



# TOWN OF FOUNTAIN HILLS

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

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## Markets Weigh Massive Policy Support Against Economic Challenges

### ◆ Coronavirus

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

### ◆ Economy

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

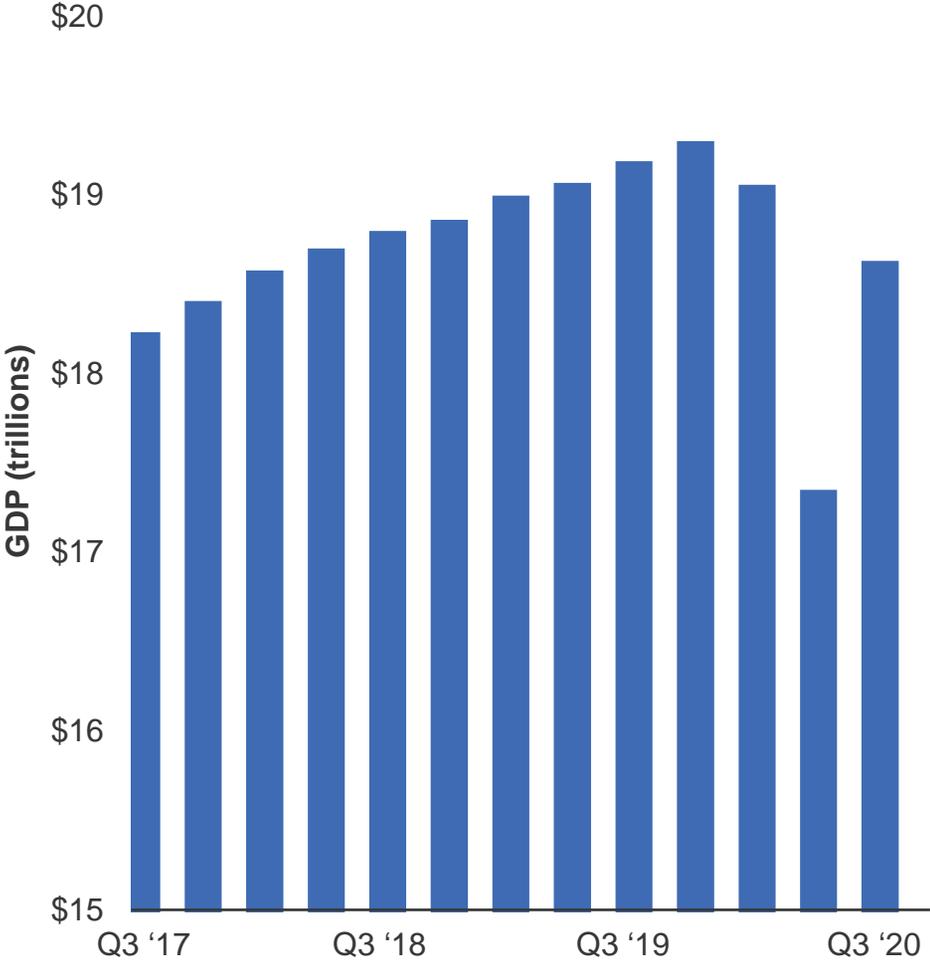
### ◆ Markets

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

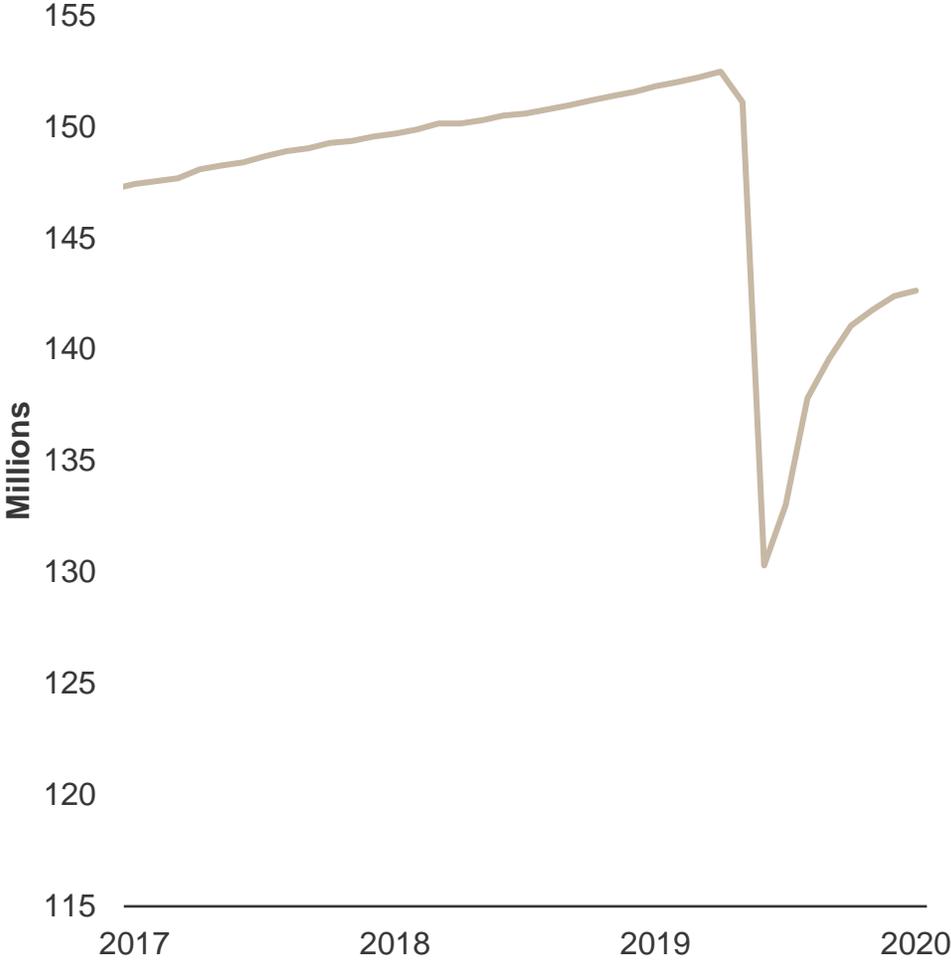


### Economy Still Has a Long Road Ahead to Full Recovery

#### U.S. Real GDP



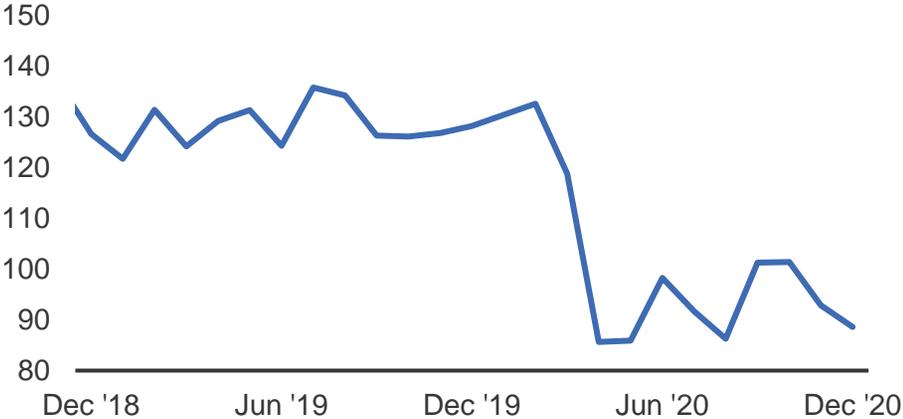
#### Total U.S. Employment



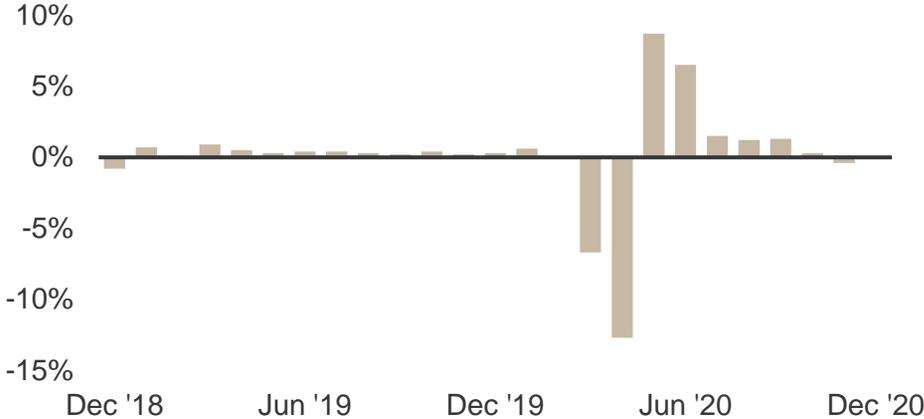
Source: Bloomberg, latest available data as of 12/30/2020. Total U.S. Employment is total non-farm payrolls.

### Uptick in COVID-19 Cases Slows Economic Recovery

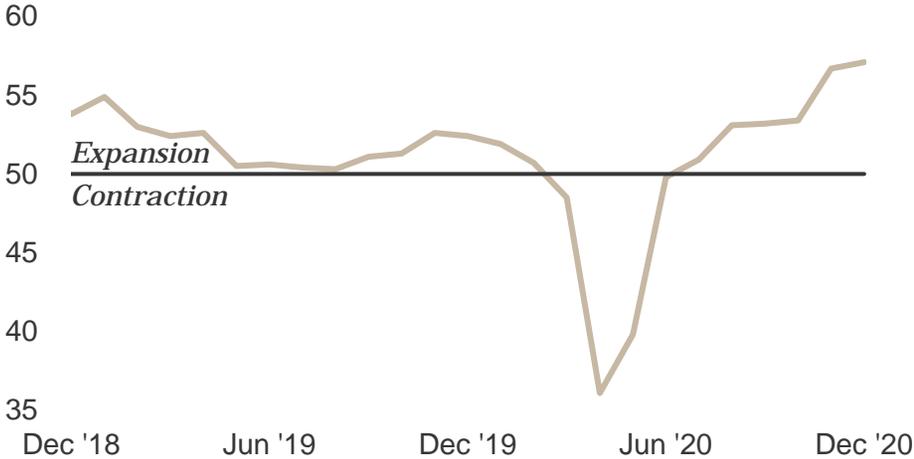
#### Conference Board Consumer Confidence



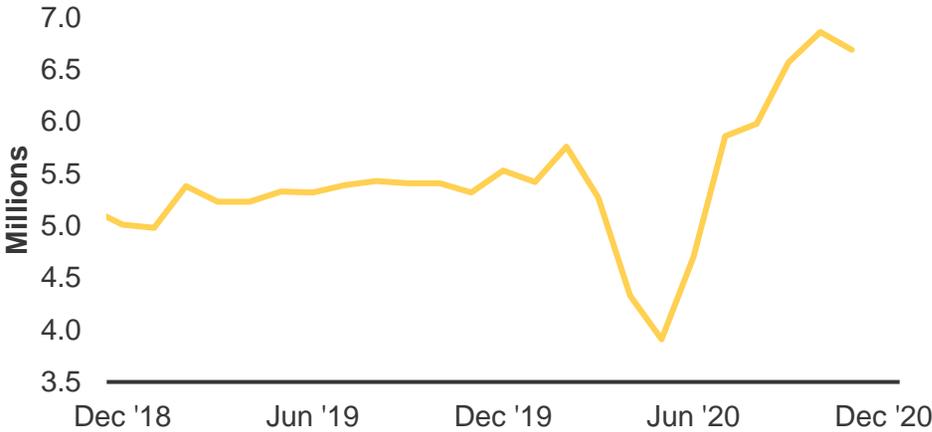
#### Personal Spending (MoM%)



#### Manufacturing Markit PMI



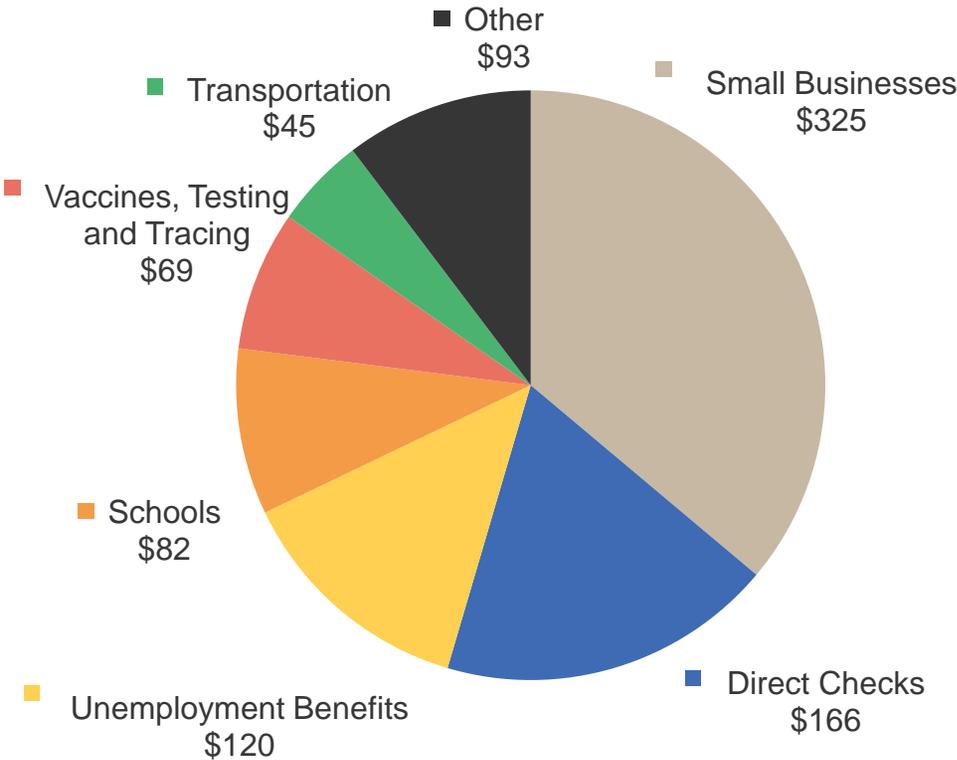
#### Existing Home Sales (SAAR)



Source: Bloomberg and FRED, latest available data as of 12/31/2020. SAAR is Seasonally Adjusted Annual Rate.

