



STAFF REPORT

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Prapti Aryal, Finance Director

DATE: August 15, 2023

SUBJECT: Quarterly Financial Reports On The City's Investment Portfolio For The Period Ending June 30, 2023.

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 June 30, 2023.

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 Funds to ensure that cash flow needs are met.

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.

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 June 30, 2023. The City received a total of \$238,294 in investment earnings for the entire cash and investment pool for the Fiscal Year 2023. The total investment earnings of \$238,294 exceeded budget by \$119,684. Increase is primarily due to the City re-investing the proceeds in a shorter term with a higher rate investment. For the most recent quarter, the City-held treasury investments consisted of investments with a book value of \$11.3 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, and municipal bonds.

The City's investments are held in the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP) and Financial broker firm UBS. The concentration in 100% liquid investments and is 12.12% of the total portfolio in LAIF and CAMP. The current yield for LAIF as of June 2023 was reported at 3.17% while the CAMP yield was 5.24%. Portion of LAIF fund has been invested in higher yield US Treasury Notes. Staff continues to seek to increase portfolio returns through other higher-yielding investments in compliance with the City's adopted Investment Policy.

The following is a summary of performance by investment type managed by UBS.

Current Yield is 1.99%, this is up 0.11% from 3 months ago, the average duration is 1.94 years, this is 0.07 years shorter than 3 months ago. The Portfolio consists of \$7.6 millions of Insured CDs, \$2.4 million of US Treasuries and \$704,000 of US Federal Agency Bonds. Expected Annual Cash Flow is \$187,395, this is \$28,703 higher than last quarter, 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. As of June 2023, the market value of the portfolio exceeds the book value by \$627,756. Increasing interest rates decreases the value of the portfolio, and loss would not be realized unless 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.

FISCAL IMPACTS

The investment portfolio, as a whole, earned returns at least consistent with the revenue estimates contained in the budget, and the steady increase in portfolio yield during the last 6 months and expect to increase continuously as staff is reinvesting the lower yielding investments and reinvesting the fund into higher yielding options.

ATTACHMENTS

1. Investment Portfolio Review from UBS
2. Consolidated Investment Summary through June 30, 2023
3. Quarterly Investment Report as of June 30, 2023



July 12, 2023

Investment Portfolio Review

Prepared for:
City of Clayton

Market Overview – Financial markets have traded higher over the past month, led by large cap US stocks. The S&P 500 hit a one-year high, while treasury yields also rose. Persistent inflation, high rates, falling growth estimates, and heightened financial stress make the short-term risk-reward for markets unfavorable. We think a more constructive environment for risky assets will emerge later in 2023, and we see the longer-term return outlook for diversified investors as relatively good. We therefore focus on mitigating near-term downside risks, while maintaining upside exposure for the long-term.

In our global asset allocation, we keep global equities at least preferred while fixed income is most preferred. At this stage of the cycle, we think bonds offer better value and lower volatility than equities. Aggressive rate hikes by the Federal Reserve combined with bank failures earlier this year have caused credit conditions to tighten, although relatively few companies have completely lost access to financing. The pace of economic growth is likely to continue to slow, and recession risks are high. Balance sheets are unusually strong for this stage of the business cycle, which should help to prevent a severe downturn.

Resilient growth has made it more difficult for the Fed to get inflation down toward its 2% target. While clearly down from its peak, the Fed needs to see more progress before it ends the rate hiking cycle. Supply chain issues have mostly been resolved, reducing inflationary pressure at the producer level, which should help retail price inflation.

While many market participants believed the Fed to be done hiking after their pause, inflation remains elevated. The Fed's most recent dot plot suggests one or even two more hikes are likely this year. At the time of writing, markets are pricing in a total of one more rate hike in 2023 with cuts beginning in the first quarter of 2024.

Current Portfolio Observations - Current Yield is 1.99%, this is up 0.11% from 3 months ago, the average duration is 1.94 years, this is 0.07 years shorter than 3 months ago. The Portfolio consists of \$7.6 million of Insured CDs, \$2.4 million of US Treasuries and \$704,000 of US Federal Agency Bonds. Expected Annual Cash Flow is \$187,395 this is \$28,703 higher than last quarter, 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. Thus far losses have been too high to breakeven.
2. Based on Investment Policy, consider High Grade Corporate Bonds, yields are +5.50% 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 5.00% to 5.40%.

