



Item No. 11 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: MAY 20, 2020

**SUBJECT: ACCEPTANCE OF TREASURER’S REPORT FOR THE THIRD
QUARTER ENDED MARCH 31, 2020**

RECOMMENDATION

Accept the Treasurer’s Report for the third Quarter Ended March 31, 2020.

BACKGROUND

The Treasurer’s Report provides an update on the cash and investment position of the Town of Atherton.

The Third Quarter Treasurer’s report for FY 2019/20 as of March 31, 2020 is attached. The total cash and investments for the Town is \$45,176,717. Of the total amount, \$29,840,700 is listed as “non-restricted” and although may be listed as such, this amount is not all available for spending. “Non-restricted” is to mean not legally restricted but the Town does have obligations and unfunded liabilities that must or may be met with non-restricted funds. Also attached is the PARS Trust account available balance as of March 31, 2020. The total amount in the PARS account is \$6,425,811. This is a “restricted” investment that is used for the Town’s OPEB liabilities.

Insight Asset Management provides non-discretionary investment advisory services to the Town for investments. Staff is working in conjunction with Insight to ensure cash and investments adhere to our goals of safety, liquidity, and yield. To facilitate the trading and safekeeping of securities, Wells Fargo Bank serves as the safe-keeping agent for the Town.

As the Town is in the construction phase of Civic Center project, staff forecasts cash flow needs to ensure cash liquidity of funds are readily available. As investments mature staff anticipates shifting funds to more liquid instruments. LAIF offers the most liquidity and as of March 31, 2020 holds \$23,291,443.

POLICY FOCUS

The Town's Statement of Investment Policy requires the City Manager or designee to submit quarterly and annual Treasurer's Report to the City Council. The California Government Code Section 53646, Subsection B (1) requires that the quarterly Treasurer's Report be submitted to the legislative body within 30 days of the close of a given quarter or within a reasonable time of scheduled council meetings. Staff strives to make this deadline. The current reporting quarter closed on March 31, 2020.

FISCAL IMPACT

None.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

In addition, the Town keeps its financial information up to date via a transparency webpage.

<https://ca-atherton.civicplus.com/index.aspx?NID=269>

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ____ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)
- Tree Committee (meets each month)

ATTACHMENTS

Treasurer's Report for Third Quarter Ended March 31, 2020

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
March 31, 2019**

	Par Value	Market Value	Book Value	% of Portfolio
Cash In Bank (Schedule A)	8,529,281	8,529,281	8,529,281	18.9%
LAIF Statement	23,291,443	23,305,293	23,291,443	51.6%
Investments (Schedule B)	13,350,000	13,426,662	13,355,993	29.6%
Total Cash and Investments	45,170,724	45,261,236	45,176,717	100%

The above investments are consistent with the Town's Statement of Investment Policy and are allowable under current legislation of the State of California. Investments are selected using safety, liquidity, and yield as the criteria. The Town has sufficient cash flow to cover anticipated expenditures through the next six months.



Robert Barron, Finance Director

3/31/2020

Date

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
March 31, 2019**

Schedule A

Name of Depository	Investment Type	Reconciled Bank Balance
Wells Fargo	General Account	6,299,847
Wells Fargo	Wells Fargo Trust MMF-Cash	2,229,434
Total		<u>8,529,281</u>

**Town of Atherton
Treasurer's Report Schedule B
Portfolio Details - Investments
March 31, 2019**

Schedule B

See next pages Cutwater Report

**Town of Atherton
Quarterly Treasurer's Report
Cash & Investments Balance By Fund
March 31, 2019**

Fund No.	Fund Name	December Balance
101	General Fund	25,266,385
105	Tennis Fund	203,722
610	Equipment Replacement Fund	642,493
614	Worker's Compensation	1,334,168
615	General Liability	663,528
616	Employee Benefits	1,730,405
	Total Non-Restricted	<u>29,840,700</u>
201	Special Tax Fund	1,688,743
202	County Measure A Fund	629,172
203	Gas Tax Fund	164,106
204	Measure M	256,248
209	SLES/COPS Grant	128,079
210	Road Constructions Impact Fee	-
213	Library Fund	8,374,027
215	Evans Creative Design (formerly fund 715)	4,740
221	Refuse Rate and Stabilization	1,915,331
401	GF Projects	1,385,522
402	Storm Drainage	31,347
403	Atherton Channel Drainage District	435,682
406	Facilities Construction	290,385
730	H-P Park Improvement	6,358
740	Tree Committee	26,278
	Total Restricted	<u>15,336,017</u>
	Total Cash & Investments	<u><u>45,176,717</u></u>