### Congress Passes a New \$900 Billion Pandemic Relief Package

#### New Emergency Relief Package, in billions



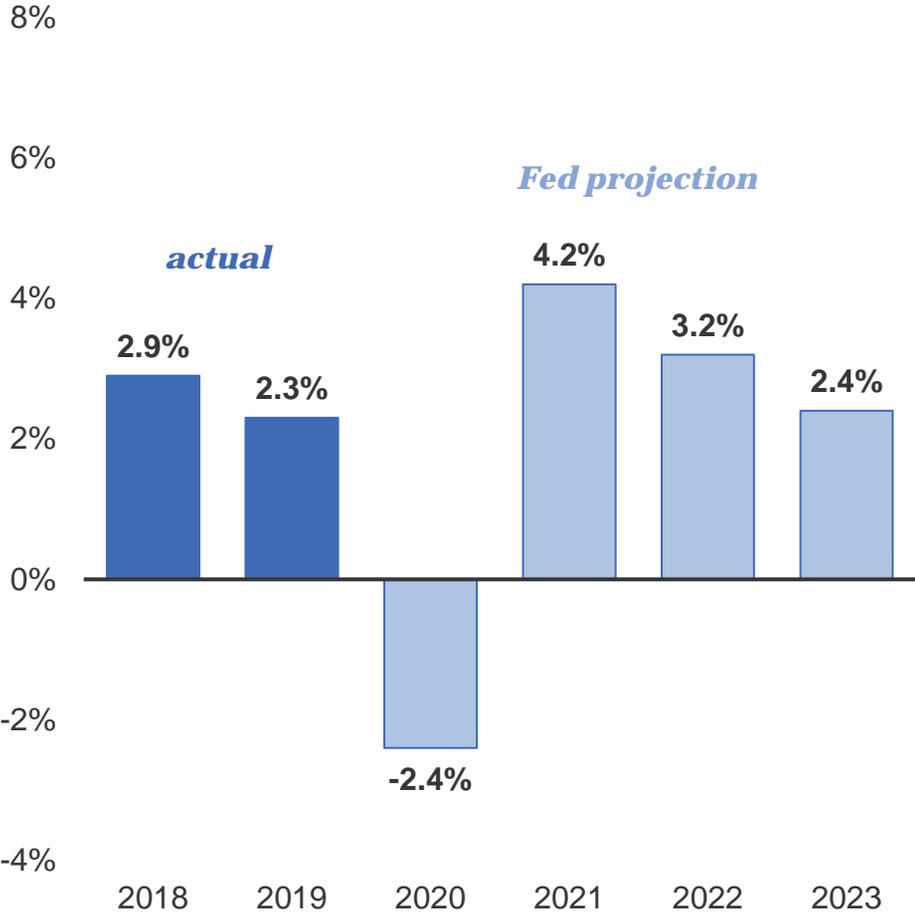
#### Other Ongoing Economic Support Measures

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

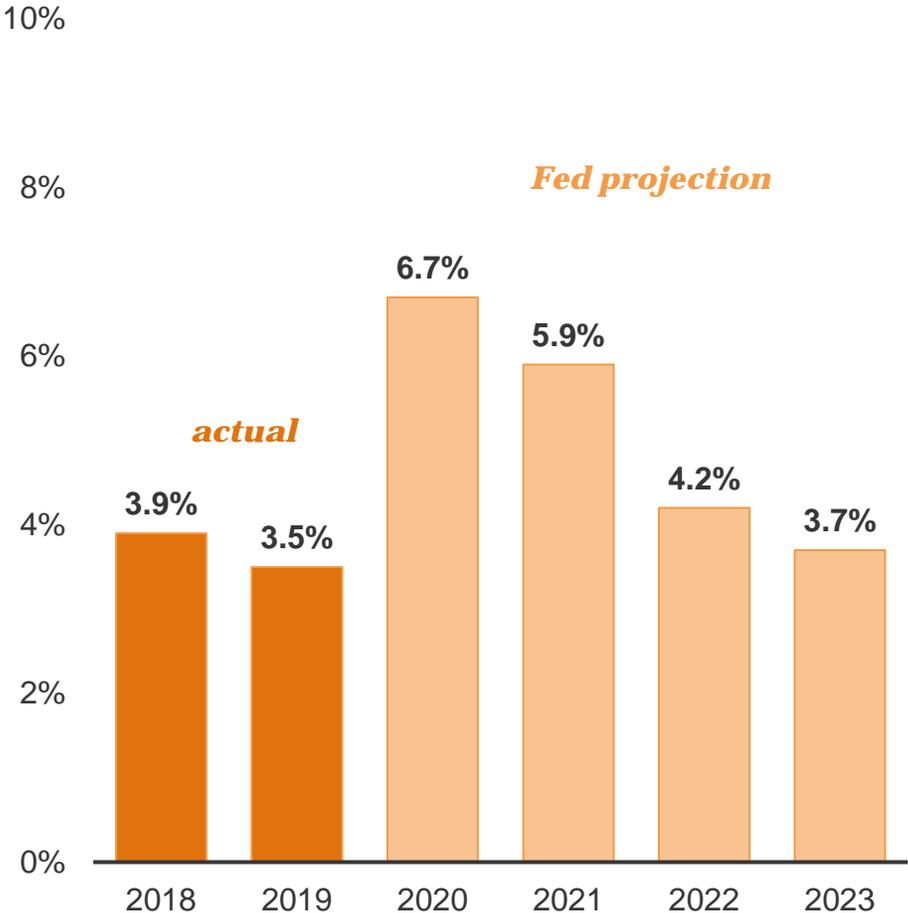
Source: WSJ and Congressional aides, most recent data as of 12/31/2020. “Other” includes support for small banks that serve low-income and minority communities, childcare and broadband services, among other categories.

### Fed Expects Economy to Recover Further in 2021

#### Change in Real GDP



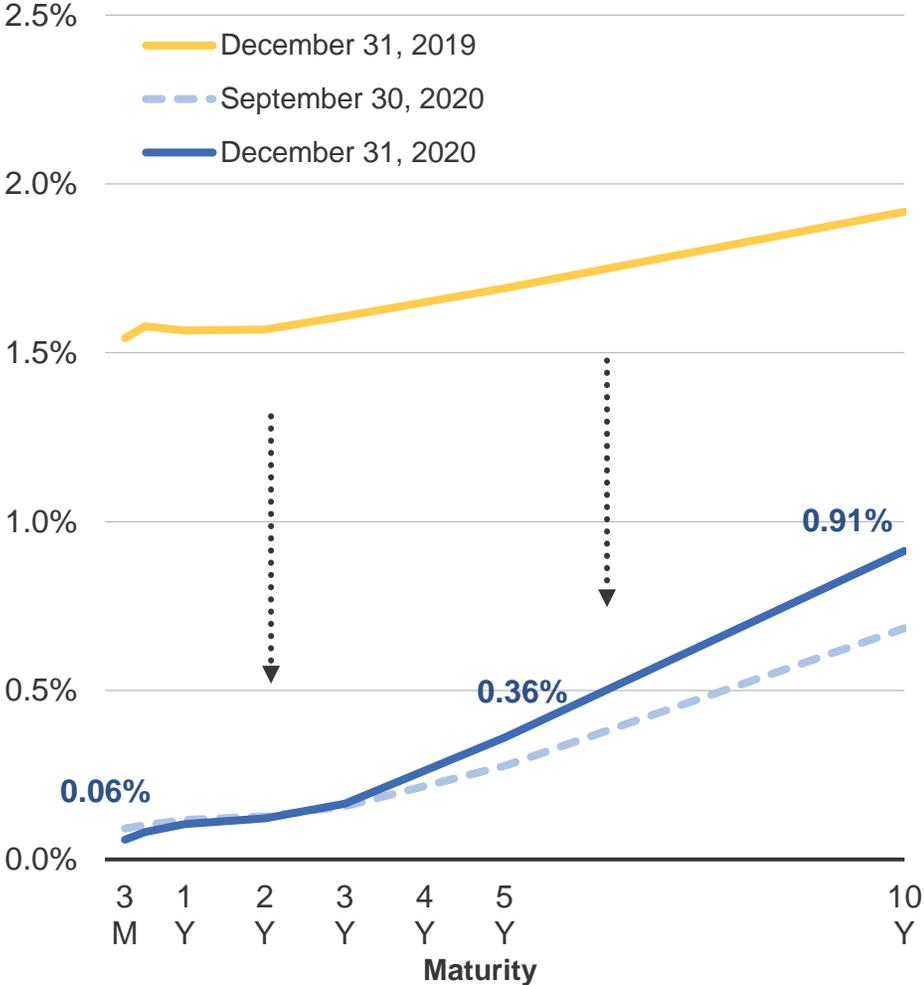
#### Unemployment Rate



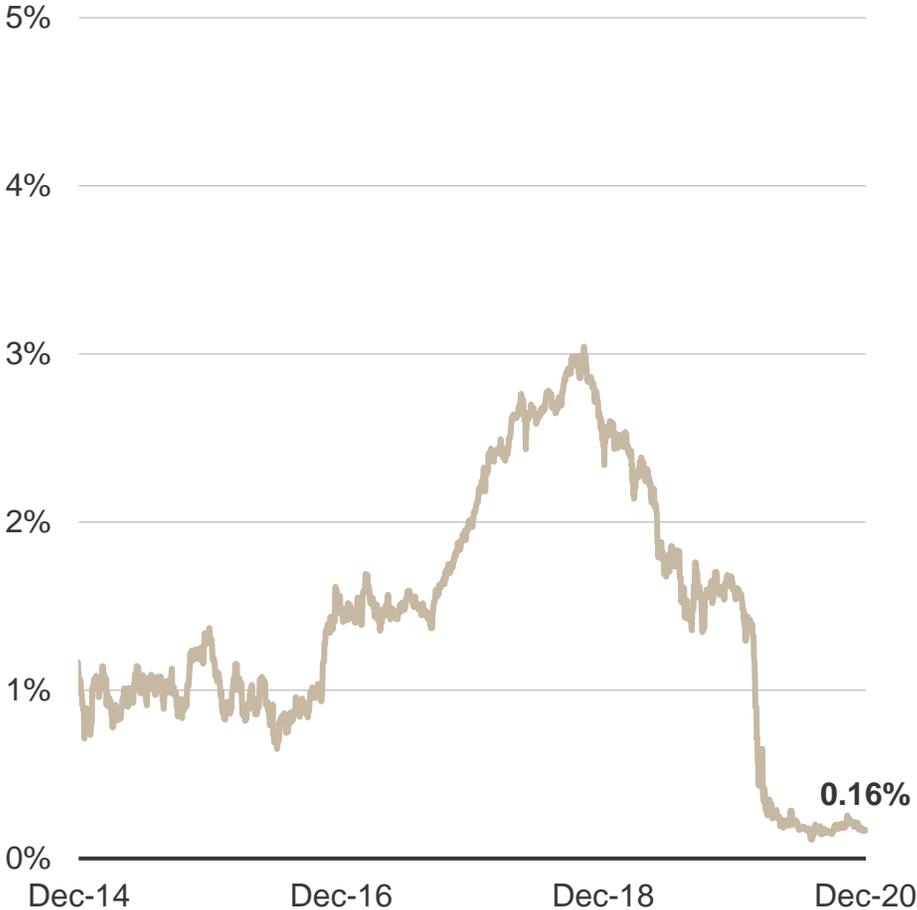
Source: Federal Reserve, economic projections as of December 2020.

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

#### U.S. Treasury Yield Curve

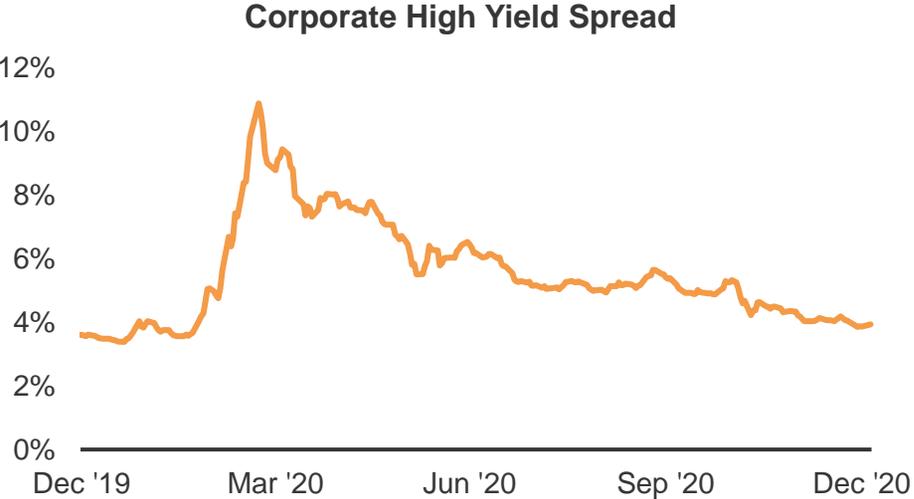
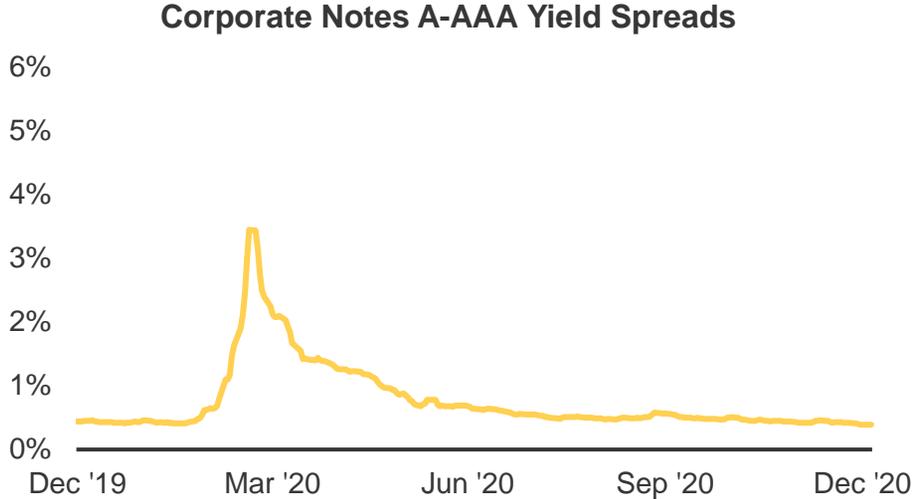
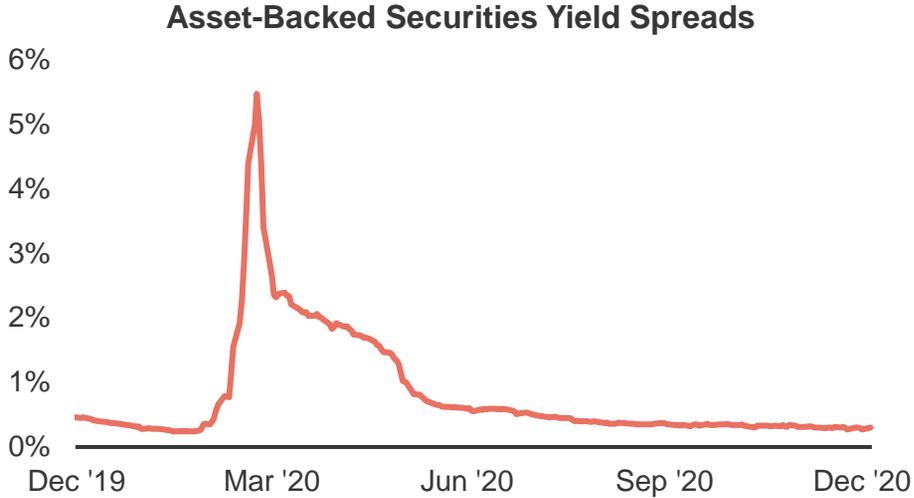
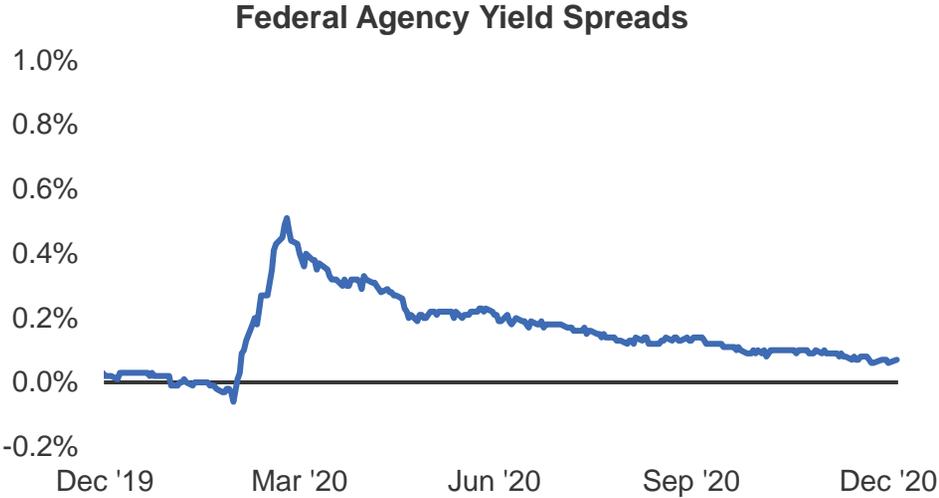


#### 3-Year Treasury Yield



Source: Bloomberg as of 12/31/2020.

