



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

June 30, 2023

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

Subject: **Investment Report as of June 30, 2023 (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 June 30, 2023. Enclosed with this report is a detailed composition of investments held in Zone 7's name by securities category as of June 30, 2023. 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	\$ 114,975,000	\$ 107,694,538	\$ 112,198,730	80.52%	No Limit	Yes	2.740%
Corporate Bonds (Medium Term Notes)	20,800,000	20,080,153	20,781,524	15.01%	30%	Yes	2.170%
Federal Agency Commercial Mortgage-Backed Security	965,000	921,456	938,886	0.69%	20%	Yes	4.310%
Money Market (1)	5,053,366	5,053,366	5,053,366	3.78%	20%	Yes	4.970%
<b>Total Investments</b>	<b>\$ 141,793,366</b>	<b>\$ 133,749,513</b>	<b>\$ 138,972,506</b>	100%			<b>2.670%</b>
US Bank	7,590,337	7,590,337	7,590,337				
<b>Total Cash &amp; Investments</b>	<b>\$ 149,383,703</b>	<b>\$ 141,339,849</b>	<b>\$ 146,562,843</b>				<b>2.670%</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 June 30, 2023, the County Treasurer held approximately \$149,512,956 (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:  
*Osborn Solitei*  
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Osborn Solitei,  
Treasurer

Attachment:

- Agency Investment Management Portfolio as of June 30, 2023
- PFM Asset Management Investment Performance Review for June 30, 2023

cc. Valerie Pryor, General Manager

**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

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**Accounts included in Statement**

99350000          ZONE 7 WATER AGENCY

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

**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 **June 30, 2023**

**ZONE 7 WATER AGENCY - 99350000**

**Transaction Summary - Managed Account**

<b>Opening Market Value</b>	<b>\$129,712,576.99</b>
Maturities/Calls	0.00
Principal Dispositions	0.00
Principal Acquisitions	0.00
Unsettled Trades	0.00
Change in Current Value	(1,016,430.67)
<b>Closing Market Value</b>	<b>\$128,696,146.32</b>

**Cash Transactions Summary - Managed Account**

Maturities/Calls	0.00
Sale Proceeds	0.00
Coupon/Interest/Dividend Income	55,981.93
Principal Payments	0.00
Security Purchases	0.00
Net Cash Contribution	(8,363.16)
Reconciling Transactions	0.00

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

Interest/Dividends/Coupons Received	55,981.93
Less Purchased Interest Related to Interest/Coupons	0.00
Plus Net Realized Gains/Losses	0.00
<b>Total Cash Basis Earnings</b>	<b>\$55,981.93</b>

**Cash Balance**

<b>Closing Cash Balance</b>	<b>\$5,053,366.26</b>
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**Earnings Reconciliation (Accrual Basis)**

	<b>Total</b>
Ending Amortized Value of Securities	133,392,272.56
Ending Accrued Interest	526,867.52
Plus Proceeds from Sales	0.00
Plus Proceeds of Maturities/Calls/Principal Payments	0.00
Plus Coupons/Dividends Received	55,981.93
Less Cost of New Purchases	0.00
Less Beginning Amortized Value of Securities	(133,282,565.26)
Less Beginning Accrued Interest	(377,454.58)
<b>Total Accrual Basis Earnings</b>	<b>\$315,102.17</b>

**Portfolio Summary and Statistics**

For the Month Ending **June 30, 2023**

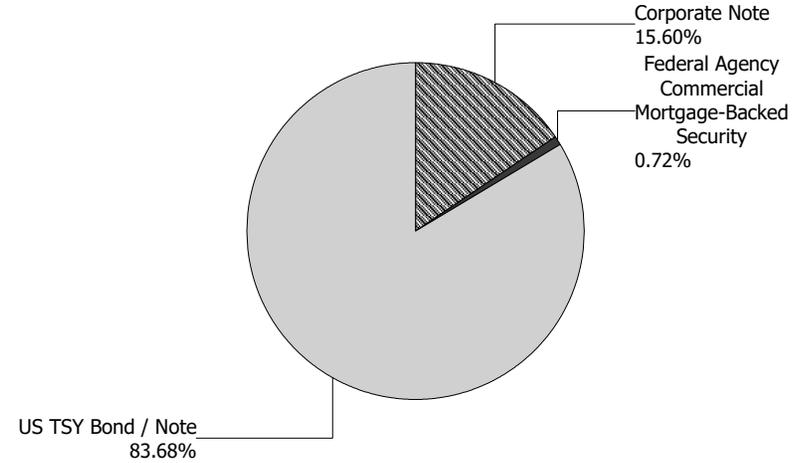
**ZONE 7 WATER AGENCY - 99350000**

**Account Summary**

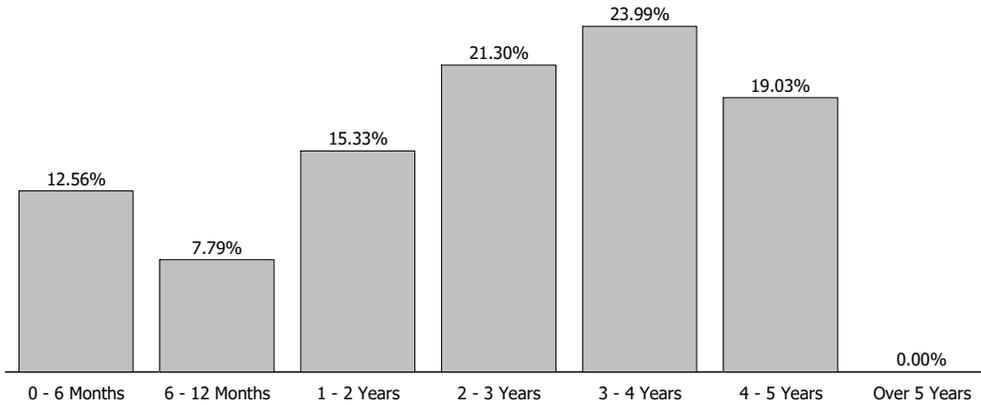
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	114,975,000.00	107,694,537.94	83.68
Federal Agency Commercial Mortgage-Backed Security	965,000.00	921,455.83	0.72
Corporate Note	20,800,000.00	20,080,152.55	15.60
<b>Managed Account Sub-Total</b>	<b>136,740,000.00</b>	<b>128,696,146.32</b>	<b>100.00%</b>
Accrued Interest		526,867.52	
<b>Total Portfolio</b>	<b>136,740,000.00</b>	<b>129,223,013.84</b>	

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

**Sector Allocation**



**Maturity Distribution**



**Characteristics**

Yield to Maturity at Cost	2.67%
Yield to Maturity at Market	4.73%
Weighted Average Days to Maturity	940

**Managed Account Issuer Summary**

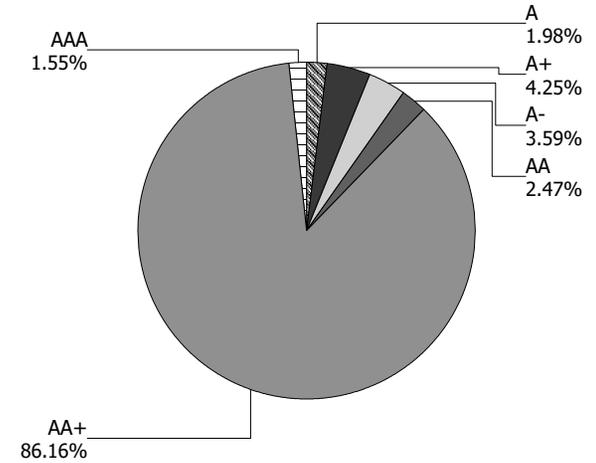
For the Month Ending **June 30, 2023**

**ZONE 7 WATER AGENCY - 99350000**

**Issuer Summary**

<b>Issuer</b>	<b>Market Value of Holdings</b>	<b>Percent</b>
AMAZON.COM INC	1,918,258.51	1.49
APPLE INC	2,261,235.80	1.76
BANK OF AMERICA CO	1,949,905.58	1.52
FREDDIE MAC	921,455.83	0.72
HOME DEPOT INC	1,292,545.71	1.00
JP MORGAN CHASE & CO	2,671,741.80	2.08
MICROSOFT CORP	1,995,693.50	1.55
TARGET CORP	1,258,160.75	0.98
TOYOTA MOTOR CORP	5,467,544.50	4.25
UNITED STATES TREASURY	107,694,537.94	83.67
WAL-MART STORES INC	1,265,066.40	0.98
<b>Total</b>	<b>\$128,696,146.32</b>	<b>100.00%</b>

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



**Managed Account Detail of Securities Held**

For the Month Ending **June 30, 2023**

**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 NOTES DTD 07/15/2020 0.125% 07/15/2023	91282ZY9	3,755,000.00	AA+	Aaa	05/11/23	05/11/23	3,719,796.88	5.39	2,165.35	3,747,417.79	3,747,372.84
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	2,924.59	6,999,061.91	6,940,937.50
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	11,040.83	3,017,539.95	2,947,011.87
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	16,967.21	2,995,892.47	2,929,218.60
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	169.40	1,518,924.64	1,475,648.36
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	5,319.67	3,042,000.24	2,920,289.06
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	15,725.45	3,011,318.65	2,849,146.88
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	28,740.33	4,980,882.08	4,813,921.62
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,200,000.00	AA+	Aaa	04/01/22	04/04/22	3,005,750.00	2.62	4,021.86	3,086,331.73	2,960,000.00
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	15,136.72	3,122,158.18	3,008,789.06
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	3,279.66	3,057,182.72	2,860,967.19
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	898.27	1,016,632.68	975,226.56
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	1,407.98	1,629,917.25	1,528,610.94
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	2,152.32	3,227,310.70	3,101,765.63

**Managed Account Detail of Securities Held**

For the Month Ending **June 30, 2023**

**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 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	508.20	1,517,970.17	1,444,000.00
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	4,942.96	3,054,912.04	2,836,593.59
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	6,079.92	3,067,094.73	2,914,593.75
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	6,419.26	3,209,135.32	3,077,268.75
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	1,547.89	1,187,988.00	1,103,265.63
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	1,057.69	1,615,023.96	1,495,378.13
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	4,294.26	6,346,192.44	6,071,325.00
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	7,522.13	3,200,554.76	3,059,831.25
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	16,475.54	6,245,896.98	5,966,250.00
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	44,801.10	5,192,163.03	4,928,172.14
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	4,864.81	5,278,517.84	5,003,495.81
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	18,867.05	6,020,786.17	5,792,375.00
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	37.36	2,496,778.06	2,370,585.80
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	21,724.31	2,458,620.16	2,375,643.75

**Managed Account Detail of Securities Held**

For the Month Ending **June 30, 2023**

**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 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	40,645.90	3,897,852.93	3,897,950.00
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	40,933.90	6,004,864.25	5,858,709.38
US TREASURY N/B DTD 11/15/1997 6.125% 11/15/2027	912810FB9	1,560,000.00	AA+	Aaa	01/26/23	01/30/23	1,730,685.94	3.62	12,203.40	1,715,860.65	1,673,587.50
US TREASURY N/B NOTES DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	2,890,000.00	AA+	Aaa	05/31/23	05/31/23	2,863,696.48	3.83	26,333.74	2,864,158.21	2,823,168.75
US TREASURY N/B NOTES DTD 04/30/2023 3.500% 04/30/2028	91282CHA2	2,000,000.00	AA+	Aaa	05/01/23	05/01/23	1,990,468.75	3.61	11,793.48	1,990,787.15	1,943,437.60

**Security Type Sub-Total** **114,975,000.00** **110,430,262.13** **2.74** **381,002.54** **111,817,727.84** **107,694,537.94**

<b>Federal Agency Commercial Mortgage-Backed Security</b>											
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	965,000.00	AA+	Aaa	05/19/23	05/24/23	935,296.09	4.31	2,691.55	936,194.06	921,455.83

**Security Type Sub-Total** **965,000.00** **935,296.09** **4.31** **2,691.55** **936,194.06** **921,455.83**

<b>Corporate Note</b>											
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	5,500,283.37	5,467,544.50
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	2,753,573.71	2,671,741.80
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	1,988,117.71	1,918,258.51
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	1,341,152.27	1,265,066.40
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	1,369,191.01	1,258,160.75

**Managed Account Detail of Securities Held**

For the Month Ending **June 30, 2023**

**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>												
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	2,023,363.96	1,995,693.50
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027		06051GJQ3	2,170,000.00	A-	A1	04/13/22	04/18/22	2,000,761.70	3.40	10,993.46	2,042,314.06	1,949,905.58
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027		437076BT8	1,390,000.00	A	A2	01/26/23	01/30/23	1,311,326.00	4.16	11,567.89	1,318,410.39	1,292,545.71
APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028		037833ET3	2,300,000.00	AA+	Aaa	05/10/23	05/11/23	2,302,001.00	3.98	13,033.33	2,301,944.18	2,261,235.80
<b>Security Type Sub-Total</b>			<b>20,800,000.00</b>					<b>20,806,444.85</b>	<b>2.17</b>	<b>143,173.43</b>	<b>20,638,350.66</b>	<b>20,080,152.55</b>
<b>Managed Account Sub-Total</b>			<b>136,740,000.00</b>					<b>132,172,003.07</b>	<b>2.67</b>	<b>526,867.52</b>	<b>133,392,272.56</b>	<b>128,696,146.32</b>
<b>Securities Sub-Total</b>			<b>\$136,740,000.00</b>					<b>\$132,172,003.07</b>	<b>2.67%</b>	<b>\$526,867.52</b>	<b>\$133,392,272.56</b>	<b>\$128,696,146.32</b>
<b>Accrued Interest</b>												<b>\$526,867.52</b>
<b>Total Investments</b>												<b>\$129,223,013.84</b>

