



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration

Date: November 3, 2020

Subject: QUARTERLY INVESTMENT REPORT, 3RD QUARTER 2020

RECOMMENDATION:

It is recommended that the City Council receive the Quarterly Investment Report

BACKGROUND DISCUSSION

This report was previously provided to the Council Finance and Administration Committee and will now be presented to the City Council each quarter on the consent agenda.

The Quarterly Investment report is prepared by the City's Investment Advisor. The City began contracting with an Investment Advisor in late 2014 to supplement limited internal resources, provide for dedicated resources in managing the portfolio and provide for more active trading in the portfolio to ensure the most advantageous yield. The Investment Advisor assists City staff with the management of the City's investment portfolio by providing non-discretionary advisory services for the City's investment portfolio and investment policy. Non-discretionary service means that the City retains control of the portfolio and authorizes all transactions.

Kirkland's Investment Policy, adopted by resolution from the City Council, establishes standards and guidelines for the direction, management and oversight for all the City's investable funds. Government revenues are collected and spent for public purposes and their use must be legal, transparent and accountable to the public. Public funds that are invested must be strongly protected against loss and must be available to be spent if the need arises. Therefore, the primary objectives for the City of Kirkland's investment activities are: legality, safety, liquidity and finally, yield. Additionally, the City diversifies its investments according to established maximum allowable exposure limits so that reliance on any one issuer will not place an undue financial burden on the City.

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Investments are limited those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080). The current investment portfolio consists primarily of U.S. Treasury obligations, Government Sponsored Enterprises (GSE's) such as the Federal Home Loan Banks (FHLB), the Washington State Local Government Investment Pool and deposits in banks approved by the Public Deposit Protection Commission (PDPC) where those funds are 100% collateralized and protected by other assets.

The attached Quarterly Investment Report includes a brief market commentary and market outlook at the beginning of the report on page 2. Following that, the status of compliance to Kirkland's Investment Policy pages 3 & 4 and a strategic outlook is presented on page 5. A summary of Portfolio characteristics, structure, activity and returns can be found on pages 8-10. The report also includes a full listing of the security holdings in Kirkland's Portfolio is listed on pages 14-16. Information on the Investment Core only begin on page 17.

The City issued a request for proposals in early 2020 for the Investment Advisor as the original contract and extensions for Government Portfolio Advisors were completed. Although the City did receive multiple qualified submittals for the contract, Government Portfolio Advisors provided the best combination of services and expertise and began their new three-year contract on September 1, 2020.



Quarterly Investment Report City of Kirkland

September 30, 2020

Total Aggregate Portfolio

Market Commentary

Market Yields: Interest rates traded in a narrow band during the quarter with many tenors remaining near historic lows. Fresh forecasts from the Federal Reserve show little desire from policy makers to hike rates for at least the next three years as the economic recovery is expected to take time. Should the Fed's forecasts prove accurate, the policy stance will keep front-end interest rates anchored near current levels. Intermediate and longer-term yields will continue to take their cues from developments around economic growth and inflation which has become reliant on fiscal stimulus given the economic shutdowns that continue to weigh on the services sector. All eyes will remain on the coming November election to see if either party can wrest full control over the legislative process. Should such an outcome occur, we believe long-term interest rates could prove vulnerable as markets will begin to price in an increase in fiscal spending and a related increase in debt issuance.

Employment and Inflation: The labor market continues to improve albeit at a slower pace than we witnessed in early summer. The employment data continues to be messy leading us to focus on the total number of employed as well as the participation rate for a better indication of overall labor market health than purely looking at the headline unemployment rate. At the end of September, labor reports indicate 141 million Americans are employed. This level remains approximately 10 million below levels the economy experienced at the start of the year. The labor force participation rate, currently at 61.4%, remains below the pre-pandemic level of 63.4%. Given what is occurring with schools, childcare, and elderly care we focus on the participation measure to see if prime age workers bow out of the labor market for competing obligations. Like the labor data, we continue to experience noise in the inflation picture given supply chain disruptions, changing consumer habits in lockdown, fiscal stimulus efforts, and pricing dynamics in sectors directly impacted by the shutdowns. Forward looking inflation breakeven markets are currently pricing in inflation levels around 1.5% to 1.75% over the next 5 to 10 years.

Market Outlook

GDP: Growth for the third quarter is set to rebound strongly after a historic dip in the second quarter due to economic shutdowns enacted to quell the coronavirus outbreak. Expectations for the rebound vary widely with the New York Federal Reserve Bank currently forecasting a growth rate of 14% while the Atlanta Federal Reserve Bank's economic model estimates growth at 34%. Leading the rebound in growth will be a snap back in consumer spending on services which bore a disproportionate impact in the first quarter as restaurants, hotels, retail outlets, health care facilities and other venues saw a rapid decline in activity.

Fed Funds: The Federal Reserve released their summary of economic projections in September where they painted an outlook with no rate hikes for at least the next three years as the economy slowly returns toward more normal levels. Consistent with the Fed's outlook, markets are not pricing in any hikes over the next five years and very few beyond five years.

Two-year Yield Expectations: We continue to expect the two-year yield to be anchored around current levels for some time as we have a Fed on hold for the foreseeable future.

Portfolio Positioning: We continue to be constructive on duration and guide clients to remain close to their strategic target. Within this view, we are slightly underweight on securities with maturities beyond 3 years given the increasing probability of large fiscal stimulus after the election leading to a more rapid improvement in the economy and increased Treasury issuance. Spreads in high-quality sectors have recovered strongly over the summer. We continue to find decent value in defensive sectors within the municipal and corporate markets in issuers who have benefitted from the current conditions given their business model and end markets. Agency spreads continue to be compelling beyond 2-years as elevated issuance has kept spreads attractive.

Quarterly Yield Change

	12/31/19	03/31/20	06/30/20	09/30/20
3 month bill	1.54	0.06	0.13	0.09
2 year note	1.57	0.25	0.15	0.13
5 year note	1.69	0.38	0.29	0.28
10 year note	1.92	0.67	0.66	0.68

Economists' Survey Projections

	Q4-20	Q1-21	Q2-21	Q3-21
Real GDP	5.0	4.0	4.0	3.2
Core PCE (YOY%)	1.2	1.2	1.7	1.6
Unemployment	8.0	7.5	7.1	6.7

Economists' Survey Projections for Rates

	Q4-20	Q1-21	Q2-21	Q3-21
Fed Funds	0.25	0.25	0.25	0.25
2 Year	0.21	0.28	0.33	0.38
10 year	0.76	0.88	0.97	1.05

Compliance Report

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

Category			
Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100	11.425	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25	2.122	Compliant
US Agency FFCB Issuer Concentration	30	15.581	Compliant
US Agency FHLB Issuer Concentration	30	23.764	Compliant
US Agency FHLMC Issuer Concentration	30	8.557	Compliant
US Agency FNMA Issuer Concentration	30	17.384	Compliant
US Agency Obligations - Primary FHLB, FNMA, FHLMC, FFCB Maximum % of Holdings	100	65.285	Compliant
US Agency Obligations - Secondary FICO, FARMER MAC etc. Maximum % of Holdings	20	0.000	Compliant
US Agency Obligations Issuer Concentration - Secondary FICO, FARMER MAC etc.	10	0.000	Compliant
Municipal Bonds Issuer Concentration	5	0.000	Compliant
Municipal Bonds Maximum % of Holdings	20	0.000	Compliant
Commercial Paper Issuer Concentration	3	0.000	Compliant
Commercial Paper Maximum % of Holdings	25	0.000	Compliant
Certificates of Deposit Issuer Concentration	5	2.250	Compliant
Certificates of Deposit Maximum % of Holdings	10	2.250	Compliant
Banker's Acceptance Issuer Concentration	5	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	5	0.000	Compliant
LGIP Maximum % of Holdings	100	11.125	Compliant
PDPC Bank Deposits Issuer Concentration	100	9.914	Compliant
PDPC Bank Deposits Maximum % of Holdings	50	9.914	Compliant
Policy Maturity Structure Constraint	Policy Limit	Actual %	Status
Maturity Constraints Under 30 days Minimum % of Total Portfolio	10	20.968	Compliant
Maturity Constraints Under 1 year Minimum % of Total Portfolio	25	39.494	Compliant
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100	100.000	Compliant
Policy Maturity Constraint	Policy Limit	Actual Term	Status
US Treasury Maximum Maturity At Time of Purchase (years)	5	4.923	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5	0.000	Compliant
US Agency Obligations - Secondary Must be rated by Atleast one	0	0.000	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5	0.000	Compliant
Commercial Paper Days to Final Maturity (days)	270	0.000	Compliant
Weighted Average Maturity (years)	3	1.761	Compliant

*Market Value

Compliance Report

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

Category

Policy Credit Constraint	Status
US Agency Obligations - Secondary Minimum Ratings AA-/Aa3/AA- if rated	Compliant
Municipal Bonds Ratings Minimum AA-/Aa3/AA- by All if rated	Compliant
Commercial Paper Ratings Minimum Ratings A1/P1 by both and F1 (if rated)	Compliant

*Market Value

GPA Investment Report

Strategic Quarterly Update

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

Strategic Outlook

- Members of the Federal Reserve continue to publicly call for more fiscal stimulus to ensure the economic recovery continues as we enter the fall season. While we don't expect anything major leading up to the election, we do anticipate a package once leadership in Washington emerges and take their seats.
- Spread sectors continued to perform well during the third quarter as investors cheered the continued economic growth, support from central banks and inflows of capital seeking out yield in a yield starved world. We continue to find value in high-quality municipals and corporates with a selective approach toward more defensively postured exposures.
- The economy and labor market showed rapid improvement during the second quarter. We expect a robust growth number led by a rebound in personal consumption, but we temper our expectations for a strong continuation of the trend into the fourth quarter as recent economic data points to a slowdown ahead. In all, the healing process is moving faster than most had predicted. Positive news on a vaccine, additional fiscal stimulus, as well as a smooth voting season appear to be the catalysts ahead to boost the recovery further.

Portfolio Positioning

- Your core account ended the quarter with duration at the strategic target with a diversified maturity profile. Efforts going forward will be on maintaining the excellent account structure.
- The portfolio remains conservative and liquid with allocations to agency and Treasury securities. Agency spreads remain attractive beyond the 2-year area, your account has room to add here.
- The total portfolio book yield decreased from 1.588 to 1.528.
- The total portfolio unrealized gain/loss ended the quarter at \$5,769,813.
- The core portfolio duration increased over the quarter from 2.118 last quarter to 2.161 this quarter. The benchmark duration ended the quarter at 2.186.
- Net total return for the core portfolio, which includes change in market value and interest income, was 0.23%. The benchmark total return for the period was 0.11%.

