



100 North Canyons Parkway  
Livermore, CA 94551  
(925) 454-5000

December 31, 2022

Board of Directors  
Zone 7 Water Agency  
100 North Canyons Parkway  
Livermore, CA 94551

Subject: **Investment Report as of December 31, 2022 (Unaudited)**

Dear Board Members:

Pursuant to Resolution No. 22-47, dated June 15, 2022, the Board adopted the Agency investment policy. In accordance with Strategic Plan Initiative No. 24 – Continue to effectively manage financial resources for the Agency in a prudent manner and in accordance with the Investment Policy, attached is the Agency quarterly informational investment report as of December 31, 2022. Enclosed with this report is a detailed composition of investments held in Zone 7's name by securities category as of December 31, 2022. This report reflects the market value and cost of purchase of the securities.

All Agency investments in this investment management portfolio conform to the investment policy and are in accordance with California Government Code Section 53600, et. seq. Below is the Agency's investment portfolio management summary:

Investment Type	Face Amount	Market Value	Book Value	% of Portfolio	Permitted by Agency Policy	In Compliance	Book Yield (YTM at Cost)
U.S. Treasury Bond/ Note	\$ 104,770,000	\$ 96,980,476	\$ 101,234,661	72.17%	No Limit	Yes	2.580%
Corporate Bonds (Medium Term Notes)	33,196,000	32,364,385	33,408,025	24.08%	30%	Yes	1.100%
Money Market (1)	5,037,574	5,037,574	5,037,574	3.75%	20%	Yes	4.050%
<b>Total Investments</b>	<b>\$ 143,003,574</b>	<b>\$ 134,382,435</b>	<b>\$ 139,680,259</b>	<b>100%</b>			<b>2.210%</b>
MUFG (Union Bank)	\$ 1,283,365	\$ 1,283,365	\$ 1,283,365				
<b>Total Cash &amp; Investments</b>	<b>\$ 144,286,939</b>	<b>\$ 135,665,800</b>	<b>\$ 140,963,624</b>				<b>2.210%</b>

(1) **Money Market:** The Money Market Book Yield (Yield to Maturity at Cost) is not part of the overall securities YTM at Cost from PFM Asset Management, it's from the U.S. Bank as custody bank.

In addition, the Agency has cash and investments pooled with the Alameda County Treasury. The County Treasurer acts as the disbursing agent for these funds for the Agency and the cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer for the County.



As of December 31, 2022, the County Treasurer held approximately \$126,690,797 (unaudited) for the Agency. The amount held by the County Treasurer is sufficient to meet all operating cash needs for the Agency within the next six months. Here is a link to the County investment reports: <https://treasurer.acgov.org/treasury/reports.page?>

I hereby certify that, to the best of my actual knowledge, this report includes all investments in the Agency pool investment portfolio and is in conformity with the Agency's current investment policy dated July 1, 2022.

Market value amounts are from PFM Asset Management which provides investment management services for the Agency. U.S. Bank provides the Agency custody services. Book value amounts include premiums or discounts and are adjusted at year end on the general ledger.

Sincerely,

DocuSigned by:  
  
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Osborn Solitei,  
Treasurer

Attachments:

1. Agency Investment Management Portfolio as of December 31, 2022
2. PFM Asset Management Investment Performance Review for December 31, 2022

c: Valerie Pryor, General Manager



Customer Service  
PO Box 11813  
Harrisburg, PA 17108-1813

**ACCOUNT STATEMENT**

For the Month Ending  
**December 31, 2022**

**ZONE 7 WATER AGENCY**

**Client Management Team**

**Monique Spyke**  
Managing Director  
1 California Street Ste. 1000  
San Francisco, CA 94111-5411  
415-393-7270  
spykem@pfmam.com

**Joseph Creason**  
Portfolio Manager  
213 Market Street  
Harrisburg, PA 17101-2141  
717-231-6217  
creasonj@pfmam.com

**Jeremy King**  
Key Account Manager  
213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723  
kingj@pfmam.com

**Contents**

- Cover/Disclosures
- Summary Statement
- Individual Accounts

**Accounts included in Statement**

99350000          ZONE 7 WATER AGENCY

ZONE 7 WATER AGENCY  
OSBORN SOLITEI  
100 NORTH CANYONS PARKWAY  
LIVERMORE, CA 94551

**Online Access**    <https://www.pfmam.com>      **Customer Service**    1-717-232-2723

**Important Disclosures**

**Important Disclosures**

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM maintains a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

**Proxy Voting** PFMAM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFMAM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

**Questions About an Account** PFMAM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFMAM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFMAM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFMAM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

**Account Control** PFMAM does not have the authority to withdraw funds from or deposit funds to the custodian outside the scope of services provided by PFMAM. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

**Market Value** Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv or Bloomberg. For certain short-term investments or where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

**Amortized Cost** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

**Tax Reporting** Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFMAM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

**Financial Situation** In order to better serve you, PFMAM should be promptly notified of any material change in your investment objective or financial situation.

**Callable Securities** Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

**Portfolio** The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFMAM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

**Rating** Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Shares of some local government investment programs and TERM funds are marketed through representatives of PFMAM's affiliate, PFM Fund Distributors, Inc. which is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Hotline at 1-800-289-9999 or at the FINRA website address <https://www.finra.org/investors/investor-contacts>. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.

**Key Terms and Definitions**

**Dividends** on local government investment program funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

**Current Yield** is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by

365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed. **Average maturity** represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

**Monthly distribution yield** represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

**YTM at Cost** The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.

**YTM at Market** The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

**Managed Account** A portfolio of investments managed discretely by PFMAM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

**Unsettled Trade** A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFMAM within 60 days of receipt. If you have other concerns or questions regarding your account, or to request an updated copy of PFMAM's current disclosure statement, please contact a member of your client management team at PFMAM Service Operations at the address below.

PFM Asset Management LLC  
Attn: Service Operations  
213 Market Street  
Harrisburg, PA 17101

**NOT FDIC INSURED      NO BANK GUARANTEE      MAY LOSE VALUE**

**Managed Account Summary Statement**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

**Transaction Summary - Managed Account**

<b>Opening Market Value</b>	<b>\$131,493,291.05</b>
Maturities/Calls	0.00
Principal Dispositions	(9,891,453.50)
Principal Acquisitions	8,034,938.16
Unsettled Trades	0.00
Change in Current Value	(291,914.62)
<b>Closing Market Value</b>	<b>\$129,344,861.09</b>

**Cash Transactions Summary - Managed Account**

Maturities/Calls	0.00
Sale Proceeds	9,918,048.98
Coupon/Interest/Dividend Income	51,101.26
Principal Payments	0.00
Security Purchases	(8,089,196.59)
Net Cash Contribution	(674.30)
Reconciling Transactions	0.00

**Earnings Reconciliation (Cash Basis) - Managed Account**

Interest/Dividends/Coupons Received	77,696.74
Less Purchased Interest Related to Interest/Coupons	(54,258.43)
Plus Net Realized Gains/Losses	(244,272.49)
<b>Total Cash Basis Earnings</b>	<b>(\$220,834.18)</b>

**Cash Balance**

**Closing Cash Balance** **\$5,044,448.65**

**Earnings Reconciliation (Accrual Basis)**

	<b>Total</b>
Ending Amortized Value of Securities	134,059,501.54
Ending Accrued Interest	583,183.81
Plus Proceeds from Sales	9,918,048.98
Plus Proceeds of Maturities/Calls/Principal Payments	0.00
Plus Coupons/Dividends Received	51,101.26
Less Cost of New Purchases	(8,089,196.59)
Less Beginning Amortized Value of Securities	(135,983,506.08)
Less Beginning Accrued Interest	(414,407.07)
<b>Total Accrual Basis Earnings</b>	<b>\$124,725.85</b>

**Portfolio Summary and Statistics**

For the Month Ending **December 31, 2022**

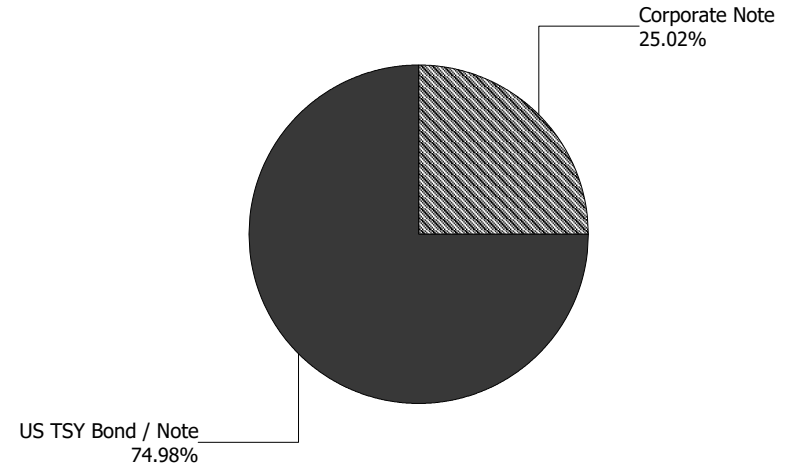
**ZONE 7 WATER AGENCY - 99350000**

**Account Summary**

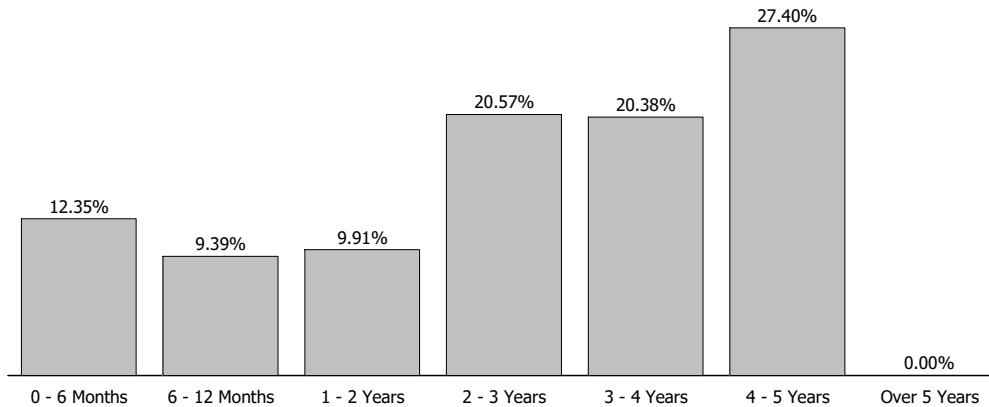
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	104,770,000.00	96,980,475.73	74.98
Corporate Note	33,196,000.00	32,364,385.36	25.02
<b>Managed Account Sub-Total</b>	<b>137,966,000.00</b>	<b>129,344,861.09</b>	<b>100.00%</b>
Accrued Interest		583,183.81	
<b>Total Portfolio</b>	<b>137,966,000.00</b>	<b>129,928,044.90</b>	

**Unsettled Trades** **0.00** **0.00**

**Sector Allocation**



**Maturity Distribution**



**Characteristics**

Yield to Maturity at Cost	2.21%
Yield to Maturity at Market	4.39%
Weighted Average Days to Maturity	960

**Managed Account Issuer Summary**

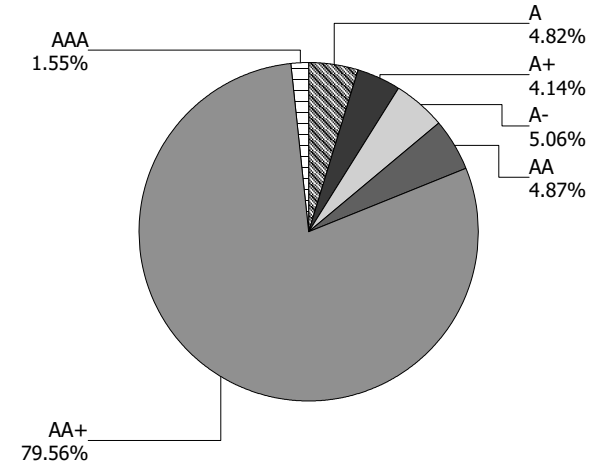
For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

**Issuer Summary**

<b>Issuer</b>	<b>Market Value of Holdings</b>	<b>Percent</b>
AMAZON.COM INC	1,919,772.90	1.48
APPLE INC	5,917,608.00	4.58
BANK OF AMERICA CO	1,916,300.96	1.48
BERKSHIRE HATHAWAY INC	3,116,190.00	2.41
JP MORGAN CHASE & CO	4,630,788.49	3.58
MICROSOFT CORP	2,004,705.23	1.55
TARGET CORP	1,247,197.88	0.96
THE BANK OF NEW YORK MELLON CORPORATION	4,993,290.00	3.86
TOYOTA MOTOR CORP	5,351,879.50	4.14
UNITED STATES TREASURY	96,980,475.73	74.98
WAL-MART STORES INC	1,266,652.40	0.98
<b>Total</b>	<b>\$129,344,861.09</b>	<b>100.00%</b>

**Credit Quality (S&P Ratings)**



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

<b>Security Type/Description</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY N/B NOTES DTD 08/31/2021 0.125% 08/31/2023	91282CCU3	7,000,000.00	AA+	Aaa	08/31/21	09/01/21	6,988,789.06	0.21	2,973.07	6,996,278.40	6,788,906.60
US TREASURY N/B NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	3,025,000.00	AA+	Aaa	02/07/22	02/08/22	2,999,831.05	1.30	11,076.60	3,011,230.28	2,901,636.87
US TREASURY N/B NOTES DTD 03/31/2022 2.250% 03/31/2024	91282CEG2	3,000,000.00	AA+	Aaa	04/01/22	04/04/22	2,989,101.56	2.44	17,245.88	2,993,179.11	2,910,468.60
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	AA+	Aaa	04/13/22	04/18/22	1,479,947.27	2.41	180.98	1,502,854.25	1,454,820.39
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	3,075,000.00	AA+	Aaa	02/07/22	02/08/22	2,997,884.77	1.43	5,326.94	3,026,281.93	2,879,929.69
US TREASURY N/B NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	3,030,000.00	AA+	Aaa	02/07/22	02/08/22	2,994,492.19	1.54	15,746.94	3,005,323.40	2,834,470.46
US TREASURY N/B NOTES DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	5,100,000.00	AA+	Aaa	05/04/22	05/05/22	4,896,398.44	3.01	28,895.38	4,944,646.20	4,798,781.25
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	91282ZF0	3,200,000.00	AA+	Aaa	04/01/22	04/04/22	3,005,750.00	2.62	4,087.91	3,054,134.62	2,938,000.00
US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025	9128284M9	3,125,000.00	AA+	Aaa	05/03/22	05/04/22	3,120,361.33	2.93	15,387.60	3,121,389.31	3,023,437.50
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,145,000.00	AA+	Aaa	02/07/22	02/08/22	2,998,560.94	1.63	3,290.29	3,036,295.83	2,837,379.69
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,075,000.00	AA+	Aaa	07/06/22	07/07/22	990,175.78	2.89	913.16	1,003,293.69	966,324.16
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,685,000.00	AA+	Aaa	03/08/22	03/09/22	1,596,603.32	1.81	1,431.32	1,617,328.90	1,514,656.95
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	3,425,000.00	AA+	Aaa	05/03/22	05/04/22	3,125,580.08	2.97	2,187.67	3,183,780.58	3,074,472.49
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,600,000.00	AA+	Aaa	04/13/22	04/18/22	1,477,187.50	2.61	527.47	1,501,155.45	1,431,000.00



