



Finance, Audit, Insurance, and Real Property Committee

Quarterly Investment Activities Report

Item 7b

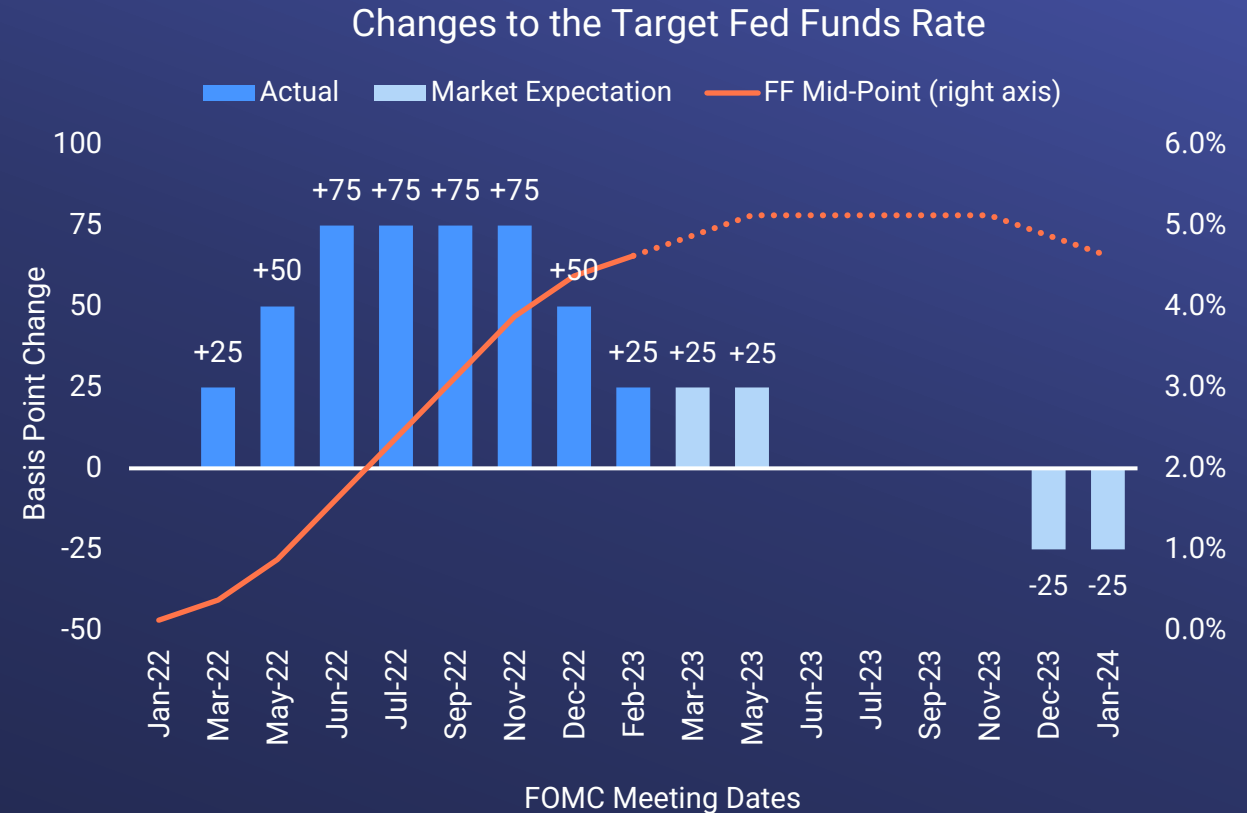
Presented By:

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PFM Asset Management LLC

Market Environment

- U.S. economy is characterized by
 - High inflation that shows signs of slowing
 - Continued strong labor market
 - Potentially declining health of U.S. household finances
 - Expectations for a modest yet broad economic downturn
- The Federal Reserve is expected to wrap up their normalization process
 - Fed projecting short-term fed funds rate to reach 5.00%-5.25% by year-end
 - Fed officials reaffirm that restoring price stability is the utmost priority, despite risks of overtightening
- Volatile markets potentially calming
 - Treasury yields in the 3-7 year range ended the quarter slightly lower, while shorter and longer maturities ended higher
 - Yield curve inversion deepened during 4th quarter



