



INVESTMENT PERFORMANCE SUMMARY

OFFICE OF THE TREASURER & CASH
MANAGEMENT POLICY BOARD

MONTH ENDING SEPTEMBER 30, 2021

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PROPRIETARY & CONFIDENTIAL

INDEX PERFORMANCE

	September 2021	YTD 2021	4Q 2020	1Q 2021	2Q 2021	3Q 2021	5yr	10yr	2016	2017	2018	2019	2020
Reserve Custom Index	-0.76%	-1.29%	0.01%	4.20%	1.15%	-0.08%	2.75%	1.95%	1.15%	1.00%	1.88%	6.62%	6.58%
Endowment Custom Index	-2.84%	7.05%	8.63%	-11.82%	5.36%	0.04%	9.60%	8.96%	5.71%	14.52%	-5.07%	20.01%	13.31%
3-Month Treasury Bill	0.00%	0.03%	0.02%	0.39%	0.01%	0.01%	1.13%	0.60%	0.27%	0.84%	1.86%	2.26%	0.58%
6-Month Treasury Bill	0.00%	0.05%	0.03%	0.42%	0.02%	0.01%	1.22%	0.68%	0.40%	0.88%	1.91%	2.38%	0.80%
BAML 1-3 Yr Govt/Credit A+	-0.09%	0.04%	0.12%	2.22%	0.01%	0.07%	1.80%	1.38%	1.06%	0.70%	1.65%	3.83%	3.23%
BAML 1-5 Yr Govt/Credit A+	-0.28%	-0.31%	0.15%	2.97%	0.20%	0.01%	2.02%	1.74%	1.30%	1.02%	1.50%	4.62%	4.43%
BAML 5-10 Yr Govt/Credit A+	-1.34%	-2.46%	-0.11%	5.82%	2.20%	-0.22%	2.90%	3.26%	1.95%	2.98%	0.59%	9.04%	9.39%
BBrg Barclays US Aggregate	-0.87%	-1.55%	0.67%	3.15%	1.83%	0.05%	2.94%	3.01%	2.65%	3.54%	0.01%	8.72%	7.51%
BC Municipal Bond	-0.72%	0.79%	1.82%	-0.63%	1.42%	-0.27%	3.26%	3.87%	0.25%	5.45%	1.28%	7.54%	5.21%
BC US Corp High Yield	-0.01%	4.53%	6.45%	-12.69%	2.74%	0.89%	6.51%	7.42%	17.13%	7.50%	-2.08%	14.32%	7.11%
BC Long Treasuries	-2.86%	-7.49%	-3.00%	20.90%	6.46%	0.47%	3.31%	4.39%	1.33%	8.53%	-1.84%	14.83%	17.70%
BC US Long Credit	-1.97%	-2.66%	4.92%	-4.65%	6.44%	-0.18%	6.14%	6.59%	10.22%	12.21%	-6.76%	23.36%	13.32%
MSCI World Index	-4.15%	13.04%	13.96%	-21.05%	7.74%	-0.01%	13.74%	12.68%	7.51%	22.40%	-8.71%	27.67%	15.90%



