

# City of Cupertino

*Period Ending December 31, 2019*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)



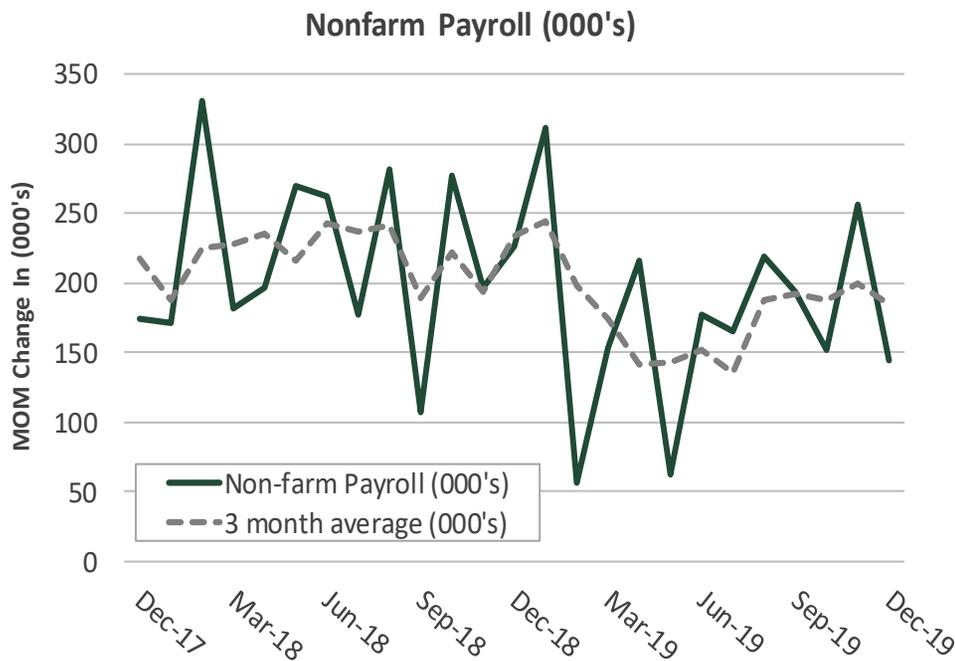
<b>SECTION 1</b>	<b>Economic Update</b>
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<b>SECTION 3</b>	<b>Portfolio Holdings</b>
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# Section 1 | Economic Update

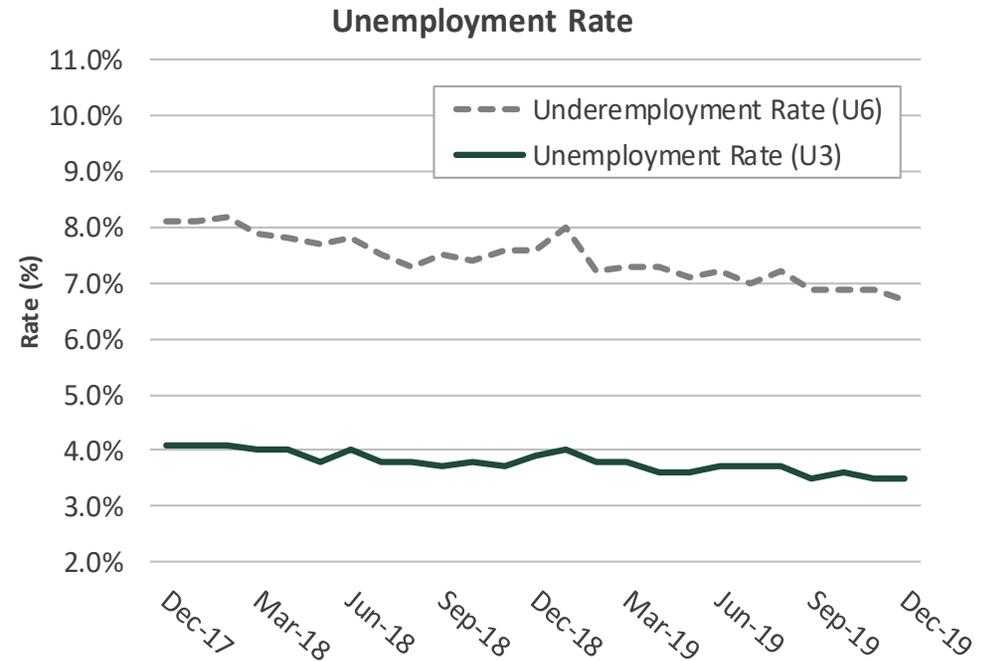
## Economic Update

- Economic growth has slowed over the past year and the consensus forecast calls for GDP growth of 1.8% in 2020 versus 2.3% in 2019. We are not anticipating a recession within our 6-month outlook horizon. We believe the impact of monetary policy on economic growth is somewhat lagged, and the more accommodative monetary policy stance of the Federal Reserve and other global central banks throughout 2019 should provide a tailwind for an ongoing slow economic growth environment in 2020. However, an uncertain outlook on the future path of global central bank policy, lingering uncertainty about trade policy and Brexit, and the upcoming US presidential election potentially sets the stage for a continued volatile financial market environment this year. The recent confirmation of a phase one trade deal is consistent with our view that there will be modest incremental progress on trade in front of the presidential election cycle.
- The Federal Open Market Committee (FOMC) kept the target fed funds rate unchanged in December in a range of 1.50%-1.75%. The vote to keep policy unchanged was unanimous and the Fed's quarterly update on their Summary of Economic Projections was little changed from the September 2019 forecast. Notably the Fed's forecast calls for no change to the fed funds rate in 2020. We believe the hurdle rate to tighten policy remains high, as market-based measures of inflation are still too low. Conversely, if market-based inflation metrics fail to improve, and/or the domestic or global economy experiences an exogenous shock, we believe the Fed has left the door open for additional policy accommodation.
- The Treasury yield curve steepened slightly in December. The 2-year Treasury yield decreased about 4 basis points to 1.57%, the 5-year Treasury yield increased almost seven basis points to 1.69%, and the 10-year Treasury yield increased about fourteen basis points to 1.92%. We believe the increase in longer-term yields were driven by more favorable developments with regard to global trade and Brexit.

# Employment



Source: US Department of Labor

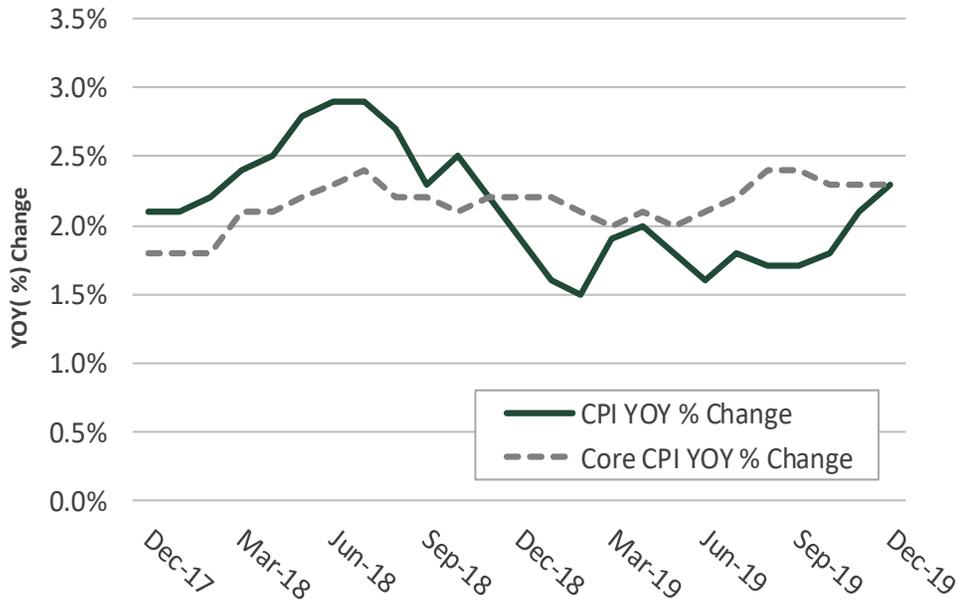


Source: US Department of Labor

U.S. nonfarm payrolls rose by 145,000 in December, below expectations of 160,000. Payrolls for October and November were revised down by a total of 14,000. On a trailing 3-month and 6-month basis, payrolls increased an average of about 184,000 and 189,000 per month, respectively. The unemployment rate was unchanged at 3.5% and the participation rate held steady at 63.2%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 6.7% in December from 6.9% in November. Wages edged up 0.1% in December, below expectations of 0.3%, but the November increase in wages was revised up slightly to 0.3% from 0.2%. The average workweek was unchanged at 34.3 hours. On a year-over-year basis, wages were up 2.9% in December, versus up 3.1% in November.

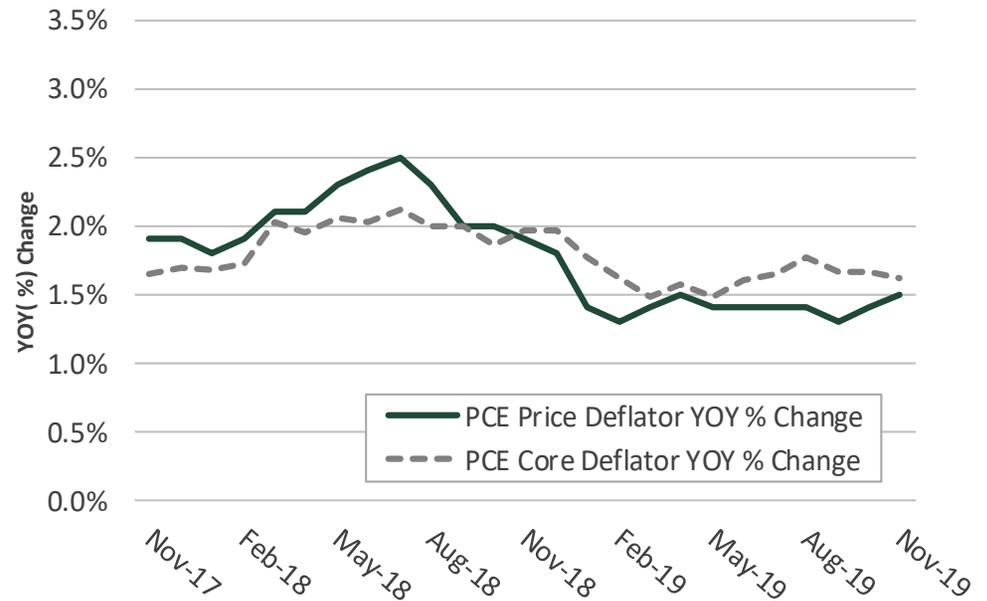
# Inflation

### Consumer Price Index (CPI)



Source: US Department of Labor

### Personal Consumption Expenditures (PCE)

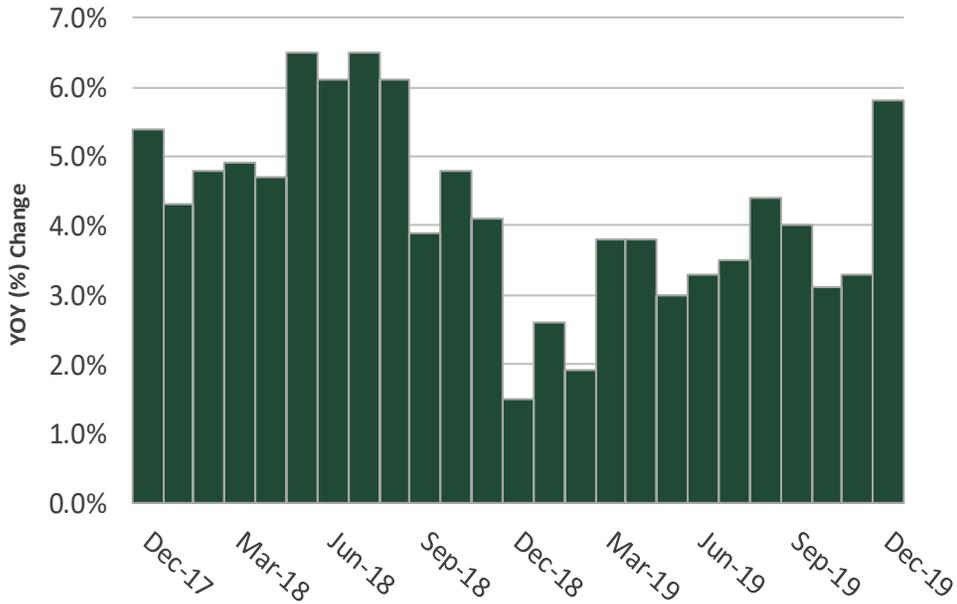


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 2.3% year-over-year in December, up from 2.1% in November. Core CPI (CPI less food and energy) was up 2.3% year-over-year in December, unchanged from November. The Personal Consumption Expenditures (PCE) index was up 1.5% year-over-year in November versus up 1.4% year-over-year in October. Core PCE, which is the Fed's primary inflation gauge, was up 1.6% year-over-year in November versus 1.7% year-over-year in October. Core PCE softened and remains below the Fed's 2.0% inflation target.

