



CITY OF FORT LAUDERDALE

Investment Performance Review For the Quarter Ended December 31, 2022

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Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ High inflation that shows signs of slowing
 - ▶ Continued strong labor market
 - ▶ Potentially declining health of U.S. household finances
 - ▶ Expectations for a modest yet broad economic downturn

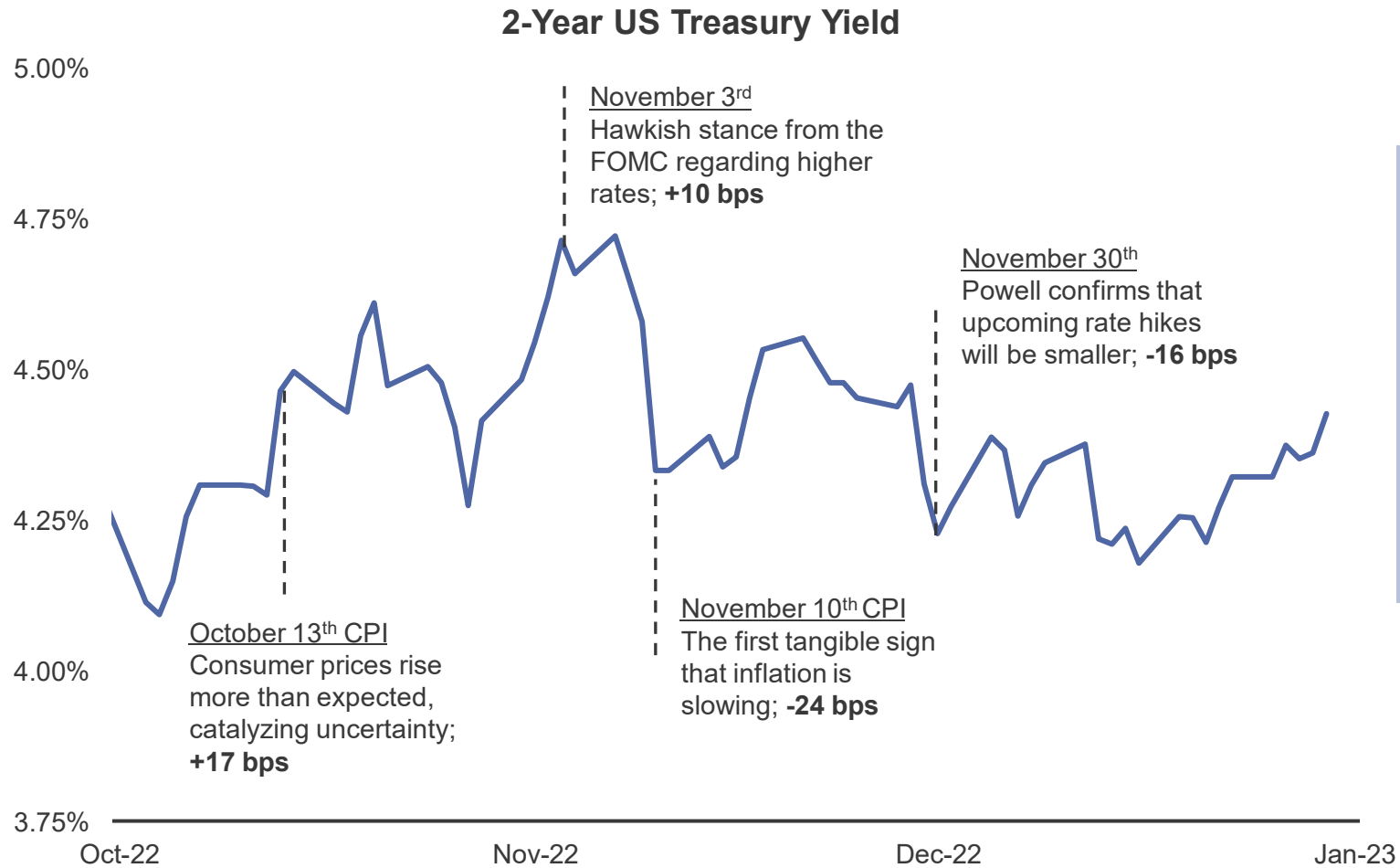


- ▶ The Federal Reserve is expected to wrap up their normalization process
 - ▶ Slowing pace of rate hikes
 - ▶ Fed projecting short-term fed funds rate to reach 5.00% to 5.25% by year-end, with markets expecting rate cuts in the second half of 2023
 - ▶ Fed officials reaffirm that restoring price stability is the utmost priority, despite risks of overtightening



- ▶ Volatile markets potentially calming
 - ▶ Treasury yields in the belly of the curve (3-7 years) ended the quarter slightly lower, while shorter and longer maturities ended higher
 - ▶ Yield curve inversion has deepened further since last quarter
 - ▶ While still elevated, volatility and liquidity challenges have begun subsiding

Rates Remain Sensitive to Fed and Inflation

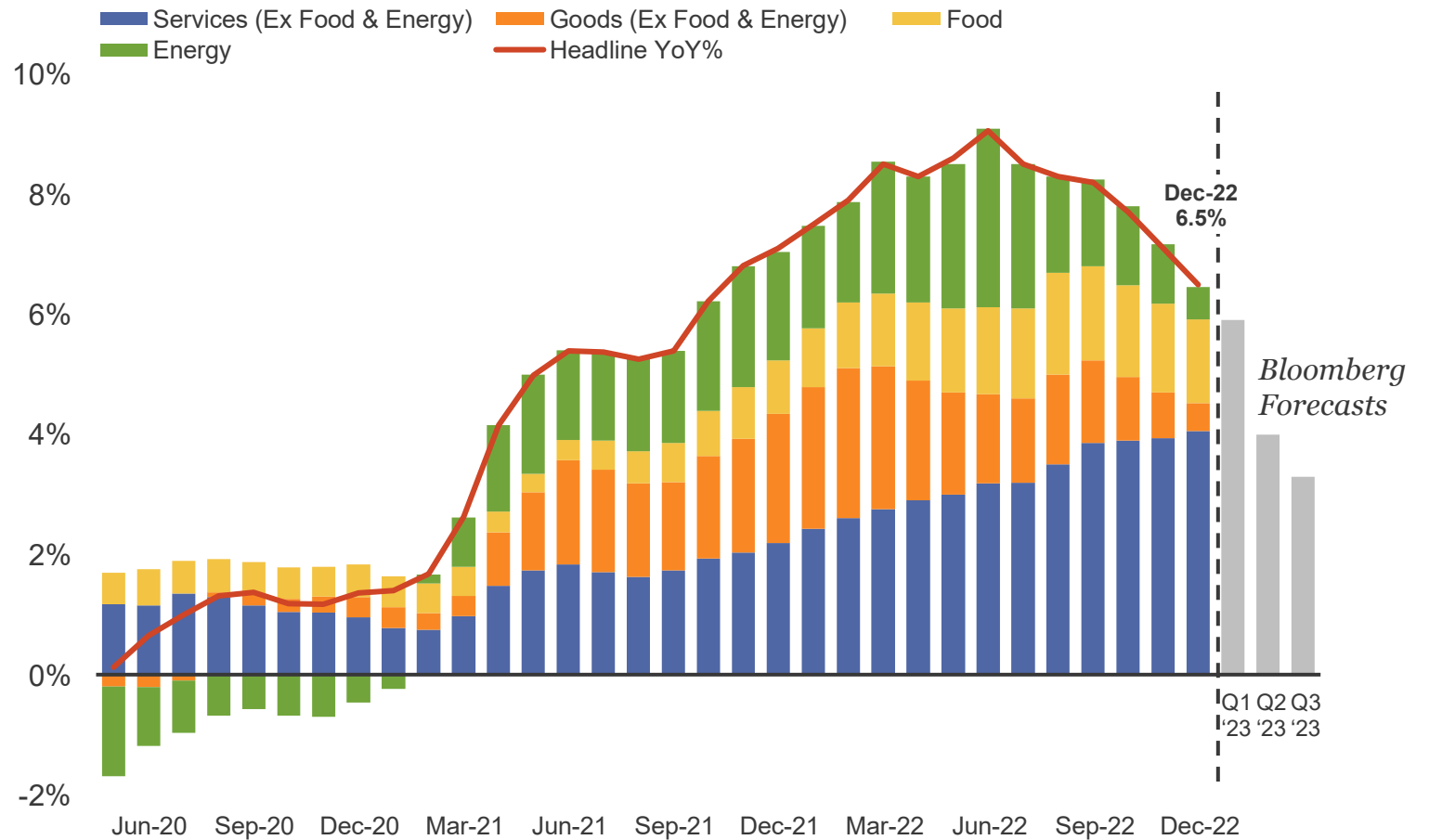


The 2-year Treasury is commonly used to gauge market reactions and near-term policy expectations

Source: Bloomberg, as of 12/31/2022.

