Quarterly Investment Report

As of 6/30/2021

Executive Summary

PORTFOLIO STATISTICS:

Quarter Ending:	03/31/2021	06/30/2021
Tax-Equivalent Book Yield	1.01%	0.57%
Book Value	$2,500,607	$2,259,671
Projected Tax-Equivalent Annual Income	$25,280	$12,852
Unrealized Gain	$7,292	$2,278
YTD Realized Gain	$226	$226
Portfolio Duration	0.33	0.47
Average Credit Quality	AAA	AAA

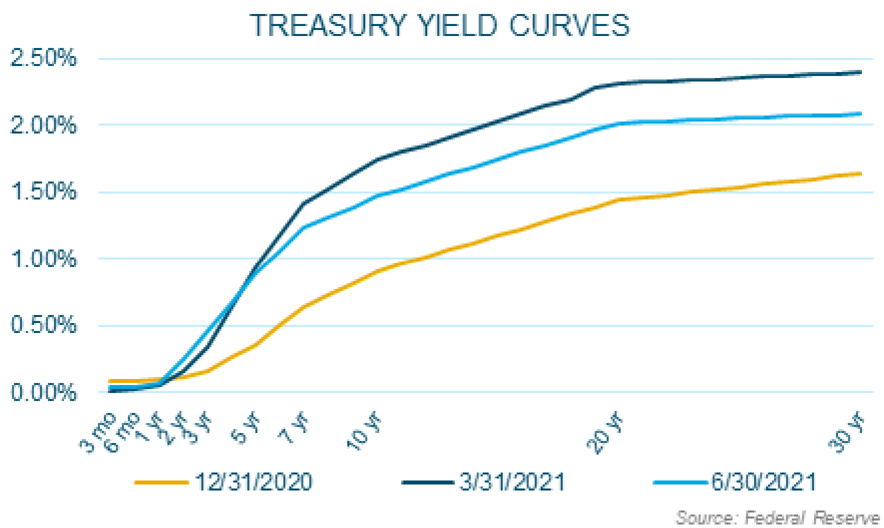
PORTFOLIO ALLOCATION:

Sector	03/31/2021	06/30/2021
Treasury	79%	90%
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	21%	10%

PERFORMANCE:

Tax-equivalent Performance	Portfolio	Target/Benchmark	Difference
YTD Booked Income	$13,928	$14,380	-$452
QTD Total Return	0.00%	0.00%	0.00%
YTD Total Return	0.06%	0.06%	0.00%

Economic Outlook



Second quarter saw a reversal of the Q1 steepening lead by a significant push LOWER in longer dated yields

- During the quarter the yield curve flattened as 2 year rates rose and 10 year rates fell, the 2/10 spread differential shifted from 158 bps to 122 bps
    - 10 year yields fell from 1.74% to 1.47%
    - While the 2 year Treasury yield had been locked in at 18 bps for a majority of the quarter, it ended higher at 25 bps. This move was in response to hawkish Fed expectations at the June FOMC meeting given improved growth and higher than expected inflation projections

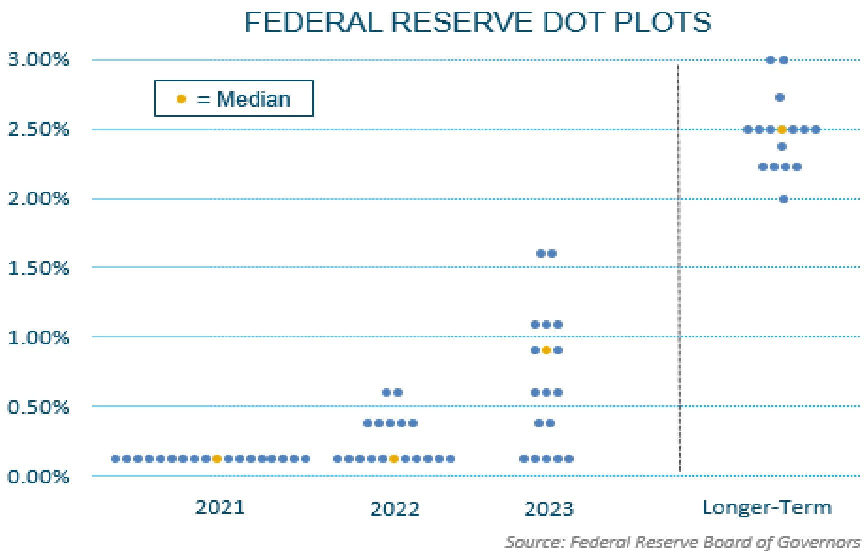
Over the course of Q2, the markets experienced continued positive economic developments, including a sustained reduction in virus caseloads and an increase in vaccination rates that allowed for further economic reopening

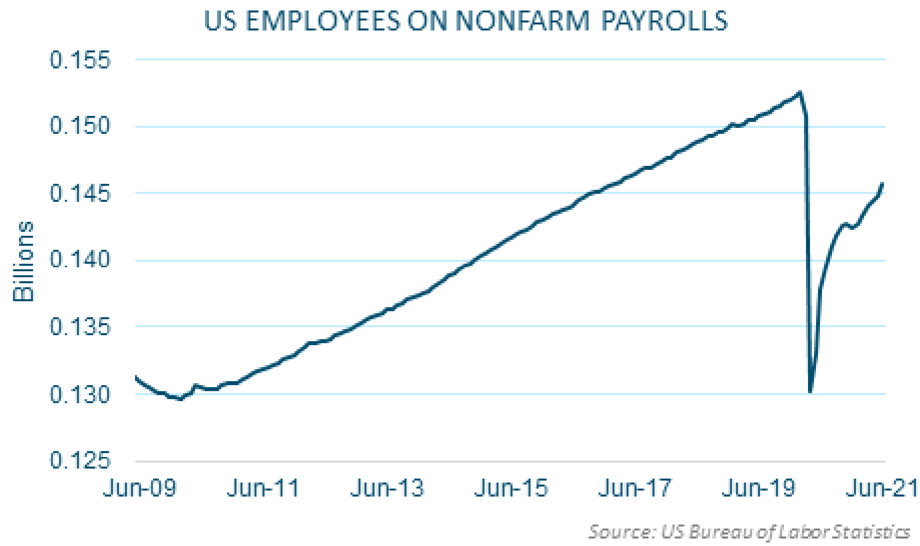
- With these developments also came significant positive revisions to GDP estimates and unemployment levels for 2021
- As inflation remains a concern, the Fed attributes inflation to “transitory” factors and believes it will normalize once economy is fully reopened

While the Fed remains committed to low rates until the economy returns to full employment, FOMC members shifted expectations higher in 2023

- June FOMC projections show:
    - GDP: The FOMC raised growth projections from March’s +6.5% to +7.0% in 2021, +3.3% for 2022 and +2.4% for 2023
    - Inflation: The FOMC projects core inflation to hit 3.0% in 2021, then ease to 2.1% in 2022 and 2023
    - Employment: Projections show unemployment declining to 4.5% in 2021 and 3.5% by 2023
    - Dot Plot: With improved growth, employment and higher inflation levels, FOMC members now project two rate hikes by the end of 2023

