City of Naperville
Quarterly Cash and Investment Report
June 30, 2026

Schedule of Investment Rates, Portfolio Summary by Category, Portfolio Weighting, and Yields

FY26 Yields by Account

	MetLife *Yield to Maturity at Market*	PFM *Yield to Maturity at Market*	Wintrust MFT	Wintrust General	Emergency Telephone Systems Board
YTD 2025 Monthly Average	***4.42%***	***4.49%***	***4.64%***	***4.59%***	***n/a***
January 2026	4.05%	4.05%	3.95%	4.00%	
February 2026	3.91%	3.82%	3.91%	3.88%	
March 2026	4.32%	4.28%	3.90%	3.85%	
April 2026	4.40%	4.33%	3.89%	3.83%	3.89%
May 2026	4.47%	4.41%	3.85%	3.82%	3.85%
June 2026	4.57%	4.50%	3.88%	3.79%	3.88%
July 2026					
August 2026					
September 2026					
October 2026					
November 2026					
December 2026					
YTD Monthly Average	**4.29%**	**4.23%**	**3.90%**	**3.86%**	**3.87%**

Cash & Investment Balances by Account

	MetLife Balances	PFM Balances	Wintrust MFT	Wintrust General	Emergency Telephone Systems Board	Total Cash & Investment Portfolio
January 2026	$ 91,692,891	$ 107,165,489	$ 9,954,664	$ 9,450,929		$ 218,263,972
February 2026	$ 92,700,715	$ 108,530,658	$ 10,681,675	$ 10,776,486		$ 222,689,534
March 2026	$ 91,589,168	$ 107,185,194	$ 11,062,006	$ 18,773,541		$ 228,609,908
April 2026	$ 91,817,545	$ 107,519,373	$ 11,549,352	$ 15,766,384	$ 3,615,622	$ 230,268,275
May 2026	$ 91,973,628	$ 107,562,392	$ 12,108,943	$ 8,509,229	$ 4,027,326	$ 224,181,517
June 2026	$ 92,090,043	$ 107,544,809	$ 12,258,591	$ 21,055,639	$ 5,177,858	$ 238,126,940
July 2026						
August 2026						
September 2026						
October 2026						
November 2026						
December 2026						

NOTES:

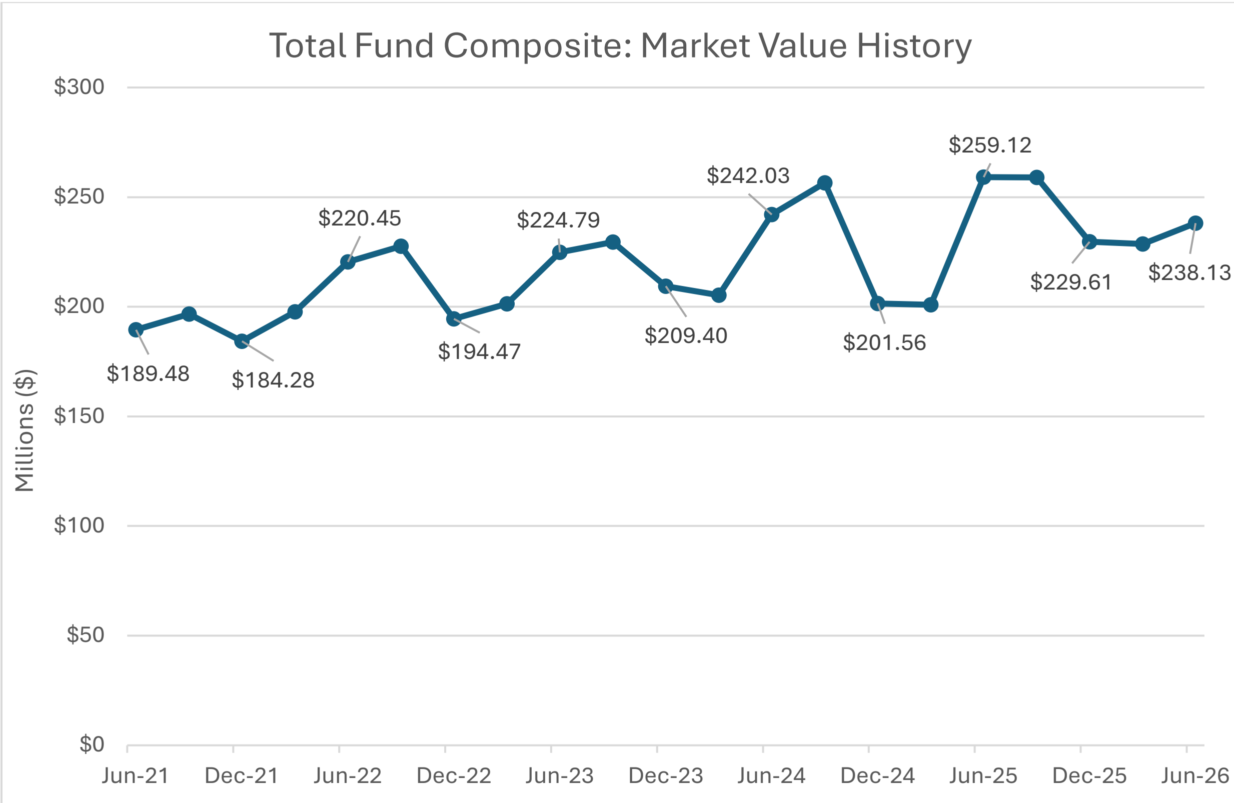
[a] Balances exclude Police and Fire pensions.

[b] MetLife and PFM Balances tie to monthly statements; as a result they exclude acccrued interest.

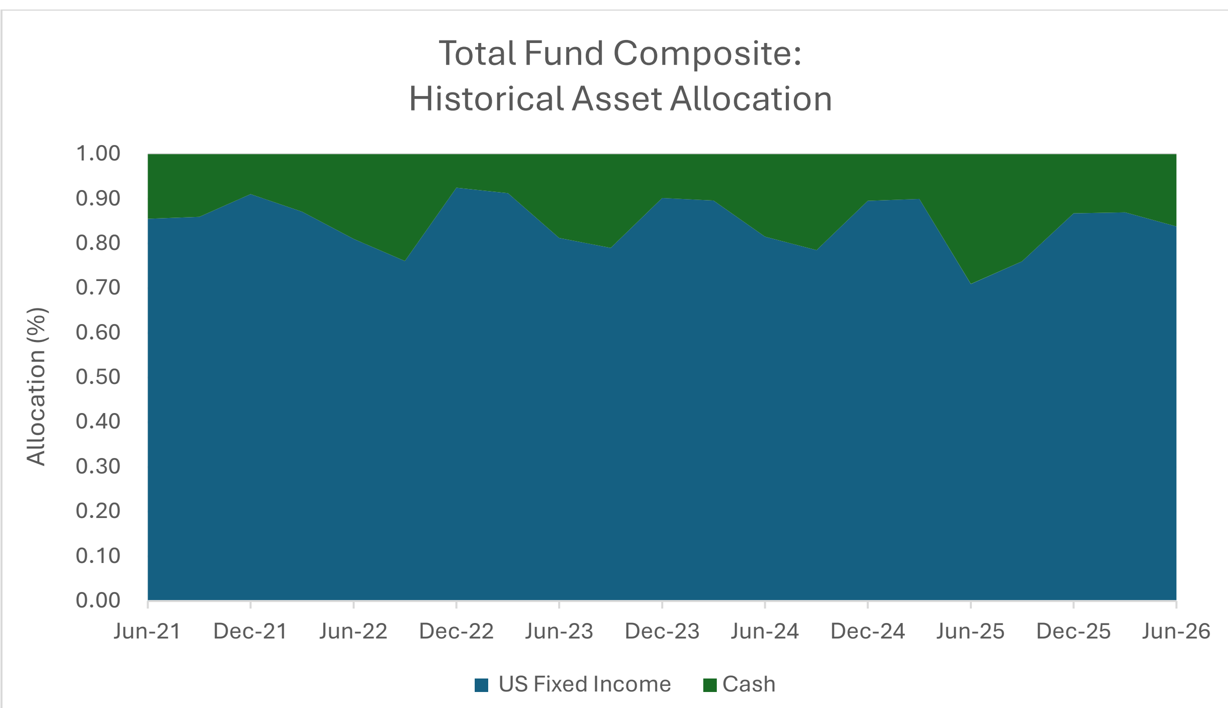
Total Portfolio Weighting & Yield

	Cash	Investments	Portfolio Totals	Portfolio Weighted Yield
January 2026	8.89%	91.11%	100.00%	4.04%
February 2026	9.64%	90.36%	100.00%	3.86%
March 2026	13.05%	86.95%	100.00%	4.24%
April 2026	13.43%	86.57%	100.00%	4.29%
May 2026	10.99%	89.01%	100.00%	4.37%
June 2026	16.16%	83.84%	100.00%	4.42%
July 2026				
August 2026				
September 2026				
October 2026				
November 2026				
December 2026				
YTD Monthly Average	**12.03%**	**87.97%**	**100.00%**	**4.21%**

[c] Cash on hand shall not exceed 10% of the annual City budget. The Director of Finance, or designee, shall monitor cash flow to determine the appropriate amount of cash on hand. At the conclusion of each fiscal year, any cash in excess of the minimum amount needed shall be transferred to the money managers.

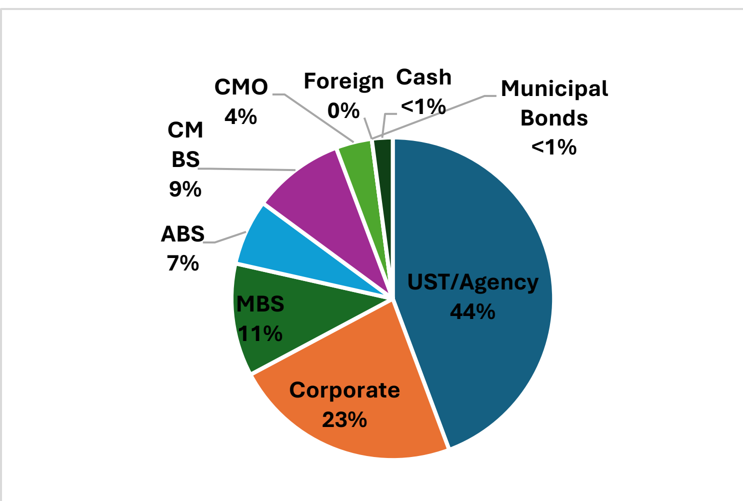


[a] Cash flow fluctuates due to receipts from the timing of property taxes and bond issuances.

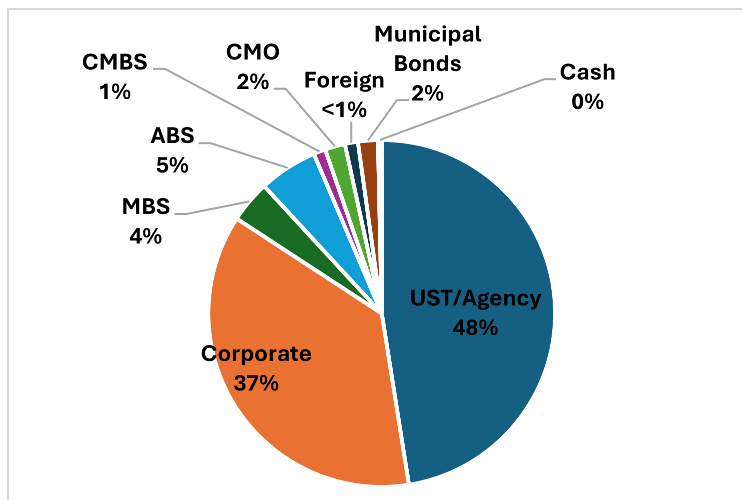


Fixed Income Composite			
	PFM	**MetLife**	**Combined**
UST/Agency	47,652,376.42	43,737,161.57	91,389,537.99
Corporate	24,623,717.74	33,817,082.77	58,440,800.51
MBS	12,164,406.01	3,607,550.62	15,771,956.63
ABS	7,078,039.77	5,031,514.07	12,109,553.84
CMBS	9,883,748.80	1,025,775.99	10,909,524.79
CMO	3,898,866.19	1,731,643.77	5,630,509.96
Foreign	0.00	1,114,978.86	1,114,978.86
Municipal Bonds	0.00	1,706,258.04	1,706,258.04
Cash	2,243,654.15	318,077.01	2,561,731.16
Total	**107,544,809.08**	**92,090,042.70**	**199,634,851.78**

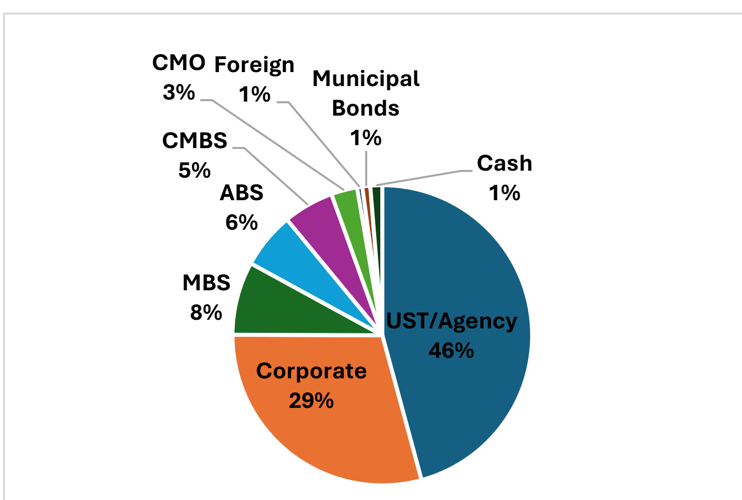
PFM Sector Distribution



MetLife Sector Distribution



Combined



City of Naperville

Intermediate Gov/Credit

Second Quarter Review
As of June 30, 2026

Contents

MetLife Investment Management

2Q 2026 Market Review

	Index	OAS TSY	QTD OAS Δ	YTD OAS Δ	QTD Total Return	YTD Total Return	QTD Excess Return	YTD Excess Return
	US Aggregate Index	26	-4	-1	0.67%	0.62%	0.38%	0.30%
	Bloomberg MBS Index	24	0	2	0.58%	0.99%	0.30%	0.45%
	Bloomberg CMBS Index	64	-7	-11	0.45%	0.77%	0.37%	0.70%
	Bloomberg ABS Index	44	-9	-8	0.75%	1.07%	0.36%	0.46%
	US Credit Index	69	-14	-4	1.33%	0.85%	1.11%	0.66%
	US Corporate Index	74	-15	-4	1.40%	0.86%	1.17%	0.67%
	Industrials	72	-13	-4	1.34%	0.87%	1.08%	0.67%
	Financials	75	-20	-3	1.43%	0.75%	1.25%	0.57%
	Utilities	77	-15	-7	1.64%	1.15%	1.37%	0.95%
	Non-Corporate Credit	35	-7	-5	0.84%	0.77%	0.63%	0.55%
Quality	A	62	-12	-2	1.27%	0.72%	1.04%	0.54%
	Baa	91	-20	-7	1.67%	1.12%	1.46%	0.94%
Maturity	Intermediate	64	-16	-5	0.98%	0.75%	0.88%	0.66%
	Long	93	-13	-2	2.31%	1.08%	1.81%	0.72%
Plus Sectors	ICE BofA Merrill High Yield Constrained Index	272	-53	-6	2.46%	1.89%		
	JP Morgan Emerging Market Debt Global Index	191	-48	-42	4.03%	2.85%		

Source: MIM, Bloomberg

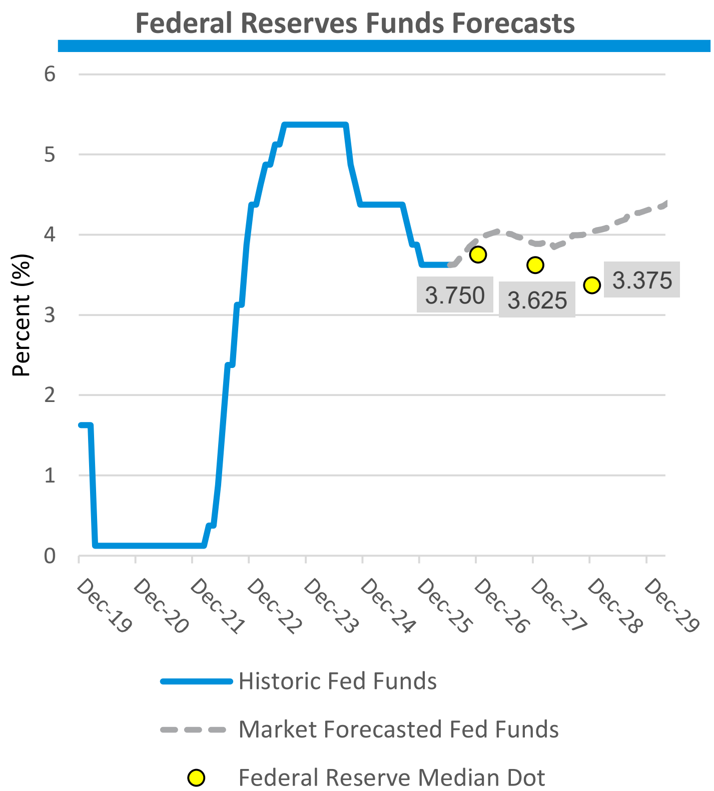
The fixed income market navigated a resilient second quarter. The Bloomberg US Aggregate Index delivered an excess return of 0.38% over the period, with an OAS of 26 basis points and a yield that continues to hover around 4.73% to close the quarter. The market largely held its ground despite macro and geopolitical headwinds that typically would suggest weaker performance from risk-assets. The FOMC minutes were characterized as among the most hawkish in 25 years — behind only 2022 per Bloomberg's Fed Meeting Minutes Sentiment index — and rates markets priced additional tightening into 2027. Real yields climbed across the curve, compounding pressure from a simultaneous oil price spike as the US-Iran ceasefire unraveled. The Iran conflict served as the principal macro-overhang throughout the quarter with tit for tat strikes amidst parties eventually signing for a welcomed cease-fire and plan towards peace. As a result of the optimism around a truce, market behavior was heavily risk-on. Periodic weakness over the quarter was generally accompanied by continued war rhetoric or AI/Data Center and related supply concerns along with the fears of persistently above target inflation. The macro data argued against a broad credit scare but were not uniformly positive . Services activity remained in expansion, jobless claims were low, and high-frequency indicators — deposit account data, after-tax wage growth, and same-store retail sales — pointed to resilient income and spending. The offset: payrolls disappointed with prior months revised lower, and consumer credit declined. The treasury environment was also volatile across the curve — rising sharply on inflation fears before partially retracing as geopolitical tensions moderated. This volatility also impacted mortgages and added challenging headwinds for the asset class with a flatter curve and elevated rates. On the rates side, 2s10s opened the period at 51 bps and traded in a relatively stable range through late April and into early May, briefly touching a period high of 55 bps on May 19. The curve then flattened sharply through June, driven by the front-end repricing higher following the hawkish June 17–18 FOMC. The 2-year yield surged from ~4.06% on June 16 to 4.19% on June 17, compressing the 2s10s to 30 bps — a move of roughly 8 bps in a single session. The spread bottomed at 24.4 bps on June 24 before recovering modestly to close the quarter at 28.9 bps, a net flattening of 22.3 bps over the period.

Corporate credit, asset-backed-securities and commercial-mortgage-backed-securities spreads were by and large a 1-way trade tighter over the quarter. Agency MBS navigated a complex macro backdrop in 2Q26, defined by elevated inflation expectations, geopolitical volatility, and evolving GSE portfolio dynamics. The Bloomberg MBS Index OAS compressed dramatically to begin the quarter then widened and closed the quarter nearly unchanged. A notable factor during the quarter was the uneven pace of GSE retained portfolio purchases.

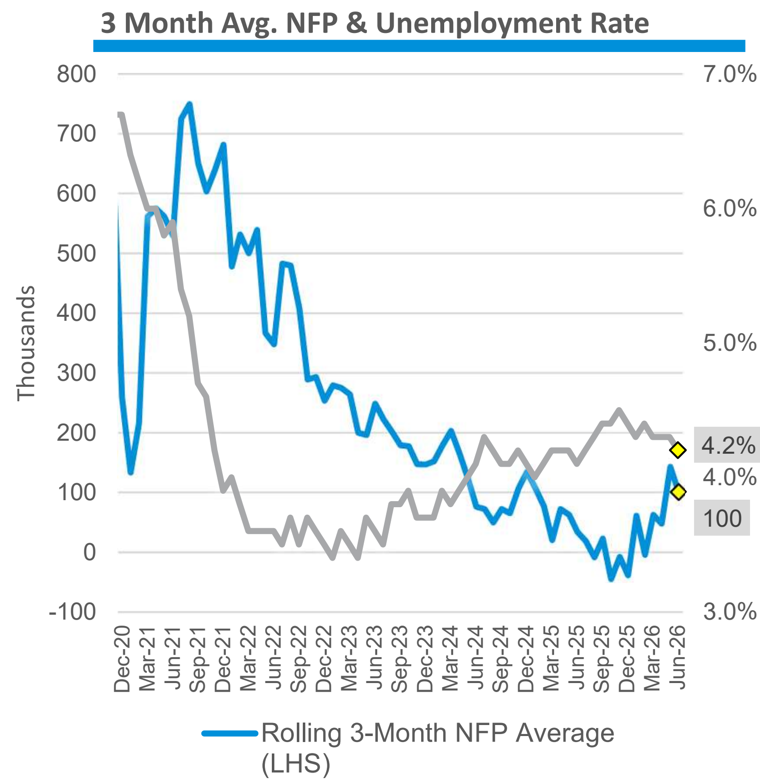
Across the Corporate sectors, Financials posted strong excess returns (+1.25% excess return) as did Utilities (1.37% excess return) while Industrials generated a positive excess return of 1.08%, though the sector trailed Financials and Utilities. For Investment Grade corporate markets, the dominant thematic driver of the period was the AI infrastructure buildout, which generated significant borrowing demand from technology, data center, and utility issuers funding capital-intensive projects. M&A also remained an important contributor to supply, bringing new and larger issuers into the corporate fixed income market. Persistent demand from yield-oriented investors, particularly life insurers, provided an important source of support in absorbing the quarter’s elevated issuance. The same themes was very prevalent for ABS and CMBS securities.