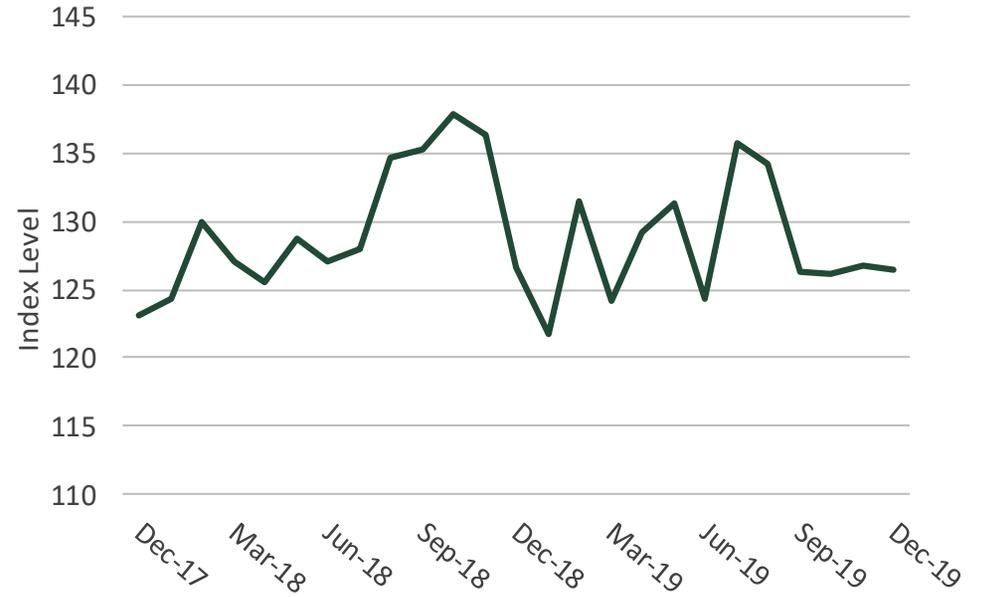
# Consumer

### Retail Sales YOY % Change



Source: US Department of Commerce

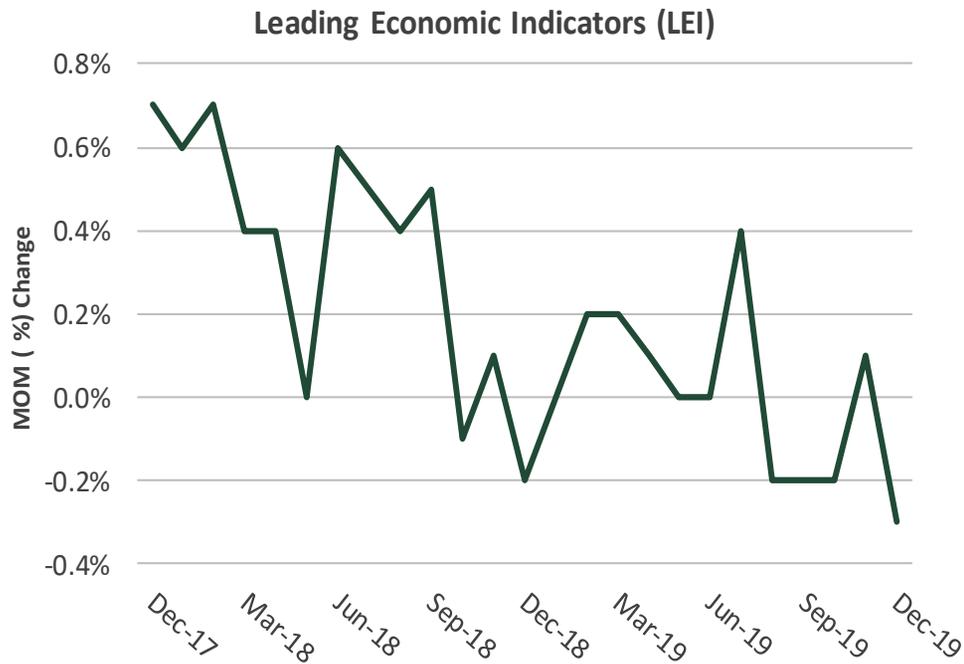
### Consumer Confidence



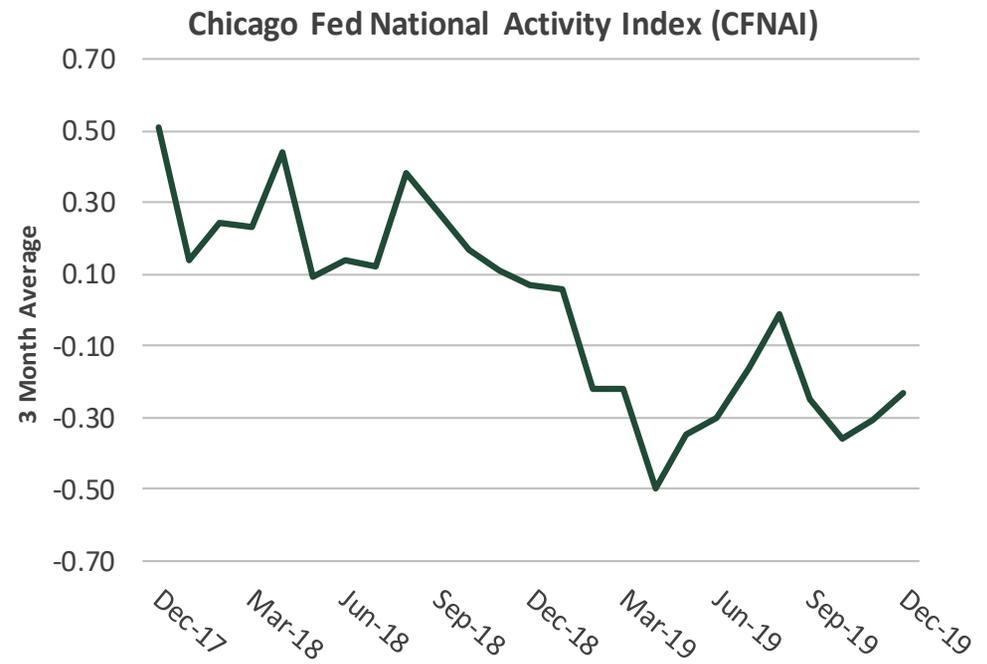
Source: The Conference Board

On a year-over-year basis, retail sales were up 5.8% in December versus 3.3% in November. On a month-over-month basis, retail sales excluding autos and gas rose 0.5% in December, slightly ahead of expectations of 0.4%. The Consumer Confidence Index was nearly unchanged at 126.5 in December versus 126.8 in November. Overall, consumer spending trends remain favorable and consumer confidence remains strong.

# Economic Activity



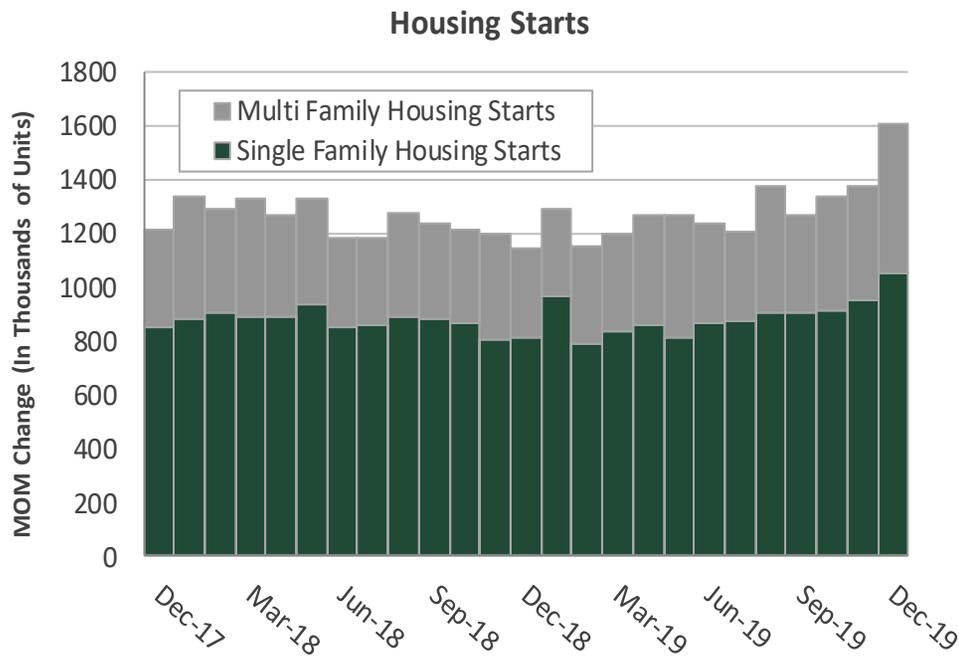
Source: The Conference Board



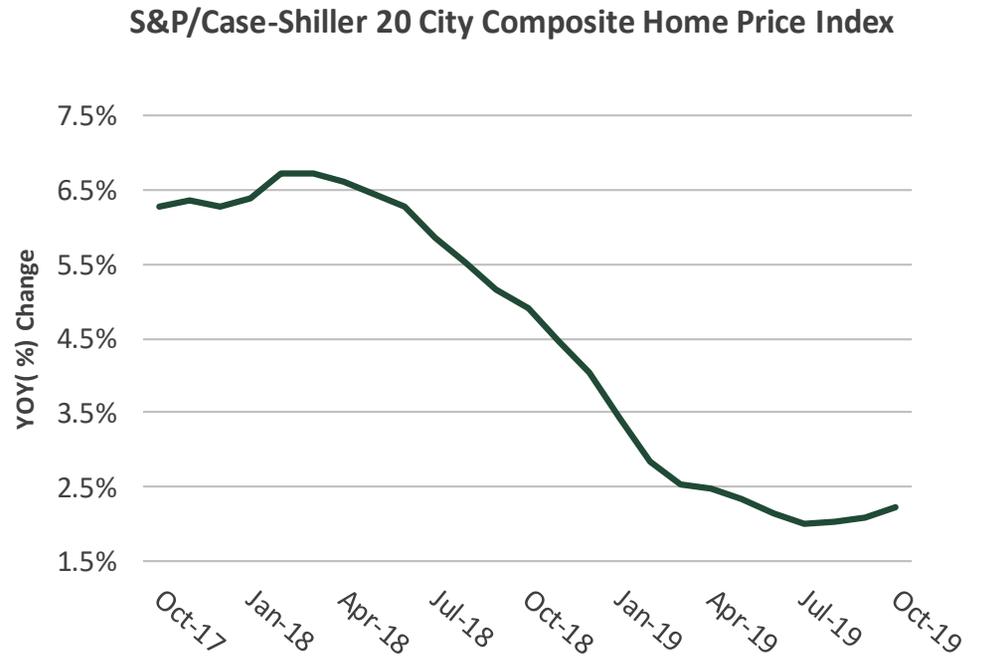
Source: Federal Reserve Bank of Chicago

The Leading Economic Index (LEI) fell 0.3% in December following a 0.1% increase in November. The index has declined in four out of the last five months, and on a year-over-year basis, the LEI is up just 0.1%. According to the Conference Board, the LEI is consistent with 2.0% economic growth through early 2020. The Chicago Fed National Activity Index (CFNAI) declined to -0.35 in December from +0.41 in November. However, on a 3-month moving average basis, the CFNAI improved to -0.23 in December from -0.31 in November. The 3-month moving average is consistent with sub-par economic growth.

