



CITY OF FORT LAUDERDALE

Investment Performance Review For the Quarter Ended September 30, 2023

Client Management Team

Scott Sweeten, BCM, CFS, Sr. Managing Consultant
Richard Pengelly, CFA, CIMA, CTP, Managing Director
Sean Gannon, Senior Managing Consultant

PFM Asset Management LLC

225 E. Robinson Street
Orlando, FL 32801
407-406-5754

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

For Institutional Investor or Investment Professional Use Only - This material is not for inspection by, distribution to, or quotation to the general public

CAM #24-0060
Exhibit 1
Page 1 of 27

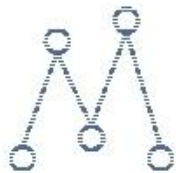
Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ Stronger than expected growth, supported by a resilient consumer
 - ▶ Inflation that remains stubbornly above the Federal Reserve's ("Fed") target range
 - ▶ Continued creation of new jobs by the labor market, albeit at a moderating pace



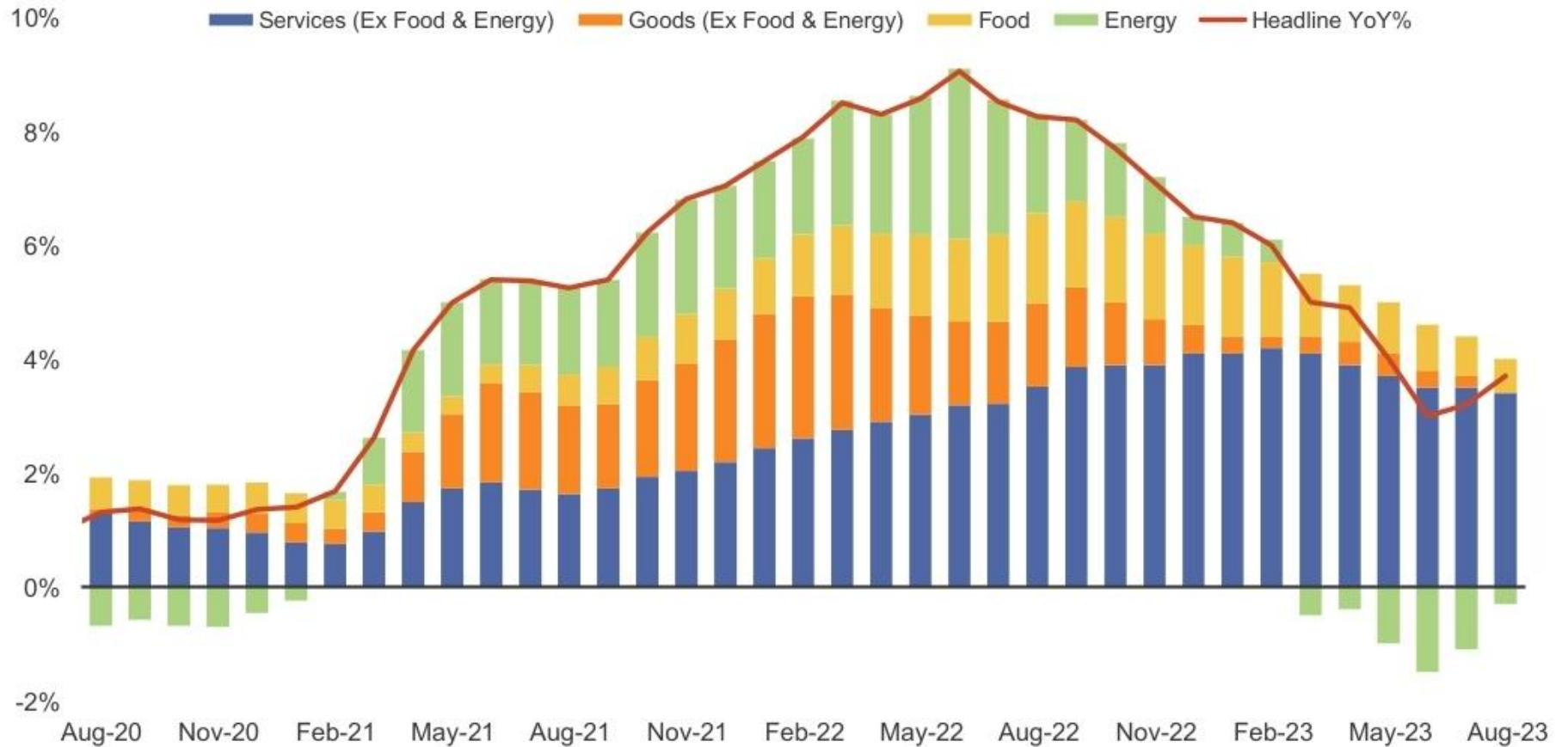
- ▶ Fed pauses again in rate hike campaign
 - ▶ After hiking in July, the Federal Reserve held rates steady at the September FOMC meeting as expected
 - ▶ The Fed's most recent "dot plot" indicated one more rate hike for 2023 and set the stage for interest rates to remain "higher-for-longer"
 - ▶ Updated FOMC economic projections point to stronger GDP growth expectations, higher inflation, and slightly lower unemployment for the remainder of 2023 and into 2024



- ▶ Interest rates reached their highest levels since 2006-7
 - ▶ The U.S. government rating downgrade by Fitch had little impact, although it highlighted growing worry about the erosion of governance standards and fiscal irresponsibility
 - ▶ Treasury yields across the curve rose during Q3. Sticky inflation, a "higher for longer" market consensus, increased Treasury borrowing, and reduced Treasury holdings by China and Japan weighed especially on the long end of the curve
 - ▶ The next concern is the annual federal budget process and potential for a government shutdown

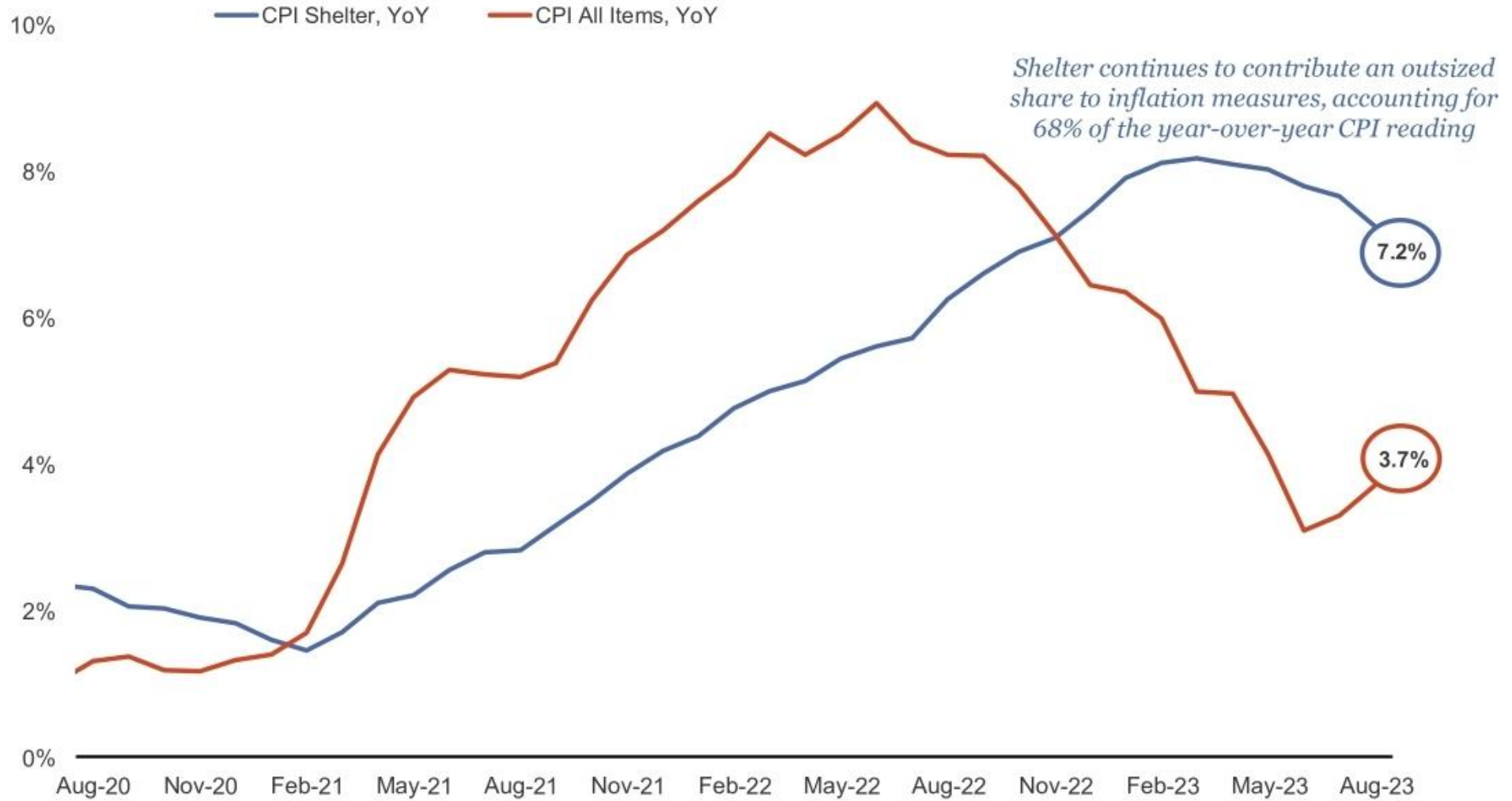
Inflation Gradually Falling, But Sensitive to Recently Rising Energy Prices

Factors Contributing to the Consumer Price Index (CPI YoY)



