



**Governing Board's Finance and Audit Committee  
Meeting Notice and Agenda\*  
Friday, October 25, 2019  
9:00am  
District Office, D225**

**General Matters**

- |                  |                |        |
|------------------|----------------|--------|
| 1. Call to Order | Tracy Nuckolls | 9:00am |
|------------------|----------------|--------|

**Action Items**

- |   |                |        |
|---|----------------|--------|
| 2. Approval of Minutes from August 23, 2019 | Tracy Nuckolls | 9:05am |
|---|----------------|--------|

**Reports and Feedback**

- |  |  |         |
|--|--|---------|
| 3. Investment Update   | Scott Cabalka, John Utter,<br>Bethany Jessen (RBC) | 9:10am  |
| 4. Chancellor Update   | Lee Lambert  | 9:30am  |
| 5. Budget Forecast - Preliminary Model                           | David Bea  | 9:50am  |
| 6. Internal Audit Update   | Jeff Silvyn, Kurt Weirich                          | 10:40am |
| 7. Discuss Vacant Seat on the Finance and Audit Committee        | Tracy Nuckolls                                     | 11:00am |
| 8. CFO Update  | David Bea  | 11:15am |
| a. Revenue Bonds   |  |         |
| i. Expenditure Update  |  |         |
| ii. Bond Oversight Committee                                     |  |         |
| b. FY21 Budget Development Calendar                              |  |         |
| c. Revisions to BP 4.07, Cash Reserves                           |  |         |
| d. FY19 Audit Update   |  |         |
| e. FY20 Enrollment Revitalization Funds - First Quarterly Report |  |         |

**Effectiveness Discussion**

**Information Items**

- |   |  |
|---|--|
| 9. Future Agenda Items                            |  |
| a. Financial Aid Update                           |  |
| b. Competency-Based Education                     |  |
| c. Athletics                                      |  |
| d. Marketing                                      |  |
| e. Enrollment Management                          |  |
| f. Student Payments Demo (December)               |  |
| g. Revisions to BP 4.07, Cash Reserves (December) |  |
| h. Vote on New Committee Member (December)        |  |
| i. Program Review Update                          |  |

## Adjournment

### Next Meeting

December 13, 2019

District Office, D225

**\*Option to recess into executive session** – Pursuant to A.R.S. 38-431.03(A)(2) the Committee may vote to go into executive session for discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law.

**\*\*Additional Information** – Additional information about the above agenda items is available for review on the College's [website](#).

**\*\*The Committee reserves the right to change the order of agenda items.**

**\*\*To request a reasonable accommodation for individuals with disabilities, a minimum of five (5) business days before the event is requested. Contact Phone: (520) 206-4539 Fax: (520) 206-4567.**

Members of the Committee may participate by telephone, video, or internet conferencing.



Governing Board's Finance and Audit Committee

Friday, August 23, 2019

9:00am

District Office, D225

### Meeting Minutes

#### In Attendance:

Tracy Nuckolls (Chair), David Bea (Ex-Officio), Demion Clinco, Scott Odom, Ben Tuchi, Daniel Soza (Ex-Officio), Agnes Maina (Ex-Officio), Jesus Manzanedo, Clarence Vatne, Maria Garcia

#### Unable to Attend:

Marie Nemerguth, Adrienne Regrutto (Chair-Elect)

#### Guests:

Executive Director Norma Navarro-Castellanos, Executive Director Denise Morrison

#### General Matters

##### 1. Call to Order

Chair Tracy Nuckolls called the meeting to order at 9:02am, noting a quorum was met.

#### Action Items

##### 2. Approval of Minutes from June 14, 2019

Chair Nuckolls asked if the Committee had any changes to the minutes. With no changes, a motion was made to approve the minutes.

##### *Motion No. 201908-01: Approve Minutes from June 14, 2019*

First: Jesus Manzanedo

Second: Maria Garcia

Vote: Motion passed unanimously (Nuckolls, Clinco, Odom, Tuchi, Manzanedo, Vatne, Garcia voting in favor)

Motion Carried.

##### 3. Review of Finance and Audit Committee Charter (Tracy Nuckolls)

Chair Nuckolls introduced the suggested revisions to the Committee's Charter, noting that most were for clarification or to update references. As the Chair, he recommended an additional duty under Section V.

Ms. Maria Garcia inquired about budgeting for gifts to the College, as well as grants. Dr. David Bea will meet with her to further clarify the request and bring the conversation back to this Committee.

Mr. Scott Odom noted that the review of the Charter was a good reminder of the purpose of this Committee. It was requested for the Internal Auditor to have a regular presence.

*Motion No. 201908-02: Amendments to Finance and Audit Committee Charter*

First: Jesus Manzanedo

Second: Scott Odom

Vote: Motion passed unanimously (Nuckolls, Clinco, Odom, Tuchi, Manzanedo, Vatne, Garcia voting in favor)

Motion Carried.

The amendments will be presented to the Governing Board for review and approval at their September 11, 2019 meeting.

### Reports and Feedback

#### **4. Enterprise Risk Management and Compliance (Jeff Silvyn)**

Due to unexpected circumstances, General Counsel Jeff Silvyn was not in attendance. Dr. Bea provided an overview of the approach to enterprise risk management. There will be a Director of Enterprise Risk Management (ERM), who will likely report to the Chief of Staff; two other positions will be added over time (a risk manager/insurance position, and a compliance manager), and ERM will work with the Internal Auditor.

Mr. Jesus Manzanedo stated this approach would require the College to determine its appetite for risk. Dr. Bea asked for the Committee's view on risk. Mr. Manzanedo gave an overview, touching on investments, students, academics, and other areas. Mr. Demion Clinco asked for some examples of how Mr. Manzanedo drew these conclusions, and Chair Nuckolls stated there is often a disconnect between ERM and the nimbleness required for implementing strategic plans. Chair Nuckolls noted that the Board would need to support the ERM approach to be successful.

Mr. Clinco noted that laying the ERM framework on top of academic programming might be difficult.

Mr. Ben Tuchi stated the risk of failure may be a component of the enrollment decline, and the ERM will need to reflect the highest levels at the College. Mr. Nuckolls encouraged the College to be creative and flexible with the job description, aligning it with positions at other institutions as well as the appropriate classification and compensation.

Mr. Clarence Vatne noted the importance of the Governing Board and the Chancellor being clear to staff about direction, decision-making, and goals. The Committee continued with a conversation about marketing, enrollment, and selling the success of the College.

#### **5. Financial Aid Update (Norma Navarro-Castellanos)**

Ms. Norma Navarro-Castellanos, Executive Director of Financial Aid, joined to discuss recent actions. She began with an overview of Title IV program administration and the College's status as a

Minority-Serving and Under-Resourced Schools Division (MSURSD). MSURSD provides wraparound services to the College.

In 2016, the College self-identified two locations approved through Department of Education (DOE) but not with the Higher Learning Commission as a potential issue for financial aid. After review, the total bill to the College was just under \$147,000 to reimburse for aid that should not have been awarded (since the programs were not approved for those locations). The review for the two locations is officially closed. The Department of Education has also fully certified the College for Title IV. This will allow the College to have more expediency in approval of new programs of study to be eligible for Financial Aid, improve student experiences, and allow for timelier reporting.

Chair Nuckolls inquired about process improvements to ensure there are no further issues with approval of locations. Ms. Navarro-Castellanos discussed the process improvements in place, which include workflows, collaboration across departments, documented processes, and succession planning.

Ms. Garcia inquired about return of Title IV, as well as education for students on the topic. Ms. Navarro-Castellanos described the calculation processes, as well as the communications and orientations available for students.

Mr. Clinco asked about the possibility of default rates increasing if there is another recession. Ms. Navarro-Castellanos described the DOE's possible actions if the College's default rate increases. As part of the MSURSD visit, the College will be developing a task force to review default rates and develop a cohort default plan. Nationally, PCC ranks slightly lower than the default rate when compared to other community colleges. If the College had a default rate under 10%, it could distribute student loans at the start of the semester, as opposed to the current process of two disbursements and a waiting period for new recipients.

Mr. Clinco noted at the national level, there is a push with the reauthorization of the Higher Education Act to add liability to the College for Title IV. Mr. Vatne inquired about the use of Title IV for paying for developmental educational, and Ms. Navarro-Castellanos described the criteria.

## **6. Employee Service Center Update (Denise Morrison)**

Dr. Bea introduced Ms. Denise Morrison, Executive Director of Employee Service Center (ESC), who oversees payroll, benefits, and job entry. She started at the College in May and is getting an idea of the strengths and areas for improvement in her department.

TeamDynamix will be implemented as a ticketing system to track issues and develop metrics so improvements can be made. Customer service is critical, and Ms. Morrison wants to ensure all follow-up is happening. The other major improvement planned is to transition from manual job entry processes to a system fully utilizing Banner, therefore reducing data entry and errors. The

reduced data entry will require a new level of quality control and ensure better administration of benefits and payroll.

Chair Nuckolls inquired about the level of staffing in the ESC. She currently has 12 staff in the department, and she is recruiting for a Wellness Program Manager.

Ms. Morrison provided an update on the audit finding related to supervisors not approving timesheets. Now, if the ESC creates an override to provide an approval in alignment with the payroll deadline, the supervisor is sent an electronic request to acknowledge the time. The implementation of the new process is backdated to the start of the fiscal year.

Accountability is still a challenge, and the new performance management policies should help support better supervisory skills sets. Ms. Garcia noted the importance of a clear process to follow and the clarity it will provide. Mr. Clinco asked for a report back on the status of the supervisors that are not approving. Mr. Daniel Soza noted the importance of changing the internal language to be clear about compliance issues and the implications.

Mr. Soza will be presenting to the Deputies Group the Notice of Transaction Review. The review will provide better documentation of compliance processes and incorporates both the staff person and their supervisor. Mr. Manzanedo supports this idea, and Mr. Soza will bring the final document to this Committee.

**7. Discuss Vacant Seat on Finance and Audit Committee (Tracy Nuckolls)**

Chair Nuckolls asked the Committee to think about the skill sets that can be added by filling the vacant seat. One suggestion is to look for someone connected to the community via non-profits through the lens of finance.

**8. RFP for PCC's Investment Firm (Daniel Soza, Agnes Maina)**

The College's current agreement for an investment services firm is in its final year, and Ms. Agnes Maina is preparing to lead a request for proposals process. Mr. Tuchi and Mr. Odom are interested in participating on the selection committee; Ms. Maina will also contact Ms. Regrutto. In preparation for the solicitation, this Committee has already provided input on a draft request for proposals.

**9. CFO Update (David Bea)**

Dr. Bea noted the inclusion in the meeting materials of a report to the Joint Committee on Capital Review, which describes the status of the College's revenue bond projects. Mr. Vatne expressed appreciation for the update.

The other topics were not discussed due to evacuation of the building.

## Information Items

### 10. Future Agenda Items

- a. Three-Year Budget Plan (FY21-FY23)
- b. Competency-Based Education
- c. Athletics
- d. Marketing
- e. Enrollment Management
- f. Discuss Vacant Seat on this Committee (October)
- g. Student Payments Demo (December)
- h. Revisions to BP 4.07, Cash Reserves (December)

## Adjournment

The meeting concluded at 10:59am.

Next Meeting:

October 25, 2019

District Office, D225



**Global Asset  
Management**

# Pima County Community College Finance and Audit Committee Presentation

October 25, 2019

**John Utter**

Head of U.S. Institutional Client Service

**Bethany Jessen**

Institutional Portfolio Manager

**Scott Cabalka**

VP, Institutional Portfolio Manager



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- I. 1-3 Year Portfolio Review
- II. Ultra Short Portfolio Review
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- V. Appendix
  - i. Fixed Income Investment Team
  - ii. Investment Policy Statement Arizona Revised Statutes

# Pima County Community College District - 1-3 Year Portfolio

# Portfolio Performance

## Pima County Community College – 1-3 Year Portfolio

9.30.2019 Market Value: \$64,751,202	YTD 2019	3Q 2019	2Q 2019	1Q 2019	1 Year	3 Years	5 Years	Since Inception (7.1.12)
Total Portfolio (Gross of Fees)	3.30	0.73	1.41	1.13	4.52	1.90	1.34	1.33
Total Portfolio (Net of Fees)	3.25	0.71	1.39	1.11	4.45	1.83	1.27	1.26
Principal Return	1.68	0.10	0.85	0.72	2.33	0.01	-0.04	-0.33
Income Return	1.60	0.62	0.56	0.40	2.14	1.88	1.69	1.67
ICE BofAML 1-3 Year Tsy & Agy Index	3.02	0.58	1.43	0.98	4.35	1.54	1.08	1.08

As of 9.30.19

Source: RBC GAM, ICE Data Services

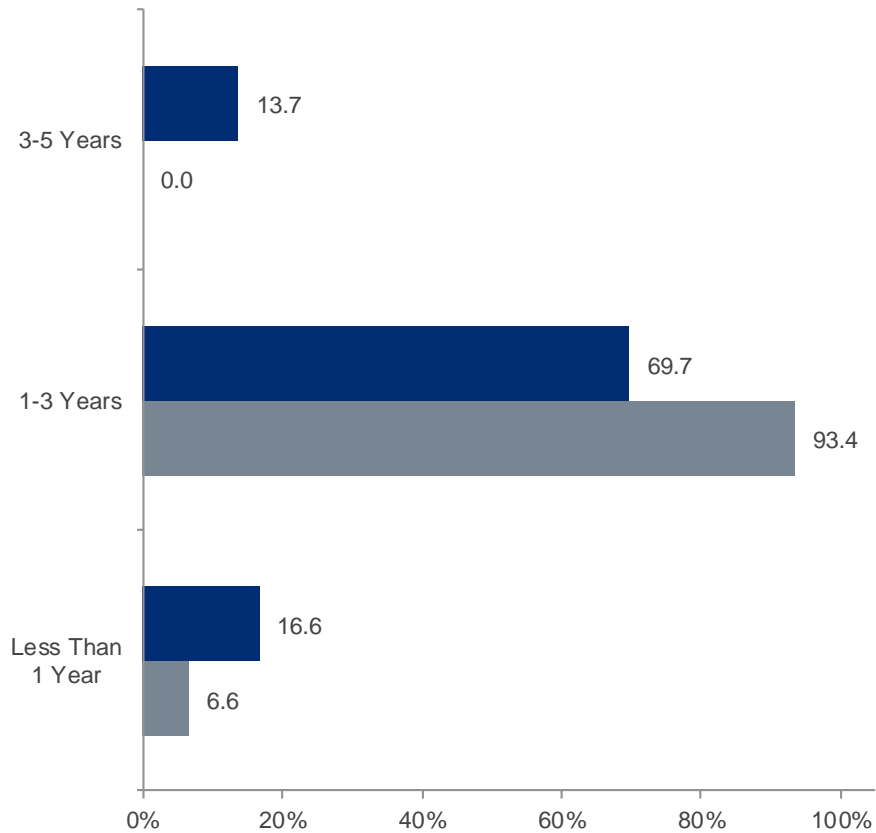
All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.



# Portfolio Characteristics

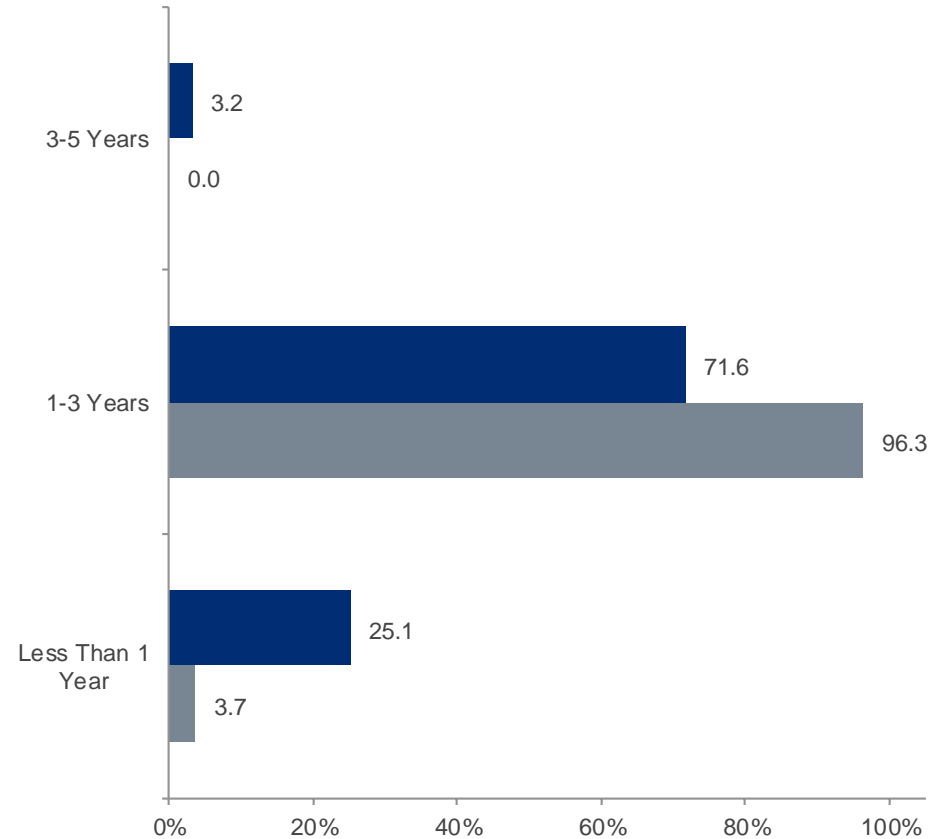
## Pima County Community College – 1-3 Year Portfolio

Duration Distribution as of 3.31.19



■ Pima County Community College - 1-3 Yr  
 ■ ICE BofAML 1-3 Yr Tsy & Agy

Duration Distribution as of 9.30.19



■ Pima County Community College - 1-3 Yr  
 ■ ICE BofAML 1-3 Yr Tsy & Agy

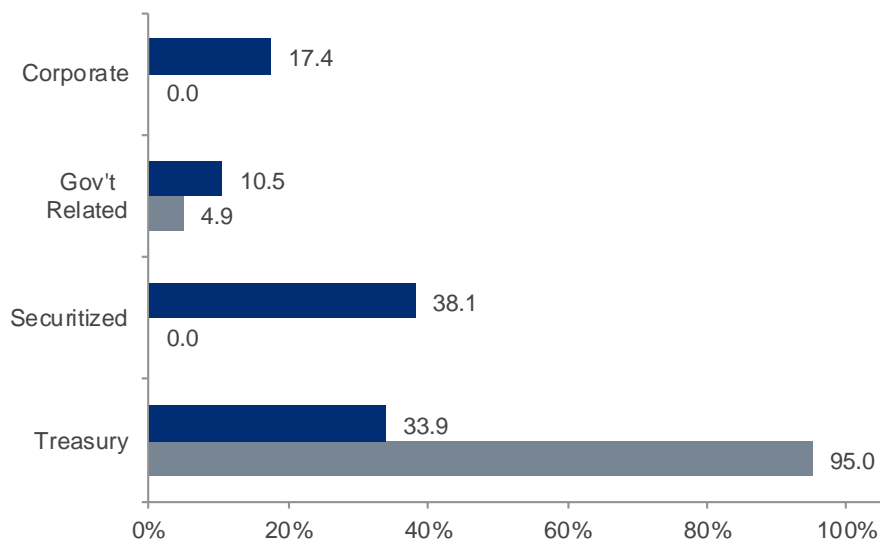
As of 9.30.19 Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents



# Portfolio Characteristics

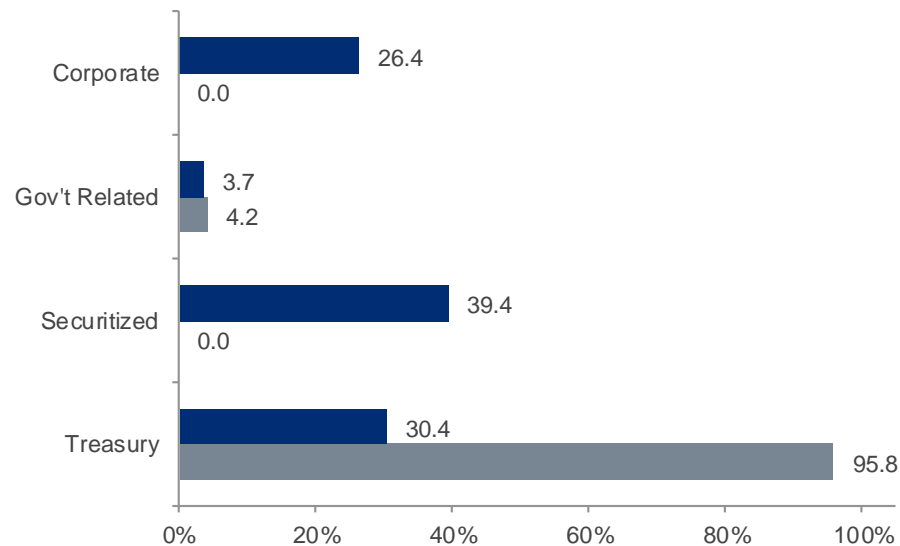
## Pima County Community College – 1-3 Year Portfolio

Sector Distribution as of 3.31.19



■ Pima County Community College - 1-3 Yr  
 ■ ICE BofAML 1-3 Yr Tsy & Agy

Sector Distribution as of 9.30.19



■ Pima County Community College - 1-3 Yr  
 ■ ICE BofAML 1-3 Yr Tsy & Agy

Characteristics	Pima County Community College 1 3 Yr as of 3.31.19	Pima County Community College 1 3 Yr as of 9.30.19	ICE BofAML 1 3 Yr Tsy & Agy
Effective Duration	1.85 years	1.69 years	1.87 Years
Market Yield	2.48%	1.91%	1.69%
Book Yield	2.54%	2.51%	--
Average Quality	AAA	AAA	AAA

As of 9.30.19

Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents



# Duration By Sector

## Pima County Community College – 1-3 Year Portfolio

	Duration As of 3/31	% Assets As of 3/31	Contribution to Duration As of 3/31	Duration As of 9/30	% Assets As of 9/30	Contribution to Duration As of 9/30
<b>Corporate</b>	1.86 Years	17.44%	<b>17.49%</b>	1.61 Years	26.44%	<b>25.20%</b>
<b>Agency</b>	0.71 Years	10.55%	<b>4.02%</b>	1.11 Years	3.65%	<b>2.39%</b>
<b>Securitized</b>	2.41 Years	38.06%	<b>49.36%</b>	2.10 Years	39.37%	<b>48.91%</b>
<b>Treasury</b>	1.59 Years	33.90%	<b>29.14%</b>	1.31 Years	30.40%	<b>23.50%</b>
<b>Cash</b>	0.00 Years	0.06%	<b>0.00%</b>	0.00 Years	0.14%	<b>0.00%</b>
<b>Total</b>	<b>1.85 Years</b>	<b>100.00%</b>	<b>100.00%</b>	<b>1.69 Years</b>	<b>100.00%</b>	<b>100.00%</b>

As of 9.30.19



# Pima County Community College District - Ultra Short Portfolio



# Portfolio Performance

## Pima County Community College – Ultra Short Portfolio

9.30.2019 Market Value: \$15,479,115	YTD 2019	3Q 2019	2Q 2019	1Q 2019	1 Year	3 Years	5 Years	Since Inception (5.1.12)
Total Portfolio (Gross of Fees)	2.38	0.59	1.00	0.78	3.16	1.78	1.21	0.87
Total Portfolio (Net of Fees)	2.33	0.57	0.98	0.77	3.09	1.71	1.14	0.80
Principal Return	1.19	0.13	0.60	0.46	1.70	0.76	0.34	0.11
Income Return	1.18	0.46	0.39	0.33	1.44	1.02	0.87	0.98
ICE BofAML 0-2 Yr Treasury*	2.34	0.55	0.99	0.79	2.92	1.72	1.09	0.76
ICE BofAML 91 Day T-Bill **	1.81	0.56	0.64	0.60	2.38	1.54	0.98	0.69

\* 1.1.2019 thru Current: ICE BofAML 0-2 Year US Treasury

\*\* 5.1.2012 thru 12.31.2018: ICE BofAML 3 Month T-Bill

As of 9.30.19

Source: RBC GAM, ICE Data Services

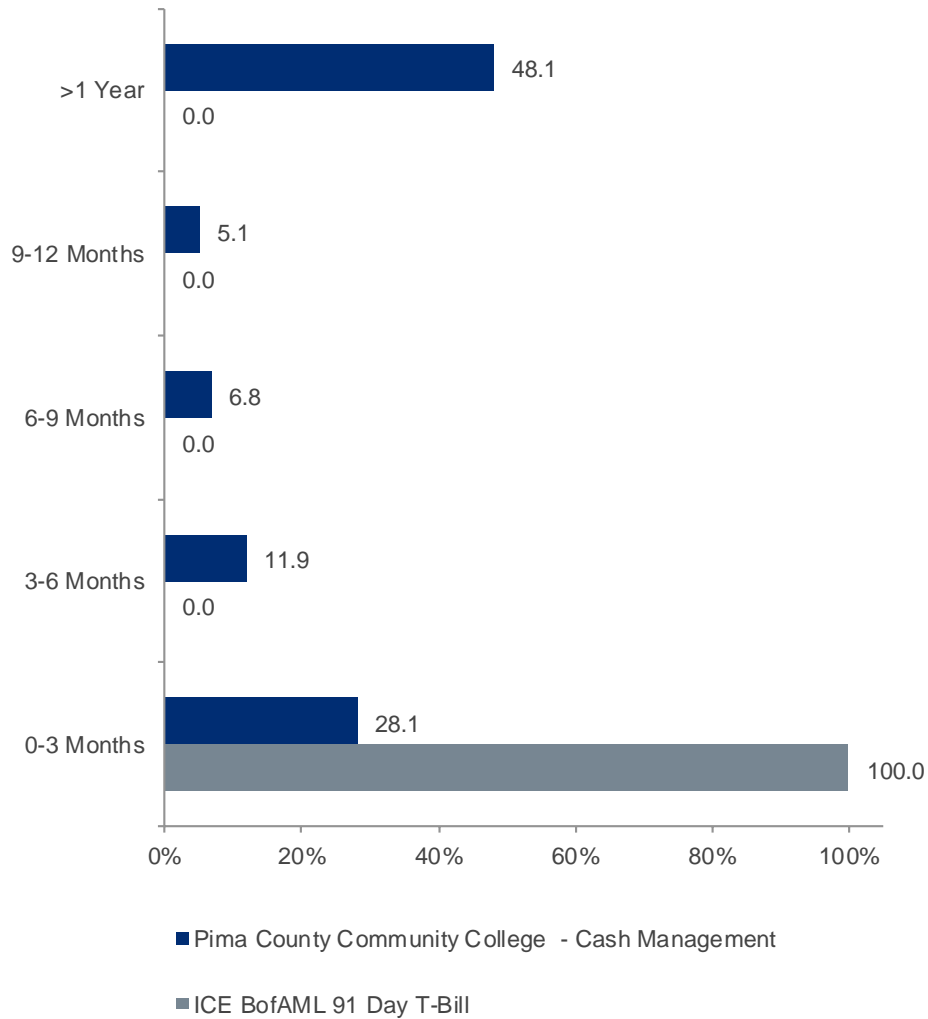
All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.



