



TOWN OF FOUNTAIN HILLS

Investment Performance Review For the Quarter Ended September 30, 2020

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QUARTERLY MARKET SUMMARY

SUMMARY

- In Q3, U.S. economic conditions were characterized by: (1) economic indicators improving at a faster-than-expected pace, yet still trailing pre-virus levels; (2) equity markets surpassing their February all-time highs before selling off marginally in September; (3) investment-grade (IG) sector spreads continuing to grind tighter as the Fed reaffirmed its accommodative monetary policy and unconditional support of financial markets; and (4) daily COVID-19 cases remaining stubbornly high despite continued containment efforts, reminding all of its lingering presence.
- The Fed spent Q3 refining its messaging after deploying a wide variety of tools in Q1 and Q2. At its two meetings over the quarter, the central bank voted to leave the target range for the federal funds rate unchanged at 0% to 0.25%. At the Fed's annual Economic Symposium hosted in Jackson Hole, the central bank announced a major policy shift on inflation and will now seek to achieve inflation that "averages 2% over time," moving away from the prior point-in-time target approach. Interestingly, the FOMC's updated economic projections released at its September policy meeting show inflation only reaching 2% in 2023. The new average inflation goal implies that the federal funds target rate may stay at near 0% beyond 2023 as the Fed can allow faster growth and higher inflation. Given the better-than-expected economic recovery pace so far, the Fed's updated forward projections for growth and unemployment improved but still portrayed a drawn-out recovery.
- Shorter-term Treasury yields remained low and range-bound, anchored by the Fed's zero-interest-rate policy. Longer-term Treasury yields edged higher due to positive economic news, the Fed's shifting stance, on inflation, and optimism about another potential round of fiscal stimulus. As a result, Treasury index returns were muted. Meanwhile, IG sector spreads continued to compress, although at a slower rate than the preceding quarter, leading to positive excess returns. Diversification, once again, played an important role in portfolio performance in Q3.
- Although economic activity trails pre-pandemic levels, the strong recovery thus far has propelled stock market performance and equity indices, both in the U.S. and around the globe. The S&P returned 8.5% in Q3, following Q2's impressive 20% rebound.

ECONOMIC SNAPSHOT

- The U.S. economy contracted at an annual rate of 31.4% in Q2, following Q1's 5.0% decline, due to the pandemic-induced economic shutdown. The American consumer, who accounts for about two-thirds of GDP, was the largest detractor in Q2.
- The labor market continued to improve in Q3 but still has an uphill battle to reach pre-pandemic levels. The unemployment rate declined to 7.9% in September, from 11.1% in June and 14.7% in April, as an additional 3.9 million people became employed over the quarter. However, total employment remains about 11.2 million less than in February. Furthermore, the number of permanent job losses rose in Q3 and weekly initial jobless claims remained stubbornly high, evidence of the headwinds facing future jobs reports.
- After cratering in Q1, U.S. manufacturing and services activity continued to rebound, with both ISM surveys moving firmly back into expansionary territory. Meanwhile, most housing market measures, including new home sales, existing home sales, building permits and mortgage applications, all surged above pre-pandemic levels due to record-low mortgage rates.

INTEREST RATES

- The U.S. Treasury yield curve remained relatively unchanged over the quarter. Shorter-dated yields on maturities less than 6 months decreased four bps as they continued to reset closer to the Fed's zero-interest-rate policy amid less Treasury Bill issuance compared to Q2. Long-term yields on maturities 10-years and longer inched only slightly higher by five bps, largely on the Fed's renewed inflation outlook.
- At quarter-end, the yield on a 3-month Treasury Bill stood at 0.10%, the 2-year note was 0.13%, 5- and 10-year notes were 0.28% and 0.69%, respectively, while the 30-year Treasury ended the quarter at 1.46%.
- The combination of lower rates on maturities out to seven years and modest curve steepening on only the longest maturities resulted in intermediate-term Treasuries providing the most attractive performance amongst Treasury indices. For example, the 3-month and 2-year Constant Maturity U.S. Treasury Indices returned 0.04% and 0.05%, respectively. Meanwhile, the 5- and 7-year indices returned 0.18% and 0.40%, and the 10- and 30-year benchmark notes returned 0.04% and -0.78%, respectively.

SECTOR PERFORMANCE

- Diversification away from Treasuries was again additive to performance in Q3. Momentum from the retracement of wider spreads at the onset of the pandemic continued in Q3, albeit at a reduced pace, and led to most IG fixed income sectors generating strongly positive excess returns relative to similar duration Treasuries.
- Federal agency yield spreads remained wide from a historical perspective, most notably on maturities three years and longer. Shorter-dated agency yield spreads, on the other hand, snapped back to pre-pandemic levels. Because of higher yields and immediate spread tightening after issuance, agency indices generated excess returns, with longer-dated agencies outperforming shorter maturities.
- The IG corporate sector was a top performer in Q3 as spreads retraced nearly all the widening experienced earlier in the year. Continued support from the Fed helped to anchor spreads, as did better-than-expected corporate earnings and robust demand as investors continued to search for yield in the ultra-low rate environment. Like Q2, longer duration and lower-quality issuers outperformed shorter- and higher-quality issuers.
- The asset-backed security (ABS) sector was the primary beneficiary of the stronger-than-expected consumer, as the collateral performance was better-than-expected. As a result, ABS yield spreads compressed to levels even tighter than at the beginning of the year. Limited new supply and heightened investor demand was also supportive. Over the quarter, longer-duration ABS outperformed shorter-duration securities, while auto loan/lease structures outperformed credit card-backed issues.
- The federal agency mortgage-backed security sector (MBS) continued to experience elevated prepayments as homeowners took advantage of today's low mortgage rates to refinance. As a result, the overall sector underperformed similar-duration Treasuries, although a few structures and coupons generated positive excess returns. Within the entire agency-backed mortgage security sector, commercial MBS (CMBS) was the top performer, generating positive excess returns largely due to increased prepayment protection.

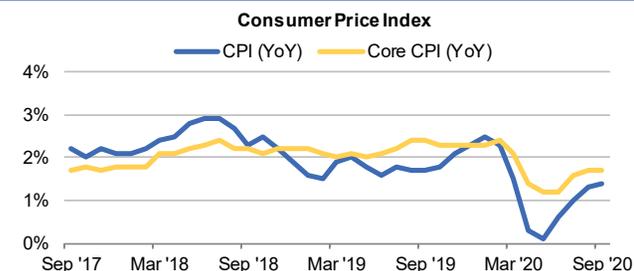
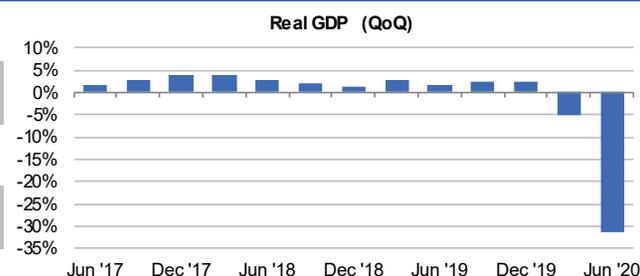
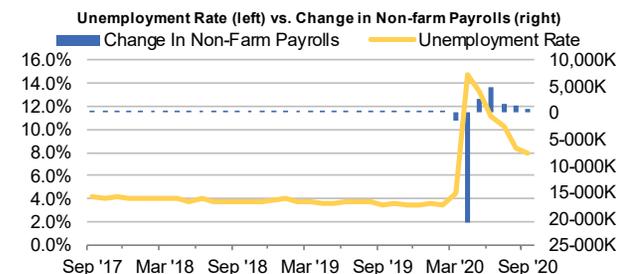
QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market		Latest	Jun '20	Sep '19
Unemployment Rate	Sep '20	7.9%	11.1%	3.5%
Change In Non-Farm Payrolls	Sep '20	661,000	4,781,000	208,000
Average Hourly Earnings (YoY)	Sep '20	4.7%	4.9%	3.1%
Personal Income (YoY)	Aug '20	4.7%	7.8%	3.5%
Initial Jobless Claims (week)	10/10/20	898,000	1,408,000	218,000

Growth		Latest	Jun '20	Sep '19
Real GDP (QoQ SAAR)	2020 Q2	-31.4%	-5.0% ¹	1.5% ²
GDP Personal Consumption (QoQ SAAR)	2020 Q2	-33.2%	-6.9% ¹	3.7% ²
Retail Sales (YoY)	Sep '20	5.4%	2.2%	3.8%
ISM Manufacturing Survey (month)	Sep '20	55.4	52.6	48.2
Existing Home Sales SAAR (month)	Aug '20	6.00 mil.	4.70 mil.	5.41 mil.

