

INVESTMENT PERFORMANCE SUMMARY

OFFICE OF THE TREASURER & CASH MANAGEMENT POLICY BOARD

Month Ending December 31, 2020

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

INDEX PERFORMANCE

| | December 2020 | YTD 2020 | 1Q 2020 | 2Q 2020 | 3Q 2020 | 5yr | 10yr | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|---------------|----------|---------|---------|---------|--------|-------|--------|--------|--------|--------|--------|--------|
| Reserve Custom Index | 0.07% | 6.58% | 4.20% | 1.82% | 0.44% | 3.41% | 2.29% | 1.10% | 0.86% | 1.15% | 1.00% | 1.88% | 6.62% |
| Endowment Custom Index | 2.60% | 13.31% | -11.82% | 12.61% | 5.04% | 9.34% | 7.68% | 5.43% | -0.07% | 5.71% | 14.52% | -5.07% | 20.01% |
| 3-Month Treasury Bill | 0.01% | 0.58% | 0.39% | 0.14% | 0.03% | 1.16% | 0.60% | 0.03% | 0.03% | 0.27% | 0.84% | 1.86% | 2.26% |
| 6-Month Treasury Bill | 0.01% | 0.80% | 0.42% | 0.26% | 0.08% | 1.27% | 0.68% | 0.06% | 0.10% | 0.40% | 0.88% | 1.91% | 2.38% |
| BAML 1-3 Yr Govt/Credit A+ | 0.06% | 3.23% | 2.22% | 0.69% | 0.17% | 2.09% | 1.51% | 0.72% | 0.66% | 1.06% | 0.70% | 1.65% | 3.83% |
| BAML 1-5 Yr Govt/Credit A+ | 0.11% | 4.43% | 2.97% | 1.03% | 0.24% | 2.56% | 2.04% | 1.42% | 1.07% | 1.30% | 1.02% | 1.50% | 4.62% |
| BAML 5-10 Yr Govt/Credit A+ | 0.06% | 9.39% | 5.82% | 2.78% | 0.68% | 4.72% | 4.48% | 6.61% | 1.95% | 1.95% | 2.98% | 0.59% | 9.04% |
| BBrg Barclays US Aggregate | 0.14% | 7.51% | 3.15% | 2.90% | 0.62% | 4.44% | 3.84% | 5.97% | 0.55% | 2.65% | 3.54% | 0.01% | 8.72% |
| BC Municipal Bond | 0.61% | 5.21% | -0.63% | 2.72% | 1.23% | 3.91% | 4.63% | 9.05% | 3.30% | 0.25% | 5.45% | 1.28% | 7.54% |
| BC US Corp High Yield | 1.88% | 7.11% | -12.69% | 10.18% | 4.60% | 8.59% | 6.80% | 2.45% | -4.47% | 17.13% | 7.50% | -2.08% | 14.32% |
| BC Long Treasuries | -1.18% | 17.70% | 20.90% | 0.25% | 0.12% | 7.85% | 7.80% | 25.07% | -1.21% | 1.33% | 8.53% | -1.84% | 14.83% |
| BC US Long Credit | 0.44% | 13.32% | -4.65% | 11.08% | 1.97% | 10.02% | 8.24% | 16.39% | -4.56% | 10.22% | 12.21% | -6.76% | 23.36% |
| MSCI World Index | 4.24% | 15.90% | -21.05% | 19.36% | 7.93% | 12.19% | 9.87% | 4.94% | -0.87% | 7.51% | 22.40% | -8.71% | 27.67% |