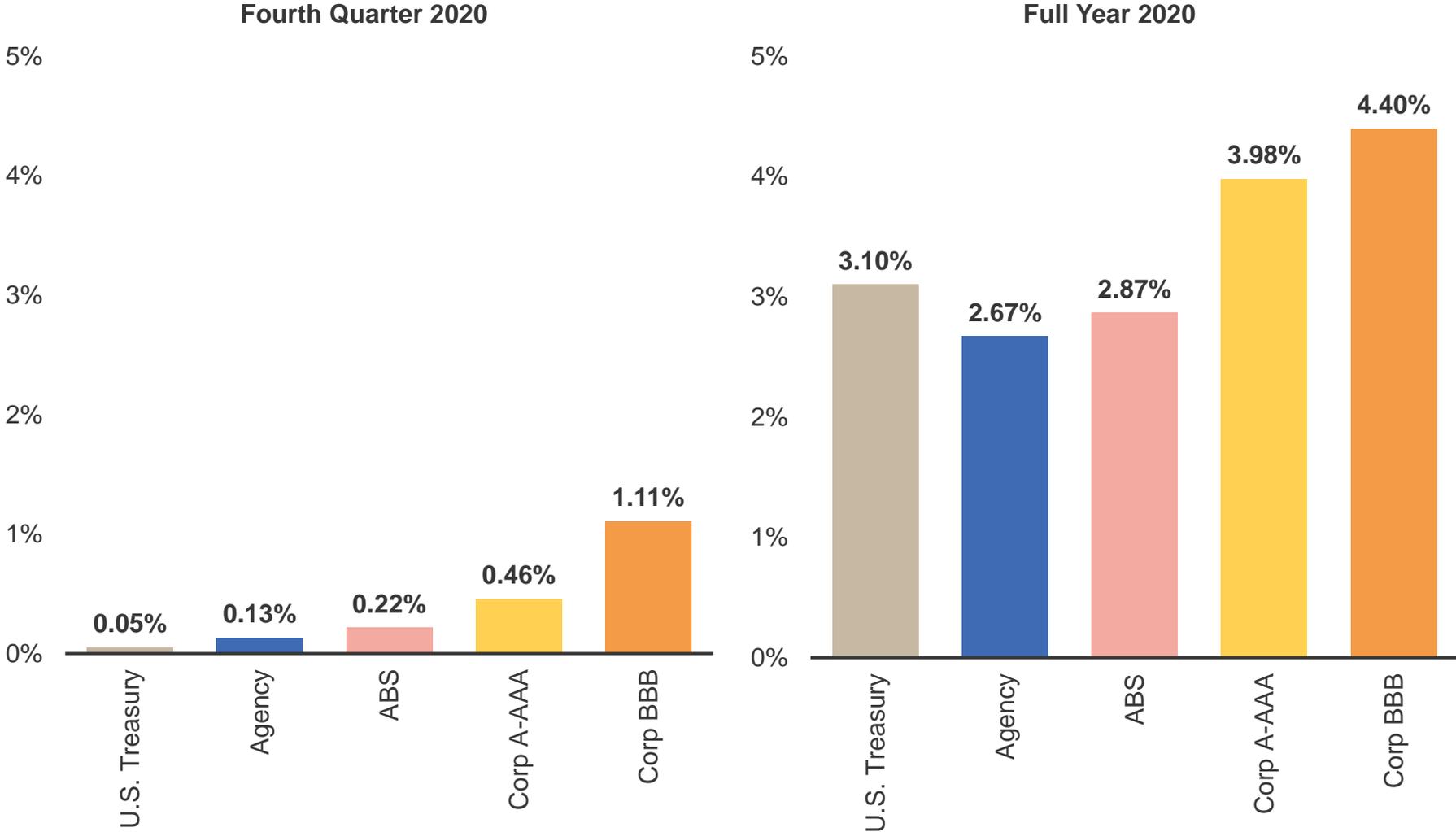
### Yield Spread Narrowing Continued During Fourth Quarter



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFM as of 12/31/2020. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

### Credit Sector Continues Strong Outperformance in the Fourth Quarter

#### 1-3 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-3 year, based on weighted average life. As of 12/30/2020.

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

#### S&P 500 Price Chart



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

### Fixed Income Sector Outlook – January 2021

Sector	Our Investment Preferences	Comments
<b>COMMERCIAL PAPER / CD</b>		<ul style="list-style-type: none"> <li>Credit spreads have tightened 5-10 basis points across the curve as year-end volatility has subsided. Select issuers may offer fixed paper at about 15 basis points to comparable-maturity Treasuries in 6- to 12-month maturities.</li> </ul>
<b>TREASURIES</b>		
<b>T-Bill</b>		<ul style="list-style-type: none"> <li>The T-Bill curve is very flat; however, the sector remains attractive relative to agency discount notes. Bill supply is expected to decline in 2021, but additional fiscal stimulus may offset the reduction.</li> </ul>
<b>T-Note</b>		<ul style="list-style-type: none"> <li>Yields have repriced higher, more notably in longer tenors, with the outcome of the Georgia Senate Election and additional fiscal stimulus. Market-based measures of inflation expectations climbed above 2.0% for the first time since 2018.</li> </ul>
<b>FEDERAL AGENCIES</b>		
<b>Bullets</b>		<ul style="list-style-type: none"> <li>Federal agency bullet spreads continue to tighten, erasing most of the relative value in the sector. Potentially higher rates and lighter supply will likely pressure spreads. There may be opportunities to reduce allocations of bonds trading at or through comparable-maturity Treasuries. Attractive new issues will continue to be evaluated.</li> </ul>
<b>Callables</b>		<ul style="list-style-type: none"> <li>New issue callable levels are low, leaving spreads near historic tights. There may be value in longer-maturity, longer lock-out structures for some accounts.</li> </ul>
<b>SUPRANATIONALS</b>		<ul style="list-style-type: none"> <li>Supranational spreads started the year unchanged, but the new issue pipeline has opened across the curve. Given the expected increased supply, there will likely be attractive new issue opportunities.</li> </ul>
<b>CORPORATES</b>		
<b>Financials</b>		<ul style="list-style-type: none"> <li>Spreads on high-quality corporate bonds have reached new tights as investors looked forward to further economic recovery in 2021. The expiration of the Fed's corporate facilities may leave credit markets exposed to higher volatility than during the second half of 2020, although lax monetary policy will remain supportive of the sector.</li> </ul>
<b>Industrials</b>		<ul style="list-style-type: none"> <li>Companies that borrowed heavily during 2020 warrant closer scrutiny to ensure that management prioritizes balance sheet repair over M&amp;A or share buybacks. Overall, we remain cautious on the sector and are well-positioned to take advantage of opportunities should spreads widen.</li> </ul>
<b>SECURITIZED</b>		
<b>Asset-Backed</b>		<ul style="list-style-type: none"> <li>ABS spreads are tighter month-over-month and are approaching the record lows of early 2020 on the back of strong collateral performance and better-than-expected macro economic data. Further spread compression from current levels is likely limited. We expect a healthy level of new issuance in January.</li> </ul>
<b>Agency Mortgage-Backed</b>		<ul style="list-style-type: none"> <li>The Fed continues "to support the smooth functioning" of the MBS market through its ongoing purchase program. Spreads are narrow, especially in the lower coupons. Expectations are that prepayments will slow modestly in the coming months but remain elevated relative to historic standards.</li> </ul>
<b>Agency CMBS</b>		<ul style="list-style-type: none"> <li>Strong demand has led to CMBS outperformance as spreads tightened, leaving valuations stretched. Multifamily fundamentals remain challenged in certain markets.</li> </ul>
<b>MUNICIPALS</b>		<ul style="list-style-type: none"> <li>Taxable supply will begin to ramp up at the start of the new year, but investor demand will keep spreads contained. Issuers' fiscal positions need to continue to be monitored.</li> </ul>

● Current outlook

○ Outlook one quarter ago

Negative

Slightly Negative

Neutral

Slightly Positive

Positive

## QUARTERLY MARKET SUMMARY

### SUMMARY

- In Q4, U.S. economic conditions were impacted by: (1) a resurgence in global coronavirus cases causing the reintroduction of some lockdown measures; (2) expedited vaccine approval initiatives but challenging logistics surrounding mass inoculation; (3) a contentious U.S. presidential election resulting in the election of Joe Biden; (4) months of filibustering over a second stimulus package that eventually passed in December; and (5) moderating labor market and consumer spending data.
- The economic outlook remains uncertain, between the pace and efficacy of the global vaccine rollout and a major resurgence of virus cases.
- Political turmoil in the U.S. adds to the unpredictability, but, remarkably, the markets have largely discounted the downside. Underlying the recent low market volatility is confidence in the Federal Reserve (Fed) and global central banks that have supported economic stability and expansion.
- The Fed reaffirmed its commitment to utilize the full scope of its monetary authority until a full economic recovery is achieved. It kept short-term rates in their current range of 0.00% to 0.25% and committed to continue its plans to buy \$80 billion in Treasury securities and \$40 billion in agency mortgage-backed securities (MBS) monthly. Due to the economic progress to date, the Fed also released more optimistic expectations for 2021, lowering its unemployment rate projection to 5.0% by year end and raising its forecast for real gross domestic product (GDP) to 4.2% for the upcoming year. After Joe Biden's election as the next U.S. president, Janet Yellen was nominated to be the next Treasury Secretary, which should provide a more welcoming approach to further COVID-related fiscal support.
- Amidst a tumultuous year, domestic equity markets continued to surge ahead with the Dow Jones, S&P 500, and Nasdaq posting new record highs during the quarter. U.S. small-cap stocks had a remarkably strong fourth quarter. International and emerging market returns were also robust despite the economic impact of the resurging virus.

### ECONOMIC SNAPSHOT

- After an unprecedented 31.4% contraction in Q2, U.S. GDP rebounded at a record pace in Q3, rising 33.4%. Despite this, economic output remains about 3.5% below its level at the close of 2019. The labor market recovery slowed in Q4, with non-farm payrolls falling 140,000 in December as surging COVID-19 cases stymied the recovery. The unemployment rate ended the year at 6.7%, down from 7.8% at the beginning of the quarter, but overall employment remains nine million less than pre-pandemic. Weekly unemployment filings remained elevated—above 700,000 for 40 straight weeks—while the number of long-term unemployed (for 27 weeks or more) increased to four million during the quarter, representing 37% of the total unemployed population.
- After a strong V-shaped bounce-back earlier in the year, both consumer confidence and retail sales fell in Q4. U.S. manufacturing and services activity, however, continued to rebound. The Markit Manufacturing PMI climbed for an eighth straight month to 57.1 to close out the year—well above the reading of 50 that signals expansion. The housing market also remained strong, although both new and existing homes sales cooled slightly by quarter end. Historically low mortgage rates continue to underpin housing demand and drive home prices higher.

### INTEREST RATES

- Shorter-term Treasury yields remained low in Q4, anchored by the Fed's near-zero interest rate policy. Longer-term Treasury yields rose sharply, steepening the curve and increasing the spread between the yield on 10- and 2-year Treasuries to 0.79% at year-end—a three-year high. The bond market appears to be looking beyond the current economic challenges and focusing more on the outlook for stronger growth later in the year and a potential rise in inflation. The vaccine rollout has pulled forward some of that optimism, while the prospects for additional fiscal stimulus and deficit spending from the new administration has increased.
- At quarter-end, the yield on a 3-month Treasury Bill stood at 0.07%, the 2-year note was 0.12%, the 5-year was 0.36%, while the 10- and 30-year were 0.92% and 1.65%, respectively. The 10-year Treasury was up 23 bps (0.23%) during the quarter.
- As a result of low rates and a steeper yield curve, Treasury index returns were mixed. Short-term Treasury benchmarks (5 years and under) ended the quarter with slightly positive returns, while longer-duration indices were notably negative, but were strongly positive for the year. For example, the 3-month constant-maturity U.S. Treasury Index returned 0.03%, while the 2-year returned 0.06%, the 5-year benchmark returned -0.22%, while the 10- and 30-year benchmark notes returned -1.91% and -4.21%, respectively.

### SECTOR PERFORMANCE

- Yield spreads continued to narrow in Q4, albeit at a more modest pace, having retraced to pre-COVID levels in most sectors. Broad portfolio diversification was additive to portfolio performance in Q4 as most investment-grade (IG) fixed income sectors generated incremental returns relative to Treasuries.
- Federal agency yield spreads snapped back to pre-pandemic levels across the curve and generated attractive excess returns relative to similar-duration U.S. Treasuries. Callable agency yield spreads were historically narrow in Q4 and offered little value.
- The IG corporate sector continued to be a top performer as yield spreads returned to the tight spreads of the recovery phase following the brief bout of volatility at the end of Q3. Credit spreads continued to compress, leading to a third consecutive quarter of relative outperformance versus comparable maturity U.S. Treasuries, with the rally largely led by BBB-rated issues. The corporate sector continues to benefit from insatiable demand for yield, strong Fed monetary support, and optimism about the economy.
- The asset-backed securities sector performed well in Q4 as spreads tightened and approached the record lows of early 2020. Strong collateral performance and better-than-expected macroeconomic data contributed to the sector's outperformance compared to similar duration Treasuries. Light issuance in Q4 had strong investor demand, while credit card structures modestly outperformed auto-loan backed deals.
- After struggling for much of the year due to heightened prepayments, the broad agency MBS sector generated positive excess returns. MBS continue to experience elevated prepayments and refinancing activity, the result of persistently low mortgage rates. Within the agency MBS sector, commercial MBS was a top performer, with strong positive excess returns due to heightened investor demand and significantly less prepayment impact compared to pass-through MBS.
- In short-term money markets, rates are expected to remain low for the foreseeable future. Commercial paper and negotiable bank CD yield spreads widened a bit in Q4, providing a chance for short-term investors to capture incremental yield, but supply continues to decline.

## QUARTERLY MARKET SUMMARY

## Economic Snapshot

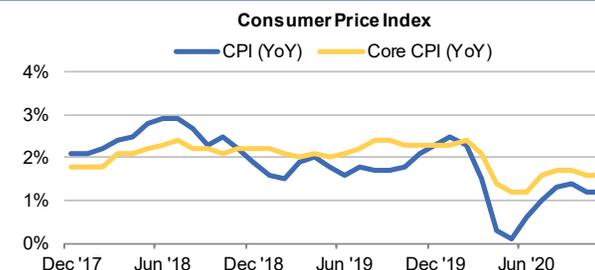
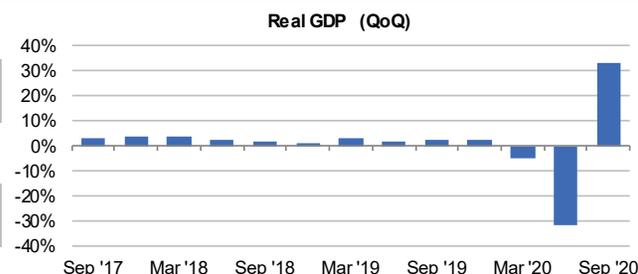
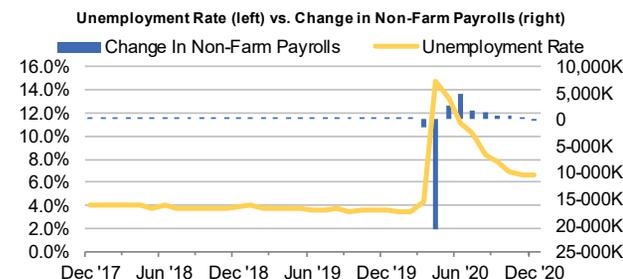
Labor Market		Latest	Sep '20	Dec '19
Unemployment Rate	Dec '20	6.7%	7.8%	3.6%
Change In Non-Farm Payrolls	Dec '20	-140,000	711,000	184,000
Average Hourly Earnings (YoY)	Dec '20	5.1%	4.7%	3.0%
Personal Income (YoY)	Nov '20	3.8%	6.4%	2.9%
Initial Jobless Claims (week)	1/2/21	787,000	849,000	220,000

Growth		Latest	Sep '20	Dec '19
Real GDP (QoQ SAAR)	2020Q3	33.4%	-31.4% <sup>1</sup>	2.6% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2020Q3	41.0%	-33.2% <sup>1</sup>	2.7% <sup>2</sup>
Retail Sales (YoY)	Nov '20	4.1%	6.1%	5.6%
ISM Manufacturing Survey (month)	Dec '20	60.7	55.4	47.8
Existing Home Sales SAAR (month)	Nov '20	6.69 mil.	6.57 mil.	5.53 mil.