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 928,920.99	5.24%	5.24%	\$ 928,920.99	5.73%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 1,033,738.30	3.17%	3.17%	\$ 1,033,738.30	6.38%
UBS Financial Services Inc.	Cash	UBS Cash Holding	* \$ 533,751.07	n/a	n/a	* \$ 533,751.07	
	Fixed Income	UBS - Certificates of Deposit	* \$ 8,138,817.50	varies by holding	varies by holding	* \$ 7,614,614.30	
	Fixed Income	UBS - Government Securities	* \$ 3,223,415.50	varies by holding	varies by holding	* \$ 3,102,692.88	
	Fixed Income	UBS- Accrued Interest @ 6/30/2023	* \$			* \$ 17,336.70	
		Total UBS Financial Services	\$ 11,895,984.07			\$ 11,268,394.95	69.56%
	<i>* The figures in the consolidated report are based off the numbers from the monthly statement. The performance report market values are calculated slightly different.</i>						
Bank of America	Checking	(General Ledger - book value)	2,967,792.97	0.00%	0.00%	2,967,792.97	18.32%
		Total Investment Portfolio	16,826,436.33			16,198,847.21	

Budget to Actual Analysis of Interest Revenue
7/1/2022 to 6/30/2023

	Budgeted	Actual	Actual
	Fiscal Year 2023	through 3/31/23	through 6/30/23
General Fund	\$ 86,000	\$ 92,047	\$ 172,779
All Other Funds	\$ 32,610	\$ 46,073	\$ 65,515
Total	\$ 118,610	\$ 138,120	\$ 238,294



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Warren, NJ 070596868

Financial Advisor:

James Dill
908-4706-200

UBS Client Review

as of June 30, 2023

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

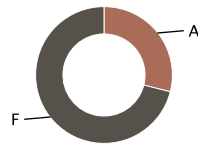
as of June 30, 2023

Bond overview

Total quantity	11,393,000
Total market value	\$10,717,307.18
Total accrued interest	\$17,169.79
Total market value plus accrued interest	\$10,734,476.97
Total estimated annual bond interest	\$213,514.50
Average coupon	2.00%
Average current yield	1.99%
Average yield to maturity	5.26%
Average yield to worst	5.26%
Average modified duration	1.94
Average effective maturity	2.02

Credit quality of bond holdings

Effective credit rating	Issues	Value on 06/30/2023 (\$)	% of port.
A Aaa/AAA/AAA	13	3,106,976.92	28.95
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	41	7,627,500.04	71.05
G Not rated	0	0.00	0.00
Total	54	\$10,734,476.97	100%

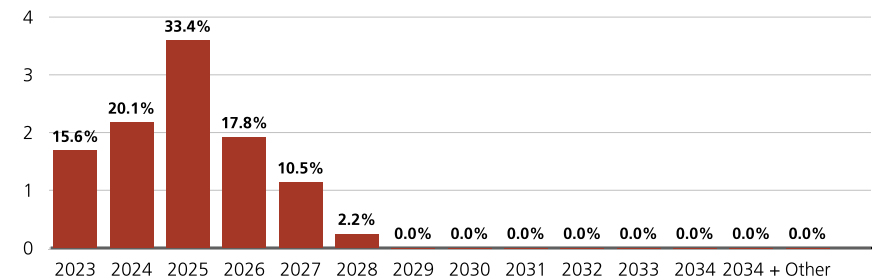


Investment type allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	7,627,500.04	0.00	7,627,500.04	71.06
U.S. federal agencies	704,198.69	0.00	704,198.69	6.56
U.S. treasuries	2,402,778.23	0.00	2,402,778.23	22.38
Total	\$10,734,476.96	\$0.00	\$10,734,476.96	100%

Bond maturity schedule

\$ Millions



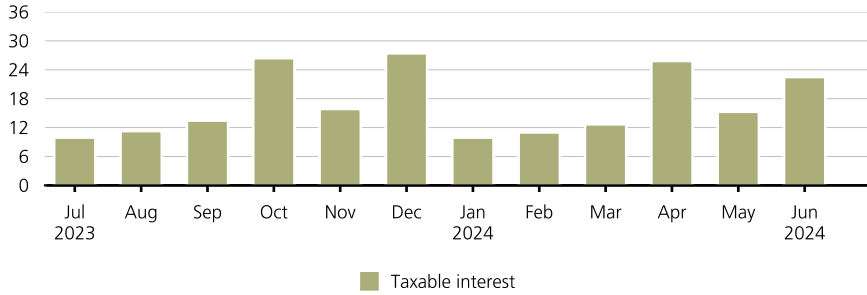
Effective maturity schedule

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

Bond summary - as of June 30, 2023 (continued)

