



CITY OF KIRKLAND
FINANCE AND ADMINISTRATION
123 Fifth Avenue, Kirkland, WA 98033
425-587-3000

MEMORANDUM

To: Kurt Triplett, City Manager

From: Veronica Hsieh, Deputy Director Finance & Administration

Date: June 6, 2025

Subject: **May 2025 Monthly Investment Reports**

RECOMMENDATION:

Staff recommends that City Council receives the May 2025 Monthly Investment Reports.

EXECUTIVE SUMMARY:

- City Staff recommends that Council receives the May 2025 Monthly Investment Report. No action by Council is required.
- The Monthly Investment Report appears on the Consent Agenda presenting all City investment activity for the noted month.
- The attached report is prepared by the City's contracted Investment Advisor.

BACKGROUND:

This Monthly Investment Report is provided on the consent calendar following each month. The Monthly 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 the City Council through resolution, 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.

Investments are limited to those securities and deposits authorized by statute (chapters 39.58, 39.59, and 43.250 RCW, and RCW 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 City issued a request for proposals in early 2024 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, 2024.

DISCUSSION/ANALYSIS:

The attached Monthly Investment Report includes a brief market commentary at the beginning of the report on page 3. Following that, the status of compliance to Kirkland's Investment Policy is on pages 4-5. A summary of Portfolio characteristics, structure, activity, and returns can be found on pages 6-8. The report also includes details on each of the security holdings in Kirkland's Portfolio on pages 12-15.

NEXT STEPS:

None.

ATTACHMENTS:

Attachment 1 – May 2025 Investment Report

Monthly Investment Report City of Kirkland

May 31, 2025

Total Aggregate Portfolio

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Month End Commentary - May 2025

The month of May looked calm compared to April which saw volatility spike to a 5-year high, however, there was still plenty to marvel at. Equities, as measured by the S&P 500 index, advanced by a solid 6.2% in May and turned positive for the first time in 2025 while April's impressive rally in fixed income evaporated as bonds posted their first monthly losses of the year. Yields surged, led by the 2-year Treasury note which climbed by 33 basis points during the month to 3.94% while the 5-year note rose by 28 basis points to 4.00%.

The backup in yields started early upon the release of the strong April jobs report that validated the Fed's cautious approach in navigating the path of monetary policy and was later reinforced by a myriad of other influences including waning recession odds, rising inflation expectations, and concerns surrounding fiscal policy particularly regarding the deficit and the sustainability of US debt levels. Unsurprisingly, Moody's Ratings stripped the US of its Aaa rating lowering it to Aa1, the second highest of the 21-notch scale, citing successive administrative and congressional failures to improve the trajectory of the fiscal budget. While the news circulated in headlines, the downgrade had been expected with Moody's being the last of the big three rating agencies to move and having already placed the US on negative outlook in November 2023. Exactly a week later, the House of Representatives passed the first rendition of the One Big Beautiful Bill Act which includes sweeping reforms to the tax code and federal spending. At first glance, economic consensus indicates that the bill in its current form could add more than \$2.3 trillion to the deficit over the next decade. This has led fiscal hawks in Congress to balk at the legislation where it is already facing stiff resistance in the Senate and is likely to undergo significant changes before advancing.

The Fed meets next on June 18th where it is all but certain they will leave the fed funds rate unchanged in a range of 4.25% to 4.50% as they fulfill their dual mandate of maximum employment and stable prices. With the labor market remaining firm, the Fed has begun descending in its approach to the elusive 'soft landing' by reining in inflation without tipping the economy into recession. The latest reading of the Fed's preferred inflation yardstick, the PCE gauge, showed headline price levels decelerate from an annual 2.3% to 2.1% in April while the core reading, which strips out volatile food and energy prices, slowed from 2.6% to 2.5% leaving them a stone's throw from their 2% target. And while the implementation of tariffs carry potential to temporarily boost price growth, the current trend is encouraging.

Barring a sustained resurgence in inflation, the Fed is expected to resume easing policy in late 2025 towards a terminal rate of around 3%. We therefore continue to advise clients to manage portfolio durations neutral to their strategic targets. After widening in April, credit spreads snapped back and tightened in May leaving us less enthusiastic about building exposure and instead prefer maintaining exposures at or slightly lower than target allocations.

Treasury Curve Total Returns Last 12 Months

| Treasuries | Total Return |
|--------------|--------------|
| 3 month bill | 4.762% |
| 1 year note | 4.785% |
| 2 year note | 5.398% |
| 3 year note | 6.073% |
| 5 year note | 6.196% |

Treasury Benchmark Total Returns In Month

| Benchmark | Period Return | YTM | Duration (Years) |
|----------------------------|---------------|-------|------------------|
| ICE BAML 90 Day Bill | 0.364% | 4.20% | 0.24 |
| ICE BAML 0-1 Year Treasury | 0.262% | 4.26% | 0.52 |
| ICE BAML 0-3 Year Treasury | -0.070% | 4.05% | 1.44 |
| ICE BAML 0-5 Year Treasury | -0.234% | 4.01% | 2.13 |

