



INVESTMENT ADVISORY COMMITTEE AGENDA

Monday, October 24, 2022 at 10:00 a.m

Executive Conference Room, Level Three and via Zoom
Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

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

The Investment Advisory Committee Meeting will be held on Monday, October 24, 2022 at 10:00 a.m. 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 no later than 12:00 p.m. Friday, October 21, 2022 to obtain the Zoom information. 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 no later than 12:00 p.m. on Friday, October 21, 2022. 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, 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. **July 25, 2022 Investment Advisory Committee Regular Meeting Minutes - Approve.**

Attachments

Minutes 07-25-2022

DISCUSSION

3. **Review Quarterly Investment Report Period Ended September 30, 2022 from Chandler Asset Management - Presented by Daniel Delaney**

Attachments

Investment Report

4. **Schedule Next Meeting:** Monday, January 23, 2023

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

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

INVESTMENT ADVISORY COMMITTEE COMMUNICATION

TO: Honorable Chair and Committee Members

FROM: Bill Gallardo, City Manager

DATE: 10/24/2022

SUBJECT: July 25, 2022 Investment Advisory Committee Regular Meeting Minutes

RECOMMENDATION

Approve.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Kristin Griffith, Director of Administrative Services

Attachments

Minutes 07-25-2022



DRAFT INVESTMENT ADVISORY COMMITTEE MINUTES

Monday, July 25, 2022

10:00 AM

Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

CALL TO ORDER / ROLL CALL

ATTENDEES: Council Member Christine Marick, City Treasurer Denise Eby, Kristin Griffith, Ho-El Park, David Penn, Gary Terrazas, Kristin Griffith, Monica Lo, Faith Madrazo, Alicia Brenner and Anthony Godoy

OTHER ATTENDEES: Mia Corral Brown (Chandler), Daniel Delaney (Chandler), Keith Stribling (HighMark Capital Management) and Angela Tang (PARS)

1. **Matters from the Audience – None.**

CONSENT

2. **April 25, 2022 Investment Advisory Committee Regular Meeting Minutes – Approved.**

DISCUSSION

3. **Review Quarterly Investment Report Period Ended June 30, 2022 from Chandler Asset Management – Presented by Mia Corral Brown and Daniel Delaney –** *The Committee reviewed the quarterly report as presented and recommended to receive and file.*
4. **Review of PARS Pension Rate Stabilization Program Investment Report for Period Ended June 30, 2022 – Presented by PARS and HighMark Capital Management –** *The Committee reviewed the quarterly report as presented and recommended to receive and file.*
5. **Investment Policy Guidelines for the City of Brea’s Employee Benefits Fund Pension Plan –** *The Committee reviewed the Investment Policy Guidelines as presented and recommended to revise the Committee recommendation from “approval” to “recommended for City Council approval”. Recommended for City Council approval.*
6. **Investment Policy Guidelines for the City of Brea’s Other Post Employment Benefits (OPEB) Trust Fund –** *The Committee reviewed the Investment Policy Guidelines as presented and recommended to revise the Committee recommendation from “approval” to “recommended for City Council approval”. Recommended for City Council approval.*
7. **Statement of Investment Policy for the City/Brea Successor Agency to the Brea Redevelopment Agency –** *The Committee reviewed the Statement of Investment Policy as presented and recommended changing the wording under the Investment Instruments section*

regarding Pass-through securities from “Pass-through securities including...” to “Pass through securities specifically...” Committee also recommended adding Mortgage-Backed Securities along side Asset-Backed Securities and Collateralized Mortgage Obligations in line with Government Code language and changing the maximum Pass-through allowance to 15%. Lastly, the Committee recommended to revise the Committee recommendation from “approval” to “recommended for City Council approval”. Recommended for City Council approval with the aforementioned revisions.

8. **Monthly Report of Cash Investments for the City of Brea for Period Ended June 30, 2022**
– Recommended for City Council to receive and file.
9. **Monthly Report of Cash Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ended June 30, 2022** – Recommended for City Council to receive and file.
10. **Annual Update to City Council:** August 16, 2022 at 7:00 PM
11. **Schedule Next Meeting:** Monday, October 24, 2022

Meeting adjourned: 11:24 AM

City of Brea

INVESTMENT ADVISORY COMMITTEE COMMUNICATION

TO: Honorable Chair and Committee Members

FROM: Bill Gallardo, City Manager

DATE: 10/24/2022

SUBJECT: Review Quarterly Investment Report Period Ended September 30, 2022 from
Chandler Asset Management - Presented by Daniel Delaney

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Chandler Asset Management

Attachments

Investment Report

City of Brea

Period Ending September 30, 2022

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Portfolio Holdings
SECTION 4	Transactions

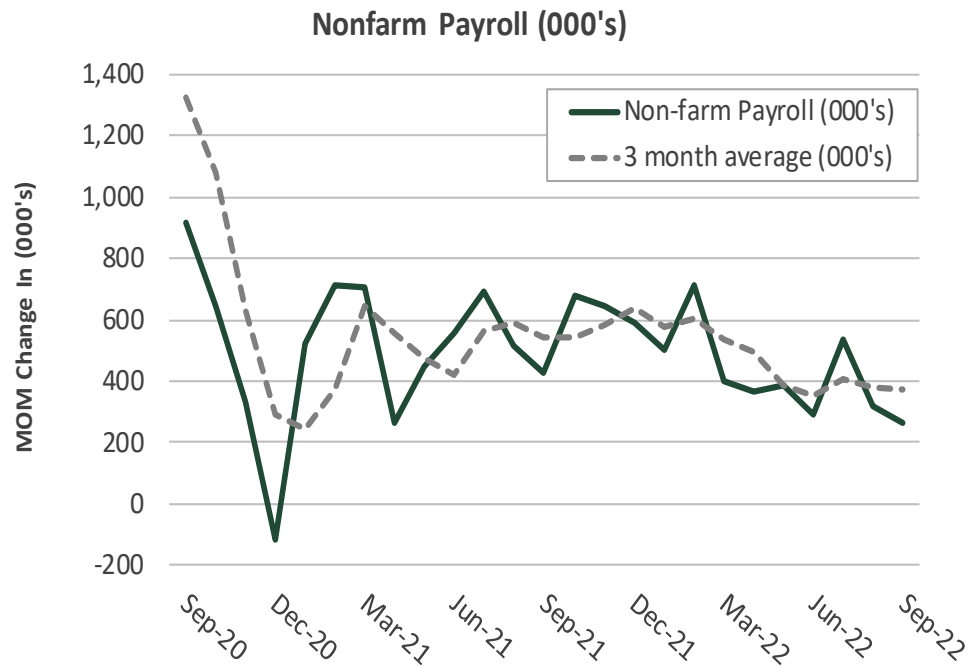


Section 1 | Economic Update

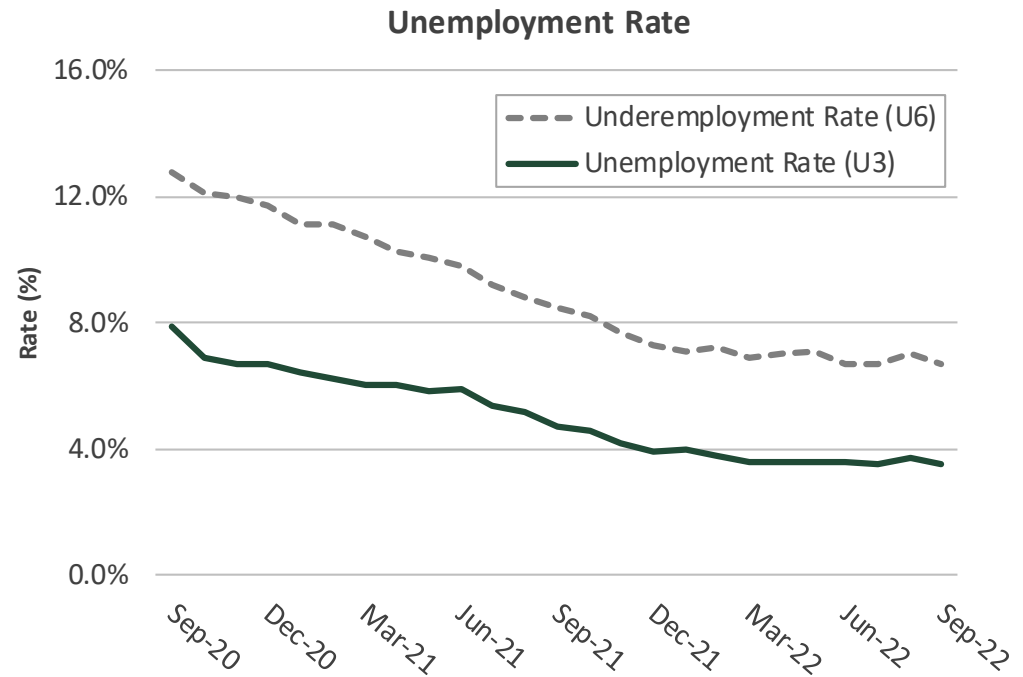
Economic Update

- Market volatility has intensified as financial conditions tighten and global central banks pursue monetary policies to combat persistently high inflation and maintain financial market stability. Labor markets and consumer balance sheets remain strong; however, inflation is weighing heavily on consumer sentiment and beginning to impact discretionary spending. Corporate earnings have generally performed better than expected, but warnings are growing along with wider credit spreads. While evidence of slower economic conditions has begun to mount, we expect the Federal Reserve to continue to raise rates until a sustainable improvement in inflationary conditions has been achieved. Over the near-term, we expect financial market volatility to remain intensified and conditions tighter with persistent inflation, geopolitical risk, and the Fed's hawkish monetary policy.
- At the September meeting, the Federal Open Market Committee (FOMC) delivered the third 75-basis point increase to the Fed Funds Rate, increasing the range to 3.00% to 3.25%. The FOMC acknowledged spending and production are experiencing modest growth, offset by robust labor market and elevated inflation metrics. We expect the Fed to continue to increase the federal funds rate in the near term until inflationary pressures weaken.
- In September, yields rose significantly across the curve. The 2-year Treasury yield increased 79 basis points to 4.28%, the 5-year Treasury yield rose 74 basis points to 4.09%, and the 10-year Treasury yield gained 64 basis points to 3.83%. The spread between the 2-year Treasury yield and 10-year Treasury yield became more inverted at -45 basis points at September month-end versus -30 basis points at August month-end. The spread was a positive 121 basis points one year ago. The spread between 3-month and 10-year treasuries widened to 56 basis points in September compared to just 27 basis points in August. The shape of the curve does not necessarily indicate an imminent recession but bears watching as a better predictor of recession over the medium-term.

Employment



Source: US Department of Labor

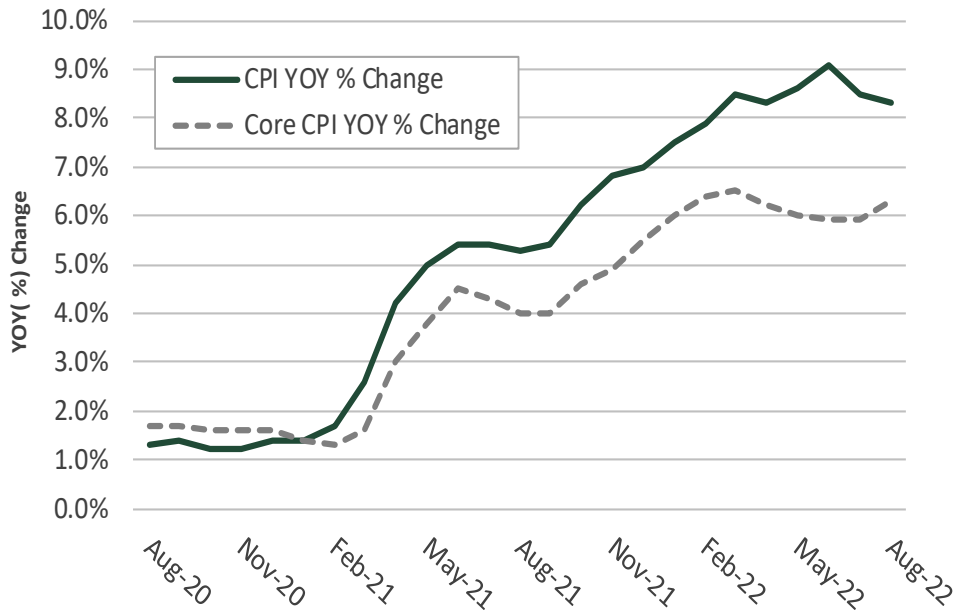


Source: US Department of Labor

The U.S. economy added 263,000 jobs in September, surpassing market expectations of 255,000, and gains were revised upward by 11,000 for the prior two months. Trends in employment remain strong, with the three-month moving average payrolls at 372,000 and the six-month moving average at 360,000. Hiring was widespread, with solid increases in education and health services, leisure and hospitality, and professional and business services. The unemployment rate fell to 3.5% from 3.7%, as the labor participation rate edged down to 62.3% in September from 62.4% in August. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons dropped to 6.7% from 7.0% last month. Average hourly earnings rose 5.0% year-over-year in September compared to 5.2% year-over-year in August, a constructive development for the inflation outlook. The strong September labor report bolsters the case for the Fed to continue raising the federal funds rate.