Economic Outlook





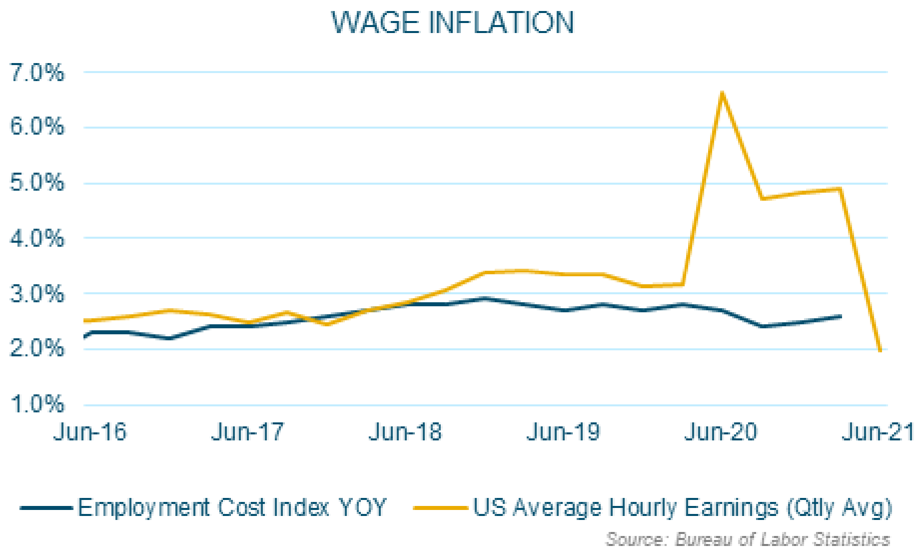
With improved growth, employment and higher inflation expectations, the markets will be watching for signs of removing accommodation

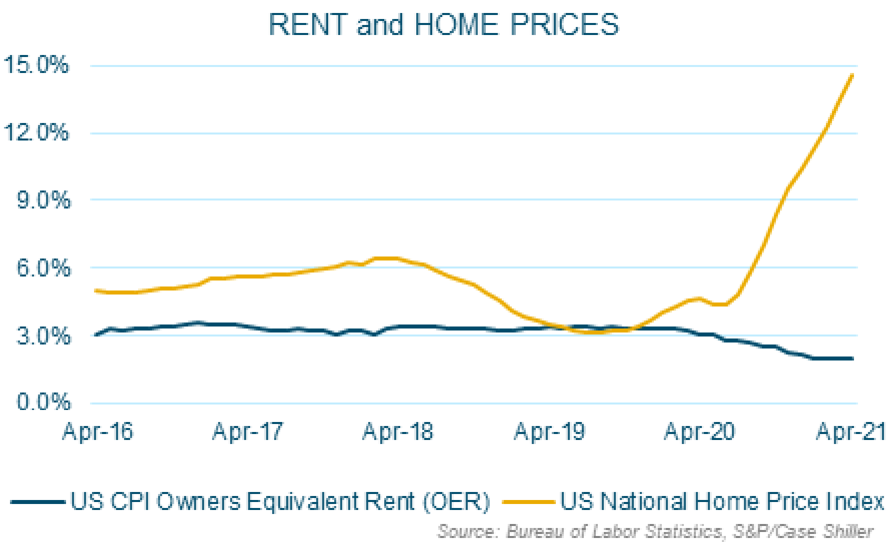
- Given the recent dot plot, median projections now imply two rate hikes by the end of 2023, up from 1 hike at the March meeting
- While still making quantitative easing purchases at the same rate, it is speculated that discussion around tapering QE will likely happen in Q3
    - That said, the Fed will give ample warning to the markets prior to implementing any reduction in purchases

Returning to full employment before removing accommodation remains an objective for the Fed

- As part of their dual mandate (price stability and full employment) the Fed would like to see improved labor force growth to ensure full recovery
    - At this point, the labor markets continues to show job losses of just under 7 million since the pandemic began
    - While some of these losses can be attributed to retirement, the Fed is willing to allow inflation to run above target in order to restore the market to full employment
- Overall, the labor market continues to make positive additions to payrolls, albeit at a slower pace than expected
    - Recent gains have largely been attributed to the leisure and hospitality sectors that are benefiting from reopening
    - Over the quarter, reports of labor shortages and difficulty attaining workers was a continued theme in business condition surveys
        - Despite ample job opening, payroll growth has been slowed due to ongoing childcare needs, continued virus fears, and extended unemployment benefits
    - It is expected that labor growth will improve this fall as vaccination rates rise, schools re-open and the expiration of extended unemployment benefits (September) bring more candidates to the labor pool

Economic Outlook





While inflation fears have sparked market concern, the Fed remains confident that the recent inflation spike is a result of "transitory" factors brought on by the uneven reopening of the global economy and supply chain disruptions

- The uneven nature of vaccine roll out and the varied stages of economic lockdowns across the globe have caused major disruptions to the global manufacturing supply chain
- Examples of these "transitory" costs can be seen in prices of lumber, copper and used cars which, despite remaining at multi-year highs, have begun to subside in the past month

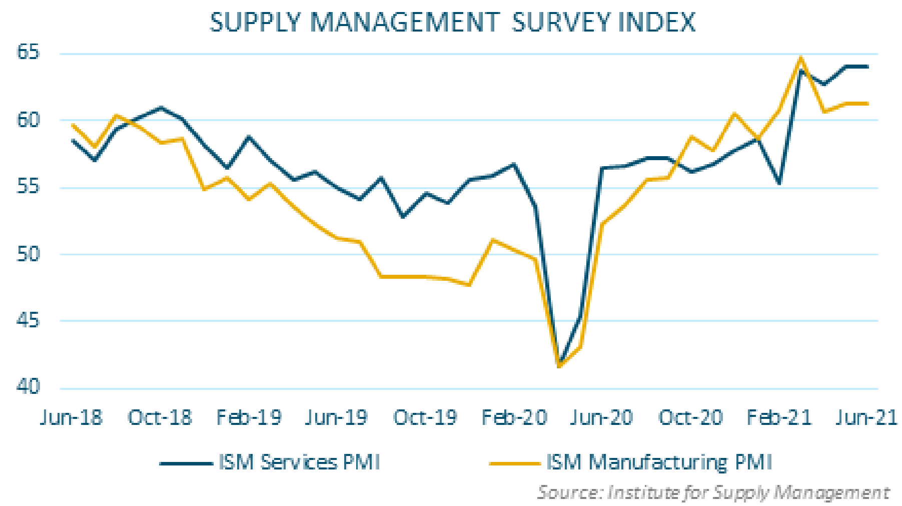
Labor is generally regarded as the largest contributor to the cost of goods & services and is largely considered "non-transitory". So far, labor costs have experienced only modest upward pressure