Town of Atherton
Quarterly Treasurer's Report
Local Agency Investment Fund Summary (LAIF)
March 31, 2019

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
3/1/2020	23,291,443		-	-		23,291,443	3/31/2019

**Town of Atherton
 Quarterly Treasurer's Report
 PARS Trust Account Summary
 December 31, 2019**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
3/31/2019	6,963,466	33,344	(534,320)	(3,335)	(33,344)	6,425,811	3/31/2019 (*)

* Recent available PARS report

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TOWN OF ATHERTON

Treasurers Report Schedule B

March 2020

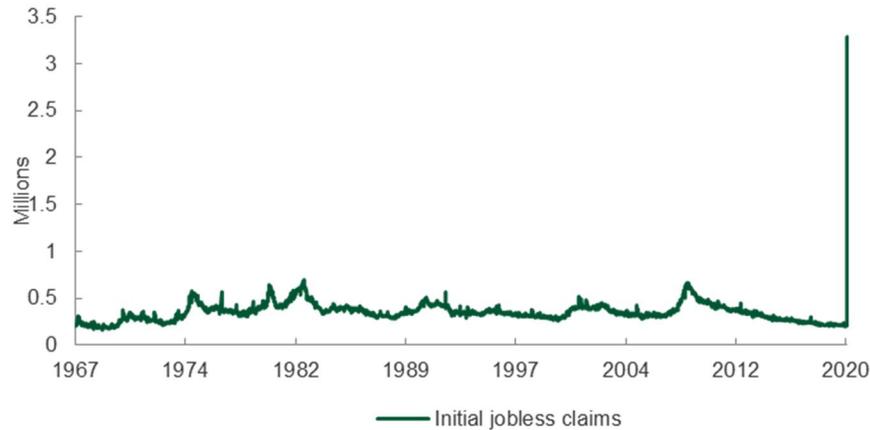


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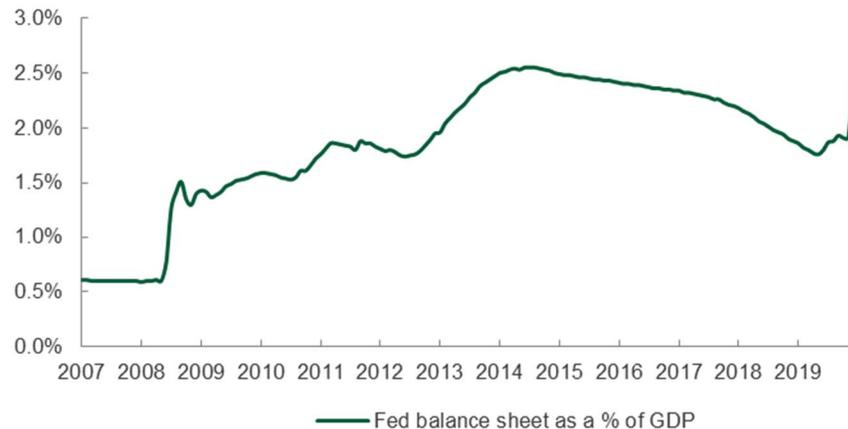
As of March 31, 2020

Chart 1: Jobless claims skyrocket to entirely unprecedented levels amid coronavirus crisis



Source: Bloomberg Finance LP, March 31, 2020.

Chart 2: The Federal Reserve aggressively expands its balance sheet to combat the crisis



Source: Bloomberg Finance LP March 31, 2020.

Economic Indicators and Monetary Policy

The coronavirus crisis took hold in March and the US saw more cases than any other country at almost 190,000. A number of states enforced 'lockdown' measures, closing businesses such as bars and restaurants, schools and banning other public gatherings. Global sporting events were cancelled, as was travel between the US and Europe and the US and Canada. US jobless claims surged to an unprecedented 3m (Chart 1)

US equities entered the sharpest bear market ever, twice delivering record low daily returns outside Black Tuesday 1929 and Black Monday 1987. Selling to meet margin calls and corporations drawing down revolving credit facilities created a liquidity crisis.

The Federal Reserve (Fed) enacted an emergency 50bp rate cut early in the month, and later followed with a 100bp cut, bringing the fed funds rate to a range of 0 - .25%. To address the liquidity crisis, the Fed announced \$3.5trn of repo market operations in March alone and lowered its discount rate for member banks by 50bp.