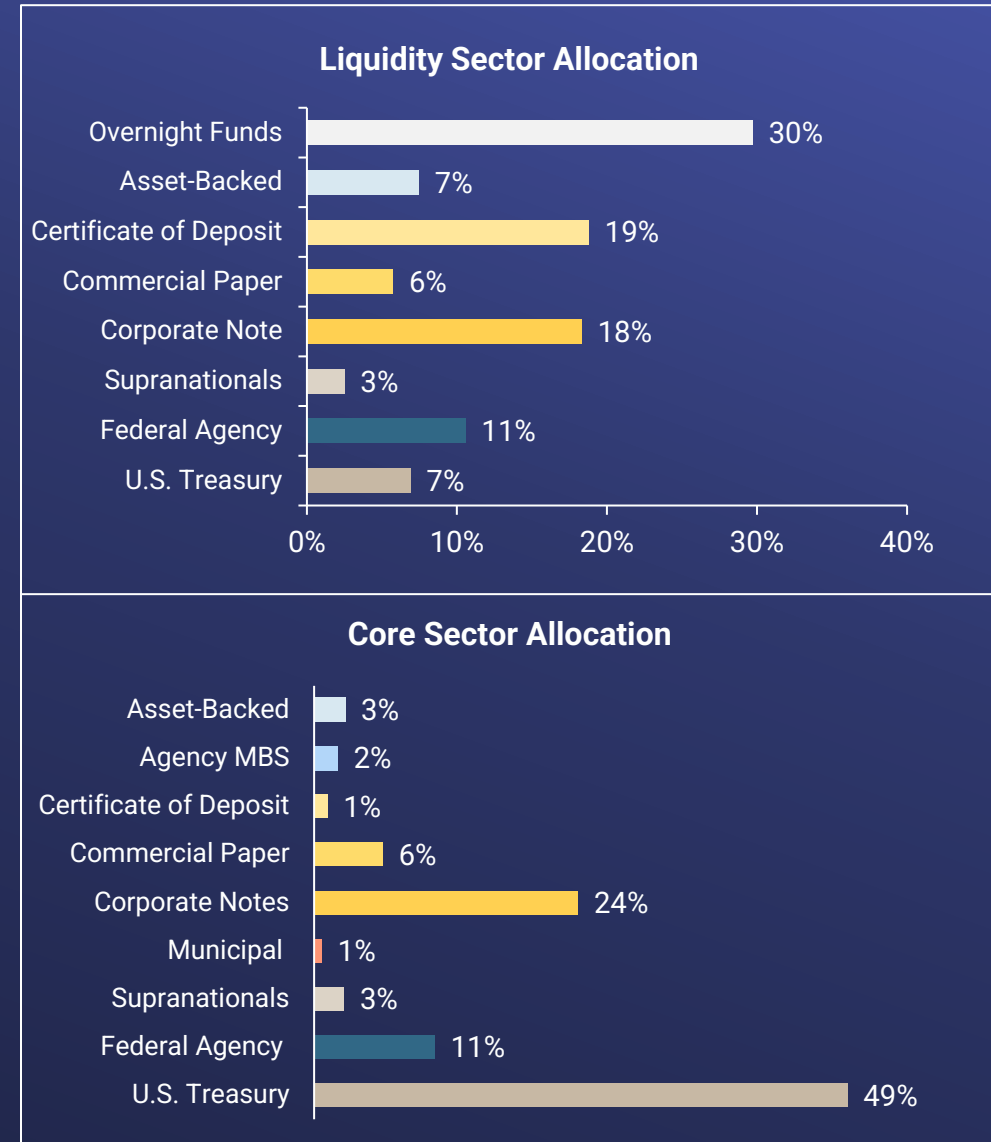
Overview of Portfolio as of January 31, 2023

Portfolio Statistics		
Portfolio	Liquidity ^{1,2}	Core
Market Value	\$932,180,388	\$293,613,215
Duration	0.36 Years	1.96 Years
Average Yield at Cost	3.41%	2.34%
Average Yield at Market	4.39%	4.32%

1. Includes CAMP, LAIF, and Dreyfus money market fund balances (Overnight Funds) as of 1/31/23.

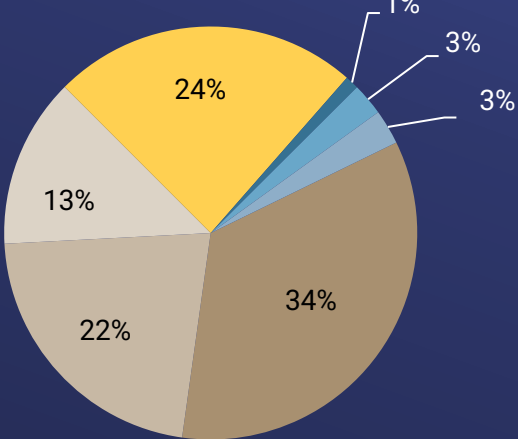
Excludes accrued interest.

