

# City of Cupertino

*Period Ending December 31, 2020*

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



|                  |                           |
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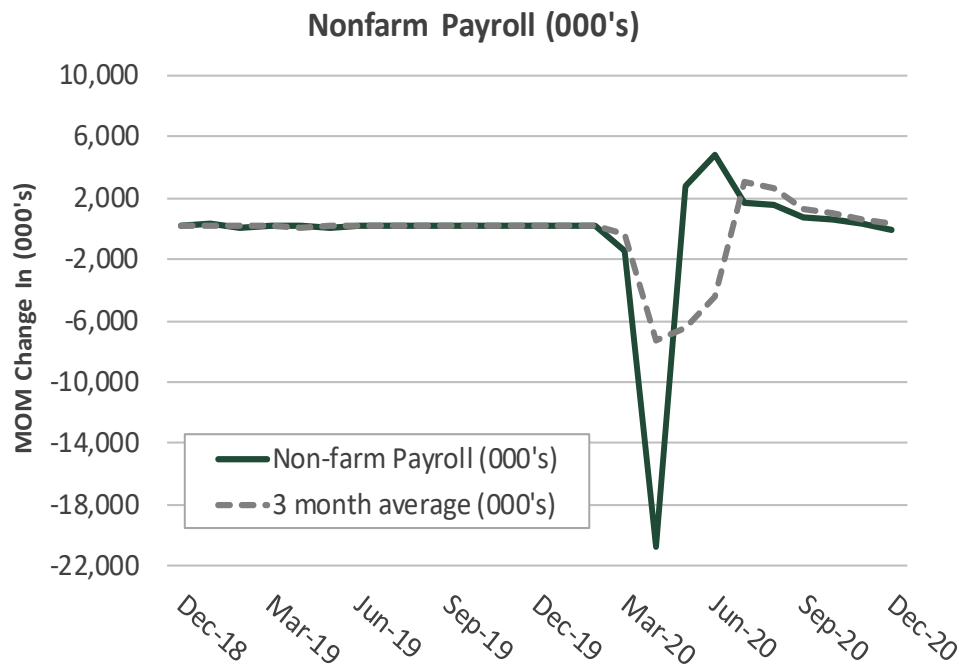


## Section 1 | Economic Update

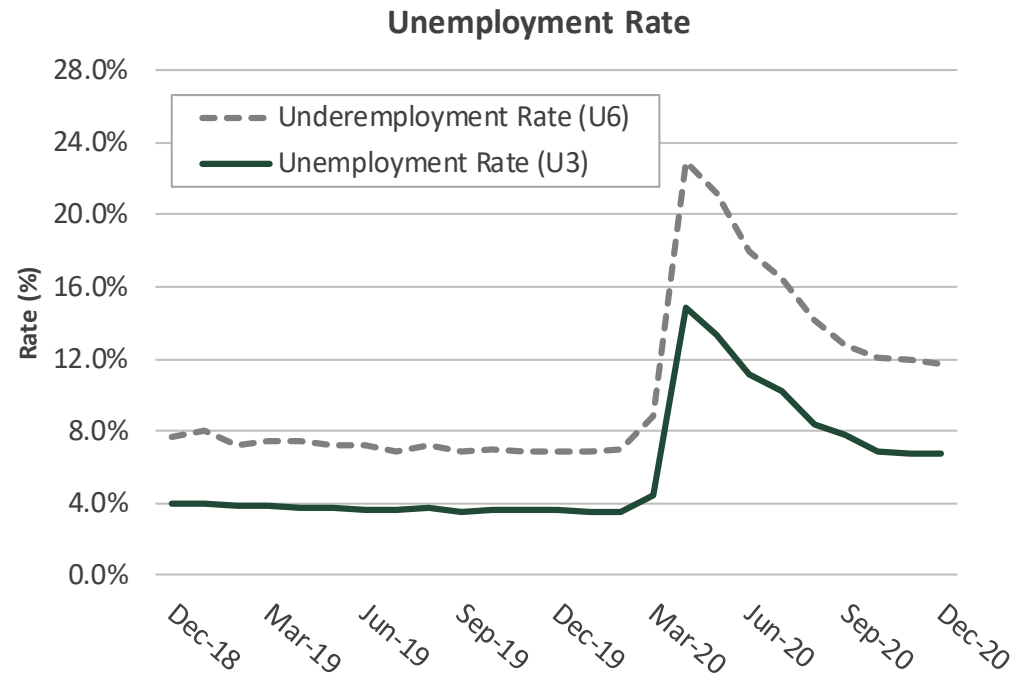
## Economic Update

- Recent economic data suggests that the economy has lost momentum as virus cases have risen. We anticipated that economic data would soften during the winter months, and believe the near-term outlook remains challenging as the labor market remains under pressure and many regions have renewed business restrictions due to the virus. However, the passage of a new \$900 billion COVID-19 fiscal relief bill should help cushion the economy over the next few months, and we believe the incoming Presidential administration will have a keen focus on getting the economy back on track. We also remain very optimistic about progress on vaccines. A limited number of vaccine doses have already been distributed, and we expect more widespread distribution in the second and third quarter of 2021. We believe the distribution of vaccines and therapeutics will help fuel the economic recovery later this year. We also expect the Fed's highly accommodative monetary policy framework will continue to provide support for the financial markets.
- The Federal Open Market Committee (FOMC) kept monetary policy unchanged at their December meeting as expected, with the fed funds target rate in a range of 0.0% to 0.25%. The Fed intends to remain highly accommodative until their goals of maximum employment and higher inflation are achieved. The Fed's summary of economic projections continues to signal that the target fed funds rate will remain unchanged until at least 2023, as policymakers do not expect inflation to exceed 2.0% during that timeframe. Until the Fed has made substantial progress toward achieving their dual mandate of maximum employment and price stability, they have set a floor for monthly asset purchases of at least \$80 billion per month of Treasuries and \$40 billion per month of agency mortgage-backed securities. Notably, the Fed's outlook for GDP over the next few years was revised higher and the outlook for unemployment was revised lower compared with their previous forecasts in September, which suggests increased optimism. Nevertheless, the outlook remains uncertain and Fed Chair Powell indicated that the Fed would increase policy accommodation further if progress toward their dual mandate slows.
- In 2020, the yield on 2-year Treasuries was down 145 basis points to 0.12% and the yield on 10-year Treasuries was down about 100 basis points to 0.91%. The yield curve steepened modestly in December and month-to-date the yield curve has continued to steepen, likely due in part to favorable developments on the vaccine front. Month-to-date, the yield on 2-year Treasuries is little changed but the yield on 10-year Treasuries is up about 20 basis points. We believe the Treasury yield curve is poised to steepen modestly further in 2021 as the economy reopens, driven by an increase in longer-term rates as the front end of the curve is likely to remain anchored near 0.0%.

# Employment



Source: US Department of Labor

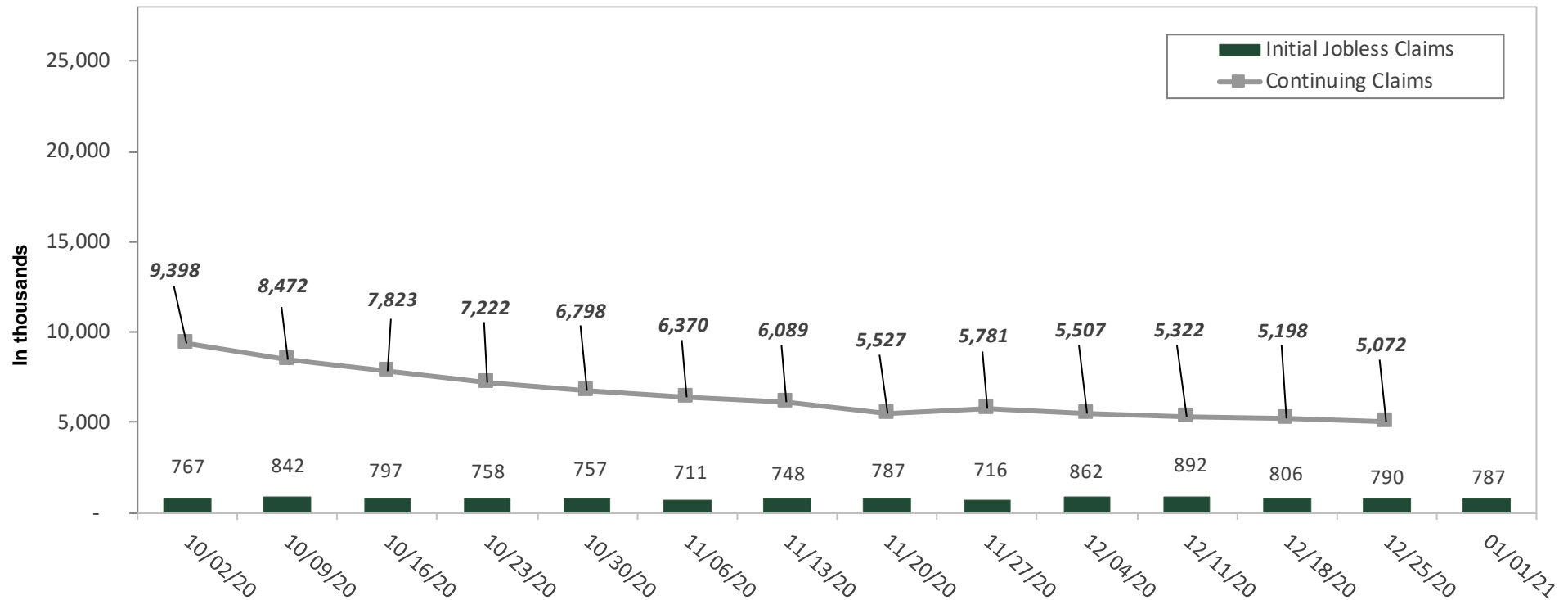


Source: US Department of Labor

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

# Initial Claims for Unemployment

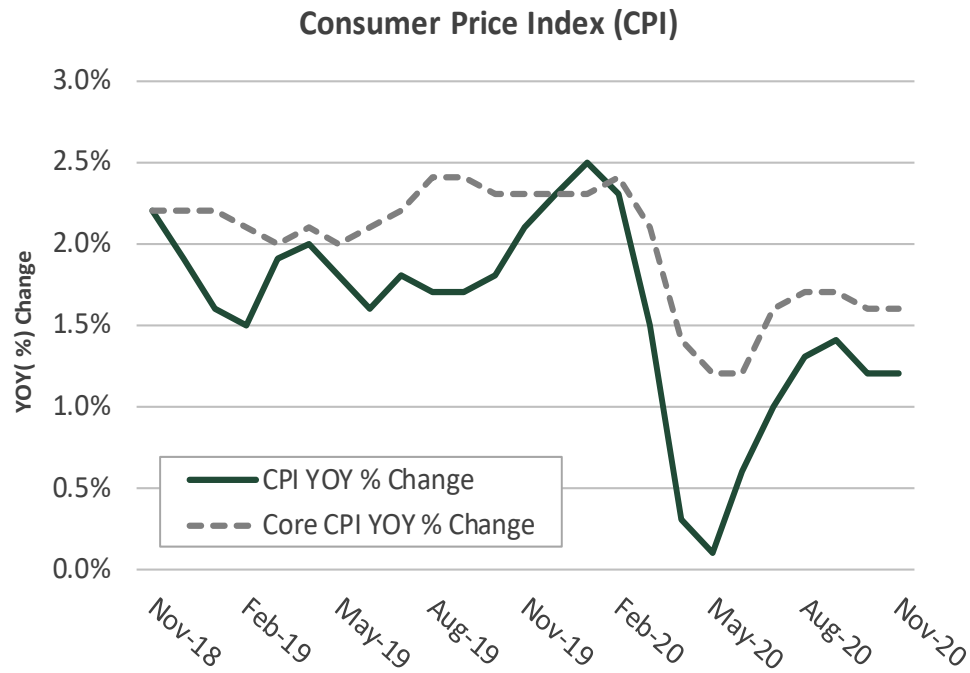
Initial Claims For Unemployment October 02, 2020 - January 01, 2021



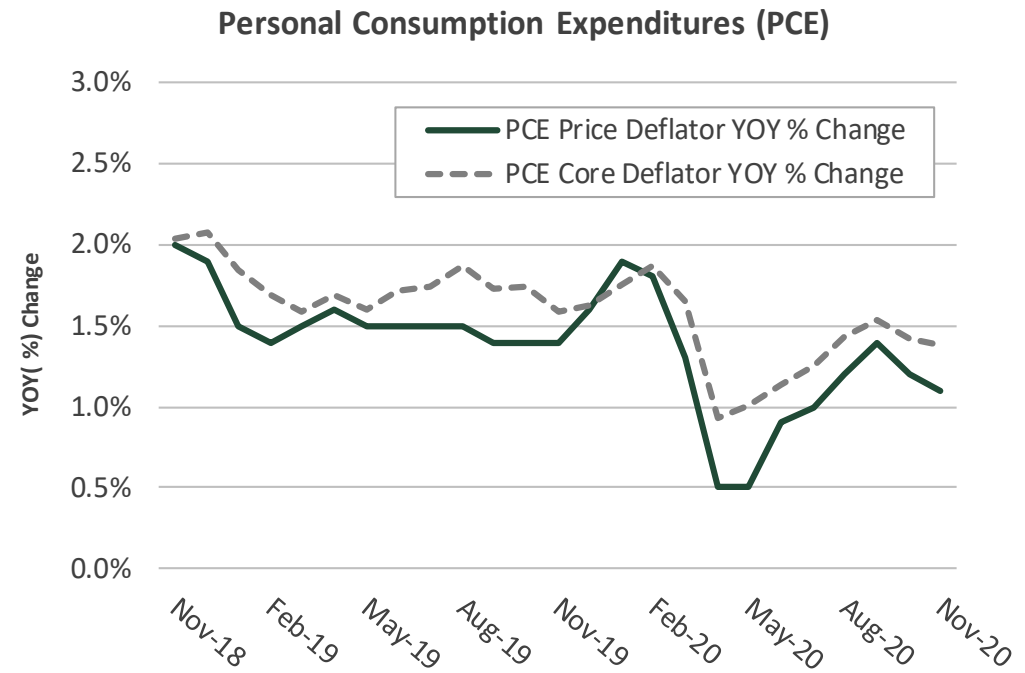
Source: US Department of Labor

In the most recent week, the number of initial jobless claims decreased to 787,000 compared to 790,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) decreased to about 5.1 million from roughly 5.2 million in the prior week. Although jobless claims have declined from the early stage of the pandemic, they have remained well above the 2019 average of 1.7 million. Given the resurgence of the virus and renewed lockdown measures, we believe the labor market is likely to remain under pressure over the near term.