Delaware Office of the State Treasurer

TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Delaware Total Consolidation	4,828,035,076	100.00	-0.37	-0.01	-0.65	-0.45	2.29	3.59	2.87	2.56	1.70	2.17	Jan-05
Delaware Total Consolidation ex. CARES & ARPA	3,741,956,166	77.50	-0.47	-0.04	-0.74	-0.52	2.43	3.68	2.95	2.62	1.73	2.19	Jan-05
Total Liquidity & Reserve	3,641,376,821	75.42	-0.40	-0.02	-0.92	-0.93	2.25	3.59	2.84	--	--	2.60	Nov-16
Total Liquidity	1,338,562,898	27.72	-0.02	0.04	0.11	0.17	1.06	1.71	1.64	1.54	1.05	1.73	Jan-05
PFM Asset Management	670,400,820	13.89	0.00	0.04	0.13	0.18	1.05	1.67	1.64	1.55	--	1.20	Jun-13
Wilmington Liquidity	668,162,078	13.84	-0.03	0.04	0.09	0.15	1.07	1.75	1.63	1.49	1.03	4.01	Jan-85
Total Reserve	2,302,813,923	47.70	-0.58	-0.03	-1.32	-1.34	2.53	4.45	3.32	2.77	1.96	2.53	Jan-05
Reserve Custom Index			-0.76	-0.08	-1.29	-1.28	2.62	4.61	3.35	2.75	1.95	2.71	Jan-05
Over/Under			0.18	0.05	-0.03	-0.06	-0.09	-0.16	-0.03	0.02	0.01	-0.18	
JPM Intermediate	684,759,623	14.18	-0.04	0.09	0.10	0.24	2.08	2.91	2.26	1.91	--	1.65	Jun-13
J.P. Morgan Custom Index			-0.09	0.07	0.04	0.17	1.91	2.78	2.11	1.77	1.46	1.54	Jun-13
Blackrock Financial Mangement	523,088,829	10.83	-0.20	0.05	-0.18	0.04	2.42	3.53	--	--	--	3.18	Mar-18
Blackrock Custom Index			-0.28	0.01	-0.31	-0.16	2.25	3.43	2.54	2.11	1.64	3.03	Mar-18
Chandler Asset Management	552,766,964	11.45	-1.07	-0.11	-2.25	-2.21	3.20	5.82	4.28	3.53	--	2.66	Jun-13
Lazard Financial Management	542,198,507	11.23	-1.25	-0.09	-2.46	-2.90	2.53	5.61	--	--	--	4.73	Mar-18
Chandler/Lazard Custom Index			-1.34	-0.22	-2.46	-2.57	3.14	6.12	4.36	3.56	2.35	5.07	Mar-18
Total Endowment	100,579,346	2.08	-2.96	-0.60	7.12	17.68	10.86	8.63	7.67	8.59	--	7.28	Aug-15
Endowment Custom Index			-2.84	0.04	7.05	16.29	12.94	10.41	9.34	9.60	8.96	8.17	Aug-15
Over/Under			-0.12	-0.64	0.07	1.39	-2.08	-1.78	-1.67	-1.01	--	-0.89	
SEI Balanced Strategy	51,778,201	1.07	-3.05	-0.80	7.00	17.92	14.19	10.83	9.50	10.23	--	9.04	Aug-15
Vanguard Funds	48,801,061	1.01	-2.87	-0.40	7.24	17.41	--	--	--	--	--	14.02	Sep-20
CARES	161,360,223	3.34	0.01	0.01	0.04	0.06	--	--	--	--	--	0.06	Apr-20
FTSE T-Bill 1 Month TR			0.00	0.01	0.03	0.05	0.45	1.08	1.19	1.07	0.56	0.06	Apr-20
Over/Under			0.01	0.00	0.01	0.01	--	--	--	--	--	0.00	
PFM CARES	75,231,245	1.56	0.01	0.01	0.07	0.08	--	--	--	--	--	0.07	Apr-20
PFM NCC CARES	5,472,217	0.11	0.00	0.01	-0.03	--	--	--	--	--	--	-0.03	Jan-21
Wilmington CARES	75,180,644	1.56	0.01	0.01	0.03	0.04	--	--	--	--	--	0.05	Apr-20
Wilmington NCC CARES	5,476,116	0.11	0.00	0.01	0.00	--	--	--	--	--	--	0.00	Jan-21
FTSE T-Bill 1 Month TR			0.00	0.01	0.03	0.05	0.45	1.08	1.19	1.07	0.56	0.03	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% Bloomberg 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.



Delaware Office of the State Treasurer

TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
ARPA	924,718,686	19.15	-0.02	0.07	--	--	--	--	--	--	--	0.01	May-21
<i>FTSE T-Bill 1 Month TR</i>			<i>0.00</i>	<i>0.01</i>	<i>0.03</i>	<i>0.05</i>	<i>0.45</i>	<i>1.08</i>	<i>1.19</i>	<i>1.07</i>	<i>0.56</i>	<i>0.01</i>	<i>May-21</i>
Over/Under			-0.02	0.06								0.00	
PFM ARPA	462,487,885	9.58	0.00	0.06	--	--	--	--	--	--	--	0.04	May-21
Wilmington ARPA	462,230,801	9.57	-0.03	0.07	--	--	--	--	--	--	--	-0.01	May-21
<i>FTSE T-Bill 1 Month TR</i>			<i>0.00</i>	<i>0.01</i>	<i>0.03</i>	<i>0.05</i>	<i>0.45</i>	<i>1.08</i>	<i>1.19</i>	<i>1.07</i>	<i>0.56</i>	<i>0.01</i>	<i>May-21</i>

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

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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% Bloomberg 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.

