



July 25, 2017

MEMO TO: INSURANCE FUND CHAIRMAN FERNANDEZ

FROM: PATRICK J. DEBLASIO, CPA, CMFO, CGFM, -FUND TREASURER

Please be advised that the following is an update of the status of the Public Entity Joint Insurance Fund:

		<u>May</u> <u>2017</u>	<u>June</u> <u>2017</u>
Beginning Cash Balance	Operating Account-Bank of America	\$ 132,721.31	\$ 23,864.20
	Claims Fiduciary Account-Bank of America	879.63	4,082.94
	Claims-TD Bank	9,466.19	9,299.88
	Custodial-Investments	79,917.40	246,729.90
	Total Balance	<u>\$ 222,984.53</u>	<u>\$ 283,976.92</u>
Receipts:			
	Operating Account-Bank of America	\$ 216,181.22	\$ 829,336.80
	D&H Claims Fiduciary Account-Bank of America	287,789.09	251,062.42
	Claims-TD Bank	21,132.88	512.62
	Custodial-Deposits and Interest Income	216,812.50	1,406.25
Total Receipts		<u>\$ 741,915.69</u>	<u>\$ 1,082,318.09</u>
Disbursements:			
	Operating Account-Bank of America	\$ (325,038.33)	\$ (263,293.19)
	D&H Claims Fiduciary Account-Bank of America	(284,585.78)	(314,879.15)
	Claims-TD Bank	(21,299.19)	(681.92)
	Custodial-Investments	(50,000.00)	(240,000.00)
Total Disbursements		<u>\$ (680,923.30)</u>	<u>\$ (818,854.26)</u>
Ending Cash Balance	Operating Account-Bank of America	\$ 23,864.20	\$ 589,907.81
	Claims Fiduciary Account-Bank of America	4,082.94	(59,733.79)
	Claims-TD Bank	9,299.88	9,130.58
	Custodial-Investments	246,729.90	8,136.15
Total Cash Account Balance		<u>\$ 283,976.92</u>	<u>\$ 547,440.75</u>
Beginning Investment Balance		\$ 4,314,675.40	\$ 4,100,425.78
Change in Accrued Income		(3,745.91)	1,454.80
Change in Unrealized gain		(576.82)	(838.10)
Income Received		6,812.50	1,406.25
Realized Gain/Loss		73.12	
Transfer to/From Custodial Account		(216,812.51)	(1,406.25)
Total Investment Account		<u>\$ 4,100,425.78</u>	<u>\$ 4,101,042.48</u>
Ending Cash and Investment Balance		<u>\$ 4,384,402.70</u>	<u>\$ 4,648,483.23</u>



BANK RECONCILIATION

ACCT.NAME Bank of America
BANK/ACCT# Claims/Operating Account - XXXXXX
From To
DATE 06/01/17 06/30/17

BOOK BALANCE AS OF	06/01/17 \$	23,864.20
ADD DEPOSITS (PER BANK LEDGER)		829,336.80
SUBTRACT:DISBURSEMENTS(PER BANK LEDGER)		263,293.19
BOOK BALANCE AS OF	06/30/17 \$	589,907.81
BALANCE PER BANK STATEMENT	06/30/17	\$590,907.81

ADD: DEPOSIT IN TRANSIT
DATE AMOUNT

TOTAL 0.00 0.00

SUBTRACT: CHECKS OUTSTANDING

DATE	CHECK#	AMOUNT
6/122017	419	1,000.00

TOTAL 1,000.00 (1,000.00)

LIST ITEMS IN LEDGER NOT ON STATEMENT

DATE AMOUNT

TOTAL \$ - 0.00

LIST ITEMS ON STATEMENT NOT IN LEDGER

DATE AMOUNT

TOTAL - 0.00

ADJUSTED BANK BALANCE(BOOK BAL)AS OF 06/30/17 589,907.81

Difference 0.00

PREPARED BY Patrick J. DeBlasio, CPA REVIEWED BY Mary Foulks, CPA



BANK RECONCILIATION

	ACCT.NAME	TD Bank	
	BANK/ACCT#	Claims Acct -XXXXXXXXX	
	DATE	From	To
BOOK BALANCE AS OF	06/01/17	\$	9,299.88
ADD DEPOSITS (PER BANK LEDGER)			512.62
SUBTRACT:DISBURSEMENTS(PER BANK LEDGER)			681.92
BOOK BALANCE AS OF	06/30/17	\$	9,130.58
BALANCE PER BANK STATEMENT	06/30/17		\$9,130.58
ADD: DEPOSIT IN TRANSIT			
DATE	AMOUNT		
1/31/2017			
	TOTAL	0.00	0.00
SUBTRACT: CHECKS OUTSTANDING			
DATE	CHECK#	AMOUNT	
Various	list		
	TOTAL	0.00	0.00
LIST ITEMS IN LEDGER NOT ON STATEMENT			
DATE	AMOUNT		
	TOTAL	\$ -	0.00
LIST ITEMS ON STATEMENT NOT IN LEDGER			
DATE	AMOUNT		
	TOTAL	-	0.00
ADJUSTED BANK BALANCE(BOOK BAL)AS OF	06/30/17		9,130.58
		Difference	0.00

PREPARED BY Patrick J. DeBlasio, CPA REVIEWED BY Mary Foulks



**Public Entity Joint Insurance Fund
Statement of Operations By Fund Year
As of June 30, 2017**

	YTD 2017	Year Ended 2016	Year Ended 2015	Year Ended 2014	Fund Balance
Underwriting Income	3,388,484	6,196,152	5,732,599	3,943,511	19,260,745
Loss Contingency Fund	78,086.84	151,814	131,528	69,398	430,827
Underwriting Income	3,466,570	6,347,966	5,864,126	4,012,909	19,691,572
Claim Expenses					
Losses	585,186	1,045,973	2,913,884	1,677,677	6,222,720
Loss Adjustment Expenses	84,747	147,296	756,226	104,767	1,093,036
IBNR	779,936	1,281,307	221,524	683,560	2,966,327
EPL Deductible & Co-Insurance	(5,500)	-	(162,871)	(114,843)	(283,213)
Excess Recoveries	(152,491)	(341,237)	(728,763)	-	(1,222,491)
WC	-	-	(407,122)	-	(407,122)
GL	-	-	(38,300)	-	(38,300)
LEL	-	-	-	-	-
AL	-	-	-	-	-
Property	(152,491)	(341,237)	-	-	(493,728)
EPL/POL	-	-	(283,341)	-	(283,341)
Corridor Retention Endorsement	-	-	-	-	-
All Lines Aggregate Stop	-	-	-	-	-
Total Claim Expense	1,291,878	2,133,340	3,000,000	2,351,161	8,776,379
Expenses					
Excess Premiums	1,388,275	2,618,761	2,424,689	1,538,932	7,970,656
General Administrative Expenses	882,376	1,536,294	1,469,005	1,005,562	4,893,237
Total Expenses	2,270,651	4,155,055	3,893,693	2,544,494	12,863,893
Underwriting Profit/(Loss)	(95,958)	59,572	(1,029,567)	(882,746)	(1,948,700)
Net Realized/Unrealized Gains/(Losses)	(1,216)	650	(5,416)	(5,703)	(11,685)
Interest Income	4,512	20,744	12,312	13,296	50,863
Net Investment Income	3,296	21,394	6,896	7,592	39,178
Statutory Surplus (Deficit)	(92,662)	80,965	(1,022,671)	(875,154)	(1,909,521)
at 12/31/2016	-	75,258	(1,023,659)	(877,014)	(1,825,414)
Variance	(92,662)	5,707	988	1,860	(84,107)
at Previous Month	(82,682)	80,111	(1,022,719)	(875,344)	(1,900,635)
Variance	(9,979)	854	49	190	(8,886)

Note 1 : Ultimate losses based upon the 2016 year-end reserve study.

Note 2: Fund years 2014-2017 include an aggregate stop loss protection to cap losses at \$2.7m in 2014, \$3.0m in 2015, \$2.897 in 2016, and \$3.175M in 2017.

Overall Statistics

Total Members	8	8	7	6	
Total Claims	593	1,198	1,338	917	4,046
Total Open Claims	244	195	164	78	681
Total Case Reserve Per Claim	1,288	1,821	6,856	9,970	3,776
Net Loss Ratio**	44.6%	44.7%	176.5%	117.2%	98.6%

* 2016 year data is annualized based on current trends

** Net loss ratios exclusive of IBNR.



RESOLUTION NO. 24-17

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter the “FUND”)

APPROVING CERTAIN DISBURSEMENTS

WHEREAS, the Bylaws of the FUND require that the Board of Commissioners approve all disbursements by a majority vote, and

WHEREAS, the attached bill of items sets forth certain bills or demands for monies;

NOW, THEREFORE BE IT RESOLVED, by the FUND’s Board of Fund Commissioners that the attached bill of items totaling **\$511,944.37** is approved for payment.

