



Ventura Regional Sanitation District

Portfolio Review

Quarter Ending March 31, 2021

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The Pace of Federal Government Spending Expected to Remain High

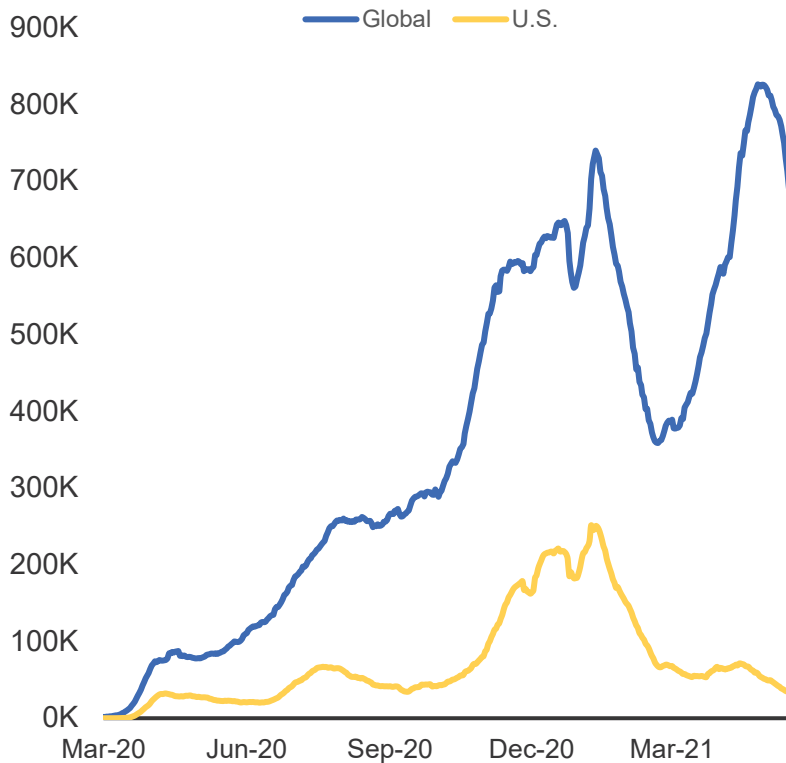
Enactment Date	Congressional Actions
March 6, 2020	\$7.8 billion Coronavirus Preparedness and Response Supplemental Appropriations Act
March 18	\$15.4 billion Families First Coronavirus Response Act (FFCRA)
March 27	\$2.1 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act
April 24	\$483 billion Paycheck Protection Program and Health Care Enhancement Act
Dec 27	\$900 billion Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act
March 11, 2021	\$1.9 trillion American Rescue Plan (ARP) Act of 2021
?	\$2 trillion proposed “American Jobs Plan”
?	\$1.8 trillion proposed “American Families Plan”

Source: <https://www.pandemicoversight.gov/track-the-money>.