# Housing



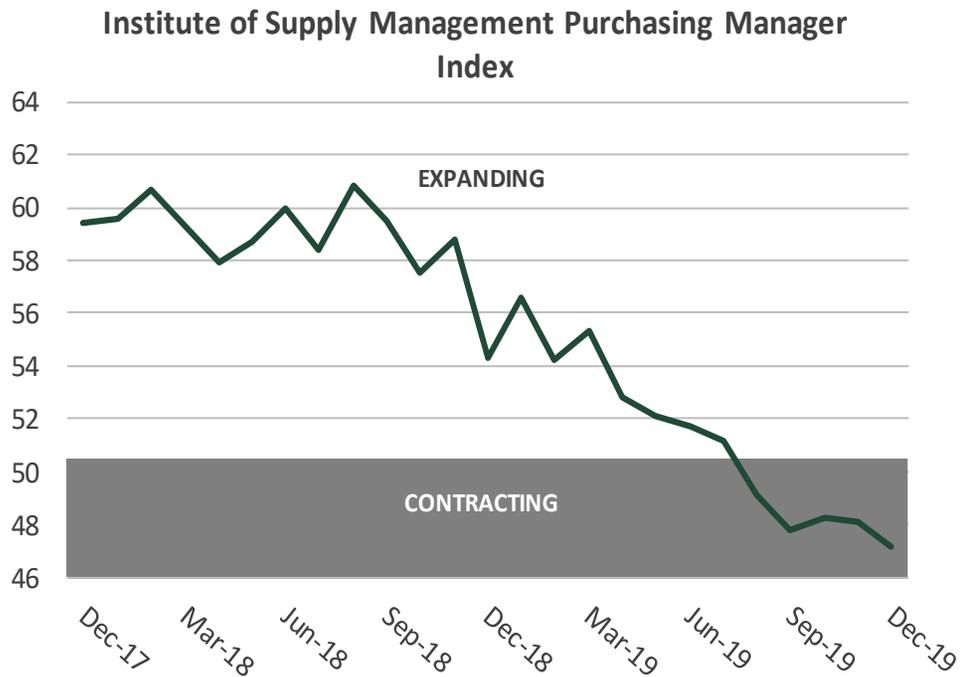
Source: US Department of Commerce



Source: S&P

Housing starts rose 16.9% in December to a 1.608 million annualized rate, the highest rate since December 2006. Single-family starts jumped 11.2% in December to an annualized rate of 1,055,000, while multi-family starts surged 29.8% to an annualized rate of 553,000. Although better than average weather may have been a contributing factor for the December gains, the underlying trends suggest low mortgage rates and a strong labor market continue to drive housing activity. According to the Case-Shiller 20-City home price index, home prices were up 2.2% year-over-year in October, versus up 2.1% year-over-year in September. The year-over-year pace of price appreciation remains low but suggests that pricing in the sector may be gaining momentum.

# Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

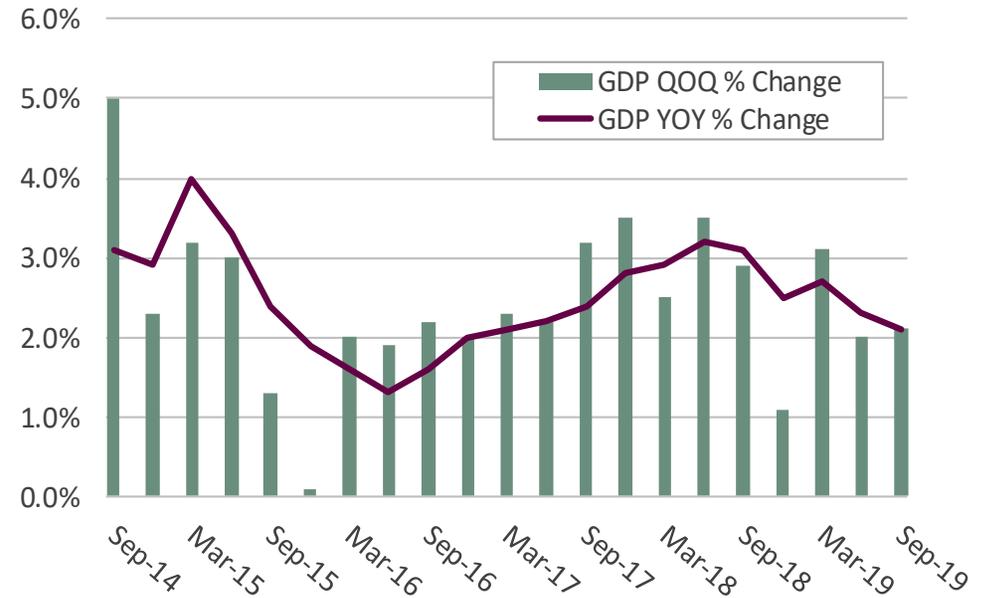
The Institute for Supply Management (ISM) manufacturing index decreased to 47.2 in December from 48.1 in November. The reading was below expectations and suggests the manufacturing sector remains in contraction. The Industrial Production was down 1.0% year-over-year in December versus down 0.7% year-over-year in November. On a month-over-month basis, the index declined 0.3% in December, in line with expectations, following a 0.8% increase in November. The manufacturing component of the index rose 0.2% in December, following a 1.0% increase in November. Manufacturing volumes bounced higher in November following the end of the GM strike, and the modest gain in December is a positive signal for the sector which remains under pressure. Capacity Utilization decreased to 77.0% in December from 77.4% in November, and remains below the long-run average of 79.8% indicating there is still excess capacity for growth.

# Gross Domestic Product (GDP)

Components of GDP	12/18	3/19	6/19	9/19
Personal Consumption Expenditures	1.0%	0.8%	3.0%	2.1%
Gross Private Domestic Investment	0.5%	1.1%	-1.2%	-0.2%
Net Exports and Imports	-0.4%	0.7%	-0.7%	-0.1%
Federal Government Expenditures	0.1%	0.1%	0.5%	0.2%
State and Local (Consumption and Gross Investment)	-0.1%	0.4%	0.3%	0.1%
<b>Total</b>	<b>1.1%</b>	<b>3.1%</b>	<b>2.0%</b>	<b>2.1%</b>

Source: US Department of Commerce

## Gross Domestic Product (GDP)

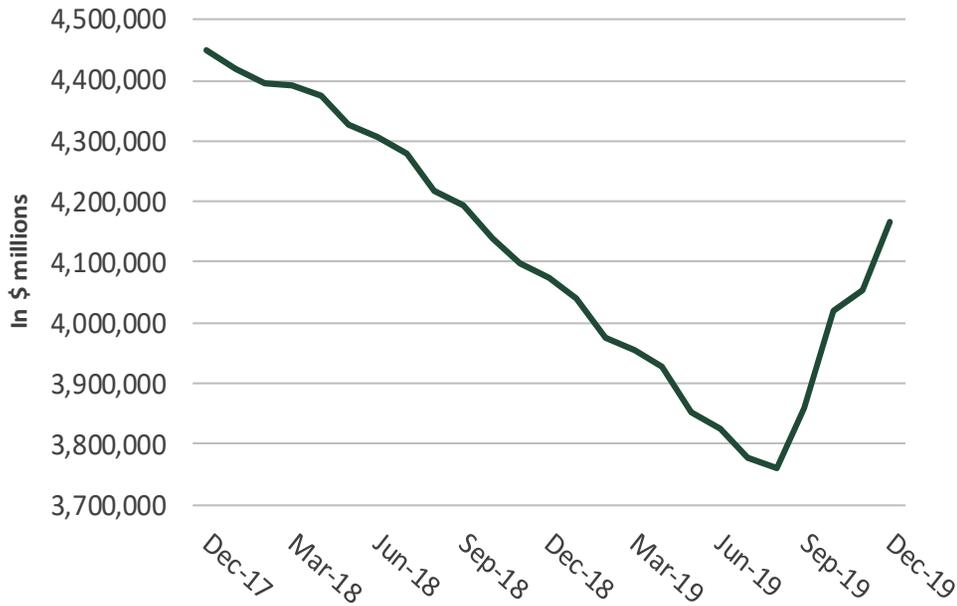


Source: US Department of Commerce

According to the third estimate, third quarter 2019 GDP grew at a 2.1% annualized rate. This follows growth of 3.1% in the first quarter, and 2.0% in the second quarter on 2019. Third quarter growth was fueled by consumer spending which contributed 2.1% to GDP in the quarter, while business investment and exports were a drag on the economy. The consensus estimate for the fourth quarter signals a slowdown to 2.0% growth. The consensus forecast calls for GDP growth of 1.6% in the current quarter and 1.8% for the full year 2020.