Inflation / Prices		Latest	Jun '20	Sep '19
Personal Consumption Expenditures (YoY)	Aug '20	1.4%	0.9%	1.4%
Consumer Price Index (YoY)	Sep '20	1.4%	0.6%	1.7%
Consumer Price Index Core (YoY)	Sep '20	1.7%	1.2%	2.4%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$40.22	\$39.27	\$54.07
Gold Futures (oz.)	Sep 30	\$1,888	\$1,801	\$1,466



1. Data as of First Quarter 2020.

2. Data as of Second Quarter 2019.

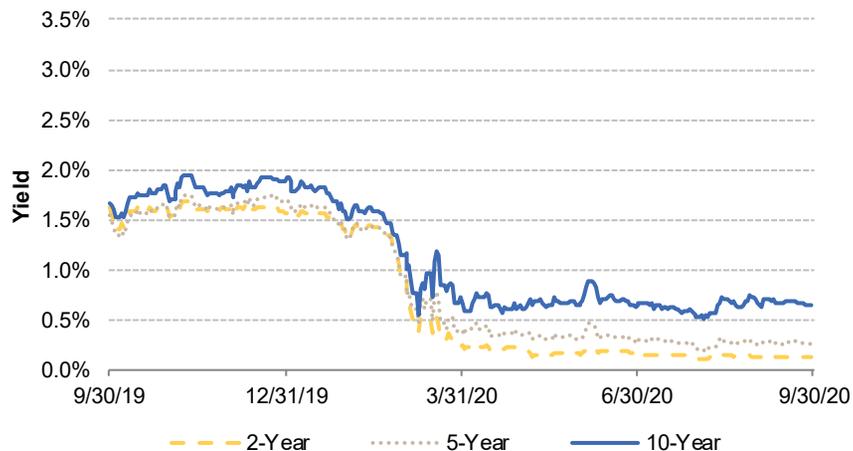
Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

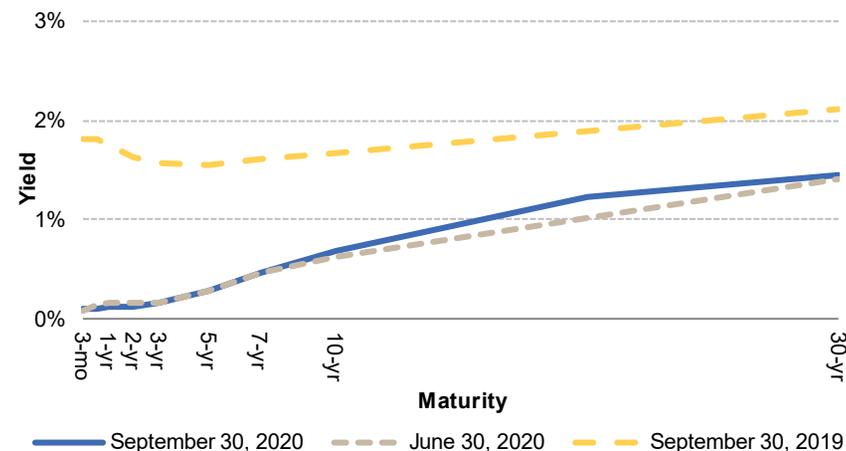
QUARTERLY MARKET SUMMARY

Interest Rate Overview

U.S. Treasury Note Yields



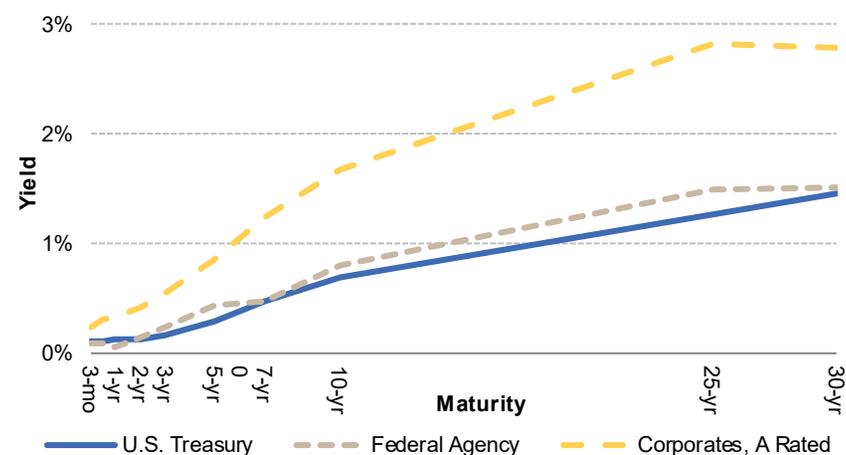
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Sep '20	Jun '20	Change over Quarter	Sep '19	Change over Year
3-Month	0.10%	0.14%	(0.04%)	1.82%	(1.72%)
1-Year	0.12%	0.15%	(0.03%)	1.76%	(1.64%)
2-Year	0.13%	0.15%	(0.02%)	1.62%	(1.49%)
5-Year	0.28%	0.29%	(0.01%)	1.55%	(1.27%)
10-Year	0.69%	0.66%	0.03%	1.67%	(0.98%)
30-Year	1.46%	1.41%	0.05%	2.11%	(0.65%)

Yield Curves as of 09/30/2020



Source: Bloomberg.

QUARTERLY MARKET SUMMARY

ICE BofAML Index Returns

September 30, 2020	As of 09/30/2020		Returns for Periods ended 09/30/2020		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.90	0.13%	0.10%	3.58%	2.64%
Federal Agency	1.74	0.22%	0.20%	3.10%	2.53%
U.S. Corporates, A-AAA rated	1.90	0.57%	0.46%	4.32%	3.35%
Agency MBS (0 to 3 years)	2.48	1.39%	0.33%	4.61%	3.88%
Taxable Municipals	1.77	1.26%	0.93%	3.88%	3.43%
1-5 Year Indices					
U.S. Treasury	2.65	0.16%	0.13%	4.60%	3.17%
Federal Agency	2.29	0.29%	0.26%	3.66%	2.80%
U.S. Corporates, A-AAA rated	2.77	0.73%	0.67%	5.51%	3.99%
Agency MBS (0 to 5 years)	1.84	1.40%	0.19%	3.94%	3.27%
Taxable Municipals	2.87	1.03%	1.23%	4.44%	3.72%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.52	0.51%	0.18%	8.25%	5.64%
Federal Agency	4.01	0.52%	0.40%	5.57%	4.29%
U.S. Corporates, A-AAA rated	8.64	1.66%	1.25%	8.35%	6.39%
Agency MBS (0 to 30 years)	2.33	1.45%	0.11%	4.42%	3.77%
Taxable Municipals	11.63	2.51%	1.80%	8.34%	8.19%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

QUARTERLY MARKET SUMMARY

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Portfolio Recap

- ◆ The effects of the coronavirus continued to ripple through global economies and financial markets during the third quarter:
 - Global Health Crisis – Coronavirus restrictions were gradually eased throughout the U.S. but were followed by regional hot spots of infection, reminding people of how long the virus may linger.
 - Economic Shutdown – U.S. second quarter GDP plunged by a record annualized rate of 31.7%. For context, GDP fell by 8.4% during the height of the 2008 financial crisis. However, other economic indicators were surprisingly strong and recovered at a faster pace than originally expected, leading various economists to pull forward the expected timeframe for recovery. The labor market has rebounded off its lows; but with the unemployment rate still near 8%, the jobs landscape remains a significant headwind to a more robust and sustained recovery.
 - Financial Markets – The Federal Reserve (Fed) continued to play a large role in supporting financial market stability. The central bank reaffirmed its ongoing support of many bond market sectors through its continuing purchase and liquidity programs, and it extended the expiration date of many of its lending facilities. The Fed also extended its forward guidance regarding zero short-term interest rates through 2023.
- ◆ The U.S. Treasury yield curve remained relatively unchanged over the quarter, with all maturities ending the quarter within 0.05% of where they began. Yields on shorter-term maturities drifted lower as the lack of new fiscal stimulus resulted in lighter Treasury debt issuance. Longer-dated yields inched only slightly higher, nudged primarily by the Fed's new inflation targeting policy. As a result, Treasury index returns were muted for the quarter.
 - Diversification away from Treasuries was again additive to performance in the third quarter. Momentum from the narrowing of spreads at the onset of the pandemic continued, albeit at a reduced pace, but led most investment-grade fixed income sectors to generate positive excess returns relative to similar-duration Treasuries.
- ◆ Our third quarter strategy encompassed the following:
 - We maintained a sharp focus on portfolio safety with robust due diligence on credit and securitized products given the backdrop of a fragile economic environment.
 - Portfolio durations were targeted to match their respective benchmarks as few catalysts were present to push yields meaningfully higher over the near term.
 - U.S. Treasury allocations were reduced further as financial markets stabilized and other sectors presented better investment opportunities to enhance portfolio earnings. Increased allocations to other investment-grade sectors boosted performance for the second consecutive quarter.

Portfolio Recap

- We continued to increase allocations to the federal agency sector as yield spreads on new issue Fannie Mae, Freddie Mac, and Federal Home Loan Bank bonds remained elevated from a historical perspective, especially for maturities of three years and longer. Value in callable structures was limited as spreads narrowed noticeably on most structures.
- In the supranational sector, heavy issuance was met with increased global demand, driving yield spreads narrower. In some cases, supranational spreads compressed to levels below those on comparable-maturity federal agencies, making them unattractive. As a result, we preferred federal agencies.
- Investment-grade corporate notes were, once again, a significant boon for portfolio performance during the quarter. Supply was robust as corporations continued to take advantage of the low borrowing rate environment by issuing new bonds at a rapid pace. However, investor demand was strong and pressured spreads lower. While narrower spreads benefited third quarter performance, they also reduced future earnings potential. As a result, we modestly decreased allocations in the sector with a focus on reducing exposure to industries that face significant headwinds and locking in gains on issuers with very tight spreads.
- AAA-rated ABS offered fair value, so we cautiously increased allocations. After pausing new purchases in the second quarter, we reevaluated underlying risks in the sector by conducting robust stress testing under a wide range of adverse scenarios, which affirmed the ability of most ABS to weather the current economic downturn. In the third quarter, we once again became selective buyers of new issues, focusing on those issues with increased credit enhancements.
- The taxable municipal sector remained active as entities benefited from the low borrowing rate environment. Finding value and diversification, PFM increased its participation in new issue municipal debt during the quarter as we viewed the sector to be quite attractive, even compared to some high-quality corporate issuers.
- Short-term credit (negotiable CD) spreads completely reversed the brief, crisis-induced sell-off in March which suppressed the value of most money market instruments. Allocations were reduced in favor of Treasury Bills whose yields ticked up on the back of huge issuance.