[i] Bloomberg

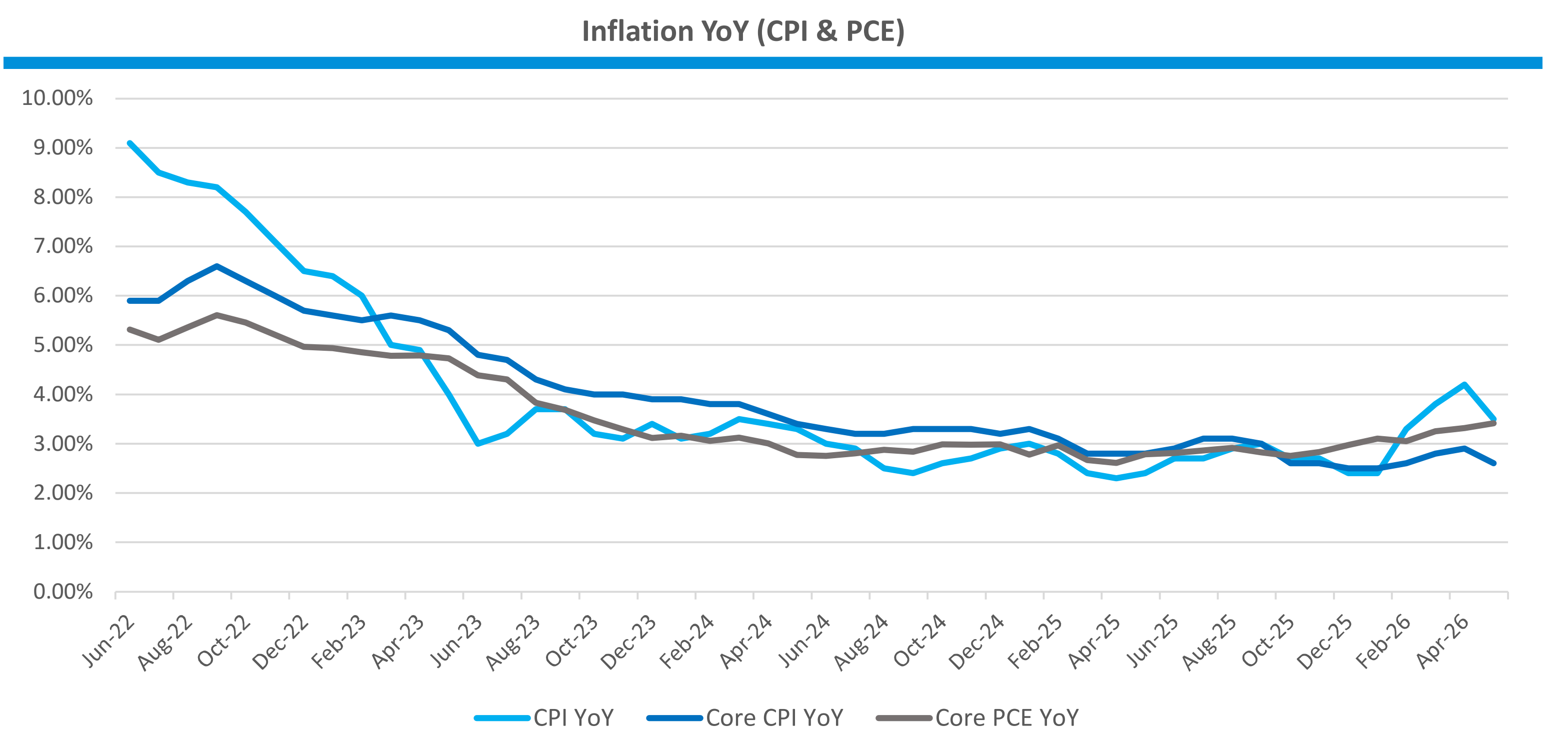
Market Review (Continued)



Source: MIM, Bloomberg L.P.



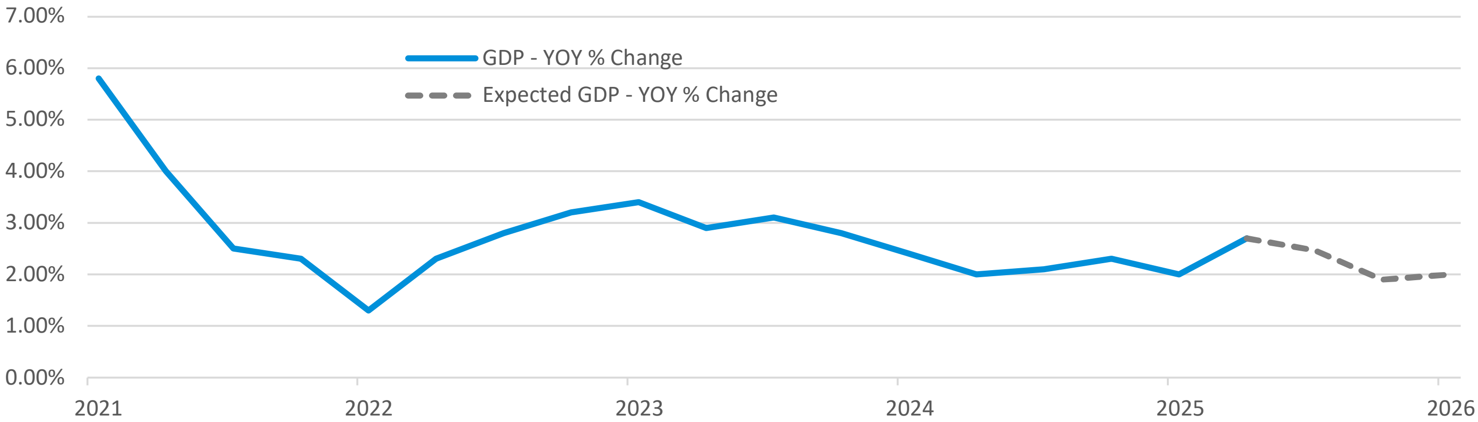
Source: MIM, Bloomberg L.P.



Source: MIM, Bloomberg L.P.

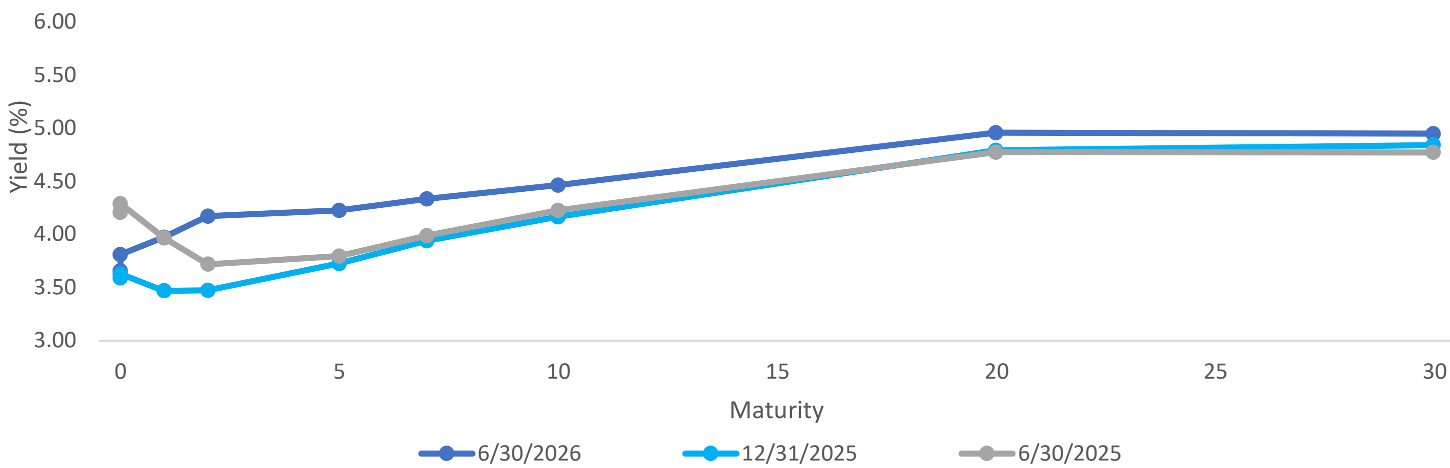
Market Review (Continued)

GDP



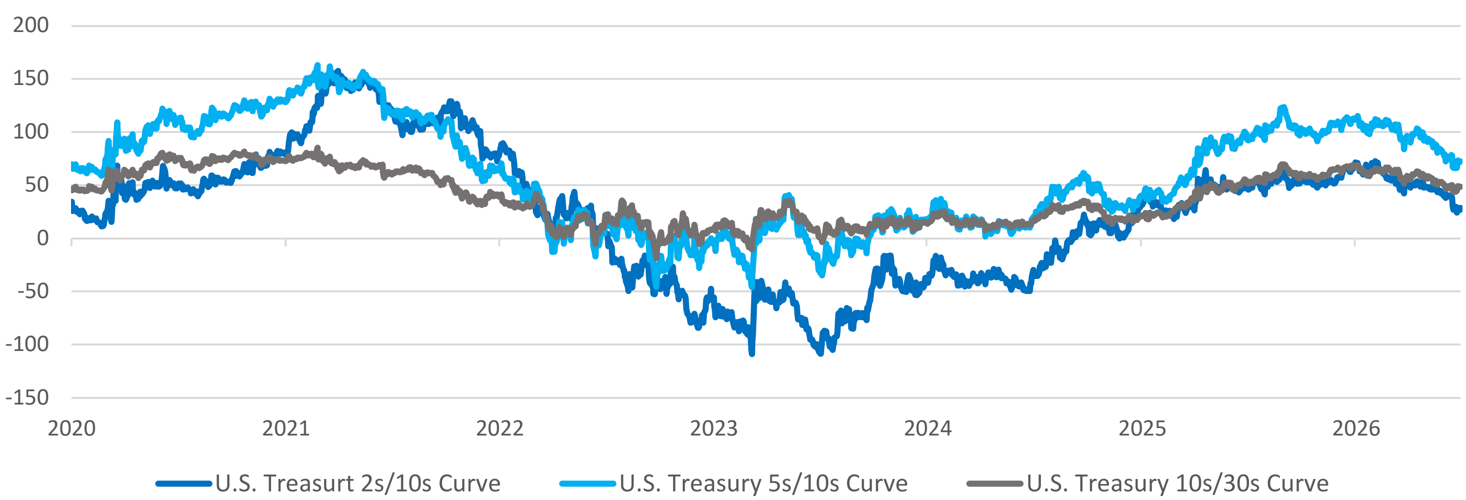
Source: MIM, Bloomberg L.P.

U.S. Treasury Yield Curve



Source: MIM, Bloomberg L.P.

U.S. Treasury Curves



Source: MIM, Bloomberg L.P.

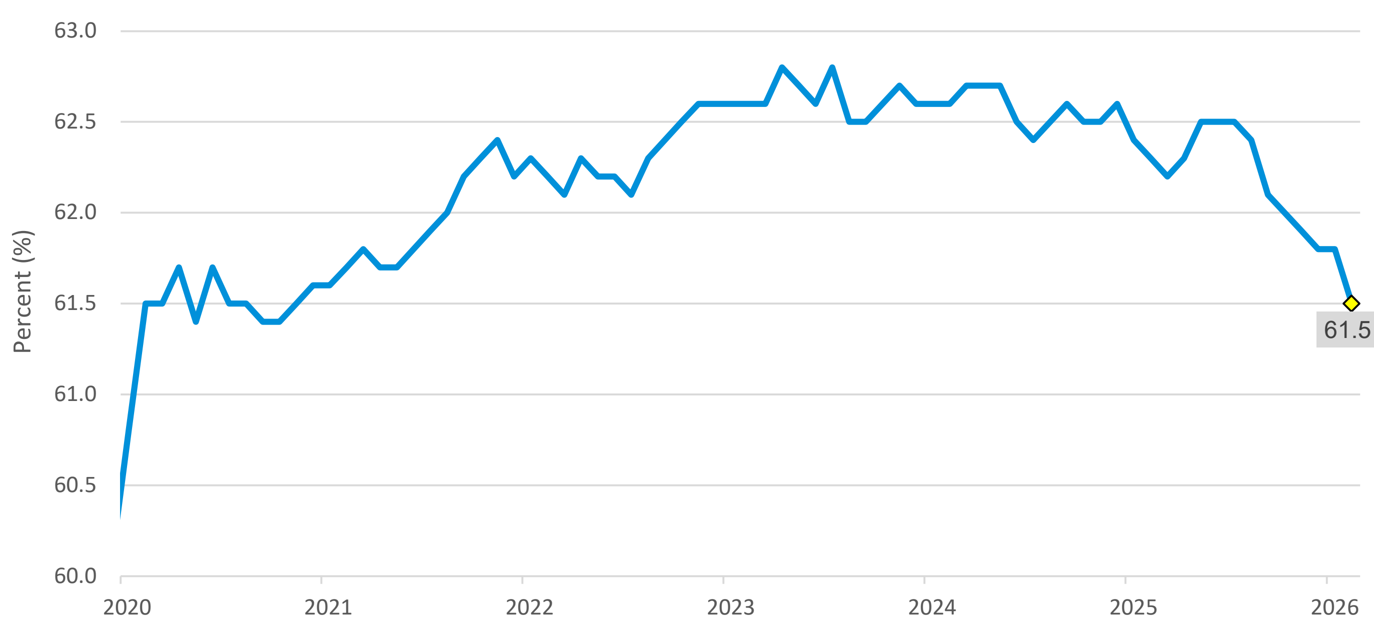
Market Outlook (Continued)

GDP Growth

Year	Real GDP (%)	Consumer Spending	Fixed Investment	Government Spending	Net Exports	Inventories
2020	-2.10	-1.69	-0.34	0.60	-0.21	-0.45
2021	6.20	5.84	1.29	-0.02	-1.25	0.29
2022	2.50	2.04	0.44	-0.22	-0.39	0.65
2023	2.90	1.74	0.61	0.59	0.45	-0.46
2024	2.80	2.00	0.53	0.65	-0.39	0.01
2025	2.10	1.80	0.47	0.19	-0.21	-0.12
2026 (Q1)	2.10	0.37	1.11	0.23	-0.37	0.74
Average (2020-2026)	**2.36**	**1.73**	**0.59**	**0.29**	**-0.34**	**0.09**

Source: U.S. Bureau of Economic Analysis as of June 25, 2026

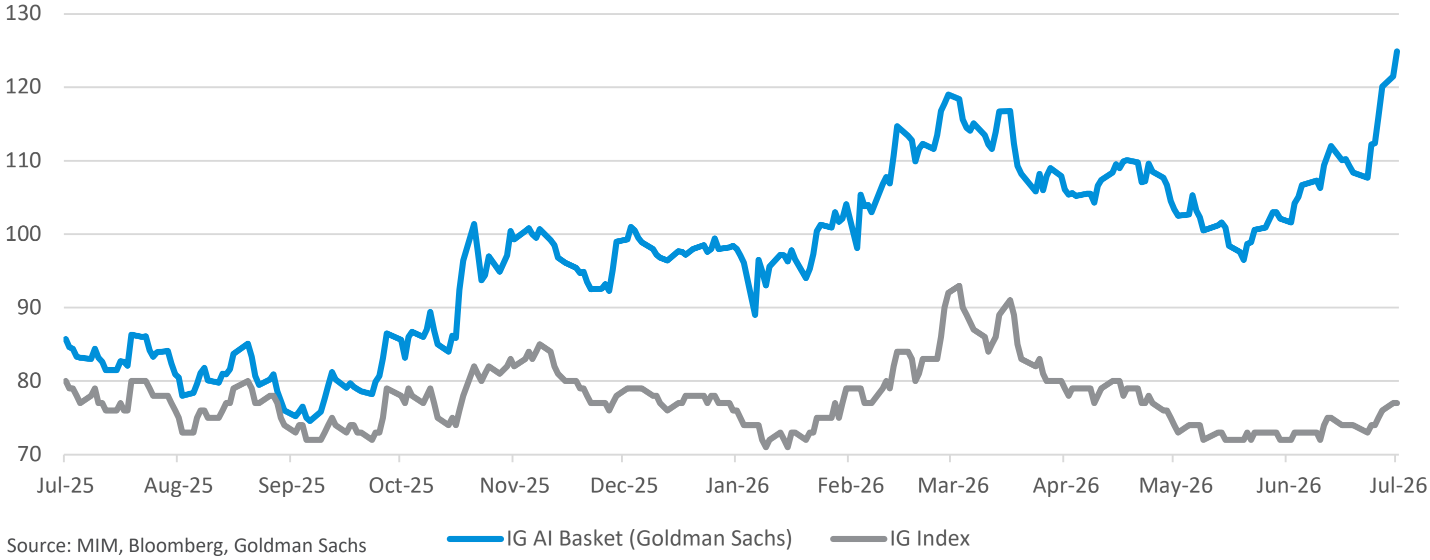
Labor Force Participation Rate



Source: Bloomberg L.P. As of June 30, 2026

Market Review (Continued)

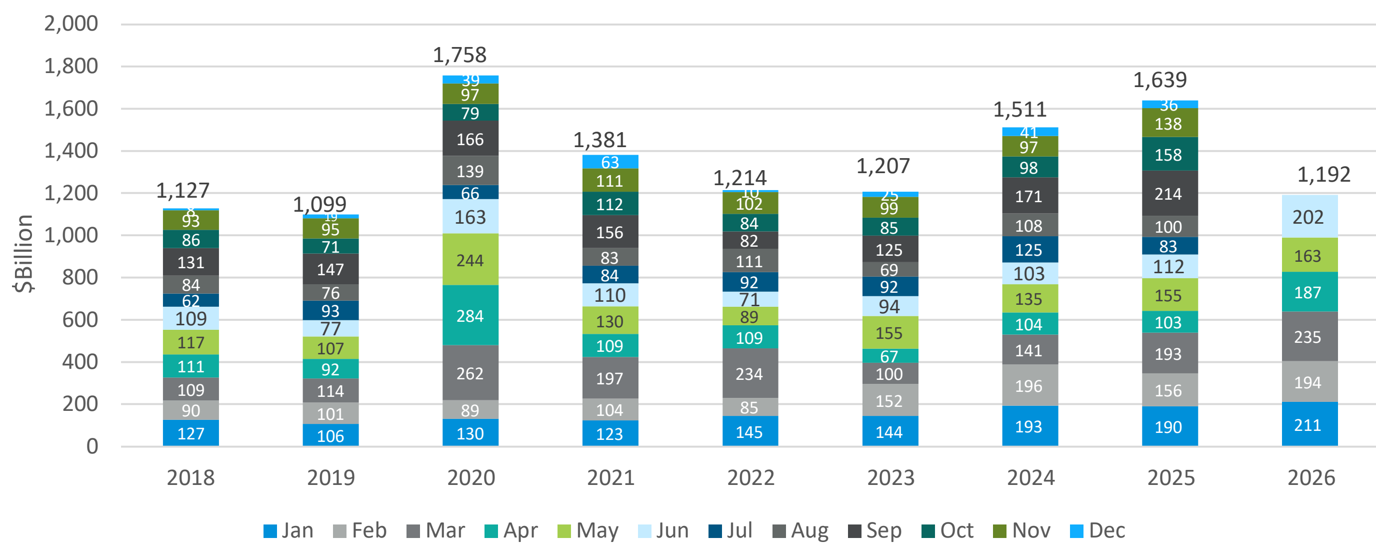
Spread dispersion has been more acute in AI associated issuers



Source: MIM, Bloomberg, Goldman Sachs

IG corporate issuance during the quarter was remarkable, with each month approaching or setting records for its respective period. April produced $185 billion of supply, the second most active April after 2020; May followed with $163 billion, the third most active May on record; and June reached a record $202 billion, marking an all-time monthly high over the last 10 years. A-rated issuance was particularly notable in 2Q26, reaching $226 billion, or 41% of total supply, and modestly exceeding BBB-rated issuance of $220 billion, a mix that reinforced the higher-quality tilt of new-issue volume and had implications for the ratings composition of the broader index. At the start of the year, data centers and AI-related capital expenditures were widely expected to be one of the defining themes for corporate credit markets—and by the halfway point of 2026, that forecast had clearly materialized. AI-related supply reached nearly $220 billion year to date, a 62% increase versus the full-year 2025 total, including $158 billion of USD issuance and $62 billion across non-USD currencies. USD AI-related supply accounted for approximately 13% of total US IG issuance year to date. While the scale and pace of borrowing had understandably left some investors cautious, the market's ability to absorb this volume underscored the depth of demand for issuers tied to long-duration infrastructure growth. What also helped to digest that historic volume was elevated all-in yields paired with the high quality-tilt of the robust issuance which attracted the likes of many yield-oriented investors. Technology-related borrowers, including hyperscalers, data-center operators, semiconductor manufacturers, and software companies, were central to this issuance wave, while M&A-related financing across Pharmaceuticals, Media, and Food & Beverage added further breadth. What had begun the year as a consensus theme around AI, data centers, and capex had not only played out—it had become one of the central narratives shaping corporate fixed income performance through midyear.

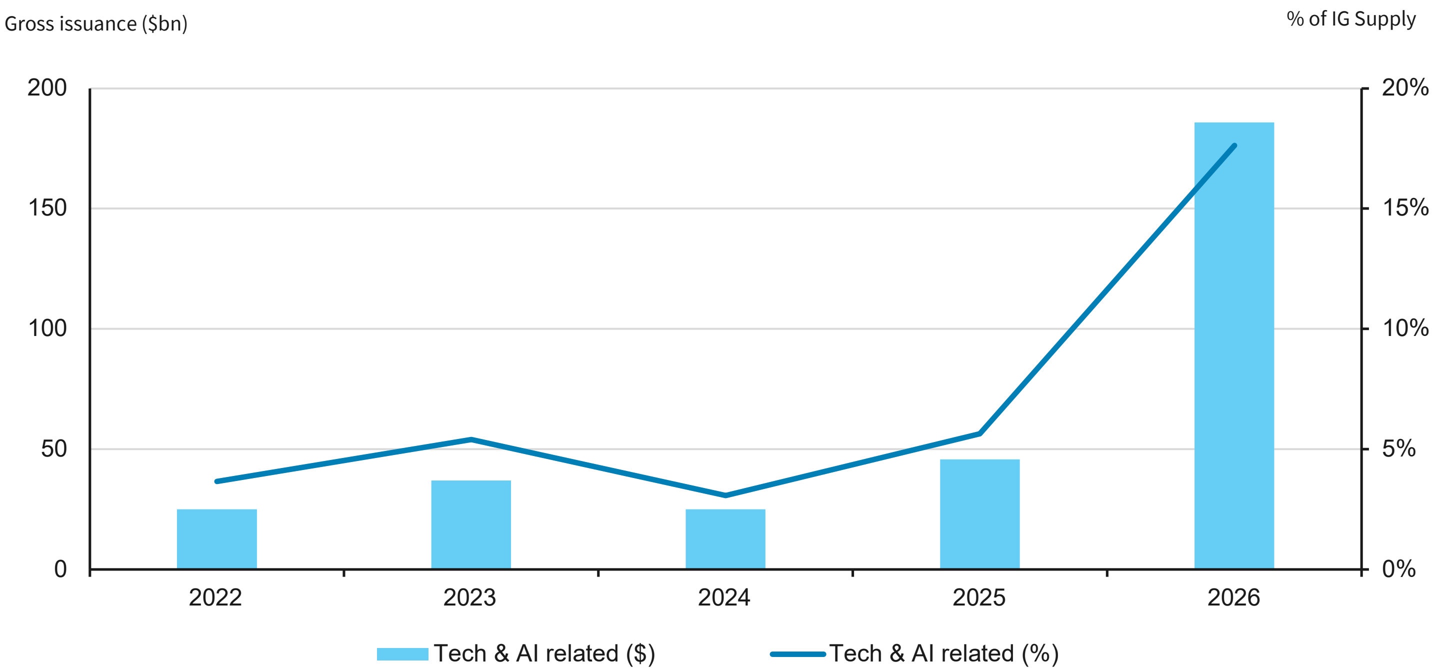
2026 Issuance has come at a relentless pace



