

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
September 30, 2023**

| | Par Value | Market Value | Book Value | % of Portfolio |
|-----------------------------------|-------------------|---------------------|-------------------|---------------------------|
| Cash In Bank (Schedule A) | 4,103,526 | 4,103,526 | 4,103,526 | 12.9% |
| LAIF Statement | 12,302,730 | 12,134,278 | 12,302,730 | 38.7% |
| Investments (Schedule B) | 15,900,000 | 15,159,836 | 15,371,250 | 48.4% |
| Total Cash and Investments | 32,306,256 | 31,397,640 | 31,777,506 | 100% |

The above investments are consistent with the Town's Statement of Investment Policy and are allowable under current legislation of the State of California. Investments are selected using safety, liquidity, and yield as the criteria. The Town has sufficient cash flow to cover anticipated expenditures through the next six months.



Robert Barron, Finance Director

9/30/2023

Date

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
September 30, 2023**

Schedule A

| <u>Name of Depository</u> | <u>Investment Type</u> | <u>Reconciled Bank Balance</u> |
|----------------------------------|-------------------------------|---|
| Wells Fargo | General Account | 3,384,021 |
| Wells Fargo | Wells Fargo Trust MMF-Cash | 719,505 |
| Total | | <u>4,103,526</u> |

**Town of Atherton
Treasurer's Report Schedule B
Portfolio Details - Investments
September 30, 2023**

Schedule B

See next pages Insight Report

Town of Atherton
Quarterly Treasurer's Report
Cash & Investments Balance By Fund
September 30, 2023

| Fund No. | Fund Name | December Balance |
|-------------------------------------|------------------------------------|-----------------------------|
| 101 | General Fund | 17,131,331 |
| 105 | Tennis Fund | 131,728 |
| 610 | Equipment Replacement Fund | 1,033,834 |
| 614 | Worker's Compensation | 1,933,589 |
| 615 | General Liability | 303,776 |
| 616 | Employee Benefits | 1,842,558 |
| Total Non-Restricted | | 22,376,816 |
| 201 | Special Tax Fund | 569,422 |
| 202 | County Measure A Fund | 1,367,412 |
| 203 | Gas Tax Fund | 347,022 |
| 204 | Measure M | 194,941 |
| 205 | Measure W | 707,297 |
| 209 | SLES/COPS Grant | 96,600 |
| 213 | Library Fund | 41,352 |
| 221 | Refuse Rate and Stabilization | 560,959 |
| 401 | GF Projects | 4,213,758 |
| 402 | Storm Drainage | 32,723 |
| 403 | Atherton Channel Drainage District | 950,033 |
| 406 | Facilities Construction | 285,768 |
| 730 | H-P Park Improvement | 6,637 |
| 740 | Tree Committee | 26,765 |
| Total Restricted | | 9,400,690 |
| Total Cash & Investments | | 31,777,506 |

**Town of Atherton
Quarterly Treasurer's Report
Local Agency Investment Fund Summary (LAIF)
September 30, 2023**

| Date | Begin \$\$\$ | Contribution | Earnings | Expenses | Distribution | Ending \$\$\$ | Date |
|-------------|---------------------|---------------------|-----------------|-----------------|---------------------|----------------------|-------------|
| 9/1/2023 | 12,302,730 | | - | - | | 12,302,730 | 9/30/2023 |

**Town of Atherton
Quarterly Treasurer's Report
PARS Trust Account Summary
September 30, 2023**

| Date | Begin \$\$\$ | Contribution | Earnings | Expenses | Distribution | Ending \$\$\$ | Date |
|-------------|---------------------|---------------------|-----------------|-----------------|---------------------|----------------------|---------------|
| 9/1/2023 | 8,251,750 | | (284,895) | (3,815) | (35,358) | 7,927,682 | 9/30/2023 (*) |

* Recent available PARS report

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TOWN OF ATHERTON

Treasurer's Report Schedule B

September 2023



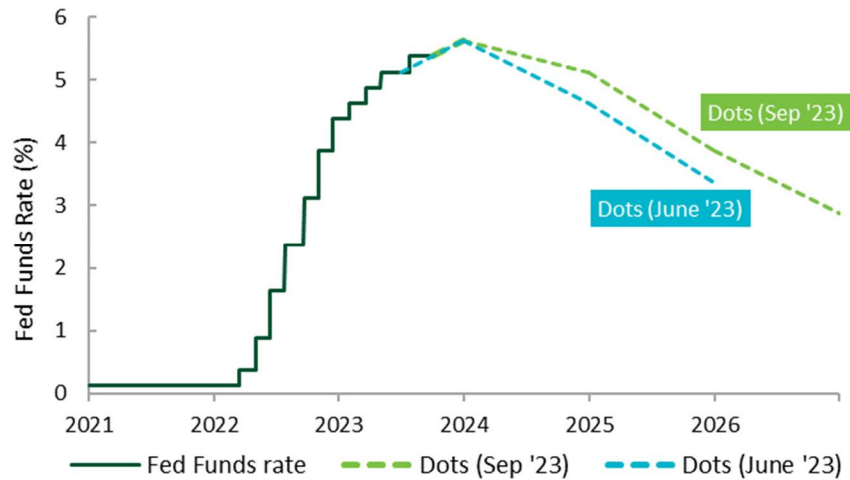
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FIXED INCOME MARKET REVIEW

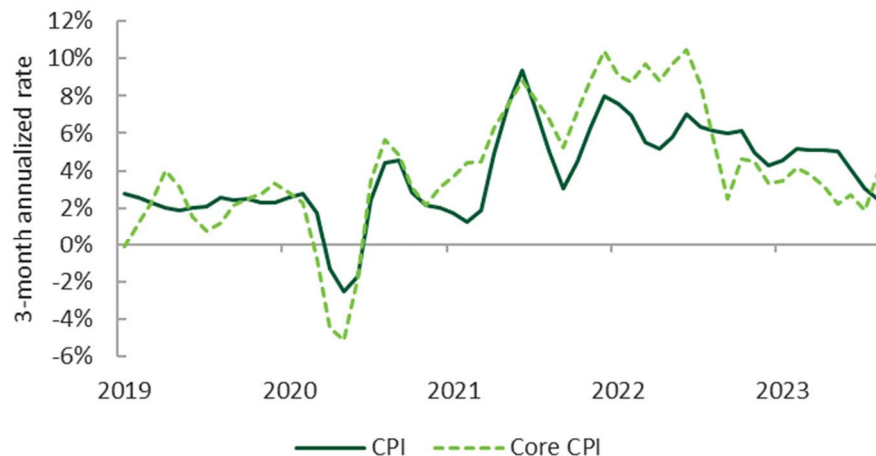
As of September 30, 2023

Chart 1: The Federal Reserve forecast “higher for longer” interest rates



Source: Bureau of Labor Statistics, September 30, 2023

Chart 2: Core CPI's momentum continued to improve as energy pushed up headline CPI



Source: Bureau of Labor Statistics, Insight calculations, September 30, 2023

Economic Indicators and Monetary Policy

The Federal Reserve kept the Fed Funds target rate on hold at 5.25% to 5.5% at the September meeting. However, the Committee continued to project another rate hike by the end of the year and adjusted the “dot plot” to reflect a slower pace of rate cuts than it did in at its June meeting (Chart 1). The Fed also significantly raised its economic growth forecasts. Chair Powell, nonetheless, stated the central bank will “proceed carefully”.

