

TOWN OF FOUNTAIN HILLS

Investment Performance Review For the Quarter Ended September 30, 2021

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Agenda

- Market Summary
- Account Summary
- Portfolio Review
- Market Update

Market Summary

SUMMARY

- In Q3, U.S. economic conditions were impacted by: (1) a summer surge of COVID-19 infections driven by the highly contagious delta variant negatively affected consumer and business sentiment; (2) moderating but still above-trend economic growth; (3) higher inflation caused by material increases in the price of energy, other raw materials and various consumer goods and services; (4) continuing supply chain disruptions and shortages; (5) a Federal Reserve (Fed) planning to begin an accelerated pace of asset purchase tapering; (6) political wrangling over both government funding and the expired suspension of the debt ceiling; and (7) a material slowdown in job growth.
- The recovery is continuing, but the economy faces familiar headwinds. The COVID-19 surge in the U.S. that began in July peaked in September before trailing off sharply late in the quarter. The overall toll remains staggering: 44 million cases and over 700,000 deaths in the U.S. The surge impaired economic activity and caused consumer sentiment to fall to its lowest level in over a year. The labor market slowed even with job openings at record levels. Prices remained elevated for both the consumer and the producer, although the Fed views this trend as transitory. The growth outlook has become more uncertain.
- At the Federal Open Market Committee's (FOMC) September meeting, officials hinted that a tapering of bond purchases could begin as soon as November. More importantly, the Fed indicated that a likely path of tapering could conclude around the middle of next year – a faster pace than was expected by analysts. Half of the FOMC participants indicated that they expect to increase short-term rates at least once in 2022, with multiple hikes in place by the end of 2023. In its updated September projections, the Fed also lowered its forecast for GDP growth for 2021 from 7% to 5.9% and increased its forecast for inflation (Core PCE) from 3% to 3.7%. Longer-term projections were relatively unchanged.

ECONOMIC SNAPSHOT

- Real GDP in the U.S. increased by 6.7% in Q2, following a 6.3% expansion in Q1. Spending was again the primary driver, with consumer spending rising by 12% as public health restrictions eased and businesses reopened earlier in the year. The delta variant triggered a summer slowdown in spending, but consumers remain in a strong position to help power the economic recovery. Nevertheless, the impact of waning monetary and fiscal stimulus creates a larger degree of uncertainty for the economy.
- Job gains disappointed for a second straight month as the U.S. economy added only 366,000 jobs in August and 194,000 jobs in September, far short of expectations and well below the average of 641,000 for the first seven months of the year. Despite the recent weakness, the unemployment rate fell 1.1% to 4.8% in the quarter. The labor force participation rate held steady, but wages continued to rise, up 4.6% over the past year. The number of job openings stood at 10.4 million in August, following a record 11.1 million in July. The “quits rate” – voluntary separations initiated by the employee, serving as a measure of workers' willingness to leave jobs – increased to a series high of 2.9%.
- On the inflation front, the consumer price index (CPI) rose 5.4% for the twelve months through September, up slightly from the prior quarter. Surging prices for energy and new and used cars accounted for more than half the overall gain. The producer price index (PPI) rose for the eighth straight month, reaching a whopping 8.3% increase over the past year ended August as commodity prices remain elevated.

- The frantic and heated housing market showed signs of cooling as existing homes sales declined. The lack of available supply remains a significant constraint. With prices up 20% over the past year and mortgage rates rising, affordability is also impeding further gains.

INTEREST RATES

- After dipping mid-quarter, U.S. Treasury yields barely changed. The only material changes were 7 to 11 basis point increases in yields on 3- to 10-year maturities. Late surges in rates were driven by inflation worries and the accelerated pace of Fed tapering. Short-term rates remain anchored near rock-bottom lows by the current near-zero rate policy. At quarter-end, the yield on a 3-month U.S. Treasury Bill stood at 0.04%, the 2-year note was 0.28%, the 5-year note was 0.97%, the 10-year note was 1.49% and the 30-year was 2.05%.
- As a result of a modestly steeper curve over the quarter, U.S. Treasury index returns were mixed for the quarter. Shorter-duration U.S. Treasury indices (three years and under) were flat to slightly positive, while indices holding intermediate- and longer-term portions of the yield curve posted negative returns. For example, the 1-year Treasury index returned 0.02% for the quarter, while the 5-year Treasury index returned -0.25% and the 10-year Treasury index returned -0.31%.

SECTOR PERFORMANCE

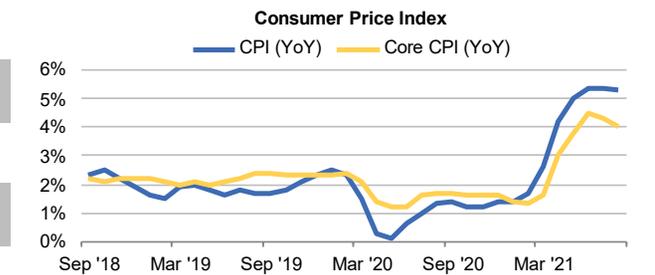
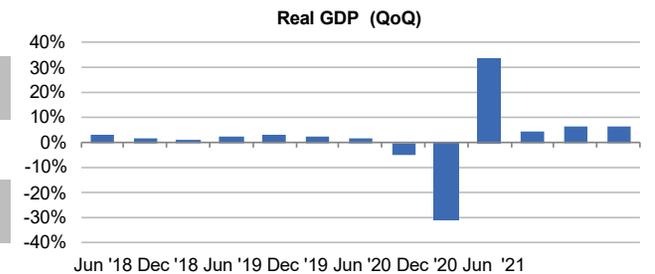
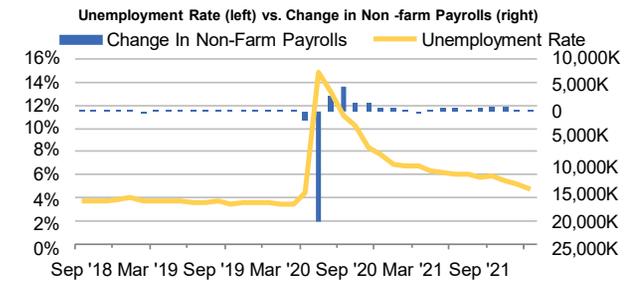
- Diversification away from U.S. Treasuries was generally additive to performance in Q3. Broad, global demand for yield has continued to pressure yield spreads, which remained in very low and tight trading ranges. Most investment-grade (IG) sectors produced positive excess returns for Q3 – returns in excess of comparable maturity Treasuries – but at a lesser pace than in recent prior quarters. Low yields mean lesser income, while narrow spreads mean less opportunity for price gains from further spread compression. Something close to index-level returns is about all that can be expected in upcoming quarters.
- Federal agency spreads were mostly unchanged again, and the sector generated modest positive excess returns. Supranational opportunities were better in Q3 as several attractively priced new issues came to market.
- IG corporates trudged along to slightly positive excess returns, aided by continued economic recovery, improving credit fundamentals, and supportive global monetary policy. Although new issuance has been elevated, insatiable demand resulted in a reasonably strong performance. Valuations are now very rich, with spreads ending the quarter nearer the June 2021 all-time highs. Lower quality corporates led the way, as the incremental income component of total returns remains a driver of overall performance in the current, low spread environment.
- The taxable municipal sector was one of the few IG fixed income sectors to post negative excess returns for Q3. YTD returns remain near the top, despite recent underperformance.
- AAA-rated asset-backed securities (ABS) spreads were stable, and collateral performance has remained strong. Issuance picked up in Q3.
- Agency mortgage-backed securities (MBS) spreads widened but remain susceptible to further duration extension and price deterioration as rates rise. Expectations for Fed tapering is a lingering concern, as the Fed has been the largest buyer in the sector. Excess returns were largely flat to modestly negative, depending on the specific term and collateral type. Lower coupons suffered, while higher coupons performed best. After a strong performance, agency CMBS stumbled notably in Q3. Similar to taxable municipals, the recent underperformance of CMBS is dwarfed by phenomenal YTD outperformance.

Economic Snapshot

Labor Market		Latest	Jun '21	Sep '20
Unemployment Rate	Sep '21	4.8%	5.9%	7.8%
Change In Non-Farm Payrolls	Sep '21	194,000	962,000	716,000
Average Hourly Earnings (YoY)	Sep '21	4.6%	3.7%	4.8%
Personal Income (YoY)	Aug '21	6.1%	2.5%	6.2%
Initial Jobless Claims (week)	10/2/21	326,000	368,000	803,000

Growth		Latest	Jun '21	Sep '20
Real GDP (QoQ SAAR)	2021Q2	6.7%	6.3% ¹	-31.2% ²
GDP Personal Consumption (QoQ SAAR)	2021Q2	12.0%	11.4% ¹	-33.4% ²
Retail Sales (YoY)	Aug '21	15.1%	18.9%	6.0%
ISM Manufacturing Survey (month)	Sep '21	61.1	60.6	55.7
Existing Home Sales SAAR (month)	Aug '21	5.88 mil.	5.87 mil.	6.44 mil.

Inflation / Prices		Latest	Jun '21	Sep '20
Personal Consumption Expenditures (YoY)	Aug '21	4.3%	4.0%	1.4%
Consumer Price Index (YoY)	Aug '21	5.3%	5.4%	1.4%
Consumer Price Index Core (YoY)	Aug '21	4.0%	4.5%	1.7%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$75.03	\$73.47	\$40.22
Gold Futures (oz.)	Sep 30	\$1,755	\$1,772	\$1,888



1. Data as of First Quarter 2021.

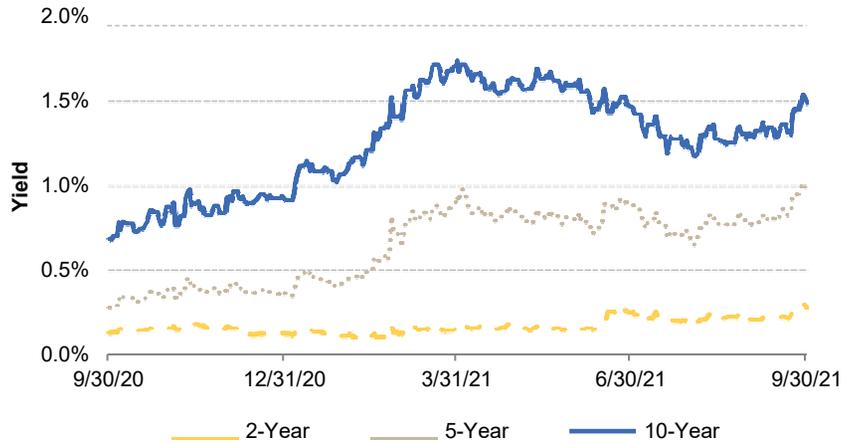
2. Data as of Second Quarter 2020.

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

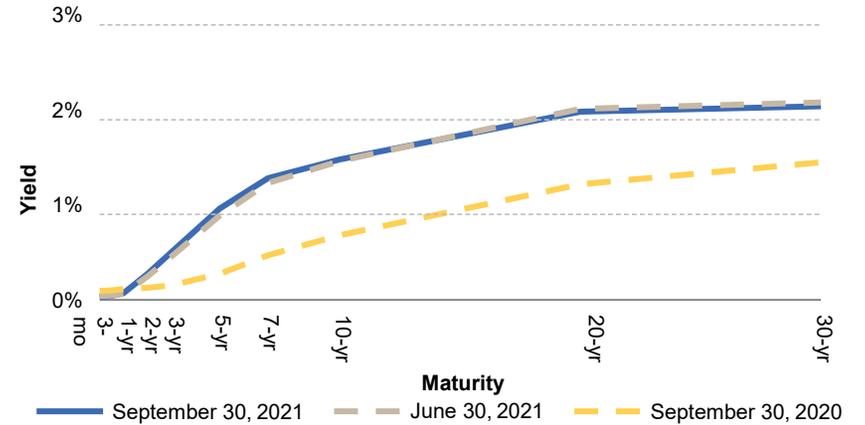
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



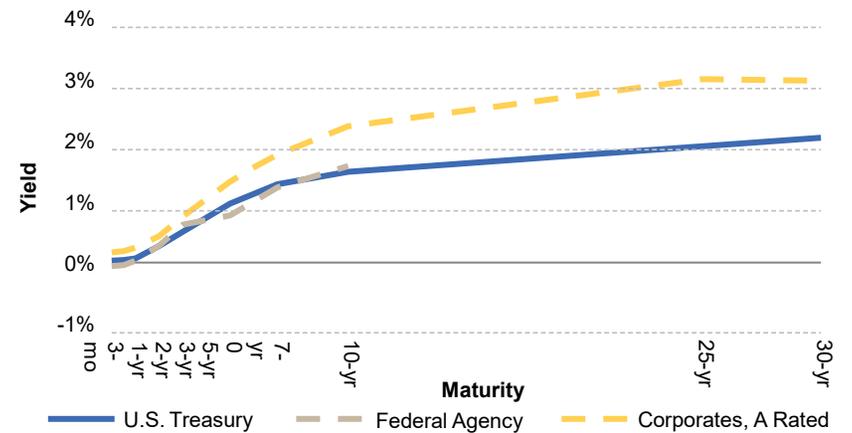
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Sep '21	Jun '21	Change over Quarter	Sep '20	Change over Year
3-Month	0.04%	0.04%	0.00%	0.10%	(0.06%)
1-Year	0.07%	0.07%	0.00%	0.12%	(0.05%)
2-Year	0.28%	0.25%	0.03%	0.13%	0.15%
5-Year	0.97%	0.89%	0.08%	0.28%	0.69%
10-Year	1.49%	1.47%	0.02%	0.69%	0.80%
30-Year	2.05%	2.09%	(0.04%)	1.46%	0.59%

Yield Curves as of 09/30/2021



Source: Bloomberg.

