



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Assistant City Manager

AGENDA DATE: February 2, 2021

TITLE: RECEIPT OF QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2020

RECOMMENDED ACTION

Recommendations:

1. Receive and file the Quarterly Investment Report for quarter ended December 31, 2020, in compliance with the City's Investment Policy.

SUMMARY

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended December 31, 2020. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. It is recommended that the City Council receive and file the attached Quarterly Investment Report.

DISCUSSION

The City maintains a portfolio of investments in order to earn interest on cash balances that are not currently required to fund operations. California Government Code Sections 53601 and 53646 establish the types of investments allowed, the governing restrictions on these investments, the third-party custodian arrangement for certain investments, and the reporting practices related to the portfolios of local agencies. In keeping with best practices the City has implemented an Investment Policy, which was last reviewed by the City Council on April 7, 2020. The policy is in full compliance with the requirements of both of the above-mentioned Code Sections.

The attached Quarterly Investment Report presents the City’s cash and investments for the quarter that ended December 31, 2020. The report complies with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City’s Investment Policy and Government Code Section 53601 as to the types of investments allowed. As stated in the attached report, there is more than adequate liquidity within the portfolio for the City to meet its budgeted expenditures over the next six months.

The City’s investment policy has set the primary goals of the portfolio management as Safety and Liquidity followed by Yield. The City’s cash flow requirements are evaluated on an ongoing basis, with short-term needs accommodated through the City’s pooled investment funds with the Local Agency Investment Fund (LAIF). LAIF is a pool of public funds managed by the State Treasurer of California, providing 24-hour liquidity while yielding a rate of return approximately equivalent to a one-year treasury bill. With the combined use of a conservative approach to evaluating cash flow needs and LAIF liquidity, the City will not have to liquidate securities at current market rates that are intended to be held for longer-term investment.

The table shows some of the key portfolio measures for the month.

	Portfolio Balance	Avg. Yield to Maturity Trends		
		Dec 2020	Nov 2020	Dec 2019
Investments	\$162,067,058	1.75%	1.79%	2.12 %
LAIF	\$56,542,648	0.540%	0.576%	2.043%

Bond proceeds are held and invested by a Trustee. The investment of these funds is governed by an investment policy approved by the City Council as a part of the governing documents for each specific bond issue. Deferred Compensation Plan funds are not included in the report since these funds are held and invested by the respective plan administrators based on the direction of the participating employees. These funds are placed in a trust separate from City funds.

ALTERNATIVES

1. Receive and file the Quarterly Investment Report for December 31, 2020. **Staff recommends this alternative as it accomplishes timely investment reporting.**
2. Do not accept and file the Quarterly Investment Report and provide staff with additional direction. **Staff does not recommend this alternative as it will not accomplish timely investment reporting.**

FISCAL IMPACT

For additional information regarding the bond market, please see the attached Bond Market Review provided by Chandler Asset Management.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Assistant City Manager/Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

1. 2020-12 Investment Report

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	1/20/21 10:07 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	1/22/21 11:29 AM

RESULT:	APPROVED BY CONSENT VOTE [UNANIMOUS]
MOVER:	Victoria Baca, Mayor Pro Tem
SECONDER:	Ulises Cabrera, Council Member
AYES:	Dr. Yxstian A. Gutierrez, Victoria Baca, David Marquez, Ulises Cabrera

CITY OF MORENO VALLEY

Treasurer's Cash and Investments Report

December 2020

General Portfolio	Cost Value	Market Value	Par Value	Average Maturity (in years)	Average Yield to Maturity	Average Duration (in years)
Bank Accounts	4,098,243	4,098,243	4,098,243			
State of California LAIF Pool	56,542,648	56,671,074	56,542,648	0.46	0.54%	
Investments	163,318,928	168,326,323	162,067,058	2.62	1.75%	2.54
Total General Portfolio	223,959,819	229,095,640	222,707,949			
Total Funds with Fiscal Agents		9,572,534				
Total Investment Portfolio		238,668,174				

1. I hereby certify that the investments are in compliance with the investment policy adopted by the City Council. There are no items of non-compliance for this period.
2. The market values for the investments in the General Portfolio are provided by the City's investment advisors.
3. The market value for LAIF is provided by the State Treasurer's Office.
4. The market values for investments held by fiscal agents are provided by each respective trustee or fiscal agent.
5. The City has the ability to meet its budgeted expenditures for the next six months pending any future action by City Council or any unforeseen catastrophic event.

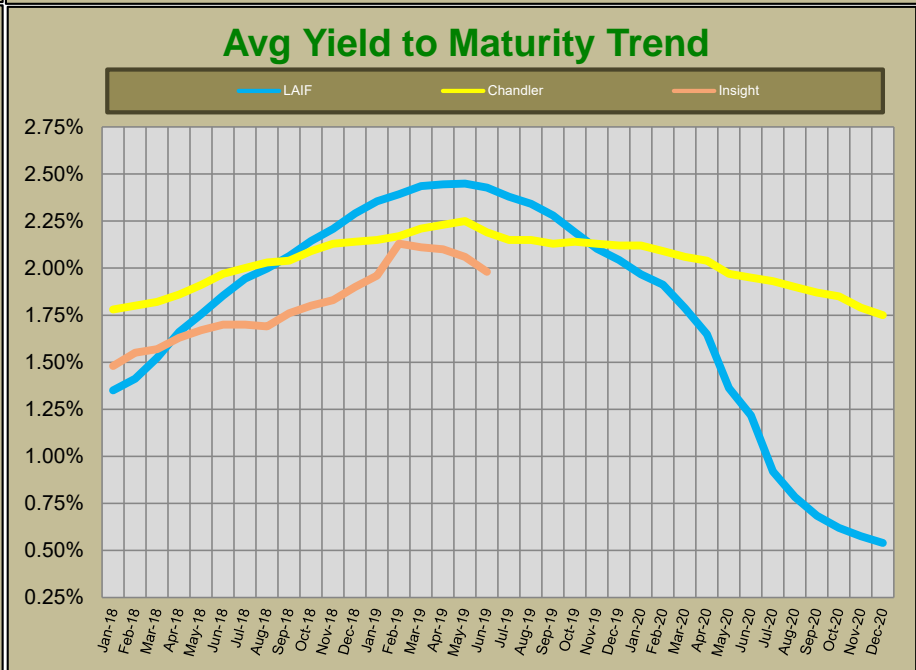
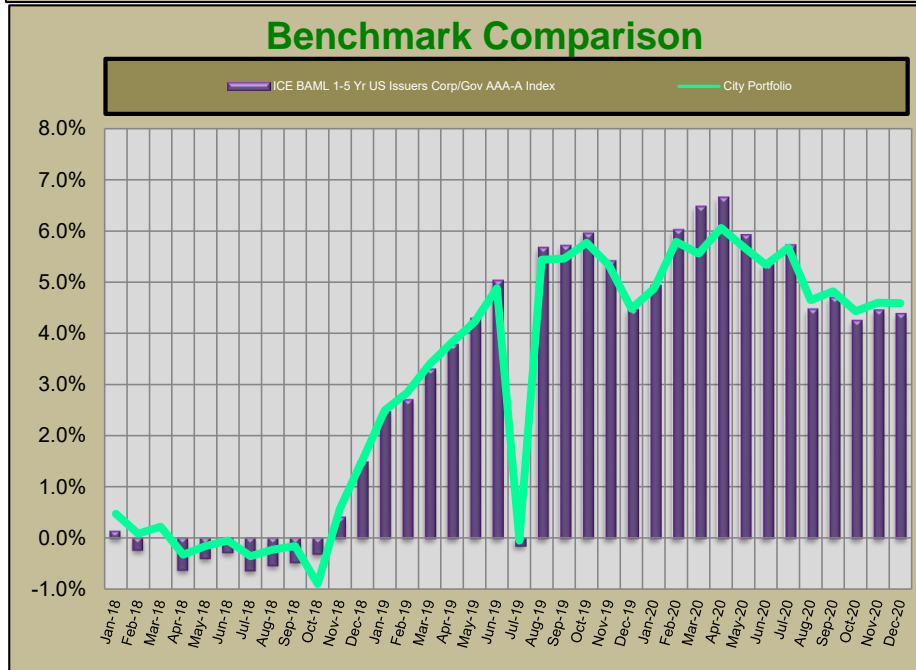
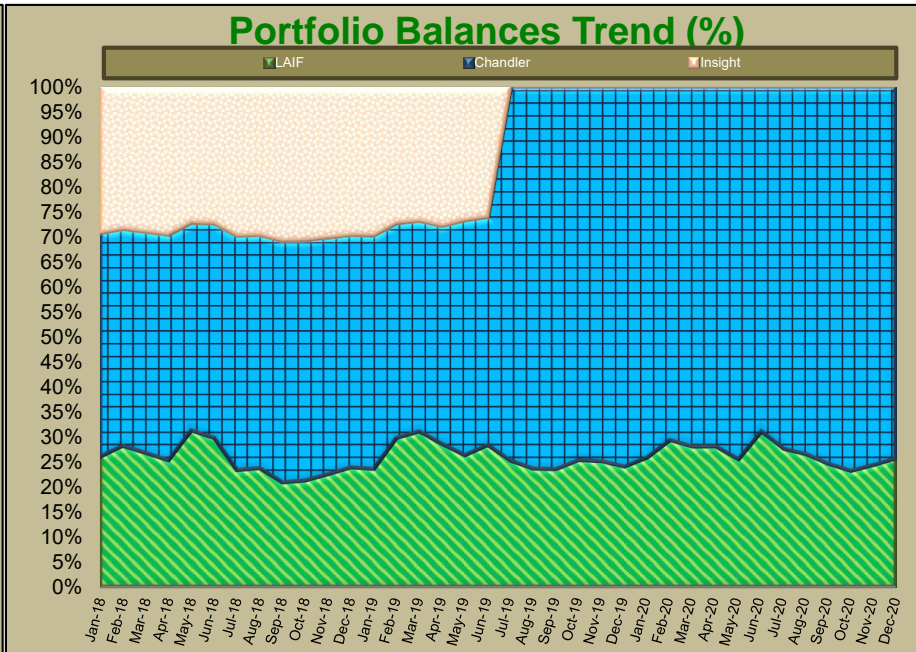
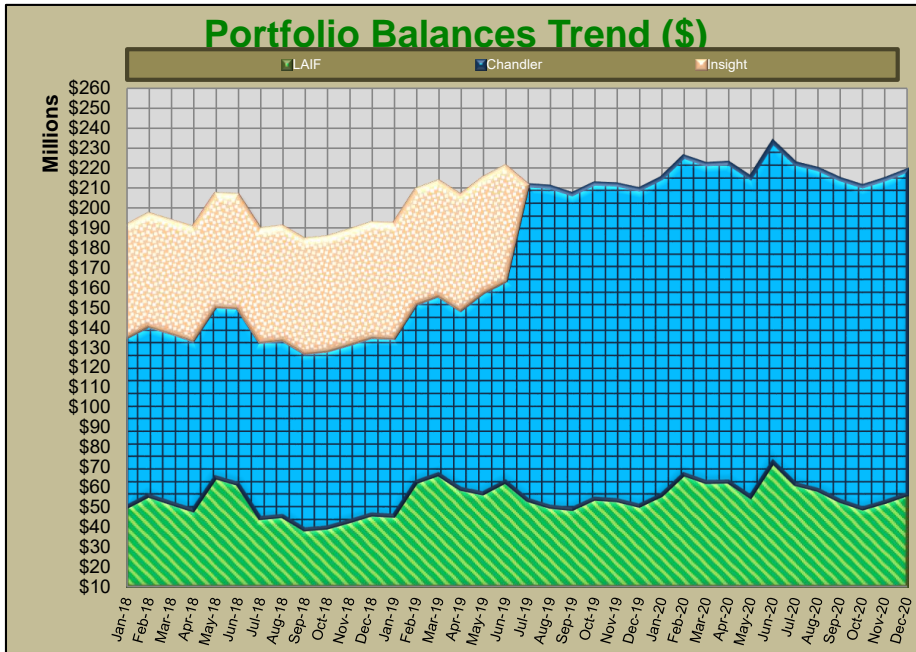
/S/ Marshall Eyerman
City Treasurer