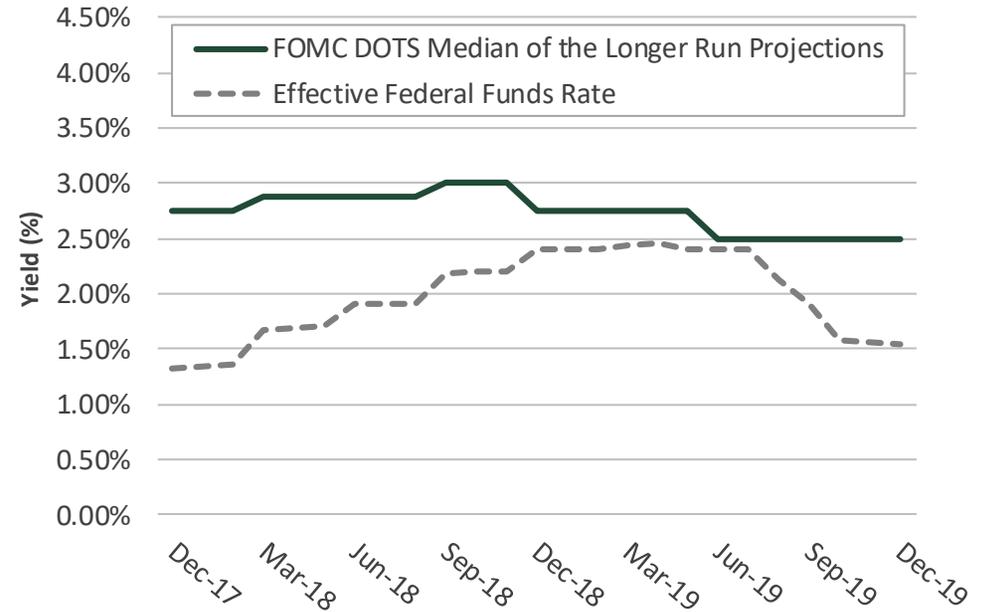
# Federal Reserve

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

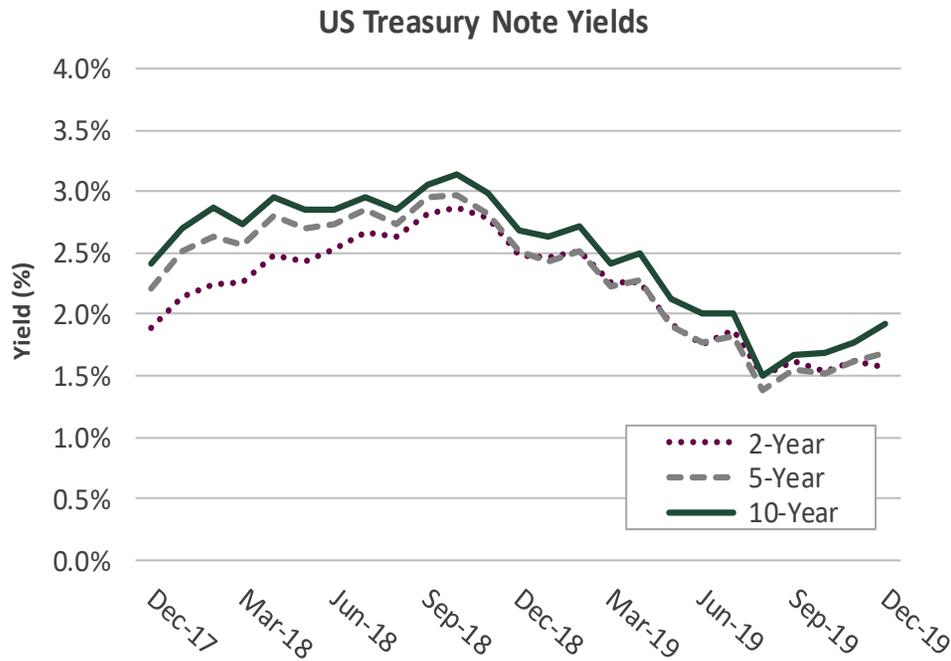
Long Run Federal Funds Rates



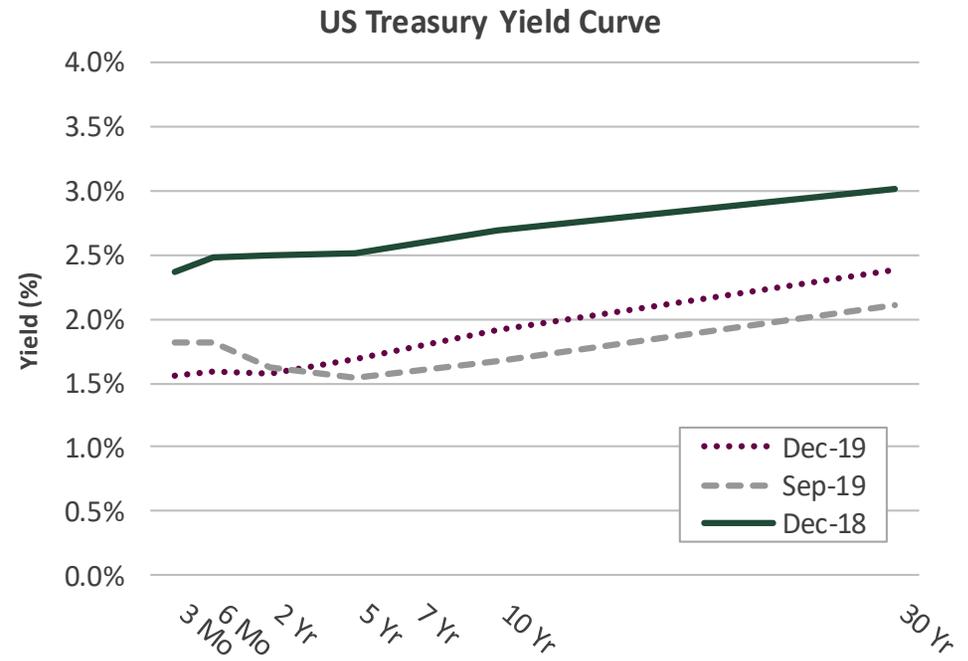
Source: Bloomberg

The FOMC cut the fed funds rate by 25 basis points three times in 2019 to a range of 1.50-1.75%. In October, the Fed started to increase its purchases of short-term Treasury securities in order to provide sufficient liquidity to the banking system and money markets. Fed Chair Powell has emphasized that the purchases are aimed at controlling the level of short-term lending rates but are not a form of economic stimulus. Nevertheless, we believe an expansion of the Fed's balance is supportive of ongoing economic growth.

# Bond Yields



Source: Bloomberg



Source: Bloomberg

Treasury yields declined meaningfully in 2019. At year-end, the 3-month T-bill yield was down 81 basis points, the 2-Year Treasury yield was down 92 basis points, and the 10-Year Treasury yield was down 77 basis points. We believe the year-over-year decline in long-term Treasury yields largely reflects a decline in global economic growth and inflation expectations, while the decline in shorter-term rates is in line with the Fed's three 25 basis point rate cuts in 2019.

## Section 2 | Account Profile

## **Investment Objectives**

The City of Cupertino's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program.

## **Chandler Asset Management Performance Objective**

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

## **Strategy**

In order to achieve these objectives, the portfolio invests in high quality fixed incomes securities consistent with the investment policy and California Government Code.

## City of Cupertino

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	<i>Complies</i>
Agency Issues	25% per Agency/GSE issuer; 20% max agency callable securities; Issued by Federal Agencies or U.S. Government Sponsored Enterprise obligations.	<i>Complies</i>
Supranational	"AA" rating category or better by a NRSRO; 30% maximum; 10% max per issuer; USD denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, IFC, or IADB.	<i>Complies</i>
Municipal Securities	"A" rating category or better by a NRSRO; 30% maximum; 5% max per issuer; Obligations of the City, State of California, and any local agency within the State of California; Obligations of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states in addition to California.	<i>Complies</i>
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% maximum; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	<i>Complies</i>
Asset Backed/ Mortgage Backed/ Collateralized Mortgage Obligation	"AA" rating category or better by a NRSRO; 20% maximum; 5% max per issuer on Asset-Backed or Commercial Mortgage security; There is no issuer limitation on any Mortgage security where the issuer is the U.S. Treasury or a Federal Agency/GSE .	<i>Complies</i>
Negotiable Certificates of Deposit (NCDs)	No rating required if amount of the NCD is insured up to the FDIC limit; If above FDIC insured limit, requires "A-1" short-term rated or "A" long-term rating category or better by a NRSRO; 30% maximum; 5% max per issuer; Issued by nationally or state chartered banks, state or federal savings associations, or state or federal credit unions, or by a federally licensed or state-licensed branch of a foreign bank.	<i>Complies</i>
Certificates of Deposit (CDs)/Time Deposit (TDs)	30% maximum; 5% max per issuer; Certificates of Deposit, Time Deposit, non-negotiable, and collateralized in accordance with California Government Code.	<i>Complies</i>
Banker's Acceptances	"A-1" short-term rated or better by a NRSRO; or "A" long-term rating category or better by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	<i>Complies</i>
Commercial Paper	"A-1" short term rated or better a NRSRO; "A" long-term issuer rating category or better by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issued by corporations organized and operating in the U.S. with assets > \$500 million; 10% max outstanding paper of the issuing corporation.	<i>Complies</i>
Money Market Funds	20% maximum; Daily money market funds administered for or by trustees, paying agents and custodian banks contracted by a City of Cupertino as allowed under California Government Code; Only funds holding U.S. Treasury obligations, Government agency obligations or repurchase agreements collateralized by U.S. Treasury or Government agency obligations can be utilized.	<i>Complies</i>

## City of Cupertino

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

Category	Standard	Comment
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	<i>Complies</i>
Repurchase Agreements	1 year max maturity; 102% collateralized; A PSA Master Repurchase Agreement is required between City of Cupertino and the broke/dealer or financial institution for all repurchase agreements; Not used by investment adviser	<i>Complies</i>
Prohibited Securities	Reverse Repurchase Agreement; Common stocks; Long-term (> 5 years maturity) notes and bonds; Special circumstances arise that necessitate purchase of securities beyond the 5-year limitation. On such occasions, request must be approved by City Council prior to purchase; Futures/Options; Inverse floaters; Ranges notes, Mortgage-derived, Interest-only strips; Zero interest accrual securities; Purchasing/selling securities on margin; Foreign currency denominated securities.	<i>Complies</i>
Minimum Budgeted Operating Expenditures in Short Term Investments	Minimum 6 months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements	<i>Complies</i>
Max Per Issuer	5% per issuer, unless otherwise specified in the policy	<i>Complies</i>
Maximum maturity	5 years	<i>Complies</i>

# Portfolio Characteristics

As of December 31, 2019

## City of Cupertino

	12/31/2019		9/30/2019
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	2.65	2.80	2.62
<b>Average Modified Duration</b>	2.53	2.46	2.32
<b>Average Purchase Yield</b>	n/a	1.96%	1.94%
<b>Average Market Yield</b>	1.62%	1.79%	1.84%
<b>Average Quality**</b>	AAA	AA/Aa1	AA/Aa1
<b>Total Market Value</b>		106,275,220	105,780,960

\*ICE BAML 1-5 Yr US Treasury/Agency Index

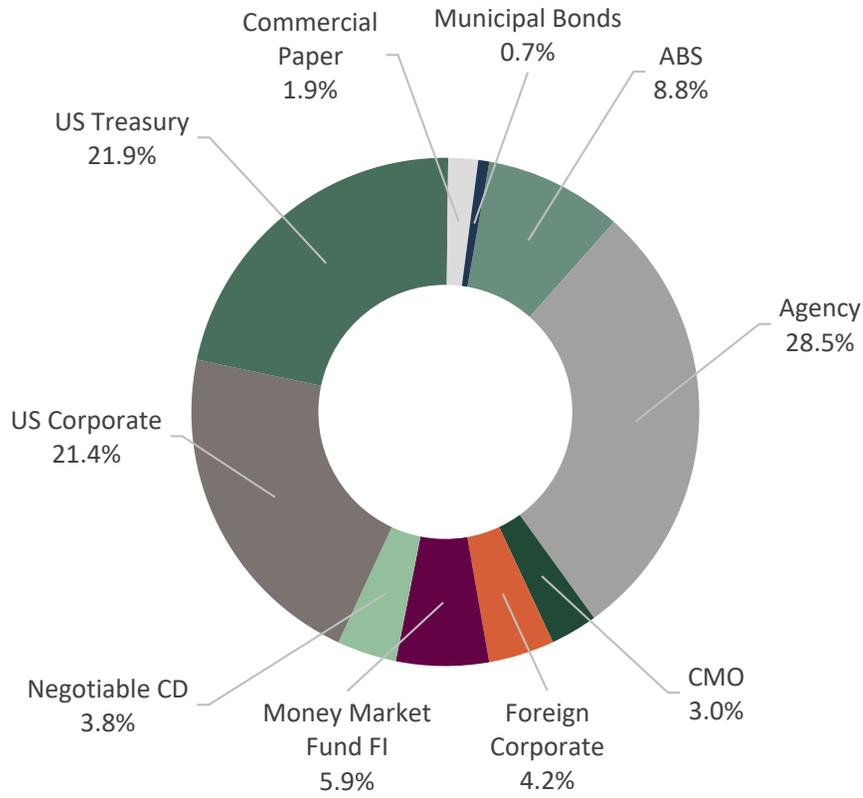
\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

