



Item No. 7 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: FEBRUARY 17, 2021

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

RECOMMENDATION

Accept the Treasurer’s Report for the second Quarter Ended December 31, 2020.

BACKGROUND

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

The Second Quarter Treasurer’s report for FY 2020/21 as of December 31, 2020 is attached. The total cash and investments for the Town is \$42,208,011. Of the total amount, \$28,751,240 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 December 31, 2020. The total amount in the PARS account is \$8,188,870. 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. The Town has used all its COP proceeds of \$7.516 million toward paying for project construction. As investments mature staff anticipates shifting funds to more liquid instruments. LAIF offers the most liquidity and as of December 31, 2020 holds \$21,597,068.

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 December 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 Second Quarter Ended December 31, 2020

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
December 31, 2020**

	Par Value	Market Value	Book Value	% of Portfolio
Cash In Bank (Schedule A)	10,294,114	10,294,114	10,294,114	24.4%
LAIF Statement	21,597,068	21,646,122	21,597,068	51.2%
Investments (Schedule B)	10,250,000	10,295,658	10,316,829	24.4%
Total Cash and Investments	42,141,182	42,235,894	42,208,011	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

12/31/2020

Date

Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
December 31, 2020

Schedule A

<u>Name of Depository</u>	<u>Investment Type</u>	<u>Reconciled Bank Balance</u>
Wells Fargo	General Account	4,822,421
Wells Fargo	Wells Fargo Trust MMF-Cash	5,471,693
Total		<u>10,294,114</u>

**Town of Atherton
Treasurer's Report Schedule B
Portfolio Details - Investments
December 31, 2020**

Schedule B

See next pages Cutwater Report

**Town of Atherton
Quarterly Treasurer's Report
Cash & Investments Balance By Fund
December 31, 2020**

Fund No.	Fund Name	June Balance
101	General Fund	24,044,586
105	Tennis Fund	206,694
610	Equipment Replacement Fund	730,411
614	Worker's Compensation	1,497,707
615	General Liability	622,381
616	Employee Benefits	1,649,462
	Total Non-Restricted	<u>28,751,240</u>
201	Special Tax Fund	1,474,472
202	County Measure A Fund	533,091
203	Gas Tax Fund	161,872
204	Measure M	207,758
205	Measure W	194,750
209	SLES/COPS Grant	103,969
210	Road Constructions Impact Fee	-
213	Library Fund	6,041,529
215	Evans Creative Design (formerly fund 715)	1,824
221	Refuse Rate and Stabilization	303,847
401	GF Projects	1,439,131
402	Storm Drainage	31,924
403	Atherton Channel Drainage District	575,095
406	Facilities Construction	2,354,272
730	H-P Park Improvement	6,475
740	Tree Committee	26,763
	Total Restricted	<u>13,456,772</u>
	Total Cash & Investments	<u><u>42,208,011</u></u>

**Town of Atherton
Quarterly Treasurer's Report
Local Agency Investment Fund Summary (LAIF)
December 31, 2020**

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
12/1/2020	21,597,068		-	-		21,597,068	12/31/2020

Town of Atherton
Quarterly Treasurer's Report
PARS Trust Account Summary
December 31, 2021

Date	Begin \$\$\$	Contribution	Earnings	Expenses	Distribution	Ending \$\$\$	Date
12/31/2020	8,002,096	34,598	192,335	(5,562)	(34,598)	8,188,870	12/31/2020 (*)

* Recent available PARS report

FOR PROFESSIONAL CLIENTS ONLY
NOT TO BE REPRODUCED WITHOUT PRIOR WRITTEN APPROVAL
PLEASE REFER TO ALL RISK DISCLOSURES AT THE BACK OF THIS DOCUMENT

ATTACHMENT 1

TOWN OF ATHERTON

Treasurer's Report Schedule B

December 2020



Contents

Fixed income market review	3
Activity and performance summary	4
Recap of securities held	6
Maturity distribution of securities held	7
Securities held	8
GASB 40 - Deposit and investment risk disclosure	10
Detail of return and interest received	12
Transaction report	14
Additional information	15

As of December 31, 2020

Chart 1: ISM indices remain in expansionary territory but soften



Source: Bloomberg Finance LP, December 31, 2020.