Source: JP Morgan

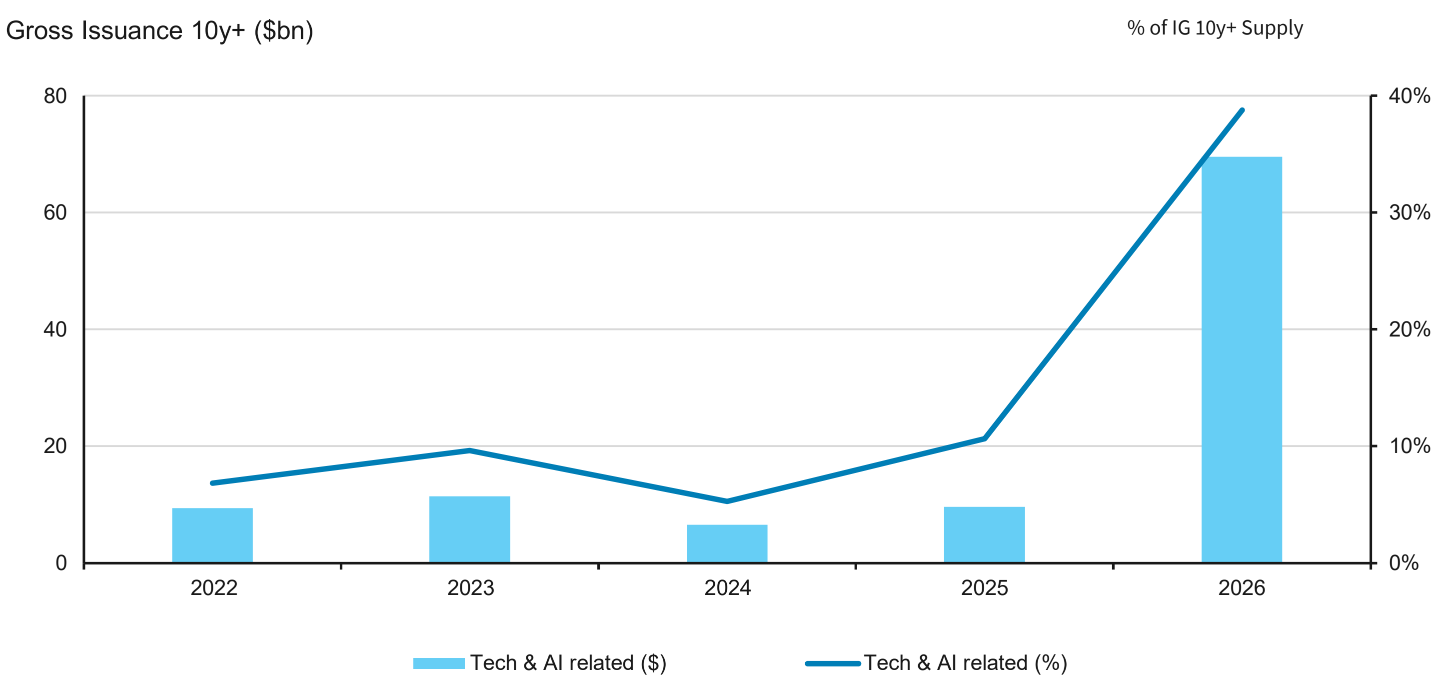
Market Review (Continued)

Year-to-date, Technology & AI Related Issuance accounted for ~18% of IG Supply



Source: Barclays Research, Bloomberg, MIM

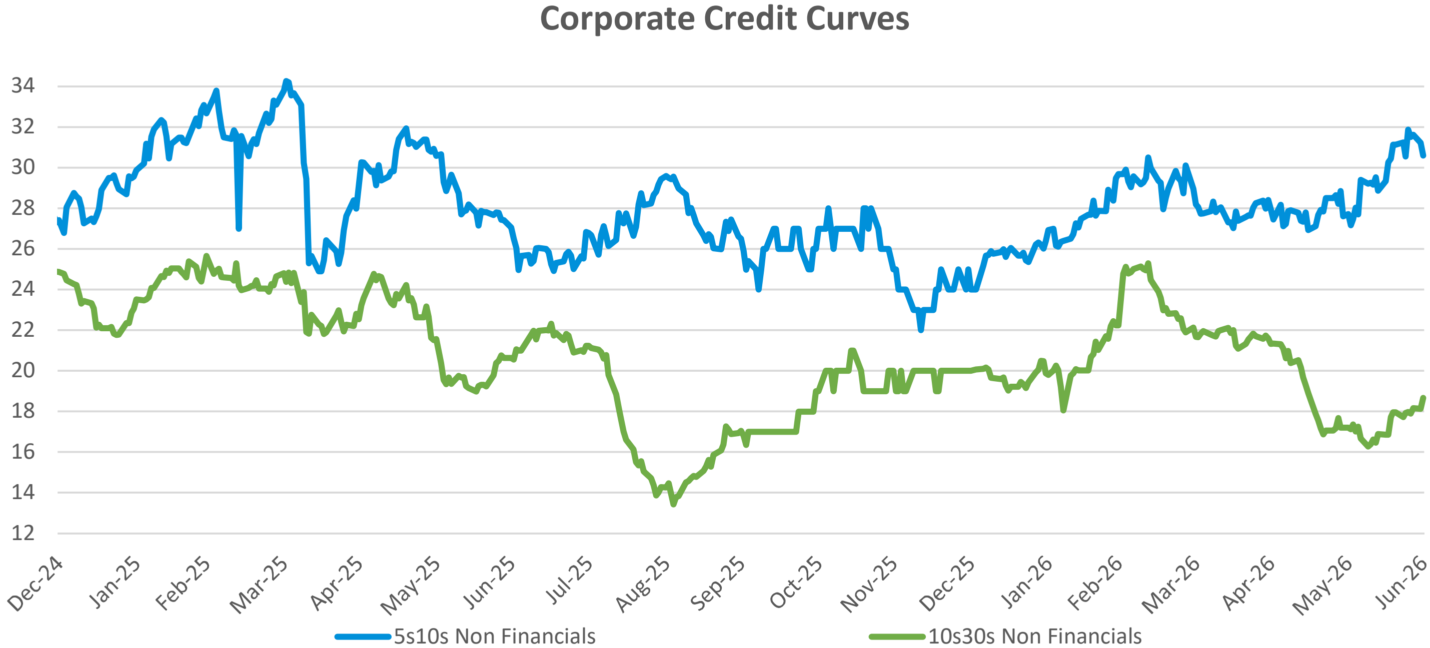
The Tech & AI issuance is most pronounced in the long-end



Source: Barclays Research, Bloomberg, MIM

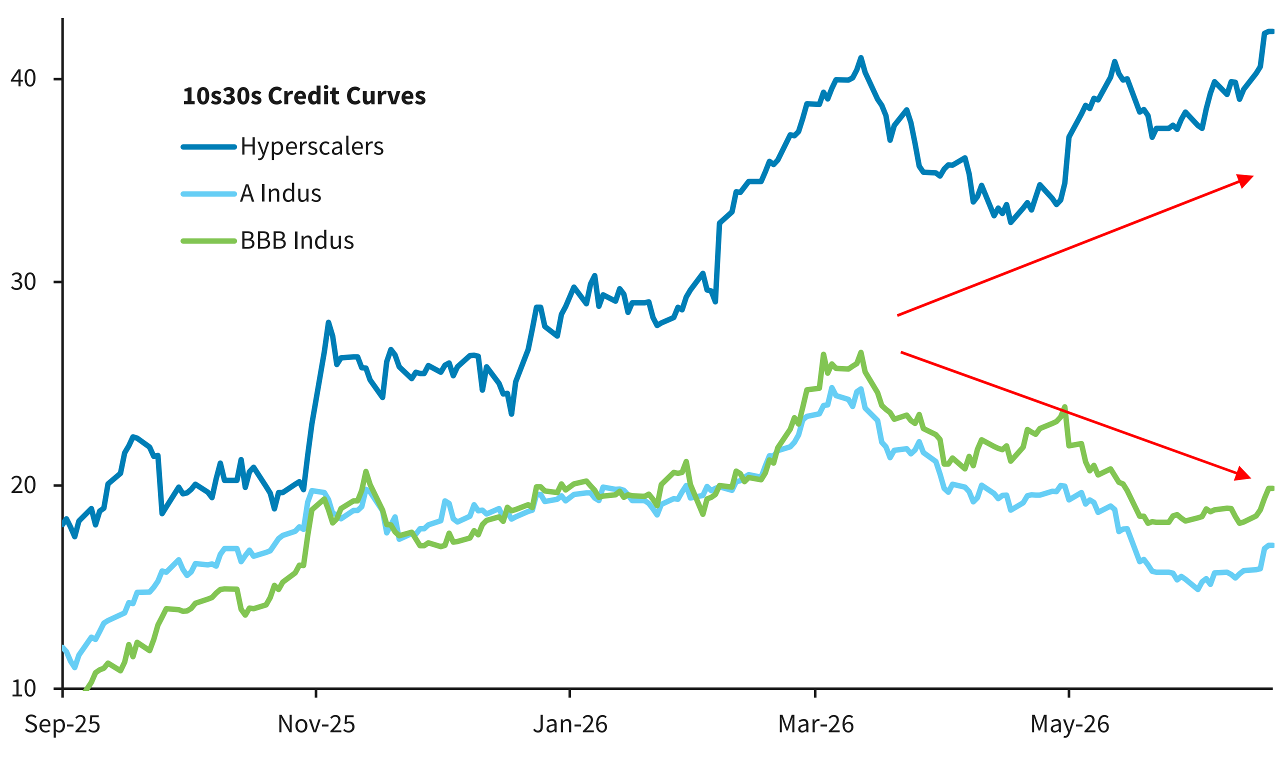
Market Review (Continued)

Interesting 10s30s are notably flat relative to 5s10s



Source: Barclays Research, Bloomberg, MIM

However, Hyperscaler 10s30s continue to Steepen



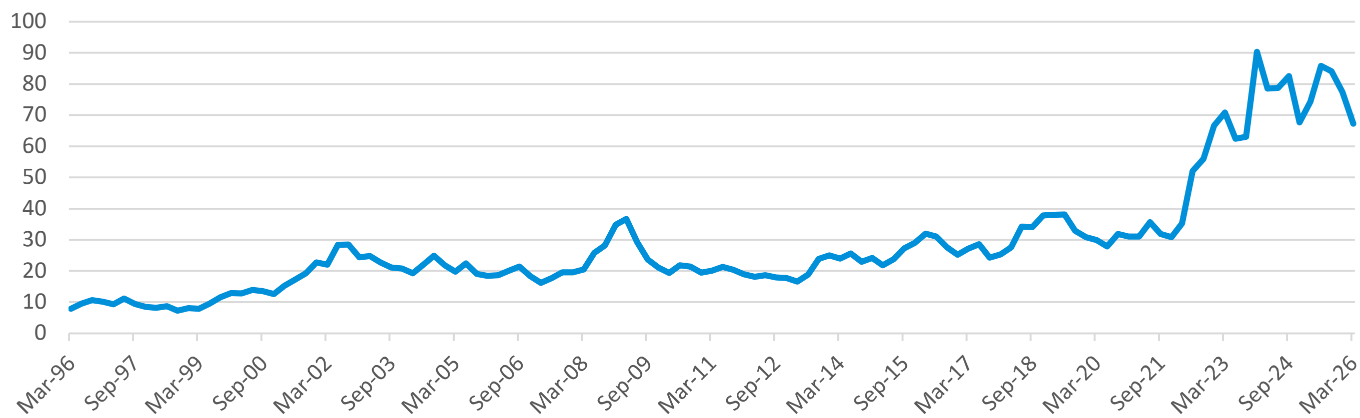
Source: Barclays Research, Bloomberg, MIM

Market Review (Continued)

Elevated yields sustained investor demand from yield-oriented buyers

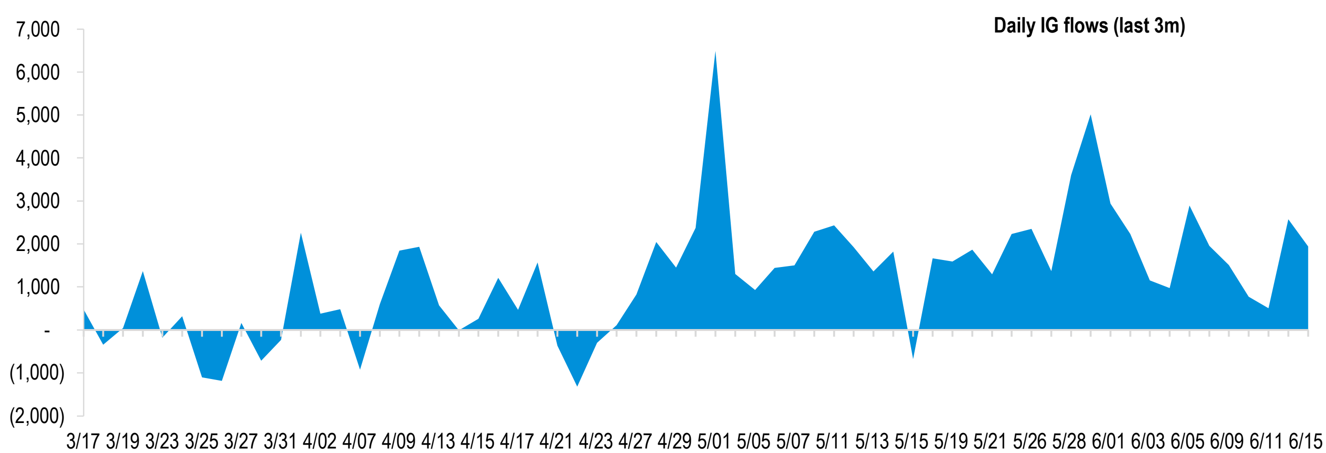
Source: Bloomberg, MIM.

Fixed annuity sales have proven a durable and consequential source demand



Source: Bloomberg, MIM.

Retail demand remained robust providing further support to corporate spreads



Source: Bloomberg, Lipper, Barclays Research.

Market Review (Continued)

Agency RMBS Snapshot

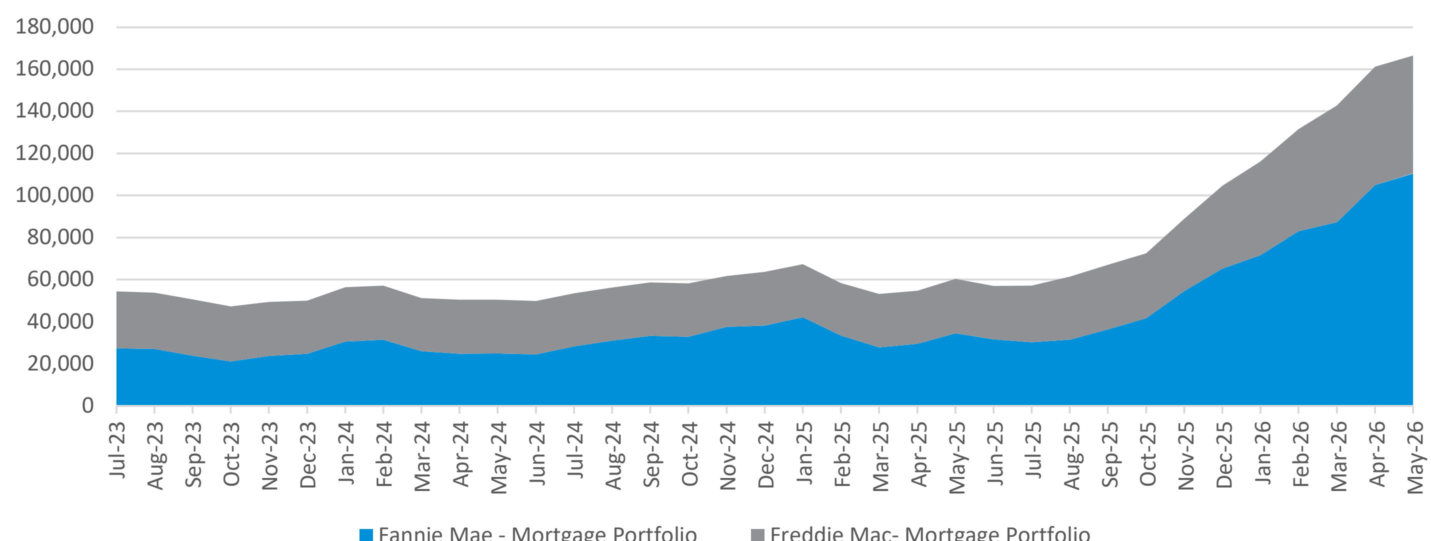
	QTD Excess Return[1]	QTD Total Return		QTD Excess Return[1]	QTD Total Return		QTD Excess Return[1]	QTD Total Return
FNMA 30 Year	**0.35%**	**0.63%**	**GNMA 30 Year**	**0.38%**	**0.69%**	**FNMA 15 Year**	**-0.25%**	**-0.03%**
Coupon 2.0%	0.13%	0.35%	Coupon 2.0%	0.28%	0.50%	Coupon 2.0%	-0.43%	-0.26%
Coupon 2.5%	0.28%	0.50%	Coupon 2.5%	0.29%	0.51%	Coupon 2.5%	-0.19%	0.10%
Coupon 3.0%	0.06%	0.27%	Coupon 3.0%	0.38%	0.59%	Coupon 3.0%	0.00%	0.34%
Coupon 3.5%	0.04%	0.24%	Coupon 3.5%	-0.47%	-0.25%	Coupon 3.5%	-0.10%	0.16%
Coupon 4.0%	0.11%	0.33%	Coupon 4.0%	0.46%	0.69%	Coupon 4.0%	0.30%	0.54%
Coupon 4.5%	0.48%	0.71%	Coupon 4.5%	0.49%	0.77%	Coupon 4.5%	0.43%	0.71%
Coupon 5.0%	0.70%	0.99%	Coupon 5.0%	0.50%	0.86%	Coupon 5.0%	0.48%	0.85%
Coupon 5.5%	0.72%	1.10%	Coupon 5.5%	0.66%	1.14%	Coupon 5.5%	0.25%	0.67%
Coupon 6.0%	0.85%	1.34%	Coupon 6.0%	1.05%	1.65%	Coupon 6.0%	0.19%	0.60%
Coupon 6.5%	0.38%	0.94%	Coupon 6.5%	-0.05%	0.69%			

Source: MIM, Bloomberg L.P.

Agency RMBS delivered modestly positive total returns in 2Q26 — FNMA 30-Year posted a QTD total return of 0.63% and excess return of 0.35%, while GNMA 30-Year outperformed slightly at 0.69% total return and 0.38% excess return, with FNMA 15-Year the laggard at -0.03% total return — driven primarily by a carry-oriented environment in which investors favored production coupons (5s–6s) where valuations were more attractive and CMO floater demand provided robust structural takeout. Within the coupon stack, the convergence of subsiding volatility and attractive valuations drove consensus positioning toward carry-oriented 5s–6s, where specified pools — particularly higher loan balance stories that had lagged into the rate selloff — recovered following their early underperformance.

A notable factor during the quarter was the uneven pace of GSE retained portfolio purchases. Fannie Mae's MBS portfolio declined by a net $4.3bn in June following a modest $5.1bn increase in May, while Freddie Mac was flat. The GSEs were not consistent spread buyers during the period, having added more aggressively earlier in the year but showing more limited activity in April and May when spreads were wider. This variability contributed to some widening in CC OAS from approximately 15bp to 20bp in March and April. Foreign demand for agency MBS emerged as another constructive element over the quarter, with overseas holdings increasing in April and year-to-date net demand turning positive after a weaker prior-year backdrop — though buying was concentrated among select investors, with activity remaining more mixed across other regions.

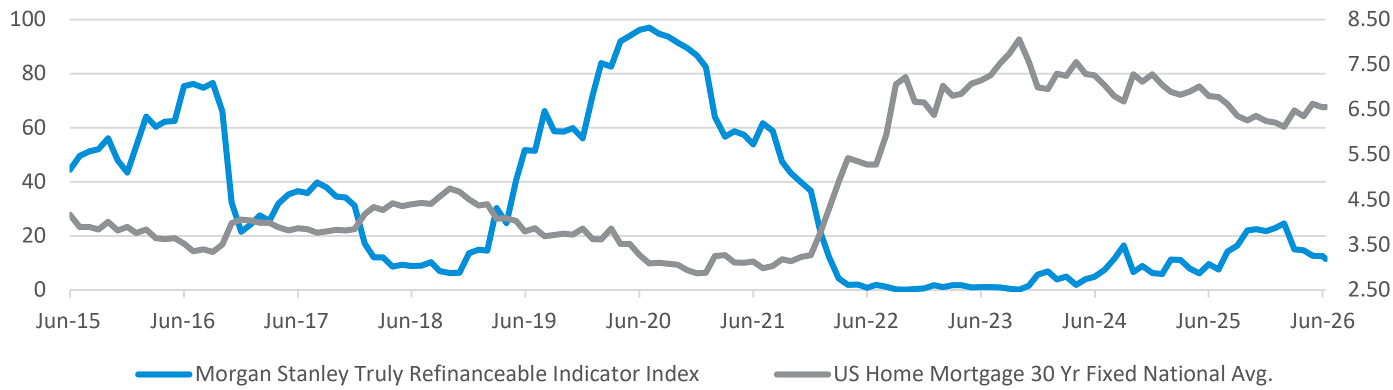
GSE demand proved episodic, with buying front-loaded earlier in the year



Source: MIM, Bloomberg L.P.

Market Review (Continued)

Refinanceability has deteriorated with the increase in mortgage rates



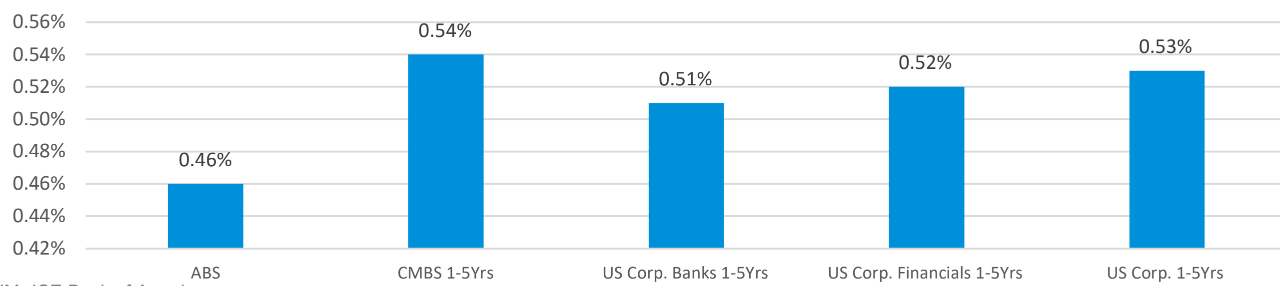
Source: MIM, Bloomberg L.P., Morgan Stanley

The June 17 Federal Reserve meeting set a cautious tone for the MBS basis, as Chairman Kevin Warsh outlined a series of potential policy shifts with neutral to negative implications. A Fed on hold would historically have fostered volatility compression — a constructive technical backdrop for MBS — but Warsh's signaled departure from forward guidance, compounded by the prospect of structural reforms under a newly convened task force, embedded a meaningful uncertainty premium that prevented volatility from following its customary path lower. The yield curve flattened concurrently as markets priced in higher short-term rates, compressing net interest margins for banks and other levered investors — the very buyer base upon which MBS demand has historically depended. While volatility did moderate from its first-quarter peaks, providing a transient tailwind for mortgage performance, the relief proved short-lived as the broader rate level reasserted itself as the dominant headwind. Against this backdrop, prepayment risk receded materially. With 30-year conventional mortgage rates settling back into the mid-6% range and no meaningful decline expected through year-end, the refinanceable universe contracted sharply — only approximately 5% of outstanding borrowers retained a material economic incentive to refinance. Critically, the majority of even this residual cohort had already foregone more attractive refinancing windows, further limiting the practical prepayment threat and providing one of the few unambiguous technical supports for the asset class in an otherwise challenging environment.

