

# **INVESTMENT PERFORMANCE SUMMARY**

## **OFFICE OF THE TREASURER & CASH MANAGEMENT POLICY BOARD**

**Month Ending March 31, 2021**

**John Krimmel, CPA, CFA, Partner**

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BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

# INDEX PERFORMANCE

	March 2021	YTD 2021	1Q 2020	2Q 2020	3Q 2020	4Q 2020	5yr	10yr	2016	2017	2018	2019	2020
<b>Reserve Custom Index</b>	-0.74%	-2.34%	4.20%	1.82%	0.44%	0.01%	2.68%	2.03%	1.15%	1.00%	1.88%	6.62%	6.58%
<b>Endowment Custom Index</b>	1.50%	1.57%	-11.82%	12.61%	5.04%	8.63%	9.44%	7.53%	5.71%	14.52%	-5.07%	20.01%	13.31%
<b>3-Month Treasury Bill</b>	0.01%	0.02%	0.39%	0.14%	0.03%	0.02%	1.15%	0.60%	0.27%	0.84%	1.86%	2.26%	0.58%
<b>6-Month Treasury Bill</b>	0.01%	0.02%	0.42%	0.26%	0.08%	0.03%	1.26%	0.68%	0.40%	0.88%	1.91%	2.38%	0.80%
<b>BAML 1-3 Yr Govt/Credit A+</b>	0.01%	-0.04%	2.22%	0.69%	0.17%	0.12%	1.89%	1.49%	1.06%	0.70%	1.65%	3.83%	3.23%
<b>BAML 1-5 Yr Govt/Credit A+</b>	-0.11%	-0.53%	2.97%	1.03%	0.24%	0.15%	2.14%	1.96%	1.30%	1.02%	1.50%	4.62%	4.43%
<b>BAML 5-10 Yr Govt/Credit A+</b>	-1.44%	-4.36%	5.82%	2.78%	0.68%	-0.11%	2.98%	3.99%	1.95%	2.98%	0.59%	9.04%	9.39%
<b>BBrg Barclays US Aggregate</b>	-1.25%	-3.37%	3.15%	2.90%	0.62%	0.67%	3.10%	3.44%	2.65%	3.54%	0.01%	8.72%	7.51%
<b>BC Municipal Bond</b>	0.62%	-0.35%	-0.63%	2.72%	1.23%	1.82%	3.49%	4.54%	0.25%	5.45%	1.28%	7.54%	5.21%
<b>BC US Corp High Yield</b>	0.15%	0.85%	-12.69%	10.18%	4.60%	6.45%	8.06%	6.48%	17.13%	7.50%	-2.08%	14.32%	7.11%
<b>BC Long Treasuries</b>	-4.99%	-13.51%	20.90%	0.25%	0.12%	-3.00%	3.13%	6.35%	1.33%	8.53%	-1.84%	14.83%	17.70%
<b>BC US Long Credit</b>	-2.74%	-8.39%	-4.65%	11.08%	1.97%	4.92%	6.69%	7.23%	10.22%	12.21%	-6.76%	23.36%	13.32%
<b>MSCI World Index</b>	3.33%	4.92%	-21.05%	19.36%	7.93%	13.96%	13.36%	9.88%	7.51%	22.40%	-8.71%	27.67%	15.90%

Source: Bloomberg, Barclays, Alerian, Nareit, MSCI, JP Morgan, Credit Suisse, Thomson One



# TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Delaware Total Consolidation</b>	<b>3,633,397,517</b>	<b>100.00</b>	<b>-0.38</b>	<b>-1.29</b>	<b>-0.85</b>	<b>0.77</b>	<b>3.58</b>	<b>3.59</b>	<b>2.96</b>	<b>2.56</b>	<b>1.69</b>	<b>2.20</b>	<b>Jan-05</b>
<b>Delaware Total Consolidation ex. CARES</b>	<b>3,340,666,268</b>	<b>91.94</b>	<b>-0.42</b>	<b>-1.44</b>	<b>-0.91</b>	<b>0.99</b>	<b>3.69</b>	<b>3.67</b>	<b>3.02</b>	<b>2.60</b>	<b>1.72</b>	<b>2.22</b>	<b>Jan-05</b>
<b>Total Liquidity &amp; Reserve</b>	<b>3,258,905,367</b>	<b>89.69</b>	<b>-0.46</b>	<b>-1.53</b>	<b>-1.25</b>	<b>0.34</b>	<b>3.56</b>	<b>3.60</b>	<b>2.87</b>	<b>--</b>	<b>--</b>	<b>2.76</b>	<b>Nov-16</b>
<b>Total Liquidity</b>	<b>1,072,644,790</b>	<b>29.52</b>	<b>0.00</b>	<b>0.02</b>	<b>0.19</b>	<b>1.02</b>	<b>1.78</b>	<b>2.06</b>	<b>1.79</b>	<b>1.61</b>	<b>1.06</b>	<b>1.78</b>	<b>Jan-05</b>
PFM Asset Management	537,401,051	14.79	0.01	0.04	0.18	0.86	1.75	2.02	1.78	1.64	--	1.27	Jun-13
Wilmington Liquidity	535,243,739	14.73	0.00	0.01	0.20	1.18	1.80	2.09	1.75	1.55	1.04	4.06	Jan-85
<b>Total Reserve</b>	<b>2,186,260,577</b>	<b>60.17</b>	<b>-0.69</b>	<b>-2.21</b>	<b>-1.86</b>	<b>-0.04</b>	<b>4.13</b>	<b>4.27</b>	<b>3.31</b>	<b>2.76</b>	<b>2.00</b>	<b>2.55</b>	<b>Jan-05</b>
Reserve Custom Index			<u>-0.74</u>	<u>-2.34</u>	<u>-1.89</u>	<u>-0.10</u>	<u>4.21</u>	<u>4.27</u>	<u>3.28</u>	<u>2.68</u>	<u>2.03</u>	<u>2.73</u>	<u>Jan-05</u>
Over/Under			0.05	0.13	0.03	0.06	-0.08	0.00	0.03	0.08	-0.03	-0.18	
JPM Intermediate	588,543,024	16.20	-0.02	-0.06	0.27	1.61	3.09	3.14	2.45	2.06	--	1.74	Jun-13
J.P. Morgan Custom Index			0.01	-0.04	0.25	0.95	2.95	2.94	2.29	1.89	1.64	1.63	Jun-13
Blackrock Financial Mangement	521,451,443	14.35	-0.17	-0.49	0.03	1.60	3.64	3.64	--	--	--	3.60	Mar-18
Blackrock Custom Index			-0.11	-0.53	-0.14	0.89	3.52	3.48	2.69	2.21	1.80	3.46	Mar-18
Chandler Asset Management	542,865,958	14.94	-1.31	-4.01	-3.37	-0.09	5.00	5.32	4.06	3.32	--	2.59	Jun-13
Lazard Financial Management	533,400,152	14.68	-1.28	-4.04	-4.14	-3.11	4.72	4.92	--	--	--	4.95	Mar-18
Chandler/Lazard Custom Index			-1.44	-4.36	-3.82	-1.14	5.17	5.31	4.05	3.29	2.34	5.24	Mar-18
<b>Total Endowment</b>	<b>81,760,901</b>	<b>2.25</b>	<b>1.53</b>	<b>2.19</b>	<b>14.65</b>	<b>31.31</b>	<b>10.26</b>	<b>7.50</b>	<b>8.31</b>	<b>8.60</b>	<b>--</b>	<b>7.05</b>	<b>Aug-15</b>
Endowment Custom Index			1.50	1.57	15.89	30.50	12.76	9.92	9.58	9.44	7.53	7.92	Aug-15
Over/Under			0.03	0.62	-1.24	0.81	-2.50	-2.42	-1.27	-0.84	--	-0.87	
SEI Funds	42,391,990	1.17	1.63	2.29	19.15	36.96	13.94	10.08	10.18	10.48	--	9.01	Aug-15
Vanguard Funds	39,368,838	1.08	1.42	2.07	--	--	--	--	--	--	--	9.72	Sep-20
<b>CARES</b>	<b>292,731,249</b>	<b>8.06</b>	<b>0.01</b>	<b>0.01</b>	<b>0.03</b>	<b>0.05</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.05</b>	<b>Apr-20</b>
FTSE T-Bill 1 Month TR			0.00	0.01	0.06	0.08	1.02	1.37	1.29	1.09	0.56	0.08	Apr-20
Over/Under			0.01	0.00	-0.03	-0.03	--	--	--	--	--	-0.03	
PFM CARES	136,008,776	3.74	0.00	0.01	0.03	0.05	--	--	--	--	--	0.05	Apr-20
PFM NCC CARES	10,355,615	0.29	0.00	0.01	--	--	--	--	--	--	--	0.01	Jan-21
Wilmington CARES	136,009,974	3.74	0.01	0.01	0.03	0.05	--	--	--	--	--	0.05	Apr-20
Wilmington NCC CARES	10,356,884	0.29	0.01	0.02	--	--	--	--	--	--	--	0.02	Jan-21
FTSE T-Bill 1 Month TR			0.00	0.01	0.06	0.08	1.02	1.37	1.29	1.09	0.56	0.01	Jan-21

