



AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Nitish Sharma, Finance Director (Interim)

DATE: December 5, 2022

SUBJECT: Consideration of the Treasurer's Quarterly Financial Reports On The City's Investment Portfolio For The Periods Ending March 31, 2022, June 30, 2022 and September 30, 2022 and Consideration of a Revised Investment Policy and Recommendation to Forward to the Full City Council for Adoption

RECOMMENDATION

Staff respectfully recommends that the Committee receive and file the Treasurer's Quarterly Financial Reports on the City's investment portfolio for the periods ending March 31, 2022, June 30, 2022 and September 30, 2022. Additionally, it is recommended that the Committee review and forward to the City Council for adoption a Resolution approving a revised Investment Policy for the City of Clayton.

BACKGROUND

All local agencies are required to file regular financial reports with their legislative body on the status of their investment portfolio. One of the roles of the City's Finance Department, is to manage investments of the City to ensure that cash flow needs are met while maximizing the investment portfolio.

Under section 53646(b)(1) of the Government Code, the City Finance Department may prepare and the City Treasurer approve a quarterly financial report to the City Council on the City's investment portfolio. This report includes:

1. The type of investment, issuer, date of maturity, and par and dollar amount invested on all securities, investments and funds held by the City;
2. A current market value as of the date of the report;
3. A stated compliance of the portfolio to the statement of the City's adopted investment policy, or manner in which the portfolio is not in compliance; and
4. A statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why

sufficient money shall or may not be available. Once a year, the statement of investment policy is included in the report.

The attached quarterly reports were prepared by UBS Financial Services, with a revised format that provides enhanced reporting with more analysis, better graphics, and an expanded analysis of the City's Investment Portfolio. UBS Financial Services is a Warren, New Jersey based firm with municipal clients throughout California and the United States.

DISCUSSION

The attached quarterly financial reports summarize the status of pooled treasury investments as of March 31, 2022, June 30, 2022 and September 30, 2022. For the most recent quarter, the City-held treasury investments consisted of investments with a book value of \$12.8 million. The largest amount of the City's portfolio continues to be invested in CDs as well as in 100% liquid investments, including money markets, and pooled investment funds. However, because of a diversification strategy, the portfolio now also includes certificates of deposit, federal agencies, medium term notes ("corporate bonds"), and municipal bonds.

Historically, it had been the City's practice to focus the majority of investment choices in two municipal "pooled" investment funds: 1) the Local Agency Investment Fund (LAIF), and 2) the California Asset Management Program (CAMP). The concentration in 100% liquid investments has not changed significantly from the previous quarter and is 18% of the total portfolio. However, staff continues to seek to increase portfolio returns through other higher-yielding investments in compliance with the City's adopted Investment Policy (see attachment).

The following is a summary of performance by investment type.

Investment Type	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	Yield to Maturity
CDs (Insured)	\$9,032,000	\$8,513,479	\$8,513,479	67%	784	1.64%
US Treasury Notes	\$1,344,000	\$1,219,929	\$1,219,929	10%	890	0.58%
US Federal Agency Bonds	\$750,000	\$695,980	\$695,980	6%	1,540	2.58%
LAIF	\$1,507,100	\$1,507,100	\$1,507,100	11%	1	1.35%
CAMP	\$896,124	\$896,124	\$896,124	7%	1	3.13%
Totals	\$13,529,224	\$12,832,612	\$12,832,612	100%		

In the most recent quarter, the returns on the City's portfolio were 1.66%, up slightly from the previous quarter ending 06/30/2022 when the Yield to Maturity (YTM) was 1.32%. The investment average duration is 2.32 years, this is the same as six months ago. The Portfolio consists of \$8.6 million of Insured CDs, \$1.2 million of US Treasuries and \$700,000 of US Federal Agency Bonds. The expected Annual Cash Flow is \$155,126, this should be expected to move higher as lower investment rates mature and funds are reinvested into higher yielding investments.

It should be noted that the gain or loss within a given quarter is not an issue since the City intends to hold the securities to maturity. The “Book Value” represents what the City paid for the security whereas “Market Value” is a constantly changing amount based on the current value. Market values fluctuate with changes in interest rates, and price has an inverse relationship to interest rates. Thus, while the City is required to calculate market values on an ongoing basis, at maturity the investment will achieve the stated “Yield to Maturity” based on the Book Value, or what the City paid for the security. Overall, the book value of the portfolio exceeds market value by \$682,333. Increasing interest rates decrease the value of the portfolio, although a loss would not be realized unless certain assets were to be sold prior to the maturity date.

In the current quarter, staff will continue to evaluate liquidity needs and, where possible, continue the investment in higher yielding securities. At the same time, the fixed income market is experiencing significant instability and sharply rising yields. This will likely be reflected in lower market values to be reported in the next quarterly report.

Investment Policy: The City’s Interim Finance Director reviewed the investment strategies and determined that an investment policy update is necessary in order to comply with the State of California Government Code Section 53620-53622. **Attachment 6** of this report includes the updated investment policy. Attachment 7 is the current Investment Policy, as adopted in 2018.

FISCAL IMPACTS

The investment portfolio, as a whole, earned returns at least consistent with the revenue estimates contained in the budget, and the portfolio yield of 1.66% exceeded the LAIF yield of 1.513%, which is the City’s benchmark for evaluating returns on the portfolio.

ATTACHMENTS

1. Investment Portfolio Review from UBS
2. Consolidated Investment Summary December 2021 through September 2022
3. Quarterly Investment Report as of March 31, 2022
4. Quarterly Investment Report as of June 30, 2022
5. Quarterly Investment Report as of September 30, 2022
6. City of Clayton Revised Investment Policy
7. City of Clayton Investment Policy (42-2018)

Investment Portfolio Review

Prepared for:
City of Clayton

Market Overview - In the US, more persistent inflation in services and shelter is dashing hopes that a decline in gasoline prices and a normalization in goods supply would drive a sustained easing in price trends. Labor market supply remains short of pre-COVID trend levels, and the Federal Reserve remains committed to raising interest rates until inflation falls.

Meanwhile, the labor market remains tight. Job growth in August slowed to 315,000 new payrolls from 500,000 in July, and the unemployment rate ticked up to 3.7% from 3.5%. But absolute growth is still strong, jobless claims have actually started falling, and the labor market remains fundamentally unbalanced, with significantly greater demand for labor than available supply. Currently, there are around 6 million unemployed but 11.2 million job openings, according to the latest JOLTS data. Participation has been recovering and in August reached 62.4%, the highest since the pandemic, but it is still a full percentage point (or 1.6 million people) below pre-pandemic levels.

Ten-year US Treasury yields have risen 120 basis points since the beginning of August, while UK 10-year gilts rose over 100bps in a mere three days in late September. The fiscal monetary tensions in the UK rippled through the US market, initially pushing US rates higher, followed by the largest one day decline (30bps) in US 10-year yields since March 2020.

Unfortunately, this volatility will persist as we enter the fourth quarter, as liquidity continues to abate into year-end. Low liquidity and high volatility will remain a sheer reminder that central banks do not operate in a vacuum and volatility is here to stay over the next several months.

The market's projected path of the federal funds rate is now aligned to the Fed's new dot plot, with 4. % expected by year-end and a peak of 4.5% in March 2023. Core inflation will remain persistently elevated over the next several months, and regardless of the potential below-consensus inflation prints, they are unlikely to alter the Fed's or the market's current projected year-end fed funds rate of 4.25%. So, fighting the Fed in the short term is not advised. However, with the market now pricing north of 4% as the terminal rate, it is not a question of level, but a question of sustainability.

Current Portfolio Observations - Current Yield is 1.66%, this is up 0.34% from 6 months ago, the average duration is 2.32 years, this is the same as 6 months ago. The Portfolio consists of \$8.6 million of Insured CDs, \$1.2 million of US Treasuries and \$700,000 of US Federal Agency Bonds. Expected Annual Cash Flow is \$155,126, this should be expected to move higher as lower investment rates mature and funds are reinvested into higher yielding investments.

Portfolio Considerations

1. Breakeven Analysis on selling some lower yielding investments and reinvesting the funds into higher yielding options.
2. Based on Investment Policy, consider High Grade Corporate Bonds, yields are +5.00% and spreads are attractive based on historical averages.
3. Bank and Credit Unions CDs in the 2yr-5yr range are also attractive options for excess liquidity, yields range from 4.00% to 4.50%.

City of Clayton
Investment Holdings Summary
Qtr. Ending: December 31, 2021

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 891,040.81			\$ 891,040.81	5.64%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 2,997,391.62	0.23%	0.23%	\$ 2,997,391.62	18.97%
UBS Financial Services Inc.	Cash	UBS Cash Holding	\$ 13,700.38	n/a	n/a	\$ 13,700.38	
	Fixed Income	UBS - Certificates of Deposit	\$ 9,036,000.00	varies by holding	varies by holding	\$ 9,036,000.00	
	Fixed Income	UBS - Government Securities	\$ 1,594,000.00	varies by holding	varies by holding	\$ 1,594,000.00	
	Fixed Income	UBS- Accrued Interest @ 9/30/2021	\$ -				
		Total UBS Financial Services		\$ 10,643,700.38			\$ 10,643,700.38
Bank of America	Checking	(General Ledger - book value)	1,265,596.94	0.00%	0.00%	1,265,596.94	8.01%
Total Investment Portfolio			15,797,729.75			15,797,729.75	

Budget to Actual Analysis of Interest Revenue 7/1/2021- 12/31/2022

	Budgeted (FY 2021-22)	Actual (7/1/2021-12/31/2021)	YTD Variance
General Fund	\$ 86,000	\$ 75,038	-15%
Total	\$ 86,000	\$ 75,038	-15%

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

Hank Stratford, City Treasurer

Nitish Sharma, Finance Director (Interim)

City of Clayton
Investment Holdings Summary
Qtr. Ending: March 31, 2022

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 891,313.03			\$ 891,313.03	2.97%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 2,999,117.23	0.32%	0.32%	\$ 2,999,117.23	10.00%
UBS Financial Services Inc.	Cash	UBS Cash Holding	\$ 14,024.08	n/a	n/a	\$ 14,024.08	
	Fixed Income	UBS - Certificates of Deposit	\$ 9,062,000.00	varies by holding	varies by holding	\$ 9,062,000.00	
	Fixed Income	UBS - Government Securities	\$ 15,940,000.00	varies by holding	varies by holding	\$ 15,940,000.00	
	Fixed Income	UBS- Accrued Interest @ 3/31/2022	\$ 27,780.95			\$ 27,780.95	
		Total UBS Financial Services		\$ 25,043,805.03			\$ 25,043,805.03
Bank of America	Checking	(General Ledger - book value)	1,058,985.42	0.00%	0.00%	1,058,985.42	3.53%
Total Investment Portfolio			29,993,220.71			29,993,220.71	

Budget to Actual Analysis of Interest Revenue 7/1/2021- 3/31/2022

	Budgeted (FY 2021-22)	Actual (7/1/2021-09/30/2022)	YTD Variance
General Fund	\$ 86,000	\$ 103,361	17%
All Other Funds	\$ 23,233	\$ 24,677	6%
Total	\$ 109,233	\$ 128,038	15%

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

Hank Stratford, City Treasurer

Nitish Sharma, Finance Director (Interim)

City of Clayton
Investment Holdings Summary
Qtr. Ending: June 30, 2022

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 893,135.02			\$ 893,135.02	5.37%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 3,001,480.61	0.75%	0.75%	\$ 3,001,480.61	18.05%
UBS Financial Services Inc.	Cash	UBS Cash Holding	\$ 9,618.00	n/a	n/a	\$ 9,618.00	
	Fixed Income	UBS - Certificates of Deposit	\$ 9,106,000.00	varies by holding	varies by holding	\$ 9,106,000.00	
	Fixed Income	UBS - Government Securities	\$ 2,094,000.00	varies by holding	varies by holding	\$ 2,094,000.00	
	Fixed Income	UBS- Accrued Interest @ 06/30/2022	\$ 18,635.40			\$ 18,635.40	
		Total UBS Financial Services		\$ 11,228,253.40			\$ 11,228,253.40
Bank of America	Checking	(General Ledger - book value)	1,505,617.26	0.00%	0.00%	1,505,617.26	9.05%
Total Investment Portfolio			16,628,486.29			16,628,486.29	

Budget to Actual Analysis of Interest Revenue 7/1/2021-06/30/2022

	Budgeted (FY 2021-22)	Actual (7/1/2021-06/30/2022) *	YTD Variance
General Fund	\$ 86,000	\$ 131,855	35%
Total	\$ 86,000	\$ 131,855	35%

* Actual amount does not include GASB 31 Adjustment (market value adjustments)

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

Hank Stratford, City Treasurer

Nitish Sharma, Finance Director (Interim)

City of Clayton
Investment Holdings Summary
Qtr. Ending: September 30, 2022

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 898,049.04			\$ 898,049.04	5.71%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 1,507,100.01	1.35%	1.35%	\$ 1,507,100.01	9.59%
UBS Financial Services Inc.	Cash	UBS Cash Holding	\$ 14,148.26	n/a	n/a	\$ 14,148.26	
	Fixed Income	UBS - Certificates of Deposit	\$ 9,131,000.00	varies by holding	varies by holding	\$ 9,131,000.00	
	Fixed Income	UBS - Government Securities	\$ 2,094,000.00	varies by holding	varies by holding	\$ 2,094,000.00	
	Fixed Income	UBS- Accrued Interest @ 9/30/2022	\$ 29,783.87			\$ 29,783.87	
		Total UBS Financial Services		\$ 11,268,932.13			\$ 11,268,932.13
Bank of America	Checking	(General Ledger - book value)	2,045,989.09	0.00%	0.00%	2,045,989.09	13.02%
Total Investment Portfolio			15,720,070.27			15,720,070.27	

Budget to Actual Analysis of Interest Revenue 7/1/2021-9/30/2022
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	Budgeted	Actual	YTD Variance
General Fund	\$ 86,000	\$ 14,981	-474%
Total	\$ 86,000	\$ 14,981	-474%

I verify that this investment portfolio is in conformity with State laws and the City of Clayton's investment policy. The City's cash management program provides sufficient liquidity to meet the next six month's expenditures.

Hank Stratford, City Treasurer

Nitish Sharma, Finance Director (Interim)



Branch office:
184 Liberty Corner Road
Suite 101
Warren, NJ 070596868

Financial Advisor:
James Dill
908-470-6200

UBS Client Review

as of March 31, 2022

Prepared for

City of Clayton

Accounts included in this review

Account	Name	Type
EX XX244	• City of Clayton	• Business Service Account
Risk profile:	Conservative	
Return Objective:	Current Income and Capital Appreciation	

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Bond summary

as of March 31, 2022

Bond overview

Total quantity	10,656,000
Total market value	\$10,341,851.75
Total accrued interest	\$25,203.08
Total market value plus accrued interest	\$10,367,054.83
Total estimated annual bond interest	\$136,916.50
Average coupon	1.31%
Average current yield	1.32%
Average yield to maturity	1.92%
Average yield to worst	1.92%
Average modified duration	2.24
Average effective maturity	2.26

Credit quality of bond holdings

Effective credit rating	Issues	Value on 03/31/2022 (\$)	% of port.
A Aaa/AAA/AAA	5	1,503,273.15	14.52
B Aa/AA/AA	0	0.00	0.00
C A/A/A	0	0.00	0.00
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	48	8,863,781.68	85.48
G Not rated	0	0.00	0.00
Total	53	\$10,367,054.83	100%

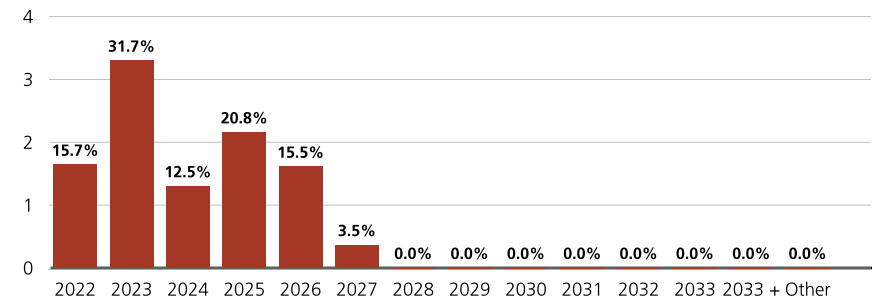


Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	8,863,781.68	0.00	8,863,781.68	85.50
U.S. federal agencies	233,509.28	0.00	233,509.28	2.25
U.S. treasuries	1,269,763.87	0.00	1,269,763.87	12.25
Total	\$10,367,054.83	\$0.00	\$10,367,054.83	100%

Bond maturity schedule

\$ Millions



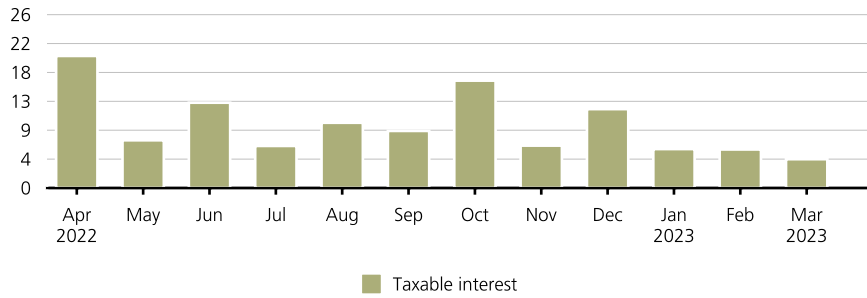
Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.

Bond summary - as of March 31, 2022 (continued)

Expected bond cash flow

\$ Thousands



Total taxable income: \$116,526.00

Total expected bond cash flow: \$116,526.00

Cash flows displayed account for known events such as maturities and mandatory puts.



