

# City of Cupertino

*Period Ending September 30, 2020*

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



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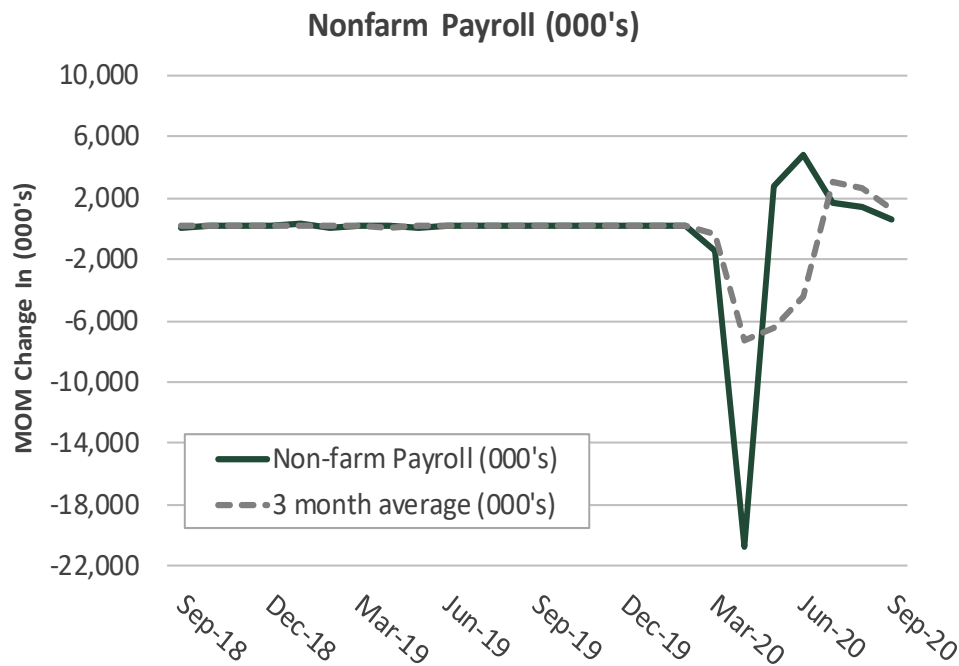


## Section 1 | Economic Update

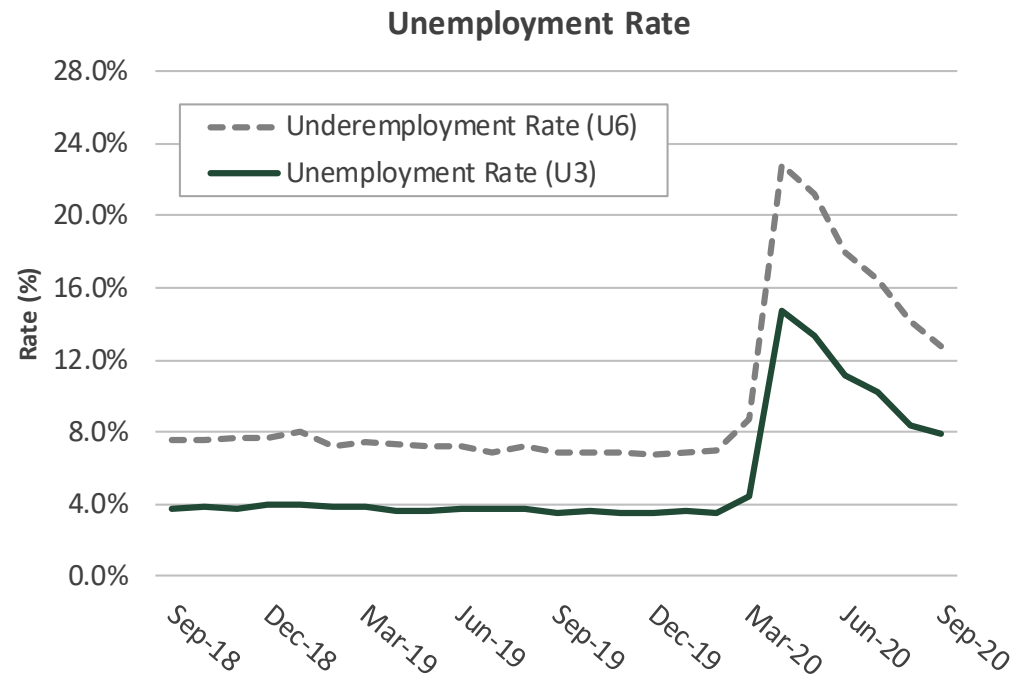
## Economic Update

- The US economy continues to experience a somewhat uneven and slowing pace of economic growth, consistent with more of a U-shaped (rather than V-shaped) recovery, following a sharp decline in economic activity in the second quarter. The outlook for the economy remains uncertain and is largely dependent on the course of the pandemic, the amount of additional fiscal relief, and the timeline for a vaccine, in our view. The Fed's highly accommodative monetary policy framework, along with a swift and robust fiscal policy response from the government earlier this year, has provided support for the financial markets amid a challenging economic backdrop. However, we believe financial markets are poised for increased volatility through year-end due to the upcoming election, a resurgence in virus cases, and an unclear outlook for additional fiscal relief. If the expected timeline for a COVID-19 vaccine was pushed into second half of next year or beyond, we believe that would fuel a significant amount of financial market volatility.
- The Federal Open Market Committee (FOMC) kept monetary policy unchanged in September with the fed funds target rate in a range of 0.0% to 0.25%. Monetary policy remains highly accommodative and Fed Chair Powell maintained a dovish tone during his press conference. The Fed will continue to use its balance sheet to support smooth financial market functioning by purchasing Treasury and agency mortgage-backed securities and will continue to use its lending facilities to support the flow of credit to businesses and municipalities, as needed. In the September policy statement, the FOMC noted that inflation continues to run below its 2.0% target, as weaker demand and lower oil prices are holding down consumer prices. Longer-term, the FOMC will allow inflation to run above 2.0% for some period of time before it looks to tighten policy, which implies the fed funds target rate will remain anchored near zero for years. The Fed's updated summary of economic projections signals that the target fed funds rate will remain unchanged through at least 2023, as policymakers do not expect inflation to exceed 2.0% during that timeframe.
- On a year-to-date basis, the yield on 2-year Treasuries was down 144 basis points to 0.13% and the yield on 10-year Treasuries was down about 123 basis points to 0.68% at the end of September. In September, the Treasury yield curve was little changed on a month-over-month basis, following moderate curve steepening in August. We believe a wave of new Treasury issuance in August put increased upward pressure on longer-term rates.

# Employment



Source: US Department of Labor

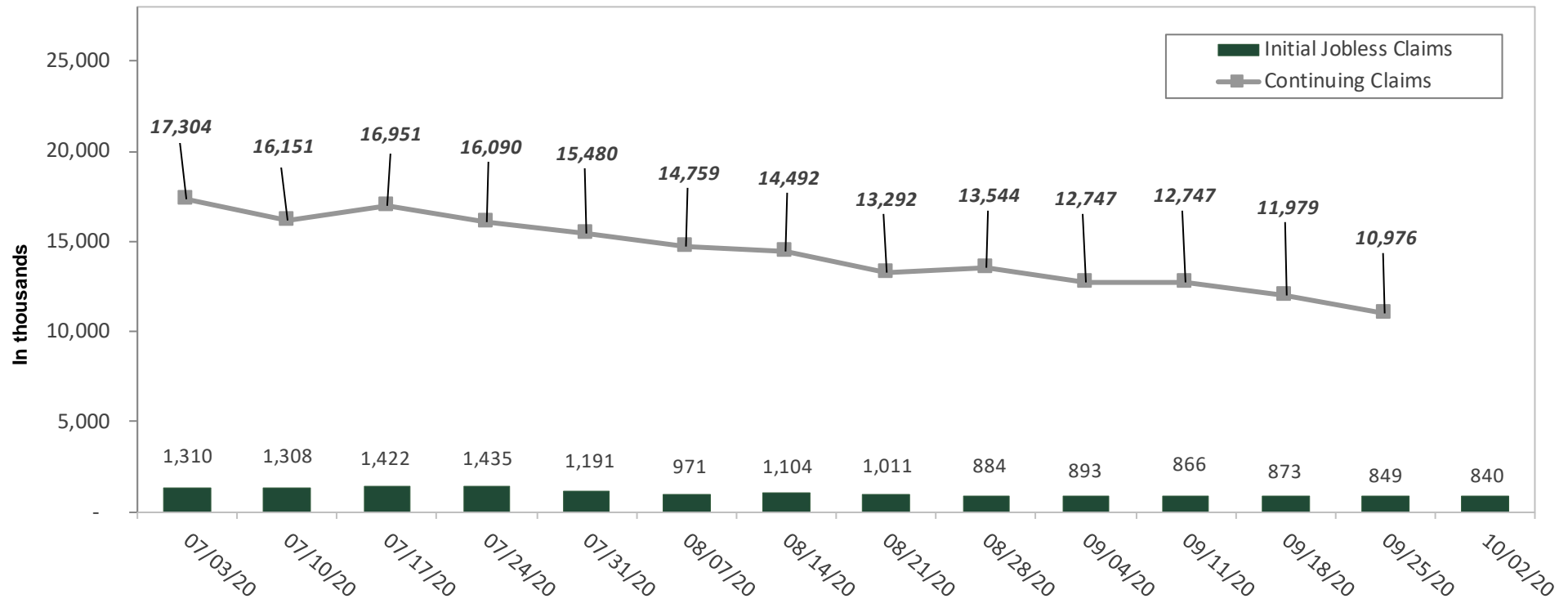


Source: US Department of Labor

U.S. nonfarm payrolls were lower than expected, up 661,000 in September versus expectations of 859,000. The unemployment rate declined to 7.9% in September from 8.4% in August. The decline in the unemployment rate was better than expected, however, it was partially driven by a decline in the labor participation rate to 61.4% in September from 61.7% in August. The labor participation rate improved modestly after plunging to 60.2% in April, but remains near the lowest levels since the 1970's. Nearly 4.5 million people have dropped out of the labor force since January, and 12.6 million people in the labor force were unemployed in September, according to the U.S. Bureau of Labor Statistics household survey. Workers who classified themselves as employed but absent from work in the September survey understated the unemployment rate by about 0.4%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, remained high but eased to 12.8% in September from 14.2% in August.

# Initial Claims for Unemployment

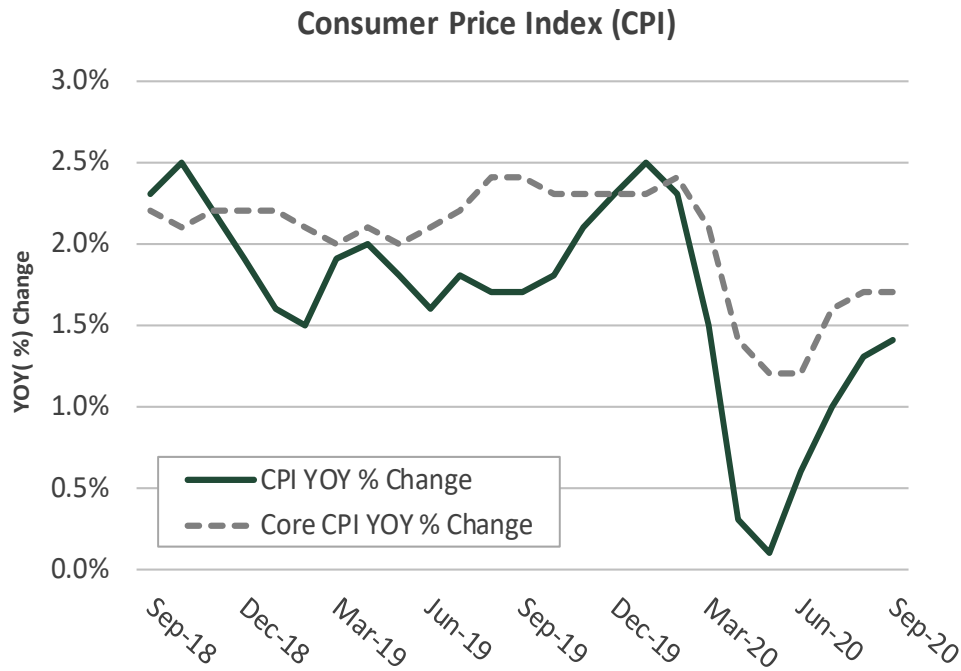
Initial Claims For Unemployment July 03, 2020 - October 02, 2020