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 |
|---|----------------------|-------------------|-------------|--------------|----------------------|-------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| Delaware Total Consolidation | 3,746,991,636 | 100.00 | 0.13 | 0.20 | 0.45 | 4.91 | 5.27 | 4.02 | 3.45 | 3.00 | 1.84 | 2.32 | Jan-05 |
| Delaware Total Consolidation ex. CARES | 3,194,195,147 | 85.25 | 0.14 | 0.21 | 0.53 | 5.29 | 5.46 | 4.15 | 3.55 | 3.07 | 1.88 | 2.34 | Jan-05 |
| Total Liquidity & Reserve | 3,111,690,707 | 83.05 | 0.07 | 0.00 | 0.28 | 5.28 | 5.24 | 4.12 | 3.37 | -- | -- | 3.32 | Nov-16 |
| Total Liquidity | 952,425,617 | 25.42 | 0.03 | 0.06 | 0.16 | 1.47 | 2.19 | 2.11 | 1.86 | 1.69 | 1.07 | 1.81 | Jan-05 |
| PFM Asset Management | 477,225,069 | 12.74 | 0.02 | 0.05 | 0.14 | 1.42 | 2.15 | 2.10 | 1.85 | 1.72 | -- | 1.30 | Jun-13 |
| Wilmington Liquidity | 475,200,548 | 12.68 | 0.03 | 0.06 | 0.19 | 1.51 | 2.23 | 2.13 | 1.82 | 1.64 | 1.05 | 4.09 | Jan-85 |
| Total Reserve | 2,159,265,091 | 57.63 | 0.09 | -0.02 | 0.35 | 6.40 | 6.51 | 4.95 | 4.00 | 3.47 | 2.26 | 2.73 | Jan-05 |
| Reserve Custom Index | | | <u>0.07</u> | <u>0.01</u> | <u>0.46</u> | <u>6.58</u> | <u>6.60</u> | <u>5.00</u> | <u>3.99</u> | <u>3.41</u> | <u>2.29</u> | <u>2.92</u> | <u>Jan-05</u> |
| Over/Under | | | 0.02 | -0.03 | -0.11 | -0.18 | -0.09 | -0.05 | 0.01 | 0.06 | -0.03 | -0.19 | |
| JPM Intermediate | 513,843,625 | 13.71 | 0.07 | 0.14 | 0.33 | 3.54 | 3.79 | 3.03 | 2.58 | 2.32 | -- | 1.81 | Jun-13 |
| J.P. Morgan Custom Index | | | 0.06 | 0.12 | 0.30 | 3.23 | 3.53 | 2.87 | 2.40 | 2.15 | 1.67 | 1.69 | Jun-13 |
| Blackrock Financial Mangement | 524,019,264 | 13.99 | 0.14 | 0.22 | 0.52 | 4.64 | 4.71 | -- | -- | -- | -- | 4.11 | Mar-18 |
| Blackrock Custom Index | | | 0.11 | 0.15 | 0.39 | 4.43 | 4.52 | 3.57 | 2.92 | 2.57 | 1.87 | 3.97 | Mar-18 |
| Chandler Asset Management | 565,516,860 | 15.09 | 0.13 | 0.04 | 0.66 | 9.00 | 8.90 | 6.64 | 5.26 | 4.48 | -- | 3.24 | Jun-13 |
| Lazard Financial Management | 555,885,342 | 14.84 | 0.01 | -0.45 | -0.10 | 8.23 | 8.54 | -- | -- | -- | -- | 6.95 | Mar-18 |
| Chandler/Lazard Custom Index | | | 0.06 | -0.11 | 0.57 | 9.39 | 9.21 | 6.80 | 5.32 | 4.47 | 2.82 | 7.40 | Mar-18 |
| Total Endowment | 82,504,440 | 2.20 | 3.31 | 9.85 | 12.20 | 8.35 | 13.97 | 6.58 | 8.97 | 8.50 | -- | 6.96 | Aug-15 |
| Endowment Custom Index | | | 2.60 | 8.63 | 14.11 | 13.31 | 16.61 | 8.88 | 10.27 | 9.34 | 7.68 | 7.99 | Aug-15 |
| Over/Under | | | 0.71 | 1.22 | -1.91 | -4.96 | -2.64 | -2.30 | -1.30 | -0.84 | -- | -1.03 | |
| SEI Funds | 42,688,133 | 1.14 | 3.51 | 10.20 | 16.47 | 15.13 | 17.89 | 8.96 | 10.97 | 10.59 | -- | 8.98 | Aug-15 |
| Vanguard Funds | 39,816,233 | 1.06 | 3.10 | 9.48 | -- | -- | -- | -- | -- | -- | -- | 7.49 | Sep-20 |
| CARES | 552,796,489 | 14.75 | 0.01 | 0.01 | 0.02 | -- | -- | -- | -- | -- | -- | 0.04 | Apr-20 |
| FTSE T-Bill 1 Month TR | | | <u>0.01</u> | <u>0.02</u> | <u>0.05</u> | <u>0.45</u> | <u>1.32</u> | <u>1.49</u> | <u>1.32</u> | <u>1.09</u> | <u>0.56</u> | <u>0.07</u> | <u>Apr-20</u> |
| Over/Under | | | 0.00 | -0.01 | -0.03 | -- | -- | -- | -- | -- | -- | -0.03 | |
| PFM CARES | 208,396,002 | 5.56 | 0.01 | 0.01 | 0.02 | -- | -- | -- | -- | -- | -- | 0.04 | Apr-20 |
| PFM NCC CARES | 68,000,000 | 1.81 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | Jan-21 |
| Wilmington CARES | 208,398,771 | 5.56 | 0.01 | 0.01 | 0.02 | -- | -- | -- | -- | -- | -- | 0.04 | Apr-20 |
| Wilmington NCC CARES | 68,001,715 | 1.81 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | Jan-21 |
| FTSE T-Bill 1 Month TR | | | <u>0.01</u> | <u>0.02</u> | <u>0.05</u> | <u>0.45</u> | <u>1.32</u> | <u>1.49</u> | <u>1.32</u> | <u>1.09</u> | <u>0.56</u> | -- | Jan-21 |

