



STAFF REPORT

TO: Honorable Mayor and Councilmembers

FROM: Prapti Aryal, Finance Director

DATE: November 21, 2023

SUBJECT: Accept the Quarterly Financial Reports on the City's Investment Portfolio for the Period Ending September 30, 2023

RECOMMENDATION

Staff recommends the City Council accept the City Investment Portfolio Report for the first quarter of the fiscal year 2023-2024 ending September 30, 2023.

BACKGROUND

All local government 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 in the City's 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 may 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 quarterly financial reports summarize the status of pooled treasury investments as of September 30, 2023. For the most recent quarter, the City-held treasury investments consisted of investments with a book value of \$14.5 million. The largest amount of the City’s portfolio continues to be CDs followed by government securities and 100% liquid investments, including money markets, and pooled investment funds. The staff has been focusing on prioritizing the portfolio diversification by investing in US Treasury Bills and other investments like medium term notes (“corporate bonds”) and municipal bonds to balance the portfolio.

The City’s investments are held in the Local Agency Investment Fund (LAIF), the California Asset Management Program (CAMP), and financial broker firm UBS. The concentration in LAIF liquid market investment is 6.20% less than last quarter since the funds were transferred to CAMP, which has a higher yield. The total portfolio in LAIF and CAMP is 12.00%. Staff continue seeking 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.

Investment Type	Par value	Rate	Current Yield	Market Value	Percentage of Portfolio
California Asset Management Program	\$ 1,648,454.30	5.55%	5.55%	\$ 1,648,454.30	11.82%
Local Agency Investment Fund	\$ 25,851.34	3.53%	3.53%	\$ 25,851.34	0.19%
US Federal Agency Bonds	\$ 826,162.73	n/a	n/a	\$ 828,168.36	5.94%
CDs (Insured)	\$ 8,338,817.50	varies by holding	varies by holding	\$ 7,859,616.87	56.34%
US Treasury Notes	\$ 2,734,415.50	varies by holding	varies by holding	\$ 2,611,622.90	18.72%
UBS Accrued Interest	\$ -			\$ 42,286.03	0.30%
BoA Operating Account	\$ 933,461.18			\$ 933,461.18	6.69%
Total Investment	\$ 14,507,162.55			\$ 13,949,460.98	

The following statements are summarized from the quarterly investment portfolio review provided by UBS Financial Services. For the quarter ending September 30, 2023, the return on the City’s portfolio is 2.09%, this is up 0.10% from the previous quarter ending June 30, 2023, when the Yield to Maturity (YTM) was 1.99%. The investment average duration is 1.70 years, which is 0.24 years shorter since the last quarterly financial investment review. The Portfolio consists of \$7.8 million of Insured CDs, \$2.7 million of US Treasuries and \$702,000 of US Federal Agency Bonds. The expected Annual Cash Flow is \$228,015. This is \$23,895 higher than last quarter and 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 unrealized 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 \$517,839 for the quarter ending September 30, 2023. 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 focusing on the stability of the investment.

FISCAL IMPACTS

The investment portfolio earned an interest return of approximately \$52K for the quarter ending September 30, 2023. This is a steady increase in portfolio yield during the last 6 months and is expected to increase continuously as staff are reinvesting the lower yielding investments and reinvesting the fund into higher yielding options.

ATTACHMENTS

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



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UBS Client Review

As of September 30, 2023

Report Prepared for: City of Clayton

Account Number	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

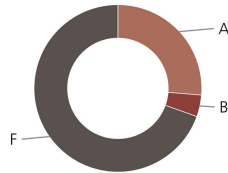
as of September 30, 2023

Bond Overview

Total quantity	11,941,000
Total market value	\$11,299,408.13
Total accrued interest	\$42,286.03
Total market value plus accrued interest	\$11,341,694.16
Total estimated annual bond interest	\$236,564.50
Average coupon	2.18%
Average current yield	2.09%
Average yield to maturity	5.38%
Average yield to worst	5.38%
Average modified duration	1.70
Average effective maturity	1.82

Credit Quality of Bond Holdings

Effective credit rating	Issues	Value on 09/30/2023 (\$)	% of port.
A Aaa/AAA/AAA	11	2,980,177.37	26.29
B Aa/AA/AA	4	475,284.25	4.15
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	7,886,232.54	69.56
G Not rated	0	0.00	0.00
Total	56	\$11,341,694.16	100%



Business Service Account

Prepared for **City of Clayton**

Risk profile: Conservative

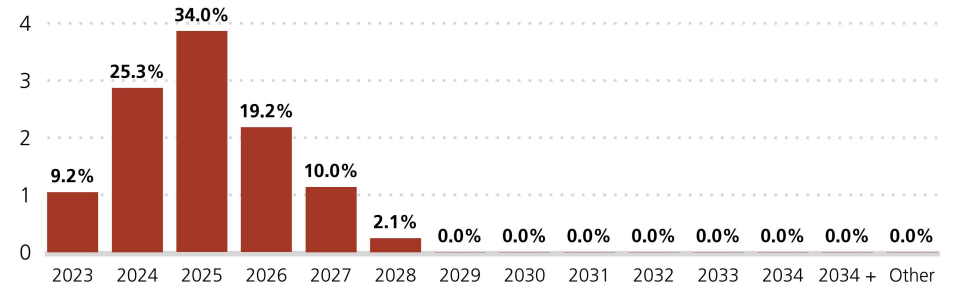
Return Objective: Current Income and Capital Appreciation

Investment Type Allocation

Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
Certificates of deposit	7,886,232.54	0.00	7,886,232.54	69.53
U.S. federal agencies	702,144.69	0.00	702,144.69	6.19
U.S. treasuries	2,753,316.93	0.00	2,753,316.93	24.28
Total	\$11,341,694.16	\$0.00	\$11,341,694.16	100%