Strategy	06/30/2020	09/30/2020
Effective Duration		
Investment Core	2.118	2.161
Benchmark Duration	2.182	2.186
Total Effective Duration	1.606	1.678

Total Return (Net of Fees)*		
Investment Core	0.49%	0.23%
ICE BofA 0-5 Year US Treasury Index	0.23%	0.11%
Total Portfolio Performance	0.41%	0.19%

*Changes in Market Value include net unrealized and realized gains/losses.

Maturity Total Portfolio		
Average Maturity Total Holdings	1.706	1.764

Book Yield	06/30/2020	09/30/2020
Ending Book Yield		
Investment Core	1.992	1.914
Liquidity	0.363	0.214
Certificates of Deposit	0.599	0.599
Total Book Yield	1.588	1.528

Values	06/30/2020	09/30/2020
Market Value + Accrued		
Investment Core	183,070,814	182,343,040
Liquidity	56,012,809	49,790,957
Certificates of Deposit	5,317,823	5,325,858
Total MV + Accrued	244,401,446	237,459,855

Net Unrealized Gain/Loss		
Total Net Unrealized Gain/Loss	6,190,728	5,769,813

Asset Allocation Change over Quarter

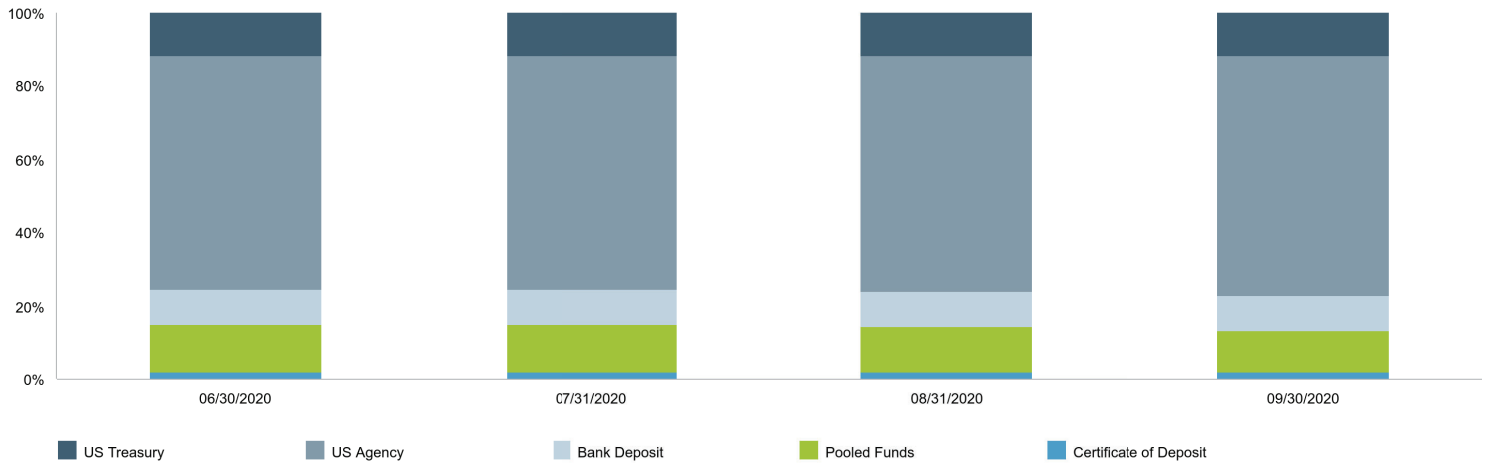
City of Kirkland | Total Aggregate Portfolio



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Asset Allocation Changes

Security Type	06/30/2020		09/30/2020		Change	
	Market Value + Accrued	% of Portfolio	Market Value + Accrued	% of Portfolio	Market Value + Accrued	% of Portfolio
US Treasury	27,231,632.87	11.14%	27,211,373.09	11.46%	(20,259.78)	0.32%
US Agency	155,839,181.22	63.76%	155,131,666.81	65.33%	(707,514.42)	1.57%
Bank Deposit	23,444,785.90	9.59%	23,462,154.77	9.88%	17,368.87	0.29%
Pooled Funds	32,568,022.88	13.33%	26,328,802.23	11.09%	(6,239,220.65)	(2.24%)
Certificate of Deposit	5,317,823.38	2.18%	5,325,858.29	2.24%	8,034.91	0.07%
Total	244,401,446.25	100.00%	237,459,855.18	100.00%	(6,941,591.07)	



If negative cash balance is showing, it is due to a pending trade payable at the end of period.

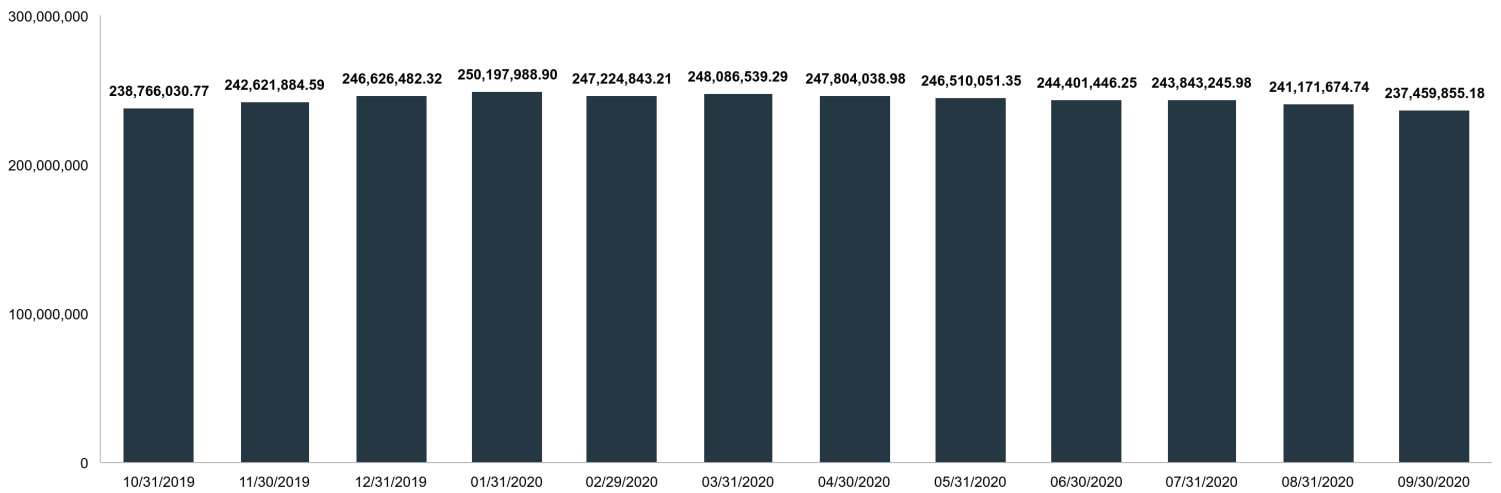
Historical Balances

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Market Value Growth



Market Value and Return

Period Begin	Period End	Market Value + Accrued	Interest Income	Book Yield	Effective Duration	Maturity in Years
10/01/2019	10/31/2019	238,766,031	419,917	2.139	1.563	1.762
11/01/2019	11/30/2019	242,621,885	418,803	2.082	1.482	1.675
12/01/2019	12/31/2019	246,626,482	426,836	1.946	1.496	1.687
01/01/2020	01/31/2020	250,197,989	430,398	1.950	1.507	1.685
02/01/2020	02/29/2020	247,224,843	419,994	1.965	1.543	1.713
03/01/2020	03/31/2020	248,086,539	414,390	1.929	1.493	1.669
04/01/2020	04/30/2020	247,804,039	378,337	1.768	1.535	1.712
05/01/2020	05/31/2020	246,510,051	363,675	1.711	1.479	1.659
06/01/2020	06/30/2020	244,401,446	342,926	1.588	1.606	1.706
07/01/2020	07/31/2020	243,843,246	330,850	1.550	1.649	1.746
08/01/2020	08/31/2020	241,171,675	321,712	1.557	1.605	1.698
09/01/2020	09/30/2020	237,459,855	316,546	1.528	1.678	1.764

Summary Overview

City of Kirkland | Total Aggregate Portfolio

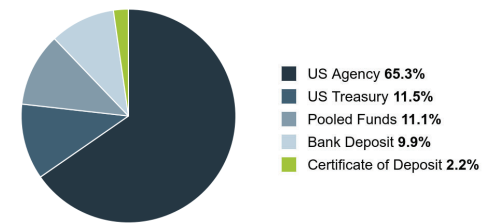


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Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	49,790,957.00
Investments	187,668,898.18
Book Yield	1.528
Effective Duration	1.678
Years to Maturity	1.764
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
KIRK-Investment Core	175,000,000.00	175,773,672.06	176,075,276.88	181,543,485.00	5,769,812.94	799,554.89	1.914	2.161	2.186	ICE BofA 0-5 Year US Treasury Index
KIRK-Liquidity	49,790,957.00	49,790,957.00	49,790,957.00	49,790,957.00	0.00	0.00	0.214	0.010	0.090	ICE BofA US 1-Month Treasury Bill Index
KIRK-Certificates of Deposit	5,325,770.89	5,325,770.89	5,325,770.89	5,325,770.89	0.00	87.40	0.599	0.718	0.157	ICE BofA 0-3 Month US Treasury Bill Index
Total	230,116,727.89	230,890,399.95	231,192,004.77	236,660,212.89	5,769,812.94	799,642.29	1.528	1.678	1.701	

Portfolio Activity

City of Kirkland | Total Aggregate Portfolio



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Accrual Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Book Value	237,199,717.40	243,476,806.22
Maturities/Calls	(10,000,000.00)	(45,310,465.76)
Purchases	9,980,119.78	45,790,244.26
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(6,221,851.78)	(12,890,977.95)
Amortization/Accretion	(67,585.46)	(177,206.00)
Realized Gain (Loss)	0.00	1,999.18
Ending Book Value	230,890,399.95	230,890,399.95

Maturities/Calls	Market Value
Quarter to Date	(10,000,000.00)
Fiscal Year to Date	(45,310,465.76)

Purchases	Market Value
Quarter to Date	9,980,119.78
Fiscal Year to Date	45,790,244.26

Fair Market Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Market Value	243,390,445.89	245,623,973.59
Maturities/Calls	(10,000,000.00)	(45,310,465.76)
Purchases	9,980,119.78	45,790,244.26
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(6,221,851.78)	(12,890,977.95)
Amortization/Accretion	(67,585.46)	(177,206.00)
Change in Net Unrealized Gain (Loss)	(420,915.54)	3,622,645.57
Net Realized Gain (Loss)	0.00	1,999.18
Ending Market Value	236,660,212.89	236,660,212.89