Headline CPI rose 0.6% month-on-month in August (up from 0.2% in July) driven primarily by higher energy prices. On a year-over-year basis, CPI rose 3.7% in August from 3.2%. However, core CPI painted a more benign picture, decreasing from 4.7% to 4.3% year-on-year, the slowest level since September 2021. Meanwhile, the 3-month annualized rate fell below 3%, improving from 3.1% to 2.4% (Chart 2). Broad disinflationary trends are still evident across non-energy areas, although there were some blemishes, with non-durable goods and transportation (particularly private transportation) categories contributing positively, likely related to higher energy prices.

The final estimate of Q2 GDP was unchanged at 2.1% (equal to Q1 GDP growth). However, consumption was revised down and business investment was revised up.

Labor market conditions remained tight overall. The unemployment rate unexpectedly increased from 3.5% to 3.8%, which was partly driven by the participation rate increasing from 62.6% to 62.8%. Wage growth continued to edge down, falling from 4.4% to 4.3% year-on-year. Job growth was also solid at 187,000 and would have been ~55,000 higher if not for Hollywood strikes and layoffs at a large trucking company.

Congress faced the looming prospect of a government shutdown at the end of the month, given objections from a faction of Republicans in the House of Representatives over the required appropriations bills needed to keep the government funded. However, at the very end of the month, Congress passed a “continuing resolution” to keep the government funded for 45 days, buying until mid-November for a comprehensive agreement.

Interest Rate Summary

As the Federal Reserve projected a “higher for longer” interest rate path, long-end yields rose significantly, but short-end yields remained stable. At the end of September, the 3-month US Treasury bill yielded 5.46%, the 6-month US Treasury bill yielded 5.55%, the 2-year US Treasury note yielded 5.05%, the 5-year US Treasury note yielded 4.61% and the 10-year US Treasury note yielded 4.57%.

ACTIVITY AND PERFORMANCE SUMMARY

TOWN OF ATHERTON

For the period September 1, 2023 - September 30, 2023

Amortized Cost Basis Activity Summary

| | |
|---|---------------|
| Opening balance | 16,074,598.28 |
| Income received | 32,160.06 |
| Total receipts | 32,160.06 |
| Total disbursements | 0.00 |
| Interportfolio transfers | 0.00 |
| Total Interportfolio transfers | 0.00 |
| Realized gain (loss) | 0.00 |
| Change in accruals from security movement | 0.00 |
| Total amortization expense | (5,720.43) |
| Total OID/MKT accretion income | 19,972.09 |
| Return of capital | 0.00 |
| Closing balance | 16,121,010.00 |
| Ending fair value | 15,879,340.99 |
| Unrealized gain (loss) | (241,669.01) |

Detail of Amortized Cost Basis Return

| | Interest earned | Accretion (amortization) | Realized gain (loss) | Total income |
|---------------------------|------------------|--------------------------|----------------------|------------------|
| Cash and Cash Equivalents | 3,069.65 | 0.00 | 0.00 | 3,069.65 |
| Corporate Bonds | 6,264.79 | 4,205.93 | 0.00 | 10,470.72 |
| Government Agencies | 6,576.90 | 4,256.31 | 0.00 | 10,833.21 |
| Government Bonds | 4,866.10 | 5,789.42 | 0.00 | 10,655.52 |
| Total | 20,777.44 | 14,251.66 | 0.00 | 35,029.10 |

Comparative Rates of Return (%)

| | * Twelve month trailing | * Six month trailing | * One month |
|--------------------------------|-------------------------|----------------------|-------------|
| Fed Funds | 4.60 | 2.54 | 0.43 |
| Overnight Repo | 4.61 | 2.55 | 0.43 |
| Merrill Lynch 3m US Treas Bill | 4.69 | 2.55 | 0.43 |
| Merrill Lynch 6m US Treas Bill | 4.77 | 2.52 | 0.43 |
| ML 1 Year US Treasury Note | 4.93 | 2.56 | 0.44 |
| ML 2 Year US Treasury Note | 4.48 | 2.28 | 0.40 |
| ML 5 Year US Treasury Note | 3.85 | 1.99 | 0.36 |

* rates reflected are cumulative

Summary of Amortized Cost Basis Return for the Period

| | Total portfolio |
|---|-----------------|
| Interest earned | 20,777.44 |
| Accretion (amortization) | 14,251.66 |
| Realized gain (loss) on sales | 0.00 |
| Total income on portfolio | 35,029.10 |
| Average daily amortized cost | 16,102,710.24 |
| Period return (%) | 0.22 |
| YTD return (%) | 1.48 |
| Weighted average final maturity in days | 484 |

ACTIVITY AND PERFORMANCE SUMMARY

For the period September 1, 2023 - September 30, 2023

Fair Value Basis Activity Summary

| | |
|--|---------------|
| Opening balance | 15,850,957.81 |
| Income received | 32,160.06 |
| Total receipts | 32,160.06 |
| Total disbursements | 0.00 |
| Interportfolio transfers | 0.00 |
| Total Interportfolio transfers | 0.00 |
| Unrealized gain (loss) on security movements | 0.00 |
| Change in accruals from security movement | 0.00 |
| Return of capital | 0.00 |
| Change in fair value for the period | (3,776.88) |
| Ending fair value | 15,879,340.99 |