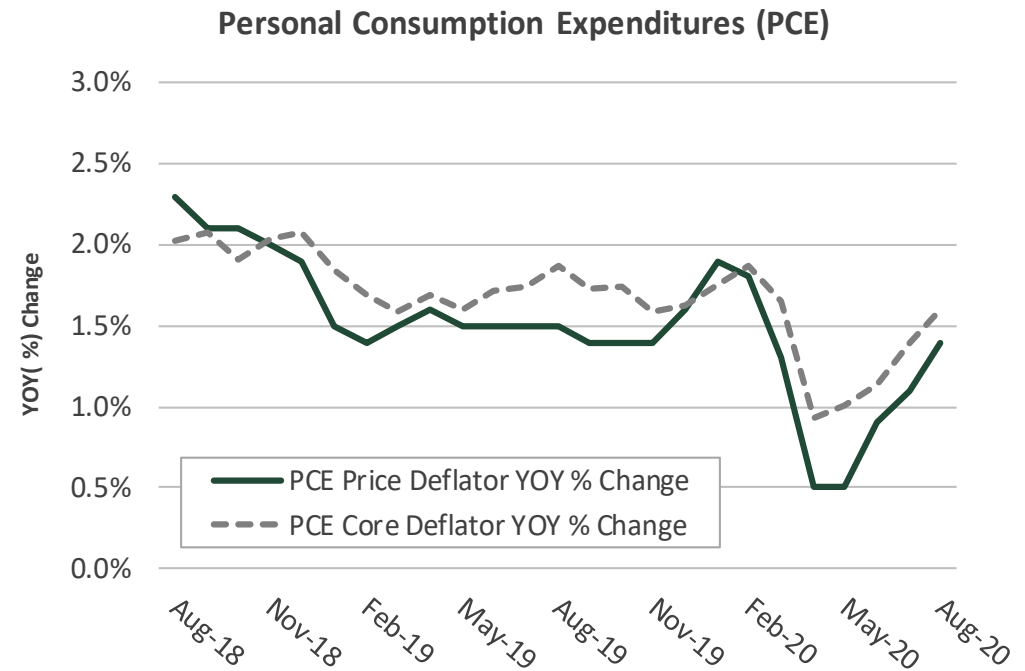
Source: US Department of Labor

In the most recent week, the number of initial jobless claims declined to 840,000 compared to 849,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) declined to about 11.0 million from roughly 12.0 million in the prior week. Continuing jobless claims have declined from the peak of nearly 25 million in early May, but they remain well above the 2019 average of 1.7 million.

# Inflation



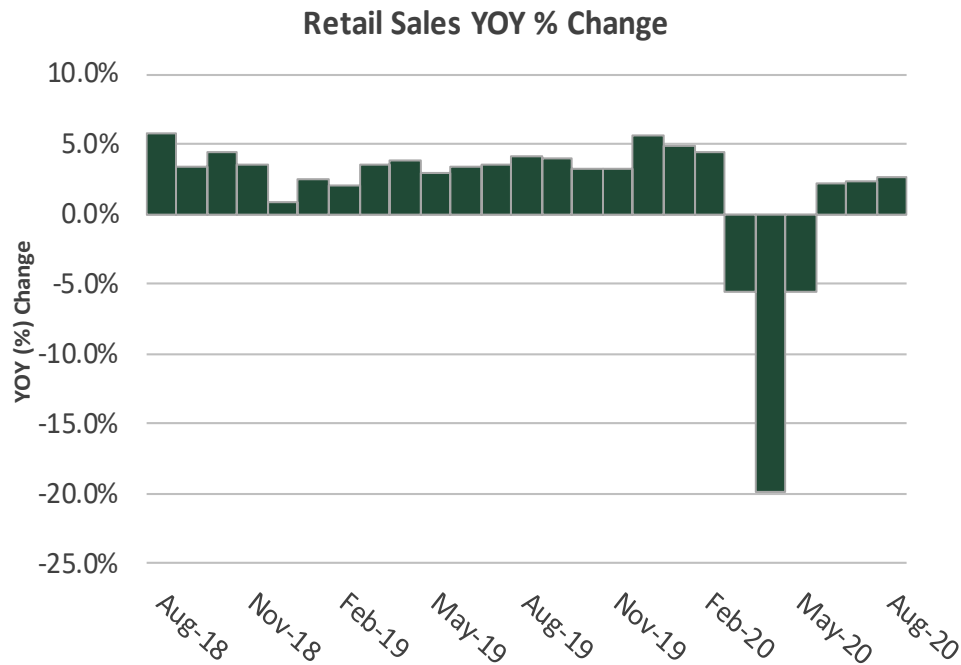
Source: US Department of Labor



Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.4% year-over-year in September, versus up 1.3% in August. Core CPI (CPI less food and energy) was up 1.7% year-over-year in September, unchanged from August. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in August, versus up 1.1% year-over-year in July. Core PCE, which is the Fed's primary inflation gauge, was up 1.6% year-over-year in August, versus up 1.4% year-over-year in July. Pricing pressures are increasing but remain below the Fed's inflation target.

## Consumer



Source: US Department of Commerce

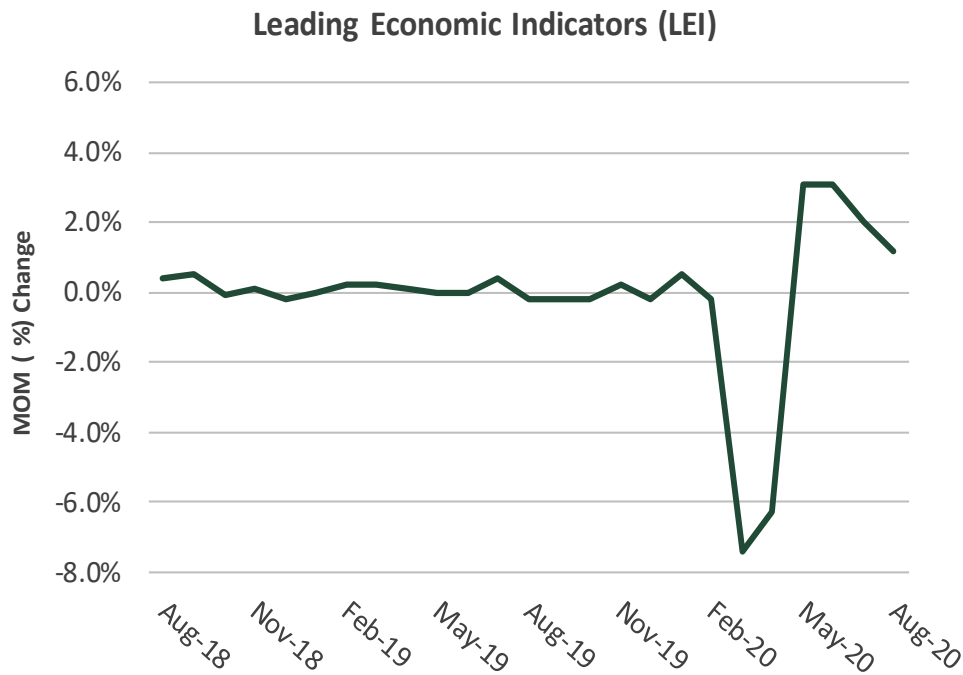


Source: The Conference Board

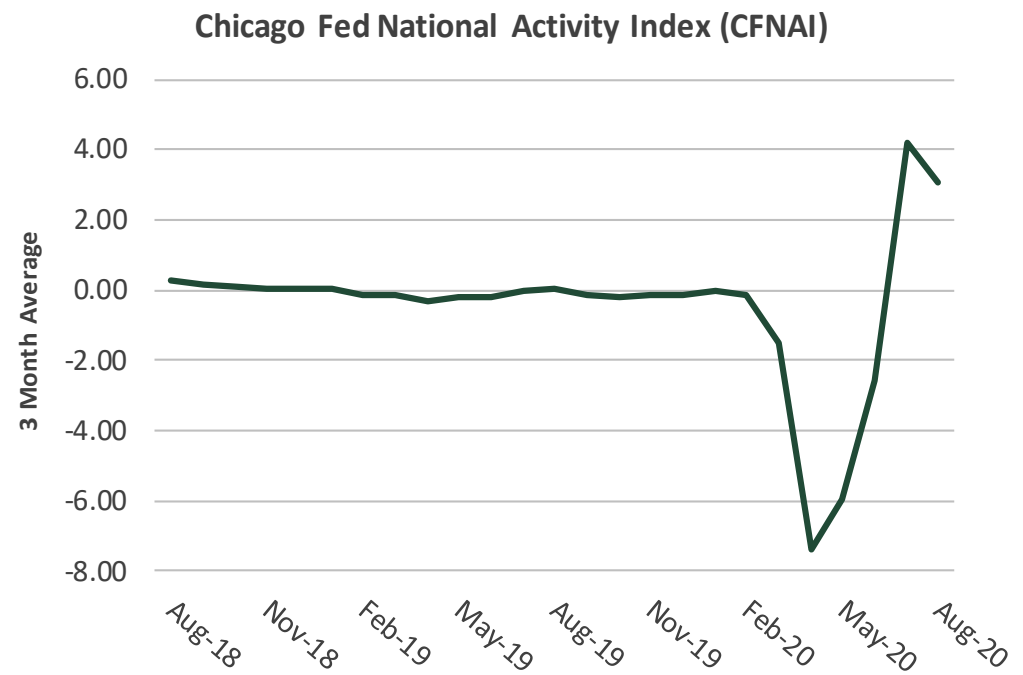
Retail sales were softer than expected in August and sales for July were revised down. On a year-over-year basis, retail sales were up 2.6% in August, versus up 2.4% in July. On a month-over-month basis, retail sales were up just 0.6% in August, following a 0.9% increase in July. Control group retail sales fell 0.2% in August, well below expectations for a 0.5% increase. The Consumer Confidence index jumped to 101.8 in September from 86.3 in August. The improvement in consumer confidence was much better than expected in September but the index remains well below pre-pandemic levels at the start of this year.