# Inflation



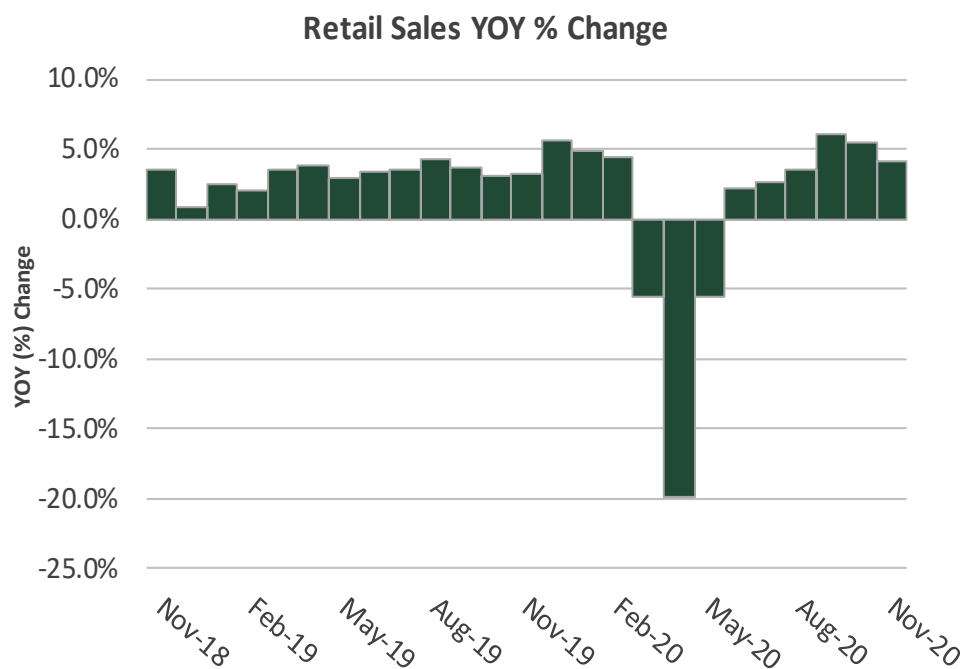
Source: US Department of Labor



Source: US Department of Commerce

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

## Consumer



Source: US Department of Commerce

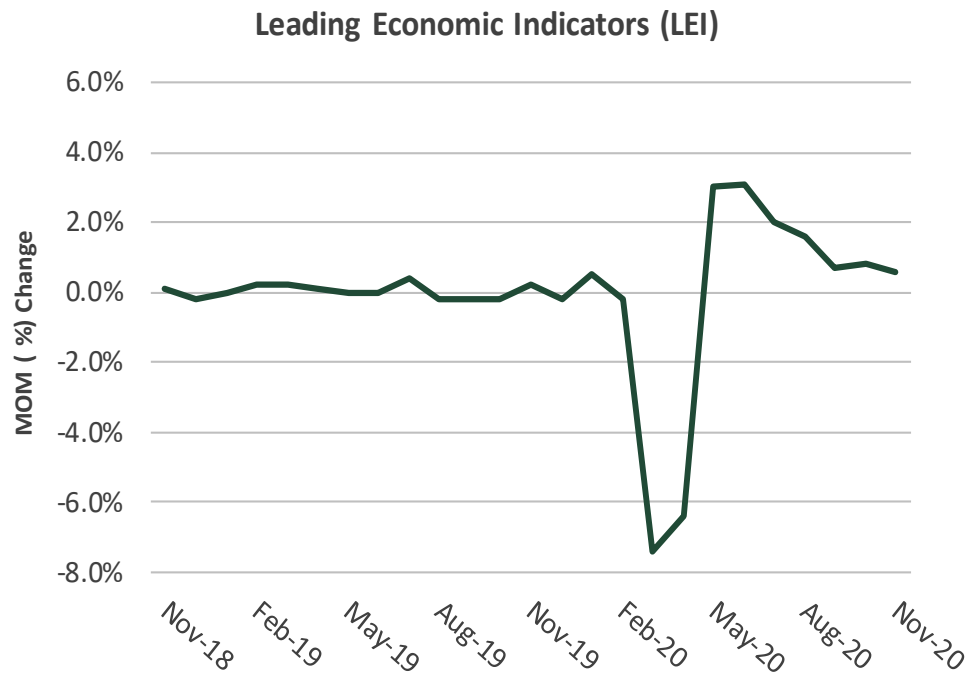


Source: The Conference Board

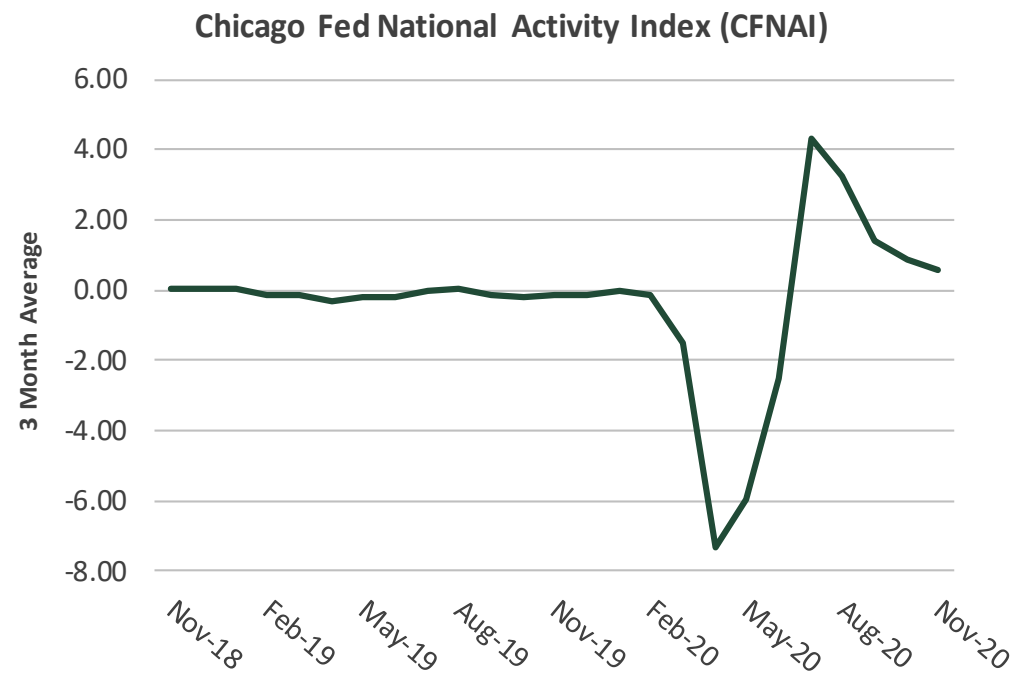
Consumer spending trends softened in November. On a year-over-year basis, retail sales were up 4.1% in November versus 5.5% in October. On a month-over-month basis, retail sales declined 1.1% in November, with broad-based declines in many categories on a seasonally adjusted basis. Excluding vehicles and gas, retail sales fell 0.8% in November, following a 0.1% decline in October. Notably, retail sales makes up roughly one third of the personal consumption expenditures component of US gross domestic product (GDP), while services revenue comprises roughly two thirds. Spending on services has been hit particularly hard by the pandemic and lagged the pick-up in overall third quarter GDP. While retail sales remain higher on a year-over-year basis, we believe this has been partially boosted by the contraction in spending on services. The Consumer Confidence index declined to 88.6 in December from 92.9 in November. The index is well below pre-pandemic levels at the start of this year.



## Economic Activity



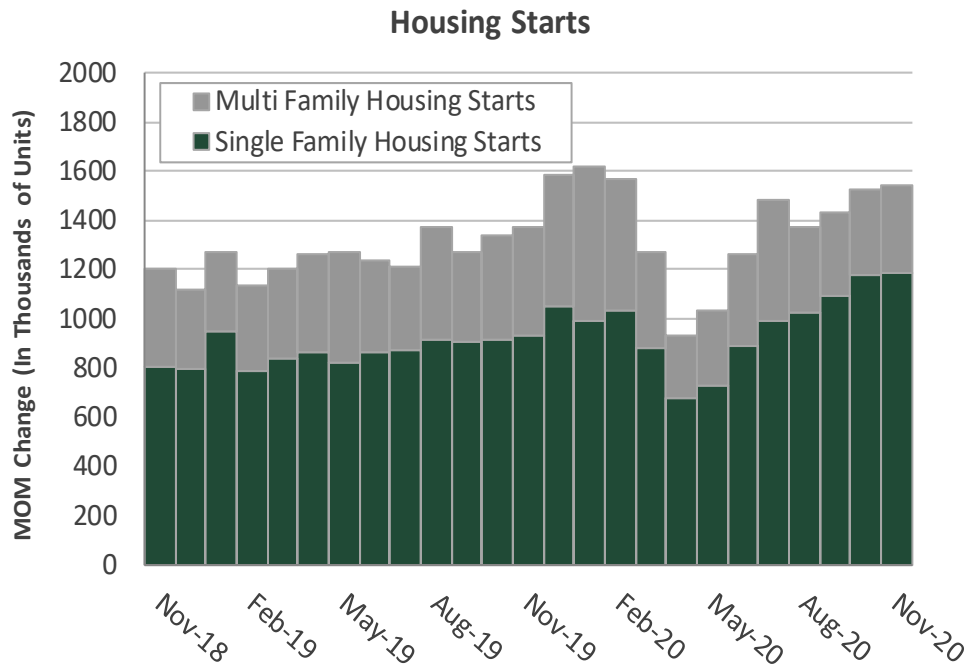
Source: The Conference Board



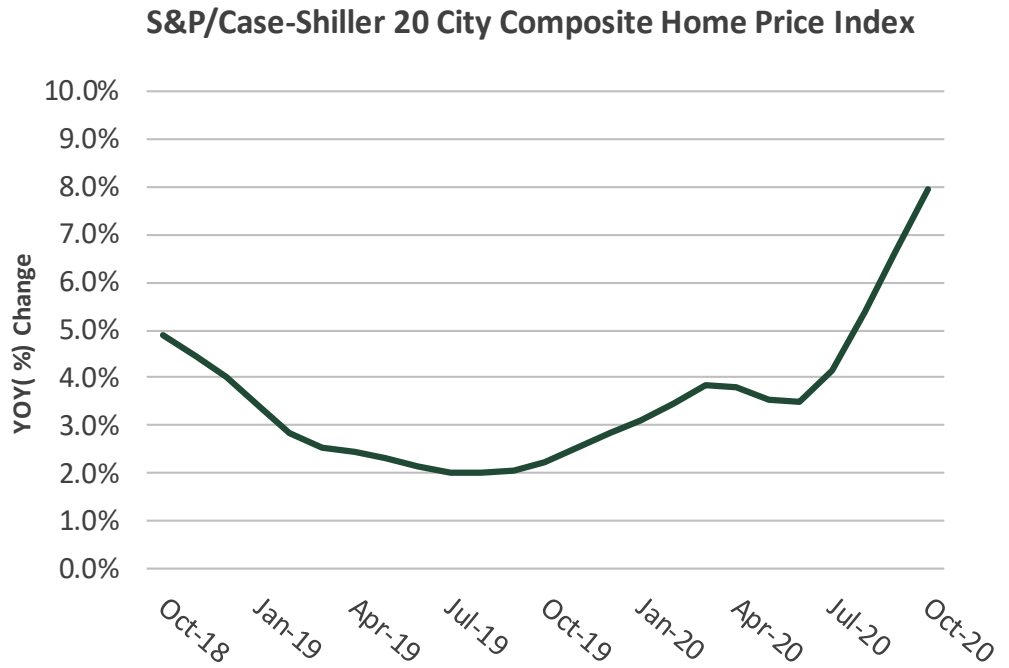
Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) rose 0.6% in November (following a 0.8% increase in October) but remained down 2.2% year-over-year. According to the Conference Board, a decelerating pace of improvement in the LEI in recent months suggests that economic growth has moderated heading into 2021. Furthermore, the Conference Board warns of potential downside risks to economic growth from a second wave of the virus and high unemployment. The Chicago Fed National Activity Index (CFNAI) declined to 0.27 in November from 1.01 in October. On a 3-month moving average basis, the CFNAI declined to 0.56 in November from 0.85 in October. The index slipped on a one month and 3-month basis, but a positive index reading corresponds to above trend growth.

# Housing



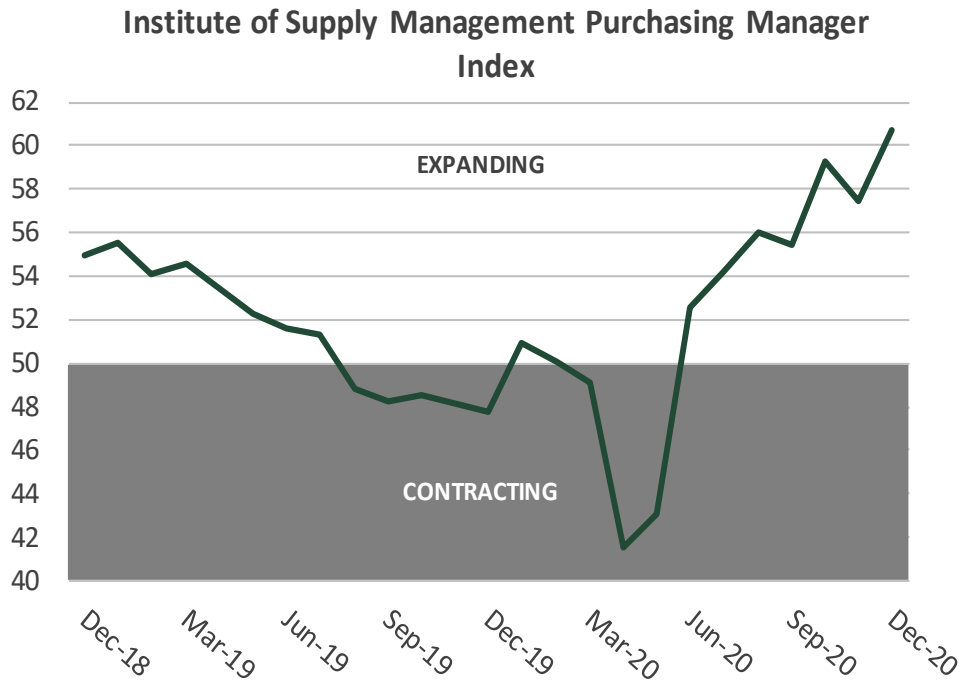
Source: US Department of Commerce



Source: S&P

Total housing starts increased 1.2% in November to an annual pace of 1,547,000. Single family starts inched up 0.4% to a very strong annualized rate of 1,186,000, while multi-family starts increased 4.0% to an annualized rate of 361,000. On a year-over-year basis, total housing starts were up 12.8% in November, driven by growth in single-family starts. Meanwhile, permits were up 6.2% on a month-over-month basis in November, to an annualized rate of 1,639,000 (the strongest rate since 2006). According to the Case-Shiller 20-City home price index, home prices were up 7.9% year-over-year in October versus up 6.6% year-over-year in September. The housing market has been an area of strength 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.

## Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

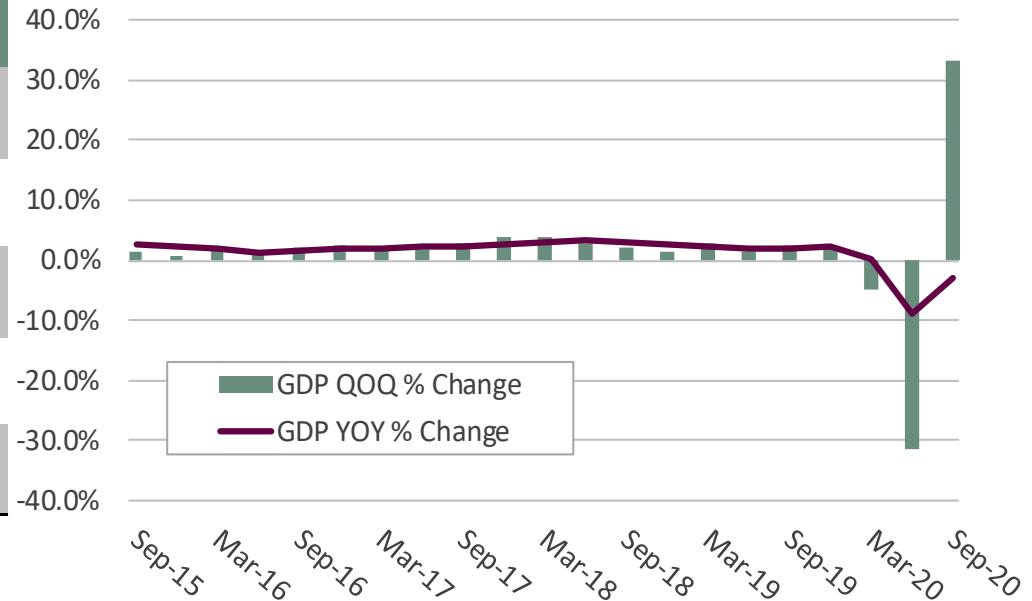
The Institute for Supply Management (ISM) manufacturing index increased to 60.7 in December from 57.5 in November. Readings above 50.0 are indicative of expansion in the manufacturing sector. We believe a weakening US dollar has been supportive of the US manufacturing sector throughout the pandemic. The Industrial Production index was down 5.5% year-over-year in November, versus down 5.0% in October. On a month-over-month basis, the Industrial Production index increased 0.4% in November, following a 0.9% increase in October. Capacity Utilization increased to 73.3% in November from 73.0% in October, but remains well below the long-run average of 79.8%. Overall manufacturing conditions have improved since the deep contraction in activity earlier this year, but industrial production remains lower on a year-over-year basis.