Detail of Fair Value Basis Return

| | Interest earned | Change in fair value | Total income |
|---------------------------|------------------|----------------------|------------------|
| Cash and Cash Equivalents | 3,069.65 | 0.00 | 3,069.65 |
| Corporate Bonds | 6,264.79 | (3,816.47) | 2,448.32 |
| Government Agencies | 6,576.90 | (4,957.19) | 1,619.71 |
| Government Bonds | 4,866.10 | 4,996.78 | 9,862.88 |
| Total | 20,777.44 | (3,776.88) | 17,000.56 |

Comparative Rates of Return (%)

| | * Twelve month trailing | * Six month trailing | * One month |
|--------------------------------|----------------------------|-------------------------|-------------|
| Fed Funds | 4.60 | 2.54 | 0.43 |
| Overnight Repo | 4.61 | 2.55 | 0.43 |
| ICE Bofa 3 Months US T-BILL | 4.47 | 2.50 | 0.46 |
| ICE Bofa 6m US Treas Bill | 4.59 | 2.40 | 0.45 |
| ICE Bofa 1 Yr US Treasury Note | 3.68 | 1.63 | 0.34 |
| ICE BofA US Treasury 1-3 | 2.47 | 0.17 | (0.01) |
| ICE BofA US Treasury 1-5 | 2.13 | (0.64) | (0.34) |

* rates reflected are cumulative

Summary of Fair Value Basis Return for the Period

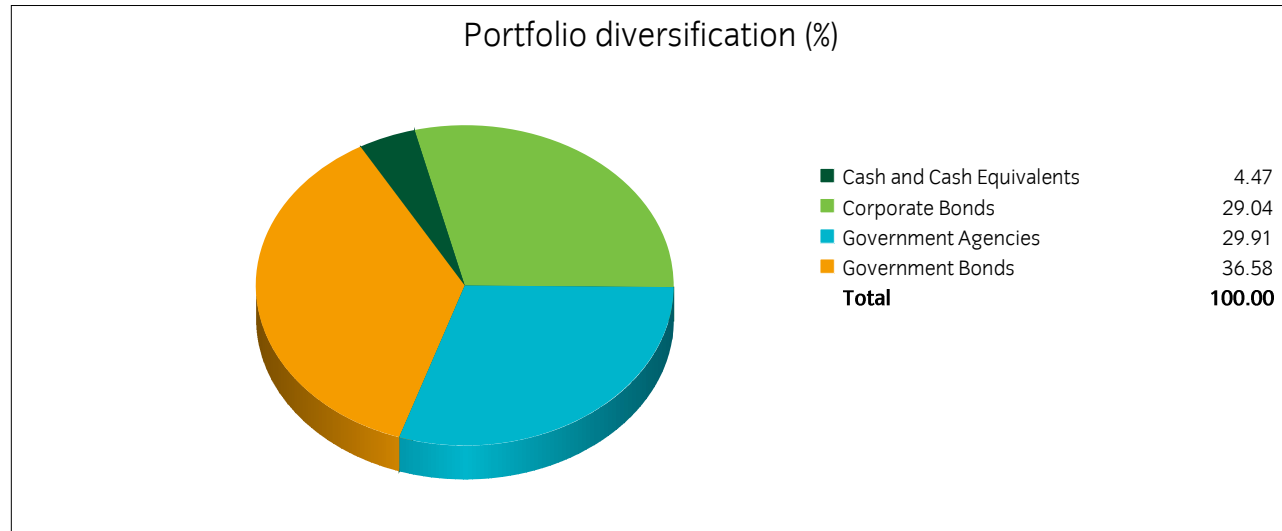
| | Total portfolio |
|---|-----------------|
| Interest earned | 20,777.44 |
| Change in fair value | (3,776.88) |
| Total income on portfolio | 17,000.56 |
| Average daily total value * | 15,915,365.05 |
| Period return (%) | 0.11 |
| YTD return (%) | 2.43 |
| Weighted average final maturity in days | 484 |

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of September 30, 2023

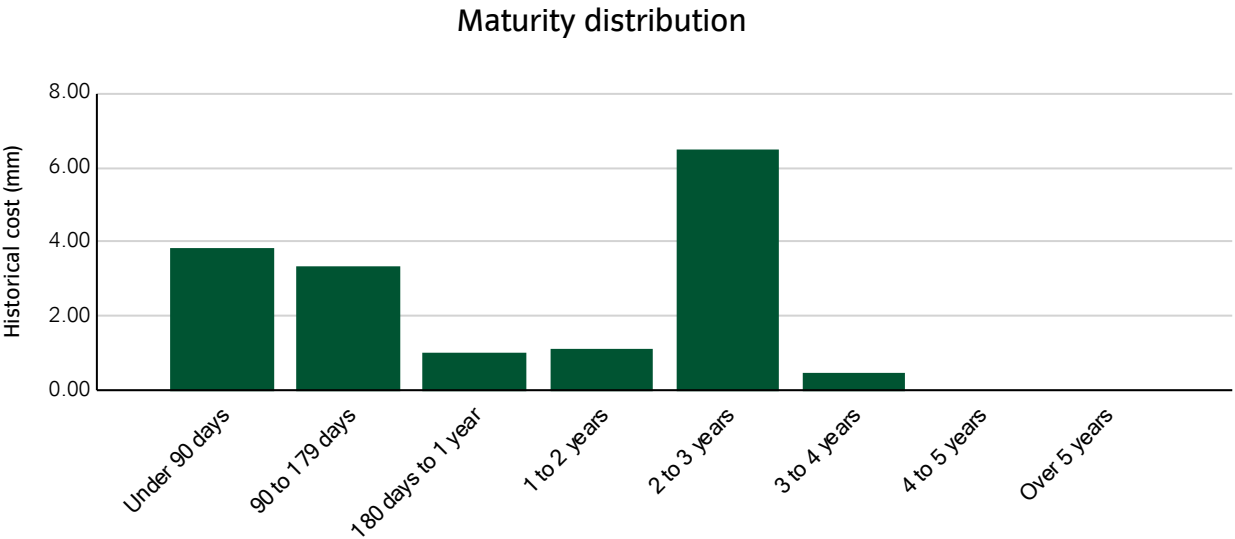
| | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Weighted average final maturity (days) | Percent of portfolio | Weighted average effective duration (years) |
|---------------------------|----------------------|----------------------|----------------------|---------------------------|---|----------------------------|--|
| Cash and Cash Equivalents | 719,504.83 | 719,504.83 | 719,504.83 | 0.00 | 1 | 4.47 | 0.00 |
| Corporate Bonds | 4,672,294.50 | 4,691,015.29 | 4,624,604.87 | (66,410.42) | 571 | 29.04 | 1.47 |
| Government Agencies | 4,813,330.75 | 4,770,713.67 | 4,679,214.96 | (91,498.71) | 554 | 29.91 | 1.44 |
| Government Bonds | 5,885,624.79 | 5,939,776.21 | 5,856,016.33 | (83,759.88) | 417 | 36.58 | 1.09 |
| Total | 16,090,754.87 | 16,121,010.00 | 15,879,340.99 | (241,669.01) | 484 | 100.00 | 1.26 |