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,160,000.00	AA+	Aaa	02/07/22	02/08/22	2,998,420.31	1.71	4,958.97	3,034,784.08	2,810,425.00
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,225,000.00	AA+	Aaa	04/01/22	04/04/22	2,995,848.63	2.64	6,179.77	3,038,627.75	2,890,406.25
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,405,000.00	AA+	Aaa	05/03/22	05/04/22	3,126,614.65	2.98	6,524.69	3,173,825.06	3,051,731.25
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,225,000.00	AA+	Aaa	02/17/22	02/18/22	1,170,162.11	1.86	1,573.55	1,181,509.11	1,094,843.75
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,665,000.00	AA+	Aaa	03/08/22	03/09/22	1,592,546.48	1.82	1,097.80	1,606,530.38	1,484,711.80
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	6,760,000.00	AA+	Aaa	06/06/22	06/08/22	6,195,434.38	2.99	4,457.15	6,275,864.58	6,028,019.09
US TREASURY N/B NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	3,420,000.00	AA+	Aaa	05/03/22	05/04/22	3,122,353.13	3.00	7,645.67	3,167,092.60	3,036,318.75
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	AA+	Aaa	06/06/22	06/08/22	6,181,669.92	3.01	16,748.62	6,215,935.39	5,961,211.26
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,300,000.00	AA+	Aaa	07/05/22	07/07/22	5,162,945.31	2.85	45,042.80	5,177,432.09	4,929,000.00
US TREASURY N/B NOTES DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	AA+	Aaa	08/03/22	08/05/22	5,161,406.25	2.92	4,945.44	5,214,283.91	4,971,011.43
US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	AA+	Aaa	06/10/22	06/13/22	5,966,826.56	3.28	19,179.77	5,995,285.68	5,796,262.50
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	AA+	Aaa	08/09/22	08/10/22	2,440,410.16	2.99	37.98	2,465,385.47	2,351,679.55
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	AA+	Aaa	09/01/22	09/06/22	2,436,580.86	3.40	21,841.51	2,445,233.88	2,376,848.57
US TREASURY N/B NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	3,920,000.00	AA+	Aaa	11/01/22	11/03/22	3,894,428.13	4.27	41,313.46	3,895,270.06	3,933,475.00

**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>												
US TREASURY N/B NOTES DTD 10/31/2022 4.125% 10/31/2027		91282CFU0	5,890,000.00	AA+	Aaa	12/13/22	12/14/22	6,019,303.91	3.63	41,612.36	6,017,997.81	5,910,246.88
<b>Security Type Sub-Total</b>			<b>104,770,000.00</b>					<b>100,125,614.08</b>	<b>2.58</b>	<b>332,430.75</b>	<b>100,902,229.80</b>	<b>96,980,475.73</b>
<b>Corporate Note</b>												
JPMORGAN CHASE & CO CORP NOTES DTD 01/25/2013 3.200% 01/25/2023		46625HJH4	1,962,000.00	A-	A1	02/09/21	02/10/21	2,073,520.08	0.29	27,206.40	1,965,748.57	1,959,945.79
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 01/29/2018 2.950% 01/29/2023		06406RAE7	5,000,000.00	A	A1	07/17/20	07/17/20	5,304,250.00	0.53	62,277.78	5,000,000.00	4,993,290.00
BERKSHIRE HATHAWAY INC GLOBAL NT DTD 02/11/2013 3.000% 02/11/2023		084670BJ6	3,124,000.00	AA	Aa2	06/25/20	06/25/20	3,332,527.00	0.44	36,446.67	3,132,896.57	3,116,190.00
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023		037833DV9	6,000,000.00	AA+	Aaa	07/14/20	07/15/20	6,069,180.00	0.34	6,250.00	6,008,731.46	5,917,608.00
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2020 0.500% 08/14/2023		89236THF5	5,500,000.00	A+	A1	04/08/21	04/12/21	5,505,500.00	0.46	10,465.28	5,501,449.06	5,351,879.50
JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024		46625HJT8	2,700,000.00	A-	A1	05/20/21	05/24/21	2,944,944.00	0.47	43,593.75	2,798,675.30	2,670,842.70
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025		023135CE4	1,990,000.00	AA	A1	04/11/22	04/13/22	1,986,835.90	3.06	12,935.00	1,987,595.17	1,919,772.90
WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025		931142ED1	1,300,000.00	AA	Aa2	02/07/22	02/09/22	1,372,527.00	1.84	640.97	1,352,353.11	1,266,652.40
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027		87612EBM7	1,375,000.00	A	A2	02/07/22	02/09/22	1,366,915.00	2.08	12,363.54	1,368,378.47	1,247,197.88
MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027		594918BY9	2,075,000.00	AAA	Aaa	12/14/22	12/16/22	2,015,634.25	4.06	27,580.21	2,016,262.04	2,004,705.23

**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>												
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027		06051GJQ3	2,170,000.00	A-	A2	04/13/22	04/18/22	2,000,761.70	3.40	10,993.46	2,025,181.99	1,916,300.96
<b>Security Type Sub-Total</b>			<b>33,196,000.00</b>					<b>33,972,594.93</b>	<b>1.10</b>	<b>250,753.06</b>	<b>33,157,271.74</b>	<b>32,364,385.36</b>
<b>Managed Account Sub-Total</b>			<b>137,966,000.00</b>					<b>134,098,209.01</b>	<b>2.21</b>	<b>583,183.81</b>	<b>134,059,501.54</b>	<b>129,344,861.09</b>
<b>Securities Sub-Total</b>			<b>\$137,966,000.00</b>					<b>\$134,098,209.01</b>	<b>2.21%</b>	<b>\$583,183.81</b>	<b>\$134,059,501.54</b>	<b>\$129,344,861.09</b>
<b>Accrued Interest</b>												<b>\$583,183.81</b>
<b>Total Investments</b>												<b>\$129,928,044.90</b>

**Managed Account Fair Market Value & Analytics**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

<b>Security Type/Description</b>	<b>CUSIP</b>	<b>Par</b>	<b>Broker</b>	<b>Next Call Date</b>	<b>Market Price</b>	<b>Market Value</b>	<b>Unreal G/L On Cost</b>	<b>Unreal G/L Amort Cost</b>	<b>Effective Duration</b>	<b>YTM at Mkt</b>
<b>U.S. Treasury Bond / Note</b>										
US TREASURY N/B NOTES DTD 08/31/2021 0.125% 08/31/2023	91282CCU3	7,000,000.00	DIRECT		96.98	6,788,906.60	(199,882.46)	(207,371.80)	0.67	4.80
US TREASURY N/B NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	3,025,000.00	CITIGRP		95.92	2,901,636.87	(98,194.18)	(109,593.41)	1.08	4.78
US TREASURY N/B NOTES DTD 03/31/2022 2.250% 03/31/2024	91282CEG2	3,000,000.00	BNP_PAR		97.02	2,910,468.60	(78,632.96)	(82,710.51)	1.23	4.74
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	BNP_PAR		93.86	1,454,820.39	(25,126.88)	(48,033.86)	1.46	4.66
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	3,075,000.00	CITIGRP		93.66	2,879,929.69	(117,955.08)	(146,352.24)	1.54	4.69
US TREASURY N/B NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	3,030,000.00	BARCLAY		93.55	2,834,470.46	(160,021.73)	(170,852.94)	2.01	4.47
US TREASURY N/B NOTES DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	5,100,000.00	HSBC		94.09	4,798,781.25	(97,617.19)	(145,864.95)	2.09	4.44
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,200,000.00	BNP_PAR		91.81	2,938,000.00	(67,750.00)	(116,134.62)	2.24	4.36
US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025	9128284M9	3,125,000.00	BNP_PAR		96.75	3,023,437.50	(96,923.83)	(97,951.81)	2.26	4.35
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,145,000.00	BNP_PAR		90.22	2,837,379.69	(161,181.25)	(198,916.14)	2.58	4.29
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,075,000.00	RBC		89.89	966,324.16	(23,851.62)	(36,969.53)	2.66	4.31
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,685,000.00	NOMURA		89.89	1,514,656.95	(81,946.37)	(102,671.95)	2.66	4.31
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	3,425,000.00	BNP_PAR		89.77	3,074,472.49	(51,107.59)	(109,308.09)	2.74	4.24
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,600,000.00	WELLS_F		89.44	1,431,000.00	(46,187.50)	(70,155.45)	2.90	4.27
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,160,000.00	GOLDMAN		88.94	2,810,425.00	(187,995.31)	(224,359.08)	3.07	4.24
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,225,000.00	CITIGRP		89.63	2,890,406.25	(105,442.38)	(148,221.50)	3.21	4.20
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,405,000.00	MORGAN_		89.63	3,051,731.25	(74,883.40)	(122,093.81)	3.21	4.20

**Managed Account Fair Market Value & Analytics**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>Broker</b>	<b>Next Call Date</b>	<b>Market Price</b>	<b>Market Value</b>	<b>Unreal G/L On Cost</b>	<b>Unreal G/L Amort Cost</b>	<b>Effective Duration</b>	<b>YTM at Mkt</b>
<b>U.S. Treasury Bond / Note</b>										
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,225,000.00	CITIGRP		89.38	1,094,843.75	(75,318.36)	(86,665.36)	3.29	4.20
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,665,000.00	BNP_PAR		89.17	1,484,711.80	(107,834.68)	(121,818.58)	3.38	4.19
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	6,760,000.00	CITIGRP		89.17	6,028,019.09	(167,415.29)	(247,845.49)	3.38	4.19
US TREASURY N/B NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	3,420,000.00	NOMURA		88.78	3,036,318.75	(86,034.38)	(130,773.85)	3.68	4.14
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	RBC		92.42	5,961,211.26	(220,458.66)	(254,724.13)	3.73	4.14
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,300,000.00	JPM_CHA		93.00	4,929,000.00	(233,945.31)	(248,432.09)	3.92	4.11
US TREASURY N/B NOTES DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	NOMURA		86.08	4,971,011.43	(190,394.82)	(243,272.48)	4.28	4.04
US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	BARCLAY		93.19	5,796,262.50	(170,564.06)	(199,023.18)	4.16	4.09
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	WELLS_F		85.52	2,351,679.55	(88,730.61)	(113,705.92)	4.44	4.05
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	HSBC		92.48	2,376,848.57	(59,732.29)	(68,385.31)	4.37	4.05
US TREASURY N/B NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	3,920,000.00	MERRILL		100.34	3,933,475.00	39,046.87	38,204.94	4.32	4.04
US TREASURY N/B NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	5,890,000.00	BARCLAY		100.34	5,910,246.88	(109,057.03)	(107,750.93)	4.40	4.04
<b>Security Type Sub-Total</b>		<b>104,770,000.00</b>				<b>96,980,475.73</b>	<b>(3,145,138.35)</b>	<b>(3,921,754.07)</b>	<b>3.01</b>	<b>4.29</b>
<b>Corporate Note</b>										
JPMORGAN CHASE & CO CORP NOTES DTD 01/25/2013 3.200% 01/25/2023	46625HJH4	1,962,000.00	DIRECT		99.90	1,959,945.79	(113,574.29)	(5,802.78)	0.07	4.65
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 01/29/2018 2.950% 01/29/2023	06406RAE7	5,000,000.00	DIRECT		99.87	4,993,290.00	(310,960.00)	(6,710.00)	0.08	4.57

**Managed Account Fair Market Value & Analytics**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

<b>Security Type/Description</b>	<b>CUSIP</b>	<b>Par</b>	<b>Broker</b>	<b>Next Call Date</b>	<b>Market Price</b>	<b>Market Value</b>	<b>Unreal G/L On Cost</b>	<b>Unreal G/L Amort Cost</b>	<b>Effective Duration</b>	<b>YTM at Mkt</b>
<b>Corporate Note</b>										
BERKSHIRE HATHAWAY INC GLOBAL NT DTD 02/11/2013 3.000% 02/11/2023	084670BJ6	3,124,000.00	DIRECT		99.75	3,116,190.00	(216,337.00)	(16,706.57)	0.12	5.15
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	6,000,000.00	DIRECT		98.63	5,917,608.00	(151,572.00)	(91,123.46)	0.37	4.58
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2020 0.500% 08/14/2023	89236THF5	5,500,000.00	DIRECT		97.31	5,351,879.50	(153,620.50)	(149,569.56)	0.62	4.95
JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024	46625HJT8	2,700,000.00	DIRECT		98.92	2,670,842.70	(274,101.30)	(127,832.60)	1.06	4.90
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,990,000.00	JPM_CHA		96.47	1,919,772.90	(67,063.00)	(67,822.27)	2.21	4.64
WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	MORGAN_	04/26/25	97.43	1,266,652.40	(105,874.60)	(85,700.71)	2.25	4.65
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	BARCLAY	12/15/26	90.71	1,247,197.88	(119,717.12)	(121,180.59)	3.78	4.49
MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	GOLDMAN	11/06/26	96.61	2,004,705.23	(10,929.02)	(11,556.81)	3.59	4.21
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027	06051GJO3	2,170,000.00	CITIGRP	03/11/26	88.31	1,916,300.96	(84,460.74)	(108,881.03)	3.10	4.76
<b>Security Type Sub-Total</b>		<b>33,196,000.00</b>				<b>32,364,385.36</b>	<b>(1,608,209.57)</b>	<b>(792,886.38)</b>	<b>1.06</b>	<b>4.72</b>
<b>Managed Account Sub-Total</b>		<b>137,966,000.00</b>				<b>129,344,861.09</b>	<b>(4,753,347.92)</b>	<b>(4,714,640.45)</b>	<b>2.52</b>	<b>4.39</b>
<b>Securities Sub-Total</b>		<b>\$137,966,000.00</b>				<b>\$129,344,861.09</b>	<b>(\$4,753,347.92)</b>	<b>(\$4,714,640.45)</b>	<b>2.52</b>	<b>4.39%</b>
<b>Accrued Interest</b>						<b>\$583,183.81</b>				
<b>Total Investments</b>						<b>\$129,928,044.90</b>				