**Managed Account Fair Market Value & Analytics**

For the Month Ending **June 30, 2023**

**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 NOTES	DTD 07/15/2020 0.125% 07/15/2023	912828ZY9	3,755,000.00	CITIGRP		99.80	3,747,372.84	27,575.96	(44.95)	0.04	5.03
US TREASURY N/B NOTES	DTD 08/31/2021 0.125% 08/31/2023	91282CCU3	7,000,000.00	DIRECT		99.16	6,940,937.50	(47,851.56)	(58,124.41)	0.17	5.17
US TREASURY N/B NOTES	DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	3,025,000.00	CITIGRP		97.42	2,947,011.87	(52,819.18)	(70,528.08)	0.58	5.41
US TREASURY N/B NOTES	DTD 03/31/2022 2.250% 03/31/2024	91282CEG2	3,000,000.00	BNP_PAR		97.64	2,929,218.60	(59,882.96)	(66,673.87)	0.75	5.49
US TREASURY N/B NOTES	DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,550,000.00	BNP_PAR		95.20	1,475,648.36	(4,298.91)	(43,276.28)	0.96	5.45
US TREASURY N/B NOTES	DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	3,075,000.00	CITIGRP		94.97	2,920,289.06	(77,595.71)	(121,711.18)	1.04	5.41
US TREASURY N/B NOTES	DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	3,030,000.00	BARCLAY		94.03	2,849,146.88	(145,345.31)	(162,171.77)	1.52	5.20
US TREASURY N/B NOTES	DTD 02/15/2022 1.500% 02/15/2025	91282CDZ1	5,100,000.00	HSBC		94.39	4,813,921.62	(82,476.82)	(166,960.46)	1.60	5.14
US TREASURY NOTES	DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,200,000.00	BNP_PAR		92.50	2,960,000.00	(45,750.00)	(126,331.73)	1.74	5.03
US TREASURY NOTES	DTD 04/30/2018 2.875% 04/30/2025	9128284M9	3,125,000.00	BNP_PAR		96.28	3,008,789.06	(111,572.27)	(113,369.12)	1.79	5.02
US TREASURY NOTES	DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,145,000.00	BNP_PAR		90.97	2,860,967.19	(137,593.75)	(196,215.53)	2.08	4.86
US TREASURY NOTES	DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,075,000.00	RBC		90.72	975,226.56	(14,949.22)	(41,406.12)	2.16	4.81
US TREASURY NOTES	DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	1,685,000.00	NOMURA		90.72	1,528,610.94	(67,992.38)	(101,306.31)	2.16	4.81
US TREASURY NOTES	DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	3,425,000.00	BNP_PAR		90.56	3,101,765.63	(23,814.45)	(125,545.07)	2.24	4.72
US TREASURY NOTES	DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,600,000.00	WELLS_F		90.25	1,444,000.00	(33,187.50)	(73,970.17)	2.41	4.69
US TREASURY NOTES	DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,160,000.00	GOLDMAN		89.77	2,836,593.59	(161,826.72)	(218,318.45)	2.57	4.62
US TREASURY N/B NOTES	DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,225,000.00	CITIGRP		90.38	2,914,593.75	(81,254.88)	(152,500.98)	2.72	4.51

**Managed Account Fair Market Value & Analytics**

For the Month Ending **June 30, 2023**

**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 03/31/2021 0.750% 03/31/2026	91282CBT7	3,405,000.00	MORGAN_		90.38	3,077,268.75	(49,345.90)	(131,866.57)	2.72	4.51
US TREASURY N/B NOTES	DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,225,000.00	CITIGRP		90.06	1,103,265.63	(66,896.48)	(84,722.37)	2.80	4.52
US TREASURY N/B NOTES	DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,665,000.00	BNP_PAR		89.81	1,495,378.13	(97,168.35)	(119,645.83)	2.89	4.52
US TREASURY N/B NOTES	DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	6,760,000.00	CITIGRP		89.81	6,071,325.00	(124,109.38)	(274,867.44)	2.89	4.52
US TREASURY N/B NOTES	DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	3,420,000.00	NOMURA		89.47	3,059,831.25	(62,521.88)	(140,723.51)	3.20	4.39
US TREASURY NOTES	DTD 11/15/2016 2.000% 11/15/2026	912828U24	6,450,000.00	RBC		92.50	5,966,250.00	(215,419.92)	(279,646.98)	3.27	4.42
US TREASURY NOTES	DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,300,000.00	JPM_CHA		92.98	4,928,172.14	(234,773.17)	(263,990.89)	3.47	4.36
US TREASURY N/B NOTES	DTD 04/30/2020 0.500% 04/30/2027	912828ZN3	5,775,000.00	NOMURA		86.64	5,003,495.81	(157,910.44)	(275,022.03)	3.80	4.32
US TREASURY NOTES	DTD 05/15/2017 2.375% 05/15/2027	912828X88	6,220,000.00	BARCLAY		93.13	5,792,375.00	(174,451.56)	(228,411.17)	3.71	4.32
US TREASURY NOTES	DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	2,750,000.00	WELLS_F		86.20	2,370,585.80	(69,824.36)	(126,192.26)	3.96	4.29
US TREASURY NOTES	DTD 08/15/2017 2.250% 08/15/2027	9128282R0	2,570,000.00	HSBC		92.44	2,375,643.75	(60,937.11)	(82,976.41)	3.92	4.27
US TREASURY N/B NOTES	DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	3,920,000.00	MERRILL		99.44	3,897,950.00	3,521.87	97.07	3.90	4.27
US TREASURY N/B NOTES	DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	5,890,000.00	BARCLAY		99.47	5,858,709.38	(160,594.53)	(146,154.87)	3.99	4.26
US TREASURY N/B	DTD 11/15/1997 6.125% 11/15/2027	912810FB9	1,560,000.00	NOMURA		107.28	1,673,587.50	(57,098.44)	(42,273.15)	3.90	4.28
US TREASURY N/B NOTES	DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	2,890,000.00	JPM_CHA		97.69	2,823,168.75	(40,527.73)	(40,989.46)	4.36	4.17
US TREASURY N/B NOTES	DTD 04/30/2023 3.500% 04/30/2028	91282CHA2	2,000,000.00	CITIGRP		97.17	1,943,437.60	(47,031.15)	(47,349.55)	4.46	4.15
<b>Security Type Sub-Total</b>			<b>114,975,000.00</b>				<b>107,694,537.94</b>	<b>(2,735,724.19)</b>	<b>(4,123,189.90)</b>	<b>2.55</b>	<b>4.68</b>

**Managed Account Fair Market Value & Analytics**

For the Month Ending **June 30, 2023**

**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>Federal Agency Commercial Mortgage-Backed Security</b>										
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	965,000.00	CITIGRP		95.49	921,455.83	(13,840.26)	(14,738.23)	3.00	4.81
<b>Security Type Sub-Total</b>		<b>965,000.00</b>				<b>921,455.83</b>	<b>(13,840.26)</b>	<b>(14,738.23)</b>	<b>3.00</b>	<b>4.81</b>
<b>Corporate Note</b>										
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2020 0.500% 08/14/2023	89236THF5	5,500,000.00	DIRECT		99.41	5,467,544.50	(37,955.50)	(32,738.87)	0.12	5.35
JPMORGAN CHASE & CO CORP NOTES DTD 01/28/2014 3.875% 02/01/2024	46625HJT8	2,700,000.00	DIRECT		98.95	2,671,741.80	(273,202.20)	(81,831.91)	0.58	5.71
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,990,000.00	JPM_CHA		96.39	1,918,258.51	(68,577.39)	(69,859.20)	1.74	5.14
WALMART INC CORP NOTES (CALLABLE) DTD 06/27/2018 3.550% 06/26/2025	931142ED1	1,300,000.00	MORGAN_	04/26/25	97.31	1,265,066.40	(107,460.60)	(76,085.87)	1.78	4.99
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,375,000.00	BARCLAY	12/15/26	91.50	1,258,160.75	(108,754.25)	(111,030.26)	3.32	4.58
MICROSOFT CORP CORP NOTES (CALLABLE) DTD 02/06/2017 3.300% 02/06/2027	594918BY9	2,075,000.00	GOLDMAN	11/06/26	96.18	1,995,693.50	(19,940.75)	(27,670.46)	3.15	4.46
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027	06051GJQ3	2,170,000.00	CITIGRP	03/11/26	89.86	1,949,905.58	(50,856.12)	(92,408.48)	2.63	4.68
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	1,390,000.00	TD	06/14/27	92.99	1,292,545.71	(18,780.29)	(25,864.68)	3.73	4.65
APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028	037833ET3	2,300,000.00	MORGAN_	04/10/28	98.31	2,261,235.80	(40,765.20)	(40,708.38)	4.37	4.39
<b>Security Type Sub-Total</b>		<b>20,800,000.00</b>				<b>20,080,152.55</b>	<b>(726,292.30)</b>	<b>(558,198.11)</b>	<b>1.90</b>	<b>5.00</b>
<b>Managed Account Sub-Total</b>		<b>136,740,000.00</b>				<b>128,696,146.32</b>	<b>(3,475,856.75)</b>	<b>(4,696,126.24)</b>	<b>2.45</b>	<b>4.73</b>

**Managed Account Fair Market Value & Analytics**

For the Month Ending **June 30, 2023**

**ZONE 7 WATER AGENCY - 99350000**

<b>Securities Sub-Total</b>	<b>\$136,740,000.00</b>	<b>\$128,696,146.32</b>	<b>(\$3,475,856.75)</b>	<b>(\$4,696,126.24)</b>	<b>2.45</b>	<b>4.73%</b>
<b>Accrued Interest</b>		<b>\$526,867.52</b>				
<b>Total Investments</b>		<b>\$129,223,013.84</b>				

**Managed Account Security Transactions & Interest**

For the Month Ending **June 30, 2023**

**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>INTEREST</b>										
06/01/23	06/01/23	MONEY MARKET FUND	MONEY0002	0.00	0.00	21,402.88	21,402.88			
06/01/23	06/25/23	FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	965,000.00	0.00	2,691.55	2,691.55			
06/15/23	06/15/23	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			
06/26/23	06/26/23	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			
06/30/23	06/30/23	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>6,565,000.00</b>	<b>0.00</b>	<b>55,981.93</b>	<b>55,981.93</b>			
<b>Managed Account Sub-Total</b>					<b>0.00</b>	<b>55,981.93</b>	<b>55,981.93</b>			
<b>Total Security Transactions</b>					<b>\$0.00</b>	<b>\$55,981.93</b>	<b>\$55,981.93</b>			



# ZONE 7 WATER AGENCY

## Investment Performance Review For the Quarter Ended June 30, 2023

### Client Management Team

Wale Kajopaiye, Senior Managing Consultant  
Joseph Creason, Portfolio Manager  
Jeremy King, Key Account Manager

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

### PFM Asset Management LLC

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

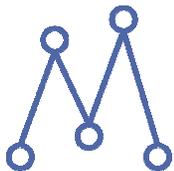
## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ Headline inflation numbers trending lower, but the Fed's current focus, "supercore inflation," is showing little sign of slowing
  - ▶ A labor market that has proven to be exceptionally strong
  - ▶ A more optimistic sentiment around economic growth due to resilient consumer spending



- ▶ Fed temporarily pauses rate hikes
  - ▶ The most aggressive series of interest rate hikes in recent history has come to a temporary pause in June
  - ▶ The Fed's most recent dot plot shows the potential for two additional rate hikes by the end of the year
  - ▶ Rates have moved up due to the Fed's rate trajectory shifting higher, the economy remaining stronger than expected, persistent inflation, and the market's "higher-for-longer" mindset

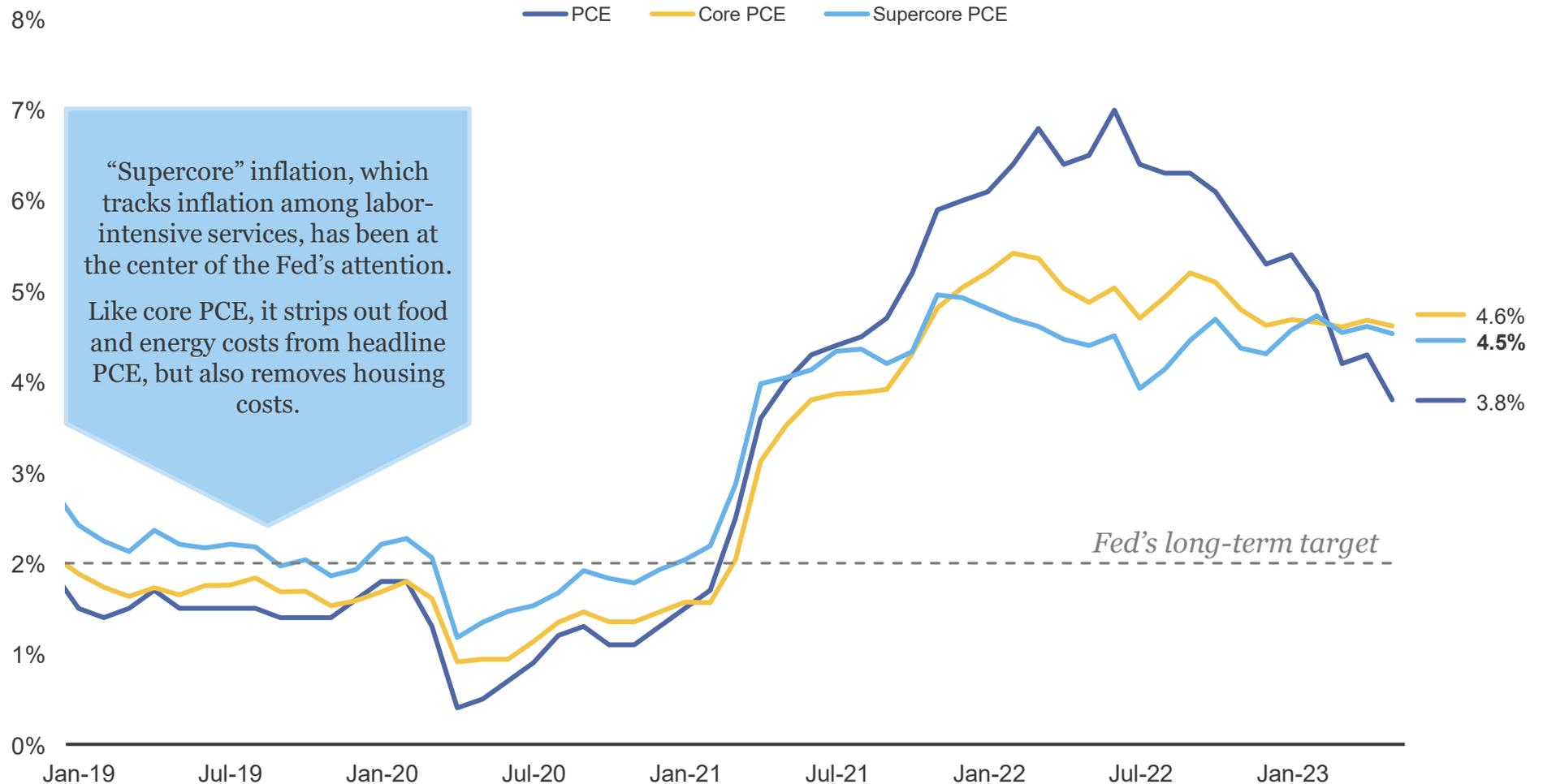


- ▶ Bond markets see continued volatility
  - ▶ The debt ceiling saga incited a separate spate of market volatility due to concern about a potential U.S. default
  - ▶ After plummeting at the end of Q1 due to volatility in the banking sector, short and medium-term yields steadily climbed throughout the quarter, with the 2-year rising over 100 basis points
  - ▶ The curve inversion fell dramatically at the start of Q2, but moved toward historic levels in June

