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Treasury Group

To: Deborah Kafoury – Chair, Board of County Commissioners  
Marissa Madrigal - Chief Operating Officer  
Investment Advisory Board Members (IAB)  
Mark Campbell – Chief Financial Officer  
Steve March - County Auditor

From: Jeff DeCosta, County Treasury

Date: June 7, 2018

Re: Investment Portfolio Results for May 2018

The County Investment Pool's annualized earnings rate for May was 1.61%. This was a seven basis point increase from the previous month's return of 1.54%. The year-to-date rate of return for Fiscal Year 2018 increased three basis points to 1.36%.

The U.S. Treasury 90-day T-Bill yield at the end of May was 1.93%. This was a six basis point increase from April 30<sup>th</sup>.

The annualized earnings rate for the State's Local Government Investment Pool was 2.10%.

Nonfarm payrolls increased by 223,000 in May, well above market expectations of 188,000. The unemployment rate fell to 3.8%, the lowest jobless rate since December 1969. Data released this week showed more job openings than unemployed workers, signaling upward pressure on wages as companies compete more aggressively from a diminishing supply of available labor.

For questions and suggestions regarding this report, please call me at (503) 988-7471 or email at: [jeffrey.decosta@multco.us](mailto:jeffrey.decosta@multco.us)



GOVERNMENT  
PORTFOLIO  
ADVISORS

# Executive Summary

Month-End 05/31/18



## Investment Program

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## MONTH END COMMENTARY- MAY 2018

Two-year Treasury notes opened the month at 2.50%, and appeared set to follow the previous month's path to higher rates until political woes in Italy caused investors to flee to the safety of US Treasuries. Italy's populist Five Star Movement and League parties were gaining power in a surprise reversal of political control. Both populist parties are strongly anti Euro, and fears of a replay of Brexit forced the sale of Italian bonds and a change in sentiment regarding rising US interest rates. Two-year Treasury notes hit a decade long high of 2.59% on May 16<sup>th</sup> and subsequently declined 27 basis points to a yield of 2.32% on May 29<sup>th</sup>. This decline in rates is the largest since the Brexit-induced low in yields during June 2016. Investors most likely remember that the Brexit trade-off in yields recovered, and interest rates are now substantially higher than pre-Brexit trading. Italy's ultimate secession from the Euro is far from being a done deal and the market may be discounting too much in the way of economic damage from the political turmoil.

Italian political woes are not the only issue causing second thoughts in the upward direction of interest rates. Anti-trade rhetoric has increased recently with most economist voicing their opposition to trade tariffs with warnings of the economic damage that could result from a trade war. GPA believes that there is a better than 50/50 chance that push will not come to shove in the trade tariff battle and that negotiations will prevail. There is no doubt that trade tariffs, if enacted, would most likely raise inflation and result in economic damage.

The Fed met on May 2<sup>nd</sup> and announced that they were going to maintain Fed Funds at an unchanged range of 1.50% to 1.75%. The Fed Funds futures market is currently discounting a 100% probability of an increase in Fed Funds to a range of 1.75% to 2% at their next meeting on June 13<sup>th</sup>. The June hike would be the second increase in 2018. The Fed Funds futures market is discounting an 86% probability of a third hike at their September 26<sup>th</sup> meeting and a 49% chance of a fourth 2018 hike at the December 19<sup>th</sup> meeting.

### STRATEGY GOING FORWARD:

The trade towards higher US interest rates was weighted too much towards a sure thing and the sharp reversal in rates caused by Italian politics was not too surprising. We expect the markets to recover from the short-term prospects of Italy pulling out of the Euro and continue to focus on strong US economic growth. Employment continues to grow at a strong pace and inflation has now surpassed the Fed's target with a 2.5% print in May. We are advising fixed income portfolios to keep portfolio durations close to their respective benchmark durations with ranges of 90% to 95%. This weighting will help mitigate the market declines of higher rates while respecting the fact that we are now at rates that we have not seen for close to a decade.