Investment Strategy Outlook

- The U.S. and global economic recoveries have been stronger than expected. In the U.S., however, the pace of recovery appears to be slowing. Getting back to pre-pandemic growth and employment levels will likely be challenging.
- Considering the economic uncertainties that remain, we plan on structuring portfolios to have neutral durations relative to their respective benchmarks.
- Our outlook for major investment-grade sectors includes the following:
 - Agencies – The continued reach for yield and safety should pressure agency spreads back to pre-COVID levels. Given this backdrop, we plan to continue to add to allocations at current yield spreads, which remain historically wide. Value is concentrated in maturities of three years and longer.
 - Supranationals – Agencies are also more attractive than supranationals, whose spreads have tightened dramatically. Supply is expected to be light and value significantly limited as we head towards year end.
 - Corporates – Corporate liquidity is strong, and debt servicing costs are low, but we have concerns about the slowing of the economic recovery and the longer-term effects of increased leverage on corporate balance sheets. Another surge in COVID-19 cases, a stock market sell-off, rising geopolitical tensions, and the presidential election could be catalysts for a potential spike in volatility. Further, a global slowdown, trade conflicts, and a weaker dollar may continue to pressure industrial profits. On the other hand, rating agency downgrades have slowed materially, which is a positive, and the Fed's unprecedented support should help anchor spreads. As a result, corporates will remain a core, long-term holding in diversified portfolios, albeit over the near term, and we will continue to exercise caution.
 - Asset-Backed Securities (ABS) – The ABS sector outperformed Treasuries during September as spreads continued to tighten due to limited supply amid continuing economic recovery. Our expectation is for delinquency rates and net losses to increase as deferral programs start to phase out and the consumer feels the pinch from reduced federal unemployment benefits. However, we believe these factors will remain well within an acceptable range based upon PFM's stress tests. Value is now on par with the corporate sector. We will continue to be selective when evaluating new issues.
 - Taxable Municipals – The taxable municipal sector remains attractive even though valuations have increased. We remain focused on the largest issuers while exercising caution on many subsectors given the fiscal impact from COVID-19. Purchases in the sector will likely be made in new issues, which are expected to remain elevated.

Sector Allocation and Compliance

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

Security Type	Market Value	% of Portfolio	% Change vs. 6/30/20	Permitted by Policy	In Compliance
U.S. Treasury	\$3,534,370	37.2%	-12.8%	100%	✓
Federal Agency	\$2,597,667	27.3%	8.2%	100%	✓
Supranationals	\$331,788	3.5%	1.0%	100%	✓
Municipals	\$60,897	0.6%	0.6%	10%	✓
Negotiable CDs	\$379,786	4.0%	0.2%	30%	✓
Corporate Notes	\$2,023,077	21.3%	-0.6%	30%	✓
Asset-Backed Securities	\$548,185	5.8%	3.3%	30%	✓
Securities Sub-Total	\$9,475,771	99.6%			
Accrued Interest	\$32,418				
Securities Total	\$9,508,189	100.0%			
Money Market Fund	\$2,917	<0.1%	-	100%	✓
Total Investments	\$9,511,106	100.0%			

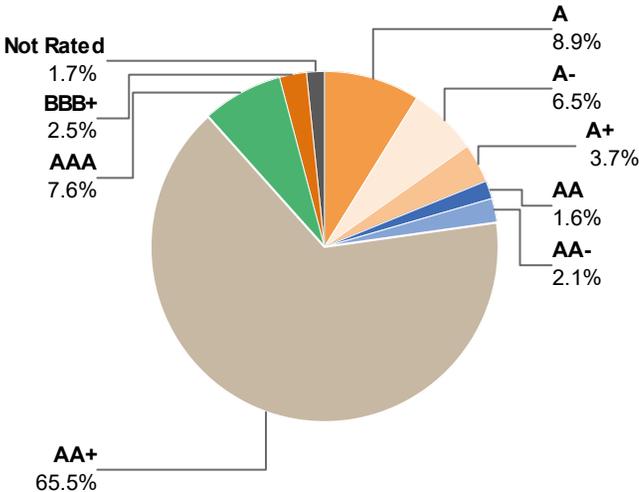
Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of April 2017.

Portfolio Statistics

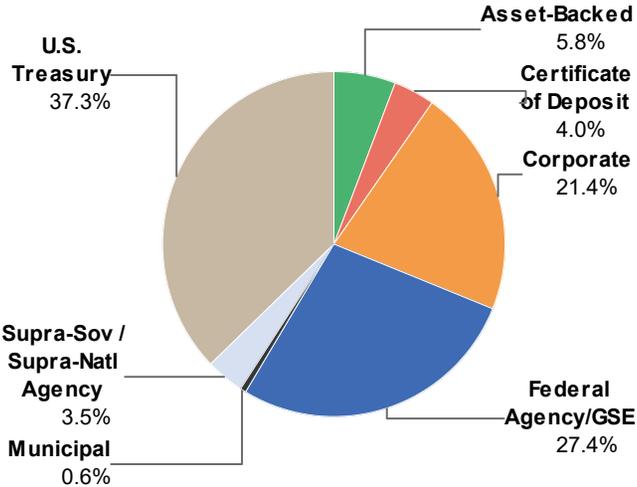
As of September 30, 2020

Par Value:	\$9,320,000
Total Market Value:	\$9,511,106
Security Market Value:	\$9,475,771
Accrued Interest:	\$32,418
Cash:	\$2,917
Amortized Cost:	\$9,347,448
Yield at Market:	0.31%
Yield at Cost:	1.18%
Effective Duration:	1.87 Years
Average Maturity:	2.02 Years
Average Credit: *	AA