## Gross Domestic Product (GDP)

| Components of GDP                                  | 12/19       | 3/20         | 6/20          | 9/20         |
|--|-------------|--------------|---------------|--------------|
| Personal Consumption Expenditures                  | 1.1%        | -4.8%        | -24.0%        | 25.4%        |
| Gross Private Domestic Investment                  | -0.6%       | -1.6%        | -8.8%         | 12.0%        |
| Net Exports and Imports                            | 1.5%        | 1.1%         | 0.6%          | -3.2%        |
| Federal Government Expenditures                    | 0.3%        | 0.1%         | 1.2%          | -0.4%        |
| State and Local (Consumption and Gross Investment) | 0.2%        | 0.1%         | -0.4%         | -0.4%        |
| <b>Total</b>                                       | <b>2.4%</b> | <b>-5.0%</b> | <b>-31.4%</b> | <b>33.4%</b> |

Source: US Department of Commerce

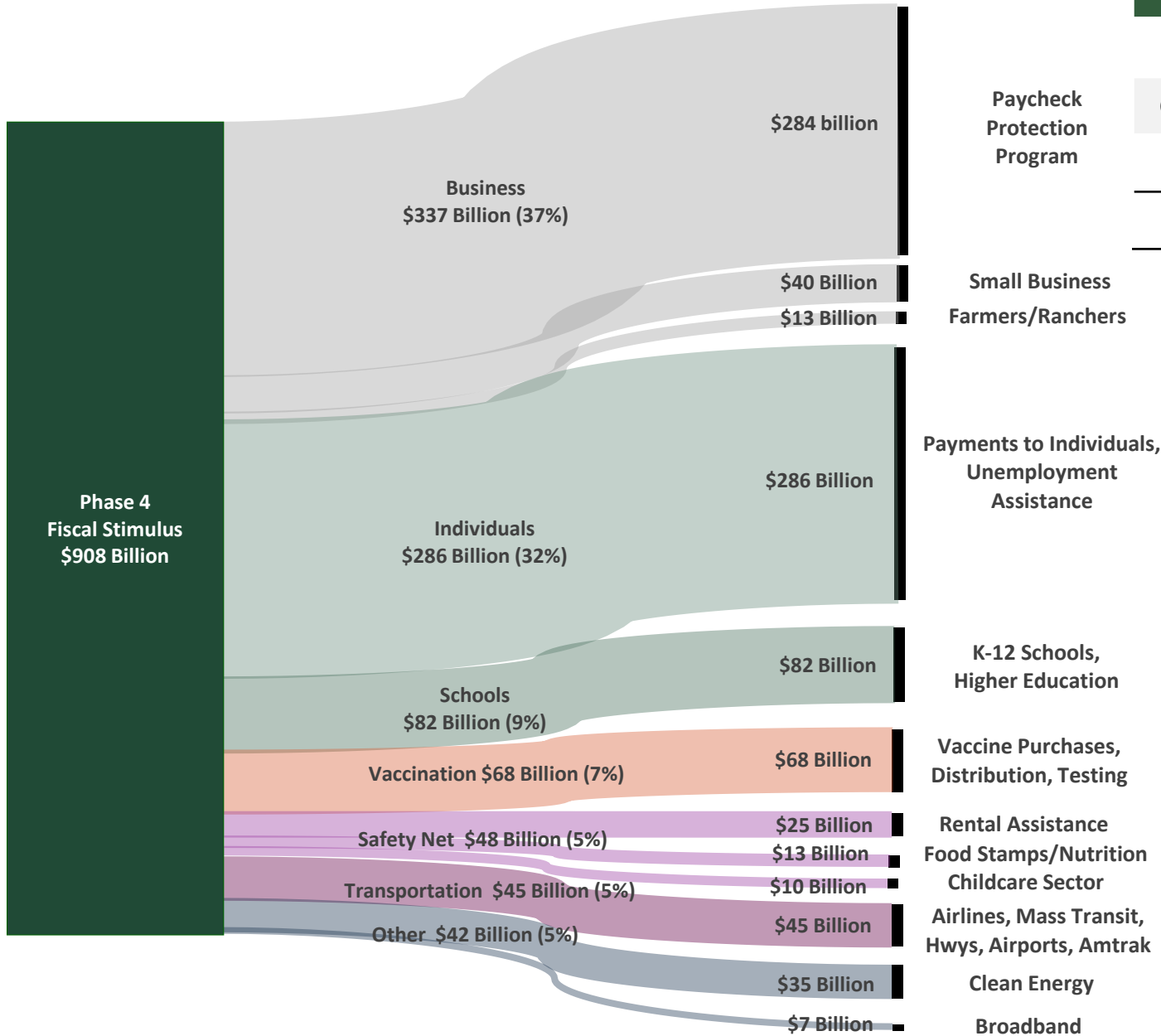
Gross Domestic Product (GDP)



Source: US Department of Commerce

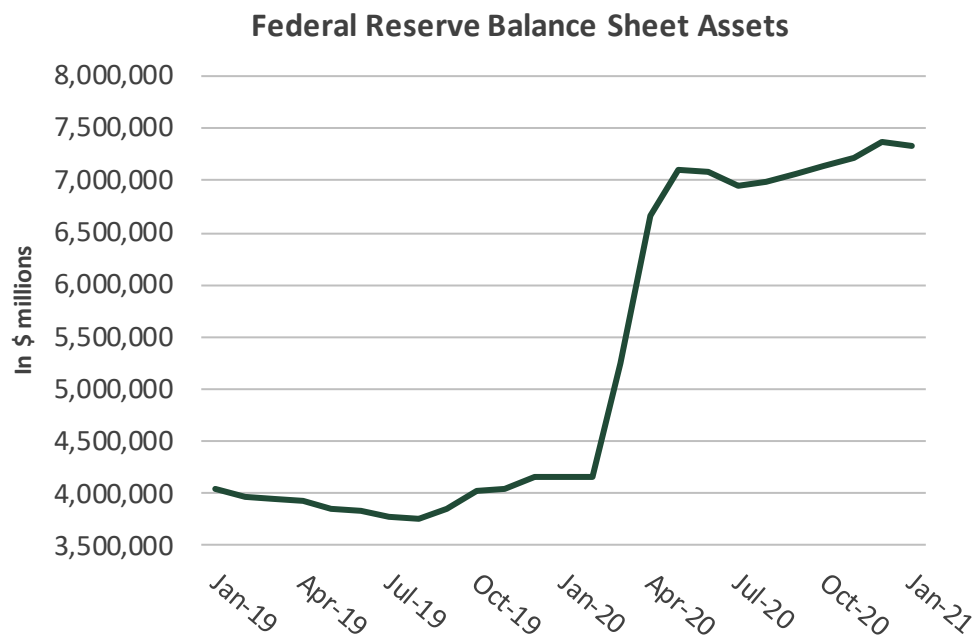
According to the third estimate, real US gross domestic product (GDP) grew at an annualized rate of 33.4% in the third quarter (up slightly from the advance and second estimates), following a 31.4% annualized decline in the second quarter. Third quarter GDP growth was by far the largest annualized gain on record but followed the largest annualized decline in GDP on record in the second quarter. Personal consumption expenditures rebounded in the third quarter and was by far the biggest contributor to third quarter GDP growth. The consensus estimate for fourth quarter 2020 GDP growth is 4.6%. The consensus forecast for US gross domestic product growth in 2021 is 4.0%, following an expected 3.5% decline in 2020.

# \$3.6 Trillion Stimulus And Counting

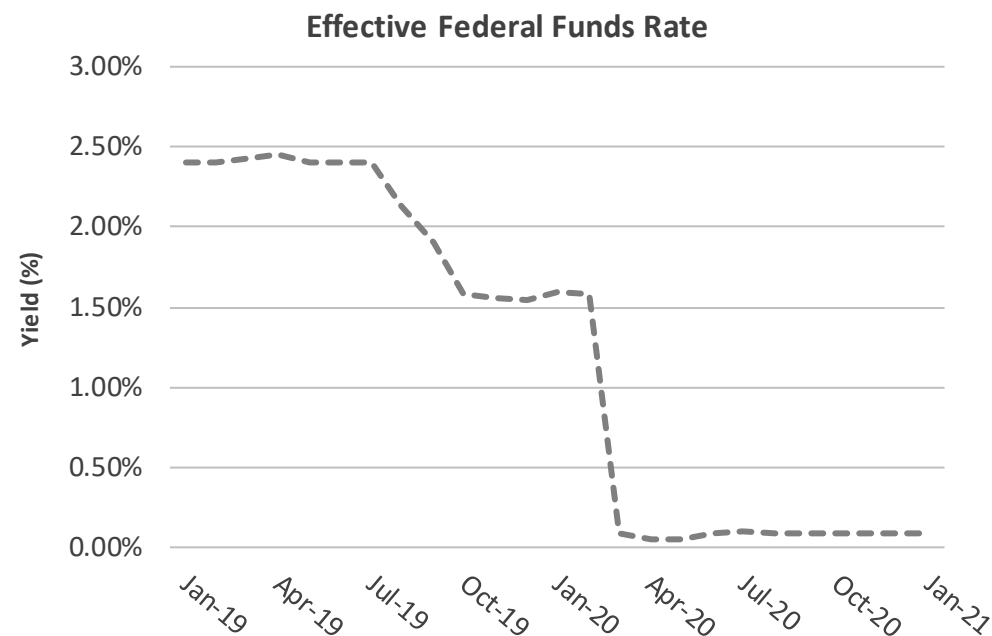


| Fiscal Package          | Amount                |
|-------------------------|-----------------------|
| CARES Act               | \$2.23 Trillion       |
| Coronavirus Relief Bill | \$484 Billion         |
| Phase 4 Stimulus        | \$908 Billion         |
| <b>Total So Far</b>     | <b>\$3.6 Trillion</b> |

# Federal Reserve



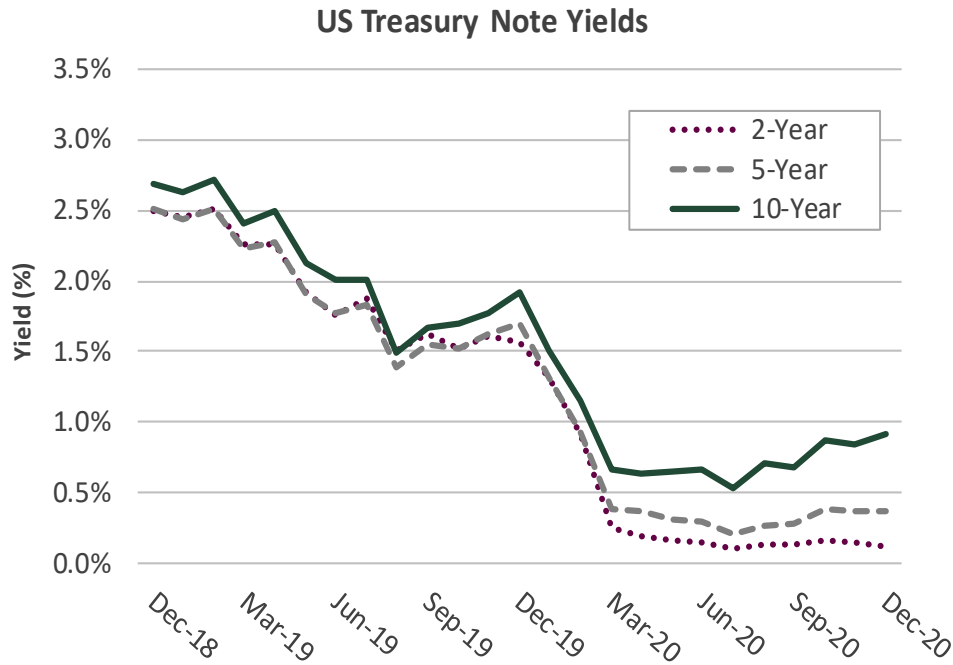
Source: Federal Reserve



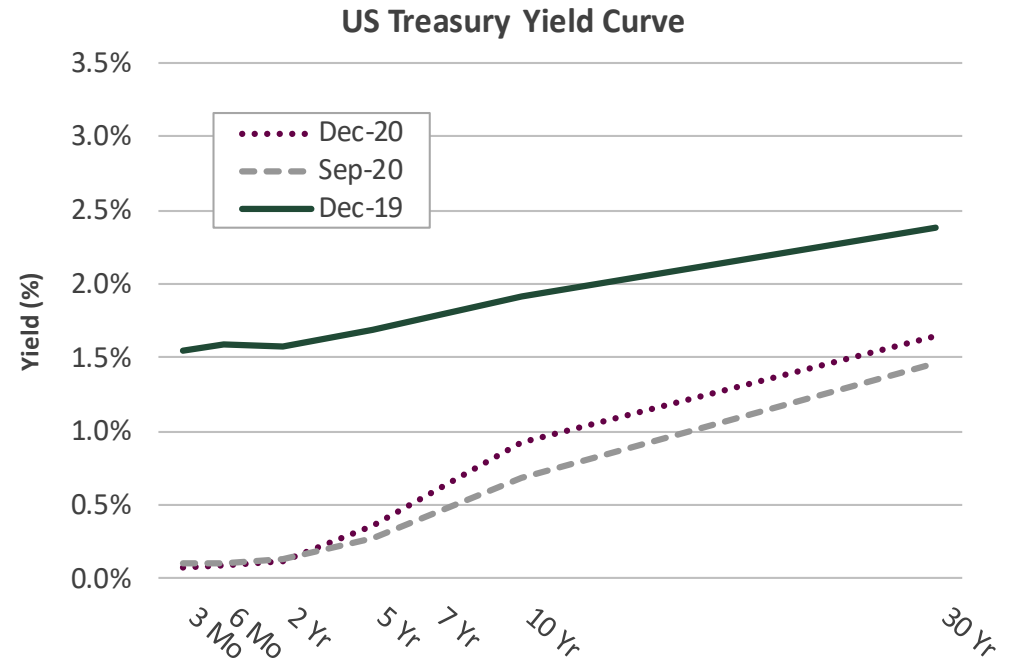
Source: Bloomberg

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. Earlier this year, policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility. The Fed also established the Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, Term Asset-Backed Securities Loan Facility, Paycheck Protection Program Liquidity Facility, Main Street Lending Facility, and Municipal Liquidity Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Notably, many of the Fed's lending facilities are set to expire at the end of this year, including the Fed's corporate credit, asset-backed securities, municipal lending, and Main Street Lending programs. The Fed will return the unused funds currently earmarked for those facilities to the Treasury.