Adopted: *this day by the Board of Fund Commissioners*

Chairman

Date

July 25, 2017

Secretary

Date

July 25, 2017

JULY 25 2017- PEJIF Commissioners Meeting Bills List

Date: 07.01.17
Bills List #: 40



<u>PAY TO</u>	<u>DESCRIPTION</u>	<u>Check #/WT</u>	<u>Invoice Amt.</u>
Patrick DeBlasio	Fund Treasurer July 2017	#422	\$ 500.00
The Star Ledger	Legal Ad Star Ledger - posting of meeting June 2017	#423	\$ 21.70
Princeton Public Affairs	Govenmental Affairs July 2017	#424	\$ 416.67
EANJ	inv#1774 Roselle Police Dept. training workplace - Harassment, Prof. & Ethics \$620 and inv#1778 Avoiding Inap. Behaviour - City of Passaic \$2,090	#425	\$ 2,750.00
Fairview Insurance	2nd and final Risk Manager fee for City of Orange	#426	\$ 19,724.00
Scirocco Financial Group	2nd and final Risk Manager fee for West New York	#427	\$ 18,911.50
Prime Advisors	inv#7754 Investment Advisor fee	#428	\$ 1,025.00
Pringle Quinn Anzano	inv#40979 Fund Attorney	#429	\$ 496.00
AON Risk Consultants	12/31/16 Reserve Study Invoice K68-0003148	#430	\$ 8,000.00
Total in Checks \$51,844.87			
<u>WIRE TRANSFERS/ACH</u>		ACH	
NIP Management	PEJIF Meeting Room for July 2017 \$150; Catering Café on Nine \$283.50	ACH	\$ 433.50
NIP Management	Loss Control Fee	ACH	\$ 32,983.00
NIP Management	Claims Management Fee	ACH	\$ 65,300.00
NIP Management	TPA Fee	ACH	\$ 110,977.00
NIP Management	Risk Control Fee	ACH	\$ 62,500.00
NIP Management	Admin Fee	ACH	\$ 187,906.00
Total Payments to NIP Management \$460,099.50			
<u>BGIA Payments</u>			
BGIA		ACH	
BGIA		ACH	
Total BGIA \$			
Total			\$ 511,944.37

RESOLUTION NO. 25-17

PUBLIC ENTITY JOINT INSURANCE FUND
(Hereinafter referred to as the "FUND")

APPROVING CLAIMS PAYMENTS

BE IT RESOLVED by the Board of Fund Commissioners of the Public Entity Joint Insurance Fund, that confirmation and authorization approval is made in issuance of the attached claims payments totaling **\$919,678.09** against the fund.

ADOPTED: *this day before the Board of Fund Commissioners:*

Chairman

Date

July 25, 2017

Secretary

Date

July 25, 2017



PEJIF MONTHLY PAYMENTS		
YEAR MONTH	2017 June	
<i>D&H</i>	Amount	Comments
PASSAIC		
WC	\$ 105,676.84	
LIABILITY, PROP & APD	\$ 35,148.68	
<i>D&H</i>		
PERTH AMBOY		
WC	\$ 54,136.68	
LIABILITY & PROP	\$ 234,005.88	
<i>CRC</i>		
PLAINFIELD		
WC	\$ 70,407.53	
LIABILITY & PROP	\$ 84,974.43	
<i>D&H</i>		
WNY		
WC	\$ 32,129.60	
LIABILITY & PROP	\$ 63,966.03	
<i>NIP & D&H</i>		
Roselle		
WC	\$ 63,799.64	
Liability & Prop	\$ -	
<i>NIP & CRC</i>		
East Orange		
WC	\$ 80,445.27	
Liability & Prop	\$ 39,992.99	
<i>D&H</i>		
Teaneck		
WC	\$ 54,688.22	
Liability & Prop	\$ 306.30	
PEJIF Total for the month	\$ 919,678.09	

RESOLUTION NO. 26-17

PUBLIC ENTITY JOINT INSURANCE FUND

**IN RECOGNITION AND APPRECIATION OF DISTINGUISHED SERVICE
BY EARL MILLER**

WHEREAS, Earl Miller served as Executive Director of the Public Entity Joint Insurance Fund (hereinafter referred to as the “FUND”) from its inception in 2014 to 2015; and

WHEREAS, Earl Miller served as Advisor to the FUND’s Administrator from 2015 to 2017; and

WHEREAS, Earl Miller was instrumental in the formation and development of the FUND; and

WHEREAS, Membership in the FUND under Earl Miller’s tenure increased from four founding members in 2014, to seven members in 2015; and

WHEREAS, Earl Miller has served the FUND with outstanding leadership, professionalism and dignity; and

WHEREAS, Earl Miller’s service at the FUND has been exemplary to all the Commissioners, Professionals and Service Organizations and related representatives;

NOW, THEREFORE, BE IT RESOLVED by the Board of Fund Commissioners of the Public Entity Joint Insurance Fund, that the FUND recognizes Earl Miller for his outstanding service to the FUND, to his community and the State of New Jersey; and

BE IT FURTHER RESOLVED that Earl Miller be commended and congratulated on his public service and his upcoming retirement; and

BE IT FURTHER RESOLVED that a copy of this resolution be spread upon the minutes of the FUND on this date of its adoption entered below.

ADOPTED: *this day before the Board of Fund Commissioners:*

Chairman

Date

July 25th, 2017

Secretary

Date

July 25th, 2017



Quarterly Investment Report

As of 6/30/2017



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Executive Summary

TRANSACTIONS:

Action	Total	Comments	Average Tax-Equivalent Yield
Sales, Calls, and Maturities	\$435,000	Proceeds reflect the maturities of two Treasury positions over the second quarter.	0.62%
Purchases	\$135,084	Reinvestments in the account have been on hold since May to provide cash for operating purposes. When funds are available, we continued to build on the 1-2 year laddered strategy for the portfolio in highly liquid assets. Overall, given the short nature of the portfolio Fed rate hikes have been helpful in improving the portfolio book yield. Reinvestments of proceeds were executed at 59 basis points higher than maturing bonds. As a result, overall portfolio book yield improved 7 basis points to 0.83%.	1.21%

PORTFOLIO STATISTICS:

Quarter Ending:	03/31/2017	06/30/2017
Tax-Equivalent Book Yield	0.76%	0.83%
Book Value	\$4,640,126	\$4,108,853
Projected Tax-Equivalent Annual Income	\$35,217	\$34,165
Unrealized Gain	-\$5,916	-\$7,863
YTD Realized Gain	\$0	\$0
Portfolio Duration	0.75	0.64
Average Credit Quality	AAA	AAA

PORTFOLIO ALLOCATION:

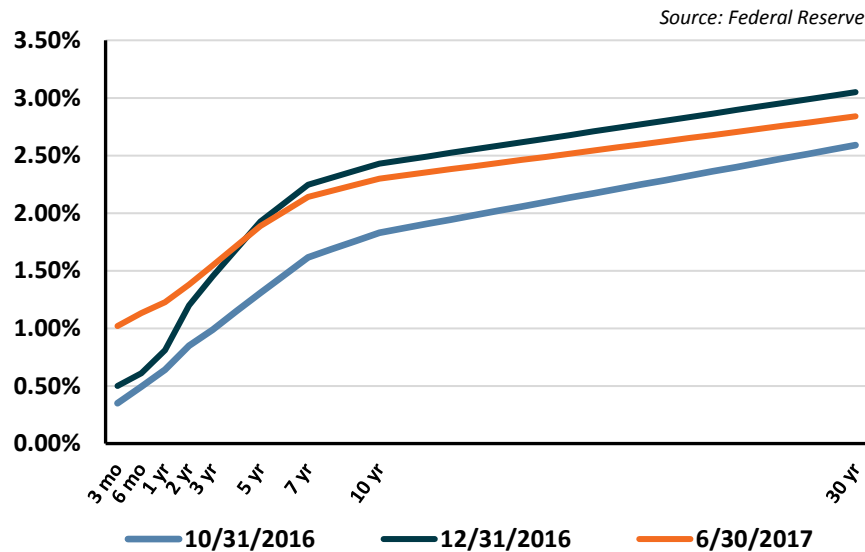
Sector	03/31/2017	06/30/2017
Treasury	95%	100%
Agency	0%	0%
Credit	0%	0%
Exempt Muni	0%	0%
Taxable Muni	0%	0%
MPT	0%	0%
CMO	0%	0%
ABS	0%	0%
CMBS	0%	0%
Short-Term	5%	0%

PERFORMANCE:

