest	06/14/2021	3130A1XJ2	1,500,000.00	FHLB Note 2.875% Due 6/14/2024	0.000		21,562.50	0.00	21,562.50	0.00
Interest	06/17/2021	3135G04Z3	1,800,000.00	FNMA Note 0.5% Due 6/17/2025	0.000		4,500.00	0.00	4,500.00	0.00
Interest	06/19/2021	3137EAEN5	1,200,000.00	FHLMC Note 2.75% Due 6/19/2023	0.000		16,500.00	0.00	16,500.00	0.00
Interest	06/26/2021	931142EK5	904,000.00	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	0.000		15,368.00	0.00	15,368.00	0.00
Interest	06/30/2021	912828N30	1,150,000.00	US Treasury Note 2.125% Due 12/31/2022	0.000		12,218.75	0.00	12,218.75	0.00
Interest	06/30/2021	912828V23	1,250,000.00	US Treasury Note 2.25% Due 12/31/2023	0.000		14,062.50	0.00	14,062.50	0.00
Interest	06/30/2021	912828XG0	1,100,000.00	US Treasury Note 2.125% Due 6/30/2022	0.000		11,687.50	0.00	11,687.50	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	06/30/2021	912828XX3	1,450,000.00	US Treasury Note 2% Due 6/30/2024	0.000		14,500.00	0.00	14,500.00	0.00
Subtotal			12,204,000.00				138,227.38	0.00	138,227.38	0.00
Dividend	06/02/2021	316175884	29,108.45	Fidelity Institutional Money Market Fund 696	0.000		5.08	0.00	5.08	0.00
Subtotal			29,108.45				5.08	0.00	5.08	0.00
TOTAL OTHER TRANSACTIONS			12,233,108.45				138,232.46	0.00	138,232.46	0.00

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
<b>FIXED INCOME</b>						
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due 05/12/2026	05/10/2021 05/12/2021 1,455,000.00	1,448,783.25 0.00 0.00 1,448,886.51	767.92 0.00 1,980.42 1,212.50	103.26 0.00 103.26 1,315.76	1,315.76
02665WCJ8	American Honda Finance Note 3.45% Due 07/14/2023	07/11/2018 07/16/2018 225,000.00	224,835.04 0.00 0.00 224,841.44	2,954.06 0.00 3,600.94 646.88	6.40 0.00 6.40 653.28	653.28
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	Various Various 750,000.00	753,928.52 0.00 0.00 753,791.64	3,851.56 0.00 6,117.19 2,265.63	7.41 144.29 (136.88) 2,128.75	2,128.75
037833AK6	Apple Inc Note 2.4% Due 05/03/2023	Various Various 900,000.00	887,493.44 0.00 0.00 888,028.68	1,680.00 0.00 3,480.00 1,800.00	535.24 0.00 535.24 2,335.24	2,335.24
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 03/05/2024	Various Various 1,100,000.00	1,109,023.75 0.00 0.00 1,108,755.19	9,328.61 0.00 12,582.78 3,254.17	0.00 268.56 (268.56) 2,985.61	2,985.61
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 06/19/2026	06/17/2021 06/21/2021 475,000.00	0.00 476,643.50 0.00 476,634.49	0.00 (34.81) 208.84 174.03	0.00 9.01 (9.01) 165.02	165.02
06406RAG2	Bank of NY Mellon Corp Note 3.5% Due 04/28/2023	05/16/2019 05/20/2019 800,000.00	810,277.00 0.00 0.00 809,834.03	2,566.67 0.00 4,900.00 2,333.33	0.00 442.97 (442.97) 1,890.36	1,890.36
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 08/11/2023	05/16/2019 05/20/2019 250,000.00	253,410.99 0.00 0.00 253,283.24	2,635.42 0.00 3,354.17 718.75	0.00 127.75 (127.75) 591.00	591.00
13063DRK6	California State Taxable GO 2.4% Due 10/01/2024	10/16/2019 10/24/2019 900,000.00	913,957.71 0.00 0.00 913,613.93	3,600.00 0.00 5,400.00 1,800.00	0.00 343.78 (343.78) 1,456.22	1,456.22

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
14913Q3B3	Caterpillar Finl Service Note 2.15% Due 11/08/2024	01/28/2020 01/30/2020 1,100,000.00	1,108,476.56 0.00 0.00 1,108,274.09	1,510.97 0.00 3,481.81 1,970.84	0.00 202.47 (202.47) 1,768.37	1,768.37
24422ETG4	John Deere Capital Corp Note 2.8% Due 03/06/2023	Various Various 650,000.00	645,432.97 0.00 0.00 645,646.06	4,297.22 0.00 5,813.89 1,516.67	217.65 4.56 213.09 1,729.76	1,729.76
24422EVN6	John Deere Capital Corp Note 0.45% Due 01/17/2024	03/01/2021 03/04/2021 640,000.00	639,584.15 0.00 0.00 639,597.15	696.00 0.00 936.00 240.00	13.00 0.00 13.00 253.00	253.00
3130A0F70	FHLB Note 3.375% Due 12/08/2023	Various Various 1,075,000.00	1,090,967.93 0.00 0.00 1,090,447.23	17,435.16 18,140.63 2,317.97 3,023.44	0.00 520.70 (520.70) 2,502.74	2,502.74
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	06/18/2019 06/19/2019 1,500,000.00	1,539,496.83 0.00 0.00 1,538,428.39	20,005.21 21,562.50 2,036.46 3,593.75	0.00 1,068.44 (1,068.44) 2,525.31	2,525.31
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	09/13/2019 09/16/2019 1,200,000.00	1,240,807.89 0.00 0.00 1,239,787.70	7,475.00 0.00 10,350.00 2,875.00	0.00 1,020.19 (1,020.19) 1,854.81	1,854.81
3130A3KM5	FHLB Note 2.5% Due 12/09/2022	08/28/2018 08/29/2018 775,000.00	771,374.71 0.00 0.00 771,570.32	9,256.94 9,687.50 1,184.03 1,614.59	195.61 0.00 195.61 1,810.20	1,810.20
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	10/04/2016 10/06/2016 1,085,000.00	1,084,752.53 0.00 0.00 1,084,925.18	4,645.16 0.00 5,662.34 1,017.18	172.65 0.00 172.65 1,189.83	1,189.83
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	04/29/2019 04/30/2019 1,500,000.00	1,500,059.84 0.00 0.00 1,500,058.06	8,213.54 0.00 11,182.29 2,968.75	0.00 1.78 (1.78) 2,966.97	2,966.97

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
3130AF5B9	FHLB Note 3% Due 10/12/2021	11/29/2018 11/30/2018 1,350,000.00	1,350,432.15 0.00 0.00 1,350,334.68	5,512.50 0.00 8,887.50 3,375.00	0.00 97.47 (97.47) 3,277.53	3,277.53
313383YJ4	FHLB Note 3.375% Due 09/08/2023	10/29/2018 10/31/2018 1,200,000.00	1,207,367.02 0.00 0.00 1,207,100.42	9,337.50 0.00 12,712.50 3,375.00	0.00 266.60 (266.60) 3,108.40	3,108.40
3135G03U5	FNMA Note 0.625% Due 04/22/2025	04/22/2020 04/24/2020 1,510,000.00	1,507,576.67 0.00 0.00 1,507,627.83	1,022.40 0.00 1,808.85 786.45	51.16 0.00 51.16 837.61	837.61
3135G04Z3	FNMA Note 0.5% Due 06/17/2025	Various Various 1,800,000.00	1,802,535.01 0.00 0.00 1,802,483.52	4,100.00 4,500.00 350.00 750.00	32.34 83.83 (51.49) 698.51	698.51
3135G05X7	FNMA Note 0.375% Due 08/25/2025	Various Various 1,800,000.00	1,794,047.79 0.00 0.00 1,794,163.30	1,800.00 0.00 2,362.51 562.51	115.51 0.00 115.51 678.02	678.02
3135G06G3	FNMA Note 0.5% Due 11/07/2025	Various Various 1,825,000.00	1,819,747.31 0.00 0.00 1,819,844.58	608.34 0.00 1,368.75 760.41	97.27 0.00 97.27 857.68	857.68
3135G06H1	FNMA Note 0.25% Due 11/27/2023	11/23/2020 11/25/2020 1,610,000.00	1,608,479.14 0.00 0.00 1,608,529.34	44.72 0.00 380.14 335.42	50.20 0.00 50.20 385.62	385.62
3135G0T94	FNMA Note 2.375% Due 01/19/2023	03/14/2018 03/16/2018 625,000.00	621,656.63 0.00 0.00 621,824.64	5,442.71 0.00 6,679.69 1,236.98	168.01 0.00 168.01 1,404.99	1,404.99
3135G0U43	FNMA Note 2.875% Due 09/12/2023	06/21/2019 06/24/2019 1,500,000.00	1,532,328.08 0.00 0.00 1,531,163.80	9,463.54 0.00 13,057.29 3,593.75	0.00 1,164.28 (1,164.28) 2,429.47	2,429.47

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
3135G0W66	FNMA Note 1.625% Due 10/15/2024	Various Various 1,755,000.00	1,762,629.21 0.00 0.00 1,762,443.42	3,644.07 0.00 6,020.63 2,376.56	15.60 201.39 (185.79) 2,190.77	2,190.77
3135G0X24	FNMA Note 1.625% Due 01/07/2025	Various Various 1,875,000.00	1,884,922.38 0.00 0.00 1,884,696.19	12,187.50 0.00 14,726.57 2,539.07	30.17 256.36 (226.19) 2,312.88	2,312.88
3137EAEN5	FHLMC Note 2.75% Due 06/19/2023	07/20/2018 07/23/2018 1,200,000.00	1,197,485.52 0.00 0.00 1,197,586.37	14,850.00 16,500.00 1,100.00 2,750.00	100.85 0.00 100.85 2,850.85	2,850.85
3137EAEP0	FHLMC Note 1.5% Due 02/12/2025	02/13/2020 02/14/2020 1,920,000.00	1,918,904.77 0.00 0.00 1,918,929.07	8,720.00 0.00 11,120.00 2,400.00	24.30 0.00 24.30 2,424.30	2,424.30
3137EAER6	FHLMC Note 0.375% Due 05/05/2023	05/05/2020 05/07/2020 1,660,000.00	1,659,551.57 0.00 0.00 1,659,570.71	449.58 0.00 968.33 518.75	19.14 0.00 19.14 537.89	537.89
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	Various Various 1,800,000.00	1,794,638.87 0.00 0.00 1,794,745.32	2,437.50 0.00 3,000.00 562.50	106.45 0.00 106.45 668.95	668.95
3137EAEV7	FHLMC Note 0.25% Due 08/24/2023	08/19/2020 08/21/2020 1,025,000.00	1,024,224.92 0.00 0.00 1,024,253.49	690.45 0.00 903.99 213.54	28.57 0.00 28.57 242.11	242.11
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	Various Various 1,805,000.00	1,800,297.82 0.00 0.00 1,800,387.37	1,278.55 0.00 1,842.61 564.06	89.55 0.00 89.55 653.61	653.61
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 05/18/2024	Various Various 1,100,000.00	1,136,362.73 0.00 0.00 1,135,354.53	1,569.03 0.00 5,189.86 3,620.83	0.00 1,008.20 (1,008.20) 2,612.63	2,612.63

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
43813DAC2	Honda Auto Receivables 2020-2 A3 0.82% Due 07/15/2024	05/18/2020 05/27/2020 280,000.00	279,983.36 0.00 0.00 279,983.80	102.04 191.33 102.04 191.33	0.44 0.00 0.44 191.77	191.77
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 04/21/2025	02/17/2021 02/24/2021 230,000.00	229,996.15 0.00 0.00 229,996.27	17.25 51.75 17.25 51.75	0.12 0.00 0.12 51.87	51.87
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	09/22/2020 09/29/2020 465,000.00	464,946.31 0.00 0.00 464,948.10	62.13 143.37 62.13 143.37	1.79 0.00 1.79 145.16	145.16
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 08/22/2022	08/21/2018 08/28/2018 82,187.16	102,668.19 0.00 20,485.36 82,183.93	84.13 252.40 67.35 235.62	1.10 0.00 1.10 236.72	236.72
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 08/15/2023	08/20/2019 08/27/2019 509,704.46	544,998.09 0.00 35,295.54 509,702.79	431.16 808.42 403.23 780.49	0.24 0.00 0.24 780.73	780.73
44891RAC4	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 05/15/2025	10/20/2020 10/28/2020 470,000.00	469,911.16 0.00 0.00 469,913.86	79.38 148.83 79.38 148.83	2.70 0.00 2.70 151.53	151.53
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 09/15/2025	04/20/2021 04/28/2021 400,000.00	399,959.21 0.00 0.00 399,960.34	67.56 126.67 67.56 126.67	1.13 0.00 1.13 127.80	127.80
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 01/18/2022	01/10/2017 01/18/2017 1,275,000.00	1,274,801.61 0.00 0.00 1,274,827.37	10,009.64 0.00 12,267.45 2,257.81	25.76 0.00 25.76 2,283.57	2,283.57
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 09/14/2022	Various Various 800,000.00	793,728.36 0.00 0.00 794,128.68	2,994.44 0.00 4,161.12 1,166.68	400.32 0.00 400.32 1,567.00	1,567.00

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	04/13/2021 04/20/2021 1,915,000.00	1,906,431.04 0.00 0.00 1,906,575.13	1,908.35 0.00 3,304.70 1,396.35	144.09 0.00 144.09 1,540.44	1,540.44
459058JL8	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	Various Various 945,000.00	943,538.90 0.00 0.00 943,566.12	433.13 0.00 826.88 393.75	27.22 0.00 27.22 420.97	420.97
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	05/20/2021 05/24/2021 312,000.00	323,581.76 0.00 0.00 323,337.24	704.05 0.00 1,245.63 541.58	0.00 244.52 (244.52) 297.06	297.06
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 06/01/2025	05/24/2021 06/01/2021 985,000.00	0.00 986,279.75 0.00 986,253.47	0.00 0.00 676.37 676.37	0.00 26.28 (26.28) 650.09	650.09
46647PCK0	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 06/23/2025	Various Various 470,000.00	0.00 470,293.55 0.00 470,292.14	0.00 (7.67) 101.21 93.54	0.00 1.41 (1.41) 92.13	92.13
477870AC3	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	07/16/2019 07/24/2019 196,677.83	209,493.24 0.00 12,841.10 196,654.50	205.79 385.86 193.18 373.25	2.36 0.00 2.36 375.61	375.61
47787NAC3	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	07/14/2020 07/22/2020 215,000.00	214,975.32 0.00 0.00 214,976.09	48.73 91.38 48.73 91.38	0.77 0.00 0.77 92.15	92.15
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	07/18/2018 07/25/2018 66,633.54	83,907.73 0.00 17,276.34 66,631.93	114.86 215.37 91.21 191.72	0.54 0.00 0.54 192.26	192.26
47789JAD8	John Deere Owner Trust 2019-A A3 2.91% Due 07/17/2023	06/24/2020 06/26/2020 314,539.91	351,505.36 0.00 31,828.90 318,886.41	447.97 839.94 406.80 798.77	0.00 790.05 (790.05) 8.72	8.72



## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 08/15/2024	03/04/2020 03/11/2020 460,000.00	459,979.66 0.00 0.00 459,980.18	224.89 421.67 224.89 421.67	0.52 0.00 0.52 422.19	422.19
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 Due 01/15/2023	Various Various 0.00	848,220.51 0.00 848,283.60 0.00	9,543.42 11,087.21 0.00 1,543.79	67.86 4.77 63.09 1,606.88	1,606.88
58769EAC2	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	09/15/2020 09/23/2020 280,000.00	279,990.02 0.00 0.00 279,990.53	49.78 93.33 49.78 93.33	0.51 0.00 0.51 93.84	93.84
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.55% Due 08/08/2021	Various 08/08/2016 590,000.00	589,973.89 0.00 0.00 589,985.41	2,870.52 0.00 3,632.60 762.08	11.52 0.00 11.52 773.60	773.60
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 07/15/2024	Various Various 980,000.00	983,565.35 0.00 0.00 983,471.53	840.62 1,576.17 840.62 1,576.17	0.53 94.35 (93.82) 1,482.35	1,482.35
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 07/28/2022	07/25/2017 07/28/2017 890,000.00	889,981.49 0.00 0.00 889,982.80	7,450.04 0.00 9,267.13 1,817.09	1.31 0.00 1.31 1,818.40	1,818.40
69371RP59	Paccar Financial Corp Note 3.4% Due 08/09/2023	Various Various 760,000.00	761,877.86 0.00 0.00 761,807.36	8,039.12 0.00 10,192.44 2,153.32	3.78 74.28 (70.50) 2,082.82	2,082.82
69371RQ25	Paccar Financial Corp Note 2.15% Due 08/15/2024	08/08/2019 08/15/2019 195,000.00	194,723.79 0.00 0.00 194,730.86	1,234.46 0.00 1,583.83 349.37	7.07 0.00 7.07 356.44	356.44
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/01/2024	Various Various 1,100,000.00	1,101,509.73 0.00 0.00 1,101,473.47	2,062.50 0.00 4,125.00 2,062.50	7.85 44.11 (36.26) 2,026.24	2,026.24