ICE BofAML Index Returns

September 30, 2021	As of 09/30/2021		Returns for Periods ended 09/30/2021		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.90	0.28%	0.06%	0.03%	2.63%
Federal Agency	1.74	0.29%	0.09%	0.20%	2.48%
U.S. Corporates, A-AAA rated	1.89	0.56%	0.14%	0.79%	3.39%
Agency MBS (0 to 3 years)	1.52	0.72%	(0.01%)	(1.64%)	3.44%
Taxable Municipals	1.57	0.47%	0.03%	3.32%	4.11%
1-5 Year Indices					
U.S. Treasury	2.66	0.48%	(0.00%)	(0.40%)	3.24%
Federal Agency	2.33	0.47%	0.10%	0.01%	2.79%
U.S. Corporates, A-AAA rated	2.82	0.88%	0.05%	0.76%	4.23%
Agency MBS (0 to 5 years)	2.56	1.37%	0.25%	(0.52%)	3.37%
Taxable Municipals	2.65	0.79%	0.22%	1.82%	3.97%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.27	1.04%	(0.03%)	(3.60%)	4.94%
Federal Agency	3.99	0.81%	0.01%	(0.75%)	4.23%
U.S. Corporates, A-AAA rated	8.50	1.90%	(0.18%)	0.04%	6.87%
Agency MBS (0 to 30 years)	3.89	1.66%	0.05%	(0.46%)	3.92%
Taxable Municipals	11.26	2.52%	0.33%	2.36%	9.18%

Returns for periods greater than one year are annualized.
Source: ICE BofAML Indices.

DISCLOSURES

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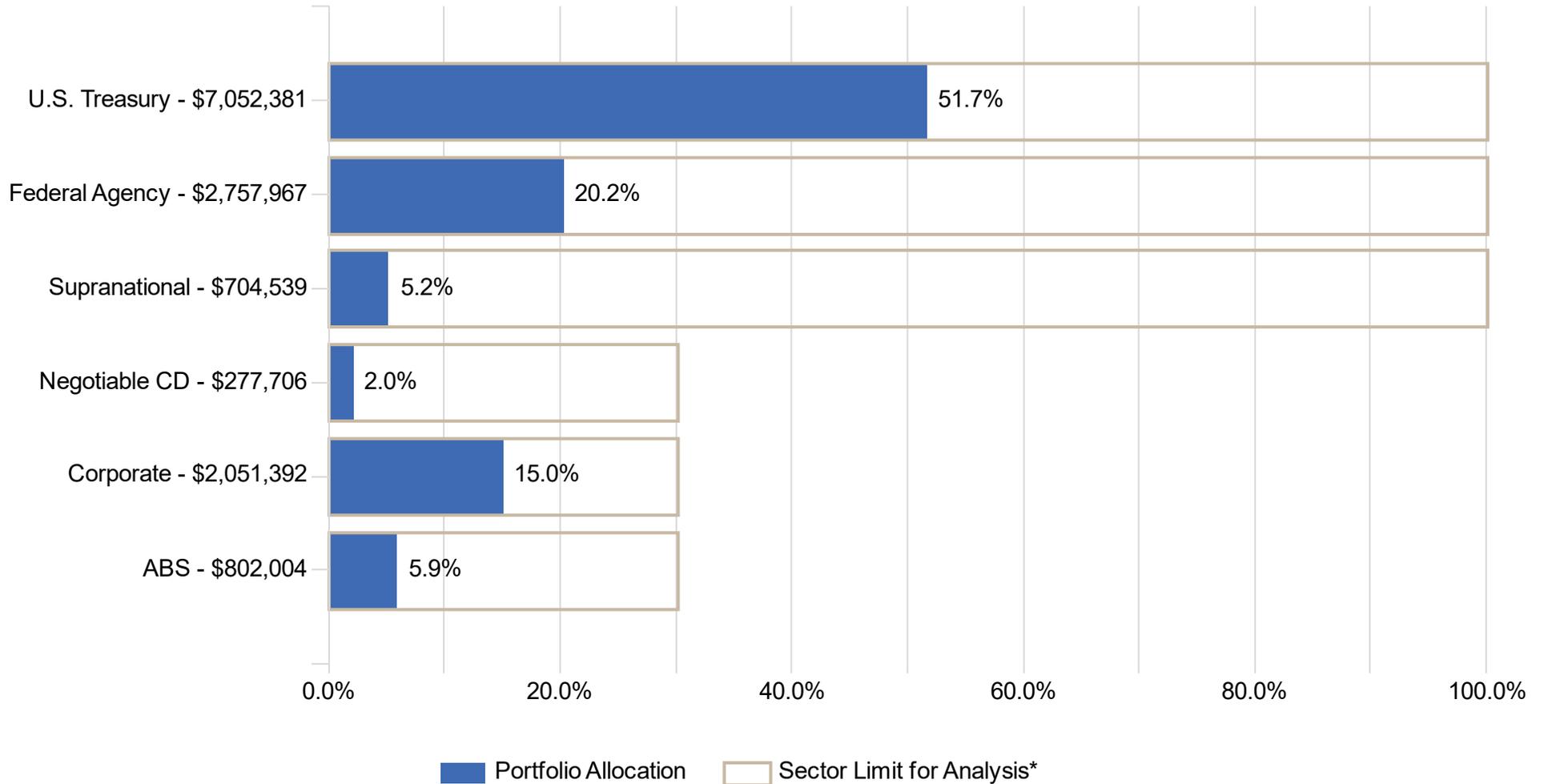
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Account Summary

Fixed-Income Sector Commentary – Third Quarter 2021

- ◆ **U.S. Treasury Bills** were under pressure near the end of the quarter from debt ceiling concerns. Short-term yields remain range-bound due to Fed policy, while longer-term yields have climbed due to changing policy and economic expectations, offering extension and roll-down opportunities.
- ◆ **Federal Agency/GSE** securities offer essentially zero additional yield benefit against Treasury securities out to seven years. There is little room for further spread narrowing.
- ◆ **Supranational** debt issuance increased during the quarter, widening spreads and creating good investment opportunities.
- ◆ **Corporate Notes** have benefitted from economic tailwinds, strong profits, improving credit fundamentals, and supportive global monetary policy. Overall, valuations remain rich and spreads have narrowed, approaching June tights.
- ◆ **Asset-Backed Securities** issuance has picked up ahead of forecasts. Collateral performance continues to be strong and yield spreads remain narrow. Shorter tranches offer good relative value.
- ◆ **Mortgage-Backed Securities** have experienced some spread widening, especially in lower coupon issues where collateral is most susceptible to rising Treasury yields.
- ◆ **Taxable Municipal** yield spreads narrowed as issuance slowed. Short maturities are especially tight. Proposed legislation that would again permit advance refundings could shift issuance to tax-exempts.
- ◆ **Commercial Paper and CD** rates have remained range-bound and near historical lows. Value can selectively be found in longer maturities, although rates remain anchored by Fed rate policy which is not expected to change in the near term.

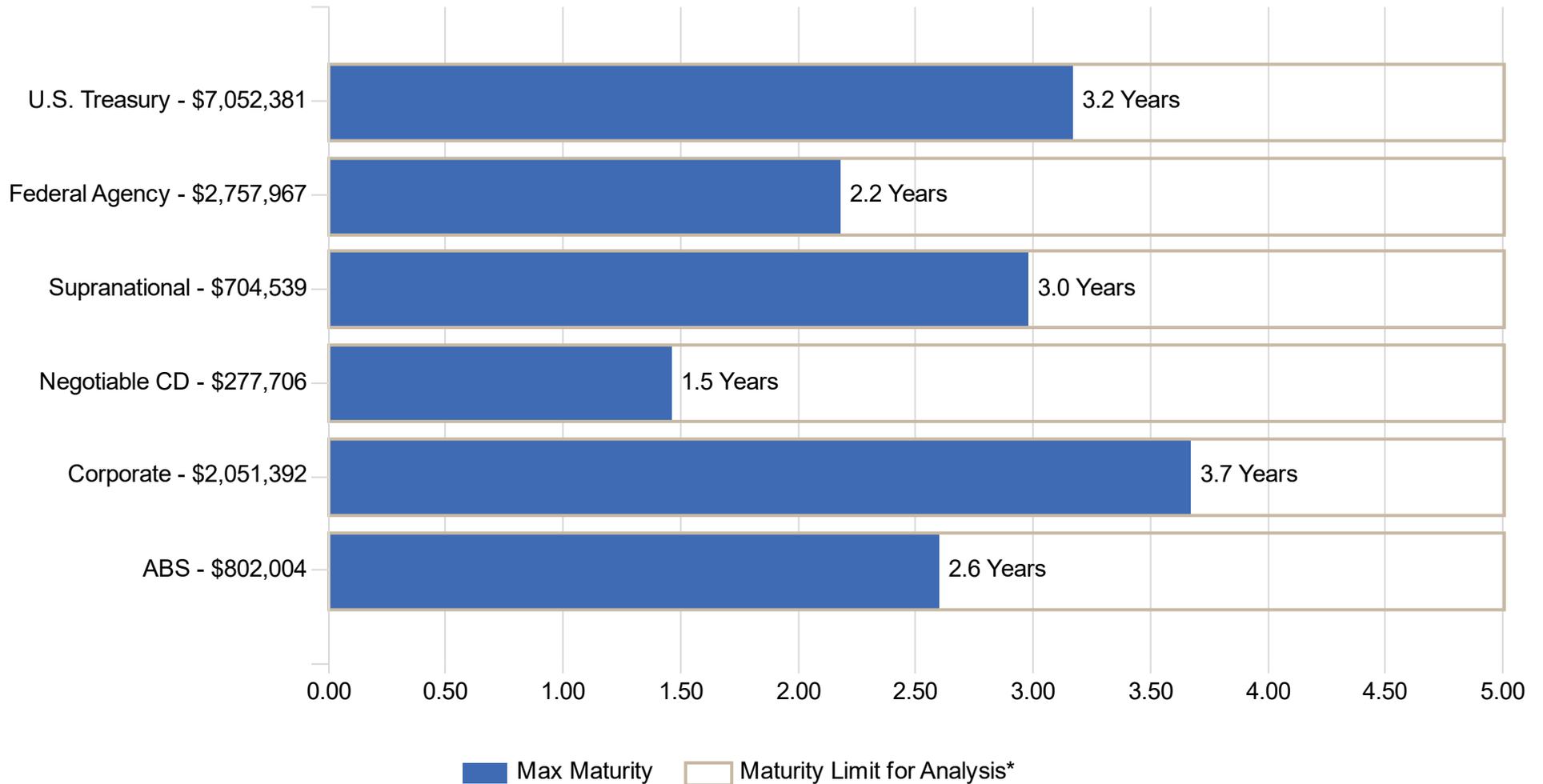
Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance.

*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Max Maturity Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Excludes balances invested in overnight funds.

**Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.*

Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	51.7%	
UNITED STATES TREASURY	51.7%	AA / Aaa / AAA
Federal Agency	20.2%	
FANNIE MAE	5.2%	AA / Aaa / AAA
FEDERAL FARM CREDIT BANKS	1.5%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	0.9%	AA / Aaa / NR
FREDDIE MAC	12.6%	AA / Aaa / AAA
Supranational	5.2%	
AFRICAN DEVELOPMENT BANK	0.6%	AAA / Aaa / AAA
ASIAN DEVELOPMENT BANK	2.1%	AAA / Aaa / AAA
INTER-AMERICAN DEVELOPMENT BANK	1.4%	AAA / Aaa / AAA
INTL BANK OF RECONSTRUCTION AND DEV	1.0%	AAA / Aaa / AAA
Negotiable CD	2.0%	
CREDIT SUISSE GROUP RK	0.7%	A / A / A
DNB ASA	0.7%	AA / Aa / NR
SUMITOMO MITSUI FINANCIAL GROUP INC	0.6%	A / Aa / A
Corporate	15.0%	
ADOBE INC	0.3%	A / A / NR
AMAZON.COM INC	1.0%	AA / A / AA
AMERICAN HONDA FINANCE	0.6%	A / A / NR
APPLE INC	0.2%	AA / Aa / NR
BANK OF AMERICA CO	0.6%	A / A / AA
BANK OF MONTREAL	0.7%	A / A / AA
BANK OF NOVA SCOTIA	0.7%	A / A / AA
BP PLC	0.4%	A / A / A
BRISTOL-MYERS SQUIBB CO	0.5%	A / A / NR
BURLINGTON NORTHERN SANTA FE	0.2%	AA / A / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	15.0%	
CANADIAN IMPERIAL BANK OF COMMERCE	0.4%	BBB / A / AA
CATERPILLAR INC	0.4%	A / A / A
CHARLES SCHWAB	0.2%	A / A / A
CHEVRON CORPORATION	0.6%	AA / Aa / NR
CITIGROUP INC	0.6%	BBB / A / A
COMCAST CORP	0.2%	A / A / A
DEERE & COMPANY	0.5%	A / A / A
EXXON MOBIL CORP	0.5%	AA / Aa / NR
GENERAL DYNAMICS CORP	0.3%	A / A / NR
GLAXOSMITHKLINE PLC TAL	0.1%	A / A / A
GOLDMAN SACHS GROUP INC	0.5%	BBB / A / A
JP MORGAN CHASE & CO	0.8%	A / A / AA
MERCK & CO INC	0.2%	A / A / A
MORGAN STANLEY	0.1%	BBB / A / A
PACCAR FINANCIAL CORP	0.5%	A / A / NR
PEPSICO INC	0.2%	A / A / NR
ROYAL BANK OF CANADA	0.6%	A / A / AA
ROYAL DUTCH SHELL PLC	0.3%	A / Aa / AA
THE BANK OF NEW YORK MELLON CORPORATION	0.5%	A / A / AA
TORONTO-DOMINION BANK	1.0%	A / A / AA
TOYOTA MOTOR CORP	0.7%	A / A / A
UNITEDHEALTH GROUP INC	0.3%	A / A / A
WELLS FARGO & COMPANY	0.5%	BBB / A / A
ABS	5.9%	
BMW FINANCIAL SERVICES NA LLC	0.1%	AAA / Aaa / NR
BMW VEHICLE OWNER TRUST	0.2%	AAA / NR / AAA

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	5.9%	
CARMAX AUTO OWNER TRUST	1.0%	AAA / Aaa / AAA
CNH EQUIPMENT TRUST	0.1%	AAA / NR / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.4%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.7%	AAA / Aaa / AAA
HARLEY-DAVIDSON MOTORCYCLE TRUST	0.1%	AAA / Aaa / NR
HONDA AUTO RECEIVABLES	0.2%	AAA / NR / AAA
HYUNDAI AUTO RECEIVABLES	0.6%	AAA / NR / AAA
JOHN DEERE OWNER TRUST	0.7%	NR / Aaa / AAA
MERCEDES-BENZ AUTO LEASE TRUST	0.1%	AAA / NR / AAA
MERCEDES-BENZ AUTO RECEIVABLES	0.3%	AAA / NR / AAA
NISSAN AUTO RECEIVABLES	0.3%	AAA / Aaa / NR
TOYOTA MOTOR CORP	0.3%	AAA / Aaa / NR
VERIZON OWNER TRUST	0.6%	AAA / Aaa / AAA
WORLD OMNI AUTO REC TRUST	0.2%	AAA / NR / AAA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

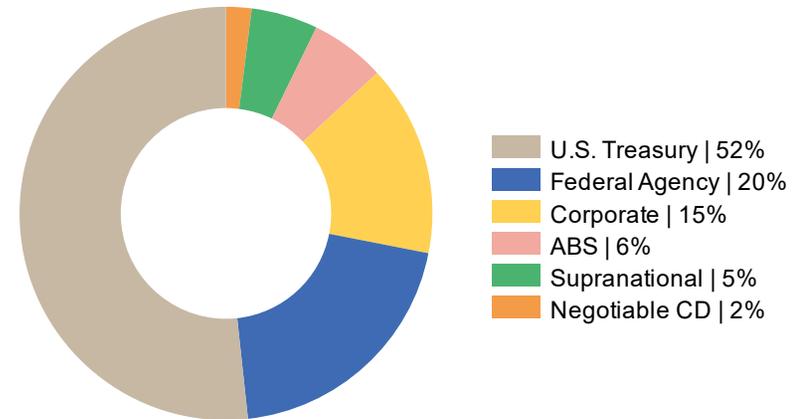
Portfolio Review: TOWN OF FOUNTAIN HILLS

Portfolio Snapshot¹

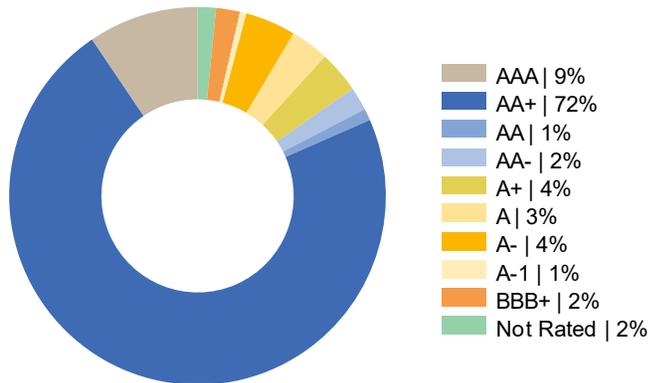
Portfolio Statistics

Total Market Value	\$13,682,048
Portfolio Effective Duration	1.87 years
Benchmark Effective Duration	1.82 years
Yield At Cost	0.55%
Yield At Market	0.36%
Portfolio Credit Quality	AA

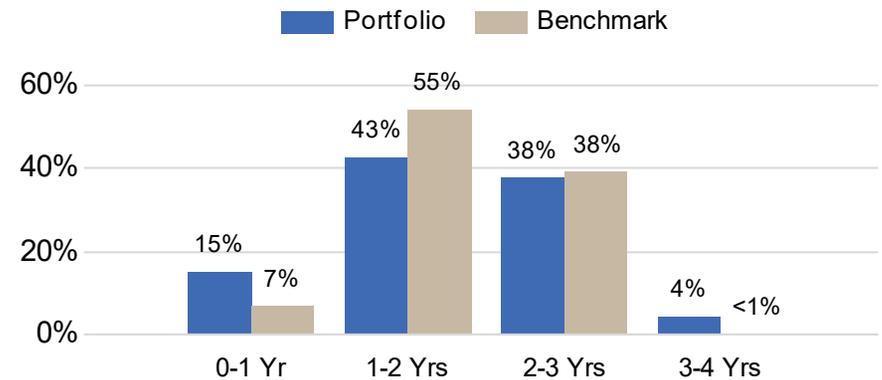
Sector Allocation



Credit Quality - S&P²



Duration Distribution

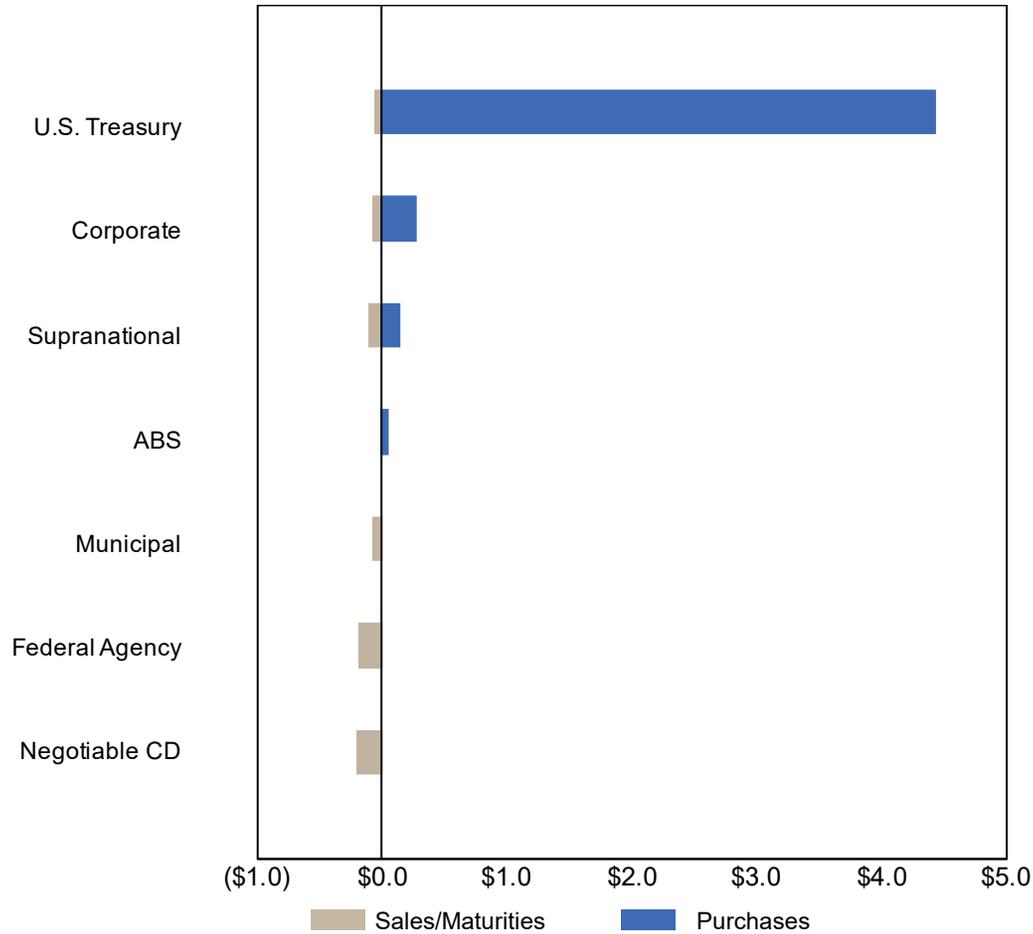


1. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury/Agency Index. Source: Bloomberg.