# Sector Distribution

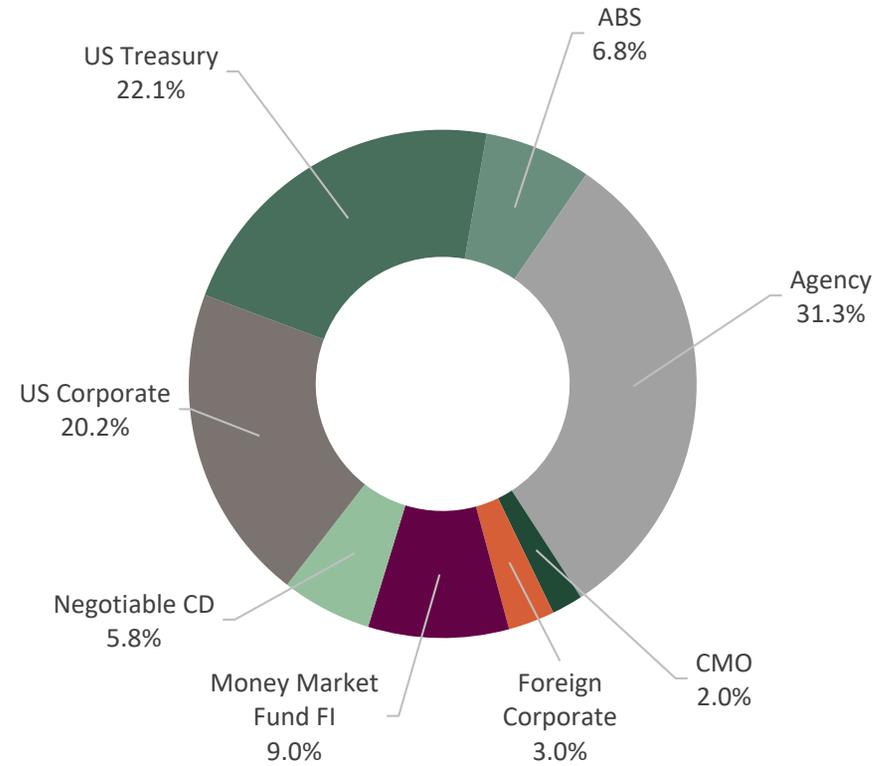
As of December 31, 2019

## City of Cupertino

December 31, 2019



September 30, 2019



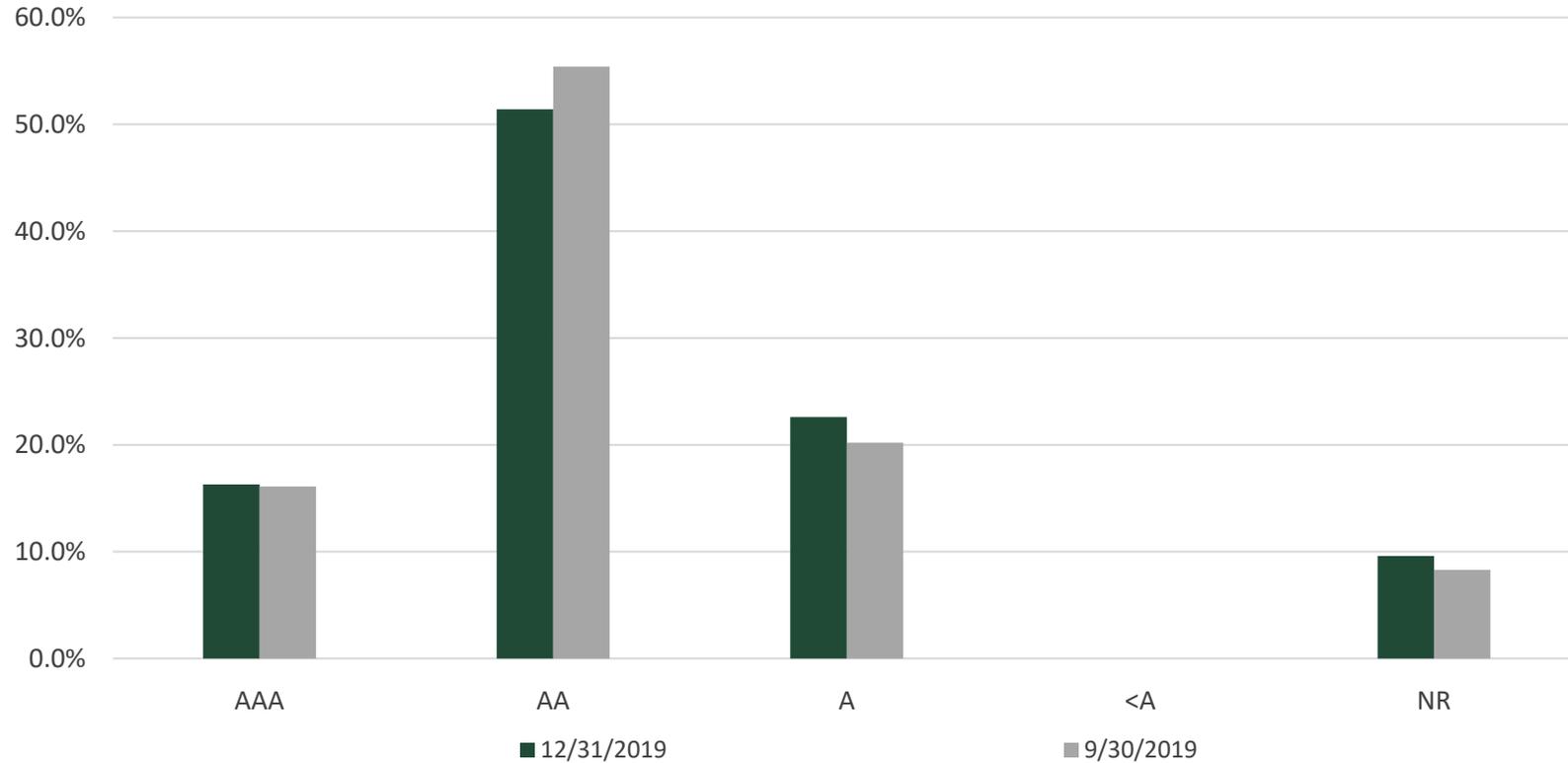
## City of Cupertino – Account #10659

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	21.90%
Federal Home Loan Bank	Agency	15.15%
Federal National Mortgage Association	Agency	7.59%
Wells Fargo 100% Treasury MMKT Fund	Money Market Fund FI	5.86%
Federal Home Loan Mortgage Corp	Agency	5.71%
Federal Home Loan Mortgage Corp	CMO	2.95%
Honda ABS	ABS	2.45%
John Deere ABS	ABS	2.29%
Nissan ABS	ABS	2.20%
Nordea Bank ABP New York	Negotiable CD	1.92%
Toronto Dominion Holdings	Negotiable CD	1.92%
MUFG Bank Ltd/NY	Commercial Paper	1.87%
Air Products & Chemicals	US Corporate	1.68%
HSBC Holdings PLC	Foreign Corporate	1.49%
Charles Schwab Corp/The	US Corporate	1.46%
Toronto Dominion Holdings	Foreign Corporate	1.45%
IBM Corp	US Corporate	1.43%
Toyota ABS	ABS	1.43%
Honda Motor Corporation	US Corporate	1.30%
Bank of America Corp	US Corporate	1.28%
JP Morgan Chase & Co	US Corporate	1.26%
Royal Bank of Canada	Foreign Corporate	1.26%
Wells Fargo Corp	US Corporate	1.26%
US Bancorp	US Corporate	1.20%
PNC Financial Services Group	US Corporate	1.16%
Bank of New York	US Corporate	0.99%
Wal-Mart Stores	US Corporate	0.99%
Deere & Company	US Corporate	0.97%
Toyota Motor Corp	US Corporate	0.97%
General Dynamics Corp	US Corporate	0.96%
Apple Inc	US Corporate	0.96%
Oracle Corp	US Corporate	0.95%
State Street Bank	US Corporate	0.95%
Chubb Corporation	US Corporate	0.81%
Paccar Financial	US Corporate	0.78%
State of California	Municipal Bonds	0.72%
Verizon Owner Trust	ABS	0.48%
<b>TOTAL</b>		<b>100.00%</b>

# Quality Distribution

As of December 31, 2019

**City of Cupertino**  
December 31, 2019 vs. September 30, 2019



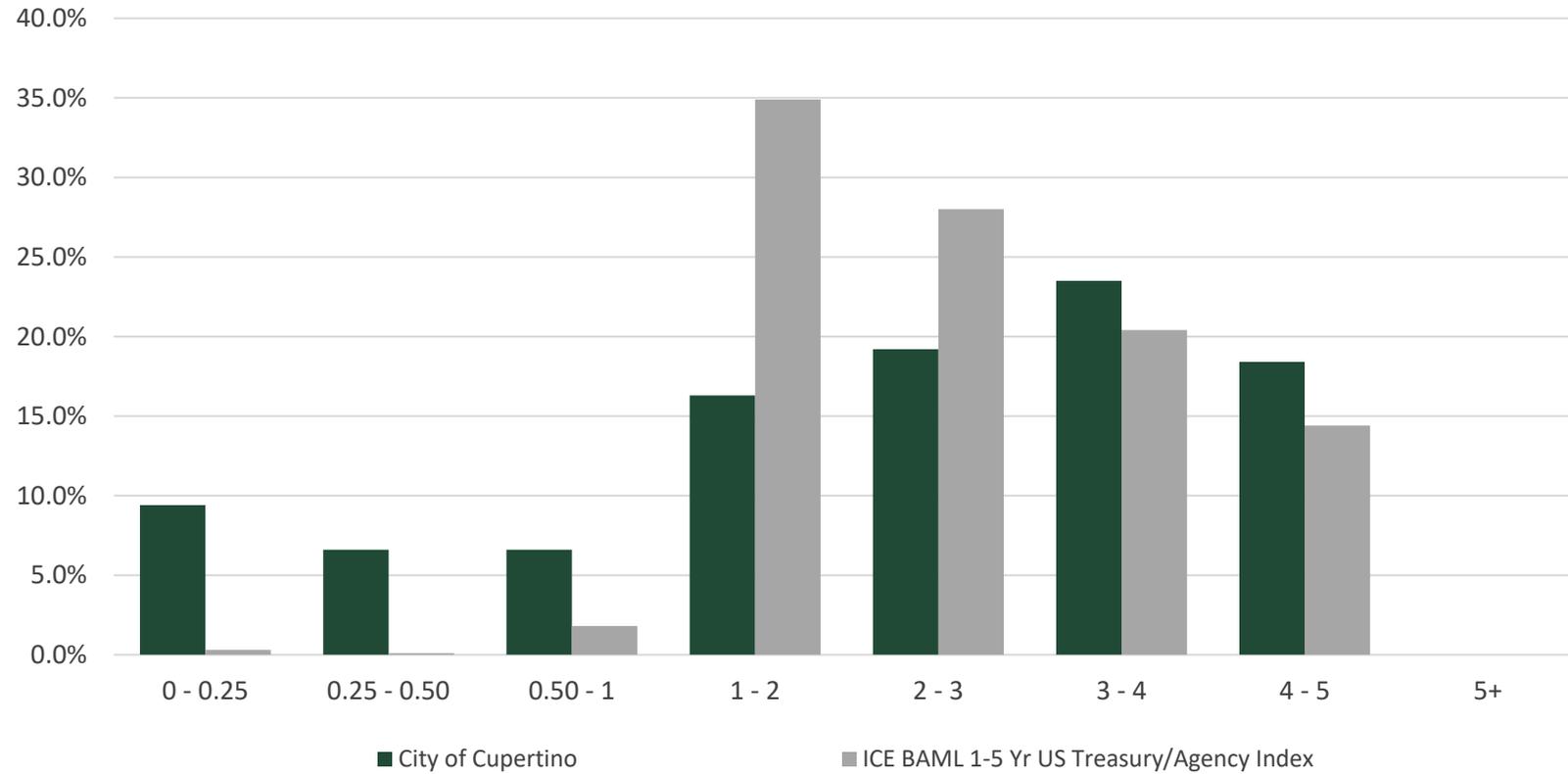
	AAA	AA	A	<A	NR
12/31/19	16.3%	51.4%	22.6%	0.0%	9.6%
09/30/19	16.1%	55.4%	20.2%	0.0%	8.3%

Source: S&P Ratings

# Duration Distribution

As of December 31, 2019

**City of Cupertino**  
**Portfolio Compared to the Benchmark as of December 31, 2019**



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	9.4%	6.6%	6.6%	16.3%	19.2%	23.5%	18.4%	0.0%
Benchmark*	0.3%	0.1%	1.8%	34.9%	28.0%	20.4%	14.4%	0.0%

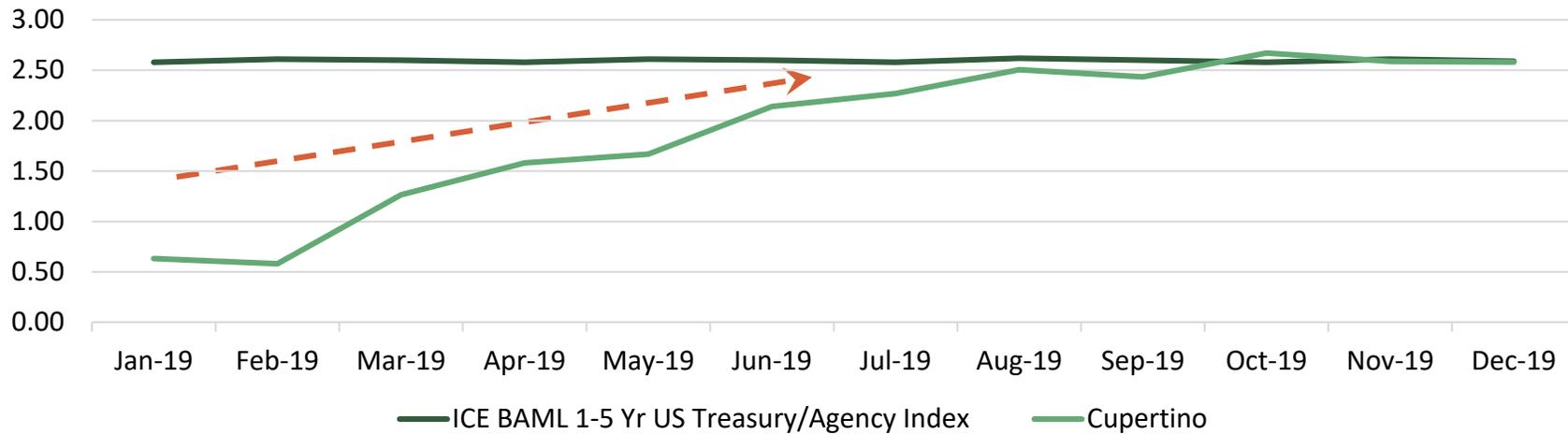
\*ICE BAML 1-5 Yr US Treasury/Agency Index

# Gradual Strategy Shift

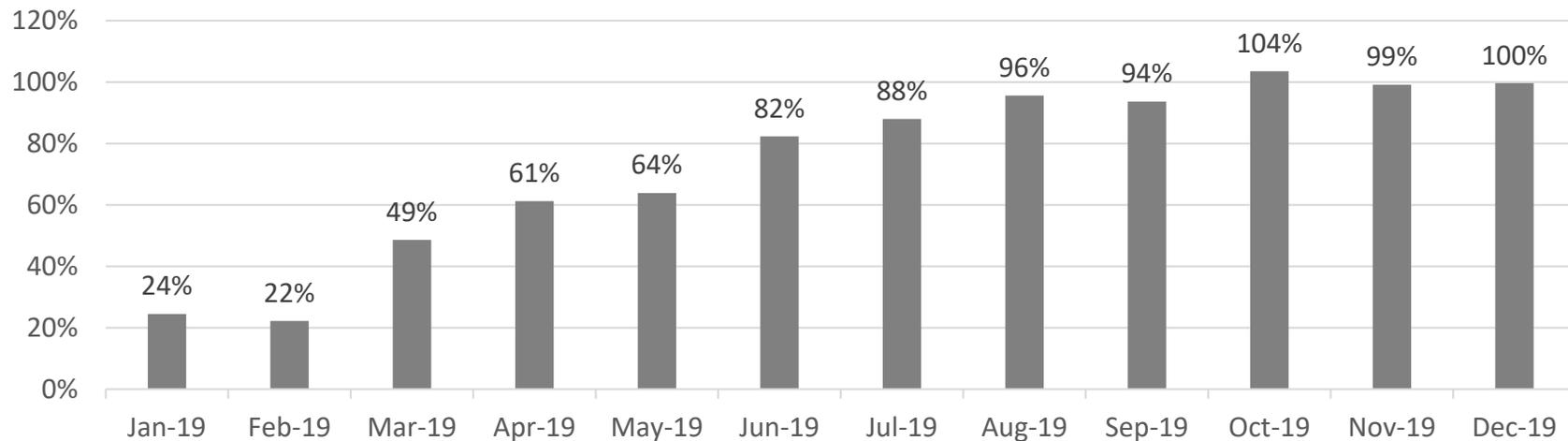
As of December 31, 2019

- Chandler has been tactical in implementing the new strategy because of the rising rate environment.