PFM ARPA and Wilmington ARPA funded 5/25/2021. Performance is shown the first full month after funding.



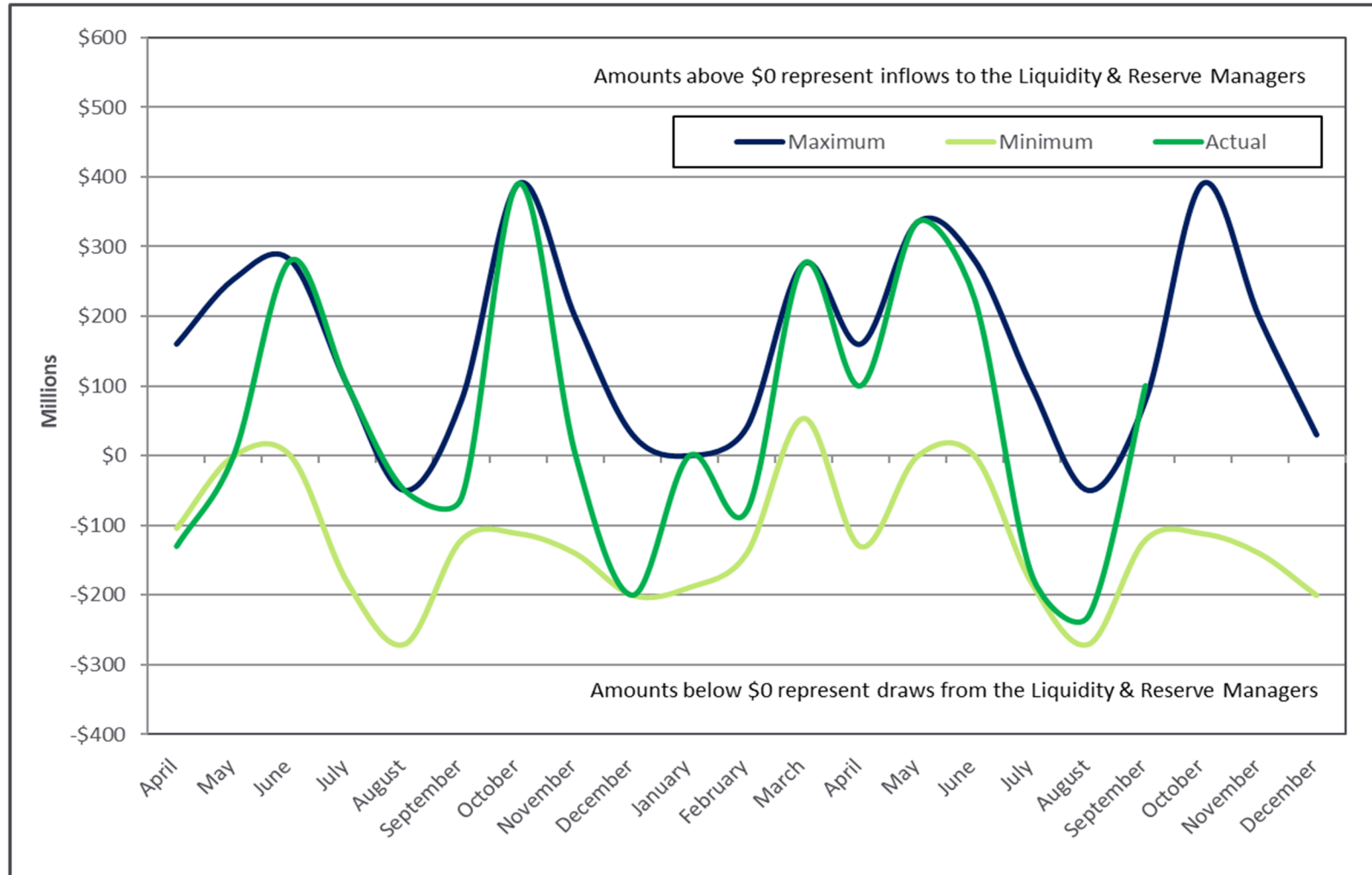
YIELD AND DURATION POSITIONING

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 \$	670,400,820	18.4%	0.24%	0.83	6-Month Treasury Bill	0.05%	0.5
Wilmington Trust \$	668,162,078	18.3%	0.25%	1.17	6-Month Treasury Bill	0.05%	0.5
Total Liquidity \$	1,338,562,898	36.8%	0.24%	1.00	6-Month Treasury Bill	0.05%	0.5
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 \$	684,759,623	18.8%	0.32%	1.59	BAML 1-3 Yr Govt/Credit A+	0.33%	1.89