Notes: Net of Fees. Results for periods longer than one year are annualized.

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.



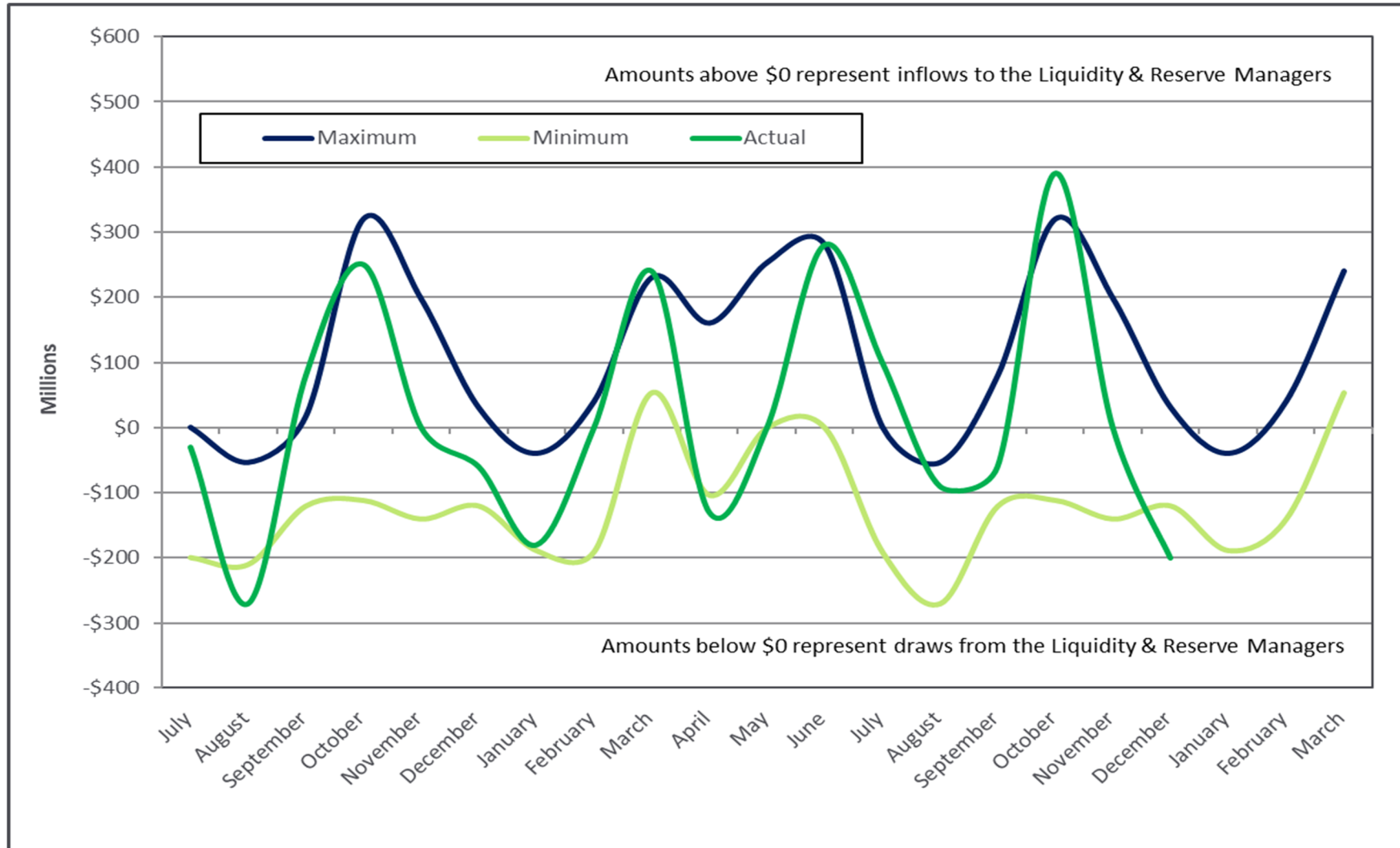
YIELD AND DURATION POSITIONING

| Liquidity Portfolio Yield and Duration Analysis | | | | | | | |
|---|----------------------|---------------|--------------|-------------|---------------------------------|--------------|-------------|
| Portfolio | | | | | Benchmark | | |
| | Portfolio Value | % of Assets | Yield | Duration | | Yield | Duration |
| PFM \$ | 477,225,069 | 15.3% | 0.35% | 0.59 | 6-Month Treasury Bill | 0.09% | 0.5 |
| Wilmington Trust \$ | 475,200,548 | 15.3% | 0.28% | 0.79 | 6-Month Treasury Bill | 0.09% | 0.5 |
| Total Liquidity \$ | 952,425,617 | 30.6% | 0.32% | 0.69 | 6-Month Treasury Bill | 0.09% | 0.5 |
| Reserve Portfolio Yield and Duration Analysis | | | | | | | |
