

### 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: July 9, 2018

Re: Investment Portfolio Results for June 2018

The County Investment Pool's annualized earnings rate for June was 1.71%. This was a ten basis point increase from the previous month's return of 1.61%. The year-to-date rate of return for Fiscal Year 2018 increased three basis points to 1.39%.

The U.S. Treasury 90-day T-Bill yield at the end of June was 1.93%. This rate was unchanged from the previous month end.

The annualized earnings rate for the State's Local Government Investment Pool was 2.25%.

Nonfarm payrolls increased by 213,000 in June, well above market expectations. The yield curve continues to flatten, with the 10-year/2-year spread narrowing to under 30 basis points for the first time since August 2007. While escalating trade tensions threaten to impede growth going forward, the effects have yet to show up in key economic indicators.

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 06/30/18



## Investment Program

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## MONTH END COMMENTARY- JUNE 2018

The two-year treasury note ended the month not far from the 2.50% congestion point of the past two months even though the Fed followed through with an expected 25 basis point rate increase on June 13. The rapid rise in short term rates that started last fall continued in June with two-year notes rising 12 basis points. The treasury yield curve continued to flatten with the two-year to five-year yield spread down to 21 basis points. The big price mover during the month of June was crude oil – the spot barrel price rose another \$6 to over \$73, levels not seen since 2014.

Markets have been digesting changes in trade policy coming out of Washington D.C. Uncertainty surrounding long-term effects of tariffs and trade wars is being felt in boardrooms from coast to coast. GPA continues to expect that the probability the pending trade issues have a significant impact to GDP is still less than 50%. Whatever dampening effects of trade threats may have on the economy they have so far had little impact on the economy as economic activity remains strong.

The Fed reiterated its language hinting at more rate hikes. As of this writing the market has priced in close to two more hikes in the Fed Funds rate this year, and the Fed itself is still predicting short term rates closer to 3% by the end of 2019. The drumbeat from the jobs front is that openings are beginning to outnumber qualified applicants. Job applicants exceeding job openings could lead to higher wage growth which can bleed through into higher inflation numbers. Consumer spending is strong as the wealth effect is allowing households to tap into appreciated assets. Unlike before the financial crisis, however, debt-to-income ratios aren't running away. Higher rates will squeeze consumers that are overextended, however, as they translate into higher borrowing costs, particularly against credit cards.

## 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 targeting to keep portfolio durations close to their respective benchmark durations with ranges of 90% to 100%. Two-year rates are now at a decade high and much of the good news about the economy is currently priced into the fixed income markets. Staying slightly short to close to a neutral duration target is now a reasonable adjustment to a market that has discounted a significant amount of positive economic news.

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

3month bill	1.37
1 year note	0.92
2 year note	-0.12
3 year note	-0.80
5 year note	-1.53

### TREASURY BENCHMARK TOTAL RETURNS IN MONTH\*

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	0.06%	1.40
BAML 1-3 Year Treasury	0.02%	1.85
BAML 0-5 Year Treasury	0.03%	2.15
BAML 1-5 Year Treasury	0.00%	2.60

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

	6/30/2017	4/30/2018	5/31/2018	6/30/2018	Change from Last Month	Change from Prior Year
3 month bill	1.01	1.80	1.81	1.92	0.11	0.91
6 month bill	1.13	2.00	2.07	2.11	0.04	0.98
2 year note	1.38	2.49	2.41	2.53	0.12	1.15
3 year note	1.55	2.63	2.53	2.62	0.09	1.07
5 year note	1.89	2.80	2.67	2.74	0.07	0.85
10 year note	2.30	2.95	2.83	2.86	0.03	0.56

