Quarterly Investment Report

As of 9/30/2020

Executive Summary

PORTFOLIO STATISTICS:

Quarter Ending:	06/30/2020	09/30/2020
Tax-Equivalent Book Yield	1.57%	1.36%
Book Value	$4,904,284	$4,122,484
Projected Tax-Equivalent Annual Income	$77,157	$56,101
Unrealized Gain	$39,527	$25,700
YTD Realized Gain	$0	$0
Portfolio Duration	0.63	0.69
Average Credit Quality	AAA	AAA

PORTFOLIO ALLOCATION:

Sector	06/30/2020	09/30/2020
Treasury	89%	94%
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	11%	6%

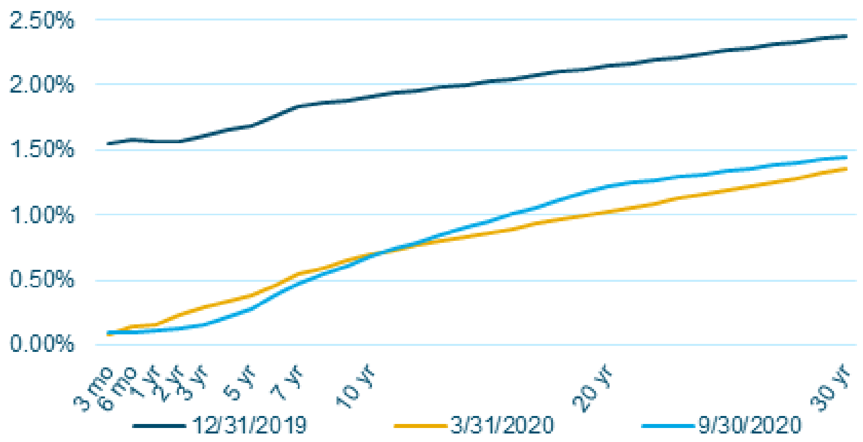
PERFORMANCE:

Tax-equivalent Performance	Portfolio	Target/Benchmark	Difference
YTD Booked Income	$60,725	$67,662	-$6,937
QTD Total Return	0.07%	0.06%	0.01%
YTD Total Return	1.56%	1.57%	-0.01%

Economic Outlook

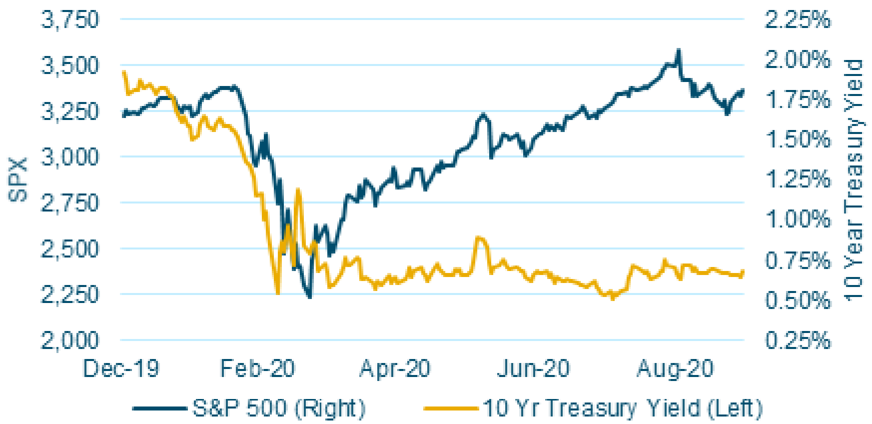
Treasury Yields

US Treasury Yield Curves



Source: Federal Reserve

10 Year Treasury Yields and S&P 500

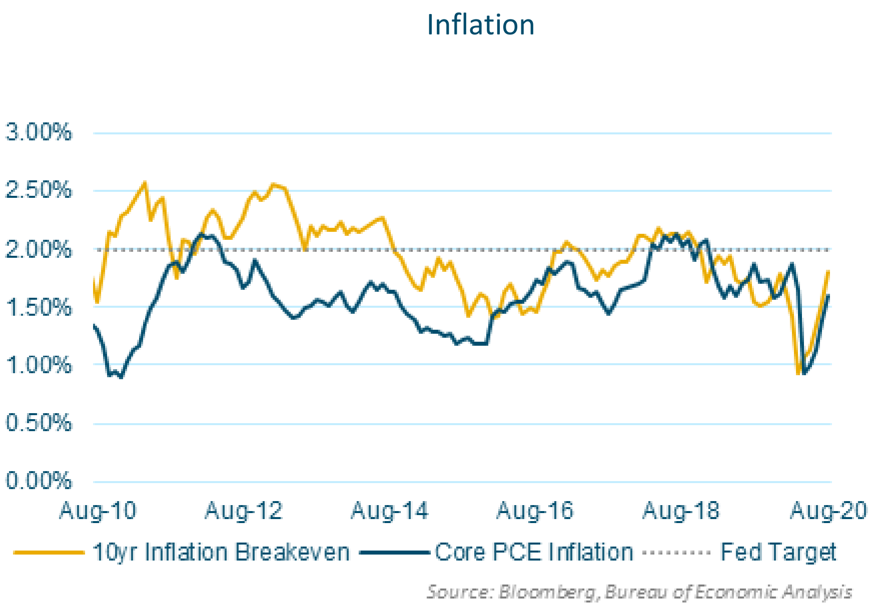


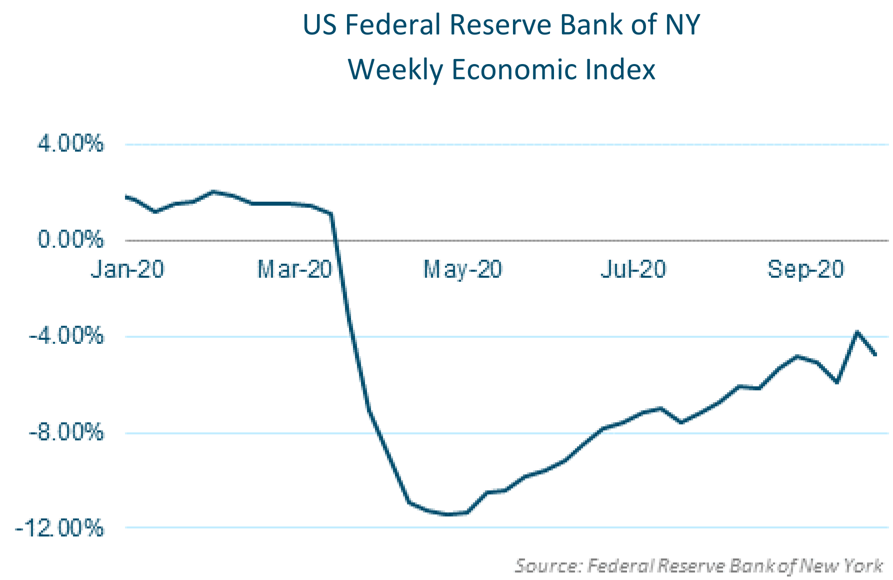
Source: Federal Reserve, S&P

- Market fear brought on by the global pandemic remained a catalyst for the continued low rate environment
- Over the quarter, changes across the Treasury yield curve were negligible, with the largest move in the 20-year maturity, moving higher by 5 bps
  - 10-year Treasury yields began 2020 at 1.92%, ended Q1 at 0.67%, Q2 at 0.65% and closed Q3 at 0.66%
  - Liquidity and demand for fixed income assets has fully returned, aided by the actions of the Federal Reserve and investor demand for yield
  - Fed officials continue to see a long ”highly uncertain” path to recovery, pressing for additional fiscal stimulus and support for small businesses
    - At the September meeting, the Federal Reserve left interest rates near zero and signaled it would hold them there through at least 2023 to help the U.S. economy recover from the pandemic
- After experiencing a solid rebound in Q2, equity markets pushed even higher in Q3 reaching all-time highs in early September
  - From that point however, frothy valuations eased the remainder of the month as investor concerns grew over weakening GDP estimates, the lack of additional stimulus, and increased volatility of upcoming elections
  - Even in light of that retracement, the equity markets appear to have taken a more optimistic outlook of the recovery. While conditions have improved within fixed income, Treasury yield levels still imply concern over the long-term damage inflicted by the virus lockdowns
    - Equities hit a low point in March with the S&P lower by -20.0% YTD, Dow -23.2% and NASDAQ -14.2%
    - Ending Q3, all three have rebounded substantially YTD: S&P +4.09%, Dow -2.65% & NASDAQ +24.46%

