



# INVESTMENT ADVISORY COMMITTEE AGENDA

**Monday, April 27, 2020**

**10:00 AM**

Teleconference Dial-in Number: (714) 671-3685

Participant Code: 633-672-10

Direct Dial Extension: 1113

**CHAIR:** Council Member Christine Marick

**ALTERNATE:** Mayor Marty Simonoff

This meeting is being conducted consistent with Governor Newsom's Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. The Investment Advisory Committee Meeting will be held on April 27, 2020 at 10:00 AM via a teleconference call at which time the public is welcome to participate. The Dial-in Number is (714) 671-3685 and Participant Code is 633-672-10. The agenda can be viewed on the City of Brea's website at <https://www.ci.brea.ca.us/509/Meeting-Agendas-Minutes>. Hard copies of the agenda packet are available via USPS with proper notice by calling (714) 990-7676.

Materials related to an item on this agenda submitted to the Investment Advisory Committee after distribution of the agenda packet are available for public inspection in the third floor lobby of the Civic and Cultural Center at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

## CALL TO ORDER / ROLL CALL

1. Matters from the Audience

## CONSENT

2. Approval of Action Minutes for January 27, 2020 Meeting

### Attachments

Minutes

## DISCUSSION

***NOTE: This agenda is subject to amendments up to 72 hours prior to the meeting date.***

3. Review Quarterly Investment Report Period Ending March 31, 2020 from Chandler Asset Management - Presented by Bill Dennehy

**Attachments**

Investment Report

4. Review of PARS Post Employment Benefit Trust Investment Report for Period Ending March 31, 2020 - Presented by PARS and HighMark Capital Management

**Attachments**

PARS Report for Month Ending March 31, 2020

5. Investment Guidelines for the City's Other Post Employment Benefits (OPEB) Trust Fund with Public Agency Retirement Services (PARS)

**Attachments**

Attachment A

Attachment B

6. Monthly Report of Investments for the City of Brea for Period Ending March 31, 2020

**Attachments**

Attachment A

7. Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending March 31, 2020

**Attachments**

Attachment A

8. Schedule Next Meeting: July 27, 2020

cc: Mayor Pro Tem Steven Vargas  
Council Member Cecilia Hupp  
Council Member Glenn Parker

***NOTE: This agenda is subject to amendments up to 72 hours prior to the meeting date.***

**Special Accommodations**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

***NOTE: This agenda is subject to amendments up to 72 hours prior to the meeting date.***

City of Brea

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**COMMUNICATION**

**TO:** Honorable Chair and Members  
**FROM:** Bill Gallardo  
**DATE:** 04/27/2020  
**SUBJECT:** Approval of Action Minutes for January 27, 2020 Meeting

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**Attachments**

Minutes

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# INVESTMENT ADVISORY COMMITTEE MINUTES

**Monday, January 27, 2020, 10:00 AM**

Executive Conference Room, Level Three  
Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

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## CALL TO ORDER / ROLL CALL

ATTENDEES: Christine Marick, Rick Rios, Ho-El Park, Gary Terrazas, Cindy Russell, Faith Madrazo, and Ana Conrique

OTHER ATTENDEES: Chris McCarry (Chandler), Mia Corral (Chandler), Jennifer Meza (PARS), Keith Stribling (HighMark)

1. Matters from the Audience – *None*.

## CONSENT

2. Approval of Action Minutes for October 28, 2019 Meeting – *Approved*.

## DISCUSSION

3. Review Quarterly Investment Report Period Ending December 31, 2019 from Chandler Asset Management - Presented by Chris McCarry and Mia Corral – *The Committee reviewed the quarterly report as presented and recommended to receive and file.*
4. Review of PARS Post Employment Benefit Trust Investment Report for Period Ending December 31, 2019 - Presented by PARS and HighMark Capital Management – *The Committee reviewed the quarterly report as presented, noted a request to include a footnote explaining the variance between PARS and HighMark portfolio values and recommended to receive and file.*
5. Monthly Report of Investments for the City of Brea for Period Ending December 31, 2019 – *Recommended for City Council to receive and file.*
6. Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending December 31, 2019 – *Recommended for City Council to receive and file.*
7. Schedule Next Meeting: April 27, 2020

Meeting Adjourned: 10:48 a.m.

City of Brea

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**COMMUNICATION**

**TO:** Honorable Chair and Members

**FROM:** Bill Gallardo

**DATE:** 04/27/2020

**SUBJECT:** Review Quarterly Investment Report Period Ending March 31, 2020 from  
Chandler Asset Management - Presented by Bill Dennehy

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**Attachments**

Investment Report

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# City of Brea

*Period Ending March 31, 2020*

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



<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Portfolio Holdings</b>
<b>SECTION 4</b>	<b>Transactions</b>





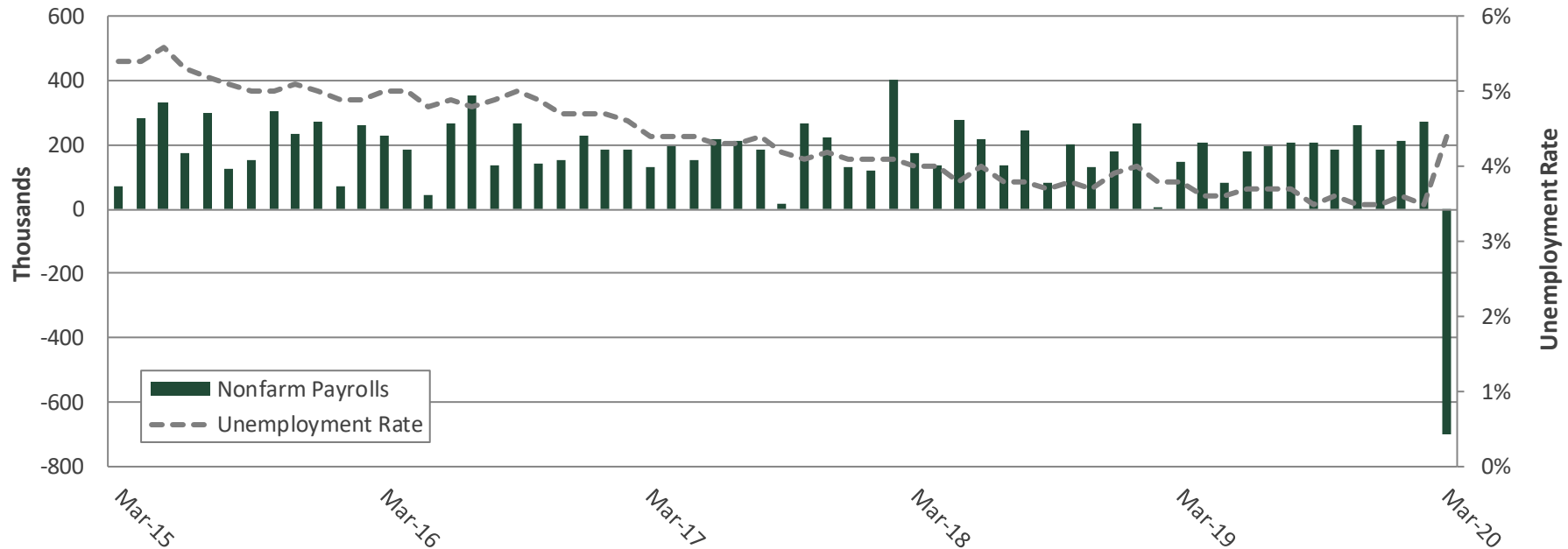
## Section 1 | Economic Update

## Economic Update

- Financial markets have experienced significant turbulence, driven by a high level of uncertainty about the impact of the COVID-19 pandemic on the global economy. US Treasury yields have declined, amid a global flight to quality. At the end of the first quarter, the yield on 2-year Treasuries was down 132 basis points year-to-date, and the yield on 10-year Treasuries was down nearly 125 basis points. The S&P 500 index declined 20.0% in the first quarter. There are still many unknowns about the coronavirus including how widespread it will become, how long it will take to contain the virus, and the actual impact on economic activity. We believe containment efforts and supply chain disruptions will cause a sharp increase in unemployment and a swift and deep contraction in economic activity. Financial markets will likely remain volatile over the near term but we believe that large-scale global monetary and fiscal stimulus programs will help mitigate the longer-term impact of the pandemic. Notably, President Trump approved a \$2 trillion economic relief package on March 27, the largest fiscal stimulus package in US history.
- The Fed has taken a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed has lowered the fed funds target rate to a range of 0.0%-0.25% and said it will purchase Treasury and agency mortgage-backed securities in any amount needed to support smooth market functioning. Policymakers have established several facilities to help support the flow of credit to businesses and state and local governments including the Commercial Paper Funding Facility, Main Street Lending Facility, Money Market Mutual Fund Liquidity Facility, Municipal Liquidity Facility, Paycheck Protection Program Liquidity Facility, Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, and Term Asset-Backed Securities Loan Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Fed Chair Powell has indicated that the Fed will continue to act “forcefully, proactively, and aggressively” until the economy is solidly on a road to recovery.
- The slope of the Treasury yield curve steepened in March, though rates across the curve declined meaningfully. At March month-end, the yield on 10-year Treasuries was down 48 basis points to 0.67% while the yield on 2-year Treasuries was down 67 basis points to 0.25%. The yield on 3-month T-bills declined 121 basis points in March. The movement in yields has been driven by fears about the coronavirus and its potential impact on global economic growth and inflation expectations, as well as the cumulative 150 basis point cut to the fed funds target rate in March.

## Employment

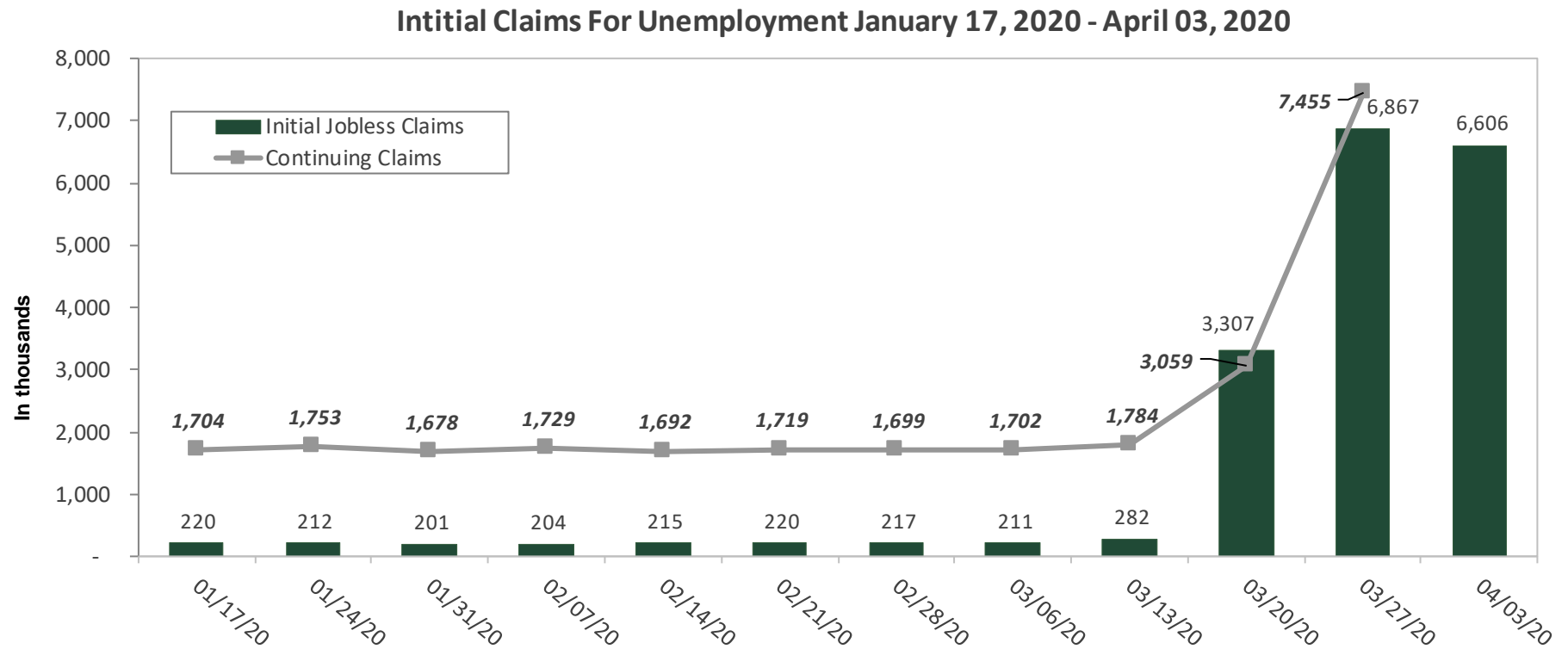
Change in Nonfarm Payrolls and Unemployment Rate  
March 2015 - March 2020



Source: US Department of Labor

U.S. nonfarm payrolls declined by 701,000 in March. Employment in leisure and hospitality was particularly weak with payrolls down 459,000. The U-3 unemployment rate increased to 4.4% in March from 3.5% in February, and the participation rate declined to 62.7% from 63.4%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, increased to 8.7% from 7.0%. Wages rose 0.4% in March and were up 3.1% on year-over-year basis. The average workweek declined to 34.2 hours from 34.4 hours. Notably, the establishment survey of payrolls and the household survey of unemployment were collected in the first half of March, which predates many of the business and school closures related to the pandemic.

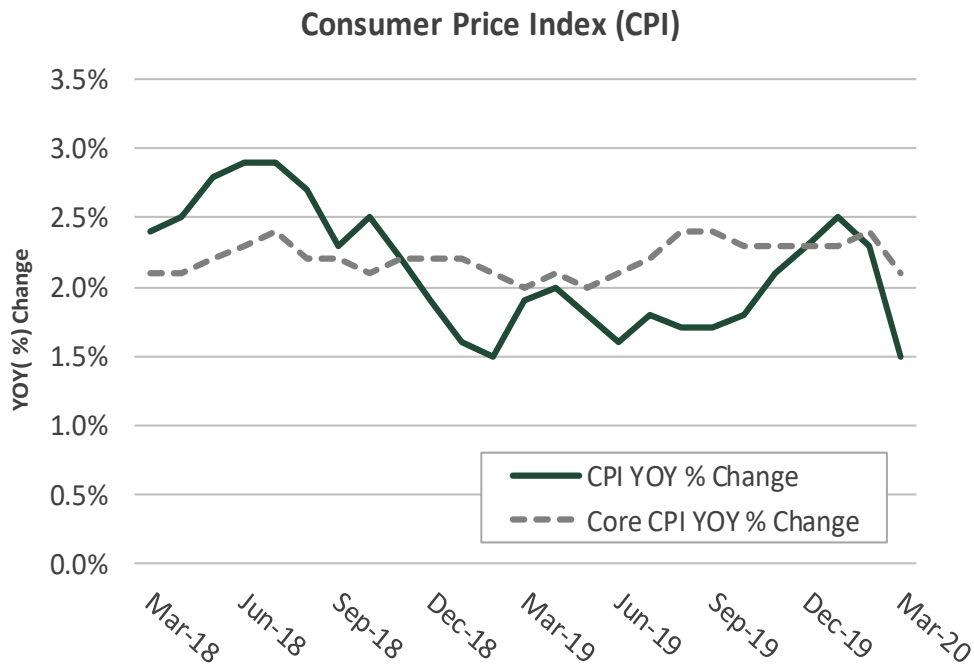
## Initial Claims for Unemployment



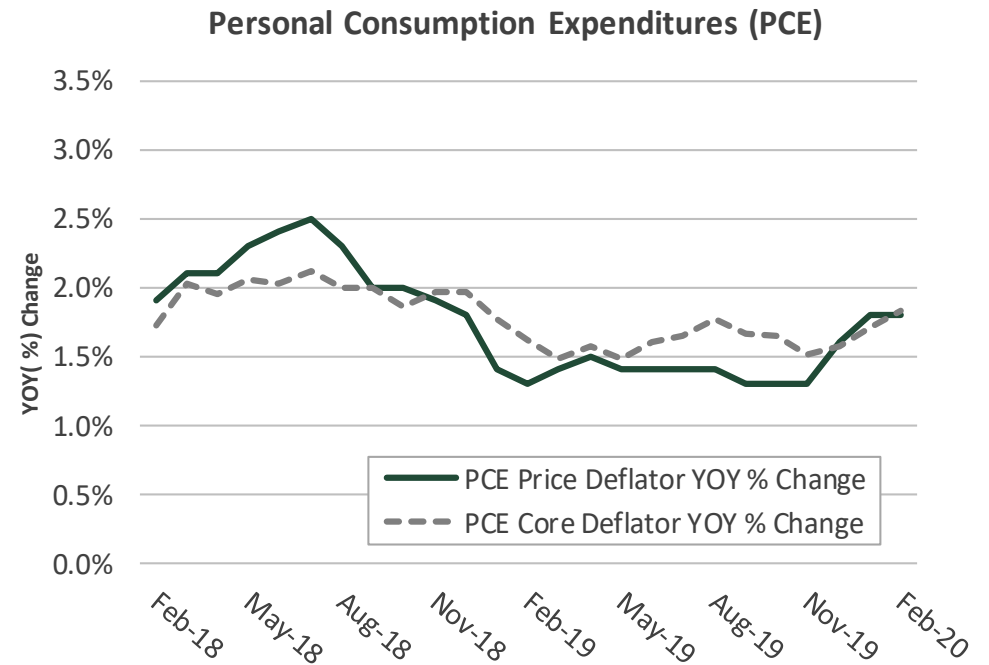
Source: US Department of Labor

More than 6.6 million people filed an initial claim for unemployment in the April 4 week, following nearly 6.9 million claims in the prior week, and 3.3 million claims two weeks prior.

# Inflation



Source: US Department of Labor

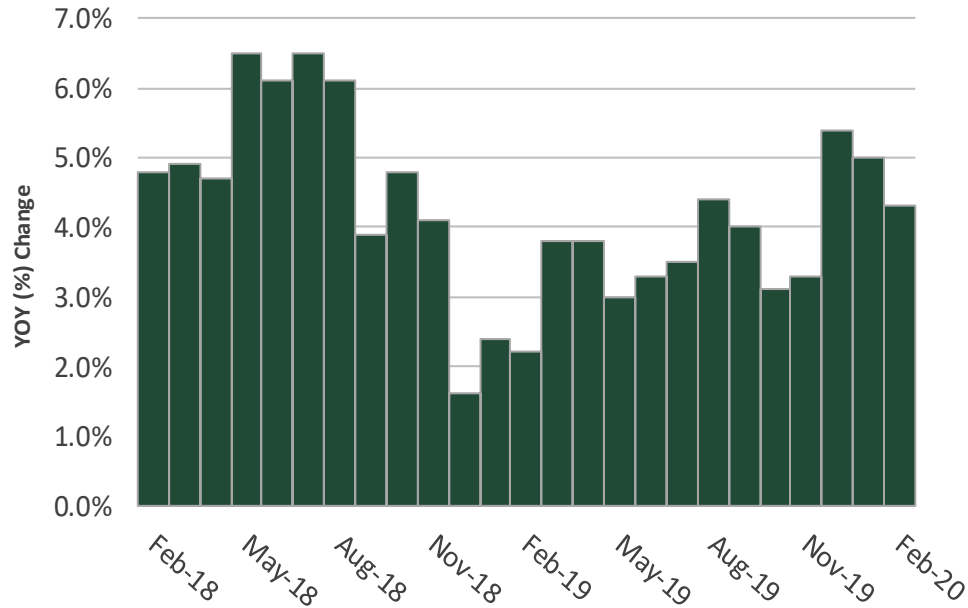


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.5% year-over-year in March, down from 2.3% in February. Core CPI (CPI less food and energy) was up 2.1% year-over-year in March, down from 2.4% in February. The CPI data for March indicates that the initial net effect of the pandemic has been deflationary. The Personal Consumption Expenditures (PCE) index was up 1.8% year-over-year in February, unchanged from 1.8% year-over-year in January. Core PCE, which is the Fed's primary inflation gauge, was up 1.8% year-over-year in February versus 1.7% year-over-year in January. Core PCE was trending below the Fed's 2.0% inflation target before the COVID-19 pandemic.

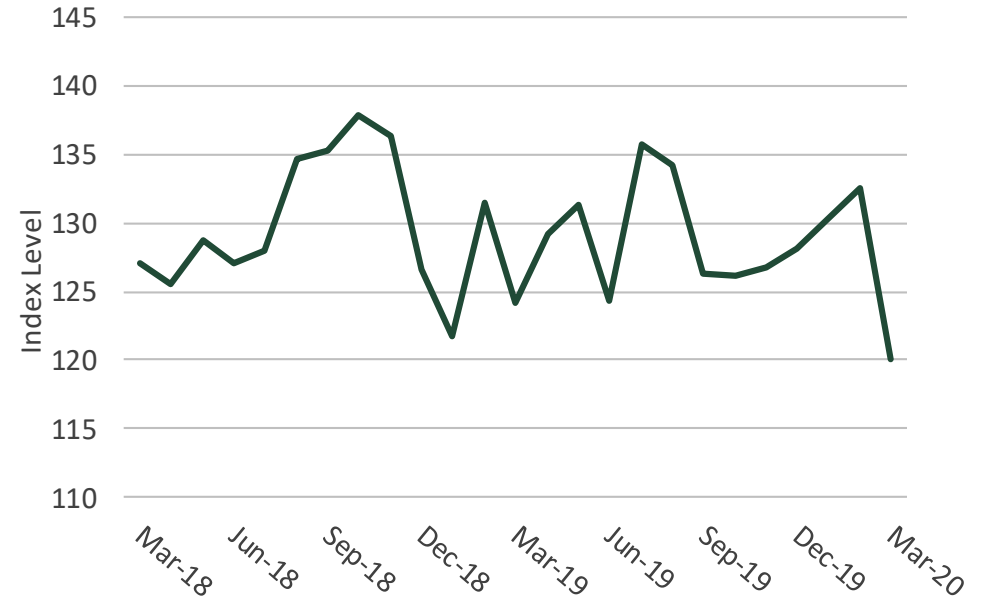
## Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

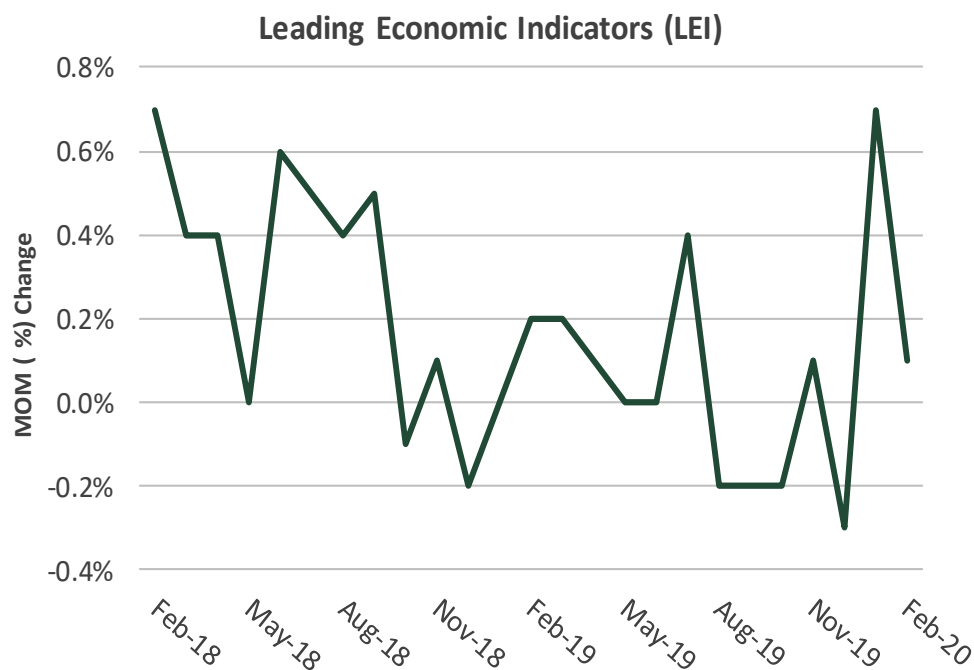
Consumer Confidence



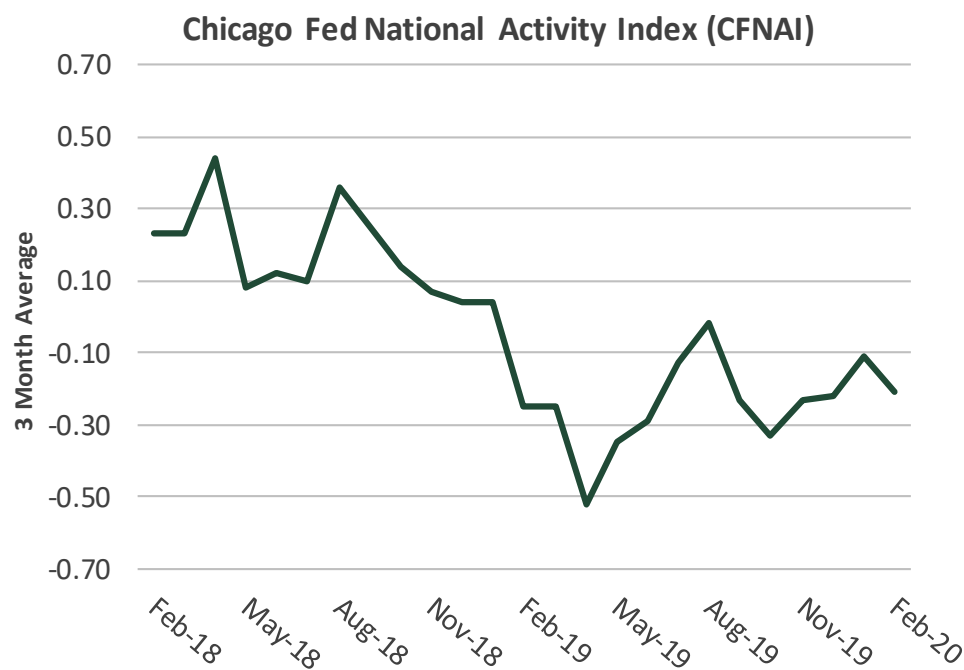
Source: The Conference Board

On a year-over-year basis, retail sales were up 4.3% in February versus 5.0% in January. On a month-over-month basis, retail sales excluding autos and gas fell 0.2% in February, well below expectations for a 0.4% increase. Control group sales were flat in February, below expectations of a 0.4% gain. Several retail categories showed weakness in February including auto sales and gasoline, building materials, clothing stores, electronics & appliances. The impact of the coronavirus was only beginning to emerge in February but the outlook for retail sales in the coming months is under significant pressure. The Consumer Confidence Index remained fairly strong in March but declined to 120.0 from 132.6 in February. The cut-off date for the survey was March 19. Confidence was high going into the pandemic, but we expect to see a meaningful decline in the coming months.

## Economic Activity



Source: The Conference Board

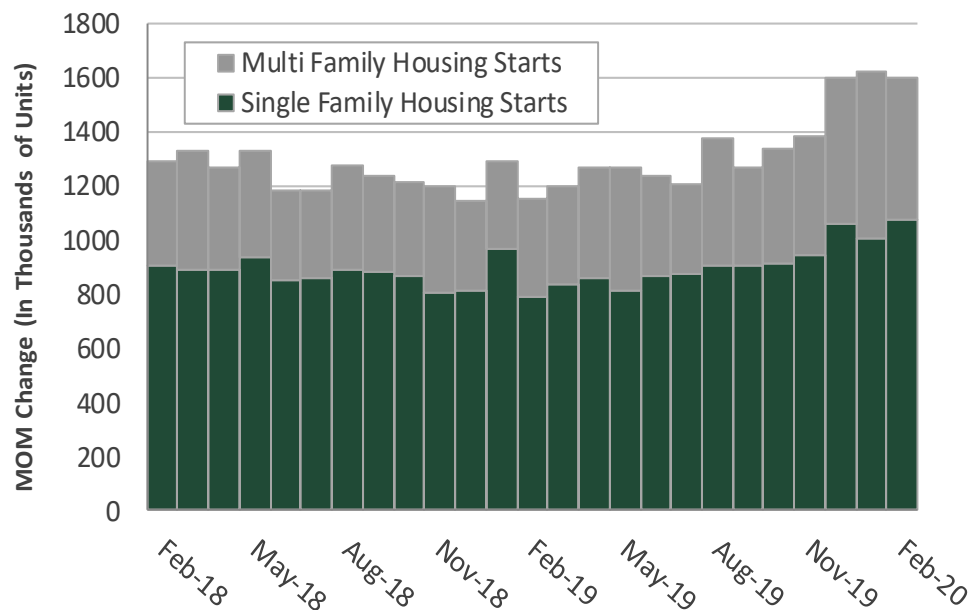


Source: Federal Reserve Bank of Chicago

The Leading Economic Indicators index (LEI) rose a modest 0.1% in February, following a 0.7% increase in January. The LEI was up 0.7% on a year-over-year basis in February versus up 0.8% year-over-over in January. However, the Conference Board cautioned that the February index didn't reflect the impact of the COVID-19 pandemic and that the economy may have now entered a contraction. The Chicago Fed National Activity Index (CFNAI) improved to 0.16 in February from -0.33 in January. On a 3-month moving average basis, the CFNAI declined to -0.21 in February from -0.11 in January. The 3-month moving average is consistent with sub-par economic growth.