MATURITY DISTRIBUTION OF SECURITIES HELD

As of September 30, 2023

| Maturity | Historic cost | Percent |
|--------------------|---------------|---------|
| Under 90 days | 3,830,203.66 | 23.80 |
| 90 to 179 days | 3,295,122.18 | 20.48 |
| 180 days to 1 year | 971,245.00 | 6.04 |
| 1 to 2 years | 1,076,308.38 | 6.69 |
| 2 to 3 years | 6,463,969.40 | 40.17 |
| 3 to 4 years | 453,906.25 | 2.82 |
| 4 to 5 years | 0.00 | 0.00 |
| Over 5 years | 0.00 | 0.00 |
| | 16,090,754.87 | 100.00 |



SECURITIES HELD

As of September 30, 2023

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|---------------------------------|--|--------|--------------------------|------------------------|-----------------|----------------|--------------|------------------------------|------------------------------|-------------------|
| Cash and Cash Equivalents | | | | | | | | | | |
| | Cash and Cash Equivalents | 0.000 | | 719,504.83 | 719,504.83 | 719,504.83 | 719,504.83 | 0.00 | 0.00 | 4.47 |
| Total Cash and Cash Equivalents | | | | 719,504.83 | 719,504.83 | 719,504.83 | 719,504.83 | 0.00 | 0.00 | 4.47 |
| Corporate Bonds | | | | | | | | | | |
| 89236THU2 | TOYOTA MOTOR CREDIT CORP 0.45% 11JAN2024 | 0.450 | 01/11/2024 | 650,000.00 | 648,745.50 | 649,847.16 | 640,576.71 | (9,270.45) | 641.88 | 4.03 |
| 46625HJT8 | JPMORGAN CHASE & CO 3.875% 01FEB2024 | 3.875 | 02/01/2024 | 600,000.00 | 632,604.00 | 605,345.64 | 595,737.22 | (9,608.42) | 3,810.42 | 3.93 |
| 717081DM2 | PFIZER INC 3.4% 15MAY2024 | 3.400 | 05/15/2024 | 500,000.00 | 499,270.00 | 499,733.79 | 492,818.15 | (6,915.64) | 6,375.00 | 3.10 |
| 02665WDS7 | AMERICAN HONDA FINANCE 0.55% 12JUL2024 | 0.550 | 07/12/2024 | 500,000.00 | 471,975.00 | 488,274.41 | 480,770.95 | (7,503.46) | 595.83 | 2.93 |
| 24422EVK2 | JOHN DEERE CAPITAL CORP 0.7% 15JAN2026 | 0.700 | 01/15/2026 | 500,000.00 | 439,170.00 | 456,699.96 | 450,697.98 | (6,001.98) | 729.17 | 2.73 |
| 037833EB2 | APPLE INC 0.7% 08FEB2026 (CALLABLE 08JAN26) | 0.700 | 02/08/2026 01/08/2026 | 650,000.00 | 593,749.00 | 602,394.36 | 586,030.19 | (16,364.17) | 657.22 | 3.69 |
| 06051GFX2 | BANK OF AMERICA CORP 3.5% 19APR2026 | 3.500 | 04/19/2026 | 650,000.00 | 623,493.00 | 625,294.19 | 613,670.78 | (11,623.41) | 10,174.31 | 3.87 |
| 94988J6D4 | WELLS FARGO BANK NA 5.45% 07AUG2026 (CALLABLE 07JUL26) | 5.450 | 08/07/2026 02/12/2024 | 400,000.00 | 397,028.00 | 397,039.53 | 397,322.17 | 282.64 | 3,088.33 | 2.47 |
| 437076BN1 | HOME DEPOT INC 2.125% 15SEP2026 (CALLABLE 15JUN26) | 2.125 | 09/15/2026 06/15/2026 | 400,000.00 | 366,260.00 | 366,386.25 | 366,980.72 | 594.47 | 354.17 | 2.28 |
| Total Corporate Bonds | | | | 4,850,000.00 | 4,672,294.50 | 4,691,015.29 | 4,624,604.87 | (66,410.42) | 26,426.33 | 29.04 |

SECURITIES HELD

TOWN OF ATHERTON

As of September 30, 2023

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|----------------------------------|---|--------|--------------------------|------------------------|---------------------|---------------------|---------------------|------------------------------|------------------------------|-------------------|
| Government Agencies | | | | | | | | | | |
| 3137EAF2 | FREDDIE MAC 0.25% 04DEC2023 | 0.250 | 12/04/2023 | 500,000.00 | 500,338.50 | 500,024.12 | 495,571.82 | (4,452.30) | 402.78 | 3.11 |
| 3133EJ2B4 | FEDERAL FARM CREDIT BANK 3% 06DEC2023 | 3.000 | 12/06/2023 | 750,000.00 | 803,760.00 | 753,669.25 | 746,638.29 | (7,030.96) | 7,125.00 | 5.00 |
| 3135G0V34 | FANNIE MAE 2.5% 05FEB2024 | 2.500 | 02/05/2024 | 500,000.00 | 528,045.00 | 503,713.59 | 494,763.49 | (8,950.10) | 1,909.72 | 3.28 |
| 3134GW3X2 | FREDDIE MAC 0.625% 27OCT2025 (CALLABLE 27OCT23) | 0.625 | 10/27/2025 10/27/2023 | 600,000.00 | 548,910.00 | 556,631.56 | 546,063.35 | (10,568.21) | 1,593.75 | 3.41 |
| 3134GXCS1 | FREDDIE MAC 0.625% 25NOV2025 (CALLABLE 25NOV23) | 0.625 | 11/25/2025 11/25/2023 | 600,000.00 | 547,626.00 | 555,297.52 | 543,614.65 | (11,682.87) | 1,302.08 | 3.40 |
| 3134A2HG6 | FREDDIE MAC 0% 11DEC2025 | 0.000 | 12/11/2025 | 750,000.00 | 675,172.50 | 687,414.02 | 666,921.42 | (20,492.60) | 0.00 | 4.20 |
| 3130AV6J6 | FEDERAL HOME LOAN BANK 4.5% 13MAR2026 | 4.500 | 03/13/2026 | 750,000.00 | 758,133.75 | 756,687.25 | 740,982.83 | (15,704.42) | 1,593.75 | 4.71 |
| 3134GXCJ1 | FREDDIE MAC 0.65% 28MAY2026 (CALLABLE 28NOV23) | 0.650 | 05/28/2026 11/28/2023 | 500,000.00 | 451,345.00 | 457,276.36 | 444,659.11 | (12,617.25) | 1,101.39 | 2.80 |
| Total Government Agencies | | | | 4,950,000.00 | 4,813,330.75 | 4,770,713.67 | 4,679,214.96 | (91,498.71) | 15,028.47 | 29.91 |
| Government Bonds | | | | | | | | | | |
| 912828T91 | USA TREASURY 1.625% 31OCT2023 | 1.625 | 10/31/2023 | 500,000.00 | 515,527.34 | 500,559.06 | 498,516.77 | (2,042.29) | 3,378.06 | 3.20 |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 | 0.250 | 11/15/2023 | 500,000.00 | 498,007.81 | 499,878.94 | 496,905.81 | (2,973.13) | 468.75 | 3.09 |
| 91282CBA8 | USA TREASURY 0.125% 15DEC2023 | 0.125 | 12/15/2023 | 800,000.00 | 793,065.18 | 799,311.05 | 791,625.00 | (7,686.05) | 292.35 | 4.93 |