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

Portfolio Activity

Net Activity by Sector
(\$ millions)

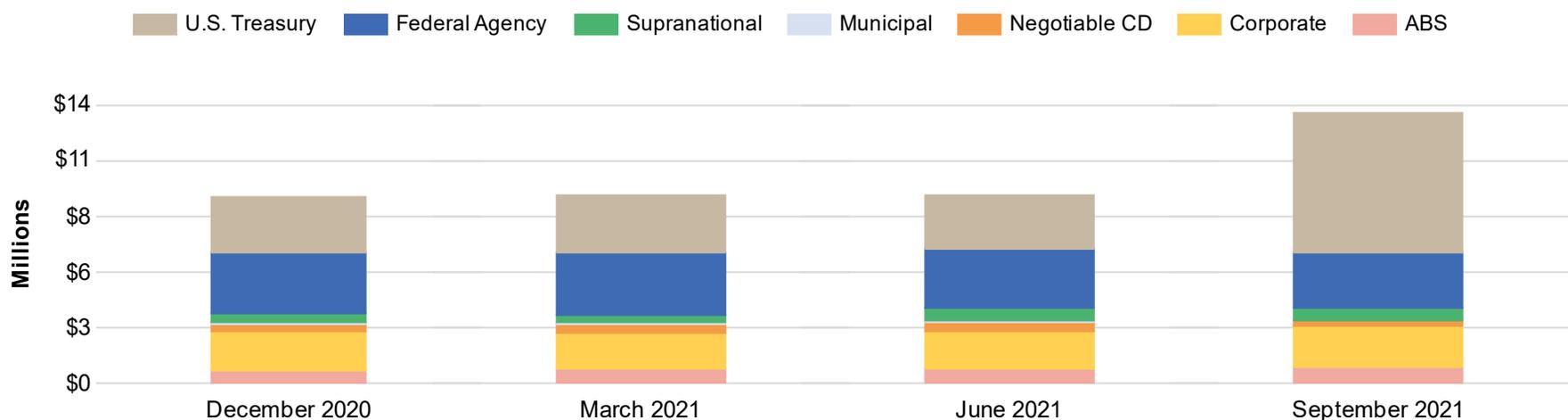


Sector	Net Activity
U.S. Treasury	\$4,374,659
Corporate	\$203,418
Supranational	\$44,372
ABS	\$39,938
Municipal	(\$60,948)
Federal Agency	(\$175,551)
Negotiable CD	(\$201,540)

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Sector Allocation Review

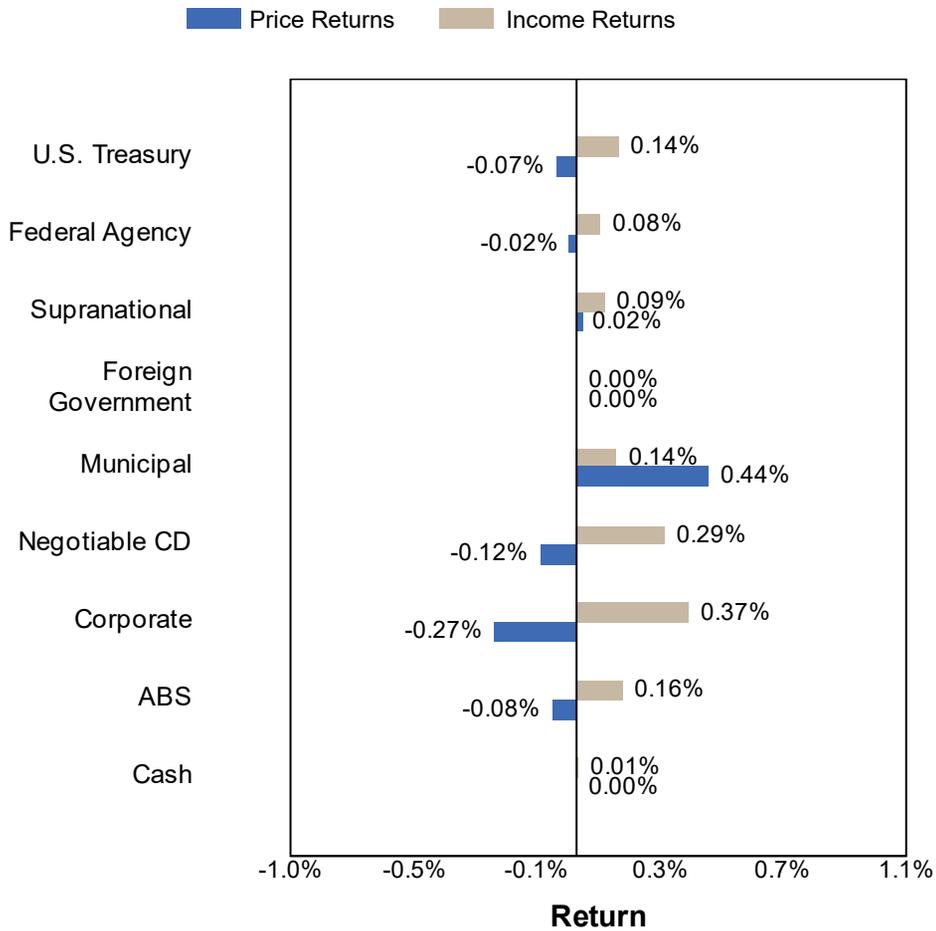
Security Type	Dec-20	% of Total	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total
U.S. Treasury	\$2.8	29.8%	\$2.9	30.5%	\$2.7	28.5%	\$7.1	51.7%
Federal Agency	\$3.1	33.0%	\$3.1	32.9%	\$2.9	31.1%	\$2.8	20.2%
Supranational	\$0.4	4.3%	\$0.4	4.3%	\$0.7	7.0%	\$0.7	5.2%
Municipal	\$0.1	0.7%	\$0.1	0.6%	\$0.1	0.6%	\$0.0	0.0%
Negotiable CD	\$0.4	4.0%	\$0.5	5.1%	\$0.5	5.1%	\$0.3	2.0%
Corporate	\$2.1	21.9%	\$1.8	19.4%	\$1.9	19.6%	\$2.1	15.0%
ABS	\$0.6	6.3%	\$0.7	7.2%	\$0.8	8.1%	\$0.8	5.9%
Total	\$9.4	100.0%	\$9.4	100.0%	\$9.4	100.0%	\$13.6	100.0%



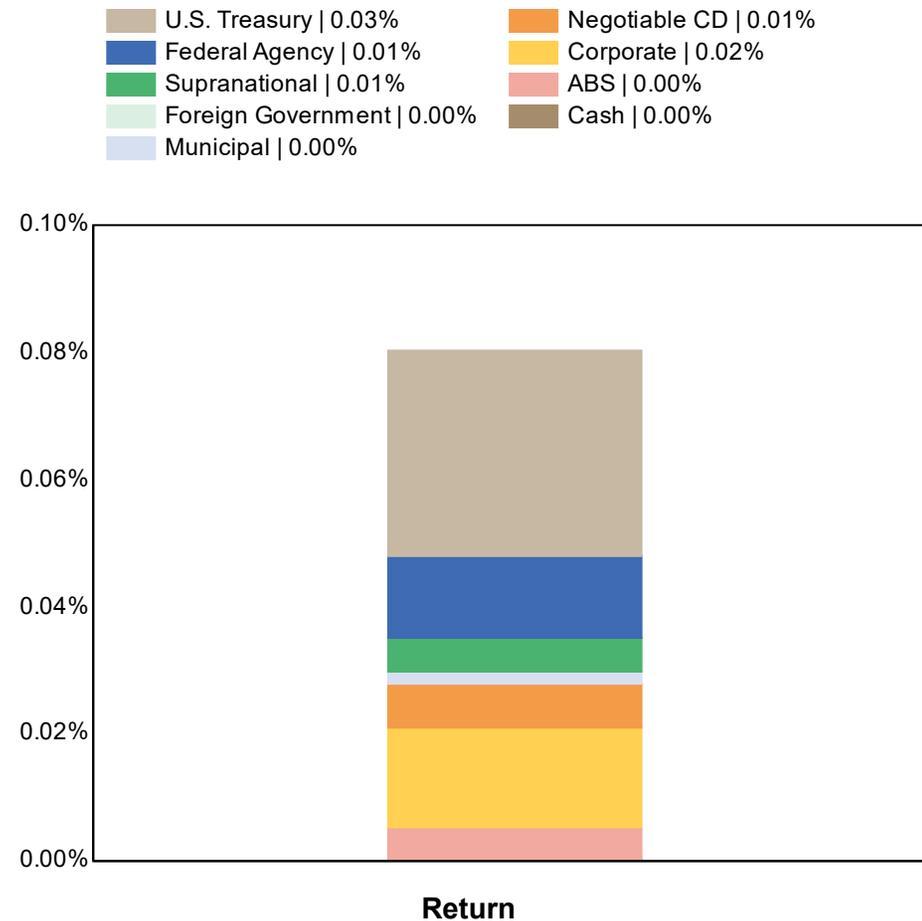
Market values, excluding accrued interest. Only includes investments held within the separately managed account(s). Detail may not add to total due to rounding.

Quarterly Sector Performance

Total Return by Sector



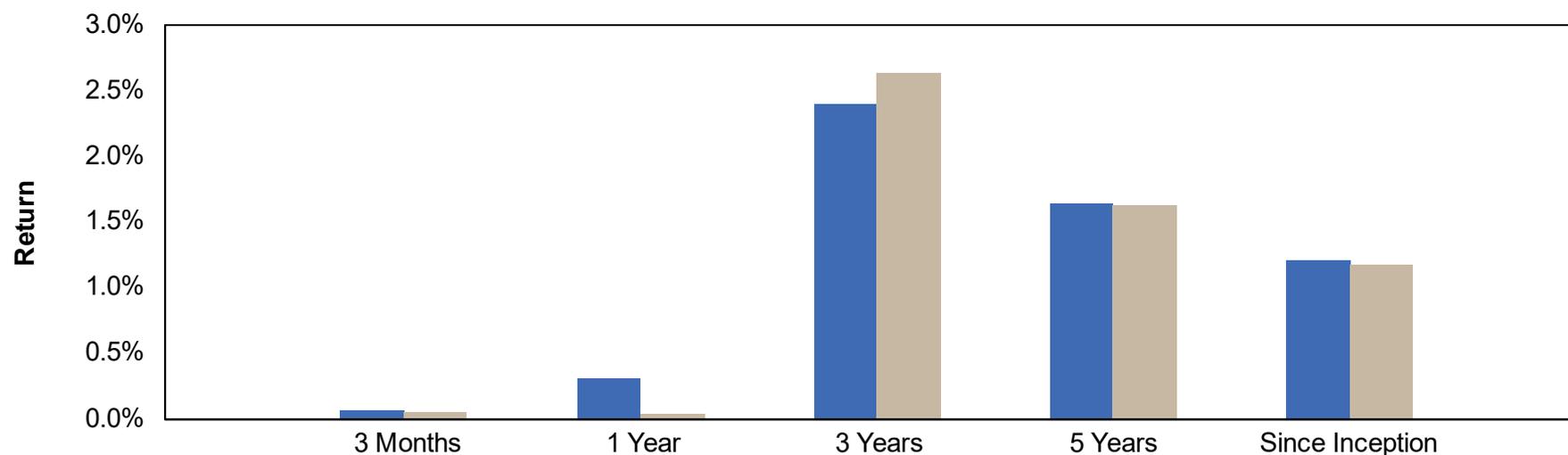
Contribution to Total Return



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

Portfolio Performance

Portfolio Benchmark



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$20,888	\$94,421	\$406,997	\$763,140	\$1,553,946
Change in Market Value	(\$16,512)	(\$66,846)	\$302,670	\$71,330	(\$180,015)
Total Dollar Return	\$4,376	\$27,575	\$709,667	\$834,470	\$1,373,931
Total Return³					
Portfolio	0.06%	0.31%	2.41%	1.64%	1.20%
Benchmark ⁴	0.06%	0.03%	2.63%	1.63%	1.18%

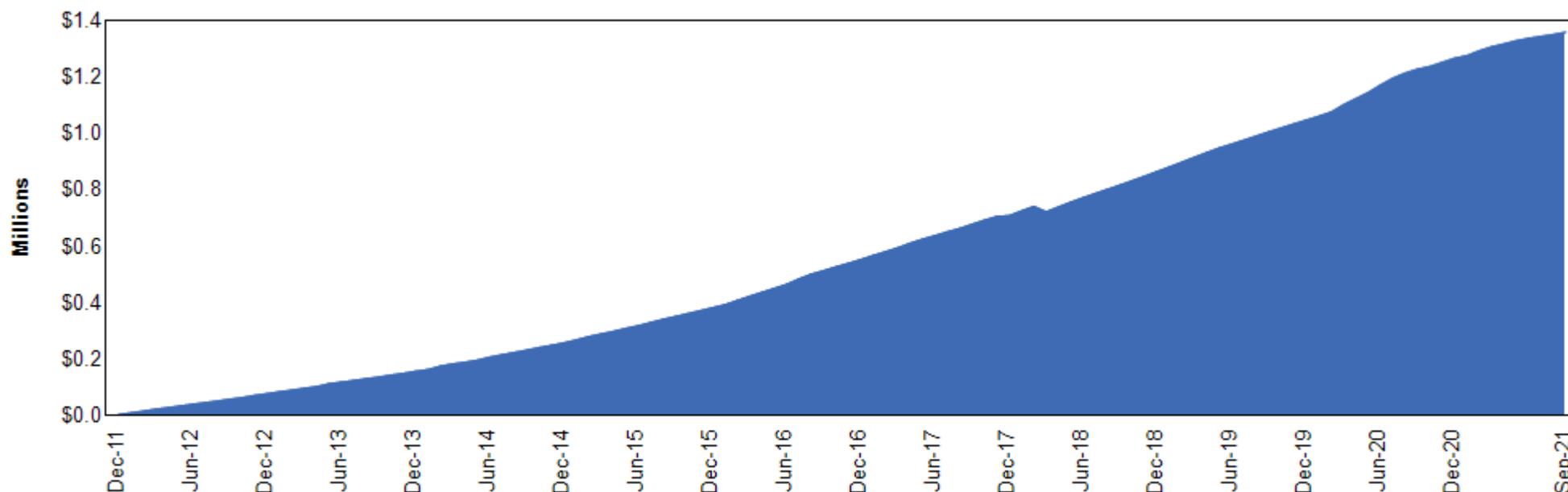
1. The lesser of 10 years or since inception is shown. Performance inception date is December 31, 2011.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury/Agency Index. Source: Bloomberg.