Expected bond cash flow

\$ Thousands



Total taxable income: \$204,120.73

Total expected bond cash flow: \$204,120.73

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



Bond holdings

as of June 30, 2023

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
2023	6	1,700,000	13,575.00	0.81%	5.18 %	5.18 %	0.41	1,688,225	-7,672.00	1,680,987.92	15.68%
2024	12	2,242,000	48,581.00	2.24%	5.45 %	5.45 %	1.09	2,235,977.2	-71,936.97	2,169,442.04	20.19%
2025	18	3,837,000	74,664.00	2.08%	5.23 %	5.23 %	1.97	3,826,730.8	-243,821.54	3,590,106.92	33.43%
2026	11	2,137,000	30,759.50	1.61%	5.22 %	5.22 %	2.90	2,134,300	-217,949.64	1,918,097.21	17.88%
2027	6	1,227,000	34,560.00	3.06%	5.11 %	5.11 %	3.57	1,227,000	-95,798.17	1,133,528.05	10.55%
2028	1	250,000	11,375.00	4.70%	5.28 %	5.28 %	4.31	250,000	-7,747.50	242,314.83	2.26%
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				
2052	0	0			NA	NA	NA				
2052 +	0	0			NA	NA	NA				
Other	0	0			NA	NA	NA				
Total	54	11,393,000	\$213,514.50	1.99%	5.26 %	5.26 %	1.94	\$11,362,233.00	\$-644,925.82	\$10,734,476.97	

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, 2023 (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		11,393,000	2.00%	07/05/2025	NA	\$213,514.50 1.99%	5.26% 5.26%	1.94	\$11,362,233.0 \$-644,925.82	NA	\$10,717,307.18 \$17,169.79 \$10,734,476.97	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 2023												
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 3.21%	NA NA	NA	100,000.00 -172.00	99.828	99,828.00 0.00	0.93%
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%	5.27% 5.27%	0.14	200,000.00 -1,422.00	99.289	198,578.00 179.45	1.85%
UNITED STATES TREAS BILL DUE 09/28/23	Aaa/NR/AA+ NR/NR/NR	500,000		09/28/2023			5.06% 5.06%	0.25	489,000.00 4,755.00	98.751	493,755.00 0.00	4.61%
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%	5.14% 5.14%	0.68	499,225.00 -6,450.00	98.555	492,775.00 129.78	4.60%
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 0.25%	5.38% 5.38%	0.29	150,000.00 -2,238.00	98.508	147,762.00 77.05	1.38%
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%	5.33% 5.33%	0.48	250,000.00 -2,145.00	99.142	247,855.00 48.63	2.31%
Total 2023		1,700,000	1.14%	10/10/2023		\$13,575.00 0.81%	5.18% 5.18%	0.41	\$1,688,225.00 \$-7,672.00		\$1,680,553.00 \$434.92	15.68%

	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												
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%	5.33% 5.33%	0.65	115,000.00 -1,541.00	98.660	113,459.00 40.96	1.06%
US TSY NOTE 02.500 % DUE 04/30/24 DTD 04/30/22 FC 10/31/22	Aaa/AAA/NR NR/NR/NR	120,000	2.50%	04/30/2024		3,000.00 2.56%	5.48% 5.48%	0.81	116,509.20 613.20	97.602	117,122.40 497.28	1.09%
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%	5.40% 5.40%	0.83	197,000.00 -4,288.69	97.823	192,711.31 400.75	1.80%