BlackRock \$	523,088,829	14.4%	0.60%	2.59	BAML 1-5 Yr Govt/Credit A+	0.55%	2.69
Chandler \$	552,766,964	15.2%	1.41%	6.28	BAML 5-10 Yr Govt/Credit A+	1.45%	6.70
Lazard \$	542,198,507	14.9%	1.30%	6.28	BAML 5-10 Yr Govt/Credit A+	1.45%	6.70
Total Reserve \$	2,302,813,923	63.2%	0.87%	4.05	Custom Reserve Benchmark	0.95%	4.50
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>
Total Liquidity & Reserve \$	3,641,376,821	100.0%	0.64%	2.93	Weighted Average	0.68%	3.30

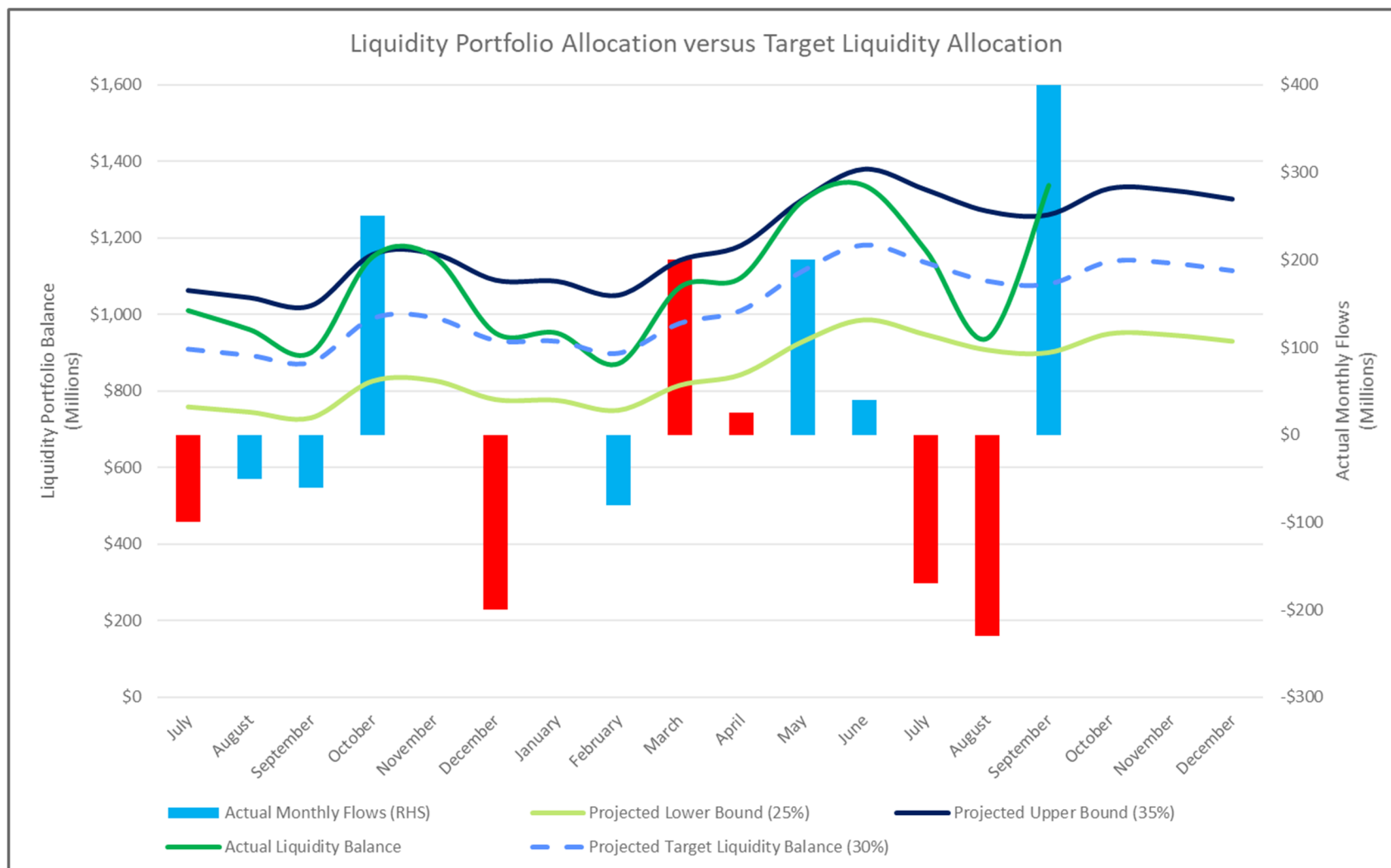
As of June 1, 2020, the target allocation between Liquidity and Reserve Portfolios was adjusted to 30%/70%. The previous target allocation was 25%/75%.