# Bond Yields



Source: Bloomberg



Source: Bloomberg

Treasury yields were much lower on a year-over-year basis at 2020 year-end. The 3-month T-bill yield was down 149 basis points, the 2-year Treasury yield was down 145 basis points, and the 10-Year Treasury yield was down 100 basis points, year-over-year. 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> |

## 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, 2020

### City of Cupertino

|                           | 12/31/2020 |             | 9/30/2020   |
|---------------------------|------------|-------------|-------------|
|                           | Benchmark* | Portfolio   | Portfolio   |
| Average Maturity (yrs)    | 2.64       | 2.78        | 2.89        |
| Average Modified Duration | 2.57       | 2.50        | 2.57        |
| Average Purchase Yield    | n/a        | 1.60%       | 1.78%       |
| Average Market Yield      | 0.18%      | 0.27%       | 0.33%       |
| Average Quality**         | AAA        | AA/Aa1      | AA/Aa2      |
| Total Market Value        |            | 121,152,642 | 110,868,405 |

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

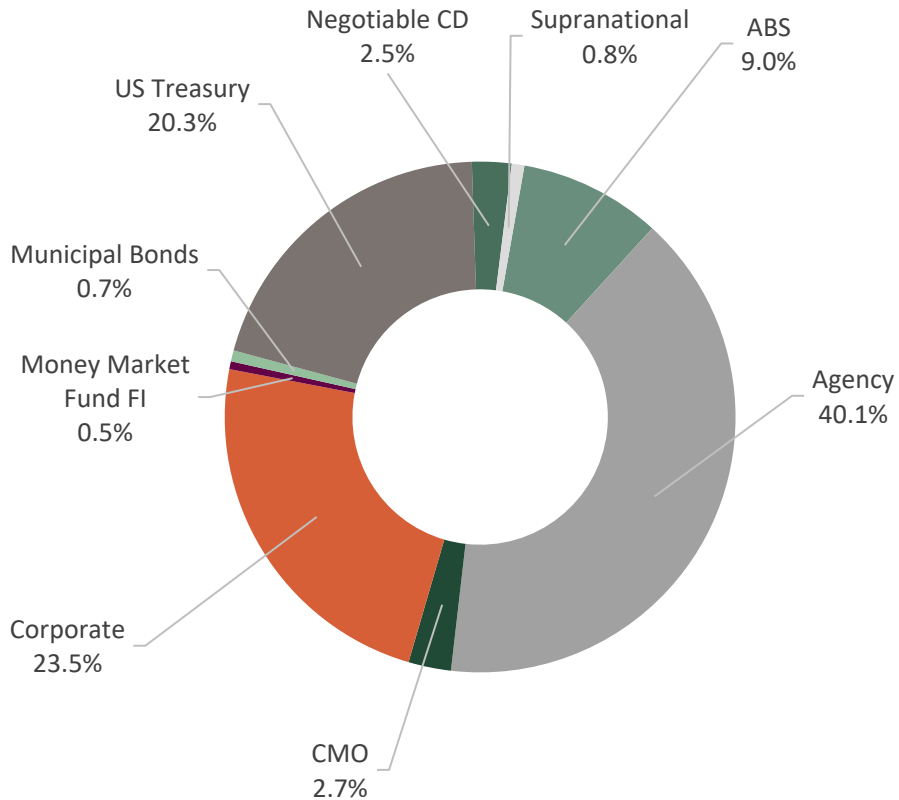
\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

# Sector Distribution

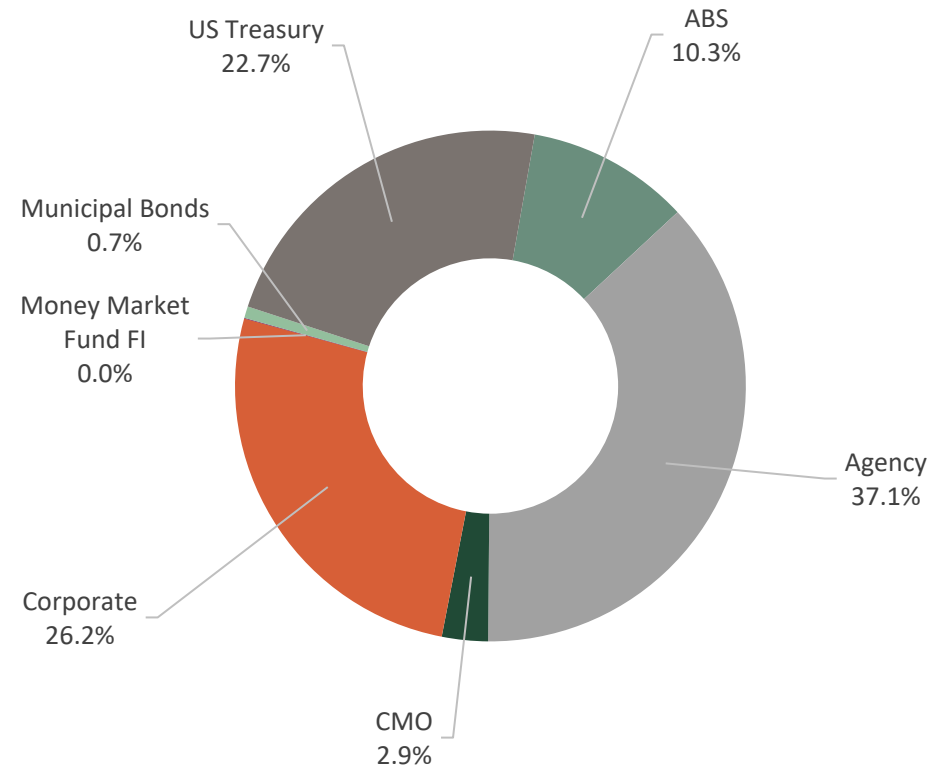
As of December 31, 2020

## City of Cupertino

December 31, 2020



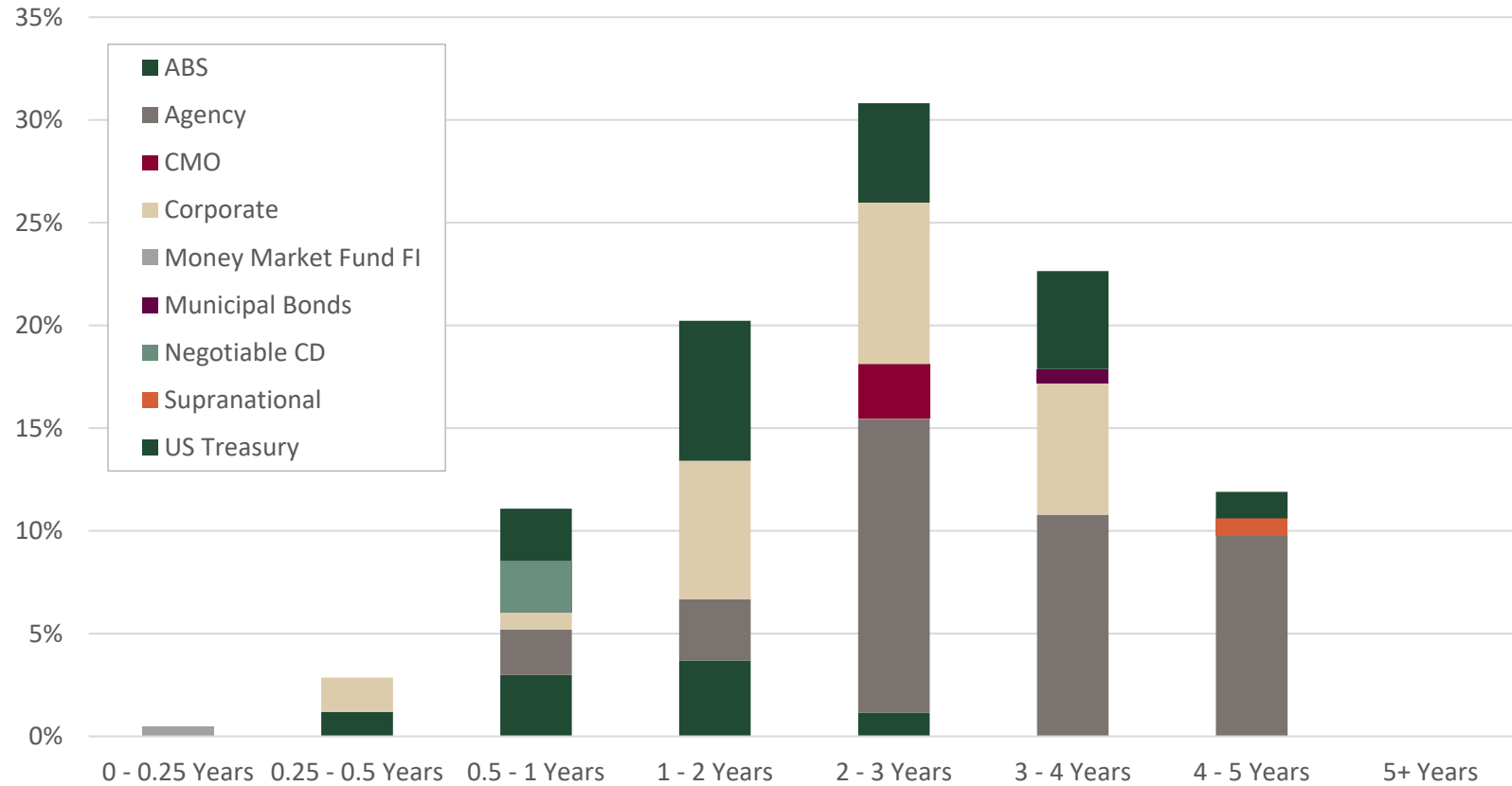
September 30, 2020



# Duration Allocation

As of December 31, 2020

## City of Cupertino



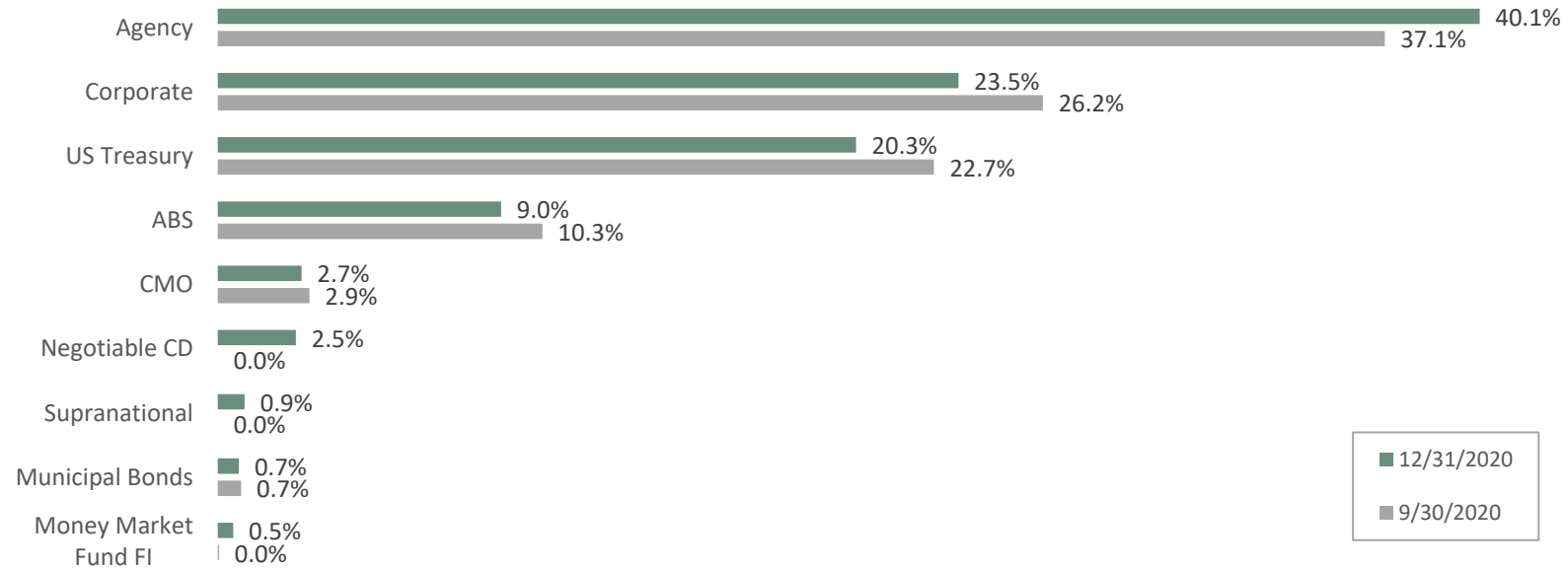
|          | 0 - 0.25 | 0.25 - 0.50 | 0.50 - 1 | 1 - 2 | 2 - 3 | 3 - 4 | 4 - 5 | 5+   |
|----------|----------|-------------|----------|-------|-------|-------|-------|------|
| 12/31/20 | 0.5%     | 2.9%        | 11.1%    | 20.2% | 30.8% | 22.6% | 11.9% | 0.0% |