Inflation / Prices		Latest	Sep '20	Dec '19
Personal Consumption Expenditures (YoY)	Nov '20	1.1%	1.4%	1.6%
Consumer Price Index (YoY)	Nov '20	1.2%	1.4%	2.3%
Consumer Price Index Core (YoY)	Nov '20	1.6%	1.7%	2.3%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$48.52	\$40.22	\$61.06
Gold Futures (oz.)	Dec 31	\$1,895	\$1,888	\$1,523



1. Data as of Second Quarter 2020.

2. Data as of Third Quarter 2019.

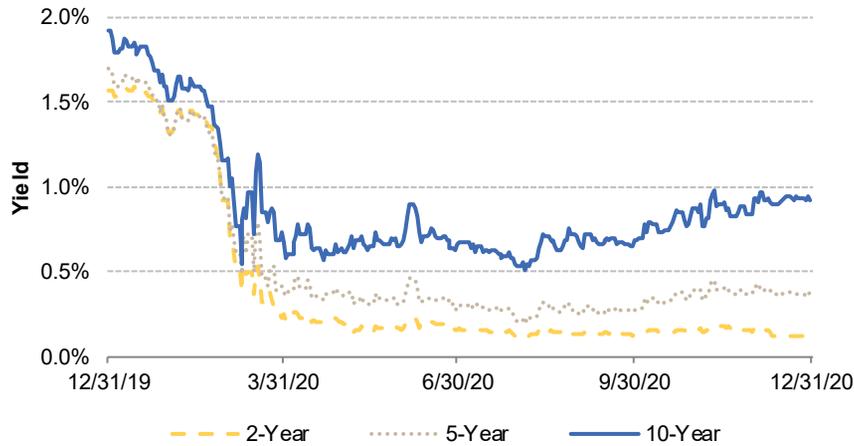
Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

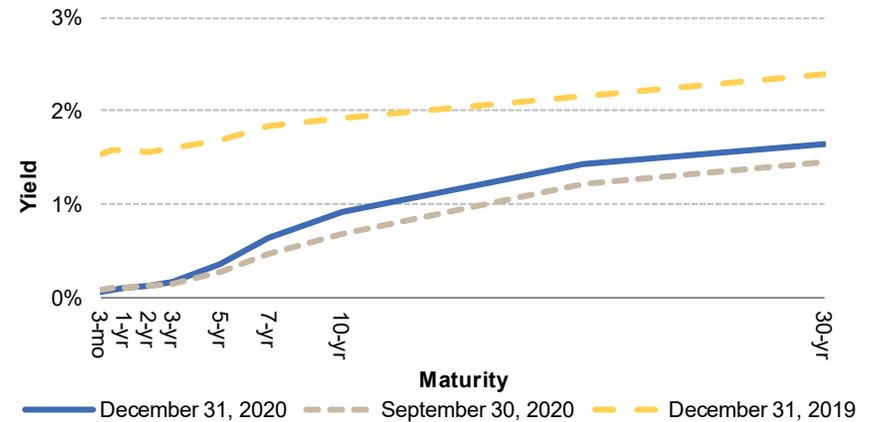
# QUARTERLY MARKET SUMMARY

## Interest Rate Overview

U.S. Treasury Note Yields



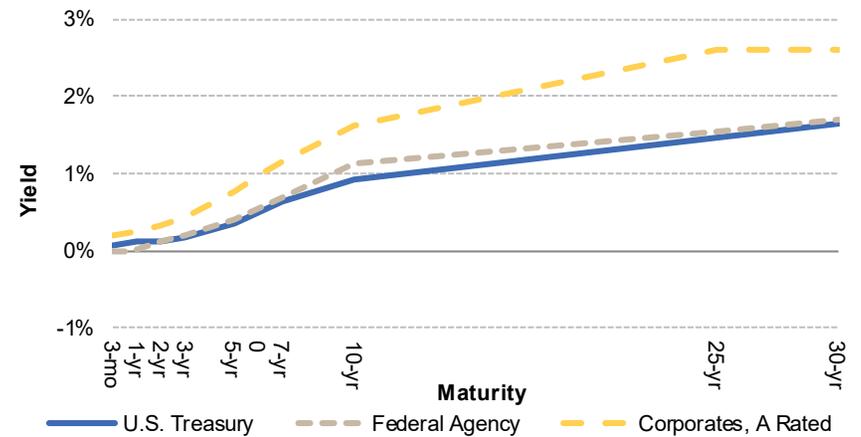
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Dec '20	Sep '20	Change over Quarter	Dec '19	Change over Year
3-Month	0.07%	0.10%	(0.03%)	1.55%	(1.48%)
1-Year	0.11%	0.12%	(0.01%)	1.58%	(1.47%)
2-Year	0.12%	0.13%	(0.01%)	1.57%	(1.45%)
5-Year	0.36%	0.28%	0.08%	1.69%	(1.33%)
10-Year	0.92%	0.69%	0.23%	1.92%	(1.00%)
30-Year	1.65%	1.46%	0.19%	2.39%	(0.74%)

Yield Curves as of 12/31/2020



Source: Bloomberg.

## QUARTERLY MARKET SUMMARY

## ICE BofAML Index Returns

December 31, 2020	As of 12/31/2020		Returns for Periods ended 12/31/2020		
	Duration	Yield	3 Month	1 Year	3 Years
<b>1-3 Year Indices</b>					
U.S. Treasury	1.90	0.13%	0.05%	3.10%	2.74%
Federal Agency	1.77	0.17%	0.13%	2.67%	2.64%
U.S. Corporates, A-AAA rated	1.81	0.42%	0.46%	3.98%	3.52%
Agency MBS (0 to 3 years)	2.19	0.98%	0.41%	4.24%	4.01%
Taxable Municipals	1.69	1.16%	0.80%	4.08%	3.68%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.66	0.18%	0.02%	4.25%	3.31%
Federal Agency	2.31	0.24%	0.17%	3.35%	2.94%
U.S. Corporates, A-AAA rated	2.70	0.57%	0.71%	5.41%	4.27%
Agency MBS (0 to 5 years)	1.91	0.81%	0.30%	3.64%	3.41%
Taxable Municipals	2.79	0.92%	0.69%	4.54%	3.94%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	7.47	0.60%	(0.91%)	8.22%	5.28%
Federal Agency	3.94	0.50%	0.04%	5.75%	4.30%
U.S. Corporates, A-AAA rated	8.72	1.51%	2.01%	9.84%	6.72%
Agency MBS (0 to 30 years)	2.12	0.85%	0.33%	4.09%	3.84%
Taxable Municipals	11.60	2.41%	1.58%	11.82%	7.92%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

## QUARTERLY MARKET SUMMARY

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## Portfolio Recap

- Our strategy for the fourth quarter encompassed the following:
  - Approaches carried forward from the third quarter: maintain core allocations in most sectors, match benchmark durations, and carefully manage risk considering various headwinds caused by the uneven and decelerating recovery.
  - Yield spreads returned to near pre-pandemic levels in most sectors at the same time that new supply waned. This limited new investment opportunities in the fourth quarter. As a result, Treasury allocations generally inched higher.
  - After months of consistent supply and attractive value, the river began to run dry in the federal agency sector. Limited new issuance towards year-end slowed new purchases in the sector. However, meaningful additions in prior periods helped boost portfolio returns once again in the fourth quarter.
  - In the supranational sector, light seasonal issuance headlined a quiet close to the year. Excess returns were positive, adding modest value in government-focused portfolios.
  - Investment grade corporates outpaced the performance of most other sectors during the quarter. Corporates proved to be a valuable asset class for both the quarter and for all of 2020, despite significant market disruptions early in the year. Investors' strong demand for yield pushed spreads even tighter during the fourth quarter, which ended the year near 20-year lows. As spreads narrowed further, we modestly reduced allocations while keeping corporate durations extended where value was greatest.
  - Allocations of AAA-rated asset-backed securities (ABS) were maintained during the final months of 2020. The sector posted strong absolute and relative returns for both the fourth quarter and the calendar year while providing diversification and incremental income to portfolios. The combination of quiet new issuance towards year end and robust demand limited new opportunities in the sector.
  - The taxable municipal sector remained abuzz as issuers continued to benefit from record-low borrowing rates. Although yield spreads narrowed significantly since March, new debt issued during the fourth quarter remained an attractive alternative to other government alternatives and even some high-quality corporate issuers. PFM continued to methodically increase municipal allocations through participation in a number of new deals.

## Investment Strategy Outlook

- ◆ As 2020 ends, the uncertainties of 2021 now come into focus. Significant central bank intervention is expected to continue, and we expect interest rates will remain low for the foreseeable future. The speed of vaccine rollouts will ultimately drive the pace of the anticipated “return to normalcy.” Considering the economic uncertainties that remain, we plan on structuring the portfolio to have a neutral duration relative to the benchmark.
- ◆ Our outlook for major investment-grade sectors includes the following:
  - Agencies: Strong demand for agency bonds has pushed incremental yield spreads in basis points down to single digits. While portfolios currently include larger allocations relative to prior years when spreads were consistently tight to similar-duration treasuries, holdings for 2021 will be more strategic—reduced holdings of shorter maturities where spreads may be narrower while continuing to participate in attractive longer new issues.
  - Supranationals: Due to collapsed yield spreads, portfolio allocations stand near cyclical lows relative to historical levels. While expectations are tempered in 2021, we remain on the lookout for opportunities to add income relative to Treasuries and agencies, especially if issuance picks up in the first quarter of 2021 as forecasted.
  - Corporates: Continued economic recovery, vaccine rollouts, and supportive monetary policies around the world serve as primary tailwinds. Due to incremental income potential, corporates will remain a core, long-term holding. Modestly reduced allocations may provide “dry powder” to add to the sector should spreads widen. This may be challenging, though, as market demand seems insatiable while issuance is expected to fall from the record new supply seen in 2020.
  - Asset-Backed Securities (ABS): ABS spreads are on the tighter side of their historical ranges. However, demand for ABS remains elevated as investors look for income return in high-quality sectors. Collateral delinquency rates and net losses may increase over the short term but should remain well within expected performance bands as the economy recovers. For example, used vehicle prices remain elevated, which is a positive for residual and recovery values for auto ABS. We will likely maintain core holdings in the sector while opportunistically investing in new issues in 2021.
  - Taxable Municipals: We continue to find value in the sector. As a result, we will continue to participate in new high-quality issues and build higher portfolio allocations while the sector remains attractive. Additional fiscal stimulus targeted to state and local governments would be a big credit positive should it occur under the new federal administration.

## 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. 9/30/20	Permitted by Policy	In Compliance
U.S. Treasury	\$2,816,793	29.8%	-7.5%	100%	✓
Federal Agency	\$3,115,003	33.0%	+5.6%	100%	✓
Supranationals	\$401,967	4.3%	+0.8%	100%	✓
Municipals	\$60,885	0.6%	-	10%	✓
Negotiable CDs	\$380,559	4.0%	-	30%	✓
Corporate Notes	\$2,060,693	21.8%	+0.5%	30%	✓
Asset-Backed Securities	\$588,934	6.2%	+0.5%	30%	✓
<b>Securities Sub-Total</b>	<b>\$9,424,834</b>	<b>99.8%</b>			
Accrued Interest	\$26,237				
<b>Securities Total</b>	<b>\$9,451,072</b>				
Money Market Fund	\$20,109	0.2%	+0.2%	100%	✓
<b>Total Investments</b>	<b>\$9,471,180</b>	<b>100.0%</b>			

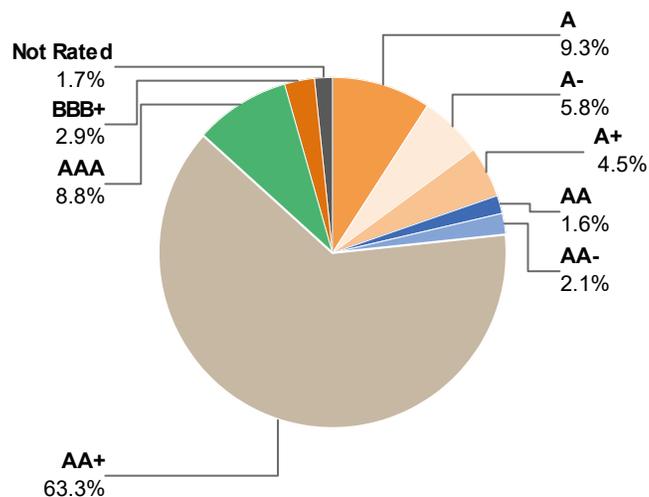
Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of April 2017.

**Portfolio Statistics**

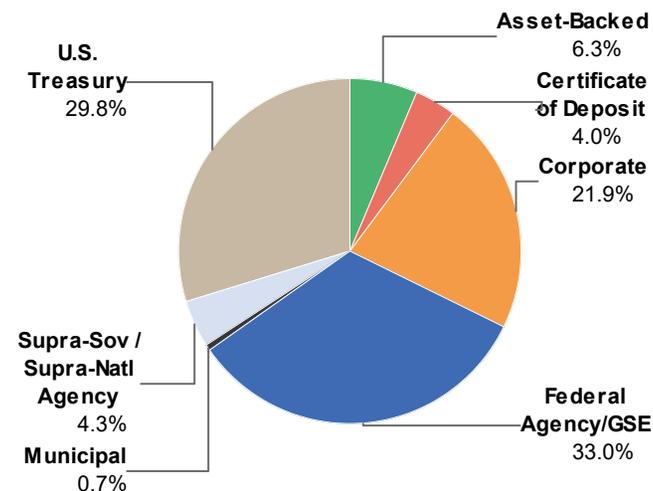
As of December 31, 2020

<b>Par Value:</b>	\$9,290,000
<b>Total Market Value:</b>	\$9,471,180
<b>Security Market Value:</b>	\$9,424,834
<b>Accrued Interest:</b>	\$26,237
<b>Cash:</b>	\$20,109
<b>Amortized Cost:</b>	\$9,315,682
<b>Yield at Market:</b>	0.27%
<b>Yield at Cost:</b>	1.01%
<b>Effective Duration:</b>	1.91 Years
<b>Average Maturity:</b>	2.07 Years
<b>Average Credit: *</b>	AA