## Economic Activity



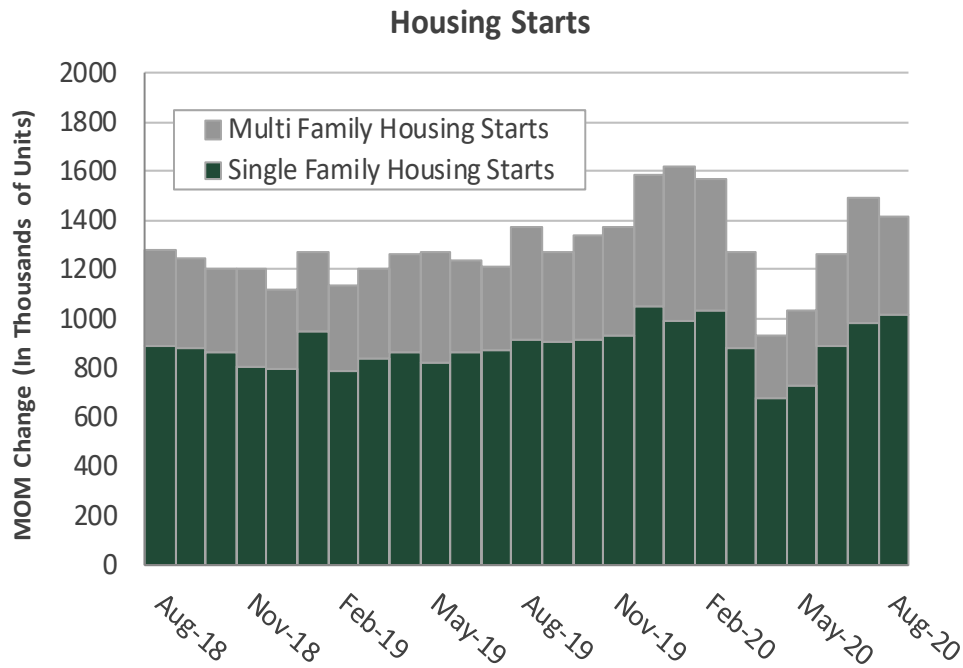
Source: The Conference Board



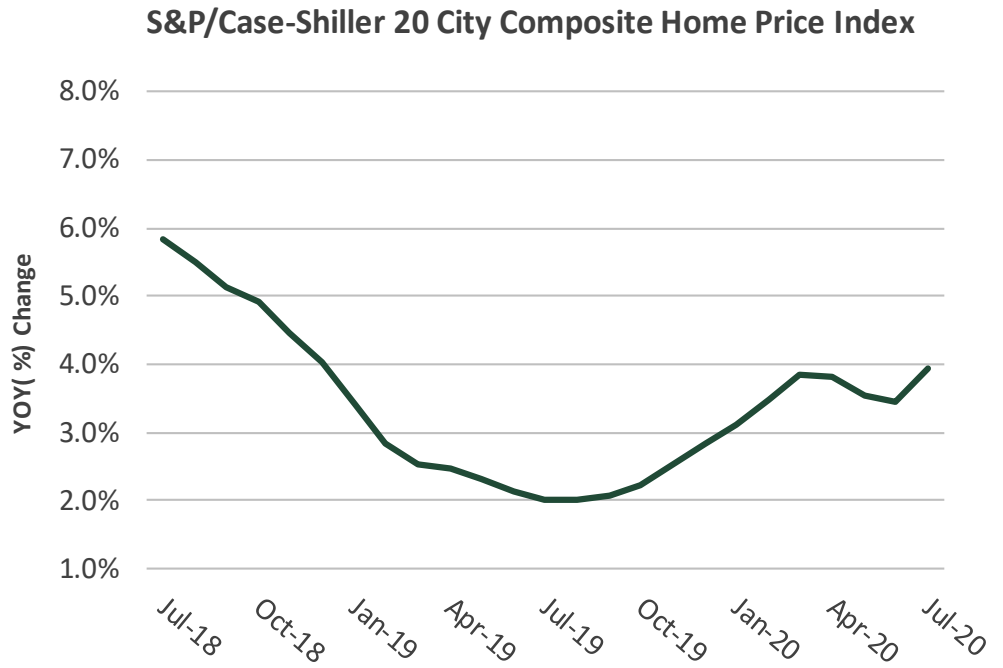
Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) rose 1.2% in August, following a 2.0% increase in July. On a year-over-year basis, the LEI was down 4.7% in August versus down 6.1% in July. According to the Conference Board, the recovery is losing steam and the US economy will likely head into 2021 under substantially weakened economic conditions. The Chicago Fed National Activity Index (CFNAI) declined to 0.79 in August from 2.54 in July. On a 3-month moving average basis, the CFNAI declined to 3.05 in August from 4.23 in July. Although the CFNAI declined in August on a 3-month moving basis, it is above the -0.7 recessionary level.

# Housing



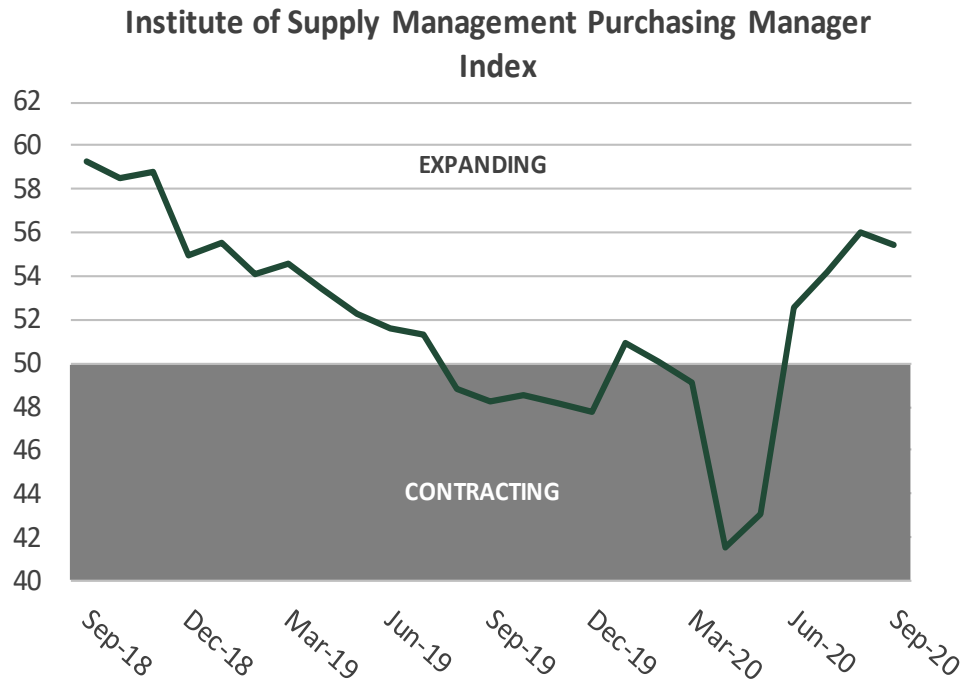
Source: US Department of Commerce



Source: S&P

Total housing starts fell 5.1% in August to an annual pace of 1,416,000. Single family starts rose 4.1% to an annualized rate of 1,021,000, while multi-family starts declined 22.7% to an annualized rate of 395,000. On a year-over-year basis, total housing starts were up 2.8% in August. Meanwhile, permits declined 0.9% in August on a month-over-month basis, to an annualized rate of 1,470,000 (flat on a year-over-year basis). According to the Case-Shiller 20-City home price index, home prices were up 3.9% year-over-year in July versus up 3.5% year-over-year in June. The housing market has remained strong during the pandemic. Very low mortgage rates, solid stock market performance, and a meaningful shift toward working from home are providing strong tailwinds for the housing sector, despite an otherwise challenging economic backdrop.

# Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

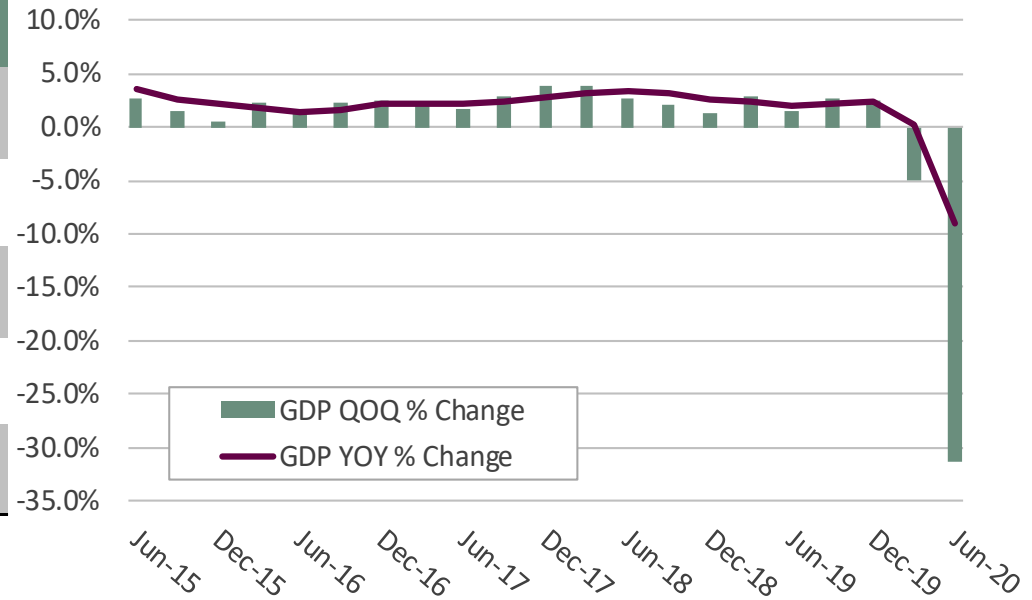
The Institute for Supply Management (ISM) manufacturing index slipped to 55.4 in September from 56.0 in August. New orders remained strong but declined to 60.2 in September from 67.6 in August. Readings above 50.0 are indicative of expansion in the manufacturing sector. The Industrial Production index was down 7.7% year-over-year in August, versus down 7.4% in July. On a month-over-month basis, the Industrial Production index increased just 0.4% in August, missing expectations of 1.2%, following a 3.5% increase in July. Capacity Utilization improved to 71.4% in August from 71.1% in July, but remains well below the long-run average of 79.8%. Overall manufacturing conditions have improved, following a deep contraction, but the pace of improvement is slowing.

## Gross Domestic Product (GDP)

Components of GDP	9/19	12/19	3/20	6/20
Personal Consumption Expenditures	1.8%	1.1%	-4.8%	-24.0%
Gross Private Domestic Investment	0.3%	-0.6%	-1.6%	-8.8%
Net Exports and Imports	0.0%	1.5%	1.1%	0.6%
Federal Government Expenditures	0.3%	0.3%	0.1%	1.2%
State and Local (Consumption and Gross Investment)	0.1%	0.2%	0.1%	-0.4%
<b>Total</b>	<b>2.6%</b>	<b>2.4%</b>	<b>-5.0%</b>	<b>-31.4%</b>

Source: US Department of Commerce

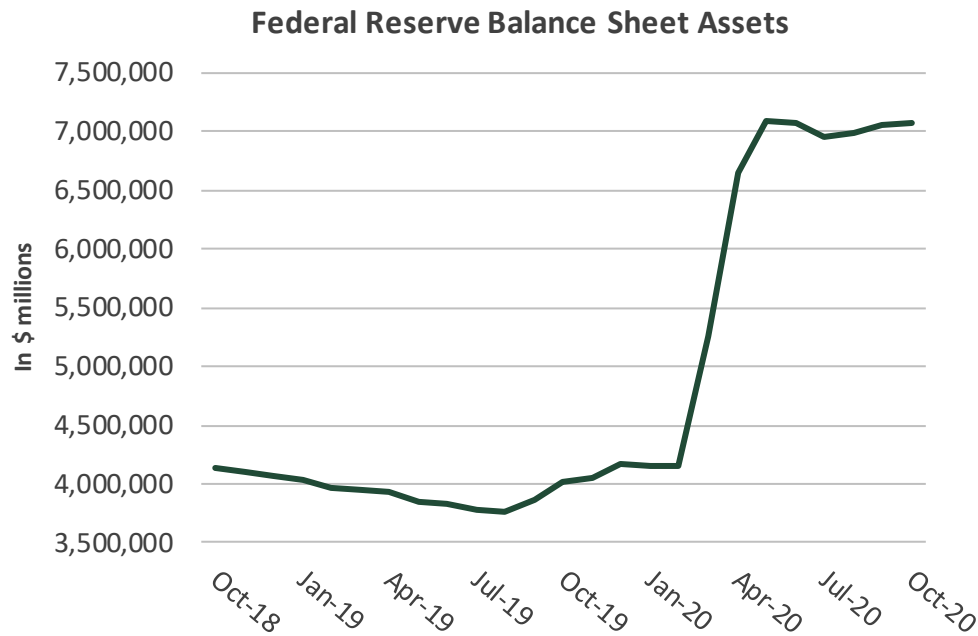
Gross Domestic Product (GDP)



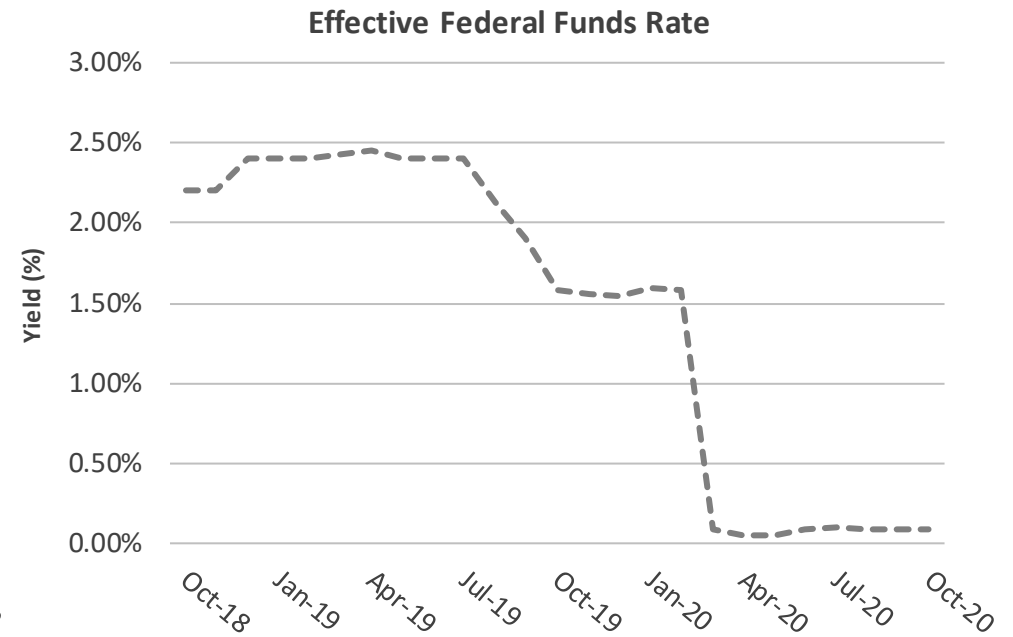
Source: US Department of Commerce

According to the third estimate, US gross domestic product (GDP) declined at an annual rate of 31.4% in the second quarter, just slightly less negative than the initial and second estimates but still the largest decline on record. This follows a 5.0% annualized decline in first quarter GDP. Personal consumption expenditures plunged 33.2% in the second quarter, following a 6.9% decline in the first quarter. The consensus forecast calls for a strong rebound in consumer spending and overall economic activity in the third quarter, and a slower pace of improvement in activity thereafter.