Economic Outlook

Inflation and Employment

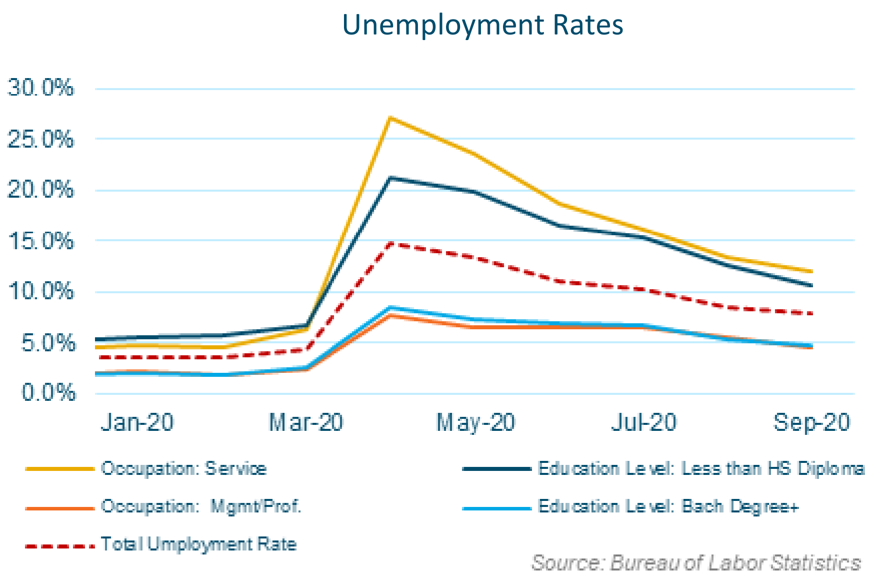


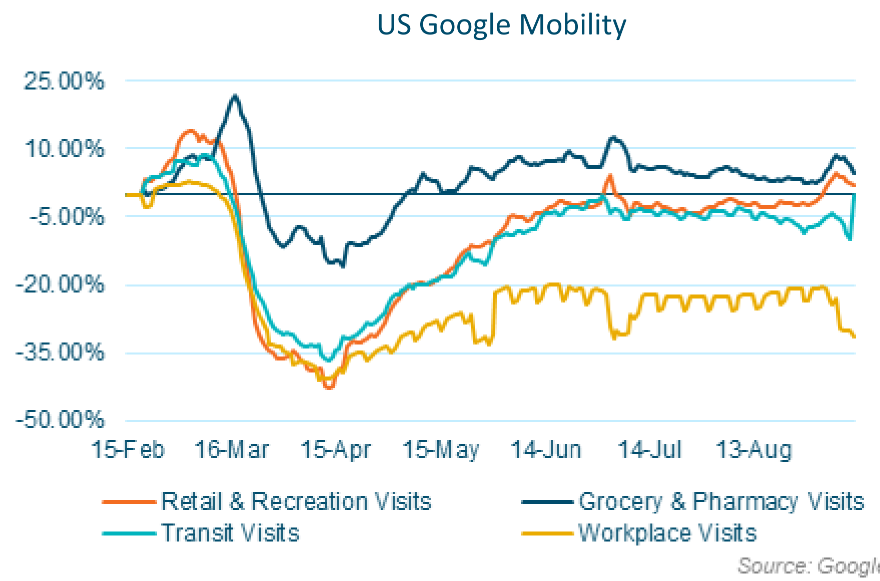


- Inflation expectations fell dramatically at the onset of the pandemic, however 10 year breakeven rates have now returned to pre-pandemic levels
  - While inflation measures remain below target, aggressive monetary policy and dovish Fed policy have reduced the risk of deflation
  - The recent Fed decision to move to Average Inflation Targeting (which allows for inflation to average 2% over an extended period of time) has resulted in the markets pricing in low rates for longer, since the Fed will now tolerate inflation in excess of 2% without preemptively raising rates
- The Fed Reserve of NY Weekly Economic Index (WEI) is an index of ten indicators of real economic activity that look to provide a weekly update on the state of the US economy and estimate real time y/y GDP
  - These 10 market indicators include consumer behavior (same store retail sales and consumer sentiment), the labor markets (unemployment measures, continuing claims, temporary staffing and Federal tax withholdings), and production (steel production, fuel sales, railroad traffic and electricity production)
- While the measure continues to show negative y/y growth in U.S. GDP, there has been a substantial rebound in expectations since Q2
- This improvement was reflected in the projections provided at the September FOMC meeting where the GDP forecast for 2020 was revised higher from -6.5% to -3.7%

Economic Outlook

Employment and Mobility



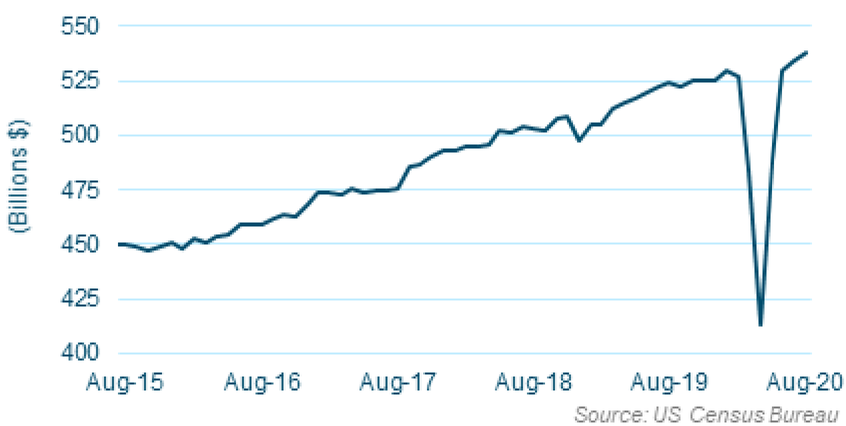


- US labor markets were very strong prior to the pandemic, with ample job openings and unemployment printing at a 50-year low of 3.5%
  - Employment during the quarter continued to improve, with unemployment rates declining from 11.1% to 7.9%
    - Jobless claims have also fallen from 19.3 million to 11.8 million
  - Employment is expected to gradually improve, however many industries will face severe long-term job losses
    - Many sectors not seeing a recovery until a vaccine is widely distributed thus slowing the economy's return to full employment
    - Further breakdowns of the unemployment rate show this dispersion, with many labelling it a K-shaped recovery
    - In this scenario, less educated and service sector employees are seeing higher than average unemployment rates
- At the September meeting, the FOMC improved their unemployment rate projections to 7.6% in 2020 and 5.5% in 2021
- U.S. mobility stats tracked by Google applications show user traffic to specific locations (% increase/decrease) with baseline being from Jan 2020
  - As expected, all segments saw a significant reduction in visits the first 1-2months as "shelter in place" orders were instituted. While essential services including grocery/pharmacy visits bounced back relatively quickly, other segments such as retail, recreation and transit visits only recently recovered. Segments such as air travel continue to remain less than 50% pre-pandemic levels
    - Brick and Mortar Retailers (and malls in particular) are struggling relative to online retail channels
    - This reduction in physical traffic has caused record closures of retail, restaurants, hotels and travel related companies
    - Workplace visits remain -20% below their baseline, only seeing a slight pickup as segments of the economy were reopened