#### TREASURY YIELD CURVE TOTAL RETURNS LAST 12 MONTHS:\*

3month bill	1.27
1 year note	0.83
2 year note	-0.19
3 year note	-0.94
5 year note	-1.90

#### TREASURY BENCHMARK TOTAL RETURNS IN MONTH\*

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	0.31%	1.40
BAML 1-3 Year Treasury	0.36%	1.85
BAML 0-5 Year Treasury	0.42%	2.15
BAML 1-5 Year Treasury	0.48%	2.60

#### Changes in the Treasury Market (absolute yield levels): \*

	5/31/2017	3/31/2018	4/30/2018	5/31/2018	Change from Last Month	Change from Prior Year
3 month bill	0.98	1.71	1.80	1.81	0.01	0.83
6 month bill	1.11	1.92	2.00	2.07	0.07	0.96
2 year note	1.27	2.27	2.49	2.41	-0.08	1.14
3 year note	1.42	2.38	2.63	2.53	-0.10	1.11
5 year note	1.75	2.56	2.80	2.67	-0.13	0.92
10 year note	2.21	2.74	2.95	2.83	-0.12	0.62

\*Source: Bloomberg



# Total Funds Multnomah County

# Compliance Report

Policy 2017 | 05/31/2018

	Policy Requirement	% of Total Accumulated	Portfolio Allocation	Within Limits	S&P	Moody's
Under 30 days	10%	29%	\$ 168,968,061	Yes	Muni's AA-	Aa3
Under 1 year	35%	74%	\$ 431,269,024	Yes	Corp Bonds AA-	Aa3
Under 5 years	100%	100%	\$ 584,519,499	Yes	C P A-1	P-1
				Yes	B A A-1+	P-1
Maximum Weighted Average Maturity	2		0.67	Yes		
Maximum Callable Securities	25%	3%	\$ 19,804,470	Yes		
Maximum Single Maturity	5 Years		4.64	Yes	Policy states ONE rating meets requirement	

Asset Allocation Diversification	Maximum Policy Allocation	Issuer Constraint	Percentage of Portfolio	Market Value	% Within Limits	Ratings Compliance	Issuer Compliance
US Treasury Obligations	100%		31.74%	\$ 185,535,308	Yes		
US Agencies Primary	100%		43.28%	\$ 252,986,075	Yes		
FHLB		25%	7.64%	\$ 44,667,205	Yes		
FNMA		25%	12.74%	\$ 74,493,540	Yes		
FHLMC		25%	11.85%	\$ 69,278,230	Yes		
FFCB		25%	11.04%	\$ 64,547,100	Yes		
US Agencies Secondary	10%	10%	0.00%	\$ -			
Municipal Obligations OR, CA, ID, WA	10%	5%	0.86%	\$ 4,999,100	Yes		Yes
Corporate Bonds (No Fossil Fuel)	25%	5%	5.10%	\$ 29,816,055	Yes	Yes	Yes
Commercial Paper	10%	5%	2.56%	\$ 14,954,700	Yes	Yes	Yes
Bank Deposits	50%	25%	3.18%	\$ 18,593,765	Yes	N/A	N/A
Certificates of Deposit	20%	10%	0.38%	\$ 2,205,000	Yes	Yes	Yes
Bankers Acceptances	10%	5%	0.00%	\$ -			
Repurchase Agreements	10%	5%					
Reverse Repurchase Agreement	10%	5%	0.00%	\$ -			
OST Fund Pool	ORS 294.810 ***		12.90%	\$ 75,429,497	Yes*	**	**
<b>Total</b>			<b>100%</b>	<b>\$ 584,519,499</b>			

\*\*\* Current ORS Maximum

\$ 48,333,000.00

\* ORS allows for OST Balances to be above limit during tax receipt periods.