Changes In The Treasury Market (Absolute Yield Levels)

| Treasuries | 05/31/2024 | 03/31/2025 | 04/30/2025 | 05/31/2025 | 1 Month Change | 12 Month Change |
|--------------|------------|------------|------------|------------|----------------|-----------------|
| 3 month bill | 5.40% | 4.29% | 4.29% | 4.33% | 0.05% | -1.07% |
| 6 month bill | 5.38% | 4.22% | 4.17% | 4.31% | 0.14% | -0.87% |
| 1 year note | 5.18% | 4.02% | 3.85% | 4.10% | 0.25% | -0.77% |
| 2 year note | 4.87% | 3.88% | 3.60% | 3.94% | 0.33% | -0.74% |
| 3 year note | 4.68% | 3.87% | 3.60% | 3.90% | 0.30% | -0.61% |
| 5 year note | 4.51% | 3.95% | 3.73% | 4.00% | 0.28% | -0.50% |
| 10 year note | 4.50% | 4.21% | 4.16% | 4.44% | 0.28% | -0.06% |

Compliance Report

City of Kirkland | Total Aggregate Portfolio



May 31, 2025

Category

| Policy Diversification Constraint | Policy Limit | Actual Value* | Status |
|--|--------------|---------------|-----------|
| US Treasury Obligations Maximum % of Holdings | 100.000 | 49.186 | Compliant |
| US Agency Callable Securities Maximum % of Total Portfolio | 25.000 | 0.000 | Compliant |
| US Agency FFCB Issuer Concentration | 30.000 | 20.790 | Compliant |
| US Agency FHLB Issuer Concentration | 30.000 | 10.201 | Compliant |
| US Agency FHLMC Issuer Concentration | 30.000 | 3.332 | Compliant |
| US Agency FNMA Issuer Concentration | 30.000 | 2.480 | Compliant |
| US Agency Obligations - All Other Issuers Combined | 35.000 | 0.000 | Compliant |
| Municipal Bonds Issuer Concentration | 5.000 | 0.000 | Compliant |
| Municipal Bonds Maximum % of Holdings | 30.000 | 0.000 | Compliant |
| Municipal Bonds WA issues GO/Local and GO only Outside WA | 0.000 | 0.000 | Compliant |
| Certificates of Deposit Issuer Concentration | 5.000 | 0.000 | Compliant |
| Certificates of Deposit Maximum % of Holdings | 10.000 | 0.000 | Compliant |
| LGIP Maximum % of Holdings | 100.000 | 12.015 | Compliant |
| PDPC Bank Deposits Issuer Concentration | 30.000 | 1.931 | Compliant |
| PDPC Bank Deposits Maximum % of Holdings | 50.000 | 1.996 | Compliant |

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

City of Kirkland | Total Aggregate Portfolio



May 31, 2025

Category

| Policy Maturity Structure Constraint | Policy Limit | Actual % | Status |
|--|---------------------|--------------------|---------------|
| Maturity Constraints Under 30 days Minimum % of Total Portfolio | 10.000 | 15.296 | Compliant |
| Maturity Constraints Under 1 year Minimum % of Total Portfolio | 25.000 | 36.220 | Compliant |
| Maturity Constraints Under 5 years Minimum % of Total Portfolio | 100.000 | 100.000 | Compliant |
| Policy Maturity Constraint | Policy Limit | Actual Term | Status |
| US Treasury Maximum Maturity At Time of Purchase (years) | 5.000 | 4.986 | Compliant |
| US Agency Maximum Maturity At Time of Purchase (years) | 5.000 | 4.995 | Compliant |
| Municipals Maximum Maturity At Time of Purchase (years) | 5.000 | 0.000 | Compliant |
| Certificates of Deposit Maximum Maturity At Time of Purchase (years) | 5.000 | 0.000 | Compliant |
| Weighted Average Maturity (years) | 2.500 | 1.822 | Compliant |

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

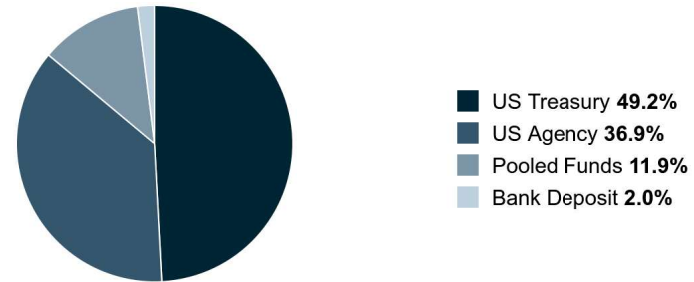
Summary Overview

City of Kirkland | Total Aggregate Portfolio

Portfolio Characteristics

| Metric | Value |
|--------------------------------------|----------------|
| Cash and Cash Equivalents | 41,657,893.24 |
| Investments (Market Value + Accrued) | 257,553,851.54 |
| Book Yield | 3.59% |
| Market Yield | 4.12% |
| Effective Duration | 1.70 |
| Years to Maturity | 1.83 |
| Avg Credit Rating | AA+ |