## Inflation Measures Remain Above Fed's Target

### The Fed's Key Inflation Rate

Personal Consumption Expenditure Price Index, Year-over-year

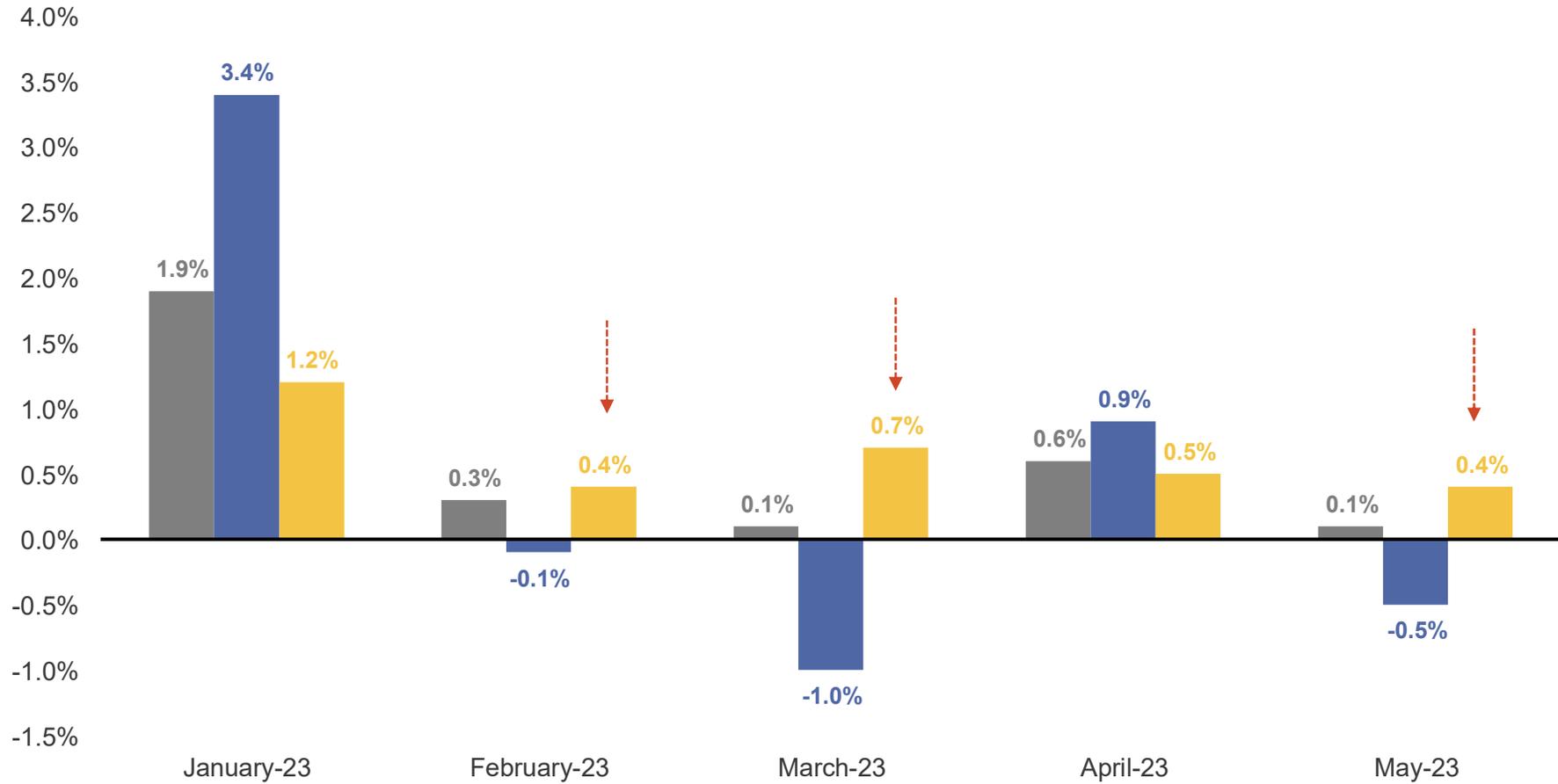


Source: Federal Reserve, Bloomberg, Bureau of Economic Analysis as of May 2023.

## Consumers Have Been Spending More on Services

### Change in Consumer Spending Month-over-month

■ Consumer Spending ■ Goods ■ Services



Source: Bloomberg, Bureau of Economic Analysis as of May 2023.

## Treasury Issuance Expected to Surge Following Debt Ceiling Deal

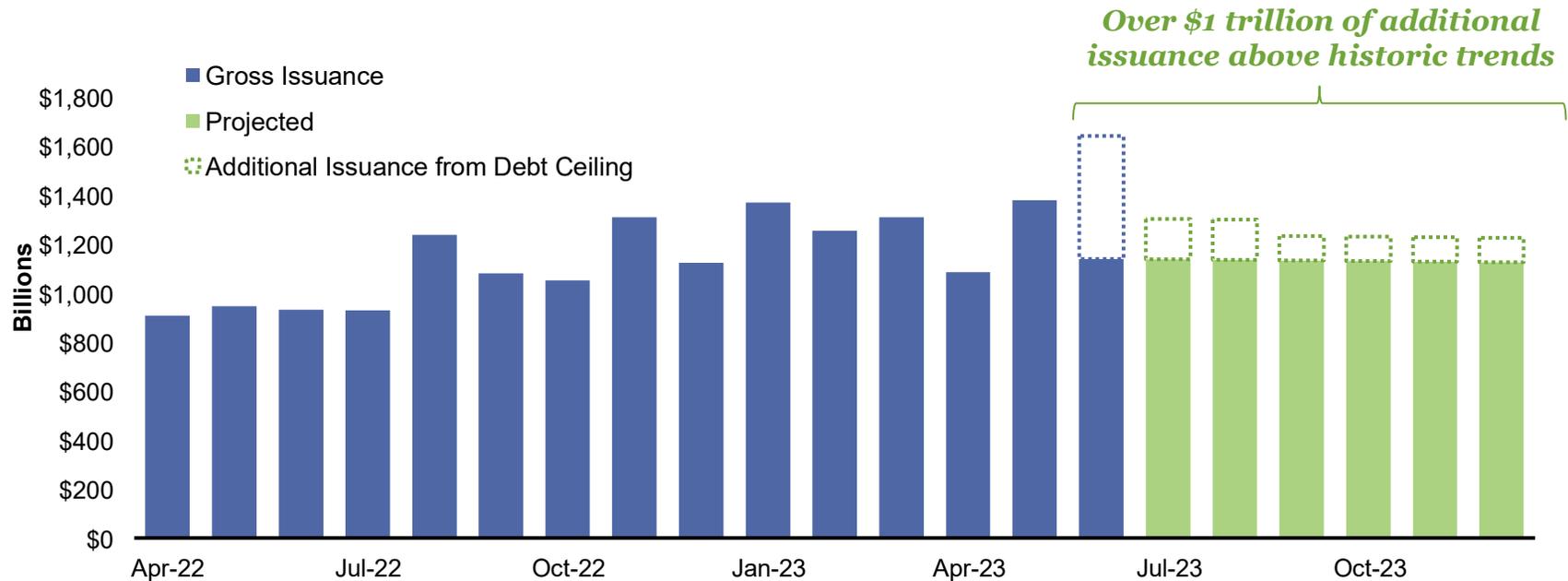
### The Reason

The U.S. Treasury needs to refill its depleted general fund while also covering higher outflows and lower tax receipts

### The Impact

The net new issuance is expected to pull liquidity out of other markets and place upward pressure on short-term Treasury yields and on other sectors

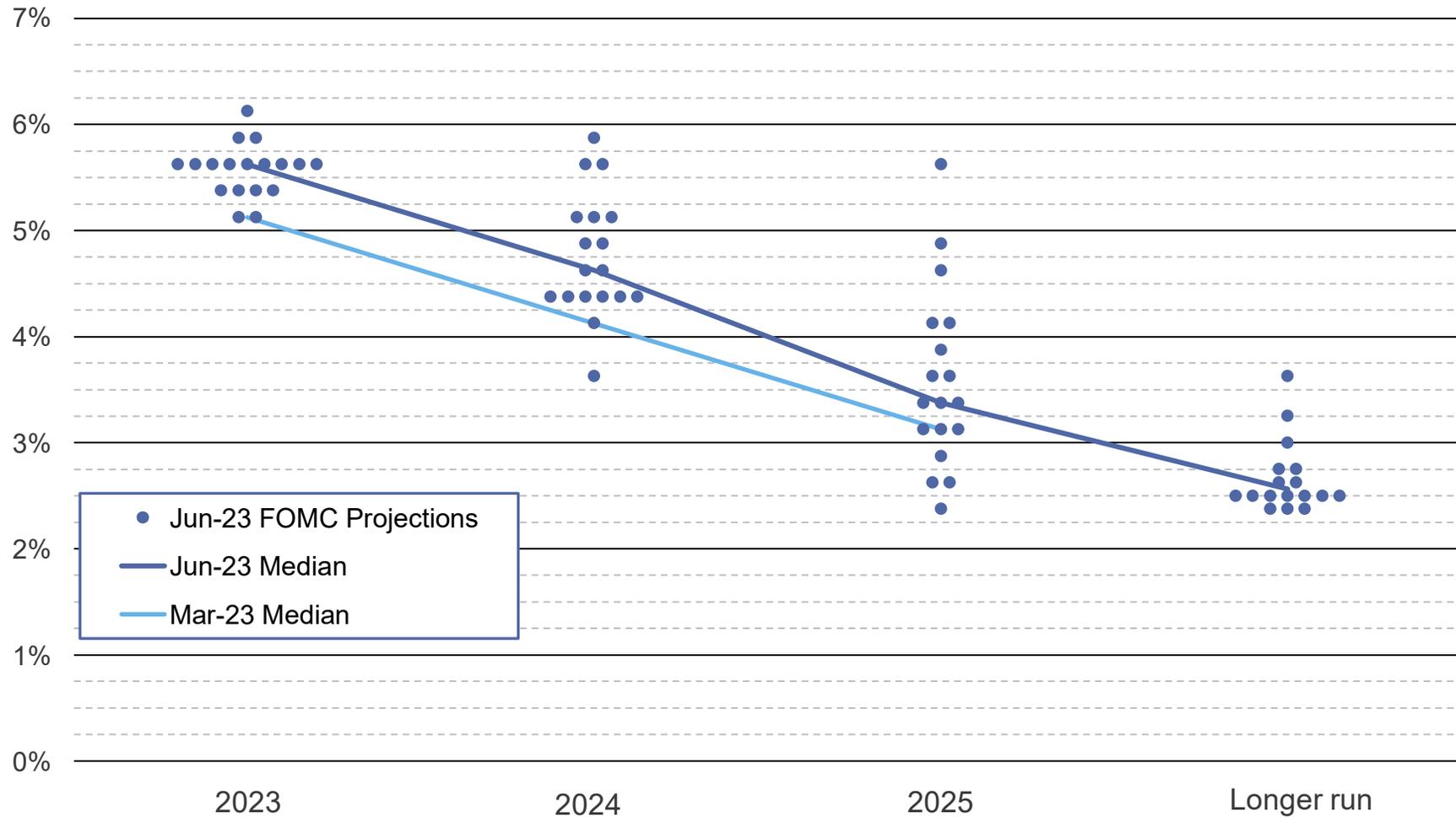
### U.S. Treasury Bills Issuance



Source: Bloomberg, SIFMA, U.S. Treasury, Bank of America Global Strategy for U.S. Treasury issuance projections as of June 2023.