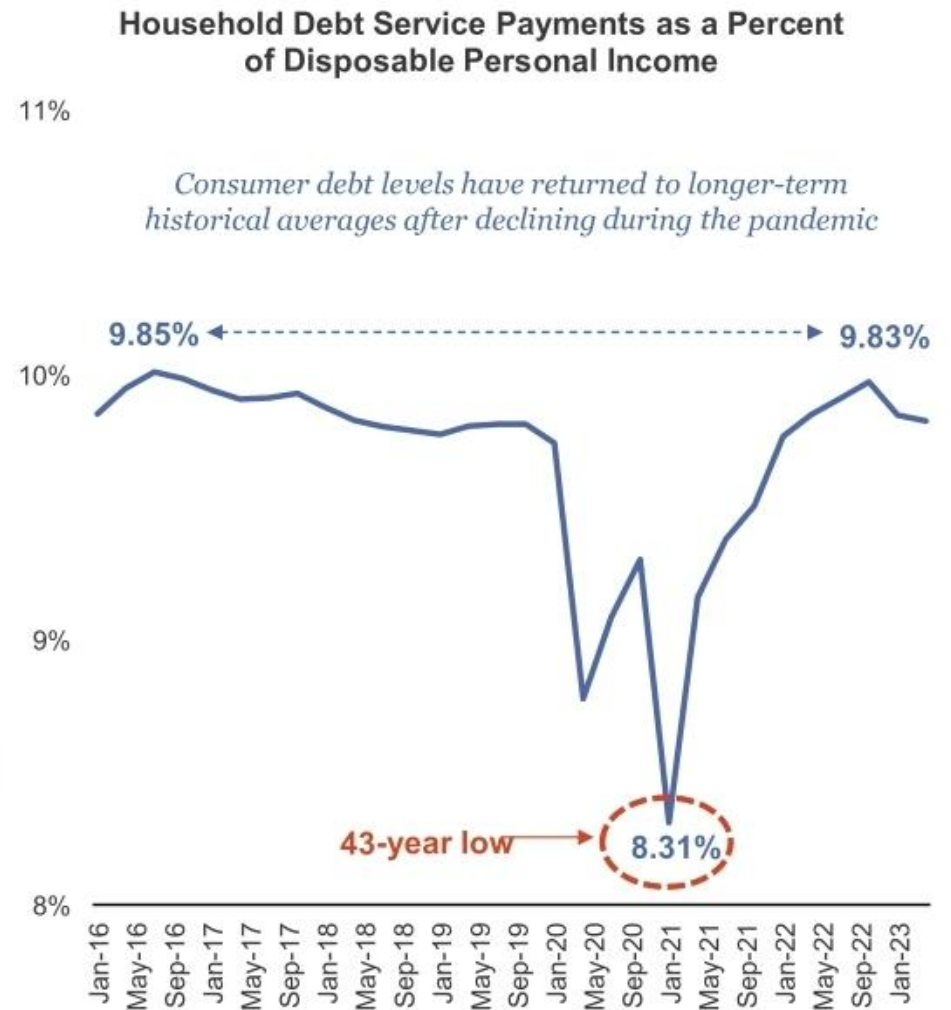
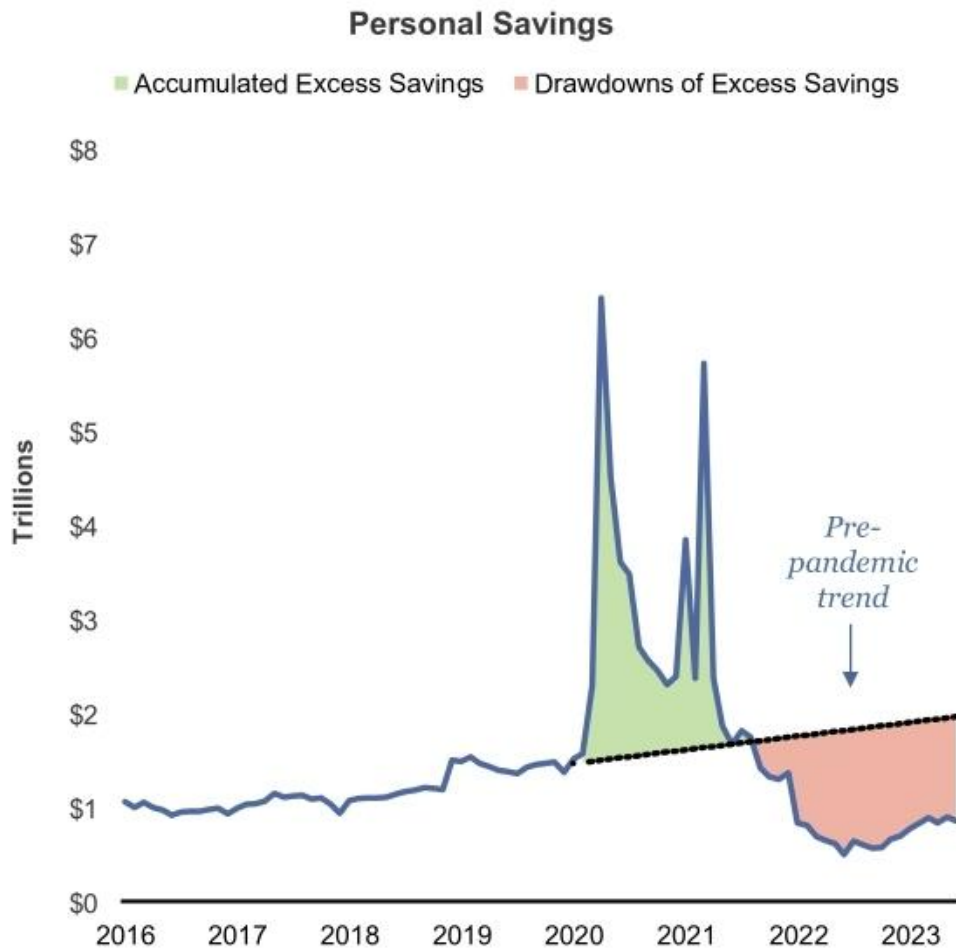
Source: Bloomberg, as of August 2023.

Shelter Component of CPI Remains Elevated



Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics, as of August 2023.

Personal Savings and Consumer Debt Have Returned to Pre-Pandemic Levels



Source: Bloomberg and New York Fed Household Debt and Credit Report. Data as of June 30, 2023. (Left chart)

Source: Federal Reserve Bank of St. Louis. Data as of April 1, 2023. (Right chart)

Wages Have Caught Up to Inflation Once Again



Labor Market Stats

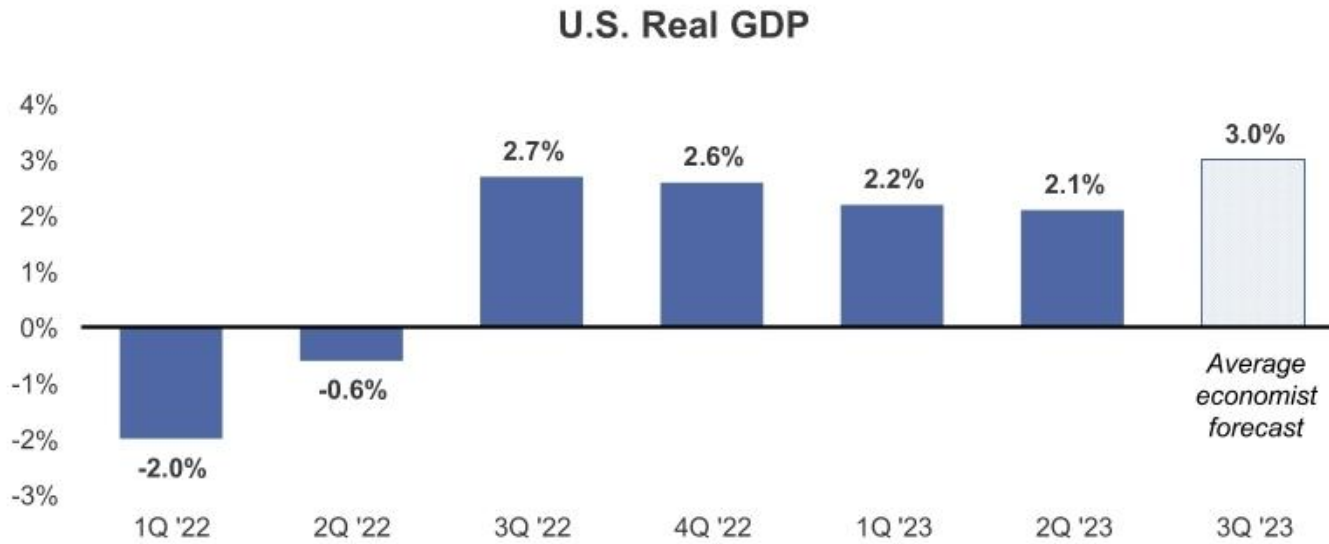
Unemployment Rate (Sept.)	3.8%
<i>Peaked during COVID at 14.7%</i>	

Excess Job Openings (Sept.)	3 mil.
<i>For each unemployed worker, there are approximately 1.5 job openings</i>	

Nonfarm Payrolls (Sept.)	336,000
<i>Although the pace has declined, the economy continues to create jobs at a healthy pace</i>	

Source: As of September 2023. St. Louis Federal Reserve Economic Data. Excess job openings refers to the difference in job openings, as reported by JOLTS, and the total number of unemployed workers as reported by the Bureau of Labor Statistics.

