



**City of Naperville**

City of Naperville  
Executive Summary

**June 30, 2022**

## Total Fund Composite

## Manager Status

Market Value: \$220.4 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
Loop Capital	Int. Govt. Fixed Income	Alert	Ownership Changes
PFM	Int. Govt. Fixed Income	Alert	Ownership Changes
Sweep Account	Cash & Equivalents	In Compliance	---
Deposit Account	Cash & Equivalents	In Compliance	---
Wintrust Deposit Account	Cash & Equivalents	In Compliance	---
Wintrust General Account	Cash & Equivalents	In Compliance	---

### Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

**In Compliance** – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

**Alert** – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

**On Notice** – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

**Termination** – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

## Total Fund Composite

## Market Values

Market Value: \$220.4 Million and 100.0% of Fund

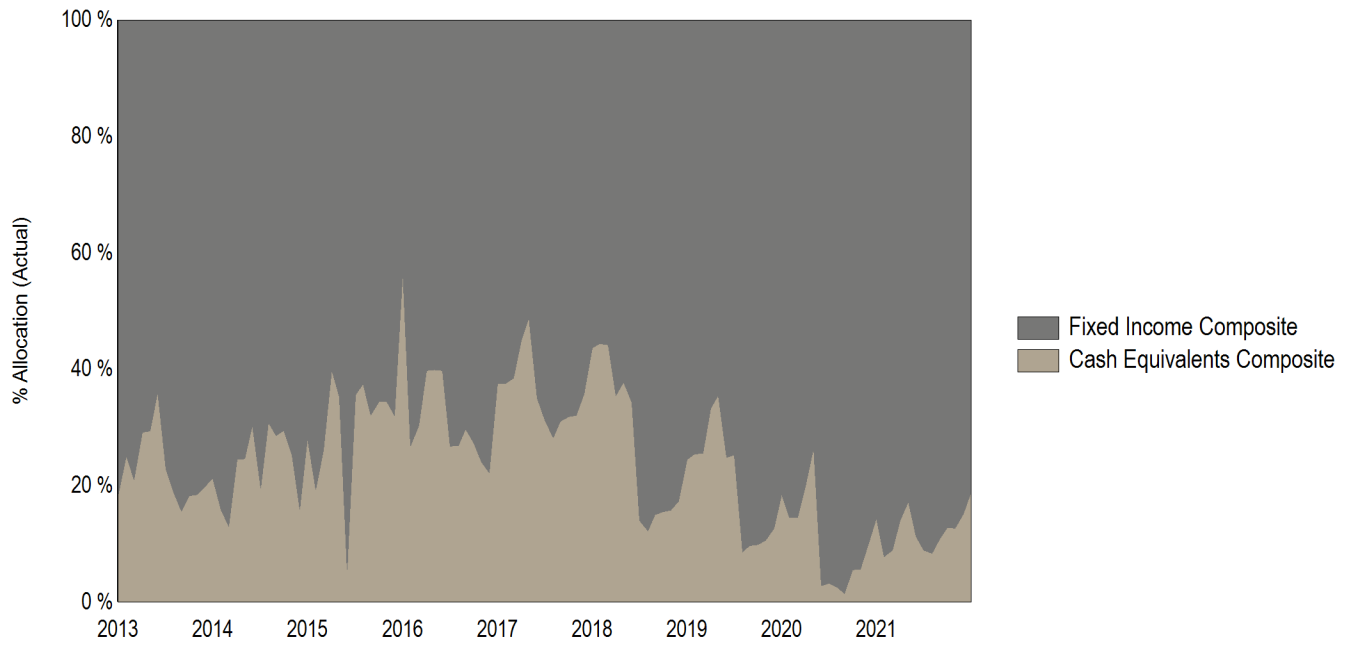
**Ending June 30, 2022**

	Asset Class	Market Value	3 Mo Net Cash Flows	% of Portfolio
<b>Total Fund Composite</b>		<b>220,447,714</b>	<b>26,354,201</b>	<b>100.0</b>
<b>Fixed Income Composite</b>		<b>178,619,815</b>	<b>9,994,539</b>	<b>81.0</b>
Loop Capital	Int. Govt. Fixed Income	82,120,226	4,997,501	37.3
PFM	Int. Govt. Fixed Income	96,499,590	4,997,039	43.8
<b>Cash Equivalents Composite</b>		<b>41,827,899</b>	<b>16,373,550</b>	<b>19.0</b>
Sweep Account	Cash & Equivalents	4,873,177	-18,800,756	2.2
Deposit Account	Cash & Equivalents	0	0	0.0
Wintrust Deposit Account	Cash & Equivalents	204,208	204,208	0.1
Wintrust General Account	Cash & Equivalents	36,750,514	34,970,098	16.7

The average market value of the portfolio over the past 10 years ending June 30, 2022 is \$111,174,216.30.

Market Value: \$220.4 Million and 100.0% of Fund

Historic Asset Allocation



## Total Fund Composite

## Market Value History

Market Value: \$220.4 Million and 100.0% of Fund

### Summary of Cash Flows

	Second Quarter	Year-To-Date	One Year	Three Years	Five Years	Ten Years
<b>Beginning Market Value</b>	<b>\$197,739,084.47</b>	<b>\$184,279,596.79</b>	<b>\$189,475,964.02</b>	<b>\$133,653,846.43</b>	<b>\$84,136,404.60</b>	<b>\$103,853,806.28</b>
Net Cash Flow	\$26,354,201.36	\$47,333,748.94	\$43,345,336.21	\$91,439,682.54	\$135,352,866.47	\$112,364,684.77
Net Investment Change	-\$3,645,571.77	-\$11,165,631.67	-\$12,373,586.17	-\$4,645,814.91	\$958,442.99	\$4,229,223.01
<b>Ending Market Value</b>	<b>\$220,447,714.06</b>	<b>\$220,447,714.06</b>	<b>\$220,447,714.06</b>	<b>\$220,447,714.06</b>	<b>\$220,447,714.06</b>	<b>\$220,447,714.06</b>

## Total Fund Composite

## Annualized Performance (Gross of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

Ending June 30, 2022

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>-1.8</b>	<b>-5.7</b>	<b>-6.3</b>	<b>-3.3</b>	<b>-0.3</b>	<b>1.1</b>	<b>0.8</b>	<b>0.9</b>	<b>0.8</b>
<i>Policy Benchmark</i>	-1.4	-4.9	-5.4	-3.2	-0.2	1.2	0.9	1.0	0.9
<b>Fixed Income Composite</b>	<b>-2.1</b>	<b>-6.4</b>	<b>-7.1</b>	<b>-3.6</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.0</b>	<b>1.2</b>	<b>1.1</b>
<i>Bloomberg US Govt Int TR</i>	-1.7	-5.8	-6.3	-3.8	-0.3	1.3	0.9	1.0	1.0
<i>Custom Benchmark</i>	-2.1	-6.3	-6.9	-3.7	-0.3	1.4	1.0	1.2	1.2
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
<i>91 Day T-Bills</i>	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6

*Policy Benchmark: 85% BBgBarc US Govt Int TR / 15% 91 Day T-Bills*

*Custom Benchmark: 80% BBgBarc US Govt Int TR / 20% BBgBarc US Credit Int TR*

## Total Fund Composite

## Calendar Performance (Gross of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

	Calendar Year								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund Composite</b>	<b>-1.6</b>	<b>5.5</b>	<b>5.2</b>	<b>0.8</b>	<b>1.2</b>	<b>0.7</b>	<b>0.9</b>	<b>2.2</b>	<b>-0.9</b>
<i>Policy Benchmark</i>	-1.4	4.9	4.7	1.5	1.1	0.9	1.0	2.1	-1.1
<b>Fixed Income Composite</b>	<b>-1.7</b>	<b>6.2</b>	<b>6.2</b>	<b>0.9</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>2.9</b>	<b>-1.2</b>
<i>Bloomberg US Govt Int TR</i>	-1.7	5.7	5.2	1.4	1.1	1.1	1.2	2.5	-1.2
<i>Custom Benchmark</i>	-1.6	6.1	6.1	1.1	1.6	1.6	1.1	2.8	-1.0
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.1</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>91 Day T-Bills</i>	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0

## Total Fund Composite

## Fiscal Year Performance (Gross of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

### Fiscal Year

	YTD	2021	2020	2019	2018	2017	2016	5/1/15 - 12/31/15	Fiscal 2016	Fiscal 2015	Fiscal 2014
<b>Total Fund Composite</b>	<b>-5.7</b>	<b>-1.6</b>	<b>5.5</b>	<b>5.2</b>	<b>0.8</b>	<b>1.2</b>	<b>0.7</b>	<b>0.0</b>	<b>1.6</b>	<b>2.1</b>	<b>-0.5</b>
<i>Policy Benchmark</i>	-4.9	-1.4	4.9	4.7	1.5	1.1	0.9	0.0	2.0	2.3	-0.7
<b>Fixed Income Composite</b>	<b>-6.4</b>	<b>-1.7</b>	<b>6.2</b>	<b>6.2</b>	<b>0.9</b>	<b>1.6</b>	<b>1.3</b>	<b>0.1</b>	<b>2.5</b>	<b>2.8</b>	<b>-0.7</b>
<i>Bloomberg US Govt Int TR</i>	-5.8	-1.7	5.7	5.2	1.4	1.1	1.1	0.0	2.3	2.7	-0.8
<i>Custom Benchmark</i>	-6.3	-1.6	6.1	6.1	1.1	1.6	1.6	-0.2	2.3	2.9	-0.5
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>91 Day T-Bills</i>	0.1	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.1	0.0	0.0

Please note that the above table reflects a May 1 fiscal year for all but the first seven columns, which reflect the newly implemented January 1 fiscal year.



## Investment Manager

## Annualized Performance (Gross of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

Ending June 30, 2022

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>-1.8</b>	<b>-5.7</b>	<b>-6.3</b>	<b>-3.3</b>	<b>-0.3</b>	<b>1.1</b>	<b>0.8</b>	<b>0.9</b>	<b>0.8</b>
<i>Policy Benchmark</i>	-1.4	-4.9	-5.4	-3.2	-0.2	1.2	0.9	1.0	0.9
<b>Fixed Income Composite</b>	<b>-2.1</b>	<b>-6.4</b>	<b>-7.1</b>	<b>-3.6</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.0</b>	<b>1.2</b>	<b>1.1</b>
<i>Bloomberg US Govt Int TR</i>	-1.7	-5.8	-6.3	-3.8	-0.3	1.3	0.9	1.0	1.0
<i>Custom Benchmark</i>	-2.1	-6.3	-6.9	-3.7	-0.3	1.4	1.0	1.2	1.2
<b>Loop Capital</b>	<b>-2.3</b>	<b>-6.5</b>	<b>-7.0</b>	<b>-3.7</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.0</b>	<b>1.2</b>	<b>1.1</b>
<i>Bloomberg US Govt Int TR</i>	-1.7	-5.8	-6.3	-3.8	-0.3	1.3	0.9	1.0	1.0
<i>Custom Benchmark</i>	-2.1	-6.3	-6.9	-3.7	-0.3	1.4	1.0	1.2	1.2
<b>PFM</b>	<b>-2.0</b>	<b>-6.3</b>	<b>-7.1</b>	<b>-3.5</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.0</b>	--	--
<i>Bloomberg US Govt Int TR</i>	-1.7	-5.8	-6.3	-3.8	-0.3	1.3	0.9	1.0	1.0
<i>Custom Benchmark</i>	-2.1	-6.3	-6.9	-3.7	-0.3	1.4	1.0	1.2	1.2
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
<i>91 Day T-Bills</i>	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6
<b>Sweep Account</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	--	--	--	--	--
<i>91 Day T-Bills</i>	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6
<b>Deposit Account</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
<i>91 Day T-Bills</i>	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6
<b>Wintrust Deposit Account</b>	<b>0.0</b>	--	--	--	--	--	--	--	--
<i>91 Day T-Bills</i>	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6
<b>Wintrust General Account</b>	<b>0.0</b>	--	--	--	--	--	--	--	--
<i>91 Day T-Bills</i>	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6

## Investment Manager

## Calendar Performance (Gross of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

	Calendar Year								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund Composite</b>	<b>-1.6</b>	<b>5.5</b>	<b>5.2</b>	<b>0.8</b>	<b>1.2</b>	<b>0.7</b>	<b>0.9</b>	<b>2.2</b>	<b>-0.9</b>
Policy Benchmark	-1.4	4.9	4.7	1.5	1.1	0.9	1.0	2.1	-1.1
<b>Fixed Income Composite</b>	<b>-1.7</b>	<b>6.2</b>	<b>6.2</b>	<b>0.9</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>2.9</b>	<b>-1.2</b>
Bloomberg US Govt Int TR	-1.7	5.7	5.2	1.4	1.1	1.1	1.2	2.5	-1.2
Custom Benchmark	-1.6	6.1	6.1	1.1	1.6	1.6	1.1	2.8	-1.0
Loop Capital	-1.7	6.5	6.2	0.8	1.7	1.1	1.2	2.9	-1.5
Bloomberg US Govt Int TR	-1.7	5.7	5.2	1.4	1.1	1.1	1.2	2.5	-1.2
Custom Benchmark	-1.6	6.1	6.1	1.1	1.6	1.6	1.1	2.8	-1.0
PFM	-1.6	6.0	6.3	1.2	1.4	--	--	--	--
Bloomberg US Govt Int TR	-1.7	5.7	5.2	1.4	1.1	1.1	1.2	2.5	-1.2
Custom Benchmark	-1.6	6.1	6.1	1.1	1.6	1.6	1.1	2.8	-1.0
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.1</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0
Sweep Account	0.0	--	--	--	--	--	--	--	--
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0
Deposit Account	0.0	0.1	0.6	0.3	0.0	0.0	0.0	0.0	0.0
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0
Wintrust Deposit Account	--	--	--	--	--	--	--	--	--
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0
Wintrust General Account	--	--	--	--	--	--	--	--	--
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0

## Total Fund Composite

## Annualized Performance (Net of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

Ending June 30, 2022

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>-1.9</b>	<b>-5.7</b>	<b>-6.4</b>	<b>-3.4</b>	<b>-0.4</b>	<b>1.0</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>
<i>Policy Benchmark</i>	-1.4	-4.9	-5.4	-3.2	-0.2	1.2	0.9	1.0	0.9
<i>Short-Term Pool Custom Universe Rank</i>	45	53	54	90	86	93	99	99	99
<b>Fixed Income Composite</b>	<b>-2.1</b>	<b>-6.4</b>	<b>-7.1</b>	<b>-3.7</b>	<b>-0.3</b>	<b>1.2</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>
<i>Bloomberg US Govt Int TR</i>	-1.7	-5.8	-6.3	-3.8	-0.3	1.3	0.9	1.0	1.0
<i>Custom Benchmark</i>	-2.1	-6.3	-6.9	-3.7	-0.3	1.4	1.0	1.2	1.2
<i>InvMetrics Public DB US Fix Inc Net Rank</i>	4	6	18	51	49	72	86	98	99
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
<i>91 Day T-Bills</i>	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6

*Policy Benchmark: 85% BBgBarc US Govt Int TR / 15% 91 Day T-Bills*

*Custom Benchmark: 80% BBgBarc US Govt Int TR / 20% BBgBarc US Credit Int TR*

## Total Fund Composite

## Calendar Performance (Net of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

	Calendar Year								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund Composite</b>	<b>-1.7</b>	<b>5.4</b>	<b>5.1</b>	<b>0.7</b>	<b>1.1</b>	<b>0.6</b>	<b>0.7</b>	<b>2.1</b>	<b>-1.0</b>
Policy Benchmark	-1.4	4.9	4.7	1.5	1.1	0.9	1.0	2.1	-1.1
Short-Term Pool Custom Universe Rank	99	50	59	44	96	99	28	66	75
<b>Fixed Income Composite</b>	<b>-1.8</b>	<b>6.1</b>	<b>6.1</b>	<b>0.8</b>	<b>1.4</b>	<b>1.1</b>	<b>1.1</b>	<b>2.7</b>	<b>-1.4</b>
Bloomberg US Govt Int TR	-1.7	5.7	5.2	1.4	1.1	1.1	1.2	2.5	-1.2
Custom Benchmark	-1.6	6.1	6.1	1.1	1.6	1.6	1.1	2.8	-1.0
InvMetrics Public DB US Fix Inc Net Rank	92	85	95	31	97	97	14	85	62
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.1</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0

## Total Fund Composite

## Fiscal Year Performance (Net of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

### Fiscal Year

	YTD	2021	2020	2019	2018	2017	2016	5/1/15 - 12/31/15	Fiscal 2016	Fiscal 2015	Fiscal 2014
<b>Total Fund Composite</b>	<b>-5.7</b>	<b>-1.7</b>	<b>5.4</b>	<b>5.1</b>	<b>0.7</b>	<b>1.1</b>	<b>0.6</b>	<b>0.0</b>	<b>1.5</b>	<b>2.0</b>	<b>-0.6</b>
<i>Policy Benchmark</i>	-4.9	-1.4	4.9	4.7	1.5	1.1	0.9	0.0	2.0	2.3	-0.7
<b>Fixed Income Composite</b>	<b>-6.4</b>	<b>-1.8</b>	<b>6.1</b>	<b>6.1</b>	<b>0.8</b>	<b>1.4</b>	<b>1.1</b>	<b>0.0</b>	<b>2.4</b>	<b>2.6</b>	<b>-0.8</b>
<i>Bloomberg US Govt Int TR</i>	-5.8	-1.7	5.7	5.2	1.4	1.1	1.1	0.0	2.3	2.7	-0.8
<i>Custom Benchmark</i>	-6.3	-1.6	6.1	6.1	1.1	1.6	1.6	-0.2	2.3	2.9	-0.5
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>91 Day T-Bills</i>	0.1	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.1	0.0	0.0

Please note that the above table reflects a May 1 fiscal year for all but the first even columns, which reflect the newly implemented January 1 fiscal year.

## Investment Manager

## Annualized Performance (Net of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

Ending June 30, 2022

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>-1.9</b>	<b>-5.7</b>	<b>-6.4</b>	<b>-3.4</b>	<b>-0.4</b>	<b>1.0</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>
Policy Benchmark	-1.4	-4.9	-5.4	-3.2	-0.2	1.2	0.9	1.0	0.9
Short-Term Pool Custom Universe Rank	45	53	54	90	86	93	99	99	99
<b>Fixed Income Composite</b>	<b>-2.1</b>	<b>-6.4</b>	<b>-7.1</b>	<b>-3.7</b>	<b>-0.3</b>	<b>1.2</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>
Bloomberg US Govt Int TR	-1.7	-5.8	-6.3	-3.8	-0.3	1.3	0.9	1.0	1.0
Custom Benchmark	-2.1	-6.3	-6.9	-3.7	-0.3	1.4	1.0	1.2	1.2
InvMetrics Public DB US Fix Inc Net Rank	4	6	18	51	49	72	86	98	99
Loop Capital	<b>-2.3</b>	<b>-6.6</b>	<b>-7.2</b>	<b>-3.9</b>	<b>-0.4</b>	<b>1.2</b>	<b>0.8</b>	1.0	<b>0.9</b>
Bloomberg US Govt Int TR	-1.7	-5.8	-6.3	-3.8	-0.3	1.3	0.9	1.0	1.0
Custom Benchmark	-2.1	-6.3	-6.9	-3.7	-0.3	1.4	1.0	1.2	1.2
eV US Interm Duration Fixed Inc Net Rank	16	25	23	76	74	82	86	94	99
PFM	<b>-2.0</b>	<b>-6.3</b>	<b>-7.1</b>	<b>-3.6</b>	<b>-0.3</b>	<b>1.4</b>	<b>1.0</b>	--	--
Bloomberg US Govt Int TR	-1.7	-5.8	-6.3	-3.8	-0.3	1.3	0.9	1.0	1.0
Custom Benchmark	-2.1	-6.3	-6.9	-3.7	-0.3	1.4	1.0	1.2	1.2
eV US Interm Duration Fixed Inc Net Rank	6	12	19	58	63	71	75	--	--
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
91 Day T-Bills	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6
Sweep Account	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	--	--	--	--	--
91 Day T-Bills	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6
Deposit Account	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>
91 Day T-Bills	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6
Wintrust Deposit Account	<b>0.0</b>	--	--	--	--	--	--	--	--
91 Day T-Bills	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6
Wintrust General Account	<b>0.0</b>	--	--	--	--	--	--	--	--
91 Day T-Bills	0.1	0.1	0.2	0.1	0.5	0.9	1.0	0.8	0.6