Bond Maturity Schedule

\$ Millions



Effective maturity schedule

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

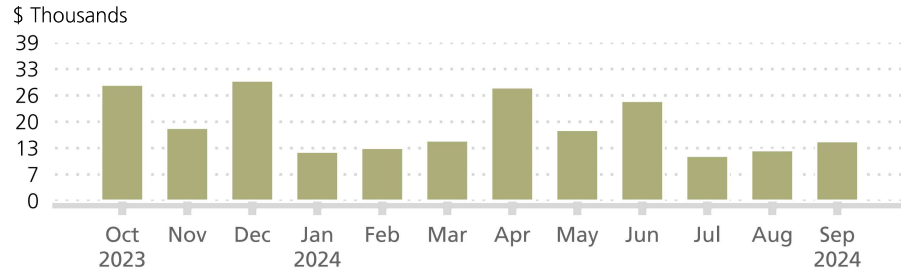
Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Summary

as of September 30, 2023 *(continued)*

Expected Bond Cash Flow



■ Taxable interest

Total taxable income: \$228,015.29

Total expected bond cash flow:

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

Includes all fixed income securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings

as of September 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	4	1,048,000	9,875.00	0.95%	4.91%	4.91%	0.16	1,044,869.73	-764.37	1,046,849.44	9.24%
2024	14	2,942,000	48,581.00	1.70%	5.55%	5.55%	0.77	2,916,495.2	-56,843.13	2,870,200.50	25.31%
2025	19	4,087,000	88,289.00	2.30%	5.46%	5.46%	1.73	4,076,730.8	-230,477.08	3,862,239.75	34.04%
2026	12	2,387,000	43,884.50	2.02%	5.33%	5.33%	2.67	2,384,300	-207,000.43	2,182,136.30	19.27%
2027	6	1,227,000	34,560.00	3.06%	5.30%	5.30%	3.33	1,227,000	-97,502.59	1,137,605.84	10.00%
2028	1	250,000	11,375.00	4.69%	5.28%	5.28%	4.12	250,000	-7,400.00	242,662.33	2.15%
2029	0	0			N/A	N/A	N/A				
2030	0	0			N/A	N/A	N/A				
2031	0	0			N/A	N/A	N/A				
2032	0	0			N/A	N/A	N/A				
2033	0	0			N/A	N/A	N/A				
2034	0	0			N/A	N/A	N/A				
2035	0	0			N/A	N/A	N/A				
2036	0	0			N/A	N/A	N/A				
2037	0	0			N/A	N/A	N/A				
2038	0	0			N/A	N/A	N/A				
2039	0	0			N/A	N/A	N/A				
2040	0	0			N/A	N/A	N/A				
2041	0	0			N/A	N/A	N/A				
2042	0	0			N/A	N/A	N/A				
2043	0	0			N/A	N/A	N/A				
2044	0	0			N/A	N/A	N/A				
2045	0	0			N/A	N/A	N/A				
2046	0	0			N/A	N/A	N/A				
2047	0	0			N/A	N/A	N/A				
2048	0	0			N/A	N/A	N/A				
2048 +	0	0			N/A	N/A	N/A				
Other	0	0			N/A	N/A	N/A				
Total	56	11,941,000	\$236,564.50	2.09%	5.38%	5.38%	1.70	\$11,899,395.73	\$-599,987.60	\$11,341,694.16	

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings

as of September 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		11,941,000	2.18%	07/25/2025	N/A	\$236,564.50	5.38%	1.70	\$11,899,395.73	N/A	\$11,299,408.13	100%
						2.09%	5.38%		\$-599,987.60		\$42,286.03	
											\$11,341,694.16	

	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												
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	Aaa/AA+/NR NR/NR/NR	500,000	0.13%	10/15/2023		625.00 0.13%	4.41% 4.41%	0.14	499,225.00 -160.00	99.813	499,065.00 286.89	4.42%
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%	5.45% 5.45%	0.05	150,000.00 -361.50	99.759	149,638.50 171.58	1.32%
UNITED STATES TREAS BILL DUE 12/05/23	Aaa/NR/AA+ NR/NR/NR	148,000		12/05/2023			5.12% 5.12%	0.18	145,644.73 959.63	99.057	146,604.36 0.00	1.30%
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 3.57%	5.48% 5.48%	0.24	250,000.00 -1,202.50	99.519	248,797.50 2,285.62	2.20%
Total 2023		1,048,000	1.10%	11/09/2023		\$9,875.00	4.91%	0.16	\$1,044,869.73		\$1,044,105.36	9.24%
						0.95%	4.91%		\$-764.37		\$2,744.08	

	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 3.28%	5.44% 5.44%	0.41	115,000.00 -1,018.90	99.114	113,981.10 40.96	1.01%
UNITED STATES TREAS BILL DUE 03/21/24	Aaa/NR/AA+ NR/NR/NR	500,000		03/21/2024			5.36% 5.36%	0.47	487,300.00 70.00	97.474	487,370.00 0.00	4.31%
UNITED STATES TREAS BILL DUE 04/18/24	Aaa/NR/AA+ NR/NR/NR	200,000		04/18/2024			5.33% 5.33%	0.54	193,218.00 976.00	97.097	194,194.00 0.00	1.72%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings

as of September 30, 2023 (continued)