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 01/25/2023	05/20/2019 05/22/2019 750,000.00	749,115.02 0.00 0.00 749,159.05	6,956.25 0.00 8,612.50 1,656.25	44.03 0.00 44.03 1,700.28	1,700.28
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 03/18/2024	03/16/2021 03/18/2021 530,000.00	529,753.13 0.00 0.00 529,760.39	806.04 0.00 1,137.29 331.25	7.26 0.00 7.26 338.51	338.51
89114QCB2	Toronto Dominion Bank Note 3.25% Due 03/11/2024	Various Various 1,100,000.00	1,112,956.98 0.00 0.00 1,112,573.63	7,944.44 0.00 10,923.61 2,979.17	0.00 383.35 (383.35) 2,595.82	2,595.82
89236TDP7	Toyota Motor Credit Corp Note Due 01/11/2022	Various Various 0.00	747,584.38 0.00 747,767.71 0.00	7,583.33 8,504.17 0.00 920.84	183.33 0.00 183.33 1,104.17	1,104.17
89236TJD8	Toyota Motor Credit Corp Note 0.4% Due 04/06/2023	04/06/2021 04/09/2021 275,000.00	274,793.49 0.00 0.00 274,802.68	158.89 0.00 250.56 91.67	9.19 0.00 9.19 100.86	100.86
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	06/15/2021 06/18/2021 995,000.00	0.00 994,562.20 0.00 994,565.32	0.00 0.00 404.22 404.22	3.12 0.00 3.12 407.34	407.34
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 01/15/2025	10/06/2020 10/13/2020 370,000.00	369,941.31 0.00 0.00 369,942.64	57.56 107.92 57.56 107.92	1.33 0.00 1.33 109.25	109.25
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 09/15/2022	07/25/2019 07/29/2019 109,384.72	141,064.02 0.00 31,067.16 109,831.09	184.77 346.45 143.90 305.58	0.00 165.77 (165.77) 139.81	139.81
89240BAC2	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 05/15/2025	02/02/2021 02/08/2021 810,000.00	809,864.68 0.00 0.00 809,868.67	93.60 175.50 93.60 175.50	3.99 0.00 3.99 179.49	179.49

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 01/21/2025	01/16/2020 01/21/2020 955,000.00	953,519.20 0.00 0.00 953,552.60	7,069.65 0.00 8,701.11 1,631.46	33.40 0.00 33.40 1,664.86	1,664.86
9128283D0	US Treasury Note 2.25% Due 10/31/2024	11/07/2019 11/08/2019 1,500,000.00	1,523,276.18 0.00 0.00 1,522,716.66	2,934.78 0.00 5,686.14 2,751.36	0.00 559.52 (559.52) 2,191.84	2,191.84
912828B66	US Treasury Note 2.75% Due 02/15/2024	04/29/2019 04/30/2019 1,500,000.00	1,516,736.48 0.00 0.00 1,516,228.80	12,078.73 0.00 15,497.24 3,418.51	0.00 507.68 (507.68) 2,910.83	2,910.83
912828D56	US Treasury Note 2.375% Due 08/15/2024	03/05/2020 03/06/2020 1,500,000.00	1,580,154.52 0.00 0.00 1,578,101.03	10,431.63 0.00 13,383.98 2,952.35	0.00 2,053.49 (2,053.49) 898.86	898.86
912828F96	US Treasury Note 2% Due 10/31/2021	01/27/2017 01/30/2017 200,000.00	1,025,235.32 0.00 825,168.05 200,036.85	1,782.61 2,202.99 673.91 1,094.29	0.00 30.42 (30.42) 1,063.87	1,063.87
912828J43	US Treasury Note 1.75% Due 02/28/2022	03/13/2017 03/15/2017 1,360,000.00	1,356,306.40 0.00 0.00 1,356,713.78	6,014.67 0.00 7,954.89 1,940.22	407.38 0.00 407.38 2,347.60	2,347.60
912828L24	US Treasury Note 1.875% Due 08/31/2022	09/26/2017 09/27/2017 1,000,000.00	1,000,109.76 0.00 0.00 1,000,102.54	4,738.45 0.00 6,266.98 1,528.53	0.00 7.22 (7.22) 1,521.31	1,521.31
912828L57	US Treasury Note 1.75% Due 09/30/2022	10/17/2017 10/18/2017 1,240,000.00	1,236,302.25 0.00 0.00 1,236,530.50	3,675.96 0.00 5,454.64 1,778.68	228.25 0.00 228.25 2,006.93	2,006.93
912828N30	US Treasury Note 2.125% Due 12/31/2022	01/25/2018 01/26/2018 1,150,000.00	1,144,258.88 0.00 0.00 1,144,556.87	10,261.05 12,218.75 66.41 2,024.11	297.99 0.00 297.99 2,322.10	2,322.10

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
912828T91	US Treasury Note 1.625% Due 10/31/2023	05/29/2019 05/30/2019 1,500,000.00	1,485,248.09 0.00 0.00 1,485,749.85	2,119.57 0.00 4,106.66 1,987.09	501.76 0.00 501.76 2,488.85	2,488.85
912828V23	US Treasury Note 2.25% Due 12/31/2023	06/21/2019 06/24/2019 1,250,000.00	1,264,028.22 0.00 0.00 1,263,581.94	11,809.39 14,062.50 76.43 2,329.54	0.00 446.28 (446.28) 1,883.26	1,883.26
912828X70	US Treasury Note 2% Due 04/30/2024	06/10/2019 06/11/2019 1,000,000.00	1,002,095.59 0.00 0.00 1,002,036.50	1,739.13 0.00 3,369.57 1,630.44	0.00 59.09 (59.09) 1,571.35	1,571.35
912828XG0	US Treasury Note 2.125% Due 06/30/2022	08/15/2017 08/17/2017 1,100,000.00	1,103,457.21 0.00 0.00 1,103,193.98	9,814.92 11,687.50 63.52 1,936.10	0.00 263.23 (263.23) 1,672.87	1,672.87
912828XX3	US Treasury Note 2% Due 06/30/2024	12/12/2019 12/13/2019 1,450,000.00	1,461,240.31 0.00 0.00 1,460,940.57	12,176.80 14,500.00 78.80 2,402.00	0.00 299.74 (299.74) 2,102.26	2,102.26
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	03/18/2020 03/19/2020 2,000,000.00	2,023,362.28 0.00 0.00 2,022,849.94	5,686.14 0.00 7,520.38 1,834.24	0.00 512.34 (512.34) 1,321.90	1,321.90
91282CAM3	US Treasury Note 0.25% Due 09/30/2025	02/19/2021 02/22/2021 1,900,000.00	1,878,696.44 0.00 0.00 1,879,100.42	804.64 0.00 1,193.99 389.35	403.98 0.00 403.98 793.33	793.33
91282CAT8	US Treasury Note 0.25% Due 10/31/2025	02/11/2021 02/12/2021 1,900,000.00	1,886,095.84 0.00 0.00 1,886,354.44	413.04 0.00 800.27 387.23	258.60 0.00 258.60 645.83	645.83
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	03/26/2021 03/29/2021 1,350,000.00	1,326,702.43 0.00 0.00 1,327,127.83	13.83 0.00 428.79 414.96	425.40 0.00 425.40 840.36	840.36

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
91282CBR1	US Treasury Note 0.25% Due 03/15/2024	03/30/2021 03/31/2021 950,000.00	947,831.30 0.00 0.00 947,895.21	503.40 0.00 697.01 193.61	63.91 0.00 63.91 257.52	257.52
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 05/15/2026	Various Various 240,000.00	0.00 240,776.80 0.00 240,770.33	0.00 (209.56) 322.00 112.44	0.00 6.47 (6.47) 105.97	105.97
92290BAA9	Verizon Owner Trust 2020-B A 0.47% Due 02/20/2025	08/04/2020 08/12/2020 650,000.00	649,887.70 0.00 0.00 649,890.17	93.35 254.58 93.35 254.58	2.47 0.00 2.47 257.05	257.05
92348AAA3	Verizon Owner Trust 2019-C A1A 1.94% Due 04/22/2024	10/01/2019 10/08/2019 370,000.00	369,981.83 0.00 0.00 369,982.35	219.33 598.17 219.33 598.17	0.52 0.00 0.52 598.69	598.69
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 06/26/2023	04/26/2019 04/30/2019 904,000.00	916,059.98 0.00 0.00 915,560.26	13,233.56 15,368.00 426.89 2,561.33	0.00 499.72 (499.72) 2,061.61	2,061.61
			90,535,758.01	375,503.30	5,765.78	
			3,168,555.80	166,598.82	14,306.72	
			2,570,013.76	335,812.39	(8,540.94)	
<b>Total Fixed Income</b>			<b>90,835,127.62</b>	<b>126,907.91</b>	<b>118,366.97</b>	<b>118,366.97</b>

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
<b>CASH &amp; EQUIVALENT</b>						
316175884	Fidelity Institutional Money Market Fund 696	06/15/2021 06/16/2021 615,711.15	1,015,388.20 104,508.35 504,185.40 615,711.15	0.00 5.08 0.00 5.08	0.00 0.00 0.00 5.08	5.08
			<b>1,015,388.20</b>	<b>0.00</b>	<b>0.00</b>	
			<b>104,508.35</b>	<b>5.08</b>	<b>0.00</b>	
			<b>504,185.40</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Cash &amp; Equivalent</b>		<b>615,711.15</b>	<b>615,711.15</b>	<b>5.08</b>	<b>5.08</b>	<b>5.08</b>
			<b>91,551,146.21</b>	<b>375,503.30</b>	<b>5,765.78</b>	
			<b>3,273,064.15</b>	<b>166,603.90</b>	<b>14,306.72</b>	
			<b>3,074,199.16</b>	<b>335,812.39</b>	<b>(8,540.94)</b>	
<b>TOTAL PORTFOLIO</b>		<b>91,450,838.77</b>	<b>91,741,470.26</b>	<b>126,912.99</b>	<b>118,372.05</b>	<b>118,372.05</b>

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/07/2021	Interest	3135G0X24	1,875,000.00	FNMA Note 1.625% Due 1/7/2025	0.00	15,234.38	15,234.38
07/12/2021	Purchase	79466LAG9	185,000.00	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 7/15/2024	-184,905.65	0.00	-184,905.65
07/12/2021	Sale	316175884	184,905.65	Fidelity Institutional Money Market Fund 696	184,905.65	0.00	184,905.65
07/14/2021	Interest	02665WCJ8	225,000.00	American Honda Finance Note 3.45% Due 7/14/2023	0.00	3,881.25	3,881.25
07/14/2021	Maturity	3130A8QS5	1,085,000.00	FHLB Note 1.125% Due 7/14/2021	1,085,000.00	6,103.13	1,091,103.13
07/15/2021	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,360.01	362.22	6,722.23
07/15/2021	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,123.56	762.76	22,886.32
07/15/2021	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	0.00	93.33	93.33
07/15/2021	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,474.89	191.33	7,666.22
07/15/2021	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
07/15/2021	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,500.40	421.67	11,922.07
07/15/2021	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,429.06	1,576.16	27,005.22
07/15/2021	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	9,173.19	107.92	9,281.11
07/15/2021	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83
07/15/2021	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,770.25	171.03	3,941.28
07/15/2021	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	44,505.62	756.06	45,261.68
07/15/2021	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	0.00	91.38	91.38

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/15/2021	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,048.76	269.82	7,318.58
07/15/2021	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
07/17/2021	Interest	24422EVN6	640,000.00	John Deere Capital Corp Note 0.45% Due 1/17/2024	0.00	1,064.00	1,064.00
07/18/2021	Interest	4581X0CW6	1,275,000.00	Inter-American Dev Bank Note 2.125% Due 1/18/2022	0.00	13,546.88	13,546.88
07/18/2021	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	0.00	143.38	143.38
07/19/2021	Interest	3135G0T94	625,000.00	FNMA Note 2.375% Due 1/19/2023	0.00	7,421.88	7,421.88
07/20/2021	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,648.70	254.58	14,903.28
07/20/2021	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,172.52	598.17	10,770.69
07/21/2021	Interest	90331HPL1	955,000.00	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	0.00	9,788.75	9,788.75
07/21/2021	Interest	3137EAEU9	1,800,000.00	FHLMC Note 0.375% Due 7/21/2025	0.00	3,375.01	3,375.01
07/21/2021	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
07/21/2021	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,385.48	202.04	5,587.52
07/25/2021	Interest	808513AT2	750,000.00	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	0.00	9,937.50	9,937.50
07/28/2021	Interest	69353RFE3	890,000.00	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	0.00	10,902.50	10,902.50
<b>JUL 2021</b>					<b>1,252,592.44</b>	<b>87,759.88</b>	<b>1,340,352.32</b>
08/08/2021	Maturity	594918BP8	590,000.00	Microsoft Callable Note Cont 7/8/2021 1.55% Due 8/8/2021	590,000.00	4,572.50	594,572.50
08/09/2021	Interest	69371RP59	760,000.00	Paccar Financial Corp Note 3.4% Due 8/9/2023	0.00	12,920.00	12,920.00



## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
08/11/2021	Interest	06406RAJ6	250,000.00	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	0.00	4,312.50	4,312.50
08/12/2021	Interest	3137EAEPO	1,920,000.00	FHLMC Note 1.5% Due 2/12/2025	0.00	14,400.00	14,400.00
08/15/2021	Interest	69371RQ25	195,000.00	Paccar Financial Corp Note 2.15% Due 8/15/2024	0.00	2,096.25	2,096.25
08/15/2021	Interest	912828B66	1,500,000.00	US Treasury Note 2.75% Due 2/15/2024	0.00	20,625.00	20,625.00
08/15/2021	Interest	912828D56	1,500,000.00	US Treasury Note 2.375% Due 8/15/2024	0.00	17,812.50	17,812.50
08/15/2021	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,373.27	350.50	6,723.77
08/15/2021	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	0.00	91.38	91.38
08/15/2021	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,082.83	252.43	7,335.26
08/15/2021	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
08/15/2021	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,486.27	1,535.27	27,021.54
08/15/2021	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	9,149.95	105.24	9,255.19
08/15/2021	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,479.99	186.23	7,666.22
08/15/2021	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	43,017.72	690.04	43,707.76
08/15/2021	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
08/15/2021	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,788.48	161.35	3,949.83
08/15/2021	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,532.03	411.12	11,943.15
08/15/2021	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
08/15/2021	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,175.92	709.11	22,885.03
08/15/2021	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	0.00	93.33	93.33
08/18/2021	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	0.00	143.38	143.38
08/20/2021	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,195.41	581.72	10,777.13
08/20/2021	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,654.43	248.85	14,903.28
08/21/2021	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
08/21/2021	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,398.72	188.80	5,587.52
08/24/2021	Interest	3137EAEV7	1,025,000.00	FHLMC Note 0.25% Due 8/24/2023	0.00	1,281.25	1,281.25
08/25/2021	Interest	3135G05X7	1,800,000.00	FNMA Note 0.375% Due 8/25/2025	0.00	3,375.00	3,375.00
08/31/2021	Interest	912828J43	1,360,000.00	US Treasury Note 1.75% Due 2/28/2022	0.00	11,900.00	11,900.00
08/31/2021	Interest	912828ZC7	2,000,000.00	US Treasury Note 1.125% Due 2/28/2025	0.00	11,250.00	11,250.00
08/31/2021	Interest	912828L24	1,000,000.00	US Treasury Note 1.875% Due 8/31/2022	0.00	9,375.00	9,375.00
<b>AUG 2021</b>					<b>756,335.02</b>	<b>120,171.50</b>	<b>876,506.52</b>
09/05/2021	Interest	06051GHF9	1,100,000.00	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	0.00	19,525.00	19,525.00
09/06/2021	Interest	24422ETG4	650,000.00	John Deere Capital Corp Note 2.8% Due 3/6/2023	0.00	9,100.00	9,100.00
09/08/2021	Interest	3130AB3H7	1,500,000.00	FHLB Note 2.375% Due 3/8/2024	0.00	17,812.50	17,812.50
09/08/2021	Interest	313383YJ4	1,200,000.00	FHLB Note 3.375% Due 9/8/2023	0.00	20,250.00	20,250.00