\*\* Ratings & Issuer restrictions do not apply to pool funds

Benchmark: BofA Merrill 0-3 year Treasury

## STRATEGY OVERVIEW

Name	Par Amount	Total Adjusted Cost	Market Value	Unrealized Gain/Loss	Yield At Cost	Eff Dur	Bench Dur
Multnomah County - Core Investment Fund	\$ 240,000,000	\$ 239,635,657	\$ 237,858,150	\$ (1,777,507)	1.56	1.37	1.40
Multnomah County CD Fund	\$ 2,205,000	\$ 2,205,000	\$ 2,205,000	\$ -	1.08	0.27	0.10
Multnomah County Liquidity	\$ 345,023,261	\$ 344,552,795	\$ 344,456,349	\$ (96,446)	1.76	0.14	0.10
<b>TOTAL PORTFOLIO</b>	<b>\$ 587,228,261</b>	<b>\$ 586,393,452</b>	<b>\$ 584,519,499</b>	<b>\$ (1,873,953)</b>	<b>1.68</b>	<b>0.64</b>	<b>0.63</b>



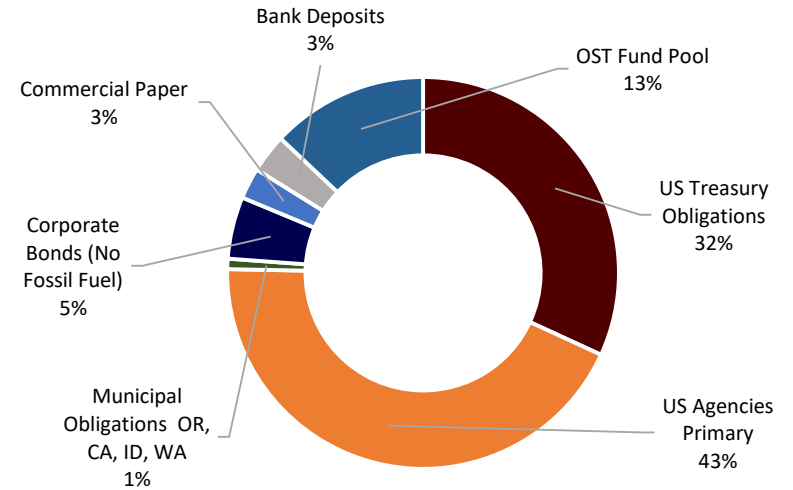
# Total Funds Multnomah County

For Period May 01, 2018 - May 31, 2018

# Investment Report

Policy 2017 | 05/31/2018

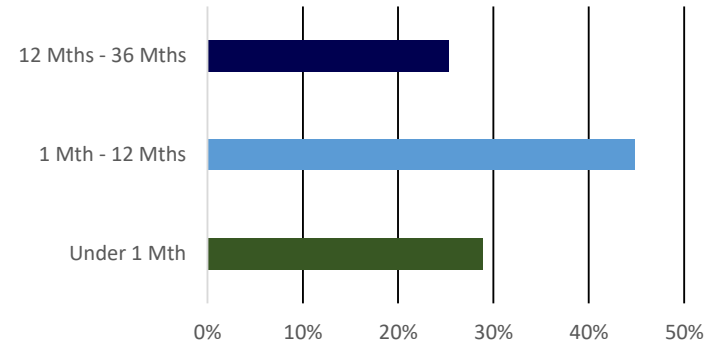
Investment Holdings at 05/31/2018	Market Value	% of Total Portfolio	Maximum Per Policy
US Treasury Obligations	\$ 185,535,308	31.74%	100%
US Agencies Primary	\$ 252,986,075	43.28%	100%
Municipal Obligations OR, CA, ID, WA	\$ 4,999,100	0.86%	10%
Corporate Bonds (No Fossil Fuel)	\$ 29,816,055	5.10%	25%
Commercial Paper	\$ 14,954,700	2.56%	10%
Bank Deposits	\$ 18,593,765	3.18%	50%
Certificates of Deposit	\$ 2,205,000	0.38%	20%
Bankers Acceptances	\$ -	-	10%
Repurchase Agreements	\$ -	-	10%
Reverse Repurchase Agreement	\$ -	-	10%
OST Fund Pool	\$ 75,429,497	12.90%	
<b>Total Portfolio</b>	<b>\$ 584,519,499</b>	<b>100.00%</b>	



% of Portfolio With One Issuer:			
Corporate Notes	\$ 14,984,950	2.56%	5%
State Obligations	\$ 4,999,100	0.86%	5%

