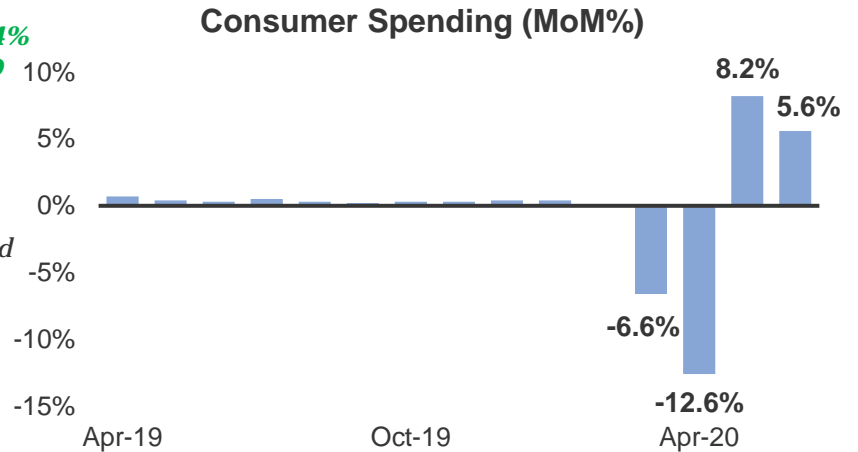
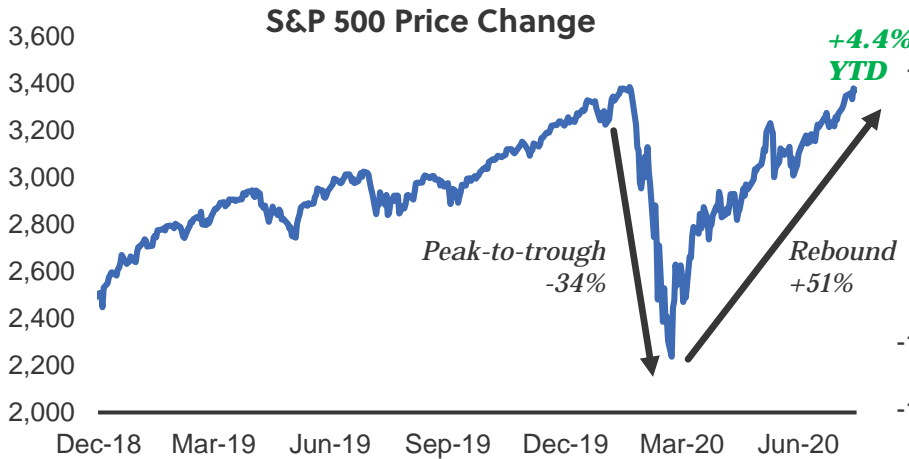
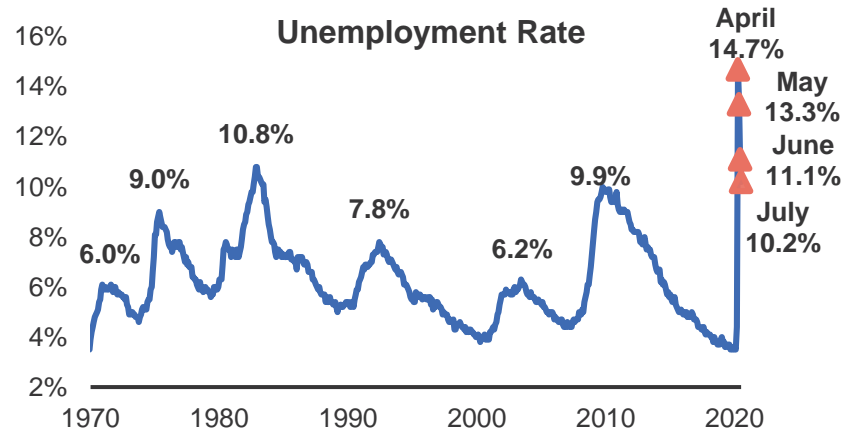
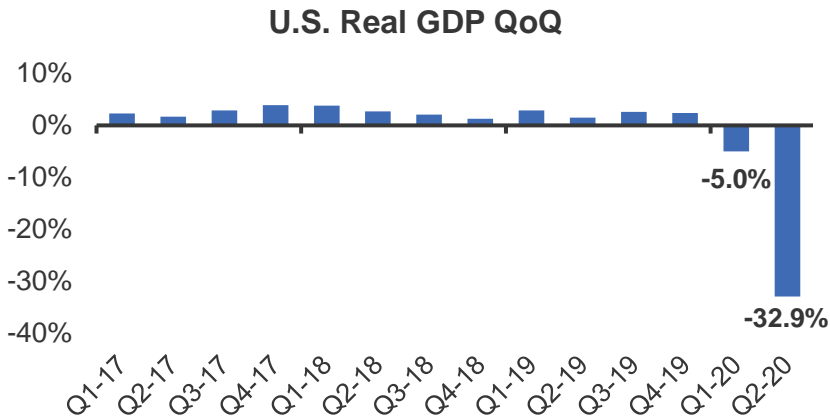