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, 2023 (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												
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%	5.49% 5.49%	0.92	198,000.00 -9,472.32	95.216	188,527.68 25.77	1.76%
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	07/29/2023 100.00	1,375.00 0.58%	5.58% 5.58%	1.06	250,000.00 -13,092.50	94.763	236,907.50 233.56	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 0.63%	5.48% 5.48%	1.09	250,000.00 -13,065.00	94.774	236,935.00 567.12	2.21%
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%	5.47% 5.47%	1.11	250,000.00 -13,310.00	94.676	236,690.00 71.58	2.21%
US TSY NOTE 04.250 % DUE 09/30/24 DTD 09/30/22 FC 03/31/23	Aaa/AAA/AA+ NR/NR/NR	120,000	4.25%	09/30/2024		5,100.00 4.31%	5.36% 5.36%	1.19	118,621.20 -224.40	98.664	118,396.80 1,268.03	1.10%
FREEDOM FIRST FED VA US RT 04.9000% MAT 10/28/24 LICU SHARE CERTIFICATE /VA	CD	250,000	4.90%	10/28/2024		12,250.00 4.94%	5.46% 5.46%	1.28	250,000.00 -1,797.50	99.281	248,202.50 67.12	2.32%
US TSY NOTE 04.375 % DUE 10/31/24 DTD 10/31/22 FC 04/30/23	Aaa/AAA/AA+ NR/NR/NR	120,000	4.38%	10/31/2024		5,250.00 4.43%	5.33% 5.33%	1.27	118,846.80 -309.60	98.781	118,537.20 870.24	1.11%
AMERICAN EXP NATL UT US RT 04.6500% MAT 11/04/24 FIXED RATE CD /UT	CD	174,000	4.65%	11/04/2024		8,091.00 4.70%	5.46% 5.46%	1.28	174,000.00 -1,828.74	98.949	172,171.26 1,307.86	1.61%
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD /TX	CD	198,000	0.50%	12/11/2024	07/11/2023 100.00	990.00 0.54%	5.44% 5.44%	1.44	198,000.00 -13,620.42	93.121	184,379.58 51.53	1.72%
Total 2024		2,242,000	2.21%	08/15/2024		\$48,581.00 2.24%	5.45% 5.45%	1.09	\$2,235,977.20 -\$71,936.97		\$2,164,040.23 \$5,401.81	20.19%
Maturing 2025												
TECHNOLOGY CREDIT CA US RT 05.0000% MAT 01/21/25 CREDIT UNION SHARE CERT /CA	CD	248,000	5.00%	01/21/2025		12,400.00 5.03%	5.45% 5.45%	1.50	248,000.00 -1,656.64	99.332	246,343.36 373.70	2.30%
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 3.56%	5.43% 5.43%	1.61	250,000.00 -7,890.00	96.844	242,110.00 685.27	2.26%
US TSY NOTE 02.625 % DUE 03/31/25 DTD 03/31/18 FC 09/30/18	Aaa/AAA/NR NR/NR/NR	110,000	2.63%	03/31/2025		2,887.50 2.74%	5.06% 5.06%	1.67	105,374.50 187.00	95.965	105,561.50 717.93	0.98%

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, 2023 (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												
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%	5.44% 5.44%	1.74	259,817.50 -26,825.00	93.197	232,992.50 685.27	2.17%
MORGAN STANLEY PRV NY US RT 04.7000% MAT 04/28/25 FIXED RATE CD /NY	CD	236,000	4.70%	04/28/2025		11,092.00 4.76%	5.43% 5.43%	1.72	236,000.00 -2,990.12	98.733	233,009.88 1,944.90	2.17%
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 1.24%	5.44% 5.44%	1.77	250,000.00 -18,470.00	92.612	231,530.00 488.36	2.16%
US TSY NOTE 02.750 % DUE 05/15/25 DTD 05/15/22 FC 11/15/22	Aaa/AAA/NR NR/NR/NR	100,000	2.75%	05/15/2025		2,750.00 2.86%	4.99% 4.99%	1.79	95,835.00 200.00	96.035	96,035.00 343.75	0.90%
US TSY NOTE 02.875 % DUE 06/15/25 DTD 06/15/22 FC 12/15/22	Aaa/AAA/AA+ NR/NR/NR	100,000	2.88%	06/15/2025		2,875.00 2.99%	4.94% 4.94%	1.87	96,075.00 105.00	96.180	96,180.00 117.83	0.90%
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%	5.42% 5.42%	1.99	250,000.00 -23,440.00	90.624	226,560.00 565.07	2.11%
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 0.66%	5.41% 5.41%	2.10	150,000.00 -14,439.00	90.374	135,561.00 71.51	1.26%
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 3.54%	NA NA	NA NA	250,000.00 -10,115.00	95.954	239,885.00 0.00	2.24%
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD /NY	CD	149,000	0.55%	08/28/2025	08/28/2023 100.00	819.50 0.61%	5.41% 5.41%	2.14	149,000.00 -14,756.96	90.096	134,243.04 4.49	1.25%
KEMBA FINL CREDIT OH US RT 04.0000% MAT 09/22/25 FIXED RATE CD /OH	CD	250,000	4.00%	09/22/2025	07/21/2023 100.00	10,000.00 4.12%	5.41% 5.41%	2.12	250,000.00 -7,410.00	97.036	242,590.00 794.52	2.26%
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%	5.42% 5.42%	2.16	200,000.00 -20,422.00	89.789	179,578.00 273.97	1.68%
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD /DE	CD	250,000	0.40%	10/30/2025	10/30/2023 100.00	1,000.00 0.45%	NA NA	NA NA	250,000.00 -25,400.00	89.840	224,600.00 0.00	2.10%
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 0.66%	4.78% 4.78%	2.33	150,000.00 -14,047.50	90.635	135,952.50 90.00	1.27%
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%	5.42% 5.42%	2.37	100,000.00 -10,059.00	89.941	89,941.00 41.10	0.84%
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%	4.61% 4.61%	2.43	536,628.80 -46,392.32	90.117	490,236.48 0.00	4.57%
Total 2025		3,837,000	2.01%	07/25/2025		\$74,664.00 2.08%	5.23% 5.23%	1.97	\$3,826,730.80 \$-243,821.54		\$3,582,909.26 \$7,197.66	33.43%