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
09/11/2021	Interest	89114QCB2	1,100,000.00	Toronto Dominion Bank Note 3.25% Due 3/11/2024	0.00	17,875.00	17,875.00
09/12/2021	Interest	3135G0U43	1,500,000.00	FNMA Note 2.875% Due 9/12/2023	0.00	21,562.50	21,562.50
09/13/2021	Interest	3130A2UW4	1,200,000.00	FHLB Note 2.875% Due 9/13/2024	0.00	17,250.00	17,250.00
09/14/2021	Interest	4581X0CZ9	800,000.00	Inter-American Dev Bank Note 1.75% Due 9/14/2022	0.00	7,000.00	7,000.00
09/15/2021	Interest	91282CBR1	950,000.00	US Treasury Note 0.25% Due 3/15/2024	0.00	1,187.50	1,187.50
09/15/2021	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,485.11	181.11	7,666.22
09/15/2021	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,386.55	338.76	6,725.31
09/15/2021	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,563.74	400.55	11,964.29
09/15/2021	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	9,126.44	102.57	9,229.01
09/15/2021	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
09/15/2021	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
09/15/2021	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,228.40	655.33	22,883.73
09/15/2021	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	0.00	93.33	93.33
09/15/2021	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,543.61	1,494.28	27,037.89
09/15/2021	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	41,526.20	626.24	42,152.44
09/15/2021	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,806.78	151.63	3,958.41
09/15/2021	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
09/15/2021	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	0.00	91.38	91.38
09/15/2021	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,117.06	234.96	7,352.02
09/18/2021	Interest	808513BN4	530,000.00	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	0.00	1,987.50	1,987.50
09/18/2021	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	0.00	143.38	143.38
09/20/2021	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,218.35	565.24	10,783.59
09/20/2021	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,660.17	243.11	14,903.28
09/21/2021	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
09/21/2021	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,411.99	175.53	5,587.52
09/23/2021	Interest	3137EAEX3	1,805,000.00	FHLMC Note 0.375% Due 9/23/2025	0.00	3,384.38	3,384.38
09/30/2021	Interest	91282CAM3	1,900,000.00	US Treasury Note 0.25% Due 9/30/2025	0.00	2,375.00	2,375.00
09/30/2021	Interest	912828L57	1,240,000.00	US Treasury Note 1.75% Due 9/30/2022	0.00	10,850.00	10,850.00
<b>SEP 2021</b>					<b>165,074.40</b>	<b>156,159.53</b>	<b>321,233.93</b>
10/01/2021	Interest	13063DRK6	900,000.00	California State Taxable GO 2.4% Due 10/1/2024	0.00	10,800.00	10,800.00
10/06/2021	Interest	89236TJD8	275,000.00	Toyota Motor Credit Corp Note 0.4% Due 4/6/2023	0.00	540.83	540.83
10/10/2021	Interest	02665WCQ2	750,000.00	American Honda Finance Note 3.625% Due 10/10/2023	0.00	13,593.75	13,593.75
10/12/2021	Maturity	3130AF5B9	1,350,000.00	FHLB Note 3% Due 10/12/2021	1,350,000.00	20,250.00	1,370,250.00
10/15/2021	Interest	3135G0W66	1,755,000.00	FNMA Note 1.625% Due 10/15/2024	0.00	14,259.38	14,259.38

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
10/15/2021	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	0.00	91.38	91.38
10/15/2021	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,601.09	1,453.19	27,054.28
10/15/2021	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,151.47	217.40	7,368.87
10/15/2021	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
10/15/2021	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	40,031.08	564.64	40,595.72
10/15/2021	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,490.22	176.00	7,666.22
10/15/2021	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83
10/15/2021	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,825.19	141.85	3,967.04
10/15/2021	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,595.54	389.95	11,985.49
10/15/2021	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	9,102.67	99.91	9,202.58
10/15/2021	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,399.85	327.00	6,726.85
10/15/2021	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
10/15/2021	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,281.01	601.43	22,882.44
10/15/2021	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	0.00	93.33	93.33
10/18/2021	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	0.00	143.38	143.38
10/20/2021	Interest	4581X0DV7	1,915,000.00	Inter-American Dev Bank Note 0.875% Due 4/20/2026	0.00	8,378.13	8,378.13
10/20/2021	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,241.34	548.72	10,790.06

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
10/20/2021	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,665.92	237.36	14,903.28
10/21/2021	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
10/21/2021	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,425.29	162.23	5,587.52
10/22/2021	Interest	3135G03U5	1,510,000.00	FNMA Note 0.625% Due 4/22/2025	0.00	4,718.75	4,718.75
10/22/2021	Interest	46647PBK1	312,000.00	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 4/22/2026	0.00	3,249.48	3,249.48
10/28/2021	Interest	459058JL8	945,000.00	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	0.00	2,362.50	2,362.50
10/28/2021	Interest	06406RAG2	800,000.00	Bank of NY Mellon Corp Note 3.5% Due 4/28/2023	0.00	14,000.00	14,000.00
10/31/2021	Interest	912828T91	1,500,000.00	US Treasury Note 1.625% Due 10/31/2023	0.00	12,187.50	12,187.50
10/31/2021	Interest	912828X70	1,000,000.00	US Treasury Note 2% Due 4/30/2024	0.00	10,000.00	10,000.00
10/31/2021	Interest	91282CAT8	1,900,000.00	US Treasury Note 0.25% Due 10/31/2025	0.00	2,375.00	2,375.00
10/31/2021	Interest	9128283D0	1,500,000.00	US Treasury Note 2.25% Due 10/31/2024	0.00	16,875.00	16,875.00
10/31/2021	Maturity	912828F96	200,000.00	US Treasury Note 2% Due 10/31/2021	200,000.00	2,000.00	202,000.00
<b>OCT 2021</b>					<b>1,713,810.67</b>	<b>141,340.84</b>	<b>1,855,151.51</b>
11/01/2021	Interest	78015K7C2	1,100,000.00	Royal Bank of Canada Note 2.25% Due 11/1/2024	0.00	12,375.00	12,375.00
11/03/2021	Interest	037833AK6	900,000.00	Apple Inc Note 2.4% Due 5/3/2023	0.00	10,800.00	10,800.00
11/05/2021	Interest	3137EAER6	1,660,000.00	FHLMC Note 0.375% Due 5/5/2023	0.00	3,112.50	3,112.50
11/07/2021	Interest	3135G06G3	1,825,000.00	FNMA Note 0.5% Due 11/7/2025	0.00	4,562.50	4,562.50

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
11/08/2021	Interest	14913Q3B3	1,100,000.00	Caterpillar Finl Service Note 2.15% Due 11/8/2024	0.00	11,825.00	11,825.00
11/12/2021	Interest	023135BX3	1,455,000.00	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due 5/12/2026	0.00	7,275.00	7,275.00
11/15/2021	Interest	91324PEC2	240,000.00	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 5/15/2026	0.00	1,349.34	1,349.34
11/15/2021	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	38,532.35	505.26	39,037.61
11/15/2021	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	0.00	91.38	91.38
11/15/2021	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,186.03	199.76	7,385.79
11/15/2021	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,413.18	315.22	6,728.40
11/15/2021	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,333.74	547.40	22,881.14
11/15/2021	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	0.00	93.33	93.33
11/15/2021	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,495.34	170.88	7,666.22
11/15/2021	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
11/15/2021	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,627.43	379.32	12,006.75
11/15/2021	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,658.69	1,412.02	27,070.71
11/15/2021	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	9,078.63	97.26	9,175.89
11/15/2021	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
11/15/2021	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
11/15/2021	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,843.67	132.04	3,975.71
11/18/2021	Interest	404280BS7	1,100,000.00	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 5/18/2024	0.00	21,725.00	21,725.00
11/18/2021	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	0.00	143.38	143.38
11/20/2021	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,264.39	532.16	10,796.55
11/20/2021	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,671.66	231.62	14,903.28
11/21/2021	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
11/21/2021	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,438.63	148.89	5,587.52
11/27/2021	Interest	3135G06H1	1,610,000.00	FNMA Note 0.25% Due 11/27/2023	0.00	2,012.50	2,012.50
11/30/2021	Interest	91282CAZ4	1,350,000.00	US Treasury Note 0.375% Due 11/30/2025	0.00	2,531.25	2,531.25
<b>NOV 2021</b>					<b>162,543.74</b>	<b>83,070.76</b>	<b>245,614.50</b>
12/01/2021	Interest	46647PCH7	985,000.00	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	0.00	4,058.20	4,058.20
12/08/2021	Interest	3130A0F70	1,075,000.00	FHLB Note 3.375% Due 12/8/2023	0.00	18,140.63	18,140.63
12/09/2021	Interest	3130A3KM5	775,000.00	FHLB Note 2.5% Due 12/9/2022	0.00	9,687.50	9,687.50
12/14/2021	Interest	3130A1XJ2	1,500,000.00	FHLB Note 2.875% Due 6/14/2024	0.00	21,562.51	21,562.51
12/15/2021	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,426.54	303.41	6,729.95
12/15/2021	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	0.00	91.38	91.38
12/15/2021	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,220.76	182.04	7,402.80



## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
12/15/2021	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
12/15/2021	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83
12/15/2021	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,386.60	493.24	22,879.84
12/15/2021	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	0.00	93.33	93.33
12/15/2021	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,716.42	1,370.75	27,087.17
12/15/2021	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,500.46	165.76	7,666.22
12/15/2021	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	37,029.99	448.10	37,478.09
12/15/2021	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
12/15/2021	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,862.25	122.17	3,984.42
12/15/2021	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,659.40	368.67	12,028.07
12/15/2021	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	9,054.34	94.61	9,148.95
12/17/2021	Interest	3135G04Z3	1,800,000.00	FNMA Note 0.5% Due 6/17/2025	0.00	4,500.00	4,500.00
12/18/2021	Interest	89236TJK2	995,000.00	Toyota Motor Credit Corp Note 1.125% Due 6/18/2026	0.00	5,596.88	5,596.88
12/18/2021	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	0.00	143.38	143.38
12/19/2021	Interest	06051GJD2	475,000.00	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 6/19/2026	0.00	3,132.63	3,132.63
12/19/2021	Interest	3137EAEN5	1,200,000.00	FHLMC Note 2.75% Due 6/19/2023	0.00	16,500.00	16,500.00
12/20/2021	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,287.48	515.57	10,803.05

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
12/20/2021	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,677.41	225.87	14,903.28
12/21/2021	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
12/21/2021	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,452.00	135.52	5,587.52
12/23/2021	Interest	46647PCK0	470,000.00	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 6/23/2025	0.00	2,277.16	2,277.16
12/26/2021	Interest	931142EK5	904,000.00	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	0.00	15,368.00	15,368.00
12/31/2021	Interest	912828V23	1,250,000.00	US Treasury Note 2.25% Due 12/31/2023	0.00	14,062.50	14,062.50
12/31/2021	Interest	912828N30	1,150,000.00	US Treasury Note 2.125% Due 12/31/2022	0.00	12,218.75	12,218.75
12/31/2021	Interest	912828XX3	1,450,000.00	US Treasury Note 2% Due 6/30/2024	0.00	14,500.00	14,500.00
12/31/2021	Interest	912828XG0	1,100,000.00	US Treasury Note 2.125% Due 6/30/2022	0.00	11,687.50	11,687.50
<b>DEC 2021</b>					<b>161,273.65</b>	<b>158,548.81</b>	<b>319,822.46</b>
01/07/2022	Interest	3135G0X24	1,875,000.00	FNMA Note 1.625% Due 1/7/2025	0.00	15,234.38	15,234.38
01/14/2022	Interest	02665WCJ8	225,000.00	American Honda Finance Note 3.45% Due 7/14/2023	0.00	3,881.25	3,881.25
01/15/2022	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,439.93	291.57	6,731.50
01/15/2022	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,439.58	438.95	22,878.53
01/15/2022	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	0.00	93.33	93.33
01/15/2022	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,255.66	164.23	7,419.89
01/15/2022	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
01/15/2022	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
01/15/2022	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,880.92	112.26	3,993.18
01/15/2022	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	0.00	91.38	91.38
01/15/2022	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
01/15/2022	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,505.59	160.63	7,666.22
01/15/2022	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	35,524.00	393.17	35,917.17
01/15/2022	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,691.46	357.98	12,049.44
01/15/2022	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,774.28	1,329.39	27,103.67
01/15/2022	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	9,029.77	91.97	9,121.74
01/17/2022	Interest	24422EVN6	640,000.00	John Deere Capital Corp Note 0.45% Due 1/17/2024	0.00	1,440.00	1,440.00
01/18/2022	Maturity	4581X0CW6	1,275,000.00	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,275,000.00	13,546.88	1,288,546.88
01/18/2022	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	0.00	143.38	143.38
01/19/2022	Interest	3135G0T94	625,000.00	FNMA Note 2.375% Due 1/19/2023	0.00	7,421.88	7,421.88
01/20/2022	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,310.62	498.94	10,809.56
01/20/2022	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,683.15	220.13	14,903.28
01/21/2022	Interest	3137EAEU9	1,800,000.00	FHLMC Note 0.375% Due 7/21/2025	0.00	3,375.01	3,375.01
01/21/2022	Interest	90331HPL1	955,000.00	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	0.00	9,788.75	9,788.75

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
01/21/2022	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
01/21/2022	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,465.40	122.12	5,587.52
01/25/2022	Interest	808513AT2	750,000.00	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	0.00	9,937.50	9,937.50
01/28/2022	Interest	69353RFE3	890,000.00	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	0.00	10,902.50	10,902.50
<b>JAN 2022</b>					<b>1,435,000.36</b>	<b>80,540.33</b>	<b>1,515,540.69</b>
02/09/2022	Interest	69371RP59	760,000.00	Paccar Financial Corp Note 3.4% Due 8/9/2023	0.00	12,920.00	12,920.00
02/11/2022	Interest	06406RAJ6	250,000.00	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	0.00	4,312.50	4,312.50
02/12/2022	Interest	3137EAEPO	1,920,000.00	FHLMC Note 1.5% Due 2/12/2025	0.00	14,400.00	14,400.00
02/15/2022	Interest	69371RQ25	195,000.00	Paccar Financial Corp Note 2.15% Due 8/15/2024	0.00	2,096.25	2,096.25
02/15/2022	Interest	912828B66	1,500,000.00	US Treasury Note 2.75% Due 2/15/2024	0.00	20,625.00	20,625.00
02/15/2022	Interest	912828D56	1,500,000.00	US Treasury Note 2.375% Due 8/15/2024	0.00	17,812.50	17,812.50
02/15/2022	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,832.27	1,287.94	27,120.21
02/15/2022	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83
02/15/2022	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,492.69	384.53	22,877.22
02/15/2022	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	24,495.80	93.33	24,589.13
02/15/2022	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,290.73	146.33	7,437.06
02/15/2022	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,453.34	279.71	6,733.05

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
02/15/2022	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	0.00	91.38	91.38
02/15/2022	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
02/15/2022	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	34,014.36	340.48	34,354.84
02/15/2022	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
02/15/2022	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	9,004.95	89.33	9,094.28
02/15/2022	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,510.71	155.51	7,666.22
02/15/2022	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,899.68	102.30	4,001.98
02/15/2022	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,723.62	347.26	12,070.88
02/18/2022	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	0.00	143.38	143.38
02/20/2022	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,688.91	214.37	14,903.28
02/20/2022	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,333.82	482.27	10,816.09
02/21/2022	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
02/21/2022	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,478.84	108.68	5,587.52
02/24/2022	Interest	3137EAEV7	1,025,000.00	FHLMC Note 0.25% Due 8/24/2023	0.00	1,281.25	1,281.25
02/25/2022	Interest	3135G05X7	1,800,000.00	FNMA Note 0.375% Due 8/25/2025	0.00	3,375.00	3,375.00
02/28/2022	Interest	912828L24	1,000,000.00	US Treasury Note 1.875% Due 8/31/2022	0.00	9,375.00	9,375.00
02/28/2022	Interest	912828ZC7	2,000,000.00	US Treasury Note 1.125% Due 2/28/2025	0.00	11,250.00	11,250.00

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
02/28/2022	Maturity	912828J43	1,360,000.00	US Treasury Note 1.75% Due 2/28/2022	1,360,000.00	11,900.00	1,371,900.00
<b>FEB 2022</b>					<b>1,543,219.72</b>	<b>114,117.05</b>	<b>1,657,336.77</b>
03/05/2022	Interest	06051GHF9	1,100,000.00	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	0.00	19,525.00	19,525.00
03/06/2022	Interest	24422ETG4	650,000.00	John Deere Capital Corp Note 2.8% Due 3/6/2023	0.00	9,100.00	9,100.00
03/08/2022	Interest	3130AB3H7	1,500,000.00	FHLB Note 2.375% Due 3/8/2024	0.00	17,812.50	17,812.50
03/08/2022	Interest	313383YJ4	1,200,000.00	FHLB Note 3.375% Due 9/8/2023	0.00	20,250.00	20,250.00
03/11/2022	Interest	89114QCB2	1,100,000.00	Toronto Dominion Bank Note 3.25% Due 3/11/2024	0.00	17,875.00	17,875.00
03/12/2022	Interest	3135G0U43	1,500,000.00	FNMA Note 2.875% Due 9/12/2023	0.00	21,562.50	21,562.50
03/13/2022	Interest	3130A2UW4	1,200,000.00	FHLB Note 2.875% Due 9/13/2024	0.00	17,250.00	17,250.00
03/14/2022	Interest	4581X0CZ9	800,000.00	Inter-American Dev Bank Note 1.75% Due 9/14/2022	0.00	7,000.00	7,000.00
03/15/2022	Interest	91282CBR1	950,000.00	US Treasury Note 0.25% Due 3/15/2024	0.00	1,187.50	1,187.50
03/15/2022	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83
03/15/2022	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
03/15/2022	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	9,307.61	91.38	9,398.99
03/15/2022	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	32,501.07	290.03	32,791.10
03/15/2022	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,545.92	329.99	22,875.91
03/15/2022	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	24,284.79	85.17	24,369.96