GDP Remains Surprisingly Robust



GDP Contributors

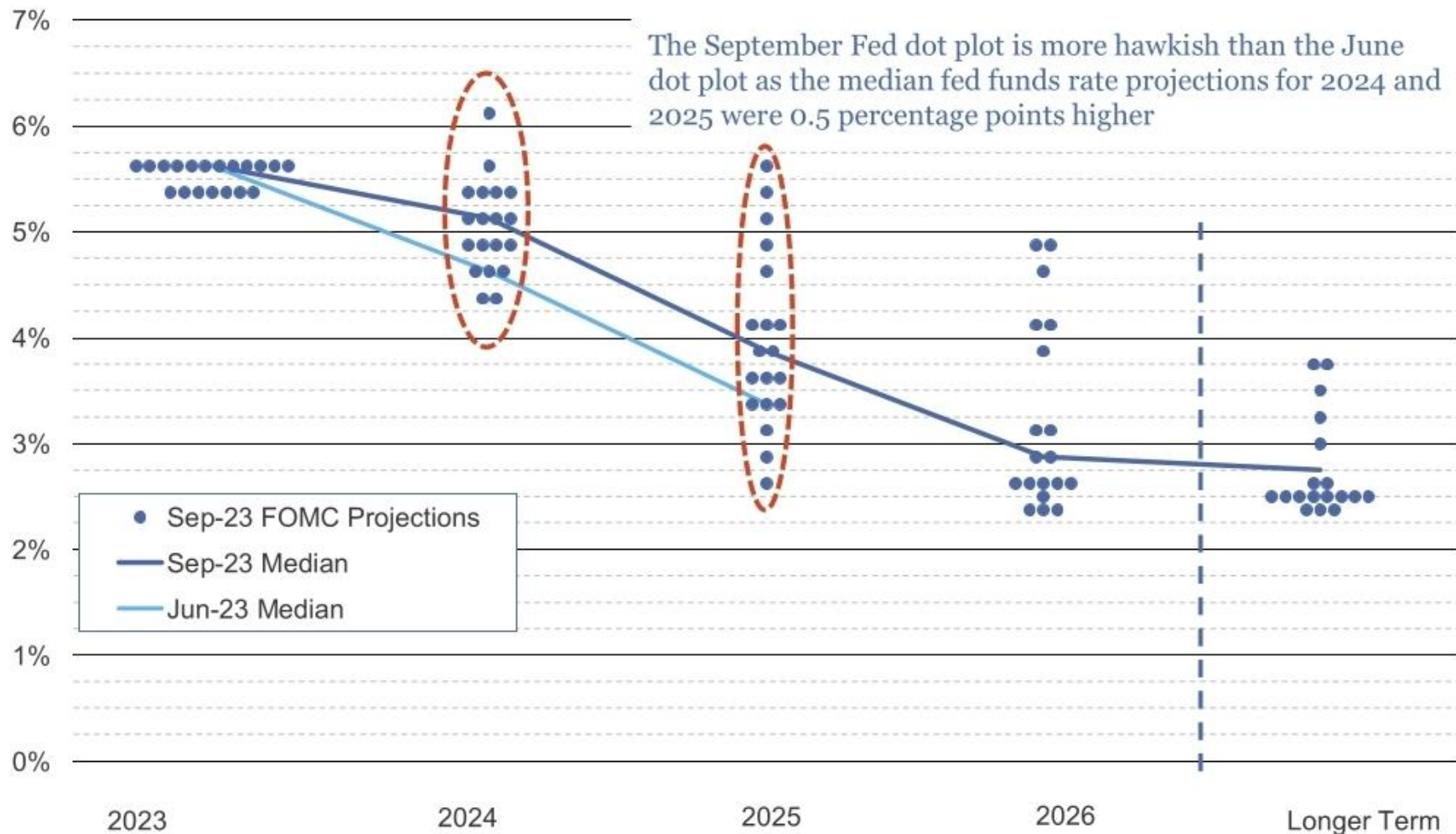
	1Q '22	2Q '22	3Q '22	4Q '22	1Q '23	2Q '23
Real GDP	-2.0%	-0.6%	2.7%	2.6%	2.2%	2.1%
Personal Consumption	0.0%	1.3%	1.1%	0.8%	2.5%	0.6%
Private Investment	1.2%	-2.1%	-1.5%	0.6%	-1.7%	0.9%
Net Exports	-2.6%	0.6%	2.6%	0.3%	0.6%	0.0%
Gov't Expenditures	-0.5%	-0.3%	0.6%	0.9%	0.8%	0.6%

◀ The U.S. Consumer has been the backbone of economic growth; historically being the largest contributor

Source: St. Louis Federal Reserve Economic Data, Bureau of Economic Analysis. Average economist forecast sourced from Bloomberg.

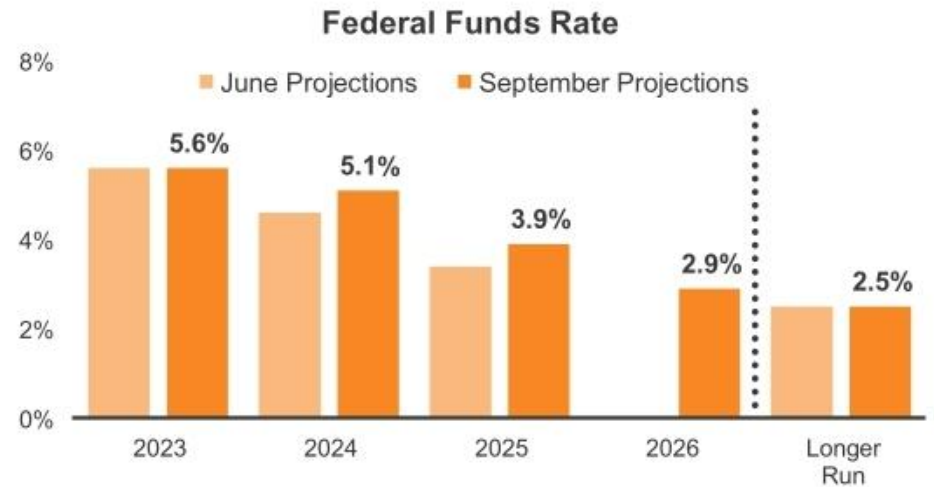
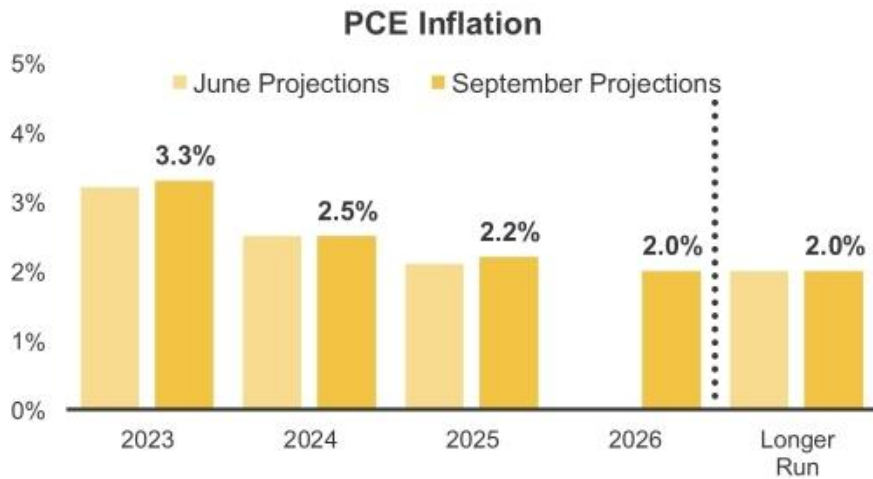
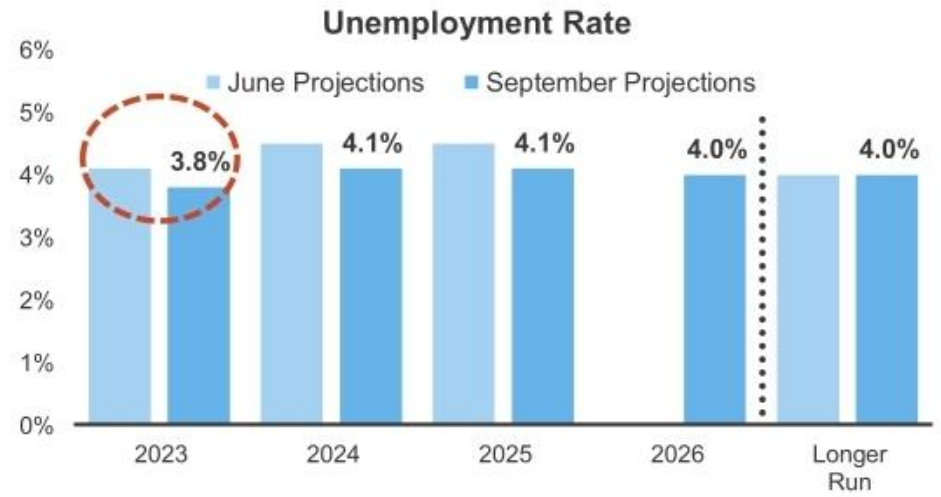
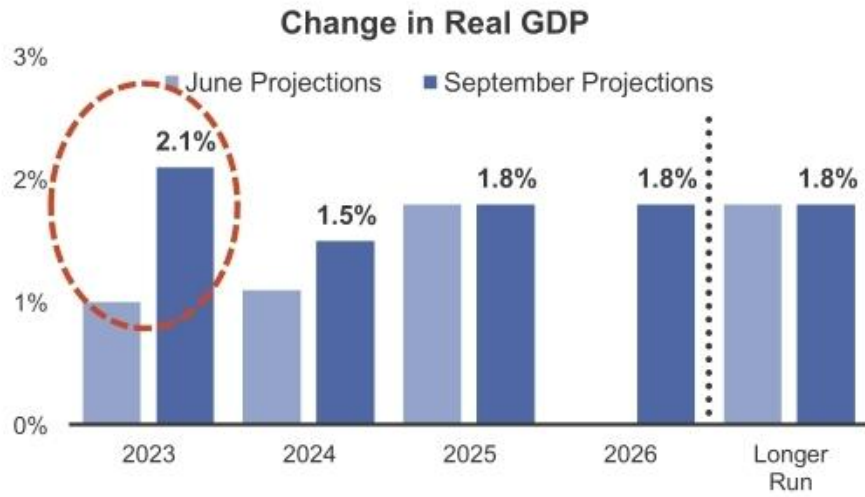
Fed's Updated "Dot Plot" Projects Rates To Be "Higher for Longer"

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.