Inflation Now Trending Lower

Consumer Prices (CPI) Top-Line Contributions and Year-over-Year Reading

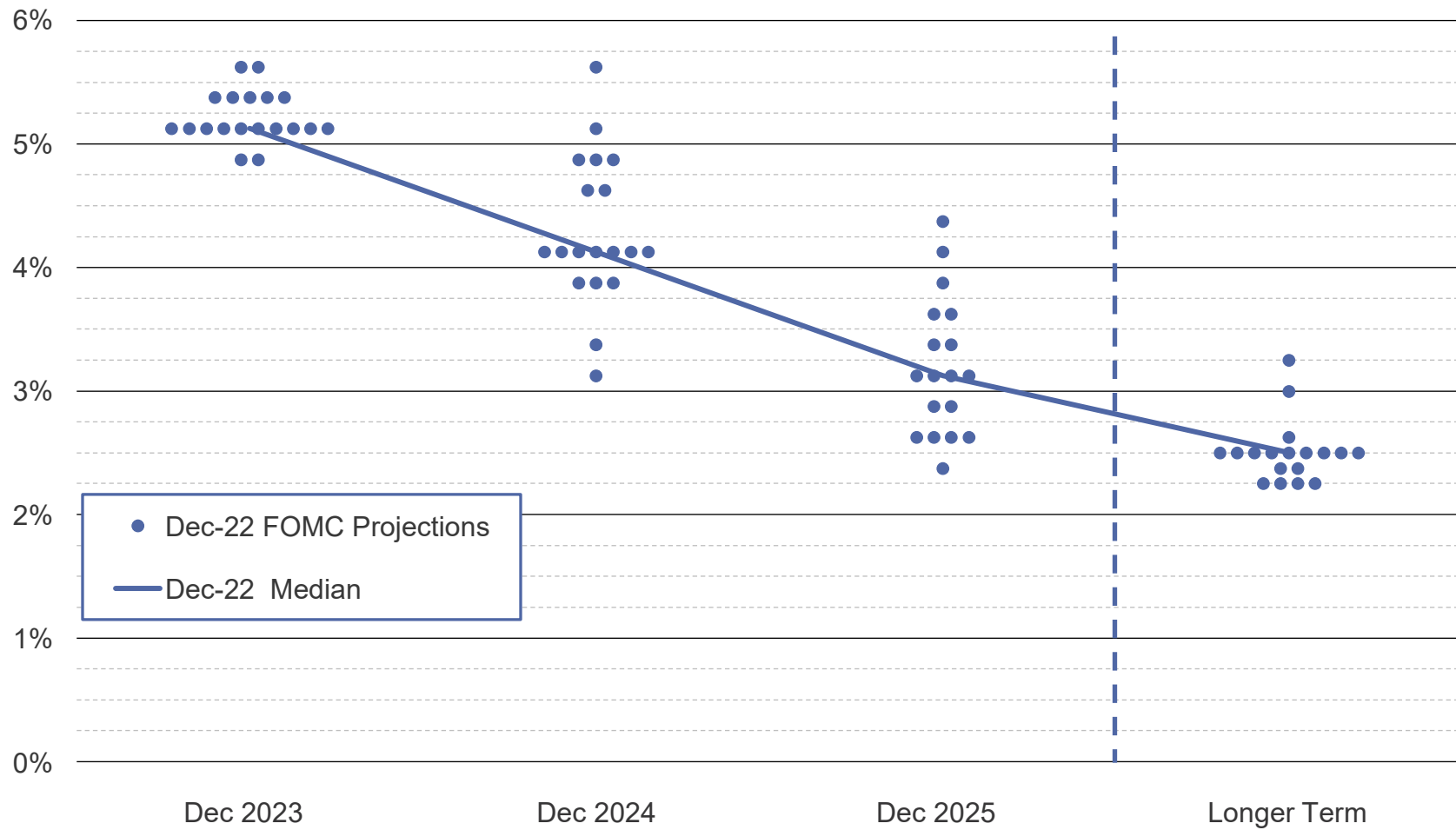


Lower energy and goods prices help to offset increases in wage-driven services costs

Source: Bloomberg, as of December 2022.

Fed's "Dot Plot" Suggests Expectations for a Drawn Out Normalization of Policy

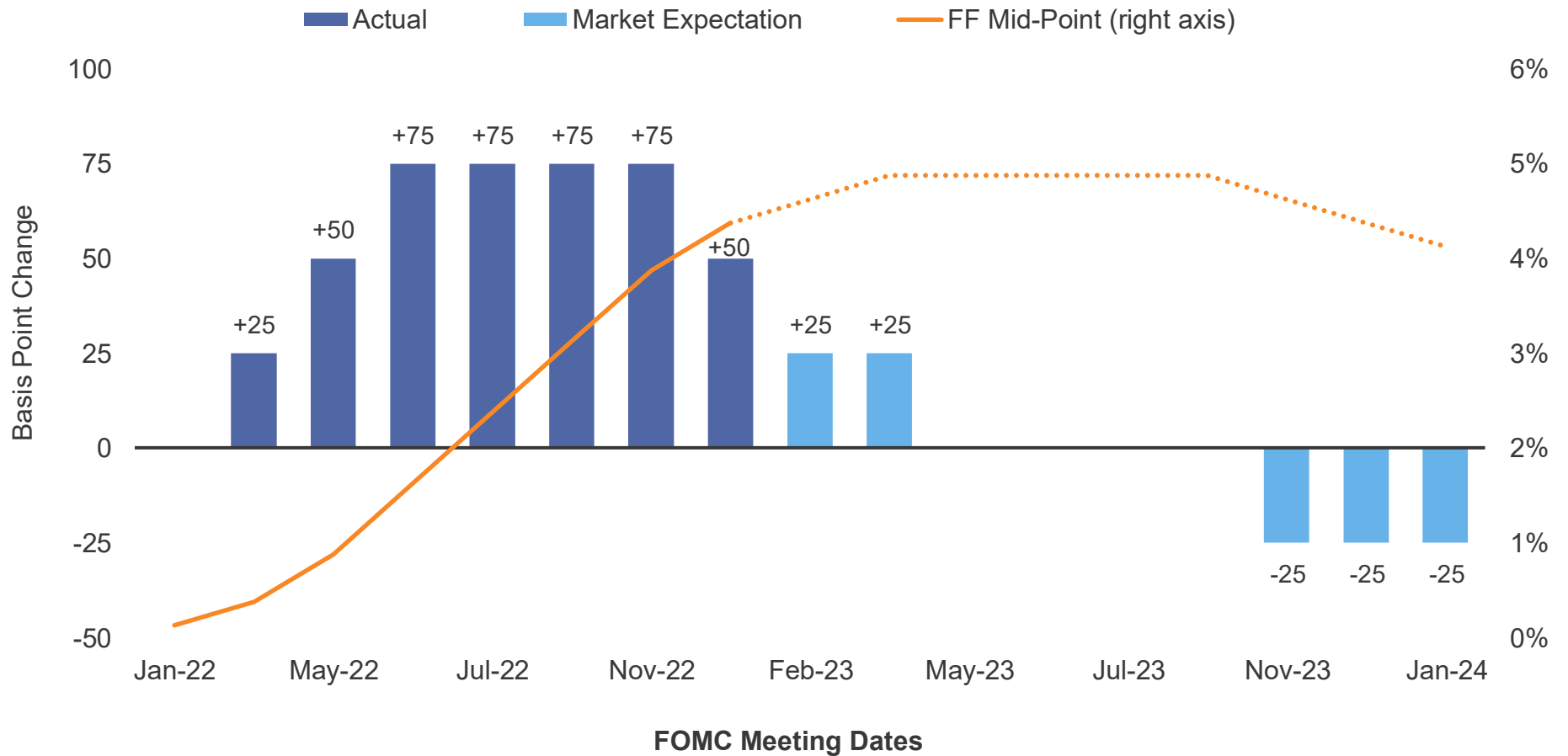
Fed Participants' Assessments of 'Appropriate' Monetary Policy



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.

What Could the Fed's Pivot Look Like?

Changes to the Target Fed Funds Rate



Source: Bloomberg WIRP Interest Rate Probability as of 1/9/2023.