Allocation by Asset Class



Strategic Structure

| Account | Par Amount | Original Cost | Book Value | Market Value | Net Unrealized Gain (Loss) | Yield at Cost | Effective Duration | Benchmark Duration | Benchmark |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|---------------|--------------------|--------------------|---|
| KIRK-Investment Core | 257,692,500.00 | 255,207,604.08 | 256,363,361.03 | 255,865,053.39 | (498,307.64) | 3.46% | 1.97 | 2.13 | ICE BofA 0-5 Year US Treasury Index |
| KIRK-Liquidity | 41,465,393.24 | 41,465,393.24 | 41,465,393.24 | 41,465,393.24 | 0.00 | 4.39% | 0.01 | 0.08 | ICE BofA US 1-Month Treasury Bill Index |
| Total | 299,157,893.24 | 296,672,997.32 | 297,828,754.27 | 297,330,446.63 | (498,307.64) | 3.59% | 1.70 | | |

Portfolio Activity

City of Kirkland | Total Aggregate Portfolio



May 31, 2025

Accrual Activity Summary

| | Month to Date | Fiscal Year to Date (01/01/2025) |
|---------------------------------------|----------------|-------------------------------------|
| Beginning Book Value | 292,735,599.54 | 297,406,569.00 |
| Maturities/Calls | 0.00 | (20,000,000.00) |
| Purchases | 0.00 | 19,904,748.44 |
| Sales | 0.00 | 0.00 |
| Change in Cash, Payables, Receivables | 5,025,499.37 | 126,023.37 |
| Amortization/Accretion | 67,655.36 | 391,413.47 |
| Realized Gain (Loss) | 0.00 | 0.00 |
| Ending Book Value | 297,828,754.27 | 297,828,754.27 |

Fair Market Activity Summary

| | Month to Date | Fiscal Year to Date (01/01/2025) |
|---------------------------------------|----------------|-------------------------------------|
| Beginning Market Value | 293,383,064.47 | 294,690,568.35 |
| Maturities/Calls | 0.00 | (20,000,000.00) |
| Purchases | 0.00 | 19,904,748.44 |
| Sales | 0.00 | 0.00 |
| Change in Cash, Payables, Receivables | 5,025,499.37 | 126,023.37 |
| Amortization/Accretion | 67,655.36 | 391,413.47 |
| Change in Net Unrealized Gain (Loss) | (1,145,772.57) | 2,217,693.00 |
| Net Realized Gain (Loss) | 0.00 | 0.00 |
| Ending Market Value | 297,330,446.63 | 297,330,446.63 |

| Maturities/Calls | Market Value |
|---------------------|-----------------|
| Month to Date | 0.00 |
| Fiscal Year to Date | (20,000,000.00) |

| Purchases | Market Value |
|---------------------|---------------|
| Month to Date | 0.00 |
| Fiscal Year to Date | 19,904,748.44 |

| Sales | Market Value |
|---------------------|--------------|
| Month to Date | 0.00 |
| Fiscal Year to Date | 0.00 |

Return Management-Income Detail

City of Kirkland | Total Aggregate Portfolio



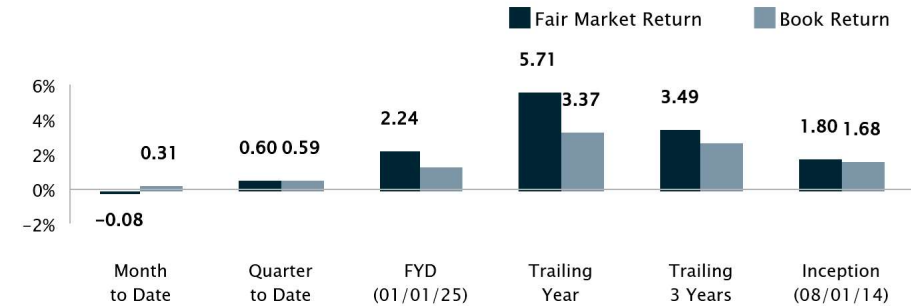
May 31, 2025

Accrued Book Return

| | Month to Date | Fiscal Year to Date (01/01/2025) |
|---------------------------|----------------|-------------------------------------|
| Amortization/Accretion | 67,655.36 | 391,413.47 |
| Interest Earned | 833,844.29 | 3,819,930.18 |
| Realized Gain (Loss) | 0.00 | 0.00 |
| Book Income | 901,499.66 | 4,211,343.65 |
| Average Portfolio Balance | 293,385,632.73 | 288,674,604.99 |
| Book Return for Period | 0.31% | 1.45% |

Return Comparisons

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



Fair Market Return

| | Month to Date | Fiscal Year to Date (01/01/2025) |
|-------------------------------|----------------|-------------------------------------|
| Fair Value Change | (1,213,427.93) | 1,826,279.54 |
| Amortization/Accretion | 67,655.36 | 391,413.47 |
| Interest Earned | 833,844.29 | 3,819,930.18 |
| Fair Market Earned Income | (311,928.27) | 6,037,623.18 |
| Average Portfolio Balance | 293,385,632.73 | 288,674,604.99 |
| Fair Market Return for Period | (0.08%) | 2.24% |