| Portfolio | | | | | Benchmark | | |
| | Portfolio Value | % of Assets | Yield | Duration | | Yield | Duration |
| JP Morgan \$ | 513,843,625 | 16.5% | 0.23% | 1.67 | BAML 1-3 Yr Govt/Credit A+ | 0.19% | 1.88 |
| BlackRock \$ | 524,019,264 | 16.8% | 0.31% | 2.37 | BAML 1-5 Yr Govt/Credit A+ | 0.26% | 2.66 |
| Chandler \$ | 565,516,860 | 18.2% | 1.06% | 6.14 | BAML 5-10 Yr Govt/Credit A+ | 0.83% | 6.64 |
| Lazard \$ | 555,885,342 | 17.9% | 0.66% | 6.21 | BAML 5-10 Yr Govt/Credit A+ | 0.83% | 6.64 |
| Total Reserve \$ | 2,159,265,091 | 69.4% | 0.58% | 4.18 | Custom Reserve Benchmark | 0.53% | 4.46 |
| Total Liquidity & Reserve Portfolio Yield and Duration Analysis | | | | | | | |
| Portfolio | | | | | Benchmark | | |
| | Portfolio Value | % of Assets | Yield | Duration | | Yield | Duration |
| Total Liquidity & Reserve \$ | 3,111,690,708 | 100.0% | 0.50% | 3.11 | Weighted Average | 0.40% | 3.27 |