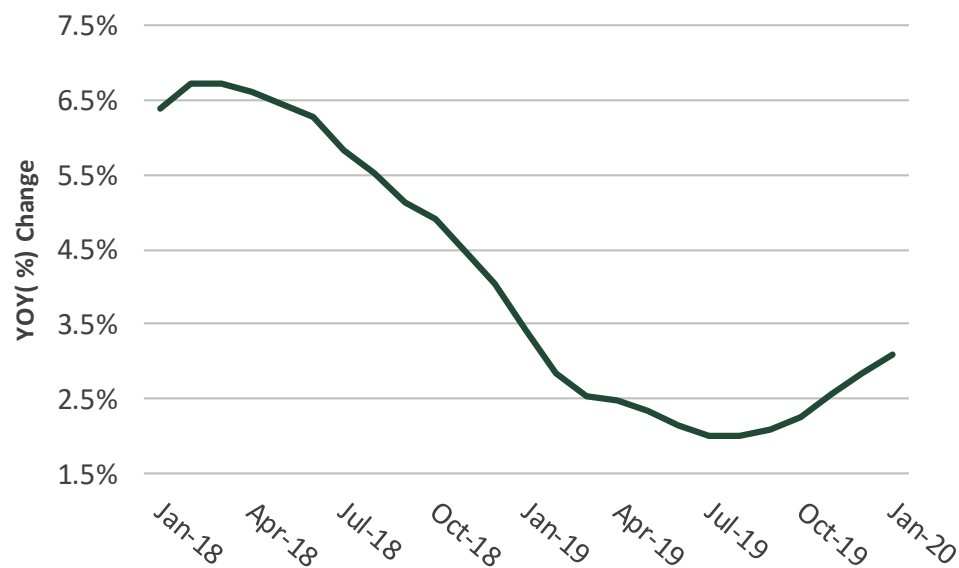
# Housing

**Housing Starts**



Source: US Department of Commerce

**S&P/Case-Shiller 20 City Composite Home Price Index**

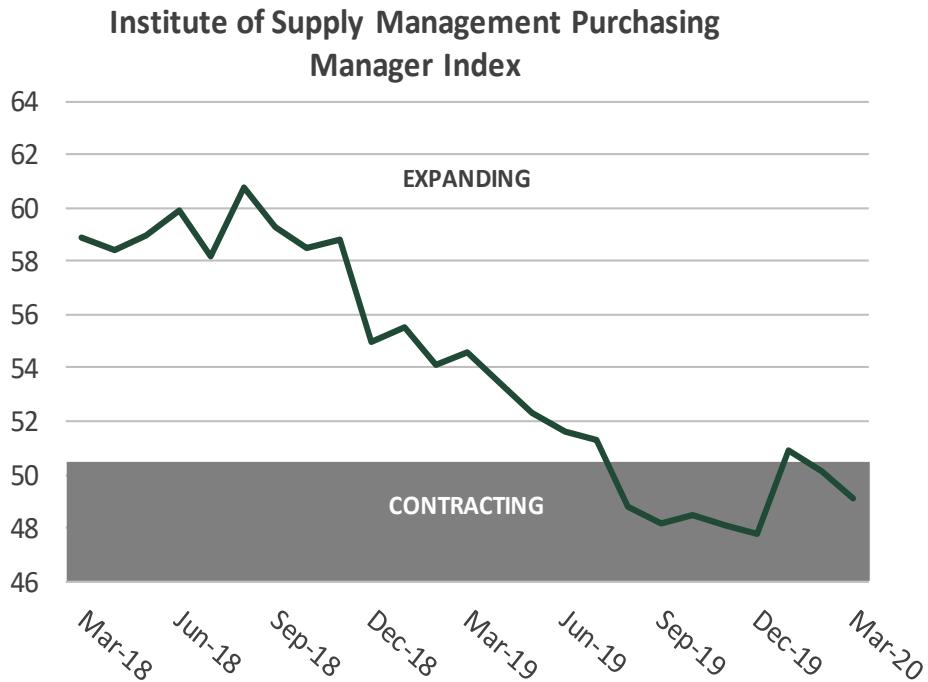


Source: S&P

Housing starts remained strong in February at an annual rate of 1,599,000, exceeding the consensus forecast. On a month-over-month basis, single family starts rose 6.7% to an annualized rate of 1,072,000, while multi-family starts declined 14.9% to an annualized rate of 527,000. Low mortgage rates and a strong labor market were fueling housing activity heading into the COVID-19 crisis. According to the Case-Shiller 20-City home price index, home prices were up 3.1% year-over-year in January, versus up 2.9% year-over-year in December, which suggests that pricing in the sector was gaining momentum prior to the pandemic.



# Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

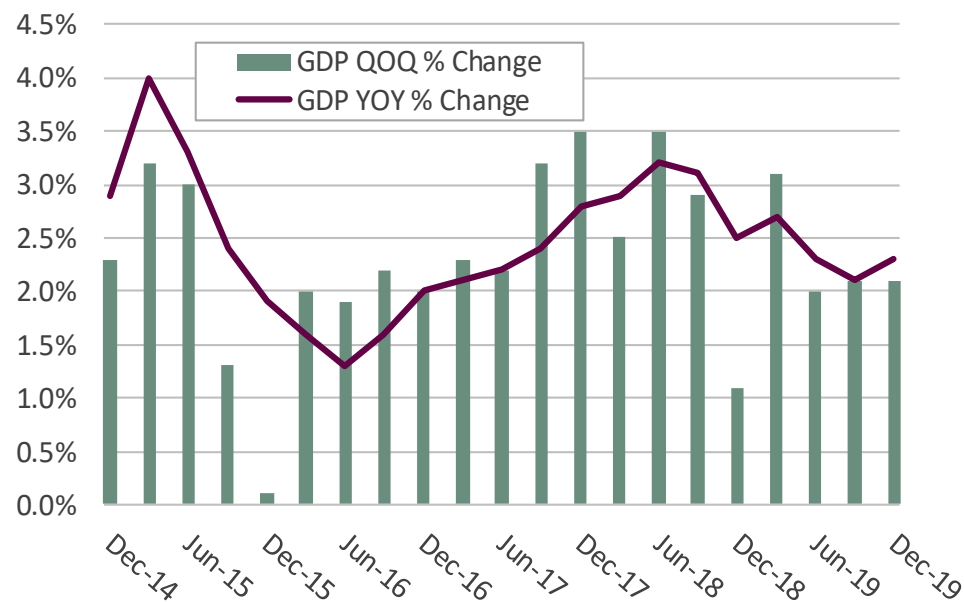
The Institute for Supply Management (ISM) manufacturing index decreased to 49.1 in March from 50.1 in February. The sub-50.0 reading suggests that the manufacturing sector is in contraction but it was stronger than the consensus estimate of 44.0. The Industrial Production index was up 0.04% year-over-year in February. In January, the index was down 1.02% year-over-year. On a month-over-month basis, the index was up 0.6% in February following a 0.5% decline in January. The Boeing 737 Max shutdown weighed on production in both months but there was a large gain in auto production in February. Capacity Utilization increased to 77.0% in February from 76.6% in January, but remained below the long-run average of 79.8% indicating there was still excess capacity for growth.

## Gross Domestic Product (GDP)

Components of GDP	3/19	6/19	9/19	12/19
Personal Consumption Expenditures	0.8%	3.0%	2.1%	1.2%
Gross Private Domestic Investment	1.1%	-1.2%	-0.2%	-1.1%
Net Exports and Imports	0.7%	-0.7%	-0.1%	1.5%
Federal Government Expenditures	0.1%	0.5%	0.2%	0.2%
State and Local (Consumption and Gross Investment)	0.4%	0.3%	0.1%	0.2%
<b>Total</b>	<b>3.1%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>2.1%</b>

Source: US Department of Commerce

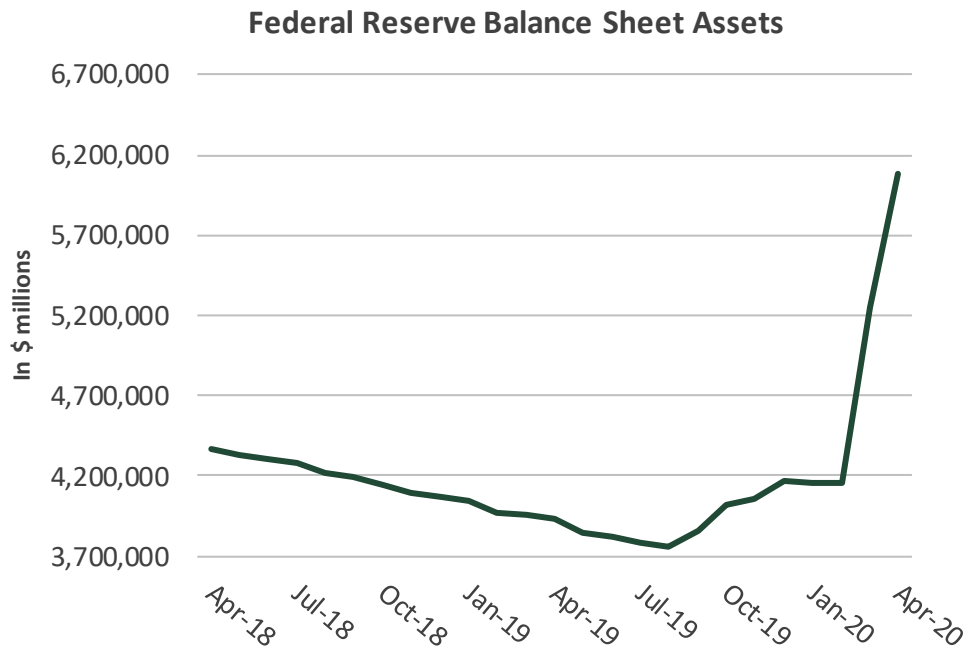
## Gross Domestic Product (GDP)



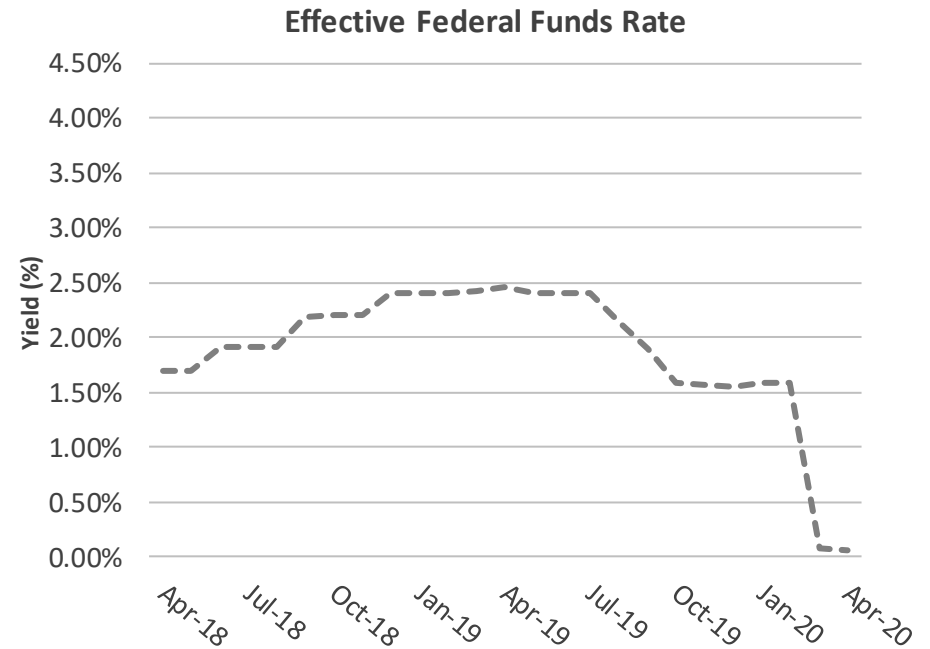
Source: US Department of Commerce

Fourth quarter 2019 GDP grew at a 2.1% annualized rate, in line with expectations. This follows growth of 2.1% in the third quarter, 2.0% in the second quarter, and 3.1% in the first quarter. Overall, GDP grew 2.3% in 2019, down from 2.9% in 2018. Fourth quarter growth was fueled by net exports and consumer spending which contributed 1.5% and 1.2% to GDP in the quarter, respectively, while gross private domestic investment was a drag on the economy. We believe the economy was expanding at a moderate pace at the beginning of this year but containment efforts related to the COVID-19 pandemic have almost certainly resulted in a steep contraction in US economic activity beginning in early March.

# Federal Reserve



Source: Federal Reserve

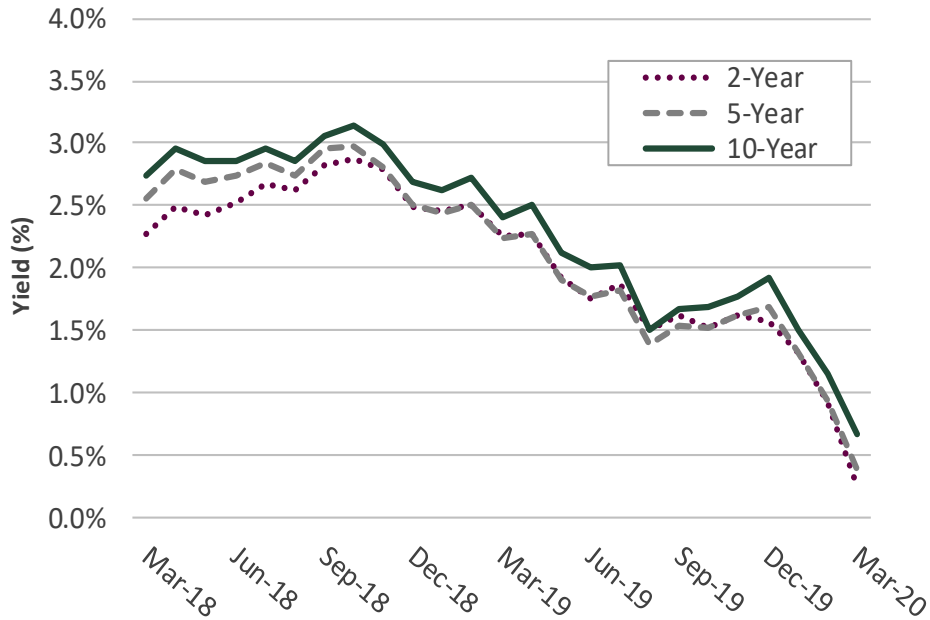


Source: Bloomberg

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

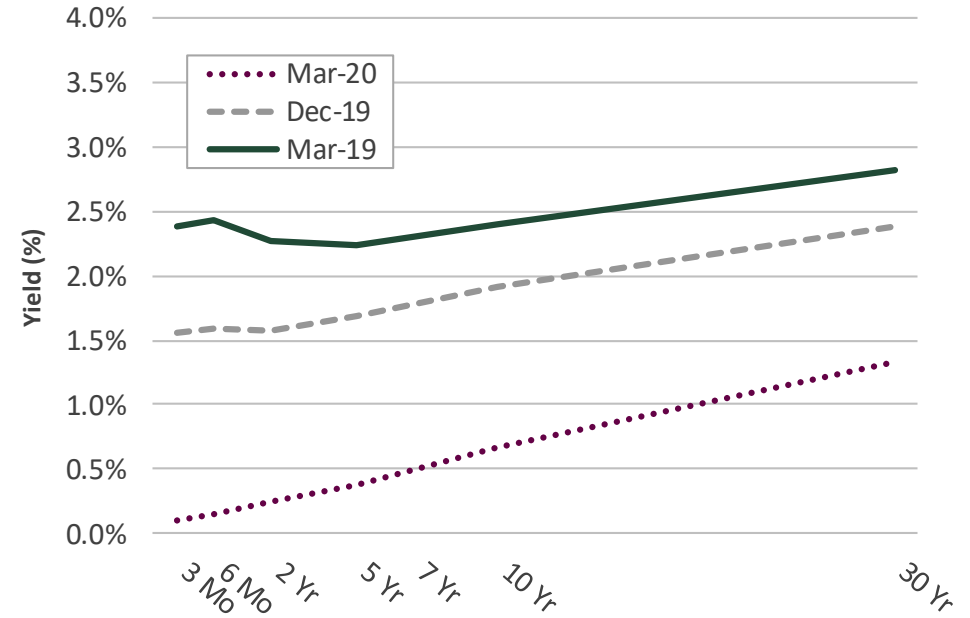
# Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At March month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 232 basis points, the 2-year Treasury yield was down 202 basis points, and the 10-Year Treasury yield was down 174 basis points, year-over-year. Much of the spread movement was in the month of March, with the Fed cutting rates by a total of 150 basis points and concerns about a global recession and a flight to safe-haven assets driving down yields across the curve.



## Section 2 | Account Profile

## **Investment Objectives**

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

## **Chandler Asset Management Performance Objective**

The performance objective for both accounts is to achieve a rate of return over a market cycle that equals or exceeds the return on a market index of similar duration and sector allocation.

## **Strategy**

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

## City of Brea

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

Category	Standard	Comment
Treasury Issues	No limitations	Complies
US Agencies	25% per issuer	Complies
Supranationals	"AA" rated by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Certificates of Deposit(CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Negotiable CDs	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset-Backed Securities (ABS), CMOs	"AA" or higher by a NRSRO; "A" rated issuer by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer; CMOs must pass FFIEC test	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
LAIF	40%;<60%, with OCIP	Complies
OCIP	40%;<60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Range notes	Prohibited	Complies
Interest-only strips	Prohibited	Complies
Zero interest accruals	Prohibited	Complies
Agency Callable notes	5% maximum	Complies
Max Per Issuer	5% per issuer for all non government issuers and agencies	Complies
Maximum Maturity	5 years	Complies

## Portfolio Characteristics

As of March 31, 2020

### City of Brea

	3/31/2020		12/31/2019
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.64	2.80	2.76
Average Modified Duration	2.55	2.56	2.47
Average Purchase Yield	n/a	2.03%	2.19%
Average Market Yield	0.26%	0.92%	1.75%
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		88,373,921	76,325,704

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

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

Multiple securities were purchased across the Treasury, Agency, Asset Backed, Commercial Paper and Corporate sectors of the market to keep the portfolio positioned consistent with Chandler targets for the strategy. The purchased securities ranged in maturity from April 2020 to February 2025. Several securities were sold, three matured, in addition to a \$10 million contribution in January which funded the new holdings in the portfolio.



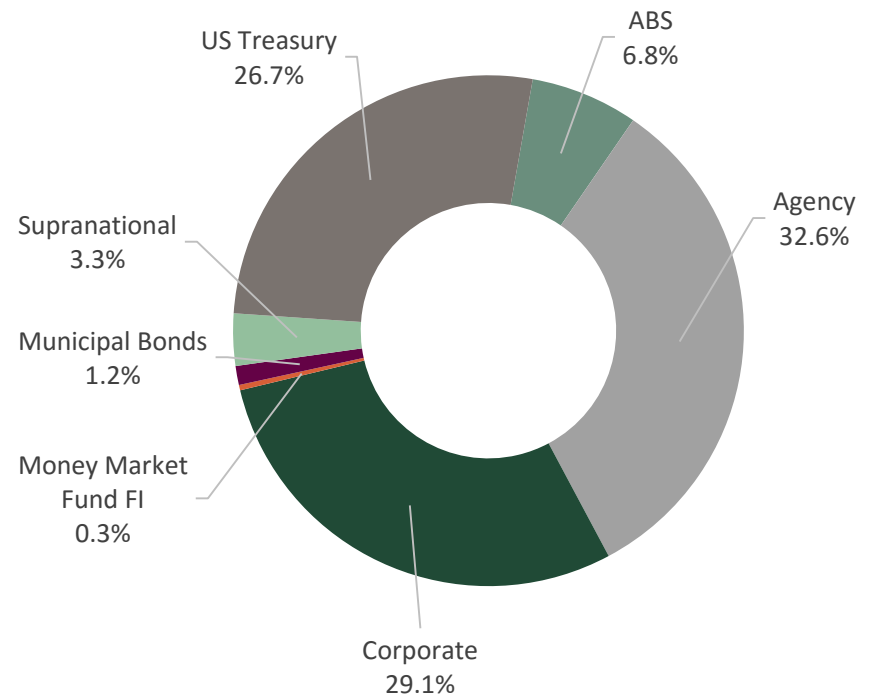
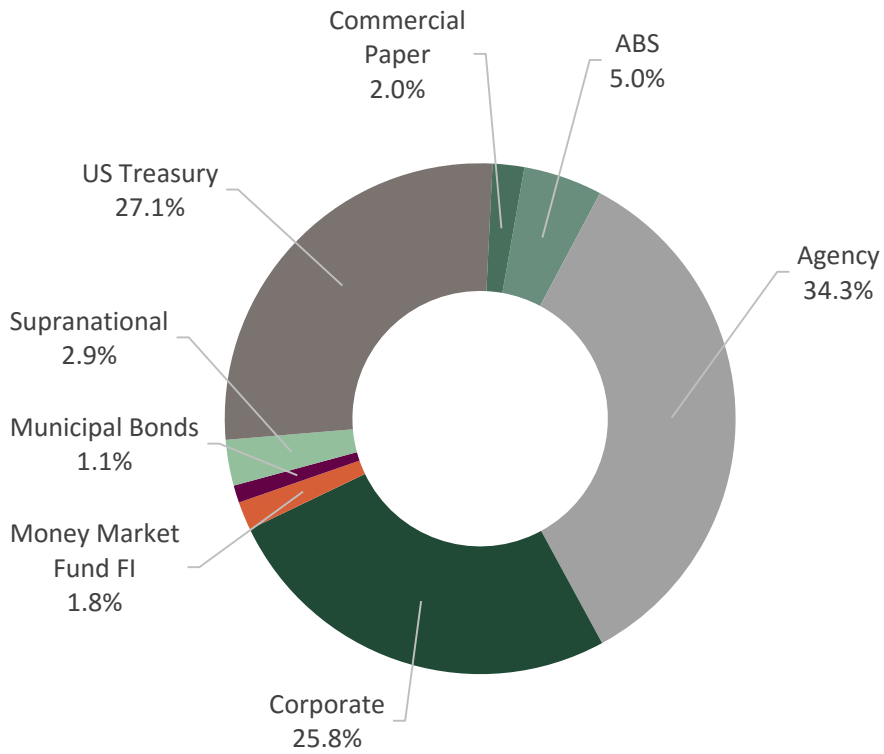
# Sector Distribution

As of March 31, 2020

## City of Brea

March 31, 2020

December 31, 2019



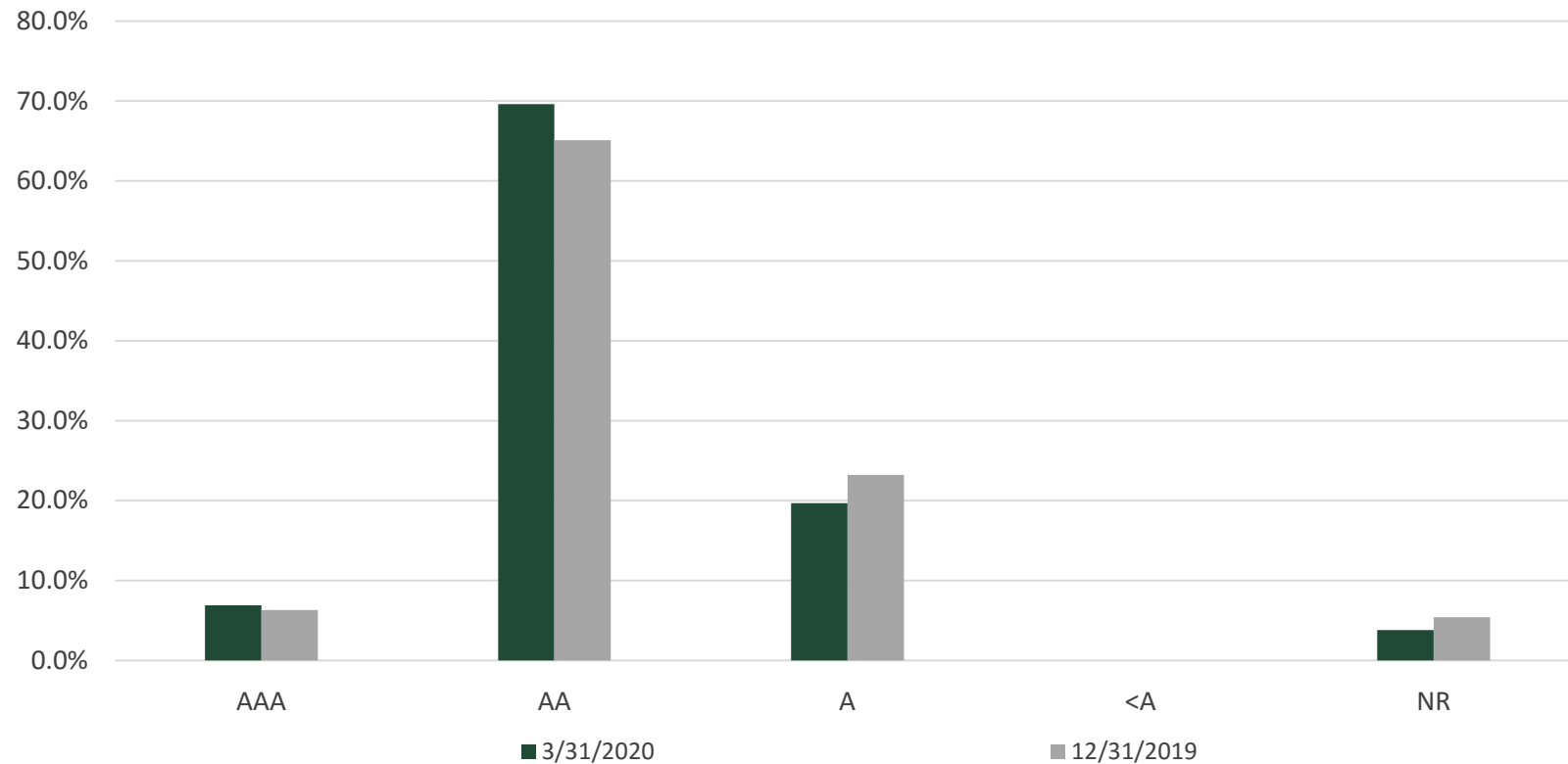
## City of Brea – Account #120

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	27.15%
Federal National Mortgage Association	Agency	15.86%
Federal Home Loan Bank	Agency	13.30%
Federal Home Loan Mortgage Corp	Agency	5.17%
Inter-American Dev Bank	Supranational	2.42%
MUFG Bank Ltd/NY	Commercial Paper	1.98%
Fidelity Institutional Treasury Portfolio	Money Market Fund FI	1.79%
John Deere ABS	ABS	1.66%
Honda ABS	ABS	1.32%
Toronto Dominion Holdings	Corporate	1.31%
Bank of America Corp	Corporate	1.30%
HSBC Holdings PLC	Corporate	1.29%
Royal Bank of Canada	Corporate	1.26%
Caterpillar Inc	Corporate	1.26%
Bank of New York	Corporate	1.25%
Honda Motor Corporation	Corporate	1.14%
Deere & Company	Corporate	1.12%
IBM Corp	Corporate	1.10%
Wal-Mart Stores	Corporate	1.09%
Paccar Financial	Corporate	1.09%
US Bancorp	Corporate	1.08%
Apple Inc	Corporate	1.07%
JP Morgan Chase & Co	Corporate	1.07%
State Street Bank	Corporate	1.07%
State of California	Municipal Bonds	1.06%
Microsoft	Corporate	1.05%
PNC Financial Services Group	Corporate	1.01%
Exxon Mobil Corp	Corporate	1.00%
Chubb Corporation	Corporate	0.91%
Oracle Corp	Corporate	0.91%
Charles Schwab Corp/The	Corporate	0.87%
Toyota Motor Corp	Corporate	0.86%
Qualcomm Inc	Corporate	0.86%
Toyota ABS	ABS	0.80%
Nissan ABS	ABS	0.79%
General Dynamics Corp	Corporate	0.47%
International Finance Corp	Supranational	0.47%
Verizon Owner Trust	ABS	0.42%
Home Depot	Corporate	0.38%
<b>TOTAL</b>		<b>100.00%</b>

# Quality Distribution

As of March 31, 2020

**City of Brea**  
March 31, 2020 vs. December 31, 2019



	AAA	AA	A	<A	NR
03/31/20	6.9%	69.6%	19.7%	0.0%	3.8%
12/31/19	6.3%	65.1%	23.2%	0.0%	5.4%

Source: S&P Ratings

All asset classes excluding the Treasury sector experienced heightened volatility and negative price performance during the month of March 2020 as the impact of the COVID-19 virus materially impacted the domestic and global economic outlook. The Federal Reserve has taken unprecedented steps to support the functioning of markets and the Chandler team expects the underlying credit quality of the City's portfolio to remain high and consistent with the investment objectives of safety, liquidity and return.

## **Agency**

- Agency spreads moved wider in the second half of March as risk assets sold off.
- The Chandler team expects spreads in the sector to remain elevated relative to the valuations in the sector earlier in the year.
- Given the multiple issues facing regulators due to the impact of the COVID-19 virus the team is not expecting any new news on regulatory developments within the Agency sector in the short term.

## **Investment Grade Credit**

- Investment grade credit spreads moved materially wider during the quarter.
- The sector is poised to remain volatile until more clarity on the impact to the fundamental outlook is better understood by investors.
- The primary market remains strong with new issue volume extremely high on a year to date basis, a positive development as investment grade companies continue to have the ability to raise capital.

## **Asset Backed**

- Consistent with other fixed income asset classes the Asset Backed sector experienced negative price pressure during the second half of March.
- The Chandler team continues to closely monitor the individual holdings in the City's portfolio to ensure the credit quality remains high and consistent with the requirements of the strategy.

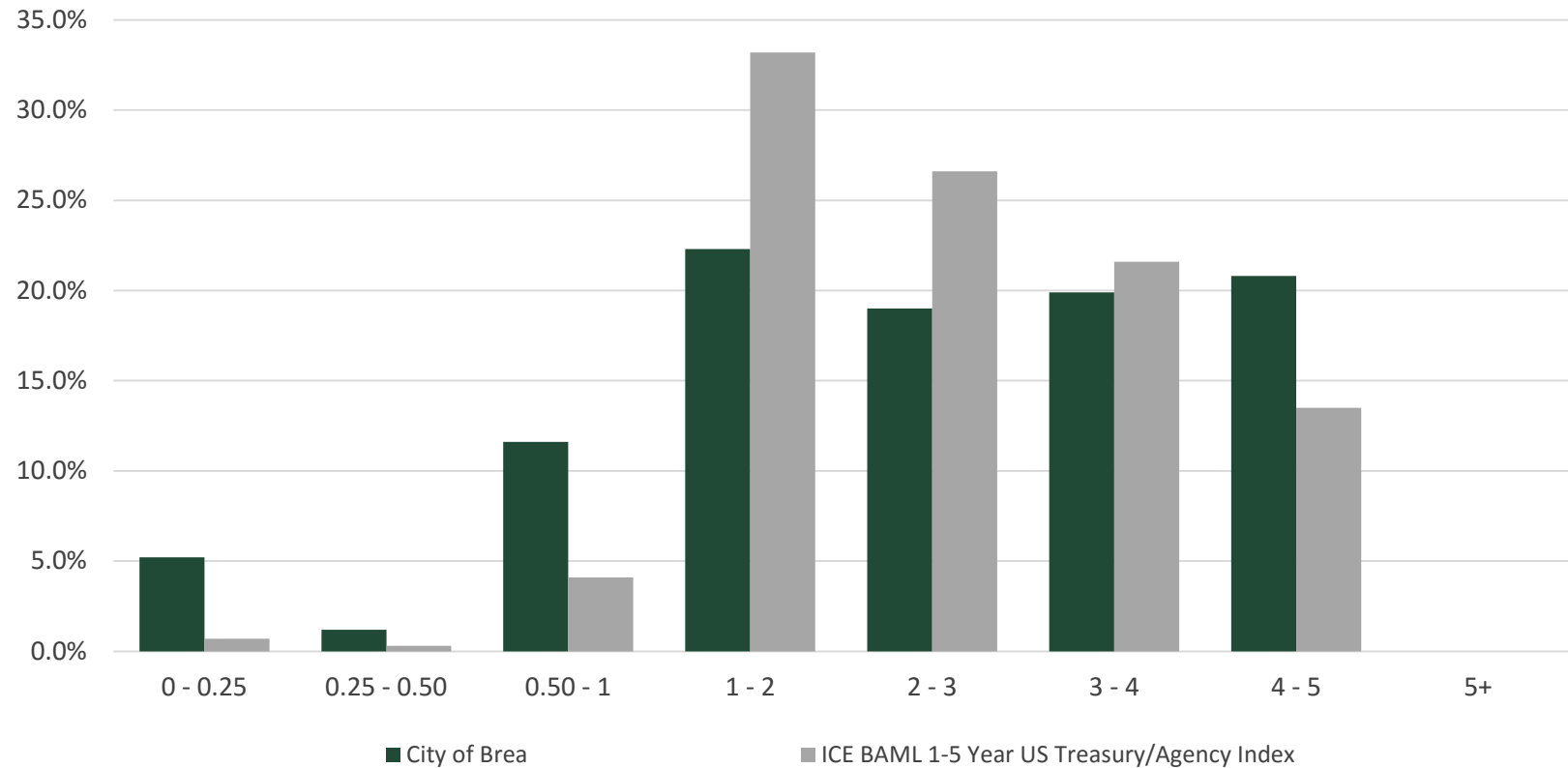
## **Municipal**

- The municipal sector underperformed in March as the secondary market experienced extreme negative price performance.
- The actions taken by the Federal reserve to support the functioning of the municipal market has helped spreads in the sector to recover in April.
- The fundamental outlook for the sector will remain challenging until investors have more visibility on the strength of the domestic economic recovery in the second half of the year.

