



City of Salem
CITY OF SALEM AND SALEM URA
FINANCE COMMITTEE
MEETING AGENDA
February 3, 2023 3:30 PM

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PARTICIPANTS

Board Members

Councilor Jose Gonzalez, Chair
Councilor Deanna Gwyn
Councilor Vanessa Nordyke
Councilor Micki Varney
Alternate-Councilor Linda Nishioka

Staff

Keith Stahley, City Manager
Dan Atchison, City Attorney
Josh Eggleston, Chief Financial Officer
Jenny Mattechek, Chief Accountant
Jeremy Morgan, Accounting Supervisor
Anja Hill, Treasury Supervisor
Kelli Blechschmidt, Management Analyst I
Shengnan Thomas, Administrative Analyst I

AGENDA

1. Welcome and call to order
2. Approval of Minutes
 - a. November 21, 2022 (Package page 3)
3. Public Comment - Appearance of persons wishing to address the Committee on any matter other than those which appear on this Agenda
4. Action Items
 - a. Revenue Options to Sustain City Services (Package page 5)

5. Management Update/Information Items
 - a. Quarterly Investment Report with ESG Reporting (FY 22-23 1st and 2nd Quarters)
(Package page 19)
6. Continued Business
7. New Business
 - a. 2023 meetings: days and times
8. Adjourn

Next Meeting: February 21, 2023

This meeting is being conducted virtually, with remote attendance by the governing body. No in-person attendance is possible. Interested persons may view the meeting online on [YouTube](#). To sign up to testify via Zoom or to submit public comment, contact the Finance Department via email at finance@cityofsalem.net or telephone at 503-588-6040 the day of the meeting by 1PM.

Special accommodations are available, upon request, for persons with disabilities or those needing sign language interpretation, or languages other than English. To request accommodations or services, please call 503-540-2371 (TTD/TTY 503-588-6439) at least two business days in advance.

It is the City of Salem's policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, and source of income, as provided by Salem Revised Code 97. The City of Salem also fully complies with Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, and related statutes and regulations, in all programs and activities.

CITY OF SALEM AND SALEM URA FINANCE COMMITTEE

Minutes

DATE: November 21, 2022

PLACE: ZOOM

CHAIRPERSON: Jose Gonzalez

STAFF LIAISON: Josh Eggleston 503-588-6130 JEggleston@cityofsalem.net

Members Present:

Councilor Jose Gonzalez, Chair
Councilor Virginia Stapleton
Councilor Micki Varney
Alternate-Councilor Linda Nishioka

Members Absent:

Councilor Vanessa Nordyke

Staff Present:

Keith Stahley, City Manager
Dan Atchison, City Attorney
Courtney Knox Busch, Strategic Initiatives Manager
Josh Eggleston, Chief Financial Officer
Jenny Mattechek, Chief Accountant
Jeremy Morgan, Accounting Supervisor
Anja Hill, Treasury Supervisor
Kelli Blechschmidt, Management Analyst I
Shengnan Thomas, Administrative Analyst I

Guest Present:

Colleen Rozillis, Moss Adams
Tommy Conkling, Moss Adams

1. CALL TO ORDER: 4:05 PM / Quorum

2. APPROVAL OF COMMITTEE MINUTES

a. October 24, 2022

Motion was moved by Member Varney, seconded by Member Nishioka, and carried by the following vote:

Aye: Unanimous

Nay: None

Abstentions: None

3. MANAGEMENT UPDATE / INFORMATION ITEMS

- a. General Fund Deferred Staffing Needs
- b. Moss Adams Presentation of Internal Service Benchmarking by Colleen Rozillis and Tommy Conkling
Questions or comments by: Chair Gonzalez, Member Stapleton, and Alternate-Member Nishioka
Responses by: Josh Eggleston, Chief Financial Officer, and Colleen Rozillis with Moss Adams.

4. New Business

- a. Josh Eggleston, Chief Financial Officer asked if the committee would like to forgo the meeting in December. Staff will bring the quarterly investment report with the ESG reporting and financial audit presentation in January meeting.
 - i. Members agreed to a cancelation of the scheduled December 12, 2022 meeting.

Questions or comments by: Alternate-Member Nishioka
Responses by: Josh Eggleston, Chief Financial Officer.

5. ADJOURNMENT: 4:37 PM

The next meeting is scheduled for Tuesday, January 17, 2023 at 4:00 PM.

FOR COMMITTEE MEETING OF: February 3, 2023
AGENDA ITEM NO.: 4a

TO: Salem City Council and Salem Urban Renewal Agency Finance Committee

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Revenue Options to Sustain City Services

ISSUE:

Shall the Finance Committee approve and forward recommendation for the City Council to hold a work session to consider four revenue options to sustain services in the City's General and Transportation Funds?

RECOMMENDATION:

Approve and forward recommendation for the City Council to hold a work session to consider four revenue options to sustain services in the City's General and Transportation Funds.

SUMMARY:

On January 11, 2023, the Budget Committee was presented with the City's updated Five-Year Forecast. The fiscal health of the Transportation Services Fund and General Fund are most concerning of the 13 funds included in the Forecast. These two funds are experiencing, or are forecasted to experience, a structural deficit, where expenses are expected to outpace revenues. Without either additional revenue or a decrease in expenses through the reduction of services, both these funds are projected to be insolvent within the five-year forecast period.

To address this need, staff is bringing the Finance Committee four potential revenue options – three for the General Fund and one for the Transportation Services Fund. Initial discussion will take place amongst the Finance Committee with the request to forward to the City Council for more conversation with a work session.

FACTS AND FINDINGS:

General Fund - Status

Since the early 1990's, the City's cost to provide service has outpaced revenues. The passage of Measures 5, 47, and 50 severely limited the rate of property tax revenue growth. To manage within this environment, the City has reduced services. Then, in FY 2020, the City added a new revenue, the City Operations Fee charged through the City's utility bill.

Due to one-time funding that was provided to support local governments through the federal Coronavirus Aid, Relief and Economic Security Act (CARES) and the American Rescue Plan ACT (ARPA), the General Fund working capital, or fund balance, is in a good position. These funds were used to replace the revenues the General Fund lost due to the Pandemic and to create new programs to address sheltering needs. Additionally, the State of Oregon and Marion County have provided critical grant funding for sheltering needs and the Navigation Center.

As both Federal funds have now been largely exhausted and State sheltering funds are projected to last until the end of fiscal year 2024, the City is in a critical stage to implement additional revenue options or reduce expenditures.

General Fund – Solutions

Below are three options for discussion for the General Fund. Of the three, the first two were recommended by the Sustainable Services Revenue Task Force in 2018. The Local Option Levy is being included in the recommendation by staff as an option due to the changing property tax environment.

City Operations Fee: The City Council enacted this recommendation in 2019. The operations fee appears on utility bills and funds services within the General Fund like the Library, Police, Fire and Parks. The rate of the fee is assessed based on the type of utility account (ex: residential, multi-family, commercial, etc) and increases annually based on the consumer price index (CPI). Since it was first assessed on bills in January 2020, the residential rate has increased from \$8 / month to \$8.93 / month as of January 2023. This represents an 11.63% increase. The Finance Committee and the City Council may consider an adjustment above the CPI for the City Operations Fee (attachment 1).

Payroll Tax: Prior to the Pandemic, the City had submitted a referral to the voters on an employee paid payroll tax (attachment 2). The tax would have been tiered in nature at a rate determined by an individual's hourly wage for employees working within City limits. Due to the anticipated economic pressures on residents and employees in the community during the Pandemic, the City Council chose to withdraw the measure prior to the scheduled election. One of the benefits of a payroll tax is that it organically grows with the economic conditions of the employees in the City limits and may be better able to keep up with the costs of providing services. Different than the 2020 version, staff would recommend that an employee paid payroll tax be made at a single rate that is paid by everyone earning wages in Salem. The complexity and administrative burden on employers and self-employed individuals to withhold, report, and pay for a tiered tax structure could result in loss of revenue and a significant increase is the cost of administration. It should be noted that although the City Council in

2020 referred the payroll tax to voters, this is not a requirement to implement this revenue option.

Local Option Levy: The final recommended revenue option for discussion is a Local Option Levy (attachment 3). This revenue option was explored by the Sustainable Services Revenue Task Force back in 2018, but was ultimately not recommended in part due to concerns about required voter renewal every few years and the methodology of assessment being on property values. A Local Option Levy, however, is a long-used tool by local governments to fund essential services since the restrictive Measures 5 and 50 were enacted in the 1990's. The levy is a set rate that is assessed annually on properties in a jurisdiction through property taxes. Local examples include the Cities of Stayton (recreation and library) and Silverton (pool operations) as well as Polk County (Sheriff).

Transportation Services Fund – Status

The Transportation Services Fund managed by the Public Works Department and provides critical services to operate and maintain the City's roadways, sidewalks, bike lanes, and rights of way. Revenue for this fund comes largely through the City of Salem's portion of the State assessed gas tax which is called State Highway Revenue. During the presentation of the Five-Year Forecast in January, staff projects that if this revenue comes in at the levels forecasted by ODOT, a reduction in expenditures or new revenue would be required to balance and adopt a budget by FY 2026. In addition to concerns about decreasing State Highway Revenue in the future, the pavement condition in Salem continues to deteriorate as even the most basic maintenance cannot be funded with the current resources.

Transportation Services Fund – Solution

Along with the two recommendations by the Sustainable Services Revenue Task Force for the General Fund, the group also recommended a local option gas tax for Salem.

Local Option Gas Tax: A gas tax in Salem could be set at a rate of six cents per gallon of gasoline sold within City limits (attachment 4). In Oregon, a total of 32 local governments have enacted a local option gas tax including Eugene (5 cents), Silverton (2 cents), Stayton (3 cents), Woodburn (1 cent) and Portland (10 cents). As projected by staff, if Salem enacted a 6 cents / gallon tax, it would provide an additional \$5.5M in annual resources. Similar to a Local Option Levy, a gas tax is required by statute to be approved by voters. While this funding option would allow the City to increase maintenance and potentially fund limited capital projects, the adoption of electric vehicles, inflation and other factors suggest additional funding will be needed in the future to continue desired services and meet community demand. The local gas tax would be a first step in a multifaceted approach to improving the revenue of the Transportation Services Fund. Staff plans to conduct a needs analysis in the next few months, similar to

that completed for the General Fund, to identify the level of funding required to meet appropriate services levels for pavement maintenance and rehabilitation, sidewalk replacement, and traffic calming and safety measures.

BACKGROUND:

The Sustainable Services Revenue Task Force that was formed in 2018 reviewed 13 revenue options (attachment 5) and recommended three options for City Council consideration. The initial recommendation of a City Operations Fee was approved by Council and was effective in January 2020. To date, revenue from this fee was provided \$21.4M in General Fund revenue to continue essential City services like Police, Fire, Parks, Code Enforcement, and internal services. Although deterred by the pandemic in early 2020, returning to these revenue options and conversations with the Finance Committee, City Council and community will be vital to the next few years for the City's fiscal health in both the General and Transportation Services Funds.

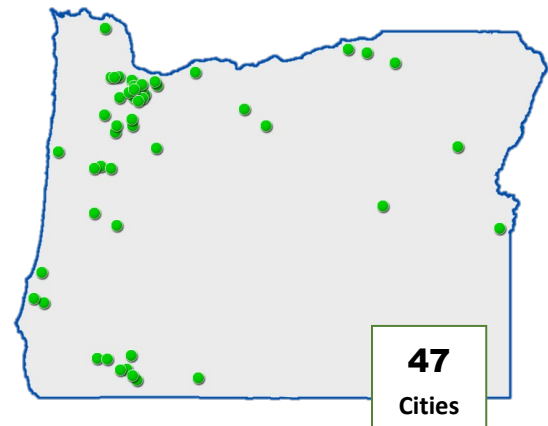
Attachments:

1. Revenue Source – City Operations Fee
2. Revenue Source – Payroll Tax
3. Revenue Source – Local Option Levy
4. Revenue Source – Gas Tax
5. Summary of Revenue Options Considered by the Sustainable Services Revenue Task Force

Revenue Source: City Operations Fee

In 2019 after recommendation by the Sustainable Services Revenue Task Force and adoption by City Council, a monthly City Operations Fee was added as a separate line item on customer's utility bills to support essential City services. The fee filled a portion of the structural gap between ongoing revenue and expenses for programs and services in the General Fund. The structure of the operations fee is based on utility account type or customer class (i.e. residential, commercial, industrial). This revenue source is not subject to Measure 5 property tax limitations because it is not a tax on individual property values but is based on the presence of an improved structure and an active utility account.

Evaluation Criteria	Recommendation
Fund / Service Area	General Fund
Approval Body	City Council
Calculation Method	Utility Customer Classifications



There are approximately 47 different cities in Oregon that have an operations fee on their customer's utility bills. Many of these cities (approximately 29) have two or more to fund different needs. Based on population size, 18 of the 30 largest cities in the state are utilizing this revenue source to provide their core services.

City Examples	Monthly Fee Residential as of 1/1/22	Purpose of the Fee(s)
Salem	\$ 11.14	City Operations, Streetlight
Corvallis	\$ 13.04	Police, Fire
Gresham	\$ 15.00	Police, Parks, Fire
Hillsboro	\$ 22.22	Transportation, Parks
Keizer	\$ 9.00	Public Safety, Parks
Lake Oswego	\$ 10.65	Street Maintenance
Medford	\$ 20.11	Parks, Public Safety, Streets, Streetlights
Tigard	\$ 14.38	Street Maintenance, Parks
West Linn	\$ 34.51	Parks, Street Maintenance

The City of Salem has two fees on utility bills: one to support general city services and the other to support operations and installation of streetlights. The operations fee was enacted by Council in 2019 to narrow the gap between ongoing revenue and expenses in the General Fund. Through June 2022, the General Fund has received \$18.2M and has maintained

core City services. The current City Operations Fee is scheduled to increase on January 1, 2023, to a residential rate of \$8.93 per month. The streetlight fee was implemented by Council approval in 2015 in order to pay for streetlight electricity costs and to convert to LED streetlights. Residential customers pay the lowest rate of \$2.80 per month. With both fees, commercial and industrial users pay more each month, but these customer classifications do not generate a significant portion of the overall revenue. Simply because of the composition of account types, the fees charged to residential customers have the most substantial impact.

With the current structure of the operations fee, ratios for each customer class determine the rate. Single-family residential customers will pay \$8.93 per month. Multi-family customers pay a per unit rate of 80% of the residential rate. Commercial, public, industrial, and institutional customer pay 4.82 times the residential rate, which is the same ratio used to calculate the streetlight fee.

Customer Class	Monthly Operations Fee as of 1/1/23	Fee Ratio
Residential	\$ 8.93	1.00
Multi Family (per unit)	\$ 7.14	0.80
Industrial, Commercial, Institutional, Public	\$ 43.04	4.82

During fiscal year 2023, the City is estimated to collect just over \$7.9M with the current operations fee rates and structure. The below chart depicts the approximate additional revenue that could be generated for a range of rates.

Fee Structure to Generate Additional Revenue		
Total Utility Customers (all accounts types)	Fee (not including current fee)	Estimated Additional Annual Revenue (in millions)
69,455	\$ 1.00	\$ 0.91
69,455	\$ 3.00	\$ 2.73
69,455	\$ 5.00	\$ 4.55
69,455	\$ 7.00	\$ 6.37
69,455	\$ 9.00	\$ 8.19

Revenue Source: Payroll Tax

There are taxing districts around the nation, including several in Oregon, that assess a payroll tax on individual wages. Some local payroll taxes include, the City of Eugene, City of Sandy, City of Canby, Lane County Mass Transit District (LTD) and Tri-Met Transit (Tri-Met). While the most taxing districts use the revenues for transportation costs, the City of Eugene uses revenues for community safety expenses.

The City of Eugene's Community Safety Payroll Tax went into effect on January 1, 2021 and is collected quarterly. Administration of the payroll tax is being done through both City of Eugene employees as well as a third-party platform. The structure of the payroll tax is complex in that it has multiple taxing rates that is assessed depending on wages earned, but also has an employer paid component to the payroll tax. In 2019, the City of Salem referred an employee paid payroll tax as a ballot measure in for the election in May, 2020. Due to the COVID-19 pandemic, the City Council decided not to pursue the measure. A comparison of the employee paid payroll tax between the City of Eugene and the City of Salem as proposed in 2019 is below.

Employee Paid Payroll Tax Rates		
Hourly Wages	City of Eugene	City of Salem
Minimum Wage	Exempt	Exempt
Above Minimum Wage up to \$15	.0030	.00266
Above and Including \$15*	.0044	.0039

**The City of Salem's payroll tax rate of .0039 applied to those earning \$15 an hour, not just above.*

The City of Eugene also has an employer paid component of the payroll tax initiative. For both the employee and employer paid taxes, wages are taxed based on where the physical location of the employer is. For example, if an employee works for a company located in Roseburg, but travels to Eugene to work for the day, those wages would not be assessed the payroll tax. Reversely, if an employee whose company is located in Eugene travels to work in Roseburg for the day, those wages would be assessed the tax. Below is an outline of the employer paid payroll tax rates; the City of Salem in the 2019 ordinance decided not to assess on employers.

Employer Paid Payroll Tax Rates		
Employer types	City of Eugene	City of Salem
Employers with 2 or less employees (first \$100,000 only)	.0015	-
All Other Employers*	.0021	-

** The City of Eugene can not assess a tax on another taxing jurisdiction, thus employers like the federal government, the State and other political subdivisions are exempt from the employer paid portion of the payroll tax.*

Below is a table demonstrating revenue potential a City of Salem payroll tax. Staff is recommending that a flat tax rate paid among all wage earners. The complexity of taxing multiple taxing rates would likely enhance the administrative cost of operating the program. Annual wage data was provided to staff from the Oregon Department of Revenue from 2022 for the City of Salem, not the Salem MSA. This provides a more accurate picture of Salem specifically. The table below assumes a 20% delinquency rate to account for initial outreach and education compliance that will inevitably be necessary during a first year of collections.

2022 Taxable Wages Calculation	Projected Revenue <i>In millions</i>
0.4% of Wages	\$16.3
0.5% of Wages	\$21.1
0.6% of Wages	\$25.5
0.7% of Wages	\$29.8
0.8% of Wages	\$43.6

Revenue Source: Local Option Levy

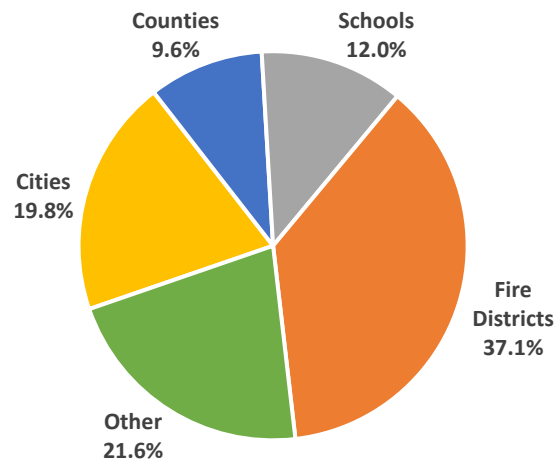
Property taxes in Oregon are divided into three main categories: permanent tax rates (limits established by each individual taxing district in 1997 on funds for general operating budgets), general obligation (GO) bond levies approved by voters to pay for specific capital construction projects, and local option levies that can be used for operating expenses or debt service payments. Measure 5 tax limitations apply to permanent and local option taxes, meaning that tax revenue is reduced (compressed) when the total governmental tax on a property's assessed value (AV) exceeds the \$10 per \$1,000 of real market value (RMV) test. When tax levies need to be reduced because of this test, local option taxes are the first levies to be compressed. The City of Salem currently has compression of \$368,900 for fiscal year 2023.

Fund / Service Area	General Fund
Strategic Initiative	Sustainable Services
Approval Body	Voters
Calculation Method	Assessed value (AV) of property
Rate	\$1.25 - \$2.00 per \$1,000 AV

A local option levy requires voter approval, and can be levied for a maximum of five years for operational expenses, or ten years for capital expenses. If Salem voters approved a local option levy, the revenue could be used only for the identified needs. Once the levy expires, voters would then need to be asked to approve a new levy to continue collecting local option taxes for an additional five years. This revenue source is the only way to generate additional property tax dollars that can be used for operating expenses. The Measure 5 tax limitations add a level of risk in how much the issuer may actually collect. Depending on market conditions or levies that are approved for other taxing jurisdictions, the revenue generation anticipated from the local option levy could be compressed.

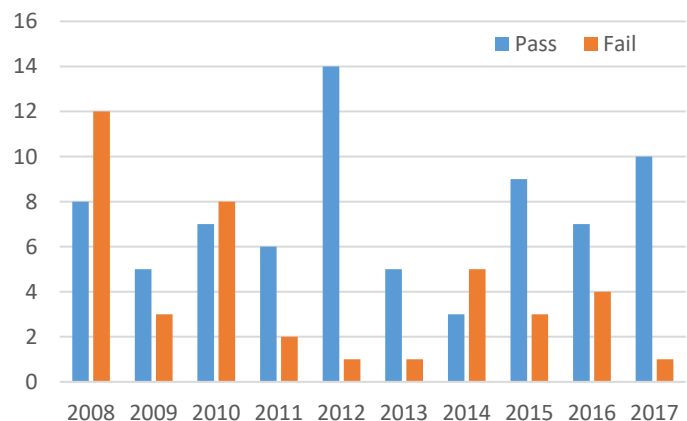
Currently, the Oregon Department of Revenue tax data indicates there are approximately 32 cities, 16 counties, and 20 school districts that collect taxes from a local option levy, ranging from \$0.18 to \$9.02 per \$1,000 of AV. Between 2008 and 2017, 55 different cities put forward ballot measures requesting voter approval for local option levies. The above chart shows the passage and failure of those ballot measure by year. During the financial crisis and in the years following (2008-2011), voters denied over 50% of the levies. From 2015 - 2017, the approval rating increased substantially to over 76%.

Local Option Levies by Taxing District



"Other" includes the following district types: health, historic, library, parks, roads, water supply, vector control and transportation

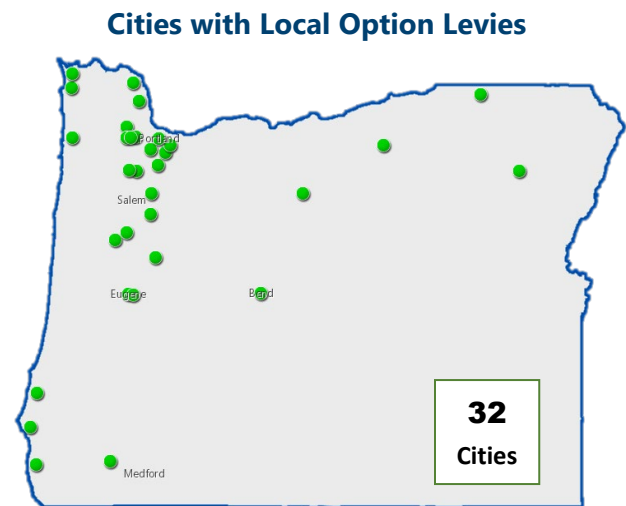
City Local Option Levy Ballot Measures



Examples of other cities in Oregon:

City	Permanent Tax Rate Levied	Local Option Tax Rate Levied	Purpose of Local Option Tax Levy
Sweet Home	1.4157	7.4700	Public Safety, Library
Banks	1.9700	2.5000	Public Safety
Grants Pass	4.1335	1.7900	Public Safety
Forest Grove	3.9600	1.9500	Fire, Police, Library, Parks
Hillsboro	3.6665	1.7200	Public Safety, Parks
Corvallis	5.1067	1.0700	Library, Aquatics, Code Enforcement, Public Safety
Stayton	3.3280	0.9000	Library, Parks, Aquatics
Bandon	0.4580	0.8455	Street Capital Projects
Portland	4.5800	0.8000	Parks
Canby	3.4886	0.4900	Aquatics
Silverton	3.6678	0.3659	Aquatics
Bend	2.8035	0.2000	Public Safety
Eugene	7.0058	0.3286	Library, Parks and Recreation
Albany	6.3984	1.1500	Public Safety

The table below demonstrates that potential revenue the City of Salem may receive if a local option levy were approved by voters at various rates per 1,000 of AV. The revenue could be used to fund general fund programs such as police, fire, parks, or library services. The revenue forecast is based on a levy imposed on all taxable properties within the City of Salem (Marion and Polk counties). Property tax collections are based on an assumed 95% collection rate, due to historic trends of discounts and delinquencies. The forecast also assumes real market value (RMV) growth of 5% and assessed value growth of 3% year over year. These assumptions are subject to market change but establish the gap between RMV and AV, which provides the potential capacity for a local option levy.



Revenue Forecast				
	FY 23	FY 24	FY 25	FY 26
Estimated Annual Revenue (\$1.25)	\$15,584,750	\$ 16,052,290	\$16,533,860	\$17,029,870
Estimated Annual Revenue (\$1.50)	\$18,594,120	\$19,151,940	\$19,726,500	\$20,318,300
Estimated Annual Revenue (\$1.75)	\$21,564,710	\$22,211,660	\$22,878,000	\$23,564,350
Estimated Annual Revenue (\$2.00)	\$24,493,820	\$25,228,630	\$25,985,500	\$26,765,060

Forecast Assumptions: This revenue forecast assumes an annual growth in consistent assessed value, along with an assumption of a discount or delinquency.

Alternative Revenue Source: Local Gas Tax

In 1919, the State of Oregon implemented the nation's first tax on gasoline at a rate of \$0.01 per gallon. Today, Oregon's gas tax is \$0.38 per gallon, with the tax paid by fuel distributors or retailers depending on the type of fuel. The Oregon Constitution mandates revenue derived from taxes on motor vehicle use and fuel be applied to construction, improvement, repair, maintenance and operation of public highways, roads, and streets, including facilities for pedestrians and bicycles that are located within the right-of-way. Currently, 30 cities and 2 counties in Oregon have a local gas tax ranging from \$0.01 to \$0.10 per gallon. Most cities charge \$0.03 per gallon. In the majority of locations, the tax is paid by retail gas stations. Starting in 2009, legislation required local gas tax measures to be approved by voters.

Fund / Service Area	Transportation Services Fund / Safe, Reliable, and Efficient Infrastructure
Strategic Initiative	Critical Infrastructure, Operations
Approval Body	Voters
Calculation Method	Amount per gallon
Rate	\$0.06 per gallon

A benefit to a local gas tax is capturing revenue from through traffic, visitors, and work commuters. According to the most recent US Census date, over 65% of Salem workers commute from other areas.

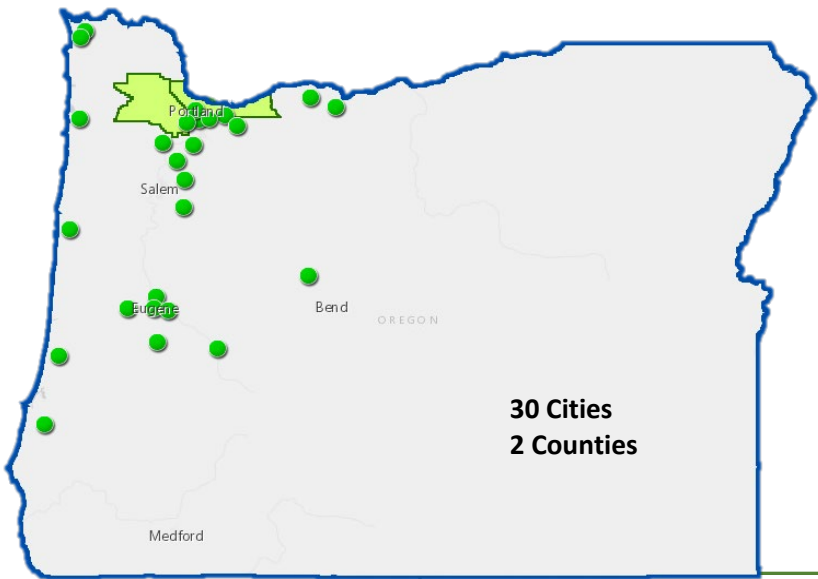
The current financial forecast for the Transportation Services Fund is relatively stable but most essential activities such as pavement maintenance are funded at minimal levels. There are many unmet needs, and this significant additional

revenue stream could be used to conduct or enhance pavement, sidewalk, or bridge maintenance, or traffic signal operations. Salem could supplement general obligation bonds with pay-as-you-go funds to accomplish transportation infrastructure projects that occur between bonds.

If a local gas tax was approved in Salem, implementation could occur without the addition of City administrative positions. Oregon Department of Transportation (ODOT) currently administers and collects local gas taxes on behalf of 19 municipalities for an affordable administration fee and minimal start-up costs. The fee remains low as long as cities mirror the state gas tax law as closely as possible when creating an ordinance.

In the past when this revenue idea has been explored, there was concern about unincorporated areas east of Salem abutting incorporated areas, with gas stations inside of Salem not having competitive prices due to a local gas tax. Of the 15 gas stations near the eastern border of the city, 9 are not within Salem city limits. In only one instance is a gas station in Salem within 0.2 miles of a gas station outside of the city. The remaining stations are further apart. In other areas where one city has a local gas tax and neighboring communities do not or have a lower gas tax rate, average gas prices are similar and competitive. In some cases, lower gas prices are still found in cities with a higher local gas tax.

Another consideration has been a regional gas tax to include Marion County and the City of Keizer, but this would require consensus among agencies and add complication to the implementation process.



Oregon City Examples:

The state and many communities in Oregon already charge a gas tax. This is an option Oregonians are familiar with and could see tangible improvements to streets and sidewalks as a result of the tax.

Another option adopted by cities to fund transportation improvement and maintenance projects is a transportation fee on their utility bill based on trip generation by property type. For more detail see the white paper for City operating fees.

City	Rate	FY 2020 Revenue	FY 2021 Revenue	Additional Information
Coburg	\$.06 per gallon	\$91,691	\$125,177	Highest permanent gas rate in Oregon
Eugene	\$.05 per gallon	\$2,879,182	\$2,563,495	
Portland	\$.10 per gallon	\$18,719,386	\$19,261,436	Four-year temporary rate through 2024
Springfield	\$.03 per gallon	\$963,559	\$863,663	
Tigard	\$.03 per gallon	\$831,411	\$695,284	

Revenue Forecast:

The data available for fuel sold is within the Salem area, not necessarily within the city limits. Therefore, the revenue forecast is based on Salem area data and discounted by twenty percent to account for gas station locations technically outside of the city while still having a Salem address. These estimates also include a fee for ODOT administration of the tax.

Revenue Forecast				
	\$0.03	\$0.04	\$0.05	\$0.06
Estimated Annual Revenue	\$2,737,700	\$3,704,000	\$4,582,850	\$5,505,410

City of Salem Alternate Revenue Options

The rows highlighted in gold are revenue sources that the revenue task force recommended to the City Council.

Option	Summary Description	Strategic Initiative	Authorization	Implementation	Revenue Potential
City Operating Fee	Additional fee on City utility statement in a similar fashion as existing Streetlight Fee. Fee could be tied to specific programs (Public Safety, Parks, Library) or for general purposes.	Sustainable Services	Council Adoption; Potential Voter Referral	Less Difficult - Utilize existing City utility bill; Monthly fee structure.	High - Greater than \$1M depending on fee size and structure.
Payment in Lieu of Taxes	Fee assessed to State Agencies for services that are generally funded by property tax revenue. Examples include a Fire/Medical fee based on square footage or personnel.	Sustainable Services	State Legislature	Very Difficult - Would require legislative changes.	High - Greater than \$1M depending on fee size and structure.
Income Tax (Payroll Tax)	Local tax based on a percentage of employee wages, paid by employers on behalf of employees or paid by employees through a wage deduction. Could be remitted annually or quarterly.	Sustainable Services	Council Adoption; Potential Voter Referral	Difficult - Would require clear communication to community about what tax revenue use.	High - Greater than \$1M depending on tax size and structure.
Construction Excise Tax	Excise tax on building permit valuation to fund affordable housing initiatives.	Affordable Housing	Council Adoption; Potential Voter Referral	Less Difficult - Invoiced under current permit system.	High - Greater than \$1M depending on fee size/inclusion.
Local Gas Tax	Local tax on gasoline sales. Transportation focus.	Critical Infrastructure	Council Adoption; Requires Voter Referral	Difficult - Potentially utilizing existing system of collection by the State of Oregon.	High - Greater than \$1M depending on tax size and structure.
Local Option Levy	Voter approved local option levies are the only mechanism to raise operating revenue beyond the permanent rate; can be tied to a specific program. Subject to Measure 5 compression and are the first levies to be compressed. The levy would need to be larger (less efficient) since compression is present in Salem.	Sustainable Services	Council Adoption; Requires Voter Approval; Maximum 5 years	Difficult - Requires voter approval every 5 years. Subject to compression.	High - Greater than \$1M depending on levy size and structure.
Retirement Community/Skilled Nursing Facility Bed Fee	Fee to offset usage costs (Fire/Medical) for this type of provider. Could be billed monthly/quarterly.	Sustainable Services	Council Adoption; Potential Voter Referral	Less Difficult - Could be invoiced like Downtown Parking Tax.	Low - Between \$50K and \$900K based on size/inclusion.
911 Tax Increase	Increase to Emergency Communication Tax (9-1-1 tax), which supports operation and improvement of emergency reporting systems. Current rate is \$0.75 per phone line, per device capable of reaching 9-1-1, or per retail transaction of prepaid wireless services.	Sustainable Services	State Legislature	Difficult - Would require state legislative action and broad, state-wide support. Possible referral to voters.	Varies - \$600K-\$3.5M additional revenue depending on intent to cover cost of service (33%-100%).
Business License Fee	Annual Business License Fee for all businesses operating in City limits. Structure could include small/large businesses, multi-family housing, or other variations.	Sustainable Services	Council Adoption; Potential Voter Referral	Difficult - Application processing and collection (similar to short-term rentals).	Medium - Between \$500K and \$1M depending on fee size/inclusion.

Option	Summary Description	Strategic Initiative	Authorization	Implementation	Revenue Potential
Property Tax Reform	Oregon's property tax system operates under two constitutional amendments, Measure 5 and Measure 50, designed to limit property taxes and make them predictable for taxpayers each year. The current system has no periodic recalibration of values and would require legislative reform to address the inequity across the system.	Sustainable Services	State Legislature	Difficult - Would require state legislative action to modify, or implement new functions, within existing system.	Varies - Could generate significant additional revenue depending on the changes implemented.
New Taxing District/Dividing a Taxing District/Merging a Taxing District	Formation of a new taxing district, annex into a current district to provide a specified service, or merge with another taxing district.	Sustainable Services	Council Adoption; Overlapping Taxing district approval; Voter Approval.	Very Difficult - Would require a lengthy approval process.	High (Savings) - Could result in savings and operational stability.
Admission/Amusement Tax	Tax on admission into events. Could be structured as a flat rate, a rate of the ticket value or a percent of gross receipts. Would be remitted via return-monthly or quarterly.	Sustainable Services	Council Adoption; Potential Voter Referral	Difficult - Would need a larger number of employees to manage program which may offset revenue.	Varies - Between \$400K and \$2M depending on tax size and structure.
Prepared Food/Beverage Tax	Local tax on the prepared food sales in City limits. Would not include hospital or university dining halls. Captures revenue from non-residents.	Sustainable Services	Council Adoption; Potential Voter Referral	Difficult - Would need an operational process established, plus potential registration of food businesses.	High - Greater than \$1M depending on tax size and structure.