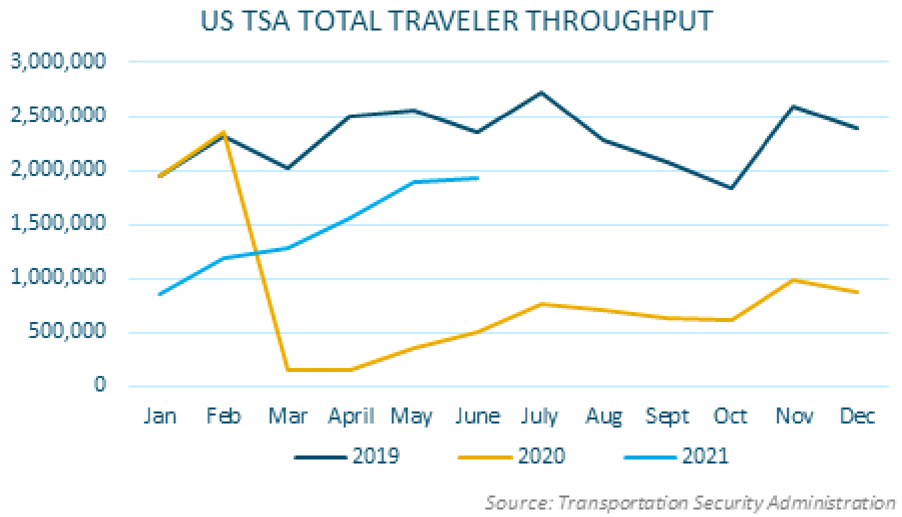
- The two most common measures of labor costs are Average Hourly Earnings (AHE) and Employment Cost Index (ECI) which can give vastly different views given their construction
  - AHE is a simple calculation of labor costs divided by hours worked by the entire labor pool
    - In 2020, this calculation rose significantly as more lower paying service industry jobs were lost than higher paying white collar jobs
    - This caused the average hourly earnings levels to spike, however it is expected to ease in coming months as more service industry workers reenter the labor pool
  - The ECI calculation however is more balanced, adjusting for the occupational mix of workers, providing a less volatile measure in 2020
    - The ECI shows labor costs have been stable over the longer term and would not be reason for inflationary concern

As discussed last quarter, despite rising home prices, owner's equivalent rent (OER) has not followed pricing and additional inflation pressure

- Shelter (OER) represents the largest component of core inflation, accounting for approximately 50% of total index

Economic Outlook





The U.S. economy is expected to continue its rebound throughout 2021

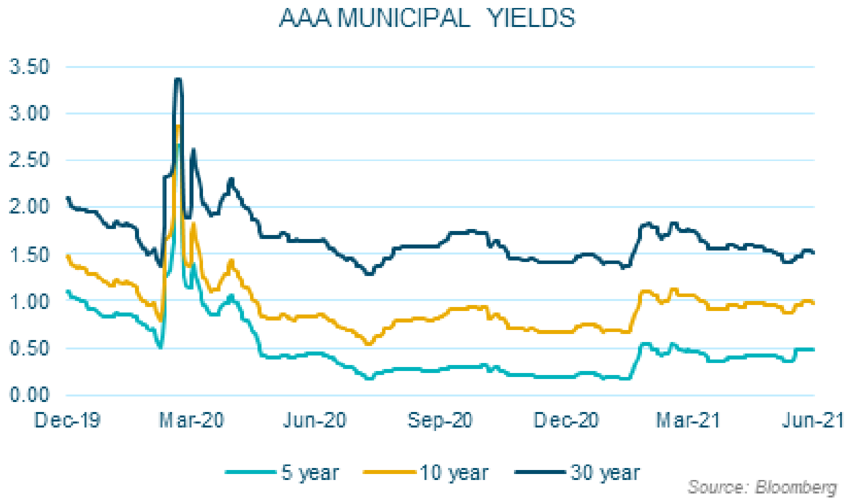
- Vaccination progress and declining virus caseloads have allowed most states to move toward full reopening
- Business outlooks continue to improve, showing that both the manufacturing and service sectors are well into expansionary levels
  - Business confidence is high and at more optimistic levels than prior to the pandemic
- As the consumer begins to feel more comfortable venturing out, look for an increase in spending across retail, hospitality and travel sectors
  - Sectors most severely impacted by the pandemic have now started to show significant turnaround
  - The service component of PCE shows that total spending levels have returned to 98% of its peak in February 2020
  - Air travel, hospitality and leisure have experienced an uptick in business activity and will continue to benefit with reduced restrictions

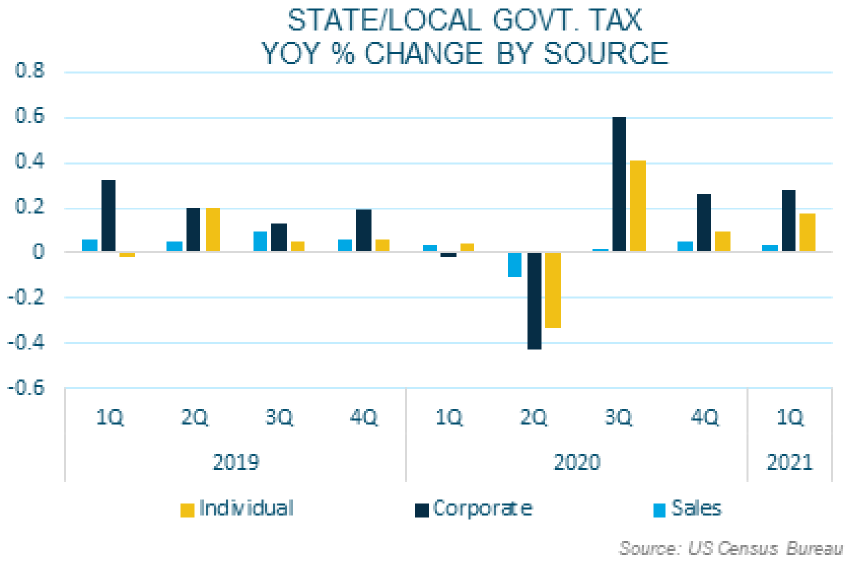
Improved employment and consumer spending should lead to a strong recovery in GDP this year and ultimately move fixed income rates back toward pre-pandemic levels

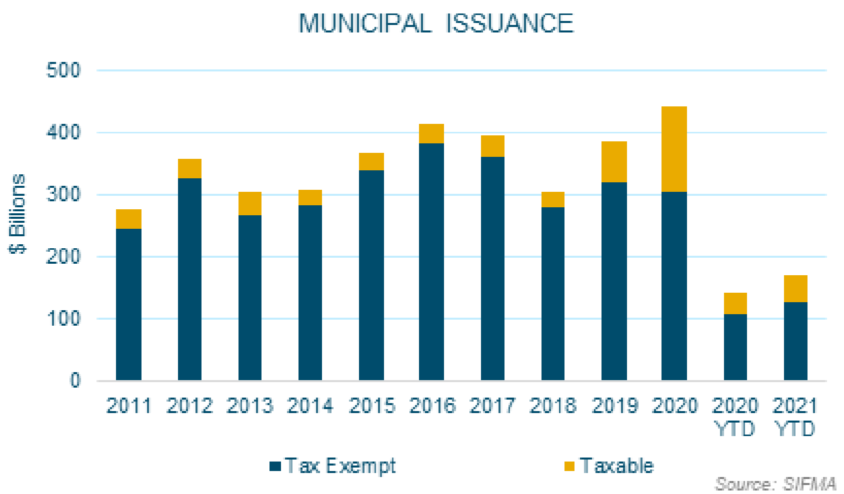
- June's Conference Board Consumer Confidence measure printed at 15-month highs, returning to pre-pandemic levels
- Confidence has been bolstered by improving vaccination rates in the U.S., recovery of the labor markets, strong stock market returns and solid home price appreciation +14.6% y/y (as of April 2021)
  - Confidence will continue to drive consumer spending and retail sales which remains a significant component of GDP
- The consensus for 2021 GDP growth is a sharp rise of +6.6%, significant recovery from the -3.5% decline in 2020