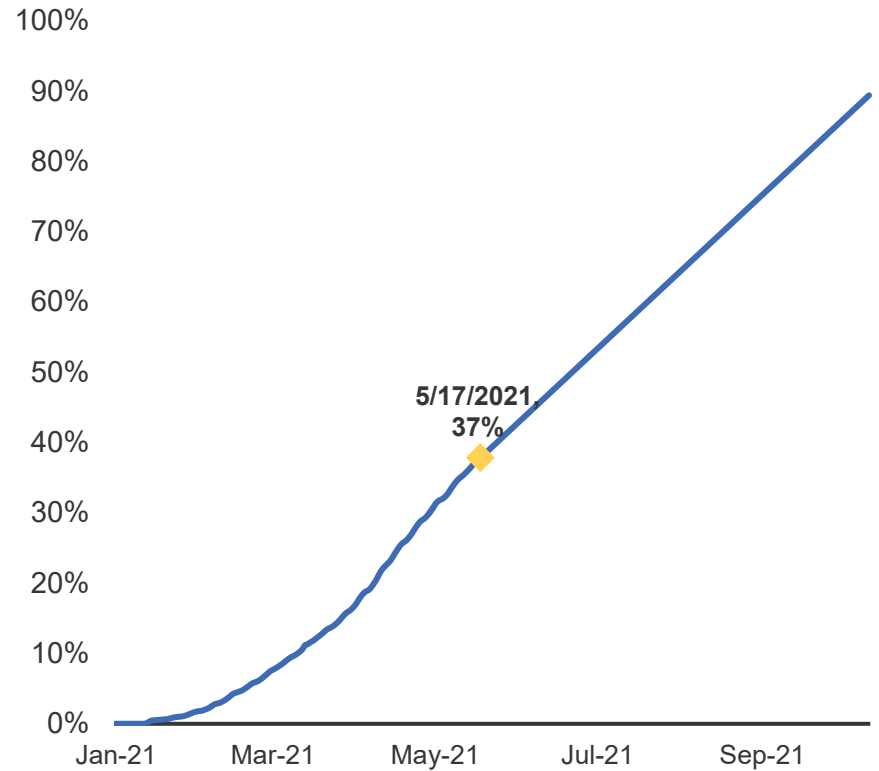


U.S. Continues to Make Strong Progress Combating Covid-19

U.S. New Cases Reported Daily 7-Day Moving Average



Fully Vaccinated Individuals in the U.S. at Current Pace of Vaccination



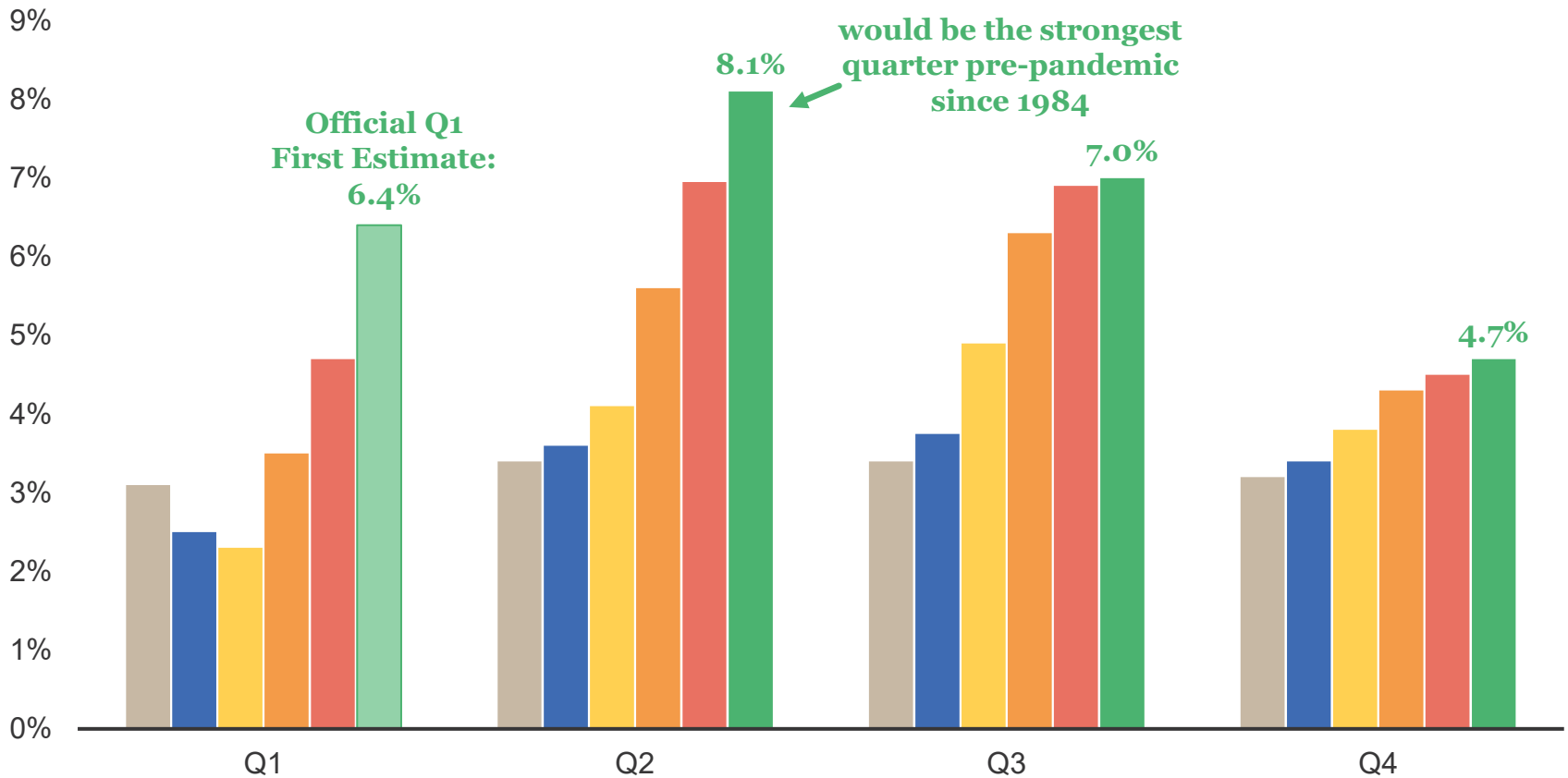
Source: John Hopkins University Coronavirus Resource Center, PFM calculations; as of 5/17/2021.