# Duration Distribution

As of March 31, 2020

**City of Brea**  
Portfolio Compared to the Benchmark as of March 31, 2020



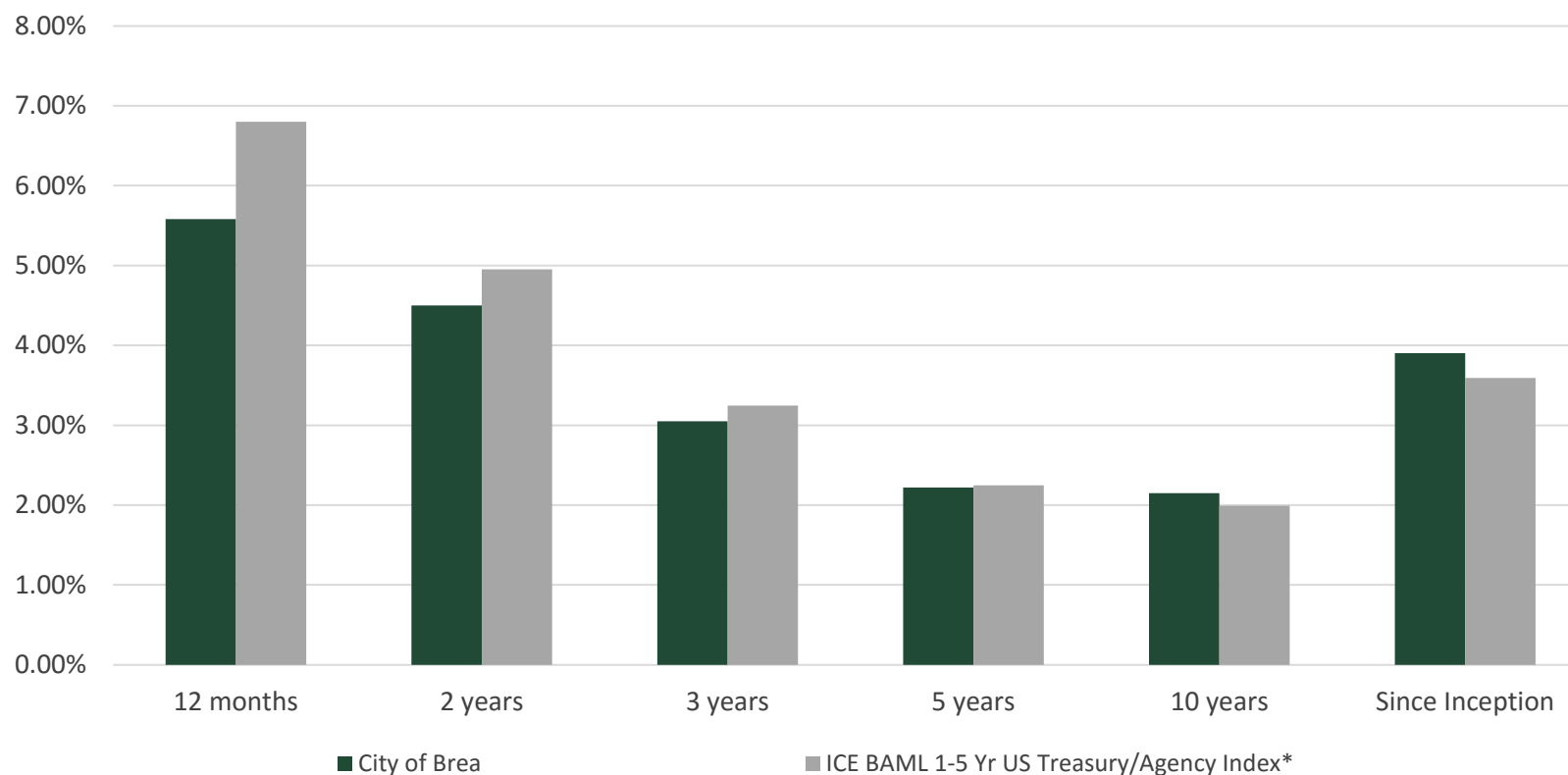
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	5.2%	1.2%	11.6%	22.3%	19.0%	19.9%	20.8%	0.0%
Benchmark*	0.7%	0.3%	4.1%	33.2%	26.6%	21.6%	13.5%	0.0%

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

# Investment Performance

As of March 31, 2020

## City of Brea Total Rate of Return Annualized Since Inception 04/30/1996



TOTAL RATE OF RETURN	Annualized						Since Inception
	3 months	12 months	2 years	3 years	5 years	10 years	
City of Brea	2.41%	5.58%	4.50%	3.05%	2.22%	2.15%	3.90%
ICE BAML 1-5 Year US Treasury/Agency Index	3.75%	6.80%	4.95%	3.25%	2.25%	1.99%	3.59%

\*ICE BAML 1-Yr US Treasury Bill Index to 9/30/01,

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

## Portfolio Characteristics

As of March 31, 2020

### City of Brea Laif

	3/31/2020 Portfolio	12/31/2019 Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	1.74%	2.03%
Average Market Yield	1.74%	2.03%
Average Quality*	NR/NR	NR/NR
Total Market Value	18,597,052	16,011,717

*\*Portfolio is S&P and Moody's, respectively.*

## Portfolio Characteristics

As of March 31, 2020

### Successor Agency to the Brea RDA LAIF

	3/31/2020 Portfolio	12/31/2019 Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	1.74%	2.03%
Average Market Yield	1.74%	2.03%
Average Quality*	NR/NR	NR/NR
Total Market Value	18,789	18,693

*\*Portfolio is S&P and Moody's, respectively.*



**City Brea Bond Reserve Funds**  
**Portfolio Characteristics**  
**Summary of Accounts Managed**

Name of Account	Average Maturity (Years)	Average Book Yield	Market Value	Average Quality
Brea Lease Revenue Bonds, Reserve Account	1.93	1.69%	274,783	AA+/Aaa
Brea CFD 2008 2 17 Reserve Fund	2.30	2.56%	696,158	AA+/Aaa
<b>Total</b>	<b>2.13</b>	<b>2.32%</b>	<b>\$970,941</b>	



## Section 3 | Portfolio Holdings

# Holdings Report

As of March 31, 2020

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
654747AD6	Nissan Auto Receivables Trust 2017-A A3 1.740% Due 08/16/2021	111,808.76	12/27/2017 2.10%	111,096.85 111,539.24	99.86 0.20%	111,654.56 81.06	0.13% 115.32	Aaa / NR AAA	1.38 0.19
43811BAC8	Honda Auto Receivables Trust 2017-2 A3 1.680% Due 08/16/2021	125,759.86	04/27/2018 2.62%	123,804.68 124,944.66	99.76 2.50%	125,453.71 93.90	0.14% 509.05	Aaa / AAA NR	1.38 0.30
47788BAD6	John Deere Owner Trust 2017-B A3 1.820% Due 10/15/2021	35,413.29	07/11/2017 1.83%	35,410.70 35,412.35	99.63 3.56%	35,283.68 28.65	0.04% (128.67)	Aaa / NR AAA	1.54 0.21
47788CAC6	John Deere Owner Trust 2018-A A3 2.660% Due 04/18/2022	114,831.74	02/21/2018 2.68%	114,823.48 114,827.65	99.27 0.41%	113,992.95 135.76	0.13% (834.70)	Aaa / NR AAA	2.05 0.43
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.950% Due 08/22/2022	488,546.67	08/21/2018 2.98%	488,479.65 488,506.46	100.92 1.70%	493,041.27 400.34	0.56% 4,534.81	Aaa / NR AAA	2.39 0.72
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.960% Due 09/15/2022	700,000.00	07/25/2019 1.48%	707,410.16 705,810.24	100.94 1.57%	706,577.90 920.89	0.80% 767.66	Aaa / AAA NR	2.46 0.67
47788EAC2	John Deere Owner Trust 2018-B A3 3.080% Due 11/15/2022	575,000.00	07/18/2018 3.10%	574,956.42 574,973.48	100.62 2.16%	578,584.55 787.11	0.66% 3,611.07	Aaa / NR AAA	2.63 0.66
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.780% Due 08/15/2023	545,000.00	08/20/2019 1.79%	544,995.48 544,996.36	100.53 1.50%	547,878.15 431.16	0.62% 2,881.79	Aaa / AAA NR	3.38 1.86
477870AC3	John Deere Owner Trust 2019-B A3 2.210% Due 12/15/2023	280,000.00	07/16/2019 2.23%	279,940.56 279,949.89	100.82 1.74%	282,288.16 275.02	0.32% 2,338.27	Aaa / NR AAA	3.71 1.69
92348AAA3	Verizon Owner Trust 2019-C A1A 1.940% Due 04/22/2024	370,000.00	10/01/2019 1.95%	369,971.47 369,974.50	100.25 1.82%	370,925.00 219.33	0.42% 950.50	NR / AAA AAA	4.06 1.96
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	580,000.00	10/16/2019 1.94%	579,969.38 579,972.23	100.99 1.49%	585,718.80 497.51	0.66% 5,746.57	Aaa / AAA NR	4.29 2.18
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	460,000.00	03/04/2020 1.11%	459,971.89 459,972.25	98.17 1.87%	451,572.80 281.11	0.51% (8,399.45)	Aaa / NR AAA	4.38 2.39
<b>TOTAL ABS</b>		<b>4,386,360.32</b>	<b>2.09%</b>	<b>4,390,830.72</b> <b>4,390,879.31</b>	<b>1.68%</b>	<b>4,402,971.53</b> <b>4,151.84</b>	<b>4.99%</b> <b>12,092.22</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>3.17</b> <b>1.34</b>
<b>Agency</b>									
3135G0F73	FNMA Note 1.500% Due 11/30/2020	1,225,000.00	12/16/2015 1.90%	1,201,847.50 1,221,891.68	100.67 0.49%	1,233,254.05 6,176.04	1.40% 11,362.37	Aaa / AA+ AAA	0.67 0.66
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	1,070,000.00	02/17/2016 1.46%	1,065,677.20 1,069,235.76	100.90 0.35%	1,079,674.94 1,757.33	1.22% 10,439.18	Aaa / AA+ AAA	0.89 0.88
3135G0J20	FNMA Note 1.375% Due 02/26/2021	1,275,000.00	Various 1.46%	1,269,953.70 1,274,058.41	100.95 0.32%	1,287,115.05 1,704.42	1.46% 13,056.64	Aaa / AA+ AAA	0.91 0.90

# Holdings Report

As of March 31, 2020

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0K69	FNMA Note 1.250% Due 05/06/2021	400,000.00	05/27/2016	395,724.00	100.80	403,197.20	0.46%	Aaa / AA+	1.10
			1.48%	399,050.31	0.52%	2,013.89	4,146.89	AAA	1.09
3135G0U35	FNMA Note 2.750% Due 06/22/2021	500,000.00	06/28/2018	500,740.00	102.88	514,387.00	0.59%	Aaa / AA+	1.23
			2.70%	500,303.75	0.39%	3,781.25	14,083.25	AAA	1.20
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	1,285,000.00	10/04/2016	1,273,126.60	101.01	1,298,002.92	1.47%	Aaa / AA+	1.29
			1.33%	1,281,803.32	0.34%	3,092.03	16,199.60	AAA	1.28
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	1,250,000.00	08/30/2016	1,237,737.50	101.03	1,262,842.50	1.43%	Aaa / AA+	1.37
			1.33%	1,246,620.52	0.37%	1,914.06	16,221.98	AAA	1.35
3135G0N82	FNMA Note 1.250% Due 08/17/2021	1,285,000.00	Various	1,282,305.71	101.15	1,299,738.95	1.47%	Aaa / AA+	1.38
			1.29%	1,284,238.81	0.41%	1,963.20	15,500.14	AAA	1.37
3130AF5B9	FHLB Note 3.000% Due 10/12/2021	1,350,000.00	11/29/2018	1,353,402.00	104.01	1,404,117.45	1.61%	Aaa / AA+	1.53
			2.91%	1,351,816.35	0.37%	19,012.50	52,301.10	NR	1.49
3135G0S38	FNMA Note 2.000% Due 01/05/2022	1,350,000.00	04/25/2017	1,354,927.50	102.87	1,388,681.55	1.58%	Aaa / AA+	1.77
			1.92%	1,351,851.41	0.37%	6,450.00	36,830.14	AAA	1.73
3135G0T45	FNMA Note 1.875% Due 04/05/2022	1,315,000.00	06/19/2017	1,314,801.44	102.98	1,354,185.69	1.55%	Aaa / AA+	2.01
			1.88%	1,314,916.72	0.39%	12,054.17	39,268.97	AAA	1.96
3130A3KM5	FHLB Note 2.500% Due 12/09/2022	775,000.00	08/28/2018	764,808.75	105.41	816,912.78	0.93%	Aaa / AA+	2.69
			2.83%	768,597.05	0.47%	6,027.78	48,315.73	NR	2.59
3135G0T94	FNMA Note 2.375% Due 01/19/2023	1,000,000.00	03/14/2018	984,140.00	105.39	1,053,898.00	1.20%	Aaa / AA+	2.81
			2.73%	990,833.46	0.44%	4,750.00	63,064.54	AAA	2.71
3137EAEN5	FHLMC Note 2.750% Due 06/19/2023	1,200,000.00	07/20/2018	1,193,976.00	107.13	1,285,581.60	1.47%	Aaa / AA+	3.22
			2.86%	1,196,053.47	0.51%	9,350.00	89,528.13	AAA	3.08
313383YJ4	FHLB Note 3.375% Due 09/08/2023	1,200,000.00	10/29/2018	1,215,756.00	110.11	1,321,266.00	1.50%	Aaa / AA+	3.44
			3.08%	1,211,152.72	0.41%	2,587.50	110,113.28	NR	3.27
3135G0U43	FNMA Note 2.875% Due 09/12/2023	1,500,000.00	06/21/2019	1,559,805.00	107.80	1,616,998.50	1.83%	Aaa / AA+	3.45
			1.89%	1,548,860.80	0.59%	2,276.04	68,137.70	AAA	3.30
3130A0F70	FHLB Note 3.375% Due 12/08/2023	1,075,000.00	Various	1,106,057.50	111.14	1,194,791.55	1.36%	Aaa / AA+	3.69
			2.74%	1,098,361.77	0.33%	11,388.28	96,429.78	AAA	3.47
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	1,500,000.00	04/29/2019	1,500,105.00	107.03	1,605,387.00	1.82%	Aaa / AA+	3.94
			2.37%	1,500,085.05	0.57%	2,276.04	105,301.95	NR	3.77
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	1,500,000.00	06/18/2019	1,564,890.20	110.47	1,657,003.51	1.89%	Aaa / AA+	4.21
			1.96%	1,554,668.75	0.36%	12,817.70	102,334.76	NR	3.96
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	1,200,000.00	09/13/2019	1,262,028.00	109.91	1,318,905.60	1.49%	Aaa / AA+	4.46
			1.79%	1,255,294.70	0.61%	1,725.00	63,610.90	AAA	4.20
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,755,000.00	Various	1,765,434.95	104.68	1,837,205.96	2.09%	Aaa / AA+	4.55
			1.49%	1,765,267.22	0.58%	12,912.66	71,938.74	AAA	4.35

# Holdings Report

As of March 31, 2020

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0X24	FNMA Note 1.625% Due 01/07/2025	1,875,000.00	Various 1.47%	1,888,349.75 1,888,134.35	104.97 0.57%	1,968,172.50 6,855.47	2.23% 80,038.15	Aaa / AA+ AAA	4.78 4.58
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	1,920,000.00	02/13/2020 1.52%	1,918,521.60 1,918,559.67	104.35 0.59%	2,003,493.12 3,760.00	2.27% 84,933.45	Aaa / AA+ AAA	4.87 4.69
<b>TOTAL Agency</b>		<b>28,805,000.00</b>	<b>1.97%</b>	<b>28,974,115.90</b> <b>28,991,656.05</b>	<b>0.46%</b>	<b>30,204,813.42</b> <b>136,645.36</b>	<b>34.33%</b> <b>1,213,157.37</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.88</b> <b>2.77</b>
<b>Commercial Paper</b>									
62479LDG7	MUFG Bank Ltd Discount CP 1.680% Due 04/16/2020	1,750,000.00	01/29/2020 1.71%	1,743,630.00 1,743,630.00	99.64 1.71%	1,743,630.00 5,145.00	1.98% 0.00	P-1 / A-1 NR	0.04 0.04
<b>TOTAL Commercial Paper</b>		<b>1,750,000.00</b>	<b>1.71%</b>	<b>1,743,630.00</b> <b>1,743,630.00</b>	<b>1.71%</b>	<b>1,743,630.00</b> <b>5,145.00</b>	<b>1.98%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>NR</b>	<b>0.04</b> <b>0.04</b>
<b>Corporate</b>									
747525AD5	Qualcomm Inc Note 2.250% Due 05/20/2020	750,000.00	06/11/2015 2.49%	741,693.75 749,773.88	99.99 2.33%	749,902.50 6,140.62	0.86% 128.62	A2 / A- NR	0.14 0.14
437076BQ4	Home Depot Note 1.800% Due 06/05/2020	330,000.00	05/24/2017 1.82%	329,808.60 329,988.65	99.94 2.14%	329,795.40 1,914.00	0.38% (193.25)	A2 / A A	0.18 0.18
594918BG8	Microsoft Callable Note Cont. 10/3/2020 2.000% Due 11/03/2020	325,000.00	10/29/2015 2.02%	324,740.00 324,969.26	100.22 1.55%	325,714.35 2,672.22	0.37% 745.09	Aaa / AAA AA+	0.59 0.50
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	800,000.00	02/06/2017 2.16%	803,768.00 800,523.33	100.11 2.07%	800,854.40 7,564.44	0.91% 331.07	A3 / A A	0.59 0.50
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021	875,000.00	Various 1.97%	884,992.10 876,910.34	100.65 1.50%	880,690.12 1,620.21	1.00% 3,779.78	Aaa / AA NR	0.92 0.90
24422ESL4	John Deere Capital Corp Note 2.800% Due 03/04/2021	315,000.00	05/24/2017 2.12%	322,663.95 316,879.73	100.79 1.93%	317,494.49 661.50	0.36% 614.76	A2 / A A	0.93 0.91
369550BE7	General Dynamics Corp Note 3.000% Due 05/11/2021	410,000.00	05/08/2018 3.24%	407,150.50 408,947.04	100.77 2.29%	413,154.54 4,783.33	0.47% 4,207.50	A2 / A NR	1.11 1.08
857477AV5	State Street Bank Note 1.950% Due 05/19/2021	940,000.00	Various 2.32%	932,971.20 936,193.70	99.56 2.34%	935,870.58 6,721.00	1.07% (323.12)	A1 / A AA-	1.13 1.11
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.550% Due 08/08/2021	590,000.00	Various 1.57%	589,298.90 589,810.32	100.70 0.99%	594,103.45 1,346.35	0.67% 4,293.13	Aaa / AAA AA+	1.36 1.26
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	804,000.00	11/29/2016 2.40%	785,998.44 798,521.26	100.29 1.68%	806,369.39 678.93	0.91% 7,848.13	A3 / A+ A-	1.46 1.35

# Holdings Report

As of March 31, 2020

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	750,000.00	Various 3.16%	736,272.75 742,990.39	100.52 2.30%	753,864.00 4,333.33	0.86% 10,873.61	A1 / AA- A+	1.78 1.72
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.450% Due 07/28/2022	890,000.00	07/25/2017 2.45%	889,919.90 889,962.80	99.59 2.63%	886,347.44 3,815.88	1.01% (3,615.36)	A2 / A A+	2.33 2.24
44932HAC7	IBM Credit Corp Note 2.200% Due 09/08/2022	950,000.00	Various 2.65%	932,933.50 940,088.33	101.75 1.46%	966,654.45 1,335.28	1.10% 26,566.12	A2 / A NR	2.44 2.37
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	925,000.00	Various 3.11%	919,202.75 921,734.21	101.62 2.04%	939,985.00 5,803.66	1.07% 18,250.79	A2 / A- AA-	2.79 1.73
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.650% Due 01/25/2023	750,000.00	05/20/2019 2.73%	748,027.50 748,489.80	101.45 2.10%	760,856.25 3,643.75	0.87% 12,366.45	A2 / A A	2.82 2.62
24422ETG4	John Deere Capital Corp Note 2.800% Due 03/06/2023	650,000.00	Various 3.23%	637,699.50 642,407.23	102.51 1.92%	666,300.05 1,263.89	0.76% 23,892.82	A2 / A A	2.93 2.80
06406RAG2	Bank of NY Mellon Corp Note 3.500% Due 04/28/2023	800,000.00	05/16/2019 2.78%	821,248.00 816,567.24	104.39 2.02%	835,094.40 11,900.00	0.96% 18,527.16	A1 / A AA-	3.08 2.88
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	900,000.00	Various 3.18%	871,569.25 879,893.17	104.26 1.00%	938,295.00 8,880.00	1.07% 58,401.83	Aa1 / AA+ NR	3.09 2.96
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	904,000.00	04/26/2019 2.68%	928,769.60 923,156.05	106.06 1.43%	958,739.01 8,110.89	1.09% 35,582.96	Aa2 / AA AA	3.24 2.98
02665WCJ8	American Honda Finance Note 3.450% Due 07/14/2023	225,000.00	07/11/2018 3.49%	224,610.75 224,744.13	101.27 3.04%	227,856.60 1,660.31	0.26% 3,112.47	A3 / A NR	3.29 3.07
69371RP59	Paccar Financial Corp Note 3.400% Due 08/09/2023	760,000.00	Various 3.28%	763,588.40 762,879.08	101.08 3.06%	768,171.52 3,732.44	0.87% 5,292.44	A1 / A+ NR	3.36 3.14
06406RAJ6	Bank of NY Mellon Corp Note 3.450% Due 08/11/2023	250,000.00	05/16/2019 2.79%	256,575.00 255,225.08	103.98 2.22%	259,940.75 1,197.92	0.30% 4,715.67	A1 / A AA-	3.36 3.16
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	750,000.00	Various 3.38%	757,259.00 755,872.25	101.60 3.14%	762,021.00 12,914.06	0.88% 6,148.75	A3 / A NR	3.53 3.24
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.550% Due 03/05/2024	1,100,000.00	Various 2.98%	1,114,320.00 1,112,719.13	104.01 2.13%	1,144,119.90 2,820.28	1.30% 31,400.77	A2 / A- A+	3.93 2.78
89114QCB2	Toronto Dominion Bank Note 3.250% Due 03/11/2024	1,100,000.00	Various 2.79%	1,121,362.00 1,118,400.44	105.37 1.83%	1,159,039.20 1,986.11	1.31% 40,638.76	Aa3 / A AA-	3.95 3.70
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.950% Due 05/18/2024	1,100,000.00	Various 2.33%	1,156,826.00 1,150,679.30	102.47 3.11%	1,127,160.10 16,052.36	1.29% (23,519.20)	A2 / A A+	4.13 2.89
69371RQ25	Paccar Financial Corp Note 2.150% Due 08/15/2024	195,000.00	08/08/2019 2.20%	194,569.05 194,623.30	97.16 2.85%	189,457.71 535.71	0.21% (5,165.59)	A1 / A+ NR	4.38 4.12

# Holdings Report

As of March 31, 2020

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
78015K7C2	Royal Bank of Canada Note 2.250% Due 11/01/2024	1,100,000.00	Various 2.21%	1,102,086.00 1,102,024.66	100.48 2.14%	1,105,313.00 10,793.75	1.26% 3,288.34	A2 / A AA	4.59 4.29
14913Q3B3	Caterpillar Finl Service Note 2.150% Due 11/08/2024	1,100,000.00	01/28/2020 1.91%	1,111,770.00 1,111,351.57	100.44 2.05%	1,104,889.50 9,394.31	1.26% (6,462.07)	A3 / A A	4.61 4.33
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.050% Due 01/21/2025	955,000.00	01/16/2020 2.10%	952,965.85 953,044.90	99.26 2.21%	947,967.38 3,806.74	1.08% (5,077.52)	A1 / AA- AA-	4.81 4.53
<b>TOTAL Corporate</b>		<b>22,293,000.00</b>	<b>2.59%</b>	<b>22,364,660.24</b> <b>22,379,370.57</b>	<b>2.09%</b>	<b>22,656,021.48</b> <b>148,083.27</b>	<b>25.80%</b> <b>276,650.91</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.77</b> <b>2.47</b>
<b>Money Market Fund FI</b>									
316175884	Fidelity Institutional Money Market Fund 696	1,584,242.23	Various 0.02%	1,584,242.23 1,584,242.23	1.00 0.02%	1,584,242.23 0.00	1.79% 0.00	Aaa / AAA NR	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>1,584,242.23</b>	<b>0.02%</b>	<b>1,584,242.23</b> <b>1,584,242.23</b>	<b>0.02%</b>	<b>1,584,242.23</b> <b>0.00</b>	<b>1.79%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>Municipal Bonds</b>									
13063DRK6	California St Taxable GO 2.400% Due 10/01/2024	900,000.00	10/16/2019 1.91%	920,673.00 918,839.47	103.31 1.63%	929,763.00 9,420.00	1.06% 10,923.53	Aa2 / AA- AA	4.51 4.22
<b>TOTAL Municipal Bonds</b>		<b>900,000.00</b>	<b>1.91%</b>	<b>920,673.00</b> <b>918,839.47</b>	<b>1.63%</b>	<b>929,763.00</b> <b>9,420.00</b>	<b>1.06%</b> <b>10,923.53</b>	<b>Aa2 / AA-</b> <b>AA</b>	<b>4.51</b> <b>4.22</b>
<b>Supranational</b>									
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	410,000.00	01/18/2018 2.35%	408,794.60 409,671.15	101.40 0.53%	415,744.10 1,691.25	0.47% 6,072.95	Aaa / AAA NR	0.82 0.81
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 01/18/2022	1,275,000.00	01/10/2017 2.15%	1,273,431.75 1,274,435.74	102.84 0.54%	1,311,201.08 5,494.01	1.49% 36,765.34	Aaa / NR AAA	1.80 1.76
4581X0CZ9	Inter-American Dev Bank Note 1.750% Due 09/14/2022	800,000.00	Various 2.40%	777,732.00 788,043.85	102.99 0.52%	823,947.20 661.12	0.93% 35,903.35	Aaa / AAA AAA	2.46 2.40
<b>TOTAL Supranational</b>		<b>2,485,000.00</b>	<b>2.26%</b>	<b>2,459,958.35</b> <b>2,472,150.74</b>	<b>0.53%</b>	<b>2,550,892.38</b> <b>7,846.38</b>	<b>2.90%</b> <b>78,741.64</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>1.85</b> <b>1.81</b>
<b>US Treasury</b>									
912828N89	US Treasury Note 1.375% Due 01/31/2021	1,285,000.00	03/09/2016 1.40%	1,283,749.42 1,284,786.55	101.09 0.06%	1,299,055.33 2,960.97	1.47% 14,268.78	Aaa / AA+ AAA	0.84 0.83
912828B90	US Treasury Note 2.000% Due 02/28/2021	1,250,000.00	04/26/2016 1.40%	1,285,111.61 1,256,616.96	101.76 0.08%	1,271,972.50 2,173.91	1.44% 15,355.54	Aaa / AA+ AAA	0.92 0.91