The Fed also reintroduced quantitative easing (QE), initially at \$700bn, but then later amended to an unlimited program. During a single week, the Fed purchased over \$600bn of Treasuries and agency MBS, larger than the entire 2010 'QE2' program. The Fed also brought back the 2008-era Term Asset-Backed Securities Loan Facility (TALF) and announced two new programs for purchasing corporate debt. (Chart 2)

This was followed by a \$2trn fiscal stimulus package including direct one-time payments to individuals, \$500bn of funding to the economy, \$350bn of loans to small businesses (forgivable if workers are retained) and \$150bn in hospital aid.

Interest Rate Summary

Yields fell dramatically during the month. At one point the entire yield curve yielded less than 1%. Longer-dated yields later retraced, particularly when liquidity concerns abated within the longer-dated Treasury market.

At the end of March, the 3-month US Treasury bill yielded 0.12%, the 6-month US Treasury bill yielded 0.16%, the 2-year US Treasury note yielded 0.25%, the 5-year US Treasury note yielded 0.38% and the 10-year US Treasury note yielded 0.67%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period March 1, 2020 - March 31, 2020

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	17,553,573.37
Income received	32,590.83
Total receipts	32,590.83
Total disbursements	0.00
Interportfolio transfers	(2,000,000.00)
Total Interportfolio transfers	(2,000,000.00)
Realized gain (loss)	0.00
Change in accruals from security movement	0.00
Total amortization expense	(3,067.49)
Total OID/MKT accretion income	2,140.60
Return of capital	0.00
Closing balance	15,585,237.31
Ending fair value	15,656,095.55
Unrealized gain (loss)	70,858.24

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	2,873.89	0.00	0.00	2,873.89
Corporate Bonds	11,889.57	(2,186.18)	0.00	9,703.39
Government Agencies	12,258.13	1,179.78	0.00	13,437.91
Government Bonds	1,962.45	79.51	0.00	2,041.96
Total	28,984.04	(926.89)	0.00	28,057.15

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.88	0.72	0.05
Overnight Repo	1.92	0.73	0.06
Merrill Lynch 3m US Treas Bill	1.72	0.65	0.02
Merrill Lynch 6m US Treas Bill	1.68	0.64	0.02
ML 1 Year US Treasury Note	1.70	0.66	0.03
ML 2 Year US Treasury Note	1.63	0.67	0.04
ML 5 Year US Treasury Note	1.64	0.69	0.05

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	28,984.04
Accretion (amortization)	(926.89)
Realized gain (loss) on sales	0.00
Total income on portfolio	28,057.15
Average daily amortized cost	16,732,580.17
Period return (%)	0.17
YTD return (%)	0.47
Weighted average final maturity in days	153

ACTIVITY AND PERFORMANCE SUMMARY

For the period March 1, 2020 - March 31, 2020

<u>Fair Value Basis Activity Summary</u>		
Opening balance		17,620,649.94
Income received	32,590.83	
Total receipts		32,590.83
Total disbursements		0.00
Interportfolio transfers	(2,000,000.00)	
Total Interportfolio transfers		(2,000,000.00)
Unrealized gain (loss) on security movements		0.00
Change in accruals from security movement		0.00
Return of capital		0.00
Change in fair value for the period		2,854.78
Ending fair value		15,656,095.55

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	2,873.89	0.00	2,873.89
Corporate Bonds	11,889.57	(21,789.36)	(9,899.79)
Government Agencies	12,258.13	20,831.74	33,089.87
Government Bonds	1,962.45	3,812.40	5,774.85
Total	28,984.04	2,854.78	31,838.82

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.88	0.72	0.05
Overnight Repo	1.92	0.73	0.06
ICE BofAML 3 Months US T-BILL	2.25	1.04	0.29
ICE ML 6m US Treas Bill	2.85	1.48	0.52
ICE ML 1 Year US Treasury Note	3.85	2.31	0.99
ICE ML US Treasury 1-3	5.42	3.33	1.37
ICE ML US Treasury 1-5	6.86	4.16	1.71