GDP Estimates Continue to Surge

U.S. Quarterly GDP Forecasts for 2021

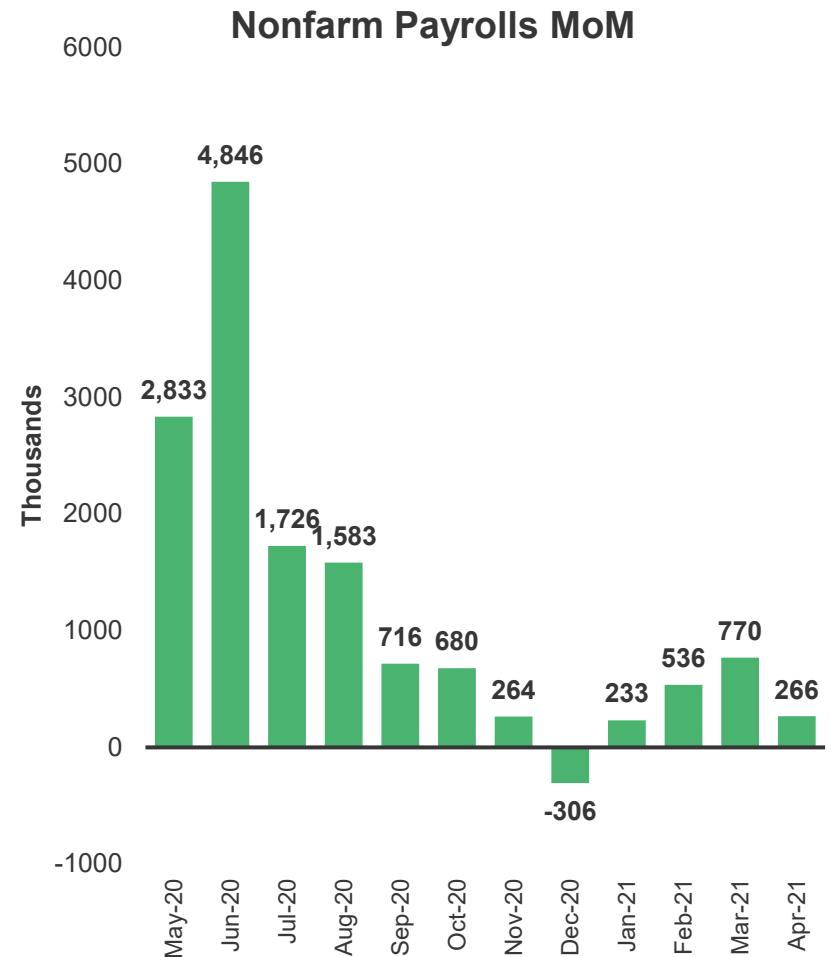
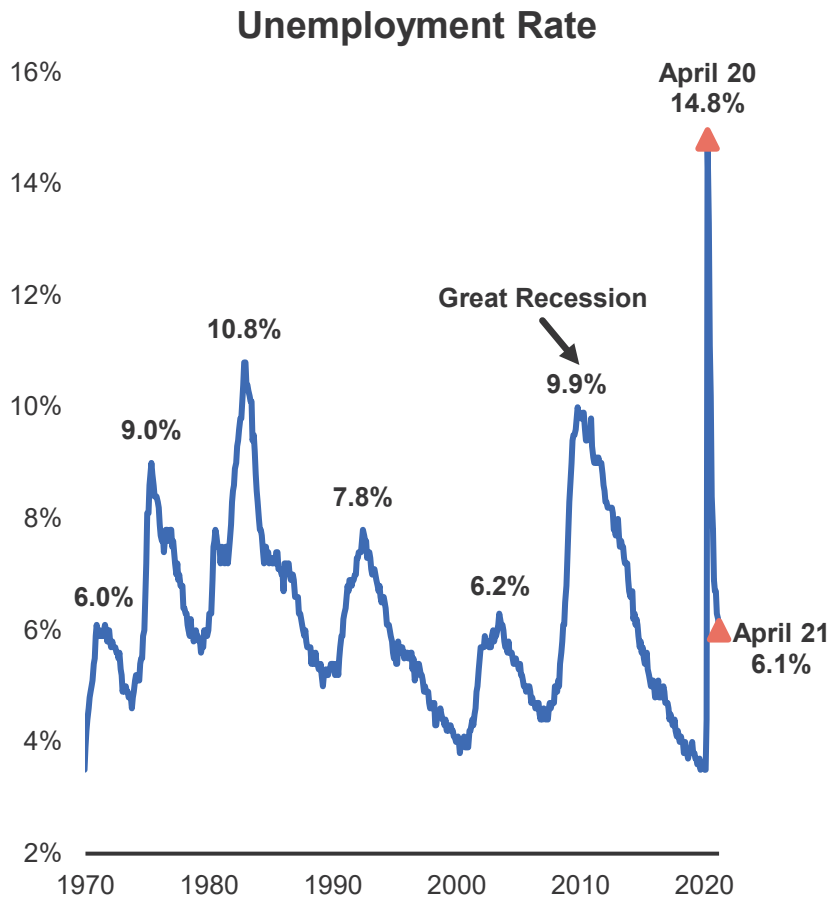
■ November ■ December ■ January ■ February ■ March ■ April



Source: Bloomberg, as of May 3, 2021. Official Q1 first estimate based on the Bureau of Economic Analysis 4/29/21 release.



U.S. Labor Market Slows in April

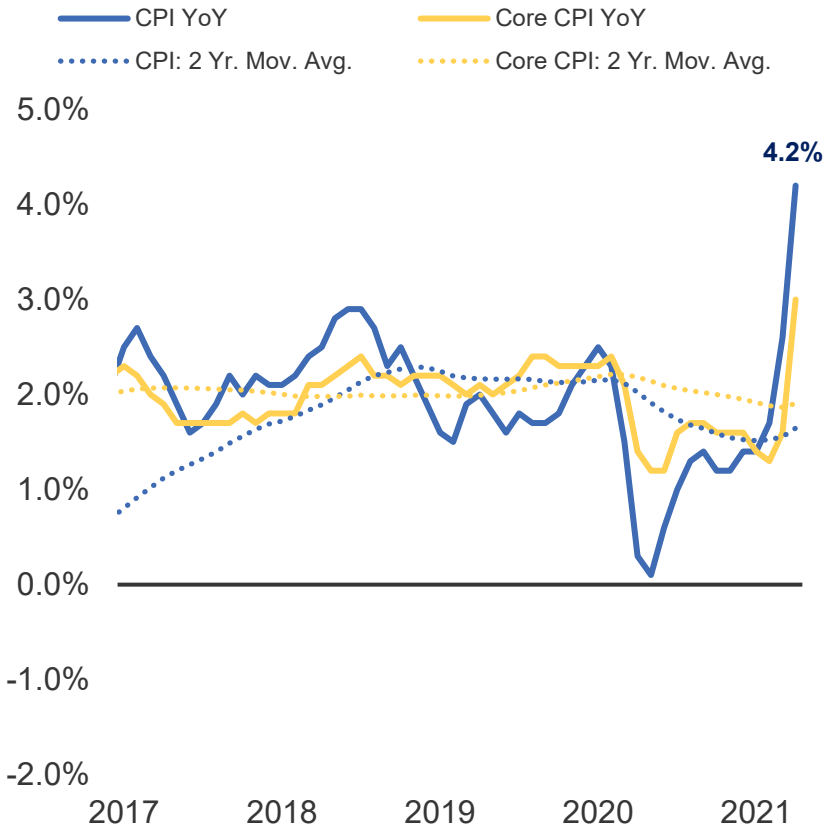


Source: Bloomberg, as of May 10, 2021. Data is seasonally adjusted.