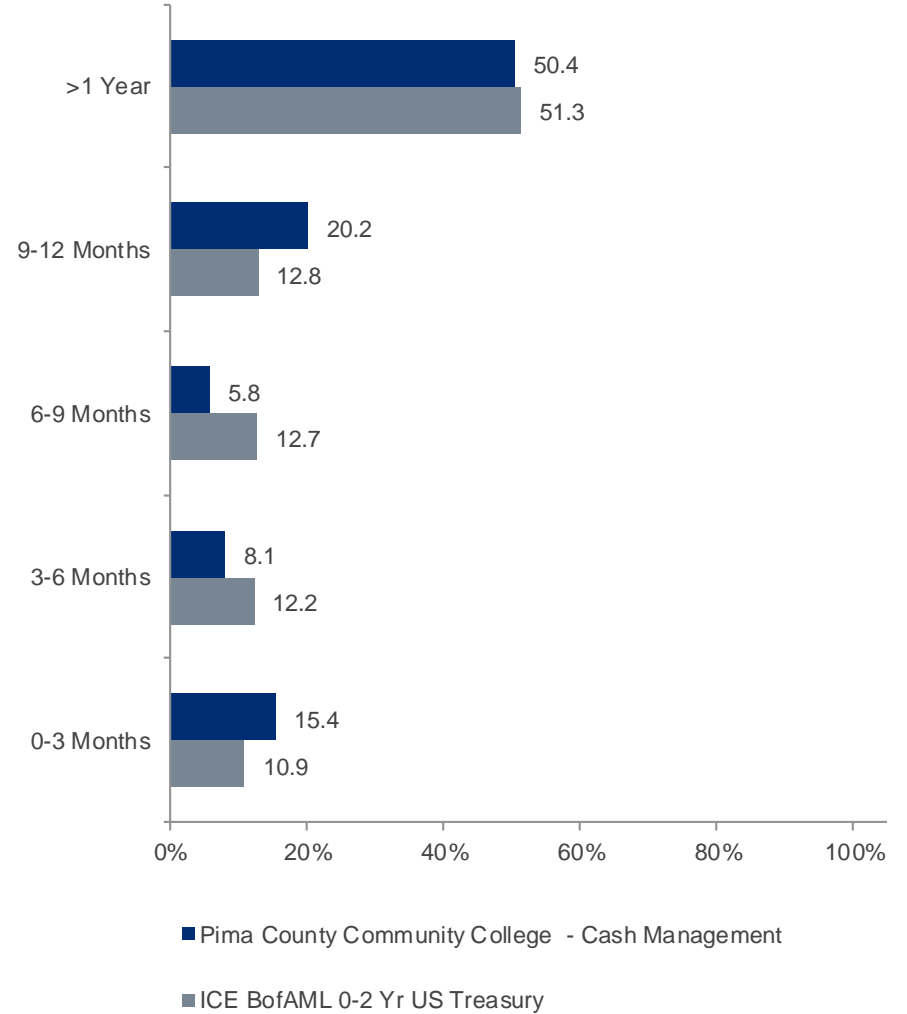
# Portfolio Characteristics

## Pima County Community College – Ultra Short Portfolio

Duration Distribution as of 3.31.19



Duration Distribution 9.30.19



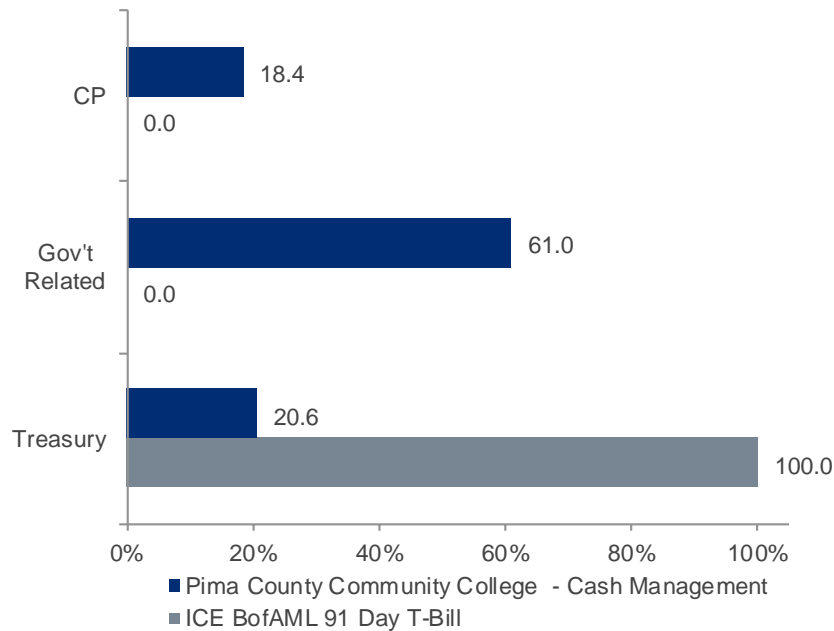
As of 9.30.19

Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

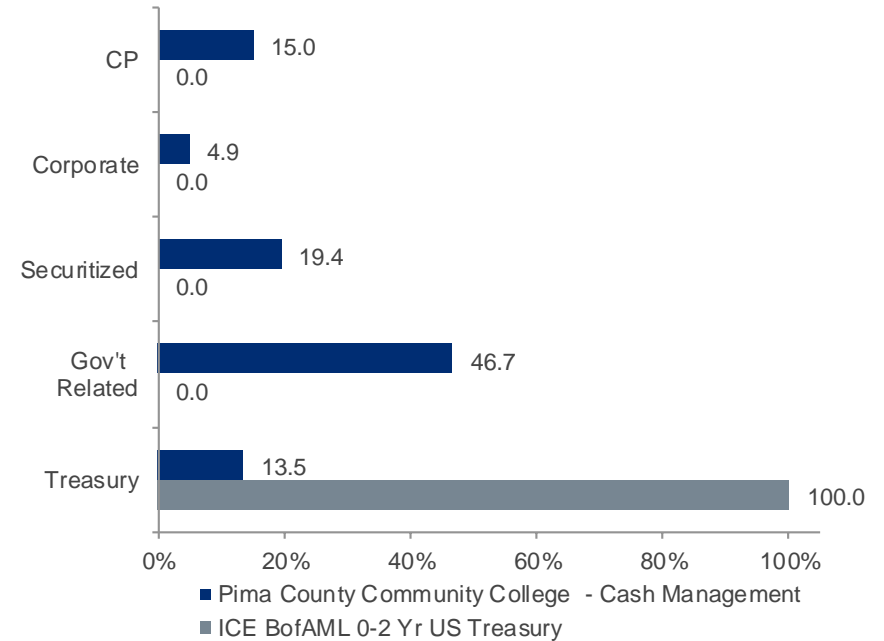
# Portfolio Characteristics

## Pima County Community College – Ultra Short Portfolio

Sector Distribution as of 3.31.19



Sector Distribution as of 9.30.19



Characteristics	Pima County Community College Ultra Short as of 3.31.19	Pima County Community College Ultra Short as of 9.30.19	ICE BofAML 0 2 Yr US Treasury
Effective Duration	0.90 years	0.90 years	1.02 years
Market Yield	2.43%	2.02%	1.81%
Book Yield	2.66%	2.47%	--
Average Quality	AA+	AA+	AAA

As of 9.30.19

Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

# Duration By Sector

## Pima County Community College – Ultra Short Portfolio

	Duration As of 3/31	% Assets As of 3/31	Contribution to Duration As of 3/31	Duration As of 9/30	% Assets As of 9/30	Contribution to Duration As of 9/30
<b>Corporate</b>	0.0 Years	0.00%	<b>0.00%</b>	1.52 Years	4.94%	<b>8.27%</b>
<b>Gov't Related</b>	1.05 Years	61.00%	<b>71.16%</b>	0.95 Years	46.70%	<b>49.09%</b>
<b>Commercial Paper</b>	0.15 Years	18.35%	<b>3.12%</b>	0.14 Years	15.04%	<b>2.37%</b>
<b>Securitized</b>	0.0 Years	0.00%	<b>0.00%</b>	1.05 Years	19.40%	<b>22.42%</b>
<b>Treasury</b>	1.12 Years	20.56%	<b>25.73%</b>	1.20 Years	13.51%	<b>17.84%</b>
<b>Cash</b>	0.00 Years	0.09%	<b>0.00%</b>	0.00 Years	0.41%	<b>0.00%</b>
<b>Total</b>	<b>0.90 Years</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.91 Years</b>	<b>100.00%</b>	<b>100.00%</b>

As of 9.30.19



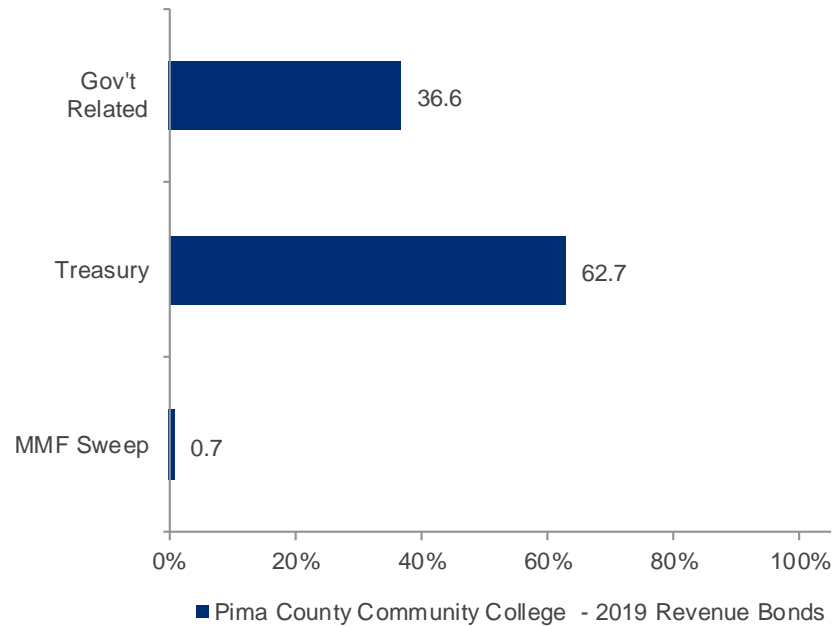
# Pima County Community College District - 2019 Revenue Bonds



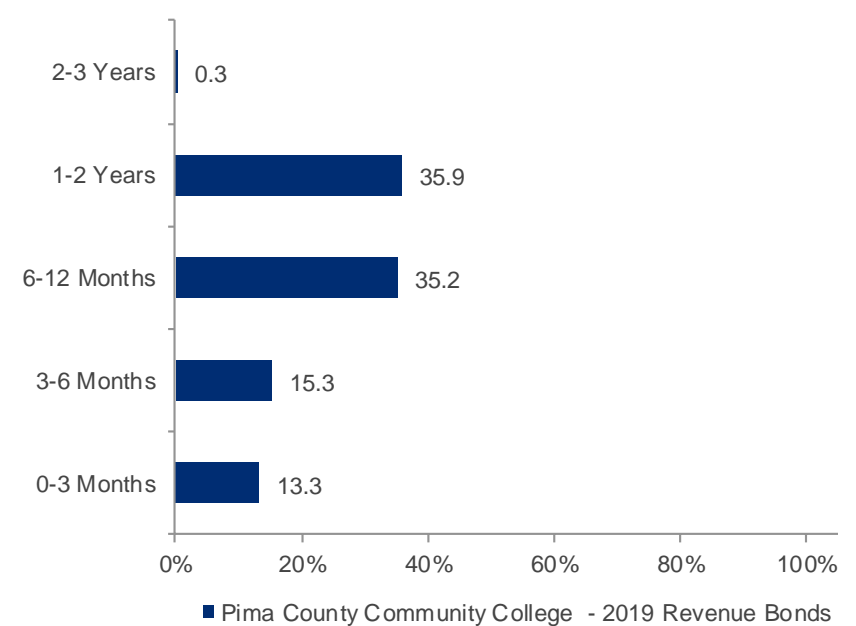
# Portfolio Characteristics

## Pima County Community College – 2019 Revenue Bonds

Sector Distribution as of 9.30.19



Duration Distribution as of 9.30.19



Characteristics	Pima County Community College 2019 Revenue Bonds
Effective Duration	0.86 years
Book Yield	2.34%
Market Yield	1.82%
Average Quality	AAA
Market Value	\$62,842,898

As of 9.30.19

Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

# Comparison Cash Flow Projection and Maturity Schedule, Oct. 2019

Cash Flow Projections as of August 26, 2019		Maturity Schedule, As of October 25, 2019		Actual vs. Proj.
<b>2019</b>		<b>2019</b>		
October	\$2,658,427	\$3,145,290	October	
November	\$965,910	\$150,000	November	
December	\$590,392	\$3,575,000	December	
	\$4,214,728	\$6,870,290		\$2,655,562
<b>2020</b>		<b>2020</b>		
January	\$846,903	\$1,875,000	January	
February	\$1,092,410	\$5,300,000	February	
March	\$1,340,148	\$2,450,000	March	
April	\$1,530,421	\$2,875,000	April	
May	\$1,430,382	\$2,700,000	May	
June	\$1,649,619	\$2,740,000	June	
July	\$1,723,119	\$3,000,000	July	
August	\$1,570,358	\$8,300,000	August	
September	\$1,901,459	\$2,700,000	September	
October	\$1,388,717	\$3,829,000	October	
November	\$1,302,617	\$2,000,000	November	
December	\$1,510,217	\$1,800,000	December	
	\$17,286,368	\$39,569,000		\$22,282,632
<b>2021</b>		<b>2021</b>		
January	\$2,714,078	\$2,730,000	January	
February	\$2,540,572	\$2,550,000	February	
March	\$2,979,812	\$2,575,000	March	
April	\$3,384,648	\$2,275,000	April	
May	\$3,785,056	\$1,075,000	May	
June	\$4,030,064	\$1,100,000	June	
July	\$3,758,227	\$1,050,000	July	
August	\$3,178,987	\$775,000	August	
September	\$2,249,311	\$400,000	September	
October	\$1,585,817	\$300,000	October	
November	\$103,608	\$130,000	November	
December	\$68,808	\$50,000	December	
	\$30,378,988	\$15,010,000		-\$15,368,988
<b>Monthly Totals</b>	<b>\$51,880,084</b>	<b>\$61,449,290</b>	<b>Total from 2019 thru 2021</b>	
Construction Cost - Historic Corridor	\$2,675,000			
Historic Assessment & Preservation	\$455,624			
Real Estate - Purchase Opportunities	\$1,575,000			
Material and Labor Escalation	\$2,955,000			
General Contingency	\$1,114,376			
<b>Total</b>	<b>\$60,655,085</b>			

# Economy & Market Review



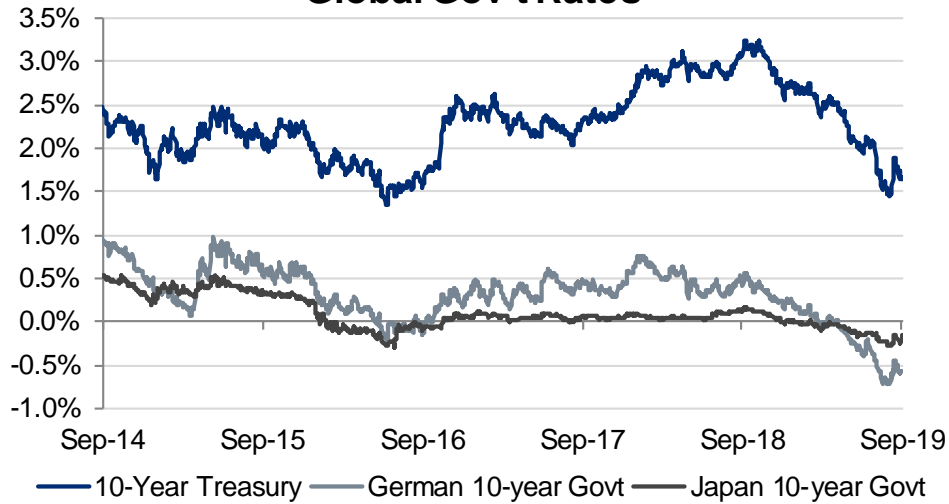
## Issues impacting growth and the US rates outlook

- Decelerating growth in 2019 – Expect 2-2.5% US GDP in 2019
- Risks accumulating through 2019:
  - Tariffs / trade war
  - Corporate profits declining
  - Flat-to-inverted yield curve
  - Political gridlock
  - Global growth slowing – EU & China
  - Weak inflation
- Federal Reserve – Willing to take action to sustain economy



# Slowing Global Growth

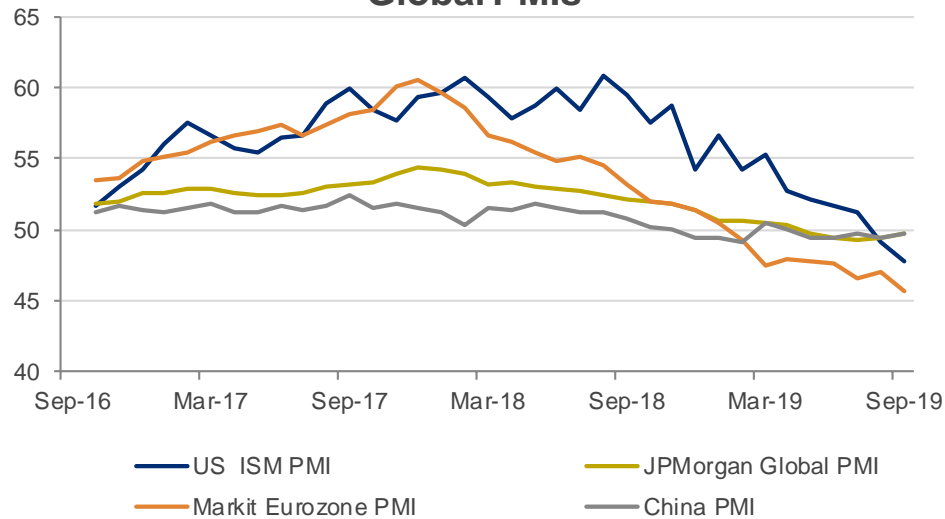
### Global Gov't Rates



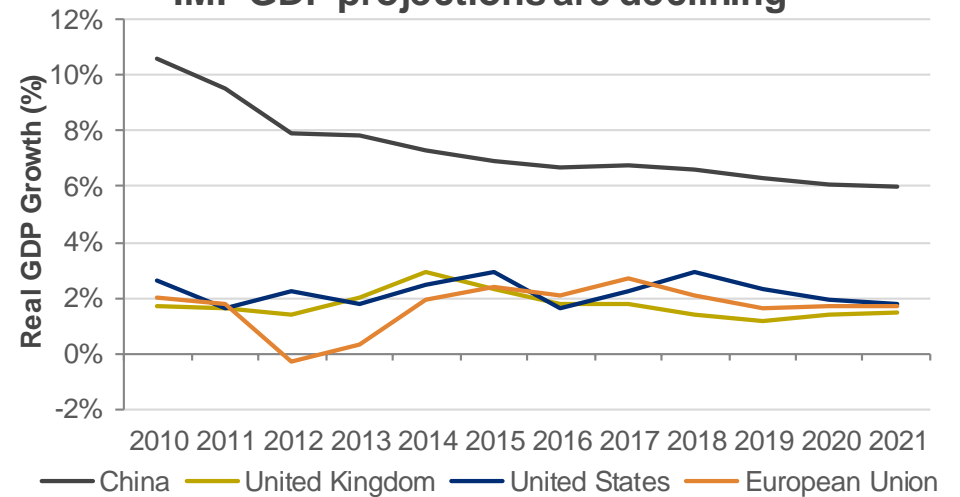
### MV of Negative Yielding Debt



### Global PMIs



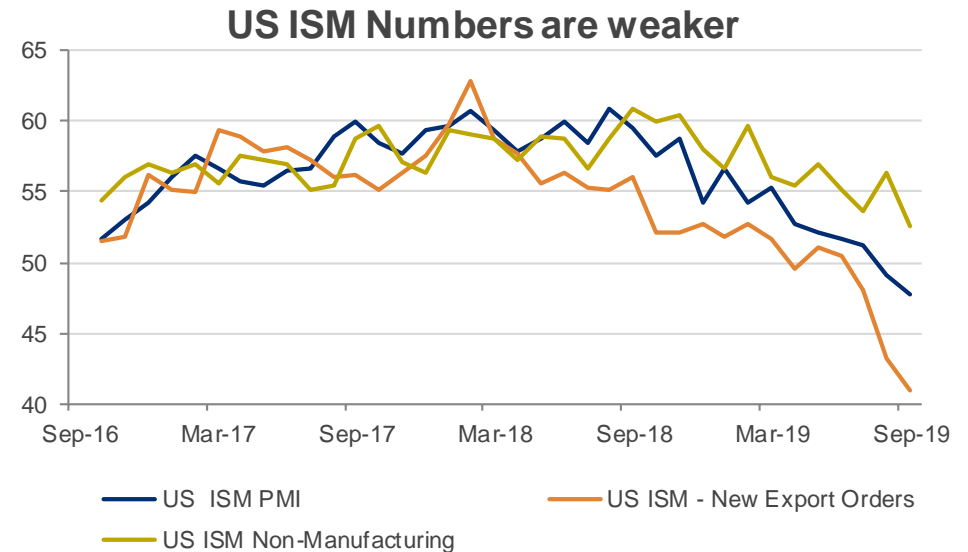
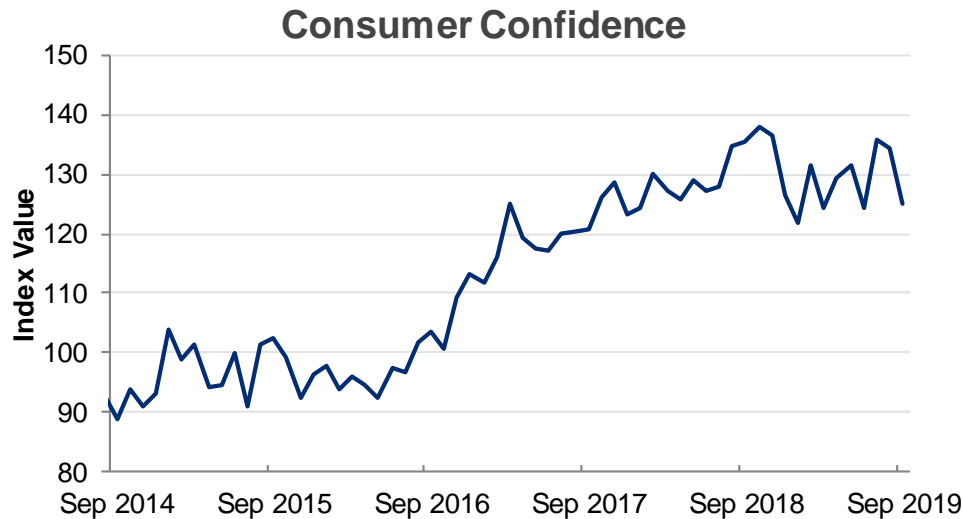
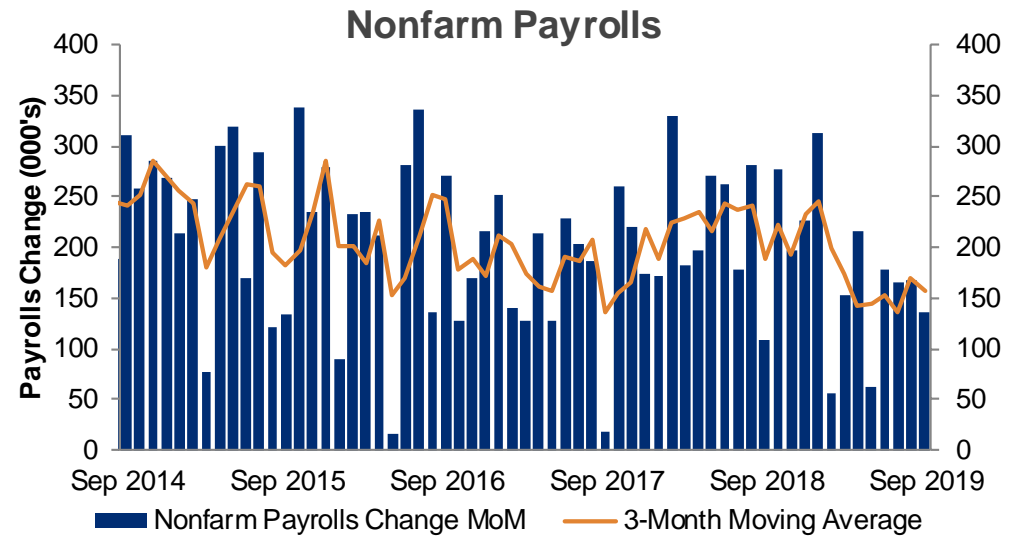
### IMF GDP projections are declining