City of Reno

Monthly Investment Report

July 31, 2020

Current U.S. Economic Conditions



Source: Bloomberg, as of 7/31/2020.



Market Summary

Economic Conditions

- The U.S. economy suffered record contraction as GDP fell by an annualized 32.9% in the second quarter of 2020. The record contraction was driven by a deep pullback in consumer spending, which accounts for about 70% of economic activity. Business investment and residential housing also suffered sharp declines, while federal government spending rose. U.S. economic activity is expected to rebound in the second half of the year.
- The U.S. economy added 1.8 million jobs in July following a record 4.8 million jobs created in June. The better-than-expected payroll growth reflected improvements in leisure and hospitality as lockdown measures were lifted. Compared to pre-pandemic, there remains a 15 million job gap in the number of employed workers in the U.S. The unemployment rate continued to improve, falling from 11.1% to 10.2%.
- The Consumer Price Index increased 0.6% in July on a MoM basis, the same increase as in June. The strongest price gains stemmed from transportation services, apparel and used vehicles. This is likely due to people driving more, as states reopen their economies.

Market Reaction

- Treasury yields fell to record lows resulting in a flatter yield curve. Although gauges of Treasury volatility are also very low, falling yields indicates uncertainty about the U.S. economic recovery and future growth prospects.
- The Fed intends to keep rates near zero until it is confident that the economy has weathered the virus and is on track to achieve its policy goals of maximum employment and stable prices.
- U.S. equities advanced on vaccine progress and prospects for more fiscal stimulus, marking the fourth consecutive month of gains. Better-than-expected corporate earnings and strong returns from mega-cap and technology sectors helped lift the S&P 500 into positive territory for the year; the large-cap index ended July just 3.4% below its all-time high. For the month, the S&P 500 rose 5.5%; the NASDAQ jumped 6.8%; and the Dow managed a modest gain of 2.4%.

Summary of the City's Funds

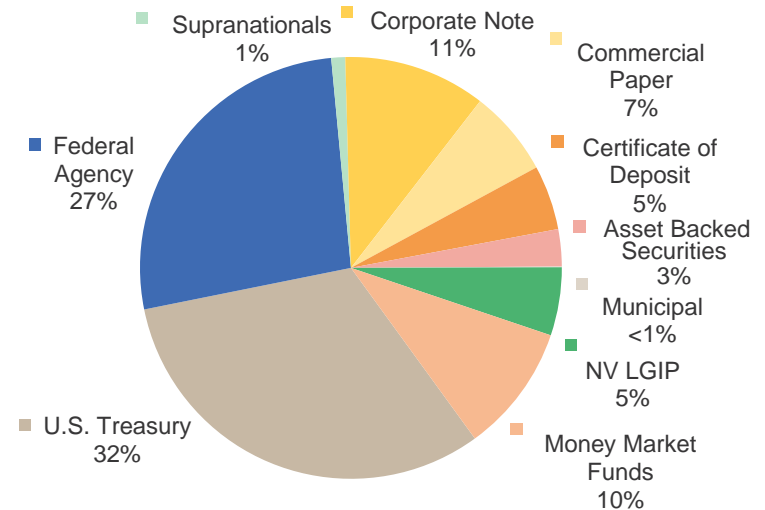
City of Reno Funds	Market Value ¹
Core Portfolio	\$178,763,901
Liquidity Portfolio	\$97,108,332
Liquid Funds	\$48,859,839
<i>Nevada LGIP</i>	\$16,972,486
<i>U.S. Bank</i>	\$2,547,358
<i>Bank of America</i>	\$29,339,996
Managed Account Subtotal	\$324,732,072
Reserve Fund Portfolios	\$14,037,784
Total	\$338,769,856