# Portfolio Allocation & Duration Changes

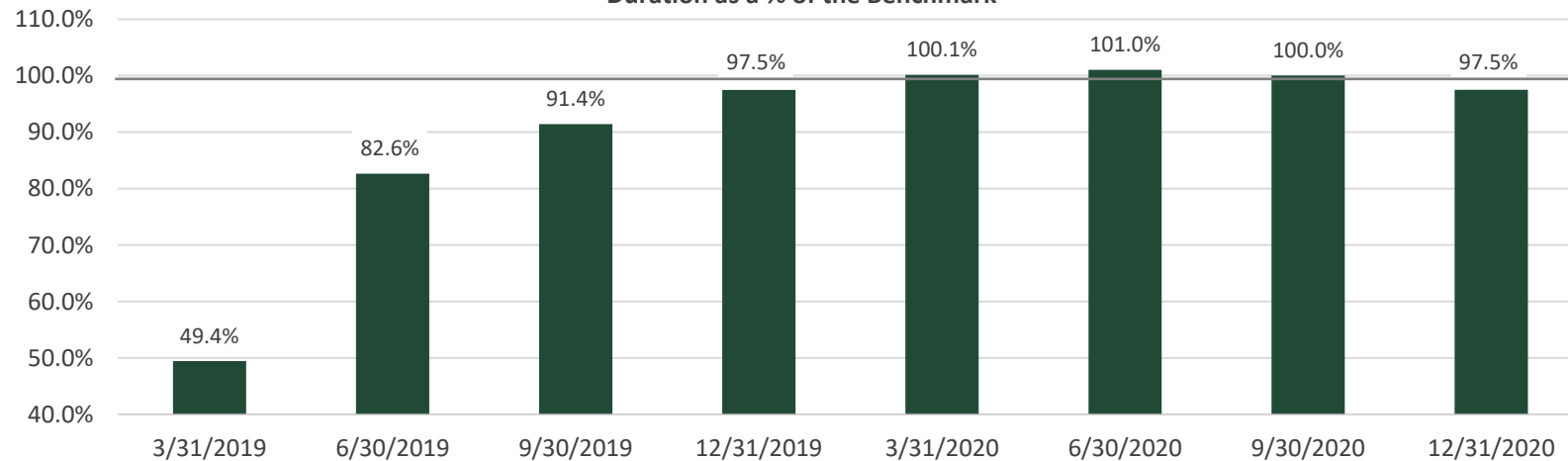
As of December 31, 2020

## 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

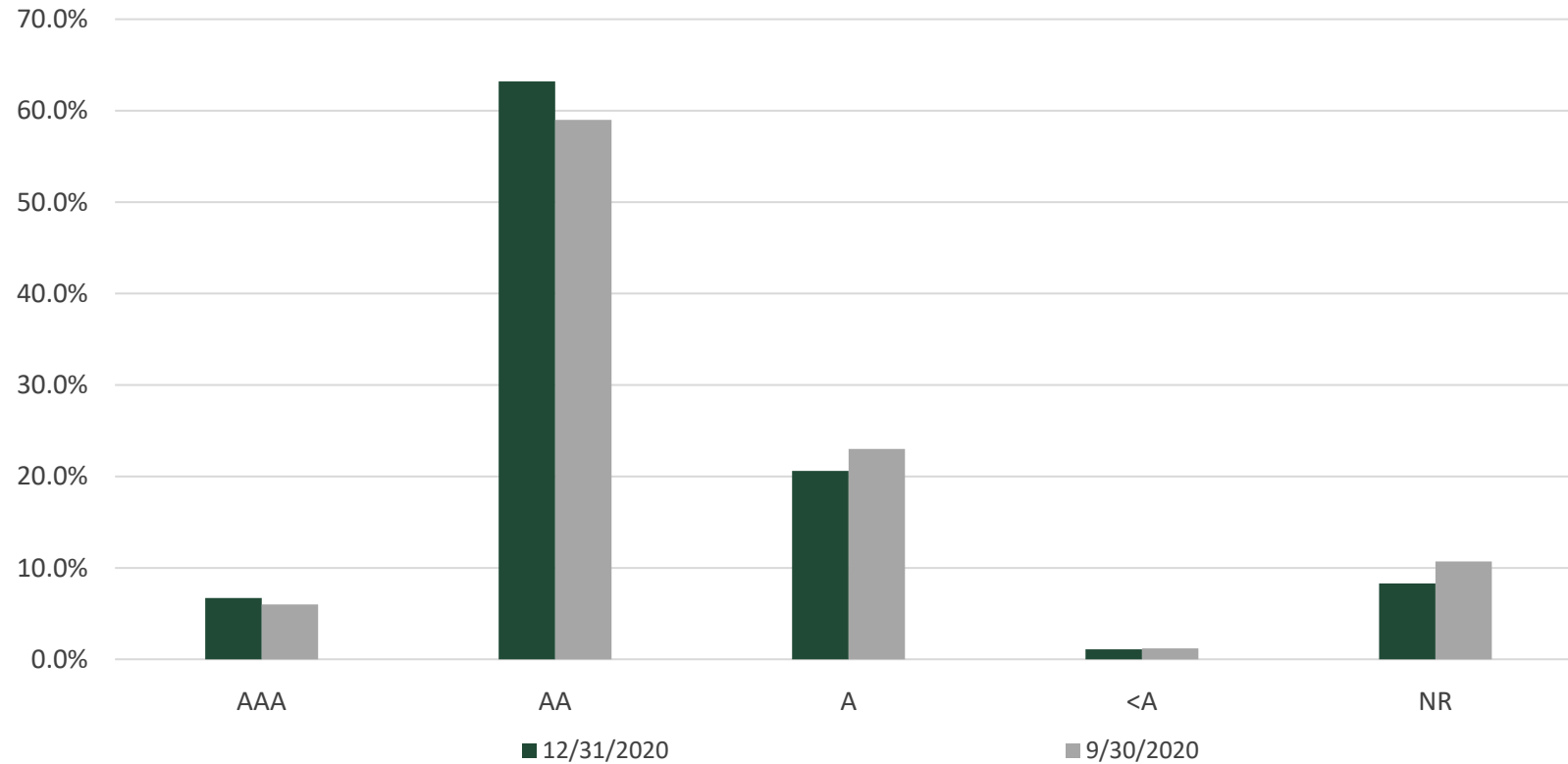
| Issue Name                            | Investment Type      | % Portfolio    |
|---------------------------------------|----------------------|----------------|
| Government of United States           | US Treasury          | 20.27%         |
| Federal National Mortgage Association | Agency               | 17.03%         |
| Federal Home Loan Bank                | Agency               | 12.14%         |
| Federal Home Loan Mortgage Corp       | Agency               | 10.90%         |
| Federal Home Loan Mortgage Corp       | CMO                  | 2.66%          |
| Bank of Nova Scotia Houston           | Negotiable CD        | 2.48%          |
| John Deere ABS                        | ABS                  | 2.34%          |
| Honda ABS                             | ABS                  | 2.06%          |
| Nissan ABS                            | ABS                  | 1.94%          |
| Air Products & Chemicals              | Corporate            | 1.53%          |
| Bank of America Corp                  | Corporate            | 1.43%          |
| HSBC Holdings PLC                     | Corporate            | 1.34%          |
| Toronto Dominion Holdings             | Corporate            | 1.33%          |
| Charles Schwab Corp/The               | Corporate            | 1.31%          |
| IBM Corp                              | Corporate            | 1.29%          |
| Honda Motor Corporation               | Corporate            | 1.18%          |
| Royal Bank of Canada                  | Corporate            | 1.16%          |
| Wells Fargo Corp                      | Corporate            | 1.12%          |
| JP Morgan Chase & Co                  | Corporate            | 1.12%          |
| US Bancorp                            | Corporate            | 1.11%          |
| Verizon Owner Trust                   | ABS                  | 1.10%          |
| PNC Financial Services Group          | Corporate            | 1.03%          |
| Caterpillar Inc                       | Corporate            | 0.97%          |
| Toyota ABS                            | ABS                  | 0.96%          |
| Bank of New York                      | Corporate            | 0.89%          |
| Wal-Mart Stores                       | Corporate            | 0.89%          |
| Deere & Company                       | Corporate            | 0.88%          |
| Apple Inc                             | Corporate            | 0.87%          |
| Toyota Motor Corp                     | Corporate            | 0.86%          |
| Intl Bank Recon and Development       | Supranational        | 0.85%          |
| Oracle Corp                           | Corporate            | 0.84%          |
| General Dynamics Corp                 | Corporate            | 0.84%          |
| State Street Bank                     | Corporate            | 0.83%          |
| Paccar Financial                      | Corporate            | 0.72%          |
| State of California                   | Municipal Bonds      | 0.67%          |
| Mercedes-Benz Auto Lease Trust        | ABS                  | 0.60%          |
| Wells Fargo 100% Treasury MMKT Fund   | Money Market Fund FI | 0.49%          |
| <b>TOTAL</b>                          |                      | <b>100.00%</b> |



# Quality Distribution

As of December 31, 2020

**City of Cupertino**  
December 31, 2020 vs. September 30, 2020

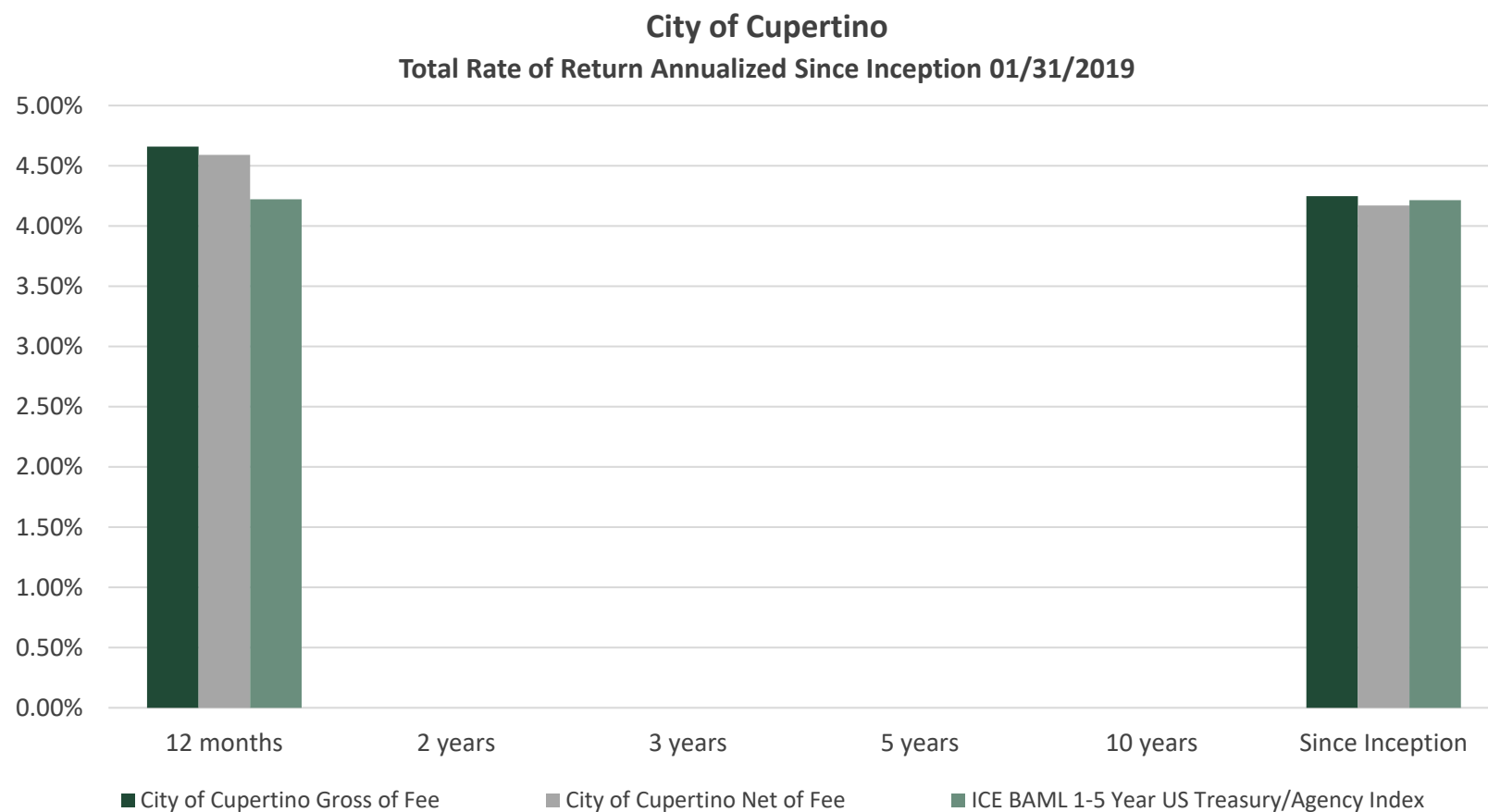


|          | AAA  | AA    | A     | <A   | NR    |
|----------|------|-------|-------|------|-------|
| 12/31/20 | 6.7% | 63.2% | 20.6% | 1.1% | 8.3%  |
| 09/30/20 | 6.0% | 59.0% | 23.0% | 1.2% | 10.7% |

Source: S&P Ratings

# Investment Performance

As of December 31, 2020

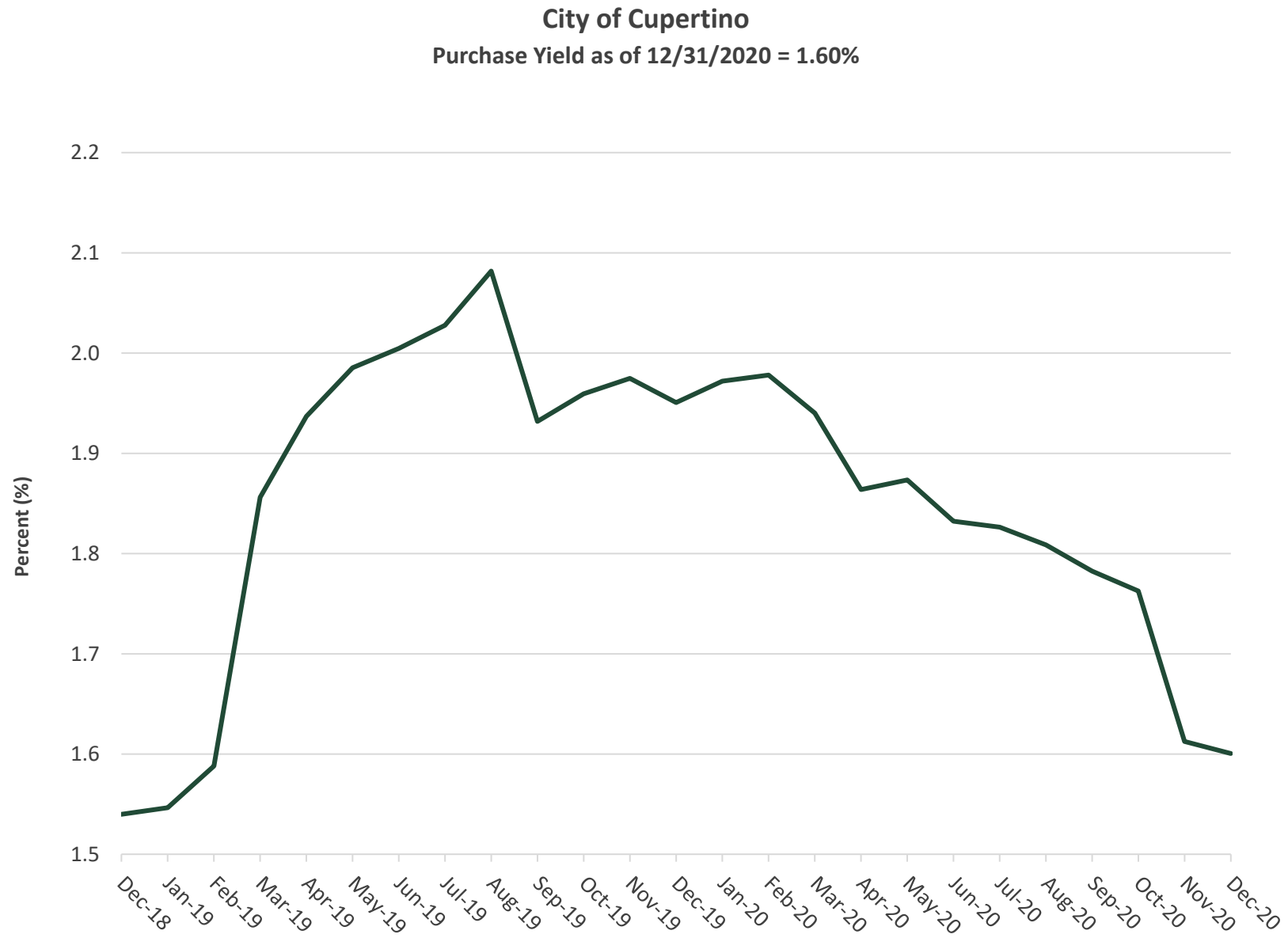


| TOTAL RATE OF RETURN                       | Annualized |           |         |         |         |          | Since Inception |
|--|------------|-----------|---------|---------|---------|----------|-----------------|
|  | 3 months   | 12 months | 2 years | 3 years | 5 years | 10 years |                 |
| City of Cupertino Gross of Fee             | 0.26%      | 4.66%     | N/A     | N/A     | N/A     | N/A      | 4.25%           |
| City of Cupertino Net of Fee               | 0.24%      | 4.59%     | N/A     | N/A     | N/A     | N/A      | 4.17%           |
| ICE BAML 1-5 Year US Treasury/Agency Index | 0.02%      | 4.22%     | N/A     | N/A     | N/A     | N/A      | 4.21%           |