Business Service Account

Prepared for City of Clayton

Risk profile: Conservative

Return Objective: Current Income and Capital Appreciation

	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												
US TSY NOTE 02.500 % DUE 04/30/24 DTD 04/30/22 FC 10/31/22	Aaa/AA+/NR NR/NR/NR	120,000	2.50%	04/30/2024		3,000.00 2.54%	5.48% 5.48%	0.57	116,509.20 1,452.00	98.301	117,961.20 1,247.28	1.04%
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 2.80%	5.52% 5.52%	0.59	197,000.00 -3,173.67	98.389	193,826.33 400.75	1.72%
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%	5.59% 5.59%	0.68	198,000.00 -7,169.58	96.379	190,830.42 150.53	1.69%
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	10/29/2023 100.00	1,375.00 0.57%	5.74% 5.74%	0.82	250,000.00 -10,472.50	95.811	239,527.50 237.33	2.12%
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%	5.69% 5.69%	0.85	250,000.00 -10,667.50	95.733	239,332.50 201.37	2.12%
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%	5.65% 5.65%	0.86	250,000.00 -10,792.50	95.683	239,207.50 71.58	2.12%
US TSY NOTE 04.250 % DUE 09/30/24 DTD 09/30/22 FC 03/31/23	Aaa/AA+/AA+ NR/NR/NR	120,000	4.25%	09/30/2024		5,100.00 4.30%	5.46% 5.46%	0.95	118,621.20 -22.80	98.832	118,598.40 2,550.00	1.05%
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%	5.69% 5.69%	1.05	250,000.00 -2,067.50	99.173	247,932.50 67.12	2.19%
US TSY NOTE 04.375 % DUE 10/31/24 DTD 10/31/22 FC 04/30/23	Aaa/AA+/AA+ NR/NR/NR	120,000	4.38%	10/31/2024		5,250.00 4.42%	5.44% 5.44%	1.03	118,846.80 -187.20	98.883	118,659.60 2,182.74	1.05%
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%	5.68% 5.68%	1.04	174,000.00 -1,908.78	98.903	172,091.22 3,347.24	1.52%
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD /TX	CD	198,000	0.50%	12/11/2024	10/11/2023 100.00	990.00 0.53%	5.67% 5.67%	1.19	198,000.00 -11,860.20	94.010	186,139.80 51.53	1.65%
Total 2024		2,942,000	2.20%	07/13/2024		\$48,581.00 1.70%	5.55% 5.55%	0.77	\$2,916,495.20 \$-56,843.13		\$2,859,652.07 \$10,548.43	25.31%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings

as of September 30, 2023 (continued)

Business Service Account

Prepared for City of Clayton

Risk profile: Conservative

Return Objective: Current Income and Capital Appreciation

	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												
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 5.04%	5.66% 5.66%	1.27	248,000.00 -2,073.28	99.164	245,926.72 373.70	2.18%
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%	5.64% 5.64%	1.38	250,000.00 -7,457.50	97.017	242,542.50 685.27	2.15%
US TSY NOTE 02.625 % DUE 03/31/25 DTD 03/31/18 FC 09/30/18	Aaa/AA+/NR NR/NR/NR	110,000	2.63%	03/31/2025		2,887.50 2.73%	5.27% 5.27%	1.43	105,374.50 470.80	96.223	105,845.30 1,443.75	0.94%
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 1.55%	5.63% 5.63%	1.50	259,817.50 -25,267.50	93.820	234,550.00 1,598.97	2.08%
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 4.77%	5.63% 5.63%	1.47	236,000.00 -3,287.48	98.607	232,712.52 4,740.69	2.06%
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 1.23%	5.63% 5.63%	1.52	250,000.00 -16,745.00	93.302	233,255.00 1,213.01	2.06%
US TSY NOTE 02.750 % DUE 05/15/25 DTD 05/15/22 FC 11/15/22	Aaa/AA+/NR NR/NR/NR	100,000	2.75%	05/15/2025		2,750.00 2.86%	5.21% 5.21%	1.55	95,835.00 376.00	96.211	96,211.00 1,031.25	0.85%
US TSY NOTE 02.875 % DUE 06/15/25 DTD 06/15/22 FC 12/15/22	Aaa/AA+/AA+ NR/NR/NR	100,000	2.88%	06/15/2025		2,875.00 2.99%	5.17% 5.17%	1.63	96,075.00 202.00	96.277	96,277.00 840.51	0.85%
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%	5.63% 5.63%	1.75	250,000.00 -21,567.50	91.373	228,432.50 229.79	2.02%
CHARTWAY FED CREDI VA US RT 05.4500% MAT 07/31/25 LICU SHARE CERTIFICATE /VA	CD	250,000	5.45%	07/31/2025		13,625.00 5.46%	N/A N/A	N/A	250,000.00 -652.50	99.739	249,347.50 1,119.86	2.21%
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%	5.59% 5.59%	1.85	150,000.00 -13,290.00	91.140	136,710.00 71.51	1.21%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings

as of September 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												
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%	N/A N/A	N/A	250,000.00 -9,757.50	96.097	240,242.50 698.63	2.13%
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD /NY	CD	149,000	0.55%	08/28/2025	11/28/2023 100.00	819.50 0.61%	5.59% 5.59%	1.89	149,000.00 -13,600.72	90.872	135,399.28 4.49	1.20%
KEMBA FINL CREDIT OH US RT 04.0000% MAT 09/22/25 FIXED RATE CD /OH	CD	250,000	4.00%	09/22/2025	10/21/2023 100.00	10,000.00 4.12%	5.58% 5.58%	1.90	250,000.00 -7,400.00	97.040	242,600.00 794.52	2.15%
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%	5.59% 5.59%	1.92	200,000.00 -18,862.00	90.569	181,138.00 21.92	1.60%
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 0.44%	N/A N/A	N/A	250,000.00 -23,287.50	90.685	226,712.50 0.00	2.01%
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	Aaa/AA+/AA+ NR/NR/NR	150,000	0.60%	11/24/2025		900.00 0.66%	5.29% 5.29%	2.08	150,000.00 -14,139.00	90.574	135,861.00 315.00	1.20%
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 1.10%	5.54% 5.54%	2.13	100,000.00 -9,340.00	90.660	90,660.00 293.15	0.80%
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	Aaa/AA+/NR NR/NR/NR	544,000	0.38%	12/31/2025		2,040.00 0.41%	4.92% 4.92%	2.19	536,628.80 -44,798.40	90.410	491,830.40 510.00	4.35%
Total 2025		4,087,000	2.22%	07/25/2025		\$88,289.00 2.30%	5.46% 5.46%	1.73	\$4,076,730.80 \$-230,477.08		\$3,846,253.72 \$15,986.03	34.04%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings

as of September 30, 2023 (continued)