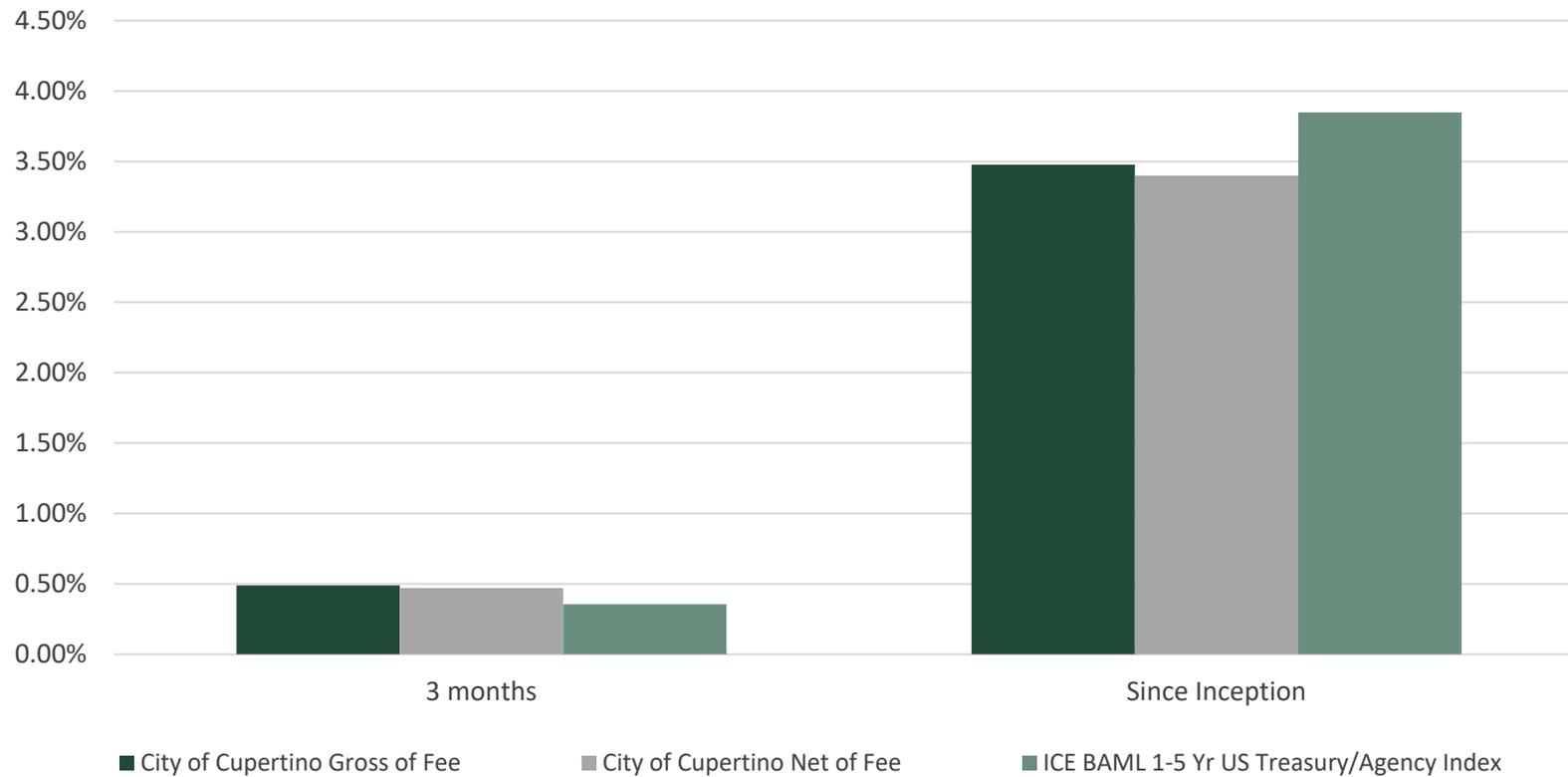
### City of Cupertino Strategy Implementation



### City of Cupertino Duration as a Percentage of Benchmark Duration



## City of Cupertino Total Rate of Return Since Inception 01/31/2019



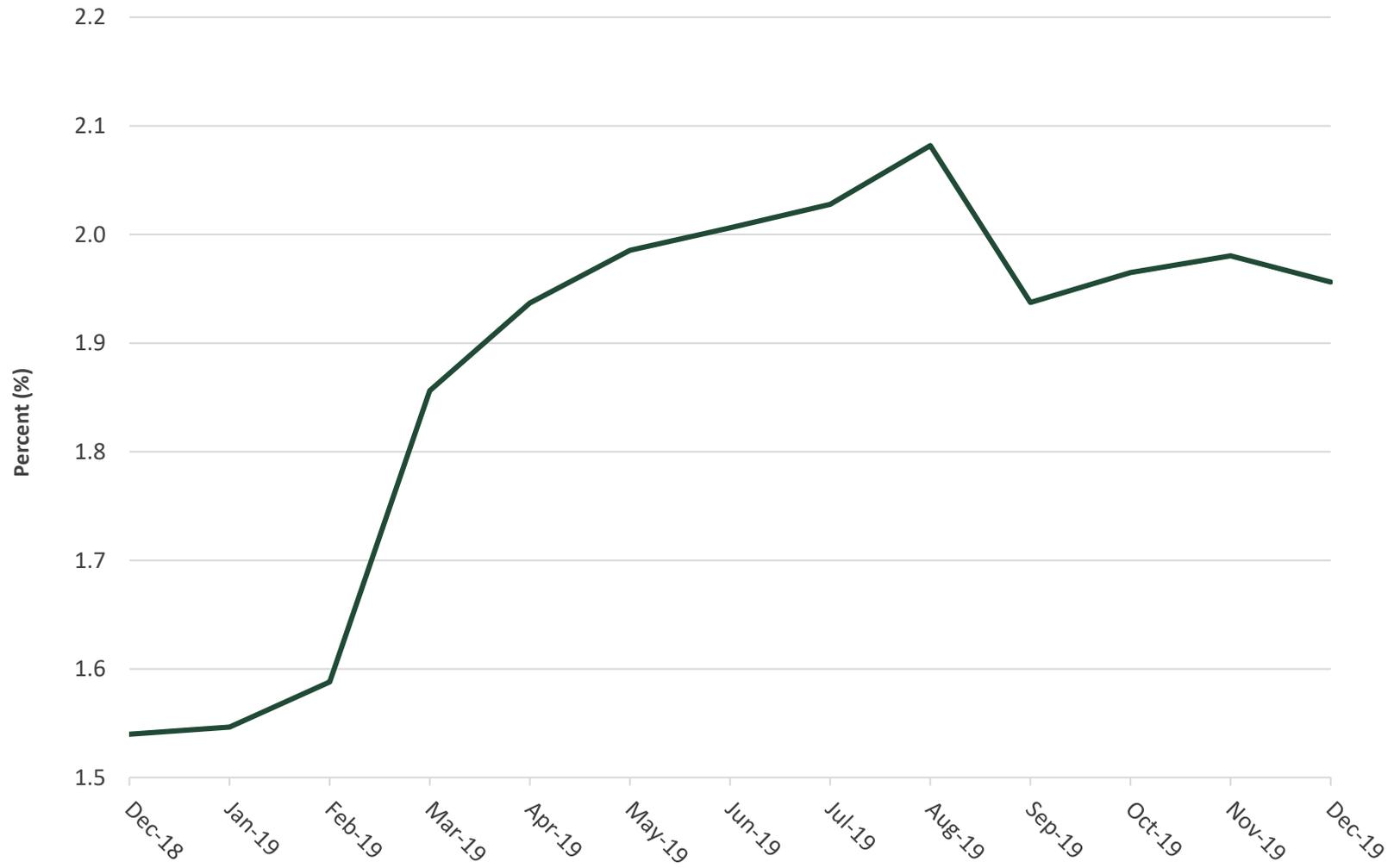
<b>TOTAL RATE OF RETURN</b>	<b>Latest 3 months</b>	<b>Since Inception</b>
City of Cupertino Gross of Fee	0.49%	3.48%
City of Cupertino Net of Fee	0.47%	3.40%
ICE BAML 1-5 Yr US Treasury/Agency Index	0.36%	3.85%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

# Historical Average Purchase Yield

As of December 31, 2019

**City of Cupertino**  
Purchase Yield as of 12/31/2019 = 1.96%





## Section 3 | Portfolio Holdings

# Holdings Report

As of December 31, 2019

## City of Cupertino - Account #10659

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
<b>ABS</b>									
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.950% Due 08/22/2022	1,600,000.00	09/16/2019 1.45%	1,616,875.00 1,615,217.49	101.01 1.91%	1,616,124.80 1,311.11	1.52% 907.31	Aaa / NR AAA	2.64 0.95
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.960% Due 09/15/2022	1,500,000.00	09/10/2019 1.15%	1,517,519.53 1,515,750.04	100.98 1.89%	1,514,727.00 1,973.33	1.43% (1,023.04)	Aaa / AAA NR	2.71 0.90
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.060% Due 03/15/2023	1,500,000.00	09/16/2019 1.37%	1,521,210.93 1,519,462.78	101.35 1.92%	1,520,304.00 2,040.00	1.43% 841.22	Aaa / AAA NR	3.21 1.16
47789JAD8	John Deere Owner Trust 2019-A A3 2.910% Due 07/17/2023	1,400,000.00	Various 1.92%	1,427,492.19 1,425,304.91	101.44 1.98%	1,420,204.80 1,810.66	1.34% (5,100.11)	Aaa / NR AAA	3.55 1.51
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.780% Due 08/15/2023	990,000.00	Various 1.93%	988,335.77 988,443.13	99.77 1.89%	987,752.70 783.20	0.93% (690.43)	Aaa / AAA NR	3.62 2.16
477870AC3	John Deere Owner Trust 2019-B A3 2.210% Due 12/15/2023	1,000,000.00	08/27/2019 1.79%	1,009,257.81 1,008,520.25	100.65 1.92%	1,006,541.00 982.22	0.95% (1,979.25)	Aaa / NR AAA	3.96 2.19
92348AAA3	Verizon Owner Trust 2019-C A1A 1.940% Due 04/22/2024	515,000.00	10/01/2019 1.95%	514,960.29 514,962.33	99.91 1.99%	514,513.84 305.28	0.48% (448.49)	NR / AAA AAA	4.31 2.19
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	810,000.00	10/16/2019 1.94%	809,957.23 809,958.96	100.04 1.92%	810,321.57 694.80	0.76% 362.61	Aaa / AAA NR	4.54 2.45
<b>TOTAL ABS</b>		<b>9,315,000.00</b>	<b>1.62%</b>	<b>9,405,608.75</b> <b>9,397,619.89</b>	<b>1.92%</b>	<b>9,390,489.71</b> <b>9,900.60</b>	<b>8.85%</b> <b>(7,130.18)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>3.38</b> <b>1.52</b>
<b>Agency</b>									
313384SM2	FHLB Discount Note 1.570% Due 01/31/2020	1,700,000.00	12/30/2019 1.59%	1,697,627.56 1,697,775.84	99.87 1.59%	1,697,775.84 0.00	1.60% 0.00	P-1 / A-1+ F-1+	0.08 0.08
3134G9MW4	FHLMC Callable Note 1X 5/26/2017 1.350% Due 05/26/2020	975,000.00	05/31/2016 1.35%	975,000.00 975,000.00	99.88 1.65%	973,810.50 1,279.69	0.92% (1,189.50)	Aaa / AA+ AAA	0.40 0.40
3134G9SK4	FHLMC Callable Note 1X 6/30/2017 1.500% Due 06/30/2020	2,000,000.00	06/30/2016 1.50%	2,000,000.00 2,000,000.00	99.94 1.63%	1,998,746.00 83.33	1.88% (1,254.00)	Aaa / AA+ AAA	0.50 0.50
3136G3QQ1	FNMA Callable Note 1X 5/25/2017 1.500% Due 11/25/2020	3,000,000.00	05/25/2016 1.50%	3,000,000.00 3,000,000.00	99.89 1.63%	2,996,586.00 4,500.00	2.82% (3,414.00)	NR / NR AAA	0.90 0.89
313378JP7	FHLB Note 2.375% Due 09/10/2021	2,000,000.00	09/06/2019 1.57%	2,031,540.00 2,026,628.03	101.30 1.60%	2,025,906.00 14,645.83	1.92% (722.03)	Aaa / AA+ AAA	1.70 1.64
313376C94	FHLB Note 2.625% Due 12/10/2021	1,325,000.00	01/19/2017 1.90%	1,369,559.75 1,342,689.17	101.86 1.65%	1,349,623.80 2,028.91	1.27% 6,934.63	Aaa / AA+ AAA	1.95 1.89
3137EADB2	FHLMC Note 2.375% Due 01/13/2022	1,500,000.00	06/21/2019 1.84%	1,520,100.00 1,515,989.61	101.54 1.60%	1,523,122.50 16,625.00	1.45% 7,132.89	Aaa / AA+ AAA	2.04 1.96