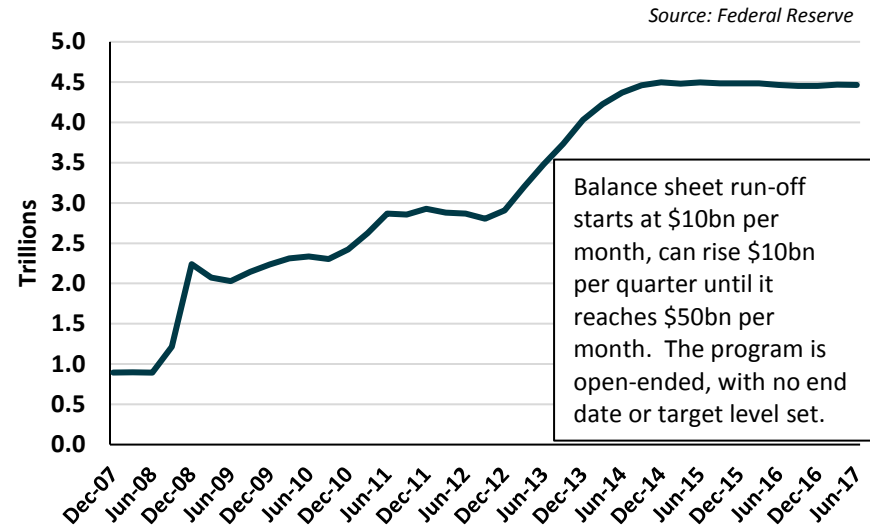
Tax-equivalent Performance	Portfolio	Target/Benchmark	Difference
YTD Booked Income	\$15,584	\$13,967	\$1,617
QTD Total Return	0.16%	0.16%	0.00%
YTD Total Return	0.31%	0.32%	-0.01%

Economic Outlook

Treasury Yield Curves



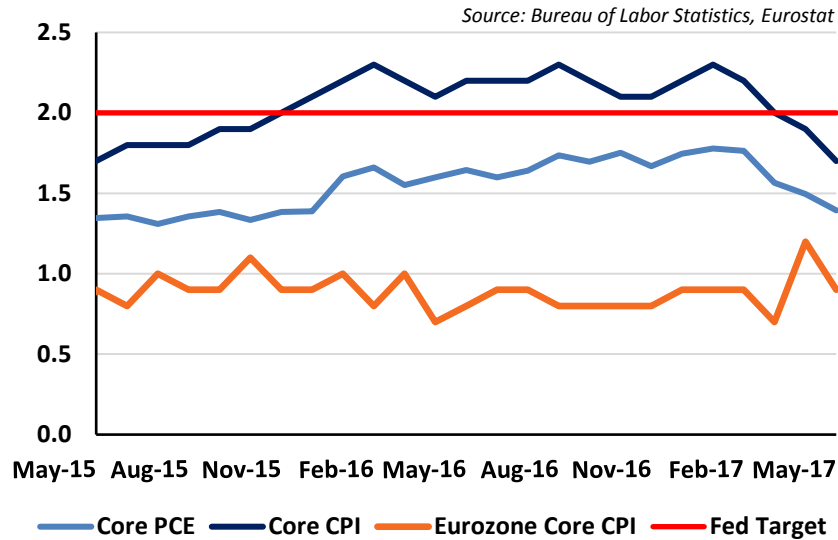
Federal Reserve's Balance Sheet



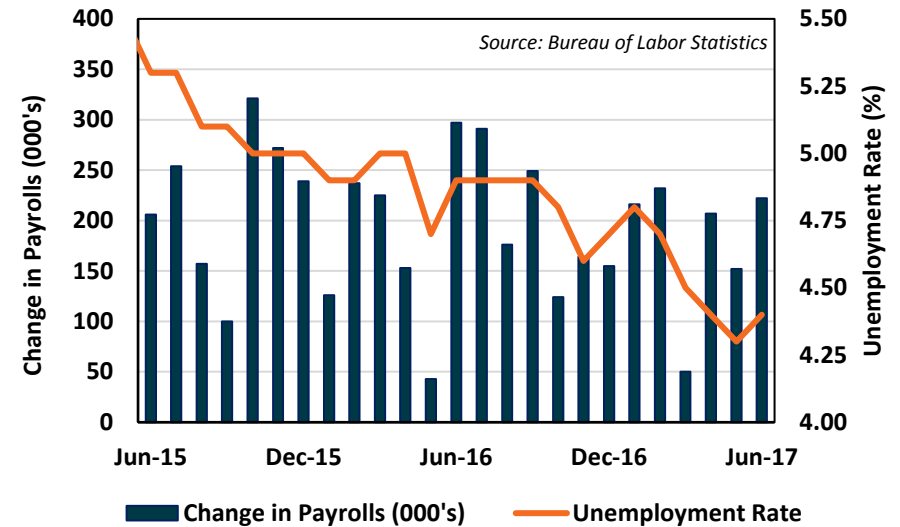
- Bond yields continued to grind tighter during the second quarter, as the market questioned the newly elected administrations ability to boost growth quickly through spending and deficits
 - Slowed by the political process, infighting and controversy, there is growing concern that little to no new policies will be put into effect this year
 - The inability to execute large scale changes has eased post-election inflationary fears, bringing buyers back into the bond market
- Over the quarter, the Treasury yield curve flattened as yields inside 3 years rose on anticipation of increased Fed activity, while yields greater than 5 years declined on reduced long-term inflation concerns
 - 10 year Treasury bond yield fell 9 basis points moving from 2.39% to 2.30%
- Since the election, the Federal Reserve has remained hawkish even in the face of softening inflation
 - Fed raised rates twice this year and signaled their intention for a third hike in 2017
- With rate increases underway, the Fed also presented a plan at the June meeting to begin reducing their balance sheet holdings of Treasuries and agency mortgage-backed securities
 - Markets anticipates this plan to be initiated before year-end

Economic Outlook

Inflation



Employment



Inflation

- Inflation reports for both the U.S. and Eurozone reflected the difficulty each Central Bank is having in achieving their inflation targets of 2%
- Current U.S. Core PCE is 1.4%, year over year, a low not experienced since December 2015
 - Core CPI inflation released earlier in the month was 1.7% reflecting the same downward trend
 - Eurozone core inflation has also remained well below targets at 1.1%
- While the Fed remains hawkish discounting slowdown as transitory, Eurozone economic numbers have eased recent pressures on the ECB to end its stimulus program
- Fed officials believe a slowdown in inflation in Q2 should prove transitory, however softening inflation numbers could raise concern over the pace of hikes in coming months

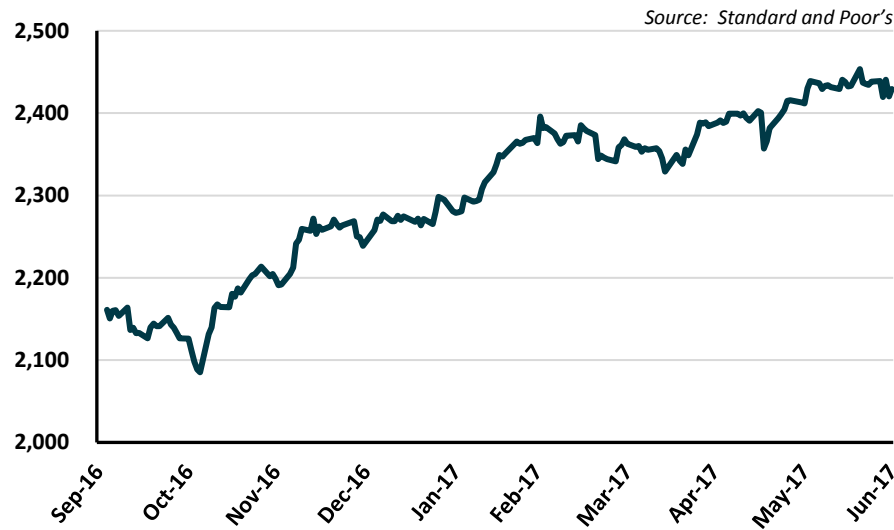
Employment

- Monthly job growth continues to be positive with the unemployment rate at 4.4%
 - With wage inflation relatively contained, the Fed has flexibility in deciding course of action and pace of rate hikes

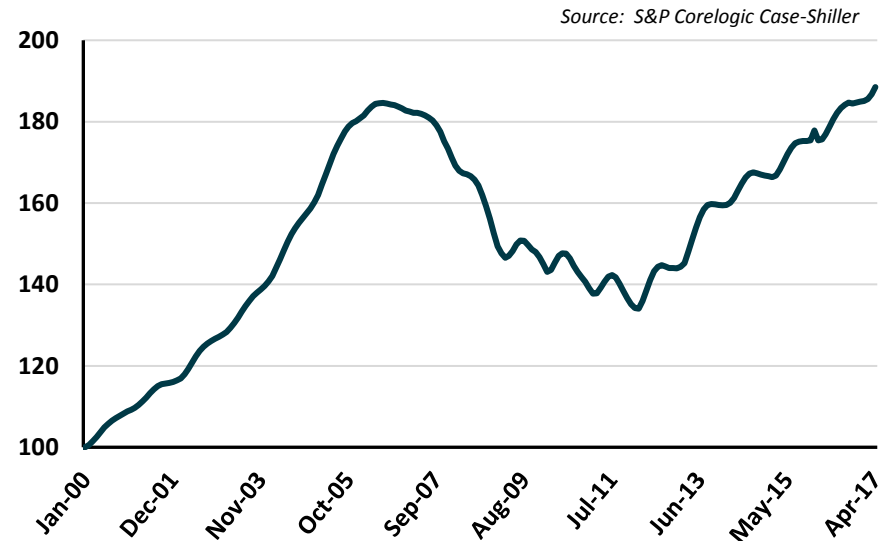
Economic Outlook

Equity and Housing Markets

S&P 500 Index



National Home Price Index



Equities

- Equity markets continued to reach new highs as the expectation of corporate tax rate change and reduced regulation remains in play
- Both the S&P and Dow have gained over 8% this year, led by the technology sector which has increased over 16%

Housing

- U.S. housing market continues to benefit from the low interest environment
 - As of April, eight major cities are now trading above peaks reached back in 2006-2007, including: San Francisco, Seattle, Portland, Boston, Denver, Dallas, Charlotte and Atlanta
 - Four cities that led the nation in pricing in 2006 (Los Angeles, Miami, Washington, and San Diego) have rebounded, but not back to previous peaks
- Longer term, cities such as Cleveland and Detroit have experience less than 15% growth in home prices since tracking began in January 2000

Economic Outlook

Corporates

Corporate spreads rallied nine basis points on the quarter as the markets grew more comfortable buying bonds with the lack of policy changes implemented by the U.S. Government. The rally occurred despite an onslaught of supply marked by the third highest month of new issuance in May. Strong demand for investment grade corporate bonds continued to absorb supply which pushed credit spreads to new cycle lows ending the quarter at +109bps.