* rates reflected are cumulative

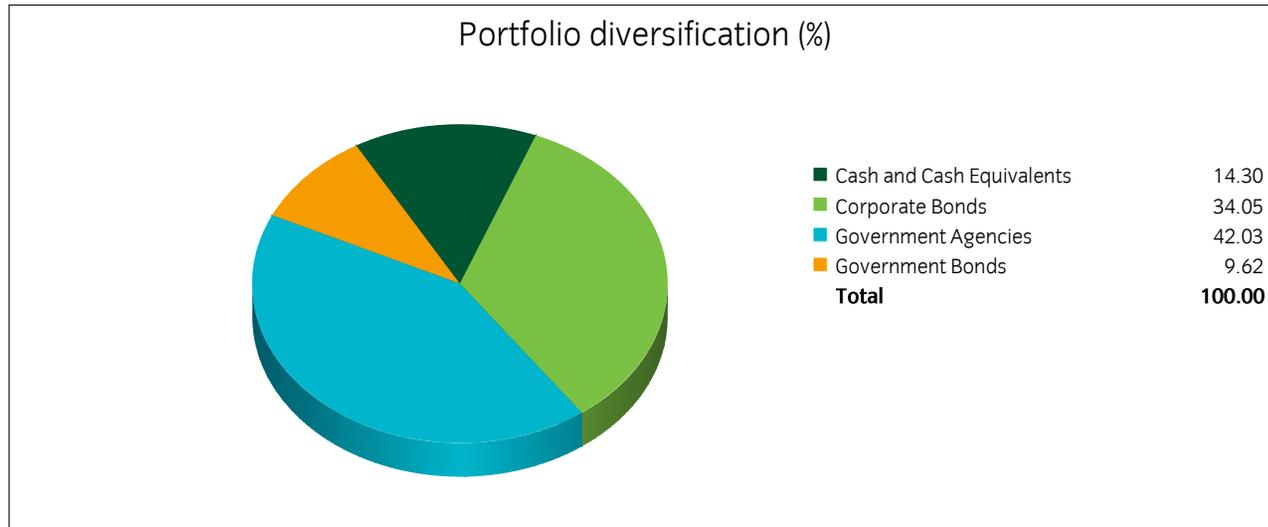
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	28,984.04
Change in fair value	2,854.78
Total income on portfolio	31,838.82
Average daily total value *	16,875,401.27
Period return (%)	0.21
YTD return (%)	0.65
Weighted average final maturity in days	153

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of March 31, 2020

	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	2,229,433.89	2,229,433.89	2,229,433.89	0.00	1	14.30	0.00
Corporate Bonds	5,306,263.55	5,291,081.22	5,294,759.49	3,678.27	210	34.05	0.54
Government Agencies	6,550,179.06	6,564,891.82	6,627,406.18	62,514.36	177	42.03	0.48
Government Bonds	1,499,550.78	1,499,830.38	1,504,495.99	4,665.61	76	9.62	0.21
Total	15,585,427.28	15,585,237.31	15,656,095.55	70,858.24	153	100.00	0.41

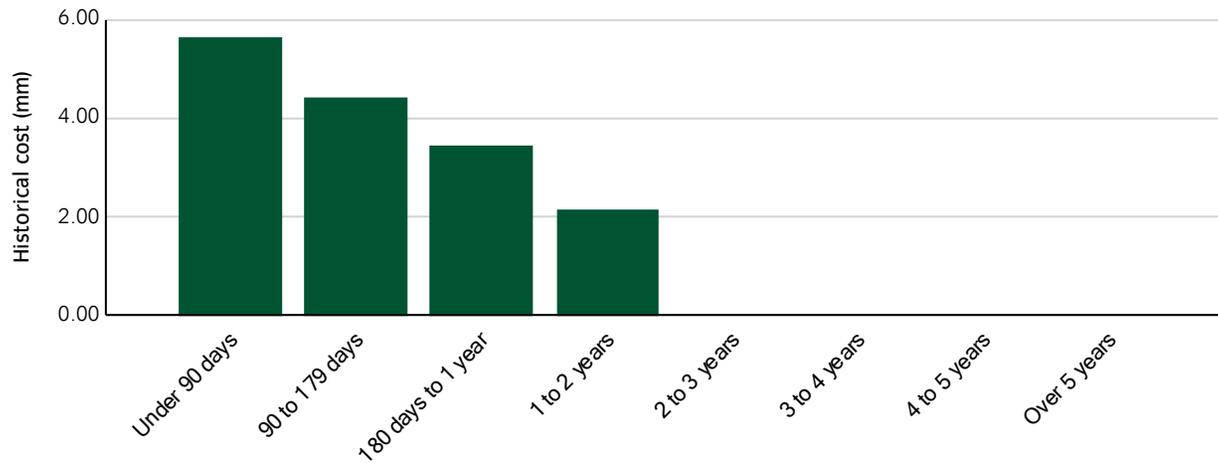


MATURITY DISTRIBUTION OF SECURITIES HELD

As of March 31, 2020

Maturity	Historic cost	Percent
Under 90 days	5,629,494.97	36.12
90 to 179 days	4,408,198.06	28.28
180 days to 1 year	3,427,582.25	21.99
1 to 2 years	2,120,152.00	13.60
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	15,585,427.28	100.00