## MATURITY DISTRIBUTION

Maturities from 05/31/2018	Per Maturity Bucket		Cumulative	
	Market Value	% of Total Portfolio	% of Total Portfolio	Minimum Per Policy
Under 1 Mth	\$ 168,968,061	29%	29%	10%
1 Mth - 12 Mths	\$ 262,300,963	45%	74%	35%
12 Mths - 36 Mths	\$ 148,327,890	25%	99%	100%
36 Mths - 60 Mths	\$ 4,922,585	1%	100%	0%



Average Maturity on 05/31/2018	0.67 Years	Maximum Per Policy	5 Years
Average Maturity of portfolio (excluding bank / LGIP deposits)	1.38 Years		

## ACTIVITY & PERFORMANCE SUMMARY

Activity Summary	This Month	Fiscal Year-to-Date
Beginning Amortized Cost	\$ 643,994,882	\$ 409,412,858
Investment purchases	\$ 34,668,215	\$ 693,822,046
Investment maturities and sales	\$ (95,000,000)	\$ (529,695,000)
Amortization	\$ 288,256	\$ 1,774,407
Net cash deposit (withdrawals)	\$ 2,442,099	\$ 11,079,141
Realized Gain/Loss	\$ -	\$ -
<b>Ending Amortized Costs</b>	<b>\$ 586,393,452</b>	<b>\$ 586,393,452</b>
Market Value on 05/31/2018	\$ 584,519,499	

Performance Summary	This Month	Fiscal Year-to-Date
Amortization	\$ 288,256	\$ 1,774,407
Interest income	\$ 595,777	\$ 5,681,698
Realized gain (loss)	\$ -	\$ -
<b>Total income</b>	<b>\$ 884,032</b>	<b>\$ 7,456,106</b>
Average portfolio balance	\$ 645,871,667	\$ 603,057,008
Total Portfolio yield at cost on 05/31/2018	1.68%	
Investment Portfolio yield at cost (excluding bank / LGIP deposits)	1.56%	
Local Government Investment Pool interest rate	2.10%	



# Portfolio Appraisal - Settled Trades

US Dollar  
5/31/2018

## Multnomah County - Core Investment Fund

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>US Agency (USD)</b>								
5,000,000	3134G9G76	FEDERAL HOME LN MTG CORP 0.800% Due 06-29-18	99.99	4,999,670.48	99.92	4,995,765.00	2.1	0.9
10,000,000	3130A8PK3	FEDERAL HOME LOAN BANKS 0.625% Due 08-07-18	99.96	9,995,782.36	99.75	9,975,170.00	4.2	0.9
10,000,000	3136G02M2	FEDERAL NATL MTG ASSN 1.180% Due 10-30-18	99.88	9,987,692.93	99.63	9,962,690.00	4.2	1.5
10,000,000	3133782M2	FEDERAL HOME LOAN BANKS 1.500% Due 03-08-19	100.41	10,041,083.76	99.45	9,944,560.00	4.2	1.0
10,000,000	3134G9AW7	FEDERAL HOME LN MTG CORP 1.150% Due 04-26-19	99.97	9,996,995.43	99.01	9,901,370.00	4.2	1.2
10,000,000	3133EF5X1	FEDERAL FARM CR BKS 1.100% Due 05-03-19	100.08	10,007,633.74	98.96	9,895,600.00	4.2	1.0
15,000,000	313379EE5	FEDERAL HOME LOAN BANKS 1.625% Due 06-14-19	100.74	15,111,618.91	99.37	14,905,695.00	6.3	0.9
15,000,000	3137EAEB1	FEDERAL HOME LN MTG CORP 0.875% Due 07-19-19	99.93	14,990,119.47	98.42	14,762,595.00	6.2	0.9
10,000,000	3136G3X67	FEDERAL NATL MTG ASSN 1.100% Due 08-23-19	100.00	10,000,000.00	98.52	9,852,000.00	4.1	1.1
15,000,000	3133EHYJ6	FEDERAL FARM CR BKS 1.375% Due 09-12-19	99.85	14,977,477.09	98.79	14,818,770.00	6.2	1.5
10,000,000	3137EAE5	FEDERAL HOME LN MTG CORP 1.500% Due 01-17-20	99.98	9,998,216.55	98.55	9,854,670.00	4.1	1.5
10,000,000	3133EJNW5	FEDERAL FARM CR BKS 2.550% Due 05-15-20	99.82	9,981,584.07	100.12	10,011,860.00	4.2	2.6
10,000,000	3130ABPV2	FEDERAL HOME LOAN BANKS 1.690% Due 06-29-20	99.96	9,996,471.94	98.42	9,841,780.00	4.1	1.7
10,000,000	3135G0T60	FEDERAL NATL MTG ASSN 1.500% Due 07-30-20	99.80	9,979,787.42	97.95	9,795,070.00	4.1	1.6
10,000,000	3137EAEJ4	FEDERAL HOME LN MTG CORP 1.625% Due 09-29-20	97.64	9,763,628.42	98.07	9,807,430.00	4.1	2.7
10,000,000	3133EJAW9	FEDERAL FARM CR BKS 2.250% Due 01-29-21	99.45	9,945,232.05	99.11	9,911,140.00	4.2	2.5
10,000,000	3133EJCE7	FEDERAL FARM CR BKS 2.350% Due 02-12-21	99.04	9,903,913.81	99.36	9,936,250.00	4.2	2.7
10,000,000	3133EJEM7	FEDERAL FARM CR BKS 2.500% Due 03-01-21	99.80	9,979,728.88	99.73	9,973,480.00	4.2	2.6
5,000,000	3135G0T94	FEDERAL NATL MTG ASSN 2.375% Due 01-19-23	98.48	4,923,978.50	98.45	4,922,585.00	2.1	2.7
				<b>194,580,615.82</b>		<b>193,068,480.00</b>	<b>81.2</b>	<b>1.60</b>
<b>Corporate (USD)</b>								
5,000,000	478160BG8	JOHNSON & JOHNSON 1.650% Due 12-05-18	100.32	5,015,784.71	99.69	4,984,465.00	2.1	1.0
10,000,000	037833AQ3	APPLE INC 2.100% Due 05-06-19	100.49	10,049,276.43	99.74	9,974,440.00	4.2	1.6