Economic Outlook

Municipals





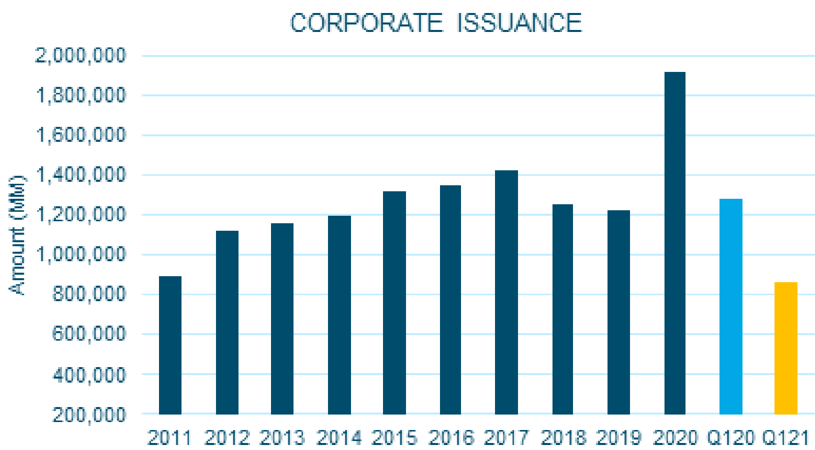


Comments

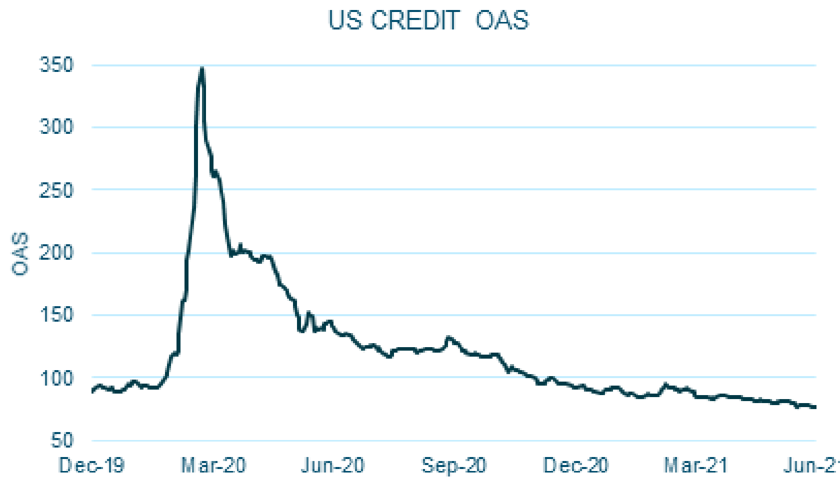
- The Bloomberg Barclays Municipal Index returned 1.42% during the second quarter, boosting annual returns to +1.06%
  - The tax-exempt municipal yield curve bull flattened during the quarter
- The Taxable Municipal Index returned 3.90%, bringing YTD returns to +0.29% and YTD excess return to 3.62%
  - 5 year pre-tax yields fell 3 basis points to 0.49%
  - 30 year yields fell 23 basis points finishing at 1.50%
- The primary market remained robust throughout 2021, with healthy amounts of both exempt and taxable issuance
- Tax collections continue to surprise to the upside post pandemic, creating credit tailwinds for the municipal market

Economic Outlook

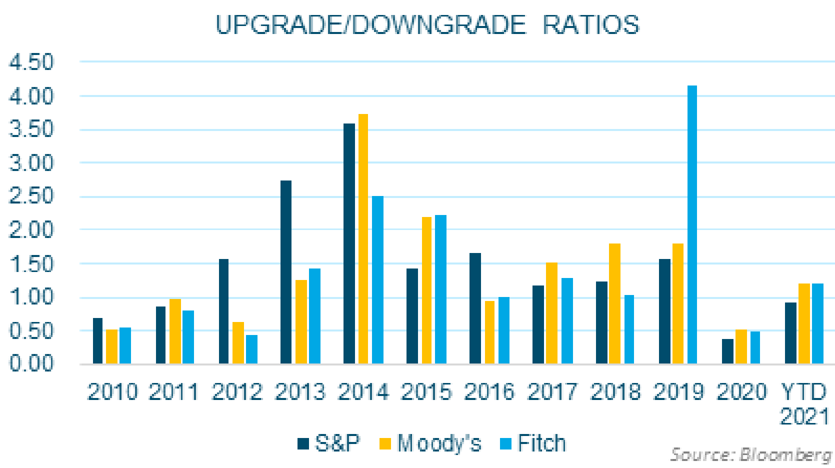
Corporates



Source: Bloomberg



Source: Bloomberg Barclays



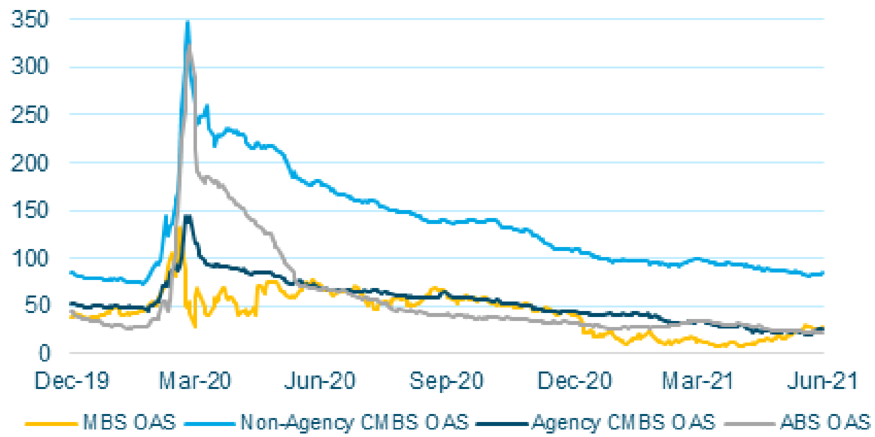
Source: Bloomberg

Comments

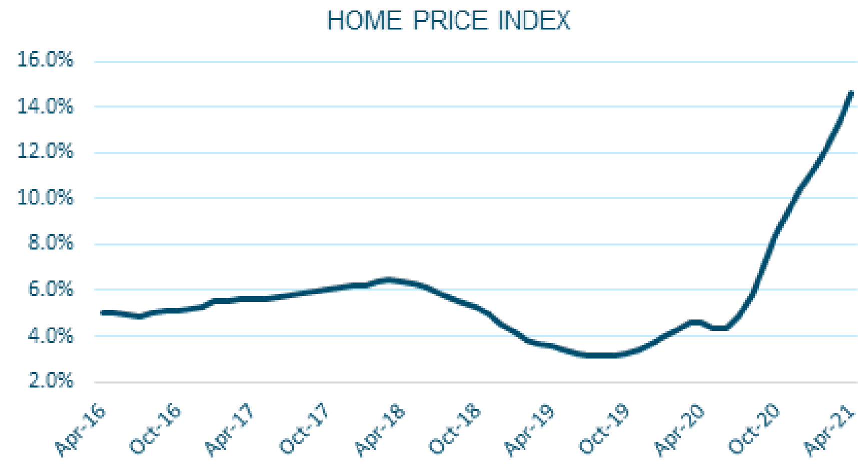
- Corporate credit spreads continued to grind tighter during the second quarter of 2021, closing the quarter -9 bps at +77, surpassing the February 2018 low (+81)
  - IG fund inflows have been positive for 34 straight weeks
- Corporate issuance was strong at $410bn, but trailed pandemic induced issuance record of $761bn. While down -33% y/y, 2021 is still on pace to exceed 2018 and 2019 annual issuance
- For the first time since the second quarter of 2017, there were no Fallen Angels this quarter
  - Q121 marked the Fallen Angel peak at $119bn.
- While the rating agencies showed patience throughout the pandemic, downgrades outpaced upgrades in 2020
  - For the first time since the pandemic upgrades outpaced downgrades in Q2'21, and now do on a year to date basis
- We retain our tactical overweight to corporates with a high-quality bias