## Fed's "Dot Plot" Shows We Are Nearing Sufficiently Restrictive Territory

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



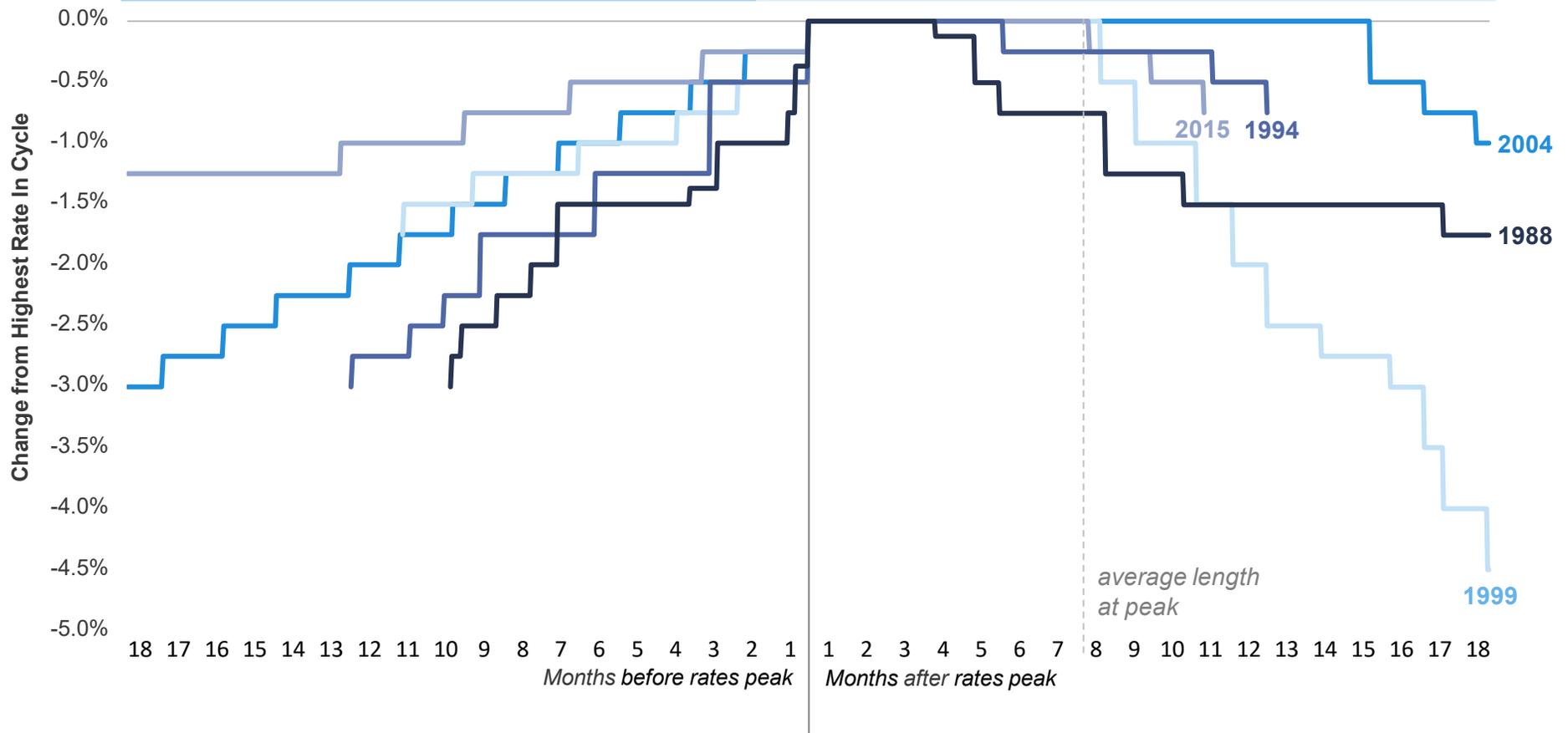
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

## How Long Have Rates Stayed at the Peak?

### Federal Funds Rate Cycles

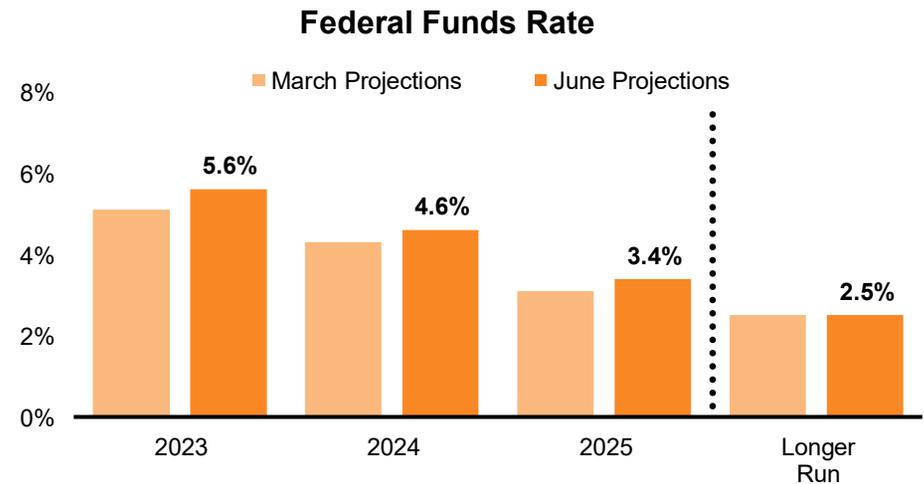
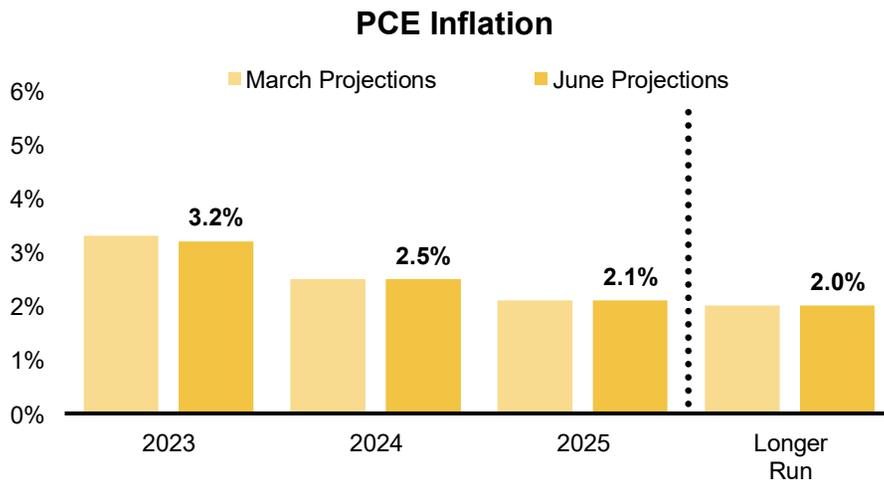
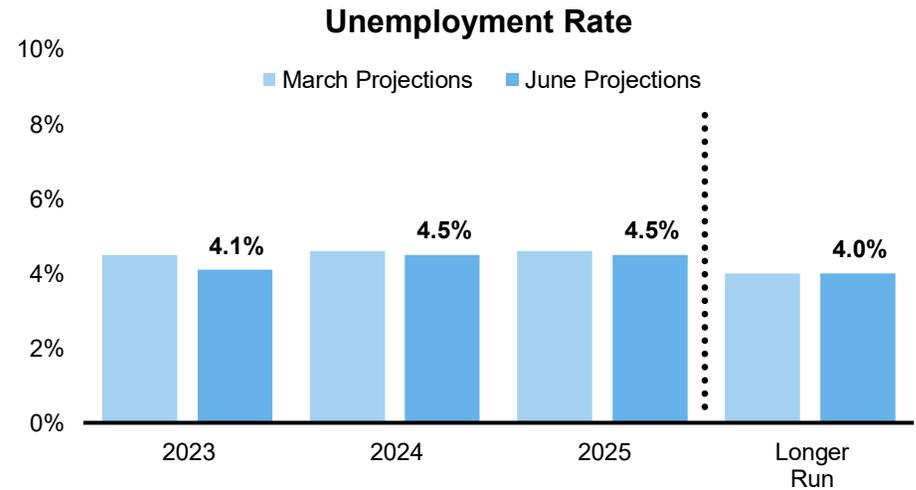
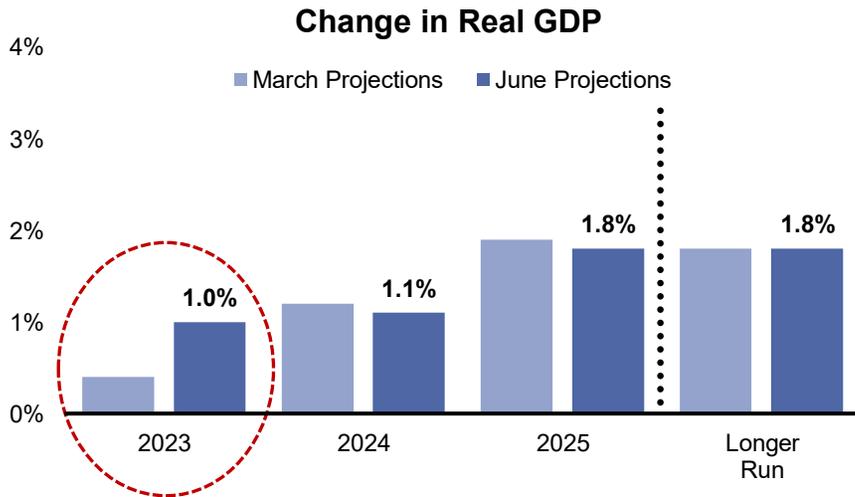
Peaks of previous Fed rate cycles, indexed to 0%

Once the Fed reaches their peak Fed Funds rate, they have historically held rates at that level for around **8 months**



Source: Federal Reserve, Bloomberg.

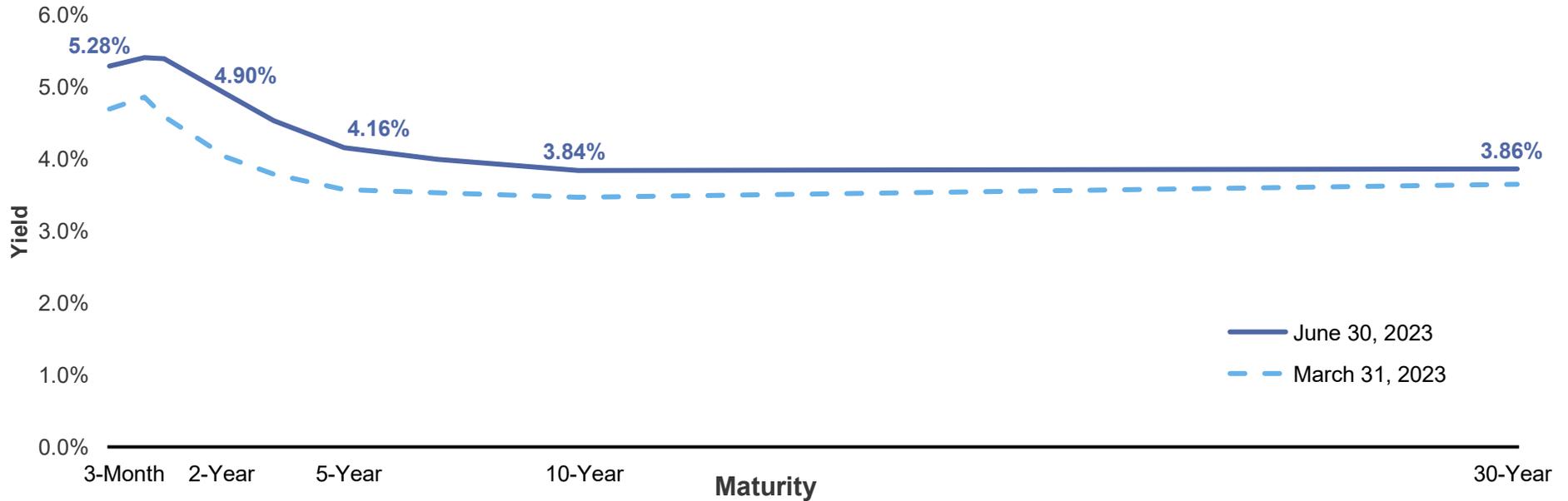
## Fed's Updated June Projections Reflect Stronger Economic Expectations for 2023



Source: Federal Reserve, latest economic projections as of June 2023.

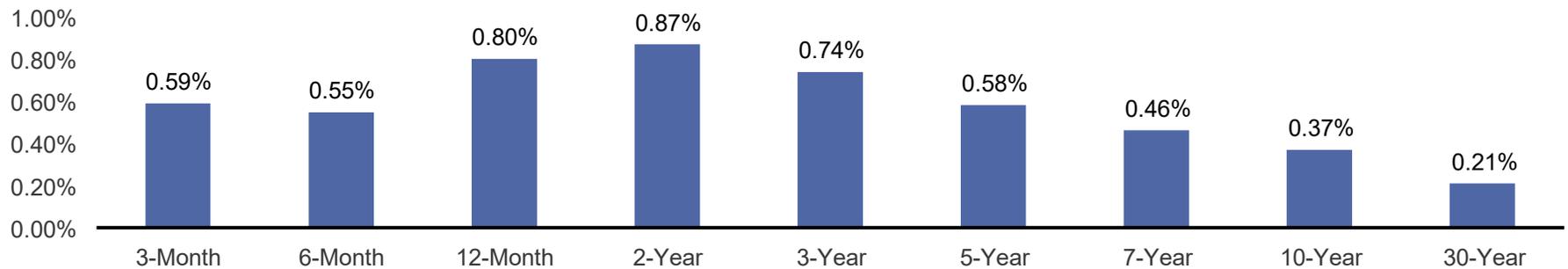
## Interest Rates Rise as “Higher-for-Longer” Mantra Sets In