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
03/15/2022	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,890.40	1,246.39	27,136.79
03/15/2022	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,325.98	128.34	7,454.32
03/15/2022	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,918.52	92.29	4,010.81
03/15/2022	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,515.85	150.37	7,666.22
03/15/2022	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,466.79	267.82	6,734.61
03/15/2022	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,755.86	336.51	12,092.37
03/15/2022	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	8,979.83	86.71	9,066.54
03/15/2022	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
03/18/2022	Interest	808513BN4	530,000.00	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	0.00	1,987.50	1,987.50
03/18/2022	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	22,074.66	143.38	22,218.04
03/20/2022	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,357.08	465.56	10,822.64
03/20/2022	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,694.66	208.62	14,903.28
03/21/2022	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
03/21/2022	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,492.31	95.21	5,587.52
03/23/2022	Interest	3137EAEX3	1,805,000.00	FHLMC Note 0.375% Due 9/23/2025	0.00	3,384.38	3,384.38
03/31/2022	Interest	91282CAM3	1,900,000.00	US Treasury Note 0.25% Due 9/30/2025	0.00	2,375.00	2,375.00
03/31/2022	Interest	912828L57	1,240,000.00	US Treasury Note 1.75% Due 9/30/2022	0.00	10,850.00	10,850.00

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
<b>MAR 2022</b>					<b>213,111.33</b>	<b>154,679.90</b>	<b>367,791.23</b>
04/01/2022	Interest	13063DRK6	900,000.00	California State Taxable GO 2.4% Due 10/1/2024	0.00	10,800.00	10,800.00
04/06/2022	Interest	89236TJD8	275,000.00	Toyota Motor Credit Corp Note 0.4% Due 4/6/2023	0.00	550.00	550.00
04/10/2022	Interest	02665WCQ2	750,000.00	American Honda Finance Note 3.625% Due 10/10/2023	0.00	13,593.75	13,593.75
04/15/2022	Interest	3135G0W66	1,755,000.00	FNMA Note 1.625% Due 10/15/2024	0.00	14,259.38	14,259.38
04/15/2022	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	30,984.12	241.82	31,225.94
04/15/2022	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
04/15/2022	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	9,311.26	87.42	9,398.68
04/15/2022	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	25,948.64	1,204.76	27,153.40
04/15/2022	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
04/15/2022	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,599.27	275.32	22,874.59
04/15/2022	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	24,073.69	77.07	24,150.76
04/15/2022	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,361.38	110.27	7,471.65
04/15/2022	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,480.26	255.92	6,736.18
04/15/2022	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,788.18	325.74	12,113.92
04/15/2022	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	8,954.46	84.09	9,038.55
04/15/2022	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,520.98	145.24	7,666.22



## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
04/15/2022	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83
04/15/2022	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,937.47	82.23	4,019.70
04/18/2022	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	22,081.47	136.57	22,218.04
04/20/2022	Interest	4581X0DV7	1,915,000.00	Inter-American Dev Bank Note 0.875% Due 4/20/2026	0.00	8,378.13	8,378.13
04/20/2022	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,700.41	202.87	14,903.28
04/20/2022	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,380.38	448.82	10,829.20
04/21/2022	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
04/21/2022	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,505.81	81.71	5,587.52
04/22/2022	Interest	3135G03U5	1,510,000.00	FNMA Note 0.625% Due 4/22/2025	0.00	4,718.75	4,718.75
04/22/2022	Interest	46647PBK1	312,000.00	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 4/22/2026	0.00	3,249.48	3,249.48
04/28/2022	Interest	06406RAG2	800,000.00	Bank of NY Mellon Corp Note 3.5% Due 4/28/2023	0.00	14,000.00	14,000.00
04/28/2022	Interest	459058JL8	945,000.00	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	0.00	2,362.50	2,362.50
04/30/2022	Interest	9128283D0	1,500,000.00	US Treasury Note 2.25% Due 10/31/2024	0.00	16,875.00	16,875.00
04/30/2022	Interest	912828T91	1,500,000.00	US Treasury Note 1.625% Due 10/31/2023	0.00	12,187.50	12,187.50
04/30/2022	Interest	912828X70	1,000,000.00	US Treasury Note 2% Due 4/30/2024	0.00	10,000.00	10,000.00
04/30/2022	Interest	91282CAT8	1,900,000.00	US Treasury Note 0.25% Due 10/31/2025	0.00	2,375.00	2,375.00
<b>APR 2022</b>					<b>211,627.78</b>	<b>117,612.09</b>	<b>329,239.87</b>

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
05/01/2022	Interest	78015K7C2	1,100,000.00	Royal Bank of Canada Note 2.25% Due 11/1/2024	0.00	12,375.00	12,375.00
05/03/2022	Interest	037833AK6	900,000.00	Apple Inc Note 2.4% Due 5/3/2023	0.00	10,800.00	10,800.00
05/05/2022	Interest	3137EAER6	1,660,000.00	FHLMC Note 0.375% Due 5/5/2023	0.00	3,112.50	3,112.50
05/07/2022	Interest	3135G06G3	1,825,000.00	FNMA Note 0.5% Due 11/7/2025	0.00	4,562.50	4,562.50
05/08/2022	Interest	14913Q3B3	1,100,000.00	Caterpillar Finl Service Note 2.15% Due 11/8/2024	0.00	11,825.00	11,825.00
05/12/2022	Interest	023135BX3	1,455,000.00	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due 5/12/2026	0.00	7,275.00	7,275.00
05/15/2022	Interest	91324PEC2	240,000.00	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 5/15/2026	0.00	1,380.00	1,380.00
05/15/2022	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,526.12	140.10	7,666.22
05/15/2022	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	29,463.52	195.86	29,659.38
05/15/2022	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	9,314.91	83.46	9,398.37
05/15/2022	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,820.60	314.93	12,135.53
05/15/2022	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	26,007.03	1,163.02	27,170.05
05/15/2022	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	8,928.80	81.48	9,010.28
05/15/2022	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	0.00	175.50	175.50
05/15/2022	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	0.00	148.83	148.83
05/15/2022	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
05/15/2022	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,956.50	72.12	4,028.62
05/15/2022	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,493.76	243.98	6,737.74
05/15/2022	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,652.76	220.51	22,873.27
05/15/2022	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	23,862.47	69.05	23,931.52
05/15/2022	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,396.96	92.12	7,489.08
05/18/2022	Interest	404280BS7	1,100,000.00	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 5/18/2024	0.00	21,725.00	21,725.00
05/18/2022	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	22,088.28	129.76	22,218.04
05/20/2022	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,403.73	432.04	10,835.77
05/20/2022	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,706.17	197.11	14,903.28
05/21/2022	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
05/21/2022	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,519.34	68.18	5,587.52
05/27/2022	Interest	3135G06H1	1,610,000.00	FNMA Note 0.25% Due 11/27/2023	0.00	2,012.50	2,012.50
05/31/2022	Interest	91282CAZ4	1,350,000.00	US Treasury Note 0.375% Due 11/30/2025	0.00	2,531.25	2,531.25
<b>MAY 2022</b>					<b>210,140.95</b>	<b>81,605.22</b>	<b>291,746.17</b>
06/01/2022	Interest	46647PCH7	985,000.00	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	0.00	4,058.20	4,058.20
06/08/2022	Interest	3130A0F70	1,075,000.00	FHLB Note 3.375% Due 12/8/2023	0.00	18,140.63	18,140.63
06/09/2022	Interest	3130A3KM5	775,000.00	FHLB Note 2.5% Due 12/9/2022	0.00	9,687.50	9,687.50

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
06/14/2022	Interest	3130A1XJ2	1,500,000.00	FHLB Note 2.875% Due 6/14/2024	0.00	21,562.51	21,562.51
06/15/2022	Paydown	477870AC3	196,677.83	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	6,507.29	232.02	6,739.31
06/15/2022	Paydown	47787NAC3	215,000.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	9,318.56	79.50	9,398.06
06/15/2022	Paydown	89240BAC2	810,000.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	36,692.70	175.50	36,868.20
06/15/2022	Paydown	43813DAC2	280,000.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	7,531.27	134.95	7,666.22
06/15/2022	Paydown	47788EAC2	66,633.54	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	3,975.62	61.97	4,037.59
06/15/2022	Paydown	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	11,853.11	304.10	12,157.21
06/15/2022	Paydown	89236XAC0	370,000.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	8,902.88	78.87	8,981.75
06/15/2022	Paydown	43815NAC8	509,704.46	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	27,939.24	152.15	28,091.39
06/15/2022	Paydown	44933LAC7	400,000.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	0.00	126.67	126.67
06/15/2022	Paydown	65479JAD5	980,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	26,065.55	1,121.19	27,186.74
06/15/2022	Paydown	44891RAC4	470,000.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	22,299.00	148.83	22,447.83
06/15/2022	Paydown	47789JAD8	314,539.91	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	22,706.37	165.58	22,871.95
06/15/2022	Paydown	58769EAC2	280,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	23,651.16	61.09	23,712.25
06/15/2022	Paydown	89238TAD5	109,384.72	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	7,432.71	73.87	7,506.58
06/17/2022	Interest	3135G04Z3	1,800,000.00	FNMA Note 0.5% Due 6/17/2025	0.00	4,500.00	4,500.00
06/18/2022	Interest	89236TJK2	995,000.00	Toyota Motor Credit Corp Note 1.125% Due 6/18/2026	0.00	5,596.88	5,596.88

## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
06/18/2022	Paydown	43813KAC6	465,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	22,095.09	122.95	22,218.04
06/19/2022	Interest	06051GJD2	475,000.00	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 6/19/2026	0.00	3,132.63	3,132.63
06/19/2022	Interest	3137EAEN5	1,200,000.00	FHLMC Note 2.75% Due 6/19/2023	0.00	16,500.00	16,500.00
06/20/2022	Paydown	92348AAA3	370,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	10,427.14	415.22	10,842.36
06/20/2022	Paydown	92290BAA9	650,000.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	14,711.93	191.35	14,903.28
06/21/2022	Paydown	43813GAC5	230,000.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	0.00	51.75	51.75
06/21/2022	Paydown	43815HAC1	82,187.16	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	5,532.91	54.61	5,587.52
06/23/2022	Interest	46647PCK0	470,000.00	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 6/23/2025	0.00	2,277.16	2,277.16
06/26/2022	Interest	931142EK5	904,000.00	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	0.00	15,368.00	15,368.00
06/30/2022	Interest	912828N30	1,150,000.00	US Treasury Note 2.125% Due 12/31/2022	0.00	12,218.75	12,218.75
06/30/2022	Interest	912828XX3	1,450,000.00	US Treasury Note 2% Due 6/30/2024	0.00	14,500.00	14,500.00
06/30/2022	Interest	912828V23	1,250,000.00	US Treasury Note 2.25% Due 12/31/2023	0.00	14,062.50	14,062.50
06/30/2022	Maturity	912828XG0	1,100,000.00	US Treasury Note 2.125% Due 6/30/2022	1,100,000.00	11,687.50	1,111,687.50
<b>JUN 2022</b>					<b>1,367,642.53</b>	<b>157,044.43</b>	<b>1,524,686.96</b>
<b>TOTAL</b>					<b>9,192,372.59</b>	<b>1,452,650.34</b>	<b>10,645,022.93</b>

## Book Value Report

As of June 30, 2021



MIG	Book Value	12 Months or Less	13 to 24 Months	25 to 60 Months	Total Holdings
ABS	\$7,266,795.18	\$1,087,236.15	\$5,779,598.69	\$399,960.34	\$7,266,795.18
Agency	\$33,510,900.93	\$2,435,259.86	\$4,250,552.04	\$26,825,089.03	\$33,510,900.93
Corporate	\$20,581,534.06	\$1,479,968.21	\$6,527,140.48	\$12,574,425.37	\$20,581,534.06
Money Market Fund	\$615,711.15	\$615,711.15	\$0.00	\$0.00	\$615,711.15
Municipal Bonds	\$913,613.93	\$0.00	\$0.00	\$913,613.93	\$913,613.93
Supranational	\$4,919,097.30	\$1,274,827.37	\$794,128.68	\$2,850,141.25	\$4,919,097.30
US Treasury	\$23,933,817.71	\$2,659,944.61	\$3,381,189.91	\$17,892,683.19	\$23,933,817.71
<b>TOTAL</b>	<b>\$91,741,470.26</b>	<b>\$9,552,947.35</b>	<b>\$20,732,609.80</b>	<b>\$61,455,913.11</b>	<b>\$91,741,470.26</b>



Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at [www.chandlerasset.com](http://www.chandlerasset.com).

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

**Custody:** Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

**Valuation:** Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

**Performance:** Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE PERMITS USE OF THE ICE INDICES AND RELATED DATA ON AN "AS IS" BASIS; ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS GUARANTEE THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND LICENSEE'S USE IS AT LICENSEE'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND CHANDLER, OR ANY OF ITS PRODUCTS OR SERVICES.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

**Ratings:** Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Benchmark Index	Disclosure
ICE BAML 1-5 Yr US Treasury/Agency Index*	<p>The ICE BAML 1-5 Year US Treasury &amp; Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&amp;P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit <a href="http://www.mlindex.ml.com">www.mlindex.ml.com</a> for more information)</p> <p>The ICE BAML US 1-Year Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: GOO3. Please visit <a href="http://www.mlindex.ml.com">www.mlindex.ml.com</a> for more information)</p>
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	<p>The ICE BAML US Issuers 1-5 Year AAA-A US Corporate &amp; Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&amp;P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: GU10. Please visit <a href="http://www.mlindex.ml.com">www.mlindex.ml.com</a> for more information)</p>



02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

Attachment A



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 2 of 27  
Period from June 1, 2021 to June 30, 2021

## TABLE OF CONTENTS

Schedule	Page
Market And Cost Reconciliation .....	3
Cash Reconciliation .....	4
Asset Summary.....	5
Asset Detail .....	6
Income Accrual Detail .....	13
Investment Activity .....	16
Plan Expenses .....	18
Other Activity .....	19
Purchases .....	20
Sales And Maturities .....	22
Bond Summary .....	23
Bond Quality Schedule .....	24

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

Attachment A



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 3 of 27  
Period from June 1, 2021 to June 30, 2021

## MARKET AND COST RECONCILIATION

	06/30/2021 MARKET	06/30/2021 BOOK VALUE
<b>Beginning Market And Cost</b>	<b>10,888,174.09</b>	<b>8,753,428.98</b>
<b>Investment Activity</b>		
Interest	1,880.79	1,880.79
Dividends	14,861.67	14,861.67
Change In Unrealized Gain/Loss	98,897.21	.00
Net Accrued Income (Current-Prior)	4,059.54	4,059.54
<b>Total Investment Activity</b>	<b>119,699.21</b>	<b>20,802.00</b>
<b>Plan Expenses</b>		
Trust Fees	- 2,562.02	- 2,562.02
<b>Total Plan Expenses</b>	<b>- 2,562.02</b>	<b>- 2,562.02</b>
<b>Other Activity</b>		
Transfers Out	- 2,231.36	- 2,231.36
<b>Total Other Activity</b>	<b>- 2,231.36</b>	<b>- 2,231.36</b>
<b>Net Change In Market And Cost</b>	<b>114,905.83</b>	<b>16,008.62</b>
<b>Ending Market And Cost</b>	<b>11,003,079.92</b>	<b>8,769,437.60</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

Attachment A



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 4 of 27  
Period from June 1, 2021 to June 30, 2021

## CASH RECONCILIATION

<b>Beginning Cash</b>		<b>1,969.63</b>
<b>Investment Activity</b>		
Interest		1,880.79
Dividends		14,861.67
Cash Equivalent Purchases		- 16,769.13
Cash Equivalent Sales		4,793.38
<b>Total Investment Activity</b>		<b>4,766.71</b>
<b>Plan Expenses</b>		
Trust Fees		- 2,562.02
<b>Total Plan Expenses</b>		<b>- 2,562.02</b>
<b>Other Activity</b>		
Transfers Out		- 2,231.36
<b>Total Other Activity</b>		<b>- 2,231.36</b>
<b>Net Change In Cash</b>		<b>- 26.67</b>
<b>Ending Cash</b>		<b>1,942.96</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

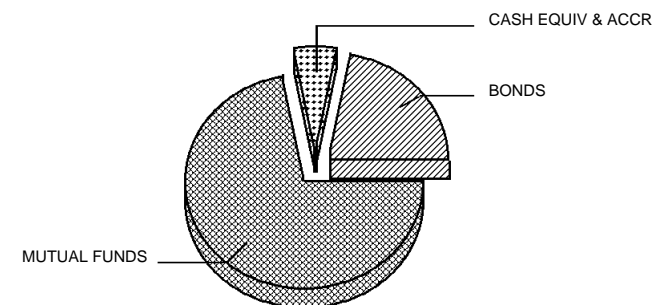


PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

## ASSET SUMMARY

ASSETS	06/30/2021 MARKET	06/30/2021 BOOK VALUE	% OF MARKET
Cash And Equivalents	511,256.13	511,256.13	4.64
Corporate Issues	2,235,818.50	2,185,891.00	20.32
Foreign Issues	210,883.00	215,911.00	1.92
Mutual Funds-Equity	7,020,553.71	4,855,198.80	63.81
Mutual Funds-Fixed Income	1,003,745.27	980,357.36	9.12
<b>Total Assets</b>	<b>10,982,256.61</b>	<b>8,748,614.29</b>	<b>99.81</b>
Accrued Income	20,823.31	20,823.31	0.19
<b>Grand Total</b>	<b>11,003,079.92</b>	<b>8,769,437.60</b>	<b>100.00</b>