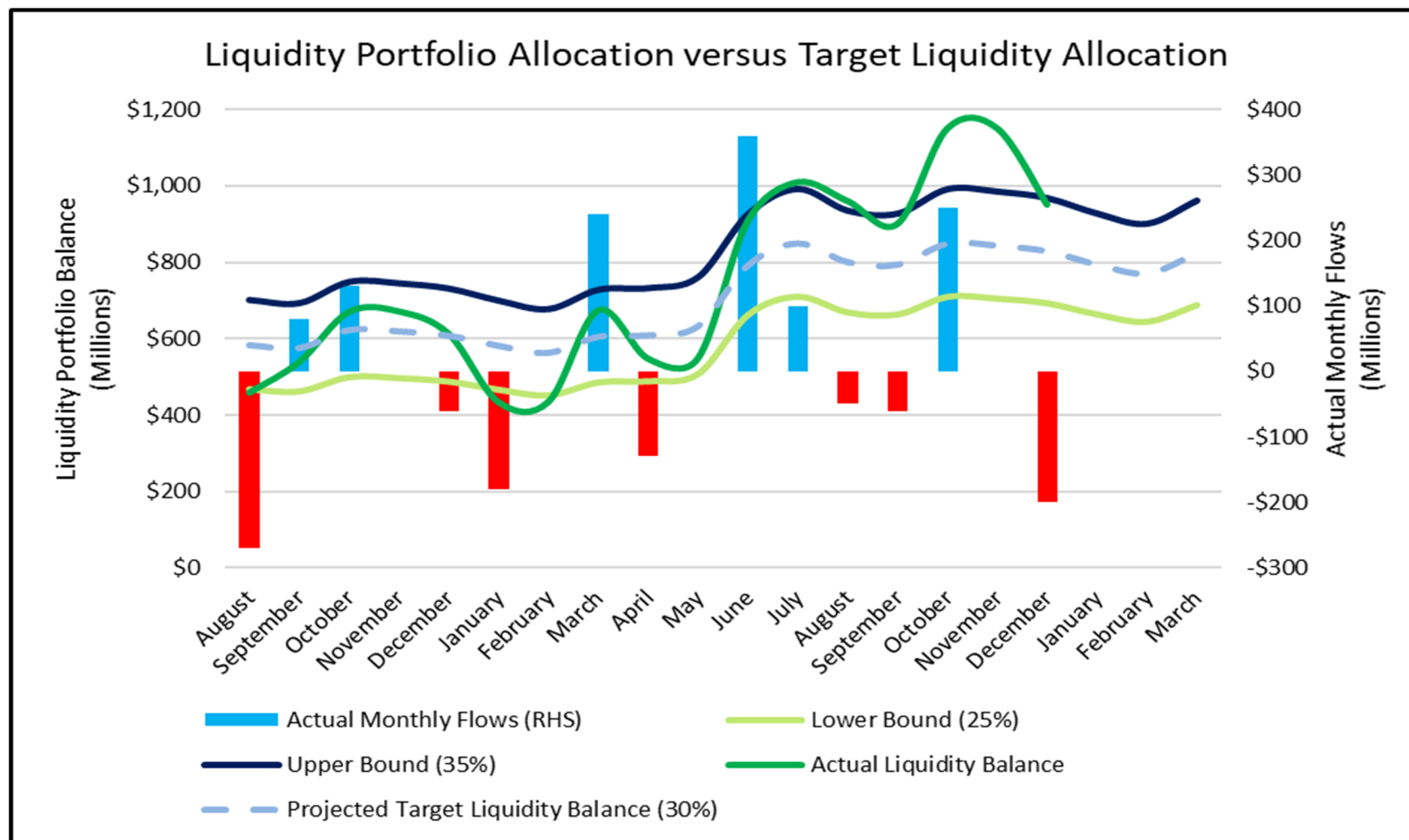
As of June 1, 2020, the target allocation between Liquidity and Reserve Portfolios was adjusted to 30%/70%. The previous target allocation was 25%/75%.