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, 2020





## Section 3 | Portfolio Holdings

# Holdings Report

As of December 31, 2020

## City of Cupertino - Account #10659

| CUSIP            | Security Description  | Par Value/Units      | Purchase Date<br>Book Yield | Cost Value<br>Book Value                     | Mkt Price<br>Mkt YTM | Market Value<br>Accrued Int.            | % of Port.<br>Gain/Loss           | Moody/S&P<br>Fitch             | Maturity<br>Duration       |
|------------------|---|----------------------|-----------------------------|--|----------------------|---|-----------------------------------|--------------------------------|----------------------------|
| <b>ABS</b>       |   |                      |                             |  |                      |   |                                   |                                |                            |
| 43815HAC1        | Honda Auto Receivables Trust 2018-3 A3<br>2.950% Due 08/22/2022   | 722,076.12           | 09/16/2019<br>1.45%         | 729,691.77<br>726,336.32                     | 101.18<br>0.17%      | 730,629.13<br>591.70                    | 0.60%<br>4,292.81                 | Aaa / NR<br>AAA                | 1.64<br>0.43               |
| 89238TAD5        | Toyota Auto Receivables Trust 2018-B A3<br>2.960% Due 09/15/2022  | 699,395.06           | 09/10/2019<br>2.20%         | 707,563.77<br>704,018.30                     | 101.07<br>0.03%      | 706,846.42<br>920.09                    | 0.58%<br>2,828.12                 | Aaa / AAA<br>NR                | 1.71<br>0.36               |
| 58770FAC6        | Mercedes Benz Auto Lease Trust 2020-A A3<br>1.840% Due 12/15/2022 | 375,000.00           | 01/21/2020<br>1.85%         | 374,950.58<br>374,966.47                     | 101.40<br>0.26%      | 380,239.13<br>306.67                    | 0.31%<br>5,272.66                 | Aaa / AAA<br>NR                | 1.96<br>0.88               |
| 65479GAD1        | Nissan Auto Receivables Trust 2018-B A3<br>3.060% Due 03/15/2023  | 936,563.33           | 09/16/2019<br>1.65%         | 949,806.91<br>942,726.63                     | 101.37<br>0.42%      | 949,427.03<br>1,273.73                  | 0.78%<br>6,700.40                 | Aaa / AAA<br>NR                | 2.20<br>0.52               |
| 47789JAD8        | John Deere Owner Trust 2019-A A3<br>2.910% Due 07/17/2023         | 1,240,184.79         | Various<br>1.94%            | 1,264,538.65<br>1,253,653.40                 | 101.91<br>0.03%      | 1,263,928.13<br>1,603.97                | 1.04%<br>10,274.73                | Aaa / NR<br>AAA                | 2.54<br>0.66               |
| 43815NAC8        | Honda Auto Receivables Trust 2019-3 A3<br>1.780% Due 08/15/2023   | 990,000.00           | Various<br>1.93%            | 988,335.77<br>989,019.87                     | 101.63<br>0.30%      | 1,006,159.77<br>783.20                  | 0.83%<br>17,139.90                | Aaa / AAA<br>NR                | 2.62<br>1.09               |
| 58769EAC2        | Mercedes-Benz Auto Lease Trust 2020-B A3<br>0.400% Due 11/15/2023 | 345,000.00           | 09/15/2020<br>0.40%         | 344,982.51<br>344,984.58                     | 100.21<br>0.27%      | 345,726.92<br>61.33                     | 0.29%<br>742.34                   | NR / AAA<br>AAA                | 2.87<br>1.65               |
| 477870AC3        | John Deere Owner Trust 2019-B A3<br>2.210% Due 12/15/2023         | 1,000,000.00         | 08/27/2019<br>1.79%         | 1,009,257.81<br>1,006,360.69                 | 101.93<br>0.17%      | 1,019,300.00<br>982.22                  | 0.84%<br>12,939.31                | Aaa / NR<br>AAA                | 2.96<br>0.94               |
| 92348AAA3        | Verizon Owner Trust 2019-C A1A<br>1.940% Due 04/22/2024           | 515,000.00           | 10/01/2019<br>1.95%         | 514,960.29<br>514,971.09                     | 102.15<br>0.26%      | 526,049.32<br>305.28                    | 0.43%<br>11,078.23                | NR / AAA<br>AAA                | 3.31<br>1.26               |
| 65479JAD5        | Nissan Auto Receivables Owner 2019-C A3<br>1.930% Due 07/15/2024  | 1,375,000.00         | Various<br>1.70%            | 1,381,821.10<br>1,380,703.47                 | 102.04<br>0.43%      | 1,403,043.13<br>1,179.44                | 1.16%<br>22,339.66                | Aaa / AAA<br>NR                | 3.54<br>1.35               |
| 43813DAC2        | Honda Auto Receivables 2020-2 A3<br>0.820% Due 07/15/2024         | 175,000.00           | 05/18/2020<br>0.83%         | 174,986.23<br>174,988.23                     | 100.98<br>0.24%      | 176,707.30<br>63.78                     | 0.15%<br>1,719.07                 | Aaa / AAA<br>NR                | 3.54<br>1.67               |
| 47789KAC7        | John Deere Owner Trust 2020-A A3<br>1.100% Due 08/15/2024         | 285,000.00           | 03/04/2020<br>1.11%         | 284,982.59<br>284,985.78                     | 101.25<br>0.30%      | 288,575.61<br>139.33                    | 0.24%<br>3,589.83                 | Aaa / NR<br>AAA                | 3.62<br>1.56               |
| 43813KAC6        | Honda Auto Receivables Trust 2020-3 A3<br>0.370% Due 10/18/2024   | 575,000.00           | 09/22/2020<br>0.38%         | 574,915.53<br>574,922.46                     | 100.17<br>0.29%      | 575,972.33<br>76.83                     | 0.48%<br>1,049.87                 | NR / AAA<br>AAA                | 3.80<br>2.01               |
| 47787NAC3        | John Deere Owner Trust 2020-B A3<br>0.510% Due 11/15/2024         | 260,000.00           | 07/14/2020<br>0.52%         | 259,960.38<br>259,965.46                     | 100.32<br>0.34%      | 260,835.90<br>58.93                     | 0.22%<br>870.44                   | Aaa / NR<br>AAA                | 3.88<br>1.87               |
| 89236XAC0        | Toyota Auto Receivables 2020-D A3<br>0.350% Due 01/15/2025        | 455,000.00           | 10/06/2020<br>0.36%         | 454,915.23<br>454,919.59                     | 99.98<br>0.36%       | 454,919.59<br>70.78                     | 0.38%<br>0.00                     | NR / AAA<br>AAA                | 4.04<br>1.94               |
| 92290BAA9        | Verizon Owner Trust 2020-B A<br>0.470% Due 02/20/2025             | 800,000.00           | 08/04/2020<br>0.48%         | 799,832.00<br>799,846.43                     | 100.35<br>0.30%      | 802,832.00<br>114.89                    | 0.66%<br>2,985.57                 | Aaa / NR<br>AAA                | 4.14<br>2.08               |
| <b>TOTAL ABS</b> |   | <b>10,748,219.30</b> | <b>1.47%</b>                | <b>10,815,501.12</b><br><b>10,787,368.77</b> | <b>0.25%</b>         | <b>10,891,191.71</b><br><b>8,532.17</b> | <b>9.00%</b><br><b>103,822.94</b> | <b>Aaa / AAA</b><br><b>Aaa</b> | <b>2.92</b><br><b>1.14</b> |

# Holdings Report

As of December 31, 2020

## City of Cupertino - Account #10659

| CUSIP         | Security Description                | Par Value/Units | Purchase Date<br>Book Yield | Cost Value<br>Book Value     | Mkt Price<br>Mkt YTM | Market Value<br>Accrued Int. | % of Port.<br>Gain/Loss | Moody/S&P<br>Fitch | Maturity<br>Duration |
|---------------|-------------------------------------|-----------------|-----------------------------|------------------------------|----------------------|------------------------------|-------------------------|--------------------|----------------------|
| <b>Agency</b> |                                     |                 |                             |                              |                      |                              |                         |                    |                      |
| 313378JP7     | FHLB Note<br>2.375% Due 09/10/2021  | 1,300,000.00    | 09/06/2019<br>1.57%         | 1,320,501.00<br>1,307,057.72 | 101.52<br>0.17%      | 1,319,766.50<br>9,519.79     | 1.10%<br>12,708.78      | Aaa / AA+<br>AAA   | 0.69<br>0.69         |
| 313376C94     | FHLB Note<br>2.625% Due 12/10/2021  | 1,325,000.00    | 01/19/2017<br>1.90%         | 1,369,559.75<br>1,333,557.67 | 102.34<br>0.13%      | 1,356,044.75<br>2,028.91     | 1.12%<br>22,487.08      | Aaa / AA+<br>AAA   | 0.94<br>0.93         |
| 3137EADB2     | FHLMC Note<br>2.375% Due 01/13/2022 | 1,500,000.00    | 06/21/2019<br>1.84%         | 1,520,100.00<br>1,508,113.17 | 102.31<br>0.14%      | 1,534,680.00<br>16,625.00    | 1.28%<br>26,566.83      | Aaa / AA+<br>AAA   | 1.04<br>1.02         |
| 313380GJ0     | FHLB Note<br>2.000% Due 09/09/2022  | 2,000,000.00    | 10/10/2019<br>1.55%         | 2,025,400.00<br>2,014,705.26 | 103.13<br>0.14%      | 2,062,572.00<br>12,444.44    | 1.71%<br>47,866.74      | Aaa / AA+<br>NR    | 1.69<br>1.66         |
| 3137EAER6     | FHLMC Note<br>0.375% Due 05/05/2023 | 2,045,000.00    | 05/05/2020<br>0.39%         | 2,044,141.10<br>2,044,328.91 | 100.51<br>0.16%      | 2,055,499.03<br>1,192.92     | 1.70%<br>11,170.12      | Aaa / AA+<br>AAA   | 2.34<br>2.33         |
| 3135G04Q3     | FNMA Note<br>0.250% Due 05/22/2023  | 2,025,000.00    | 05/20/2020<br>0.35%         | 2,018,904.75<br>2,020,151.63 | 100.24<br>0.15%      | 2,029,781.03<br>548.44       | 1.68%<br>9,629.40       | Aaa / AA+<br>AAA   | 2.39<br>2.38         |
| 3137EAEN5     | FHLMC Note<br>2.750% Due 06/19/2023 | 1,500,000.00    | 06/21/2019<br>1.83%         | 1,553,100.00<br>1,532,786.33 | 106.32<br>0.18%      | 1,594,756.50<br>1,375.00     | 1.32%<br>61,970.17      | Aaa / AA+<br>AAA   | 2.47<br>2.40         |
| 3135G05G4     | FNMA Note<br>0.250% Due 07/10/2023  | 1,680,000.00    | 07/08/2020<br>0.32%         | 1,676,388.00<br>1,676,965.26 | 100.24<br>0.16%      | 1,684,011.84<br>1,995.00     | 1.39%<br>7,046.58       | Aaa / AA+<br>AAA   | 2.52<br>2.51         |
| 3130A3DL5     | FHLB Note<br>2.375% Due 09/08/2023  | 2,000,000.00    | 09/06/2019<br>1.52%         | 2,066,320.00<br>2,044,516.16 | 105.84<br>0.19%      | 2,116,892.00<br>14,909.72    | 1.76%<br>72,375.84      | Aaa / AA+<br>NR    | 2.69<br>2.60         |
| 3135G0U43     | FNMA Note<br>2.875% Due 09/12/2023  | 1,500,000.00    | 06/21/2019<br>1.89%         | 1,559,805.00<br>1,538,188.27 | 107.15<br>0.21%      | 1,607,256.00<br>13,057.29    | 1.34%<br>69,067.73      | Aaa / AA+<br>AAA   | 2.70<br>2.59         |
| 3135G06H1     | FNMA Note<br>0.250% Due 11/27/2023  | 2,165,000.00    | 11/23/2020<br>0.29%         | 2,162,531.90<br>2,162,615.14 | 100.09<br>0.22%      | 2,166,952.83<br>541.25       | 1.79%<br>4,337.69       | Aaa / AA+<br>AAA   | 2.91<br>2.89         |
| 3137EAF2      | FHLMC Note<br>0.250% Due 12/04/2023 | 1,755,000.00    | 12/02/2020<br>0.28%         | 1,753,262.55<br>1,753,306.98 | 100.11<br>0.21%      | 1,756,870.83<br>329.06       | 1.45%<br>3,563.85       | Aaa / AA+<br>AAA   | 2.93<br>2.91         |
| 3130A0F70     | FHLB Note<br>3.375% Due 12/08/2023  | 2,100,000.00    | Various<br>1.74%            | 2,222,418.00<br>2,196,553.82 | 109.25<br>0.21%      | 2,294,300.40<br>4,528.13     | 1.90%<br>97,746.58      | Aaa / AA+<br>AAA   | 2.94<br>2.82         |
| 3130A0XE5     | FHLB Note<br>3.250% Due 03/08/2024  | 1,500,000.00    | 03/28/2019<br>2.27%         | 1,568,115.00<br>1,543,825.93 | 109.65<br>0.21%      | 1,644,724.50<br>15,302.08    | 1.37%<br>100,898.57     | Aaa / AA+<br>NR    | 3.19<br>3.03         |
| 3130A1XJ2     | FHLB Note<br>2.875% Due 06/14/2024  | 1,500,000.00    | 06/18/2019<br>1.96%         | 1,564,890.20<br>1,544,874.67 | 109.16<br>0.21%      | 1,637,356.51<br>2,036.46     | 1.35%<br>92,481.84      | Aaa / AA+<br>NR    | 3.45<br>3.31         |
| 3135G0V75     | FNMA Note<br>1.750% Due 07/02/2024  | 1,500,000.00    | 07/16/2019<br>1.96%         | 1,484,895.00<br>1,489,346.47 | 105.29<br>0.23%      | 1,579,368.00<br>13,052.08    | 1.31%<br>90,021.53      | Aaa / AA+<br>AAA   | 3.50<br>3.38         |
| 3130A2UW4     | FHLB Note<br>2.875% Due 09/13/2024  | 2,000,000.00    | 09/13/2019<br>1.79%         | 2,103,380.00<br>2,076,571.48 | 109.67<br>0.25%      | 2,193,366.00<br>17,250.00    | 1.82%<br>116,794.52     | Aaa / AA+<br>AAA   | 3.70<br>3.51         |