1. Market Values exclude accrued interest.

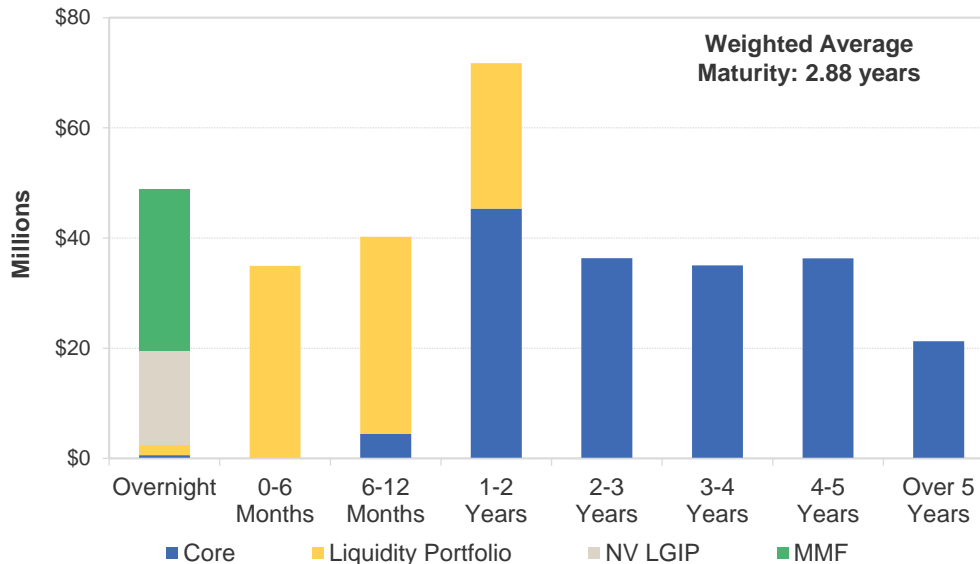
Executive Summary^{1,2,3}

Account Summary	Ending Values as of 6/30/20	Ending Values as of 7/31/20
Market Value	\$332,422,647	\$324,732,072
Book Value	\$325,930,370	\$318,246,425
Unrealized Gain/(Loss)	\$6,492,278	\$6,485,647
Weighted Avg. YTM	0.52%	0.48%
Weighted Avg. YTC	1.73%	1.63%

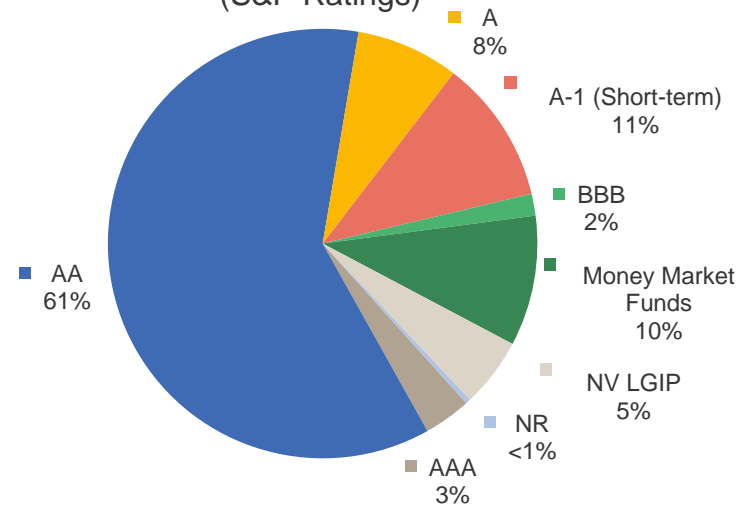
Allocation by Security Type



Maturity Distribution



Credit Quality (S&P Ratings)



- Summary data includes Core Portfolio, Liquidity Portfolio and Liquid Funds, excluding accrued interest; excludes Reserve Fund Portfolios.
- Money Market Funds include the Bank of America and U.S. Bank balances.
- The weighted average yield to maturity (YTM) and yield at cost (YTC) excludes Liquid Funds.