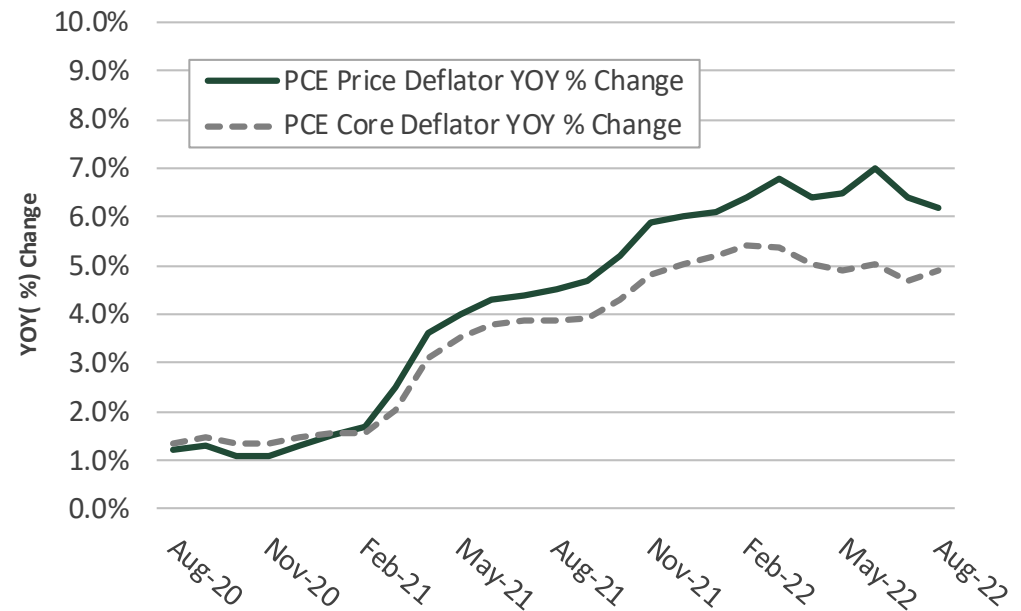
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

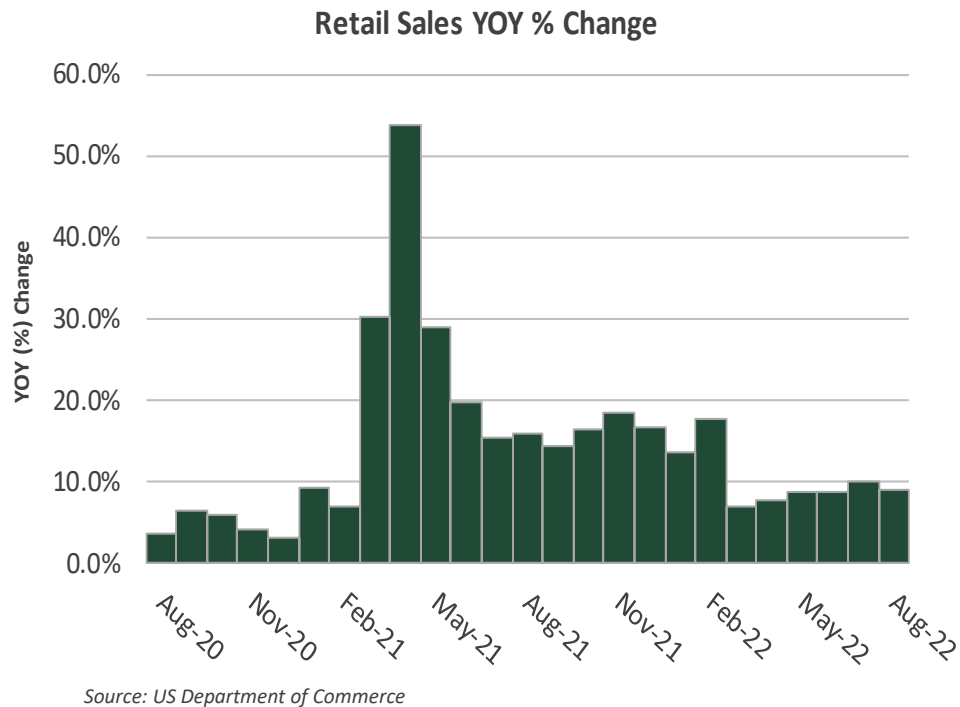
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

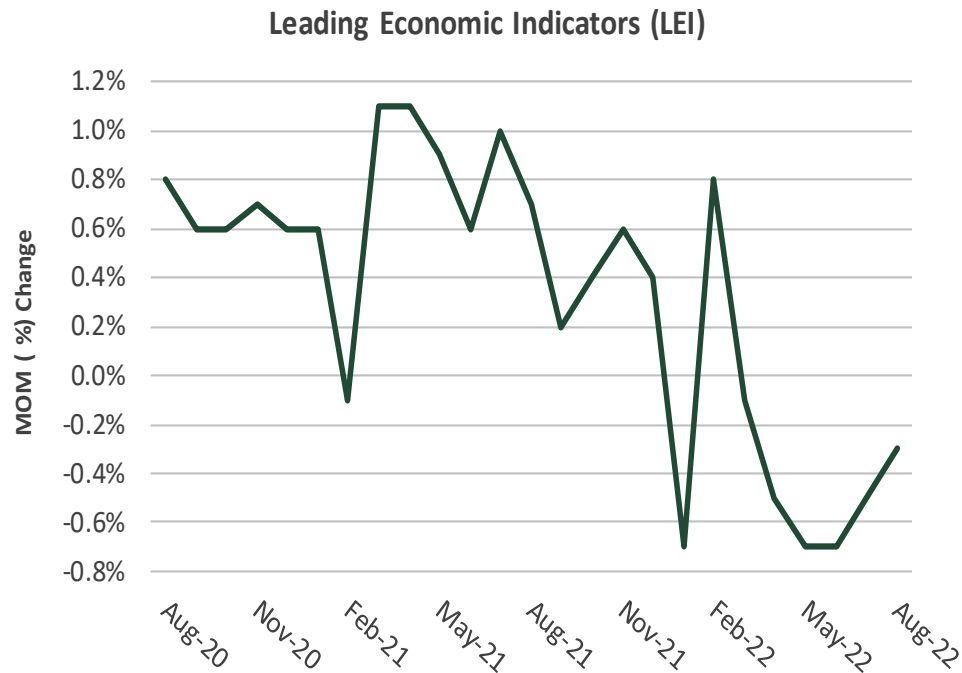
The Consumer Price Index (CPI) increased more than expected in August, with broad-based gains led by shelter and food. Headline CPI increased 8.3% year-over-year in August, versus expectations for an 8.1% increase, and down from an 8.5% year-over-year gain in July. Core CPI (CPI less food and energy) rose 6.3% year-over-year in August, up from a 5.9% year-over-year gain in July. The annual increase of rent and owner's equivalent rent of 6.7% and 6.3%, respectively were the largest annual increases since 1986. The Personal Consumption Expenditures (PCE) index rose 6.2% in August, higher than consensus estimates of up 6.0%, but down from a 6.4% increase last month. Core PCE was up 4.9% year-over-year in August, versus up 4.7% year-over-year in July. Persistently elevated inflation is likely to keep the Federal Reserve on the path of tightening monetary policy as long as it continues to run well above the Fed's longer-run target of around 2.0%.

Consumer

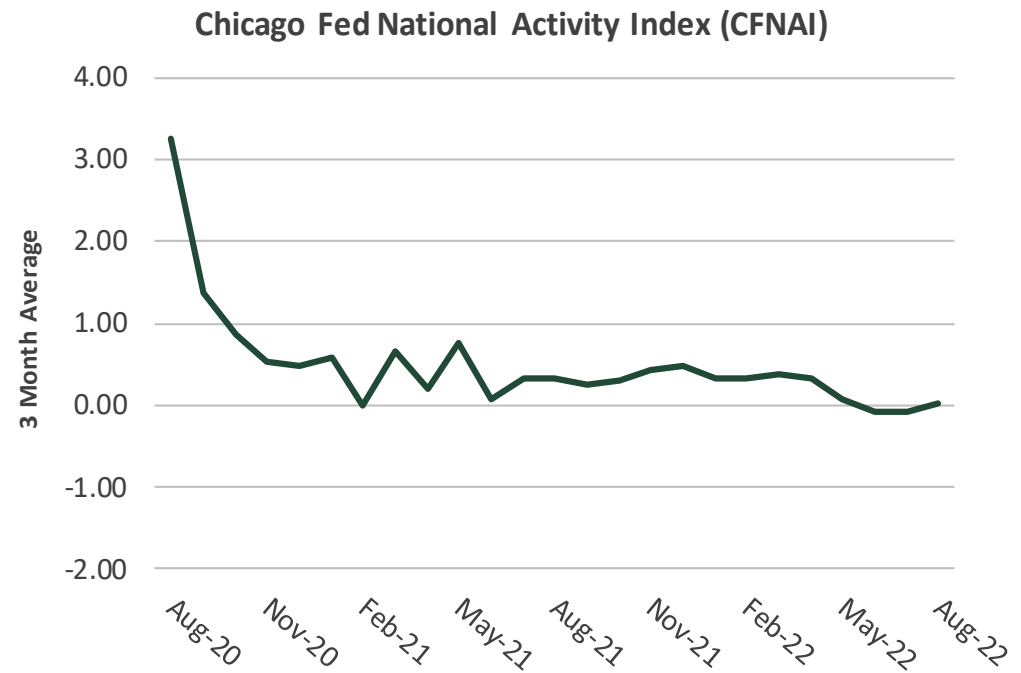


Retail sales unexpectedly rose in August by 9.1% year-over-year. Although the August data surprised to the upside, July was revised down to 10.1% growth year-over-year. Retail sales growth is at risk as consumers dip into savings and assume more debt. The Conference Board's Consumer Confidence Index rose for the second month in a row to 108.0 in September, with gains in both the present situation and future expectations components. The strength was tied directly to the consumer's assessment of the labor market, which continues to reflect the demand for labor outstripping supply.

Economic Activity



Source: The Conference Board

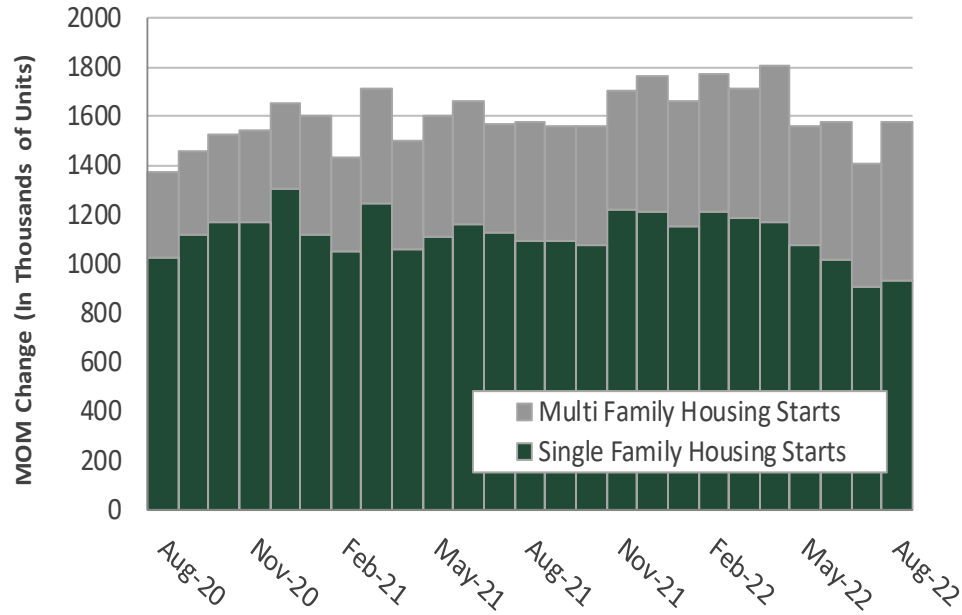


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) remained in negative territory at -0.3% in August, following a decline to -0.5% in July. This is the sixth straight month-over-month decline for the index. With the year-over-year index now at -1.0% in August and average workweek in manufacturing having contracted for four of the last six months, the Conference Board stated that US economic activity is expected to continue to slow more broadly and is likely to contract. The Chicago Fed National Activity Index (CFNAI) fell to zero in August from +0.29 in July indicating a moderation in economic growth over the month. On a 3-month moving average basis, the CFNAI increased to 0.01 in August from -.08 in each of the last two months.

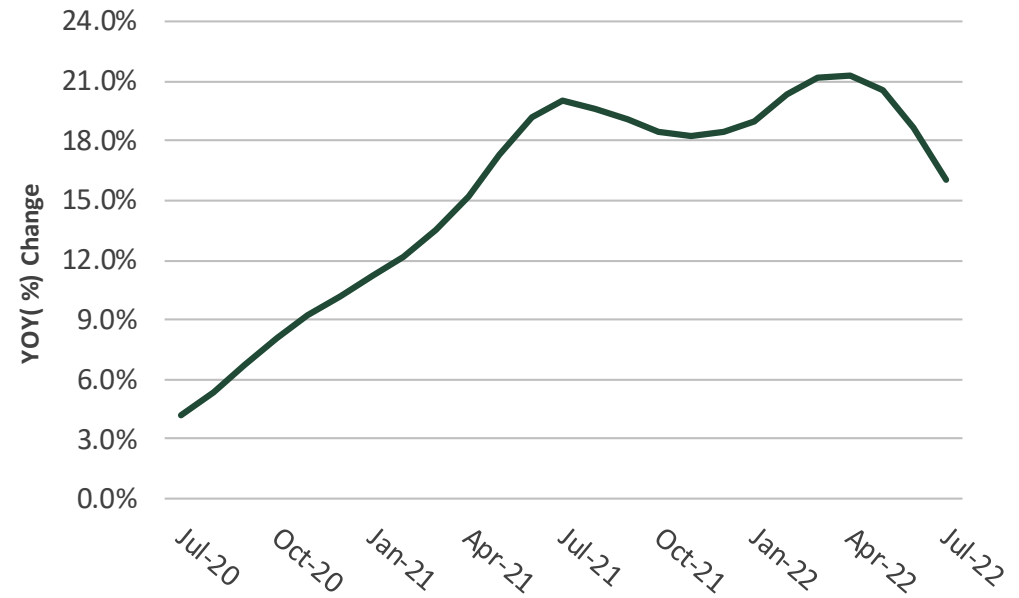
Housing

Housing Starts



Source: US Department of Commerce

S&P/Case-Shiller 20 City Composite Home Price Index

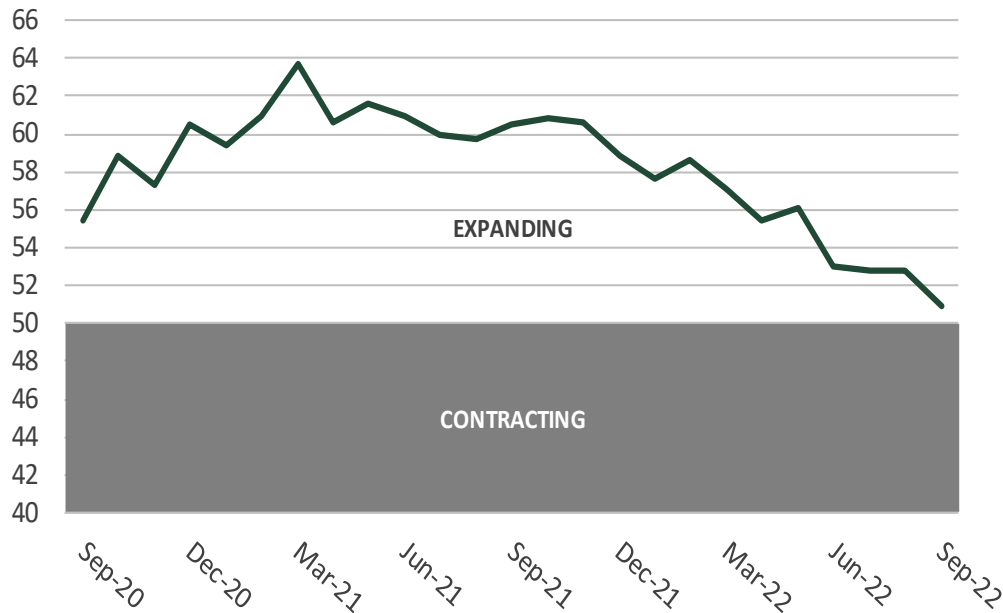


Source: S&P

Total housing starts increased 12.2% to an annual rate of 1,575,000 in August, from a revised 1,404,000 units in July. Single-family home starts increased 3.4% and multi-family homes increased 28% month-over-month. On a year-over-year basis, total housing starts decreased 0.1% reflecting a shift from single-family units to more affordable multi-family units as homebuyers struggle with a combination of elevated prices and higher mortgage rates. Mortgage rates for a 30-year fixed-rate loan are higher than they have been since 2007 at 6.7%. According to the Case-Shiller 20-City Home Price Index, the year-over-year increase receded from 18.7% in June to 16.1% in July, clearly displaying the impact of higher mortgage rates which have reduced demand for homebuying as affordability has declined.