# Federal Reserve



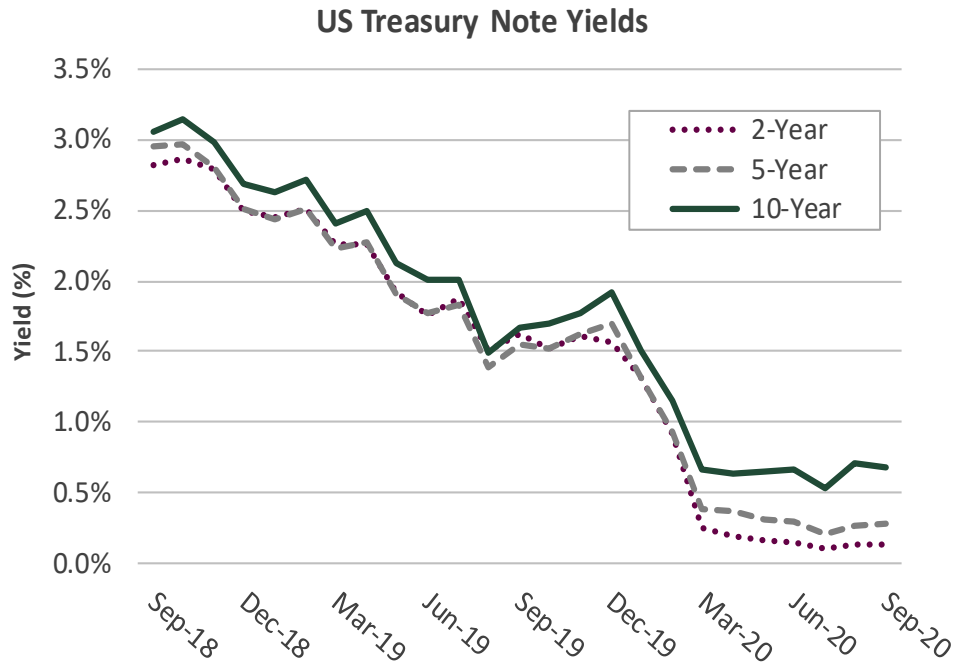
Source: Federal Reserve



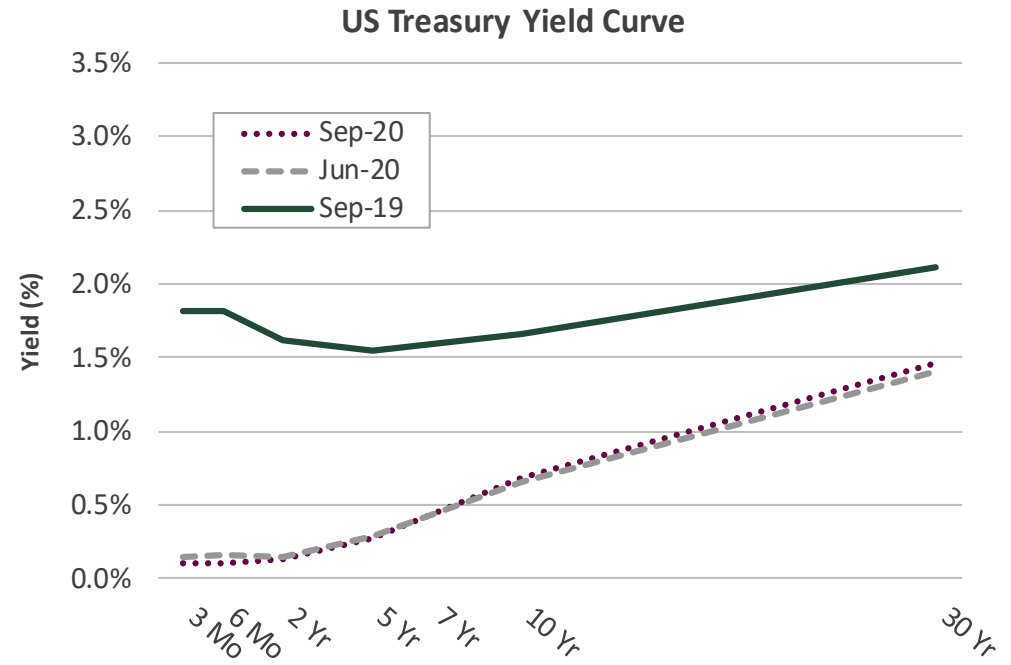
Source: Bloomberg

The Fed has taken a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed has lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility in order to provide liquidity to the commercial paper, money markets, and the municipal bond markets. The Fed has established the Primary Market Corporate Credit Facility and Secondary Market Corporate Credit Facility to support the corporate bond market. The Term Asset-Backed Securities Loan Facility has been established to enable the issuance of asset-backed securities backed by student loans, auto loans, credit card loans, and loans guaranteed by the Small Business Administration. The Fed has established the Paycheck Protection Program Liquidity Facility and Fed's Main Street Lending Facility to support the flow of credit to businesses. The Fed established the Municipal Liquidity Facility to purchase short-term debt directly from US states, counties, and cities. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions.

# Bond Yields



Source: Bloomberg



Source: Bloomberg

At September month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 172 basis points, the 2-year Treasury yield was down 150 basis points, and the 10-Year Treasury yield was down 98 basis points, year-over-year. Yields declined precipitously in March 2020, with the Fed cutting rates by a total of 150 basis points and a flight to safe-haven assets driving down yields across the curve. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero for at least the next few years.



## 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>
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	<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
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 September 30, 2020

### City of Cupertino

	9/30/2020	6/30/2020
	Benchmark*	Portfolio
Average Maturity (yrs)	2.65	2.89
Average Modified Duration	2.57	2.58
Average Purchase Yield	n/a	1.83%
Average Market Yield	0.17%	0.41%
Average Quality**	AAA	AA/Aa2
Total Market Value		110,868,405
		110,508,445

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

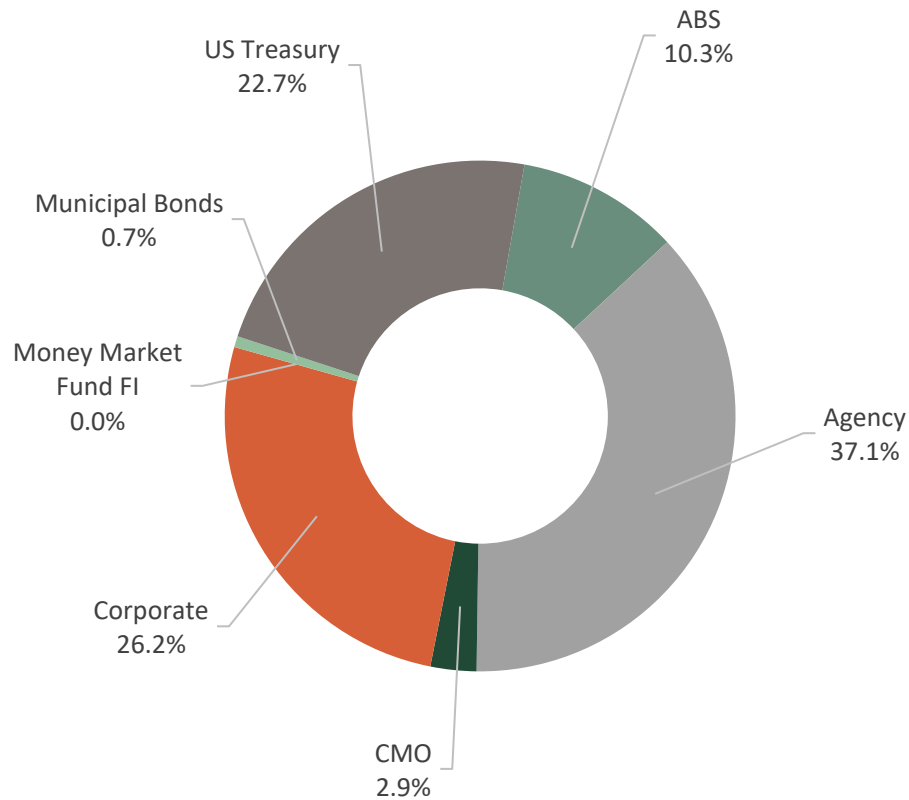
\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