Asset-Backed Securities (ABS)

The ABS market entered 2H26 on a record-setting pace, with YTD issuance of approximately $205bn through June — up roughly 15% YoY — against a full-year 2026 estimate of around $400bn, which would represent a new all-time record. Spreads tightened across the stack, with Auto ABS AAA narrowing by 5bp QoQ (64bp → 59bp), Credit Card AAA tightening by 6bp (32bp → 26bp), and Other ABS AA–BBB tightening by 12bp (200bp → 188bp). ABS remains moderately cheap relative to short corporates on historical measures, however credit curves hover near two-year tights, while the AA–BBB stack outperformed short corporates over the quarter. On the supply front, Auto ABS accounted for 50.9% of total volume, while Other ABS posted the strongest growth at +51.8% YoY, led by franchise, aircraft, data center, fiber, and personal loan ABS. Technicals, again, were firmly supportive as yield-oriented buyers continue their quest for high quality attractive yields. Credit performance remained uneven across consumer ABS, reflecting broader divergence in household financial conditions. Auto ABS continued to warrant close attention, with subprime borrowers showing more visible signs of stress than prime borrowers, even as overall loss trends were somewhat better. Higher severity rates suggested that recovery values remained under pressure when defaults occurred. Credit card and retail card performance was comparatively more resilient, supported by generally stable collateral quality, while personal loan delinquencies continued to trend higher across several segments. Looking ahead, consumer credit performance is expected to soften modestly, as persistent inflation, higher borrowing costs, and increased lender appetite for credit extension could create additional headwinds.

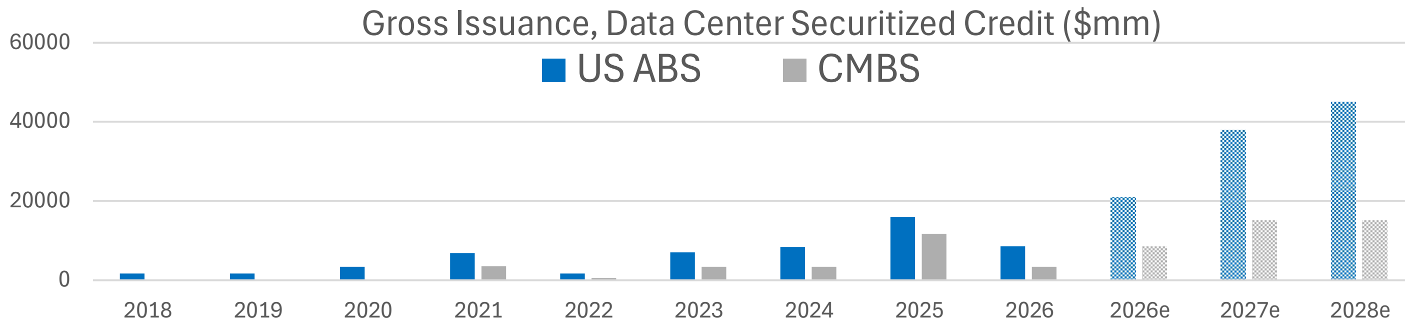
YTD Excess Returns are comparable among sectors



Source: MIM, ICE Bank of America

Market Review (Continued)

Financing the AI/data center expansion will also be a theme in ABS & CMBS like Corporates



Source: MIM, Morgan Stanley

Commercial Mortgage-Backed Security (CMBS)

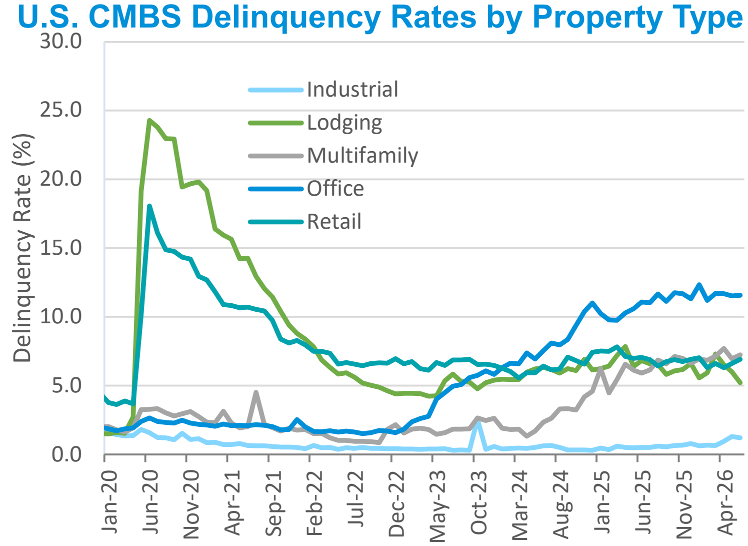
The CMBS market in 2Q26 was characterized by divergent credit trends across structures, persistent office stress, and a downward revision to the full-year issuance forecast. However, at the index level, spreads continued to grind tighter over the quarter as the sector remains on the cheaper side of other fixed income products. CMBS credit trends were mixed across structures during the quarter. Delinquencies improved modestly in some segments, including SASB, while other areas such as CRE CLOs and agency multifamily showed some deterioration. Special servicing trends were similarly mixed, with some property types and structures showing greater pressure than others. Office remained the most challenged sector across the CMBS market, while retail was broadly stable and lodging showed pockets of improvement. Multifamily credit trends continued to weaken modestly, reflecting the impact of elevated cap rates, tighter financing conditions, and refinancing risk. Newer conduit issuance generally reflected more conservative underwriting relative to the prior year, with improved leverage metrics and broadly stable debt service coverage. Multifamily continued to represent the largest share of conduit collateral, underscoring its importance within the sector despite a more challenging financing backdrop. Total CMBS issuance reached $187bn YTD through 2Q26, with non-agency accounting for $99bn and agency (primarily Freddie K and Fannie DUS) contributing $88bn. Within non-agency, SASB dominated at $57bn YTD, far outpacing conduit at $16bn (vs. $34bn for full-year 2025) and CRE CLO at $26bn. The SASB market's continued dominance reflects borrower preference for bespoke, single-asset structures over pooled conduit execution.

DQ'd Rate by Property Type (% 30 days+)

Prop Type	Jun-26	May-26	Apr-26	3 MO.	6 MO.	12 MO.
Overall	**7.35**	**7.55**	**7.54**	**7.55**	**7.30**	**7.13**
Industrial	1.20	1.31	0.96	0.65	0.80	0.51
Lodging	5.22	6.01	6.52	7.31	6.61	6.81
Multifamily	7.23	6.95	7.71	7.15	6.64	5.91
Office	11.57	11.53	11.69	11.71	11.31	11.08
Retail	6.91	6.61	6.31	6.62	6.92	7.06

Source: MIM, TREPP

U.S. CMBS Delinquency Rates by Property Type



Source: MIM, TREPP

2Q 2026 Portfolio Review - Attribution

Portfolio Value	$92,090,043

	Apr	May	Jun	2Q 2026	YTD	1 Year	Since Inception (1/2/2024)
City of Naperville (Gross of Fees)	**0.25**	**0.17**	**0.13**	**0.55**	**0.56**	**3.44**	**4.38**
City of Naperville (Net of Fees)	**0.24**	**0.16**	**0.12**	**0.53**	**0.52**	**3.37**	**4.31**
Bloomberg Inter U.S. Govt/Credit TR	0.21	0.11	0.10	0.43	0.40	3.14	4.12

2Q Attribution	Market Value Weight (%)			Total Return (bp)			Attribution[1](bp)		
	Portfolio	Index	Active	Portfolio	Index	Active	Sector Allocation	Security Selection	Total
Investment-Grade Corporates	**36.1**	**29.1**	**7.0**	**89**	**98**	**-9**	**7**	**-3**	**4**
Financials	15.2	11.5	3.7	105	115	-10	4	-1	3
Industrials	16.2	15.2	1.0	77	85	-8	1	-1	0
Utilities	4.7	2.4	2.3	73	102	-29	2	-1	1
Structured	**12.3**	**0.0**	**12.3**	**75**	**43**	**32**	**2**	**1**	**3**
Agency MBS	5.4	0.0	5.4	70	43	27	2	0	2
CMBS	1.5	0.0	1.5	96	43	53	0	0	0
Asset Backed	5.4	0.0	5.4	74	43	31	0	1	1
Government-Related	**1.4**	**6.0**	**-4.6**	**179**	**47**	**132**	**0**	**2**	**2**
Sovereign / Quasi	0.7	5.8	-5.1	213	47	166	0	1	1
Taxable Municipal	0.7	0.2	0.5	145	48	97	0	1	1
US Treasuries/Cash & Equivalents	**49.0**	**64.9**	**-15.9**	**14**	**18**	**-4**	**0**	**-1**	**-1**
High Yield	**1.2**	**0.0**	**1.2**	**265**	**43**	**222**	**2**	**0**	**2**
Duration / Curve									**2**
Total							**11**	**-1**	**12**

Past performance is not indicative of future returns; future results may vary.
[1]Index Methodology is applied in performance attribution calculations.

2Q 2026 Portfolio Review - Attribution

- Relative outperformance was mostly due to sector allocation decisions. The overweight to Investment Grade (IG) Corporates paired with the underweight to U.S. Treasuries were helpful drivers of sector allocation contributions. Out of benchmark exposures to Structured products in Mortgage-backed securities (MBS), Asset-backed securities (ABS) and Commercial Mortgage-backed securities (CMBS) were also marginal contributors.
- ABS outperformed in terms of spread movement and excess return. Within the allocation, exposures to stranded cost utility structures and energy securitizations were better contributors. A small exposure to private student loans was an additional boost to performance within ABS.
- CMBS was modestly additive, supported by floating-rate bonds that benefited from resilient carry in a volatile rates environment. Similarly, floating-rate CMOs within Agency RMBS contributed positively, serving as another source of outperformance amid the elevated rate backdrop in the second quarter. Exposure to upper-coupon mortgages (5.0%, 5.5%, and 6.0%) also supported carry, despite some weakness early in the quarter as mortgage refinanceability deteriorated against a backdrop of higher mortgage rates.
- Within High Yield, FMC benefitted from an equity injection and management's demonstrated commitment to deleveraging which boosted the credit over the period.
- Across Financials, the Banking sector was a bright spot helped by exposure to GSIBS and the likes of a subordinated bond from HSBC. The portfolio also benefitted from a position in Jeffries which recovered over the second quarter. Select underweights across the Insurance subsectors weighed on relative performance as higher-beta issuers within the Health and Life space outperformed. Similarly, a lack of exposure to higher-beta BDCs was a miss as those credits rebounded and outperformed.
- Broad underweights in Consumer Cyclicals was also a miss this quarter, although security selection in Lowes Co. and Ross Stores were positive contributors and helped to offset weakness.
- The Technology sector was beneficial overall, While QTS, a data center infrastructure issuer, was the primary detractor. More than offsetting this weakness was exposure to other data center complex names, including RDMICH, which outperformed as investors favored elements of that deal structure. FABSJV also saw a strongly positive month which was supported by Intel increasing their stake in the JV.
- The Taxable Municipal space was also a solid contributor supported by a position in Texas Transportation Commission.

Past performance is not indicative of future returns; future results may vary.

2Q 2026 Portfolio Review - Risk Summary

	3/31/2026		6/30/2026	
Broad Risk	**Portfolio**	**Index[1]**	**Portfolio**	**Index[1]**
Average Price ($)	99.15	98.30	99.14	97.85
Yield (%)	4.3	4.2	4.6	4.4
Duration (yrs)	3.7	3.7	3.7	3.7
OAS (bps)	34	24	32	20
Average Quality (S&P)	AA-	AA-	AA-	AA-

	3/31/2026				6/30/2026			
Sector Exposure	**Portfolio**		**Index[1]**		**Portfolio**		**Index[1]**	
	MV[2]	**CTD[3]**	**MV[2]**	**CTD[3]**	**MV[2]**	**CTD[3]**	**MV[2]**	**CTD[3]**
Investment-Grade Corporates	**35.5**	**1.50**	**29.1**	**1.20**	**37.6**	**1.56**	**29.3**	**1.21**
Financial	15.4	0.65	11.5	0.45	15.0	0.57	11.6	0.45
Industrial	15.4	0.65	15.3	0.64	17.4	0.79	15.2	0.64
Utilities	4.7	0.20	2.4	0.10	5.2	0.20	2.5	0.11
Structured	**11.8**	**0.30**	**0.0**	**0.00**	**12.5**	**0.32**	**0.0**	**0.00**
Agency MBS	1.3	0.01	0.0	0.00	5.3	0.16	0.0	0.00
Non-Agency MBS	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
CMBS	5.6	0.17	0.0	0.00	1.7	0.02	0.0	0.00
ABS	4.9	0.12	0.0	0.00	5.5	0.14	0.0	0.00
Government-Related	**0.9**	**0.03**	**5.9**	**0.22**	**1.8**	**0.09**	**6.0**	**0.22**
Sovereign/Quasi	0.3	0.02	5.7	0.21	1.2	0.08	5.8	0.21
Taxable Municipal	0.6	0.02	0.2	0.01	0.6	0.01	0.2	0.01
US Treasuries/Cash & Equivalents	**51.7**	**1.88**	**64.9**	**2.32**	**47.8**	**1.74**	**64.6**	**2.30**
High Yield	**0.3**	**0.01**	**0.0**	**0.00**	**0.3**	**0.01**	**0.0**	**0.00**

	3/31/2026		6/30/2026	
Quality Breakdown[4]	**Portfolio**	**Index[1]**	**Portfolio**	**Index[1]**
AAA/Cash and Equivalents	8	3	8	3
AA	57	69	57	69
A	21	14	19	14
BBB	13	14	16	14
Below BBB	1	0	0	0

Past performance is not indicative of future returns; future results may vary.

1. The Index for the City of Naperville portfolio is Bloomberg Intermediate Gov/Credit Index.
2. Market Value (MV) - Expressed in percentage of portfolio value.
3. Contribution to Duration (CTD) - Expressed in years.
4. Quality breakdown represents the Index methodology.

Market Outlook

Credit is a tale of two markets right now. At the risk of offending Charles Dickens with this analogy, we could even declare it the best of times for some issuers and the worst of times for others. A broad swath of the market is enjoying historically tight spreads, extremely low volatility, a wide-open primary market, stable fundamentals and steady inflows into the asset class. Conversely, those issuers who are financing the extraordinary AI buildout are testing investor's appetite (and patience) with relentless large-scale issuance that has seen more $25+ billion deals print this year (7) than in the last 6 years combined. This issuance has largely underperformed the broader market, with the sizeable new issue concessions being overshadowed by ticker fatigue and the re-emergence of a fast money trading community eager to lean on these deals. As with any new technological advancements, the fundamental analysis becomes a bit more art than science, but the valuations are difficult to ignore given the rapidly increasing exposure in the benchmark, as well as the dearth of opportunities available elsewhere in the market. We will have an unrelenting focus on this area of the market given the outsized impact it will likely have on alpha generation. We are also constantly evaluating opportunities to take advantage of the ever-shifting relative value differentials between hyperscalers and their associated data center project bonds.

The rest of the market can best be described as lifeless. Following the April rally (the best month for IG corporates since May 2025), the OAS on the Bloomberg Corporate Index has been tethered near its 27-year tights for the last two months with very little differentiation by issuer or sector. A strong earnings season lent further support to the steady fundamental backdrop, while the overarching theme in the market continues to be exceptional yield-driven demand. The change in Fed leadership and its focus on tempering inflation has pushed index yields back to the highs of the year – and we would expect that to spur continued buying from foreign investors, insurance companies, and retail. Fortunately for these (seemingly) indiscriminate buyers, there is no shortage of bonds for them to buy – courtesy of the primary market which is on pace to shatter previous issuance records. The voracious demand has allowed concessions to stay minimal, sapping what is traditionally a steady source of alpha. We entered the year cautioning that this may be the year that the technicals flips – and supply finally outweighs demand. Currently, this push-pull seems to be in perfect equilibrium to support historically tight valuations – but we struggle to believe today's paltry compensation is appropriate for the risks that this equilibrium breaks.

From a risk standpoint, we are still troubled by the asymmetry in the market. Outside of the AI-related names, we believe these conditions are about as good it gets for most issuers. Conversely, we don't have to be the aforementioned Victorian era novelist to conjure up the myriad of potholes that could give this market a flat tire. With carry being the best outcome we can envision here for the remainder of the year, our positioning remains little changed. As always, we want to focus on investing in issues that we believe offer attractive risk-adjusted returns. The opportunities for compression are limited, and superior credit research is just as critical for identifying (and avoiding) the underperformers in this market as is it for finding those issuers who still have room for meaningful outperformance. From a curve standpoint, we still expect spread curves to steepen on back of higher long end issuance, and so we will continue to be underweight spread duration out the curve in favor of a heavier allocation to intermediate credit which offers more attractive break-evens. From a sector perspective, we continue to favor sectors which we believe have a more defensive profile and would outperform in a spread widening event.

The market (ex-hyperscalers) is homogenous. Tight spreads and low volatility make for a bitter cocktail for fundamental credit investors. Our conviction is high though that at some point fundamentals will matter again. Hyperscalers are the Page Six of the corporate bond market, and despite our relentless focus on being on the right side of that trade, we are equally staunch in our efforts to cull through the other 95% of the market and take advantage of mispriced relative value relationships that are a product of a market that is too complacent and too compressed. We realize this is a tough environment to truly differentiate returns versus more systematic approaches, but as the market has proven time and time again, fundamentals will matter and we intend to be well positioned for that environment.

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CITY OF NAPERVILLE

Investment Performance Review
For the Quarter Ended June 30, 2026

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A division of U.S. Bancorp Asset Management, Inc

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Agenda

- Market Update
- Portfolio Review

Market Update

Current Market Themes

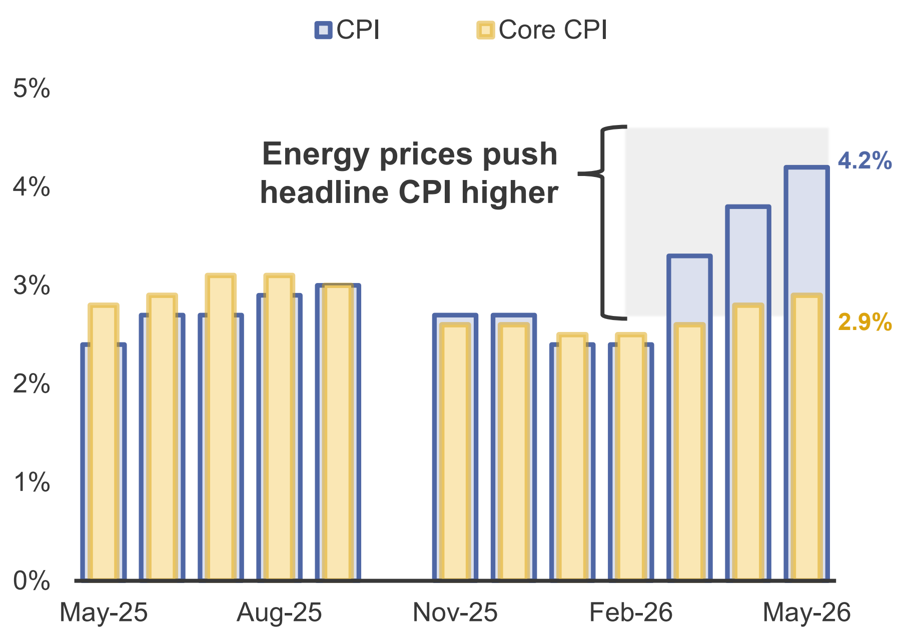
- U.S. growth remains resilient as AI-driven investment offsets a moderating consumer
  - Headline inflation may be at or near its peak as the energy shock fades, though flare-ups in the Middle East conflict and potential delayed passthroughs to core inflation remain key risks
  - The labor market is in balance, though real wage growth remains modest
  - AI investment continues to drive growth while fueling inflation in tech-related categories
- The Federal Reserve (Fed) left policy rates unchanged at 3.50-3.75%
  - New Fed Chair Kevin Warsh stressed restoring price stability
  - Forward guidance was removed to refocus markets on economic fundamentals and incoming data rather than the Fed's policy response
  - Nine participants projected a 2026 rate hike though Warsh did not submit projections
- Treasury yields moved higher on a more hawkish Fed
  - Given current pricing of Fed rate hikes, we continue to find value in the front end
  - Longer-term rates face two-sided risks from inflation and growth dynamics
  - Credit spreads remain tight as resilient growth, stable labor conditions, and strong demand outweigh valuation concerns

Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of June 30, 2026.

Implications of the Energy Shock

- **Higher energy costs lift headline inflation but the Fed remains attentive to broader passthroughs to core goods and services**
    - Oil prices ended the quarter near pre-conflict levels after peaking in April
    - Headline inflation may be at or near peak as energy supply normalizes
    - Fed remains focused on long-run inflation expectations

Consumer Price Index
Year-over-Year Change

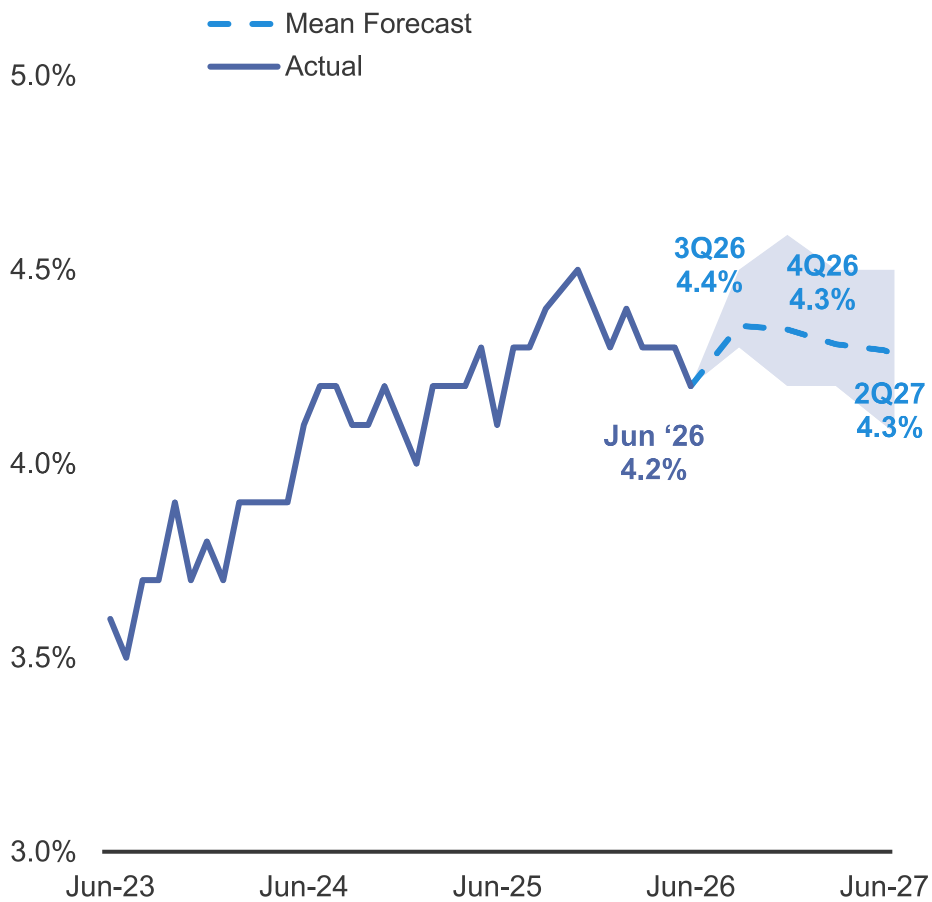


Forward Inflation Expectations
June 30, 2025 to June 30, 2026

Source: Bloomberg Finance L.P. and Bureau of Labor Statistics. CPI as of May 2026. Market implied inflation expectations shown using 1-year and 5-year inflation swaps as of June 30, 2026.