PORTFOLIO PERFORMANCE - 36 MONTH TREND

Period	Total General Portfolio (1)		Local Agency Investment Fund (LAIF)		Chandler				Insight			
	Asset Balance (par)	Avg YTM (2)	Balance	Yield	Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)		Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)	
							Investment Portfolio (4)	Benchmark 1-5 Gov(5)			Investment Portfolio (4)	Benchmark 1-3 Gov(5)
Jan-18	192,795,926		49,974,332	1.350%	85,144,970	1.78%	0.47%	0.12%	55,563,293	1.48%	-0.13%	0.93%
Feb-18	202,940,569		55,774,331	1.412%	85,263,827	1.80%	0.08%	-0.23%	55,682,887	1.55%	-0.19%	-0.13%
Mar-18	195,416,305		52,074,331	1.524%	85,446,356	1.82%	0.22%	0.00%	55,785,899	1.57%	-0.01%	0.03%
Apr-18	191,668,439		48,358,005	1.661%	85,541,787	1.86%	-0.33%	-0.62%	55,920,551	1.63%	0.00%	0.00%
May-18	210,976,889		65,058,005	1.755%	85,714,498	1.91%	-0.16%	-0.39%	55,998,203	1.67%	0.65%	1.65%
Jun-18	207,635,739		61,758,005	1.854%	88,337,665	1.97%	-0.05%	-0.28%	56,077,829	1.70%	0.36%	0.08%
Jul-18	190,571,998		44,418,902	1.944%	88,543,794	2.00%	-0.36%	-0.63%	56,116,437	1.70%	-0.14%	0.50%
Aug-18	191,837,452		45,518,902	1.998%	88,654,200	2.03%	-0.23%	-0.53%	56,196,487	1.69%	0.76%	-0.01%
Sep-18	187,805,745		38,718,902	2.063%	88,810,836	2.04%	-0.16%	-0.47%	56,303,716	1.76%	0.83%	0.04%
Oct-18	188,925,543		39,668,140	2.144%	88,887,254	2.09%	-0.90%	-0.31%	56,473,609	1.80%	0.97%	0.25%
Nov-18	192,152,043		42,768,140	2.208%	89,084,357	2.13%	0.57%	0.40%	56,568,013	1.83%	1.52%	2.25%
Dec-18	197,462,474		46,268,140	2.291%	89,215,211	2.14%	1.52%	1.47%	56,671,250	1.90%	1.68%	2.33%
Jan-19	195,050,449		45,553,390	2.355%	89,373,064	2.15%	2.50%	2.45%	56,704,121	1.96%	0.31%	2.40%
Feb-19	211,740,422		62,553,390	2.392%	89,552,434	2.17%	2.84%	2.68%	56,761,069	2.13%	0.29%	2.44%
Mar-19	216,770,725		66,553,390	2.436%	89,668,393	2.21%	3.40%	3.28%	56,827,466	2.11%	0.47%	2.72%
Apr-19	206,696,569		59,210,262	2.445%	89,757,226	2.23%	3.83%	3.76%	56,986,412	2.10%	1.12%	3.08%
May-19	217,014,248		56,910,262	2.449%	100,691,487	2.25%	4.22%	4.27%	57,041,732	2.06%	1.51%	2.52%
Jun-19	225,003,102		62,910,263	2.428%	100,533,542	2.19%	4.88%	5.01%	57,126,387	1.98%	1.85%	2.57%
Jul-19	215,879,596	2.16%	53,598,980	2.379%	157,563,906	2.15%	-0.05%	-0.15%				
Aug-19	209,798,005	2.17%	50,148,980	2.341%	160,310,760	2.15%	5.44%	5.65%				
Sep-19	211,426,202	2.14%	49,048,980	2.280%	157,687,693	2.13%	5.46%	5.69%				
Oct-19	214,964,798	2.12%	54,181,584	2.190%	157,861,930	2.14%	5.77%	5.93%				
Nov-19	214,680,646	2.08%	53,481,584	2.103%	158,054,077	2.13%	5.33%	5.39%				
Dec-19	212,612,925	2.06%	50,681,584	2.043%	158,388,112	2.12%	4.48%	4.44%				
Jan-20	229,167,101	1.94%	55,970,504	1.967%	158,699,920	2.12%	4.87%	4.91%				
Feb-20	230,049,439	1.99%	66,570,054	1.912%	158,969,268	2.09%	5.79%	6.00%				
Mar-20	225,363,037	1.94%	62,570,054	1.787%	159,105,226	2.06%	5.56%	6.45%				
Apr-20	225,445,326	1.85%	62,878,795	1.648%	159,403,581	2.04%	6.06%	6.63%				
May-20	219,117,777	1.77%	55,278,795	1.363%	159,679,729	1.97%	5.69%	5.90%				
Jun-20	236,772,134	1.68%	72,778,795	1.217%	160,035,042	1.95%	5.34%	5.32%				
Jul-20	226,372,547	1.60%	61,612,184	0.920%	160,406,297	1.93%	5.67%	5.70%				
Aug-20	223,935,560	1.57%	58,612,184	0.784%	160,692,610	1.90%	4.65%	4.45%				
Sep-20	218,568,986	1.54%	53,112,184	0.685%	161,062,847	1.87%	4.82%	4.68%				
Oct-20	215,409,591	1.53%	49,242,648	0.620%	161,363,505	1.85%	4.43%	4.23%				
Nov-20	219,911,125	1.45%	52,542,648	0.576%	161,645,491	1.79%	4.60%	4.43%				
Dec-20	222,707,950	1.41%	56,542,648	0.540%	162,067,058	1.75%	4.59%	4.36%				

- Notes:
- (1) Total General Portfolio includes all assets that comprise the City's Investment Portfolio which is LAIF as well as assets managed by Chandler Asset Management.
 - (2) Yield to Maturity (YTM): The rate of return on an investment or security if it were to be held until maturity. This yield does not reflect changes in the market value of a security
 - (3) Rate of Return represents the gain or loss on an investment or portfolio of investments over a specified period, expressed as a percentage of increase over the initial investment cost. Gains on investments are considered to be any income received from the security or portfolio plus any realized capital gain. This measure of return recognizes the changes in market values of a security or portfolio of securities.
 - (4) The Rate of Return for the investment portfolio reflects the performance of the portfolio during the past twelve months.
 - (5) The portfolio benchmark is the ICE Bank of America-Merrill Lynch 1 to 5 year Government Index

PORTFOLIO PERFORMANCE - 36 MONTH TREND



PORTFOLIO CHARACTERISTICS

The portfolio invested in LAIF represents the City's immediate cash liquidity needs and is managed by City staff in a manner to fund the day to day operations of the City.

The portfolio managed by Chandler is comprised of idle cash balances related to funds that generally expect to expend cash with the next 12 to 60 months.

