



INVESTMENT PERFORMANCE SUMMARY

OFFICE OF THE TREASURER & CASH
MANAGEMENT POLICY BOARD

MONTH ENDING SEPTEMBER 30, 2022

Jennifer Appel, CFA, Investment Director

Kevin M. Leonard, Partner

Alexandra Sollers, CFA, Sr. Consulting Specialist



INDEX PERFORMANCE

	Sep 2022	YTD 2022	4Q 2021	1Q 2022	2Q 2022	3Q 2022	5yr	10yr	2017	2018	2019	2020	2021
Reserve Custom Index	-2.96%	-9.89%	-0.40%	-4.46%	-11.68%	-3.48%	0.48%	0.69%	1.00%	1.88%	6.62%	6.58%	-1.69%
Endowment Custom Index	-7.31%	-21.10%	4.67%	-5.42%	0.14%	-5.55%	3.37%	5.40%	14.52%	-5.07%	20.01%	13.31%	12.04%
3-Month Treasury Bill	0.20%	0.62%	0.01%	0.03%	0.16%	0.45%	1.13%	0.66%	0.84%	1.86%	2.26%	0.58%	0.05%
6-Month Treasury Bill	0.18%	0.64%	0.01%	0.04%	-0.57%	0.44%	1.21%	0.73%	0.88%	1.91%	2.38%	0.80%	0.06%
BAML 1-3 Yr Govt/Credit A+	-1.22%	-4.41%	-0.54%	-2.35%	-0.96%	-1.55%	0.67%	0.74%	0.70%	1.65%	3.83%	3.23%	-0.49%
BAML 1-5 Yr Govt/Credit A+	-1.79%	-6.34%	-0.69%	-3.24%	-3.79%	-2.26%	0.50%	0.79%	1.02%	1.50%	4.62%	4.43%	-1.00%
BAML 5-10 Yr Govt/Credit A+	-4.43%	-14.25%	-0.18%	-6.10%	-4.69%	-5.08%	0.00%	0.99%	2.98%	0.59%	9.04%	9.39%	-2.64%
BBrg Barclays US Aggregate	-4.32%	-14.61%	0.01%	-5.93%	-2.94%	-4.75%	-0.27%	0.89%	3.54%	0.01%	8.72%	7.51%	-1.54%
BC Municipal Bond	-3.84%	-12.13%	0.72%	-6.23%	-9.83%	-3.46%	0.59%	1.79%	5.45%	1.28%	7.54%	5.21%	1.52%
BC US Corp High Yield	-3.97%	-14.75%	0.71%	-4.84%	-11.93%	-0.65%	1.57%	3.94%	7.50%	-2.08%	14.32%	7.11%	5.28%
BC Long Treasuries	-7.90%	-28.84%	3.08%	-10.58%	-12.59%	-9.63%	-1.62%	0.59%	8.53%	-1.84%	14.83%	17.70%	-4.65%
BC US Long Credit	-8.64%	-29.05%	1.52%	-11.23%	-16.19%	-8.57%	-1.17%	1.73%	12.21%	-6.76%	23.36%	13.32%	-1.18%
MSCI World Index	-9.30%	-25.42%	7.77%	-5.15%	-11.68%	-6.19%	5.30%	8.11%	22.40%	-8.71%	27.67%	15.90%	21.82%

TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Delaware Total Consolidation	5,617,189,830	100.00	-0.85	-0.77	-3.65	-3.86	-2.17	0.20	1.49	1.17	1.83	Jan-05
Delaware Total Consolidation ex. CARES & ARPA	4,878,342,344	86.85	-0.97	-0.91	-4.19	-4.41	-2.49	0.10	1.43	1.14	1.81	Jan-05
Total Liquidity & Reserve	4,795,832,434	85.38	-0.85	-0.82	-3.77	-4.11	-2.53	0.08	1.41		1.42	Dec-16
Total Liquidity	3,259,027,778	58.02	-0.18	0.00	-1.05	-1.26	-0.55	0.28	1.06	0.85	1.56	Jan-05
PFM Asset Management	1,641,410,300	29.22	-0.08	0.19	-0.31	-0.45	-0.14	0.55	1.22		1.02	Jun-13
Wilmington Liquidity	1,617,617,478	28.80	-0.28	-0.19	-1.79	-2.07	-0.97	0.01	0.88	0.73	3.84	Jan-85
Total Reserve	1,536,804,656	27.36	-2.38	-2.69	-8.37	-8.77	-5.13	-1.39	0.78	0.83	1.85	Jan-05
Reserve Custom Index			<u>-2.96</u>	<u>-3.49</u>	<u>-9.90</u>	<u>-10.26</u>	<u>-5.88</u>	<u>-1.87</u>	<u>0.47</u>	<u>0.69</u>	<u>1.93</u>	
Over/Under			0.58	0.80	1.53	1.49	0.75	0.48	0.31	0.14	-0.08	
JPM Intermediate	535,810,985	9.54	-1.17	-1.36	-4.19	-4.64	-2.23	-0.21	0.84		0.96	Jun-13
J.P. Morgan Custom Index			<u>-1.22</u>	<u>-1.56</u>	<u>-4.42</u>	<u>-4.94</u>	<u>-2.42</u>	<u>-0.43</u>	<u>0.66</u>		<u>0.82</u>	
Over/Under			0.05	0.20	0.23	0.30	0.19	0.22	0.18		0.14	
Blackrock Financial Mangement	419,527,020	7.47	-1.83	-2.13	-6.53	-7.20	-3.65	-0.89			0.82	Mar-18
Blackrock Custom Index			<u>-1.79</u>	<u>-2.27</u>	<u>-6.35</u>	<u>-7.00</u>	<u>-3.64</u>	<u>-0.93</u>			<u>0.75</u>	
Over/Under			-0.04	0.14	-0.18	-0.20	-0.01	0.04			0.07	
Chandler Asset Management	293,927,872	5.23	-3.89	-4.23	-13.76	-14.04	-8.32	-2.90	0.33		0.73	Jun-13
Chandler/Lazard Custom Index			<u>-4.43</u>	<u>-5.09</u>	<u>-14.26</u>	<u>-14.42</u>	<u>-8.69</u>	<u>-3.09</u>	<u>0.30</u>		<u>0.63</u>	
Over/Under			0.54	0.86	0.50	0.38	0.37	0.19	0.03		0.10	
Lazard Financial Management	287,538,779	5.12	-4.07	-4.60	-13.25	-13.47	-8.34	-3.11			0.45	Mar-18
Chandler/Lazard Custom Index			<u>-4.43</u>	<u>-5.09</u>	<u>-14.26</u>	<u>-14.42</u>	<u>-8.69</u>	<u>-3.09</u>			<u>0.47</u>	
Over/Under			0.36	0.49	1.01	0.95	0.35	-0.02			-0.02	
Total Endowment	82,509,910	1.47	-7.57	-5.90	-22.01	-18.67	-2.17	-0.01	1.80		3.22	Aug-15
Endowment Custom Index			<u>-7.31</u>	<u>-5.55</u>	<u>-21.10</u>	<u>-17.42</u>	<u>-2.00</u>	<u>1.75</u>	<u>3.37</u>		<u>4.17</u>	
Over/Under			-0.26	-0.35	-0.91	-1.25	-0.17	-1.76	-1.57		-0.95	
SEI Balanced Strategy	42,270,382	0.75	-7.82	-6.04	-22.49	-19.04	-2.30	1.82	3.08		4.60	Aug-15
Vanguard Funds	40,239,444	0.72	-7.31	-5.75	-21.50	-18.27	-2.04				-2.82	Sep-20
CARES	20,972,465	0.37	0.18	0.45	0.56	0.57	0.31				0.26	Apr-20
FTSE 1 Month T-Bill			<u>0.19</u>	<u>0.48</u>	<u>0.59</u>	<u>0.61</u>	<u>0.33</u>				<u>0.28</u>	
Over/Under			-0.01	-0.03	-0.03	-0.04	-0.02				-0.02	
PFM CARES	8,985,659	0.16	0.16	0.41	0.49	0.50	0.29				0.25	Apr-20
PFM NCC CARES	1,515,206	0.03	0.16	0.41	0.52	0.53					0.29	Jan-21
Wilmington CARES	8,952,810	0.16	0.21	0.50	0.64	0.64	0.34				0.28	Apr-20
Wilmington NCC CARES	1,518,791	0.03	0.16	0.41	0.52	0.51					0.29	Jan-21
FTSE 1 Month T-Bill			<u>0.19</u>	<u>0.48</u>	<u>0.59</u>	<u>0.61</u>					<u>0.36</u>	
Over/Under			-0.03	-0.07	-0.07	-0.10					-0.07	

TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
ARPA	717,875,021	12.78	-0.05	0.17	-0.81	-1.00					-0.70	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.19</u>	<u>0.48</u>	<u>0.59</u>	<u>0.61</u>					<u>0.44</u>	
Over/Under			-0.24	-0.31	-1.40	-1.61					-1.14	
PFM ARPA	361,030,167	6.43	-0.04	0.22	-0.39	-0.53					-0.34	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.19</u>	<u>0.48</u>	<u>0.59</u>	<u>0.61</u>					<u>0.44</u>	
Over/Under			-0.23	-0.26	-0.98	-1.14					-0.78	
Wilmington ARPA	356,844,854	6.35	-0.07	0.12	-1.23	-1.47					-1.05	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.19</u>	<u>0.48</u>	<u>0.59</u>	<u>0.61</u>					<u>0.44</u>	
Over/Under			-0.26	-0.36	-1.82	-2.08					-1.49	

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.

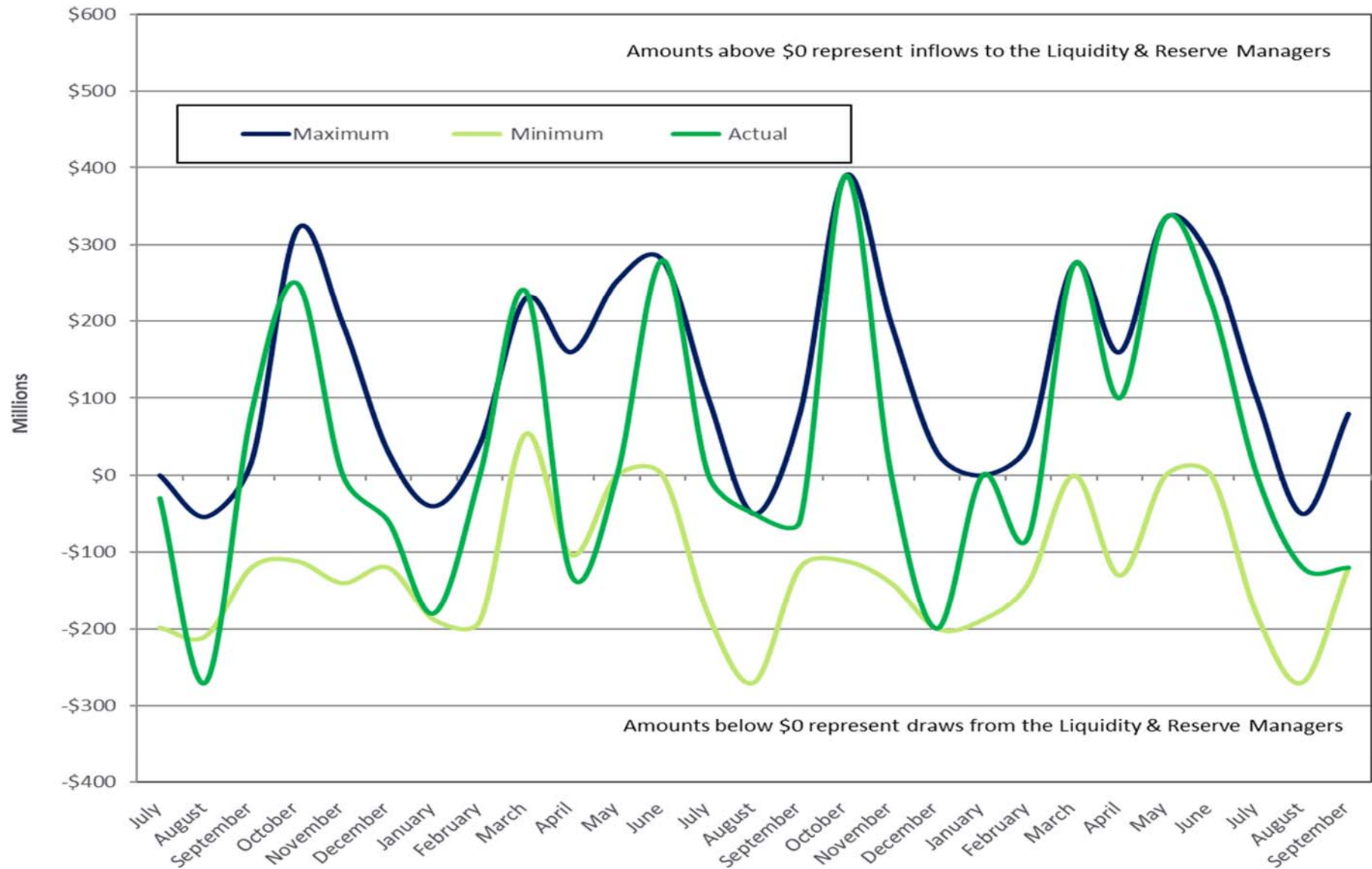
YIELD AND DURATION POSITIONING

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 \$	1,641,410,300	34.2%	3.25%	0.53	6-Month Treasury Bill	3.40%	1.67