\*Source: Bloomberg



# Total Funds Multnomah County

# Compliance Report

Policy 2018 | 06/30/2018

	Policy Requirement	% of Total Accumulated	Portfolio Allocation	Within Limits	S&P	Moody's
Under 30 days	10%	26%	\$ 137,710,121	Yes	Muni's	AA-
Under 1 year	35%	73%	\$ 382,843,081	Yes	Corp Bonds	AA-
Under 5 years	100%	100%	\$ 527,947,666	Yes	C P	A-1
				Yes	B A	A-1+
Maximum Weighted Average Maturity	2		0.72	Yes		
Maximum Callable Securities	25%	4%	\$ 19,795,840	Yes		
Maximum Single Maturity	5 Years		4.56	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%		28.15%	\$ 148,618,730	Yes		
US Agencies Primary	100%		47.87%	\$ 252,741,490	Yes		
FHLB		25%	9.38%	\$ 49,514,150	Yes		
FNMA		25%	14.11%	\$ 74,485,240	Yes		
FHLMC		25%	12.18%	\$ 64,282,255	Yes		
FFCB		25%	12.21%	\$ 64,459,845	Yes		
US Agencies Secondary	10%	10%	0.00%	\$ -			
Municipal Obligations OR, CA, ID, WA	10%	5%	0.40%	\$ 2,105,260	Yes		Yes
Corporate Bonds (No Fossil Fuel)	25%	5%	5.64%	\$ 29,783,475	Yes	Yes	Yes
Commercial Paper	10%	5%	2.84%	\$ 14,983,599	Yes	Yes	Yes
Bank Deposits	50%	25%	4.44%	\$ 23,423,943	Yes	N/A	N/A
Certificates of Deposit	20%	10%	0.42%	\$ 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 ***		10.24%	\$ 54,086,169	Yes*	**	**
<b>Total</b>			<b>100%</b>	<b>\$ 527,947,666</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	\$ 242,000,000	\$ 241,608,516	\$ 239,646,135	\$ (1,962,381)	1.60	1.36	1.40
Multnomah County CD Fund	\$ 2,205,000	\$ 2,205,000	\$ 2,205,000	\$ -	1.08	0.19	0.10
Multnomah County Liquidity	\$ 286,510,112	\$ 286,138,249	\$ 286,096,531	\$ (41,718)	1.84	0.13	0.10
<b>TOTAL PORTFOLIO</b>	<b>\$ 530,715,112</b>	<b>\$ 529,951,765</b>	<b>\$ 527,947,666</b>	<b>\$ (2,004,099)</b>	<b>1.73</b>	<b>0.69</b>	<b>0.69</b>



# Total Funds Multnomah County

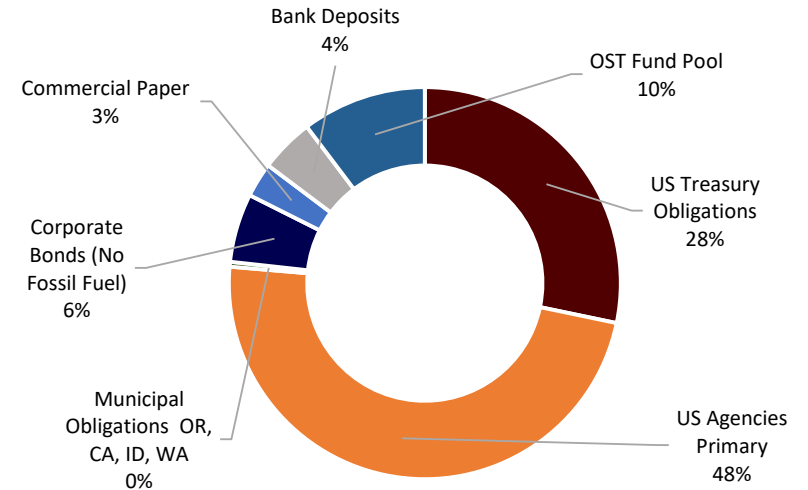
For Period June 01, 2018 - June 30, 2018

# Investment Report

Policy 2018 | 06/30/2018

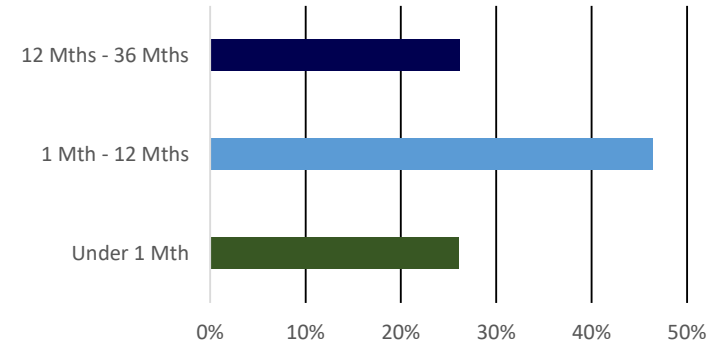
Investment Holdings at 06/30/2018	Market Value	% of Total Portfolio	Maximum Per Policy
US Treasury Obligations	\$ 148,618,730	28.15%	100%
US Agencies Primary	\$ 252,741,490	47.87%	100%
Municipal Obligations OR, CA, ID, WA	\$ 2,105,260	0.40%	10%
Corporate Bonds (No Fossil Fuel)	\$ 29,783,475	5.64%	25%
Commercial Paper	\$ 14,983,599	2.84%	10%
Bank Deposits	\$ 23,423,943	4.44%	50%
Certificates of Deposit	\$ 2,205,000	0.42%	20%
Bankers Acceptances	\$ -		10%
Repurchase Agreements	\$ -		10%
Reverse Repurchase Agreement	\$ -		10%
OST Fund Pool	\$ 54,086,169	10.24%	
<b>Total Portfolio</b>	<b>\$ 527,947,666</b>	<b>100.00%</b>	

<b>% of Portfolio With One Issuer:</b>			
Corporate Notes	\$ 14,957,400	2.83%	5%
State Obligations	\$ 2,105,260	0.40%	5%



## MATURITY DISTRIBUTION

Maturities from 06/30/2018	Per Maturity Bucket		Cumulative	
	Market Value	% of Total Portfolio	% of Total Portfolio	Minimum Per Policy
Under 1 Mth	\$ 137,710,121	26%	26%	10%
1 Mth - 12 Mths	\$ 245,132,960	46%	73%	35%
12 Mths - 36 Mths	\$ 138,089,710	26%	99%	100%
36 Mths - 60 Mths	\$ 7,014,875	1%	100%	0%



Average Maturity on 06/30/2018	0.72 Years	Maximum Per Policy
Average Maturity of portfolio (excluding bank / LGIP deposits)	1.37 Years	5 Years

## ACTIVITY & PERFORMANCE SUMMARY

Activity Summary	This Month	Fiscal Year-to-Date
Beginning Amortized Cost	\$ 586,393,452	\$ 409,412,858
Investment purchases	\$ 34,845,276	\$ 728,667,323
Investment maturities and sales	\$ (75,000,000)	\$ (604,695,000)
Amortization	\$ 226,185	\$ 2,000,593
Net cash deposit (withdrawals)	\$ (16,513,149)	\$ (5,434,008)
Realized Gain/Loss	\$ -	\$ -
<b>Ending Amortized Costs</b>	<b>\$ 529,951,765</b>	<b>\$ 529,951,765</b>
Market Value on 06/30/2018	\$ 527,947,666	

Performance Summary	This Month	Fiscal Year-to-Date
Amortization	\$ 226,185	\$ 2,000,593
Interest income	\$ 561,492	\$ 6,243,191
Realized gain (loss)	\$ -	\$ -
<b>Total income</b>	<b>\$ 787,678</b>	<b>\$ 8,243,783</b>
Average portfolio balance	\$ 565,335,012	\$ 599,407,833
Total Portfolio yield at cost on 06/30/2018	1.73%	
Investment Portfolio yield at cost (excluding bank / LGIP deposits)	1.60%	
Local Government Investment Pool interest rate	2.25%	