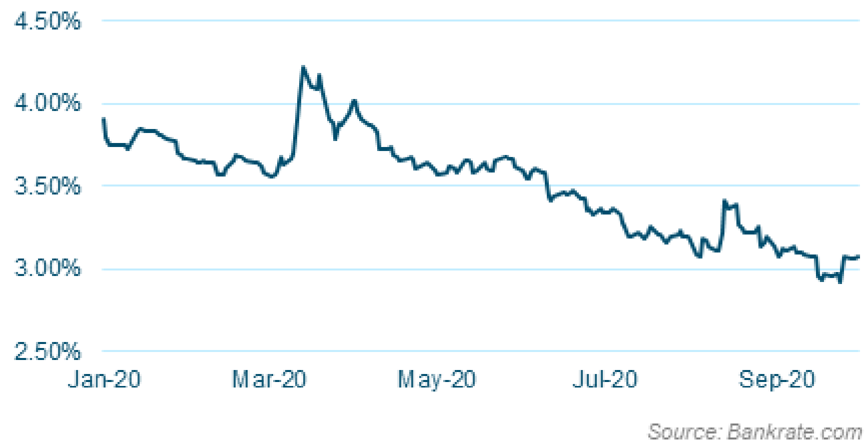
Economic Outlook

Consumer Spending and the Housing Market

Retail Sales



US Home Mortgage Rate: 30 Year Fixed

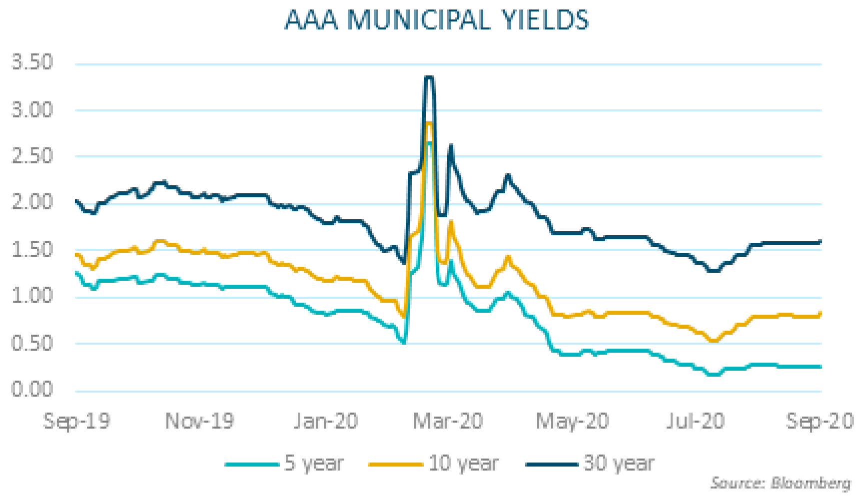


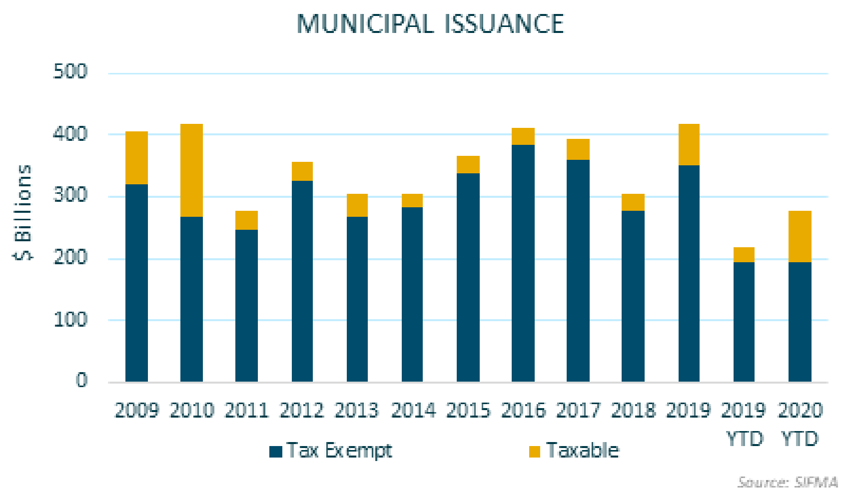
- With consumer spending contributing 2/3rds of US GDP, the markets were pleased with the Q3 rebound in retail sales to pre-pandemic levels
  - This rebound in spending was aided by stimulus checks along with increased unemployment benefits granted under the CARES Act
- Failure to extend government stimulus at the end of July however is a large cause for concern as we move into Q4
  - With the inability of Congress to pass a second round of stimulus this quarter, it will likely be delayed until after the election
  - This is concerning as holiday spending accounts for approximately 20% of annual retail sales

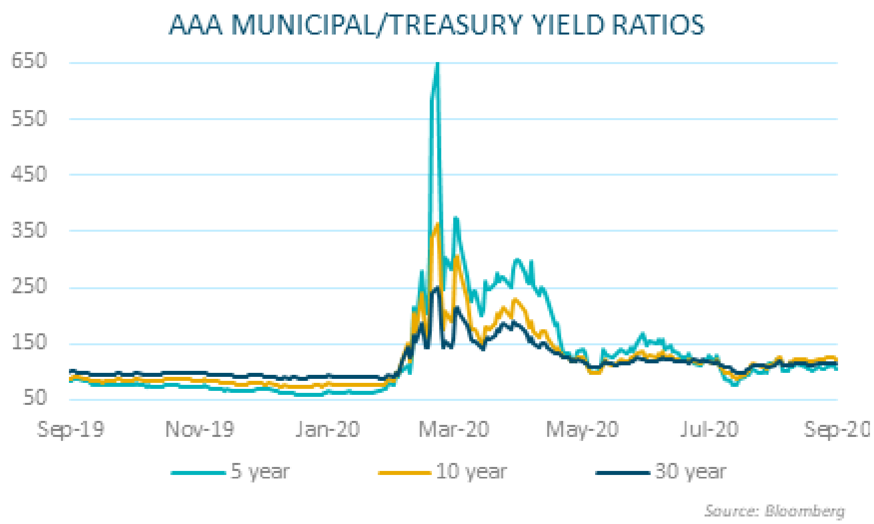
- Along with the rebound in consumer spending, another bright spot leading the recovery has been the strength of the housing market
  - Historically low mortgage rates, the desire for larger homes given WFH environment, as well as an escape from urban areas has helped drive home sales to 14-year highs (through July)
- With strong demand, national home price levels have pushed higher and driven the NAHB Home Builder Optimism Index to all-time highs
- Housing data will be closely watched in coming months given expectations of softening when forbearance measures expire, resulting in a wave of foreclosures
  - Given low levels of home availability, markets will be monitoring how the increased supply will be absorbed