As of 9.30.19  
Source: Bloomberg, IMF

# US Economy decelerating in 2019 – 2-2.5% GDP

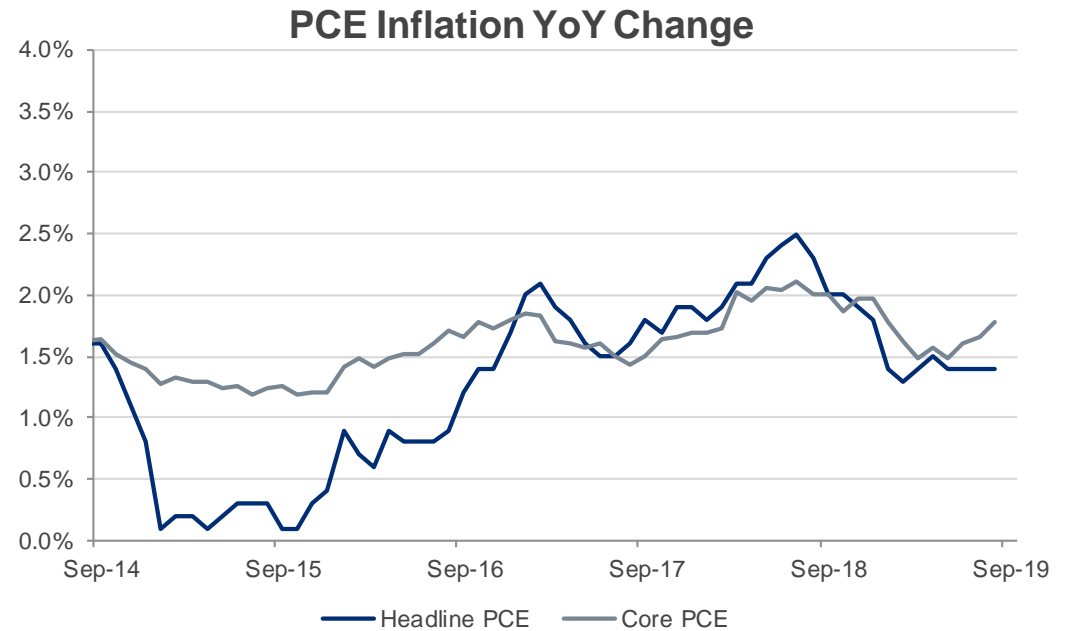
- US economy continues to show stable fundamentals with no clear excesses
- Jobs growth has been strong, but closely watched for signs of weakness
- Consumer confidence has remained high
- Manufacturing data is weaker driven by global trade uncertainties
- Non-Manufacturing is still showing expansion but recently posted its weakest reading in 3 years



As of 9.30.19  
Source: Bloomberg

# Inflation Range Bound Around 2%

- Inflation still below “normal” historical expectations after a period of modestly increasing
- The Fed still targets inflation at 2% objective while most measures tend to be near but below that level
- Market expectations of future inflation are below 2%

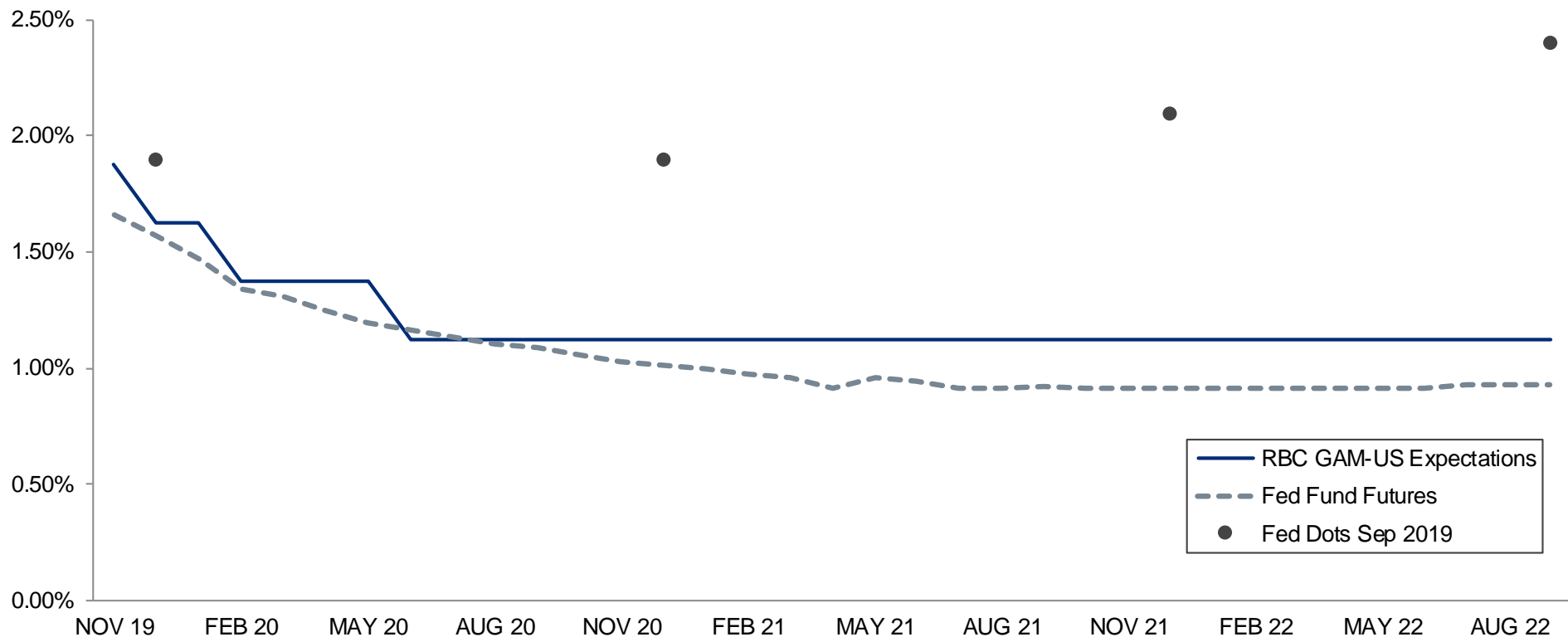


# Federal Reserve – An uncertain policy path

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- Concerns over weak inflation, global growth and trade uncertainty have compelled Powell and FOMC to pivot toward a more dovish stance
- The Fed cut rates a total of 50bps during the 3<sup>rd</sup> quarter
- Markets are expecting further rate cuts of 25-50bps by the end of the year
- There is a wavering lack of consensus among FOMC members around future policy actions
  - 7 officials project one more cut in 2019
  - 10 officials project Fed Funds to remain steady or even increase in 2019
- The Fed is prepared to take action to sustain economic expansion, but will closely monitor data

# Expected Path of Fed Funds – Input to our Rates Model



- The September FOMC median projections forecast no further rate cuts in 2019 and rate increases into 2021 & 2022
- The market expects further rate cuts, implying that the Fed is being overly optimistic in their view
  - US Economy is very late cycle and myriad headwinds will likely force the Fed to reduce rates further

As of 10.4.19 Source: Bloomberg, RBC Global Asset Management. Past performance is not indicative of future results.

**RBC GAM-US Expectations / Model Rates** are based on projected economic, geo-political and market conditions. Views of RBC Global Asset Management are as of the date of publication and are subject to change without notice. The information is not a guarantee of future rates and actual results may differ materially from those described as a result of various factors.

# U.S. Business Cycle Scorecard – Rising recession risk

U.S. is “Late cycle”, with broadening “end of cycle” claims

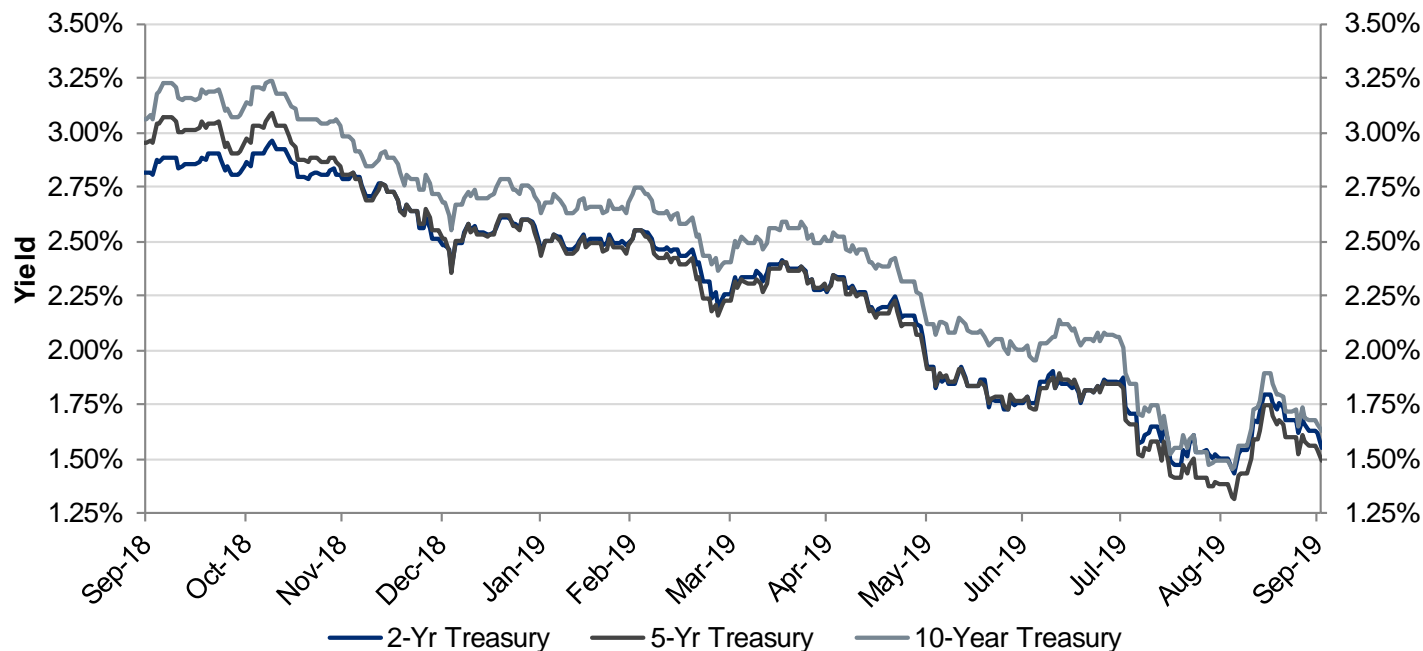
U.S. business cycle scorecard

	Start of cycle	Early cycle	Mid cycle	Late cycle	End of cycle	Recession
Consumer						
Leverage						
Business investment						
Employment						
Corporate profitability						
Credit						
Inventories						
Prices						
Housing						
Economic trend						
Volatility						
Sentiment						
Economic slack						
Equities						
Cycle age						
Monetary policy						
Bonds						
<b>Scores for each stage of business cycle</b>	<b>0</b>	<b>0</b>	<b>5.5</b>	<b>13</b>	<b>8.5</b>	<b>1.5</b>

Note: As at 8/8/2019. Dark shading indicates the most likely stage of business cycle (full weight); light shading indicates alternative interpretation (0.5 weight).  
Source: RBC GAM

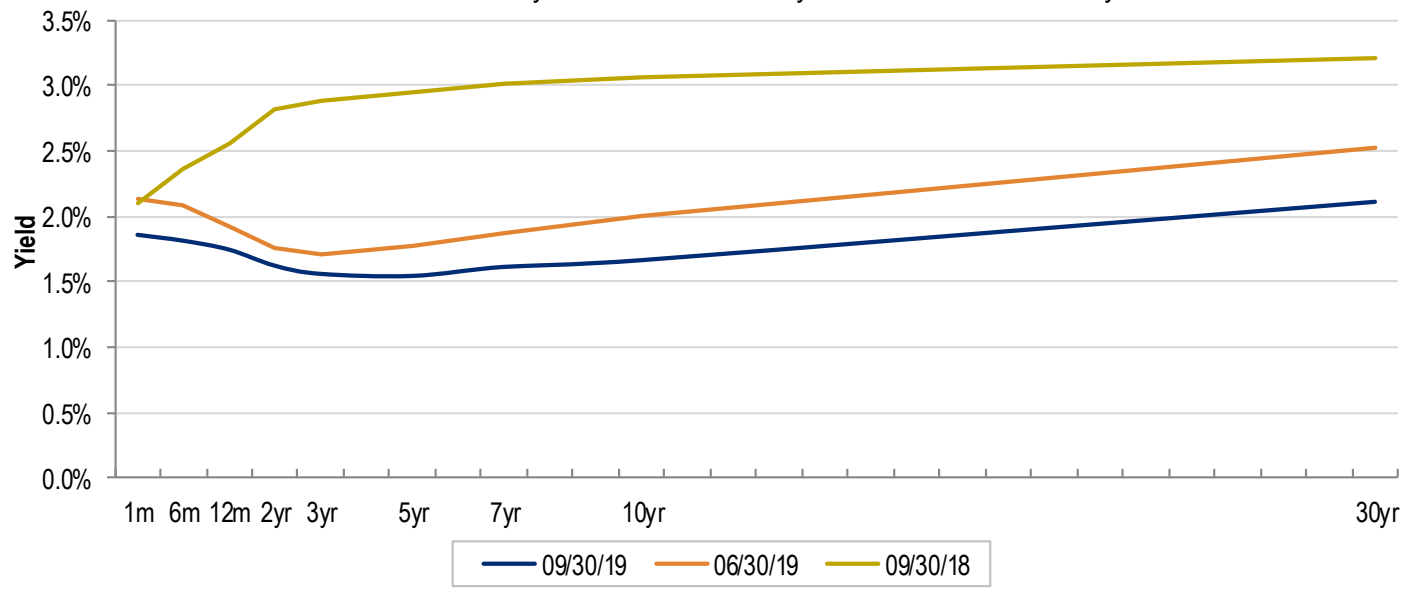
# U.S. Treasury Rates

- Treasury yields have been volatile as markets react to trade concerns and economic uncertainty



- The shape of the yield curve reflects a lack of confidence in GDP growth and benign inflation levels over the near term

- We expect carry to drive returns



As of 9.30.19  
Source: Bloomberg

# Appendix





# The Fixed Income Team

## Experience and Depth

Investment team empowered to excel through research-focused, sector-team structure

Institutional Portfolio Managers provide continuous engagement and client communication

Lead Portfolio Managers and sector teams average 18 years of experience<sup>1</sup>

US Fixed Income Team				
Lead Portfolio Managers			Risk Management	
Brian Svendahl, CFA Co-Head, US Fixed Income		Brandon Swensen, CFA Co-Head, US Fixed Income		
Sector Focus			Michael Hamp Vice President, Head of Investment Risk Management  Steven Azar Sr Investment Risk Analyst Patrick Sonmene, CFA Investment Risk Analyst Sydney Seydel Investment Risk Analyst	
Municipal, Government & Mortgage Research		Credit Research		
Raye Kanzenbach, CFA Sr Portfolio Manager	Laurie Mount Analyst	James Weinand, CFA Portfolio Manager		John Northup, CFA Analyst
Scott Kirby Sr Portfolio Manager	Valinie Dayaljee Analyst	Alexey Baskakov, CFA Assoc Portfolio Manager		Matt Mueller, CFA Analyst
Eric Hathaway, CFA Sr Portfolio Manager	Karen Ly Analyst	Kelly Foley Jr Analyst		Kelsey Bosshardt Analyst
Ronald Homer Chief Strategist, US Impact Investing	Ly Hsieh Quantitative Analyst			
Institutional Portfolio Managers / Client Service				
John Utter Head of Inst'l Client Service – US	Scott Cabalka Inst'l Portfolio Manager	Bethany Jessen Inst'l Portfolio Manager	Chris Boppre, CFA Assoc Inst'l Portfolio Manager	
	Randy Harrison, CFA Inst'l Portfolio Manager	Amy Carlson Assoc Inst'l Portfolio Manager	Mindy Frye Inst'l Portfolio Manager	
Investment Policy Compliance				
Eric Smith Director, Client Operations		Ryan Schaitberger Sr Investment Policy Analyst	Ba Vang Investment Policy Analyst	

As of 9.30.19

<sup>1</sup>Experience is updated annually.



# Professionals

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## John A. Utter

Managing Director, Head of Institutional Client Service – U.S.

John Utter is responsible for developing and implementing industry leading client service practices and leads the firm's client service efforts, including the development of asset allocation solutions for ultra high net worth and off-shore clients. He joined RBC GAM-US in 2010 from RiverSource Investments, where he was a divisional sales director leading a sales team that helped clients with investment solutions ranging from traditional equities and fixed income to portable alpha and absolute return strategies. Before that, John spent 15 years in institutional sales assisting banks, insurance companies and hedge funds in the U.S. and Europe with their fixed income investments. He began his career in the investment industry in 1988. John earned a BA from St. Lawrence University, holds FINRA Series 7, 24 and 63 licenses and is registered as an Associated Person with the National Futures Association.



## Bethany Jessen

Institutional Portfolio Manager

Bethany Jessen is an institutional portfolio manager within our fixed income group's client service team. Bethany articulates and coordinates the firm's strategies, account positioning and performance to ensure the most appropriate investment solutions and service for each client. She specializes in fixed income accounts for public and corporate clients. Prior to her role at RBC GAM-US, Bethany was a senior research analyst on the global fixed income team at Pavilion Advisory Group (formerly Jeffrey Slocum & Associates) where she was responsible for fixed income investment manager research and due diligence. She first joined the investment industry in 2007. She earned a BS, BA in finance from Creighton University and an MBA from the University of St. Thomas.



## Scott Cabalka

Vice President, Institutional Portfolio Manager

Scott Cabalka is responsible for client service coverage of the RBC Money Market Funds, local government investment pools, and other short fixed income solutions. Scott provides guidance on investment policy and implementation for all of our short mandates. In addition, he leads our communication with clients invested in our short fixed income strategies and ensures that they receive the most appropriate solutions and service. Before joining RBC GAM-US in 1993, Scott was an account executive at Merrill Lynch, where he focused on short strategies for institutional investors. He has specialized in short fixed income since he began working in the investment industry in 1980. Scott earned a BS and an MBA in Finance from the University of Minnesota Carlson School of Management and holds a FINRA Series 7 license.

# Investment Policy Statement

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## **Pima County Community College District Investment Guidelines**

The following are guidelines applicable to the placement of Pima County Community College District ("District") funds the District deems to be excess of current budgetary requirements. Investments will at all times comply with statutory and regulatory requirements governing the placement of District's public funds.

### **Purpose**

The purpose of this Statement is to establish guidelines for the fund's investment Portfolio (the "Portfolio"). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the Investment Manager(s) hired on behalf of the fund and its beneficiaries.

### **Scope**

These investment guidelines shall apply to the District's general, auxiliary, and plant fund assets.

### **Administration**

The Governing Board's Finance and Audit Committee ("Committee") will review quarterly investment performance reports received from the District's Investment Manager ("Manager") and/or the District's independent third-party Custodial Bank ("Custodian") and will provide an annual summary to the District's Governing Board. The Committee will also be responsible for periodically reviewing the District's Investment Guidelines ("Guidelines").

All trades of marketable securities will be executed through Manager by Delivery vs. Payment (DVP). Securities will be held by Custodian selected by the District and evidenced by safekeeping receipts in the District's name. The District will only conduct securities investment transactions with financial institutions and licensed security broker/dealers legally registered in the State of Arizona and on the Manager's list of approved financial institutions and brokers/dealers, a copy of which the Manager shall provide the District annually.

### **Objectives**

The fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable stream of annual income and appreciation. The primary objectives of all District investment activities, in priority order, shall be:

#### **1. Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall Portfolio. This objective focuses on mitigation of credit risk, custodial credit risk, and interest rate risk.

#### **2. Liquidity**

The investment portfolio shall be sufficiently liquid to meet anticipated operating requirements. This shall be accomplished by structuring the Portfolio such that securities mature concurrently with anticipated demands. The Portfolio shall also be structured such that the District may access invested funds necessary to cure the effects of an unexpected event.

# Investment Policy Statement

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## 3. Total Return

The investment portfolio shall be designed with the objective of attaining an optimized market rate of return throughout budgetary and economic cycles.

Consistent with a need for stability, diversification, and suitability, special consideration shall be given to investments that demonstrate a commitment to:

- Community development and/or investment, particularly in communities with minority or low income residents
- Diversity in hiring, executives, and boards with respect to sexual orientation, gender, race, and ethnicity
- Transparency and accountability in corporate governance
- Living wages for all employees
- Environmental sustainability, including reducing greenhouse emissions and improving sustainable forestry.

### Permitted Investments

Investments indicated in A.R.S. § 35-323 will be permitted by these guidelines. The District has elected to further allow investment in asset classes that historically protect and maintain purchasing power. Most suitably, in portfolios with longer dated objectives. The Committee recognizes that the strategic allocation to varying asset classes with varying degrees of risk, return, and correlation will be the most significant determinate of long term

return and value stability. The Committee also expects that actual return volatility may vary from expectations and objectives across short periods of time.

While the Committee wishes to retain flexibility with respect to making periodic changes, it expects to do so only in the event of material changes to the fund, to the assumptions underlying fund spending, and/or to the capital markets and asset classes in which the Portfolio invests.

Each asset class should not be considered alone, but by the role it plays in a diversified Portfolio. Diversification among asset classes has historically increased returns and reduced overall Portfolio risk. How asset classes relate to each other is the key to making asset allocation decisions within the context of overall risk and return. With these tenets in mind, the Committee has outlined permissible assets as follows:

1. Certificates of deposit in eligible depositories as defined in A.R.S. § 35-321.
2. Certificates of deposit in one or more federally insured banks or savings and loan associations in accordance with the procedures prescribed in A.R.S. § 35-323.01.
3. Interest bearing savings accounts in banks and savings and loan institutions whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository (as defined in A.R.S. § 35-321) to the same extent and in the same manner as required under A.R.S., Title 35, Chapter 2, Article 2.1.
4. Repurchase agreements with a maximum maturity of one hundred eighty days.

# Investment Policy Statement

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The pooled investment funds established by the Arizona State Treasurer pursuant to A.R.S. § 35-326.

6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.

7. Bonds, notes, or other evidences of indebtedness of Arizona or any of its counties, incorporated cities or towns, or school districts that are rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.

8. Bonds, notes, or evidences of indebtedness of any county, municipal district, municipal utility, or special taxing district of any state that are payable from revenues, earnings, or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment. Debt must be rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.

9. Bonds, notes, or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. Debt must be rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.

An investment shall not be made if:

The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.

b. A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

10. Commercial paper of prime quality that is rated "P1" by Moody's Investors Service or rated "A1" or better by Standard and Poor's rating service or their successors. All commercial paper must be issued by corporations organized and doing business in the United States.