CITY OF SALEM, OR

Investment Performance Review For the Quarter Ended September 30, 2022

Client Management Team

Lauren Brant, Managing Director
Allison Kaune, Senior Analyst
Robert Cheddar, CFA, Managing Director

PFM Asset Management LLC

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Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Agenda Packet 19

Agenda

- Market Update
- Account Summary
- Portfolio Review
- ESG Overview
- Portfolio Holdings and Transactions

Market Update

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ Persistent high inflation
 - ▶ A deteriorating housing market
 - ▶ Continued personal consumption that is impacting household savings and balance sheets
 - ▶ Worsening economic outlook that is propped up by a strong labor market

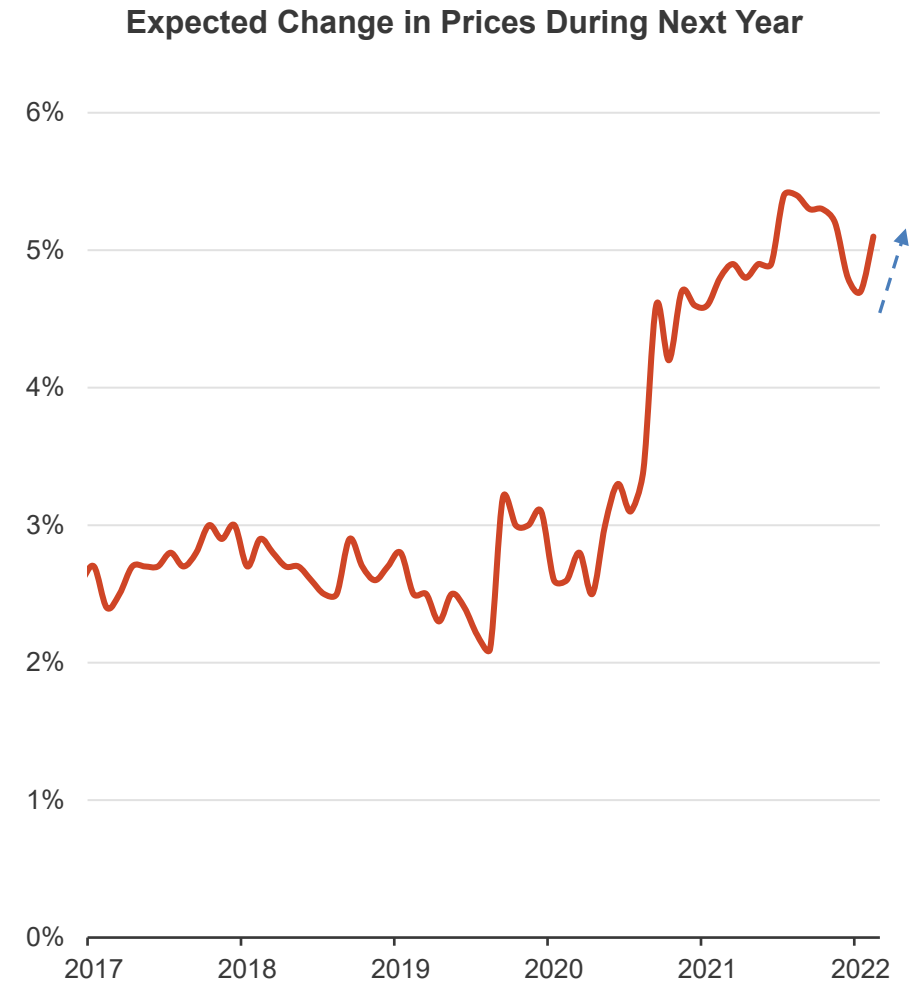
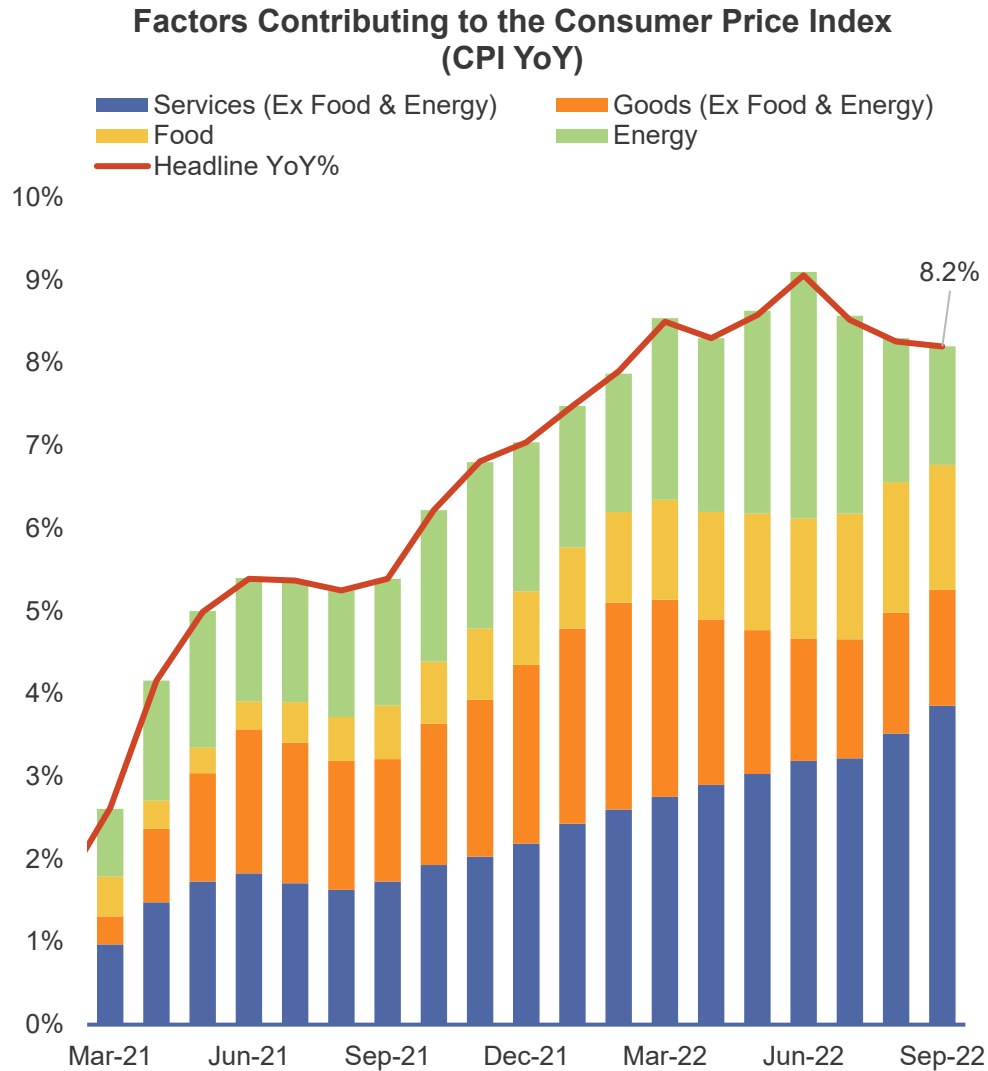


- ▶ The Federal Reserve has committed to a heavy-handed policy
 - ▶ Expectations have shifted from a soft landing to a moderate/hard landing, with increased recession risks
 - ▶ Short-term fed funds rate projected to reach 4.25% to 4.50% by year end



- ▶ Rapidly rising rates negatively impacting valuations and inducing market volatility
 - ▶ Yields across curve reached their highest levels in 14 years
 - ▶ Treasury yield curve remains inverted
 - ▶ Elevated volatility across all major asset classes

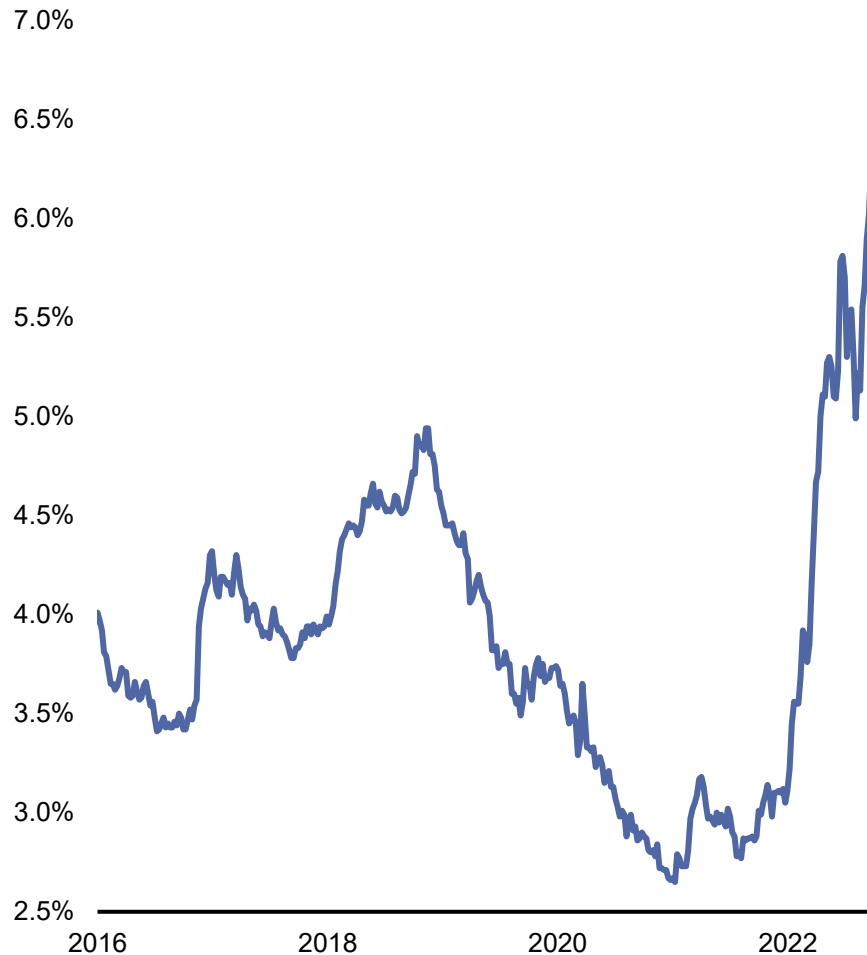
Inflation Remains Elevated and Expectations Shift Higher



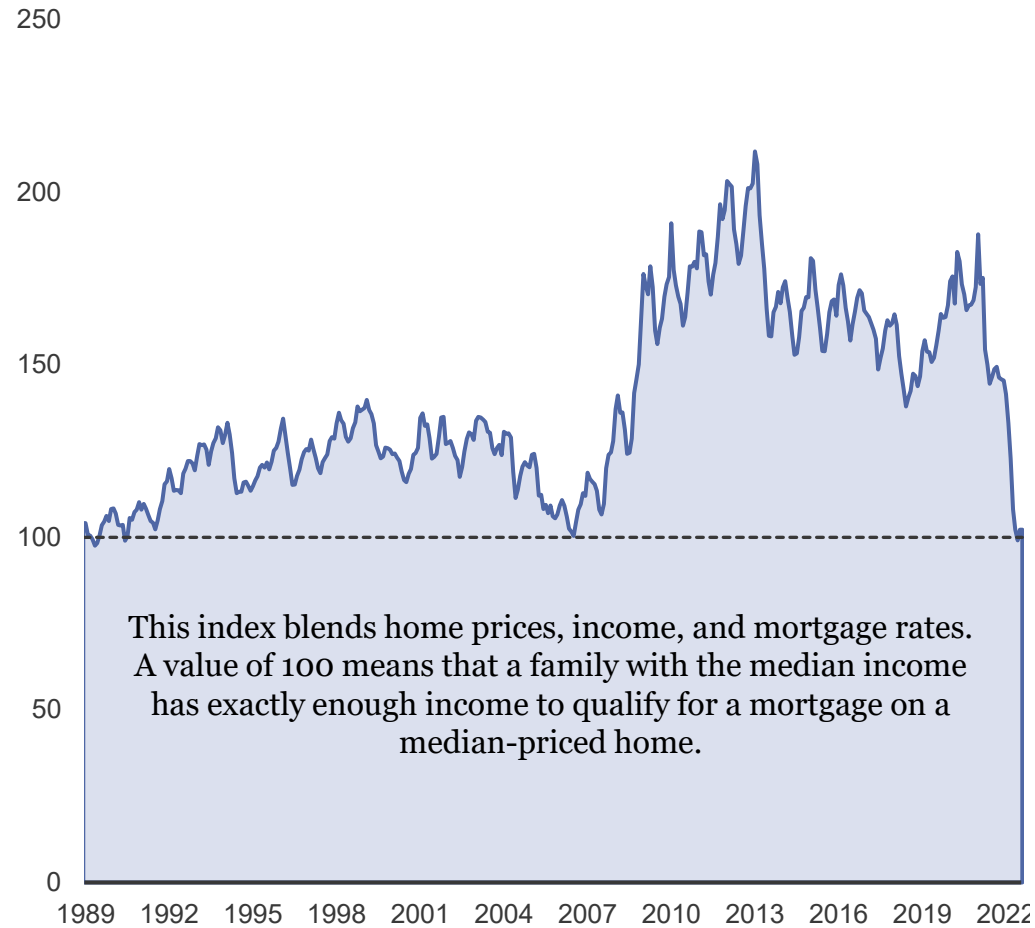
Source: Bloomberg, University of Michigan Consumer Sentiment and underlying index components, as of October 2022.

Housing Affordability Deteriorating Amid Soaring Rates and Home Prices

U.S. Mortgage 30-Year Rate



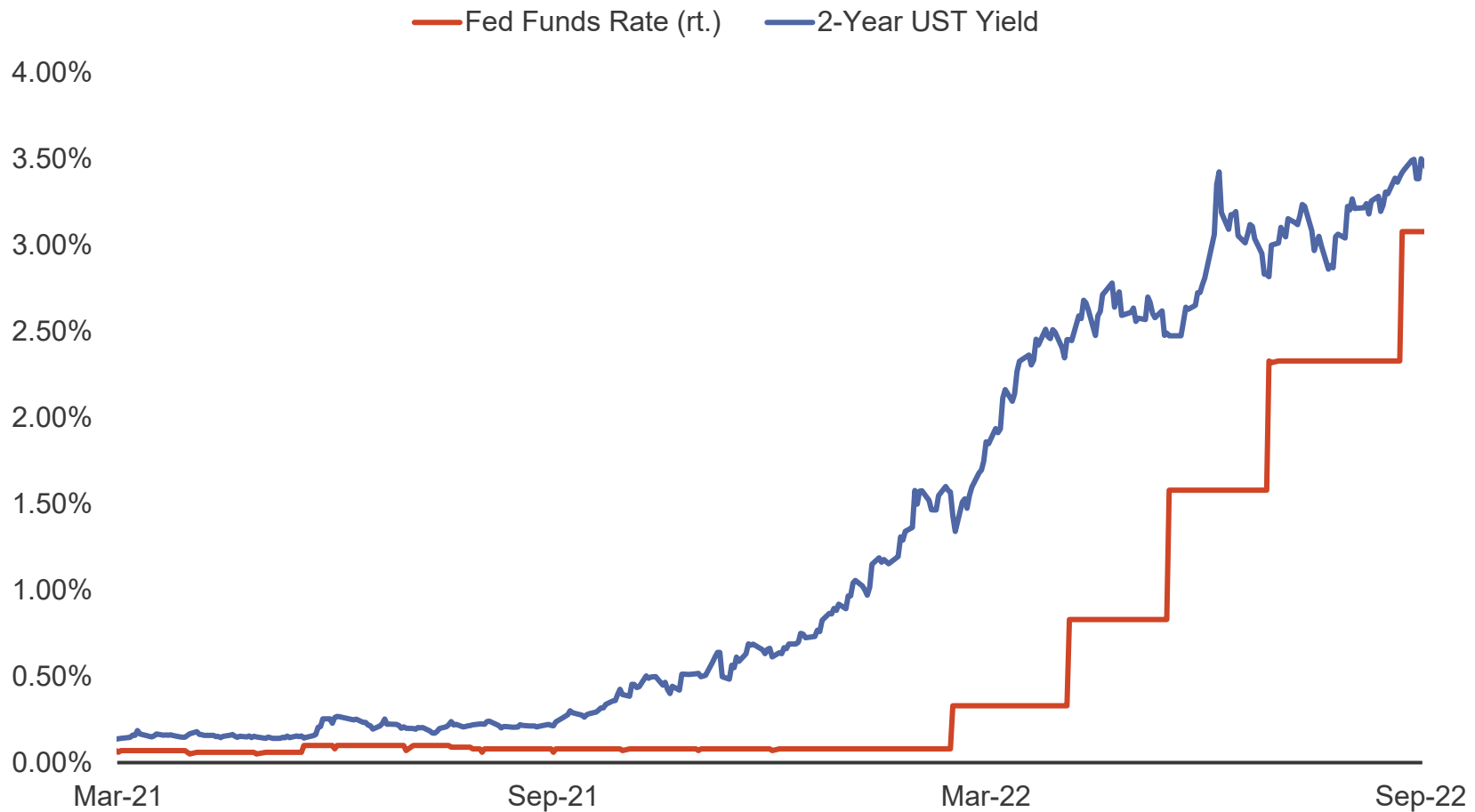
Homebuyer Affordability National Association of Realtors



Source: Bloomberg, Freddie Mac Commitment Rates, most recent data as of September 2022 (left chart). Bloomberg, most recent data as of August 2022 (right chart).

Market Expectation for Aggressive Rate Hikes

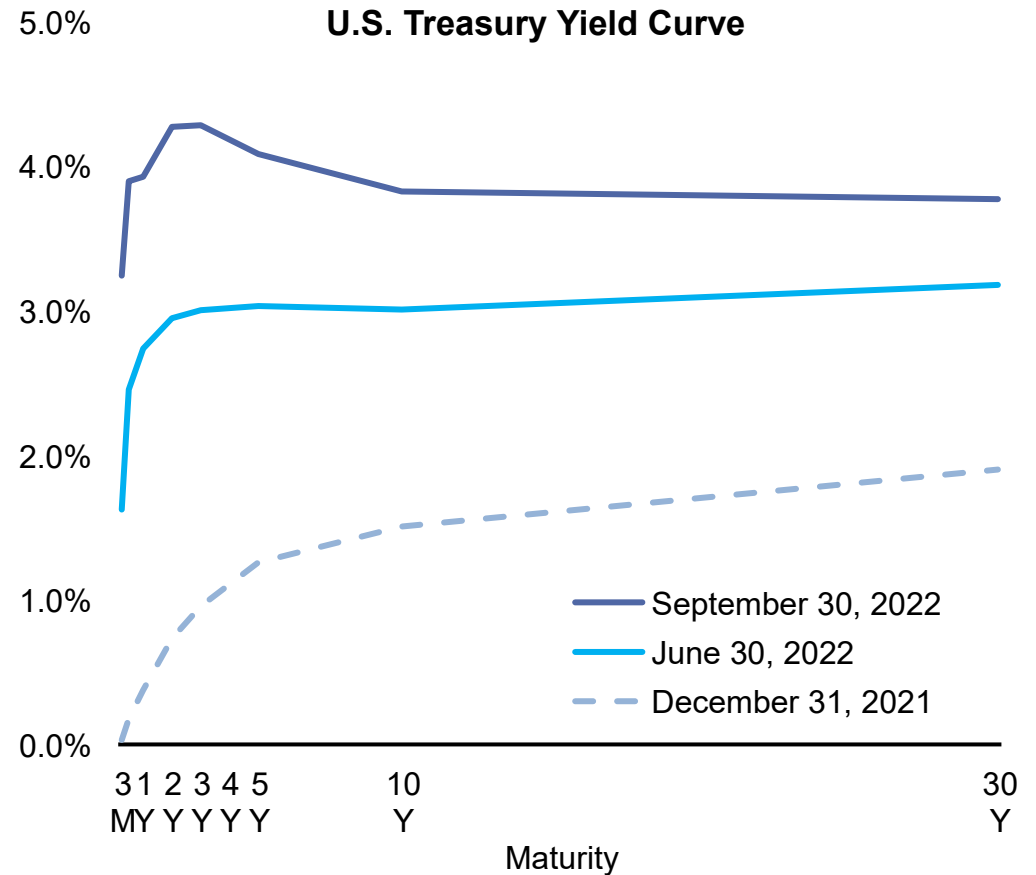
Fed Funds Rate vs. 2-Year Treasury



Source: Bloomberg, as of September 2022.

Treasury Yields Move Higher Across the Curve; Inversion Steepens Over the Quarter

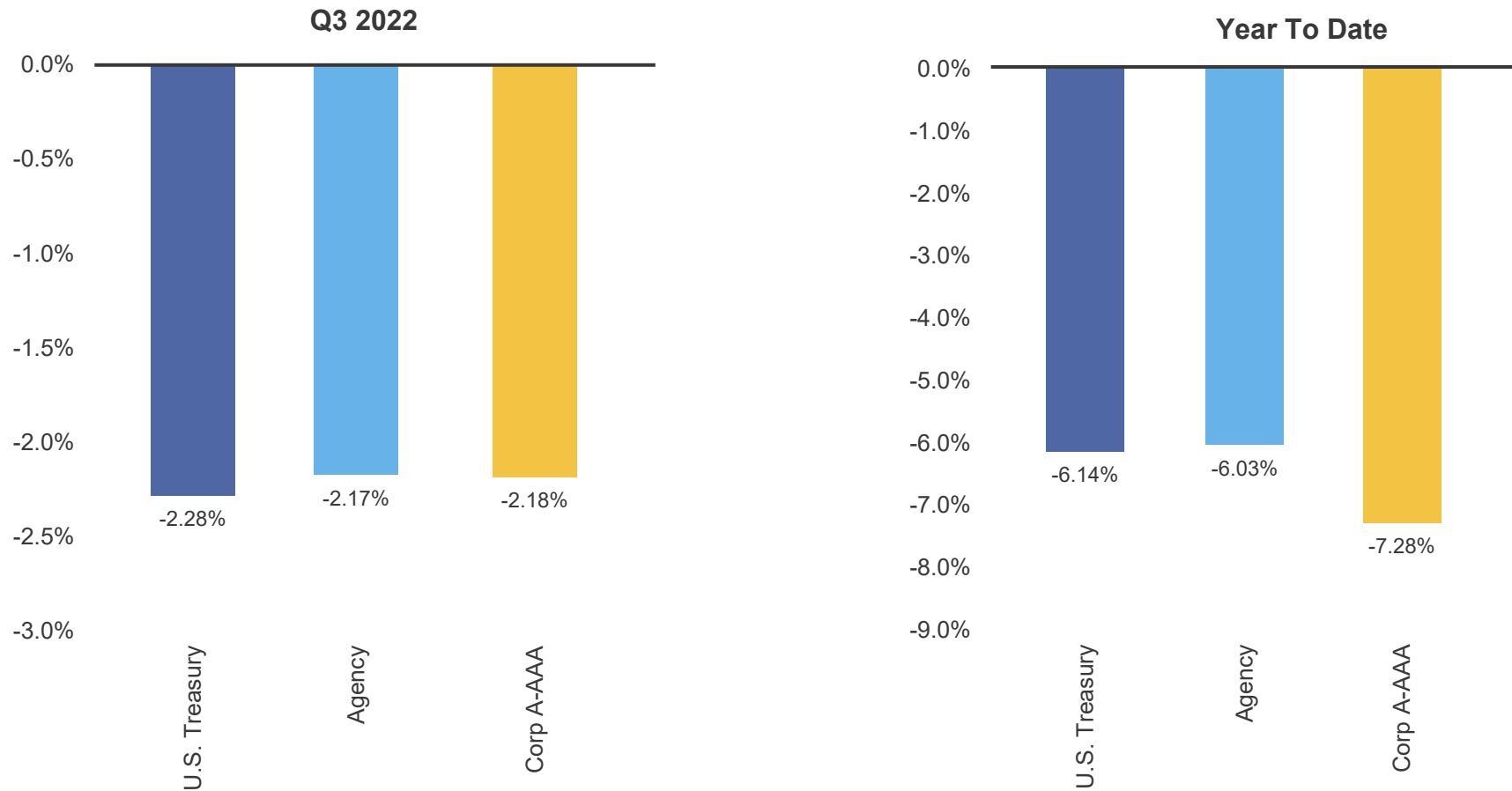
	3Q2022 09/30/22	2Q2022 06/30/22	QoQ Change
3-month	3.25%	1.63%	+1.62%
1-year	3.93%	2.74%	+1.19%
2-year	4.28%	2.95%	+1.33%
3-year	4.29%	3.01%	+1.28%
5-year	4.09%	3.04%	+1.05%
10-year	3.83%	3.01%	+0.82%
30-year	3.78%	3.18%	+0.60%



Source: Bloomberg, as of September 2022.

Bond Market Suffers 3rd Straight Down Quarter

Fixed Income Total Returns 1-5 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of September 30, 2022.

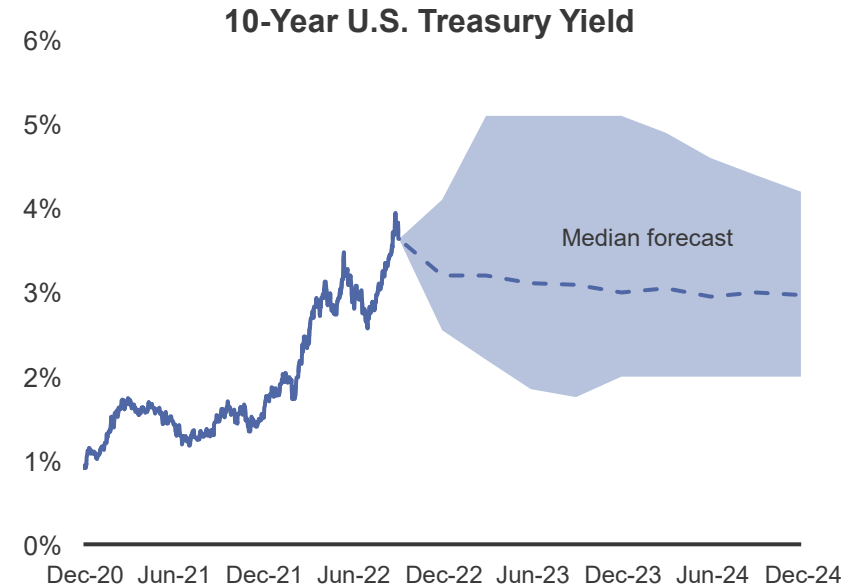
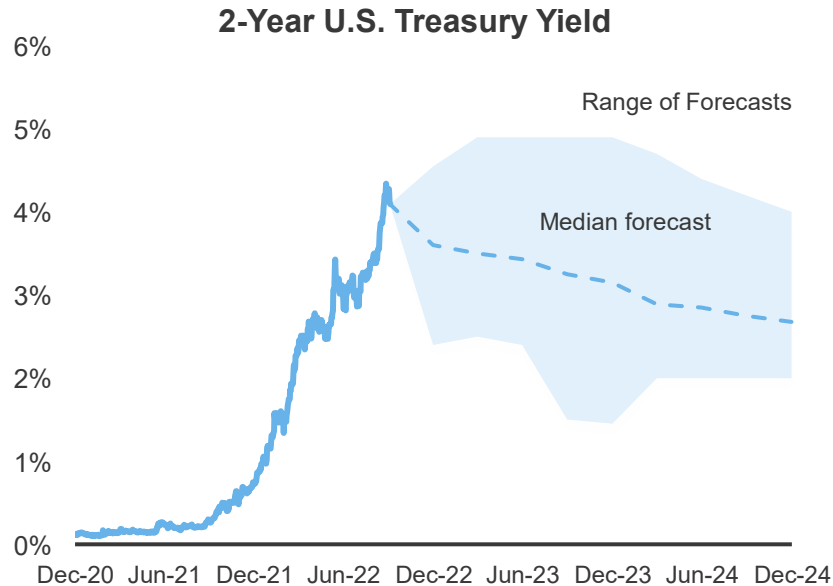
Fed Makes Aggressive Stance Clear But Market Uncertainty Persists

**From the
September 2022
FOMC Meeting
Press Conference**

“Without price stability, the economy does not work for anyone.”

“We are moving our policy stance purposefully to a level that will be sufficiently restrictive to return inflation to 2%.”

“No one knows whether this process will lead to a recession or if so, how significant that recession would be.”



Source: Federal Reserve, Bloomberg, Bloomberg Economist Forecasts as of September 30, 2022.

Account Summary

The portfolio is in compliance with applicable state statutes and the City's Investment Policy C-7.

Quarter Ended September 30, 2022 – 3Q22¹

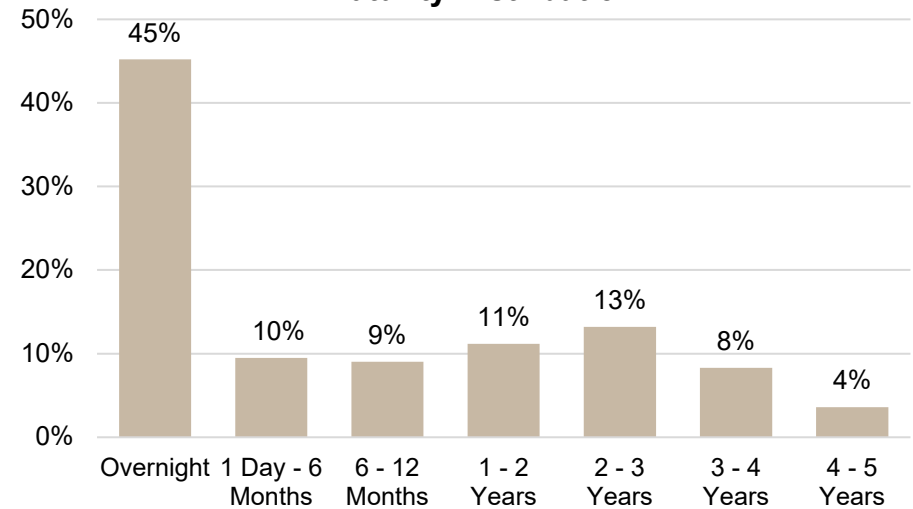
Quarterly Summary

Market Value (MV)	\$365,229,775
Amortized Cost	\$376,270,765
Portfolio Yield on Cost	0.85%
Weighted Average Maturity	1.06 years
Cash Basis Earnings for Quarter ²	\$622,777
Accrual Basis Earnings for Quarter ²	\$608,217
Quarterly Change	
Amortized Cost – 3Q22	\$376,270,765
Beginning MV – 2Q22	\$380,787,688
Net Contributions	(\$15,001,494)
Change in Cash	\$3,098,682
Change in MV	(\$3,655,101)
Ending MV – 3Q22	\$365,229,775

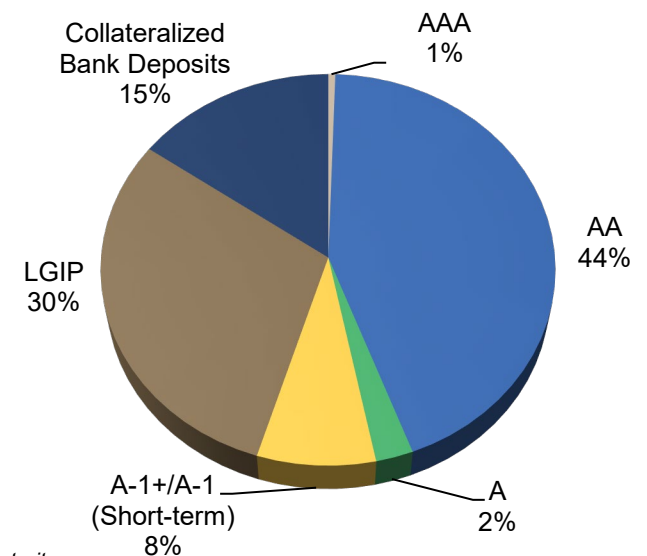
Sector Distribution¹

Sector	Amortized Cost	Market Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$140,175,638	\$133,262,061	37%	100%
Federal Agencies	\$17,241,718	\$16,415,791	4%	100%
Commercial Paper	\$14,631,633	\$14,587,635	4%	35%
Corporate Notes	\$39,049,176	\$35,791,688	10%	
LGIP	\$109,606,484	\$109,606,484	30%	ORS limit
Collateralized Deposit Accounts	\$55,566,116	\$55,566,116	15%	100%
Total	\$376,270,765	\$365,229,775	100%	

Maturity Distribution



Credit Quality Distribution³



1. Combined portfolio includes funds in the PFMAM-managed portfolios, funds in the Oregon LGIP, and the City's U.S. Bank account. Portfolio values are as of September 30, 2022 and exclude accrued interest on the PFMAM-managed funds.