FUNDS WITH FISCAL AGENTS

By Investment Type

Trustee	Bond Description	Investment Type	Issuer	Value Date	Maturity Date	Market Value	Stated Rate	Yield	Price	% of Portfolio
Wells Fargo	CFD # 5	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 564,218	0.01%	0.01%	1.00	5.89%
Wells Fargo	Community Facilities District 87-1 (IA-1)	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 1,763,021	0.01%	0.01%	1.00	18.42%
Wells Fargo	2013 Partial Refunding of the 2005 Lease Revenue Bonds	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 5	0.01%	0.01%	1.00	0.00%
Wells Fargo	2014 Partial Refunding of the 2005 Lease Revenue Bonds	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 2	0.01%	0.01%	1.00	0.00%
Wells Fargo	2015 Taxable Lease Revenue Bonds (Electric Utility)	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 1	0.01%	0.01%	1.00	0.00%
Wells Fargo	2016 Taxable Refunding Lease Revenue Bonds (Electric Utility)	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 1	0.01%	0.01%	1.00	0.00%
Wells Fargo	2016 Community Facilities District 7 Improvement Area 1	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 262,307	0.01%	0.01%	1.00	2.74%
Wells Fargo	2017 Refunding of the 2007 RDA TABs	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 753,473	0.01%	0.01%	1.00	7.87%
Wells Fargo	2019 Taxable Lease Revenue Bonds (Electric Utility)	Money Market	WF Government Fund	12/31/2020	1/1/2021	\$ 6,228,694	0.01%	0.01%	1.00	65.07%
Wilmington Trust	2020 Taxable Refunding of the 2013 TRIP COPs	Money Market	Federated Hermes Gov Fund	12/31/2020	1/1/2021	\$ 806	0.00%	0.00%	1.00	0.01%
Wilmington Trust	2018 Streetlight Financing	Money Market	Federated Hermes Gov Fund	12/31/2020	1/1/2021	\$ 5				
	Total					<u>\$ 9,572,534</u>				<u>100.00%</u>

By Fund Purpose

Trustee	Bond Description	Construction fund	Debt Service	Reserve & Other	Total
Wells Fargo	CFD # 5	\$0	\$18,218	\$546,000	\$564,218
Wells Fargo	Community Facilities District 87-1 (IA-1)	\$0	\$734,329	\$1,028,692	\$1,763,021
Wells Fargo	2013 Partial Refunding of the 2005 Lease Revenue Bonds	\$0	\$5	\$0	\$5
Wells Fargo	2014 Partial Refunding of the 2005 Lease Revenue Bonds	\$0	\$2	\$0	\$2
Wells Fargo	2015 Taxable Lease Revenue Bonds (Electric Utility)	\$0	\$1	\$0	\$1
Wells Fargo	2016 Taxable Refunding Lease Revenue Bonds (Electric Utility)	\$0	\$1	\$0	\$1
Wells Fargo	2016 Community Facilities District 7 Improvement Area 1	\$0	\$1,865	\$260,442	\$262,307
Wells Fargo	2017 Refunding of the 2007 RDA TABs	\$0	\$753,473	\$0	\$753,473
Wells Fargo	2019 Taxable Lease Revenue Bonds (Electric Utility)	\$6,228,693	\$2	\$0	\$6,228,694
Wilmington Trust	2020 Taxable Refunding of the 2013 TRIP COPs	\$0	\$806	\$0	\$806
Wilmington Trust	2018 Streetlight Financing	\$5	\$0	\$0	\$5
	Total	<u>\$6,228,698</u>	<u>\$1,508,703</u>	<u>\$1,835,133</u>	<u>\$9,572,534</u>



City of Moreno Valley

MONTHLY ACCOUNT STATEMENT

DECEMBER 1, 2020 THROUGH DECEMBER 31, 2020

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Union Bank N.A.
Tina Guzman
(619) 230-3547

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.54
Average Coupon	1.94%
Average Purchase YTM	1.75%
Average Market YTM	0.28%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.81 yrs
Average Life	2.62 yrs

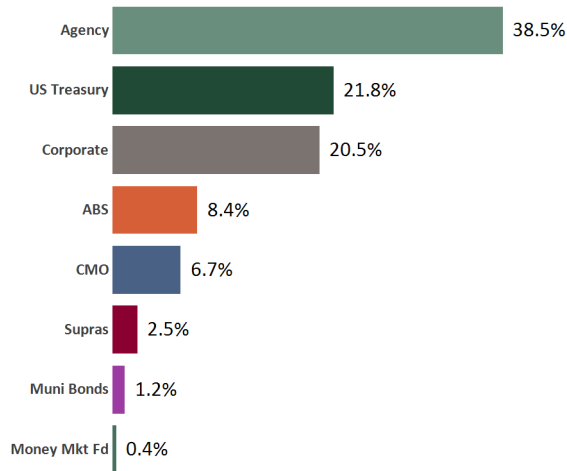
ACCOUNT SUMMARY

	Beg. Values as of 11/30/20	End Values as of 12/31/20
Market Value	167,988,328	168,326,323
Accrued Interest	739,113	675,099
Total Market Value	168,727,441	169,001,422
Income Earned	244,831	240,589
Cont/WD		0
Par	161,645,491	162,067,058
Book Value	162,645,725	163,035,280
Cost Value	162,889,831	163,318,928

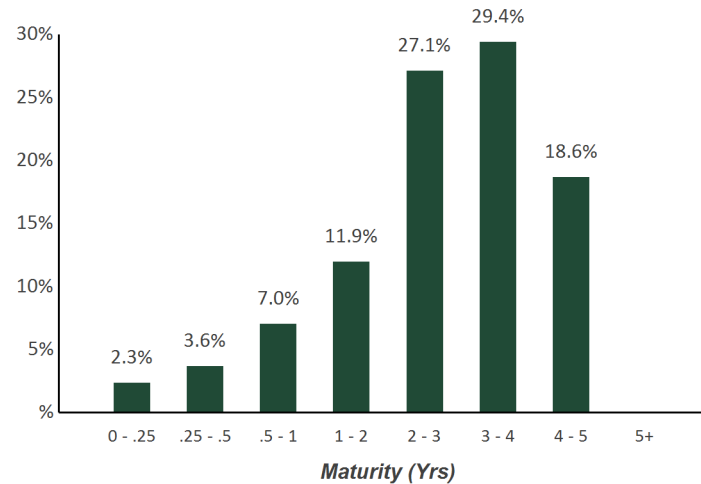
TOP ISSUERS

Government of United States	21.8%
Federal National Mortgage Assoc	17.3%
Federal Home Loan Mortgage Corp	17.0%
Federal Home Loan Bank	11.0%
John Deere ABS	2.2%
Honda ABS	1.7%
Toyota Motor Corp	1.7%
US Bancorp	1.6%
Total	74.3%

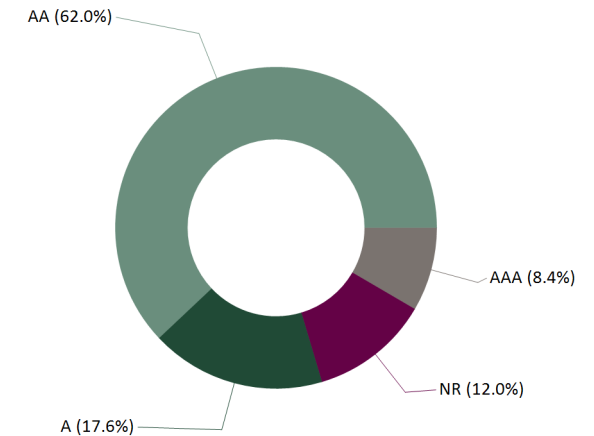
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2010	
City of Moreno Valley	0.16%	0.26%	4.59%	4.59%	4.54%	3.52%	2.61%	2.05%	2.12%	
ICE BAML 1-5 Year US Treasury/Agency Index	0.07%	0.02%	4.22%	4.22%	4.20%	3.30%	2.33%	1.78%	1.82%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.09%	0.10%	4.36%	4.36%	4.40%	3.41%	2.46%	1.93%	1.98%	

Statement of Compliance

As of December 31, 2020



City of Moreno Valley

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

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
U.S. Agency Issues	No Limitation	Complies
Supranational Securities	"AA" rating by a NRSRO; 30% maximum; 5% max per issuer; Issued by International Bank for Reconstruction (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) only	Complies
Municipal Securities (Local Agency/State-CA and others)	No Limitation	Complies
Banker's Acceptances	40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1/P-1/F-1" minimum ratings; "A" rated issuer or higher, if long term debt issued; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rating or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Money Market Mutual Funds and Mutual Funds	AAA/Aaa or Highest rating by two NRSROs; 20% maximum	Complies
Certificates of Deposit (CD)/ Time Deposit (TD)/ Bank Deposit (Collateralized/FDIC insured)	5% max per issuer	Complies
Asset-Backed Securities, Mortgage Pass-Through Securities, Collateralized Mortgage Backed Securities	"AA" rating or better by a NRSRO; 20% maximum (combined MBS/ABS/CMO); 5% max per issuer	Complies
Repurchase Agreements	1 year max maturity	Complies
Local Agency Investment Fund (LAIF)	Maximum program limitation; Not used by investment adviser	Complies
County Pooled Investment Funds; Joint Powers Authority Pool	Not used by investment adviser	Complies
Prohibited Securities	Reverse repurchase agreements; Futures or Option contracts; Securities lending; Zero interest accrual securities; Derivatives including but not limited to: Inverse floaters, Interest only strips from mortgages, residual securities, structured notes, forward based derivatives, forward contracts, forward rate agreements, interest rate futures, foreign currency futures contracts, option based derivatives, interest rate caps, interest rate floors, swap contracts, interest rate swaps, interest rate collars, foreign currency swaps, cross currency exchange agreements, fixed rate currency swaps, basis swaps, equity swaps, fixed rate equity swaps, floating rate equity swaps and commodity swaps.	Complies
Max Per Issuer	5% of portfolio per issuer, except US Government, its agencies and instrumentalities	Complies
Maximum maturity	5 years	Complies
Weighted Average Maturity	3 years	Complies