# Holdings Report

As of March 31, 2020

## City of Brea - Account #120

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828Q37	US Treasury Note 1.250% Due 03/31/2021	375,000.00	12/13/2016 1.81%	366,314.73 372,983.78	101.12 0.13%	379,204.13 12.81	0.43% 6,220.35	Aaa / AA+ AAA	1.00 1.00
912828T34	US Treasury Note 1.125% Due 09/30/2021	1,300,000.00	11/09/2016 1.48%	1,278,016.07 1,293,263.19	101.38 0.21%	1,317,875.00 39.96	1.49% 24,611.81	Aaa / AA+ AAA	1.50 1.49
912828F96	US Treasury Note 2.000% Due 10/31/2021	1,025,000.00	01/27/2017 1.94%	1,027,686.05 1,025,894.83	102.82 0.21%	1,053,908.08 8,616.76	1.20% 28,013.25	Aaa / AA+ AAA	1.59 1.55
912828J43	US Treasury Note 1.750% Due 02/28/2022	1,360,000.00	03/13/2017 2.14%	1,335,407.68 1,350,521.57	102.92 0.22%	1,399,737.84 2,069.57	1.59% 49,216.27	Aaa / AA+ AAA	1.92 1.89
912828XG0	US Treasury Note 2.125% Due 06/30/2022	1,100,000.00	08/15/2017 1.82%	1,115,601.34 1,107,195.22	104.30 0.21%	1,147,351.70 5,907.97	1.30% 40,156.48	Aaa / AA+ AAA	2.25 2.20
912828L24	US Treasury Note 1.875% Due 08/31/2022	1,000,000.00	09/26/2017 1.87%	1,000,433.04 1,000,212.31	103.92 0.25%	1,039,180.00 1,630.43	1.18% 38,967.69	Aaa / AA+ AAA	2.42 2.37
912828L57	US Treasury Note 1.750% Due 09/30/2022	1,240,000.00	10/17/2017 1.99%	1,226,243.75 1,233,061.01	103.72 0.26%	1,286,161.48 59.29	1.46% 53,100.47	Aaa / AA+ AAA	2.50 2.45
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,150,000.00	01/25/2018 2.46%	1,132,121.09 1,140,027.54	105.07 0.27%	1,208,308.45 6,176.51	1.37% 68,280.91	Aaa / AA+ AAA	2.75 2.67
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,500,000.00	05/29/2019 2.05%	1,472,988.28 1,478,123.02	104.69 0.31%	1,570,371.00 10,245.54	1.79% 92,247.98	Aaa / AA+ AAA	3.59 3.47
912828V23	US Treasury Note 2.250% Due 12/31/2023	1,250,000.00	06/21/2019 1.80%	1,274,560.55 1,270,365.47	107.17 0.32%	1,339,648.75 7,108.52	1.52% 69,283.28	Aaa / AA+ AAA	3.75 3.60
912828B66	US Treasury Note 2.750% Due 02/15/2024	1,500,000.00	04/29/2019 2.31%	1,529,648.44 1,523,945.52	109.29 0.34%	1,639,336.50 5,212.91	1.86% 115,390.98	Aaa / AA+ AAA	3.88 3.70
912828X70	US Treasury Note 2.000% Due 04/30/2024	1,000,000.00	06/10/2019 1.92%	1,003,515.63 1,002,934.62	106.69 0.35%	1,066,875.00 8,406.59	1.22% 63,940.38	Aaa / AA+ AAA	4.08 3.91
912828XX3	US Treasury Note 2.000% Due 06/30/2024	1,450,000.00	12/12/2019 1.74%	1,466,595.70 1,465,496.65	106.92 0.36%	1,550,311.00 7,329.67	1.76% 84,814.35	Aaa / AA+ AAA	4.25 4.08
912828D56	US Treasury Note 2.375% Due 08/15/2024	1,500,000.00	03/05/2020 0.68%	1,611,093.75 1,609,314.06	108.74 0.36%	1,631,074.50 4,502.06	1.85% 21,760.44	Aaa / AA+ AAA	4.38 4.17
9128283D0	US Treasury Note 2.250% Due 10/31/2024	1,500,000.00	11/07/2019 1.77%	1,533,925.78 1,531,221.42	108.53 0.37%	1,627,968.00 14,186.13	1.86% 96,746.58	Aaa / AA+ AAA	4.59 4.34
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	2,000,000.00	03/18/2020 0.81%	2,030,859.38 2,030,637.37	103.67 0.37%	2,073,360.00 1,956.52	2.35% 42,722.63	Aaa / AA+ AAA	4.92 4.79
<b>TOTAL US Treasury</b>		<b>22,785,000.00</b>	<b>1.70%</b>	<b>22,973,872.29</b> <b>22,976,601.09</b>	<b>0.27%</b>	<b>23,901,699.26</b> <b>88,596.12</b>	<b>27.15%</b> <b>925,098.17</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.07</b> <b>2.96</b>
<b>TOTAL PORTFOLIO</b>		<b>84,988,602.55</b>	<b>2.03%</b>	<b>85,411,982.73</b> <b>85,457,369.46</b>	<b>0.92%</b>	<b>87,974,033.30</b> <b>399,887.97</b>	<b>100.00%</b> <b>2,516,663.84</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>2.80</b> <b>2.56</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>88,373,921.27</b>			



# Holdings Report

As of March 31, 2020

## Brea Lease Revenue Bonds, Reserve Account - Account #10129

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Money Market Fund FI</b>									
825252109	Invesco Treasury MMFD Private Class	540.63	Various 0.02%	540.63 540.63	1.00 0.02%	540.63 0.00	0.20% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>540.63</b>	<b>0.02%</b>	<b>540.63</b> <b>540.63</b>	<b>0.02%</b>	<b>540.63</b> <b>0.00</b>	<b>0.20%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>US Treasury</b>									
912828XM7	US Treasury Note 1.625% Due 07/31/2020	22,000.00	08/24/2016 1.03%	22,506.25 22,042.66	100.50 0.13%	22,110.00 59.91	8.07% 67.34	Aaa / AA+ AAA	0.33 0.34
912828WCO	US Treasury Note 1.750% Due 10/31/2020	22,000.00	Various 1.45%	22,276.59 22,036.68	100.97 0.09%	22,213.14 161.83	8.14% 176.46	Aaa / AA+ AAA	0.59 0.58
912828A83	US Treasury Note 2.375% Due 12/31/2020	22,000.00	08/24/2016 1.08%	23,208.35 22,208.36	101.73 0.07%	22,379.85 132.06	8.19% 171.49	Aaa / AA+ AAA	0.75 0.74
912828B90	US Treasury Note 2.000% Due 02/28/2021	22,000.00	08/24/2016 1.10%	22,868.90 22,175.57	101.76 0.08%	22,386.72 38.26	8.16% 211.15	Aaa / AA+ AAA	0.92 0.91
912828WN6	US Treasury Note 2.000% Due 05/31/2021	20,000.00	07/11/2016 1.01%	20,937.57 20,223.36	102.15 0.15%	20,430.46 134.43	7.48% 207.10	Aaa / AA+ AAA	1.17 1.15
912828F21	US Treasury Note 2.125% Due 09/30/2021	25,000.00	10/27/2016 1.38%	25,879.97 25,267.71	102.89 0.19%	25,722.65 1.45	9.36% 454.94	Aaa / AA+ AAA	1.50 1.48
912828J43	US Treasury Note 1.750% Due 02/28/2022	24,000.00	04/24/2017 1.84%	23,905.39 23,962.67	102.92 0.22%	24,701.26 36.52	9.00% 738.59	Aaa / AA+ AAA	1.92 1.89
912828L24	US Treasury Note 1.875% Due 08/31/2022	23,000.00	09/18/2017 1.84%	23,039.61 23,019.33	103.92 0.25%	23,901.14 37.50	8.71% 881.81	Aaa / AA+ AAA	2.42 2.37
912828N30	US Treasury Note 2.125% Due 12/31/2022	20,000.00	01/09/2018 2.31%	19,825.00 19,903.25	105.07 0.27%	21,014.06 107.42	7.69% 1,110.81	Aaa / AA+ AAA	2.75 2.67
9128284D9	US Treasury Note 2.500% Due 03/31/2023	22,000.00	06/13/2018 2.84%	21,669.14 21,793.28	106.60 0.29%	23,451.49 1.50	8.54% 1,658.21	Aaa / AA+ AAA	3.00 2.91
912828T91	US Treasury Note 1.625% Due 10/31/2023	20,000.00	02/21/2019 2.52%	19,214.84 19,400.12	104.69 0.31%	20,938.28 136.61	7.67% 1,538.16	Aaa / AA+ AAA	3.59 3.47
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	22,000.00	06/18/2019 1.84%	22,676.33 22,568.01	108.80 0.35%	23,937.03 208.52	8.79% 1,369.02	Aaa / AA+ AAA	4.13 3.91
<b>TOTAL US Treasury</b>		<b>264,000.00</b>	<b>1.69%</b>	<b>268,007.94</b> <b>264,601.00</b>	<b>0.20%</b>	<b>273,186.08</b> <b>1,056.01</b>	<b>99.80%</b> <b>8,585.08</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>1.93</b> <b>1.88</b>
<b>TOTAL PORTFOLIO</b>		<b>264,540.63</b>	<b>1.69%</b>	<b>268,548.57</b> <b>265,141.63</b>	<b>0.20%</b>	<b>273,726.71</b> <b>1,056.01</b>	<b>100.00%</b> <b>8,585.08</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>1.93</b> <b>1.87</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>274,782.72</b>			

# Holdings Report

As of March 31, 2020

## City of Brea Laif - Account #10164

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	18,517,657.49	Various 1.74%	18,517,657.49 18,517,657.49	1.00 1.74%	18,517,657.49 79,394.77	100.00% 0.00	NR / NR NR	0.00 0.00
<b>TOTAL LAIF</b>		<b>18,517,657.49</b>	<b>1.74%</b>	<b>18,517,657.49</b>	<b>1.74%</b>	<b>18,517,657.49</b> <b>79,394.77</b>	<b>100.00%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>18,517,657.49</b>	<b>1.74%</b>	<b>18,517,657.49</b>	<b>1.74%</b>	<b>18,517,657.49</b> <b>79,394.77</b>	<b>100.00%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>18,597,052.26</b>			

# Holdings Report

As of March 31, 2020

## Successor Agency to the Brea RDA LAIF - Account #10166

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	18,700.43	Various 1.74%	18,700.43 18,700.43	1.00 1.74%	18,700.43 88.47	100.00% 0.00	NR / NR NR	0.00 0.00
<b>TOTAL LAIF</b>		<b>18,700.43</b>	<b>1.74%</b>	<b>18,700.43</b>	<b>1.74%</b>	<b>18,700.43</b> <b>88.47</b>	<b>100.00%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>18,700.43</b>	<b>1.74%</b>	<b>18,700.43</b>	<b>1.74%</b>	<b>18,700.43</b> <b>88.47</b>	<b>100.00%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>18,788.90</b>			

# Holdings Report

As of March 31, 2020

## Brea CFD 2008 2 17 Reserve Fund - Account #10600

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Money Market Fund FI</b>									
825252109	Invesco Treasury MMFD Private Class	4,549.46	Various 0.02%	4,549.46 4,549.46	1.00 0.02%	4,549.46 0.00	0.65% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>4,549.46</b>	<b>0.02%</b>	<b>4,549.46</b> <b>4,549.46</b>	<b>0.02%</b>	<b>4,549.46</b> <b>0.00</b>	<b>0.65%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>US Treasury</b>									
912828A83	US Treasury Note 2.375% Due 12/31/2020	110,000.00	06/28/2018 2.58%	109,467.19 109,840.62	101.73 0.07%	111,899.26 660.30	16.17% 2,058.64	Aaa / AA+ AAA	0.75 0.74
912828F21	US Treasury Note 2.125% Due 09/30/2021	110,000.00	06/28/2018 2.64%	108,242.58 109,191.50	102.89 0.19%	113,179.66 6.39	16.26% 3,988.16	Aaa / AA+ AAA	1.50 1.48
912828J43	US Treasury Note 1.750% Due 02/28/2022	110,000.00	06/13/2018 2.79%	105,986.72 107,932.64	102.92 0.22%	113,214.09 167.39	16.29% 5,281.45	Aaa / AA+ AAA	1.92 1.89
912828L24	US Treasury Note 1.875% Due 08/31/2022	110,000.00	06/13/2018 2.82%	105,887.89 107,643.35	103.92 0.25%	114,309.80 179.35	16.45% 6,666.45	Aaa / AA+ AAA	2.42 2.37
9128284D9	US Treasury Note 2.500% Due 03/31/2023	110,000.00	06/13/2018 2.84%	108,345.70 108,966.42	106.60 0.29%	117,257.47 7.51	16.84% 8,291.05	Aaa / AA+ AAA	3.00 2.91
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	110,000.00	06/18/2019 1.84%	113,381.64 112,840.05	108.80 0.35%	119,685.17 1,042.58	17.34% 6,845.12	Aaa / AA+ AAA	4.13 3.91
<b>TOTAL US Treasury</b>		<b>660,000.00</b>	<b>2.58%</b>	<b>651,311.72</b> <b>656,414.58</b>	<b>0.23%</b>	<b>689,545.45</b> <b>2,063.52</b>	<b>99.35%</b> <b>33,130.87</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.31</b> <b>2.24</b>
<b>TOTAL PORTFOLIO</b>		<b>664,549.46</b>	<b>2.56%</b>	<b>655,861.18</b> <b>660,964.04</b>	<b>0.23%</b>	<b>694,094.91</b> <b>2,063.52</b>	<b>100.00%</b> <b>33,130.87</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.30</b> <b>2.23</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>696,158.43</b>			



## Section 4 | Transactions

# Transaction Ledger

As of March 31, 2020

## City of Brea - Account #120

December 31, 2019 through March 31, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	01/10/2020	3135G0X24	575,000.00	FNMA Note 1.625% Due: 01/07/2025	99.681	1.69%	573,165.75	0.00	573,165.75	0.00
Purchase	01/21/2020	90331HPL1	955,000.00	US Bank NA Callable Note Cont 12/21/2024 2.05% Due: 01/21/2025	99.787	2.10%	952,965.85	0.00	952,965.85	0.00
Purchase	01/29/2020	62479LDG7	1,750,000.00	MUFG Bank Ltd Discount CP 1.68% Due: 04/16/2020	99.636	1.71%	1,743,630.00	0.00	1,743,630.00	0.00
Purchase	01/30/2020	06051GHF9	200,000.00	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due: 03/05/2024	104.404	2.07%	208,808.00	2,859.72	211,667.72	0.00
Purchase	01/30/2020	14913Q3B3	1,100,000.00	Caterpillar Finl Service Note 2.15% Due: 11/08/2024	101.070	1.91%	1,111,770.00	5,386.94	1,117,156.94	0.00
Purchase	01/30/2020	404280BS7	200,000.00	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due: 05/18/2024	105.535	2.15%	211,070.00	1,580.00	212,650.00	0.00
Purchase	01/30/2020	78015K7C2	200,000.00	Royal Bank of Canada Note 2.25% Due: 11/01/2024	101.277	1.97%	202,554.00	1,200.00	203,754.00	0.00
Purchase	01/30/2020	89114QCB2	150,000.00	Toronto Dominion Bank Note 3.25% Due: 03/11/2024	105.402	1.88%	158,103.00	1,882.29	159,985.29	0.00
Purchase	01/31/2020	313384UD9	3,300,000.00	FHLB Discount Note 1.56% Due: 03/11/2020	99.827	1.58%	3,294,280.00	0.00	3,294,280.00	0.00
Purchase	02/06/2020	3135G0W66	1,000,000.00	FNMA Note 1.625% Due: 10/15/2024	100.470	1.52%	1,004,700.00	4,875.00	1,009,575.00	0.00
Purchase	02/06/2020	3135G0X24	1,000,000.00	FNMA Note 1.625% Due: 01/07/2025	100.469	1.53%	1,004,690.00	1,173.61	1,005,863.61	0.00
Purchase	02/14/2020	3137EAEPO	1,920,000.00	FHLMC Note 1.5% Due: 02/12/2025	99.923	1.52%	1,918,521.60	0.00	1,918,521.60	0.00
Purchase	02/28/2020	912828VA5	2,000,000.00	US Treasury Note 1.125% Due: 04/30/2020	99.961	1.35%	1,999,218.75	7,417.58	2,006,636.33	0.00
Purchase	03/06/2020	3135G0W66	200,000.00	FNMA Note 1.625% Due: 10/15/2024	103.342	0.88%	206,684.00	1,245.83	207,929.83	0.00
Purchase	03/06/2020	3135G0X24	300,000.00	FNMA Note 1.625% Due: 01/07/2025	103.498	0.88%	310,494.00	758.33	311,252.33	0.00

# Transaction Ledger

As of March 31, 2020

## City of Brea - Account #120

December 31, 2019 through March 31, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	03/06/2020	912828D56	1,500,000.00	US Treasury Note 2.375% Due: 08/15/2024	107.406	0.68%	1,611,093.75	1,957.42	1,613,051.17	0.00
Purchase	03/11/2020	47789KAC7	460,000.00	John Deere Owner Trust 2020-A A3 1.1% Due: 08/15/2024	99.994	1.11%	459,971.89	0.00	459,971.89	0.00
Purchase	03/19/2020	912828ZC7	2,000,000.00	US Treasury Note 1.125% Due: 02/28/2025	101.543	0.81%	2,030,859.38	1,161.68	2,032,021.06	0.00
<b>Subtotal</b>			<b>18,810,000.00</b>				<b>19,002,579.97</b>	<b>31,498.40</b>	<b>19,034,078.37</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>18,810,000.00</b>				<b>19,002,579.97</b>	<b>31,498.40</b>	<b>19,034,078.37</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	01/09/2020	3137EAEK1	450,000.00	FHLMC Note 1.875% Due: 11/17/2020	100.227	1.96%	451,021.50	1,218.75	452,240.25	1,356.03
Sale	01/17/2020	912828L99	400,000.00	US Treasury Note 1.375% Due: 10/31/2020	99.813	1.71%	399,250.00	1,178.57	400,428.57	250.62
Sale	01/21/2020	91159HHP8	390,000.00	US Bancorp Callable Note Cont 12/23/2021 2.625% Due: 01/24/2022	101.556	2.66%	396,068.40	5,033.44	401,101.84	6,338.04
Sale	01/24/2020	097023BQ7	125,000.00	Boeing Co Callable Note Cont 4/15/2023 1.875% Due: 06/15/2023	99.484	2.98%	124,355.00	253.91	124,608.91	3,703.86
Sale	02/07/2020	097023BQ7	190,000.00	Boeing Co Callable Note Cont 4/15/2023 1.875% Due: 06/15/2023	99.277	2.98%	188,626.30	514.58	189,140.88	5,161.81
Sale	02/14/2020	097023BQ7	185,000.00	Boeing Co Callable Note Cont 4/15/2023 1.875% Due: 06/15/2023	99.316	2.98%	183,734.60	568.49	184,303.09	5,061.73
Sale	03/05/2020	912828L99	400,000.00	US Treasury Note 1.375% Due: 10/31/2020	100.414	1.71%	401,656.25	1,903.85	403,560.10	2,490.10
Sale	03/05/2020	912828VA5	2,000,000.00	US Treasury Note 1.125% Due: 04/30/2020	100.016	1.35%	2,000,312.50	7,788.46	2,008,100.96	1,018.15
<b>Subtotal</b>			<b>4,140,000.00</b>				<b>4,145,024.55</b>	<b>18,460.05</b>	<b>4,163,484.60</b>	<b>25,380.34</b>

# Transaction Ledger

As of March 31, 2020

## City of Brea - Account #120

December 31, 2019 through March 31, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	01/30/2020	94974BGF1	735,000.00	Wells Fargo Corp Note 2.15% Due: 01/30/2020	100.000	1.08%	735,000.00	0.00	735,000.00	0.00
Maturity	02/15/2020	22160KAG0	465,000.00	Costco Wholesale Corp Note 1.75% Due: 02/15/2020	100.000		465,000.00	0.00	465,000.00	0.00
Maturity	03/11/2020	313384UD9	3,300,000.00	FHLB Discount Note 1.56% Due: 03/11/2020	100.000		3,294,280.00	5,720.00	3,300,000.00	0.00
<b>Subtotal</b>			<b>4,500,000.00</b>				<b>4,494,280.00</b>	<b>5,720.00</b>	<b>4,500,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>8,640,000.00</b>				<b>8,639,304.55</b>	<b>24,180.05</b>	<b>8,663,484.60</b>	<b>25,380.34</b>



# Important Disclosures

*As of March 31, 2020*

2019 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

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

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

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

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

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

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

## ICE BAML 3-Month US Treasury Bill Index

*The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G001. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## 0-3 yr Treasury\*

*The ICE BAML 0-3 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publically issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. (Index: G1QA. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 1-Year Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G003. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G001. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML US 6-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G002. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*The ICE BAML 1-3 Year US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance. (Index: G1O2. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## ICE BAML 3-5 Yr US Treasury/Agency Index

*The ICE BAML 3-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least three years remaining term to final maturity and less than five years remaining term to final maturity, at least three years to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G2A0. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx

*The ICE BAML US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: GU10. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

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

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

*The ICE BAML US 1-Year Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G003. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

City of Brea

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**COMMUNICATION**

**TO:** Honorable Chair and Members

**FROM:** Bill Gallardo

**DATE:** 04/27/2020

**SUBJECT:** Review of PARS Post Employment Benefit Trust Investment Report for Period  
Ending March 31, 2020 - Presented by PARS and HighMark Capital Management

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**Attachments**

PARS Report for Month Ending March 31, 2020

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PUBLIC  
AGENCY  
RETIREMENT  
SERVICES

**PARS**

TRUSTED SOLUTIONS. LASTING RESULTS.

# CITY OF BREA

Pension Rate Stabilization Program (PRSP) Client Review

April 27, 2020

# CONTACTS

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## DENNIS YU

Executive Vice President



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(800) 540-6369 x104

# PARS TRUST TEAM

## Trust Administrator & Consultant



- Recordkeeping
- Sub-trust accounting
- Monitors plan compliance
- Processes contributions/disbursements
- Hands-on, dedicated support teams
- Coordinates all agency services

36

Years of Experience  
(1984-2020)

1,400+

Plans under  
Administration

900+

Public Agency  
Clients

500K+

Plan Participants

\$4.2B

Assets under  
Administration

## Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts.
- Safeguard plan assets,
- Oversight protection as plan fiduciary
- Custodian of assets

157

Years of Experience  
(1863-2020)

\$5.0T

Assets under  
Administration

## Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

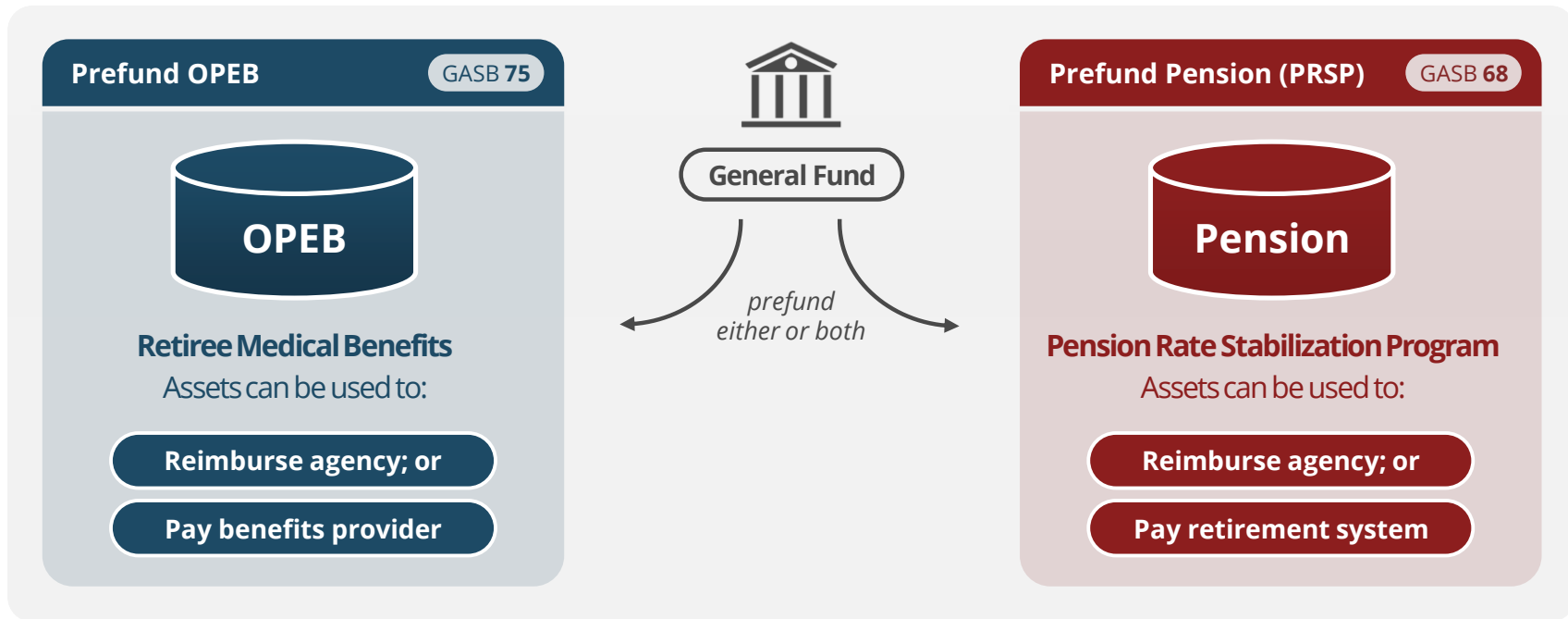
101

Years of Experience  
(1919-2020)

\$16.4B

Assets under  
Management

# PARS 115 TRUST STRUCTURE & BENEFITS



## Subaccounts

OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center



## Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.



## Flexible Investing

Allows separate investment strategies for OPEB and pension subaccounts.



## Anytime Access

Trust funds are available anytime; OPEB for OPEB and pension for pension.



## Economies-of-Scale

OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!



## No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.



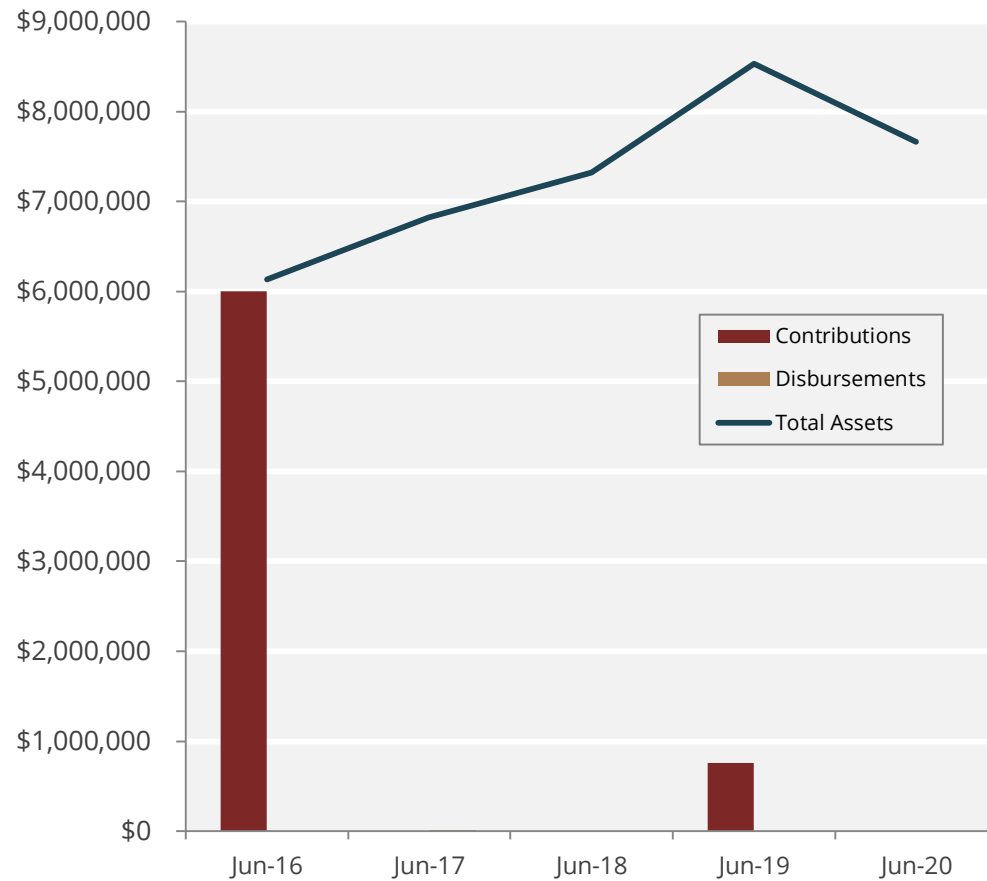
# SUMMARY OF AGENCY'S PRSP PLAN

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<b>Type of Plan:</b>	IRC Section 115 Irrevocable Exclusive Benefit Trust
<b>Trustee Approach:</b>	Discretionary
<b>Plan Effective Date:</b>	November 17, 2015
<b>Plan Administrator:</b>	Bill Gallardo - City Manager
<b>Current Investment Strategy:</b>	Balanced HighMark PLUS (Active) – Individual Acct - Selected on 01/20/2016
<b>Initial Contribution:</b>	February 19, 2016 – \$2,000,000
<b>Additional Contributions:</b>	April 22, 2016 - \$2,000,000 June 17, 2016 - \$2,000,000 June 25, 2019 – \$756,800
<b>Net Earnings:</b>	\$914,521

# SUMMARY OF AGENCY'S PENSION PLAN

## CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF MARCH 31, 2020:



Plan Year Ending

## **PARS Plan: City of Brea**

**April 2020**

**Presented by  
Keith Stribling, CFA**

# DISCUSSION HIGHLIGHTS – City of Brea

## Investment objective – Balanced

### Asset Allocation: PARS/Balanced (As of 3/31/2020)

- Allocation Target – 58.15% stocks (50-70% range), 35.68% bonds (30-50% range), 6.16% cash (0-20% range)
- Large cap 32.50%, Mid-cap 3.98%, Small cap 6.88%, International 11.43%; REIT 3.37%

### Performance: City of Brea

*(as of 3/31/2020) gross of investment management fees, net of fund fees*

- 1 Month: -10.58%
- 3 Months: -14.65%
- 1 Year (YTD): -7.07%
- 3 Years: 2.26%
- ITD (2/1/2016): 5.08%

### Asset Allocation:

- Took de-risking steps
  - Lowered equity allocation
  - Lowered REIT allocation
  - Lowered small cap allocation

# DISCUSSION HIGHLIGHTS – City of Brea

## Economic Review

- Coronavirus and it's impact on the global growth
- Unprecedented spike in unemployment claims as economies shut down
- Fed steps up big – creating a “bridge loan” to the capital markets
- Congress acts swiftly to get cash to businesses and consumers impacted
- Uncertain recovery...looking for a medical solution to temper virus symptoms
- Trying to find a path forward to re-open the economy

As of: March 31, 2020

Account Name: PARS/ CITY OF BREA PRSP

Account ID: xxxxxx0800



## Performance Report

	1 Month	Year to Date (3 Months)	1 Year	3 Years	Inception to Date 02/01/2016
Cash Equivalents	.07	.31	1.82	1.58	1.20
Lipper Money Market Funds Index	.09	.32	1.74	1.49	1.13
Total Fixed Income	-2.72	-.59	3.41	2.90	
BBG Barclays US Aggregate Bd Index (USD)	-.59	3.15	8.93	4.82	3.96
Total Equities	-16.11	-23.77	-14.07	1.36	6.93
Large Cap Funds	-13.56	-20.65	-9.29	4.07	8.98
S&P 500 Composite Index	-12.35	-19.60	-6.98	5.10	9.34
Mid Cap Funds	-19.63	-27.10	-18.45	-.94	5.11
Russell Midcap Index	-19.49	-27.07	-18.31	-.81	5.49
Small Cap Funds	-23.48	-32.43	-25.35	-2.09	5.05
Russell 2000 Index (USD)	-21.73	-30.61	-23.99	-4.64	4.09
International Equities	-15.99	-24.11	-15.28	-1.90	3.86
MSCI EAFE Index (Net)	-13.35	-22.83	-14.38	-1.82	2.43
MSCI EM Free Index (Net USD)	-15.40	-23.60	-17.69	-1.62	5.74
Real Estate - ETFs / Sctr Fds	-18.30	-23.11	-15.86	-.96	
Wilshire REIT Index	-19.96	-25.63	-19.38	-2.49	.84
Total Managed Portfolio	-10.58	-14.65	-7.07	2.26	5.08

Returns are gross of account level investment advisory fees and net of any fees including fees to manage mutual fund or exchange traded fund holdings. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured have no bank guarantee and may lose value.