Wilmington Trust \$	1,617,617,478	33.7%	3.47%	0.81	6-Month Treasury Bill	3.40%	1.67
Total Liquidity \$	3,259,027,778	68.0%	3.36%	0.67	6-Month Treasury Bill	3.40%	1.67
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 \$	535,810,985	11.2%	4.54%	1.84	BAML 1-3 Yr Govt/Credit A+	4.43%	2.58
BlackRock \$	419,527,020	8.7%	4.53%	2.78	BAML 1-5 Yr Govt/Credit A+	4.43%	2.58
Chandler \$	293,927,872	6.1%	4.43%	6.03	BAML 5-10 Yr Govt/Credit A+	4.30%	6.35
Lazard \$	287,538,779	6.0%	4.31%	6.07	BAML 5-10 Yr Govt/Credit A+	4.30%	6.35
Total Reserve \$	1,536,804,656	32.0%	4.47%	3.69	Custom Reserve Benchmark	4.37%	4.47
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 \$	4,795,832,434	100.0%	3.72%	1.64	Weighted Average	4.08%	3.63

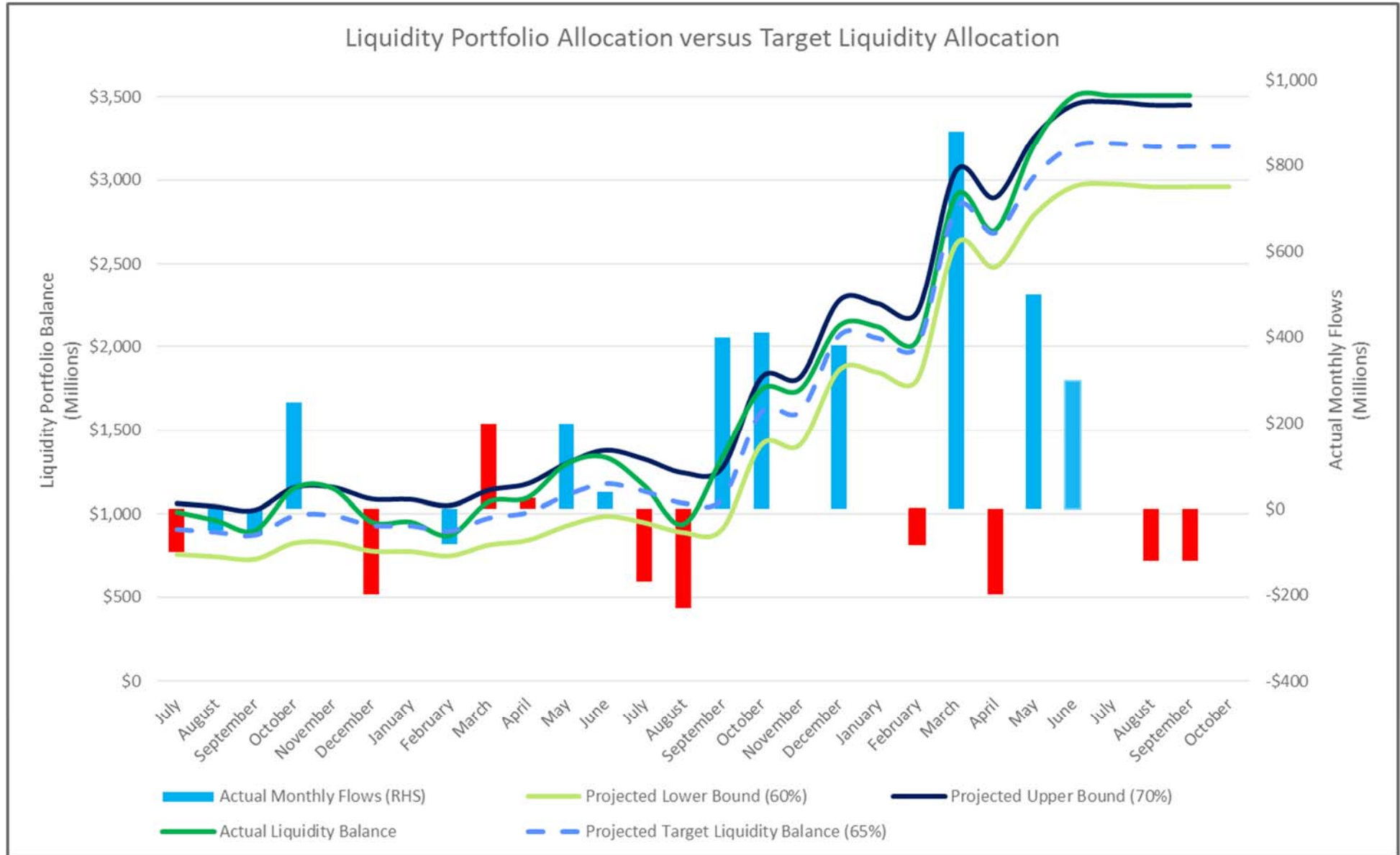
As of March 9, 2022, the target allocation between Liquidity and Reserve Portfolios was adjusted to 65%/35%. The previous target allocation was 50%/50%.