**Managed Account Security Transactions & Interest**

For the Month Ending **December 31, 2022**

**ZONE 7 WATER AGENCY - 99350000**

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
<b>BUY</b>										
12/13/22	12/14/22	US TREASURY N/B NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	5,890,000.00	(6,019,303.91)	(29,531.35)	(6,048,835.26)			
12/14/22	12/16/22	MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	(2,015,634.25)	(24,727.08)	(2,040,361.33)			
<b>Transaction Type Sub-Total</b>				<b>7,965,000.00</b>	<b>(8,034,938.16)</b>	<b>(54,258.43)</b>	<b>(8,089,196.59)</b>			
<b>INTEREST</b>										
12/01/22	12/01/22	MONEY MARKET FUND	MONEY0002	0.00	0.00	19,207.59	19,207.59			
12/15/22	12/15/22	US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	0.00	1,937.50	1,937.50			
12/21/22	12/21/22	MONEY MARKET FUND	MONEY0002	0.00	0.00	0.90	0.90			
12/22/22	12/22/22	MONEY MARKET FUND	MONEY0002	0.00	0.00	5.27	5.27			
12/26/22	12/26/22	WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	0.00	23,075.00	23,075.00			
12/31/22	12/31/22	US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	0.00	6,875.00	6,875.00			
<b>Transaction Type Sub-Total</b>				<b>5,600,000.00</b>	<b>0.00</b>	<b>51,101.26</b>	<b>51,101.26</b>			
<b>SELL</b>										
12/13/22	12/14/22	US TREASURY N/B NOTES DTD 04/30/2021 0.125% 04/30/2023	91282CBX8	4,000,000.00	3,935,312.50	607.74	3,935,920.24	(61,874.99)	(64,157.49)	FIFO
12/13/22	12/14/22	US TREASURY N/B NOTES DTD 04/30/2021 0.125% 04/30/2023	91282CBX8	4,000,000.00	3,935,312.50	607.74	3,935,920.24	(63,125.00)	(64,390.19)	FIFO
12/14/22	12/16/22	JPMORGAN CHASE & CO CORP NOTES DTD 01/25/2013 3.200% 01/25/2023	46625HJH4	2,025,000.00	2,020,828.50	25,380.00	2,046,208.50	(119,272.50)	(10,619.74)	FIFO
<b>Transaction Type Sub-Total</b>				<b>10,025,000.00</b>	<b>9,891,453.50</b>	<b>26,595.48</b>	<b>9,918,048.98</b>	<b>(244,272.49)</b>	<b>(139,167.42)</b>	
<b>Managed Account Sub-Total</b>					<b>1,856,515.34</b>	<b>23,438.31</b>	<b>1,879,953.65</b>	<b>(244,272.49)</b>	<b>(139,167.42)</b>	
<b>Total Security Transactions</b>					<b>\$1,856,515.34</b>	<b>\$23,438.31</b>	<b>\$1,879,953.65</b>	<b>(\$244,272.49)</b>	<b>(\$139,167.42)</b>	



# ZONE 7 WATER AGENCY

## Investment Performance Review For the Quarter Ended December 31, 2022

### Client Management Team

Monique Spyke, Managing Director  
Joseph Creason, Portfolio Manager  
Jeremy King, Key Account Manager

### PFM Asset Management LLC

1 California Street Ste. 1000  
San Francisco, CA 94111-5411  
415-393-7270

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

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# Market Update

## The Year in Review

Beginning in March, the Fed hiked rates by 425 basis points in 2022

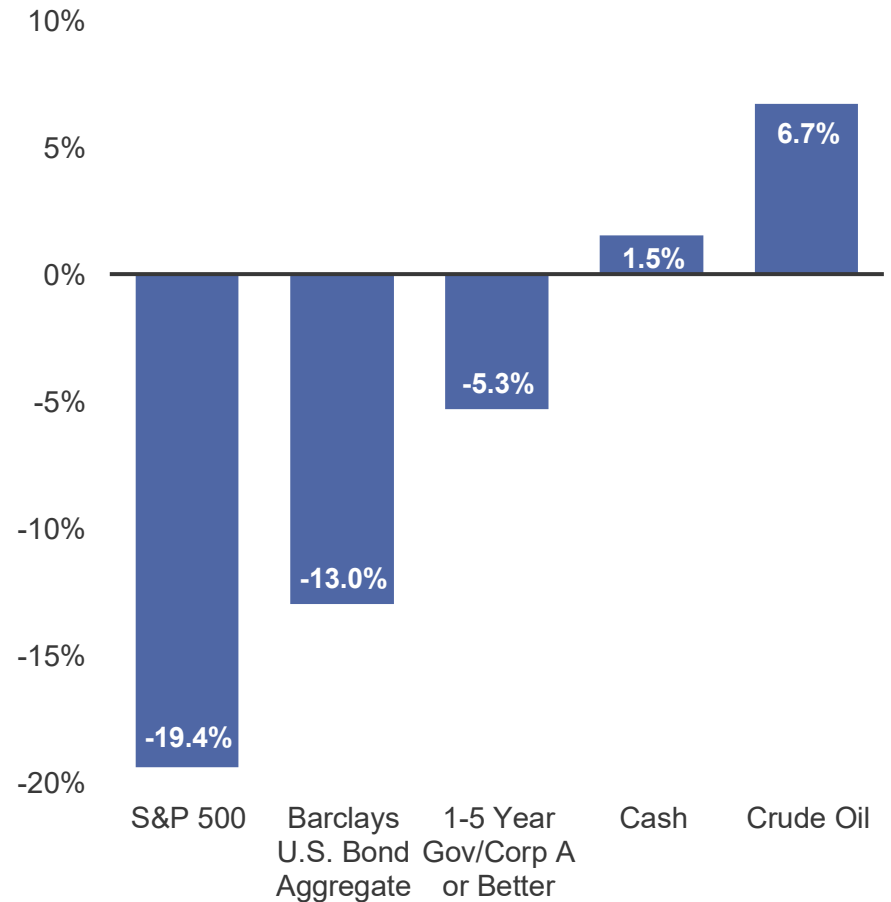
- The 2-year treasury yield rose just 370 bps through 2022

2022 saw an uncommon phenomenon of both stocks and bonds posting negative returns

Consumer spending remained resilient despite price pressures and extended credit levels

Energy prices surged due to uncertainty, geopolitical conflict (war in Ukraine), and storage challenges

### 2022 Asset Class Returns



Source: Bloomberg, as of 12/31/2022.

## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ High inflation that shows signs of slowing
  - ▶ Continued strong labor market
  - ▶ Potentially declining health of U.S. household finances
  - ▶ Expectations for a modest yet broad economic downturn

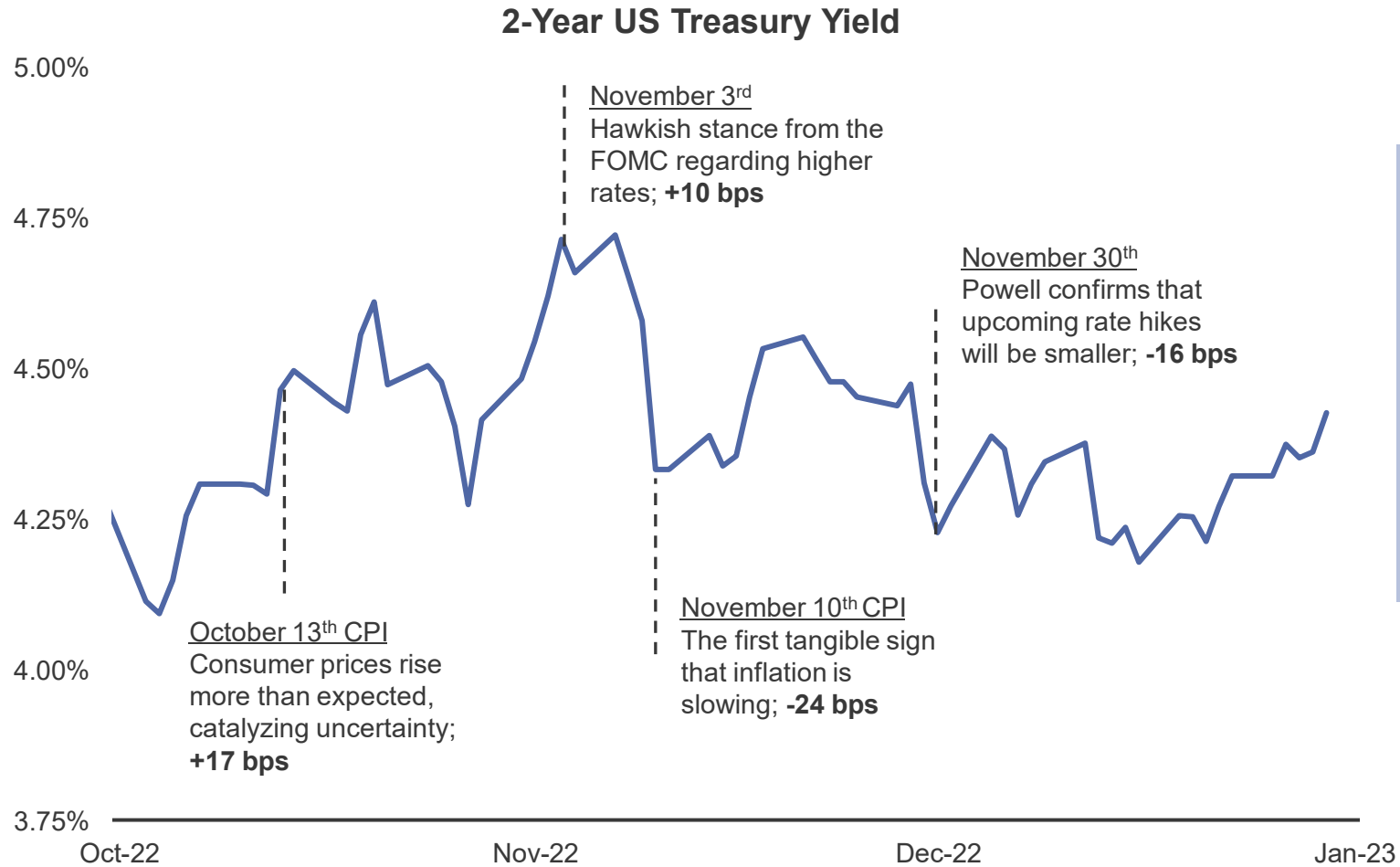


- ▶ The Federal Reserve is expected to wrap up their normalization process
  - ▶ Slowing pace of rate hikes
  - ▶ Fed projecting short-term fed funds rate to reach 5.00% to 5.25% by year-end, with markets expecting rate cuts in the second half of 2023
  - ▶ Fed officials reaffirm that restoring price stability is the utmost priority, despite risks of overtightening



- ▶ Volatile markets potentially calming
  - ▶ Treasury yields in the belly of the curve (3-7 years) ended the quarter slightly lower, while shorter and longer maturities ended higher
  - ▶ Yield curve inversion has deepened further since last quarter
  - ▶ While still elevated, volatility and liquidity challenges have begun subsiding

## Rates Remain Sensitive to Fed and Inflation

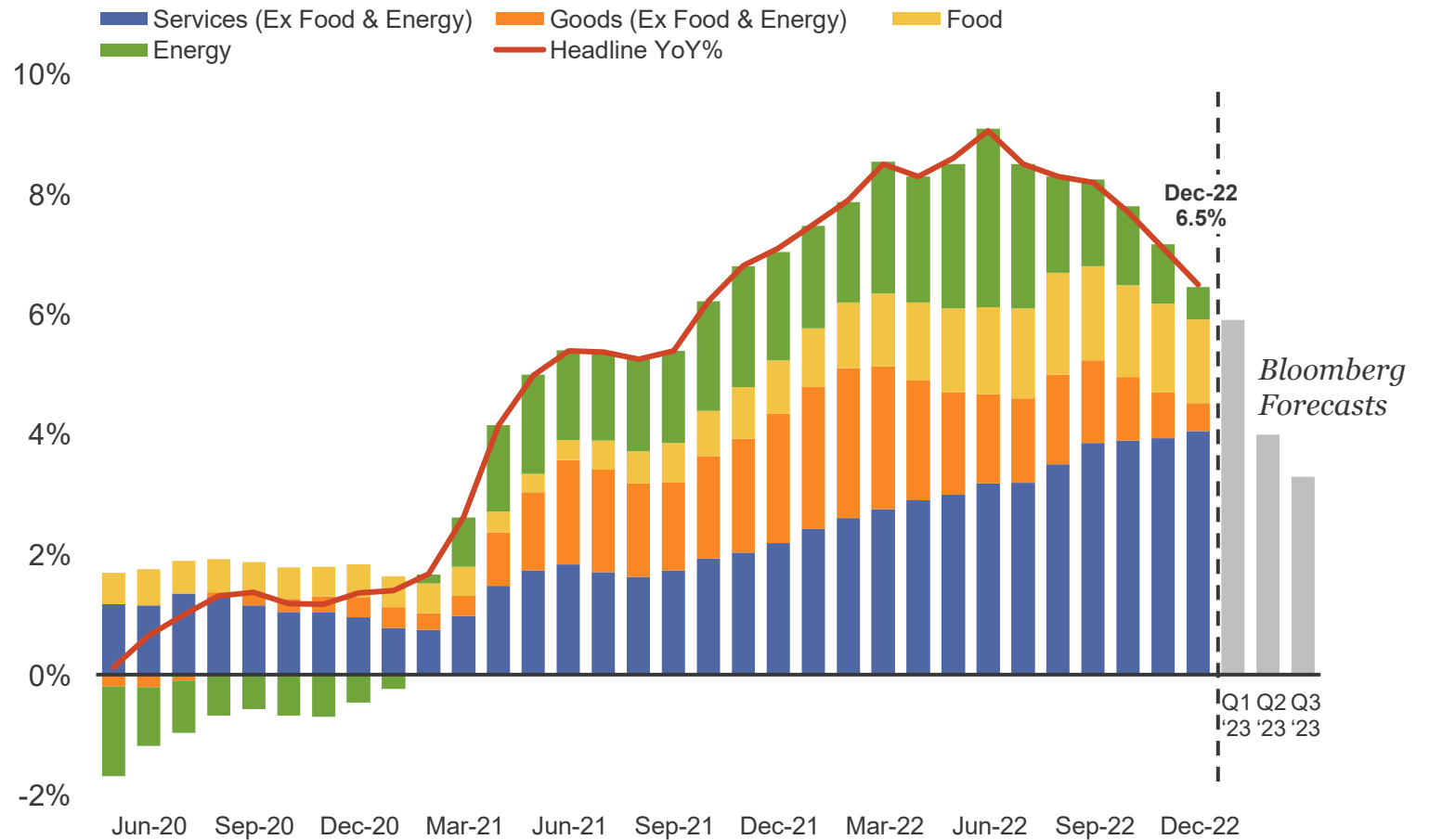



The 2-year Treasury is commonly used to gauge market reactions and near-term policy expectations

Source: Bloomberg, as of 12/31/2022.