# Portfolio Appraisal - Settled Trades

US Dollar  
6/30/2018

## Multnomah County - Core Investment Fund

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>US Agency (USD)</b>								
10,000,000	3130A8PK3	FEDERAL HOME LOAN BANKS 0.625% Due 08-07-18	99.98	9,997,670.86	99.87	9,986,780.00	4.2	0.9
10,000,000	3136G02M2	FEDERAL NATL MTG ASSN 1.180% Due 10-30-18	99.90	9,990,138.96	99.70	9,970,330.00	4.2	1.5
10,000,000	3133782M2	FEDERAL HOME LOAN BANKS 1.500% Due 03-08-19	100.37	10,036,709.19	99.49	9,949,480.00	4.2	1.0
10,000,000	3134G9AW7	FEDERAL HOME LN MTG CORP 1.150% Due 04-26-19	99.97	9,997,269.41	99.05	9,905,310.00	4.1	1.2
10,000,000	3133EF5X1	FEDERAL FARM CR BKS 1.100% Due 05-03-19	100.07	10,006,952.15	98.99	9,898,970.00	4.1	1.0
15,000,000	313379EE5	FEDERAL HOME LOAN BANKS 1.625% Due 06-14-19	100.69	15,102,750.94	99.27	14,891,130.00	6.2	0.9
15,000,000	3137EAEB1	FEDERAL HOME LN MTG CORP 0.875% Due 07-19-19	99.94	14,990,836.86	98.42	14,763,045.00	6.2	0.9
10,000,000	3136G3X67	FEDERAL NATL MTG ASSN 1.100% Due 08-23-19	100.00	10,000,000.00	98.50	9,849,740.00	4.1	1.1
15,000,000	3133EHYJ6	FEDERAL FARM CR BKS 1.375% Due 09-12-19	99.86	14,978,920.11	98.76	14,814,705.00	6.2	1.5
10,000,000	3137EAE5	FEDERAL HOME LN MTG CORP 1.500% Due 01-17-20	99.98	9,998,306.40	98.43	9,842,910.00	4.1	1.5
10,000,000	3133EJNW5	FEDERAL FARM CR BKS 2.550% Due 05-15-20	99.82	9,982,358.81	99.90	9,989,610.00	4.2	2.6
10,000,000	3130ABPV2	FEDERAL HOME LOAN BANKS 1.690% Due 06-29-20	99.97	9,996,611.68	98.26	9,825,510.00	4.1	1.7
10,000,000	3135G0T60	FEDERAL NATL MTG ASSN 1.500% Due 07-30-20	99.81	9,980,554.97	97.73	9,772,840.00	4.1	1.6
5,000,000	3130ACE26	FEDERAL HOME LOAN BANKS 1.375% Due 09-28-20	97.25	4,862,725.52	97.23	4,861,250.00	2.0	2.6
10,000,000	3137EAEJ4	FEDERAL HOME LN MTG CORP 1.625% Due 09-29-20	97.72	9,771,984.98	97.82	9,782,410.00	4.1	2.7
10,000,000	3133EJAW9	FEDERAL FARM CR BKS 2.250% Due 01-29-21	99.47	9,946,921.67	98.92	9,891,870.00	4.1	2.5
10,000,000	3133EJCE7	FEDERAL FARM CR BKS 2.350% Due 02-12-21	99.07	9,906,841.99	99.15	9,914,570.00	4.1	2.7
10,000,000	3133EJEM7	FEDERAL FARM CR BKS 2.500% Due 03-01-21	99.80	9,980,334.67	99.50	9,950,120.00	4.2	2.6
5,000,000	3135G0T94	FEDERAL NATL MTG ASSN 2.375% Due 01-19-23	98.51	4,925,327.92	98.19	4,909,615.00	2.0	2.7
				<b>194,453,217.08</b>		<b>192,770,195.00</b>	<b>80.4</b>	<b>1.65</b>
<b>Corporate (USD)</b>								
5,000,000	478160BG8	JOHNSON & JOHNSON 1.650% Due 12-05-18	100.27	5,013,252.40	99.66	4,982,955.00	2.1	1.0
10,000,000	037833AQ3	APPLE INC 2.100% Due 05-06-19	100.45	10,044,915.44	99.69	9,969,390.00	4.2	1.6



# Portfolio Appraisal - Settled Trades

US Dollar  
6/30/2018

## 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	99.96	9,995,546.76	98.43	9,843,120.00	4.1	1.1
5,000,000	037833AR1	APPLE INC 2.850% Due 05-06-21	99.99	4,999,592.37	99.76	4,988,010.00	2.1	2.9
				<b>30,053,306.97</b>		<b>29,783,475.00</b>	<b>12.4</b>	<b>1.55</b>

### Municipal (USD)

2,000,000	93974CRA0	WASHINGTON ST 4.369% Due 08-01-22	105.22	2,104,399.90	105.26	2,105,260.00	0.9	3.0
				<b>2,104,399.90</b>		<b>2,105,260.00</b>	<b>0.9</b>	<b>3.00</b>

### US Treasury (USD)

15,000,000	912828S68	UNITED STATES TREAS NTS 0.750% Due 07-31-18	99.98	14,997,592.09	99.91	14,987,205.00	6.3	0.9
				<b>14,997,592.09</b>		<b>14,987,205.00</b>	<b>6.3</b>	<b>0.95</b>

<b>Total Portfolio</b>				<b>241,608,516.04</b>		<b>239,646,135.00</b>	<b>100.0</b>	<b>1.60</b>
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# Portfolio Appraisal - Settled Trades