SECURITIES HELD

TOWN OF ATHERTON

As of September 30, 2023

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|-------------------------------|-------------------------------|--------|------------------------|------------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|-------------------|
| Government Bonds | | | | | | | | | | |
| 91282CBE0 | USA TREASURY 0.125% 15JAN2024 | 0.125 | 01/15/2024 | 500,000.00 | 495,216.52 | 499,356.99 | 492,519.53 | (6,837.46) | 130.77 | 3.08 |
| 91282CBM2 | USA TREASURY 0.125% 15FEB2024 | 0.125 | 02/15/2024 | 500,000.00 | 494,904.02 | 499,149.64 | 490,312.50 | (8,837.14) | 78.13 | 3.08 |
| 91282CBR1 | USA TREASURY 0.25% 15MAR2024 | 0.250 | 03/15/2024 | 500,000.00 | 495,607.14 | 499,142.98 | 488,593.75 | (10,549.23) | 51.51 | 3.08 |
| 912828XZ8 | USA TREASURY 2.75% 30JUN2025 | 2.750 | 06/30/2025 | 350,000.00 | 337,409.38 | 339,215.27 | 336,054.69 | (3,160.58) | 2,406.25 | 2.10 |
| 91282CFK2 | USA TREASURY 3.5% 15SEP2025 | 3.500 | 09/15/2025 | 750,000.00 | 738,899.00 | 742,145.93 | 728,027.34 | (14,118.59) | 1,081.73 | 4.59 |
| 91282CBC4 | USA TREASURY 0.375% 31DEC2025 | 0.375 | 12/31/2025 | 1,200,000.00 | 1,063,082.15 | 1,102,942.82 | 1,084,828.13 | (18,114.69) | 1,125.00 | 6.61 |
| 91282CDK4 | USA TREASURY 1.25% 30NOV2026 | 1.250 | 11/30/2026 | 500,000.00 | 453,906.25 | 458,073.53 | 448,632.81 | (9,440.72) | 2,083.33 | 2.82 |
| Total Government Bonds | | | | 6,100,000.00 | 5,885,624.79 | 5,939,776.21 | 5,856,016.33 | (83,759.88) | 11,095.88 | 36.58 |
| Grand total | | | | 16,619,504.83 | 16,090,754.87 | 16,121,010.00 | 15,879,340.99 | (241,669.01) | 52,550.68 | 100.00 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

TOWN OF ATHERTON

As of September 30, 2023

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|---|---------------------|--------|---------------|------------|------------|--------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| United States Treasury Note/Bond | | | | | | | | | | | | |
| 912828T91 | USA TREASURY 1.625% | 1.625 | 10/31/2023 | | AA+ | Aaa | 500,000.00 | 515,527.34 | 3.20 | 498,516.77 | 3.14 | 0.09 |
| 91282CAW1 | USA TREASURY 0.25% | 0.250 | 11/15/2023 | | AA+ | Aaa | 500,000.00 | 498,007.81 | 3.09 | 496,905.81 | 3.13 | 0.13 |
| 91282CBA8 | USA TREASURY 0.125% | 0.125 | 12/15/2023 | | AA+ | Aaa | 800,000.00 | 793,065.18 | 4.93 | 791,625.00 | 4.99 | 0.21 |
| 91282CBE0 | USA TREASURY 0.125% | 0.125 | 01/15/2024 | | AA+ | Aaa | 500,000.00 | 495,216.52 | 3.08 | 492,519.53 | 3.10 | 0.29 |
| 91282CBM2 | USA TREASURY 0.125% | 0.125 | 02/15/2024 | | AA+ | Aaa | 500,000.00 | 494,904.02 | 3.08 | 490,312.50 | 3.09 | 0.37 |
| 91282CBR1 | USA TREASURY 0.25% | 0.250 | 03/15/2024 | | AA+ | Aaa | 500,000.00 | 495,607.14 | 3.08 | 488,593.75 | 3.08 | 0.45 |
| 91282XZ8 | USA TREASURY 2.75% | 2.750 | 06/30/2025 | | AA+ | Aaa | 350,000.00 | 337,409.38 | 2.10 | 336,054.69 | 2.12 | 1.66 |
| 91282CFK2 | USA TREASURY 3.5% | 3.500 | 09/15/2025 | | AA+ | Aaa | 750,000.00 | 738,899.00 | 4.59 | 728,027.34 | 4.58 | 1.85 |
| 91282CBC4 | USA TREASURY 0.375% | 0.375 | 12/31/2025 | | AA+ | Aaa | 1,200,000.00 | 1,063,082.15 | 6.61 | 1,084,828.13 | 6.83 | 2.18 |
| 91282CDK4 | USA TREASURY 1.25% | 1.250 | 11/30/2026 | | AA+ | Aaa | 500,000.00 | 453,906.25 | 2.82 | 448,632.81 | 2.83 | 3.01 |
| Issuer total | | | | | | | 6,100,000.00 | 5,885,624.79 | 36.58 | 5,856,016.33 | 36.88 | 1.09 |
| Federal Home Loan Mortgage Corp | | | | | | | | | | | | |
| 3137EAF2 | FREDDIE MAC 0.25% | 0.250 | 12/04/2023 | | AA+ | Aaa | 500,000.00 | 500,338.50 | 3.11 | 495,571.82 | 3.12 | 0.18 |
| 3134GW3X2 | FREDDIE MAC 0.625% | 0.625 | 10/27/2025 | 10/27/2023 | AA+ | Aaa | 600,000.00 | 548,910.00 | 3.41 | 546,063.35 | 3.44 | 1.96 |
| 3134GXCS1 | FREDDIE MAC 0.625% | 0.625 | 11/25/2025 | 11/25/2023 | AA+ | Aaa | 600,000.00 | 547,626.00 | 3.40 | 543,614.65 | 3.42 | 2.05 |
| 3134A2HG6 | FREDDIE MAC 0% | 0.000 | 12/11/2025 | | AA+ | Aaa | 750,000.00 | 675,172.50 | 4.20 | 666,921.42 | 4.20 | 2.13 |
| 3134GXCJ1 | FREDDIE MAC 0.65% | 0.650 | 05/28/2026 | 11/28/2023 | AA+ | Aaa | 500,000.00 | 451,345.00 | 2.80 | 444,659.11 | 2.80 | 2.54 |
| Issuer total | | | | | | | 2,950,000.00 | 2,723,392.00 | 16.93 | 2,696,830.35 | 16.98 | 1.79 |
| Federal Farm Credit Banks Funding Corp | | | | | | | | | | | | |
| 3133EJ2B4 | FEDERAL FARM CREDIT | 3.000 | 12/06/2023 | | AA+ | Aaa | 750,000.00 | 803,760.00 | 5.00 | 746,638.29 | 4.70 | 0.18 |
| Issuer total | | | | | | | 750,000.00 | 803,760.00 | 5.00 | 746,638.29 | 4.70 | 0.18 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