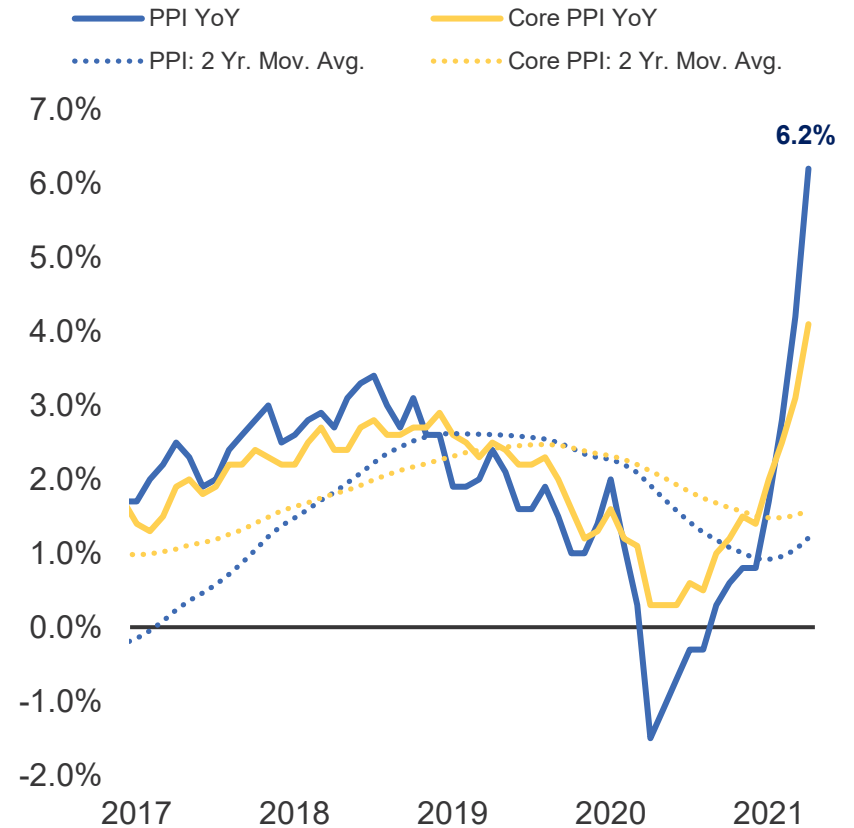


Signs of “Base Effects” Inflation...

Consumer Inflation Indicators



Producer Price Inflation Indicators

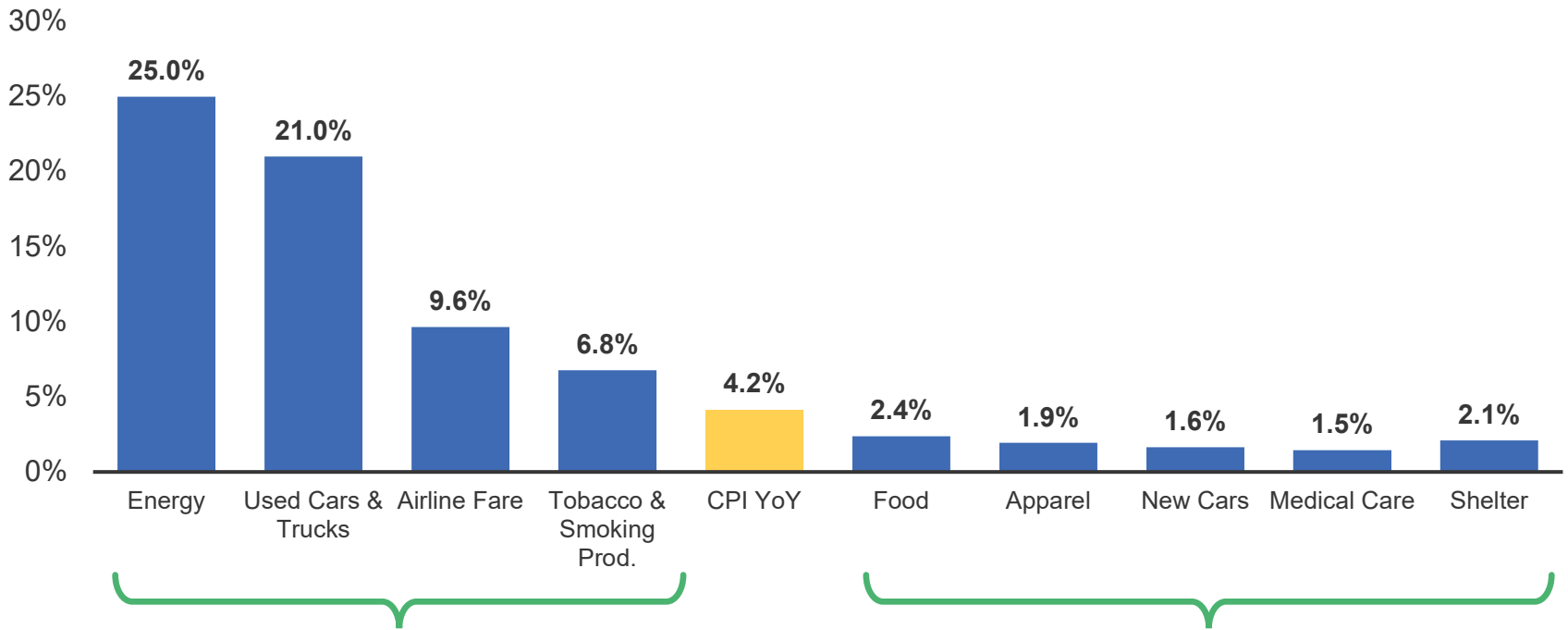


Source: Bloomberg, as of 5/17/2021.



CPI Reading For April Was High, But Driven By a Few Key Sectors

YOY Price Change in Key Consumer Price Index Components



Headline CPI surge came primarily from these four components that do not yet indicate broad inflationary pressures.

