

Treasury Group

To: Deborah Kafoury – Chair, Board of County Commissioners  
Marissa Madrigal - Chief Operating Officer  
Investment Advisory Board Members (IAB)  
Eric Arellano – Chief Financial Officer  
Jennifer McGuirk - County Auditor

From: Jeff DeCosta, County Treasury

Date: September 13, 2019

Re: Investment Portfolio Results for August 2019

The County Investment Pool's annualized earnings rate for August was 2.35%. The year-to-date rate of return for Fiscal Year 2020 stayed the same at 2.35%.

The U.S. Treasury 90-day T-Bill yield at the end of August was 1.99%. This was a nine basis point decrease from July 31<sup>st</sup>.

The current yield for the State's Local Government Investment Pool is 2.60%.

Nonfarm payrolls increased by 130,000 in August, below market expectations of 160,000. The unemployment rate was unchanged at 3.7% and has remained under 4% since February. The sustained strength in consumer spending is keeping recession fears at bay. A majority of market participants expect the Fed to cut rates by another 25 bps at next week's meeting. Global headwinds will continue to be a drag on growth going forward.

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 08/31/19



## Investment Program

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## MONTH END COMMENTARY- AUGUST 2019

Weakness in global economic growth and a continuation of trade issues with China helped send Treasury yields substantially lower during August. The FOMC lowered the fed funds rate by 25 basis points on the last day of July, but the market perceived that move to be insufficient to counter the negative developments in U.S. and global economic growth. The two-year Treasury note declined by 37 basis point falling to a month-end yield of 1.50% from a yield of 1.87% at the end of July. Longer maturities declined even more with the five-year Treasury note falling 44 basis points, and the thirty-year Treasury note falling 56 basis points to an all-time low of 1.96%. The sharp decline in yields were accompanied with further inversion of the curve. The additional inversion was a strong vote by the market of the need for additional easing of interest rates by the Federal Reserve. The yield relationship of the 3-month Treasury bill to the 10-year Treasury note declined from a yield spread of minus five basis points to a yield spread of minus 48 basis points. The Fed is now most likely three to four eases behind the market before the yield curve returns to a more normal positive yield relationship. The fed funds futures market is now pricing in a 100% probability that the Fed will ease rates at their next meeting on September 18. The probability of a 25-basis point cut is trading at 96% while there is only a 4% probability that the Fed would drop rates by 50 basis points at their next meeting. The Treasury curve is now pricing in a drop of 125 basis points in the fed funds rate over the next year. Fed funds are expected to trade close to 1% in September of 2020.

The August jobs report was weaker than expected with an increase of 130,000 in nonfarm payrolls. Average monthly job gains in 2019 are now running at a rate of 158,000 per month which is down sharply from a growth rate of 223,000 in 2018. U.S. GDP decelerated during the first eight months of 2019. GDP registered a growth rate of 3.1% in Q1 2019, and then fell to 2% during Q2 2019. Q3 and Q4 GDP is expected to decline to less than 2% growth.

GPA expects the Fed to cut rates by 25 basis points at the Fed's next meeting on September 18. Short duration Treasury investors should continue to be well diversified in maturities with expectations that rates are most likely trading in a secular downtrend. Due to the extraordinary drop of yields in August, the market may be ready for a period of consolidation. We believe yields are still in a secular downtrend but have now discounted a significant drop in the fed funds rate. Economic conditions will need to weaken substantially for yields to drop much further near term. We continue to recommend that portfolios stay fully invested but move to a more cautionary stance until we experience weaker economic data.