## ASSET ALLOCATION- City of Brea

Current Asset Allocation	Weight	Ticker	Investment Vehicle	Market Value
<b>Equity</b>	<b>58.15%</b>		<b>Range: 50%-70%</b>	<b>\$ 4,451,064.01</b>
Large Cap Core	5.09%	COFYX	Columbia Contrarian Core Cl Y	\$389,531.25
	13.20%	VGIAX	Vanguard Gro & Inc Admiral Shares	\$1,010,602.85
Large Cap Value	6.02%	DODGX	Dodge & Cox International Stock Fund	\$460,912.87
	1.98%	IVE	iShares S&P 500 Value ETF	\$151,690.00
Large Cap Growth	3.09%	HNACX	Harbor CP Appre Rtrmt Cl	\$236,457.54
	3.11%	PRUFX	T. Rowe Price Growth Stock Fund	\$237,957.87
Mid Cap Growth	3.98%	IWR	iShares Russell Mid Cap ETF	\$304,607.52
Small Cap Value	3.41%	UBVFX	Undiscovered Mgrs Behavrl R6	\$261,156.46
Small Cap Growth	3.47%	RSEJX	Victory RS Small Cap Growth	\$265,622.57
International Core	3.22%	DFALX	DFA Large Cap International Port	\$246,830.98
International Value	2.08%	DODFX	Dodge & Cox International Stock Fund	\$159,501.47
International Growth	2.04%	MGRDX	MFS International Growth Fund	\$155,820.79
Emerging Markets	4.08%	HHHFX	Hartford Schrodr Mkts Eq	\$312,625.34
REIT	3.37%	VNQ	Vngrd Index Tr Reit Viper Shs	\$257,746.50
<b>Fixed Income</b>	<b>35.68%</b>		<b>Ranges 30%-50%</b>	<b>\$ 2,731,176.27</b>
Individuals Fixed Incom	30.90%		Corporate Bonds	\$2,365,441.00
Short-Term	4.78%	VFSUX	Vngrd ST Term Invmt Grade	\$365,735.27
<b>Cash</b>	<b>6.16%</b>		<b>Range: 0%-20%</b>	<b>\$ 471,705.14</b>
	6.16%	FGZXX	FIRST AMERN GOVT OBLIG FD CL Z	\$471,705.14
<b>TOTAL</b>	<b>100.00%</b>			<b>\$7,653,945</b>

## ASSET ALLOCATION- City of Brea

Current Asset Allocation		Weight	Ticker	Investment Vehicle		Market Value
<b>Fixed Income</b>				<b>Range: 30%-50%</b>		
<b>1-3 yrs</b>	6.56%					
	A+	2.62%	V	Visa Inc	2.200% 12/14/20	\$200,782.00
	AA-	2.63%	CSCO	Cisco Systems	2.900% 3/04/21	\$201,096.00
	A-	1.31%	STI	Suntrust bank	2.700% 1/27/22	\$100,539.00
<b>3-5 yrs</b>	15.89%					
	AA+	2.04%	AAPL	Apple	2.850% 2/23/23	\$156,502.50
	A-	1.01%	JP,	JPMorgan Chase	2.700% 5/18/23	\$76,972.50
	BBB+	2.90%	VZ	Verizon Communications	5.150% 9/15/23	\$222,142.00
	A-	1.31%	PNC	PNC Finl Svc Grp	3.500% 1/23/24	\$100,568.00
	BBB	1.43%	MDLZ	Mondelez Inc	4.000% 2/01/24	\$109,087.00
	A	0.68%	HBAN	Huntington Bancshar	2.625% 8/06/24	\$51,737.00
	AA+	1.36%	WFC	Wells Fargo Corp	3.300% 9/09/24	\$104,119.00
	AA+	1.35%	XOM	Exxon Mobil Sr	2.709% 3/06/25	\$103,479.00
	A+	1.02%	PEP	Pepsico Inc	2.750% 4/30/25	\$78,018.00
	A-	1.38%	SYK	Stryker Corp	3.375% 11/01/25	\$105,746.00
	A	1.41%	ICE	Intercontinental Exchange	3.750% 12/01/25	\$107,580.00
<b>5-7 yrs</b>	8.45%					
	BBB	1.03%	MDLZ	Mondelez Inc	3.625% 2/13/26	\$78,621.00
	A	1.34%	KMB	Kimberly Clark	2.750% 2/15/26	\$102,265.00
	A+	2.02%	KO	Coca Cola Co	2.250% 9/01/26	\$154,308.00
	AA-	1.99%	NKE	Nike Inc	2.375% 11/01/26	\$152,553.00
	BBB	2.08%	ATT	AT&T Inc	4.250% 3/01/27	\$159,325.50
<b>Total</b>		<b>30.90%</b>				<b>\$2,365,440.50</b>



# City of Brea

## For Period Ending March 31, 2020

### LARGE CAP EQUITY FUNDS

Fund Name	1-Month Return	3-Month Return	Year-to- Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Columbia Contrarian Core Inst3	-11.41	-18.19	-18.19	-4.68	4.24	6.06	10.47
Vanguard Growth & Income Adm	-12.73	-20.37	-20.37	-8.81	4.19	6.05	10.39
Dodge & Cox Stock	-19.65	-29.16	-29.16	-19.82	-2.52	2.65	8.09
iShares S&P 500 Value ETF	-15.25	-25.34	-25.34	-12.34	-0.09	3.29	8.01
Harbor Capital Appreciation Retirement	-10.46	-11.80	-11.80	0.06	12.90	10.63	12.84
T. Rowe Price Growth Stock I	-11.41	-14.62	-14.62	-3.53	10.09	9.53	12.83
<b>S&amp;P 500 TR USD</b>	<b>-12.35</b>	<b>-19.60</b>	<b>-19.60</b>	<b>-6.98</b>	<b>5.10</b>	<b>6.73</b>	<b>10.53</b>

### MID CAP EQUITY FUNDS

iShares Russell Mid-Cap ETF	-19.49	-27.09	-27.09	-18.44	-0.94	1.70	8.60
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### SMALL CAP EQUITY FUNDS

Undiscovered Managers Behavioral Val R6	-28.55	-40.82	-40.82	-35.97	-11.71	-3.26	6.21
Victory RS Small Cap Growth R6	-18.96	-24.03	-24.03	-14.42	6.02	4.13	11.11
<b>Russell 2000 TR USD</b>	<b>-21.73</b>	<b>-30.61</b>	<b>-30.61</b>	<b>-23.99</b>	<b>-4.64</b>	<b>-0.25</b>	<b>6.90</b>

### REAL ESTATE FUNDS

Vanguard Real Estate ETF	-19.28	-24.11	-24.11	-16.60	-1.48	0.48	7.88
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### INTERNATIONAL EQUITY FUNDS

Fund Name	1-Month Return	3-Month Return	Year-to- Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Dodge & Cox International Stock	-20.37	-30.50	-30.50	-22.28	-7.42	-4.39	1.61
DFA Large Cap International I	-15.79	-24.43	-24.43	-16.53	-2.61	-0.93	2.38
MFS International Growth R6	-10.89	-18.65	-18.65	-8.03	5.04	4.21	5.42
<b>MSCI EAFE NR USD</b>	<b>-13.35</b>	<b>-22.83</b>	<b>-22.83</b>	<b>-14.38</b>	<b>-1.82</b>	<b>-0.62</b>	<b>2.72</b>
Hartford Schroders Emerging Mkts Eq F	-16.41	-23.22	-23.22	-15.03	-0.14	0.95	1.38
<b>MSCI EM Free Index</b>	<b>-15.40</b>	<b>-23.60</b>	<b>-23.60</b>	<b>-17.69</b>	<b>-1.62</b>	<b>-0.37</b>	<b>0.68</b>

### BOND FUNDS

DoubleLine Core Fixed Income I	-6.06	-3.29	-3.29	1.42	2.54	2.35	--
PGIM Total Return Bond R6	-6.50	-2.84	-2.84	3.80	3.98	3.28	4.86
PIMCO Total Return Instl	-1.71	2.19	2.19	7.64	4.51	3.24	4.11
Vanguard Short-Term Investment-Grade Adm	-3.10	-1.50	-1.50	2.03	2.16	2.04	2.40
<b>BBgBarc US Agg Bond TR USD</b>	<b>-0.59</b>	<b>3.15</b>	<b>3.15</b>	<b>8.93</b>	<b>4.82</b>	<b>3.36</b>	<b>3.88</b>

Source: SEI Investments, Morningstar Investments

City of Brea

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**INVESTMENT ADVISORY COMMITTEE COMMUNICATION**

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**TO:** Honorable Chair and Committee Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 04/27/2020

**SUBJECT:** Investment Guidelines for the City's Other Post Employment Benefits (OPEB) Trust Fund with Public Agency Retirement Services (PARS)

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**RECOMMENDATION**

Approve Investment Guidelines for the City's Other Post Employment Benefits (OPEB) Trust Fund through Public Agency Retirement Services (PARS) Post-Retirement Health Care Trust Program.

**BACKGROUND/DISCUSSION**

The City considers its pension and OPEB obligations very seriously, and continually examines all options to reduce pension and OPEB obligations and annual costs. When feasible, and legally permissible, staff recommends responsive pension and OPEB reform measures that ensure the long-term fiscal viability and resiliency. Employee compensation packages for Brea City employees include California Public Employees' Retirement System ("CalPERS") pensions and CalPERS' Public Employers Medical Care Health Act ("PEMCHA") healthcare benefits ("OPEB" – Other [than pensions] Post-Employment Benefits) following the completion of active service.

On November 17, 2015, in order to responsibly manage pension and OPEB costs, the City Council unanimously authorized participation in both the Public Agency Retirement Services (PARS) Post-Employment Benefits Trust Program, and the PARS Post-Retirement Health Care Trust Program. This action created two separate mechanisms by which the City will be able to pre-fund (one-time and/or annually) a portion of unfunded pension and OPEB actuarial liabilities.

To date, the City has contributed \$6,000,000 in Fiscal Year 2015-16 and an additional \$756,800 in Fiscal Year 2018-19 for a total contribution of \$6,756,800 to pre-fund pension obligation costs. As of March 31, 2020, the current market value of the Trust was \$7,663,519.44.

During the Budget Workshop on May 21, 2019, the City Council expressed interest in contributing any revenues over expenditures from Fiscal Year 2018-19 to PARS to address the City's OPEB obligations. As of June 30, 2019, the City's OPEB obligations were calculated to be \$25.6 million.

At the February 18, 2020, Council meeting, the City Council was presented with the financial

results for the fiscal year ending 2018-19 and reported that there was approximately \$2.5 million available in revenues over expenditures, as well as an additional \$155,000 from the City's OPEB Fund (Fund 150) that can be contributed to PARS to address the City's OPEB obligations. The intent is to gradually move from a "pay-as-you-go" method to the recommended Annual Required Contribution (ARC) method. Based upon the 2017 Actuarial Valuation Report for the City's Retiree Healthcare Plan, the ARC is calculated to be approximately \$2.56 million. The ARC covers the cost of the current retiree benefit obligations ("pay-as-you-go"), as well as pays down the City's unfunded liability obligation. The actuarial valuation and the ARC are re-calculated every two years, and the 2019 Actuarial Valuation Report is expected to be completed later this year.

## **DISCUSSION**

The Investment Advisory Committee (IAC) is tasked to establish guidelines for the City's OPEB Trust Program ("Plan") which includes identifying a preferred investment strategy for the Plan. PARS and their third-party investment advisory firm, HighMark Capital Management, offers five portfolio objectives that vary in risk tolerance and investment strategies and they include Conservative, Moderately Conservative, Moderate, Balanced and Capital Appreciation. Attachment A details the risk tolerance and investment strategy of each of the portfolio options.

The goal of the Plan's investment program is to provide a reasonable level of growth which will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan;
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

The purpose of the guidelines are to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers; and
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

Based upon staff review, the Moderate Investment Objective is recommended as it has a dual goal to seek growth of income and principal and its risk tolerance demonstrates that the Plan can accept price fluctuations to pursue its investment objectives. The below chart

summarizes the Strategic Asset Allocation for the Moderate Investment Objective:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	40%-60%	40%-60%
Policy: 5%	Policy: 45%	Policy: 50%

The proposed Investment Guidelines with the Moderate Investment Objective is provided as a Attachment B for your review and consideration.

**RESPECTFULLY SUBMITTED**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

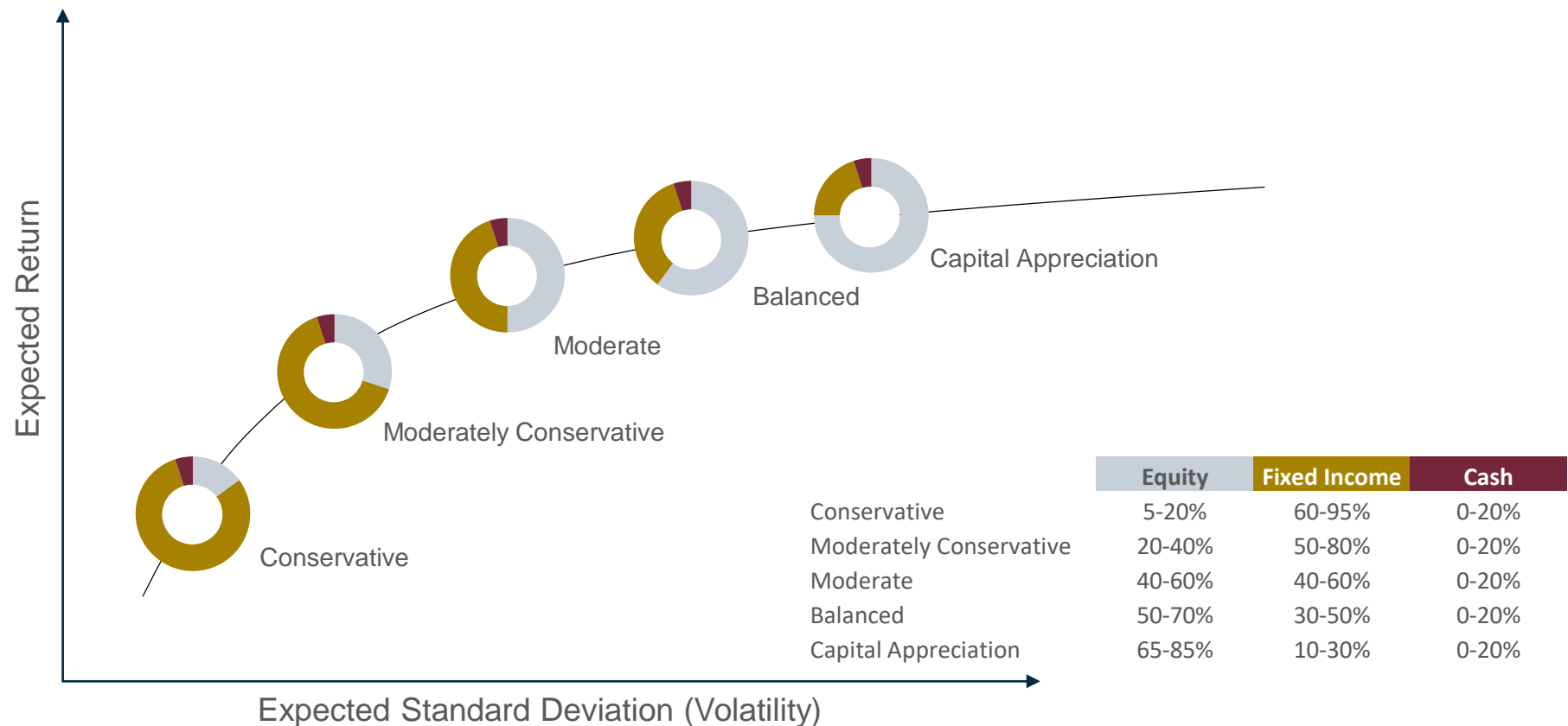
Attachment A

Attachment B

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## Establish: Determine your Strategic Asset Allocation Strategy

Efficient frontier of portfolios with varying ranges of equities and fixed income



Each Investment Objective reflects the associated PARS Diversified Portfolio as of 12/31/2019. A client's portfolio construction may vary depending on the client's investment needs, objectives, and restrictions as well as the prevailing market conditions at the time of investment.

## Construct Your Plan's Portfolio: PARS Diversified Portfolios – Tactical Allocation

					
	Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
<b>Equity</b>	<b>5-20%</b>	<b>20-40%</b>	<b>40-60%</b>	<b>50-70%</b>	<b>65-85%</b>
<b><i>Current Tactical</i></b>	<b>15.00%</b>	<b>30.00%</b>	<b>50.00%</b>	<b>60.00%</b>	<b>75.00%</b>
Large Cap Blend	4.26%	8.66%	14.79%	18.00%	22.38%
Large Cap Value	1.90%	3.92%	6.67%	8.00%	9.80%
Large Cap Growth	1.40%	2.92%	5.00%	6.00%	7.30%
Mid Cap Blend	1.18%	2.35%	3.85%	4.70%	5.87%
Mid Cap Value	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	0.97%	1.69%	2.84%	3.30%	4.07%
Small Cap Value	1.25%	2.29%	3.79%	4.50%	5.18%
Small Cap Growth	1.25%	2.29%	3.79%	4.50%	5.18%
International	1.80%	3.85%	5.95%	7.00%	10.08%
Tactical - Europe	0.00%	0.00%	0.00%	0.00%	0.00%
Emerging Markets	1.00%	2.02%	3.32%	4.00%	5.14%
<b>Fixed Income</b>	<b>60-95%</b>	<b>50-80%</b>	<b>40-60%</b>	<b>30-50%</b>	<b>10-30%</b>
<b><i>Current Tactical</i></b>	<b>81.25%</b>	<b>66.85%</b>	<b>47.60%</b>	<b>38.00%</b>	<b>23.74%</b>
Short Term Bond	16.75%	12.15%	8.80%	6.00%	2.64%
Intermediate Term Bond	64.50%	54.70%	38.80%	32.00%	21.10%
Floating Rate Note	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Cash</b>	<b>0-20%</b>	<b>0-20%</b>	<b>0-20%</b>	<b>0-20%</b>	<b>0-20%</b>
<b><i>Current Tactical</i></b>	<b>3.75%</b>	<b>3.15%</b>	<b>2.40%</b>	<b>2.00%</b>	<b>1.26%</b>
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Each Investment Objective reflects the associated PARS Diversified Portfolio as of 12/31/2019. A client's portfolio construction may vary depending on the client's investment needs, objectives, and restrictions as well as the prevailing market conditions at the time of investment.

## Construct Your Plan's Portfolio: PARS Diversified Portfolios – Active v. Passive

	HighMark Plus (Active)		Index Plus (Passive)	
Equity	Ticker	Fund Name	Ticker	Fund Name
Large Cap Blend	COFYX	Columbia Contrarian Core I3	IVV	iShares Core S&P 500 ETF
Large Cap Blend	VGIAX	Vanguard Growth & Income Adm		
Large Cap Value	DODGX	Dodge & Cox Stock	IVE	iShares S&P 500 Value ETF
Large Cap Value	IVE	iShares S&P 500 Value ETF		
Large Cap Growth	HNACX	Harbor Capital Appreciation Ret	IVW	iShares S&P 500 Growth ETF
Large Cap Growth	PRUFX	T. Rowe Price Growth Stock I		
Mid Cap Blend	IWR	iShares Russell Mid-Cap ETF	IWR	iShares Russell Mid-Cap ETF
Real Estate	VNQ	Vanguard Real Estate ETF	VNQ	Vanguard Real Estate ETF
Small Cap Value	UBVFX	Undiscovered Managers Behavioral Val R6	IWN	iShares Russell 2000 Value ETF
Small Cap Growth	RSEJX	Victory RS Small Cap Growth R6	IWO	iShares Russell 2000 Growth ETF
International	DFALX	DFA Large Cap International Portfolio		
International	DODFX	Dodge & Cox International Stock		
International	MGRDX	MFS International Growth R6	EFA	iShares MSCI EAFE ETF
Emerging Markets	HHHYX	Hartford Schoders Emerging Mkts Eq Y	VWO	Vanguard FTSE Emerging Markets ETF
Fixed Income	Ticker	Fund Name	Ticker	Fund Name
Short Term Bond	VFSUX	Vanguard Short-Term Investment-Grade Adm	VFSUX	Vanguard Short-Term Investment-Grade Adm
Intermediate Term Bond	PTTRX	PIMCO Total Return Instl	AGG	iShares Core U.S. Aggregate Bond
Intermediate Term Bond	PTRQX	PGIM Total Return Bond Q		
Intermediate Term Bond	DBLFX	DoubleLine Core Fixed Income I		
Cash				
Characteristics				
Fund Manager Dependency		Higher dependency on portfolio manager skill		Tracks index, thus little-to-no dependency on portfolio manager skill
Opportunity to Outperform Index		Opportunity to outperform index		Typically performs below index after fees
Costs		Higher expense ratios due to portfolio manager skill		Lower expense ratio due to little dependency on portfolio manager skill or opportunity for outperformance

Each Investment Objective reflects the associated PARS Diversified Portfolio as of 12/31/2019. A client's portfolio construction may vary depending on the client's investment needs, objectives, and restrictions as well as the prevailing market conditions at the time of investment. Specific securities identified above do not represent all of the securities purchased, sold or recommended for advisory clients, and you should not assume that investments in the securities identified in this presentation were or will be profitable.

# HIGHMARK CAPITAL MANAGEMENT RETURNS

ACTIVE RETURNS AS OF DECEMBER 31, 2019

Strategy	Equity (%)	1 Year	3 Years	5 Years	10 Years
Capital Appreciation	65-85%	22.62%	10.46%	7.90%	9.00%
Balanced	50-70%	19.85%	9.59%	7.06%	8.25%
Moderate	40-60%	17.71%	8.54%	6.39%	7.44%
Moderately Conservative	20-40%	13.73%	6.67%	5.02%	5.96%
Conservative	5-20%	11.05%	5.35%	4.08%	4.71%

*\* Past performance does not guarantee future results*

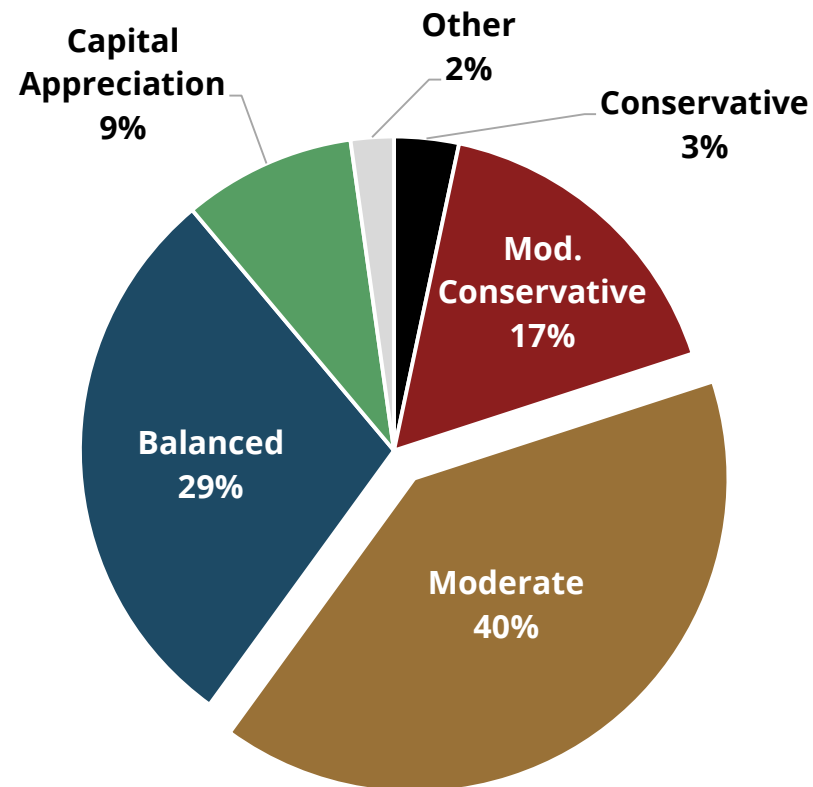


# OPEB STRATEGY ALLOCATIONS

As of December 31, 2019

## HIGHMARK CAPITAL MANAGEMENT

Strategy	Allocation (%)
Conservative	3.33%
Moderately Conservative	16.67%
Moderate	40.00%
Balanced	28.89%
Capital Appreciation	8.89%
Other (Custom)	2.22%
<b>TOTAL</b>	<b>100.00%</b>





## PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q4 2019

### WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

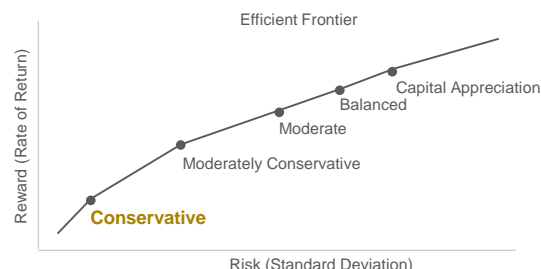
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



### ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	15%
Fixed Income	60 – 95%	80%	81%
Cash	0 – 20%	5%	4%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

Current Quarter*	1.55%
Blended Benchmark*, **	1.60%
Year To Date	11.05%
Blended Benchmark**	10.13%
1 Year	11.05%
Blended Benchmark**	10.13%
3 Year	5.35%
Blended Benchmark**	4.83%
5 Year	4.08%
Blended Benchmark**	3.73%
10 Year	4.71%
Blended Benchmark**	4.15%

#### Index Plus Composite (Passive)

Current Quarter*	1.40%
Blended Benchmark*, **	1.60%
Year To Date	10.37%
Blended Benchmark**	10.13%
1 Year	10.37%
Blended Benchmark**	10.13%
3 Year	4.83%
Blended Benchmark**	4.83%
5 Year	3.64%
Blended Benchmark**	3.73%
10 Year	4.34%
Blended Benchmark**	4.15%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% BBG Barclays US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Gov't, 2% ICE BofA US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 - 9/30/2012, the blended benchmark was 12% S&P 500; 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Year Corp./Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Gov, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%
2019	11.05%

#### Index Plus Composite (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%
2019	10.37%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Composite Inception Date	07/2004
No of Holdings in Portfolio	19

#### Index Plus (Passive)

Composite Inception Date	07/2004
No of Holdings in Portfolio	12

## HOLDINGS

### HighMark Plus (Active)

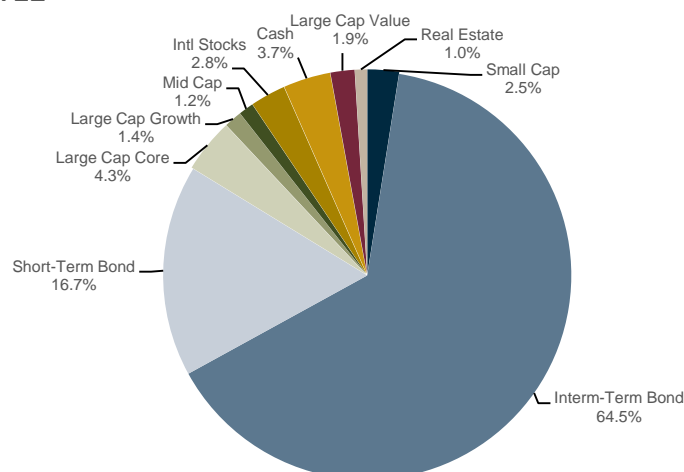
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Victory RS Small Cap Growth - R6  
 DFA Large Cap International Portfolio  
 Dodge & Cox International Stock  
 MFS International Growth - R6  
 Hartford Schroders Emerging Markets Eq  
 Vanguard Short-Term Invest-Grade Adm  
 PIMCO Total Return Fund - Inst  
 PGIM Total Return Bond - R6  
 DoubleLine Core Fixed Income - I  
 First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares MSCI EAFE ETF  
 Vanguard FTSE Emerging Markets ETF  
 Vanguard Short-Term Invest-Grade Adm  
 iShares Core U.S. Aggregate  
 First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark Capital Advisors (HCA) with full investment authority according to the PARS Conservative active and passive objectives.