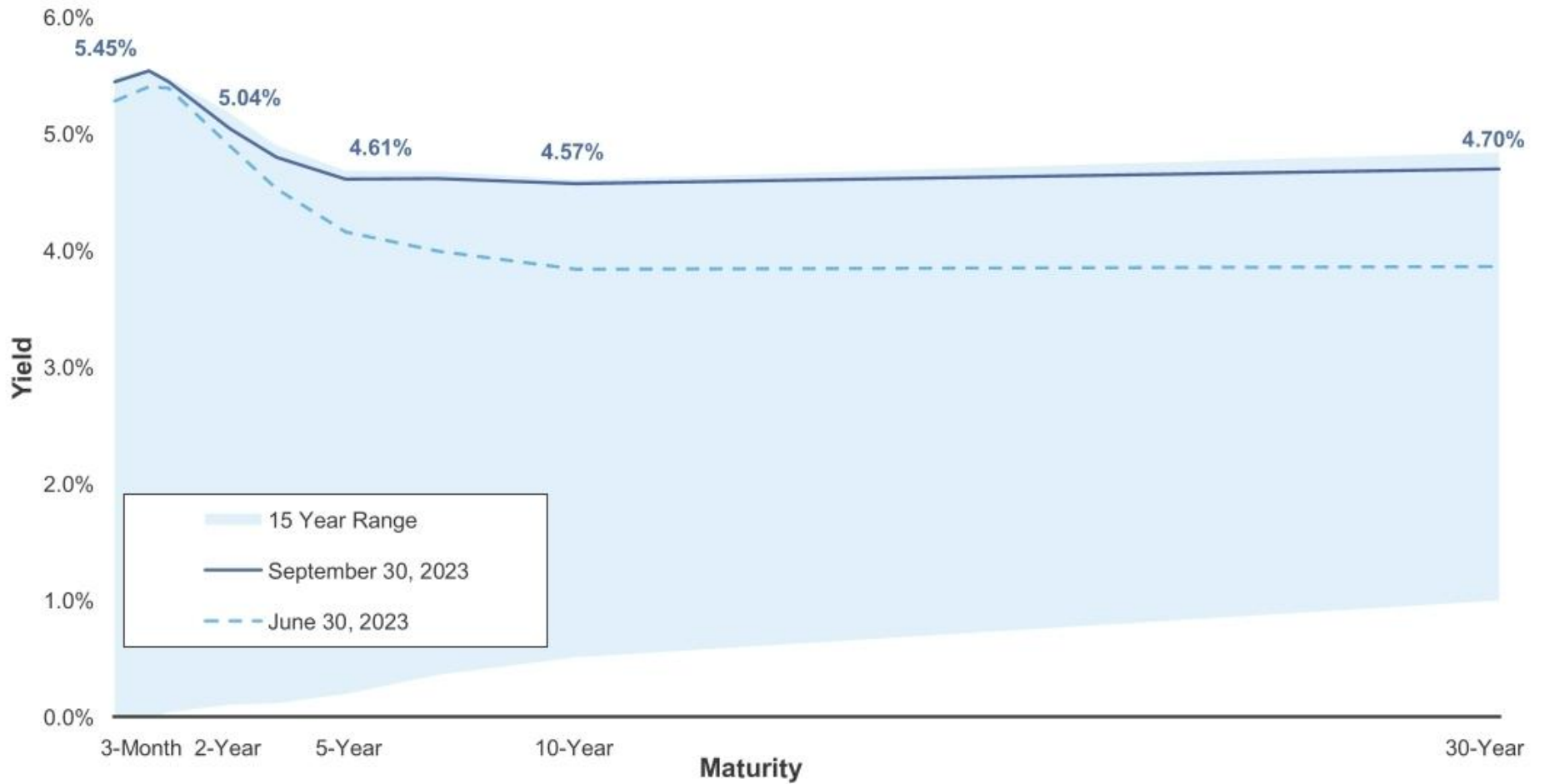
The Fed's Projections for Growth and Employment Were More Upbeat



Source: Federal Reserve, latest economic projections as of September 2023.

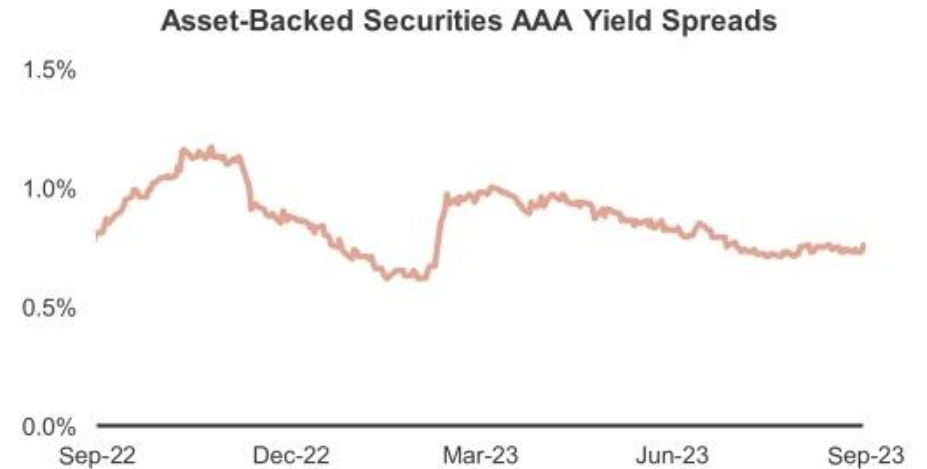
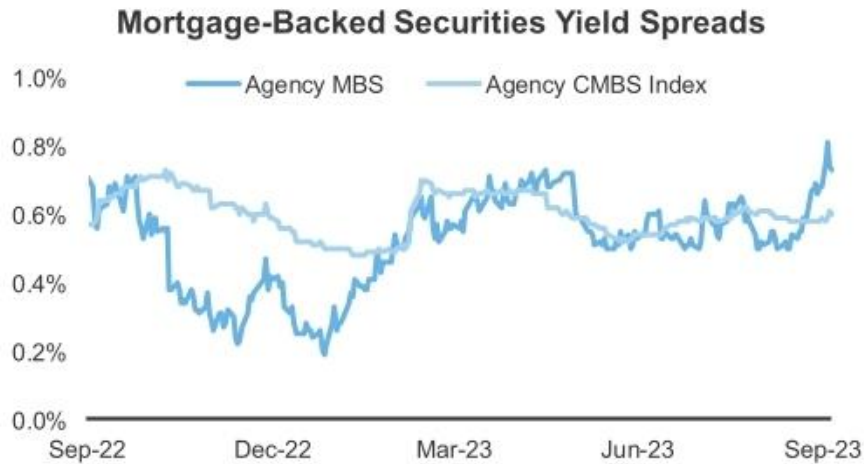
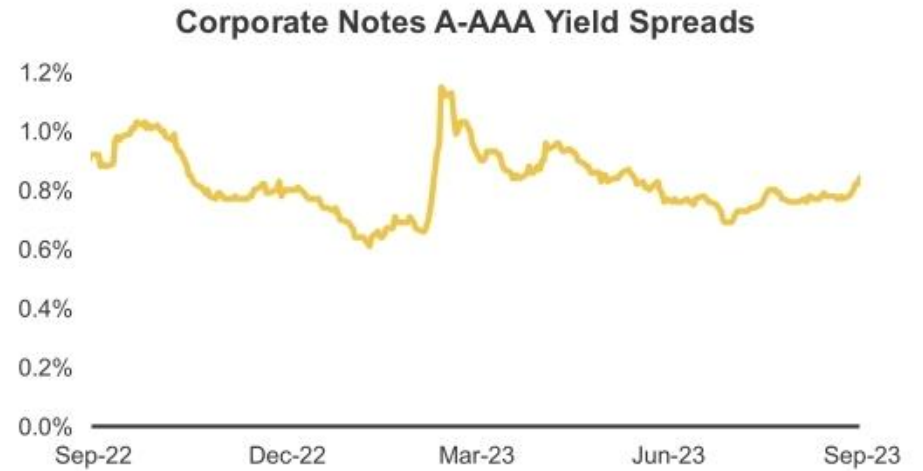
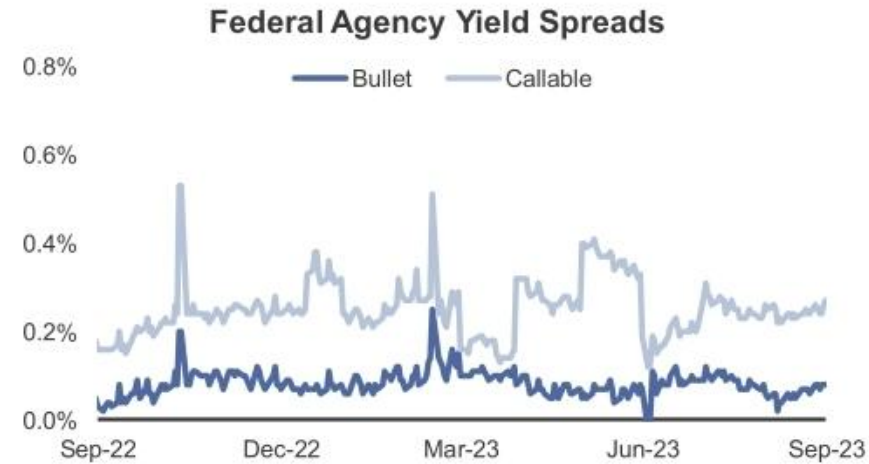
Interest Rates Are At Their Highest Levels Since 2006-07

U.S. Treasury Yield Curve



Source: Bloomberg, as of September 30, 2023.