Interest Income

| | Month to Date | Fiscal Year to Date (01/01/2025) |
|----------------------------|---------------|-------------------------------------|
| Beginning Accrued Interest | 1,592,618.52 | 1,749,366.02 |
| Coupons Income | 545,164.66 | 3,763,785.72 |
| Purchased Accrued Interest | 0.00 | 75,787.67 |
| Sold Accrued Interest | 0.00 | 0.00 |
| Ending Accrued Interest | 1,881,298.15 | 1,881,298.15 |
| Interest Earned | 833,844.29 | 3,819,930.18 |

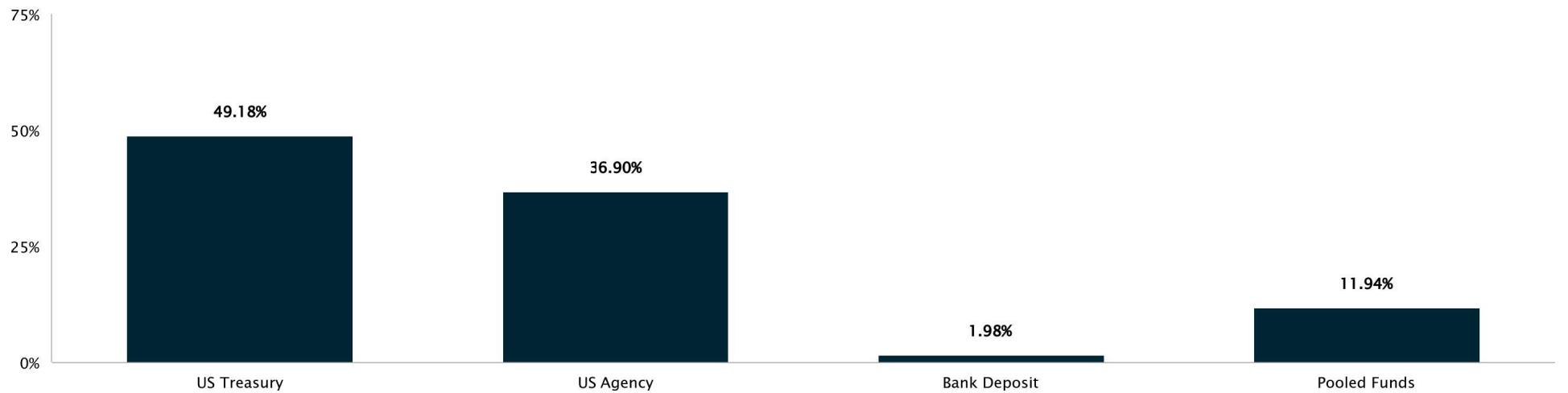
Security Type Distribution

City of Kirkland | Total Aggregate Portfolio

Security Type Distribution

| Security Type | Par Amount | Book Yield | Market Value + Accrued | % of Market Value + Accrued |
|---------------|-----------------------|--------------|------------------------|-----------------------------|
| US Treasury | 148,500,000.00 | 3.17% | 147,147,951.40 | 49.18% |
| US Agency | 109,000,000.00 | 3.85% | 110,405,900.14 | 36.90% |
| Bank Deposit | 5,934,828.66 | 4.44% | 5,934,828.66 | 1.98% |
| Pooled Funds | 35,723,064.58 | 4.38% | 35,723,064.58 | 11.94% |
| Total | 299,157,893.24 | 3.59% | 299,211,744.78 | 100.00% |

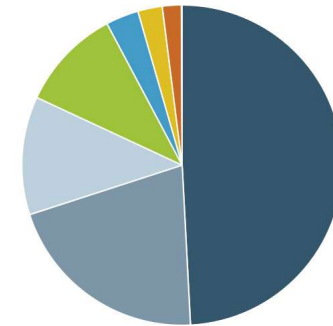
Security Type Distribution



Credit Rating S&P/Moody's/Fitch

| | Market Value + Accrued | % |
|----------------|------------------------|---------------|
| S&P | | |
| AA+ | 257,553,851.54 | 86.08 |
| AAA | 192,500.00 | 0.06 |
| NA | 41,465,393.24 | 13.86 |
| Moody's | | |
| Aa1 | 257,553,851.54 | 86.08 |
| Aaa | 192,500.00 | 0.06 |
| NA | 41,465,393.24 | 13.86 |
| Fitch | | |
| AA+ | 257,553,851.54 | 86.08 |
| AAA | 192,500.00 | 0.06 |
| NA | 41,465,393.24 | 13.86 |
| Total | 299,211,744.78 | 100.00 |

Issuer Concentration



- Government of The United States **49.2%**
- Farm Credit System **20.8%**
- WASHINGTON LGIP **11.9%**
- Federal Home Loan Banks **10.3%**
- Federal Home Loan Mortgage Corporation **3.3%**
- Federal National Mortgage Association **2.5%**
- Cathay Bank **1.9%**
- US Dollar **0.1%**