Economic Outlook

Municipals





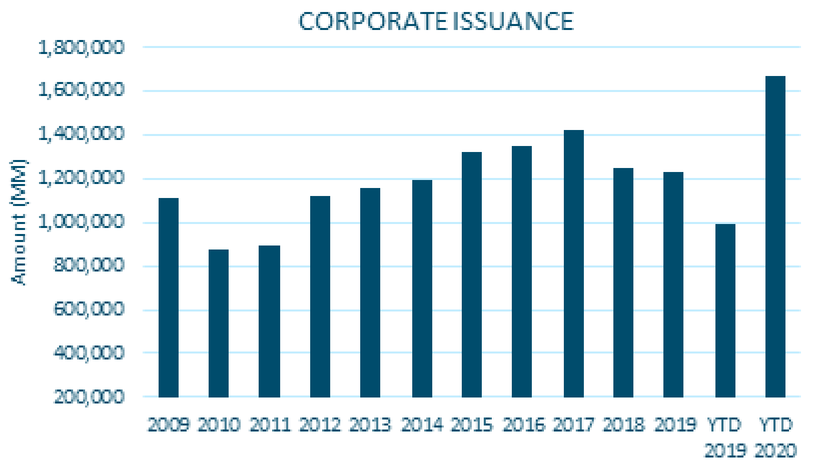


Comments

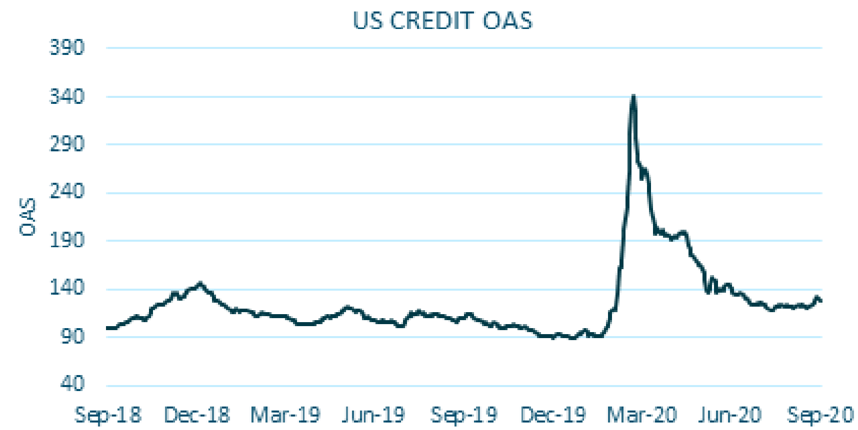
- The Bloomberg Barclays Municipal Index returned 1.23% over the third quarter, bringing YTD returns to 3.33%
- Tax exempt municipal yields continued to decline over the quarter although at a more modest pace
  - 5 year pre-tax yields fell from 0.41% to 0.26%, while 10 year yields had a slight decline from 90% to 0.87%
  - 10 year yields reached YTD highs of 2.79% on March 20 during the COVID led dislocation
- Issuance remains above projections as municipalities look to refinance debt at lower rates, roughly one-third of the new issue supply in September was issued as taxable debt
  - 2020 taxable issuance has reached the highest level since 2010, the height of the BABS program
- In Q4, expectations of increased primary market supply coupled with the possibility of higher tax rates may present opportunities to increase tax-exempt municipal allocations

Economic Outlook

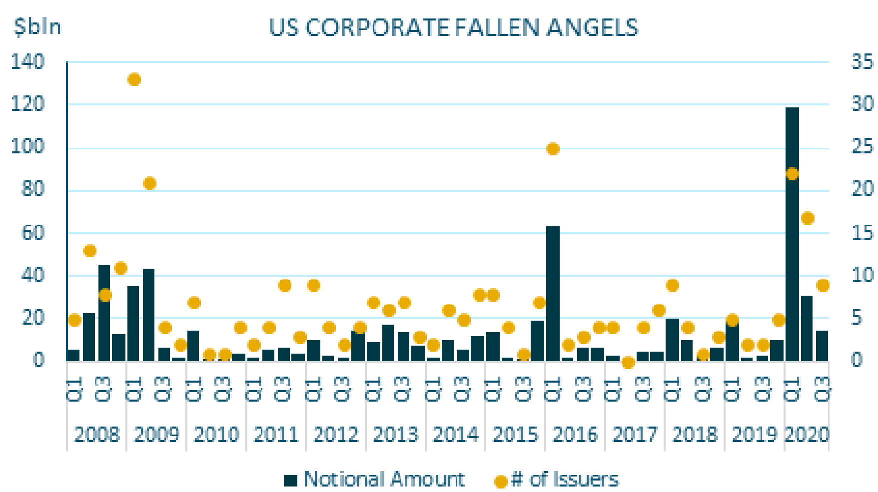
Corporates



Source: Bloomberg



Source: Bloomberg Barclays



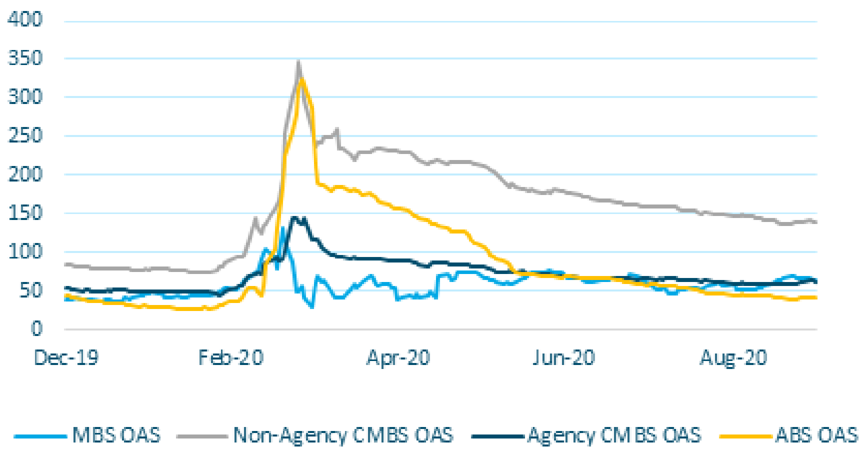
Source: Bloomberg Barclays

Comments

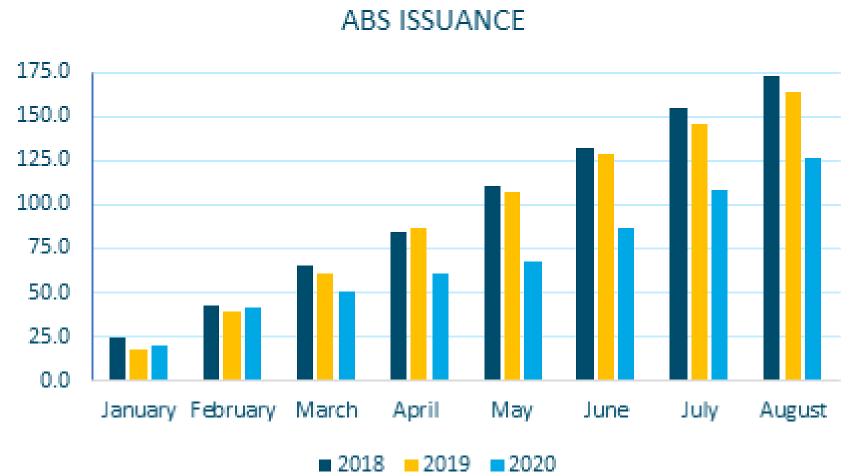
- Q3 corporate performance benefited from continued Fed support, minimal interest rate volatility and continued demand for yield in the low rate environment
- Spreads continued to grind tighter, tightening to +118 in August, before closing the quarter at +128 (14bps tighter from Q2)
  - Spreads retraced 85% from the wide of +341 on 3/23/20
- Corporate issuance during the quarter increased 11% y/y to $392bn, but slowed from Q2s mammoth $758bn in issuance
  - YTD issuance is up 68% to $1,670bn, well above 2019s $1,227bn issuance
- Given the low rate environment, corporations focused on terming out near dated maturities and refinancing older higher coupon debt
- Fallen Angels remained elevated in Q3’20, however the pace decelerated. While credit metrics may deteriorate further, rating agencies have been lenient
- We retain our tactical overweight to corporates with a higher quality bias, as risks of a potential COVID second wave remain