Notes: Net of Fees. Results for periods longer than one year are annualized. Fiscal year end is June 30.

Performance history through 12/2015 is from BNY Mellon. NEPC Performance start date is January 2016. Fiscal Year end is June 30.

Reserve Custom Index consists of 25% ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR / 25% ICE BofA 1-3 Yrs AAA-A US Corp & Govt / 50% ICE BofA US Gov/Credit 5-10 Yrs A Rated and Above, as of 4/1/2018. Prior to this, the index comprised 75% ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR / 25% ICE BofA 6 Months US T-Bills TR.

Endowment Custom Index consists of 60% MSCI World Index/40% BBgBarc US Aggregate.

BlackRock Custom Index consists of 100% ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR.

J.P. Morgan Custom Index consists of 100% ICE BofA 1-3 Yrs AAA-A US Corp & Govt.

Chandler/Lazard Custom Index consists of ICE BofA US Gov/Credit 5-10 Yrs A Rated and Above.



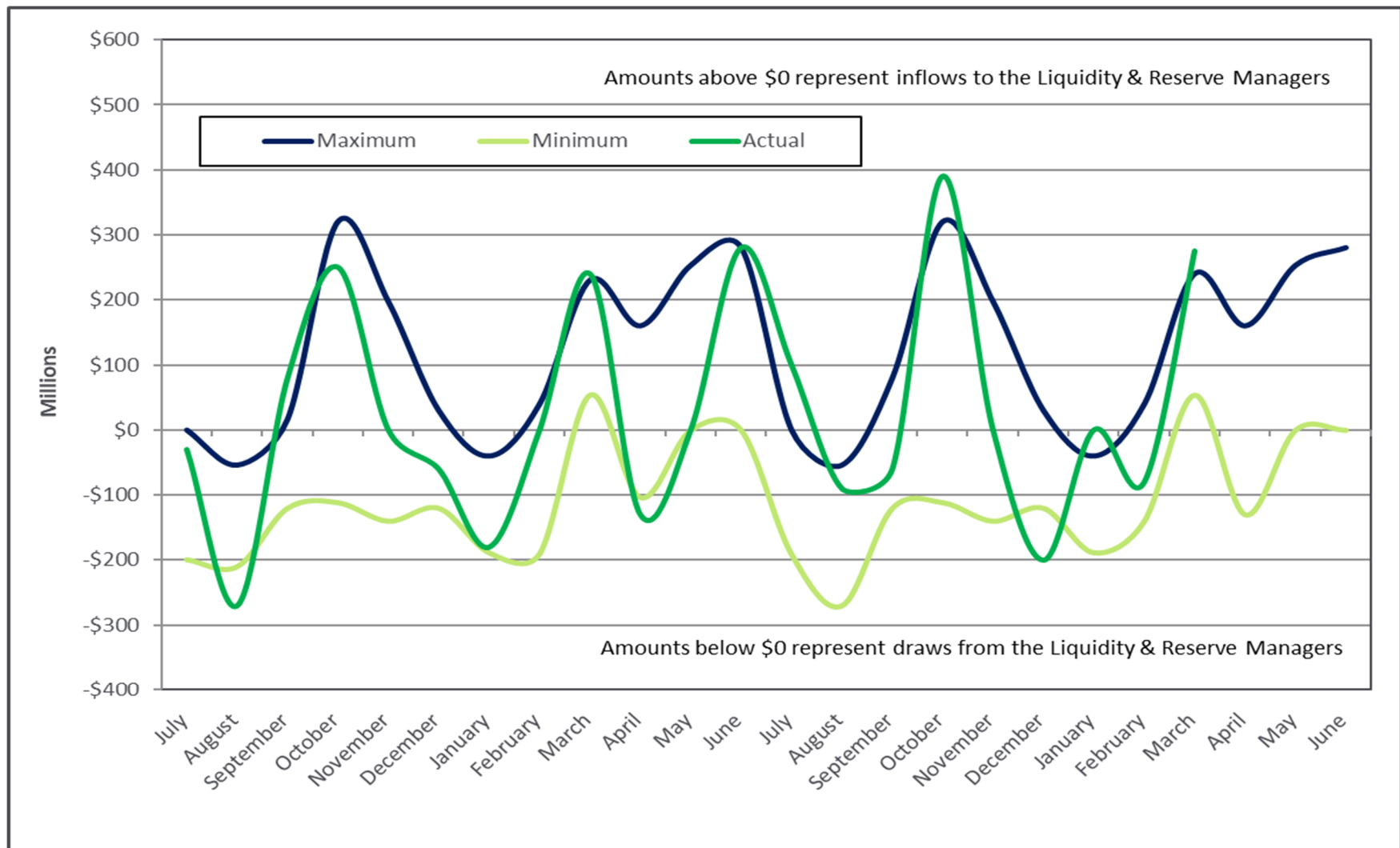
# YIELD AND DURATION POSITIONING

Liquidity Portfolio Yield and Duration Analysis							
Portfolio					Benchmark		
	<u>Portfolio Value</u>	<u>% of Assets</u>	<u>Yield</u>	<u>Duration</u>		<u>Yield</u>	<u>Duration</u>
PFM \$	537,401,051	16.5%	0.33%	0.68	6-Month Treasury Bill	0.03%	0.48