Bond holdings

as of March 31, 2022

City of Clayton
 Prepared for: City of Clayton
 Risk profile: Conservative
 Return Objective: Current Income and Capital Appreciation

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2022	9	1,625,000	38,818.00	2.38%	0.70 %	0.70 %	0.32	1,625,000	8,365.00	1,641,141.51	15.79%
2023	16	3,293,000	49,692.00	1.51%	1.51 %	1.51 %	1.15	3,292,225	-4,044.48	3,297,442.35	31.79%
2024	6	1,343,000	11,152.50	0.86%	2.27 %	2.27 %	2.30	1,343,000	-45,152.09	1,298,965.21	12.55%
2025	10	2,293,000	15,534.50	0.72%	2.55 %	2.55 %	3.35	2,295,446.3	-143,229.06	2,156,454.14	20.81%
2026	9	1,722,000	15,369.50	0.96%	2.57 %	2.57 %	4.13	1,719,300	-112,176.82	1,609,514.40	15.54%
2027	3	380,000	6,350.00	1.75%	2.64 %	2.64 %	4.66	380,000	-16,882.10	363,537.22	3.51%
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2051	0	0			NA	NA	NA				
2051 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	53	10,656,000	\$136,916.50	1.32%	1.92 %	1.92 %	2.24	\$10,654,971.30	\$-313,119.55	\$10,367,054.83	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of March 31, 2022 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		10,656,000	1.31%	07/05/2024	NA	\$136,916.50 1.32%	1.92% 1.92%	2.24	\$10,654,971.3 \$-313,119.55	NA	\$10,341,851.75 \$25,203.08 \$10,367,054.83	100%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2022												
SALLIE MAE BANK UT US RT 02.6500% MAT 04/04/22 FIXED RATE CD /UT	CD	197,000	2.65%	04/04/2022		5,220.50 2.65%	0.46% 0.46%	0.01	197,000.00 47.28	100.024	197,047.28 2,560.19	1.91%
LIVE OAK BKG CO NC US RT 02.2500% MAT 04/07/22 FIXED RATE CD /NC	CD	97,000	2.25%	04/07/2022		2,182.50 2.25%	0.42% 0.42%	0.01	97,000.00 33.95	100.035	97,033.95 179.38	0.94%
FIRST NATL BK OF M TX US RT 02.3500% MAT 06/20/22 FIXED RATE CD /TX	CD	145,000	2.35%	06/20/2022		3,407.50 2.34%	0.93% 0.93%	0.22	145,000.00 455.74	100.314	145,455.74 102.69	1.41%
BANK OF NEW ENGLAN NH US RT 03.1500% MAT 07/29/22 FIXED RATE CD /NH	CD	246,000	3.15%	07/29/2022		7,749.00 3.12%	NA NA	NA	246,000.00 2,081.16	100.846	248,081.16 0.00	2.40%
ALLY BK UT US RT 02.1500% MAT 08/01/22 FIXED RATE CD /UT	CD	247,000	2.15%	08/01/2022		5,310.50 2.14%	0.58% 0.58%	0.33	247,000.00 1,304.16	100.528	248,304.16 843.86	2.40%
ENERBANK UT US RT 02.0500% MAT 08/08/22 FIXED RATE CD /UT	CD	100,000	2.05%	08/08/2022		2,050.00 2.04%	0.61% 0.61%	0.35	100,000.00 510.00	100.510	100,510.00 292.05	0.97%
FIRST BK HIGHLAND IL US RT 02.2000% MAT 09/07/22 FIXED RATE CD /IL	CD	247,000	2.20%	09/07/2022		5,434.00 2.19%	0.75% 0.75%	0.43	247,000.00 1,563.51	100.633	248,563.51 357.30	2.40%
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD /VA	CD	99,000	2.30%	10/04/2022		2,277.00 2.28%	0.87% 0.87%	0.50	99,000.00 721.71	100.729	99,721.71 1,110.43	0.96%
COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22 FIXED RATE CD /IA	CD	247,000	2.10%	10/18/2022		5,187.00 2.09%	0.88% 0.88%	0.54	247,000.00 1,647.49	100.667	248,647.49 2,330.60	2.40%
Total 2022		1,625,000	2.39%	07/29/2022		\$38,818.00 2.38%	0.70% 0.70%	0.32	\$1,625,000.00 \$8,365.00		\$1,633,365.00 \$7,776.51	15.79%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of March 31, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD /NV	CD	248,000	1.90%	01/17/2023		4,712.00 1.89%	1.03% 1.03%	0.79	248,000.00 1,711.20	100.690	249,711.20 180.73	2.41%
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD /NY	CD	145,000	1.90%	01/23/2023		2,755.00 1.89%	1.05% 1.05%	0.80	145,000.00 994.70	100.686	145,994.70 513.26	1.41%
TEXAS CAP BK NA DA TX US RT 00.3000% MAT 02/07/23 FIXED RATE CD /TX	CD	250,000	0.30%	02/07/2023		750.00 0.30%	1.11% 1.11%	0.85	250,000.00 -1,722.50	99.311	248,277.50 106.85	2.40%
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD /NY	CD	250,000	2.65%	02/14/2023		6,625.00 2.62%	1.14% 1.14%	0.86	250,000.00 3,287.50	101.315	253,287.50 308.56	2.45%
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD /MA	CD	200,000	2.70%	02/28/2023		5,400.00 2.66%	1.19% 1.19%	0.90	200,000.00 2,744.00	101.372	202,744.00 44.38	1.96%
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD /NY	CD	250,000	1.45%	03/31/2023		3,625.00 1.45%	NA NA	NA	250,000.00 375.00	100.150	250,375.00 0.00	2.42%
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD /SD	CD	200,000	2.90%	04/11/2023		5,800.00 2.85%	1.32% 1.32%	1.00	200,000.00 3,214.00	101.607	203,214.00 2,717.26	1.96%
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD /VA	CD	150,000	1.40%	04/17/2023		2,100.00 1.40%	1.34% 1.34%	1.02	150,000.00 96.00	100.064	150,096.00 960.82	1.45%
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD /UT	CD	100,000	1.30%	04/17/2023		1,300.00 1.30%	1.34% 1.34%	1.03	100,000.00 -40.00	99.960	99,960.00 587.67	0.97%
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD /UT	CD	100,000	2.65%	05/08/2023		2,650.00 2.61%	1.38% 1.38%	1.07	100,000.00 1,381.00	101.381	101,381.00 1,038.22	0.98%
COMENITY BANK DE US RT 00.2000% MAT 05/15/23 JUMBO CD - HELD AT UBS /DE	CD	200,000	0.20%	05/15/2023		400.00 0.20%	1.83% 1.83%	1.11	200,000.00 -3,620.88	98.190	196,379.12 30.69	1.90%
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD /UT	CD	100,000	3.20%	07/31/2023		3,200.00 3.13%	NA NA	NA	100,000.00 2,142.00	102.142	102,142.00 0.00	0.99%
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD /OH	CD	200,000	0.25%	08/21/2023		500.00 0.25%	1.63% 1.63%	1.37	200,000.00 -3,780.00	98.110	196,220.00 54.79	1.90%
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	Aaa/AAA/NR NR/NR/NR	500,000	0.13%	10/15/2023		625.00 0.13%	2.14% 2.14%	1.52	499,225.00 -14,400.00	96.965	484,825.00 286.74	4.69%
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD /NY	CD	150,000	0.25%	10/16/2023		375.00 0.26%	1.75% 1.75%	1.52	150,000.00 -3,414.00	97.724	146,586.00 170.55	1.42%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of March 31, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD /NY	CD	250,000	3.55%	12/28/2023		8,875.00 3.45%	1.91% 1.91%	1.67	250,000.00 6,987.50	102.795	256,987.50 2,261.30	2.48%
Total 2023		3,293,000	1.53%	05/30/2023		\$49,692.00 1.51%	1.51% 1.51%	1.15	\$3,292,225.00 \$-4,044.48		\$3,288,180.52 \$9,261.83	31.79%
Maturing 2024												
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD /SD	CD	197,000	2.75%	05/03/2024		5,417.50 2.72%	2.16% 2.16%	2.02	197,000.00 2,362.03	101.199	199,362.03 415.59	1.93%
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD /UT	CD	198,000	0.25%	06/11/2024		495.00 0.26%	2.21% 2.21%	2.16	198,000.00 -8,284.32	95.816	189,715.68 149.18	1.83%
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD /IL	CD	250,000	0.55%	07/29/2024	04/29/2022 100.00	1,375.00 0.57%	2.27% 2.27%	2.30	250,000.00 -9,702.50	96.119	240,297.50 229.79	2.32%
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD /NV	CD	250,000	0.60%	08/12/2024		1,500.00 0.62%	2.28% 2.28%	2.32	250,000.00 -9,650.00	96.140	240,350.00 193.15	2.32%
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD /UT	CD	250,000	0.55%	08/12/2024		1,375.00 0.57%	2.28% 2.28%	2.34	250,000.00 -9,957.50	96.017	240,042.50 75.34	2.32%
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD /TX	CD	198,000	0.50%	12/11/2024	04/11/2022 100.00	990.00 0.53%	2.42% 2.42%	2.67	198,000.00 -9,919.80	94.990	188,080.20 54.25	1.82%
Total 2024		1,343,000	0.85%	08/03/2024		\$11,152.50 0.86%	2.27% 2.27%	2.30	\$1,343,000.00 \$-45,152.09		\$1,297,847.91 \$1,117.30	12.55%
Maturing 2025												
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD /VA	CD	250,000	1.45%	04/22/2025		3,625.00 1.50%	2.55% 2.55%	2.94	259,817.50 -17,890.00	96.771	241,927.50 1,589.04	2.34%
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD /MI	CD	250,000	1.15%	04/29/2025		2,875.00 1.20%	2.55% 2.55%	2.98	250,000.00 -10,335.00	95.866	239,665.00 1,205.14	2.32%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of March 31, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2025												
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD /NY	CD	250,000	0.55%	07/21/2025		1,375.00 0.59%	2.57% 2.57%	3.23	250,000.00 -15,910.00	93.636	234,090.00 222.26	2.26%
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD /NC	CD	150,000	0.60%	08/13/2025		900.00 0.64%	2.57% 2.57%	3.32	150,000.00 -9,520.50	93.653	140,479.50 73.97	1.36%
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD /NY	CD	149,000	0.55%	08/28/2025	05/28/2022 100.00	819.50 0.59%	2.57% 2.57%	3.37	149,000.00 -9,822.08	93.408	139,177.92 6.74	1.35%
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD /IL	CD	200,000	0.50%	09/22/2025		1,000.00 0.54%	2.58% 2.58%	3.40	200,000.00 -13,746.00	93.127	186,254.00 24.66	1.80%
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD /DE	CD	250,000	0.40%	10/30/2025	04/30/2022 100.00	1,000.00 0.43%	NA NA	NA NA	250,000.00 -16,580.00	93.368	233,420.00 0.00	2.26%
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	Aaa/AAA/AA+ NR/NR/NR	150,000	0.60%	11/24/2025		900.00 0.64%	2.56% 2.56%	3.55	150,000.00 -10,164.00	93.224	139,836.00 317.50	1.35%
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD /DE	CD	100,000	1.00%	12/15/2025		1,000.00 1.06%	2.59% 2.59%	3.59	100,000.00 -5,577.00	94.423	94,423.00 290.41	0.91%
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	Aaa/AAA/NR NR/NR/NR	544,000	0.38%	12/31/2025		2,040.00 0.41%	2.49% 2.49%	3.67	536,628.80 -33,684.48	92.453	502,944.32 507.18	4.86%
Total 2025		2,293,000	0.68%	09/13/2025		\$15,534.50 0.72%	2.55% 2.55%	3.35	\$2,295,446.30 -\$143,229.06		\$2,152,217.24 \$4,236.90	20.81%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD /UT	CD	245,000	0.50%	01/29/2026		1,225.00 0.54%	2.59% 2.59%	3.78	245,000.00 -18,666.55	92.381	226,333.45 0.00	2.19%
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	Aaa/NR/AA+ NR/NR/NR	100,000	0.52%	02/12/2026		520.00 0.56%	2.35% 2.35%	3.78	100,000.00 -6,715.00	93.285	93,285.00 70.78	0.90%
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD /FL	CD	94,000	0.65%	03/05/2026	06/05/2022 100.00	611.00 0.70%	2.60% 2.60%	3.85	94,000.00 -6,818.76	92.746	87,181.24 43.52	0.84%
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD /FL	CD	135,000	0.95%	03/31/2026	03/31/2022 100.00	1,282.50 1.01%	NA NA	NA NA	135,000.00 -8,449.65	93.741	126,550.35 0.00	1.22%
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD /NY	CD	248,000	0.95%	05/19/2026		2,356.00 1.02%	2.61% 2.61%	3.99	248,000.00 -16,013.36	93.543	231,986.64 852.03	2.24%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of March 31, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	Aaa/AAA/NR NR/NR/NR	300,000	0.88%	06/30/2026		2,625.00 0.94%	2.49% 2.49%	4.11	297,300.00 -16,752.00	93.516	280,548.00 652.62	2.71%
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE /IA	CD	250,000	0.95%	08/18/2026		2,375.00 1.02%	2.62% 2.62%	4.28	250,000.00 -17,262.50	93.095	232,737.50 195.21	2.25%
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD /UT	CD	150,000	1.25%	12/10/2026		1,875.00 1.33%	2.63% 2.63%	4.49	150,000.00 -9,123.00	93.918	140,877.00 570.21	1.36%
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD /UT	CD	200,000	1.25%	12/30/2026		2,500.00 1.33%	2.64% 2.64%	4.59	200,000.00 -12,376.00	93.812	187,624.00 6.85	1.81%
Total 2026		1,722,000	0.89%	06/24/2026		\$15,369.50 0.96%	2.57% 2.57%	4.13	\$1,719,300.00 -\$112,176.82		\$1,607,123.18 \$2,391.22	15.54%
Maturing 2027												
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD /UT	CD	80,000	1.75%	02/16/2027		1,400.00 1.82%	2.64% 2.64%	4.62	80,000.00 -3,257.60	95.928	76,742.40 164.93	0.74%
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD /UT	CD	50,000	1.90%	02/16/2027		950.00 1.97%	2.64% 2.64%	4.61	50,000.00 -1,694.50	96.611	48,305.50 111.92	0.47%
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD /IA	CD	250,000	1.60%	02/18/2027	08/18/2022 100.00	4,000.00 1.68%	2.64% 2.64%	4.68	250,000.00 -11,930.00	95.228	238,070.00 142.47	2.30%
Total 2027		380,000	1.67%	02/18/2027		\$6,350.00 1.75%	2.64% 2.64%	4.66	\$380,000.00 -\$16,882.10		\$363,117.90 \$419.32	3.51%
Total Bond Portfolio		10,656,000	1.31%	07/05/2024	NA	\$136,916.50 1.32%	1.92% 1.92%	2.24	\$10,654,971.3 -\$313,119.55	NA	\$10,341,851.75 \$25,203.08 \$10,367,054.83	100%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Expected cash flow

from 04/01/2022 to 03/31/2023

City of Clayton

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Summary of expected cash flows

	2022									2023			Total (\$)
	April	May	June	July	August	September	October	November	December	January	February	March	
Total Portfolio	20,135	7,274	13,004	6,410	9,946	8,700	16,369	6,459	12,028	5,937	5,871	4,393	116,526
Taxable	20,135	7,274	13,004	6,410	9,946	8,700	16,369	6,459	12,028	5,937	5,871	4,393	116,526
Taxable U.S. income	20,135	6,106	8,579	6,410	9,946	8,196	16,369	5,271	7,578	5,937	5,871	3,897	
Interest payments	20,135	6,106	8,579	6,410	9,946	8,196	16,369	5,271	7,578	5,937	5,871	3,897	104,295
Taxable non-U.S. income		1,168	4,425			504		1,188	4,450			496	
Interest payments		1,168	4,425			504		1,188	4,450			496	12,231

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 04/01/2022 to 03/31/2023 (continued)

Details of expected cash flows

	2022									2023			Total (\$)
	April	May	June	July	August	September	October	November	December	January	February	March	
Total Portfolio	20,135	7,274	13,004	6,410	9,946	8,700	16,369	6,459	12,028	5,937	5,871	4,393	116,526

Taxable

Taxable U.S. income

Interest payments

	Quantity	2022									2023			Total (\$)
		April	May	June	July	August	September	October	November	December	January	February	March	
ALLY BK UT US RT 02.1500% MAT 08/01/22 FIXED RATE CD	247,000.00					2,633.43 Aug 01								2,633.43
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD	250,000.00						1,817.47 Sep 30						1,807.53 Mar 31	3,625.00
BANK OF NEW ENGLAN NH US RT 03.1500% MAT 07/29/22 FIXED RATE CD	246,000.00	636.90 Apr 30	658.13 May 31	636.90 Jun 30	615.67 Jul 29									2,547.62
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD	94,000.00			154.01 Jun 05			154.01 Sep 05			152.33 Dec 05			150.66 Mar 05	611.00
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD	135,000.00	105.41 Apr 30	108.92 May 31	105.41 Jun 30	108.92 Jul 31	108.92 Aug 31	105.41 Sep 30	108.92 Oct 31	105.41 Nov 30	108.92 Dec 31	108.92 Jan 31	98.38 Feb 28	108.92 Mar 31	1,282.50
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD	100,000.00			498.63 Jun 15						501.37 Dec 15				1,000.00
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD	200,000.00	458.63 Apr 28	443.84 May 28	458.63 Jun 28	443.84 Jul 28	458.63 Aug 28	458.63 Sep 28	443.84 Oct 28	458.63 Nov 28	443.84 Dec 28	458.63 Jan 28	458.63 Feb 28		4,985.75
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD	250,000.00	339.04 Apr 29			342.81 Jul 29			346.58 Oct 29			346.58 Jan 29			1,375.00
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD	198,000.00			246.82 Jun 11						248.18 Dec 11				495.00
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD	99,000.00	1,135.38 Apr 04						1,141.62 Oct 04						2,277.00
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD	150,000.00	1,047.12 Apr 15						1,052.88 Oct 15						2,100.00
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD	200,000.00	2,892.05 Apr 11						2,907.95 Oct 11						5,800.00

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 04/01/2022 to 03/31/2023 (continued)