## Inflation Now Trending Lower

### Consumer Prices (CPI) Top-Line Contributions and Year-over-Year Reading

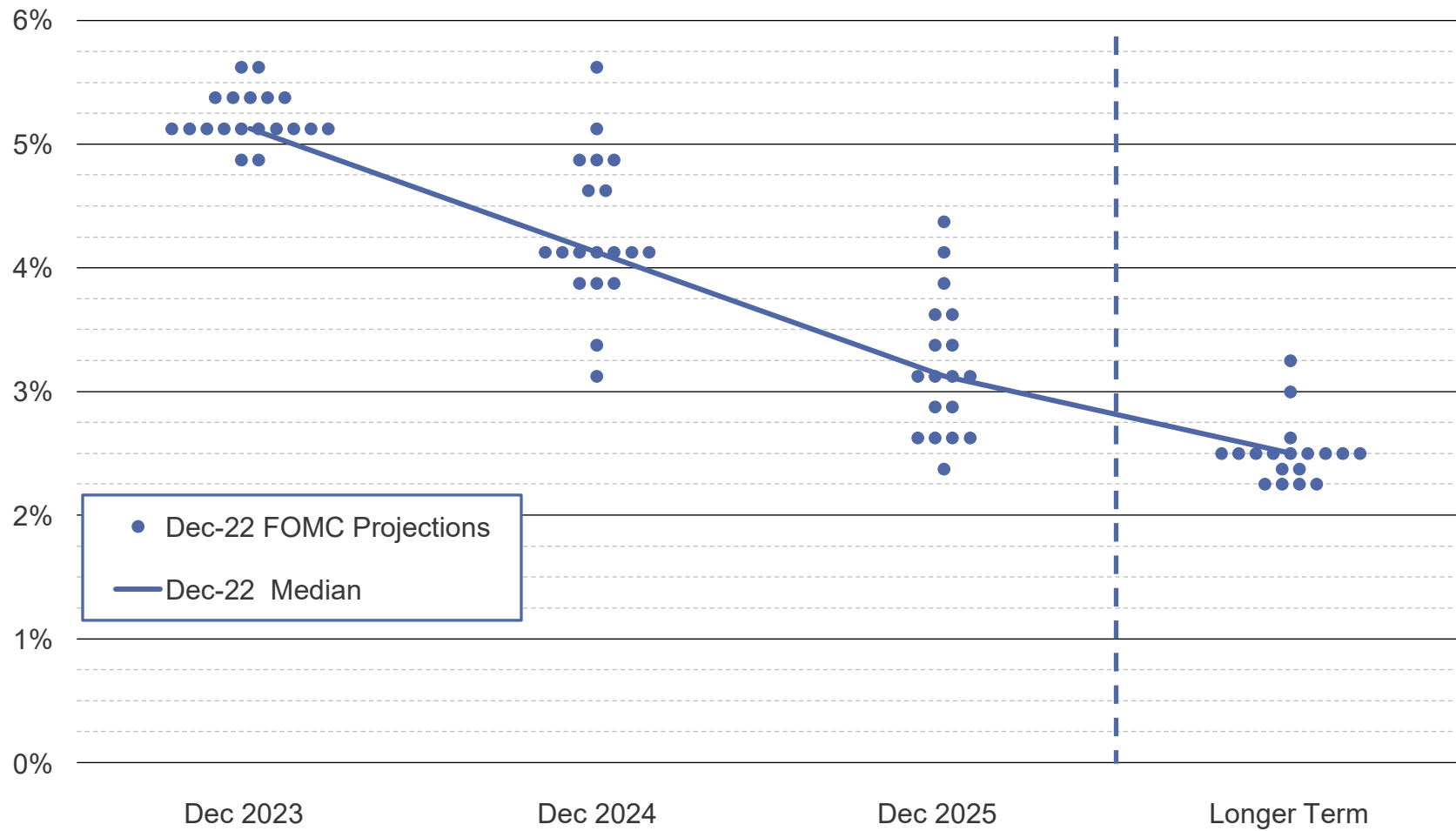


Lower energy and goods prices help to offset increases in wage-driven services costs

Source: Bloomberg, as of December 2022.

## Fed's "Dot Plot" Suggests Expectations for a Drawn Out Normalization of Policy

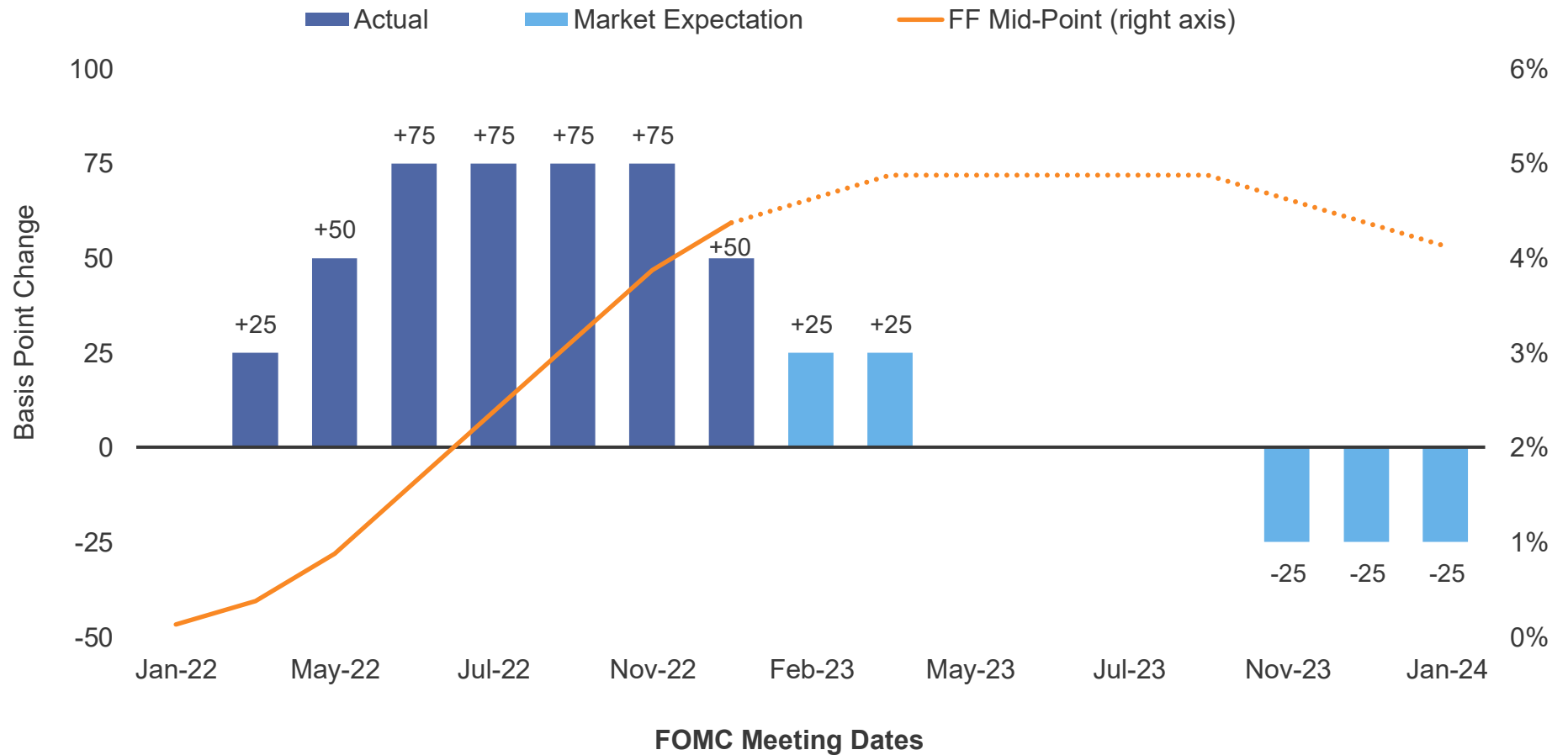
### Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

## What Could the Fed's Pivot Look Like?

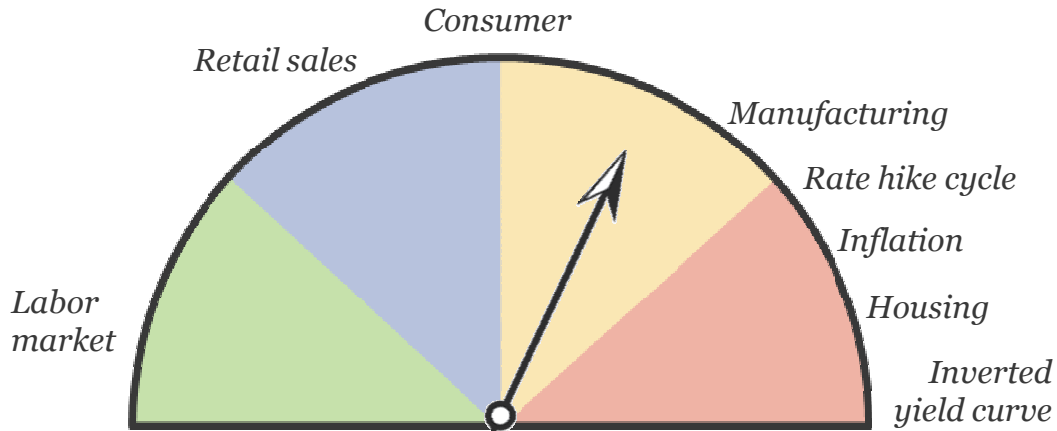
### Changes to the Target Fed Funds Rate



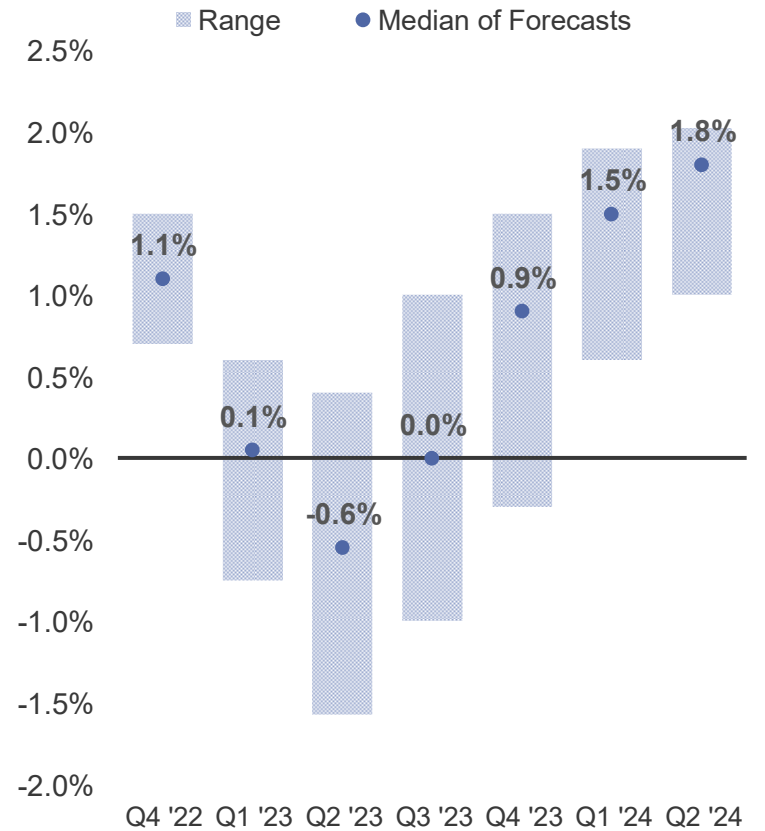
Source: Bloomberg WIRP Interest Rate Probability as of 1/9/2023.

## Recession Gauge Flashing Yellow, but GDP Expected to Grow by End of Year

**Recession Risk**



**U.S. GDP Forecasts**  
Annualized Rate

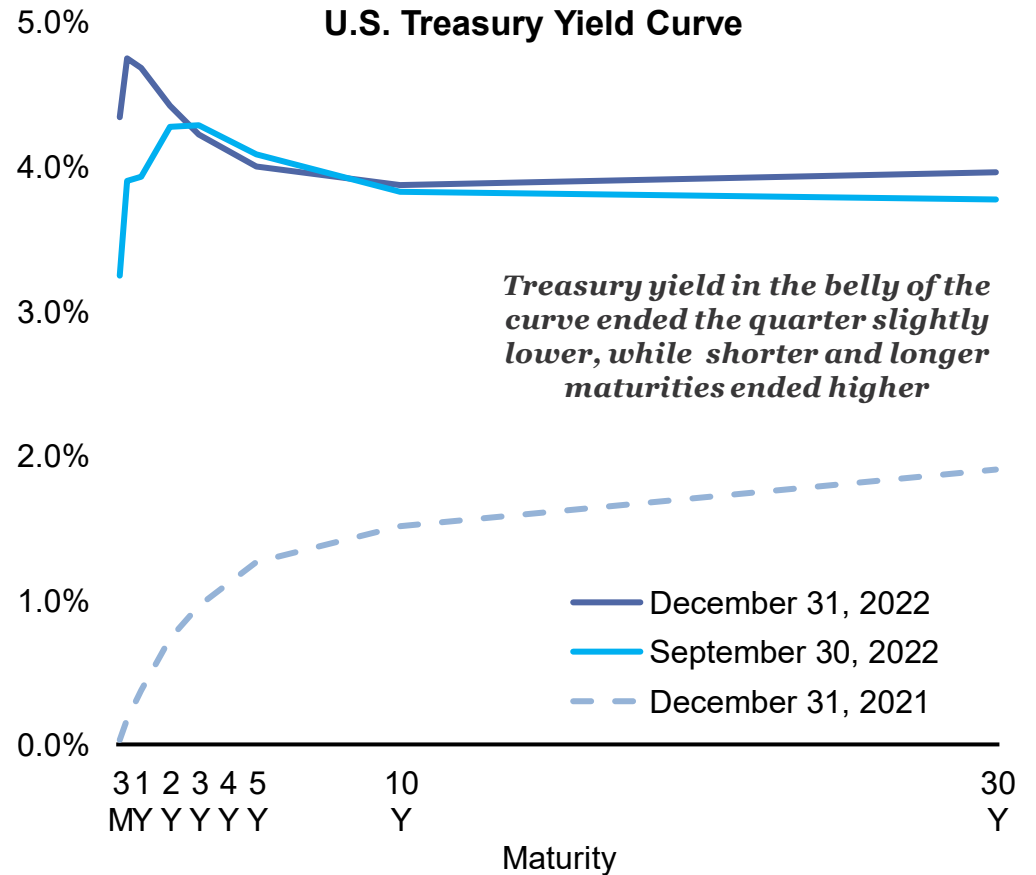


Source: Bloomberg, Economist Forecasts. Recession risk based on most recent economic data as of 1/9/2023.