# Holdings Report

As of December 31, 2019

## City of Cupertino - Account #10659

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
313380GJ0	FHLB Note 2.000% Due 09/09/2022	2,000,000.00	10/10/2019 1.55%	2,025,400.00 2,023,442.48	101.09 1.58%	2,021,834.00 12,444.44	1.91% (1,608.48)	Aaa / AA+ NR	2.69 2.60
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	1,500,000.00	06/21/2019 1.83%	1,553,100.00 1,546,134.27	103.86 1.60%	1,557,897.00 1,375.00	1.47% 11,762.73	Aaa / AA+ AAA	3.47 3.30
3130A3DL5	FHLB Note 2.375% Due 09/08/2023	2,000,000.00	09/06/2019 1.52%	2,066,320.00 2,061,141.59	102.55 1.66%	2,051,028.00 14,909.72	1.94% (10,113.59)	Aaa / AA+ NR	3.69 3.50
3135G0U43	FNMA Note 2.875% Due 09/12/2023	1,500,000.00	06/21/2019 1.89%	1,559,805.00 1,552,392.44	104.39 1.65%	1,565,785.50 13,057.29	1.49% 13,393.06	Aaa / AA+ AAA	3.70 3.48
3130A0F70	FHLB Note 3.375% Due 12/08/2023	1,500,000.00	04/29/2019 2.36%	1,565,940.00 1,556,301.71	106.23 1.73%	1,593,414.00 3,234.38	1.50% 37,112.29	Aaa / AA+ AAA	3.94 3.69
3130A0XE5	FHLB Note 3.250% Due 03/08/2024	1,500,000.00	03/28/2019 2.27%	1,568,115.00 1,557,629.97	106.35 1.67%	1,595,308.50 15,302.08	1.52% 37,678.53	Aaa / AA+ NR	4.19 3.89
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	1,500,000.00	06/18/2019 1.96%	1,564,890.20 1,557,909.70	105.00 1.71%	1,574,931.00 2,036.46	1.48% 17,021.30	Aaa / AA+ NR	4.46 4.18
3135G0V75	FNMA Note 1.750% Due 07/02/2024	1,500,000.00	07/16/2019 1.96%	1,484,895.00 1,486,295.46	100.11 1.72%	1,501,710.00 12,614.58	1.42% 15,414.54	Aaa / AA+ AAA	4.51 4.28
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	2,000,000.00	09/13/2019 1.79%	2,103,380.00 2,097,315.49	105.23 1.71%	2,104,660.00 17,250.00	2.00% 7,344.51	Aaa / AA+ AAA	4.71 4.37
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,975,000.00	Various 1.73%	1,965,802.75 1,965,941.84	99.54 1.72%	1,965,995.98 6,507.90	1.86% 54.14	Aaa / AA+ AAA	4.79 4.57
<b>TOTAL Agency</b>		<b>29,475,000.00</b>	<b>1.75%</b>	<b>30,051,475.26</b> <b>29,962,587.60</b>	<b>1.65%</b>	<b>30,098,134.62</b> <b>137,894.61</b>	<b>28.45%</b> <b>135,547.02</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.78</b> <b>2.64</b>
<b>CMO</b>									
3137B4WB8	FHLMC K033 A2 3.060% Due 07/25/2023	1,000,000.00	08/13/2019 1.18%	1,037,656.25 1,034,045.02	103.31 2.01%	1,033,070.00 510.00	0.97% (975.02)	Aaa / NR NR	3.57 3.23
3137B5JM6	FHLMC K034 A2 3.531% Due 07/25/2023	1,000,000.00	09/26/2019 2.00%	1,053,867.19 1,050,309.56	104.89 2.00%	1,048,913.00 2,942.50	0.99% (1,396.56)	NR / NR AAA	3.57 3.24
3137B7MZ9	FHLMC K036 A2 3.527% Due 10/25/2023	1,000,000.00	08/19/2019 1.92%	1,061,914.06 1,056,554.94	105.09 2.03%	1,050,884.00 587.83	0.99% (5,670.94)	Aaa / NR AAA	3.82 3.42
<b>TOTAL CMO</b>		<b>3,000,000.00</b>	<b>1.70%</b>	<b>3,153,437.50</b> <b>3,140,909.52</b>	<b>2.01%</b>	<b>3,132,867.00</b> <b>4,040.33</b>	<b>2.95%</b> <b>(8,042.52)</b>	<b>Aaa / NR</b> <b>Aaa</b>	<b>3.65</b> <b>3.30</b>

# Holdings Report

As of December 31, 2019

## City of Cupertino - Account #10659

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
<b>Commercial Paper</b>									
62479LDG7	MUFG Bank Ltd Discount CP 1.910% Due 04/16/2020	2,000,000.00	11/18/2019 1.95%	1,984,083.33 1,988,752.22	99.44 1.95%	1,988,752.22 0.00	1.87% 0.00	P-1 / A-1 NR	0.29 0.29
<b>TOTAL Commercial Paper</b>		<b>2,000,000.00</b>	<b>1.95%</b>	<b>1,984,083.33</b> <b>1,988,752.22</b>	<b>1.95%</b>	<b>1,988,752.22</b> <b>0.00</b>	<b>1.87%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>NR</b>	<b>0.29</b> <b>0.29</b>
<b>Foreign Corporate</b>									
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.950% Due 05/18/2024	1,500,000.00	Various 2.49%	1,572,790.00 1,568,225.02	105.22 2.31%	1,578,238.50 7,077.09	1.49% 10,013.48	A2 / A A+	4.38 4.02
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	1,500,000.00	09/11/2019 2.24%	1,527,255.00 1,525,526.02	102.44 2.07%	1,536,589.50 2,097.92	1.45% 11,063.48	Aa3 / A AA-	4.45 4.18
78013XZU5	Royal Bank of Canada Note 2.550% Due 07/16/2024	1,300,000.00	Various 2.17%	1,321,985.18 1,321,131.71	101.54 2.19%	1,320,005.70 15,193.76	1.26% (1,126.01)	A2 / A AA	4.55 4.22
<b>TOTAL Foreign Corporate</b>		<b>4,300,000.00</b>	<b>2.31%</b>	<b>4,422,030.18</b> <b>4,414,882.75</b>	<b>2.19%</b>	<b>4,434,833.70</b> <b>24,368.77</b>	<b>4.20%</b> <b>19,950.95</b>	<b>A1 / A</b> <b>AA-</b>	<b>4.46</b> <b>4.13</b>
<b>Money Market Fund FI</b>									
94975H270	Wells Fargo 100% Treasury Money Mkt Fund	6,224,767.49	Various 1.14%	6,224,767.49 6,224,767.49	1.00 1.14%	6,224,767.49 0.00	5.86% 0.00	Aaa / AAA NR	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>6,224,767.49</b>	<b>1.14%</b>	<b>6,224,767.49</b>	<b>1.14%</b>	<b>6,224,767.49</b> <b>0.00</b>	<b>5.86%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>Municipal Bonds</b>									
13063DRK6	California St TE-GO 2.400% Due 10/01/2024	755,000.00	10/16/2019 1.91%	772,342.35 771,679.03	101.44 2.08%	765,864.45 3,372.33	0.72% (5,814.58)	Aa2 / AA- AA	4.76 4.45
<b>TOTAL Municipal Bonds</b>		<b>755,000.00</b>	<b>1.91%</b>	<b>772,342.35</b> <b>771,679.03</b>	<b>2.08%</b>	<b>765,864.45</b> <b>3,372.33</b>	<b>0.72%</b> <b>(5,814.58)</b>	<b>Aa2 / AA-</b> <b>AA</b>	<b>4.76</b> <b>4.45</b>
<b>Negotiable CD</b>									
65558TFW0	Nordea Bank ABP New York Yankee CD 2.640% Due 03/23/2020	2,000,000.00	03/21/2019 2.64%	2,000,000.00 2,000,000.00	100.00 2.64%	2,000,000.00 41,946.67	1.92% 0.00	P-1 / A-1+ F-1+	0.23 0.22
89114MYP6	Toronto Dominion Bank Yankee CD 2.620% Due 04/02/2020	2,000,000.00	03/21/2019 2.62%	2,000,000.00 2,000,000.00	100.00 2.62%	2,000,000.00 41,628.89	1.92% 0.00	P-1 / A-1+ F-1+	0.25 0.25
<b>TOTAL Negotiable CD</b>		<b>4,000,000.00</b>	<b>2.63%</b>	<b>4,000,000.00</b>	<b>2.63%</b>	<b>4,000,000.00</b> <b>83,575.56</b>	<b>3.84%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.24</b> <b>0.24</b>

# Holdings Report

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## City of Cupertino - Account #10659

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
<b>US Corporate</b>									
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	850,000.00	03/05/2019 2.90%	841,840.00 845,872.95	100.35 1.82%	853,010.70 3,149.72	0.81% 7,137.75	A3 / A A	0.84 0.75
369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	1,000,000.00	03/11/2019 2.76%	1,004,920.00 1,003,089.01	101.68 1.74%	1,016,829.00 4,166.67	0.96% 13,739.99	A2 / A+ NR	1.36 1.33
857477AV5	State Street Bank Note 1.950% Due 05/19/2021	1,000,000.00	Various 2.65%	986,055.00 990,648.54	100.21 1.80%	1,002,073.00 2,275.00	0.95% 11,424.46	A1 / A AA-	1.38 1.36
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	1,000,000.00	04/11/2019 2.66%	982,320.00 987,540.00	100.21 1.77%	1,002,095.00 5,594.44	0.95% 14,555.00	A1 / A+ A	1.71 1.59
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	1,000,000.00	03/05/2019 2.89%	992,200.00 994,447.84	101.51 1.84%	1,015,125.00 12,277.78	0.97% 20,677.16	Aa3 / AA- A+	2.03 1.95
95000U2B8	Wells Fargo & Company Note 2.625% Due 07/22/2022	1,300,000.00	Various 2.68%	1,297,365.00 1,298,343.90	101.49 2.02%	1,319,427.20 15,071.88	1.26% 21,083.30	A2 / A- A+	2.56 2.44
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.450% Due 07/28/2022	1,200,000.00	06/20/2019 2.16%	1,210,236.00 1,208,458.66	101.37 1.88%	1,216,395.60 12,495.00	1.16% 7,936.94	A2 / A A+	2.58 2.39
44932HAC7	IBM Credit Corp Note 2.200% Due 09/08/2022	1,500,000.00	Various 2.88%	1,467,755.00 1,473,988.64	100.79 1.90%	1,511,794.50 10,358.34	1.43% 37,805.86	A2 / A NR	2.69 2.58
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	1,300,000.00	Various 2.92%	1,299,224.00 1,299,778.44	101.89 2.02%	1,324,607.70 17,815.49	1.26% 24,829.26	A2 / A- AA-	3.04 1.95
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.650% Due 01/25/2023	1,500,000.00	Various 2.53%	1,504,955.00 1,504,978.47	101.96 1.97%	1,529,388.00 17,225.00	1.46% 24,409.53	A2 / A A	3.07 2.83
24422ETG4	John Deere Capital Corp Note 2.800% Due 03/06/2023	1,000,000.00	03/28/2019 2.60%	1,007,580.00 1,006,114.60	102.62 1.95%	1,026,222.00 8,944.44	0.97% 20,107.40	A2 / A A	3.18 3.01
06406RAG2	Bank of NY Mellon Corp Note 3.500% Due 04/28/2023	1,000,000.00	03/05/2019 3.15%	1,013,650.00 1,010,943.46	104.92 1.97%	1,049,150.00 6,125.00	0.99% 38,206.54	A1 / A AA-	3.33 3.12
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	1,000,000.00	03/11/2019 2.79%	984,840.00 987,787.78	101.71 1.87%	1,017,064.00 3,866.67	0.96% 29,276.22	Aa1 / AA+ NR	3.34 3.19
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	1,000,000.00	03/13/2019 2.80%	1,023,630.00 1,019,129.05	105.15 1.83%	1,051,499.00 472.22	0.99% 32,369.95	Aa2 / AA AA	3.49 3.22
69371RP59	Paccar Financial Corp Note 3.400% Due 08/09/2023	435,000.00	06/18/2019 2.56%	449,315.85 447,468.34	104.52 2.09%	454,671.57 5,833.83	0.43% 7,203.23	A1 / A+ NR	3.61 3.35
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	1,300,000.00	Various 2.76%	1,345,306.00 1,339,449.94	105.60 2.07%	1,372,849.40 10,603.13	1.30% 33,399.46	A2 / A NR	3.78 3.51