Accrual Basis Earnings



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$20,888	\$94,421	\$406,997	\$763,140	\$1,553,946
Realized Gains / (Losses) ³	\$3,541	\$49,167	\$127,581	\$64,258	\$141,584
Change in Amortized Cost	(\$2,797)	(\$12,474)	\$5,964	\$16,868	(\$341,392)
Total Earnings	\$21,632	\$131,114	\$540,541	\$844,266	\$1,354,138

1. The lesser of 10 years or since inception is shown. Performance inception date is December 31, 2011.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

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 the accuracy, completeness, or suitability of information provided by third party sources. 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 or Bloomberg. 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.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **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 Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **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.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **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.



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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 04/15/2019 2.250% 04/15/2022	9128286M7	125,000.00	AA+	Aaa	10/17/19	10/17/19	126,992.19	1.60	1,298.67	125,428.62	126,464.85
US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	9128282P4	320,000.00	AA+	Aaa	10/25/19	10/29/19	322,000.00	1.64	1,010.87	320,602.39	324,750.02
US TREASURY NOTES DTD 08/31/2017 1.625% 08/31/2022	9128282S8	525,000.00	AA+	Aaa	10/17/19	10/17/19	525,758.79	1.57	730.58	525,241.60	532,300.76
US TREASURY NOTES DTD 12/31/2020 0.125% 12/31/2022	91282CBD2	100,000.00	AA+	Aaa	01/06/21	01/07/21	99,964.84	0.14	31.59	99,977.82	99,984.38
US TREASURY NOTES DTD 01/31/2021 0.125% 01/31/2023	91282CBG5	125,000.00	AA+	Aaa	02/02/21	02/03/21	125,029.30	0.11	26.32	125,019.63	124,960.94
US TREASURY NOTES DTD 03/31/2021 0.125% 03/31/2023	91282CBU4	1,000,000.00	AA+	Aaa	07/21/21	07/21/21	999,218.75	0.17	3.43	999,309.77	999,062.50
US TREASURY N/B NOTES DTD 06/30/2021 0.125% 06/30/2023	91282CCK5	1,000,000.00	AA+	Aaa	07/21/21	07/21/21	998,515.63	0.20	315.90	998,666.37	998,281.20
US TREASURY NOTES DTD 11/15/2020 0.250% 11/15/2023	91282CAW1	250,000.00	AA+	Aaa	12/01/20	12/03/20	250,234.38	0.22	236.07	250,168.66	249,648.45
US TREASURY NOTES DTD 12/15/2020 0.125% 12/15/2023	91282CBA8	175,000.00	AA+	Aaa	04/29/21	04/30/21	174,316.41	0.27	64.55	174,426.18	174,179.69
US TREASURY NOTES DTD 01/15/2021 0.125% 01/15/2024	91282CBE0	350,000.00	AA+	Aaa	02/02/21	02/03/21	349,439.45	0.18	92.73	349,564.48	348,140.63
US TREASURY NOTES DTD 01/15/2021 0.125% 01/15/2024	91282CBE0	1,000,000.00	AA+	Aaa	07/21/21	07/21/21	995,976.56	0.29	264.95	996,295.60	994,687.50
US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024	91282CBM2	325,000.00	AA+	Aaa	03/01/21	03/03/21	323,590.82	0.27	51.89	323,867.69	323,171.88
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	100,000.00	AA+	Aaa	04/01/21	04/05/21	104,964.84	0.37	836.96	104,172.06	104,062.50
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	28,000.00	AA+	Aaa	06/22/21	06/24/21	27,837.03	0.45	20.66	27,851.87	27,842.50



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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 N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	72,000.00	AA+	Aaa	06/17/21	06/18/21	71,631.56	0.42	53.11	71,666.95	71,595.00
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	70,000.00	AA+	Aaa	08/05/21	08/09/21	69,991.80	0.38	55.64	69,992.21	69,803.12
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	125,000.00	AA+	Aaa	08/04/21	08/06/21	125,146.48	0.33	99.35	125,138.84	124,648.44
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	500,000.00	AA+	Aaa	07/21/21	07/21/21	500,000.00	0.38	397.42	500,000.00	498,593.75
US TREASURY N/B NOTES DTD 08/15/2021 0.375% 08/15/2024	91282CCT6	450,000.00	AA+	Aaa	09/01/21	09/03/21	449,507.81	0.41	215.52	449,520.61	448,453.13
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	75,000.00	AA+	Aaa	05/04/21	05/05/21	77,718.75	0.45	470.79	77,401.03	77,203.13
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	50,000.00	AA+	Aaa	06/02/21	06/07/21	51,855.47	0.42	252.05	51,686.26	51,468.75
US TREASURY NOTES DTD 11/30/2019 1.500% 11/30/2024	912828YV6	275,000.00	AA+	Aaa	07/01/21	07/07/21	283,593.75	0.57	1,386.27	282,998.69	283,078.13
Security Type Sub-Total		7,040,000.00					7,053,284.61	0.46	7,915.32	7,048,997.33	7,052,381.25
Supra-National Agency Bond / Note											
AFRICAN DEVELOPMENT BANK SUPRANATL DTD 04/03/2020 0.750% 04/03/2023	008281BC0	80,000.00	AAA	Aaa	03/26/20	04/03/20	79,888.80	0.80	296.67	79,944.25	80,586.32
INTL BK OF RECON AND DEV NOTE DTD 04/20/2021 0.125% 04/20/2023	459058JV6	70,000.00	AAA	Aaa	04/13/21	04/20/21	69,855.10	0.23	39.13	69,887.65	69,887.58
INTER-AMERICAN DEVEL BK NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	50,000.00	AAA	Aaa	04/17/20	04/24/20	49,983.00	0.51	88.19	49,990.93	50,204.90
ASIAN DEVELOPMENT BANK NOTES DTD 07/14/2020 0.250% 07/14/2023	045167EV1	100,000.00	AAA	Aaa	07/07/20	07/14/20	99,833.00	0.31	53.47	99,900.72	99,930.40
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	70,000.00	AAA	Aaa	11/17/20	11/24/20	69,849.50	0.32	61.74	69,892.24	69,866.93



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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 06/09/2021 0.375% 06/11/2024	045167FE8	190,000.00	AAA	Aaa	06/02/21	06/09/21	189,886.00	0.40	221.67	189,897.84	189,294.53
INTER-AMERICAN DEVEL BK NOTES	DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	145,000.00	AAA	Aaa	09/15/21	09/23/21	144,892.70	0.52	16.11	144,893.48	144,768.15
Security Type Sub-Total			705,000.00					704,188.10	0.44	776.98	704,407.11	704,538.81
Federal Agency Bond / Note												
FEDERAL FARM CREDIT BANK NOTES	DTD 06/02/2020 0.250% 06/02/2022	3133ELE75	200,000.00	AA+	Aaa	06/03/20	06/04/20	199,865.20	0.28	165.28	199,954.82	200,178.40
FREDDIE MAC NOTES	DTD 06/08/2020 0.250% 06/08/2022	3134GVJ66	175,000.00	AA+	Aaa	06/10/20	06/11/20	174,959.75	0.26	137.33	174,986.16	175,159.95
FREDDIE MAC NOTES	DTD 07/23/2020 0.125% 07/25/2022	3137EAET2	135,000.00	AA+	Aaa	07/21/20	07/23/20	134,694.90	0.24	30.94	134,876.21	134,998.25
FEDERAL HOME LOAN BANKS NOTES	DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	125,000.00	AA+	Aaa	02/20/20	02/21/20	124,770.00	1.44	210.07	124,893.85	127,021.00
FREDDIE MAC NOTES	DTD 04/20/2020 0.375% 04/20/2023	3137EAE08	225,000.00	AA+	Aaa	04/17/20	04/20/20	224,437.50	0.46	377.34	224,709.25	225,542.93
FREDDIE MAC NOTES	DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	125,000.00	AA+	Aaa	06/03/20	06/04/20	125,100.00	0.35	190.10	125,054.55	125,289.75
FREDDIE MAC NOTES	DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	190,000.00	AA+	Aaa	05/05/20	05/07/20	189,920.20	0.39	288.96	189,957.58	190,440.42
FANNIE MAE NOTES	DTD 05/22/2020 0.250% 05/22/2023	3135G04O3	125,000.00	AA+	Aaa	06/03/20	06/04/20	124,595.00	0.36	111.98	124,776.16	125,042.50
FANNIE MAE NOTES	DTD 05/22/2020 0.250% 05/22/2023	3135G04O3	225,000.00	AA+	Aaa	05/20/20	05/22/20	224,322.75	0.35	201.56	224,630.14	225,076.50
FREDDIE MAC NOTES	DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	225,000.00	AA+	Aaa	06/24/20	06/26/20	224,343.00	0.35	148.44	224,620.20	225,041.85



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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											
FANNIE MAE NOTES DTD 07/10/2020 0.250% 07/10/2023	3135G05G4	190,000.00	AA+	Aaa	07/08/20	07/10/20	189,591.50	0.32	106.88	189,758.63	190,019.00
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	225,000.00	AA+	Aaa	08/19/20	08/21/20	224,770.50	0.28	57.81	224,855.36	224,938.80
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	95,000.00	AA+	Aaa	09/02/20	09/04/20	95,017.35	0.24	15.17	95,011.16	94,937.02
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	155,000.00	AA+	Aaa	09/02/20	09/04/20	154,948.85	0.26	24.76	154,967.09	154,897.23
FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023	3135G06H1	175,000.00	AA+	Aaa	11/23/20	11/25/20	174,800.50	0.29	150.69	174,856.88	174,720.70
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	165,000.00	AA+	Aaa	12/02/20	12/04/20	164,836.65	0.28	134.06	164,881.55	164,662.91
Security Type Sub-Total		2,755,000.00					2,750,973.65	0.37	2,351.37	2,752,789.59	2,757,967.21
Corporate Note											
CITIGROUP INC DTD 11/04/2019 2.312% 11/04/2022	17308CC46	40,000.00	BBB+	A3	10/28/19	11/04/19	40,000.00	2.31	377.63	40,000.00	40,045.68
TORONTO-DOMINION BANK DTD 10/10/2019 1.900% 12/01/2022	89114OCD8	40,000.00	A	A1	10/17/19	10/21/19	39,786.80	2.08	253.33	39,920.12	40,733.16
ROYAL BANK OF CANADA DTD 01/17/2020 1.950% 01/17/2023	78015K7D0	45,000.00	A	A2	01/13/20	01/17/20	44,972.55	1.97	180.38	44,988.15	45,900.00
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 01/28/2020 1.850% 01/27/2023	06406RAM9	45,000.00	A	A1	01/21/20	01/28/20	44,968.50	1.87	148.00	44,986.11	45,868.59
ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	35,000.00	A+	A2	01/23/20	02/03/20	34,991.95	1.71	99.17	34,996.41	35,658.25
PACCAR FINANCIAL CORP NOTE DTD 11/07/2019 1.900% 02/07/2023	69371RQ41	50,000.00	A+	A1	10/31/19	11/07/19	49,997.50	1.90	142.50	49,998.96	51,024.05