# Holdings Report

As of December 31, 2020

## City of Cupertino - Account #10659

| CUSIP               | Security Description                                | Par Value/Units      | Purchase Date<br>Book Yield | Cost Value<br>Book Value                     | Mkt Price<br>Mkt YTM | Market Value<br>Accrued Int.              | % of Port.<br>Gain/Loss              | Moody/S&P<br>Fitch             | Maturity<br>Duration       |
|---------------------|---|----------------------|-----------------------------|--|----------------------|---|--------------------------------------|--------------------------------|----------------------------|
| 3135G0W66           | FNMA Note<br>1.625% Due 10/15/2024                  | 1,975,000.00         | Various<br>1.73%            | 1,965,802.75<br>1,967,837.37                 | 105.41<br>0.19%      | 2,081,912.68<br>6,775.35                  | 1.72%<br>114,075.31                  | Aaa / AA+<br>AAA               | 3.79<br>3.68               |
| 3135G0X24           | FNMA Note<br>1.625% Due 01/07/2025                  | 1,295,000.00         | Various<br>1.37%            | 1,309,953.95<br>1,307,472.67                 | 105.38<br>0.28%      | 1,364,629.56<br>10,171.14                 | 1.13%<br>57,156.89                   | Aaa / AA+<br>AAA               | 4.02<br>3.87               |
| 3137EAEPO           | FHLMC Note<br>1.500% Due 02/12/2025                 | 2,365,000.00         | 02/13/2020<br>1.52%         | 2,363,178.95<br>2,363,500.25                 | 104.90<br>0.30%      | 2,480,951.22<br>13,697.29                 | 2.06%<br>117,450.97                  | Aaa / NR<br>AAA                | 4.12<br>3.98               |
| 3135G03U5           | FNMA Note<br>0.625% Due 04/22/2025                  | 1,860,000.00         | 04/22/2020<br>0.67%         | 1,856,168.40<br>1,856,697.77                 | 101.18<br>0.35%      | 1,881,864.30<br>2,228.13                  | 1.56%<br>25,166.53                   | Aaa / AA+<br>AAA               | 4.31<br>4.25               |
| 3135G04Z3           | FNMA Note<br>0.500% Due 06/17/2025                  | 1,170,000.00         | 06/17/2020<br>0.54%         | 1,167,578.10<br>1,167,838.35                 | 100.53<br>0.38%      | 1,176,206.85<br>227.50                    | 0.97%<br>8,368.50                    | Aaa / AA+<br>AAA               | 4.46<br>4.41               |
| 3137EAEU9           | FHLMC Note<br>0.375% Due 07/21/2025                 | 1,250,000.00         | 07/21/2020<br>0.48%         | 1,243,775.00<br>1,244,327.88                 | 100.05<br>0.36%      | 1,250,660.00<br>2,057.29                  | 1.03%<br>6,332.12                    | Aaa / AA+<br>AAA               | 4.56<br>4.51               |
| 3135G05X7           | FNMA Note<br>0.375% Due 08/25/2025                  | 2,500,000.00         | Various<br>0.48%            | 2,487,983.75<br>2,488,498.21                 | 99.98<br>0.38%       | 2,499,452.51<br>3,229.17                  | 2.07%<br>10,954.30                   | Aaa / AA+<br>AAA               | 4.65<br>4.60               |
| 3137EAEX3           | FHLMC Note<br>0.375% Due 09/23/2025                 | 2,500,000.00         | Various<br>0.46%            | 2,489,362.80<br>2,489,723.70                 | 99.83<br>0.41%       | 2,495,840.00<br>2,500.00                  | 2.06%<br>6,116.30                    | Aaa / AA+<br>AAA               | 4.73<br>4.68               |
| 3135G06G3           | FNMA Note<br>0.500% Due 11/07/2025                  | 2,500,000.00         | Various<br>0.56%            | 2,492,700.00<br>2,492,898.38                 | 100.42<br>0.41%      | 2,510,457.50<br>1,701.39                  | 2.07%<br>17,559.12                   | Aaa / AA+<br>AAA               | 4.85<br>4.78               |
| <b>TOTAL Agency</b> |   | <b>46,810,000.00</b> | <b>1.15%</b>                | <b>47,390,215.95</b><br><b>47,166,259.45</b> | <b>0.25%</b>         | <b>48,376,173.34</b><br><b>169,322.83</b> | <b>40.07%</b><br><b>1,209,913.89</b> | <b>Aaa / AA+</b><br><b>Aaa</b> | <b>3.23</b><br><b>3.15</b> |
| <b>CMO</b>          |   |                      |                             |  |                      |   |                                      |                                |                            |
| 3137B4WB8           | FHLMC K033 A2<br>3.060% Due 07/25/2023              | 1,000,000.00         | 08/13/2019<br>2.02%         | 1,037,656.25<br>1,024,467.40                 | 106.21<br>0.42%      | 1,062,099.00<br>510.00                    | 0.88%<br>37,631.60                   | Aaa / NR<br>NR                 | 2.56<br>2.35               |
| 3137B5JM6           | FHLMC K034 A2<br>3.531% Due 07/25/2023              | 1,000,000.00         | 09/26/2019<br>2.00%         | 1,053,867.19<br>1,036,156.37                 | 107.49<br>0.40%      | 1,074,852.00<br>2,942.50                  | 0.89%<br>38,695.63                   | NR / NR<br>AAA                 | 2.56<br>2.38               |
| 3137B7MZ9           | FHLMC K036 A2<br>3.527% Due 10/25/2023              | 1,000,000.00         | 08/19/2019<br>1.92%         | 1,061,914.06<br>1,041,695.57                 | 108.04<br>0.43%      | 1,080,384.00<br>587.83                    | 0.89%<br>38,688.43                   | Aaa / NR<br>AAA                | 2.82<br>2.57               |
| <b>TOTAL CMO</b>    |   | <b>3,000,000.00</b>  | <b>1.98%</b>                | <b>3,153,437.50</b><br><b>3,102,319.34</b>   | <b>0.41%</b>         | <b>3,217,335.00</b><br><b>4,040.33</b>    | <b>2.66%</b><br><b>115,015.66</b>    | <b>Aaa / NR</b><br><b>Aaa</b>  | <b>2.65</b><br><b>2.43</b> |
| <b>Corporate</b>    |   |                      |                             |  |                      |   |                                      |                                |                            |
| 369550BE7           | General Dynamics Corp Note<br>3.000% Due 05/11/2021 | 1,000,000.00         | 03/11/2019<br>2.76%         | 1,004,920.00<br>1,000,809.62                 | 100.96<br>0.33%      | 1,009,633.00<br>4,166.67                  | 0.84%<br>8,823.38                    | A2 / A<br>NR                   | 0.36<br>0.36               |
| 857477AV5           | State Street Bank Note<br>1.950% Due 05/19/2021     | 1,000,000.00         | Various<br>2.65%            | 986,055.00<br>997,439.48                     | 100.67<br>0.21%      | 1,006,659.00<br>2,275.00                  | 0.83%<br>9,219.52                    | A1 / A<br>AA-                  | 0.38<br>0.38               |

# Holdings Report

As of December 31, 2020

## City of Cupertino - Account #10659

| CUSIP     | Security Description   | Par Value/Units | Purchase Date<br>Book Yield | Cost Value<br>Book Value     | Mkt Price<br>Mkt YTM | Market Value<br>Accrued Int. | % of Port.<br>Gain/Loss | Moody/S&P<br>Fitch | Maturity<br>Duration |
|-----------|--|-----------------|-----------------------------|------------------------------|----------------------|------------------------------|-------------------------|--------------------|----------------------|
| 68389XBK0 | Oracle Corp Callable Note Cont 8/15/2021<br>1.900% Due 09/15/2021          | 1,000,000.00    | 04/11/2019<br>2.66%         | 982,320.00<br>994,860.00     | 101.01<br>0.28%      | 1,010,070.00<br>5,594.44     | 0.84%<br>15,210.00      | A3 / A<br>A-       | 0.71<br>0.62         |
| 89236TDP7 | Toyota Motor Credit Corp Note<br>2.600% Due 01/11/2022                     | 1,000,000.00    | 03/05/2019<br>2.89%         | 992,200.00<br>997,190.20     | 102.36<br>0.30%      | 1,023,587.00<br>12,277.78    | 0.86%<br>26,396.80      | A1 / A+<br>A+      | 1.03<br>1.01         |
| 95000U2B8 | Wells Fargo & Company Note<br>2.625% Due 07/22/2022                        | 1,300,000.00    | Various<br>2.68%            | 1,297,365.00<br>1,298,993.56 | 103.51<br>0.36%      | 1,345,654.70<br>15,071.88    | 1.12%<br>46,661.14      | A2 / BBB+<br>A+    | 1.56<br>1.52         |
| 69353RFE3 | PNC Bank Callable Note Cont 6/28/2022<br>2.450% Due 07/28/2022             | 1,200,000.00    | 06/20/2019<br>2.16%         | 1,210,236.00<br>1,205,052.86 | 103.28<br>0.25%      | 1,239,303.60<br>12,495.00    | 1.03%<br>34,250.74      | A2 / A<br>A+       | 1.57<br>1.46         |
| 44932HAC7 | IBM Credit Corp Note<br>2.200% Due 09/08/2022                              | 1,500,000.00    | Various<br>2.88%            | 1,467,755.00<br>1,483,693.18 | 103.49<br>0.13%      | 1,552,309.50<br>10,358.34    | 1.29%<br>68,616.32      | A2 / A<br>NR       | 1.69<br>1.65         |
| 48128BAB7 | JP Morgan Chase & Co Callable Note 1X 1/15/2022<br>2.972% Due 01/15/2023   | 1,300,000.00    | Various<br>2.93%            | 1,299,224.00<br>1,299,168.24 | 102.72<br>0.34%      | 1,335,405.50<br>17,815.49    | 1.12%<br>36,237.26      | A2 / A-<br>AA-     | 2.04<br>1.02         |
| 808513AT2 | Charles Schwab Corp Callable Note Cont 12/25/2022<br>2.650% Due 01/25/2023 | 1,500,000.00    | Various<br>2.53%            | 1,504,955.00<br>1,503,264.48 | 104.76<br>0.24%      | 1,571,338.50<br>17,225.00    | 1.31%<br>68,074.02      | A2 / A<br>A        | 2.07<br>1.93         |
| 24422ETG4 | John Deere Capital Corp Note<br>2.800% Due 03/06/2023                      | 1,000,000.00    | 03/28/2019<br>2.60%         | 1,007,580.00<br>1,004,185.34 | 105.54<br>0.25%      | 1,055,434.00<br>8,944.44     | 0.88%<br>51,248.66      | A2 / A<br>A        | 2.18<br>2.11         |
| 06406RAG2 | Bank of NY Mellon Corp Note<br>3.500% Due 04/28/2023                       | 1,000,000.00    | 03/05/2019<br>3.15%         | 1,013,650.00<br>1,007,641.47 | 107.24<br>0.37%      | 1,072,408.00<br>6,125.00     | 0.89%<br>64,766.53      | A1 / A<br>AA-      | 2.32<br>2.24         |
| 037833AK6 | Apple Inc Note<br>2.400% Due 05/03/2023                                    | 1,000,000.00    | 03/11/2019<br>2.79%         | 984,840.00<br>991,457.46     | 104.90<br>0.30%      | 1,048,964.00<br>3,866.67     | 0.87%<br>57,506.54      | Aa1 / AA+<br>NR    | 2.34<br>2.28         |
| 931142EK5 | Wal-Mart Stores Callable Note Cont 5/26/2023<br>3.400% Due 06/26/2023      | 1,000,000.00    | 03/13/2019<br>2.80%         | 1,023,630.00<br>1,013,487.44 | 107.39<br>0.31%      | 1,073,944.00<br>472.22       | 0.89%<br>60,456.56      | Aa2 / AA<br>AA     | 2.48<br>2.33         |
| 69371RP59 | Paccar Financial Corp Note<br>3.400% Due 08/09/2023                        | 435,000.00      | 06/18/2019<br>2.56%         | 449,315.85<br>444,000.70     | 107.98<br>0.32%      | 469,704.30<br>5,833.83       | 0.39%<br>25,703.60      | A1 / A+<br>NR      | 2.61<br>2.49         |
| 02665WCQ2 | American Honda Finance Note<br>3.625% Due 10/10/2023                       | 1,300,000.00    | Various<br>2.76%            | 1,345,306.00<br>1,328,971.94 | 108.80<br>0.43%      | 1,414,401.30<br>10,603.13    | 1.18%<br>85,429.36      | A3 / A-<br>NR      | 2.78<br>2.65         |
| 06051GHF9 | Bank of America Corp Callable Note 1X 3/5/2023<br>3.550% Due 03/05/2024    | 1,600,000.00    | Various<br>2.38%            | 1,635,071.00<br>1,629,403.47 | 106.83<br>0.40%      | 1,709,264.00<br>18,302.23    | 1.43%<br>79,860.53      | A2 / A-<br>A+      | 3.18<br>2.09         |
| 404280BS7 | HSBC Holdings PLC Callable Note 1X 5/18/2023<br>3.950% Due 05/18/2024      | 1,500,000.00    | Various<br>2.23%            | 1,572,790.00<br>1,552,608.78 | 107.87<br>0.62%      | 1,618,000.50<br>7,077.09     | 1.34%<br>65,391.72      | A2 / A-<br>A+      | 3.38<br>2.29         |
| 89114QCA4 | Toronto Dominion Bank Note<br>2.650% Due 06/12/2024                        | 1,500,000.00    | 09/11/2019<br>2.24%         | 1,527,255.00<br>1,519,773.24 | 107.15<br>0.55%      | 1,607,281.50<br>2,097.92     | 1.33%<br>87,508.26      | Aa3 / A<br>AA-     | 3.45<br>3.31         |
| 78013XZU5 | Royal Bank of Canada Note<br>2.550% Due 07/16/2024                         | 1,300,000.00    | Various<br>2.17%            | 1,321,985.18<br>1,316,466.94 | 106.93<br>0.57%      | 1,390,152.40<br>15,193.76    | 1.16%<br>73,685.46      | A2 / A<br>AA       | 3.54<br>3.37         |



# Holdings Report

As of December 31, 2020

## City of Cupertino - Account #10659

| CUSIP                             | Security Description   | Par Value/Units      | Purchase Date<br>Book Yield | Cost Value<br>Book Value                     | Mkt Price<br>Mkt YTM | Market Value<br>Accrued Int.              | % of Port.<br>Gain/Loss              | Moody/S&P<br>Fitch             | Maturity<br>Duration       |
|-----------------------------------|--|----------------------|-----------------------------|--|----------------------|---|--------------------------------------|--------------------------------|----------------------------|
| 91159HHX1                         | US Bancorp Callable Note Cont 6/28/2024<br>2.400% Due 07/30/2024               | 1,250,000.00         | 10/10/2019<br>2.07%         | 1,268,262.50<br>1,263,542.74                 | 106.60<br>0.49%      | 1,332,491.25<br>12,583.33                 | 1.11%<br>68,948.51                   | A1 / A+<br>A+                  | 3.58<br>3.34               |
| 009158AV8                         | Air Products & Chemicals Callable Note Cont 4/30/2024<br>3.350% Due 07/31/2024 | 1,675,000.00         | 08/07/2019<br>2.07%         | 1,771,212.00<br>1,742,727.45                 | 109.04<br>0.61%      | 1,826,347.98<br>23,536.08                 | 1.53%<br>83,620.53                   | A2 / A<br>NR                   | 3.58<br>3.14               |
| 69371RQ25                         | Paccar Financial Corp Note<br>2.150% Due 08/15/2024                            | 370,000.00           | 08/08/2019<br>2.20%         | 369,182.30<br>369,408.32                     | 105.82<br>0.53%      | 391,532.15<br>3,005.22                    | 0.33%<br>22,123.83                   | A1 / A+<br>NR                  | 3.62<br>3.47               |
| 14913Q3B3                         | Caterpillar Finl Service Note<br>2.150% Due 11/08/2024                         | 1,100,000.00         | 01/28/2020<br>1.92%         | 1,111,517.00<br>1,109,291.52                 | 106.53<br>0.44%      | 1,171,782.70<br>3,481.81                  | 0.97%<br>62,491.18                   | A3 / A<br>A                    | 3.86<br>3.70               |
| <b>TOTAL Corporate</b>            |  | <b>26,830,000.00</b> | <b>2.51%</b>                | <b>27,146,626.83</b><br><b>27,073,438.43</b> | <b>0.38%</b>         | <b>28,275,668.88</b><br><b>218,402.33</b> | <b>23.52%</b><br><b>1,202,230.45</b> | <b>A1 / A</b><br><b>A+</b>     | <b>2.43</b><br><b>2.15</b> |
| <b>Money Market Fund FI</b>       |  |                      |                             |  |                      |   |                                      |                                |                            |
| 94975H270                         | Wells Fargo 100% Treasury Money Mkt Fund                                       | 593,317.85           | Various<br>0.01%            | 593,317.85<br>593,317.85                     | 1.00<br>0.01%        | 593,317.85<br>0.00                        | 0.49%<br>0.00                        | Aaa / AAA<br>NR                | 0.00<br>0.00               |
| <b>TOTAL Money Market Fund FI</b> |  | <b>593,317.85</b>    | <b>0.01%</b>                | <b>593,317.85</b><br><b>593,317.85</b>       | <b>0.01%</b>         | <b>593,317.85</b><br><b>0.00</b>          | <b>0.49%</b><br><b>0.00</b>          | <b>Aaa / AAA</b><br><b>NR</b>  | <b>0.00</b><br><b>0.00</b> |
| <b>Municipal Bonds</b>            |  |                      |                             |  |                      |   |                                      |                                |                            |
| 13063DRK6                         | California State Taxable GO<br>2.400% Due 10/01/2024                           | 755,000.00           | 10/16/2019<br>1.91%         | 772,342.35<br>768,160.57                     | 107.14<br>0.48%      | 808,869.25<br>4,530.00                    | 0.67%<br>40,708.68                   | Aa2 / AA-<br>AA                | 3.75<br>3.59               |
| <b>TOTAL Municipal Bonds</b>      |  | <b>755,000.00</b>    | <b>1.91%</b>                | <b>772,342.35</b><br><b>768,160.57</b>       | <b>0.48%</b>         | <b>808,869.25</b><br><b>4,530.00</b>      | <b>0.67%</b><br><b>40,708.68</b>     | <b>Aa2 / AA-</b><br><b>AA</b>  | <b>3.75</b><br><b>3.59</b> |
| <b>Negotiable CD</b>              |  |                      |                             |  |                      |   |                                      |                                |                            |
| 06417MMB8                         | Bank of Nova Scotia Houston Yankee CD<br>0.280% Due 11/24/2021                 | 3,000,000.00         | 11/24/2020<br>0.28%         | 3,000,000.00<br>3,000,000.00                 | 100.00<br>0.28%      | 3,000,000.00<br>863.33                    | 2.48%<br>0.00                        | P-1 / A-1<br>F-1+              | 0.90<br>0.90               |
| <b>TOTAL Negotiable CD</b>        |  | <b>3,000,000.00</b>  | <b>0.28%</b>                | <b>3,000,000.00</b><br><b>3,000,000.00</b>   | <b>0.28%</b>         | <b>3,000,000.00</b><br><b>863.33</b>      | <b>2.48%</b><br><b>0.00</b>          | <b>Aaa / AA</b><br><b>Aaa</b>  | <b>0.90</b><br><b>0.90</b> |
| <b>Supranational</b>              |  |                      |                             |  |                      |   |                                      |                                |                            |
| 459058JL8                         | Intl. Bank Recon & Development Note<br>0.500% Due 10/28/2025                   | 1,025,000.00         | 10/21/2020<br>0.52%         | 1,023,841.75<br>1,023,882.98                 | 100.19<br>0.46%      | 1,026,917.78<br>896.88                    | 0.85%<br>3,034.80                    | Aaa / AAA<br>AAA               | 4.83<br>4.76               |
| <b>TOTAL Supranational</b>        |  | <b>1,025,000.00</b>  | <b>0.52%</b>                | <b>1,023,841.75</b><br><b>1,023,882.98</b>   | <b>0.46%</b>         | <b>1,026,917.78</b><br><b>896.88</b>      | <b>0.85%</b><br><b>3,034.80</b>      | <b>Aaa / AAA</b><br><b>Aaa</b> | <b>4.83</b><br><b>4.76</b> |