	Quantity	2022										2023			Total (\$)
		April	May	June	July	August	September	October	November	December	January	February	March		
COMENITY BANK DE US RT 00.2000% MAT 05/15/23	200,000.00	33.97 Apr 03	32.88 May 03	33.97 Jun 03	32.88 Jul 03	33.97 Aug 03	33.97 Sep 03	32.88 Oct 03	33.97 Nov 03	32.88 Dec 03	33.97 Jan 03	33.97 Feb 03	30.68 Mar 03	400.00	
JUMBO CD - HELD AT UBS COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22 FIXED RATE CD	247,000.00	2,586.39 Apr 18						2,600.61 Oct 18						5,187.00	
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD	250,000.00	1,807.53 Apr 22						1,817.47 Oct 22						3,625.00	
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD	250,000.00				681.85 Jul 31						693.15 Jan 31			1,375.00	
ENERBANK UT US RT 02.0500% MAT 08/08/22 FIXED RATE CD	100,000.00					1,016.58 Aug 07								1,022.19	
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD	100,000.00	263.01 Apr 30	271.78 May 31	263.01 Jun 30	271.78 Jul 31	271.78 Aug 31	263.01 Sep 30	271.78 Oct 31	263.01 Nov 30	271.78 Dec 31	271.78 Jan 31	245.48 Feb 28	271.78 Mar 31	3,200.00	
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	150,000.00		450.00 May 24						450.00 Nov 24					900.00	
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	100,000.00					260.00 Aug 12						260.00 Feb 12		520.00	
FIRST BK HIGHLAND IL US RT 02.2000% MAT 09/07/22 FIXED RATE CD	247,000.00						2,739.33 Sep 07							2,739.33	
FIRST NATL BK OF M TX US RT 02.3500% MAT 06/20/22 FIXED RATE CD	145,000.00	289.40 Apr 20	280.07 May 20	289.40 Jun 20										858.88	
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD	250,000.00	1,433.56 Apr 29						1,441.44 Oct 29						2,875.00	
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD	145,000.00				1,366.18 Jul 22						1,388.82 Jan 22			2,762.55	
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD	100,000.00		1,314.11 May 08						1,335.89 Nov 08					2,650.00	
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE	250,000.00	201.71 Apr 01	195.21 May 01	201.71 Jun 01	195.21 Jul 01	201.71 Aug 01	201.71 Sep 01	195.21 Oct 01	201.71 Nov 01	195.21 Dec 01	201.71 Jan 01	201.71 Feb 01	182.19 Mar 01	2,375.00	
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD	250,000.00	339.73 Apr 18	328.77 May 18	339.73 Jun 18	328.77 Jul 18	339.73 Aug 18	339.73 Sep 18	328.77 Oct 18	339.73 Nov 18	328.77 Dec 18	339.73 Jan 18	339.73 Feb 18	306.85 Mar 18	4,000.00	
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD	250,000.00	562.67 Apr 14	544.52 May 14	562.67 Jun 14	544.52 Jul 14	562.67 Aug 14	562.67 Sep 14	544.52 Oct 14	562.67 Nov 14	544.52 Dec 14	562.67 Jan 14	562.67 Feb 14		6,116.78	

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 04/01/2022 to 03/31/2023 (continued)

	Quantity	2022										2023			Total (\$)
		April	May	June	July	August	September	October	November	December	January	February	March		
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD	250,000.00	495.89 Apr 30						504.11 Oct 31							1,000.00
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD	150,000.00	76.44 Apr 01	73.97 May 01	76.44 Jun 01	73.97 Jul 01	76.44 Aug 01	76.44 Sep 01	73.97 Oct 01	76.44 Nov 01	73.97 Dec 01	76.44 Jan 01	76.44 Feb 01	69.04 Mar 01	900.00	
LIVE OAK BKG CO NC US RT 02.2500% MAT 04/07/22 FIXED RATE CD	97,000.00	185.36 Apr 01												221.24	
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD	200,000.00	212.33 Apr 30	205.48 May 30	212.33 Jun 30	205.48 Jul 30	212.33 Aug 30	212.33 Sep 30	205.48 Oct 30	212.33 Nov 30	205.48 Dec 30	212.33 Jan 30	198.63 Feb 28	205.48 Mar 30	2,500.00	
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD	245,000.00	100.68 Apr 30	104.04 May 31	100.68 Jun 30	104.04 Jul 31	104.04 Aug 31	100.68 Sep 30	104.04 Oct 31	100.68 Nov 30	104.04 Dec 31	104.04 Jan 31	93.97 Feb 28	104.04 Mar 31	1,225.00	
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD	80,000.00					694.25 Aug 16						705.75 Feb 16		1,400.00	
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD	150,000.00	186.99 Apr 16						188.01 Oct 16						375.00	
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD	50,000.00					471.10 Aug 16						478.90 Feb 16		950.00	
SALLIE MAE BANK UT US RT 02.6500% MAT 04/04/22 FIXED RATE CD	197,000.00	2,603.10 Apr 03												2,617.40	
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD	150,000.00			934.93 Jun 10						940.07 Dec 10				1,875.00	
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD	100,000.00	648.22 Apr 17						651.78 Oct 17						1,300.00	
TEXAS CAP BK NA DA TX US RT 00.3000% MAT 02/07/23 FIXED RATE CD	250,000.00					371.92 Aug 07						378.08 Feb 07		750.00	
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD	198,000.00	84.08 Apr 11	81.37 May 11	84.08 Jun 11	81.37 Jul 11	84.08 Aug 11	84.08 Sep 11	81.37 Oct 11	84.08 Nov 11	81.37 Dec 11	84.08 Jan 11	84.08 Feb 11	75.95 Mar 11	990.00	
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD	200,000.00					247.95 Aug 19						252.05 Feb 19		500.00	
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD	250,000.00					743.84 Aug 12						756.16 Feb 12		1,500.00	
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD	250,000.00	116.78 Apr 11	113.01 May 11	116.78 Jun 11	113.01 Jul 11	116.78 Aug 11	116.78 Sep 11	113.01 Oct 11	116.78 Nov 11	113.01 Dec 11	116.78 Jan 11	116.78 Feb 11	105.48 Mar 11	1,375.00	

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 04/01/2022 to 03/31/2023 (continued)

	Quantity	2022										2023			Total (\$)	
		April	May	June	July	August	September	October	November	December	January	February	March			
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	500,000.00	312.50 Apr 15								312.50 Oct 15						625.00
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	544,000.00			1,020.00 Jun 30									1,020.00 Dec 31			2,040.00
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	300,000.00			1,312.50 Jun 30									1,312.50 Dec 31			2,625.00
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD	149,000.00	69.60 Apr 28	67.36 May 28	69.60 Jun 28	67.36 Jul 28	69.60 Aug 28	69.60 Sep 28	67.36 Oct 28	69.60 Nov 28	67.36 Dec 28	69.60 Jan 28	69.60 Feb 28	62.87 Mar 28			819.50
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD	197,000.00	460.12 Apr 03	445.27 May 03	460.12 Jun 03	445.27 Jul 03	460.12 Aug 03	460.12 Sep 03	445.27 Oct 03	460.12 Nov 03	445.27 Dec 03	460.12 Jan 03	460.12 Feb 03	415.59 Mar 03			5,417.50
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD	248,000.00	400.20 Apr 17	387.29 May 17	400.20 Jun 17	387.29 Jul 17	400.20 Aug 17	400.20 Sep 17	387.29 Oct 17	400.20 Nov 17	387.29 Dec 17	400.20 Jan 17					3,950.33
Total Interest payments		20,135	6,106	8,579	6,410	9,946	8,196	16,369	5,271	7,578	5,937	5,871	3,897			104,295

Taxable non-U.S. income

	Quantity	2022										2023			Total (\$)	
		April	May	June	July	August	September	October	November	December	January	February	March			
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD	250,000.00			4,425.34 Jun 28									4,449.66 Dec 28			8,875.00
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD	248,000.00		1,168.32 May 19										1,187.68 Nov 19			2,356.00
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD	200,000.00						504.11 Sep 22								495.89 Mar 22	1,000.00
Total Interest payments			1,168	4,425			504						1,188	4,450	496	12,231

	2022										2023			Total (\$)
	April	May	June	July	August	September	October	November	December	January	February	March		
Total Portfolio	20,135	7,274	13,004	6,410	9,946	8,700	16,369	6,459	12,028	5,937	5,871	4,393	116,526	

Includes all fixed income securities in the selected portfolio.

House View: Executive summary

Month in review

- Market volatility remains elevated as high inflation and rising interest rates are bringing down global growth expectations. Inflation looks set to remain at above-average levels and economic growth looks set to continue slowing on the back of higher interest rates. In this more challenging environment, there are still clear winners, in our opinion.
- We face significant geopolitical and economic uncertainty. The war in Ukraine has caused a humanitarian crisis. Sanctions have been imposed, disrupting commodity flows and creating extreme volatility in some markets. Cease-fire talks have yet to yield results.
- On an asset class level, we prefer commodities and commodity-related investments. Within equities, we believe value-oriented companies will outperform. Investors should ensure portfolios are well diversified, with exposure to alternatives such as hedge funds and private markets.

Global economic outlook

- With extremely negative real wage growth across the major economies, consumers can only maintain consumer spending levels by reducing savings rates or increasing borrowing rates. If that happens, the outcome is a soft landing. If consumers stop using savings or borrowing to support consumption, before real incomes stabilize, then economic slump is likely.
- Central banks need to reduce inflation to stabilize real incomes. The risk is that interest rate increases are occurring as inflation is being driven more by factors that will not respond to rate increases. This means they need to lower demand to squeeze corporate profit margins, without lowering demand as far as creating job insecurity and elevate precautionary savings.
- Economies are experiencing consumption inequality as lower-income groups have fewer resources available to support spending. If consumer spending patterns change, the shift is likely to be more abrupt than is normally the case—because any shift is more likely to be driven by sentiment and concerns about the future, rather than a gradual change in labor market conditions.

Source: UBS, as of 30 September 2022

Report created on: October 11, 2022

Tactical preferences

Preferred Investment Views

Asset Classes	Most Preferred +	Least Preferred -
Equities	<ul style="list-style-type: none"> • US large-cap value • UK equity • Australia equity 	<ul style="list-style-type: none"> • US large-cap growth
Fixed income	<ul style="list-style-type: none"> • Agency MBS 	<ul style="list-style-type: none"> • US gov't bonds (int.)
Foreign exchange	<ul style="list-style-type: none"> • USD • CAD • CHF 	<ul style="list-style-type: none"> • EUR • GBP
Real assets	<ul style="list-style-type: none"> • Oil • Broad commodities 	<ul style="list-style-type: none"> • Gold
US sectors	<ul style="list-style-type: none"> • Energy • Healthcare • Consumer Staples 	<ul style="list-style-type: none"> • Consumer discretionary • Materials

Economic forecasts (real GDP, in %)

	2021	2022E	2023E
US	5.7	1.6	0.5
Eurozone	5.3	2.9	0.8
China	8.1	2.7	4.6
Latin America	6.7	2.9	1.7
World	6.2	3.0	3.0

The views expressed in this slide belong to CIO Americas, GWM
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In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Tax lots: This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot

level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Estimated Annual Income: The Estimated Annual Income is the annualized yearly per share Dividends/Interest paid and multiplied by the quantity of shares held in the selected account(s). For savings product & sweep funds this value is not calculated and is displayed as 0.

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no

ratings are currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Interest Rate Risk: Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Call Provisions: When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state

or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Taxability unknown: Taxability unknown items may include, but not to be limited to, Money Market interest, ordinary interest, and ordinary dividends. The value shown for interest bearing securities that have been deposited or received in your account includes accrued interest, where applicable.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of factors, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

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Bond sensitivity analysis: This analysis uses Modified Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

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Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

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Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

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Financial Advisor:
James Dill
908-470-6200

UBS Client Review

as of June 30, 2022

Prepared for

City of Clayton

Accounts included in this review

Account	Name	Type
EX XX244	• City of Clayton	• Business Service Account
Risk profile:	Conservative	
Return Objective:	Current Income and Capital Appreciation	

What's inside

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Bond summary

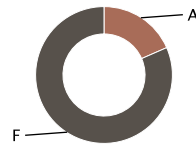
as of June 30, 2022

Bond overview

Total quantity	11,200,000
Total market value	\$10,721,990.27
Total accrued interest	\$18,635.40
Total market value plus accrued interest	\$10,740,625.67
Total estimated annual bond interest	\$164,286.00
Average coupon	1.50%
Average current yield	1.53%
Average yield to maturity	3.00%
Average yield to worst	3.00%
Average modified duration	2.35
Average effective maturity	2.37

Credit quality of bond holdings

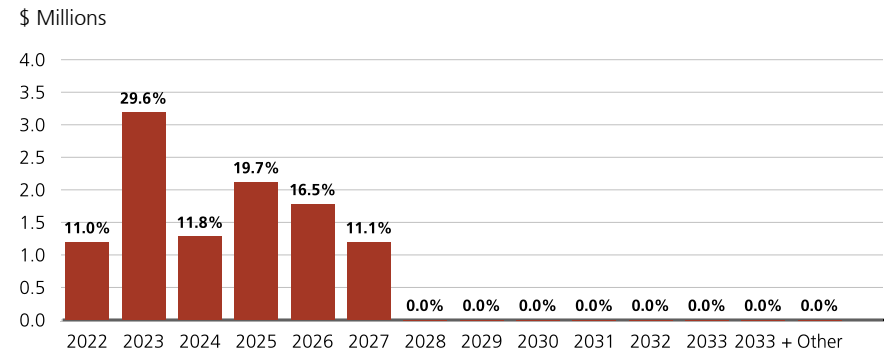
Effective credit rating	Issues	Value on 06/30/2022 (\$)	% of port.
A Aaa/AAA/AAA	6	1,981,923.22	18.48
B Aa/AA/AA	0	0.00	0.00
C A/A/A	0	0.00	0.00
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	48	8,758,702.45	81.52
G Not rated	0	0.00	0.00
Total	54	\$10,740,625.67	100%



Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	8,758,702.45	0.00	8,758,702.45	81.55
U.S. federal agencies	727,312.19	0.00	727,312.19	6.77
U.S. treasuries	1,254,611.02	0.00	1,254,611.02	11.68
Total	\$10,740,625.66	\$0.00	\$10,740,625.66	100%

Bond maturity schedule



Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.



Bond holdings

as of June 30, 2022

City of Clayton

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2022	6	1,186,000	28,007.50	2.36%	1.78 %	1.78 %	0.18	1,186,000	892.64	1,193,155.86	11.07%
2023	16	3,214,000	54,072.00	1.70%	2.68 %	2.68 %	0.93	3,213,225	-34,049.01	3,184,603.12	29.65%
2024	6	1,343,000	11,152.50	0.87%	3.30 %	3.30 %	2.05	1,343,000	-67,844.93	1,276,505.38	11.89%
2025	10	2,293,000	15,534.50	0.74%	3.27 %	3.27 %	3.11	2,295,446.3	-182,325.97	2,115,340.09	19.71%
2026	10	1,937,000	20,959.50	1.18%	3.31 %	3.31 %	3.85	1,934,300	-156,500.56	1,778,848.20	16.58%
2027	6	1,227,000	34,560.00	2.90%	3.52 %	3.52 %	4.47	1,227,000	-37,153.20	1,192,173.02	11.1%
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2051	0	0			NA	NA	NA				
2051 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	54	11,200,000	\$164,286.00	1.53%	3.00 %	3.00 %	2.35	\$11,198,971.30	\$-476,981.03	\$10,740,625.67	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Report created on: October 12, 2022