Economic Outlook

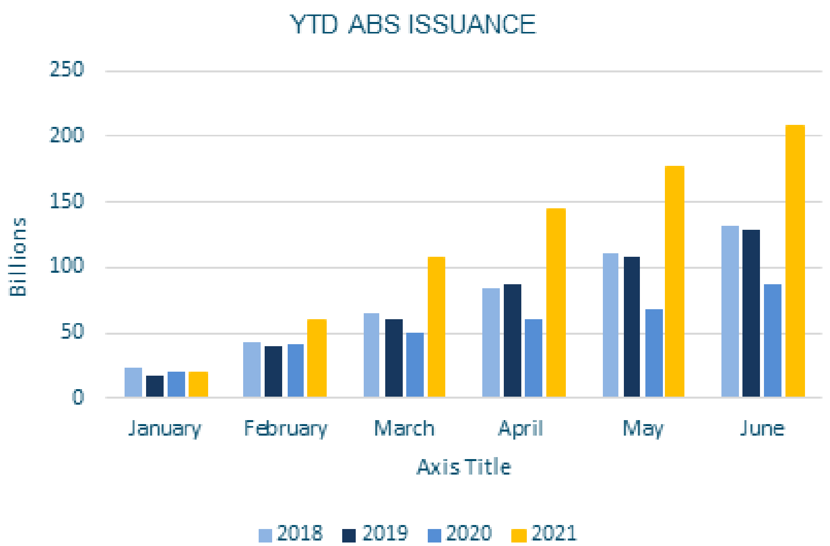
Mortgage and Asset Backed Securities (MBS and ABS)



Source: Bloomberg Barclays



Source: S&P /Case Shiller



Source: Bloomberg Barclays

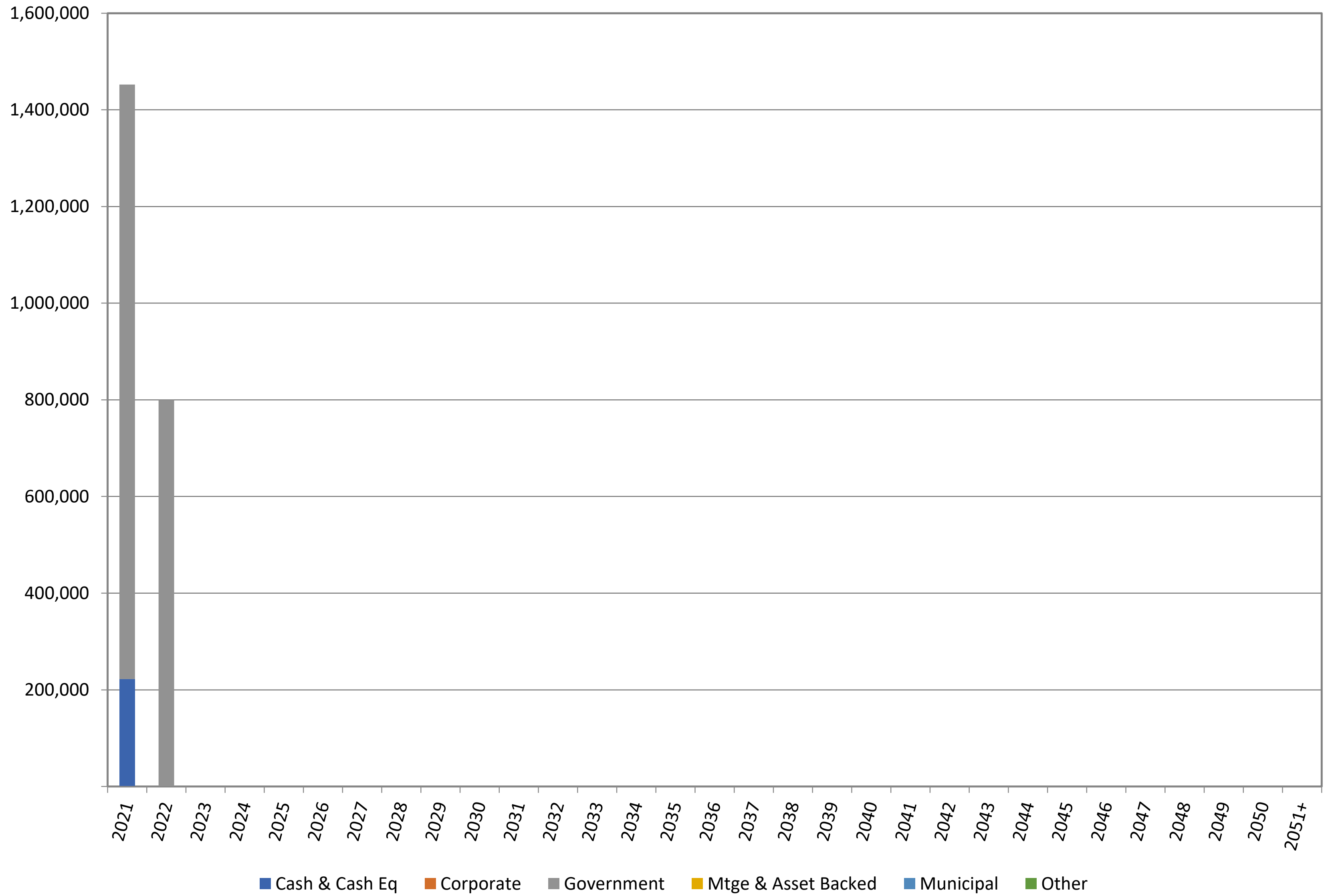
Comments

- Structured product spreads were mixed over the quarter as MBS widened 16bps as concerns began to emerge over the Fed tapering their MBS purchases
- Agency and Non-Agency CMBS both tightened 9bps and 15bps, respectively. Despite record supply, ABS spreads also continued to move tighter, as investor demand and fundamentals remain strong
  - Second quarter ABS supply surpassed all expectations as issuers played catch-up after a slow 2020.
  - YTD ABS issuance was $206bn, an increase of 60% vs 2020
- Home price appreciation has been on a tear since 2020 and has eased in 2021. In April home price appreciation rose 14.6% YoY, as reported at the end of June
  - Home prices continued to march higher given the limited supply of homes on the market, increased building costs and buyer demand amidst low rates

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	2,037,347	2,039,625	2,278	0.63	0.10	0.52	0.01	7	2,380	3	(102)
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	**2,037,347**	**2,039,625**	**2,278**	**0.63**	**0.10**	**0.52**	**0.01**	**7**	**2,380**	**3**	**(102)**
Short Term											
Sweep Money Market	222,324	222,324	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	**222,324**	**222,324**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	**0**	**0**	**0**	**0**
Total Fixed Income & Short Term											
Total	**2,259,671**	**2,261,948**	**2,278**	**0.57**	**0.09**	**0.47**	**0.01**	**7**	**2,380**	**3**	**(102)**
Equity											
Common Stock	0	0	0					0	0	0	0
Total	**0**	**0**	**0**					**0**	**0**	**0**	**0**
Grand Total											
Total	**2,259,671**	**2,261,948**	**2,278**					**7**	**2,380**	**3**	**(102)**