Economic Outlook

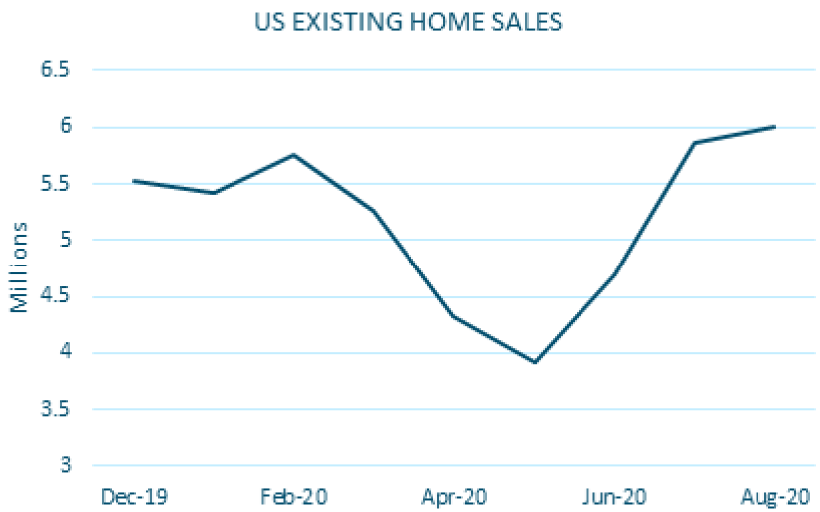
Mortgage and Asset Backed Securities (MBS and ABS)



Source: Bloomberg Barclays



Source: Bloomberg Barclays



Source: National Association of Realtors

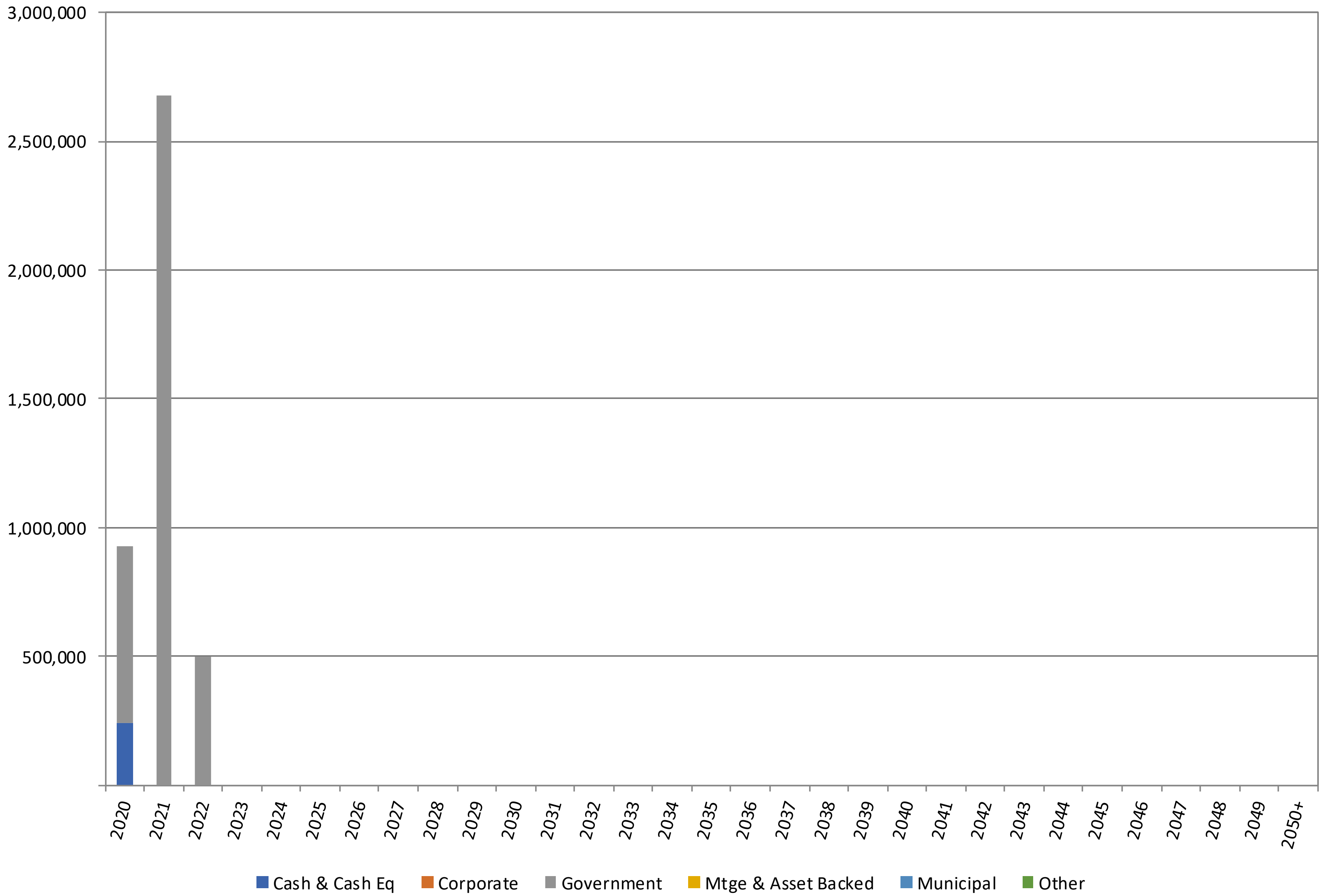
Comments

- After a fairly tumultuous first half of 2020, mortgage spreads stabilized and ultimately tightened 9bps during Q3, benefitting from strong tailwinds, including Fed sponsorship until at least 2021
- CMBS continued to experience spread tightening, with agency CMBS new issue spreads now tighter than pre-pandemic levels
- The mortgage market continues to face headwinds, including heavy supply and stubbornly high prepayments given current rate levels
  - The housing market has been resilient, as the home buying/lending process was quick to adapt technology allowing the process to be done almost all online, when combined with historically low mortgage rates, home sales skyrocketed
- Sales of existing home sales jumped to 6M homes sold after a significant fall during the lock down, the highest we've seen since the end of 2006
- ABS spreads continued to grind tighter over the course of Q3, with AAA rated bonds tightening 30bps
- Fundamentals remain strong with loan modifications slowing MOM and delinquencies and charge offs remaining below 2019 levels
- ABS issuance made up some ground in Q3 with $70bn of new supply, we expect strong issuance in October and tapering into year-end

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	3,883,243	3,908,942	25,700	1.44	0.14	0.73	0.01	17	25,700	0	0
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-Through	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	**3,883,243**	**3,908,942**	**25,700**	**1.44**	**0.14**	**0.73**	**0.01**	**17**	**25,700**	**0**	**0**
Short Term											
Sweep Money Market	239,241	239,241	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	**239,241**	**239,241**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	**0**	**0**	**0**	**0**
Total Fixed Income & Short Term											
Total	**4,122,484**	**4,148,184**	**25,700**	**1.36**	**0.13**	**0.69**	**0.01**	**17**	**25,700**	**0**	**0**
Equity											
Common Stock	0	0	0					0	0	0	0
Total	**0**	**0**	**0**					**0**	**0**	**0**	**0**
Grand Total											
Total	**4,122,484**	**4,148,184**	**25,700**					**17**	**25,700**	**0**	**0**

Maturity Schedule By Weighted Average Life



Effective Maturity Schedule

Year	Book Value	Tax Equiv. Book Yield	% of Total Book Value
2020	689,941	2.26	18%
2021	2,688,321	1.48	69%
2022	504,980	0.14	13%
2023+	0	0.00	0%
Subtotal	**3.883.243**	**1.44**	**100%**
(inc. ABS, Agcy, CMBS, Corp, Muni, UST)			
MBS	0	0.00	0%
TOTAL	**3.883.243**	**1.44**	**100%**