Bond holdings - as of June 30, 2022 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		11,200,000	1.50%	11/13/2024	NA	\$164,286.00 1.53%	3.00% 3.00%	2.35	\$11,198,971.3 -\$476,981.03	NA	\$10,721,990.27 \$18,635.40 \$10,740,625.67	100%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2022												
BANK OF NEW ENGLAN NH US RT 03.1500% MAT 07/29/22 FIXED RATE CD /NH	CD	246,000	3.15%	07/29/2022		7,749.00 3.15%	NA NA	NA	246,000.00 287.82	100.117	246,287.82 0.00	2.30%
ALLY BK UT US RT 02.1500% MAT 08/01/22 FIXED RATE CD /UT	CD	247,000	2.15%	08/01/2022		5,310.50 2.15%	1.70% 1.70%	0.08	247,000.00 93.86	100.038	247,093.86 2,167.85	2.30%
ENERBANK UT US RT 02.0500% MAT 08/08/22 FIXED RATE CD /UT	CD	100,000	2.05%	08/08/2022		2,050.00 2.05%	1.72% 1.72%	0.10	100,000.00 34.00	100.034	100,034.00 803.15	0.93%
FIRST BK HIGHLAND IL US RT 02.2000% MAT 09/07/22 FIXED RATE CD /IL	CD	247,000	2.20%	09/07/2022		5,434.00 2.20%	1.79% 1.79%	0.18	247,000.00 182.78	100.074	247,182.78 1,712.08	2.31%
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD /VA	CD	99,000	2.30%	10/04/2022		2,277.00 2.30%	1.81% 1.81%	0.26	99,000.00 123.75	100.125	99,123.75 542.74	0.92%
COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22 FIXED RATE CD /IA	CD	247,000	2.10%	10/18/2022		5,187.00 2.10%	1.86% 1.86%	0.29	247,000.00 170.43	100.069	247,170.43 1,037.40	2.31%
Total 2022		1,186,000	2.36%	08/31/2022		\$28,007.50 2.36%	1.78% 1.78%	0.18	\$1,186,000.00 \$892.64		\$1,186,892.64 \$6,263.22	11.07%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD /NV	CD	248,000	1.90%	01/17/2023		4,712.00 1.90%	2.16% 2.16%	0.54	248,000.00 -357.12	99.856	247,642.88 167.82	2.31%
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD /NY	CD	145,000	1.90%	01/23/2023		2,755.00 1.90%	2.18% 2.18%	0.55	145,000.00 -232.00	99.840	144,768.00 1,200.12	1.35%
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD /NY	CD	250,000	2.65%	02/14/2023		6,625.00 2.64%	2.27% 2.27%	0.62	250,000.00 592.50	100.237	250,592.50 290.41	2.34%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of June 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD /MA	CD	200,000	2.70%	02/28/2023		5,400.00 2.69%	2.32% 2.32%	0.65	200,000.00 504.00	100.252	200,504.00 29.59	1.87%
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD /NY	CD	250,000	1.45%	03/31/2023		3,625.00 1.46%	NA NA	NA	250,000.00 -1,830.00	99.268	248,170.00 903.77	2.31%
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD /SD	CD	200,000	2.90%	04/11/2023		5,800.00 2.89%	2.48% 2.48%	0.76	200,000.00 638.00	100.319	200,638.00 1,271.23	1.87%
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD /VA	CD	150,000	1.40%	04/17/2023		2,100.00 1.41%	2.52% 2.52%	0.78	150,000.00 -1,320.00	99.120	148,680.00 437.26	1.39%
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD /UT	CD	100,000	1.30%	04/17/2023		1,300.00 1.31%	2.52% 2.52%	0.78	100,000.00 -959.00	99.041	99,041.00 263.56	0.92%
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD /UT	CD	100,000	2.65%	05/08/2023		2,650.00 2.65%	2.61% 2.61%	0.83	100,000.00 30.00	100.030	100,030.00 384.79	0.93%
COMENITY BANK DE US RT 00.2000% MAT 05/15/23 JUMBO CD - HELD AT UBS /DE	CD	200,000	0.20%	05/15/2023		400.00 0.21%	3.27% 3.27%	0.87	200,000.00 -5,284.16	97.358	194,715.84 29.59	1.82%
DEPARTMENT OF COMM DC US RT 03.0000% MAT 06/29/23 LICU SHARE CERTIFICATE /DC	CD	171,000	3.00%	06/29/2023		5,130.00 3.00%	2.85% 2.85%	0.92	171,000.00 234.27	100.137	171,234.27 14.05	1.60%
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD /UT	CD	100,000	3.20%	07/31/2023		3,200.00 3.19%	NA NA	NA	100,000.00 318.00	100.318	100,318.00 0.00	0.94%
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD /OH	CD	200,000	0.25%	08/21/2023		500.00 0.26%	2.93% 2.93%	1.12	200,000.00 -5,984.00	97.008	194,016.00 179.45	1.81%
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	Aaa/AAA/NR NR/NR/NR	500,000	0.13%	10/15/2023		625.00 0.13%	2.93% 2.93%	1.27	499,225.00 -16,900.00	96.465	482,325.00 129.78	4.50%
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD /NY	CD	150,000	0.25%	10/16/2023		375.00 0.26%	3.00% 3.00%	1.27	150,000.00 -5,209.50	96.527	144,790.50 77.05	1.35%
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD /NY	CD	250,000	3.55%	12/28/2023		8,875.00 3.53%	3.08% 3.08%	1.44	250,000.00 1,710.00	100.684	251,710.00 48.63	2.35%
Total 2023		3,214,000	1.70%	06/09/2023		\$54,072.00 1.70%	2.68% 2.68%	0.93	\$3,213,225.00 -\$34,049.01		\$3,179,175.99 \$5,427.13	29.65%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of June 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2024												
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD /SD	CD	197,000	2.75%	05/03/2024		5,417.50 2.77%	3.23% 3.23%	1.78	197,000.00 -1,692.23	99.141	195,307.77 400.75	1.82%
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD /UT	CD	198,000	0.25%	06/11/2024		495.00 0.27%	3.29% 3.29%	1.91	198,000.00 -11,266.20	94.310	186,733.80 25.77	1.74%
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD /IL	CD	250,000	0.55%	07/29/2024	07/29/2022 100.00	1,375.00 0.58%	3.31% 3.31%	2.05	250,000.00 -13,807.50	94.477	236,192.50 233.56	2.20%
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD /NV	CD	250,000	0.60%	08/12/2024		1,500.00 0.63%	3.31% 3.31%	2.06	250,000.00 -13,767.50	94.493	236,232.50 567.12	2.20%
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD /UT	CD	250,000	0.55%	08/12/2024		1,375.00 0.58%	3.31% 3.31%	2.09	250,000.00 -14,095.00	94.362	235,905.00 71.58	2.20%
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD /TX	CD	198,000	0.50%	12/11/2024	07/11/2022 100.00	990.00 0.54%	3.34% 3.34%	2.42	198,000.00 -13,216.50	93.325	184,783.50 51.53	1.72%
Total 2024		1,343,000	0.85%	08/03/2024		\$11,152.50 0.87%	3.30% 3.30%	2.05	\$1,343,000.00 -\$67,844.93		\$1,275,155.07 \$1,350.31	11.89%
Maturing 2025												
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD /VA	CD	250,000	1.45%	04/22/2025		3,625.00 1.53%	3.38% 3.38%	2.71	259,817.50 -22,687.50	94.852	237,130.00 685.27	2.21%
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD /MI	CD	250,000	1.15%	04/29/2025		2,875.00 1.22%	3.39% 3.39%	2.74	250,000.00 -14,980.00	94.008	235,020.00 488.36	2.19%
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD /NY	CD	250,000	0.55%	07/21/2025		1,375.00 0.60%	3.40% 3.40%	2.97	250,000.00 -20,527.50	91.789	229,472.50 565.07	2.14%
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD /NC	CD	150,000	0.60%	08/13/2025		900.00 0.65%	3.39% 3.39%	3.08	150,000.00 -12,387.00	91.742	137,613.00 71.51	1.28%
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD /NY	CD	149,000	0.55%	08/28/2025	08/28/2022 100.00	819.50 0.60%	3.39% 3.39%	3.12	149,000.00 -12,678.41	91.491	136,321.59 4.49	1.27%
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD /IL	CD	200,000	0.50%	09/22/2025		1,000.00 0.55%	3.39% 3.39%	3.15	200,000.00 -17,548.00	91.226	182,452.00 273.97	1.70%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of June 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2025												
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD /DE	CD	250,000	0.40%	10/30/2025	10/30/2022 100.00	1,000.00 0.44%	NA NA	NA NA	250,000.00 -21,515.00	91.394	228,485.00 0.00	2.13%
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	Aaa/AAA/AA+ NR/NR/NR	150,000	0.60%	11/24/2025		900.00 0.65%	3.11% 3.11%	3.31	150,000.00 -12,042.00	91.972	137,958.00 90.00	1.29%
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD /DE	CD	100,000	1.00%	12/15/2025		1,000.00 1.08%	3.38% 3.38%	3.34	100,000.00 -7,710.00	92.290	92,290.00 41.10	0.86%
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	Aaa/AAA/NR NR/NR/NR	544,000	0.38%	12/31/2025		2,040.00 0.41%	3.03% 3.03%	3.42	536,628.80 -40,250.56	91.246	496,378.24 0.00	4.63%
Total 2025		2,293,000	0.68%	09/13/2025		\$15,534.50 0.74%	3.27% 3.27%	3.11	\$2,295,446.30 -\$182,325.97		\$2,113,120.33 \$2,219.76	19.71%
Maturing 2026												
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD /UT	CD	245,000	0.50%	01/29/2026		1,225.00 0.55%	3.37% 3.37%	3.54	245,000.00 -23,691.50	90.330	221,308.50 0.00	2.06%
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	Aaa/NR/AA+ NR/NR/NR	100,000	0.52%	02/12/2026		520.00 0.57%	3.28% 3.28%	3.52	100,000.00 -9,330.00	90.670	90,670.00 199.33	0.85%
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD /FL	CD	94,000	0.65%	03/05/2026	09/05/2022 100.00	611.00 0.72%	3.37% 3.37%	3.60	94,000.00 -8,805.92	90.632	85,194.08 41.85	0.79%
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD /FL	CD	135,000	0.95%	03/31/2026	06/30/2022 100.00	1,282.50 1.04%	NA NA	NA NA	135,000.00 -11,479.05	91.497	123,520.95 0.00	1.15%
COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26 FIXED RATE CD /UT	CD	215,000	2.60%	04/14/2026		5,590.00 2.67%	3.36% 3.36%	3.59	215,000.00 -5,785.65	97.309	209,214.35 245.04	1.95%
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD /NY	CD	248,000	0.95%	05/19/2026		2,356.00 1.04%	3.36% 3.36%	3.75	248,000.00 -21,583.44	91.297	226,416.56 271.10	2.11%
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	Aaa/AAA/NR NR/NR/NR	300,000	0.88%	06/30/2026		2,625.00 0.95%	3.03% 3.03%	3.87	297,300.00 -21,522.00	91.926	275,778.00 0.00	2.57%
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE /IA	CD	250,000	0.95%	08/18/2026		2,375.00 1.05%	3.36% 3.36%	4.03	250,000.00 -23,220.00	90.712	226,780.00 188.70	2.12%
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD /UT	CD	150,000	1.25%	12/10/2026		1,875.00 1.37%	3.40% 3.40%	4.25	150,000.00 -13,179.00	91.214	136,821.00 102.74	1.28%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of June 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD /UT	CD	200,000	1.25%	12/30/2026		2,500.00 1.37%	3.40% 3.40%	4.35	200,000.00 -17,904.00	91.048	182,096.00 0.00	1.70%
Total 2026		1,937,000	1.09%	06/16/2026		\$20,959.50 1.18%	3.31% 3.31%	3.85	\$1,934,300.00 -\$156,500.56		\$1,777,799.44 \$1,048.76	16.58%
Maturing 2027												
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD /UT	CD	80,000	1.75%	02/16/2027		1,400.00 1.88%	3.41% 3.41%	4.35	80,000.00 -5,651.20	92.936	74,348.80 513.97	0.69%
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD /UT	CD	50,000	1.90%	02/16/2027		950.00 2.03%	3.41% 3.41%	4.34	50,000.00 -3,213.50	93.573	46,786.50 348.77	0.44%
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD /A	CD	250,000	1.60%	02/18/2027	08/18/2022 100.00	4,000.00 1.73%	3.41% 3.41%	4.44	250,000.00 -19,372.50	92.251	230,627.50 131.51	2.15%
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 LICU SHARE CERTIFICATE /NY	CD	100,000	2.85%	04/27/2027	10/27/2022 100.00	2,850.00 2.93%	3.43% 3.43%	4.49	100,000.00 -2,568.00	97.432	97,432.00 23.42	0.91%
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD /UT	CD	247,000	3.00%	04/29/2027	04/29/2023 100.00	7,410.00 3.06%	3.43% 3.43%	4.43	247,000.00 -4,693.00	98.100	242,307.00 1,258.68	2.26%
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	Aaa/NR/AA+ NR/NR/NR	500,000	3.59%	06/29/2027	12/29/2022 100.00	17,950.00 3.60%	3.66% 3.66%	4.53	500,000.00 -1,655.00	99.669	498,345.00 49.86	4.65%
Total 2027		1,227,000	2.84%	05/04/2027		\$34,560.00 2.90%	3.52% 3.52%	4.47	\$1,227,000.00 -\$37,153.20		\$1,189,846.80 \$2,326.22	11.10%
Total Bond Portfolio		11,200,000	1.50%	11/13/2024	NA	\$164,286.00 1.53%	3.00% 3.00%	2.35	\$11,198,971.3 -\$476,981.03	NA	\$10,721,990.27 \$18,635.40 \$10,740,625.67	100%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Expected cash flow

from 07/01/2022 to 06/30/2023

City of Clayton

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Summary of expected cash flows

	2022						2023						Total (\$)
	July	August	September	October	November	December	January	February	March	April	May	June	
Total Portfolio	7,526	10,726	9,853	21,199	7,611	22,118	7,090	6,632	5,448	16,086	6,089	20,750	141,127
Taxable	7,526	10,726	9,853	21,199	7,611	22,118	7,090	6,632	5,448	16,086	6,089	20,750	141,127
Taxable U.S. income	7,526	10,726	9,349	21,199	6,424	17,668	7,090	6,632	4,952	16,086	4,921	16,324	
Interest payments	7,526	10,726	9,349	21,199	6,424	17,668	7,090	6,632	4,952	16,086	4,921	16,324	128,896
Taxable non-U.S. income			504		1,188	4,450			496		1,168	4,425	
Interest payments			504		1,188	4,450			496		1,168	4,425	12,231

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2022 to 06/30/2023 (continued)

Details of expected cash flows

	2022						2023						Total (\$)
	July	August	September	October	November	December	January	February	March	April	May	June	
Total Portfolio	7,526	10,726	9,853	21,199	7,611	22,118	7,090	6,632	5,448	16,086	6,089	20,750	141,127

Taxable

Taxable U.S. income

Interest payments

	Quantity	2022						2023						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
ALLY BK UT US RT 02.1500% MAT 08/01/22 FIXED RATE CD	247,000.00		2,633.43 Aug 01											2,633.43
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD	250,000.00			1,817.47 Sep 30						1,807.53 Mar 31				3,625.00
BANK OF NEW ENGLAN NH US RT 03.1500% MAT 07/29/22 FIXED RATE CD	246,000.00	615.67 Jul 29												615.67
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD	94,000.00			154.01 Sep 05			152.33 Dec 05			150.66 Mar 05			154.01 Jun 05	611.00
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD	135,000.00	108.92 Jul 31	108.92 Aug 31	105.41 Sep 30	108.92 Oct 31	105.41 Nov 30	108.92 Dec 31	108.92 Jan 31	98.38 Feb 28	108.92 Mar 31	105.41 Apr 30	108.92 May 31	105.41 Jun 30	1,282.50
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD	100,000.00						501.37 Dec 15						498.63 Jun 15	1,000.00
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD	200,000.00	443.84 Jul 28	458.63 Aug 28	458.63 Sep 28	443.84 Oct 28	458.63 Nov 28	443.84 Dec 28	458.63 Jan 28	458.63 Feb 28					3,624.66
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD	250,000.00	342.81 Jul 29			346.58 Oct 29			346.58 Jan 29			339.04 Apr 29			1,375.00
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD	198,000.00						248.18 Dec 11						246.82 Jun 11	495.00
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD	99,000.00				1,141.62 Oct 04									1,141.62
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD	150,000.00				1,052.88 Oct 15					1,047.12 Apr 15				2,111.51
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD	200,000.00				2,907.95 Oct 11					2,892.05 Apr 11				5,800.00

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2022 to 06/30/2023 (continued)

Interest payments

	Quantity	2022						2023						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
COMENITY BANK DE US RT 00.2000% MAT 05/15/23	200,000.00	32.88 Jul 03	33.97 Aug 03	33.97 Sep 03	32.88 Oct 03	33.97 Nov 03	32.88 Dec 03	33.97 Jan 03	33.97 Feb 03	30.68 Mar 03	33.97 Apr 03	32.88 May 03		379.18
JUMBO CD - HELD AT UBS COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26	215,000.00	459.45 Jul 14	474.77 Aug 14	474.77 Sep 14	459.45 Oct 14	474.77 Nov 14	459.45 Dec 14	474.77 Jan 14	474.77 Feb 14	428.82 Mar 14	474.77 Apr 14	459.45 May 14	474.77 Jun 14	5,590.00
FIXED RATE CD COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22	247,000.00				2,600.61 Oct 18									2,600.61
FIXED RATE CD CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25	250,000.00				1,817.47 Oct 22						1,807.53 Apr 22			3,625.00
FIXED RATE CD DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25	250,000.00	681.85 Jul 31						693.15 Jan 31						1,375.00
DEPARTMENT OF COMM DC US RT 03.0000% MAT 06/29/23 LICU SHARE CERTIFICATE	171,000.00	421.64 Jul 29	435.70 Aug 29	435.70 Sep 29	421.64 Oct 29	435.70 Nov 29	421.64 Dec 29	435.70 Jan 29	421.64 Feb 28	407.59 Mar 29	435.70 Apr 29	421.64 May 29	435.70 Jun 29	5,130.00
ENERBANK UT US RT 02.0500% MAT 08/08/22 FIXED RATE CD	100,000.00		1,016.58 Aug 07											1,022.19
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD	100,000.00	271.78 Jul 31	271.78 Aug 31	263.01 Sep 30	271.78 Oct 31	263.01 Nov 30	271.78 Dec 31	271.78 Jan 31	245.48 Feb 28	271.78 Mar 31	263.01 Apr 30	271.78 May 31	263.01 Jun 30	3,200.00
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	150,000.00					450.00 Nov 24						450.00 May 24		900.00
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	500,000.00						8,975.00 Dec 29						8,975.00 Jun 29	17,950.00
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	100,000.00		260.00 Aug 12						260.00 Feb 12					520.00
FIRST BK HIGHLAND IL US RT 02.2000% MAT 09/07/22 FIXED RATE CD	247,000.00			2,739.33 Sep 07										2,739.33
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD	250,000.00				1,441.44 Oct 29						1,433.56 Apr 29			2,875.00
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD	145,000.00	1,366.18 Jul 22						1,388.82 Jan 22						2,762.55
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD	100,000.00					1,335.89 Nov 08						1,314.11 May 08		2,650.00
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE	250,000.00	195.21 Jul 01	201.71 Aug 01	201.71 Sep 01	195.21 Oct 01	201.71 Nov 01	195.21 Dec 01	201.71 Jan 01	201.71 Feb 01	182.19 Mar 01	201.71 Apr 01	195.21 May 01	201.71 Jun 01	2,375.00

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2022 to 06/30/2023 (continued)

Interest payments

	Quantity	2022						2023						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD	250,000.00	328.77 Jul 18	339.73 Aug 18	339.73 Sep 18	328.77 Oct 18	339.73 Nov 18	328.77 Dec 18	339.73 Jan 18	339.73 Feb 18	306.85 Mar 18	339.73 Apr 18	328.77 May 18	339.73 Jun 18	4,000.00
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD	250,000.00	544.52 Jul 14	562.67 Aug 14	562.67 Sep 14	544.52 Oct 14	562.67 Nov 14	544.52 Dec 14	562.67 Jan 14	562.67 Feb 14					4,446.92
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD	250,000.00				504.11 Oct 31						495.89 Apr 30			1,000.00
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD	150,000.00	73.97 Jul 01	76.44 Aug 01	76.44 Sep 01	73.97 Oct 01	76.44 Nov 01	73.97 Dec 01	76.44 Jan 01	76.44 Feb 01	69.04 Mar 01	76.44 Apr 01	73.97 May 01	76.44 Jun 01	900.00
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD	200,000.00	205.48 Jul 30	212.33 Aug 30	212.33 Sep 30	205.48 Oct 30	212.33 Nov 30	205.48 Dec 30	212.33 Jan 30	198.63 Feb 28	205.48 Mar 30	212.33 Apr 30	205.48 May 30	212.33 Jun 30	2,500.00
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD	245,000.00	104.04 Jul 31	104.04 Aug 31	100.68 Sep 30	104.04 Oct 31	100.68 Nov 30	104.04 Dec 31	104.04 Jan 31	93.97 Feb 28	104.04 Mar 31	100.68 Apr 30	104.04 May 31	100.68 Jun 30	1,225.00
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD	247,000.00				3,715.15 Oct 29						3,694.85 Apr 29			7,410.00
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD	80,000.00		694.25 Aug 16						705.75 Feb 16					1,400.00
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD	150,000.00				188.01 Oct 16						186.99 Apr 16			375.00
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD	50,000.00		471.10 Aug 16						478.90 Feb 16					950.00
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD	150,000.00						940.07 Dec 10						934.93 Jun 10	1,875.00
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD	100,000.00				651.78 Oct 17						648.22 Apr 17			1,300.00
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD	198,000.00	81.37 Jul 11	84.08 Aug 11	84.08 Sep 11	81.37 Oct 11	84.08 Nov 11	81.37 Dec 11	84.08 Jan 11	84.08 Feb 11	75.95 Mar 11	84.08 Apr 11	81.37 May 11	84.08 Jun 11	990.00
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD	200,000.00		247.95 Aug 19						252.05 Feb 19					500.00
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD	250,000.00		743.84 Aug 12						756.16 Feb 12					1,500.00
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD	250,000.00	113.01 Jul 11	116.78 Aug 11	116.78 Sep 11	113.01 Oct 11	116.78 Nov 11	113.01 Dec 11	116.78 Jan 11	116.78 Feb 11	105.48 Mar 11	116.78 Apr 11	113.01 May 11	116.78 Jun 11	1,375.00

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2022 to 06/30/2023 (continued)

	Quantity	2022						2023						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	500,000.00				312.50 Oct 15							312.50 Apr 15		625.00
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	544,000.00							1,020.00 Dec 31					1,020.00 Jun 30	2,040.00
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	300,000.00						1,312.50 Dec 31						1,312.50 Jun 30	2,625.00
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD	149,000.00	67.36 Jul 28	69.60 Aug 28	69.60 Sep 28	67.36 Oct 28	69.60 Nov 28	67.36 Dec 28	69.60 Jan 28	69.60 Feb 28	62.87 Mar 28	69.60 Apr 28	67.36 May 28	69.60 Jun 28	819.50
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 LICU SHARE CERTIFICATE	100,000.00	234.25 Jul 27	242.05 Aug 27	242.05 Sep 27	234.25 Oct 27	242.05 Nov 27	234.25 Dec 27	242.05 Jan 27	242.05 Feb 27	218.63 Mar 27	242.05 Apr 27	234.25 May 27	242.05 Jun 27	2,850.00
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD	197,000.00	445.27 Jul 03	460.12 Aug 03	460.12 Sep 03	445.27 Oct 03	460.12 Nov 03	445.27 Dec 03	460.12 Jan 03	460.12 Feb 03	415.59 Mar 03	460.12 Apr 03	445.27 May 03	460.12 Jun 03	5,417.50
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD	248,000.00	387.29 Jul 17	400.20 Aug 17	400.20 Sep 17	387.29 Oct 17	400.20 Nov 17	387.29 Dec 17	400.20 Jan 17						2,762.65
Total Interest payments		7,526	10,726	9,349	21,199	6,424	17,668	7,090	6,632	4,952	16,086	4,921	16,324	128,896

Taxable non-U.S. income

	Quantity	2022						2023						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD	250,000.00						4,449.66 Dec 28						4,425.34 Jun 28	8,875.00
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD	248,000.00					1,187.68 Nov 19						1,168.32 May 19		2,356.00
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD	200,000.00			504.11 Sep 22						495.89 Mar 22				1,000.00
Total Interest payments				504		1,188	4,450			496		1,168	4,425	12,231

Total Portfolio	2022						2023						Total (\$)
	July	August	September	October	November	December	January	February	March	April	May	June	
	7,526	10,726	9,853	21,199	7,611	22,118	7,090	6,632	5,448	16,086	6,089	20,750	141,127

Includes all fixed income securities in the selected portfolio.