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47788CAC6	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	34,026.02	02/21/2018 2.68%	34,023.57 34,025.25	100.25 0.44%	34,111.43 40.23	0.02% 86.18	Aaa / NR AAA	1.30 0.12
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	338,473.17	08/21/2018 2.98%	338,426.73 338,454.08	101.18 0.17%	342,482.39 277.36	0.20% 4,028.31	Aaa / NR AAA	1.64 0.43
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	979,153.09	07/25/2019 2.31%	989,518.34 984,788.74	101.07 0.03%	989,585.00 1,288.13	0.59% 4,796.26	Aaa / AAA NR	1.71 0.36
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	405,536.95	07/18/2018 3.10%	405,506.21 405,523.61	101.01 0.20%	409,649.50 555.14	0.24% 4,125.89	Aaa / NR AAA	1.87 0.35
58770FAC6	Mercedes Benz Auto Lease Trust 2020- A A3 1.84% Due 12/15/2022	570,000.00	01/21/2020 1.85%	569,924.87 569,949.03	101.40 0.26%	577,963.47 466.13	0.34% 8,014.44	Aaa / AAA NR	1.96 0.88
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 3/15/2023	624,375.56	09/16/2019 1.67%	633,058.28 628,416.33	101.37 0.42%	632,951.36 849.15	0.38% 4,535.03	Aaa / AAA NR	2.20 0.52
47789JAD8	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	1,328,769.42	08/27/2019 1.90%	1,356,434.82 1,343,880.56	101.91 0.03%	1,354,208.71 1,718.54	0.80% 10,328.15	Aaa / NR AAA	2.54 0.66
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	1,150,000.00	08/20/2019 1.79%	1,149,990.46 1,149,994.68	101.63 0.30%	1,168,771.45 909.78	0.69% 18,776.77	Aaa / AAA NR	2.62 1.09
58769EAC2	Mercedes-Benz Auto Lease Trust 2020- B A3 0.4% Due 11/15/2023	525,000.00	09/15/2020 0.40%	524,973.38 524,976.53	100.21 0.27%	526,106.18 93.33	0.31% 1,129.65	NR / AAA AAA	2.87 1.65
477870AC3	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	590,000.00	07/16/2019 2.23%	589,874.74 589,915.87	101.93 0.17%	601,387.00 579.51	0.36% 11,471.13	Aaa / NR AAA	2.96 0.94
92348AAA3	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	785,000.00	10/01/2019 1.95%	784,939.48 784,955.94	102.15 0.26%	801,842.18 465.33	0.47% 16,886.24	NR / AAA AAA	3.31 1.26
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	1,230,000.00	10/16/2019 1.94%	1,229,935.06 1,229,951.45	102.04 0.43%	1,255,085.85 1,055.07	0.74% 25,134.40	Aaa / AAA NR	3.54 1.35
43813DAC2	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	525,000.00	05/18/2020 0.83%	524,958.68 524,964.67	100.98 0.24%	530,121.90 191.33	0.31% 5,157.23	Aaa / AAA NR	3.54 1.67
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	865,000.00	03/04/2020 1.11%	864,947.15 864,956.82	101.25 0.30%	875,852.29 422.89	0.52% 10,895.47	Aaa / NR AAA	3.62 1.56

Holdings Report

As of December 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	870,000.00	09/22/2020 0.38%	869,872.20 869,882.69	100.17 0.29%	871,471.17 116.24	0.52% 1,588.48	NR / AAA AAA	3.80 2.01
47787NAC3	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	400,000.00	07/14/2020 0.52%	399,939.04 399,946.85	100.32 0.34%	401,286.00 90.67	0.24% 1,339.15	Aaa / NR AAA	3.88 1.87
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	695,000.00	10/06/2020 0.36%	694,870.52 694,877.18	99.98 0.36%	694,877.18 108.11	0.41% 0.00	NR / AAA AAA	4.04 1.94
92290BAA9	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	1,215,000.00	08/04/2020 0.48%	1,214,744.85 1,214,766.77	100.35 0.30%	1,219,301.10 174.49	0.72% 4,534.33	Aaa / NR AAA	4.14 2.08
44891RAC4	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	880,000.00	10/20/2020 0.39%	879,797.34 879,808.27	100.17 0.31%	881,530.32 148.62	0.52% 1,722.05	NR / AAA AAA	4.37 2.51
Total ABS		14,010,334.21	1.42%	14,055,735.72 14,034,035.32	0.26%	14,168,584.48 9,550.05	8.39% 134,549.16	Aaa / AAA AAA	3.11 1.32
AGENCY									
313379RB7	FHLB Note 1.875% Due 6/11/2021	1,000,000.00	08/30/2017 1.67%	1,007,540.00 1,000,879.67	100.75 0.18%	1,007,524.00 1,041.67	0.60% 6,644.33	Aaa / AA+ AAA	0.44 0.44
313373ZY1	FHLB Note 3.625% Due 6/11/2021	2,000,000.00	02/11/2019 2.51%	2,049,900.00 2,009,451.65	101.55 0.13%	2,031,002.00 4,027.78	1.20% 21,550.35	Aaa / AA+ NR	0.44 0.44
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,100,000.00	10/04/2016 1.33%	1,089,836.00 1,098,868.07	100.54 0.12%	1,105,905.90 5,740.63	0.66% 7,037.83	Aaa / AA+ AAA	0.53 0.53
3130AF5B9	FHLB Note 3% Due 10/12/2021	1,400,000.00	11/29/2018 2.91%	1,403,528.00 1,400,956.97	102.22 0.16%	1,431,052.00 9,216.67	0.85% 30,095.03	Aaa / AA+ NR	0.78 0.77
3135G0T94	FNMA Note 2.375% Due 1/19/2023	1,850,000.00	04/11/2018 2.71%	1,822,731.00 1,838,297.64	104.58 0.14%	1,934,731.85 19,771.88	1.16% 96,434.21	Aaa / AA+ AAA	2.05 1.99
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	3,110,000.00	05/05/2020 0.39%	3,108,693.80 3,108,979.42	100.51 0.16%	3,125,966.74 1,814.17	1.85% 16,987.32	Aaa / AA+ AAA	2.34 2.33
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	3,080,000.00	05/20/2020 0.35%	3,070,729.20 3,072,625.69	100.24 0.15%	3,087,271.88 834.17	1.83% 14,646.19	Aaa / AA+ AAA	2.39 2.38
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	3,000,000.00	Various 2.39%	3,038,014.00 3,024,932.69	106.32 0.18%	3,189,513.00 2,750.00	1.89% 164,580.31	Aaa / AA+ AAA	2.47 2.40



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G05G4	FNMA Note 0.25% Due 7/10/2023	2,555,000.00	07/08/2020 0.32%	2,549,506.75 2,550,384.67	100.24 0.16%	2,561,101.34 3,034.06	1.52% 10,716.67	Aaa / AA+ AAA	2.52 2.51
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,925,000.00	08/19/2020 0.28%	1,923,036.50 1,923,274.34	100.20 0.18%	1,928,794.18 1,737.85	1.14% 5,519.84	Aaa / AA+ AAA	2.65 2.64
3135G06H1	FNMA Note 0.25% Due 11/27/2023	3,020,000.00	11/23/2020 0.29%	3,016,557.20 3,016,673.32	100.09 0.22%	3,022,724.04 755.00	1.79% 6,050.72	Aaa / AA+ AAA	2.91 2.89
3130A0F70	FHLB Note 3.375% Due 12/8/2023	1,700,000.00	01/16/2019 2.73%	1,749,623.00 1,729,757.13	109.25 0.21%	1,857,290.80 3,665.63	1.10% 127,533.67	Aaa / AA+ AAA	2.94 2.82
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	1,400,000.00	04/29/2019 2.37%	1,400,098.00 1,400,064.19	106.79 0.24%	1,495,008.20 10,436.81	0.89% 94,944.01	Aaa / AA+ NR	3.19 3.07
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	3,000,000.00	Various 1.94%	3,131,160.00 3,091,431.81	109.16 0.21%	3,274,713.00 4,072.92	1.94% 183,281.19	Aaa / AA+ NR	3.45 3.31
3135G0V75	FNMA Note 1.75% Due 7/2/2024	3,000,000.00	07/16/2019 1.96%	2,969,790.00 2,978,692.95	105.29 0.23%	3,158,736.00 26,104.17	1.88% 180,043.05	Aaa / AA+ AAA	3.50 3.38
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	3,000,000.00	09/13/2019 1.79%	3,155,070.00 3,114,857.22	109.67 0.25%	3,290,049.00 25,875.00	1.96% 175,191.78	Aaa / AA+ AAA	3.70 3.51
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,180,000.00	10/17/2019 1.66%	1,177,982.20 1,178,470.06	105.41 0.19%	1,243,876.94 4,048.06	0.74% 65,406.88	Aaa / AA+ AAA	3.79 3.68
3135G0X24	FNMA Note 1.625% Due 1/7/2025	3,210,000.00	Various 1.18%	3,276,100.10 3,264,944.96	105.38 0.28%	3,382,595.28 25,211.87	2.02% 117,650.32	Aaa / AA+ AAA	4.02 3.87
3137EAEPO	FHLMC Note 1.5% Due 2/12/2025	3,590,000.00	02/13/2020 1.52%	3,587,235.70 3,587,723.43	104.90 0.30%	3,766,010.52 20,792.08	2.24% 178,287.09	Aaa / NR AAA	4.12 3.98
3130A4CH3	FHLB Note 2.375% Due 3/14/2025	2,750,000.00	03/19/2020 1.18%	2,908,867.50 2,883,815.32	108.27 0.39%	2,977,416.75 19,412.33	1.77% 93,601.43	Aaa / AA+ AAA	4.20 4.00
3135G03U5	FNMA Note 0.625% Due 4/22/2025	2,830,000.00	04/22/2020 0.67%	2,824,170.20 2,824,975.63	101.18 0.35%	2,863,266.65 3,390.10	1.70% 38,291.02	Aaa / AA+ AAA	4.31 4.25
3135G04Z3	FNMA Note 0.5% Due 6/17/2025	1,780,000.00	06/17/2020 0.54%	1,776,315.40 1,776,711.33	100.53 0.38%	1,789,442.90 346.11	1.06% 12,731.57	Aaa / AA+ AAA	4.46 4.41
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	1,900,000.00	07/21/2020 0.48%	1,890,538.00 1,891,378.38	100.05 0.36%	1,901,003.20 3,127.08	1.13% 9,624.82	Aaa / AA+ AAA	4.56 4.51
3135G05X7	FNMA Note 0.375% Due 8/25/2025	3,150,000.00	12/16/2020 0.43%	3,141,904.50 3,141,975.43	99.98 0.38%	3,149,310.15 4,068.75	1.87% 7,334.72	Aaa / AA+ AAA	4.65 4.60