Business Service Account

Prepared for City of Clayton

Risk profile: Conservative

Return Objective: Current Income and Capital Appreciation

	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 0.56%	5.51% 5.51%	2.31	245,000.00 -26,852.00	89.040	218,148.00 100.68	1.93%
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%	5.25% 5.25%	2.30	100,000.00 -10,408.00	89.592	89,592.00 69.33	0.79%
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD /FL	CD	94,000	0.65%	03/05/2026	12/05/2023 100.00	611.00 0.73%	5.51% 5.51%	2.38	94,000.00 -10,324.02	89.017	83,675.98 41.85	0.74%
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD /FL	CD	135,000	0.95%	03/31/2026	09/30/2023 100.00	1,282.50 1.06%	N/A N/A	N/A	135,000.00 -14,265.45	89.433	120,734.55 105.41	1.07%
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 2.79%	5.48% 5.48%	2.44	215,000.00 -14,650.10	93.186	200,349.90 245.04	1.77%
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%	5.47% 5.47%	2.53	248,000.00 -27,173.36	89.043	220,826.64 864.94	1.95%
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	Aaa/AA+/NR NR/NR/NR	300,000	0.88%	06/30/2026		2,625.00 0.97%	4.80% 4.80%	2.65	297,300.00 -27,348.00	89.984	269,952.00 656.25	2.39%
GESA CREDIT UNION WA US RT 05.2500% MAT 07/31/26 LICU SHARE CERTIFICATE /WA	CD	250,000	5.25%	07/31/2026		13,125.00 5.27%	N/A N/A	N/A	250,000.00 -1,127.50	99.549	248,872.50 1,078.77	2.20%
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%	5.41% 5.41%	2.83	250,000.00 -29,747.50	88.101	220,252.50 188.70	1.95%
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%	5.38% 5.38%	2.86	200,000.00 -2,716.00	98.642	197,284.00 698.08	1.75%
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%	5.36% 5.36%	3.05	150,000.00 -17,926.50	88.049	132,073.50 575.34	1.17%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings

as of September 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												
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%	5.35% 5.35%	3.17	200,000.00 -24,462.00	87.769	175,538.00 212.33	1.55%
Total 2026		2,387,000	1.91%	07/03/2026		\$43,884.50 2.02%	5.33% 5.33%	2.67	\$2,384,300.00 -\$207,000.43		\$2,177,299.57 \$4,836.73	19.27%
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 1.97%	5.34% 5.34%	3.20	80,000.00 -8,791.20	89.011	71,208.80 172.60	0.63%
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 2.12%	5.34% 5.34%	3.20	50,000.00 -5,265.00	89.470	44,735.00 117.12	0.40%
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	10/18/2023 100.00	4,000.00 1.81%	5.33% 5.33%	3.28	250,000.00 -28,860.00	88.456	221,140.00 131.51	1.96%
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 FIXED RATE CD /NY	CD	100,000	2.85%	04/27/2027	10/27/2023 100.00	2,850.00 3.10%	5.31% 5.31%	3.38	100,000.00 -7,987.00	92.013	92,013.00 23.42	0.81%
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 3.24%	5.30% 5.30%	3.28	247,000.00 -18,369.39	92.563	228,630.61 3,126.41	2.02%
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 3.80%	5.27% 5.27%	3.41	500,000.00 -28,230.00	94.354	471,770.00 4,537.36	4.18%
Total 2027		1,227,000	2.84%	05/04/2027		\$34,560.00 3.06%	5.30% 5.30%	3.33	\$1,227,000.00 -\$97,502.59		\$1,129,497.41 \$8,108.43	10.00%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Bond Holdings

as of September 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 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 4.69%	5.28% 5.28%	4.12	250,000.00 -7,400.00	97.040	242,600.00 62.33	2.15%
Total 2028		250,000	4.55%	04/28/2028		\$11,375.00 4.69%	5.28% 5.28%	4.12	\$250,000.00 \$-7,400.00		\$242,600.00 \$62.33	2.15%
	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		11,941,000	2.18%	07/25/2025	N/A	\$236,564.50 2.09%	5.38% 5.38%	1.70	\$11,899,395.73 \$-599,987.60	N/A	\$11,299,408.13 \$42,286.03 \$11,341,694.16	100%

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities. Accrued interest, if any, has been included in the total market value.



Expected Cash Flow

from 10/01/2023 to 09/30/2024

Summary of Expected Cash Flows

	2023 October	November	December	2024 January	February	March	April	May	June	July	August	September	Total (\$)
Total Portfolio	29,203	18,440	30,228	12,492	13,439	15,286	28,533	17,919	25,160	11,468	12,858	15,106	230,130
Taxable	29,203	18,440	30,228	12,492	13,439	15,286	28,533	17,919	25,160	11,468	12,858	15,106	230,130
Taxable U.S. income	29,203	17,252	25,779	12,492	13,439	14,787	28,533	16,744	25,160	11,468	12,858	14,602	
Dividends	175	175	175	175	175	175	175	175	175	175	175	175	2,097
Interest payments	29,028	17,077	25,604	12,317	13,264	14,613	28,358	16,569	24,985	11,293	12,683	14,427	220,218
Taxable non-U.S. income		1,188	4,450			499		1,175				504	
Interest payments		1,188	4,450			499		1,175				504	7,815

Includes all fixed income securities in the selected portfolio.