Security Type and Issuer Compliance^{1,2,3}

Security Type	Market Value	% of Portfolio	Permitted by Policy	Compliance
U.S. Treasury	\$103,392,992	31.8%	100.0%	✓
Federal Agency	\$86,584,209	26.7%	100.0%	✓
Supranationals	\$3,473,289	1.1%	30.0%	✓
Corporate Note	\$35,456,095	10.9%	20.0%	✓
Commercial Paper	\$21,467,302	6.6%	20.0%	✓
Certificate of Deposit	\$16,063,475	4.9%	30.0%	✓
Asset Backed Securities	\$9,249,467	2.8%	30.0%	✓
Municipal	\$185,403	0.1%	20.0%	✓
NV LGIP	\$16,972,486	5.2%	100.0%	✓
Money Market Funds	\$31,887,354	9.8%	100.0%	✓
Total Market Value	\$324,732,072	100%		

Maturity	Market Value	% of Portfolio	Permitted by Policy	Compliance
Overnight	\$48,859,839	15.0%	No Limit	✓
0-6 Months	\$34,936,946	10.8%	No Limit	✓
6-12 Months	\$40,244,086	12.4%	No Limit	✓
1-2 Years	\$71,749,391	22.1%	No Limit	✓
2-3 Years	\$36,332,069	11.2%	No Limit	✓
3-4 Years	\$35,032,325	10.8%	No Limit	✓
4-5 Years	\$36,322,793	11.2%	No Limit	✓
Over 5 Years	\$21,254,621	6.5%	No Limit	✓
Total Market Value	\$324,732,072	100.0%		

Accrual Basis Earnings ⁴		6/30/20 through 7/31/20	
Total Estimated Earnings		503,705.70	