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 DECEMBER 31, 2020

| Change in Market Value Month Ending December 31, 2020 | | | | | | | | | | |
|--|---------------------------|----------------|------------------|------|--------------|---------------------------|-------------------------|-----------------------------|------------------------|--|
| | Beginning Market Value | Contributions | Withdrawals | Fees | Income | Unrealized Gain (Loss) | Realized Gain (Loss) | Amortization / Accretion | Ending Market Value | |
| Liquidity Managers | | | | | | | | | | |
| PFM Asset Management | \$ 577,086,820 | \$ - | \$ (100,000,000) | \$ - | \$ 506,926 | \$ (143,402) | \$ 35,908 | \$ (261,183) | \$ 477,225,069 | |
| Wilmington Liquidity | \$ 575,034,791 | \$ - | \$ (100,000,000) | \$ - | \$ 437,120 | \$ (144,777) | \$ 44,817 | \$ (171,403) | \$ 475,200,548 | |
| Total Liquidity Managers | \$ 1,152,121,611 | \$ - | \$ (200,000,000) | \$ - | \$ 944,046 | \$ (288,179) | \$ 80,725 | \$ (432,586) | \$ 952,425,617 | |
| Reserve Managers | | | | | | | | | | |
| BlackRock Financial Management | \$ 523,267,875 | \$ - | \$ - | \$ - | \$ 602,463 | \$ 75,741 | \$ 207,480 | \$ (134,296) | \$ 524,019,264 | |
| Chandler Asset Management | \$ 564,766,754 | \$ - | \$ - | \$ - | \$ 974,810 | \$ (244,719) | \$ - | \$ 20,015 | \$ 565,516,860 | |
| JPM Intermediate | \$ 513,500,598 | \$ - | \$ - | \$ - | \$ 569,465 | \$ (482,664) | \$ 326,821 | \$ (70,595) | \$ 513,843,625 | |
| Lazard Asset Management | \$ 555,854,524 | \$ - | \$ - | \$ - | \$ 1,015,769 | \$ (1,000,496) | \$ 382,926 | \$ (367,382) | \$ 555,885,342 | |
| Total Reserve Managers | \$ 2,157,389,751 | \$ - | \$ - | \$ - | \$ 3,162,507 | \$ (1,652,138) | \$ 917,227 | \$ (552,258) | \$ 2,159,265,091 | |
| Total Liquidity & Reserve Managers | \$ 3,309,511,362 | \$ - | \$ (200,000,000) | \$ - | \$ 4,106,553 | \$ (1,940,317) | \$ 997,952 | \$ (984,844) | \$ 3,111,690,707 | |
| Land & Water Endowment | | | | | | | | | | |
| SEI Funds | \$ 41,241,736 | \$ - | \$ - | \$ - | \$ 289,570 | \$ (208,645) | \$ 1,365,471 | \$ - | \$ 42,688,133 | |
| Vanguard | \$ 38,619,161 | \$ - | \$ - | \$ - | \$ 165,280 | \$ 1,007,856 | \$ 23,937 | \$ - | \$ 39,816,233 | |
| Total Land & Water Endowment | \$ 79,860,971 | \$ - | \$ - | \$ - | \$ 454,850 | \$ 799,211 | \$ 1,389,408 | \$ - | \$ 82,504,440 | |
| CARES | | | | | | | | | | |
| PFM CARES | \$ 248,211,028 | \$ - | \$ (39,838,830) | \$ - | \$ 55,115 | \$ (36,388) | \$ 200 | \$ 4,877 | \$ 208,396,002 | |
| PFM NCC CARES | \$ - | \$ 68,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 68,000,000 | |
| Wilmington CARES | \$ 248,218,033 | \$ - | \$ (39,838,830) | \$ - | \$ 3,219 | \$ 1,259 | \$ - | \$ 15,090 | \$ 208,398,771 | |
| Wilmington NCC CARES | \$ - | \$ 68,000,000 | \$ - | \$ - | \$ - | \$ 1,715 | \$ - | \$ - | \$ 68,001,715 | |
| Total CARES | \$ 496,429,061 | \$ 136,000,000 | \$ (79,677,660) | \$ - | \$ 58,334 | \$ (33,415) | \$ 200 | \$ 19,967 | \$ 552,796,489 | |
| Total | \$ 3,885,801,394 | \$ 136,000,000 | \$ (279,677,660) | \$ - | \$ 4,619,737 | \$ (1,174,521) | \$ 2,387,561 | \$ (964,877) | \$ 3,746,991,636 | |