Expected Cash Flow

from 10/01/2023 to 09/30/2024 (continued)

Details of Expected Cash Flows

	2023 October	November	December	2024 January	February	March	April	May	June	July	August	September	Total (\$)
Total Portfolio	29,203	18,440	30,228	12,492	13,439	15,286	28,533	17,919	25,160	11,468	12,858	15,106	230,130

Taxable

Taxable U.S. income

Dividends	Quantity	2023 October	November	December	2024 January	February	March	April	May	June	July	August	September	Total (\$)
UBS SELECT GOVERNMENT INSTITUTIONAL FUND	40,092	175 Oct 25	175 Nov 25	175 Dec 25	175 Jan 25	175 Feb 25	175 Mar 25	175 Apr 25	175 May 25	175 Jun 25	175 Jul 25	175 Aug 25	175 Sep 25	2,097
Total Dividends		175	175	175	175	175	175	175	175	175	175	175	175	2,097

Interest payments	Quantity	2023 October	November	December	2024 January	February	March	April	May	June	July	August	September	Total (\$)
A PLUS FED CREDIT TX US RT 04.5500% MAT 04/28/28 LICU SHARE CERTIFICATE	250,000	935 Oct 28	966 Nov 28	935 Dec 28	966 Jan 28	966 Feb 28	904 Mar 28	966 Apr 28	935 May 28	966 Jun 28	935 Jul 28	966 Aug 28	966 Sep 28	11,406
AMERICAN EXP NATL UT US RT 04.6500% MAT 11/04/24 FIXED RATE CD	174,000		4,079 Nov 02						4,034 May 02					8,113
BANKUNITED NA FLOR FL US RT 00.6500% MAT 03/05/26 FIXED RATE CD	94,000			152 Dec 05			152 Mar 05			154 Jun 05			154 Sep 05	613
BANKUNITED NA FLOR FL US RT 00.9500% MAT 03/31/26 FIXED RATE CD	135,000	109 Oct 31	105 Nov 30	109 Dec 31	109 Jan 31	102 Feb 29	109 Mar 31	105 Apr 30	109 May 31	105 Jun 30	109 Jul 31	109 Aug 31	105 Sep 30	1,286
BARCLAYS BK DE US RT 01.0000% MAT 12/15/25 FIXED RATE CD	100,000			501 Dec 15						501 Jun 15				1,003

Includes all fixed income securities in the selected portfolio.



Expected Cash Flow

from 10/01/2023 to 09/30/2024 (continued)

Interest payments	Quantity	2023			2024									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
BMO HARRIS BK NA IL US RT 00.5500% MAT 07/29/24 FIXED RATE CD	250,000	347 Oct 29			347 Jan 29			343 Apr 29				343 Jul 29		1,379
BMW BANK NORTH AME UT US RT 00.2500% MAT 06/11/24 FIXED RATE CD	198,000			248 Dec 11						248 Jun 11				496
CHARTWAY FED CREDI VA US RT 05.4500% MAT 07/31/25 LICU SHARE CERTIFICATE	250,000	1,157 Oct 31	1,120 Nov 30	1,157 Dec 31	1,157 Jan 31	1,083 Feb 29	1,157 Mar 31	1,120 Apr 30	1,157 May 31	1,120 Jun 30	1,157 Jul 31	1,157 Aug 31	1,120 Sep 30	13,662
CITY & CNTY CREDIT MN US RT 03.2500% MAT 02/26/24 CREDIT UNION SHARE CERT	115,000	307 Oct 26	317 Nov 26	307 Dec 26	317 Jan 26	317 Feb 26								1,567
COMENITY CAP BK UT US RT 02.6000% MAT 04/14/26 FIXED RATE CD	215,000	459 Oct 14	475 Nov 14	459 Dec 14	475 Jan 14	475 Feb 14	444 Mar 14	475 Apr 14	459 May 14	475 Jun 14	459 Jul 14	475 Aug 14	475 Sep 14	5,605
CONNEXUS CREDIT UN WI US RT 03.4000% MAT 08/15/25 LICU SHARE CERTIFICATE	250,000	722 Oct 31	699 Nov 30	722 Dec 31	722 Jan 31	675 Feb 29	722 Mar 31	699 Apr 30	722 May 31	699 Jun 30	722 Jul 31	722 Aug 31	699 Sep 30	8,523
CPTL ONE NATL ASSN VA US RT 01.4500% MAT 04/22/25 FIXED RATE CD	250,000	1,817 Oct 22						1,817 Apr 22						3,635
DELTA NATL B&T CO NY US RT 00.5500% MAT 07/21/25 FIXED RATE CD	250,000				693 Jan 31						686 Jul 31			1,379
FFCB BOND 00.600 % DUE 112425 DTD 112420 FC 05242021	150,000		450 Nov 24						450 May 24					900
FHLB BOND 03.590 % DUE 062927 DTD 062922 FC 12292022	500,000			8,975 Dec 29						8,975 Jun 29				17,950
FHLB NTS 00.520 % DUE 021226 DTD 021221 FC 08122021	100,000					260 Feb 12						260 Aug 12		520

Includes all fixed income securities in the selected portfolio.



Expected Cash Flow

from 10/01/2023 to 09/30/2024 (continued)