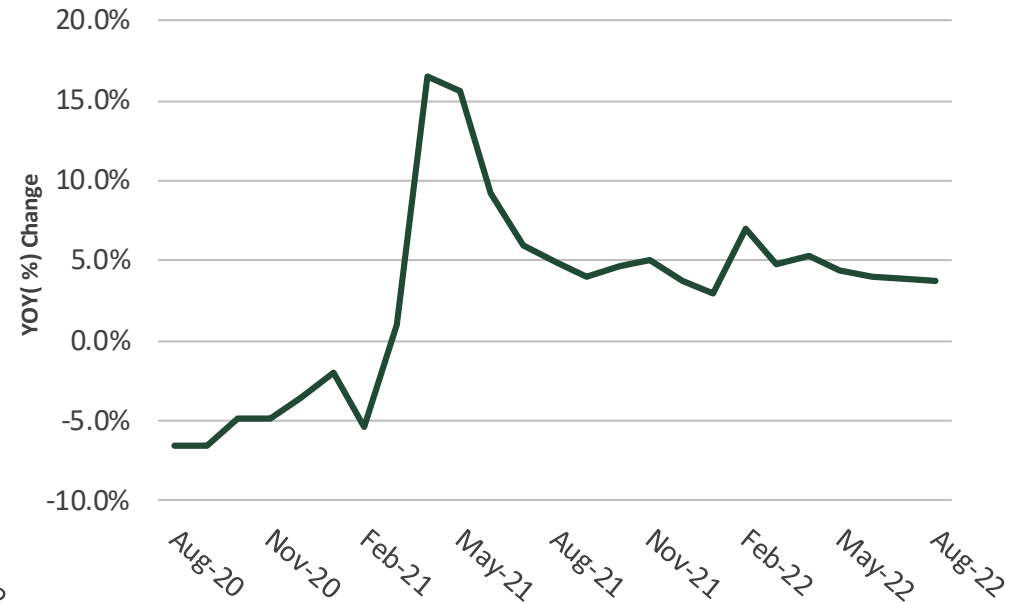
Manufacturing

Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

Industrial Production



Source: Federal Reserve

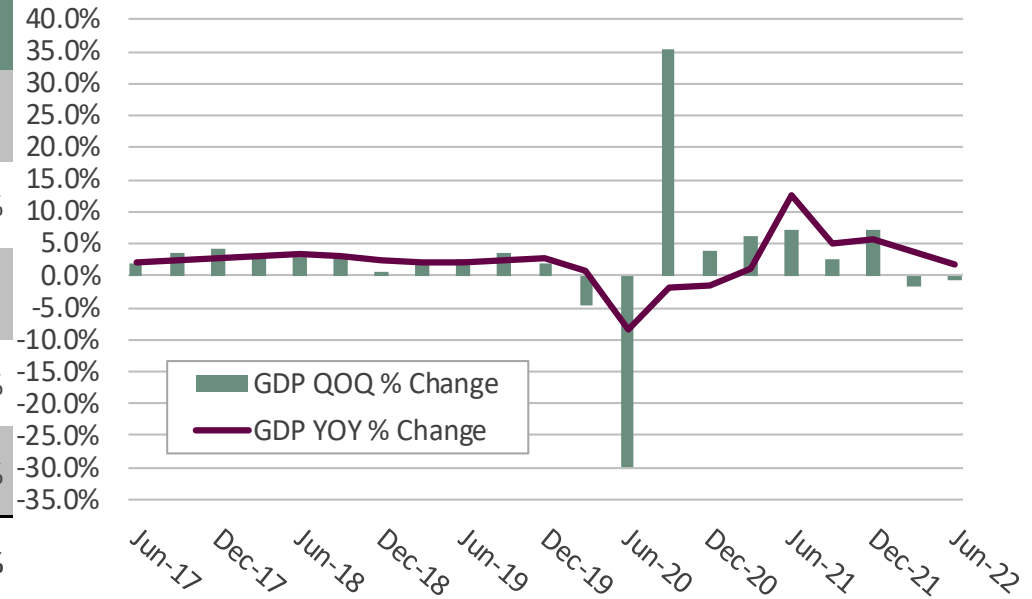
The Institute for Supply Management (ISM) manufacturing index plunged nearly two points to 50.9 in September, the lowest since May 2020 and disappointing relative to consensus expectations of 52.0. Readings above 50.0 are indicative of expansion in the manufacturing sector. New orders declined significantly, reflecting lower demand for goods as consumers shift to spending on services. Total industrial production declined by -0.2% in August, following a downwardly revised increase of 0.5% in July. Capacity utilization fell to 80.0% in August from 80.2% in July, a rate that is 0.4 percentage points above its long-run (1972-2021) average.

Gross Domestic Product (GDP)

Components of GDP	9/21	12/21	3/22	6/22
Personal Consumption Expenditures	2.0%	2.1%	0.9%	1.4%
Gross Private Domestic Investment	1.8%	5.1%	1.0%	-2.8%
Net Exports and Imports	-1.1%	-0.2%	-3.1%	1.2%
Federal Government Expenditures	-0.5%	0.0%	-0.4%	-0.2%
State and Local (Consumption and Gross Investment)	0.5%	-0.2%	0.0%	-0.1%
Total	2.7%	7.0%	-1.6%	-0.6%

Source: US Department of Commerce

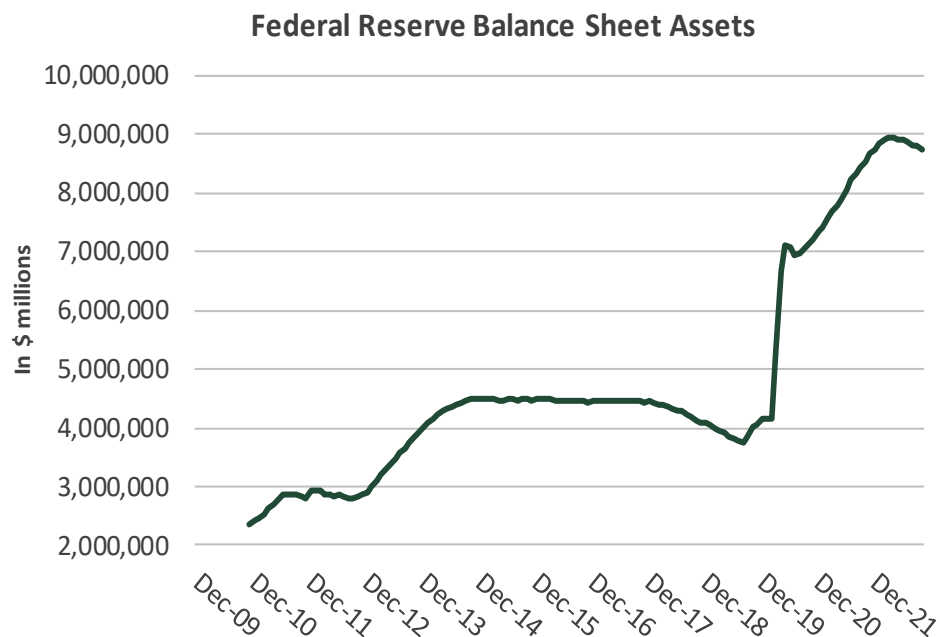
Gross Domestic Product (GDP)



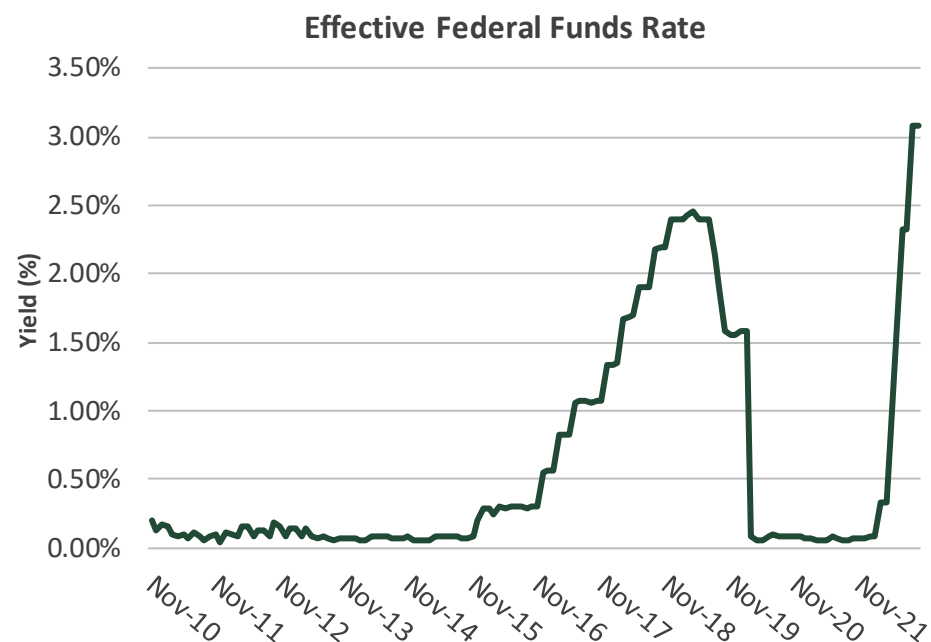
Source: US Department of Commerce

According to the third estimate, U.S. GDP was unrevised at -0.6% annualized in the second quarter. Personal consumption expenditures rose, primarily due to spending on services. The largest negative contribution was from a drop in gross residential investment as the housing sector diminished sharply. The second quarter decline followed a first quarter contraction of -1.6%. Although many market participants link two quarters in a row of negative GDP growth with a recession, an official declaration by the National Bureau of Economic Research is unlikely given the mosaic of data and the strength of the labor market. The consensus estimate calls for 1.5% growth in the third quarter and 1.6% growth for the full year 2022.

Federal Reserve



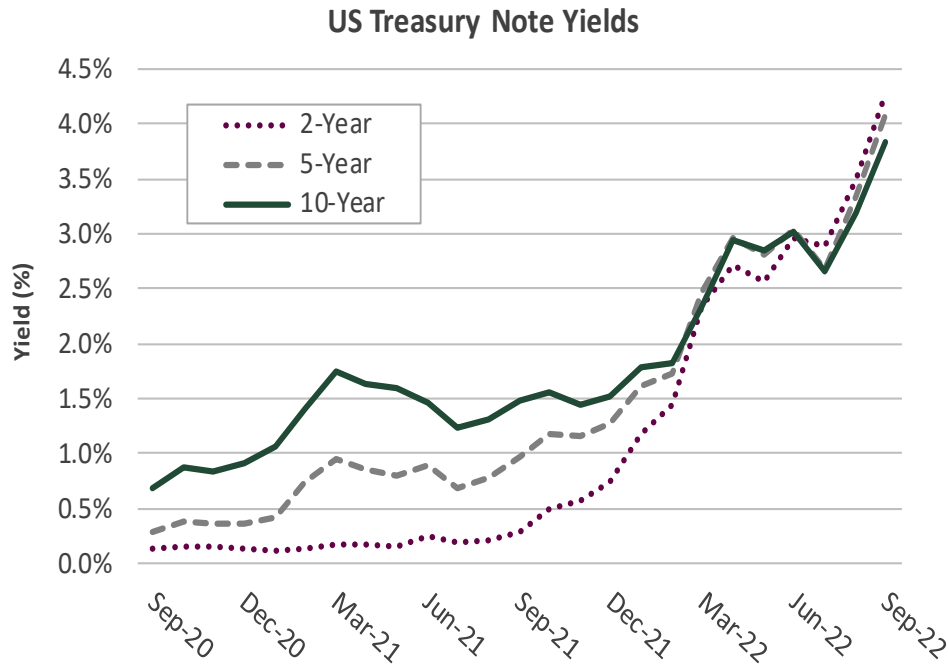
Source: Federal Reserve



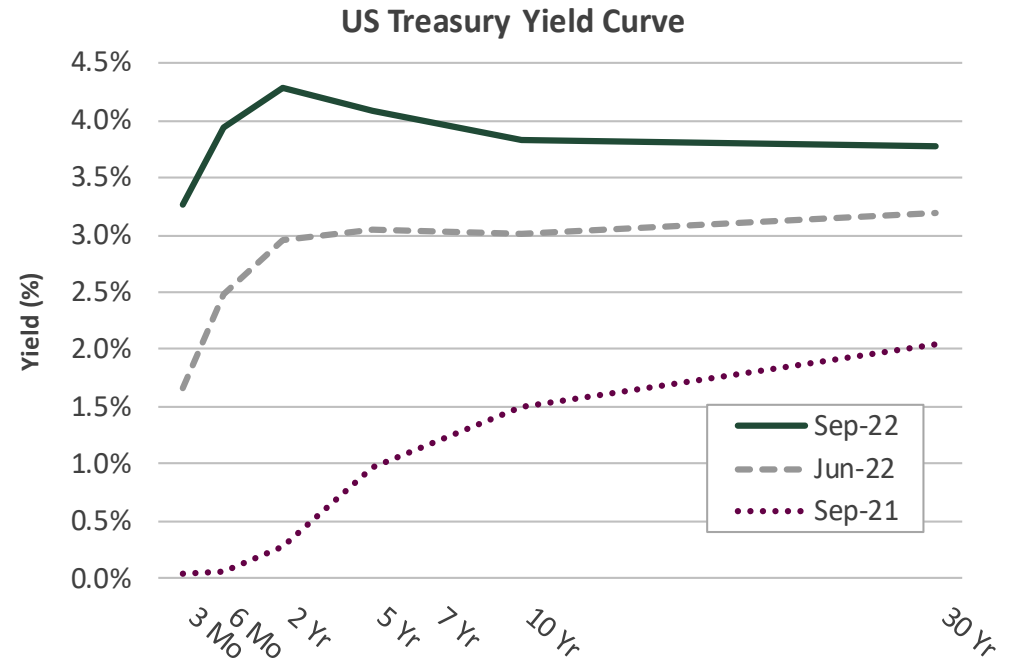
Source: Bloomberg

At the September meeting, the Federal Open Market Committee (FOMC) delivered the third 75-basis point increase to the Fed Funds Rate, increasing the range to 3.00% to 3.25%. The FOMC acknowledged spending and production are experiencing modest growth, offset by robust labor market and elevated inflation metrics. The FOMC remains data dependent to meet its long-term 2% inflation objective. The Fed also released new economic projections showing a significant slowdown in the economy later in 2022 and 2023. The Fed has reduced its \$9 trillion balance sheet holdings by \$87.1 billion since the start of the program and will increase the rate of decrease to \$95 billion a month in September. As inflation metrics begin to moderate, we believe the Federal Reserve will decelerate their pace of tightening, but a material decline in inflation in the short-term is unlikely.