# Portfolio Appraisal - Settled Trades

US Dollar  
5/31/2018

Multnomah County - Core Investment Fund

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
10,000,000	594918BN3	MICROSOFT CORP 1.100% Due 08-08-19	99.95	9,995,215.25	98.47	9,846,640.00	4.1	1.1
5,000,000	037833AR1	APPLE INC 2.850% Due 05-06-21	99.99	4,999,580.60	100.21	5,010,510.00	2.1	2.9
				<b>30,059,856.99</b>		<b>29,816,055.00</b>	<b>12.5</b>	<b>1.55</b>
<b>US Treasury (USD)</b>								
15,000,000	912828S68	UNITED STATES TREAS NTS 0.750% Due 07-31-18	99.97	14,995,184.18	99.82	14,973,615.00	6.3	0.9
				<b>14,995,184.18</b>		<b>14,973,615.00</b>	<b>6.3</b>	<b>0.95</b>
<b>Total Portfolio</b>				<b>239,635,656.99</b>		<b>237,858,150.00</b>	<b>100.0</b>	<b>1.56</b>



# Portfolio Appraisal - Settled Trades

US Dollar  
5/31/2018

Multnomah County CD Fund

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>Bank or Cash Deposit (USD)</b>								
245,000	SYS7450	UNITUS COMMUNITY CU 0.880% Due 07-24-18	100.00	245,000.00	100.00	245,000.00	11.1	0.9
245,000	SYS7447	PREMIER COMMUNITY BANK CD 0.750% Due 08-01-18	100.00	245,000.00	100.00	245,000.00	11.1	0.8
245,000	SYS7410	NORTHWEST COMMUNITY CU 0.946% Due 08-09-18	100.00	245,000.00	100.00	245,000.00	11.1	0.9
245,000	SYS7453	WILLAMETTE COMMUNITY BK CD 0.950% Due 08-14-18	100.00	245,000.00	100.00	245,000.00	11.1	1.0
245,000	SYS7452	PACIFIC WEST BANK CD 1.000% Due 08-16-18	100.00	245,000.00	100.00	245,000.00	11.1	1.0
245,000	SYS7449	HOMESTREET BANK 1.000% Due 08-18-18	100.00	245,000.00	100.00	245,000.00	11.1	1.0
245,000	SYS7456	WILLAMETTE VALLEY BANK CD 1.500% Due 10-25-18	100.00	245,000.00	100.00	245,000.00	11.1	1.5
245,000	SYS7458	SUMMIT BANK CD 1.230% Due 11-15-18	100.00	245,000.00	100.00	245,000.00	11.1	1.2
245,000	SYS7459	UMPQUA BANK CD 1.500% Due 11-20-18	100.00	245,000.00	100.00	245,000.00	11.1	1.5
				<b>2,205,000.00</b>		<b>2,205,000.00</b>	<b>100.0</b>	<b>1.1</b>
<b>Total Portfolio</b>					<b>2,205,000.00</b>	<b>2,205,000.00</b>	<b>100.0</b>	<b>1.08</b>





# Portfolio Appraisal - Settled Trades

US Dollar  
5/31/2018