Chart 2: Retail sales move into contractionary territory



Source: Bloomberg Finance LP, December 31, 2020.

Economic Indicators and Monetary Policy

Congress passed a \$2.3trn omnibus spending package including a \$900bn COVID-relief package providing \$325bn for small businesses and \$286bn for individuals which is split between enhanced unemployment benefits (of \$300 per week) and \$600 stimulus checks. President Trump signed the package into law with formal rescissions, but reportedly the House did not plan to bring them to a vote, outside of increasing stimulus checks to \$2,000 (although a Republican-controlled Senate is unlikely to pass it).

Pfizer and Moderna's COVID-19 vaccines showed high efficacy levels in Phase 3 trials and both were granted 'emergency use authorizations' by the FDA. COVID-19 hospitalizations continued to rise and the consumer confidence index fell 4.3pts, to 88.6.

The Federal Reserve confirmed asset purchases will continue at a rate of at least \$120bn per month, until there is "substantial further progress" on employment and inflation. The Fed's quarterly economic forecasts were marginally improved, with unemployment expected to fall to 5% next year (compared to the previous estimate of 5.5%) and GDP forecast at 4.2% next year, indicating the economy will recover beyond pre-pandemic levels in 2021.

Data-wise, job growth was weaker than expected in November at 245,000 as seasonal retail hiring was less positive than expected. The unemployment rate fell to 6.7% from 6.9% as the participation rate fell 0.2 percentage points to 61.5%. Retail sales decreased 1.1%, with declines broad-based across categories. The ISM Manufacturing index eased somewhat in November to 57.5 from 59.1, reflecting supply challenges, but remained in expansionary territory. The ISM Services index fell to 55.9 in November, closely in line with consensus expectations. The housing market remained a bright-spot with housing starts rising more than expected (1.2% - essentially to pre-pandemic levels) in November and the October data was revised higher.

Interest Rate Summary

Treasury yields did not change materially over the month. At the end of December, the 3-month US Treasury bill yielded 0.09%, the 6-month US Treasury bill yielded 0.09%, the 2-year US Treasury note yielded 0.12%, the 5-year US Treasury note yielded 0.36% and the 10-year US Treasury note yielded 0.92%.

ACTIVITY AND PERFORMANCE SUMMARY

ATTACHMENT 1

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

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	15,739,007.18
Income received	21,547.10
Total receipts	21,547.10
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Change in accruals from security movement	0.00
Total amortization expense	(9,382.98)
Total OID/MKT accretion income	173.75
Return of capital	0.00
Closing balance	15,751,345.05
Ending fair value	15,767,351.25
Unrealized gain (loss)	16,006.20

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	44.95	0.00	0.00	44.95
Corporate Bonds	8,848.63	(3,978.84)	0.00	4,869.79
Government Agencies	9,032.20	(5,230.39)	0.00	3,801.81
Total	17,925.78	(9,209.23)	0.00	8,716.55

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.37	0.05	0.01
Overnight Repo	0.39	0.05	0.01
Merrill Lynch 3m US Treas Bill	0.33	0.04	0.01
Merrill Lynch 6m US Treas Bill	0.33	0.05	0.01
ML 1 Year US Treasury Note	0.38	0.06	0.01
ML 2 Year US Treasury Note	0.39	0.07	0.01
ML 5 Year US Treasury Note	0.54	0.16	0.03

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	17,925.78
Accretion (amortization)	(9,209.23)
Realized gain (loss) on sales	0.00
Total income on portfolio	8,716.55
Average daily amortized cost	15,746,296.64
Period return (%)	0.06
YTD return (%)	1.32
Weighted average final maturity in days	62

ACTIVITY AND PERFORMANCE SUMMARY

ATTACHMENT 1

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

<u>Fair Value Basis Activity Summary</u>	
Opening balance	15,762,160.53
Income received	21,547.10
Total receipts	21,547.10
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
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	(16,356.38)
Ending fair value	15,767,351.25

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	44.95	0.00	44.95
Corporate Bonds	8,848.63	(8,021.13)	827.50
Government Agencies	9,032.20	(8,335.25)	696.95
Total	17,925.78	(16,356.38)	1,569.40