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 December 31, 2020 | | | | | | | | | | |
|--|---------------------------|----------------|------------------|----------------|---------------|---------------------------|-------------------------|-----------------------------|------------------------|--|
| | Beginning Market Value | Contributions | Withdrawals | Fees | Income | Unrealized Gain (Loss) | Realized Gain (Loss) | Amortization / Accretion | Ending Market Value | |
| Liquidity Managers | | | | | | | | | | |
| PFM Asset Management | \$ 456,492,365 | \$ 190,000,000 | \$ (170,000,000) | \$ (150,498) | \$ 2,832,724 | \$ (1,025,210) | \$ 106,174 | \$ (1,030,487) | \$ 477,225,069 | |
| Wilmington Liquidity | \$ 454,246,650 | \$ 190,000,000 | \$ (170,000,000) | \$ (158,380) | \$ 2,704,173 | \$ (900,863) | \$ 248,543 | \$ (939,577) | \$ 475,200,548 | |
| Total Liquidity Managers | \$ 910,739,015 | \$ 380,000,000 | \$ (340,000,000) | \$ (308,878) | \$ 5,536,897 | \$ (1,926,072) | \$ 354,717 | \$ (1,970,064) | \$ 952,425,617 | |
| Reserve Managers | | | | | | | | | | |
| BlackRock Financial Management | \$ 486,370,073 | \$ 35,003,610 | \$ - | \$ (170,970) | \$ 3,953,946 | \$ (3,979,182) | \$ 3,428,322 | \$ (586,534) | \$ 524,019,264 | |
| Chandler Asset Management | \$ 526,857,829 | \$ 35,000,000 | \$ - | \$ (173,304) | \$ 5,790,115 | \$ (4,801,688) | \$ 2,673,111 | \$ 170,796 | \$ 565,516,860 | |
| JPM Intermediate | \$ 477,223,108 | \$ 35,000,000 | \$ - | \$ (193,832) | \$ 3,716,520 | \$ (3,518,752) | \$ 2,013,670 | \$ (397,089) | \$ 513,843,625 | |
| Lazard Asset Management | \$ 521,377,153 | \$ 35,000,000 | \$ - | \$ (294,881) | \$ 5,708,101 | \$ (15,723,910) | \$ 11,468,643 | \$ (1,649,766) | \$ 555,885,342 | |
| Total Reserve Managers | \$ 2,011,828,163 | \$ 140,003,610 | \$ - | \$ (832,987) | \$ 19,168,682 | \$ (28,023,533) | \$ 19,583,745 | \$ (2,462,592) | \$ 2,159,265,091 | |
| Total Liquidity & Reserve Managers | \$ 2,922,567,178 | \$ 520,003,610 | \$ (340,000,000) | \$ (1,141,865) | \$ 24,705,578 | \$ (29,949,605) | \$ 19,938,462 | \$ (4,432,656) | \$ 3,111,690,707 | |
| Land & Water Endowment | | | | | | | | | | |
| SEI Funds | \$ 25,440,594 | \$ 11,390,752 | \$ (24,000) | \$ (54,881) | \$ 502,377 | \$ 4,044,559 | \$ 1,388,732 | \$ - | \$ 42,688,133 | |
| Vanguard | \$ - | \$ 36,788,900 | \$ (4,000) | \$ (6,962) | \$ 342,142 | \$ 2,672,507 | \$ 23,648 | \$ - | \$ 39,816,233 | |
| Total Land & Water Endowment | \$ 71,593,828 | \$ 50,250,659 | \$ (48,253,652) | \$ (61,843) | \$ 846,003 | \$ 6,717,065 | \$ 1,412,380 | \$ - | \$ 82,504,440 | |
| CARES | | | | | | | | | | |
| PFM CARES | \$ 427,436,714 | \$ - | \$ (219,087,147) | \$ - | \$ 86,278 | \$ (48,436) | \$ 200 | \$ 8,392 | \$ 208,396,002 | |
| PFM NCC CARES | \$ - | \$ 68,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 68,000,000 | |
| Wilmington CARES | \$ 427,436,909 | \$ - | \$ (219,087,147) | \$ - | \$ 22,727 | \$ 2,553 | \$ (2,562) | \$ 26,290 | \$ 208,398,771 | |
| Wilmington NCC CARES | \$ - | \$ 68,000,000 | \$ - | \$ - | \$ - | \$ 1,715 | \$ - | \$ - | \$ 68,001,715 | |
| Total CARES | \$ 854,873,623 | \$ 136,000,000 | \$ (438,174,294) | \$ - | \$ 109,005 | \$ (44,167) | \$ (2,361) | \$ 34,683 | \$ 552,796,488 | |
| Total | \$ 3,849,034,629 | \$ 706,254,269 | \$ (826,427,946) | \$ (1,203,708) | \$ 25,660,585 | \$ (23,276,707) | \$ 21,348,481 | \$ (4,397,974) | \$ 3,746,991,636 | |