Maturity Schedule By Weighted Average Life



Effective Maturity Schedule

Year	Book Value	Tax Equiv. Book Yield	% of Total Book Value
2021	1,233,423	0.99	61%
2022	803,924	0.09	40%
2023+	0	0.00	0%
Subtotal	**2.037.347**	**0.63**	**100%**
(inc. ABS, Agcy, CMBS, Corp, Muni, UST)			
MBS	0	0.00	0%
TOTAL	**2.037.347**	**0.63**	**100%**

Performance

Tax-Equivalent Total Return
as of 06/30/2021
Inception Date: 08/01/2014

	Portfolio	Benchmark	Difference
Quarter to Date	0.00%	0.00%	0.01%
Year to Date	0.06%	0.06%	0.00%
Since Inception	1.13%	1.17%	-0.03%

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
04/05/2021	US TREASURY N/B	Treasury	AA+	Aaa	0.125	04/30/2022	N/A	100.04	250,088	0.09	0.09
05/03/2021	US TREASURY N/B	Treasury	AA+	Aaa	1.750	05/15/2022	N/A	101.73	254,326	0.07	0.07
06/02/2021	US TREASURY N/B	Treasury	AA+	Aaa	0.125	06/30/2022	N/A	100.05	250,117	0.08	0.08
Total									**754,531**	**0.08**	**0.08**

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
04/30/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	1.375	04/30/2021	04/30/2021	100.00	250,000	0	1.90	1.90
05/31/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.000	05/31/2021	05/31/2021	100.00	250,000	0	1.89	1.89
06/30/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	1.625	06/30/2021	06/30/2021	100.00	200,000	0	1.78	1.78
Total										**700,000**	**0**	**1.86**	**1.86**

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																
06/01/2021			222,324	BANK OF AMER/ML	0.00			222,324	222,324	222,324	0	0.00	0.00	0.00	0.00	
			222,324					**222,324**	**222,324**	**222,324**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	
Treasury																
03/19/2020	AA+	Aaa	175,000	US TREASURY N/B	2.63	12/15/2021	12/15/2021	181,453	176,700	177,044	344	0.49	0.08	0.46	0.46	0.00
08/01/2019	AA+	Aaa	220,000	US TREASURY N/B	1.75	07/31/2021	07/31/2021	219,699	219,987	220,301	314	1.82	0.15	0.08	0.08	0.01
05/03/2021	AA+	Aaa	250,000	US TREASURY N/B	1.75	05/15/2022	05/15/2022	254,326	253,663	253,603	(60)	0.07	0.10	0.87	0.87	0.01
03/10/2020	AA+	Aaa	245,000	US TREASURY N/B	1.25	10/31/2021	10/31/2021	248,216	245,653	245,958	305	0.44	0.08	0.33	0.33	0.00
02/04/2020	AA+	Aaa	170,000	US TREASURY N/B	1.50	08/31/2021	08/31/2021	170,046	170,005	170,398	393	1.48	0.11	0.17	0.17	0.00
02/04/2020	AA+	Aaa	175,000	US TREASURY N/B	1.50	09/30/2021	09/30/2021	175,082	175,013	175,621	609	1.47	0.09	0.25	0.25	0.00
03/10/2020	AA+	Aaa	245,000	US TREASURY N/B	1.50	11/30/2021	11/30/2021	249,402	246,065	246,455	390	0.45	0.08	0.42	0.42	0.00
07/16/2020	AA+	Aaa	50,000	US TREASURY N/B	0.38	03/31/2022	03/31/2022	50,191	50,084	50,110	25	0.15	0.08	0.75	0.75	0.01
04/05/2021	AA+	Aaa	250,000	US TREASURY N/B	0.13	04/30/2022	04/30/2022	250,088	250,069	250,068	(1)	0.09	0.09	0.83	0.83	0.02
06/02/2021	AA+	Aaa	250,000	US TREASURY N/B	0.13	06/30/2022	06/30/2022	250,117	250,109	250,068	(41)	0.08	0.10	1.00	1.00	0.01
			2,030,000					**2,048,621**	**2,037,347**	**2,039,625**	**2,278**	**0.63**	**0.10**	**0.52**	**0.53**	**0.01**
			2,252,324					**2,270,945**	**2,259,671**	**2,261,948**	**2,278**	**0.57**	**0.09**	**0.47**	**0.47**	**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^{SM}	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.