### Yield Curve Inversion Deepens

	4Q2022 12/31/22	3Q2022 09/30/22	QoQ Change
3-month	4.34%	3.25%	+1.10%
1-year	4.69%	3.93%	+0.75%
2-year	4.43%	4.28%	+0.15%
3-year	4.22%	4.29%	-0.06%
5-year	4.00%	4.09%	-0.09%
10-year	3.87%	3.83%	+0.05%
30-year	3.96%	3.78%	+0.19%

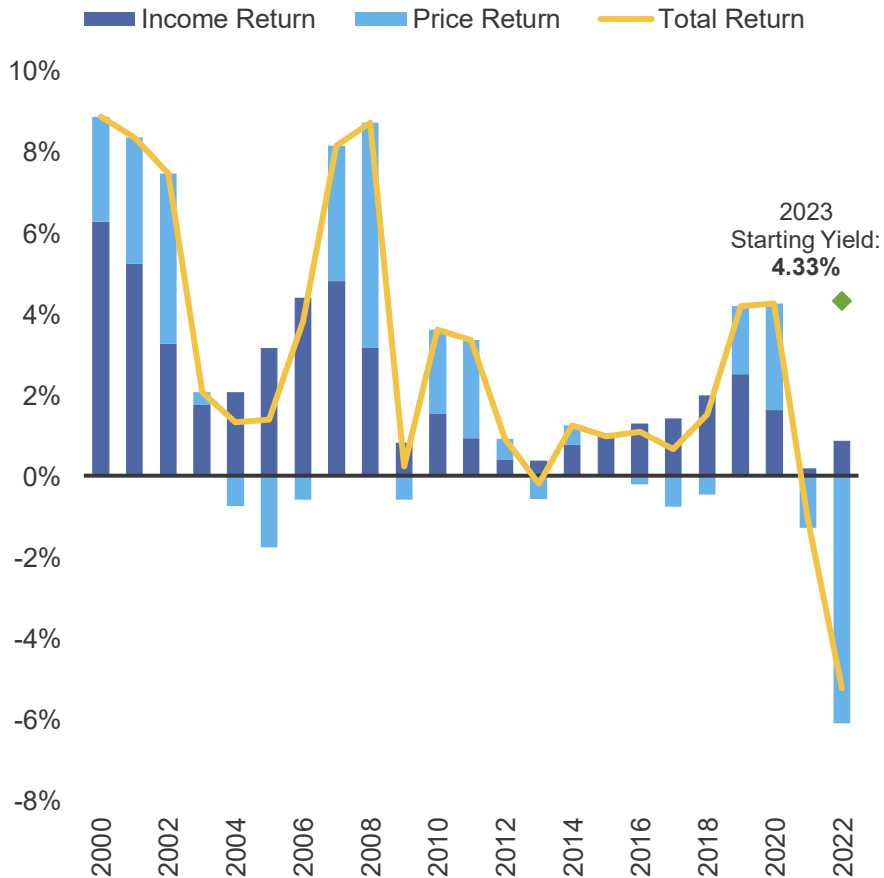


Source: Bloomberg, as of December 2022.

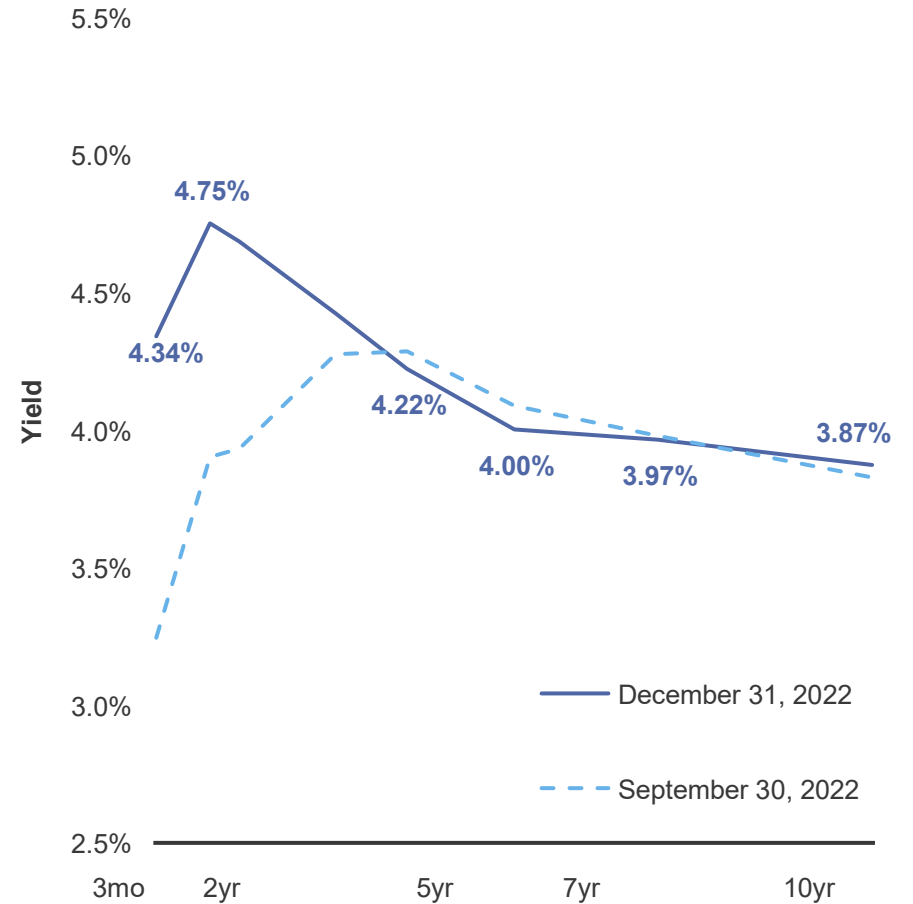
## Higher Yields Can Offset Some of the Price Depreciation Woes

### Annual Price & Income Returns

1-5 Year Treasury Index



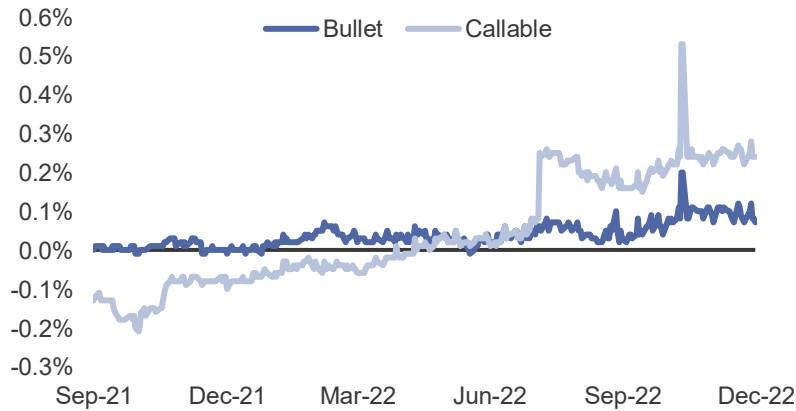
### U.S. Treasury Yield Curve



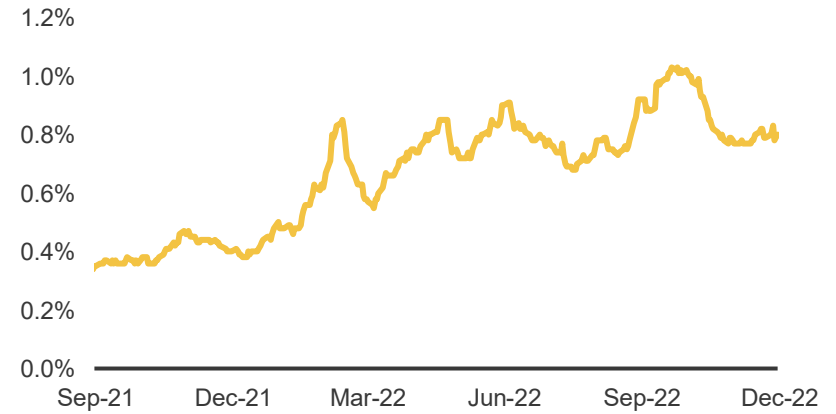
Source: ICE BofAML Indices via Bloomberg, as of 12/31/2022. PFMAM Calculations. Income return represents the yield of the benchmark index, as of the end of the prior calendar year, respective to the year of performance shown.

## Sector Yield Spreads

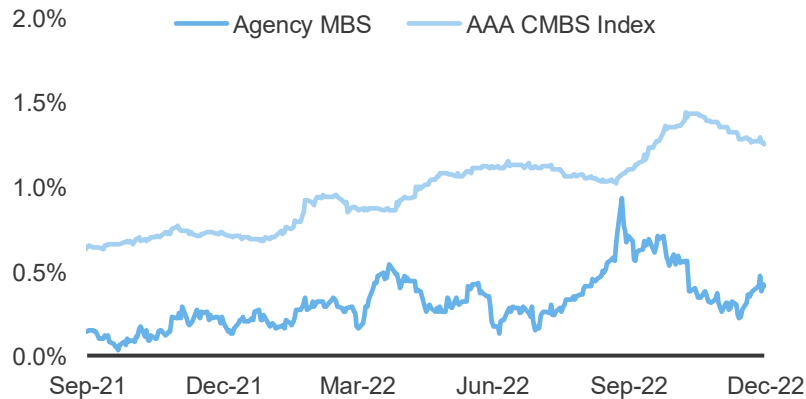
### Federal Agency Yield Spreads



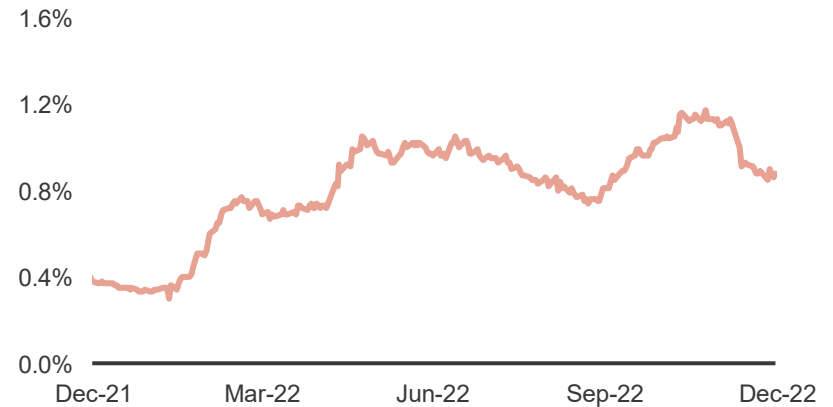
### Corporate Notes A-AAA Yield Spreads



### Mortgage-Backed Securities Yield Spreads

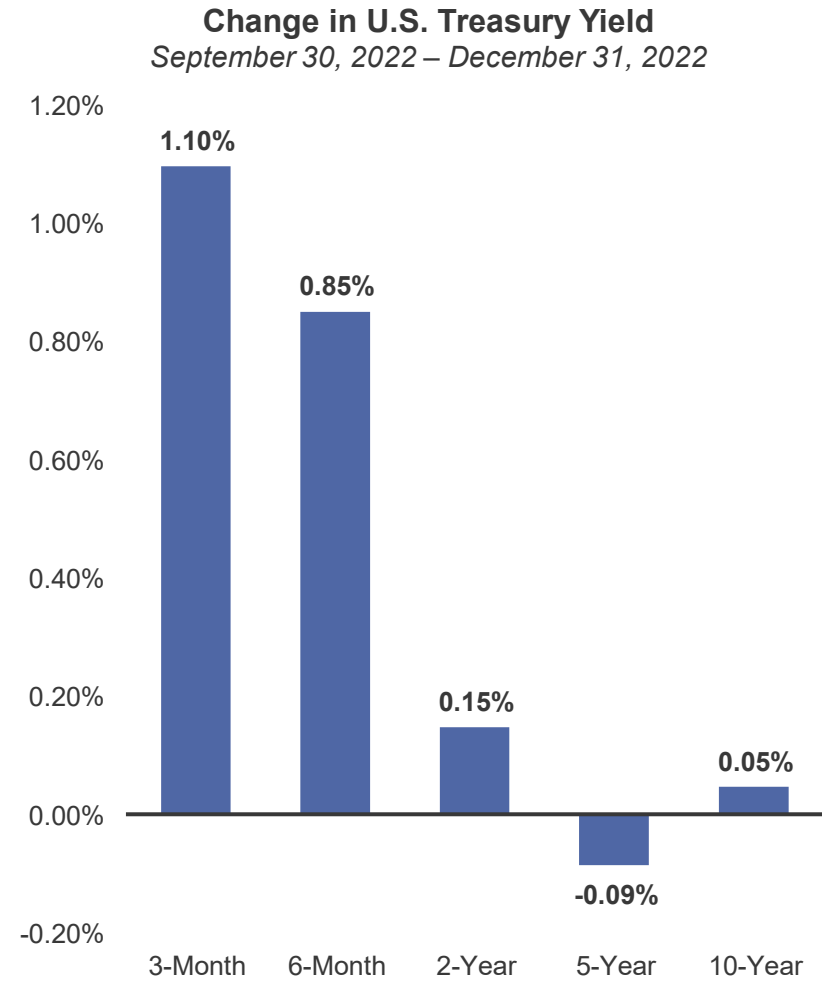
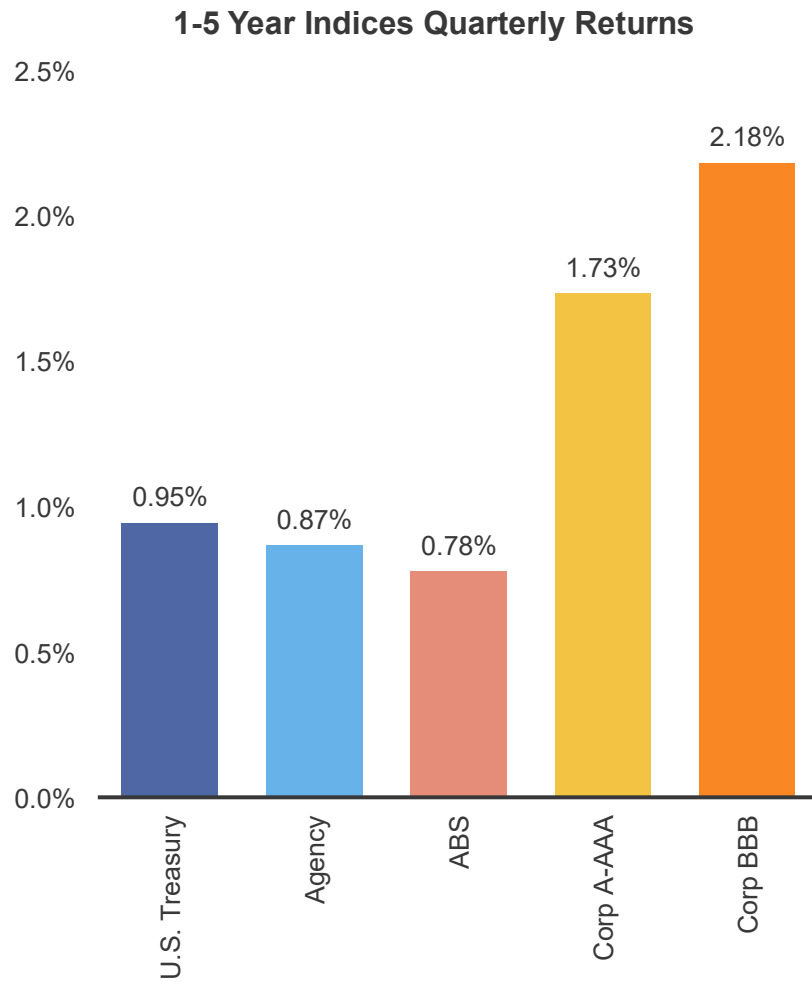


### Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of 12/31/2022. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

## Fixed-Income Markets in Q4 2022



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 12/31/2022.  
 Right Chart: Generic US Treasury securities via Bloomberg, change in yield from 9/30/2022 to 12/31/2022.