Interest payments	Quantity	2023			2024									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
FLAGSTAR BANK, FSB MI US RT 01.1500% MAT 04/29/25 FIXED RATE CD	250,000	1,441 Oct 29						1,441 Apr 29						2,883
FREEDOM FIRST FED VA US RT 04.9000% MAT 10/28/24 LICU SHARE CERTIFICATE	250,000	1,007 Oct 28	1,040 Nov 28	1,007 Dec 28	1,040 Jan 28	1,040 Feb 28	973 Mar 28	1,040 Apr 28	1,007 May 28	1,040 Jun 28	1,007 Jul 28	1,040 Aug 28	1,040 Sep 28	12,284
GESA CREDIT UNION WA US RT 05.2500% MAT 07/31/26 LICU SHARE CERTIFICATE	250,000	1,115 Oct 31	1,079 Nov 30	1,115 Dec 31	1,115 Jan 31	1,043 Feb 29	1,115 Mar 31	1,079 Apr 30	1,115 May 31	1,079 Jun 30	1,115 Jul 31	1,115 Aug 31	1,079 Sep 30	13,161
GREENSTATE CREDIT IA US RT 00.9500% MAT 08/18/26 LICU SHARE CERTIFICATE	250,000	195 Oct 01	202 Nov 01	195 Dec 01	202 Jan 01	202 Feb 01	189 Mar 01	202 Apr 01	195 May 01	202 Jun 01	195 Jul 01	202 Aug 01	202 Sep 01	2,382
HARDIN CNTY SVGS B IA US RT 01.6000% MAT 02/18/27 FIXED RATE CD	250,000	329 Oct 18	340 Nov 18	329 Dec 18	340 Jan 18	340 Feb 18	318 Mar 18	340 Apr 18	329 May 18	340 Jun 18	329 Jul 18	340 Aug 18	340 Sep 18	4,011
JPMORGAN CHASE BK DE US RT 00.4000% MAT 10/30/25 STEP RATE CD	250,000	504 Oct 31						499 Apr 30						1,003
KEMBA FINL CREDIT OH US RT 04.0000% MAT 09/22/25 FIXED RATE CD	250,000	822 Oct 01	849 Nov 01	822 Dec 01	849 Jan 01	849 Feb 01	795 Mar 01	849 Apr 01	822 May 01	849 Jun 01	822 Jul 01	849 Aug 01	849 Sep 01	10,027
LIVE OAK BKG CO NC US RT 00.6000% MAT 08/13/25 FIXED RATE CD	150,000	74 Oct 01	76 Nov 01	74 Dec 01	76 Jan 01	76 Feb 01	72 Mar 01	76 Apr 01	74 May 01	76 Jun 01	74 Jul 01	76 Aug 01	76 Sep 01	902
MEDALLION BK UT US RT 01.2500% MAT 12/30/26 FIXED RATE CD	200,000	205 Oct 30	212 Nov 30	205 Dec 30	212 Jan 30	205 Feb 29	205 Mar 30	212 Apr 30	205 May 30	212 Jun 30	205 Jul 30	212 Aug 30	212 Sep 30	2,507
MERRICK BK UT US RT 00.5000% MAT 01/29/26 FIXED RATE CD	245,000	104 Oct 31	101 Nov 30	104 Dec 31	104 Jan 31	97 Feb 29	104 Mar 31	101 Apr 30	104 May 31	101 Jun 30	104 Jul 31	104 Aug 31	101 Sep 30	1,228
MORGAN STANLEY BK UT US RT 03.0000% MAT 04/29/27 FIXED RATE CD	247,000	3,715 Oct 29						3,715 Apr 29						7,430

Includes all fixed income securities in the selected portfolio.



Expected Cash Flow

from 10/01/2023 to 09/30/2024 (continued)

Interest payments	Quantity	2023			2024									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
MORGAN STANLEY PRV NY US RT 04.7000% MAT 04/28/25 FIXED RATE CD	236,000	5,561 Oct 27						5,561 Apr 27						11,122
MOUNTAIN AMERICA C UT US RT 03.4500% MAT 02/28/25 LICU SHARE CERTIFICATE	250,000	709 Oct 01	733 Nov 01	709 Dec 01	733 Jan 01	733 Feb 01	685 Mar 01	733 Apr 01	709 May 01	733 Jun 01	709 Jul 01	733 Aug 01	733 Sep 01	8,649
NELNET BK UT US RT 01.7500% MAT 02/16/27 FIXED RATE CD	80,000					706 Feb 16						698 Aug 16		1,404
NEW YORK CMNTY BK NY US RT 00.2500% MAT 10/16/23 FIXED RATE CD	150,000	188 Oct 16												188
NUMERICA CREDIT UN WA US RT 04.9000% MAT 11/04/26 LICU SHARE CERTIFICATE	200,000	805 Oct 04	832 Nov 04	805 Dec 04	832 Jan 04	832 Feb 04	779 Mar 04	832 Apr 04	805 May 04	832 Jun 04	805 Jul 04	832 Aug 04	832 Sep 04	9,827
SALLIE MAE BANK UT US RT 01.9000% MAT 02/16/27 FIXED RATE CD	50,000					479 Feb 16						474 Aug 16		953
SYNCHRONY BANK UT US RT 01.2500% MAT 12/10/26 FIXED RATE CD	150,000			940 Dec 10						940 Jun 10				1,880
TECHNOLOGY CREDIT CA US RT 05.0000% MAT 01/21/25 CREDIT UNION SHARE CERT	248,000	1,019 Oct 19	1,053 Nov 19	1,019 Dec 19	1,053 Jan 19	1,053 Feb 19	985 Mar 19	1,053 Apr 19	1,019 May 19	1,053 Jun 19	1,019 Jul 19	1,053 Aug 19	1,053 Sep 19	12,434
TEXAS EXCHANGE BK TX US RT 00.5000% MAT 12/11/24 FIXED RATE CD	198,000	81 Oct 11	84 Nov 11	81 Dec 11	84 Jan 11	84 Feb 11	79 Mar 11	84 Apr 11	81 May 11	84 Jun 11	81 Jul 11	84 Aug 11	84 Sep 11	993
TOYOTA FINL SVGS B NV US RT 00.6000% MAT 08/12/24 FIXED RATE CD	250,000					756 Feb 12						748 Aug 12		1,504
UBS BANK UT US RT 00.5500% MAT 08/12/24 FIXED RATE CD	250,000	113 Oct 11	117 Nov 11	113 Dec 11	117 Jan 11	117 Feb 11	109 Mar 11	117 Apr 11	113 May 11	117 Jun 11	113 Jul 11	117 Aug 11		1,266

Includes all fixed income securities in the selected portfolio.