2. Yields are a weighted average of the CAMP 7-day yield, LAIF quarterly apportionment rate, and MWDSC's Liquidity portfolio yield for January 2023.

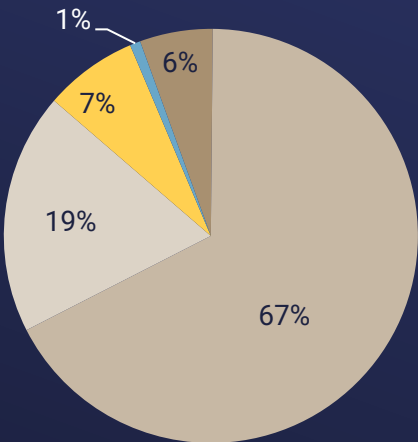


Overview of Portfolios as of January 31, 2023

Credit Quality^{1,2}

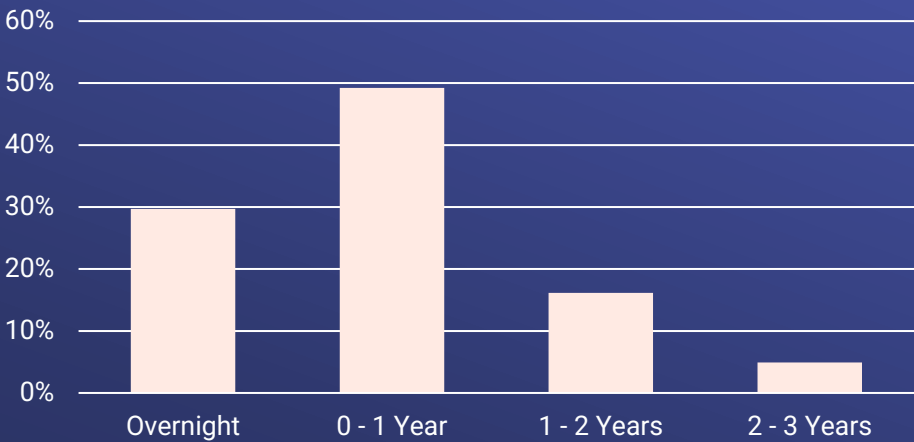


Credit Quality²



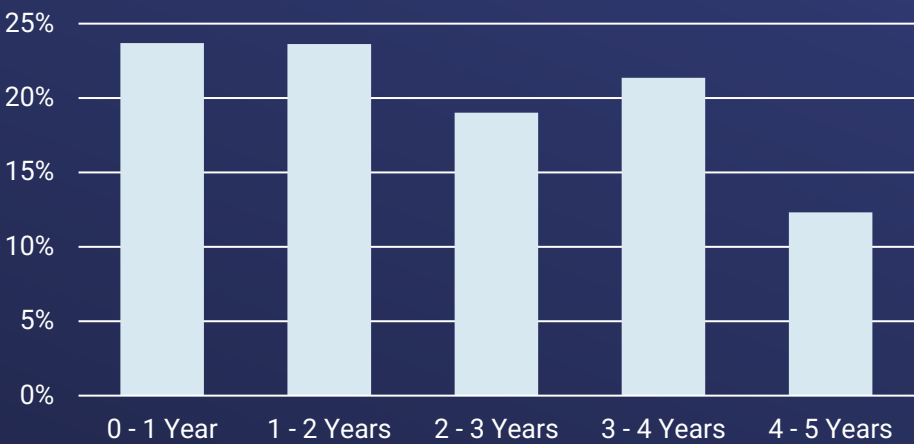
Liquidity Portfolio

Maturity Distribution¹



Core Portfolio

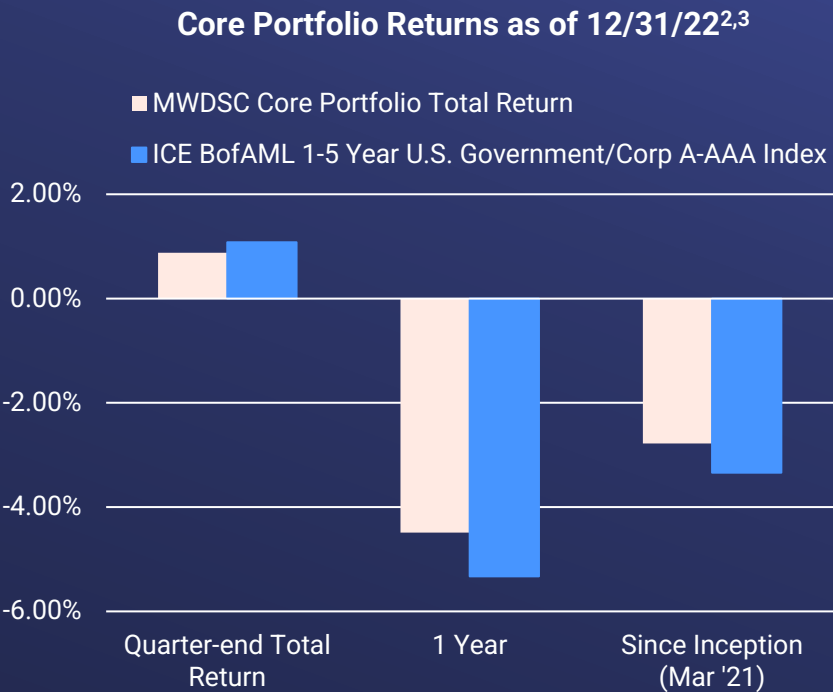
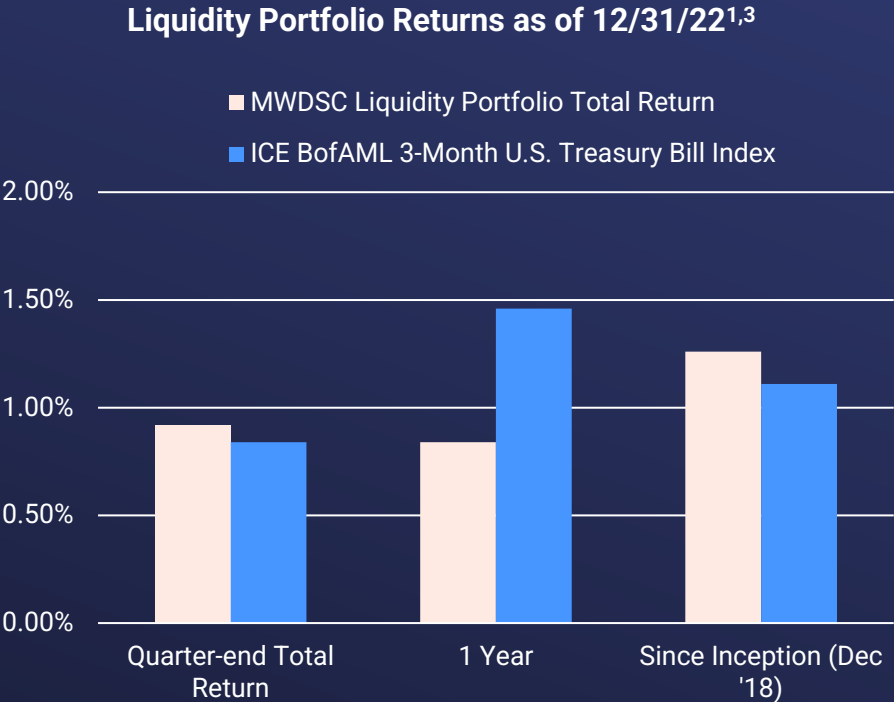
Maturity Distribution