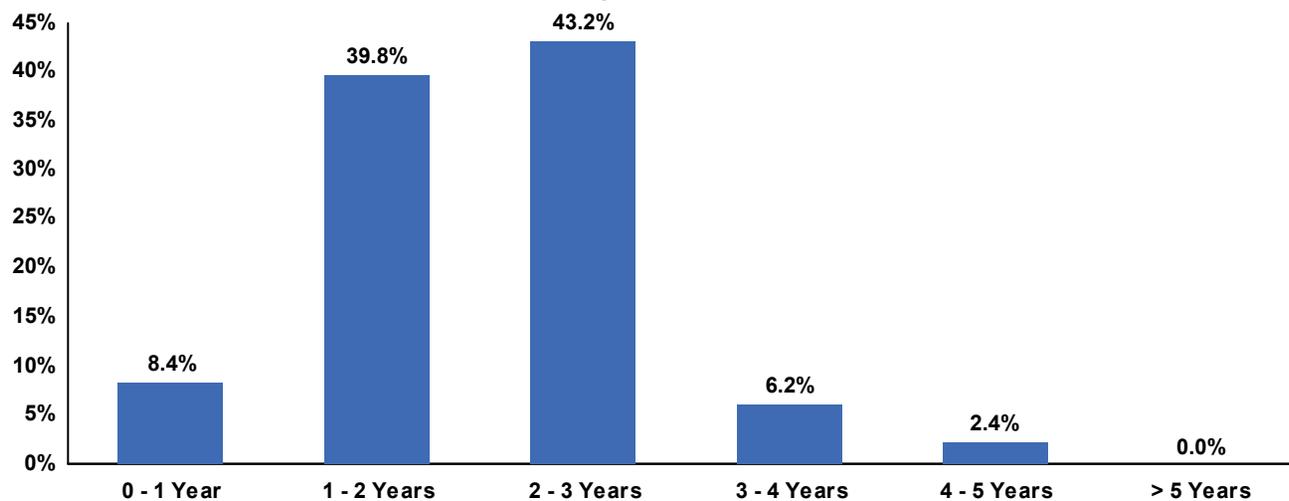
**Credit Quality (S&P Ratings)\*\***



**Sector Allocation**



**Maturity Distribution**

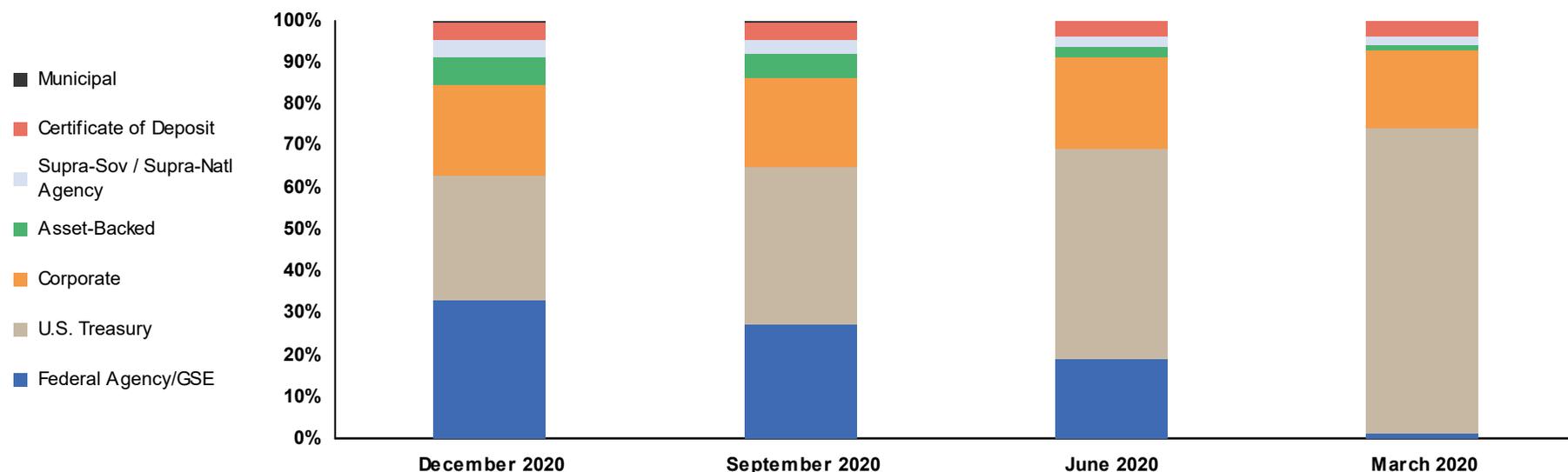


\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

\*\*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	December 31, 2020		September 30, 2020		June 30, 2020		March 31, 2020	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	3.1	33.0%	2.6	27.4%	1.8	19.2%	0.1	1.4%
U.S. Treasury	2.8	29.8%	3.5	37.3%	4.7	50.1%	6.8	73.1%
Corporate	2.1	21.9%	2.0	21.4%	2.1	21.9%	1.7	18.5%
Asset-Backed	0.6	6.3%	0.5	5.8%	0.2	2.5%	0.1	1.3%
Supra-Sov / Supra-Natl Agency	0.4	4.3%	0.3	3.5%	0.2	2.5%	0.2	1.9%
Certificate of Deposit	0.4	4.0%	0.4	4.0%	0.4	3.8%	0.4	3.8%
Municipal	0.1	0.7%	0.1	0.6%	0.0	0.0%	0.0	0.0%
<b>Total</b>	<b>\$9.4</b>	<b>100.0%</b>	<b>\$9.5</b>	<b>100.0%</b>	<b>\$9.4</b>	<b>100.0%</b>	<b>\$9.3</b>	<b>100.0%</b>

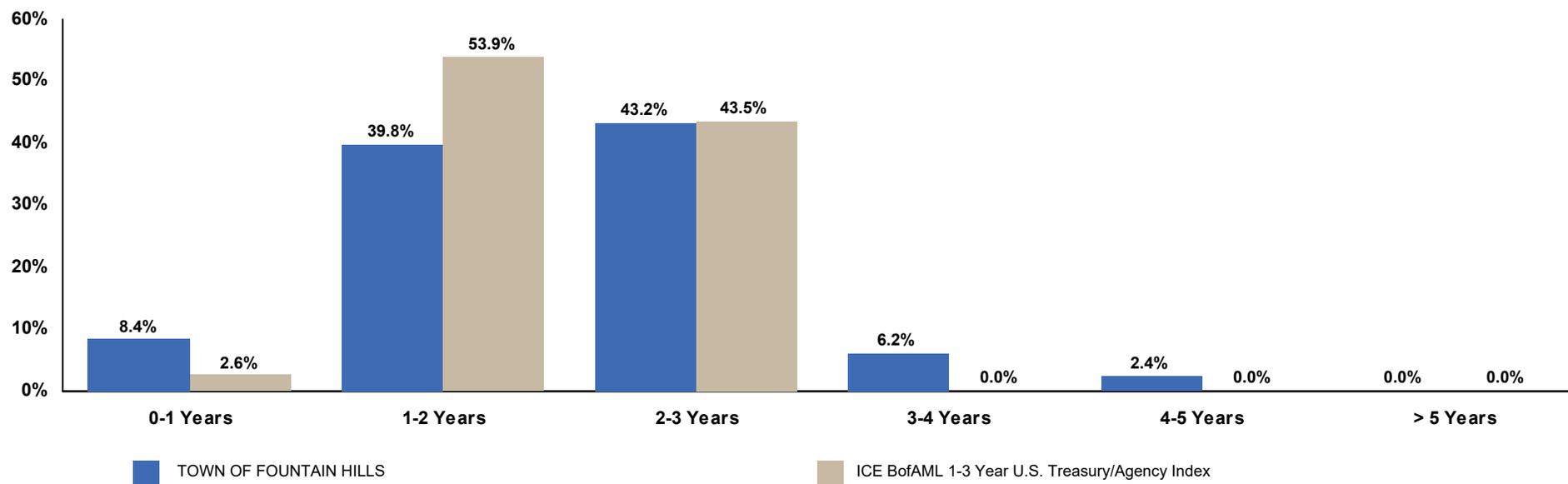


Detail may not add to total due to rounding.

**Maturity Distribution**

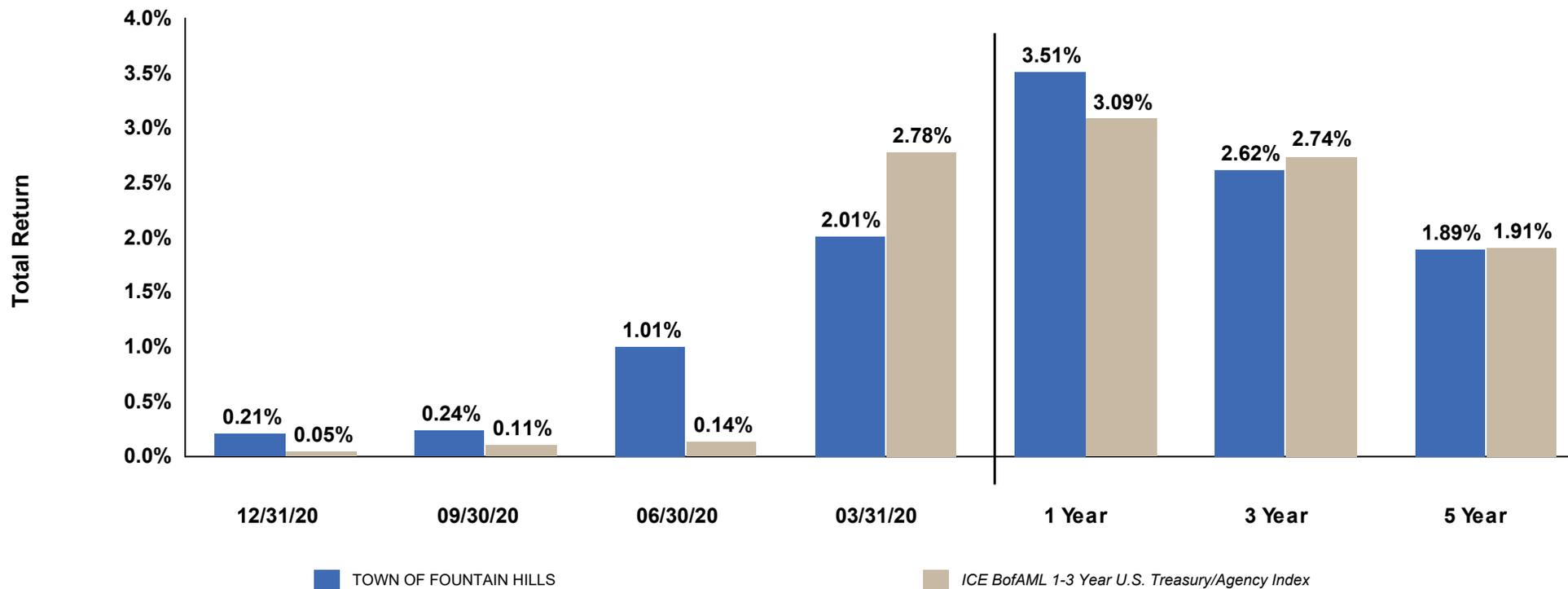
*As of December 31, 2020*

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF FOUNTAIN HILLS	0.27%	2.07 yrs	8.4%	39.8%	43.2%	6.2%	2.4%	0.0%
ICE BofAML 1-3 Year U.S. Treasury/Agency Index	0.13%	1.95 yrs	2.6%	53.9%	43.5%	0.0%	0.0%	0.0%



**Portfolio Performance (Total Return)**

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		12/31/20	09/30/20	06/30/20	03/31/20	1 Year	3 Year	5 Year
TOWN OF FOUNTAIN HILLS	1.91	0.21%	0.24%	1.01%	2.01%	3.51%	2.62%	1.89%
ICE BofAML 1-3 Year U.S. Treasury/Agency Index	1.82	0.05%	0.11%	0.14%	2.78%	3.09%	2.74%	1.91%
Difference		0.16%	0.13%	0.87%	-0.77%	0.42%	-0.12%	-0.02%



Portfolio performance is gross of fees unless otherwise indicated.

**Portfolio Earnings***Quarter-Ended December 31, 2020*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (09/30/2020)</b>	\$9,475,770.54	\$9,347,448.06
<b>Net Purchases/Sales</b>	(\$42,011.65)	(\$42,011.65)
<b>Change in Value</b>	(\$8,924.47)	\$10,245.26
<b>Ending Value (12/31/2020)</b>	\$9,424,834.42	\$9,315,681.67
<b>Interest Earned</b>	\$28,681.98	\$28,681.98
<b>Portfolio Earnings</b>	\$19,757.51	\$38,927.24