Performance

Tax-Equivalent Total Return
as of 09/30/2020
Inception Date: 08/01/2014

	Portfolio	Benchmark	Difference
Quarter to Date	0.07%	0.06%	0.01%
Year to Date	1.56%	1.57%	-0.01%
Since Inception	1.26%	1.29%	-0.04%

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
07/16/2020	US TREASURY N/B	Treasury	AA+	Aaa	0.375	03/31/2022	N/A	100.38	250,957	0.15	0.15
08/10/2020	US TREASURY N/B	Treasury	AA+	Aaa	1.375	01/31/2022	N/A	101.83	254,570	0.13	0.13
Total									**505,527**	**0.14**	**0.14**

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
07/31/2020	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.000	07/31/2020	07/31/2020	100.00	250,000	0	2.57	2.57
08/06/2020	Maturity	TREASURY BILL	Treasury	AA+	Aaa	0.000	08/06/2020	08/06/2020	100.00	260,000	0	1.40	1.40
08/15/2020	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.625	08/15/2020	08/15/2020	100.00	250,000	0	2.58	2.58
09/30/2020	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.000	09/30/2020	09/30/2020	100.00	200,000	0	2.64	2.64
Total										**960,000**	**0**	**2.27**	**2.27**

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																
08/17/2020			239,241	BANK OF AMER/ML	0.00			239,241	239,241	239,241	0	0.00	0.00	0.00	0.00	
			239,241					**239,241**	**239,241**	**239,241**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	
Treasury																
06/04/2019	AA+	Aaa	250,000	US TREASURY N/B	1.88	12/15/2020	12/15/2020	249,482	249,930	250,908	978	2.01	0.13	0.20	0.20	0.00
06/04/2019	AA+	Aaa	250,000	US TREASURY N/B	2.00	01/15/2021	01/15/2021	250,029	250,006	251,348	1,342	1.99	0.14	0.29	0.29	-0.01
05/17/2019	AA+	Aaa	200,000	US TREASURY N/B	2.75	11/30/2020	11/30/2020	201,461	200,158	200,852	694	2.26	0.19	0.16	0.16	0.00
03/19/2020	AA+	Aaa	175,000	US TREASURY N/B	2.63	12/15/2021	12/15/2021	181,453	179,480	180,243	763	0.49	0.14	1.19	1.21	0.02
07/02/2019	AA+	Aaa	200,000	US TREASURY N/B	1.63	06/30/2021	06/30/2021	199,414	199,778	202,234	2,456	1.78	0.13	0.74	0.74	0.01
08/01/2019	AA+	Aaa	220,000	US TREASURY N/B	1.75	07/31/2021	07/31/2021	219,699	219,873	222,974	3,101	1.82	0.13	0.82	0.83	0.01
06/10/2019	AA+	Aaa	250,000	US TREASURY N/B	2.25	03/31/2021	03/31/2021	251,455	250,407	252,658	2,250	1.92	0.12	0.49	0.50	0.00
06/10/2019	AA+	Aaa	250,000	US TREASURY N/B	1.13	02/28/2021	02/28/2021	246,592	249,170	251,045	1,875	1.93	0.12	0.41	0.41	0.00
06/10/2019	AA+	Aaa	250,000	US TREASURY N/B	1.38	04/30/2021	04/30/2021	247,588	249,248	251,825	2,577	1.90	0.12	0.57	0.58	0.01
03/10/2020	AA+	Aaa	245,000	US TREASURY N/B	1.25	10/31/2021	10/31/2021	248,216	247,127	247,957	830	0.44	0.14	1.07	1.08	0.02
03/13/2019	AA+	Aaa	240,000	US TREASURY N/B	1.75	10/31/2020	10/31/2020	237,103	239,853	240,310	456	2.51	0.22	0.08	0.08	0.00
06/10/2019	AA+	Aaa	250,000	US TREASURY N/B	2.00	05/31/2021	05/31/2021	250,508	250,173	253,125	2,952	1.89	0.12	0.66	0.66	0.01
02/04/2020	AA+	Aaa	170,000	US TREASURY N/B	1.50	08/31/2021	08/31/2021	170,046	170,028	172,132	2,104	1.48	0.13	0.91	0.91	0.01
02/04/2020	AA+	Aaa	175,000	US TREASURY N/B	1.50	09/30/2021	09/30/2021	175,082	175,050	177,399	2,349	1.47	0.13	0.99	1.00	0.02
03/10/2020	AA+	Aaa	245,000	US TREASURY N/B	1.50	11/30/2021	11/30/2021	249,402	247,981	248,876	895	0.45	0.14	1.15	1.16	0.02
08/10/2020	AA+	Aaa	250,000	US TREASURY N/B	1.38	01/31/2022	01/31/2022	254,570	254,140	254,150	10	0.13	0.13	1.32	1.33	0.02
07/16/2020	AA+	Aaa	250,000	US TREASURY N/B	0.38	03/31/2022	03/31/2022	250,957	250,841	250,908	67	0.15	0.13	1.49	1.50	0.03
			3,870,000					**3,883,059**	**3,883,243**	**3,908,942**	**25,700**	**1.44**	**0.14**	**0.73**	**0.73**	**0.01**
			4,109,241					**4,122,300**	**4,122,484**	**4,148,184**	**25,700**	**1.36**	**0.13**	**0.69**	**0.69**	**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	An index against which performance can be measured. Attributes of a good benchmark include: *Objective*: The index should be identified ahead of the time, it should be easily understood, and the construction rules should be clearly defined. *Replicable*: The manager should be able to replicate the returns passively. *Relevant*: 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. *Tax Adjusted*: The benchmark should adjust for the different tax rates on various security types
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 realized 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.)