The 9bps of corporate spread tightening was distributed fairly even among sectors and ratings, except for utilities and AA-rated bonds which tightened only 6bps and 5bps, respectively. Financials and BBBs tightened the most as all of the large U.S. financials passed their annual stress tests. The spread between lower rated BBBs and higher rated A to AAA bonds tightened in the past year so we believe that investors are not being paid to take the additional risk involved with low BBB-rated bonds.

Option Adjusted Corporate Spreads in Basis Points*							
Index Sector	10 year Tights				2Q17 Change	Year to Year Change	Difference from 10yr Tights
	12/31/06	06/30/16	03/31/17	06/30/17			
Aggregate Index	38	55	44	43	-1	-12	5
Corporates	88	156	118	109	-9	-47	21
Industrials	102	159	121	112	-9	-47	10
Utilities	102	142	116	110	-6	-32	8
Financials	69	152	113	103	-10	-49	34
AAA	53	87	73	65	-8	-22	12
AA	58	87	71	66	-5	-21	8
A	86	123	96	87	-9	-36	1
BBB	122	200	147	137	-10	-63	15

*Data from Bloomberg Barclays US Aggregate Bond Index as of 06/30/17

Spreads are edging closer to the 10 year tight levels, increasing the probability of widening from here. Potential widening is supported by expectations for tighter monetary policy via higher rates and reversal of quantitative easing. Given the risk of a corporate sell-off, we continue

with our “up in credit quality” stance. Given BBBs make up the largest percentage (49%) of the investment grade index, we will invest in higher quality BBB names, specifically those with more stable cash flows. Success will depend on specific names owned versus those not owned as leveraging events continue for share buybacks or mergers and acquisitions for individual names within various sectors.

Mortgage and Asset Backed Securities (MBS and ABS)

Mortgage performance was fairly range bound for the quarter, modestly underperforming Treasuries. GNMA MBS was the primary driver of the underperformance due to decreased foreign sponsorship as the spreads between domestic and global rates tightened and hedging costs increased.

One of the most widely telegraphed headline events affecting the mortgage market over the second quarter was enhanced clarity on tapering of the Federal Reserve’s MBS reinvestment program. The Fed intends to reduce paydown reinvestments by a maximum of \$4bn per month, which will subsequently increase by \$4bn every quarter until it reaches \$20bn. While the timing remains unknown, forecasts are clustered between 4Q17 to 1Q18.

Supply of agency MBS steadily rose over the second quarter to \$300bn gross and \$33bn net, bringing YTD totals to \$622bn and \$132bn, respectively. Supply was met by bank demand which increased \$10bn from Q1. Additionally, money managers continued to add with increased inflows while foreign buyers were net purchases for the first time this year.

Prime has maintained a modest underweight as we see the potential for spread widening once the Fed’s sponsorship declines and increased net

Economic Outlook

supply will need to be absorbed. Our focus in residential mortgages remains in agency-backed products only.

Shorter duration securitized products have been well bid over the last 18mo as the market sees value in limiting their duration bets. We don't see this dynamic shifting and as such find value in the 2-3yr AAA Credit Card ABS space which is exhibiting historically high fundamental metrics. Similarly, we see opportunity in the lower coupon 10yr MBS space which has much lower prepay risk to longer maturity pools. Both Credit Card ABS and 10yr MBS pools provide attractive yields and spreads relative to Agency Debentures and Treasuries.

Municipals

Tax-exempt municipals continued to outperform into the second quarter of 2017. According to Bloomberg Barclays Index Data, the Municipal Bond Index has returned 1.96% over the quarter, providing an excess return of 1.11% over Treasuries. Primary market supply remained muted during the quarter helping drive performance. Net inflows into municipal bond funds this year of roughly \$5.8 billion also contributed to positive performance. Year-to-date, tax-exempts have returned 3.57%.

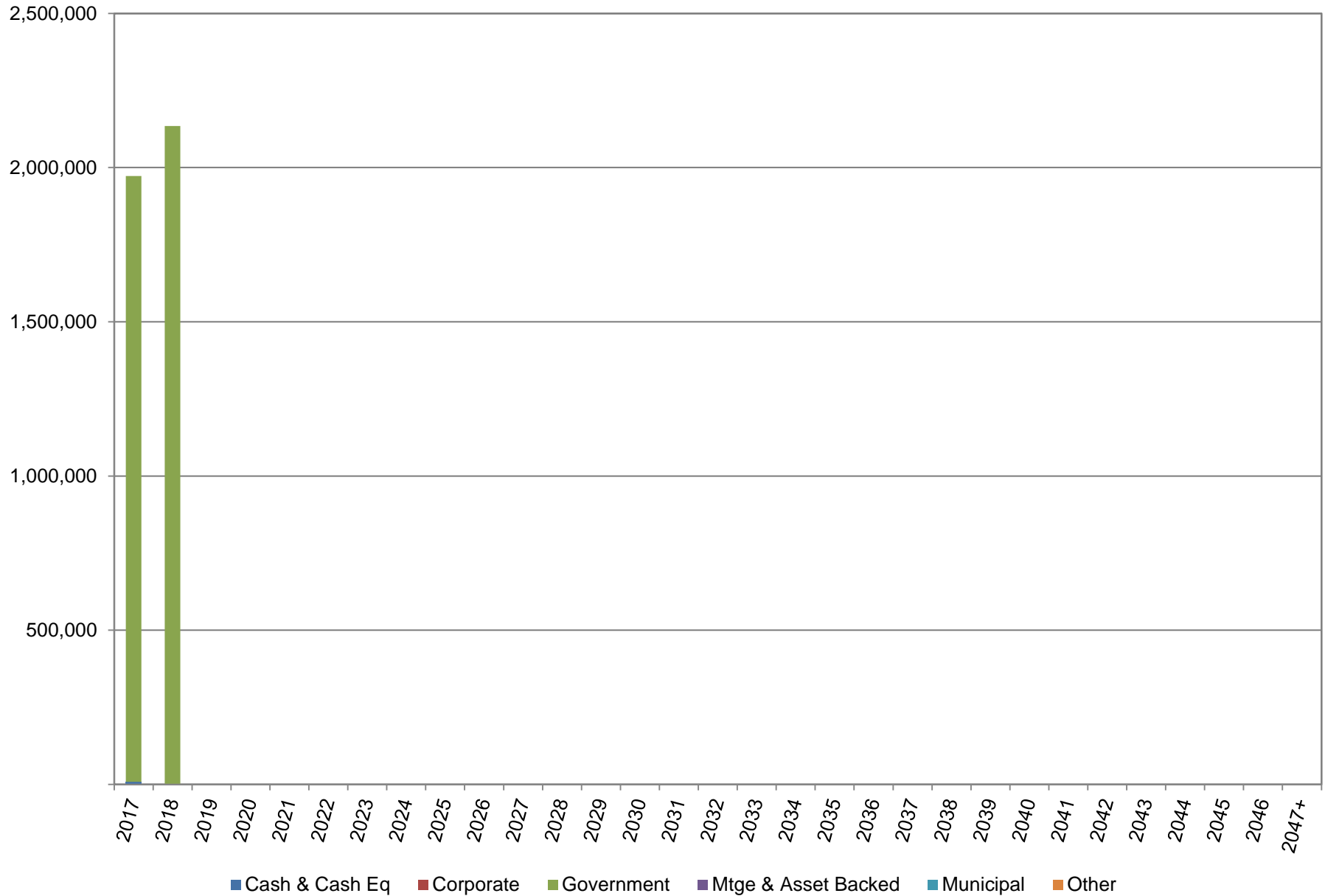
The Federal Reserve raising the Fed Funds Target rate in early June pressured short-term interest rates, including tax-exempt municipal yields. According to Municipal Market Data, 2-year, AAA pre-tax yields rose 3 basis points finishing the quarter at 1.06%. At the same time, 5-year, AAA yields fell 21 basis points finishing the quarter 1.35%, with both 10- and 30-year yields falling 24 basis points to finish the quarter at 1.99% and 2.79%, respectively.