Wilmington Trust \$	535,243,739	16.4%	0.22%	0.89	6-Month Treasury Bill	0.03%	0.48
<b>Total Liquidity \$</b>	<b>1,072,644,790</b>	<b>32.9%</b>	<b>0.28%</b>	<b>0.78</b>	<b>6-Month Treasury Bill</b>	<b>0.03%</b>	<b>0.48</b>
Reserve Portfolio Yield and Duration Analysis							
Portfolio					Benchmark		
	<u>Portfolio Value</u>	<u>% of Assets</u>	<u>Yield</u>	<u>Duration</u>		<u>Yield</u>	<u>Duration</u>
JP Morgan \$	588,543,024	18.1%	0.28%	1.57	BAML 1-3 Yr Govt/Credit A+	0.25%	1.90
BlackRock \$	521,451,443	16.0%	0.54%	2.56	BAML 1-5 Yr Govt/Credit A+	0.46%	2.69
Chandler \$	542,865,958	16.7%	1.43%	6.15	BAML 5-10 Yr Govt/Credit A+	1.57%	6.71
Lazard \$	533,400,152	16.4%	1.40%	6.23	BAML 5-10 Yr Govt/Credit A+	1.57%	6.71
<b>Total Reserve \$</b>	<b>2,186,260,577</b>	<b>67.1%</b>	<b>0.90%</b>	<b>4.08</b>	<b>Custom Reserve Benchmark</b>	<b>0.96%</b>	<b>4.50</b>
Total Liquidity & Reserve Portfolio Yield and Duration Analysis							
Portfolio					Benchmark		
	<u>Portfolio Value</u>	<u>% of Assets</u>	<u>Yield</u>	<u>Duration</u>		<u>Yield</u>	<u>Duration</u>
<b>Total Liquidity &amp; Reserve \$</b>	<b>3,258,905,367</b>	<b>100.0%</b>	<b>0.69%</b>	<b>3.00</b>	<b>Weighted Average</b>	<b>0.68%</b>	<b>3.30</b>