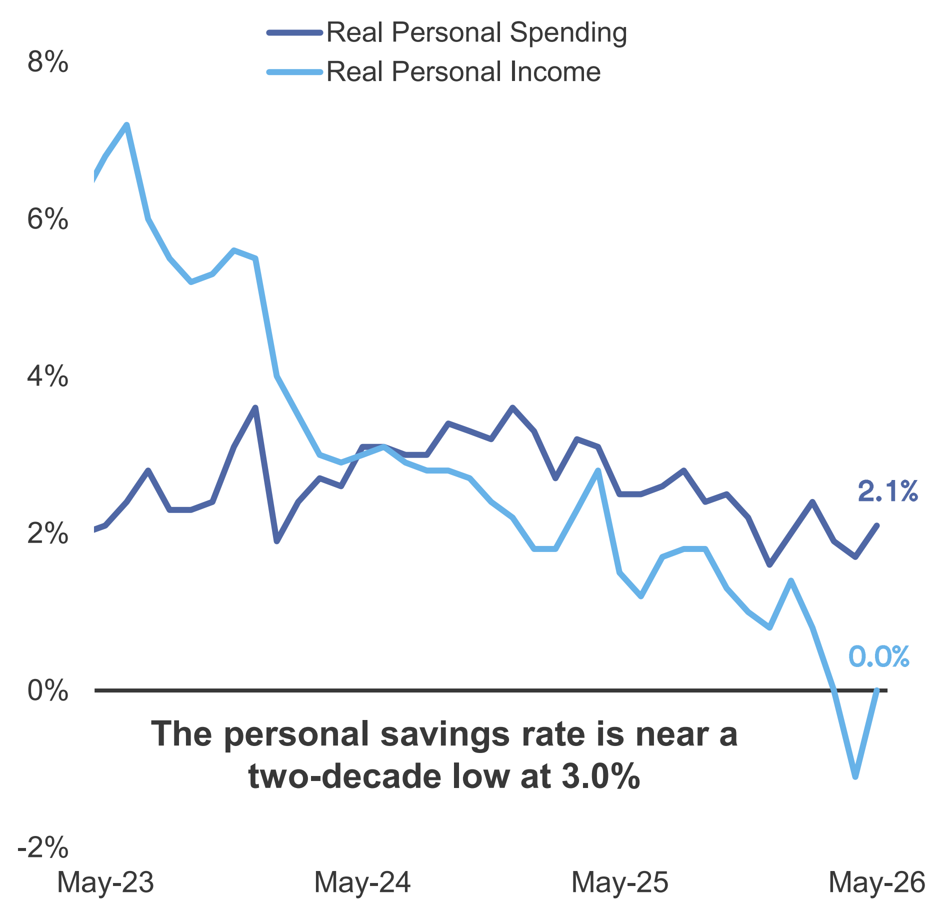
Labor Market Remains Balanced But Purchasing Power Erodes

Unemployment Rate



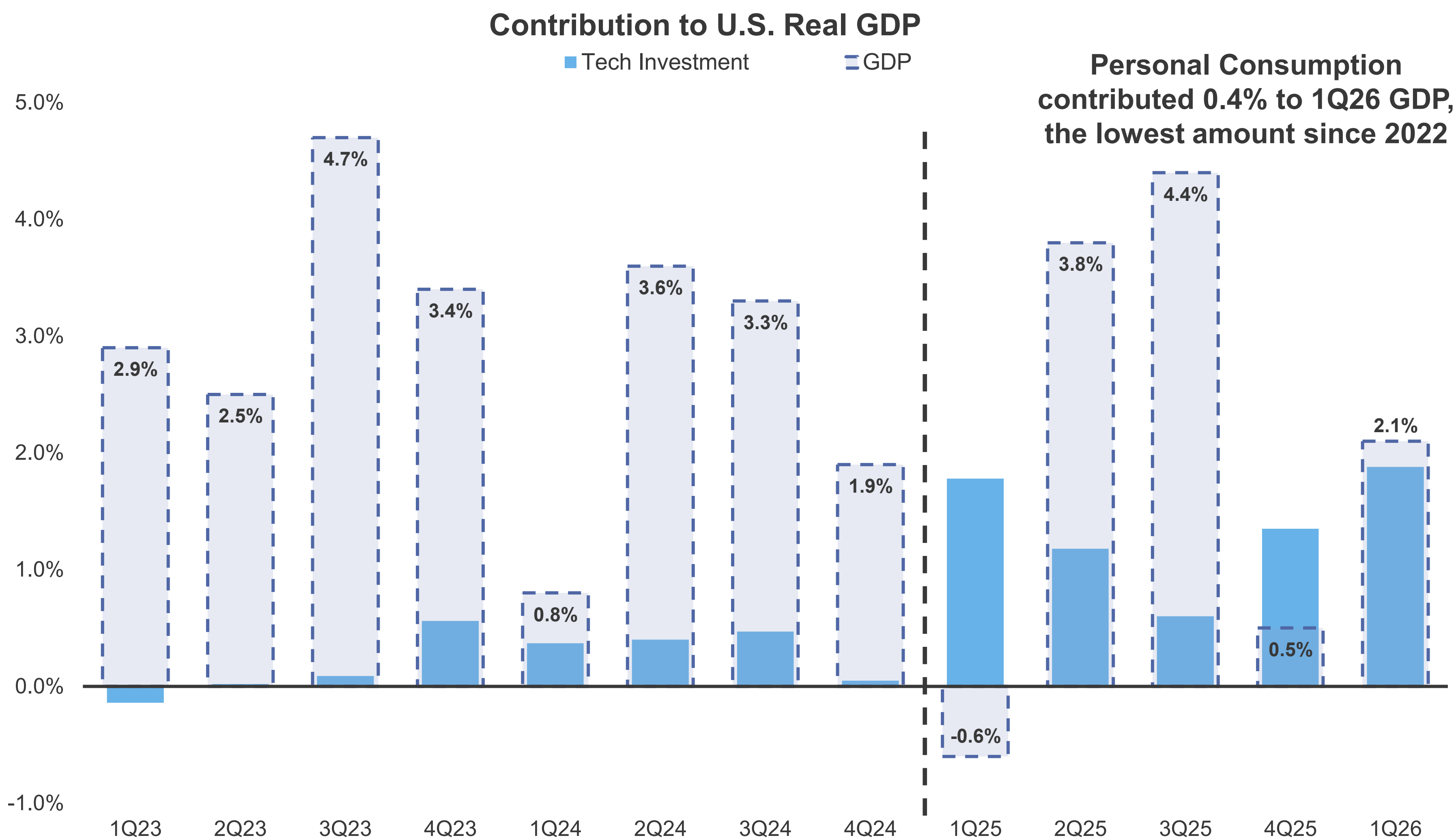
Real Spending & Income

Year-Over-Year Change



Source: Bloomberg Finance L.P. and Bureau of Economic Analysis as of May 2026. Bureau of Labor Statistics as of June 2026. Survey responses after June 26, 2026, included in mean and forecast range. Shading represents the central 80% of the forecasts.

Technology Investment Offsets Moderating Consumption



Source: Bloomberg Finance L.P. and Bureau of Economic Analysis as of March 2026. Tech investment contains contributions to GDP from computers and peripheral equipment, information processing equipment, and software.

Factors Shaping Our Economic Outlook

Negative

- Geopolitical uncertainty and supply chain disruptions
- Savings rate near record low
- Increasing retail credit card balances

Neutral

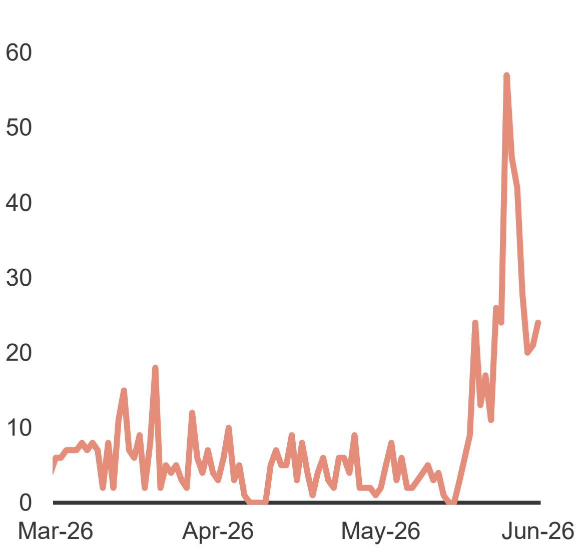
- Fed policy uncertainty
- Core inflation passthrough from energy shock modest thus far
- U.S. growth near trend but led by AI investment

Positive

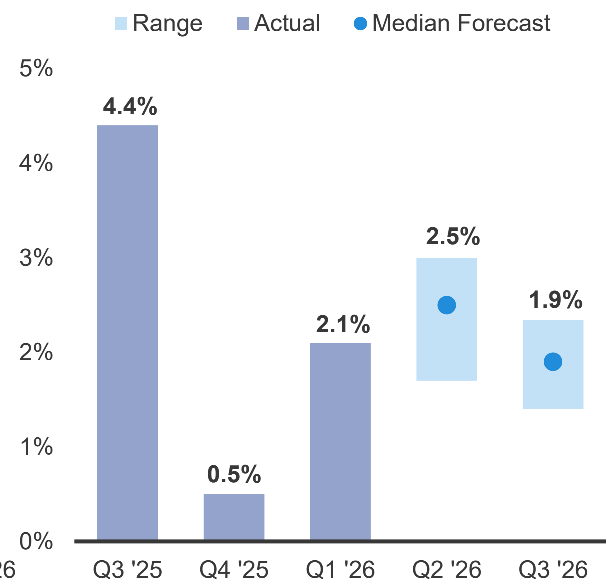
- Low layoffs and stable unemployment rate
- Corporate fundamentals
- Supportive fiscal policy

Hormuz Ship Traffic

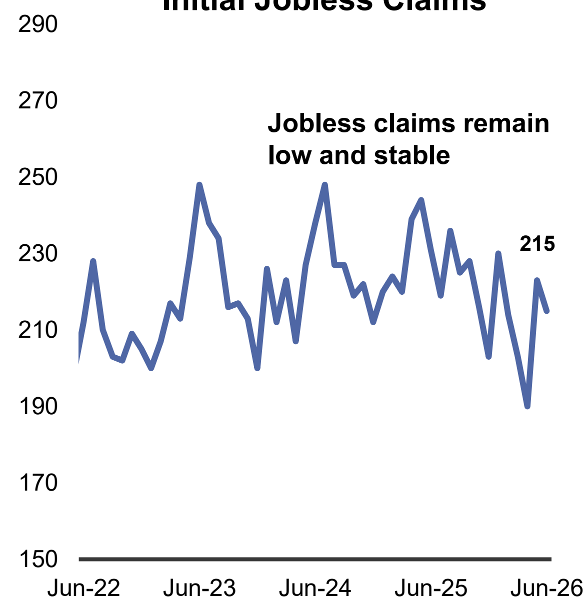
Daily Volume



U.S. GDP Forecasts



Initial Jobless Claims



Sources: Bloomberg Finance L.P. as of June 30, 2026, Bureau of Economic Analysis as of March 31, 2026, and Department of Labor as of June 19, 2026. Survey responses after June 26, 2026, included in median and forecast range. Shading represents the central 80% of the forecasts.

New Fed Leadership and a Modified Approach

Hawkish Lean

- Fed voted unanimously to keep rates unchanged
- New Chair Kevin Warsh reaffirmed commitment to 2% inflation target, noting the Fed has "some work to do"
- Dot plot showed 9 of 18 participants projected at least one hike in 2026

Less Forward Guidance

- Statement pared back and more factual in nature
- No dot or projections submitted by Warsh
- Chair Warsh argued markets should focus on economic fundamentals and incoming data rather than anticipated policy responses

New Task Forces

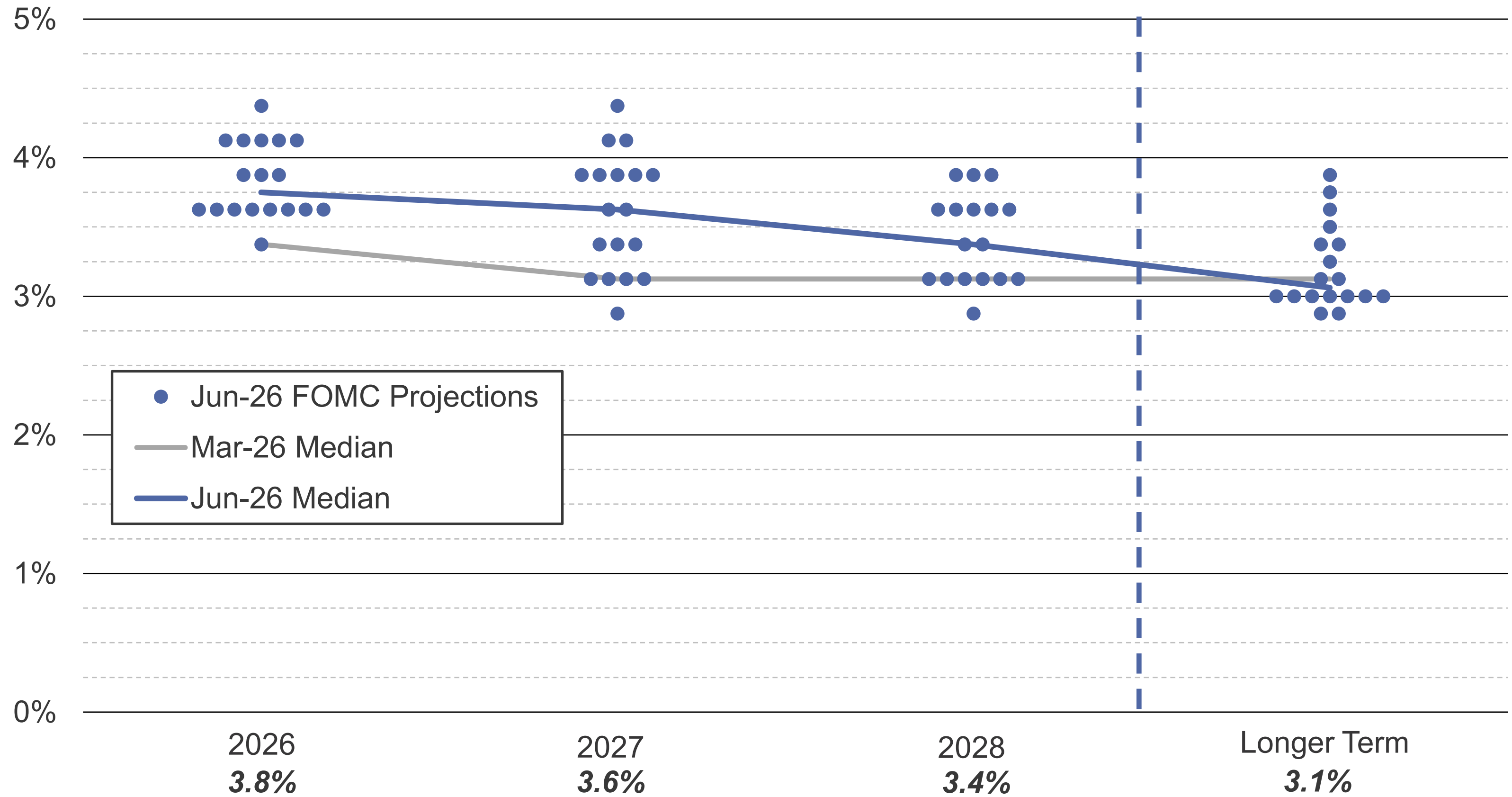
- Five task forces established with initial findings expected by year-end
- Covers communications, balance sheet, data, productivity and jobs, and inflation framework
- 2% inflation target not in scope of task forces

Source: Federal Reserve and Kevin Warsh as of June 17, 2026.

The Latest Fed "Dot Plot"

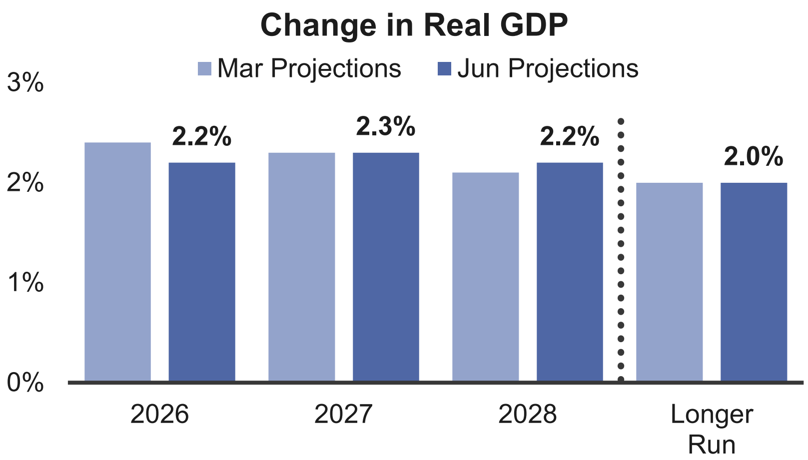
The Fed acknowledged inflation remained above the 2% target. However, it noted economic growth is expanding at a solid pace while the unemployment rate has remained little changed.

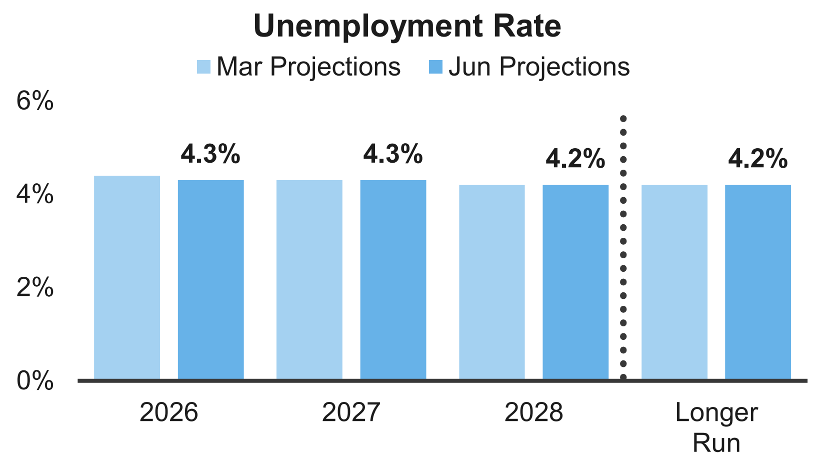
Fed Participants' Assessments of 'Appropriate' Monetary Policy

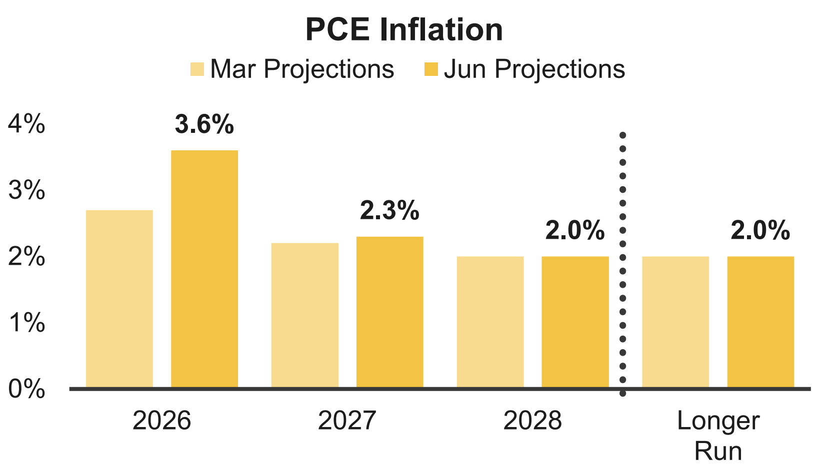


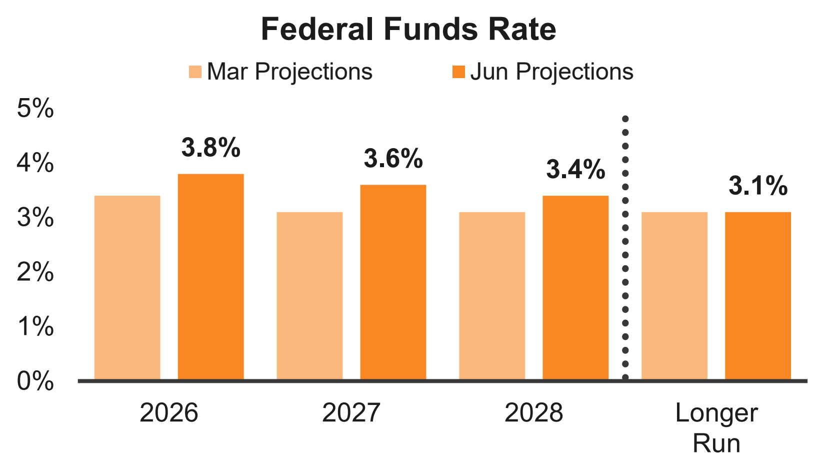
Source: Federal Reserve; Bloomberg Finance L.P. Individual dots represent each Fed member's judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. As of June 17, 2026.

Fed's Updated Summary of Economic Projections





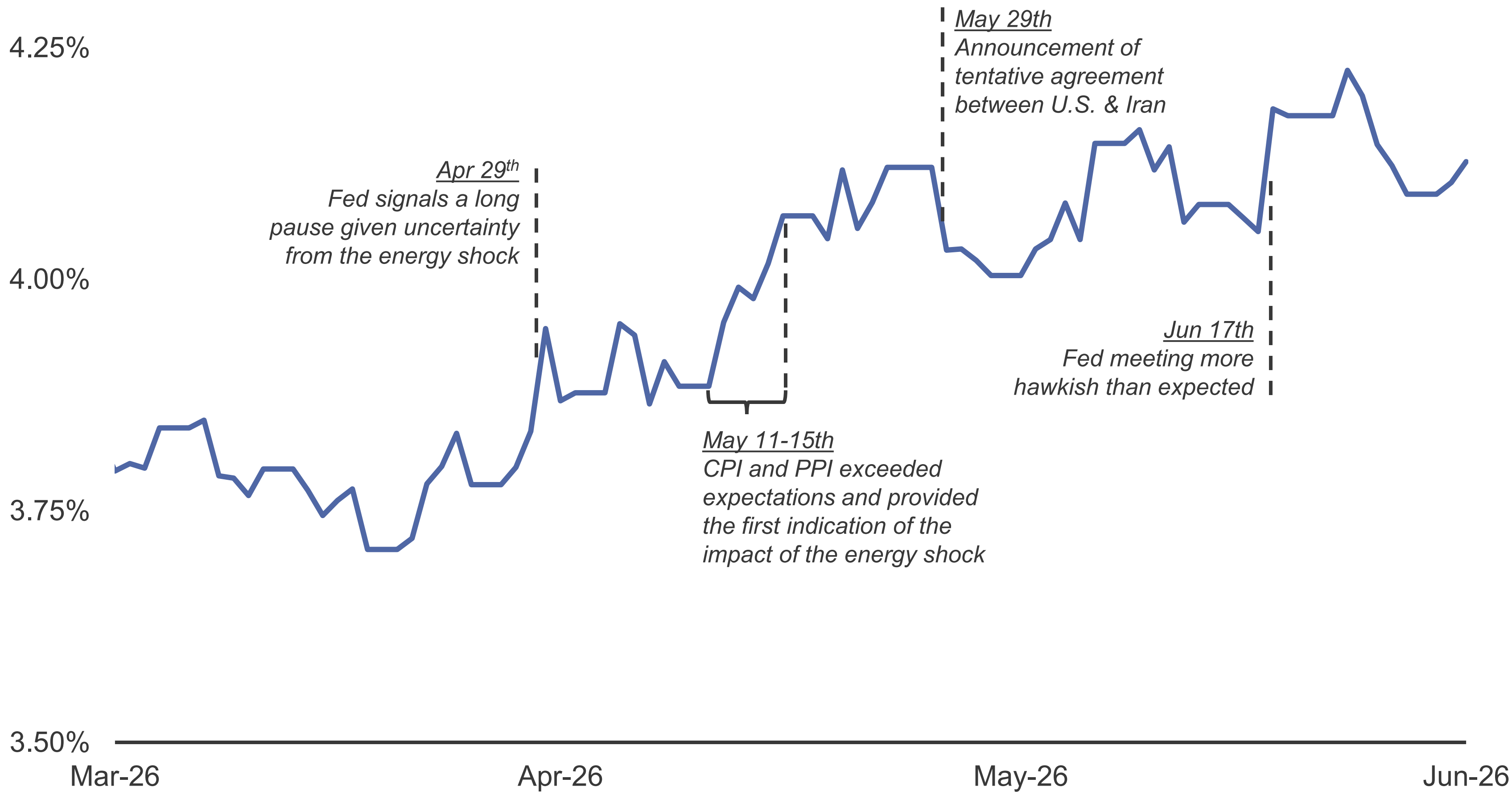




Source: Federal Reserve, latest economic projections as of June 2026.