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

3 month bill	2.363%
1 year note	3.074%
2 year note	4.376%
3 year note	5.944%
5 year note	9.079%

### TREASURY BENCHMARK TOTAL RETURNS IN MONTH:

Benchmark	Period Return	YTM	Duration (Years)
ICE BAML 90 Day Bill	0.21%	1.93%	0.24
ICE BAML 0-1 Year Treasury	0.29%	1.92%	0.48
ICE BAML 0-3 Year Treasury	0.65%	1.68%	1.40
ICE BAML 0-5 Year Treasury	0.99%	1.60%	2.10

### CHANGES IN THE TREASURY MARKET (ABSOLUTE YIELD LEVELS):

	8/31/2018	6/30/2019	7/31/2019	8/31/2019	Monthly Change	Yearly Change
3 month bill	2.09%	2.09%	2.06%	1.98%	-0.09%	-0.12%
6 month bill	2.26%	2.09%	2.07%	1.87%	-0.20%	-0.39%
2 year note	2.63%	1.76%	1.87%	1.50%	-0.37%	-1.12%
3 year note	2.69%	1.71%	1.83%	1.43%	-0.40%	-1.26%
5 year note	2.74%	1.77%	1.83%	1.39%	-0.44%	-1.35%
10 year note	2.86%	2.01%	2.01%	1.50%	-0.52%	-1.36%

Source: Bloomberg



# Total Funds Multnomah County

# Compliance Report

Policy 2017 | 08/31/2019

Maturity Constraints	Policy Requirement	% of Total Accumulated	Portfolio Allocation	Within Limits	Minimum Ratings at Purchase		
					S&P	Moody's	
Under 30 days	10%	39%	\$ 177,358,465	Yes	Corp Bonds	AA-	Aa3
Under 1 years	35%	64%	\$ 290,820,932	Yes	Corp 2%	A-	A3
Under 5 years	100%	100%	\$ 456,030,256	Yes	C P	A-1	P-1
Maximum Weighted Average Maturity	2 Years		0.86	Yes	B A	A-1+	P-1 F1
Maximum Callable Securities	25%	2%	\$ 9,995,250	Yes			
Maximum Single Maturity	5 Years		3.02	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%		31.46%	\$ 143,488,302	Yes		
US Agencies Primary	100%		37.22%	\$ 169,743,616	Yes		
FHLB		25%	10.69%	\$ 48,770,195	Yes		
FNMA		25%	2.19%	\$ 9,973,323	Yes		
FHLMC		25%	4.38%	\$ 19,980,407	Yes		
FFCB		25%	19.96%	\$ 91,019,692	Yes		
US Agencies Secondary	10%	10%					
Municipal Obligations OR, CA, ID, WA	10%	5%	2.74%	\$ 12,472,831	Yes		Yes
Corporate Bonds (No Fossil Fuel)	25%	5%	4.46%	\$ 20,324,145	Yes	Yes	Yes
Commercial Paper			2.17%	\$ 9,903,783	Yes	Yes	Yes
Bank Deposits	50%	25%	8.73%	\$ 39,828,109	Yes	*	*
Certificates of Deposit	20%	10%	1.53%	\$ 6,960,000	Yes	Yes	Yes
Bankers Acceptances	10%	5%					
Repurchase Agreements	10%	5%					
Reverse Repurchase Agreement	10%	5%					
OST Fund Pool	ORS 294.810 ***		11.69%	\$ 53,309,471	Yes*	**	**
<b>Total</b>			<b>100%</b>	<b>\$ 456,030,256</b>			

\*\*\* Current ORS Maximum \$ 49,500,000 \* FDIC or collateralized

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

## STRATEGY REPORT

**Benchmark: BofA Merrill 0-3 year Treasury**

Name	Par Amount	Total Adjusted Cost	Market Value	Unrealized Gain/Loss	Yield At Cost	Eff Dur	Bench Dur
Multnomah County - Core Investment Fund	\$ 260,567,000	\$ 260,581,939	\$ 263,074,304	\$ 2,492,365	2.31	1.36	1.40
Multnomah Liquidity- Bank and OSTF Pool	\$ 93,137,579	\$ 93,137,579	\$ 93,137,579		2.32	0.05	0.10
Multnomah County Cash Matched	\$ 93,000,000	\$ 92,836,902	\$ 92,858,373	\$ 21,471	2.49	0.09	0.10
Multnomah County CD Fund	\$ 6,960,000	\$ 6,960,000	\$ 6,960,000		2.29	0.18	0.10
<b>TOTAL PORTFOLIO</b>	<b>\$ 453,664,579</b>	<b>\$ 453,516,420</b>	<b>\$ 456,030,256</b>	<b>\$ 2,513,836</b>	<b>2.35</b>	<b>0.82</b>	<b>0.85</b>