LIQUIDITY & RESERVE CASH FLOWS



LIQUIDITY BALANCE



MONTH ENDED SEPTEMBER 30, 2021

Change in Market Value Month Ending September 30, 2021											
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value		
Liquidity Managers											
PFM Asset Management	\$ 470,424,088	\$ 200,000,000	\$ -	\$ -	\$ 392,369	\$ (136,520)	\$ 11,231	\$ (290,349)	\$ 670,400,820		
Wilmington Liquidity	\$ 468,317,246	\$ 200,000,000	\$ -	\$ -	\$ 345,838	\$ (307,250)	\$ 5	\$ (193,761)	\$ 668,162,078		
Total Liquidity Managers	\$ 938,741,334	\$ 400,000,000	\$ -	\$ -	\$ 738,207	\$ (443,770)	\$ 11,237	\$ (484,110)	\$ 1,338,562,898		
Reserve Managers											
BlackRock Financial Management	\$ 524,163,215	\$ -	\$ -	\$ -	\$ 441,882	\$ (1,895,090)	\$ 458,106	\$ (79,283)	\$ 523,088,829		
Chandler Asset Management	\$ 558,723,195	\$ -	\$ -	\$ -	\$ 935,599	\$ (8,177,420)	\$ 1,279,668	\$ 5,921	\$ 552,766,964		
JPM Intermediate	\$ 985,109,528	\$ -	\$ (300,000,000)	\$ -	\$ 433,491	\$ (1,039,888)	\$ 373,618	\$ (117,126)	\$ 684,759,623		
Lazard Asset Management	\$ 549,062,512	\$ -	\$ -	\$ -	\$ 1,032,615	\$ (7,520,717)	\$ -	\$ (375,902)	\$ 542,198,507		
Total Reserve Managers	\$ 2,617,058,450	\$ -	\$ (300,000,000)	\$ -	\$ 2,843,587	\$ (18,633,115)	\$ 2,111,393	\$ (566,391)	\$ 2,302,813,923		
Total Liquidity & Reserve Managers	\$ 3,555,799,784	\$ 400,000,000	\$ (300,000,000)	\$ -	\$ 3,581,794	\$ (19,076,885)	\$ 2,122,629	\$ (1,050,501)	\$ 3,641,376,821		
Land & Water Endowment											
SEI Funds	\$ 50,855,504	\$ 2,500,000	\$ -	\$ -	\$ 30,087	\$ (1,607,390)	\$ -	\$ -	\$ 51,778,201		
Vanguard	\$ 47,695,216	\$ 2,500,000	\$ -	\$ -	\$ 128,202	\$ (1,522,357)	\$ -	\$ -	\$ 48,801,061		
Total Land & Water Endowment	\$ 98,550,804	\$ 5,000,000	\$ -	\$ -	\$ 158,289	\$ (3,129,747)	\$ -	\$ -	\$ 100,579,346		
CARES											
PFM CARES	\$ 75,224,653	\$ -	\$ -	\$ -	\$ 71,557	\$ (2,269)	\$ (513)	\$ (62,182)	\$ 75,231,245		
PFM NCC CARES	\$ 5,472,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,472,217		
Wilmington CARES	\$ 75,176,810	\$ -	\$ -	\$ -	\$ 3,879	\$ (398)	\$ -	\$ 353	\$ 75,180,644		
Wilmington NCC CARES	\$ 5,475,896	\$ -	\$ -	\$ -	\$ 3	\$ 95	\$ 123	\$ -	\$ 5,476,116		
Total CARES	\$ 161,349,576	\$ -	\$ -	\$ -	\$ 75,439	\$ (2,573)	\$ (390)	\$ (61,828)	\$ 161,360,222		
ARPA											
PFM ARPA	\$ 462,503,582	\$ -	\$ -	\$ -	\$ 290,618	\$ (78,226)	\$ 2,262	\$ (230,350)	\$ 462,487,885		
Wilmington ARPA	\$ 462,379,185	\$ -	\$ -	\$ -	\$ 232,658	\$ (214,745)	\$ 5,615	\$ (171,913)	\$ 462,230,801		
Total ARPA	\$ 924,882,767	\$ -	\$ -	\$ -	\$ 523,276	\$ (292,971)	\$ 7,877	\$ (402,263)	\$ 924,718,686		
Total	\$ 4,740,582,931	\$ 405,000,000	\$ (300,000,000)	\$ -	\$ 4,338,798	\$ (22,502,175)	\$ 2,130,117	\$ (1,514,593)	\$ 4,828,035,076		