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For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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											
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	50,000.00	AA	A1	03/04/20	03/06/20	51,920.00	1.08	130.00	50,902.38	51,389.05
EXXON MOBIL CORPORATION CORP NOTES DTD 03/03/2016 2.726% 03/01/2023	30231GAR3	50,000.00	AA-	Aa2	02/26/20	03/02/20	51,786.00	1.50	113.58	50,842.39	51,503.95
JOHN DEERE CAPITAL CORP CORP NOTES DTD 03/09/2020 1.200% 04/06/2023	24422EVE6	25,000.00	A	A2	03/04/20	03/09/20	24,994.00	1.21	145.83	24,997.05	25,331.98
PEPSICO INC CORPORATE NOTES DTD 05/01/2020 0.750% 05/01/2023	713448EY0	25,000.00	A+	A1	04/29/20	05/01/20	24,950.50	0.82	78.13	24,973.92	25,198.43
AMERICAN HONDA FINANCE DTD 01/10/2020 1.950% 05/10/2023	02665WDH1	40,000.00	A-	A3	01/07/20	01/10/20	39,985.20	1.96	305.50	39,992.87	40,948.56
BP CAP MARKETS AMERICA CORP BONDS DTD 12/14/2018 2.750% 05/10/2023	10373OAL4	50,000.00	A-	A2	02/26/20	02/28/20	51,725.00	1.64	538.54	50,866.20	51,851.90
CHEVRON CORP CORPORATE NOTES DTD 05/11/2020 1.141% 05/11/2023	166764BV1	25,000.00	AA-	Aa2	05/07/20	05/11/20	25,000.00	1.14	110.93	25,000.00	25,348.30
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	30,000.00	AA+	Aa1	05/04/20	05/11/20	29,918.40	0.84	87.50	29,956.26	30,220.41
GENERAL DYNAMICS CORP NOTES DTD 05/11/2018 3.375% 05/15/2023	369550BD9	35,000.00	A-	A2	05/08/20	05/12/20	37,454.20	1.00	446.25	36,289.14	36,619.73
CHEVRON CORP DTD 06/24/2013 3.191% 06/24/2023	166764AH3	50,000.00	AA-	Aa2	02/25/20	02/27/20	52,536.50	1.62	429.90	51,319.48	52,112.65
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/11/2020 0.350% 08/11/2023	69371RO90	20,000.00	A+	A1	08/04/20	08/11/20	19,973.80	0.39	9.72	19,983.75	19,991.88
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 05/26/2020 1.350% 08/25/2023	89236THA6	25,000.00	A+	A1	05/20/20	05/26/20	24,990.75	1.36	33.75	24,994.60	25,467.30
BANK OF MONTREAL CORPORATE NOTES DTD 09/15/2021 0.400% 09/15/2023	06368FAA7	25,000.00	A-	A2	09/09/21	09/15/21	24,979.00	0.44	4.44	24,979.46	25,005.20



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For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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											
SHELL INTERNATIONAL FIN CORPORATE NOTES DTD 09/15/2020 0.375% 09/15/2023	822582CJ9	40,000.00	A+	Aa2	09/10/20	09/15/20	39,902.40	0.46	6.67	39,936.36	40,004.44
GLAXOSMITHKLINE CAPITAL CORPORATE NOTES DTD 10/01/2020 0.534% 10/01/2023	377373AL9	20,000.00	A	A2	09/28/20	10/01/20	20,000.00	0.53	53.40	20,000.00	20,040.96
ROYAL BANK OF CANADA CORPORATE NOTES DTD 10/26/2020 0.500% 10/26/2023	78015K7J7	35,000.00	A	A2	10/21/20	10/26/20	34,978.30	0.52	75.35	34,985.04	34,979.04
BRISTOL-MYERS SQUIBB CO (CALLABLE) CORP DTD 11/13/2020 0.537% 11/13/2023	110122DT2	45,000.00	A+	A2	11/09/20	11/13/20	45,000.00	0.54	92.63	45,000.00	45,005.22
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 11/19/2020 0.627% 11/17/2023	38141GXL3	30,000.00	BBB+	A2	11/16/20	11/19/20	30,000.00	0.63	70.02	30,000.00	30,038.58
BANK OF MONTREAL CORPORATE NOTES DTD 12/08/2020 0.450% 12/08/2023	06368EA36	40,000.00	A-	A2	12/03/20	12/08/20	39,974.00	0.47	56.50	39,981.05	39,991.96
CANADIAN IMPERIAL BANK CORPORATE NOTES DTD 12/14/2020 0.500% 12/14/2023	13607GRS5	50,000.00	BBB+	A2	12/07/20	12/14/20	49,974.50	0.52	74.31	49,981.28	49,951.65
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 03/04/2021 0.450% 01/17/2024	24422EVN6	40,000.00	A	A2	03/01/21	03/04/21	39,971.60	0.48	37.00	39,977.31	39,769.64
WELLS FARGO BANK NA CORP NOTES DTD 01/24/2019 3.750% 01/24/2024	95000U2C6	25,000.00	BBB+	A1	08/07/20	08/11/20	27,493.00	0.82	174.48	26,670.57	26,720.58
GOLDMAN SACHS CORP NOTES DTD 03/03/2014 4.000% 03/03/2024	38141GVM3	35,000.00	BBB+	A2	01/21/21	01/25/21	38,554.25	0.69	108.89	37,773.13	37,706.17
TORONTO-DOMINION BANK CORPORATE NOTES DTD 03/04/2021 0.550% 03/04/2024	89114QCQ9	45,000.00	A	A1	03/01/21	03/04/21	44,959.95	0.58	18.56	44,967.66	44,866.08



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

Security Type/Description	S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market		
Dated Date/Coupon/Maturity	Par	Rating	Rating	Date	Cost	at Cost	Interest	Cost	Value		
CUSIP											
Corporate Note											
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	30,000.00	A	A2	03/16/21	03/18/21	29,985.00	0.77	8.13	29,987.70	30,109.05
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 04/22/2021 0.731% 04/05/2024	61772BAA1	20,000.00	BBB+	A1	04/19/21	04/22/21	20,000.00	0.73	64.57	20,000.00	20,051.26
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCRO	30,000.00	A-	A3	05/07/20	05/11/20	32,867.70	1.20	511.83	31,830.10	32,248.71
BANK OF NOVA SCOTIA CORPORATE NOTES DTD 04/19/2021 0.700% 04/15/2024	0641593X2	45,000.00	A-	A2	04/14/21	04/19/21	44,989.20	0.71	141.75	44,990.83	44,961.30
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	85,000.00	AA	A1	05/10/21	05/12/21	84,875.90	0.50	147.69	84,891.98	84,830.34
UNITEDHEALTH GROUP INC (CALLABLE) CORP N DTD 05/19/2021 0.550% 05/15/2024	91324PEB4	35,000.00	A+	A3	05/17/21	05/19/21	34,963.60	0.59	70.58	34,968.10	34,873.65
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/17/2021 0.450% 05/17/2024	14913R2L0	50,000.00	A	A2	05/10/21	05/17/21	49,933.00	0.50	83.75	49,941.38	49,806.70
JPMORGAN CHASE & CO CORPORATE NOTES DTD 05/27/2020 1.514% 06/01/2024	46647PBO8	50,000.00	A-	A2	05/19/20	05/27/20	50,000.00	1.51	252.33	50,000.00	50,815.25
WELLS FARGO & COMPANY CORPORATE NOTES DTD 06/02/2020 1.654% 06/02/2024	95000U2R3	40,000.00	BBB+	A1	05/26/20	06/02/20	40,000.00	1.65	218.70	40,000.00	40,746.12
BANK OF MONTREAL CHICAGO CORP NOTES DTD 07/09/2021 0.625% 07/09/2024	06367TQW3	30,000.00	A-	A2	07/06/21	07/12/21	29,953.80	0.68	42.71	29,957.22	29,869.50
BANK OF AMERICA CORP NOTES DTD 07/23/2018 3.864% 07/23/2024	06051GHL6	35,000.00	A-	A2	09/28/20	10/01/20	37,945.25	1.58	255.45	37,189.29	37,012.26



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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											
BRISTOL MYERS SQUIBB CO CORP NOTES (CALL DTD 01/26/2020 2.900% 07/26/2024	110122CM8	16,000.00	A+	A2	10/05/20	10/07/20	17,323.04	0.69	83.78	16,973.28	16,990.51
BANK OF NOVA SCOTIA CORPORATE NOTES DTD 08/03/2021 0.650% 07/31/2024	0641596E1	45,000.00	A-	A2	07/27/21	08/03/21	44,959.95	0.68	47.13	44,962.11	44,843.90
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 09/09/2021 0.750% 08/09/2024	02665WDY4	45,000.00	A-	A3	09/07/21	09/09/21	44,970.30	0.77	20.63	44,970.91	45,003.83
TORONTO-DOMINION BANK CORPORATE NOTES DTD 09/10/2021 0.700% 09/10/2024	89114TZE5	50,000.00	A	A1	09/07/21	09/10/21	49,960.00	0.73	20.42	49,960.77	49,762.45
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 09/13/2021 0.625% 09/13/2024	89236TJN6	30,000.00	A+	A1	09/08/21	09/13/21	29,985.90	0.64	9.38	29,986.13	29,925.72
BANK OF AMERICA CORP (CALLABLE) CORPORAT DTD 10/21/2020 0.810% 10/24/2024	06051GJH3	45,000.00	A-	A2	10/16/20	10/21/20	45,000.00	0.81	158.96	45,000.00	45,173.39
MERCK & CO INC CORP NOTES DTD 02/10/2015 2.750% 02/10/2025	58933YAR6	20,000.00	A+	A1	03/09/21	03/11/21	21,356.00	0.98	77.92	21,149.56	21,170.06
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	45,000.00	A+	A1	09/23/21	09/27/21	46,246.95	0.96	108.00	46,242.91	46,179.00
JPMORGAN CHASE & CO CORP NOTES (CALLABLE DTD 02/16/2021 0.563% 02/16/2025	46647PBY1	20,000.00	A-	A2	02/09/21	02/16/21	20,000.00	0.56	14.08	20,000.00	19,899.80
EXXON MOBIL CORP CORPORATE NT (CALLABLE) DTD 03/06/2015 2.709% 03/06/2025	30231GAF9	20,000.00	AA-	Aa2	03/26/21	03/30/21	21,238.40	1.10	37.63	21,068.32	21,092.36



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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											
BURLINGTN NORTH SANTA FE CORP NOTES (CAL) DTD 03/09/2015 3.000% 04/01/2025	12189LAV3	20,000.00	AA-	A3	03/05/21	03/09/21	21,532.60	1.07	300.00	21,306.12	21,329.66
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	25,000.00	A	A1	03/09/21	03/11/21	25,600.00	1.00	174.44	25,516.96	25,497.08
CITIGROUP INC CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	35,000.00	BBB+	A3	04/27/21	05/04/21	35,000.00	0.98	140.20	35,000.00	35,084.67
JPMORGAN CHASE & CO CORPORATE NOTES DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	45,000.00	A-	A2	05/24/21	06/01/21	45,000.00	0.82	123.60	45,000.00	44,822.25
Security Type Sub-Total		2,021,000.00					2,049,425.24	1.04	7,516.55	2,040,153.32	2,051,392.21
Certificate of Deposit											
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	75,000.00	A-1	P-1	07/10/20	07/14/20	75,000.00	0.70	123.96	75,000.00	75,289.43
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	100,000.00	AA-	Aa2	12/04/19	12/06/19	100,000.00	2.03	685.67	100,000.00	102,117.40
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	100,000.00	A+	A1	03/19/21	03/23/21	100,000.00	0.59	314.67	100,000.00	100,299.60
Security Type Sub-Total		275,000.00					275,000.00	1.15	1,124.30	275,000.00	277,706.43
Asset-Backed Security											
GMALT 2020-3 A3 DTD 09/29/2020 0.450% 08/21/2023	362569AC9	25,000.00	AAA	Aaa	09/22/20	09/29/20	24,997.61	0.45	3.44	24,998.44	25,038.96
MBALT 2020-B A3 DTD 09/23/2020 0.400% 11/15/2023	58769EAC2	15,000.00	AAA	NR	09/15/20	09/23/20	14,999.24	0.40	2.67	14,999.49	15,022.37
BMWLT 2021-1 A3 DTD 03/10/2021 0.290% 01/25/2024	05591RAC8	20,000.00	AAA	Aaa	03/02/21	03/10/21	19,999.37	0.29	0.97	19,999.49	20,014.26