The Year in Review

Beginning in March, the Fed hiked rates by 425 basis points in 2022

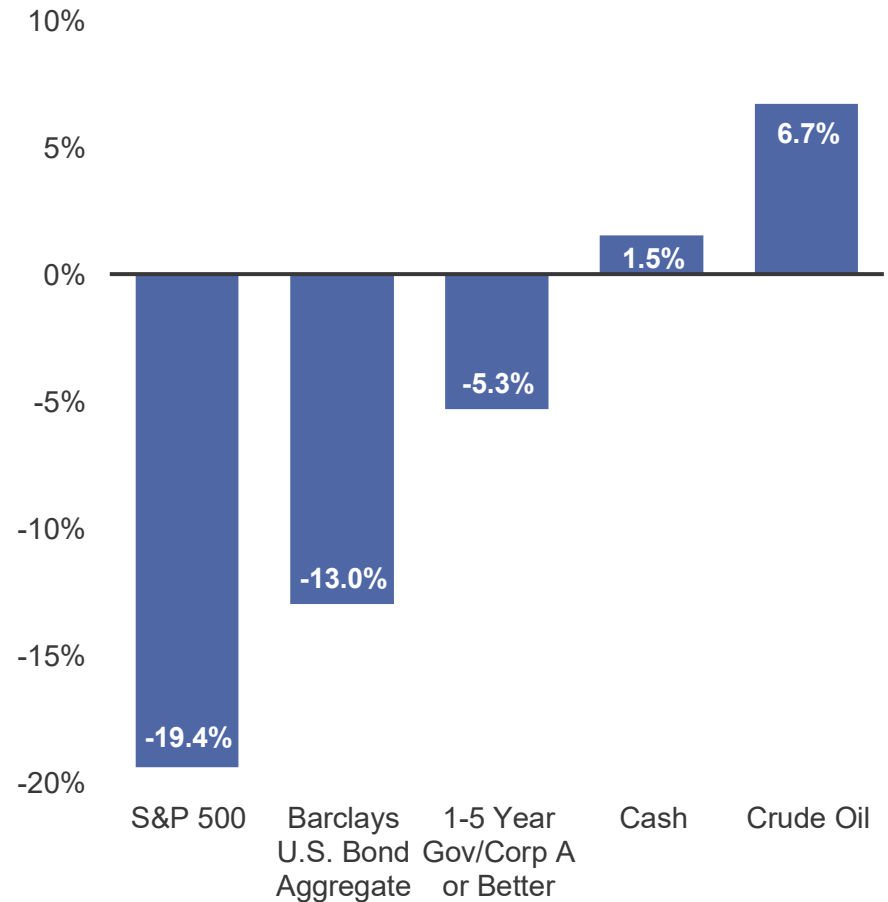
- The 2-year treasury yield rose just 370 bps through 2022

2022 saw an uncommon phenomenon of both stocks and bonds posting negative returns

Consumer spending remained resilient despite price pressures and extended credit levels

Energy prices surged due to uncertainty, geopolitical conflict (war in Ukraine), and storage challenges

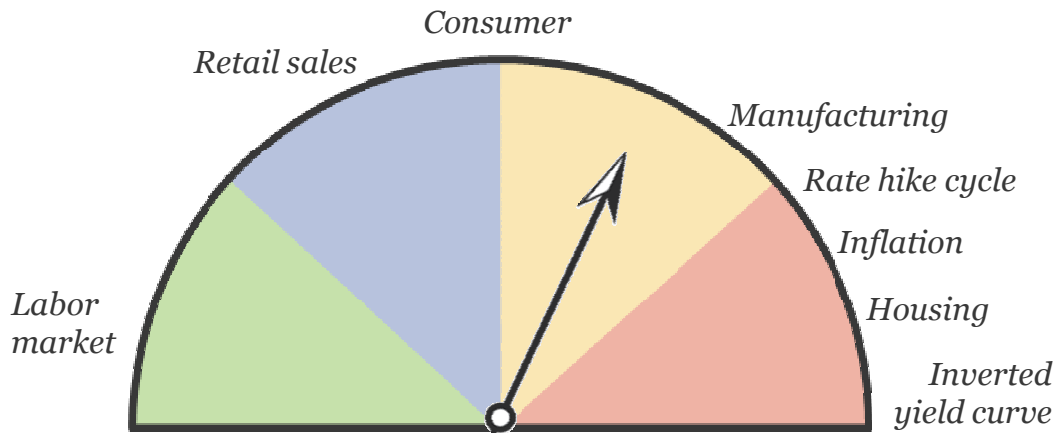
2022 Asset Class Returns



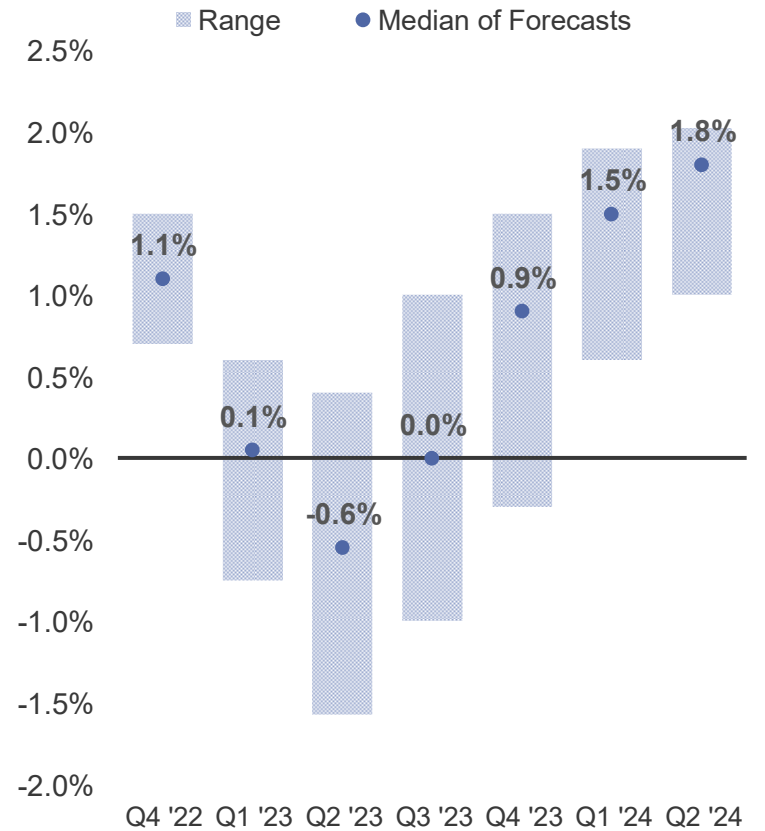
Source: Bloomberg, as of 12/31/2022.

Recession Gauge Flashing Yellow, But GDP Expected to Grow by End of Year

Recession Risk



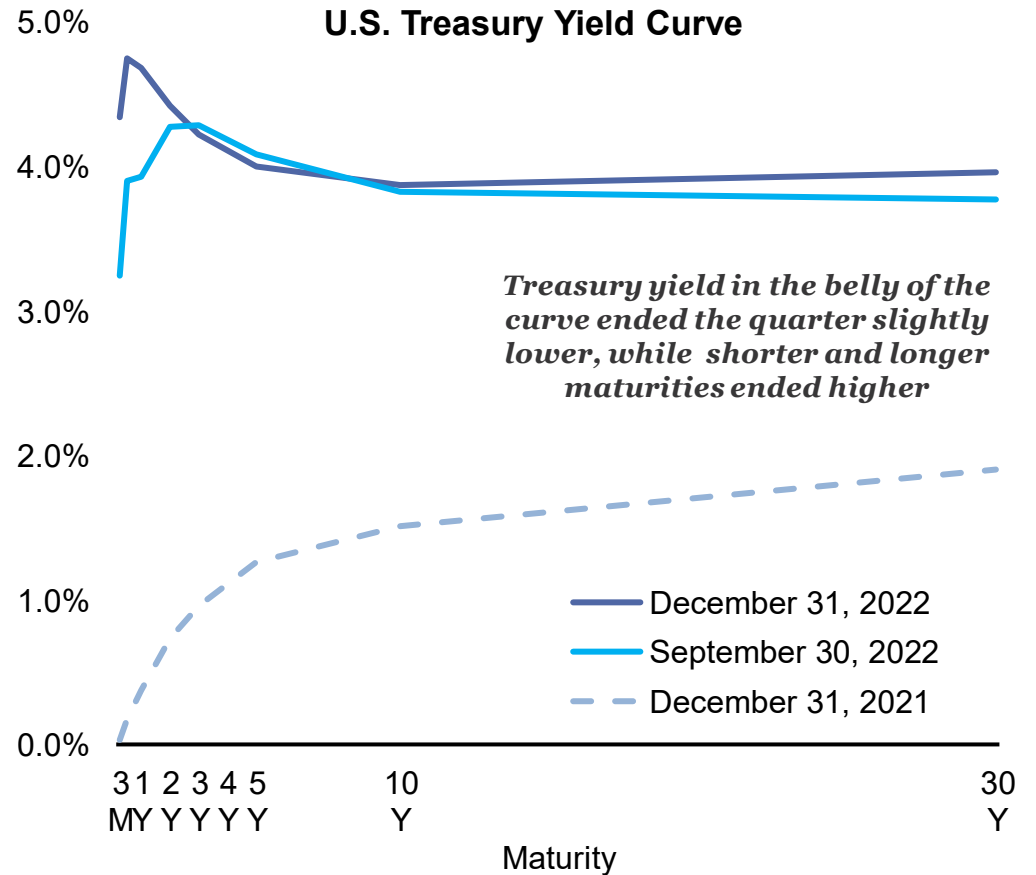
U.S. GDP Forecasts
Annualized Rate



Source: Bloomberg, Economist Forecasts. Recession risk based on most recent economic data as of 1/9/2023.