# Total Funds Multnomah County

For Period August 01, 2019 - August 31, 2019

# Investment Report

Policy 2017 | 08/31/2019

## HOLDINGS DISTRIBUTION

Investment Holdings at 08/31/2019	Market Value	% of Total Portfolio	Maximum Per Policy
US Treasury Obligations	\$ 143,488,302	31.46%	100%
US Agencies Primary	\$ 169,743,616	37.22%	100%
Municipal Obligations OR, CA, ID, WA	\$ 12,472,831	2.74%	10%
Corporate Bonds (No Fossil Fuel)	\$ 20,324,145	4.46%	25%
Commercial Paper	\$ 9,903,783	2.17%	
Bank Deposits	\$ 39,828,109	8.73%	50%
Certificates of Deposit	\$ 6,960,000	1.53%	20%
Bankers Acceptances	\$ -		10%
Reverse Repurchase Agreement	\$ -		10%
OST Fund Pool	\$ 53,309,471	11.69%	ORS
<b>Total Portfolio</b>	<b>\$ 456,030,256</b>	<b>100.00%</b>	

### % of Portfolio With One Issuer:

Corporate Notes	\$ 10,171,773	2.23%	5%
State Obligations	\$ 5,229,050	1.15%	5%

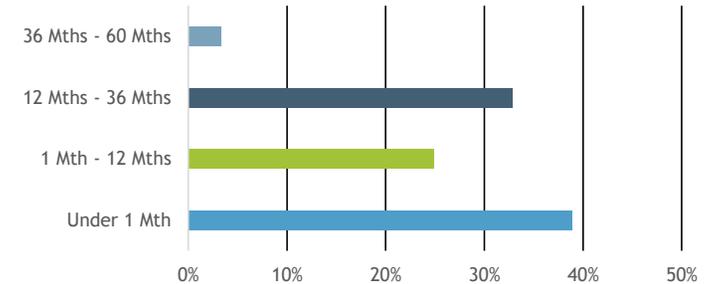


## MATURITY DISTRIBUTION

Maturities from 08/31/2019	Per Maturity Bucket		Cumulative		Minimum Per Policy
	Market Value	% of Total Portfolio	% of Total Portfolio		
Under 1 Mth	\$ 177,358,465	39%	39%		10%
1 Mth - 12 Mths	\$ 113,462,467	25%	64%		
12 Mths - 36 Mths	\$ 149,956,960	33%	97%		35%
36 Mths - 60 Mths	\$ 15,252,364	3%	100%		100%

Average Maturity on 08/31/2019: 0.86 Years  
 Average Maturity of Investments (excluding bank / LGIP deposits): 1.39 Years

Maximum Per Policy: 5 Years



## ACTIVITY & PERFORMANCE SUMMARY

Activity Summary	This Month	Fiscal Year-to-Date
Beginning Amortized Cost	\$ 487,750,656	\$ 536,293,595
Investment purchases	\$ 30,615,740	\$ 75,925,877
Investment maturities and sales	\$ (49,490,000)	\$ (168,726,000)
Amortization	\$ 215,570	\$ 503,081
Net cash deposit (withdrawals)	\$ (15,575,547)	\$ 9,528,867
Realized Gain/Loss	\$ -	\$ (9,000)
<b>Ending Amortized Costs</b>	<b>\$ 453,516,420</b>	<b>\$ 453,516,420</b>