### U.S. Treasury Yield Curve



### Yield Changes by Maturity

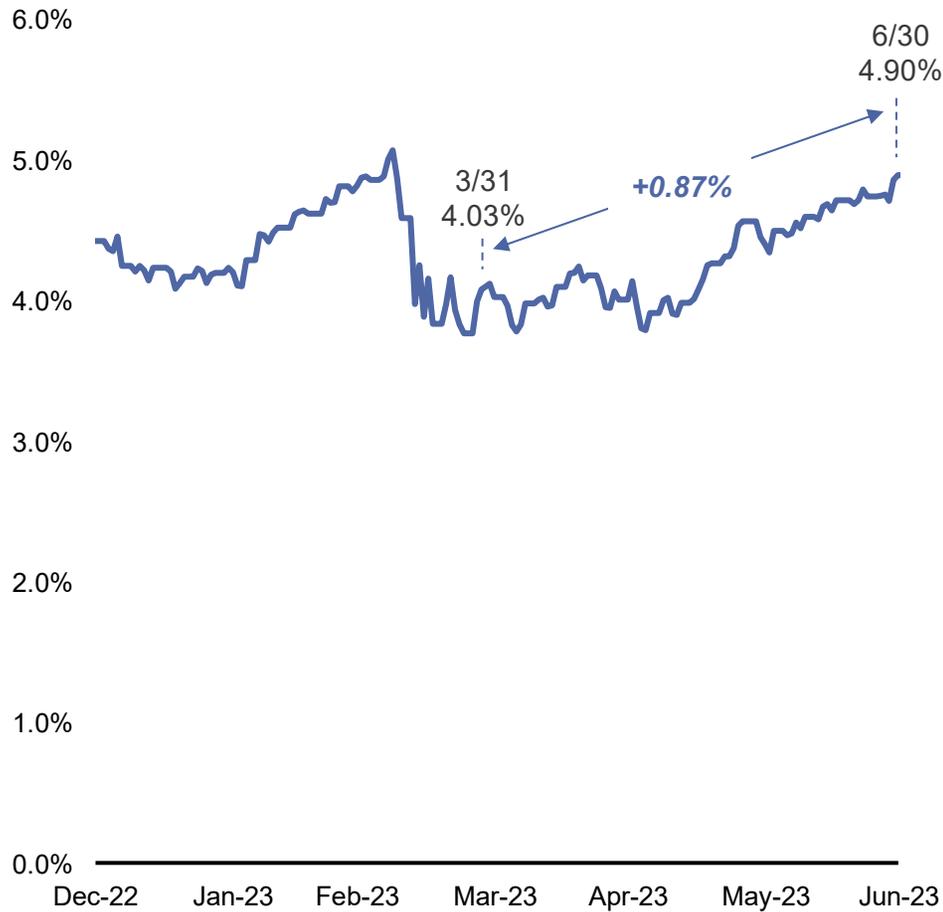
from March 31 – June 30, 2023



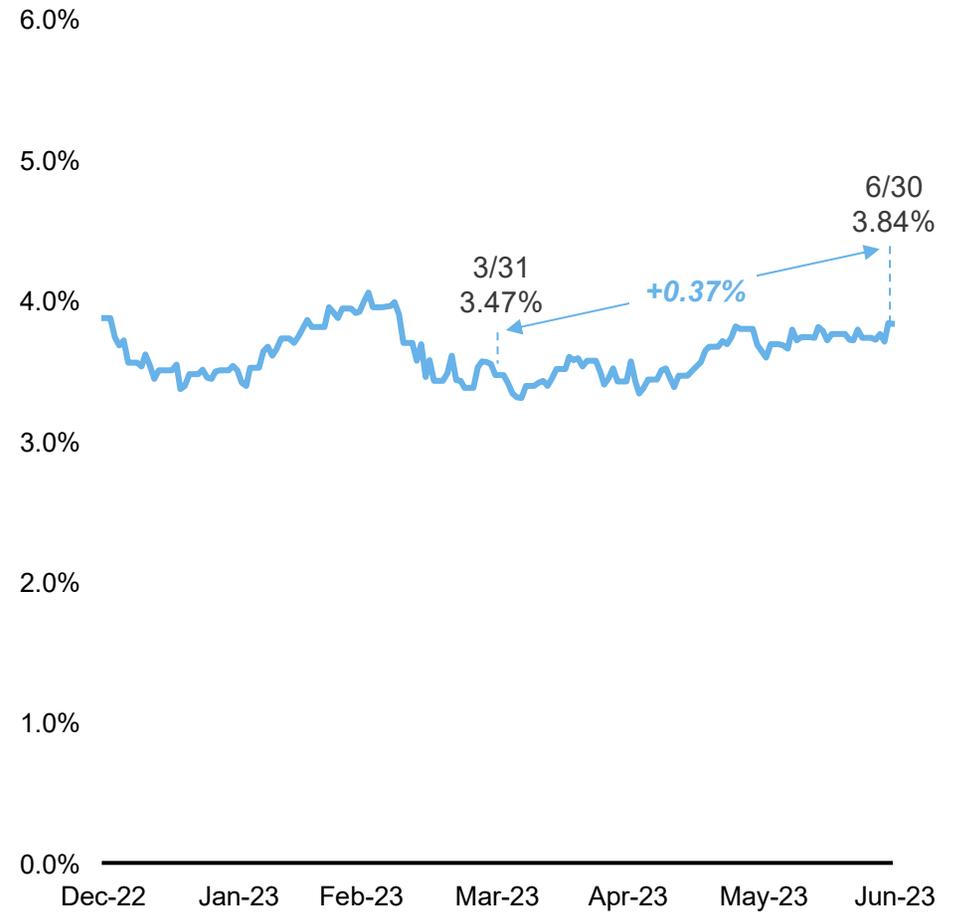
Source: Bloomberg, as of 06/30/2023.

### Treasury Yields Move Upward on Expectation for Future Rate Increases

#### 2-Year Treasury Yield



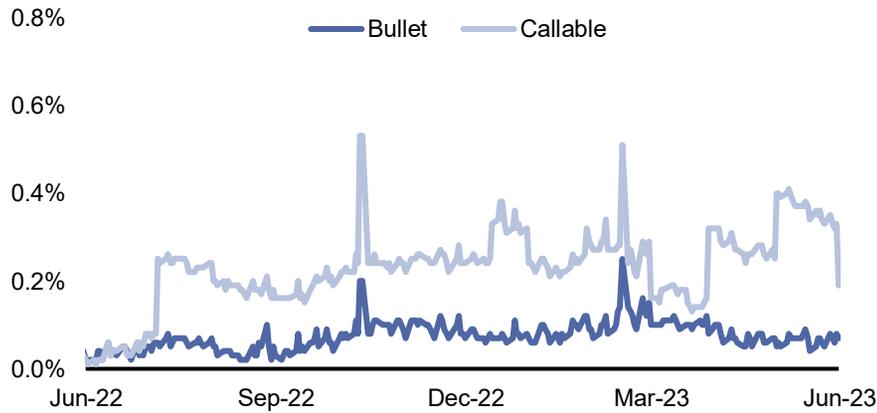
#### 10-Year Treasury Yield



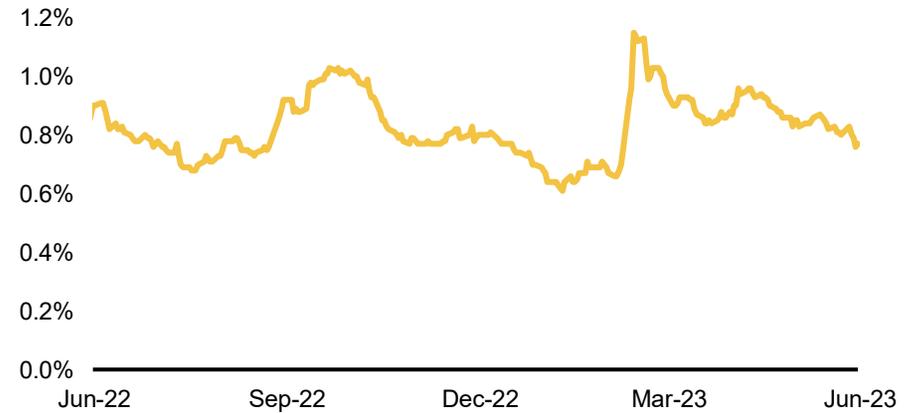
Source: Bloomberg, as of 06/30/2023.

## Sector Yield Spreads

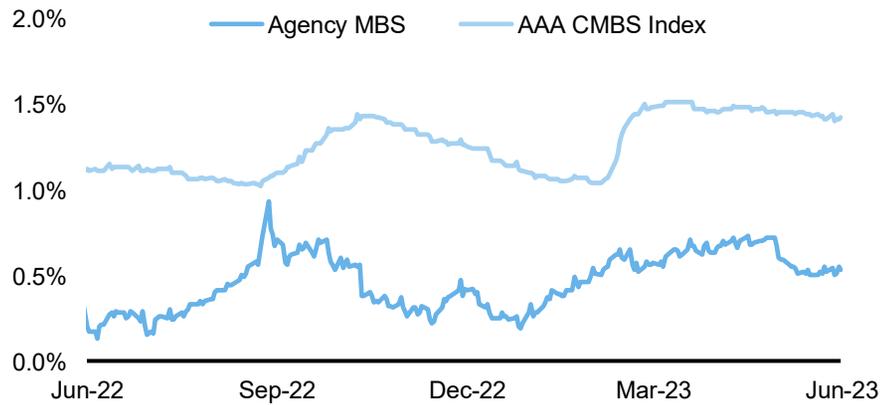
### Federal Agency Yield Spreads



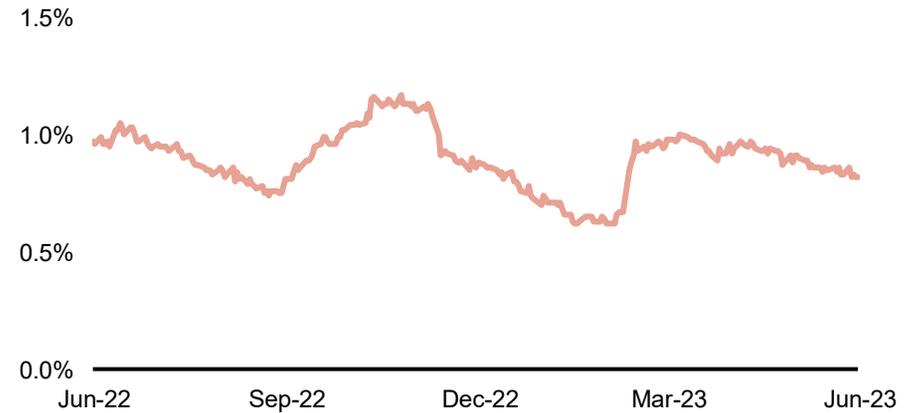
### Corporate Notes A-AAA Yield Spreads



### Mortgage-Backed Securities Yield Spreads



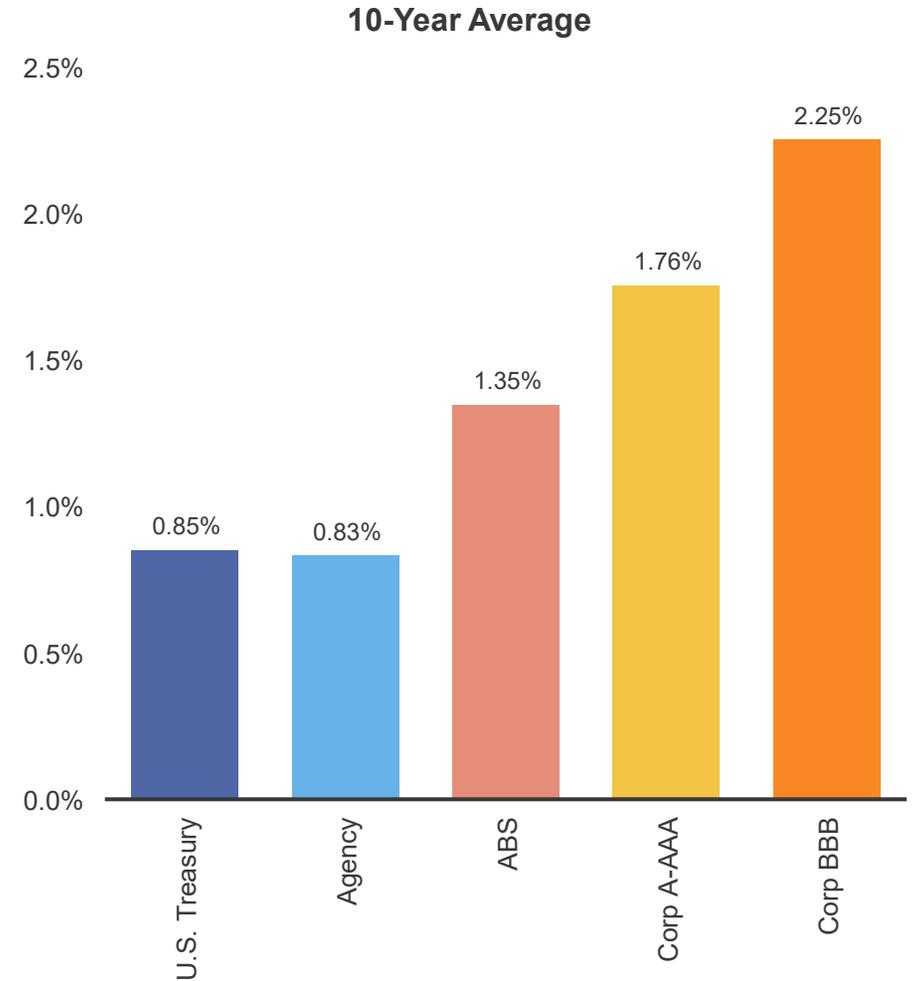
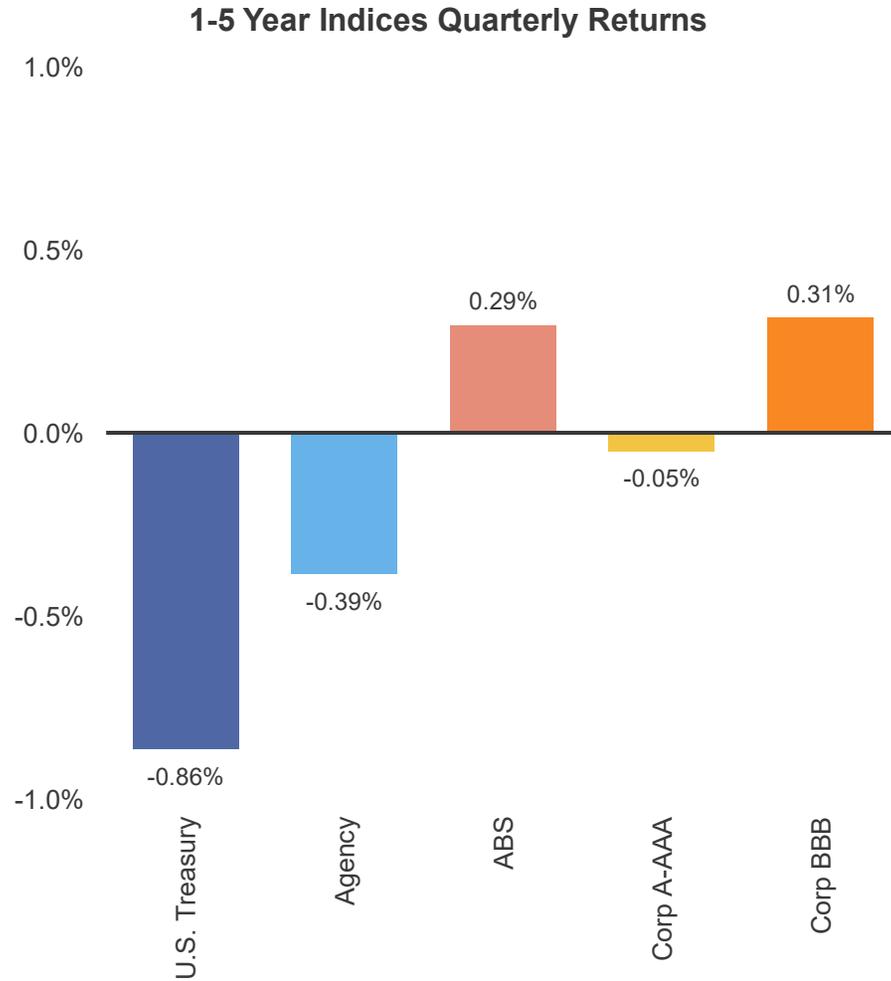
### Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of 06/30/2023. 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 Q2 2023