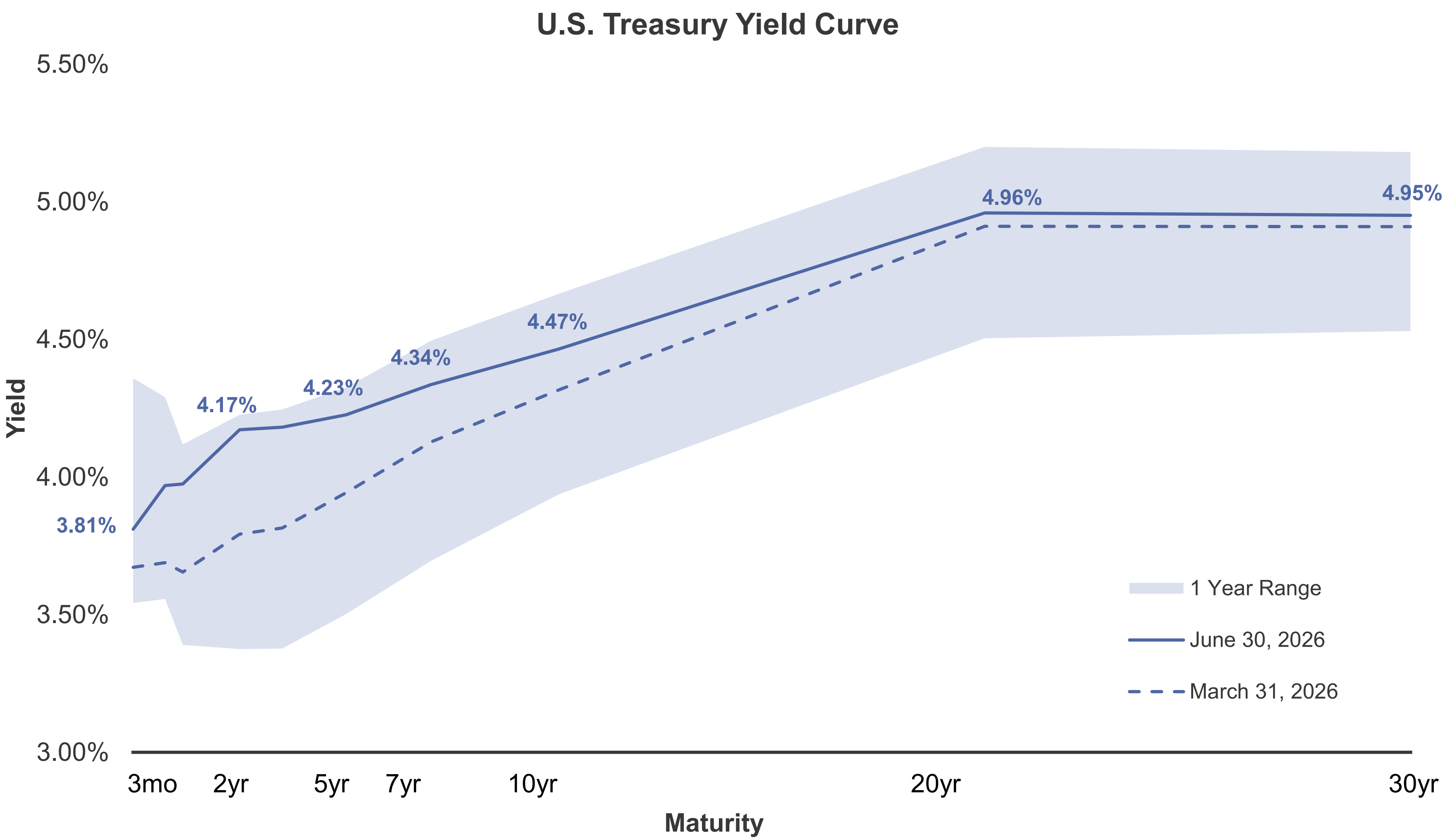
2-Year Treasury Yield Moves Higher

2-Year U.S. Treasury Yield
March 31, 2026 – June 30, 2026



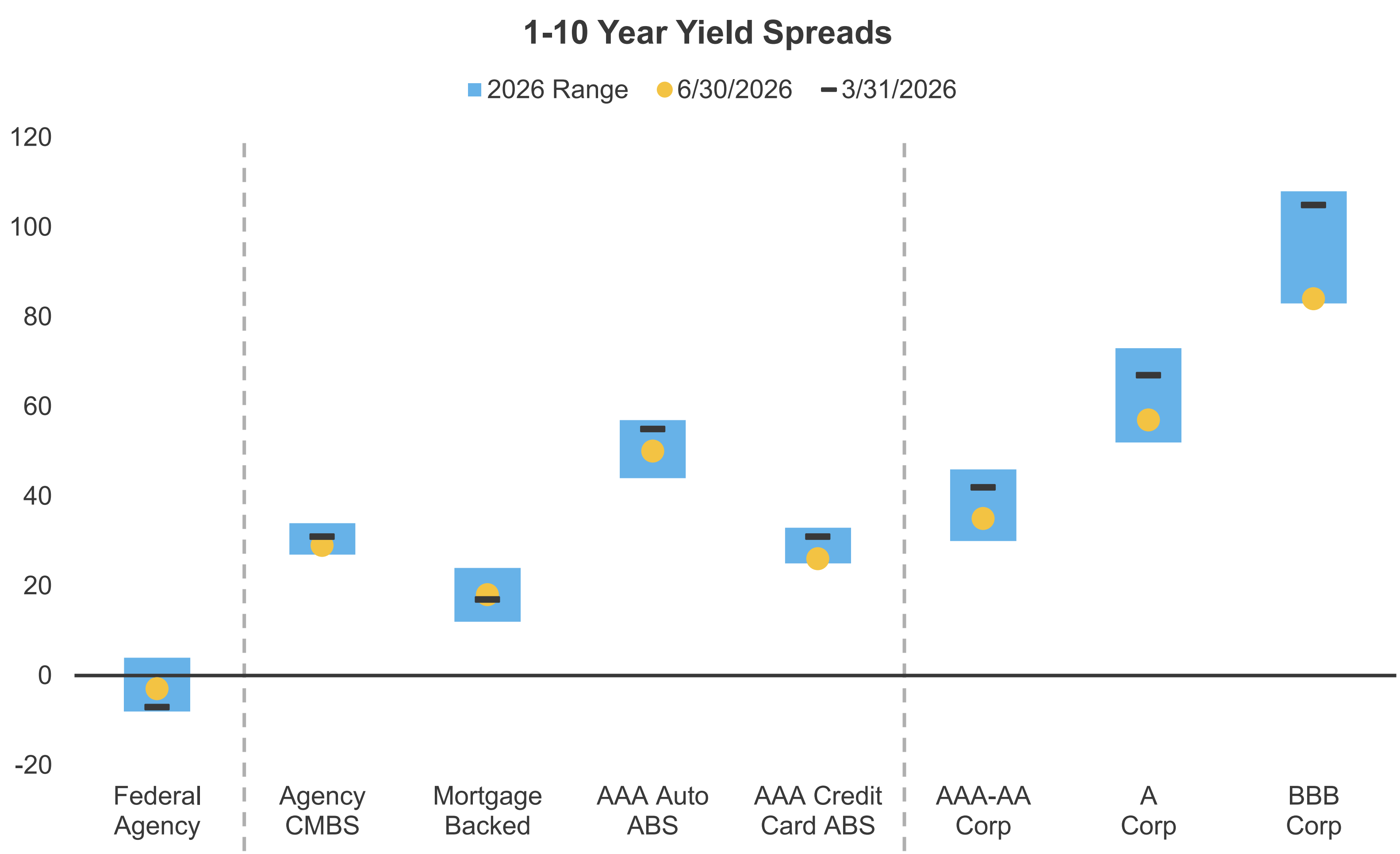
Source: Bloomberg Finance L.P., as of June 30, 2026.

Treasury Yields Rise Across the Curve



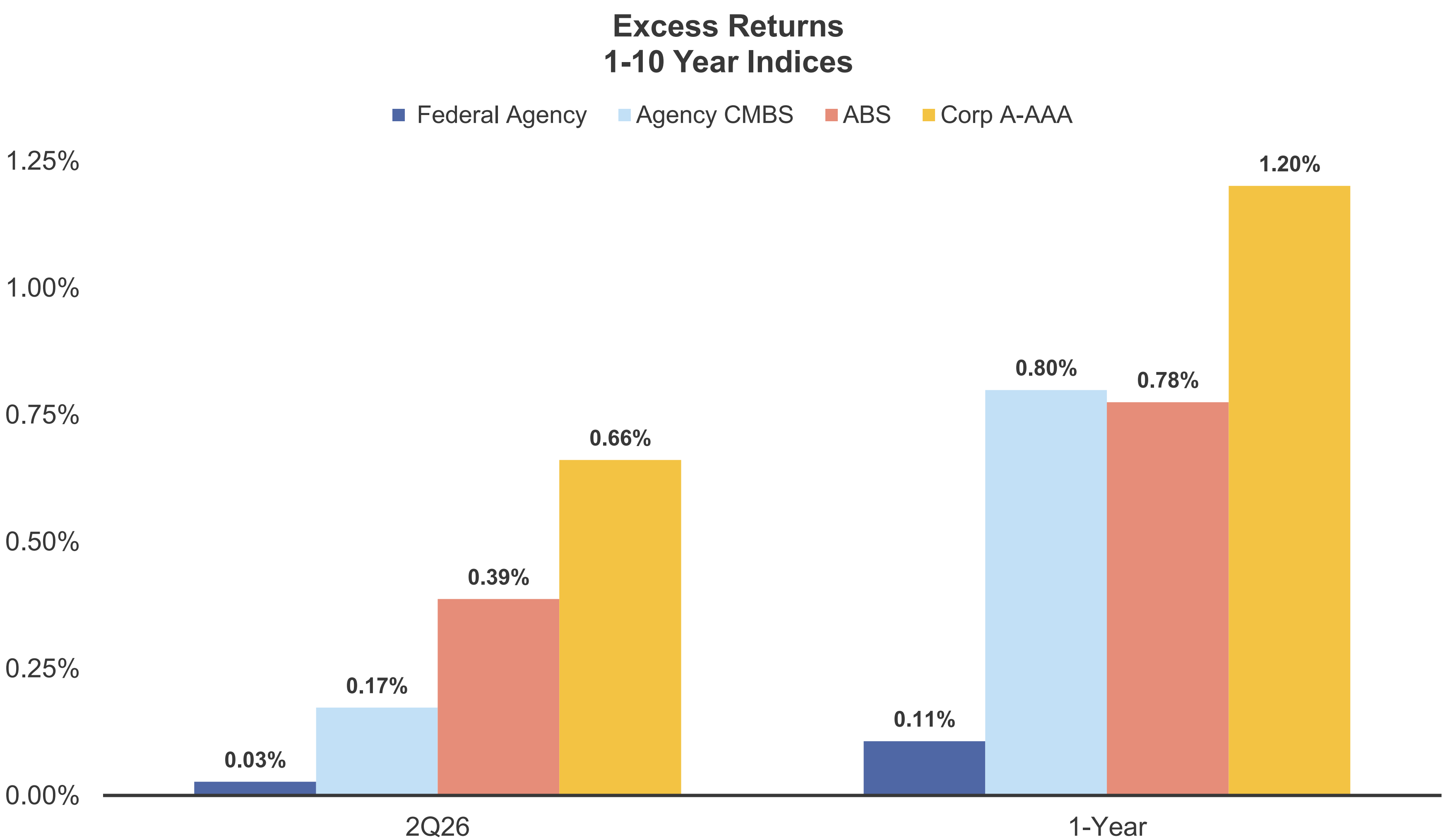
Source: Bloomberg Finance L.P., as of June 30, 2026.

Sector Yield Spreads



Source: ICE BofA 1-10 year Indices via Bloomberg Finance L.P. as of June 30, 2026. Spreads on ABS and MBS are option-adjusted spreads based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.
CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

Fixed-Income Index Excess Returns

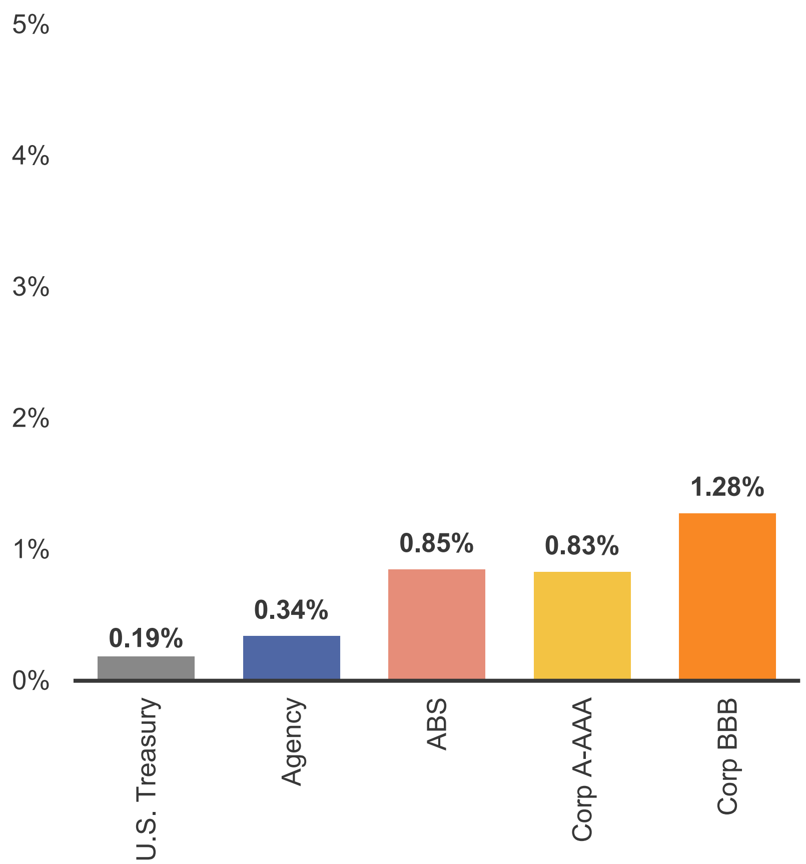


Source: ICE BofA Indices. ABS indices are 0-10 year, based on weighted average life. Agency CMBS represented by ICE BofA Agency CMBS Index. As of June 30, 2026.

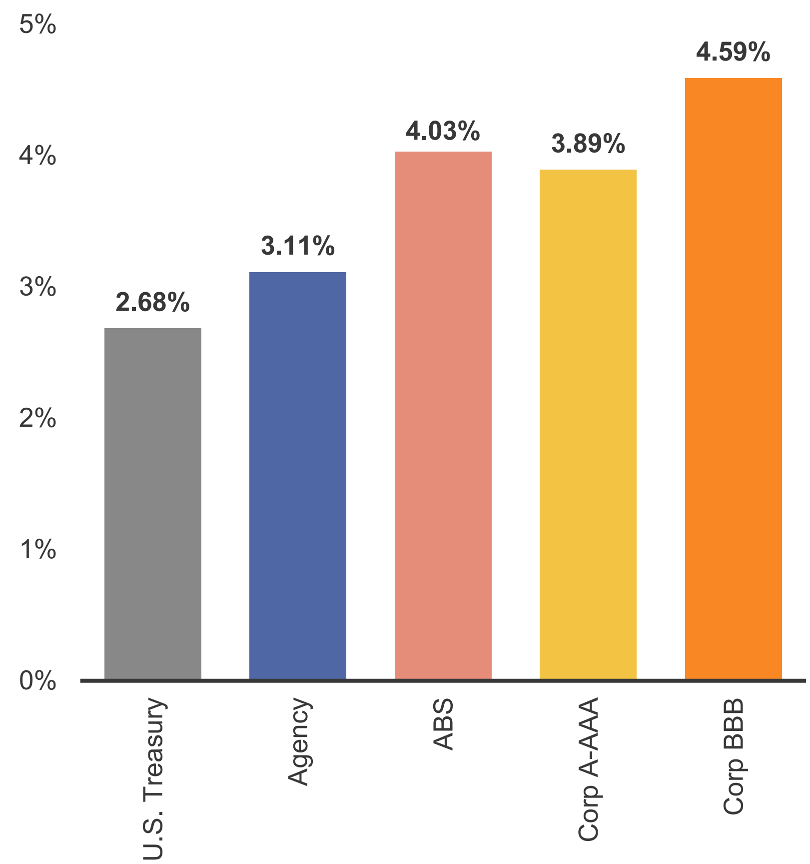
Fixed-Income Index Total Returns in 2Q 2026

1-10 Year Indices

Second Quarter 2026 Returns



1-Year Return



Source: ICE BofA Indices. ABS indices are 0-10 year, based on weighted average life. As of June 30, 2026.

2-Year Treasury Yield Remains Attractive

Source: Bloomberg Finance L.P., as of June 30, 2026.

Government Sector Strategy

AGENCY BULLETS

Tight spreads with limited upside

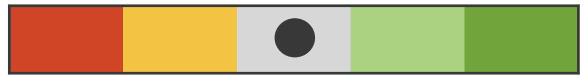
Summary:

- Most securities trade at or through Treasuries, limiting relative value
- Limited issuance continues to support tight spreads
- Lack of clear widening catalyst keeps spreads anchored

Outlook:

- Spreads likely to remain very tight given supportive technicals
- Look to rotate into better relative value alternatives in other sectors
- Monitor potential Fannie Mae and Freddie Mac privatization

CALLABLE AGENCIES



Selective opportunities

Summary:

- Recent widening has improved valuations, though most secondary offerings remain at negative OAS
- Elevated redemption activity continues to support issuance
- Structures with longer lockouts may provide selective value

Outlook:

- Evaluate selectively with a preference for longer lockouts
- Focus on structures providing compensation for optionality

SUPRANATIONALS

Limited relative value

Summary:

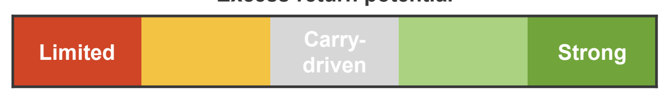
- Offers 5 to 10 bps of value over Agencies but spreads remain historically tight
- Flat spread curve favors shorter maturities inside 2.5 years
- Strong technicals supported by slower issuance and strong demand

Outlook:

- Tight spreads and limited opportunities likely to persist
- Look to sell for rebalancing or sector rotation

● Current outlook

Excess return potential



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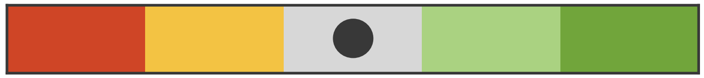
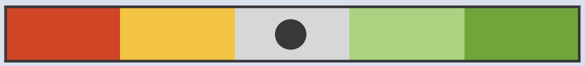
Corporate Sector Strategy

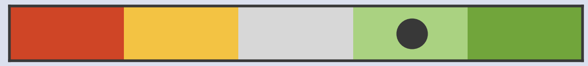
OVERALL		Attractive all-in yields, rich valuations

Fundamentals:



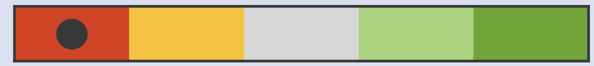
- Corporate fundamentals remain supportive with strong profitability and low default risk

Technicals:



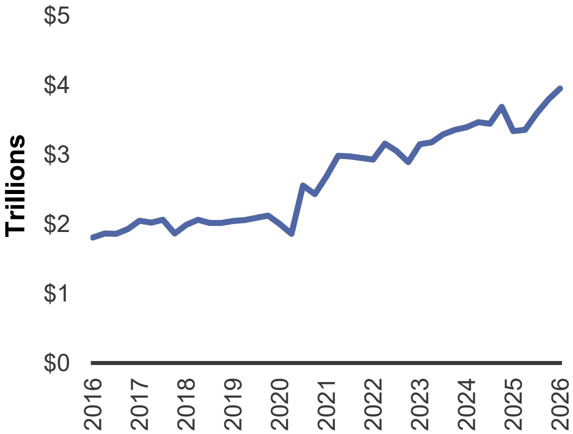
- Robust institutional and yield-driven demand remains sufficient to absorb elevated new issuance and support spreads

Valuations:

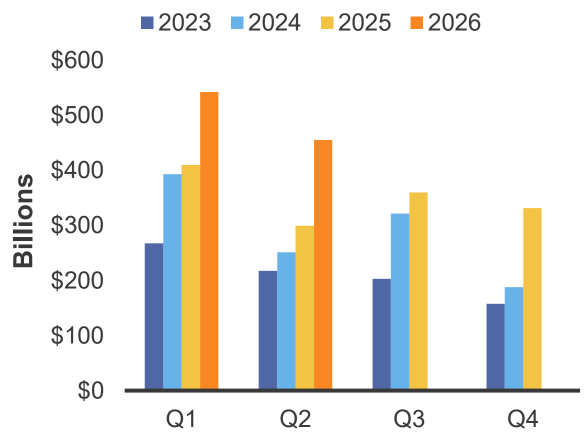


- Rich valuations limit further spread tightening potential, leaving carry as the primary driver of returns

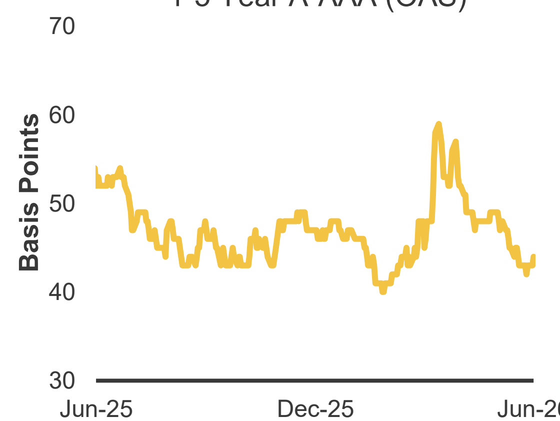
Corporate Profits
After Tax



US IG Corp Issuance

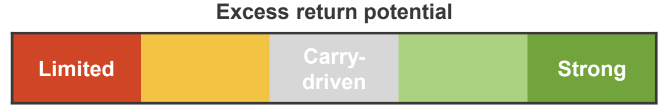


Corporate Yield Spreads
1-5 Year A-AAA (OAS)