# Holdings Report

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## City of Cupertino - Account #10659

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
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.550% Due 03/05/2024	1,300,000.00	Various 3.11%	1,315,499.00 1,313,858.13	103.79 2.30%	1,349,211.50 14,870.56	1.28% 35,353.37	A2 / A- A+	4.18 2.97
91159HHX1	US Bancorp Callable Note Cont 6/28/2024 2.400% Due 07/30/2024	1,250,000.00	10/10/2019 2.07%	1,268,262.50 1,267,433.35	101.39 2.07%	1,267,400.00 12,666.67	1.20% (33.35)	A1 / A+ AA-	4.58 4.20
009158AV8	Air Products & Chemicals Callable Note Cont 4/30/2024 3.350% Due 07/31/2024	1,675,000.00	08/07/2019 2.07%	1,771,212.00 1,763,129.30	105.29 2.07%	1,763,592.43 23,536.08	1.68% 463.13	A2 / A NR	4.59 3.98
69371RQ25	Paccar Financial Corp Note 2.150% Due 08/15/2024	370,000.00	08/08/2019 2.20%	369,182.30 369,244.51	99.91 2.17%	369,672.92 3,005.22	0.35% 428.41	A1 / A+ NR	4.63 4.34
<b>TOTAL US Corporate</b>		<b>21,980,000.00</b>	<b>2.65%</b>	<b>22,135,347.65</b> <b>22,131,704.91</b>	<b>1.96%</b>	<b>22,512,078.52</b> <b>190,353.14</b>	<b>21.36%</b> <b>380,373.61</b>	<b>A1 / A</b> <b>A+</b>	<b>3.04</b> <b>2.72</b>
<b>US Treasury</b>									
912828T34	US Treasury Note 1.125% Due 09/30/2021	2,000,000.00	09/25/2019 1.71%	1,977,109.38 1,980,130.32	99.20 1.59%	1,983,906.00 5,717.21	1.87% 3,775.68	Aaa / AA+ AAA	1.75 1.72
912828F96	US Treasury Note 2.000% Due 10/31/2021	2,000,000.00	09/25/2019 1.71%	2,012,031.25 2,010,507.71	100.75 1.58%	2,014,922.00 6,813.19	1.90% 4,414.29	Aaa / AA+ AAA	1.84 1.79
912828J43	US Treasury Note 1.750% Due 02/28/2022	2,000,000.00	09/11/2019 1.64%	2,005,078.13 2,004,451.83	100.38 1.57%	2,007,500.00 11,826.92	1.90% 3,048.17	Aaa / AA+ AAA	2.16 2.11
912828XG0	US Treasury Note 2.125% Due 06/30/2022	2,000,000.00	09/11/2019 1.61%	2,028,203.13 2,025,139.97	101.32 1.58%	2,026,406.00 116.76	1.91% 1,266.03	Aaa / AA+ AAA	2.50 2.43
912828L57	US Treasury Note 1.750% Due 09/30/2022	2,000,000.00	09/11/2019 1.62%	2,007,890.63 2,007,104.40	100.40 1.60%	2,008,046.00 8,893.44	1.90% 941.60	Aaa / AA+ AAA	2.75 2.66
912828N30	US Treasury Note 2.125% Due 12/31/2022	2,000,000.00	Various 1.68%	2,029,085.94 2,026,018.11	101.52 1.60%	2,030,468.00 116.76	1.91% 4,449.89	Aaa / AA+ AAA	3.00 2.90
912828T91	US Treasury Note 1.625% Due 10/31/2023	2,000,000.00	Various 1.94%	1,973,554.69 1,977,132.09	99.91 1.65%	1,998,204.00 5,535.72	1.89% 21,071.91	Aaa / AA+ AAA	3.84 3.69
912828V23	US Treasury Note 2.250% Due 12/31/2023	1,500,000.00	06/21/2019 1.80%	1,529,472.66 1,526,063.04	102.28 1.66%	1,534,159.50 92.72	1.44% 8,096.46	Aaa / AA+ AAA	4.00 3.82
912828B66	US Treasury Note 2.750% Due 02/15/2024	2,000,000.00	Various 2.13%	2,053,613.28 2,048,000.16	104.31 1.66%	2,086,172.00 20,774.45	1.98% 38,171.84	Aaa / AA+ AAA	4.13 3.86
912828X70	US Treasury Note 2.000% Due 04/30/2024	1,700,000.00	06/10/2019 1.92%	1,705,976.56 1,705,293.52	101.37 1.67%	1,723,308.70 5,791.21	1.63% 18,015.18	Aaa / AA+ AAA	4.33 4.13
912828XX3	US Treasury Note 2.000% Due 06/30/2024	2,000,000.00	Various 1.80%	2,018,574.22 2,017,275.37	101.39 1.68%	2,027,734.00 109.89	1.91% 10,458.63	Aaa / AA+ AAA	4.50 4.29

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As of December 31, 2019

## City of Cupertino - Account #10659

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
912828D56	US Treasury Note 2.375% Due 08/15/2024	1,700,000.00	09/18/2019 1.71%	1,753,191.41 1,750,104.41	103.06 1.68%	1,752,062.50 15,250.34	1.66% 1,958.09	Aaa / AA+ AAA	4.63 4.34
<b>TOTAL US Treasury</b>		<b>22,900,000.00</b>	<b>1.77%</b>	<b>23,093,781.28</b> <b>23,077,220.93</b>	<b>1.63%</b>	<b>23,192,888.70</b> <b>81,038.61</b>	<b>21.90%</b> <b>115,667.77</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.25</b> <b>3.11</b>
<b>TOTAL PORTFOLIO</b>		<b>103,949,767.49</b>	<b>1.96%</b>	<b>105,242,873.79</b> <b>105,110,124.34</b>	<b>1.79%</b>	<b>105,740,676.41</b> <b>534,543.95</b>	<b>100.00%</b> <b>630,552.07</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>2.80</b> <b>2.46</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>106,275,220.36</b>			



## Section 4 | Transactions

# Transaction Ledger

As of December 31, 2019

## City of Cupertino - Account #10659

September 30, 2019 through December 31, 2019

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/01/2019	3137B5JM6	1,000,000.00	FHLMC K034 A2 3.531% Due: 07/25/2023	105.387	2.00%	1,053,867.19	0.00	1,053,867.19	0.00
Purchase	10/08/2019	92348AAA3	515,000.00	Verizon Owner Trust 2019-C A1A 1.94% Due: 04/22/2024	99.992	1.95%	514,960.29	0.00	514,960.29	0.00
Purchase	10/11/2019	313380GJ0	2,000,000.00	FHLB Note 2% Due: 09/09/2022	101.270	1.55%	2,025,400.00	3,555.56	2,028,955.56	0.00
Purchase	10/15/2019	78013XZU5	982,000.00	Royal Bank of Canada Note 2.55% Due: 07/16/2024	101.801	2.15%	999,685.82	6,190.69	1,005,876.51	0.00
Purchase	10/15/2019	91159HHX1	1,250,000.00	US Bancorp Callable Note Cont 6/28/2024 2.4% Due: 07/30/2024	101.461	2.07%	1,268,262.50	6,333.33	1,274,595.83	0.00
Purchase	10/18/2019	3135G0W66	775,000.00	FNMA Note 1.625% Due: 10/15/2024	99.829	1.66%	773,674.75	0.00	773,674.75	0.00
Purchase	10/21/2019	47789JAD8	400,000.00	John Deere Owner Trust 2019-A A3 2.91% Due: 07/17/2023	101.668	2.05%	406,671.88	194.00	406,865.88	0.00
Purchase	10/23/2019	65479JAD5	810,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due: 07/15/2024	99.995	1.94%	809,957.23	0.00	809,957.23	0.00
Purchase	10/24/2019	13063DRK6	755,000.00	California St TE-GO 2.4% Due: 10/01/2024	102.297	1.91%	772,342.35	0.00	772,342.35	0.00
Purchase	10/25/2019	43815NAC8	500,000.00	Honda Auto Receivables Trust 2019-3 A3 1.78% Due: 08/15/2023	99.668	2.07%	498,339.84	247.22	498,587.06	0.00
Purchase	11/18/2019	62479LDG7	2,000,000.00	MUFG Bank Ltd Discount CP 1.91% Due: 04/16/2020	99.204	1.95%	1,984,083.33	0.00	1,984,083.33	0.00
Purchase	11/26/2019	880592QB9	2,000,000.00	TVA Discount Note 1.584% Due: 12/04/2019	99.965	1.61%	1,999,296.00	0.00	1,999,296.00	0.00
Purchase	12/09/2019	78013XZU5	318,000.00	Royal Bank of Canada Note 2.55% Due: 07/16/2024	101.352	2.24%	322,299.36	3,221.07	325,520.43	0.00
Purchase	12/13/2019	3135G0W66	1,200,000.00	FNMA Note 1.625% Due: 10/15/2024	99.344	1.77%	1,192,128.00	2,979.17	1,195,107.17	0.00

# Transaction Ledger

As of December 31, 2019

## City of Cupertino - Account #10659

September 30, 2019 through December 31, 2019

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	12/30/2019	313384SM2	1,700,000.00	FHLB Discount Note 1.57% Due: 01/31/2020	99.860	1.59%	1,697,627.56	0.00	1,697,627.56	0.00
<b>Subtotal</b>			<b>16,205,000.00</b>				<b>16,318,596.10</b>	<b>22,721.04</b>	<b>16,341,317.14</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>16,205,000.00</b>				<b>16,318,596.10</b>	<b>22,721.04</b>	<b>16,341,317.14</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Maturity	10/11/2019	313378UP4	1,500,000.00	FHLB Note 2% Due: 10/11/2019	100.000		1,500,000.00	0.00	1,500,000.00	0.00
Maturity	11/18/2019	3133EGJ30	2,000,000.00	FFCB Note 1.1% Due: 11/18/2019	100.000		2,000,000.00	0.00	2,000,000.00	0.00
Maturity	12/04/2019	880592QB9	2,000,000.00	TVA Discount Note 1.584% Due: 12/04/2019	100.000		2,000,000.00	0.00	2,000,000.00	0.00
Maturity	12/23/2019	06417G5Q7	2,000,000.00	Bank of Nova Scotia Yankee CD 2.61% Due: 12/23/2019	100.000		2,000,000.00	40,020.00	2,040,020.00	0.00
Maturity	12/30/2019	3134G8S83	2,000,000.00	FHLMC Callable Note 1X 3/30/2017 1.5% Due: 12/30/2019	100.000		2,000,000.00	0.00	2,000,000.00	0.00
Maturity	12/30/2019	3134G9G43	3,000,000.00	FHLMC Callable Note 1X 12/30/2016 1.02% Due: 12/30/2019	100.000		3,000,000.00	0.00	3,000,000.00	0.00
<b>Subtotal</b>			<b>12,500,000.00</b>				<b>12,500,000.00</b>	<b>40,020.00</b>	<b>12,540,020.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>12,500,000.00</b>				<b>12,500,000.00</b>	<b>40,020.00</b>	<b>12,540,020.00</b>	<b>0.00</b>

# Important Disclosures

*As of December 31, 2019*

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Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

## **ICE BAML 1-5 Yr US Treasury/Agency Index**

*The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*