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.37	0.05	0.01
Overnight Repo	0.39	0.05	0.01
ICE Bofa 3 Months US T-BILL	0.67	0.07	0.01
ICE Bofa 6m US Treas Bill	1.05	0.11	0.02
ICE Bofa 1 Yr US Treasury Note	1.82	0.13	0.00
ICE BofA US Treasury 1-3	3.10	0.15	0.05
ICE BofA US Treasury 1-5	4.25	0.14	0.07

* rates reflected are cumulative

<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	17,925.78
Change in fair value	(16,356.38)
Total income on portfolio	1,569.40
Average daily total value *	15,814,451.65
Period return (%)	0.01
YTD return (%)	1.15
Weighted average final maturity in days	62

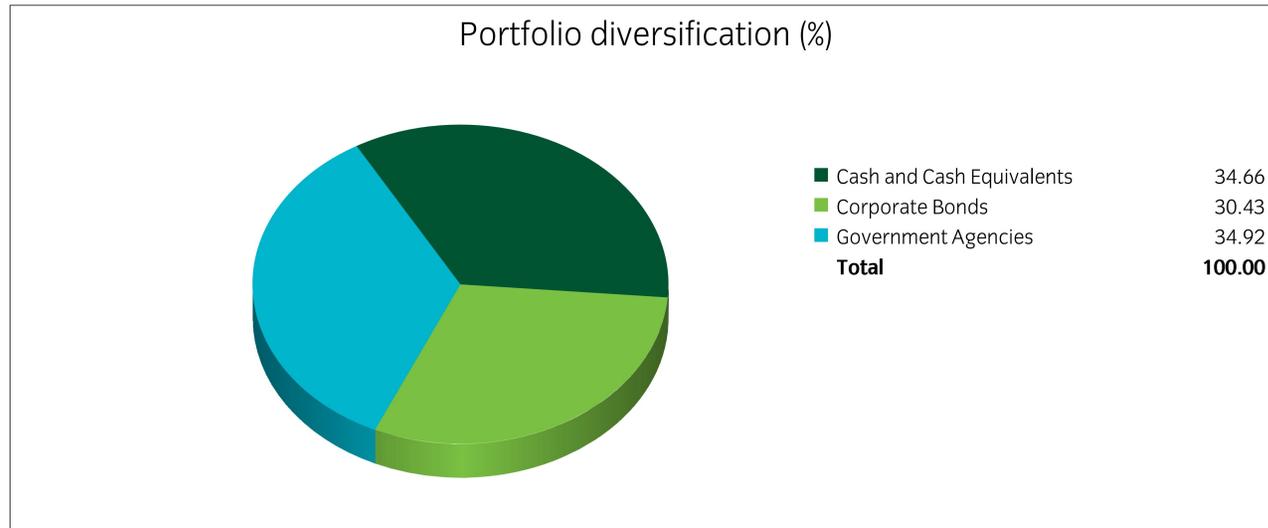
* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

ATTACHMENT 1

As of December 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	5,471,693.20	5,471,693.20	5,471,693.20	0.00	1	34.66	0.00
Corporate Bonds	4,803,850.80	4,787,715.66	4,792,619.39	4,903.73	71	30.43	0.15
Government Agencies	5,512,978.10	5,491,936.19	5,503,038.66	11,102.47	115	34.92	0.31
Total	15,788,522.10	15,751,345.05	15,767,351.25	16,006.20	62	100.00	0.16