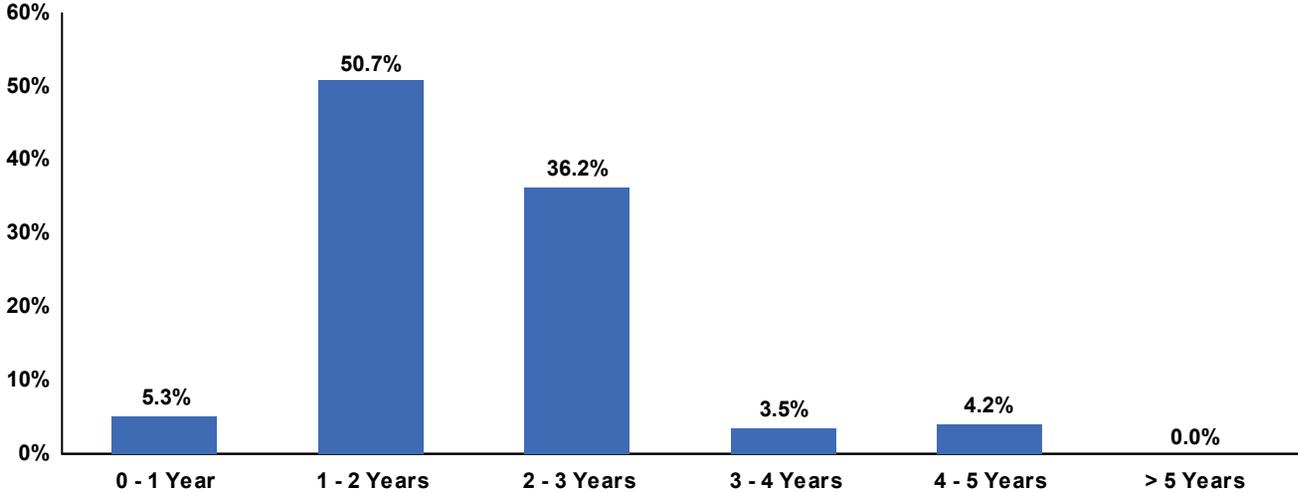
Credit Quality (S&P Ratings)**



Sector Allocation



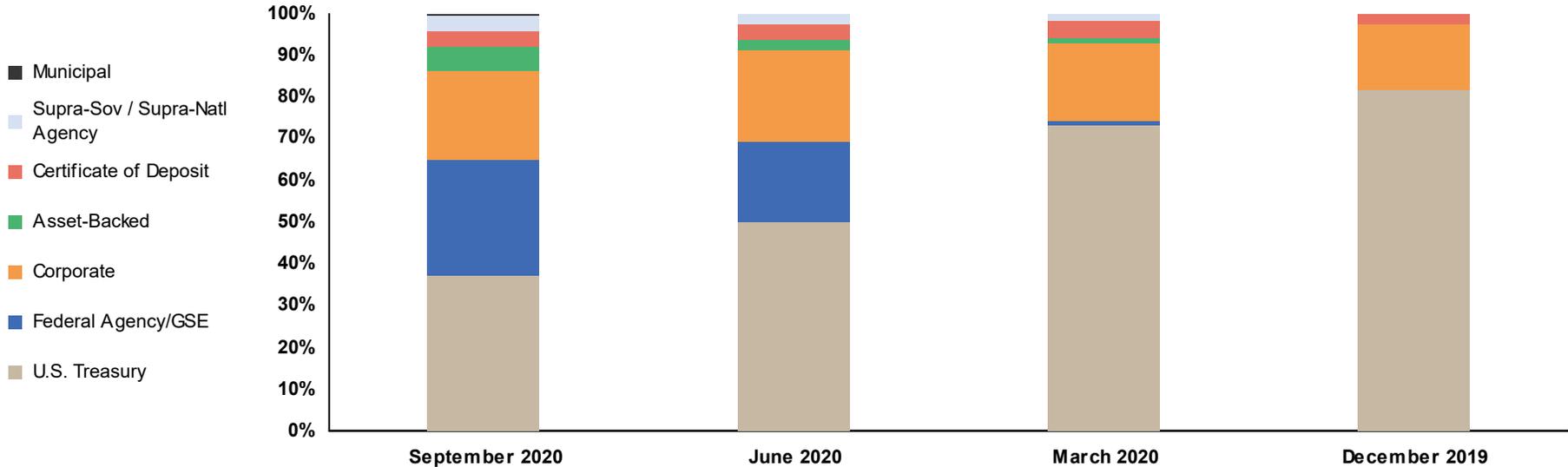
Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.
 **Securities held in the Town's portfolio are in compliance with Arizona Revised Statutes and the Town's investment policy dated April 2017.

Sector Allocation

Sector	September 30, 2020		June 30, 2020		March 31, 2020		December 31, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	3.5	37.3%	4.7	50.1%	6.8	73.1%	7.4	81.8%
Federal Agency/GSE	2.6	27.4%	1.8	19.2%	0.1	1.4%	0.0	0.0%
Corporate	2.0	21.4%	2.1	21.9%	1.7	18.5%	1.4	15.4%
Asset-Backed	0.5	5.8%	0.2	2.5%	0.1	1.3%	0.0	0.0%
Certificate of Deposit	0.4	4.0%	0.4	3.8%	0.4	3.8%	0.3	2.8%
Supra-Sov / Supra-Natl Agency	0.3	3.5%	0.2	2.5%	0.2	1.9%	0.0	0.0%
Municipal	0.1	0.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	\$9.5	100.0%	\$9.4	100.0%	\$9.3	100.0%	\$9.1	100.0%

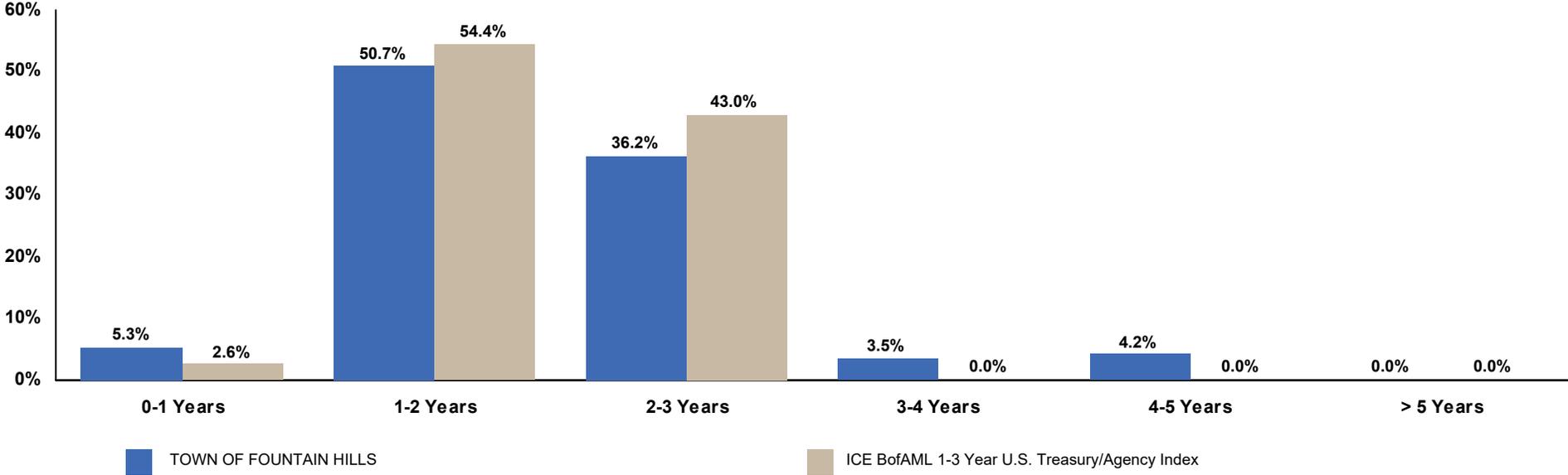


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Maturity Distribution

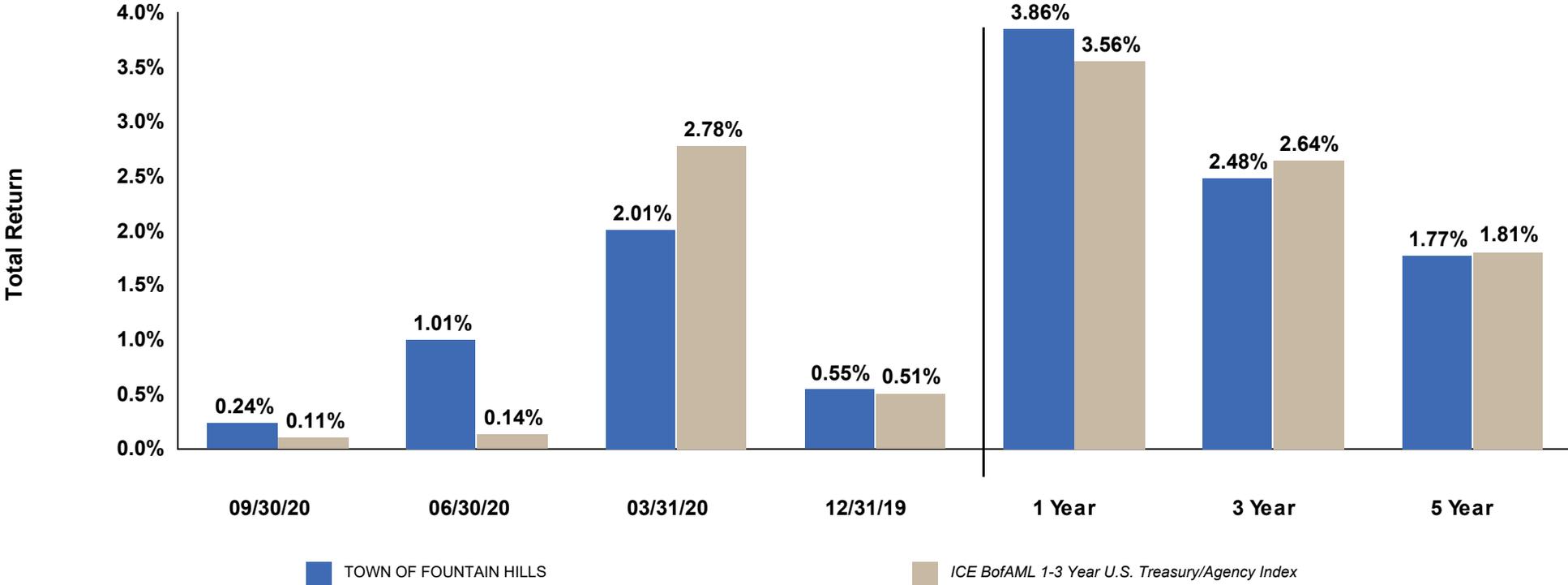
As of September 30, 2020

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF FOUNTAIN HILLS	0.31%	2.02 yrs	5.3%	50.7%	36.2%	3.5%	4.2%	0.0%
ICE BofAML 1-3 Year U.S. Treasury/Agency Index	0.14%	1.94 yrs	2.6%	54.4%	43.0%	0.0%	0.0%	0.0%



Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		09/30/20	06/30/20	03/31/20	12/31/19	1 Year	3 Year	5 Year
TOWN OF FOUNTAIN HILLS	1.87	0.24%	1.01%	2.01%	0.55%	3.86%	2.48%	1.77%
ICE BofAML 1-3 Year U.S. Treasury/Agency Index	1.82	0.11%	0.14%	2.78%	0.51%	3.56%	2.64%	1.81%
Difference		0.13%	0.87%	-0.77%	0.04%	0.30%	-0.16%	-0.04%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Earnings
Quarter-Ended September 30, 2020

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2020)	\$9,363,176.47	\$9,201,472.95
Net Purchases/Sales	\$122,721.40	\$122,721.40
Change in Value	(\$10,127.33)	\$23,253.71
Ending Value (09/30/2020)	\$9,475,770.54	\$9,347,448.06
Interest Earned	\$32,724.86	\$32,724.86
Portfolio Earnings	\$22,597.53	\$55,978.57