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.



FISCAL YEAR TO DATE

Change in Market Value Fiscal Year-to-Date Through September 30, 2021										
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value	
Liquidity Managers										
PFM Asset Management	\$ 670,165,384	\$ 200,000,000	\$ (200,000,000)	\$ (105,525)	\$ 1,255,426	\$ (55,458)	\$ 78,564	\$ (937,572)	\$ 670,400,820	
Wilmington Liquidity	\$ 667,899,950	\$ 200,000,000	\$ (200,000,000)	\$ (101,706)	\$ 1,162,488	\$ (157,705)	\$ 44,689	\$ (685,638)	\$ 668,162,078	
Total Liquidity Managers	\$ 1,338,065,334	\$ 400,000,000	\$ (400,000,000)	\$ (207,231)	\$ 2,417,914	\$ (213,163)	\$ 123,253	\$ (1,623,210)	\$ 1,338,562,898	
Reserve Managers										
BlackRock Financial Management	\$ 522,812,835	\$ -	\$ -	\$ (88,878)	\$ 1,364,220	\$ (1,740,705)	\$ 971,152	\$ (229,794)	\$ 523,088,829	
Chandler Asset Management	\$ 553,398,402	\$ -	\$ -	\$ (88,722)	\$ 2,853,337	\$ (7,121,471)	\$ 3,690,802	\$ 34,616	\$ 552,766,964	
JPM Intermediate	\$ 983,835,579	\$ -	\$ (300,000,000)	\$ (129,065)	\$ 1,553,682	\$ (1,388,973)	\$ 1,284,094	\$ (395,693)	\$ 684,759,623	
Lazard Asset Management	\$ 542,685,942	\$ -	\$ -	\$ (149,519)	\$ 3,173,098	\$ (7,889,149)	\$ 5,452,345	\$ (1,074,209)	\$ 542,198,507	
Total Reserve Managers	\$ 2,602,732,758	\$ -	\$ (300,000,000)	\$ (456,184)	\$ 8,944,337	\$ (18,140,297)	\$ 11,398,394	\$ (1,665,080)	\$ 2,302,813,923	
Total Liquidity & Reserve Managers	\$ 3,940,798,092	\$ 400,000,000	\$ (700,000,000)	\$ (663,415)	\$ 11,362,251	\$ (18,353,460)	\$ 11,521,647	\$ (3,288,290)	\$ 3,641,376,821	
Land & Water Endowment										
SEI Funds	\$ 44,700,020	\$ 7,500,000	\$ -	\$ (38,772)	\$ 126,731	\$ (527,052)	\$ 17,274	\$ -	\$ 51,778,201	
Vanguard	\$ 41,525,917	\$ 7,500,000	\$ (17,000)	\$ (18,437)	\$ 186,579	\$ (822,953)	\$ 446,954	\$ -	\$ 48,801,061	
Total Land & Water Endowment	\$ 86,226,021	\$ 15,000,000	\$ (17,000)	\$ (57,209)	\$ 313,310	\$ (1,350,005)	\$ 464,228	\$ -	\$ 100,579,346	
CARES										
PFM CARES	\$ 76,743,189	\$ -	\$ (1,520,862)	\$ (19,764)	\$ 221,871	\$ (261)	\$ (204)	\$ (192,723)	\$ 75,231,245	
PFM NCC CARES	\$ 5,471,494	\$ -	\$ -	\$ -	\$ 723	\$ -	\$ -	\$ -	\$ 5,472,217	
Wilmington CARES	\$ 76,693,740	\$ -	\$ (1,520,862)	\$ (9,393)	\$ 17,279	\$ (99)	\$ -	\$ (20)	\$ 75,180,644	
Wilmington NCC CARES	\$ 5,475,625	\$ -	\$ -	\$ (650)	\$ 641	\$ 224	\$ 532	\$ (256)	\$ 5,476,116	
Total CARES	\$ 164,384,048	\$ -	\$ (3,041,724)	\$ (29,807)	\$ 240,514	\$ (137)	\$ 327	\$ (192,999)	\$ 161,360,222	
ARPA										
PFM ARPA	\$ 462,847,299	\$ -	\$ (639,040)	\$ (28,115)	\$ 847,651	\$ 330,214	\$ 1,691	\$ (871,815)	\$ 462,487,885	
Wilmington ARPA	\$ 462,114,400	\$ -	\$ (225,966)	\$ (24,002)	\$ 696,499	\$ 343,091	\$ 11,738	\$ (684,959)	\$ 462,230,801	
Total ARPA	\$ 924,961,699	\$ -	\$ (865,006)	\$ (52,117)	\$ 1,544,150	\$ 673,305	\$ 13,429	\$ (1,556,775)	\$ 924,718,686	
Total	\$ 5,116,369,860	\$ 415,000,000	\$ (703,923,730)	\$ (802,548)	\$ 13,460,225	\$ (19,030,297)	\$ 11,999,631	\$ (5,038,063)	\$ 4,828,035,076	

Footnotes:

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

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Numbers may not add due to rounding.