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EAEX3	FHLMC Note 0.375% Due 9/23/2025	3,385,000.00	Various 0.44%	3,374,969.55 3,375,336.37	99.83 0.41%	3,379,367.36 3,385.00	2.00% 4,030.99	Aaa / AA+ AAA	4.73 4.68
3135G06G3	FNMA Note 0.5% Due 11/7/2025	2,970,000.00	11/09/2020 0.57%	2,959,367.40 2,959,659.34	100.42 0.41%	2,982,423.51 2,021.25	1.77% 22,764.17	Aaa / AA+ AAA	4.85 4.78
Total Agency		62,885,000.00	1.22%	63,403,264.00 63,245,117.68	0.26%	64,936,097.19 206,681.04	38.55% 1,690,979.51	Aaa / AA+ AAA	3.31 3.24
CMO									
3137BDDC7	FHLMC K716 A2 3.13% Due 6/25/2021	440,978.36	09/12/2017 1.92%	459,065.37 443,272.00	100.61 0.55%	443,688.19 230.04	0.26% 416.19	Aaa / AA+ NR	0.48 0.32
3137BFDQ1	FHLMC K717 A2 2.991% Due 9/25/2021	1,030,048.42	12/28/2018 2.89%	1,030,692.21 1,030,220.48	101.28 0.40%	1,043,211.52 2,567.40	0.62% 12,991.04	NR / NR AAA	0.73 0.57
3137BM6P6	FHLMC K721 A2 3.09% Due 8/25/2022	2,790,000.00	Various 2.19%	2,877,120.79 2,826,097.45	103.31 0.65%	2,882,418.75 7,184.25	1.71% 56,321.30	Aaa / NR NR	1.65 1.42
3137B5JM6	FHLMC K034 A2 3.531% Due 7/25/2023	1,500,000.00	08/28/2018 3.03%	1,531,816.41 1,516,628.48	107.49 0.40%	1,612,278.00 4,413.75	0.96% 95,649.52	NR / NR AAA	2.56 2.38
3137B4WB8	FHLMC K033 A2 3.06% Due 7/25/2023	1,500,000.00	08/19/2019 1.90%	1,562,812.50 1,540,983.73	106.21 0.42%	1,593,148.50 765.00	0.94% 52,164.77	Aaa / NR NR	2.56 2.35
3137B7MZ9	FHLMC K036 A2 3.527% Due 10/25/2023	2,145,000.00	Various 2.79%	2,209,267.38 2,185,761.30	108.04 0.43%	2,317,423.68 1,260.90	1.37% 131,662.38	Aaa / NR AAA	2.82 2.57
3137BYPQ7	FHLMC K726 A2 2.905% Due 4/25/2024	1,356,763.57	04/22/2019 2.72%	1,366,462.32 1,363,186.93	106.88 0.57%	1,450,089.91 3,284.50	0.86% 86,902.98	NR / AAA NR	3.32 2.92
Total CMO		10,762,790.35	2.51%	11,037,236.98 10,906,150.37	0.50%	11,342,258.55 19,705.84	6.72% 436,108.18	Aaa / AAA AAA	2.23 1.99
CORPORATE									
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	1,160,000.00	Various 1.97%	1,173,322.80 1,160,240.26	100.14 0.48%	1,161,663.44 8,591.74	0.69% 1,423.18	Aa1 / AA NR	0.16 0.09
24422ESL4	John Deere Capital Corp Note 2.8% Due 3/4/2021	425,000.00	05/24/2017 2.12%	435,340.25 425,466.59	100.41 0.43%	426,758.65 3,867.50	0.25% 1,292.06	A2 / A A	0.17 0.17
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	1,055,000.00	Various 3.25%	1,047,595.75 1,054,117.56	100.96 0.33%	1,065,162.82 4,395.83	0.63% 11,045.26	A2 / A NR	0.36 0.36



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CORPORATE									
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	580,000.00	05/16/2016 1.96%	579,698.40 579,977.21	100.67 0.21%	583,862.22 1,319.50	0.35% 3,885.01	A1 / A AA-	0.38 0.38
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.55% Due 8/8/2021	770,000.00	Various 1.57%	769,085.90 769,890.37	100.69 0.22%	775,296.83 4,740.85	0.46% 5,406.46	Aaa / AAA AA+	0.60 0.52
69371RN44	Paccar Financial Corp Note 1.65% Due 8/11/2021	1,100,000.00	05/23/2018 3.15%	1,050,093.00 1,090,562.73	100.83 0.28%	1,109,170.70 7,058.33	0.66% 18,607.97	A1 / A+ NR	0.61 0.61
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.9% Due 9/15/2021	1,100,000.00	11/29/2016 2.40%	1,075,371.00 1,096,378.92	101.01 0.28%	1,111,077.00 6,153.89	0.66% 14,698.08	A3 / A A-	0.71 0.62
17275RBJ0	Cisco Systems Callable Note Cont 8/20/2021 1.85% Due 9/20/2021	1,250,000.00	02/26/2019 2.70%	1,223,812.50 1,242,654.04	101.01 0.26%	1,262,598.75 6,487.85	0.75% 19,944.71	A1 / AA- NR	0.72 0.63
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	1,200,000.00	Various 3.19%	1,176,750.00 1,193,214.82	102.36 0.30%	1,228,304.40 14,733.34	0.74% 35,089.58	A1 / A+ A+	1.03 1.01
89233P5T9	Toyota Motor Credit Corp Note 3.3% Due 1/12/2022	1,500,000.00	02/20/2019 2.84%	1,519,035.00 1,506,784.04	103.14 0.24%	1,547,139.00 23,237.50	0.93% 40,354.96	A1 / A+ A+	1.03 1.01
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	1,170,000.00	07/25/2017 2.45%	1,169,894.70 1,169,966.96	103.28 0.25%	1,208,321.01 12,182.63	0.72% 38,354.05	A2 / A A+	1.57 1.46
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	1,050,000.00	11/29/2017 2.58%	1,032,234.00 1,043,727.85	103.49 0.13%	1,086,616.65 7,250.83	0.65% 42,888.80	A2 / A NR	1.69 1.65
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	950,000.00	02/09/2018 3.19%	940,832.50 946,204.44	102.72 0.34%	975,873.25 13,019.01	0.59% 29,668.81	A2 / A- AA-	2.04 1.02
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	665,000.00	08/01/2019 2.27%	673,179.50 669,776.88	104.76 0.24%	696,626.74 7,636.42	0.42% 26,849.86	A2 / A A	2.07 1.93
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	780,000.00	Various 2.50%	786,043.20 784,954.71	105.54 0.25%	823,238.52 6,976.66	0.49% 38,283.81	A2 / A A	2.18 2.11
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	715,000.00	11/28/2018 3.54%	681,959.85 697,569.53	104.90 0.30%	750,009.26 2,764.67	0.45% 52,439.73	Aa1 / AA+ NR	2.34 2.28
404280BA6	HSBC Holdings PLC Note 3.6% Due 5/25/2023	900,000.00	03/20/2019 3.33%	909,477.00 905,431.41	107.56 0.43%	968,050.80 3,240.00	0.57% 62,619.39	A2 / A- A+	2.40 2.31
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	335,000.00	07/11/2018 3.49%	334,420.45 334,706.41	107.70 0.39%	360,805.39 5,361.40	0.22% 26,098.98	A3 / A- NR	2.53 2.41



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	1,900,000.00	Various 2.64%	1,960,162.00 1,937,859.80	108.10 0.33%	2,053,829.70 25,491.66	1.23% 115,969.90	A1 / A AA-	2.61 2.49
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	1,635,000.00	Various 3.02%	1,673,579.30 1,660,557.32	108.80 0.43%	1,778,881.64 13,335.47	1.06% 118,324.32	A3 / A- NR	2.78 2.65
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	1,900,000.00	Various 2.71%	1,930,235.00 1,920,490.16	106.83 0.40%	2,029,751.00 21,733.89	1.21% 109,260.84	A2 / A- A+	3.18 2.09
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	1,900,000.00	Various 2.77%	1,940,554.00 1,927,174.60	108.60 0.53%	2,063,419.00 18,868.06	1.23% 136,244.40	Aa3 / A AA-	3.19 3.03
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 5/18/2024	1,000,000.00	08/28/2019 2.20%	1,050,660.00 1,036,252.92	107.87 0.62%	1,078,667.00 4,718.06	0.64% 42,414.08	A2 / A- A+	3.38 2.29
91159HHX1	US Bancorp Callable Note Cont 6/28/2024 2.4% Due 7/30/2024	1,750,000.00	10/10/2019 2.07%	1,775,567.50 1,768,959.83	106.60 0.49%	1,865,487.75 17,616.67	1.11% 96,527.92	A1 / A+ A+	3.58 3.34
009158AV8	Air Products & Chemicals Callable Note Cont 4/30/2024 3.35% Due 7/31/2024	500,000.00	08/07/2019 2.11%	527,750.00 519,534.33	109.04 0.61%	545,178.50 7,025.69	0.33% 25,644.17	A2 / A NR	3.58 3.14
69371RQ25	Paccar Financial Corp Note 2.15% Due 8/15/2024	670,000.00	08/08/2019 2.20%	668,519.30 668,928.58	105.82 0.53%	708,990.65 5,441.89	0.42% 40,062.07	A1 / A+ NR	3.62 3.47
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	1,900,000.00	12/05/2019 2.26%	1,899,012.00 1,899,226.83	106.38 0.56%	2,021,233.30 7,125.00	1.20% 122,006.47	A2 / A AA	3.84 3.68
14913Q3B3	Caterpillar Finl Service Note 2.15% Due 11/8/2024	2,020,000.00	Various 1.88%	2,044,446.00 2,039,839.62	106.53 0.44%	2,151,819.14 6,393.86	1.28% 111,979.52	A3 / A A	3.86 3.70
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	810,000.00	01/16/2020 2.10%	808,274.70 808,601.44	105.82 0.57%	857,159.82 7,380.00	0.51% 48,558.38	A1 / AA- AA-	4.06 3.80
Total Corporate		32,690,000.00	2.56%	32,856,905.60 32,859,050.16	0.39%	34,294,992.93 274,148.20	20.45% 1,435,942.77	A1 / A A+	2.28 2.05