Expected Cash Flow

from 10/01/2023 to 09/30/2024 (continued)

Interest payments	Quantity	2023			2024									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
UBS INSURED SWEEP PROGRAM	18,018	2 Oct 05	2 Nov 05	2 Dec 05	2 Jan 05	2 Feb 05	2 Mar 05	2 Apr 05	2 May 05	2 Jun 05	2 Jul 05	2 Aug 05	2 Sep 05	18
US TSY NOTE 00.125 % DUE 10/15/23 DTD 10/15/20 FC 04/15/21	500,000	312 Oct 15												312
US TSY NOTE 00.375 % DUE 12/31/25 DTD 12/31/20 FC 06/30/21	544,000			1,020 Dec 31						1,020 Jun 30				2,040
US TSY NOTE 00.875 % DUE 06/30/26 DTD 06/30/21 FC 12/31/21	300,000			1,312 Dec 31						1,312 Jun 30				2,625
US TSY NOTE 02.500 % DUE 04/30/24 DTD 04/30/22 FC 10/31/22	120,000	1,500 Oct 31						1,500 Apr 30						3,000
US TSY NOTE 02.625 % DUE 03/31/25 DTD 03/31/18 FC 09/30/18	110,000						1,444 Mar 31						1,444 Sep 30	2,888
US TSY NOTE 02.750 % DUE 05/15/25 DTD 05/15/22 FC 11/15/22	100,000		1,375 Nov 15							1,375 May 15				2,750
US TSY NOTE 02.875 % DUE 06/15/25 DTD 06/15/22 FC 12/15/22	100,000			1,438 Dec 15						1,438 Jun 15				2,875
US TSY NOTE 04.250 % DUE 09/30/24 DTD 09/30/22 FC 03/31/23	120,000						2,550 Mar 31						2,550 Sep 30	5,100
US TSY NOTE 04.375 % DUE 10/31/24 DTD 10/31/22 FC 04/30/23	120,000	2,625 Oct 31								2,625 Apr 30				5,250
USALLIANCE FED CRE NY US RT 00.5500% MAT 08/28/25 FIXED RATE CD	149,000	67 Oct 28	70 Nov 28	67 Dec 28	70 Jan 28	70 Feb 28	65 Mar 28	70 Apr 28	67 May 28	70 Jun 28	67 Jul 28	70 Aug 28	70 Sep 28	822
USALLIANCE FED CRE NY US RT 02.8500% MAT 04/27/27 FIXED RATE CD	100,000	234 Oct 27	242 Nov 27	234 Dec 27	242 Jan 27	242 Feb 27	226 Mar 27	242 Apr 27	234 May 27	242 Jun 27	234 Jul 27	242 Aug 27	242 Sep 27	2,858

Includes all fixed income securities in the selected portfolio.



Expected Cash Flow

from 10/01/2023 to 09/30/2024 (continued)

Interest payments	Quantity	2023			2024									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
WELLS FARGO BK NA SD US RT 02.7500% MAT 05/03/24 FIXED RATE CD	197,000	445 Oct 03	460 Nov 03	445 Dec 03	460 Jan 03	460 Feb 03	430 Mar 03	460 Apr 03	445 May 03					3,607
Total Interest payments		29,028	17,077	25,604	12,317	13,264	14,613	28,358	16,569	24,985	11,293	12,683	14,427	220,218
Taxable non-U.S. income														
Interest payments	Quantity	2023			2024									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			4,450 Dec 28										4,450
STATE BANK OF INDI NY US RT 00.9500% MAT 05/19/26 FIXED RATE CD	248,000		1,188 Nov 19						1,175 May 19					2,362
STATE BK IL US RT 00.5000% MAT 09/22/25 FIXED RATE CD	200,000						499 Mar 22						504 Sep 22	1,003
Total Interest payments			1,188	4,450			499		1,175				504	7,815
Total Portfolio		2023			2024									Total (\$)
		October	November	December	January	February	March	April	May	June	July	August	September	
Total Portfolio		29,203	18,440	30,228	12,492	13,439	15,286	28,533	17,919	25,160	11,468	12,858	15,106	230,130

Includes all fixed income securities in the selected portfolio.

House View: Executive summary

Month in review

- August data showed a slight uptick in headline and core CPI, but inflation has come down sharply from its peak last June as it heads back toward the Fed's 2% target. At the same time, labor markets continue to cool in a healthy way, giving the Fed less incentive to hike further from here. As a result, we believe the US economy will likely avoid a recession over the next 12 months, and think a soft landing is the most likely outcome.
- Market fundamentals also now look in better shape, with second-quarter US corporate earnings beating expectations and management teams guiding for future earnings growth beyond estimates.
- Taking this all together, we see an environment that supports decent returns across classes—a supportive backdrop for investors in a well-diversified portfolio.

US economic outlook

- Growth has remained above-trend over the past 12 months despite aggressive rate hikes by the Federal Reserve and stress in the banking system. But we expect growth to slow from here. Households have used up a lot of the excess savings built up during the pandemic, and loan delinquencies are rising. New industrial policies related to computer chips and green energy have promoted economic activity, but the rapid pace of growth cannot be sustained for much longer.
- Resilient growth has made it difficult for the Fed to get inflation near its 2% target. However, supply chain issues have mostly been resolved, reducing inflationary pressure at the producer level, and this is now feeding through to retail prices. Broad disinflation has taken hold, while shelter is the main factor keeping inflation high. Recent data has been in a range that could allow the Fed to end its rate hiking cycle.

Source: UBS, as of 20 September 2023

Report created on: October 01, 2023

Tactical preferences

Preferred Investment Views

Asset Classes	Most Preferred +	Least Preferred -
Equities	<ul style="list-style-type: none"> • US large-cap value • Emerging market equity 	<ul style="list-style-type: none"> • US equities
Fixed income	<ul style="list-style-type: none"> • Fixed income • TIPS • Agency MBS • IG corporate bonds • Preferreds 	
Foreign exchange	<ul style="list-style-type: none"> • EUR 	<ul style="list-style-type: none"> • USD
Real assets	<ul style="list-style-type: none"> • Oil 	
US sectors	<ul style="list-style-type: none"> • Industrials • Energy • Consumer staples 	<ul style="list-style-type: none"> • Real estate • Utilities

Economic forecasts (real GDP, in %)

	2022	2023E	2024E
US	2.1	2.1	0.4
Eurozone	3.5	0.5	0.7
China	3.0	4.8	4.2
Latin America	3.9	2.1	1.9
World	3.4	2.9	2.5

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



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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.