### 1-5 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 6/30/2023.

## Fixed-Income Sector Commentary – 2Q 2023

- ▶ **U.S. Treasuries:** After plummeting at the end of Q1 due to volatility in the banking sector, short and medium-term yields steadily climbed throughout the quarter, with the 2-year rising over 100 basis points.
- ▶ **Federal agency** yield spreads tightened during the quarter. Agency discount notes were favored over U.S. Treasury bills during the debt ceiling impasse; however, during Q1 value waned and callable spreads moved to the tighter end of their historical range.
- ▶ **Supranational** issuance was heavier than usual in the first couple months of the year which allowed spreads to widen and sporadic buying opportunities to arise. As supply dried up, spreads narrowed and traded in a tight range for the balance of the quarter.
- ▶ **Investment-Grade Corporate** spreads continued to retrace from their Q1 wides but remained above longer-term averages. Following the “risk-on” theme in the latter part of Q2, the IG curve flattened, resulting in longer durations and lower quality (BBB) performing best. Although the spread between financials and industrials remained well above typical levels, financials outperformed in Q2 as retracement from the exceptionally wide spreads in Q1 was significant.
- ▶ **Asset-Backed Security** spreads also retraced from mid-March wides, but not nearly to the extent as in corporates. Auto ABS issuance increased during Q2, which was a function of pent-up consumer demand.
- ▶ **Mortgage-Backed Securities** whipsawed in Q2 as a steep tightening of spreads through the second half of the quarter more than offset the steady and consistent widening through April. As a result, the sector generated attractive excess returns for the quarter. Strong returns were driven largely by the risk-on sentiment through much of the quarter and a modest decline in supply due to a drop in existing home sales and refinancings.
- ▶ **Taxable Municipals** issuance remained heavily oversubscribed due to a lack of new issuance. The secondary market had sporadic but limited opportunities that offered an attractive pickup versus industrial corporates.
- ▶ **Short-term credit** (commercial paper and CDs) yields increased during Q2 as the market repriced to actual Fed rate increases and reduced expectations for Fed rate cuts in late 2023. Spreads in short credit remained elevated and attractive for most of Q2 and added notable incremental income to shorter-term portfolios and liability-matching strategies inside of 12-month maturities.

### Fixed-Income Sector Outlook – 3Q 2023

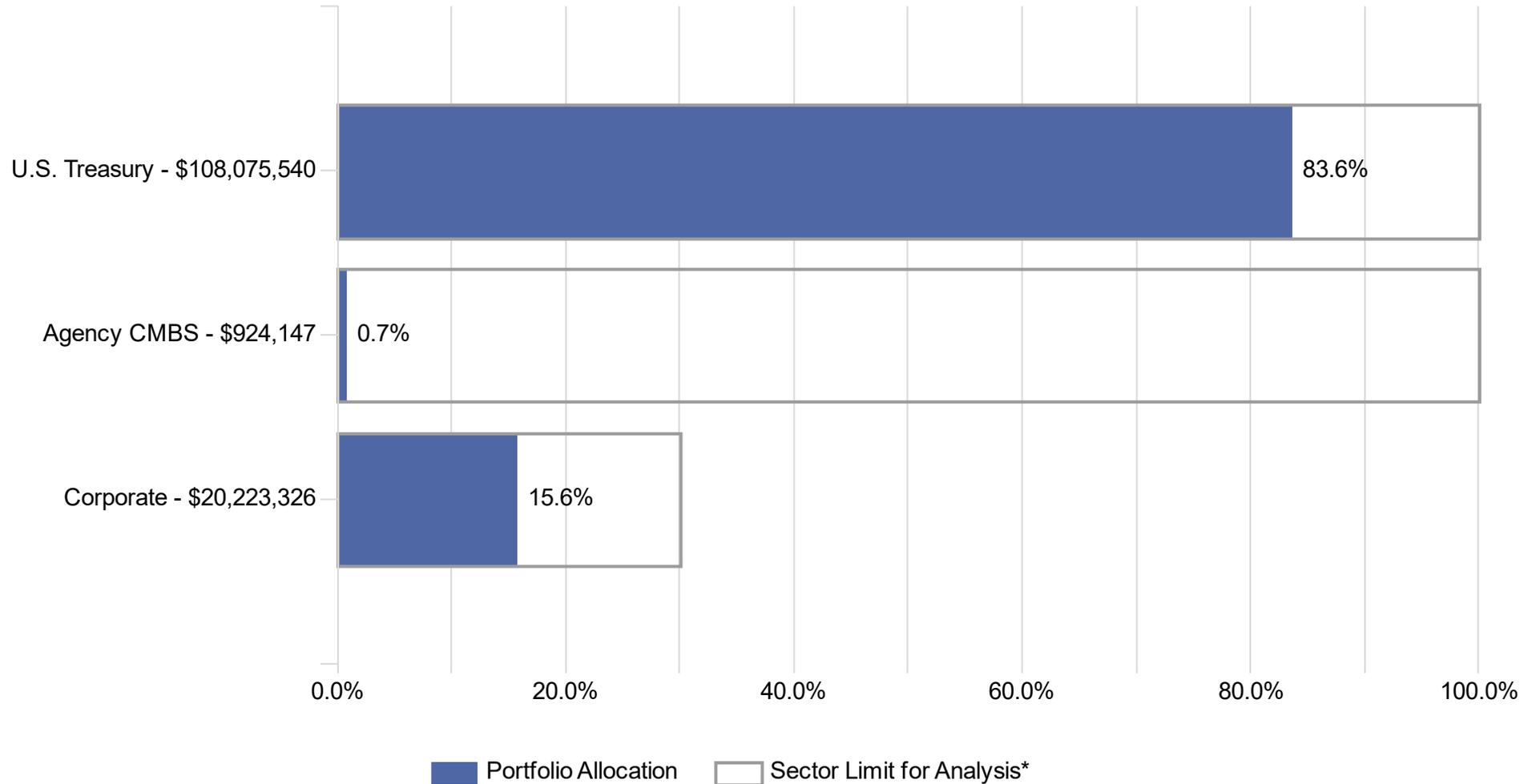
Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	



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# Account Summary

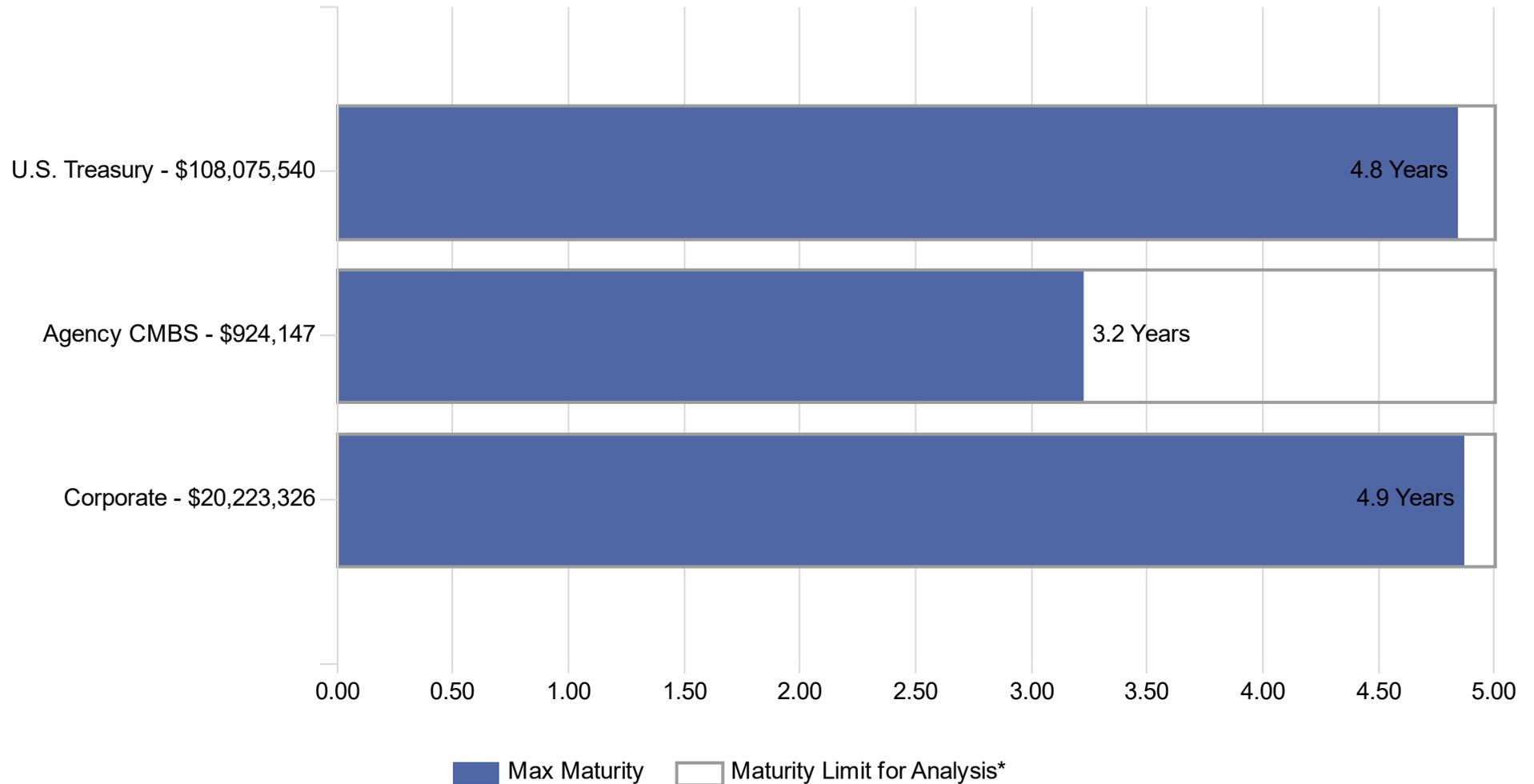
### Sector Allocation Analytics



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 June 30, 2023, 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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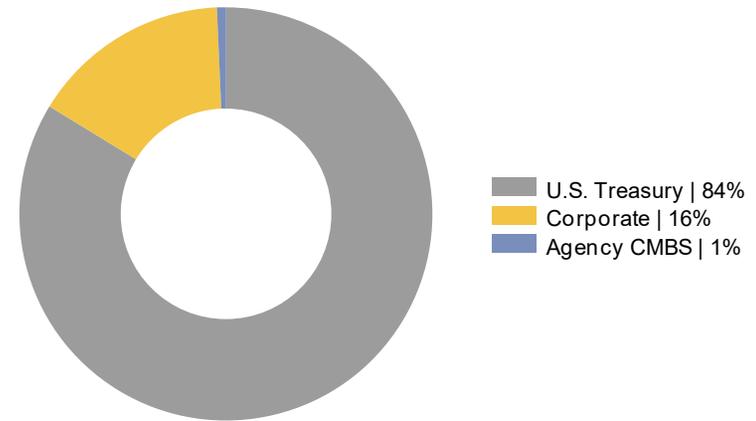
Portfolio Review:  
ZONE 7 WATER AGENCY

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

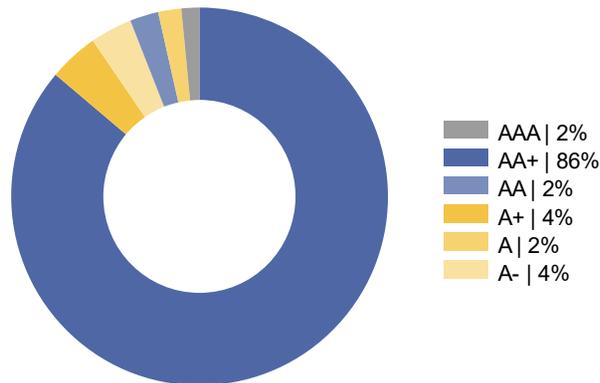
### Portfolio Statistics

<b>Total Market Value</b>	\$134,276,380.10
<i>Securities Sub-Total</i>	\$128,696,146.32
<i>Accrued Interest</i>	\$526,867.52
<i>Cash</i>	\$5,053,366.26
<b>Portfolio Effective Duration</b>	2.45 years
<b>Benchmark Effective Duration</b>	2.50 years
<b>Yield At Cost</b>	2.67%
<b>Yield At Market</b>	4.73%
<b>Portfolio Credit Quality</b>	AA