Yield Curve Inversion Deepens

	4Q2022 12/31/22	3Q2022 09/30/22	QoQ Change
3-month	4.34%	3.25%	+1.10%
1-year	4.69%	3.93%	+0.75%
2-year	4.43%	4.28%	+0.15%
3-year	4.22%	4.29%	-0.06%
5-year	4.00%	4.09%	-0.09%
10-year	3.87%	3.83%	+0.05%
30-year	3.96%	3.78%	+0.19%

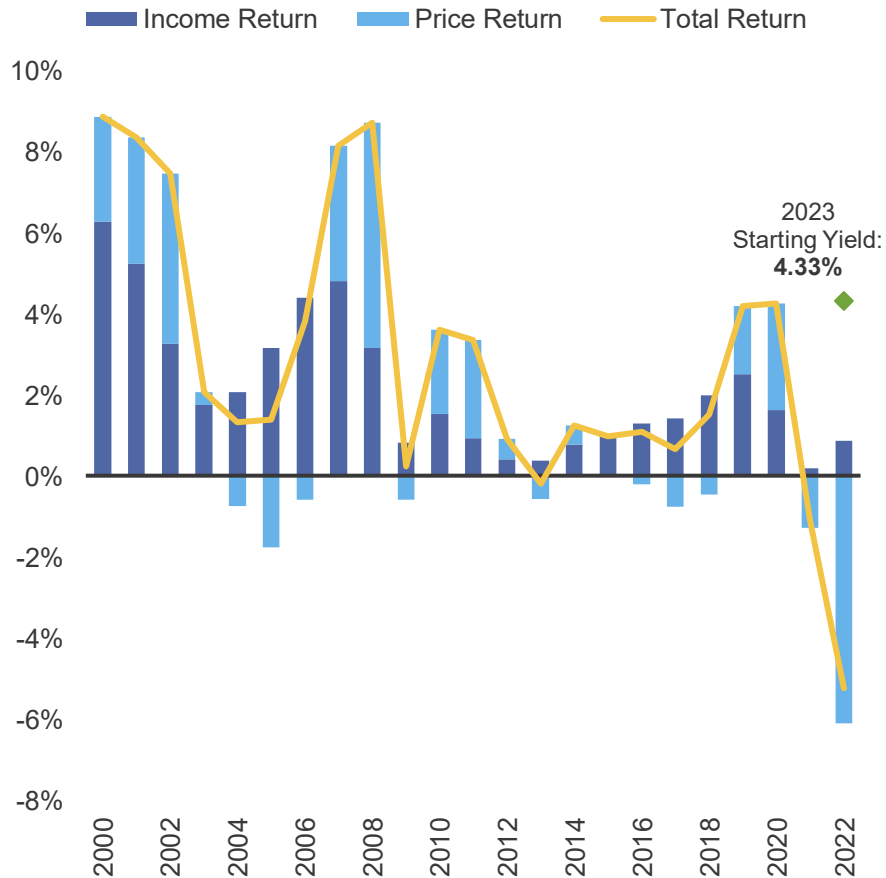


Source: Bloomberg, as of December 2022.

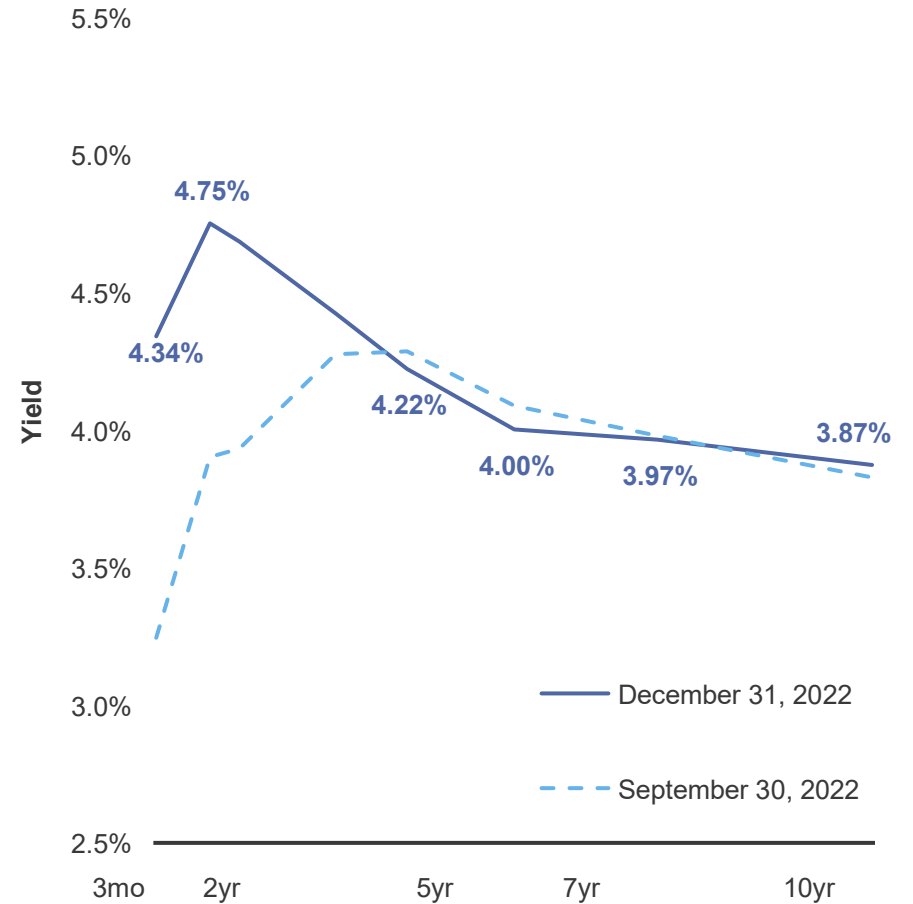
Higher Yields Can Offset Some of the Price Depreciation Woes

Annual Price & Income Returns

1-5 Year Treasury Index



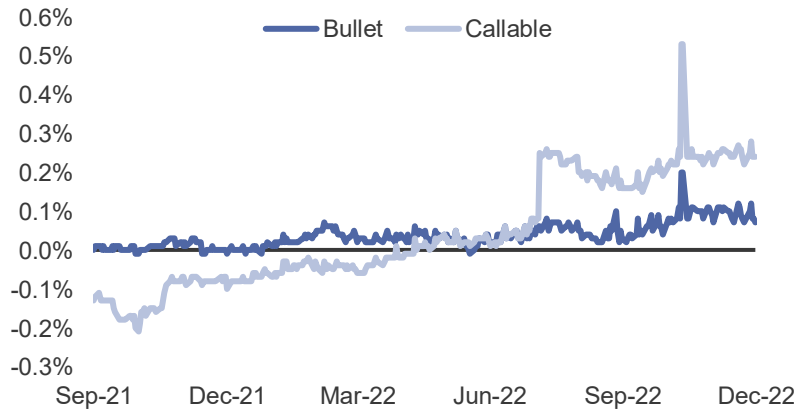
U.S. Treasury Yield Curve



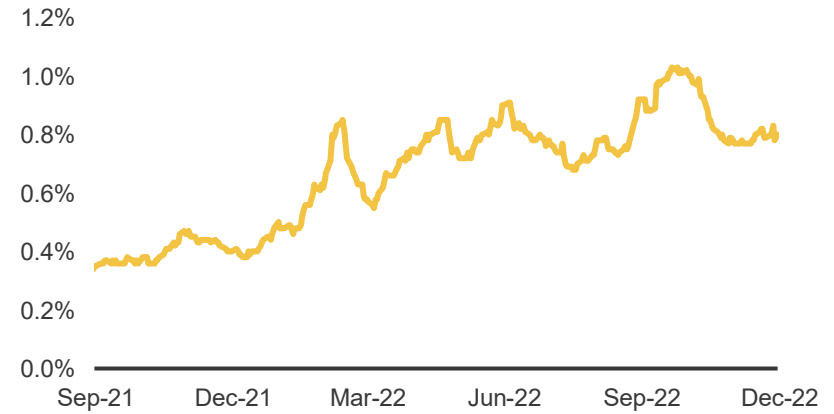
Source: ICE BofAML Indices via Bloomberg, as of 12/31/2022. PFMAM Calculations. Income return represents the yield of the benchmark index, as of the end of the prior calendar year, respective to the year of performance shown.