Sales	Market Value
Quarter to Date	0.00
Fiscal Year to Date	0.00

Return Management-Income Detail

City of Kirkland | Total Aggregate Portfolio



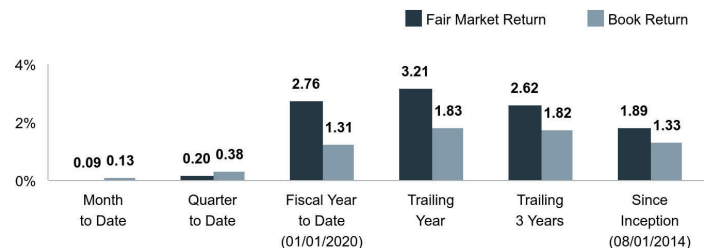
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Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Amortization/Accretion	(67,585.46)	(177,206.00)
Interest Earned	969,108.43	3,318,827.98
Realized Gain (Loss)	0.00	1,999.18
Book Income	901,522.98	3,143,621.16
Average Portfolio Balance	242,328,207.32	245,384,360.86
Book Return for Period	0.38%	1.31%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Fair Market Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Market Value Change	(420,915.54)	3,622,645.57
Amortization/Accretion	(67,585.46)	(177,206.00)
Interest Earned	969,108.43	3,318,827.98
Fair Market Earned Income	480,607.43	6,764,267.55
Average Portfolio Balance	242,328,207.32	245,384,360.86
Fair Market Return for Period	0.20%	2.76%

Interest Income

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Accrued Interest	1,011,000.36	1,002,508.73
Coupons Paid	1,180,935.25	3,636,498.47
Purchased Accrued Interest	468.75	114,804.05
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	799,642.29	799,642.29
Interest Earned	969,108.43	3,318,827.98

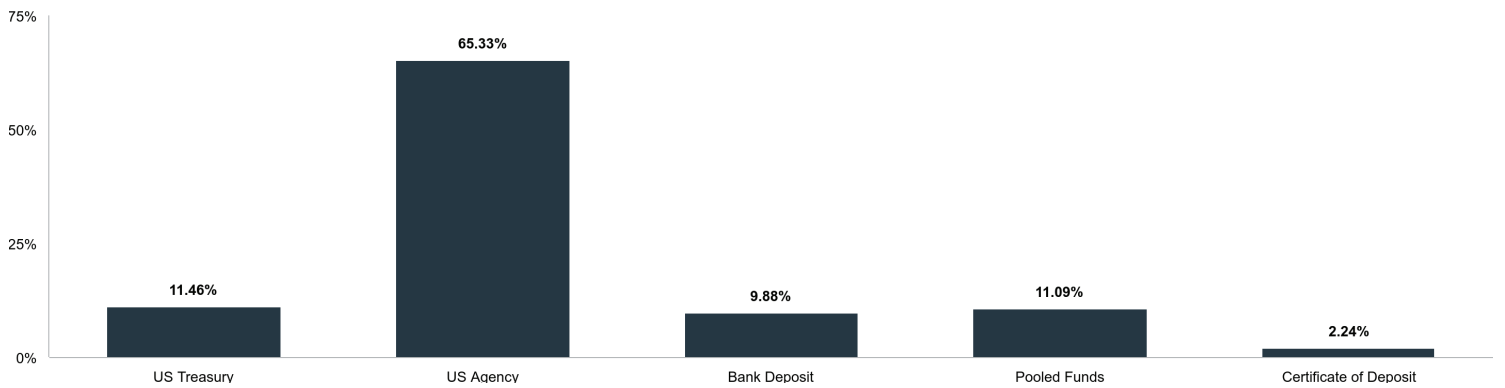
Security Type Distribution

City of Kirkland | Total Aggregate Portfolio

Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	26,000,000.00	1.578	27,211,373.09	11.46%
US Agency	149,000,000.00	1.973	155,131,666.81	65.33%
Bank Deposit	23,462,154.77	0.240	23,462,154.77	9.88%
Pooled Funds	26,328,802.23	0.192	26,328,802.23	11.09%
Certificate of Deposit	5,325,770.89	0.599	5,325,858.29	2.24%
Total	230,116,727.89	1.528	237,459,855.18	100.00%

Security Type Distribution



Risk Management-Credit/Issuer

City of Kirkland | Total Aggregate Portfolio

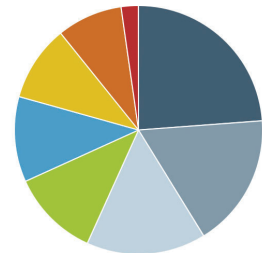


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Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
AA+	182,343,039.89	76.79
NA	55,116,815.29	23.21
Moody's		
Aaa	182,343,039.89	76.79
NA	55,116,815.29	23.21
Fitch		
AAA	182,343,039.89	76.79
NA	55,116,815.29	23.21
Total	237,459,855.18	100.00

Issuer Concentration



- Federal Home Loan Banks 23.8%
- Federal National Mortgage Association 17.4%
- Farm Credit System 15.6%
- United States 11.5%
- WASHINGTON LGIP 11.1%
- OPUS BANK DEPOSIT 9.9%
- Freddie Mac 8.5%
- East West Bank 2.2%

Risk Management-Maturity/Duration

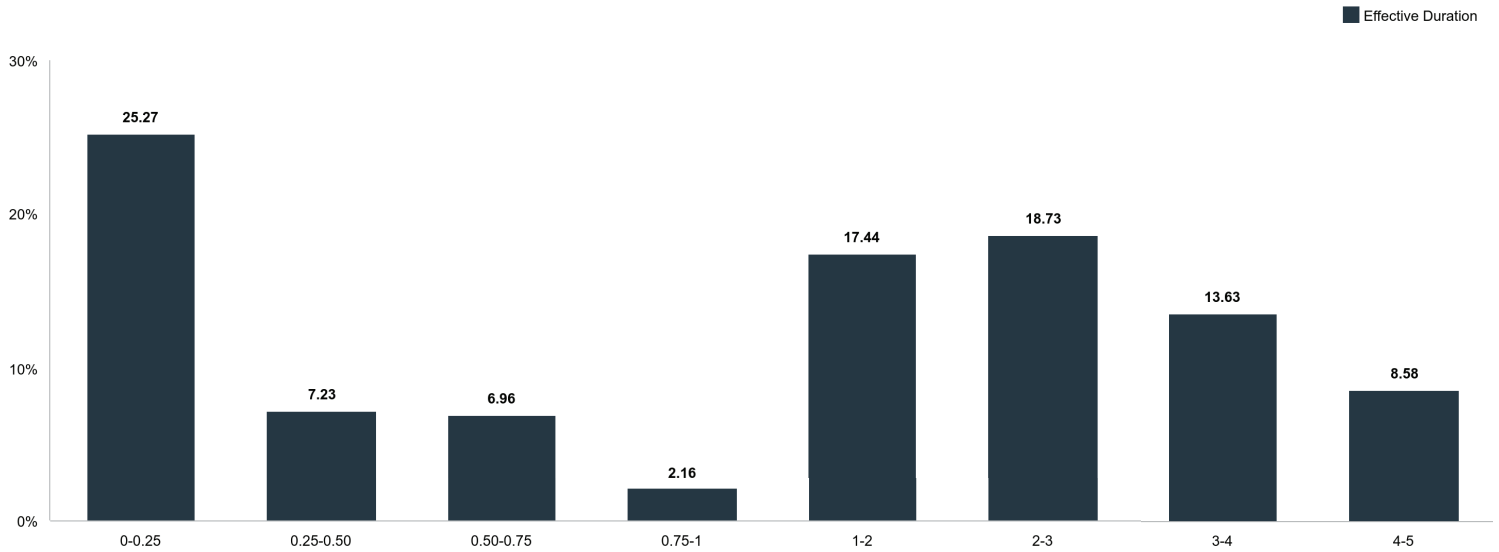
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Distribution by Effective Duration



Holdings by Maturity & Ratings

City of Kirkland | Total Aggregate Portfolio



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Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
KIRK_OPUS_DEP	23,462,154.77	OPUS BANK DEPOSIT	0.240	09/30/2020		23,462,154.77	0.00	23,462,154.77	0.240		9.88	0.010	0.010	NA NA NA
WA_LGIP	26,328,802.23	WASHINGTON LGIP	0.192	09/30/2020		26,328,802.23	0.00	26,328,802.23	0.192		11.09	0.010	0.010	NA NA NA
912828L99	5,000,000.00	UNITED STATES TREASURY	1.375	10/31/2020		5,005,195.00	28,770.38	5,033,965.38	1.313	0.141	2.12	0.085	0.084	AA+ Aaa AAA
3137EAEK1	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	1.875	11/17/2020		5,011,730.00	34,895.83	5,046,625.83	1.984	0.077	2.13	0.131	0.131	AA+ Aaa AAA
3130A7CV5	2,000,000.00	FEDERAL HOME LOAN BANKS	1.375	02/18/2021		2,009,600.00	3,284.72	2,012,884.72	1.628	0.122	0.85	0.386	0.383	AA+ Aaa AAA
3135G0J20	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.375	02/26/2021		5,025,340.00	6,684.03	5,032,024.03	1.448	0.125	2.12	0.408	0.405	AA+ Aaa AAA
3130AFV61	5,000,000.00	FEDERAL HOME LOAN BANKS	2.500	03/12/2021		5,054,485.00	6,597.22	5,061,082.22	2.524	0.078	2.13	0.446	0.450	AA+ Aaa AAA
912828WN6	6,000,000.00	UNITED STATES TREASURY	2.000	05/31/2021		6,075,000.00	40,327.87	6,115,327.87	1.663	0.124	2.58	0.665	0.661	AA+ Aaa AAA
313379RB7	5,000,000.00	FEDERAL HOME LOAN BANKS	1.875	06/11/2021		5,062,005.00	28,645.83	5,090,650.83	1.843	0.095	2.14	0.695	0.692	AA+ Aaa AAA
KIRK-17340 25-2021	5,325,770.89	East West Bank	0.599	06/19/2021		5,325,770.89	87.40	5,325,858.29	0.599	0.599	2.24	0.718	0.718	NA NA NA
313378JP7	5,000,000.00	FEDERAL HOME LOAN BANKS	2.375	09/10/2021		5,105,575.00	6,927.08	5,112,502.08	1.642	0.137	2.15	0.945	0.938	AA+ Aaa AAA
3130AF5B9	5,000,000.00	FEDERAL HOME LOAN BANKS	3.000	10/12/2021		5,146,425.00	70,416.67	5,216,841.67	2.502	0.162	2.20	1.033	1.011	AA+ Aaa AAA
3130A0EN6	5,000,000.00	FEDERAL HOME LOAN BANKS	2.875	12/10/2021		5,164,110.00	44,322.92	5,208,432.92	2.615	0.124	2.19	1.194	1.173	AA+ Aaa AAA
3135G0S38	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.000	01/05/2022		5,119,565.00	23,888.89	5,143,453.89	2.048	0.106	2.17	1.266	1.249	AA+ Aaa AAA