## Sector/Issuer Distribution

As of December 31, 2020

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Asset-Backed</b>			
BMW VEHICLE OWNER TRUST	30,136	5.1%	0.3%
CARMAX AUTO OWNER TRUST	60,946	10.3%	0.6%
GM FINANCIAL AUTO LEASING TRUST	25,052	4.3%	0.3%
GM FINANCIAL SECURITIZED TERM	50,139	8.5%	0.5%
HARLEY-DAVIDSON MOTORCYCLE TRUST	25,452	4.3%	0.3%
HONDA AUTO RECEIVABLES	30,049	5.1%	0.3%
HYUNDAI AUTO RECEIVABLES	60,148	10.2%	0.6%
JOHN DEERE OWNER TRUST	70,608	12.0%	0.7%
MERCEDES-BENZ AUTO LEASE TRUST	15,031	2.6%	0.2%
MERCEDES-BENZ AUTO RECEIVABLES	35,173	6.0%	0.4%
NISSAN AUTO RECEIVABLES	40,173	6.8%	0.4%
TOYOTA MOTOR CORP	35,124	6.0%	0.4%
VERIZON OWNER TRUST	80,707	13.7%	0.9%
WORLD OMNI AUTO REC TRUST	30,196	5.1%	0.3%
<b>Sector Total</b>	<b>588,934</b>	<b>100.0%</b>	<b>6.2%</b>
<b>Certificate of Deposit</b>			
CREDIT SUISSE GROUP RK	100,180	26.3%	1.1%
DNB ASA	103,542	27.2%	1.1%
SOCIETE GENERALE	101,641	26.7%	1.1%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
SUMITOMO MITSUI FINANCIAL GROUP INC	75,197	19.8%	0.8%
<b>Sector Total</b>	<b>380,559</b>	<b>100.0%</b>	<b>4.0%</b>
<b>Corporate</b>			
ADOBE INC	35,998	1.7%	0.4%
AMAZON.COM INC	52,173	2.5%	0.6%
AMERICAN HONDA FINANCE	92,557	4.5%	1.0%
APPLE INC	30,371	1.5%	0.3%
BANK OF AMERICA CO	83,356	4.0%	0.9%
BANK OF MONTREAL	40,026	1.9%	0.4%
BANK OF NOVA SCOTIA	103,201	5.0%	1.1%
BP PLC	52,712	2.6%	0.6%
BRISTOL-MYERS SQUIBB CO	72,046	3.5%	0.8%
CANADIAN IMPERIAL BANK OF COMMERCE	49,989	2.4%	0.5%
CATERPILLAR INC	71,867	3.5%	0.8%
CHEVRON CORPORATION	78,531	3.8%	0.8%
CITIGROUP INC	76,139	3.7%	0.8%
COMCAST CORP	32,968	1.6%	0.3%
DEERE & COMPANY	61,680	3.0%	0.7%
EXXON MOBIL CORP	72,918	3.5%	0.8%
GENERAL DYNAMICS CORP	37,424	1.8%	0.4%
GLAXOSMITHKLINE PLC TAL	20,074	1.0%	0.2%
GOLDMAN SACHS GROUP INC	30,100	1.5%	0.3%
HOME DEPOT INC	41,372	2.0%	0.4%
HONEYWELL INTERNATIONAL	45,065	2.2%	0.5%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
IBM CORP	103,547	5.0%	1.1%
JP MORGAN CHASE & CO	97,783	4.7%	1.0%
MORGAN STANLEY	46,461	2.3%	0.5%
NATIONAL RURAL UTILITIES CO FINANCE CORP	50,774	2.5%	0.5%
PACCAR FINANCIAL CORP	71,624	3.5%	0.8%
PEPSICO INC	35,341	1.7%	0.4%
ROYAL BANK OF CANADA	81,580	4.0%	0.9%
ROYAL DUTCH SHELL PLC	40,062	1.9%	0.4%
THE BANK OF NEW YORK MELLON CORPORATION	46,321	2.2%	0.5%
TORONTO-DOMINION BANK	103,114	5.0%	1.1%
TOYOTA MOTOR CORP	73,184	3.6%	0.8%
TRUIST FIN CORP	46,685	2.3%	0.5%
US BANCORP	15,463	0.8%	0.2%
WELLS FARGO & COMPANY	68,183	3.3%	0.7%
<b>Sector Total</b>	<b>2,060,693</b>	<b>100.0%</b>	<b>21.9%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	716,329	23.0%	7.6%
FEDERAL FARM CREDIT BANKS	375,875	12.1%	4.0%
FEDERAL HOME LOAN BANKS	128,246	4.1%	1.4%
FREDDIE MAC	1,894,553	60.8%	20.1%
<b>Sector Total</b>	<b>3,115,003</b>	<b>100.0%</b>	<b>33.1%</b>
<b>Municipal</b>			
NEW YORK & NEW JERSEY PORT AUTHORITY	60,885	100.0%	0.6%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Sector Total</b>	<b>60,885</b>	<b>100.0%</b>	<b>0.6%</b>
<b>Supra-Sov / Supra-Natl Agency</b>			
AFRICAN DEVELOPMENT BANK	80,958	20.1%	0.9%
ASIAN DEVELOPMENT BANK	200,637	49.9%	2.1%
INTER-AMERICAN DEVELOPMENT BANK	50,327	12.5%	0.5%
INTL BANK OF RECONSTRUCTION AND DEV	70,045	17.4%	0.7%
<b>Sector Total</b>	<b>401,967</b>	<b>100.0%</b>	<b>4.3%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	2,816,793	100.0%	29.9%
<b>Sector Total</b>	<b>2,816,793</b>	<b>100.0%</b>	<b>29.9%</b>
<b>Portfolio Total</b>	<b>9,424,834</b>	<b>100.0%</b>	<b>100.0%</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
9/28/20	10/1/20	35,000	06051GHL6	BANK OF AMERICA CORP NOTES	3.86%	7/23/24	38,200.70	1.58%	
9/28/20	10/1/20	20,000	377373AL9	GLAXOSMITHKLINE CAPITAL CORPORATE NOTES	0.53%	10/1/23	20,000.00	0.53%	
10/5/20	10/7/20	10,000	713448FB9	PEPSICO INC CORPORATE NOTES	0.40%	10/7/23	9,994.30	0.42%	
10/5/20	10/7/20	25,000	110122CM8	BRISTOL MYERS SQUIBB CO CORP NOTES (CALL	2.90%	7/26/24	27,210.24	0.69%	
10/6/20	10/14/20	15,000	36260KAC8	GMCAR 2020-4 A3	0.38%	8/18/25	14,996.79	0.38%	
10/16/20	10/21/20	45,000	06051GJH3	BANK OF AMERICA CORP CORPORATE NOTES	0.81%	10/24/24	45,000.00	0.81%	
10/20/20	10/28/20	25,000	44891RAC4	HART 2020-C A3	0.38%	5/15/25	24,994.24	0.39%	
10/21/20	10/26/20	35,000	78015K7J7	ROYAL BANK OF CANADA CORPORATE NOTES	0.50%	10/26/23	34,978.30	0.52%	
11/3/20	11/5/20	175,000	3137EAEZ8	FREDDIE MAC NOTES	0.25%	11/6/23	174,842.50	0.28%	
11/9/20	11/13/20	45,000	110122DT2	BRISTOL-MYERS SQUIBB CO (CALLABLE) CORP	0.53%	11/13/23	45,000.00	0.54%	
11/16/20	11/19/20	30,000	38141GXL3	GOLDMAN SACHS GROUP INC CORPORATE NOTES	0.62%	11/17/23	30,000.00	0.63%	
11/17/20	11/24/20	70,000	459058JM6	INTL BK RECON & DEVELOP CORPORATE NOTES	0.25%	11/24/23	69,849.50	0.32%	
11/23/20	11/25/20	175,000	3135G06H1	FANNIE MAE NOTES	0.25%	11/27/23	174,800.50	0.29%	
12/1/20	12/3/20	250,000	91282CAW1	US TREASURY N/B NOTES	0.25%	11/15/23	250,265.46	0.22%	
12/2/20	12/4/20	165,000	3137EAFA2	FREDDIE MAC NOTES	0.25%	12/4/23	164,836.65	0.28%	
12/3/20	12/8/20	40,000	06368EA36	BANK OF MONTREAL CORPORATE NOTES	0.45%	12/8/23	39,974.00	0.47%	
12/7/20	12/14/20	50,000	13607GRS5	CANADIAN IMPERIAL BANK CORPORATE NOTES	0.50%	12/14/23	49,974.50	0.52%	
<b>Total BUY</b>		<b>1,210,000</b>					<b>1,214,917.68</b>		
<b>INTEREST</b>									
10/1/20	10/1/20	35,000	24422EUT4	JOHN DEERE CAPITAL CORP	2.95%	4/1/22	516.25		
10/1/20	10/1/20	45,000	46647PBB1	JPMORGAN CHASE & CO BONDS	3.20%	4/1/23	721.58		
10/1/20	10/1/20	0	MONEY0002	MONEY MARKET FUND			0.09		
10/3/20	10/3/20	80,000	008281BC0	AFRICAN DEVELOPMENT BANK SUPRANATL	0.75%	4/3/23	300.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/6/20	10/6/20	25,000	24422EVE6	JOHN DEERE CAPITAL CORP CORP NOTES	1.20%	4/6/23	172.50		
10/7/20	10/7/20	100,000	045167ET6	ASIAN DEVELOPMENT BANK SUPRANATL	0.62%	4/7/22	312.50		
10/8/20	10/8/20	175,000	3133ELWD2	FEDERAL FARM CREDIT BANK NOTES	0.37%	4/8/22	328.13		
10/15/20	10/15/20	40,000	65479CAD0	NAROT 2020-B A3	0.55%	7/15/24	18.33		
10/15/20	10/15/20	30,000	20030NCR0	COMCAST CORP (CALLABLE) CORPORATE NOTES	3.70%	4/15/24	555.00		
10/15/20	10/15/20	35,000	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	12.83		
10/15/20	10/15/20	25,000	47787NAC3	JDOT 2020-B A3	0.51%	11/15/24	10.63		
10/15/20	10/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
10/15/20	10/15/20	35,000	58769VAC4	MBART 2020-1 A3	0.55%	2/18/25	16.04		
10/15/20	10/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	41.25		
10/15/20	10/15/20	30,000	98163WAC0	WOART 2020-B A3	0.63%	5/15/25	15.75		
10/15/20	10/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
10/15/20	10/15/20	35,000	44933FAC0	HART 2020-B A3	0.48%	12/16/24	14.00		
10/15/20	10/15/20	30,000	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	15.50		
10/15/20	10/15/20	180,000	9128286M7	UNITED STATES TREASURY NOTES	2.25%	4/15/22	2,025.00		
10/15/20	10/15/20	15,000	58769EAC2	MBALT 2020-B A3	0.40%	11/15/23	3.67		
10/16/20	10/16/20	35,000	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/25	13.13		
10/18/20	10/18/20	30,000	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/24	5.86		
10/20/20	10/20/20	25,000	362569AC9	GMALT 2020-3 A3	0.45%	8/21/23	6.56		
10/20/20	10/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
10/20/20	10/20/20	225,000	3137EAEQ8	FREDDIE MAC NOTES	0.37%	4/20/23	421.88		
10/20/20	10/20/20	55,000	92290BAA9	VZOT 2020-B A	0.47%	2/20/25	21.54		
10/25/20	10/25/20	30,000	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/24	12.00		
10/31/20	10/31/20	725,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	4,531.25		
11/1/20	11/1/20	25,000	713448EY0	PEPSICO INC CORPORATE NOTES	0.75%	5/1/23	93.75		
11/2/20	11/2/20	0	MONEY0002	MONEY MARKET FUND			0.40		
11/4/20	11/4/20	75,000	17308CC46	CITIGROUP INC	2.31%	11/4/22	867.00		
11/5/20	11/5/20	315,000	3137EAER6	FREDDIE MAC NOTES	0.37%	5/5/23	584.06		
11/10/20	11/10/20	50,000	10373QAL4	BP CAP MARKETS AMERICA CORP BONDS	2.75%	5/10/23	687.50		
11/10/20	11/10/20	40,000	02665WDH1	AMERICAN HONDA FINANCE	1.95%	5/10/23	390.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
11/11/20	11/11/20	25,000	166764BV1	CHEVRON CORP CORPORATE NOTES	1.14%	5/11/23	142.63		
11/11/20	11/11/20	30,000	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/23	112.50		
11/13/20	11/13/20	45,000	037833BF6	APPLE INC CORP NOTES	2.70%	5/13/22	607.50		
11/13/20	11/13/20	100,000	459200JX0	IBM CORP	2.85%	5/13/22	1,425.00		
11/13/20	11/13/20	15,000	14913R2B2	CATERPILLAR FINL SERVICE CORPORATE NOTES	0.95%	5/13/22	70.46		
11/15/20	11/15/20	25,000	47787NAC3	JDOT 2020-B A3	0.51%	11/15/24	10.63		
11/15/20	11/15/20	35,000	369550BD9	GENERAL DYNAMICS CORP NOTES	3.37%	5/15/23	590.63		
11/15/20	11/15/20	30,000	98163WAC0	WOART 2020-B A3	0.63%	5/15/25	15.75		
11/15/20	11/15/20	30,000	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	15.50		
11/15/20	11/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
11/15/20	11/15/20	35,000	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	12.83		
11/15/20	11/15/20	35,000	44933FAC0	HART 2020-B A3	0.48%	12/16/24	14.00		
11/15/20	11/15/20	100,000	064159SH0	BANK OF NOVA SCOTIA HOUSTON CORP NOTES	2.00%	11/15/22	1,000.00		
11/15/20	11/15/20	40,000	65479CAD0	NAROT 2020-B A3	0.55%	7/15/24	18.33		
11/15/20	11/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
11/15/20	11/15/20	35,000	58769VAC4	MBART 2020-1 A3	0.55%	2/18/25	16.04		
11/15/20	11/15/20	15,000	58769EAC2	MBALT 2020-B A3	0.40%	11/15/23	5.00		
11/15/20	11/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	41.25		
11/15/20	11/15/20	25,000	44891RAC4	HART 2020-C A3	0.38%	5/15/25	4.49		
11/16/20	11/16/20	35,000	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/25	13.13		
11/16/20	11/16/20	15,000	36260KAC8	GMCAR 2020-4 A3	0.38%	8/18/25	5.07		
11/18/20	11/18/20	30,000	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/24	9.25		
11/18/20	11/18/20	55,000	14913Q3C1	CATERPILLAR FINL SERVICE	1.95%	11/18/22	536.25		
11/19/20	11/19/20	45,000	61744YAH1	MORGAN STANLEY CORP NOTES	2.75%	5/19/22	618.75		
11/20/20	11/20/20	50,000	02665WDF5	AMERICAN HONDA FINANCE CORP NOTES	1.95%	5/20/22	487.50		
11/20/20	11/20/20	25,000	362569AC9	GMALT 2020-3 A3	0.45%	8/21/23	9.38		
11/20/20	11/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
11/20/20	11/20/20	55,000	92290BAA9	VZOT 2020-B A	0.47%	2/20/25	21.54		
11/22/20	11/22/20	350,000	3135G04Q3	FANNIE MAE NOTES	0.25%	5/22/23	437.50		
11/24/20	11/24/20	50,000	4581X0DM7	INTER-AMERICAN DEVEL BK CORPORATE NOTES	0.50%	5/24/23	125.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
11/25/20	11/25/20	30,000	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/24	12.00		
11/30/20	11/30/20	700,000	912828U65	US TREASURY NOTES	1.75%	11/30/21	6,125.00		
12/1/20	12/1/20	50,000	46647PBQ8	JPMORGAN CHASE & CO CORPORATE NOTES	1.51%	6/1/24	386.91		
12/1/20	12/1/20	100,000	89114QCD8	TORONTO-DOMINION BANK	1.90%	12/1/22	950.00		
12/1/20	12/1/20	0	MONEY0002	MONEY MARKET FUND			0.18		
12/2/20	12/2/20	40,000	95000U2R3	WELLS FARGO & COMPANY CORPORATE NOTES	1.65%	6/2/24	330.80		
12/2/20	12/2/20	200,000	3133ELE75	FEDERAL FARM CREDIT BANK NOTES	0.25%	6/2/22	250.00		
12/2/20	12/2/20	100,000	23341VZT1	DNB BANK ASA/NY LT CD	2.04%	12/2/22	1,037.00		
12/8/20	12/8/20	175,000	3134GVJ66	FREDDIE MAC NOTES	0.25%	6/8/22	218.75		
12/15/20	12/15/20	30,000	98163WAC0	WOART 2020-B A3	0.63%	5/15/25	15.75		
12/15/20	12/15/20	15,000	58769EAC2	MBALT 2020-B A3	0.40%	11/15/23	5.00		
12/15/20	12/15/20	30,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	47.25		
12/15/20	12/15/20	35,000	89237VAB5	TAOT 2020-C A3	0.44%	10/15/24	12.83		
12/15/20	12/15/20	25,000	44891RAC4	HART 2020-C A3	0.38%	5/15/25	7.92		
12/15/20	12/15/20	40,000	65479CAD0	NAROT 2020-B A3	0.55%	7/15/24	18.33		
12/15/20	12/15/20	35,000	44933FAC0	HART 2020-B A3	0.48%	12/16/24	14.00		
12/15/20	12/15/20	35,000	58769VAC4	MBART 2020-1 A3	0.55%	2/18/25	16.04		
12/15/20	12/15/20	25,000	47787NAC3	JDOT 2020-B A3	0.51%	11/15/24	10.63		
12/15/20	12/15/20	30,000	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/25	15.50		
12/15/20	12/15/20	45,000	47789KAC7	JOHN DEERE OWNER TRUST	1.10%	8/15/24	41.25		
12/15/20	12/15/20	25,000	41284UAD6	HDMOT 2020-A A3	1.87%	10/15/24	38.96		
12/16/20	12/16/20	15,000	36260KAC8	GMCAR 2020-4 A3	0.38%	8/18/25	4.75		
12/16/20	12/16/20	35,000	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/25	13.13		
12/18/20	12/18/20	30,000	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/24	9.25		
12/20/20	12/20/20	45,000	05531FBG7	BRANCH BANKING & TRUST CORP NOTES	3.05%	6/20/22	686.25		
12/20/20	12/20/20	25,000	362569AC9	GMALT 2020-3 A3	0.45%	8/21/23	9.38		
12/20/20	12/20/20	25,000	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/24	38.54		
12/20/20	12/20/20	55,000	92290BAA9	VZOT 2020-B A	0.47%	2/20/25	21.54		
12/24/20	12/24/20	50,000	166764AH3	CHEVRON CORP	3.19%	6/24/23	797.75		
12/25/20	12/25/20	30,000	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/24	12.00		

## TOWN OF FOUNTAIN HILLS

## Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
12/26/20	12/26/20	225,000	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/23	281.25		
<b>Total INTEREST</b>		<b>6,425,000</b>					<b>30,757.33</b>		
<b>MATURITY</b>									
10/1/20	10/1/20	150,000	06051GGS2	BANK OF AMERICA CORP (CALLED OMD 10/01/2	2.32%	10/1/20	151,746.00		0.00
<b>Total MATURITY</b>		<b>150,000</b>					<b>151,746.00</b>		<b>0.00</b>
<b>SELL</b>									
10/21/20	10/26/20	45,000	949746SA0	WELLS FARGO & CO CORP NOTES	2.10%	7/26/21	45,843.30		589.50
10/21/20	10/28/20	25,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	25,505.27		298.89
11/3/20	11/5/20	180,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	183,643.72		2,094.37
11/9/20	11/13/20	50,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	51,017.66		569.66
11/17/20	11/24/20	50,000	912828RC6	US TREASURY NOTES	2.12%	8/15/21	51,022.08		549.85
11/23/20	11/25/20	175,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	177,017.28		2,564.44
11/24/20	11/24/20	10,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	10,116.10		147.82
12/1/20	12/3/20	150,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	151,717.80		2,091.12
12/1/20	12/3/20	90,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	91,030.69		1,278.78
12/3/20	12/4/20	165,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	166,895.28		2,298.42
12/4/20	12/8/20	45,000	037833BF6	APPLE INC CORP NOTES	2.70%	5/13/22	46,701.23		493.55
12/7/20	12/14/20	50,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	50,577.92		677.35
<b>Total SELL</b>		<b>1,035,000</b>					<b>1,051,088.33</b>		<b>13,653.75</b>



## 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
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	85,000.00	AA+	Aaa	12/2/2019	12/4/2019	84,352.54	1.66	181.98	84,718.54	85,796.88
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	700,000.00	AA+	Aaa	10/23/2019	10/24/2019	702,160.15	1.60	1,076.92	700,936.63	710,281.25
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	705,000.00	AA+	Aaa	10/17/2019	10/17/2019	709,461.32	1.59	5,531.76	707,105.40	718,328.87
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	867.86	181,476.89	184,921.88
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	2,510.87	321,145.13	328,800.00
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	2,898.74	525,439.07	537,960.94
US TREASURY N/B NOTES DTD 11/15/2020 0.250% 11/15/2023	91282CAW1	250,000.00	AA+	Aaa	12/1/2020	12/3/2020	250,234.38	0.22	81.15	250,228.07	250,703.13
<b>Security Type Sub-Total</b>		<b>2,765,000.00</b>					<b>2,776,835.93</b>	<b>1.48</b>	<b>13,149.28</b>	<b>2,771,049.73</b>	<b>2,816,792.95</b>
<b>Supra-National Agency Bond / Note</b>											
ASIAN DEVELOPMENT BANK SUPRANATL DTD 04/07/2020 0.625% 04/07/2022	045167ET6	100,000.00	AAA	Aaa	3/31/2020	4/7/2020	99,909.00	0.67	145.83	99,942.53	100,580.90
AFRICAN DEVELOPMENT BANK SUPRANATL DTD 04/03/2020 0.750% 04/03/2023	008281BC0	80,000.00	AAA	Aaa	3/26/2020	4/3/2020	79,888.80	0.80	146.67	79,916.52	80,957.76
INTER-AMERICAN DEVEL BK CORPORATE NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	50,000.00	AAA	Aaa	4/17/2020	4/24/2020	49,983.00	0.51	25.69	49,986.81	50,327.00
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	115.97	99,859.08	100,056.40