## Investment Manager

## Calendar Performance (Net of Fees)

Market Value: \$220.4 Million and 100.0% of Fund

	Calendar Year								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund Composite</b>	<b>-1.7</b>	<b>5.4</b>	<b>5.1</b>	<b>0.7</b>	<b>1.1</b>	<b>0.6</b>	<b>0.7</b>	<b>2.1</b>	<b>-1.0</b>
Policy Benchmark	-1.4	4.9	4.7	1.5	1.1	0.9	1.0	2.1	-1.1
Short-Term Pool Custom Universe Rank	99	50	59	44	96	99	28	66	75
<b>Fixed Income Composite</b>	<b>-1.8</b>	<b>6.1</b>	<b>6.1</b>	<b>0.8</b>	<b>1.4</b>	<b>1.1</b>	<b>1.1</b>	<b>2.7</b>	<b>-1.4</b>
Bloomberg US Govt Int TR	-1.7	5.7	5.2	1.4	1.1	1.1	1.2	2.5	-1.2
Custom Benchmark	-1.6	6.1	6.1	1.1	1.6	1.6	1.1	2.8	-1.0
InvMetrics Public DB US Fix Inc Net Rank	92	85	95	31	97	97	14	85	62
Loop Capital	-1.9	6.3	6.0	0.7	1.5	1.0	1.0	2.8	-1.7
Bloomberg US Govt Int TR	-1.7	5.7	5.2	1.4	1.1	1.1	1.2	2.5	-1.2
Custom Benchmark	-1.6	6.1	6.1	1.1	1.6	1.6	1.1	2.8	-1.0
eV US Interm Duration Fixed Inc Net Rank	93	62	83	46	93	99	47	77	97
PFM	-1.7	5.9	6.2	1.2	1.3	--	--	--	--
Bloomberg US Govt Int TR	-1.7	5.7	5.2	1.4	1.1	1.1	1.2	2.5	-1.2
Custom Benchmark	-1.6	6.1	6.1	1.1	1.6	1.6	1.1	2.8	-1.0
eV US Interm Duration Fixed Inc Net Rank	81	74	80	10	96	--	--	--	--
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.1</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0
Sweep Account	0.0	--	--	--	--	--	--	--	--
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0
Deposit Account	0.0	0.1	0.6	0.3	0.0	0.0	0.0	0.0	0.0
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0
Wintrust Deposit Account	--	--	--	--	--	--	--	--	--
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0
Wintrust General Account	--	--	--	--	--	--	--	--	--
91 Day T-Bills	0.0	0.5	2.1	1.9	0.9	0.3	0.0	0.0	0.0

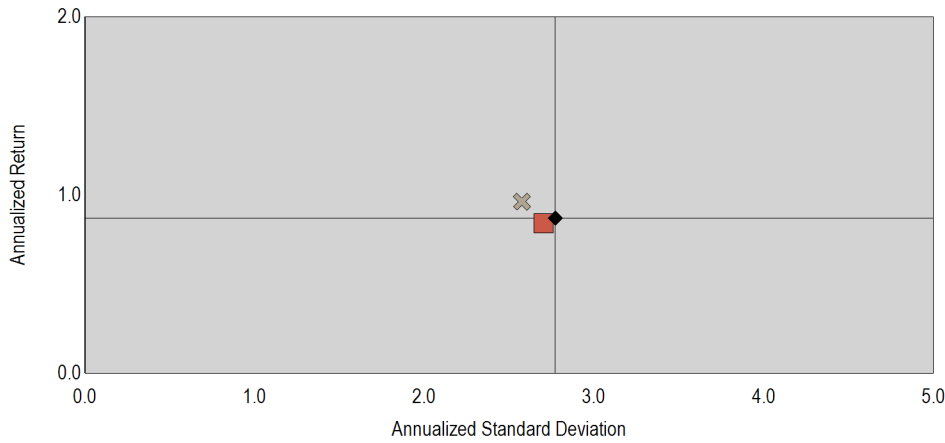
# Fixed Income Composite

As of June 30, 2022

## Characteristics

Market Value: \$178.6 Million and 81.0% of Fund

### Risk / Return - 5 Years



### Characteristics

	Portfolio	Index
	Q2-22	Q2-22
Yield to Maturity	3.5%	3.0%
Avg. Eff. Maturity	4.3 yrs.	4.1 yrs.
Avg. Duration	3.9 yrs.	3.8 yrs.
Avg. Quality	AA	--

Region	Number Of Assets
North America ex U.S.	4
United States	264
Europe Ex U.K.	6
United Kingdom	8
Pacific Basin Ex Japan	3
Japan	3
Other	5
<b>Total</b>	<b>293</b>

### Sector

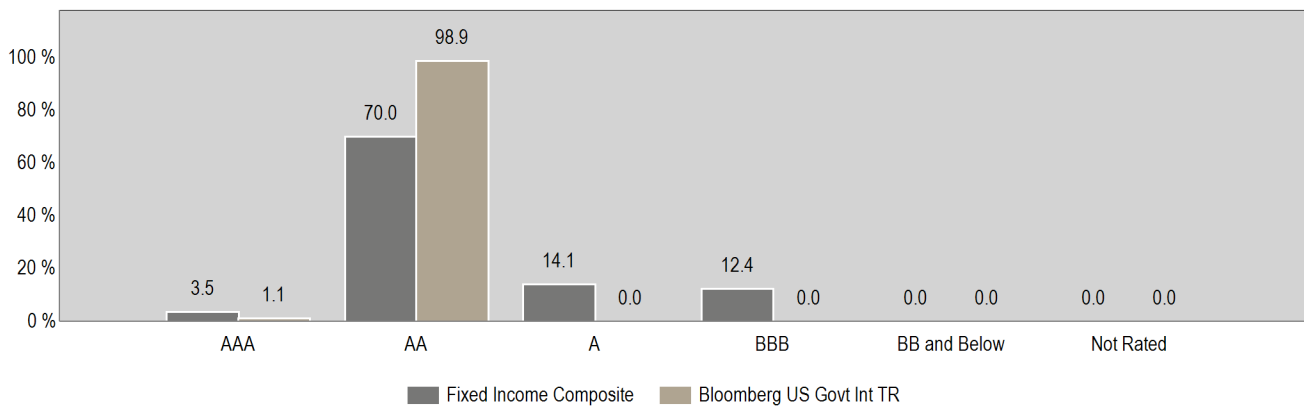
#### US Sector Allocation

	Portfolio	Index
	Q2-22	Q2-22
UST/Agency	50.3	99.9
Corporate	26.4	0.0
MBS	14.8	--
ABS	2.5	--
Foreign	1.6	0.1
Cash	3.3	--

### Maturity

	Q2-22
<1 Year	2.0%
1-3 Years	26.1%
3-5 Years	38.6%
5-7 Years	21.8%
7-10 Years	8.8%
10-15 Years	2.7%
15-20 Years	0.0%
>20 Years	0.0%
Not Rated/Cash	0.0%

### Quality Distribution





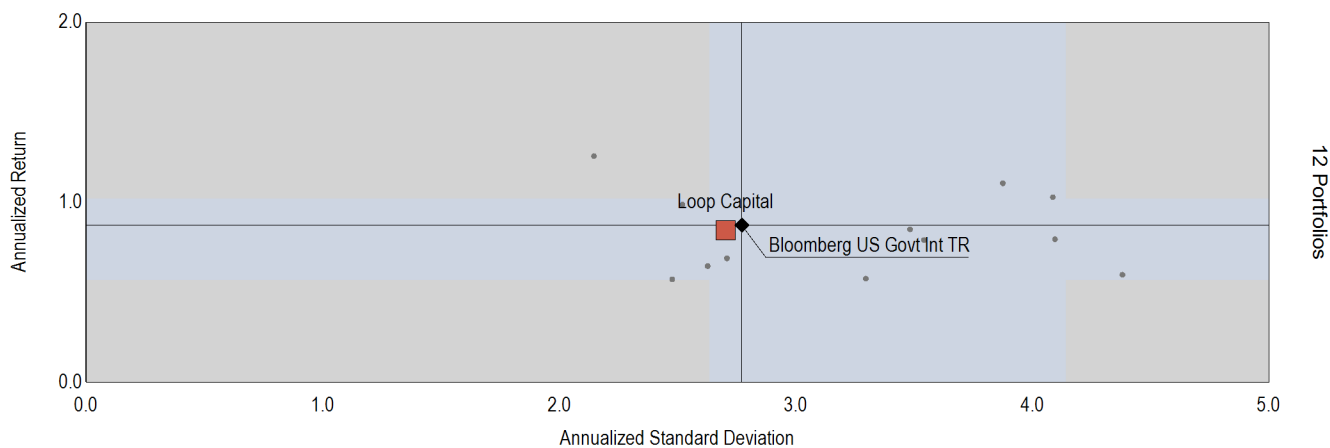
# Loop Capital

As of June 30, 2022

## Characteristics

Market Value: \$82.1 Million and 37.3% of Fund

### Risk / Return - 5 Years



### Characteristics

	Portfolio	Index
	Q2-22	Q2-22
Yield to Maturity	3.4%	3.0%
Avg. Eff. Maturity	4.3 yrs.	4.1 yrs.
Avg. Duration	4.0 yrs.	3.8 yrs.
Avg. Quality	AA	--

Region	Number Of Assets
North America ex U.S.	1
United States	108
Europe Ex U.K.	2
United Kingdom	4
Japan	2
Other	0
<b>Total</b>	<b>117</b>

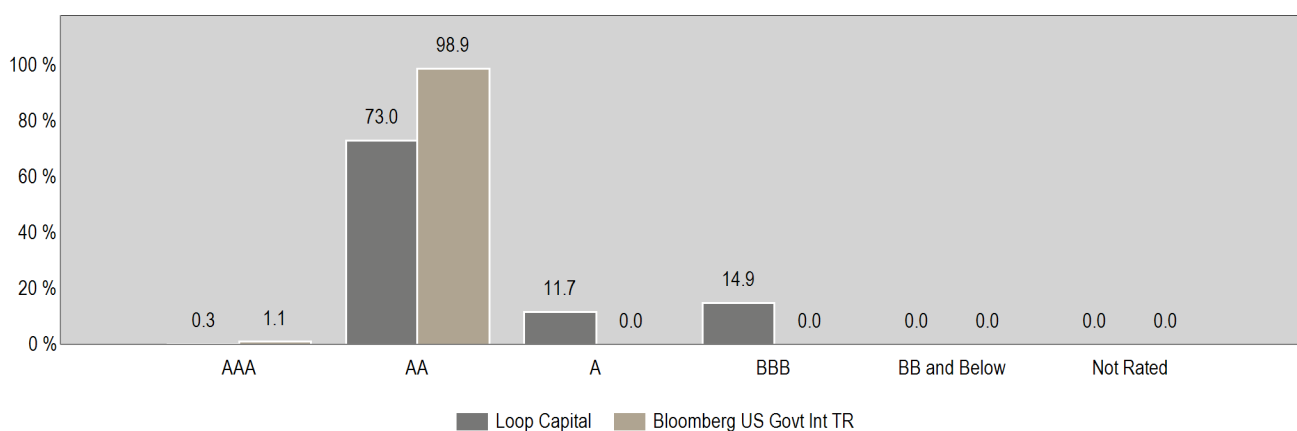
### Sector

	Portfolio	Index
	Q2-22	Q2-22
<b>US Sector Allocation</b>		
UST/Agency	59.6	99.9
Corporate	25.7	0.0
MBS	7.8	--
Foreign	--	0.1
Cash	5.8	--

### Maturity

	Q2-22
<1 Year	0.0%
1-3 Years	35.7%
3-5 Years	23.7%
5-7 Years	27.3%
7-10 Years	11.3%
10-15 Years	2.0%
15-20 Years	0.0%
>20 Years	0.0%
Not Rated/Cash	0.0%

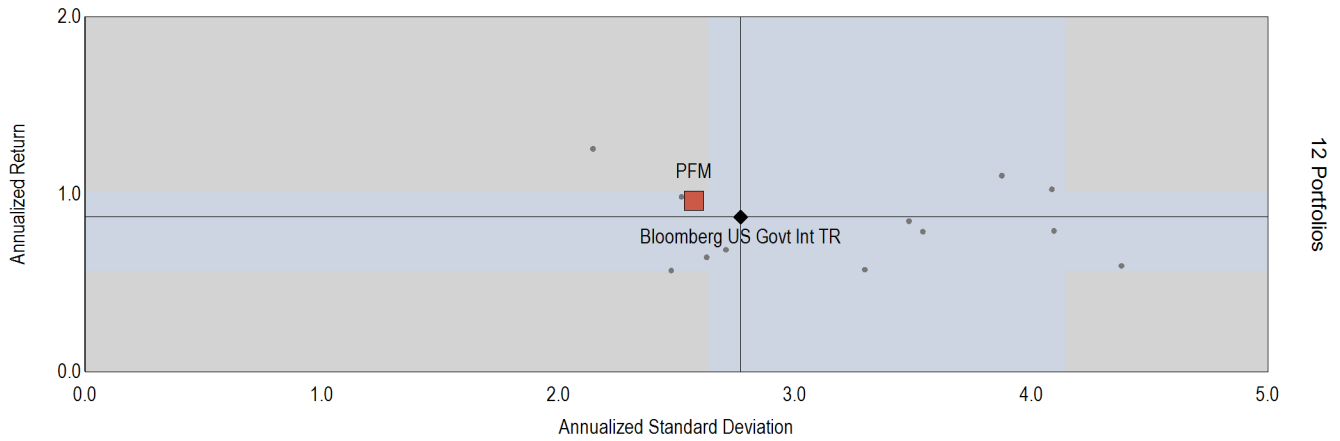
### Quality Distribution



As of June 30, 2022

Market Value: \$96.5 Million and 43.8% of Fund

Risk / Return - 5 Years



Characteristics

	Portfolio	Index
	Q2-22	Q2-22
Yield to Maturity	3.5%	3.0%
Avg. Eff. Maturity	4.3 yrs.	4.1 yrs.
Avg. Duration	3.9 yrs.	3.8 yrs.
Avg. Quality	AA	--
Region	Number Of Assets	
North America ex U.S.	3	
United States	158	
Europe Ex U.K.	4	
United Kingdom	4	
Pacific Basin Ex Japan	3	
Japan	2	
Other	5	
<b>Total</b>	<b>179</b>	

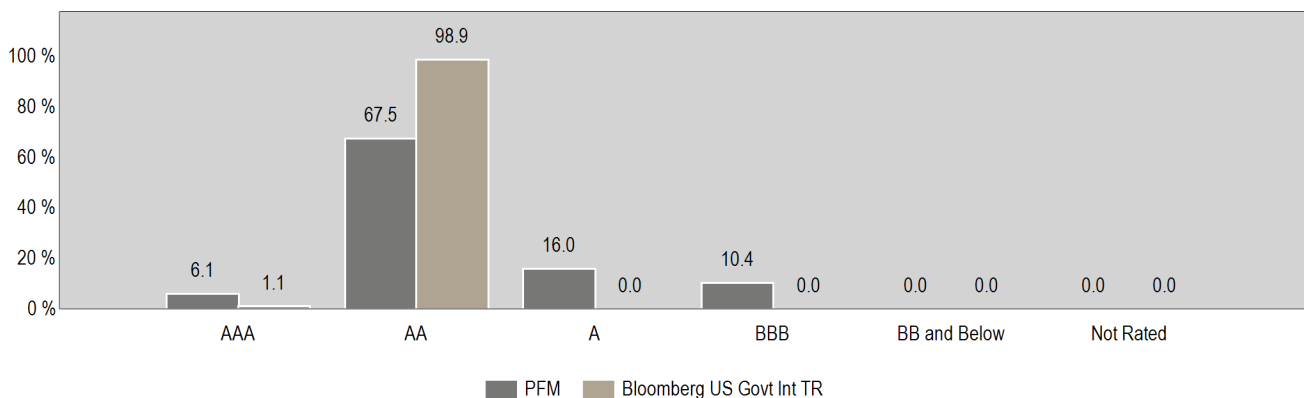
Sector

	Portfolio	Index
	Q2-22	Q2-22
<b>US Sector Allocation</b>		
UST/Agency	42.4	99.9
Corporate	27.0	0.0
MBS	20.8	--
ABS	4.6	--
Foreign	2.9	0.1
Cash	1.2	--

Maturity

	Q2-22
<1 Year	3.5%
1-3 Years	18.4%
3-5 Years	50.6%
5-7 Years	17.4%
7-10 Years	6.8%
10-15 Years	3.3%
15-20 Years	0.0%
>20 Years	0.0%
Not Rated/Cash	0.0%

Quality Distribution



## Total Fund Composite

## Fee Schedule

Market Value: \$220.4 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee <sup>1</sup>	Industry Median <sup>2</sup>
Int. Govt. Fixed Income	Loop Capital	0.15% on the Balance	0.15% \$123,180	0.25%
Int. Govt. Fixed Income	PFM	0.10% on the first \$25 million 0.08% on the next \$25 million 0.07% on the next \$50 million 0.06% on the balance	0.08% \$77,550	0.25%
<b>Total Investment Management Fees</b>			<b>0.09% \$200,730</b>	<b>0.20%</b>
Investment Consultant	Marquette Associates, Inc.	\$25,000 Annual Fee	0.01% \$25,000	N/A
<b>Total Fund</b>			<b>0.10% \$225,730</b>	

<sup>1</sup> Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

<sup>2</sup> Source: 2019 Marquette Associates Investment Management Fee Study.

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## City of Naperville

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Loop Capital Asset Management

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*Q2 2022*

# Table of Contents

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I.	Organizational Update	3
II.	Investment Strategy and Outlook	4
III.	Account Update	12
IV.	Appendix	22

# Loop Capital Asset Management - Fixed Income

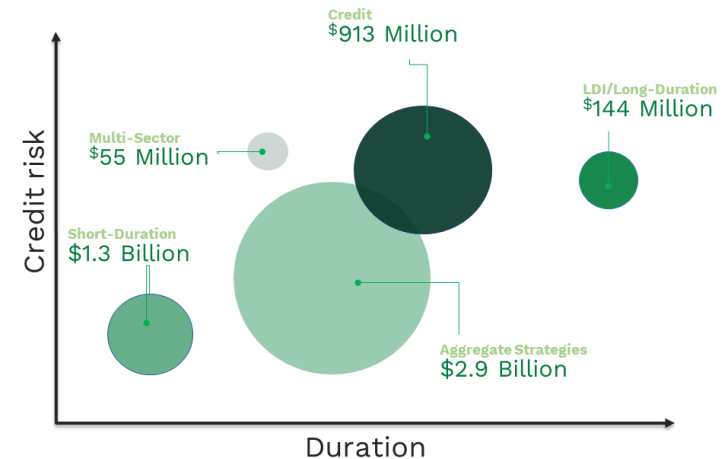
## Overview

- Leadership & Portfolio Management team averages 20 years experience and 16 years tenure with the firm; supported by deep and diverse team
- Team-based approach managing across the maturity/duration and credit quality spectrum with expertise in the government, securitized and credit sectors
- 10+ year relationships with some of the largest and most prominent public and corporate plans

## Products

### Key Strategy Assets

Overall AUM, \$5.3 billion\*



\*as of 6.30.22

## Key Attributes and Differentiators

1. **Multi-dimensional alpha:** a diversified set of alpha sources drive returns, helping to create a differentiated return profile and successful track record across multiple market environments
2. **High Conviction:** an active approach focused on investments we believe are most likely to add value for clients
3. **Strict relative value discipline:** we invest in securities where we observe sectors or securities offer attractive risk-adjusted returns; nimble implementation designed to capture market dislocations and opportunities others may overlook
4. **Commitment to partner with clients:** top tier client service with direct access to senior investment personnel and key decision makers; we tailor strategies to client needs



## Investment Strategy and Outlook

---

# Summary: Nowhere to Hide

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## 2022 1H returns worst in decades

- Total returns on the Bloomberg U.S. Aggregate Bond Index were the worst start to the year since index inception in 1976, with all sectors in negative territory as the Fed pivoted to a much more hawkish stance.
- Equities also suffered with the S&P 500 off to the worst start since 1970.

## Inflation and the Fed continue to drive market volatility

- Fed will continue to tighten, guiding yearend policy rate towards 3.0%.
- Inflation expectations a concern the Fed with *'many'* participants seeing risk expectations drifting up.
- Inflation breakevens fell sharply following the June Federal Open Market Committee meeting and are now below the Fed's inflation target at longer tenors.