DYCARR℠	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

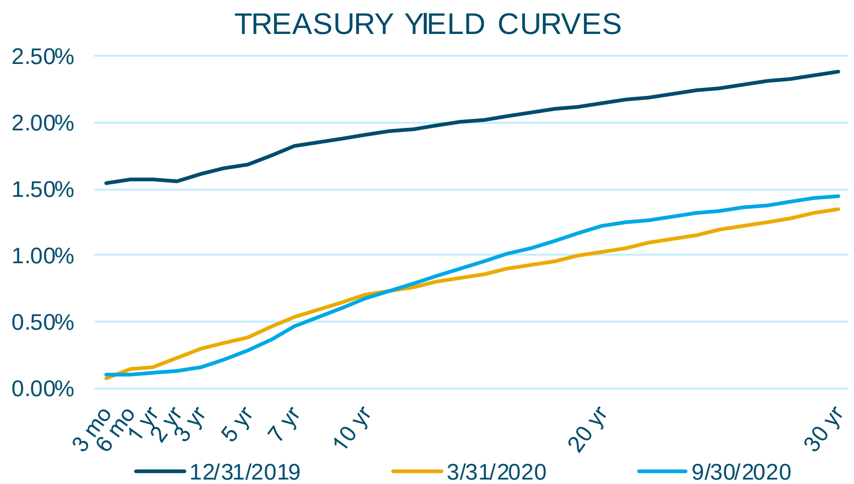
Overview

Economic overview and market update

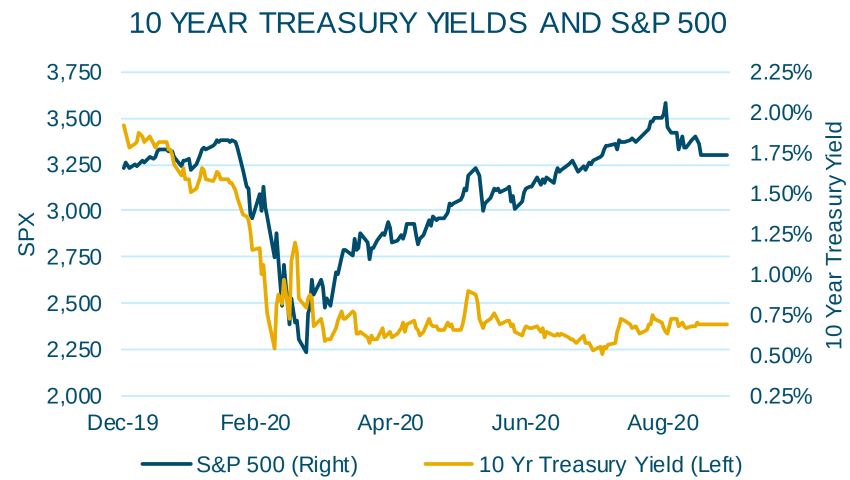
Portfolio review

Performance

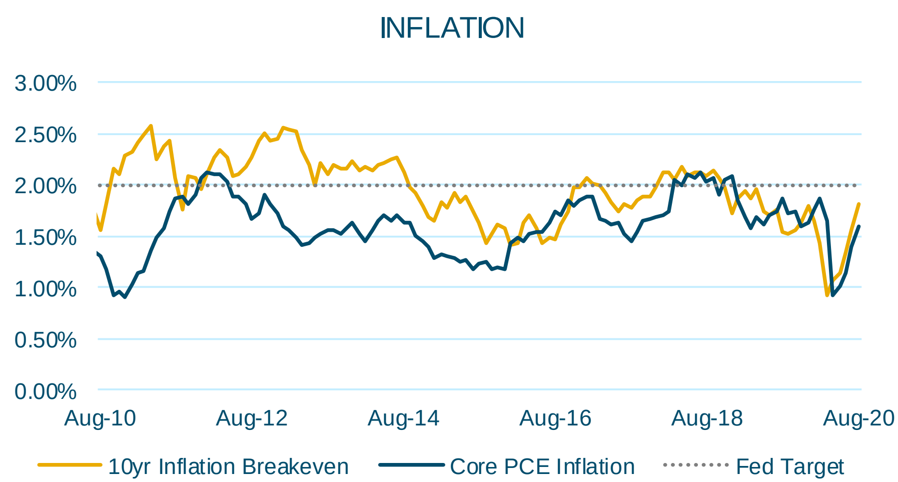
Treasury Yields and Market Indicators



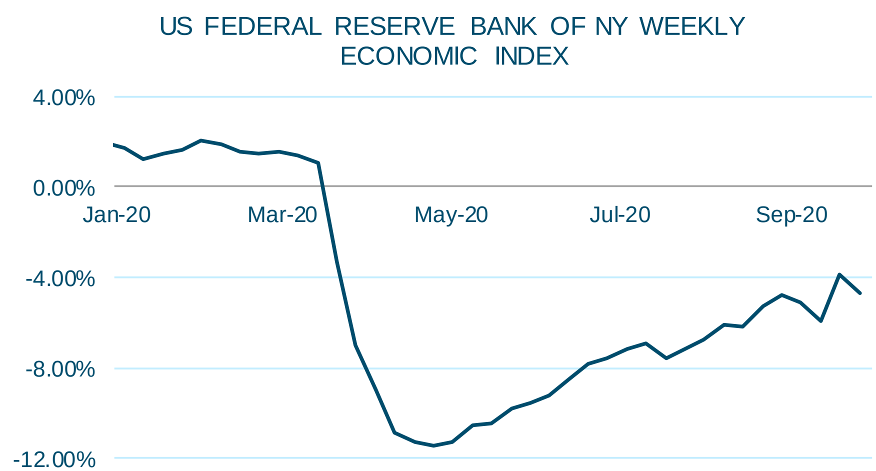
Source: Federal Reserve



Source: Federal Reserve, S&P

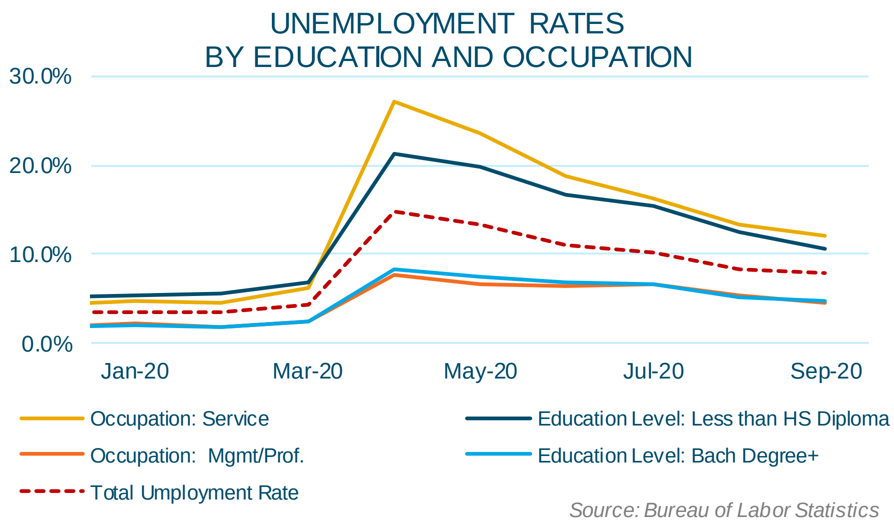


Source: Bloomberg, Bureau of Economic Analysis

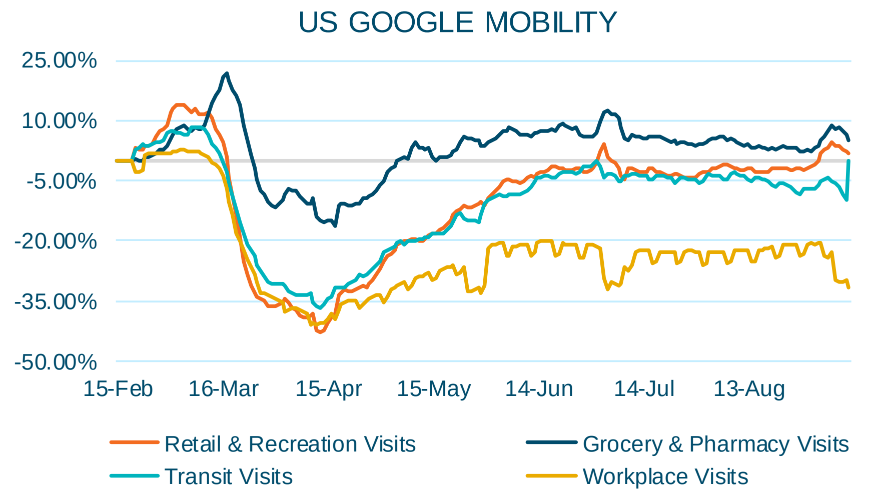


Source: Federal Reserve Bank of New York

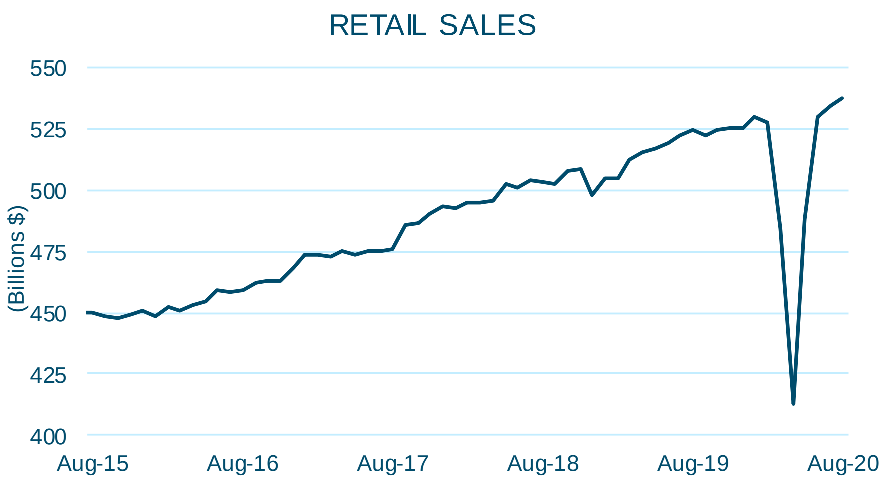
Market Indicators



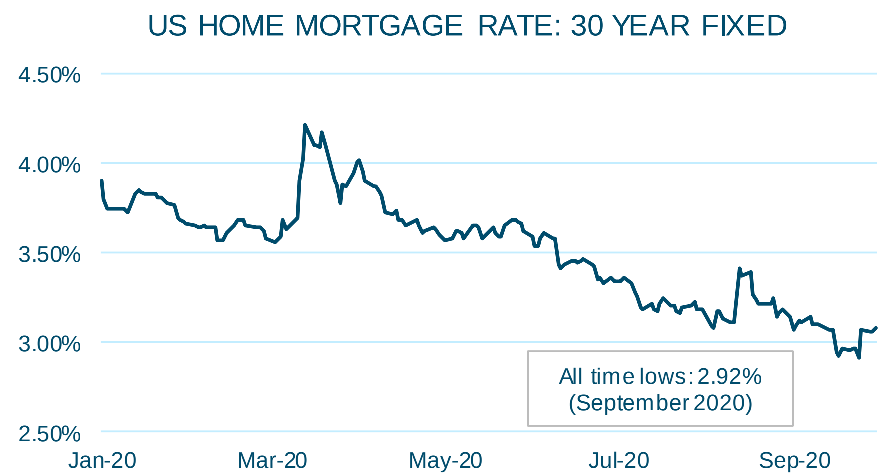
Source: Bureau of Labor Statistics



Source: Google



Source: US Census

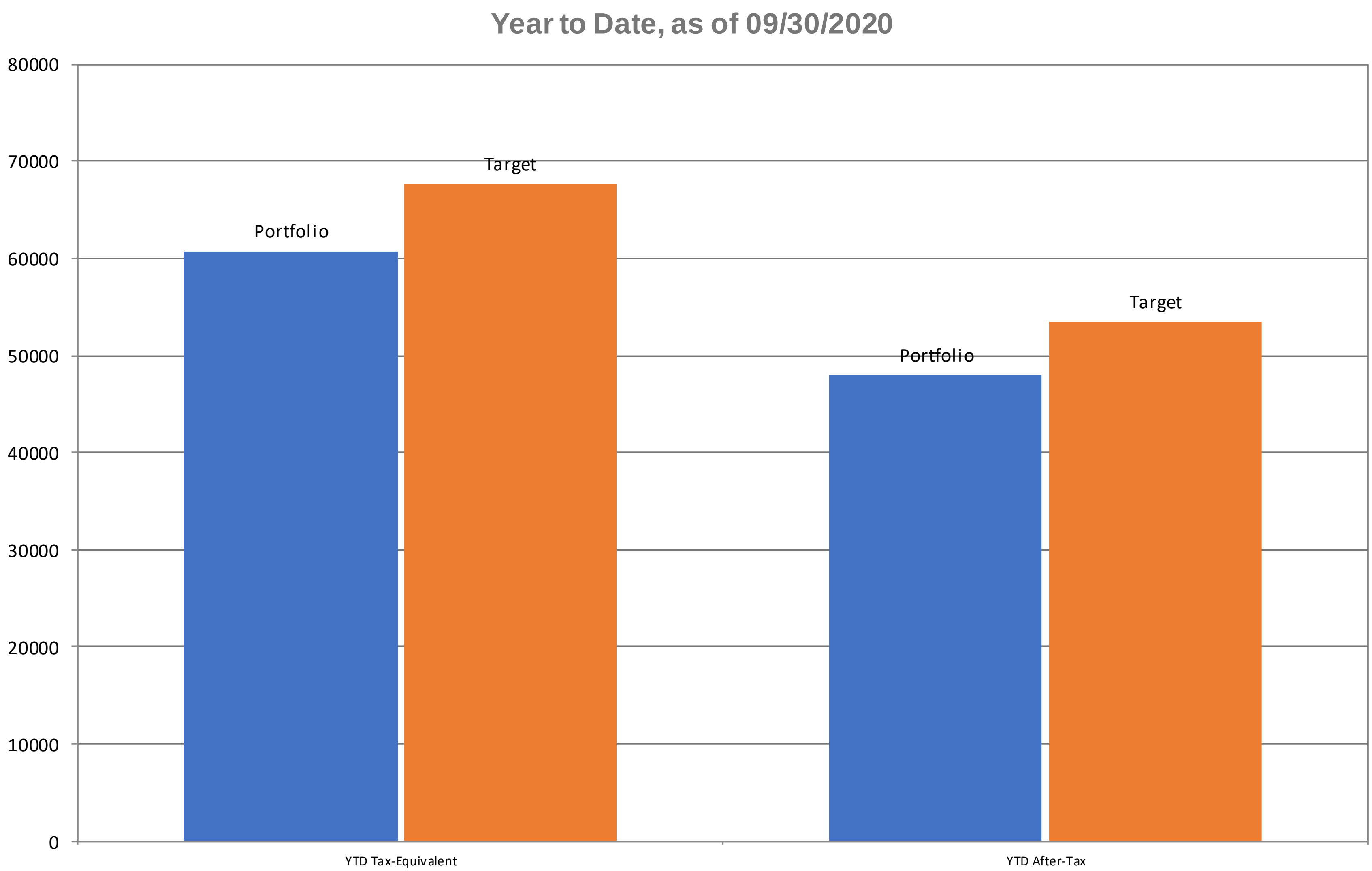


Source: Bankrate.com

Portfolio Changes

Public Entity Joint Insurance Fund	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2020
Treasury Yields					
2 yr Treasury Yield	1.62%	1.56%	0.23%	0.15%	0.13%
5 yr Treasury Yield	1.55%	1.68%	0.38%	0.29%	0.27%