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.

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



Disclosures Applicable to Accounts at UBS Financial Services Inc. *(continued)*

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.

For insurance, annuities, and 529 Plans, 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. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

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.

Performance History prior to the account's inception at UBS Financial Services, Inc. may have been included in this report and is based on data provided by third party sources. UBS Financial Services Inc. has not independently verified this information nor does UBS Financial Services Inc. guarantee the accuracy or validity of the information.

Important information about brokerage and advisory services. As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that clients understand the ways in which we conduct business, that they carefully read the agreements and disclosures that we provide to them about the products or services we offer. For more information, please review client relationship summary provided at ubs.com/relationshipsummary.

UBS Financial Services account protection

The Firm is a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). Explanatory brochure available upon request or at www.sipc.org. The SIPC asset protection limits apply to all accounts that you hold in a particular capacity.

The Firm, together with certain affiliates, has also purchased supplemental insurance. The maximum amount payable to all eligible clients, collectively under this protection is \$500 million as of December 10, 2019. Subject to the policy conditions and limitations, cash at the Firm is further protected for up to \$1.9 million in the aggregate for all your accounts held in a particular capacity. A full copy of the policy wording is available upon request.

Neither the SIPC protection nor the supplemental protection apply to:

- Certain financial assets controlled by (and included in your account value) but held away from UBS Financial Services. For example certain (i) insurance products, including variable annuities, and (ii) shares of mutual funds registered in the name of the account holder on the books of

- the issuer or transfer agent);
- Investment contracts or investment interests (e.g., limited partnerships and private placements) that are not registered under the Securities Act of 1933;
- Commodities contracts (e.g., foreign exchange and precious metal contracts), including futures contracts and commodity option contracts;
- Securities on loan to UBS Financial Services; and
- Deposit accounts (except certificates of deposit) at UBS Bank USA, UBS AG U.S. branches and banks in the FDIC Insured Deposit Program.

The SIPC protection and the supplemental protection do not apply to these assets even if they otherwise appear on your statements. The SIPC protection and the supplemental protection do not protect against changes in the market value of your investments (whether as a result of market movement, issuer bankruptcy or otherwise).

Investment Account	Investment Type	Institution	Cost Basis	Rate	Current Yield	Market Value	Percentage of Portfolio
CAMP	Local Agency Pool	California Asset Management Program	\$ 1,648,454.30	5.55%	5.55%	\$ 1,648,454.30	11.82%
LAIF	Local Agency Pool	Local Agency Investment Fund	\$ 25,851.34	3.53%	3.53%	\$ 25,851.34	0.19%
UBS Financial Services Inc.	Cash	UBS Cash Holding/ Alternatives	\$ 826,162.73	n/a	n/a	\$ 828,168.36	
	Fixed Income	UBS - Certificates of Deposit	\$ 8,338,817.50	varies by holding	varies by holding	\$ 7,859,616.87	
	Fixed Income	UBS - Government Securities	\$ 2,734,415.50	varies by holding	varies by holding	\$ 2,611,622.90	
	Fixed Income	UBS- Accrued Interest for the quarter				\$ 42,286.03	
		Total UBS Financial Services	\$ 11,899,395.73			\$ 11,341,694.16	81.31%
Bank of America	Checking	(General Ledger - book value)	933,461.18	0.00%	0.00%	933,461.18	6.69%
Total Investment Portfolio			14,507,162.55			13,949,460.98	

Budget to Actual Analysis of Interest Revenue
7/1/2023-6/30/2024

		Budgeted	as of 9/30/2023 Actual
General Fund	\$	133,795	\$ 18,458
All Other Funds	\$	2,300	\$ 33,579
Total	\$	136,095	\$ 52,037

Investment Portfolio Review

Prepared for:
City of Clayton

Market Overview – August data showed a slight uptick in headline and core CPI, but inflation has come down sharply from its peak last June as it heads back toward the Fed’s 2% target. At the same time, labor markets continue to cool in a healthy way, giving the Fed less incentive to hike further from here. As a result, we believe the US economy will likely avoid a recession over the next 12 months, and think a soft landing is the most likely outcome.

Market fundamentals also now look in better shape, with second-quarter US corporate earnings beating expectations and management teams guiding for future earnings growth beyond estimates. Taking this all together, we see an environment that supports decent returns across classes—a supportive backdrop for investors in a well diversified portfolio.

Growth has remained above-trend over the past 12 months despite aggressive rate hikes by the Federal Reserve and stress in the banking system. But we expect growth to slow from here. Households have used up a lot of the excess savings built up during the pandemic, and loan delinquencies are rising. New industrial policies related to computer chips and green energy have promoted economic activity, but the rapid pace of growth cannot be sustained for much longer. Resilient growth has made it difficult for the Fed to get inflation near its 2% target. However, supply chain issues have mostly been resolved, reducing inflationary pressure at the producer level, and this is now feeding through to retail prices. Broad disinflation has taken hold, while shelter is the main factor keeping inflation high. Recent data has been in a range that could allow the Fed to end its rate hiking cycle.

Current Portfolio Observations - Current Yield is 2.09%, this is up 0.10% from 3 months ago, the average duration is 1.70 years, this is 0.24 years shorter than 3 months ago. The Portfolio consists of \$7.8 million of Insured CDs, \$2.75 million of US Treasuries and \$702,000 of US Federal Agency Bonds. Expected Annual Cash Flow is \$228,015 this is \$23,895 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 +5.75% to 6.00% and spreads are attractive based on historical averages.
3. Bank and Credit Unions CDs in the 1yr-5yr range are also attractive options for excess liquidity, yields range from 5.00% to 5.80%.