Holdings by Maturity & Ratings

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3135G0U92	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.625	01/11/2022		5,159,810.00	29,166.67	5,188,976.67	2.590	0.126	2.19	1.282	1.261	AA+ Aaa AAA
3133EKBV7	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.550	03/01/2022		5,169,280.00	10,625.00	5,179,905.00	2.518	0.161	2.18	1.416	1.400	AA+ Aaa AAA
313378WG2	5,000,000.00	FEDERAL HOME LOAN BANKS	2.500	03/11/2022		5,172,185.00	6,944.44	5,179,129.44	2.361	0.118	2.18	1.444	1.428	AA+ Aaa AAA
3135G0T45	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.875	04/05/2022		5,131,835.00	45,833.33	5,177,668.33	1.111	0.131	2.18	1.512	1.486	AA+ Aaa AAA
3130AEBM1	5,000,000.00	FEDERAL HOME LOAN BANKS	2.750	06/10/2022		5,218,865.00	42,395.83	5,261,260.83	2.840	0.162	2.22	1.693	1.654	AA+ Aaa AAA
9128283C2	5,000,000.00	UNITED STATES TREASURY	2.000	10/31/2022		5,194,335.00	41,847.83	5,236,182.83	1.593	0.132	2.21	2.085	2.035	AA+ Aaa AAA
3130A3KM5	7,000,000.00	FEDERAL HOME LOAN BANKS	2.500	12/09/2022		7,355,600.00	54,444.44	7,410,044.44	2.937	0.177	3.12	2.192	2.131	AA+ Aaa AAA
3135G0T94	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.375	01/19/2023		5,247,125.00	23,750.00	5,270,875.00	3.041	0.222	2.22	2.304	2.244	AA+ Aaa AAA
3133ELMD3	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.600	02/10/2023	02/10/2021	5,022,370.00	11,333.33	5,033,703.33	1.600	1.406	2.12	2.364	0.393	AA+ Aaa AAA
3133EJFK0	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.650	03/08/2023		5,298,950.00	8,465.28	5,307,415.28	1.602	0.192	2.24	2.435	2.374	AA+ Aaa AAA
3135G04Q3	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.250	05/22/2023		5,006,800.00	4,479.17	5,011,279.17	0.324	0.198	2.11	2.641	2.632	AA+ Aaa AAA
3133EJUS6	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.875	07/17/2023		5,371,515.00	29,548.61	5,401,063.61	3.069	0.209	2.27	2.794	2.695	AA+ Aaa AAA
313383YJ4	5,000,000.00	FEDERAL HOME LOAN BANKS	3.375	09/08/2023		5,465,365.00	10,781.25	5,476,146.25	3.036	0.197	2.31	2.939	2.821	AA+ Aaa AAA

Holdings by Maturity & Ratings

City of Kirkland | Total Aggregate Portfolio



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3135G0U43	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.875	09/12/2023		5,388,575.00	7,586.81	5,396,161.81	2.541	0.230	2.27	2.950	2.847	AA+ Aaa AAA
912828V80	5,000,000.00	UNITED STATES TREASURY	2.250	01/31/2024		5,344,725.00	18,953.80	5,363,678.80	1.602	0.175	2.26	3.337	3.222	AA+ Aaa AAA
3133EKBW5	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.610	02/27/2024		5,403,725.00	12,325.00	5,416,050.00	2.572	0.230	2.28	3.411	3.278	AA+ Aaa AAA
3130A1XJ2	5,000,000.00	FEDERAL HOME LOAN BANKS	2.875	06/14/2024		5,485,115.00	42,725.69	5,527,840.69	2.025	0.243	2.33	3.706	3.520	AA+ Aaa AAA
3133EKWV4	10,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.850	07/26/2024		10,607,960.00	33,402.78	10,641,362.78	1.917	0.251	4.48	3.821	3.696	AA+ Aaa AAA
912828G38	5,000,000.00	UNITED STATES TREASURY	2.250	11/15/2024		5,419,725.00	42,493.21	5,462,218.21	1.688	0.205	2.30	4.126	3.936	AA+ Aaa AAA
3137EAEF0	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	1.500	02/12/2025		5,254,000.00	10,208.33	5,264,208.33	0.553	0.327	2.22	4.370	4.232	AA+ Aaa AAA
3135G03U5	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.625	04/22/2025		5,061,720.00	13,628.47	5,075,348.47	0.532	0.352	2.14	4.559	4.484	AA+ Aaa AAA
3137EAEU9	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	0.375	07/21/2025		4,995,665.00	3,541.67	4,999,206.67	0.445	0.393	2.11	4.805	4.757	AA+ Aaa AAA
3137EAEX3	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	0.375	09/23/2025		4,989,210.00	312.50	4,989,522.50	0.419	0.419	2.10	4.980	4.928	AA+ Aaa AAA
Total	230,116,727.89		1.662			236,660,212.89	799,642.29	237,459,855.18	1.528	0.233	100.00	1.764	1.678	

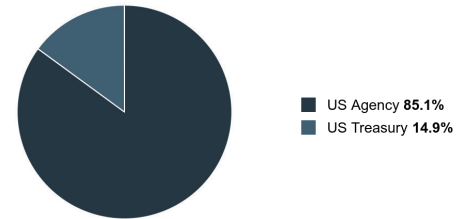
Summary Overview

City of Kirkland | Investment Core

Portfolio Characteristics

Metric	Value
Investments	182,343,039.89
Book Yield	1.914
Effective Duration	2.161
Years to Maturity	2.273
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
KIRK-Investment Core	175,000,000.00	175,773,672.06	176,075,276.88	181,543,485.00	5,769,812.94	799,554.89	1.914	2.161	2.186	ICE BofA 0-5 Year US Treasury Index
Total	175,000,000.00	175,773,672.06	176,075,276.88	181,543,485.00	5,769,812.94	799,554.89	1.914	2.161	2.186	

Portfolio Activity

City of Kirkland | Investment Core



September 30, 2020

Accrual Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Book Value	175,869,172.51	175,536,667.63
Maturities/Calls	(10,000,000.00)	(40,000,000.00)
Purchases	9,972,085.00	40,412,211.25
Sales	0.00	0.00
Change in Cash, Payables, Receivables	0.00	0.00
Amortization/Accretion	(67,585.46)	(177,206.00)
Realized Gain (Loss)	0.00	1,999.18
Ending Book Value	175,773,672.06	175,773,672.06

Maturities/Calls	Market Value
Quarter to Date	(10,000,000.00)
Fiscal Year to Date	(40,000,000.00)

Purchases	Market Value
Quarter to Date	9,972,085.00
Fiscal Year to Date	40,412,211.25

Fair Market Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Market Value	182,059,901.00	177,683,835.00
Maturities/Calls	(10,000,000.00)	(40,000,000.00)
Purchases	9,972,085.00	40,412,211.25
Sales	0.00	0.00
Change in Cash, Payables, Receivables	0.00	0.00
Amortization/Accretion	(67,585.46)	(177,206.00)
Change in Net Unrealized Gain (Loss)	(420,915.54)	3,622,645.57
Net Realized Gain (Loss)	0.00	1,999.18
Ending Market Value	181,543,485.00	181,543,485.00

Sales	Market Value
Quarter to Date	0.00
Fiscal Year to Date	0.00

Return Management-Income Detail

City of Kirkland | Investment Core



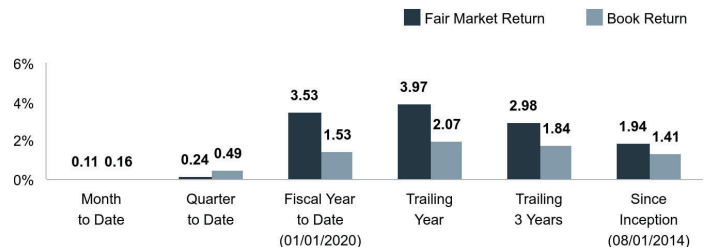
September 30, 2020

Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Amortization/Accretion	(67,585.46)	(177,206.00)
Interest Earned	925,006.38	2,872,417.58
Realized Gain (Loss)	0.00	1,999.18
Book Income	857,420.92	2,697,210.76
Average Portfolio Balance	182,096,044.52	181,099,232.45
Book Return for Period	0.49%	1.53%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Fair Market Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Market Value Change	(420,915.54)	3,622,645.57
Amortization/Accretion	(67,585.46)	(177,206.00)
Interest Earned	925,006.38	2,872,417.58
Fair Market Earned Income	436,505.38	6,317,857.15
Average Portfolio Balance	182,096,044.52	181,099,232.45
Fair Market Return for Period	0.24%	3.53%

Interest Income

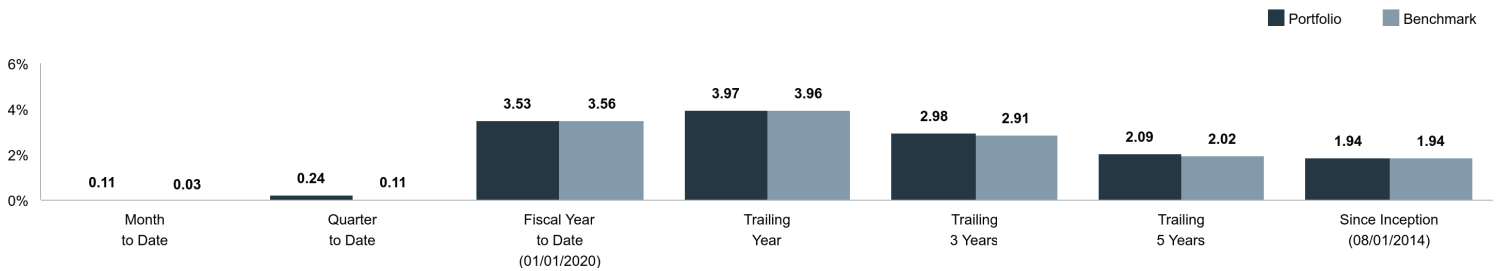
	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Accrued Interest	1,010,913.09	1,002,166.59
Coupons Paid	1,136,833.33	3,189,833.33
Purchased Accrued Interest	468.75	114,804.05
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	799,554.89	799,554.89
Interest Earned	925,006.38	2,872,417.58

Return Management-Performance

City of Kirkland | Investment Core

Performance Returns Gross of Fees

Periodic for performance less than one year. Annualized for performance greater than one year.