LIQUIDITY & RESERVE CASH FLOWS



LIQUIDITY BALANCE



As of March 9, 2022, the target allocation between Liquidity and Reserve Portfolios was adjusted to 65%/35%. The previous target allocation was 50%/50%.

MONTH ENDED SEPTEMBER 30, 2022

Change in Market Value Month Ending September 30, 2022											
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value		
Liquidity Managers											
PFM Asset Management	\$ 1,702,685,903	-	\$ (60,000,000)	\$ -	\$ 2,555,463	\$ (4,170,800)	\$ (29,273)	\$ 369,009	\$ 1,641,410,300		
Wilmington Liquidity	\$ 1,682,307,155	\$ 8	\$ (60,000,000)	\$ -	\$ 1,579,927	\$ (6,737,415)	\$ (19,317)	\$ 487,121	\$ 1,617,617,478		
Total Liquidity Managers	\$ 3,384,993,058	\$ 8	\$ (120,000,000)	\$ -	\$ 4,135,390	\$ (10,908,215)	\$ (48,590)	\$ 856,130	\$ 3,259,027,778		
Reserve Managers											
BlackRock Financial Management	\$ 376,948,222	\$ 50,000,000	-	\$ -	\$ 609,963	\$ (7,239,499)	\$ (819,488)	\$ 27,822	\$ 419,527,020		
Chandler Asset Management	\$ 254,986,080	\$ 50,000,000	-	\$ -	\$ 556,709	\$ (11,591,113)	\$ (22,501)	\$ (1,303)	\$ 293,927,872		
JPM Intermediate	\$ 542,175,385	-	-	\$ -	\$ 935,305	\$ (6,593,105)	\$ (694,152)	\$ (12,449)	\$ 535,810,985		
Lazard Asset Management	\$ 248,877,591	\$ 50,000,000	-	\$ -	\$ 601,192	\$ (11,901,329)	\$ -	\$ (38,674)	\$ 287,538,779		
Total Reserve Managers	\$ 1,422,987,278	\$ 150,000,000	\$ -	\$ -	\$ 2,703,169	\$ (37,325,046)	\$ (1,536,140)	\$ (24,604)	\$ 1,536,804,656		
Total Liquidity & Reserve Managers	\$ 4,807,980,336	\$ 150,000,008	\$ (120,000,000)	\$ -	\$ 6,838,559	\$ (48,233,261)	\$ (1,584,731)	\$ 831,526	\$ 4,795,832,434		
Land & Water Endowment											
SEI Funds	\$ 45,895,202	\$ 254,500	\$ (300,388)	\$ -	\$ 44,714	\$ (3,685,920)	\$ 62,223	\$ -	\$ 42,270,382		
Vanguard	\$ 43,450,706	\$ 254,500	\$ (300,338)	\$ -	\$ 130,735	\$ (3,238,543)	\$ (57,616)	\$ -	\$ 40,239,444		
Total Land & Water Endowment	\$ 89,345,992	\$ 509,000	\$ (600,726)	\$ -	\$ 175,449	\$ (6,924,463)	\$ 4,608	\$ -	\$ 82,509,910		
CARES											
PFM CARES	\$ 8,971,483	-	\$ -	\$ -	\$ 14,177	\$ -	\$ -	\$ -	\$ 8,985,659		
PFM NCC CARES	\$ 1,512,815	-	\$ -	\$ -	\$ 2,391	\$ -	\$ -	\$ -	\$ 1,515,206		
Wilmington CARES	\$ 8,933,869	-	\$ -	\$ -	\$ 205	\$ 732	\$ -	\$ 18,004	\$ 8,952,810		
Wilmington NCC CARES	\$ 1,516,394	-	\$ -	\$ -	\$ 2,396	\$ -	\$ -	\$ -	\$ 1,518,791		
Total CARES	\$ 20,934,561	\$ -	\$ -	\$ -	\$ 19,169	\$ 732	\$ -	\$ 18,004	\$ 20,972,466		
ARPA											
PFM ARPA	\$ 370,529,558	-	\$ (9,345,908)	\$ -	\$ 410,657	\$ (584,684)	\$ (26,732)	\$ 47,276	\$ 361,030,167		
Wilmington ARPA	\$ 366,430,211	\$ 12	\$ (9,345,908)	\$ -	\$ 157,391	\$ (362,305)	\$ -	\$ (34,546)	\$ 356,844,854		
Total ARPA	\$ 736,959,769	\$ 12	\$ (18,691,816)	\$ -	\$ 568,048	\$ (946,989)	\$ (26,732)	\$ 12,730	\$ 717,875,021		
Total	\$ 5,655,220,658	\$ 150,509,020	\$ (139,292,542)	\$ -	\$ 7,601,225	\$ (56,103,981)	\$ (1,606,855)	\$ 862,259	\$ 5,617,189,831		