Estimated Annual Income 176,272.58



## ASSET SUMMARY MESSAGES

Estimated Annual Income is an estimate provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 6 of 27  
Period from June 1, 2021 to June 30, 2021

## ASSET DETAIL

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
<b>Cash And Equivalents</b>						
<b>Money Markets</b>						
First Am Govt Ob Fd Cl Z 31846V567 Asset Minor Code 1	509,313.170	509,313.17 1.0000	509,313.17	.00 .00	8.28	0.02
<b>Total Money Markets</b>	<b>509,313.170</b>	<b>509,313.17</b>	<b>509,313.17</b>	<b>.00 .00</b>	<b>8.28</b>	<b>0.02</b>
<b>Cash</b>						
Cash		1,942.96	1,942.96			
<b>Total Cash</b>	<b>.000</b>	<b>1,942.96</b>	<b>1,942.96</b>	<b>.00 .00</b>	<b>.00</b>	<b>0.00</b>
<b>Total Cash And Equivalents</b>	<b>509,313.170</b>	<b>511,256.13</b>	<b>511,256.13</b>	<b>.00 .00</b>	<b>8.28</b>	<b>0.01</b>
<b>Corporate Issues</b>						
At T Inc 4.250% 3/01/27 Standard & Poors Rating: BBB Moody's Rating: Baa2 00206RDQ2 Asset Minor Code 28	150,000.000	170,164.50 113.4430	165,376.50	4,788.00 - 415.50	2,125.00	3.75
Apple Inc 2.850% 2/23/23 Standard & Poors Rating: AA+ Moody's Rating: Aa1 037833BU3 Asset Minor Code 28	150,000.000	155,781.00 103.8540	158,403.00	- 2,622.00 - 325.50	1,520.00	2.74

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 7 of 27  
Period from June 1, 2021 to June 30, 2021

**ASSET DETAIL (continued)**

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Bank Of America Mtn 3.194% 7/23/30 Standard & Poors Rating: A- Moody's Rating: A2 06051GHV4 Asset Minor Code 28	100,000.000	107,656.00 107.6560	110,797.00	- 3,141.00 1,246.00	1,401.81	2.97
Capital One 3.800% 1/31/28 Standard & Poors Rating: BBB Moody's Rating: Baa1 14040HBW4 Asset Minor Code 28	200,000.000	225,296.00 112.6480	228,776.00	- 3,480.00 1,020.00	3,187.78	3.37
Exxon Mobil Corp 2.709% 3/06/25 Standard & Poors Rating: AA- Moody's Rating: Aa2 30231GAF9 Asset Minor Code 28	100,000.000	106,320.00 106.3200	102,857.00	3,463.00 - 755.00	865.38	2.55
Huntington 2.625% 8/06/24 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 446150AQ7 Asset Minor Code 28	50,000.000	52,766.50 105.5330	50,542.50	2,224.00 - 215.50	528.65	2.49
Intercontinental 3.750% 12/01/25 Standard & Poors Rating: BBB+ Moody's Rating: A3 45866FAD6 Asset Minor Code 28	100,000.000	110,766.00 110.7660	104,231.00	6,535.00 - 498.00	312.50	3.39
Jp Morgan Chase Co 2.700% 5/18/23 Standard & Poors Rating: A- Moody's Rating: A2 46625HRL6 Asset Minor Code 28	75,000.000	77,979.75 103.9730	74,970.75	3,009.00 - 283.50	241.88	2.60
Keycorp Mtn 2.250% 4/06/27 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 49326EEK5 Asset Minor Code 28	150,000.000	155,313.00 103.5420	159,477.00	- 4,164.00 - 736.50	796.88	2.17

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 8 of 27  
Period from June 1, 2021 to June 30, 2021

**ASSET DETAIL (continued)**

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Kimberly Clark Corp 2.750% 2/15/26 Standard & Poors Rating: A Moody's Rating: A2 494368BU6 Asset Minor Code 28	100,000.000	108,535.00 108.5350	103,111.00	5,424.00 424.00	1,038.89	2.53
Mondelez 3.625% 2/13/26 Standard & Poors Rating: BBB Moody's Rating: Baa1 609207AR6 Asset Minor Code 28	75,000.000	82,986.00 110.6480	80,224.50	2,761.50 - 266.25	1,042.19	3.28
Nike Inc 2.375% 11/01/26 Standard & Poors Rating: AA- Moody's Rating: A1 654106AF0 Asset Minor Code 28	150,000.000	159,624.00 106.4160	144,841.00	14,783.00 - 169.50	593.75	2.23
Pnc Financial 3.500% 1/23/24 Standard & Poors Rating: A- Moody's Rating: A3 693475AV7 Asset Minor Code 28	100,000.000	107,344.00 107.3440	105,422.00	1,922.00 - 431.00	1,536.11	3.26
Pepsico Inc 2.750% 4/30/25 Standard & Poors Rating: A+ Moody's Rating: A1 713448CT3 Asset Minor Code 28	75,000.000	80,064.75 106.7530	73,932.75	6,132.00 - 573.75	349.48	2.58
Stryker Corp 3.375% 11/01/25 Standard & Poors Rating: A- Moody's Rating: Baa1 863667AH4 Asset Minor Code 28	100,000.000	109,195.00 109.1950	100,401.00	8,794.00 - 379.00	562.50	3.09
Suntrust Banks Inc 2.700% 1/27/22 Standard & Poors Rating: A- Moody's Rating: A3 867914BM4 Asset Minor Code 28	100,000.000	101,234.00 101.2340	100,346.00	888.00 - 211.00	1,155.00	2.67

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

## ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Wells Fargo Mtn 3.300% 9/09/24 Standard & Poors Rating: BBB+ Moody's Rating: A2 94974BGA2 Asset Minor Code 28	100,000.000	107,813.00 107.8130	103,890.00	3,923.00 - 621.00	1,026.67	3.06
Zimmer Holdings Inc 3.550% 4/01/25 Standard & Poors Rating: BBB Moody's Rating: Baa3 98956PAF9 Asset Minor Code 28	200,000.000	216,980.00 108.4900	218,292.00	- 1,312.00 - 988.00	1,775.00	3.27
<b>Total Corporate Issues</b>	<b>2,075,000.000</b>	<b>2,235,818.50</b>	<b>2,185,891.00</b>	<b>49,927.50 - 4,179.00</b>	<b>20,059.47</b>	<b>2.93</b>
<b>Foreign Issues</b>						
Enbridge Inc 3.125% 11/15/29 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 29250NAZ8 Asset Minor Code 35	100,000.000	107,091.00 107.0910	109,497.00	- 2,406.00 1,454.00	399.31	2.92
Shell International 2.375% 11/07/29 Standard & Poors Rating: A+ Moody's Rating: Aa2 822582CD2 Asset Minor Code 35	100,000.000	103,792.00 103.7920	106,414.00	- 2,622.00 1,166.00	356.25	2.29
<b>Total Foreign Issues</b>	<b>200,000.000</b>	<b>210,883.00</b>	<b>215,911.00</b>	<b>- 5,028.00 2,620.00</b>	<b>755.56</b>	<b>2.60</b>
<b>Mutual Funds</b>						
<b>Mutual Funds-Equity</b>						
Columbia Contrarian Core Fund 19766M709 Asset Minor Code 98	21,438.620	775,006.11 36.1500	509,645.56	265,360.55 14,149.49	.00	0.75



02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 10 of 27  
Period from June 1, 2021 to June 30, 2021

# **ASSET DETAIL (continued)**

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Dfa Large Cap Intl Port. 233203868 Asset Minor Code 98	12,559.266	342,365.59 27.2600	259,343.54	83,022.05 - 8,414.71	.00	3.97
Dodge & Cox International Stock Fund 256206103 Asset Minor Code 98	4,452.819	218,232.66 49.0100	159,342.19	58,890.47 - 3,562.25	.00	1.65
Dodge & Cox Stock Fund 256219106 Asset Minor Code 98	2,385.563	571,485.47 239.5600	407,228.23	164,257.24 - 2,814.97	.00	1.39
Harbor Capital Appreciaton CI R 411512528 Asset Minor Code 98	3,805.912	435,320.21 114.3800	280,936.17	154,384.04 32,274.13	.00	0.00
Hartford Schroders Emerging Markets 41665X859 Asset Minor Code 98	27,748.622	601,035.15 21.6600	415,596.87	185,438.28 3,329.83	.00	0.88
Ishares S P 500 Value Etf 464287408 Asset Minor Code 94	1,509.000	222,788.76 147.6400	188,363.72	34,425.04 - 3,349.98	.00	1.90
Ishares Russell Mid Cap Etf 464287499 Asset Minor Code 94	6,460.000	511,890.40 79.2400	313,433.90	198,456.50 5,878.60	.00	1.00
Mfs International Growth R6 552746356 Asset Minor Code 98	4,928.672	226,373.90 45.9300	143,907.33	82,466.57 - 542.16	.00	0.74
Price T Rowe Growth Stk Fd Inc 741479406 Asset Minor Code 98	3,825.791	429,024.20 112.1400	245,017.39	184,006.81 28,081.30	.00	0.62
Undiscovered Mgrs Behavioral Value 904504479 Asset Minor Code 98	5,829.626	479,603.33 82.2700	347,711.61	131,891.72 - 11,309.48	.00	0.77

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

**ASSET DETAIL (continued)**

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Vanguard Growth & Income Adm Shs#593 921913208 Asset Minor Code 98	13,764.727	1,487,003.46 108.0300	984,345.88	502,657.58 22,161.21	.00	1.25
Vanguard Real Estate Etf 922908553 Asset Minor Code 94	2,333.000	237,476.07 101.7900	193,949.76	43,526.31 4,456.03	.00	3.13
Victory Rs Small Cap Growth Fund 92647Q363 Asset Minor Code 98	4,649.099	482,948.40 103.8800	406,376.65	76,571.75 17,945.52	.00	0.00
<b>Total Mutual Funds-Equity</b>	<b>115,690.717</b>	<b>7,020,553.71</b>	<b>4,855,198.80</b>	<b>2,165,354.91</b> <b>98,282.56</b>	<b>.00</b>	<b>1.13</b>
<b>Mutual Funds-Fixed Income</b>						
P I M C O High Yield Fund Instl 693390841 Asset Minor Code 99	20,153.478	183,598.18 9.1100	181,871.25	1,726.93 1,612.27	.00	4.37
Pgim Total Return Bond Cl R6 74440B884 Asset Minor Code 99	14,753.710	216,732.00 14.6900	213,928.82	2,803.18 2,213.06	.00	2.89
Vanguard Short Term Invnt Grade #539 922031836 Asset Minor Code 99	55,056.121	603,415.09 10.9600	584,557.29	18,857.80 - 1,651.68	.00	1.93
<b>Total Mutual Funds-Fixed Income</b>	<b>89,963.309</b>	<b>1,003,745.27</b>	<b>980,357.36</b>	<b>23,387.91</b> <b>2,173.65</b>	<b>.00</b>	<b>2.58</b>
<b>Total Mutual Funds</b>	<b>205,654.026</b>	<b>8,024,298.98</b>	<b>5,835,556.16</b>	<b>2,188,742.82</b> <b>100,456.21</b>	<b>.00</b>	<b>1.31</b>
<b>Total Assets</b>	<b>2,989,967.196</b>	<b>10,982,256.61</b>	<b>8,748,614.29</b>	<b>2,233,642.32</b> <b>98,897.21</b>	<b>20,823.31</b>	<b>1.60</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

Attachment A



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 12 of 27  
Period from June 1, 2021 to June 30, 2021

### ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Accrued Income	.000	20,823.31	20,823.31			
Grand Total	2,989,967.196	11,003,079.92	8,769,437.60			

### ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your account manager or relationship manager.

Yield on Market and Accrued Income are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

## INCOME ACCRUAL DETAIL

SHARES/ FACE AMOUNT	DESCRIPTION	EX DATE	PAY DATE	ANN RATE	BEGINNING ACCRUAL	INCOME EARNED	INCOME RECEIVED	ENDING ACCRUAL
<b>Cash And Equivalents</b>								
509,313.170	First Am Govt Ob Fd CI Z 31846V567		07/01/21		5.79	8.28	5.79	8.28
<b>Total Cash And Equivalents</b>					<b>5.79</b>	<b>8.28</b>	<b>5.79</b>	<b>8.28</b>
<b>Corporate Issues</b>								
150,000.000	At T Inc 00206RDQ2	4.250%	3/01/27		1,593.75	531.25	.00	2,125.00
150,000.000	Apple Inc 037833BU3	2.850%	2/23/23		1,163.75	356.25	.00	1,520.00
100,000.000	Bank Of America Mtn 06051GHV4	3.194%	7/23/30		1,135.64	266.17	.00	1,401.81
200,000.000	Capital One 14040HBW4	3.800%	1/31/28		2,554.44	633.34	.00	3,187.78
100,000.000	Exxon Mobil Corp 30231GAF9	2.709%	3/06/25		639.63	225.75	.00	865.38
50,000.000	Huntington 446150AQ7	2.625%	8/06/24		419.27	109.38	.00	528.65
100,000.000	Intercontinental 45866FAD6	3.750%	12/01/25		1,875.00	312.50	1,875.00	312.50
75,000.000	Jp Morgan Chase Co 46625HRL6	2.700%	5/18/23		73.13	168.75	.00	241.88
150,000.000	Keycorp Mtn 49326EEK5	2.250%	4/06/27		515.63	281.25	.00	796.88
100,000.000	Kimberly Clark Corp 494368BU6	2.750%	2/15/26		809.72	229.17	.00	1,038.89
75,000.000	Mondelez 609207AR6	3.625%	2/13/26		815.63	226.56	.00	1,042.19

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 14 of 27  
Period from June 1, 2021 to June 30, 2021

### INCOME ACCRUAL DETAIL (continued)

SHARES/ FACE AMOUNT	DESCRIPTION	EX DATE	PAY DATE	ANN RATE	BEGINNING ACCRUAL	INCOME EARNED	INCOME RECEIVED	ENDING ACCRUAL	
150,000.000	Nike Inc 654106AF0	2.375%	11/01/26		296.88	296.87	.00	593.75	
100,000.000	Pnc Financial 693475AV7	3.500%	1/23/24		1,244.44	291.67	.00	1,536.11	
75,000.000	Pepsico Inc 713448CT3	2.750%	4/30/25		177.60	171.88	.00	349.48	
100,000.000	Stryker Corp 863667AH4	3.375%	11/01/25		281.25	281.25	.00	562.50	
100,000.000	Suntrust Banks Inc 867914BM4	2.700%	1/27/22		930.00	225.00	.00	1,155.00	
100,000.000	Wells Fargo Mtn 94974BGA2	3.300%	9/09/24		751.67	275.00	.00	1,026.67	
200,000.000	Zimmer Holdings Inc 98956PAF9	3.550%	4/01/25		1,183.33	591.67	.00	1,775.00	
Total Corporate Issues					16,460.76	5,473.71	1,875.00	20,059.47	
Foreign Issues									
100,000.000	Enbridge Inc 29250NAZ8	3.125%	11/15/29		138.89	260.42	.00	399.31	
100,000.000	Shell International 822582CD2	2.375%	11/07/29		158.33	197.92	.00	356.25	
Total Foreign Issues					297.22	458.34	.00	755.56	
Mutual Funds-Equity									
2,385.563	Dodge & Cox Stock Fund 256219106		06/25/21	06/28/21	3.32	.00	1,669.89	1,669.89	.00
1,509.000	Ishares S P 500 Value Etf 464287408		06/10/21	06/16/21	2.80	.00	802.52	802.52	.00

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

**INCOME ACCRUAL DETAIL (continued)**

SHARES/ FACE AMOUNT	DESCRIPTION	EX DATE	PAY DATE	ANN RATE	BEGINNING ACCRUAL	INCOME EARNED	INCOME RECEIVED	ENDING ACCRUAL
6,460.000	Ishares Russell Mid Cap Etf 464287499	06/10/21	06/16/21	0.79	.00	998.52	998.52	.00
13,764.727	Vanguard Growth & Income Adm Shs#593 921913208	06/18/21	06/21/21	1.35	.00	7,746.79	7,746.79	.00
2,333.000	Vanguard Real Estate Etf 922908553	06/24/21	06/29/21	3.18	.00	1,700.99	1,700.99	.00
<b>Total Mutual Funds-Equity</b>					<b>.00</b>	<b>12,918.71</b>	<b>12,918.71</b>	<b>.00</b>
<b>Mutual Funds-Fixed Income</b>								
20,153.478	P I M C O High Yield Fund Instl 693390841		06/30/21	0.40	.00	685.72	685.72	.00
14,753.710	Pgim Total Return Bond CI R6 74440B884	12/23/19	06/30/21	0.43	.00	476.22	476.22	.00
55,056.121	Vanguard Short Term Invt Grade #539 922031836	06/30/21	07/01/21	0.21	.00	781.02	781.02	.00
<b>Total Mutual Funds-Fixed Income</b>					<b>.00</b>	<b>1,942.96</b>	<b>1,942.96</b>	<b>.00</b>
<b>Grand Total</b>					<b>16,763.77</b>	<b>20,802.00</b>	<b>16,742.46</b>	<b>20,823.31</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 16 of 27  
Period from June 1, 2021 to June 30, 2021