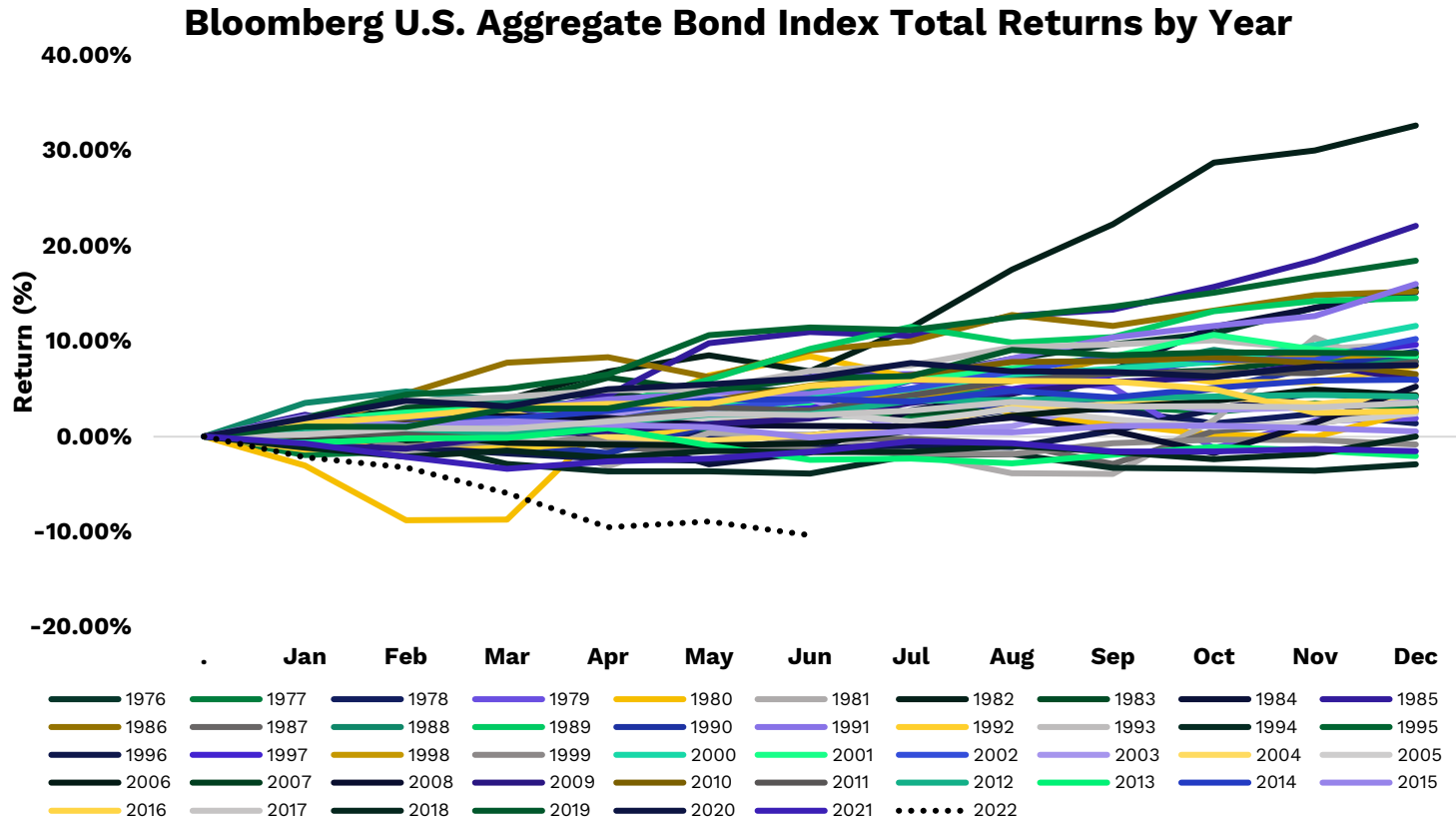
## Tighter financial conditions amid worsening growth outlook

- The Fed is achieving its goal of tighter financial conditions with asset prices adjusting in expectation that the tightening cycle will continue despite worsening growth.
- The U.S. dollar is strengthening and commodity gains have partially reversed which should help restrain inflation.
- Given how far inflation is from the Fed's goal, the likelihood is that they will be unable to pivot to easier policy before growth slides further.

## Labor market tight, but growth and employment are diverging

- There is an unusual divergence between slowing growth and labor market gains with some signs labor market is softening at the edges.
- Whether consumption follows sentiment lower or excess savings allow consumers to keep spending will be key factor to watch in the second half of the year.

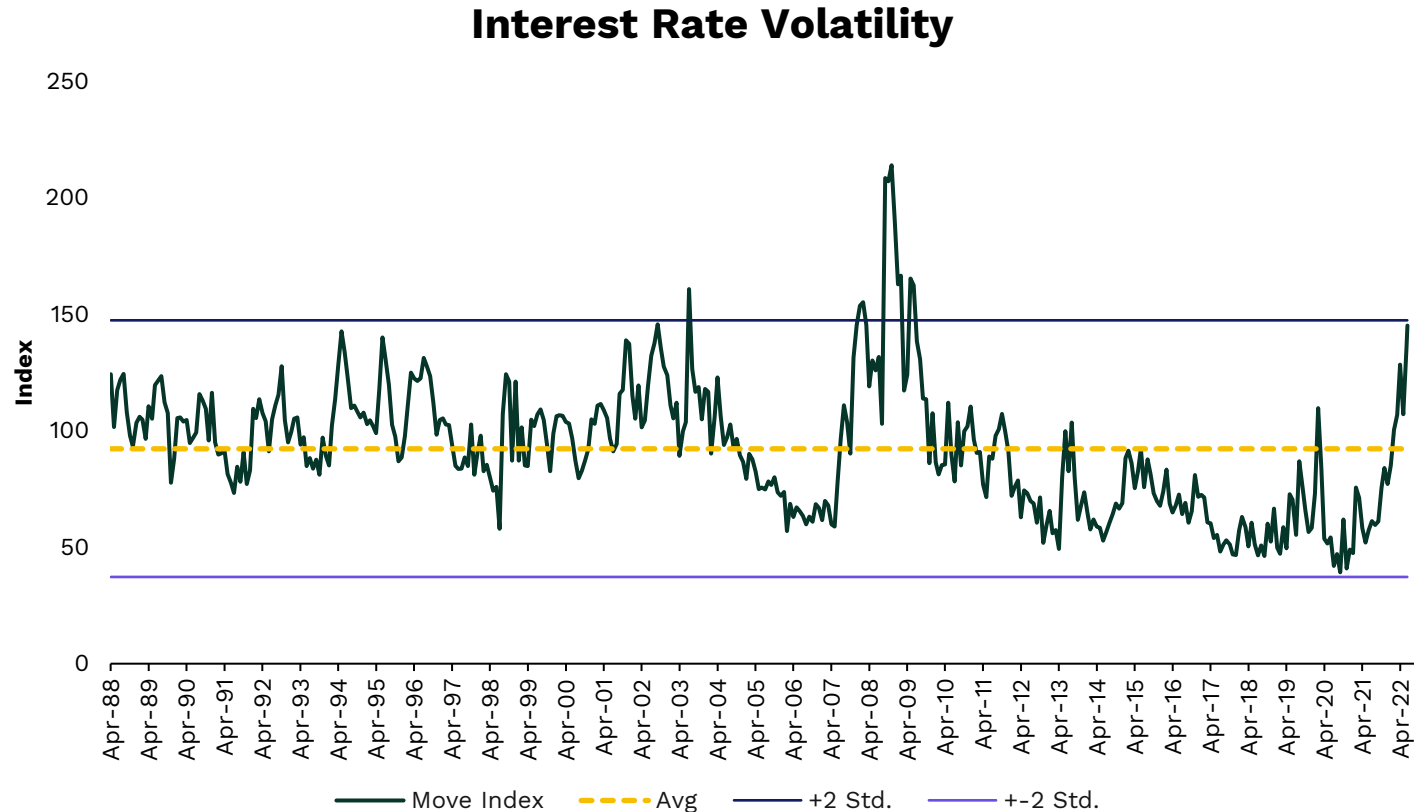
# Nowhere to Hide



Source: Bloomberg

- Focus has been on moves in interest rates, but excess returns were for corporates and securitized sectors were also negative as spreads widened.
- Worsening outlook for inflation and repricing the Fed hiking cycle key drivers.

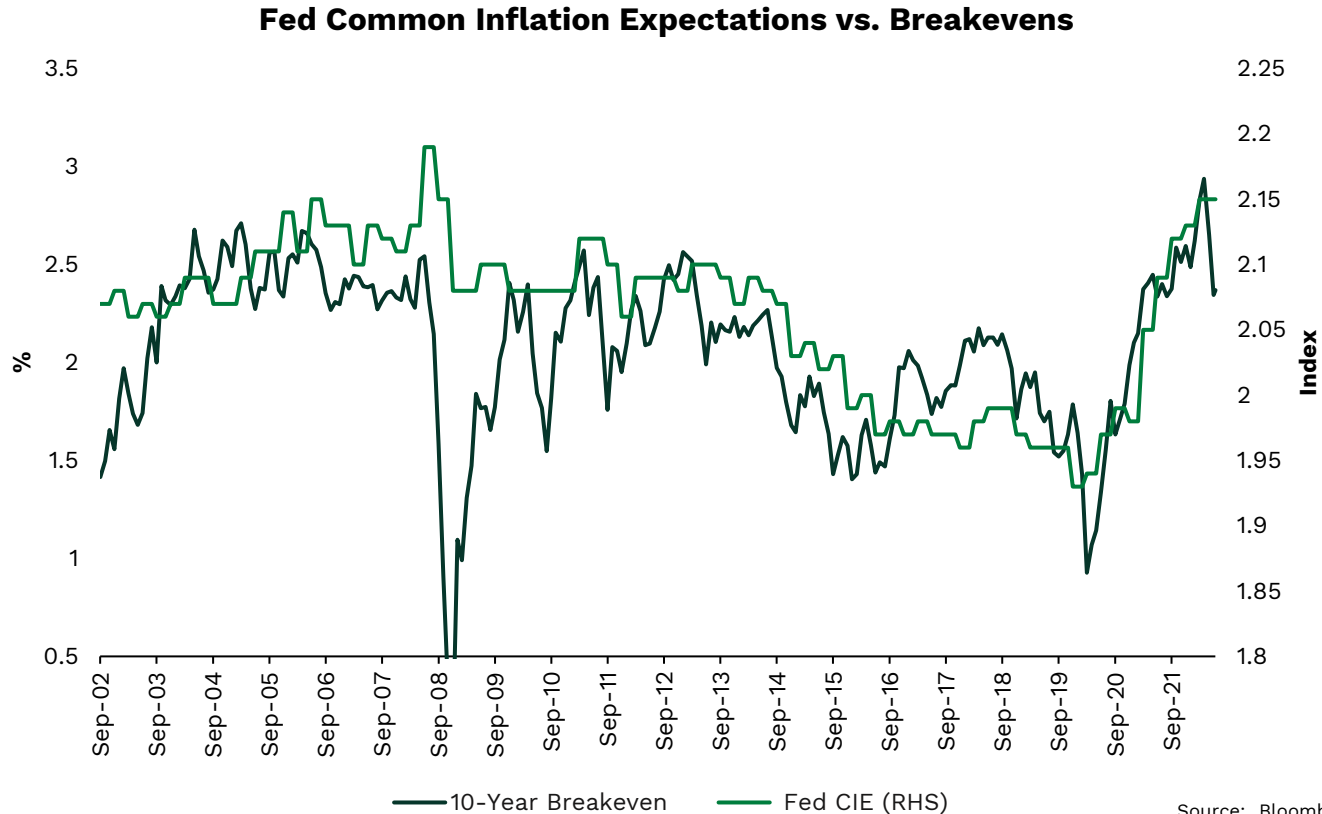
# Interest Rates Pricing a Significant Dispersion of Outcomes



Source: Bloomberg

- Current levels of interest rate volatility have rarely been experienced.
- Elevated volatility increases the risk of adverse economic outcomes.

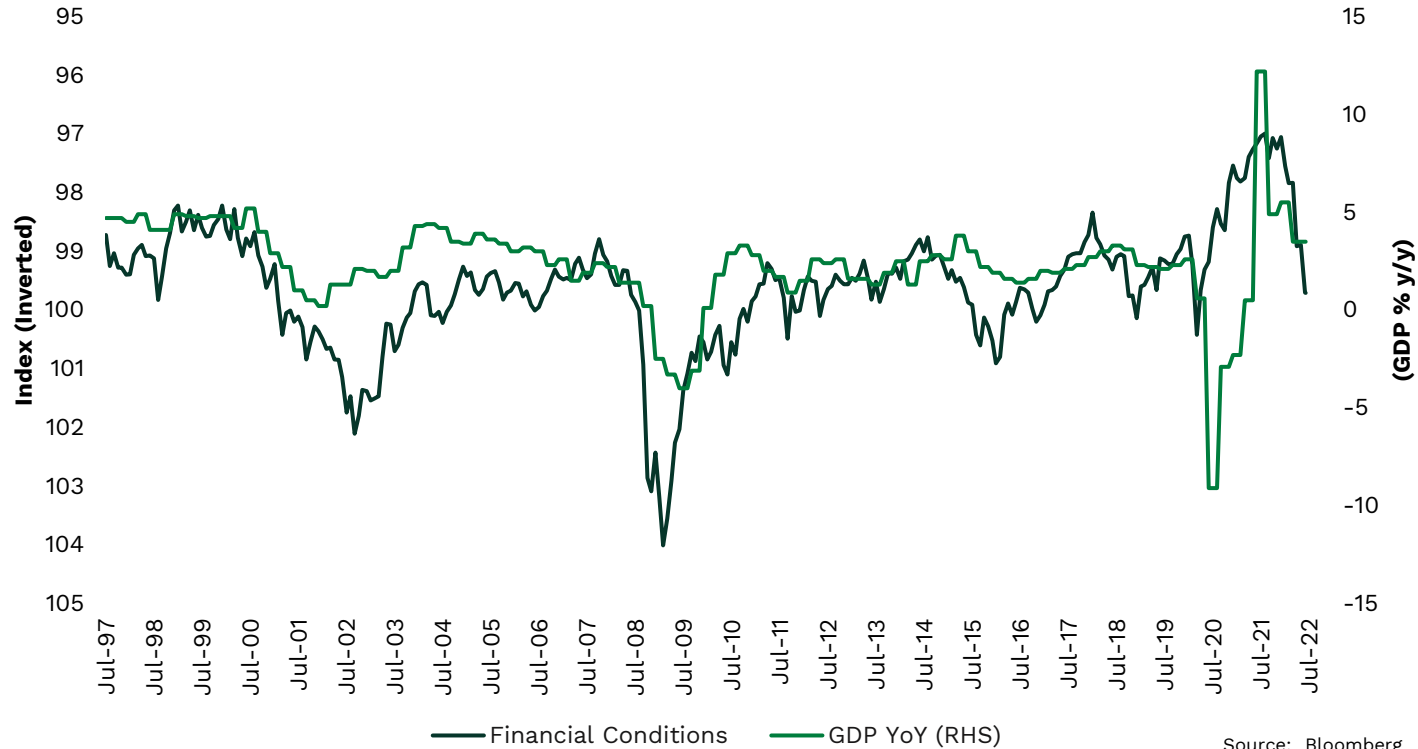
# Fed Concerned About Inflation Expectations



- Fed minutes reveal concern over inflation expectations remaining anchored.
- However, market-traded inflation expectation have turned sharply lower amid a more hawkish shift from the Fed.

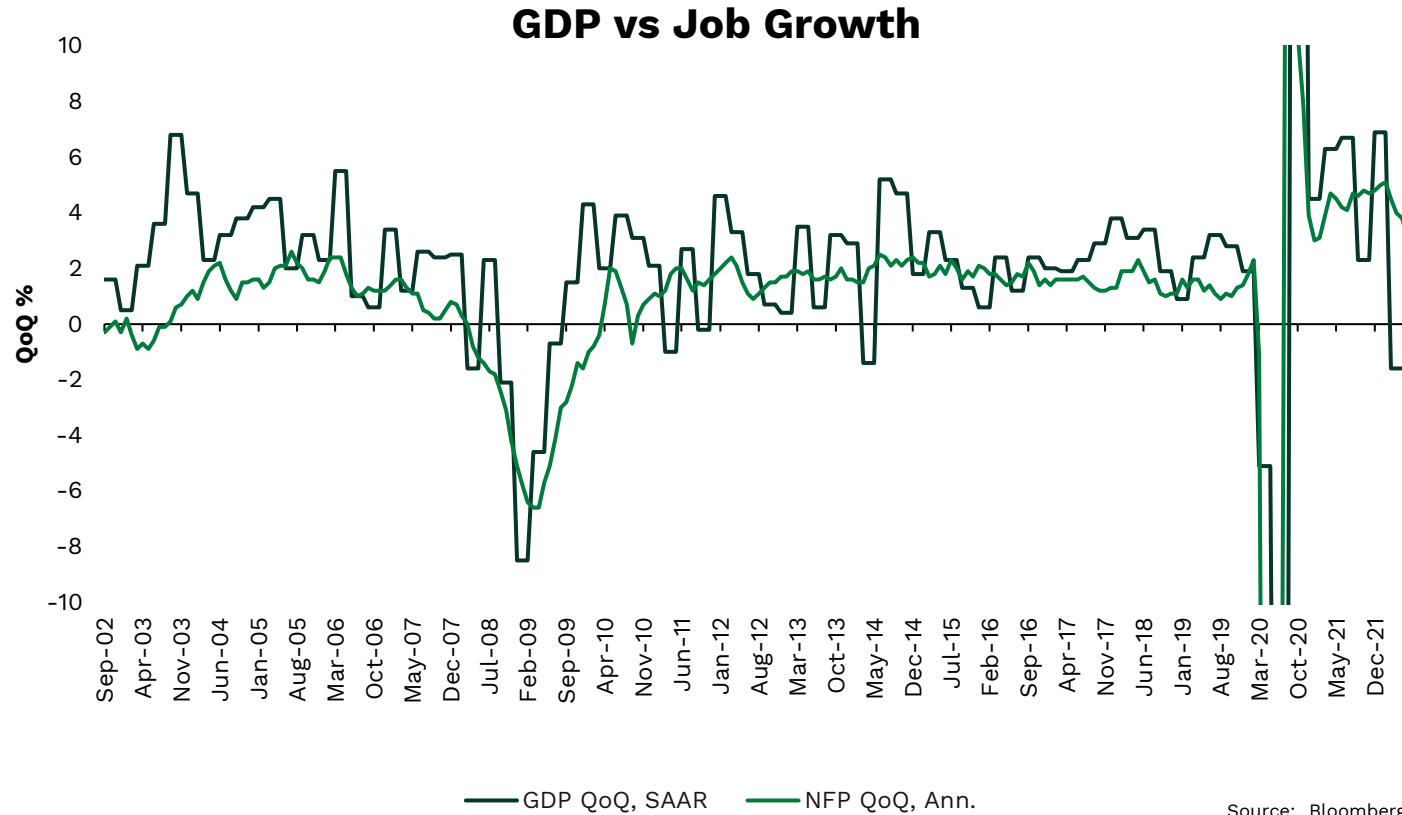
# Growth Outlook Worsening Amid Tighter Financial Conditions

## Financial Conditions vs. Growth



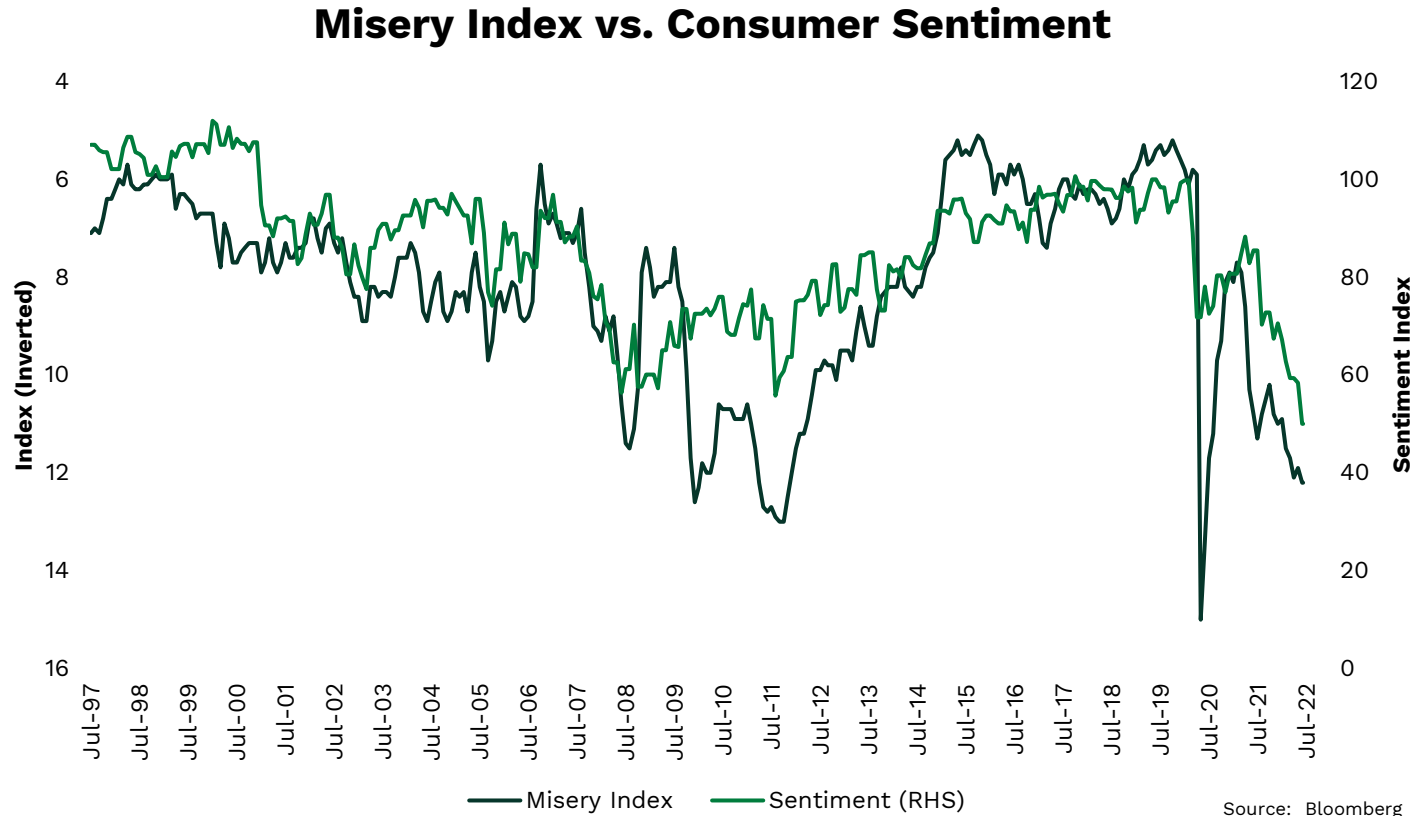
- Fed is delivering on their promise to tighten financial conditions.
- Technical recession possible as Q2 GDP tracking near zero, following negative growth in Q1.