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
60934N104	Federated Investors Government Obligations Fund	623,933.66	Various 0.01%	623,933.66 623,933.66	1.00 0.01%	623,933.66 0.00	0.37% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		623,933.66	0.01%	623,933.66 623,933.66	0.01%	623,933.66 0.00	0.37% 0.00	Aaa / AAA AAA	0.00 0.00
MUNICIPAL BONDS									
13063DRK6	California State Taxable GO 2.4% Due 10/1/2024	1,915,000.00	10/16/2019 1.91%	1,958,987.55 1,948,380.80	107.14 0.48%	2,051,635.25 11,490.00	1.22% 103,254.45	Aa2 / AA- AA	3.75 3.59
Total Municipal Bonds		1,915,000.00	1.91%	1,958,987.55 1,948,380.80	0.48%	2,051,635.25 11,490.00	1.22% 103,254.45	Aa2 / AA- AA	3.75 3.59
SUPRANATIONAL									
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,675,000.00	01/10/2017 2.15%	1,672,939.75 1,674,568.99	101.94 0.27%	1,707,444.75 16,116.06	1.02% 32,875.76	Aaa / NR AAA	1.05 1.03
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	850,000.00	03/23/2018 2.79%	813,178.00 835,988.69	102.67 0.18%	872,733.25 4,421.18	0.52% 36,744.56	Aaa / AAA AAA	1.70 1.68
459058JL8	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	1,555,000.00	10/21/2020 0.52%	1,553,242.85 1,553,305.40	100.19 0.46%	1,557,909.41 1,360.63	0.92% 4,604.01	Aaa / AAA AAA	4.83 4.76
Total Supranational		4,080,000.00	1.66%	4,039,360.60 4,063,863.08	0.32%	4,138,087.41 21,897.87	2.46% 74,224.33	Aaa / AAA AAA	2.60 2.56
US TREASURY									
912828Q37	US Treasury Note 1.25% Due 3/31/2021	1,700,000.00	Various 1.59%	1,676,910.00 1,698,670.48	100.26 0.18%	1,704,494.80 5,429.26	1.01% 5,824.32	Aaa / AA+ AAA	0.25 0.25
912828S27	US Treasury Note 1.125% Due 6/30/2021	1,015,000.00	Various 1.91%	980,766.29 1,011,273.34	100.50 0.12%	1,020,075.00 31.55	0.60% 8,801.66	Aaa / AA+ AAA	0.50 0.50
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,700,000.00	11/09/2016 1.48%	1,671,251.79 1,695,619.32	100.75 0.12%	1,712,816.30 4,886.33	1.02% 17,196.98	Aaa / AA+ AAA	0.75 0.74