Risk Management-Maturity/Duration

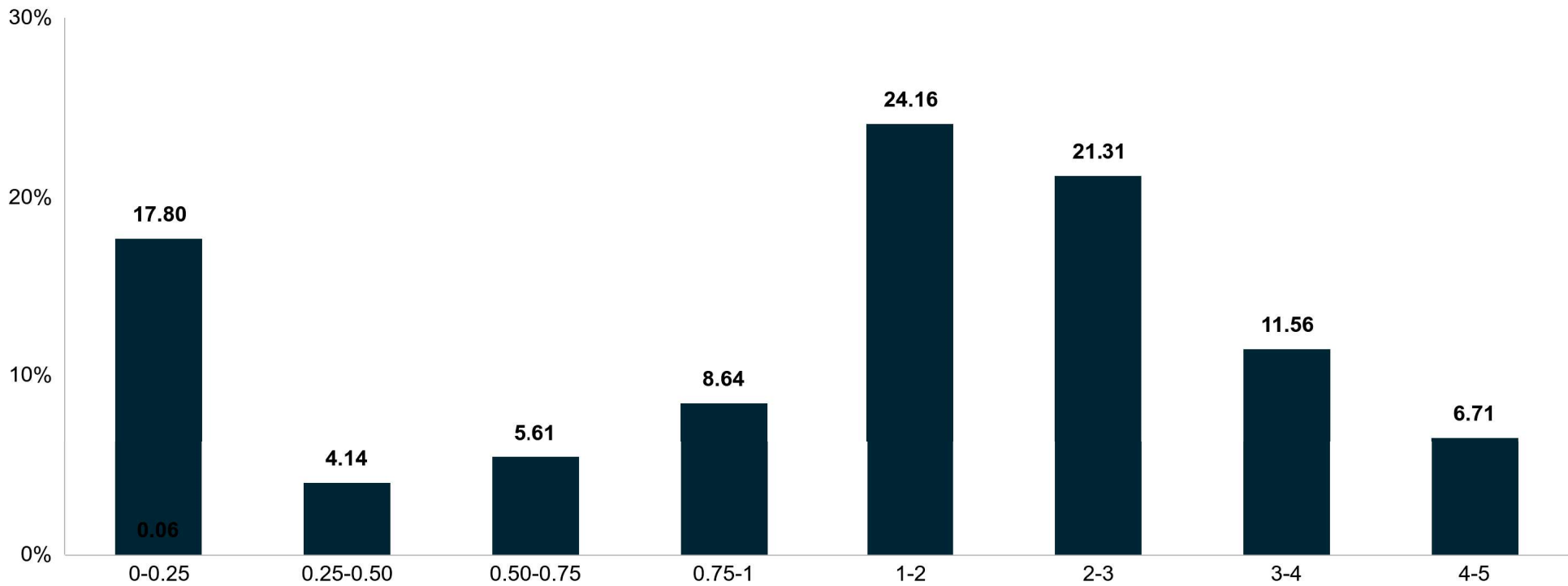
City of Kirkland | Total Aggregate Portfolio



May 31, 2025

| | | | | | |
|-----------------|---------------------------|-----------------|--------------------------|------------|-------------------------|
| 1.70 Yrs | Effective Duration | 1.83 Yrs | Years to Maturity | 667 | Days to Maturity |
|-----------------|---------------------------|-----------------|--------------------------|------------|-------------------------|