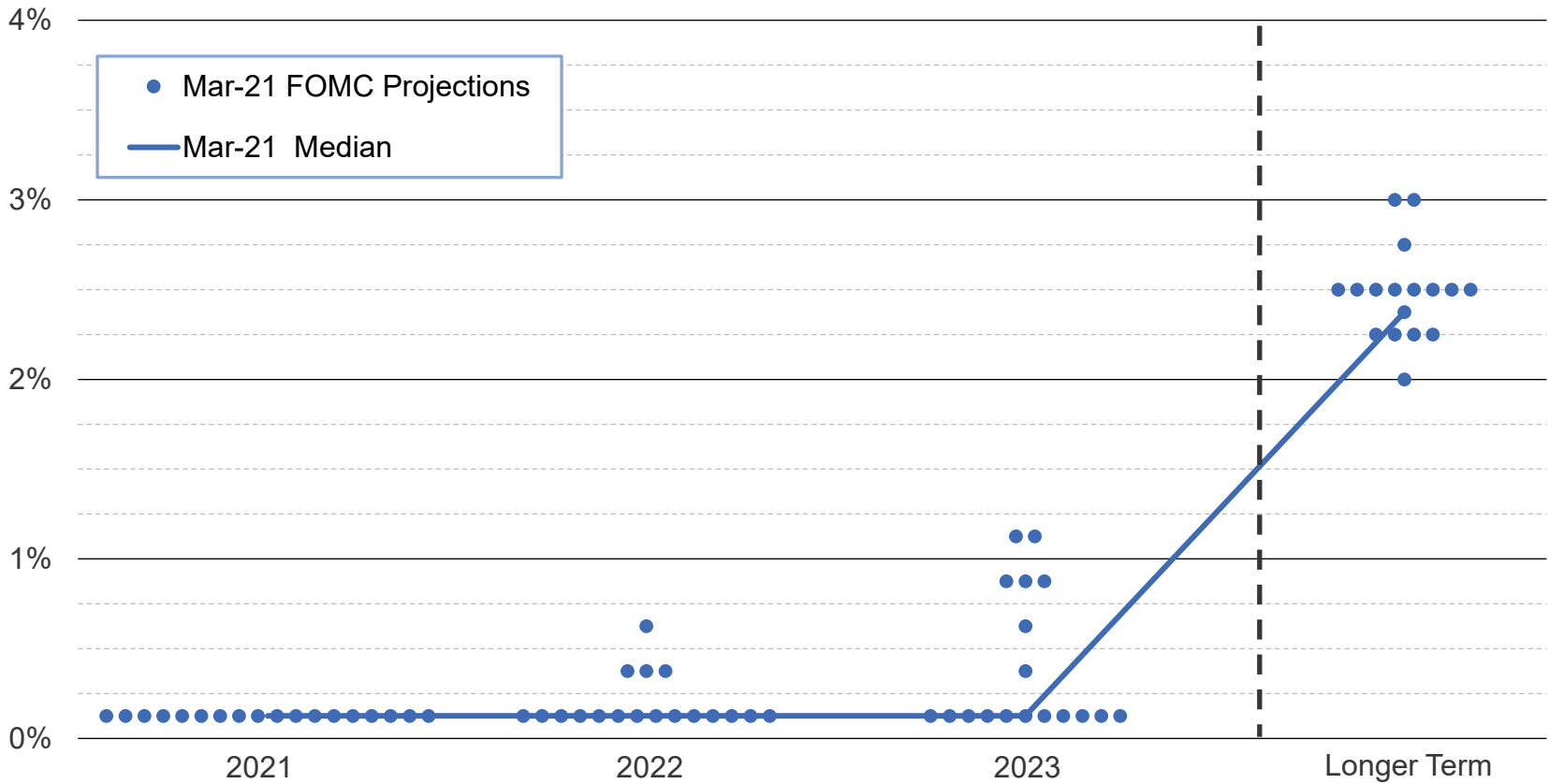
Price pressures in most other key area were muted.

Source: Bloomberg, as of 5/17/21.