House View: Executive summary

Month in review

- Market volatility remains elevated as high inflation and rising interest rates are bringing down global growth expectations. Inflation looks set to remain at above-average levels and economic growth looks set to continue slowing on the back of higher interest rates. In this more challenging environment, there are still clear winners, in our opinion.
- We face significant geopolitical and economic uncertainty. The war in Ukraine has caused a humanitarian crisis. Sanctions have been imposed, disrupting commodity flows and creating extreme volatility in some markets. Cease-fire talks have yet to yield results.
- On an asset class level, we prefer commodities and commodity-related investments. Within equities, we believe value-oriented companies will outperform. Investors should ensure portfolios are well diversified, with exposure to alternatives such as hedge funds and private markets.

Global economic outlook

- With extremely negative real wage growth across the major economies, consumers can only maintain consumer spending levels by reducing savings rates or increasing borrowing rates. If that happens, the outcome is a soft landing. If consumers stop using savings or borrowing to support consumption, before real incomes stabilize, then economic slump is likely.
- Central banks need to reduce inflation to stabilize real incomes. The risk is that interest rate increases are occurring as inflation is being driven more by factors that will not respond to rate increases. This means they need to lower demand to squeeze corporate profit margins, without lowering demand as far as creating job insecurity and elevate precautionary savings.
- Economies are experiencing consumption inequality as lower-income groups have fewer resources available to support spending. If consumer spending patterns change, the shift is likely to be more abrupt than is normally the case—because any shift is more likely to be driven by sentiment and concerns about the future, rather than a gradual change in labor market conditions.

Source: UBS, as of 30 September 2022

Report created on: October 12, 2022

Tactical preferences

Preferred Investment Views

Asset Classes	Most Preferred +	Least Preferred -
Equities	<ul style="list-style-type: none"> • US large-cap value • UK equity • Australia equity 	<ul style="list-style-type: none"> • US large-cap growth
Fixed income	<ul style="list-style-type: none"> • Agency MBS 	<ul style="list-style-type: none"> • US gov't bonds (int.)
Foreign exchange	<ul style="list-style-type: none"> • USD • CAD • CHF 	<ul style="list-style-type: none"> • EUR • GBP
Real assets	<ul style="list-style-type: none"> • Oil • Broad commodities 	<ul style="list-style-type: none"> • Gold
US sectors	<ul style="list-style-type: none"> • Energy • Healthcare • Consumer Staples 	<ul style="list-style-type: none"> • Consumer discretionary • Materials

Economic forecasts (real GDP, in %)

	2021	2022E	2023E
US	5.7	1.6	0.5
Eurozone	5.3	2.9	0.8
China	8.1	2.7	4.6
Latin America	6.7	2.9	1.7
World	6.2	3.0	3.0

The views expressed in this slide belong to CIO Americas, GWM
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In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Tax lots: This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot

level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

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Estimated Annual Income: The Estimated Annual Income is the annualized yearly per share Dividends/Interest paid and multiplied by the quantity of shares held in the selected account(s). For savings product & sweep funds this value is not calculated and is displayed as 0.

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no

ratings are currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Interest Rate Risk: Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Call Provisions: When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state

or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

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Bond sensitivity analysis: This analysis uses Modified



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Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. A For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Accounts Included in this Report: The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "@" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or to make changes, contact your Financial Advisor.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

1) Have there been any changes to your financial

situation or investment objectives?

2) Would you like to implement or modify any restrictions regarding the management of your account? If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

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908-470-6200

UBS Client Review

as of September 30, 2022

Prepared for

City of Clayton

Accounts included in this review

Account	Name	Type
EX XX244	• City of Clayton	• Business Service Account
Risk profile:	Conservative	
Return Objective:	Current Income and Capital Appreciation	

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Bond summary

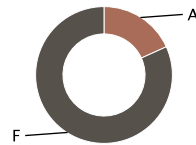
as of September 30, 2022

Bond overview

Total quantity	11,225,000
Total market value	\$10,541,638.28
Total accrued interest	\$29,783.87
Total market value plus accrued interest	\$10,571,422.15
Total estimated annual bond interest	\$174,605.00
Average coupon	1.59%
Average current yield	1.66%
Average yield to maturity	4.19%
Average yield to worst	4.19%
Average modified duration	2.23
Average effective maturity	2.32

Credit quality of bond holdings

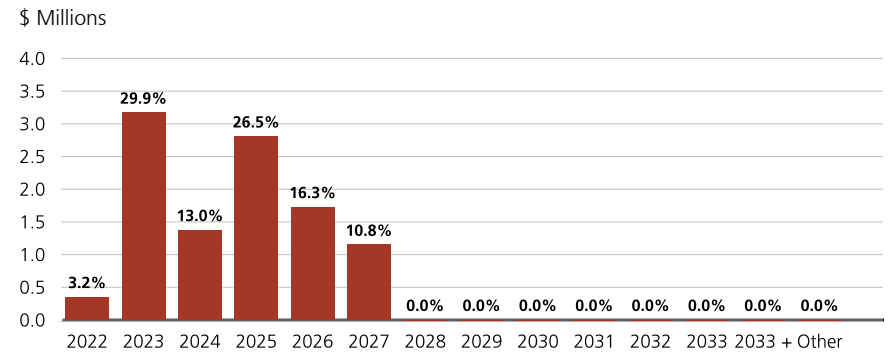
Effective credit rating	Issues	Value on 09/30/2022 (\$)	% of port.
A Aaa/AAA/AAA	6	1,927,321.37	18.22
B Aa/AA/AA	0	0.00	0.00
C A/A/A	0	0.00	0.00
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	48	8,644,100.78	81.78
G Not rated	0	0.00	0.00
Total	54	\$10,571,422.15	100%



Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	8,644,100.78	0.00	8,644,100.78	81.77
U.S. federal agencies	699,951.19	0.00	699,951.19	6.62
U.S. treasuries	1,227,370.18	0.00	1,227,370.18	11.61
Total	\$10,571,422.15	\$0.00	\$10,571,422.15	100%

Bond maturity schedule



Effective maturity schedule

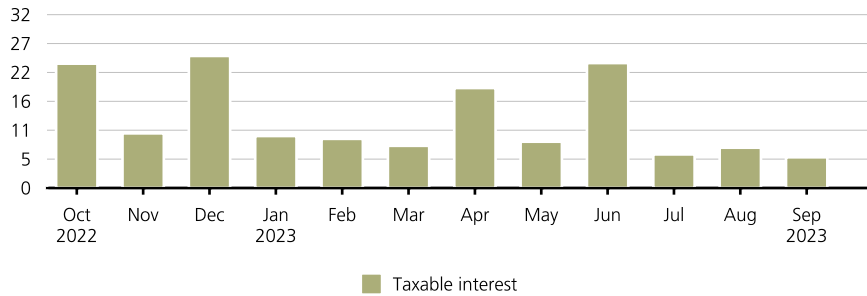
Cash, mutual funds and some preferred securities are not included.



Bond summary - as of September 30, 2022 (continued)

Expected bond cash flow

\$ Thousands



Total taxable income: \$155,126.17

Total expected bond cash flow: \$155,126.17

Cash flows displayed account for known events such as maturities and mandatory puts.



Bond holdings

as of September 30, 2022

City of Clayton
 Prepared for: City of Clayton
 Risk profile: Conservative
 Return Objective: Current Income and Capital Appreciation

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Modified duration	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2022	2	346,000	7,464.00	2.16%	2.92 %	2.92 %	0.03	346,000	-110.67	349,350.80	3.28%
2023	16	3,214,000	54,072.00	1.71%	3.94 %	3.94 %	0.68	3,213,225	-53,162.25	3,169,267.88	29.98%
2024	7	1,458,000	14,890.00	1.08%	4.29 %	4.29 %	1.76	1,458,000	-84,510.41	1,374,643.64	13.03%
2025	13	3,043,000	42,659.50	1.52%	4.32 %	4.32 %	2.78	3,045,446.3	-245,522.15	2,805,137.48	26.56%
2026	10	1,937,000	20,959.50	1.22%	4.34 %	4.34 %	3.59	1,934,300	-211,845.91	1,725,095.55	16.34%
2027	6	1,227,000	34,560.00	3.03%	4.57 %	4.57 %	4.21	1,227,000	-87,181.63	1,147,926.80	10.81%
2028	0	0			NA	NA	NA				
2029	0	0			NA	NA	NA				
2030	0	0			NA	NA	NA				
2031	0	0			NA	NA	NA				
2032	0	0			NA	NA	NA				
2033	0	0			NA	NA	NA				
2034	0	0			NA	NA	NA				
2035	0	0			NA	NA	NA				
2036	0	0			NA	NA	NA				
2037	0	0			NA	NA	NA				
2038	0	0			NA	NA	NA				
2039	0	0			NA	NA	NA				
2040	0	0			NA	NA	NA				
2041	0	0			NA	NA	NA				
2042	0	0			NA	NA	NA				
2043	0	0			NA	NA	NA				
2044	0	0			NA	NA	NA				
2045	0	0			NA	NA	NA				
2046	0	0			NA	NA	NA				
2047	0	0			NA	NA	NA				
2048	0	0			NA	NA	NA				
2049	0	0			NA	NA	NA				
2050	0	0			NA	NA	NA				
2051	0	0			NA	NA	NA				
2051 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	54	11,225,000	\$174,605.00	1.66%	4.19 %	4.19 %	2.23	\$11,223,971.30	\$-682,333.02	\$10,571,422.15	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of September 30, 2022 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Total Bond Portfolio		11,225,000	1.59%	01/23/2025	NA	\$174,605.00 1.66%	4.19% 4.19%	2.23	\$11,223,971.3 \$-682,333.02	NA	\$10,541,638.28 \$29,783.87 \$10,571,422.15	100%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2022												
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD /VA	CD	99,000	2.30%	10/04/2022		2,277.00 2.30%	2.91% 2.91%	0.01	99,000.00 -6.93	99.993	98,993.07 1,116.67	0.94%
COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22 FIXED RATE CD /IA	CD	247,000	2.10%	10/18/2022		5,187.00 2.10%	2.93% 2.93%	0.04	247,000.00 -103.74	99.958	246,896.26 2,344.81	2.34%
Total 2022		346,000	2.16%	10/14/2022		\$7,464.00 2.16%	2.92% 2.92%	0.03	\$346,000.00 \$-110.67		\$345,889.33 \$3,461.47	3.28%

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD /NV	CD	248,000	1.90%	01/17/2023		4,712.00 1.91%	3.42% 3.42%	0.29	248,000.00 -1,118.48	99.549	246,881.52 167.82	2.34%
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23 FIXED RATE CD /NY	CD	145,000	1.90%	01/23/2023		2,755.00 1.91%	3.48% 3.48%	0.31	145,000.00 -717.75	99.505	144,282.25 528.36	1.37%
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD /NY	CD	250,000	2.65%	02/14/2023		6,625.00 2.66%	3.61% 3.61%	0.37	250,000.00 -890.00	99.644	249,110.00 290.41	2.36%
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD /MA	CD	200,000	2.70%	02/28/2023		5,400.00 2.71%	3.70% 3.70%	0.41	200,000.00 -820.00	99.590	199,180.00 29.59	1.89%
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD /NY	CD	250,000	1.45%	03/31/2023		3,625.00 1.47%	NA NA	NA	250,000.00 -3,037.50	98.785	246,962.50 0.00	2.34%
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD /SD	CD	200,000	2.90%	04/11/2023		5,800.00 2.92%	3.91% 3.91%	0.51	200,000.00 -1,046.00	99.477	198,954.00 2,733.15	1.89%
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD /VA	CD	150,000	1.40%	04/17/2023		2,100.00 1.42%	3.91% 3.91%	0.53	150,000.00 -2,017.50	98.655	147,982.50 966.58	1.40%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%) / YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2023												
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD /UT	CD	100,000	1.30%	04/17/2023		1,300.00 1.32%	3.91% 3.91%	0.53	100,000.00 -1,398.00	98.602	98,602.00 591.23	0.94%
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23 FIXED RATE CD /UT	CD	100,000	2.65%	05/08/2023		2,650.00 2.67%	3.92% 3.92%	0.58	100,000.00 -755.00	99.245	99,245.00 1,052.74	0.94%
COMENITY BANK DE US RT 00.2000% MAT 05/15/23 JUMBO CD - HELD AT UBS /DE	CD	200,000	0.20%	05/15/2023		400.00 0.20%	4.18% 4.18%	0.61	200,000.00 -4,875.54	97.562	195,124.46 29.59	1.85%
DEPARTMENT OF COMM DC US RT 03.0000% MAT 06/29/23 LICU SHARE CERTIFICATE /DC	CD	171,000	3.00%	06/29/2023		5,130.00 3.02%	3.94% 3.94%	0.73	171,000.00 -1,176.48	99.312	169,823.52 14.05	1.61%
ENERBANK UT US RT 03.2000% MAT 07/31/23 FIXED RATE CD /UT	CD	100,000	3.20%	07/31/2023		3,200.00 3.22%	NA NA	NA	100,000.00 -664.00	99.336	99,336.00 0.00	0.94%
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD /OH	CD	200,000	0.25%	08/21/2023		500.00 0.26%	4.09% 4.09%	0.87	200,000.00 -6,664.00	96.668	193,336.00 57.53	1.83%
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	Aaa/AAA/NR NR/NR/NR	500,000	0.13%	10/15/2023		625.00 0.13%	4.27% 4.27%	1.01	499,225.00 -20,125.00	95.820	479,100.00 286.89	4.54%
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD /NY	CD	150,000	0.25%	10/16/2023		375.00 0.26%	4.16% 4.16%	1.02	150,000.00 -5,929.50	96.047	144,070.50 171.58	1.37%
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD /NY	CD	250,000	3.55%	12/28/2023		8,875.00 3.58%	4.18% 4.18%	1.19	250,000.00 -1,927.50	99.229	248,072.50 2,285.62	2.35%
Total 2023		3,214,000	1.70%	06/09/2023		\$54,072.00 1.71%	3.94% 3.94%	0.68	\$3,213,225.00 \$-53,162.25		\$3,160,062.75 \$9,205.13	29.98%
Maturing 2024												
CITY & CNTY CREDIT MN US RT 03.2500% MAT 02/26/24 CREDIT UNION SHARE CERT /MN	CD	115,000	3.25%	02/26/2024		3,737.50 3.29%	4.21% 4.21%	1.37	115,000.00 -1,506.50	98.690	113,493.50 40.96	1.08%
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD /SD	CD	197,000	2.75%	05/03/2024		5,417.50 2.81%	4.24% 4.24%	1.54	197,000.00 -4,505.39	97.713	192,494.61 400.75	1.83%
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD /UT	CD	198,000	0.25%	06/11/2024		495.00 0.27%	4.26% 4.26%	1.65	198,000.00 -12,871.98	93.499	185,128.02 150.53	1.76%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2024												
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD /IL	CD	250,000	0.55%	07/29/2024	10/29/2022 100.00	1,375.00 0.59%	4.38% 4.38%	1.79	250,000.00 -16,730.00	93.308	233,270.00 237.33	2.21%
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD /NV	CD	250,000	0.60%	08/12/2024		1,500.00 0.64%	4.30% 4.30%	1.81	250,000.00 -16,410.00	93.436	233,590.00 201.37	2.22%
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD /UT	CD	250,000	0.55%	08/12/2024		1,375.00 0.59%	4.28% 4.28%	1.84	250,000.00 -16,700.00	93.320	233,300.00 71.58	2.21%
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD /TX	CD	198,000	0.50%	12/11/2024	10/11/2022 100.00	990.00 0.54%	4.31% 4.31%	2.17	198,000.00 -15,786.54	92.027	182,213.46 51.53	1.73%
Total 2024		1,458,000	1.04%	07/21/2024		\$14,890.00 1.08%	4.29% 4.29%	1.76	\$1,458,000.00 -\$84,510.41		\$1,373,489.59 \$1,154.05	13.03%
Maturing 2025												
MOUNTAIN AMERICA C UT US RT 03.4500% MAT 02/28/25 LICU SHARE CERTIFICATE /UT	CD	250,000	3.45%	02/28/2025		8,625.00 3.52%	4.32% 4.32%	2.30	250,000.00 -4,975.00	98.010	245,025.00 708.90	2.32%
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD /VA	CD	250,000	1.45%	04/22/2025		3,625.00 1.56%	4.33% 4.33%	2.45	259,817.50 -27,085.00	93.093	232,732.50 1,598.97	2.21%
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD /MI	CD	250,000	1.15%	04/29/2025		2,875.00 1.25%	4.33% 4.33%	2.48	250,000.00 -19,210.00	92.316	230,790.00 1,213.01	2.19%
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD /NY	CD	250,000	0.55%	07/21/2025		1,375.00 0.61%	4.35% 4.35%	2.72	250,000.00 -24,872.50	90.051	225,127.50 229.79	2.14%
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD /NC	CD	150,000	0.60%	08/13/2025		900.00 0.67%	4.34% 4.34%	2.83	150,000.00 -15,123.00	89.918	134,877.00 71.51	1.28%
CONNEXUS CREDIT UN WI US RT 03.4000% MAT 08/15/25 LICU SHARE CERTIFICATE /WI	CD	250,000	3.40%	08/15/2025		8,500.00 3.49%	NA NA	NA	250,000.00 -6,370.00	97.452	243,630.00 0.00	2.31%
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD /NY	CD	149,000	0.55%	08/28/2025	11/28/2022 100.00	819.50 0.61%	4.35% 4.35%	2.87	149,000.00 -15,437.89	89.639	133,562.11 4.49	1.27%
KEMBA FINL CREDIT OH US RT 04.0000% MAT 09/22/25 CREDIT UNION SHARE CERT /OH	CD	250,000	4.00%	09/22/2025	03/21/2023 100.00	10,000.00 4.04%	4.35% 4.35%	2.79	250,000.00 -2,432.50	99.027	247,567.50 246.58	2.35%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2025												
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD /IL	CD	200,000	0.50%	09/22/2025		1,000.00 0.56%	4.35% 4.35%	2.89	200,000.00 -21,302.00	89.349	178,698.00 21.92	1.70%
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD /DE	CD	250,000	0.40%	10/30/2025	10/30/2022 100.00	1,000.00 0.45%	NA NA	NA	250,000.00 -26,405.00	89.438	223,595.00 0.00	2.12%
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	Aaa/AAA/AA+ NR/NR/NR	150,000	0.60%	11/24/2025		900.00 0.68%	4.46% 4.46%	3.04	150,000.00 -16,858.50	88.761	133,141.50 315.00	1.26%
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD /DE	CD	100,000	1.00%	12/15/2025		1,000.00 1.11%	4.35% 4.35%	3.08	100,000.00 -9,941.00	90.059	90,059.00 293.15	0.85%
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	Aaa/AAA/NR NR/NR/NR	544,000	0.38%	12/31/2025		2,040.00 0.42%	4.22% 4.22%	3.16	536,628.80 -55,509.76	88.441	481,119.04 510.00	4.56%
Total 2025		3,043,000	1.46%	08/25/2025		\$42,659.50 1.52%	4.32% 4.32%	2.78	\$3,045,446.30 -\$245,522.15		\$2,799,924.15 \$5,213.33	26.56%
Maturing 2026												
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD /UT	CD	245,000	0.50%	01/29/2026		1,225.00 0.57%	4.35% 4.35%	3.29	245,000.00 -29,218.70	88.074	215,781.30 0.00	2.05%
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	Aaa/NR/AA+ NR/NR/NR	100,000	0.52%	02/12/2026		520.00 0.59%	4.54% 4.54%	3.26	100,000.00 -12,417.00	87.583	87,583.00 69.33	0.83%
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD /FL	CD	94,000	0.65%	03/05/2026	12/05/2022 100.00	611.00 0.74%	4.36% 4.36%	3.35	94,000.00 -11,034.66	88.261	82,965.34 41.85	0.79%
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD /FL	CD	135,000	0.95%	03/31/2026	09/30/2022 100.00	1,282.50 1.07%	NA NA	NA	135,000.00 -14,902.65	88.961	120,097.35 0.00	1.14%
COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26 FIXED RATE CD /UT	CD	215,000	2.60%	04/14/2026		5,590.00 2.76%	4.35% 4.35%	3.36	215,000.00 -12,319.50	94.270	202,680.50 245.04	1.92%
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD /NY	CD	248,000	0.95%	05/19/2026		2,356.00 1.07%	4.35% 4.35%	3.48	248,000.00 -28,098.40	88.670	219,901.60 864.94	2.09%
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	Aaa/AAA/NR NR/NR/NR	300,000	0.88%	06/30/2026		2,625.00 0.99%	4.20% 4.20%	3.60	297,300.00 -31,602.00	88.566	265,698.00 656.25	2.52%
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE /IA	CD	250,000	0.95%	08/18/2026		2,375.00 1.08%	4.35% 4.35%	3.79	250,000.00 -30,320.00	87.872	219,680.00 188.70	2.08%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