# Sector Distribution

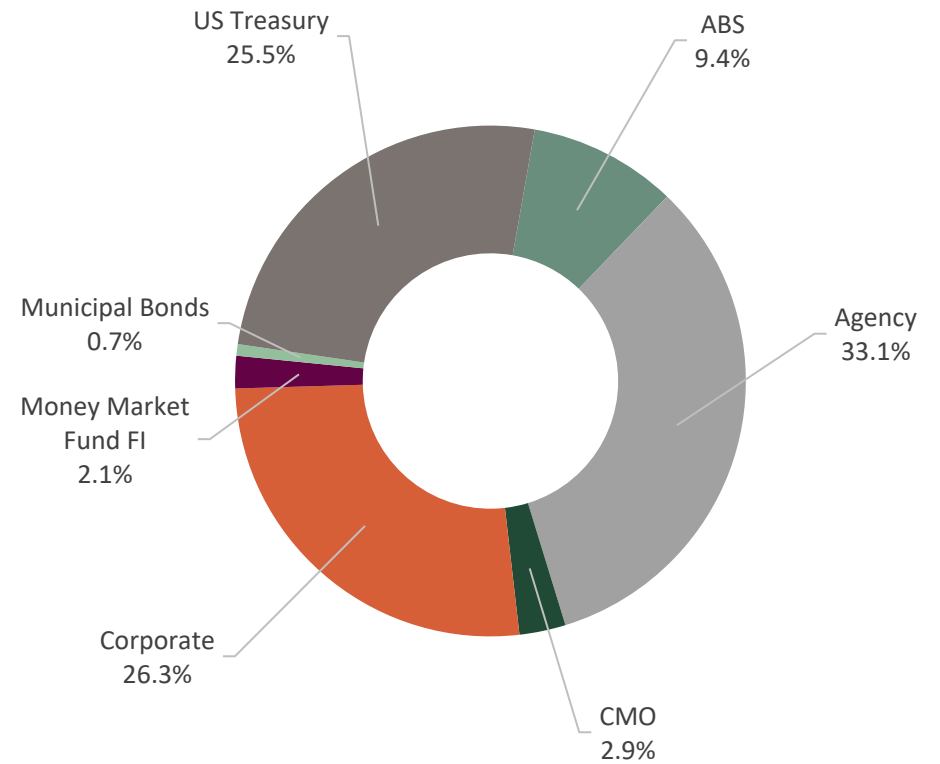
As of September 30, 2020

## City of Cupertino

September 30, 2020



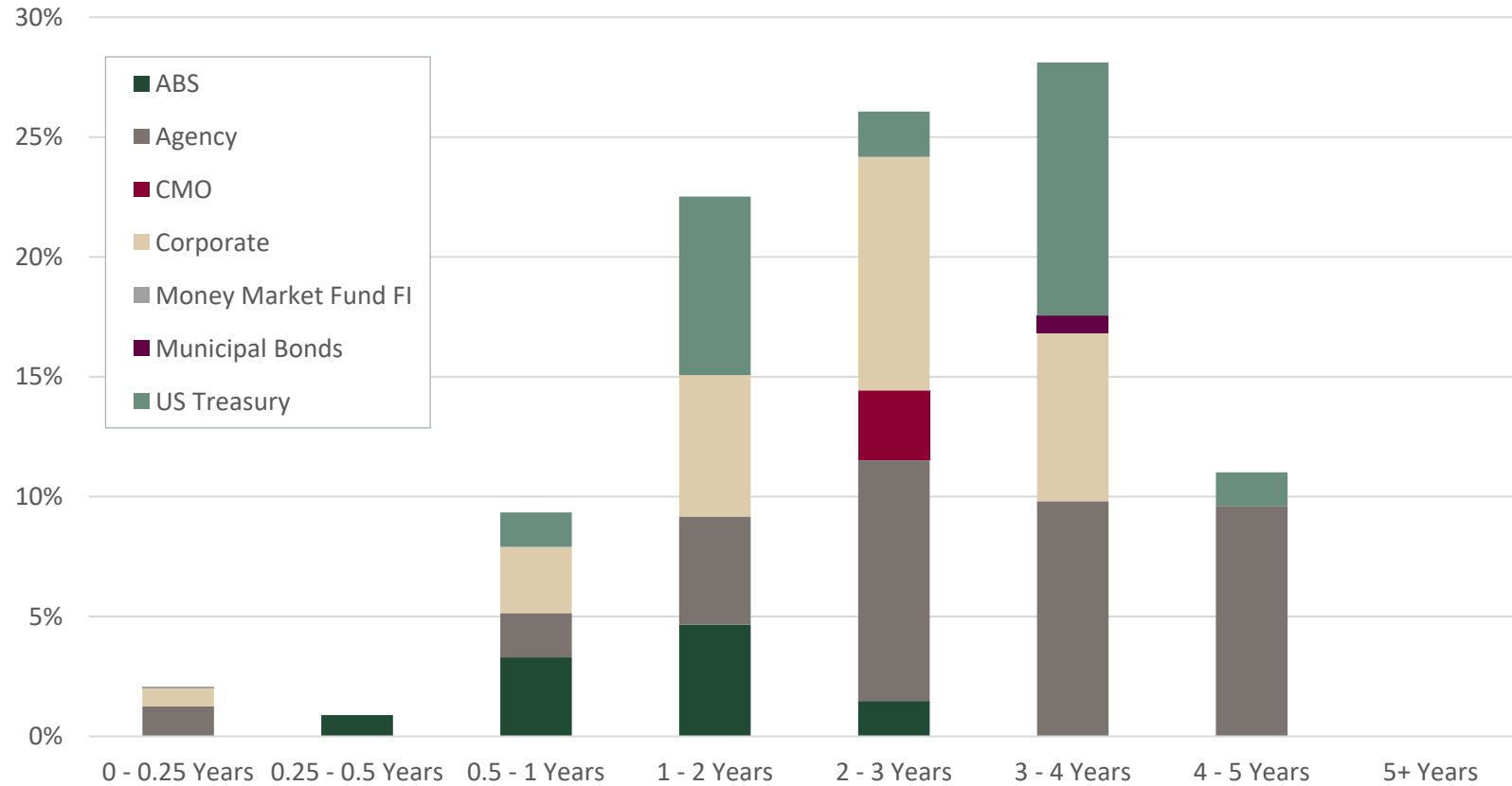
June 30, 2020



# Duration Allocation

As of September 30, 2020

## City of Cupertino



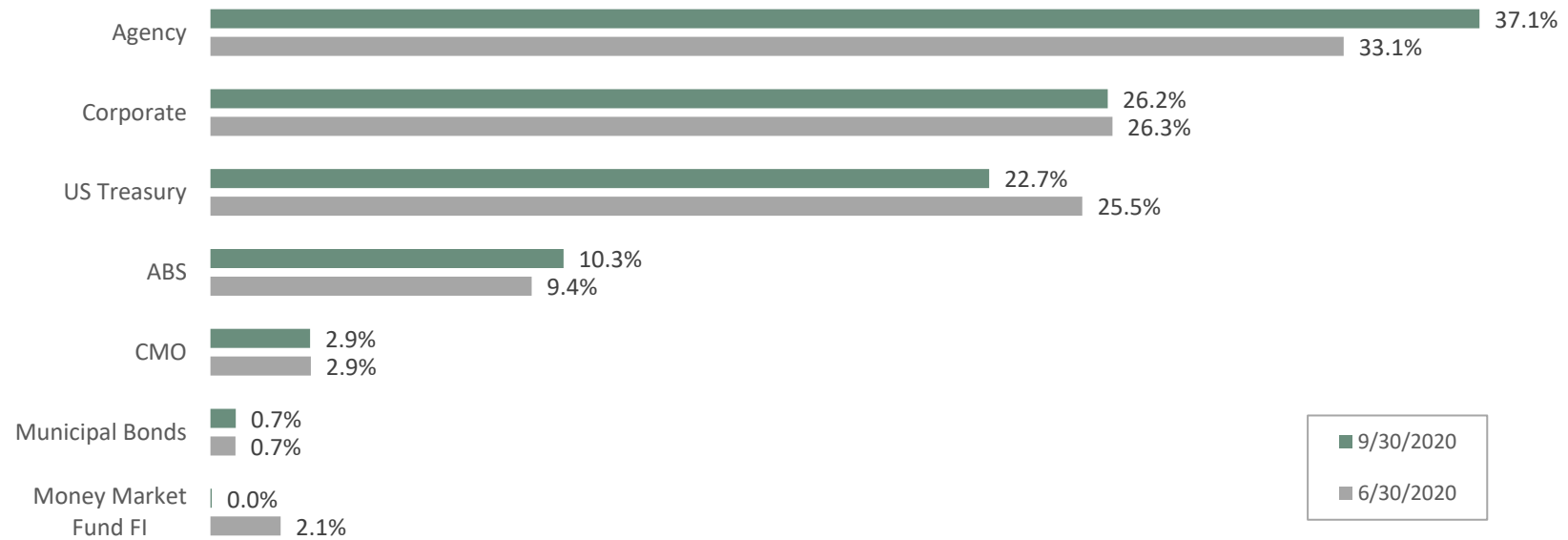
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
09/30/20	2.1%	0.9%	9.3%	22.5%	26.1%	28.1%	11.0%	0.0%

# Portfolio Allocation & Duration Changes

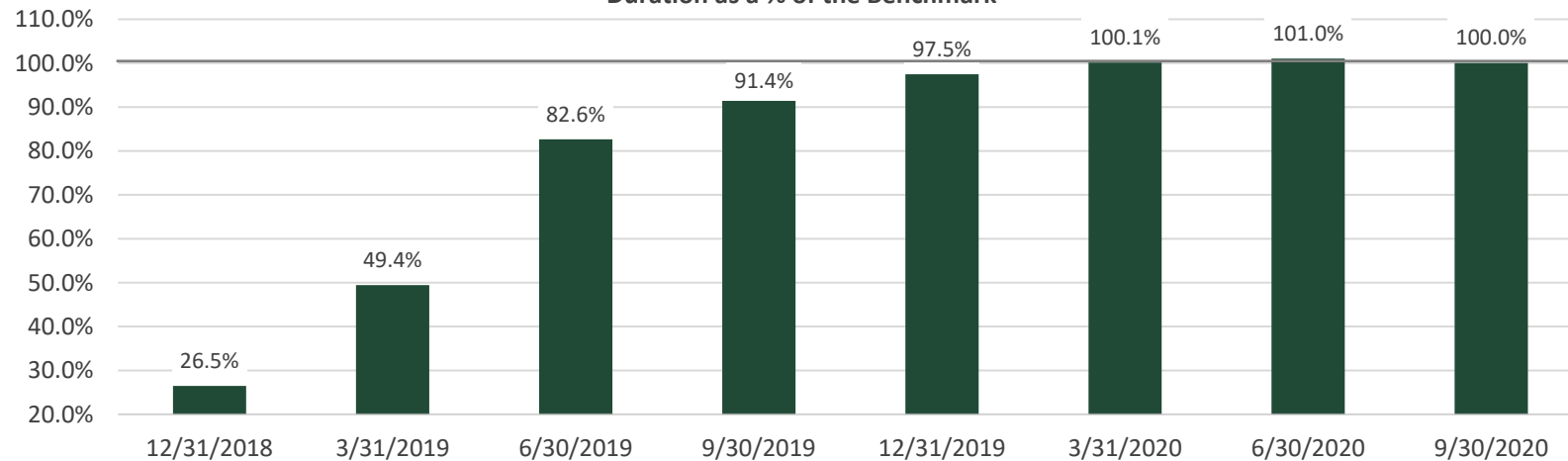
As of September 30, 2020

## City of Cupertino

### Portfolio Allocation



### Duration as a % of the Benchmark



Benchmark: ICE BAML 1-5 Year US Treasury/Agency Index

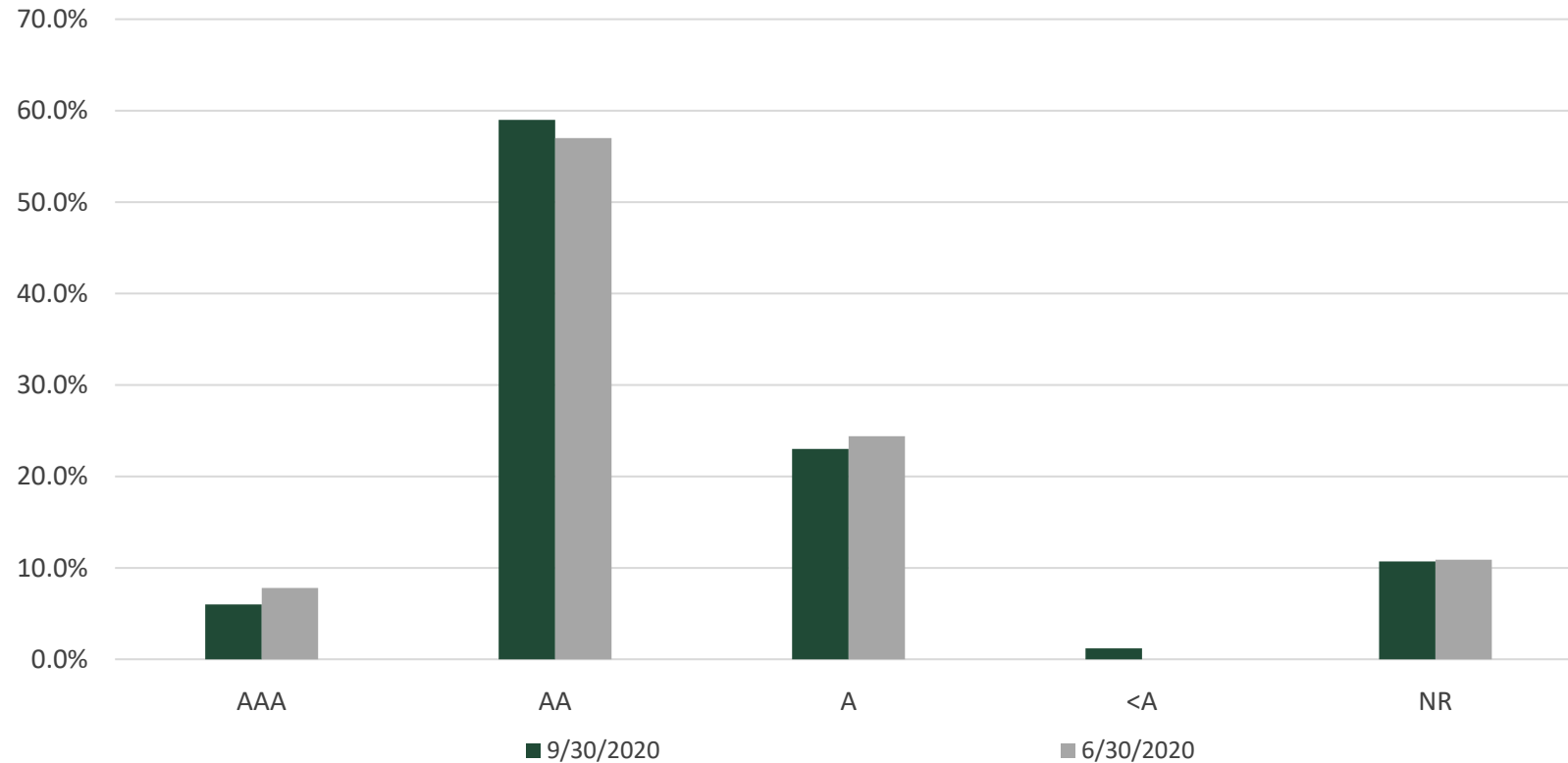
## City of Cupertino – Account #10659

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	22.74%
Federal National Mortgage Association	Agency	14.39%
Federal Home Loan Bank	Agency	13.36%
Federal Home Loan Mortgage Corp	Agency	9.30%
Federal Home Loan Mortgage Corp	CMO	2.91%
John Deere ABS	ABS	2.71%
Honda ABS	ABS	2.49%
Nissan ABS	ABS	2.37%
Air Products & Chemicals	Corporate	1.67%
HSBC Holdings PLC	Corporate	1.47%
Toronto Dominion Holdings	Corporate	1.46%
Charles Schwab Corp/The	Corporate	1.43%
IBM Corp	Corporate	1.41%
Honda Motor Corporation	Corporate	1.30%
Royal Bank of Canada	Corporate	1.26%
Bank of America Corp	Corporate	1.25%
Wells Fargo Corp	Corporate	1.22%
JP Morgan Chase & Co	Corporate	1.22%
US Bancorp	Corporate	1.20%
Verizon Owner Trust	ABS	1.20%
PNC Financial Services Group	Corporate	1.13%
Caterpillar Inc	Corporate	1.06%
Bank of New York	Corporate	0.99%
Wal-Mart Stores	Corporate	0.98%
Apple Inc	Corporate	0.96%
Deere & Company	Corporate	0.96%
Toyota Motor Corp	Corporate	0.93%
General Dynamics Corp	Corporate	0.93%
State Street Bank	Corporate	0.92%
Oracle Corp	Corporate	0.92%
Toyota ABS	ABS	0.88%
Paccar Financial	Corporate	0.78%
Chubb Corporation	Corporate	0.78%
State of California	Municipal Bonds	0.74%
Mercedes-Benz Auto Lease Trust	ABS	0.66%
Wells Fargo 100% Treasury MMKT Fund	Money Market Fund FI	0.04%
<b>TOTAL</b>		<b>100.00%</b>