2. Excludes earnings on LGIP and deposit accounts.

3. Ratings by Standard & Poor's (S&P).

4. Callable securities are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Account Summary

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Values	September 30, 2022	Analytics ¹	September 30, 2022
PFMAM Managed Account	\$163,908,110	Yield at Market	4.29%
Amortized Cost	\$174,772,588	Yield on Cost	1.30%
Market Value	\$163,908,110	Portfolio Duration	2.15
Accrued Interest	\$500,466		
Cash	\$0		

CITY OF SALEM SHORT TERM PORTFOLIO

Portfolio Values	September 30, 2022	Analytics ¹	September 30, 2022
PFMAM Managed Account	\$29,017,770	Yield at Market	3.68%
Amortized Cost	\$29,125,245	Yield on Cost	2.18%
Market Value	\$29,017,770	Portfolio Duration	0.40
Accrued Interest	\$0		
Cash	\$0		

CITY OF SALEM WATER-SEWER REV BOND 2020

Portfolio Values	September 30, 2022	Analytics ¹	September 30, 2022
PFMAM Managed Account	\$7,131,295	Yield at Market	3.77%
Amortized Cost	\$7,200,331	Yield on Cost	0.39%
Market Value	\$7,131,295	Portfolio Duration	0.28
Accrued Interest	\$35,117		
Cash	\$0		

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	66.6%	
UNITED STATES TREASURY	66.6%	AA / Aaa / AAA
Federal Agency	8.2%	
FANNIE MAE	3.0%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	2.2%	AA / Aaa / NR
FREDDIE MAC	3.0%	AA / Aaa / AAA
Commercial Paper	7.3%	
MITSUBISHI UFJ FINANCIAL GROUP INC	7.3%	A / Aa / A
Corporate	17.9%	
AMAZON.COM INC	2.2%	AA / A / AA
APPLE INC	3.7%	AA / Aaa / NR
BANK OF AMERICA CO	1.2%	A / A / AA
BLACKROCK INC	1.0%	AA / Aa / NR
CHEVRON CORPORATION	1.9%	AA / Aa / NR
JP MORGAN CHASE & CO	2.3%	A / A / AA
MICROSOFT CORP	1.0%	AAA / Aaa / AAA
NIKE INC	1.1%	AA / A / NR
TORONTO-DOMINION BANK	1.1%	A / A / AA
VISA INC	1.4%	AA / Aa / NR
WAL-MART STORES INC	1.1%	AA / Aa / AA
Total	100.0%	

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

Certificate of Compliance

During the reporting period for the quarter ended September 30, 2022, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

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

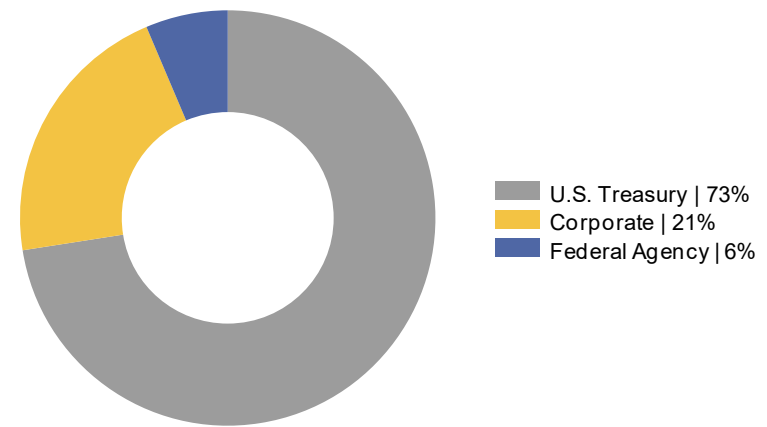
Portfolio Review:
CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Snapshot - CITY OF SALEM LONG-TERM PORTFOLIO¹

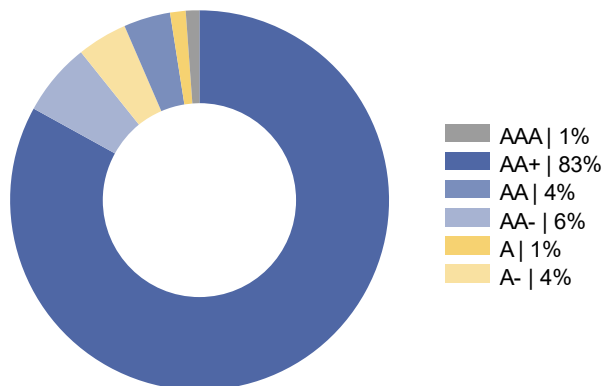
Portfolio Statistics

Total Market Value	\$164,408,576.07
Securities Sub-Total	\$163,908,110.41
Accrued Interest	\$500,465.66
Cash	\$0.00
Portfolio Effective Duration	2.15 years
Benchmark Effective Duration	2.48 years
Yield At Cost	1.30%
Yield At Market	4.29%
Portfolio Credit Quality	AA

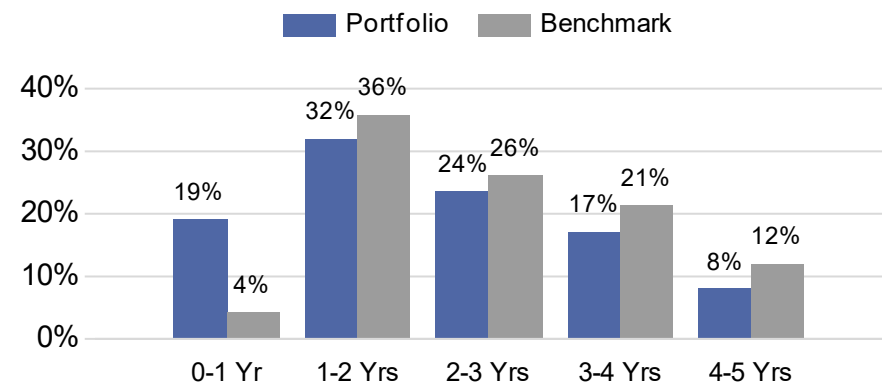
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is currently the ICE BofAML 1-5 Year U.S Treasury Index. Prior to 12/31/19 it was the 1-3 Year U.S Treasury Index. Prior to 6/30/16 it was the ICE BofAML 0-3 Year U.S Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

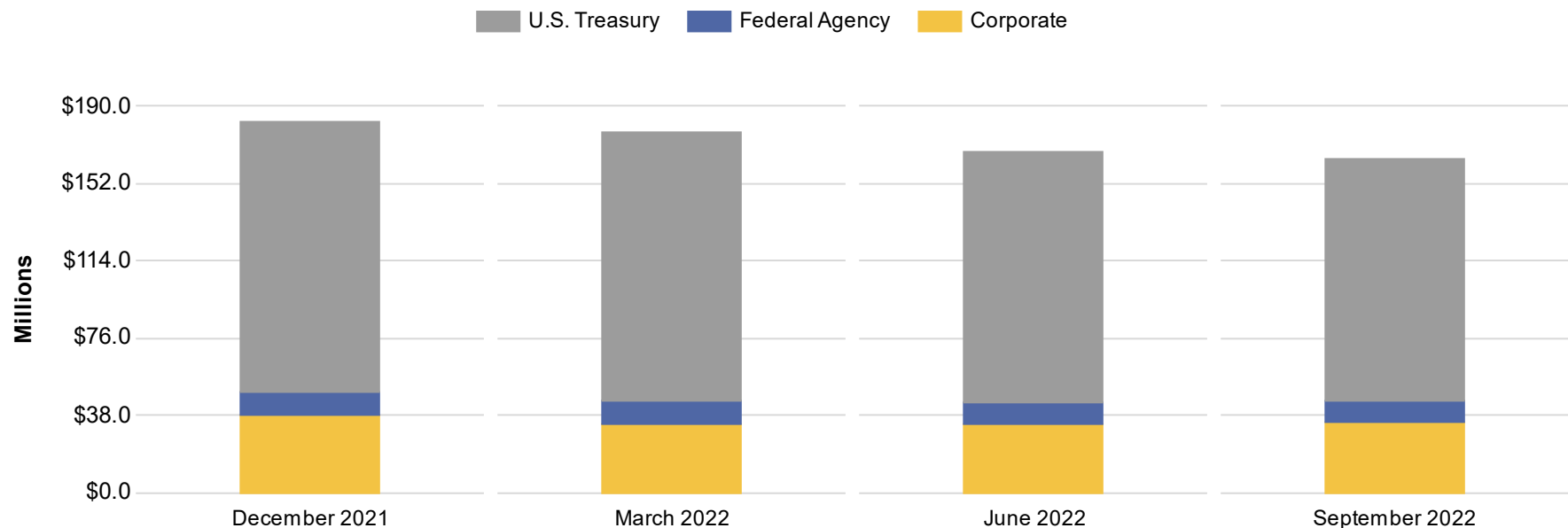
Issuer Diversification - CITY OF SALEM LONG-TERM PORTFOLIO

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	72.5%	
UNITED STATES TREASURY	72.5%	AA / Aaa / AAA
Federal Agency	6.4%	
FEDERAL HOME LOAN BANKS	2.7%	AA / Aaa / NR
FREDDIE MAC	3.7%	AA / Aaa / AAA
Corporate	21.1%	
AMAZON.COM INC	2.7%	AA / A / AA
APPLE INC	4.1%	AA / Aaa / NR
BANK OF AMERICA CO	1.4%	A / A / AA
BLACKROCK INC	1.2%	AA / Aa / NR
CHEVRON CORPORATION	2.3%	AA / Aa / NR
JP MORGAN CHASE & CO	2.8%	A / A / AA
MICROSOFT CORP	1.2%	AAA / Aaa / AAA
NIKE INC	1.4%	AA / A / NR
TORONTO-DOMINION BANK	1.3%	A / A / AA
VISA INC	1.4%	AA / Aa / NR
WAL-MART STORES INC	1.3%	AA / Aa / AA
Total	100.0%	

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

Sector Allocation Review - CITY OF SALEM LONG-TERM PORTFOLIO

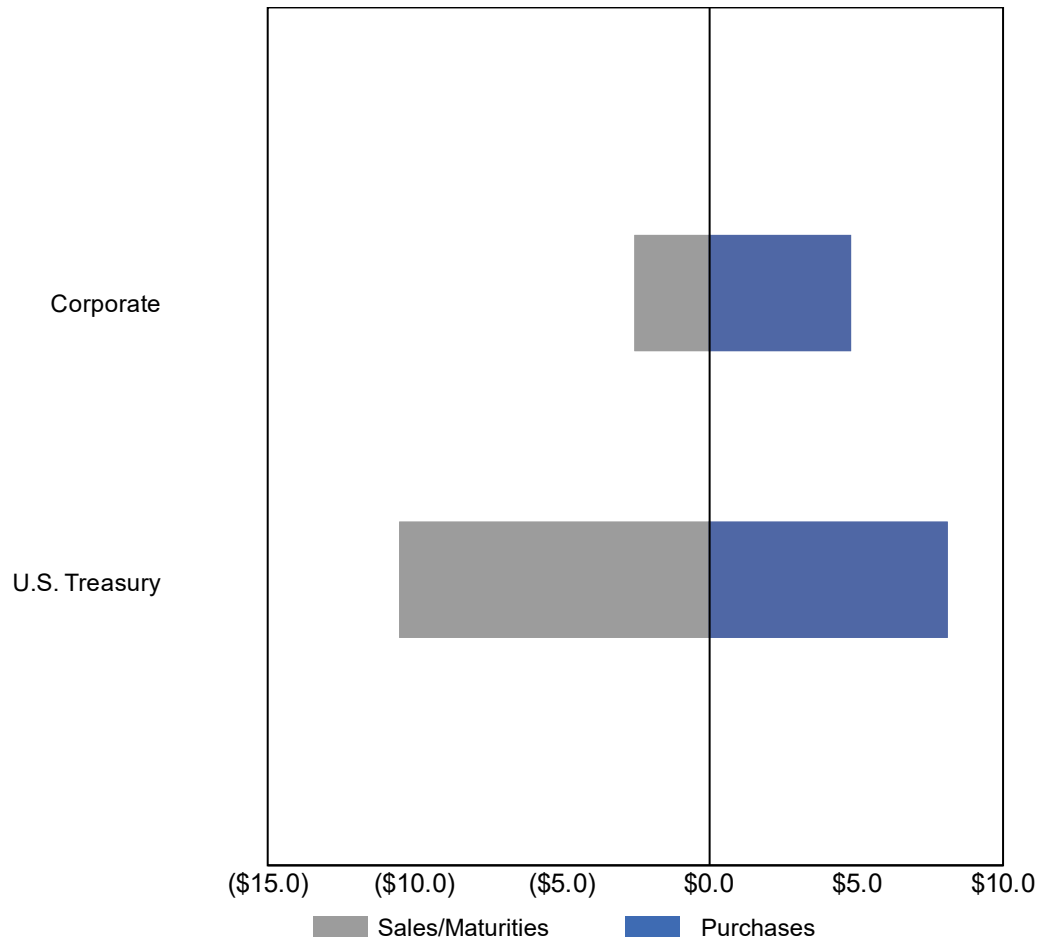
Security Type	Dec-21	% of Total	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total
U.S. Treasury	\$133.1	72.9%	\$132.0	74.7%	\$123.7	73.7%	\$118.8	72.5%
Federal Agency	\$11.1	6.1%	\$10.8	6.1%	\$10.7	6.4%	\$10.5	6.4%
Corporate	\$38.2	21.0%	\$34.0	19.2%	\$33.3	19.9%	\$34.6	21.1%
Total	\$182.5	100.0%	\$176.7	100.0%	\$167.7	100.0%	\$163.9	100.0%



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

Portfolio Activity - CITY OF SALEM LONG-TERM PORTFOLIO

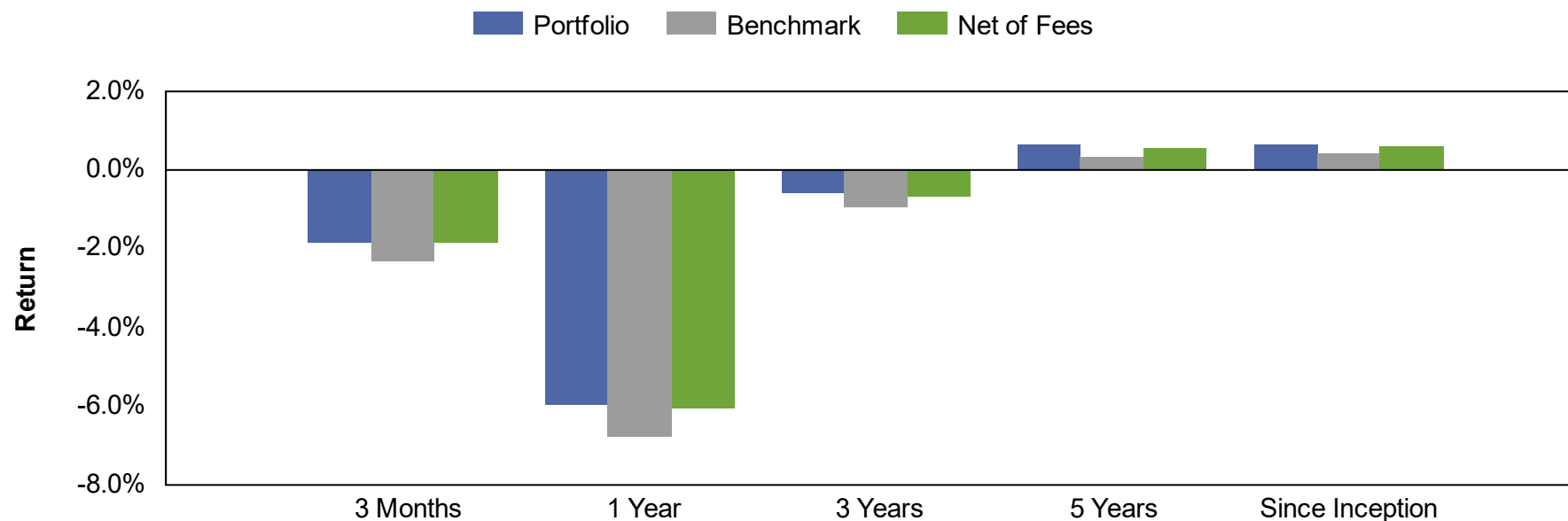
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Corporate	\$2,265,152
U.S. Treasury	(\$2,440,848)
Total Net Activity	(\$175,696)

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

Portfolio Performance - CITY OF SALEM LONG-TERM PORTFOLIO



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$574,438	\$2,343,344	\$8,846,602	\$12,842,348	\$18,773,873
Change in Market Value	(\$3,632,269)	(\$13,182,067)	(\$11,826,741)	(\$9,557,950)	(\$12,113,315)
Total Dollar Return	(\$3,057,831)	(\$10,838,723)	(\$2,980,139)	\$3,284,398	\$6,660,558
Total Return³					
Portfolio	-1.82%	-5.98%	-0.59%	0.63%	0.65%
Benchmark ⁴	-2.28%	-6.78%	-0.92%	0.31%	0.40%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	-1.84%	-6.05%	-0.66%	0.56%	0.58%

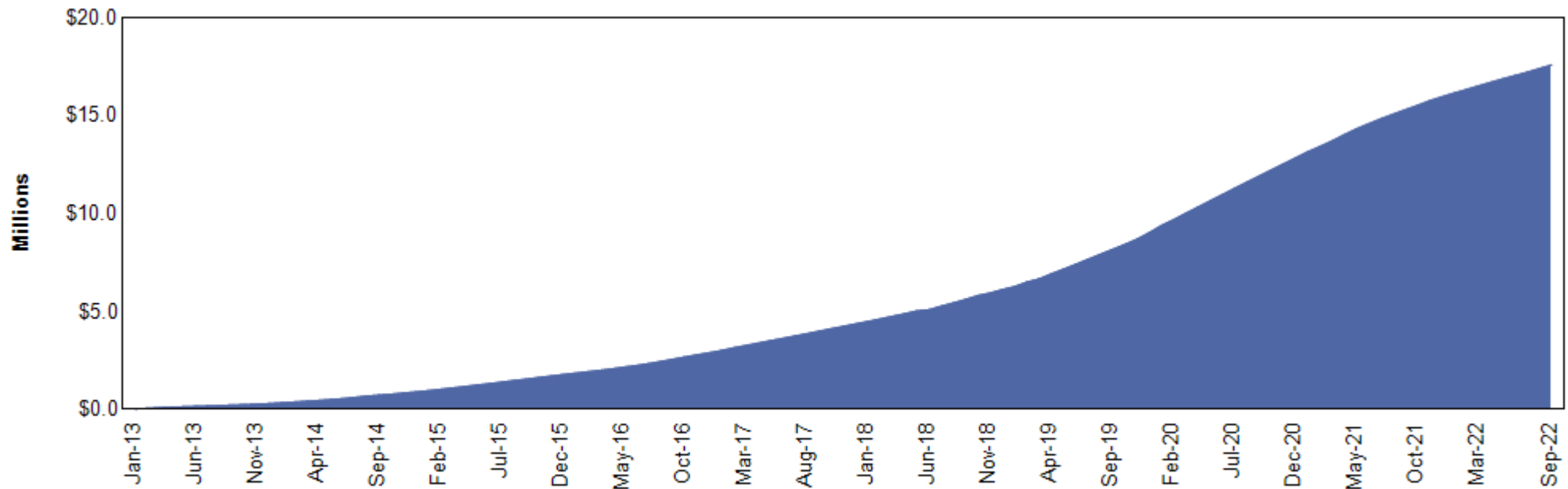
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is December 31, 2012.

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

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is currently the ICE BofAML 1-5 Year U.S Treasury Index. Prior to 12/31/19 it was the 1-3 Year U.S Treasury Index. Prior to 6/30/16 it was the ICE BofAML 0-3 Year U.S Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - CITY OF SALEM LONG-TERM PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$574,438	\$2,343,344	\$8,846,602	\$12,842,348	\$18,773,873
Realized Gains / (Losses) ³	(\$12,857)	\$29,049	\$209,093	(\$239,868)	(\$73,544)
Change in Amortized Cost	(\$19,099)	(\$80,628)	\$377,710	\$997,748	(\$1,101,500)
Total Earnings	\$542,483	\$2,291,766	\$9,433,405	\$13,600,228	\$17,598,828

1. The lesser of 10 years or since inception is shown. Performance inception date is December 31, 2012.

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

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

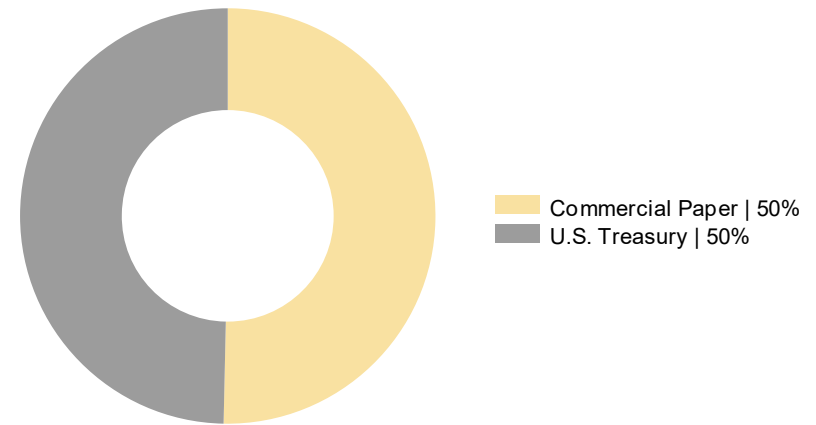
Portfolio Review:
CITY OF SALEM SHORT TERM PORTFOLIO

Portfolio Snapshot - CITY OF SALEM SHORT TERM PORTFOLIO¹

Portfolio Statistics

Total Market Value	\$29,017,769.65
Securities Sub-Total	\$29,017,769.65
Accrued Interest	\$0.00
Cash	\$0.00
Portfolio Effective Duration	0.40 years
Yield At Cost	2.18%
Yield At Market	3.68%
Portfolio Credit Quality	A

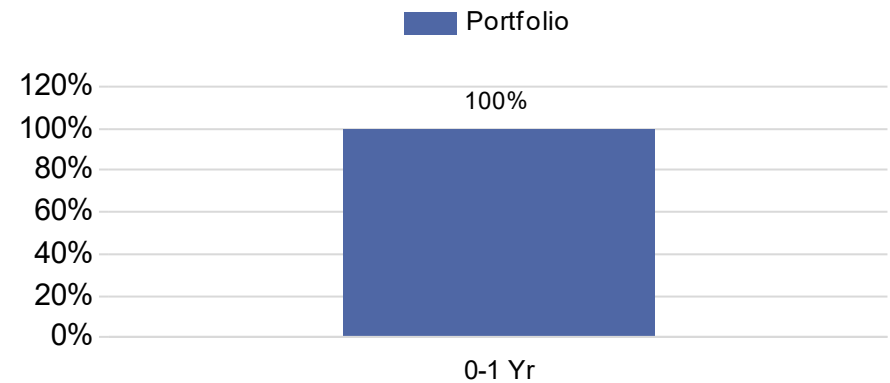
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interests. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

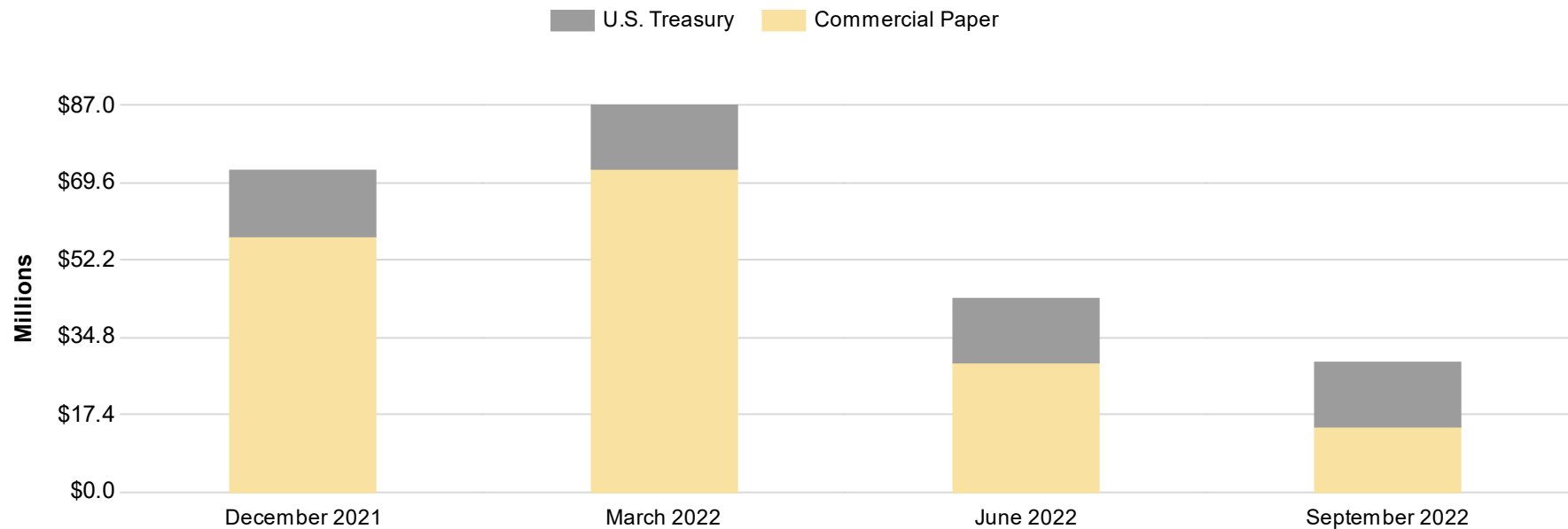
Issuer Diversification - CITY OF SALEM SHORT TERM PORTFOLIO

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	49.7%	
UNITED STATES TREASURY	49.7%	AA / Aa / AA
Commercial Paper	50.3%	
MITSUBISHI UFJ FINANCIAL GROUP INC	50.3%	A / Aa / A
Total	100.0%	

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

Sector Allocation Review - CITY OF SALEM SHORT TERM PORTFOLIO

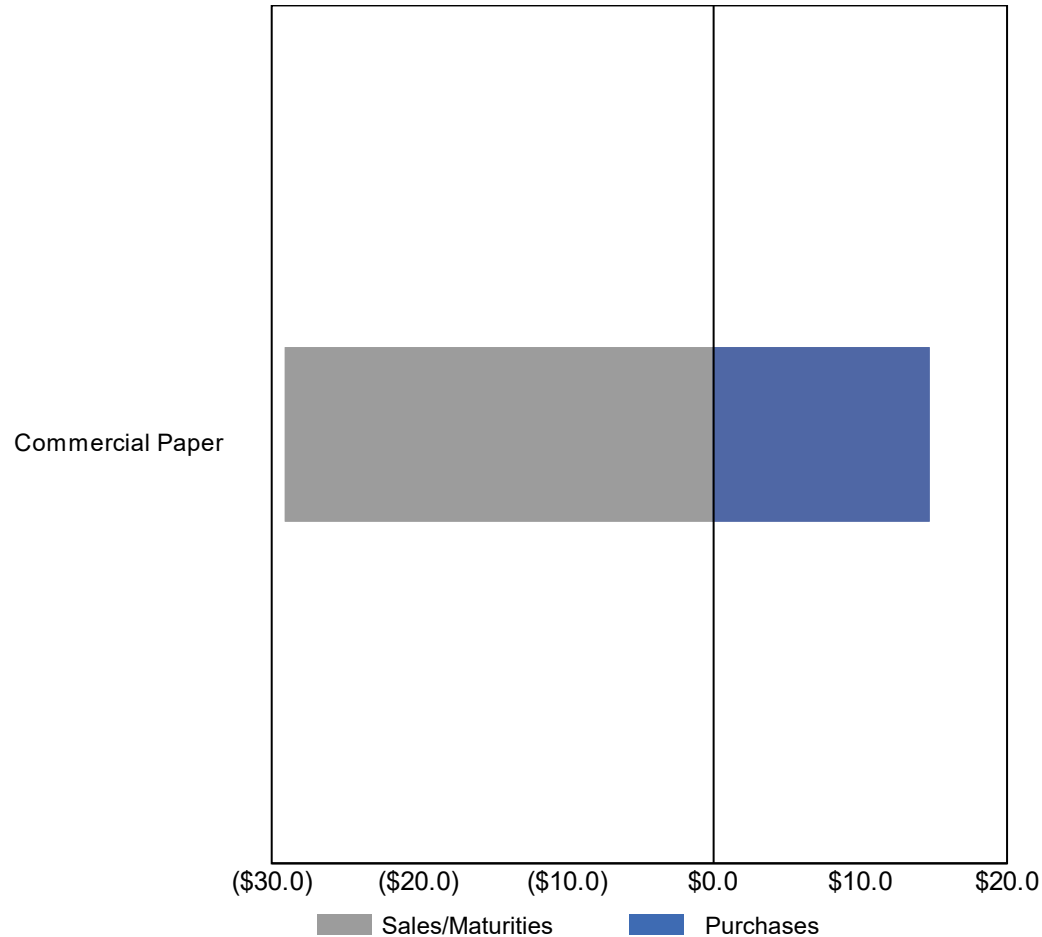
Security Type	Dec-21	% of Total	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total
U.S. Treasury	\$14.5	20.1%	\$14.4	16.6%	\$14.4	33.2%	\$14.4	49.7%
Commercial Paper	\$57.6	79.9%	\$72.5	83.4%	\$28.9	66.8%	\$14.6	50.3%
Total	\$72.1	100.0%	\$86.9	100.0%	\$43.2	100.0%	\$29.0	100.0%



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

Portfolio Activity - CITY OF SALEM SHORT TERM PORTFOLIO

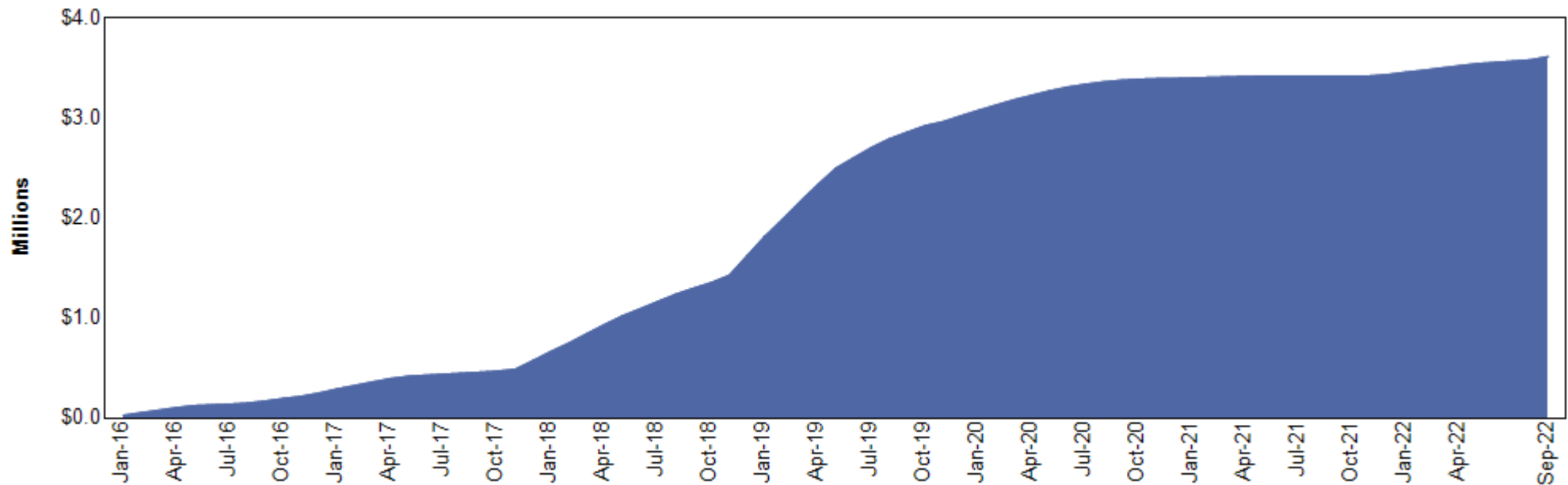
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Commercial Paper	(\$14,396,511)
Total Net Activity	(\$14,396,511)

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

Accrual Basis Earnings - CITY OF SALEM SHORT TERM PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	-	-	\$275,655	\$635,662	\$708,682
Realized Gains / (Losses) ³	-	-	-	-	\$4,369
Change in Amortized Cost	\$58,888	\$195,202	\$480,868	\$2,520,813	\$2,900,131
Total Earnings	\$58,888	\$195,202	\$756,523	\$3,156,475	\$3,613,182

1. The lesser of 10 years or since inception is shown. Performance inception date is January 1, 1900.

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

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

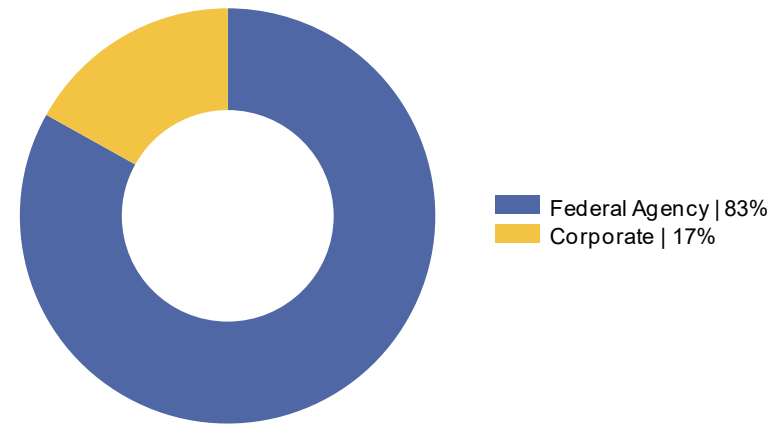
Portfolio Review:
CITY OF SALEM WATER-SEWER REV BOND 2020

Portfolio Snapshot - CITY OF SALEM WATER-SEWER REV BOND 2020¹

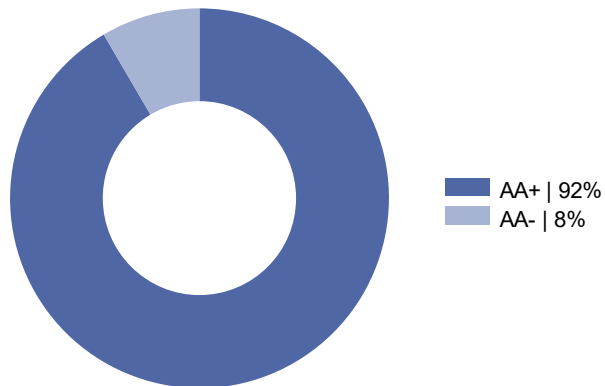
Portfolio Statistics

Total Market Value	\$7,166,412.04
Securities Sub-Total	\$7,131,294.56
Accrued Interest	\$35,117.48
Cash	\$0.00
Portfolio Effective Duration	0.28 years
Yield At Cost	0.39%
Yield At Market	3.77%
Portfolio Credit Quality	AA

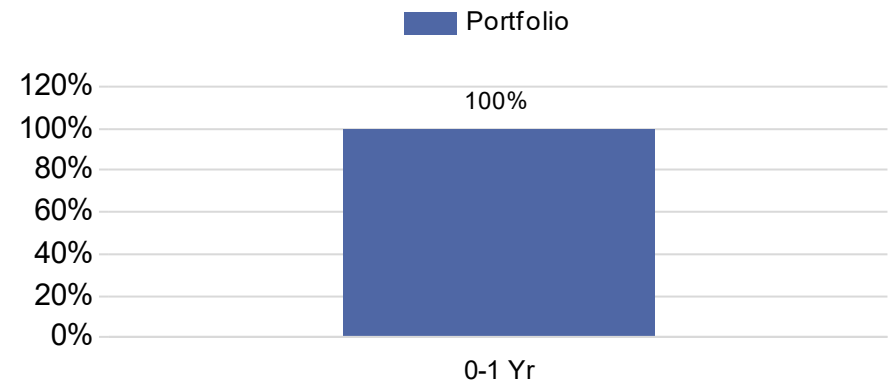
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interests. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