Historical Returns

Period	Month to Date	Quarter to Date	Fiscal Year to Date (01/01/2020)	Trailing Year	Trailing 3 Years	Trailing 5 Years	Since Inception (08/01/2014)
Return (Net of Fees)	0.109%	0.232%	3.514%	3.949%	2.965%	2.064%	1.907%
Return (Gross of Fees)	0.111%	0.238%	3.530%	3.971%	2.980%	2.091%	1.936%
ICE BofA 0-5 Year US Treasury Index	0.026%	0.113%	3.555%	3.958%	2.911%	2.016%	1.937%

Risk Management-Relative to Benchmark

City of Kirkland | Investment Core

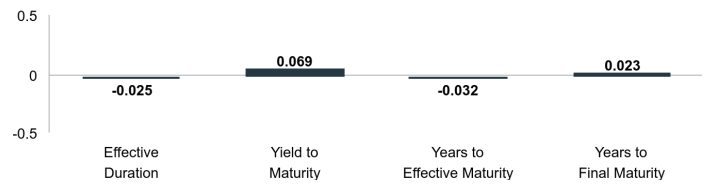


September 30, 2020

Benchmark Comparison Summary

Risk Metric	Portfolio	Benchmark	Difference
Effective Duration	2.161	2.186	(0.025)
Yield to Maturity	0.223	0.154	0.069
Years to Effective Maturity	2.218	2.250	(0.032)
Years to Final Maturity	2.273	2.250	0.023
Avg Credit Rating	AA+	AAA	---

Benchmark Comparison Summary



Benchmark vs. Portfolio Variance-Market Sector



Benchmark Comparison-Market Sector

Market Sector	Portfolio	Benchmark	Difference
Treasury	14.92	100.00	(85.08)
Agency	85.08	0.00	85.08

Risk Management-Maturity/Duration

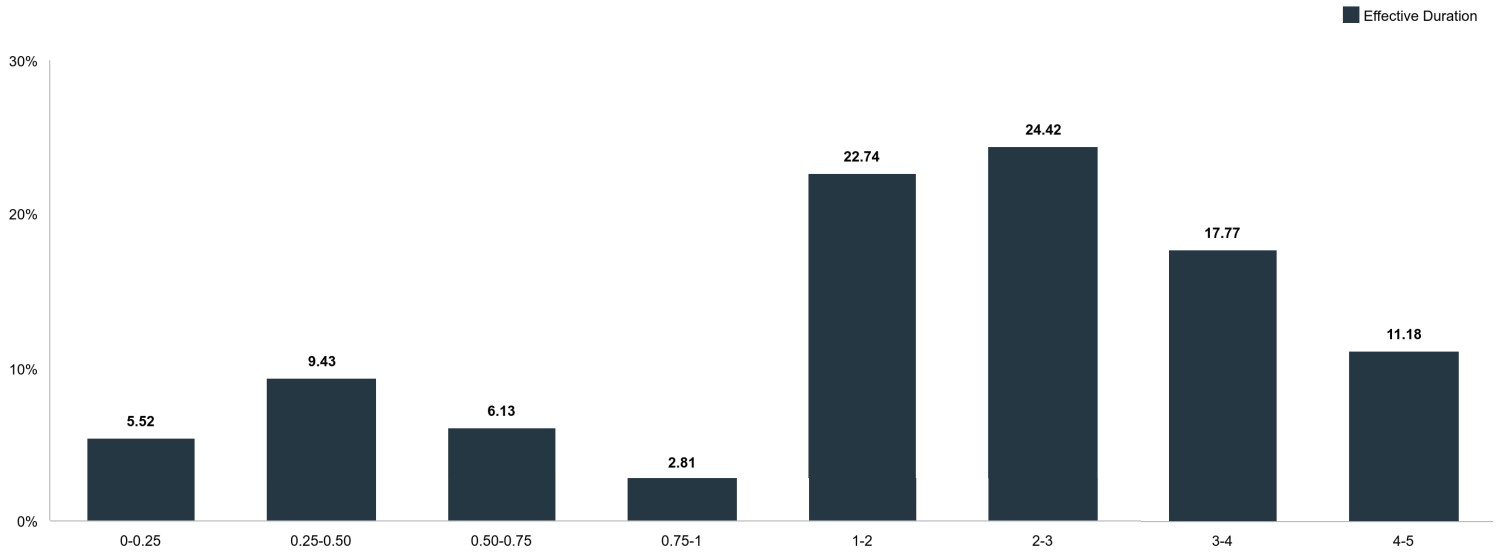
City of Kirkland | Investment Core



September 30, 2020



Distribution by Effective Duration



Risk Management-Credit/Issuer

City of Kirkland | Investment Core

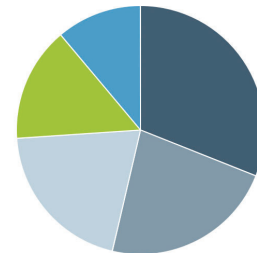


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Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
S&P		
AA+	182,343,039.89	100.00
Moody's		
Aaa	182,343,039.89	100.00
Fitch		
AAA	182,343,039.89	100.00
Total	182,343,039.89	100.00

Issuer Concentration



- Federal Home Loan Banks 31.0%
- Federal National Mortgage Association 22.6%
- Farm Credit System 20.3%
- United States 14.9%
- Freddie Mac 11.1%

Holdings by Maturity & Ratings

City of Kirkland | Investment Core



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
912828L99	5,000,000.00	UNITED STATES TREASURY	1.375	10/31/2020		5,005,195.00	28,770.38	5,033,965.38	1.313	0.141	2.76	0.085	0.084	AA+ Aaa AAA
3137EAEK1	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	1.875	11/17/2020		5,011,730.00	34,895.83	5,046,625.83	1.984	0.077	2.77	0.131	0.131	AA+ Aaa AAA
3130A7CV5	2,000,000.00	FEDERAL HOME LOAN BANKS	1.375	02/18/2021		2,009,600.00	3,284.72	2,012,884.72	1.628	0.122	1.10	0.386	0.383	AA+ Aaa AAA
3135G0J20	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.375	02/26/2021		5,025,340.00	6,684.03	5,032,024.03	1.448	0.125	2.76	0.408	0.405	AA+ Aaa AAA
3130AFV61	5,000,000.00	FEDERAL HOME LOAN BANKS	2.500	03/12/2021		5,054,485.00	6,597.22	5,061,082.22	2.524	0.078	2.78	0.446	0.450	AA+ Aaa AAA
912828WN6	6,000,000.00	UNITED STATES TREASURY	2.000	05/31/2021		6,075,000.00	40,327.87	6,115,327.87	1.663	0.124	3.35	0.665	0.661	AA+ Aaa AAA
313379RB7	5,000,000.00	FEDERAL HOME LOAN BANKS	1.875	06/11/2021		5,062,005.00	28,645.83	5,090,650.83	1.843	0.095	2.79	0.695	0.692	AA+ Aaa AAA
313378JP7	5,000,000.00	FEDERAL HOME LOAN BANKS	2.375	09/10/2021		5,105,575.00	6,927.08	5,112,502.08	1.642	0.137	2.80	0.945	0.938	AA+ Aaa AAA
3130AF5B9	5,000,000.00	FEDERAL HOME LOAN BANKS	3.000	10/12/2021		5,146,425.00	70,416.67	5,216,841.67	2.502	0.162	2.86	1.033	1.011	AA+ Aaa AAA
3130A0EN6	5,000,000.00	FEDERAL HOME LOAN BANKS	2.875	12/10/2021		5,164,110.00	44,322.92	5,208,432.92	2.615	0.124	2.86	1.194	1.173	AA+ Aaa AAA
3135G0S38	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.000	01/05/2022		5,119,565.00	23,888.89	5,143,453.89	2.048	0.106	2.82	1.266	1.249	AA+ Aaa AAA
3135G0U92	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.625	01/11/2022		5,159,810.00	29,166.67	5,188,976.67	2.590	0.126	2.85	1.282	1.261	AA+ Aaa AAA
3133EKBV7	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.550	03/01/2022		5,169,280.00	10,625.00	5,179,905.00	2.518	0.161	2.84	1.416	1.400	AA+ Aaa AAA
313378WG2	5,000,000.00	FEDERAL HOME LOAN BANKS	2.500	03/11/2022		5,172,185.00	6,944.44	5,179,129.44	2.361	0.118	2.84	1.444	1.428	AA+ Aaa AAA

Holdings by Maturity & Ratings

City of Kirkland | Investment Core



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3135G0T45	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.875	04/05/2022		5,131,835.00	45,833.33	5,177,668.33	1.111	0.131	2.84	1.512	1.486	AA+ Aaa AAA
3130AEBM1	5,000,000.00	FEDERAL HOME LOAN BANKS	2.750	06/10/2022		5,218,865.00	42,395.83	5,261,260.83	2.840	0.162	2.89	1.693	1.654	AA+ Aaa AAA
9128283C2	5,000,000.00	UNITED STATES TREASURY	2.000	10/31/2022		5,194,335.00	41,847.83	5,236,182.83	1.593	0.132	2.87	2.085	2.035	AA+ Aaa AAA
3130A3KM5	7,000,000.00	FEDERAL HOME LOAN BANKS	2.500	12/09/2022		7,355,600.00	54,444.44	7,410,044.44	2.937	0.177	4.06	2.192	2.131	AA+ Aaa AAA
3135G0T94	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.375	01/19/2023		5,247,125.00	23,750.00	5,270,875.00	3.041	0.222	2.89	2.304	2.244	AA+ Aaa AAA
3133ELMD3	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.600	02/10/2023	02/10/2021	5,022,370.00	11,333.33	5,033,703.33	1.600	1.406	2.76	2.364	0.393	AA+ Aaa AAA
3133EJFK0	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.650	03/08/2023		5,298,950.00	8,465.28	5,307,415.28	1.602	0.192	2.91	2.435	2.374	AA+ Aaa AAA
3135G04Q3	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.250	05/22/2023		5,006,800.00	4,479.17	5,011,279.17	0.324	0.198	2.75	2.641	2.632	AA+ Aaa AAA
3133EJUS6	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.875	07/17/2023		5,371,515.00	29,548.61	5,401,063.61	3.069	0.209	2.96	2.794	2.695	AA+ Aaa AAA
313383YJ4	5,000,000.00	FEDERAL HOME LOAN BANKS	3.375	09/08/2023		5,465,365.00	10,781.25	5,476,146.25	3.036	0.197	3.00	2.939	2.821	AA+ Aaa AAA
3135G0U43	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.875	09/12/2023		5,388,575.00	7,586.81	5,396,161.81	2.541	0.230	2.96	2.950	2.847	AA+ Aaa AAA
912828V80	5,000,000.00	UNITED STATES TREASURY	2.250	01/31/2024		5,344,725.00	18,953.80	5,363,678.80	1.602	0.175	2.94	3.337	3.222	AA+ Aaa AAA
3133EKBW5	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	2.610	02/27/2024		5,403,725.00	12,325.00	5,416,050.00	2.572	0.230	2.97	3.411	3.278	AA+ Aaa AAA