# Holdings Report

As of December 31, 2020

## City of Cupertino - Account #10659

| CUSIP                                   | Security Description                      | Par Value/Units       | Purchase Date<br>Book Yield | Cost Value<br>Book Value                       | Mkt Price<br>Mkt YTM | Market Value<br>Accrued Int.               | % of Port.<br>Gain/Loss               | Moody/S&P<br>Fitch             | Maturity<br>Duration       |
|---|---|-----------------------|-----------------------------|--|----------------------|--|---------------------------------------|--------------------------------|----------------------------|
| <b>US Treasury</b>                      |   |                       |                             |  |                      |  |                                       |                                |                            |
| 912828T34                               | US Treasury Note<br>1.125% Due 09/30/2021 | 1,050,000.00          | 09/25/2019<br>1.71%         | 1,037,982.43<br>1,045,552.68                   | 100.75<br>0.12%      | 1,057,915.95<br>3,018.03                   | 0.88%<br>12,363.27                    | Aaa / AA+<br>AAA               | 0.75<br>0.74               |
| 912828F96                               | US Treasury Note<br>2.000% Due 10/31/2021 | 2,000,000.00          | 09/25/2019<br>1.71%         | 2,012,031.25<br>2,004,759.10                   | 101.55<br>0.13%      | 2,031,016.00<br>6,850.83                   | 1.68%<br>26,256.90                    | Aaa / AA+<br>AAA               | 0.83<br>0.83               |
| 912828J43                               | US Treasury Note<br>1.750% Due 02/28/2022 | 2,000,000.00          | 09/11/2019<br>1.64%         | 2,005,078.13<br>2,002,386.72                   | 101.89<br>0.12%      | 2,037,812.00<br>11,892.27                  | 1.69%<br>35,425.28                    | Aaa / AA+<br>AAA               | 1.16<br>1.15               |
| 912828XG0                               | US Treasury Note<br>2.125% Due 06/30/2022 | 2,000,000.00          | 09/11/2019<br>1.61%         | 2,028,203.13<br>2,015,039.83                   | 102.99<br>0.13%      | 2,059,844.00<br>117.40                     | 1.70%<br>44,804.17                    | Aaa / AA+<br>AAA               | 1.50<br>1.48               |
| 912828L57                               | US Treasury Note<br>1.750% Due 09/30/2022 | 2,000,000.00          | 09/11/2019<br>1.62%         | 2,007,890.63<br>2,004,511.97                   | 102.82<br>0.13%      | 2,056,484.00<br>8,942.31                   | 1.70%<br>51,972.03                    | Aaa / AA+<br>AAA               | 1.75<br>1.72               |
| 912828N30                               | US Treasury Note<br>2.125% Due 12/31/2022 | 2,000,000.00          | Various<br>1.68%            | 2,029,085.94<br>2,017,321.65                   | 103.98<br>0.13%      | 2,079,610.00<br>117.41                     | 1.72%<br>62,288.35                    | Aaa / AA+<br>AAA               | 2.00<br>1.97               |
| 912828T91                               | US Treasury Note<br>1.625% Due 10/31/2023 | 2,000,000.00          | Various<br>1.94%            | 1,973,554.69<br>1,983,114.69                   | 104.18<br>0.15%      | 2,083,516.00<br>5,566.29                   | 1.72%<br>100,401.31                   | Aaa / AA+<br>AAA               | 2.83<br>2.77               |
| 912828V23                               | US Treasury Note<br>2.250% Due 12/31/2023 | 1,500,000.00          | 06/21/2019<br>1.80%         | 1,529,472.66<br>1,519,529.43                   | 106.24<br>0.16%      | 1,593,633.00<br>93.23                      | 1.32%<br>74,103.57                    | Aaa / AA+<br>AAA               | 3.00<br>2.92               |
| 912828B66                               | US Treasury Note<br>2.750% Due 02/15/2024 | 2,000,000.00          | Various<br>2.13%            | 2,053,613.28<br>2,036,334.78                   | 108.02<br>0.18%      | 2,160,390.00<br>20,774.45                  | 1.80%<br>124,055.22                   | Aaa / AA+<br>AAA               | 3.13<br>2.99               |
| 912828X70                               | US Treasury Note<br>2.000% Due 04/30/2024 | 1,700,000.00          | 06/10/2019<br>1.92%         | 1,705,976.56<br>1,704,068.08                   | 105.99<br>0.19%      | 1,801,867.40<br>5,823.20                   | 1.49%<br>97,799.32                    | Aaa / AA+<br>AAA               | 3.33<br>3.23               |
| 912828XX3                               | US Treasury Note<br>2.000% Due 06/30/2024 | 2,000,000.00          | Various<br>1.80%            | 2,018,574.22<br>2,013,424.71                   | 106.25<br>0.21%      | 2,125,078.00<br>110.49                     | 1.75%<br>111,653.29                   | Aaa / AA+<br>AAA               | 3.50<br>3.40               |
| 912828D56                               | US Treasury Note<br>2.375% Due 08/15/2024 | 1,700,000.00          | 09/18/2019<br>1.71%         | 1,753,191.41<br>1,739,240.54                   | 107.78<br>0.22%      | 1,832,214.10<br>15,250.34                  | 1.52%<br>92,973.56                    | Aaa / AA+<br>AAA               | 3.62<br>3.47               |
| 912828ZC7                               | US Treasury Note<br>1.125% Due 02/28/2025 | 1,500,000.00          | 03/18/2020<br>0.81%         | 1,523,144.53<br>1,519,455.75                   | 103.53<br>0.27%      | 1,552,909.50<br>5,733.77                   | 1.29%<br>33,453.75                    | Aaa / AA+<br>AAA               | 4.16<br>4.06               |
| <b>TOTAL US Treasury</b>                |   | <b>23,450,000.00</b>  | <b>1.71%</b>                | <b>23,677,798.86</b><br><b>23,604,739.93</b>   | <b>0.16%</b>         | <b>24,472,289.95</b><br><b>84,290.02</b>   | <b>20.27%</b><br><b>867,550.02</b>    | <b>Aaa / AA+</b><br><b>Aaa</b> | <b>2.44</b><br><b>2.37</b> |
| <b>TOTAL PORTFOLIO</b>                  |   | <b>116,211,537.15</b> | <b>1.60%</b>                | <b>117,573,082.21</b><br><b>117,119,487.32</b> | <b>0.27%</b>         | <b>120,661,763.76</b><br><b>490,877.89</b> | <b>100.00%</b><br><b>3,542,276.44</b> | <b>Aa1 / AA</b><br><b>Aaa</b>  | <b>2.78</b><br><b>2.50</b> |
| <b>TOTAL MARKET VALUE PLUS ACCRUALS</b> |   |                       |                             |  |                      | <b>121,152,641.65</b>                      |                                       |                                |                            |



## Section 4 | Transactions

# Transaction Ledger

As of December 31, 2020

## City of Cupertino - Account #10659

September 30, 2020 through December 31, 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                  | 10/13/2020      | 89236XAC0 | 455,000.00           | Toyota Auto Receivables 2020-D A3<br>0.35% Due: 01/15/2025              | 99.981  | 0.36%          | 454,915.23           | 0.00              | 454,915.23           | 0.00        |
| Purchase                  | 10/28/2020      | 459058JL8 | 1,025,000.00         | Intl. Bank Recon & Development Note<br>0.5% Due: 10/28/2025             | 99.887  | 0.52%          | 1,023,841.75         | 0.00              | 1,023,841.75         | 0.00        |
| Purchase                  | 11/12/2020      | 3135G06G3 | 1,950,000.00         | FNMA Note<br>0.5% Due: 11/07/2025                                       | 99.642  | 0.57%          | 1,943,019.00         | 0.00              | 1,943,019.00         | 0.00        |
| Purchase                  | 11/24/2020      | 3135G05X7 | 1,375,000.00         | FNMA Note<br>0.375% Due: 08/25/2025                                     | 99.509  | 0.48%          | 1,368,248.75         | 1,246.09          | 1,369,494.84         | 0.00        |
| Purchase                  | 11/24/2020      | 3135G06G3 | 550,000.00           | FNMA Note<br>0.5% Due: 11/07/2025                                       | 99.942  | 0.51%          | 549,681.00           | 91.67             | 549,772.67           | 0.00        |
| Purchase                  | 11/24/2020      | 3137EAEX3 | 1,140,000.00         | FHLMC Note<br>0.375% Due: 09/23/2025                                    | 99.426  | 0.50%          | 1,133,456.40         | 700.63            | 1,134,157.03         | 0.00        |
| Purchase                  | 11/25/2020      | 06051GHF9 | 300,000.00           | Bank of America Corp Callable Note 1X 3/5/2023<br>3.55% Due: 03/05/2024 | 106.524 | 0.66%          | 319,572.00           | 2,366.67          | 321,938.67           | 0.00        |
| Purchase                  | 11/25/2020      | 06417MMB8 | 3,000,000.00         | Bank of Nova Scotia Houston Yankee CD<br>0.28% Due: 11/24/2021          | 100.000 | 0.28%          | 3,000,000.00         | 0.00              | 3,000,000.00         | 0.00        |
| Purchase                  | 11/25/2020      | 3130A0F70 | 600,000.00           | FHLB Note<br>3.375% Due: 12/08/2023                                     | 109.413 | 0.26%          | 656,478.00           | 9,393.75          | 665,871.75           | 0.00        |
| Purchase                  | 11/25/2020      | 3135G06H1 | 2,165,000.00         | FNMA Note<br>0.25% Due: 11/27/2023                                      | 99.886  | 0.29%          | 2,162,531.90         | 0.00              | 2,162,531.90         | 0.00        |
| Purchase                  | 12/04/2020      | 3137EAFA2 | 1,755,000.00         | FHLMC Note<br>0.25% Due: 12/04/2023                                     | 99.901  | 0.28%          | 1,753,262.55         | 0.00              | 1,753,262.55         | 0.00        |
| <b>Subtotal</b>           |                 |           | <b>14,315,000.00</b> |   |         |                | <b>14,365,006.58</b> | <b>13,798.81</b>  | <b>14,378,805.39</b> | <b>0.00</b> |
| <b>TOTAL ACQUISITIONS</b> |                 |           | <b>14,315,000.00</b> |   |         |                | <b>14,365,006.58</b> | <b>13,798.81</b>  | <b>14,378,805.39</b> | <b>0.00</b> |

# Transaction Ledger

As of December 31, 2020

## City of Cupertino - Account #10659

September 30, 2020 through December 31, 2020

| Transaction Type          | Settlement Date | CUSIP     | Quantity            | Security Description   | Price   | Acq/Disp Yield | Amount              | Interest Pur/Sold | Total Amount        | Gain/Loss        |
|---------------------------|-----------------|-----------|---------------------|--|---------|----------------|---------------------|-------------------|---------------------|------------------|
| <b>DISPOSITIONS</b>       |                 |           |                     |  |         |                |                     |                   |                     |                  |
| Sale                      | 10/13/2020      | 3136G3QQ1 | 400,000.00          | FNMA Callable Note 1X 5/25/2017<br>1.5% Due: 11/25/2020                        | 100.163 | 1.50%          | 400,652.00          | 2,300.00          | 402,952.00          | 652.00           |
| Sale                      | 10/26/2020      | 3136G3QQ1 | 975,000.00          | FNMA Callable Note 1X 5/25/2017<br>1.5% Due: 11/25/2020                        | 100.114 | 1.50%          | 976,111.50          | 6,134.38          | 982,245.88          | 1,111.50         |
| Sale                      | 11/12/2020      | 313378JP7 | 700,000.00          | FHLB Note<br>2.375% Due: 09/10/2021  | 101.864 | 1.57%          | 713,048.00          | 2,863.19          | 715,911.19          | 8,493.66         |
| Sale                      | 12/04/2020      | 912828T34 | 525,000.00          | US Treasury Note<br>1.125% Due: 09/30/2021                                     | 100.836 | 1.71%          | 529,388.67          | 1,054.69          | 530,443.36          | 6,841.24         |
| <b>Subtotal</b>           |                 |           | <b>2,600,000.00</b> |  |         |                | <b>2,619,200.17</b> | <b>12,352.26</b>  | <b>2,631,552.43</b> | <b>17,098.40</b> |
| Maturity                  | 11/03/2020      | 00440EAT4 | 850,000.00          | Chubb INA Holdings Inc Callable Note Cont<br>10/3/2020<br>2.3% Due: 11/03/2020 | 100.000 |                | 850,000.00          | 0.00              | 850,000.00          | 0.00             |
| <b>Subtotal</b>           |                 |           | <b>850,000.00</b>   |  |         |                | <b>850,000.00</b>   | <b>0.00</b>       | <b>850,000.00</b>   | <b>0.00</b>      |
| <b>TOTAL DISPOSITIONS</b> |                 |           | <b>3,450,000.00</b> |  |         |                | <b>3,469,200.17</b> | <b>12,352.26</b>  | <b>3,481,552.43</b> | <b>17,098.40</b> |

# Important Disclosures

*As of December 31, 2020*

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

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)*