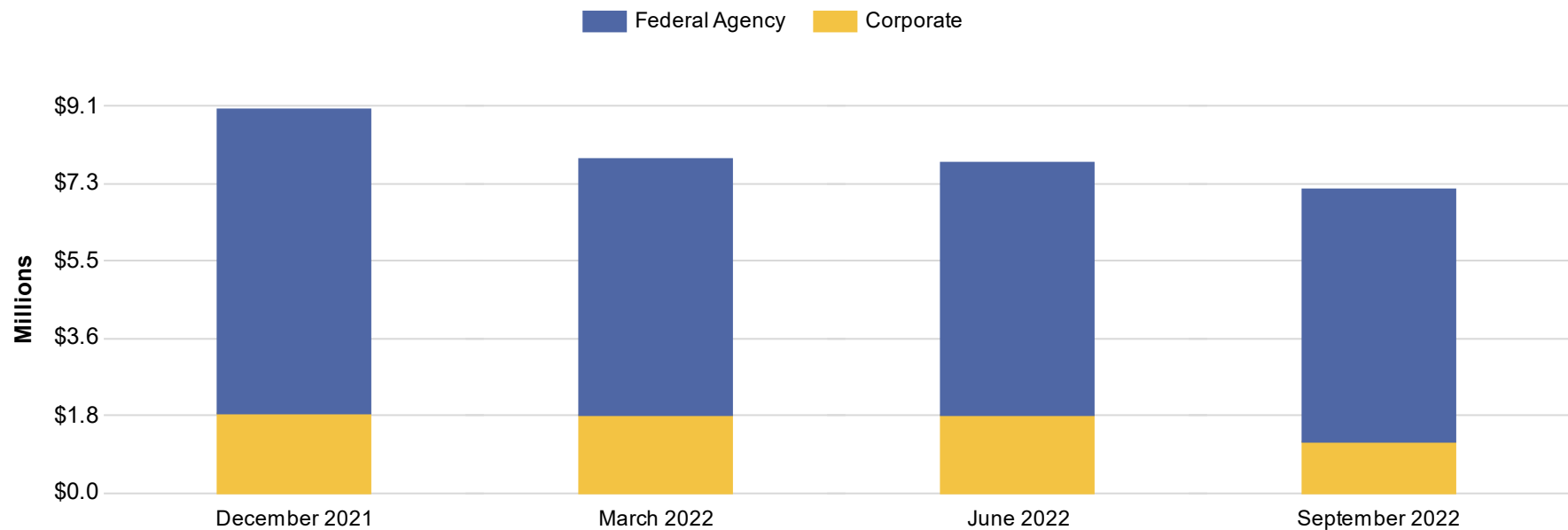
Issuer Diversification - CITY OF SALEM WATER-SEWER REV BOND 2020

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Federal Agency	83.1%	
FANNIE MAE	83.1%	AA / Aaa / AAA
Corporate	16.9%	
APPLE INC	8.4%	AA / Aaa / NR
VISA INC	8.5%	AA / Aa / NR
Total	100.0%	

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

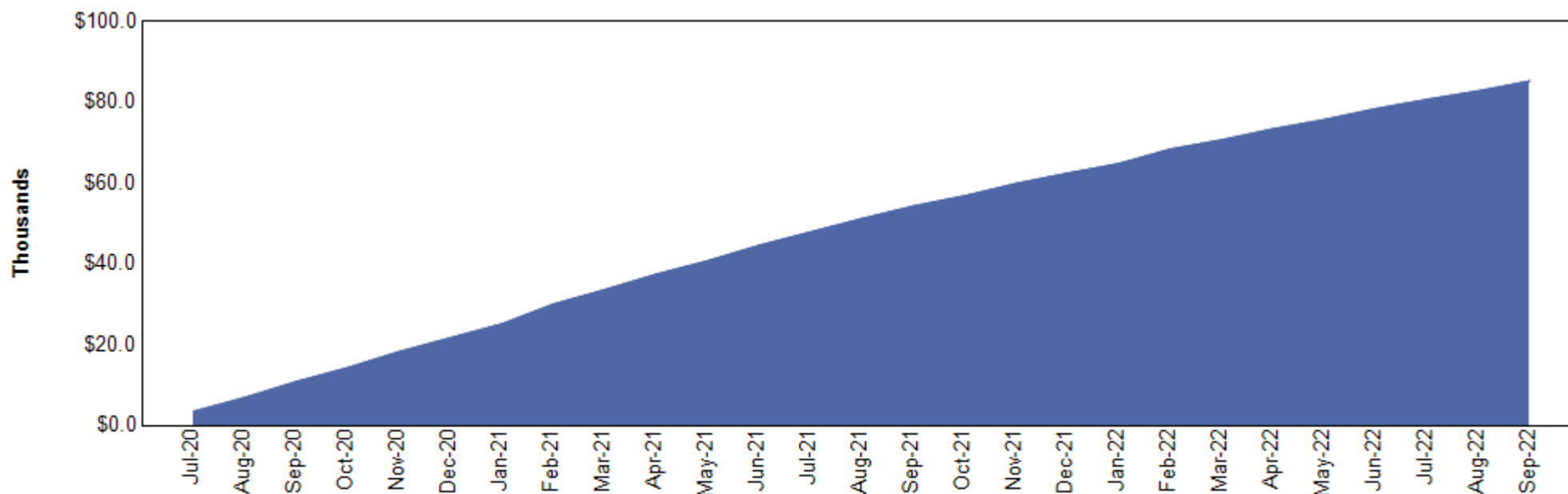
Sector Allocation Review - CITY OF SALEM WATER-SEWER REV BOND 2020

Security Type	Dec-21	% of Total	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total
Federal Agency	\$7.2	79.4%	\$6.0	76.5%	\$5.9	76.5%	\$5.9	83.1%
Corporate	\$1.9	20.6%	\$1.8	23.5%	\$1.8	23.5%	\$1.2	16.9%
Total	\$9.0	100.0%	\$7.8	100.0%	\$7.8	100.0%	\$7.1	100.0%



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

Accrual Basis Earnings - CITY OF SALEM WATER-SEWER REV BOND 2020



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$45,343	\$194,756	-	-	\$475,287
Realized Gains / (Losses) ³	-	-	-	-	-
Change in Amortized Cost	(\$38,496)	(\$163,799)	-	-	(\$390,078)
Total Earnings	\$6,847	\$30,957	-	-	\$85,209

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2020.

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

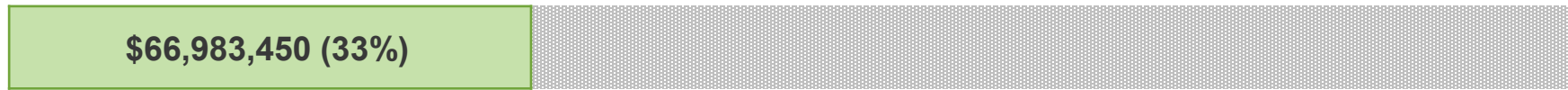
3. Realized gains / (losses) are shown on an amortized cost basis.

ESG Overview



ESG-Rated Portfolio

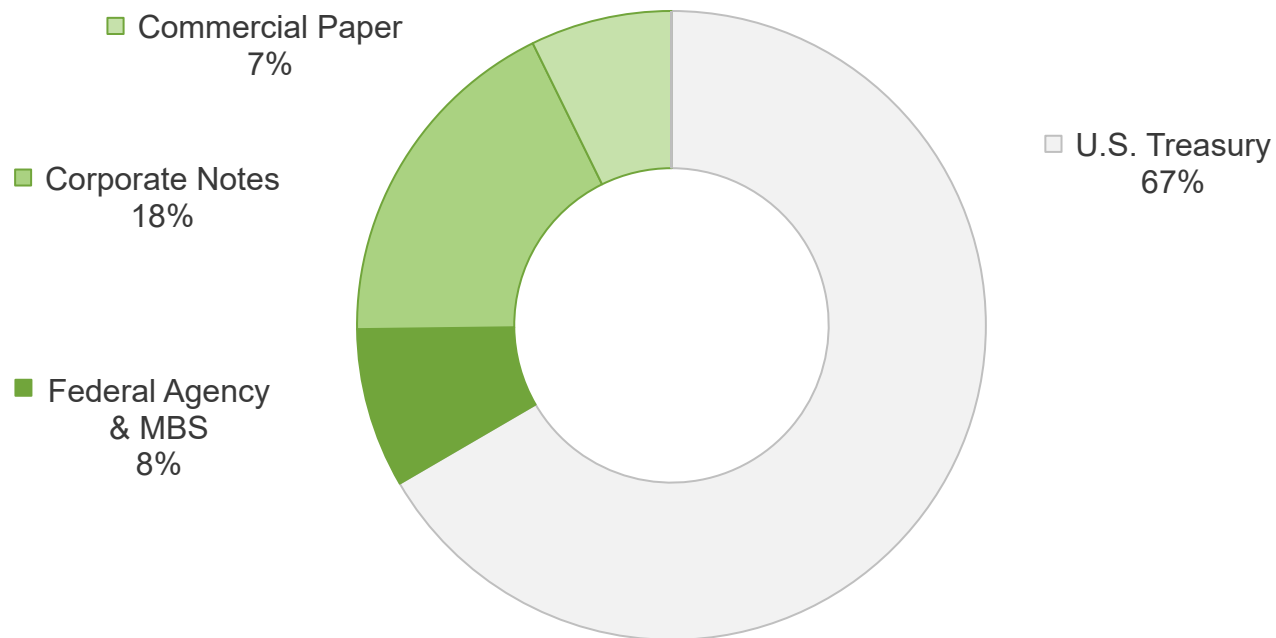
15/16 issuers with a total MV of \$200.6 million¹



Non-ESG Rated Issuers:
U.S. Treasuries

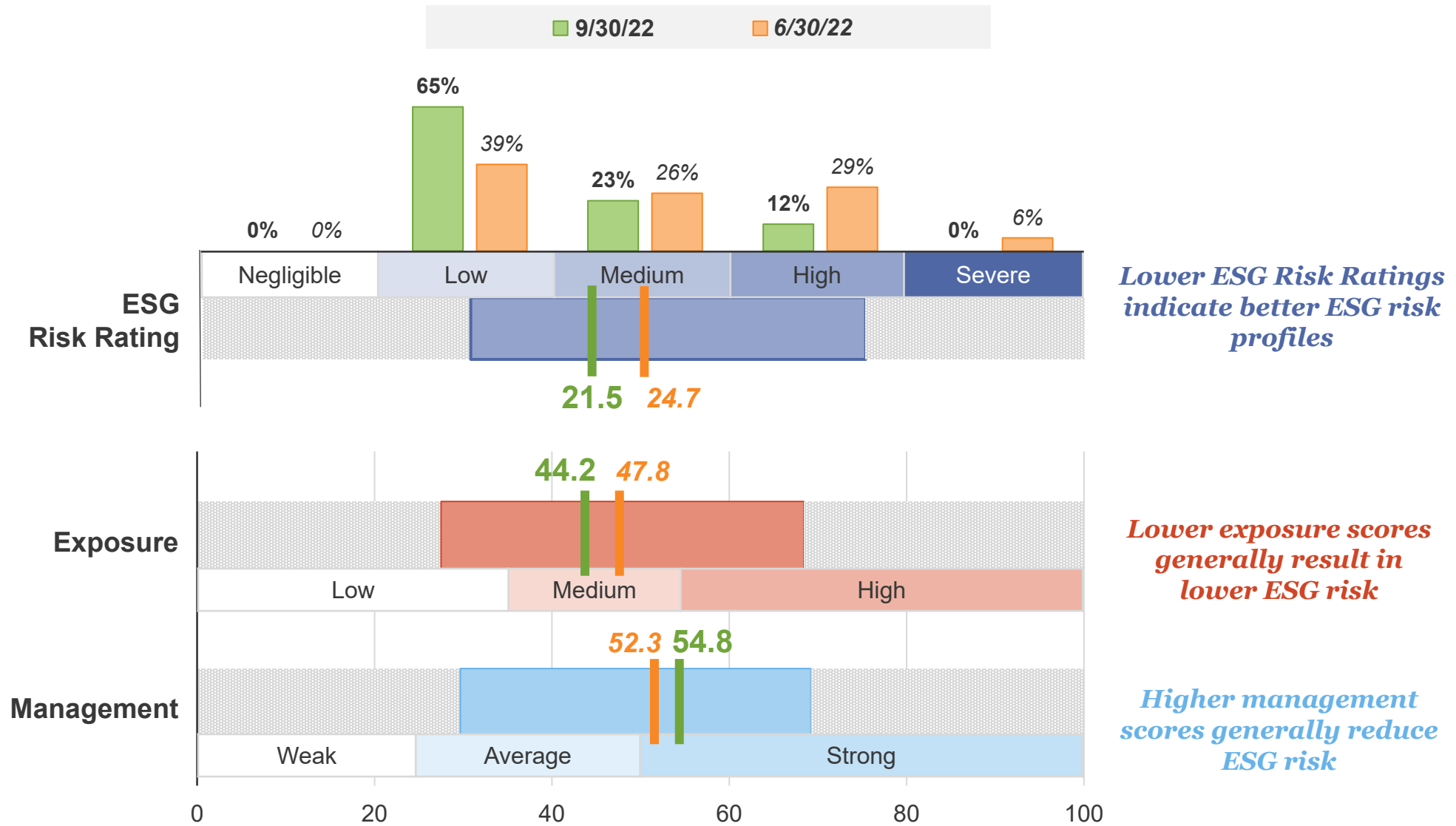
Sector Allocation

Green shades are ESG-rated sectors



Market Value includes accrued interest as of September 30, 2022. Non-ESG rated issuers include U.S. Treasuries and municipals

Quarter-Over-Quarter Summary Comparison



Data Source: Sustainalytics. Data as of September 30, 2022 and June 30, 2022, as indicated. Please see important disclosures at the end of this presentation.

Holdings as of September 30, 2022

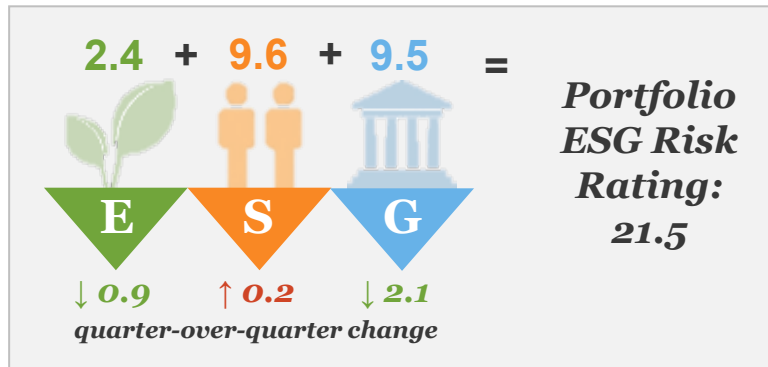
Issuer	% Weight	Subindustry	Subindustry Percentile	ESG Risk Rating 9/30/22	QoQ Change in ESG Rating	Contributions		
						E	S	G
Microsoft Corp	1.0%	Enterprise and Infrastructure Software	5	15.2	+1.5	12%	52%	37%
Visa, Inc.	1.4%	Data Processing	13	16.1	-	6%	47%	48%
Apple Inc	3.7%	Technology Hardware	18	16.7	+0.3	8%	33%	59%
Nike Inc.	1.1%	Footwear	42	17.0	+0.1	17%	40%	44%
Mitsubishi UFJ Financial Group Inc	7.3%	Diversified Banks	11	18.0	(0.4)	6%	46%	49%
BlackRock, Inc.	1.0%	Asset Management and Custody Services	6	18.3	(2.7)	4%	43%	54%
Federal National Mortgage Association	3.0%	Thriffs and Mortgages	12	18.3	-	0%	59%	41%
Federal Home Loan Bank System	2.2%	Consumer Finance	10	18.8	-	0%	53%	47%
The Toronto-Dominion Bank	1.1%	Diversified Banks	15	19.9	(0.3)	5%	42%	52%
Federal Home Loan Mortgage Corp	3.0%	Thriffs and Mortgages	26	23.2	-	0%	57%	43%
Walmart Inc.	1.1%	Food Retail	38	24.6	-	17%	56%	27%
Bank of America Corporation	1.2%	Diversified Banks	40	26.8	(0.3)	5%	42%	53%
JPMorgan Chase & Co.	2.3%	Diversified Banks	49	29.0	+0.1	3%	44%	52%
Amazon.com Inc	2.2%	Online and Direct Marketing Retail	93	30.3	-	23%	43%	33%
Chevron Corporation	1.9%	Integrated Oil & Gas	33	37.6	(4.7)	50%	22%	28%

Source: Sustainalytics. Holdings as of September 30, 2022. Quarter-over-quarter ("QoQ") change in ESG risk rating reflects the overall change in risk rating for each issuer, as defined by Sustainalytics, from June 30, 2022 to September 30, 2022. Under QoQ Change, reductions in green indicate rating improvements, increases in red indicate higher risk rating. "-" represents 0 or no data available.

Additional ESG Information



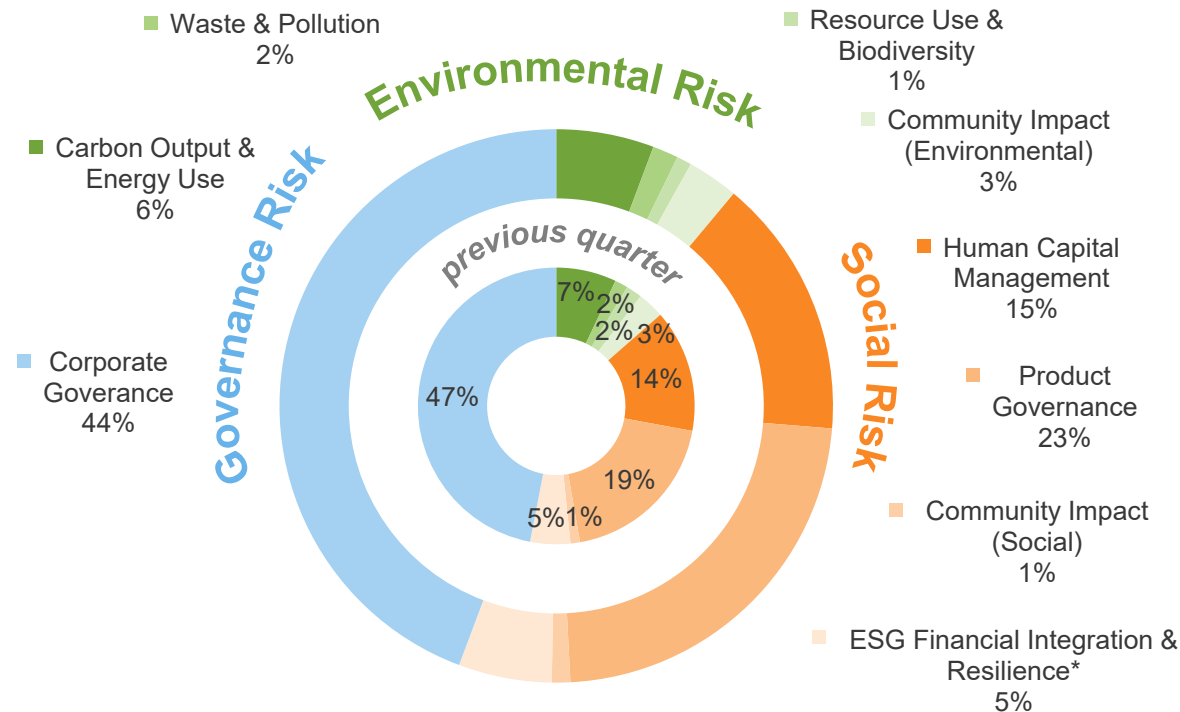
Risk Contribution by ESG Themes



Environmental risk evaluates how a company manages its environmental impact and carbon footprint

Social risk analyzes how a company treats employees, customers, the community, and other stakeholders as well as other companies it interacts with

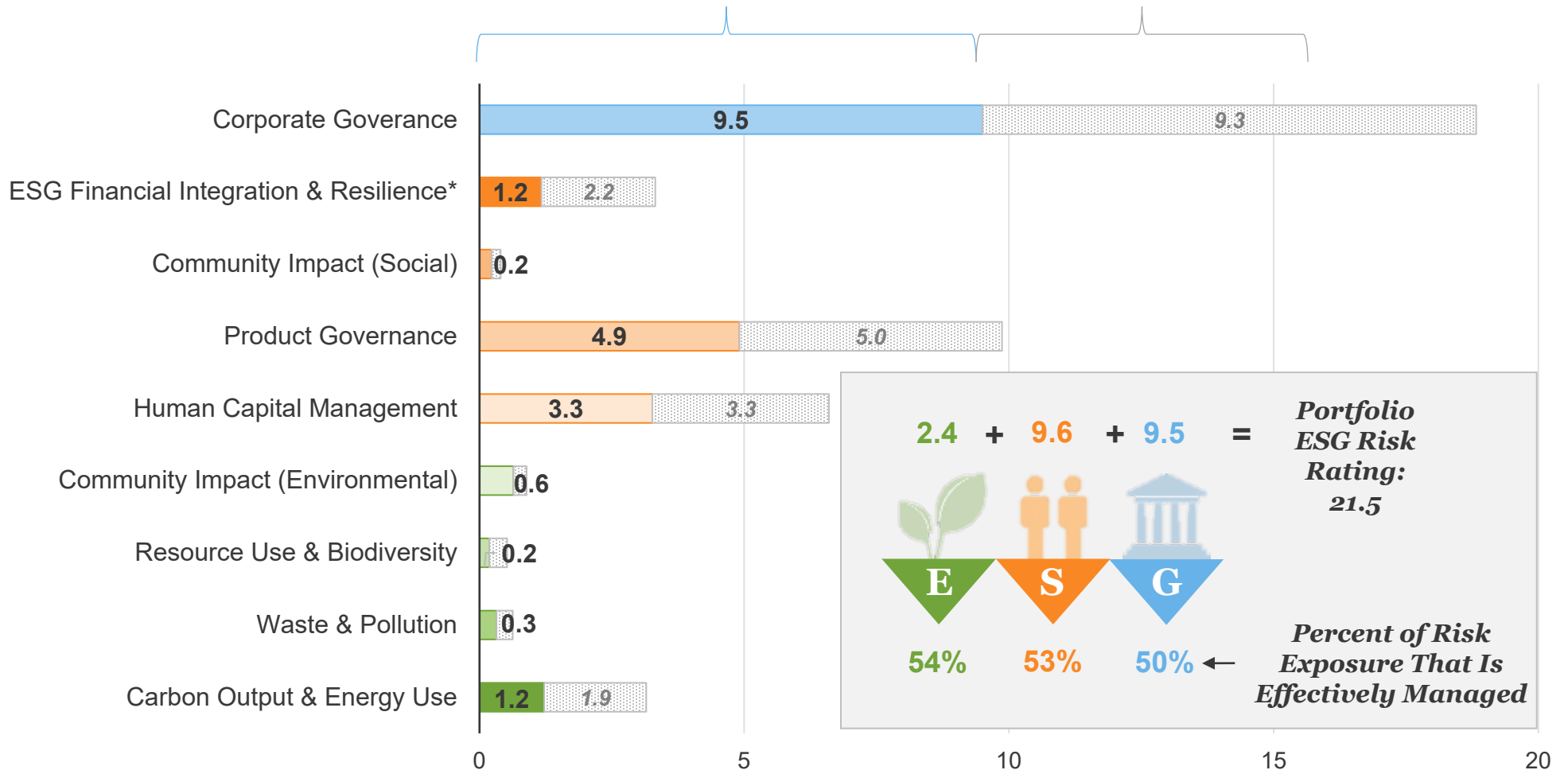
Governance risk assesses how a company is managed from the perspective of executive pay, internal controls, board composition, lobbying practices, and related issues



Source: Sustainalytics. ESG Themes were created by PFMAM based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics. Please see the ESG Themes Glossary provided in the Appendix for additional information and details. * Only applies to financial service industries.

ESG Risk Exposure by ESG Theme

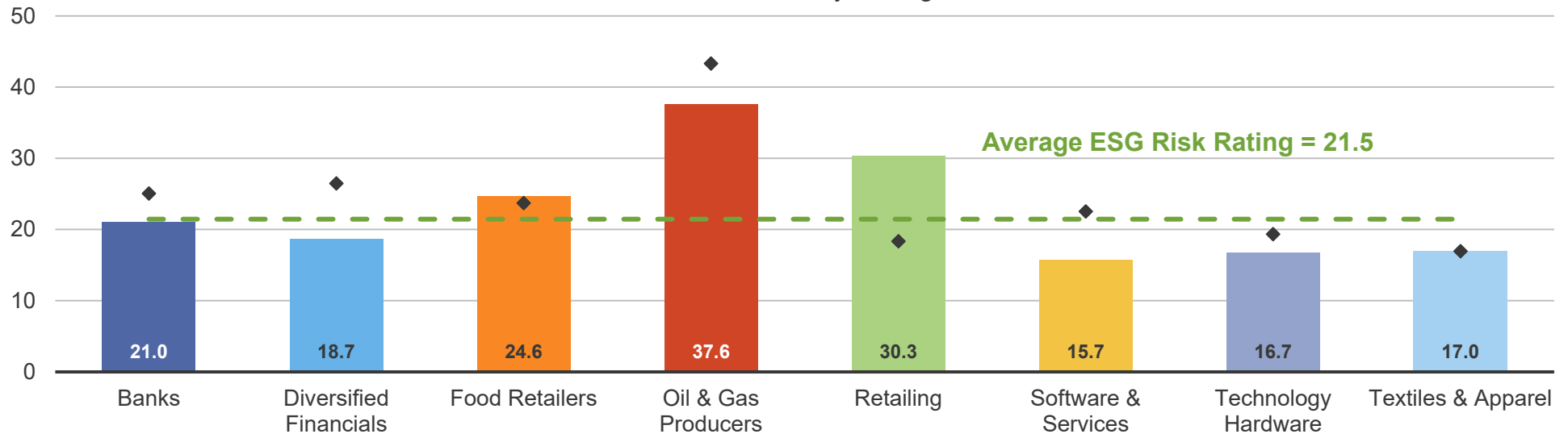
Unmanaged Risk + Managed Risk = Total Exposure



Source: Sustainalytics. ESG Themes were created by PFMAM based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics. Please see the ESG Themes Glossary provided in the Appendix for additional information and details. * Only applies to financial service industries.

ESG Investments – Industry Diversification

ESG Risk Rating by Industry
◆ Overall Industry Average



Industry Distribution
(# of Issuers)

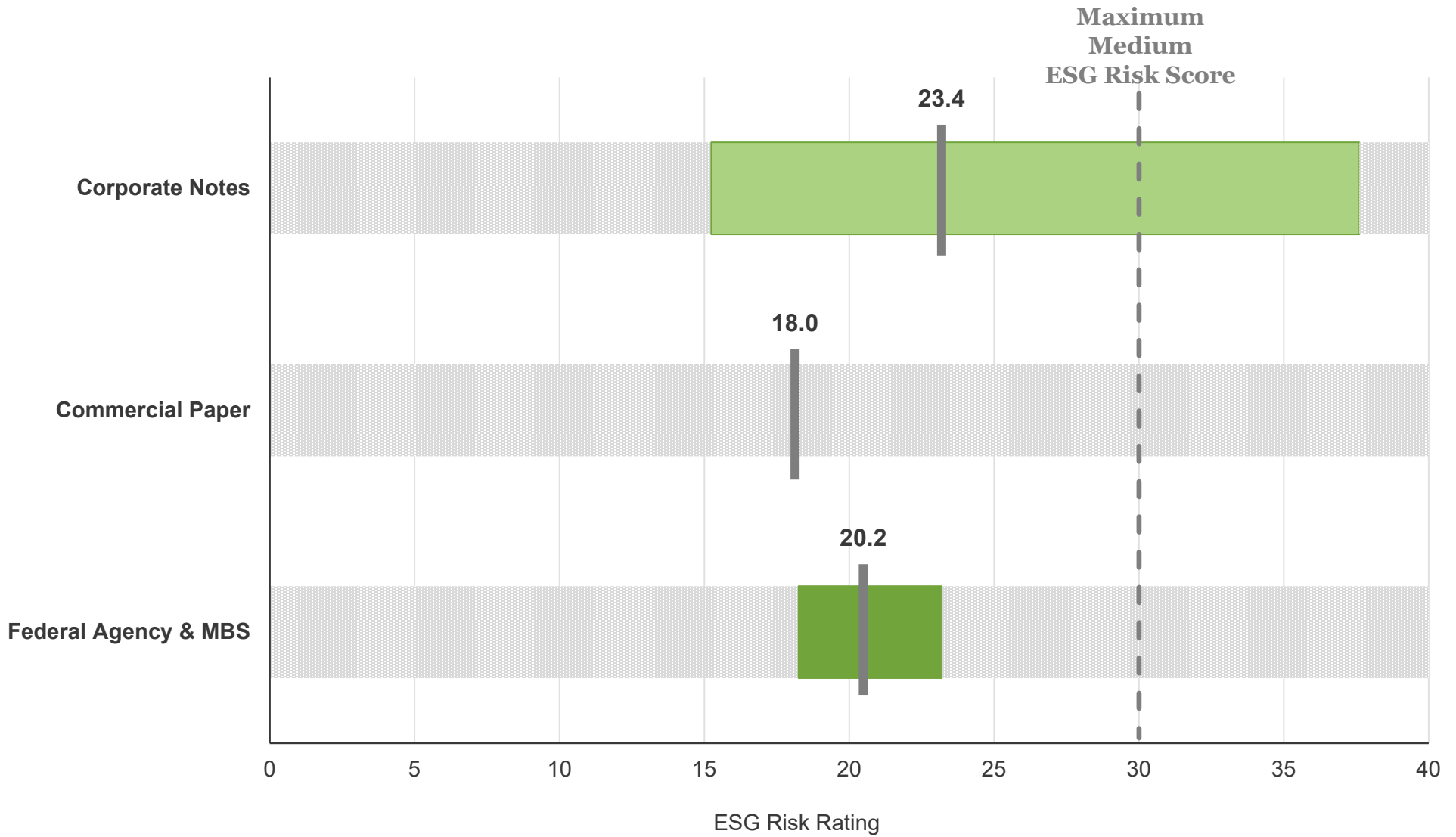


(Allocation % of Market Value)



Portfolio holdings and Sustainalytics data as of September 30, 2022. "ESG Risk Rating by Industry" represents the market value-weighted average ESG risk rating for each industry, as classified by Sustainalytics. "Industry Distribution" charts show the total number of issuers per industry and the allocation as percentage of portfolio market value.

ESG Investments – ESG Risk Rating by Sector



Source: Sustainalytics. Data as of September 30, 2022. Bars represent the range of held issuers' ESG risk rating that fall under each sector, and lines indicate the sectors market value-weighted average ESG risk rating. Corporate notes with ESG Risk Score greater than permitted maximum were purchased before ESG strategy was put in place. Please see important disclosures at the end of this presentation.

Appendix

ESG Themes Information



ESG Themes Glossary

ESG Theme	Theme Description	Key Indicators
Environment	Carbon Output & Energy Use	Refers to a company's management of risks related to its energy efficiency and greenhouse gas emissions in its operation as well as its products and services in the production phase and during the product use phase <ul style="list-style-type: none"> Carbon intensity Renewable energy use Env. Mgt. System certification GHG reporting / risk management Hazardous products Sustainable products & services
	Waste & Pollution	Evaluates the management of emissions and releases from a company's own operations to air, water, and land, excluding greenhouse gas emissions <ul style="list-style-type: none"> Emergency response program Solid waste management Effluent management Radioactive waste management Hazardous waste management Non-GHG air emissions programs Oil spill disclosure & performance Recycled material use
	Resource Use & Biodiversity	Analyzes how efficiently and effectively a company uses its raw material inputs and water in production. It also encompasses how a company manages the impact of its operations on land, ecosystems, and wildlife <ul style="list-style-type: none"> Biodiversity programs Deforestation programs / policies Site closure & rehabilitation Water intensity & risk management Forest certifications Supplier environmental programs / certifications Sustainable agriculture programs
	Community Impact (Environmental)	Evaluates the community impact from an environmental risk perspective based on an assessment of Community Relations, Products & Services, Occupational Health and Safety, and Product Governance <ul style="list-style-type: none"> Env Impact – Community Relations Env Impact – Products & Services Env Impact – Occupational Health and Safety Env Impact – Product Governance

ESG Themes listed were created by PFMAM for educational purposes based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics.

ESG Themes Glossary

ESG Theme	Theme Description	Key Indicators
Social	Human Capital Management	<ul style="list-style-type: none"> • Discrimination policy • Diversity programs • Gender pay equality / disclosures • Employee development • Supply chain management / standards • Human rights policies & programs • Employee health & safety
	Product Governance	<ul style="list-style-type: none"> • Product & service safety programs / certifications • Data privacy management • Media & advertising ethics policy • Organic products / GMO policy • Product health statement
	Community Impact (Social)	<ul style="list-style-type: none"> • Equitable pricing and availability • Access to health care • Price transparency • Human rights / indigenous policy • Community involvement programs • Noise management
	ESG Financial Integration & Resilience*	<ul style="list-style-type: none"> • Systemic risk management / reporting • Tier 1 capital • Leverage ratio • Responsible investment / asset management • Underwriting standards • Financial inclusion • Credit & loan standards • Green buildings investments

* Only applies to financial service industries

ESG Themes listed were created by PFMAM for educational purposes based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics.

ESG Themes Glossary

ESG Theme	Theme Description	Key Indicators
Governance	<p>Corporate Governance</p> <p>Evaluates a company's rules, policies, and practices with a focus on how a company's board of directors manages and oversees the operations of a company. Also assesses the management of general professional ethics and lobbying activities</p>	<ul style="list-style-type: none"> • Board/management quality & integrity • Board structure • Ownership & shareholder rights • Remuneration • Audit & financial reporting • Stakeholder governance • Bribery & corruption policies / programs • Money laundering policy • Whistleblower programs • Business ethics programs • Political involvement policy • Lobbying and political expenses

* Only applies to financial service industries

ESG Themes listed were created by PFMAM for educational purposes based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics.