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 Septmeber 30, 2022

	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value
Liquidity Managers									
PFM Asset Management	\$ 1,758,096,982	\$ -	\$ (120,000,000)	\$ (247,733)	\$ 6,869,583	\$ (4,104,740)	\$ (86,401)	\$ 882,611	\$ 1,641,410,300
Wilmington Liquidity	\$ 1,740,698,726	\$ 8	\$ (120,000,000)	\$ (230,807)	\$ 4,519,525	\$ (8,725,971)	\$ (67,895)	\$ 1,423,894	\$ 1,617,617,478
Total Liquidity Managers	\$ 3,498,795,708	\$ 8	\$ (240,000,000)	\$ (478,540)	\$ 11,389,108	\$ (12,830,711)	\$ (154,295)	\$ 2,306,505	\$ 3,259,027,778
Reserve Managers									
BlackRock Financial Management	\$ 378,121,432	\$ 50,000,000	\$ -	\$ (69,180)	\$ 1,584,769	\$ (8,150,085)	\$ (2,022,285)	\$ 62,370	\$ 419,527,020
Chandler Asset Management	\$ 255,893,933	\$ 50,000,000	\$ -	\$ (50,073)	\$ 1,588,578	\$ (13,151,370)	\$ (324,789)	\$ (28,409)	\$ 293,927,872
JPM Intermediate	\$ 543,213,871	\$ -	\$ -	\$ (95,009)	\$ 2,567,228	\$ (6,821,739)	\$ (2,993,226)	\$ (60,141)	\$ 535,810,985
Lazard Asset Management	\$ 250,262,091	\$ 50,000,000	\$ -	\$ (75,167)	\$ 1,716,633	\$ (13,676,890)	\$ (555,119)	\$ (132,770)	\$ 287,538,779
Total Reserve Managers	\$ 1,427,491,327	\$ 150,000,000	\$ -	\$ (289,429)	\$ 7,457,208	\$ (41,800,083)	\$ (5,895,418)	\$ (158,949)	\$ 1,536,804,656
Total Liquidity & Reserve Managers	\$ 4,926,287,035	\$ 150,000,008	\$ (240,000,000)	\$ (767,969)	\$ 18,846,316	\$ (54,630,794)	\$ (6,049,713)	\$ 2,147,555	\$ 4,795,832,434
Land & Water Endowment									
SEI Funds	\$ 45,025,736	\$ 254,500	\$ (300,388)	\$ (42,302)	\$ 185,650	\$ (2,922,048)	\$ 69,184	\$ -	\$ 42,270,382
Vanguard	\$ 42,730,310	\$ 254,500	\$ (300,338)	\$ (20,002)	\$ 205,769	\$ (2,569,606)	\$ (61,188)	\$ -	\$ 40,239,444
Total Land & Water Endowment	\$ 87,756,130	\$ 509,000	\$ (600,726)	\$ (62,304)	\$ 391,419	\$ (5,491,654)	\$ 7,995	\$ -	\$ 82,509,910
CARES									
PFM CARES	\$ 8,948,733	\$ -	\$ -	\$ -	\$ 25,885	\$ -	\$ -	\$ -	\$ 8,985,659
PFM NCC CARES	\$ 1,508,979	\$ -	\$ -	\$ -	\$ 17,270	\$ -	\$ -	\$ -	\$ 1,515,206
Wilmington CARES	\$ 8,908,368	\$ -	\$ -	\$ (2,578)	\$ 2,204	\$ 804	\$ (47)	\$ 44,058	\$ 8,952,810
Wilmington NCC CARES	\$ 1,512,549	\$ -	\$ -	\$ -	\$ 6,241	\$ -	\$ -	\$ -	\$ 1,518,791
Total CARES	\$ 20,878,629	\$ -	\$ -	\$ (2,578)	\$ 51,600	\$ 804	\$ (47)	\$ 44,058	\$ 20,972,466
ARPA									
PFM ARPA	\$ 376,776,820	\$ -	\$ (16,569,987)	\$ (57,120)	\$ 1,139,757	\$ (273,767)	\$ (31,710)	\$ 46,173	\$ 361,030,167
Wilmington ARPA	\$ 372,965,022	\$ 12	\$ (16,569,987)	\$ (56,889)	\$ 502,432	\$ 181,126	\$ -	\$ (176,862)	\$ 356,844,854
Total ARPA	\$ 749,741,842	\$ 12	\$ (33,139,974)	\$ (114,009)	\$ 1,642,189	\$ (92,641)	\$ (31,710)	\$ (130,689)	\$ 717,875,021
Total	\$ 5,784,663,636	\$ 150,509,020	\$ (273,740,700)	\$ (946,860)	\$ 20,931,524	\$ (60,214,285)	\$ (6,073,475)	\$ 2,060,925	\$ 5,617,189,831

Footnotes:

As of March 9, 2022, the target allocation between Liquidity and Reserve Portfolios was adjusted to 65%/35%. The previous target allocation was 50%/50%.

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.