As we head into the third quarter, Prime remains somewhat cautious on the municipal sector as pre-tax municipal yields as a percentage of Treasury yields are on the tight side of fair value.

Portfolio Statistics

Security Type	Book Value	Market Value	Gain / (Loss)	Tax-Equivalent Book Yield	Tax-Equivalent Market Yield	Effective Duration	Convexity	Securities at Gain		Securities at Loss	
								#	Amount	#	Amount
Fixed Income											
Treasury	4,100,717	4,092,854	(7,863)	0.83	1.18	0.64	0.01	0	0	18	(7,863)
Agency	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Corporate	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Taxable Municipal	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Tax-exempt Municipal	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Mortgage Pass-	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
CMOs	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
ARMs	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Asset Backed	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
CMBS	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Other	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Total	4,100,717	4,092,854	(7,863)	0.83	1.18	0.64	0.01	0	0	18	(7,863)
Short Term											
Sweep Money Market	8,136	8,136	0	0.00	0.00	0.00	0.00	0	0	0	0
Commercial Paper	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
(Payable)/Receivable	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Total	8,136	8,136	0	0.00	0.00	0.00	0.00	0	0	0	0
Total Fixed Income & Short Term											
Total	4,108,853	4,100,990	(7,863)	0.83	1.18	0.64	0.01	0	0	18	(7,863)
Equity											
Common Stock	0	0	0					0	0	0	0
Total	0	0	0					0	0	0	0
Grand Total											
Total	4,108,853	4,100,990	(7,863)					0	0	18	(7,863)

Maturity Schedule By Weighted Average Life



Effective Maturity Schedule

Year	Book Value	Tax Equiv. Book Yield	% of Total Book Value
2017	1,964,946	0.69	48%
2018	2,135,771	0.97	52%
2019+	0	0.00	0%
Subtotal	4,100,717	0.83	100%
<i>(inc. ABS, Agcy, CMBS, Corp, Muni, UST)</i>			
MBS	0	0.00	0%
TOTAL	4,100,717	0.83	100%

Performance

**Tax-Equivalent Total Return
as of 06/30/2017
Inception Date: 08/01/2014**

	Prime	Benchmark	Difference
Quarter to Date	0.16%	0.16%	0.00%
Year to Date	0.31%	0.32%	-0.02%
Since Inception	0.44%	0.46%	-0.02%

Benchmark Composition:

100.0% PEJIF Duration Matched Treasury

Bond Purchases

Trade Date	Description	Security Type	S&P Rating	Moody's Rating	Coupon	Maturity Date	Call Date	Price	Cost	Pre-Tax Book Yield	Tax-Equivalent Book Yield
04/04/2017	US TREASURY N/B	Treasury	AA+	Aaa	1.250	11/15/2018	N/A	100.06	135,084	1.21	1.21
Total									135,084	1.21	1.21

Bond Sales, Calls & Maturities

Trade Date	Trade Type	Description	Security Type	S&P Rating	Moody's Rating	Coupon	Effective Maturity	Maturity Date	Price	Book Value	Realized Gain/(Loss)	Pre-Tax Book Yield	Tax-Equivalent Book Yield
04/15/2017	Maturity	US TREASURY	Treasury	AA+	Aaa	0.875	04/15/2017	04/15/2017	100.00	225,000	0	0.59	0.59
05/31/2017	Maturity	US TREASURY	Treasury	AA+	Aaa	0.625	05/31/2017	05/31/2017	100.00	210,000	0	0.64	0.64
Total										435,000	0	0.62	0.62

Appendix

Detailed Portfolio Report

Portfolio Holdings Report

Date Acquired	S&P Rating	Moody's Rating	Quantity	Description	Coupon	Effective Maturity	Maturity	Original Cost	Book Value	Market Value	Unrealized Gain/(Loss)	Book Yield	Market Yield	Effective Duration	Avg Life	Convexity
Money Market																
05/31/2017			8,136	BANK OF AMER/MERRILL	0.00			8,136	8,136	8,136	0	0.00	0.00	0.00	0.00	
			8,136					8,136	8,136	8,136	0	0.00	0.00	0.00	0.00	
Treasury																
07/29/2016	AA+	Aaa	190,000	US TREASURY N/B	0.88	08/15/2017	08/15/2017	190,520	190,062	189,975	(87)	0.61	0.97	0.12	0.12	0.00
06/30/2016	AA+	Aaa	100,000	US TREASURY N/B	0.75	04/15/2018	04/15/2018	100,293	100,130	99,613	(517)	0.59	1.24	0.78	0.79	0.00
02/27/2017	AA+	Aaa	250,000	US TREASURY N/B	1.00	08/15/2018	08/15/2018	249,941	249,955	249,170	(785)	1.02	1.30	1.11	1.12	0.02
04/04/2017	AA+	Aaa	135,000	US TREASURY N/B	1.25	11/15/2018	11/15/2018	135,084	135,072	134,845	(228)	1.21	1.33	1.36	1.37	0.03
04/01/2016	AA+	Aaa	200,000	US TREASURY N/B	0.75	01/31/2018	01/31/2018	199,969	199,990	199,508	(482)	0.76	1.17	0.58	0.59	0.01
03/06/2017	AA+	Aaa	250,000	US TREASURY N/B	1.38	09/30/2018	09/30/2018	250,654	250,523	250,170	(353)	1.21	1.32	1.23	1.25	0.02
09/10/2015	AA+	Aaa	200,000	US TREASURY N/B	0.63	08/31/2017	08/31/2017	199,563	199,963	199,872	(91)	0.74	1.00	0.17	0.17	-0.01
09/10/2015	AA+	Aaa	400,000	US TREASURY N/B	0.63	09/30/2017	09/30/2017	399,399	399,929	399,556	(373)	0.70	1.07	0.25	0.25	0.00
09/30/2015	AA+	Aaa	400,000	US TREASURY N/B	0.75	10/31/2017	10/31/2017	400,665	400,141	399,504	(637)	0.64	1.12	0.33	0.33	0.00
02/02/2016	AA+	Aaa	400,000	US TREASURY N/B	0.63	11/30/2017	11/30/2017	399,430	399,868	399,152	(716)	0.70	1.13	0.41	0.42	0.00
04/01/2016	AA+	Aaa	150,000	US TREASURY N/B	0.75	12/31/2017	12/31/2017	149,977	149,993	149,681	(313)	0.76	1.18	0.50	0.50	0.00
04/11/2016	AA+	Aaa	200,000	US TREASURY N/B	0.75	02/28/2018	02/28/2018	200,164	200,058	199,398	(660)	0.71	1.20	0.66	0.66	0.01
04/11/2016	AA+	Aaa	200,000	US TREASURY N/B	0.75	03/31/2018	03/31/2018	200,094	200,036	199,274	(762)	0.73	1.24	0.74	0.75	0.01
03/17/2017	AA+	Aaa	250,000	US TREASURY N/B	1.25	10/31/2018	10/31/2018	250,000	250,000	249,740	(260)	1.25	1.33	1.32	1.33	0.02
02/03/2017	AA+	Aaa	200,000	US TREASURY N/B	1.00	05/15/2018	05/15/2018	200,125	200,086	199,540	(546)	0.95	1.26	0.86	0.87	0.01
02/03/2017	AA+	Aaa	150,000	US TREASURY N/B	1.13	06/15/2018	06/15/2018	150,322	150,228	149,777	(452)	0.96	1.28	0.95	0.96	0.01
02/17/2017	AA+	Aaa	200,000	US TREASURY N/B	0.88	07/15/2018	07/15/2018	199,586	199,691	199,154	(537)	1.02	1.29	1.03	1.04	0.02
08/28/2015	AA+	Aaa	225,000	US TREASURY N/B	0.63	07/31/2017	07/31/2017	224,763	224,990	224,926	(64)	0.68	1.01	0.08	0.08	0.00
			4,100,000					4,100,551	4,100,717	4,092,854	(7,863)	0.83	1.18	0.64	0.65	0.01
			4,108,136					4,108,687	4,108,853	4,100,990	(7,863)	0.83	1.18	0.64	0.65	0.01