Federal Reserve Anticipates Near-Zero Rates Through 2023

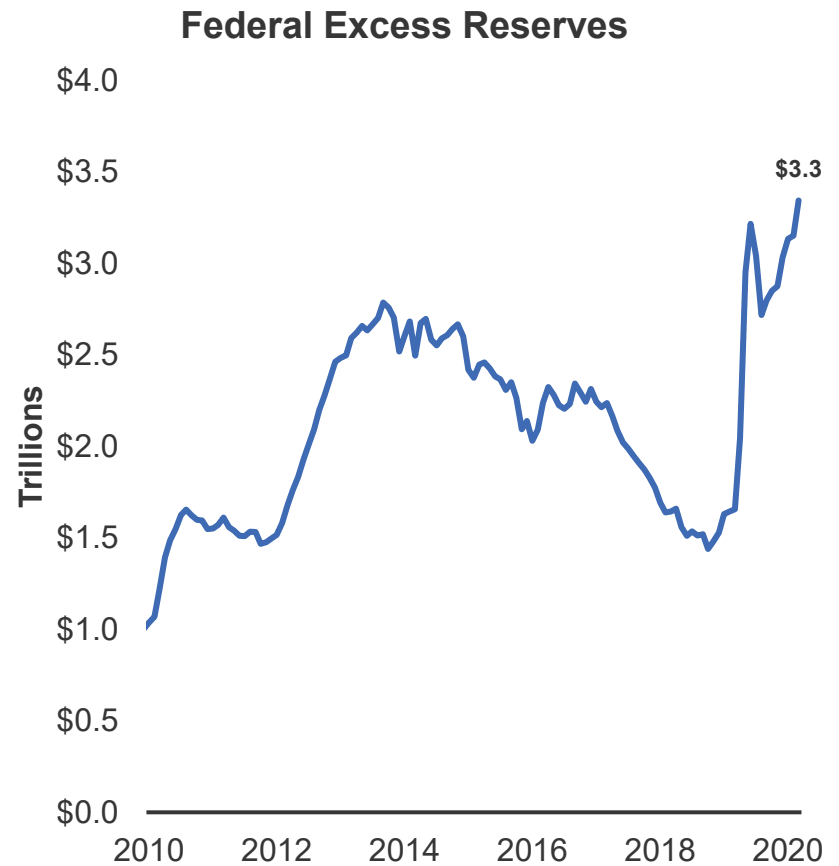
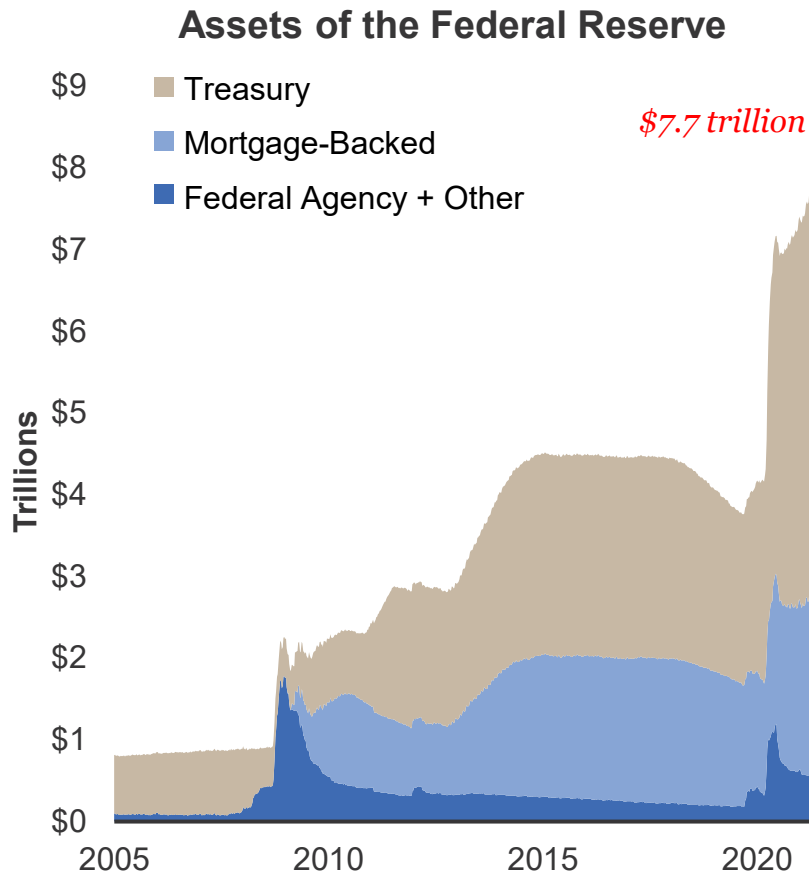
Fed Participants' Assessments of "Appropriate" Monetary Policy



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year end. Fed funds futures as of March 18, 2021.



Fed Has Provided A Lot of Liquidity; Excess Reserves Are Elevated

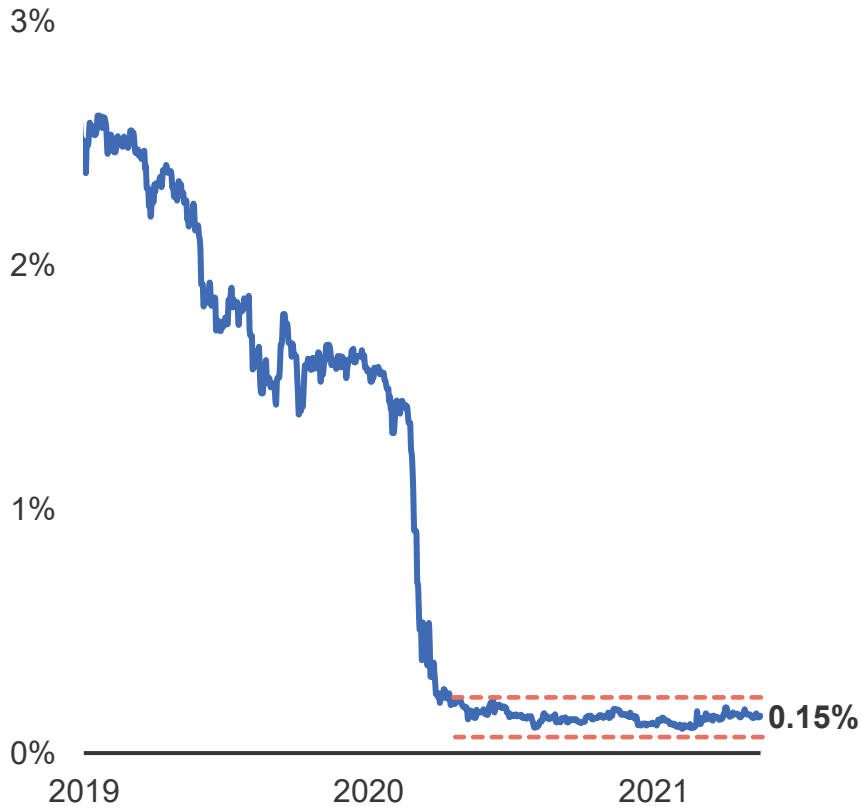


Source: Federal Reserve, as of 3/31/2021.



Yields Stuck In a Range As the Market Seeks Direction

2-Year Treasury Yield



10-Year Treasury Yield



Source: Bloomberg, as of 5/17/2021.



Portfolio Sector Allocation and Compliance

- The portfolios are in compliance with the District's Investment Policy and the California Government Code.