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

Security Type/Description	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											
GMALT 2021-1 A3 DTD 02/24/2021 0.260% 02/20/2024	36261RAC2	35,000.00	NR	Aaa	02/17/21	02/24/21	34,996.42	0.26	2.78	34,997.14	34,988.78
GMALT 2021-2 A3 DTD 05/26/2021 0.340% 05/20/2024	380144AC9	35,000.00	AAA	NR	05/18/21	05/26/21	34,994.51	0.35	3.64	34,995.15	34,998.39
NAROT 2020-B A3 DTD 06/30/2020 0.550% 07/15/2024	65479CAD0	40,000.00	AAA	Aaa	06/23/20	06/30/20	39,998.90	0.55	9.78	39,999.24	40,095.62
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	25,000.00	AAA	Aaa	01/21/20	01/29/20	24,997.07	1.85	14.13	24,998.16	25,328.69
JOHN DEERE OWNER TRUST DTD 03/11/2020 1.100% 08/15/2024	47789KAC7	45,000.00	NR	Aaa	03/04/20	03/11/20	44,997.25	1.10	22.00	44,998.22	45,316.41
HDMOT 2020-A A3 DTD 01/29/2020 1.870% 10/15/2024	41284UAD6	19,945.33	AAA	Aaa	01/21/20	01/29/20	19,940.98	1.87	16.58	19,942.52	20,111.94
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	35,000.00	AAA	Aaa	07/21/20	07/27/20	34,997.31	0.44	6.84	34,998.06	35,063.02
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	30,000.00	AAA	NR	09/22/20	09/29/20	29,995.59	0.37	4.01	29,996.68	30,035.54
BMWOT 2020-A A3 DTD 07/15/2020 0.480% 10/25/2024	09661RAD3	30,000.00	AAA	NR	07/08/20	07/15/20	29,997.74	0.48	2.40	29,998.38	30,061.71
JDOT 2020-B A3 DTD 07/22/2020 0.510% 11/15/2024	47787NAC3	25,000.00	NR	Aaa	07/14/20	07/22/20	24,996.19	0.51	5.67	24,997.24	25,050.76
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	30,000.00	AAA	NR	01/14/20	01/22/20	29,994.11	1.89	25.20	29,996.14	30,402.59
HART 2020-B A3 DTD 07/22/2020 0.480% 12/16/2024	44933FAC0	35,000.00	AAA	NR	07/14/20	07/22/20	34,993.45	0.48	7.47	34,995.23	35,057.64
MBART 2020-1 A3 DTD 06/23/2020 0.550% 02/18/2025	58769VAC4	35,000.00	AAA	NR	06/16/20	06/23/20	34,997.27	0.55	8.56	34,998.02	35,096.83
VZOT 2020-B A DTD 08/12/2020 0.470% 02/20/2025	92290BAA9	55,000.00	NR	Aaa	08/04/20	08/12/20	54,988.45	0.47	7.90	54,991.35	55,125.08



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2021**

TOWN OF FOUNTAIN HILLS, OPERATING FUNDS

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											
CARMX 2020-3 A3 DTD 07/22/2020 0.620% 03/17/2025	14315FAD9	30,000.00	AAA	NR	07/14/20	07/22/20	29,994.86	0.62	8.27	29,996.18	30,096.50
GMCAR 2020-3 A3 DTD 08/19/2020 0.450% 04/16/2025	362590AC5	35,000.00	NR	Aaa	08/11/20	08/19/20	34,991.99	0.46	6.56	34,993.91	35,049.11
HART 2020-C A3 DTD 10/28/2020 0.380% 05/15/2025	44891RAC4	25,000.00	AAA	NR	10/20/20	10/28/20	24,994.24	0.39	4.22	24,995.41	25,015.30
WOART 2020-B A3 DTD 06/24/2020 0.630% 05/15/2025	98163WAC0	30,000.00	AAA	NR	06/16/20	06/24/20	29,997.65	0.63	8.40	29,998.26	30,111.26
GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	15,000.00	AAA	NR	10/06/20	10/14/20	14,996.79	0.38	2.38	14,997.43	15,014.62
JDOT 2021-A A3 DTD 03/10/2021 0.360% 09/15/2025	47788UAC6	20,000.00	NR	Aaa	03/02/21	03/10/21	19,996.16	0.36	3.20	19,996.64	19,967.12
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	20,000.00	AAA	NR	04/20/21	04/28/21	19,997.90	0.38	3.38	19,998.10	19,987.36
CNH 2021-A A3 DTD 03/15/2021 0.400% 12/15/2025	12598AAC4	20,000.00	AAA	NR	03/09/21	03/15/21	19,995.32	0.41	3.56	19,995.86	19,953.13
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314OAC8	25,000.00	AAA	NR	04/13/21	04/21/21	24,994.61	0.52	5.78	24,995.11	25,039.86
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	45,000.00	AAA	Aaa	07/21/21	07/28/21	44,992.60	0.55	11.00	44,992.87	44,961.20
Security Type Sub-Total		799,945.33					799,833.58	0.63	200.79	799,858.72	802,004.05
Managed Account Sub-Total		13,595,945.33					13,632,705.18	0.55	19,885.31	13,621,206.07	13,645,989.96
Securities Sub-Total		\$13,595,945.33					\$13,632,705.18	0.55%	\$19,885.31	\$13,621,206.07	\$13,645,989.96
Accrued Interest											\$19,885.31
Total Investments											\$13,665,875.27



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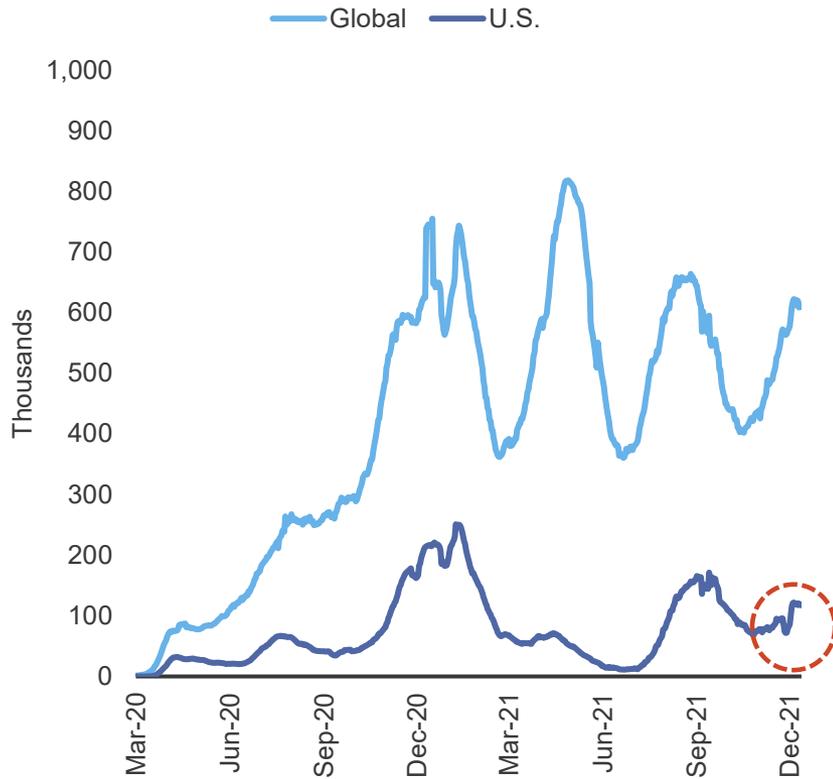


Economic Update

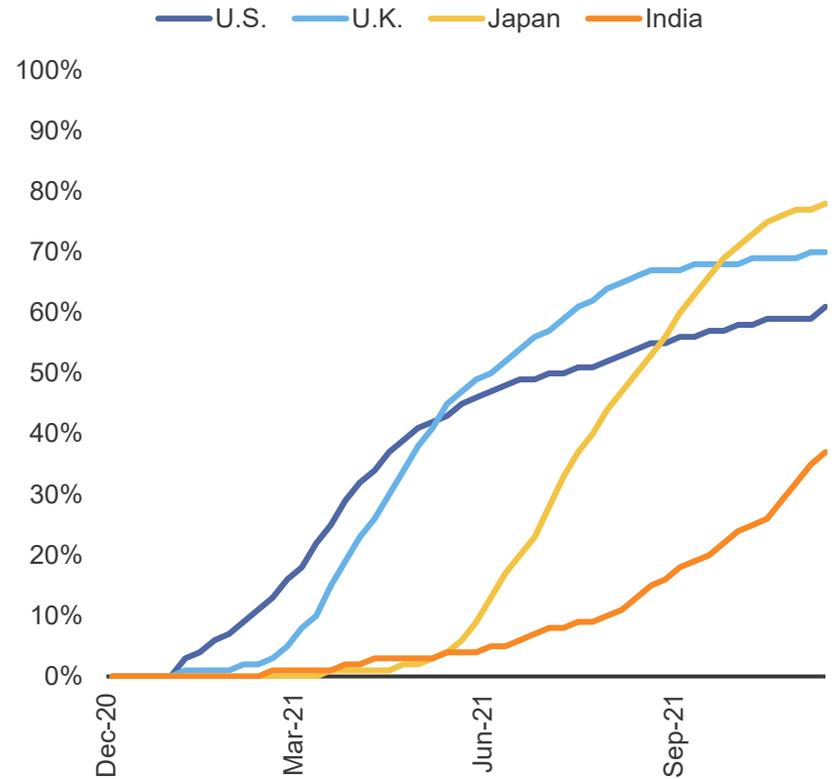


COVID Improvement Halts; Omicron Variant Detected in 17 U.S. States

U.S. New Cases Reported Daily 7-Day Moving Average



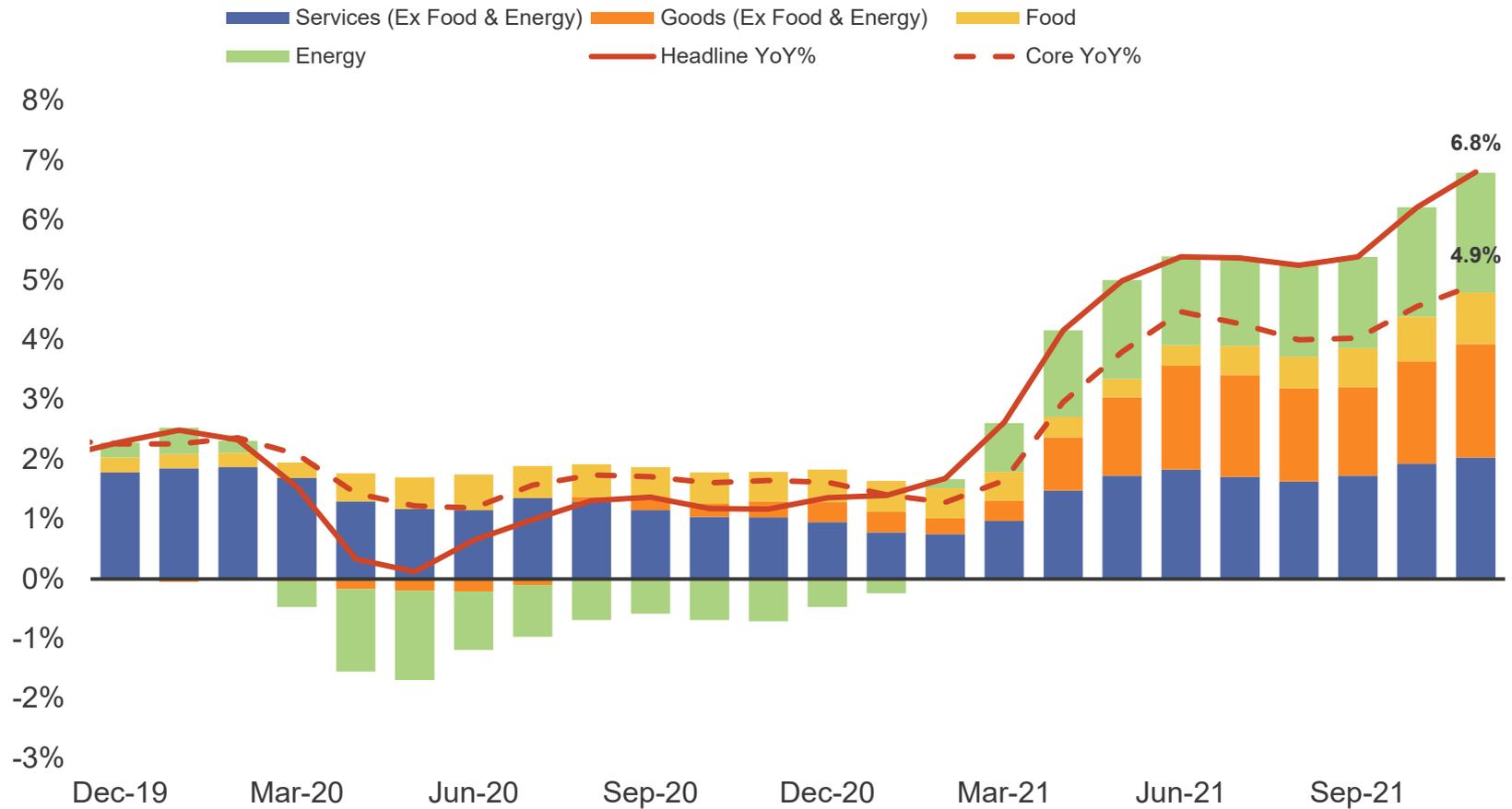
Share of Population Fully Vaccinated



Source: Bloomberg, John Hopkins University Coronavirus Resource Center, as of 12/13/2021.