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Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$8.9 billion in assets under management and \$8.5 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

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Senior Portfolio Manager  
 Investment Experience: since 1994  
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### Asset Allocation Committee

Number of Members: 16  
 Average Years of Experience: 28  
 Average Tenure (Years): 15

### Manager Review Group

Number of Members: 7  
 Average Years of Experience: 19  
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\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



## PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q4 2019

### WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

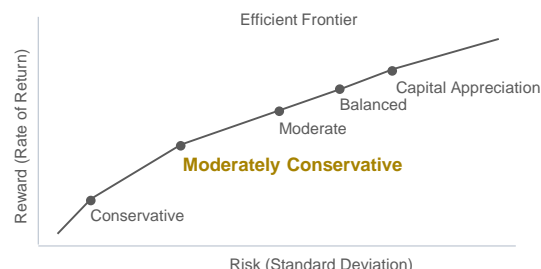
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



### ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	30%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	3%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

Current Quarter*	2.74%
Blended Benchmark*, **	2.81%
Year To Date	13.73%
Blended Benchmark**	13.53%
1 Year	13.73%
Blended Benchmark**	13.53%
3 Year	6.67%
Blended Benchmark**	6.40%
5 Year	5.02%
Blended Benchmark**	4.92%
10 Year	5.96%
Blended Benchmark**	5.68%

#### Index Plus Composite (Passive)

Current Quarter*	2.60%
Blended Benchmark*, **	2.81%
Year To Date	13.53%
Blended Benchmark**	13.53%
1 Year	13.53%
Blended Benchmark**	13.53%
3 Year	6.22%
Blended Benchmark**	6.40%
5 Year	4.75%
Blended Benchmark**	4.92%
10 Year	5.70%
Blended Benchmark**	5.68%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% BBG Barclays US Agg, 14% ICE BofA 1-3 Yr US Corp/Gov't, 1.75% ICE BofA US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofA 1-3 Year Corp./Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofA 1-3Yr Corp/Gov't, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

2008	-15.37%
2009	18.71%
2010	10.46%
2011	1.75%
2012	10.88%
2013	7.30%
2014	4.41%
2015	0.32%
2016	4.94%
2017	9.56%
2018	-2.60%
2019	13.73%

#### Index Plus Composite (Passive)

2008	-12.40%
2009	11.92%
2010	9.72%
2011	3.24%
2012	8.24%
2013	6.78%
2014	5.40%
2015	-0.18%
2016	5.42%
2017	8.08%
2018	-2.33%
2019	13.53%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Composite Inception Date	08/2004
No of Holdings in Portfolio	19

#### Index Plus (Passive)

Composite Inception Date	05/2005
No of Holdings in Portfolio	12

## HOLDINGS

### HighMark Plus (Active)

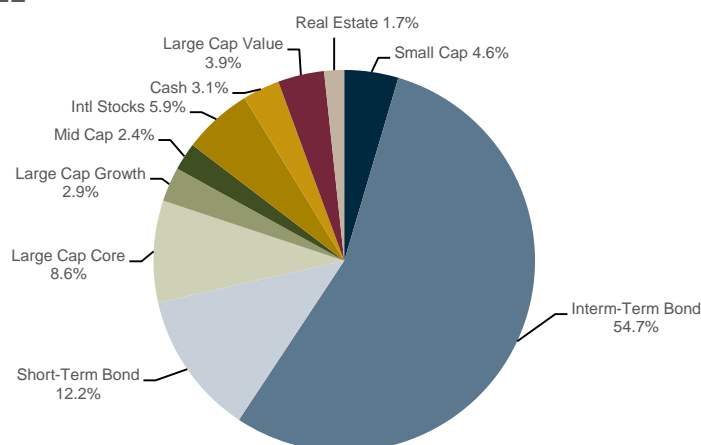
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Victory RS Small Cap Growth - R6  
 DFA Large Cap International Portfolio  
 Dodge & Cox International Stock  
 MFS International Growth - R6  
 Hartford Schroders Emerging Markets Eq  
 Vanguard Short-Term Invest-Grade Adm  
 PIMCO Total Return Fund - Inst  
 PGIM Total Return Bond - R6  
 DoubleLine Core Fixed Income - I  
 First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares MSCI EAFE ETF  
 Vanguard FTSE Emerging Markets ETF  
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 Average Years of Experience: 28  
 Average Tenure (Years): 15

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## PARS DIVERSIFIED PORTFOLIOS MODERATE

Q4 2019

### WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

#### Comprehensive Investment Solution

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#### Rigorous Manager Due Diligence

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#### Flexible Investment Options

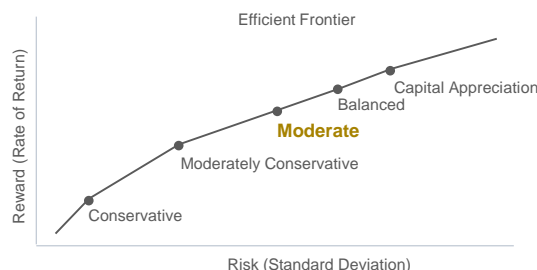
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### INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



### ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	50%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	2%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

Current Quarter*	4.49%
Blended Benchmark*, **	4.49%
Year To Date	17.71%
Blended Benchmark**	17.65%
1 Year	17.71%
Blended Benchmark**	17.65%
3 Year	8.54%
Blended Benchmark**	8.27%
5 Year	6.39%
Blended Benchmark**	6.37%
10 Year	7.44%
Blended Benchmark**	7.51%

#### Index Plus Composite (Passive)

Current Quarter*	4.22%
Blended Benchmark*, **	4.49%
Year To Date	17.52%
Blended Benchmark**	17.65%
1 Year	17.52%
Blended Benchmark**	17.65%
3 Year	7.97%
Blended Benchmark**	8.27%
5 Year	6.07%
Blended Benchmark**	6.37%
10 Year	7.34%
Blended Benchmark**	7.51%

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### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%
2019	17.71%

#### Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%
2019	17.52%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Composite Inception Date	10/2004
No of Holdings in Portfolio	19

#### Index Plus (Passive)

Composite Inception Date	05/2006
No of Holdings in Portfolio	12

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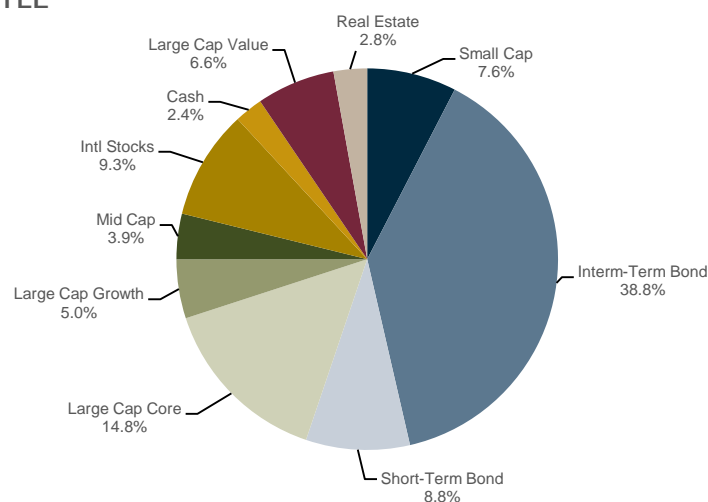
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Victory RS Small Cap Growth - R6  
 DFA Large Cap International Portfolio  
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 MFS International Growth - R6  
 Hartford Schroders Emerging Markets Eq  
 Vanguard Short-Term Invest-Grade Adm  
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### Index Plus (Passive)

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 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
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 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
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 Average Tenure (Years): 15

#### Manager Review Group

Number of Members: 7  
 Average Years of Experience: 19  
 Average Tenure (Years): 7

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



## PARS DIVERSIFIED PORTFOLIOS BALANCED

Q4 2019

### WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

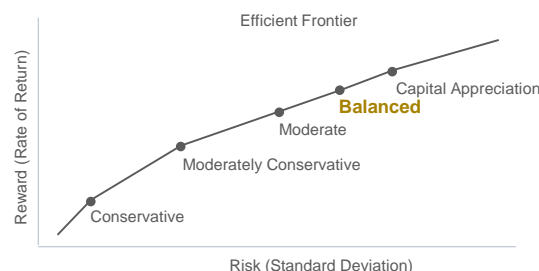
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



### ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	60%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	2%

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

### ANNUALIZED TOTAL RETURNS

#### HighMark Plus Composite (Active)

Current Quarter*	5.38%
Blended Benchmark*, **	5.34%
Year To Date	19.85%
Blended Benchmark**	19.77%
1 Year	19.85%
Blended Benchmark**	19.77%
3 Year	9.59%
Blended Benchmark**	9.22%
5 Year	7.06%
Blended Benchmark**	7.08%
10 Year	8.25%
Blended Benchmark**	8.47%

#### Index Plus Composite (Passive)

Current Quarter*	5.05%
Blended Benchmark*, **	5.34%
Year To Date	19.59%
Blended Benchmark**	19.77%
1 Year	19.59%
Blended Benchmark**	19.77%
3 Year	8.79%
Blended Benchmark**	9.22%
5 Year	6.69%
Blended Benchmark**	7.08%
10 Year	8.08%
Blended Benchmark**	8.47%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% BBG Barclays US Agg, 6.75% ICE BofA 1-3 Yr US Corp/Gov't, 1.25% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp/Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3 Yr Corp/Gov't, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

2008	-25.72%
2009	21.36%
2010	14.11%
2011	-0.46%
2012	13.25%
2013	16.61%
2014	4.70%
2015	0.04%
2016	6.81%
2017	15.46%
2018	-4.88%
2019	19.85%

#### Index Plus Composite (Passive)

2008	-23.22%
2009	17.62%
2010	12.76%
2011	1.60%
2012	11.93%
2013	15.63%
2014	6.08%
2015	-0.81%
2016	8.25%
2017	13.39%
2018	-5.05%
2019	19.59%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Composite Inception Date	10/2006
No of Holdings in Portfolio	19

#### Index Plus (Passive)

Composite Inception Date	10/2007
No of Holdings in Portfolio	12



## HOLDINGS

### HighMark Plus (Active)

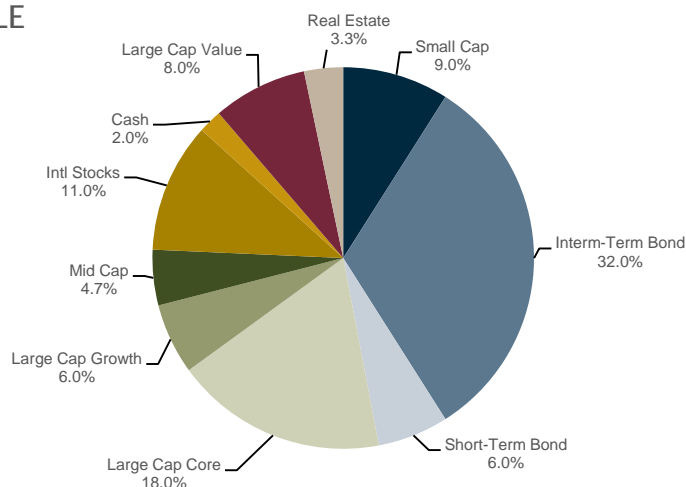
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Victory RS Small Cap Growth - R6  
 DFA Large Cap International Portfolio  
 Dodge & Cox International Stock  
 MFS International Growth - R6  
 Hartford Schroders Emerging Markets Eq  
 Vanguard Short-Term Invest-Grade Adm  
 PIMCO Total Return Fund - Inst  
 PGIM Total Return Bond - R6  
 DoubleLine Core Fixed Income - I  
 First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares MSCI EAFE ETF  
 Vanguard FTSE Emerging Markets ETF  
 Vanguard Short-Term Invest-Grade Adm  
 iShares Core U.S. Aggregate  
 First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark Capital Advisors (HCA) with full investment authority according to the PARS Balanced active and passive objectives.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
 Suite 1600  
 San Francisco, CA 94104  
 800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$8.9 billion in assets under management and \$8.5 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1994  
 HighMark Tenure: since 1997  
 Education: MBA, University of Southern California; BA, University of Southern California

#### Salvatore "Tory" Milazzo III, CFA®

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 Investment Experience: since 1985  
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 HighMark Tenure: since 2010  
 Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
 Investment Experience: since 1987  
 HighMark Tenure: since 2007  
 Education: BA, University of California, Santa Barbara

#### Randy Yurchak, CFA®

Senior Portfolio Manager  
 Investment Experience: since 2002  
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### Asset Allocation Committee

Number of Members: 16  
 Average Years of Experience: 28  
 Average Tenure (Years): 15

### Manager Review Group

Number of Members: 7  
 Average Years of Experience: 19  
 Average Tenure (Years): 7

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## PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q4 2019

### WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

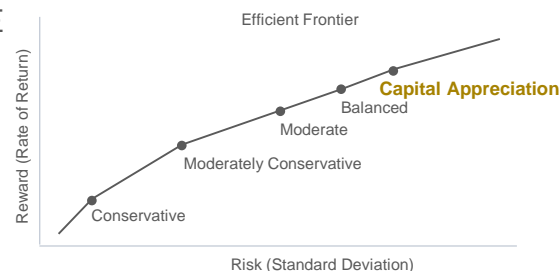
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#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



### ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	75%
Fixed Income	10 - 30%	20%	24%
Cash	0 - 20%	5%	1%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### Consolidated Composite

Current Quarter*	6.47%
Blended Benchmark*, **	6.64%
Year To Date	22.62%
Blended Benchmark**	22.81%
1 Year	22.62%
Blended Benchmark**	22.81%
3 Year	10.46%
Blended Benchmark**	10.58%
5 Year	7.90%
Blended Benchmark**	8.04%
10 Year	9.00%
Blended Benchmark**	9.52%

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM (net), 10.25% MSCI EAFE (net), 16% BBG Barclays US Agg, 3% ICE BofA 1-3 Yr US Corp/Gov't, 1% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### Consolidated Composite

2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%
2016	8.81%
2017	16.72%
2018	-5.82%
2019	22.62%

### PORTFOLIO FACTS

#### Consolidated Composite

Composite Inception Date	01/2009
No of Holdings in Portfolio	19

## HOLDINGS

### HighMark Plus (Active)

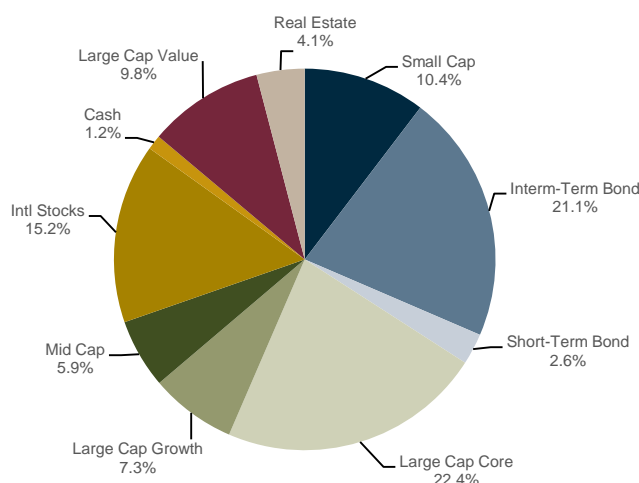
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## STYLE



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The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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# Investment Policy Guidelines

City of Brea

OPEB

April, 2020

# Investment Policy Guidelines

## Scope and Purpose

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The purpose of these Investment Policy Guidelines is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

### Key Plan Sponsor Account Information as of April 2020

<b>Plan Sponsor:</b>	City of Brea
<b>Governance:</b>	Investment Advisory Committee for the City of Brea
<b>Plan Name ("Plan"):</b>	City of Brea OPEB plan
<b>Trustee:</b>	US Bank Contact: Sue Hughes, 949-224-7209 <a href="mailto:Susan.Hughes@usbank.com">Susan.Hughes@usbank.com</a>
<b>Type of Account:</b>	Other Post Employment Benefit (OPEB) Plan
<b>Investment Manager:</b>	US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser Contact: Keith Stribling, CFA, 949-553-2591 <a href="mailto:Keith.stribling@highmarkcapital.com">Keith.stribling@highmarkcapital.com</a>

**Investment Authority:** Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

## **Investment Objectives and Constraints**

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The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

**Investment Time Horizon:** Long-term

**Anticipated Cash Flows:** An amount equal to one hundred percent (100%) of the annual OPEB obligations up to the annual required contribution is anticipated to be deposited upfront in July of each year with disbursements to be made monthly to pay ongoing OPEB obligations.

**Target Rate of Return:** 3.87%

**Investment Objective:** **Moderate Objective:** The primary objective is to generate a reasonable level of growth. The investment objective the Plan Sponsor has selected is the **Moderate Objective**, which has a dual goal to seek growth of income and principal.

**Risk Tolerance:** **Moderate**  
The account's risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

**Portfolio Type:** **Highmark Plus (active strategy)**

**Strategic Asset Allocation:** The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	40%-60%	40%-60%
Policy: 5%	Policy: 45%	Policy: 50%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

**Security Guidelines:**

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	40%-60%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	15%-45%
Domestic Mid Cap Equity	0%-10%
Domestic Small Cap Equity	0%-15%
International Equity (incl. Emerging Markets)	0%-15%
Real Estate Investment Trust (REIT)	0%-15%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	40%-60%
<i>Fixed Income Style</i>	<i>Range</i>
Long-term bonds (maturities >7 years)	0%-25%
Intermediate-term bonds (maturities 3-7 years)	25%-60%
Short-Term bonds (maturities <3 years)	0%-25%
High Yield bonds	0%-10%

**Performance Benchmarks:**

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

26.50%	S&P500 Index
5.00%	Russell Mid Cap Index
7.50%	Russell 2000 Index
3.25%	MSCI Emerging Market Index
6.00%	MSCI EAFE Index
1.75%	Wilshire REIT
33.50%	Barclays Capital US Aggregate Index
10.00%	ML 1-3 Year US Corp/Gov't
1.50%	US High Yield Master II
5.00%	Citi 1Mth T-Bill

Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell Mid Cap Index
Growth	Russell Mid Cap Growth
Value	Russell Mid Cap Value
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth
Value	Russell 2000 Value
REITs	Wilshire REIT
International Equity	MSCI EAFE
Investment Grade Bonds	Barclays US Aggregate

**Security Selection**

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.



***Investment Limitations:***

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales\*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions\*
- Commodities Transactions Puts, calls, straddles, or other option strategies\*
- Purchases of real estate, with the exception of REITs
- Individual high yield or below investment grade rated bonds (high yield will be managed with funds and/or ETF's)
- Derivatives, with exception of ETFs\*

*\*Permissible in diversified mutual funds and exchange-traded funds*

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**Duties and Responsibilities*****Responsibilities of Plan Sponsor***

The Investment Advisory Committee of the City of Brea is responsible for: Confirming in writing the accuracy of this Investment Policy Guidelines.

- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.

The City Treasurer and Administrative Services Director is responsible for:

- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.
- Providing quarterly investment reports to the City Council.

***Responsibilities of Trustee***

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

***Responsibilities of Investment Manager***

The Investment Manager is responsible for:

- Assisting the Investment Advisory Committee with the development and maintenance of this Investment Policy Guidelines annually.
- Meeting with Investment Advisory Committee annually to review portfolio structure, holdings, and performance.
- Meeting with City Council annually to review portfolio structure, holdings, and performance.
- Providing quarterly investment reports to the Investment Advisory Committee.

- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.
- Recommending changes to any of the above.
- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

### **Acknowledgement and Acceptance**

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I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Policy Guidelines, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Policy Guidelines supersedes all previous versions of an Investment Policy Guidelines or investment objective instructions that may have been executed for this account.

\_\_\_\_\_  
 Plan Sponsor: City of Brea

Date: \_\_\_\_\_

\_\_\_\_\_  
 Investment Manager: Keith Stribling, CFA, Senior Portfolio Manager, (949) 553-2591

Date: \_\_\_\_\_

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 04/27/2020

**SUBJECT:** Monthly Report of Investments for the City of Brea for Period Ending March 31, 2020

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**RECOMMENDATION**

Receive and file.

**BACKGROUND/DISCUSSION**

The Monthly Report of Investments is in accordance with Government Code Section 53607 and contains information on the investment activities for the month of March. Cash for day-to-day activities is deposited in the demand and interest-bearing checking accounts.

The Local Agency Investment Fund (LAIF) is used for short term investment and functions like a savings account. The City's managed investment portfolio is for longer-term investments which are managed through Chandler Asset Management. Together, the short and long-term investment accounts represent the City's investment portfolio. Attachment A includes a Portfolio Summary, Holdings Report, Book Value Report and Compliance with Investment Policy Statement prepared by Chandler Asset Management for the invested funds. The book value is the cost plus or minus amortization/accretion.

As of March 31, 2020, the total market value of the managed investment portfolio, including accrued interest, was \$88,373,921.27 as compared to \$87,857,804.64 at February 29, 2020. The weighted average investment yield for March 2020 was 2.03%, which was slightly lower than the prior month. The City's Local Agency Investment Fund (LAIF) had a total market value, including accrued interest of \$12,896,781.28 at March 31, 2020. This brings the total value of the City's investment portfolio as of March 31, 2020 to \$101,270,702.55 as compared to \$106,426,736.37 at February 29, 2020.

Restricted cash and investments are held in the post-employment benefits trust account administered by PARS (PARS account) and managed by HighMark Capital and the City's various bond reserve accounts which are managed by Chandler Asset Management.

Attachment A includes a monthly statement from US Bank for the PARS account as well as a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of March 31, 2020, the market value of the PARS account, including short-term cash and accrued interest was \$7,663,519.44 as compared to \$8,582,125.57 from the prior month. All other restricted cash investments (bond reserve accounts), including short-term cash and accrued interest was \$1,243,263.28 in comparison to \$1,390,034.78 from the prior month.

All City investments are GASB rated No. 1, where the custodian (The Bank of New York Mellon Trust Company, N.A.) acts as an agent of the City, and is not a counter party to the investment transaction, and all securities are held in the name of the City of Brea. The custodial account at Bank of New York and account records with Chandler Asset Management have been reconciled to par value for the month. The City of Brea has sufficient cash flow to meet its expected expenditures for the next six months.

### **FISCAL IMPACT/SUMMARY**

During the month of March, the total value of the City's investment portfolio decreased by \$5,156,033.82 to address expenditures for the month and to pay off the Energy Efficiency Loan as authorized by City Council. This will result in total interest savings of \$587,537 over the next eight years. The City's PARS account decreased by \$918,606.43 from market volatility related to the current COVID-19 Pandemic. The City's bond reserve accounts decreased by \$146,771.50 primarily due to a debt service payment for the 2017 Brea Plaza Public Improvements CFD Bonds.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Attachment A

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**City of Brea**  
**Cash and Investment Information**  
 March 31, 2020

		<b>Cost Value</b>	<b>Market Value*</b>
<b>Demand and Interest-Bearing Checking Accounts</b>	Citizen's Bank	\$ 6,359,529.16	\$ 6,359,529.16
<b>Local Agency Investment Fund</b>	LAIF	\$ 12,817,657.49	\$ 12,896,781.28
<b>Managed Investment Portfolio - CHANDLER</b>	Chandler	\$ 85,411,982.73	\$ 88,373,921.27
<b>PARS Post-Employment Benefits Trust**</b>	US Bank	\$ 8,199,952.70	\$ 7,663,519.44
<b><u>Fiscal Agent Cash &amp; Investments**</u></b>			
2010 Lease Revenue Bonds	Chandler/BNY	\$ 365,316.37	\$ 371,550.52
2014 Downtown Brea Public Improvements CFD Bonds	Chandler/BNY	\$ 164,323.22	\$ 164,323.22
2014 Water Revenue Bonds	Chandler/BNY	\$ 177.33	\$ 177.33
2017 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2)	Chandler/BNY	\$ 666,854.59	\$ 707,151.84
2019 Olinda Ranch Public Improvements Bonds (CFD 1997-1)	Chandler/BNY	\$ 60.37	\$ 60.37
2019 Water Revenue Bonds	Chandler/BNY	\$ -	\$ -
<b>Sub-total - Fiscal Agent Cash &amp; Investments</b>		<b>\$ 1,196,731.88</b>	<b>\$ 1,243,263.28</b>
<b>Report Grand Total</b>		<b>\$ 113,985,853.96</b>	<b>\$ 116,537,014.43</b>

\* Includes accrued interest on invested funds

\*\* Reserve Fund

**City of Brea**  
**Cash and Investment Information**

March 31, 2020

<b>Fiscal Agent Cash &amp; Investments Detail</b>		<b>Cost Value</b>	<b>Market Value</b>
10129	2010 Lease Revenue Bonds - <b>CHANDLER</b>	\$ 268,548.57	\$ 274,782.72
	Short-Term Treasury Funds - <b>BNY</b>	\$ 96,767.80	\$ 96,767.80
	<b>Sub-total</b>	<b>\$ 365,316.37</b>	<b>\$ 371,550.52</b>
	2014 Downtown Brea Public Improvements CFD Bonds - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ 164,323.22	\$ 164,323.22
	<b>Sub-total</b>	<b>\$ 164,323.22</b>	<b>\$ 164,323.22</b>
	2014 Water Revenue Bonds - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ 177.33	\$ 177.33
	<b>Sub-total</b>	<b>\$ 177.33</b>	<b>\$ 177.33</b>
10600	2017 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2) - <b>CHANDLER</b>	\$ 655,861.18	\$ 696,158.43
	Short-Term Treasury Funds - <b>BNY</b>	\$ 10,993.41	\$ 10,993.41
	<b>Sub-total</b>	<b>\$ 666,854.59</b>	<b>\$ 707,151.84</b>
	2019 Olinda Ranch Public Improvements Bonds (CFD 1997-1) - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ 60.37	\$ 60.37
	<b>Sub-total</b>	<b>\$ 60.37</b>	<b>\$ 60.37</b>
	2019 Water Revenue Bonds - <b>CHANDLER</b>	\$ -	\$ -
	Short-Term Treasury Funds - <b>BNY</b>	\$ -	\$ -
	<b>Sub-total</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Report Grand Total</b>		<b>\$ 1,196,731.88</b>	<b>\$ 1,243,263.28</b>



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	1.74%
Average Purchase YTM	1.74%
Average Market YTM	1.74%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

## ACCOUNT SUMMARY

	Beg. Values as of 2/29/20	End Values as of 3/31/20
Market Value	18,517,657	12,817,657
Accrued Interest	51,274	79,124
Total Market Value	18,568,932	12,896,781
Income Earned	24,543	27,850
Cont/WD		-5,700,000
Par	18,517,657	12,817,657
Book Value	18,517,657	12,817,657
Cost Value	18,517,657	12,817,657

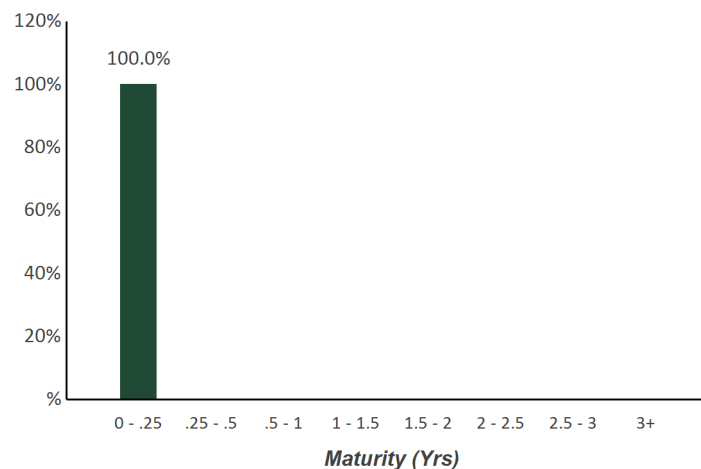
## TOP ISSUERS

Local Agency Investment Fund	100.0%
<b>Total</b>	<b>100.0%</b>

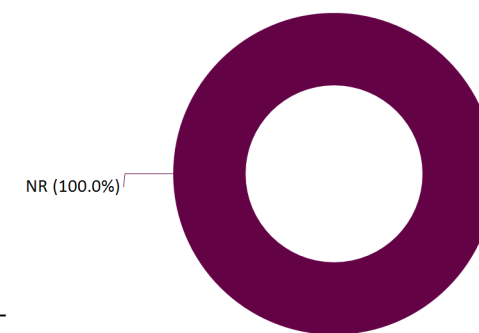
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	2/28/2012
City of Brea Laif	0.15%	0.51%	0.51%	2.38%	2.34%	1.91%	1.34%	N/A	N/A



Holdings Report

As of March 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	12,817,657.49	Various 1.74%	12,817,657.49 12,817,657.49	1.00 1.74%	12,817,657.49 79,123.79	100.00% 0.00	NR / NR NR	0.00 0.00
Total LAIF		12,817,657.49	1.74%	12,817,657.49	1.74%	12,817,657.49 79,123.79	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO				12,817,657.49 12,817,657.49	1.74%	12,817,657.49 79,123.79	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						12,896,781.28			



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.56
Average Coupon	2.16%
Average Purchase YTM	2.03%
Average Market YTM	0.92%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.80 yrs
Average Life	2.67 yrs

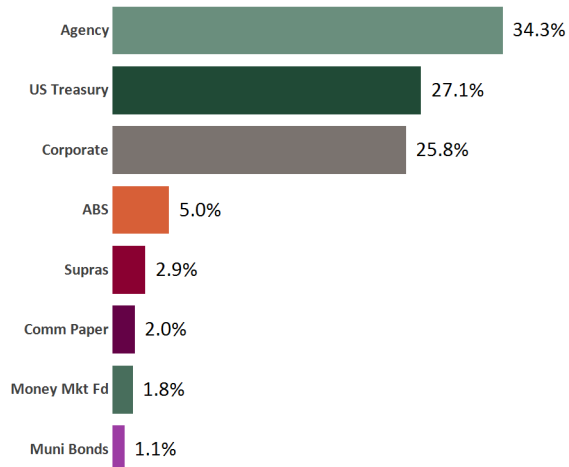
## ACCOUNT SUMMARY

	Beg. Values as of 2/29/20	End Values as of 3/31/20
Market Value	87,409,920	87,974,033
Accrued Interest	447,885	399,888
Total Market Value	<b>87,857,805</b>	<b>88,373,921</b>
Income Earned	155,443	148,619
Cont/WD		0
Par	84,947,921	84,988,603
Book Value	85,257,246	85,457,369
Cost Value	85,199,010	85,411,983

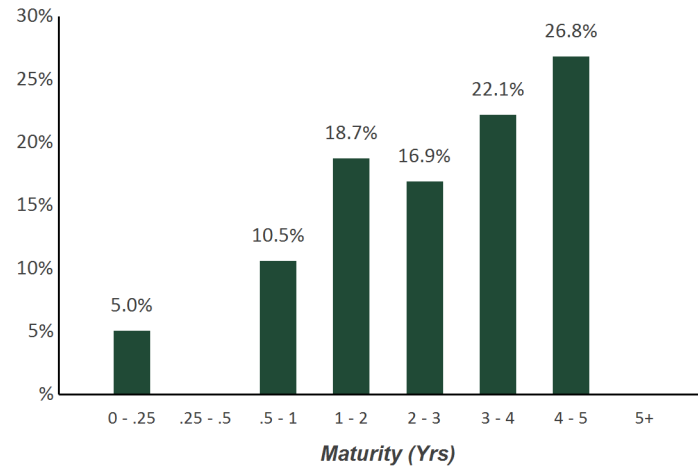
## TOP ISSUERS

Government of United States	27.1%
Federal National Mortgage Assoc	15.9%
Federal Home Loan Bank	13.3%
Federal Home Loan Mortgage Corp	5.2%
Inter-American Dev Bank	2.4%
MUFG Bank Ltd/NY	2.0%
Fidelity Institutional Treasury	1.8%
John Deere ABS	1.7%
<b>Total</b>	<b>69.3%</b>

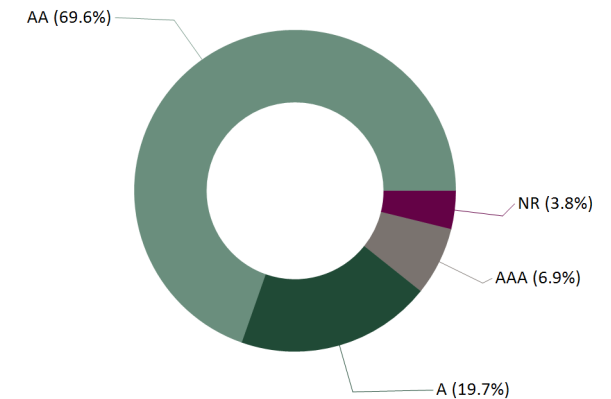
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	4/30/1996
City of Brea	0.59%	2.41%	2.41%	5.58%	4.50%	3.05%	2.22%	2.15%	3.90%
ICE BAML 1-5 Yr US Treasury/Agency Index*	1.69%	3.75%	3.75%	6.80%	4.95%	3.25%	2.25%	1.99%	3.59%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	1.28%	3.29%	3.29%	6.45%	4.85%	3.21%	2.27%	2.10%	N/A

\*ICE BAML 1-Yr US Treasury Bill Index to 9/30/01,

# Statement of Compliance

As of March 31, 2020

ATTACHMENT A



## City of Brea

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

Category	Standard	Comment
Treasury Issues	No limitations	Complies
US Agencies	25% per issuer	Complies
Supranationals	"AA" rated by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Certificates of Deposit(CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Negotiable CDs	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset-Backed Securities (ABS), CMOs	"AA" or higher by a NRSRO; "A" rated issuer by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer; CMOs must pass FFIEC test	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
LAIF	40%;<60%, with OCIP	Complies
OCIP	40%;<60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Range notes	Prohibited	Complies
Interest-only strips	Prohibited	Complies
Zero interest accruals	Prohibited	Complies
Agency Callable notes	5% maximum	Complies
Max Per Issuer	5% per issuer for all non government issuers and agencies	Complies
Maximum Maturity	5 years	Complies