Excess return potential

● Current outlook



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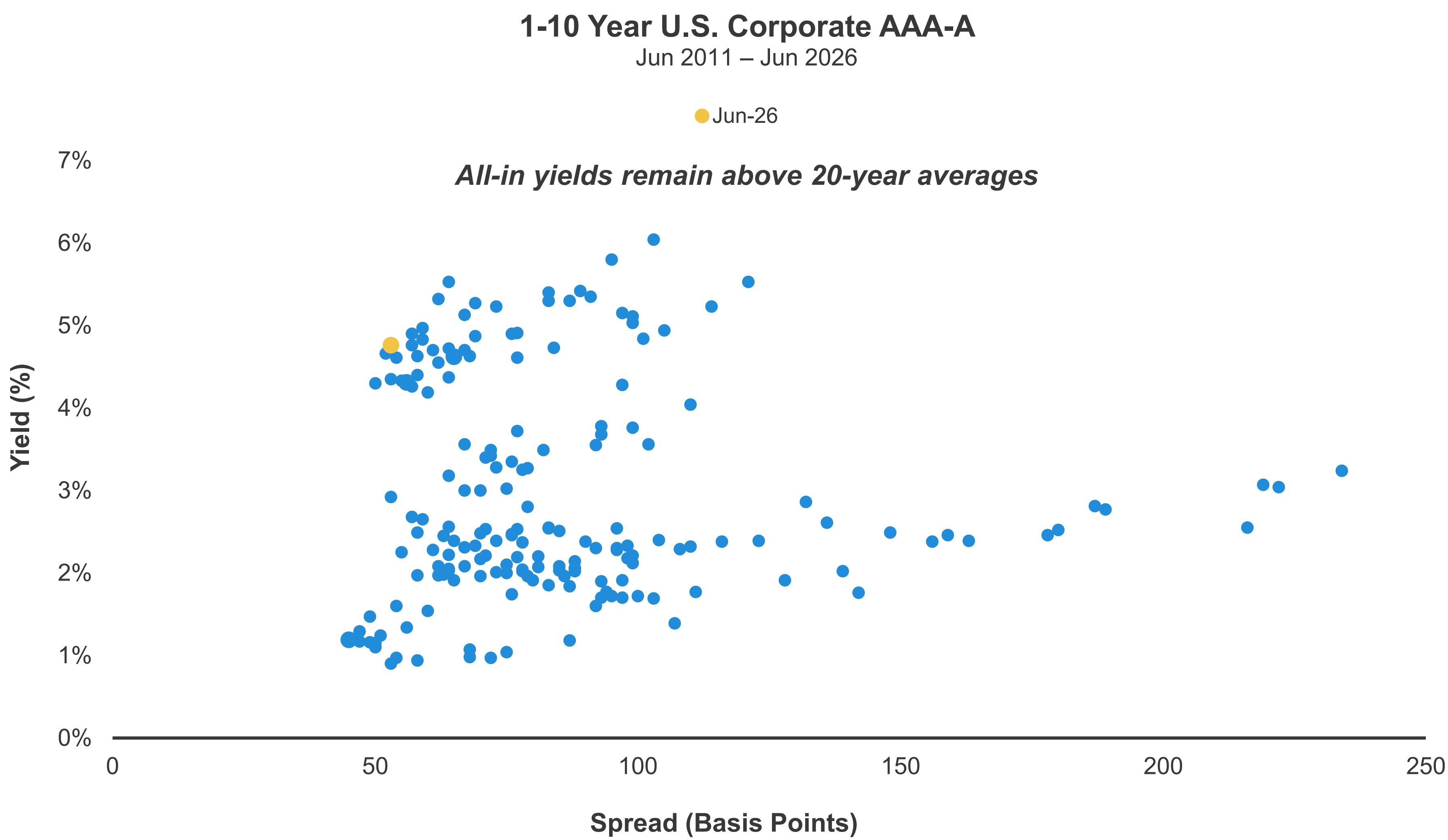
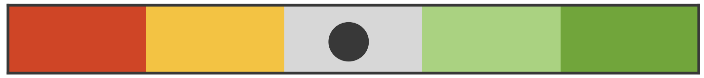
Corporate Index Yield vs OAS (2011 – 2026)

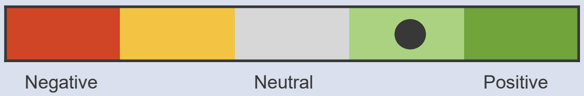


Source: Bloomberg Finance L.P., ICE BofA Indices. Spread is option adjusted spread (OAS). Monthly data from June 2011 to June 2026.

Asset-Backed Sector Strategy

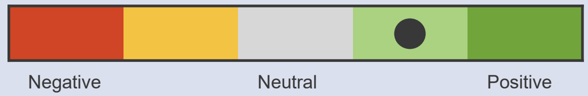
OVERALL		**Attractive all-in yields, rich valuations**

Fundamentals:



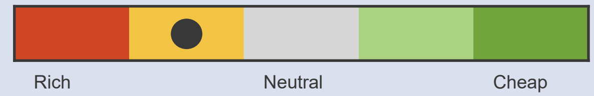
- Robust credit enhancements and stable consumer continue to support sector

Technicals:



- Strong issuance met by healthy institutional investor and yield-driven demand

Valuations:



- Spreads modestly rich with carry expected to drive returns

ABS Fundamentals

Fitch Prime ABS Indices: 2000-2026

60+ Day Delinquency

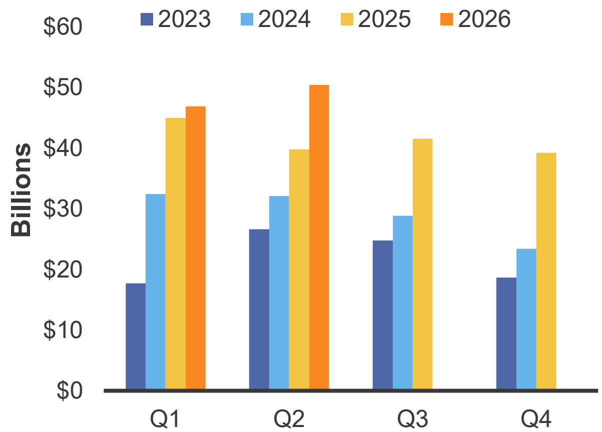
	Current	GFC Peak	Average
Card	0.9%	6.5%	2.0%
Auto	0.4%	0.9%	0.4%

Annualized Net Losses/Charge-offs

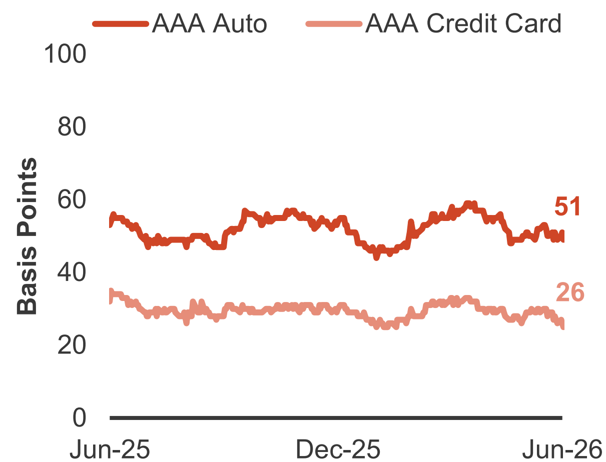
	Current	GFC Peak	Average
Card	2.9%	11.5%	4.5%
Auto	0.4%	2.2%	0.7%

AAA ABS Issuance

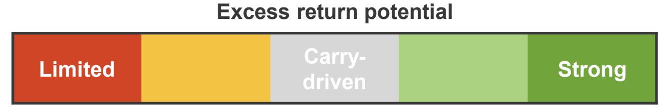
Autos, CC, Equip, Utilities



ABS Yield Spread (OAS)



Excess return potential



● **Current outlook**

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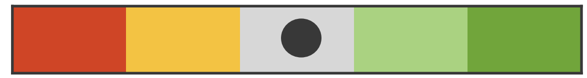
Mortgage-Backed Sector Strategy

AGENCY MBS

Carry offset by rich valuations

Summary:
- Recent widening has improved valuations though spreads remain rich relative to historic levels
- GSE purchases continue to support technicals, though broader investor demand remains modest
- Rich valuations and elevated rate volatility limit upside

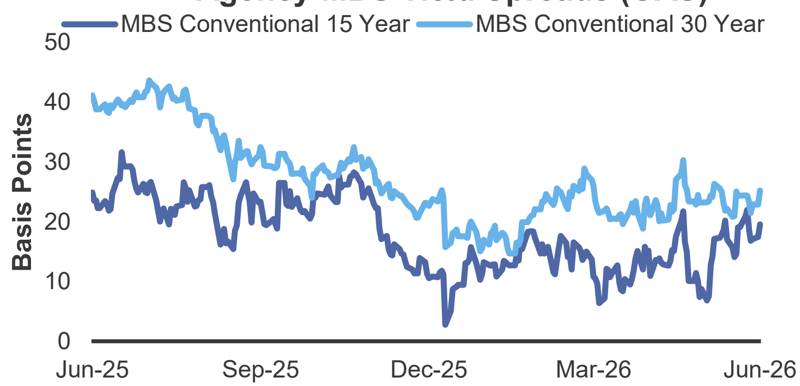
AGENCY CMBS



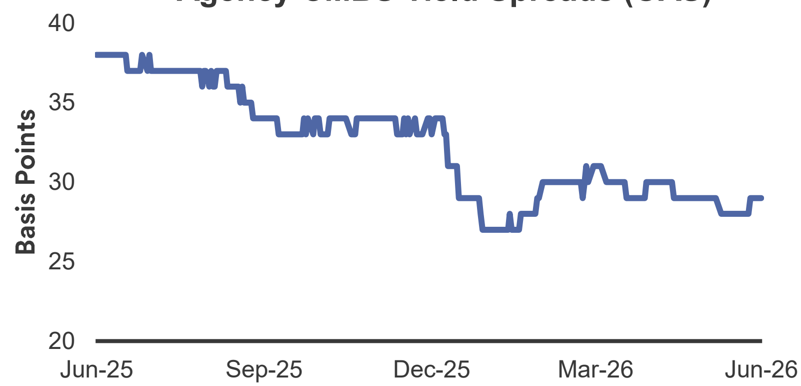
Carry supported by strong technicals

Summary:
- Valuations remain near record tights with most maturities in the lowest 10% of historic observations
- Strong bank demand continues to absorb elevated issuance supporting spreads
- Less sensitive to interest rate volatility

Agency MBS Yield Spreads (OAS)



Agency CMBS Yield Spreads (OAS)



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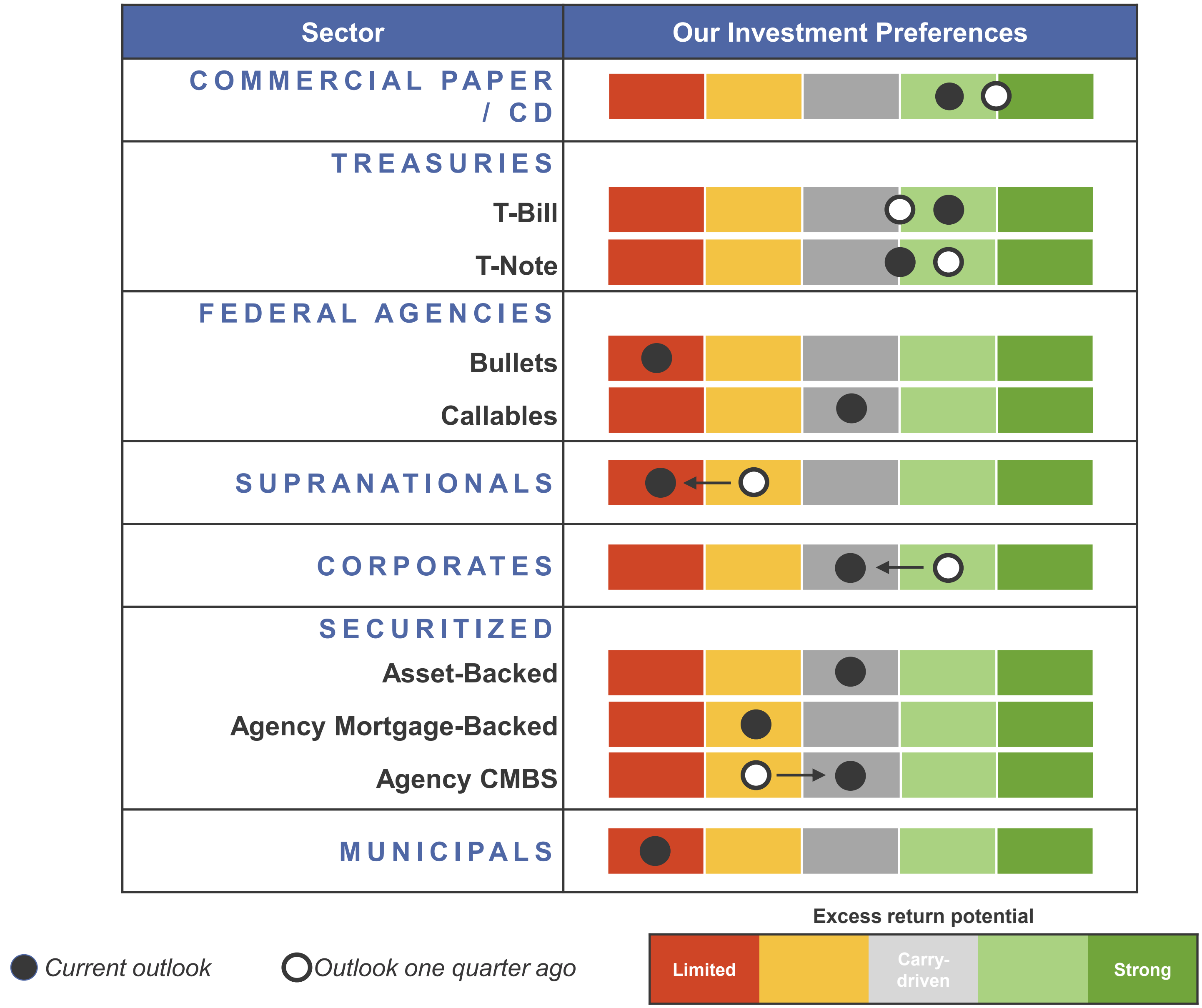
Fixed-Income Sector Outlook – 3Q 2026



Fixed-Income Sector Commentary – 2Q 2026

- The **Federal Reserve** held rates steady at Kevin Warsh's first meeting as Chair, removing forward guidance from the policy statement and reaffirming its commitment to price stability. The June "dot plot" turned more hawkish, showing no rate cuts in 2026 and nine policymakers penciling at least one hike this year.
- The **U.S. Treasury** yield curve continued to flatten over the quarter. with a notable sell-off in the front end. The 2-year yield surpassed 4% for the first time in over one year, which is a key technical threshold.
- **Federal Agency & supranational** issuance remained limited, keeping spreads narrow and excess returns muted. Market concerns around privatization have abated for the time being.
- **Investment-grade (IG) corporate** bonds benefited from strong investor demand and generally healthy corporate fundamentals. Credit spreads returned toward historically rich valuations, supporting excess returns during the quarter.
- **Asset-Backed Securities** continued to benefit from resilient collateral performance and strong investor demand. Spreads narrowed modestly but widened versus corporates, improving relative value. Auto loan collateral marginally outperformed credit card receivables, which posted negative excess returns for the quarter.
- Thirty-year **Agency-backed mortgage-backed securities (MBS)** generated solid excess returns in the quarter and outperformed 15-year tenors, which lagged Treasuries. Lower volatility supported excess returns. **Agency-backed commercial MBS (CMBS)** also generated positive excess returns for the quarter but continue to trail residential MBS.
- **Short-term credit** (commercial paper and negotiable bank CDs) yield spreads remained attractive through the quarter, with additional opportunities emerging across the money market credit curve into quarter-end. Floating-rate notes also saw notable spread widening, ending the quarter 10-15 bps wider.

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Fixed-Income Sector Outlook – 3Q 2026

- We find the front end of the **U.S. Treasury** curve attractive given current pricing for Fed rate hikes. For shorter-duration strategies, we prefer a modestly longer duration stance and for longer duration strategies we will maintain a curve steepening bias through a modest underweight to the long end.
- **Federal Agency & Supranational** spreads are likely to remain at tight levels. Government-only accounts may find occasional value on an issue-by-issue basis.
- **Taxable Municipals** continue to offer limited opportunity as ongoing supply constraints and strong demand keep yields compressed. We do not expect this dynamic to change in the near term.
- **Investment-Grade (IG) Corporate** bonds are supported by technicals and stable fundamentals. All-in yields remain attractive; however, the recent spread tightening has reduced value in the sector. While corporate fundamentals remain favorable, we believe limited room exists for further spread compression and expect income generation and carry to be the primary contributors to returns going forward.
- **Asset-Backed Securities** fundamentals remain within expectations and credit enhancements remain robust. Prime loan delinquencies are stable and well below historical averages, though the subprime sector has shown some pressure. We remain constructive on the sector given its diversification benefits and favorable fundamentals. We believe security selection will become increasingly important as spreads remain below longer-term averages.
- Despite recent **Mortgage-Backed Securities** performance, we continue to view valuations as rich relative to historical levels, which may limit future excess return opportunities.
- **Short-term credit** (commercial paper and negotiable bank CDs) spreads are expected to be primarily driven by the FOMC's monetary policy decisions. Given the hawkish repricing we anticipate more opportunities over the quarter.

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Factors to Consider for 6-12 Months

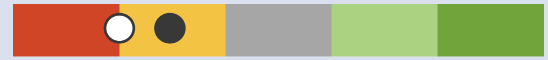
Monetary Policy (Global):

- The Federal Reserve held rates steady at Chair Warsh's first meeting and removed forward guidance while shifting its focus to price stability.
- The June "dot plot" shifted more hawkish, showing no projected rate cuts in 2026 while nine policymakers projected at least one hike this year.
- Warsh launched five task forces to review Fed operations and key policy frameworks.
- Global central banks diverged, with ECB and BoJ hiking on persistent inflation while others remain on hold.

Economic Growth (Global):

- Global growth prospects improved following easing Middle East tensions, easing a key overhang on global supply chains and energy prices.
- AI-related capex and easing tariff pressures are expected to continue offsetting softening in consumer demand.
- Risks remain skewed to the downside given geopolitical uncertainty and signs of softer consumer demand.

Inflation (U.S.):



- Headline inflation remains above target but may be at or near its peak as falling oil prices provide a disinflationary impulse.
- Core services inflation remains sticky while core goods inflation remains muted as easing tariff pressures offset AI-fueled inflation.
- Producer prices suggest lingering supply-chain pressures, increasing the risk of cost passthroughs.
- While long-run inflation expectations remain anchored, the Fed remains focused on the passthrough of higher energy into core inflation.

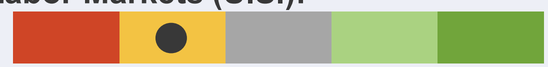
Financial Conditions (U.S.):

- Equity and fixed-income markets largely looked through the Middle East conflict, remaining focused on fundamentals and earnings strength.
- Strong corporate fundamentals persist and credit spreads are back near historical tights reflecting investor demand for yield.
- AI-related capex continues to drive significant capital flows, supporting equity valuations and elevated investment-grade issuance.
- Elevated valuations, large capital raises, geopolitical uncertainty, and energy price volatility remain key risks.

Consumer Spending (U.S.):

- Consumers remained resilient throughout the quarter despite higher energy costs but are beginning to show signs of softening.
- Real wages have turned modestly negative as inflation outpaces nominal wage gains, eroding purchasing power.
- The savings rate has fallen to multi-year lows, leaving consumers with less cushion.
- Consumer spending remains supported by higher-income households while affordability pressures persist for lower-income consumers.

Labor Markets (U.S.):



- The labor market has continued to show resilience, with recent payroll gains exceeding expectations and the unemployment rate holding steady.
- Hiring breadth remains narrow, concentrated in healthcare and social assistance.
- The "low-hire, low-fire" dynamic persists, with labor demand stable but hiring activity subdued.
- Slowing population growth and a softer labor force participation rate point to a structurally tighter supply of labor going forward.