US Dollar  
6/30/2018

## 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>





## Multnomah County Liquidity

# Portfolio Appraisal - Settled Trades

US Dollar  
6/30/2018

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	99.95	19,990,333.34	99.94	19,988,580.00	7.0	1.5
15,000,000	3135G0L68	FEDERAL NATL MTG ASSN 0.750% Due 07-27-18	99.94	14,991,127.95	99.92	14,987,490.00	5.2	1.6
25,000,000	3135G0YM9	FEDERAL NATL MTG ASSN 1.875% Due 09-18-18	100.05	25,011,638.65	99.98	24,995,225.00	8.7	1.7
				<b>59,993,099.94</b>		<b>59,971,295.00</b>	<b>21.0</b>	<b>1.58</b>
<b>US Treasury (USD)</b>								
10,000,000	912796PQ6	UNITED STATES TREAS BILLS 0.000% Due 07-12-18	99.95	9,994,614.58	99.95	9,995,340.00	3.5	1.8
10,000,000	912796PU7	UNITED STATES TREAS BILLS 0.000% Due 08-09-18	99.80	9,980,093.75	99.81	9,980,760.00	3.5	1.9
18,000,000	912828K82	UNITED STATES TREAS NTS 1.000% Due 08-15-18	99.93	17,986,516.02	99.89	17,980,848.00	6.3	1.6
25,000,000	9128282C3	UNITED STATES TREAS NTS 0.750% Due 08-31-18	99.85	24,963,268.90	99.81	24,952,675.00	8.7	1.6
10,000,000	912828RE2	UNITED STATES TREAS NTS 1.500% Due 08-31-18	99.93	9,992,616.64	99.93	9,993,200.00	3.5	1.9
18,000,000	912796NV7	UNITED STATES TREAS BILLS 0.000% Due 09-13-18	99.67	17,941,484.50	99.62	17,931,384.00	6.3	1.6
10,000,000	912796QA0	UNITED STATES TREAS BILLS 0.000% Due 09-27-18	99.53	9,953,005.56	99.54	9,954,450.00	3.5	2.0
8,000,000	912828T42	UNITED STATES TREAS NTS 0.750% Due 09-30-18	99.70	7,975,785.89	99.70	7,975,648.00	2.8	2.0
15,000,000	912828L81	UNITED STATES TREAS NTS 0.875% Due 10-15-18	99.70	14,955,035.40	99.68	14,951,700.00	5.2	1.9
10,000,000	912796QL6	UNITED STATES TREAS BILLS 0.000% Due 11-29-18	99.15	9,914,945.05	99.16	9,915,520.00	3.5	2.1
				<b>133,657,366.29</b>		<b>133,631,525.00</b>	<b>46.7</b>	<b>1.76</b>
<b>LGIP State Pool (USD)</b>								
54,086,169	OSTFLGIP	OREGON SHORT TERM FUND POOL 2.250% Due 07-29-18	100.00	54,086,169.01	100.00	54,086,169.01	18.9	2.3
				<b>54,086,169.01</b>		<b>54,086,169.01</b>	<b>18.9</b>	<b>2.25</b>
<b>Bank or Cash Deposit (USD)</b>								
3,311,920	SYSBADD1	BANK OF AMERICA 0.010% Due 07-29-18	100.00	3,311,920.46	100.00	3,311,920.46	1.2	0.0
9,757,392	SYSSSBMM1	UMPQUA BANK 1.750% Due 07-29-18	100.00	9,757,391.71	100.00	9,757,391.71	3.4	1.8



# Portfolio Appraisal - Settled Trades

US Dollar  
6/30/2018

## Multnomah County Liquidity

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
199,285	SYSUSB076	US BANK 0.010% Due 07-29-18	100.00	199,284.79	100.00	199,284.79	0.1	0.0
8,575,219	000WAFED	WASHINGTON FEDERAL 1.750% Due 07-29-18	100.00	8,575,219.08	100.00	8,575,219.08	3.0	1.8
1,580,127	SYSWCBMM1	WILLAMETTE COMMUNITY BANK 1.750% Due 07-29-18	100.00	1,580,127.28	100.00	1,580,127.28	0.6	1.8
				<b>23,423,943.32</b>		<b>23,423,943.32</b>	<b>8.2</b>	<b>1.49</b>

## Commercial Paper (USD)

15,000,000	89233HGQ1	TOYOTA MOTOR CREDIT CP 0.000% Due 07-24-18	99.85	14,977,670.83	99.89	14,983,599.00	5.2	2.4
				<b>14,977,670.83</b>		<b>14,983,599.00</b>	<b>5.2</b>	<b>2.39</b>

<b>Total Portfolio</b>				<b>286,138,249.40</b>		<b>286,096,531.33</b>	<b>100.0</b>	<b>1.84</b>
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### 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.