## Reconciliation Summary

As of March 31, 2020



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$85,257,246.01</b>
<u><b>Acquisition</b></u>		
+ Security Purchases	\$4,619,103.02	
+ Money Market Fund Purchases	\$5,969,496.81	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$10,588,599.83</b>
<u><b>Dispositions</b></u>		
- Security Sales	\$2,401,968.75	
- Money Market Fund Sales	\$4,624,226.28	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$3,294,280.00	
- Calls	\$0.00	
- Principal Paydowns	\$64,589.13	
<b>Total Dispositions</b>		<b>\$10,385,064.16</b>
<u><b>Amortization/Accretion</b></u>		
+/- Net Accretion	(\$6,920.47)	
		(\$6,920.47)
<u><b>Gain/Loss on Dispositions</b></u>		
+/- Realized Gain/Loss	\$3,508.25	
		\$3,508.25
<b>ENDING BOOK VALUE</b>		<b>\$85,457,369.46</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$238,971.70</b>
<u><b>Acquisition</b></u>		
Contributions	\$0.00	
Security Sale Proceeds	\$2,401,968.75	
Accrued Interest Received	\$9,692.31	
Interest Received	\$191,113.16	
Dividend Received	\$2,133.46	
Principal on Maturities	\$3,294,280.00	
Interest on Maturities	\$5,720.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$64,589.13	
<b>Total Acquisitions</b>	<b>\$5,969,496.81</b>	
<u><b>Dispositions</b></u>		
Withdrawals	\$0.00	
Security Purchase	\$4,619,103.02	
Accrued Interest Paid	\$5,123.26	
<b>Total Dispositions</b>	<b>\$4,624,226.28</b>	
<b>ENDING BOOK VALUE</b>		<b>\$1,584,242.23</b>

## Holdings Report

As of March 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
654747AD6	Nissan Auto Receivables Trust 2017-A A3 1.74% Due 8/16/2021	111,808.76	12/27/2017 2.10%	111,096.85 111,539.24	99.86 0.20%	111,654.56 81.06	0.13% 115.32	Aaa / NR AAA	1.38 0.19
43811BAC8	Honda Auto Receivables Trust 2017-2 A3 1.68% Due 8/16/2021	125,759.86	04/27/2018 2.62%	123,804.68 124,944.66	99.76 2.50%	125,453.71 93.90	0.14% 509.05	Aaa / AAA NR	1.38 0.30
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	35,413.29	07/11/2017 1.83%	35,410.70 35,412.35	99.63 3.56%	35,283.68 28.65	0.04% (128.67)	Aaa / NR AAA	1.54 0.21
47788CAC6	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	114,831.74	02/21/2018 2.68%	114,823.48 114,827.65	99.27 0.41%	113,992.95 135.76	0.13% (834.70)	Aaa / NR AAA	2.05 0.43
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	488,546.67	08/21/2018 2.98%	488,479.65 488,506.46	100.92 1.70%	493,041.27 400.34	0.56% 4,534.81	Aaa / NR AAA	2.39 0.72
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	700,000.00	07/25/2019 1.48%	707,410.16 705,810.24	100.94 1.57%	706,577.90 920.89	0.80% 767.66	Aaa / AAA NR	2.46 0.67
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	575,000.00	07/18/2018 3.10%	574,956.42 574,973.48	100.62 2.16%	578,584.55 787.11	0.66% 3,611.07	Aaa / NR AAA	2.63 0.66
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	545,000.00	08/20/2019 1.79%	544,995.48 544,996.36	100.53 1.50%	547,878.15 431.16	0.62% 2,881.79	Aaa / AAA NR	3.38 1.86
477870AC3	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	280,000.00	07/16/2019 2.23%	279,940.56 279,949.89	100.82 1.74%	282,288.16 275.02	0.32% 2,338.27	Aaa / NR AAA	3.71 1.69
92348AAA3	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	370,000.00	10/01/2019 1.95%	369,971.47 369,974.50	100.25 1.82%	370,925.00 219.33	0.42% 950.50	NR / AAA AAA	4.06 1.96
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	580,000.00	10/16/2019 1.94%	579,969.38 579,972.23	100.99 1.49%	585,718.80 497.51	0.66% 5,746.57	Aaa / AAA NR	4.29 2.18
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	460,000.00	03/04/2020 1.11%	459,971.89 459,972.25	98.17 1.87%	451,572.80 281.11	0.51% (8,399.45)	Aaa / NR AAA	4.38 2.39
<b>Total ABS</b>		<b>4,386,360.32</b>	<b>2.09%</b>	<b>4,390,830.72</b> <b>4,390,879.31</b>	<b>1.68%</b>	<b>4,402,971.53</b> <b>4,151.84</b>	<b>4.99%</b> <b>12,092.22</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.17</b> <b>1.34</b>

## Holdings Report

As of March 31, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,225,000.00	12/16/2015 1.90%	1,201,847.50 1,221,891.68	100.67 0.49%	1,233,254.05 6,176.04	1.40% 11,362.37	Aaa / AA+ AAA	0.67 0.66
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,070,000.00	02/17/2016 1.46%	1,065,677.20 1,069,235.76	100.90 0.35%	1,079,674.94 1,757.33	1.22% 10,439.18	Aaa / AA+ AAA	0.89 0.88
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,275,000.00	Various 1.46%	1,269,953.70 1,274,058.41	100.95 0.32%	1,287,115.05 1,704.42	1.46% 13,056.64	Aaa / AA+ AAA	0.91 0.90
3135G0K69	FNMA Note 1.25% Due 5/6/2021	400,000.00	05/27/2016 1.48%	395,724.00 399,050.31	100.80 0.52%	403,197.20 2,013.89	0.46% 4,146.89	Aaa / AA+ AAA	1.10 1.09
3135G0U35	FNMA Note 2.75% Due 6/22/2021	500,000.00	06/28/2018 2.70%	500,740.00 500,303.75	102.88 0.39%	514,387.00 3,781.25	0.59% 14,083.25	Aaa / AA+ AAA	1.23 1.20
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,285,000.00	10/04/2016 1.33%	1,273,126.60 1,281,803.32	101.01 0.34%	1,298,002.92 3,092.03	1.47% 16,199.60	Aaa / AA+ AAA	1.29 1.28
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,250,000.00	08/30/2016 1.33%	1,237,737.50 1,246,620.52	101.03 0.37%	1,262,842.50 1,914.06	1.43% 16,221.98	Aaa / AA+ AAA	1.37 1.35
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,285,000.00	Various 1.29%	1,282,305.71 1,284,238.81	101.15 0.41%	1,299,738.95 1,963.20	1.47% 15,500.14	Aaa / AA+ AAA	1.38 1.37
3130AF5B9	FHLB Note 3% Due 10/12/2021	1,350,000.00	11/29/2018 2.91%	1,353,402.00 1,351,816.35	104.01 0.37%	1,404,117.45 19,012.50	1.61% 52,301.10	Aaa / AA+ NR	1.53 1.49
3135G0S38	FNMA Note 2% Due 1/5/2022	1,350,000.00	04/25/2017 1.92%	1,354,927.50 1,351,851.41	102.87 0.37%	1,388,681.55 6,450.00	1.58% 36,830.14	Aaa / AA+ AAA	1.77 1.73
3135G0T45	FNMA Note 1.875% Due 4/5/2022	1,315,000.00	06/19/2017 1.88%	1,314,801.44 1,314,916.72	102.98 0.39%	1,354,185.69 12,054.17	1.55% 39,268.97	Aaa / AA+ AAA	2.01 1.96
3130A3KM5	FHLB Note 2.5% Due 12/9/2022	775,000.00	08/28/2018 2.83%	764,808.75 768,597.05	105.41 0.47%	816,912.78 6,027.78	0.93% 48,315.73	Aaa / AA+ NR	2.69 2.59
3135G0T94	FNMA Note 2.375% Due 1/19/2023	1,000,000.00	03/14/2018 2.73%	984,140.00 990,833.46	105.39 0.44%	1,053,898.00 4,750.00	1.20% 63,064.54	Aaa / AA+ AAA	2.81 2.71
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	1,200,000.00	07/20/2018 2.86%	1,193,976.00 1,196,053.47	107.13 0.51%	1,285,581.60 9,350.00	1.47% 89,528.13	Aaa / AA+ AAA	3.22 3.08
313383YJ4	FHLB Note 3.375% Due 9/8/2023	1,200,000.00	10/29/2018 3.08%	1,215,756.00 1,211,152.72	110.11 0.41%	1,321,266.00 2,587.50	1.50% 110,113.28	Aaa / AA+ NR	3.44 3.27
3135G0U43	FNMA Note 2.875% Due 9/12/2023	1,500,000.00	06/21/2019 1.89%	1,559,805.00 1,548,860.80	107.80 0.59%	1,616,998.50 2,276.04	1.83% 68,137.70	Aaa / AA+ AAA	3.45 3.30

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3130A0F70	FHLB Note 3.375% Due 12/8/2023	1,075,000.00	Various 2.74%	1,106,057.50 1,098,361.77	111.14 0.33%	1,194,791.55 11,388.28	1.36% 96,429.78	Aaa / AA+ AAA	3.69 3.47
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	1,500,000.00	04/29/2019 2.37%	1,500,105.00 1,500,085.05	107.03 0.57%	1,605,387.00 2,276.04	1.82% 105,301.95	Aaa / AA+ NR	3.94 3.77
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	1,500,000.00	06/18/2019 1.96%	1,564,890.20 1,554,668.75	110.47 0.36%	1,657,003.51 12,817.70	1.89% 102,334.76	Aaa / AA+ NR	4.21 3.96
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	1,200,000.00	09/13/2019 1.79%	1,262,028.00 1,255,294.70	109.91 0.61%	1,318,905.60 1,725.00	1.49% 63,610.90	Aaa / AA+ AAA	4.46 4.20
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,755,000.00	Various 1.49%	1,765,434.95 1,765,267.22	104.68 0.58%	1,837,205.96 12,912.66	2.09% 71,938.74	Aaa / AA+ AAA	4.55 4.35
3135G0X24	FNMA Note 1.625% Due 1/7/2025	1,875,000.00	Various 1.47%	1,888,349.75 1,888,134.35	104.97 0.57%	1,968,172.50 6,855.47	2.23% 80,038.15	Aaa / AA+ AAA	4.78 4.58
3137EAEPO	FHLMC Note 1.5% Due 2/12/2025	1,920,000.00	02/13/2020 1.52%	1,918,521.60 1,918,559.67	104.35 0.59%	2,003,493.12 3,760.00	2.27% 84,933.45	Aaa / AA+ AAA	4.87 4.69
<b>Total Agency</b>		<b>28,805,000.00</b>	<b>1.96%</b>	<b>28,974,115.90</b> <b>28,991,656.05</b>	<b>0.46%</b>	<b>30,204,813.42</b> <b>136,645.36</b>	<b>34.33%</b> <b>1,213,157.37</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.88</b> <b>2.77</b>
<b>COMMERCIAL PAPER</b>									
62479LDG7	MUFG Bank Ltd Discount CP 1.68% Due 4/16/2020	1,750,000.00	01/29/2020 1.71%	1,743,630.00 1,743,630.00	99.64 1.71%	1,743,630.00 5,145.00	1.98% 0.00	P-1 / A-1 NR	0.04 0.04
<b>Total Commercial Paper</b>		<b>1,750,000.00</b>	<b>1.71%</b>	<b>1,743,630.00</b> <b>1,743,630.00</b>	<b>1.71%</b>	<b>1,743,630.00</b> <b>5,145.00</b>	<b>1.98%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>NR</b>	<b>0.04</b> <b>0.04</b>
<b>CORPORATE</b>									
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	750,000.00	06/11/2015 2.49%	741,693.75 749,773.88	99.99 2.33%	749,902.50 6,140.62	0.86% 128.62	A2 / A- NR	0.14 0.14
437076BQ4	Home Depot Note 1.8% Due 6/5/2020	330,000.00	05/24/2017 1.82%	329,808.60 329,988.65	99.94 2.14%	329,795.40 1,914.00	0.38% (193.25)	A2 / A A	0.18 0.18
594918BG8	Microsoft Callable Note Cont. 10/3/2020 2% Due 11/3/2020	325,000.00	10/29/2015 2.02%	324,740.00 324,969.26	100.22 1.55%	325,714.35 2,672.22	0.37% 745.09	Aaa / AAA AA+	0.59 0.50

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	800,000.00	02/06/2017 2.16%	803,768.00 800,523.33	100.11 2.07%	800,854.40 7,564.44	0.91% 331.07	A3 / A A	0.59 0.50
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	875,000.00	Various 1.97%	884,992.10 876,910.34	100.65 1.50%	880,690.12 1,620.21	1.00% 3,779.78	Aaa / AA NR	0.92 0.90
24422ESL4	John Deere Capital Corp Note 2.8% Due 3/4/2021	315,000.00	05/24/2017 2.12%	322,663.95 316,879.73	100.79 1.93%	317,494.49 661.50	0.36% 614.76	A2 / A A	0.93 0.91
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	410,000.00	05/08/2018 3.24%	407,150.50 408,947.04	100.77 2.29%	413,154.54 4,783.33	0.47% 4,207.50	A2 / A NR	1.11 1.08
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	940,000.00	Various 2.32%	932,971.20 936,193.70	99.56 2.34%	935,870.58 6,721.00	1.07% (323.12)	A1 / A AA-	1.13 1.11
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.55% Due 8/8/2021	590,000.00	Various 1.57%	589,298.90 589,810.32	100.70 0.99%	594,103.45 1,346.35	0.67% 4,293.13	Aaa / AAA AA+	1.36 1.26
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.9% Due 9/15/2021	804,000.00	11/29/2016 2.40%	785,998.44 798,521.26	100.29 1.68%	806,369.39 678.93	0.91% 7,848.13	A3 / A+ A-	1.46 1.35
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	750,000.00	Various 3.16%	736,272.75 742,990.39	100.52 2.30%	753,864.00 4,333.33	0.86% 10,873.61	A1 / AA- A+	1.78 1.72
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	890,000.00	07/25/2017 2.45%	889,919.90 889,962.80	99.59 2.63%	886,347.44 3,815.88	1.01% (3,615.36)	A2 / A A+	2.33 2.24
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	950,000.00	Various 2.65%	932,933.50 940,088.33	101.75 1.46%	966,654.45 1,335.28	1.10% 26,566.12	A2 / A NR	2.44 2.37
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	925,000.00	Various 3.11%	919,202.75 921,734.21	101.62 2.04%	939,985.00 5,803.66	1.07% 18,250.79	A2 / A- AA-	2.79 1.73
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	750,000.00	05/20/2019 2.73%	748,027.50 748,489.80	101.45 2.10%	760,856.25 3,643.75	0.87% 12,366.45	A2 / A A	2.82 2.62
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	650,000.00	Various 3.23%	637,699.50 642,407.23	102.51 1.92%	666,300.05 1,263.89	0.76% 23,892.82	A2 / A A	2.93 2.80
06406RAG2	Bank of NY Mellon Corp Note 3.5% Due 4/28/2023	800,000.00	05/16/2019 2.78%	821,248.00 816,567.24	104.39 2.02%	835,094.40 11,900.00	0.96% 18,527.16	A1 / A AA-	3.08 2.88



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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	900,000.00	Various 3.18%	871,569.25 879,893.17	104.26 1.00%	938,295.00 8,880.00	1.07% 58,401.83	Aa1 / AA+ NR	3.09 2.96
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	904,000.00	04/26/2019 2.68%	928,769.60 923,156.05	106.06 1.43%	958,739.01 8,110.89	1.09% 35,582.96	Aa2 / AA AA	3.24 2.98
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	225,000.00	07/11/2018 3.49%	224,610.75 224,744.13	101.27 3.04%	227,856.60 1,660.31	0.26% 3,112.47	A3 / A NR	3.29 3.07
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	760,000.00	Various 3.28%	763,588.40 762,879.08	101.08 3.06%	768,171.52 3,732.44	0.87% 5,292.44	A1 / A+ NR	3.36 3.14
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	250,000.00	05/16/2019 2.79%	256,575.00 255,225.08	103.98 2.22%	259,940.75 1,197.92	0.30% 4,715.67	A1 / A AA-	3.36 3.16
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	750,000.00	Various 3.38%	757,259.00 755,872.25	101.60 3.14%	762,021.00 12,914.06	0.88% 6,148.75	A3 / A NR	3.53 3.24
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	1,100,000.00	Various 2.98%	1,114,320.00 1,112,719.13	104.01 2.13%	1,144,119.90 2,820.28	1.30% 31,400.77	A2 / A- A+	3.93 2.78
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	1,100,000.00	Various 2.79%	1,121,362.00 1,118,400.44	105.37 1.83%	1,159,039.20 1,986.11	1.31% 40,638.76	Aa3 / A AA-	3.95 3.70
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 5/18/2024	1,100,000.00	Various 2.33%	1,156,826.00 1,150,679.30	102.47 3.11%	1,127,160.10 16,052.36	1.29% (23,519.20)	A2 / A A+	4.13 2.89
69371RQ25	Paccar Financial Corp Note 2.15% Due 8/15/2024	195,000.00	08/08/2019 2.20%	194,569.05 194,623.30	97.16 2.85%	189,457.71 535.71	0.21% (5,165.59)	A1 / A+ NR	4.38 4.12
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	1,100,000.00	Various 2.21%	1,102,086.00 1,102,024.66	100.48 2.14%	1,105,313.00 10,793.75	1.26% 3,288.34	A2 / A AA	4.59 4.29
14913Q3B3	Caterpillar Finl Service Note 2.15% Due 11/8/2024	1,100,000.00	01/28/2020 1.91%	1,111,770.00 1,111,351.57	100.44 2.05%	1,104,889.50 9,394.31	1.26% (6,462.07)	A3 / A A	4.61 4.33
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	955,000.00	01/16/2020 2.10%	952,965.85 953,044.90	99.26 2.21%	947,967.38 3,806.74	1.08% (5,077.52)	A1 / AA- AA-	4.81 4.53
<b>Total Corporate</b>		<b>22,293,000.00</b>	<b>2.58%</b>	<b>22,364,660.24</b> <b>22,379,370.57</b>	<b>2.09%</b>	<b>22,656,021.48</b> <b>148,083.27</b>	<b>25.80%</b> <b>276,650.91</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.77</b> <b>2.47</b>

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>MONEY MARKET FUND FI</b>									
316175884	Fidelity Institutional Money Market Fund 696	1,584,242.23	Various 0.02%	1,584,242.23 1,584,242.23	1.00 0.02%	1,584,242.23 0.00	1.79% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>1,584,242.23</b>	<b>0.02%</b>	<b>1,584,242.23</b> <b>1,584,242.23</b>	<b>0.02%</b>	<b>1,584,242.23</b> <b>0.00</b>	<b>1.79%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>MUNICIPAL BONDS</b>									
13063DRK6	California St Taxable GO 2.4% Due 10/1/2024	900,000.00	10/16/2019 1.91%	920,673.00 918,839.47	103.31 1.63%	929,763.00 9,420.00	1.06% 10,923.53	Aa2 / AA- AA	4.51 4.22
<b>Total Municipal Bonds</b>		<b>900,000.00</b>	<b>1.91%</b>	<b>920,673.00</b> <b>918,839.47</b>	<b>1.63%</b>	<b>929,763.00</b> <b>9,420.00</b>	<b>1.06%</b> <b>10,923.53</b>	<b>Aa2 / AA-</b> <b>AA</b>	<b>4.51</b> <b>4.22</b>
<b>SUPRANATIONAL</b>									
45950KCM0	International Finance Corp Note 2.25% Due 1/25/2021	410,000.00	01/18/2018 2.35%	408,794.60 409,671.15	101.40 0.53%	415,744.10 1,691.25	0.47% 6,072.95	Aaa / AAA NR	0.82 0.81
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,275,000.00	01/10/2017 2.15%	1,273,431.75 1,274,435.74	102.84 0.54%	1,311,201.08 5,494.01	1.49% 36,765.34	Aaa / NR AAA	1.80 1.76
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	800,000.00	Various 2.40%	777,732.00 788,043.85	102.99 0.52%	823,947.20 661.12	0.93% 35,903.35	Aaa / AAA AAA	2.46 2.40
<b>Total Supranational</b>		<b>2,485,000.00</b>	<b>2.26%</b>	<b>2,459,958.35</b> <b>2,472,150.74</b>	<b>0.53%</b>	<b>2,550,892.38</b> <b>7,846.38</b>	<b>2.90%</b> <b>78,741.64</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>1.85</b> <b>1.81</b>
<b>US TREASURY</b>									
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,285,000.00	03/09/2016 1.40%	1,283,749.42 1,284,786.55	101.09 0.06%	1,299,055.33 2,960.97	1.47% 14,268.78	Aaa / AA+ AAA	0.84 0.83
912828B90	US Treasury Note 2% Due 2/28/2021	1,250,000.00	04/26/2016 1.40%	1,285,111.61 1,256,616.96	101.76 0.08%	1,271,972.50 2,173.91	1.44% 15,355.54	Aaa / AA+ AAA	0.92 0.91
912828Q37	US Treasury Note 1.25% Due 3/31/2021	375,000.00	12/13/2016 1.81%	366,314.73 372,983.78	101.12 0.13%	379,204.13 12.81	0.43% 6,220.35	Aaa / AA+ AAA	1.00 1.00

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<b>US TREASURY</b>									
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,300,000.00	11/09/2016 1.48%	1,278,016.07 1,293,263.19	101.38 0.21%	1,317,875.00 39.96	1.49% 24,611.81	Aaa / AA+ AAA	1.50 1.49
912828F96	US Treasury Note 2% Due 10/31/2021	1,025,000.00	01/27/2017 1.94%	1,027,686.05 1,025,894.83	102.82 0.21%	1,053,908.08 8,616.76	1.20% 28,013.25	Aaa / AA+ AAA	1.59 1.55
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,360,000.00	03/13/2017 2.14%	1,335,407.68 1,350,521.57	102.92 0.22%	1,399,737.84 2,069.57	1.59% 49,216.27	Aaa / AA+ AAA	1.92 1.89
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,100,000.00	08/15/2017 1.82%	1,115,601.34 1,107,195.22	104.30 0.21%	1,147,351.70 5,907.97	1.30% 40,156.48	Aaa / AA+ AAA	2.25 2.20
912828L24	US Treasury Note 1.875% Due 8/31/2022	1,000,000.00	09/26/2017 1.87%	1,000,433.04 1,000,212.31	103.92 0.25%	1,039,180.00 1,630.43	1.18% 38,967.69	Aaa / AA+ AAA	2.42 2.37
912828L57	US Treasury Note 1.75% Due 9/30/2022	1,240,000.00	10/17/2017 1.99%	1,226,243.75 1,233,061.01	103.72 0.26%	1,286,161.48 59.29	1.46% 53,100.47	Aaa / AA+ AAA	2.50 2.45
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,150,000.00	01/25/2018 2.46%	1,132,121.09 1,140,027.54	105.07 0.27%	1,208,308.45 6,176.51	1.37% 68,280.91	Aaa / AA+ AAA	2.75 2.67
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,500,000.00	05/29/2019 2.05%	1,472,988.28 1,478,123.02	104.69 0.31%	1,570,371.00 10,245.54	1.79% 92,247.98	Aaa / AA+ AAA	3.59 3.47
912828V23	US Treasury Note 2.25% Due 12/31/2023	1,250,000.00	06/21/2019 1.80%	1,274,560.55 1,270,365.47	107.17 0.32%	1,339,648.75 7,108.52	1.52% 69,283.28	Aaa / AA+ AAA	3.75 3.60
912828B66	US Treasury Note 2.75% Due 2/15/2024	1,500,000.00	04/29/2019 2.31%	1,529,648.44 1,523,945.52	109.29 0.34%	1,639,336.50 5,212.91	1.86% 115,390.98	Aaa / AA+ AAA	3.88 3.70
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	06/10/2019 1.92%	1,003,515.63 1,002,934.62	106.69 0.35%	1,066,875.00 8,406.59	1.22% 63,940.38	Aaa / AA+ AAA	4.08 3.91
912828XX3	US Treasury Note 2% Due 6/30/2024	1,450,000.00	12/12/2019 1.74%	1,466,595.70 1,465,496.65	106.92 0.36%	1,550,311.00 7,329.67	1.76% 84,814.35	Aaa / AA+ AAA	4.25 4.08
912828D56	US Treasury Note 2.375% Due 8/15/2024	1,500,000.00	03/05/2020 0.68%	1,611,093.75 1,609,314.06	108.74 0.36%	1,631,074.50 4,502.06	1.85% 21,760.44	Aaa / AA+ AAA	4.38 4.17
9128283D0	US Treasury Note 2.25% Due 10/31/2024	1,500,000.00	11/07/2019 1.77%	1,533,925.78 1,531,221.42	108.53 0.37%	1,627,968.00 14,186.13	1.86% 96,746.58	Aaa / AA+ AAA	4.59 4.34



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828ZC7	US Treasury Note 1.125% Due 2/28/2025	2,000,000.00	03/18/2020 0.81%	2,030,859.38 2,030,637.37	103.67 0.37%	2,073,360.00 1,956.52	2.35% 42,722.63	Aaa / AA+ AAA	4.92 4.79
Total US Treasury		22,785,000.00	1.69%	22,973,872.29 22,976,601.09	0.27%	23,901,699.26 88,596.12	27.15% 925,098.17	Aaa / AA+ AAA	3.07 2.96
TOTAL PORTFOLIO				85,411,982.73 85,457,369.46	0.92%	87,974,033.30 399,887.97	100.00% 2,516,663.84	Aa1 / AA AAA	2.80 2.56
TOTAL MARKET VALUE PLUS ACCRUED						88,373,921.27			

## Book Value Report

As of March 31, 2020



MIG	Book Value	12 Months or Less	13 to 24 Months	25 to 60 Months	Total Holdings
ABS	\$4,390,879.31	\$1,466,212.95	\$1,514,747.38	\$1,409,918.98	\$4,390,879.31
Agency	\$28,991,656.05	\$3,565,185.85	\$7,415,684.47	\$18,010,785.73	\$28,991,656.05
Commercial Paper	\$1,743,630.00	\$1,743,630.00	\$0.00	\$0.00	\$1,743,630.00
Corporate	\$22,379,370.57	\$3,399,045.19	\$4,398,196.92	\$14,582,128.46	\$22,379,370.57
Money Market Fund FI	\$1,584,242.23	\$1,584,242.23	\$0.00	\$0.00	\$1,584,242.23
Municipal Bonds	\$918,839.47	\$0.00	\$0.00	\$918,839.47	\$918,839.47
Supranational	\$2,472,150.74	\$409,671.15	\$1,274,435.74	\$788,043.85	\$2,472,150.74
US Treasury	\$22,976,601.09	\$2,914,387.29	\$3,669,679.59	\$16,392,534.21	\$22,976,601.09
<b>TOTAL</b>	<b>\$85,457,369.46</b>	<b>\$15,082,374.66</b>	<b>\$18,272,744.10</b>	<b>\$52,102,250.70</b>	<b>\$85,457,369.46</b>

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ATTACHMENT A



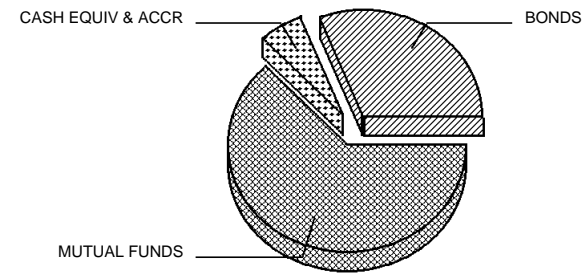
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## ASSET SUMMARY

ASSETS	03/31/2020 MARKET	03/31/2020 BOOK VALUE	% OF MARKET
Cash And Equivalents	472,861.19	472,861.19	6.17
Corporate Issues	2,360,136.10	2,372,901.50	30.80
Mutual Funds-Equity	4,451,064.01	4,983,706.29	58.08
Mutual Funds-Fixed Income	365,735.27	370,483.72	4.77
<b>Total Assets</b>	<b>7,649,796.57</b>	<b>8,199,952.70</b>	<b>99.82</b>
Accrued Income	13,722.87	13,722.87	0.18
<b>Grand Total</b>	<b>7,663,519.44</b>	<b>8,213,675.57</b>	<b>100.00</b>

**Estimated Annual Income**                      **181,315.23**



## ASSET SUMMARY MESSAGES

Estimated Annual Income is an estimate provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

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## ASSET DETAIL

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
<b>Cash And Equivalents</b>						
<b>Money Markets</b>						
First Am Govt Ob Fd Cl Z 31846V567 Asset Minor Code 1	373,613.140	373,613.14 1.0000	373,613.14	.00 .00	210.75	0.31
<b>Total Money Markets</b>	<b>373,613.140</b>	<b>373,613.14</b>	<b>373,613.14</b>	<b>.00 .00</b>	<b>210.75</b>	<b>0.31</b>
<b>Cash</b>						
Cash		1,156.05	1,156.05			
Pending Cash		98,092.00	98,092.00			
<b>Total Cash</b>	<b>.000</b>	<b>99,248.05</b>	<b>99,248.05</b>	<b>.00 .00</b>	<b>.00</b>	<b>0.00</b>
<b>Total Cash And Equivalents</b>	<b>373,613.140</b>	<b>472,861.19</b>	<b>472,861.19</b>	<b>.00 .00</b>	<b>210.75</b>	<b>0.24</b>
<b>Corporate Issues</b>						
At T Inc 4.250% 3/01/27 Standard & Poors Rating: BBB Moody's Rating: Baa2 00206RDQ2 Asset Minor Code 28	150,000.000	159,325.50 106.2170	165,376.50	- 6,051.00 - 9,730.50	531.25	4.00
Apple Inc 2.850% 2/23/23 Standard & Poors Rating: AA+ Moody's Rating: Aa1 037833BU3 Asset Minor Code 28	150,000.000	156,502.50 104.3350	158,403.00	- 1,900.50 - 34.50	451.25	2.73

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### ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Cisco Systems Inc 2.900% 3/04/21 Standard & Poors Rating: AA- Moody's Rating: A1 17275RAP7 Asset Minor Code 28	200,000.000	201,096.00 100.5480	207,884.00	- 6,788.00 - 1,630.00	435.00	2.88
Coca Cola Co The 2.250% 9/01/26 Standard & Poors Rating: A+ Moody's Rating: A1 191216BZ2 Asset Minor Code 28	150,000.000	154,308.00 102.8720	152,353.50	1,954.50 - 3,945.00	281.25	2.19
Constellation Brands 3.700% 12/06/26 Standard & Poors Rating: BBB Moody's Rating: Baa3 21036PAQ1 Asset Minor Code 28	.000	.00 98.2100	.00	.00 - 2,522.00	1,181.94	0.00
Walt Disney Mtn 1.950% 3/04/20 Standard & Poors Rating: N/R Moody's Rating: WR 25468PDP8 Asset Minor Code 28	.000	.00 100.0000	.00	.00 - 97.00	.00	0.00
Enterprise Products 4.150% 10/16/28 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 29379VBT9 Asset Minor Code 28	.000	.00 99.6590	.00	.00 - 946.00	.00	0.00
Exxon Mobil Corp 2.709% 3/06/25 Standard & Poors Rating: AA Moody's Rating: Aa1 30231GAF9 Asset Minor Code 28	100,000.000	103,479.00 103.4790	102,857.00	622.00 - 1,560.00	188.13	2.62
Huntington 2.625% 8/06/24 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 446150AQ7 Asset Minor Code 28	50,000.000	51,737.00 103.4740	50,542.50	1,194.50 - 174.00	200.52	2.54