Portfolio Holdings and Transactions

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,738,574.22	1.59	154.53	3,748,313.16	3,705,468.75
US TREASURY NOTES DTD 05/02/2016 1.625% 04/30/2023	912828R28	4,500,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,506,503.91	1.58	30,601.22	4,501,149.35	4,436,718.75
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,702,685.55	1.60	7,897.42	3,739,364.78	3,658,593.75
US TREASURY NOTES DTD 08/31/2016 1.375% 08/31/2023	912828D1	4,500,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,466,425.78	1.59	5,298.69	4,491,485.35	4,381,172.10
US TREASURY NOTES DTD 09/30/2021 0.250% 09/30/2023	91282CDA6	7,475,000.00	AA+	Aaa	10/14/2021	10/15/2021	7,459,816.41	0.35	51.34	7,467,270.17	7,178,335.94
US TREASURY NOTES DTD 09/30/2016 1.375% 09/30/2023	912828T26	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,717,480.47	1.61	141.66	3,741,598.93	3,643,359.38
US TREASURY NOTES DTD 01/03/2017 2.250% 12/31/2023	912828V23	3,530,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,619,491.02	1.61	20,072.08	3,557,187.15	3,441,750.00
US TREASURY N/B NOTES DTD 12/31/2021 0.750% 12/31/2023	91282CDR9	2,750,000.00	AA+	Aaa	1/10/2022	1/11/2022	2,742,910.16	0.88	5,212.30	2,745,503.52	2,631,406.25
US TREASURY NOTES DTD 01/31/2017 2.250% 01/31/2024	912828V80	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,718,953.13	1.61	17,437.50	4,637,962.11	4,476,375.00
US TREASURY NOTES DTD 03/15/2021 0.250% 03/15/2024	91282CBR1	5,000,000.00	AA+	Aaa	4/15/2021	4/16/2021	4,992,773.44	0.30	552.49	4,996,393.51	4,713,281.00
US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,698,289.06	1.61	268.54	4,633,899.19	4,452,656.48
US TREASURY N/B NOTES DTD 04/15/2021 0.375% 04/15/2024	91282CBV2	2,500,000.00	AA+	Aaa	4/27/2021	4/28/2021	2,501,464.84	0.36	4,328.89	2,500,760.15	2,353,125.00
US TREASURY NOTES DTD 05/31/2017 2.000% 05/31/2024	912828XT2	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,333,876.95	1.62	35,286.89	5,282,053.54	5,054,765.63
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,678,343.75	1.61	23,250.00	4,629,805.20	4,422,468.52
US TREASURY NOTES DTD 08/31/2019 1.250% 08/31/2024	912828YE4	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,163,457.03	1.62	5,619.82	5,214,004.71	4,960,429.95

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 09/30/2019 1.500% 09/30/2024	912828YH7	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,575,742.19	1.61	189.56	4,589,989.71	4,359,218.52
US TREASURY N/B NOTES DTD 10/15/2021 0.625% 10/15/2024	91282CDB4	5,000,000.00	AA+	Aaa	11/9/2021	11/12/2021	4,992,382.81	0.68	14,429.64	4,994,686.51	4,646,875.00
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,219,238.28	1.63	32,955.16	5,236,577.02	4,962,890.63
US TREASURY NOTES DTD 11/17/2014 2.250% 11/15/2024	912828G38	4,070,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,192,735.94	1.62	34,589.47	4,122,475.53	3,902,112.50
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	4,750,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,777,275.39	1.63	21,007.13	4,762,421.26	4,499,140.63
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	4,100,000.00	AA+	Aaa	11/9/2021	11/12/2021	4,059,320.31	0.80	56.32	4,069,959.61	3,739,327.92
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	6,000,000.00	AA+	Aaa	4/15/2021	4/16/2021	5,898,984.38	0.65	2,527.17	5,933,343.87	5,361,562.80
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	2,000,000.00	AA+	Aaa	1/15/2021	1/19/2021	1,992,500.00	0.45	1,895.38	1,995,073.33	1,768,437.60
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	5,900,000.00	AA+	Aaa	4/15/2021	4/16/2021	5,790,066.41	0.77	3,727.58	5,823,529.92	5,197,531.25
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	2,665,000.00	AA+	Aaa	3/16/2021	3/18/2021	2,623,255.27	0.82	1,141.09	2,636,231.23	2,351,446.23
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	4,000,000.00	AA+	Aaa	11/9/2021	11/12/2021	3,951,718.75	1.02	10,081.97	3,961,107.58	3,533,124.80
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	2,750,000.00	AA+	Aaa	3/3/2022	3/4/2022	2,617,119.14	1.77	2,895.72	2,634,533.96	2,405,820.45
US TREASURY N/B NOTES DTD 05/31/2022 2.625% 05/31/2027	91282CET4	1,000,000.00	AA+	Aaa	5/31/2022	6/2/2022	991,484.38	2.81	8,821.72	992,049.29	938,750.00
US TREASURY N/B NOTES DTD 06/30/2022 3.250% 06/30/2027	91282CEW7	5,500,000.00	AA+	Aaa	7/12/2022	7/14/2022	5,566,816.41	2.98	45,173.23	5,563,903.33	5,301,484.10
US TREASURY N/B NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	2,500,000.00	AA+	Aaa	8/11/2022	8/12/2022	2,478,808.59	2.93	11,582.88	2,479,392.70	2,354,297.00
Security Type Sub-Total		125,890,000.00					125,768,493.97	1.35	347,247.39	125,682,025.67	118,831,925.93

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency											
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	4,500,000.00	AA+	Aaa	4/13/2020	4/15/2020	4,617,990.00	0.44	7,562.50	4,515,800.20	4,460,296.50
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	2,850,000.00	AA+	Aaa	11/30/2020	12/1/2020	2,844,129.00	0.42	2,078.13	2,846,448.96	2,555,110.50
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	1,400,000.00	AA+	Aaa	9/29/2020	9/30/2020	1,397,830.00	0.41	116.67	1,398,702.06	1,247,153.60
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	2,500,000.00	AA+	Aaa	11/30/2020	12/1/2020	2,490,025.00	0.46	208.33	2,493,823.11	2,227,060.00
Security Type Sub-Total		11,250,000.00					11,349,974.00	0.44	9,965.63	11,254,774.33	10,489,620.60
Corporate											
APPLE INC (CALLABLE) BONDS DTD 02/09/2017 3.000% 02/09/2024	037833CG3	2,380,000.00	AA+	Aaa	1/17/2020	1/22/2020	2,477,699.00	1.94	10,313.33	2,409,923.34	2,334,068.38
BLACKROCK INC CORP NOTES DTD 03/18/2014 3.500% 03/18/2024	09247XAL5	2,000,000.00	AA-	Aa3	11/19/2019	11/21/2019	2,130,520.00	1.92	2,527.78	2,044,140.39	1,971,294.00
BANK OF AMERICA CORP (CALLABLE) CORPORAT DTD 10/21/2020 0.810% 10/24/2024	06051GJH3	2,500,000.00	A-	A2	7/20/2021	7/22/2021	2,505,125.00	0.75	8,831.25	2,502,413.23	2,374,992.50
CHEVRON CORP (CALLABLE) NOTES DTD 05/11/2020 1.554% 05/11/2025	166764BW9	2,000,000.00	AA-	Aa2	3/12/2021	3/16/2021	2,041,100.00	1.05	12,086.67	2,025,511.30	1,850,366.00
CHEVRON CORP (CALLABLE) NOTES DTD 05/11/2020 1.554% 05/11/2025	166764BW9	2,000,000.00	AA-	Aa2	3/11/2021	3/15/2021	2,048,380.00	0.96	12,086.67	2,030,009.91	1,850,366.00
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	5,000,000.00	A-	A1	5/25/2021	6/1/2021	5,010,350.00	0.77	13,733.33	5,005,751.05	4,627,735.00
MICROSOFT CORP NOTES (CALLABLE) DTD 11/03/2015 3.125% 11/03/2025	594918BJ2	2,000,000.00	AAA	Aaa	3/16/2021	3/18/2021	2,186,160.00	1.06	25,694.44	2,120,730.41	1,919,602.00
APPLE INC (CALLABLE) CORPORATE NOTES DTD 02/08/2021 0.700% 02/08/2026	037833EB2	5,000,000.00	AA+	Aaa	2/8/2021	2/10/2021	4,996,800.00	0.71	5,152.78	4,997,849.12	4,404,290.00
AMAZON INC CORP NOTES (CALLABLE) DTD 05/12/2021 1.000% 05/12/2026	023135BX3	5,000,000.00	AA	A1	6/8/2021	6/10/2021	5,010,400.00	0.96	19,305.56	5,007,586.64	4,390,020.00

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
TORONTO-DOMINION BANK CORPORATE NOTES DTD 06/03/2021 1.200% 06/03/2026	89114TZD7	2,500,000.00	A	A1	6/16/2021	6/18/2021	2,509,725.00	1.12	9,833.33	2,507,201.12	2,164,040.00
WAL MART INC CORP NOTES (CALLABLE) DTD 09/17/2021 1.050% 09/17/2026	931142ER0	2,500,000.00	AA	Aa2	2/28/2022	3/2/2022	2,401,175.00	1.96	1,020.83	2,413,855.56	2,183,362.50
NIKE INC CORPORATE NOTES (CALLABLE) DTD 03/27/2020 2.750% 03/27/2027	654106AJ2	2,500,000.00	AA-	A1	7/12/2022	7/14/2022	2,424,975.00	3.45	763.89	2,428,426.94	2,291,947.50
VISA INC CORP NOTES (CALLABLE) DTD 04/02/2020 1.900% 04/15/2027	92826CAL6	2,500,000.00	AA-	Aa3	7/12/2022	7/14/2022	2,334,875.00	3.42	21,902.78	2,342,389.33	2,224,480.00
Security Type Sub-Total		37,880,000.00					38,077,284.00	1.42	143,252.64	37,835,788.34	34,586,563.88
Managed Account Sub Total		175,020,000.00					175,195,751.97	1.30	500,465.66	174,772,588.34	163,908,110.41
Securities Sub Total		\$175,020,000.00					\$175,195,751.97	1.30%	\$500,465.66	\$174,772,588.34	\$163,908,110.41
Accrued Interest											\$500,465.66
Total Investments											\$164,408,576.07

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/12/2022	7/14/2022	2,500,000.00	654106AJ2	NIKE INC CORPORATE NOTES (CALLABLE)	2.75%	3/27/2027	2,445,409.03	3.45%	
7/12/2022	7/14/2022	2,500,000.00	92826CAL6	VISA INC CORP NOTES (CALLABLE)	1.90%	4/15/2027	2,346,618.06	3.42%	
7/12/2022	7/14/2022	5,500,000.00	91282CEW7	US TREASURY N/B NOTES	3.25%	6/30/2027	5,573,616.68	2.98%	
8/11/2022	8/12/2022	2,500,000.00	91282CFB2	US TREASURY N/B NOTES	2.75%	7/31/2027	2,481,050.44	2.93%	
Total BUY		13,000,000.00					12,846,694.21		0.00
INTEREST									
7/21/2022	7/21/2022	2,850,000.00	3137EAEU9	FREDDIE MAC NOTES	0.37%	7/21/2025	5,343.75		
7/31/2022	7/31/2022	2,750,000.00	91282CCP4	US TREASURY N/B NOTES	0.62%	7/31/2026	8,593.75		
7/31/2022	7/31/2022	6,000,000.00	91282CAB7	US TREASURY NOTES	0.25%	7/31/2025	7,500.00		
7/31/2022	7/31/2022	4,600,000.00	912828V80	US TREASURY NOTES	2.25%	1/31/2024	51,750.00		
7/31/2022	7/31/2022	3,750,000.00	912828S92	US TREASURY NOTES	1.25%	7/31/2023	23,437.50		
7/31/2022	7/31/2022	5,900,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	11,062.50		
8/8/2022	8/8/2022	5,000,000.00	037833EB2	APPLE INC (CALLABLE) CORPORATE NOTES	0.70%	2/8/2026	17,500.00		
8/9/2022	8/9/2022	2,380,000.00	037833CG3	APPLE INC (CALLABLE) BONDS	3.00%	2/9/2024	35,700.00		
8/17/2022	8/17/2022	4,500,000.00	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/2023	30,937.50		
8/31/2022	8/31/2022	5,250,000.00	912828YE4	US TREASURY NOTES	1.25%	8/31/2024	32,812.50		
8/31/2022	8/31/2022	2,665,000.00	91282CBQ3	US TREASURY NOTES	0.50%	2/28/2026	6,662.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
8/31/2022	8/31/2022	4,500,000.00	9128282D1	US TREASURY NOTES	1.37%	8/31/2023	30,937.50		
9/15/2022	9/15/2022	5,000,000.00	91282CBR1	US TREASURY NOTES	0.25%	3/15/2024	6,250.00		
9/17/2022	9/17/2022	2,500,000.00	931142ER0	WAL MART INC CORP NOTES (CALLABLE)	1.05%	9/17/2026	13,125.00		
9/18/2022	9/18/2022	2,000,000.00	09247XAL5	BLACKROCK INC CORP NOTES	3.50%	3/18/2024	35,000.00		
9/23/2022	9/23/2022	3,900,000.00	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/2025	7,312.50		
9/27/2022	9/27/2022	2,500,000.00	654106AJ2	NIKE INC CORPORATE NOTES (CALLABLE)	2.75%	3/27/2027	34,375.00		
9/30/2022	9/30/2022	4,600,000.00	912828YH7	US TREASURY NOTES	1.50%	9/30/2024	34,500.00		
9/30/2022	9/30/2022	3,750,000.00	912828T26	US TREASURY NOTES	1.37%	9/30/2023	25,781.25		
9/30/2022	9/30/2022	3,750,000.00	912828Q29	US TREASURY NOTES	1.50%	3/31/2023	28,125.00		
9/30/2022	9/30/2022	7,475,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	9,343.75		
9/30/2022	9/30/2022	4,100,000.00	912828ZF0	US TREASURY NOTES	0.50%	3/31/2025	10,250.00		
9/30/2022	9/30/2022	4,600,000.00	912828W71	US TREASURY NOTES	2.12%	3/31/2024	48,875.00		
Total INTEREST		94,320,000.00					515,175.00		0.00
MATURITY									
8/11/2022	8/11/2022	2,500,000.00	742718EU9	PROCTER & GAMBLE CO/THE CORP NOTES	2.15%	8/11/2022	2,526,875.00		
Total MATURITY		2,500,000.00					2,526,875.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
7/12/2022	7/14/2022	5,470,000.00	912828YF1	US TREASURY NOTES	1.50%	9/15/2022	5,493,986.99		-1,690.80
7/12/2022	7/14/2022	5,000,000.00	912828TY6	US TREASURY NOTES	1.62%	11/15/2022	5,001,528.53		-11,166.32
Total SELL		10,470,000.00					10,495,515.52		-12,857.12

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY BILL DTD 12/02/2021 0.000% 12/01/2022	912796P94	14,500,000.00	A-1+	P-1	12/22/2021	12/23/2021	14,464,080.28	0.26	0.00	14,493,611.94	14,430,134.65
Security Type Sub-Total		14,500,000.00					14,464,080.28	0.26	0.00	14,493,611.94	14,430,134.65
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 09/14/2022 0.000% 03/13/2023	62479MQD8	5,000,000.00	A-1	P-1	9/13/2022	9/14/2022	4,903,500.00	3.94	0.00	4,912,613.89	4,906,575.00
MUFG BANK LTD/NY COMM PAPER DTD 09/12/2022 0.000% 06/09/2023	62479MT94	10,000,000.00	A-1	P-1	9/13/2022	9/14/2022	9,699,988.89	4.15	0.00	9,719,019.45	9,681,060.00
Security Type Sub-Total		15,000,000.00					14,603,488.89	4.08	0.00	14,631,633.34	14,587,635.00
Managed Account Sub Total		29,500,000.00					29,067,569.17	2.18	0.00	29,125,245.28	29,017,769.65
Securities Sub Total		\$29,500,000.00					\$29,067,569.17	2.18%	\$0.00	\$29,125,245.28	\$29,017,769.65
Accrued Interest											\$0.00
Total Investments											\$29,017,769.65

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
9/13/2022	9/14/2022	10,000,000.00	62479MT94	MUFG BANK LTD/NY COMM PAPER	0.00%	6/9/2023	9,699,988.89	4.15%	
9/13/2022	9/14/2022	5,000,000.00	62479MQD8	MUFG BANK LTD/NY COMM PAPER	0.00%	3/13/2023	4,903,500.00	3.94%	
Total BUY		15,000,000.00					14,603,488.89		0.00
MATURITY									
8/26/2022	8/26/2022	14,000,000.00	2254EBHS3	CREDIT SUISSE NEW YORK COMM PAPER	0.00%	8/26/2022	14,000,000.00		
9/16/2022	9/16/2022	15,000,000.00	78009BJG8	ROYAL BANK OF CANADA COMM PAPER	0.00%	9/16/2022	15,000,000.00		
Total MATURITY		29,000,000.00					29,000,000.00		0.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency											
FANNIE MAE NOTES DTD 01/23/2018 2.375% 01/19/2023	3135G0T94	5,950,000.00	AA+	Aaa	4/24/2020	4/28/2020	6,284,509.00	0.30	28,262.50	5,986,943.77	5,926,170.25
Security Type Sub-Total		5,950,000.00					6,284,509.00	0.30	28,262.50	5,986,943.77	5,926,170.25
Corporate											
VISA INC CORPORATE (CALLABLE) NOTES DTD 12/14/2015 2.800% 12/14/2022	92826CAC6	605,000.00	AA-	Aa3	4/27/2020	4/29/2020	636,490.25	0.79	5,034.94	605,455.87	603,517.75
APPLE CORP NOTES (CALLABLE) DTD 02/23/2016 2.850% 02/23/2023	037833BU3	605,000.00	AA+	Aaa	4/30/2020	5/4/2020	639,013.10	0.82	1,820.04	607,931.55	601,606.56
Security Type Sub-Total		1,210,000.00					1,275,503.35	0.80	6,854.98	1,213,387.42	1,205,124.31
Managed Account Sub Total		7,160,000.00					7,560,012.35	0.39	35,117.48	7,200,331.19	7,131,294.56
Securities Sub Total		\$7,160,000.00					\$7,560,012.35	0.39%	\$35,117.48	\$7,200,331.19	\$7,131,294.56
Accrued Interest											\$35,117.48
Total Investments											\$7,166,412.04

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
7/19/2022	7/19/2022	5,950,000.00	3135G0T94	FANNIE MAE NOTES	2.37%	1/19/2023	70,656.25		
8/23/2022	8/23/2022	605,000.00	037833BU3	APPLE CORP NOTES (CALLABLE)	2.85%	2/23/2023	8,621.25		
Total INTEREST		6,555,000.00					79,277.50		0.00
MATURITY									
8/11/2022	8/11/2022	615,000.00	742718EU9	PROCTER & GAMBLE CO/THE CORP NOTES	2.15%	8/11/2022	621,611.25		
Total MATURITY		615,000.00					621,611.25		0.00

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

Glossary

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

Glossary

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



CITY OF SALEM, OR

Investment Performance Review For the Quarter Ended December 31, 2022

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Agenda Packet 81

Agenda

- Market Update
- Account Summary
- Portfolio Review
- ESG Overview
- Portfolio Holdings and Transactions

Market Update

The Year in Review

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

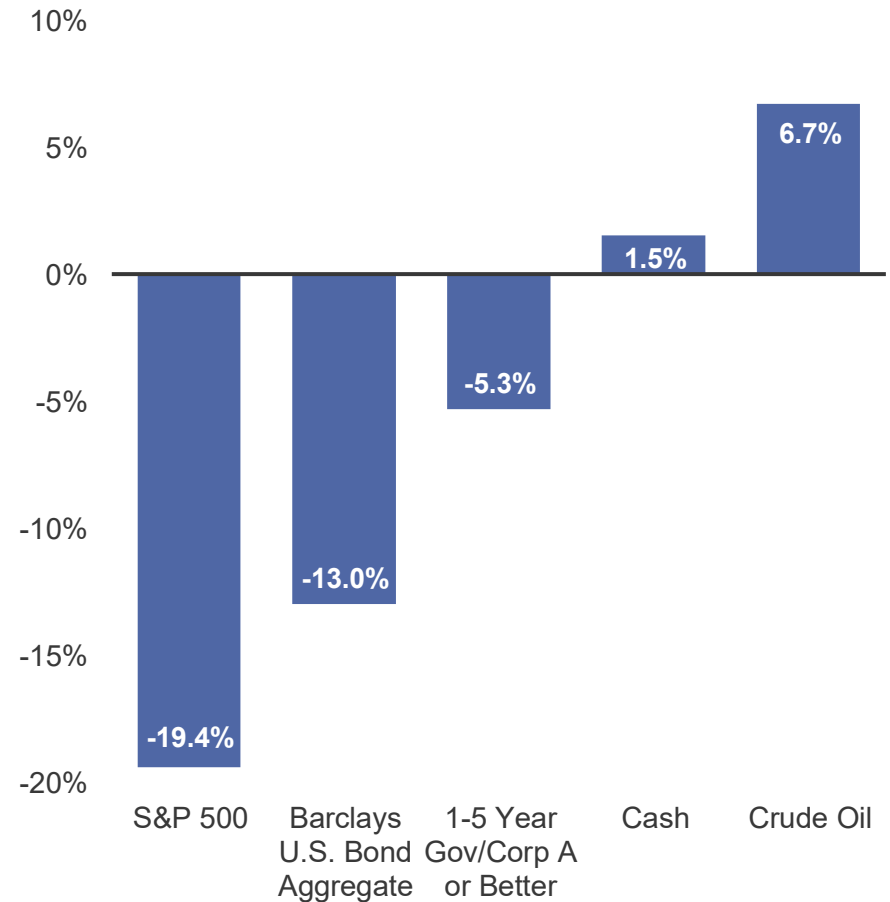
- The 2-year treasury yield rose just 370 bps through 2022

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

Consumer spending remained resilient despite price pressures and extended credit levels

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

2022 Asset Class Returns



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

Current Market Themes



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



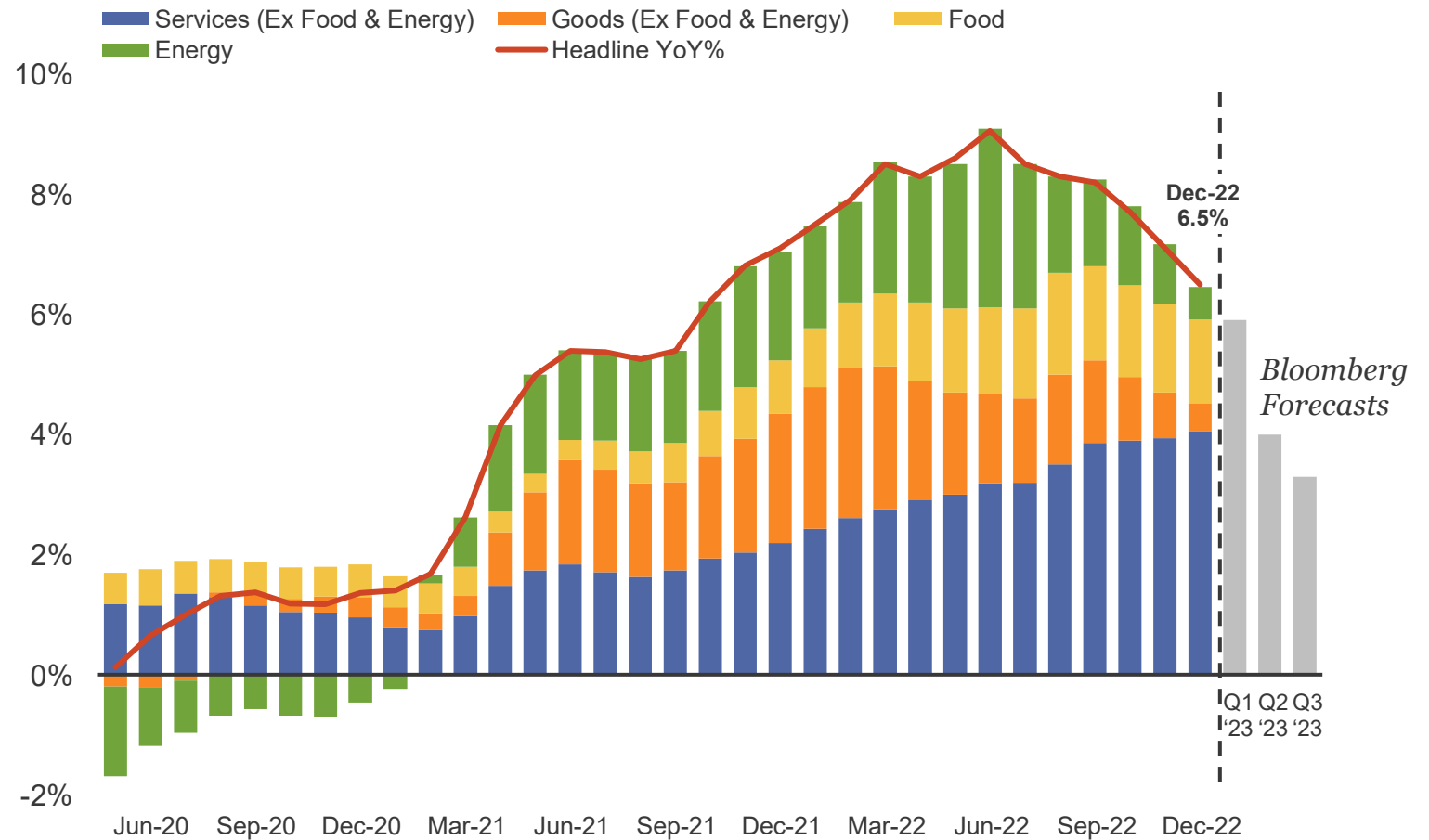
- ▶ The Federal Reserve projections show rate hikes slowing, ending in 2023
 - ▶ Fed projecting short-term fed funds rate to reach 5.00% to 5.25% by year-end
 - ▶ Markets expecting rate cuts in the second half of 2023
 - ▶ Fed officials reaffirm that restoring price stability is the utmost priority, despite risks of overtightening



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

Inflation Now Trending Lower

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

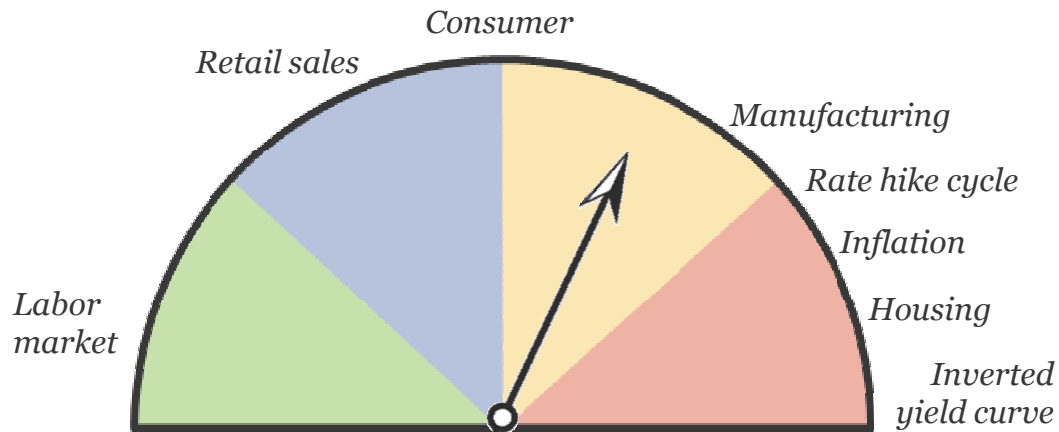


Lower energy and goods prices help to offset increases in wage-driven services costs

Source: Bloomberg, as of December 2022.

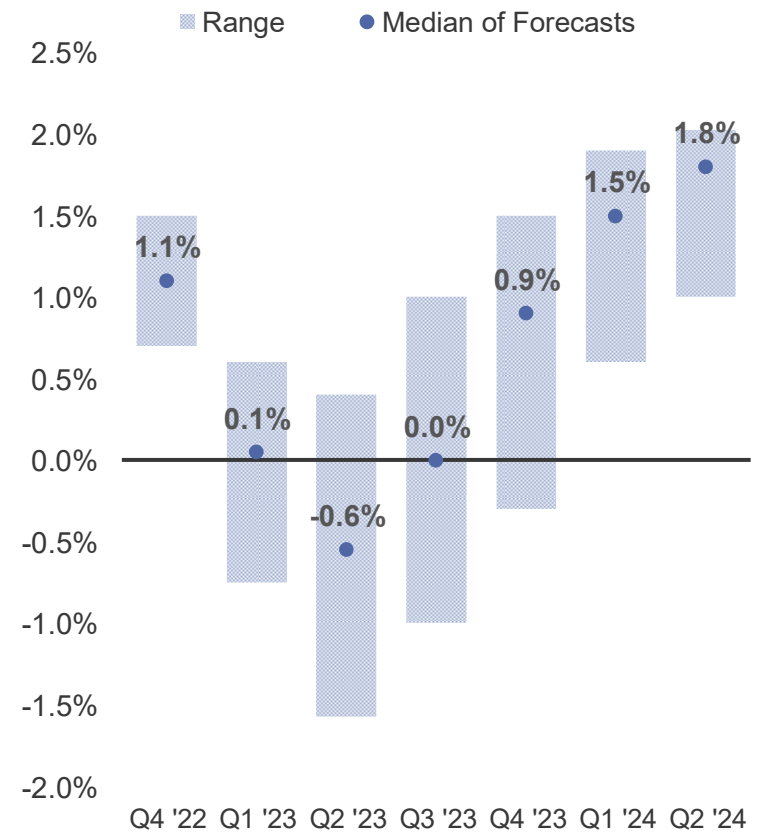
Recession Gauge Flashing Yellow, But GDP Expected to Grow by End of Year

Recession Risk



U.S. GDP Forecasts

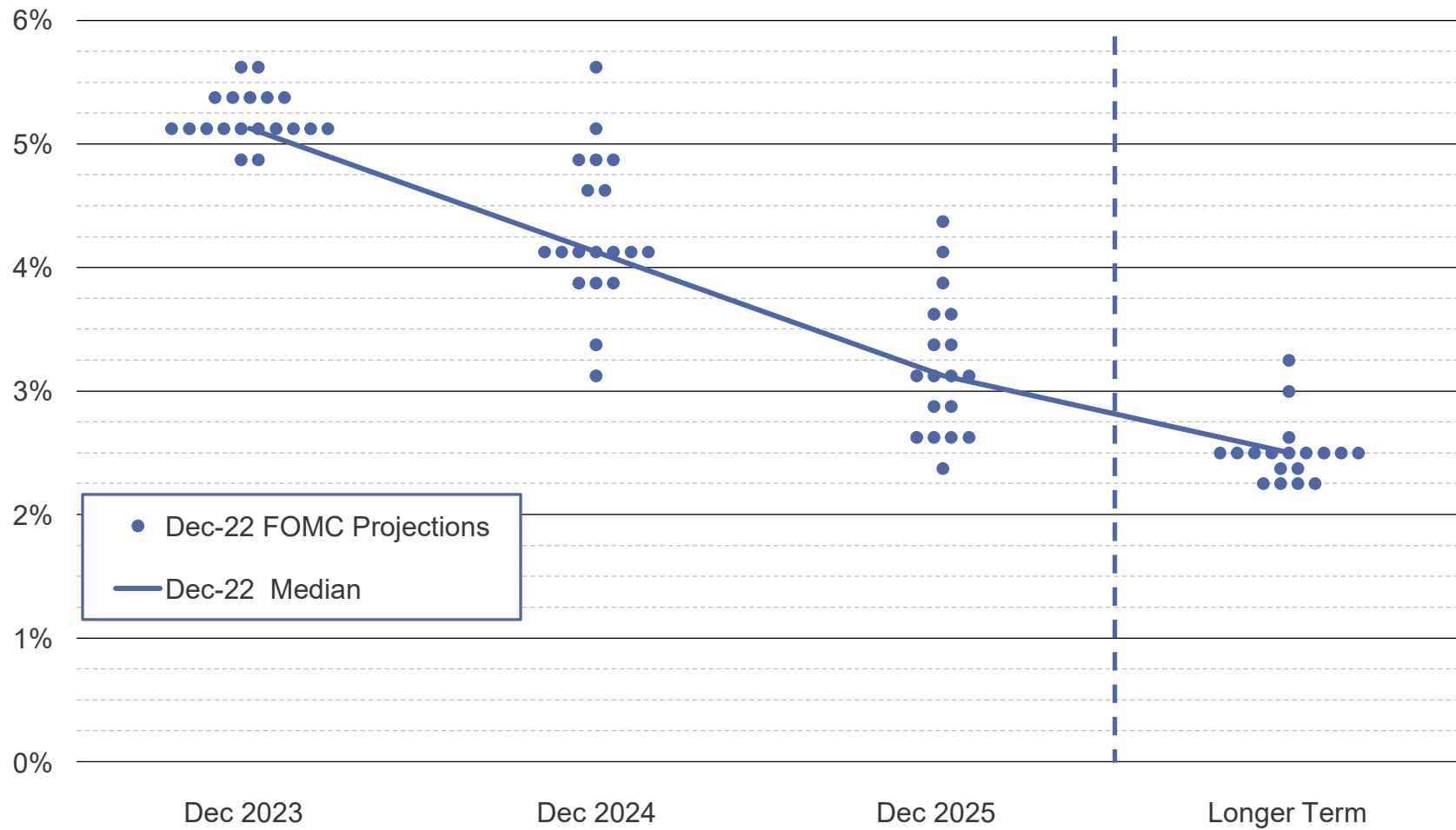
Annualized Rate



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

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

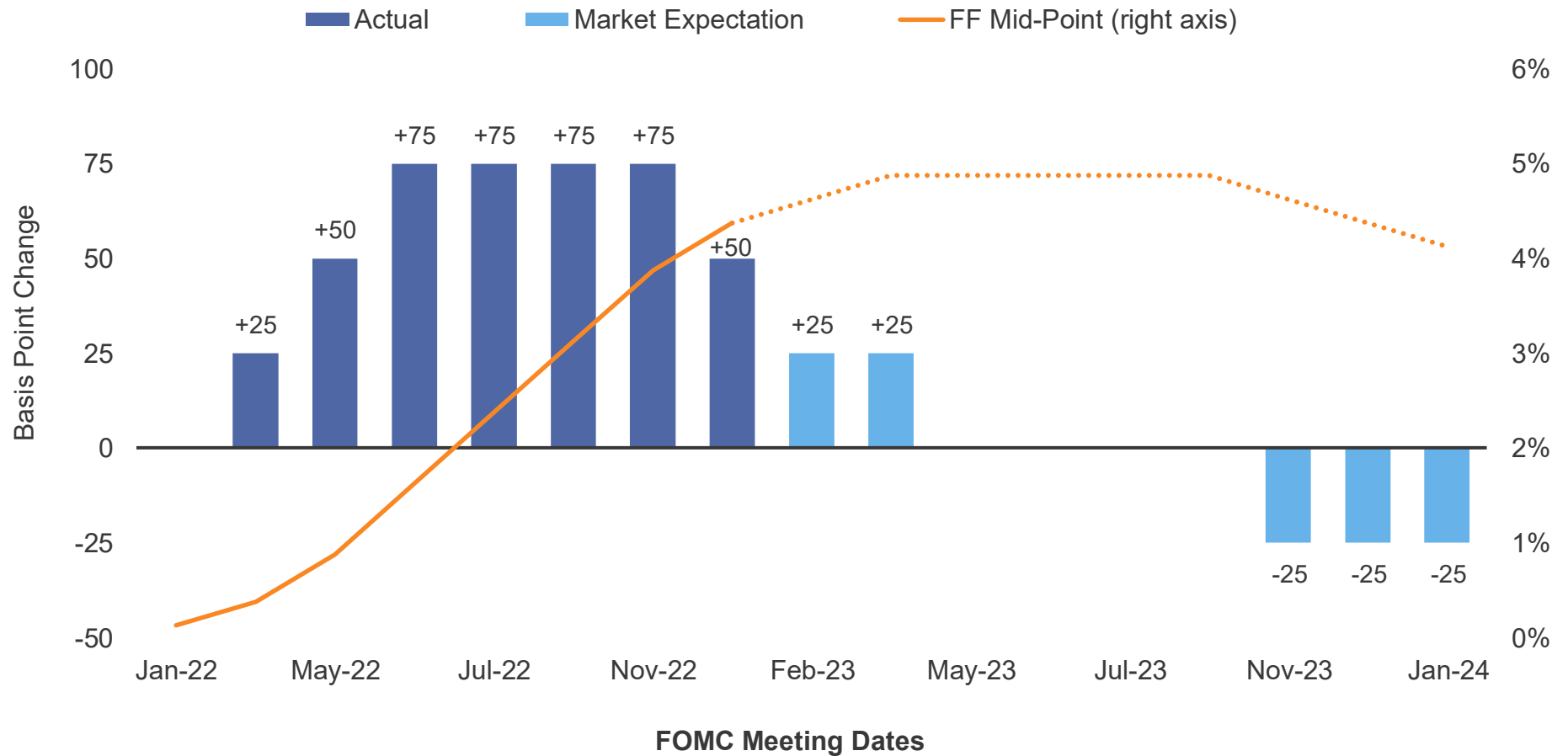
Fed Participants' Assessments of 'Appropriate' Monetary Policy



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

What Could the Fed's Pivot Look Like?