## Fixed-Income Sector Commentary – 4Q 2022

- ▶ **U.S. Treasury** yields settled into a wide range after surging for the first three quarters of the year. The result of more stable yields was generally positive returns for the quarter.
- ▶ **Federal agency** bullet spreads finally broke single digits and climbed to the widest levels in the past 12 months for certain maturities. Callable structures were attractive early in the quarter as new issues came to market at wide levels on the heels of historically high bond volatility.
- ▶ **Supranational** issuance fell notably short of expectations in Q4 limiting new investment opportunities. Liquidity was better than that of federal agencies, which provided some ability to swap into other sectors which were more attractive.
- ▶ **Investment-Grade Corporate** yield spreads fluctuated in Q4 underscoring the historic levels of volatility experienced throughout the year. After reaching post-pandemic wides in late October, credit spreads reversed, ending the quarter modestly tighter. The sector generated strong excess returns in Q4 and buoyed portfolio returns relative to benchmarks.
- ▶ **Asset-Backed** yield spreads lagged the narrowing move in the corporate sector for much of Q4 but rallied into year end, ending the quarter only modestly wider than where they began. ABS and IG corporate spreads diverged markedly in November, growing to the widest margin since 2020 and leading to a year-end rally which brought performance just shy of matched-duration U.S. Treasuries.
- ▶ **Mortgage-Backed Securities** reversed course in Q4 after the dreadful negative returns for the first three quarters of 2022. Although still negative for the year, excess returns on MBS were near top-of-class amongst investment-grade options in Q4.
- ▶ **Taxable Municipal** issuance remained underwhelming as deals were heavily oversubscribed, dragging spreads lower, while secondary inventory at attractive levels was sparse.
- ▶ The **short-term credit** (commercial paper and CDs) yield curve was notably steep throughout the quarter as the market priced the expectation for further Fed rate increases. The aggressive pace of those rate hikes created valuable opportunities in floating-rate securities.

### Fixed-Income Sector Outlook – 1Q 2023

Sector	Our Investment Preferences
<b>COMMERCIAL PAPER / CD</b>	
<b>TREASURIES</b>	
<b>T-Bill</b>	
<b>T-Note</b>	
<b>FEDERAL AGENCIES</b>	
<b>Bullets</b>	
<b>Callables</b>	
<b>SUPRANATIONALS</b>	
<b>CORPORATES</b>	
<b>Financials</b>	
<b>Industrials</b>	
<b>SECURITIZED</b>	
<b>Asset-Backed</b>	
<b>Agency Mortgage-Backed</b>	
<b>Agency CMBS</b>	
<b>MUNICIPALS</b>	

● Current outlook

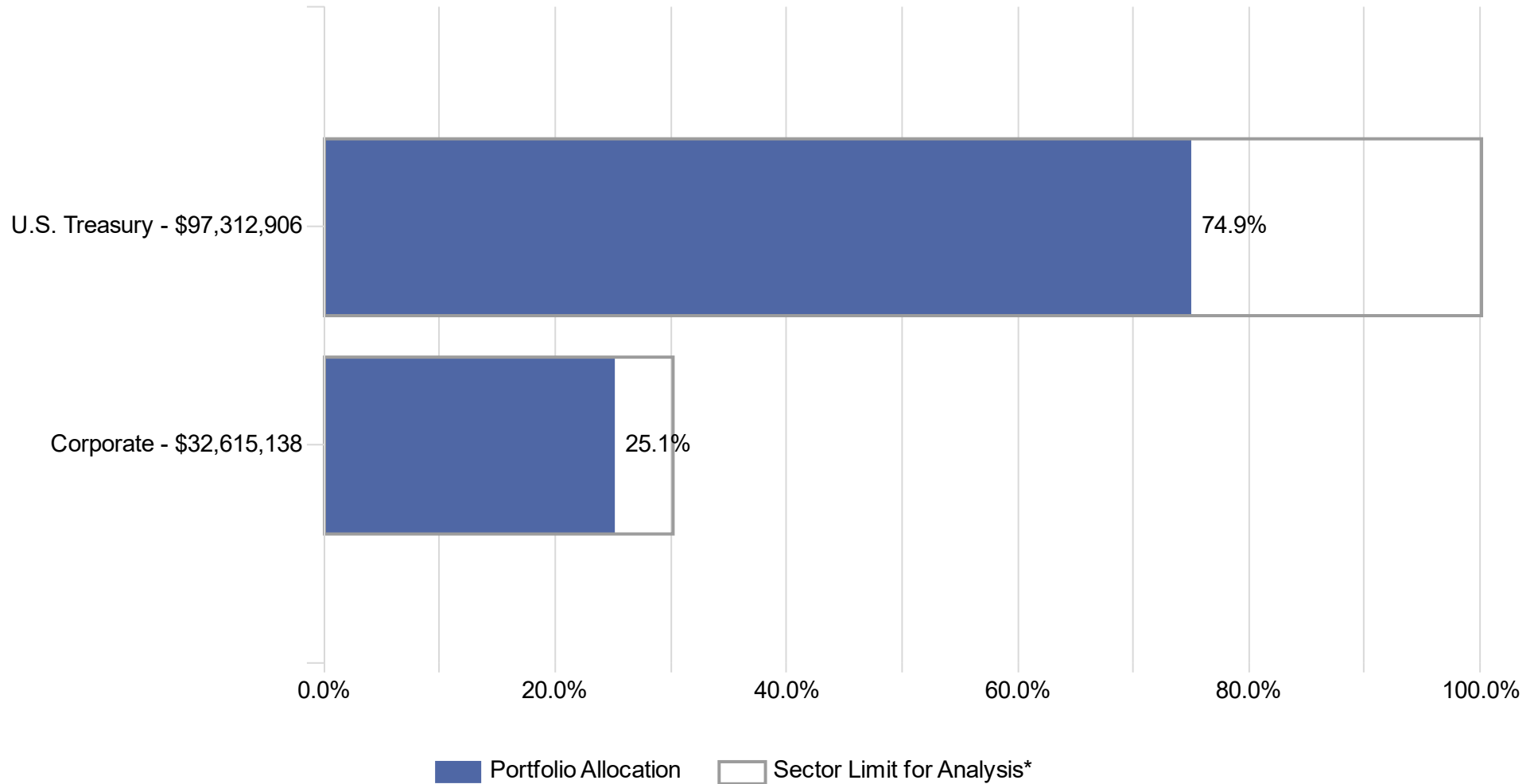
○ Outlook one quarter ago



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# Account Summary

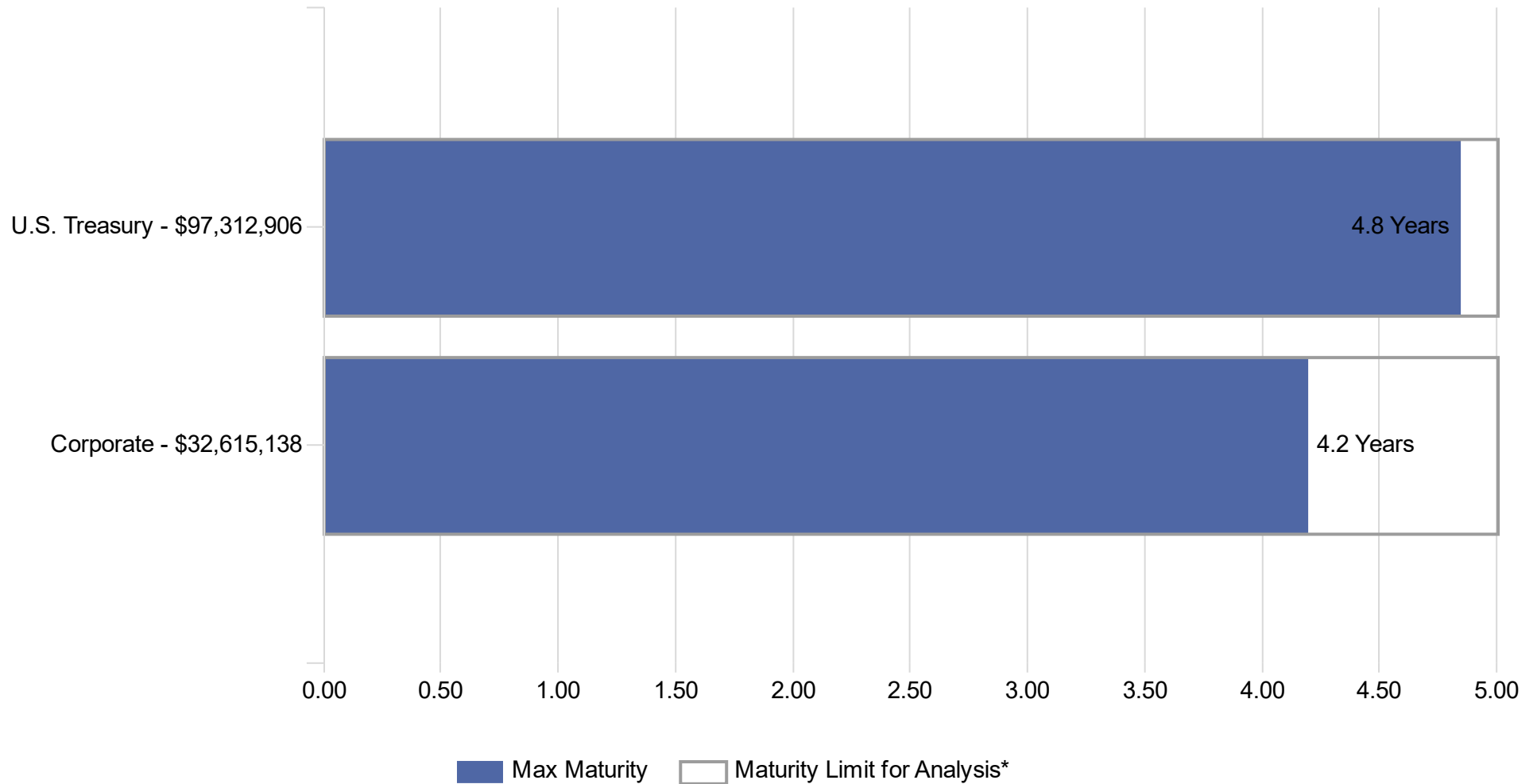
### Sector Allocation Analytics



*For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.  
\*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*



### Max Maturity Analytics



*For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest and excludes balances invested in overnight funds.*

*\*Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.*

*Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.*

## Certificate of Compliance

During the reporting period for the quarter ended December 31, 2022, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").*

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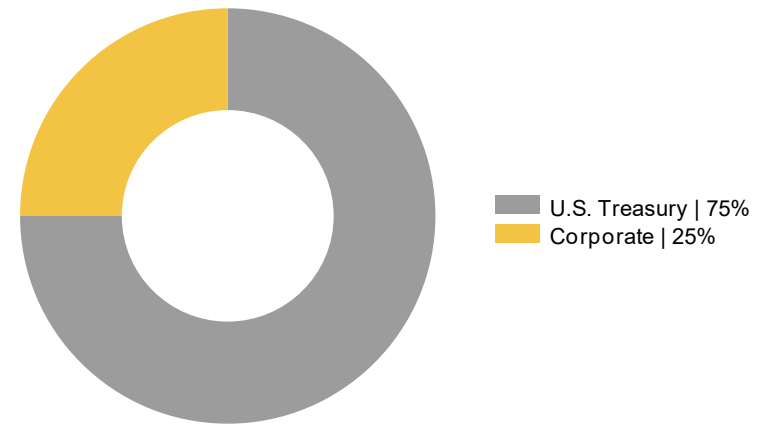
Portfolio Review:  
ZONE 7 WATER AGENCY

## Portfolio Snapshot - ZONE 7 WATER AGENCY<sup>1</sup>

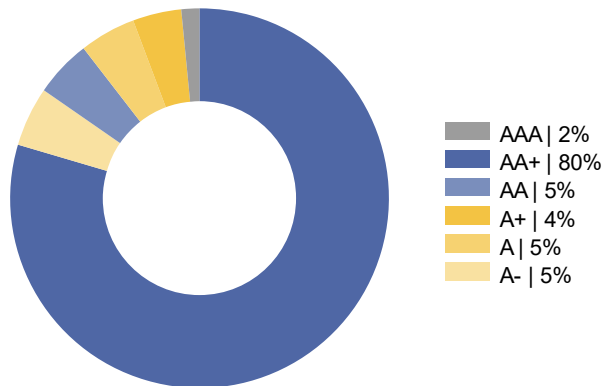
### Portfolio Statistics

<b>Total Market Value</b>	\$134,972,493.55
Securities Sub-Total	\$129,344,861.09
Accrued Interest	\$583,183.81
Cash	\$5,044,448.65
<b>Portfolio Effective Duration</b>	2.52 years
<b>Benchmark Effective Duration</b>	2.48 years
<b>Yield At Cost</b>	2.21%
<b>Yield At Market</b>	4.39%
<b>Portfolio Credit Quality</b>	AA