# Investment Policy Statement

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Bonds, debentures, and notes that are issued by corporations organized and doing business in the United States and that are rated "AA" or better by Moody's Investor Service or Standard and Poor's rating service or their successors. Ratings apply at the time of purchase. In the event that a security is subsequently downgraded below the minimum rating criteria, the Manager will review the position with the District to determine the appropriate course of action.

12. Securities of or any other interests in any open-end or closed-end management type investment companies or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by this investment guidelines statement, and registered under the Investment Company Act of 1940, as amended.

13. Cash and Cash Equivalents: Cash and cash equivalents can present risk for an institution with a long-term horizon due to the low return and the diminution of purchasing power that entails. It is considered expected to maintain cash and cash equivalents consistent with the operational needs of the College for payables in addition to a minimum of eight percent of the revenues of the current general and designated fund budgets. Outside of extraordinary market dislocation periods, cash will exist from time to time for transaction and/or rebalancing needs.

## Diversification and Duration

Maximum percentage of market value of all invested fund assets, as described in "Scope" above:

Position Size: 5% targeted maximum in any one security  
Issuer: 5% targeted maximum in any one issuer

Exemptions to Issuer Maximum Include:

- Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.
- Interest bearing accounts, certificates of deposit, or repurchase agreements which are collateralized with obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.

Shorter duration bonds carry less risk than longer duration bonds and result in better price stability in distressed market environments. If cash is needed in this period, shorter duration bonds provide a source of funds that have had minimal price deterioration.

The Committee recognizes that the long term average fixed income yield curve has a modest upward slope. Standard deviation (price volatility), on the other hand, slopes more dramatically upward in the same frame. Comparing historical returns with historical risk, we understand longer maturity bonds are not an efficient form of compensated risk over the long term, especially beyond 5 year maturities.

# Investment Policy Statement

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## Investment Allocations

<b><u>Type</u></b>	<b><u>Maximum Allocation</u></b>
Cash	20%
Certificates of Deposit (Term)	50%
Repurchase Agreements	50%
Pooled Investments (LGIP)	50%
U.S. Government Obligations/TIPS	100%
U.S. Government Agencies	100%
Municipal Securities	20%
Commercial Paper	20%
Corporate Bonds	50%

Percentages apply at the time of purchase, allowing for moderate drift with long term holding intent. If the percentages are materially exceeded due to redemption or other activity, the Manager will seek to realign the Portfolio within the maximum targeted percentages.

**35-323. Investing public monies; bidding; security and other requirements**

A. The treasurer shall invest and reinvest public monies in securities and deposits with a maximum maturity of five years. All public monies shall be invested in eligible investments. Eligible investments are:

1. Certificates of deposit in eligible depositories.
2. Deposits in one or more federally insured banks or savings and loan associations placed in accordance with the procedures prescribed in section 35-323.01.
3. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under this article.
4. Repurchase agreements with a maximum maturity of one hundred eighty days.
5. The pooled investment funds established by the state treasurer pursuant to section 35-326.
6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
7. Bonds, notes or other evidences of indebtedness of this state or any of its counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants that shall bear interest pursuant to section 11-635.
8. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district of any state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.
9. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:
  - (a) The face value of all such obligations, and similar obligations outstanding, exceeds fifty percent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.
  - (b) A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.
10. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States.
11. Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies.
12. Negotiable or brokered certificates of deposit issued by a nationally or state chartered bank or savings and loan association.

13. Securities of or any other interests in any open-end or closed-end management type investment company or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by state law, registered under the investment company act of 1940 (54 Stat. 789; 15 United States Code sections 80a-1 through 80a-64), as amended.

- B. Certificates of deposit shall be purchased from the eligible depository bidding the highest permissible rate of interest. No monies over one hundred thousand dollars may be awarded at any interest rate less than one hundred three percent of the equivalent bond yield of the offer side of United States treasury bills having a similar term. If the eligible depository offering to pay the highest rate of interest has bid only for a portion of the monies to be awarded, the remainder of the monies shall be awarded to eligible depositories bidding the next highest rates of interest.
- C. An eligible depository is not eligible to receive total aggregate deposits from this state and all its subdivisions in an amount exceeding twice its capital structure as outlined in the last call of condition of the superintendent of financial institutions.
- D. If two or more eligible depositories submit bids of an identical rate of interest for all or any portion of the monies to be deposited, the award of the deposit of the monies shall be made to the eligible depository among those submitting identical bids having, at the time of the bid opening, the lowest ratio of total public deposits in relation to its capital structure.
- E. Each bid submitted, and not withdrawn prior to the time specified, constitutes an irrevocable offer to pay interest as specified in the bid on the deposit, or portion bid for, and the award of a deposit in accordance with this section obligates the depository to accept the deposit and pay interest as specified in the bid pursuant to which the deposit is awarded.
- F. The treasurer shall maintain a record of all bids received and shall make available to the board of deposit at its next regularly scheduled meeting a correct list showing the bidders, the bids received and the amount awarded. These records shall be available to the public and shall be kept in the possession of the treasurer for not less than two years from the date of the report.
- G. Any eligible depository, before receiving a deposit in excess of the insured amount under this article, shall deliver collateral for the purposes of this subsection equal to at least one hundred two percent of the deposit. The collateral shall be any of the following:
  1. A bond executed by a surety company that is approved by the treasury department of the United States and authorized to do business in this state. The bond shall be approved as to form by the legal advisor of the treasurer.
  2. Securities or instruments of the following character:
    - (a) United States government or agency obligations.
    - (b) State, county, school district and other district municipal bonds.
  3. The safekeeping receipt of a federal reserve bank or any bank located in a reserve city, or any bank authorized to do business in this state, whose combined capital, surplus and outstanding capital notes and debentures on the date of the safekeeping receipt are ten million dollars or more, evidencing the deposit therein of any securities or instruments described in this section. A safekeeping receipt shall not qualify as security, if issued by a bank to secure its own public deposits, unless issued directly through its trust department. The safekeeping receipt shall show upon its face that it is issued for the account of the treasurer and shall be delivered to the treasurer. The safekeeping receipt may provide for the substitution of securities or instruments which qualify under this section with the affirmative act of the treasurer.
  4. Letters of credit issued by a federal home loan bank if:
    - (a) The letter of credit has been delivered pursuant to this section or chapter 10, article 1 of this title to the statewide





collateral pool administrator.

(b) The letter of credit meets the required conditions of:

(i) Being irrevocable.

(ii) Being issued, presentable and payable at a federal home loan bank in United States dollars. Presentation may be made by the beneficiary submitting the original letter of credit, including any amendments, and the demand in writing, by overnight delivery.

(iii) If the letter of credit is for purposes of chapter 10, article 1 of this title, containing a statement that identifies the statewide collateral pool administrator as the beneficiary.

(iv) Containing an issue date and a date of expiration.

(c) For the purposes of chapter 10, article 1 of this title, the eligible depository, if notified by the statewide collateral pool administrator, is not allowed to use new letters of credit issued by a federal home loan bank if that federal home loan bank fails to pay a draw request as provided for in the letters of credit or fails to properly complete a confirmation of such letters of credit.

H. The securities, instruments or safekeeping receipt for the securities and instruments shall be accepted at market value if not above par, and, if at any time their market value becomes less than the deposit liability to that treasurer, additional securities or instruments required to guarantee deposits shall be deposited immediately with the treasurer who made the deposit and deposited by the eligible depository in which the deposit was made.

I. The condition of the surety bond, or the deposit of securities, instruments or a safekeeping receipt, must be such that the eligible depository will promptly pay to the parties entitled public monies in its custody, upon lawful demand, and will, when required by law, pay the monies to the treasurer making the deposit.

J. Notwithstanding the requirements of this section, any institution qualifying as an eligible depository may accept deposits of public monies to the total then authorized insurance of accounts, insured by federal deposit insurance, without depositing a surety bond or securities in lieu of the surety bond.

K. An eligible depository shall report monthly to the treasurer the total deposits of that treasurer and the par value and the market value of any pledged collateral securing those deposits.

L. When a security or instrument pledged as collateral matures or is called for redemption, the cash received for the security or instrument shall be held in place of the security until the depository has obtained a written release or provided substitute securities or instruments.

M. The surety bond, securities, instruments or safekeeping receipt of an eligible depository shall be deposited with the treasurer making the deposit, and the treasurer shall be the custodian of the bond, securities, instruments or safekeeping receipt. The treasurer may then deposit with the depository public monies then in the treasurer's possession in accordance with this article, but not in an amount in excess of the surety bond, securities, instruments or safekeeping receipt deposited, except for federal deposit insurance.

N. The following restrictions on investments are applicable:

1. An investment of public operating fund monies shall not be invested for a maturity of longer than five years.

2. The board of deposit may order the treasurer to sell any of the securities, and any order shall specifically describe the securities and fix the date upon which they are to be sold. Securities so ordered to be sold shall be sold for cash by the treasurer on the date fixed in the order, at the then current market price. The treasurer and the members of the board are not accountable for any loss occasioned by sales of securities at prices lower than their cost. Any loss or expense shall be charged against earnings received from investment of public funds.

3. Investments shall not be made in companies identified pursuant to section 35-392, subsection A, paragraph 1.

O. If the total amount of subdivision monies available for deposit at any time is less than the maximum coverage amount of the federal deposit insurance corporation, the subdivision board of deposit shall award the deposit of the funds to an eligible depository in accordance with an ordinance or resolution of the governing body of the subdivision. Deposits of less than the maximum coverage amount of the federal deposit insurance corporation are not subject to the requirements of this chapter.



# Disclosures

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Please advise your Client Service contact at RBC Global Asset Management (U.S.) Inc., 50 South Sixth Street, Suite 2350, Minneapolis, MN 55402 and Phone: 800-553-2143 promptly in the event of a material change in your investment strategy.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. The security valuations contained in this evaluation have been obtained from reliable sources. They do not, however, represent guaranteed bids, offers, or markets for securities, and are subject to change. The prices, yields, and maturities have been obtained from sources believed to be reliable, but the data is not necessarily complete, the reliability cannot be guaranteed, and the availability of specific issues is subject to change. The performance figures in this report represent the past performance of your account and do not guarantee future results. Gross performance returns for the account do not include management fees and any other expenses incurred in the management of the account. Asset ID typically represents the CUSIP of the holding. When a CUSIP is not available, the Asset ID may represent a SEDOL or an internal security ID. For unrated securities, RBC GAM-US may assign an equivalent rating for calculation of portfolio analytics.

Sources of Information: Bloomberg, FactSet, FT Interactive Data, State Street Bank and Trust Company, BofA Merrill Lynch, MSCI and various other sources from time to time, as may be referenced on the report page of their use.

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# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
4/3/19	4/8/19	244,960	3136A4M55	Fannie Mae-Aces (FNA 2012-M3 1A2)	3.04 1/1/22	100.70	246,673.19	246,818.18	2.70	-
4/3/19	4/8/19	244,524	3136A4M55	Fannie Mae-Aces (FNA 2012-M3 1A2)	3.04 1/1/22	100.70	246,233.34	246,378.07	2.70	-
4/8/19	4/11/19	315,000	3137BHX8	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K718 A2)	2.79 1/1/22	100.27	315,836.72	316,080.93	2.64	-
4/9/19	4/12/19	400,000	89236TFX8	Toyota Motor Credit Corp	2.65 4/12/22	99.94	399,748.00	399,748.00	2.67	-
4/25/19	4/25/19	425,000	313384HZ5	Federal Home Loan Bank Discount Notes	0.00 7/11/19	99.48	422,809.24	422,809.24	2.42	-
5/17/19	5/17/19	150,000	313384HT9	Federal Home Loan Bank Discount Notes	0.00 7/5/19	99.68	149,515.10	149,515.10	2.38	-
5/20/19	5/28/19	500,000	94988J5X1	Wells Fargo Bank NA	2.90 5/27/22	100.00	500,000.00	500,000.00	3.06	-
5/21/19	5/23/19	1,000,000	90331HPC1	US Bank NA/Cincinnati OH	2.65 5/23/22	99.89	998,940.00	998,940.00	2.69	-
5/23/19	5/28/19	500,000	037833AR1	Apple Inc	2.85 5/6/21	100.70	503,515.00	504,385.83	2.48	-
5/30/19	6/4/19	1,000,000	06405LAB7	Bank of New York Mellon/The	2.78 6/4/21	100.00	1,000,000.00	1,000,000.00	2.80	-
6/12/19	6/12/19	250,000	313384HZ5	Federal Home Loan Bank Discount Notes	0.00 7/11/19	99.82	249,550.90	249,550.90	2.27	-
6/25/19	6/26/19	375,000	313384HT9	Federal Home Loan Bank Discount Notes	0.00 7/5/19	99.94	374,791.88	374,791.88	2.22	-
6/27/19	6/27/19	200,000	313384HY8	Federal Home Loan Bank Discount Notes	0.00 7/10/19	99.92	199,838.94	199,838.94	2.23	-
7/5/19	7/5/19	575,000	9128287A2	United States Treasury Note/Bond	1.63 6/30/21	99.53	572,306.61	572,433.56	1.87	-



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
7/9/19	7/12/19	425,075	3138L2F28	Fannie Mae Pool (FN AM1984)	2.23 1/1/22	99.95	424,875.30	425,164.94	2.23	-
7/10/19	7/10/19	200,000	313384LF4	Federal Home Loan Bank Discount Notes	0.00 9/3/19	99.66	199,323.19	199,323.19	2.22	-
7/11/19	7/11/19	425,000	313384JA8	Federal Home Loan Bank Discount Notes	0.00 7/12/19	99.99	424,976.39	424,976.39	2.00	-
7/11/19	7/11/19	250,000	9128287A2	United States Treasury Note/Bond	1.63 6/30/21	99.58	248,955.92	249,077.35	1.84	-
7/23/19	7/25/19	1,000,000	92826CAG7	Visa Inc	2.15 9/15/22	100.29	1,002,940.00	1,010,703.89	2.05	-
7/25/19	7/30/19	438,643	3138L2K89	Fannie Mae Pool (FN AM2118)	2.29 1/1/23	100.23	439,654.13	440,463.30	2.07	-
7/30/19	8/2/19	257,987	3138L2M95	Fannie Mae Pool (FN AM2183)	2.35 1/1/23	100.55	259,398.23	259,415.07	2.18	-
7/30/19	8/2/19	257,464	3138L2M95	Fannie Mae Pool (FN AM2183)	2.35 1/1/23	100.55	258,872.48	258,889.27	2.18	-
8/2/19	8/7/19	396,384	3138EJ3L0	Fannie Mae Pool (FN AL2602)	2.65 10/1/22	101.30	401,524.44	401,699.26	2.19	-
8/13/19	8/16/19	725,000	30231GBB7	Exxon Mobil Corp	1.90 8/16/22	100.00	725,000.00	725,000.00	1.90	-
8/16/19	8/21/19	168,383	3138LEJD4	Fannie Mae Pool (FN AN2059)	1.64 7/1/21	99.59	167,699.34	167,852.76	1.88	-
8/23/19	8/26/19	950,000	9128287A2	United States Treasury Note/Bond	1.63 6/30/21	100.15	951,413.34	953,804.47	1.54	-
8/27/19	8/30/19	577,726	3138L3HF5	Fannie Mae Pool (FN AM2929)	2.70 4/1/23	102.52	592,259.15	593,515.71	1.27	-
8/28/19	9/3/19	438,955	3138L2RF6	Fannie Mae Pool (FN AM2285)	2.41 1/1/23	101.61	446,019.19	446,077.95	1.89	-



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
8/28/19	9/3/19	438,097	3138L2RF6	Fannie Mae Pool (FN AM2285)	2.41 1/1/23	101.61	445,147.85	445,206.50	1.44	-
9/4/19	9/11/19	750,000	037833DL1	Apple Inc	1.70 9/11/22	99.98	749,872.50	749,872.50	1.71	-
9/5/19	9/10/19	425,000	3138LDNQ2	Fannie Mae Pool (FN AN1298)	2.13 4/1/23	100.77	428,253.91	428,479.69	1.90	-
9/13/19	9/18/19	272,787	3138L3MY8	Fannie Mae Pool (FN AM3074)	2.53 4/1/23	101.13	275,856.22	276,182.13	2.18	-
9/25/19	9/25/19	400,000	912828T67	United States Treasury Note/Bond	1.25 10/31/21	99.11	396,454.47	398,465.34	1.68	-
<b>Subtotal</b>							<b>15,018,254.97</b>	<b>15,035,460.34</b>		
<b>Sell</b>										
4/5/19	4/8/19	225,000	313384FK0	Federal Home Loan Bank Discount Notes	0.00 5/10/19	99.79	224,527.00	224,527.00	-	7.00
4/10/19	4/11/19	300,000	313384FK0	Federal Home Loan Bank Discount Notes	0.00 5/10/19	99.81	299,427.25	299,427.25	-	7.25
4/11/19	4/12/19	250,000	313384FK0	Federal Home Loan Bank Discount Notes	0.00 5/10/19	99.81	249,537.22	249,537.22	-	3.88
4/11/19	4/12/19	200,000	313384FY0	Federal Home Loan Bank Discount Notes	0.00 5/23/19	99.73	199,456.75	199,456.75	-	10.25
5/22/19	5/23/19	650,000	313384GU7	Federal Home Loan Bank Discount Notes	0.00 6/12/19	99.87	649,158.61	649,158.61	-	30.69
5/24/19	5/28/19	900,000	313384GU7	Federal Home Loan Bank Discount Notes	0.00 6/12/19	99.90	899,137.50	899,137.50	-	43.13
6/3/19	6/4/19	900,000	313384GU7	Federal Home Loan Bank Discount Notes	0.00 6/12/19	99.95	899,540.00	899,540.00	-	23.00



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Sell</b>										
7/24/19	7/25/19	200,000	313384LF4	Federal Home Loan Bank Discount Notes	0.00 9/3/19	99.76	199,524.44	199,524.44	-	16.67
7/24/19	7/25/19	325,000	912828V31	United States Treasury Note/Bond	1.38 1/15/20	99.68	323,957.90	324,079.33	-	75.83
7/29/19	7/30/19	350,000	912828H52	United States Treasury Note/Bond	1.25 1/31/20	99.57	348,494.92	350,670.33	-	-563.31
7/29/19	7/30/19	45,000	912828V31	United States Treasury Note/Bond	1.38 1/15/20	99.68	44,853.95	44,879.17	-	4.31
8/1/19	8/2/19	80,000	912828H52	United States Treasury Note/Bond	1.25 1/31/20	99.61	79,690.36	79,695.79	-	-97.87
8/1/19	8/2/19	125,000	912828UQ1	United States Treasury Note/Bond	1.25 2/29/20	99.55	124,438.06	125,096.18	-	59.98
8/6/19	8/7/19	400,000	912828UQ1	United States Treasury Note/Bond	1.25 2/29/20	99.58	398,326.79	400,500.70	-	270.65
8/15/19	8/16/19	350,000	3130ADN32	Federal Home Loan Banks	2.13 2/11/20	100.06	350,218.75	350,322.05	-	376.62
8/15/19	8/16/19	350,000	912828UV0	United States Treasury Note/Bond	1.13 3/31/20	99.54	348,399.22	349,883.85	-	473.21
8/20/19	8/21/19	150,000	912828UV0	United States Treasury Note/Bond	1.13 3/31/20	99.57	149,349.11	150,008.43	-	218.63
8/29/19	8/30/19	500,000	912828X96	United States Treasury Note/Bond	1.50 5/15/20	99.77	498,865.51	501,046.22	-	38.53
8/29/19	9/3/19	135,000	912828X96	United States Treasury Note/Bond	1.50 5/15/20	99.78	134,704.24	135,315.04	-	16.13
8/29/19	9/3/19	325,000	912828X96	United States Treasury Note/Bond	1.50 5/15/20	99.78	324,287.98	325,758.43	-	1,821.68
8/29/19	9/3/19	40,000	912828X96	United States Treasury Note/Bond	1.50 5/15/20	99.78	39,912.36	40,093.34	-	219.12



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Sell</b>										
9/9/19	9/10/19	350,000	912828X96	United States Treasury Note/Bond	1.50 5/15/20	99.77	349,192.19	350,875.61	-	1,803.92
9/10/19	9/11/19	160,000	912828X96	United States Treasury Note/Bond	1.50 5/15/20	99.76	159,618.21	160,394.30	-	807.41
9/10/19	9/11/19	280,000	912828XY1	United States Treasury Note/Bond	2.50 6/30/20	100.52	281,464.69	282,853.28	-	1,752.69
9/11/19	9/11/19	300,000	912828XY1	United States Treasury Note/Bond	2.50 6/30/20	100.50	301,510.71	302,998.48	-	1,819.30
9/17/19	9/18/19	120,000	912828XY1	United States Treasury Note/Bond	2.50 6/30/20	100.44	120,529.28	121,181.46	-	649.80
9/17/19	9/18/19	130,000	912828XY1	United States Treasury Note/Bond	2.50 6/30/20	100.44	130,573.40	131,279.92	-	702.78
<b>Subtotal</b>							<b>8,128,696.40</b>	<b>8,147,240.68</b>		<b>10,591.28</b>

<sup>1</sup> Gain/Loss is based on Amortized Cost.

# Holdings

September 2019

Moody s S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Corporate</b>											
Aa2 A+/AA-	500,000	94988J5G8	Wells Fargo Bank NA	2.15 12/6/19	499,937.50	500,199.91	-262.41	3,434.03	0.18 0.18	1.93 2.20	0.77
Aaa AA+/NA	500,000	30231GAG7	Exxon Mobil Corp	1.91 3/6/20	499,634.50	498,522.03	1,112.47	663.89	0.39 0.43	2.61 2.08	0.77
Aa3 AA-/A+	100,000	89236TDU6	Toyota Motor Credit Corp	1.95 4/17/20	99,974.30	99,513.87	460.43	888.33	0.54 0.55	2.86 2.00	0.15
Aa3 AA/NA	300,000	053015AD5	Automatic Data Processing Inc	2.25 9/15/20	300,677.70	301,136.77	-459.07	300.00	0.88 0.88	1.81 1.98	0.47
Aa2 AA/A+	500,000	084664BZ3	Berkshire Hathaway Finance Corp	2.90 10/15/20	505,523.50	500,258.58	5,264.92	6,686.11	1.01 1.04	2.85 1.82	0.78
Aa2 AA/AA	500,000	931142EA7	Walmart Inc	1.90 12/15/20	500,393.50	495,350.13	5,043.37	2,797.22	1.18 1.21	2.69 1.83	0.78
Aa2 AA/A+	500,000	084664BQ3	Berkshire Hathaway Finance Corp	4.25 1/15/21	514,885.00	507,957.44	6,927.56	4,486.11	1.25 1.29	2.98 1.90	0.80
Aa2 A+/AA-	1,000,000	94988J5N3	Wells Fargo Bank NA	2.60 1/15/21	1,007,423.00	997,478.04	9,944.96	5,488.89	1.26 1.29	2.80 2.01	1.56
Aa1 AA+/NA	500,000	037833BS8	Apple Inc	2.25 2/23/21	502,430.50	495,714.22	6,716.28	1,187.50	1.31 1.32	2.88 1.87	0.78
Aaa AA+/NA	400,000	30231GAV4	Exxon Mobil Corp	2.22 3/1/21	401,999.20	396,392.07	5,607.13	740.67	1.33 1.34	2.88 1.84	0.62
Aaa AAA/NR	500,000	478160BS2	Johnson & Johnson	1.65 3/1/21	498,977.00	492,570.28	6,406.72	687.50	1.35 1.35	2.73 1.80	0.77
Aa3 AA-/A+	500,000	89236TCZ6	Toyota Motor Credit Corp	1.90 4/8/21	500,121.00	490,794.17	9,326.83	4,565.28	1.48 1.52	3.15 1.88	0.78
Aa2 A+/AA	1,000,000	48125LRN4	JPMorgan Chase Bank NA	3.09 <sup>2</sup> 4/26/21	1,004,765.00	998,665.76	6,099.24	13,286.94	0.53 0.58	3.17 2.23	1.56





# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Corporate</b>											
Aa1 AA+/NA	500,000	037833AR1	Apple Inc	2.85 5/6/21	508,054.00	502,910.36	5,143.64	5,739.58	1.54 1.60	2.48 1.82	0.79
Aa2 AA/NA	500,000	166764BG4	Chevron Corp	2.10 5/16/21	501,472.00	500,040.41	1,431.59	3,937.50	1.53 1.54	2.10 1.91	0.78
Aa2 AA-/AA	1,000,000	06405LAB7	Bank of New York Mellon/The	2.41 <sup>2</sup> 6/4/21	1,000,424.00	1,000,000.00	424.00	1,809.56	0.15 0.68	2.45 2.32	1.55
Aa2 AA/AA	500,000	931142EJ8	Walmart Inc	3.13 6/23/21	511,650.00	499,984.52	11,665.48	4,253.47	1.67 1.73	3.13 1.75	0.79
Aaa AAA/AA+	750,000	594918BP8	Microsoft Corp	1.55 8/8/21	746,667.75	740,147.18	6,520.57	1,711.46	1.78 1.86	2.28 1.79	1.16
Aa2 AA/A+	500,000	084670BC1	Berkshire Hathaway Inc	3.75 8/15/21	517,725.50	507,213.73	10,511.77	2,395.83	1.81 1.88	2.95 1.81	0.80
Aa1 AA+/NA	371,000	037833AY6	Apple Inc	2.15 2/9/22	373,870.80	364,336.57	9,534.23	1,152.16	2.29 2.36	2.94 1.81	0.58
Aa2 AA/NA	192,000	166764AT7	Chevron Corp	2.41 3/3/22	194,445.31	187,859.71	6,585.60	360.04	2.22 2.26	3.35 1.83	0.30
Aaa AAA/NR	450,000	478160CD4	Johnson & Johnson	2.25 3/3/22	455,467.50	440,087.77	15,379.73	787.50	2.29 2.34	3.20 1.72	0.71
Aaa AA+/NA	475,000	30231GAJ1	Exxon Mobil Corp	2.40 3/6/22	481,697.98	463,756.75	17,941.23	790.68	2.23 2.27	3.42 1.76	0.75
Aa3 AA-/A+	400,000	89236TFX8	Toyota Motor Credit Corp	2.65 4/12/22	407,124.80	399,786.18	7,338.62	4,976.11	2.41 2.53	2.67 1.93	0.63
Aa1 AA+/NA	500,000	037833BF6	Apple Inc	2.70 5/13/22	511,161.50	505,852.56	5,308.94	5,175.00	2.50 2.62	2.24 1.82	0.79
A1 AA-/AA-	1,000,000	90331HPC1	US Bank NA/Cincinnati OH	2.65 5/23/22	1,016,619.00	999,061.62	17,557.38	9,422.22	2.46 2.57	2.69 1.98	1.58



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Corporate</b>											
Aa2 A+/AA-	500,000	94988J5X1	Wells Fargo Bank NA	2.90 <sup>2</sup> 5/27/22	505,454.00	500,000.00	5,454.00	4,949.04	1.58 1.66	2.89 2.22	0.78
Aaa AA+/NA	725,000	30231GBB7	Exxon Mobil Corp	1.90 8/16/22	728,306.73	725,000.00	3,306.73	1,723.69	2.78 2.88	1.90 1.74	1.13
Aa1 AA+/NA	750,000	037833DL1	Apple Inc	1.70 9/11/22	748,941.00	749,874.79	-933.79	708.33	2.86 2.95	1.71 1.75	1.16
Aa3 AA-/NA	1,000,000	92826CAG7	Visa Inc	2.15 9/15/22	1,009,564.00	1,002,779.80	6,784.20	955.56	2.80 2.88	2.05 1.81	1.56
<b>Subtotal</b>					<b>17,055,387.57</b>	<b>16,863,245.22</b>	<b>192,142.35</b>	<b>96,060.20</b>	<b>1.61</b> <b>1.70</b>	<b>2.61</b> <b>1.92</b>	<b>26.44</b>
<b>Government Related</b>											
Aaa AA+/AAA	700,000	3135G0T60	Federal National Mortgage Association	1.50 7/30/20	698,070.10	699,403.59	-1,333.49	1,779.17	0.82 0.83	1.60 1.83	1.08
Aaa AA+/AAA	425,000	3137EAEJ4	Federal Home Loan Mortgage Corp	1.63 9/29/20	424,068.40	424,740.69	-672.29	38.37	0.98 1.00	1.69 1.85	0.66
Aaa AA+/AAA	575,000	3137EAEK1	Federal Home Loan Mortgage Corp	1.88 11/17/20	575,598.58	574,789.38	809.20	4,013.02	1.11 1.13	1.91 1.78	0.89
Aaa AA+/AAA	650,000	3135G0U27	Federal National Mortgage Association	2.50 4/13/21	657,475.65	649,496.02	7,979.63	7,583.33	1.49 1.54	2.55 1.74	1.02
<b>Subtotal</b>					<b>2,355,212.73</b>	<b>2,348,429.68</b>	<b>6,783.05</b>	<b>13,413.89</b>	<b>1.11</b> <b>1.13</b>	<b>1.96</b> <b>1.80</b>	<b>3.65</b>
<b>Securitized</b>											
Aaa AA+/AAA	116,557	3137B1AZ5	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K712 A2)	1.87 11/1/19	116,281.82	116,557.16	-275.34	181.54	0.11 0.11	1.85 2.92	0.18
Aaa AA+/AAA	400,000	3138L14Q9	Fannie Mae Pool (FN AM1730)	1.69 1/1/20	400,000.00	400,002.35	-2.35	563.33	0.25 0.25	1.37 1.70	0.62



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Securitized</b>											
Aaa AA+/AAA	275,000	30258EAA3	FREMF 2017-KT01 Multifamily Aggregation Risk Transfer Trust (FMPRE 2017-KT01 A)	2.36 <sup>2</sup> 2/25/20	275,023.43	275,000.00	23.43	108.01	0.15 0.40	2.36 2.37	0.43
Aaa AA+/AAA	271,196	3138L2ZE0	Fannie Mae Pool (FN AM2540)	1.77 3/1/20	270,305.44	271,231.14	-925.70	400.01	0.47 0.48	1.02 2.24	0.42
Aaa AA+/AAA	145,629	3138L9DF6	Fannie Mae Pool (FN AM8201)	1.70 3/1/20	144,707.45	145,628.84	-921.39	206.31	0.47 0.48	1.66 2.82	0.22
Aaa AA+/AAA	312,507	3137B2GW4	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K713 A2)	2.31 3/1/20	311,777.53	312,568.07	-790.54	602.36	0.25 0.25	1.83 2.64	0.48
Aaa AA+/AAA	145,766	3138L3ND3	Fannie Mae Pool (FN AM3087)	1.97 4/1/20	145,412.59	145,765.53	-352.94	239.30	0.56 0.57	1.82 2.21	0.23
Aaa AA+/AAA	500,000	3138L33G8	Fannie Mae Pool (FN AM3498)	2.01 6/1/20	498,739.10	499,986.91	-1,247.81	837.50	0.66 0.67	1.78 2.40	0.77
Aaa AA+/AAA	343,977	3137A1N90	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K008 A2)	3.53 6/1/20	344,540.50	344,833.92	-293.42	1,012.15	0.55 0.56	1.85 2.84	0.53
Aaa AA+/AAA	133,162	3138L4NU3	Fannie Mae Pool (FN AM4002)	2.72 7/1/20	133,060.66	133,310.37	-249.71	301.83	0.79 0.81	2.00 2.64	0.21
Aaa AA+/AAA	278,292	3138L4WB5	Fannie Mae Pool (FN AM4241)	2.93 8/1/20	278,380.96	278,868.64	-487.68	679.50	0.87 0.89	0.51 2.73	0.43
Aaa AA+/AAA	210,114	3137BMLC8	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K504 A2)	2.57 <sup>2</sup> 9/1/20	209,752.94	210,359.78	-606.84	449.29	0.27 0.27	1.76 2.76	0.33
Aaa AA+/AAA	159,496	31381PAP3	Fannie Mae Pool (FN 466314)	3.27 11/1/20	160,241.24	159,885.59	355.65	434.63	1.03 1.06	1.81 2.68	0.25
Aaa AA+/AAA	289,610	31381PNE4	Fannie Mae Pool (FN 466689)	3.59 12/1/20	291,492.03	290,295.10	1,196.93	866.42	1.17 1.22	2.65 2.92	0.45
Aaa AA+/AAA	212,409	3138EMJG7	Fannie Mae Pool (FN AL4762)	3.56 1/1/21	213,399.44	212,796.56	602.88	630.68	1.10 1.13	2.81 2.94	0.33



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Securitized</b>											
Aaa AA+/AAA	863,663	3137BAHA3	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K715 A2)	2.86 1/1/21	867,035.86	862,853.42	4,182.44	2,055.52	1.08 1.10	2.89 2.34	1.34
Aaa AA+/AAA	269,354	3138L6MH8	Fannie Mae Pool (FN AM5759)	2.64 5/1/21	270,717.84	270,252.60	465.24	592.58	1.57 1.62	1.98 2.26	0.42
Aaa AA+/AAA	255,000	3137BDDC7	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K716 A2)	3.13 6/1/21	257,600.77	256,537.18	1,063.59	665.13	1.42 1.47	2.05 2.29	0.40
Aaa AA+/AAA	168,062	3138LEJD4	Fannie Mae Pool (FN AN2059)	1.64 7/1/21	167,041.63	167,454.25	-412.62	229.68	1.74 1.78	1.88 1.96	0.26
Aaa AA+/AAA	202,600	3136A07H4	Fannie Mae-Aces (FNA 2011-M5 A2)	2.94 7/1/21	204,131.19	203,723.55	407.64	496.37	1.40 1.44	2.02 2.28	0.32
Aaa AA+/AAA	275,000	3137BFDQ1	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K717 A2)	2.99 9/1/21	278,070.88	276,611.62	1,459.26	685.44	1.61 1.67	2.17 2.20	0.43
Aaa AA+/AAA	364,693	31381SP48	Fannie Mae Pool (FN 469443)	3.39 10/1/21	373,314.35	367,856.78	5,457.57	1,030.26	1.49 1.54	2.30 1.74	0.58
Aaa AA+/AAA	307,420	3137AJMF8	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K016 A2)	2.97 10/1/21	310,802.80	308,891.44	1,911.36	760.25	1.71 1.78	2.32 2.23	0.48
Aaa AA+/AAA	141,167	31381SV90	Fannie Mae Pool (FN 469640)	3.17 11/1/21	144,128.04	141,715.39	2,412.65	372.92	1.51 1.57	2.76 1.72	0.22
Aaa AA+/AAA	320,203	31381STF9	Fannie Mae Pool (FN 469550)	2.98 12/1/21	326,552.97	319,042.31	7,510.66	795.17	1.64 1.70	3.21 1.72	0.51
Aaa AA+/AAA	169,334	3132WVAC8	Freddie Mac Gold Pool (FG WA1602)	2.85 12/1/21	171,425.55	170,152.09	1,273.46	402.17	2.08 2.17	2.34 2.29	0.27
Aaa AA+/AAA	213,067	31381TE22	Fannie Mae Pool (FN 470053)	3.07 1/1/22	217,519.14	215,525.36	1,993.78	545.10	1.71 1.78	2.01 1.76	0.34
Aaa AA+/AAA	423,250	3138L2F28	Fannie Mae Pool (FN AM1984)	2.23 1/1/22	425,559.46	423,044.71	2,514.75	786.54	2.17 2.25	2.23 1.96	0.66



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Securitized</b>											
Aaa AA+/AAA	217,187	3136A4M55	Fannie Mae-Aces (FNA 2012-M3 1A2)	3.04 1/1/22	221,591.21	218,215.05	3,376.16	550.93	1.85 1.92	2.70 1.87	0.34
Aaa AA+/AAA	325,000	3137APP61	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K018 A2)	2.79 1/1/22	329,131.59	326,884.18	2,247.41	755.35	1.88 1.94	2.12 2.04	0.51
Aaa AA+/AAA	315,000	3137BHY8	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K718 A2)	2.79 1/1/22	319,553.43	315,569.50	3,983.93	732.64	1.98 2.05	2.64 1.99	0.50
Aaa AA+/AAA	276,648	31381UC88	Fannie Mae Pool (FN 470895)	2.78 4/1/22	281,645.25	276,777.29	4,867.96	640.90	1.94 2.01	2.69 1.82	0.44
Aaa AA+/AAA	336,394	3138EJBS6	Fannie Mae Pool (FN AL1848)	3.01 <sup>2</sup> 4/1/22	344,083.86	334,803.79	9,280.07	843.23	1.94 2.01	3.29 1.75	0.53
Aaa AA+/AAA	960,106	31381US73	Fannie Mae Pool (FN 471342)	2.85 5/1/22	979,400.04	960,931.52	18,468.52	2,280.25	2.01 2.09	2.80 1.83	1.52
Aaa AA+/AAA	346,469	31381UW29	Fannie Mae Pool (FN 471465)	3.31 5/1/22	356,661.81	349,323.33	7,338.48	955.68	2.03 2.12	2.20 1.85	0.55
Aaa AA+/AAA	35,000	3137ATR4	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K020 A2)	2.37 5/1/22	35,276.18	34,495.18	781.00	69.21	2.32 2.41	3.13 1.98	0.05
Aaa AA+/AAA	98,482	31381UYJ0	Fannie Mae Pool (FN 471513)	2.90 6/1/22	100,622.45	97,858.07	2,764.38	238.00	2.08 2.17	3.10 2.15	0.16
Aaa AA+/AAA	64,701	31381U2M8	Fannie Mae Pool (FN 471580)	2.84 6/1/22	66,026.58	64,218.92	1,807.66	153.13	2.09 2.17	3.39 1.84	0.10
Aaa AA+/AAA	150,000	3137BKVP2	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K719 A2)	2.73 <sup>2</sup> 6/1/22	152,387.41	148,682.37	3,705.04	341.38	0.89 0.89	3.21 2.00	0.24
Aaa AA+/AAA	331,537	31381UQF7	Fannie Mae Pool (FN 471254)	2.98 7/1/22	339,558.05	332,166.24	7,391.81	823.32	2.16 2.25	2.69 1.84	0.53
Aaa AA+/AAA	480,628	31381URD1	Fannie Mae Pool (FN 471284)	2.98 7/1/22	492,121.84	482,703.91	9,417.93	1,193.56	2.16 2.25	2.77 1.86	0.76



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Securitized</b>											
Aaa AA+/AAA	33,643	3136AMM48	Fannie Mae-Aces (FNA 2015-M4 AV2)	2.51 <sup>2</sup> 7/1/22	33,978.52	33,254.39	724.13	70.34	1.97 2.04	3.14 1.93	0.05
Aaa AA+/AAA	825,000	3137AVXN2	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K022 A2)	2.36 7/1/22	832,495.03	817,117.18	15,377.85	1,619.06	2.51 2.60	2.77 1.94	1.29
Aaa AA+/AAA	304,518	3138L0MH1	Fannie Mae Pool (FN AM0359)	2.31 8/1/22	307,403.40	301,640.72	5,762.68	586.20	2.66 2.78	2.84 1.94	0.48
Aaa AA+/AAA	297,261	3136A77J5	Fannie Mae-Aces (FNA 2012-M12 1A)	2.94 <sup>2</sup> 8/1/22	303,629.95	297,393.63	6,236.32	728.10	2.35 2.46	2.91 1.92	0.47
Aaa AA+/AAA	1,000,000	3137BM6P6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K721 A2)	3.09 <sup>2</sup> 8/1/22	1,022,321.82	1,003,745.46	18,576.36	2,575.00	2.27 2.37	2.86 2.06	1.58
Aaa AA+/AAA	1,200,000	3137AXHP1	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K024 A2)	2.57 9/1/22	1,218,659.27	1,190,862.44	27,796.83	2,573.00	2.65 2.77	2.89 1.94	1.89
Aaa AA+/AAA	164,927	3137B3NW4	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K031 A1)	2.78 9/1/22	166,368.85	164,414.09	1,954.76	381.81	1.49 1.54	3.00 2.08	0.26
Aaa AA+/AAA	395,611	3138EJ3L0	Fannie Mae Pool (FN AL2602)	2.65 10/1/22	402,653.39	400,230.56	2,422.83	872.32	2.31 2.40	2.19 1.83	0.62
Aaa AA+/AAA	46,814	3138L4LG6	Fannie Mae Pool (FN AM3926)	2.86 10/1/22	47,904.41	46,520.49	1,383.92	111.57	2.38 2.49	3.13 1.87	0.07
Aaa AA+/AAA	50,000	3138L03Q2	Fannie Mae Pool (FN AM0806)	2.45 11/1/22	50,721.48	49,198.54	1,522.94	102.08	2.46 2.56	3.13 1.85	0.08
Aaa AA+/AAA	462,765	3138LCCK9	Fannie Mae Pool (FN AN0073)	2.29 11/1/22	467,331.56	456,291.41	11,040.15	883.11	2.91 3.04	2.88 1.95	0.72
Aaa AA+/AAA	296,334	3138L1QP7	Fannie Mae Pool (FN AM1361)	2.37 12/1/22	300,011.90	293,221.26	6,790.64	585.26	2.57 2.67	2.88 1.87	0.47
Aaa AA+/AAA	870,658	3138L1VS5	Fannie Mae Pool (FN AM1524)	2.35 12/1/22	880,838.53	858,406.39	22,432.14	1,705.04	2.53 2.64	2.93 1.88	1.37



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Securitized</b>											
Aaa AA+/AAA	171,168	3136AEGQ4	Fannie Mae-Aces (FNA 2013-M7 A2)	2.28 12/1/22	172,595.53	168,253.93	4,341.60	325.22	2.67 2.78	3.10 1.92	0.27
Aaa AA+/AAA	48,361	3138L2EA1	Fannie Mae Pool (FN AM1928)	2.19 1/1/23	48,714.85	47,255.01	1,459.84	88.26	3.03 3.16	3.13 1.94	0.08
Aaa AA+/AAA	457,227	3138L2H42	Fannie Mae Pool (FN AM2050)	2.33 1/1/23	462,333.50	452,897.37	9,436.13	887.78	2.56 2.67	2.70 1.88	0.72
Aaa AA+/AAA	436,902	3138L2K89	Fannie Mae Pool (FN AM2118)	2.29 1/1/23	440,749.97	437,786.37	2,963.60	833.75	3.03 3.18	2.07 2.00	0.68
Aaa AA+/AAA	438,097	3138L2RF6	Fannie Mae Pool (FN AM2285)	2.41 1/1/23	444,096.58	444,835.61	-739.03	879.85	2.61 2.72	1.44 1.87	0.69
Aaa AA+/AAA	125,000	3137B1U75	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS KS01 A2)	2.52 1/1/23	126,412.44	123,541.07	2,871.37	262.71	2.43 2.44	3.03 2.03	0.20
Aaa AA+/AAA	485,000	3137B04Y7	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS KSMC A2)	2.62 1/1/23	494,069.82	478,031.33	16,038.49	1,056.90	2.80 2.94	3.19 1.91	0.77
Aaa AA+/AAA	1,000,000	3137B2HN3	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K028 A2)	3.11 2/1/23	1,032,995.42	1,004,324.39	28,671.03	2,592.50	2.97 3.14	2.90 1.97	1.60
Aaa AA+/AAA	256,842	3138L3DY8	Fannie Mae Pool (FN AM2818)	2.46 3/1/23	260,838.53	254,671.96	6,166.57	526.53	2.75 2.87	2.77 1.89	0.40
Aaa AA+/AAA	255,416	3138EK7G4	Fannie Mae Pool (FN AL3594)	2.71 4/1/23	261,186.34	254,028.54	7,157.80	575.75	2.81 2.95	2.91 1.86	0.40
Aaa AA+/AAA	700,000	3138L3BR5	Fannie Mae Pool (FN AM2747)	2.50 4/1/23	712,379.90	694,678.51	17,701.39	1,458.33	2.93 3.07	2.76 1.89	1.10
Aaa AA+/AAA	176,339	3138L3G41	Fannie Mae Pool (FN AM2918)	2.51 4/1/23	179,403.39	172,690.14	6,713.25	368.84	2.82 2.95	3.33 1.89	0.28
Aaa AA+/AAA	576,670	3138L3HF5	Fannie Mae Pool (FN AM2929)	2.70 4/1/23	589,615.28	590,496.60	-881.32	1,297.51	2.82 2.96	1.27 1.90	0.91



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Securitized</b>											
Aaa AA+/AAA	272,787	3138L3MY8	Fannie Mae Pool (FN AM3074)	2.53 4/1/23	277,670.93	275,796.46	1,874.47	575.13	2.82 2.95	2.18 1.89	0.43
Aaa AA+/AAA	433,712	3138L3NM3	Fannie Mae Pool (FN AM3095)	2.40 4/1/23	439,772.84	432,740.96	7,031.88	867.42	2.81 2.94	2.48 1.90	0.68
Aaa AA+/AAA	425,000	3138LDNQ2	Fannie Mae Pool (FN AN1298)	2.13 4/1/23	427,385.51	428,152.05	-766.54	752.60	3.40 3.57	1.90 1.96	0.66
Aaa AA+/AAA	1,125,000	3137B4GY6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K032 A2)	3.31 <sup>2</sup> 5/1/23	1,173,658.58	1,136,805.58	36,853.00	3,103.13	3.28 3.50	2.91 1.97	1.82
<b>Subtotal</b>					<b>25,403,272.83</b>	<b>25,032,662.45</b>	<b>370,610.38</b>	<b>55,752.67</b>	<b>2.10 2.20</b>	<b>2.51 2.04</b>	<b>39.37</b>
<b>Treasury</b>											
Aaa AA+/AAA	795,000	912828XY1	United States Treasury Note/Bond	2.50 6/30/20	798,726.56	794,244.18	4,482.38	5,022.76	0.74 0.75	2.63 1.87	1.24
Aaa AA+/AAA	1,775,000	912828J8	United States Treasury Note/Bond	1.50 7/15/20	1,770,077.14	1,760,004.65	10,072.49	5,643.34	0.78 0.79	2.59 1.85	2.74
Aaa AA+/AAA	1,400,000	912828VP2	United States Treasury Note/Bond	2.00 7/31/20	1,401,531.25	1,392,425.06	9,106.19	4,717.39	0.82 0.83	2.66 1.85	2.17
Aaa AA+/AAA	1,300,000	912828Q2	United States Treasury Note/Bond	1.50 8/15/20	1,296,242.19	1,286,962.36	9,279.83	2,490.49	0.86 0.88	2.67 1.83	2.01
Aaa AA+/AAA	1,225,000	912828L32	United States Treasury Note/Bond	1.38 8/31/20	1,219,832.03	1,210,824.80	9,007.23	1,434.50	0.91 0.92	2.66 1.84	1.89
Aaa AA+/AAA	1,825,000	912828V1	United States Treasury Note/Bond	1.38 9/15/20	1,818,084.97	1,803,333.29	14,751.68	1,103.02	0.95 0.96	2.64 1.78	2.82
Aaa AA+/AAA	2,000,000	912828S5	United States Treasury Note/Bond	2.50 12/31/20	2,017,187.50	1,997,476.12	19,711.38	12,635.87	1.22 1.25	2.60 1.80	3.13
Aaa AA+/AAA	1,500,000	912828X4	United States Treasury Note/Bond	2.50 1/31/21	1,514,003.91	1,499,767.92	14,235.99	6,317.93	1.31 1.34	2.51 1.78	2.35





# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Treasury</b>											
Aaa AA+/AAA	1,000,000	9128283X6	United States Treasury Note/Bond	2.25 2/15/21	1,006,601.56	997,192.00	9,409.56	2,873.64	1.35 1.38	2.46 1.76	1.56
Aaa AA+/AAA	1,775,000	9128287A2	United States Treasury Note/Bond	1.63 6/30/21	1,773,058.59	1,773,039.87	18.72	7,289.32	1.71 1.75	1.69 1.69	2.75
Aaa AA+/AAA	1,375,000	912828S76	United States Treasury Note/Bond	1.13 7/31/21	1,361,464.84	1,341,066.67	20,398.17	2,606.15	1.80 1.83	2.51 1.67	2.11
Aaa AA+/AAA	1,675,000	9128284W7	United States Treasury Note/Bond	2.75 8/15/21	1,707,976.56	1,677,959.13	30,017.43	5,882.98	1.82 1.88	2.65 1.68	2.65
Aaa AA+/AAA	400,000	912828T67	United States Treasury Note/Bond	1.25 10/31/21	396,781.25	396,481.83	299.42	2,092.39	2.04 2.08	1.68 1.64	0.61
Aaa AA+/AAA	1,500,000	9128285V8	United States Treasury Note/Bond	2.50 1/15/22	1,529,062.50	1,499,967.00	29,095.50	7,948.37	2.22 2.30	2.50 1.63	2.37
<b>Subtotal</b>					<b>19,610,630.85</b>	<b>19,430,744.88</b>	<b>179,885.97</b>	<b>68,058.15</b>	<b>1.31</b> <b>1.34</b>	<b>2.49</b> <b>1.76</b>	<b>30.40</b>
<b>Cash &amp; Equivalents</b>											
	93,413	CASHUSD	US DOLLARS	0.00	93,413.03	93,413.03	0.00	0.00	0.00 0.00	0.00 0.00	0.14
<b>Subtotal</b>					<b>93,413.03</b>	<b>93,413.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b> <b>0.00</b>	<b>0.00</b> <b>0.00</b>	<b>0.14</b>
<b>Total</b>					<b>64,517,917.01</b>	<b>63,768,495.26</b>	<b>749,421.75</b>	<b>233,284.91</b>	<b>1.69</b> <b>1.76</b>	<b>2.51</b> <b>1.91</b>	<b>100.00</b>

<sup>1</sup> Cost and Gain/Loss are based on Amortized Cost.