Sector Yield Spreads

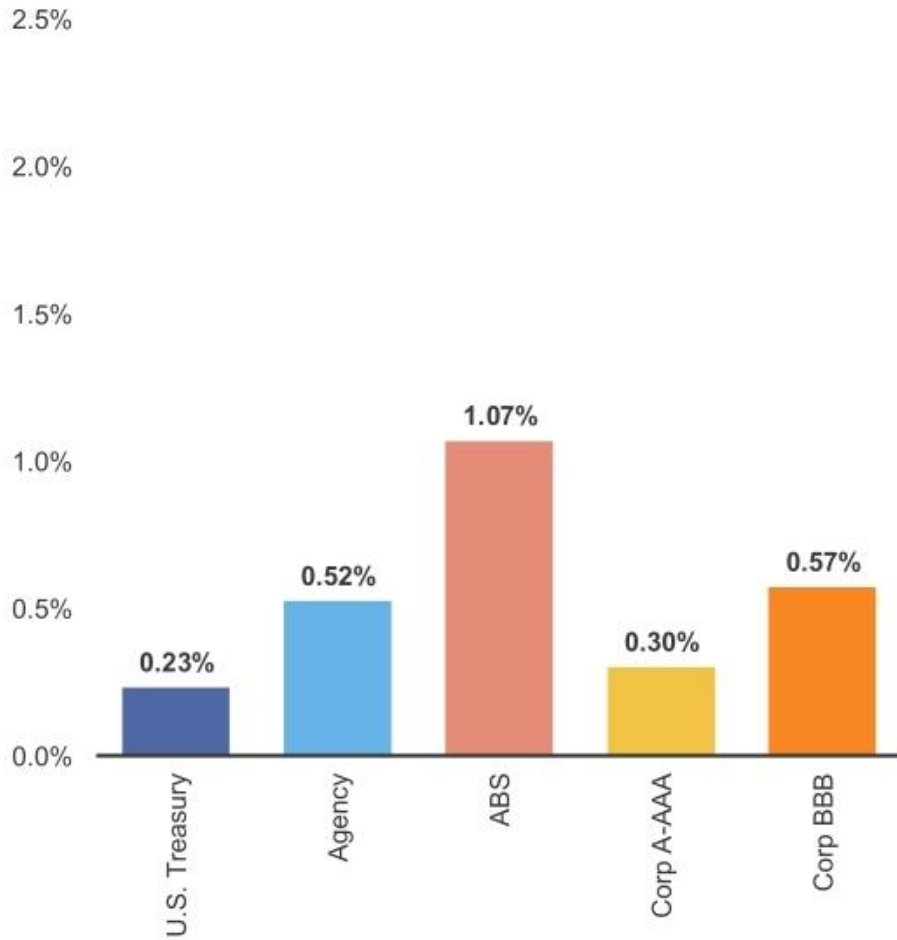


Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of September 30, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

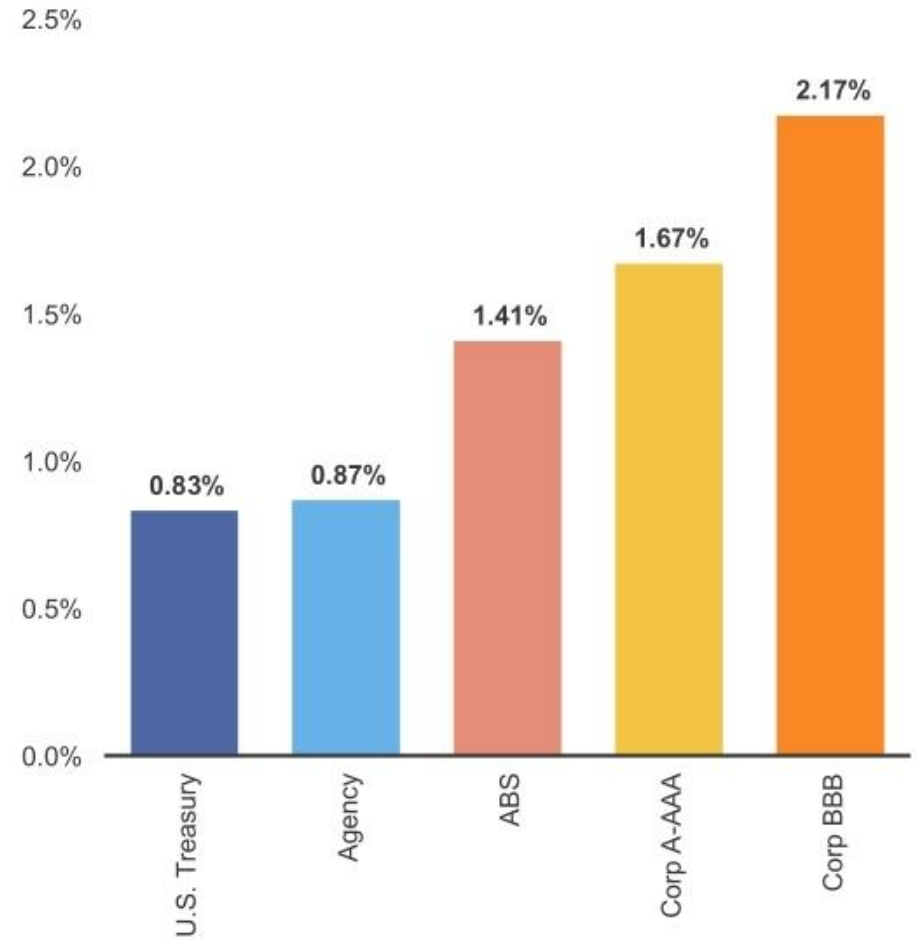
Fixed-Income Markets in Q3 2023

1-5 Year Indices

1-5 Year Indices Quarterly Returns



10-Year Average

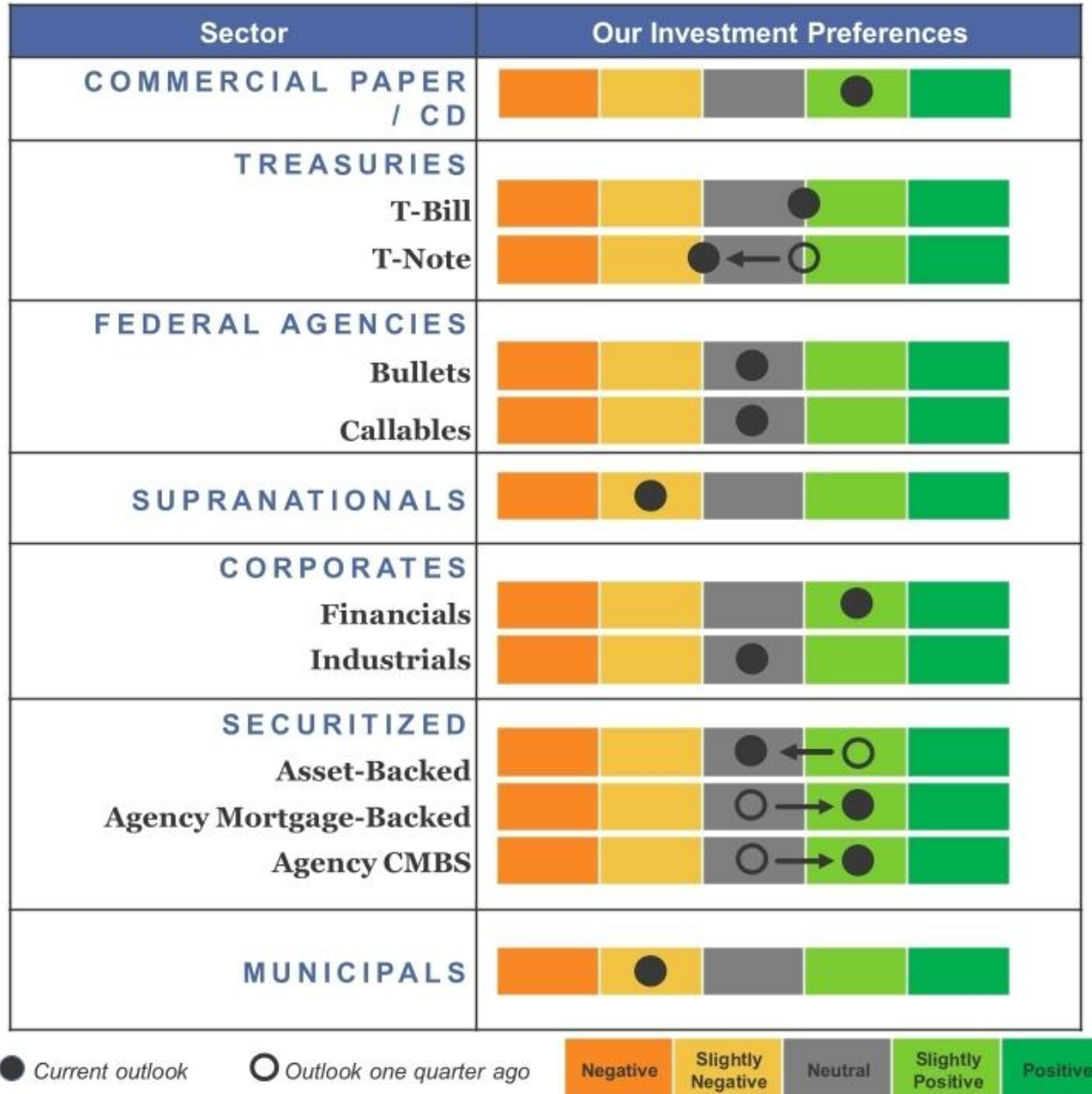


Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of September 30, 2023.

Fixed-Income Sector Commentary – 3Q 2023

- ▶ **U.S. Treasuries:** Fitch rating agency downgraded the U.S. Government from AAA to AA- citing erosion of governance standards, repeated debt-limit standoffs, and rising general government deficits. Yields hit their highest level since 2006-07, but the Treasury yield curve remains inverted despite the notable increase in the 10-year yield over the 3rd quarter.
- ▶ **Federal agency** yield spreads remained narrow, favoring opportunities in other sectors. Fitch followed their U.S. Government ratings action with downgrades to Fannie Mae and Freddie Mac, although the impact to spreads was muted.
- ▶ **Supranational** spreads, similar to agencies, remained low and range bound in the single digits for much of the quarter. Value was limited and the spread curve on supras is generally flat.
- ▶ **Investment-Grade Corporates:** Financial issuers outperformed industrials and lower-rated issues outperformed higher-rated issues as higher incremental yields offset a few basis points of spread widening during the 3rd quarter. Good fundamentals, modestly attractive spreads and a positive economic outlook make credit attractive, but higher yields are a headwind for financials and the economy as a whole.
- ▶ **Asset-Backed Securities** performed exceedingly well in Q3 as spreads tightened marginally over the quarter on strong consumer sentiment and robust investor appetite for the sector. Incremental income from the sector is quite attractive from a historical perspective and offers value.
- ▶ **Mortgage-Backed Securities** were one of the worst performing sectors during the quarter, regardless of structure. Spreads widened, approaching multi-year highs, while volatility remained historically high and bank balance sheet sales weighed on valuations.
- ▶ **Taxable Municipals** issuance remained heavily oversubscribed due to a lack of new issuance. The secondary market had sporadic but limited opportunities that offered an attractive pickup versus corporates industrials.
- ▶ **Short-term credit** (commercial paper and CDs) yields increased over the quarter steepening the short-term credit curve. Similarly, Treasury Bill yields rose to reflect the Fed rate hike in July and the significant increase in T-Bill issuance since the resolution of the debt ceiling. 6- to 12-month CP/CDs continued to offer notable incremental spread income for enhanced cash and other short-duration portfolios, and in some instances carried yields close to 6%.