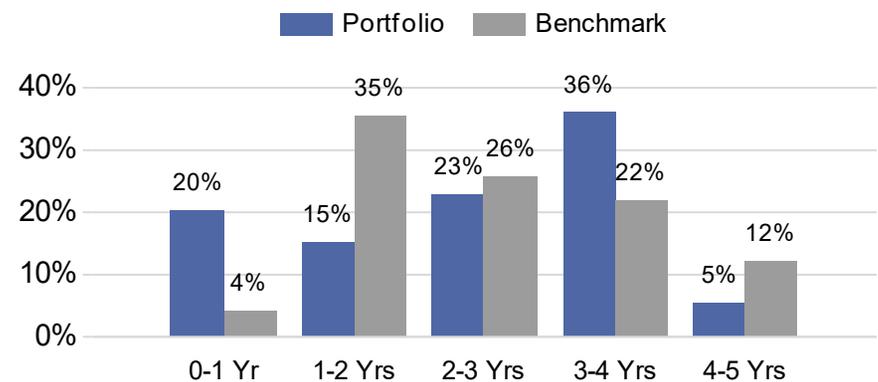
### Sector Allocation



### Credit Quality - S&P



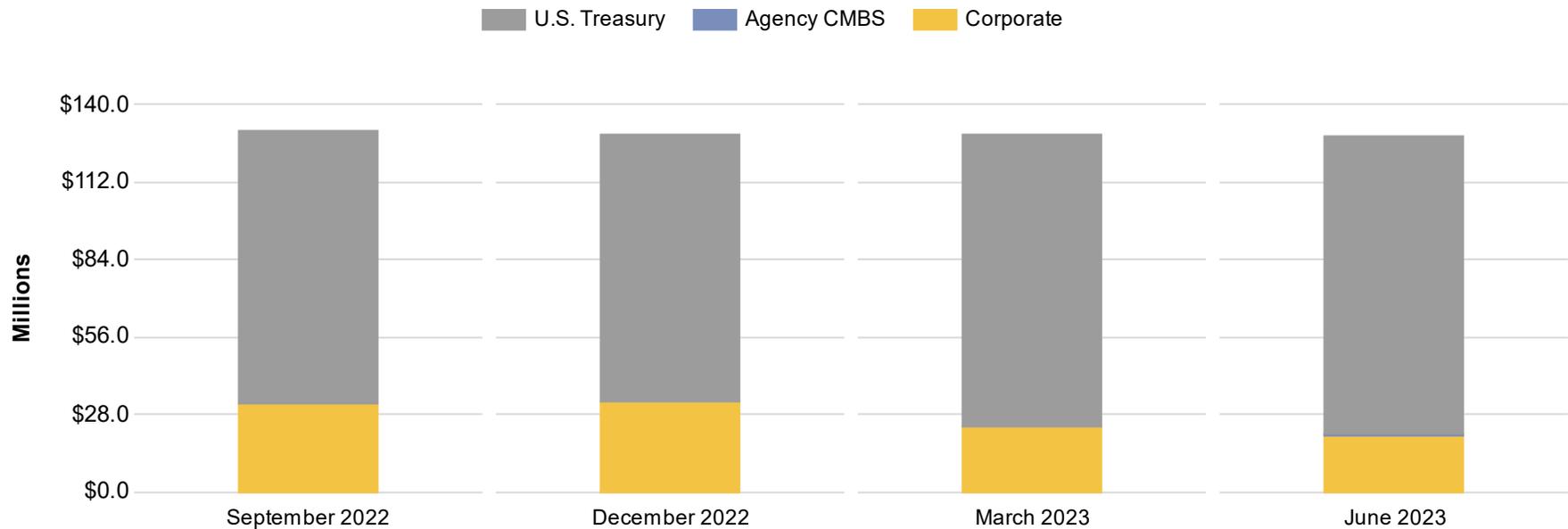
### Duration Distribution



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 BofA 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

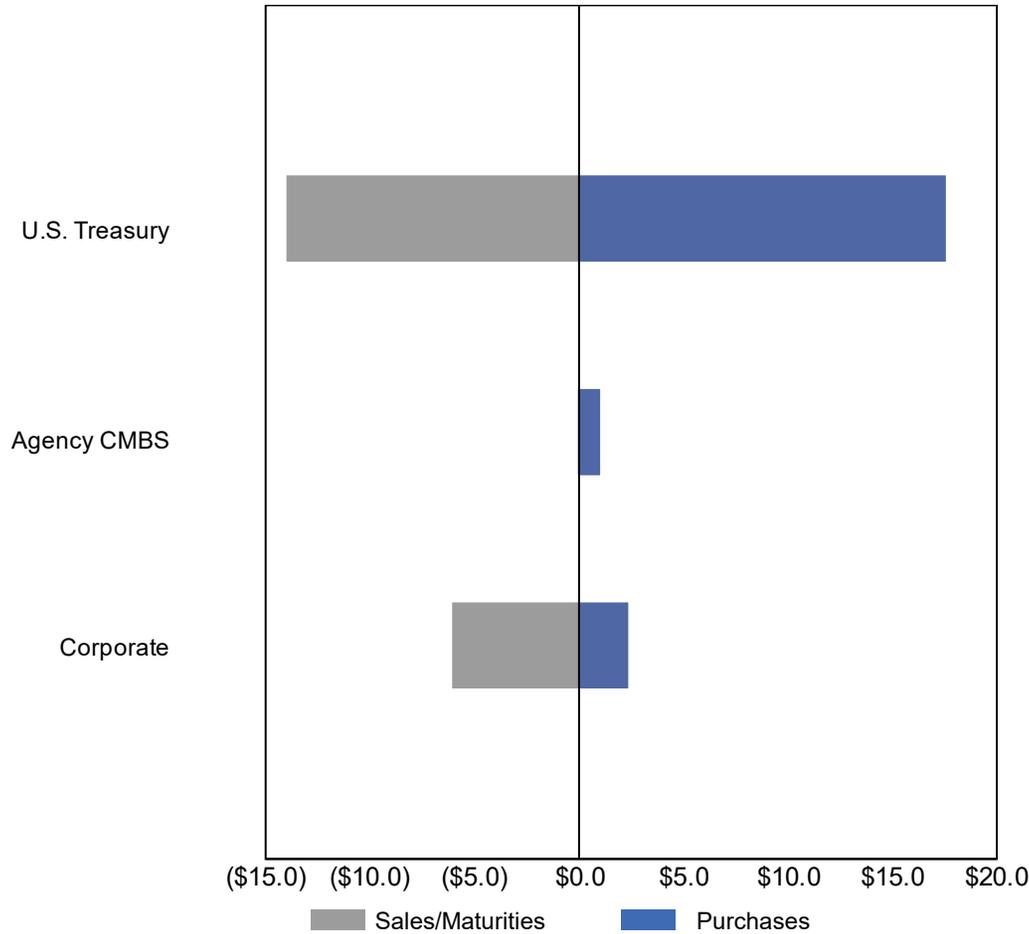
Security Type	Sep-22	% of Total	Dec-22	% of Total	Mar-23	% of Total	Jun-23	% of Total
U.S. Treasury	\$98.2	75.3%	\$97.0	75.0%	\$105.4	81.6%	\$107.7	83.7%
Agency CMBS	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$0.9	0.7%
Corporate	\$32.2	24.7%	\$32.4	25.0%	\$23.8	18.4%	\$20.1	15.6%
<b>Total</b>	<b>\$130.5</b>	<b>100.0%</b>	<b>\$129.3</b>	<b>100.0%</b>	<b>\$129.3</b>	<b>100.0%</b>	<b>\$128.7</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

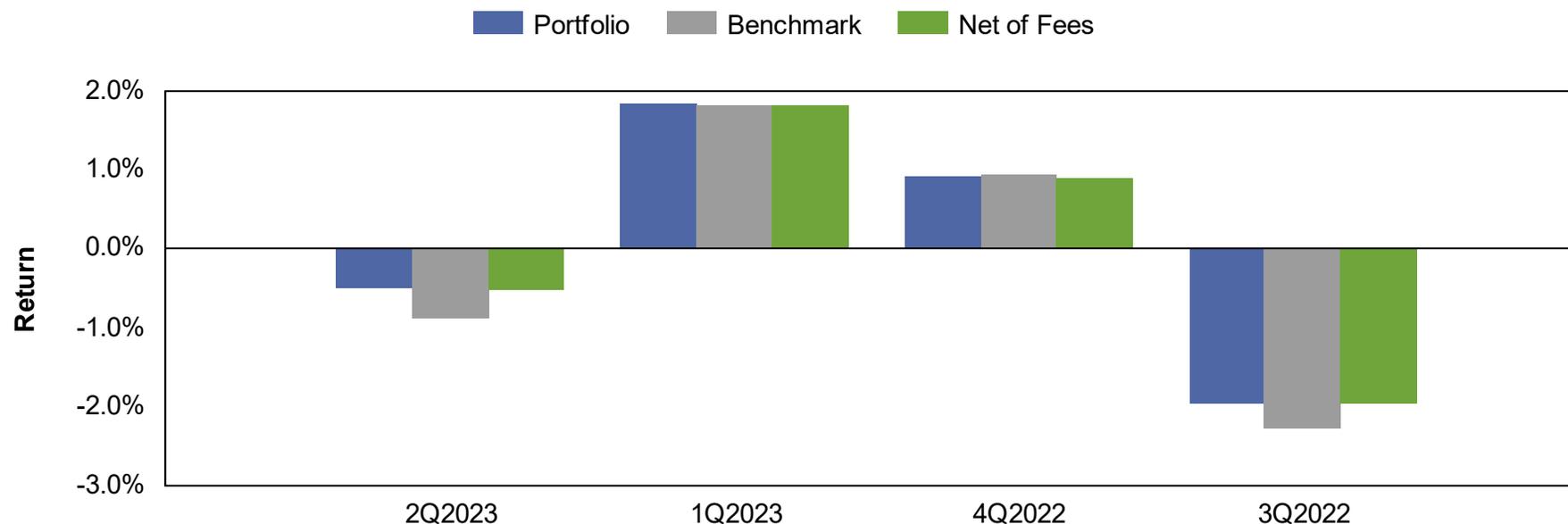
**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$3,462,075
Agency CMBS	\$937,360
Corporate	(\$3,720,243)
<b>Total Net Activity</b>	<b>\$679,191</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



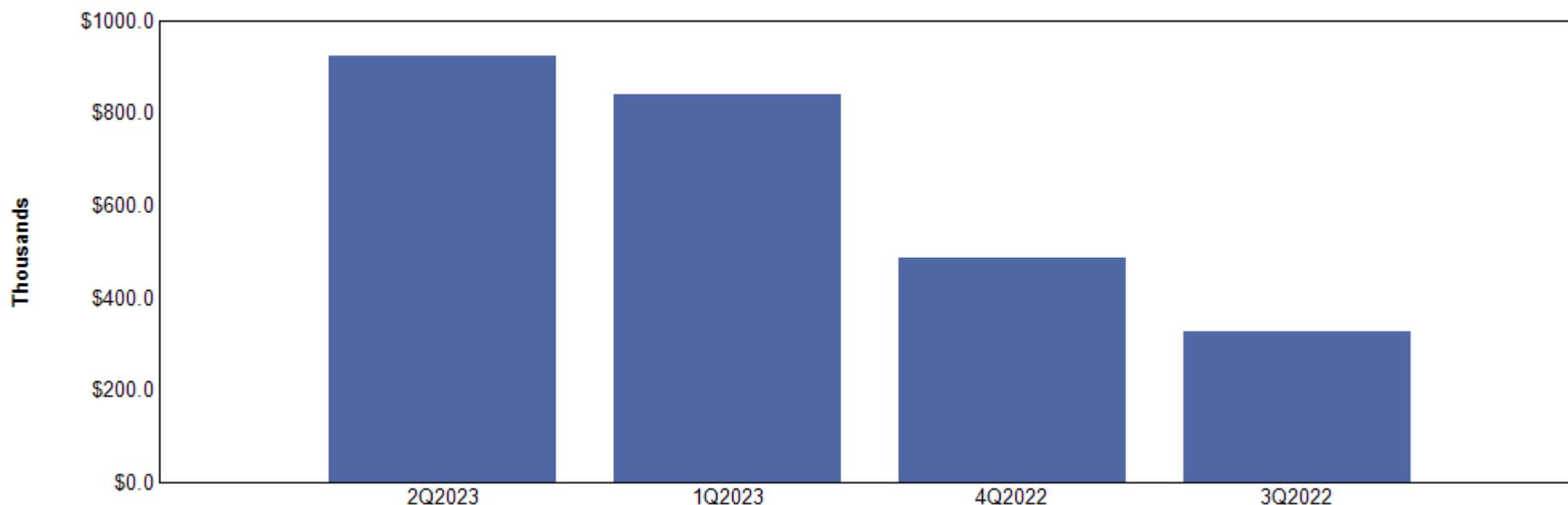
Market Value Basis Earnings	2Q2023	1Q2023	4Q2022	3Q2022
Interest Earned <sup>1</sup>	\$599,139	\$558,797	\$503,317	\$438,910
Change in Market Value	(\$1,256,358)	\$1,882,121	\$747,222	(\$3,047,237)
<b>Total Dollar Return</b>	<b>(\$657,219)</b>	<b>\$2,440,918</b>	<b>\$1,250,539</b>	<b>(\$2,608,327)</b>
<b>Total Return<sup>2</sup></b>				
Portfolio	-0.49%	1.84%	0.91%	-1.95%
Benchmark <sup>3</sup>	-0.86%	1.82%	0.95%	-2.28%
<b>Basis Point Fee</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>
<b>Net of Fee Return</b>	<b>-0.50%</b>	<b>1.83%</b>	<b>0.89%</b>	<b>-1.97%</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 BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

### Accrual Basis Earnings - ZONE 7 WATER AGENCY



Accrual Basis Earnings	2Q2023	1Q2023	4Q2022	3Q2022
Interest Earned <sup>1</sup>	\$599,139	\$558,797	\$503,317	\$438,910
Realized Gains / (Losses) <sup>2</sup>	\$344	\$4,031	(\$223,010)	(\$289,978)
Change in Amortized Cost	\$324,706	\$278,167	\$206,846	\$178,675
<b>Total Earnings</b>	<b>\$924,189</b>	<b>\$840,995</b>	<b>\$487,153</b>	<b>\$327,607</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>83.6%</b>	
UNITED STATES TREASURY	83.6%	AA / Aaa / AAA
<b>Agency CMBS</b>	<b>0.7%</b>	
FREDDIE MAC	0.7%	AA / Aaa / AAA
<b>Corporate</b>	<b>15.6%</b>	
AMAZON.COM INC	1.5%	AA / A / AA
APPLE INC	1.8%	AA / Aaa / NR
BANK OF AMERICA CO	1.5%	A / A / AA
HOME DEPOT INC	1.0%	A / A / A
JP MORGAN CHASE & CO	2.1%	A / A / AA
MICROSOFT CORP	1.6%	AAA / Aaa / NR
TARGET CORP	1.0%	A / A / A
TOYOTA MOTOR CORP	4.2%	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 June 30, 2023**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	107,694,538	83.67%
TOYOTA MOTOR CORP	5,467,545	4.25%
JP MORGAN CHASE & CO	2,671,742	2.08%
APPLE INC	2,261,236	1.76%
MICROSOFT CORP	1,995,694	1.55%
BANK OF AMERICA CO	1,949,906	1.52%
AMAZON.COM INC	1,918,259	1.49%
HOME DEPOT INC	1,292,546	1.00%
WAL-MART STORES INC	1,265,066	0.98%
TARGET CORP	1,258,161	0.98%
FREDDIE MAC	921,456	0.72%
<b>Grand Total</b>	<b>128,696,146</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 NOTES DTD 07/15/2020 0.125% 07/15/2023	912828ZY9	3,755,000.00	AA+	Aaa	5/11/2023	5/11/2023	3,719,796.88	5.39	2,165.35	3,747,417.79	3,747,372.84
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	2,924.59	6,999,061.91	6,940,937.50
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	11,040.83	3,017,539.95	2,947,011.87
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	16,967.21	2,995,892.47	2,929,218.60
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	169.40	1,518,924.64	1,475,648.36
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	5,319.67	3,042,000.24	2,920,289.06
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	15,725.45	3,011,318.65	2,849,146.88
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	28,740.33	4,980,882.08	4,813,921.62
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	4,021.86	3,086,331.73	2,960,000.00
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	15,136.72	3,122,158.18	3,008,789.06
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	3,279.66	3,057,182.72	2,860,967.19
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	898.27	1,016,632.68	975,226.56
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	1,407.98	1,629,917.25	1,528,610.94
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	2,152.32	3,227,310.70	3,101,765.63
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	508.20	1,517,970.17	1,444,000.00