Bond holdings - as of September 30, 2022 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Modified duration	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2026												
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD /UT	CD	150,000	1.25%	12/10/2026		1,875.00 1.42%	4.37% 4.37%	3.98	150,000.00 -17,757.00	88.162	132,243.00 575.34	1.25%
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD /UT	CD	200,000	1.25%	12/30/2026		2,500.00 1.42%	4.37% 4.37%	4.11	200,000.00 -24,176.00	87.912	175,824.00 0.00	1.67%
Total 2026		1,937,000	1.09%	06/15/2026		\$20,959.50 1.22%	4.34% 4.34%	3.59	\$1,934,300.00 -\$211,845.91		\$1,722,454.09 \$2,641.46	16.34%
Maturing 2027												
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD /UT	CD	80,000	1.75%	02/16/2027		1,400.00 1.95%	4.39% 4.39%	4.12	80,000.00 -8,324.80	89.594	71,675.20 172.60	0.68%
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD /UT	CD	50,000	1.90%	02/16/2027		950.00 2.11%	4.38% 4.38%	4.11	50,000.00 -4,906.50	90.187	45,093.50 117.12	0.43%
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD /IA	CD	250,000	1.60%	02/18/2027	10/18/2022 100.00	4,000.00 1.80%	4.38% 4.38%	4.20	250,000.00 -27,685.00	88.926	222,315.00 131.51	2.11%
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 LICU SHARE CERTIFICATE /NY	CD	100,000	2.85%	04/27/2027	10/27/2022 100.00	2,850.00 3.04%	4.40% 4.40%	4.26	100,000.00 -6,395.00	93.605	93,605.00 23.42	0.89%
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD /UT	CD	247,000	3.00%	04/29/2027	04/29/2023 100.00	7,410.00 3.18%	4.40% 4.40%	4.15	247,000.00 -14,175.33	94.261	232,824.67 3,126.41	2.21%
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	Aaa/NR/AA+ NR/NR/NR	500,000	3.59%	06/29/2027	12/29/2022 100.00	17,950.00 3.78%	4.81% 4.81%	4.25	500,000.00 -25,695.00	94.861	474,305.00 4,537.36	4.50%
Total 2027		1,227,000	2.84%	05/04/2027		\$34,560.00 3.03%	4.57% 4.57%	4.21	\$1,227,000.00 -\$87,181.63		\$1,139,818.37 \$8,108.43	10.81%
Total Bond Portfolio		11,225,000	1.59%	01/23/2025	NA	\$174,605.00 1.66%	4.19% 4.19%	2.23	\$11,223,971.3 -\$682,333.02	NA	\$10,541,638.28 \$29,783.87 \$10,571,422.15	100%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.



Expected cash flow

from 10/01/2022 to 09/30/2023

City of Clayton

Prepared for

City of Clayton

Risk profile:

Conservative

Return Objective:

Current Income and Capital Appreciation

Summary of expected cash flows

	2022			2023										Total (\$)
	October	November	December	January	February	March	April	May	June	July	August	September		
Total Portfolio	23,235	10,209	24,678	9,711	9,183	7,885	18,684	8,649	23,348	6,273	7,532	5,740	155,126	
Taxable	23,235	10,209	24,678	9,711	9,183	7,885	18,684	8,649	23,348	6,273	7,532	5,740	155,126	
Taxable U.S. income	23,235	9,022	20,228	9,711	9,183	7,390	18,684	7,481	18,922	6,273	7,532	5,236		
Interest payments	23,235	9,022	20,228	9,711	9,183	7,390	18,684	7,481	18,922	6,273	7,532	5,236	142,895	
Taxable non-U.S. income		1,188	4,450			496		1,168	4,425			504		
Interest payments		1,188	4,450			496		1,168	4,425			504	12,231	

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 10/01/2022 to 09/30/2023 (continued)

Details of expected cash flows

	2022			2023									Total (\$)
	October	November	December	January	February	March	April	May	June	July	August	September	
Total Portfolio	23,235	10,209	24,678	9,711	9,183	7,885	18,684	8,649	23,348	6,273	7,532	5,740	155,126

Taxable

Taxable U.S. income

Interest payments

	Quantity	2022			2023									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
BANK LEUMI NY US RT 01.4500% MAT 03/31/23 FIXED RATE CD	250,000.00						1,807.53 Mar 31							1,807.53
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD	94,000.00			152.33 Dec 05			150.66 Mar 05			154.01 Jun 05			154.01 Sep 05	611.00
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD	135,000.00	108.92 Oct 31	105.41 Nov 30	108.92 Dec 31	108.92 Jan 31	98.38 Feb 28	108.92 Mar 31	105.41 Apr 30	108.92 May 31	105.41 Jun 30	108.92 Jul 31	108.92 Aug 31	105.41 Sep 30	1,282.50
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD	100,000.00			501.37 Dec 15						498.63 Jun 15				1,000.00
BELMONT SVGS BK MA US RT 02.7000% MAT 02/28/23 FIXED RATE CD	200,000.00	443.84 Oct 28	458.63 Nov 28	443.84 Dec 28	458.63 Jan 28	458.63 Feb 28								2,263.56
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD	250,000.00	346.58 Oct 29			346.58 Jan 29			339.04 Apr 29			342.81 Jul 29			1,375.00
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD	198,000.00			248.18 Dec 11						246.82 Jun 11				495.00
CAPITAL ONE BANK U VA US RT 02.3000% MAT 10/04/22 FIXED RATE CD	99,000.00	1,141.62 Oct 04												1,141.62
CAPITAL ONE BK NA VA US RT 01.4000% MAT 04/17/23 FIXED RATE CD	150,000.00	1,052.88 Oct 15						1,047.12 Apr 15						2,111.51
CITIBANK, NA SD US RT 02.9000% MAT 04/11/23 FIXED RATE CD	200,000.00	2,907.95 Oct 11						2,892.05 Apr 11						5,800.00
CITY & CNTY CREDIT MN US RT 03.2500% MAT 02/26/24 CREDIT UNION SHARE CERT	115,000.00	307.19 Oct 26	317.43 Nov 26	307.19 Dec 26	317.43 Jan 26	317.43 Feb 26	286.71 Mar 26	317.43 Apr 26	307.19 May 26	317.43 Jun 26	307.19 Jul 26	317.43 Aug 26	317.43 Sep 26	3,737.50

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 10/01/2022 to 09/30/2023 (continued)

Interest payments

	Quantity	2022			2023									Total (\$)	
		October	November	December	January	February	March	April	May	June	July	August	September		
COMENITY BANK DE US RT 00.2000% MAT 05/15/23	200,000.00	32.88 Oct 03	33.97 Nov 03	32.88 Dec 03	33.97 Jan 03	33.97 Feb 03	30.68 Mar 03	33.97 Apr 03	32.88 May 03						278.36
JUMBO CD - HELD AT UBS															
COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26	215,000.00	459.45 Oct 14	474.77 Nov 14	459.45 Dec 14	474.77 Jan 14	474.77 Feb 14	428.82 Mar 14	474.77 Apr 14	459.45 May 14	474.77 Jun 14	459.45 Jul 14	474.77 Aug 14	474.77 Sep 14		5,590.00
FIXED RATE CD															
COMMERCIAL SVGS BK IA US RT 02.1000% MAT 10/18/22	247,000.00	2,600.61 Oct 18													2,600.61
FIXED RATE CD															
CONNEXUS CREDIT UN WI US RT 03.4000% MAT 08/15/25	250,000.00	721.92 Oct 31	698.63 Nov 30	721.92 Dec 31	721.92 Jan 31	652.05 Feb 28	721.92 Mar 31	698.63 Apr 30	721.92 May 31	698.63 Jun 30	721.92 Jul 31	721.92 Aug 31	698.63 Sep 30		8,500.00
LICU SHARE CERTIFICATE															
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25	250,000.00	1,817.47 Oct 22						1,807.53 Apr 22							3,625.00
FIXED RATE CD															
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25	250,000.00				693.15 Jan 31						681.85 Jul 31				1,375.00
FIXED RATE CD															
DEPARTMENT OF COMM DC US RT 03.0000% MAT 06/29/23	171,000.00	421.64 Oct 29	435.70 Nov 29	421.64 Dec 29	435.70 Jan 29	421.64 Feb 28	407.59 Mar 29	435.70 Apr 29	421.64 May 29	435.70 Jun 29					3,836.96
LICU SHARE CERTIFICATE															
ENERBANK UT US RT 03.2000% MAT 07/31/23	100,000.00	271.78 Oct 31	263.01 Nov 30	271.78 Dec 31	271.78 Jan 31	245.48 Feb 28	271.78 Mar 31	263.01 Apr 30	271.78 May 31	263.01 Jun 30	271.78 Jul 31				2,665.21
FIXED RATE CD															
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	150,000.00		450.00 Nov 24						450.00 May 24						900.00
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	500,000.00			8,975.00 Dec 29						8,975.00 Jun 29					17,950.00
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	100,000.00					260.00 Feb 12						260.00 Aug 12			520.00
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25	250,000.00	1,441.44 Oct 29						1,433.56 Apr 29							2,875.00
FIXED RATE CD															
GOLDMAN SACHS BANK NY US RT 01.9000% MAT 01/23/23	145,000.00				1,388.82 Jan 22										1,396.37
FIXED RATE CD															
GOLDMAN SACHS BANK UT US RT 02.6500% MAT 05/08/23	100,000.00		1,335.89 Nov 08						1,314.11 May 08						2,650.00
FIXED RATE CD															
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26	250,000.00	195.21 Oct 01	201.71 Nov 01	195.21 Dec 01	201.71 Jan 01	201.71 Feb 01	182.19 Mar 01	201.71 Apr 01	195.21 May 01	201.71 Jun 01	195.21 Jul 01	201.71 Aug 01	201.71 Sep 01		2,375.00
LICU SHARE CERTIFICATE															
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27	250,000.00	328.77 Oct 18	339.73 Nov 18	328.77 Dec 18	339.73 Jan 18	339.73 Feb 18	306.85 Mar 18	339.73 Apr 18	328.77 May 18	339.73 Jun 18	328.77 Jul 18	339.73 Aug 18	339.73 Sep 18		4,000.00
FIXED RATE CD															

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 10/01/2022 to 09/30/2023 (continued)

Interest payments

	Quantity	2022			2023											Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September			
INDUSTRIAL & COML NY US RT 02.6500% MAT 02/14/23 FIXED RATE CD	250,000.00	544.52 Oct 14	562.67 Nov 14	544.52 Dec 14	562.67 Jan 14	562.67 Feb 14									2,777.05	
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD	250,000.00	504.11 Oct 31						495.89 Apr 30							1,000.00	
KEMBA FINL CREDIT OH US RT 04.0000% MAT 09/22/25 CREDIT UNION SHARE CERT	250,000.00	273.97 Oct 01	849.32 Nov 01	821.92 Dec 01	849.32 Jan 01	849.32 Feb 01	767.12 Mar 01	849.32 Apr 01	821.92 May 01	849.32 Jun 01	821.92 Jul 01	849.32 Aug 01	849.32 Sep 01		9,452.05	
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD	150,000.00	73.97 Oct 01	76.44 Nov 01	73.97 Dec 01	76.44 Jan 01	76.44 Feb 01	69.04 Mar 01	76.44 Apr 01	73.97 May 01	76.44 Jun 01	73.97 Jul 01	76.44 Aug 01	76.44 Sep 01		900.00	
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD	200,000.00	205.48 Oct 30	212.33 Nov 30	205.48 Dec 30	212.33 Jan 30	198.63 Feb 28	205.48 Mar 30	212.33 Apr 30	205.48 May 30	212.33 Jun 30	205.48 Jul 30	212.33 Aug 30	212.33 Sep 30		2,500.00	
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD	245,000.00	104.04 Oct 31	100.68 Nov 30	104.04 Dec 31	104.04 Jan 31	93.97 Feb 28	104.04 Mar 31	100.68 Apr 30	104.04 May 31	100.68 Jun 30	104.04 Jul 31	104.04 Aug 31	100.68 Sep 30		1,225.00	
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD	247,000.00	3,715.15 Oct 29						3,694.85 Apr 29							7,410.00	
MOUNTAIN AMERICA C UT US RT 03.4500% MAT 02/28/25 LICU SHARE CERTIFICATE	250,000.00	732.53 Oct 01	732.53 Nov 01	708.90 Dec 01	732.53 Jan 01	732.53 Feb 01	661.64 Mar 01	732.53 Apr 01	708.90 May 01	732.53 Jun 01	708.90 Jul 01	732.53 Aug 01	732.53 Sep 01		8,648.63	
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD	80,000.00					705.75 Feb 16						694.25 Aug 16			1,400.00	
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD	150,000.00	188.01 Oct 16						186.99 Apr 16							375.00	
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD	50,000.00					478.90 Feb 16						471.10 Aug 16			950.00	
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD	150,000.00			940.07 Dec 10						934.93 Jun 10					1,875.00	
SYNCHRONY BK UT US RT 01.3000% MAT 04/17/23 FIXED RATE CD	100,000.00	651.78 Oct 17						648.22 Apr 17							1,300.00	
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD	198,000.00	81.37 Oct 11	84.08 Nov 11	81.37 Dec 11	84.08 Jan 11	84.08 Feb 11	75.95 Mar 11	84.08 Apr 11	81.37 May 11	84.08 Jun 11	81.37 Jul 11	84.08 Aug 11	84.08 Sep 11		990.00	
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD	200,000.00					252.05 Feb 19						247.95 Aug 19			502.74	
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD	250,000.00					756.16 Feb 12						743.84 Aug 12			1,500.00	

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 10/01/2022 to 09/30/2023 (continued)

Interest payments

	Quantity	2022			2023									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD	250,000.00	113.01 Oct 11	116.78 Nov 11	113.01 Dec 11	116.78 Jan 11	116.78 Feb 11	105.48 Mar 11	116.78 Apr 11	113.01 May 11	116.78 Jun 11	113.01 Jul 11	116.78 Aug 11	116.78 Sep 11	1,375.00
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	500,000.00	312.50 Oct 15						312.50 Apr 15						625.00
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	544,000.00			1,020.00 Dec 31						1,020.00 Jun 30				2,040.00
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	300,000.00			1,312.50 Dec 31						1,312.50 Jun 30				2,625.00
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD	149,000.00	67.36 Oct 28	69.60 Nov 28	67.36 Dec 28	69.60 Jan 28	69.60 Feb 28	62.87 Mar 28	69.60 Apr 28	67.36 May 28	69.60 Jun 28	67.36 Jul 28	69.60 Aug 28	69.60 Sep 28	819.50
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 LICU SHARE CERTIFICATE	100,000.00	234.25 Oct 27	242.05 Nov 27	234.25 Dec 27	242.05 Jan 27	242.05 Feb 27	218.63 Mar 27	242.05 Apr 27	234.25 May 27	242.05 Jun 27	234.25 Jul 27	242.05 Aug 27	242.05 Sep 27	2,850.00
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD	197,000.00	445.27 Oct 03	460.12 Nov 03	445.27 Dec 03	460.12 Jan 03	460.12 Feb 03	415.59 Mar 03	460.12 Apr 03	445.27 May 03	460.12 Jun 03	445.27 Jul 03	460.12 Aug 03	460.12 Sep 03	5,417.50
WELLS FARGO NATL B NV US RT 01.9000% MAT 01/17/23 FIXED RATE CD	248,000.00	387.29 Oct 17	400.20 Nov 17	387.29 Dec 17	400.20 Jan 17									1,574.97
Total Interest payments		23,235	9,022	20,228	9,711	9,183	7,390	18,684	7,481	18,922	6,273	7,532	5,236	142,895

Taxable non-U.S. income

Interest payments

	Quantity	2022			2023									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
BANK OF BARODA NY US RT 03.5500% MAT 12/28/23 FIXED RATE CD	250,000.00			4,449.66 Dec 28						4,425.34 Jun 28				8,875.00
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD	248,000.00		1,187.68 Nov 19						1,168.32 May 19					2,356.00
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD	200,000.00						495.89 Mar 22						504.11 Sep 22	1,000.00
Total Interest payments			1,188	4,450			496		1,168	4,425			504	12,231

	2022			2023									Total (\$)
	October	November	December	January	February	March	April	May	June	July	August	September	
Total Portfolio	23,235	10,209	24,678	9,711	9,183	7,885	18,684	8,649	23,348	6,273	7,532	5,740	155,126

Includes all fixed income securities in the selected portfolio.