TOWN OF ATHERTON

As of September 30, 2023

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|--|----------------------|--------|---------------|------------|------------|--------------|---------------------|-------------------|-----------------------|-------------------|-----------------------|---------------------|
| Federal Home Loan Banks | | | | | | | | | | | | |
| 3130AV6J6 | FEDERAL HOME LOAN | 4.500 | 03/13/2026 | | AA+ | Aaa | 750,000.00 | 758,133.75 | 4.71 | 740,982.83 | 4.67 | 2.27 |
| Issuer total | | | | | | | 750,000.00 | 758,133.75 | 4.71 | 740,982.83 | 4.67 | 2.27 |
| Cash and Cash Equivalents | | | | | | | | | | | | |
| | CASH | 0.000 | | | | | 719,504.83 | 719,504.83 | 0.00 | 719,504.83 | 4.53 | 0.00 |
| Issuer total | | | | | | | 719,504.83 | 719,504.83 | 0.00 | 719,504.83 | 4.53 | 0.00 |
| Toyota Motor Credit Corp | | | | | | | | | | | | |
| 89236THU2 | TOYOTA MOTOR CREDIT | 0.450 | 01/11/2024 | | A+ | A1 | 650,000.00 | 648,745.50 | 4.03 | 640,576.71 | 4.03 | 0.28 |
| Issuer total | | | | | | | 650,000.00 | 648,745.50 | 4.03 | 640,576.71 | 4.03 | 0.28 |
| Bank of America Corp | | | | | | | | | | | | |
| 06051GFX2 | BANK OF AMERICA CORP | 3.500 | 04/19/2026 | | A- | A1 | 650,000.00 | 623,493.00 | 3.87 | 613,670.78 | 3.86 | 2.34 |
| Issuer total | | | | | | | 650,000.00 | 623,493.00 | 3.87 | 613,670.78 | 3.86 | 2.34 |
| JPMorgan Chase & Co | | | | | | | | | | | | |
| 46625HJT8 | JPMORGAN CHASE & CO | 3.875 | 02/01/2024 | | A- | A1 | 600,000.00 | 632,604.00 | 3.93 | 595,737.22 | 3.75 | 0.34 |
| Issuer total | | | | | | | 600,000.00 | 632,604.00 | 3.93 | 595,737.22 | 3.75 | 0.34 |
| Apple Inc | | | | | | | | | | | | |
| 037833EB2 | APPLE INC 0.7% | 0.700 | 02/08/2026 | 01/08/2026 | AA+ | Aaa | 650,000.00 | 593,749.00 | 3.69 | 586,030.19 | 3.69 | 2.27 |
| Issuer total | | | | | | | 650,000.00 | 593,749.00 | 3.69 | 586,030.19 | 3.69 | 2.27 |
| Federal National Mortgage Association | | | | | | | | | | | | |
| 3135G0V34 | FANNIE MAE 2.5% | 2.500 | 02/05/2024 | | AA+ | Aaa | 500,000.00 | 528,045.00 | 3.28 | 494,763.49 | 3.12 | 0.35 |
| Issuer total | | | | | | | 500,000.00 | 528,045.00 | 3.28 | 494,763.49 | 3.12 | 0.35 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

TOWN OF ATHERTON

As of September 30, 2023

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|------------------------------------|-----------------------|--------|---------------|------------|------------|--------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|---------------------|
| Pfizer Inc | | | | | | | | | | | | |
| 717081DM2 | PFIZER INC 3.4% | 3.400 | 05/15/2024 | | A+ | A1 | 500,000.00 | 499,270.00 | 3.10 | 492,818.15 | 3.10 | 0.60 |
| Issuer total | | | | | | | 500,000.00 | 499,270.00 | 3.10 | 492,818.15 | 3.10 | 0.60 |
| American Honda Finance Corp | | | | | | | | | | | | |
| 02665WDS7 | AMERICAN HONDA | 0.550 | 07/12/2024 | | A- | A3 | 500,000.00 | 471,975.00 | 2.93 | 480,770.95 | 3.03 | 0.76 |
| Issuer total | | | | | | | 500,000.00 | 471,975.00 | 2.93 | 480,770.95 | 3.03 | 0.76 |
| John Deere Capital Corp | | | | | | | | | | | | |
| 24422EVK2 | JOHN DEERE CAPITAL | 0.700 | 01/15/2026 | | A | A2 | 500,000.00 | 439,170.00 | 2.73 | 450,697.98 | 2.84 | 2.21 |
| Issuer total | | | | | | | 500,000.00 | 439,170.00 | 2.73 | 450,697.98 | 2.84 | 2.21 |
| Wells Fargo Bank NA | | | | | | | | | | | | |
| 94988J6D4 | WELLS FARGO BANK NA | 5.450 | 08/07/2026 | 02/12/2024 | A+ | Aa2 | 400,000.00 | 397,028.00 | 2.47 | 397,322.17 | 2.50 | 2.54 |
| Issuer total | | | | | | | 400,000.00 | 397,028.00 | 2.47 | 397,322.17 | 2.50 | 2.54 |
| Home Depot Inc/The | | | | | | | | | | | | |
| 437076BN1 | HOME DEPOT INC 2.125% | 2.125 | 09/15/2026 | 06/15/2026 | A | A2 | 400,000.00 | 366,260.00 | 2.28 | 366,980.72 | 2.31 | 2.76 |
| Issuer total | | | | | | | 400,000.00 | 366,260.00 | 2.28 | 366,980.72 | 2.31 | 2.76 |
| Grand total | | | | | | | 16,619,504.83 | 16,090,754.87 | 100.00 | 15,879,340.99 | 100.00 | 1.26 |