# Growth and Employment Diverging



- Highly unusual for growth to be negative in 2 consecutive quarters while employment remains strong.

# Consumer Spending Will Be Key to Outlook



- Will consumption follow sentiment lower or will excess savings save the day?



## Account Update

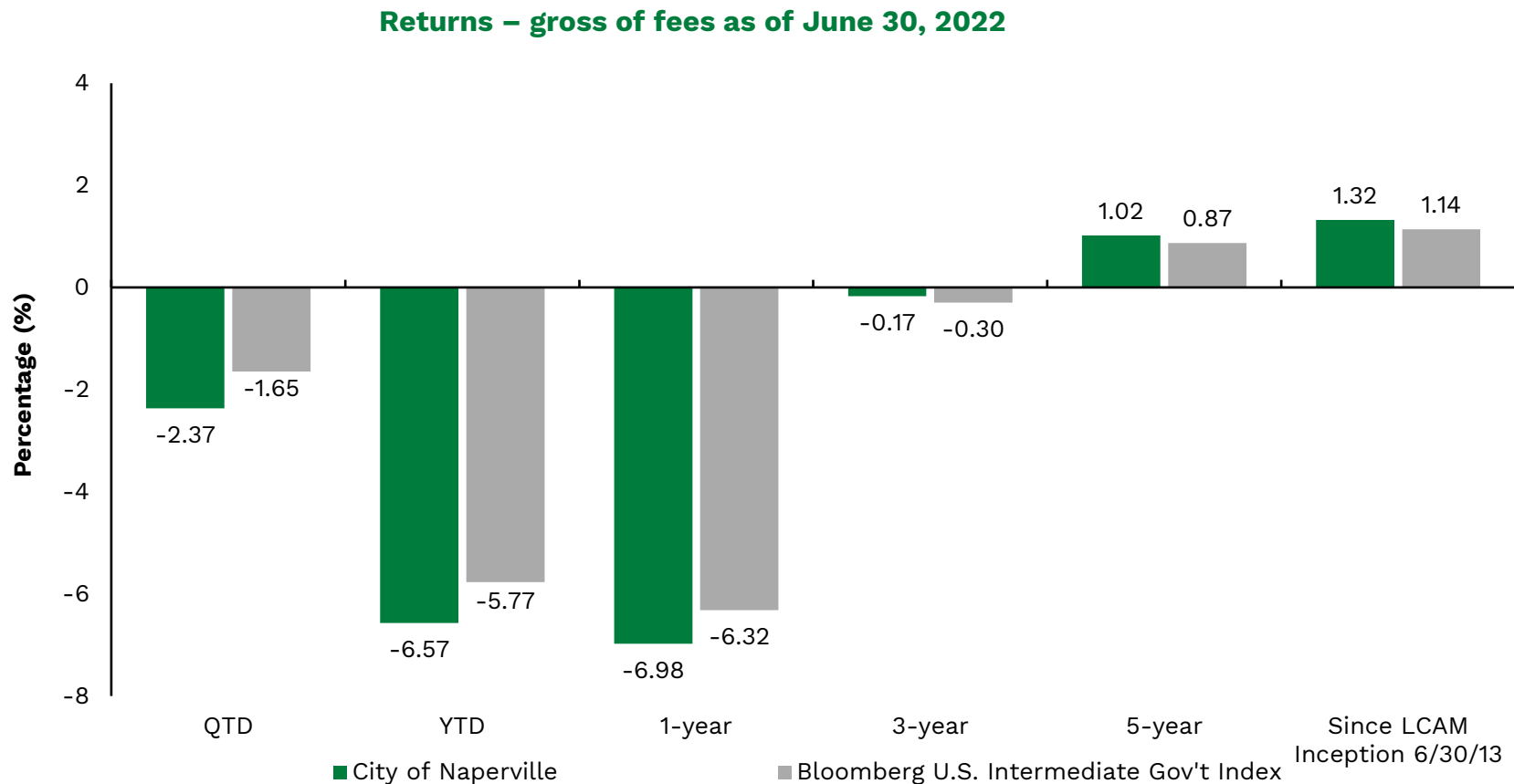
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## City of Naperville: Q2 Activity

Market Value Reconciliation: Q2 2022	
Endng Market Value: March 31, 2022**	\$78,993,094.59
Contribution/Withdrawal	\$ 4,997,500.86
Change in Accrued Interest	\$40,987.09
Net Income	\$314,529.36
Urealized Gain/Loss	(\$2,019,491.29)
Net Realized Gain/Loss	(\$221,848.29)
Endng Market Value: June 30, 2022*	\$82,104,772.32

\*Market values include accrued income

# City of Naperville Performance Update

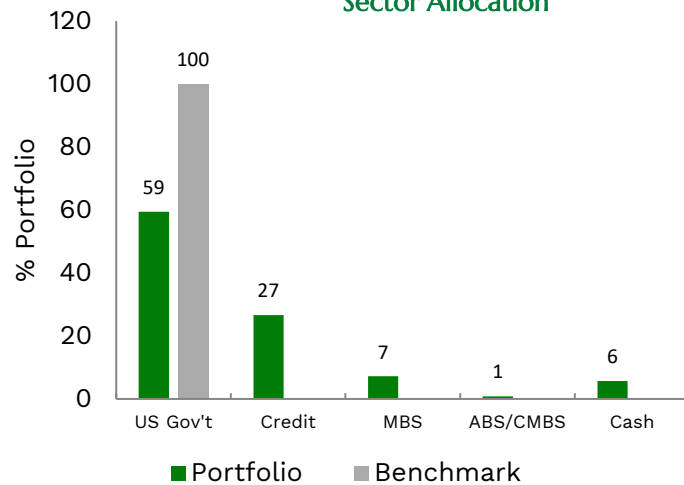


Source: Loop Capital Asset Management  
All returns over one year are annualized.  
Past performance does not guarantee future results.  
Investments cannot be made in an index.

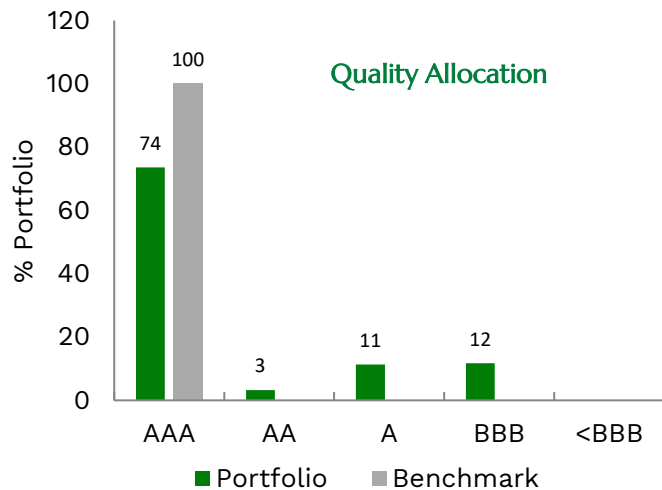
Above performance figures do not include returns from 9/30/09 to 6/30/13 as the portfolio at the time as managed by BMO Harris Investment Management.

# City of Naperville Portfolio Characteristics

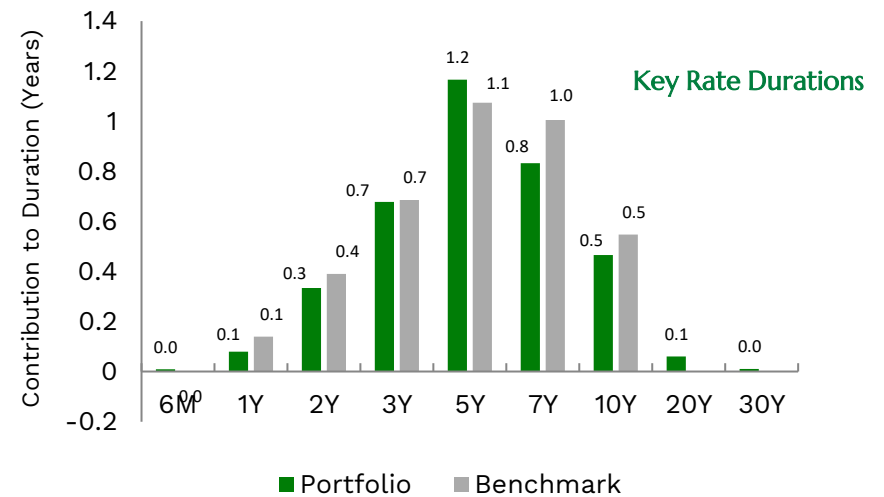
Sector Allocation



Quality Allocation



Portfolio characteristics	City of Naperville	Bloomberg U.S. Intermediate Government Index
Market Value (\$M)	\$82.2	
Yield to Worst (%)	3.4	3.0
Average Years to Maturity	4.2	4.1
Effective Duration (Yrs)	3.6	3.8



All data as of 6.30.22

Source for all data: BondEdge

Benchmark for all charts = Bloomberg U.S. Intermediate Government index

## Q2 Total Return Sector Attribution vs. Int. U.S. Gov't Index

	% MV Notl	% MV Notl	% MV Notl	Total Return	Total Return	Total Return
Sector/Quality	Portfolio	BM	Diff.	Portfolio	BM	Diff.
<b>TOTAL:</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-2.37</b>	<b>-1.65</b>	<b>-0.72</b>
CASH/CASH	5.66	0.00	5.66	0.21	0.00	0.21
TSY/TSY	58.09	96.38	-38.29	-1.20	-1.67	0.47
AGY/AGY	1.41	3.62	-2.21	0.10	-1.34	1.44
Corporate	26.73	0.00	26.73	-4.65	0.00	-4.65
CMBS	0.90	0.00	0.90	-2.83	0.00	-2.83
PASS	6.74	0.00	6.74	-3.72	0.00	-3.72
CMO	0.47	0.00	0.47	-0.32	0.00	-0.32
OTHR	0.00	0.00	0.00	0.00	0.00	0.00

Portfolio: City of Naperville

BM: Bloomberg Intermediate U.S. Gov't Index

## Q2 Total Return Sector Attribution vs. Int. U.S. Gov't/Credit Index

	% MV Notl	% MV Notl	% MV Notl	Total Return	Total Return	Total Return
Sector/Quality	Portfolio	BM	Diff.	Portfolio	BM	Diff.
<b>TOTAL:</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-2.37</b>	<b>-2.37</b>	<b>0.00</b>
CASH/CASH	5.66	0.00	5.66	0.21	0.00	0.21
TSY/TSY	58.09	62.53	-4.44	-1.20	-1.67	0.47
AGY/AGY	1.41	3.70	-2.29	0.10	-1.34	1.44
Corporate	26.73	29.52	-2.79	-4.65	-3.81	-0.85
CMBS	0.90	0.00	0.90	-2.83	0.00	-2.83
PASS	6.74	0.00	6.74	-3.72	0.00	-3.72
CMO	0.47	0.00	0.47	-0.32	0.00	-0.32
OTHR	0.00	4.25	-4.25	0.00	-2.28	2.28

Portfolio: City of Naperville

BM: Bloomberg Intermediate U.S. Gov't/Credit Index

## Mortgage Allocation as of June 30, 2022

---

Issuer	% Held	Type
CITIGROUP MTG 2018-B2- A4	0.30%	FIXED
FHLMC GOLD POOL - G14713	0.18%	FIXED
FHLMC GOLD POOL - G08775	0.14%	FIXED
FHLMC UMBS POOL - RA4524	1.35%	FIXED
FNMA 2012-028- PT	0.04%	FIXED
FNMA 2012-021- PJ	0.12%	FIXED
FHLMC K-066- A2	0.60%	FIXED
FNMA UMBS POOL - AP7831	0.26%	FIXED
FNMA UMBS POOL - AS5444	0.17%	FIXED
FNMA UMBS POOL - AS6815	0.05%	FIXED
FNMA UMBS POOL - AS8483	0.08%	FIXED
FNMA UMBS POOL - AY6521	0.03%	FIXED
FHLMC 2973- EB	0.01%	FIXED
FNMA 2011-027- DB	0.30%	FIXED

Source: BondEdge. Note: Totals may not be exact due to rounding.

## Mortgage Allocation as of June 30, 2022 (continued)

Issuer	% Held	Type
FNMA UMBS POOL - BQ7777	1.57%	FIXED
FNMA UMBS POOL - FM6606	0.62%	FIXED
FNMA UMBS POOL - MA2771	0.10%	FIXED
FNMA UMBS POOL - MA2806	0.08%	FIXED
FNMA UMBS POOL - MA3644	0.11%	FIXED
FNMA UMBS POOL - MA3834	0.04%	FIXED
FNMA UMBS POOL - MA4356	0.50%	FIXED
GNMA2 POOL - MA1996	0.03%	FIXED
GNMA2 POOL - MA2149	0.06%	FIXED
GNMA2 POOL - MA7226	1.02%	FIXED
GNMA2 POOL - 626912	0.37%	FIXED

Source: BondEdge. Note: Totals may not be exact due to rounding.



## Maturity Breakdown – Sector Type as of June 30, 2022

<b>Eff. Maturity/Sector</b>	<b>Treasury</b>	<b>Agency</b>	<b>Financial</b>	<b>Industrial</b>	<b>Utility</b>	<b>MBS</b>	<b>CMBS</b>	<b>Cash</b>	<b>Total</b>
<1.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	5.73	5.74
1.00 - 2.99	28.51	0.49	1.82	0.62	0.52	0.85	0.00	0.00	32.80
3.00 - 4.99	8.92	0.92	6.77	3.39	1.22	0.00	0.60	0.00	21.81
5.00 - 6.99	18.26	0.00	1.60	3.59	0.00	3.25	0.30	0.00	27.00
7.00 - 9.99	2.34	0.00	2.62	4.46	0.11	1.27	0.00	0.00	10.80
10.00 - 14.99	0.00	0.00	0.00	0.00	0.00	1.85	0.00	0.00	1.85
<b>Total:</b>	<b>58.03</b>	<b>1.40</b>	<b>12.81</b>	<b>12.05</b>	<b>1.85</b>	<b>7.24</b>	<b>0.90</b>	<b>5.73</b>	<b>100.00</b>

Source: BondEdge. Note: Totals may not be exact due to rounding.

## Q2 Commentary

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During the second quarter, the portfolio's allocations to government, credit and securitized segments were reduced by 0.8%, 0.5%, and 1.1% respectively. The portfolio's cash allocation increased by 2.4% on the balance.

By quality, the portfolio increased its allocation to BBB rated securities by 2.9% and cash by 2.4% while reducing AAA, AA and A quality allocations. Duration was modestly shortened during the period. At the end of the quarter, the effective duration of the portfolio is 0.20 years shorter than the benchmark. On a yield to worst basis, the portfolio maintains a 36-basis point yield advantage versus the benchmark.

## Appendix

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# Loop Capital Asset Management Team

## Leadership & Portfolio Management Team



**James Reynolds, Jr., CFA®**  
Chairman and Chief Executive Officer  
MBA, Northwestern University  
Industry Experience: 30 Years / 25 Years with LC



**Scott Kimball, CFA®**  
Managing Director  
MBA, University of Miami  
Industry Experience: 19 Years / 15 Years with LCAM\*



**Adam Phillips, CFA®**  
Managing Director  
BA, Emory University  
Industry Experience: 18 Years / 8 Years with LCAM\*



**Timothy Alt, CFA®, CMT**  
Senior Vice President  
BA, Lawrence University  
Industry Experience: 16 Years / 3 Years with LCAM\*



**Frank Reda, CMT**  
Managing Director  
MS, Florida International University  
Industry Experience: 21 Years / 21 Years with LCAM\*



**Ronald Salinas, CFA®**  
Senior Vice President  
MBA, University of Miami  
Industry Experience: 18 Years / 18 Years with LCAM\*

## Research & Trading Team



**Daniesha Dawes**  
Associate, Research Analyst  
MBA, BA, University of Florida  
Industry Experience: 12 Years / 1 Year with LCAM\*



**Josu Elejabarrieta**  
Vice President, Research Analyst  
MS, Columbia University  
Industry Experience: 19 Years / 3 Years with LCAM\*



**Khalfani King**  
Associate, Research Analyst  
BBA, Saint Xavier University  
Industry Experience: 4 Years / 1 Year with LCAM\*



**Julie Kwock**  
Vice President, Research Analyst  
MBA, MS, Florida International University  
Industry Experience: 16 Years / 16 Years with LCAM\*



**Joseph Magazine**  
Vice President, Research Analyst  
BA, Pennsylvania State University  
Industry Experience: 5 Years / 6 Years with LCAM\*



**Steven Schneider, CFA®**  
Vice President, Research Analyst  
BS, Pennsylvania State University  
Industry Experience: 22 Years / 5 Years with LCAM\*



**Andre Villarreal, CFA®**  
Vice President, Research Analyst  
BBA, Florida International University  
Industry Experience: 12 Years / 7 Years with LCAM\*



**Nicholas Vivonetto, CFA®**  
Associate, Research Analyst  
MS, BS, Florida Atlantic University  
Industry Experience: 5 Years / 1 Year with LCAM\*



**Jenna Young, CFA®**  
Vice President, Research Analyst  
MBA, University of Florida  
Industry Experience: 22 Years / 5 Years with LCAM\*



**Adam Eccles**  
Vice President, Trader  
BS, University of South Carolina  
Industry Experience: 18 Years / 3 Years with LCAM\*



**George Liu**  
Senior Vice President  
BS, University of Florida  
Industry Experience: 14 Years / 7 Years with LCAM\*

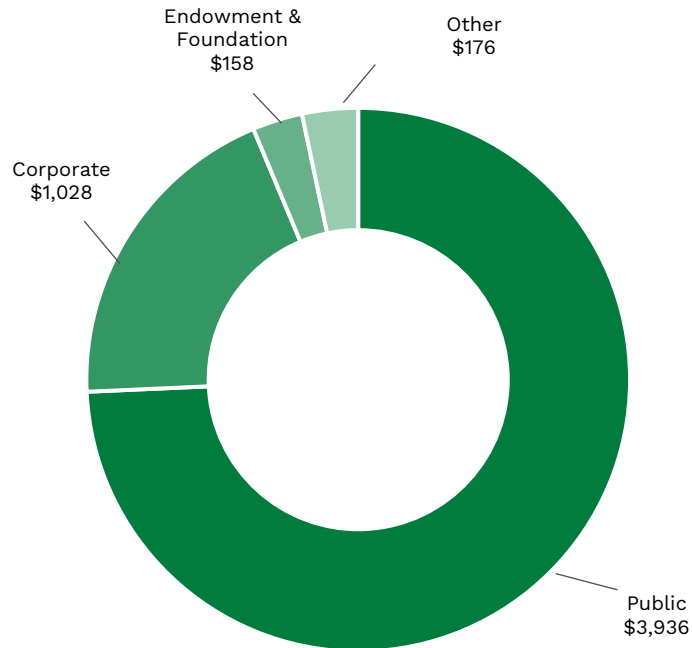
### Additional Resources

- Compliance (2)
- Client Support (6)

\*LCAM acquired Taplin, Canida & Habacht, LLC (TCH), formerly part of BMO Asset Management Corp., effective January 28, 2022.

# LCAM Client Profile

## By client type



## Representative clients\*

- City of Naperville
- Florida State Board of Administration
- Gwinnett County Board of Education
- Hallandale Beach Police & Fire
- Hialeah Employees' Retirement System
- Illinois Municipal Retirement Fund
- Largo Police Officers & Firefighters
- Miami Dade College Surplus Funds
- New York City Police Retirement System
- Public Health Trust of Miami-Dade County
- St. Johns River Power Park Pension Plan
- Tampa General Employees' Retirement Fund
- Teachers' Retirement System of the State of Illinois
- Village of Winnetka

\*Selected clients as of 6.30.2022. These were not selected by performance criteria and the firm has received consent to list their names in a representative client list or the information is publicly available. The listed clients do not approve or disapprove of Loop Capital Asset Management – TCH, LLC for its services.

# Disclosures

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## **All investments involve risk, including the possible loss of principal.**

This is not intended to serve as a complete analysis of every material fact regarding any company, industry or security. The opinions expressed here reflect our judgment at this date and are subject to change. Information has been obtained from sources we consider to be reliable, but we cannot guarantee the accuracy. This publication is prepared for general information only. This material does not constitute investment advice and is not intended as an endorsement of any specific investment. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. Investment involves risk. Market conditions and trends will fluctuate. The value of an investment as well as income associated with investments may rise or fall. Accordingly, investors may receive back less than originally invested. Investments cannot be made in an index. **Past performance is not necessarily a guide to future performance.**

Loop Capital Asset Management – TCH, LLC is a registered investment adviser and a wholly owned subsidiary of Loop Capital Asset Management, which is a subsidiary of Loop Capital LLC. Loop Capital is the brand name for various affiliated entities of Loop Capital LLC that provide investment banking, and investment management services. Products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. Loop Capital is a trademark of Loop Capital Holdings LLC.