Fixed-Income Sector Outlook – 4Q 2023



<u>Portfolios</u>	<u>Market Value</u>	<u>Current Quarter</u>	<u>Fiscal Year To Date</u>	<u>Trailing 12 Months</u>	<u>Assumed Rate of Return</u>
City Operating Funds - Self-Directed¹ <i>S&P GIP All 30 Day Gross Yield Index</i>	\$ 383,448,100	4.84%	4.13%	4.13%	
		5.33%	4.44%	4.44%	
CRA Funds <i>S&P GIP All 30 Day Gross Yield Index</i>	\$ 72,614,611	5.31%	4.82%	4.82%	
		5.33%	4.44%	4.44%	
Fixed Income Investment Portfolio - PFAM⁴ <i>ICE BofA 1-5 Year U.S. Treasury Index</i>	\$ 378,873,912	0.23%	2.64%	2.64%	
		0.23%	2.12%	2.12%	
Total City of Fort Lauderdale Funds² <i>City of Fort Lauderdale Blended Benchmark</i>	\$ 834,936,623	2.79%	3.51%	3.51%	
		3.01%	3.39%	3.39%	
Bond Proceeds³	\$ 352,054,151	3.06%	3.66%	3.66%	
OPEB Trust Fund⁴ <i>Benchmark</i>	\$ 38,284,499	-3.37%	11.67%	11.67%	7.00%
		-3.42%	11.88%	11.88%	
OPEB Post Retirement Pay Steps Plan Fund⁴ <i>Benchmark</i>	\$ 5,714,264	-3.35%	11.87%	11.87%	7.00%
		-3.42%	11.88%	11.88%	
Cemetery Trust Fund⁴ <i>Benchmark</i>	\$ 30,540,666	-2.87%	8.61%	8.61%	5.00%
		-3.30%	11.78%	11.78%	
General Employees Retirement System⁴ <i>Benchmark</i>	\$ 687,322,078	-3.20%	9.80%	9.80%	6.75%
		-3.30%	9.90%	9.90%	
Police & Fire Retirement System⁴ <i>Benchmark</i>	\$ 1,074,472,873	-2.82%	8.70%	8.70%	7.20%
		-2.81%	9.29%	9.29%	

Notes:

1. City Operating Funds – Self-Directed performance is calculated based on the weighted average yield of the City Self – Directed Account portfolio and the self-directed bank accounts, as well as the Florida CLASS and FL PALM Holdings.
2. Total City of Fort Lauderdale Funds calculated as the weighted average return of City Operating Funds - Self Directed, CRA Funds, and Fixed Income Investment Portfolio – PFAM
3. Bond Proceeds balance includes all bond proceeds portfolios. Current quarter yields estimated based on all bond proceeds holdings. Fiscal Year to Date and Trailing 12 Month yields are estimated based on current quarter yields and 2018 Water & Sewer bond yield data.
4. Performance and Market Values from Fixed Income Investment Portfolio – PFAM, OPEB Trust Fund, OPEB Post Retirement Pay Steps Plan Fund, Cemetery Trust Fund, General Employees Retirement System ("GERS"), and Police & Fire Retirement System ("P&F") are derived from their manager reports as of September 30, 2023.

	<u>Market Value as of September 30, 2023</u>	<u>Percent of Portfolio</u>	<u>Market Value as of June 30, 2023</u>	<u>Percent of Portfolio</u>
<u>Funds Held for Liquidity</u>				
CitiBank - Health Ins	1,222,667	0.10%	840,399	0.07%
Wells Fargo - Wks Comp	339,172	0.03%	300,622	0.03%
Wells Fargo Govt Ckg - BMPO	57,599	0.00%	57,599	0.01%
Wells Fargo Master Account	29,662,363	2.50%	36,790,018	3.22%
Wells Fargo Utility Account	8,659,404	0.73%	8,639,690	0.76%
Wells Fargo CRA	72,571,638	6.11%	66,193,690	5.79%
Wells Fargo Police Evidence	913,570	0.08%	913,570	0.08%
Wells Fargo Grants	25,375,384	2.14%	-	0.00%
Total Funds for Liquidity	\$ 138,801,799	9.56%	\$ 113,735,589	9.95%
<u>Funds Held for Investment</u>				
PFMAM Investment Portfolio	378,873,912	31.92%	378,005,742	33.06%
CRA City Self - Directed Account	42,973	0.00%	22,076,983	1.93%
City Self - Directed Account	14,376	0.00%	7,510,210	0.66%
FMIT Subsidiary Accounts	-	0.00%	131,483	0.01%
FL CLASS	158,079,820	13.32%	165,815,216	14.50%
FL PALM	42,123,744	3.55%	40,948,202	3.58%
FL PALM TERM	117,000,000	9.86%	147,000,000	12.86%
Total Funds for Investment	\$ 696,134,825	58.65%	\$ 761,487,837	66.60%
<u>Bond Proceeds</u>				
Water & Sewer Bond 2018	168,622	0.01%	64,910,598	5.68%
Stormwater Bonds	96,706,768.80	8.15%	-	0.00%
Water & Sewer Bonds	58,335,296.59	4.91%	-	0.00%
Parks 2020-A	41,841,937	3.53%	42,205,566	3.69%
Public Safety 2020-B	87,563,680	7.38%	94,516,416	8.27%
FMIT G.O. Series 2011-A	5,040,584	0.42%	5,030,441	0.44%
FL CLASS GOB 2022A-Parks	62,397,262	5.26%	61,554,355	5.38%
Total Bond Proceeds	\$ 352,054,151	29.66%	\$ 268,217,376	23.46%
Grand Total	\$ 1,186,990,774	97.86%	\$ 1,143,440,802	100.00%

Notes:

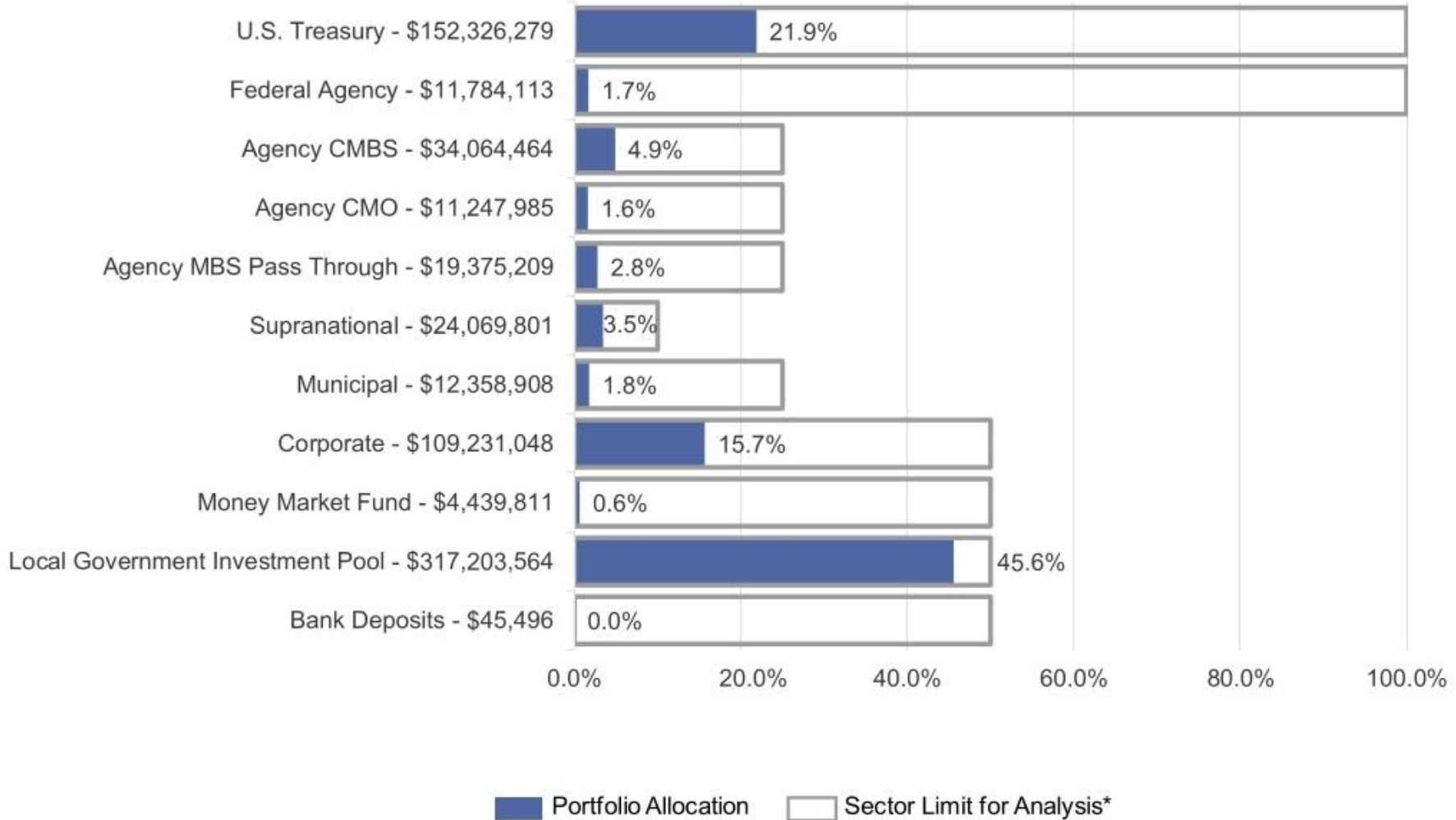
1. Market Values plus accrued interest as of September 30, 2023 and June 30, 2023 are derived from their respective statements from Wells Fargo, PFMAM, City National, or FMIT.
2. Bond Proceeds balances for Parks 2020-A and Public Safety 2020-B include cash balances, FL PALM balances, and FL PALM Term balances.