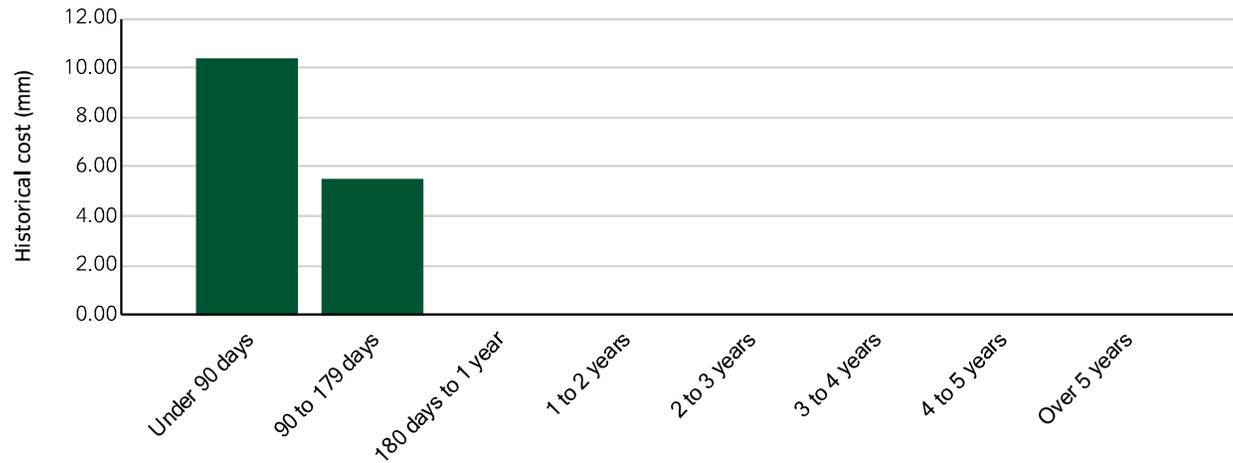
MATURITY DISTRIBUTION OF SECURITIES HELD

ATTACHMENT 1

As of December 31, 2020

Maturity	Historic cost	Percent
Under 90 days	10,321,538.00	65.37
90 to 179 days	5,466,984.10	34.63
180 days to 1 year	0.00	0.00
1 to 2 years	0.00	0.00
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
	15,788,522.10	100.00

Maturity distribution



SECURITIES HELD

ATTACHMENT 1

As of December 31, 2020

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Cash and Cash Equivalents										
	Cash and Cash Equivalents	0.000		5,471,693.20	5,471,693.20	5,471,693.20	5,471,693.20	0.00	0.00	34.66
Total Cash and Cash Equivalents				5,471,693.20	5,471,693.20	5,471,693.20	5,471,693.20	0.00	0.00	34.66
Corporate Bonds										
24422ETZ2	JOHN DEERE CAPITAL CORP 2.35% 08JAN2021	2.350	01/08/2021	600,000.00	605,706.00	600,173.57	600,106.15	(67.42)	6,775.83	3.84
037833BS8	APPLE INC 2.25% 23FEB2021 (CALLABLE 28JAN21)	2.250	02/23/2021 01/23/2021	550,000.00	547,712.00	549,812.86	550,652.60	839.74	4,400.00	3.47
46625HQJ2	JPMORGAN CHASE & CO 2.55% 01MAR2021 (CALLABLE 08FEB21)	2.550	03/01/2021 02/01/2021	600,000.00	606,276.00	601,151.22	600,955.78	(195.44)	5,100.00	3.84
949746RS2	WELLS FARGO & COMPANY 2.5% 04MAR2021	2.500	03/04/2021	600,000.00	607,884.00	602,242.56	602,029.09	(213.47)	4,875.00	3.85
084670BQ0	BERKSHIRE HATHAWAY INC 2.2% 15MAR2021 (CALLABLE 15FEB21)	2.200	03/15/2021 02/15/2021	680,000.00	681,604.80	680,132.77	681,472.91	1,340.14	4,404.89	4.32
14913Q2H1	CATERPILLAR FINL SERVICE FRN 15MAR2021	0.447	03/15/2021	500,000.00	500,675.00	500,206.40	500,157.74	(48.66)	99.22	3.17
06051GFW4	BANK OF AMERICA CORP 2.625% 19APR2021	2.625	04/19/2021	600,000.00	605,436.00	604,271.14	604,195.07	(76.07)	3,150.00	3.83
69353REW4	PNC BANK NA 2.15% 29APR2021 (CALLABLE 30MAR21)	2.150	04/29/2021 03/30/2021	650,000.00	648,557.00	649,725.14	653,050.05	3,324.91	2,406.81	4.11
Total Corporate Bonds				4,780,000.00	4,803,850.80	4,787,715.66	4,792,619.39	4,903.73	31,211.75	30.43