Market Value on 08/31/2019: \$ 456,030,256

Performance Summary	This Month	Fiscal Year-to-Date
Amortization	\$ 215,570	\$ 503,081
Interest income	\$ 738,966	\$ 1,492,640
Realized gain (loss)	\$ -	\$ (9,000)
<b>Total income</b>	<b>\$ 954,537</b>	<b>\$ 1,986,722</b>
Average portfolio balance	\$ 482,556,308	\$ 503,576,401

Daily Average annualized earned for the period: 2.35%  
 Investment Portfolio yield at cost (excluding bank / LGIP deposits): 2.31%  
 Local Government Investment Pool interest rate: 2.60%



# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2019

## Multnomah County - Core Investment Fund

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>US Agency (USD)</b>								
15,000,000	3133EHYJ6	FEDERAL FARM CR BKS 1.375% Due 09-12-19	100.00	14,999,470.52	99.98	14,997,621.30	5.7	1.5
10,000,000	3137EAE5	FEDERAL HOME LN MTG CORP 1.500% Due 01-17-20	100.00	9,999,586.09	99.83	9,983,387.90	3.8	1.5
10,000,000	3133EJNW5	FEDERAL FARM CR BKS 2.550% Due 05-15-20	99.93	9,993,379.41	100.45	10,045,419.80	3.8	2.6
10,000,000	3130ABPV2	FEDERAL HOME LOAN BANKS 1.690% Due 06-29-20	99.99	9,998,599.74	99.95	9,995,249.60	3.8	1.7
10,000,000	3135G0T60	FEDERAL NATL MTG ASSN 1.500% Due 07-30-20	99.91	9,991,479.78	99.73	9,973,322.80	3.8	1.6
8,000,000	313370US5	FEDERAL HOME LOAN BANKS 2.875% Due 09-11-20	100.16	8,013,115.18	101.13	8,090,524.32	3.1	2.7
5,000,000	3130ACE26	FEDERAL HOME LOAN BANKS 1.375% Due 09-28-20	98.69	4,934,330.60	99.62	4,980,765.05	1.9	2.6
10,000,000	3137EAEJ4	FEDERAL HOME LN MTG CORP 1.625% Due 09-29-20	98.91	9,890,850.57	99.97	9,997,018.80	3.8	2.7
10,000,000	3133EJAW9	FEDERAL FARM CR BKS 2.250% Due 01-29-21	99.71	9,970,970.54	100.89	10,088,686.40	3.8	2.5
10,000,000	3133EJCE7	FEDERAL FARM CR BKS 2.350% Due 02-12-21	99.48	9,948,485.57	101.04	10,104,171.80	3.8	2.7
10,000,000	3133EJEM7	FEDERAL FARM CR BKS 2.500% Due 03-01-21	99.89	9,988,949.50	101.28	10,127,982.20	3.8	2.6
15,000,000	313373ZY1	FEDERAL HOME LOAN BANKS 3.625% Due 06-11-21	101.32	15,198,514.72	103.58	15,536,475.90	5.9	2.8
10,000,000	3133EJK24	FEDERAL FARM CR BKS 3.000% Due 10-19-21	100.07	10,007,464.77	102.90	10,289,945.70	3.9	3.0
10,000,000	313379Q69	FEDERAL HOME LOAN BANKS 2.125% Due 06-10-22	100.72	10,071,907.22	101.67	10,167,179.80	3.9	1.9
10,017,000	3133EKRD0	FEDERAL FARM CR BKS 1.875% Due 06-14-22	99.88	10,004,789.67	100.96	10,113,500.27	3.8	1.9
15,000,000	3133EKPC4	FEDERAL FARM CR BKS 2.125% Due 09-06-22	100.59	15,087,958.71	101.68	15,252,364.20	5.8	1.9
				<b>168,099,852.59</b>		<b>169,743,615.84</b>	<b>64.5</b>	<b>2.2</b>
<b>Corporate (USD)</b>								
5,000,000	037833AR1	APPLE INC 2.850% Due 05-06-21	100.00	4,999,759.71	101.70	5,084,919.60	1.9	2.9
10,000,000	594918BW3	MICROSOFT CORP 2.400% Due 02-06-22	101.43	10,142,843.84	101.72	10,171,772.70	3.9	1.8
5,000,000	037833CQ1	APPLE INC 2.300% Due 05-11-22	97.56	4,878,086.82	101.35	5,067,452.85	1.9	3.3
				<b>20,020,690.37</b>		<b>20,324,145.15</b>	<b>7.7</b>	<b>2.4</b>



# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2019

Multnomah County - Core Investment Fund

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>Municipal (USD)</b>								
1,550,000	68607VZ32	OREGON ST LOTTERY REVENUE 2.448% Due 04-01-20	100.00	1,550,000.00	100.37	1,555,766.00	0.6	2.4
1,000,000	68608VDQ4	OREGON ST DEPT ADMINISTRATIVE COPS 2.678% Due 05-01-20	100.00	1,000,000.00	100.55	1,005,500.00	0.4	2.7
2,500,000	68607VZ40	OREGON ST LOTTERY REVENUE 2.450% Due 04-01-21	100.00	2,500,000.00	101.16	2,528,875.00	1.0	2.5
5,000,000	59163PKE2	METRO OREGON 3.500% Due 06-01-22	102.90	5,144,806.01	104.58	5,229,050.00	2.0	2.4
2,000,000	93974CRA0	WASHINGTON ST 4.369% Due 08-01-22	103.73	2,074,519.31	107.68	2,153,640.00	0.8	3.0
				<b>12,269,325.32</b>		<b>12,472,831.00</b>	<b>4.7</b>	<b>2.5</b>
<b>US Treasury (USD)</b>								
20,500,000	912796RY7	UNITED STATES TREAS BILLS 0.000% Due 01-30-20	98.98	20,289,892.94	99.24	20,343,872.00	7.7	2.5
20,000,000	912828XM7	UNITED STATES TREAS NTS 1.625% Due 07-31-20	99.22	19,844,774.25	99.82	19,964,840.00	7.6	2.5
10,000,000	9128285B2	UNITED STATES TREAS NTS 2.750% Due 09-30-20	100.44	10,043,524.75	101.05	10,104,690.00	3.8	2.3
10,000,000	9128284G2	UNITED STATES TREAS NTS 2.375% Due 04-15-21	100.14	10,013,878.43	101.20	10,120,310.00	3.8	2.3
				<b>60,192,070.36</b>		<b>60,533,712.00</b>	<b>23.0</b>	<b>2.4</b>
<b>Total Portfolio</b>				<b>260,581,938.65</b>		<b>263,074,303.99</b>	<b>100.0</b>	<b>2.3</b>



# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2019

## Multnomah Liquidity- Bank and OSTF Pool

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>LGIP State Pool (USD)</b>								
53,309,471	OSTFLGIP	OREGON SHORT TERM FUND POOL 2.600% Due 09-29-19	100.00	53,309,470.58	100.00	53,309,470.58	57.2	2.6
				<b>53,309,470.58</b>		<b>53,309,470.58</b>	<b>57.2</b>	<b>2.6</b>
<b>Bank or Cash Deposit (USD)</b>								
2,594,283	SYSBADD1	BANK OF AMERICA 0.010% Due 09-29-19	100.00	2,594,283.20	100.00	2,594,283.20	2.8	0.0
24,126,872	SYSSSBMM1	UMPQUA BANK 2.150% Due 09-29-19	100.00	24,126,871.69	100.00	24,126,871.69	25.9	2.2
194,931	SYSUSB076	US BANK 0.010% Due 09-29-19	100.00	194,931.12	100.00	194,931.12	0.2	0.0
11,299,235	000WAFED	WASHINGTON FEDERAL MMF 2.000% Due 09-29-19	100.00	11,299,234.96	100.00	11,299,234.96	12.1	2.0
1,612,788	SYSWCBMM1	WILLAMETTE COMMUNITY BANK 1.750% Due 09-29-19	100.00	1,612,787.67	100.00	1,612,787.67	1.7	1.8
				<b>39,828,108.64</b>		<b>39,828,108.64</b>	<b>42.8</b>	<b>1.9</b>
<b>Total Portfolio</b>				<b>93,137,579.22</b>		<b>93,137,579.22</b>	<b>100.0</b>	<b>2.3</b>



# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2019

Multnomah County Cash Matched

Quantity	Symbol	Security	Unit Adj. Cost	Total Adjusted Cost	Price	Market Value	% Assets	Yield
<b>US Treasury (USD)</b>								
20,000,000	912796VT3	UNITED STATES TREAS BILLS 0.000% Due 09-03-19	99.99	19,997,793.67	100.00	20,000,000.00	21.5	2.0
19,000,000	912796RA9	UNITED STATES TREAS BILLS 0.000% Due 09-12-19	99.92	18,985,191.30	99.95	18,991,089.00	20.5	2.6
25,000,000	9128282X7	UNITED STATES TREAS NTS 1.375% Due 09-30-19	99.90	24,974,254.26	99.95	24,987,175.00	26.9	2.7
19,000,000	912828T59	UNITED STATES TREAS NTS 1.000% Due 10-15-19	99.80	18,961,482.37	99.88	18,976,326.00	20.4	2.7
				<b>82,918,721.60</b>		<b>82,954,590.00</b>	<b>89.3</b>	<b>2.5</b>
<b>Commercial Paper (USD)</b>								
10,000,000	89233GAG1	TOYOTA MOTOR CREDIT CP 0.000% Due 01-16-20	99.18	9,918,180.56	99.04	9,903,783.00	10.7	2.2
				<b>9,918,180.56</b>		<b>9,903,783.00</b>	<b>10.7</b>	<b>2.2</b>
<b>Total Portfolio</b>				<b>92,836,902.16</b>		<b>92,858,373.00</b>	<b>100.0</b>	<b>2.5</b>



# Portfolio Appraisal - Settled Trades

US Dollar  
8/31/2019

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>								
5,000,000	SYS7558	JP MORGAN CHASE CD 2.320% Due 09-12-19	100.00	5,000,000.00	100.00	5,000,000.00	71.8	2.3
245,000	SYS7509	HOMESTREET BANK CD 2.000% Due 09-18-19	100.00	245,000.00	100.00	245,000.00	3.5	2.0
245,000	SYS7520	SUMMIT BANK CD 2.000% Due 11-15-19	100.00	245,000.00	100.00	245,000.00	3.5	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	3.5	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	3.5	1.9
245,000	SYS7521	UMPQUA BANK CD 2.800% Due 05-20-20	100.00	245,000.00	100.00	245,000.00	3.5	2.8
245,000	SYS7567	PREMIER COMMUNITY BK (HERITAGE) CD 2.250% Due 07-05-20	100.00	245,000.00	100.00	245,000.00	3.5	2.3
245,000	SYS7564	UNITUS COMMUNITY CU CD 2.670% Due 07-24-20	100.00	245,000.00	100.00	245,000.00	3.5	2.7
245,000	SYS7568	WILLAMETTE COMMUNITY BK CD 2.000% Due 08-15-20	100.00	245,000.00	100.00	245,000.00	3.5	2.0
				<b>6,960,000.00</b>		<b>6,960,000.00</b>	<b>100.0</b>	<b>2.3</b>
<b>Total Portfolio</b>				<b>6,960,000.00</b>		<b>6,960,000.00</b>	<b>100.0</b>	<b>2.3</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.