Sector Yield Spreads

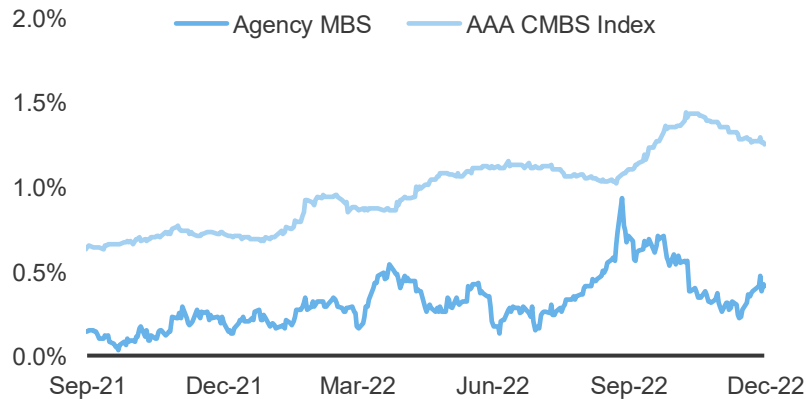
Federal Agency Yield Spreads



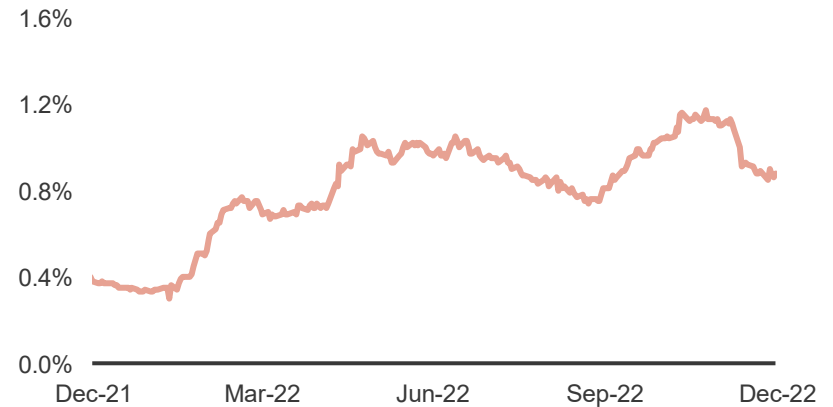
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads

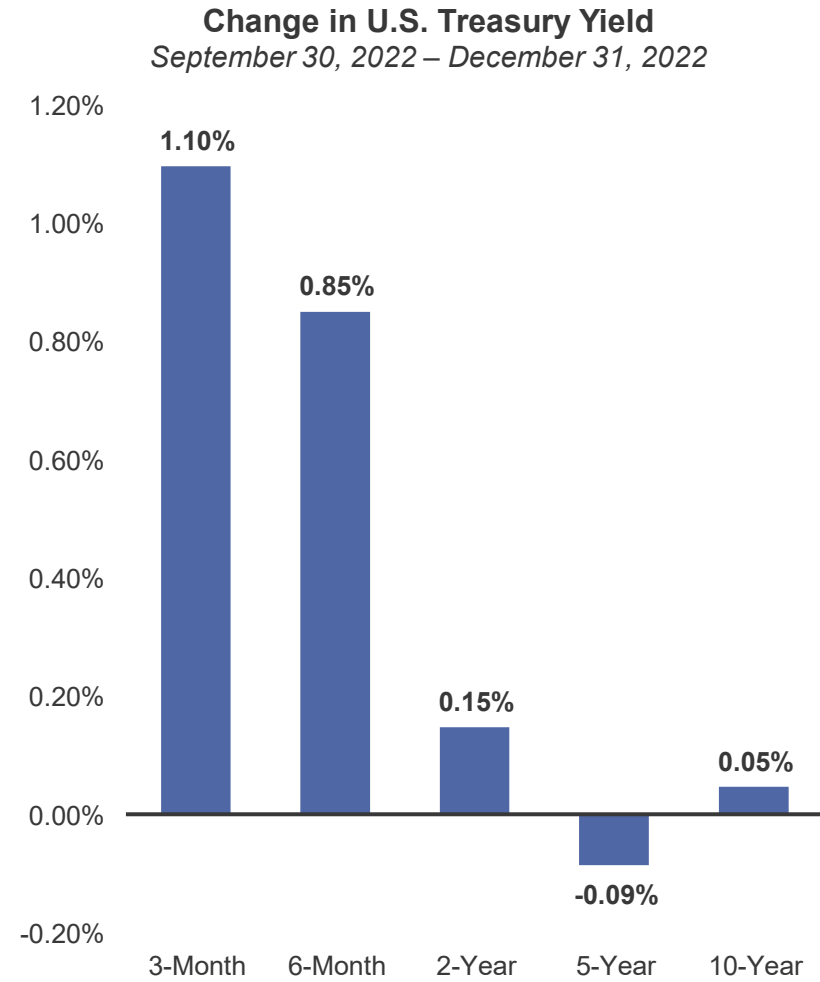
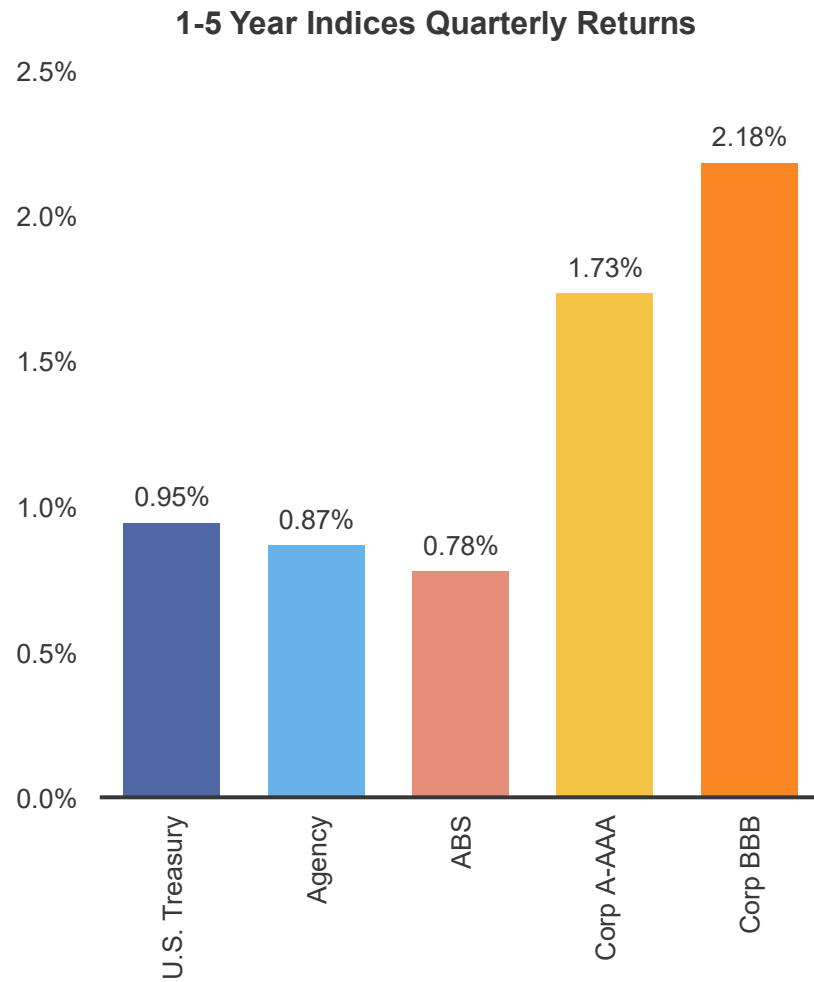


Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of 12/31/2022. 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.

Fixed-Income Markets in Q4 2022



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 12/31/2022.

Right Chart: Generic US Treasury securities via Bloomberg, change in yield from 9/30/2022 to 12/31/2022.

Fixed-Income Sector Commentary – 4Q 2022

- ▶ **U.S. Treasury** yields settled into a wide range after surging for the first three quarters of the year. The result of more stable yields was generally positive returns for the quarter.
- ▶ **Federal agency** bullet spreads finally broke single digits and climbed to the widest levels in the past 12 months for certain maturities. Callable structures were attractive early in the quarter as new issues came to market at wide levels on the heels of historically high bond volatility.
- ▶ **Supranational** issuance fell notably short of expectations in Q4 limiting new investment opportunities. Liquidity was better than that of federal agencies, which provided some ability to swap into other sectors which were more attractive.
- ▶ **Investment-Grade Corporate** yield spreads fluctuated in Q4 underscoring the historic levels of volatility experienced throughout the year. After reaching post-pandemic wides in late October, credit spreads reversed, ending the quarter modestly tighter. The sector generated strong excess returns in Q4 and buoyed portfolio returns relative to benchmarks.
- ▶ **Asset-Backed** yield spreads lagged the narrowing move in the corporate sector for much of Q4 but rallied into year end, ending the quarter only modestly wider than where they began. ABS and IG corporate spreads diverged markedly in November, growing to the widest margin since 2020 and leading to a year-end rally which brought performance just shy of matched-duration U.S. Treasuries.
- ▶ **Mortgage-Backed Securities** reversed course in Q4 after the dreadful negative returns for the first three quarters of 2022. Although still negative for the year, excess returns on MBS were near top-of-class amongst investment-grade options in Q4.
- ▶ **Taxable Municipal** issuance remained underwhelming as deals were heavily oversubscribed, dragging spreads lower, while secondary inventory at attractive levels was sparse.
- ▶ The **short-term credit** (commercial paper and CDs) yield curve was notably steep throughout the quarter as the market priced the expectation for further Fed rate increases. The aggressive pace of those rate hikes created valuable opportunities in floating-rate securities.