## Multnomah County Liquidity

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>US Agency (USD)</b>								
20,000,000	313397ZG9	FEDERAL HOME LN MTG CORP DISC NT 0.000% Due 07-13-18	99.83	19,966,166.68	99.78	19,956,400.00	5.8	1.5
15,000,000	3135GOL68	FEDERAL NATL MTG ASSN 0.750% Due 07-27-18	99.87	14,980,890.96	99.82	14,973,195.00	4.3	1.6
25,000,000	3135G0YM9	FEDERAL NATL MTG ASSN 1.875% Due 09-18-18	100.06	25,016,058.39	99.95	24,988,000.00	7.3	1.7
				<b>59,963,116.04</b>		<b>59,917,595.00</b>	<b>17.4</b>	<b>1.58</b>
<b>Municipal (USD)</b>								
5,000,000	625517JL2	MULTNOMAH CNTY OR SCH DIST 1.500% Due 06-15-18	100.01	5,000,473.46	99.98	4,999,100.00	1.5	1.3
				<b>5,000,473.46</b>		<b>4,999,100.00</b>	<b>1.5</b>	<b>1.25</b>
<b>US Treasury (USD)</b>								
15,000,000	912796PL7	UNITED STATES TREAS BILLS 0.000% Due 06-14-18	99.94	14,990,675.21	99.94	14,991,450.00	4.4	1.8
15,000,000	912828XF2	UNITED STATES TREAS NTS 1.125% Due 06-15-18	99.99	14,998,099.84	99.98	14,996,985.00	4.4	1.5
20,000,000	912796MF3	UNITED STATES TREAS BILLS 0.000% Due 06-21-18	99.92	19,983,680.56	99.91	19,981,000.00	5.8	1.5
15,000,000	912796PM5	UNITED STATES TREAS BILLS 0.000% Due 06-28-18	99.87	14,980,447.50	99.87	14,980,500.00	4.3	1.8
10,000,000	912796PQ6	UNITED STATES TREAS BILLS 0.000% Due 07-12-18	99.80	9,979,927.09	99.80	9,980,100.00	2.9	1.8
10,000,000	912796PU7	UNITED STATES TREAS BILLS 0.000% Due 08-09-18	99.65	9,964,781.25	99.64	9,964,400.00	2.9	1.9
18,000,000	912828K82	UNITED STATES TREAS NTS 1.000% Due 08-15-18	99.88	17,977,526.70	99.81	17,966,358.00	5.2	1.6
25,000,000	9128282C3	UNITED STATES TREAS NTS 0.750% Due 08-31-18	99.78	24,945,204.42	99.70	24,925,950.00	7.2	1.6
18,000,000	912796NV7	UNITED STATES TREAS BILLS 0.000% Due 09-13-18	99.54	17,917,762.00	99.45	17,900,820.00	5.2	1.6
10,000,000	912796QA0	UNITED STATES TREAS BILLS 0.000% Due 09-27-18	99.37	9,936,984.72	99.38	9,938,000.00	2.9	2.0
15,000,000	912828L81	UNITED STATES TREAS NTS 0.875% Due 10-15-18	99.62	14,942,309.57	99.57	14,936,130.00	4.3	1.9
				<b>170,617,398.86</b>		<b>170,561,693.00</b>	<b>49.5</b>	<b>1.69</b>