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828F21	US Treasury Note 2.125% Due 9/30/2021	2,200,000.00	02/11/2019 2.47%	2,180,578.13 2,194,502.86	101.49 0.13%	2,232,828.40 11,944.37	1.33% 38,325.54	Aaa / AA+ AAA	0.75 0.74
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,785,000.00	03/13/2017 2.14%	1,752,722.58 1,777,460.88	101.89 0.12%	1,818,747.21 10,613.85	1.08% 41,286.33	Aaa / AA+ AAA	1.16 1.15
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,700,000.00	08/15/2017 1.82%	1,724,111.17 1,707,390.66	102.99 0.13%	1,750,867.40 99.79	1.04% 43,476.74	Aaa / AA+ AAA	1.50 1.48
912828L57	US Treasury Note 1.75% Due 9/30/2022	1,750,000.00	10/17/2017 1.99%	1,730,585.94 1,743,159.98	102.82 0.13%	1,799,423.50 7,824.52	1.07% 56,263.52	Aaa / AA+ AAA	1.75 1.72
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,750,000.00	01/25/2018 2.46%	1,722,792.97 1,738,981.15	103.98 0.13%	1,819,658.75 102.73	1.08% 80,677.60	Aaa / AA+ AAA	2.00 1.97
912828T91	US Treasury Note 1.625% Due 10/31/2023	3,200,000.00	Various 1.80%	3,176,515.63 3,184,566.08	104.18 0.15%	3,333,625.60 8,906.08	1.98% 149,059.52	Aaa / AA+ AAA	2.83 2.77
912828V23	US Treasury Note 2.25% Due 12/31/2023	3,150,000.00	Various 1.81%	3,209,369.15 3,189,606.92	106.24 0.16%	3,346,629.30 195.78	1.98% 157,022.38	Aaa / AA+ AAA	3.00 2.92
912828B66	US Treasury Note 2.75% Due 2/15/2024	3,150,000.00	Various 1.81%	3,279,865.24 3,237,854.12	108.02 0.18%	3,402,614.25 32,719.77	2.03% 164,760.13	Aaa / AA+ AAA	3.13 2.99
912828X70	US Treasury Note 2% Due 4/30/2024	3,100,000.00	Various 1.86%	3,119,312.50 3,113,309.00	105.99 0.19%	3,285,758.20 10,618.78	1.95% 172,449.20	Aaa / AA+ AAA	3.33 3.23
912828XX3	US Treasury Note 2% Due 6/30/2024	3,000,000.00	07/30/2019 1.87%	3,018,867.19 3,013,404.53	106.25 0.21%	3,187,617.00 165.75	1.89% 174,212.47	Aaa / AA+ AAA	3.50 3.40
912828D56	US Treasury Note 2.375% Due 8/15/2024	3,000,000.00	08/29/2019 1.45%	3,133,007.81 3,097,039.91	107.78 0.22%	3,233,319.00 26,912.36	1.93% 136,279.09	Aaa / AA+ AAA	3.62 3.47
9128283D0	US Treasury Note 2.25% Due 10/31/2024	2,900,000.00	Various 1.76%	2,966,847.66 2,951,909.55	107.66 0.24%	3,122,258.90 11,175.42	1.85% 170,349.35	Aaa / AA+ AAA	3.84 3.68
Total US Treasury		35,100,000.00	1.86%	35,343,504.05 35,354,748.78	0.17%	36,770,733.61 131,626.34	21.84% 1,415,984.83	Aaa / AA+ AAA	2.48 2.41
TOTAL PORTFOLIO		162,067,058.22	1.75%	163,318,928.16 163,035,279.85	0.28%	168,326,323.08 675,099.34	100.00% 5,291,043.23	Aa1 / AA AAA	2.81 2.54
TOTAL MARKET VALUE PLUS ACCRUED						169,001,422.42			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/01/2020	60934N104	6.27	Federated Investors Government Obligations Fund	1.000	0.01%	6.27	0.00	6.27	0.00
Purchase	12/08/2020	60934N104	28,687.50	Federated Investors Government Obligations Fund	1.000	0.01%	28,687.50	0.00	28,687.50	0.00
Purchase	12/11/2020	60934N104	45,625.00	Federated Investors Government Obligations Fund	1.000	0.01%	45,625.00	0.00	45,625.00	0.00
Purchase	12/14/2020	60934N104	43,125.00	Federated Investors Government Obligations Fund	1.000	0.01%	43,125.00	0.00	43,125.00	0.00
Purchase	12/15/2020	60934N104	175.00	Federated Investors Government Obligations Fund	1.000	0.01%	175.00	0.00	175.00	0.00
Purchase	12/15/2020	60934N104	874.00	Federated Investors Government Obligations Fund	1.000	0.01%	874.00	0.00	874.00	0.00
Purchase	12/15/2020	60934N104	792.92	Federated Investors Government Obligations Fund	1.000	0.01%	792.92	0.00	792.92	0.00
Purchase	12/15/2020	60934N104	1,086.58	Federated Investors Government Obligations Fund	1.000	0.01%	1,086.58	0.00	1,086.58	0.00
Purchase	12/15/2020	60934N104	278.67	Federated Investors Government Obligations Fund	1.000	0.01%	278.67	0.00	278.67	0.00
Purchase	12/15/2020	60934N104	202.71	Federated Investors Government Obligations Fund	1.000	0.01%	202.71	0.00	202.71	0.00
Purchase	12/15/2020	60934N104	1,978.25	Federated Investors Government Obligations Fund	1.000	0.01%	1,978.25	0.00	1,978.25	0.00
Purchase	12/15/2020	60934N104	170.00	Federated Investors Government Obligations Fund	1.000	0.01%	170.00	0.00	170.00	0.00
Purchase	12/15/2020	60934N104	1,705.83	Federated Investors Government Obligations Fund	1.000	0.01%	1,705.83	0.00	1,705.83	0.00
Purchase	12/15/2020	60934N104	358.75	Federated Investors Government Obligations Fund	1.000	0.01%	358.75	0.00	358.75	0.00
Purchase	12/15/2020	60934N104	918.38	Federated Investors Government Obligations Fund	1.000	0.01%	918.38	0.00	918.38	0.00
Purchase	12/15/2020	60934N104	11,273.14	Federated Investors Government Obligations Fund	1.000	0.01%	11,273.14	0.00	11,273.14	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/15/2020	60934N104	40,879.20	Federated Investors Government Obligations Fund	1.000	0.01%	40,879.20	0.00	40,879.20	0.00
Purchase	12/15/2020	60934N104	97,444.67	Federated Investors Government Obligations Fund	1.000	0.01%	97,444.67	0.00	97,444.67	0.00
Purchase	12/15/2020	60934N104	55,977.19	Federated Investors Government Obligations Fund	1.000	0.01%	55,977.19	0.00	55,977.19	0.00
Purchase	12/15/2020	60934N104	118,900.88	Federated Investors Government Obligations Fund	1.000	0.01%	118,900.88	0.00	118,900.88	0.00
Purchase	12/17/2020	3135G05X7	3,150,000.00	FNMA Note 0.375% Due 8/25/2025	99.743	0.43%	3,141,904.50	3,609.38	3,145,513.88	0.00
Purchase	12/17/2020	3137EAEX3	1,320,000.00	FHLMC Note 0.375% Due 9/23/2025	99.711	0.44%	1,316,185.20	1,127.50	1,317,312.70	0.00
Purchase	12/17/2020	60934N104	4,400.56	Federated Investors Government Obligations Fund	1.000	0.01%	4,400.56	0.00	4,400.56	0.00
Purchase	12/18/2020	60934N104	268.25	Federated Investors Government Obligations Fund	1.000	0.01%	268.25	0.00	268.25	0.00
Purchase	12/19/2020	60934N104	41,250.00	Federated Investors Government Obligations Fund	1.000	0.01%	41,250.00	0.00	41,250.00	0.00
Purchase	12/21/2020	60934N104	1,269.08	Federated Investors Government Obligations Fund	1.000	0.01%	1,269.08	0.00	1,269.08	0.00
Purchase	12/21/2020	60934N104	475.88	Federated Investors Government Obligations Fund	1.000	0.01%	475.88	0.00	475.88	0.00
Purchase	12/21/2020	60934N104	39,223.02	Federated Investors Government Obligations Fund	1.000	0.01%	39,223.02	0.00	39,223.02	0.00
Purchase	12/28/2020	60934N104	6,304.58	Federated Investors Government Obligations Fund	1.000	0.01%	6,304.58	0.00	6,304.58	0.00
Purchase	12/28/2020	60934N104	4,413.75	Federated Investors Government Obligations Fund	1.000	0.01%	4,413.75	0.00	4,413.75	0.00
Purchase	12/28/2020	60934N104	3,825.00	Federated Investors Government Obligations Fund	1.000	0.01%	3,825.00	0.00	3,825.00	0.00
Purchase	12/28/2020	60934N104	4,623.11	Federated Investors Government Obligations Fund	1.000	0.01%	4,623.11	0.00	4,623.11	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/28/2020	60934N104	4,140.40	Federated Investors Government Obligations Fund	1.000	0.01%	4,140.40	0.00	4,140.40	0.00
Purchase	12/28/2020	60934N104	4,655.68	Federated Investors Government Obligations Fund	1.000	0.01%	4,655.68	0.00	4,655.68	0.00
Purchase	12/28/2020	60934N104	7,184.25	Federated Investors Government Obligations Fund	1.000	0.01%	7,184.25	0.00	7,184.25	0.00
Purchase	12/31/2020	60934N104	107,803.13	Federated Investors Government Obligations Fund	1.000	0.01%	107,803.13	0.00	107,803.13	0.00
Subtotal			5,150,296.63				5,138,386.33	4,736.88	5,143,123.21	0.00
Security Contribution	12/04/2020	60934N104	291.67	Federated Investors Government Obligations Fund	1.000		291.67	0.00	291.67	0.00
Subtotal			291.67				291.67	0.00	291.67	0.00
TOTAL ACQUISITIONS			5,150,588.30				5,138,678.00	4,736.88	5,143,414.88	0.00
DISPOSITIONS										
Sale	12/17/2020	3135G0T45	1,725,000.00	FNMA Note 1.875% Due 4/5/2022	102.278	1.88%	1,764,295.50	6,468.75	1,770,764.25	39,366.05
Sale	12/17/2020	3135G0T78	900,000.00	FNMA Note 2% Due 10/5/2022	103.359	2.25%	930,231.00	3,600.00	933,831.00	34,064.19
Sale	12/17/2020	3137EAEC9	1,450,000.00	FHLMC Note 1.125% Due 8/12/2021	100.676	1.31%	1,459,802.00	5,664.06	1,465,466.06	11,521.51
Sale	12/17/2020	60934N104	292,765.27	Federated Investors Government Obligations Fund	1.000	0.01%	292,765.27	0.00	292,765.27	0.00
Subtotal			4,367,765.27				4,447,093.77	15,732.81	4,462,826.58	84,951.75
Paydown	12/15/2020	43811BAC8	917.10	Honda Auto Receivables Trust 2017-2 A3 1.68% Due 8/16/2021	100.000		917.10	1.28	918.38	0.00
Paydown	12/15/2020	43813DAC2	0.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	100.000		0.00	358.75	358.75	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	12/15/2020	43815NAC8	0.00	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	100.000		0.00	1,705.83	1,705.83	0.00
Paydown	12/15/2020	44891RAC4	0.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	100.000		0.00	278.67	278.67	0.00
Paydown	12/15/2020	477870AC3	0.00	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	100.000		0.00	1,086.58	1,086.58	0.00
Paydown	12/15/2020	47787NAC3	0.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	100.000		0.00	170.00	170.00	0.00
Paydown	12/15/2020	47788CAC6	11,172.95	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	100.000		11,172.95	100.19	11,273.14	0.00
Paydown	12/15/2020	47788EAC2	39,736.33	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	100.000		39,736.33	1,142.87	40,879.20	0.00
Paydown	12/15/2020	47789JAD8	93,994.47	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	100.000		93,994.47	3,450.20	97,444.67	0.00
Paydown	12/15/2020	47789KAC7	0.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	100.000		0.00	792.92	792.92	0.00
Paydown	12/15/2020	58769EAC2	0.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due 11/15/2023	100.000		0.00	175.00	175.00	0.00
Paydown	12/15/2020	58770FAC6	0.00	Mercedes Benz Auto Lease Trust 2020-A A3 1.84% Due 12/15/2022	100.000		0.00	874.00	874.00	0.00
Paydown	12/15/2020	65479GAD1	54,246.70	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 3/15/2023	100.000		54,246.70	1,730.49	55,977.19	0.00
Paydown	12/15/2020	65479JAD5	0.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	100.000		0.00	1,978.25	1,978.25	0.00
Paydown	12/15/2020	89236XAC0	0.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	100.000		0.00	202.71	202.71	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	12/15/2020	89238TAD5	116,199.01	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	100.000		116,199.01	2,701.87	118,900.88	0.00
Paydown	12/18/2020	43813KAC6	0.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	100.000		0.00	268.25	268.25	0.00
Paydown	12/21/2020	43815HAC1	38,296.79	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	100.000		38,296.79	926.23	39,223.02	0.00
Paydown	12/21/2020	92290BAA9	0.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	100.000		0.00	475.88	475.88	0.00
Paydown	12/21/2020	92348AAA3	0.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	100.000		0.00	1,269.08	1,269.08	0.00
Paydown	12/28/2020	3137B4WB8	0.00	FHLMC K033 A2Due 7/25/2023	100.000		0.00	3,825.00	3,825.00	0.00
Paydown	12/28/2020	3137B5JM6	0.00	FHLMC K034 A2 3.531% Due 7/25/2023	100.000		0.00	4,413.75	4,413.75	0.00
Paydown	12/28/2020	3137B7MZ9	0.00	FHLMC K036 A2Due 10/25/2023	100.000		0.00	6,304.58	6,304.58	0.00
Paydown	12/28/2020	3137BDDC7	3,463.86	FHLMC K716 A2 3.13% Due 6/25/2021	100.000		3,463.86	1,159.25	4,623.11	0.00
Paydown	12/28/2020	3137BFDQ1	1,569.09	FHLMC K717 A2 2.991% Due 9/25/2021	100.000		1,569.09	2,571.31	4,140.40	0.00
Paydown	12/28/2020	3137BM6P6	0.00	FHLMC K721 A2Due 8/25/2022	100.000		0.00	7,184.25	7,184.25	0.00
Paydown	12/28/2020	3137BYPQ7	1,367.87	FHLMC K726 A2 2.905% Due 4/25/2024	100.000		1,367.87	3,287.81	4,655.68	0.00
Subtotal			360,964.17				360,964.17	48,435.00	409,399.17	0.00
Security Withdrawal	12/04/2020	60934N104	291.67	Federated Investors Government Obligations Fund	1.000		291.67	0.00	291.67	0.00
Subtotal			291.67				291.67	0.00	291.67	0.00
TOTAL DISPOSITIONS			4,729,021.11				4,808,349.61	64,167.81	4,872,517.42	84,951.75



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	12/08/2020	3130A0F70	1,700,000.00	FHLB Note 3.375% Due 12/8/2023	0.000		28,687.50	0.00	28,687.50	0.00
Interest	12/11/2020	313373ZY1	2,000,000.00	FHLB Note 3.625% Due 6/11/2021	0.000		36,250.00	0.00	36,250.00	0.00
Interest	12/11/2020	313379RB7	1,000,000.00	FHLB Note 1.875% Due 6/11/2021	0.000		9,375.00	0.00	9,375.00	0.00
Interest	12/14/2020	3130A1XJ2	3,000,000.00	FHLB Note 2.875% Due 6/14/2024	0.000		43,125.00	0.00	43,125.00	0.00
Interest	12/17/2020	3135G04Z3	1,780,000.00	FNMA Note 0.5% Due 6/17/2025	0.000		4,400.56	0.00	4,400.56	0.00
Interest	12/19/2020	3137EAEN5	3,000,000.00	FHLMC Note 2.75% Due 6/19/2023	0.000		41,250.00	0.00	41,250.00	0.00
Interest	12/31/2020	912828N30	1,750,000.00	US Treasury Note 2.125% Due 12/31/2022	0.000		18,593.75	0.00	18,593.75	0.00
Interest	12/31/2020	912828S27	1,015,000.00	US Treasury Note 1.125% Due 6/30/2021	0.000		5,709.38	0.00	5,709.38	0.00
Interest	12/31/2020	912828V23	3,150,000.00	US Treasury Note 2.25% Due 12/31/2023	0.000		35,437.50	0.00	35,437.50	0.00
Interest	12/31/2020	912828XG0	1,700,000.00	US Treasury Note 2.125% Due 6/30/2022	0.000		18,062.50	0.00	18,062.50	0.00
Interest	12/31/2020	912828XX3	3,000,000.00	US Treasury Note 2% Due 6/30/2024	0.000		30,000.00	0.00	30,000.00	0.00
Subtotal			23,095,000.00				270,891.19	0.00	270,891.19	0.00
Dividend	12/01/2020	60934N104	236,402.30	Federated Investors Government Obligations Fund	0.000		6.27	0.00	6.27	0.00
Subtotal			236,402.30				6.27	0.00	6.27	0.00
TOTAL OTHER TRANSACTIONS			23,331,402.30				270,897.46	0.00	270,897.46	0.00

JANUARY 2021



Market Data

 World Stock Market Indices
 data as of 12/31/2020

	Change (11/30/20)	%CHG
S&P 500	3,756.07	134.44 3.71%
NASDAQ	12,888.28	689.54 5.65%
DOW JONES	30,606.48	967.84 3.27%
FTSE (UK)	6,460.52	194.33 3.10%
DAX (Germany)	13,718.78	427.62 3.22%
Hang Seng (Hong Kong)	27,231.13	889.64 3.38%
Nikkei (Japan)	27,444.17	1,010.55 3.82%

Source: Bloomberg. Please see descriptions of indices on Page 2.

