

## 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: September 12, 2018

Re: Investment Portfolio Results for August 2018

The County Investment Pool's annualized earnings rate for August was 1.82%. This was a ten basis point increase from the previous month's return of 1.72%. The year-to-date rate of return for Fiscal Year 2019 increased five basis points to 1.77%.

The U.S. Treasury 90-day T-Bill yield at the end of August was 2.11%. This was an eight basis point increase from July 31<sup>st</sup>.

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

Nonfarm payrolls increased by 201,000 in August, above the consensus forecast of 193,000. The economy has seen a record 95 months of consecutive job growth. The solid jobs report for August clears the path for two more rate increases this year. If all goes according to plan, the Fed will have "normalized" rates by the third quarter of next year, one that neither stimulates nor impedes growth.

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 08/31/18



## Investment Program

Prepared by:  
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## MONTH END COMMENTARY- AUGUST 2018

The summer doldrums hit the fixed income markets in full force during August. The economic data continues to support two more Fed Funds increases during the remainder of 2018 and the unfolding of those expected increases will ultimately provide the direction for yields for the coming months for the short end of the Treasury markets.

Economic strength in employment, and inflation now trading at the Fed's desired level of a Core PCE rate of 2% for the first time in six years, will keep the Fed on track for their well communicated expectations. As such, the market has fully discounted a 25-basis point increase in Fed Funds at the September 26 meeting and has an expected probability of a 65% chance that they will raise funds to 2.5% at their December 19 meeting. The expectations of two additional 2018 Fed Fund increases have been imbedded into the market for the last three months and has helped to hold yields steady as economic data remains firm. For the remainder of the year, yields should drift upwards ever so slightly with the primary caveat being an increase in Core PCE. The biggest risk to the Treasury market is a significant increase in the Core PCE above the desired rate of 2%, which could cause an upward acceleration in yields if there is a perception that the Fed is behind the inflation curve.

The two-year Treasury note ended the month of August 4 basis points below July's closing level while the five-year note was 11 basis points below the previous month's close. This caused the yield spread between the two-year note and the five-year note to decline to a decade low spread of 11 basis points. Much has been written recently about the flattening of the yield curve and its predictive power of determining the start of an economic recession. We still have close to 80 basis points between the 3-month bill and the ten year note before an inversion occurs. Perhaps at least 3 more Fed Fund increases.

### STRATEGY GOING FORWARD:

GPA expects the gradual increase in interest rates to continue along the path well communicated by the Federal Reserve. The expectations communicated by the Fed are well priced into the fixed income markets and one of the primary risks in the market is a substantial change to expectations. As such, we are targeting portfolio durations to stay close to their respective benchmark durations. Our current target range for portfolio duration relative to benchmark duration is unchanged this month at 90% to 100% of the respective benchmark. We may well move to higher rates over the next several quarters, but we expect this movement to most likely be methodical and at a pace that will accommodate reinvestments into higher yielding issues.

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

3 month bill	1.52
1 year note	1.13
2 year note	-0.20
3 year note	-1.17
5 year note	-2.20

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

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	0.28%	1.40
BAML 1-3 Year Treasury	0.32%	1.85
BAML 0-5 Year Treasury	0.37%	2.15
BAML 1-5 Year Treasury	0.43%	2.62

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

	8/31/2017	6/30/2018	7/31/2018	8/31/2018	Change from Last Month	Change from Prior Year
3 month bill	0.99	1.92	2.02	2.10	0.08	1.11
6 month bill	1.08	2.11	2.19	2.26	0.07	1.18
2 year note	1.32	2.53	2.67	2.63	-0.04	1.31
3 year note	1.43	2.62	2.77	2.69	-0.08	1.26
5 year note	1.70	2.74	2.85	2.74	-0.11	1.04
10 year note	2.12	2.86	2.96	2.86	-0.10	0.74