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, 2023 (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												
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%	5.41% 5.41%	2.56	245,000.00 -28,932.05	88.191	216,067.95 0.00	2.02%
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 0.58%	4.83% 4.83%	2.53	100,000.00 -10,478.00	89.522	89,522.00 199.33	0.84%
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD /FL	CD	94,000	0.65%	03/05/2026	09/05/2023 100.00	611.00 0.74%	5.42% 5.42%	2.62	94,000.00 -11,107.04	88.184	82,892.96 41.85	0.77%
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD /FL	CD	135,000	0.95%	03/31/2026	06/30/2023 100.00	1,282.50 1.07%	NA NA	NA	135,000.00 -15,349.50	88.630	119,650.50 0.00	1.12%
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 2.80%	5.40% 5.40%	2.67	215,000.00 -15,576.75	92.755	199,423.25 245.04	1.86%
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 1.08%	5.41% 5.41%	2.77	248,000.00 -29,226.80	88.215	218,773.20 271.10	2.04%
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 0.97%	4.44% 4.44%	2.90	297,300.00 -27,066.00	90.078	270,234.00 0.00	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 1.09%	5.39% 5.39%	3.07	250,000.00 -31,930.00	87.228	218,070.00 188.70	2.03%
NUMERICA CREDIT UN WA US RT 04.9000% MAT 11/04/26 LICU SHARE CERTIFICATE /WA	CD	200,000	4.90%	11/04/2026		9,800.00 4.97%	5.37% 5.37%	3.07	200,000.00 -2,886.00	98.557	197,114.00 698.08	1.84%
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 1.43%	5.37% 5.37%	3.29	150,000.00 -19,219.50	87.187	130,780.50 102.74	1.22%
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 1.44%	5.36% 5.36%	3.41	200,000.00 -26,178.00	86.911	173,822.00 0.00	1.62%
Total 2026		2,137,000	1.48%	06/30/2026		\$30,759.50 1.61%	5.22% 5.22%	2.90	\$2,134,300.00 -\$217,949.64		\$1,916,350.36 \$1,746.85	17.88%
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 1.98%	5.35% 5.35%	3.41	80,000.00 -9,390.40	88.262	70,609.60 513.97	0.66%

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, 2023 (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 2027												
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 2.14%	5.35% 5.35%	3.40	50,000.00 -5,624.50	88.751	44,375.50 348.77	0.41%
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	07/18/2023 100.00	4,000.00 1.83%	5.34% 5.34%	3.51	250,000.00 -30,867.50	87.653	219,132.50 131.51	2.04%
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 FIXED RATE CD /NY	CD	100,000	2.85%	04/27/2027	07/27/2023 100.00	2,850.00 3.12%	5.33% 5.33%	3.60	100,000.00 -8,563.00	91.437	91,437.00 23.42	0.85%
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD /UT	CD	247,000	3.00%	04/29/2027	10/29/2023 100.00	7,410.00 3.26%	5.33% 5.33%	3.53	247,000.00 -19,737.77	92.009	227,262.23 1,258.68	2.12%
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	Aaa/NR/AA+ NR/NR/NR	500,000	3.59%	06/29/2027		17,950.00 3.75%	4.79% 4.79%	3.66	500,000.00 -21,615.00	95.677	478,385.00 49.86	4.46%
Total 2027		1,227,000	2.85%	05/04/2027		\$34,560.00 3.06%	5.11% 5.11%	3.57	\$1,227,000.00 \$-95,798.17		\$1,131,201.83 \$2,326.22	10.55%
Maturing 2028												
A PLUS FED CREDIT TX US RT 04.5500% MAT 04/28/28 LICU SHARE CERTIFICATE /TX	CD	250,000	4.55%	04/28/2028		11,375.00 4.70%	5.28% 5.28%	4.31	250,000.00 -7,747.50	96.901	242,252.50 62.33	2.26%
Total 2028		250,000	4.55%	04/28/2028		\$11,375.00 4.70%	5.28% 5.28%	4.31	\$250,000.00 \$-7,747.50		\$242,252.50 \$62.33	2.26%
Total Bond Portfolio		11,393,000	2.00%	07/05/2025	NA	\$213,514.50 1.99%	5.26% 5.26%	1.94	\$11,362,233.0 \$-644,925.82	NA	\$10,717,307.18 \$17,169.79 \$10,734,476.97	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 07/01/2023 to 06/30/2024