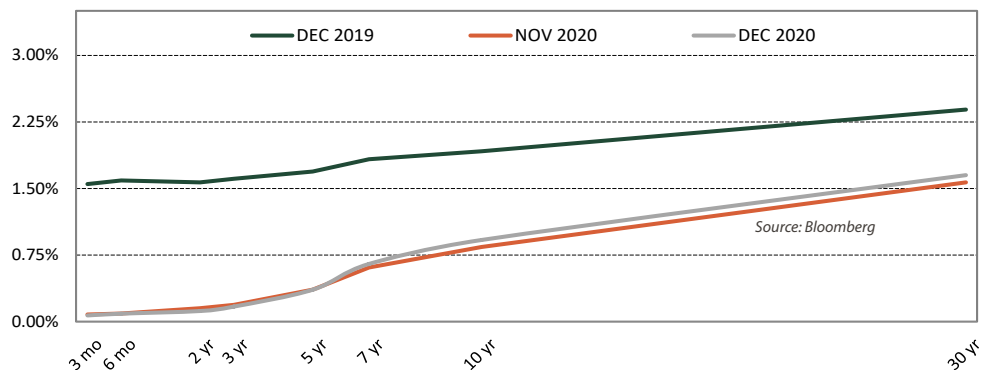
Market Summary

While we remain optimistic about the longer-term outlook, recent economic data suggests that the economy has lost momentum as virus cases have risen. We believe the near-term will remain challenging as the labor market remains under pressure and many regions have renewed business restrictions due to the virus. However, the passage of a new \$900 billion COVID-19 fiscal relief bill should help cushion the economy over the next few months, and we believe the incoming Presidential administration will have a keen focus on accelerating vaccine distribution and getting the economy back on track. While the vaccine rollout has gotten off to a slow start, we expect more widespread distribution of vaccines in the second and third quarter of 2021. We also expect the Fed's highly accommodative monetary policy framework will continue to provide support for the financial markets.

The Federal Open Market Committee (FOMC) kept monetary policy unchanged at their December meeting as expected, with the fed funds target rate in a range of 0.0% to 0.25%. The Fed intends to remain highly accommodative until their goals of maximum employment and higher inflation are achieved. The Fed's summary of economic projections continues to signal that the target fed funds rate will remain unchanged until at least 2023, as policymakers do not expect inflation to exceed 2.0% during that timeframe. Until the Fed has made substantial progress toward achieving their dual mandate of maximum employment and price stability, they have set a floor for monthly asset purchases of at least \$80 billion per month of Treasuries and \$40 billion per month of agency mortgage-backed securities. Notably, the Fed's outlook for GDP over the next few years was revised higher and the outlook for unemployment was revised lower compared with their previous forecasts in September, which suggests increased optimism. Nevertheless, the outlook remains uncertain and Fed Chair Powell indicated that the Fed would increase policy accommodation further if progress toward their dual mandate slows.

The Treasury yield curve steepened in December, due at least in part by favorable developments on the vaccine front and anticipation of improving economic activity in 2021. The yield on 2-year Treasuries was down slightly to 0.12% while the yield on 10-year Treasuries was up nearly eight basis point to 0.92%.

RATES REMAIN LOW BUT THE TREASURY YIELD CURVE HAS STEEPENED



In 2020, Treasury yields declined but the curve steepened as short-term rates declined more than long-term rates. The 3-month T-bill yield was down 149 basis points, the 2-year Treasury yield was down 145 basis points, and the 10-Year Treasury yield was down 100 basis points, year-over-year.

TREASURY YIELDS	Trend (▲/▼)	12/31/2020	11/30/2020	Change
3-Month	▼	0.07	0.08	-0.01
2-Year	▼	0.12	0.15	-0.03
3-Year	▼	0.17	0.19	-0.02
5-Year	-	0.36	0.36	0.00
7-Year	▲	0.65	0.61	0.04
10-Year	▲	0.92	0.84	0.08
30-Year	▲	1.65	1.57	0.08

Source: Bloomberg

BOND MARKET REVIEW

Since 1988, Chandler Asset Management has specialized in providing fixed income investment solutions to risk-averse public agencies and institutions. Chandler's mission is to provide fully customizable, client-centered portfolio management that preserves principal, mitigates risk and generates income in our clients' portfolios.

Credit Spreads Tightened in December

CREDIT SPREADS	Spread to Treasuries (%)	One Month Ago (%)	Change
3-month top rated commercial paper	0.08	0.10	(0.02)
2-year A corporate note	0.20	0.21	(0.01)
5-year A corporate note	0.41	0.45	(0.04)
5-year Agency note	0.06	0.10	(0.04)

Source: Bloomberg

Data as of 12/31/2020

Economic Data has Softened with a Resurgence of the Virus

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(68.14) \$Bln NOV 20	(63.11) \$Bln OCT 20	(41.05) \$Bln NOV 19
Gross Domestic Product	33.40% SEP 20	(31.40%) JUN 20	2.60% SEP 19
Unemployment Rate	6.70% DEC 20	6.70% NOV 20	3.60% DEC 19
Prime Rate	3.25% DEC 20	3.25% NOV 20	4.75% DEC 19
Commodity Research Bureau Index	167.80 DEC 20	160.06 NOV 20	185.79 DEC 19
Oil (West Texas Int.)	\$48.52 DEC 20	\$45.34 NOV 20	\$61.06 DEC 19
Consumer Price Index (y/o/y)	1.20% NOV 20	1.20% OCT 20	2.10% NOV 19
Producer Price Index (y/o/y)	(1.30%) NOV 20	(1.10%) OCT 20	(1.00%) NOV 19
Dollar/Euro	1.22 DEC 20	1.19 NOV 20	1.12 DEC 19

Source: Bloomberg

Economic Roundup

Consumer Prices

The Consumer Price Index (CPI) was up 1.2% year-over-year in November, unchanged from October. Core CPI (CPI less food and energy) was up 1.6% year-over-year in November, also unchanged from October. The Personal Consumption Expenditures (PCE) index was up 1.1% year-over-year in November, versus up 1.2% year-over-year in October. Core PCE, which is the Fed's primary inflation gauge, was up 1.4% year-over-year in November, unchanged from October. Inflation remains below the Fed's target.

Retail Sales

Consumer spending trends softened in November. On a year-over-year basis, retail sales were up 4.1% in November versus 5.5% in October. On a month-over-month basis, retail sales declined 1.1% in November, with broad-based declines in many categories on a seasonally adjusted basis. Excluding vehicles and gas, retail sales fell 0.8% in November, following a 0.1% decline in October. Notably, retail sales make up roughly one third of the personal consumption expenditures component of US gross domestic product (GDP), while services revenue comprises roughly two thirds. Spending on services has been hit particularly hard by the pandemic and lagged the pick-up in overall third quarter GDP. While retail sales remain higher on a year-over-year basis, we believe this has been partially boosted by the contraction in spending on services.

Labor Market

U.S. nonfarm payrolls declined by 140,000 in December. It was the first monthly decline in nonfarm payrolls since April of last year and came in well below expectations for a 50,000 gain. The monthly decline was led by the leisure and hospitality sector which experienced a 498,000 net decline in payrolls in December, along with modest declines in government jobs and education and health services. The unemployment rate was unchanged in December at 6.7% and has improved significantly from the peak of 14.8% last April. Nevertheless, more than 10.7 million people remain unemployed. Workers who classified themselves as employed but absent from work in December continued to understate the unemployment rate by about 0.6%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, remained high but declined to 11.7% in December from 12.0% in November. The labor participation rate was unchanged at 61.5% in December and remains well below pre-pandemic levels.

Housing Starts

Total housing starts increased 1.2% in November to an annual pace of 1,547,000. Single family starts inched up 0.4% to a very strong annualized rate of 1,186,000, while multi-family starts increased 4.0% to an annualized rate of 361,000. On a year-over-year basis, total housing starts were up 12.8% in November, driven by growth in single-family starts. Meanwhile, permits were up 6.2% on a month-over-month basis in November, to an annualized rate of 1,639,000 (the strongest rate since 2006).

World Stock Market Index Descriptions

S&P 500—The S&P 500 is a market value weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization. NASDAQ—The NASDAQ Composite Index is the market capitalization-weighted index of over 3,300 common stocks listed on the NASDAQ stock exchange. Dow Jones—The Dow Jones Industrial Average is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ. The Financial Times Stock Exchange Group (FTSE)—The FTSE is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. DAX—The Deutscher Aktienindex (DAX) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. Hang Seng—The Hang Seng Index is a freefloat-adjusted market-capitalization-weighted stock market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of overall market performance in Hong Kong. Nikkei—Japan's Nikkei 225 Stock Average is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

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