Bond Yields



Source: Bloomberg



Source: Bloomberg

At the end of September, the 2-year Treasury yield was 400 basis points higher, and the 10-Year Treasury yield was about 234 basis points higher, year-over-year. The spread between the 2-year Treasury yield and 10-year Treasury yield became more inverted at -45 basis points at September month-end versus -30 basis points at August month-end. The average historical spread (since 2003) is about 130 basis points. The spread between 3-month and 10-year treasuries widened to 56 basis points in September compared to just 27 basis points in August. The shape of the yield curve does not indicate an imminent recession but bears watching as a better predictor of recession over the medium-term.



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	<i>Complies</i>
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	<i>Complies</i>
Supranational Obligations	"AA" rated or higher by a NRSRO; 15% max; 5% max per issuer	<i>Complies</i>
Municipal Securities	5% max issuer; Other investments that are legal investments through the State of California Government Code	<i>Complies</i>
Corporate Medium Term Notes	"A" rating or better by a NRSRO; 30% max; 5% max per issuer	<i>Complies</i>
Pass Through Securities, Asset-Backed Securities (ABS), CMOs	"AA" rated or higher by a NRSRO; 20% max(combined ABS/MBS/CMO), 10% max (ABS); 5% max per issuer	<i>Complies</i>
Negotiable Certificates of Deposit (NCD)	30% max; 5% max per issuer	<i>Complies</i>
Certificates of Deposit (CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	<i>Complies</i>
Banker's Acceptances	40% max; 5% max issuer; 180 days max maturity	<i>Complies</i>
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% max; 5% max per issuer; 270 days max maturity	<i>Complies</i>
Money Market Funds	Highest rating by two NRSROs; 20% max; 5% max per fund	<i>Complies</i>
Local Agency Investment Fund (LAIF)	60% max combined State and County investment pools; 40% max per pool	<i>Complies</i>
OCIP/County Pool	60% max combined State and County investment pools; 40% max per pool	<i>Complies</i>
Repurchase Agreements	5% max issuer; 1 year max maturity	<i>Complies</i>
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.	<i>Complies</i>
Max Per Issuer	5% max per issuer, with the exception of U.S. Treasury Obligations, U.S. Federal Government Agency obligations, Approved State and County investment pools	<i>Complies</i>
Maximum Maturity	5 years, unless the City Council has granted express authority to make that investment; When possible, a minimum of 25% of the portfolio should be in maturities of 1 year or less	<i>Complies</i>

Portfolio Characteristics

As of September 30, 2022

City of Brea

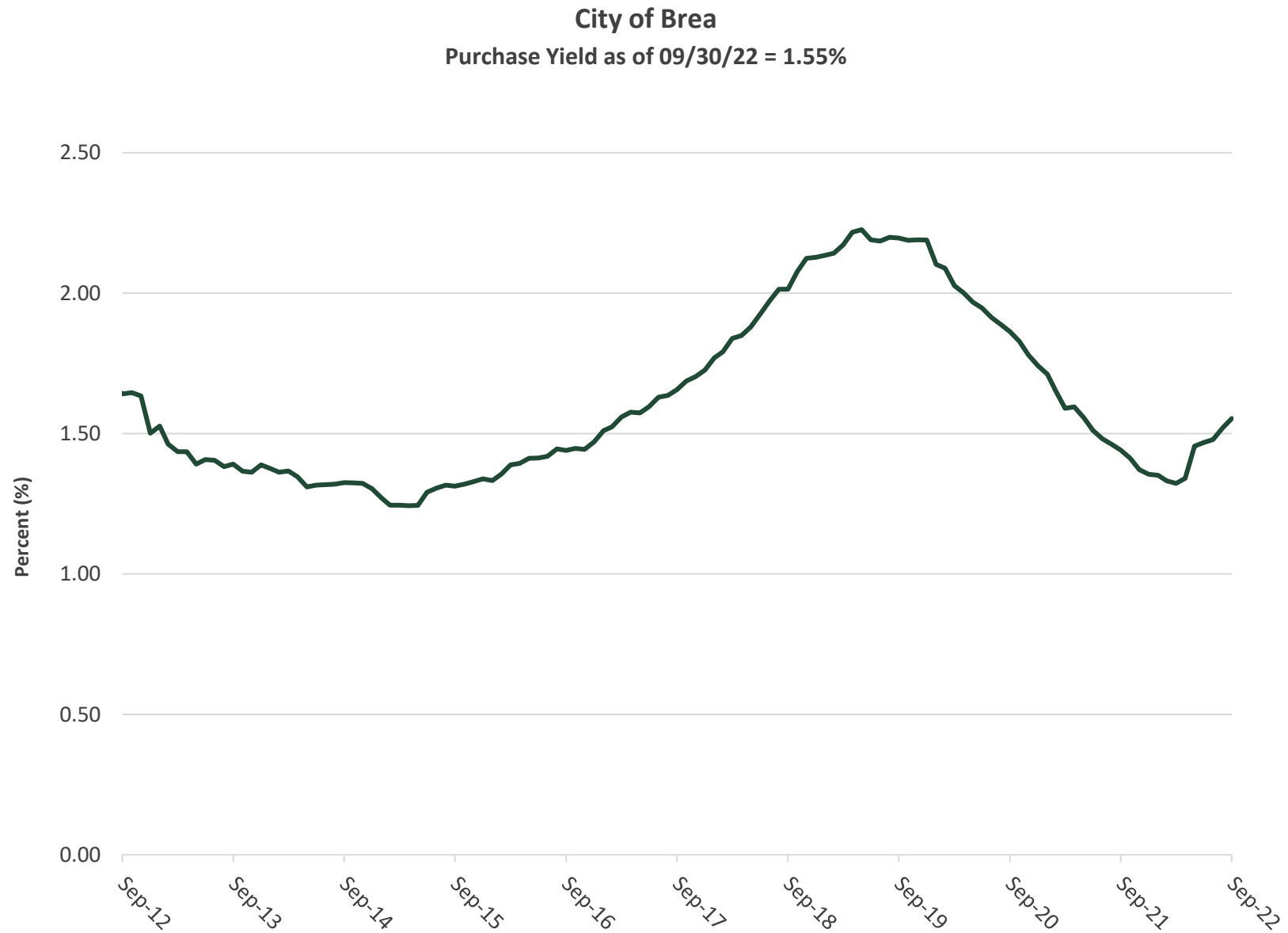
	09/30/22	06/30/22
	Benchmark*	Portfolio
Average Maturity (yrs)	2.60	2.71
Average Modified Duration	2.48	2.42
Average Purchase Yield	n/a	1.55%
Average Market Yield	4.26%	4.47%
Average Quality**	AAA	AA/Aa2
Total Market Value		93,504,326
		95,413,568

*ICE BofA 1-5 Yr US Treasury & Agency Index

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

Historical Average Purchase Yield

As of September 30, 2022



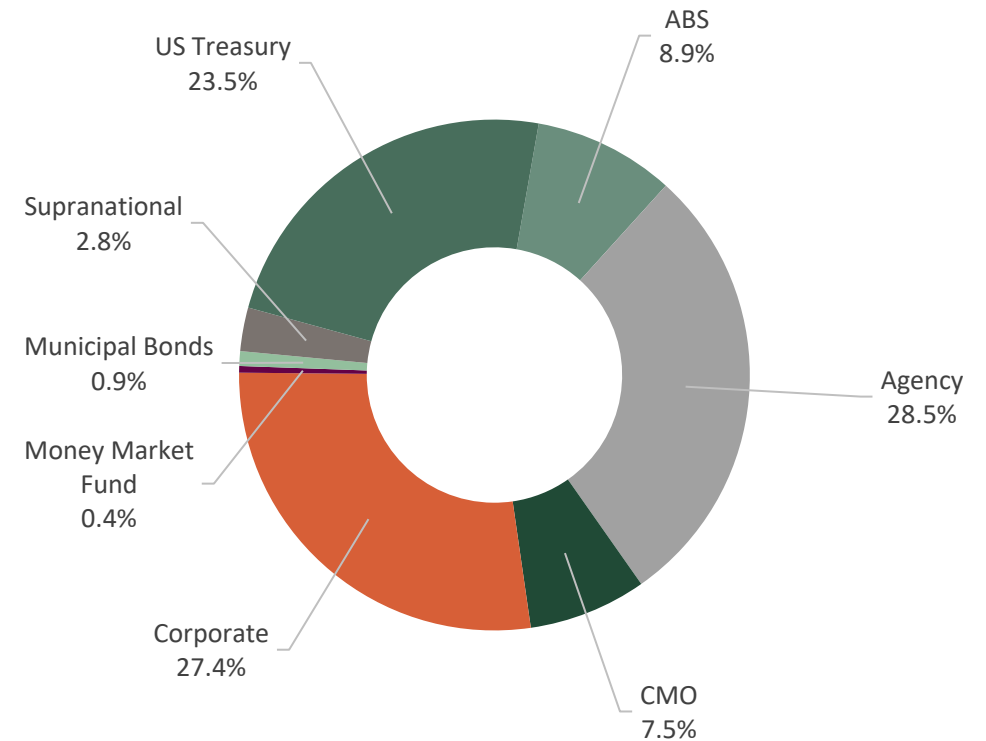
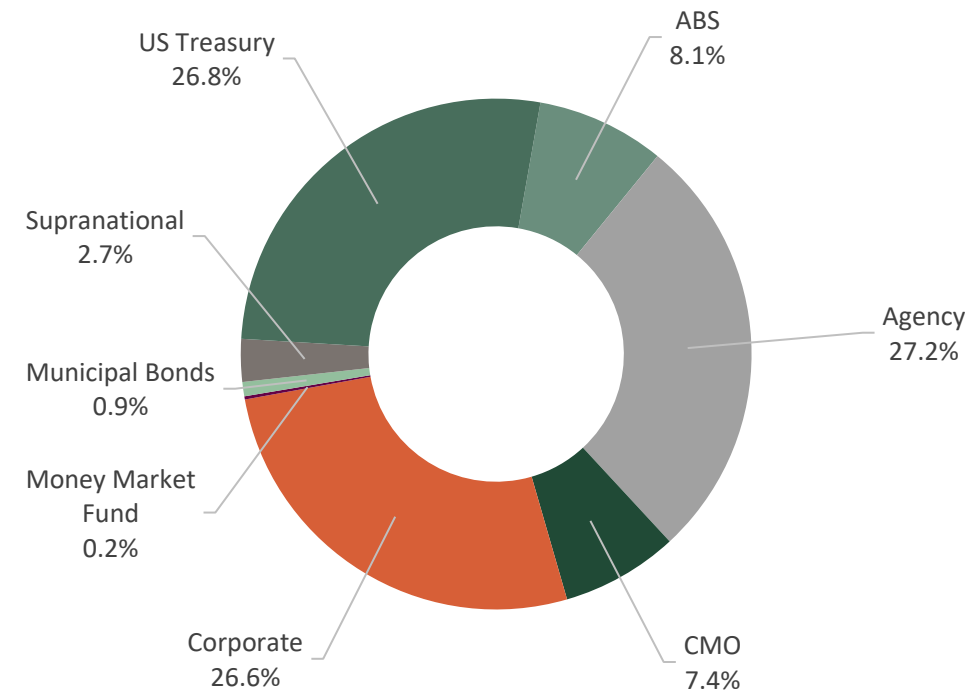
Sector Distribution