Fixed-Income Sector Outlook – 1Q 2023

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	

● Current outlook

○ Outlook one quarter ago



<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	\$ 437,151,428	3.06%	3.06%	6.62%	
<i>S&P GIP All Gross Yield Index</i>		<i>0.91%</i>	<i>0.91%</i>	<i>1.66%</i>	
CRA Funds	\$ 91,483,003	4.26%	4.26%	8.85%	
<i>S&P GIP All Gross Yield Index</i>		<i>0.91%</i>	<i>0.91%</i>	<i>1.66%</i>	
Fixed Income Investment Portfolio - PFAM	\$ 372,791,744	0.99%	0.99%	-5.04%	
<i>ICE BofAML 1-5 Year U.S. Treasury Index</i>		<i>0.95%</i>	<i>0.95%</i>	<i>-5.25%</i>	
Total City of Fort Lauderdale Funds²	\$ 901,426,175	2.32%	2.32%	2.02%	
<i>City of Fort Lauderdale Blended Benchmark</i>		<i>0.93%</i>	<i>0.93%</i>	<i>-1.20%</i>	
Bond Proceeds³	\$ 270,841,802	3.55%	3.55%	7.65%	
OPEB Trust Funds⁴	\$ 43,575,454	6.08%	6.08%	-16.12%	7.00%
<i>Benchmark</i>		<i>6.29%</i>	<i>6.29%</i>	<i>-16.05%</i>	
Cemetery Trust Fund⁴	\$ 29,655,291	6.95%	6.95%	-12.70%	5.00%
<i>Benchmark</i>		<i>5.52%</i>	<i>5.52%</i>	<i>-15.31%</i>	
General Employees Retirement System⁴	\$ 697,446,836	5.80%	5.80%	-11.40%	7.00%
<i>Benchmark</i>		<i>5.60%</i>	<i>5.60%</i>	<i>-12.90%</i>	
Police & Fire Retirement System⁴	\$ 1,074,636,358	4.85%	4.85%	-9.77%	7.25%
<i>Benchmark</i>		<i>5.46%</i>	<i>5.46%</i>	<i>-10.76%</i>	

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 Funds , Cemetery Trust Funds, General Employees Retirement System ("GERS"), and Police & Fire Retirement System ("P&F") are derived from their manager reports as of December 31, 2022.

	<u>Market Value as of December 31, 2022</u>	<u>Percent of Portfolio</u>	<u>Market Value as of September 30, 2022</u>	<u>Percent of Portfolio</u>
<u>Funds Held for Liquidity</u>				
CitiBank - Health Ins	776,750	0.07%	1,132,005	0.12%
Wells Fargo - Wks Comp	384,885	0.03%	373,323	0.04%
Wells Fargo Govt Ckg - BMPO	57,599	0.00%	57,599	0.01%
Wells Fargo Master Account	72,021,452	6.14%	28,153,008	3.03%
Wells Fargo Utility Account	8,756,604	0.75%	8,646,337	0.93%
Wells Fargo CRA	69,888,239	5.96%	44,815,297	4.83%
Wells Fargo Police Evidence	875,698	0.07%	871,201	0.09%
Total Funds for Liquidity	\$ 152,761,225	13.03%	\$ 84,048,770	9.06%
<u>Funds Held for Investment</u>				
PFMAM Investment Portfolio	372,791,744	31.80%	369,138,147	39.77%
CRA City Self - Directed Account	21,594,765	1.84%	21,414,116	2.31%
City Self - Directed Account	7,351,010	0.63%	7,292,083	0.79%
FMIT Subsidiary Accounts	129,886	0.01%	128,914	0.01%
FL CLASS	161,826,830	13.80%	92,109,704	9.92%
FL PALM	67,970,715	5.80%	142,062,177	15.31%
FL PALM TERM	117,000,000	9.98%	0	0.00%
Total Funds for Investment	\$ 748,664,949	63.86%	\$ 632,145,141	68.11%
<u>Bond Proceeds</u>				
Water & Sewer Bond 2018	67,735,265	5.78%	67,968,608	7.32%
Parks 2020-A	45,019,953	3.84%	46,561,661	5.02%
Public Safety 2020-B	93,072,652	7.94%	92,344,631	9.95%
FMIT G.O. Series 2011-A	4,940,155	0.42%	5,017,582	0.54%
FL CLASS GOB 2022A-Parks	60,073,776	5.12%	0	0.00%
Total Bond Proceeds	\$ 270,841,802	23.10%	\$ 211,892,482	22.83%
Grand Total	\$ 1,172,267,976	100.00%	\$ 928,086,393	100.00%

Notes:

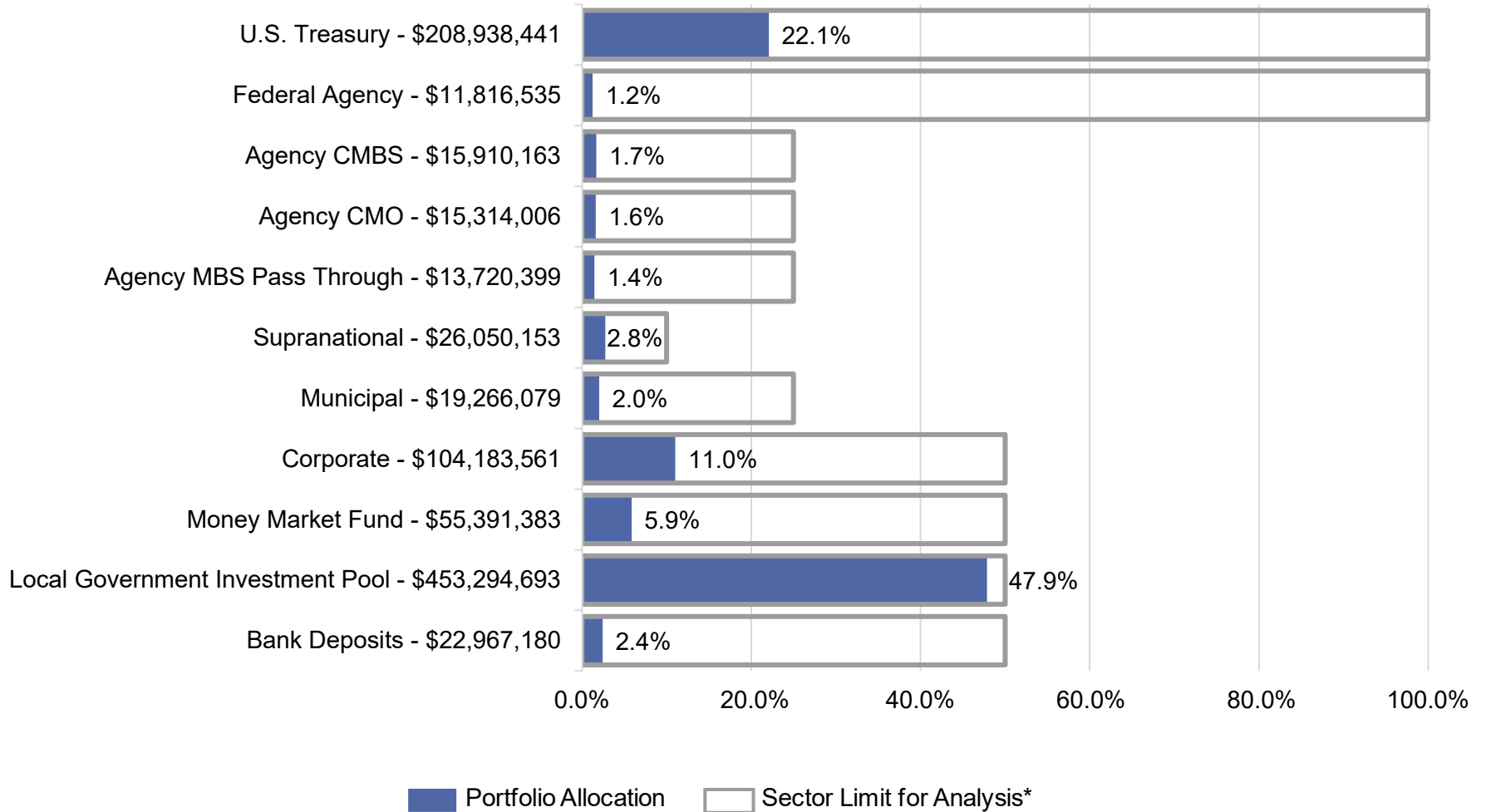
1. Market Values plus accrued interest as of December 31, 2022 and September 30, 2022 are derived from their respective statements from Wells Fargo, PFMAM, City National, or FMIT.
2. Bond Proceeds balances for Parks 2020-A and Public Safety 2020-B include cash balances, FL PALM balances, and FL PALM Term balances.