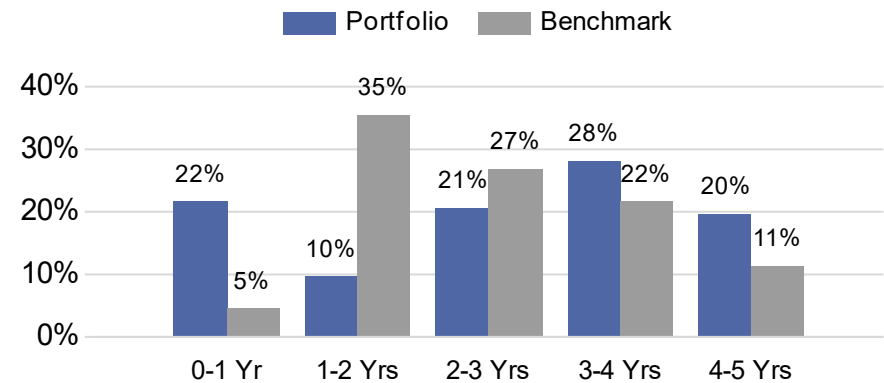
### Sector Allocation



### Credit Quality - S&P



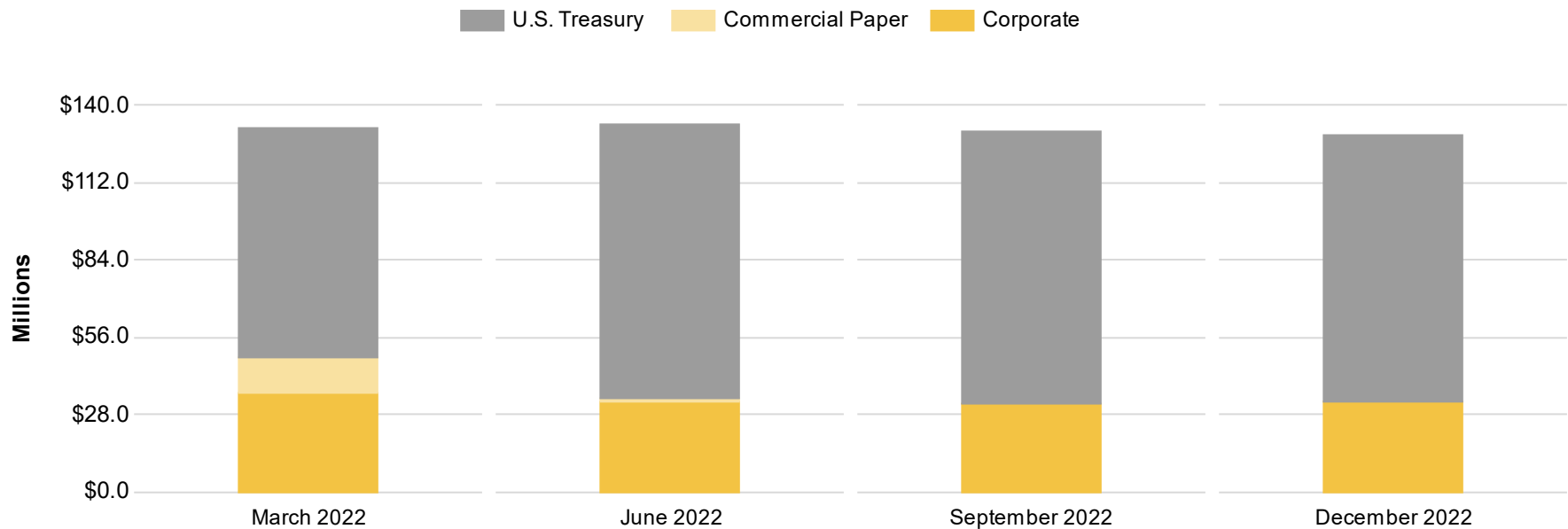
### Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

### Sector Allocation Review - ZONE 7 WATER AGENCY

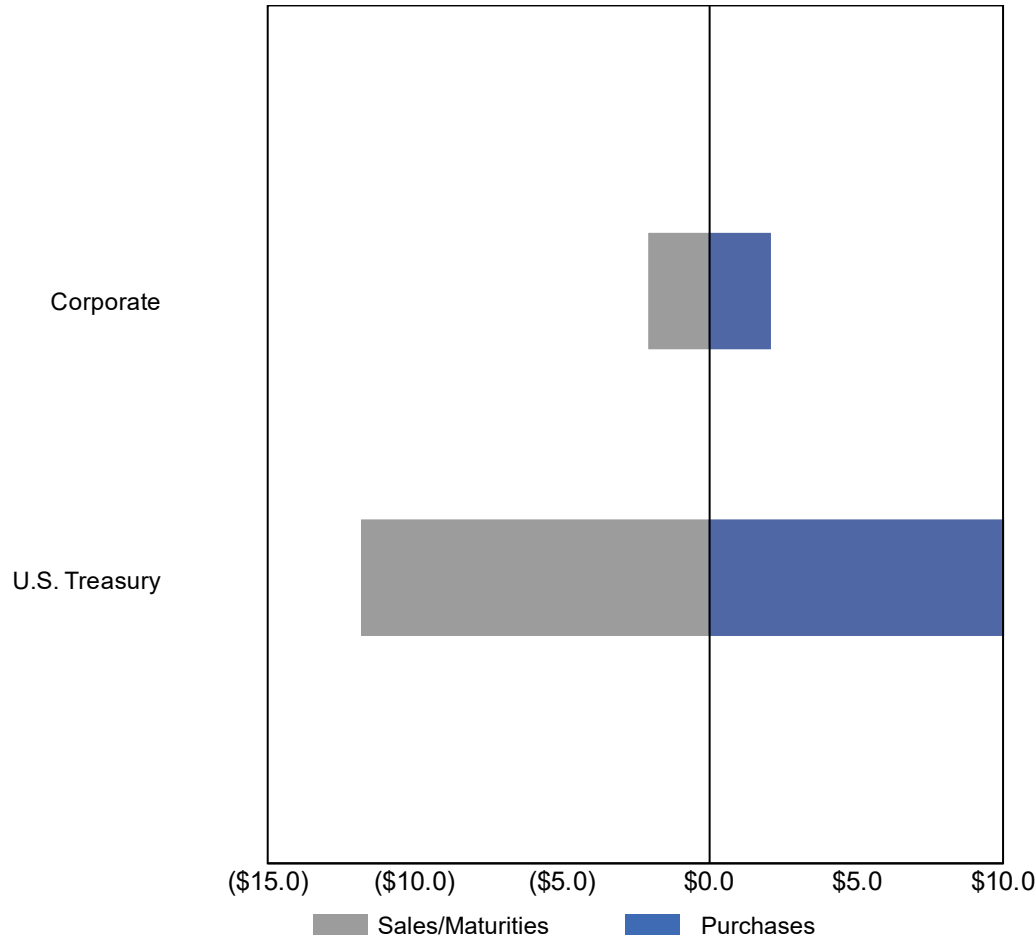
Security Type	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total	Dec-22	% of Total
U.S. Treasury	\$82.8	62.9%	\$99.6	74.7%	\$98.2	75.3%	\$97.0	75.0%
Commercial Paper	\$13.0	9.9%	\$1.0	0.8%	\$0.0	0.0%	\$0.0	0.0%
Corporate	\$35.9	27.2%	\$32.6	24.5%	\$32.2	24.7%	\$32.4	25.0%
<b>Total</b>	<b>\$131.7</b>	<b>100.0%</b>	<b>\$133.1</b>	<b>100.0%</b>	<b>\$130.5</b>	<b>100.0%</b>	<b>\$129.3</b>	<b>100.0%</b>



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

## Portfolio Activity - ZONE 7 WATER AGENCY

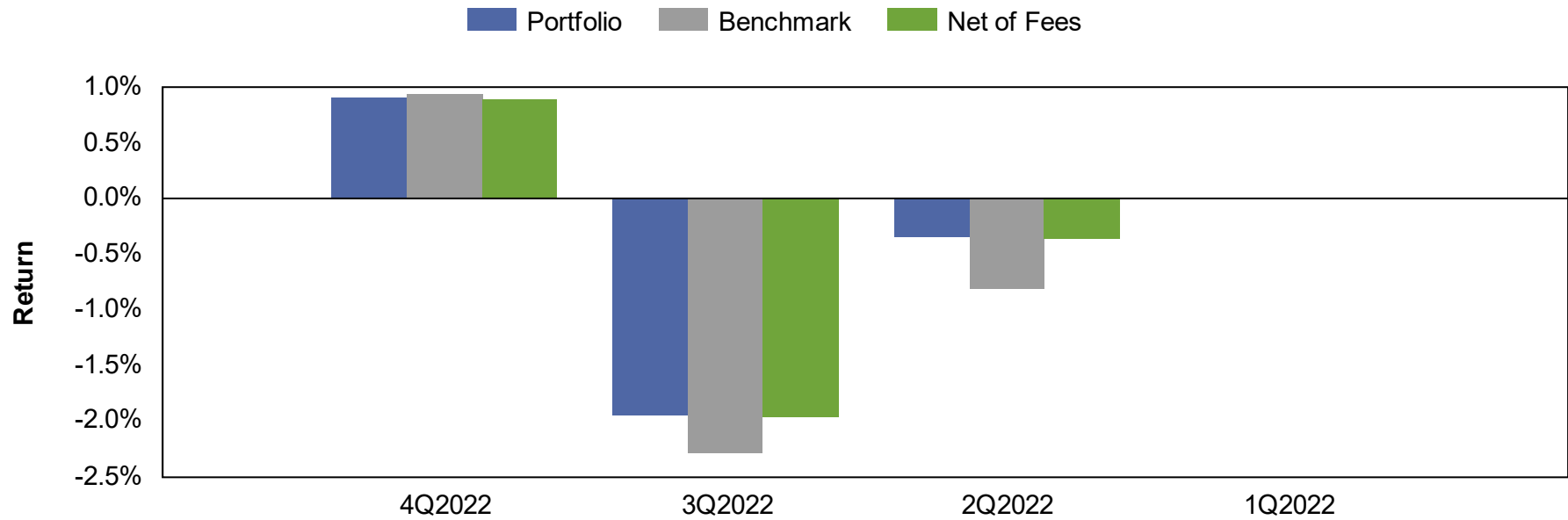
**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
Corporate	(\$5,847)
U.S. Treasury	(\$1,828,983)
<b>Total Net Activity</b>	<b>(\$1,834,831)</b>

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

### Portfolio Performance



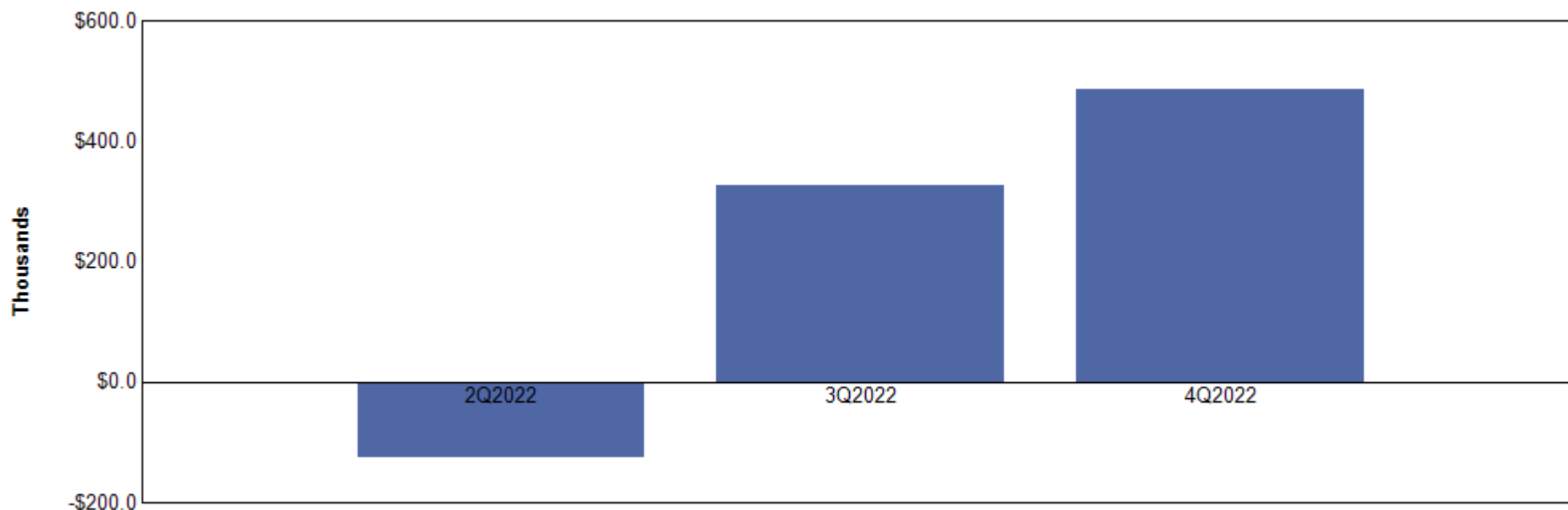
Market Value Basis Earnings	4Q2022	3Q2022	2Q2022	1Q2022
Interest Earned <sup>1</sup>	\$503,317	\$438,910	\$313,977	-
Change in Market Value	\$747,222	(\$3,047,237)	(\$782,470)	-
<b>Total Dollar Return</b>	<b>\$1,250,539</b>	<b>(\$2,608,327)</b>	<b>(\$468,493)</b>	<b>\$0</b>
<b>Total Return<sup>2</sup></b>				
Portfolio	0.91%	-1.95%	-0.34%	0.00%
Benchmark <sup>3</sup>	0.95%	-2.28%	-0.81%	0.00%
<b>Basis Point Fee</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.00%</b>
<b>Net of Fee Return</b>	<b>0.89%</b>	<b>-1.97%</b>	<b>-0.36%</b>	<b>0.00%</b>

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Returns are presented on a periodic basis.

3. The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg.

### Accrual Basis Earnings - ZONE 7 WATER AGENCY



Accrual Basis Earnings	1Q2022	2Q2022	3Q2022	4Q2022
Interest Earned <sup>1</sup>	-	\$313,977	\$438,910	\$503,317
Realized Gains / (Losses) <sup>2</sup>	-	(\$488,730)	(\$289,978)	(\$223,010)
Change in Amortized Cost	-	\$49,423	\$178,675	\$206,846
<b>Total Earnings</b>	-	<b>(\$125,331)</b>	<b>\$327,607</b>	<b>\$487,153</b>

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Realized gains / (losses) are shown on an amortized cost basis.