## INVESTMENT ACTIVITY

DATE	DESCRIPTION	CASH
<b>Interest</b>		
<b>First Am Govt Ob Fd CI Z</b>		
<b>31846V567</b>		
06/01/2021	Interest From 5/1/21 To 5/31/21	5.79
<b>Intercontinental 3.750% 12/01/25</b>		
<b>45866Fad6</b>		
06/01/2021	Intercontinental 3.750% 12/01/25 0.01875 USD/\$1 Pv On 100,000 Par Value Due 6/1/21	1,875.00
<b>Total Interest</b>		<b>1,880.79</b>
<b>Dividends</b>		
<b>Dodge &amp; Cox Stock Fund</b>		
<b>256219106</b>		
06/28/2021	0.70 USD/Share On 2,385.563 Shares Due 6/28/21 Dividend Payable 06/28/21	1,669.89
<b>Ishares Russell Mid Cap Etf</b>		
<b>464287499</b>		
06/16/2021	0.154569 USD/Share On 6,460 Shares Due 6/16/21	998.52
<b>Ishares S P 500 Value Etf</b>		
<b>464287408</b>		
06/16/2021	0.531822 USD/Share On 1,509 Shares Due 6/16/21	802.52
<b>P I M C O High Yield Fund Instl</b>		
<b>693390841</b>		
06/30/2021	Dividend From 6/1/21 To 6/30/21	685.72
<b>Pgim Total Return Bond CI R6</b>		
<b>74440B884</b>		
06/30/2021	Dividend From 6/01/21 To 6/30/21	476.22

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

**INVESTMENT ACTIVITY (continued)**

DATE	DESCRIPTION	CASH
<b>Vanguard Growth &amp; Income Adm Shs#593</b> <b>921913208</b>		
06/21/2021	0.5628 USD/Share On 13,764.727 Shares Due 6/21/21 Dividend Payable 06/21/21	7,746.79
<b>Vanguard Real Estate Etf</b> <b>922908553</b>		
06/29/2021	0.7291 USD/Share On 2,333 Shares Due 6/29/21	1,700.99
<b>Vanguard Short Term Invt Grade #539</b> <b>922031836</b>		
06/30/2021	Dividend	781.02
<b>Total Dividends</b>		<b>14,861.67</b>



02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

Attachment A



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 18 of 27  
Period from June 1, 2021 to June 30, 2021

## PLAN EXPENSES

DATE	DESCRIPTION	CASH
<b>Trust Fees</b>		
<b>Trust Fees</b>		
06/25/2021	Collected Charged For Period 05/01/2021 Thru 05/31/2021	- 2,562.02
<b>Total Trust Fees</b>		<b>- 2,562.02</b>
<b>Total Trust Fees</b>		<b>- 2,562.02</b>
<b>Total Plan Expenses</b>		<b>- 2,562.02</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

## OTHER ACTIVITY

DATE	DESCRIPTION	CASH
<b>Transfers Out</b>		
<b>Transfer To Another Account</b>		
06/28/2021	Paid To # 6746050100 Per Directive Dated 06/25/2021	- 2,231.36
<b>Total Transfer To Another Account</b>		<b>- 2,231.36</b>
<b>Total Transfers Out</b>		<b>- 2,231.36</b>
<b>Total Other Activity</b>		<b>- 2,231.36</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

## PURCHASES

DATE	DESCRIPTION	SHARES/ FACE AMOUNT	COMMISSION	CASH	BOOK VALUE
<b>Cash And Equivalents</b>					
06/01/2021	Purchased 1,875 Units Of First Am Govt Ob Fd CI Z Trade Date 6/1/21 31846V567	1,875.000	.00	- 1,875.00	1,875.00
06/02/2021	Purchased 1,467.38 Units Of First Am Govt Ob Fd CI Z Trade Date 6/2/21 31846V567	1,467.380	.00	- 1,467.38	1,467.38
06/03/2021	Purchased 508.04 Units Of First Am Govt Ob Fd CI Z Trade Date 6/3/21 31846V567	508.040	.00	- 508.04	508.04
06/16/2021	Purchased 1,801.04 Units Of First Am Govt Ob Fd CI Z Trade Date 6/16/21 31846V567	1,801.040	.00	- 1,801.04	1,801.04
06/22/2021	Purchased 7,746.79 Units Of First Am Govt Ob Fd CI Z Trade Date 6/22/21 31846V567	7,746.790	.00	- 7,746.79	7,746.79
06/29/2021	Purchased 3,370.88 Units Of First Am Govt Ob Fd CI Z Trade Date 6/29/21 31846V567	3,370.880	.00	- 3,370.88	3,370.88
<b>Total First Am Govt Ob Fd CI Z</b>		<b>16,769.130</b>	<b>.00</b>	<b>- 16,769.13</b>	<b>16,769.13</b>
<b>Total Cash And Equivalents</b>		<b>16,769.130</b>	<b>.00</b>	<b>- 16,769.13</b>	<b>16,769.13</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

Attachment A



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 21 of 27  
Period from June 1, 2021 to June 30, 2021

**PURCHASES (continued)**

DATE	DESCRIPTION	SHARES/ FACE AMOUNT	COMMISSION	CASH	BOOK VALUE
<b>Total Purchases</b>		<b>16,769.130</b>	<b>.00</b>	<b>- 16,769.13</b>	<b>16,769.13</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

Attachment A



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 22 of 27  
Period from June 1, 2021 to June 30, 2021

## SALES AND MATURITIES

DATE	DESCRIPTION	SHARES/ FACE AMOUNT	COMMISSION	TRANSACTION PROCEEDS	BOOK VALUE	REALIZED GAIN/LOSS
<b>Cash And Equivalents</b>						
06/25/2021	Sold 2,562.02 Units Of First Am Govt Ob Fd CI Z Trade Date 6/25/21 31846V567	- 2,562.020	.00	2,562.02	- 2,562.02	.00
06/28/2021	Sold 2,231.36 Units Of First Am Govt Ob Fd CI Z Trade Date 6/28/21 31846V567	- 2,231.360	.00	2,231.36	- 2,231.36	.00
<b>Total First Am Govt Ob Fd CI Z</b>		<b>- 4,793.380</b>	<b>.00</b>	<b>4,793.38</b>	<b>- 4,793.38</b>	<b>.00</b>
<b>Total Cash And Equivalents</b>		<b>- 4,793.380</b>	<b>.00</b>	<b>4,793.38</b>	<b>- 4,793.38</b>	<b>.00</b>
<b>Total Sales And Maturities</b>		<b>- 4,793.380</b>	<b>.00</b>	<b>4,793.38</b>	<b>- 4,793.38</b>	<b>.00</b>

## SALES AND MATURITIES MESSAGES

Realized gain/loss should not be used for tax purposes.

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

## BOND SUMMARY

	PAR VALUE	MARKET VALUE	PERCENTAGE OF CATEGORY
<b>MATURITY SUMMARY</b>			
2021	.00	.00	0.00
2022	100,000.00	101,234.00	4.14
2023	225,000.00	233,760.75	9.56
2024	250,000.00	267,923.50	10.96
2025	575,000.00	623,325.75	25.48
2026	325,000.00	351,145.00	14.35
2027	300,000.00	325,477.50	13.30
2028	200,000.00	225,296.00	9.20
2029	200,000.00	210,883.00	8.61
2030	100,000.00	107,656.00	4.40
<b>Total</b>	<b>2,275,000.00</b>	<b>2,446,701.50</b>	<b>100.00</b>
<b>MOODY'S RATING</b>			
Aa1	150,000.00	155,781.00	6.37
Aa2	200,000.00	210,112.00	8.59
A1	225,000.00	239,688.75	9.80
A2	375,000.00	401,983.75	16.43
A3	300,000.00	319,344.00	13.05
Baa1	675,000.00	732,647.50	29.94
Baa2	150,000.00	170,164.50	6.95
Baa3	200,000.00	216,980.00	8.87
<b>Total</b>	<b>2,275,000.00</b>	<b>2,446,701.50</b>	<b>100.00</b>
<b>S&amp;P RATING</b>			
AA+	150,000.00	155,781.00	6.37
AA-	250,000.00	265,944.00	10.87
A+	175,000.00	183,856.75	7.51
A	100,000.00	108,535.00	4.44
A-	475,000.00	503,408.75	20.57
BBB+	500,000.00	533,749.50	21.82
BBB	625,000.00	695,426.50	28.42
<b>Total</b>	<b>2,275,000.00</b>	<b>2,446,701.50</b>	<b>100.00</b>

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 24 of 27  
Period from June 1, 2021 to June 30, 2021

## BOND QUALITY SCHEDULE

### MOODY'S RATING

ASSET NAME	SHARES/ PAR VALUE	PRICE	MARKET	BOOK VALUE	UNREALIZED GAIN/LOSS	YIELD TO CALL/ MATURITY
<b>Aa1 Bonds</b>						
Apple Inc 2.850% 2/23/23 037833BU3 Standard & Poors Rating: AA+	150,000.000	103.8540	155,781.00	158,403.00	- 2,622.00	0.50
<b>Aa2 Bonds</b>						
Exxon Mobil Corp 2.709% 3/06/25 Next Call Date 12/06/2024 30231GAF9 Standard & Poors Rating: AA-	100,000.000	106.3200	106,320.00	102,857.00	3,463.00	0.96
Shell International 2.375% 11/07/29 Next Call Date 08/07/2029 822582CD2 Standard & Poors Rating: A+	100,000.000	103.7920	103,792.00	106,414.00	- 2,622.00	1.88
<b>Total Aa2 Bonds</b>			<b>210,112.00</b>	<b>209,271.00</b>	<b>841.00</b>	
<b>A1 Bonds</b>						
Nike Inc 2.375% 11/01/26 Next Call Date 09/01/2026 654106AF0 Standard & Poors Rating: AA-	150,000.000	106.4160	159,624.00	144,841.00	14,783.00	1.13
Pepsico Inc 2.750% 4/30/25 Next Call Date 01/30/2025 713448CT3 Standard & Poors Rating: A+	75,000.000	106.7530	80,064.75	73,932.75	6,132.00	0.95
<b>Total A1 Bonds</b>			<b>239,688.75</b>	<b>218,773.75</b>	<b>20,915.00</b>	

### A2 Bonds

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

## BOND QUALITY SCHEDULE (continued)

### MOODY'S RATING

ASSET NAME	SHARES/ PAR VALUE	PRICE	MARKET	BOOK VALUE	UNREALIZED GAIN/LOSS	YIELD TO CALL/ MATURITY
Bank Of America Mtn 3.194% 7/23/30 Next Call Date 07/23/2029 06051GHV4 Standard & Poors Rating: A-	100,000.000	107.6560	107,656.00	110,797.00	- 3,141.00	2.26
Jp Morgan Chase Co 2.700% 5/18/23 Next Call Date 03/18/2023 46625HRL6 Standard & Poors Rating: A-	75,000.000	103.9730	77,979.75	74,970.75	3,009.00	0.58
Kimberly Clark Corp 2.750% 2/15/26 494368BU6 Standard & Poors Rating: A	100,000.000	108.5350	108,535.00	103,111.00	5,424.00	0.86
Wells Fargo Mtn 3.300% 9/09/24 94974BGA2 Standard & Poors Rating: BBB+	100,000.000	107.8130	107,813.00	103,890.00	3,923.00	0.82
<b>Total A2 Bonds</b>			<b>401,983.75</b>	<b>392,768.75</b>	<b>9,215.00</b>	
<b>A3 Bonds</b>						
Intercontinental 3.750% 12/01/25 Next Call Date 09/01/2025 45866FAD6 Standard & Poors Rating: BBB+	100,000.000	110.7660	110,766.00	104,231.00	6,535.00	1.24
Pnc Financial 3.500% 1/23/24 Next Call Date 12/23/2023 693475AV7 Standard & Poors Rating: A-	100,000.000	107.3440	107,344.00	105,422.00	1,922.00	0.61
Suntrust Banks Inc 2.700% 1/27/22 Next Call Date 12/27/2021 867914BM4 Standard & Poors Rating: A-	100,000.000	101.2340	101,234.00	100,346.00	888.00	0.55
<b>Total A3 Bonds</b>			<b>319,344.00</b>	<b>309,999.00</b>	<b>9,345.00</b>	



02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

## BOND QUALITY SCHEDULE (continued)

### MOODY'S RATING

ASSET NAME	SHARES/ PAR VALUE	PRICE	MARKET	BOOK VALUE	UNREALIZED GAIN/LOSS	YIELD TO CALL/ MATURITY
<b>Baa1 Bonds</b>						
Capital One 3.800% 1/31/28 Next Call Date 12/31/2027 14040HBW4 Standard & Poors Rating: BBB	200,000.000	112.6480	225,296.00	228,776.00	- 3,480.00	1.76
Enbridge Inc 3.125% 11/15/29 Next Call Date 08/15/2029 29250NAZ8 Standard & Poors Rating: BBB+	100,000.000	107.0910	107,091.00	109,497.00	- 2,406.00	2.19
Huntington 2.625% 8/06/24 Next Call Date 07/06/2024 446150AQ7 Standard & Poors Rating: BBB+	50,000.000	105.5330	52,766.50	50,542.50	2,224.00	0.81
Keycorp Mtn 2.250% 4/06/27 49326EEK5 Standard & Poors Rating: BBB+	150,000.000	103.5420	155,313.00	159,477.00	- 4,164.00	1.60
Mondelez 3.625% 2/13/26 Next Call Date 12/13/2025 609207AR6 Standard & Poors Rating: BBB	75,000.000	110.6480	82,986.00	80,224.50	2,761.50	1.25
Stryker Corp 3.375% 11/01/25 Next Call Date 08/01/2025 863667AH4 Standard & Poors Rating: A-	100,000.000	109.1950	109,195.00	100,401.00	8,794.00	1.19
<b>Total Baa1 Bonds</b>			<b>732,647.50</b>	<b>728,918.00</b>	<b>3,729.50</b>	
<b>Baa2 Bonds</b>						
At T Inc 4.250% 3/01/27 Next Call Date 12/01/2026 00206RDQ2 Standard & Poors Rating: BBB	150,000.000	113.4430	170,164.50	165,376.50	4,788.00	1.75

02493004  
25- -01-B -62 -188-04  
0102 -19-02877-04

Attachment A



PARS/CITY OF BREA 115P PEN  
ACCOUNT 6746050800

Page 27 of 27  
Period from June 1, 2021 to June 30, 2021

## BOND QUALITY SCHEDULE (continued)

### MOODY'S RATING

ASSET NAME	SHARES/ PAR VALUE	PRICE	MARKET	BOOK VALUE	UNREALIZED GAIN/LOSS	YIELD TO CALL/ MATURITY
<b>Baa3 Bonds</b>						
Zimmer Holdings Inc 3.550% 4/01/25 Next Call Date 01/01/2025 98956PAF9 Standard & Poors Rating: BBB	200,000.000	108.4900	216,980.00	218,292.00	- 1,312.00	1.23
<b>GRAND TOTAL</b>			<b>2,446,701.50</b>	<b>2,401,802.00</b>	<b>44,899.50</b>	



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	0.01%
Average Purchase YTM	0.01%
Average Market YTM	0.01%
Average S&P/Moody Rating	AAA/Aaa
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

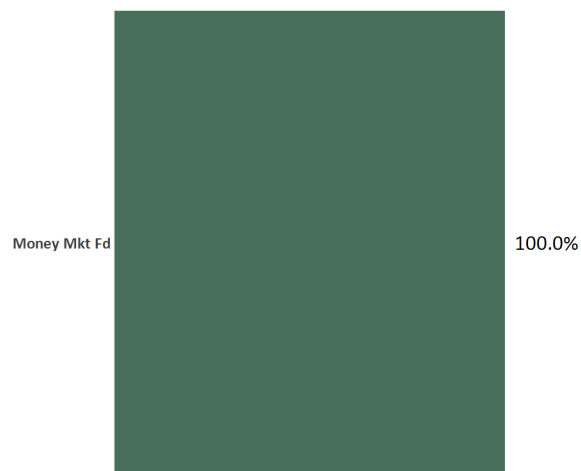
## ACCOUNT SUMMARY

	Beg. Values as of 5/31/21	End Values as of 6/30/21
Market Value	261,973	262,772
Accrued Interest	724	0
Total Market Value	262,697	262,772
Income Earned	321	69
Cont/WD		0
Par	258,369	262,772
Book Value	257,888	262,772
Cost Value	258,203	262,772