Holdings by Maturity & Ratings

City of Kirkland | Investment Core



September 30, 2020

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3130A1XJ2	5,000,000.00	FEDERAL HOME LOAN BANKS	2.875	06/14/2024		5,485,115.00	42,725.69	5,527,840.69	2.025	0.243	3.03	3.706	3.520	AA+ Aaa AAA
3133EKWV4	10,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	1.850	07/26/2024		10,607,960.00	33,402.78	10,641,362.78	1.917	0.251	5.84	3.821	3.696	AA+ Aaa AAA
912828G38	5,000,000.00	UNITED STATES TREASURY	2.250	11/15/2024		5,419,725.00	42,493.21	5,462,218.21	1.688	0.205	3.00	4.126	3.936	AA+ Aaa AAA
3137EAEP0	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	1.500	02/12/2025		5,254,000.00	10,208.33	5,264,208.33	0.553	0.327	2.89	4.370	4.232	AA+ Aaa AAA
3135G03U5	5,000,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.625	04/22/2025		5,061,720.00	13,628.47	5,075,348.47	0.532	0.352	2.78	4.559	4.484	AA+ Aaa AAA
3137EAEU9	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	0.375	07/21/2025		4,995,665.00	3,541.67	4,999,206.67	0.445	0.393	2.74	4.805	4.757	AA+ Aaa AAA
3137EAEX3	5,000,000.00	FEDERAL HOME LOAN MORTGAGE CORP	0.375	09/23/2025		4,989,210.00	312.50	4,989,522.50	0.419	0.419	2.74	4.980	4.928	AA+ Aaa AAA
Total	175,000,000.00		2.088			181,543,485.00	799,554.89	182,343,039.89	1.914	0.223	100.00	2.273	2.161	

Risk Management-Credit Changes

City of Kirkland | Investment Core

Rating Changes in Period

No rating changes

Outlook

Effective Date	Identifier	Description	Value	Agency	Old Value	New Value
07/01/2020	3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,061,720.00	Moody's	Off	Stable
07/07/2020	3135G04Q3	FEDERAL NATIONAL MORTGAGE ASSOCIATION	5,006,800.00	Moody's	Off	Stable

Holdings by Security Type

City of Kirkland | Investment Core



September 30, 2020

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
US Treasury												
03/04/2016	912828L99	5,000,000.00	United States	1.375	10/31/2020		1.313	0.141	5,033,965.38	4,950.43	2.761	0.084
06/15/2017	912828WN6	6,000,000.00	United States	2.000	05/31/2021		1.663	0.124	6,115,327.87	62,086.18	3.354	0.661
10/02/2019	9128283C2	5,000,000.00	United States	2.000	10/31/2022		1.593	0.132	5,236,182.83	153,168.33	2.872	2.035
01/21/2020	912828V80	5,000,000.00	United States	2.250	01/31/2024		1.602	0.175	5,363,678.80	240,662.61	2.942	3.222
12/13/2019	912828G38	5,000,000.00	United States	2.250	11/15/2024		1.688	0.205	5,462,218.21	309,033.95	2.996	3.936
Total		26,000,000.00					1.578	0.155	27,211,373.09	769,901.50	14.923	1.981
US Agency												
12/18/2017	3137EAEK1	5,000,000.00	Freddie Mac	1.875	11/17/2020		1.984	0.077	5,046,625.83	12,410.26	2.768	0.131
03/15/2016	3130A7CV5	2,000,000.00	Federal Home Loan Banks	1.375	02/18/2021		1.628	0.122	2,012,884.72	11,456.56	1.104	0.383
04/27/2016	3135G0J20	5,000,000.00	Federal National Mortgage Association	1.375	02/26/2021		1.448	0.125	5,032,024.03	26,769.69	2.760	0.405
02/28/2019	3130AFV61	5,000,000.00	Federal Home Loan Banks	2.500	03/12/2021		2.524	0.078	5,061,082.22	55,030.82	2.776	0.450
05/12/2017	313379RB7	5,000,000.00	Federal Home Loan Banks	1.875	06/11/2021		1.843	0.095	5,090,650.83	60,943.76	2.792	0.692
08/31/2017	313378JP7	5,000,000.00	Federal Home Loan Banks	2.375	09/10/2021		1.642	0.137	5,112,502.08	72,286.56	2.804	0.938
02/28/2019	3130AF5B9	5,000,000.00	Federal Home Loan Banks	3.000	10/12/2021		2.502	0.162	5,216,841.67	121,823.74	2.861	1.011
01/15/2019	3130A0EN6	5,000,000.00	Federal Home Loan Banks	2.875	12/10/2021		2.615	0.124	5,208,432.92	149,301.93	2.856	1.173
01/31/2017	3135G0S38	5,000,000.00	Federal National Mortgage Association	2.000	01/05/2022		2.048	0.106	5,143,453.89	122,460.66	2.821	1.249
01/15/2019	3135G0U92	5,000,000.00	Federal National Mortgage Association	2.625	01/11/2022		2.590	0.126	5,188,976.67	157,669.76	2.846	1.261
03/01/2019	3133EKBV7	5,000,000.00	Farm Credit System	2.550	03/01/2022		2.518	0.161	5,179,905.00	167,112.33	2.841	1.400
04/15/2019	313378WG2	5,000,000.00	Federal Home Loan Banks	2.500	03/11/2022		2.361	0.118	5,179,129.44	162,583.02	2.840	1.428
03/04/2020	3135G0T45	5,000,000.00	Federal National Mortgage Association	1.875	04/05/2022		1.111	0.131	5,177,668.33	75,071.88	2.840	1.486
07/16/2018	3130AEBM1	5,000,000.00	Federal Home Loan Banks	2.750	06/10/2022		2.840	0.162	5,261,260.83	226,068.39	2.885	1.654
05/21/2018	3130A3KM5	7,000,000.00	Federal Home Loan Banks	2.500	12/09/2022		2.937	0.177	7,410,044.44	417,856.62	4.064	2.131
10/01/2018	3135G0T94	5,000,000.00	Federal National Mortgage Association	2.375	01/19/2023		3.041	0.222	5,270,875.00	318,444.75	2.891	2.244
02/26/2020	3133ELMD3	5,000,000.00	Farm Credit System	1.600	02/10/2023	02/10/2021	1.600	0.359	5,033,703.33	22,370.00	2.761	0.393
10/22/2019	3133EJFK0	5,000,000.00	Farm Credit System	2.650	03/08/2023		1.602	0.192	5,307,415.28	175,400.61	2.911	2.374
06/17/2020	3135G04Q3	5,000,000.00	Federal National Mortgage Association	0.250	05/22/2023		0.324	0.198	5,011,279.17	16,515.58	2.748	2.632
10/01/2018	3133EJUS6	5,000,000.00	Farm Credit System	2.875	07/17/2023		3.069	0.209	5,401,063.61	396,538.47	2.962	2.695
11/30/2018	313383YJ4	5,000,000.00	Federal Home Loan Banks	3.375	09/08/2023		3.036	0.197	5,476,146.25	419,414.23	3.003	2.821

Holdings by Security Type

City of Kirkland | Investment Core



Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
02/28/2019	3135G0U43	5,000,000.00	Federal National Mortgage Association	2.875	09/12/2023		2.541	0.230	5,396,161.81	342,474.64	2.959	2.847
02/28/2019	3133EKBW5	5,000,000.00	Farm Credit System	2.610	02/27/2024		2.572	0.230	5,416,050.00	397,689.14	2.970	3.278
06/13/2019	3130A1XJ2	5,000,000.00	Federal Home Loan Banks	2.875	06/14/2024		2.025	0.243	5,527,840.69	336,343.23	3.032	3.520
08/01/2019	3133EKWV4	10,000,000.00	Farm Credit System	1.850	07/26/2024		1.917	0.251	10,641,362.78	632,303.33	5.836	3.696
04/20/2020	3137EAEP0	5,000,000.00	Freddie Mac	1.500	02/12/2025		0.553	0.327	5,264,208.33	50,494.68	2.887	4.232
06/12/2020	3135G03U5	5,000,000.00	Federal National Mortgage Association	0.625	04/22/2025		0.532	0.352	5,075,348.47	40,908.28	2.783	4.484
07/29/2020	3137EAEU9	5,000,000.00	Freddie Mac	0.375	07/21/2025		0.445	0.393	4,999,206.67	12,211.26	2.742	4.757
09/28/2020	3137EAEX3	5,000,000.00	Freddie Mac	0.375	09/23/2025		0.419	0.419	4,989,522.50	(42.73)	2.736	4.928
Total		149,000,000.00					1.973	0.200	155,131,666.81	4,999,911.44	85.077	2.193
Portfolio Total		175,000,000.00					1.914	0.194	182,343,039.89	5,769,812.94	100.000	2.161