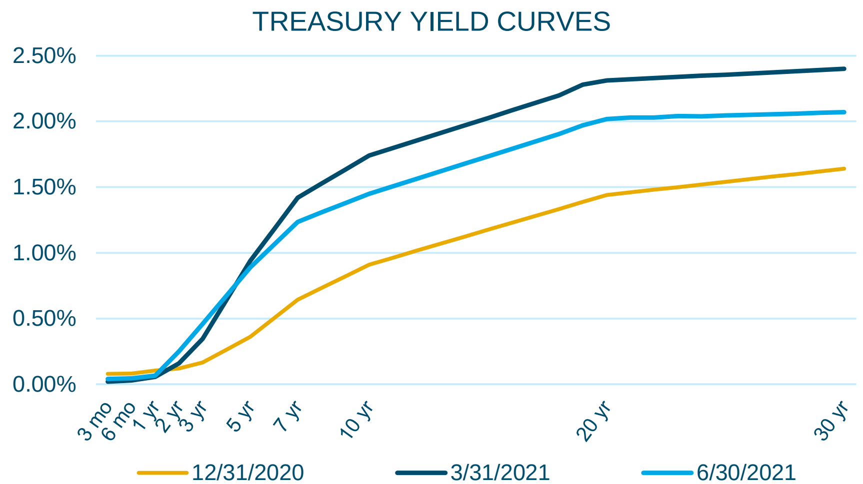
Appendix

Presentation Overview

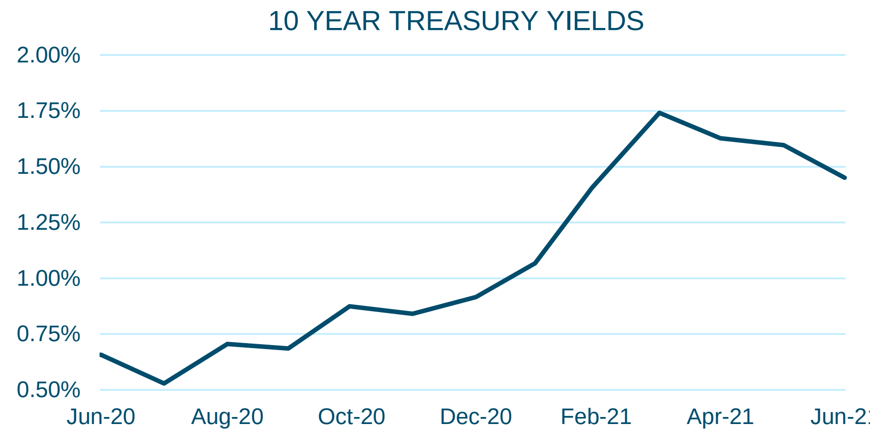
Overview

- Economic overview and market update
- Portfolio review
- Performance

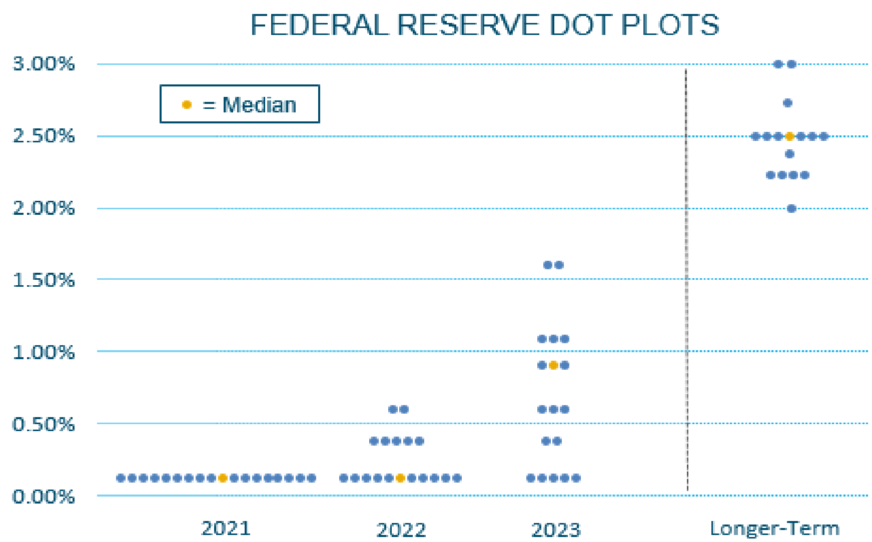
Treasury Yields and the Economy



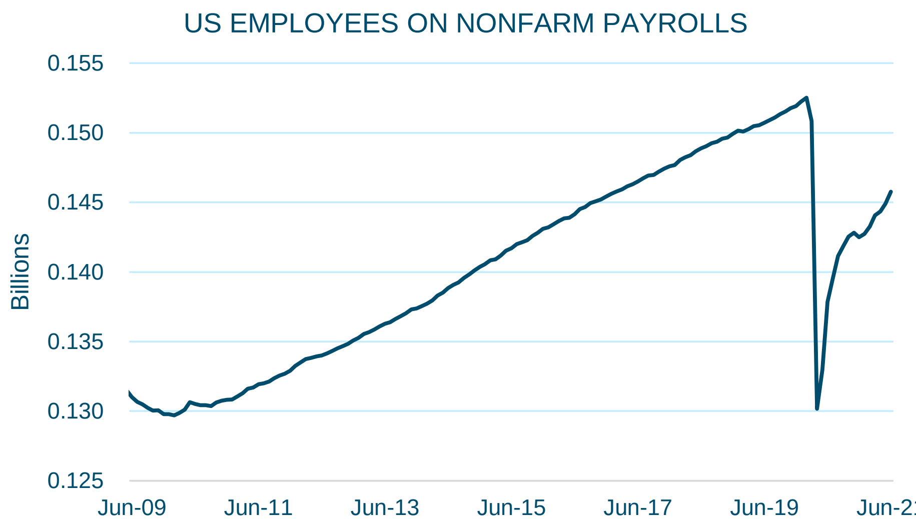
Source: Federal Reserve



Source: Federal Reserve

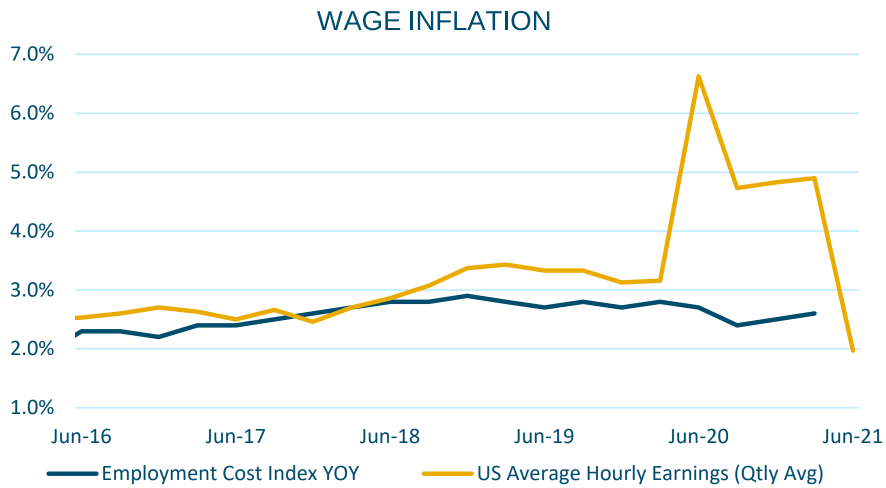


Source: Federal Reserve Board of Governors

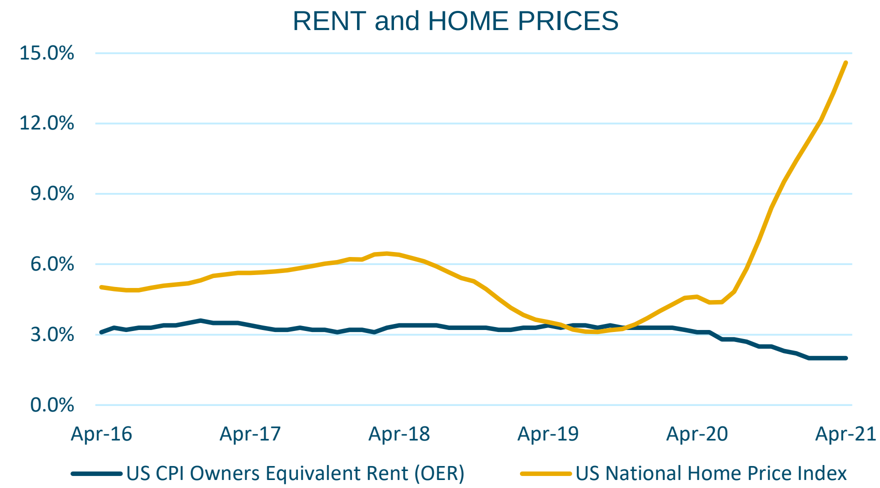


Source: US Bureau of Labor Statistics

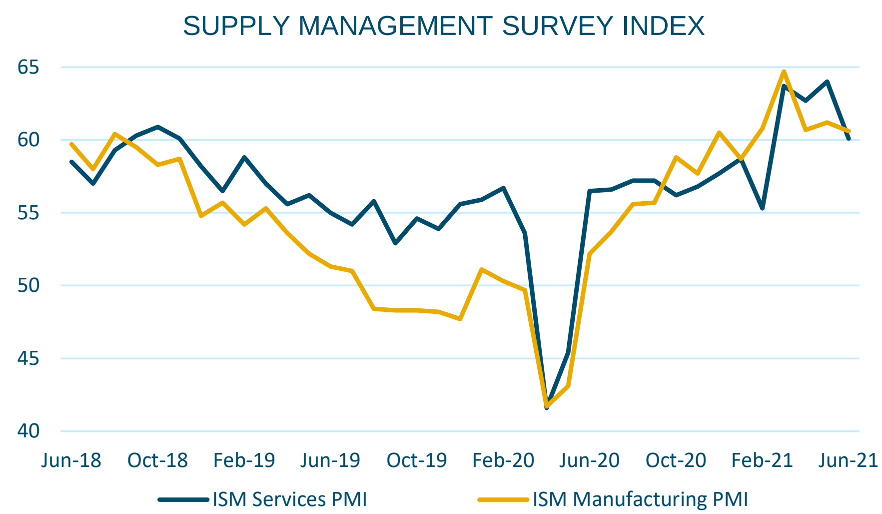
Inflation and Employment



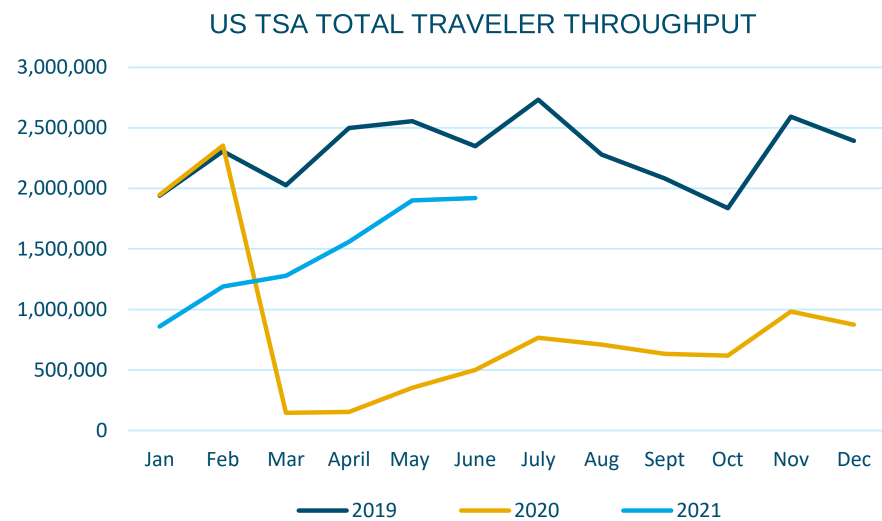
Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics, S&P/Case Shiller



Source: Institute for Supply Management

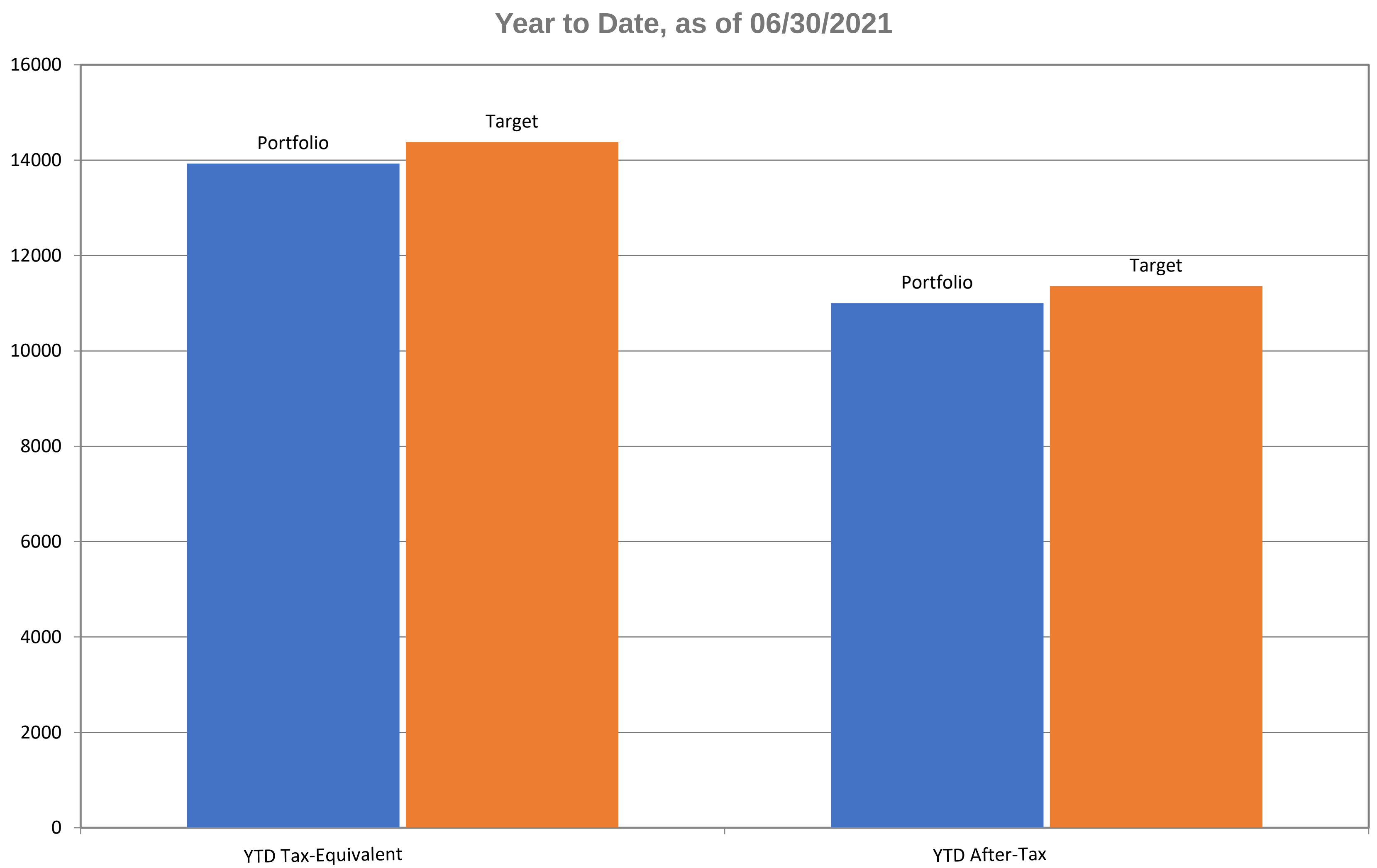


Source: Transportation Security Administration

Portfolio Changes

Public Entity Joint Insurance Fund	06/30/2020	09/30/2020	12/31/2020	03/31/2021	06/30/2021
Treasury Yields					
2 yr Treasury Yield	0.15%	0.13%	0.12%	0.16%	0.25%