Glossary of Terms

Security Types	
Adjustable Rate Mortgage (ARM)	A mortgage in which the interest rate is changed at regular intervals to reflect fluctuations in market interest rates. Because the borrower takes some of the risk of rising interest rates, the initial rate may be lower than that on a fixed-rate mortgage. There are often limitations on the interest rate change from one period to the next, with a rate cap for the life of the loan.
Agency	A fixed income security issued by a government-sponsored agency, such as Ginnie Mae, Freddie Mac, or the Tennessee Valley Authority. Depending on the issuer, these bonds may or may not be backed by the full faith and credit of the U.S. government.
Asset-Backed Security (ABS)	A fixed income security backed by the cash flows from loans or leases. Auto loans, home equity loans, and credit card receivables are the most common assets backing these securities. Principal and interest payments made by borrowers are redirected to owners of ABS to meet the scheduled coupon and principal payments.
Collateralized Mortgage Obligation (CMO)	A security similar to a mortgage-pass through. In a CMO, the principal and interest received from borrowers is split into different classes called tranches. The structure of CMO payment tranches makes the timing of cash flows more certain for owners of some tranches and less certain for owners of other tranches. More uncertain tranches typically provide higher yields.
Commercial Mortgage-Backed Security (CMBS)	A fixed income security backed by the cash flows from commercial real estate mortgages. All principal and interest from the mortgages flow to bond holders in a defined sequence. Common types of real estate involved are apartment buildings, office and retail space, hotels, and health care facilities.
Corporate (Corp)	A fixed income security issued by a private corporation.
Mortgage Pass-Through (MPT)	A fixed income security backed by the cash flows from residential mortgages. Monthly principal and interest payments made by borrowers are redirected to owners of MPTs as they are received. Because borrowers may prepay their mortgages (perhaps due to refinancing or selling the house), the timing of cash flows on these securities is uncertain.
Preferred Stock (Preferred)	Capital stock having priority over a corporation's common stock in the distribution of dividends. In the event of a liquidation, preferred stock's claim on assets ranks above that of common stock but below that of bank loans or corporate bonds.
Tax-exempt Municipal (ExMuni)	A fixed income security, issued by a state or municipality, paying interest that is exempt from federal income tax. Interest may or may not be exempt from state and local tax.
Taxable Municipal (TaxMuni)	A fixed income security, issued by a state or municipality, paying interest that is subject to federal income tax. Typically issued much less commonly than tax-exempt municipals.
Treasury	A marketable fixed income security issued by the U.S. Department of the Treasury and backed by the full faith and credit of the U.S. government.

Glossary of Terms

Definitions	
Average Life	The dollar-weighted average time to maturity of a stream of principal cash flows. Also referred to as “weighted average life” or “WAL”.
Basis Point (bp)	1/100 of 1% (or equivalently .0001).
Benchmark	<p>An index against which performance can be measured. Attributes of a good benchmark include:</p> <p><i>Objective:</i> The index should be identified ahead of the time, it should be easily understood, and the construction rules should be clearly defined.</p> <p><i>Replicable:</i> The manager should be able to replicate the returns passively.</p> <p><i>Relevant:</i> The index should represent the manager’s neutral position. In other words, without the manager’s input, the index should represent a reasonable portfolio the company would purchase.</p> <p><i>Tax Adjusted:</i> The benchmark should adjust for the different tax rates on various security types</p>
Book Income	Dollars of investment income that flow through an insurance company’s income statement. This is equal to coupon received plus any accretion/ (amortization) of book value. It can also include any <u>realized</u> gains or losses in the portfolio.
Book Value	The value of a security that is reflected on an insurance company’s balance sheet. For fixed income securities on a statutory and tax basis this is the amortized value. The amortized value periodically writes up any accrual of purchase discount (or writes down amortization of premium) over the life of the security. The amortized value holds the underlying “book yield” constant and therefore does not swing with movements in the market.
Book Yield	The average annual yield which a bond purchased and held to maturity will earn over the period it is owned. This is generally fixed at the time of purchase of the security. The book yield can be used to calculate the book value of the security at any time between purchase and maturity.
Cash Flow	Interest and principal payments from the securities in a fixed income portfolio. A bullet (non-callable) bond will typically pay a coupon payment every 6 months, with a return of principal at maturity. For mortgage-backed securities and asset-backed securities, cash flows generally arrive monthly from both interest and principal. This principal portion contains both the planned return of principal and prepayment of principal due to reasons such as mortgage refinancing.
Convexity	Describes the sensitivity of a bond’s duration to a change in yield. As yields decrease, duration increases on bonds with positive convexity and decreases on bonds with negative convexity. This causes bonds with negative convexity to underperform when yields increase or decrease by large amounts.
Credit Risk	The risk that the issuer of a fixed income security may default and be unable to make timely interest and principal payments on the security.
Duration	The sensitivity of a bond’s price to a change in yield. Duration generally increases for bonds with longer maturities, meaning these bonds are more sensitive to yield changes. Bond price and yield move in opposite directions. Example: A bond with a duration of 5.0 would experience a price decrease of 5% for every 1% (100 bps) increase in interest rates.

Glossary of Terms

Definitions (cont.)	
DYCARRSM	A proprietary model designed specifically for P/C insurance companies to maximize investment income while managing interest rate risk (see definition.) The model applies stress tests to projected operational cash flow and finds the likelihood that bonds in the portfolio will need to be liquidated in order to meet cash flow needs (such as the payment of losses). This may allow a company to invest in longer duration securities with higher yields.
FICO Score	A generic credit score developed by Fair, Isaac and Company, Inc., designed to predict the likelihood of borrowers becoming delinquent in their credit obligations.
Gross Domestic Product (GDP)	The total market value of all final goods and services produced in a country in a given year; it is equal to total consumer, investment, and government spending, plus exports, minus imports.
Interest Rate Risk	The risk to a bondholder that an increase in interest rates will cause bond prices to fall. Interest rates and market prices for fixed income securities generally move in opposite directions. Interest rate changes are the largest cause of changes in the market value of a bond portfolio.
Loan to Value (LTV)	A lending risk assessment ratio used in mortgage lending. LTV is calculated by dividing the mortgage amount by the lesser of appraised value or selling price. Residential mortgage loans conforming to agency guidelines have LTV ratios of 80% or lower at origination. Lenders will frequently require lower LTV ratios for commercial or investment properties.
Market Value	Estimated value of the bond based on current market price. This value fluctuates continually with interest rates and perceived risk of the issuer. Reflects the amount that could be received by selling the bond.
Option Adjusted Spread (OAS)	The portion of a bond's yield which is attributable to the credit risk of a bond as perceived by the market. This allows for comparison between bonds with or without embedded options such as calls, puts, and prepayment features.
Realized Gain/(Loss)	Difference between market and book value when a bond is sold. If market is greater than book value the bond was sold at a realized capital gain. Realized capital gains/(losses) flow through an insurer's income statement.
Tax Equivalent Yield	Yield adjusted for taxes, which allows for comparison of taxable bonds to tax-exempt bonds. Calculated by dividing after-tax yield by 0.65 (1 minus 35%).
Total Return	The return on a security or portfolio that reflects both income and price change. Assumes that the security or portfolio is priced using fair value at the end of the evaluation period.
Unrealized Gain/(Loss)	The difference between market value and book value on a bond. If market value is greater than book value the bond is at an unrealized gain. Under statutory accounting rules, changes in unrealized gain/(loss) do not affect income.
Volatility Adjusted Duration	A portfolio duration which has been adjusted for the lower observed price volatility seen in tax-exempt municipal bonds. Historically municipals appear to have about 15% lower price volatility than their stated durations suggest; this measure takes that observance into account.
Whole Loan	An original residential mortgage loan; distinct from a pooled pass-through which contains multiple loans. Non-agency CMOs use whole loans as collateral. They usually include jumbo mortgages and other mortgages which do not conform to the standards required for securitization by the agencies (GNMA, FNMA, FHLMC).
Yield	The implied return achievable for purchasing a bond at a given price.

Appendix

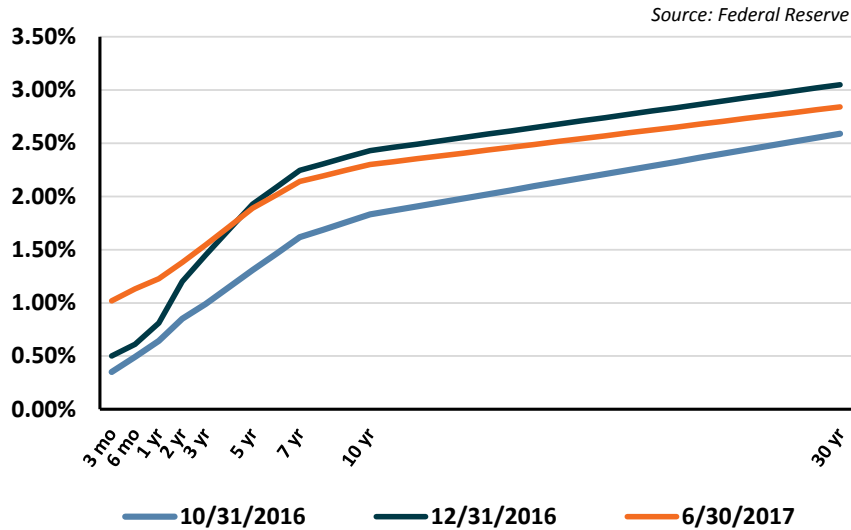
Presentation Overview

Overview

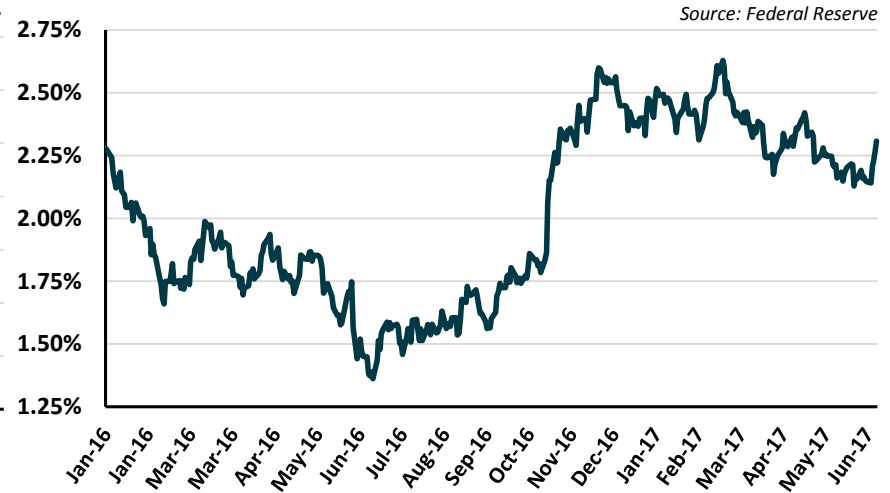
- Economic overview and market update
- Portfolio review
- Performance