# Quality Distribution

As of September 30, 2020

**City of Cupertino**  
September 30, 2020 vs. June 30, 2020



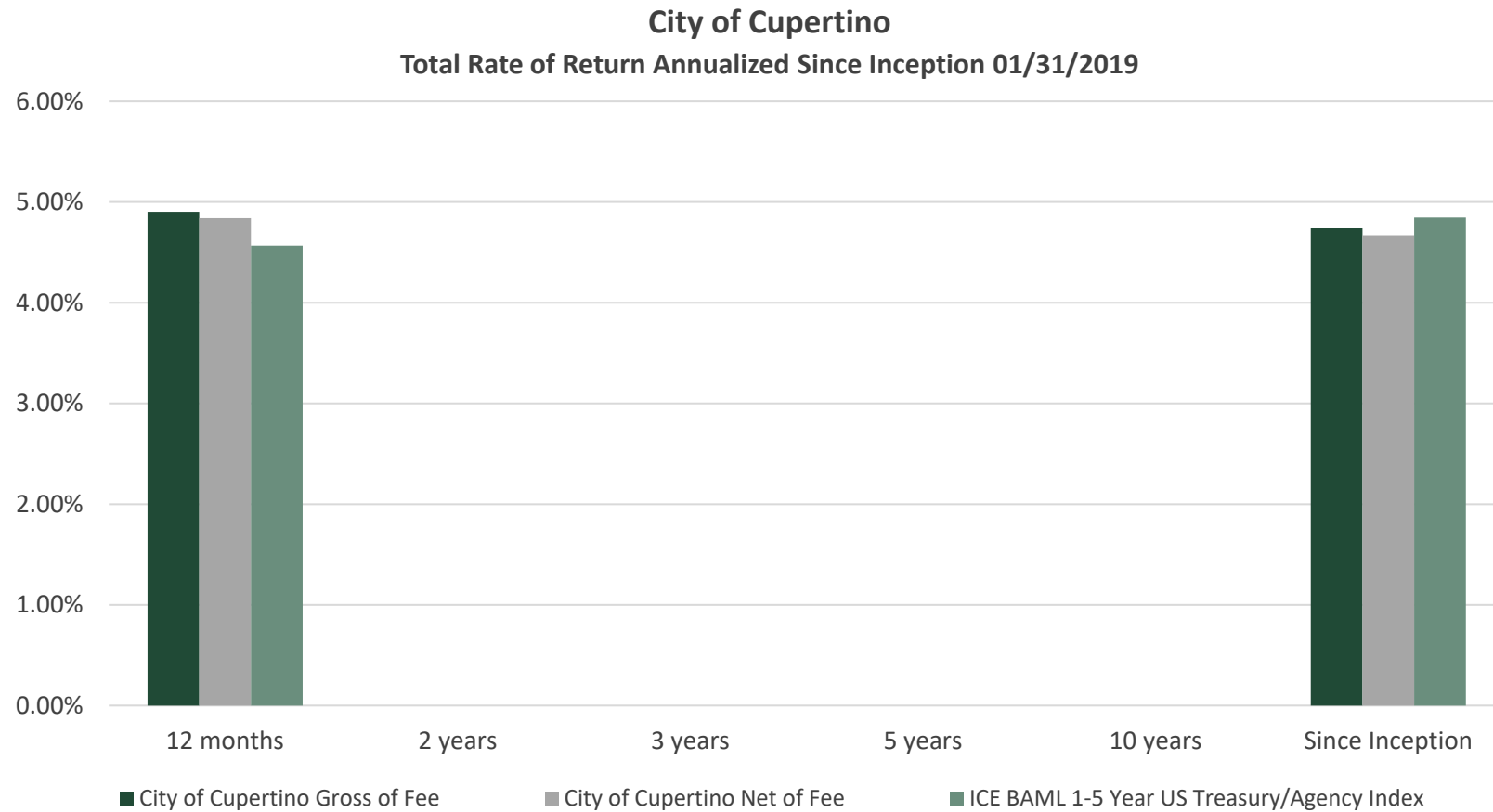
	AAA	AA	A	<A	NR
09/30/20	6.0%	59.0%	23.0%	1.2%	10.7%
06/30/20	7.8%	57.0%	24.4%	0.0%	10.9%

Source: S&P Ratings



# Investment Performance

As of September 30, 2020

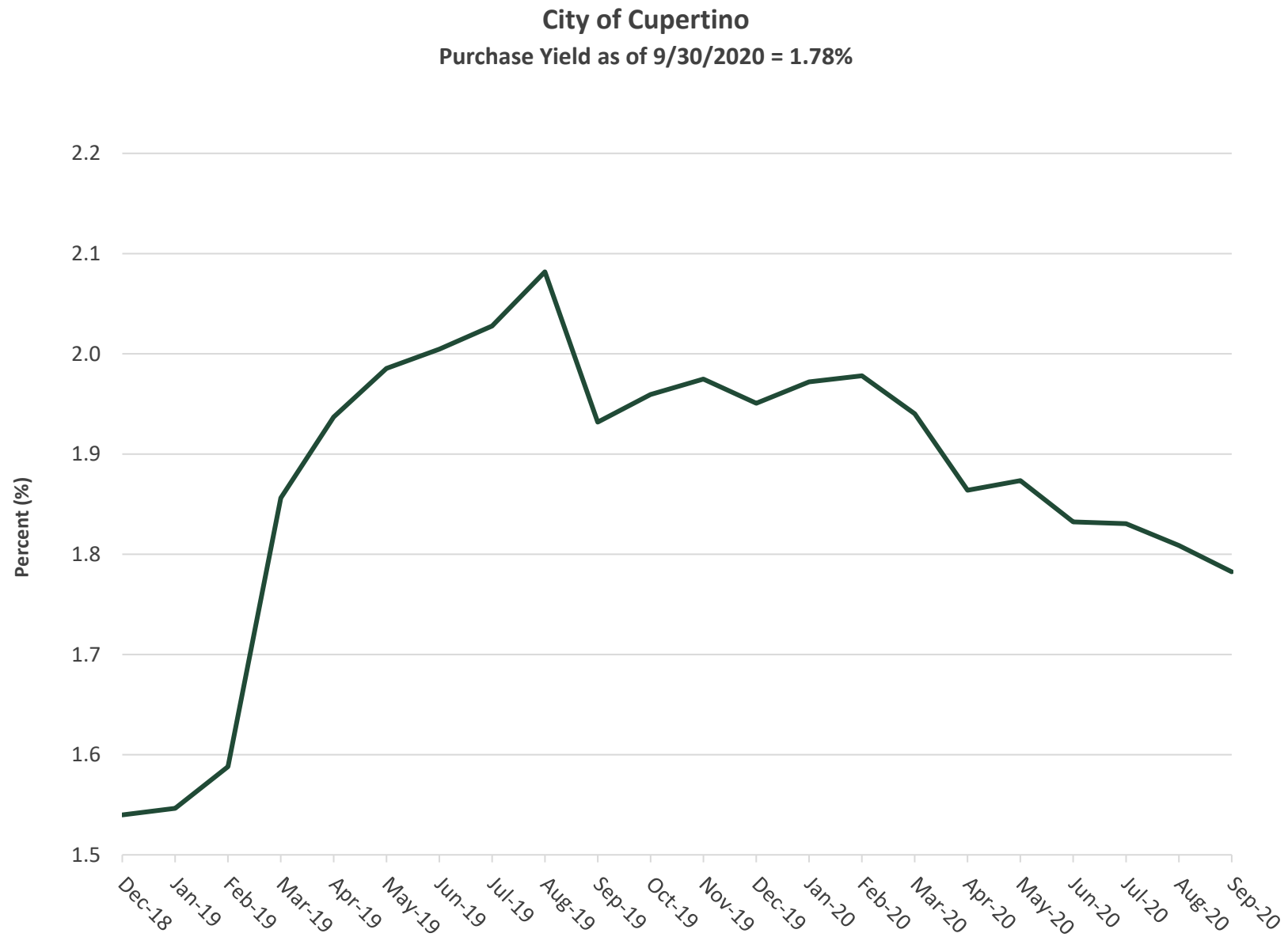


TOTAL RATE OF RETURN	Annualized						Since Inception
	3 months	12 months	2 years	3 years	5 years	10 years	
City of Cupertino Gross of Fee	0.35%	4.90%	N/A	N/A	N/A	N/A	4.74%
City of Cupertino Net of Fee	0.34%	4.84%	N/A	N/A	N/A	N/A	4.67%
ICE BAML 1-5 Year US Treasury/Agency Index	0.13%	4.57%	N/A	N/A	N/A	N/A	4.85%

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 September 30, 2020





## Section 3 | Portfolio Holdings

# Holdings Report

As of September 30, 2020

## 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	985,689.40	09/16/2019 1.45%	996,085.35 992,399.60	101.31 0.39%	998,624.43 807.72	0.90% 6,224.83	Aaa / NR AAA	1.89 0.51
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.960% Due 09/15/2022	966,271.58	09/10/2019 2.20%	977,557.32 973,603.72	101.23 0.31%	978,192.46 1,271.18	0.88% 4,588.74	Aaa / AAA NR	1.96 0.46
58770FAC6	Mercedes Benz Auto Lease Trust 2020-A A3 1.840% Due 12/15/2022	375,000.00	01/21/2020 1.85%	374,950.58 374,962.15	101.63 0.54%	381,106.13 306.67	0.34% 6,143.98	Aaa / AAA NR	2.21 1.24
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.060% Due 03/15/2023	1,198,953.78	09/16/2019 1.65%	1,215,907.72 1,208,614.25	101.68 0.40%	1,219,141.70 1,630.58	1.10% 10,527.45	Aaa / AAA NR	2.45 0.63
47789JAD8	John Deere Owner Trust 2019-A A3 2.910% Due 07/17/2023	1,400,000.00	Various 1.94%	1,427,492.19 1,417,571.05	102.25 0.27%	1,431,526.60 1,810.66	1.29% 13,955.55	Aaa / NR AAA	2.79 0.85
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.780% Due 08/15/2023	990,000.00	Various 1.93%	988,335.77 988,874.90	101.90 0.38%	1,008,856.53 783.20	0.91% 19,981.63	Aaa / AAA NR	2.87 1.34
58769EAC2	Mercedes-Benz Auto Lease Trust 2020-B A3 0.400% Due 11/15/2023	345,000.00	09/15/2020 0.40%	344,982.51 344,982.68	99.99 0.40%	344,982.51 30.67	0.31% (0.17)	NR / AAA AAA	3.13 1.87
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 1,006,903.53	102.37 0.28%	1,023,696.00 982.22	0.92% 16,792.47	Aaa / NR AAA	3.21 1.21
92348AAA3	Verizon Owner Trust 2019-C A1A 1.940% Due 04/22/2024	515,000.00	10/01/2019 1.95%	514,960.29 514,968.89	102.35 0.38%	527,116.92 305.28	0.48% 12,148.03	NR / AAA AAA	3.56 1.49
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	1,375,000.00	Various 1.70%	1,381,821.10 1,381,109.91	102.47 0.43%	1,408,958.38 1,179.44	1.27% 27,848.47	Aaa / AAA NR	3.79 1.62
43813DAC2	Honda Auto Receivables 2020-2 A3 0.820% Due 07/15/2024	175,000.00	05/18/2020 0.83%	174,986.23 174,987.39	100.92 0.33%	176,616.83 63.78	0.16% 1,629.44	Aaa / AAA NR	3.79 1.89
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	285,000.00	03/04/2020 1.11%	284,982.59 284,984.79	101.31 0.36%	288,737.21 139.33	0.26% 3,752.42	Aaa / NR AAA	3.88 1.76
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	575,000.00	09/22/2020 0.38%	574,915.53 574,915.68	100.01 0.37%	575,059.80 11.82	0.52% 144.12	NR / AAA AAA	4.05 2.17
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	260,000.00	07/14/2020 0.52%	259,960.38 259,962.59	100.26 0.39%	260,674.70 58.93	0.24% 712.11	Aaa / NR AAA	4.13 2.16
92290BAA9	Verizon Owner Trust 2020-B A 0.470% Due 02/20/2025	800,000.00	08/04/2020 0.48%	799,832.00 799,837.08	100.10 0.43%	800,768.80 114.89	0.72% 931.72	Aaa / NR AAA	4.39 2.32
<b>TOTAL ABS</b>		<b>11,245,914.76</b>	<b>1.54%</b>	<b>11,326,027.37</b> <b>11,298,678.21</b>	<b>0.37%</b>	<b>11,424,059.00</b> <b>9,496.37</b>	<b>10.31%</b> <b>125,380.79</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>3.05</b> <b>1.25</b>