As of September 30, 2022

City of Brea

September 30, 2022

June 30, 2022

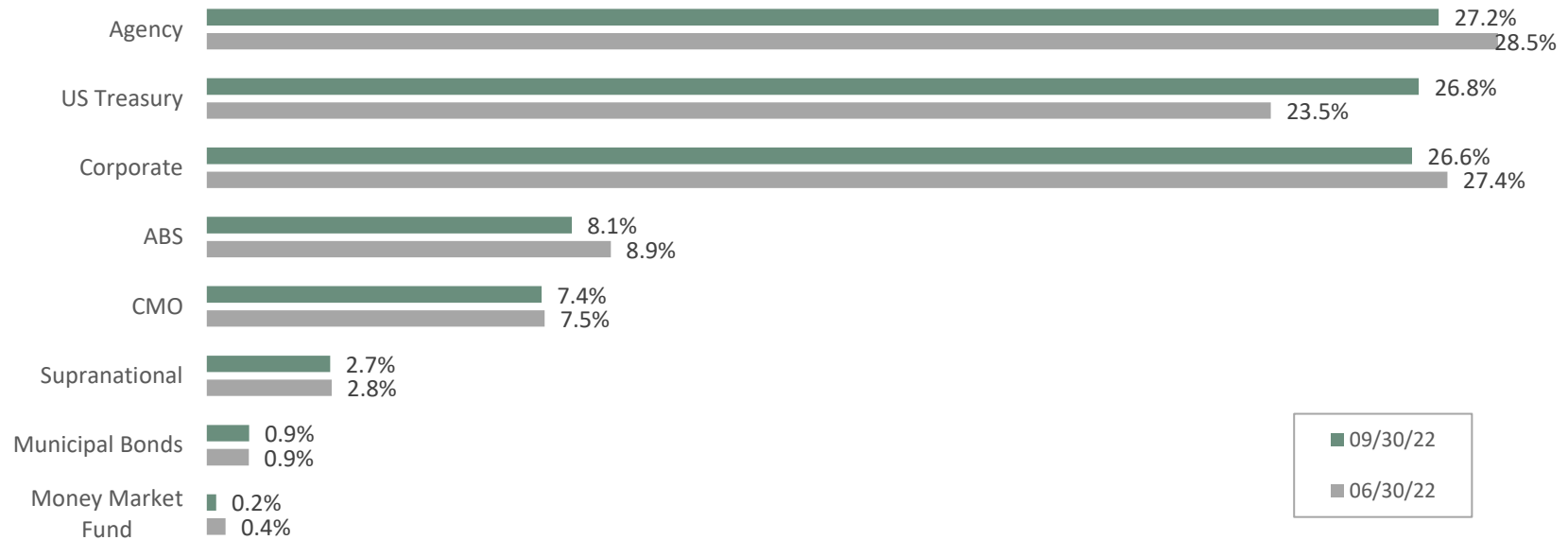


Portfolio Allocation & Duration Changes

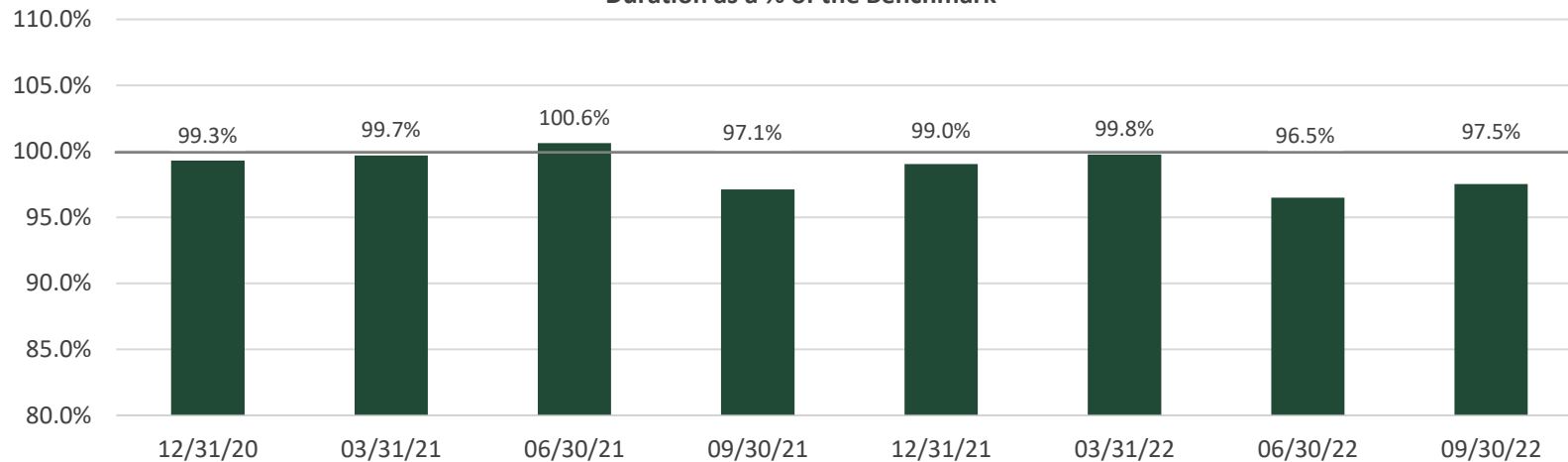
As of September 30, 2022

City of Brea

Portfolio Allocation



Duration as a % of the Benchmark



Benchmark: ICE BofA 1-5 Yr US Treasury & Agency Index

City of Brea – Account #120

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	26.79%
Federal National Mortgage Association	Agency	13.61%
Federal Home Loan Mortgage Corp	Agency	8.08%
Federal Home Loan Mortgage Corp	CMO	7.40%
Federal Home Loan Bank	Agency	5.54%
Toyota Motor Corp	Corporate	2.03%
Inter-American Dev Bank	Supranational	1.83%
Bank of America Corp	Corporate	1.81%
JP Morgan Chase & Co	Corporate	1.75%
Royal Bank of Canada	Corporate	1.62%
Caterpillar Inc	Corporate	1.62%
Honda ABS	ABS	1.51%
Amazon.com Inc	Corporate	1.37%
Chubb Corporation	Corporate	1.28%
Bank of Montreal Chicago	Corporate	1.28%
Charles Schwab Corp/The	Corporate	1.26%
Toyota ABS	ABS	1.25%
GM Financial Automobile Leasing Trust	ABS	1.18%
Toronto Dominion Holdings	Corporate	1.12%
Paccar Financial	Corporate	1.12%
Berkshire Hathaway	Corporate	1.05%
National Rural Utilities	Corporate	1.05%
Hyundai Auto Receivables	ABS	1.03%
US Bancorp	Corporate	0.96%
State of California	Municipal Bonds	0.94%
Salesforce.com Inc	Corporate	0.93%
BMW Vehicle Lease Trust	ABS	0.92%
Intl Bank Recon and Development	Supranational	0.90%
Duke Energy Field Services	Corporate	0.85%
Bank of New York	Corporate	0.85%
John Deere ABS	ABS	0.69%
United Health Group Inc	Corporate	0.67%
Verizon Owner Trust	ABS	0.67%
Deere & Company	Corporate	0.65%
Truist Financial Corporation	Corporate	0.63%
Costco Wholesale Corporation	Corporate	0.61%
Target Corp	Corporate	0.52%
Morgan Stanley	Corporate	0.50%

City of Brea – Account #120

Issue Name	Investment Type	% Portfolio
Northern Trust Corp	Corporate	0.45%
GM Financial Securitized Term Auto Trust	ABS	0.44%
Apple Inc	Corporate	0.44%
Nissan ABS	ABS	0.23%
Wal-Mart Stores	Corporate	0.22%
Fidelity Institutional Treasury Portfolio	Money Market Fund	0.21%
Mercedes-Benz Auto Lease Trust	ABS	0.15%
TOTAL		100.00%

Agency

- Agency spreads widened modestly during the quarter. Issuance has been concentrated in very short maturities keeping spreads further out the curve at historically very tight levels.
- We continued to use Agencies as a source of funding for investment in other sectors where we see better relative value opportunities

Investment Grade Credit

- Investment Grade credit spreads were little changed over the quarter, tightening in July and August before widening back out in September.
- Corporate credit fundamentals remain sound although we expect to see greater dispersion going forward reflecting the more challenging economic backdrop.
- Our Corporate holdings are well diversified and positioned should the economic environment continue to deteriorate. We increased exposure to high conviction, large and well capitalized banks including Bank of America and Toronto Dominion during the quarter, and, in addition, defensive issuers like Costco.

Pass-Through Securities

- Asset-Backed Securities performed well during the quarter as spreads tightened. We remain positive on the sector due to strong underlying borrower and collateral characteristics alongside structural credit enhancements.
- Agency Pass-Through Securities also performed well with spreads remaining broadly unchanged. We continue to view Agency Pass-Throughs as a compelling portfolio diversifier, providing yield enhancement over Agency securities for similar credit quality.

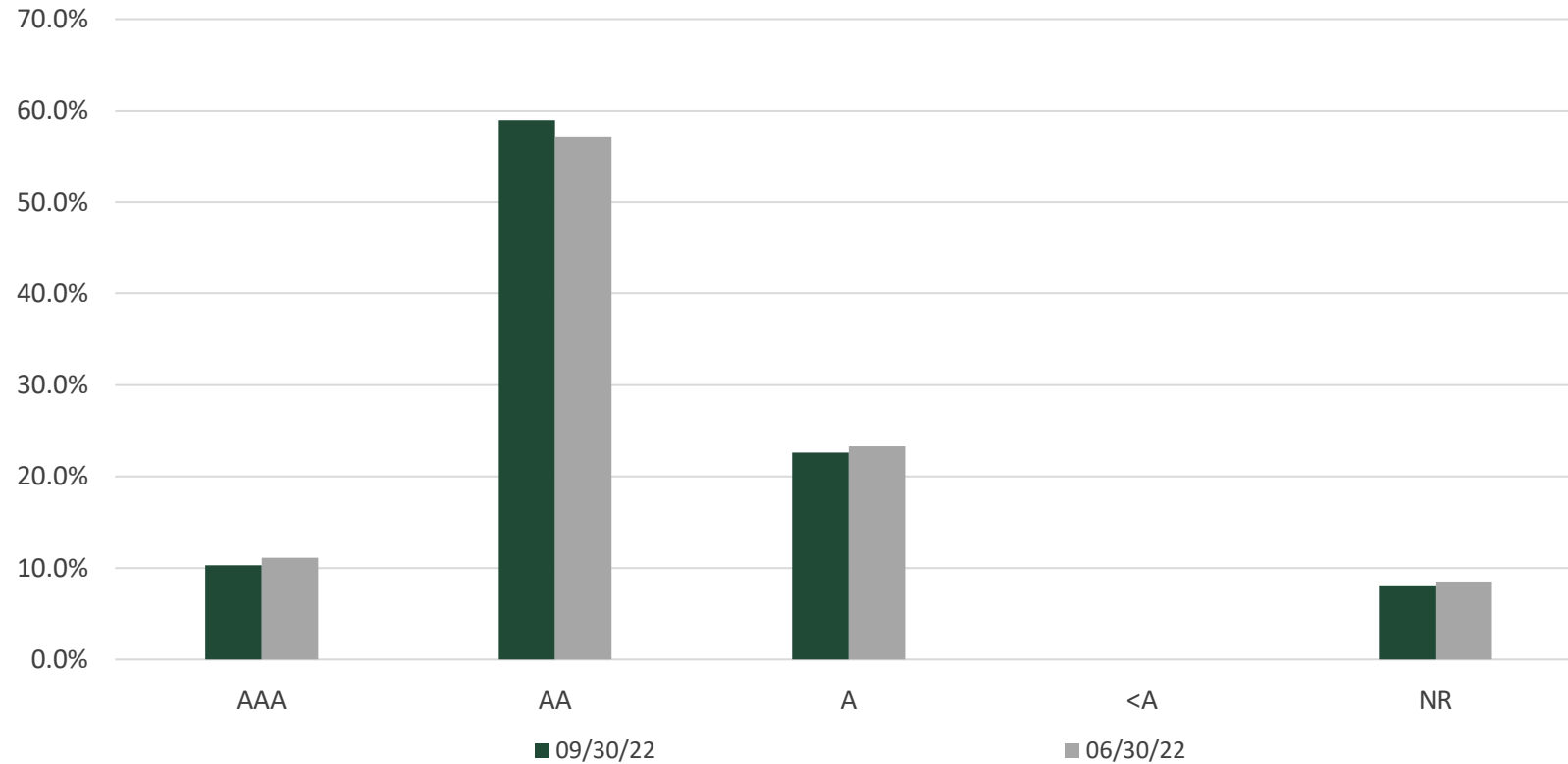
Municipal Bonds

- Taxable Municipal Bond spreads tightened during the quarter while fundamental underpinnings remain robust.
- There was a pick-up in Taxable issuance, notably in the State General Obligation market, although valuations in shorter dated maturities relevant for the City's portfolio remain unattractive. We continue to look for any suitable opportunities to increase exposure to the sector.

Quality Distribution

As of September 30, 2022

City of Brea
September 30, 2022 vs. June 30, 2022



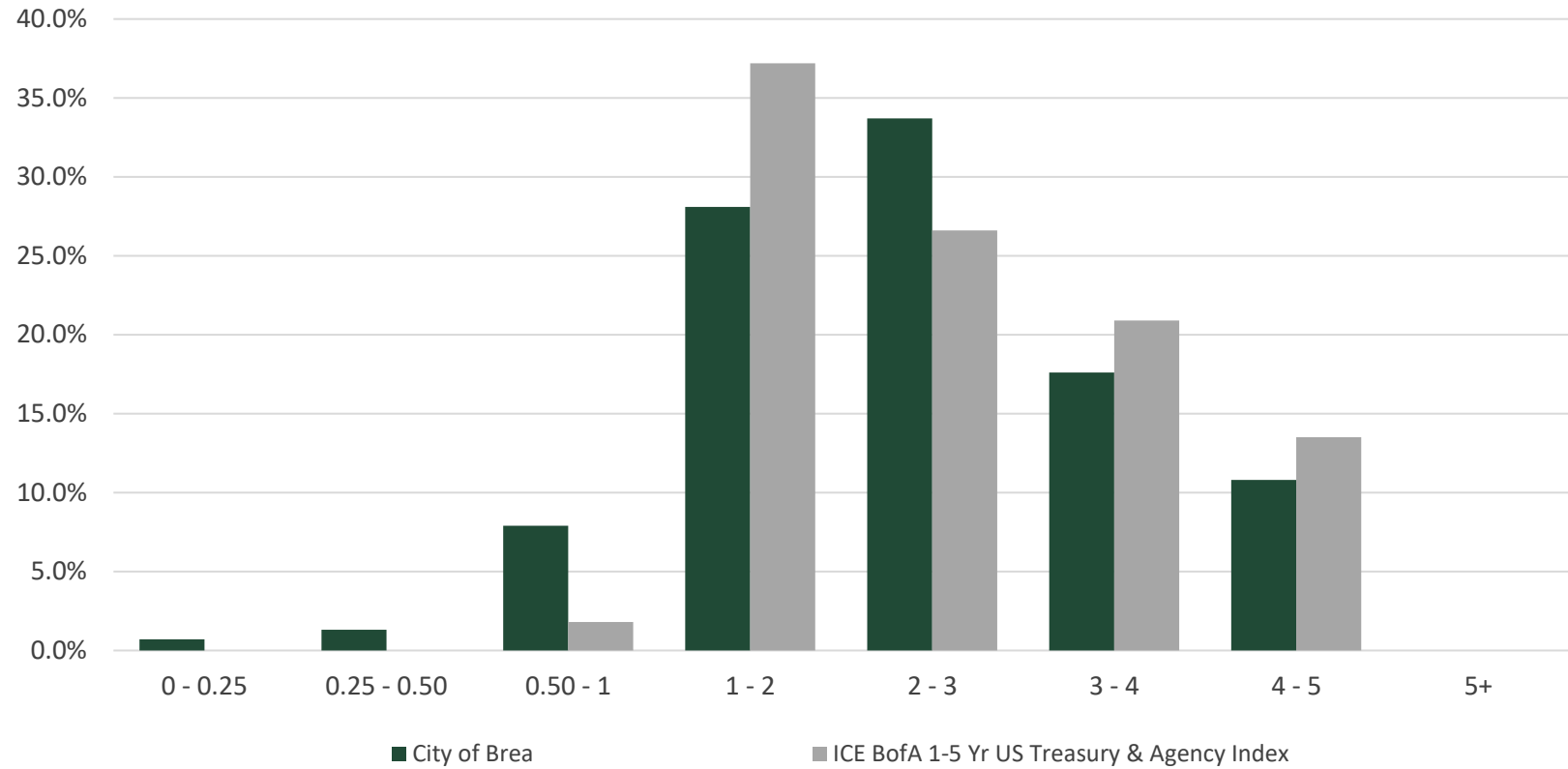
	AAA	AA	A	<A	NR
09/30/22	10.3%	59.0%	22.6%	0.0%	8.1%
06/30/22	11.1%	57.1%	23.3%	0.0%	8.5%