<u>Account Names</u>	<u>Yield to Market as of September 30, 2023</u>	<u>Percent of Portfolio September 30, 2023</u>	<u>Yield to Market as of June 30, 2023</u>	<u>Percent of Portfolio June 30, 2023</u>
<u>Funds Held for Liquidity</u>				
CitiBank - Health Ins	0.00%	0.10%	0.00%	0.07%
Wells Fargo - Wks Comp	5.31%	0.03%	5.06%	0.03%
Wells Fargo Govt Ckg - BMPO	5.31%	0.00%	5.06%	0.01%
Wells Fargo Master Account	5.31%	2.50%	5.06%	3.22%
Wells Fargo Utility Account	0.00%	0.73%	0.00%	0.76%
Wells Fargo CRA	5.31%	6.11%	5.06%	5.79%
Wells Fargo Police Evidence	0.00%	0.08%	0.00%	0.08%
Wells Fargo Grants	0.00%	2.14%	0.00%	0.00%
Total Funds for Liquidity	4.80%	9.56%	4.60%	9.95%
<u>Funds Held for Investment</u>				
PFMAM Investment Portfolio	5.20%	31.92%	5.01%	33.06%
CRA City Self - Directed Account	1.49%	0.00%	4.81%	1.93%
City Self - Directed Account	0.00%	0.00%	4.68%	0.66%
FMIT Subsidiary Accounts	5.50%	0.00%	5.40%	0.01%
FL CLASS	5.47%	13.32%	5.22%	14.50%
FL PALM	5.53%	3.55%	5.22%	3.58%
FL PALM TERM	5.12%	9.86%	5.17%	12.86%
Total Funds for Investment	5.27%	58.65%	5.09%	66.60%
<u>Bond Proceeds</u>				
Water & Sewer Bond 2018	0.00%	0.01%	4.68%	5.68%
Stormwater Bonds	0.00%	8.15%	0.00%	0.00%
Water & Sewer Bonds	0.00%	4.91%	0.00%	0.00%
Parks 2020-A	5.53%	3.53%	4.68%	3.69%
Public Safety 2020-B	5.43%	7.38%	5.24%	8.27%
FMIT G.O. Series 2011-A	5.70%	0.42%	5.60%	0.44%
FL CLASS GOB 2022A-Parks	5.47%	5.26%	5.22%	5.38%
Total Bond Proceeds	3.06%	29.66%	4.60%	23.46%
Total Average Yield	4.46%	97.86%	4.92%	100.00%
<u>Benchmarks</u>				
	<u>September 30, 2023</u>		<u>June 30, 2023</u>	
S&P GIP All 30 Day Gross Yield Index	5.52%		5.24%	
ICE BofA 1-3 Year U.S. Treasury Index	5.12%		4.98%	
ICE BofA 1-5 Year U.S. Treasury Index	4.96%		4.71%	

Notes:

1. Market Values plus accrued interest as of September 30, 2023 and June 30, 2023 are derived from their respective statements from Wells Fargo, PFMAM, City National, or FMIT.
2. Bond Proceeds balances for Parks 2020-A and Public Safety 2020-B include cash balances, FL PALM balances, and FL PALM Term balances.

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

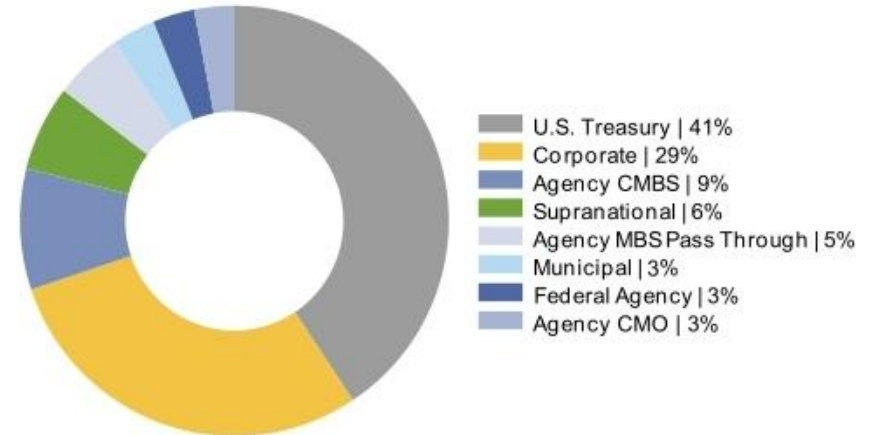
**Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

Consolidated Summary

Account Summary

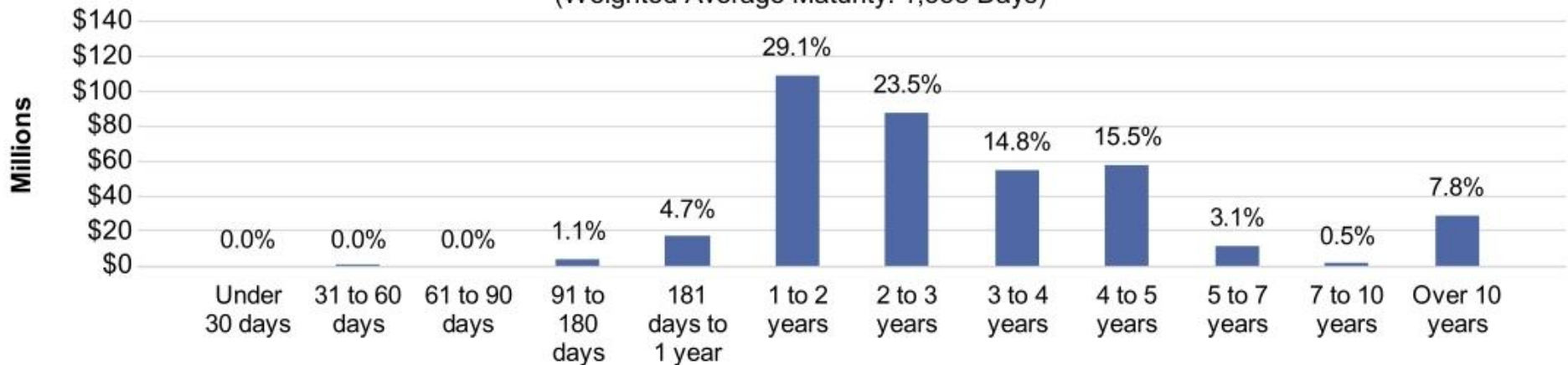
PFMAM Managed Account	\$379,357,212
Total Program	\$379,357,212

Sector Allocation



Maturity Distribution

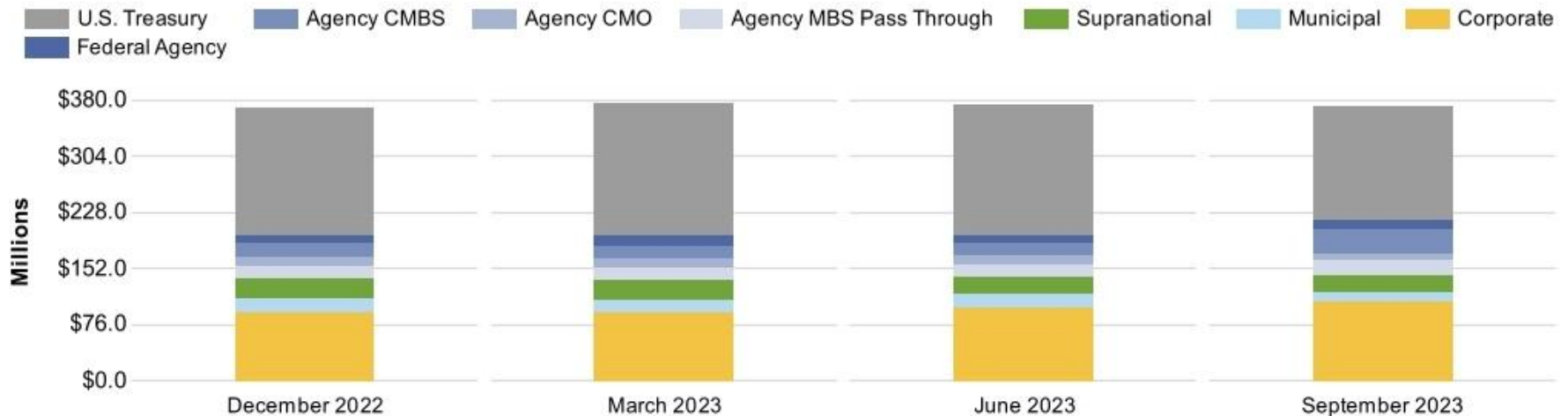
(Weighted Average Maturity: 1,338 Days)



1. Account summary and sector allocation include market values, accrued interest, and overnight balances. Maturity distribution includes market values and excludes accrued interest and overnight balances