Maturity distribution



SECURITIES HELD

As of March 31, 2020

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Cash and Cash Equivalents											
Cash and Cash Equivalents	0.000		2,229,433.89	2,229,433.89 0.00	2,229,433.89 0.00	2,229,433.89 0.00	0.00	0.00	0.00	0.00	14.30
Total Cash and Cash Equivalents			2,229,433.89	2,229,433.89 0.00	2,229,433.89 0.00	2,229,433.89 0.00	0.00	0.00	0.00	0.00	14.30
Corporate Bonds											
89236TDU6 TOYOTA MOTOR CREDIT CORP 1.95% 17APR2020	1.950	04/17/2020	600,000.00	598,992.00 0.00	599,940.08 105.73	599,868.37 (292.18)	(71.71)	0.00	1,040.00	5,330.00	3.84
02665WBT7 AMERICAN HONDA FINANCE 1.95% 20JUL2020	1.950	07/20/2020	500,000.00	500,625.00 0.00	500,432.39 (117.92)	497,937.13 (2,894.12)	(2,495.26)	0.00	866.67	1,922.92	3.21
46625HHS2 JPMORGAN CHASE & CO 4.4% 22JUL2020	4.400	07/22/2020	600,000.00	613,302.00 0.00	603,910.30 (1,047.40)	601,360.15 (5,149.30)	(2,550.15)	0.00	2,346.67	5,060.00	3.94
94974BGM6 WELLS FARGO & COMPANY 2.6% 22JUL2020	2.600	07/22/2020	500,000.00	502,660.00 (1,805.56)	502,240.00 (420.00)	500,094.39 (2,565.61)	(2,145.61)	0.00	686.11	2,491.67	3.23
0258MODX4 AMERICAN EXPRESS CREDIT 2.6% 14SEP2020 (CALLABLE 14AUG20)	2.600	09/14/2020 08/14/2020	600,000.00	602,592.00 0.00	600,861.86 (192.95)	599,670.40 (2,877.76)	(1,191.46)	7,800.00	1,386.67	736.67	3.87
44932HAK9 IBM CREDIT LLC 3.45% 30NOV2020	3.450	11/30/2020	600,000.00	610,218.75 0.00	604,818.27 (602.29)	606,818.54 (2,487.53)	2,000.27	0.00	1,782.50	6,900.00	3.92
037833BS8 APPLE INC 2.25% 23FEB2021 (CALLABLE 23JAN21)	2.250	02/23/2021 01/23/2021	550,000.00	547,712.00 0.00	548,859.53 105.93	555,542.88 1,721.58	6,683.35	0.00	1,100.00	1,306.25	3.51
084670BQO BERKSHIRE HATHAWAY INC 2.2% 15MAR2021 (CALLABLE 15FEB21)	2.200	03/15/2021 02/15/2021	680,000.00	681,604.80 0.00	680,912.08 (83.70)	683,252.05 (1,609.76)	2,339.97	7,480.00	1,329.78	664.89	4.37

SECURITIES HELD

As of March 31, 2020

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Corporate Bonds											
69353REW4	2.150	04/29/2021	650,000.00	648,557.00	649,106.71	650,215.58	1,108.87	0.00	1,242.23	5,900.56	4.16
PNC BANK NA 2.15% 29APR2021 (CALLABLE 30MAR21)		03/30/2021		0.00	66.42	(5,634.68)					
Total Corporate Bonds			5,280,000.00	5,306,263.55 (1,805.56)	5,291,081.22 (2,186.18)	5,294,759.49 (21,789.36)	3,678.27	15,280.00	11,780.63	30,312.96	34.05
Government Agencies											
3137EAEF2	1.375	04/20/2020	1,000,000.00	997,373.36	999,780.20	1,000,475.62	695.42	0.00	1,222.23	6,149.31	6.40
FREDDIE MAC 1.375% 20APR2020				0.00	329.71	662.89					
3130AECJ7	2.625	05/28/2020	800,000.00	804,184.00	801,032.87	802,849.60	1,816.73	0.00	1,866.67	7,175.00	5.16
FEDERAL HOME LOAN BANK 2.625% 28MAY2020				0.00	(507.68)	427.70					
3134GBN40	1.625	06/29/2020	1,200,000.00	1,198,560.00	1,199,870.81	1,203,515.65	3,644.84	0.00	1,733.33	4,983.33	7.69
FREDDIE MAC 1.625% 29JUN2020 CALLABLE #0001				0.00	43.55	2,688.20					
3136G3U86	1.300	08/25/2020	500,000.00	490,420.00	497,523.89	502,105.38	4,581.49	0.00	577.78	650.00	3.15
FANNIE MAE 1.3% 25AUG2020 CALLABLE				0.00	512.30	1,595.49					
3137EAEJ4	1.625	09/29/2020	400,000.00	394,404.00	398,254.91	402,189.39	3,934.48	3,250.00	577.78	36.11	2.53
FREDDIE MAC 1.625% 29SEP2020				0.00	292.48	1,173.64					
3130AEWA4	2.625	10/01/2020	500,000.00	500,495.00	500,150.08	505,747.91	5,597.83	0.00	1,166.67	6,562.50	3.21
FEDERAL HOME LOAN BANK 2.625% 01OCT2020				0.00	(24.87)	1,578.20					
3137EAEK1	1.875	11/17/2020	700,000.00	693,147.70	697,424.72	707,294.71	9,869.99	0.00	1,166.67	4,885.42	4.45
FREDDIE MAC 1.875% 17NOV2020				0.00	340.35	3,913.37					
3133EJJD2	2.540	04/05/2021	800,000.00	800,831.20	800,408.88	818,468.68	18,059.80	0.00	1,806.22	9,934.22	5.14
FEDERAL FARM CREDIT BANK 2.54% 05APR2021				0.00	(33.61)	4,725.06					