Source: S&P Ratings

Duration Distribution

As of September 30, 2022

City of Brea
Portfolio Compared to the Benchmark

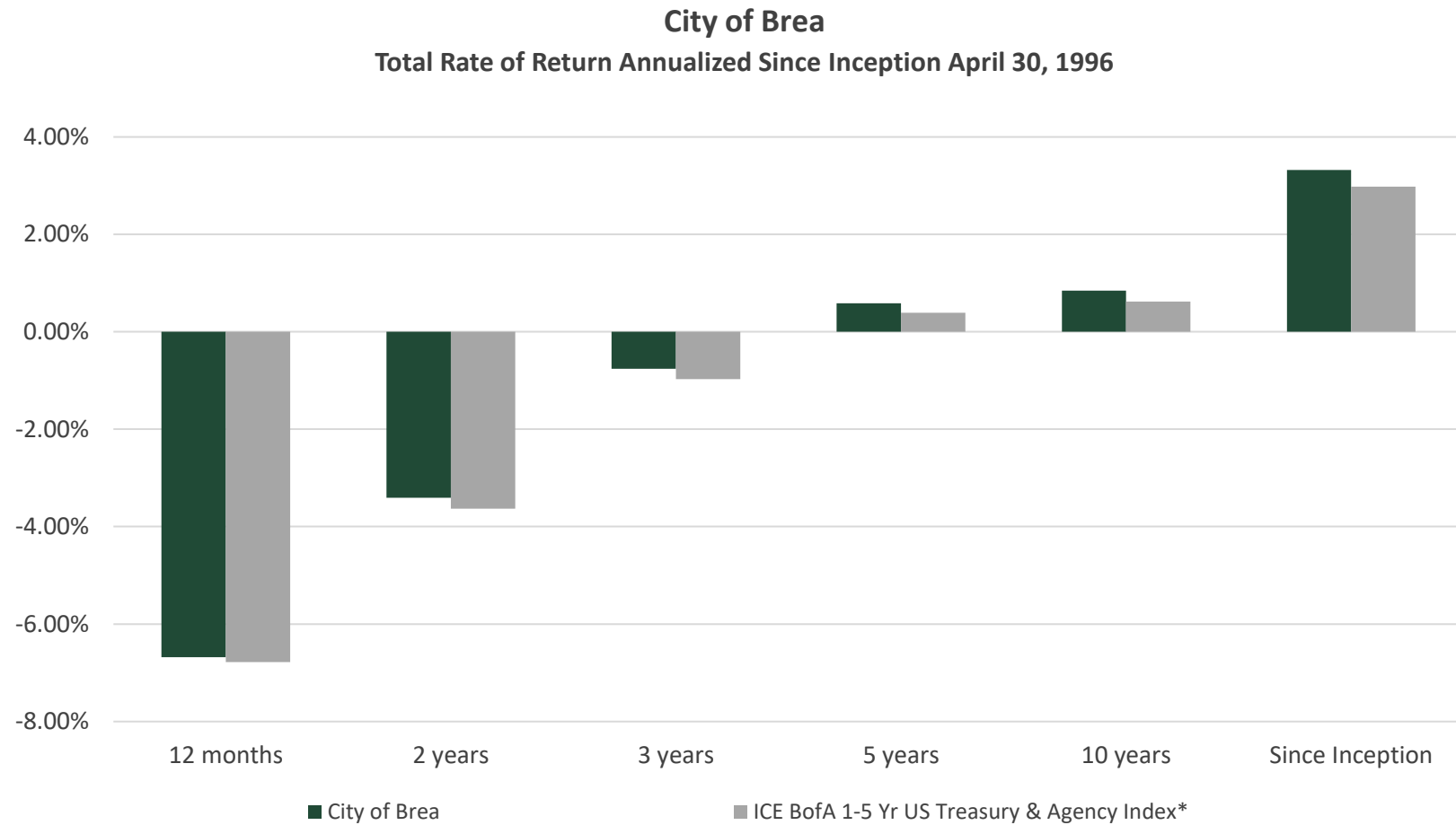


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	0.7%	1.3%	7.9%	28.1%	33.7%	17.6%	10.8%	0.0%
Benchmark*	0.0%	0.0%	1.8%	37.2%	26.6%	20.9%	13.5%	0.0%

*ICE BofA 1-5 Yr US Treasury & Agency Index

Investment Performance

As of September 30, 2022



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
City of Brea	-2.00%	-6.68%	-3.41%	-0.76%	0.58%	0.85%	3.32%
ICE BofA 1-5 Yr US Treasury & Agency Index*	-2.28%	-6.78%	-3.63%	-0.97%	0.39%	0.62%	2.98%

*ICE BofA 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 September 30, 2022

City of Brea LAIF

	09/30/22 Portfolio	06/30/22 Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	1.60%	0.94%
Average Market Yield	1.60%	0.94%
Average Quality*	NR/NR	NR/NR
Total Market Value	2,535,981	18,673,205

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

Portfolio Characteristics

As of September 30, 2022

Successor Agency to the Brea RDA LAIF

	09/30/22 Portfolio	06/30/22 Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	1.60%	0.94%
Average Market Yield	1.60%	0.94%
Average Quality*	NR/NR	NR/NR
Total Market Value	19,105	19,040

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

City Brea Bond Reserve Funds
Portfolio Characteristics
Summary of Accounts Managed

September 30, 2022

Name of Account	Average Maturity (Years)	Average Book Yield	Market Value	Average Quality
Brea CFD 2008 2 17 Reserve Fund	2.06	1.99%	645,637	AA+/Aaa



Section 3 | Portfolio Holdings

Holdings Report

As of September 30, 2022

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
ABS									
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.780% Due 08/15/2023	37,021.18	08/20/2019 1.79%	37,020.88 37,021.18	99.89 3.58%	36,980.27 29.29	0.04% (40.91)	Aaa / AAA NR	0.87 0.06
58769EAC2	Mercedes-Benz Auto Lease Trust 2020-B A3 0.400% Due 11/15/2023	141,692.22	09/15/2020 0.40%	141,685.04 141,691.32	99.48 3.67%	140,954.43 25.19	0.15% (736.89)	NR / AAA AAA	1.13 0.16
477870AC3	John Deere Owner Trust 2019-B A3 2.210% Due 12/15/2023	15,838.09	07/16/2019 2.23%	15,834.73 15,837.17	99.88 3.61%	15,819.56 15.56	0.02% (17.61)	Aaa / NR AAA	1.21 0.08
92348AAA3	Verizon Owner Trust 2019-C A1A 1.940% Due 04/22/2024	62,609.82	10/01/2019 1.95%	62,604.99 62,608.16	99.77 3.38%	62,463.62 37.11	0.07% (144.54)	NR / AAA AAA	1.56 0.16
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	217,292.13	Various 1.71%	218,362.79 217,744.95	99.62 3.76%	216,469.68 186.39	0.23% (1,275.27)	Aaa / AAA NR	1.79 0.21
43813DAC2	Honda Auto Receivables 2020-2 A3 0.820% Due 07/15/2024	123,988.04	05/18/2020 0.83%	123,978.27 123,983.81	99.54 1.94%	123,414.84 45.19	0.13% (568.97)	Aaa / AAA NR	1.79 0.41
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	165,688.61	03/04/2020 1.11%	165,678.49 165,684.33	99.01 4.14%	164,044.98 81.00	0.18% (1,639.35)	Aaa / NR AAA	1.88 0.32
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	306,648.06	09/22/2020 0.38%	306,603.01 306,631.81	97.82 4.54%	299,967.43 40.97	0.32% (6,664.38)	NR / AAA AAA	2.05 0.52
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2 0.390% Due 10/21/2024	640,000.00	08/10/2021 0.39%	639,991.30 639,995.32	96.64 4.56%	618,509.44 76.27	0.66% (21,485.88)	NR / AAA AAA	2.06 0.81
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	106,866.12	07/14/2020 0.52%	106,849.83 106,860.09	98.05 4.85%	104,783.83 24.22	0.11% (2,076.26)	Aaa / NR AAA	2.13 0.45
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.330% Due 12/26/2024	585,000.00	Various 1.49%	576,896.37 579,008.08	97.15 4.51%	568,318.73 32.18	0.61% (10,689.35)	Aaa / NR AAA	2.24 0.68
89236XAC0	Toyota Auto Receivables 2020-D A3 0.350% Due 01/15/2025	234,382.55	10/06/2020 0.36%	234,338.89 234,359.05	98.07 4.58%	229,851.47 36.46	0.25% (4,507.58)	NR / AAA AA	2.30 0.46
92290BAA9	Verizon Owner Trust 2020-B A 0.470% Due 02/20/2025	571,959.41	08/04/2020 0.48%	571,839.30 571,895.98	98.46 4.20%	563,164.39 82.14	0.60% (8,731.59)	Aaa / NR AAA	2.39 0.41
36265MAC9	GM Financial Auto Lease Trust 2022-1 A3 1.900% Due 03/20/2025	505,000.00	02/15/2022 1.91%	504,995.66 504,996.87	96.55 4.71%	487,586.09 293.18	0.52% (17,410.78)	Aaa / NR AAA	2.47 1.24
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.100% Due 03/25/2025	300,000.00	01/11/2022 1.11%	299,955.15 299,969.52	96.29 4.76%	288,859.50 55.00	0.31% (11,110.02)	NR / AAA AAA	2.48 1.02
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.270% Due 04/21/2025	200,485.74	02/17/2021 0.27%	200,482.07 200,483.98	97.08 4.95%	194,637.37 15.04	0.21% (5,846.61)	Aaa / NR AAA	2.56 0.62
44891RAC4	Hyundai Auto Receivables Trust 2020-C A3 0.380% Due 05/15/2025	374,971.87	10/20/2020 0.39%	374,885.52 374,935.90	97.55 4.60%	365,776.06 63.33	0.39% (9,159.84)	NR / AAA AAA	2.62 0.58

Holdings Report

As of September 30, 2022

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	684,563.66	02/02/2021 0.27%	684,436.60 684,504.01	97.43 4.30%	666,993.65 79.11	0.71% (17,510.36)	Aaa / NR AAA	2.62 0.63
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.380% Due 09/15/2025	400,000.00	04/20/2021 0.38%	399,957.92 399,977.62	96.68 4.59%	386,706.40 67.56	0.41% (13,271.22)	NR / AAA AAA	2.96 0.79
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.880% Due 01/21/2026	305,000.00	11/16/2021 0.89%	304,935.71 304,952.58	94.61 4.70%	288,564.47 74.56	0.31% (16,388.11)	Aaa / NR AAA	3.31 1.43
47789QAC4	John Deere Owner Trust 2021-B A3 0.520% Due 03/16/2026	385,000.00	07/13/2021 0.52%	384,965.66 384,976.92	94.50 4.71%	363,835.01 88.98	0.39% (21,141.91)	Aaa / NR AAA	3.46 1.33
89238JAC9	Toyota Auto Receivables Trust 2021-D A3 0.710% Due 04/15/2026	285,000.00	11/09/2021 0.71%	284,993.93 284,995.57	94.72 4.62%	269,962.26 89.93	0.29% (15,033.31)	NR / AAA AAA	3.54 1.37
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3 0.740% Due 05/15/2026	220,000.00	11/09/2021 0.75%	219,950.90 219,964.42	94.36 4.93%	207,601.02 72.36	0.22% (12,363.40)	NR / AAA AAA	3.62 1.37
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.880% Due 05/15/2026	495,000.00	02/15/2022 1.89%	494,925.55 494,939.47	95.03 4.81%	470,401.47 413.60	0.50% (24,538.00)	Aaa / AAA NR	3.62 1.73
362554AC1	GM Financial Securitized Term 2021-4 A3 0.680% Due 09/16/2026	235,000.00	10/13/2021 0.68%	234,994.01 234,995.67	94.24 5.04%	221,467.06 66.58	0.24% (13,528.61)	Aaa / AAA NR	3.96 1.34
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.260% Due 11/16/2026	200,000.00	01/11/2022 1.27%	199,982.62 199,986.27	95.13 4.79%	190,267.40 105.00	0.20% (9,718.87)	NR / AAA AAA	4.13 1.40
TOTAL ABS		7,799,007.50	0.85%	7,791,145.19 7,793,000.05	4.49%	7,547,400.43 2,196.20	8.07% (245,599.62)	Aaa / AAA Aaa	2.66 0.86
Agency									
3137EAER6	FHLMC Note 0.375% Due 05/05/2023	1,560,000.00	05/05/2020 0.39%	1,559,344.80 1,559,870.52	97.79 4.16%	1,525,550.52 2,372.50	1.63% (34,320.00)	Aaa / AA+ AAA	0.59 0.58
3137EAEV7	FHLMC Note 0.250% Due 08/24/2023	1,025,000.00	08/19/2020 0.28%	1,023,954.50 1,024,688.64	96.54 4.21%	989,558.58 263.37	1.06% (35,130.06)	Aaa / AA+ AAA	0.90 0.88
3135G0U43	FNMA Note 2.875% Due 09/12/2023	1,500,000.00	06/21/2019 1.89%	1,559,805.00 1,513,427.99	98.59 4.41%	1,478,845.50 2,276.04	1.58% (34,582.49)	Aaa / AA+ AAA	0.95 0.92
3135G06H1	FNMA Note 0.250% Due 11/27/2023	1,610,000.00	11/23/2020 0.29%	1,608,164.60 1,609,293.95	95.55 4.22%	1,538,401.69 1,386.39	1.65% (70,892.26)	Aaa / AA+ AAA	1.16 1.13
3130A0F70	FHLB Note 3.375% Due 12/08/2023	1,075,000.00	Various 2.74%	1,106,057.50 1,082,515.34	98.80 4.42%	1,062,049.48 11,388.28	1.15% (20,465.86)	Aaa / AA+ AAA	1.19 1.14
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	1,500,000.00	04/29/2019 2.37%	1,500,105.00 1,500,031.01	97.22 4.39%	1,458,373.50 2,276.04	1.56% (41,657.51)	Aaa / AA+ NR	1.44 1.39
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	1,500,000.00	06/18/2019 1.96%	1,564,890.20 1,522,152.42	97.52 4.40%	1,462,732.50 12,817.70	1.58% (59,419.92)	Aaa / AA+ NR	1.71 1.63