Treasury Yields

Treasury Yield Curves



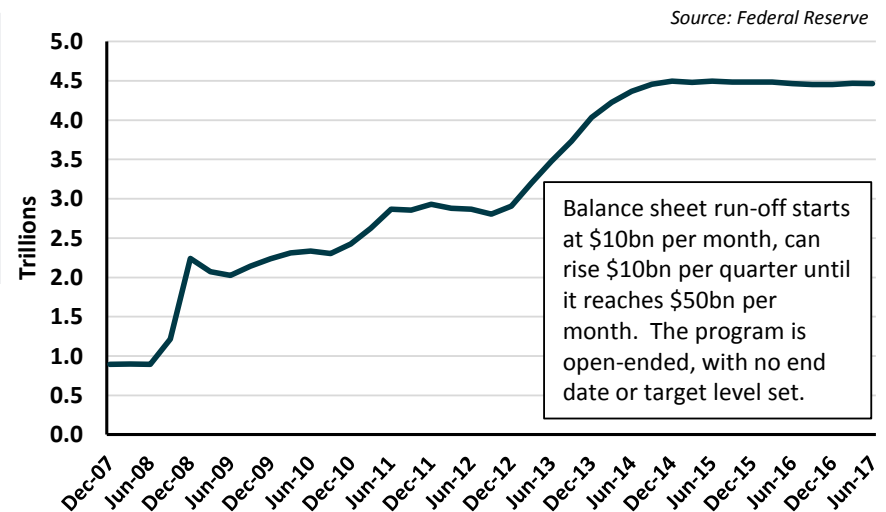
10 Year Treasuries



US Treasury Yields

	10/31/2016	12/31/2016	6/30/2017
3 Month	0.35%	0.50%	1.02%
2 Year	0.85%	1.20%	1.38%
5 Year	1.31%	1.93%	1.89%
10 Year	1.83%	2.43%	2.30%
30 Year	2.59%	3.05%	2.84%