Security Type	March 31, 2021	% of Portfolio	% Change vs. 12/31/20	Permitted by Policy	In Compliance
U.S. Treasury	\$14,086,894	37.2%	+0.1%	100%	✓
Federal Agency	\$8,686,151	22.9%	-7.6%	100%	✓
Agency CMO	\$578,969	1.5%	-0.3%	100%	✓
Municipal Bonds	\$2,122,585	5.6%	-0.1%	100%	✓
Supranationals	\$473,549	1.2%	+1.1%	30%	✓
Negotiable CDs	\$1,554,160	4.1%	-1.3%	30%	✓
Corporate Notes	\$4,531,642	12.0%	-2.5%	30%	✓
Asset-Backed	\$1,445,458	3.8%	-0.6%	20%	✓
Securities Sub-Total	\$33,479,406	88.3%	-10.8%		
Accrued Interest	\$121,192				
Securities Total	\$33,600,598				
CAMP Pool	\$4,420,916	11.7%	+11.2%	20%	✓
Total Managed Investments	\$38,021,514	100.0%			

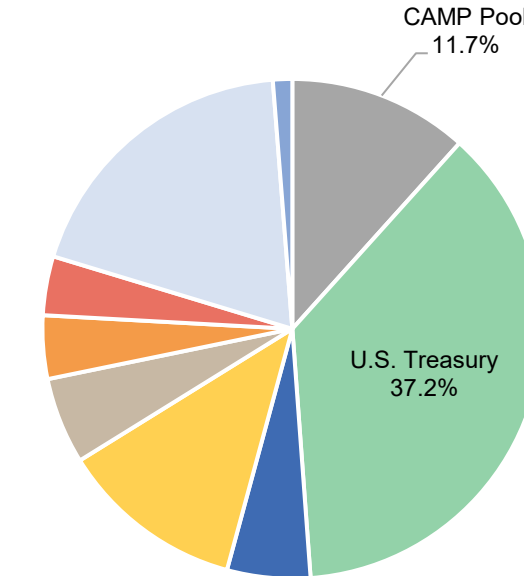
- As of March 31, 2021. Detail may not add to total due to rounding.
- Prepared based on the District's Investment Policy revised December 20, 2018.



Sector and Issuer Distribution

Corporate Issuers (12.0%)	
Morgan Stanley	1.3%
BB&T Corporation	1.2%
JPMorgan Chase & Co	1.1%
American Honda Finance	0.9%
US Bancorp	0.8%
Deere & Company	0.8%
The Walt Disney Corporation	0.8%
Caterpillar Inc	0.8%
American Express Co	0.7%
Goldman Sachs Group Inc	0.7%
Charles Schwab	0.5%
Unilever Plc	0.5%
Pepsico Inc	0.5%
Apple Inc	0.5%
Hershey Company	0.3%
Home Depot Inc	0.3%
Paccar Financial Corp	0.2%

Supranational Issuers (1.4%)	
Inter-American Development Bank	1.3%



Municipal Issuers (5.6%)	
State of California	2.0%
Ventura CCD	1.0%
State of Arizona	0.9%
Tamalpais UHSD	0.7%
State of Wisconsin	0.7%
San Diego CCD	0.3%

ABS Issuers (3.8%)	
Capital One Financial Corp	1.0%
Discover Financial Services	0.6%
Toyota Motor Corp	0.5%
Carmax Auto Owner Trust	0.4%
Nissan Auto Receivables	0.4%
Gm Financial Securitized Term	0.3%
Fifth Third Auto Trust	0.3%
Ally Auto Receivables	0.2%
Mercedes-Benz Auto Receivables	0.1%
Ford Auto Receivables	<0.1%

CD Issuers (4.1%)	
Mitsubishi Ufj Financial Group Inc	1.0%
Societe Generale	0.9%
SEB Group	0.8%
Nordea Bank	0.8%
Sumitomo Mitsui NY	0.5%

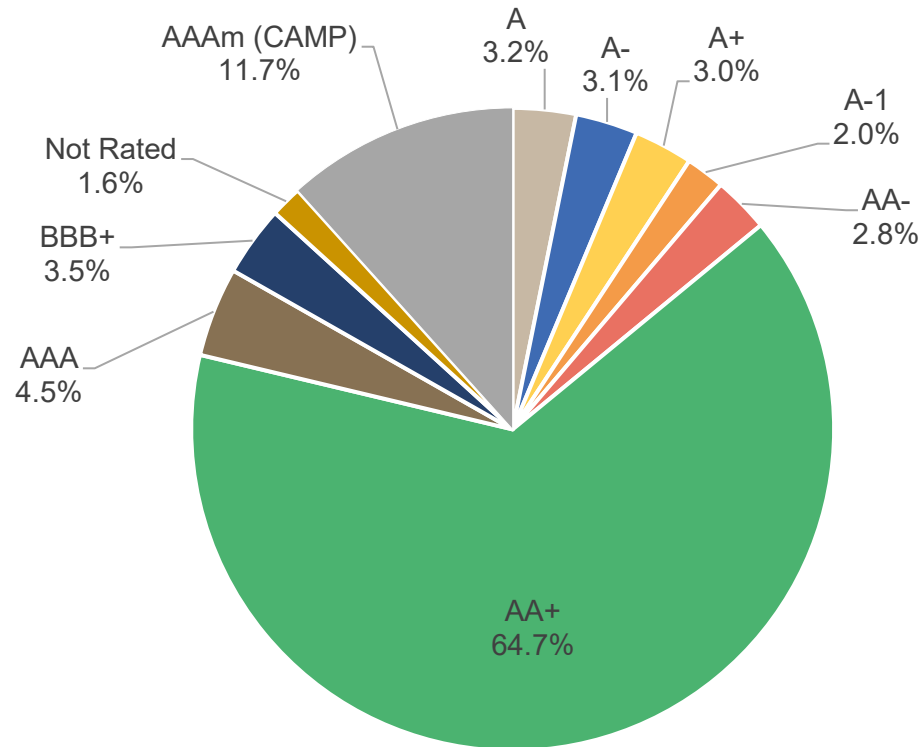
Agency Issuers (24.4%)	
FHLMC	9.9%
FNMA	9.1%
FHLB	5.1%
FFCB	0.3%

- As of March 31, 2021.
- Excludes accrued interest.
- Detail may not add to totals due to rounding.