Holdings Report

As of September 30, 2022

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
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	1,200,000.00	09/13/2019 1.79%	1,262,028.00 1,224,246.69	97.26 4.35%	1,167,090.00 1,725.00	1.25% (57,156.69)	Aaa / AA+ AAA	1.96 1.87
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,755,000.00	Various 1.49%	1,765,434.95 1,759,613.44	94.91 4.25%	1,665,709.11 13,150.32	1.80% (93,904.33)	Aaa / AA+ AAA	2.04 1.96
3135G0X24	FNMA Note 1.625% Due 01/07/2025	1,875,000.00	Various 1.47%	1,888,349.75 1,881,250.50	94.36 4.26%	1,769,206.88 7,109.38	1.90% (112,043.62)	Aaa / AA+ AAA	2.27 2.18
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	1,920,000.00	02/13/2020 1.52%	1,918,521.60 1,919,299.28	93.94 4.22%	1,803,576.96 3,920.00	1.93% (115,722.32)	Aaa / AA+ AAA	2.37 2.28
3135G03U5	FNMA Note 0.625% Due 04/22/2025	1,510,000.00	04/22/2020 0.67%	1,506,889.40 1,508,407.18	91.14 4.32%	1,376,223.06 4,168.23	1.48% (132,184.12)	Aaa / AA+ AAA	2.56 2.48
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	1,800,000.00	Various 0.46%	1,802,513.00 1,801,699.16	90.39 4.29%	1,627,097.40 2,600.00	1.74% (174,601.76)	Aaa / AA+ AAA	2.72 2.64
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	1,800,000.00	Various 0.45%	1,793,673.60 1,796,366.78	89.73 4.30%	1,615,127.41 1,312.50	1.73% (181,239.37)	Aaa / AA+ AAA	2.81 2.73
3135G05X7	FNMA Note 0.375% Due 08/25/2025	1,800,000.00	Various 0.45%	1,793,460.00 1,795,922.78	89.43 4.29%	1,609,732.80 675.00	1.72% (186,189.98)	Aaa / AA+ AAA	2.90 2.83
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	1,805,000.00	Various 0.44%	1,799,651.55 1,801,751.76	89.25 4.25%	1,611,000.41 150.42	1.72% (190,751.35)	Aaa / AA+ AAA	2.98 2.90
3135G06G3	FNMA Note 0.500% Due 11/07/2025	1,825,000.00	Various 0.57%	1,819,098.50 1,821,326.37	89.07 4.30%	1,625,509.25 3,650.00	1.74% (195,817.12)	Aaa / AA+ AAA	3.11 3.01
TOTAL Agency		27,060,000.00	1.09%	27,271,941.95 27,121,863.81	4.29%	25,385,785.05 71,241.17	27.23% (1,736,078.76)	Aaa / AA+ Aaa	2.04 1.97
CMO									
3137BDCW4	FHLMC K039 A2 3.303% Due 07/25/2024	1,650,000.00	11/04/2021 0.60%	1,748,226.56 1,715,043.29	97.97 4.50%	1,616,435.70 4,541.63	1.73% (98,607.59)	NR / NR AAA	1.82 1.56
3137BFE98	FHLMC K041 A2 3.171% Due 10/25/2024	850,000.00	07/01/2021 0.72%	914,347.66 889,795.38	97.23 4.58%	826,444.80 2,246.13	0.89% (63,350.58)	Aaa / AAA AAA	2.07 1.87
3137F4WZ1	FHLMC K731 A2 3.600% Due 02/25/2025	1,389,361.22	05/03/2022 2.67%	1,405,208.62 1,402,867.89	97.82 4.59%	1,359,141.22 4,168.08	1.46% (43,726.67)	NR / NR AAA	2.41 2.03
3137BKRJ1	FHLMC K047 A2 3.329% Due 05/25/2025	700,000.00	05/19/2022 3.05%	704,046.88 703,556.58	96.81 4.62%	677,658.80 1,941.92	0.73% (25,897.78)	NR / NR AAA	2.65 2.37
3137BNGT5	FHLMC K054 A2 2.745% Due 01/25/2026	1,000,000.00	10/29/2021 1.10%	1,058,359.38 1,045,612.46	94.42 4.62%	944,243.00 2,287.50	1.01% (101,369.46)	NR / AAA NR	3.32 2.98

Holdings Report

As of September 30, 2022

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
3137BQYS0	FHLMC K056 A2 2.525% Due 05/25/2026	570,000.00	01/31/2022 1.67%	587,189.06 584,524.09	93.26 4.61%	531,584.28 1,199.38	0.57% (52,939.81)	NR / NR AAA	3.65 3.27
3137BXQY1	FHLMC K064 A2 3.224% Due 03/25/2027	1,000,000.00	05/06/2022 3.24%	997,929.69 998,098.38	94.77 4.55%	947,694.00 2,686.67	1.02% (50,404.38)	NR / AAA NR	4.48 3.93
TOTAL CMO		7,159,361.22	1.76%	7,415,307.85 7,339,498.07	4.57%	6,903,201.80 19,071.31	7.40% (436,296.27)	Aaa / AAA Aaa	2.76 2.42
Corporate									
89236TJD8	Toyota Motor Credit Corp Note 0.400% Due 04/06/2023	275,000.00	04/06/2021 0.44%	274,777.25 274,942.70	97.97 4.42%	269,417.50 534.72	0.29% (5,525.20)	A1 / A+ A+	0.52 0.50
24422EVN6	John Deere Capital Corp Note 0.450% Due 01/17/2024	640,000.00	03/01/2021 0.47%	639,545.60 639,795.11	94.83 4.60%	606,924.16 592.00	0.65% (32,870.95)	A2 / A A	1.30 1.26
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.750% Due 03/18/2024	530,000.00	03/16/2021 0.77%	529,735.00 529,870.89	94.59 4.60%	501,339.72 143.54	0.54% (28,531.17)	A2 / A A	1.47 1.43
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 07/15/2024	935,000.00	Various 0.96%	927,000.65 929,504.57	93.24 4.60%	871,749.12 1,233.68	0.93% (57,755.45)	A2 / A+ NR	1.79 1.74
69371RQ25	Paccar Financial Corp Note 2.150% Due 08/15/2024	195,000.00	08/08/2019 2.20%	194,569.05 194,838.66	95.45 4.71%	186,127.50 535.71	0.20% (8,711.16)	A1 / A+ NR	1.88 1.80
78015K7C2	Royal Bank of Canada Note 2.250% Due 11/01/2024	1,100,000.00	Various 2.21%	1,102,086.00 1,100,921.07	94.66 4.97%	1,041,284.20 10,312.50	1.12% (59,636.87)	A1 / A AA-	2.09 1.98
14913Q3B3	Caterpillar Finl Service Note 2.150% Due 11/08/2024	1,100,000.00	01/28/2020 1.91%	1,111,770.00 1,105,189.87	95.13 4.60%	1,046,463.00 9,394.31	1.13% (58,726.87)	A2 / A A	2.11 2.00
89236TJT3	Toyota Motor Credit Corp Note 1.450% Due 01/13/2025	810,000.00	01/10/2022 1.50%	808,914.60 809,173.08	92.73 4.85%	751,117.05 2,544.75	0.81% (58,056.03)	A1 / A+ A+	2.29 2.20
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.050% Due 01/21/2025	955,000.00	01/16/2020 2.10%	952,965.85 954,061.42	94.06 4.80%	898,288.28 3,806.74	0.96% (55,773.14)	A1 / AA- AA-	2.31 2.20
00440EAS6	Chubb INA Holdings Inc Note 3.150% Due 03/15/2025	1,250,000.00	03/04/2022 2.15%	1,286,200.00 1,279,406.35	95.95 4.92%	1,199,373.75 1,750.00	1.28% (80,032.60)	A3 / A A	2.46 2.32
69371RR73	Paccar Financial Corp Note 2.850% Due 04/07/2025	890,000.00	03/31/2022 2.86%	889,768.60 889,805.97	95.62 4.72%	850,982.40 12,259.75	0.92% (38,823.57)	A1 / A+ NR	2.52 2.36
78016EZ59	Royal Bank of Canada Note 3.375% Due 04/14/2025	475,000.00	04/07/2022 3.39%	474,824.25 474,851.51	96.11 5.02%	456,530.10 7,436.72	0.50% (18,321.41)	A1 / A AA-	2.54 2.35
06367WB85	Bank of Montreal Note 1.850% Due 05/01/2025	826,000.00	07/23/2021 0.85%	856,413.32 846,873.19	92.02 5.19%	760,044.73 6,367.08	0.82% (86,828.46)	A2 / A- AA-	2.59 2.45

Holdings Report

As of September 30, 2022

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
14913R2V8	Caterpillar Financial Service Note 3.400% Due 05/13/2025	465,000.00	05/10/2022 3.44%	464,409.45 464,485.42	96.71 4.75%	449,723.36 6,060.50	0.49% (14,762.06)	A2 / A A	2.62 2.44
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 06/01/2025	985,000.00	05/24/2021 0.78%	986,279.75 985,711.10	92.60 4.81%	912,103.12 2,705.47	0.98% (73,607.98)	A1 / A- AA-	2.67 2.56
63743HFE7	National Rural Utilities Note 3.450% Due 06/15/2025	1,000,000.00	05/03/2022 3.62%	995,060.00 995,707.37	96.49 4.85%	964,877.00 14,087.50	1.05% (30,830.37)	A2 / A- A	2.71 2.51
46647PCK0	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 06/23/2025	470,000.00	Various 0.95%	470,293.55 470,169.16	92.52 4.86%	434,849.64 1,239.78	0.47% (35,319.52)	A1 / A- AA-	2.73 2.62
89788MAA0	Truist Financial Corp Callable Note Cont 07/03/2025 1.200% Due 08/05/2025	650,000.00	02/03/2022 1.85%	635,726.00 638,368.09	89.90 5.05%	584,369.50 1,213.33	0.63% (53,998.59)	A3 / A- A	2.85 2.73
06406HCQ0	Bank of New York Callable Note Cont 10/18/2025 3.950% Due 11/18/2025	800,000.00	04/05/2022 3.20%	819,928.00 817,193.69	97.34 4.87%	778,712.00 11,674.44	0.85% (38,481.69)	A1 / A AA-	3.14 2.86
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	312,000.00	05/20/2021 1.11%	323,646.96 319,612.50	91.12 5.61%	284,299.39 2,870.37	0.31% (35,313.11)	A1 / A- AA-	3.56 3.31
6174468Q5	Morgan Stanley Callable Note Cont 4/28/2025 2.188% Due 04/28/2026	500,000.00	05/18/2022 4.42%	472,305.00 474,883.96	91.74 5.51%	458,702.50 4,649.50	0.50% (16,181.46)	A1 / A- A	3.58 3.32
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1.000% Due 05/12/2026	1,455,000.00	05/10/2021 1.09%	1,448,714.40 1,450,459.64	87.88 4.68%	1,278,629.27 5,617.92	1.37% (171,830.37)	A1 / AA AA-	3.62 3.46
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	240,000.00	Various 1.08%	240,776.80 240,569.05	88.53 4.62%	212,475.36 1,042.67	0.23% (28,093.69)	A3 / A+ A	3.62 3.46
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	995,000.00	06/15/2021 1.13%	994,562.20 994,674.89	87.51 4.84%	870,708.58 3,202.66	0.93% (123,966.31)	A1 / A+ A+	3.72 3.55
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 06/19/2026	950,000.00	Various 1.25%	952,508.00 951,717.15	88.77 5.41%	843,343.50 3,550.30	0.91% (108,373.65)	A2 / A- AA-	3.72 3.52
037833DN7	Apple Inc Callable Note Cont 7/11/2026 2.050% Due 09/11/2026	450,000.00	12/02/2021 1.49%	461,178.00 459,186.21	90.99 4.57%	409,441.50 512.50	0.44% (49,744.71)	Aaa / AA+ NR	3.95 3.71
06368FAC3	Bank of Montreal Note 1.250% Due 09/15/2026	500,000.00	09/13/2021 1.28%	499,395.00 499,521.23	85.53 5.35%	427,668.50 277.78	0.46% (71,852.73)	A2 / A- AA-	3.96 3.76
931142ER0	Wal-Mart Stores Callable Note Cont 08/17/2026 1.050% Due 09/17/2026	235,000.00	09/08/2021 1.09%	234,555.85 234,648.04	87.29 4.59%	205,133.85 95.96	0.22% (29,514.19)	Aa2 / AA AA	3.97 3.80

Holdings Report

As of September 30, 2022

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
26442CAS3	Duke Energy Carolinas Callable Note Cont 9/1/2026 2.950% Due 12/01/2026	850,000.00	01/13/2022 1.81%	892,644.50 886,173.25	92.76 4.89%	788,472.75 8,358.33	0.85% (97,700.50)	Aa3 / A NR	4.17 3.81
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.950% Due 01/15/2027	535,000.00	01/19/2022 1.99%	534,090.50 534,215.64	89.69 4.62%	479,858.09 2,202.42	0.52% (54,357.55)	A2 / A A	4.30 4.02
808513BY0	Charles Schwab Corp Callable Note Cont 2/3/2027 2.450% Due 03/03/2027	750,000.00	03/09/2022 2.73%	740,115.00 741,224.21	89.78 5.06%	673,351.50 1,429.17	0.72% (67,872.71)	A2 / A A	4.42 4.09
084664CZ2	Berkshire Hathaway Callable Note Cont 2/15/2027 2.300% Due 03/15/2027	1,080,000.00	03/07/2022 2.30%	1,079,794.80 1,079,817.28	91.05 4.54%	983,369.16 1,104.00	1.05% (96,448.12)	Aa2 / AA A+	4.46 4.15
06051GHT9	Bank of America Corp Callable Note 1X 4/23/2026 3.559% Due 04/23/2027	900,000.00	Various 4.55%	871,903.80 872,798.83	92.35 5.74%	831,152.70 14,058.05	0.90% (41,646.13)	A2 / A- AA-	4.56 4.05
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027 4.000% Due 05/10/2027	430,000.00	05/05/2022 4.04%	429,303.40 429,358.33	96.47 4.86%	414,825.30 6,736.67	0.45% (14,533.03)	A2 / A+ A+	4.61 4.08
91324PEG3	United Health Group Inc Callable Note Cont 4/15/2027 3.700% Due 05/15/2027	430,000.00	05/17/2022 3.69%	430,200.10 430,185.37	95.18 4.88%	409,266.70 5,789.47	0.44% (20,918.67)	A3 / A+ A	4.62 4.12
22160KAM7	Costco Wholesale Corp Callable Note Cont 2/18/2027 3.000% Due 05/18/2027	600,000.00	07/15/2022 3.53%	586,074.00 586,658.20	93.56 4.56%	561,345.60 6,650.00	0.61% (25,312.60)	Aa3 / A+ NR	4.63 4.20
89115A2C5	Toronto-Dominion Bank Note 4.108% Due 06/08/2027	1,100,000.00	08/26/2022 4.18%	1,096,315.00 1,096,382.65	94.33 5.49%	1,037,617.90 14,184.01	1.12% (58,764.75)	A1 / A NR	4.69 4.13
TOTAL Corporate		26,663,000.00	2.14%	26,708,350.23 26,682,955.65	4.90%	24,733,938.28 176,224.30	26.64% (1,949,017.37)	A1 / A A+	3.15 2.93
Money Market Fund									
316175884	Fidelity Institutional Money Market Fund 696	192,656.14	Various 2.56%	192,656.14 192,656.14	1.00 2.56%	192,656.14 0.00	0.21% 0.00	Aaa / AAA NR	0.00 0.00
TOTAL Money Market Fund		192,656.14	2.56%	192,656.14	2.56%	192,656.14 0.00	0.21% 0.00	Aaa / AAA NR	0.00 0.00