10 yr Treasury Yield	1.67%	1.91%	0.70%	0.65%	0.68%
Book Statistics					
Tax-Equivalent Book Yield	2.02%	2.14%	1.84%	1.57%	1.36%
Book Value ($)	5,379,469	4,357,255	4,879,117	4,904,284	4,122,484
Projected Tax-Equivalent Income, next 12 months ($)	108,484	93,201	90,009	77,157	56,101
Unrealized Gains/(Losses) ($)	15,268	16,139	55,639	39,527	25,700
YTD Realized Gains/(Losses) ($)	0	102	0	0	0
Portfolio Risk Statistics					
Effective Duration	0.86	0.80	0.87	0.63	0.69
Convexity	0.01	0.01	0.01	0.01	0.01
Weighted Average Life	0.88	0.81	0.88	0.64	0.69
Average Rating	AAA	AAA	AAA	AAA	AAA
Portfolio Sector Allocation					
Treasury	93%	98%	99%	89%	94%
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	7%	2%	1%	11%	6%

Income Year to Date



Performance

Tax-Equivalent Total Return
as of 09/30/2020
Inception Date: 08/01/2014

	Portfolio	Benchmark	Difference
Quarter to Date	0.07%	0.06%	0.01%
Year to Date	1.56%	1.57%	-0.01%
Since Inception	1.26%	1.29%	-0.04%

Benchmark Composition:

100.0% PEJIF Duration Matched Treasury