<u>Account Names</u>	<u>Yield to Market as of December 31, 2022</u>	<u>Percent of Portfolio December 31, 2022</u>	<u>Yield to Market as of September 30, 2022</u>	<u>Percent of Portfolio September 30, 2022</u>
<u>Funds Held for Liquidity</u>				
CitiBank - Health Ins	0.00%	0.07%	0.00%	0.12%
Wells Fargo - Wks Comp	4.31%	0.03%	3.06%	0.04%
Wells Fargo Govt Ckg - BMPO	4.31%	0.00%	3.06%	0.01%
Wells Fargo Master Account	4.31%	6.14%	3.06%	3.03%
Wells Fargo Utility Account	0.00%	0.75%	0.00%	0.93%
Wells Fargo CRA	4.31%	5.96%	3.06%	4.83%
Wells Fargo Police Evidence	0.00%	0.07%	0.00%	0.09%
Total Funds for Liquidity	4.02%	13.03%	2.67%	9.06%
<u>Funds Held for Investment</u>				
PFMAM Investment Portfolio	4.50%	31.80%	3.66%	39.77%
CRA City Self - Directed Account	4.08%	1.84%	2.24%	2.31%
City Self - Directed Account	3.94%	0.63%	1.95%	0.79%
FMIT Subsidiary Accounts	4.70%	0.01%	4.30%	0.01%
FL CLASS	4.33%	13.80%	2.54%	9.92%
FL PALM	4.31%	5.80%	2.65%	15.31%
FL PALM TERM	5.02%	9.98%	N/A	0.00%
Total Funds for Investment	4.51%	63.86%	3.20%	68.11%
<u>Bond Proceeds</u>				
Water & Sewer Bond 2018	3.94%	5.78%	1.95%	7.32%
Parks 2020-A	3.15%	3.84%	2.26%	5.02%
Public Safety 2020-B	2.89%	7.94%	2.52%	9.95%
FMIT G.O. Series 2011-A	4.80%	0.42%	4.00%	0.54%
FL CLASS GOB 2022A-Parks	4.33%	5.12%	N/A	0.00%
Total Bond Proceeds	3.55%	23.10%	2.32%	22.83%
Total Average Yield	4.22%	100.00%	2.95%	100.00%
<u>Benchmarks</u>				
	<u>December 31, 2022</u>		<u>September 30, 2022</u>	
S&P GIP All 30 Day Gross Yield Index	4.19%		2.52%	
BofA Merrill Lynch 1-3 Year Treasury Index	4.49%		4.30%	
BofA Merrill Lynch 1-5 Year Treasury Index	4.33%		4.25%	

Notes:

1. Market Values plus accrued interest as of December 31, 2022 and September 30, 2022 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.

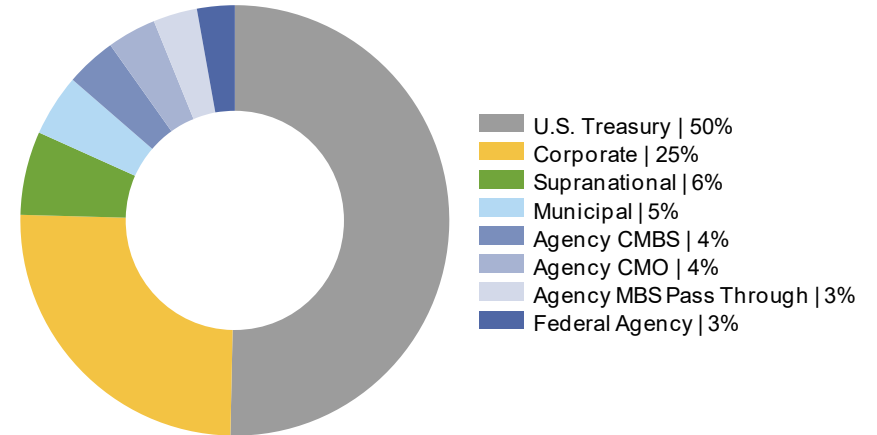
*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Consolidated Summary

Account Summary

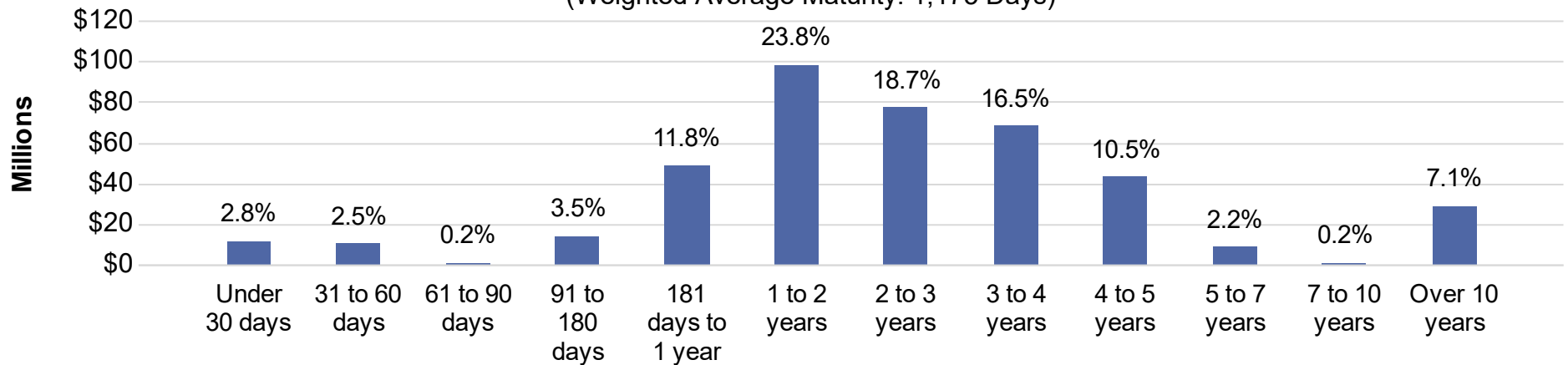
PFMAM Managed Account	\$464,590,864
Total Program	\$464,590,864

Sector Allocation



Maturity Distribution

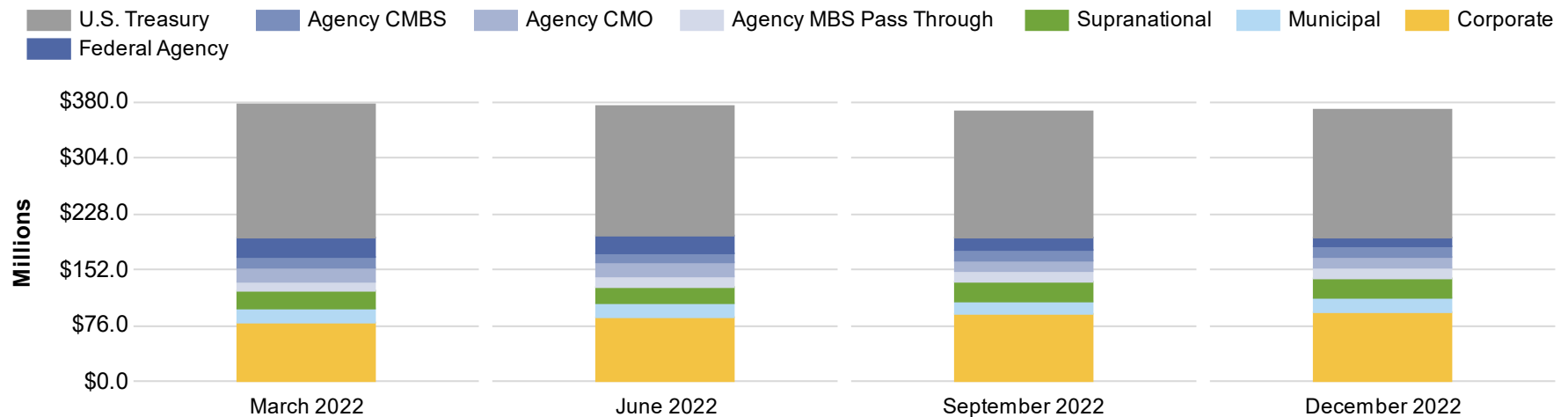
(Weighted Average Maturity: 1,175 Days)



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

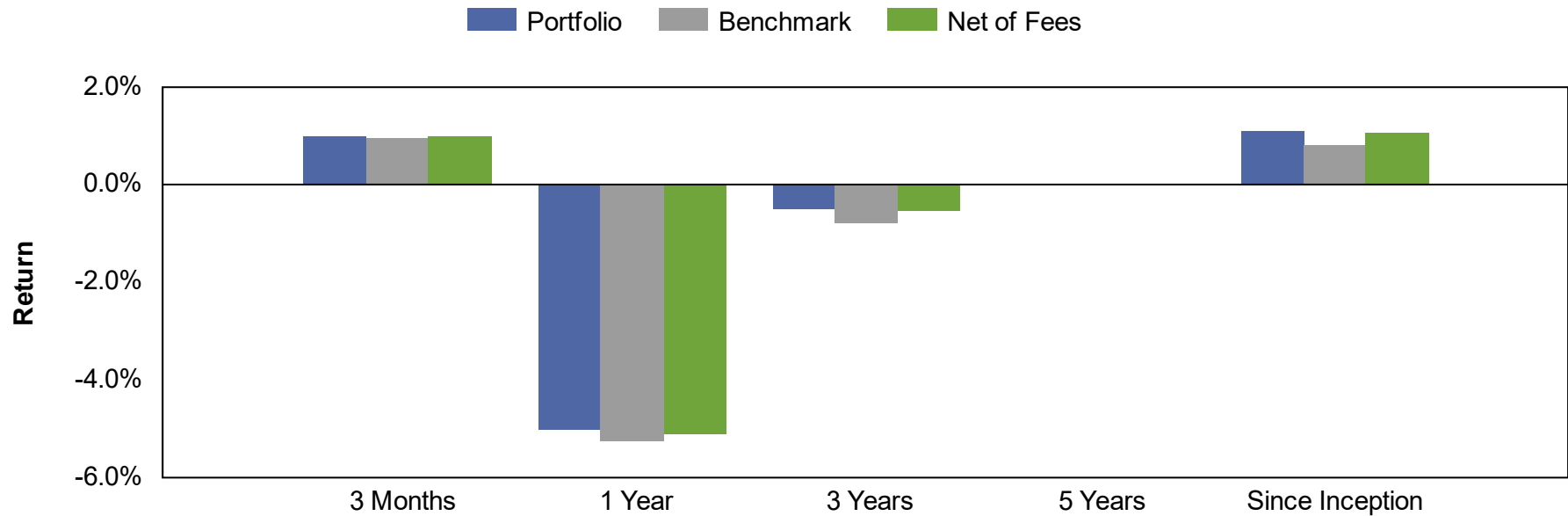
Sector Allocation Review - CITY OF FORT LAUDERDALE - PFMAM