<sup>2</sup> Floating Rate



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
4/11/19	4/11/19	500,000	89837TDV7	Princeton University	2.48 6/10/19	100.00	500,000.00	500,000.00	2.48	-
4/12/19	4/12/19	600,000	3130ADN32	Federal Home Loan Banks	2.13 2/11/20	99.72	598,314.00	600,474.42	2.43	-
4/12/19	4/12/19	675,000	3137EAEF2	Federal Home Loan Mortgage Corp	1.38 4/20/20	98.91	667,649.25	672,083.63	2.44	-
4/17/19	4/18/19	228,073	3137AA4V2	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K013 A1)	2.90 8/1/20	99.96	227,992.72	228,305.26	2.68	-
4/23/19	4/26/19	145,315	3137BFDP3	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K717 A1)	2.34 2/1/21	99.73	144,923.82	145,160.16	2.46	-
4/25/19	4/29/19	250,000	89236TEU5	Toyota Motor Credit Corp	2.95 4/13/21	100.57	251,417.50	251,745.28	2.65	-
4/26/19	5/1/19	86,635	31381P5D6	Fannie Mae Pool (FN 467144)	4.25 1/1/21	101.62	88,039.82	88,039.82	3.20	-
4/26/19	5/1/19	86,463	31381P5D6	Fannie Mae Pool (FN 467144)	4.25 1/1/21	101.62	87,864.25	87,864.25	2.31	-
4/26/19	5/1/19	87,308	31381QBN5	Fannie Mae Pool (FN 467245)	4.29 2/1/21	101.81	88,890.60	88,890.61	2.24	-
4/26/19	5/1/19	87,474	31381QBN5	Fannie Mae Pool (FN 467245)	4.29 2/1/21	101.81	89,059.37	89,059.38	3.18	-
5/6/19	5/9/19	300,000	3137FBUV6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS KP04 AG1)	2.70 7/25/20	100.00	300,000.00	300,316.69	2.71	-
5/15/19	5/15/19	500,000	98459SWH7	Yale University	0.00 9/17/19	99.14	495,711.81	495,711.81	2.49	-
5/17/19	5/17/19	100,000	313384HT9	Federal Home Loan Bank Discount Notes	0.00 7/5/19	99.68	99,676.74	99,676.74	2.38	-
5/20/19	5/20/19	700,000	89651KXF2	Trinity Health Corp	0.00 10/15/19	98.97	692,805.55	692,805.55	2.53	-



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
5/23/19	5/28/19	500,000	037833AR1	Apple Inc	2.85 5/6/21	100.70	503,515.00	504,385.83	2.48	-
5/24/19	5/24/19	400,000	66844DVU3	Northwestern University	0.00 8/28/19	99.34	397,365.33	397,365.33	2.49	-
6/4/19	6/7/19	185,537	3138L3CR4	Fannie Mae Pool (FN AM2779)	2.14 5/1/21	99.66	184,899.33	184,965.51	2.33	-
6/5/19	6/10/19	205,610	3137ADTJ6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K014 A2)	3.87 4/1/21	102.20	210,139.66	210,338.64	2.40	-
6/5/19	6/10/19	205,261	3137ADTJ6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K014 A2)	3.87 4/1/21	102.20	209,783.64	209,982.27	2.40	-
6/10/19	6/10/19	325,000	89837TDW5	Princeton University	2.36 9/10/19	100.00	325,000.00	325,000.00	2.36	-
7/8/19	7/8/19	700,000	69372BUW8	PACCAR Financial Corp	0.00 7/30/19	99.86	699,011.83	699,011.83	2.31	-
7/25/19	7/25/19	300,000	313312JQ4	Federal Farm Credit Discount Notes	0.00 7/26/19	99.99	299,981.25	299,981.25	2.25	-
7/26/19	7/26/19	1,100,000	313384KK4	Federal Home Loan Bank Discount Notes	0.00 8/14/19	99.89	1,098,746.00	1,098,746.00	2.16	-
7/26/19	7/26/19	450,000	9128287A2	United States Treasury Note/Bond	1.63 6/30/21	99.52	447,839.40	448,356.04	1.88	-
7/30/19	8/2/19	246,386	3138EGEZ3	Fannie Mae Pool (FN AL0151)	4.38 4/1/21	102.18	251,756.48	251,786.46	2.94	-
7/30/19	8/2/19	246,885	3138EGEZ3	Fannie Mae Pool (FN AL0151)	4.38 4/1/21	102.18	252,265.87	252,295.91	2.94	-
7/30/19	7/30/19	700,000	69372BVU1	PACCAR Financial Corp	0.00 8/28/19	99.82	698,770.72	698,770.72	2.18	-
8/2/19	8/7/19	383,754	3137A7NU0	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K011 A2)	4.08 11/1/20	102.00	391,429.57	391,690.78	2.22	-



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
8/2/19	8/7/19	382,842	3137A7NU0	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K011 A2)	4.08 11/1/20	102.00	390,498.41	390,759.00	0.95	-
8/13/19	8/16/19	167,775	31381RQD9	Fannie Mae Pool (FN 468552)	3.89 7/1/21	102.42	171,837.88	172,109.82	2.05	-
8/14/19	8/14/19	175,000	313384KM0	Federal Home Loan Bank Discount Notes	0.00 8/16/19	99.99	174,980.46	174,980.46	2.01	-
8/14/19	8/14/19	300,000	313384LR8	Federal Home Loan Bank Discount Notes	0.00 9/13/19	99.83	299,492.50	299,492.50	2.03	-
8/28/19	9/3/19	219,283	3137B6ZM6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K714 A2)	3.03 10/1/20	100.50	220,371.12	220,408.08	2.25	-
8/28/19	9/3/19	218,885	3137B6ZM6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K714 A2)	3.03 10/1/20	100.50	219,971.27	220,008.16	2.16	-
8/28/19	9/3/19	93,020	31381N6V0	Fannie Mae Pool (FN 466284)	3.33 10/1/20	100.56	93,542.83	93,560.03	2.69	-
8/28/19	9/3/19	92,828	31381N6V0	Fannie Mae Pool (FN 466284)	3.33 10/1/20	100.56	93,350.57	93,367.74	2.85	-
8/28/19	8/28/19	425,000	66844DZJ4	Northwestern University	0.00 12/18/19	99.36	422,289.44	422,289.44	2.06	-
8/28/19	8/28/19	700,000	69372BWQ9	PACCAR Financial Corp	0.00 9/24/19	99.85	698,918.50	698,918.50	2.06	-
8/30/19	9/5/19	255,432	30294UAA3	FRESB 2016-SB17 Mortgage Trust (FRESB 2016-SB17 A5F)	1.86 6/1/21	99.75	254,793.50	254,846.29	2.00	-
8/30/19	9/5/19	254,999	30294UAA3	FRESB 2016-SB17 Mortgage Trust (FRESB 2016-SB17 A5F)	1.86 6/1/21	99.75	254,361.69	254,414.39	2.01	-
9/4/19	9/13/19	225,000	3138L16H7	Fannie Mae Pool (FN AM1771)	2.12 9/1/21	100.18	225,404.30	225,563.30	2.00	-
9/10/19	9/13/19	140,282	31381PAC2	Fannie Mae Pool (FN 466303)	3.54 12/1/20	100.78	141,377.71	141,543.24	2.74	-



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
9/10/19	9/10/19	325,000	89837TEA2	Princeton University	1.98 12/5/19	100.00	325,000.00	325,000.00	1.98	-
9/11/19	9/16/19	114,112	31381RRG1	Fannie Mae Pool (FN 468587)	3.84 8/1/21	102.38	116,821.73	117,004.31	1.29	-
9/11/19	9/16/19	230,841	31381RZ23	Fannie Mae Pool (FN 468861)	3.84 8/1/21	102.34	236,233.20	236,602.55	2.41	-
9/17/19	9/17/19	525,000	313384MD8	Federal Home Loan Bank Discount Notes	0.00 9/25/19	99.95	524,760.83	524,760.83	2.05	-
9/20/19	9/25/19	135,000	3137BDDC7	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K716 A2)	3.13 6/1/21	101.23	136,666.41	136,948.11	2.21	-
9/24/19	9/25/19	375,000	30229BXN2	Exxon Mobil Corp	0.00 10/22/19	99.85	374,443.13	374,443.13	1.98	-
9/24/19	9/24/19	200,000	313384QD4	Federal Home Loan Bank Discount Notes	0.00 12/6/19	99.61	199,217.28	199,217.28	1.94	-
9/24/19	9/24/19	500,000	89233GA63	Toyota Motor Credit Corp	0.00 1/6/20	99.42	497,096.67	497,096.67	2.02	-
<b>Subtotal</b>							<b>16,374,278.94</b>	<b>16,386,144.00</b>		
<b>Sell</b>										
4/17/19	4/18/19	250,000	313384EY1	Federal Home Loan Bank Discount Notes	0.00 4/29/19	99.93	249,819.95	249,819.95	-	7.10
4/26/19	4/26/19	150,000	313384FS3	Federal Home Loan Bank Discount Notes	0.00 5/17/19	99.86	149,791.31	149,791.31	-	2.18
4/26/19	4/29/19	250,000	313384FS3	Federal Home Loan Bank Discount Notes	0.00 5/17/19	99.88	249,700.63	249,700.63	-	1.88
4/30/19	5/1/19	150,000	313384FS3	Federal Home Loan Bank Discount Notes	0.00 5/17/19	99.89	149,840.93	149,840.93	-	1.60



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Sell</b>										
5/9/19	5/9/19	300,000	912828U32	United States Treasury Note/Bond	1.00 11/15/19	99.28	297,831.03	299,281.31	-	460.39
5/28/19	5/28/19	100,000	313384HT9	Federal Home Loan Bank Discount Notes	0.00 7/5/19	99.75	99,753.00	99,753.00	-	3.69
5/28/19	5/28/19	340,000	912828U32	United States Treasury Note/Bond	1.00 11/15/19	99.37	337,847.30	337,967.41	-	528.86
6/6/19	6/7/19	200,000	912828U32	United States Treasury Note/Bond	1.00 11/15/19	99.47	198,944.64	199,069.64	-	429.78
8/1/19	8/2/19	275,000	313384KK4	Federal Home Loan Bank Discount Notes	0.00 8/14/19	99.93	274,810.25	274,810.25	-	8.25
8/6/19	8/7/19	400,000	313384KK4	Federal Home Loan Bank Discount Notes	0.00 8/14/19	99.96	399,850.90	399,850.90	-	18.90
8/29/19	9/3/19	300,000	313384LR8	Federal Home Loan Bank Discount Notes	0.00 9/13/19	99.94	299,830.42	299,830.42	-	-0.41
9/4/19	9/5/19	300,000	3130ADN32	Federal Home Loan Banks	2.13 2/11/20	100.06	300,180.30	300,605.30	-	618.33
9/12/19	9/13/19	200,000	912828U32	United States Treasury Note/Bond	1.00 11/15/19	99.85	199,694.64	200,352.25	-	275.79
9/12/19	9/13/19	125,000	912828V31	United States Treasury Note/Bond	1.38 1/15/20	99.85	124,814.03	125,094.26	-	385.93
9/13/19	9/16/19	350,000	912828V31	United States Treasury Note/Bond	1.38 1/15/20	99.85	349,465.62	350,289.50	-	1,028.19
<b>Subtotal</b>							<b>3,682,174.95</b>	<b>3,686,057.06</b>		<b>3,770.46</b>

<sup>1</sup> Gain/Loss is based on Amortized Cost.



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Corporate</b>											
Aa3	250,000	89236TEU5	Toyota Motor Credit Corp	2.95	254,025.00	251,118.45	2,906.55	3,441.67	1.48	2.65	1.65
AA-/A+				4/13/21					1.54	1.88	
Aa1	500,000	037833AR1	Apple Inc	2.85	508,054.00	502,910.36	5,143.64	5,739.58	1.54	2.48	3.29
AA+/NA				5/6/21					1.60	1.82	
<b>Subtotal</b>					<b>762,079.00</b>	<b>754,028.81</b>	<b>8,050.19</b>	<b>9,181.25</b>	<b>1.52</b>	<b>2.53</b>	<b>4.94</b>
									<b>1.58</b>	<b>1.84</b>	
<b>Government Related</b>											
Aaa	200,000	313384QD4	Federal Home Loan Bank Discount Notes	0.00	199,286.80	199,292.34	-5.54	0.00	0.18	1.94	1.29
AA+/AAA				12/6/19					0.18	1.92	
Aaa	300,000	3130ADN32	Federal Home Loan Banks	2.13	300,159.30	299,633.60	525.70	885.42	0.36	2.43	1.95
AA+/AAA				2/11/20					0.36	1.93	
Aaa	675,000	3137EAEF2	Federal Home Loan Mortgage Corp	1.38	672,971.63	671,011.11	1,960.52	4,150.78	0.55	2.44	4.36
AA+/AAA				4/20/20					0.56	1.92	
Aaa	1,000,000	3130ABTW6	Federal Home Loan Banks	1.60	997,212.00	990,267.39	6,944.61	3,288.89	0.78	2.85	6.47
AA+/AAA				7/17/20					0.80	1.95	
Aaa	1,300,000	313370US5	Federal Home Loan Banks	2.88	1,312,520.30	1,299,102.96	13,417.34	2,076.39	0.93	2.95	8.51
AA+/AAA				9/11/20					0.95	1.84	
Aaa	525,000	3136G3ZM0	Federal National Mortgage Association	1.20	521,238.38	516,209.34	5,029.04	2,677.50	1.06	2.79	3.38
AA+/AAA				10/28/20					1.08	1.87	
Aaa	1,200,000	3137EAEK1	Federal Home Loan Mortgage Corp	1.88	1,201,249.20	1,187,035.26	14,213.94	8,375.00	1.11	2.86	7.79
AA+/AAA				11/17/20					1.13	1.78	
Aaa	400,000	3134G9GE1	Federal Home Loan Mortgage Corp	1.50	398,166.40	394,186.70	3,979.70	2,100.00	1.13	2.79	2.58
AA+/AAA				11/25/20					1.15	1.90	
Aaa	1,000,000	3136G16H7	Federal National Mortgage Association	1.55	995,265.00	988,039.68	7,225.32	3,918.06	1.23	2.53	6.45
AA+/AAA				12/30/20					1.25	1.93	



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Government Related</b>											
Aaa	600,000	3130ADMJ8	Federal Home Loan Banks	2.38	603,942.00	598,534.09	5,407.91	2,097.92	1.33	2.56	3.92
AA+/AAA				2/8/21					1.36	1.88	
<b>Subtotal</b>					<b>7,202,011.01</b>	<b>7,143,312.47</b>	<b>58,698.54</b>	<b>29,569.96</b>	<b>0.95</b>	<b>2.71</b>	<b>46.70</b>
									<b>0.97</b>	<b>1.88</b>	
<b>Money Market</b>											
P-1	700,000	89651KXF2	Trinity Health Corp	0.00	699,393.33	699,319.44	73.89	0.00	0.04	2.53	4.54
A-1+/NR				10/15/19					0.04	2.08	
P-1	375,000	30229BXN2	Exxon Mobil Corp	0.00	374,542.88	374,566.88	-24.00	0.00	0.06	1.98	2.43
A-1+/NA				10/22/19					0.06	2.00	
P-1	325,000	89837TEA2	Princeton University	1.98	324,936.91	325,000.00	-63.09	375.38	0.18	1.98	2.11
A-1+/NA				12/5/19					0.18	2.08	
P-1	425,000	66844DZJ4	Northwestern University	0.00	423,053.50	423,112.29	-58.79	0.00	0.21	2.06	2.74
A-1+/F1+				12/18/19					0.22	2.10	
P-1	500,000	89233GA63	Toyota Motor Credit Corp	0.00	497,223.00	497,292.09	-69.09	0.00	0.27	2.02	3.22
A-1+/NA				1/6/20					0.27	2.05	
<b>Subtotal</b>					<b>2,319,149.62</b>	<b>2,319,290.70</b>	<b>-141.08</b>	<b>375.38</b>	<b>0.14</b>	<b>2.17</b>	<b>15.04</b>
									<b>0.14</b>	<b>2.06</b>	
<b>Securitized</b>											
Aaa	158,494	3137AA4V2	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K013 A1)	2.90	158,550.34	158,469.81	80.53	383.29	0.43	2.68	1.03
AA+/AAA				8/1/20					0.43	2.74	
Aaa	92,828	31381N6V0	Fannie Mae Pool (FN 466284)	3.33	93,116.41	93,281.14	-164.73	257.60	1.02	2.85	0.60
AA+/AAA				10/1/20					1.05	2.89	
Aaa	218,885	3137B6ZM6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K714 A2)	3.03 <sup>2</sup>	219,166.20	219,823.57	-657.37	553.42	0.69	2.16	1.42
AA+/AAA				10/1/20					0.71	2.58	
Aaa	140,282	31381PAC2	Fannie Mae Pool (FN 466303)	3.54	141,158.77	141,286.42	-127.65	413.83	1.10	2.74	0.92
AA+/AAA				11/1/20					1.14	2.84	





# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Securitized</b>											
Aaa AA+/AAA	381,925	3137A7NU0	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K011 A2)	4.08 <sup>2</sup> 11/1/20	387,059.06	387,845.69	-786.63	1,299.82	1.00 1.04	1.16 2.53	2.51
Aaa AA+/AAA	85,802	31381P5D6	Fannie Mae Pool (FN 467144)	4.25 1/1/21	86,809.10	86,582.22	226.88	303.88	0.79 0.81	2.31 2.51	0.56
Aaa AA+/AAA	86,678	31381QBN5	Fannie Mae Pool (FN 467245)	4.29 2/1/21	87,886.59	87,589.37	297.22	309.87	0.87 0.89	2.24 2.47	0.57
Aaa AA+/AAA	37,115	3137BFDP3	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K717 A1)	2.34 2/1/21	37,042.80	37,057.54	-14.74	72.44	0.07 0.07	2.46 6.65	0.24
Aaa AA+/AAA	245,885	3138EGEZ3	Fannie Mae Pool (FN AL0151)	4.38 4/1/21	249,946.19	250,225.14	-278.95	897.48	0.94 0.97	2.94 2.43	1.62
Aaa AA+/AAA	204,178	3137ADTJ6	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K014 A2)	3.87 4/1/21	207,093.09	207,282.26	-189.17	658.65	1.25 1.29	2.40 2.57	1.34
Aaa AA+/AAA	184,424	3138L3CR4	Fannie Mae Pool (FN AM2779)	2.14 5/1/21	184,310.64	183,958.50	352.14	328.89	1.57 1.62	2.33 2.13	1.20
Aaa AA+/AAA	254,999	30294UAA3	FRESB 2016-SB17 Mortgage Trust (FRESB 2016-SB17 A5F)	1.86 <sup>2</sup> 6/1/21	253,383.87	254,413.54	-1,029.67	395.25	0.23 0.24	2.01 3.70	1.64
Aaa AA+/AAA	135,000	3137BDDC7	Freddie Mac Multifamily Structured Pass Through Certificates (FHMS K716 A2)	3.13 6/1/21	136,376.88	136,633.09	-256.21	352.13	1.42 1.47	2.21 2.29	0.88
Aaa AA+/AAA	167,467	31381RQD9	Fannie Mae Pool (FN 468552)	3.89 7/1/21	170,492.05	171,005.14	-513.09	542.87	1.25 1.29	2.05 2.34	1.11
Aaa AA+/AAA	114,112	31381RRG1	Fannie Mae Pool (FN 468587)	3.84 8/1/21	116,215.35	116,706.23	-490.88	365.16	1.30 1.34	1.29 2.33	0.75
Aaa AA+/AAA	230,841	31381RZ23	Fannie Mae Pool (FN 468861)	3.84 8/1/21	236,994.50	236,003.76	990.74	738.69	1.34 1.38	2.41 1.77	1.54



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Securitized</b>											
Aaa	225,000	3138L16H7	Fannie Mae Pool (FN AM1771)	2.12	225,522.43	225,384.64	137.79	397.50	1.86	2.00	1.46
AA+/AAA				9/1/21					1.92	2.01	
<b>Subtotal</b>					<b>2,991,124.27</b>	<b>2,993,548.06</b>	<b>-2,423.79</b>	<b>8,270.77</b>	<b>1.05</b>	<b>2.17</b>	<b>19.40</b>
									<b>1.08</b>	<b>2.56</b>	
<b>Treasury</b>											
Aaa	300,000	912828V31	United States Treasury Note/Bond	1.38	299,542.97	298,826.69	716.28	874.32	0.29	2.75	1.94
AA+/AAA				1/15/20					0.29	1.90	
Aaa	1,025,000	9128285S5	United States Treasury Note/Bond	2.50	1,033,808.59	1,024,671.90	9,136.69	6,475.88	1.22	2.53	6.70
AA+/AAA				12/31/20					1.25	1.80	
Aaa	300,000	9128283Q1	United States Treasury Note/Bond	2.00	300,808.59	297,772.09	3,036.50	1,271.74	1.27	2.59	1.95
AA+/AAA				1/15/21					1.29	1.79	
Aaa	450,000	9128287A2	United States Treasury Note/Bond	1.63	449,507.81	448,041.12	1,466.69	1,848.00	1.71	1.88	2.91
AA+/AAA				6/30/21					1.75	1.69	
<b>Subtotal</b>					<b>2,083,667.96</b>	<b>2,069,311.80</b>	<b>14,356.16</b>	<b>10,469.94</b>	<b>1.20</b>	<b>2.43</b>	<b>13.51</b>
									<b>1.23</b>	<b>1.79</b>	
<b>Cash &amp; Equivalents</b>											
	63,216	CASHUSD	US DOLLARS	0.00	63,216.30	63,216.30	0.00	0.00	0.00	0.00	0.41
									0.00	0.00	
<b>Subtotal</b>					<b>63,216.30</b>	<b>63,216.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.41</b>
									<b>0.00</b>	<b>0.00</b>	
<b>Total</b>					<b>15,421,248.16</b>	<b>15,342,708.14</b>	<b>78,540.02</b>	<b>57,867.30</b>	<b>0.91</b>	<b>2.47</b>	<b>100.00</b>
									<b>0.93</b>	<b>2.02</b>	

<sup>1</sup> Cost and Gain/Loss are based on Amortized Cost.

<sup>2</sup> Floating Rate



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
5/10/19	5/10/19	3,000,000	313384KE8	Federal Home Loan Bank Discount Notes	0.00 8/9/19	99.40	2,981,891.00	2,981,891.00	2.40	-
6/7/19	6/7/19	3,775,000	313384JX8	Federal Home Loan Bank Discount Notes	0.00 8/2/19	99.64	3,761,488.02	3,761,488.02	2.31	-
6/7/19	6/7/19	1,225,000	313384JX8	Federal Home Loan Bank Discount Notes	0.00 8/2/19	99.64	1,220,636.28	1,220,636.28	2.30	-
6/11/19	6/12/19	4,600,000	313384LP2	Federal Home Loan Bank Discount Notes	0.00 9/11/19	99.43	4,573,837.50	4,573,837.50	2.26	-
6/14/19	6/14/19	1,000,000	313384LR8	Federal Home Loan Bank Discount Notes	0.00 9/13/19	99.44	994,413.61	994,413.61	2.22	-
8/2/19	8/2/19	5,500,000	9128282Q2	United States Treasury Note/Bond	1.50 8/15/20	99.60	5,477,889.52	5,516,176.81	1.89	-
8/9/19	8/9/19	3,000,000	912796TE9	United States Treasury Bill	0.00 2/6/20	99.05	2,971,507.58	2,971,507.59	1.91	-
8/22/19	8/23/19	850,000	9128282Z2	United States Treasury Note/Bond	1.63 10/15/20	99.84	848,674.72	853,580.80	1.76	-
9/4/19	9/4/19	600,000	313384ML0	Federal Home Loan Bank Discount Notes	0.00 10/2/19	99.84	599,048.00	599,048.00	2.04	-
9/11/19	9/11/19	1,100,000	313384MT3	Federal Home Loan Bank Discount Notes	0.00 10/9/19	99.84	1,098,290.60	1,098,290.60	2.00	-
9/11/19	9/12/19	1,350,000	912828C57	United States Treasury Note/Bond	2.25 3/31/21	100.75	1,360,076.79	1,373,770.44	1.76	-
9/11/19	9/12/19	1,300,000	912828N89	United States Treasury Note/Bond	1.38 1/31/21	99.43	1,292,641.07	1,294,729.72	1.79	-
9/11/19	9/12/19	1,400,000	912828P87	United States Treasury Note/Bond	1.13 2/28/21	99.06	1,386,879.69	1,387,398.92	1.78	-



# Purchases and Sales

September 2019

Trade Date	Settle Date	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Tran Price	Principal Amount	Net Amount	Trade Yield	Realized <sup>1</sup> Gain/Loss
<b>Buy</b>										
9/13/19	9/13/19	1,000,000	912828Q78	United States Treasury Note/Bond	1.38 4/30/21	99.23	992,308.04	997,389.56	1.86	-
<b>Subtotal</b>							<b>29,559,582.42</b>	<b>29,624,158.85</b>		

<sup>1</sup> Gain/Loss is based on Amortized Cost.