\*Source: Bloomberg



# Total Funds Multnomah County

# Compliance Report

Policy 2018 | 08/31/2018

	Policy Requirement	% of Total Accumulated	Portfolio Allocation	Within Limits	S&P	Moody's
Under 30 days	10%	37%	\$ 175,153,749	Yes	Muni's AA-	Aa3
Under 1 year	35%	73%	\$ 350,301,524	Yes	Corp Bonds AA-	Aa3
Under 5 years	100%	100%	\$ 477,308,939	Yes	C P A-1	P-1
				Yes	B A A-1+	P-1
Maximum Weighted Average Maturity	2		0.78	Yes		
Maximum Callable Securities	25%	2%	\$ 9,831,890	Yes		
Maximum Single Maturity	5 Years		4.39	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%		19.02%	\$ 90,772,084	Yes		
US Agencies Primary	100%		46.78%	\$ 223,298,665	Yes		
FHLB		25%	11.51%	\$ 54,931,830	Yes		
FNMA		25%	12.48%	\$ 59,553,575	Yes		
FHLMC		25%	9.30%	\$ 44,373,540	Yes		
FFCB		25%	13.50%	\$ 64,439,720	Yes		
US Agencies Secondary	10%	10%	0.00%	\$ -			
Municipal Obligations OR, CA, ID, WA	10%	5%	0.44%	\$ 2,096,580	Yes		Yes
Corporate Bonds (No Fossil Fuel)	25%	5%	6.25%	\$ 29,845,410	Yes	Yes	Yes
Commercial Paper	10%	5%	3.12%	\$ 14,907,056	Yes	Yes	Yes
Bank Deposits	50%	25%	5.33%	\$ 25,461,131	Yes	N/A	N/A
Certificates of Deposit	20%	10%	0.46%	\$ 2,205,000	Yes	Yes	Yes
Bankers Acceptances	10%	5%	0.00%	\$ -			
Repurchase Agreements	10%	5%	0.00%	\$ -			
Reverse Repurchase Agreement	10%	5%	0.00%	\$ -			
OST Fund Pool	ORS 294.810 ***		18.59%	\$ 88,723,014	Yes*	**	**
<b>Total</b>			<b>100%</b>	<b>\$ 477,308,939</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	\$ 241,914,469	\$ 240,227,085	\$ (1,687,384)	1.77	1.37	1.40
Multnomah County CD Fund	\$ 2,205,000	\$ 2,205,000	\$ 2,205,000	\$ -	1.65	0.86	0.10
Multnomah County Liquidity	\$ 235,184,145	\$ 234,874,662	\$ 234,876,854	\$ 2,193	1.96	0.09	0.10
<b>TOTAL PORTFOLIO</b>	<b>\$ 479,389,145</b>	<b>\$ 478,994,131</b>	<b>\$ 477,308,939</b>	<b>\$ (1,685,192)</b>	<b>1.86</b>	<b>0.74</b>	<b>0.75</b>