● **Current outlook** ○ **Outlook one quarter ago**

Stance Unfavorable to Risk Assets	Negative	Slightly Negative	Neutral	Slightly Positive	Positive	**Stance Favorable to Risk Assets**

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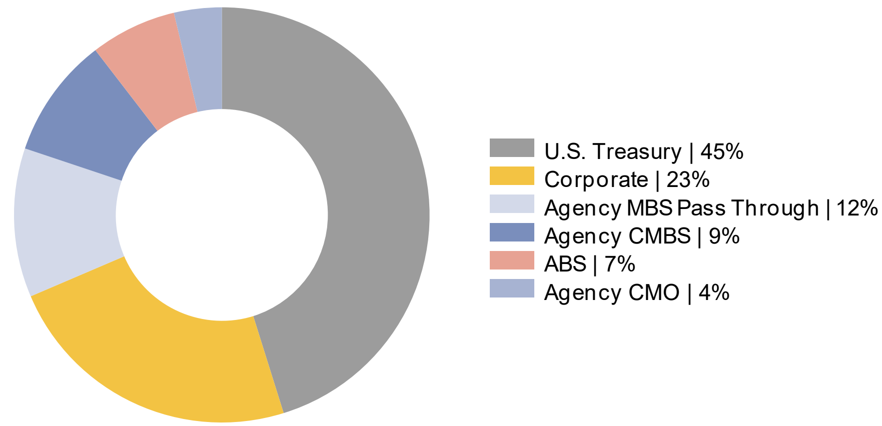
Portfolio Review:
CITY OF NAPERVILLE

Portfolio Snapshot - CITY OF NAPERVILLE[1]

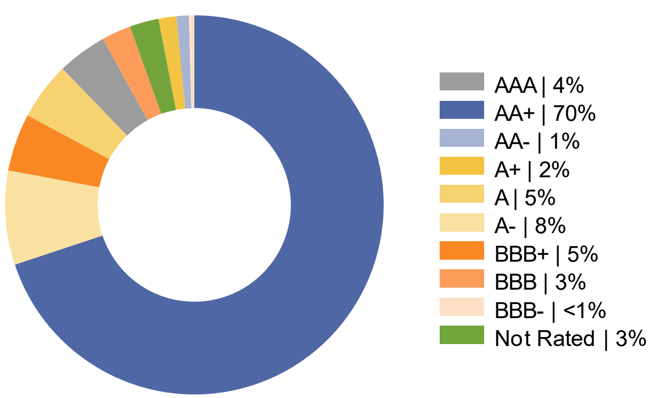
Portfolio Statistics

Total Market Value	$108,285,225.68
Securities Sub-Total	*$105,301,154.83*
Accrued Interest	*$740,416.70*
Cash	*$2,243,654.15*
Portfolio Effective Duration	3.48 years
Benchmark Effective Duration	3.54 years
Yield At Cost	4.00%
Yield At Market	4.55%
Portfolio Credit Quality	AA

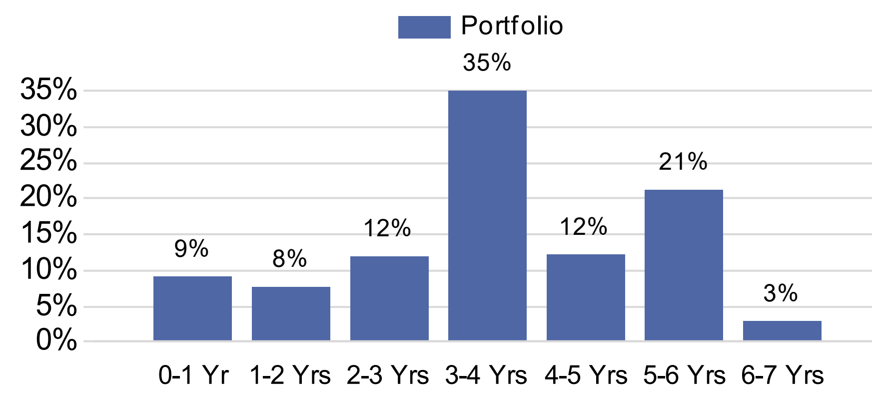
Sector Allocation



Credit Quality - S&P

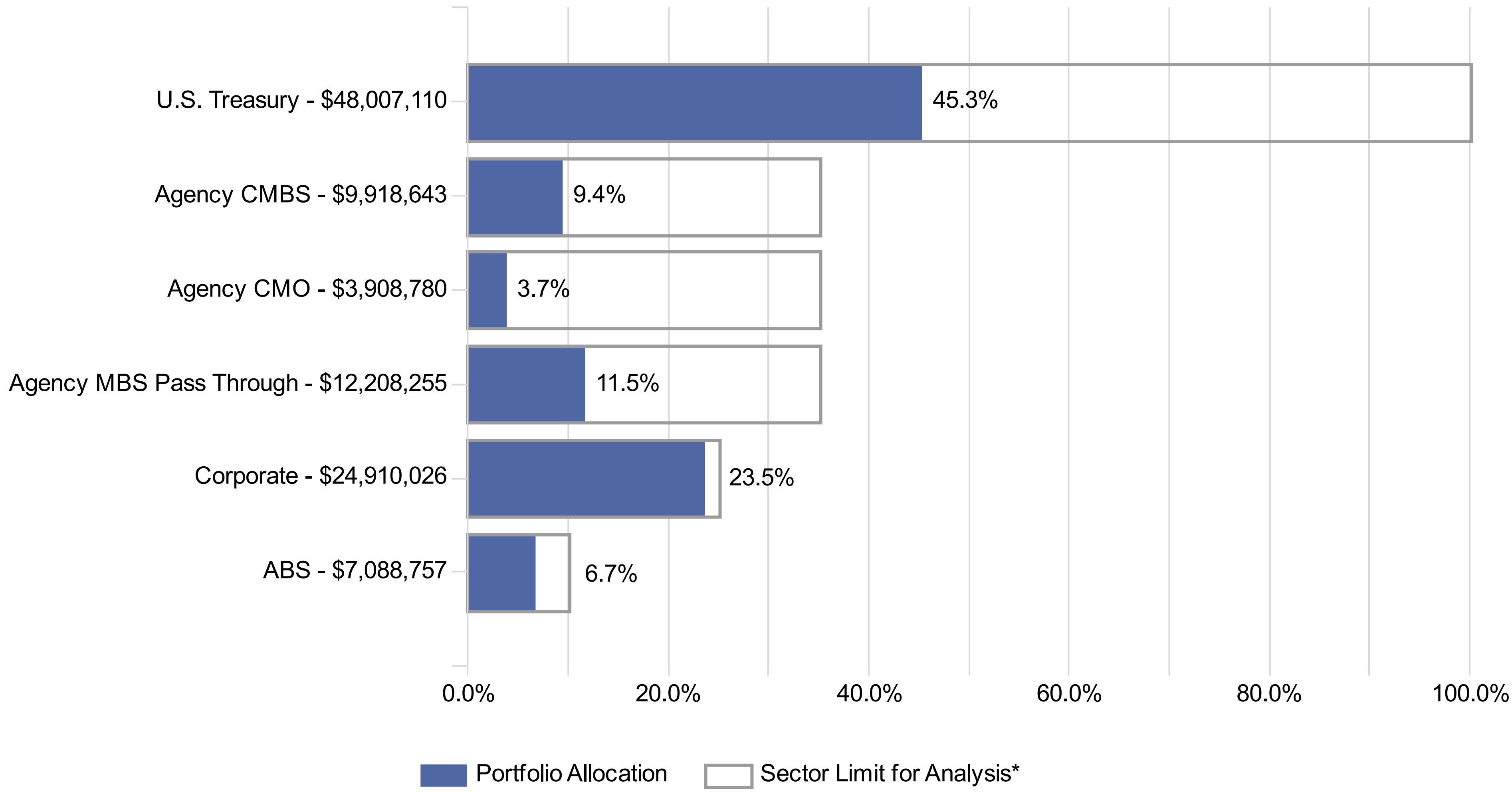


Duration Distribution



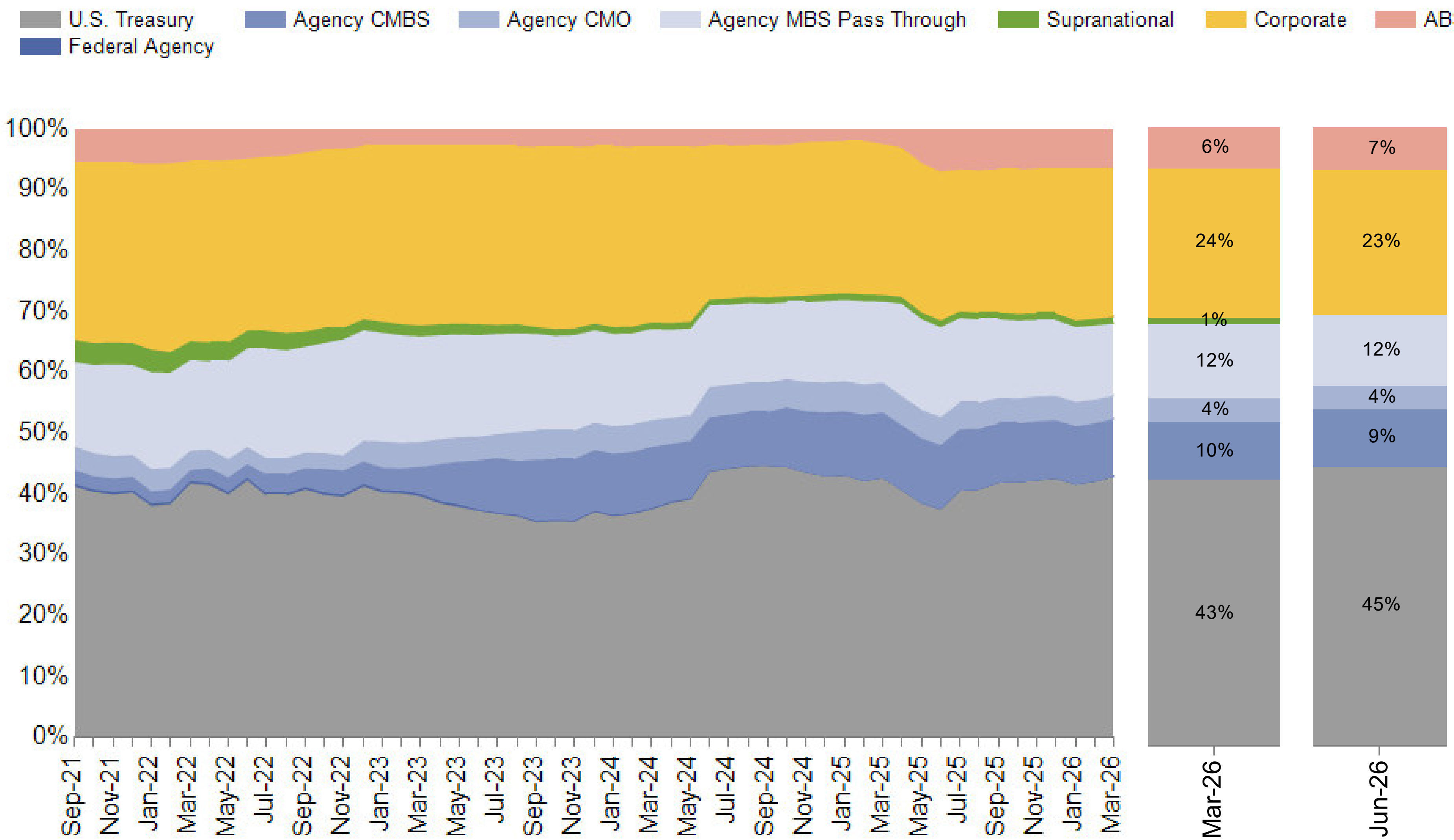
1. *Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg Financial LP. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.*

Sector Allocation Analytics



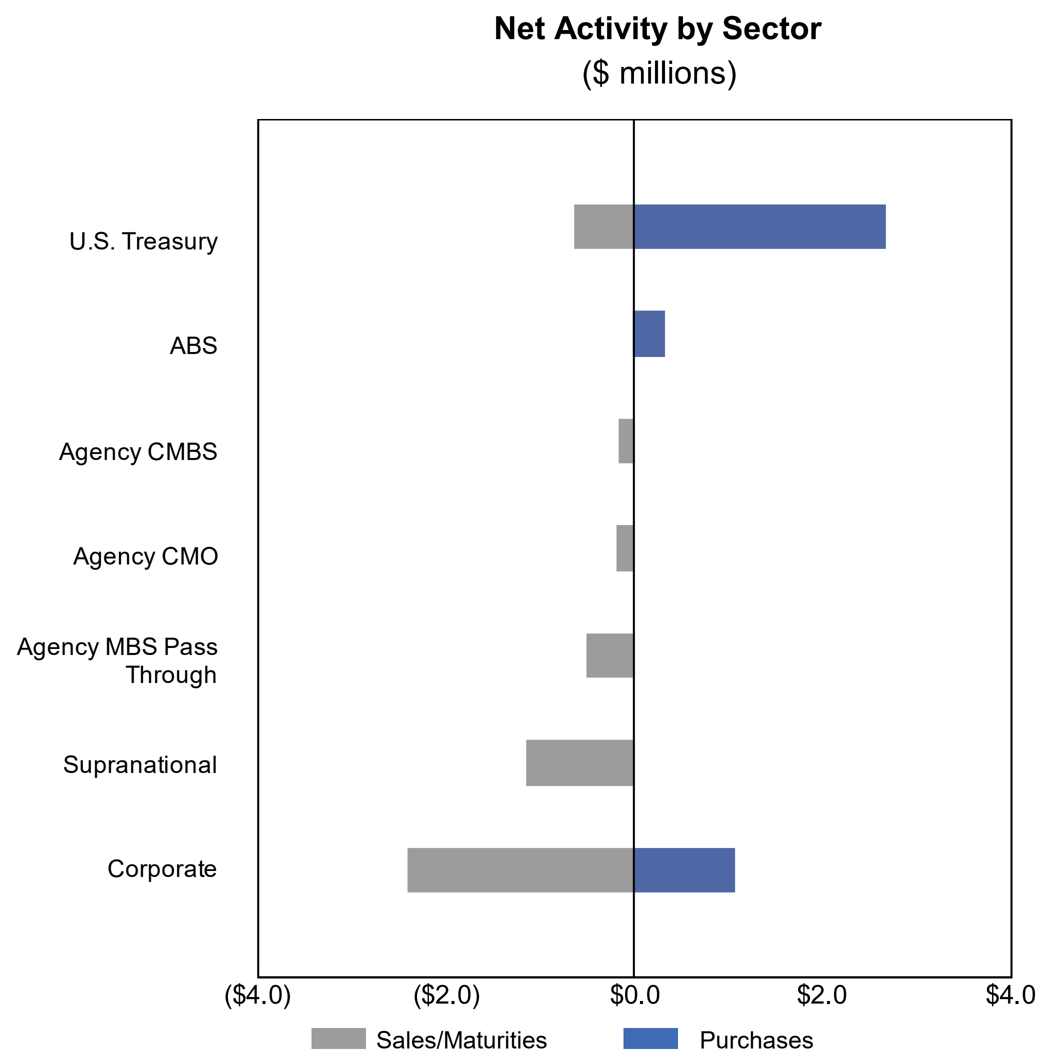
For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.
**Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

Historical Sector Allocation - CITY OF NAPERVILLE



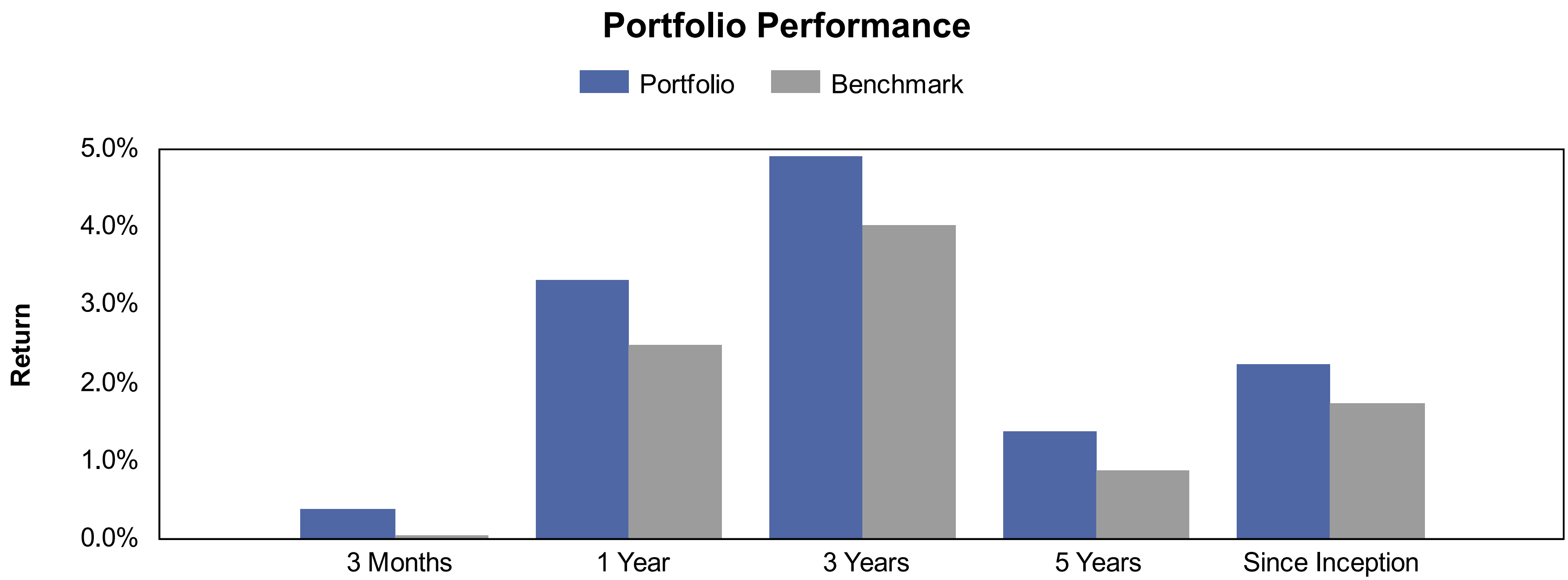
Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM.

Portfolio Activity - CITY OF NAPERVILLE



Sector	Net Activity
U.S. Treasury	$2,039,639
ABS	$309,986
Agency CMBS	($146,413)
Agency CMO	($170,112)
Agency MBS Pass Through	($486,424)
Supranational	($1,140,000)
Corporate	($1,334,857)
Total Net Activity	**($928,182)**

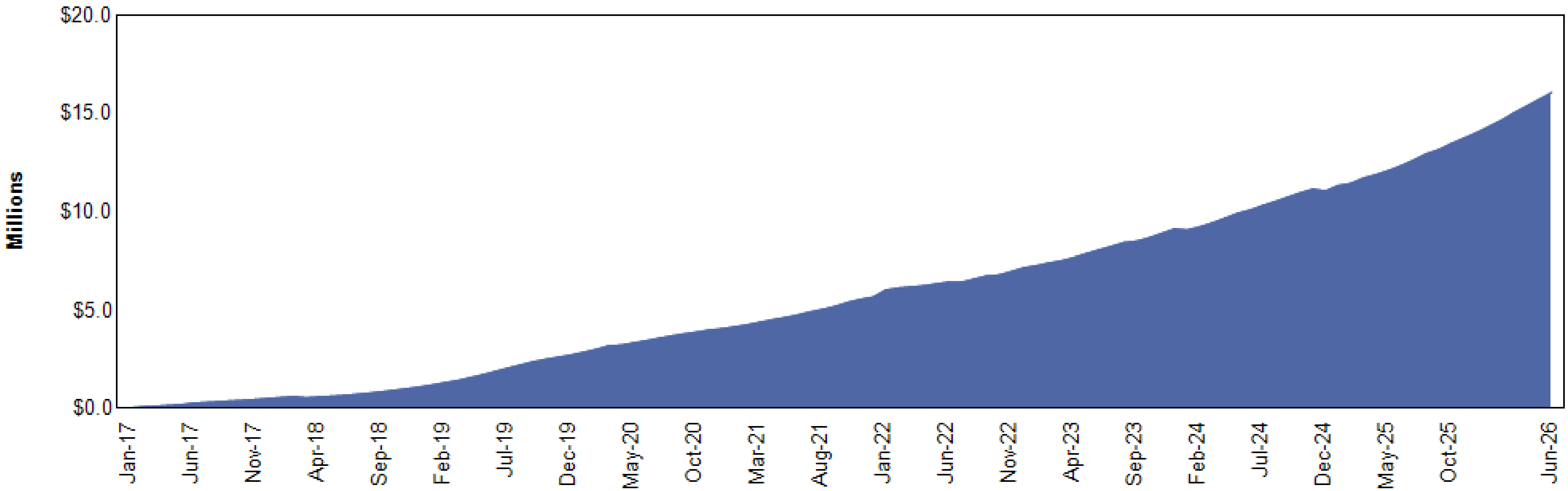
Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception[1]
Interest Earned[2]	$957,865	$3,717,745	$9,702,016	$13,515,460	$18,121,209
Change in Market Value	($549,171)	($217,133)	$5,153,837	($5,340,006)	($3,256,104)
Total Dollar Return	**$408,694**	**$3,500,612**	**$14,855,853**	**$8,175,454**	**$14,865,105**
Total Return[3]					
Portfolio	0.38%	3.33%	4.90%	1.38%	2.24%
Benchmark[4]	0.05%	2.49%	4.04%	0.87%	1.74%
Difference	0.32%	0.85%	0.87%	0.51%	0.50%

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 December 31, 2016.*
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 Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg Financial LP.*

Accrual Basis Earnings - CITY OF NAPERVILLE



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception[1]
Interest Earned[2]	$957,865	$3,717,745	$9,702,016	$13,515,460	$18,121,209
Realized Gains / (Losses)[3]	($20,979)	($261,346)	($2,135,673)	($2,483,867)	($2,298,842)
Change in Amortized Cost	$92,446	$276,674	$451,417	$288,858	$259,575
Total Earnings	**$1,029,331**	**$3,733,073**	**$8,017,760**	**$11,320,451**	**$16,081,942**

1. The lesser of 10 years or since inception is shown. Performance inception date is December 31, 2016.
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.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	**45.3%**	
United States Treasury	45.3%	AA / Aa / AA
Agency CMBS	**9.4%**	
Federal Home Loan Mortgage Corp	9.4%	AA / Aa / AA
Agency CMO	**3.7%**	
Federal Home Loan Mortgage Corp	1.2%	AA / Aa / AA
Federal National Mortgage Association	1.8%	AA / Aa / AA
Government National Mortgage Associatio	0.6%	AA / Aa / AA
Agency MBS Pass Through	**11.5%**	
Federal Home Loan Mortgage Corp	3.7%	AA / Aa / AA
Federal National Mortgage Association	7.8%	AA / Aa / AA
Government National Mortgage Associatio	0.0%	AA / Aa / AA
Corporate	**23.5%**	
Allstate Corp	0.3%	BBB / A / BBB
American Express Co	0.6%	A / A / A
Amgen Inc	0.5%	BBB / Baa / BBB
AstraZeneca PLC	0.5%	A / A / NR
Bank of America Corp	1.4%	A / A / AA
Bank of Montreal	0.7%	A / A / AA
Bank of Nova Scotia	0.7%	A / A / AA
Barclays PLC	0.4%	BBB / Baa / A
Bayerische Motoren Werke AG	0.7%	A / A / NR
BlackRock Inc	0.2%	AA / Aa / NR
Bristol-Myers Squibb Co	0.6%	A / A / NR
Broadcom Inc	0.9%	A / A / A
Capital One Financial Corp	0.4%	BBB / Baa / A
Citizens Financial Group Inc	0.5%	BBB / Baa / BBB

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	**23.5%**	
Commonwealth Bank of Australia	0.7%	AA / Aa / NR
CVS Health Corp	0.5%	BBB / Baa / BBB
Fifth Third Bancorp	0.5%	BBB / Baa / A
General Motors Co	0.3%	BBB / Baa / BBB
Goldman Sachs Group Inc	0.7%	BBB / A / A
HSBC Holdings PLC	1.0%	A / A / A
Huntington Bancshares Inc/OH	0.5%	BBB / Baa / A
Hyundai Motor Co	0.5%	A / A / A
Intel Corp	0.5%	BBB / Baa / BBB
Intuit Inc	0.5%	A / A / NR
JPMorgan Chase & Co	1.8%	A / A / AA
KeyCorp	0.4%	BBB / Baa / A
Macquarie Group Ltd	0.4%	BBB / A / A
Mars Inc	0.7%	A / A / NR
Meta Platforms Inc	0.2%	AA / Aa / NR
Mitsubishi UFJ Financial Group Inc	0.6%	A / A / A
Morgan Stanley	0.7%	A / A / A
National Rural Utilities Cooperative Fi	0.2%	A / A / A
Nordea Bank Abp	0.7%	A / A / AA
Oracle Corp	0.5%	BBB / Baa / BBB
Principal Financial Group Inc	0.3%	A / Baa / A
Salesforce Inc	1.0%	A / A / NR
Societe Generale SA	0.4%	BBB / Baa / A
US Bancorp	0.5%	A / A / A
Volkswagen AG	0.4%	BBB / Baa / A
Wells Fargo & Co	0.7%	BBB / A / A

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	**6.7%**	
American Express Co	0.6%	AAA / NR / AAA
ARI Fleet Lease Trust	0.3%	AAA / NR / AAA
Bank of America Corp	0.5%	NR / Aaa / AAA
Capital One Financial Corp	0.9%	AAA / NR / AAA
Citigroup Inc	0.5%	AAA / Aaa / NR
GM Financial Consumer Automobile Receiv	0.2%	AAA / Aaa / NR
Honda Auto Receivables Owner Trust	0.3%	NR / Aaa / AAA
Hyundai Auto Receivables Trust	0.3%	AAA / NR / AAA
Nissan Auto Receivables Owner Trust	0.5%	NR / Aaa / AAA
Porsche Innovative Lease Owner	0.9%	AAA / NR / AAA
Toyota Auto Receivables Owner Trust	0.4%	AAA / NR / AAA
Toyota Motor Corp	0.6%	NR / Aaa / AAA
Verizon Master Trust	0.6%	NR / Aaa / AAA
Total	**100.0%**	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

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- 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.**
- ICE Bank of America 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 or 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.