Summary of expected cash flows

	2023						2024						Total (\$)
	July	August	September	October	November	December	January	February	March	April	May	June	
Total Portfolio	10,040	11,424	13,625	26,755	16,065	27,780	10,043	11,137	12,838	26,158	15,470	22,785	204,121
Taxable	10,040	11,424	13,625	26,755	16,065	27,780	10,043	11,137	12,838	26,158	15,470	22,785	204,121
Taxable U.S. income	10,040	11,424	13,121	26,755	14,877	23,330	10,043	11,137	12,339	26,158	14,296	22,785	
Interest payments	10,040	11,424	13,121	26,755	14,877	23,330	10,043	11,137	12,339	26,158	14,296	22,785	196,306
Taxable non-U.S. income			504		1,188	4,450			499		1,175		
Interest payments			504		1,188	4,450			499		1,175		7,815

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2023 to 06/30/2024 (continued)

Details of expected cash flows

	2023						2024						Total (\$)
	July	August	September	October	November	December	January	February	March	April	May	June	
Total Portfolio	10,040	11,424	13,625	26,755	16,065	27,780	10,043	11,137	12,838	26,158	15,470	22,785	204,121

Taxable

Taxable U.S. income

Interest payments

	Quantity	2023						2024						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
A PLUS FED CREDIT TX US RT 04.5500% MAT 04/28/28	250,000.00	934.93 Jul 28	966.10 Aug 28	966.10 Sep 28	934.93 Oct 28	966.10 Nov 28	934.93 Dec 28	966.10 Jan 28	966.10 Feb 28	903.77 Mar 28	966.10 Apr 28	934.93 May 28	966.10 Jun 28	11,406.16
LICU SHARE CERTIFICATE AMERICAN EXP NATL UT US RT 04.6500% MAT 11/04/24	174,000.00					4,078.75 Nov 02						4,034.42 May 02		8,113.17
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26	94,000.00			154.01 Sep 05			152.33 Dec 05			152.33 Mar 05			154.01 Jun 05	612.67
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26	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	101.90 Feb 29	108.92 Mar 31	105.41 Apr 30	108.92 May 31	105.41 Jun 30	1,286.01
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25	100,000.00						501.37 Dec 15						501.37 Jun 15	1,002.74
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24	250,000.00	342.81 Jul 29			346.58 Oct 29			346.58 Jan 29			342.81 Apr 29			1,378.77
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24	198,000.00						248.18 Dec 11						248.18 Jun 11	496.36
CITY & CNTY CREDIT MN US RT 03.2500% MAT 02/26/24	115,000.00	307.19 Jul 26	317.43 Aug 26	317.43 Sep 26	307.19 Oct 26	317.43 Nov 26	307.19 Dec 26	317.43 Jan 26	317.43 Feb 26					2,508.73
CREDIT UNION SHARE CERT 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	444.14 Mar 14	474.77 Apr 14	459.45 May 14	474.77 Jun 14	5,605.32
CONNEXUS CREDIT UN WI US RT 03.4000% MAT 08/15/25	250,000.00	721.92 Jul 31	721.92 Aug 31	698.63 Sep 30	721.92 Oct 31	698.63 Nov 30	721.92 Dec 31	721.92 Jan 31	675.34 Feb 29	721.92 Mar 31	698.63 Apr 30	721.92 May 31	698.63 Jun 30	8,523.29
LICU SHARE CERTIFICATE CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25	250,000.00				1,817.47 Oct 22						1,817.47 Apr 22			3,634.93

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2023 to 06/30/2024 (continued)