House View: Executive summary

Month in review

- Market volatility remains elevated as high inflation and rising interest rates are bringing down global growth expectations. Inflation looks set to remain at above-average levels and economic growth looks set to continue slowing on the back of higher interest rates. In this more challenging environment, there are still clear winners, in our opinion.
- We face significant geopolitical and economic uncertainty. The war in Ukraine has caused a humanitarian crisis. Sanctions have been imposed, disrupting commodity flows and creating extreme volatility in some markets. Cease-fire talks have yet to yield results.
- On an asset class level, we prefer commodities and commodity-related investments. Within equities, we believe value-oriented companies will outperform. Investors should ensure portfolios are well diversified, with exposure to alternatives such as hedge funds and private markets.

Global economic outlook

- With extremely negative real wage growth across the major economies, consumers can only maintain consumer spending levels by reducing savings rates or increasing borrowing rates. If that happens, the outcome is a soft landing. If consumers stop using savings or borrowing to support consumption, before real incomes stabilize, then economic slump is likely.
- Central banks need to reduce inflation to stabilize real incomes. The risk is that interest rate increases are occurring as inflation is being driven more by factors that will not respond to rate increases. This means they need to lower demand to squeeze corporate profit margins, without lowering demand as far as creating job insecurity and elevate precautionary savings.
- Economies are experiencing consumption inequality as lower-income groups have fewer resources available to support spending. If consumer spending patterns change, the shift is likely to be more abrupt than is normally the case—because any shift is more likely to be driven by sentiment and concerns about the future, rather than a gradual change in labor market conditions.

Source: UBS, as of 30 September 2022

Report created on: October 11, 2022

Tactical preferences

Preferred Investment Views

Asset Classes	Most Preferred +	Least Preferred -
Equities	<ul style="list-style-type: none"> • US large-cap value • UK equity • Australia equity 	<ul style="list-style-type: none"> • US large-cap growth
Fixed income	<ul style="list-style-type: none"> • Agency MBS 	<ul style="list-style-type: none"> • US gov't bonds (int.)
Foreign exchange	<ul style="list-style-type: none"> • USD • CAD • CHF 	<ul style="list-style-type: none"> • EUR • GBP
Real assets	<ul style="list-style-type: none"> • Oil • Broad commodities 	<ul style="list-style-type: none"> • Gold
US sectors	<ul style="list-style-type: none"> • Energy • Healthcare • Consumer Staples 	<ul style="list-style-type: none"> • Consumer discretionary • Materials

Economic forecasts (real GDP, in %)

	2021	2022E	2023E
US	5.7	1.6	0.5
Eurozone	5.3	2.9	0.8
China	8.1	2.7	4.6
Latin America	6.7	2.9	1.7
World	6.2	3.0	3.0

The views expressed in this slide belong to CIO Americas, GWM
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This section contains important disclosures regarding the information and valuations presented here. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS account statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports. You should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

In our attempt to provide you with the highest quality information available, we have compiled this report using data obtained from recognized statistical sources and authorities in the financial industry. While we believe this information to be reliable, we cannot make any representations regarding its accuracy or completeness. Please keep this guide as your Advisory Review.

Please keep in mind that most investment objectives are long term. Although it is important to evaluate your portfolio's performance over multiple time periods, we believe the greatest emphasis should be placed on the longer period returns.

Please review the report content carefully and contact your Financial Advisor with any questions.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Tax lots: This report displays security tax lots as either one line item (i.e., lumped tax lots) or as separate tax lot

level information. If you choose to display security tax lots as one line item, the total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

If you choose to display tax lot level information as separate line items on the Portfolio Holdings report, the tax lot information may include information from sources other than UBS FS. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. As a result this information may not be accurate and is provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. See your monthly statement for additional information.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS account statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Estimated Annual Income: The Estimated Annual Income is the annualized yearly per share Dividends/Interest paid and multiplied by the quantity of shares held in the selected account(s). For savings product & sweep funds this value is not calculated and is displayed as 0.

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no

ratings are currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Interest Rate Risk: Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Call Provisions: When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state

or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Taxability unknown: Taxability unknown items may include, but not to be limited to, Money Market interest, ordinary interest, and ordinary dividends. The value shown for interest bearing securities that have been deposited or received in your account includes accrued interest, where applicable.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of factors, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information



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Bond sensitivity analysis: This analysis uses Modified Duration which approximates the percentage price change of a security for a given change in yield. The higher the modified duration of a security, the higher its risk. For callable securities, modified duration does not address the impact of changing interest rates on a bond's expected cash flow as a result of a call or prepayment.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/loss for these positions are excluded in the calculation for the Gain/Loss. As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Accounts Included in this Report: The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page. If an account number begins with "@" this denotes assets or liabilities held at other financial institutions. Information about these assets, including valuation, account type and cost basis, is based on the information you provided to us, or provided to us by third party data aggregators or custodians at your direction. We have not verified, and are not responsible for, the accuracy or completeness of this information.

Account name(s) displayed in this report and labels used for groupings of accounts can be customizable "nicknames" chosen by you to assist you with your recordkeeping or may have been included by your financial advisor for reference purposes only. The names used have no legal effect, are not intended to reflect any strategy, product, recommendation, investment objective or risk profile associated with your accounts or any group of accounts, and are not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

For more information about account or group names, or to make changes, contact your Financial Advisor.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

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Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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City of Clayton

Investment Policy

December, 2022

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I. PURPOSE

The purpose of this Investment Policy is to provide guidance and direction for the prudent investment of City funds and to foster the creation of a systematic and controlled investment process. The ultimate goal of this Investment Policy is to maximize the efficiency of the City's cash management system and to enhance the economic status of the City while protecting its invested funds.

II. POLICY

It is the policy of the City of Clayton ("City") to invest public funds in a prudent manner that will provide maximum security, adequate liquidity and sufficient yield, while meeting the daily cash flow demands of the City and conforming to all statutes and regulations governing the investment of public funds.

III. SCOPE

This investment policy applies to all short-term operating funds and investment activities under the direct authority of the City of Clayton. These funds are accounted for in the City's Annual Comprehensive Financial Report and include: General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Fund, Internal Service Funds and Fiduciary Funds. Funds excluded from this policy include the City's Retiree Healthcare Plan which is administered and managed separately by the California Employers' Retiree Benefit Trust (CERBT) Fund under the California Government Code Section 53620-53622 and bond proceeds which are subject to the conditions and restrictions of bond documents and are not governed by this policy.

IV. GENERAL OBJECTIVES

The primary objectives, in priority order, of the City's investment activities are safety, liquidity and yield.

A. Safety

Preservation of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk. To attain this objective, the City shall diversify its investments by investing funds among several financial institutions and a variety of securities offering independent returns.

1. Credit Risk

The City shall minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the most creditworthy types of securities.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business.
- Diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the City.

2. Interest Rate Risk

To minimize the negative impact of material changes in the market value of securities in the portfolio, the City shall:

- Structure the investment portfolio so that securities mature concurrent with cash needs to meet anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity.
- Invest operating funds primarily in shorter-term securities, money market mutual funds, and the State of California's Local Agency Investment Fund ("LAIF").

B. Liquidity

The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated without requiring a sale of securities. Since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in money market mutual funds or LAIF, which offer same-day liquidity for short-term funds.

C. Yield (Return on Investment)

The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the liquidity characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

V. STANDARDS OF CARE

A. Prudence

The standard of prudence to be used by City investment officials in the management of City moneys shall be the Prudent Investor Standard as authorized under Section 53600.3 of the California Government Code, which shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with the care, skill, prudence, and diligence, under circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the City. This standard shall be applied in the context of managing the overall portfolio. City investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

B. Public Trust

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review, scrutiny and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the highest ideals of the public trust.

C. Ethics and Conflicts of Interest

Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment

program, or that could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City immediately to the Clayton City Manager and annually to the Fair Political Practices Commission. City employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

D Delegation of Authority

The City Council delegates to the Finance Director the authority to invest or to reinvest funds, or to sell or exchange securities. The Finance Director shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

E. Internal Controls

The Finance Director is responsible for establishing and maintaining a system of written internal controls. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by City employees and officers. The internal structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

1. Segregation of Duties
2. Custodial Safekeeping
3. Delivery versus Payment (DVP)
4. Delegation of Authority
5. Documentation of Transactions

F. Review of Investment Portfolio

The securities held by the City must be in compliance with Section VIII (Suitable and Authorized Investments) at the time of purchase. Because some securities may not comply with Section VIII subsequent to the date of purchase, the Treasurer shall at least quarterly review the portfolio to identify those securities that do not comply. The Finance Director shall establish procedures to report to the City Council, major and critical incidences of noncompliance identified through the review of the portfolio.

VI. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Treasurer shall establish selection criteria for pre-approval of financial institutions and security broker/dealers to do business with the City. The Finance Director shall maintain a list of City approved financial institutions, registered investment advisors and security broker/dealers who are authorized to provide investment services to the City. These may include primary dealers, or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

If a third-party investment advisor is authorized to conduct investment transactions on the City's behalf, the investment advisor may use their own list of broker/dealers and financial institutions. The investment advisor's list must be available to the City upon request.

VII. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis, which will ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian or broker/dealer designated by the Finance Director. The only exception to the foregoing shall be depository accounts and securities purchases made with: State of California Local Agency Investment Fund (LAIF), time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. The Finance Director shall be bonded to protect the public against possible embezzlement and malfeasance.

VIII. SUITABLE AND AUTHORIZED INVESTMENTS

The City shall be governed by the California Government Code, Sections 53600 et seq. If the Code is amended to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to the changes in the revised Code, provided that the changes are not specifically prohibited by the City's policy. The City shall be required to present those changes in the annual review of the policy and to incorporate the new legislation within the policy. For purposes of compliance with the California Government Code and the City's Investment Policy, the credit rating requirement for invested funds shall be based on the quality ratings at the time of purchase. If the quality rating of the issuer is downgraded, subsequent to purchase, by any of the Nationally Recognized Statistical-Rating Organizations below "A", or its equivalent, it shall be reported to the City Council with a recommendation, and ongoing information shall be provided if the bond is not sold. Where there is a specified percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase. A later increase or decrease in a percentage resulting from a change in values or assets shall not constitute a violation of that restriction.

The City's funds may not be invested in those prohibited funds described in California Government Code 53601.6, but must only be invested in any of the following instruments as permitted by law (California Government Code Section 53601):

The City is empowered by statute to invest in the following types of securities:

A. Investment Types

1. **U.S. TREASURY BILLS.** Commonly referred to as T-Bills, these are short-term marketable securities sold as obligations of the U.S. Government. They are offered in three-month, six-month, and one-year maturities. T-Bills do not accrue interest but are sold at a discount to pay face value at maturity. There are no limits on the dollar amount or percentage that the City may invest in U.S. Treasury Bills.
2. **U.S. TREASURY NOTES.** These are marketable, interest-bearing securities sold as obligations of the U.S. Government with original maturities of one to ten years at issuance. Interest is paid semiannually. Purchases of these assets are limited to a remaining maturity of 5 years or less. There are no limits on the dollar amount or percentage that the City may invest in U.S. Treasury Notes.
3. **U.S. TREASURY BONDS.** These are the same as U.S. Treasury Notes except they have original maturities of ten years or longer at issuance. Purchases of these assets are limited to a remaining maturity of 5 years or less, unless

specifically approved by the City Council in accordance with California Government Code section 53601. There are no limits on the dollar amount or percentage that the City may invest in U.S. Treasury Bonds.

4. **U.S. GOVERNMENT AGENCY ISSUES AND GOVERNMENT SPONSORED ENTERPRISES.** This includes obligations, participations, or other instruments of, or issued by, a federal government agency or a United States government-sponsored enterprise. Purchase of U.S. Government Agency securities may not exceed 50% of the City's portfolio. No more than 30% of the portfolio may be invested in any single Agency/Government Sponsored Enterprise.

The allowable securities fall into two categories: 1) Issues which are backed by the full faith and credit of the United States, 2) Issues which are implicitly backed by the full faith and credit of the United States and/or are in conservatorship.

These Issues include, but are not limited to:

- Issues, which are unconditionally backed by the full faith and credit of the United States, including: Government National Mortgage Association (GNMA), Small Business Administration (SBA) and General Services Administration (GSA).
 - Issues, which are not backed by the full faith and credit of the United States including but are not limited to: Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Farm Credit System, Banks for Cooperation (Co-ops), Federal Lands Banks (FLB), Federal Intermediate Credit Banks (FICB), and Tennessee Valley Authority (TVA).
5. **LOCAL AGENCY INVESTMENT FUND (LAIF).** As authorized in Government Code Section 16429.1, local agencies may invest in the Local Agency Investment Fund (LAIF), a pooled investment money market fund established by the State of California, and overseen by the State Treasurer, which allows local agencies to pool their investment resources. Principal may be withdrawn on a one-day notice. Interest earned is paid quarterly. The fees charged are limited to one-quarter of one percent of the earnings of the fund. Current policies of LAIF set minimum and maximum amounts of monies that may be invested as well as maximum numbers of transactions that are allowed per month. The City may invest up to the maximum amount permitted by LAIF. The LAIF is in trust in the custody of the State Treasurer. The City's right to withdraw its deposited monies from LAIF is not contingent upon the State's ability to adopt a State Budget by July 1st of each new fiscal year.
 6. **BANKER'S ACCEPTANCE.** Otherwise known as bills of exchange or time drafts, are negotiable instruments with a maturity of six months or less drawn on and accepted by a commercial bank. These instruments must be rated "A-1" or its equivalent or better by at least one Nationally Recognized Statistical Rating Organization (NRSRO); or long-term debt obligations which are rated in a category of "A" or its equivalent or better by at least one NRSRO. Banker's Acceptances are usually created to finance the import or export of goods, or the shipment of goods within the United States. No more than 40% of the portfolio may be invested in Banker's Acceptances. No more than 5% of the portfolio may

be invested in any single issuer. The maximum maturity may not exceed 180 days.

7. **NON-NEGOTIABLE CERTIFICATE OF DEPOSIT (CD).** As authorized in Government Code Section 53601.8, local agencies may invest in Certificates of Deposit. These instruments must comply with Government Code Sections 16500 or 16600. This is a receipt for funds deposited in a Bank or Savings and Loan Association for a specified period at a specified rate of interest. The first \$250,000 of a CD is insured by the FDIC; as such, the City Manager may waive collateral requirements for CD investments up to this amount. Investments in CD's in excess of \$250,000 must be collateralized by Treasury Department Securities, which must be at least 110% of the face value of the CD's in excess of the first \$250,000, or by first mortgage loans, which must be at least 150% of the face value of the CD balance in excess of the first \$250,000. No more than 20% of the portfolio may be invested in certificates of deposit. Maturities may not exceed five years.

All institutions must: (1) have a minimum of \$100 million in assets; (2) have a demonstrated history of positive earnings; and, (3) must carry a minimum 3.5% equity ratio and hold that ratio for at least one year prior to the City's investment. All institutions must be located within the State of California. For collateralized or negotiable certificates of deposit, the institution must have a minimum \$1 billion in assets, in addition to meeting the above criteria.

8. **NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD).** Allowable certificates of deposits must be issued by a nationally or state-chartered bank or a state or federal association, a state or federal credit union, or by a federally licensed or state licensed branch of a foreign bank. The amount of the NCD insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO. The maturity period for this investment vehicle may not exceed five years unless approved by the Council. No more than 30% of the total portfolio may be invested in these securities. No more than 5% of the portfolio may be invested in any single issuer.
9. **COMMERCIAL PAPER.** As authorized in Government Code Section 53601(h), 25% of the City's portfolio may be invested in "prime" quality commercial paper. The securities must be rated "A-1" or its equivalent or better by at least one NRSRO and issued by a corporation which has long-term obligations with a rating of "A" or better by at least one NRSRO with maturities not to exceed 270 days. These notes are secured promissory notes of industrial corporations, utilities and bank holding companies. The issuer must be a corporation organized and operating in the United States with assets in excess of \$500 million. The City may not purchase more than 10% of the outstanding commercial paper of any single issuer. No more than 5% of the portfolio may be invested in any single issuer.
10. **REPURCHASE AGREEMENTS.** As authorized in Government Code Section 53601(j), repurchase agreements are agreements between the local agency and seller for the purchase of government securities to be resold at a specific date and for a specific amount. Repurchase agreements are generally used for short-term

investments for the City's daily automatic sweep account and will generally not exceed 30 days. The legal limitation on the maturity period for a repurchase agreement is for one year with the required market value underlying the agreement at 102% of the funds borrowed with the value adjusted quarterly.