Loop Capital Asset Management LLC, and Loop Capital Markets LLC are affiliated companies.

The option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option. Basis points (bps) represent 1/100th of a percent (for example: 50 bps equals 0.50%)

The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The Bloomberg US Mortgage Backed Securities (MBS) Index tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). Bloomberg U.S. Credit Index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Investment products are: **Not A Deposit | Not FDIC Insured | No Bank Guarantee | May Lose Value**

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# CITY OF NAPERVILLE

## Investment Performance Review For the Quarter Ended June 30, 2022

### Client Management Team

Michelle Binns, Senior Managing Consultant  
Jeffrey K. Schroeder, Managing Director  
Michael P. Downs, Portfolio Manager  
Kyle Jones, Managing Director

### PFM Asset Management LLC

209 South LaSalle, 2nd Floor  
Chicago, IL 60604  
312-523-2428

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

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# **Agenda**

- Market Update
- Account Summary
- Portfolio Review

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## Market Update

## Current Market Themes



- ▶ The U.S. economy is characterized by:
  - ▶ High inflation
  - ▶ A strong labor market
  - ▶ Depressed consumer confidence
  - ▶ Growing potential for economic recession



- ▶ The Federal Reserve is tightening monetary policy
  - ▶ More aggressive rate hikes to battle persistent inflation
  - ▶ Short-term fed funds rate projected to reach 3.25% to 3.75% by year-end
  - ▶ Start of balance sheet reduction; pace to double beginning in September

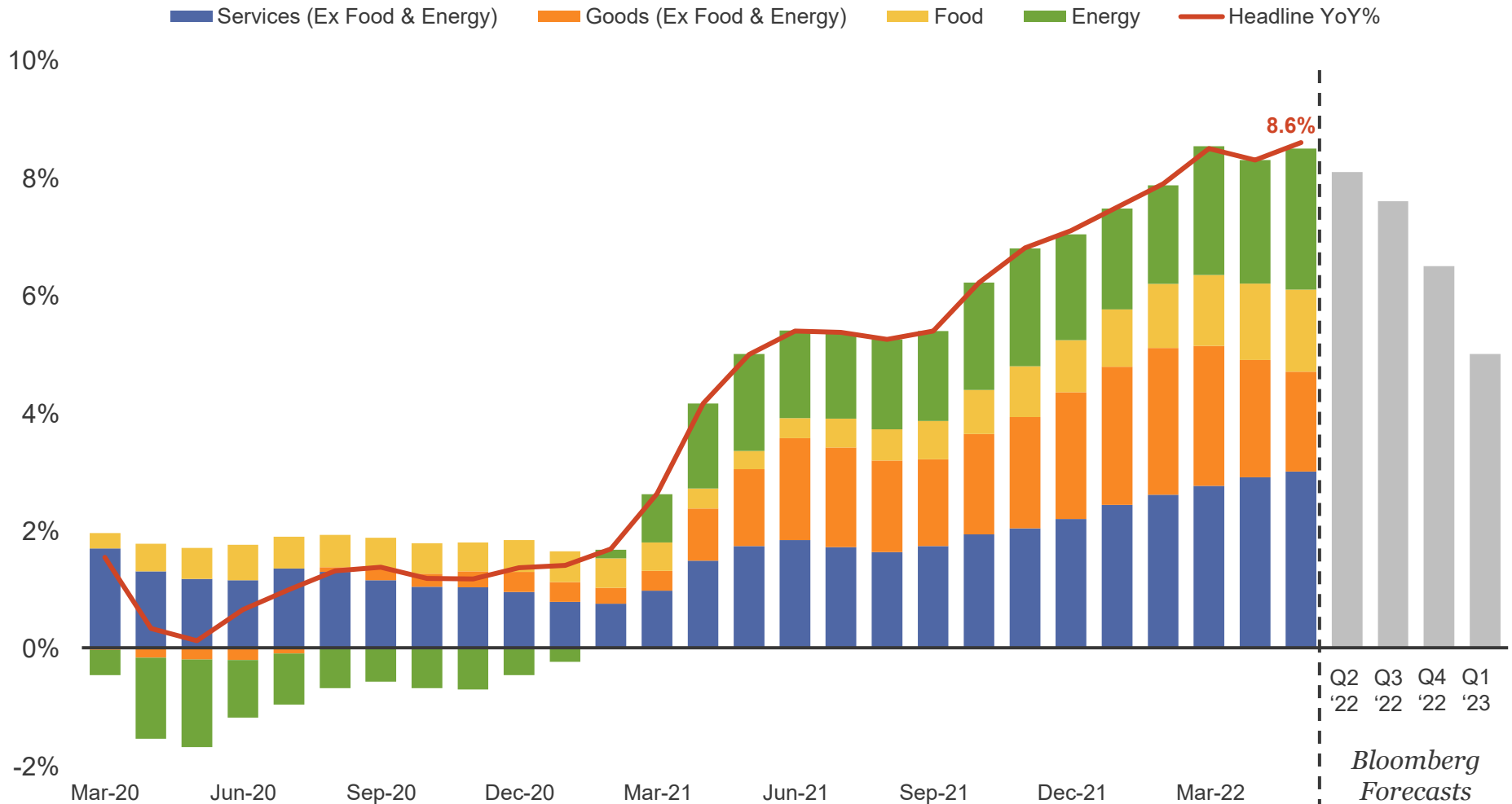


- ▶ Asset prices have fallen sharply in 2022 as a result of:
  - ▶ The impact of higher rates on bond prices and equity valuations
  - ▶ Wider credit spreads
  - ▶ High commodity prices, rising labor costs, and the continuing conflict in Ukraine
  - ▶ High levels of volatility and uncertainty

## U.S. Inflation Hit a New Four-Decade High in May

### Consumer Prices (CPI)

#### Top-Line Contributions and Year-over-Year Reading



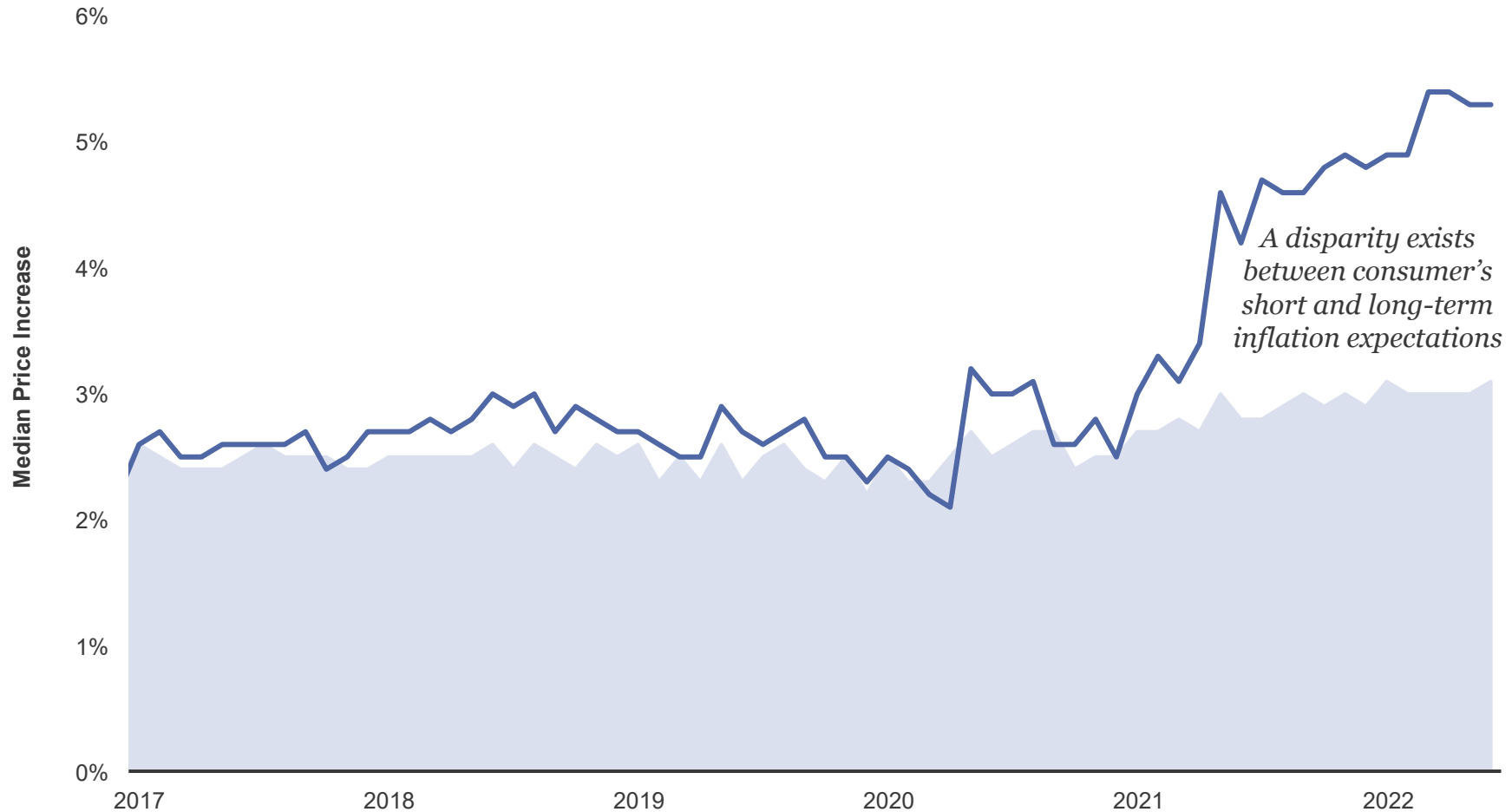
Source: Bloomberg, as of May 2022.

## Consumers Expect High Inflation in the Near Term, But Moderation Longer Term

### University of Michigan Survey of Consumers

Expected Change in Prices

Next 5-10 Years    Next Year

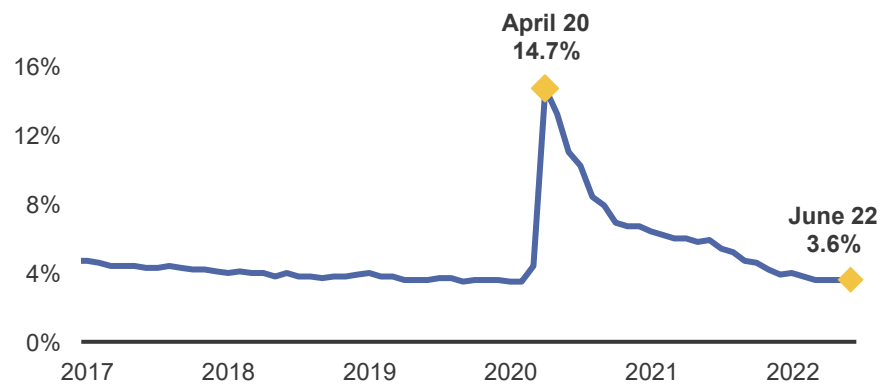


Source: Bloomberg, as of June 2022.

## Strong Labor Market and Spending Provide Momentum Against Signs of Economic Slowing

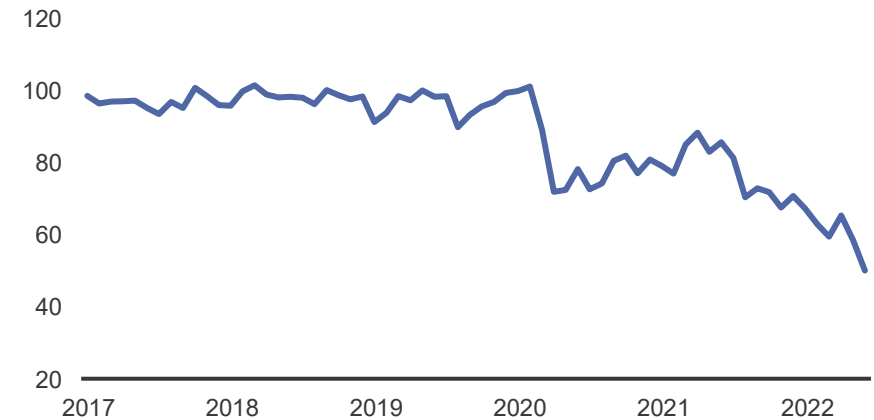
### Tailwinds

U.S. Unemployment Rate

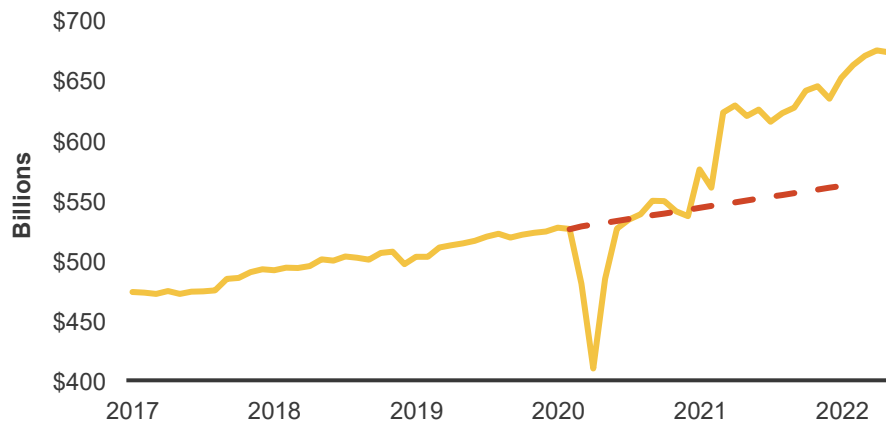


### Headwinds

Index of Consumer Sentiment



Retail Sales (Monthly)



Existing Home Sales



Source: Bloomberg, as of June 2022.

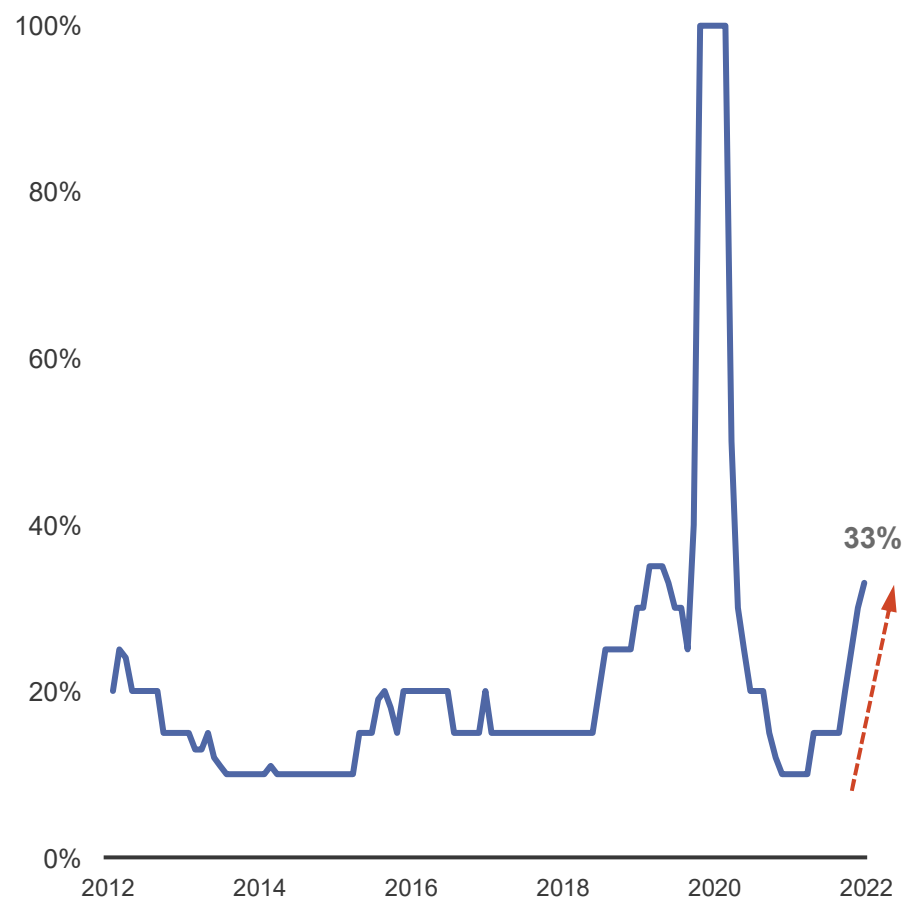
## Uncertainty Grows Around Economic Outlook

### GDP Contributors

	Q2 2021	Q3 2021	Q4 2021	Q1 2022
<b>U.S. Real GDP</b>	<b>6.7%</b>	<b>2.3%</b>	<b>6.9%</b>	<b>-1.6%</b>
<i>Personal Consumption</i>	7.9%	1.4%	1.8%	1.2%
<i>Fixed Investment</i>	0.6%	-0.2%	0.5%	1.3%
<i>Private Inventories</i>	-1.3%	2.2%	5.3%	-0.4%
<i>Net Exports</i>	-0.2%	-1.3%	-0.2%	-3.2%
<i>Gov't Expenditures</i>	-0.3%	0.2%	-0.5%	-0.5%

*Following a negative Q1 reading, economists expect positive yet decelerating growth amid an increasingly cautious consumer*

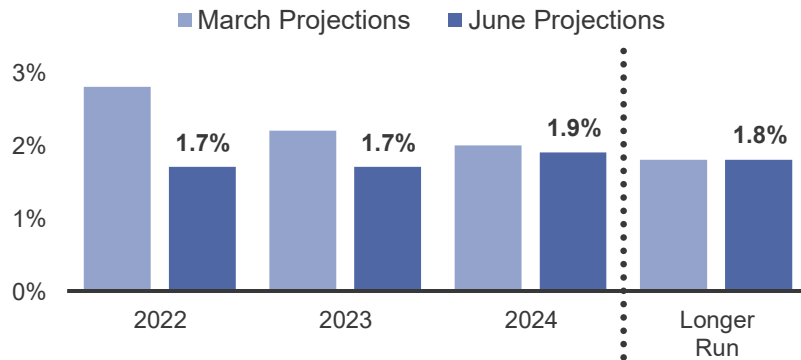
### U.S. 1-Year Recession Probability (Bloomberg Median Economist Forecast)



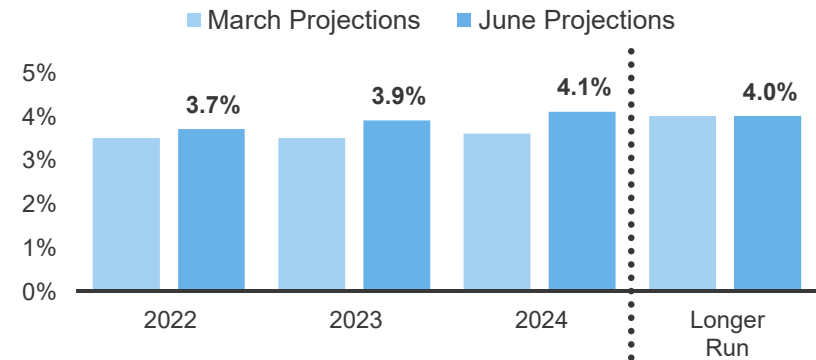
Source: Bloomberg, as of June 2022.