# Holdings Report

As of September 30, 2020

## 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>Agency</b>									
3136G3QQ1	FNMA Callable Note 1X 5/25/2017 1.500% Due 11/25/2020	1,375,000.00	05/25/2016 1.50%	1,375,000.00 1,375,000.00	100.21 0.13%	1,377,865.50 7,218.75	1.25% 2,865.50	NR / NR AAA	0.15 0.15
313378JP7	FHLB Note 2.375% Due 09/10/2021	2,000,000.00	09/06/2019 1.57%	2,031,540.00 2,014,822.08	102.11 0.14%	2,042,154.00 2,770.83	1.84% 27,331.92	Aaa / AA+ AAA	0.95 0.94
313376C94	FHLB Note 2.625% Due 12/10/2021	1,325,000.00	01/19/2017 1.90%	1,369,559.75 1,335,853.02	102.95 0.15%	1,364,104.73 10,724.22	1.24% 28,251.71	Aaa / AA+ AAA	1.19 1.17
3137EADB2	FHLMC Note 2.375% Due 01/13/2022	1,500,000.00	06/21/2019 1.84%	1,520,100.00 1,510,093.04	102.89 0.13%	1,543,299.00 7,718.75	1.40% 33,205.96	Aaa / AA+ AAA	1.29 1.27
313380GJ0	FHLB Note 2.000% Due 09/09/2022	2,000,000.00	10/10/2019 1.55%	2,025,400.00 2,016,901.50	103.62 0.13%	2,072,350.00 2,444.44	1.87% 55,448.50	Aaa / AA+ NR	1.94 1.91
3137EAER6	FHLMC Note 0.375% Due 05/05/2023	2,045,000.00	05/05/2020 0.39%	2,044,141.10 2,044,256.62	100.43 0.21%	2,053,773.05 3,067.50	1.86% 9,516.43	Aaa / AA+ AAA	2.59 2.58
3135G04Q3	FNMA Note 0.250% Due 05/22/2023	2,025,000.00	05/20/2020 0.35%	2,018,904.75 2,019,639.52	100.07 0.22%	2,026,451.93 1,814.06	1.83% 6,812.41	Aaa / AA+ AAA	2.64 2.63
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	1,500,000.00	06/21/2019 1.83%	1,553,100.00 1,536,141.55	106.76 0.25%	1,601,401.50 11,687.50	1.45% 65,259.95	Aaa / AA+ AAA	2.72 2.62
3135G05G4	FNMA Note 0.250% Due 07/10/2023	1,680,000.00	07/08/2020 0.32%	1,676,388.00 1,676,661.79	99.98 0.26%	1,679,653.92 945.00	1.52% 2,992.13	Aaa / AA+ AAA	2.78 2.76
3130A3DL5	FHLB Note 2.375% Due 09/08/2023	2,000,000.00	09/06/2019 1.52%	2,066,320.00 2,048,695.23	106.22 0.25%	2,124,416.00 3,034.72	1.92% 75,720.77	Aaa / AA+ NR	2.94 2.85
3135G0U43	FNMA Note 2.875% Due 09/12/2023	1,500,000.00	06/21/2019 1.89%	1,559,805.00 1,541,758.72	107.78 0.23%	1,616,689.50 2,276.04	1.46% 74,930.78	Aaa / AA+ AAA	2.95 2.85
3130A0F70	FHLB Note 3.375% Due 12/08/2023	1,500,000.00	04/29/2019 2.36%	1,565,940.00 1,545,566.38	109.84 0.27%	1,647,600.00 15,890.63	1.50% 102,033.62	Aaa / AA+ AAA	3.19 3.03
3130A0XE5	FHLB Note 3.250% Due 03/08/2024	1,500,000.00	03/28/2019 2.27%	1,568,115.00 1,547,295.80	110.10 0.30%	1,651,489.50 3,114.58	1.49% 104,193.70	Aaa / AA+ NR	3.44 3.28
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	1,500,000.00	06/18/2019 1.96%	1,564,890.20 1,548,151.23	109.68 0.25%	1,645,140.00 12,817.70	1.50% 96,988.77	Aaa / AA+ NR	3.71 3.52
3135G0V75	FNMA Note 1.750% Due 07/02/2024	1,500,000.00	07/16/2019 1.96%	1,484,895.00 1,488,579.55	105.54 0.27%	1,583,157.00 6,489.58	1.43% 94,577.45	Aaa / AA+ AAA	3.76 3.64
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	2,000,000.00	09/13/2019 1.79%	2,103,380.00 2,081,785.82	110.56 0.19%	2,211,176.00 2,875.00	2.00% 129,390.18	Aaa / AA+ AAA	3.96 3.77
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,975,000.00	Various 1.73%	1,965,802.75 1,967,360.90	105.32 0.30%	2,080,162.83 14,798.79	1.89% 112,801.93	Aaa / AA+ AAA	4.04 3.90

# Holdings Report

As of September 30, 2020

## 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
3135G0X24	FNMA Note 1.625% Due 01/07/2025	1,295,000.00	Various 1.37%	1,309,953.95 1,308,254.86	105.38 0.35%	1,364,636.04 4,910.21	1.24% 56,381.18	Aaa / AA+ AAA	4.27 4.12
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	2,365,000.00	02/13/2020 1.52%	2,363,178.95 2,363,408.45	104.96 0.35%	2,482,249.61 4,828.54	2.24% 118,841.16	Aaa / NR AAA	4.37 4.23
3135G03U5	FNMA Note 0.625% Due 04/22/2025	1,860,000.00	04/22/2020 0.67%	1,856,168.40 1,856,504.51	101.35 0.33%	1,885,199.28 5,069.79	1.70% 28,694.77	Aaa / AA+ AAA	4.56 4.48
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	1,170,000.00	06/17/2020 0.54%	1,167,578.10 1,167,716.19	100.46 0.40%	1,175,394.87 1,657.50	1.06% 7,678.68	Aaa / AA+ AAA	4.72 4.65
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	1,250,000.00	07/21/2020 0.48%	1,243,775.00 1,244,013.90	100.02 0.37%	1,250,205.00 885.42	1.13% 6,191.10	Aaa / AA+ AAA	4.81 4.76
3135G05X7	FNMA Note 0.375% Due 08/25/2025	1,125,000.00	08/25/2020 0.47%	1,119,735.00 1,119,836.03	99.68 0.44%	1,121,455.13 398.44	1.01% 1,619.10	Aaa / AA+ AAA	4.90 4.85
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	1,360,000.00	09/23/2020 0.44%	1,355,906.40 1,355,919.87	99.67 0.44%	1,355,516.08 85.00	1.22% (403.79)	Aaa / AA+ AAA	4.98 4.93
<b>TOTAL Agency</b>		<b>39,350,000.00</b>	<b>1.35%</b>	<b>39,909,577.35</b> <b>39,714,216.56</b>	<b>0.26%</b>	<b>40,955,540.47</b> <b>127,522.99</b>	<b>37.06%</b> <b>1,241,323.91</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.17</b> <b>3.08</b>
<b>CMO</b>									
3137B4WB8	FHLMC K033 A2 3.060% Due 07/25/2023	1,000,000.00	08/13/2019 2.02%	1,037,656.25 1,026,874.89	106.35 0.59%	1,063,476.00 510.00	0.96% 36,601.11	Aaa / NR NR	2.82 2.57
3137B5JM6	FHLMC K034 A2 3.531% Due 07/25/2023	1,000,000.00	09/26/2019 2.00%	1,053,867.19 1,039,714.00	107.68 0.59%	1,076,804.00 2,942.50	0.97% 37,090.00	NR / NR AAA	2.82 2.59
3137B7MZ9	FHLMC K036 A2 3.527% Due 10/25/2023	1,000,000.00	08/19/2019 1.92%	1,061,914.06 1,045,430.71	108.47 0.52%	1,084,664.00 587.83	0.98% 39,233.29	Aaa / NR AAA	3.07 2.78
<b>TOTAL CMO</b>		<b>3,000,000.00</b>	<b>1.98%</b>	<b>3,153,437.50</b> <b>3,112,019.60</b>	<b>0.57%</b>	<b>3,224,944.00</b> <b>4,040.33</b>	<b>2.91%</b> <b>112,924.40</b>	<b>Aaa / NR</b> <b>Aaa</b>	<b>2.90</b> <b>2.65</b>
<b>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%	841,840.00 849,556.38	100.14 0.54%	851,201.05 8,037.22	0.78% 1,644.67	A3 / A A	0.09 0.01
369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	1,000,000.00	03/11/2019 2.76%	1,004,920.00 1,001,382.58	101.67 0.27%	1,016,706.00 11,666.67	0.93% 15,323.42	A2 / A NR	0.61 0.61
857477AV5	State Street Bank Note 1.950% Due 05/19/2021	1,000,000.00	Various 2.65%	986,055.00 995,732.47	101.09 0.23%	1,010,944.00 7,150.00	0.92% 15,211.53	A1 / A AA-	0.63 0.63

# 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
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	1,000,000.00	04/11/2019	982,320.00	101.42	1,014,249.00	0.92%	A3 / A	0.96
			2.66%	993,020.00	0.27%	844.44	21,229.00	A-	0.87
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	1,000,000.00	03/05/2019	992,200.00	102.94	1,029,396.00	0.93%	A1 / A+	1.28
			2.89%	996,500.86	0.30%	5,777.78	32,895.14	A+	1.26
95000U2B8	Wells Fargo & Company Note 2.625% Due 07/22/2022	1,300,000.00	Various	1,297,365.00	103.68	1,347,837.40	1.22%	A2 / BBB+	1.81
			2.68%	1,298,830.26	0.58%	6,540.63	49,007.14	A+	1.77
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.450% Due 07/28/2022	1,200,000.00	06/20/2019	1,210,236.00	103.60	1,243,198.80	1.13%	A2 / A	1.82
			2.16%	1,205,908.96	0.38%	5,145.00	37,289.84	A+	1.71
44932HAC7	IBM Credit Corp Note 2.200% Due 09/08/2022	1,500,000.00	Various	1,467,755.00	103.84	1,557,550.50	1.41%	A2 / A	1.94
			2.88%	1,481,253.79	0.22%	2,108.34	76,296.71	NR	1.91
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	1,300,000.00	Various	1,299,224.00	103.26	1,342,404.70	1.22%	A2 / A-	2.29
			2.93%	1,299,321.62	0.44%	8,156.49	43,083.08	AA-	1.27
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.650% Due 01/25/2023	1,500,000.00	Various	1,504,955.00	104.85	1,572,729.00	1.43%	A2 / A	2.32
			2.53%	1,503,695.32	0.47%	7,287.50	69,033.68	A	2.17
24422ETG4	John Deere Capital Corp Note 2.800% Due 03/06/2023	1,000,000.00	03/28/2019	1,007,580.00	105.87	1,058,650.00	0.96%	A2 / A	2.43
			2.60%	1,004,670.29	0.38%	1,944.44	53,979.71	A	2.36
06406RAG2	Bank of NY Mellon Corp Note 3.500% Due 04/28/2023	1,000,000.00	03/05/2019	1,013,650.00	107.79	1,077,942.00	0.99%	A1 / A	2.58
			3.15%	1,008,471.48	0.46%	14,875.00	69,470.52	AA-	2.45
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	1,000,000.00	03/11/2019	984,840.00	105.29	1,052,877.00	0.96%	Aa1 / AA+	2.59
			2.79%	990,535.03	0.35%	9,866.67	62,341.97	NR	2.50
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	1,000,000.00	03/13/2019	1,023,630.00	108.04	1,080,376.00	0.98%	Aa2 / AA	2.74
			2.80%	1,014,905.55	0.36%	8,972.22	65,470.45	AA	2.54
69371RP59	Paccar Financial Corp Note 3.400% Due 08/09/2023	435,000.00	06/18/2019	449,315.85	107.90	469,355.87	0.43%	A1 / A+	2.86
			2.56%	444,872.35	0.61%	2,136.33	24,483.52	NR	2.73
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	1,300,000.00	Various	1,345,306.00	108.91	1,415,839.10	1.30%	A3 / A-	3.03
			2.76%	1,331,605.75	0.65%	22,384.38	84,233.35	NR	2.85
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.550% Due 03/05/2024	1,300,000.00	Various	1,315,499.00	106.50	1,384,448.00	1.25%	A2 / A-	3.43
			2.80%	1,311,553.63	0.84%	3,333.06	72,894.37	A+	2.34
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.950% Due 05/18/2024	1,500,000.00	Various	1,572,790.00	106.97	1,604,539.50	1.47%	A2 / A-	3.63
			2.23%	1,556,534.17	1.25%	21,889.59	48,005.33	A+	2.48
89114QCA4	Toronto Dominion Bank Note 2.650% Due 06/12/2024	1,500,000.00	09/11/2019	1,527,255.00	106.99	1,604,886.00	1.46%	Aa3 / A	3.70
			2.24%	1,521,219.29	0.73%	12,035.42	83,666.71	AA-	3.52
78013XZU5	Royal Bank of Canada Note 2.550% Due 07/16/2024	1,300,000.00	Various	1,321,985.18	106.98	1,390,706.20	1.26%	A2 / A	3.79
			2.17%	1,317,639.51	0.68%	6,906.26	73,066.69	AA	3.62