## 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 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	4,942.96	3,054,912.04	2,836,593.59
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	6,419.26	3,209,135.32	3,077,268.75
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	6,079.92	3,067,094.73	2,914,593.75
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	1,547.89	1,187,988.00	1,103,265.63
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	1,057.69	1,615,023.96	1,495,378.13
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	4,294.26	6,346,192.44	6,071,325.00
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	7,522.13	3,200,554.76	3,059,831.25
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	16,475.54	6,245,896.98	5,966,250.00
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	44,801.10	5,192,163.03	4,928,172.14
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	4,864.81	5,278,517.84	5,003,495.81
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	18,867.05	6,020,786.17	5,792,375.00
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	37.36	2,496,778.06	2,370,585.80
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	21,724.31	2,458,620.16	2,375,643.75
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	40,645.90	3,897,852.93	3,897,950.00
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	40,933.90	6,004,864.25	5,858,709.38
US TREASURY N/B DTD 11/15/1997 6.125% 11/15/2027	912810FB9	1,560,000.00	AA+	Aaa	1/26/2023	1/30/2023	1,730,685.94	3.62	12,203.40	1,715,860.65	1,673,587.50
US TREASURY N/B NOTES DTD 03/31/2023 3.625% 03/31/2028	91282CGT2	2,890,000.00	AA+	Aaa	5/31/2023	5/31/2023	2,863,696.48	3.83	26,333.74	2,864,158.21	2,823,168.75

## 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 04/30/2023 3.500% 04/30/2028	91282CHA2	2,000,000.00	AA+	Aaa	5/1/2023	5/1/2023	1,990,468.75	3.61	11,793.48	1,990,787.15	1,943,437.60
<b>Security Type Sub-Total</b>		<b>114,975,000.00</b>					<b>110,430,262.13</b>	<b>2.74</b>	<b>381,002.54</b>	<b>111,817,727.84</b>	<b>107,694,537.94</b>
<b>Corporate</b>											
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	5,500,283.37	5,467,544.50
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	2,753,573.71	2,671,741.80
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	1,988,117.71	1,918,258.51
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	1,341,152.27	1,265,066.40
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	1,369,191.01	1,258,160.75
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	2,023,363.96	1,995,693.50
BANK OF AMERICA CORP CORP NOTES (CALLABL DTD 03/11/2021 1.658% 03/11/2027	06051GJQ3	2,170,000.00	A-	A1	4/13/2022	4/18/2022	2,000,761.70	3.40	10,993.46	2,042,314.06	1,949,905.58
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	1,390,000.00	A	A2	1/26/2023	1/30/2023	1,311,326.00	4.16	11,567.89	1,318,410.39	1,292,545.71
APPLE INC CORP NOTES CALLABLE DTD 05/10/2023 4.000% 05/10/2028	037833ET3	2,300,000.00	AA+	Aaa	5/10/2023	5/11/2023	2,302,001.00	3.98	13,033.33	2,301,944.18	2,261,235.80
<b>Security Type Sub-Total</b>		<b>20,800,000.00</b>					<b>20,806,444.85</b>	<b>2.17</b>	<b>143,173.43</b>	<b>20,638,350.66</b>	<b>20,080,152.55</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>Agency CMBS</b>											
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	965,000.00	AA+	Aaa	5/19/2023	5/24/2023	935,296.09	4.31	2,691.55	936,194.06	921,455.83
<b>Security Type Sub-Total</b>		<b>965,000.00</b>					<b>935,296.09</b>	<b>4.31</b>	<b>2,691.55</b>	<b>936,194.06</b>	<b>921,455.83</b>
<b>Managed Account Sub Total</b>		<b>136,740,000.00</b>					<b>132,172,003.07</b>	<b>2.67</b>	<b>526,867.52</b>	<b>133,392,272.56</b>	<b>128,696,146.32</b>
<b>Securities Sub Total</b>		<b>\$136,740,000.00</b>					<b>\$132,172,003.07</b>	<b>2.67%</b>	<b>\$526,867.52</b>	<b>\$133,392,272.56</b>	<b>\$128,696,146.32</b>
<b>Accrued Interest</b>											<b>\$526,867.52</b>
<b>Total Investments</b>											<b>\$129,223,013.84</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>									
4/5/2023	4/6/2023	2,075,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	2,096,911.19	4.76%	
4/5/2023	4/6/2023	3,190,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	3,223,685.15	4.76%	
5/1/2023	5/1/2023	3,520,000.00	912828R69	US TREASURY NOTES	1.62%	5/31/2023	3,534,810.71	4.73%	
5/1/2023	5/1/2023	2,000,000.00	91282CHA2	US TREASURY N/B NOTES	3.50%	4/30/2028	1,990,658.97	3.61%	
5/10/2023	5/11/2023	2,300,000.00	037833ET3	APPLE INC CORP NOTES CALLABLE	4.00%	5/10/2028	2,302,256.56	3.98%	
5/11/2023	5/11/2023	3,755,000.00	912828ZY9	US TREASURY NOTES	0.12%	7/15/2023	3,721,300.95	5.39%	
5/19/2023	5/24/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	937,359.61	4.31%	
5/31/2023	5/31/2023	2,890,000.00	91282CGT2	US TREASURY N/B NOTES	3.62%	3/31/2028	2,881,156.90	3.83%	
<b>Total BUY</b>		<b>20,695,000.00</b>					<b>20,688,140.04</b>		<b>0.00</b>
<b>INTEREST</b>									
4/3/2023	4/3/2023		MONEY0002	MONEY MARKET FUND			19,583.77		
4/13/2023	4/13/2023	1,990,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	29,850.00		
4/30/2023	4/30/2023	3,125,000.00	9128284M9	US TREASURY NOTES	2.87%	4/30/2025	44,921.88		
4/30/2023	4/30/2023	1,225,000.00	91282CBW0	US TREASURY N/B NOTES	0.75%	4/30/2026	4,593.75		
4/30/2023	4/30/2023	5,775,000.00	912828ZN3	US TREASURY N/B NOTES	0.50%	4/30/2027	14,437.50		
4/30/2023	4/30/2023	5,890,000.00	91282CFU0	US TREASURY N/B NOTES	4.12%	10/31/2027	121,481.25		
5/1/2023	5/1/2023		MONEY0002	MONEY MARKET FUND			19,416.69		

## 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>									
5/15/2023	5/15/2023	6,450,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	64,500.00		
5/15/2023	5/15/2023	1,560,000.00	912810FB9	US TREASURY N/B	6.12%	11/15/2027	47,775.00		
5/15/2023	5/15/2023	6,220,000.00	912828X88	US TREASURY NOTES	2.37%	5/15/2027	73,862.50		
5/31/2023	5/31/2023	1,600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	3,000.00		
5/31/2023	5/31/2023	8,425,000.00	91282CCF6	US TREASURY N/B NOTES	0.75%	5/31/2026	31,593.75		
6/1/2023	6/1/2023		MONEY0002	MONEY MARKET FUND			21,402.88		
6/1/2023	6/25/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,691.55		
6/15/2023	6/15/2023	1,550,000.00	91282CCG4	US TREASURY N/B NOTES	0.25%	6/15/2024	1,937.50		
6/26/2023	6/26/2023	1,300,000.00	931142ED1	WALMART INC CORP NOTES (CALLABLE)	3.55%	6/26/2025	23,075.00		
6/30/2023	6/30/2023	2,750,000.00	912828ZV5	US TREASURY NOTES	0.50%	6/30/2027	6,875.00		
<b>Total INTEREST</b>		<b>48,825,000.00</b>					<b>530,998.02</b>		<b>0.00</b>
<b>MATURITY</b>									
4/30/2023	4/30/2023	2,075,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	2,103,531.25		
4/30/2023	4/30/2023	3,190,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	3,233,862.50		
5/11/2023	5/11/2023	6,000,000.00	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/2023	6,022,500.00		
5/31/2023	5/31/2023	2,580,000.00	912828R69	US TREASURY NOTES	1.62%	5/31/2023	2,600,962.50		
<b>Total MATURITY</b>		<b>13,845,000.00</b>					<b>13,960,856.25</b>		<b>0.00</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>SELL</b>									
4/5/2023	4/6/2023	2,100,000.00	912828ZH6	US TREASURY NOTES	0.25%	4/15/2023	2,100,444.41		44.99
4/5/2023	4/6/2023	3,000,000.00	912828ZH6	US TREASURY NOTES	0.25%	4/15/2023	3,000,634.87		64.26
5/19/2023	5/24/2023	940,000.00	912828R69	US TREASURY NOTES	1.62%	5/31/2023	947,013.28		235.00
<b>Total SELL</b>		<b>6,040,000.00</b>					<b>6,048,092.56</b>		<b>344.25</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	4/5/2023	4/6/2023	2,075,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	2,096,911.19	4.76%	
BUY	4/5/2023	4/6/2023	3,190,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	3,223,685.15	4.76%	
BUY	5/1/2023	5/1/2023	3,520,000.00	912828R69	US TREASURY NOTES	1.62%	5/31/2023	3,534,810.71	4.73%	
BUY	5/1/2023	5/1/2023	2,000,000.00	91282CHA2	US TREASURY N/B NOTES	3.50%	4/30/2028	1,990,658.97	3.61%	
BUY	5/10/2023	5/11/2023	2,300,000.00	037833ET3	APPLE INC CORP NOTES CALLABLE	4.00%	5/10/2028	2,302,256.56	3.98%	
BUY	5/11/2023	5/11/2023	3,755,000.00	912828ZY9	US TREASURY NOTES	0.12%	7/15/2023	3,721,300.95	5.39%	
BUY	5/19/2023	5/24/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	937,359.61	4.31%	
BUY	5/31/2023	5/31/2023	2,890,000.00	91282CGT2	US TREASURY N/B NOTES	3.62%	3/31/2028	2,881,156.90	3.83%	
INTEREST	4/3/2023	4/3/2023		MONEY0002	MONEY MARKET FUND			19,583.77		
INTEREST	4/13/2023	4/13/2023	1,990,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	29,850.00		
INTEREST	4/30/2023	4/30/2023	3,125,000.00	9128284M9	US TREASURY NOTES	2.87%	4/30/2025	44,921.88		
INTEREST	4/30/2023	4/30/2023	1,225,000.00	91282CBW0	US TREASURY N/B NOTES	0.75%	4/30/2026	4,593.75		
INTEREST	4/30/2023	4/30/2023	5,775,000.00	912828ZN3	US TREASURY N/B NOTES	0.50%	4/30/2027	14,437.50		
INTEREST	4/30/2023	4/30/2023	5,890,000.00	91282CFU0	US TREASURY N/B NOTES	4.12%	10/31/2027	121,481.25		
INTEREST	5/1/2023	5/1/2023		MONEY0002	MONEY MARKET FUND			19,416.69		
INTEREST	5/15/2023	5/15/2023	6,450,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	64,500.00		
INTEREST	5/15/2023	5/15/2023	1,560,000.00	912810FB9	US TREASURY N/B	6.12%	11/15/2027	47,775.00		
INTEREST	5/15/2023	5/15/2023	6,220,000.00	912828X88	US TREASURY NOTES	2.37%	5/15/2027	73,862.50		

## 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	5/31/2023	5/31/2023	1,600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	3,000.00		
INTEREST	5/31/2023	5/31/2023	8,425,000.00	91282CCF6	US TREASURY N/B NOTES	0.75%	5/31/2026	31,593.75		
INTEREST	6/1/2023	6/1/2023		MONEY0002	MONEY MARKET FUND			21,402.88		
INTEREST	6/1/2023	6/25/2023	965,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	2,691.55		
INTEREST	6/15/2023	6/15/2023	1,550,000.00	91282CCG4	US TREASURY N/B NOTES	0.25%	6/15/2024	1,937.50		
INTEREST	6/26/2023	6/26/2023	1,300,000.00	931142ED1	WALMART INC CORP NOTES	3.55%	6/26/2025	23,075.00		
INTEREST	6/30/2023	6/30/2023	2,750,000.00	912828ZV5	US TREASURY NOTES	0.50%	6/30/2027	6,875.00		
MATURITY	4/30/2023	4/30/2023	2,075,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	2,103,531.25		
MATURITY	4/30/2023	4/30/2023	3,190,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	3,233,862.50		
MATURITY	5/11/2023	5/11/2023	6,000,000.00	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/2023	6,022,500.00		
MATURITY	5/31/2023	5/31/2023	2,580,000.00	912828R69	US TREASURY NOTES	1.62%	5/31/2023	2,600,962.50		
SELL	4/5/2023	4/6/2023	2,100,000.00	912828ZH6	US TREASURY NOTES	0.25%	4/15/2023	2,100,444.41		44.99
SELL	4/5/2023	4/6/2023	3,000,000.00	912828ZH6	US TREASURY NOTES	0.25%	4/15/2023	3,000,634.87		64.26
SELL	5/19/2023	5/24/2023	940,000.00	912828R69	US TREASURY NOTES	1.62%	5/31/2023	947,013.28		235.00
<b>TOTALS</b>			<b>89,405,000.00</b>					<b>41,228,086.87</b>		<b>344.25</b>

## Important Disclosures

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. 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.
- 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.
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- 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.