5 yr Treasury Yield	0.29%	0.27%	0.36%	0.93%	0.88%
10 yr Treasury Yield	0.65%	0.68%	0.91%	1.74%	1.45%
Book Statistics					
Tax-Equivalent Book Yield	1.57%	1.36%	1.27%	1.01%	0.57%
Book Value ($)	4,904,284	4,122,484	3,198,904	2,500,607	2,259,671
Projected Tax-Equivalent Income, next 12 months ($)	77,157	56,101	40,524	25,280	12,852
Unrealized Gains/(Losses) ($)	39,527	25,700	14,309	7,292	2,278
YTD Realized Gains/(Losses) ($)	0	0	0	226	226
Portfolio Risk Statistics					
Effective Duration	0.63	0.69	0.61	0.33	0.47
Convexity	0.01	0.01	0.01	0.00	0.01
Weighted Average Life	0.64	0.69	0.61	0.33	0.47
Average Rating	AAA	AAA	AAA	AAA	AAA
Portfolio Sector Allocation					
Treasury	89%	94%	100%	79%	90%
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	11%	6%	0%	21%	10%

Income Year to Date



Performance

Tax-Equivalent Total Return
as of 06/30/2021
Inception Date: 08/01/2014

	Portfolio	Benchmark	Difference
Quarter to Date	0.00%	0.00%	0.01%
Year to Date	0.06%	0.06%	0.00%
Since Inception	1.13%	1.17%	-0.03%

Benchmark Composition:

100.0% PEJIF Duration Matched Treasury