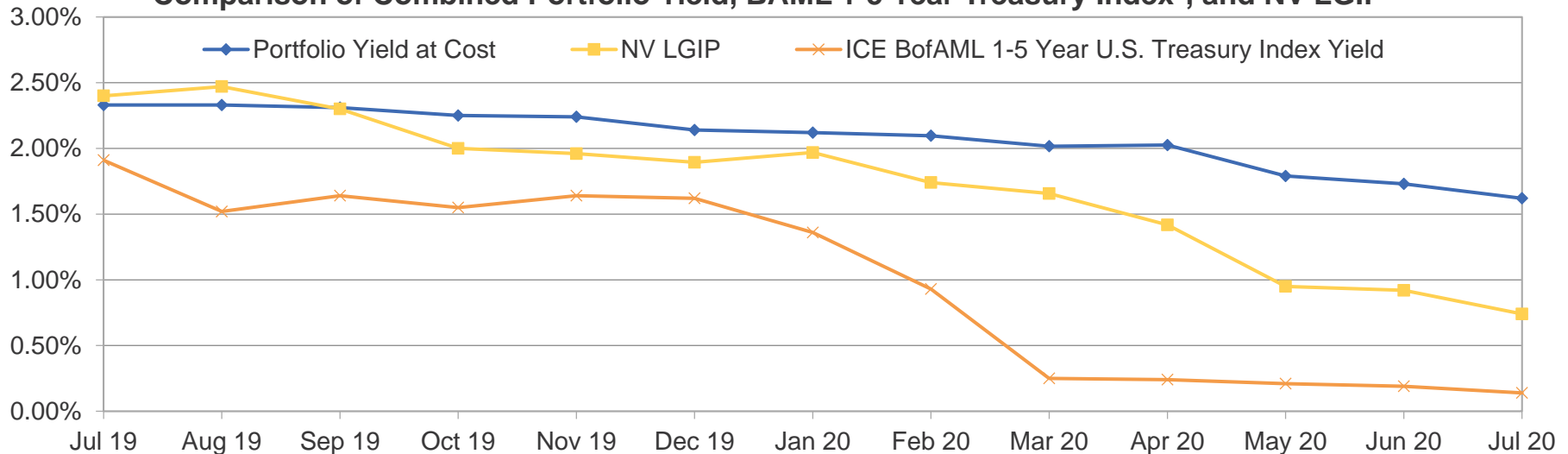
Issuer	Market Value	% of Portfolio	Permitted by Policy	Compliance
U.S. Treasury	\$ 103,392,992	31.8%	100%	✓
FNMA	\$ 36,035,167	11.1%	100%	✓
FHLMC	\$ 34,175,603	10.5%	100%	✓
Money Market Funds	\$ 31,887,354	9.8%	100%	✓
Nevada LGIP	\$ 16,972,486	5.2%	100%	✓
FFCB	\$ 10,072,933	3.1%	100%	✓
Toyota Motor Corp	\$ 5,095,750	1.6%	5%	✓
Toronto-Dominion Bank	\$ 4,406,544	1.4%	5%	✓
Societe Generale	\$ 4,300,160	1.3%	5%	✓
FHLB	\$ 3,733,516	1.1%	100%	✓
Sumitomo Mitsui Financial Group Inc	\$ 3,684,333	1.1%	5%	✓
JPMorgan Chase & Co	\$ 3,308,369	1.0%	5%	✓
Canadian Imperial Bank Of Commerce	\$ 2,995,959	0.9%	5%	✓
Credit Agricole SA	\$ 2,993,568	0.9%	5%	✓
Natixis NY Branch	\$ 2,849,544	0.9%	5%	✓
Ing Bank NV	\$ 2,848,920	0.9%	5%	✓
Mizuho Financial Group Inc.	\$ 2,846,594	0.9%	5%	✓
Wal-Mart Stores Inc	\$ 2,699,433	0.8%	5%	✓
GNMA	\$ 2,566,989	0.8%	100%	✓
Bank Of New York Mellon	\$ 2,541,720	0.8%	5%	✓
Asian Development Bank	\$ 2,470,493	0.8%	100%	✓
Blackrock Inc.	\$ 2,390,273	0.7%	5%	✓
BNP Paribas	\$ 1,995,814	0.6%	5%	✓
Burlington Northern Santa Fe	\$ 1,855,704	0.6%	5%	✓
Bank Of America Co	\$ 1,796,459	0.6%	5%	✓
Novartis Capital Corp	\$ 1,575,837	0.5%	5%	✓
Skandinaviska Enskilda Banken Ab	\$ 1,546,884	0.5%	5%	✓
Nordea Bank Ab	\$ 1,546,575	0.5%	5%	✓
Abbott Laboratories	\$ 1,369,647	0.4%	5%	✓
The Walt Disney Corporation	\$ 1,345,616	0.4%	5%	✓
Goldman Sachs Group Inc	\$ 1,340,680	0.4%	5%	✓
BB&T Corporation	\$ 1,313,303	0.4%	5%	✓
Morgan Stanley	\$ 1,307,537	0.4%	5%	✓
DNB Bank	\$ 1,298,469	0.4%	5%	✓
Capital One Financial Corp	\$ 1,280,109	0.4%	5%	✓
American Express Co	\$ 1,235,754	0.4%	5%	✓
Caterpillar Inc	\$ 1,219,607	0.4%	5%	✓
IBM Corp	\$ 1,210,431	0.4%	5%	✓
Charles Schwab	\$ 1,090,629	0.3%	5%	✓
Comcast Corp	\$ 1,073,401	0.3%	5%	✓
US Bancorp	\$ 1,070,029	0.3%	5%	✓
American Honda Finance	\$ 1,035,883	0.3%	5%	✓
PNC Financial Services Group	\$ 1,026,645	0.3%	5%	✓
Inter-American Development Bank	\$ 1,002,796	0.3%	100%	✓
Wells Fargo & Company	\$ 931,302	0.3%	5%	✓
Apple Inc	\$ 926,612	0.3%	5%	✓
Chevron Corporation	\$ 836,830	0.3%	5%	✓
Verizon Owner Trust	\$ 769,990	0.2%	5%	✓
Honda Auto Receivables	\$ 695,285	0.2%	5%	✓
World Omni Auto Rec Trust	\$ 559,893	0.2%	5%	✓
Carmax Auto Owner Trust	\$ 521,458	0.2%	5%	✓
Verizon Communications	\$ 514,656	0.2%	5%	✓
Mercedes-Benz Auto Lease Trust	\$ 508,965	0.2%	5%	✓
John Deere Owner Trust	\$ 492,840	0.2%	5%	✓
Nissan Auto Receivables	\$ 470,357	0.1%	5%	✓
Fifth Third Auto Trust	\$ 467,422	0.1%	5%	✓
Gm Financial Securitized Term	\$ 450,694	0.1%	5%	✓
Ford Credit Auto Lease Trust	\$ 381,045	0.1%	5%	✓
Capital One Prime Auto Rec Trust	\$ 379,252	0.1%	5%	✓
Amazon.Com Inc	\$ 351,446	0.1%	5%	✓
Deere & Company	\$ 321,205	0.1%	5%	✓
Pepsico Inc	\$ 303,878	0.1%	5%	✓
Paccar Financial Corp	\$ 281,263	0.1%	5%	✓
Harley-Davidson Motorcycle Trust	\$ 280,739	0.1%	5%	✓
State of Mississippi	\$ 185,403	0.1%	5%	✓
Adobe Inc	\$ 149,982	0.0%	5%	✓
BMW Financial Services	\$ 145,048	0.0%	5%	✓
Total Market Value	\$ 324,732,072			

1. Data includes Core Portfolio, Liquidity Portfolio and Liquid Funds, excluding accrued interest; excludes Reserve Fund Portfolios.
 2. Money Market Funds include the Bank of America and U.S. Bank balances.
 3. Investment policy dated February 2020.
 4. Excludes earnings on Liquid Funds.