SECURITIES HELD

As of March 31, 2020

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3130A1W95 FEDERAL HOME LOAN BANK 2.25% 11JUN2021 #0000	2.250	06/11/2021	670,000.00	670,763.80 0.00	670,445.46 (31.01)	684,759.24 4,127.14	14,313.78	0.00	1,340.00	4,606.25	4.30
Total Government Agencies			6,570,000.00	6,550,179.06 0.00	6,564,891.82 921.22	6,627,406.18 20,891.69	62,514.36	3,250.00	11,457.35	44,982.14	42.03
Government Bonds											
912828XE5 USA TREASURY 1.5% 31MAY2020	1.500	05/31/2020	500,000.00	499,746.09 0.00	499,908.89 46.30	501,155.20 1,135.67	1,246.31	0.00	635.25	2,500.00	3.21
912828XU9 USA TREASURY 1.5% 15JUN2020	1.500	06/15/2020	500,000.00	499,765.63 0.00	499,903.72 39.27	501,444.00 1,268.22	1,540.28	0.00	635.24	2,192.62	3.21
912828XH8 USA TREASURY 1.625% 30JUN2020	1.625	06/30/2020	500,000.00	500,039.06 0.00	500,017.77 (6.06)	501,896.79 1,408.51	1,879.02	0.00	691.96	2,031.25	3.21
Total Government Bonds			1,500,000.00	1,499,550.78 0.00	1,499,830.38 79.51	1,504,495.99 3,812.40	4,665.61	0.00	1,962.45	6,723.87	9.62
Grand total			15,579,433.89	15,585,427.28 (1,805.56)	15,585,237.31 (1,185.45)	15,656,095.55 2,914.73	70,858.24	18,530.00	25,200.43	82,018.97	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of March 31, 2020

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal Home Loan Mortgage Corp												
3137EAEF2	FREDDIE MAC 1.375%	1.375	04/20/2020		AA+	Aaa	1,000,000.00	997,373.36	6.40	1,000,475.62	6.39	0.05
3134GBN40	FREDDIE MAC 1.625%	1.625	06/29/2020		AA+	Aaa	1,200,000.00	1,198,560.00	7.69	1,203,515.65	7.69	0.25
3137EAEJ4	FREDDIE MAC 1.625%	1.625	09/29/2020		AA+	Aaa	400,000.00	394,404.00	2.53	402,189.39	2.57	0.50
3137EAEK1	FREDDIE MAC 1.875%	1.875	11/17/2020		AA+	Aaa	700,000.00	693,147.70	4.45	707,294.71	4.52	0.63
Issuer total							3,300,000.00	3,283,485.06	21.07	3,313,475.37	21.16	0.30
Cash and Cash Equivalents												
	INVESTED CASH	0.000					2,229,433.89	2,229,433.89	0.00	2,229,433.89	14.24	0.00
Issuer total							2,229,433.89	2,229,433.89	0.00	2,229,433.89	14.24	0.00
Federal Home Loan Banks												
3130AECJ7	FEDERAL HOME LOAN	2.625	05/28/2020		AA+	Aaa	800,000.00	804,184.00	5.16	802,849.60	5.13	0.16
3130AEWA4	FEDERAL HOME LOAN	2.625	10/01/2020		AA+	Aaa	500,000.00	500,495.00	3.21	505,747.91	3.23	0.50
3130A1W95	FEDERAL HOME LOAN	2.250	06/11/2021		AA+	Aaa	670,000.00	670,763.80	4.30	684,759.24	4.37	1.18
Issuer total							1,970,000.00	1,975,442.80	12.67	1,993,356.75	12.73	0.59
United States Treasury Note/Bond												
912828XE5	USA TREASURY 1.5%	1.500	05/31/2020		AA+	Aaa	500,000.00	499,746.09	3.21	501,155.20	3.20	0.17
912828XU9	USA TREASURY 1.5%	1.500	06/15/2020		AA+	Aaa	500,000.00	499,765.63	3.21	501,444.00	3.20	0.21
912828XH8	USA TREASURY 1.625%	1.625	06/30/2020		AA+	Aaa	500,000.00	500,039.06	3.21	501,896.79	3.21	0.25
Issuer total							1,500,000.00	1,499,550.78	9.62	1,504,495.99	9.61	0.21
Federal Farm Credit Banks Funding Corp												
3133EJD2	FEDERAL FARM CREDIT	2.540	04/05/2021		AA+	Aaa	800,000.00	800,831.20	5.14	818,468.68	5.23	0.99
Issuer total							800,000.00	800,831.20	5.14	818,468.68	5.23	0.99