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Government Related</b>											
Aaa AA+/AAA	600,000	313384ML0	Federal Home Loan Bank Discount Notes	0.00 10/2/19	599,939.40	599,966.00	-26.60	0.00	0.01 0.01	2.04 1.75	0.96
Aaa AA+/AAA	1,000,000	3137EADM8	Federal Home Loan Mortgage Corp	1.25 10/2/19	1,000,000.00	999,965.29	34.71	6,215.28	0.01 0.01	2.54 1.24	1.60
Aaa AA+/AAA	1,100,000	313384MT3	Federal Home Loan Bank Discount Notes	0.00 10/9/19	1,099,483.00	1,099,511.60	-28.60	0.00	0.02 0.03	2.00 1.79	1.76
Aaa AA+/AAA	1,475,000	3135G0ZY2	Federal National Mortgage Association	1.75 11/26/19	1,474,542.75	1,473,333.69	1,209.06	8,962.67	0.15 0.16	2.49 1.94	2.35
Aaa AA+/AAA	1,875,000	3135G0A78	Federal National Mortgage Association	1.63 1/21/20	1,873,059.38	1,869,819.03	3,240.35	5,924.48	0.31 0.31	2.54 1.96	2.99
Aaa AA+/AAA	2,300,000	3130ADN32	Federal Home Loan Banks	2.13 2/11/20	2,301,221.30	2,296,286.60	4,934.70	6,788.19	0.36 0.36	2.56 1.93	3.68
Aaa AA+/AAA	1,000,000	3133EJEL9	Federal Farm Credit Banks Funding Corp	2.30 3/2/20	1,001,285.00	999,038.34	2,246.66	1,852.78	0.42 0.42	2.53 1.99	1.60
Aaa AA+/AAA	1,000,000	3134G35V8	Federal Home Loan Mortgage Corp	1.65 3/13/20	999,182.00	996,085.52	3,096.48	825.00	0.45 0.45	2.52 1.83	1.60
Aaa AA+/AAA	2,875,000	3137EAEM7	Federal Home Loan Mortgage Corp	2.50 4/23/20	2,884,798.00	2,874,940.80	9,857.20	31,545.14	0.55 0.56	2.50 1.89	4.61
Aaa AA+/AAA	2,415,000	3135G0D75	Federal National Mortgage Association	1.50 6/22/20	2,407,880.58	2,397,185.32	10,695.26	9,961.88	0.72 0.73	2.54 1.91	3.85
Aaa AA+/AAA	2,500,000	3135G0T60	Federal National Mortgage Association	1.50 7/30/20	2,493,107.50	2,478,995.27	14,112.23	6,354.17	0.82 0.83	2.53 1.83	3.98
Aaa AA+/AAA	2,700,000	3130ACE26	Federal Home Loan Banks	1.38 9/28/20	2,686,977.90	2,669,733.25	17,244.65	309.38	0.98 0.99	2.53 1.87	4.29
Aaa AA+/AAA	1,779,000	3135G0U84	Federal National Mortgage Association	2.88 10/30/20	1,799,275.26	1,785,631.45	13,643.81	21,453.01	1.05 1.08	2.52 1.81	2.87



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Government Related</b>											
Aaa	300,000	3135G0Q89	Federal National Mortgage Association	1.38	298,170.00	293,712.12	4,457.88	1,993.75	1.97	2.45	0.48
AA+/AAA				10/7/21					2.02	1.68	
<b>Subtotal</b>					<b>22,918,922.07</b>	<b>22,834,204.28</b>	<b>84,717.79</b>	<b>102,185.73</b>	<b>0.57</b>	<b>2.49</b>	<b>36.60</b>
									<b>0.58</b>	<b>1.85</b>	
<b>Treasury</b>											
Aaa	150,000	912828G61	United States Treasury Note/Bond	1.50	149,882.81	149,750.81	132.00	756.15	0.17	2.53	0.24
AA+/AAA				11/30/19					0.17	1.96	
Aaa	3,575,000	9128283N8	United States Treasury Note/Bond	1.88	3,574,441.41	3,569,295.99	5,145.42	16,939.96	0.25	2.53	5.71
AA+/AAA				12/31/19					0.25	1.93	
Aaa	3,000,000	912796TE9	United States Treasury Bill	0.00	2,980,939.02	2,979,850.67	1,088.35	0.00	0.35	1.91	4.76
AA+/AAA				2/6/20					0.35	1.78	
Aaa	450,000	9128284C1	United States Treasury Note/Bond	2.25	450,808.60	449,357.32	1,451.28	27.66	0.50	2.54	0.72
AA+/AAA				3/31/20					0.50	1.89	
Aaa	2,700,000	912828X96	United States Treasury Note/Bond	1.50	2,693,988.29	2,682,935.85	11,052.44	15,297.55	0.61	2.53	4.30
AA+/AAA				5/15/20					0.63	1.85	
Aaa	325,000	912828XU9	United States Treasury Note/Bond	1.50	324,174.81	322,744.13	1,430.68	1,438.52	0.70	2.50	0.52
AA+/AAA				6/15/20					0.71	1.86	
Aaa	250,000	912828VP2	United States Treasury Note/Bond	2.00	250,273.44	248,988.22	1,285.22	842.39	0.82	2.50	0.40
AA+/AAA				7/31/20					0.83	1.85	
Aaa	5,500,000	9128282Q2	United States Treasury Note/Bond	1.50	5,484,101.59	5,481,373.82	2,727.77	10,536.68	0.86	1.89	8.76
AA+/AAA				8/15/20					0.88	1.83	
Aaa	2,800,000	912828L32	United States Treasury Note/Bond	1.38	2,788,187.50	2,770,841.83	17,345.67	3,278.85	0.91	2.53	4.45
AA+/AAA				8/31/20					0.92	1.84	
Aaa	850,000	9128282Z2	United States Treasury Note/Bond	1.63	848,273.44	848,801.01	-527.57	6,377.90	1.02	1.76	1.35
AA+/AAA				10/15/20					1.04	1.82	
Aaa	1,200,000	912828L99	United States Treasury Note/Bond	1.38	1,194,421.87	1,185,838.92	8,582.95	6,904.89	1.07	2.49	1.91
AA+/AAA				10/31/20					1.08	1.81	



# Holdings

September 2019

Moody's S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Treasury</b>											
Aaa AA+/AAA	2,000,000	9128283G3	United States Treasury Note/Bond	1.75 11/15/20	1,998,515.62	1,983,157.00	15,358.62	13,220.11	1.10 1.13	2.52 1.82	3.19
Aaa AA+/AAA	1,800,000	912828N48	United States Treasury Note/Bond	1.75 12/31/20	1,799,015.63	1,783,767.97	15,247.66	7,960.60	1.23 1.25	2.49 1.79	2.87
Aaa AA+/AAA	1,300,000	912828N89	United States Treasury Note/Bond	1.38 1/31/21	1,293,195.32	1,292,914.02	281.30	3,011.55	1.32 1.33	1.79 1.77	2.07
Aaa AA+/AAA	1,430,000	9128285X4	United States Treasury Note/Bond	2.50 1/31/21	1,443,350.39	1,430,958.38	12,392.01	6,023.10	1.31 1.34	2.45 1.78	2.31
Aaa AA+/AAA	2,550,000	912828P87	United States Treasury Note/Bond	1.13 2/28/21	2,527,886.73	2,516,171.73	11,715.00	2,443.17	1.39 1.41	2.08 1.75	4.04
Aaa AA+/AAA	2,575,000	912828C57	United States Treasury Note/Bond	2.25 3/31/21	2,594,010.74	2,581,207.71	12,803.03	158.30	1.47 1.50	2.09 1.75	4.14
Aaa AA+/AAA	2,275,000	912828Q78	United States Treasury Note/Bond	1.38 4/30/21	2,262,558.59	2,246,346.11	16,212.48	13,090.52	1.55 1.58	2.19 1.73	3.61
Aaa AA+/AAA	1,075,000	912828R77	United States Treasury Note/Bond	1.38 5/31/21	1,068,995.11	1,056,339.47	12,655.64	4,967.47	1.63 1.67	2.45 1.72	1.71
Aaa AA+/AAA	1,100,000	912828WR7	United States Treasury Note/Bond	2.13 6/30/21	1,108,207.03	1,094,143.58	14,063.45	5,907.27	1.70 1.75	2.44 1.69	1.77
Aaa AA+/AAA	1,050,000	912828WY2	United States Treasury Note/Bond	2.25 7/31/21	1,060,582.04	1,046,512.61	14,069.43	3,980.30	1.79 1.83	2.44 1.69	1.69
Aaa AA+/AAA	775,000	912828D72	United States Treasury Note/Bond	2.00 8/31/21	779,752.93	768,607.90	11,145.03	1,320.05	1.87 1.92	2.44 1.67	1.25
Aaa AA+/AAA	400,000	912828F21	United States Treasury Note/Bond	2.13 9/30/21	403,703.12	397,615.27	6,087.85	23.22	1.95 2.00	2.43 1.65	0.64
Aaa AA+/AAA	130,000	912828U65	United States Treasury Note/Bond	1.75 11/30/21	130,294.53	128,041.79	2,252.74	764.55	2.11 2.17	2.47 1.64	0.21



# Holdings

September 2019

Moody s S&P/Fitch	Quantity (Par)	Asset ID	Security Description	Coupon Maturity	Market Value	Cost <sup>1</sup>	Unrealized Gain/Loss	Accrued Income	Duration Avg Life	Book Yield Mkt Yield	% Assets
<b>Treasury</b>											
Aaa	50,000	912828G87	United States Treasury Note/Bond	2.13	50,542.97	49,638.20	904.77	268.51	2.18	2.46	0.08
				12/31/21					2.25	1.63	
<b>Subtotal</b>					<b>39,260,103.53</b>	<b>39,065,200.31</b>	<b>194,903.22</b>	<b>125,539.27</b>	<b>1.04</b>	<b>2.26</b>	<b>62.70</b>
									<b>1.06</b>	<b>1.80</b>	
<b>Cash &amp; Equivalents</b>											
	436,148	CASHUSD	US DOLLARS	0.00	436,147.72	436,147.72	0.00	0.00	0.00	1.57	0.70
									0.00	1.57	
<b>Subtotal</b>					<b>436,147.72</b>	<b>436,147.72</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.57</b>	<b>0.70</b>
									<b>0.00</b>	<b>1.57</b>	
<b>Total</b>					<b>62,615,173.32</b>	<b>62,335,552.31</b>	<b>279,621.01</b>	<b>227,725.00</b>	<b>0.86</b>	<b>2.34</b>	<b>100.00</b>
									<b>0.87</b>	<b>1.82</b>	

<sup>1</sup> Cost and Gain/Loss are based on Amortized Cost.





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# Three-Year Budget Forecast, FY21-23

Preliminary Model for Executive Leadership Team

October 21, 2019

Presented by: Dr. David Bea



## Objectives

1. Review Budget Forecast for FY21-23
2. Discuss Priorities, Challenges, and Opportunities
3. Develop Preliminary Scenario Outlines and Identify Follow-Up

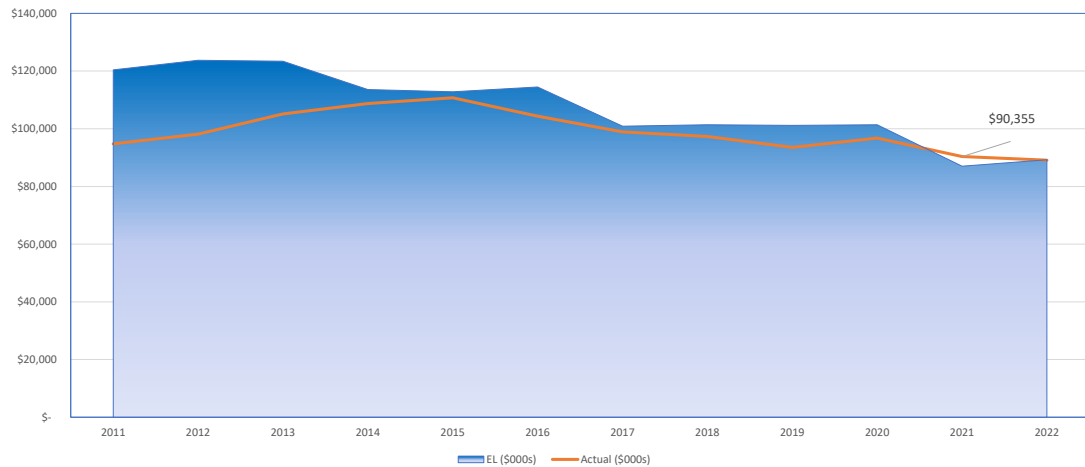
# Base Budget Structure

- Steady local and national economy
- Budget positions as of August 2019
- Flat tuition
- Flat enrollment
- No change to classroom funding model
- Maximize available expenditure limitation (EL) exclusions
- No additional long-term debt in the near future

# Model Outcomes: Base

		FY20	FY21	FY22	FY23
Budget Parameters	Current Unrestricted Fund Revenues	175,950,857	181,147,618	185,768,167	190,628,356
	Personnel Expenses	110,246,853	110,584,896	110,511,453	110,628,677
	Operating Expenses	30,582,637	29,527,073	29,507,978	29,538,456
	Reserves/Transfers	29,672,367	29,612,301	29,569,517	29,569,517
	Revenue Bond Debt Service	5,449,000	5,854,988	6,209,488	6,569,238
	Subtotal Expenses	175,950,857	175,579,258	175,798,435	176,305,888
	Budget Surplus/Deficit	0	5,568,360	9,969,732	14,322,467
Expenditure Limit	EFC Expenditure Limitation	101,397,530	87,036,692	89,212,813	90,752,261
	Budgeted Exp Subject to EL	96,763,228	90,355,401	89,104,534	90,944,802
	(Under)/Over Plan Target EL	-4,634,302	3,318,710	-108,279	192,541
Tuition/Market	In State Tuition Increase %	2.4%	0.0%	0.0%	0.0%
	Tuition and Fees/Credit vs. AZCC Avg	TBD	TBD	TBD	TBD
	Tuition % of Operating Revs	23.7%	23.0%	22.4%	21.9%
Stewardship	Budgeted GF Ops Exp per Total FTSE	9,529	9,472	9,971	9,872
	Est FTSE per FTE Position	12.6	12.6	12.6	12.6
	Tax Rate vs AZCC Average	TBD	TBD	TBD	TBD
	Salary Pool Increase Less CPI	-1.00%	-2.50%	-2.50%	-2.50%
Financial Indicators	Composite Financial Ratio	6.60	6.51	6.36	6.60
	Viability Ratio	2.94	2.79	2.71	2.89
	Remaining Rev Bond Capacity (\$mil)	\$9.4	\$8.9	\$8.6	\$8.2

## Actual/Estimated Expenditures vs. Expenditure Limitation



## Challenges

- Struggling enrollment and declining outlook
- Limited potential growth in other revenues
- Structural inefficiencies and continued resistance to reductions
  - All services at all places
  - Classroom inefficiencies (scheduling, course capacity)
- Funding College priorities with limited EL capacity
- Reallocating resources

# College Priorities and Goals, FY21-23

- Increase enrollment: recruitment, retention, persistence
- Increase marketing budget
- Increase institutional scholarships
- Increase professional advisors and advisor:student ratio – reallocate and add resources
- Provide technology scholarships to needy students
- \$0 classroom materials
- Increase dual enrollment
- Increase online enrollment programs
- Decrease utility costs college wide
- Continue establishment and enhancement of COE as outlined in EMP and FMP
- Compensation adjustments
  - Class/Comp Study
  - Merit Pay Pool
  - Adjunct faculty tiers
  - Hard to fill positions



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# Strategies and Opportunities

- Aggressive or moderate tuition increases for 3 years
- No salary pool increases in FY21
- Create pool for Class/Comp Adjustments/merit increase pool to begin in FY22
- Increase capital leases and other financing methods for deferred maintenance
- Discontinue non viable program/courses and reallocate resources – Implement program and course viability studies to eliminate ineffective programs by FY22
- Prop 301 to fund workforce program operating expenses
- Fund Allied Health and Science Building through capital reserves – Proposed \$10M per year
- Increase pay for adjunct faculty in hard to fill disciplines with increase in differential tuition
- Reduce fringe benefit costs by shifting costs to employees
- Position freezes/Retirement savings



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# Retirement Eligibility Data

Employee Class	# of Employees	# 70 Pts+	% 70 Pts+	# 60+ Year Old	% 60+ Years Old
11-12 Full Time Educational Support Faculty	10	4	40%	1	10%
12 Month Instructional Faculty	7	1	14%	1	14%
9-10 Month Educational Support Faculty	22	7	32%	3	14%
9-10 Month Instructional Faculty	228	78	34%	63	28%
Administrator	47	7	15%	5	11%
Exempt Full Time Classified	400	112	28%	77	19%
Non-Exempt Full Time Classified	424	113	27%	77	18%
Police Non-Exempt	24	2	8%	0	0%
Total Regular Employees	1,162	324	28%	227	20%

# Proposed Scenarios

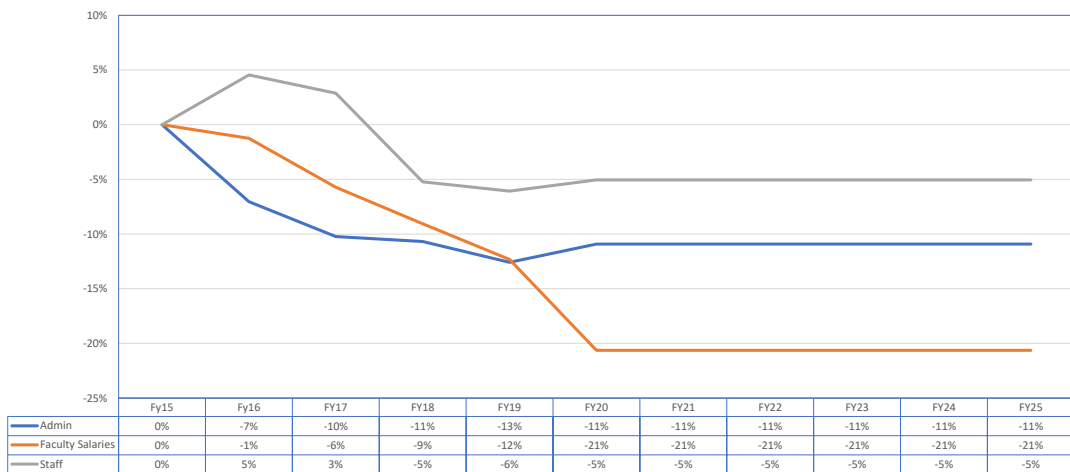
- Scenario 1: No increase in tuition
- Scenario 2\*: Moderate tuition increase of \$2.50 per credit hour each year
- Scenario 3\*: Aggressive tuition increase of \$5.00 increase per credit hour each year

*\*Scenarios 2 and 3 assume the College will increase scholarship funding by \$200,000 per year*

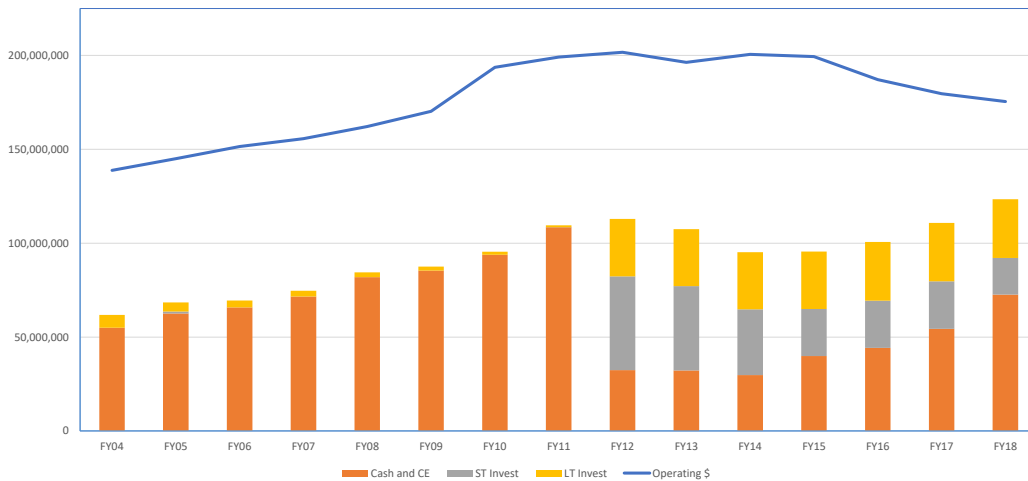
# Funded Priorities by Scenario

Allocations	Moderate	Aggressive
Tuition Increase	<u>\$2.50 per Credit Hour</u>	<u>\$5.00 per Credit Hour</u>
Total Additional Revenue	\$1,100,000	\$2,200,000
Marketing	\$100,000	\$100,000
Salary Pool (1% increase)	\$1,000,000	\$1,000,000
Scholarships (Earn to Learn)	\$200,000	\$200,000
Advising – 5 positions	<u>\$375,000</u>	<u>\$1,675,000</u>
Total Additional Expenditures	\$1,675,000	\$775,000
Net EL Impact	<b>-\$675,000</b>	<b>\$525,000</b>

# Salary Reductions by Employee Type, FY15-FY20



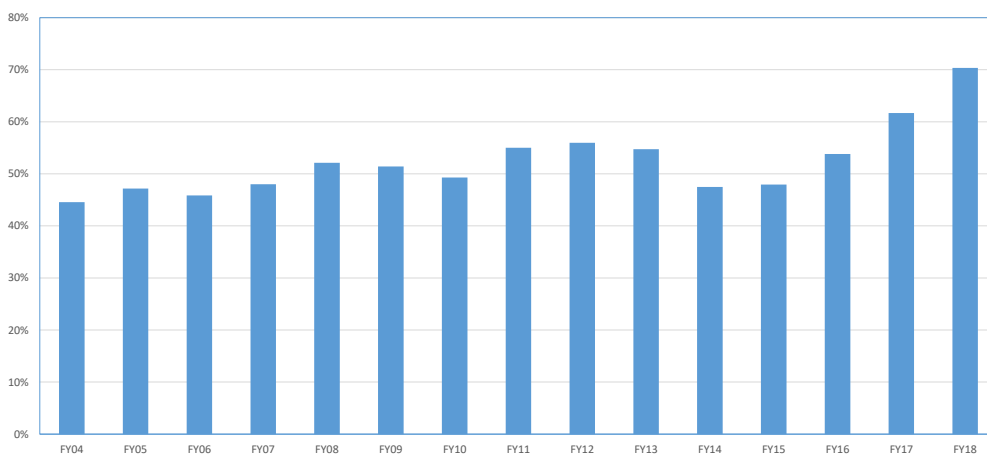
## Cash and Investments vs. Operating Expenses, FY04-FY18



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## Ratio of Cash & Investments vs. Operating Expenses, FY04-FY18

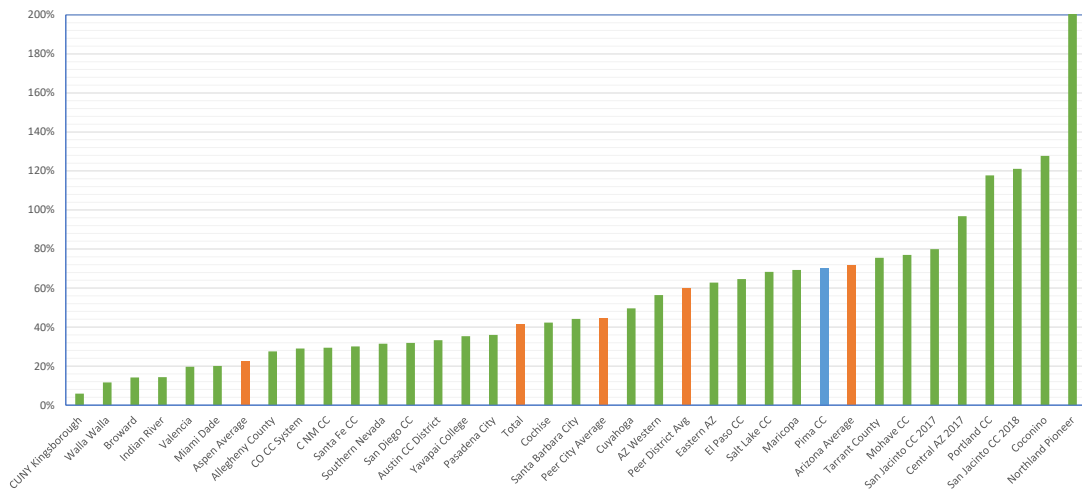


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## College Comparison of Available Reserves Ratio, FY18



## Next Step

- Governing Board Study Session on December 9, 2019



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**Revenue Bond Projects - Inception to Date**