SECURITIES PURCHASED

TOWN OF ATHERTON

For the period September 1, 2023 - September 30, 2023

| Cusip | Description / Broker | Trade date Settle date | Coupon | Maturity/ Call date | Par value or shares | Unit cost | Principal cost | Accrued interest |
|------------------------------|---|---------------------------|--------|--------------------------|------------------------|-----------|---------------------|---------------------|
| Corporate Bonds | | | | | | | | |
| 94988J6D4 | WELLS FARGO BANK NA 5.45% J.P. MORGAN SECURITIES LLC | 09/27/2023 09/29/2023 | 5.450 | 08/07/2026 02/12/2024 | 400,000.00 | 99.26 | (397,028.00) | (3,027.78) |
| 437076BN1 | HOME DEPOT INC 2.125% 15SEP2026 BARCLAYS CAPITAL | 09/27/2023 09/29/2023 | 2.125 | 09/15/2026 06/15/2026 | 400,000.00 | 91.57 | (366,260.00) | (330.56) |
| Total Corporate Bonds | | | | | 800,000.00 | | (763,288.00) | (3,358.34) |
| Grand total | | | | | 800,000.00 | | (763,288.00) | (3,358.34) |

SECURITIES SOLD AND MATURED

TOWN OF ATHERTON

For the period September 1, 2023 - September 30, 2023

| Cusip | Description / Broker | Trade date Settle date | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost at sale or maturity | Price | Fair value at sale or maturity | Realized gain (loss) | Accrued interest sold |
|------------------------------------|---|---------------------------|--------|------------------------|------------------------|-------------------|--|-------|--------------------------------------|----------------------------|-----------------------------|
| Government Agencies | | | | | | | | | | | |
| 3137EAEW5 | FREDDIE MAC .25% DUE 09-08-2023 REG | 09/08/2023 09/08/2023 | 0.250 | | (219,000.00) | 219,100.74 | 219,000.00 | 0.00 | 219,000.00 | 0.00 | 0.00 |
| 3133EM6N7 | FEDERAL FARM CREDIT BANK 0.17% 27SEP2023 | 09/27/2023 09/27/2023 | 0.170 | | (500,000.00) | 497,945.00 | 500,000.00 | 0.00 | 500,000.00 | 0.00 | 0.00 |
| Total (Government Agencies) | | | | | (719,000.00) | 717,045.74 | 719,000.00 | | 719,000.00 | 0.00 | 0.00 |
| Grand total | | | | | (719,000.00) | 717,045.74 | 719,000.00 | | 719,000.00 | 0.00 | 0.00 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period September 1, 2023 - September 30, 2023

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|------------------------------|--|-----------------------------|-------------------------|-------------------------|-----------------|-------------------|
| Cash | | | | | | |
| | Cash and Cash Equivalents | 0.00 | 0.00 | 0.00 | 3,069.65 | 3,069.65 |
| Total Cash | | 0.00 | 0.00 | 0.00 | 3,069.65 | 3,069.65 |
| Corporate Bonds | | | | | | |
| 02665WDS7 | AMERICAN HONDA FINANCE 0.55% 12JUL2024 | 1,247.41 | 0.00 | 1,775.80 | 221.52 | 0.00 |
| 037833EB2 | APPLE INC 0.7% 08FEB2026 (CALLABLE 08JAN26) | 1,684.16 | 0.00 | (2,392.34) | 366.53 | 0.00 |
| 06051GFX2 | BANK OF AMERICA CORP 3.5% 19APR2026 | 806.51 | 0.00 | (4,481.02) | 1,832.64 | 0.00 |
| 437076BN1 | HOME DEPOT INC 2.125% 15SEP2026 (CALLABLE 15JUN26) | 126.25 | 0.00 | 720.72 | 23.61 | 0.00 |
| 24422EVK2 | JOHN DEERE CAPITAL CORP 0.7% 15JAN2026 | 1,574.55 | 0.00 | (1,874.61) | 281.95 | 0.00 |
| 46625HJT8 | JPMORGAN CHASE & CO 3.875% 01FEB2024 | (1,325.37) | 0.00 | (156.28) | 1,872.92 | 0.00 |
| 717081DM2 | PFIZER INC 3.4% 15MAY2024 | 35.49 | 0.00 | 256.11 | 1,369.44 | 0.00 |
| 89236THU2 | TOYOTA MOTOR CREDIT CORP 0.45% 11JAN2024 | 45.40 | 0.00 | 2,040.98 | 235.63 | 0.00 |
| 94988J6D4 | WELLS FARGO BANK NA 5.45% 07AUG2026 (CALLABLE 07JUL26) | 11.53 | 0.00 | 294.17 | 60.55 | 0.00 |
| Total Corporate Bonds | | 4,205.93 | 0.00 | (3,816.47) | 6,264.79 | 0.00 |
| Government Agencies | | | | | | |
| 3135G0V34 | FANNIE MAE 2.5% 05FEB2024 | (891.26) | 0.00 | 965.42 | 1,006.94 | 0.00 |
| 3133EM6N7 | FEDERAL FARM CREDIT BANK 0.17% 27SEP2023 | 79.38 | 0.00 | 1,885.27 | 61.39 | 425.00 |
| 3133EJ2B4 | FEDERAL FARM CREDIT BANK 3% 06DEC2023 | (1,723.43) | 0.00 | 1,803.10 | 1,812.50 | 0.00 |
| 3130AV6J6 | FEDERAL HOME LOAN BANK 4.5% 13MAR2026 | (227.19) | 0.00 | (5,477.56) | 2,718.75 | 18,000.00 |
| 3137EAEW5 | FREDDIE MAC .25% DUE 09-08-2023 REG | (0.96) | 0.00 | 213.06 | 10.65 | 273.75 |
| 3134A2HG6 | FREDDIE MAC 0% 11DEC2025 | 2,221.05 | 0.00 | (3,625.94) | 0.00 | 0.00 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period September 1, 2023 - September 30, 2023