# Holdings Report

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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
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 1,264,520.71	106.37 0.67%	1,329,638.75 5,083.33	1.20% 65,118.04	A1 / A+ A+	3.83 3.58
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 1,747,855.78	109.66 0.62%	1,836,791.60 9,507.95	1.67% 88,935.82	A2 / A NR	3.84 3.39
69371RQ25	Paccar Financial Corp Note 2.150% Due 08/15/2024	370,000.00	08/08/2019 2.20%	369,182.30 369,367.14	105.66 0.67%	390,938.67 1,016.47	0.35% 21,571.53	A1 / A+ NR	3.88 3.72
14913Q3B3	Caterpillar Finl Service Note 2.150% Due 11/08/2024	1,100,000.00	01/28/2020 1.92%	1,111,517.00 1,109,899.07	106.34 0.59%	1,169,730.10 9,394.31	1.06% 59,831.03	A3 / A A	4.11 3.91
<b>TOTAL Corporate</b>		<b>27,380,000.00</b>	<b>2.54%</b>	<b>27,668,894.83</b> <b>27,618,851.99</b>	<b>0.54%</b>	<b>28,852,935.24</b> <b>192,059.50</b>	<b>26.20%</b> <b>1,234,083.25</b>	<b>A1 / A</b> <b>A+</b>	<b>2.60</b> <b>2.31</b>
<b>Money Market Fund FI</b>									
94975H270	Wells Fargo 100% Treasury Money Mkt Fund	48,445.03	Various 0.01%	48,445.03 48,445.03	1.00 0.01%	48,445.03 0.00	0.04% 0.00	Aaa / AAA NR	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>48,445.03</b>	<b>0.01%</b>	<b>48,445.03</b> <b>48,445.03</b>	<b>0.01%</b>	<b>0.00</b> <b>48,445.03</b>	<b>0.00</b> <b>0.04%</b>	<b>NR</b> <b>Aaa / AAA</b>	<b>0.00</b> <b>0.00</b>
<b>Municipal Bonds</b>									
13063DRK6	California St Taxable GO 2.400% Due 10/01/2024	755,000.00	10/16/2019 1.91%	772,342.35 769,045.00	106.99 0.63%	807,789.60 9,060.00	0.74% 38,744.60	Aa2 / AA- AA	4.01 3.79
<b>TOTAL Municipal Bonds</b>		<b>755,000.00</b>	<b>1.91%</b>	<b>772,342.35</b> <b>769,045.00</b>	<b>0.63%</b>	<b>807,789.60</b> <b>9,060.00</b>	<b>0.74%</b> <b>38,744.60</b>	<b>Aa2 / AA-</b> <b>AA</b>	<b>4.01</b> <b>3.79</b>
<b>US Treasury</b>									
912828T34	US Treasury Note 1.125% Due 09/30/2021	1,575,000.00	09/25/2019 1.71%	1,556,973.64 1,566,072.66	100.98 0.15%	1,590,381.45 48.68	1.43% 24,308.79	Aaa / AA+ AAA	1.00 1.00
912828F96	US Treasury Note 2.000% Due 10/31/2021	2,000,000.00	09/25/2019 1.71%	2,012,031.25 2,006,204.10	102.01 0.15%	2,040,156.00 16,739.13	1.86% 33,951.90	Aaa / AA+ AAA	1.08 1.07
912828J43	US Treasury Note 1.750% Due 02/28/2022	2,000,000.00	09/11/2019 1.64%	2,005,078.13 2,002,905.82	102.29 0.13%	2,045,782.00 2,997.24	1.85% 42,876.18	Aaa / AA+ AAA	1.41 1.40
912828XG0	US Treasury Note 2.125% Due 06/30/2022	2,000,000.00	09/11/2019 1.61%	2,028,203.13 2,017,578.66	103.48 0.13%	2,069,610.00 10,740.49	1.88% 52,031.34	Aaa / AA+ AAA	1.75 1.72
912828L57	US Treasury Note 1.750% Due 09/30/2022	2,000,000.00	09/11/2019 1.62%	2,007,890.63 2,005,163.62	103.23 0.13%	2,064,688.00 96.15	1.86% 59,524.38	Aaa / AA+ AAA	2.00 1.97



# Holdings Report

As of September 30, 2020

## 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
912828N30	US Treasury Note 2.125% Due 12/31/2022	2,000,000.00	Various 1.68%	2,029,085.94 2,019,507.64	104.47 0.14%	2,089,376.00 10,740.49	1.89% 69,868.36	Aaa / AA+ AAA	2.25 2.20
912828T91	US Treasury Note 1.625% Due 10/31/2023	2,000,000.00	Various 1.94%	1,973,554.69 1,981,610.88	104.52 0.16%	2,090,390.00 13,600.55	1.90% 108,779.12	Aaa / AA+ AAA	3.08 3.00
912828V23	US Treasury Note 2.250% Due 12/31/2023	1,500,000.00	06/21/2019 1.80%	1,529,472.66 1,521,171.76	106.74 0.17%	1,601,133.00 8,529.21	1.45% 79,961.24	Aaa / AA+ AAA	3.25 3.14
912828B66	US Treasury Note 2.750% Due 02/15/2024	2,000,000.00	Various 2.13%	2,053,613.28 2,039,267.06	108.68 0.17%	2,173,516.00 7,024.45	1.97% 134,248.94	Aaa / AA+ AAA	3.38 3.24
912828X70	US Treasury Note 2.000% Due 04/30/2024	1,700,000.00	06/10/2019 1.92%	1,705,976.56 1,704,376.11	106.47 0.19%	1,809,969.60 14,228.26	1.65% 105,593.49	Aaa / AA+ AAA	3.58 3.45
912828XX3	US Treasury Note 2.000% Due 06/30/2024	2,000,000.00	Various 1.80%	2,018,574.22 2,014,392.64	106.74 0.19%	2,134,844.00 10,108.69	1.93% 120,451.36	Aaa / AA+ AAA	3.75 3.62
912828D56	US Treasury Note 2.375% Due 08/15/2024	1,700,000.00	09/18/2019 1.71%	1,753,191.41 1,741,971.35	108.38 0.20%	1,842,441.30 5,156.59	1.67% 100,469.95	Aaa / AA+ AAA	3.88 3.72
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	1,500,000.00	03/18/2020 0.81%	1,523,144.53 1,520,634.11	103.92 0.23%	1,558,770.00 1,445.10	1.41% 38,135.89	Aaa / AA+ AAA	4.42 4.31
<b>TOTAL US Treasury</b>		<b>23,975,000.00</b>	<b>1.71%</b>	<b>24,196,790.07</b> <b>24,140,856.41</b>	<b>0.16%</b>	<b>25,111,057.35</b> <b>101,455.03</b>	<b>22.74%</b> <b>970,200.94</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.66</b> <b>2.58</b>
<b>TOTAL PORTFOLIO</b>		<b>105,754,359.79</b>	<b>1.78%</b>	<b>107,075,514.50</b> <b>106,702,112.80</b>	<b>0.33%</b>	<b>110,424,770.69</b> <b>443,634.22</b>	<b>100.00%</b> <b>3,722,657.89</b>	<b>Aa2 / AA</b> <b>Aaa</b>	<b>2.89</b> <b>2.57</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>110,868,404.91</b>			



## Section 4 | Transactions

# Transaction Ledger

As of September 30, 2020

## City of Cupertino - Account #10659

June 30, 2020 through September 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	07/10/2020	3135G05G4	1,680,000.00	FNMA Note 0.25% Due: 07/10/2023	99.785	0.32%	1,676,388.00	0.00	1,676,388.00	0.00
Purchase	07/22/2020	47787NAC3	260,000.00	John Deere Owner Trust 2020-B A3 0.51% Due: 11/15/2024	99.985	0.52%	259,960.38	0.00	259,960.38	0.00
Purchase	07/23/2020	3137EAEU9	1,250,000.00	FHLMC Note 0.375% Due: 07/21/2025	99.502	0.48%	1,243,775.00	0.00	1,243,775.00	0.00
Purchase	08/12/2020	92290BAA9	800,000.00	Verizon Owner Trust 2020-B A 0.47% Due: 02/20/2025	99.979	0.48%	799,832.00	0.00	799,832.00	0.00
Purchase	08/27/2020	3135G05X7	1,125,000.00	FNMA Note 0.375% Due: 08/25/2025	99.532	0.47%	1,119,735.00	0.00	1,119,735.00	0.00
Purchase	09/23/2020	58769EAC2	345,000.00	Mercedes-Benz Auto Lease Trust 2020-B A3 0.4% Due: 11/15/2023	99.995	0.40%	344,982.51	0.00	344,982.51	0.00
Purchase	09/25/2020	3137EAEX3	1,360,000.00	FHLMC Note 0.375% Due: 09/23/2025	99.699	0.44%	1,355,906.40	0.00	1,355,906.40	0.00
Purchase	09/29/2020	43813KAC6	575,000.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due: 10/18/2024	99.985	0.38%	574,915.53	0.00	574,915.53	0.00
<b>Subtotal</b>			<b>7,395,000.00</b>				<b>7,375,494.82</b>	<b>0.00</b>	<b>7,375,494.82</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>7,395,000.00</b>				<b>7,375,494.82</b>	<b>0.00</b>	<b>7,375,494.82</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	07/23/2020	3136G3QQ1	225,000.00	FNMA Callable Note 1X 5/25/2017 1.5% Due: 11/25/2020	100.459	1.50%	226,032.75	543.75	226,576.50	1,032.75
Sale	07/23/2020	912828N89	400,000.00	US Treasury Note 1.375% Due: 01/31/2021	100.660	1.54%	402,640.63	2,629.12	405,269.75	2,974.87
Sale	08/11/2020	3136G3QQ1	600,000.00	FNMA Callable Note 1X 5/25/2017 1.5% Due: 11/25/2020	100.401	1.50%	602,406.00	1,900.00	604,306.00	2,406.00
Sale	08/27/2020	912828Q37	710,000.00	US Treasury Note 1.25% Due: 03/31/2021	100.668	1.56%	714,742.58	3,613.05	718,355.63	6,043.08

# Transaction Ledger

As of September 30, 2020

## City of Cupertino - Account #10659

June 30, 2020 through September 30, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	09/25/2020	912828Q37	1,290,000.00	US Treasury Note 1.25% Due: 03/31/2021	100.586	1.56%	1,297,558.59	7,842.21	1,305,400.80	9,604.24
Sale	09/25/2020	912828T34	425,000.00	US Treasury Note 1.125% Due: 09/30/2021	101.023	1.71%	429,349.61	2,325.31	431,674.92	6,798.29
<b>Subtotal</b>			<b>3,650,000.00</b>				<b>3,672,730.16</b>	<b>18,853.44</b>	<b>3,691,583.60</b>	<b>28,859.23</b>
<b>TOTAL DISPOSITIONS</b>			<b>3,650,000.00</b>				<b>3,672,730.16</b>	<b>18,853.44</b>	<b>3,691,583.60</b>	<b>28,859.23</b>

# Important Disclosures

*As of September 30, 2020*

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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.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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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 Year 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)*