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.



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 | \$66,537,156 | \$2,641,105 | \$12,719,517 | (\$223,238) | \$13,881,367 | (\$28,798) | \$15,060,241 | \$165,452 | \$16,256,137 | \$448,407 |
| Total Sweep Income | \$186,943 | (\$30,766) | \$375,000 | - | \$375,000 | - | \$375,000 | - | \$375,000 | - |
| Change in Market Value | \$29,940,324 | (\$4,429,690) | \$23,676,752 | (\$6,925,254) | \$23,643,031 | (\$6,931,818) | \$23,640,075 | (\$6,931,777) | \$23,637,119 | \$23,931,008 |
| Less: School Special Fund Interest Payments | (\$13,821,873) | (\$1,443,394) | (\$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 | (\$2,369,352) | \$1,230 | (\$2,389,729) | \$6,706 | (\$2,389,729) | \$6,706 | (\$2,389,729) | \$6,706 | (\$2,389,729) | \$6,706 |
| DEFAC Projection | \$75,549,498 | (\$3,261,514) | \$26,711,655 | (\$7,141,786) | \$27,581,290 | (\$6,953,909) | \$28,485,789 | (\$6,759,618) | \$29,393,739 | \$24,386,121 |

As of 12/31/2020; Current year DEFAC estimate may be volatile with higher than expected total interest compared to model estimates based on current market yields. Change from previous observations are exaggerated this month due to a change in methodology for capturing unrealized gains. Unrealized gains will now be spread across the entire forecasting time horizon, which results in a decrease for FY 21-24 estimates and an increase in the FY 25 estimate. Future estimates will not produce such volatile deltas.

Short-term US bond yields fell modestly during the month of December

Interest rate expectations were largely unchanged during the month and still reflect a subdued rate environment

Future 1-year rate expectations: FY22: 0.13%, FY23: 0.20%, FY24: 0.29%, FY25: 0.41%



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

Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
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Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.