Multnomah County Liquidity

Portfolio Appraisal - Settled Trades

US Dollar  
5/31/2018

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>LGIP State Pool (USD)</b>								
75,429,497	OSTFLGIP	OREGON SHORT TERM FUND POOL 2.100% Due 06-29-18	100.00	75,429,496.55	100.00	75,429,496.55	21.9	2.1
				<b>75,429,496.55</b>		<b>75,429,496.55</b>	<b>21.9</b>	<b>2.10</b>
<b>Bank or Cash Deposit (USD)</b>								
2,502,317	SYSBADD1	BANK OF AMERICA 0.010% Due 06-29-18	100.00	2,502,316.67	100.00	2,502,316.67	0.7	0.0
5,749,216	SYSSSBMM1	UMPQUA BANK 1.500% Due 06-29-18	100.00	5,749,216.38	100.00	5,749,216.38	1.7	1.5
199,386	SYSUSB076	US BANK 0.010% Due 06-29-18	100.00	199,386.08	100.00	199,386.08	0.1	0.0
9,564,051	000WAFED	WASHINGTON FEDERAL 1.600% Due 06-29-18	100.00	9,564,050.50	100.00	9,564,050.50	2.8	1.6
578,795	SYSWCBMM1	WILLAMETTE COMMUNITY BANK 1.000% Due 06-29-18	100.00	578,795.04	100.00	578,795.04	0.2	1.0
				<b>18,593,764.67</b>		<b>18,593,764.67</b>	<b>5.4</b>	<b>1.32</b>
<b>Commercial Paper (USD)</b>								
15,000,000	89233HGQ1	TOYOTA MOTOR CREDIT CP 0.000% Due 07-24-18	99.66	14,948,545.84	99.70	14,954,700.00	4.3	2.4
				<b>14,948,545.84</b>		<b>14,954,700.00</b>	<b>4.3</b>	<b>2.39</b>
<b>Total Portfolio</b>				<b>344,552,795.42</b>		<b>344,456,349.22</b>	<b>100.0</b>	<b>1.76</b>



### **Disclaimer**

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, GPA cannot guarantee its accuracy, completeness, or suitability. This material is for purposes of observations and oversight and is the opinion of the author and not necessarily of GPA, LLC. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this document is not an offer to purchase or sell any securities.

### **Definition and Terms**

**Investment Report:** Provides of summary asset allocation and maturity distribution. The activity and earnings summary provides a high level overview of the total funds.

**Total Funds:** This is the amount of the overall portfolio balances that are held in short term liquid investments to meet ongoing operational budgets and cash flows and investments held for longer periods. An annual assessment of the allocations to each component is evaluated through a cash flow process determining liquidity needs and District preferences, the Guideline Portfolio Strategy "GPS" is completed by Government Portfolio Advisors.

**Compliance Report:** Provides a comparison of the portfolio positions to the investment policy. This report includes a breakout of the specific funds and each allocation to the liquidity and investments.

**Holdings Reports:** Provides an overview by fund of portfolio distribution.

**Security Type:** Allocates the investment to a specific issuer type.

**Par Value:** The total face value of the investment at maturity.

**Security Name:** Lists the specific name of issuer.

**Book Yield or Yield at Cost:** Is the earning yield on each security at the time of purchase. The total is a weighting based on investment value.

**Market Value:** The current market value of the security based on a third party pricing source. This price represents the value if the securities were sold on the pricing date. The market value changes with interest rates.

**Total Adjusted Cost:** This may be referred to as "book value" and represents the cost basis to date after amortization of premiums or discounts since the purchase date.

**Unrealized gain or loss:** This represents the difference between the market value and the adjusted cost at the time of the report.

**% of Portfolio:** Represents the percent allocation dedicated to each security type in the fund.

**Effective Duration:** Represents the duration based on the time between the report date and the maturity of the bond. Duration is similar to average maturity and is used to measure the price sensitivity of the portfolio given interest rate changes.