1. Includes CAMP, LAIF, and money market fund balances (Overnight).
2. Credit Ratings are Standard and Poor's .

Investment Strategy and Returns

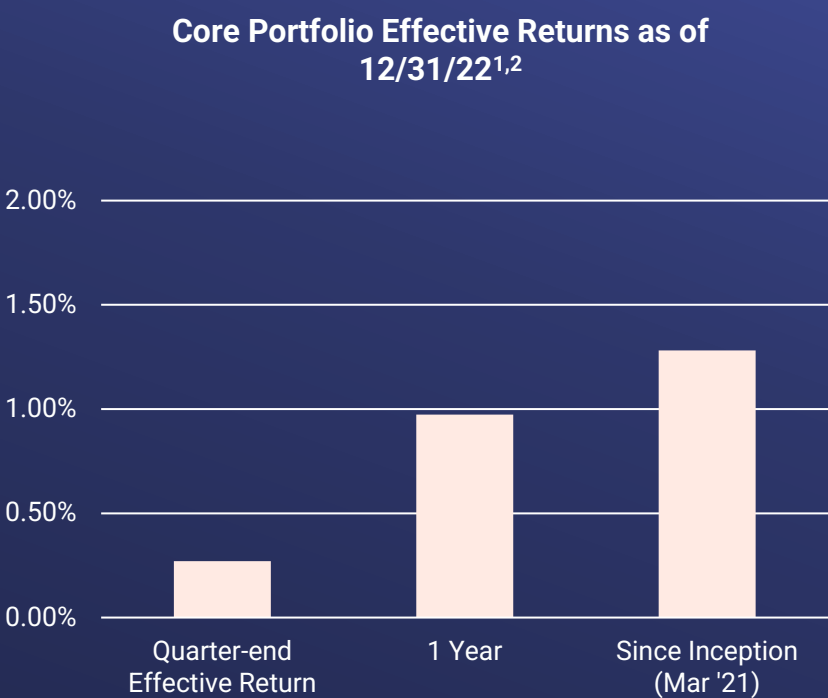
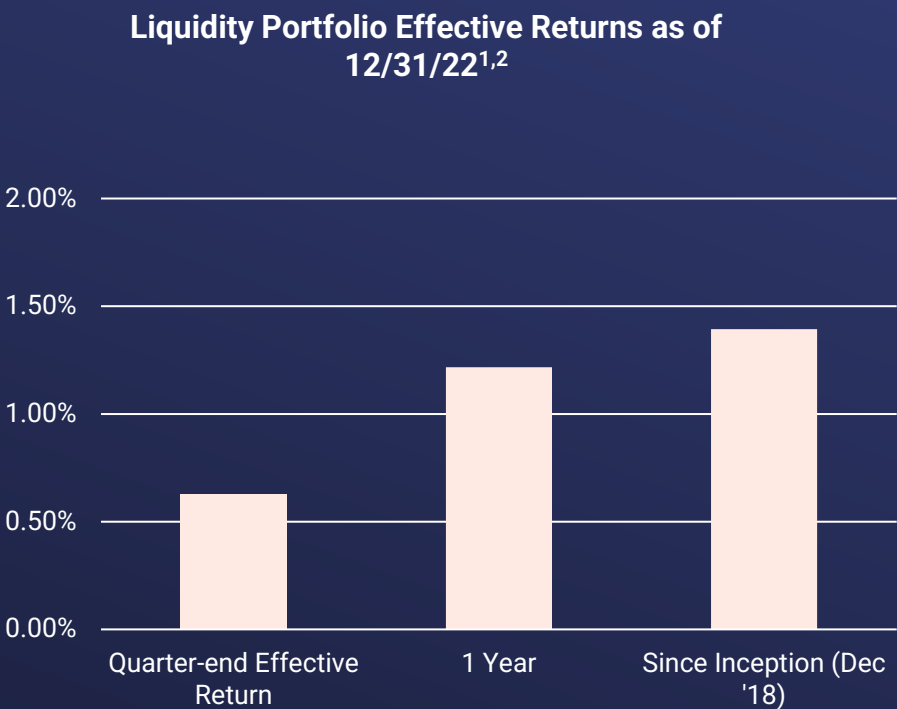
- Maintain ample liquidity through continued communication with District
- Manage duration modestly defensive relative to each portfolio’s benchmark duration
- Diversify broadly to safely generate incremental earnings
- Seek opportunities to prudently enhance earnings while maintaining safety and liquidity



1. Returns represent only the PFMAM-managed Liquidity Portfolio. Returns are gross of investment advisor fee.
2. Returns represent only the PFMAM-managed Core Portfolio. Returns are gross of investment advisor fee.
3. Returns for periods one year or less are represented on a periodic basis. Returns for periods greater than one year are represented on an annualized basis.

Investment Strategy and Returns Continued

- Effective Return reflects actual gains and losses incurred.
- Effective return for the last quarter was 0.63% for the liquidity portfolio and 0.27% for the core portfolio



1. These returns are not a representation of actual portfolio performance. The performance calculation does not incorporate changes in cash balances and historic forward settling trades.

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

Earnings Projection: FY 2022-2023 & FY 2023-2024

	Liquidity Portfolio	Core Portfolio
FY 2022-2023	\$18,681,715	\$4,435,275
FY 2023-2024	\$25,617,948	\$8,447,499

1. Actual accrual earnings (July 2022 – January 2023) include realized gains/losses on an amortized cost basis.
2. Projected earnings are based on the portfolio balance as of January 31, 2023, which assumes maintaining a constant balance over time.
3. Liquidity Portfolio reinvestment rates based on 6-Month Treasury Forward Rate Curve as of February 8, 2023.
4. Core Portfolio reinvestment rates based on the 2-year Treasury Forward Rate Curve as of February 8, 2023.
5. Projected earnings assume no sales or realized gains/losses.

Disclosure

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Questions