FY=20 Period=02

<u>FUND</u>	<u>FUND_DESC</u>	<u>Revenues</u>	<u>Personnel</u>	<u>Other Expenditures</u>	<u>Transfers</u>	<u>Fund Balance</u>
581999	Rev Bonds Control Fund	65,876,489	0	(443,102)	(3,445,536)	61,987,851
<b>5R8000</b>	<b>RVB PROJ - Control</b>	<b>65,876,489</b>	<b>0</b>	<b>(443,102)</b>	<b>(3,445,536)</b>	<b>61,987,851</b>
581001	RVB Proj -Advanced Mfg.New Bldg	0	0	(504,242)	207,652	(296,590)
<b>5R8001</b>	<b>RVB PROJ - Applied Tech- Building</b>	<b>0</b>	<b>0</b>	<b>(504,242)</b>	<b>207,652</b>	<b>(296,590)</b>
581003	RVB Proj - Transportation New Bldg	0	0	(176,844)	207,859	31,015
<b>5R8002</b>	<b>RVB PROJ - AppTech COE AE WFD SS</b>	<b>0</b>	<b>0</b>	<b>(176,844)</b>	<b>207,859</b>	<b>31,015</b>
581005	RVB Proj - ST Bldg Renovations	0	0	(26,065)	33,905	7,840
<b>5R8003</b>	<b>RVB PROJ - AppTech Weld,Mach,Engr,M</b>	<b>0</b>	<b>0</b>	<b>(26,065)</b>	<b>33,905</b>	<b>7,840</b>
581007	RVB Proj - AppTech Makerspace CAD	0	0	(1,787)	1,750	(37)
<b>5R8004</b>	<b>RVB PROJ - AppTech Makerspace CAD</b>	<b>0</b>	<b>0</b>	<b>(1,787)</b>	<b>1,750</b>	<b>(37)</b>
581011	RVB Proj -DC Copper RE	0	0	(1,373,263)	1,373,263	0
581009	RVB Proj -DC Frontier RE	0	0	(1,361,845)	1,361,845	0
581036	RVB Proj -DC RE Infrastructure Dev	0	0	0	0	0
581034	RVB Proj -DC 333 W Drachman (FT2)	0	0	(10,000)	10,000	0
581032	RVB Proj -DC Historic Assessment	0	0	(44,376)	44,376	0
<b>5R8005</b>	<b>RVB -DC Campus Expansion &amp; Developm</b>	<b>0</b>	<b>0</b>	<b>(2,789,484)</b>	<b>2,789,484</b>	<b>0</b>
581013	RVB Proj -PSI ESI	0	0	0	0	0
<b>5R8007</b>	<b>RVB PROJ -PSEI EMSI</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
581015	RVB Proj -Science Labs	0	0	0	0	0
<b>5R8008</b>	<b>RVB PROJ -Science Labs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
581017	RVB Proj -Allied Health COE	0	0	(7,496)	7,496	0
<b>5R8009</b>	<b>RVB PROJ -Allied Health COE</b>	<b>0</b>	<b>0</b>	<b>(7,496)</b>	<b>7,496</b>	<b>0</b>
581019	RVB Proj -EC Bookstore/Food Svc	0	0	(176,649)	50,633	(126,016)
<b>5R8010</b>	<b>RVB PROJ -EC Bookstore/Food Svc</b>	<b>0</b>	<b>0</b>	<b>(176,649)</b>	<b>50,633</b>	<b>(126,016)</b>
581021	RVB Proj -DC Bookstore/Food Svc	0	0	(140,421)	137,246	(3,174)
<b>5R8011</b>	<b>RVB PROJ -DC Bookstore/Food Svc</b>	<b>0</b>	<b>0</b>	<b>(140,421)</b>	<b>137,246</b>	<b>(3,174)</b>
581023	RVB Proj -NW Bookstore/Food Svc	0	0	(3,868)	3,642	(227)
<b>5R8012</b>	<b>RVB PROJ -NW Bookstore/Food Svc</b>	<b>0</b>	<b>0</b>	<b>(3,868)</b>	<b>3,642</b>	<b>(227)</b>
581025	RVB Proj -WC Campus Store	0	0	0	0	0
<b>5R8013</b>	<b>RVB PROJ -WC Bookstore/Food Svc</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
581027	RVB Proj -DV Cafe	0	0	0	0	0
<b>5R8014</b>	<b>RVB PROJ -DV Bookstore/Food Svc</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Revenue Bond Projects - Inception to Date**

FY=20 Period=02

<u>FUND</u>	<u>FUND_DESC</u>	<u>Revenues</u>	<u>Personnel</u>	<u>Other Expenditures</u>	<u>Transfers</u>	<u>Fund Balance</u>
500005	"Revenue Bonds" Revenue	0	0	0	0	0
<b>5RVBND</b>	<b>Revenue Bond Funded Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>65,876,489</b>	<b>0</b>	<b>(4,269,957)</b>	<b>(5,870)</b>	<b>61,600,662</b>



## Agenda Item Details

Meeting	Nov 13, 2019 - Regular Governing Board Meeting
Category	3. INFORMATION ITEMS (5 min.)
Subject	3.2 Information: Fiscal Year 2020-2021 Budget Development Calendar
Access	Public
Type	Information
Goals	Accreditation-Criterion 5: Resources, Planning, and Institutional Effectiveness Accreditation-Criterion 2: Integrity: Ethical and Responsible Conduct

## Public Content

### Contact Person:

Dr. David Bea,  
Executive Vice Chancellor for  
Finance and Administration  
(520) 206-4519

### Contributing Author:

Keri Hill, (520) 206-4792

## Information:

The Chancellor submits the following calendar of budget development activities in preparation for the Public Hearing and Special Meeting to adopt the budget and set property tax levies and rates for Fiscal Year 2020-2021. This calendar provides a broad overview of Governing Board actions and major milestones in the budget development process.

### October 21, 2019

Executive Leadership Team (ELT) meeting to review the College's budget forecast. The ELT discussed priorities, challenges, and opportunities prior to developing preliminary scenario outlines, which will be presented to the Governing Board at their December Study Session.

### December 9, 2019

Governing Board Study Session to review the College's budget forecast and acquire Board direction on potential scenarios and/or key budget parameters, including, but not limited to, property taxes, salaries and wages, and tuition and service fees.

### February 2020

Course fees for the 2020-2021 Academic Year will be presented to the Governing Board as an Information Item at their Regular Meeting.

### February 24, 2020

Governing Board Study Session to review the budget model and scenarios for Fiscal Year 2020-2021. The budget model and scenarios will be developed using the direction of the Governing Board from their December 9, 2019, Study Session. Discussion will include, but not be limited to:

- Budget forecast
- Expenditure limitation
- Enrollment
- State aid
- Tuition and service fees
- Salaries and wages

- Employee benefits
- Property taxes
- Debt service
- Capital budget

#### March 2020

Governing Board Regular Meeting to review and potentially approve tuition and service fees for the 2020-2021 Academic Year.

#### April 2020

Governing Board Regular Meeting to review and potentially approve:

- Salaries and wages
- Employee benefits
  - Medical and pharmaceutical
  - Dental
  - Short term disability
  - Life and AD&D insurance

#### May 2020

Governing Board Regular Meeting to review the proposed Fiscal Year 2020-2021 budget and approve the Publication of the Proposed Budget and, if required, Truth in Taxation Notification. The capital budget will also be presented for review and approval.

#### June 2020

Governing Board Public Hearing and Special Meeting to:

- Set property tax levies and rates
- Adopt the Fiscal Year 2020-2021 budget

Governing Board Regular Meeting to review and approve:

- General liability and automobile insurance
- Workers compensation
- Property insurance
- Major contractual obligations (Information Technology, Facilities, etc.)

The College shall work with the Governing Board's Finance and Audit Committee to review proposed budget actions, and feedback will be obtained through presentations to students, faculty, staff, administrators, and community members.

### **Administrative Content**

### **Executive Content**



# Pima County Community College District Board Policy

<i>Board Policy Title:</i>	<b>Cash Reserves</b>
<i>Board Policy Number:</i>	BP 4.07
<i>Adoption Date:</i>	11/16/16
<i>Schedule for Review &amp; Update:</i>	Every three years
<i>Review Date(s):</i>	
<i>Revision Date(s):</i>	
<i>Sponsoring Unit/Department:</i>	Finance
<i>Motion Number:</i>	201611-07
<i>Legal Reference:</i>	ARS § 15-1461
<i>Cross Reference:</i>	

To ensure financial stability in case of unexpected events, the Pima County Community College District shall maintain in cash and cash equivalent reserves a minimum of eight percent of the revenues of the current general and designated fund budgets.

## Fiscal Year 2020 Enrollment Revitalization Funds – October 2019 Quarterly Report

In 2017, the Governing Board adopted a plan to reduce operational expenses to meet the projected Expenditure Limit (EL) for fiscal year (FY) 2021. The three-year plan reduces expenditures by \$5.0M each year, from fiscal year 2018-2020, and the fiscal year 2020 budget is the third year of this plan. Although the College is on track to meet the projected EL, full time student equivalents (FTSE) remain important, as any continuing declines will result in a further decrease in the College's Expenditure Limit.

Conversations with the Governing Board at their [April 29, 2019 Study Session](#) yielded a request to explore the excess EL capacity for use in the fiscal year 2020 budget. In addition, the Governing Board requested a clear outline of the projects, costs, and expected return on investment (ROI). Prior to the Study Session, brief proposals from Marketing and Enrollment Management were shared with the Governing Board's Finance and Audit Committee on [April 19, 2019](#); the Committee supported the notion of using one-time funding to boost enrollment.

On May 8, 2019, the Governing Board approved the [capital budget plan for FY20](#), which included \$2.0M in one-time funds to improve classroom technology and the student experience. The [proposed budget](#), presented to the Governing Board on the same date, included \$5.0M in budget capacity for targeted projects to boost FTSE. Some of the projects, including Marketing and Enrollment Management, were already in development, and the Chancellor requested employees submit creative ideas to boost FTSE. The projects were reviewed by Administration on May 21, 2019 and categorized into the following areas:

- Marketing/Outreach
- Persistence/Retention
- Program Development/Expansion
- Professional Development
- Scholarships/Cost Reductions

On [June 12, 2019](#), the Governing Board adopted the FY20 budget, which included \$5.0M in Enrollment Revitalization funds. A total of \$3,206,207 in projects were approved by Administration and [presented](#) to the Governing Board. Following are updates on each of the projects, including the progress towards the ROI and the total funds expended, through September 2019.



## **Marketing: Signage, Advertising, and Sponsorships**

### **Project Owner:**

Lisa Brosky, Vice Chancellor for External Relations

### **Return on Investment:**

Millions of views for advertisements and signage.

Sponsorships to target specialized populations (ex: TenWest, 100 Full Time Student Equivalent [FTSE]).

### **Budget:**

\$1,391,000

### **Progress to Date:**

#### **ADVERTISING**

#### **Expansion of Brand Rollout:**

One-time funds allowed the message to run through August and into September and October. It included TV commercials, radio, Spanish language radio, print, and outdoor. One-time funds also will allow for a significantly greater January to June (2020) push than usual.

Success of these advertising efforts can be seen in traffic to our “microsite”, KeepStrivingPima.com, which is user-friendly front door to Pima.edu. People get to this microsite only through advertising. April-August 2019, KeepStrivingPima.com had 25,047 visitors, 41,653 page views, 32,859 unique page views and other very positive indicators. NOTE: KeepStrivingPima.com outperformed on every measure the previous microsite, PCCThinkSmart.com, which demonstrates the effectiveness of the additional advertising.

#### **Targeted advertising:**

Funds were used to promote Pharmacy Tech, which reported an increase in headcount (6.67%), enrollment, 14.71%, and FTSE up 2.54%; and Therapeutic Massage, which reported increased enrollment of 2.65% and FTSE up 2.5%. NOTE: These are CTD programs, which are weighted more heavily for FTSE.

One-time funds also supported a Spanish-language campaign for Fall enrollment that included print, radio and digital. We cannot tie this directly to enrollment but the digitals advertisements delivered 1.1 million impressions and brought 1,211 new users to the Pima.edu site.

#### **SIGNAGE (Total budget for signage is \$325,000)**

The College purchased a wide-format printer to allow much work to be done in-house at significantly less cost. This will be used for a range of signage from “pull up banners” to fixed signage on interior and exterior walls.

Currently underway: A tour of each campus to determine the most effective placement of indoor and external signage and creative signage opportunities (floor and stair graphics, elevator wraps, etc.).

Next: Obtain bids for pole banners and other graphics that cannot be done in house. Goal is to have new signage go up by Spring.

**Planned (and in progress):**

- January to June enrollment campaign (Budget: \$300,000)
- Targeted campaign to high school juniors and seniors who have taken the ACT (\$45,000)
- Applying branding to PimaOnline and advertising rollout (\$200,000)
- Applying branding to Workforce (\$50,000)
- Spanish-language development and translation for new Pima.edu Spanish-language webpages: \$30,000
- TDB Targeted campaigns (\$75,000 - \$125,000)

**SPONSORSHIP:**

- TenWest
- DesertLights Downtown Lights (Downtown Tucson Partnership)
- Heartwalk

**Total Expenses to Date:**

- Extra branding and targeted advertising: \$300,000
- Signage: \$50,000
- Sponsorships: \$17,000

## **Enrollment Management: Blackboard for Enrollment Services**

### **Project Owners:**

Dr. Irene Robles-Lopez, Vice President of Student Affairs,  
David Arellano, Dean of Enrollment Management

### **Return on Investment:**

Enrollment coaching and engagement campaigns for up to 17,000 student records.

### **Budget:**

\$207,500

### **Describe the Progress:** In Progress

Currently meeting and working with Blackboard weekly in the discovery phase of the project, which includes setting up the following for the Coaching and Engagement campaigns:

- Identifying campaign goals and targets
- Identifying student information (data files)
- Establishing quantitative/qualitative data points
- Establishing project plan utilizing Smartsheets to develop:
  - Telephony Set-up
  - Operations, staffing and planning
  - Communication plan (creation of scripts)
  - CRM Set-up
  - Coach Guide Content Development
  - Student Journey and Data Recommendation
  - Success Metrics
  - Bb team develops training delivery
  - End to End Testing

### **Total Expenses to Date:**

No additional expenses to date

## Professional Development: Teaching and Learning Center (TLC)

### Project Owners:

Dr. Dolores Durán-Cerda, Provost and Executive Vice Chancellor for Academic and Student Services

Kate Schmidt, Executive Director for Faculty Affairs and Development

Dr. Mays Imad, Coordinator of Teaching and Learning Center

### Return on Investment:

Collocating the most current and high-quality pedagogical methods and disseminating them to both full- and part-time faculty.

### Budget:

\$236,630

### Describe the Progress:

1. This fall, the TLC began a series of in-person professional development opportunities to all faculty who seek to improve student success in their classrooms. Celebrating and sharing expertise both from inside and outside the college we will focus on evidence-informed high impact teaching and learning practices: [active learning](#), [inclusive teaching](#), [student engagement](#), and [the scholarship of teaching & learning \(SoTL\)](#). Themes were determined based off of the initial TLC survey sent out to all faculty last January, 2019 which revealed that the faculty at PCC are asking for professional development support in the area of teaching and learning concerning the following themes:

Scholarship of T&L

Student Engagement

Active Learning

Inclusive Teaching

Assessment

Accordingly, the TLC offered the following events during the month of September:

	Date	Location/Time	Topic	Presenter	Number of attendees
1	Friday, Sept. 6	9-11 am DC Library, Room 153	What is the Scholarship of Teaching & Learning? How and Why	Mays Imad	31
2	Thursday Sept 12	1-2 Downtown Campus, CC-251	How to set Goals for Annual Evaluation (FT Faculty Only)	Sandra Shattuck, Tal Sutton	6
3	Friday, Sept. 13	9-11 am DC Library, Room 153	How People Engage & Learn?	<b>Stanley Lo</b>	<b>38</b>
4	Monday, Sept 16	5 DV, Community Room	How to set Goals for Annual Evaluation (FT Faculty Only)	Sandra Shattuck	1
5	Friday, Sept. 20	1-3 pm DC Library, Room 153	Active Learning, Critical Thinking, and Student Success	Brian McNerney	~49

**Bold** = external scholars

In accordance with the TLC mission (*to support student learning and success by engaging all faculty in an evidence-based, student-centered, equitable, and collegial approach to teaching and learning*), the workshops are aimed to engage our faculty in scholarly teaching; the research on student engagement; and faculty learning communities. This phase of the TLC development not only offers workshops for professional development that will enhance teaching and learning at PCC, importantly, this phase will

carve a path that will allow for a cultural shift in the way the college views teaching and learning - where exemplary teaching is viewed as a community endeavor we all pursue and aspire others to do so. Such cultural shift, the TLC believes, will not only increase meaningful student learning but also improve the overall faculty morale at the college.

2. The TLC will provide training opportunities to promote the understanding of the ever-changing field of technology and the use of artificial intelligence and virtual reality and the use of that in teaching and learning. This effort aligns with the Chancellor’s commitment to bringing PCC to the forefront with respect to the use of technology in teaching and learning. To this end, the TLC will co-host with PimaOnline a session on the utility of Artificial Intelligence in Online Teaching with Dr. Jasmin Cowin. Date TBA.
3. The TLC will engage the faculty in a discussion about enrollment and the role of faculty development in increasing recruitment and retention. This will be sent out as a communication to all faculty in the second week of October 2019. The following semester, the TLC will hold an event designated to this topic open to all faculty.

**Future Plans:**

The following workshop events are scheduled for the remaining of the semester:

	<b>Date</b>	<b>Location/Time</b>	<b>Topic</b>	<b>Presenter</b>
6	Friday, Oct. 4	9-11 am DC Library, Room 153	Trauma-informed Pedagogy	Ryan Daily
7	Friday, Oct. 11	9-11 am DC Library, Room 153	Assessment Towards Equity	Brooke Anderson
8	Friday, Oct. 18	1-3 pm DC Library, Room 153	Critical Online Pedagogy	Reed Dickson
9	Friday, Oct. 25	9-11 am WC, Room A126	Metacognition & Self-Regulated Learners	<b>Josh Caulkins</b>
10	Friday, Nov. 1	TBA	Cultivating Meaningful Relationships	<b>Peter Felten</b>
11	Friday, Nov. 8	9-11 am WC, Room A126	Writing Across the Curriculum	Shelly Dorsey
12	Friday, Nov. 22	9-11 am WC, Room A126	Contemplative Pedagogy	<b>Rhonda Magee</b>
13	Friday, Dec. 6	9-11 am WC, Room A126	Integrative Learning	Sandra Shattuck
14	Friday, Dec. 13	9-11 am WC, Room A126	Reflecting Forward	Mays Imad

**Bold** = external scholars

Recognizing that not all faculty are able to make the in-person professional development sessions, we will also host five virtual faculty-learning communities on topics related to the scholarship of teaching and learning. Here are the topics for the virtual communities:

- Diversity, Inclusion, & Equity in Teaching & Learning
- Imperative Narratives: Storytelling for Educators
- Stereotype Threat, Unconscious Bias, and Our Teaching
- Conspiracies! Memes! Fake news!
- Imagining Learning Sanctuaries: Optimizing Student Learning & Wellbeing

Furthermore, for 5 weeks in November - Early December, the TLC in conjunction with the Office of Diversity will encourage faculty, staff and administrators to sign up for the Cornell MOOC offered through EdX. Face-to-face discussion groups for attendees to examine how what is being taught can be applied in the Classrooms at Pima Community College.

**Outcomes:**

We are assessing each workshop quantitatively and qualitatively to measure the learning objectives set by each workshop. In addition, we are assessing the overall faculty reception and expectation of the TLC. The following are representative feedback from participants regarding their experience with the TLC:

*“The idea of having faculty come together to discuss best practices for teaching and learning is outstanding. The discussions generate new ideas, and moves my singular approach to educational planning, to a more progressive thought process.”*

*“I really appreciate these opportunities to learn how to help the students.”*

*“The list of upcoming events is tantalizing, and I've made a suggestion or two before so I will decline to suggest anything this time, and if I DO think of anything else, I'll be sure to communicate it. I love the idea of a journal club, by the way, and I hope to take part in that after my list of commitments shrinks a bit.”*

*“Thank you so much for offering these sessions to Adjunct Faculty. I think these types of sessions inspire and motivate me to change my practice in more positive ways. Even though I may "know" intellectually what to do, I need reminders on how to create a better learning environment for my students.”*

**Total Expenses to Date:**

Expense Description	Cost
TLC Coordinator, Faculty Learning Academy Fellow Adjunct Faculty Fellow <ul style="list-style-type: none"> <li>● July &amp; August Compensation</li> <li>● Fall release time to date (based on a semester of 15 load release for coordinator and 3 load release for Faculty Learning Academy Fellow, &amp; Adjunct Faculty Fellow)</li> </ul>	~\$8,500
Outside Speakers September 13, 2019 Stanley Lo	\$2,500
PCC Internal Facilitators 5 sessions to date	\$450
Adjunct Faculty Stipends September 6, 2019 September 13, 2019 September 20, 2019	\$1,150 \$2,300 \$2,300 (estimated based on rsvp)
<b>Total</b> (as of end of September, 2019)	~\$17,200

## **Scholarships: Students Enrolled at the Arizona State Prison Complex on Wilmot**

### **Project Owners:**

Dr. David Doré, Campus President and Vice Chancellor of Workforce & Economic Development

Amanda Abens, Dean of Workforce Development and Continuing Education

Tony Offret, Advanced Program Manager of AZ State & Federal Prison Programs

### **Return on Investment:**

Increase of 109 FTSE over FY19.

### **Budget:**

\$303,000

### **Describe the Progress:**

- Center for Learning Technology has engaged in several meetings with Workforce, D2L and others to develop a plan for Distance Learning delivery at the Wilmot State Prison Complex.
- Meetings were conducted with both the Warden and Deputy Warden at the Wilmot state prison complex. Both are supportive of the Distance Learning proposal.
- In consultation with the Prison, Whetstone Yard was selected. The Whetstone Yard is the largest yard in the Wilmot corrections complex, with approximately 1,200 inmates.
- The proposal was announced at the June Warden's meeting, and the Warden informed the AZ State Department of Corrections (ADC) of the proposal and her support for it.
- The Academic Pathway has been structured to support both new students to work towards an AAS in business and for existing students who have achieved CTE Applied Technology certificates through PCC's contract with ADC.
- In late August, a meeting was conducted with the CLT, PCC online and Prison IT. This meeting had been delayed after the prison IT Supervisor had to reschedule twice. A system was discussed and designed that will meet the security needs of AZ Department of Corrections and that will accommodate D2L.
  - Additional approvals from the AZ Department of Corrections are still required before proceeding.
  - Once approvals are given, the CLT will coordinate with ADC to setup the system.
  - A plan to market to the inmates is currently in place and will be executed upon receiving approval.
  - Classes will all be delivered in an 8-week format and will be scheduled as soon as possible pending approvals and system set up. We anticipate January 2020 to begin the pilot.

### **Total Expenses to Date:**

\$0

## **Program Expansion: FANUC Robotics for Automated Industrial Technology**

### **Return on Investment:**

Increase of 21.6 FTSE over FY19.

### **Project Owners:**

Dr. David Doré, Campus President and Vice Chancellor of Workforce & Economic Development  
Greg Wilson, Dean of Applied Technology

### **Budget:**

\$515,000

### **Describe the Progress:**

Our two full-time Automated Industrial Technology (AIT) faculty started Aug. 15, 2019, and we have modified the proposed expansion. Instead of purchasing nine individual robotic arms, we are designing an Industry 4.0 production cell that includes automation and robotics. The Industry 4.0 system will better prepare our AIT students for careers with advanced manufacturing firms such as Raytheon, GW Plastics, CAID Automation, and Caterpillar.

AIT faculty and staff have met with three different manufacturers and are finalizing a list of specifications to distribute via an RFP. The timeline is to finalize the list of specifications by Sept. 30 and work with Procurement to distribute the RFP in October.

### **Total Expenses to Date:**

\$0



## **Program Expansion: Dual Enrollment**

### **Return on Investment:**

Increase of 114 FTSE over FY19.

### **Project Owner:**

James Palacios, Director of Dual Enrollment

### **Budget:**

\$443,137

### **Describe the Progress:**

Organization and Management Structure Developed. Hiring process complete. Organizational charts are developed, and job duties starting to be fulfilled.

#### Five Positions Hired:

- Program Manager - Started September 3rd
- Advanced Program Coordinator - Started September 3rd
- Advanced Program Coordinator - Started September 9th
- Program Advisor - Started September 4th
- Program Assistant - Started September 3rd

Marketing materials have been developed and printed for dispersing to high schools.

### **Total Expenses to Date:**

Budgeted Positions - Salaries and Fringe: \$358,217.00

Marketing amount: \$1,383.69

## **Program Expansion: Pima Online**

### **Return on Investment:**

Increase of 34 FTSE over FY19.

### **Project Owner:**

Michael Amick, Vice President of Distance Education

### **Budget:**

\$109,910

### **Describe the Progress:**

As of September 17, 20019: Director of Online Student Success position has been created and out for recruitment, closing on September 12. Fifty-four applicants have been reduced to thirty-five after a minimum qualification review. Interviews will take place first week of October.

### **Total Expenses to Date:**

\$0.00