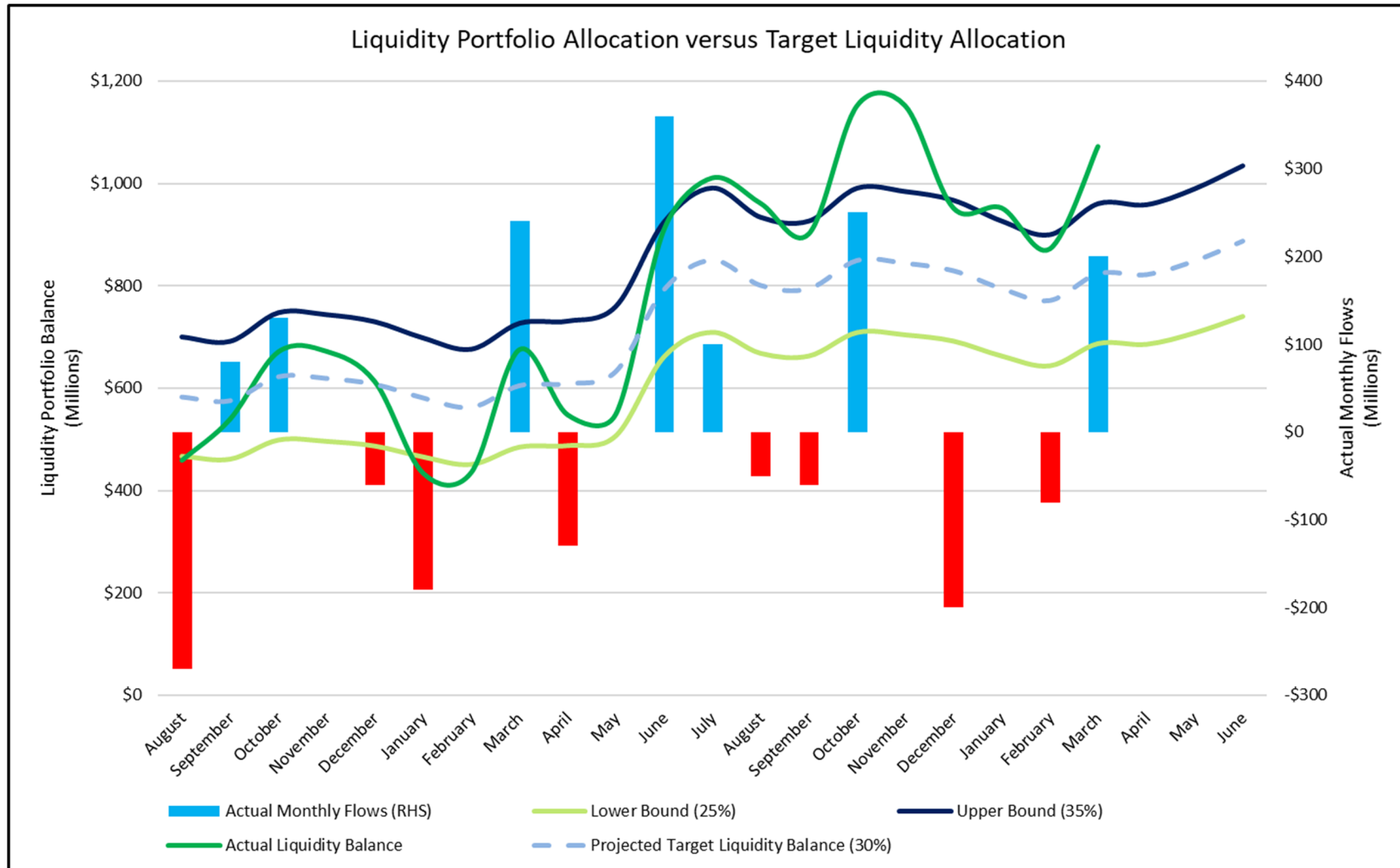
As of June 1, 2020, the target allocation between Liquidity and Reserve Portfolios was adjusted to 30%/70%. The previous target allocation was 25%/75%.



# LIQUIDITY & RESERVE CASH FLOWS



# LIQUIDITY BALANCE



As of June 1, 2020, the target allocation between Liquidity and Reserve Portfolios was adjusted to 30%/70%. The previous target allocation was 25%/75%.



RHS refers to the use of the Right Hand Scale.