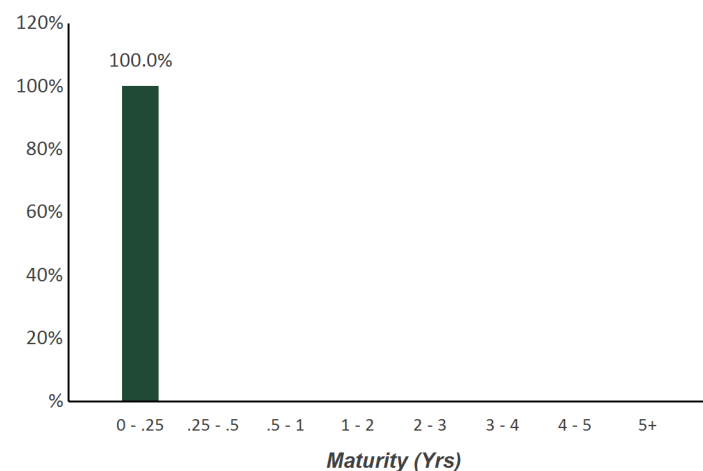
## TOP ISSUERS

Invesco Treasury Portfolio MMF	100.0%
<b>Total</b>	<b>100.0%</b>

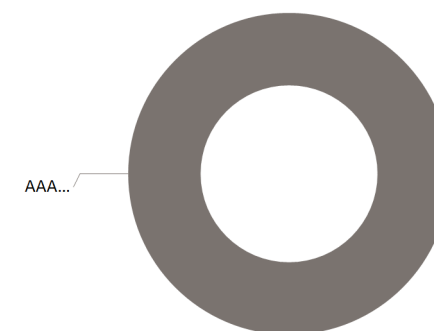
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2010
Brea Lease Revenue Bonds, Reserve Account	0.03%	0.37%	-0.20%	-0.04%	2.12%	2.95%	1.46%	1.82%	2.07%
ICE BAML 3-Month US Treasury Bill Index	0.00%	0.00%	0.02%	0.09%	0.86%	1.34%	1.17%	0.63%	0.58%



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$257,888.28</b>
<b><u>Acquisition</u></b>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$240,403.66	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$240,403.66</b>
<b><u>Dispositions</u></b>		
- Security Sales	\$239,612.16	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
<b>Total Dispositions</b>		<b>\$239,612.16</b>
<b><u>Amortization/Accretion</u></b>		
+/- Net Accretion	\$0.84	
		\$0.84
<b><u>Gain/Loss on Dispositions</u></b>		
+/- Realized Gain/Loss	\$4,091.71	
		\$4,091.71
<b>ENDING BOOK VALUE</b>		<b>\$262,772.33</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$22,368.67</b>
<b><u>Acquisition</u></b>		
Contributions	\$0.00	
Security Sale Proceeds	\$239,612.16	
Accrued Interest Received	\$791.50	
Interest Received	\$0.00	
Dividend Received	\$0.00	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
<b>Total Acquisitions</b>	<b>\$240,403.66</b>	
<b><u>Dispositions</u></b>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
<b>Total Dispositions</b>	<b>\$0.00</b>	
<b>ENDING BOOK VALUE</b>		<b>\$262,772.33</b>

Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND									
825252109	Invesco Treasury MMFD Private Class	262,772.33	Various 0.01%	262,772.33 262,772.33	1.00 0.01%	262,772.33 0.00	100.00% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund		262,772.33	0.01%	262,772.33	0.01%	262,772.33 0.00	100.00% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL PORTFOLIO				262,772.33 262,772.33	0.01%	262,772.33 0.00	100.00% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						262,772.33			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/08/2021	825252109	240,403.66	Invesco Treasury MMFD Private Class	1.000	0.01%	240,403.66	0.00	240,403.66	0.00
<b>Subtotal</b>			<b>240,403.66</b>				<b>240,403.66</b>	<b>0.00</b>	<b>240,403.66</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>240,403.66</b>				<b>240,403.66</b>	<b>0.00</b>	<b>240,403.66</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	06/08/2021	9128284D9	22,000.00	US Treasury Note 2.5% Due 3/31/2023	104.285	0.13%	22,942.73	103.69	23,046.42	1,067.63
Sale	06/08/2021	912828F21	25,000.00	US Treasury Note 2.125% Due 9/30/2021	100.680	-0.06%	25,169.92	100.15	25,270.07	114.13
Sale	06/08/2021	912828J43	24,000.00	US Treasury Note 1.75% Due 2/28/2022	101.266	0.01%	24,303.75	114.13	24,417.88	317.92
Sale	06/08/2021	912828L24	23,000.00	US Treasury Note 1.875% Due 8/31/2022	102.199	0.08%	23,505.82	117.19	23,623.01	495.98
Sale	06/08/2021	912828N30	20,000.00	US Treasury Note 2.125% Due 12/31/2022	103.145	0.11%	20,628.91	186.67	20,815.58	683.93
Sale	06/08/2021	912828T91	20,000.00	US Treasury Note 1.625% Due 10/31/2023	103.398	0.20%	20,679.69	34.44	20,714.13	1,080.98
Sale	06/08/2021	912828WJ5	22,000.00	US Treasury Note 2.5% Due 5/15/2024	106.465	0.29%	23,422.27	35.87	23,458.14	1,017.68
Sale	06/08/2021	912828ZT0	16,000.00	US Treasury Note 0.25% Due 5/31/2025	98.785	0.56%	15,805.63	0.87	15,806.50	-154.38
Sale	06/08/2021	91282CBC4	40,000.00	US Treasury Note 0.375% Due 12/31/2025	98.547	0.70%	39,418.75	65.88	39,484.63	-576.97
Sale	06/08/2021	91282CBQ3	24,000.00	US Treasury Note 0.5% Due 2/28/2026	98.895	0.74%	23,734.69	32.61	23,767.30	44.81
<b>Subtotal</b>			<b>236,000.00</b>				<b>239,612.16</b>	<b>791.50</b>	<b>240,403.66</b>	<b>4,091.71</b>
<b>TOTAL DISPOSITIONS</b>			<b>236,000.00</b>				<b>239,612.16</b>	<b>791.50</b>	<b>240,403.66</b>	<b>4,091.71</b>



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
<b>FIXED INCOME</b>						
9128284D9	US Treasury Note Due 03/31/2023	06/13/2018 06/14/2018 0.00	21,873.78 0.00 21,875.10 0.00	93.17 103.69 0.00 10.52	1.32 0.00 1.32 11.84	11.84
912828F21	US Treasury Note Due 09/30/2021	10/27/2016 10/28/2016 0.00	25,059.22 0.00 25,055.79 0.00	89.99 100.15 0.00 10.16	0.00 3.43 (3.43) 6.73	6.73
912828J43	US Treasury Note Due 02/28/2022	04/24/2017 04/26/2017 0.00	23,985.45 0.00 23,985.83 0.00	106.14 114.13 0.00 7.99	0.38 0.00 0.38 8.37	8.37
912828L24	US Treasury Note Due 08/31/2022	09/18/2017 09/19/2017 0.00	23,010.00 0.00 23,009.84 0.00	108.98 117.19 0.00 8.21	0.00 0.16 (0.16) 8.05	8.05
912828N30	US Treasury Note Due 12/31/2022	01/09/2018 01/10/2018 0.00	19,944.30 0.00 19,944.98 0.00	178.45 186.67 0.00 8.22	0.68 0.00 0.68 8.90	8.90
912828T91	US Treasury Note Due 10/31/2023	02/21/2019 02/22/2019 0.00	19,595.50 0.00 19,598.71 0.00	28.26 34.44 0.00 6.18	3.21 0.00 3.21 9.39	9.39
912828WJ5	US Treasury Note Due 05/15/2024	06/18/2019 06/19/2019 0.00	22,407.23 0.00 22,404.59 0.00	25.41 35.87 0.00 10.46	0.00 2.64 (2.64) 7.82	7.82
912828ZT0	US Treasury Note Due 05/31/2025	12/30/2020 12/31/2020 0.00	15,959.81 0.00 15,960.01 0.00	0.11 0.87 0.00 0.76	0.20 0.00 0.20 0.96	0.96
91282CBC4	US Treasury Note Due 12/31/2025	12/30/2020 12/31/2020 0.00	39,995.70 0.00 39,995.72 0.00	62.98 65.88 0.00 2.90	0.02 0.00 0.02 2.92	2.92



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
91282CBQ3	US Treasury Note Due 02/28/2026	03/04/2021 03/05/2021 0.00	23,688.62 0.00 23,689.88 0.00	30.33 32.61 0.00 2.28	1.26 0.00 1.26 3.54	3.54
			235,519.61 0.00 235,520.45 0.00	723.82 791.50 0.00 67.68	7.07 6.23 0.84 68.52	
Total Fixed Income		0.00	0.00	67.68	68.52	68.52
<b>CASH &amp; EQUIVALENT</b>						
825252109	Invesco Treasury MMFD Private Class	Various Various 262,772.33	22,368.67 240,403.66 0.00 262,772.33	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00
			22,368.67 240,403.66 0.00 262,772.33	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	
Total Cash & Equivalent		262,772.33	262,772.33	0.00	0.00	0.00
			257,888.28 240,403.66 235,520.45 262,772.33	723.82 791.50 0.00 67.68	7.07 6.23 0.84 68.52	
TOTAL PORTFOLIO		262,772.33	262,772.33	67.68	68.52	68.52





Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at [www.chandlerasset.com](http://www.chandlerasset.com).

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

**Custody:** Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

**Valuation:** Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

**Performance:** Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE PERMITS USE OF THE ICE INDICES AND RELATED DATA ON AN "AS IS" BASIS; ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS GUARANTEE THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND LICENSEE'S USE IS AT LICENSEE'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND CHANDLER, OR ANY OF ITS PRODUCTS OR SERVICES.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

**Ratings:** Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Account #10129

Benchmark Index	Disclosure
ICE BAML 3-Month US Treasury Bill Index	The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: GOO1. Please visit <a href="http://www.mlindex.ml.com">www.mlindex.ml.com</a> for more information)



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.84
Average Coupon	1.83%
Average Purchase YTM	2.19%
Average Market YTM	0.29%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	1.87 yrs
Average Life	1.87 yrs

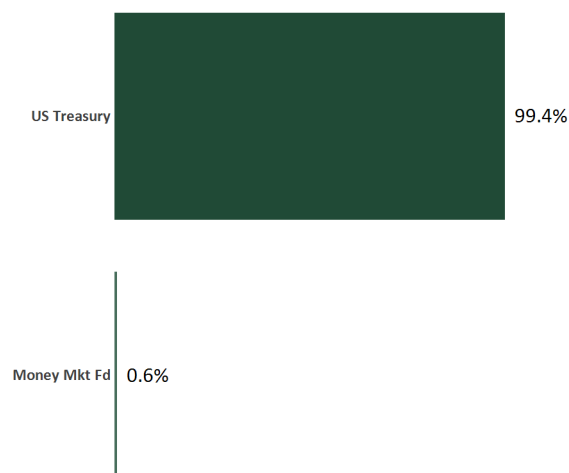
## ACCOUNT SUMMARY

	Beg. Values as of 5/31/21	End Values as of 6/30/21
Market Value	683,668	681,940
Accrued Interest	2,178	2,964
Total Market Value	685,846	684,904
Income Earned	1,229	1,187
Cont/WD		0
Par	668,919	669,134
Book Value	668,109	668,510
Cost Value	660,750	660,965

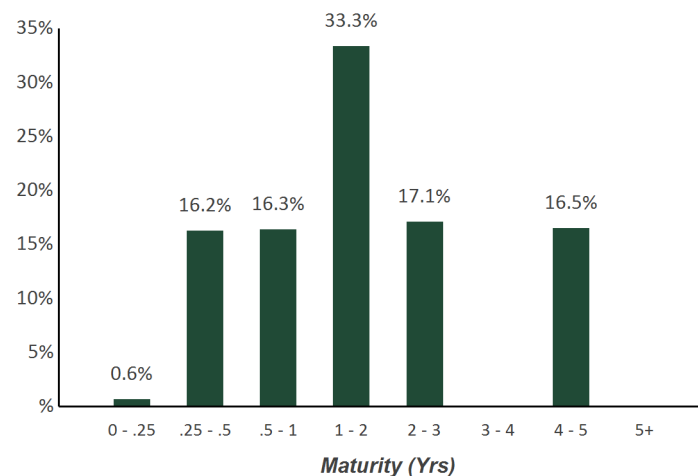
## TOP ISSUERS

Government of United States	99.4%
Invesco Treasury Portfolio MMF	0.6%
<b>Total</b>	<b>100.0%</b>

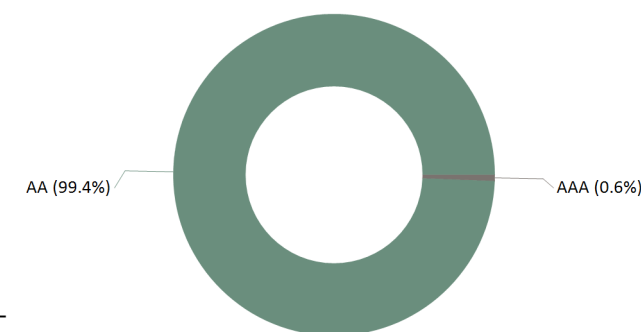
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				6/30/2018
					2YRS	3YRS	5YRS	10YRS	
Brea CFD 2008 2 17 Reserve Fund	-0.14%	0.11%	-0.36%	-0.19%	2.32%	3.16%	N/A	N/A	3.16%
ICE BAML 3-5 Yr US Treasury/Agency Index	-0.33%	0.34%	-0.92%	-0.78%	3.06%	4.14%	N/A	N/A	4.14%



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$668,108.56</b>
<b><u>Acquisition</u></b>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$215.63	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$215.63</b>
<b><u>Dispositions</u></b>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
<b>Total Dispositions</b>		<b>\$0.00</b>
<b><u>Amortization/Accretion</u></b>		
+/- Net Accretion	\$185.32	
		\$185.32
<b><u>Gain/Loss on Dispositions</u></b>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
<b>ENDING BOOK VALUE</b>		<b>\$668,509.51</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$3,918.75</b>
<b><u>Acquisition</u></b>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$215.63	
Dividend Received	\$0.00	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
<b>Total Acquisitions</b>	<b>\$215.63</b>	
<b><u>Dispositions</u></b>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
<b>Total Dispositions</b>	<b>\$0.00</b>	
<b>ENDING BOOK VALUE</b>		<b>\$4,134.38</b>

## Holdings Report

As of June 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>MONEY MARKET FUND</b>									
825252109	Invesco Treasury MMFD Private Class	4,134.38	Various 0.01%	4,134.38 4,134.38	1.00 0.01%	4,134.38 0.00	0.60% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund</b>		<b>4,134.38</b>	<b>0.01%</b>	<b>4,134.38</b> <b>4,134.38</b>	<b>0.01%</b>	<b>4,134.38</b> <b>0.00</b>	<b>0.60%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>US TREASURY</b>									
912828F21	US Treasury Note 2.125% Due 9/30/2021	110,000.00	06/28/2018 2.64%	108,242.58 109,865.50	100.51 0.08%	110,565.95 587.57	16.23% 700.45	Aaa / AA+ AAA	0.25 0.25
912828J43	US Treasury Note 1.75% Due 2/28/2022	110,000.00	06/13/2018 2.79%	105,986.72 109,283.24	101.11 0.09%	111,220.34 643.41	16.33% 1,937.10	Aaa / AA+ AAA	0.67 0.66
912828L24	US Treasury Note 1.875% Due 8/31/2022	110,000.00	06/13/2018 2.82%	105,887.89 108,861.76	102.04 0.13%	112,243.01 689.37	16.49% 3,381.25	Aaa / AA+ AAA	1.17 1.15
9128284D9	US Treasury Note 2.5% Due 3/31/2023	110,000.00	06/13/2018 2.84%	108,345.70 109,397.23	103.98 0.22%	114,382.84 691.26	16.80% 4,985.61	Aaa / AA+ AAA	1.75 1.71
912828WJ5	US Treasury Note 2.5% Due 5/15/2024	110,000.00	06/18/2019 1.84%	113,381.64 111,979.54	105.93 0.42%	116,526.96 351.22	17.06% 4,547.42	Aaa / AA+ AAA	2.88 2.78
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	115,000.00	12/30/2020 0.38%	114,986.52 114,987.86	98.14 0.80%	112,866.18 1.17	16.48% (2,121.68)	Aaa / AA+ AAA	4.51 4.45
<b>Total US Treasury</b>		<b>665,000.00</b>	<b>2.20%</b>	<b>656,831.05</b> <b>664,375.13</b>	<b>0.29%</b>	<b>677,805.28</b> <b>2,964.00</b>	<b>99.40%</b> <b>13,430.15</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.88</b> <b>1.85</b>
<b>TOTAL PORTFOLIO</b>		<b>669,134.38</b>	<b>2.19%</b>	<b>660,965.43</b> <b>668,509.51</b>	<b>0.29%</b>	<b>681,939.66</b> <b>2,964.00</b>	<b>100.00%</b> <b>13,430.15</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.87</b> <b>1.84</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>684,903.66</b>			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/30/2021	825252109	215.63	Invesco Treasury MMFD Private Class	1.000	0.01%	215.63	0.00	215.63	0.00
<b>Subtotal</b>			<b>215.63</b>				<b>215.63</b>	<b>0.00</b>	<b>215.63</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>215.63</b>				<b>215.63</b>	<b>0.00</b>	<b>215.63</b>	<b>0.00</b>
<b>OTHER TRANSACTIONS</b>										
Interest	06/30/2021	91282CBC4	115,000.00	US Treasury Note 0.375% Due 12/31/2025	0.000		215.63	0.00	215.63	0.00
<b>Subtotal</b>			<b>115,000.00</b>				<b>215.63</b>	<b>0.00</b>	<b>215.63</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>			<b>115,000.00</b>				<b>215.63</b>	<b>0.00</b>	<b>215.63</b>	<b>0.00</b>