Sector/Issuer Distribution

As of September 30, 2020

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
BMW VEHICLE OWNER TRUST	30,077	5.5%	0.3%
CARMAX AUTO OWNER TRUST	60,937	11.1%	0.6%
GM FINANCIAL AUTO LEASING TRUST	24,979	4.6%	0.3%
GM FINANCIAL SECURITIZED TERM	35,027	6.4%	0.4%
HARLEY-DAVIDSON MOTORCYCLE TRUST	25,497	4.7%	0.3%
HONDA AUTO RECEIVABLES	29,991	5.5%	0.3%
HYUNDAI AUTO RECEIVABLES	35,041	6.4%	0.4%
JOHN DEERE OWNER TRUST	70,632	12.9%	0.7%
MERCEDES-BENZ AUTO LEASE TRUST	15,000	2.7%	0.2%
MERCEDES-BENZ AUTO RECEIVABLES	35,127	6.4%	0.4%
NISSAN AUTO RECEIVABLES	40,018	7.3%	0.4%
TOYOTA MOTOR CORP	35,056	6.4%	0.4%
VERIZON OWNER TRUST	80,666	14.7%	0.9%
WORLD OMNI AUTO REC TRUST	30,138	5.5%	0.3%
Sector Total	548,185	100.0%	5.8%
Certificate of Deposit			
CREDIT SUISSE GROUP RK	100,085	26.4%	1.1%
DNB ASA	103,708	27.3%	1.1%
SOCIETE GENERALE	100,912	26.6%	1.1%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
SUMITOMO MITSUI FINANCIAL GROUP INC	75,081	19.8%	0.8%
Sector Total	379,786	100.0%	4.0%
Corporate			
ADOBE INC	36,055	1.8%	0.4%
AMAZON.COM INC	52,387	2.6%	0.6%
AMERICAN HONDA FINANCE	92,611	4.6%	1.0%
APPLE INC	77,092	3.8%	0.8%
BANK OF AMERICA CO	187,798	9.3%	2.0%
BANK OF NOVA SCOTIA	103,193	5.1%	1.1%
BP PLC	52,699	2.6%	0.6%
CATERPILLAR INC	71,964	3.6%	0.8%
CHEVRON CORPORATION	78,937	3.9%	0.8%
CITIGROUP INC	76,401	3.8%	0.8%
COMCAST CORP	33,115	1.6%	0.3%
DEERE & COMPANY	61,840	3.1%	0.7%
EXXON MOBIL CORP	73,078	3.6%	0.8%
GENERAL DYNAMICS CORP	37,621	1.9%	0.4%
GLAXOSMITHKLINE PLC TAL	20,031	1.0%	0.2%
HOME DEPOT INC	41,682	2.1%	0.4%
HONEYWELL INTERNATIONAL	45,067	2.2%	0.5%
IBM CORP	104,053	5.1%	1.1%
JP MORGAN CHASE & CO	97,825	4.8%	1.0%
MORGAN STANLEY	46,628	2.3%	0.5%
NATIONAL RURAL UTILITIES CO FINANCE CORP	50,953	2.5%	0.5%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
PACCAR FINANCIAL CORP	71,645	3.5%	0.8%
PEPSICO INC	25,253	1.2%	0.3%
ROYAL BANK OF CANADA	46,443	2.3%	0.5%
ROYAL DUTCH SHELL PLC	39,846	2.0%	0.4%
THE BANK OF NEW YORK MELLON CORPORATION	46,462	2.3%	0.5%
TORONTO-DOMINION BANK	103,204	5.1%	1.1%
TOYOTA MOTOR CORP	73,328	3.6%	0.8%
TRUIST FIN CORP	46,837	2.3%	0.5%
US BANCORP	15,543	0.8%	0.2%
WELLS FARGO & COMPANY	113,489	5.6%	1.2%
Sector Total	2,023,077	100.0%	21.3%
Federal Agency/GSE			
FANNIE MAE	540,428	20.8%	5.7%
FEDERAL FARM CREDIT BANKS	375,947	14.5%	4.0%
FEDERAL HOME LOAN BANKS	128,462	4.9%	1.4%
FREDDIE MAC	1,552,831	59.8%	16.4%
Sector Total	2,597,667	100.0%	27.4%
Municipal			
NY & NJ PORT AUTH	60,897	100.0%	0.6%
Sector Total	60,897	100.0%	0.6%
Supra-Sov / Supra-Natl Agency			

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
AFRICAN DEVELOPMENT BANK	80,964	24.4%	0.9%
ASIAN DEVELOPMENT BANK	200,531	60.4%	2.1%
INTER-AMERICAN DEVELOPMENT BANK	50,294	15.2%	0.5%
Sector Total	331,788	100.0%	3.5%
U.S. Treasury			
UNITED STATES TREASURY	3,534,370	100.0%	37.3%
Sector Total	3,534,370	100.0%	37.3%
Portfolio Total	9,475,771	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/2/20	7/8/20	30,000	73358W4V3	PORT AUTH OF NY/NJ T/E REV BONDS	1.08%	7/1/23	30,000.00	1.09%	
7/7/20	7/9/20	30,000	73358W4V3	PORT AUTH OF NY/NJ T/E REV BONDS	1.08%	7/1/23	30,176.71	0.89%	
7/7/20	7/14/20	100,000	045167EV1	ASIAN DEVELOPMENT BANK CORPORATE NOTES	0.25%	7/14/23	99,833.00	0.31%	
7/8/20	7/10/20	190,000	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/23	189,591.50	0.32%	
7/8/20	7/15/20	30,000	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/24	29,997.74	0.48%	
7/10/20	7/14/20	75,000	86565CKU2	SUMITOMO MITSUI BANK NY CERT DEPOS	0.70%	7/8/22	75,000.00	0.70%	
7/14/20	7/22/20	30,000	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	29,994.86	0.62%	
7/14/20	7/22/20	25,000	47787NAC3	JDOT 2020-B A3	0.51%	11/15/24	24,996.19	0.51%	
7/14/20	7/22/20	35,000	44933FAC0	HART 2020-B A3	0.48%	12/16/24	34,993.45	0.48%	
7/21/20	7/23/20	135,000	3137EAET2	FREDDIE MAC NOTES	0.12%	7/25/22	134,694.90	0.24%	
7/21/20	7/27/20	35,000	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	34,997.31	0.44%	
8/4/20	8/11/20	20,000	69371RQ90	PACCAR FINANCIAL CORP CORPORATE NOTES	0.35%	8/11/23	19,973.80	0.39%	
8/4/20	8/12/20	55,000	92290BAA9	VZOT 2020-B A	0.47%	2/20/25	54,988.45	0.47%	
8/5/20	8/7/20	100,000	22549L6F7	CREDIT SUISSE NEW YORK CERT DEPOS	0.52%	2/1/22	100,000.00	0.52%	
8/7/20	8/11/20	25,000	95000U2C6	WELLS FARGO BANK NA CORP NOTES	3.75%	1/24/24	27,537.27	0.82%	
8/11/20	8/19/20	35,000	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/25	34,991.99	0.45%	
8/17/20	8/19/20	45,000	438516CC8	HONEYWELL INTERNATIONAL CORPORATE NOTES	0.48%	8/19/22	45,000.00	0.48%	
8/19/20	8/21/20	225,000	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/23	224,770.50	0.28%	
9/2/20	9/4/20	95,000	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/23	95,017.35	0.24%	
9/2/20	9/4/20	155,000	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/23	154,948.85	0.26%	
9/10/20	9/15/20	40,000	822582CJ9	SHELL INTERNATIONAL FIN CORPORATE NOTES	0.37%	9/15/23	39,902.40	0.46%	
9/15/20	9/23/20	15,000	58769EAC2	MBALT 2020-B A3	0.40%	11/15/23	14,999.24	0.40%	
9/22/20	9/29/20	25,000	362569AC9	GMALT 2020-3 A3	0.45%	8/21/23	24,997.61	0.45%	
9/22/20	9/29/20	30,000	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/24	29,995.59	0.37%	
9/28/20	10/1/20	20,000	377373AL9	GLAXOSMITHKLINE CAPITAL CORPORATE NOTES	0.53%	10/1/23	20,000.00	0.53%	
9/28/20	10/1/20	35,000	06051GHL6	BANK OF AMERICA CORP NOTES	3.86%	7/23/24	38,200.70	1.58%	