Interest payments

	Quantity	2023						2024						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
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 03.2000% MAT 07/31/23 FIXED RATE CD	100,000.00	271.78 Jul 31												271.78
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
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD	250,000.00				1,441.44 Oct 29						1,441.44 Apr 29			2,882.88
FREEDOM FIRST FED VA US RT 04.9000% MAT 10/28/24 LICU SHARE CERTIFICATE	250,000.00	1,006.85 Jul 28	1,040.41 Aug 28	1,040.41 Sep 28	1,006.85 Oct 28	1,040.41 Nov 28	1,006.85 Dec 28	1,040.41 Jan 28	1,040.41 Feb 28	973.29 Mar 28	1,040.41 Apr 28	1,006.85 May 28	1,040.41 Jun 28	12,283.56
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	188.70 Mar 01	201.71 Apr 01	195.21 May 01	201.71 Jun 01	2,381.51
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	317.81 Mar 18	339.73 Apr 18	328.77 May 18	339.73 Jun 18	4,010.96
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD	250,000.00				504.11 Oct 31						498.63 Apr 30			1,002.74
KEMBA FINL CREDIT OH US RT 04.0000% MAT 09/22/25 FIXED RATE CD	250,000.00	821.92 Jul 01	849.32 Aug 01	849.32 Sep 01	821.92 Oct 01	849.32 Nov 01	821.92 Dec 01	849.32 Jan 01	849.32 Feb 01	794.52 Mar 01	849.32 Apr 01	821.92 May 01	849.32 Jun 01	10,027.40
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	71.51 Mar 01	76.44 Apr 01	73.97 May 01	76.44 Jun 01	902.47
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	205.48 Feb 29	205.48 Mar 30	212.33 Apr 30	205.48 May 30	212.33 Jun 30	2,506.85
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	97.33 Feb 29	104.04 Mar 31	100.68 Apr 30	104.04 May 31	100.68 Jun 30	1,228.36
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD	247,000.00				3,715.15 Oct 29						3,715.15 Apr 29			7,430.30
MORGAN STANLEY PRV NY US RT 04.7000% MAT 04/28/25 FIXED RATE CD	236,000.00				5,561.19 Oct 27						5,561.19 Apr 27			11,122.39

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2023 to 06/30/2024 (continued)

Interest payments

	Quantity	2023						2024						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
MOUNTAIN AMERICA C UT US RT 03.4500% MAT 02/28/25 LICU SHARE CERTIFICATE	250,000.00	708.90 Jul 01	732.53 Aug 01	732.53 Sep 01	708.90 Oct 01	732.53 Nov 01	708.90 Dec 01	732.53 Jan 01	732.53 Feb 01	685.27 Mar 01	732.53 Apr 01	708.90 May 01	732.53 Jun 01	8,648.63
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									188.01
NUMERICA CREDIT UN WA US RT 04.9000% MAT 11/04/26 LICU SHARE CERTIFICATE	200,000.00	805.48 Jul 04	832.33 Aug 04	832.33 Sep 04	805.48 Oct 04	832.33 Nov 04	805.48 Dec 04	832.33 Jan 04	832.33 Feb 04	778.63 Mar 04	832.33 Apr 04	805.48 May 04	832.33 Jun 04	9,826.85
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						940.07 Jun 10	1,880.14
TECHNOLOGY CREDIT CA US RT 05.0000% MAT 01/21/25 CREDIT UNION SHARE CERT	248,000.00	1,019.18 Jul 19	1,053.15 Aug 19	1,053.15 Sep 19	1,019.18 Oct 19	1,053.15 Nov 19	1,019.18 Dec 19	1,053.15 Jan 19	1,053.15 Feb 19	985.21 Mar 19	1,053.15 Apr 19	1,019.18 May 19	1,053.15 Jun 19	12,433.97
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	78.66 Mar 11	84.08 Apr 11	81.37 May 11	84.08 Jun 11	992.71
THIRD FED S&L ASSN OH US RT 00.2500% MAT 08/21/23 FIXED RATE CD	200,000.00		247.95 Aug 19											250.68
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	109.25 Mar 11	116.78 Apr 11	113.01 May 11	116.78 Jun 11	1,378.77
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
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
US TSY NOTE 02.500 % DUE 04/30/24 DTD 04/30/22 FC 10/31/22	120,000.00				1,500.00 Oct 31						1,500.00 Apr 30			3,000.00
US TSY NOTE 02.625 % DUE 03/31/25 DTD 03/31/18 FC 09/30/18	110,000.00			1,443.75 Sep 30						1,443.75 Mar 31				2,887.50

Includes all fixed income securities in the selected portfolio.



Expected cash flow - from 07/01/2023 to 06/30/2024 (continued)

Interest payments

	Quantity	2023						2024						Total (\$)
		July	August	September	October	November	December	January	February	March	April	May	June	
US TSY NOTE 02.750 % DUE 05/15/25 DTD 05/15/22 FC 11/15/22	100,000.00					1,375.00 Nov 15						1,375.00 May 15		2,750.00
US TSY NOTE 02.875 % DUE 06/15/25 DTD 06/15/22 FC 12/15/22	100,000.00						1,437.50 Dec 15						1,437.50 Jun 15	2,875.00
US TSY NOTE 04.250 % DUE 09/30/24 DTD 09/30/22 FC 03/31/23	120,000.00			2,550.00 Sep 30						2,550.00 Mar 31				5,100.00
US TSY NOTE 04.375 % DUE 10/31/24 DTD 10/31/22 FC 04/30/23	120,000.00				2,625.00 Oct 31						2,625.00 Apr 30			5,250.00
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	65.11 Mar 28	69.60 Apr 28	67.36 May 28	69.60 Jun 28	821.75
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 FIXED RATE CD	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	226.44 Mar 27	242.05 Apr 27	234.25 May 27	242.05 Jun 27	2,857.81
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	430.43 Mar 03	460.12 Apr 03	445.27 May 03		4,972.23
Total Interest payments		10,040	11,424	13,121	26,755	14,877	23,330	10,043	11,137	12,339	26,158	14,296	22,785	196,306