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
<b>FIXED INCOME</b>						
9128284D9	US Treasury Note 2.5% Due 03/31/2023	06/13/2018 06/14/2018 110,000.00	109,368.89 0.00 0.00 109,397.23	465.85 0.00 691.26 225.41	28.34 0.00 28.34 253.75	253.75
912828F21	US Treasury Note 2.125% Due 09/30/2021	06/28/2018 06/29/2018 110,000.00	109,821.15 0.00 0.00 109,865.50	395.97 0.00 587.57 191.60	44.35 0.00 44.35 235.95	235.95
912828J43	US Treasury Note 1.75% Due 02/28/2022	06/13/2018 06/14/2018 110,000.00	109,194.38 0.00 0.00 109,283.24	486.48 0.00 643.41 156.93	88.86 0.00 88.86 245.79	245.79
912828L24	US Treasury Note 1.875% Due 08/31/2022	06/13/2018 06/14/2018 110,000.00	108,781.60 0.00 0.00 108,861.76	521.23 0.00 689.37 168.14	80.16 0.00 80.16 248.30	248.30
912828WJ5	US Treasury Note 2.5% Due 05/15/2024	06/18/2019 06/19/2019 110,000.00	112,036.15 0.00 0.00 111,979.54	127.04 0.00 351.22 224.18	0.00 56.61 (56.61) 167.57	167.57
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	12/30/2020 12/31/2020 115,000.00	114,987.64 0.00 0.00 114,987.86	181.08 215.63 1.17 35.72	0.22 0.00 0.22 35.94	35.94
			664,189.81 0.00 0.00	2,177.65 215.63 2,964.00	241.93 56.61 185.32	
<b>Total Fixed Income</b>		<b>665,000.00</b>	<b>664,375.13</b>	<b>1,001.98</b>	<b>1,187.30</b>	<b>1,187.30</b>

## Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
<b>CASH &amp; EQUIVALENT</b>						
825252109	Invesco	Various	3,918.75	0.00	0.00	0.00
	Treasury MMFD Private Class	Various	215.63	0.00	0.00	
		4,134.38	0.00	0.00	0.00	
			4,134.38	0.00	0.00	
			<b>3,918.75</b>	<b>0.00</b>	<b>0.00</b>	
			<b>215.63</b>	<b>0.00</b>	<b>0.00</b>	
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Cash &amp; Equivalent</b>		<b>4,134.38</b>	<b>4,134.38</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
			668,108.56	2,177.65	241.93	
			215.63	215.63	56.61	
			0.00	2,964.00	185.32	
<b>TOTAL PORTFOLIO</b>		<b>669,134.38</b>	<b>668,509.51</b>	<b>1,001.98</b>	<b>1,187.30</b>	<b>1,187.30</b>



## Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
08/31/2021	Interest	912828L24	110,000.00	US Treasury Note 1.875% Due 8/31/2022	0.00	1,031.25	1,031.25
08/31/2021	Interest	912828J43	110,000.00	US Treasury Note 1.75% Due 2/28/2022	0.00	962.50	962.50
<b>AUG 2021</b>					<b>0.00</b>	<b>1,993.75</b>	<b>1,993.75</b>
09/30/2021	Interest	9128284D9	110,000.00	US Treasury Note 2.5% Due 3/31/2023	0.00	1,375.00	1,375.00
09/30/2021	Maturity	912828F21	110,000.00	US Treasury Note 2.125% Due 9/30/2021	110,000.00	1,168.75	111,168.75
<b>SEP 2021</b>					<b>110,000.00</b>	<b>2,543.75</b>	<b>112,543.75</b>
11/15/2021	Interest	912828WJ5	110,000.00	US Treasury Note 2.5% Due 5/15/2024	0.00	1,375.00	1,375.00
<b>NOV 2021</b>					<b>0.00</b>	<b>1,375.00</b>	<b>1,375.00</b>
12/31/2021	Interest	91282CBC4	115,000.00	US Treasury Note 0.375% Due 12/31/2025	0.00	215.63	215.63
<b>DEC 2021</b>					<b>0.00</b>	<b>215.63</b>	<b>215.63</b>
02/28/2022	Interest	912828L24	110,000.00	US Treasury Note 1.875% Due 8/31/2022	0.00	1,031.25	1,031.25
02/28/2022	Maturity	912828J43	110,000.00	US Treasury Note 1.75% Due 2/28/2022	110,000.00	962.50	110,962.50
<b>FEB 2022</b>					<b>110,000.00</b>	<b>1,993.75</b>	<b>111,993.75</b>
03/31/2022	Interest	9128284D9	110,000.00	US Treasury Note 2.5% Due 3/31/2023	0.00	1,375.00	1,375.00
<b>MAR 2022</b>					<b>0.00</b>	<b>1,375.00</b>	<b>1,375.00</b>
05/15/2022	Interest	912828WJ5	110,000.00	US Treasury Note 2.5% Due 5/15/2024	0.00	1,375.00	1,375.00
<b>MAY 2022</b>					<b>0.00</b>	<b>1,375.00</b>	<b>1,375.00</b>
06/30/2022	Interest	91282CBC4	115,000.00	US Treasury Note 0.375% Due 12/31/2025	0.00	215.63	215.63
<b>JUN 2022</b>					<b>0.00</b>	<b>215.63</b>	<b>215.63</b>
<b>TOTAL</b>					<b>220,000.00</b>	<b>11,087.51</b>	<b>231,087.51</b>



Account #10600

Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at [www.chandlerasset.com](http://www.chandlerasset.com).

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

**Custody:** Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

**Valuation:** Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

**Performance:** Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE PERMITS USE OF THE ICE INDICES AND RELATED DATA ON AN "AS IS" BASIS; ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS GUARANTEE THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND LICENSEE'S USE IS AT LICENSEE'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND CHANDLER, OR ANY OF ITS PRODUCTS OR SERVICES.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

**Ratings:** Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Account #10600

Benchmark Index	Disclosure
ICE BAML 3-5 Yr US Treasury/Agency Index	The ICE BAML 3-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch). Qualifying securities must have at least three years remaining term to final maturity and less than five years remaining term to final maturity, at least three years to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G2A0. Please visit <a href="http://www.mlindex.ml.com">www.mlindex.ml.com</a> for more information)

City of Brea

---

**INVESTMENT ADVISORY COMMITTEE COMMUNICATION**

---

**TO:** Honorable Chair and Committee Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 07/26/2021

**SUBJECT:** Monthly Report of Cash Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ended June 30, 2021

---

**RECOMMENDATION**

Receive and file.

**BACKGROUND/DISCUSSION**

The Monthly Report of Cash and Investments is in accordance with Government Code Sections (GCS) 41004 and 53607 and contains information on the Successor Agency's cash and investment activities for the month of June. Funds received by the Successor Agency are typically spent within three to six months; therefore are not invested long-term. The Successor Agency's Local Agency Investment Fund (LAIF) is used for short-term investments and functions like a savings account until funds are required to meet expenditures needs.

Attachment A includes a Cash and Investment Information Summary and a Monthly Account Statement prepared by Chandler Asset Management (Chandler) for the funds invested on behalf of the Successor Agency. As of June 30, 2021, the market value, including accrued interest on the Successor Agency's Local Agency Investment Fund (LAIF), was \$18,968.89 in comparison to \$18,964.79 at May 31, 2021. The Successor Agency to the Brea Redevelopment Agency has sufficient cash flow to meet its expected expenditures for the next six months.

The Successor Agency also has restricted (fiscal agent) cash and investment accounts related to its various bond reserve accounts which are managed by Chandler and held the Agency's third-party custodian, The Bank of New York Mellon Trust Company, N.A. (BNY) as required. BNY acts as an agent of the Successor Agency and is not a counter party to the investment transaction and all securities are held in the name of the Successor Agency. The custodial accounts have been reconciled to the par value of the applicable portfolio report for the month. Attachment A includes a portfolio report from Chandler for each bond reserve account that is invested. As of June 30, 2021, the market value of these funds, including short-term cash and accrued interest was \$13,263,842.74 as compared to \$13,263,727.68 as of May 31, 2021.

**FISCAL IMPACT/SUMMARY**

During the month of June, the total value of the Successor Agency to the Brea Redevelopment Agency's investment portfolio increased by \$4.10 and the total value of the restricted cash and investments increased by \$115.06; both due to market rate adjustments.

**RESPECTFULLY SUBMITTED**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

---

**Attachments**

Attachment A

---

**Successor Agency to the Brea Redevelopment Agency**  
**Cash and Investment Information**  
June 30, 2021

			<b>Book Value</b>		<b>Market Value*</b>
<hr/>					
<b>Demand and Interest-Bearing Checking Accounts</b>	Citizen's Bank	\$	<b>164,632.15</b>	\$	<b>164,632.15</b>
<b>Local Agency Investment Fund</b>	LAIF	\$	<b>18,953.75</b>	\$	<b>18,968.89</b>
<hr/>					
<b><u>Fiscal Agent Cash &amp; Investments</u></b>					
2004 Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$	352,343.93	\$	352,343.93
2010 Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$	1,035,336.85	\$	1,035,336.85
2013 Tax Allocation Bonds	Chandler/BNY	\$	9,477,351.13	\$	9,477,351.13
2016 Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$	1,346,388.81	\$	1,346,388.81
2017 Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$	1,052,422.02	\$	1,052,422.02
<b>Sub-total - Fiscal Agent Cash &amp; Investments</b>			<b>\$ 13,263,842.74</b>		<b>\$ 13,263,842.74</b>
<hr/>					
<b>Grand Total</b>			<b>\$ 13,447,428.64</b>		<b>\$ 13,447,443.78</b>
<hr/>					

\* Includes accrued interest on invested funds

**Successor Agency to the Brea Redevelopment Agency****Cash and Investment Information**

June 30, 2021

<b>Fiscal Agent Cash &amp; Investments Detail</b>	<b>Book Value</b>	<b>Market Value</b>
2004 Brea Public Financing Authority Lease Revenue Bond - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 352,343.93	\$ 352,343.93
<b>Sub-total</b>	<b>\$ 352,343.93</b>	<b>\$ 352,343.93</b>
2010 Brea Public Financing Authority Lease Revenue Bond - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 1,035,336.85	\$ 1,035,336.85
<b>Sub-total</b>	<b>\$ 1,035,336.85</b>	<b>\$ 1,035,336.85</b>
2013 Tax Allocation Bonds - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 9,477,351.13	\$ 9,477,351.13
<b>Sub-total</b>	<b>\$ 9,477,351.13</b>	<b>\$ 9,477,351.13</b>
2016 Tax Allocation Refunding Bonds, Series A & B - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 1,346,388.81	\$ 1,346,388.81
<b>Sub-total</b>	<b>\$ 1,346,388.81</b>	<b>\$ 1,346,388.81</b>
2017 Tax Allocation Refunding Bonds, Series A & B - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 1,052,422.02	\$ 1,052,422.02
<b>Sub-total</b>	<b>\$ 1,052,422.02</b>	<b>\$ 1,052,422.02</b>
<b>Report Grand Total</b>	<b>\$ 13,263,842.74</b>	<b>\$ 13,263,842.74</b>

**Successor Agency to the Brea Redevelopment Agency  
Accounting of Cash Receipts, Disbursements and Balances  
For the Month of June 2021**

<b>Fund</b>	<b>Fund Name</b>	<b>Cash Balance 05/31/21 <sup>1</sup></b>	<b>Cash Receipts <sup>2</sup></b>	<b>Cash Disbursements <sup>2</sup></b>	<b>Cash Balance 06/30/21 <sup>1</sup></b>
511	PROJECT AREA AB - PERMANENT	39,423.52	-	(1,457.59)	37,965.93
731	PROJECT AREA AB - DEBT SERVICE	1,762,709.46	-	(1,720,395.00)	42,314.46
732	PROJECT AREA C - PERMANENT	(68,565.13)	-	-	(68,565.13)
813	PROJECT AREA C - DEBT SERVICE	169,911.81	-	-	169,911.81
816	REDEVELOP OBLIGATION RETIREMENT	-	-	-	-
<b>Subtotal of Cash and Investments Held in City Funds</b>		1,903,479.66	-	(1,721,852.59)	181,627.07
<b><u>DEDUCT</u></b>					
931	CASH HELD AS INVESTMENTS	(17,067.96)	74.04	(1.00)	(16,994.92)
		1,886,411.70	74.04	(1,721,853.59)	
<b>Cash Balance per General Ledger as of 06/30/21</b>					<b>\$ 164,632.15</b>
					<b>Balance</b>
<b>Reconciliation of Cash Held As Investments in Fund 931</b>					<b>6/30/2021</b>
					Investments Held in LAIF 18,953.75
					Unallocated Interest Earnings (1,958.83)
<b>Investment Balances held in Fund 931</b>					<b>\$ 16,994.92</b>

<sup>1</sup> Cash balances between funds are subject to change due to accounting 6/30/2020 year-end close.

<sup>2</sup> Cash receipts and disbursements may include accounting entries between funds.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	0.25%
Average Purchase YTM	0.25%
Average Market YTM	0.25%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

ACCOUNT SUMMARY

	Beg. Values as of 5/31/21	End Values as of 6/30/21
Market Value	18,954	18,954
Accrued Interest	11	15
Total Market Value	18,965	18,969
Income Earned	5	4
Cont/WD		0
Par	18,954	18,954
Book Value	18,954	18,954
Cost Value	18,954	18,954

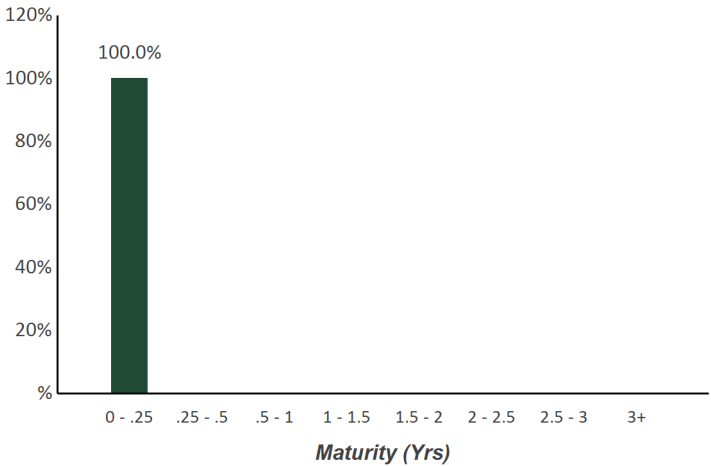
TOP ISSUERS

Local Agency Investment Fund	100.0%
Total	100.0%

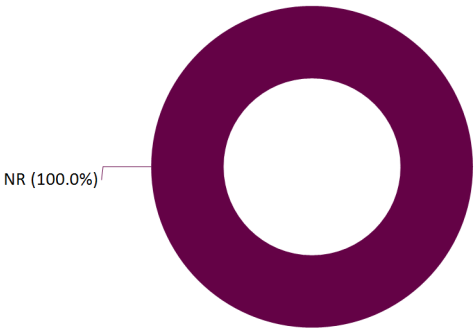
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Holdings Report

As of June 30, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	18,953.75	Various 0.25%	18,953.75 18,953.75	1.00 0.25%	18,953.75 15.14	100.00% 0.00	NR / NR NR	0.00 0.00
Total LAIF		18,953.75	0.25%	18,953.75	0.25%	18,953.75 15.14	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		18,953.75	0.25%	18,953.75	0.25%	18,953.75 15.14	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						18,968.89			

Income Earned

As of June 30, 2021



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
LOCAL AGENCY INVESTMENT FUND						
90LAIF\$00	Local Agency Investment Fund State Pool	Various	18,953.75	11.04	0.00	4.10
		Various	0.00	0.00	0.00	
		18,953.75	0.00	15.14	0.00	
			18,953.75	4.10	4.10	
			18,953.75	11.04	0.00	
			0.00	0.00	0.00	
			0.00	15.14	0.00	
Total Local Agency Investment Fund		18,953.75	18,953.75	4.10	4.10	4.10
			18,953.75	11.04	0.00	
			0.00	0.00	0.00	
			0.00	15.14	0.00	
TOTAL PORTFOLIO		18,953.75	18,953.75	4.10	4.10	4.10

Cash Flow Report

As of June 30, 2021



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/15/2021	Dividend	90LAIF\$00	1,724,481.05	Local Agency Investment Fund State Pool	0.00	14.26	14.26
JUL 2021					0.00	14.26	14.26
TOTAL					0.00	14.26	14.26



Account #10166

---

Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at [www.chandlerasset.com](http://www.chandlerasset.com).

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

**Custody:** Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

**Valuation:** Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

**Performance:** Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE PERMITS USE OF THE ICE INDICES AND RELATED DATA ON AN "AS IS" BASIS; ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS GUARANTEE THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND LICENSEE'S USE IS AT LICENSEE'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND CHANDLER, OR ANY OF ITS PRODUCTS OR SERVICES.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

**Ratings:** Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.