Security Type	Mar-22	% of Total	Jun-22	% of Total	Sep-22	% of Total	Dec-22	% of Total
U.S. Treasury	\$181.5	47.9%	\$175.6	46.8%	\$170.2	46.4%	\$173.7	47.0%
Federal Agency	\$28.7	7.6%	\$24.6	6.6%	\$17.2	4.7%	\$11.1	3.0%
Agency CMBS	\$12.5	3.3%	\$11.9	3.2%	\$13.6	3.7%	\$15.9	4.3%
Agency CMO	\$19.6	5.2%	\$17.9	4.8%	\$16.2	4.4%	\$15.3	4.1%
Agency MBS Pass Through	\$12.9	3.4%	\$14.8	4.0%	\$13.3	3.6%	\$13.7	3.7%
Supranational	\$23.8	6.3%	\$23.6	6.3%	\$25.9	7.1%	\$26.0	7.0%
Municipal	\$19.6	5.2%	\$19.5	5.2%	\$19.1	5.2%	\$19.2	5.2%
Corporate	\$79.9	21.1%	\$86.2	23.1%	\$91.1	24.9%	\$95.2	25.7%
Total	\$378.5	100.0%	\$374.1	100.0%	\$366.6	100.0%	\$369.9	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.

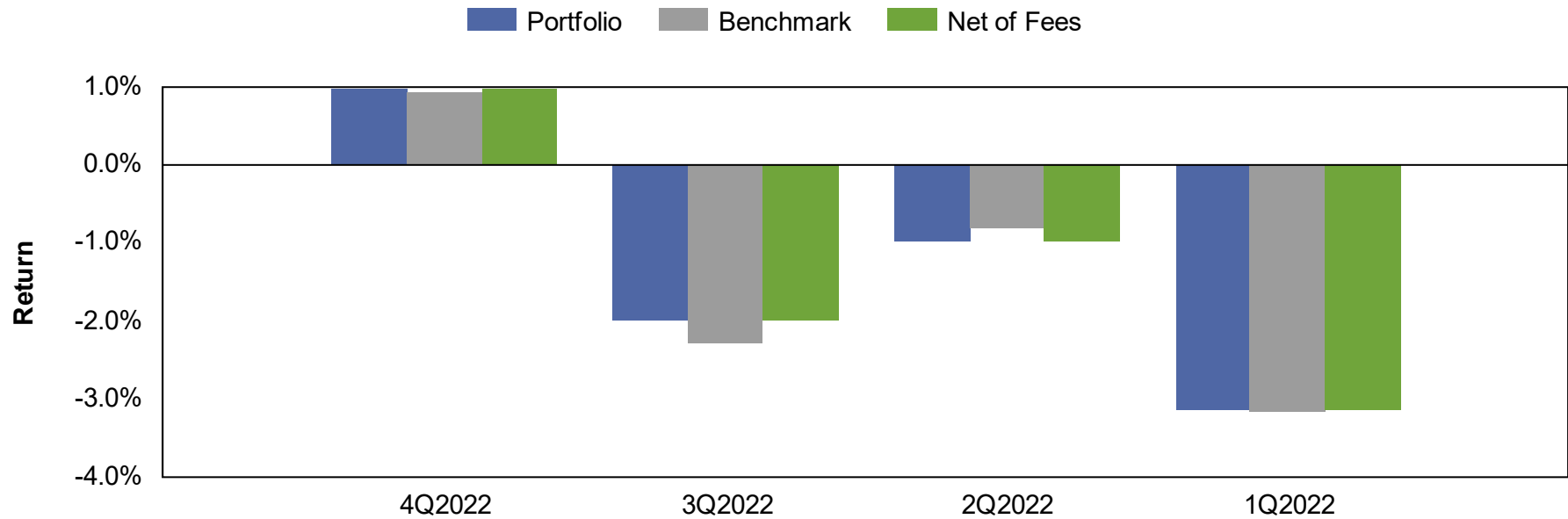
Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$1,790,619	\$6,611,218	\$19,442,512	-	\$28,091,404
Change in Market Value	\$1,862,976	(\$26,389,450)	(\$27,864,742)	-	(\$18,537,676)
Total Dollar Return	\$3,653,595	(\$19,778,232)	(\$8,422,230)	-	\$9,553,728
Total Return³					
Portfolio	0.99%	-5.04%	-0.49%	-	1.11%
Benchmark ⁴	0.95%	-5.25%	-0.77%	-	0.82%
Basis Point Fee	0.01%	0.05%	0.06%	-	0.06%
Net of Fee Return	0.98%	-5.09%	-0.54%	-	1.05%

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 BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg.

Portfolio Performance



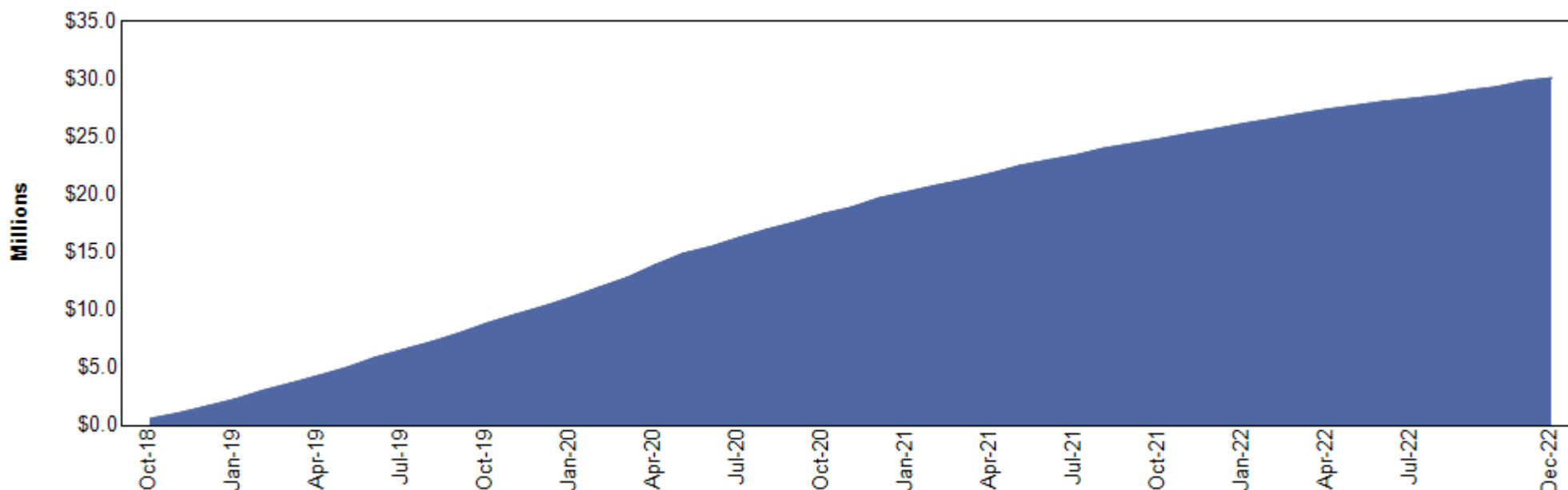
Market Value Basis Earnings	4Q2022	3Q2022	2Q2022	1Q2022
Interest Earned ¹	\$1,790,619	\$1,696,277	\$1,552,158	\$1,572,163
Change in Market Value	\$1,862,976	(\$9,158,345)	(\$5,206,382)	(\$13,887,698)
Total Dollar Return	\$3,653,595	(\$7,462,068)	(\$3,654,224)	(\$12,315,535)
Total Return²				
Portfolio	0.99%	-1.98%	-0.96%	-3.14%
Benchmark ³	0.95%	-2.28%	-0.81%	-3.16%
Basis Point Fee	0.01%	0.01%	0.01%	0.01%
Net of Fee Return	0.98%	-2.00%	-0.97%	-3.15%

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 BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg.

Accrual Basis Earnings - CITY OF FORT LAUDERDALE - PFMAM



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$1,790,619	\$6,611,218	\$19,442,512	-	\$28,091,404
Realized Gains / (Losses) ³	(\$548,405)	(\$1,054,212)	\$3,375,866	-	\$4,429,373
Change in Amortized Cost	(\$149,039)	(\$1,128,920)	(\$3,022,676)	-	(\$2,428,939)
Total Earnings	\$1,093,174	\$4,428,086	\$19,795,701	-	\$30,091,838

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.

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- 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 of 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.