## 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
<b>Supra-National Agency Bond / Note</b>											
INTL BK RECON & DEVELOP CORPORATE NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	70,000.00	AAA	Aaa	11/17/2020	11/24/2020	69,849.50	0.32	17.99	69,854.72	70,045.15
<b>Security Type Sub-Total</b>		<b>400,000.00</b>					<b>399,463.30</b>	<b>0.52</b>	<b>452.15</b>	<b>399,559.66</b>	<b>401,967.21</b>
<b>Municipal Bond / Note</b>											
PORT AUTH OF NY/NJ TXBL 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	156.57	30,147.34	30,442.50
PORT AUTH OF NY/NJ TXBL 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	156.57	30,000.00	30,442.50
<b>Security Type Sub-Total</b>		<b>60,000.00</b>					<b>60,175.80</b>	<b>0.99</b>	<b>313.14</b>	<b>60,147.34</b>	<b>60,885.00</b>
<b>Federal Agency Bond / Note</b>											
FEDERAL FARM CREDIT BANK NOTES DTD 04/08/2020 0.375% 04/08/2022	3133ELWD2	175,000.00	AA+	Aaa	4/3/2020	4/8/2020	174,741.00	0.45	151.30	174,836.08	175,551.08
FEDERAL FARM CREDIT BANK NOTES DTD 06/02/2020 0.250% 06/02/2022	3133ELE75	200,000.00	AA+	Aaa	6/3/2020	6/4/2020	199,865.20	0.28	40.28	199,904.27	200,324.20
FREDDIE MAC NOTES DTD 06/08/2020 0.250% 06/08/2022	3134GVJ66	175,000.00	AA+	Aaa	6/10/2020	6/11/2020	174,959.75	0.26	27.95	174,971.04	175,287.00
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	74.07	134,762.42	134,958.02
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	639.76	124,836.35	128,245.50
FREDDIE MAC NOTES DTD 04/20/2020 0.375% 04/20/2023	3137EAEQ8	225,000.00	AA+	Aaa	4/17/2020	4/20/2020	224,437.50	0.46	166.41	224,569.01	226,120.05
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	72.92	125,080.19	125,633.50

## 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
<b>Federal Agency Bond / Note</b>											
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	110.83	189,937.65	190,962.92
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	225,000.00	AA+	Aaa	5/20/2020	5/22/2020	224,322.75	0.35	60.94	224,461.29	225,494.55
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	125,000.00	AA+	Aaa	6/3/2020	6/4/2020	124,595.00	0.36	33.85	124,673.98	125,274.75
FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	225,000.00	AA+	Aaa	6/24/2020	6/26/2020	224,343.00	0.35	7.81	224,456.40	225,458.33
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	225.63	189,656.79	190,345.42
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	203.13	224,798.30	225,369.68
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	77.19	95,015.47	95,133.00
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	125.93	154,954.39	155,217.00
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	175,000.00	AA+	Aaa	11/3/2020	11/5/2020	174,842.50	0.28	68.06	174,850.69	175,210.00
FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023	3135G06H1	175,000.00	AA+	Aaa	11/23/2020	11/25/2020	174,800.50	0.29	43.75	174,807.23	175,214.38
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAF2	165,000.00	AA+	Aaa	12/2/2020	12/4/2020	164,836.65	0.28	30.94	164,840.83	165,203.45
<b>Security Type Sub-Total</b>		<b>3,105,000.00</b>					<b>3,100,557.15</b>	<b>0.37</b>	<b>2,160.75</b>	<b>3,101,412.38</b>	<b>3,115,002.83</b>
<b>Corporate Note</b>											
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	403.47	49,976.34	50,773.90
HOME DEPOT INC DTD 12/06/2018 3.250% 03/01/2022	437076BV3	40,000.00	A	A2	3/6/2020	3/10/2020	41,801.20	0.94	433.33	41,059.24	41,372.44

## 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
<b>Corporate Note</b>											
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	132.50	15,342.64	15,463.41
JOHN DEERE CAPITAL CORP DTD 03/07/2019 2.950% 04/01/2022	24422EUT4	35,000.00	A	A2	5/12/2020	5/14/2020	36,344.70	0.89	258.13	35,890.59	36,179.22
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	19.00	14,990.89	15,148.83
IBM CORP DTD 05/15/2019 2.850% 05/13/2022	459200JX0	100,000.00	A	A2	10/30/2019	11/1/2019	102,084.00	2.00	380.00	101,120.94	103,547.30
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	144.38	45,332.13	46,460.88
AMERICAN HONDA FINANCE CORP NOTES DTD 11/21/2019 1.950% 05/20/2022	02665WDF5	50,000.00	A-	A3	11/18/2019	11/21/2019	49,983.00	1.96	111.04	49,990.59	51,098.55
BRANCH BANKING & TRUST CORP NOTES DTD 03/18/2019 3.050% 06/20/2022	05531FBG7	45,000.00	A-	A3	3/5/2020	3/9/2020	46,833.75	1.23	41.94	46,177.74	46,684.71
EXXON MOBIL CORPORATION DTD 08/16/2019 1.902% 08/16/2022	30231GBB7	20,000.00	AA	Aa1	5/12/2020	5/14/2020	20,483.40	0.82	142.65	20,347.30	20,548.22
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	79.70	45,000.00	45,065.39
CITIGROUP INC DTD 11/04/2019 2.312% 11/04/2022	17308CC46	75,000.00	BBB+	A3	10/28/2019	11/4/2019	75,000.00	2.31	274.55	75,000.00	76,139.03
BANK OF NOVA SCOTIA HOUSTON CORP NOTES DTD 10/15/2019 2.000% 11/15/2022	064159SH0	100,000.00	A-	A2	10/17/2019	10/21/2019	99,641.00	2.12	255.56	99,781.27	103,201.40
CATERPILLAR FINL SERVICE DTD 01/13/2020 1.950% 11/18/2022	14913Q3C1	55,000.00	A	A3	1/9/2020	1/13/2020	54,974.70	1.97	128.10	54,983.31	56,718.31
TORONTO-DOMINION BANK DTD 10/10/2019 1.900% 12/01/2022	89114QCD8	100,000.00	A	Aa3	10/17/2019	10/21/2019	99,467.00	2.08	158.33	99,672.32	103,113.70

## 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
<b>Corporate Note</b>											
ROYAL BANK OF CANADA DTD 01/17/2020 1.950% 01/17/2023	78015K7D0	45,000.00	A	A2	1/13/2020	1/17/2020	44,972.55	1.97	399.75	44,981.32	46,460.66
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	356.13	44,978.25	46,321.20
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	247.92	34,994.40	35,997.96
PACCAR FINANCIAL CORP NOTE DTD 11/07/2019 1.900% 02/07/2023	69371RQ41	50,000.00	A+	A1	10/31/2019	11/7/2019	49,997.50	1.90	380.00	49,998.39	51,623.05
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	50,000.00	AA-	A2	3/4/2020	3/6/2020	51,920.00	1.08	430.00	51,386.37	52,172.65
EXXON MOBIL CORPORATION CORP NOTES DTD 03/03/2016 2.726% 03/01/2023	30231GAR3	50,000.00	AA	Aa1	2/26/2020	3/2/2020	51,786.00	1.50	454.33	51,288.07	52,369.75
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	329.88	46,598.21	47,553.84
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	45,000.00	A-	A2	1/17/2020	1/22/2020	46,119.15	2.39	360.79	45,636.52	46,548.81
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	70.83	24,995.59	25,501.08
PEPSICO INC CORPORATE NOTES DTD 05/01/2020 0.750% 05/01/2023	713448EY0	25,000.00	A+	A1	4/29/2020	5/1/2020	24,950.50	0.82	31.25	24,961.58	25,312.80
AMERICAN HONDA FINANCE DTD 01/10/2020 1.950% 05/10/2023	02665WDH1	40,000.00	A-	A3	1/7/2020	1/10/2020	39,985.20	1.96	110.50	39,989.55	41,458.68
BP CAP MARKETS AMERICA CORP BONDS DTD 12/14/2018 2.750% 05/10/2023	10373QAL4	50,000.00	A-	A1	2/26/2020	2/28/2020	51,725.00	1.64	194.79	51,269.73	52,712.40
CHEVRON CORP CORPORATE NOTES DTD 05/11/2020 1.141% 05/11/2023	166764BV1	25,000.00	AA	Aa2	5/7/2020	5/11/2020	25,000.00	1.14	39.62	25,000.00	25,469.73

## 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
<b>Corporate Note</b>											
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	30,000.00	AA+	Aa1	5/4/2020	5/11/2020	29,918.40	0.84	31.25	29,935.91	30,371.16
GENERAL DYNAMICS CORP NOTES DTD 05/11/2018 3.375% 05/15/2023	369550BD9	35,000.00	A	A2	5/8/2020	5/12/2020	37,454.20	1.00	150.94	36,916.48	37,424.38
CHEVRON CORP DTD 06/24/2013 3.191% 06/24/2023	166764AH3	50,000.00	AA	Aa2	2/25/2020	2/27/2020	52,536.50	1.62	31.02	51,890.35	53,061.05
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	27.22	19,977.22	20,001.26
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	118.13	24,992.47	25,630.23
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	44.17	39,912.03	40,061.56
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	26.70	20,000.00	20,073.78
PEPSICO INC CORPORATE NOTES DTD 10/07/2020 0.400% 10/07/2023	713448FB9	10,000.00	A+	A1	10/5/2020	10/7/2020	9,994.30	0.42	9.33	9,994.75	10,028.09
ROYAL BANK OF CANADA CORPORATE NOTES DTD 10/26/2020 0.500% 10/26/2023	78015K7J7	35,000.00	A	A2	10/21/2020	10/26/2020	34,978.30	0.52	31.60	34,979.63	35,119.56
BRISTOL-MYERS SQUIBB CO (CALLABLE) CORP DTD 11/13/2020 0.537% 11/13/2023	110122DT2	45,000.00	A+	A2	11/9/2020	11/13/2020	45,000.00	0.54	32.22	45,000.00	45,023.36
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 11/19/2020 0.627% 11/17/2023	38141GXL3	30,000.00	BBB+	A3	11/16/2020	11/19/2020	30,000.00	0.63	21.95	30,000.00	30,100.41
BANK OF MONTREAL CORPORATE NOTES DTD 12/08/2020 0.450% 12/08/2023	06368EA36	40,000.00	A-	A2	12/3/2020	12/8/2020	39,974.00	0.47	11.50	39,974.57	40,026.04

## 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
<b>Corporate Note</b>											
CANADIAN IMPERIAL BANK CORPORATE NOTES DTD 12/14/2020 0.500% 12/14/2023	13607GRS5	50,000.00	BBB+	A2	12/7/2020	12/14/2020	49,974.50	0.52	11.81	49,974.92	49,988.95
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	408.85	27,210.29	27,242.00
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	234.33	32,387.71	32,968.35
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	63.08	50,000.00	51,234.45
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	53.30	40,000.00	40,941.00
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	593.55	37,757.71	37,979.20
BRISTOL MYERS SQUIBB CO CORP NOTES (CALL DTD 07/15/2020 2.900% 07/26/2024	110122CM8	25,000.00	A+	A2	10/5/2020	10/7/2020	27,067.25	0.69	334.30	26,936.33	27,023.03
BANK OF AMERICA CORP CORPORATE NOTES DTD 10/21/2020 0.810% 10/24/2024	06051GJH3	45,000.00	A-	A2	10/16/2020	10/21/2020	45,000.00	0.81	70.88	45,000.00	45,377.19
<b>Security Type Sub-Total</b>		<b>2,000,000.00</b>					<b>2,031,282.85</b>	<b>1.44</b>	<b>8,674.60</b>	<b>2,023,583.65</b>	<b>2,060,692.95</b>
<b>Certificate of Deposit</b>											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 08/07/2020 0.520% 02/01/2022	22549L6F7	100,000.00	A+	Aa3	8/5/2020	8/7/2020	100,000.00	0.52	212.33	100,000.00	100,179.80

## 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
<b>Certificate of Deposit</b>											
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	685.00	100,000.00	101,641.00
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	249.38	75,000.00	75,196.95
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	170.00	100,000.00	103,541.70
<b>Security Type Sub-Total</b>		<b>375,000.00</b>					<b>375,000.00</b>	<b>1.31</b>	<b>1,316.71</b>	<b>375,000.00</b>	<b>380,559.45</b>
<b>Asset-Backed Security</b>											
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	3.44	24,997.82	25,051.52
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	2.67	14,999.31	15,031.28
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	39,999.04	40,173.46
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	24,997.68	25,542.04
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	44,997.75	45,543.42
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	24,995.62	25,452.13
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	34,997.59	35,124.04
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	4.01	29,995.87	30,048.92
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	29,997.99	30,135.69

## 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
<b>Asset-Backed Security</b>											
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	24,996.58	25,064.91
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	34,994.11	35,139.81
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	29,995.25	30,780.21
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	34,997.58	35,172.53
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	7.90	54,989.44	55,165.28
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	29,995.35	30,165.53
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	34,992.63	35,119.13
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	29,997.90	30,195.88
HART 2020-C A3 DTD 10/28/2020 0.380% 05/15/2025	44891RAC4	25,000.00	AAA	NR	10/20/2020	10/28/2020	24,994.24	0.39	4.22	24,994.47	25,008.09
GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	15,000.00	AAA	NR	10/6/2020	10/14/2020	14,996.79	0.38	2.38	14,996.93	15,020.16
<b>Security Type Sub-Total</b>		<b>585,000.00</b>					<b>584,920.26</b>	<b>0.73</b>	<b>170.68</b>	<b>584,928.91</b>	<b>588,934.03</b>
<b>Managed Account Sub Total</b>		<b>9,290,000.00</b>					<b>9,328,235.29</b>	<b>1.01</b>	<b>26,237.31</b>	<b>9,315,681.67</b>	<b>9,424,834.42</b>
<b>Securities Sub-Total</b>		<b>\$9,290,000.00</b>					<b>\$9,328,235.29</b>	<b>1.01%</b>	<b>\$26,237.31</b>	<b>\$9,315,681.67</b>	<b>\$9,424,834.42</b>
<b>Accrued Interest</b>											<b>\$26,237.31</b>
<b>Total Investments</b>											<b>\$9,451,071.73</b>

Bolded items are forward settling trades.