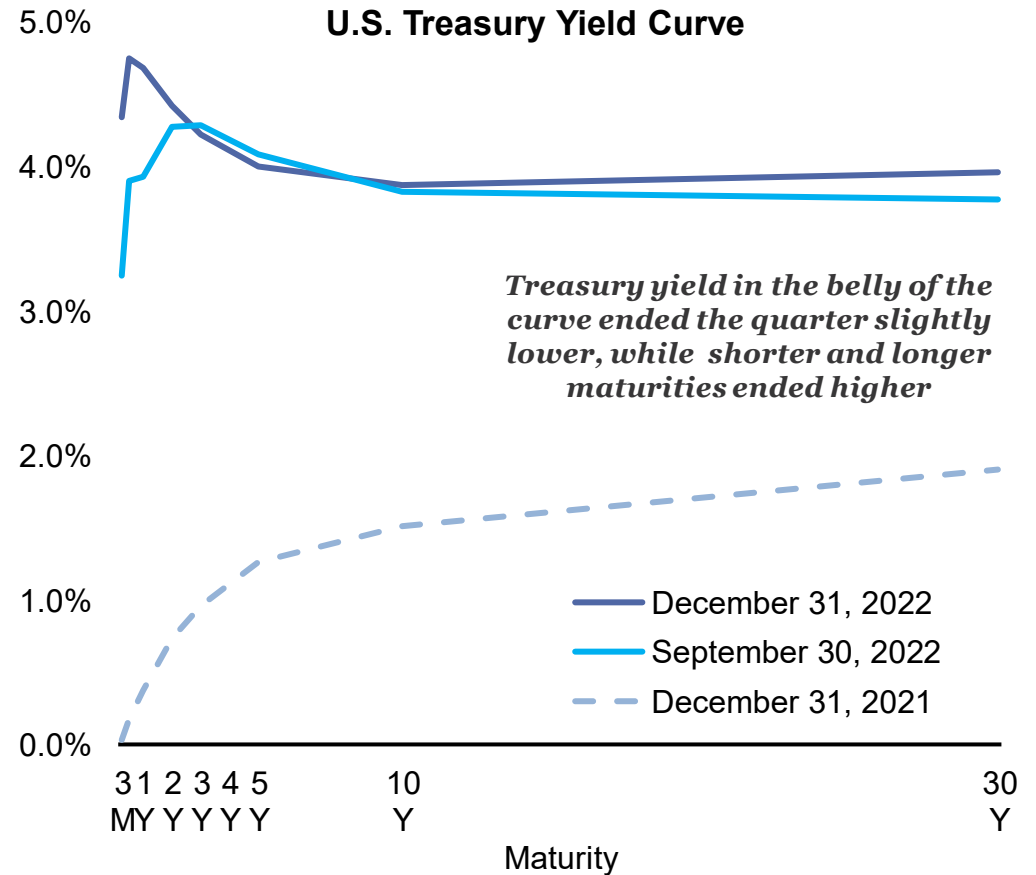
Changes to the Target Fed Funds Rate



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

Yield Curve Inversion Deepens

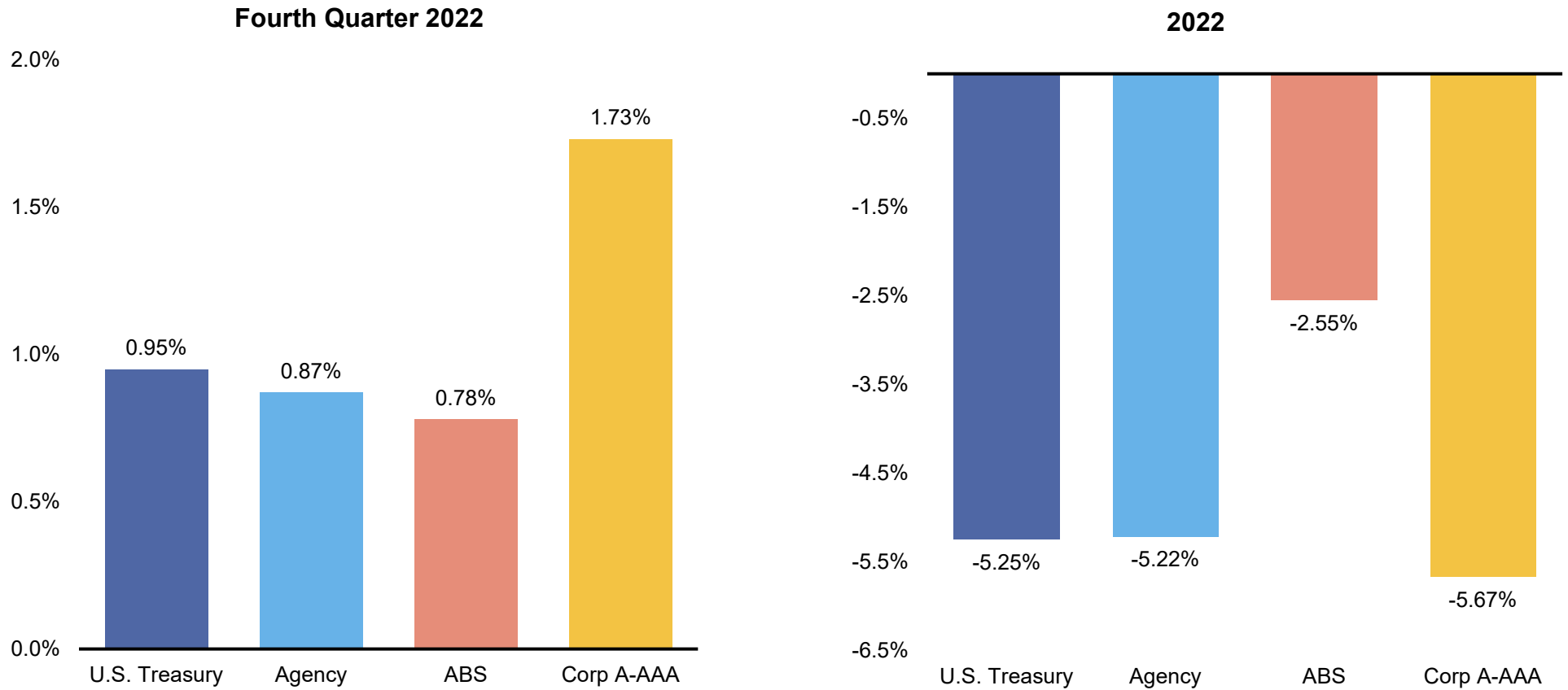
	4Q2022 12/31/22	3Q2022 09/30/22	QoQ Change
3-month	4.34%	3.25%	+1.10%
1-year	4.69%	3.93%	+0.75%
2-year	4.43%	4.28%	+0.15%
3-year	4.22%	4.29%	-0.06%
5-year	4.00%	4.09%	-0.09%
10-year	3.87%	3.83%	+0.05%
30-year	3.96%	3.78%	+0.19%



Source: Bloomberg, as of December 2022.

Fixed-Income Markets Total Returns

1-5 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 12/31/2022.

Account Summary

The portfolio is in compliance with applicable state statutes and the City's Investment Policy C-7.

Quarter Ended December 31, 2022 – 4Q22¹

Quarterly Summary

Market Value (MV)	\$445,117,913
Amortized Cost	\$455,179,306
Portfolio Yield on Cost	2.56%
Weighted Average Maturity	0.98 years
Cash Basis Earnings for Quarter ²	\$571,089.58
Accrual Basis Earnings for Quarter ²	\$1,207,879.48
Quarterly Change	
Amortized Cost – 4Q22	\$455,179,306
Beginning MV – 3Q22	\$365,229,775
Net Contributions	\$89,887,144
Change in Cash	(\$12,110,820)
Change in MV	\$2,111,815
Ending MV – 4Q22	\$445,117,913

Sector Distribution¹

Sector	Amortized Cost	Market Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$187,128,047	\$180,757,620	41%	100%
Federal Agencies	\$42,157,953	\$41,434,914	9%	100%
Commercial Paper	\$34,404,997	\$34,371,505	8%	35%
Corporate Notes	\$38,426,528	\$35,492,094	8%	
LGIP	\$110,735,987	\$110,735,987	25%	ORS limit
Collateralized Deposit Accounts	\$42,325,794	\$42,325,794	10%	100%
Total	\$455,179,306	\$445,117,913	100%	

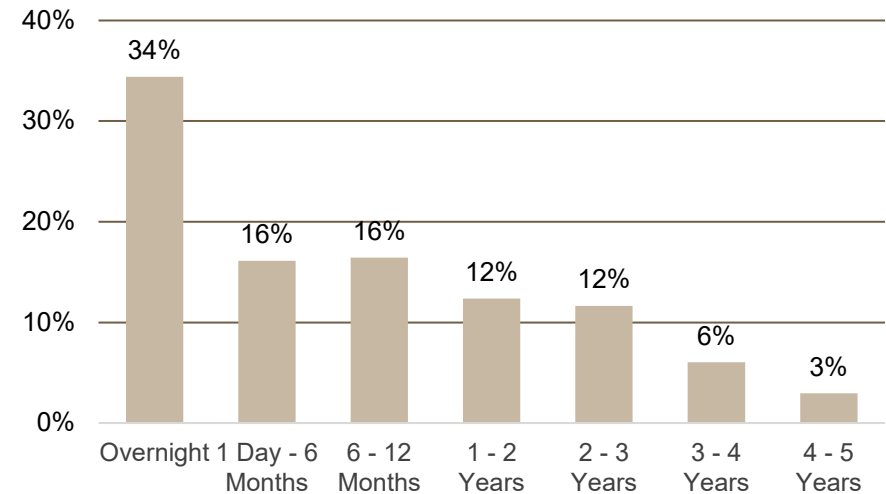
1. Combined portfolio includes funds in the PFAM-managed portfolios, funds in the Oregon LGIP, and the City's U.S. Bank account. Portfolio values are as of December 31, 2022 and exclude accrued interest on the PFAM-managed funds.

2. Excludes earnings on LGIP and deposit accounts.

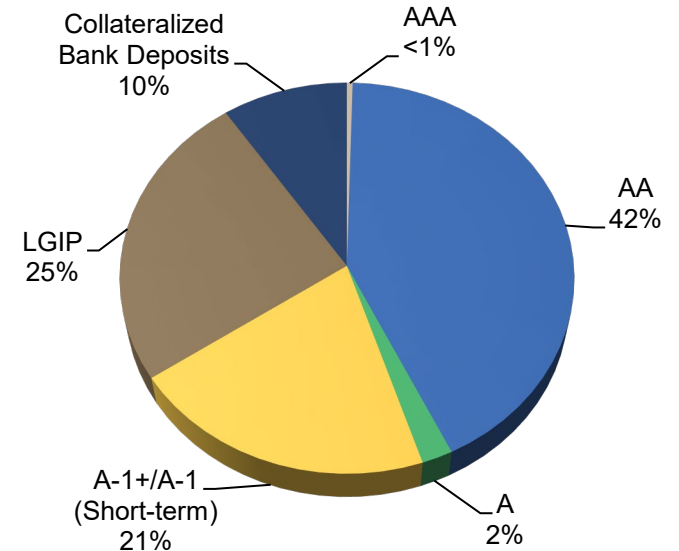
3. Ratings by Standard & Poor's (S&P).

4. Callable securities are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Maturity Distribution⁴



Credit Quality Distribution³



Account Summary

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Values	December 31, 2022	Analytics ¹	December 31, 2022
PFMAM Managed Account	\$184,764,559	Yield at Market	4.49%
Amortized Cost	\$194,741,541	Yield on Cost	1.63%
Market Value	\$184,764,559	Portfolio Duration	1.96
Accrued Interest	\$537,569		
Cash	\$0		

CITY OF SALEM SHORT TERM PORTFOLIO

Portfolio Values	December 31, 2022	Analytics ¹	December 31, 2022
PFMAM Managed Account	\$100,743,800	Yield at Market	4.76%
Amortized Cost	\$100,814,939	Yield on Cost	4.67%
Market Value	\$100,743,800	Portfolio Duration	0.59
Accrued Interest	\$3,956		
Cash	\$0		

CITY OF SALEM WATER-SEWER REV BOND 2020

Portfolio Values	December 31, 2022	Analytics ¹	December 31, 2022
PFMAM Managed Account	\$6,547,774	Yield at Market	4.21%
Amortized Cost	\$6,561,045	Yield on Cost	0.35%
Market Value	\$6,547,774	Portfolio Duration	0.06
Accrued Interest	\$69,721		
Cash	\$0		

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	61.9%	
UNITED STATES TREASURY	61.9%	AA / Aaa / AAA
Federal Agency	14.2%	
FANNIE MAE	2.1%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	10.1%	AA / Aa / NR
FREDDIE MAC	2.1%	AA / Aaa / AAA
Commercial Paper	11.7%	
BNP PARIBAS	3.4%	A / Aa / AA
CREDIT AGRICOLE SA	3.4%	A / Aa / A
MITSUBISHI UFJ FINANCIAL GROUP INC	5.0%	A / Aa / A
Corporate	12.2%	
AMAZON.COM INC	1.5%	AA / A / AA
APPLE INC	2.5%	AA / Aaa / NR
BANK OF AMERICA CO	0.8%	A / A / AA
BLACKROCK INC	0.7%	AA / Aa / NR
CHEVRON CORPORATION	1.3%	AA / Aa / NR
JP MORGAN CHASE & CO	1.6%	A / A / AA
MICROSOFT CORP	0.7%	AAA / Aaa / AAA
NIKE INC	0.8%	AA / A / NR
TORONTO-DOMINION BANK	0.8%	A / A / AA
VISA INC	0.8%	AA / Aa / NR
WAL-MART STORES INC	0.8%	AA / Aa / AA
Total	100.0%	

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

Certificate of Compliance

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

Acknowledged : *PFM Asset Management LLC*

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

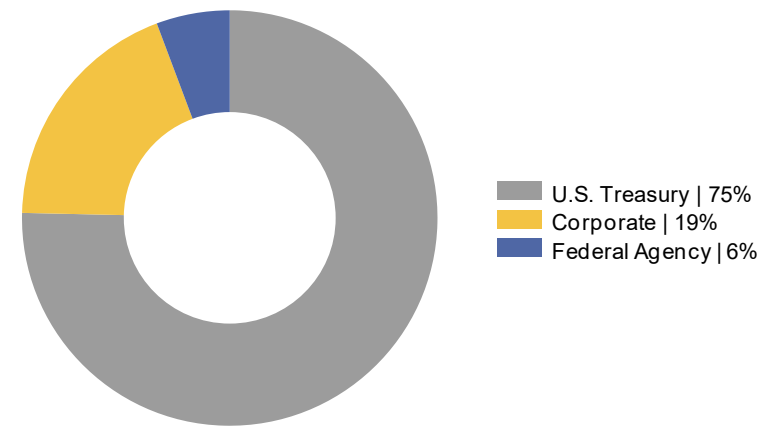
Portfolio Review:
CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Snapshot - CITY OF SALEM LONG-TERM PORTFOLIO¹

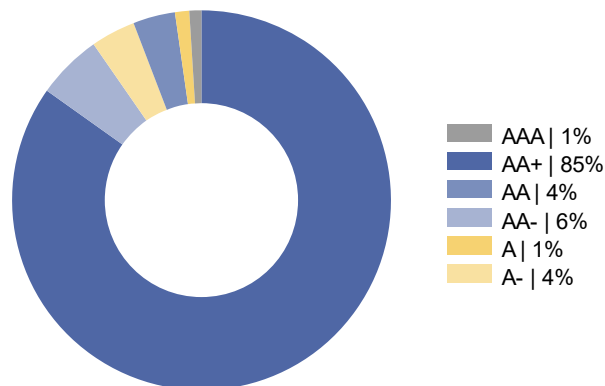
Portfolio Statistics

Total Market Value	\$185,302,127.18
Securities Sub-Total	\$184,764,558.68
Accrued Interest	\$537,568.50
Cash	\$0.00
Portfolio Effective Duration	1.96 years
Benchmark Effective Duration	2.48 years
Yield At Cost	1.63%
Yield At Market	4.49%
Portfolio Credit Quality	AA

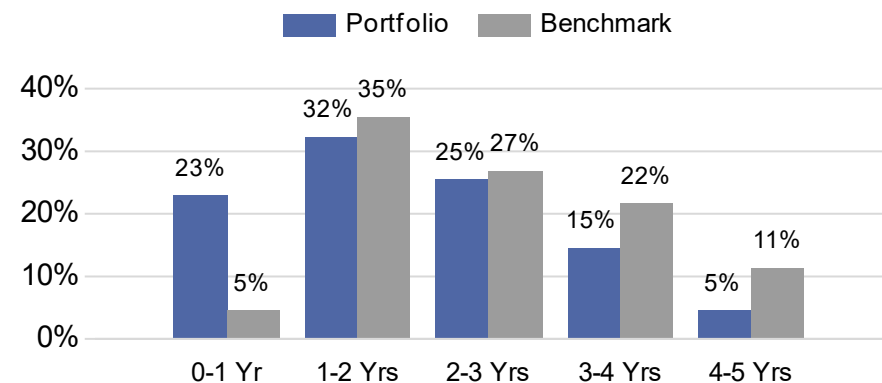
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is currently the ICE BofAML 1-5 Year U.S Treasury Index. Prior to 12/31/19 it was the 1-3 Year U.S Treasury Index. Prior to 6/30/16 it was the ICE BofAML 0-3 Year U.S Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

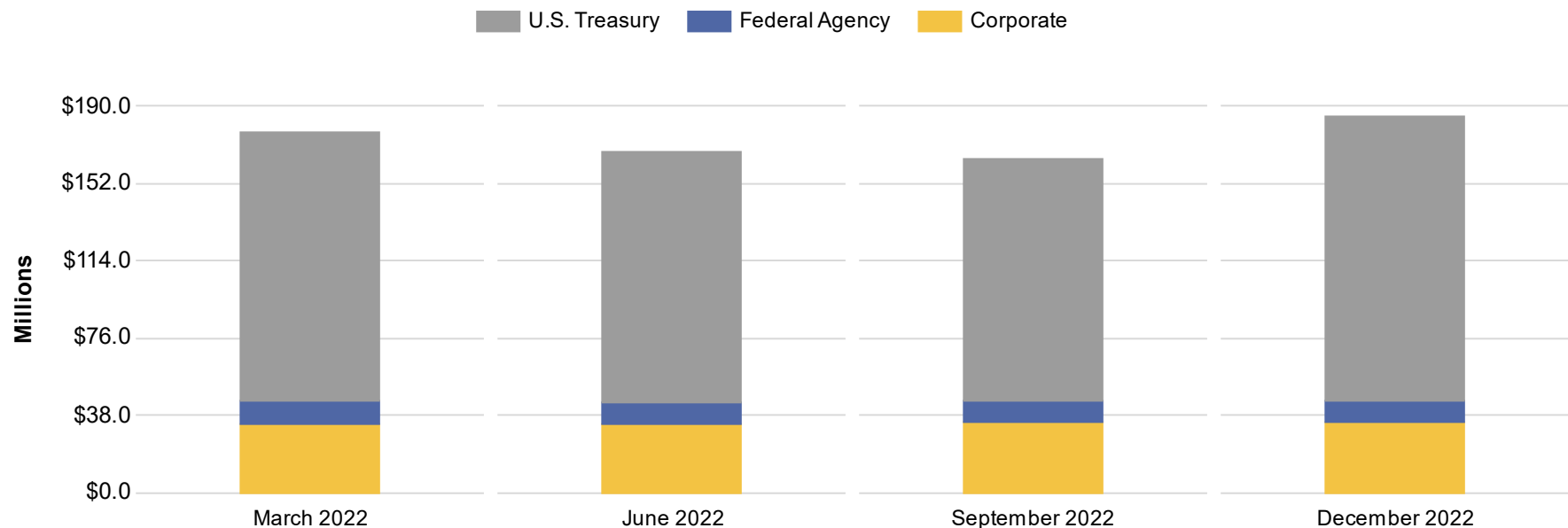
Issuer Diversification - CITY OF SALEM LONG-TERM PORTFOLIO

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	75.4%	
UNITED STATES TREASURY	75.4%	AA / Aaa / AAA
Federal Agency	5.7%	
FEDERAL HOME LOAN BANKS	2.4%	AA / Aaa / NR
FREDDIE MAC	3.3%	AA / Aaa / AAA
Corporate	18.9%	
AMAZON.COM INC	2.4%	AA / A / AA
APPLE INC	3.7%	AA / Aaa / NR
BANK OF AMERICA CO	1.3%	A / A / AA
BLACKROCK INC	1.1%	AA / Aa / NR
CHEVRON CORPORATION	2.0%	AA / Aa / NR
JP MORGAN CHASE & CO	2.5%	A / A / AA
MICROSOFT CORP	1.0%	AAA / Aaa / AAA
NIKE INC	1.3%	AA / A / NR
TORONTO-DOMINION BANK	1.2%	A / A / AA
VISA INC	1.2%	AA / Aa / NR
WAL-MART STORES INC	1.2%	AA / Aa / AA
Total	100.0%	

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

Sector Allocation Review - CITY OF SALEM LONG-TERM PORTFOLIO

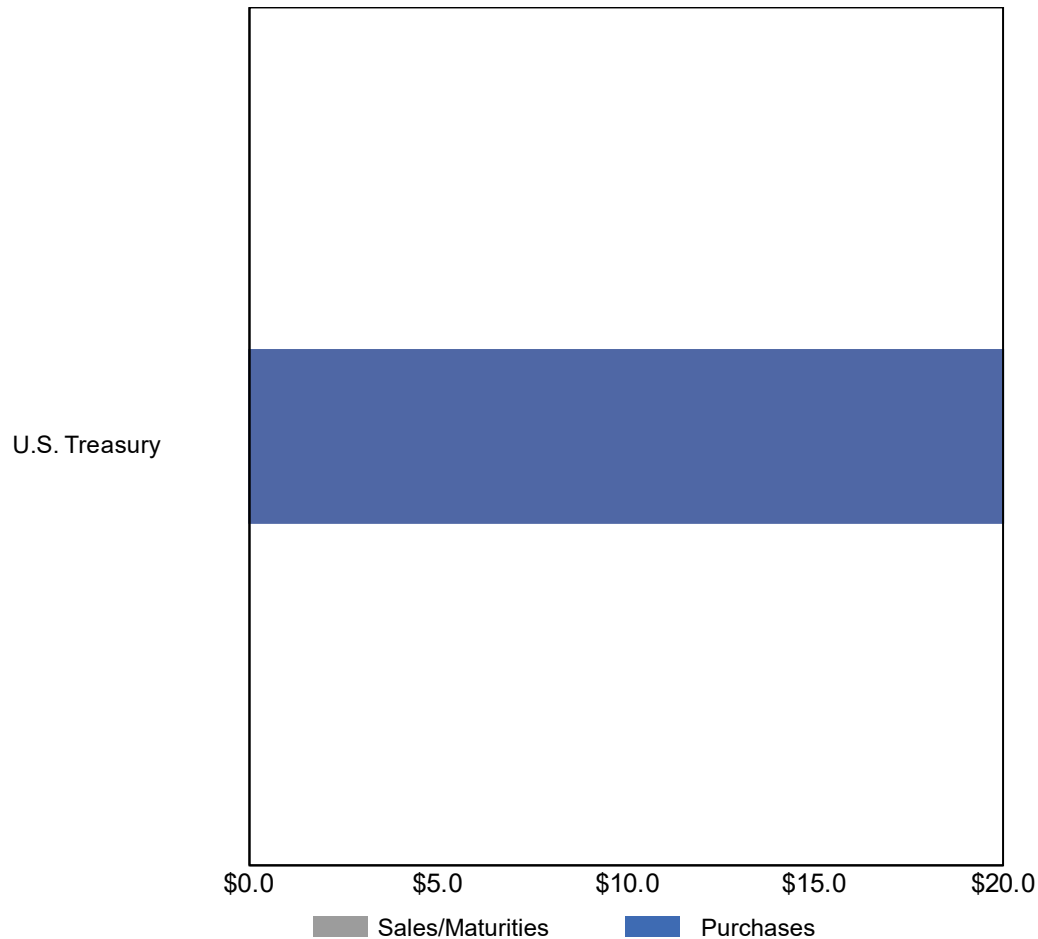
Security Type	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total	Dec-22	% of Total
U.S. Treasury	\$132.0	74.7%	\$123.7	73.7%	\$118.8	72.5%	\$139.3	75.4%
Federal Agency	\$10.8	6.1%	\$10.7	6.4%	\$10.5	6.4%	\$10.6	5.7%
Corporate	\$34.0	19.2%	\$33.3	19.9%	\$34.6	21.1%	\$34.9	18.9%
Total	\$176.7	100.0%	\$167.7	100.0%	\$163.9	100.0%	\$184.8	100.0%



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

Portfolio Activity - CITY OF SALEM LONG-TERM PORTFOLIO

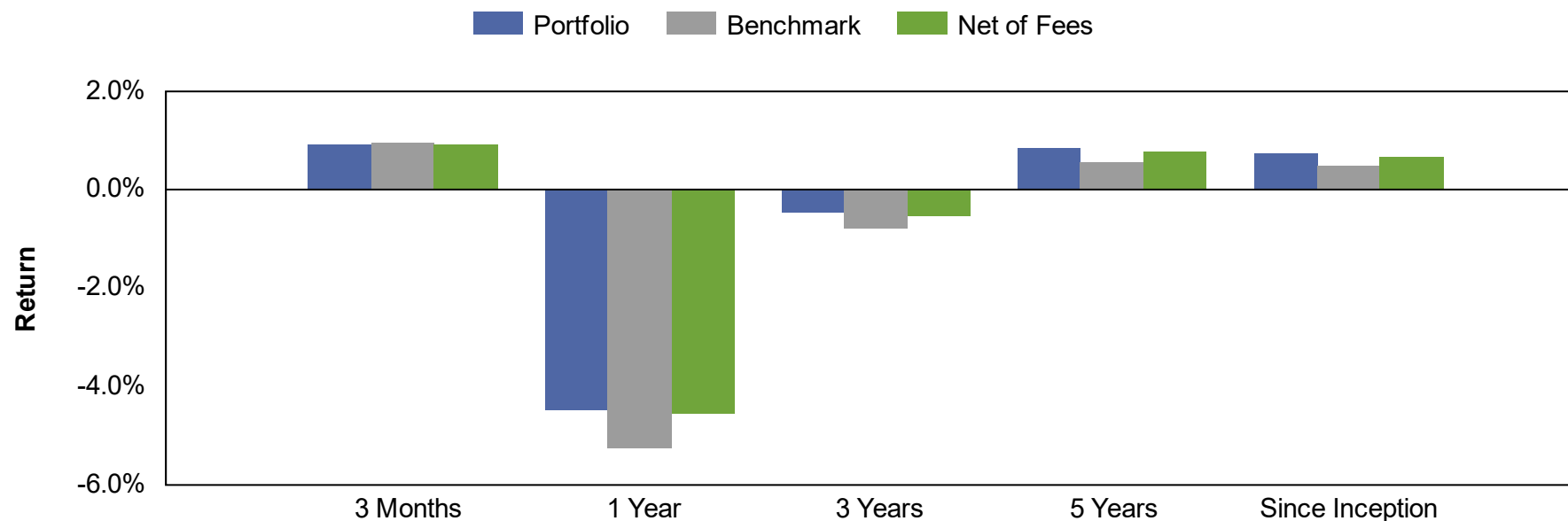
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$19,968,865
Total Net Activity	\$19,968,865

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

Portfolio Performance - CITY OF SALEM LONG-TERM PORTFOLIO



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$595,293	\$2,302,379	\$8,711,575	\$13,084,354	\$19,369,165
Change in Market Value	\$939,573	(\$10,379,634)	(\$10,878,740)	(\$8,142,872)	(\$11,173,742)
Total Dollar Return	\$1,534,866	(\$8,077,255)	(\$2,167,165)	\$4,941,482	\$8,195,423
Total Return³					
Portfolio	0.92%	-4.48%	-0.45%	0.84%	0.73%
Benchmark ⁴	0.95%	-5.25%	-0.77%	0.55%	0.49%
Basis Point Fee	0.02%	0.07%	0.07%	0.07%	0.07%
Net of Fee Return	0.90%	-4.55%	-0.52%	0.77%	0.66%

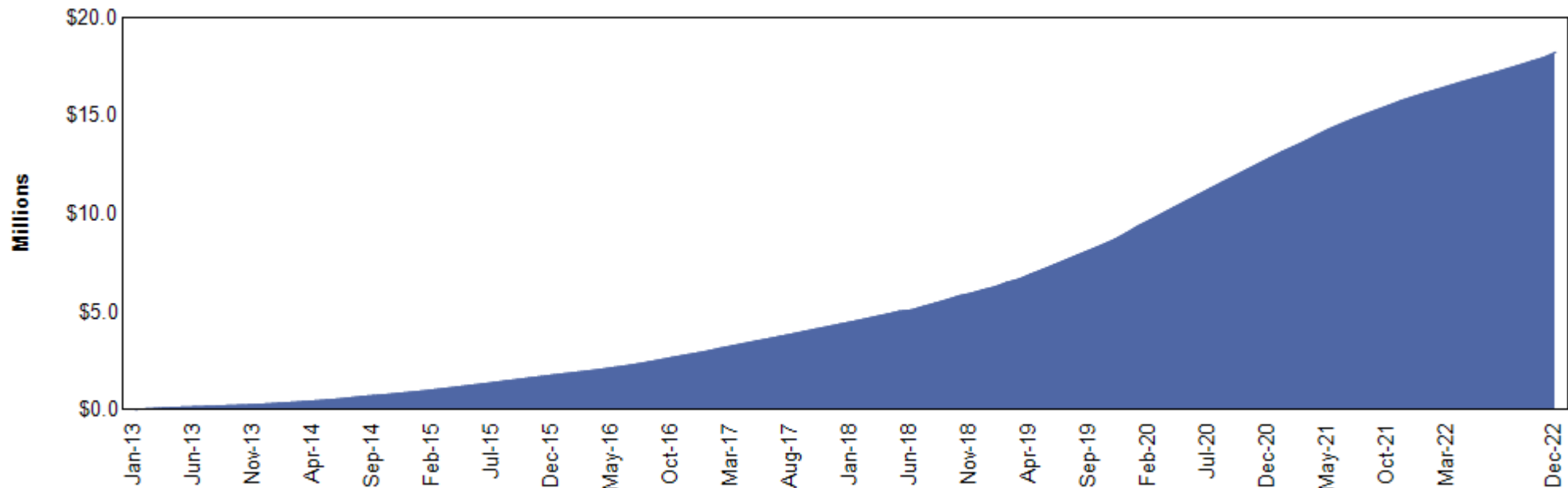
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is December 31, 2012.