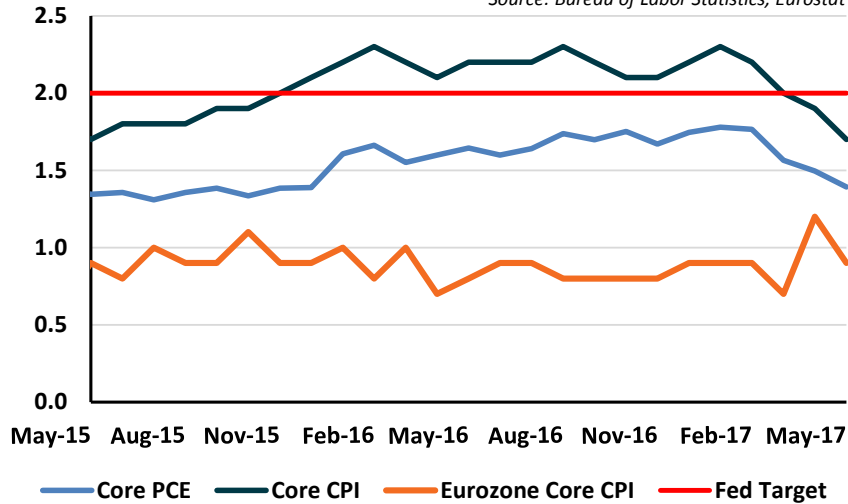
US Federal Reserve Total Asset Holdings



Market Indicators

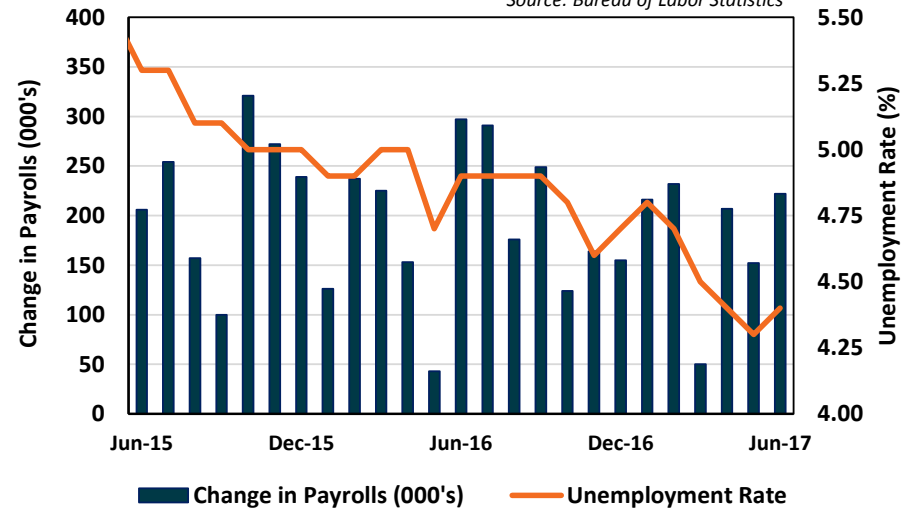
Inflation

Source: Bureau of Labor Statistics, Eurostat



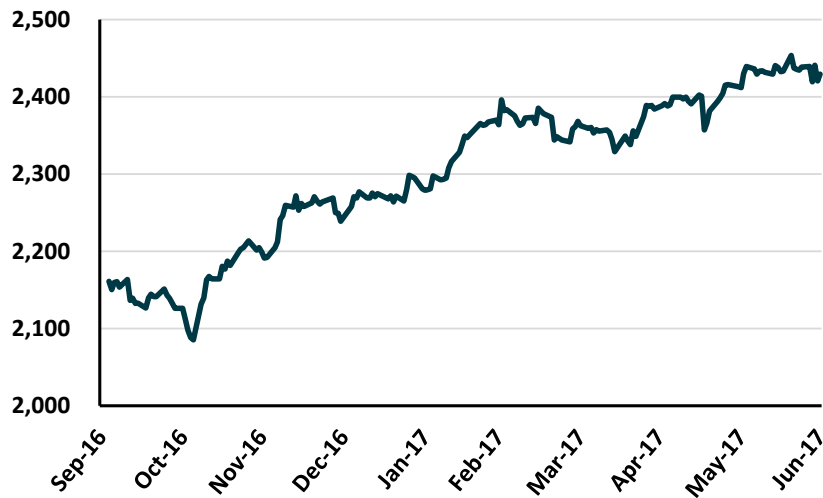
Employment

Source: Bureau of Labor Statistics



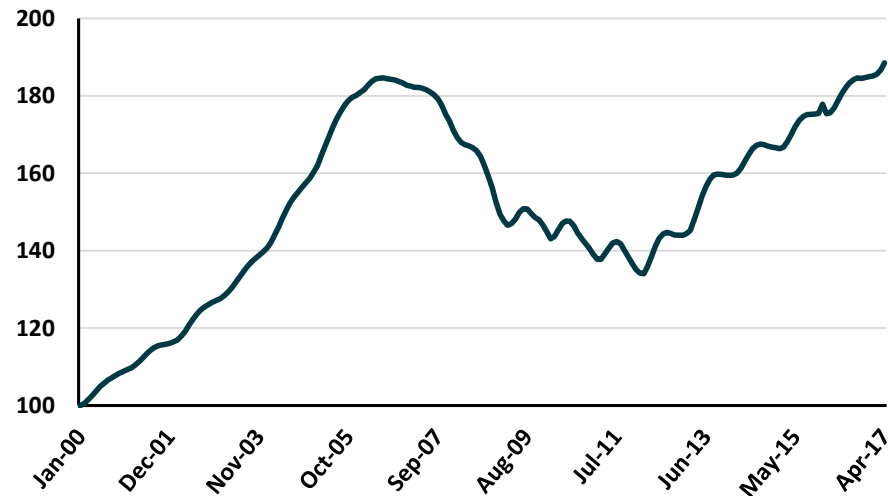
S&P 500 Index

Source: Standard and Poor's



National Home Price Index

Source: S&P Corelogic Case-Shiller

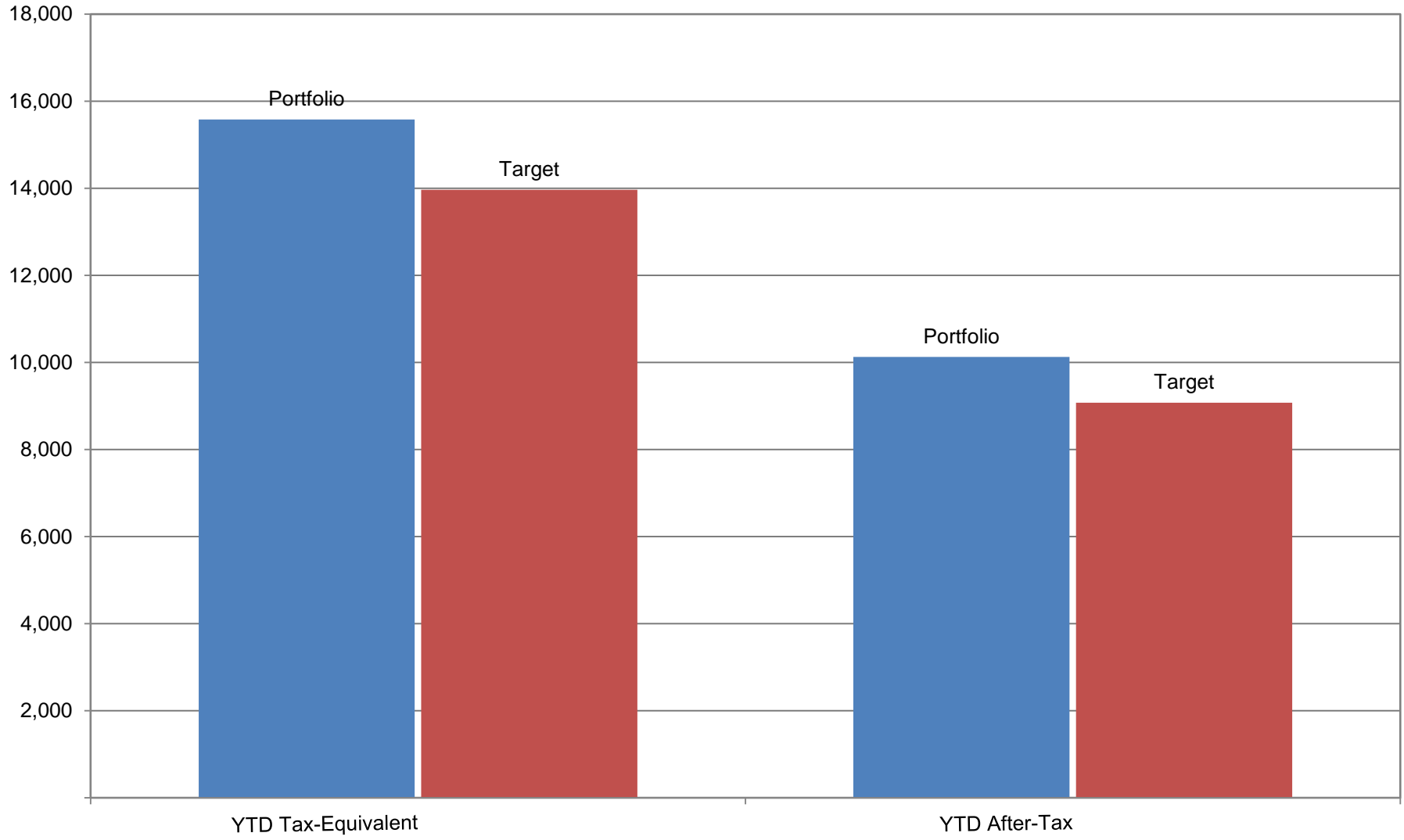


Portfolio Changes

Public Entity Joint Insurance Fund	06/30/2016	09/30/2016	12/31/2016	03/31/2017	06/30/2017
Treasury Yields					
2 yr Treasury Yield	0.59%	0.77%	1.20%	1.26%	1.38%
5 yr Treasury Yield	1.01%	1.15%	1.92%	1.93%	1.88%
10 yr Treasury Yield	1.49%	1.61%	2.43%	2.39%	2.30%
Book Statistics					
Tax-Equivalent Book Yield	0.64%	0.62%	0.63%	0.76%	0.83%
Book Value (\$)	3,338,561	4,144,227	3,884,402	4,640,126	4,108,853
Projected Tax-Equivalent Income, next 12 months (\$)	21,474	25,737	24,568	35,217	34,165
Unrealized Gains/(Losses) (\$)	5,327	622	(4,329)	(5,916)	(7,863)
YTD Realized Gains/(Losses) (\$)	21	21	38	0	0
Portfolio Risk Statistics					
Effective Duration	1.08	0.86	0.66	0.75	0.64
Convexity	0.02	0.01	0.01	0.01	0.01
Weighted Average Life	1.08	0.87	0.67	0.76	0.65
Average Rating	AAA	AAA	AAA	AAA	AAA
Portfolio Sector Allocation					
Treasury	100%	96%	96%	95%	100%
Agency	0%	0%	0%	0%	0%
Corporate	0%	0%	0%	0%	0%
Taxable Municipal	0%	0%	0%	0%	0%
Tax-exempt Municipal	0%	0%	0%	0%	0%
Mortgage Pass-Through	0%	0%	0%	0%	0%
CMOs	0%	0%	0%	0%	0%
ARMs	0%	0%	0%	0%	0%
Asset Backed	0%	0%	0%	0%	0%
CMBS	0%	0%	0%	0%	0%
Cash & Cash Equivalents	0%	4%	4%	5%	0%

Income Year to Date

Year to Date, as of 06/30/2017



Performance

**Tax-Equivalent Total Return
as of 06/30/2017
Inception Date: 08/01/2014**

	Prime	Benchmark	Difference
Quarter to Date	0.16%	0.16%	0.00%
Year to Date	0.31%	0.32%	-0.02%
Since Inception	0.44%	0.46%	-0.02%

Benchmark Composition:

100.0% PEJIF Duration Matched Treasury



PUBLIC ENTITY JOINT INSURANCE FUND CERTIFICATES ISSUED 06/01/2017 to 06/30/2017

JIF Member	ISSUED	CERT HOLDER	COVERAGE	HOLDER DESCRIPTION
Township of Teaneck	6/28/2017	Evidence of Insurance	2016 CRIME STAT	Evidence of Statutory Bond Coverage for: Treasurer Christine Brown; Tax Collector Natalie Huttinot. Municipal Court Judge James Young; Court Administrator Jill Graham.
City of Plainfield	6/9/2017	County of Union	2017 GL/AL/WC	The County of Union, its Board of Chosen Freeholders, Officers, Employees, Agents, and Servants are included as additional insured under the General Liability Policy as respects the City of Plainfield's use of Cedar Brook Park, Plainfield NJ for a concert & fireworks display on 7/4/17 (rain date 7/5/17). The General Liability insurance coverage is provided on a primary, non-contributory basis to the County of Union et. al. Where applicable a waiver of subrogation in favor of the above additional insured is to be included in those policies of insurance where permitted by law.*
City of Plainfield	6/28/2017	Union County Improvement Authority	2017 GL/AL/WC	Certificate holder is included as an additional insured (Premises Owner) as respects the City of Plainfield's use of the property/parking located at 200 West Front Street known as the Plainfield Park Madison Property. Coverage is subject to the terms, conditions, limitations and exclusions of the PEJIF policies. *
City of Passaic	6/1/2017	PONY Baseball / Softball	2017 GL/AL/WC	Evidence of insurance as respects the City of Passaic Recreation Department's participation in the PONY baseball & softball. Coverage is subject to the terms, conditions, limitations and exclusions of the PEJIF policies.
Town of West New York	6/26/2017	County of Hudson	2017 GL	County of Hudson is included as an additional insured as respects the Town of West New York's use of the Hudson County Show Mobile for the Multi- cultural Festival on 7/27/17. *
Township of Teaneck	6/21/2017	Evidence of Insurance	2017 CRIME STAT	Evidence of Statutory Bond Coverage for: Treasurer Christine Brown; Tax Collector Natalie Huttinot. Municipal Court Judge James Young; Court Administrator Christie Moore. Change effective 5/31/17.
Township of Teaneck	6/28/2017	Evidence of Insurance	2017 CRIME STAT	Evidence of Statutory Bond Coverage for: Treasurer Christine Brown; Tax Collector Natalie Huttinot. Municipal Court Judge James Young; Court Administrator Craig Ferdinand.
Township of Teaneck	6/9/2017	North Arlington Police Department	2017 GL	Evidence of insurance as respects the Township of Teaneck Police Department's use of the Police Piston Range at Hackensack Meadowlands / Borough of North Arlington NJ. Coverage is subject to the terms, conditions, limitations and exclusion of the PEJIF policies.
City of Orange Township	6/28/2017	County of Essex	2017 GL	Evidence of insurance as respects the City of Orange Township's grant - Governor's Council on Alcohol & Drug Abuse.
City of East Orange	6/2/2017	NJ Motor Vehicle Services	2017 GL/AL	Evidence of insurance as respects transit plates for tow behind non- motorized equipment for the following: 2017 WAN message board #01283, 2017 GEN light tower #37282 and 2017 ATLAS compressor #53691.