Distribution by Effective Duration



Holdings by Maturity & Ratings



City of Kirkland | Total Aggregate Portfolio

May 31, 2025

| 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_CATHA Y_MMF | 5,742,328.66 | Cathay Bank | 4.440% | 05/31/2025 | | 5,742,328.66 | 0.00 | 5,742,328.66 | 4.44% | 4.44% | 1.92 | 0.01 | 0.01 | NA NA NA |
| CCYUSD | 192,500.00 | Receivable | | 05/31/2025 | | 192,500.00 | 0.00 | 192,500.00 | | | 0.06 | | | AAA Aaa AAA |
| WA_LGIP | 35,723,064.58 | WASHINGTON LGIP | 4.382% | 05/31/2025 | | 35,723,064.58 | 0.00 | 35,723,064.58 | 4.38% | 4.38% | 11.94 | 0.01 | 0.01 | NA NA NA |
| 91282ZW3 | 4,000,000.00 | UNITED STATES TREASURY | 0.250% | 06/30/2025 | | 3,985,703.12 | 4,198.90 | 3,989,902.02 | 0.57% | 4.44% | 1.33 | 0.08 | 0.09 | AA+ Aa1 AA+ |
| 3137EAEU9 | 5,000,000.00 | FEDERAL HOME LOAN MORTGAGE CORP | 0.375% | 07/21/2025 | | 4,971,360.40 | 6,770.83 | 4,978,131.23 | 0.44% | 4.44% | 1.66 | 0.14 | 0.14 | AA+ Aa1 AA+ |
| 91282CHV6 | 2,500,000.00 | UNITED STATES TREASURY | 5.000% | 08/31/2025 | | 2,503,417.98 | 31,589.67 | 2,535,007.65 | 4.78% | 4.40% | 0.85 | 0.25 | 0.25 | AA+ Aa1 AA+ |
| 3137EAEX3 | 5,000,000.00 | FEDERAL HOME LOAN MORTGAGE CORP | 0.375% | 09/23/2025 | | 4,936,839.80 | 3,541.67 | 4,940,381.47 | 0.42% | 4.45% | 1.65 | 0.31 | 0.31 | AA+ Aa1 AA+ |
| 3135G06G3 | 7,500,000.00 | FEDERAL NATIONAL MORTGAGE ASSOCIATION | 0.500% | 11/07/2025 | | 7,374,969.75 | 2,500.00 | 7,377,469.75 | 2.83% | 4.39% | 2.47 | 0.44 | 0.43 | AA+ Aa1 AA+ |
| 91282CBC4 | 4,000,000.00 | UNITED STATES TREASURY | 0.375% | 12/31/2025 | | 3,910,312.48 | 6,298.34 | 3,916,610.82 | 0.63% | 4.29% | 1.31 | 0.59 | 0.57 | AA+ Aa1 AA+ |
| 3133EN6A3 | 5,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.000% | 01/13/2026 | | 4,993,361.10 | 76,666.67 | 5,070,027.77 | 3.82% | 4.21% | 1.69 | 0.62 | 0.60 | AA+ Aa1 AA+ |
| 91282CBH3 | 5,000,000.00 | UNITED STATES TREASURY | 0.375% | 01/31/2026 | | 4,871,875.00 | 6,267.27 | 4,878,142.27 | 0.47% | 4.29% | 1.63 | 0.67 | 0.66 | AA+ Aa1 AA+ |
| 91282CBQ3 | 3,000,000.00 | UNITED STATES TREASURY | 0.500% | 02/28/2026 | | 2,917,343.76 | 3,790.76 | 2,921,134.52 | 0.81% | 4.26% | 0.98 | 0.75 | 0.74 | AA+ Aa1 AA+ |
| 313373B68 | 5,000,000.00 | FEDERAL HOME LOAN BANKS | 4.375% | 03/13/2026 | | 5,005,237.60 | 47,395.83 | 5,052,633.43 | 4.63% | 4.23% | 1.69 | 0.78 | 0.76 | AA+ Aa1 AA+ |
| 91282CBT7 | 3,000,000.00 | UNITED STATES TREASURY | 0.750% | 03/31/2026 | | 2,915,648.43 | 3,811.48 | 2,919,459.91 | 0.76% | 4.21% | 0.98 | 0.83 | 0.82 | AA+ Aa1 AA+ |

Holdings by Maturity & Ratings



City of Kirkland | Total Aggregate Portfolio

May 31, 2025

| 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 |
|-----------|--------------|--|-------------|---------------|-----------|--------------|-----------|------------------------|------------|--------------|----------------|-------------------|--------------|-------------------|
| 3133EPHH1 | 4,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.000% | 04/28/2026 | | 3,988,674.60 | 14,666.67 | 4,003,341.27 | 3.95% | 4.32% | 1.34 | 0.91 | 0.88 | AA+ Aa1 AA+ |
| 91282CBW0 | 4,000,000.00 | UNITED STATES TREASURY | 0.750% | 04/30/2026 | | 3,876,953.12 | 2,608.70 | 3,879,561.82 | 0.76% | 4.20% | 1.30 | 0.91 | 0.90 | AA+ Aa1 AA+ |
| 91282CCF6 | 4,000,000.00 | UNITED STATES TREASURY | 0.750% | 05/31/2026 | | 3,866,156.24 | 81.97 | 3,866,238.21 | 0.78% | 4.19% | 1.29 | 1.00 | 0.98 | AA+ Aa1 AA+ |
| 91282CKS9 | 6,000,000.00 | UNITED STATES TREASURY | 4.875% | 05/31/2026 | | 6,039,375.00 | 799.18 | 6,040,174.18 | 4.74% | 4.20% | 2.02 | 1.00 | 0.95 | AA+ Aa1 AA+ |
| 91282CCJ8 | 5,000,000.00 | UNITED STATES TREASURY | 0.875% | 06/30/2026 | | 4,827,343.75 | 18,370.17 | 4,845,713.92 | 2.62% | 4.16% | 1.62 | 1.08 | 1.06 | AA+ Aa1 AA+ |
| 91282CCP4 | 5,000,000.00 | UNITED STATES TREASURY | 0.625% | 07/31/2026 | | 4,801,367.20 | 10,445.44 | 4,811,812.64 | 0.80% | 4.13% | 1.61 | 1.17 | 1.14 | AA+ Aa1 AA+ |
| 91282CHU8 | 5,000,000.00 | UNITED STATES TREASURY | 4.375% | 08/15/2026 | | 5,015,234.40 | 64,053.87 | 5,079,288.27 | 4.19% | 4.11% | 1.70 | 1.21 | 1.16 | AA+ Aa1 AA+ |
| 3133EPUW3 | 5,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.750% | 09/01/2026 | | 5,043,535.15 | 59,375.00 | 5,102,910.15 | 4.75% | 4.03% | 1.71 | 1.25 | 1.19 | AA+ Aa1 AA+ |
| 91282CGZ2 | 5,000,000.00 | UNITED STATES TREASURY | 0.875% | 09/30/2026 | | 4,795,898.45 | 7,411.20 | 4,803,309.65 | 1.05% | 4.04% | 1.61 | 1.33 | 1.30 | AA+ Aa1 AA+ |
| 91282CJC6 | 6,000,000.00 | UNITED STATES TREASURY | 4.625% | 10/15/2026 | | 6,043,359.36 | 35,635.25 | 6,078,994.61 | 4.67% | 4.08% | 2.03 | 1.38 | 1.32 | AA+ Aa1 AA+ |
| 91282CDK4 | 5,000,000.00 | UNITED STATES TREASURY | 1.250% | 11/30/2026 | | 4,800,390.60 | 170.77 | 4,800,561.37 | 1.26% | 4.01% | 1.60 | 1.50 | 1.45 | AA+ Aa1 AA+ |
| 91282CDQ1 | 5,000,000.00 | UNITED STATES TREASURY | 1.250% | 12/31/2026 | | 4,791,210.95 | 26,243.09 | 4,817,454.04 | 1.35% | 3.99% | 1.61 | 1.59 | 1.54 | AA+ Aa1 AA+ |
| 91282CJT9 | 6,000,000.00 | UNITED STATES TREASURY | 4.000% | 01/15/2027 | | 5,997,421.86 | 90,828.73 | 6,088,250.59 | 4.62% | 4.03% | 2.03 | 1.63 | 1.54 | AA+ Aa1 AA+ |
| 91282CEC1 | 6,000,000.00 | UNITED STATES TREASURY | 1.875% | 02/28/2027 | | 5,786,484.36 | 28,430.71 | 5,814,915.07 | 4.60% | 4.00% | 1.94 | 1.75 | 1.69 | AA+ Aa1 AA+ |