Credit Quality

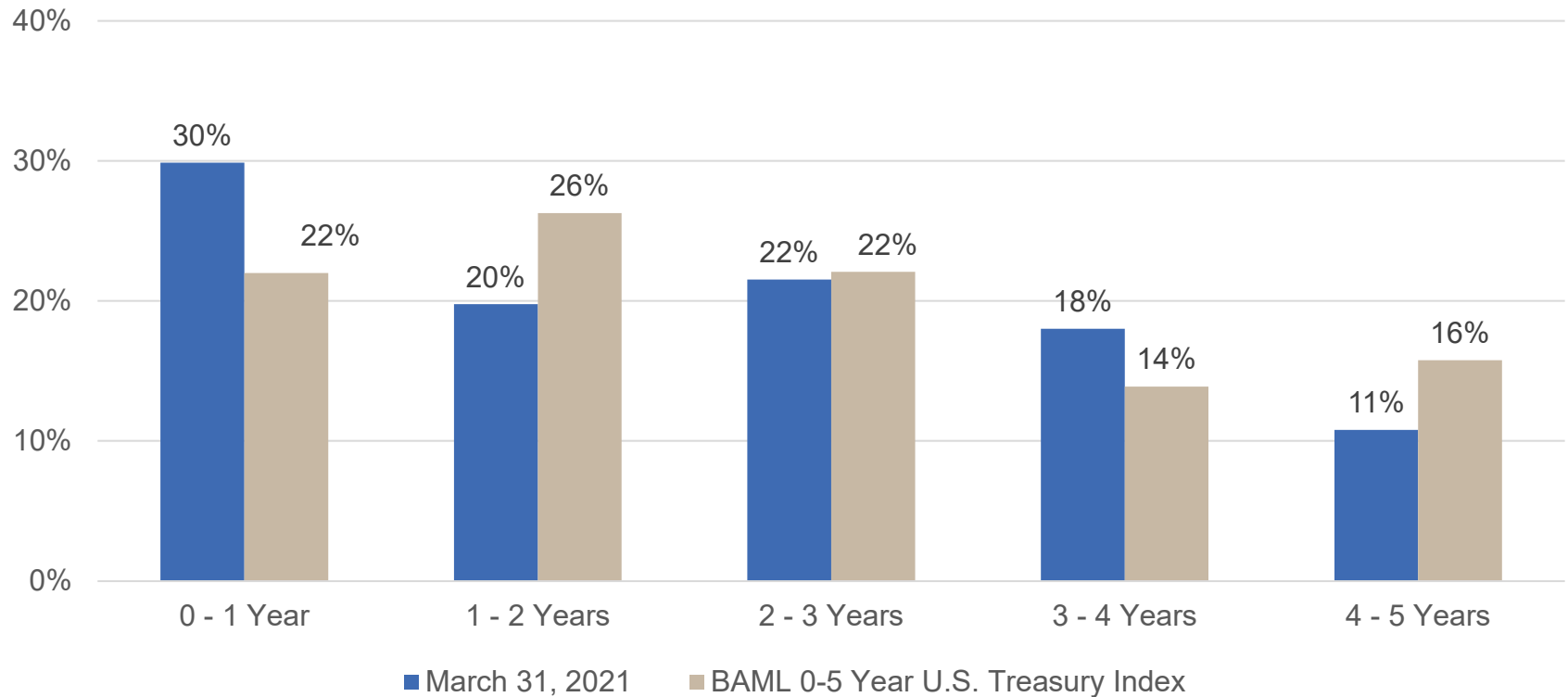
- The District's aggregate portfolio has an average credit quality of AA.



- As of March 31, 2021. Percentages may not total 100% due to rounding.
- Securities rated BBB+ by S&P are rated A- or the equivalent or better by Fitch and/or Moody's.
- Securities Not Rated by S&P are asset-backed securities rated Aaa by Moody's.



Maturity Distribution



- ICE BofAML Indices by Bloomberg.
- Detail may not total to 100% due to rounding.
- Includes CAMP pool balances as of 03/31/21.
- Callable securities in the portfolio are included in the distribution analysis to their stated maturity date, although they may be called prior to maturity.



Portfolio Performance

- The portfolios continue to perform well relative to the benchmark.

Portfolio Durations, Total Rates of Return, and Yields For periods ending March 31, 2021

	Duration (years)	Total Returns				Yield to Maturity at Cost
		Past Quarter	Past Year	Past 5 Years	Since Inception	
Total Portfolio	2.11	-0.31%	1.45%	2.09%	2.41%	1.49%
Main	1.95	-0.31%	1.47%	2.07%	2.42%	1.65%
Toland	2.19	-0.30%	1.39%	2.10%	2.42%	1.44%
Coastal	2.24	-0.33%	1.41%	2.11%	2.40%	1.40%
Bailard	2.16	-0.32%	1.58%	2.09%	2.34%	1.33%
ICE BofAML 0-5 Year U.S. Treasury Index	2.12	-0.39%	-0.04%	1.79%	2.25%	

- Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Includes CAMP pool balances in performance and duration computations.
- Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than one year are presented on an annualized basis.
- ICE BofAML Indices provided by Bloomberg.
- Inception date for the combined portfolio is 6/30/2007 and is the case for all individual portfolios except for the Main portfolio which has an inception date of 12/31/2006.



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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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