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**IMPORTANT DISCLOSURES**

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

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

## GLOSSARY

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

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**GLOSSARY**

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



# Economic Update



## Biden Signs Historic Number of Executive Actions on Inauguration Day



- ✓ 100 Days Masking Challenge
- ✓ COVID Response Coordinator position
- ✓ Extend moratorium on evictions and foreclosures
- ✓ Extend pause on federal student loans
- ✓ Rejoin Paris climate accord
- ✓ Prevent workplace discrimination by sexual orientation or gender identity
- ✓ Fortify DACA
- ✓ Undo various regulatory approval processes



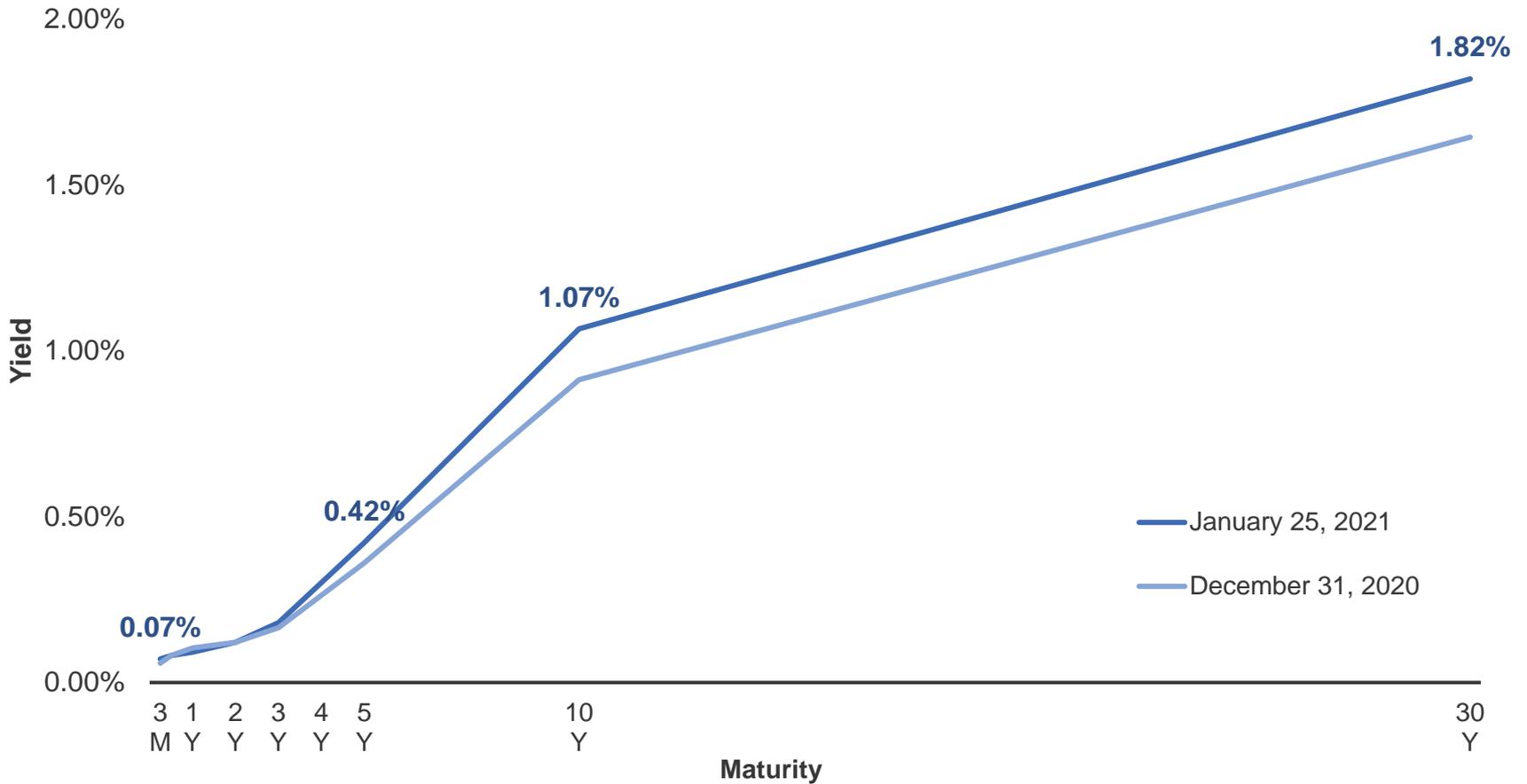
- ✓ Stop WHO withdrawal and appoint Dr. Fauci to be head delegate
- ✓ Cancel Keystone XL pipeline
- ✓ Direct agencies to review and reverse a set of actions on the environment
- ✓ Rescind 1776 Commission
- ✓ Reverse restrictions on U.S. entry for passport holders from seven Muslim-majority countries
- ✓ Halt certain immigration enforcement
- ✓ Halt construction of border wall

Source: CNN, as of 1/20/2021. List does not include all executive actions signed by President Biden.



# Yield Curve Steepens Further Amid Biden's Executive Actions

## U.S. Treasury Yield Curve

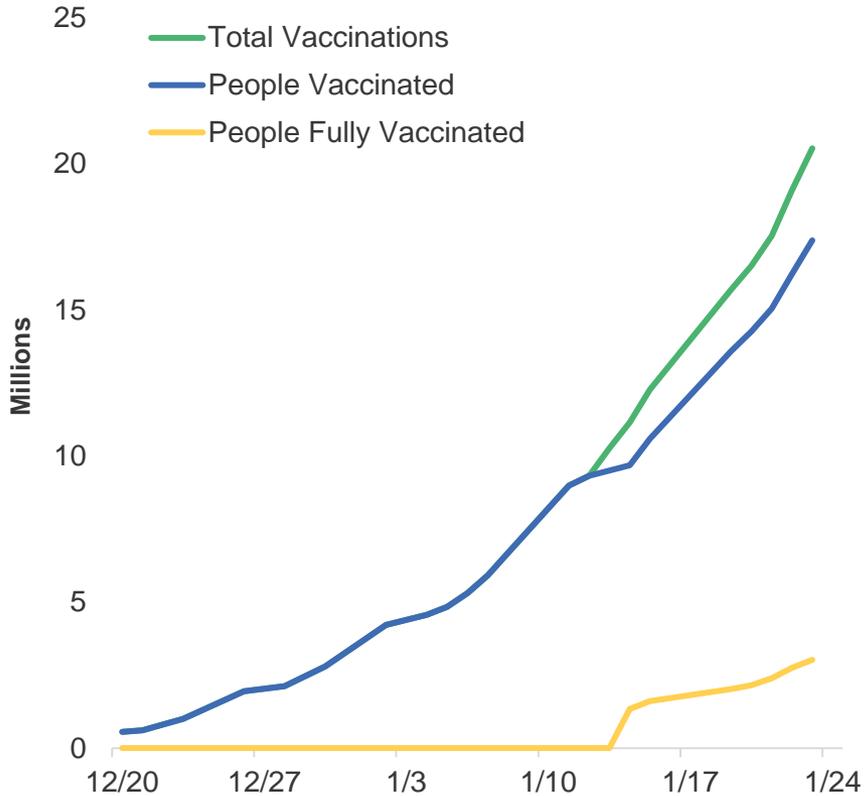


Source: Bloomberg, as of 1/25/2021.

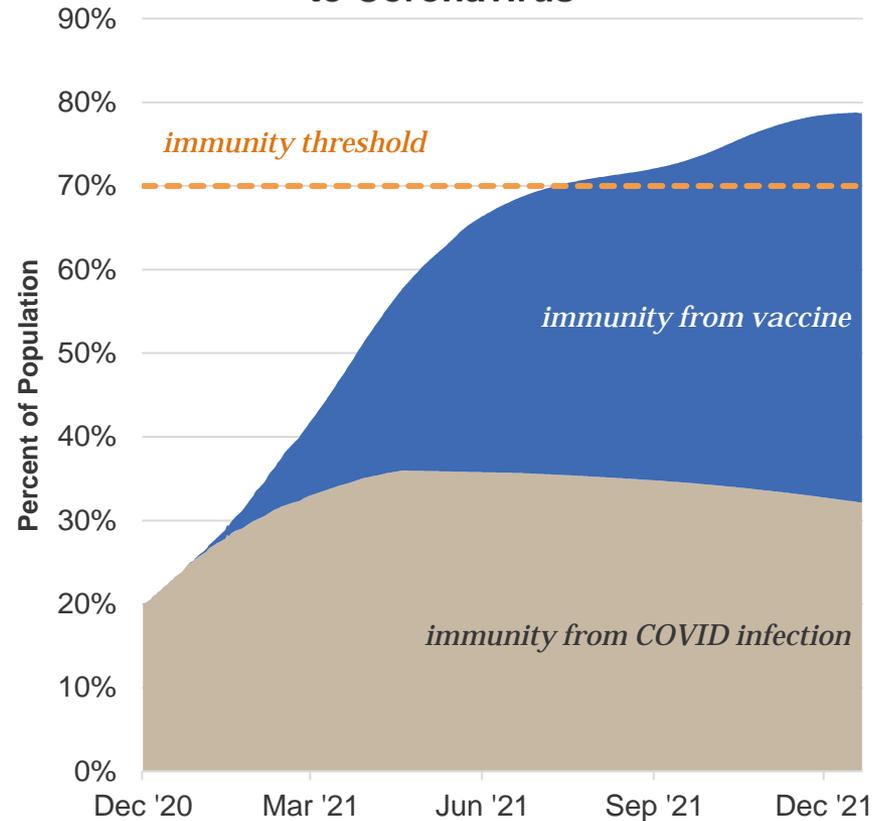


# Vaccine Inoculation Projections

### COVID-19 Vaccine Distribution in U.S.



### Projection of U.S. Population Immunity to Coronavirus

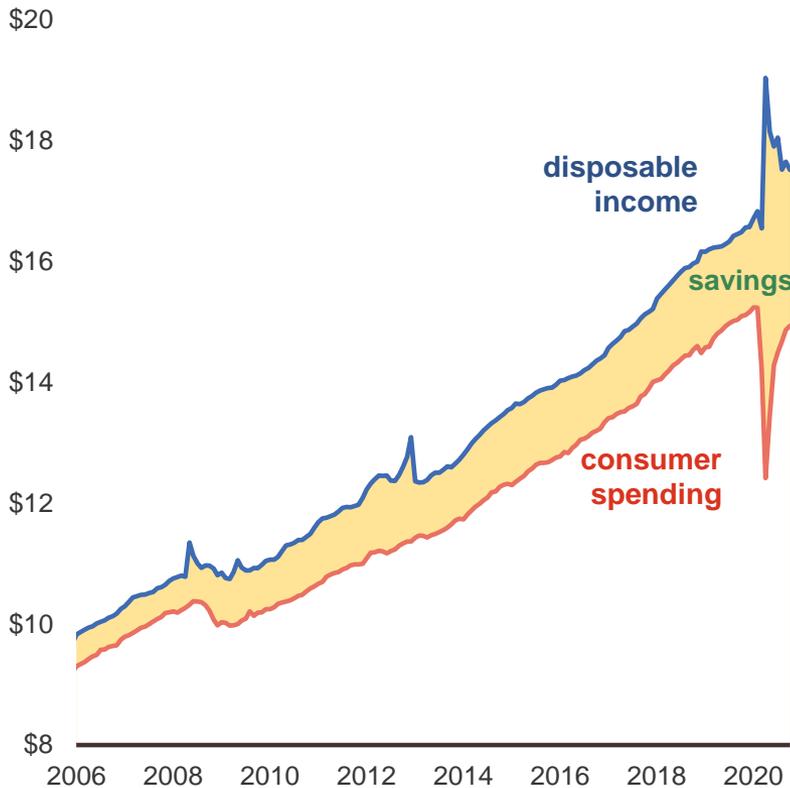


Source (left): Our World in Data, PFM calculations; as of 1/24/2021. Source (right): COVID-19 Vaccine Projections website, CDC, as of 1/22/2021.

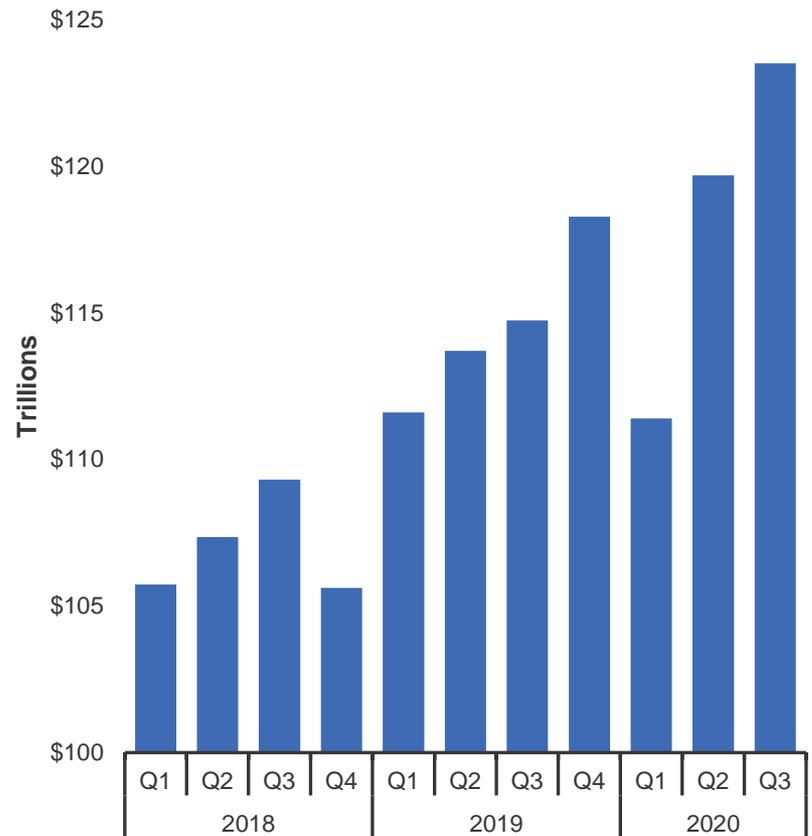


# Accumulated Savings and Wealth Are Likely to Fuel Future Spending

## Personal Savings in U.S. (trillions)



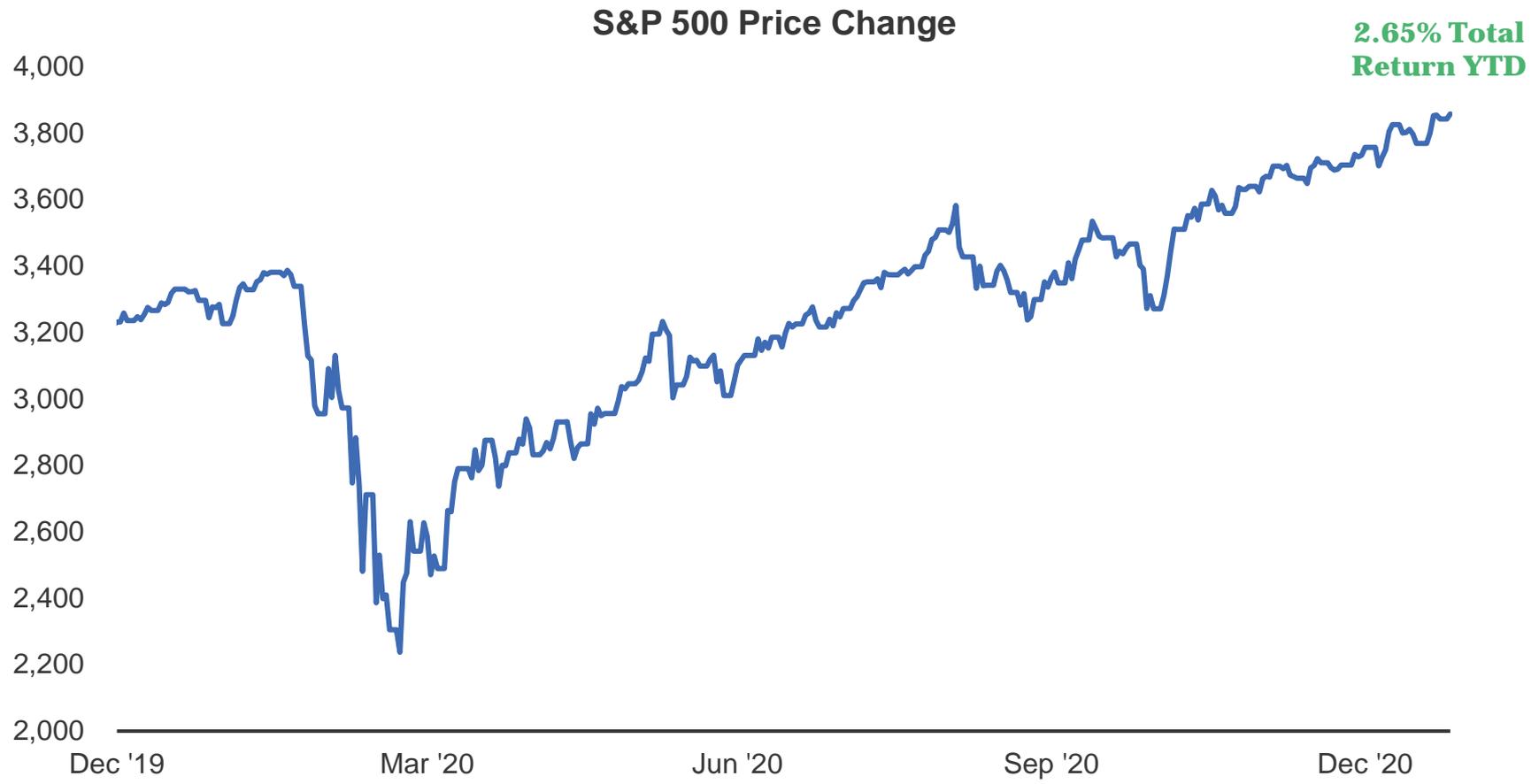
## Household Net Worth



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



## Equity Markets Continue Ascent



Source: Bloomberg, as of 1/25/2021.



## Disclaimers

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