Holdings by Maturity & Ratings



City of Kirkland | Total Aggregate Portfolio

May 31, 2025

| 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 |
|-----------|--------------|--|-------------|---------------|-----------|--------------|------------|------------------------|------------|--------------|----------------|-------------------|--------------|-------------------|
| 91282CEF4 | 5,000,000.00 | UNITED STATES TREASURY | 2.500% | 03/31/2027 | | 4,870,312.50 | 21,174.86 | 4,891,487.36 | 2.99% | 3.98% | 1.63 | 1.83 | 1.76 | AA+ Aa1 AA+ |
| 3133ERGF2 | 6,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.750% | 04/30/2027 | | 6,076,025.70 | 24,541.67 | 6,100,567.37 | 4.61% | 4.05% | 2.04 | 1.91 | 1.81 | AA+ Aa1 AA+ |
| 3133ERDS7 | 4,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.750% | 05/06/2027 | | 4,051,331.08 | 13,194.44 | 4,064,525.52 | 4.69% | 4.05% | 1.36 | 1.93 | 1.83 | AA+ Aa1 AA+ |
| 91282CEW7 | 5,000,000.00 | UNITED STATES TREASURY | 3.250% | 06/30/2027 | | 4,933,007.80 | 68,232.04 | 5,001,239.84 | 3.29% | 3.92% | 1.67 | 2.08 | 1.97 | AA+ Aa1 AA+ |
| 91282CFB2 | 6,000,000.00 | UNITED STATES TREASURY | 2.750% | 07/31/2027 | | 5,853,046.86 | 55,151.93 | 5,908,198.79 | 4.54% | 3.94% | 1.97 | 2.17 | 2.06 | AA+ Aa1 AA+ |
| 91282CFH9 | 7,000,000.00 | UNITED STATES TREASURY | 3.125% | 08/31/2027 | | 6,879,687.50 | 55,281.93 | 6,934,969.43 | 4.45% | 3.93% | 2.32 | 2.25 | 2.13 | AA+ Aa1 AA+ |
| 91282CFM8 | 5,000,000.00 | UNITED STATES TREASURY | 4.125% | 09/30/2027 | | 5,023,046.90 | 34,938.52 | 5,057,985.42 | 4.19% | 3.91% | 1.69 | 2.33 | 2.19 | AA+ Aa1 AA+ |
| 3133EPYM1 | 2,500,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.750% | 10/13/2027 | | 2,539,986.73 | 15,833.33 | 2,555,820.06 | 4.71% | 4.03% | 0.85 | 2.37 | 2.21 | AA+ Aa1 AA+ |
| 3133EN3S7 | 7,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 3.750% | 12/07/2027 | | 6,948,551.19 | 126,875.00 | 7,075,426.19 | 3.81% | 4.06% | 2.36 | 2.52 | 2.34 | AA+ Aa1 AA+ |
| 91282CGH8 | 7,000,000.00 | UNITED STATES TREASURY | 3.500% | 01/31/2028 | | 6,926,445.33 | 81,892.27 | 7,008,337.60 | 4.40% | 3.92% | 2.34 | 2.67 | 2.50 | AA+ Aa1 AA+ |
| 91282CGP0 | 5,000,000.00 | UNITED STATES TREASURY | 4.000% | 02/29/2028 | | 5,010,742.20 | 50,543.48 | 5,061,285.68 | 4.31% | 3.92% | 1.69 | 2.75 | 2.56 | AA+ Aa1 AA+ |
| 3130ATS57 | 5,000,000.00 | FEDERAL HOME LOAN BANKS | 4.500% | 03/10/2028 | | 5,073,909.45 | 50,625.00 | 5,124,534.45 | 3.79% | 3.93% | 1.71 | 2.78 | 2.57 | AA+ Aa1 AA+ |
| 3133EPGW9 | 4,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 3.875% | 04/25/2028 | | 3,986,535.04 | 15,500.00 | 4,002,035.04 | 3.71% | 4.00% | 1.34 | 2.90 | 2.71 | AA+ Aa1 AA+ |
| 3130AWMN7 | 5,000,000.00 | FEDERAL HOME LOAN BANKS | 4.375% | 06/09/2028 | | 5,057,890.90 | 104,513.89 | 5,162,404.79 | 4.35% | 3.96% | 1.73 | 3.02 | 2.76 | AA+ Aa1 AA+ |