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

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is currently the ICE BofAML 1-5 Year U.S Treasury Index. Prior to 12/31/19 it was the 1-3 Year U.S Treasury Index. Prior to 6/30/16 it was the ICE BofAML 0-3 Year U.S Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - CITY OF SALEM LONG-TERM PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$595,293	\$2,302,379	\$8,711,575	\$13,084,354	\$19,369,165
Realized Gains / (Losses) ³	-	(\$12,857)	\$209,093	(\$239,868)	(\$73,544)
Change in Amortized Cost	\$52,077	(\$10,584)	\$307,240	\$1,028,708	(\$1,049,423)
Total Earnings	\$647,370	\$2,278,939	\$9,227,907	\$13,873,194	\$18,246,198

1. The lesser of 10 years or since inception is shown. Performance inception date is December 31, 2012.

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

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

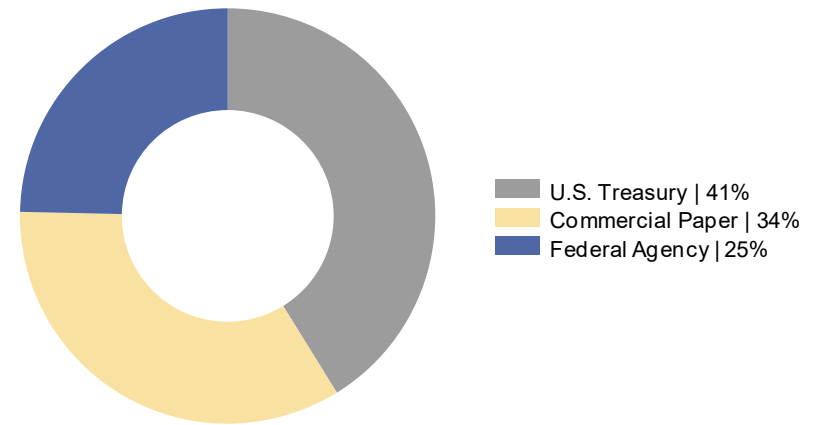
Portfolio Review:
CITY OF SALEM SHORT TERM PORTFOLIO

Portfolio Snapshot - CITY OF SALEM SHORT TERM PORTFOLIO¹

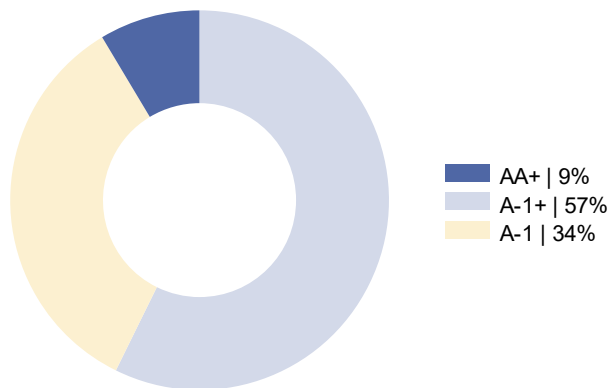
Portfolio Statistics

Total Market Value	\$100,747,756.17
Securities Sub-Total	\$100,743,800.13
Accrued Interest	\$3,956.04
Cash	\$0.00
Portfolio Effective Duration	0.59 years
Yield At Cost	4.67%
Yield At Market	4.76%
Portfolio Credit Quality	AA

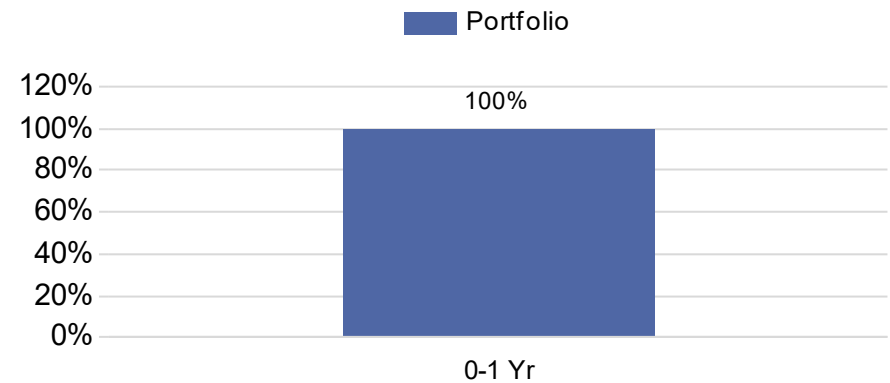
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

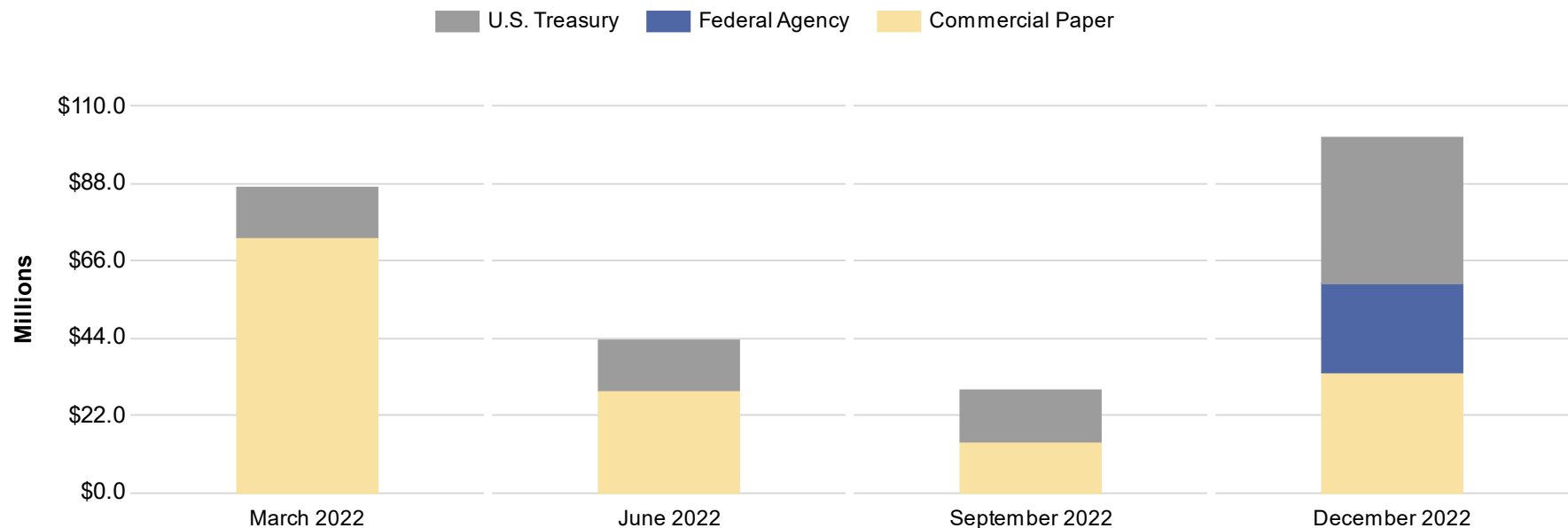
Issuer Diversification - CITY OF SALEM SHORT TERM PORTFOLIO

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	41.1%	
UNITED STATES TREASURY	41.1%	AA / Aa / AA
Federal Agency	24.7%	
FEDERAL HOME LOAN BANKS	24.7%	AA / Aa / NR
Commercial Paper	34.1%	
BNP PARIBAS	9.7%	A / Aa / AA
CREDIT AGRICOLE SA	9.7%	A / Aa / A
MITSUBISHI UFJ FINANCIAL GROUP INC	14.6%	A / Aa / A
Total	100.0%	

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

Sector Allocation Review - CITY OF SALEM SHORT TERM PORTFOLIO

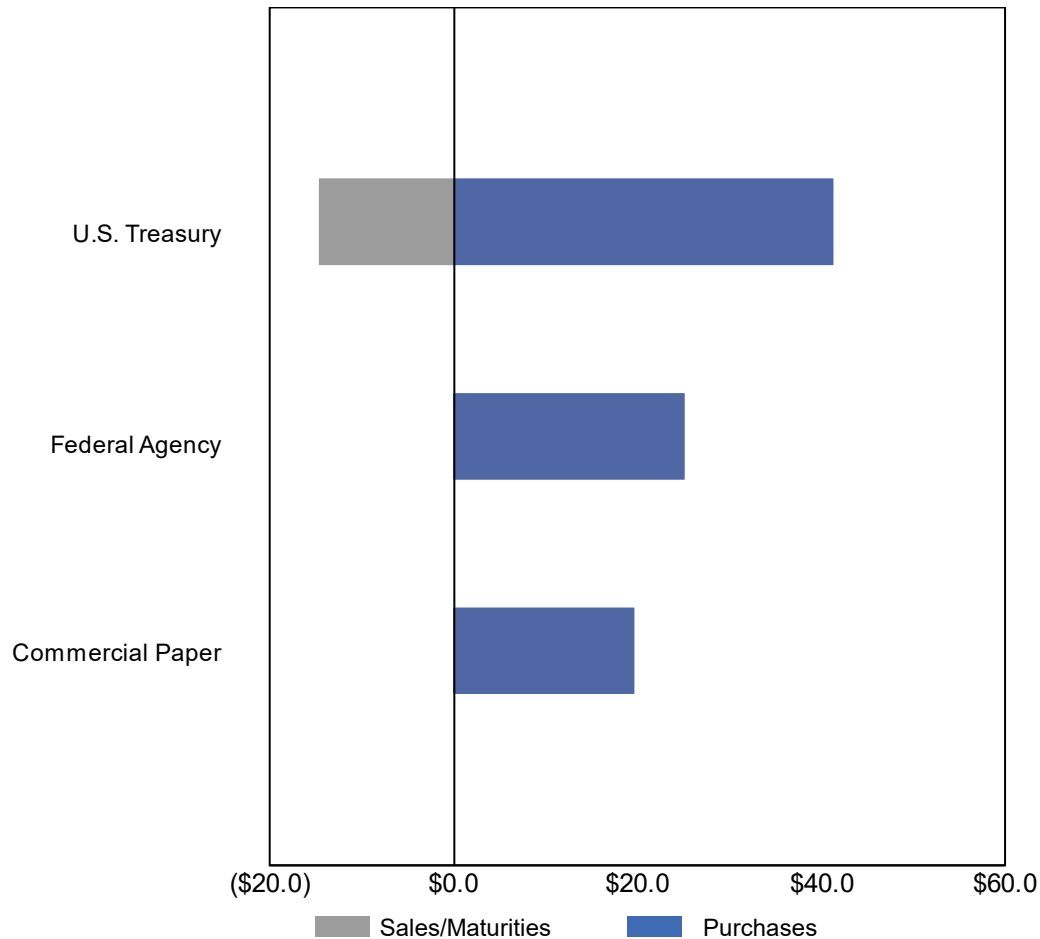
Security Type	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total	Dec-22	% of Total
U.S. Treasury	\$14.4	16.6%	\$14.4	33.2%	\$14.4	49.7%	\$41.4	41.2%
Federal Agency	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%	\$24.9	24.7%
Commercial Paper	\$72.5	83.4%	\$28.9	66.8%	\$14.6	50.3%	\$34.4	34.1%
Total	\$86.9	100.0%	\$43.2	100.0%	\$29.0	100.0%	\$100.7	100.0%



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

Portfolio Activity - CITY OF SALEM SHORT TERM PORTFOLIO

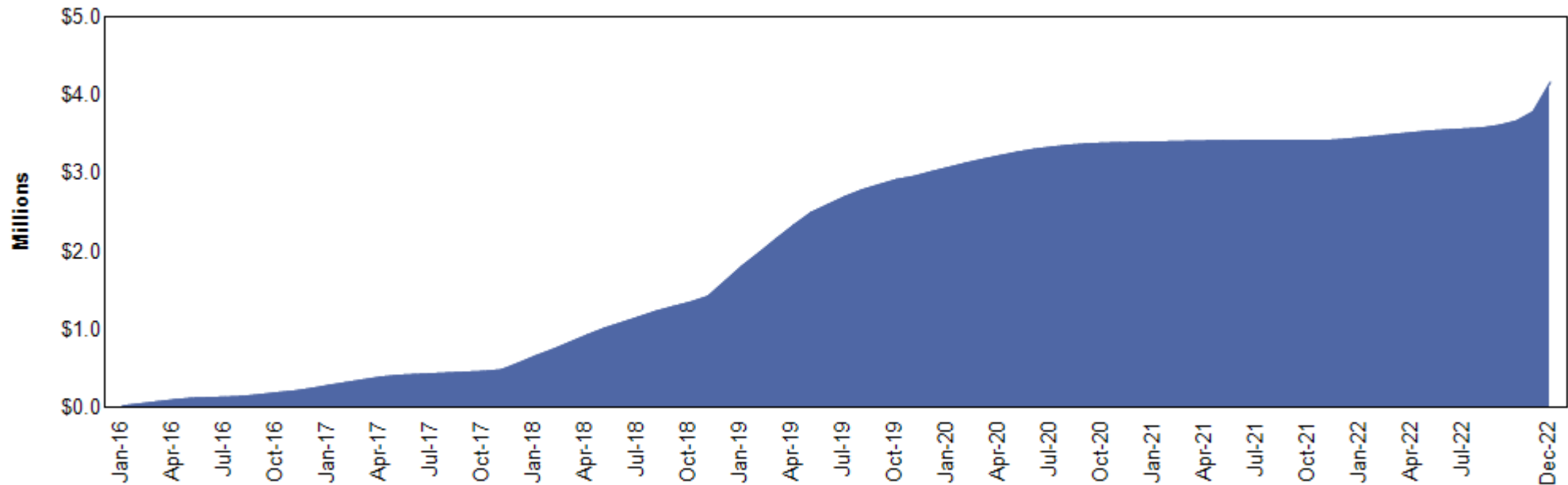
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$26,762,490
Federal Agency	\$24,878,194
Commercial Paper	\$19,501,244
Total Net Activity	\$71,141,928

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

Accrual Basis Earnings - CITY OF SALEM SHORT TERM PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$3,956	\$3,956	\$243,843	\$605,308	\$712,638
Realized Gains / (Losses) ³	-	-	-	-	\$4,369
Change in Amortized Cost	\$547,765	\$727,300	\$901,272	\$2,986,478	\$3,447,897
Total Earnings	\$551,722	\$731,257	\$1,145,116	\$3,591,787	\$4,164,903

1. The lesser of 10 years or since inception is shown. Performance inception date is November 30, 2015.

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

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

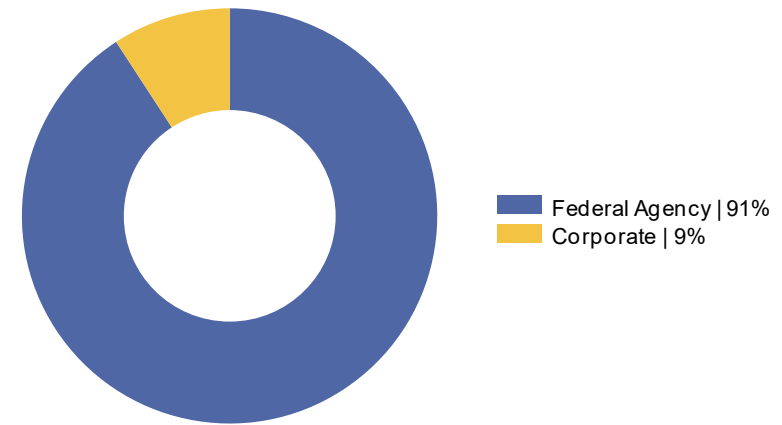
Portfolio Review:
CITY OF SALEM WATER-SEWER REV BOND 2020

Portfolio Snapshot - CITY OF SALEM WATER-SEWER REV BOND 2020¹

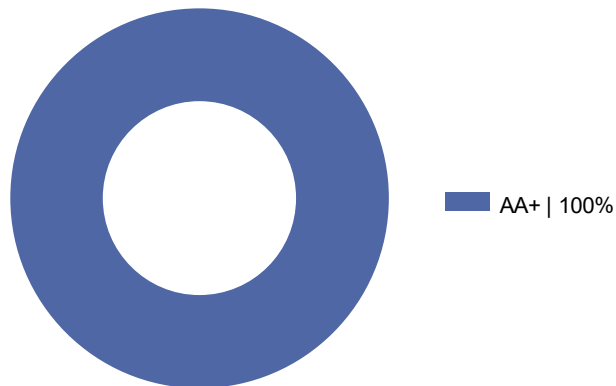
Portfolio Statistics

Total Market Value	\$6,617,495.58
Securities Sub-Total	\$6,547,774.28
Accrued Interest	\$69,721.30
Cash	\$0.00
Portfolio Effective Duration	0.06 years
Yield At Cost	0.35%
Yield At Market	4.21%
Portfolio Credit Quality	AA

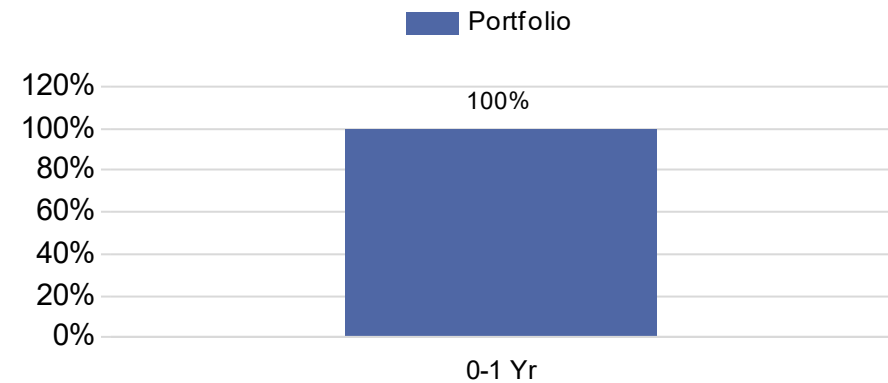
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

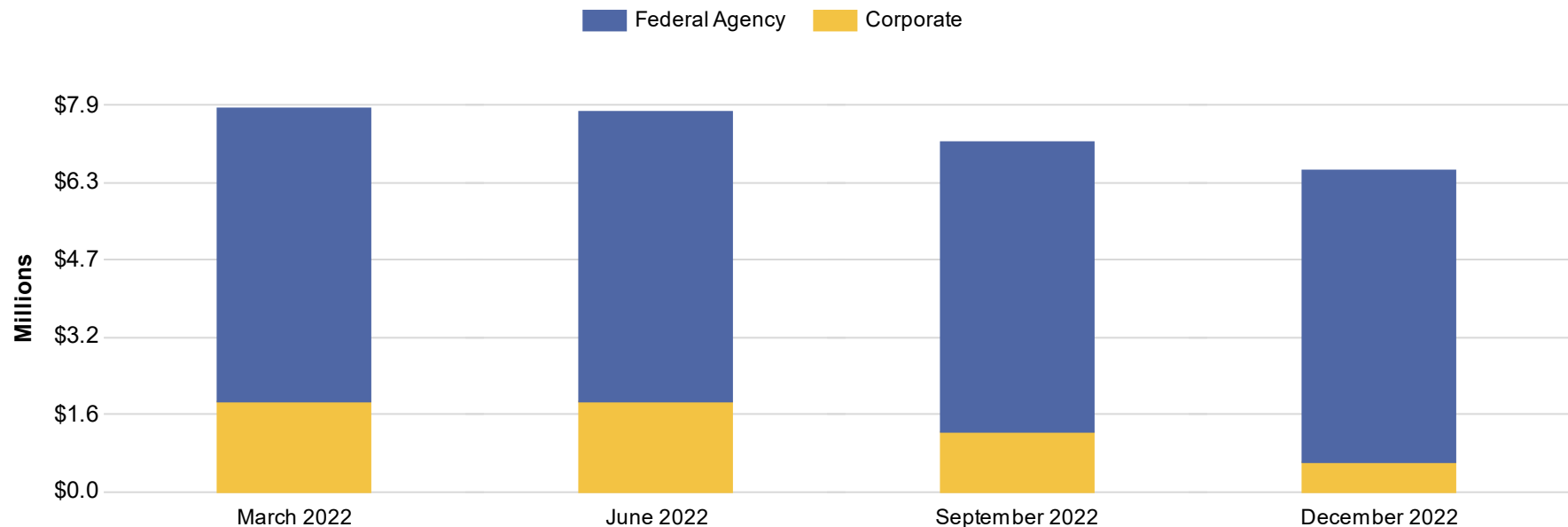
Issuer Diversification - CITY OF SALEM WATER-SEWER REV BOND 2020

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Federal Agency	90.8%	
FANNIE MAE	90.8%	AA / Aaa / AAA
Corporate	9.2%	
APPLE INC	9.2%	AA / Aaa / NR
Total	100.0%	

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

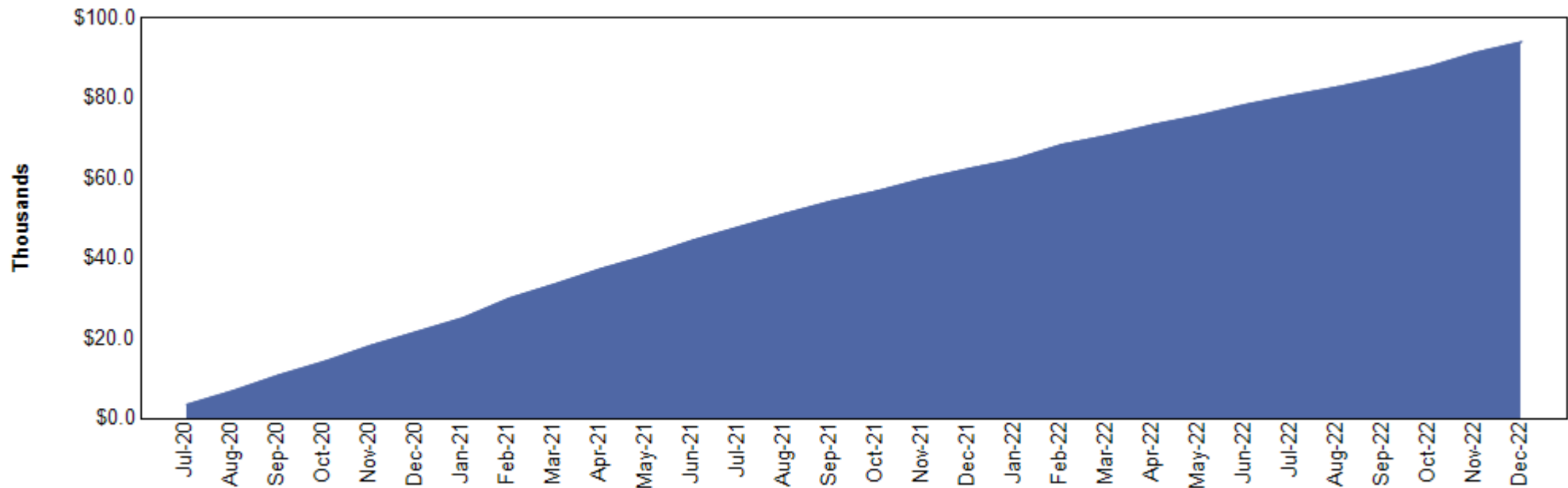
Sector Allocation Review - CITY OF SALEM WATER-SEWER REV BOND 2020

Security Type	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total	Dec-22	% of Total
Federal Agency	\$6.0	76.5%	\$5.9	76.5%	\$5.9	83.1%	\$5.9	90.8%
Corporate	\$1.8	23.5%	\$1.8	23.5%	\$1.2	16.9%	\$0.6	9.2%
Total	\$7.8	100.0%	\$7.8	100.0%	\$7.1	100.0%	\$6.5	100.0%



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

Accrual Basis Earnings - CITY OF SALEM WATER-SEWER REV BOND 2020



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$43,074	\$183,563	-	-	\$518,361
Realized Gains / (Losses) ³	-	-	-	-	-
Change in Amortized Cost	(\$34,286)	(\$151,943)	-	-	(\$424,364)
Total Earnings	\$8,788	\$31,620	-	-	\$93,997

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2020.

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

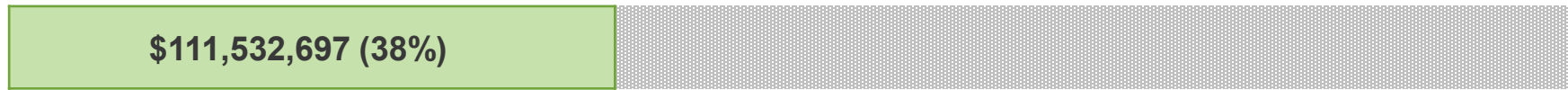
3. Realized gains / (losses) are shown on an amortized cost basis.

ESG Overview



ESG-Rated Portfolio

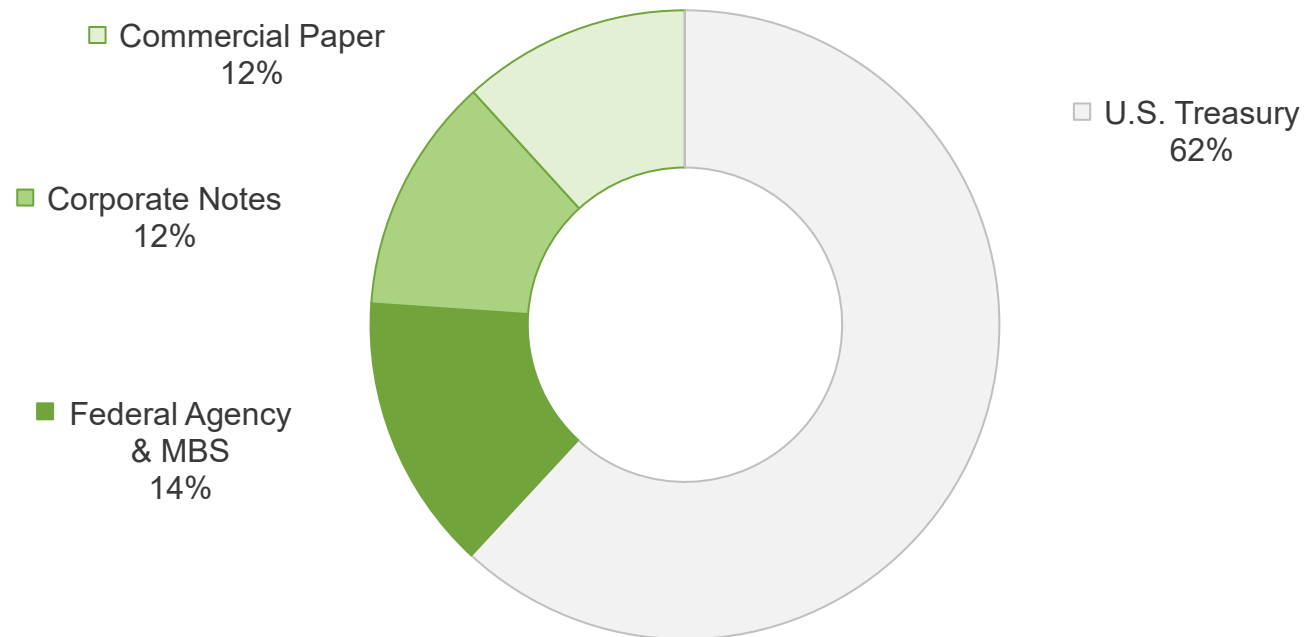
15/16 issuers with a total MV of \$200.6 million¹



Non-ESG Rated Issuers:
U.S. Treasuries

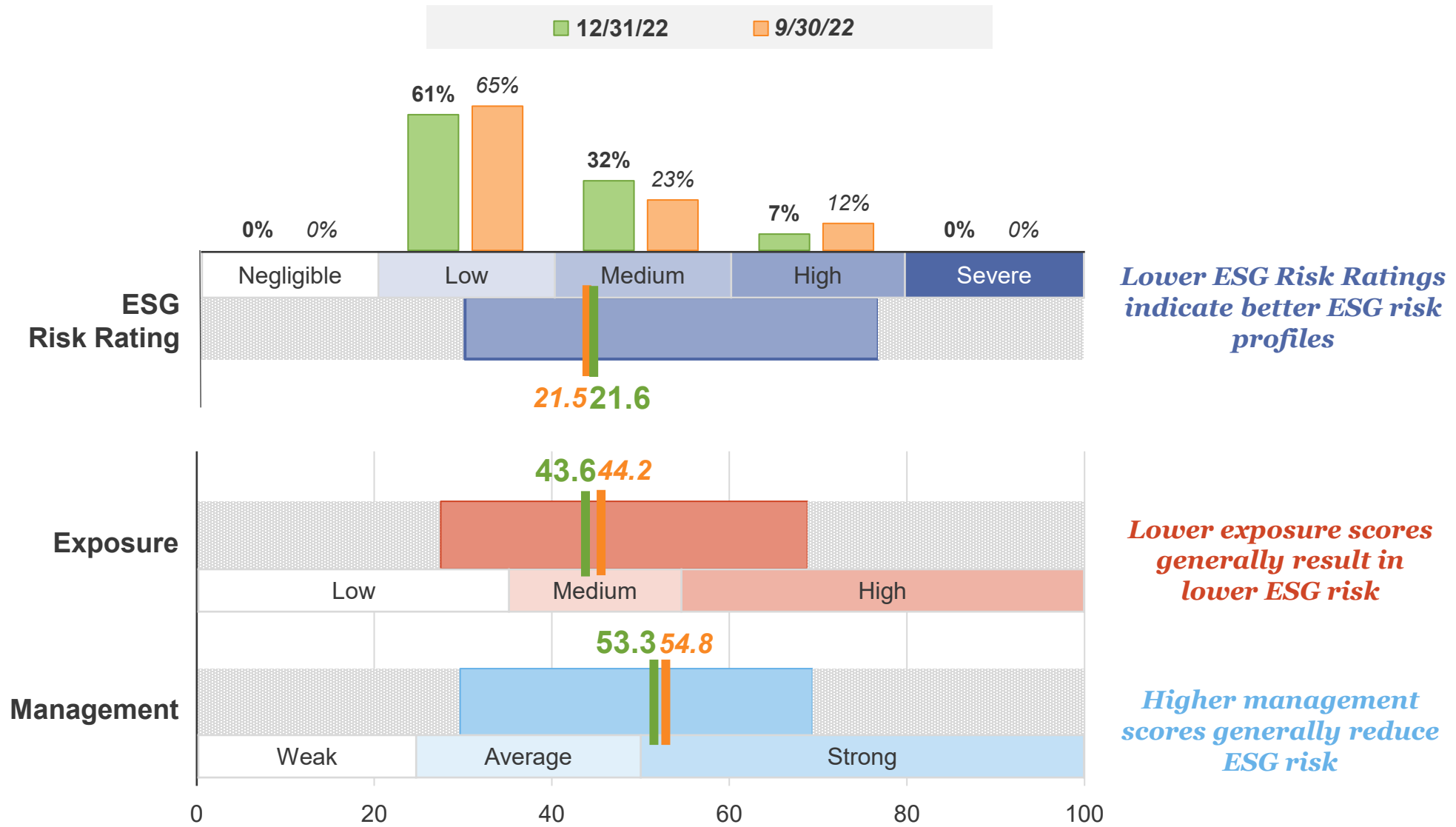
Sector Allocation

Green shades are ESG-rated sectors



Market Value includes accrued interest as of December 31, 2022. Non-ESG rated issuers include U.S. Treasuries and municipals

Quarter-Over-Quarter Summary Comparison



Data Source: Sustainalytics. Data as of December 31, 2022 and September 30, 2022, as indicated. Please see important disclosures at the end of this presentation.

Holdings as of December 31, 2022

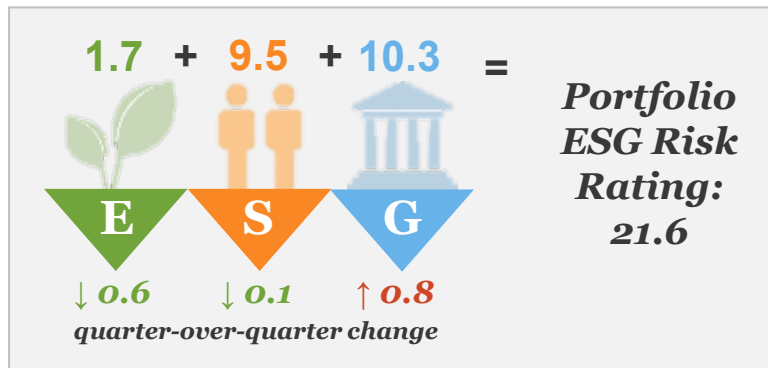
Issuer	% Weight	Subindustry	Subindustry Percentile	ESG Risk Rating 12/31/22	QoQ Change in ESG Rating	Contributions		
						E	S	G
Microsoft Corp	0.7%	Enterprise and Infrastructure Software	6	15.0	(0.2)	12%	52%	36%
Visa, Inc.	0.8%	Data Processing	13	15.6	(0.4)	6%	46%	48%
Apple Inc	2.5%	Technology Hardware	16	16.7	-	8%	33%	59%
Nike Inc.	0.8%	Footwear	45	17.0	0.1	17%	39%	44%
Mitsubishi UFJ Financial Group Inc	5.0%	Diversified Banks	11	17.9	(0.1)	6%	46%	49%
Federal National Mortgage Association	2.1%	Thriffs and Mortgages	14	18.2	(0.1)	-	59%	41%
BlackRock, Inc.	0.7%	Asset Management and Custody Services	6	18.3	-	4%	43%	54%
Federal Home Loan Bank System	10.1%	Consumer Finance	12	18.8	-	-	53%	47%
The Toronto-Dominion Bank	0.8%	Diversified Banks	16	19.9	-	5%	42%	52%
Federal Home Loan Mortgage Corp	2.1%	Thriffs and Mortgages	25	22.9	(0.3)	-	58%	42%
Walmart Inc.	0.8%	Food Retail	40	24.6	-	17%	56%	27%
Crédit Agricole SA	3.4%	Diversified Banks	36	25.1	0.2	4%	40%	56%
BNP Paribas SA	3.4%	Diversified Banks	37	25.4	0.4	7%	29%	64%
Bank of America Corporation	0.8%	Diversified Banks	41	26.8	-	5%	42%	53%
JPMorgan Chase & Co.	1.6%	Diversified Banks	52	29.3	0.3	4%	44%	52%
Amazon.com Inc	1.5%	Online and Direct Marketing Retail	94	30.3	-	23%	43%	33%
Chevron Corporation	1.3%	Integrated Oil & Gas	36	38.4	0.8	49%	24%	27%

Source: Sustainalytics. Holdings as of December 31, 2022. Quarter-over-quarter ("QoQ") change in ESG risk rating reflects the overall change in risk rating for each issuer, as defined by Sustainalytics, from September 30, 2022 to December 31, 2022. Under QoQ Change, reductions in green indicate rating improvements, increases in red indicate higher risk rating. "-" represents 0 or no data available.

Additional ESG Information



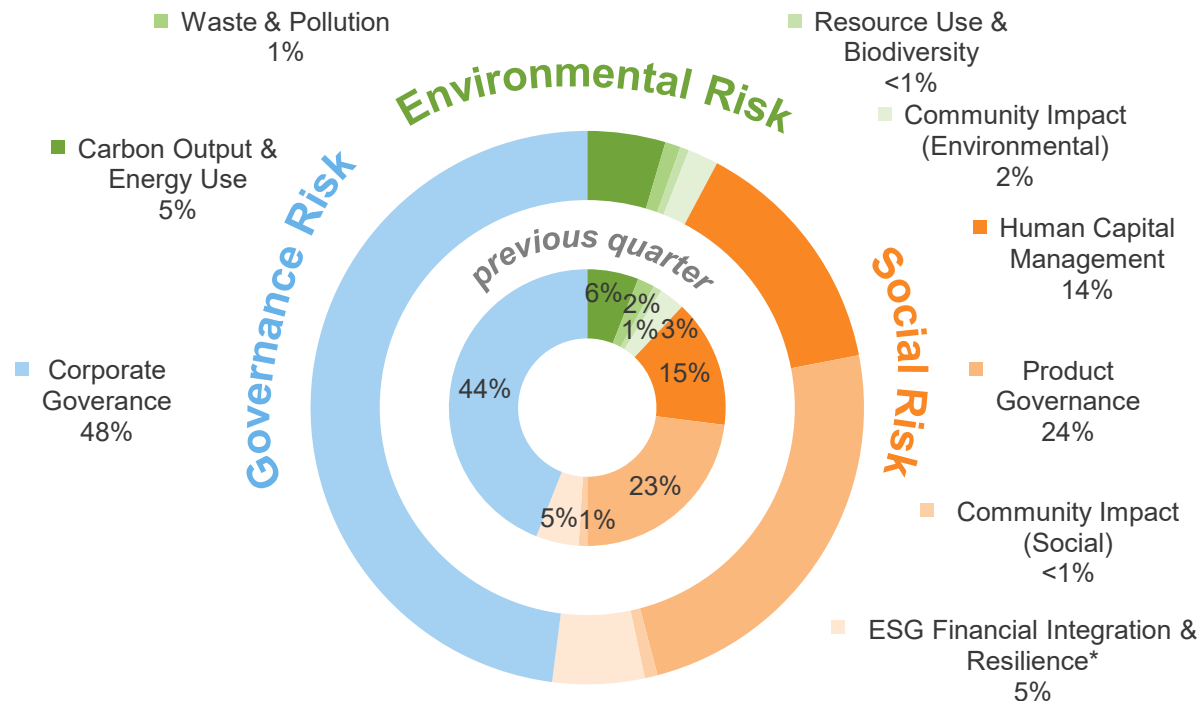
Risk Contribution by ESG Themes



Environmental risk evaluates how a company manages its environmental impact and carbon footprint

Social risk analyzes how a company treats employees, customers, the community, and other stakeholders as well as other companies it interacts with

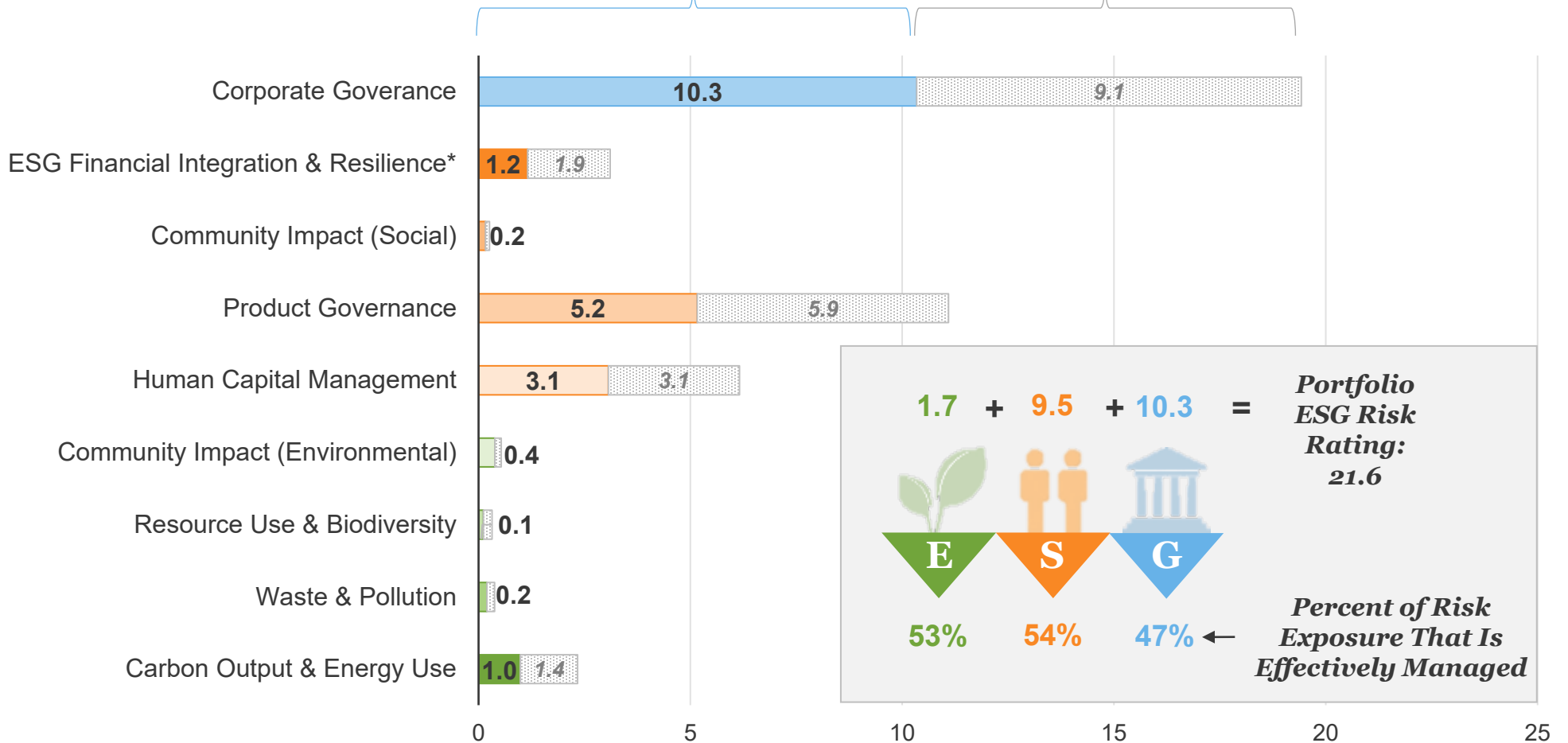
Governance risk assesses how a company is managed from the perspective of executive pay, internal controls, board composition, lobbying practices, and related issues



Source: Sustainalytics. ESG Themes were created by PFMAM based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics. Please see the ESG Themes Glossary provided in the Appendix for additional information and details. * Only applies to financial service industries.