# MONTH ENDED MARCH 31, 2021

Change in Market Value Month Ending March 31, 2021											
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value		
Liquidity Managers											
PFM Asset Management	\$ 437,345,570	\$ 100,000,249	\$ -	\$ -	\$ 473,481	\$ (101,338)	\$ 9,548	\$ (326,459)	\$ 537,401,051		
Wilmington Liquidity	\$ 435,247,563	\$ 100,000,000	\$ -	\$ -	\$ 413,143	\$ (200,285)	\$ 16,553	\$ (233,234)	\$ 535,243,739		
Total Liquidity Managers	\$ 872,593,133	\$ 200,000,249	\$ -	\$ -	\$ 886,624	\$ (301,623)	\$ 26,101	\$ (559,692)	\$ 1,072,644,790		
Reserve Managers											
BlackRock Financial Management	\$ 522,346,680	\$ -	\$ -	\$ -	\$ 592,730	\$ (2,410,207)	\$ 1,035,651	\$ (113,412)	\$ 521,451,443		
Chandler Asset Management	\$ 550,065,638	\$ -	\$ -	\$ -	\$ 959,542	\$ (8,644,619)	\$ 444,418	\$ 40,979	\$ 542,865,958		
JPM Intermediate	\$ 513,629,598	\$ 75,000,000	\$ -	\$ -	\$ 474,855	\$ (503,417)	\$ 33,980	\$ (91,992)	\$ 588,543,024		
Lazard Asset Management	\$ 540,299,196	\$ -	\$ -	\$ -	\$ 1,046,923	\$ (7,007,162)	\$ (569,142)	\$ (369,663)	\$ 533,400,152		
Total Reserve Managers	\$ 2,126,341,112	\$ 75,000,000	\$ -	\$ -	\$ 3,074,050	\$ (18,565,404)	\$ 944,906	\$ (534,089)	\$ 2,186,260,577		
Total Liquidity & Reserve Managers	\$ 2,998,934,245	\$ 275,000,249	\$ -	\$ -	\$ 3,960,674	\$ (18,867,027)	\$ 971,007	\$ (1,093,781)	\$ 3,258,905,367		
Land & Water Endowment											
SEI Funds	\$ 41,710,062	\$ -	\$ -	\$ -	\$ 26,179	\$ 594,724	\$ 61,025	\$ -	\$ 42,391,990		
Vanguard	\$ 38,818,411	\$ -	\$ -	\$ -	\$ 94,177	\$ 456,250	\$ -	\$ -	\$ 39,368,838		
Total Land & Water Endowment	\$ 80,528,547	\$ -	\$ -	\$ -	\$ 120,356	\$ 1,050,973	\$ 61,025	\$ -	\$ 81,760,902		
CARES											
PFM CARES	\$ 146,247,973	\$ -	\$ (10,244,971)	\$ -	\$ 122,769	\$ (106,484)	\$ 392	\$ (10,903)	\$ 136,008,776		
PFM NCC CARES	\$ 10,355,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,355,615		
Wilmington CARES	\$ 146,244,919	\$ -	\$ (10,244,971)	\$ -	\$ 2,028	\$ 1,283	\$ (175)	\$ 6,890	\$ 136,009,974		
Wilmington NCC CARES	\$ 10,356,173	\$ -	\$ -	\$ -	\$ 196	\$ (108)	\$ 622	\$ -	\$ 10,356,884		
Total CARES	\$ 313,204,680	\$ -	\$ (20,489,942)	\$ -	\$ 124,993	\$ (105,309)	\$ 840	\$ (4,012)	\$ 292,731,249		
Total	\$ 3,392,667,472	\$ 275,000,249	\$ (20,489,942)	\$ -	\$ 4,206,023	\$ (17,921,363)	\$ 1,032,872	\$ (1,097,794)	\$ 3,633,397,517		

## Footnotes:

Values provided by Northern Trust and are reconciled to the audited custodian reports.

Income is a product of income received during the month plus accrued income.

Numbers may not add due to rounding.

The \$3,610 contribution in August 2020 for BlackRock represents proceeds from a securities litigation settlement.