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|----------------------------------|---|-----------------------------|-------------------------|-------------------------|------------------|-------------------|
| Government Agencies | | | | | | |
| 3137EAF2 | FREDDIE MAC 0.25% 04DEC2023 | (11.31) | 0.00 | 2,823.24 | 100.70 | 0.00 |
| 3134GXCS1 | FREDDIE MAC 0.625% 25NOV2025 (CALLABLE 25NOV23) | 1,730.42 | 0.00 | (1,672.18) | 302.08 | 0.00 |
| 3134GW3X2 | FREDDIE MAC 0.625% 27OCT2025 (CALLABLE 27OCT23) | 1,741.71 | 0.00 | (164.57) | 302.08 | 0.00 |
| 3134GXCI1 | FREDDIE MAC 0.65% 28MAY2026 (CALLABLE 28NOV23) | 1,337.90 | 0.00 | (1,707.03) | 261.81 | 0.00 |
| Total Government Agencies | | 4,256.31 | 0.00 | (4,957.19) | 6,576.90 | 18,698.75 |
| Government Bonds | | | | | | |
| 91282CBA8 | USA TREASURY 0.125% 15DEC2023 | 271.95 | 0.00 | 3,437.50 | 81.97 | 0.00 |
| 91282CBM2 | USA TREASURY 0.125% 15FEB2024 | 184.86 | 0.00 | 2,089.84 | 50.96 | 0.00 |
| 91282CBE0 | USA TREASURY 0.125% 15JAN2024 | 180.28 | 0.00 | 2,089.84 | 50.95 | 0.00 |
| 91282CBR1 | USA TREASURY 0.25% 15MAR2024 | 153.95 | 0.00 | 2,128.90 | 102.46 | 625.00 |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 | 78.95 | 0.00 | 2,179.25 | 101.90 | 0.00 |
| 91282CBC4 | USA TREASURY 0.375% 31DEC2025 | 3,537.93 | 0.00 | (2,484.37) | 366.85 | 0.00 |
| 91282CDK4 | USA TREASURY 1.25% 30NOV2026 | 1,087.12 | 0.00 | (2,949.22) | 512.29 | 0.00 |
| 91282T91 | USA TREASURY 1.625% 31OCT2023 | (541.02) | 0.00 | 1,622.24 | 662.37 | 0.00 |
| 912828XZ8 | USA TREASURY 2.75% 30JUN2025 | 506.32 | 0.00 | (656.25) | 784.65 | 0.00 |
| 91282CFK2 | USA TREASURY 3.5% 15SEP2025 | 329.08 | 0.00 | (2,460.95) | 2,151.70 | 13,125.00 |
| Total Government Bonds | | 5,789.42 | 0.00 | 4,996.78 | 4,866.10 | 13,750.00 |
| Grand total | | 14,251.66 | 0.00 | (3,776.88) | 20,777.44 | 35,518.40 |

TRANSACTION REPORT

For the period September 1, 2023 - September 30, 2023

| Trade date Settle date | Cusip | Transaction | Sec type | Description | Maturity | Par value or shares | Realized gain(loss) | Principal | Interest | Transaction total |
|---------------------------|-----------|----------------|---------------------------|---------------------------|------------|------------------------|------------------------|--------------|------------|-------------------|
| 09/08/2023 09/08/2023 | 3137EAEW5 | Income | Government Agencies | FREDDIE MAC .25% DUE | 09/08/2023 | 219,000.00 | 0.00 | 0.00 | 273.75 | 273.75 |
| 09/08/2023 09/08/2023 | 3137EAEW5 | Capital Change | Government Agencies | FREDDIE MAC .25% DUE | 09/08/2023 | (219,000.00) | 0.00 | 219,000.00 | 0.00 | 219,000.00 |
| 09/13/2023 09/13/2023 | 3130AV6J6 | Income | Government Agencies | FEDERAL HOME LOAN BANK | 03/13/2026 | 750,000.00 | 0.00 | 0.00 | 18,000.00 | 18,000.00 |
| 09/15/2023 09/15/2023 | 91282CBR1 | Income | Government Bonds | USA TREASURY 0.25% | 03/15/2024 | 500,000.00 | 0.00 | 0.00 | 625.00 | 625.00 |
| 09/15/2023 09/15/2023 | 91282CFK2 | Income | Government Bonds | USA TREASURY 3.5% | 09/15/2025 | 750,000.00 | 0.00 | 0.00 | 13,125.00 | 13,125.00 |
| 09/27/2023 09/27/2023 | 3133EM6N7 | Income | Government Agencies | FEDERAL FARM CREDIT BANK | 09/27/2023 | 500,000.00 | 0.00 | 0.00 | 425.00 | 425.00 |
| 09/27/2023 09/27/2023 | 3133EM6N7 | Capital Change | Government Agencies | FEDERAL FARM CREDIT BANK | 09/27/2023 | (500,000.00) | 0.00 | 500,000.00 | 0.00 | 500,000.00 |
| 09/27/2023 09/29/2023 | 437076BN1 | Bought | Corporate Bonds | HOME DEPOT INC 2.125% | 09/15/2026 | 400,000.00 | 0.00 | (366,260.00) | (330.56) | (366,590.56) |
| 09/27/2023 09/29/2023 | 94988J6D4 | Bought | Corporate Bonds | WELLS FARGO BANK NA 5.45% | 08/07/2026 | 400,000.00 | 0.00 | (397,028.00) | (3,027.78) | (400,055.78) |
| 09/30/2023 | | Income | Cash and Cash Equivalents | Cash | | 0.00 | 0.00 | 0.00 | 3,069.65 | 3,069.65 |

ADDITIONAL INFORMATION

As of September 30, 2023

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

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Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV.

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For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S. Treasury and U.S. agency securities a quality rating based on the methodology used within the respective benchmark index. When Moody's, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moody's and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown.

The ICE BofA 3 Month US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The ICE BofA 6 Month US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The ICE BofA 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The ICE BofA 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

ADDITIONAL INFORMATION

As of September 30, 2023

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