ESG Risk Exposure by ESG Theme

Unmanaged Risk + **Managed Risk** = **Total Exposure**

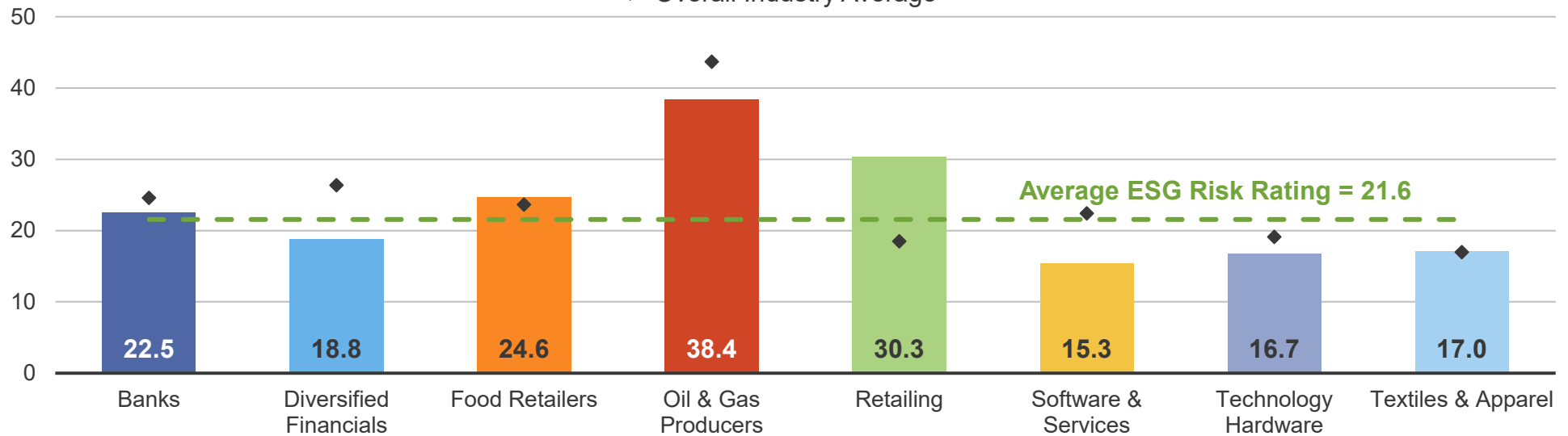


Source: Sustainalytics. ESG Themes were created by PFMAM based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics. Please see the ESG Themes Glossary provided in the Appendix for additional information and details. * Only applies to financial service industries.

ESG Investments – Industry Diversification

ESG Risk Rating by Industry

◆ Overall Industry Average



Industry Distribution

(# of Issuers)

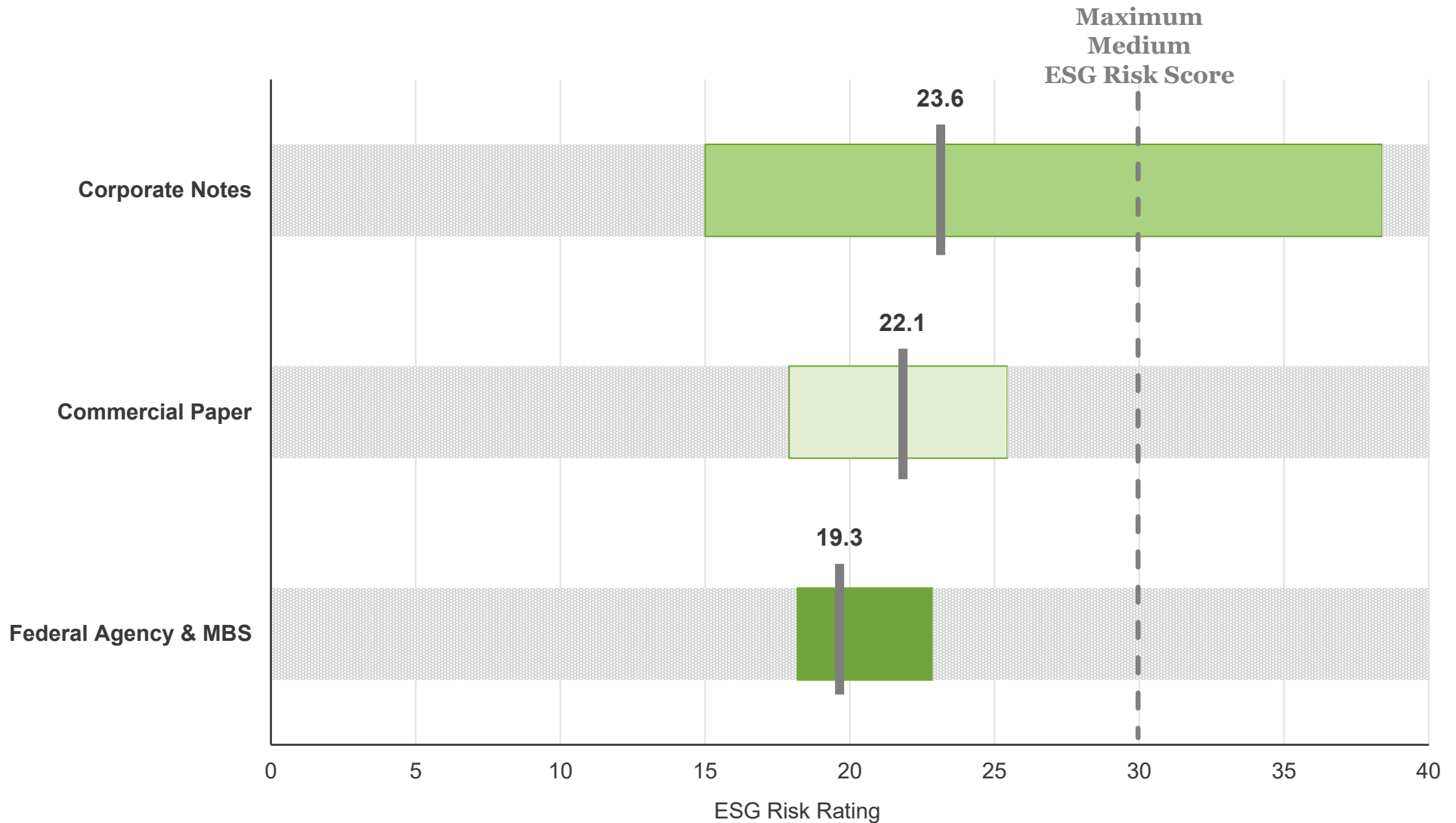


(Allocation % of Market Value)



Portfolio holdings and Sustainalytics data as of December 31, 2022. "ESG Risk Rating by Industry" represents the market value-weighted average ESG risk rating for each industry, as classified by Sustainalytics. "Industry Distribution" charts show the total number of issuers per industry and the allocation as percentage of portfolio market value.

ESG Investments – ESG Risk Rating by Sector



Source: Sustainalytics. Data as of December 31, 2022. Bars represent the range of held issuers' ESG risk rating that fall under each sector, and lines indicate the sectors market value-weighted average ESG risk rating. Corporate notes with ESG Risk Score greater than permitted maximum were purchased before ESG strategy was put in place. Please see important disclosures at the end of this presentation.

Appendix

ESG Themes Information



ESG Themes Glossary

ESG Theme		Theme Description	Key Indicators
Environment	Carbon Output & Energy Use	Refers to a company's management of risks related to its energy efficiency and greenhouse gas emissions in its operation as well as its products and services in the production phase and during the product use phase	<ul style="list-style-type: none"> Carbon intensity Renewable energy use Env. Mgt. System certification GHG reporting / risk management Hazardous products Sustainable products & services
	Waste & Pollution	Evaluates the management of emissions and releases from a company's own operations to air, water, and land, excluding greenhouse gas emissions	<ul style="list-style-type: none"> Emergency response program Solid waste management Effluent management Radioactive waste management Hazardous waste management Non-GHG air emissions programs Oil spill disclosure & performance Recycled material use
	Resource Use & Biodiversity	Analyzes how efficiently and effectively a company uses its raw material inputs and water in production. It also encompasses how a company manages the impact of its operations on land, ecosystems, and wildlife	<ul style="list-style-type: none"> Biodiversity programs Deforestation programs / policies Site closure & rehabilitation Water intensity & risk management Forest certifications Supplier environmental programs / certifications Sustainable agriculture programs
	Community Impact (Environmental)	Evaluates the community impact from an environmental risk perspective based on an assessment of Community Relations, Products & Services, Occupational Health and Safety, and Product Governance	<ul style="list-style-type: none"> Env Impact – Community Relations Env Impact – Products & Services Env Impact – Occupational Health and Safety Env Impact – Product Governance

ESG Themes listed were created by PFMAM for educational purposes based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics.

ESG Themes Glossary

ESG Theme	Theme Description	Key Indicators
Social	Human Capital Management	<ul style="list-style-type: none"> • Discrimination policy • Diversity programs • Gender pay equality / disclosures • Employee development • Supply chain management / standards • Human rights policies & programs • Employee health & safety
	Product Governance	<ul style="list-style-type: none"> • Product & service safety programs / certifications • Data privacy management • Media & advertising ethics policy • Organic products / GMO policy • Product health statement
	Community Impact (Social)	<ul style="list-style-type: none"> • Equitable pricing and availability • Access to health care • Price transparency • Human rights / indigenous policy • Community involvement programs • Noise management
	ESG Financial Integration & Resilience*	<ul style="list-style-type: none"> • Systemic risk management / reporting • Tier 1 capital • Leverage ratio • Responsible investment / asset management • Underwriting standards • Financial inclusion • Credit & loan standards • Green buildings investments

* Only applies to financial service industries

ESG Themes listed were created by PFMAM for educational purposes based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics.

ESG Themes Glossary

ESG Theme	Theme Description	Key Indicators
Governance	<p>Corporate Governance</p> <p>Evaluates a company's rules, policies, and practices with a focus on how a company's board of directors manages and oversees the operations of a company. Also assesses the management of general professional ethics and lobbying activities</p>	<ul style="list-style-type: none"> • Board/management quality & integrity • Board structure • Ownership & shareholder rights • Remuneration • Audit & financial reporting • Stakeholder governance • Bribery & corruption policies / programs • Money laundering policy • Whistleblower programs • Business ethics programs • Political involvement policy • Lobbying and political expenses

* Only applies to financial service industries

ESG Themes listed were created by PFMAM for educational purposes based on the material ESG issues ("MEIs") and ESG indicators developed and defined by Sustainalytics.

Portfolio Holdings and Transactions

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,738,574.22	1.59	14,371.57	3,749,170.56	3,723,046.88
US TREASURY NOTES DTD 05/02/2016 1.625% 04/30/2023	912828R28	4,500,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,506,503.91	1.58	12,524.17	4,500,648.21	4,457,812.50
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,702,685.55	1.60	19,616.17	3,742,593.95	3,676,171.88
US TREASURY NOTES DTD 08/31/2016 1.375% 08/31/2023	912828D1	4,500,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,466,425.78	1.59	21,023.83	4,493,830.71	4,399,452.90
US TREASURY NOTES DTD 09/30/2016 1.375% 09/30/2023	912828T26	3,750,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,717,480.47	1.61	13,173.94	3,743,722.28	3,656,835.75
US TREASURY NOTES DTD 09/30/2021 0.250% 09/30/2023	91282CDA6	7,475,000.00	AA+	Aaa	10/14/2021	10/15/2021	7,459,816.41	0.35	4,774.55	7,469,223.87	7,229,726.56
US TREASURY N/B NOTES DTD 12/31/2021 0.750% 12/31/2023	91282CDR9	2,750,000.00	AA+	Aaa	1/10/2022	1/11/2022	2,742,910.16	0.88	56.98	2,746,410.71	2,643,867.05
US TREASURY NOTES DTD 01/03/2017 2.250% 12/31/2023	912828V23	3,530,000.00	AA+	Aaa	11/19/2019	11/21/2019	3,619,491.02	1.61	219.41	3,551,702.02	3,444,507.64
US TREASURY NOTES DTD 01/31/2017 2.250% 01/31/2024	912828V80	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,718,953.13	1.61	43,312.50	4,630,790.62	4,478,531.48
US TREASURY NOTES DTD 03/15/2021 0.250% 03/15/2024	91282CBR1	5,000,000.00	AA+	Aaa	4/15/2021	4/16/2021	4,992,773.44	0.30	3,729.28	4,997,018.36	4,740,625.00
US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,698,289.06	1.61	24,974.59	4,628,197.68	4,455,531.48
US TREASURY N/B NOTES DTD 04/15/2021 0.375% 04/15/2024	91282CBV2	2,500,000.00	AA+	Aaa	4/27/2021	4/28/2021	2,501,464.84	0.36	2,008.93	2,500,635.71	2,365,625.00
US TREASURY NOTES DTD 05/31/2017 2.000% 05/31/2024	912828XT2	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,333,876.95	1.62	9,230.77	5,277,203.34	5,058,046.88
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,678,343.75	1.61	254.14	4,625,507.27	4,421,750.00
US TREASURY NOTES DTD 08/31/2019 1.250% 08/31/2024	912828YE4	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,163,457.03	1.62	22,298.00	5,218,735.52	4,970,273.70

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 09/30/2019 1.500% 09/30/2024	912828YH7	4,600,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,575,742.19	1.61	17,629.12	4,591,251.28	4,367,125.00
US TREASURY N/B NOTES DTD 10/15/2021 0.625% 10/15/2024	91282CDB4	5,000,000.00	AA+	Aaa	11/9/2021	11/12/2021	4,992,382.81	0.68	6,696.43	4,995,342.67	4,667,969.00
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	5,250,000.00	AA+	Aaa	1/17/2020	1/22/2020	5,219,238.28	1.63	13,487.57	5,238,199.78	4,972,734.38
US TREASURY NOTES DTD 11/17/2014 2.250% 11/15/2024	912828G38	4,070,000.00	AA+	Aaa	11/26/2019	11/27/2019	4,192,735.94	1.62	11,889.57	4,116,254.21	3,908,471.88
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	4,750,000.00	AA+	Aaa	1/17/2020	1/22/2020	4,777,275.39	1.63	229.63	4,761,031.04	4,508,046.88
US TREASURY N/B NOTES DTD 01/15/2022 1.125% 01/15/2025	91282CDS7	10,670,000.00	AA+	Aaa	11/28/2022	11/30/2022	9,958,527.73	4.45	55,452.11	9,987,829.03	9,981,452.10
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	4,100,000.00	AA+	Aaa	11/9/2021	11/12/2021	4,059,320.31	0.80	5,237.64	4,072,990.00	3,764,312.50
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	6,000,000.00	AA+	Aaa	4/15/2021	4/16/2021	5,898,984.38	0.65	6,277.17	5,939,274.59	5,413,125.00
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	11,100,000.00	AA+	Aaa	11/28/2022	11/30/2022	9,958,347.66	4.25	9,428.87	9,994,698.78	9,977,858.82
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	2,000,000.00	AA+	Aaa	1/15/2021	1/19/2021	1,992,500.00	0.45	20.72	1,995,455.17	1,786,250.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	5,900,000.00	AA+	Aaa	4/15/2021	4/16/2021	5,790,066.41	0.77	9,258.83	5,829,305.98	5,247,312.50
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	2,665,000.00	AA+	Aaa	3/16/2021	3/18/2021	2,623,255.27	0.82	4,527.56	2,638,355.41	2,373,931.90
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	4,000,000.00	AA+	Aaa	11/9/2021	11/12/2021	3,951,718.75	1.02	2,637.36	3,963,781.80	3,566,875.20
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	2,750,000.00	AA+	Aaa	3/3/2022	3/4/2022	2,617,119.14	1.77	7,192.60	2,642,127.15	2,429,023.30
US TREASURY N/B NOTES DTD 05/31/2022 2.625% 05/31/2027	91282CET4	1,000,000.00	AA+	Aaa	5/31/2022	6/2/2022	991,484.38	2.81	2,307.69	992,478.80	942,500.00
US TREASURY N/B NOTES DTD 06/30/2022 3.250% 06/30/2027	91282CEW7	5,500,000.00	AA+	Aaa	7/12/2022	7/14/2022	5,566,816.41	2.98	493.78	5,560,510.89	5,316,093.75

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	2,500,000.00	AA+	Aaa	8/11/2022	8/12/2022	2,478,808.59	2.93	28,770.38	2,480,467.45	2,364,843.75
Security Type Sub-Total		147,660,000.00					145,685,369.36	1.78	373,105.86	145,674,744.84	139,309,730.66
Federal Agency											
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	4,500,000.00	AA+	Aaa	4/13/2020	4/15/2020	4,617,990.00	0.44	23,031.25	4,505,342.51	4,482,081.00
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	2,850,000.00	AA+	Aaa	11/30/2020	12/1/2020	2,844,129.00	0.42	4,750.00	2,846,768.00	2,578,879.50
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	2,500,000.00	AA+	Aaa	11/30/2020	12/1/2020	2,490,025.00	0.46	2,552.08	2,494,345.42	2,247,030.00
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	1,400,000.00	AA+	Aaa	9/29/2020	9/30/2020	1,397,830.00	0.41	1,429.17	1,398,811.81	1,258,336.80
Security Type Sub-Total		11,250,000.00					11,349,974.00	0.44	31,762.50	11,245,267.74	10,566,327.30
Corporate											
APPLE INC (CALLABLE) BONDS DTD 02/09/2017 3.000% 02/09/2024	037833CG3	2,380,000.00	AA+	Aaa	1/17/2020	1/22/2020	2,477,699.00	1.94	28,163.33	2,403,580.14	2,324,055.72
BLACKROCK INC CORP NOTES DTD 03/18/2014 3.500% 03/18/2024	09247XAL5	2,000,000.00	AA-	Aa3	11/19/2019	11/21/2019	2,130,520.00	1.92	20,027.78	2,036,535.68	1,965,028.00
BANK OF AMERICA CORP (CALLABLE) CORPORAT DTD 10/21/2020 0.810% 10/24/2024	06051GJH3	2,500,000.00	A-	A2	7/20/2021	7/22/2021	2,505,125.00	0.75	3,768.75	2,501,841.02	2,397,745.00
CHEVRON CORP (CALLABLE) NOTES DTD 05/11/2020 1.554% 05/11/2025	166764BW9	2,000,000.00	AA-	Aa2	3/12/2021	3/16/2021	2,041,100.00	1.05	4,316.67	2,022,968.46	1,863,418.00
CHEVRON CORP (CALLABLE) NOTES DTD 05/11/2020 1.554% 05/11/2025	166764BW9	2,000,000.00	AA-	Aa2	3/11/2021	3/15/2021	2,048,380.00	0.96	4,316.67	2,027,018.67	1,863,418.00
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	5,000,000.00	A-	A1	5/25/2021	6/1/2021	5,010,350.00	0.77	3,433.33	5,004,882.25	4,662,945.00
MICROSOFT CORP NOTES (CALLABLE) DTD 11/03/2015 3.125% 11/03/2025	594918BJ2	2,000,000.00	AAA	Aaa	3/16/2021	3/18/2021	2,186,160.00	1.06	10,069.44	2,110,019.51	1,932,896.00

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
APPLE INC (CALLABLE) CORPORATE NOTES DTD 02/08/2021 0.700% 02/08/2026	037833EB2	5,000,000.00	AA+	Aaa	2/8/2021	2/10/2021	4,996,800.00	0.71	13,902.78	4,998,010.53	4,442,075.00
AMAZON INC CORP NOTES (CALLABLE) DTD 05/12/2021 1.000% 05/12/2026	023135BX3	5,000,000.00	AA	A1	6/8/2021	6/10/2021	5,010,400.00	0.96	6,805.56	5,007,045.16	4,434,525.00
TORONTO-DOMINION BANK CORPORATE NOTES DTD 06/03/2021 1.200% 06/03/2026	89114TZD7	2,500,000.00	A	A1	6/16/2021	6/18/2021	2,509,725.00	1.12	2,333.33	2,506,707.08	2,208,050.00
WAL MART INC CORP NOTES (CALLABLE) DTD 09/17/2021 1.050% 09/17/2026	931142ER0	2,500,000.00	AA	Aa2	2/28/2022	3/2/2022	2,401,175.00	1.96	7,583.33	2,419,332.61	2,208,530.00
NIKE INC CORPORATE NOTES (CALLABLE) DTD 03/27/2020 2.750% 03/27/2027	654106AJ2	2,500,000.00	AA-	A1	7/12/2022	7/14/2022	2,424,975.00	3.45	17,951.39	2,432,446.91	2,335,435.00
VISA INC CORP NOTES (CALLABLE) DTD 04/02/2020 1.900% 04/15/2027	92826CAL6	2,500,000.00	AA-	Aa3	7/12/2022	7/14/2022	2,334,875.00	3.42	10,027.78	2,351,140.19	2,250,380.00
Security Type Sub-Total		37,880,000.00					38,077,284.00	1.42	132,700.14	37,821,528.21	34,888,500.72
Managed Account Sub Total		196,790,000.00					195,112,627.36	1.63	537,568.50	194,741,540.79	184,764,558.68
Securities Sub Total		\$196,790,000.00					\$195,112,627.36	1.63%	\$537,568.50	\$194,741,540.79	\$184,764,558.68
Accrued Interest											\$537,568.50
Total Investments											\$185,302,127.18

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
11/28/2022	11/30/2022	10,670,000.00	91282CDS7	US TREASURY N/B NOTES	1.12%	1/15/2025	10,003,541.79	4.45%	
11/28/2022	11/30/2022	11,100,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	9,965,323.49	4.25%	
Total BUY		21,770,000.00					19,968,865.28		0.00
INTEREST									
10/15/2022	10/15/2022	2,500,000.00	91282CBV2	US TREASURY N/B NOTES	0.37%	4/15/2024	4,687.50		
10/15/2022	10/15/2022	2,500,000.00	92826CAL6	VISA INC CORP NOTES (CALLABLE)	1.90%	4/15/2027	23,750.00		
10/15/2022	10/15/2022	5,000,000.00	91282CDB4	US TREASURY N/B NOTES	0.62%	10/15/2024	15,625.00		
10/24/2022	10/24/2022	2,500,000.00	06051GJH3	BANK OF AMERICA CORP (CALLABLE) CORPORAT	0.81%	10/24/2024	10,125.00		
10/31/2022	10/31/2022	4,500,000.00	912828R28	US TREASURY NOTES	1.62%	4/30/2023	36,562.50		
10/31/2022	10/31/2022	5,250,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	39,375.00		
11/3/2022	11/3/2022	2,000,000.00	594918BJ2	MICROSOFT CORP NOTES (CALLABLE)	3.12%	11/3/2025	31,250.00		
11/11/2022	11/11/2022	4,000,000.00	166764BW9	CHEVRON CORP (CALLABLE) NOTES	1.55%	5/11/2025	31,080.00		
11/12/2022	11/12/2022	5,000,000.00	023135BX3	AMAZON INC CORP NOTES (CALLABLE)	1.00%	5/12/2026	25,000.00		
11/15/2022	11/15/2022	4,070,000.00	912828G38	US TREASURY NOTES	2.25%	11/15/2024	45,787.50		
11/30/2022	11/30/2022	5,250,000.00	912828XT2	US TREASURY NOTES	2.00%	5/31/2024	52,500.00		
11/30/2022	11/30/2022	1,000,000.00	91282CET4	US TREASURY N/B NOTES	2.62%	5/31/2027	13,125.00		
11/30/2022	11/30/2022	4,000,000.00	91282CCF6	US TREASURY N/B NOTES	0.75%	5/31/2026	15,000.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/1/2022	12/1/2022	5,000,000.00	46647PCH7	JPMORGAN CHASE & CO (CALLABLE) CORP NOTE	0.82%	6/1/2025	20,600.00		
12/3/2022	12/3/2022	2,500,000.00	89114TZD7	TORONTO-DOMINION BANK CORPORATE NOTES	1.20%	6/3/2026	15,000.00		
12/31/2022	12/31/2022	4,750,000.00	912828YY0	US TREASURY NOTES	1.75%	12/31/2024	41,562.50		
12/31/2022	12/31/2022	5,500,000.00	91282CEW7	US TREASURY N/B NOTES	3.25%	6/30/2027	89,375.00		
12/31/2022	12/31/2022	3,530,000.00	912828V23	US TREASURY NOTES	2.25%	12/31/2023	39,712.50		
12/31/2022	12/31/2022	2,000,000.00	91282CBC4	US TREASURY NOTES	0.37%	12/31/2025	3,750.00		
12/31/2022	12/31/2022	4,600,000.00	912828XX3	US TREASURY NOTES	2.00%	6/30/2024	46,000.00		
12/31/2022	12/31/2022	2,750,000.00	91282CDR9	US TREASURY N/B NOTES	0.75%	12/31/2023	10,312.50		
Total INTEREST		78,200,000.00					610,180.00		0.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
TREASURY BILL BILLS DTD 11/10/2022 0.000% 05/11/2023	912796ZE2	10,000,000.00	A-1+	P-1	11/14/2022	11/15/2022	9,783,420.83	4.50	0.00	9,840,930.55	9,838,400.00
US TREASURY BILL DTD 05/19/2022 0.000% 05/18/2023	912796W47	8,500,000.00	A-1+	P-1	11/21/2022	11/22/2022	8,313,400.21	4.57	0.00	8,355,569.65	8,355,446.45
CASH MGMT BILL DTD 08/11/2022 0.000% 08/10/2023	912796XY0	15,000,000.00	A-1+	P-1	11/28/2022	11/30/2022	14,536,567.25	4.54	0.00	14,595,183.25	14,595,762.00
US TREASURY N/B NOTES DTD 11/30/2021 0.500% 11/30/2023	91282CDM0	9,000,000.00	AA+	Aaa	11/28/2022	11/30/2022	8,629,101.56	4.77	3,956.04	8,661,618.68	8,658,280.80
Security Type Sub-Total		42,500,000.00					41,262,489.85	4.58	3,956.04	41,453,302.13	41,447,889.25
Federal Agency											
FED HOME LN DISCOUNT NT DISC NOTES DTD 09/15/2022 0.000% 09/15/2023	313384LT4	5,000,000.00	A-1+	P-1	12/15/2022	12/16/2022	4,825,962.50	4.76	0.00	4,836,162.50	4,829,402.69
FED HOME LN DISCOUNT NT DISC NOTES DTD 11/17/2022 0.000% 11/17/2023	313384PJ2	14,500,000.00	A-1+	P-1	12/2/2022	12/5/2022	13,852,893.19	4.85	0.00	13,903,244.44	13,887,610.38
FHLB DISC NOTE DTD 11/21/2022 0.000% 11/20/2023	313384PM5	1,500,000.00	A-1+	P-1	11/21/2022	11/22/2022	1,429,366.25	4.90	0.00	1,437,149.58	1,436,084.28
FED HOME LN DISCOUNT NT DISC NOTES DTD 12/15/2022 0.000% 12/15/2023	313384QN2	5,000,000.00	A-1+	P-1	12/15/2022	12/16/2022	4,769,972.22	4.77	0.00	4,780,083.33	4,771,308.53
Security Type Sub-Total		26,000,000.00					24,878,194.16	4.82	0.00	24,956,639.85	24,924,405.88

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 09/14/2022 0.000% 03/13/2023	62479MQD8	5,000,000.00	A-1	P-1	9/13/2022	9/14/2022	4,903,500.00	3.94	0.00	4,961,936.11	4,954,165.00
BNP PARIBAS NY BRANCH COMM PAPER DTD 11/14/2022 0.000% 05/15/2023	09659CSF6	10,000,000.00	A-1	P-1	11/14/2022	11/15/2022	9,752,130.56	5.06	0.00	9,816,494.45	9,819,180.00
CREDIT AGRICOLE CIB NY COMM PAPER DTD 08/25/2022 0.000% 05/22/2023	22533USN4	10,000,000.00	A-1	P-1	11/21/2022	11/22/2022	9,749,113.89	5.12	0.00	9,804,558.33	9,811,130.00
MUFG BANK LTD/NY COMM PAPER DTD 09/12/2022 0.000% 06/09/2023	62479MT94	10,000,000.00	A-1	P-1	9/13/2022	9/14/2022	9,699,988.89	4.15	0.00	9,822,008.33	9,787,030.00
Security Type Sub-Total		35,000,000.00					34,104,733.34	4.66	0.00	34,404,997.22	34,371,505.00
Managed Account Sub Total		103,500,000.00					100,245,417.35	4.67	3,956.04	100,814,939.20	100,743,800.13
Securities Sub Total		\$103,500,000.00					\$100,245,417.35	4.67%	\$3,956.04	\$100,814,939.20	\$100,743,800.13
Accrued Interest											\$3,956.04
Total Investments											\$100,747,756.17

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
11/14/2022	11/15/2022	10,000,000.00	912796ZE2	TREASURY BILL BILLS	0.00%	5/11/2023	9,783,420.83	4.50%	
11/14/2022	11/15/2022	10,000,000.00	09659CSF6	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	5/15/2023	9,752,130.56	5.06%	
11/21/2022	11/22/2022	8,500,000.00	912796W47	US TREASURY BILL	0.00%	5/18/2023	8,313,400.21	4.57%	
11/21/2022	11/22/2022	1,500,000.00	313384PM5	FHLB DISC NOTE	0.00%	11/20/2023	1,429,366.25	4.90%	
11/21/2022	11/22/2022	10,000,000.00	22533USN4	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	5/22/2023	9,749,113.89	5.12%	
11/28/2022	11/30/2022	15,000,000.00	912796XY0	CASH MGMT BILL	0.00%	8/10/2023	14,536,567.25	4.54%	
11/28/2022	11/30/2022	9,000,000.00	91282CDM0	US TREASURY N/B NOTES	0.50%	11/30/2023	8,629,101.56	4.77%	
12/2/2022	12/5/2022	14,500,000.00	313384PJ2	FED HOME LN DISCOUNT NT DISC NOTES	0.00%	11/17/2023	13,852,893.19	4.85%	
12/15/2022	12/16/2022	5,000,000.00	313384LT4	FED HOME LN DISCOUNT NT DISC NOTES	0.00%	9/15/2023	4,825,962.50	4.76%	
12/15/2022	12/16/2022	5,000,000.00	313384QN2	FED HOME LN DISCOUNT NT DISC NOTES	0.00%	12/15/2023	4,769,972.22	4.77%	
Total BUY		88,500,000.00					85,641,928.46		0.00
MATURITY									
12/1/2022	12/1/2022	14,500,000.00	912796P94	US TREASURY BILL	0.00%	12/1/2022	14,500,000.00		
Total MATURITY		14,500,000.00					14,500,000.00		0.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency											
FANNIE MAE NOTES DTD 01/23/2018 2.375% 01/19/2023	3135G0T94	5,950,000.00	AA+	Aaa	4/24/2020	4/28/2020	6,284,509.00	0.30	63,590.63	5,956,045.34	5,944,180.90
Security Type Sub-Total		5,950,000.00					6,284,509.00	0.30	63,590.63	5,956,045.34	5,944,180.90
Corporate											
APPLE CORP NOTES (CALLABLE) DTD 02/23/2016 2.850% 02/23/2023	037833BU3	605,000.00	AA+	Aaa	4/30/2020	5/4/2020	639,013.10	0.82	6,130.67	605,000.00	603,593.38
Security Type Sub-Total		605,000.00					639,013.10	0.82	6,130.67	605,000.00	603,593.38
Managed Account Sub Total		6,555,000.00					6,923,522.10	0.35	69,721.30	6,561,045.34	6,547,774.28
Securities Sub Total		\$6,555,000.00					\$6,923,522.10	0.35%	\$69,721.30	\$6,561,045.34	\$6,547,774.28
Accrued Interest											\$69,721.30
Total Investments											\$6,617,495.58

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
MATURITY									
12/14/2022	12/14/2022	605,000.00	92826CAC6	VISA INC CORPORATE (CALLABLE) NOTES	2.80%	12/14/2022	613,470.00		
Total MATURITY		605,000.00					613,470.00		0.00

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- MBS maturities are represented by expected average life.

Glossary

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

Glossary

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