## Fed's Updated Projections Show More Expected Inflation, Lower Growth

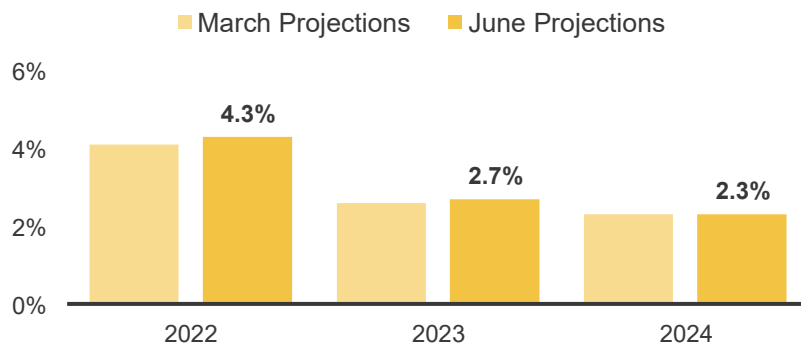
### Change in Real GDP



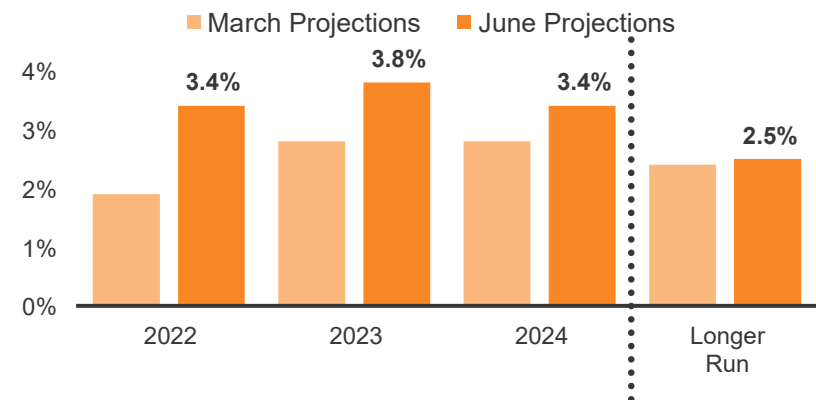
### Unemployment Rate



### Core PCE Inflation



### Federal Funds Rate

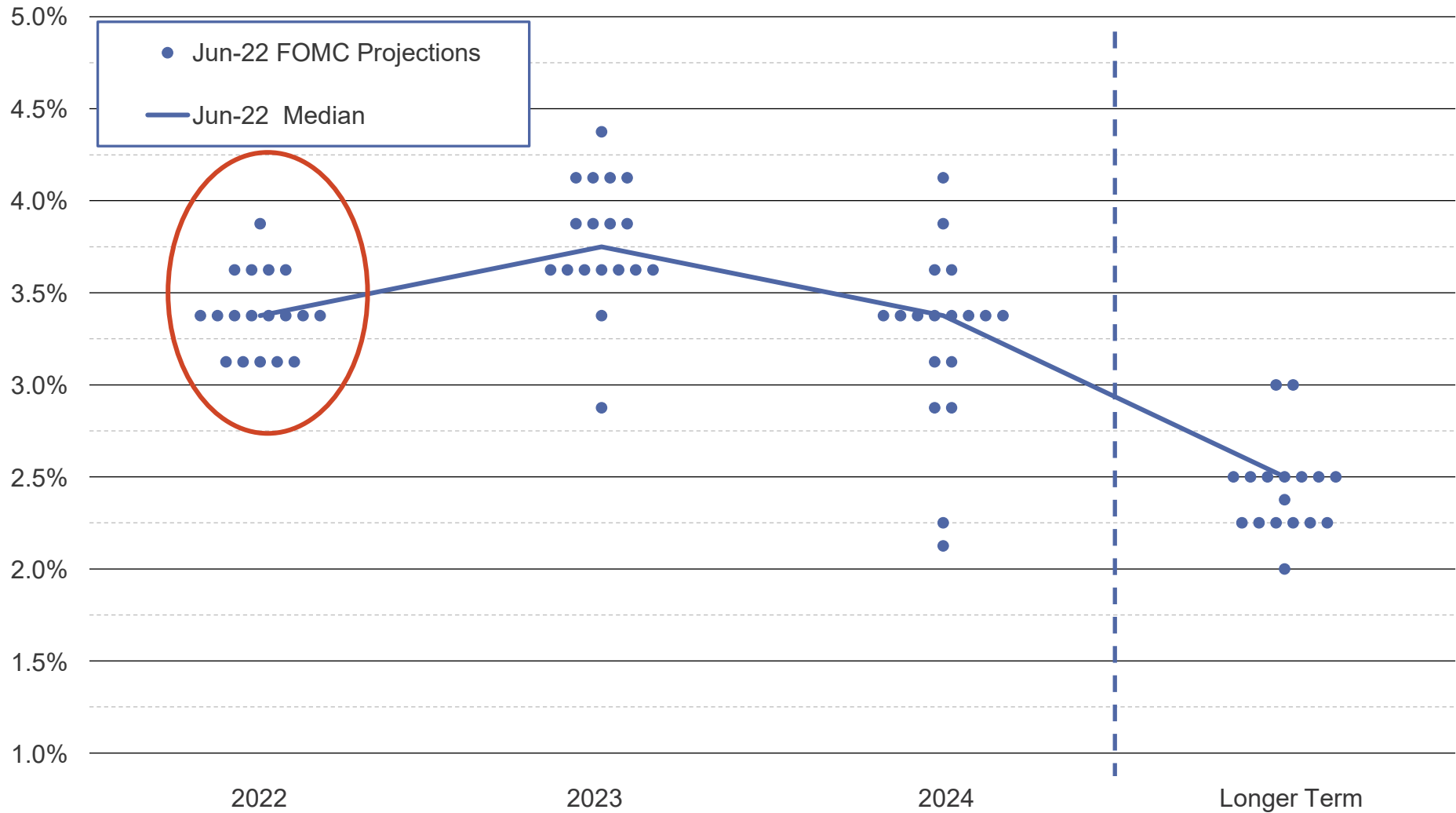


Source: Federal Reserve, latest economic projections as of June 2022.



## Federal Reserve Officials Project 1.75% More in Rate Hikes in 2022

### Fed Participants' Assessments of 'Appropriate' Monetary Policy

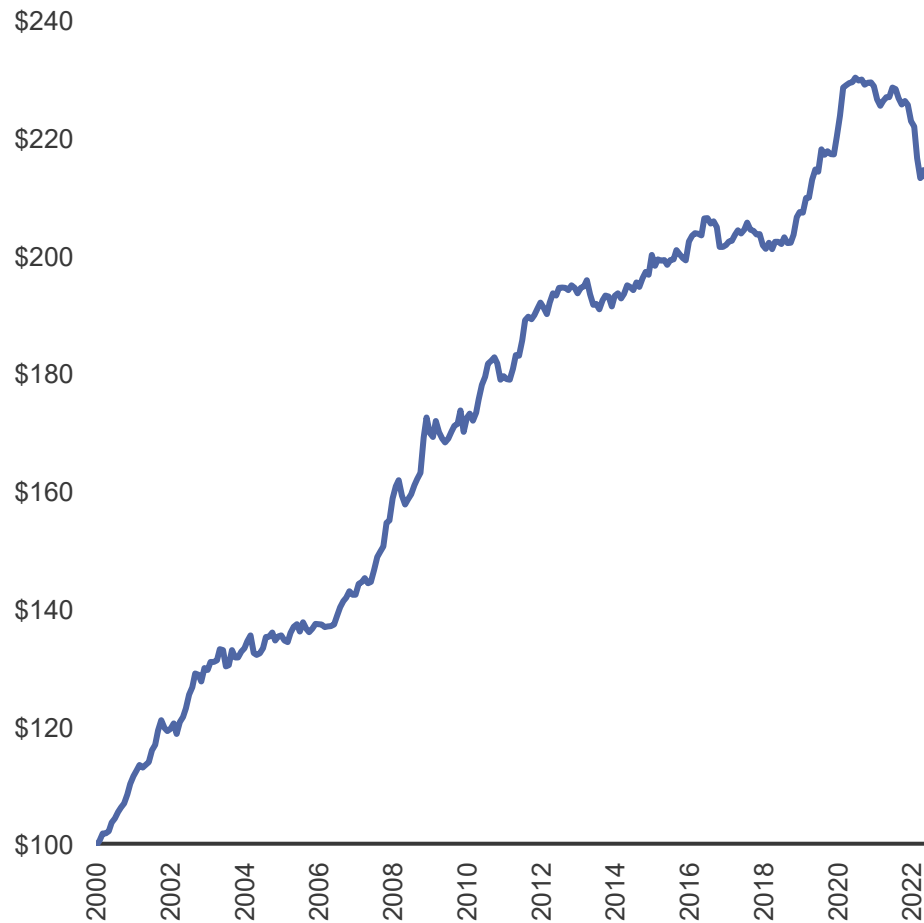


Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

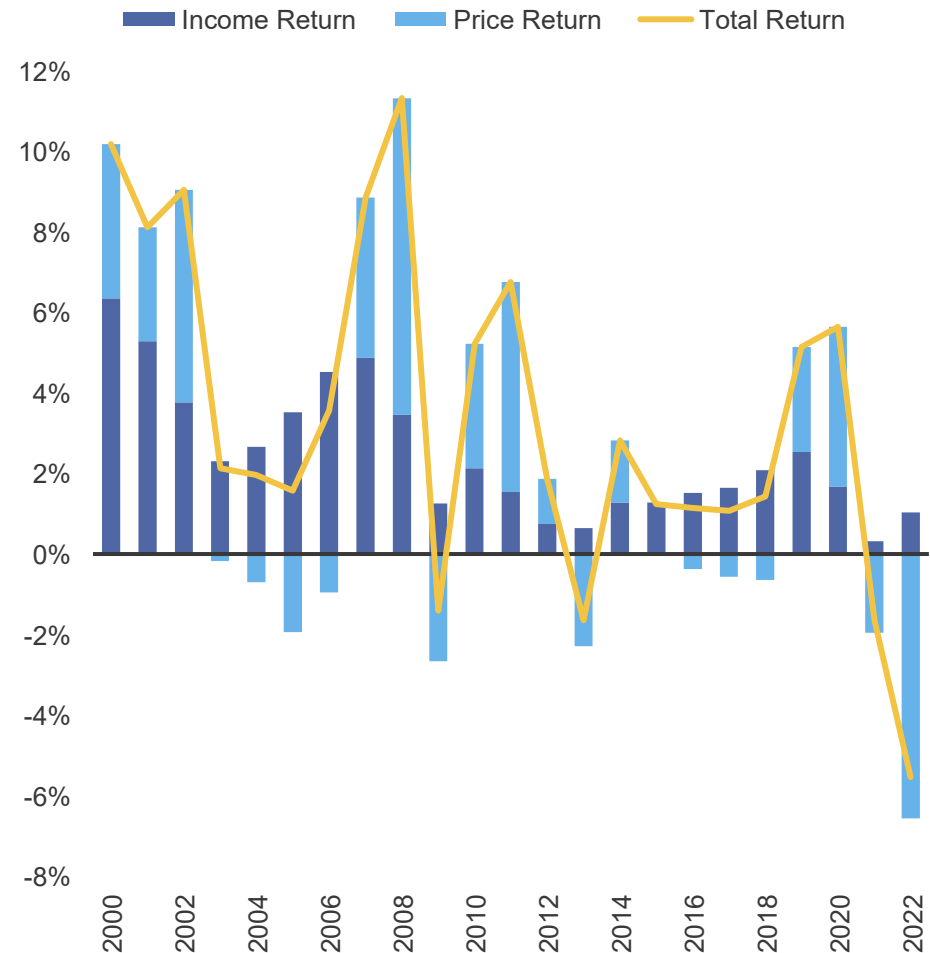
## Surging Yields Give Back Pandemic Gains

### ICE BofA 1-10 Year Treasury Index

**Growth of \$100**  
(1/1/2000 - 6/30/2022)



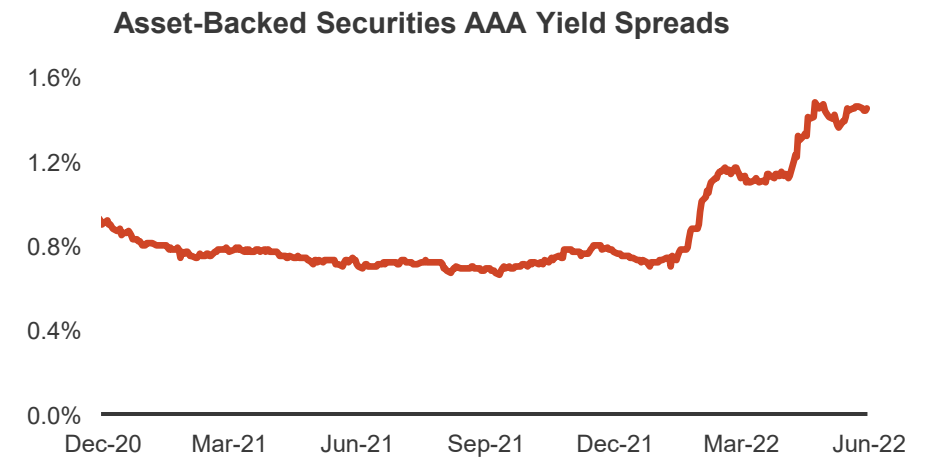
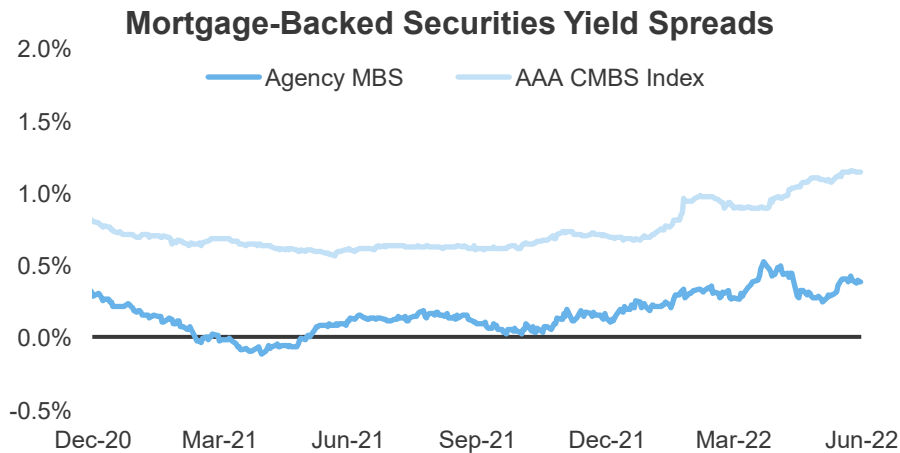
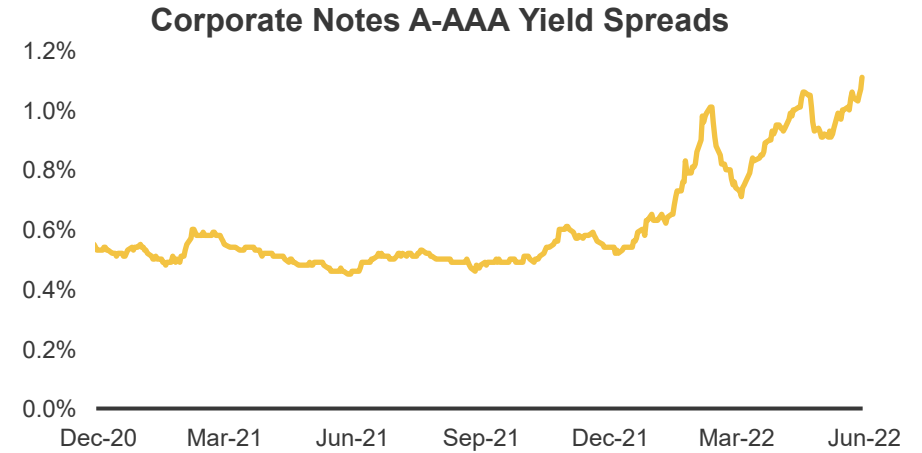
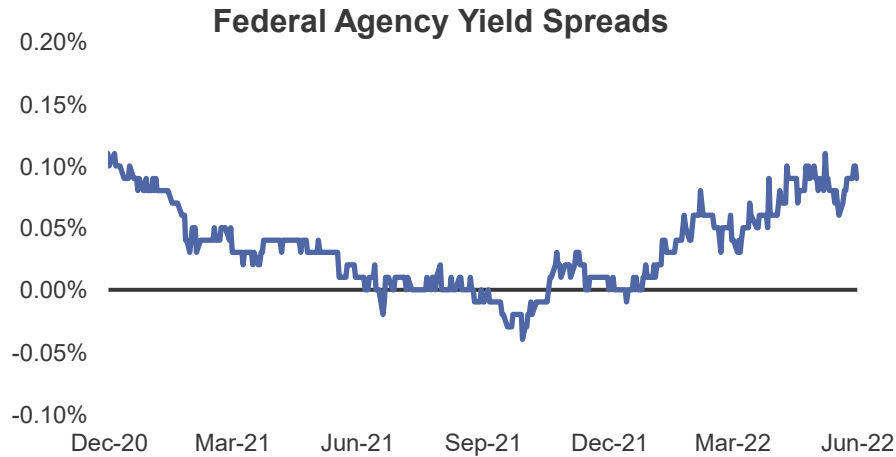
**Annual Price & Income Returns**



Source: ICE BofAML Indices via Bloomberg, as of 6/30/2022; PFMAM calculations. 2022 Price, income, and total return is YTD as of 6/30/2022.

## Sector Yield Spreads Widened in Q2 2022

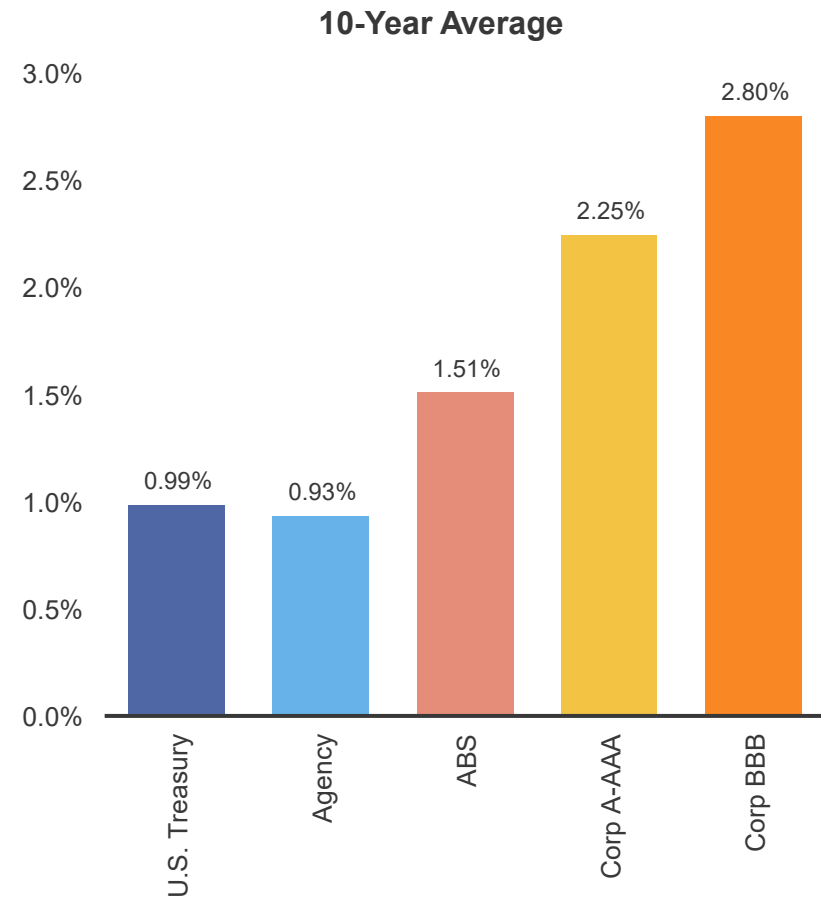
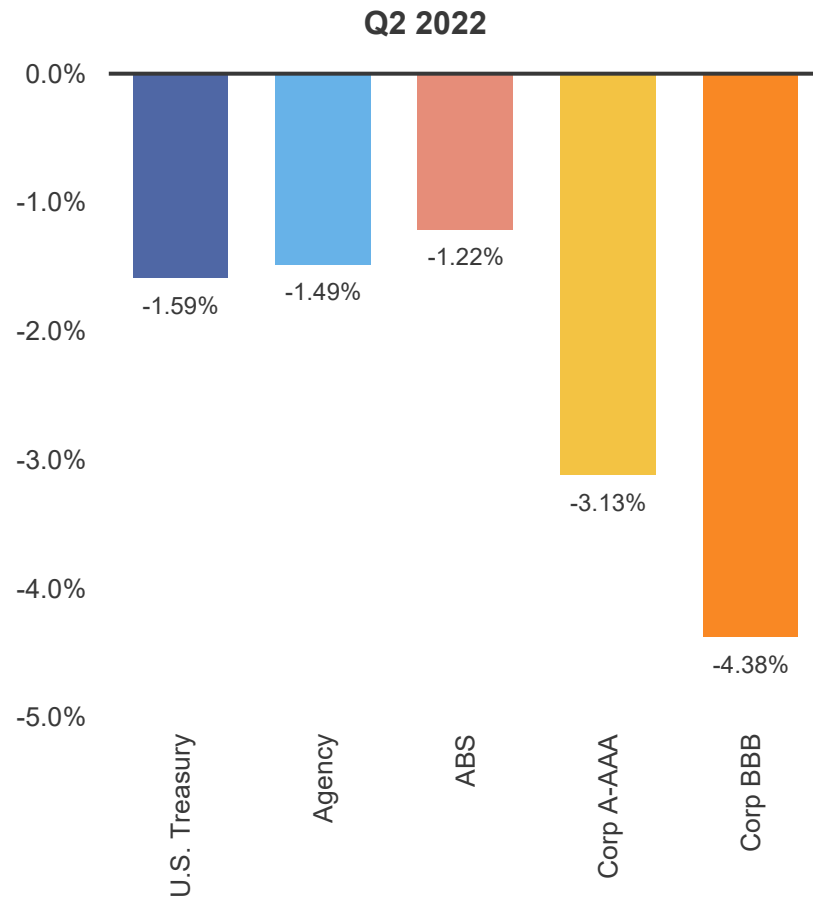
### 1-10 Year Indices



Source: ICE BofAML 1-10 year Indices via Bloomberg, MarketAxess and PFMAM as of 6/30/2022. Spreads on ABS and MBS are option-adjusted spreads of 0-10 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

## Rising Rates and Wider Spreads Hurt Fixed-Income Returns in Q2 2022

### 1-10 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-10 year, based on weighted average life. As of 6/30/2022.

## Fixed-Income Sector Commentary — 2Q 2022

- ▶ **U.S. Treasury** securities posted negative returns for more than two quarters. Yields continued to move higher on surging inflation data and expectations for aggressive Fed rate hikes over the course of 2022.
- ▶ The **Federal Agency** sector generated modest incremental returns over Treasuries in Q2 but continue to offer narrow yield spreads and limited value.
- ▶ **Supranational** spreads are elevated for shorter maturities but remained historically tight further out the curve. Issuance has been relatively light year-to-date which has helped keep downward pressure on yield spreads.
- ▶ Investment grade **Corporates** appear to have priced in a recession on the horizon, however, fundamentals and ratings are expected to stabilize while also carrying a low default rate. Yield spreads have been driven wider to historically attractive levels as uncertainties persist.
- ▶ **Asset-Backed** yield spreads widened after a volatile start to the year. Some measures of collateral performance are trending worse, but overall are in a good position from a historical perspective and remain within rating agency expectations.
- ▶ **Mortgage-Backed Securities** were hampered by soaring mortgage rates and the looming reduction to the Fed's balance sheet. The sector will likely remain under pressure for the foreseeable future as it faces a myriad of headwinds.
- ▶ **Taxable Municipals** were one of the few investment grade sectors that performed well during the quarter. But while issuance has slowed despite appearing at attractive levels, deals remain heavily oversubscribed, pressuring spreads lower.
- ▶ **Commercial Paper and CD** spreads remain elevated and attractive, particularly on maturities near nine months which have heightened value and a steeper curve.