DEFAC PROJECTION

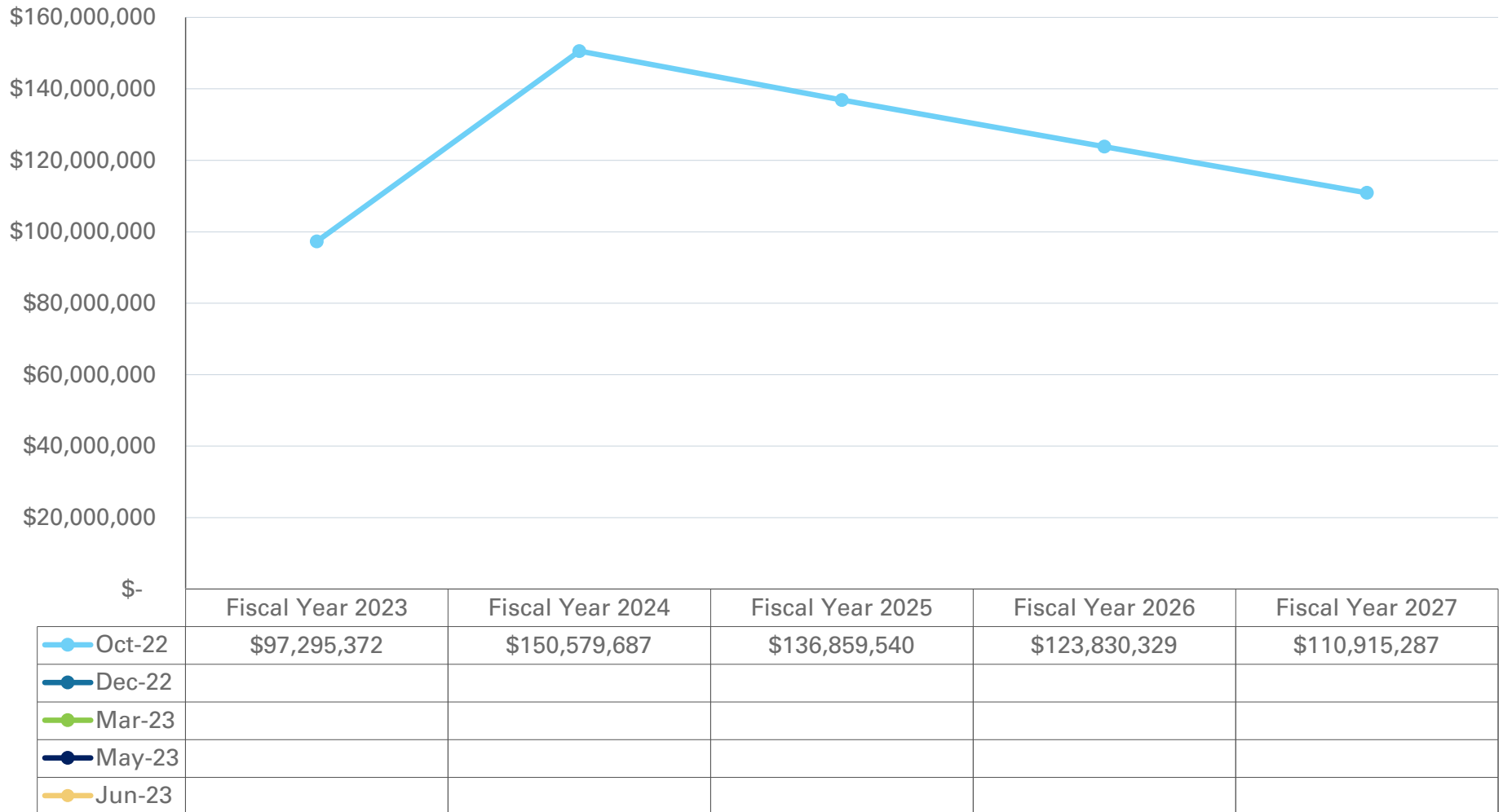
	DEFAC Current Year	FY 24	FY 25	FY 26	FY 27
	<u>Totals</u>	<u>Totals</u>	<u>Totals</u>	<u>Totals</u>	<u>Totals</u>
Total Interest	\$133,068,061*	\$174,638,939	\$161,923,794	\$149,253,030	\$136,626,674
Change in Market Value	(\$23,239,582)	(\$8,850,957)	(\$8,680,798)	(\$8,684,493)	(\$8,688,189)
Less: SSF Interest Payments	(\$4,062,500)	(\$6,500,000)	(\$7,416,667)	(\$7,500,000)	(\$7,500,000)
Less: Banking Services	(\$4,923,700)	(\$5,169,885)	(\$5,428,379)	(\$5,699,798)	(\$5,984,788)
Less: Investment Manager Fees	(\$3,546,907)	(\$3,538,410)	(\$3,538,410)	(\$3,538,410)	(\$3,538,410)
DEFAC Projection	\$97,295,372*	\$150,579,687	\$136,859,540	\$123,830,329	\$110,915,287

As of 09/30/2022; sweep income incorporated under the Total Interest line item.

*Current DEFAC estimate reflects a 50/50 blend with the income forecast estimate. Total Interest was adjusted to reflect the headline DEFAC projection.

- **U.S. Treasury yields continued moving higher in September following a 75 basis point rate increase by the Federal Reserve amid persistent inflation pressures**
- **Interest rate expectations rose significantly during the month, which increased expected total interest in future fiscal years**
 - Future 1-year rate expectations: FY24: 4.74% FY25: 3.94% FY26: 3.91% FY27: 3.90%

DEFAC PROJECTIONS



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 \$1.3B average balance and a range-bound rate as implied by the trailing 9M liquidity and liquidity & reserve returns
- **Investment Manager Fees:** Estimated as 7.3 basis points per year of assets under management

DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv