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### ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Intercontinental 3.750% 12/01/25 Standard & Poors Rating: A Moody's Rating: A2 45866FAD6 Asset Minor Code 28 Date Last Priced: 03/17/20	100,000.000	102,275.60 102.2756 @	104,231.00	- 1,955.40 - 7,178.40	1,250.00	3.67
Jp Morgan Chase Co 2.700% 5/18/23 Standard & Poors Rating: A- Moody's Rating: A2 46625HRL6 Asset Minor Code 28	75,000.000	76,972.50 102.6300	74,970.75	2,001.75 - 821.25	748.13	2.63
Kimberly Clark Corp 2.750% 2/15/26 Standard & Poors Rating: A Moody's Rating: A2 494368BU6 Asset Minor Code 28	100,000.000	102,265.00 102.2650	103,111.00	- 846.00 - 3,998.00	351.39	2.69
Mondelez Int 4.000% 2/01/24 Standard & Poors Rating: BBB Moody's Rating: Baa1 609207AB1 Asset Minor Code 28	100,000.000	109,087.00 109.0870	109,303.00	- 216.00 394.00	666.67	3.67
Mondelez 3.625% 2/13/26 Standard & Poors Rating: BBB Moody's Rating: Baa1 609207AR6 Asset Minor Code 28	75,000.000	78,621.00 104.8280	80,224.50	- 1,603.50 - 4,992.75	362.50	3.46
Nike Inc 2.375% 11/01/26 Standard & Poors Rating: AA- Moody's Rating: A1 654106AF0 Asset Minor Code 28	150,000.000	152,553.00 101.7020	144,841.00	7,712.00 - 5,341.50	1,484.38	2.34

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### ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Pnc Financial 3.500% 1/23/24 Standard & Poors Rating: A- Moody's Rating: A3 693475AV7 Asset Minor Code 28	100,000.000	100,568.00 100.5680	105,422.00	- 4,854.00 - 6,189.00	661.11	3.48
Pepsico Inc 2.750% 4/30/25 Standard & Poors Rating: A+ Moody's Rating: A1 713448CT3 Asset Minor Code 28	75,000.000	78,018.00 104.0240	73,932.75	4,085.25 - 1,446.00	865.10	2.64
Stryker Corp 3.375% 11/01/25 Standard & Poors Rating: A- Moody's Rating: Baa1 863667AH4 Asset Minor Code 28	100,000.000	105,746.00 105.7460	100,401.00	5,345.00 - 3,056.00	1,406.25	3.19
Suntrust Banks Inc 2.700% 1/27/22 Standard & Poors Rating: A- Moody's Rating: A3 867914BM4 Asset Minor Code 28	100,000.000	100,539.00 100.5390	100,346.00	193.00 - 1,700.00	480.00	2.69
Verizon 5.150% 9/15/23 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 92343VBR4 Asset Minor Code 28	200,000.000	222,142.00 111.0710	230,048.00	- 7,906.00 - 2,812.00	457.78	4.64
Visa Inc 2.200% 12/14/20 Standard & Poors Rating: AA- Moody's Rating: Aa3 92826CAB8 Asset Minor Code 28	200,000.000	200,782.00 100.3910	204,764.00	- 3,982.00 - 168.00	1,307.78	2.19
Wells Fargo Mtn 3.300% 9/09/24 Standard & Poors Rating: A- Moody's Rating: A2 94974BGA2 Asset Minor Code 28	100,000.000	104,119.00 104.1190	103,890.00	229.00 - 2,774.00	201.67	3.17

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## ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
<b>Total Corporate Issues</b>	<b>2,275,000.000</b>	<b>2,360,136.10</b>	<b>2,372,901.50</b>	<b>- 12,765.40</b> <b>- 60,721.90</b>	<b>13,512.10</b>	<b>3.06</b>
<b>Mutual Funds</b>						
<b>Mutual Funds-Equity</b>						
Columbia Contrarian Core Fund 19766M709 Asset Minor Code 98	17,358.790	389,531.25 22.4400	387,708.87	1,822.38 - 48,227.64	.00	1.45
Dfa Large Cap Intl Port. 233203868 Asset Minor Code 98	13,866.909	246,830.98 17.8000	283,492.64	- 36,661.66 - 37,742.10	.00	3.84
Dodge & Cox International Stock Fund 256206103 Asset Minor Code 98	5,264.075	159,501.47 30.3000	184,818.62	- 25,317.15 - 28,907.70	.00	5.65
Dodge & Cox Stock Fund 256219106 Asset Minor Code 98	3,425.588	460,912.87 134.5500	578,515.68	- 117,602.81 - 98,028.62	.00	2.74
Harbor Capital Appreciaton CI R 411512528 Asset Minor Code 98	3,541.374	236,457.54 66.7700	223,194.05	13,263.49 - 29,379.83	.00	0.17
Hartford Schroders Emerging Markets 41665X859 Asset Minor Code 98	24,558.157	312,625.34 12.7300	331,560.64	- 18,935.30 - 52,631.40	.00	3.04
Ishares S P 500 Value Etf 464287408 Asset Minor Code 94	1,576.000	151,690.00 96.2500	198,139.27	- 46,449.27 - 25,244.52	.00	3.04
Ishares Russell Mid Cap Etf 464287499 Asset Minor Code 94	7,056.000	304,607.52 43.1700	321,395.43	- 16,787.91 - 79,394.43	.00	2.16

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**ASSET DETAIL (continued)**

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Mfs International Growth R6 552746356 Asset Minor Code 98	5,163.048	155,820.79 30.1800	143,672.47	12,148.32 - 17,719.24	.00	1.27
Price T Rowe Growth Stk Fd Inc 741479406 Asset Minor Code 98	3,797.604	237,957.87 62.6600	217,608.95	20,348.92 - 30,804.41	.00	0.38
Undiscovered Mgrs Behavioral Value 904504479 Asset Minor Code 98	7,026.001	261,156.46 37.1700	418,574.43	- 157,417.97 - 96,312.78	.00	1.51
Vanguard Growth & Income Adm Shs#593 921913208 Asset Minor Code 98	14,960.812	1,010,602.85 67.5500	1,054,672.34	- 44,069.49 - 135,557.39	.00	2.10
Vanguard Real Estate Etf 922908553 Asset Minor Code 94	3,690.000	257,746.50 69.8500	309,266.15	- 51,519.65 - 57,041.18	.00	4.55
Victory Rs Small Cap Growth Fund 92647Q363 Asset Minor Code 98	4,303.671	265,622.57 61.7200	331,086.75	- 65,464.18 - 61,957.32	.00	0.00
<b>Total Mutual Funds-Equity</b>	<b>115,588.029</b>	<b>4,451,064.01</b>	<b>4,983,706.29</b>	<b>- 532,642.28</b> <b>- 798,948.56</b>	<b>.00</b>	<b>2.19</b>
<b>Mutual Funds-Fixed Income</b>						
Vanguard Short Term Invst Grade #539 922031836 Asset Minor Code 99	34,831.930	365,735.27 10.5000	370,483.72	- 4,748.45 - 17,164.81	.02	2.92
<b>Total Mutual Funds-Fixed Income</b>	<b>34,831.930</b>	<b>365,735.27</b>	<b>370,483.72</b>	<b>- 4,748.45</b> <b>- 17,164.81</b>	<b>.02</b>	<b>2.92</b>
<b>Total Mutual Funds</b>	<b>150,419.959</b>	<b>4,816,799.28</b>	<b>5,354,190.01</b>	<b>- 537,390.73</b> <b>- 816,113.37</b>	<b>.02</b>	<b>2.24</b>

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### ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Total Assets	2,799,033.099	7,649,796.57	8,199,952.70	- 550,156.13 - 876,835.27	13,722.87	2.37
Accrued Income	.000	13,722.87	13,722.87			
Grand Total	2,799,033.099	7,663,519.44	8,213,675.57			

### ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your account manager or relationship manager.

Yield on Market and Accrued Income are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

@ No current price is available.



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.87
Average Coupon	2.02%
Average Purchase YTM	1.67%
Average Market YTM	0.20%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	1.93 yrs
Average Life	1.93 yrs

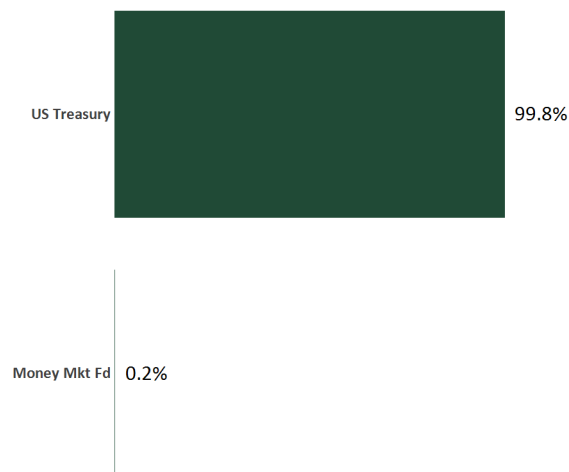
## ACCOUNT SUMMARY

	Beg. Values as of 2/29/20	End Values as of 3/31/20
Market Value	272,602	273,727
Accrued Interest	1,144	1,056
Total Market Value	<b>273,745</b>	<b>274,783</b>
Income Earned	356	379
Cont/WD		-2,680
Par	266,678	264,541
Book Value	267,355	265,142
Cost Value	270,686	268,549

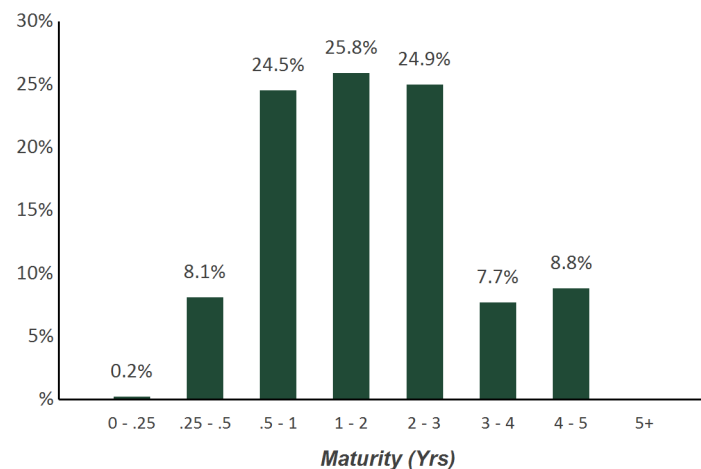
## TOP ISSUERS

Government of United States	99.8%
Invesco Treasury Portfolio MMF	0.2%
<b>Total</b>	<b>100.0%</b>

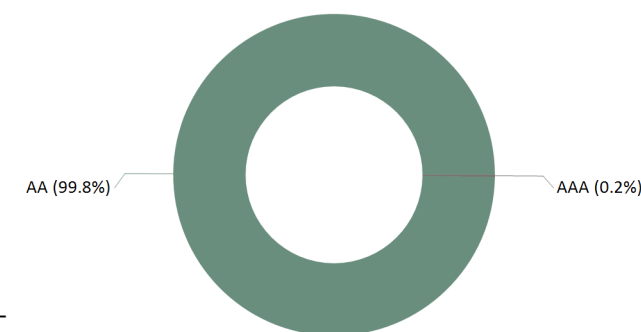
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2010
Brea Lease Revenue Bonds, Reserve Account	1.36%	2.97%	2.97%	5.94%	4.46%	2.88%	2.06%	N/A	2.32%
ICE BAML 3-Month US Treasury Bill Index	0.29%	0.57%	0.57%	2.25%	2.19%	1.83%	1.19%	N/A	0.65%



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$267,354.76</b>
<b><u>Acquisition</u></b>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$542.59	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$542.59</b>
<b><u>Dispositions</u></b>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$2,680.39	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
<b>Total Dispositions</b>		<b>\$2,680.39</b>
<b><u>Amortization/Accretion</u></b>		
+/- Net Accretion	(\$75.33)	
		(\$75.33)
<b><u>Gain/Loss on Dispositions</u></b>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
<b>ENDING BOOK VALUE</b>		<b>\$265,141.63</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$2,678.43</b>
<b><u>Acquisition</u></b>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$540.63	
Dividend Received	\$1.96	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
<b>Total Acquisitions</b>	<b>\$542.59</b>	
<b><u>Dispositions</u></b>		
Withdrawals	\$2,680.39	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
<b>Total Dispositions</b>	<b>\$2,680.39</b>	
<b>ENDING BOOK VALUE</b>		<b>\$540.63</b>



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>MONEY MARKET FUND FI</b>									
825252109	Invesco Treasury MMFD Private Class	540.63	Various 0.02%	540.63 540.63	1.00 0.02%	540.63 0.00	0.20% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>540.63</b>	<b>0.02%</b>	<b>540.63</b> <b>540.63</b>	<b>0.02%</b>	<b>540.63</b> <b>0.00</b>	<b>0.20%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>US TREASURY</b>									
912828XM7	US Treasury Note 1.625% Due 7/31/2020	22,000.00	08/24/2016 1.03%	22,506.25 22,042.66	100.50 0.13%	22,110.00 59.91	8.07% 67.34	Aaa / AA+ AAA	0.33 0.34
912828WC0	US Treasury Note 1.75% Due 10/31/2020	22,000.00	Various 1.45%	22,276.59 22,036.68	100.97 0.09%	22,213.14 161.83	8.14% 176.46	Aaa / AA+ AAA	0.59 0.58
912828A83	US Treasury Note 2.375% Due 12/31/2020	22,000.00	08/24/2016 1.08%	23,208.35 22,208.36	101.73 0.07%	22,379.85 132.06	8.19% 171.49	Aaa / AA+ AAA	0.75 0.74
912828B90	US Treasury Note 2% Due 2/28/2021	22,000.00	08/24/2016 1.10%	22,868.90 22,175.57	101.76 0.08%	22,386.72 38.26	8.16% 211.15	Aaa / AA+ AAA	0.92 0.91
912828WN6	US Treasury Note 2% Due 5/31/2021	20,000.00	07/11/2016 1.01%	20,937.57 20,223.36	102.15 0.15%	20,430.46 134.43	7.48% 207.10	Aaa / AA+ AAA	1.17 1.15
912828F21	US Treasury Note 2.125% Due 9/30/2021	25,000.00	10/27/2016 1.38%	25,879.97 25,267.71	102.89 0.19%	25,722.65 1.45	9.36% 454.94	Aaa / AA+ AAA	1.50 1.48
912828J43	US Treasury Note 1.75% Due 2/28/2022	24,000.00	04/24/2017 1.84%	23,905.39 23,962.67	102.92 0.22%	24,701.26 36.52	9.00% 738.59	Aaa / AA+ AAA	1.92 1.89
912828L24	US Treasury Note 1.875% Due 8/31/2022	23,000.00	09/18/2017 1.84%	23,039.61 23,019.33	103.92 0.25%	23,901.14 37.50	8.71% 881.81	Aaa / AA+ AAA	2.42 2.37
912828N30	US Treasury Note 2.125% Due 12/31/2022	20,000.00	01/09/2018 2.31%	19,825.00 19,903.25	105.07 0.27%	21,014.06 107.42	7.69% 1,110.81	Aaa / AA+ AAA	2.75 2.67
9128284D9	US Treasury Note 2.5% Due 3/31/2023	22,000.00	06/13/2018 2.84%	21,669.14 21,793.28	106.60 0.29%	23,451.49 1.50	8.54% 1,658.21	Aaa / AA+ AAA	3.00 2.91
912828T91	US Treasury Note 1.625% Due 10/31/2023	20,000.00	02/21/2019 2.52%	19,214.84 19,400.12	104.69 0.31%	20,938.28 136.61	7.67% 1,538.16	Aaa / AA+ AAA	3.59 3.47





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828WJ5	US Treasury Note 2.5% Due 5/15/2024	22,000.00	06/18/2019 1.84%	22,676.33 22,568.01	108.80 0.35%	23,937.03 208.52	8.79% 1,369.02	Aaa / AA+ AAA	4.13 3.91
Total US Treasury		264,000.00	1.67%	268,007.94 264,601.00	0.20%	273,186.08 1,056.01	99.80% 8,585.08	Aaa / AA+ AAA	1.93 1.88
TOTAL PORTFOLIO		264,540.63	1.67%	268,548.57 265,141.63	0.20%	273,726.71 1,056.01	100.00% 8,585.08	Aaa / AA+ AAA	1.93 1.87
TOTAL MARKET VALUE PLUS ACCRUED						274,782.72			



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.23
Average Coupon	2.17%
Average Purchase YTM	2.56%
Average Market YTM	0.23%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.30 yrs
Average Life	2.30 yrs

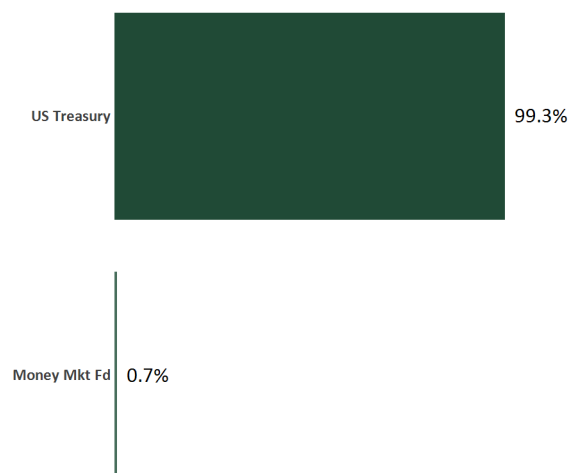
## ACCOUNT SUMMARY

	Beg. Values as of 2/29/20	End Values as of 3/31/20
Market Value	682,215	694,095
Accrued Interest	3,384	2,064
Total Market Value	685,599	696,158
Income Earned	1,357	1,445
Cont/WD		0
Par	661,994	664,549
Book Value	658,199	660,964
Cost Value	653,305	655,861

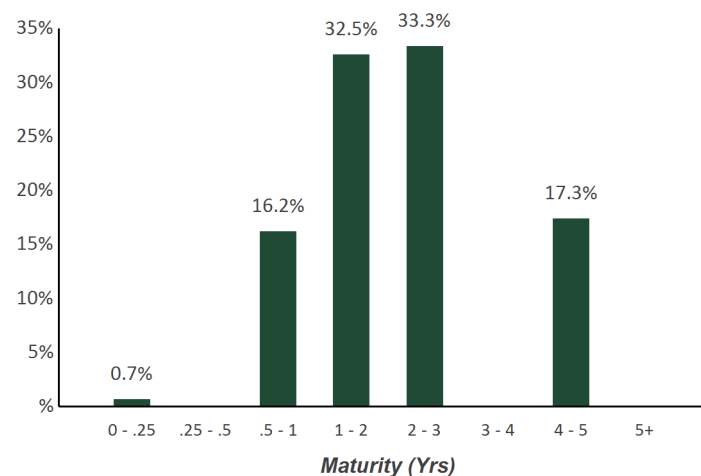
## TOP ISSUERS

Government of United States	99.3%
Invesco Treasury Portfolio MMF	0.7%
<b>Total</b>	<b>100.0%</b>

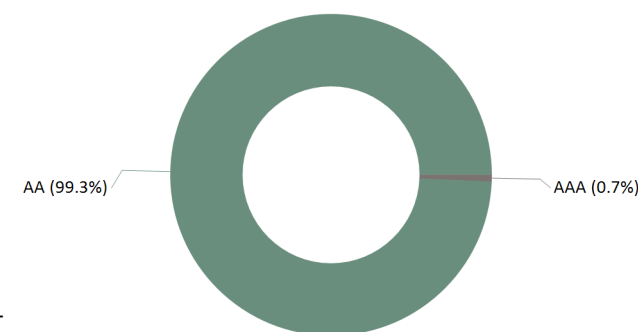
## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	6/30/2018
Brea CFD 2008 2 17 Reserve Fund	1.54%	3.44%	3.44%	6.49%	N/A	N/A	N/A	N/A	5.47%
ICE BAML 3-5 Yr US Treasury/Agency Index	2.21%	5.30%	5.30%	9.06%	N/A	N/A	N/A	N/A	7.36%



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$658,199.05</b>
<u><b>Acquisition</b></u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$2,555.71	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$2,555.71</b>
<u><b>Dispositions</b></u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
<b>Total Dispositions</b>		<b>\$0.00</b>
<u><b>Amortization/Accretion</b></u>		
+/- Net Accretion	\$209.28	
		\$209.28
<u><b>Gain/Loss on Dispositions</b></u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
<b>ENDING BOOK VALUE</b>		<b>\$660,964.04</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$1,993.75</b>
<u><b>Acquisition</b></u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$2,543.75	
Dividend Received	\$11.96	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
<b>Total Acquisitions</b>	<b>\$2,555.71</b>	
<u><b>Dispositions</b></u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
<b>Total Dispositions</b>	<b>\$0.00</b>	
<b>ENDING BOOK VALUE</b>		<b>\$4,549.46</b>



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>MONEY MARKET FUND FI</b>									
825252109	Invesco Treasury MMFD Private Class	4,549.46	Various 0.02%	4,549.46 4,549.46	1.00 0.02%	4,549.46 0.00	0.65% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>4,549.46</b>	<b>0.02%</b>	<b>4,549.46</b> <b>4,549.46</b>	<b>0.02%</b>	<b>4,549.46</b> <b>0.00</b>	<b>0.65%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>US TREASURY</b>									
912828A83	US Treasury Note 2.375% Due 12/31/2020	110,000.00	06/28/2018 2.58%	109,467.19 109,840.62	101.73 0.07%	111,899.26 660.30	16.17% 2,058.64	Aaa / AA+ AAA	0.75 0.74
912828F21	US Treasury Note 2.125% Due 9/30/2021	110,000.00	06/28/2018 2.64%	108,242.58 109,191.50	102.89 0.19%	113,179.66 6.39	16.26% 3,988.16	Aaa / AA+ AAA	1.50 1.48
912828J43	US Treasury Note 1.75% Due 2/28/2022	110,000.00	06/13/2018 2.79%	105,986.72 107,932.64	102.92 0.22%	113,214.09 167.39	16.29% 5,281.45	Aaa / AA+ AAA	1.92 1.89
912828L24	US Treasury Note 1.875% Due 8/31/2022	110,000.00	06/13/2018 2.82%	105,887.89 107,643.35	103.92 0.25%	114,309.80 179.35	16.45% 6,666.45	Aaa / AA+ AAA	2.42 2.37
9128284D9	US Treasury Note 2.5% Due 3/31/2023	110,000.00	06/13/2018 2.84%	108,345.70 108,966.42	106.60 0.29%	117,257.47 7.51	16.84% 8,291.05	Aaa / AA+ AAA	3.00 2.91
912828WJ5	US Treasury Note 2.5% Due 5/15/2024	110,000.00	06/18/2019 1.84%	113,381.64 112,840.05	108.80 0.35%	119,685.17 1,042.58	17.34% 6,845.12	Aaa / AA+ AAA	4.13 3.91
<b>Total US Treasury</b>		<b>660,000.00</b>	<b>2.58%</b>	<b>651,311.72</b> <b>656,414.58</b>	<b>0.23%</b>	<b>689,545.45</b> <b>2,063.52</b>	<b>99.35%</b> <b>33,130.87</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.31</b> <b>2.24</b>
<b>TOTAL PORTFOLIO</b>		<b>664,549.46</b>	<b>2.56%</b>	<b>655,861.18</b> <b>660,964.04</b>	<b>0.23%</b>	<b>694,094.91</b> <b>2,063.52</b>	<b>100.00%</b> <b>33,130.87</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.30</b> <b>2.23</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>696,158.43</b>			

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 04/27/2020

**SUBJECT:** Monthly Report of Investments for the Successor Agency to the Brea  
Redevelopment Agency for Period Ending March 31, 2020

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**RECOMMENDATION**

Receive and file.

**BACKGROUND/DISCUSSION**

The Monthly Report of Investments is in accordance with Government Code Section 53607 and contains information on the investment activities for the month of March. Funds received by the Successor Agency are typically spent within three to six months; therefore are not invested long-term. The Successor Agency's Local Agency Investment Fund (LAIF) is used for short-term investments and functions like a savings account until funds are required to meet expenditures needs. Attachment A includes a Portfolio Summary and Holdings Report prepared by Chandler Asset Management for the funds invested on behalf of the Successor Agency. As of March 31, 2020, the market value, including accrued interest on the Successor Agency's Local Agency Investment Fund (LAIF), was \$18,788.90 in comparison to \$18,760.54 at February 29, 2020. The Successor Agency to the Brea Redevelopment Agency has sufficient cash flow to meet its expected expenditures for the next six months.

The Successor Agency also has restricted (fiscal agent) cash and investment accounts related to its various bond reserve accounts which are managed by Chandler Asset Management. Attachment A includes a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of March 31, 2020, the market value of these funds, including short-term cash and accrued interest was \$12,879,384.12 as compared to \$12,991,097.01 as of February 29, 2020.

**FISCAL IMPACT/SUMMARY**

During the month of March, the total value of the Successor Agency to the Brea Redevelopment Agency's investment portfolio increased by \$28.36 due to market rate adjustments. The total value of the restricted cash and investments decreased by \$111,712.89 primarily due to a debt service payment for the 2016 Tax Allocation Refunding Bonds.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Attachment A

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**Successor Agency to the Brea Redevelopment Agency**  
**Cash and Investment Information**  
 March 31, 2020

		<b>Cost Value</b>	<b>Market Value*</b>
<b>Demand and Interest-Bearing Checking Accounts</b>	Citizen's Bank	<b>\$ 1,921,648.24</b>	<b>\$ 1,921,648.24</b>
<b>Local Agency Investment Fund</b>	LAIF	<b>\$ 18,700.43</b>	<b>\$ 18,788.90</b>
<b><u>Fiscal Agent Cash &amp; Investments</u></b>			
2004 Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$ 330,555.55	\$ 330,555.55
2010 Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$ 981,645.35	\$ 981,645.35
2013 Tax Allocation Bonds	Chandler/BNY	\$ 9,286,806.57	\$ 9,286,806.57
2016 Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$ 1,226,467.67	\$ 1,226,467.67
2017 Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$ 1,053,908.98	\$ 1,053,908.98
<b>Sub-total - Fiscal Agent Cash &amp; Investments</b>		<b>\$ 12,879,384.12</b>	<b>\$ 12,879,384.12</b>
<b>Grand Total</b>		<b>\$ 14,819,732.79</b>	<b>\$ 14,819,821.26</b>

\* Includes accrued interest on invested funds

# Successor Agency to the Brea Redevelopment Agency Cash and Investment Information

March 31, 2020

<b>Fiscal Agent Cash &amp; Investments Detail</b>	<b>Cost Value</b>	<b>Market Value</b>
2004 Brea Public Financing Authority Lease Revenue Bond - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 330,555.55	\$ 330,555.55
<b>Sub-total</b>	<b>\$ 330,555.55</b>	<b>\$ 330,555.55</b>
2010 Brea Public Financing Authority Lease Revenue Bond - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 981,645.35	\$ 981,645.35
<b>Sub-total</b>	<b>\$ 981,645.35</b>	<b>\$ 981,645.35</b>
2013 Tax Allocation Bonds - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 9,286,806.57	\$ 9,286,806.57
<b>Sub-total</b>	<b>\$ 9,286,806.57</b>	<b>\$ 9,286,806.57</b>
2016 Tax Allocation Refunding Bonds, Series A & B - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 1,226,467.67	\$ 1,226,467.67
<b>Sub-total</b>	<b>\$ 1,226,467.67</b>	<b>\$ 1,226,467.67</b>
2017 Tax Allocation Refunding Bonds, Series A & B - <b>CHANDLER</b>	\$ -	\$ -
Short-Term Treasury Funds - <b>BNY</b>	\$ 1,053,908.98	\$ 1,053,908.98
<b>Sub-total</b>	<b>\$ 1,053,908.98</b>	<b>\$ 1,053,908.98</b>
<b>Report Grand Total</b>	<b>\$ 12,879,384.12</b>	<b>\$ 12,879,384.12</b>



PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	1.74%
Average Purchase YTM	1.74%
Average Market YTM	1.74%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

ACCOUNT SUMMARY

	Beg. Values as of 2/29/20	End Values as of 3/31/20
Market Value	18,700	18,700
Accrued Interest	60	88
Total Market Value	18,761	18,789
Income Earned	28	28
Cont/WD		0
Par	18,700	18,700
Book Value	18,700	18,700
Cost Value	18,700	18,700

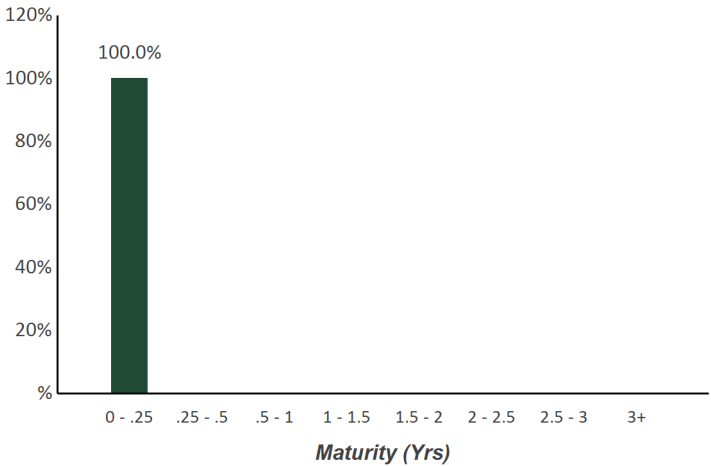
TOP ISSUERS

Local Agency Investment Fund	100.0%
Total	100.0%

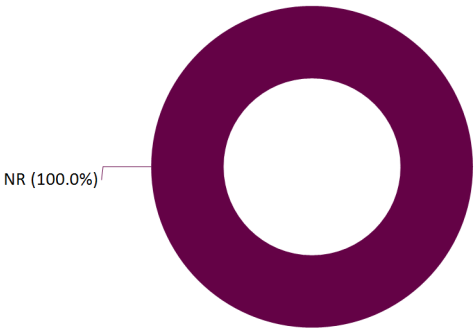
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Holdings Report

As of March 31, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	18,700.43	Various 1.74%	18,700.43 18,700.43	1.00 1.74%	18,700.43 88.47	100.00% 0.00	NR / NR NR	0.00 0.00
Total LAIF		18,700.43	1.74%	18,700.43	1.74%	18,700.43 88.47	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		18,700.43	1.74%	18,700.43	1.74%	18,700.43 88.47	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						18,788.90			