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total BUY		1,635,000					1,639,599.41		
INTEREST									
7/1/20	7/1/20	0	MONEY0002	MONEY MARKET FUND				0.36	
7/15/20	7/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
7/15/20	7/15/20	30,000	98163WAC0	WOART 2020-B A3	0.63%	5/15/25	11.03		
7/15/20	7/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
7/15/20	7/15/20	40,000	65479CAD0	NAROT 2020-B A3	0.55%	7/15/24	9.17		
7/15/20	7/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	41.25		
7/15/20	7/15/20	50,000	63743HET5	NATIONAL RURAL UTIL COOP CORP NOTE	1.75%	1/21/22	388.89		
7/15/20	7/15/20	35,000	58769VAC4	MBART 2020-1 A3	0.55%	2/18/25	11.76		
7/17/20	7/17/20	45,000	78015K7D0	ROYAL BANK OF CANADA	1.95%	1/17/23	438.75		
7/20/20	7/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
7/26/20	7/26/20	45,000	949746SA0	WELLS FARGO & CO CORP NOTES	2.10%	7/26/21	472.50		
7/27/20	7/27/20	45,000	06406RAM9	BANK OF NY MELLON CORP NOTES	1.85%	1/27/23	413.94		
7/31/20	7/31/20	705,000	912828V72	US TREASURY NOTES	1.87%	1/31/22	6,609.38		
7/31/20	7/31/20	320,000	912828P4	US TREASURY NOTES	1.87%	7/31/22	3,000.00		
8/1/20	8/1/20	35,000	00724PAA7	ADOBE INC CORP NOTE	1.70%	2/1/23	294.19		
8/3/20	8/3/20	0	MONEY0002	MONEY MARKET FUND				0.10	
8/7/20	8/7/20	50,000	69371RQ41	PACCAR FINANCIAL CORP NOTE	1.90%	2/7/23	475.00		
8/14/20	8/14/20	100,000	83369XDL9	SOCIETE GENERALE NY CERT DEPOS	1.80%	2/14/22	875.00		
8/15/20	8/15/20	30,000	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	11.88		
8/15/20	8/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
8/15/20	8/15/20	40,000	65479CAD0	NAROT 2020-B A3	0.55%	7/15/24	18.33		
8/15/20	8/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
8/15/20	8/15/20	630,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	6,693.75		
8/15/20	8/15/20	35,000	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	7.70		
8/15/20	8/15/20	35,000	44933FAC0	HART 2020-B A3	0.48%	12/16/24	10.73		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
8/15/20	8/15/20	35,000	58769VAC4	MBART 2020-1 A3	0.55%	2/18/25	16.04		
8/15/20	8/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	41.25		
8/15/20	8/15/20	30,000	98163WAC0	WOART 2020-B A3	0.63%	5/15/25	15.75		
8/16/20	8/16/20	20,000	30231GBB7	EXXON MOBIL CORPORATION	1.90%	8/16/22	190.20		
8/17/20	8/17/20	125,000	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	840.28		
8/20/20	8/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
8/22/20	8/22/20	50,000	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	600.00		
8/25/20	8/25/20	25,000	89236THA6	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	1.35%	8/25/23	83.44		
8/25/20	8/25/20	30,000	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/24	16.00		
8/31/20	8/31/20	525,000	9128282S8	US TREASURY NOTES	1.62%	8/31/22	4,265.63		
9/1/20	9/1/20	0	MONEY0002	MONEY MARKET FUND			0.29		
9/1/20	9/1/20	50,000	30231GAR3	EXXON MOBIL CORPORATION CORP NOTES	2.72%	3/1/23	681.50		
9/1/20	9/1/20	40,000	437076BV3	HOME DEPOT INC	3.25%	3/1/22	650.00		
9/15/20	9/15/20	40,000	65479CAD0	NAROT 2020-B A3	0.55%	7/15/24	18.33		
9/15/20	9/15/20	25,000	47787NAC3	JDOT 2020-B A3	0.51%	11/15/24	18.78		
9/15/20	9/15/20	30,000	98163WAC0	WOART 2020-B A3	0.63%	5/15/25	15.75		
9/15/20	9/15/20	15,000	91159HHC7	US BANCORP (CALLABLE) NOTE	3.00%	3/15/22	225.00		
9/15/20	9/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
9/15/20	9/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	41.25		
9/15/20	9/15/20	30,000	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	15.50		
9/15/20	9/15/20	35,000	58769VAC4	MBART 2020-1 A3	0.55%	2/18/25	16.04		
9/15/20	9/15/20	35,000	44933FAC0	HART 2020-B A3	0.48%	12/16/24	14.00		
9/15/20	9/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
9/15/20	9/15/20	35,000	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	12.83		
9/16/20	9/16/20	35,000	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/25	11.81		
9/20/20	9/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
9/21/20	9/21/20	55,000	92290BAA9	VZOT 2020-B A	0.47%	2/20/25	28.00		
9/25/20	9/25/20	30,000	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/24	12.00		
9/30/20	9/30/20	45,000	89236TGW9	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	2.90%	3/30/23	648.88		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total INTEREST		3,985,000					28,636.51		
SELL									
7/7/20	7/9/20	30,000	912828Z86	UNITED STATES TREASURY NOTES	1.37%	2/15/23	31,102.99		478.63
7/7/20	7/14/20	100,000	912828Z86	UNITED STATES TREASURY NOTES	1.37%	2/15/23	103,656.46		1,564.41
7/8/20	7/10/20	100,000	911312BP0	UNITED PARCEL SERVICE CORPORATE BOND	2.05%	4/1/21	101,819.75		1,292.37
7/8/20	7/10/20	70,000	05531FAZ6	BRANCH BANKING & TRUST (CALLABLE) NOTES	2.15%	2/1/21	71,271.61		671.04
7/8/20	7/10/20	20,000	05531FAZ6	BRANCH BANKING & TRUST (CALLABLE) NOTES	2.15%	2/1/21	20,363.32		174.99
7/10/20	7/14/20	30,000	912828P4	US TREASURY NOTES	1.87%	7/31/22	31,308.50		914.29
7/10/20	7/14/20	45,000	912828Z86	UNITED STATES TREASURY NOTES	1.37%	2/15/23	46,661.23		719.80
7/15/20	7/15/20	20,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	20,603.64		360.07
7/15/20	7/22/20	90,000	912828YK0	UNITED STATES TREASURY NOTES	1.37%	10/15/22	92,774.71		2,768.23
7/21/20	7/23/20	125,000	912828S8	US TREASURY NOTES	1.62%	8/31/22	129,682.20		3,749.40
7/21/20	7/27/20	30,000	912828YK0	UNITED STATES TREASURY NOTES	1.37%	10/15/22	30,934.06		925.60
7/23/20	7/23/20	5,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	5,152.07		89.18
8/4/20	8/11/20	20,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	20,615.64		345.12
8/5/20	8/12/20	25,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	25,768.07		428.68
8/5/20	8/12/20	20,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	20,614.47		304.76
8/5/20	8/7/20	100,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	103,066.58		1,540.38
8/7/20	8/11/20	25,000	91159HHC7	US BANCORP (CALLABLE) NOTE	3.00%	3/15/22	26,381.17		306.75
8/11/20	8/12/20	75,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	75,818.46		411.75
8/20/20	8/21/20	75,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	75,824.07		374.80
8/20/20	8/21/20	155,000	912828YK0	UNITED STATES TREASURY NOTES	1.37%	10/15/22	159,868.60		4,662.14
9/2/20	9/4/20	230,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	234,578.13		3,226.71
9/10/20	9/15/20	30,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	30,603.31		412.50
9/16/20	9/23/20	15,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	15,303.90		203.21
9/28/20	9/29/20	50,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	51,016.65		667.78
Total SELL		1,485,000					1,524,789.59		26,592.59

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 08/15/2011 2.125% 08/15/2021	912828RC6	305,000.00	AA+	Aaa	10/17/2019	10/17/2019	307,787.89	1.62	827.77	306,327.17	310,289.86
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	275,000.00	AA+	Aaa	11/8/2019	11/12/2019	272,679.69	1.69	1,438.52	273,725.28	278,308.58
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	450,000.00	AA+	Aaa	12/2/2019	12/4/2019	446,572.27	1.66	2,353.94	448,057.46	455,414.04
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	700,000.00	AA+	Aaa	10/23/2019	10/24/2019	702,160.15	1.60	4,116.80	701,195.40	713,125.00
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	705,000.00	AA+	Aaa	10/17/2019	10/17/2019	709,461.32	1.59	2,227.07	707,595.77	721,303.13
UNITED STATES TREASURY NOTES DTD 04/15/2019 2.250% 04/15/2022	9128286M7	180,000.00	AA+	Aaa	10/17/2019	10/17/2019	182,868.75	1.60	1,870.08	181,766.60	185,850.00
US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	9128282P4	320,000.00	AA+	Aaa	10/25/2019	10/29/2019	322,000.00	1.64	1,010.87	321,328.03	330,150.02
US TREASURY NOTES DTD 08/31/2017 1.625% 08/31/2022	9128282S8	525,000.00	AA+	Aaa	10/17/2019	10/17/2019	525,758.79	1.57	730.58	525,505.62	539,929.69
Security Type Sub-Total		3,460,000.00					3,469,288.86	1.61	14,575.63	3,465,501.33	3,534,370.32
Supra-National Agency Bond / Note											
ASIAN DEVELOPMENT BANK SUPRANATL DTD 04/07/2020 0.625% 04/07/2022	045167ET6	100,000.00	AAA	Aaa	3/31/2020	4/7/2020	99,909.00	0.67	302.08	99,931.06	100,577.10
AFRICAN DEVELOPMENT BANK SUPRANATL DTD 04/03/2020 0.750% 04/03/2023	008281BC0	80,000.00	AAA	Aaa	3/26/2020	4/3/2020	79,888.80	0.80	296.67	79,907.18	80,963.60
INTER-AMERICAN DEVEL BK CORPORATE NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	50,000.00	AAA	Aaa	4/17/2020	4/24/2020	49,983.00	0.51	88.19	49,985.42	50,293.80