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of March 31, 2020

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Berkshire Hathaway Inc												
084670BQ0	BERKSHIRE HATHAWAY	2.200	03/15/2021	02/15/2021	AA	Aa2	680,000.00	681,604.80	4.37	683,252.05	4.36	0.88
Issuer total							680,000.00	681,604.80	4.37	683,252.05	4.36	0.88
PNC Bank NA												
69353REW4	PNC BANK NA 2.15%	2.150	04/29/2021	03/30/2021	A	A2	650,000.00	648,557.00	4.16	650,215.58	4.15	1.01
Issuer total							650,000.00	648,557.00	4.16	650,215.58	4.15	1.01
IBM Credit LLC												
44932HAK9	IBM CREDIT LLC 3.45%	3.450	11/30/2020		A	A2	600,000.00	610,218.75	3.92	606,818.54	3.88	0.65
Issuer total							600,000.00	610,218.75	3.92	606,818.54	3.88	0.65
JPMorgan Chase & Co												
46625HHS2	JPMORGAN CHASE & CO	4.400	07/22/2020		A-	A2	600,000.00	613,302.00	3.94	601,360.15	3.84	0.30
Issuer total							600,000.00	613,302.00	3.94	601,360.15	3.84	0.30
Toyota Motor Credit Corp												
89236TDU6	TOYOTA MOTOR CREDIT	1.950	04/17/2020		AA-	A1	600,000.00	598,992.00	3.84	599,868.37	3.83	0.05
Issuer total							600,000.00	598,992.00	3.84	599,868.37	3.83	0.05
American Express Credit Corp												
0258M0DX4	AMERICAN EXPRESS	2.600	09/14/2020	08/14/2020	A-	A2	600,000.00	602,592.00	3.87	599,670.40	3.83	0.42
Issuer total							600,000.00	602,592.00	3.87	599,670.40	3.83	0.42
Apple Inc												
037833B58	APPLE INC 2.25%	2.250	02/23/2021	01/23/2021	AA+	Aa1	550,000.00	547,712.00	3.51	555,542.88	3.55	0.81
Issuer total							550,000.00	547,712.00	3.51	555,542.88	3.55	0.81

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of March 31, 2020

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal National Mortgage Association												
3136G3U86	FANNIE MAE 1.3%	1.300	08/25/2020		AA+	Aaa	500,000.00	490,420.00	3.15	502,105.38	3.21	0.40
Issuer total							500,000.00	490,420.00	3.15	502,105.38	3.21	0.40
Wells Fargo & Co												
94974BGM6	WELLS FARGO &	2.600	07/22/2020		A-	A2	500,000.00	502,660.00	3.23	500,094.39	3.19	0.31
Issuer total							500,000.00	502,660.00	3.23	500,094.39	3.19	0.31
American Honda Finance Corp												
02665WBT7	AMERICAN HONDA	1.950	07/20/2020		A	A3	500,000.00	500,625.00	3.21	497,937.13	3.18	0.30
Issuer total							500,000.00	500,625.00	3.21	497,937.13	3.18	0.30
Grand total							15,579,433.89	15,585,427.28	100.00	15,656,095.55	100.00	0.41

SECURITIES PURCHASED

For the period March 1, 2020 - March 31, 2020

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Corporate Bonds							
94974BGM6	03/10/2020	2.600	07/22/2020	500,000.00	100.53	(502,660.00)	(1,805.56)
WELLS FARGO & COMPANY 2.6% 22JUL2020	03/12/2020						
WELLS FARGO SECURITIES, LLC							
Total Corporate Bonds				500,000.00		(502,660.00)	(1,805.56)
Grand total				500,000.00		(502,660.00)	(1,805.56)