# FISCAL YEAR TO DATE

	Change in Market Value Fiscal Year-to-Date Through March 31, 2021									
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value	
<b>Liquidity Managers</b>										
PFM Asset Management	\$ 456,492,365	\$ 290,000,249	\$ (210,000,000)	\$ (247,367)	\$ 4,095,968	\$ (1,283,289)	\$ 164,979	\$ (1,821,855)	\$ 537,401,051	
Wilmington Liquidity	\$ 454,246,650	\$ 290,000,014	\$ (210,000,000)	\$ (253,093)	\$ 3,864,310	\$ (1,535,255)	\$ 266,132	\$ (1,345,019)	\$ 535,243,739	
<b>Total Liquidity Managers</b>	<b>\$ 910,739,015</b>	<b>\$ 580,000,263</b>	<b>\$ (420,000,000)</b>	<b>\$ (500,460)</b>	<b>\$ 7,960,278</b>	<b>\$ (2,818,545)</b>	<b>\$ 431,111</b>	<b>\$ (3,166,875)</b>	<b>\$ 1,072,644,790</b>	
<b>Reserve Managers</b>										
BlackRock Financial Management	\$ 486,370,073	\$ 35,003,610	\$ -	\$ (259,533)	\$ 5,713,318	\$ (9,106,516)	\$ 4,700,485	\$ (969,994)	\$ 521,451,443	
Chandler Asset Management	\$ 526,857,829	\$ 35,000,000	\$ -	\$ (262,692)	\$ 8,658,815	\$ (32,677,648)	\$ 5,045,990	\$ 243,662	\$ 542,865,958	
JPM Intermediate	\$ 477,223,108	\$ 110,000,000	\$ -	\$ (282,678)	\$ 5,227,600	\$ (5,948,120)	\$ 2,971,009	\$ (647,894)	\$ 588,543,024	
Lazard Asset Management	\$ 521,377,153	\$ 35,000,000	\$ -	\$ (447,367)	\$ 8,721,043	\$ (39,185,314)	\$ 10,662,860	\$ (2,728,227)	\$ 533,400,152	
<b>Total Reserve Managers</b>	<b>\$ 2,011,828,163</b>	<b>\$ 215,003,610</b>	<b>\$ -</b>	<b>\$ (1,252,270)</b>	<b>\$ 28,320,776</b>	<b>\$ (86,917,597)</b>	<b>\$ 23,380,344</b>	<b>\$ (4,102,453)</b>	<b>\$ 2,186,260,577</b>	
<b>Total Liquidity &amp; Reserve Managers</b>	<b>\$ 2,922,567,178</b>	<b>\$ 795,003,873</b>	<b>\$ (420,000,000)</b>	<b>\$ (1,752,730)</b>	<b>\$ 36,281,053</b>	<b>\$ (89,736,142)</b>	<b>\$ 23,811,455</b>	<b>\$ (7,269,328)</b>	<b>\$ 3,258,905,367</b>	
<b>Land &amp; Water Endowment</b>										
SEI Funds	\$ 25,440,594	\$ 11,390,752	\$ (1,277,000)	\$ (90,590)	\$ 576,623	\$ 4,433,467	\$ 1,918,144	\$ -	\$ 42,391,990	
Vanguard	\$ -	\$ 36,788,900	\$ (1,257,000)	\$ (24,332)	\$ 481,976	\$ 3,167,292	\$ 212,002	\$ -	\$ 39,368,838	
<b>Total Land &amp; Water Endowment</b>	<b>\$ 71,593,828</b>	<b>\$ 52,753,659</b>	<b>\$ (53,262,652)</b>	<b>\$ (114,922)</b>	<b>\$ 1,060,083</b>	<b>\$ 7,600,759</b>	<b>\$ 2,130,146</b>	<b>\$ -</b>	<b>\$ 81,760,902</b>	
<b>CARES</b>										
PFM CARES	\$ 427,436,714	\$ -	\$ (291,490,724)	\$ (15,783)	\$ 276,191	\$ (119,165)	\$ 471	\$ (78,928)	\$ 136,008,776	
PFM NCC CARES	\$ -	\$ 69,506,644	\$ (59,155,860)	\$ -	\$ 10,032	\$ -	\$ 3,002	\$ (8,203)	\$ 10,355,615	
Wilmington CARES	\$ 427,436,909	\$ -	\$ (291,490,724)	\$ (15,865)	\$ 28,745	\$ 781	\$ (2,714)	\$ 52,842	\$ 136,009,974	
Wilmington NCC CARES	\$ -	\$ 69,506,644	\$ (59,155,860)	\$ (1,144)	\$ 880	\$ 1,836	\$ 4,528	\$ -	\$ 10,356,884	
<b>Total CARES</b>	<b>\$ 854,873,623</b>	<b>\$ 139,013,288</b>	<b>\$ (701,293,168)</b>	<b>\$ (32,792)</b>	<b>\$ 315,848</b>	<b>\$ (116,548)</b>	<b>\$ 5,287</b>	<b>\$ (34,289)</b>	<b>\$ 292,731,249</b>	
<b>Total</b>	<b>\$ 3,849,034,629</b>	<b>\$ 986,770,820</b>	<b>\$ (1,174,555,820)</b>	<b>\$ (1,900,444)</b>	<b>\$ 37,656,983</b>	<b>\$ (82,251,932)</b>	<b>\$ 25,946,888</b>	<b>\$ (7,303,616)</b>	<b>\$ 3,633,397,517</b>	