Holdings by Maturity & Ratings



City of Kirkland | Total Aggregate Portfolio

May 31, 2025

| 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 |
|--------------|-----------------------|--|---------------|---------------|-----------|-----------------------|---------------------|------------------------|--------------|--------------|----------------|-------------------|--------------|-------------------|
| 3130AWN63 | 5,000,000.00 | FEDERAL HOME LOAN BANKS | 4.000% | 06/30/2028 | | 5,008,987.50 | 83,888.89 | 5,092,876.39 | 4.01% | 3.94% | 1.70 | 3.08 | 2.83 | AA+ Aa1 AA+ |
| 3130AWTR1 | 5,000,000.00 | FEDERAL HOME LOAN BANKS | 4.375% | 09/08/2028 | | 5,066,072.50 | 50,434.03 | 5,116,506.53 | 4.44% | 3.94% | 1.71 | 3.27 | 3.00 | AA+ Aa1 AA+ |
| 3133EPWK7 | 5,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.500% | 09/22/2028 | | 5,080,602.65 | 43,125.00 | 5,123,727.65 | 4.72% | 3.97% | 1.71 | 3.31 | 3.03 | AA+ Aa1 AA+ |
| 91282CJF9 | 5,000,000.00 | UNITED STATES TREASURY | 4.875% | 10/31/2028 | | 5,151,757.80 | 21,195.65 | 5,172,953.45 | 4.36% | 3.92% | 1.73 | 3.42 | 3.12 | AA+ Aa1 AA+ |
| 9128285M8 | 5,000,000.00 | UNITED STATES TREASURY | 3.125% | 11/15/2028 | | 4,869,335.95 | 7,218.07 | 4,876,554.02 | 4.24% | 3.94% | 1.63 | 3.46 | 3.24 | AA+ Aa1 AA+ |
| 3133ERAK7 | 5,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.375% | 04/10/2029 | | 5,045,201.15 | 30,989.58 | 5,076,190.73 | 4.63% | 4.12% | 1.70 | 3.86 | 3.50 | AA+ Aa1 AA+ |
| 3133ERDH1 | 4,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.750% | 04/30/2029 | | 4,087,283.16 | 16,361.11 | 4,103,644.27 | 4.54% | 4.14% | 1.37 | 3.91 | 3.54 | AA+ Aa1 AA+ |
| 3130B1BC0 | 5,000,000.00 | FEDERAL HOME LOAN BANKS | 4.625% | 06/08/2029 | | 5,117,841.20 | 111,128.47 | 5,228,969.67 | 4.47% | 3.98% | 1.75 | 4.02 | 3.57 | AA+ Aa1 AA+ |
| 91282CLC3 | 5,000,000.00 | UNITED STATES TREASURY | 4.000% | 07/31/2029 | | 5,005,273.45 | 66,850.83 | 5,072,124.28 | 3.87% | 3.97% | 1.70 | 4.17 | 3.76 | AA+ Aa1 AA+ |
| 91282CFT3 | 5,000,000.00 | UNITED STATES TREASURY | 4.000% | 10/31/2029 | | 5,002,929.70 | 17,391.30 | 5,020,321.00 | 4.33% | 3.98% | 1.68 | 4.42 | 4.00 | AA+ Aa1 AA+ |
| 91282CGB1 | 5,000,000.00 | UNITED STATES TREASURY | 3.875% | 12/31/2029 | | 4,974,609.40 | 81,353.59 | 5,055,962.99 | 4.32% | 4.00% | 1.69 | 4.59 | 4.10 | AA+ Aa1 AA+ |
| 3133ER7L9 | 10,000,000.00 | FEDERAL FARM CREDIT BANKS FUNDING CORP | 4.000% | 03/18/2030 | | 9,972,665.30 | 81,111.11 | 10,053,776.41 | 4.05% | 4.06% | 3.36 | 4.80 | 4.29 | AA+ Aa1 AA+ |
| Total | 299,157,893.24 | | 3.309% | | | 297,330,446.63 | 1,881,298.15 | 299,211,744.78 | 3.59% | 4.12% | 100.00 | 1.83 | 1.70 | |

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.

Performance Calculation: Historical returns are presented as time-weighted total return values and are presented gross and net of fees.

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.