11. **MUNICIPAL BONDS OF THE STATE OF CALIFORNIA OR LOCAL AGENCIES.** As authorized in Government Code Section 53601(e), local agencies may invest in Bonds of the State of California and any local government in the State of California, which are rated in the "A" category or better by one NRSRO at the time of investment. In no event shall this classification of investment exceed 30% of the value of the portfolio. No more than 5% of the portfolio may be invested in any single issuer.

12. **MUTUAL FUNDS and MONEY MARKET MUTUAL FUNDS.** Mutual Funds are referred to in California Government Code Section 53601(l), as "shares of beneficial interest issued by diversified management companies." Mutual Funds and Money Market Mutual Funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940 are authorized investments for funds subject to the following provisions:

- **Mutual Funds** that invest in the securities and obligations as authorized under California Government Code Section 53601(a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
 - Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) Nationally Recognized Statistical Rating Organizations (NRSROs); or
 - Have retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code Section 53601 and with assets under management in excess of \$500 million.
 - No more than 10% of the total portfolio may be invested in Mutual Funds.
 - No more than 5% of the total portfolio may be invested in any one issuer.
- **Money Market Mutual Funds** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
 - Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - Have retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
 - No more than 10% of the total portfolio may be invested in Money Market Mutual Funds.
 - No more than 5% of the total portfolio may be invested in any one issuer.

- All Money Market Mutual Funds must be compliant with Rule 2a-7 of the Investment Company Act of 1940.

13. **MEDIUM TERM NOTES.** As authorized in Government Code Section 53601(k), local agencies may invest in medium term notes issued by corporations organized and operating in the United States or by depository institutions licensed by the United States that are rated in the rating category of “A” or its equivalent or higher rating for the issuer’s debt as provided by one NRSRO and having a maximum remaining maturity period of five years or less in an amount not to exceed 30% of the agency’s portfolio. Furthermore, the maximum principal amount in any one issuer will not exceed 5% of the City’s portfolio.

14. **GOVERNMENT INVESTMENT POOLS.** Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities and obligations authorized in subdivisions (a) to (q), inclusive and including, but not limited to, CAMP (California Asset Management Program). Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment advisor that meets all of the following criteria:

- The advisor is registered or exempt from registration with the Securities and Exchange Commission.
- The advisor has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
- The advisor has assets under management in excess of five hundred million dollars (\$500,000,000).

While local government investment pools generally provide significant safety and liquidity, the Finance Director shall complete a thorough investigation prior to making any such investment. Due diligence in investigations shall generally include a review of written statements of investment policies, objectives, fees schedules, and reporting schedules, as well as issues related to (1) eligible investors and securities, (2) the permitted frequencies and sizes of deposits and withdrawals, (3) security safeguards, including settlement processes, (4) the frequency with which securities are priced and the program audited, (5) the treatment of gains and losses, including interest calculations and distribution, (6) whether and, if so, how reserves, retained earnings, and similar funds are utilized by the investment pool, and (7) whether the investment pool is eligible for and, if so, accepts bond proceeds. In addition, only local government investment pools with at least five years' experience providing similar services to other California municipalities may be utilized.

B. Collateralization

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level for any amount exceeding FDIC coverage shall be in accordance with California Government Code Section 53652 and/or 53651 (m)(1).

The City chooses to limit acceptable collateral to the following: Cash, U.S. Treasury Bills, Notes and Bonds, and Federal Agency issues.

Collateral will always be held in the City's name by an independent third party with whom the City of Clayton has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City.

The right of collateral substitution is reserved by the City.

C. Investments Not Approved

Any security type or structure not specifically approved by this policy is hereby prohibited.

D. Exceptions to Prohibited and Restricted Investments

The City shall not be required to sell securities prohibited or restricted in this policy, or any future policies, or prohibited or restricted by new State regulations, if purchased prior to their prohibition and/or restriction. Insofar as these securities provide no notable credit risk to the City, holding of these securities until maturity is approved. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

IX. INVESTING PARAMETERS

A. Diversification

The City shall diversify its investments by security type, issuer, maturity, and financial institutions. No percentage limitations are established for United States government, United States government agencies and United States government sponsored enterprises; however, percentage limitations are established for other permitted investments, as noted in Section VIII of this policy. The investments shall be diversified by limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury and Federal Agency securities), limiting investment in securities that have higher credit risks, and investing in securities with varying maturities.

B. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Where there is no specified maturity limitation on an investment, no investment shall be made in any security, which, at the time of the investment, has a term remaining to maturity in excess of five (5) years, unless the City Council has granted express authority to make that investment no less than three months prior to the investment.

X. REPORTING

The Finance Director shall submit investment reports to the City Council that provide a clear picture of the status of the current investment portfolio and shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

A. Reporting to City Council

In accordance with California Government Code Sections 53607 and 53646, the Finance Director shall submit to the City Council a monthly report of portfolio transactions and a quarterly investment report, which summarizes all securities in the portfolio. The quarterly report shall include:

1. Investment type
2. Issuer
3. Purchase date
4. Maturity date
5. Credit quality

6. Coupon and yield
7. Book value
8. Market value
9. Interest Earnings
10. Average days to maturity
11. Discussion of the current economic climate
12. Statement that the portfolio is in compliance with this Investment Policy or the manner in which the portfolio is not in compliance.
13. Statement of the City's ability to meet anticipated expenditure requirements for the next six months, or an explanation as to why sufficient money may not be available.

XI. PERFORMANCE STANDARDS

The investment portfolio shall be managed in accordance with the parameters specified within this policy and always within consistently safe and prudent treasury management procedures.

A. Market Yield

The City's overall investment strategy is passive: Investments are generally held to maturity. If an investment advisory firm is retained by the City, the City portfolio shall be compared to a customized benchmark in order to determine whether market yields are being achieved. In addition, the quarter-to-date LAIF apportionment rate and the two-year U.S. Treasury Note shall also be considered useful benchmarks of the City's portfolio performance.

B. Marking to Market

The market value of the portfolio shall be calculated at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed. In defining market value, consideration shall be given to pronouncements from the Government Accounting Standards Board (GASB) that address the reporting of investment assets and investment income for all investment portfolios held by governmental entities. The fair value of all securities reported in the City's portfolio is based on currently quoted market prices.

XII. INVESTMENT POLICY COMPLIANCE AND ADOPTION

A. Policy Compliance and Changes

Any deviation from the policy shall be reported to City Council at the next scheduled meeting. The Finance Director shall promptly notify the City Council of any material change in the policy, and any modifications to the policy must be approved by the City Council.

B. Annual Statement of Investment Policy

The Finance Director shall render a written Investment Policy that shall be reviewed at least annually by the City Council to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. The City Council shall consider the annual Investment Policy and any changes therein at a public meeting. The Investment Policy shall be adopted by resolution of the City Council.

C. Legislative Changes

Any State of California legislative action that further restricts allowable maturities, investment types or percentage allocations will be incorporated into the City of

Clayton Investment Policy and will supersede any and all previous applicable language. If the City is holding an investment that is subsequently prohibited by a legislative change, the City may hold that investment until the maturity date, if it is deemed prudent by the Finance Director/Treasurer.

APPENDIX

GLOSSARY OF INVESTMENT TERMS

AGENCY: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government (i.e. Government National Mortgage Association). Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee (i.e., Federal National Mortgage Association).

BOOK VALUE: The value at which a debt security is shown on the holder's balance sheet. Book value is often acquisition cost plus/minus amortization and accretion, which may differ significantly from the security's current value in the market.

BROKER: Someone who brings buyers and sellers together and is compensated for his/her service.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by a Nationally Recognized Statistical-Rating Organization.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, by buying and selling for his/her own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

FAIR VALUE: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits currently up to \$250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banks services to member commercial banks, thrift institutions, credit unions and insurance companies.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., twelve Regional Banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

GOVERNMENT SECURITIES: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

- **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
- **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
- **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): Chapter 730, Statutes of 1976 of the State of California, established the Local Agency Investment Fund. This fund enables local governmental agencies to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with State monies as a part of the Pooled Money Investment Account (PMIA). Each local governmental unit has the exclusive determination of the length of time its money will be on deposit with the State Treasurer. At the end of each calendar quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the Fund and the length of time such amounts remained therein. Prior to the distribution, the State's costs of administering the program are deducted from the earnings.

MARK-TO-MARKET: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

MARKET VALUE: The current price at which a security is trading and could presumably be purchased or sold at that particular point in time.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of a financial obligation is due and payable.

MONEY MARKET MUTUAL FUND: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

MUTUAL FUND: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by Securities and Exchange Commission (SEC) disclosure guidelines.

NATIONALLY RECOGNIZED STATISTICAL-RATING ORGANIZATION (NRSRO): Standard and Poor's, Moody's, and Fitch Financial Services are examples of such organizations.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker/dealers, banks and a few unregulated firms.

PRINCIPAL: (1) The face amount or par value of a debt instrument. (2) One who acts as a dealer buying and selling for his own account.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security

"buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

RISK: Degree of uncertainty of return on an asset.

RULE 2A-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

TREASURY BILLS: Short-term U.S. government non-interest-bearing discounted debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

TREASURY BOND: A long-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of more than 10 years and issued in minimum denominations of \$1,000.

TREASURY NOTE: A medium-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of from one to ten years and issued in denominations ranging from \$1,000 to \$1 million or more.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission (SEC) Rule 15C3-1 outlining requirements that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the security's current price. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

INVESTMENT POLICY

CITY OF CLAYTON, CALIFORNIA

I. POLICY

It is the policy of the City of Clayton [and the Redevelopment Agency of the City of Clayton] {together, referred to as the "City"} to meet the short and long-term cash flow demands of the City in a manner which will provide for the safety of principal monies with sufficient liquidity, while providing a reasonable investment return. The purpose of this Investment Policy is to identify and outline various methods and procedures for the prudent and systematic investment of public funds.

II. SCOPE

This Investment Policy applies to all investment activities and financial assets of the City {hereinafter, the "Funds"}. The following Funds are covered by this Investment Policy and are accounted for in the City's Comprehensive Annual Financial Report:

- (A) General Fund
- (B) Special Revenue Fund
- (C) Debt Service Fund
- (D) Capital Project Funds
- (E) Enterprise Funds
- (F) Internal Services Funds
- (G) Trust and Agency Funds
- (H) Any new funds created by the City Council.

Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in the bond documents. Bond proceeds are not considered part of the Funds nor subject to this Investment Policy.

III. DELEGATION OF AUTHORITY

The City Treasurer is expressly authorized to invest the City's Funds, pursuant to California Government Code Sections 53600, 16429.1 and 53684 et seq. The City Treasurer will meet with, and obtain the approval of, the City Manager prior to investment of the Funds. Investments made routinely by the Finance Manager are restricted to the State Pool [Local Agency Investment Fund, LAIF], California Asset Management Program (CAMP), or to securities maturing within six (6) months. Prior to investing in securities, the Finance Manager will consider the cash flow requirements of the City and may invest in securities maturing over six (6) months if directed by the City Treasurer or the City Manager in writing or verbally, if confirmed in writing within thirty (30) days.

IV. ASSIGNMENTS AND DUTIES

- A. **City Council.** The City Council is elected by the registered voters of Clayton. The Council establishes policies for the City and approves the expenditure of City Funds.
- B. **City Manager.** The City Manager is appointed by the City Council and implements policies established by the City Council. The City Manager is responsible for all City departments and is also the Chief Fiscal Officer and is responsible for general management of all investments of Funds.
- C. **City Treasurer.** The City Treasurer is appointed by the City Council and serves at the will and pleasure of the Council. Pursuant to the California Government Code, the City Treasurer is primarily responsible for the proper and prudent investment of Funds, and periodically reviews, makes recommendations regarding, and approves the investments of Funds and investment policies.
- D. **Finance Manager.** The Finance Manager is appointed by the City Manager and is responsible for the daily supervision of all financial transactions of the City, including but not limited to the administration, monitoring, reporting and the restricted placement of Fund investments.

Together, the City Treasurer, City Manager and the Finance Manager function and operate as a check-and-balance system for the prudent and proper investment of all Funds.

V. PRUDENCE

Investments shall be made pursuant to the “Prudent Investor” standard, mandated by California Government Code Section 53600.3, which states:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.”

The “Prudent Investor” standard shall be applied in the context of managing the Funds. The City Treasurer and each investment employee, acting within the intent and scope of this Investment Policy and other written procedures and exercising due diligence, shall

be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VI. INVESTMENT OBJECTIVES

The objective of the investment portfolio is to meet the short and long-term cash flow demands of the City. To achieve this objective, the portfolio will be structured to provide Safety of Principal, Liquidity and Return on Investments.

A. Safety of Principal.

Safety of the City's investments is the primary objective. Investments of the Funds shall be undertaken in a manner that seeks to ensure that capital losses are minimized, whether from institution default, broker-dealer default, or erosion of the market value of securities. The City shall seek to preserve principal by mitigating two types of risk, in order of importance:

1. Credit Risk. Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by purchasing Treasuries or high-grade securities. All investments beyond Treasury securities will be diversified so that the failure of any one issuer would not unduly harm the City's cash flow. Credit risk shall also be mitigated by pre-qualifying financial institutions, broker-dealers, intermediaries and advisors with which the City does business.
2. Market or Interest Rate Risk. Interest rate risk is the risk the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by structuring Funds so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities. The cash flow is updated on a daily basis and will be considered prior to investment of securities in order to limit the need to sell investments for liquidity purposes.

Long-term securities shall not be purchased for the sole purpose of short-term speculation. Securities shall not be sold prior to maturity with the following exceptions: 1). A declining credit security would be sold early to minimize loss of principal; 2). A security swap would improve the quality, yield, or target duration in the portfolio; or 3). Liquidity needs of the portfolio require the security be sold.

The weighted average maturity of the Funds is limited to three (3) years or less. Purchases of investments will be restricted to securities with a final stated maturity not to exceed five (5) years.

B. Liquidity.

Liquidity is the second most important objective of City investments. The Funds shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Since all possible cash demands cannot be anticipated, the Funds will maintain a liquidity buffer and invest primarily in securities with active secondary or resale markets (dynamic liquidity).

C. Return on Investments.

Return on investment should be considered and maximized after the basic objectives of safety and liquidity have been met. The Funds shall be designed to attain a return on investments through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

VII. AUTHORIZED INVESTMENTS

The investments set forth in this section are authorized investments pursuant to Section 53601 of the California Government Code and are herewith authorized investments for City Funds:

- A. The State of California Investment Pool, known as the Local Agency Investment Fund (LAIF);
- B. Passbook savings accounts, demand deposits;
- C. Certificate of Deposit placed with insured banks, savings and loans, or credit unions up to a maximum of \$250,000 per insured depository institution for each account ownership category;
- D. Bonds issued by the City, including bonds payable solely out of, controlled, or operated by the City or by an agency or authority of the City;
- E. United States Treasury notes, bonds bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest;

- F. Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state; and/or
- G. Mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, or U. S. corporate bond of a maximum of five (5) years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an “A’ or higher rating for the issuers debt, as provided by a nationally recognized rating service and rated in a rating category of “AA” or its equivalent or better by a nationally recognized rating service.

Purchase of securities authorized by this subdivision may not exceed twenty percent (20%) of the City’s surplus money that may be invested pursuant to this Section.

- H. Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the City may invest in government-sponsored enterprises.
- I. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive, and including but not limited to CAMP. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issued the shares shall have retained an investment adviser that meets all of the following criteria:
 - 1. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
 - 2. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
 - 3. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

For all other recommended investment of Funds by the City Treasurer and the City Manager, the City Council shall adopt the individual authorized instrument by resolution at a regular public meeting thereof.

VIII. PROHIBITED INVESTMENTS AND TRANSACTIONS

- A. The City shall not invest any Funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages or reverse purchase agreements.
- B. The City shall not purchase or sell securities on margin.
- C. The City shall not invest any Funds in any security that could result in zero interest accrual if held to maturity date.

IX. ALLOCATION OF INTEREST EARNINGS

When a single investment is made from a single Fund, interest on that investment is to be credited to that source Fund. When an investment represents multiple Funds, the interest shall be distributed based on the proportionate share of each Fund included in the aggregate investment.

When investments result in interest paid for a period greater than one (1) month, the interest shall be distributed proportionately based on the average of the monthly beginning balances of each involved Fund.

X. DIVERSIFICATION

The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. In a diversified portfolio it is recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

XI. PUBLIC TRUST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize the investment portfolio is subject to public review, scrutiny and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the highest ideals of the public trust.

XII. ETHICS AND CONFLICTS OF INTEREST

The City Treasurer and other employees or elected officials involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. The City Treasurer and investment employees and elected

officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

During the course of the year, if there is an event subject to disclosure that could impair the ability of the City Treasurer or investment employees to make impartial decisions, the City Council shall be notified in writing within ten (10) days of the event.

XIII. REPORTING REQUIREMENTS

The Finance Manager shall submit a quarterly investment report to the City Council. This report will include the following elements:

- A. Type of each investment.
- B. Financial institution.
- C. Date of Maturity.
- D. Amount of deposit or cost of security.
- E. Current market value of securities.
- F. Rate of Interest
- G. Weighted average maturity of the investments.

XIV. INTERNAL CONTROLS

The City Manager shall ensure the development of a system of internal investment controls and a segregation of duties and responsibilities of investment functions in order to assure an adequate system of internal control over the investment function. This segregation of duties will take into account the authorized staffing levels of the City. Internal control procedures shall address wire controls, separation of duties, delivery of securities to a third party for custodial safekeeping, and written procedures for placing investment transactions.

XV. GENERAL FUND RESERVE CONTINGENCY

The City Manager shall set aside Funds designated as *General Fund Reserve Contingency (GFRC)* to protect the City from unexpected financial expenses and to absorb the impact of deficiencies in cash flow not anticipated at the time the fiscal year budget was adopted.

The General Fund Reserves of the City shall include \$250,000.00 (two hundred fifty thousand dollars) designated as *GFRC – Emergency Component*. Further, the City will make every effort to maintain a *GFRC*, cash flow component, in an amount not less than fifty percent (50%) of the adopted annual General Fund budget. The amounts of

the *GFRCs* will be reviewed annually prior to adoption of the General Fund budget. City Council approval shall be required for any expenditure that would decrease the amount of the *GFRC* below the level established at the time of budget adoption.

XVI. POLICY REVIEW

The Investment Policy shall be reviewed at least annually by the City Treasurer and the City Council to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return on investments, along with its relevance to current law, financial and economic trends, and meets the needs of the City.

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Established:	30 July 2002
City Council adopted revisions:	21 April 2015 03 August 2010 05 May 2005 06 August 2002 21 April 2015 20 November 2018