## Footnotes:

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Numbers may not add due to rounding.

The \$3,610 contribution in August 2020 for BlackRock represents proceeds from a securities litigation settlement.





# DEFAC PROJECTION

	DEFAC Current Year	Δ From Previous Observation	FY 22	FY 22 Δ From Previous Observation	FY 23	FY 23 Δ From Previous Observation	FY 24	FY 24 Δ From Previous Observation	FY 25	FY 25 Δ From Previous Observation
	<u>Totals</u>		<u>Totals</u>		<u>Totals</u>		<u>Totals</u>		<u>Totals</u>	
Total Interest	\$80,154,983	\$1,700,897	\$22,481,109	\$2,969,008	\$25,381,737	\$2,496,369	\$28,313,077	\$2,013,062	\$31,275,115	\$1,519,098
Total Sweep Income	\$96,520	(\$29,322)	\$375,000	-	\$375,000	-	\$375,000	-	\$375,000	-
Change in Market Value	\$26,692,124	(\$1,111,810)	\$16,286,880	(\$2,490,957)	\$16,199,828	(\$2,478,240)	\$16,194,446	(\$2,476,579)	\$16,189,066	(\$2,474,919)
Less: School Special Fund Interest Payments	(\$15,697,705)	(\$164,776)	(\$2,500,000)	-	(\$2,500,000)	-	(\$2,500,000)	-	(\$2,500,000)	-
Less: Banking Services	(\$4,923,700)	-	(\$5,169,885)	-	(\$5,428,379)	-	(\$5,699,798)	-	(\$5,984,788)	-
Less: Investment Manager Fees	(\$2,368,666)	\$183	(\$2,383,801)	\$2,021	(\$2,383,801)	\$2,021	(\$2,383,801)	\$2,021	(\$2,383,801)	\$2,021
DEFAC Projection	<b>\$83,953,556</b>	<b>\$395,173</b>	<b>\$29,089,304</b>	<b>\$480,073</b>	<b>\$31,644,385</b>	<b>\$20,151</b>	<b>\$34,298,925</b>	<b>(\$461,494)</b>	<b>\$36,970,592</b>	<b>(\$953,799)</b>

As of 03/31/2021; Current year DEFAC estimate may be volatile with higher than expected total interest compared to model estimates based on current market yields

**US bond yields broadly increased during the month, reflecting higher growth and inflation expectations**

**Interest rate expectations increased in future fiscal years, though expectations still reflect a low interest rate environment**

Future 1-year rate expectations: FY22: 0.23%, FY23: 0.46%, FY24: 0.78%, FY25: 1.11%



# ASSUMPTIONS FOR DEFAC PROJECTION

**Net Cash Flows – Assumed to be net neutral over the course of each fiscal year and follow historical seasonality patterns, FY 21 through FY 24 each follow the previous year's cash flow pattern**

**Changes in Yield – Actual changes reflected as they are realized, projected changes based on forward yield curve at 1 year and 5 year forward points**

**Interest – Actual interest reflected as it is realized, projected interest calculated as projected yield times projected market value**

**Banking Services – Flat estimate of \$410,308 per month; projected to increase 5% annually**

**School and Special Fund Interest Payments – Actual payments reflected as realized, projected payments calculated based on \$1B average balance and a range-bound rate as implied by the trailing 12M liquidity and liquidity & reserve returns**

**Investment Manager Fees – Estimated as 8.2 bps per year of assets under management**