SECURITIES HELD

ATTACHMENT 1

As of December 31, 2020

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Agencies										
3130AJS65	FEDERAL HOME LOAN BANK 0.18% 26MAR2021	0.180	03/26/2021	1,300,000.00	1,299,987.00	1,299,995.76	1,300,161.92	166.16	32.50	8.23
3133EJJD2	FEDERAL FARM CREDIT BANK 2.54% 05APR2021	2.540	04/05/2021	1,500,000.00	1,507,357.30	1,504,441.94	1,509,537.98	5,096.04	9,101.67	9.55
3135G0U27	FANNIE MAE 2.5% 13APR2021	2.500	04/13/2021	1,000,000.00	1,018,370.00	1,006,727.04	1,006,632.18	(94.86)	5,416.67	6.45
3133EKPS9	FEDERAL FARM CREDIT BANK 2.125% 07JUN2021	2.125	06/07/2021	500,000.00	506,905.00	504,353.76	504,391.27	37.51	708.33	3.21
3130A1W95	FEDERAL HOME LOAN BANK 2.25% 11JUN2021 #0000	2.250	06/11/2021	670,000.00	670,763.80	670,166.40	676,115.71	5,949.31	837.50	4.25
3135G0U35	FANNIE MAE 2.75% 22JUN2021	2.750	06/22/2021	500,000.00	509,595.00	506,251.29	506,199.60	(51.69)	343.75	3.23
Total Government Agencies				5,470,000.00	5,512,978.10	5,491,936.19	5,503,038.66	11,102.47	16,440.42	34.92
Grand total				15,721,693.20	15,788,522.10	15,751,345.05	15,767,351.25	16,006.20	47,652.17	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

ATTACHMENT 1

As of December 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)
Cash and Cash Equivalents												
	INVESTED CASH	0.000					5,471,693.20	5,471,693.20	0.00	5,471,693.20	34.70	0.00
Issuer total							5,471,693.20	5,471,693.20	0.00	5,471,693.20	34.70	0.00
Federal Farm Credit Banks Funding Corp												
3133EJJD2	FEDERAL FARM CREDIT	2.540	04/05/2021		AA+	Aaa	1,500,000.00	1,507,357.30	9.55	1,509,537.98	9.57	0.26
3133EKPS9	FEDERAL FARM CREDIT	2.125	06/07/2021		AA+	Aaa	500,000.00	506,905.00	3.21	504,391.27	3.20	0.43
Issuer total							2,000,000.00	2,014,262.30	12.76	2,013,929.25	12.77	0.30
Federal Home Loan Banks												
3130AJS65	FEDERAL HOME LOAN	0.180	03/26/2021		AA+	Aaa	1,300,000.00	1,299,987.00	8.23	1,300,161.92	8.25	0.23
3130A1W95	FEDERAL HOME LOAN	2.250	06/11/2021		AA+	Aaa	670,000.00	670,763.80	4.25	676,115.71	4.29	0.44
Issuer total							1,970,000.00	1,970,750.80	12.48	1,976,277.63	12.53	0.30
Federal National Mortgage Association												
3135G0U27	FANNIE MAE 2.5%	2.500	04/13/2021		AA+	Aaa	1,000,000.00	1,018,370.00	6.45	1,006,632.18	6.38	0.28
3135G0U35	FANNIE MAE 2.75%	2.750	06/22/2021		AA+	Aaa	500,000.00	509,595.00	3.23	506,199.60	3.21	0.47
Issuer total							1,500,000.00	1,527,965.00	9.68	1,512,831.78	9.59	0.34
Berkshire Hathaway Inc												
084670BQ0	BERKSHIRE HATHAWAY	2.200	03/15/2021	02/15/2021	AA	Aa2	680,000.00	681,604.80	4.32	681,472.91	4.32	0.13
Issuer total							680,000.00	681,604.80	4.32	681,472.91	4.32	0.13
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	4.11	653,050.05	4.14	0.24
Issuer total							650,000.00	648,557.00	4.11	653,050.05	4.14	0.24