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Supra-National Agency Bond / Note											
ASIAN DEVELOPMENT BANK CORPORATE NOTES DTD 07/14/2020 0.250% 07/14/2023	045167EV1	100,000.00	AAA	Aaa	7/7/2020	7/14/2020	99,833.00	0.31	53.47	99,845.05	99,953.40
Security Type Sub-Total		330,000.00					329,613.80	0.57	740.41	329,668.71	331,787.90
Municipal Bond / Note											
PORT AUTH OF NY/NJ T/E REV BONDS DTD 07/08/2020 1.086% 07/01/2023	73358W4V3	30,000.00	A+	Aa3	7/7/2020	7/9/2020	30,175.80	0.89	75.12	30,162.21	30,448.50
PORT AUTH OF NY/NJ T/E REV BONDS DTD 07/08/2020 1.086% 07/01/2023	73358W4V3	30,000.00	A+	Aa3	7/2/2020	7/8/2020	30,000.00	1.09	75.12	30,000.00	30,448.50
Security Type Sub-Total		60,000.00					60,175.80	0.99	150.24	60,162.21	60,897.00
Federal Agency Bond / Note											
FEDERAL FARM CREDIT BANK NOTES DTD 04/08/2020 0.375% 04/08/2022	3133ELWD2	175,000.00	AA+	Aaa	4/3/2020	4/8/2020	174,741.00	0.45	315.36	174,803.44	175,589.75
FEDERAL FARM CREDIT BANK NOTES DTD 06/02/2020 0.250% 06/02/2022	3133ELE75	200,000.00	AA+	Aaa	6/3/2020	6/4/2020	199,865.20	0.28	165.28	199,887.23	200,357.20
FREDDIE MAC NOTES DTD 06/08/2020 0.250% 06/08/2022	3134GVJ66	175,000.00	AA+	Aaa	6/10/2020	6/11/2020	174,959.75	0.26	137.33	174,965.95	175,315.70
FREDDIE MAC NOTES DTD 07/23/2020 0.125% 07/25/2022	3137EAET2	135,000.00	AA+	Aaa	7/21/2020	7/23/2020	134,694.90	0.24	31.88	134,724.08	134,931.83
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	125,000.00	AA+	Aaa	2/20/2020	2/21/2020	124,770.00	1.44	210.07	124,816.97	128,461.75
FREDDIE MAC NOTES DTD 04/20/2020 0.375% 04/20/2023	3137EAEQ8	225,000.00	AA+	Aaa	4/17/2020	4/20/2020	224,437.50	0.46	377.34	224,521.75	225,905.63
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	190,000.00	AA+	Aaa	5/5/2020	5/7/2020	189,920.20	0.39	285.00	189,930.93	190,777.10

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	125,000.00	AA+	Aaa	6/3/2020	6/4/2020	125,100.00	0.35	187.50	125,088.83	125,511.25
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	225,000.00	AA+	Aaa	5/20/2020	5/22/2020	224,322.75	0.35	201.56	224,404.39	225,196.65
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	125,000.00	AA+	Aaa	6/3/2020	6/4/2020	124,595.00	0.36	111.98	124,639.54	125,109.25
FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	225,000.00	AA+	Aaa	6/24/2020	6/26/2020	224,343.00	0.35	148.44	224,401.20	225,142.20
FANNIE MAE NOTES DTD 07/10/2020 0.250% 07/10/2023	3135G05G4	190,000.00	AA+	Aaa	7/8/2020	7/10/2020	189,591.50	0.32	106.88	189,622.46	190,121.79
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	225,000.00	AA+	Aaa	8/19/2020	8/21/2020	224,770.50	0.28	62.50	224,779.07	225,150.53
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	95,000.00	AA+	Aaa	9/2/2020	9/4/2020	95,017.35	0.24	17.81	95,016.92	95,036.67
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	155,000.00	AA+	Aaa	9/2/2020	9/4/2020	154,948.85	0.26	29.06	154,950.11	155,059.83
Security Type Sub-Total		2,590,000.00					2,586,077.50	0.39	2,387.99	2,586,552.87	2,597,667.13
Corporate Note											
BANK OF AMERICA CORP (CALLED OMD 10/01/2 DTD 09/18/2017 2.328% 10/01/2020	06051GGS2	150,000.00	A-	A2	11/27/2017	11/29/2017	149,293.50	2.50	1,746.00	150,000.00	150,007.50
WELLS FARGO & CO CORP NOTES DTD 07/25/2016 2.100% 07/26/2021	949746SA0	45,000.00	BBB+	A2	10/17/2019	10/21/2019	45,041.40	2.05	170.63	45,019.16	45,628.74
NATIONAL RURAL UTIL COOP CORP NOTE DTD 02/05/2020 1.750% 01/21/2022	63743HET5	50,000.00	A	A2	1/22/2020	2/5/2020	49,956.00	1.79	184.72	49,970.69	50,953.20
HOME DEPOT INC DTD 12/06/2018 3.250% 03/01/2022	437076BV3	40,000.00	A	A2	3/6/2020	3/10/2020	41,801.20	0.94	108.33	41,289.07	41,682.28

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
US BANCORP (CALLABLE) NOTE DTD 03/02/2012 3.000% 03/15/2022	91159HHC7	15,000.00	A+	A1	4/24/2020	4/28/2020	15,549.90	1.03	20.00	15,419.53	15,542.76
JOHN DEERE CAPITAL CORP DTD 03/07/2019 2.950% 04/01/2022	24422EUT4	35,000.00	A	A2	5/12/2020	5/14/2020	36,344.70	0.89	516.25	36,070.67	36,352.58
IBM CORP DTD 05/15/2019 2.850% 05/13/2022	459200JX0	100,000.00	A	A2	10/30/2019	11/1/2019	102,084.00	2.00	1,092.50	101,328.44	104,052.90
APPLE INC CORP NOTES DTD 05/13/2015 2.700% 05/13/2022	037833BF6	45,000.00	AA+	Aa1	3/5/2020	3/9/2020	46,714.05	0.93	465.75	46,269.91	46,786.59
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/15/2020 0.950% 05/13/2022	14913R2B2	15,000.00	A	A3	5/12/2020	5/15/2020	14,986.65	1.00	53.83	14,989.20	15,156.17
MORGAN STANLEY CORP NOTES DTD 05/19/2017 2.750% 05/19/2022	61744YAH1	45,000.00	BBB+	A2	10/25/2019	10/29/2019	45,616.05	2.20	453.75	45,392.87	46,627.83
AMERICAN HONDA FINANCE CORP NOTES DTD 11/21/2019 1.950% 05/20/2022	02665WDF5	50,000.00	A-	A3	11/18/2019	11/21/2019	49,983.00	1.96	354.79	49,988.88	51,192.60
BRANCH BANKING & TRUST CORP NOTES DTD 03/18/2019 3.050% 06/20/2022	05531FBG7	45,000.00	A-	A3	3/5/2020	3/9/2020	46,833.75	1.23	385.06	46,380.27	46,837.40
EXXON MOBIL CORPORATION DTD 08/16/2019 1.902% 08/16/2022	30231GBB7	20,000.00	AA	Aa1	5/12/2020	5/14/2020	20,483.40	0.82	47.55	20,401.27	20,498.56
HONEYWELL INTERNATIONAL CORPORATE NOTES DTD 08/19/2020 0.483% 08/19/2022	438516CC8	45,000.00	A	A2	8/17/2020	8/19/2020	45,000.00	0.48	25.36	45,000.00	45,066.83
CITIGROUP INC DTD 11/04/2019 2.312% 11/04/2022	17308CC46	75,000.00	BBB+	A3	10/28/2019	11/4/2019	75,000.00	2.31	708.05	75,000.00	76,401.30
BANK OF NOVA SCOTIA HOUSTON CORP NOTES DTD 10/15/2019 2.000% 11/15/2022	064159SH0	100,000.00	A-	A2	10/17/2019	10/21/2019	99,641.00	2.12	755.56	99,751.81	103,192.80
CATERPILLAR FINL SERVICE DTD 01/13/2020 1.950% 11/18/2022	14913Q3C1	55,000.00	A	A3	1/9/2020	1/13/2020	54,974.70	1.97	396.23	54,981.07	56,807.80

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
TORONTO-DOMINION BANK DTD 10/10/2019 1.900% 12/01/2022	89114QCD8	100,000.00	A	Aa3	10/17/2019	10/21/2019	99,467.00	2.08	633.33	99,629.20	103,204.20
ROYAL BANK OF CANADA DTD 01/17/2020 1.950% 01/17/2023	78015K7D0	45,000.00	A	A2	1/13/2020	1/17/2020	44,972.55	1.97	180.38	44,979.01	46,442.84
BANK OF NY MELLON CORP NOTES DTD 01/28/2020 1.850% 01/27/2023	06406RAM9	45,000.00	A	A1	1/21/2020	1/28/2020	44,968.50	1.87	148.00	44,975.61	46,461.56
ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	35,000.00	A	A2	1/23/2020	2/3/2020	34,991.95	1.71	99.17	34,993.72	36,055.04
PACCAR FINANCIAL CORP NOTE DTD 11/07/2019 1.900% 02/07/2023	69371RQ41	50,000.00	A+	A1	10/31/2019	11/7/2019	49,997.50	1.90	142.50	49,998.19	51,677.00
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	50,000.00	AA-	A2	3/4/2020	3/6/2020	51,920.00	1.08	130.00	51,549.47	52,386.50
EXXON MOBIL CORPORATION CORP NOTES DTD 03/03/2016 2.726% 03/01/2023	30231GAR3	50,000.00	AA	Aa1	2/26/2020	3/2/2020	51,786.00	1.50	113.58	51,438.27	52,579.00
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 04/01/2020 2.900% 03/30/2023	89236TGW9	45,000.00	A+	A1	4/27/2020	4/29/2020	47,080.80	1.28	3.63	46,777.96	47,679.39
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	45,000.00	A-	A2	1/17/2020	1/22/2020	46,119.15	2.39	721.58	45,765.22	46,757.07
JOHN DEERE CAPITAL CORP CORP NOTES DTD 03/09/2020 1.200% 04/06/2023	24422EVE6	25,000.00	A	A2	3/4/2020	3/9/2020	24,994.00	1.21	168.33	24,995.10	25,487.40
PEPSICO INC CORPORATE NOTES DTD 05/01/2020 0.750% 05/01/2023	713448EY0	25,000.00	A+	A1	4/29/2020	5/1/2020	24,950.50	0.82	78.13	24,957.42	25,252.53
AMERICAN HONDA FINANCE DTD 01/10/2020 1.950% 05/10/2023	02665WDH1	40,000.00	A-	A3	1/7/2020	1/10/2020	39,985.20	1.96	305.50	39,988.43	41,418.08
BP CAP MARKETS AMERICA CORP BONDS DTD 12/14/2018 2.750% 05/10/2023	10373QAL4	50,000.00	A-	A1	2/26/2020	2/28/2020	51,725.00	1.64	538.54	51,405.72	52,698.85