Portfolio Yield Summary

Date	Book Value ¹	Portfolio Yield (Cost) ⁴	Portfolio Duration ⁴	NV LGIP Yield (Monthly) ³	1-5 Year Treasury Index Yield ²
Feb-20	330,013,704	2.10%	1.85	1.74%	0.93%
Mar-20	350,599,266	2.02%	1.86	1.66%	0.25%
Apr-20	344,584,288	2.03%	1.84	1.42%	0.24%
May-20	340,860,666	1.79%	1.86	0.95%	0.21%
Jun-20	325,930,370	1.73%	1.87	0.92%	0.19%
Jul-20	318,246,425	1.63%	1.88	0.74%	0.14%

Comparison of Combined Portfolio Yield, BAML 1-5 Year Treasury Index², and NV LGIP³



1. Security book values include Core Portfolio, Liquid Portfolio, and Liquid Funds, excluding accrued interest and balances in the reserve funds.
2. Source: ICE Bank of America/Merrill Lynch Global Bond Indices
3. Source: Nevada State Treasurer's website. Monthly net distributed interest rate.
4. The portfolio yield and duration exclude Liquid Funds.

City's Investment Objectives

- **Investment Objectives:** In accordance with the City's Investment Policy, the City's primary objectives in order of priority are:
 - **Safety** – Safety of principal is the foremost objective of the investment program. Investments for the City will be made in a manner that seeks to ensure the preservation of capital in the overall portfolio.
 - **Liquidity** – The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
 - **Yield** – The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints, liquidity needs, and cash flow characteristics of the portfolio.
- **Certification:** The City has sufficient funds to meet expenditures for the following six-month period.

City of Reno Investment Policy dated February 2020.

Portfolio Information Summary

Funds Included in Report

- The following report includes the City's funds held in overnight investment vehicles (savings accounts, money market funds, and Nevada Local Government Investment Pool) and portfolios of individual fixed income securities (Core Portfolio and Liquidity Portfolio).

Portfolio Summary and Characteristics

- Funds are shown on an amortized cost, and market value basis.
 - Amortized Cost Value (Book Value). Represents the original cost of an investment adjusted for amortization of premium or accretion of discount.
 - Market Value. The current price at which that security is trading between buyers and sellers. Valuation is highly dependent on interest rate movements.
- The investment sector, maturity, and credit ratings distribution is shown based on market value basis.
- Demonstrates level of diversification by investment type and credit quality. Additionally, illustrates active management of funds to optimize value in the current market.

Investment Program Maturity Summary

- The maturity distribution of the City's funds (market value plus accrued interest) from one-day to the ten-year mandated limit.
- Demonstrates level of diversification by maturity date. Shows placement of funds to take advantage of opportunities while ensuring that the City has funds to meet its cash flow needs.

Portfolio Yield Summary

- The historical yield and duration of the City's funds, monthly net distribution rate for the Nevada Local Government Investment Pool (NV LGIP), and the monthly yield for the Bank of America/Merrill Lynch 1 – 5 year Treasury Index is shown for the trailing six months.
- A historical record of the City's overall fund balance and earnings rates.

Investment Guidelines

- The City invests in permitted securities consistent with Nevada Revised Statutes (NRS) Chapter 355.170 – 355.200 and the Reno Municipal Code. The City’s Investment Policy includes additional sector allocation and maturity restrictions that reflect the City’s risk tolerances.

Security Type	Nevada Government Code	City’s Investment Policy
U.S. Treasury Notes	✓	✓
Federal Agencies	✓	✓
Supranationals	✓	✓
State and Local Municipal Obligations	✓	✓
Corporate Notes	✓	✓
Mortgage-Backed Securities	✓	✓
Commercial Paper	✓	✓
Time Certificates of Deposit	✓	✓
Negotiable Certificates of Deposit	✓	✓
Bankers’ Acceptances	✓	✓
Repurchase Agreements	✓	✓
Reverse Repurchase Agreements		
Mutual Funds	✓	✓
Money Market Funds	✓	✓
Nevada Local Government Investment Pool (NV LGIP)	✓	✓

City of Reno Investment Policy dated February 2020.