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

TOWN OF ATHERTON

ATTACHMENT 1

As of December 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)
Bank of America Corp												
06051GFW4	BANK OF AMERICA CORP	2.625	04/19/2021		A-	A2	600,000.00	605,436.00	3.83	604,195.07	3.83	0.30
Issuer total							600,000.00	605,436.00	3.83	604,195.07	3.83	0.30
Wells Fargo & Co												
949746RS2	WELLS FARGO &	2.500	03/04/2021		BBB+	A2	600,000.00	607,884.00	3.85	602,029.09	3.82	0.17
Issuer total							600,000.00	607,884.00	3.85	602,029.09	3.82	0.17
JPMorgan Chase & Co												
46625HQJ2	JPMORGAN CHASE & CO	2.550	03/01/2021	02/01/2021	A-	A2	600,000.00	606,276.00	3.84	600,955.78	3.81	0.09
Issuer total							600,000.00	606,276.00	3.84	600,955.78	3.81	0.09
John Deere Capital Corp												
24422ETZ2	JOHN DEERE CAPITAL	2.350	01/08/2021		A	A2	600,000.00	605,706.00	3.84	600,106.15	3.81	0.02
Issuer total							600,000.00	605,706.00	3.84	600,106.15	3.81	0.02
Apple Inc												
037833BS8	APPLE INC 2.25%	2.250	02/23/2021	01/23/2021	AA+	Aa1	550,000.00	547,712.00	3.47	550,652.60	3.49	0.08
Issuer total							550,000.00	547,712.00	3.47	550,652.60	3.49	0.08
Caterpillar Financial Services Corp												
14913Q2H1	CATERPILLAR FINL	0.447	03/15/2021		A	A3	500,000.00	500,675.00	3.17	500,157.74	3.17	0.20
Issuer total							500,000.00	500,675.00	3.17	500,157.74	3.17	0.20
Grand total							15,721,693.20	15,788,522.10	100.00	15,767,351.25	100.00	0.16

ATTACHMENT 1

DETAIL OF RETURN AND INTEREST RECEIVED

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

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Cash						
	Cash and Cash Equivalents	0.00	0.00	0.00	44.95	44.95
Total Cash		0.00	0.00	0.00	44.95	44.95
Corporate Bonds						
037833BS8	APPLE INC 2.25% 23FEB2021 (CALLABLE 28JAN21)	105.92	0.00	(920.40)	1,065.62	0.00
06051GFW4	BANK OF AMERICA CORP 2.625% 19APR2021	(1,164.86)	0.00	(1,120.93)	1,268.75	0.00
084670BQ0	BERKSHIRE HATHAWAY INC 2.2% 15MAR2021 (CALLABLE 15FEB21)	(83.70)	0.00	(1,106.89)	1,288.22	0.00
14913Q2H1	CATERPILLAR FINL SERVICE FRN 15MAR2021	(86.47)	0.00	(123.26)	199.30	607.15
24422ETZ2	JOHN DEERE CAPITAL CORP 2.35% 08JAN2021	(650.87)	0.00	(1,115.91)	1,214.16	0.00
46625HQJ2	JPMORGAN CHASE & CO 2.55% 01MAR2021 (CALLABLE 08FEB21)	(1,114.08)	0.00	(1,287.04)	1,317.50	0.00
69353REW4	PNC BANK NA 2.15% 29APR2021 (CALLABLE 30MAR21)	66.42	0.00	(908.13)	1,203.41	0.00
949746RS2	WELLS FARGO & COMPANY 2.5% 04MAR2021	(1,051.20)	0.00	(1,438.57)	1,291.67	0.00
Total Corporate Bonds		(3,978.84)	0.00	(8,021.13)	8,848.63	607.15
Government Agencies						
3135G0U27	FANNIE MAE 2.5% 13APR2021	(1,875.81)	0.00	(2,131.94)	2,152.78	0.00
3135G0U35	FANNIE MAE 2.75% 22JUN2021	(1,090.34)	0.00	(1,169.31)	1,184.03	6,875.00
3133EKPS9	FEDERAL FARM CREDIT BANK 2.125% 07JUN2021	(831.92)	0.00	(853.60)	914.93	5,312.50
3133EJJD2	FEDERAL FARM CREDIT BANK 2.54% 05APR2021	(1,402.72)	0.00	(2,945.49)	3,280.84	0.00
3130AJS65	FEDERAL HOME LOAN BANK 0.18% 26MAR2021	1.41	0.00	91.23	201.50	1,170.00