## Fixed-Income Sector Outlook – 3Q 2022

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	

● Current outlook

○ Outlook one quarter ago

Negative

Slightly  
Negative

Neutral

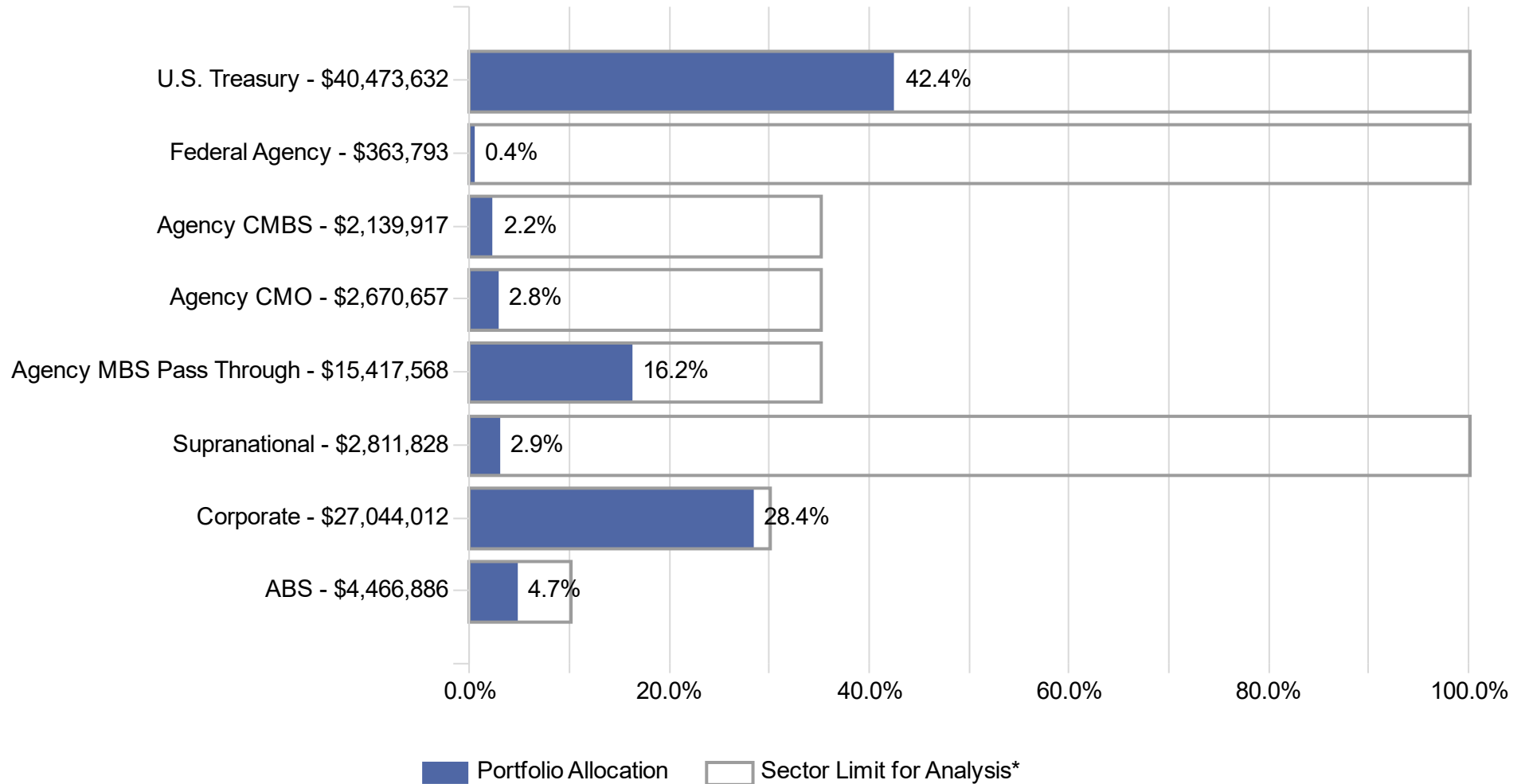
Slightly  
Positive

Positive

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## Account Summary

## 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.



## Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>U.S. Treasury</b>	<b>42.4%</b>	
UNITED STATES TREASURY	42.4%	AA / Aaa / AAA
<b>Federal Agency</b>	<b>0.4%</b>	
FEDERAL FARM CREDIT BANKS	0.2%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	0.2%	AA / Aaa / NR
<b>Agency CMBS</b>	<b>2.2%</b>	
FANNIE MAE	0.0%	AA / Aaa / AAA
FREDDIE MAC	2.2%	AA / Aaa / AAA
<b>Agency CMO</b>	<b>2.8%</b>	
FANNIE MAE	0.8%	AA / Aaa / AAA
FREDDIE MAC	1.8%	AA / Aaa / AAA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	0.2%	AA / Aaa / AAA
<b>Agency MBS Pass Through</b>	<b>16.2%</b>	
FANNIE MAE	13.1%	AA / Aaa / AAA
FREDDIE MAC	3.0%	AA / Aaa / AAA
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	0.0%	AA / Aaa / AAA
<b>Supranational</b>	<b>2.9%</b>	
AFRICAN DEVELOPMENT BANK	1.3%	AAA / Aaa / AAA
ASIAN DEVELOPMENT BANK	0.4%	AAA / Aaa / AAA
INTER-AMERICAN DEVELOPMENT BANK	1.3%	AAA / Aaa / AAA
<b>Corporate</b>	<b>28.4%</b>	
ABBVIE INC	0.3%	BBB / Baa / NR
AMERICAN EXPRESS CO	0.7%	BBB / A / A
AMGEN INC	0.4%	A / Baa / BBB
ANTHEM INC	0.2%	A / Baa / BBB
ANZ BANKING GROUP LTD	0.7%	AA / A / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Corporate</b>	<b>28.4%</b>	
ASTRAZENECA PLC	0.5%	A / A / NR
BANCO SANTANDER SA	0.3%	BBB / Baa / A
BANK OF AMERICA CO	1.1%	A / A / AA
BANK OF MONTREAL	0.7%	A / A / AA
BANK OF NEW ZEALAND	0.8%	AA / A / NR
BANK OF NOVA SCOTIA	0.2%	A / A / AA
BARCLAYS PLC	0.4%	BBB / Baa / A
BLACKROCK INC	0.2%	AA / Aa / NR
BMW FINANCIAL SERVICES NA LLC	0.7%	A / A / NR
BOEING COMPANY	0.3%	BBB / Baa / BBB
BOSTON SCIENTIFIC CORP	0.4%	BBB / Baa / BBB
BP PLC	0.4%	A / A / A
BRISTOL-MYERS SQUIBB CO	0.6%	A / A / NR
CAPITAL ONE FINANCIAL CORP	0.4%	BBB / Baa / A
CHARLES SCHWAB	0.6%	A / A / A
CITIGROUP INC	0.5%	BBB / A / A
Commonwealth Bank of Australia	0.7%	AA / A / NR
CVS HEALTH CORP	0.2%	BBB / Baa / NR
DNB ASA	0.5%	A / A / NR
EMERSON ELECTRIC COMPANY	0.3%	A / A / NR
FIFTH THIRD BANCORP	0.4%	BBB / Baa / A
GATX CORP	0.3%	BBB / Baa / NR
GENERAL MOTORS CORP CO	0.3%	BBB / Baa / BBB
GOLDMAN SACHS GROUP INC	0.6%	BBB / A / A
HEWLETT PACKARD	0.4%	BBB / Baa / BBB
HOME DEPOT INC	0.5%	A / 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
<b>Corporate</b>	<b>28.4%</b>	
HSBC HOLDINGS PLC	0.7%	A / A / A
HYUNDAI CAPITAL AMERICA	0.4%	BBB / Baa / NR
IBM CORP	0.6%	A / A / NR
INTEL CORPORATION	0.6%	A / A / A
JP MORGAN CHASE & CO	1.2%	A / A / AA
KEY BANK	0.4%	BBB / Baa / A
LLOYDS BANKING GROUP PLC	0.3%	BBB / A / A
LOWE'S COMPANIES INC	0.4%	BBB / Baa / NR
MACQUARIE GROUP LTD	0.4%	BBB / A / A
MCCORMICK & CO	0.4%	BBB / Baa / NR
MITSUBISHI UFJ FINANCIAL GROUP INC	0.6%	A / A / A
MORGAN STANLEY	0.7%	A / A / A
NATIONAL RURAL UTILITIES CO FINANCE CORP	0.2%	A / A / A
NORDEA BANK ABP	0.7%	A / A / AA
PARKER-HANNIFIN CORP	0.5%	BBB / Baa / BBB
PRINCIPAL FINANCIAL GROUP INC	0.3%	A / Baa / A
SIEMENS AG	0.5%	A / A / A
SOCIETE GENERALE	0.4%	BBB / Baa / A
STARBUCKS CORP	0.4%	BBB / Baa / BBB
SUMITOMO MITSUI FINANCIAL GROUP INC	0.6%	A / A / NR
THE BANK OF NEW YORK MELLON CORPORATION	0.2%	A / A / AA
TORONTO-DOMINION BANK	0.8%	A / A / AA
TRUIST FIN CORP	0.7%	A / A / A
US BANCORP	0.5%	A / A / A
VERIZON COMMUNICATIONS	0.3%	BBB / Baa / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
<b>Corporate</b>	<b>28.4%</b>	
Volkswagen AG	0.5%	BBB / A / NR
WELLS FARGO & COMPANY	0.5%	BBB / A / A
<b>ABS</b>	<b>4.7%</b>	
CAPITAL ONE FINANCIAL CORP	1.0%	AAA / NR / AAA
CARMAX AUTO OWNER TRUST	0.8%	AAA / NR / AAA
CITIGROUP INC	0.3%	NR / Aaa / AAA
CNH EQUIPMENT TRUST	0.8%	NR / Aaa / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.6%	AAA / Aaa / NR
JOHN DEERE OWNER TRUST	0.3%	NR / Aaa / AAA
KUBOTA CREDIT OWNER TRUST	0.4%	NR / Aaa / AAA
WORLD OMNI AUTO REC TRUST	0.6%	AAA / NR / AAA
<b>Total</b>	<b>100.0%</b>	

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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## Portfolio Review: CITY OF NAPERVILLE

## Q2 2022 Commentary

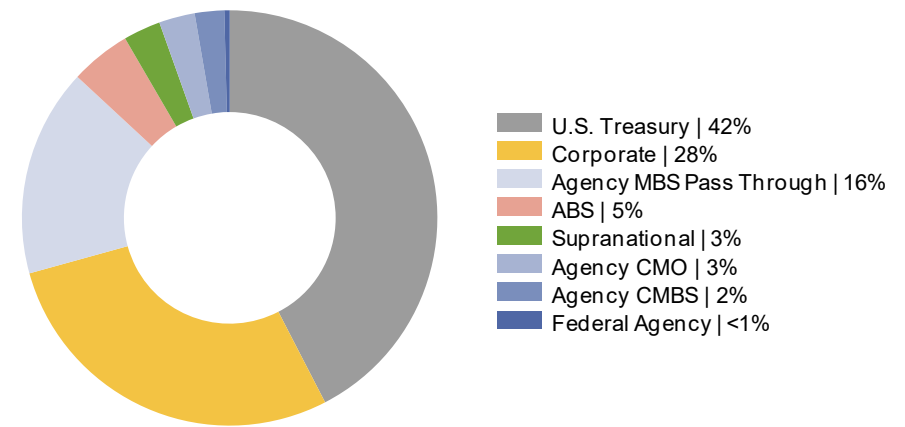
In an effort to curtail rampant inflation, the Federal Reserve raised the federal funds rate by 125 basis points during the second quarter. In addition, the Fed began decreasing their holdings of MBS and U.S. Treasury securities in June. Correspondingly, the yield on the 10-yr. Treasury jumped 68 basis points after rising 83 basis points during the first quarter. Our underweighting of longer maturity securities provided a modestly positive contribution to performance, given that the 7-yr. to 10-yr. Treasury yield spread widened 4 basis points. However, the Fed's tightening measures heightened concerns that the U.S. economy would plummet into a recession. As a result, most non-Treasury sectors underperformed during the second quarter. Accordingly, our allocations to the corporate and MBS sectors detracted from the portfolio's performance, as those areas generated negative 155 and 98 basis point excess returns, respectively.

## Portfolio Snapshot - CITY OF NAPERVILLE<sup>1</sup>

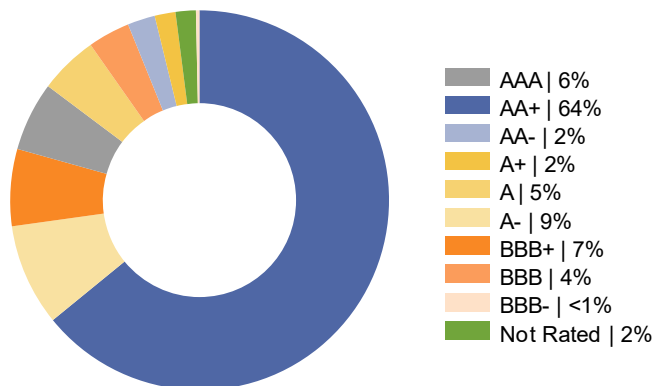
### Portfolio Statistics

<b>Total Market Value</b>	\$95,388,293.58
Securities Sub-Total	\$95,089,679.21
Accrued Interest	\$298,614.37
Cash	\$0.00
<b>Portfolio Effective Duration</b>	3.83 years
<b>Benchmark Effective Duration</b>	3.83 years
<b>Yield At Cost</b>	2.02%
<b>Yield At Market</b>	3.46%
<b>Portfolio Credit Quality</b>	AA

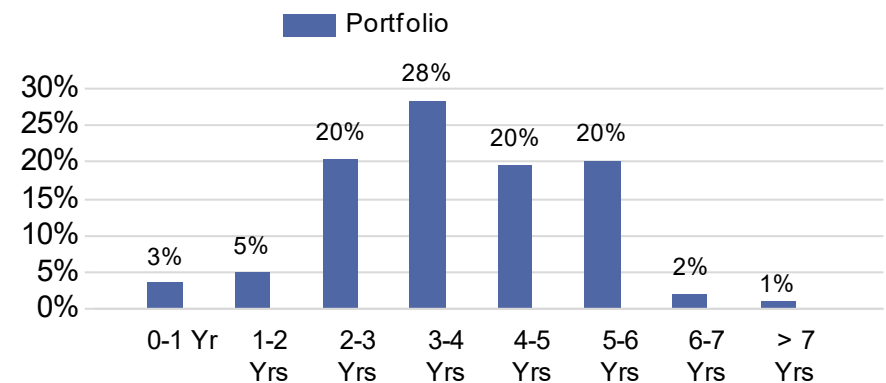
### Sector Allocation



### Credit Quality - S&P



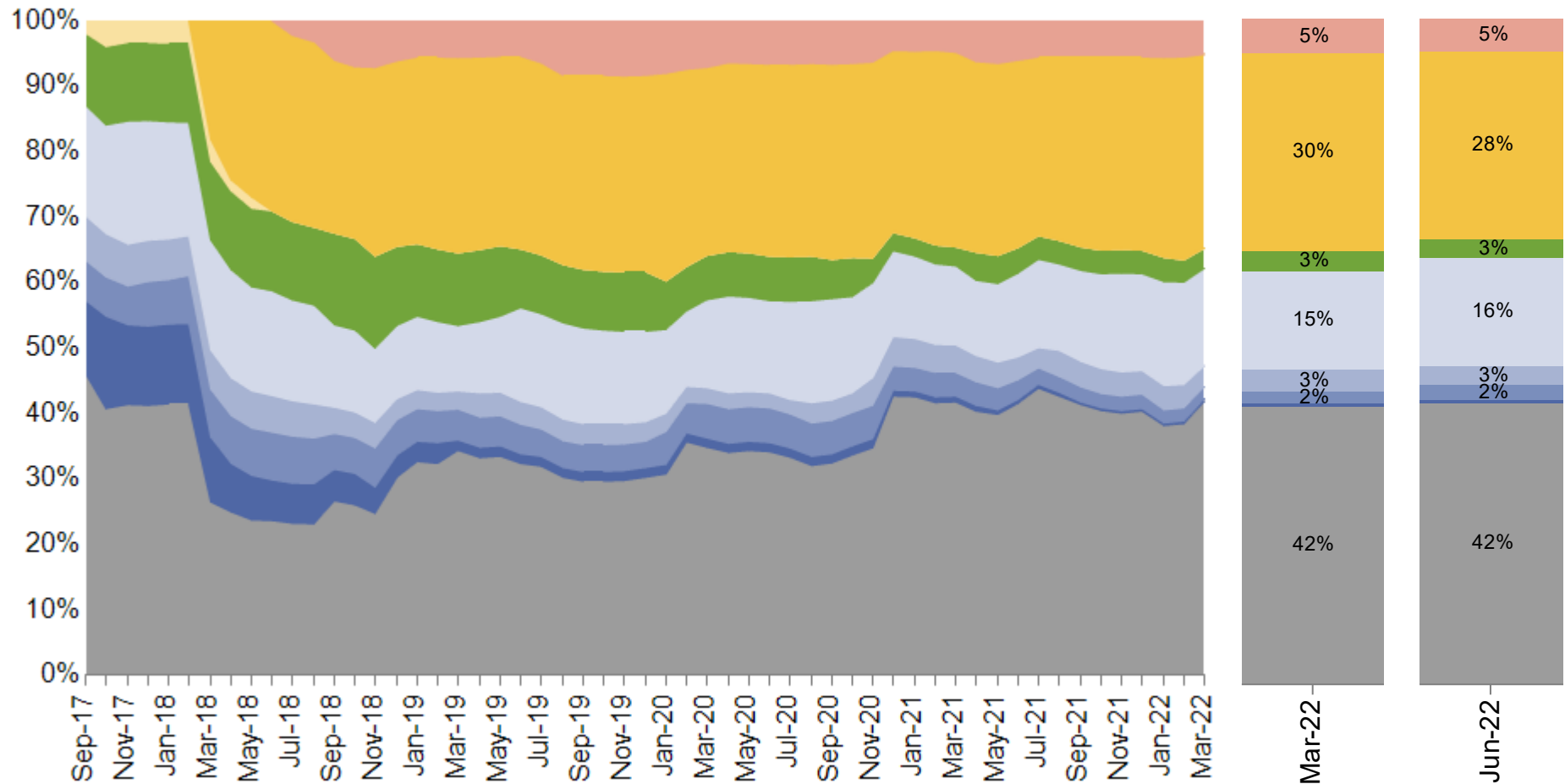
### Duration Distribution



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

## Historical Sector Allocation - CITY OF NAPERVILLE

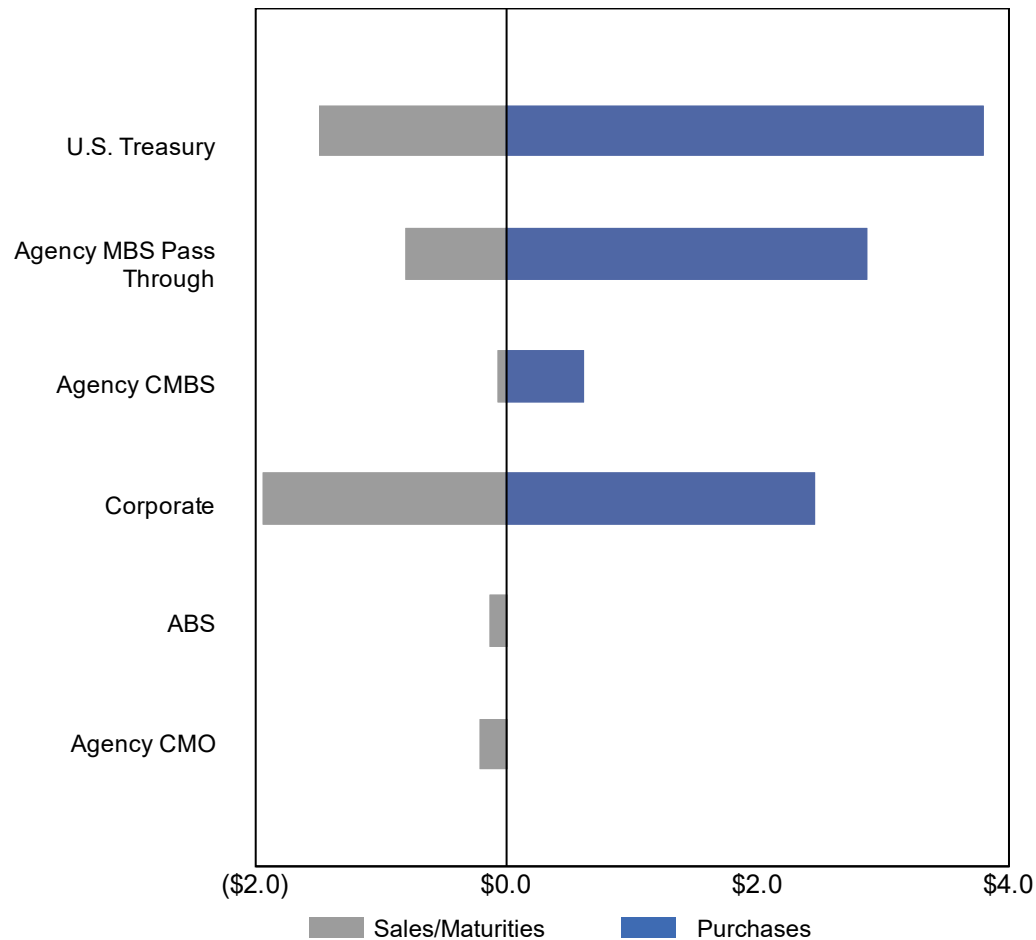
U.S. Treasury    Agency CMBS    Agency MBS Pass Through    Supranational    Commercial Paper    Corporate    ABS  
 Federal Agency    Agency CMO