Most CPI Components Rose Year-over-Year

Top-Line Contributions and CPI YoY



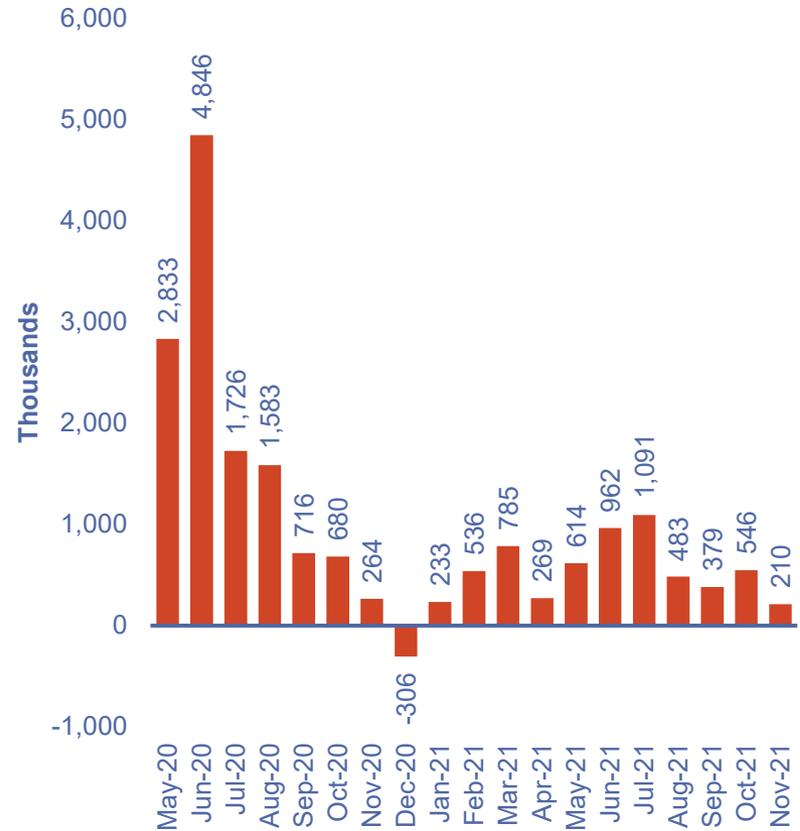
Source: Bloomberg, as of November 2021.

Hiring Slows in November; Unemployment Falls to 4.2%

Unemployment Rate



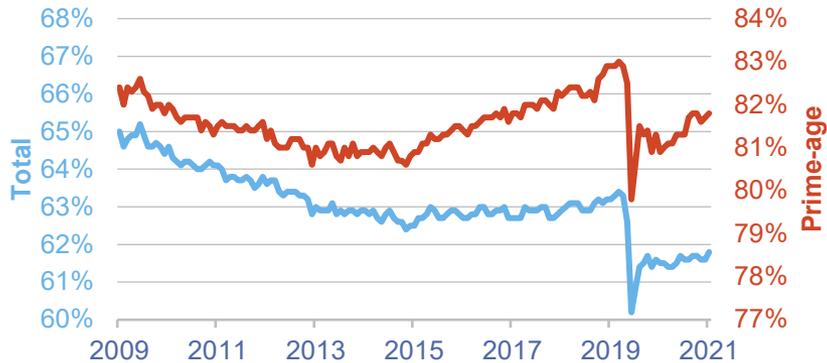
Monthly Change In Nonfarm Payrolls



Source: Bloomberg, as of November 2021. Data is seasonally adjusted.

Employment Indicators

Labor Force Participation Rate



U-6 Underemployment Rate



Average Hourly Earnings (YoY %)

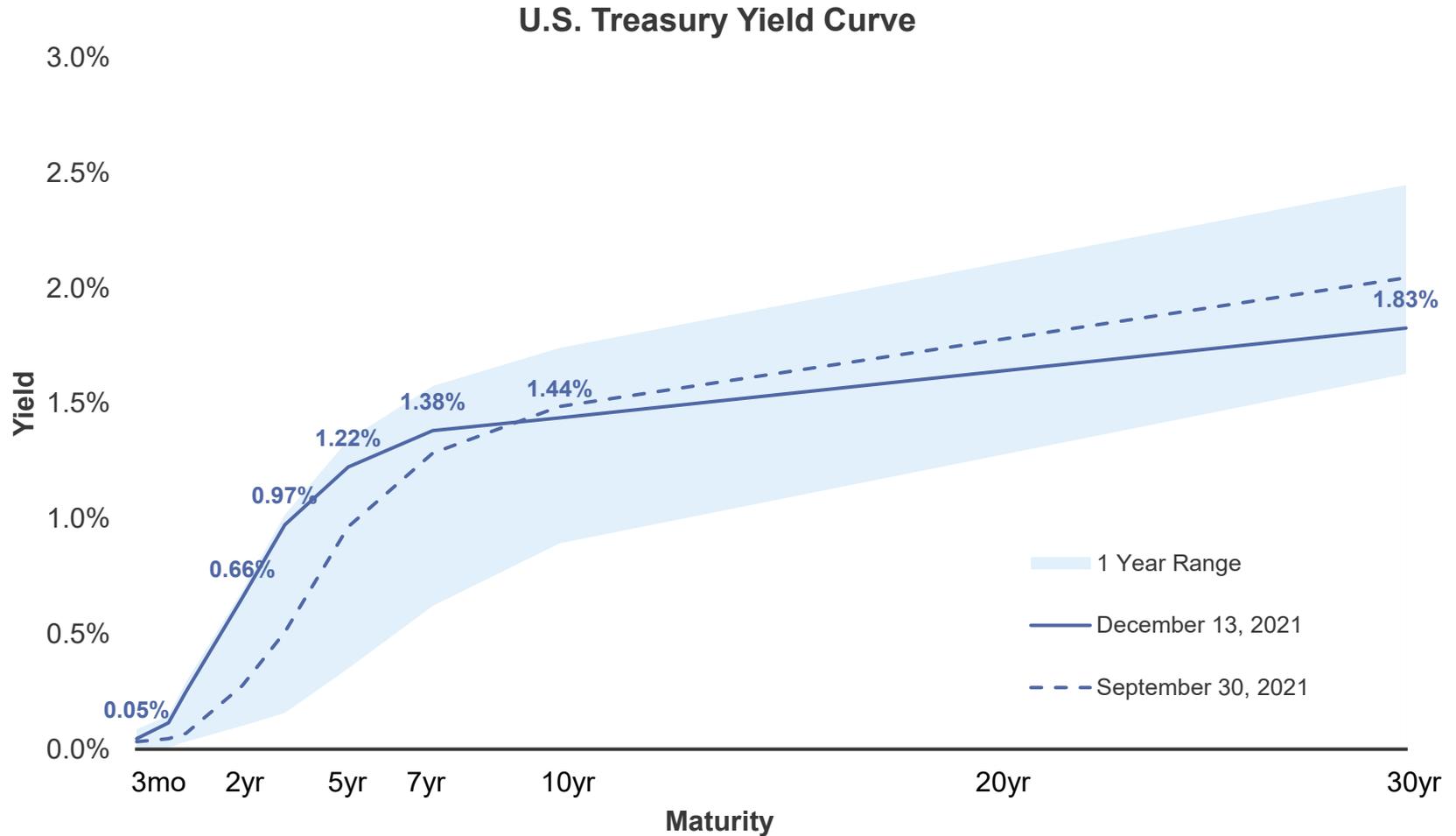


Total Private Sector Average Weekly Hours



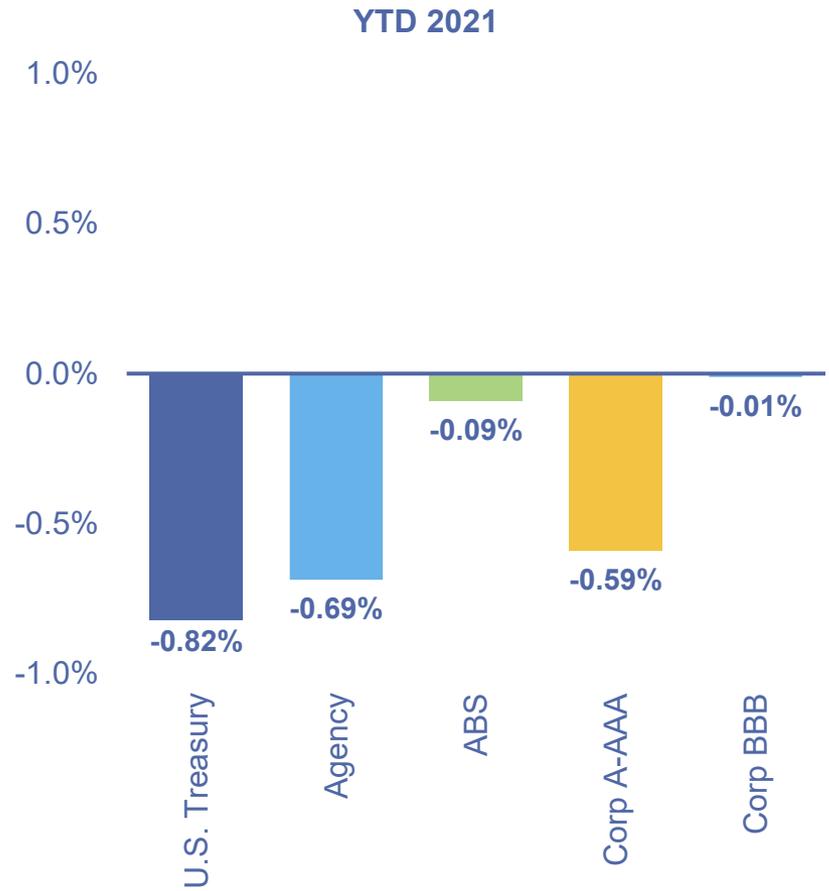
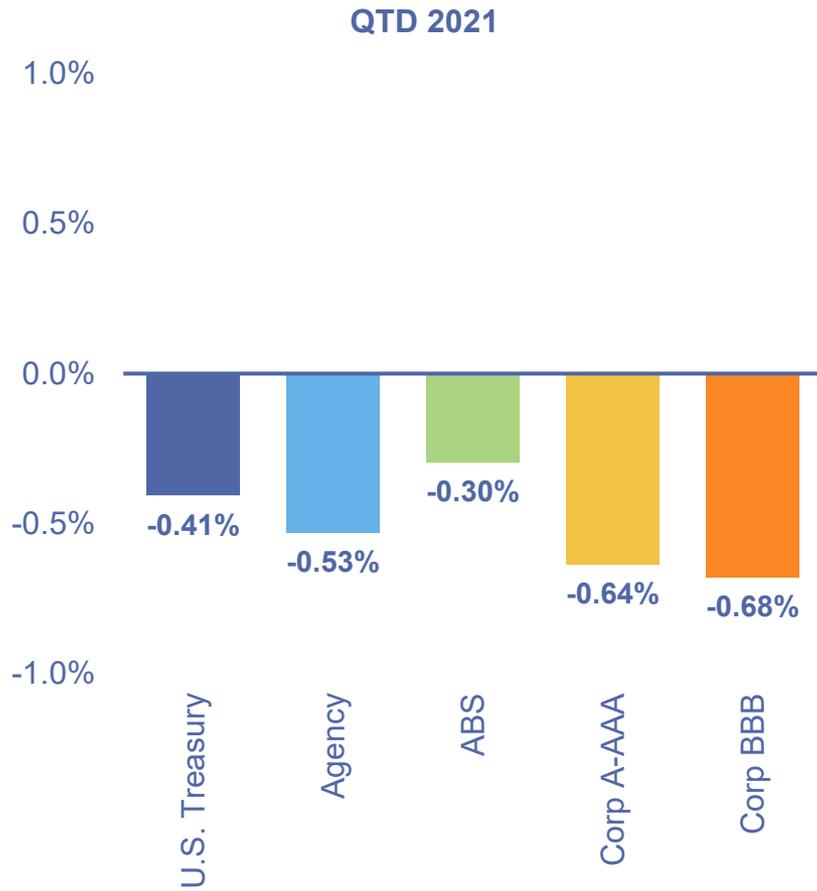
Source: Bloomberg, as of November 2021. BLS defines "prime-age" as individuals ranging from 25 – 54 years of age.

Treasury Yield Curve Continues to Bear-Flatten



Source: Bloomberg, as of 12/13/2021.

Rising Rates Hurt Fixed-Income Returns in November



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 11/30/2021.

Stock Market Rebounds from Omicron Sell-Off



Source: Bloomberg, as of 12/13/2021.

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