DEFAC PROJECTION

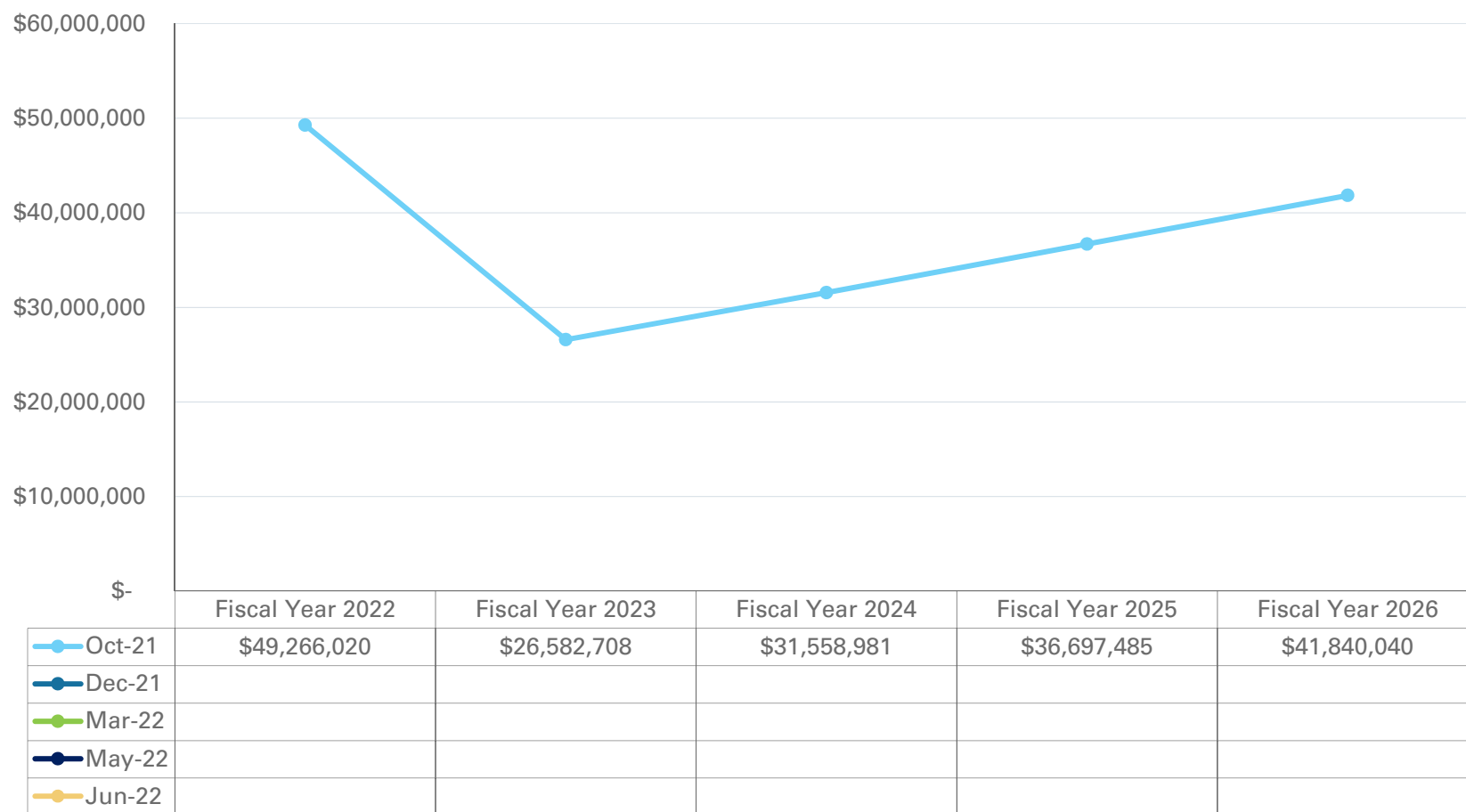
	DEFAC Current Year	Δ From Previous	FY 23	FY 23 Δ From Previous	FY 24	FY 24 Δ From Previous	FY 25	FY 25 Δ From Previous	FY 26	FY 26 Δ From Previous
	<u>Totals</u>		<u>Totals</u>		<u>Totals</u>		<u>Totals</u>		<u>Totals</u>	
Total Interest	\$41,308,153	\$5,692,972	\$30,592,317	\$5,701,203	\$35,987,698	\$7,921,700	\$41,400,712	\$10,145,399	\$46,831,345	\$12,372,292
Change in Market Value	\$17,096,768	\$57,456	\$6,632,265	(\$2,549,986)	\$6,471,651	(\$2,616,298)	\$6,468,561	(\$2,616,860)	\$6,465,473	(\$2,617,421)
Less: SSF Interest Payments	(\$1,250,000)	-	(\$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	(\$2,965,201)	(\$382)	(\$2,971,990)	\$985	(\$2,971,990)	\$985	(\$2,971,990)	\$985	(\$2,971,990)	\$985
DEFAC Projection	\$49,266,020	\$5,702,949	\$26,582,708	\$3,152,202	\$31,558,981	\$5,306,387	\$36,697,485	\$7,529,523	\$41,840,040	\$9,755,856

As of 09/30/2021; sweep income incorporated under the Total Interest line item

- **U.S. bond yields moved higher across the curve during the month**
- **Interest rate expectations increased, which caused future fiscal year estimates to rise from total expected interest**
 - Future 1-year rate expectations: FY23: 0.51% FY 24: 0.82% FY 25: 0.99% FY 26: 1.15%



DEFAC PROJECTION



ASSUMPTIONS FOR DEFAC PROJECTION

- **Net Cash Flows:** Assumed to follow average cash flows during the previous ten fiscal years and reflects historical seasonality patterns
- **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 7.6 basis points per year of assets under management