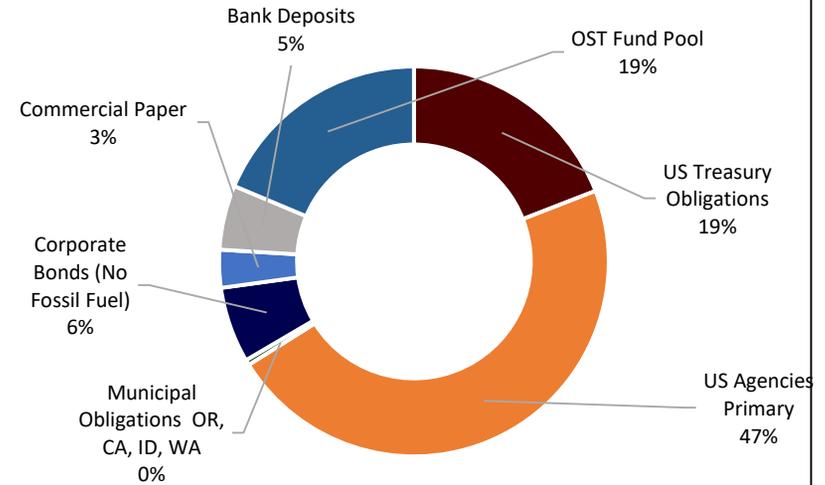
# Total Funds Multnomah County

For Period August 01, 2018 - August 31, 2018

# Investment Report

Policy 2018 | 08/31/2018

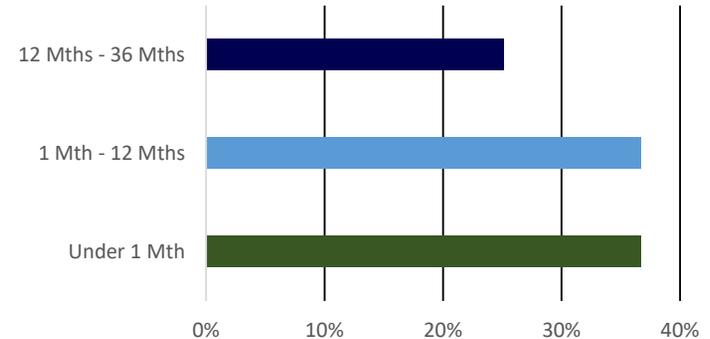
Investment Holdings at 08/31/2018	Market Value	% of Total Portfolio	Maximum Per Policy
US Treasury Obligations	\$ 90,772,084	19.02%	100%
US Agencies Primary	\$ 223,298,665	46.78%	100%
Municipal Obligations OR, CA, ID, WA	\$ 2,096,580	0.44%	10%
Corporate Bonds (No Fossil Fuel)	\$ 29,845,410	6.25%	25%
Commercial Paper	\$ 14,907,056	3.12%	10%
Bank Deposits	\$ 25,461,131	5.33%	50%
Certificates of Deposit	\$ 2,205,000	0.46%	20%
Bankers Acceptances	\$ -	-	10%
Repurchase Agreements	\$ -	-	10%
Reverse Repurchase Agreement	\$ -	-	10%
OST Fund Pool	\$ 88,723,014	18.59%	
<b>Total Portfolio</b>	<b>\$ 477,308,939</b>	<b>100.00%</b>	



% of Portfolio With One Issuer:			
Corporate Notes	\$ 14,979,685	3.14%	5%
State Obligations	\$ 2,096,580	0.44%	5%

## MATURITY DISTRIBUTION

Maturities from 08/31/2018	Per Maturity Bucket		Cumulative	
	Market Value	% of Total Portfolio	% of Total Portfolio	Minimum Per Policy
Under 1 Mth	\$ 175,153,749	37%	37%	10%
1 Mth - 12 Mths	\$ 175,147,776	37%	73%	35%
12 Mths - 36 Mths	\$ 119,998,260	25%	99%	100%
36 Mths - 60 Mths	\$ 7,009,155	1%	100%	0%



Average Maturity on 08/31/2018: 0.78 Years  
 Average Maturity of portfolio (excluding bank / LGIP deposits): 1.38 Years  
 Maximum Per Policy: 5 Years

## ACTIVITY & PERFORMANCE SUMMARY

Activity Summary	This Month	Fiscal Year-to-Date
Beginning Amortized Cost	\$ 490,886,568	\$ 529,951,765
Investment purchases	\$ 31,075,085	\$ 61,507,997
Investment maturities and sales	\$ (74,225,000)	\$ (149,470,000)
Amortization	\$ 145,123	\$ 330,336
Net cash deposit (withdrawals)	\$ 31,112,355	\$ 36,674,032
Realized Gain/Loss	\$ -	\$ -
<b>Ending Amortized Costs</b>	<b>\$ 478,994,131</b>	<b>\$ 478,994,131</b>
Market Value on 08/31/2018	\$ 477,308,939	

Performance Summary	This Month	Fiscal Year-to-Date
Amortization	\$ 145,123	\$ 330,336
Interest income	\$ 591,814	\$ 1,156,972
Realized gain (loss)	\$ -	\$ -
<b>Total income</b>	<b>\$ 736,936</b>	<b>\$ 1,487,307</b>
Average portfolio balance	\$ 478,605,319	\$ 498,512,702
Total Portfolio yield at cost on 08/31/2018	1.86%	
Investment Portfolio yield at cost (excluding bank / LGIP deposits)	1.77%	
Local Government Investment Pool interest rate	2.25%	



# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2018

## Multnomah County - Core Investment Fund

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>US Agency (USD)</b>								
10,000,000	3136G02M2	FEDERAL NATL MTG ASSN 1.180% Due 10-30-18	99.95	9,995,194.08	99.85	9,984,780.00	4.2	1.5
10,000,000	3133782M2	FEDERAL HOME LOAN BANKS 1.500% Due 03-08-19	100.28	10,027,668.40	99.60	9,959,500.00	4.1	1.0
10,000,000	3134G9AW7	FEDERAL HOME LN MTG CORP 1.150% Due 04-26-19	99.98	9,997,835.62	99.22	9,922,180.00	4.1	1.2
10,000,000	3133EF5X1	FEDERAL FARM CR BKS 1.100% Due 05-03-19	100.06	10,005,543.55	99.15	9,914,800.00	4.1	1.0
15,000,000	313379EE5	FEDERAL HOME LOAN BANKS 1.625% Due 06-14-19	100.56	15,084,440.68	99.41	14,911,305.00	6.2	0.9
15,000,000	3137EAEB1	FEDERAL HOME LN MTG CORP 0.875% Due 07-19-19	99.95	14,992,319.89	98.67	14,800,080.00	6.2	0.9
10,000,000	3136G3X67	FEDERAL NATL MTG ASSN 1.100% Due 08-23-19	100.00	10,000,000.00	98.69	9,869,000.00	4.1	1.1
15,000,000	3133EHYJ6	FEDERAL FARM CR BKS 1.375% Due 09-12-19	99.88	14,981,902.35	98.84	14,826,300.00	6.2	1.5
10,000,000	3137EAE5	FEDERAL HOME LN MTG CORP 1.500% Due 01-17-20	99.98	9,998,492.08	98.55	9,855,340.00	4.1	1.5
10,000,000	3133EJNW5	FEDERAL FARM CR BKS 2.550% Due 05-15-20	99.84	9,983,959.94	99.80	9,979,950.00	4.2	2.6
10,000,000	3130ABPV2	FEDERAL HOME LOAN BANKS 1.690% Due 06-29-20	99.97	9,996,900.48	98.32	9,831,890.00	4.1	1.7
10,000,000	3135G0T60	FEDERAL NATL MTG ASSN 1.500% Due 07-30-20	99.82	9,982,141.25	97.90	9,789,770.00	4.1	1.6
5,000,000	3130ACE26	FEDERAL HOME LOAN BANKS 1.375% Due 09-28-20	97.46	4,873,126.77	97.41	4,870,545.00	2.0	2.6
10,000,000	3137EAEJ4	FEDERAL HOME LN MTG CORP 1.625% Due 09-29-20	97.89	9,789,255.20	97.96	9,795,940.00	4.1	2.7
10,000,000	3133EJAW9	FEDERAL FARM CR BKS 2.250% Due 01-29-21	99.50	9,950,413.54	98.85	9,885,160.00	4.1	2.5
10,000,000	3133EJCE7	FEDERAL FARM CR BKS 2.350% Due 02-12-21	99.13	9,912,893.56	98.94	9,894,470.00	4.1	2.7
10,000,000	3133EJEM7	FEDERAL FARM CR BKS 2.500% Due 03-01-21	99.82	9,981,586.64	99.39	9,939,040.00	4.1	2.6
15,000,000	313373ZY1	FEDERAL HOME LOAN BANKS 3.625% Due 06-11-21	102.07	15,310,297.52	102.39	15,358,590.00	6.4	2.8
5,000,000	3135G0T94	FEDERAL NATL MTG ASSN 2.375% Due 01-19-23	98.56	4,928,116.72	98.25	4,912,575.00	2.0	2.7
				<b>199,792,088.27</b>		<b>198,301,215.00</b>	<b>82.5</b>	<b>1.78</b>
<b>Corporate (USD)</b>								
5,000,000	478160BG8	JOHNSON & JOHNSON 1.650% Due 12-05-18	100.16	5,008,018.97	99.86	4,993,165.00	2.1	1.0
10,000,000	037833AQ3	APPLE INC 2.100% Due 05-06-19	100.36	10,035,902.73	99.88	9,988,420.00	4.2	1.6



# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2018

## 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	99.96	9,996,231.87	98.73	9,872,560.00	4.1	1.1
5,000,000	037833AR1	APPLE INC 2.850% Due 05-06-21	99.99	4,999,616.70	99.83	4,991,265.00	2.1	2.9
				<b>30,039,770.27</b>		<b>29,845,410.00</b>	<b>12.4</b>	<b>1.55</b>
<b>Municipal (USD)</b>								
2,000,000	93974CRA0	WASHINGTON ST 4.369% Due 08-01-22	105.00	2,100,059.27	104.83	2,096,580.00	0.9	3.0
				<b>2,100,059.27</b>		<b>2,096,580.00</b>	<b>0.9</b>	<b>3.00</b>
<b>US Treasury (USD)</b>								
10,000,000	912796QB8	UNITED STATES TREAS BILLS 0.000% Due 10-04-18	99.83	9,982,551.25	99.84	9,983,880.00	4.2	1.9
				<b>9,982,551.25</b>		<b>9,983,880.00</b>	<b>4.2</b>	<b>1.94</b>
<b>Total Portfolio</b>				<b>241,914,469.06</b>		<b>240,227,085.00</b>	<b>100.0</b>	<b>1.77</b>



# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2018

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	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
245,000	SYS7502	UNITUS COMMUNITY CU CD 1.500% Due 07-24-19	100.00	245,000.00	100.00	245,000.00	11.1	1.5
245,000	SYS7505	PREMIER COMMUNITY BK (HERITAGE) CD 1.200% Due 08-01-19	100.00	245,000.00	100.00	245,000.00	11.1	1.2
245,000	SYS7509	HOMESTREET BANK CD 2.000% Due 09-18-19	100.00	245,000.00	100.00	245,000.00	11.1	2.0
245,000	SYS7510	WILLAMETTE COMMUNITY BK CD 2.000% Due 02-15-20	100.00	245,000.00	100.00	245,000.00	11.1	2.0
245,000	SYS7508	PACIFIC WEST BANK CD 2.000% Due 02-16-20	100.00	245,000.00	100.00	245,000.00	11.1	2.0
245,000	SYS7506	NORTHWEST COMMUNITY CU CD 1.900% Due 03-15-20	100.00	245,000.00	100.00	245,000.00	11.1	1.9
				<b>2,205,000.00</b>		<b>2,205,000.00</b>	<b>100.0</b>	<b>1.6</b>
<b>Total Portfolio</b>				<b>2,205,000.00</b>		<b>2,205,000.00</b>	<b>100.0</b>	<b>1.65</b>



Multnomah County Liquidity

Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2018

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>US Agency (USD)</b>								
25,000,000	3135G0YM9	FEDERAL NATL MTG ASSN 1.875% Due 09-18-18	100.01	25,002,504.52	99.99	24,997,450.00	10.6	1.7
				<b>25,002,504.52</b>		<b>24,997,450.00</b>	<b>10.6</b>	<b>1.66</b>
<b>US Treasury (USD)</b>								
18,000,000	912796NV7	UNITED STATES TREAS BILLS 0.000% Due 09-13-18	99.95	17,990,511.00	99.95	17,991,396.00	7.7	1.6
10,000,000	912796QA0	UNITED STATES TREAS BILLS 0.000% Due 09-27-18	99.86	9,986,115.28	99.88	9,987,830.00	4.3	2.0
8,000,000	912828T42	UNITED STATES TREAS NTS 0.750% Due 09-30-18	99.90	7,992,283.42	99.91	7,992,928.00	3.4	2.0
15,000,000	912828L81	UNITED STATES TREAS NTS 0.875% Due 10-15-18	99.88	14,981,335.45	99.87	14,980,860.00	6.4	1.9
10,000,000	912796QL6	UNITED STATES TREAS BILLS 0.000% Due 11-29-18	99.50	9,949,868.28	99.51	9,950,610.00	4.2	2.1
20,000,000	912796QN2	UNITED STATES TREAS BILLS 0.000% Due 12-13-18	99.41	19,881,899.05	99.42	19,884,580.00	8.5	2.1
				<b>80,782,012.47</b>		<b>80,788,204.00</b>	<b>34.4</b>	<b>1.93</b>
<b>LGIP State Pool (USD)</b>								
88,723,014	OSTFLGIP	OREGON SHORT TERM FUND POOL 2.250% Due 09-29-18	100.00	88,723,013.95	100.00	88,723,013.95	37.8	2.3
				<b>88,723,013.95</b>		<b>88,723,013.95</b>	<b>37.8</b>	<b>2.25</b>
<b>Bank or Cash Deposit (USD)</b>								
9,303,413	SYSBADD1	BANK OF AMERICA 0.010% Due 09-29-18	100.00	9,303,412.68	100.00	9,303,412.68	4.0	0.0
4,771,784	SYSSSBMM1	UMPQUA BANK 1.750% Due 09-29-18	100.00	4,771,784.14	100.00	4,771,784.14	2.0	1.8
198,623	SYSUSB076	US BANK 0.010% Due 09-29-18	100.00	198,622.95	100.00	198,622.95	0.1	0.0
9,602,407	000WAFED	WASHINGTON FEDERAL MMF 1.750% Due 09-29-18	100.00	9,602,406.83	100.00	9,602,406.83	4.1	1.8
1,584,904	SYSWCBMM1	WILLAMETTE COMMUNITY BANK 1.750% Due 09-29-18	100.00	1,584,904.00	100.00	1,584,904.00	0.7	1.8
				<b>25,461,130.60</b>		<b>25,461,130.60</b>	<b>10.8</b>	<b>1.11</b>



Multnomah County Liquidity

# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2018

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>Commercial Paper (USD)</b>								
15,000,000	89233HM68	TOYOTA MOTOR CREDIT CP 0.000% Due 12-06-18	99.37	14,906,000.00	99.38	14,907,055.50	6.3	2.4
				<b>14,906,000.00</b>		<b>14,907,055.50</b>	<b>6.3</b>	<b>2.4</b>
<b>Total Portfolio</b>				<b>234,874,661.54</b>		<b>234,876,854.05</b>	<b>100.0</b>	<b>1.96</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.