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

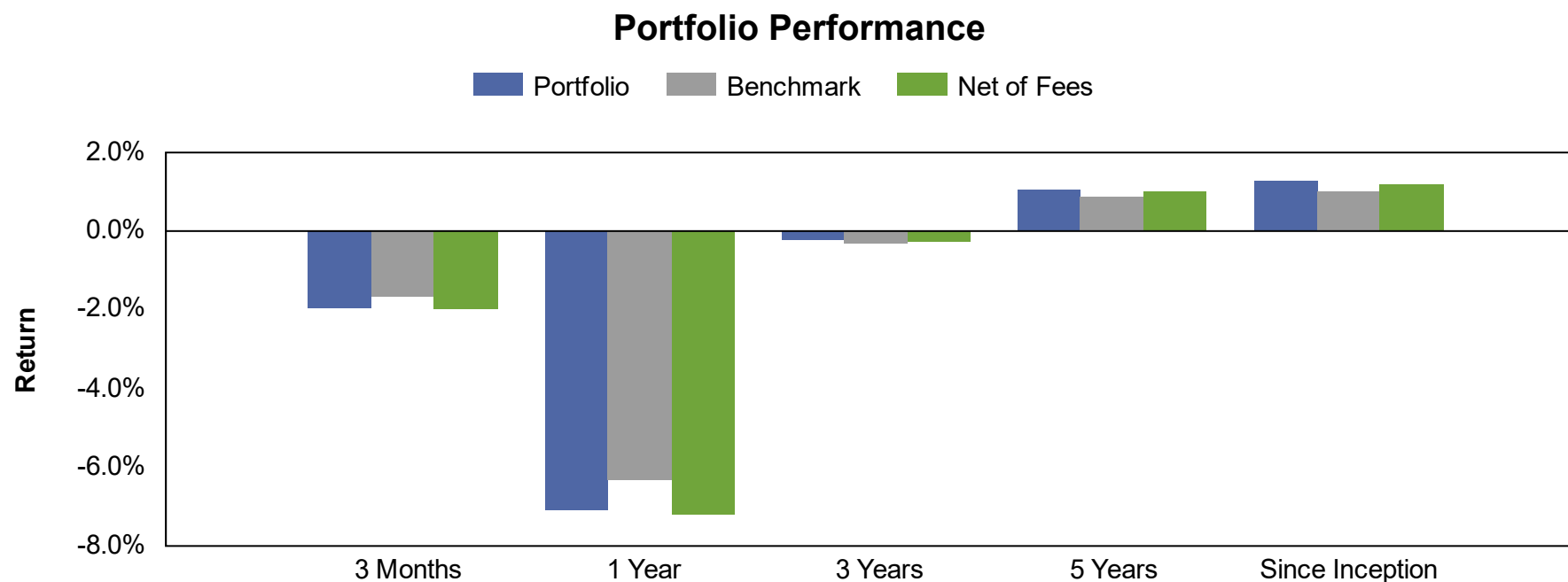
## Portfolio Activity - CITY OF NAPERVILLE

**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$2,309,831
Agency MBS Pass Through	\$2,080,297
Agency CMBS	\$547,649
Corporate	\$510,496
ABS	(\$127,504)
Agency CMO	(\$208,721)
<b>Total Net Activity</b>	<b>\$5,112,047</b>

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



Total Return <sup>2</sup>	3 Months	1 Year	3 Years	5 Years	Since Inception <sup>1</sup>
Portfolio	-1.96%	-7.09%	-0.19%	1.08%	1.26%
Benchmark <sup>3</sup>	-1.65%	-6.32%	-0.30%	0.87%	1.01%
<b>Basis Point Fee</b>	0.02%	0.08%	0.08%	0.09%	0.09%
<b>Net of Fee Return</b>	-1.98%	-7.17%	-0.28%	0.99%	1.17%

1. Performance inception date is December 31, 2016.

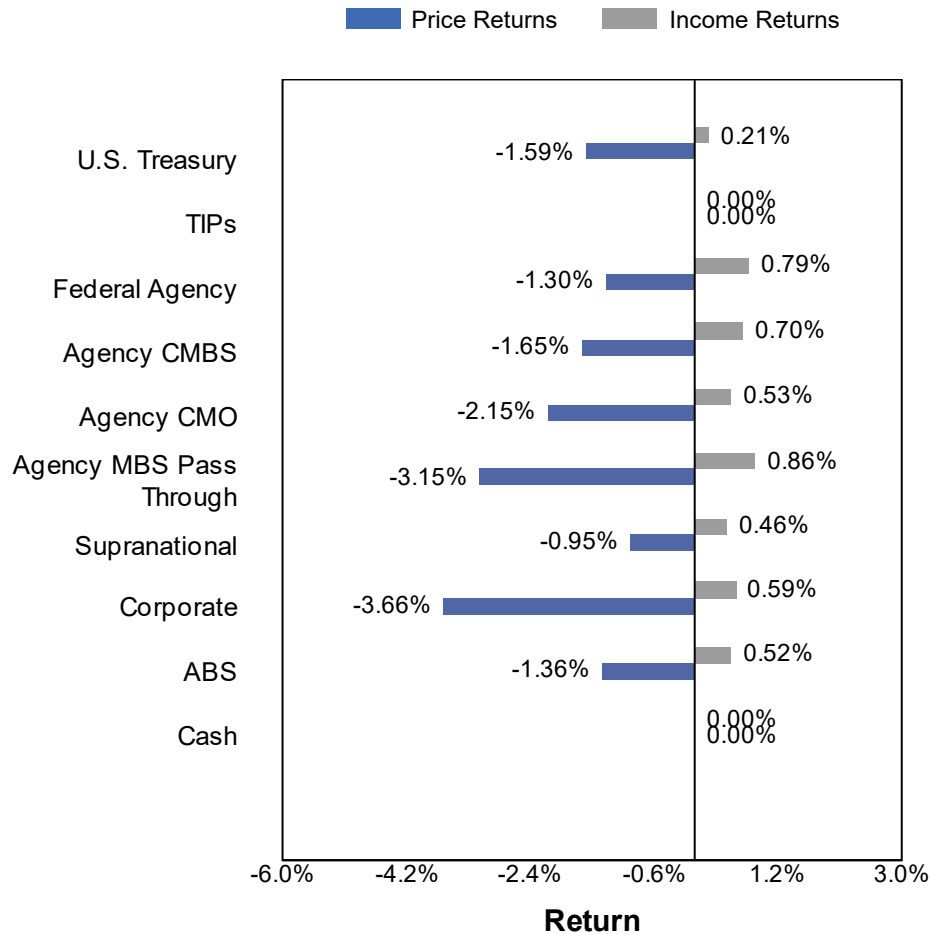
2. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

3. The portfolio's benchmark is Bloomberg Barclays Intermediate U.S. Government Index. Source: Bloomberg.

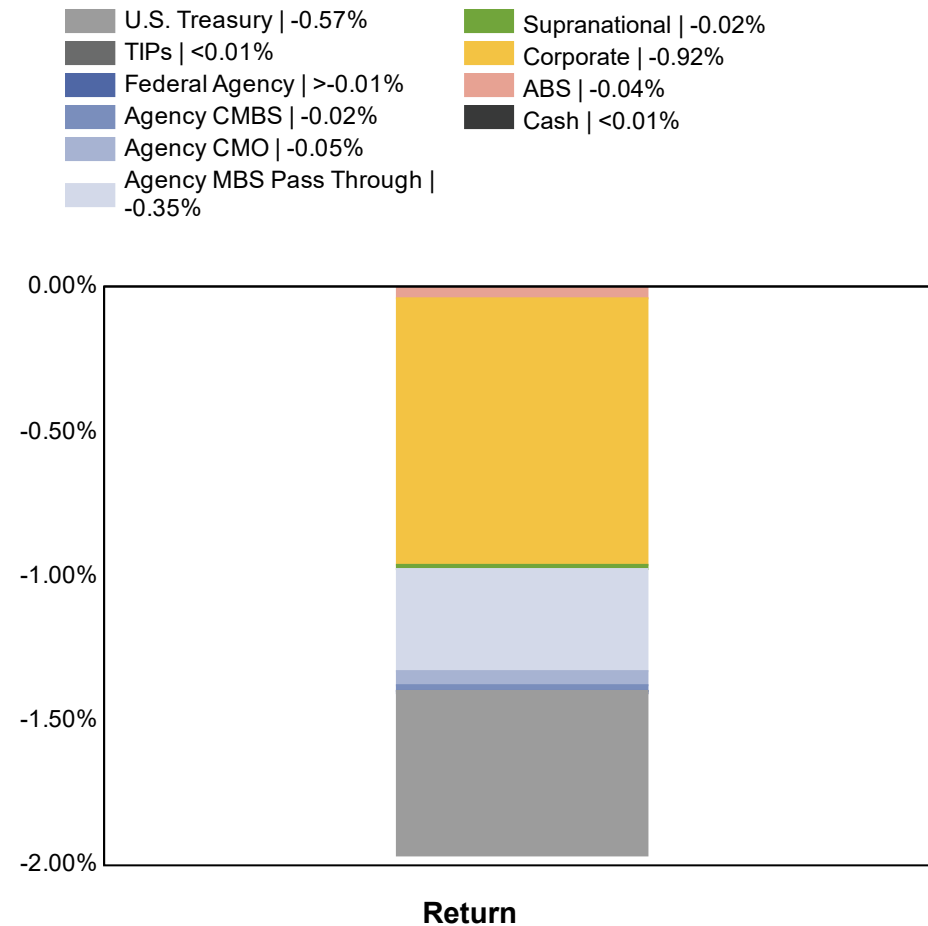


## Quarterly Sector Performance

### Total Return by Sector

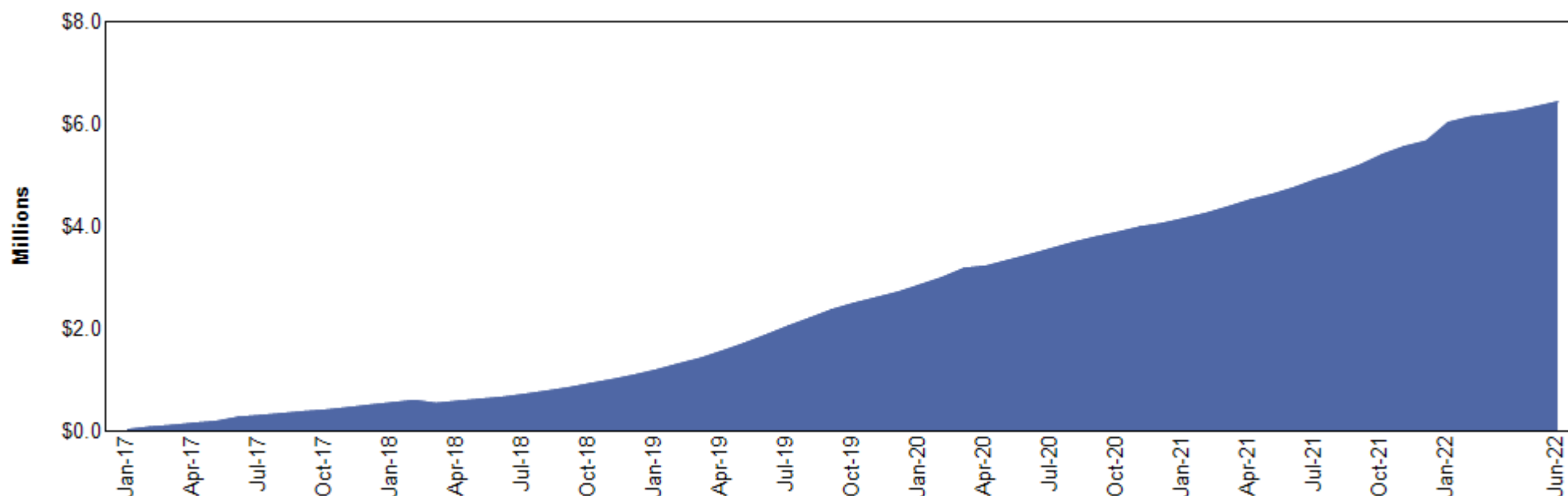


### Contribution to Total Return



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

## Accrual Basis Earnings - CITY OF NAPERVILLE



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception <sup>1</sup>
Interest Earned <sup>2</sup>	\$429,569	\$1,674,117	\$4,468,626	\$6,044,818	\$6,279,866
Realized Gains / (Losses) <sup>3</sup>	(\$153,310)	\$249,269	\$515,371	\$426,602	\$434,294
Change in Amortized Cost	(\$32,673)	(\$245,971)	(\$429,252)	(\$311,132)	(\$275,254)
<b>Total Earnings</b>	<b>\$243,585</b>	<b>\$1,677,414</b>	<b>\$4,554,744</b>	<b>\$6,160,288</b>	<b>\$6,438,906</b>

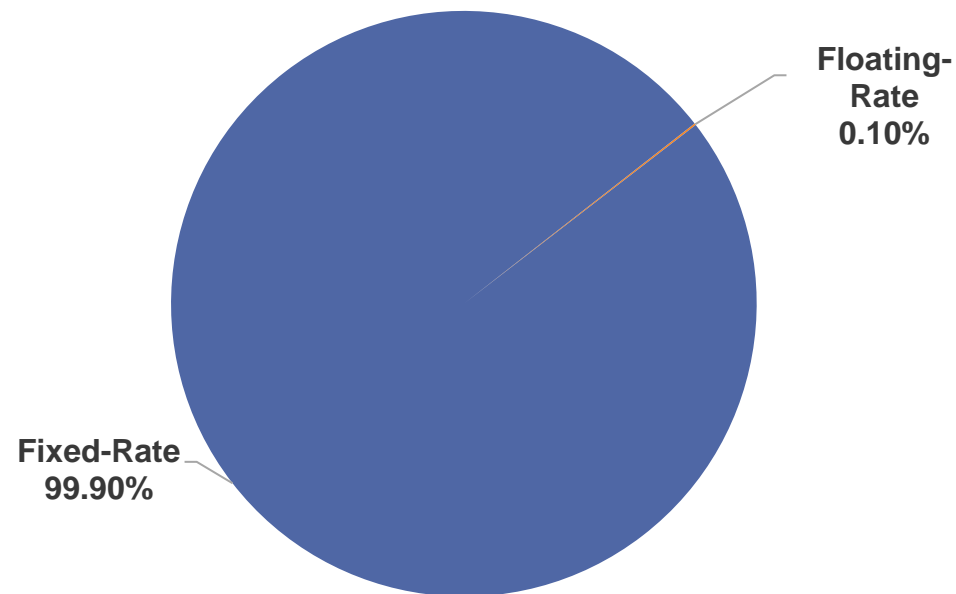
1. The lesser of 10 years or since inception is shown. Performance inception date is December 31, 2016.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

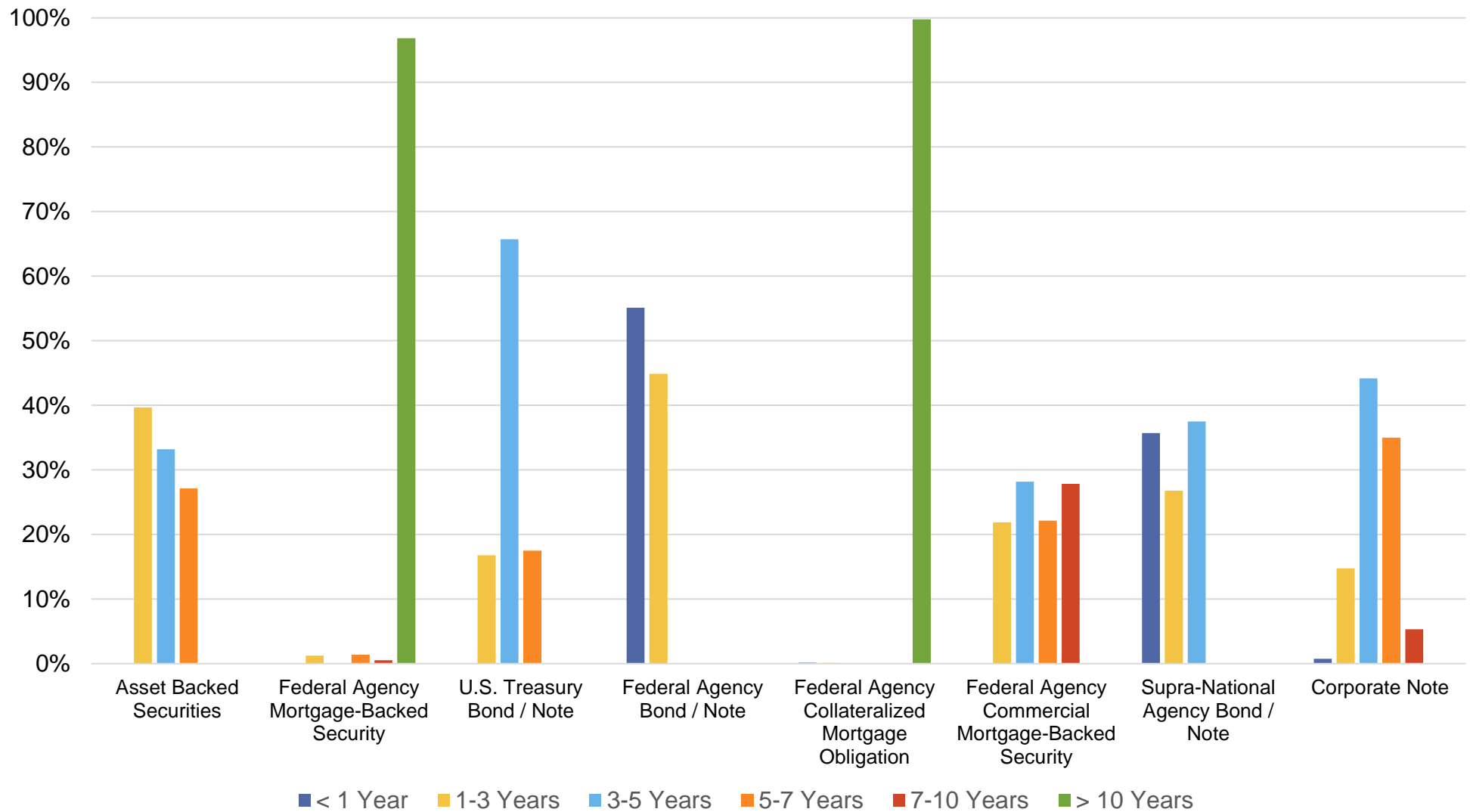
3. Realized gains / (losses) are shown on an amortized cost basis.

## Mortgage Sector Overview

Type	Market Value	%
Fixed-Rate	\$20,833,496	99.90%
Floating-Rate	\$21,168	0.10%
Total	\$20,854,664	100.00%



### Maturity Distribution By Sector



## Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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## Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- 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.
- Bank of America/Merrill Lynch 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 of 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.