Taxable non-U.S. income

Interest payments

	Quantity	2023						2024						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							4,449.66
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD	248,000.00					1,187.68 Nov 19						1,174.77 May 19		2,362.45
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD	200,000.00			504.11 Sep 22						498.63 Mar 22				1,002.74
Total Interest payments				504		1,188	4,450			499		1,175		7,815

	2023						2024						Total (\$)
	July	August	September	October	November	December	January	February	March	April	May	June	
Total Portfolio	10,040	11,424	13,625	26,755	16,065	27,780	10,043	11,137	12,838	26,158	15,470	22,785	204,121

Includes all fixed income securities in the selected portfolio.

House View: Executive summary

Month in review

- Financial markets have traded higher over the past month, led by large cap US stocks. The S&P 500 hit a one-year high, while treasury yields also rose.
- Persistent inflation, high rates, falling growth estimates, and heightened financial stress make the short-term risk-reward for markets unfavorable. We think a more constructive environment for risky assets will emerge later in 2023, and we see the longer-term return outlook for diversified investors as relatively good. We therefore focus on mitigating near-term downside risks, while maintaining upside exposure for the long-term.
- In our global asset allocation, we keep global equities at least preferred while fixed income is most preferred. At this stage of the cycle, we think bonds offer better value and lower volatility than equities.

US economic outlook



- Aggressive rate hikes by the Federal Reserve combined with bank failures earlier this year have caused credit conditions to tighten, although relatively few companies have completely lost access to financing. The pace of economic growth is likely to continue to slow, and recession risks are high. Balance sheets are unusually strong for this stage of the business cycle, which should help to prevent a severe downturn.
- Resilient growth has made it more difficult for the Fed to get inflation down toward its 2% target. While clearly down from its peak, the Fed needs to see more progress before it ends the rate hiking cycle. Supply chain issues have mostly been resolved, reducing inflationary pressure at the producer level, which should help retail price inflation.
- While many market participants believed the Fed to be done hiking after their pause, inflation remains elevated. The Fed's most recent dot plot suggests one or even two more hikes are likely this year. At the time of writing, markets are pricing in a total of one more rate hike in 2023 with cuts beginning in the first quarter of 2024.

Source: UBS, as of 26 June 2023

Report created on: July 02, 2023

Tactical preferences

Preferred Investment Views

Asset Classes	Most Preferred 	Least Preferred 
Equities	<ul style="list-style-type: none"> • Emerging market equity • Australia equity 	<ul style="list-style-type: none"> • Global equities • US equities • US large-cap growth
Fixed income	<ul style="list-style-type: none"> • Fixed income • IG corporate bonds • Agency MBS • Preferreds • EM hard currency FI 	
Foreign exchange	<ul style="list-style-type: none"> • AUD 	<ul style="list-style-type: none"> • USD
Real assets	<ul style="list-style-type: none"> • Commodities • Oil • Gold 	
US sectors	<ul style="list-style-type: none"> • Industrials • Energy • Consumer staples 	<ul style="list-style-type: none"> • Financials • Information technology • Utilities

Economic forecasts (real GDP, in %)

	2021	2022	2023E
US	5.9	2.1	1.4
Eurozone	5.3	3.5	0.8
China	8.4	3.0	5.2
Latin America	6.8	3.7	1.9
World	6.5	3.4	2.8

The views expressed in this slide belong to CIO Americas, GWM



Disclosures applicable to accounts at UBS Financial Services Inc.

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 dividend/interest rate paid by the investment solely as of the date of this report, annualized yearly per share and multiplied by the quantity of shares held in the selected account(s). For Expected Cash Flow and Portfolio Holdings reports prior to June 23, 2023, savings products & sweep funds do not display such calculations and instead, values are displayed as N/A. For all other reports, Estimated Annual Income for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

Current Yield: Current yield calculations display the current yield of the investment solely as of the date of this report, is defined as the estimated annual income divided by the total market value. For Portfolio Holdings

report generated prior to June 23, 2023, savings products & sweep funds do not include such information and instead, values are displayed as N/A. For all other reports, Current Yield for savings products & sweep funds is not calculated or factored into aggregate calculations and will be displayed as 0.

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 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.



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

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 provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees or associated persons provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

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

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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.

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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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