DETAIL OF RETURN AND INTEREST RECEIVED

ATTACHMENT 1

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

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Agencies						
3130A1W95	FEDERAL HOME LOAN BANK 2.25% 11JUN2021 #0000	(31.01)	0.00	(1,326.14)	1,298.12	7,537.50
Total Government Agencies		(5,230.39)	0.00	(8,335.25)	9,032.20	20,895.00
Grand total		(9,209.23)	0.00	(16,356.38)	17,925.78	21,547.10

TRANSACTION REPORT

ATTACHMENT 1

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

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
12/07/2020 12/07/2020	3133EKPS9	Income	Government Agencies	FEDERAL FARM CREDIT BANK	06/07/2021	500,000.00	0.00	0.00	5,312.50	5,312.50
12/11/2020 12/11/2020	3130A1W95	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/11/2021	670,000.00	0.00	0.00	7,537.50	7,537.50
12/15/2020 12/15/2020	14913Q2H1	Income	Corporate Bonds	CATERPILLAR FINL SERVICE	03/15/2021	500,000.00	0.00	0.00	607.15	607.15
12/22/2020 12/22/2020	3135G0U35	Income	Government Agencies	FANNIE MAE 2.75% 22JUN2021	06/22/2021	500,000.00	0.00	0.00	6,875.00	6,875.00
12/26/2020 12/26/2020	3130AJSG5	Income	Government Agencies	FEDERAL HOME LOAN BANK	03/26/2021	1,300,000.00	0.00	0.00	1,170.00	1,170.00
12/31/2020		Income	Cash and Cash Equivalent	Cash		0.00	0.00	0.00	44.95	44.95

ADDITIONAL INFORMATION

ATTACHMENT 1

As of December 31, 2020

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

Investment advisory services in North America are provided through two different SEC-registered investment advisers using the brand Insight Investment: Insight North America LLC (INA) and Insight Investment International Limited (IIL). The North American investment advisers are associated with a broader group of global investment managers that also (individually and collectively) use the corporate brand Insight Investment and may be referred to as Insight, Insight Group or Insight Investment.

INA is an investment adviser registered with the Securities and Exchange Commission (SEC), under the Investment Advisers Act of 1940, as amended. Registration with the SEC does not imply a certain level of skill or training. You may request, without charge, additional information about Insight. Moreover, specific information relating to Insights strategies, including investment advisory fees, may be obtained from INA's Form ADV Part 2A, which is available without charge upon request.

Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV.

Unless otherwise stated, the source of information is Insight. Any forecasts or opinions are Insight's own at the date of this document (or as otherwise specified) and may change. Material in this publication is for general information only and is not advice, investment advice, or the recommendation of any purchase or sale of any security. Insight makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives and should not be construed to be an assurance that any particular security in a strategy will remain in any fund, account, or strategy, or that a previously held security will not be repurchased. It should not be assumed that any of the security transactions or holdings referenced herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the past investment performance of the securities listed.

Please compare the information provided in this statement to the information provided in the statement received from your Custodian.

For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moody's, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moody's and S&P ratings.

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 ICE BofA 3 Month 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 ICE BofA 6 Month US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The ICE BofA 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 ICE BofA 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 ICE BofA 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 ICE BofA 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 ICE BofA 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 December 31, 2020

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

Insight is a group of wholly owned subsidiaries of The Bank of New York Mellon Corporation. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and may also be used as a generic term to reference the Corporation as a whole or its various subsidiaries generally. Products and services may be provided under various brand names and in various countries by subsidiaries, affiliates and joint ventures of The Bank of New York Mellon Corporation where authorized and regulated as required within each jurisdiction. Unless you are notified to the contrary, the products and services mentioned are not insured by the FDIC (or by any governmental entity) and are not guaranteed by or obligations of The Bank of New York Mellon Corporation or any of its affiliates. The Bank of New York Corporation assumes no responsibility for the accuracy or completeness of the above data and disclaims all expressed or implied warranties in connection therewith.

© 2020 Insight Investment. All rights reserved.