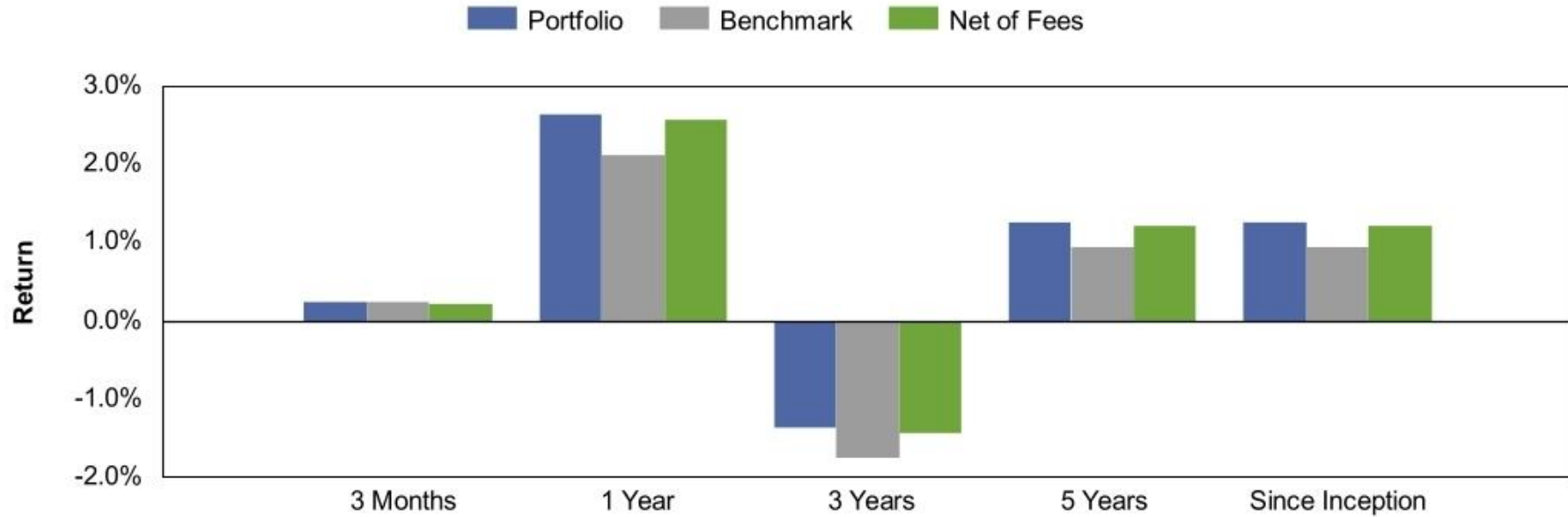
Sector Allocation Review - CITY OF FORT LAUDERDALE - PFM

Security Type	Dec-22	% of Total	Mar-23	% of Total	Jun-23	% of Total	Sep-23	% of Total
U.S. Treasury	\$170.3	46.0%	\$179.0	47.5%	\$176.3	46.8%	\$151.8	40.7%
Federal Agency	\$11.1	3.0%	\$13.4	3.6%	\$11.7	3.1%	\$11.7	3.2%
Agency CMBS	\$18.0	4.9%	\$16.9	4.5%	\$16.2	4.3%	\$33.9	9.1%
Agency CMO	\$13.2	3.6%	\$12.8	3.4%	\$12.0	3.2%	\$11.2	3.0%
Agency MBS Pass Through	\$17.0	4.6%	\$17.8	4.7%	\$16.8	4.5%	\$19.3	5.2%
Supranational	\$26.0	7.0%	\$26.4	7.0%	\$24.2	6.5%	\$24.0	6.4%
Municipal	\$19.2	5.2%	\$16.7	4.4%	\$16.7	4.5%	\$12.3	3.3%
Corporate	\$95.2	25.7%	\$94.1	24.9%	\$101.8	27.1%	\$108.4	29.1%
Total	\$369.9	100.0%	\$377.1	100.0%	\$375.7	100.0%	\$372.7	100.0%



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

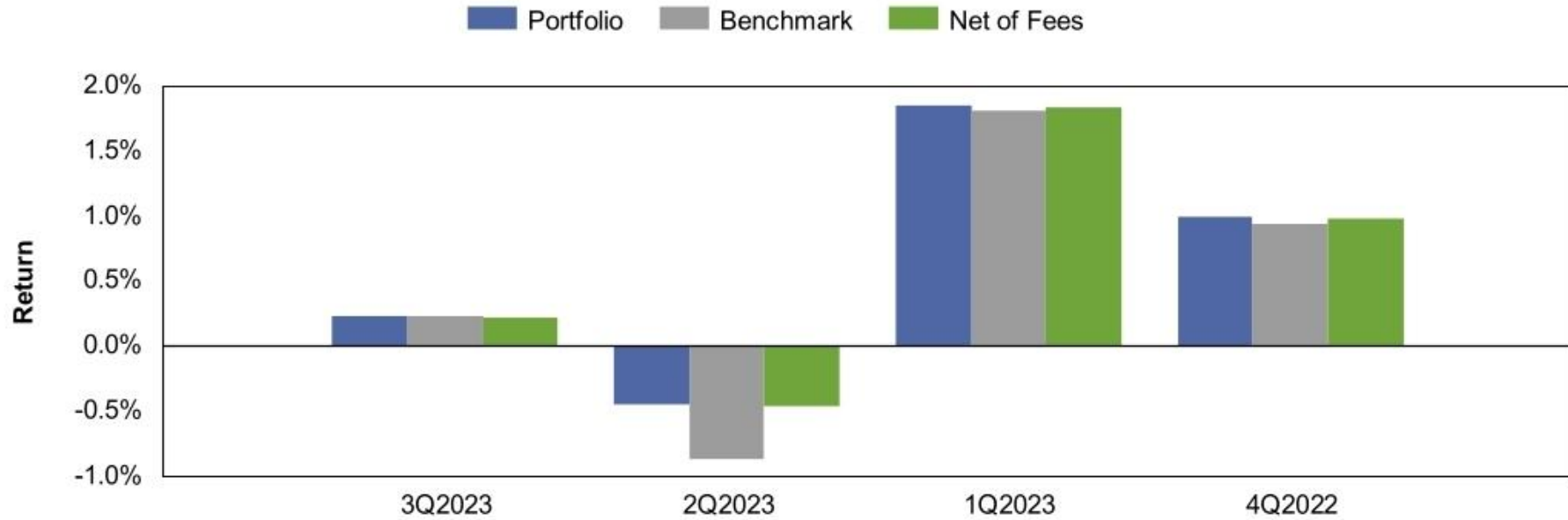
Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$2,236,592	\$7,922,626	\$20,161,576	\$34,223,411	\$34,223,411
Change in Market Value	(\$1,368,422)	\$1,813,128	(\$35,758,629)	(\$18,587,524)	(\$18,587,524)
Total Dollar Return	\$868,170	\$9,735,754	(\$15,597,053)	\$15,635,887	\$15,635,887
Total Return³					
Portfolio	0.23%	2.64%	-1.37%	1.27%	1.27%
Benchmark ⁴	0.23%	2.12%	-1.76%	0.93%	0.93%
Basis Point Fee	0.01%	0.05%	0.06%	0.06%	0.06%
Net of Fee Return	0.22%	2.58%	-1.43%	1.21%	1.21%

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2018.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.
 4. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

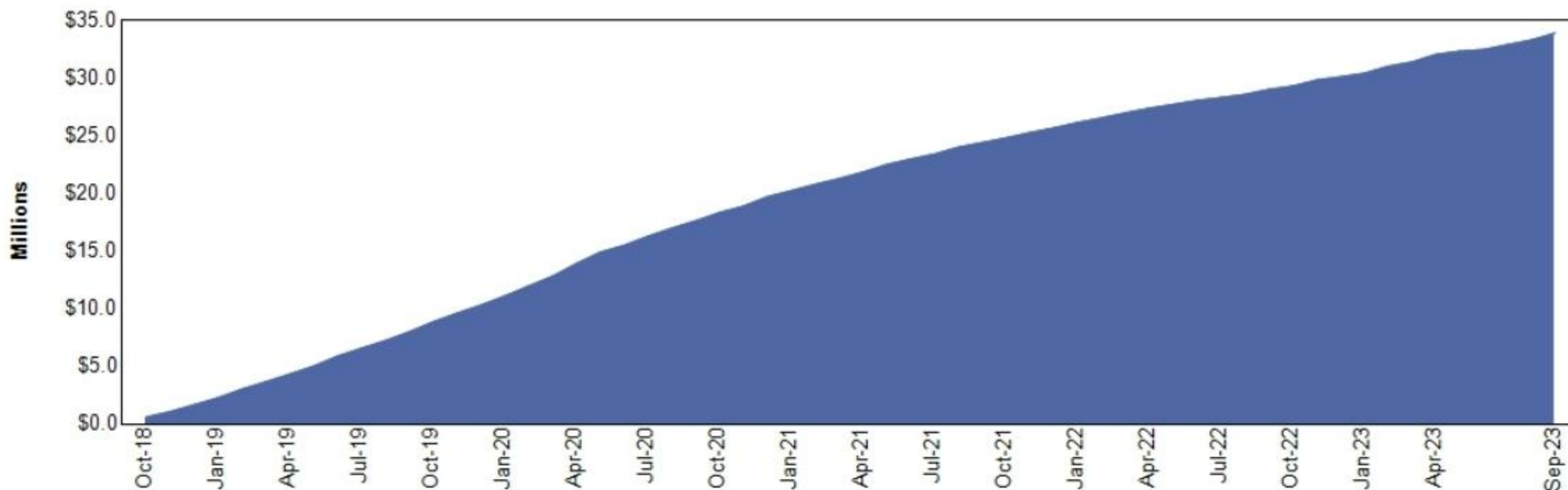
Portfolio Performance



Market Value Basis Earnings	3Q2023	2Q2023	1Q2023	4Q2022
Interest Earned ¹	\$2,236,592	\$2,009,011	\$1,886,404	\$1,790,619
Change in Market Value	(\$1,368,422)	(\$3,680,691)	\$4,999,265	\$1,862,976
Total Dollar Return	\$868,170	(\$1,671,680)	\$6,885,669	\$3,653,595
Total Return²				
Portfolio	0.23%	-0.44%	1.85%	0.99%
Benchmark ³	0.23%	-0.86%	1.82%	0.95%
Basis Point Fee	0.01%	0.01%	0.01%	0.01%
Net of Fee Return	0.22%	-0.45%	1.83%	0.98%

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 2. Returns are presented on a periodic basis.
 3. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - CITY OF FORT LAUDERDALE - PFM



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$2,236,592	\$7,922,626	\$20,161,576	\$34,223,411	\$34,223,411
Realized Gains / (Losses) ³	(\$1,020,404)	(\$3,175,731)	(\$1,642,724)	\$1,802,048	\$1,802,048
Change in Amortized Cost	\$219,703	\$152,061	(\$2,226,884)	(\$2,127,838)	(\$2,127,838)
Total Earnings	\$1,435,892	\$4,898,957	\$16,291,969	\$33,897,621	\$33,897,621

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2018.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Realized gains / (losses) are shown on an amortized cost basis.

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

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.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

For more information regarding PFMAM's services or entities, please visit www.pfmam.com.

© 2023 PFM Asset Management LLC. Further distribution is not permitted without prior written consent.

Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.