SECURITIES SOLD AND MATURED

For the period March 1, 2020 - March 31, 2020

Cusip/ Description/ Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity /Accr (amort)	Price	Fair value at sale or maturity / Chg.in fair value	Realized gain (loss)	Accrued interest sold	Interest received	Interest earned
Corporate Bonds												
166764AR1 CHEVRON CORP NEW 1.961% DUE 03-03-2020	03/03/2020 03/03/2020	1.961		(500,000.00)	500,225.00	500,000.00 0.00	0.00	500,000.00 0.00	0.00	0.00	4,902.50	108.94
Total (Corporate Bonds)				(500,000.00)	500,225.00	500,000.00 0.00		500,000.00 0.00	0.00	0.00	4,902.50	108.94
Government Agencies												
3133EHET6 FFCB TRANCHE 00114 1.58 03-03-2020	03/03/2020 03/03/2020	1.580		(500,000.00)	499,714.50	500,000.00 0.85	0.00	500,000.00 (4.99)	0.00	0.00	3,950.00	87.78
3136G3UB9 FANNIE MAE 1.2% 30MAR2020 CALLABLE	03/30/2020 03/30/2020	1.200		(690,000.00)	688,625.52	690,000.00 257.71	0.00	690,000.00 (54.96)	0.00	0.00	4,140.00	713.00
Total (Government Agencies)				(1,190,000.00)	1,188,340.02	1,190,000.00 258.56		1,190,000.00 (59.95)	0.00	0.00	8,090.00	800.78
Grand total				(1,690,000.00)	1,688,565.02	1,690,000.00 258.56		1,690,000.00 (59.95)	0.00	0.00	12,992.50	909.72

TRANSACTION REPORT

For the period March 1, 2020 - March 31, 2020

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
03/03/2020 03/03/2020	166764AR1	Income	Corporate Bonds	CHEVRON CORP NEW 1.961%	03/03/2020	500,000.00	0.00	0.00	4,902.50	4,902.50
03/03/2020 03/03/2020	166764AR1	Capital Change	Corporate Bonds	CHEVRON CORP NEW 1.961%	03/03/2020	(500,000.00)	0.00	500,000.00	0.00	500,000.00
03/03/2020 03/03/2020	3133EHET6	Income	Government Agencies	FFCB TRANCHE 00114 1.58	03/03/2020	500,000.00	0.00	0.00	3,950.00	3,950.00
03/03/2020 03/03/2020	3133EHET6	Capital Change	Government Agencies	FFCB TRANCHE 00114 1.58	03/03/2020	(500,000.00)	0.00	500,000.00	0.00	500,000.00
03/10/2020 03/12/2020	94974BGM6	Bought	Corporate Bonds	WELLS FARGO & COMPANY	07/22/2020	500,000.00	0.00	(502,660.00)	(1,805.56)	(504,465.56)
03/15/2020 03/15/2020	084670BQ0	Income	Corporate Bonds	BERKSHIRE HATHAWAY INC	03/15/2021	680,000.00	0.00	0.00	7,480.00	7,480.00
03/16/2020 03/16/2020	0258MODX4	Income	Corporate Bonds	AMERICAN EXPRESS CREDIT	09/14/2020	600,000.00	0.00	0.00	7,800.00	7,800.00
03/29/2020 03/29/2020	3137EAEJ4	Income	Government Agencies	FREDDIE MAC 1.625%	09/29/2020	400,000.00	0.00	0.00	3,250.00	3,250.00
03/30/2020 03/30/2020	3136G3UB9	Income	Government Agencies	FANNIE MAE 1.2% 30MAR2020	03/30/2020	690,000.00	0.00	0.00	4,140.00	4,140.00
03/30/2020 03/30/2020	3136G3UB9	Capital Change	Government Agencies	FANNIE MAE 1.2% 30MAR2020	03/30/2020	(690,000.00)	0.00	690,000.00	0.00	690,000.00
03/31/2020		Income	Cash and Cash Equivalent	Cash		0.00	0.00	0.00	2,873.89	2,873.89

As of March 31, 2020

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Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown.

The BofA Merrill Lynch 3 Mo US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The BofA Merrill Lynch 6 Mo US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The BofA Merrill Lynch Current 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch Current 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The BofA Merrill Lynch 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The BofA Merrill Lynch 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

ADDITIONAL INFORMATION

As of March 31, 2020

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