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	30,000.00	AA+	Aa1	5/4/2020	5/11/2020	29,918.40	0.84	87.50	29,929.06	30,305.73
CHEVRON CORP CORPORATE NOTES DTD 05/11/2020 1.141% 05/11/2023	166764BV1	25,000.00	AA	Aa2	5/7/2020	5/11/2020	25,000.00	1.14	110.93	25,000.00	25,462.63
GENERAL DYNAMICS CORP NOTES DTD 05/11/2018 3.375% 05/15/2023	369550BD9	35,000.00	A	A2	5/8/2020	5/12/2020	37,454.20	1.00	446.25	37,127.89	37,620.59
CHEVRON CORP DTD 06/24/2013 3.191% 06/24/2023	166764AH3	50,000.00	AA	Aa2	2/25/2020	2/27/2020	52,536.50	1.62	429.90	52,082.73	53,473.90
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/11/2020 0.350% 08/11/2023	69371RQ90	20,000.00	A+	A1	8/4/2020	8/11/2020	19,973.80	0.39	9.72	19,975.02	19,967.74
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 05/26/2020 1.350% 08/25/2023	89236THA6	25,000.00	A+	A1	5/20/2020	5/26/2020	24,990.75	1.36	33.75	24,991.75	25,648.83
SHELL INTERNATIONAL FIN CORPORATE NOTES DTD 09/15/2020 0.375% 09/15/2023	822582CJ9	40,000.00	AA-	Aa2	9/10/2020	9/15/2020	39,902.40	0.46	6.67	39,903.83	39,845.68
GLAXOSMITHKLINE CAPITAL CORPORATE NOTES DTD 10/01/2020 0.534% 10/01/2023	377373AL9	20,000.00	A	A2	9/28/2020	10/1/2020	20,000.00	0.53	0.00	20,000.00	20,030.74
WELLS FARGO BANK NA CORP NOTES DTD 01/24/2019 3.750% 01/24/2024	95000U2C6	25,000.00	BBB+	A2	8/7/2020	8/11/2020	27,493.00	0.82	174.48	27,392.17	27,115.75
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	30,000.00	A-	A3	5/7/2020	5/11/2020	32,867.70	1.20	511.83	32,575.62	33,115.38
JPMORGAN CHASE & CO CORPORATE NOTES DTD 05/27/2020 1.514% 06/01/2024	46647PBQ8	50,000.00	A-	A2	5/19/2020	5/27/2020	50,000.00	1.51	260.74	50,000.00	51,067.65

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
WELLS FARGO & COMPANY CORPORATE NOTES DTD 06/02/2020 1.654% 06/02/2024	95000U2R3	40,000.00	BBB+	A2	5/26/2020	6/2/2020	40,000.00	1.65	218.70	40,000.00	40,744.44
BANK OF AMERICA CORP NOTES DTD 07/23/2018 3.864% 07/23/2024	06051GHL6	35,000.00	A-	A2	9/28/2020	10/1/2020	37,945.25	1.58	255.45	37,945.25	37,790.69
Security Type Sub-Total		1,960,000.00					1,990,343.45	1.64	13,292.95	1,985,629.48	2,023,077.05
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 08/07/2020 0.520% 02/01/2022	22549L6F7	100,000.00	A+	A1	8/5/2020	8/7/2020	100,000.00	0.52	79.44	100,000.00	100,085.30
SOCIETE GENERALE NY CERT DEPOS DTD 02/19/2020 1.800% 02/14/2022	83369XDL9	100,000.00	A	A1	2/14/2020	2/19/2020	100,000.00	1.80	235.00	100,000.00	100,912.00
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	75,000.00	A	A1	7/10/2020	7/14/2020	75,000.00	0.70	115.21	75,000.00	75,081.15
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	100,000.00	AA-	Aa2	12/4/2019	12/6/2019	100,000.00	2.03	685.67	100,000.00	103,707.90
Security Type Sub-Total		375,000.00					375,000.00	1.31	1,115.32	375,000.00	379,786.35
Asset-Backed Security											
GMALT 2020-3 A3 DTD 09/29/2020 0.450% 08/21/2023	362569AC9	25,000.00	AAA	Aaa	9/22/2020	9/29/2020	24,997.61	0.45	0.63	24,997.61	24,978.58
MBALT 2020-B A3 DTD 09/23/2020 0.400% 11/15/2023	58769EAC2	15,000.00	AAA	NR	9/15/2020	9/23/2020	14,999.24	0.40	1.33	14,999.25	15,000.45
NAROT 2020-B A3 DTD 06/30/2020 0.550% 07/15/2024	65479CAD0	40,000.00	AAA	Aaa	6/23/2020	6/30/2020	39,998.90	0.55	9.78	39,998.97	40,017.50
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	25,000.00	AAA	Aaa	1/21/2020	1/29/2020	24,997.07	1.85	14.13	24,997.51	25,636.83

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
JOHN DEERE OWNER TRUST DTD 03/11/2020 1.100% 08/15/2024	47789KAC7	45,000.00	NR	Aaa	3/4/2020	3/11/2020	44,997.25	1.10	22.00	44,997.60	45,585.49
HDMOT 2020-A A3 DTD 01/29/2020 1.870% 10/15/2024	41284UAD6	25,000.00	AAA	Aaa	1/21/2020	1/29/2020	24,994.55	1.87	20.78	24,995.33	25,496.95
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	35,000.00	AAA	Aaa	7/21/2020	7/27/2020	34,997.31	0.44	6.84	34,997.43	35,055.63
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	30,000.00	AAA	NR	9/22/2020	9/29/2020	29,995.59	0.37	0.62	29,995.60	29,990.60
BMWOT 2020-A A3 DTD 07/15/2020 0.480% 10/25/2024	09661RAD3	30,000.00	AAA	NR	7/8/2020	7/15/2020	29,997.74	0.48	2.40	29,997.85	30,076.57
JDOT 2020-B A3 DTD 07/22/2020 0.510% 11/15/2024	47787NAC3	25,000.00	NR	Aaa	7/14/2020	7/22/2020	24,996.19	0.51	5.67	24,996.36	25,046.65
HART 2020-B A3 DTD 07/22/2020 0.480% 12/16/2024	44933FAC0	35,000.00	AAA	NR	7/14/2020	7/22/2020	34,993.45	0.48	7.47	34,993.74	35,041.43
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	30,000.00	AAA	NR	1/14/2020	1/22/2020	29,994.11	1.89	25.20	29,994.94	30,788.21
MBART 2020-1 A3 DTD 06/23/2020 0.550% 02/18/2025	58769VAC4	35,000.00	AAA	NR	6/16/2020	6/23/2020	34,997.27	0.55	8.56	34,997.43	35,126.92
VZOT 2020-B A DTD 08/12/2020 0.470% 02/20/2025	92290BAA9	55,000.00	NR	Aaa	8/4/2020	8/12/2020	54,988.45	0.47	7.18	54,988.80	55,029.51
CARMX 2020-3 A3 DTD 07/22/2020 0.620% 03/17/2025	14315FAD9	30,000.00	AAA	NR	7/14/2020	7/22/2020	29,994.86	0.62	8.27	29,995.07	30,148.53
GMCAR 2020-3 A3 DTD 08/19/2020 0.450% 04/16/2025	362590AC5	35,000.00	NR	Aaa	8/11/2020	8/19/2020	34,991.99	0.46	6.56	34,992.19	35,027.06
WOART 2020-B A3 DTD 06/24/2020 0.630% 05/15/2025	98163WAC0	30,000.00	AAA	NR	6/16/2020	6/24/2020	29,997.65	0.63	8.40	29,997.78	30,137.88
Security Type Sub-Total		545,000.00					544,929.23	0.75	155.82	544,933.46	548,184.79
Managed Account Sub Total		9,320,000.00					9,355,428.64	1.18	32,418.36	9,347,448.06	9,475,770.54

TOWN OF FOUNTAIN HILLS

Portfolio Holdings

Securities Sub-Total	\$9,320,000.00	\$9,355,428.64	1.18%	\$32,418.36	\$9,347,448.06	\$9,475,770.54
Accrued Interest						\$32,418.36
Total Investments						\$9,508,188.90

Bolded items are forward settling trades.

IMPORTANT DISCLOSURES

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

GLOSSARY

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

GLOSSARY

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