Holdings Report

As of September 30, 2022

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
Municipal Bonds									
13063DRK6	California State Taxable GO 2.400% Due 10/01/2024	900,000.00	10/16/2019 1.91%	920,673.00 908,376.92	96.10 4.46%	864,927.00 10,800.00	0.94% (43,449.92)	Aa2 / AA- AA	2.01 1.90
TOTAL Municipal Bonds		900,000.00	1.91%	920,673.00 908,376.92	4.46%	864,927.00 10,800.00	0.94% (43,449.92)	Aa2 / AA- AA	2.01 1.90
Supranational									
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	945,000.00	Various 0.54%	943,389.35 943,980.86	88.98 4.37%	840,814.70 2,008.13	0.90% (103,166.16)	Aaa / AAA AAA	3.08 2.98
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	1,915,000.00	04/13/2021 0.97%	1,906,229.30 1,908,770.21	88.72 4.33%	1,698,968.85 7,493.77	1.83% (209,801.36)	Aaa / AAA AAA	3.56 3.42
TOTAL Supranational		2,860,000.00	0.83%	2,849,618.65 2,852,751.07	4.34%	2,539,783.55 9,501.90	2.73% (312,967.52)	Aaa / AAA Aaa	3.40 3.27
US Treasury									
912828V23	US Treasury Note 2.250% Due 12/31/2023	930,000.00	06/21/2019 1.80%	948,273.05 935,046.95	97.56 4.27%	907,294.98 5,288.11	0.98% (27,751.97)	Aaa / AA+ AAA	1.25 1.21
912828B66	US Treasury Note 2.750% Due 02/15/2024	1,500,000.00	04/29/2019 2.31%	1,529,648.44 1,508,495.16	97.88 4.35%	1,468,242.00 5,268.34	1.58% (40,253.16)	Aaa / AA+ AAA	1.38 1.33
91282CBR1	US Treasury Note 0.250% Due 03/15/2024	950,000.00	03/30/2021 0.33%	947,699.22 948,868.78	94.32 4.31%	896,042.85 104.97	0.96% (52,825.93)	Aaa / AA+ AAA	1.46 1.43
912828X70	US Treasury Note 2.000% Due 04/30/2024	1,000,000.00	06/10/2019 1.92%	1,003,515.63 1,001,136.42	96.48 4.32%	964,805.00 8,369.57	1.04% (36,331.42)	Aaa / AA+ AAA	1.58 1.52
912828XX3	US Treasury Note 2.000% Due 06/30/2024	1,450,000.00	12/12/2019 1.74%	1,466,595.70 1,456,374.51	96.18 4.29%	1,394,605.65 7,328.80	1.50% (61,768.86)	Aaa / AA+ AAA	1.75 1.68
912828D56	US Treasury Note 2.375% Due 08/15/2024	1,500,000.00	03/05/2020 0.68%	1,611,093.75 1,546,819.55	96.60 4.28%	1,448,965.50 4,549.93	1.55% (97,854.05)	Aaa / AA+ AAA	1.88 1.80
9128283D0	US Treasury Note 2.250% Due 10/31/2024	1,500,000.00	11/07/2019 1.77%	1,533,925.78 1,514,193.25	96.06 4.24%	1,440,937.50 14,123.64	1.56% (73,255.75)	Aaa / AA+ AAA	2.09 1.99
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	2,000,000.00	03/18/2020 0.81%	2,030,859.38 2,015,045.44	92.89 4.25%	1,857,890.00 1,926.80	1.99% (157,155.44)	Aaa / AA+ AAA	2.42 2.34
91282CED9	US Treasury Note 1.750% Due 03/15/2025	2,150,000.00	04/05/2022 2.65%	2,095,662.11 2,104,625.58	94.18 4.27%	2,024,863.55 1,662.98	2.17% (79,762.03)	Aaa / AA+ AAA	2.46 2.36
91282CEQ0	US Treasury Note 2.750% Due 05/15/2025	500,000.00	06/06/2022 2.91%	497,695.31 497,944.47	96.25 4.28%	481,230.50 5,193.61	0.52% (16,713.97)	Aaa / AA+ AAA	2.62 2.47

Holdings Report

As of September 30, 2022

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
91282CAM3	US Treasury Note 0.250% Due 09/30/2025	1,900,000.00	02/19/2021 0.51%	1,877,363.28 1,885,254.49	88.89 4.23%	1,688,847.30 13.05	1.81% (196,407.19)	Aaa / AA+ AAA	3.00 2.93
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	1,900,000.00	02/11/2021 0.42%	1,885,156.25 1,890,293.81	88.57 4.24%	1,682,909.80 1,987.77	1.80% (207,384.01)	Aaa / AA+ AAA	3.09 3.01
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	1,350,000.00	03/26/2021 0.77%	1,325,794.92 1,333,608.04	88.68 4.23%	1,197,123.30 1,701.33	1.28% (136,484.74)	Aaa / AA+ AAA	3.17 3.08
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	480,000.00	09/17/2021 0.86%	477,393.75 477,936.36	87.73 4.18%	421,125.12 308.29	0.45% (56,811.24)	Aaa / AA+ AAA	3.92 3.78
91282CCZ2	US Treasury Note 0.875% Due 09/30/2026	2,820,000.00	Various 1.08%	2,791,946.88 2,797,384.33	88.01 4.16%	2,481,929.94 67.80	2.65% (315,454.39)	Aaa / AA+ AAA	4.00 3.85
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	2,250,000.00	Various 3.12%	2,263,417.97 2,262,855.57	96.43 4.08%	2,169,756.00 18,479.96	2.34% (93,099.57)	Aaa / AA+ AAA	4.75 4.31
91282CFB2	US Treasury Note 2.750% Due 07/31/2027	600,000.00	08/22/2022 3.12%	589,828.13 590,048.15	94.21 4.08%	565,265.40 2,779.89	0.61% (24,782.75)	Aaa / AA+ AAA	4.84 4.44
91282CFH9	US Treasury Note 3.125% Due 08/31/2027	1,950,000.00	Various 3.41%	1,925,095.70 1,925,335.19	95.97 4.04%	1,871,391.60 5,218.40	2.01% (53,943.59)	Aaa / AA+ AAA	4.92 4.49
TOTAL US Treasury		26,730,000.00	1.65%	26,800,965.25 26,691,266.05	4.22%	24,963,225.99 84,373.24	26.79% (1,728,040.06)	Aaa / AA+ Aaa	2.92 2.76
TOTAL PORTFOLIO		99,364,024.86	1.55%	99,950,658.26 99,582,367.76	4.47%	93,130,918.24 373,408.12	100.00% (6,451,449.52)	Aa2 / AA Aaa	2.71 2.42
TOTAL MARKET VALUE PLUS ACCRUALS						93,504,326.36			

Holdings Report

As of September 30, 2022

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
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	2,515,515.17	Various 1.60%	2,515,515.17 2,515,515.17	1.00 1.60%	2,515,515.17 20,465.53	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		2,515,515.17	1.60%	2,515,515.17 2,515,515.17	1.60%	2,515,515.17 20,465.53	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		2,515,515.17	1.60%	2,515,515.17 2,515,515.17	1.60%	2,515,515.17 20,465.53	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUALS						2,535,980.70			

Holdings Report

As of September 30, 2022

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
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	19,042.26	Various 1.60%	19,042.26 19,042.26	1.00 1.60%	19,042.26 62.55	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		19,042.26	1.60%	19,042.26	1.60%	19,042.26 62.55	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		19,042.26	1.60%	19,042.26	1.60%	19,042.26 62.55	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUALS						19,104.81			

Holdings Report

As of September 30, 2022

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
Money Market Fund									
825252109	Invesco Treasury MMFD Private Class	114,145.03	Various 2.58%	114,145.03 114,145.03	1.00 2.58%	114,145.03 0.00	17.68% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund		114,145.03	2.58%	114,145.03 114,145.03	2.58%	114,145.03 0.00	17.68% 0.00	Aaa / AAA Aaa	0.00 0.00
US Treasury									
9128284D9	US Treasury Note 2.500% Due 03/31/2023	110,000.00	06/13/2018 2.84%	108,345.70 109,829.00	99.35 3.82%	109,286.76 7.55	16.93% (542.24)	Aaa / AA+ AAA	0.50 0.49
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	110,000.00	06/18/2019 1.84%	113,381.64 111,117.15	97.16 4.33%	106,871.82 1,038.72	16.71% (4,245.33)	Aaa / AA+ AAA	1.62 1.55
912828G38	US Treasury Note 2.250% Due 11/15/2024	40,000.00	03/15/2022 2.01%	40,251.56 40,200.22	95.96 4.26%	38,382.80 339.95	6.00% (1,817.42)	Aaa / AA+ AAA	2.13 2.03
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	115,000.00	12/30/2020 0.38%	114,986.52 114,991.24	88.44 4.22%	101,707.61 108.98	15.77% (13,283.63)	Aaa / AA+ AAA	3.25 3.16
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	60,000.00	01/19/2022 1.53%	57,309.38 57,773.66	88.09 4.24%	52,856.28 37.91	8.19% (4,917.38)	Aaa / AA+ AAA	3.34 3.24
912828R36	US Treasury Note 1.625% Due 05/15/2026	55,000.00	01/19/2022 1.56%	55,154.69 55,129.76	91.43 4.20%	50,286.34 337.58	7.84% (4,843.42)	Aaa / AA+ AAA	3.62 3.43
912828X88	US Treasury Note 2.375% Due 05/15/2027	75,000.00	06/28/2022 3.30%	71,906.25 72,069.54	92.74 4.11%	69,556.65 672.81	10.88% (2,512.89)	Aaa / AA+ AAA	4.62 4.27
TOTAL US Treasury		565,000.00	1.87%	561,335.74 561,110.57	4.15%	528,948.26 2,543.50	82.32% (32,162.31)	Aaa / AA+ Aaa	2.50 2.38
TOTAL PORTFOLIO		679,145.03	1.99%	675,480.77 675,255.60	3.87%	643,093.29 2,543.50	100.00% (32,162.31)	Aaa / AA+ Aaa	2.06 1.96
TOTAL MARKET VALUE PLUS ACCRUALS						645,636.79			



Section 4 | Transactions

Transaction Ledger

As of September 30, 2022

City of Brea - Account #120

June 30, 2022 through September 30, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/15/2022	91282CEW7	1,000,000.00	US Treasury Note 3.25% Due: 06/30/2027	100.609	3.12%	1,006,093.75	1,324.73	1,007,418.48	0.00
Purchase	07/19/2022	22160KAM7	600,000.00	Costco Wholesale Corp Callable Note Cont 2/18/2027 3% Due: 05/18/2027	97.679	3.53%	586,074.00	3,050.00	589,124.00	0.00
Purchase	07/19/2022	91282CEW7	1,250,000.00	US Treasury Note 3.25% Due: 06/30/2027	100.586	3.12%	1,257,324.22	2,097.49	1,259,421.71	0.00
Purchase	08/05/2022	06051GHT9	410,000.00	Bank of America Corp Callable Note 1X 4/23/2026 3.559% Due: 04/23/2027	96.937	4.53%	397,441.70	4,134.37	401,576.07	0.00
Purchase	08/09/2022	06051GHT9	490,000.00	Bank of America Corp Callable Note 1X 4/23/2026 3.559% Due: 04/23/2027	96.829	4.56%	474,462.10	5,134.85	479,596.95	0.00
Purchase	08/23/2022	91282CFB2	600,000.00	US Treasury Note 2.75% Due: 07/31/2027	98.305	3.12%	589,828.13	1,031.25	590,859.38	0.00
Purchase	08/30/2022	89115A2C5	1,100,000.00	Toronto-Dominion Bank Note 4.108% Due: 06/08/2027	99.665	4.18%	1,096,315.00	10,292.82	1,106,607.82	0.00
Purchase	09/09/2022	91282CFH9	1,550,000.00	US Treasury Note 3.125% Due: 08/31/2027	99.059	3.33%	1,535,408.20	1,204.25	1,536,612.45	0.00
Purchase	09/20/2022	91282CFH9	400,000.00	US Treasury Note 3.125% Due: 08/31/2027	97.422	3.70%	389,687.50	690.61	390,378.11	0.00
Subtotal			7,400,000.00				7,332,634.60	28,960.37	7,361,594.97	0.00
TOTAL ACQUISITIONS			7,400,000.00				7,332,634.60	28,960.37	7,361,594.97	0.00
DISPOSITIONS										
Sale	07/15/2022	02665WCJ8	225,000.00	American Honda Finance Note 3.45% Due: 07/14/2023	100.040	3.49%	225,090.00	21.56	225,111.56	167.68
Sale	07/15/2022	02665WCQ2	375,000.00	American Honda Finance Note 3.625% Due: 10/10/2023	100.322	3.16%	376,207.50	3,587.24	379,794.74	176.32

Transaction Ledger

As of September 30, 2022

City of Brea - Account #120

June 30, 2022 through September 30, 2022

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	07/19/2022	02665WCQ2	375,000.00	American Honda Finance Note 3.625% Due: 10/10/2023	100.202	3.16%	375,757.50	3,738.28	379,495.78	-264.55
Sale	07/19/2022	06406RAJ6	250,000.00	Bank of NY Mellon Corp Note 3.45% Due: 08/11/2023	100.092	2.79%	250,230.00	3,785.42	254,015.42	-1,422.27
Sale	07/19/2022	313383YJ4	1,200,000.00	FHLB Note 3.375% Due: 09/08/2023	100.148	3.08%	1,201,776.00	14,737.50	1,216,513.50	-1,920.84
Sale	08/05/2022	06051GHF9	344,000.00	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due: 03/05/2024	99.708	2.90%	342,995.52	5,088.33	348,083.85	-1,776.34
Sale	08/09/2022	06051GHF9	456,000.00	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due: 03/05/2024	99.650	2.90%	454,404.00	6,924.87	461,328.87	-2,599.86
Sale	08/30/2022	89114QCB2	1,100,000.00	Toronto Dominion Bank Note 3.25% Due: 03/11/2024	99.060	2.56%	1,089,660.00	16,782.64	1,106,442.64	-17,482.95
Sale	09/09/2022	912828T91	1,500,000.00	US Treasury Note 1.625% Due: 10/31/2023	97.930	2.05%	1,468,945.31	8,743.21	1,477,688.52	-24,080.15
Subtotal			5,825,000.00				5,785,065.83	63,409.05	5,848,474.88	-49,202.96
TOTAL DISPOSITIONS			5,825,000.00				5,785,065.83	63,409.05	5,848,474.88	-49,202.96

Important Disclosures

As of September 30, 2022

2022 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS 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.

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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 BofA 3-Month US Treasury Bill Index

The ICE BofA 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.

0-3 Yr Treasury*

*The ICE BofA Blended 0-3 Year US Treasury Index is a static, internally maintained benchmark comprised of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Effective 1/1/2001, it consists of the following indices: (30%) ICE BofA US 3-Month Treasury Bill Index, (30%) ICE BofA US 6-Month Treasury Bill Index, (40%) ICE BofA 1-3 Year US Treasury Index. Qualifying securities will include 3 and 6-month Treasury Bills and US Treasury securities that 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. *Prior to 1/1/2001 it consisted of (100%) ICE BofA US 1-Year Treasury Bill Index, GOO3.*

ICE BofA 3-5 Yr US Treasury & Agency Index

The ICE BofA 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.

ICE BofA 1-5 Yr AAA-A US Corp & Govt Index

The ICE BofA US 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 be 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.

ICE BofA 1-5 Yr US Treasury & Agency Index*

The ICE BofA 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.

The ICE BofA 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, twelve months from the rebalancing date.