Transactions

City of Kirkland | Investment Core

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
3137EAEU9	FREDDIE MAC 0.375 07/21/25 MTN	07/28/2020	07/29/2020	0.00	99.66	5,000,000.00	4,982,850.00	312.50	4,983,162.50	Morgan Stanley & Co
3137EAEX3	FREDDIE MAC 0.375 09/23/25 MTN	09/24/2020	09/28/2020	0.00	99.78	5,000,000.00	4,989,235.00	156.25	4,989,391.25	Mizuho
Total				0.00		10,000,000.00	9,972,085.00	468.75	9,972,553.75	
Maturity										
3130A5Z77	FHLBANKS 1.830 07/29/20 MATD	07/29/2020	07/29/2020	0.00	100.00	5,000,000.00	5,000,000.00	0.00	5,000,000.00	
3130ACE26	FHLBANKS 1.375 09/28/20 MATD	09/28/2020	09/28/2020	0.00	100.00	5,000,000.00	5,000,000.00	0.00	5,000,000.00	
Total				0.00		10,000,000.00	10,000,000.00	0.00	10,000,000.00	
Coupon										
3135G0S38	FANNIE MAE 2.000 01/05/22	07/05/2020	07/05/2020	50,000.00		0.00	0.00	0.00	50,000.00	
3135G0U92	FANNIE MAE 2.625 01/11/22	07/11/2020	07/11/2020	65,625.00		0.00	0.00	0.00	65,625.00	
3133EJUS6	FEDERAL FARM 2.875 07/17/23	07/17/2020	07/17/2020	71,875.00		0.00	0.00	0.00	71,875.00	
3135G0T94	FANNIE MAE 2.375 01/19/23	07/19/2020	07/19/2020	59,375.00		0.00	0.00	0.00	59,375.00	
3133EKVV4	FEDERAL FARM 1.850 07/26/24	07/26/2020	07/26/2020	92,500.00		0.00	0.00	0.00	92,500.00	
3130A5Z77	FHLBANKS 1.830 07/29/20 MATD	07/29/2020	07/29/2020	45,750.00		0.00	0.00	0.00	45,750.00	
912828V80	US TREASURY 2.250 01/31/24	07/31/2020	07/31/2020	56,250.00		0.00	0.00	0.00	56,250.00	
3133ELMD3	FEDERAL FARM 1.600 02/10/23 '21	08/10/2020	08/10/2020	40,000.00		0.00	0.00	0.00	40,000.00	
3137EAEP0	FREDDIE MAC 1.500 02/12/25 MTN	08/12/2020	08/12/2020	37,083.33		0.00	(0.00)	0.00	37,083.33	
3130A7CV5	FHLBANKS 1.375 02/18/21	08/18/2020	08/18/2020	13,750.00		0.00	0.00	0.00	13,750.00	
3135G0J20	FANNIE MAE 1.375 02/26/21	08/26/2020	08/26/2020	34,375.00		0.00	0.00	0.00	34,375.00	
3133EKBW5	FEDERAL FARM 2.610 02/27/24	08/27/2020	08/27/2020	65,250.00		0.00	0.00	0.00	65,250.00	
3133EKBV7	FEDERAL FARM 2.550 03/01/22	09/01/2020	09/01/2020	63,750.00		0.00	0.00	0.00	63,750.00	
313383YJ4	FHLBANKS 3.375 09/08/23	09/08/2020	09/08/2020	84,375.00		0.00	0.00	0.00	84,375.00	
3133EJFK0	FEDERAL FARM 2.650 03/08/23	09/08/2020	09/08/2020	66,250.00		0.00	0.00	0.00	66,250.00	
313378JP7	FHLBANKS 2.375 09/10/21	09/10/2020	09/10/2020	59,375.00		0.00	0.00	0.00	59,375.00	
313378WG2	FHLBANKS 2.500 03/11/22	09/11/2020	09/11/2020	62,500.00		0.00	0.00	0.00	62,500.00	
3135G0U43	FANNIE MAE 2.875 09/12/23	09/12/2020	09/12/2020	71,875.00		0.00	0.00	0.00	71,875.00	
3130AFV61	FHLBANKS 2.500 03/12/21	09/12/2020	09/12/2020	62,500.00		0.00	0.00	0.00	62,500.00	
3130ACE26	FHLBANKS 1.375 09/28/20 MATD	09/28/2020	09/28/2020	34,375.00		0.00	0.00	0.00	34,375.00	
Total				1,136,833.33		0.00	(0.00)	0.00	1,136,833.33	
Cash Transfer										

Transactions

City of Kirkland | Investment Core



September 30, 2020

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
CCYUSD	US DOLLAR	07/06/2020	07/06/2020	0.00		50,000.00	(50,000.00)	0.00	(50,000.00)	
CCYUSD	US DOLLAR	07/13/2020	07/13/2020	0.00		65,625.00	(65,625.00)	0.00	(65,625.00)	
CCYUSD	US DOLLAR	07/17/2020	07/17/2020	0.00		71,875.00	(71,875.00)	0.00	(71,875.00)	
CCYUSD	US DOLLAR	07/20/2020	07/20/2020	0.00		59,375.00	(59,375.00)	0.00	(59,375.00)	
CCYUSD	US DOLLAR	07/27/2020	07/27/2020	0.00		92,500.00	(92,500.00)	0.00	(92,500.00)	
CCYUSD	US DOLLAR	07/28/2020	07/28/2020	0.00		4,983,162.50	4,983,162.50	0.00	4,983,162.50	
CCYUSD	US DOLLAR	07/29/2020	07/29/2020	0.00		5,000,000.00	(5,000,000.00)	0.00	(5,000,000.00)	
CCYUSD	US DOLLAR	07/29/2020	07/29/2020	0.00		45,750.00	(45,750.00)	0.00	(45,750.00)	
CCYUSD	US DOLLAR	07/31/2020	07/31/2020	0.00		56,250.00	(56,250.00)	0.00	(56,250.00)	
CCYUSD	US DOLLAR	08/10/2020	08/10/2020	0.00		40,000.00	(40,000.00)	0.00	(40,000.00)	
CCYUSD	US DOLLAR	08/12/2020	08/12/2020	0.00		37,083.33	(37,083.33)	0.00	(37,083.33)	
CCYUSD	US DOLLAR	08/18/2020	08/18/2020	0.00		13,750.00	(13,750.00)	0.00	(13,750.00)	
CCYUSD	US DOLLAR	08/26/2020	08/26/2020	0.00		34,375.00	(34,375.00)	0.00	(34,375.00)	
CCYUSD	US DOLLAR	08/27/2020	08/27/2020	0.00		65,250.00	(65,250.00)	0.00	(65,250.00)	
CCYUSD	US DOLLAR	09/01/2020	09/01/2020	0.00		63,750.00	(63,750.00)	0.00	(63,750.00)	
CCYUSD	US DOLLAR	09/08/2020	09/08/2020	0.00		66,250.00	(66,250.00)	0.00	(66,250.00)	
CCYUSD	US DOLLAR	09/08/2020	09/08/2020	0.00		84,375.00	(84,375.00)	0.00	(84,375.00)	
CCYUSD	US DOLLAR	09/10/2020	09/10/2020	0.00		59,375.00	(59,375.00)	0.00	(59,375.00)	
CCYUSD	US DOLLAR	09/11/2020	09/11/2020	0.00		62,500.00	(62,500.00)	0.00	(62,500.00)	
CCYUSD	US DOLLAR	09/14/2020	09/14/2020	0.00		71,875.00	(71,875.00)	0.00	(71,875.00)	
CCYUSD	US DOLLAR	09/14/2020	09/14/2020	0.00		62,500.00	(62,500.00)	0.00	(62,500.00)	
CCYUSD	US DOLLAR	09/25/2020	09/25/2020	0.00		4,989,391.25	4,989,391.25	0.00	4,989,391.25	
CCYUSD	US DOLLAR	09/28/2020	09/28/2020	0.00		5,000,000.00	(5,000,000.00)	0.00	(5,000,000.00)	
CCYUSD	US DOLLAR	09/28/2020	09/28/2020	0.00		34,375.00	(34,375.00)	0.00	(34,375.00)	
Total				0.00		1,164,279.58	(1,164,279.58)	0.00	(1,164,279.58)	

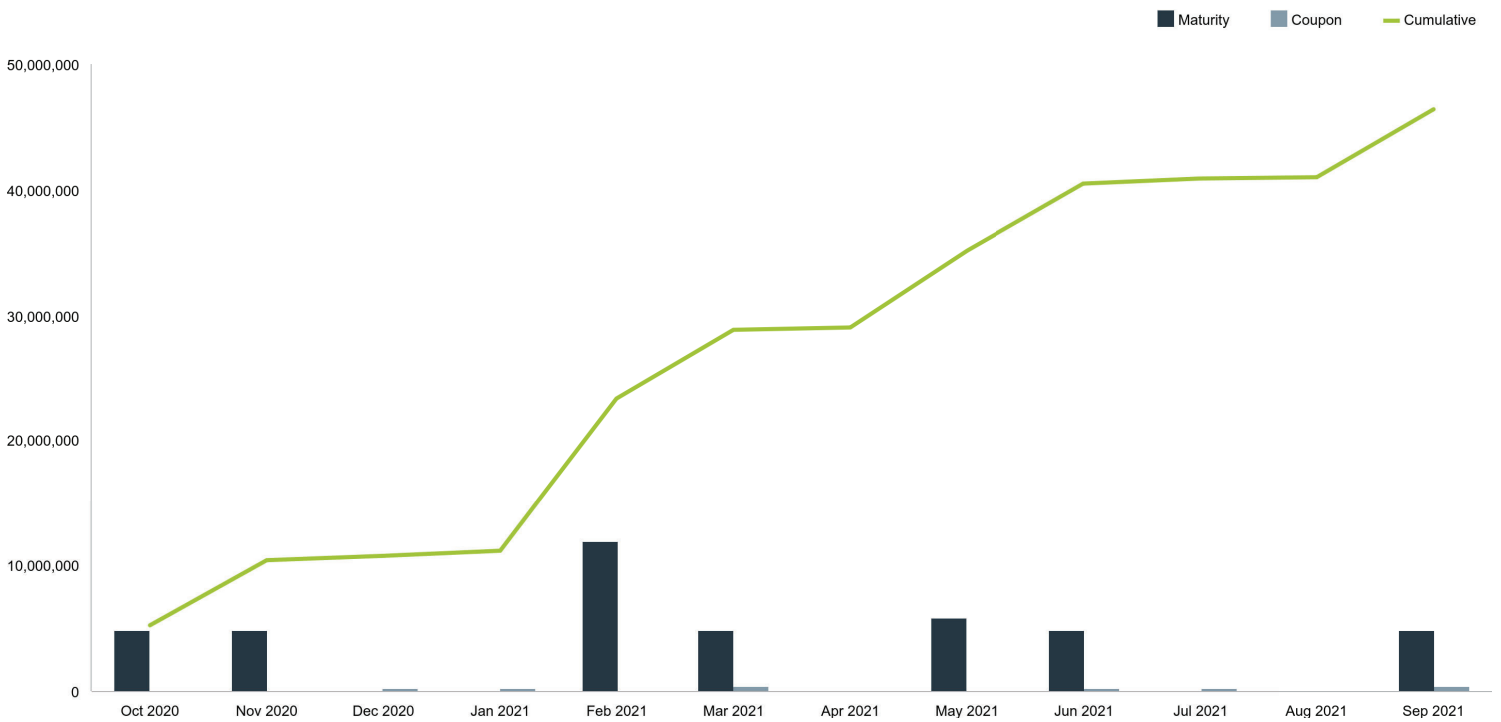
Cash Flow Forecasting

City of Kirkland | Investment Core



September 30, 2020

One Year Projection



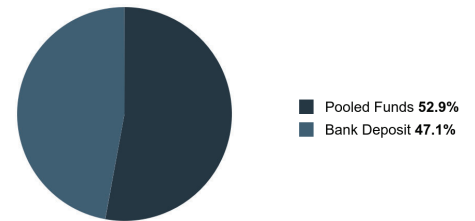
Summary Overview

City of Kirkland | Liquidity

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	49,790,957.00
Book Yield	0.214
Effective Duration	0.010
Years to Maturity	0.010
Avg Credit Rating	NA

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
KIRK-Liquidity	49,790,957.00	49,790,957.00	49,790,957.00	49,790,957.00	0.00	0.00	0.214	0.010	0.09	ICE BofA US 1-Month Treasury Bill Index
Total	49,790,957.00	49,790,957.00	49,790,957.00	49,790,957.00	0.00	0.00	0.214	0.010	0.09	