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# Portfolio Holdings and Transactions

## Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>U.S. Treasury</b>	<b>74.9%</b>	
UNITED STATES TREASURY	74.9%	AA / Aaa / AAA
<b>Corporate</b>	<b>25.1%</b>	
AMAZON.COM INC	1.5%	AA / A / AA
APPLE INC	4.6%	AA / Aaa / NR
BANK OF AMERICA CO	1.5%	A / A / AA
BERKSHIRE HATHAWAY INC	2.4%	AA / Aa / A
JP MORGAN CHASE & CO	3.6%	A / A / AA
MICROSOFT CORP	1.6%	AAA / Aaa / AAA
TARGET CORP	1.0%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	3.9%	A / A / AA
TOYOTA MOTOR CORP	4.1%	A / A / A
WAL-MART STORES INC	1.0%	AA / Aa / AA
<b>Total</b>	<b>100.0%</b>	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

**Issuer Distribution  
As of December 31, 2022**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	96,980,476	74.98%
APPLE INC	5,917,608	4.58%
TOYOTA MOTOR CORP	5,351,880	4.14%
THE BANK OF NEW YORK MELLON CORPORATION	4,993,290	3.86%
JP MORGAN CHASE & CO	4,630,788	3.58%
BERKSHIRE HATHAWAY INC	3,116,190	2.41%
MICROSOFT CORP	2,004,705	1.55%
AMAZON.COM INC	1,919,773	1.48%
BANK OF AMERICA CO	1,916,301	1.48%
WAL-MART STORES INC	1,266,652	0.98%
TARGET CORP	1,247,198	0.96%
<b>Grand Total</b>	<b>129,344,861</b>	<b>100.00%</b>

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY N/B NOTES DTD 08/31/2021 0.125% 08/31/2023	91282CCU3	7,000,000.00	AA+	Aaa	8/31/2021	9/1/2021	6,988,789.06	0.21	2,973.07	6,996,278.40	6,788,906.60
US TREASURY N/B NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	3,025,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,999,831.05	1.30	11,076.60	3,011,230.28	2,901,636.87
US TREASURY N/B NOTES DTD 03/31/2022 2.250% 03/31/2024	91282CEG2	3,000,000.00	AA+	Aaa	4/1/2022	4/4/2022	2,989,101.56	2.44	17,245.88	2,993,179.11	2,910,468.60
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	AA+	Aaa	4/13/2022	4/18/2022	1,479,947.27	2.41	180.98	1,502,854.25	1,454,820.39
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	3,075,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,997,884.77	1.43	5,326.94	3,026,281.93	2,879,929.69
US TREASURY N/B NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	3,030,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,994,492.19	1.54	15,746.94	3,005,323.40	2,834,470.46
US TREASURY N/B NOTES DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	5,100,000.00	AA+	Aaa	5/4/2022	5/5/2022	4,896,398.44	3.01	28,895.38	4,944,646.20	4,798,781.25
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,200,000.00	AA+	Aaa	4/1/2022	4/4/2022	3,005,750.00	2.62	4,087.91	3,054,134.62	2,938,000.00
US TREASURY NOTES DTD 04/30/2018 2.875% 04/30/2025	9128284M9	3,125,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,120,361.33	2.93	15,387.60	3,121,389.31	3,023,437.50
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,145,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,998,560.94	1.63	3,290.29	3,036,295.83	2,837,379.69
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,685,000.00	AA+	Aaa	3/8/2022	3/9/2022	1,596,603.32	1.81	1,431.32	1,617,328.90	1,514,656.95
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,075,000.00	AA+	Aaa	7/6/2022	7/7/2022	990,175.78	2.89	913.16	1,003,293.69	966,324.16
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	3,425,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,125,580.08	2.97	2,187.67	3,183,780.58	3,074,472.49
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,600,000.00	AA+	Aaa	4/13/2022	4/18/2022	1,477,187.50	2.61	527.47	1,501,155.45	1,431,000.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,160,000.00	AA+	Aaa	2/7/2022	2/8/2022	2,998,420.31	1.71	4,958.97	3,034,784.08	2,810,425.00

## ZONE 7 WATER AGENCY

## Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,405,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,126,614.65	2.98	6,524.69	3,173,825.06	3,051,731.25
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,225,000.00	AA+	Aaa	4/1/2022	4/4/2022	2,995,848.63	2.64	6,179.77	3,038,627.75	2,890,406.25
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,225,000.00	AA+	Aaa	2/17/2022	2/18/2022	1,170,162.11	1.86	1,573.55	1,181,509.11	1,094,843.75
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	6,760,000.00	AA+	Aaa	6/6/2022	6/8/2022	6,195,434.38	2.99	4,457.15	6,275,864.58	6,028,019.09
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,665,000.00	AA+	Aaa	3/8/2022	3/9/2022	1,592,546.48	1.82	1,097.80	1,606,530.38	1,484,711.80
US TREASURY N/B NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	3,420,000.00	AA+	Aaa	5/3/2022	5/4/2022	3,122,353.13	3.00	7,645.67	3,167,092.60	3,036,318.75
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	AA+	Aaa	6/6/2022	6/8/2022	6,181,669.92	3.01	16,748.62	6,215,935.39	5,961,211.26
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,300,000.00	AA+	Aaa	7/5/2022	7/7/2022	5,162,945.31	2.85	45,042.80	5,177,432.09	4,929,000.00
US TREASURY N/B NOTES DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	AA+	Aaa	8/3/2022	8/5/2022	5,161,406.25	2.92	4,945.44	5,214,283.91	4,971,011.43
US TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	AA+	Aaa	6/10/2022	6/13/2022	5,966,826.56	3.28	19,179.77	5,995,285.68	5,796,262.50
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	AA+	Aaa	8/9/2022	8/10/2022	2,440,410.16	2.99	37.98	2,465,385.47	2,351,679.55
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	AA+	Aaa	9/1/2022	9/6/2022	2,436,580.86	3.40	21,841.51	2,445,233.88	2,376,848.57
US TREASURY N/B NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	3,920,000.00	AA+	Aaa	11/1/2022	11/3/2022	3,894,428.13	4.27	41,313.46	3,895,270.06	3,933,475.00
US TREASURY N/B NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	5,890,000.00	AA+	Aaa	12/13/2022	12/14/2022	6,019,303.91	3.63	41,612.36	6,017,997.81	5,910,246.88
<b>Security Type Sub-Total</b>		<b>104,770,000.00</b>					<b>100,125,614.08</b>	<b>2.58</b>	<b>332,430.75</b>	<b>100,902,229.80</b>	<b>96,980,475.73</b>

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
JPMORGAN CHASE & CO CORP NOTES DTD 01/25/2013 3.200% 01/25/2023	46625HJH4	1,962,000.00	A-	A1	2/9/2021	2/10/2021	2,073,520.08	0.29	27,206.40	1,965,748.57	1,959,945.79
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 01/29/2018 2.950% 01/29/2023	06406RAE7	5,000,000.00	A	A1	7/17/2020	7/17/2020	5,304,250.00	0.53	62,277.78	5,000,000.00	4,993,290.00
BERKSHIRE HATHAWAY INC GLOBAL NT DTD 02/11/2013 3.000% 02/11/2023	084670BJ6	3,124,000.00	AA	Aa2	6/25/2020	6/25/2020	3,332,527.00	0.44	36,446.67	3,132,896.57	3,116,190.00
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	6,000,000.00	AA+	Aaa	7/14/2020	7/15/2020	6,069,180.00	0.34	6,250.00	6,008,731.46	5,917,608.00
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2020 0.500% 08/14/2023	89236THF5	5,500,000.00	A+	A1	4/8/2021	4/12/2021	5,505,500.00	0.46	10,465.28	5,501,449.06	5,351,879.50
JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024	46625HJT8	2,700,000.00	A-	A1	5/20/2021	5/24/2021	2,944,944.00	0.47	43,593.75	2,798,675.30	2,670,842.70
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,990,000.00	AA	A1	4/11/2022	4/13/2022	1,986,835.90	3.06	12,935.00	1,987,595.17	1,919,772.90
WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	AA	Aa2	2/7/2022	2/9/2022	1,372,527.00	1.84	640.97	1,352,353.11	1,266,652.40
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	A	A2	2/7/2022	2/9/2022	1,366,915.00	2.08	12,363.54	1,368,378.47	1,247,197.88
MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	AAA	Aaa	12/14/2022	12/16/2022	2,015,634.25	4.06	27,580.21	2,016,262.04	2,004,705.23

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027	06051GJQ3	2,170,000.00	A-	A2	4/13/2022	4/18/2022	2,000,761.70	3.40	10,993.46	2,025,181.99	1,916,300.96
<b>Security Type Sub-Total</b>		<b>33,196,000.00</b>					<b>33,972,594.93</b>	<b>1.10</b>	<b>250,753.06</b>	<b>33,157,271.74</b>	<b>32,364,385.36</b>
<b>Managed Account Sub Total</b>		<b>137,966,000.00</b>					<b>134,098,209.01</b>	<b>2.21</b>	<b>583,183.81</b>	<b>134,059,501.54</b>	<b>129,344,861.09</b>
<b>Securities Sub Total</b>		<b>\$137,966,000.00</b>					<b>\$134,098,209.01</b>	<b>2.21%</b>	<b>\$583,183.81</b>	<b>\$134,059,501.54</b>	<b>\$129,344,861.09</b>
<b>Accrued Interest</b>											<b>\$583,183.81</b>
<b>Total Investments</b>											<b>\$129,928,044.90</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
11/1/2022	11/3/2022	3,920,000.00	91282CFM8	US TREASURY N/B NOTES	4.12%	9/30/2027	3,909,531.98	4.27%	
12/13/2022	12/14/2022	5,890,000.00	91282CFU0	US TREASURY N/B NOTES	4.12%	10/31/2027	6,048,835.26	3.63%	
12/14/2022	12/16/2022	2,075,000.00	594918BY9	MICROSOFT CORP CORP NOTES (CALLABLE)	3.30%	2/6/2027	2,040,361.33	4.06%	
<b>Total BUY</b>		<b>11,885,000.00</b>					<b>11,998,728.57</b>		<b>0.00</b>
<b>INTEREST</b>									
10/3/2022	10/3/2022		MONEY0002	MONEY MARKET FUND			393.26		
10/13/2022	10/13/2022	1,990,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	29,850.00		
10/31/2022	10/31/2022	1,225,000.00	91282CBW0	US TREASURY N/B NOTES	0.75%	4/30/2026	4,593.75		
10/31/2022	10/31/2022	12,000,000.00	91282CBX8	US TREASURY N/B NOTES	0.12%	4/30/2023	7,500.00		
10/31/2022	10/31/2022	5,775,000.00	912828ZN3	US TREASURY N/B NOTES	0.50%	4/30/2027	14,437.50		
10/31/2022	10/31/2022	3,125,000.00	9128284M9	US TREASURY NOTES	2.87%	4/30/2025	44,921.88		
11/1/2022	11/1/2022		MONEY0002	MONEY MARKET FUND			6,484.36		
11/11/2022	11/11/2022	6,000,000.00	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/2023	22,500.00		
11/15/2022	11/15/2022	6,450,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	64,500.00		
11/15/2022	11/15/2022	6,220,000.00	912828X88	US TREASURY NOTES	2.37%	5/15/2027	73,862.50		
11/30/2022	11/30/2022	1,600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	3,000.00		
11/30/2022	11/30/2022	8,425,000.00	91282CCF6	US TREASURY N/B NOTES	0.75%	5/31/2026	31,593.75		



## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
12/1/2022	12/1/2022		MONEY0002	MONEY MARKET FUND			19,207.59		
12/15/2022	12/15/2022	1,550,000.00	91282CCG4	US TREASURY N/B NOTES	0.25%	6/15/2024	1,937.50		
12/21/2022	12/21/2022		MONEY0002	MONEY MARKET FUND			0.90		
12/22/2022	12/22/2022		MONEY0002	MONEY MARKET FUND			5.27		
12/26/2022	12/26/2022	1,300,000.00	931142ED1	WALMART INC CORP NOTES (CALLABLE)	3.55%	6/26/2025	23,075.00		
12/31/2022	12/31/2022	2,750,000.00	912828ZV5	US TREASURY NOTES	0.50%	6/30/2027	6,875.00		
<b>Total INTEREST</b>		<b>58,410,000.00</b>					<b>354,738.26</b>		<b>0.00</b>
<b>SELL</b>									
11/1/2022	11/3/2022	4,000,000.00	91282CBX8	US TREASURY N/B NOTES	0.12%	4/30/2023	3,915,510.19		-83,842.63
12/13/2022	12/14/2022	4,000,000.00	91282CBX8	US TREASURY N/B NOTES	0.12%	4/30/2023	3,935,920.24		-64,157.49
12/13/2022	12/14/2022	4,000,000.00	91282CBX8	US TREASURY N/B NOTES	0.12%	4/30/2023	3,935,920.24		-64,390.19
12/14/2022	12/16/2022	2,025,000.00	46625HJH4	JPMORGAN CHASE & CO CORP NOTES	3.20%	1/25/2023	2,046,208.50		-10,619.74
<b>Total SELL</b>		<b>14,025,000.00</b>					<b>13,833,559.17</b>		<b>-223,010.05</b>

## Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY	11/1/2022	11/3/2022	3,920,000.00	91282CFM8	US TREASURY N/B NOTES	4.12%	9/30/2027	3,909,531.98	4.27%	
BUY	12/13/2022	12/14/2022	5,890,000.00	91282CFU0	US TREASURY N/B NOTES	4.12%	10/31/2027	6,048,835.26	3.63%	
BUY	12/14/2022	12/16/2022	2,075,000.00	594918BY9	MICROSOFT CORP CORP NOTES	3.30%	2/6/2027	2,040,361.33	4.06%	
INTEREST	10/3/2022	10/3/2022		MONEY0002	MONEY MARKET FUND			393.26		
INTEREST	10/13/2022	10/13/2022	1,990,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	29,850.00		
INTEREST	10/31/2022	10/31/2022	1,225,000.00	91282CBW0	US TREASURY N/B NOTES	0.75%	4/30/2026	4,593.75		
INTEREST	10/31/2022	10/31/2022	12,000,000.00	91282CBX8	US TREASURY N/B NOTES	0.12%	4/30/2023	7,500.00		
INTEREST	10/31/2022	10/31/2022	5,775,000.00	912828ZN3	US TREASURY N/B NOTES	0.50%	4/30/2027	14,437.50		
INTEREST	10/31/2022	10/31/2022	3,125,000.00	9128284M9	US TREASURY NOTES	2.87%	4/30/2025	44,921.88		
INTEREST	11/1/2022	11/1/2022		MONEY0002	MONEY MARKET FUND			6,484.36		
INTEREST	11/11/2022	11/11/2022	6,000,000.00	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/2023	22,500.00		
INTEREST	11/15/2022	11/15/2022	6,450,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	64,500.00		
INTEREST	11/15/2022	11/15/2022	6,220,000.00	912828X88	US TREASURY NOTES	2.37%	5/15/2027	73,862.50		
INTEREST	11/30/2022	11/30/2022	1,600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	3,000.00		
INTEREST	11/30/2022	11/30/2022	8,425,000.00	91282CCF6	US TREASURY N/B NOTES	0.75%	5/31/2026	31,593.75		
INTEREST	12/1/2022	12/1/2022		MONEY0002	MONEY MARKET FUND			19,207.59		
INTEREST	12/15/2022	12/15/2022	1,550,000.00	91282CCG4	US TREASURY N/B NOTES	0.25%	6/15/2024	1,937.50		
INTEREST	12/21/2022	12/21/2022		MONEY0002	MONEY MARKET FUND			0.90		

## Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST	12/22/2022	12/22/2022		MONEY0002	MONEY MARKET FUND			5.27		
INTEREST	12/26/2022	12/26/2022	1,300,000.00	931142ED1	WALMART INC CORP NOTES	3.55%	6/26/2025	23,075.00		
INTEREST	12/31/2022	12/31/2022	2,750,000.00	912828ZV5	US TREASURY NOTES	0.50%	6/30/2027	6,875.00		
SELL	11/1/2022	11/3/2022	4,000,000.00	91282CBX8	US TREASURY N/B NOTES	0.12%	4/30/2023	3,915,510.19		-83,842.63
SELL	12/13/2022	12/14/2022	4,000,000.00	91282CBX8	US TREASURY N/B NOTES	0.12%	4/30/2023	3,935,920.24		-64,157.49
SELL	12/13/2022	12/14/2022	4,000,000.00	91282CBX8	US TREASURY N/B NOTES	0.12%	4/30/2023	3,935,920.24		-64,390.19
SELL	12/14/2022	12/16/2022	2,025,000.00	46625HJH4	JPMORGAN CHASE & CO CORP NOTES	3.20%	1/25/2023	2,046,208.50		-10,619.74
<b>TOTALS</b>			<b>84,320,000.00</b>					<b>26,187,026.00</b>		<b>-223,010.05</b>

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## Glossary

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.