Return Management-Income Detail

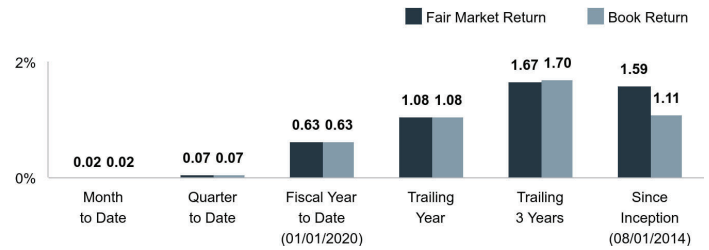
City of Kirkland | Liquidity

Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Interest Earned	36,067.77	379,098.52
Book Income	36,067.77	379,098.52
Average Portfolio Balance	54,911,633.12	58,988,119.97
Book Return for Period	0.07%	0.63%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Interest Income

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Accrued Interest	0.00	0.00
Coupons Paid	36,067.77	379,098.52
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	0.00	0.00
Interest Earned	36,067.77	379,098.52

Holdings by Security Type

City of Kirkland | Liquidity

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
Bank Deposit												
	KIRK_OPUS_DEP	23,462,154.77	OPUS BANK DEPOSIT	0.240			0.240		23,462,154.77	0.00	47.121	0.010
Total		23,462,154.77					0.240		23,462,154.77	0.00	47.121	0.010
Pooled Funds												
	WA_LGIP	26,328,802.23	WASHINGTON LGIP	0.192			0.192		26,328,802.23	0.00	52.879	0.010
Total		26,328,802.23					0.192		26,328,802.23	0.00	52.879	0.010
Portfolio Total		49,790,957.00					0.214		49,790,957.00	0.00	100.000	0.010

Transactions

City of Kirkland | Liquidity

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
KIRK_OPUS_DEP	OPUS BANK DEPOSIT	08/27/2020	08/27/2020	0.00	1.00	17,368.87	17,368.87	0.00	17,368.87	Direct
Total				0.00		17,368.87	17,368.87	0.00	17,368.87	
Sell										
WA_LGIP	WASHINGTON LGIP	09/15/2020	09/15/2020	0.00	1.00	6,239,220.65	6,239,220.65	0.00	6,239,220.65	Direct
Total				0.00		6,239,220.65	6,239,220.65	0.00	6,239,220.65	
Interest Income										
KIRK_OPUS_DEP	OPUS BANK DEPOSIT	09/30/2020	09/30/2020	4,625.76		0.00	4,625.76	0.00	4,625.76	
KIRK_OPUS_DEP	OPUS BANK DEPOSIT	07/31/2020	07/31/2020	6,968.21		0.00	6,968.21	0.00	6,968.21	
WA_LGIP	WASHINGTON LGIP	07/31/2020	07/31/2020	8,309.81		0.00	8,309.81	0.00	8,309.81	
WA_LGIP	WASHINGTON LGIP	08/31/2020	08/31/2020	6,208.84		0.00	6,208.84	0.00	6,208.84	
KIRK_OPUS_DEP	OPUS BANK DEPOSIT	08/31/2020	08/31/2020	5,774.90		0.00	5,774.90	0.00	5,774.90	
WA_LGIP	WASHINGTON LGIP	09/30/2020	09/30/2020	4,180.25		0.00	4,180.25	0.00	4,180.25	
Total				36,067.77		0.00	36,067.77	0.00	36,067.77	

Summary Overview

City of Kirkland | Certificates of Deposit

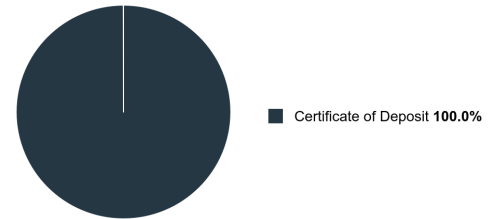


September 30, 2020

Portfolio Characteristics

Metric	Value
Investments	5,325,858.29
Book Yield	0.599
Effective Duration	0.718
Years to Maturity	0.718
Avg Credit Rating	NA

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Book Value	Original Cost	Market Value	Net Unrealized Gain (Loss)	Accrued	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
KIRK-Certificates of Deposit	5,325,770.89	5,325,770.89	5,325,770.89	5,325,770.89	0.00	87.40	0.599	0.718	0.157	ICE BofA 0-3 Month US Treasury Bill Index
Total	5,325,770.89	5,325,770.89	5,325,770.89	5,325,770.89	0.00	87.40	0.599	0.718	0.157	

Return Management-Income Detail

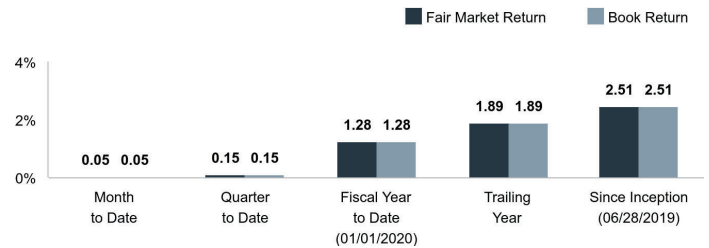
City of Kirkland | Certificates of Deposit

Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Amortization/Accretion	0.00	0.00
Interest Earned	8,034.28	67,311.88
Realized Gain (Loss)	0.00	0.00
Book Income	8,034.28	67,311.88
Average Portfolio Balance	5,320,529.67	5,297,008.44
Book Return for Period	0.15%	1.28%

Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



Interest Income

	Quarter to Date	Fiscal Year to Date (01/01/2020)
Beginning Accrued Interest	87.27	342.14
Coupons Paid	8,034.15	67,566.62
Purchased Accrued Interest	0.00	0.00
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	87.40	87.40
Interest Earned	8,034.28	67,311.88

Holdings by Security Type

City of Kirkland | Certificates of Deposit

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
Certificate of Deposit												
	KIRK-1734025-2021	5,325,770.89	East West Bank	0.599	06/19/2021		0.599	0.599	5,325,858.29	0.00	100.000	0.718
Total		5,325,770.89					0.599	0.599	5,325,858.29	0.00	100.000	0.718
Portfolio Total		5,325,770.89					0.599	0.599	5,325,858.29	0.00	100.000	0.718

Transactions

City of Kirkland | Certificates of Deposit



September 30, 2020

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
KIRK-1734025-2021	East West Bank	07/30/2020	07/30/2020	0.00	100.00	2,705.34	2,705.34	0.00	2,705.34	Unknown
KIRK-1734025-2021	East West Bank	08/31/2020	08/31/2020	0.00	100.00	2,708.07	2,708.07	0.00	2,708.07	Unknown
KIRK-1734025-2021	East West Bank	09/30/2020	09/30/2020	0.00	100.00	2,621.37	2,621.37	0.00	2,621.37	Unknown
Total				0.00		8,034.78	8,034.78	0.00	8,034.78	
Coupon										
KIRK-1734025-2021	East West Bank	07/30/2020	07/30/2020	2,705.34		0.00	87.27	0.00	2,705.34	
KIRK-1734025-2021	East West Bank	08/31/2020	08/31/2020	2,708.07		0.00	2,708.07	0.00	2,708.07	
KIRK-1734025-2021	East West Bank	09/30/2020	09/30/2020	2,620.74		0.00	(87.36)	0.00	2,620.74	
Total				8,034.15		0.00	2,707.98	0.00	8,034.15	

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

Questions About an Account: GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodial bank maintains the control of assets and settles all investment transactions. The custodial statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodial bank statement and the GPA report should be reconciled, and differences documented.

Trade Date versus Settlement Date: Many custodial banks use settlement date basis and post coupons or maturities on the following business days when they occur on weekend. These items may result in the need to reconcile due to a timing difference. GPA reports are on a trade date basis in accordance with GIPS performance standards. GPA can provide all account settings to support the reason for any variance.

Bank Deposits and Pooled Investment Funds Held in Liquidity Accounts Away from the Custodial Bank are Referred to as Line Item Securities: GPA relies on the information provided by clients when reporting pool balances, bank balances and other assets that are not held at the client's custodial bank. GPA does not guarantee the accuracy of information received from third parties. Balances cannot be adjusted once submitted however corrective transactions can be entered as adjustments in the following months activity. Assets held outside the custodial bank that are reported to GPA are included in GPA's oversight compliance reporting and strategic plan.

Account Control: GPA does not have the authority to withdraw or deposit funds from or to any client's custodial account. Clients retain responsibility for the deposit and withdrawal of funds to the custodial account. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Custodial Bank Interface: Our contract provides for the ability for GPA to interface into our client's custodial bank to reconcile transactions, maturities and coupon payments. The GPA client portal will be available to all clients to access this information directly at any time.

Market Price: Generally, GPA has set all securities market pricing to match custodial bank pricing. There may be certain securities that will require pricing override due to inaccurate custodial bank pricing that will otherwise distort portfolio performance returns. GPA may utilize Refinitiv pricing source for commercial paper, discount notes and supranational bonds when custodial bank pricing does not reflect current market levels. The pricing variances are obvious when market yields are distorted from the current market levels.

Amortized Cost: The original cost on the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discounts or premiums are amortized on a straight-line basis on all securities. This can be changed at the client's request.

Callable Securities: Securities subject to redemption in whole or in part prior to the stated final maturity at the discretion of the security's issuer are referred to as "callable". Certain call dates may not show up on the report if the call date has passed or if the security is continuously callable until maturity date. Bonds purchased at a premium will be amortized to the next call date while all other callable securities will be amortized to maturity. If the bond is amortized to the call date, amortization will be reflected to that date and once the call date passes, the bond will be fully amortized.

Duration: The duration is the effective duration. Duration on callable securities is based on the probability of the security being called given market rates and security characteristics.

Benchmark Duration: The benchmark duration is based on the duration of the stated benchmark that is assigned to each account.

Rating: Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Coupon Payments and Maturities on Weekends: On occasion, coupon payments and maturities occur on a weekend or holiday. GPA's report settings are on the accrual basis so the coupon postings and maturities will be accounted for in the period earned. The bank may be set at a cash basis, which may result in a reconciliation variance.

Cash and Cash Equivalents: GPA has defined cash and cash equivalents to be cash, bank deposits, LGIP pools and repurchase agreements. This may vary from your custodial bank which typically defines cash and equivalents as all securities that mature under 90 days. Check with your custodial bank to understand their methodology.

Account Settings: GPA has the portfolio settings at the lot level, if a security is sold our setting will remove the lowest cost security first. First-in-first-out (FIFO) settings are available at the client's request.

Historical Numbers: Data was transferred from GPA's legacy system, however, variances may exist from the data received due to a change of settings on Clearwater. GPA is utilizing this information for historical return data with the understanding the accrual settings and pricing sources may differ slightly.

Financial Situation: In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

No Guarantee: The securities in the portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

