Quarterly Investment Report

As of 12/31/2021

Executive Summary

PORTFOLIO STATISTICS:

Quarter Ending:	09/30/2021	12/31/2021
Tax-Equivalent Book Yield	0.17%	0.14%
Book Value	$3,010,443	$3,014,985
Projected Tax-Equivalent Annual Income	$5,141	$4,239
Unrealized Gain	$435	-$2,977
YTD Realized Gain	$226	$226
Portfolio Duration	0.62	0.63
Average Credit Quality	AAA	AAA

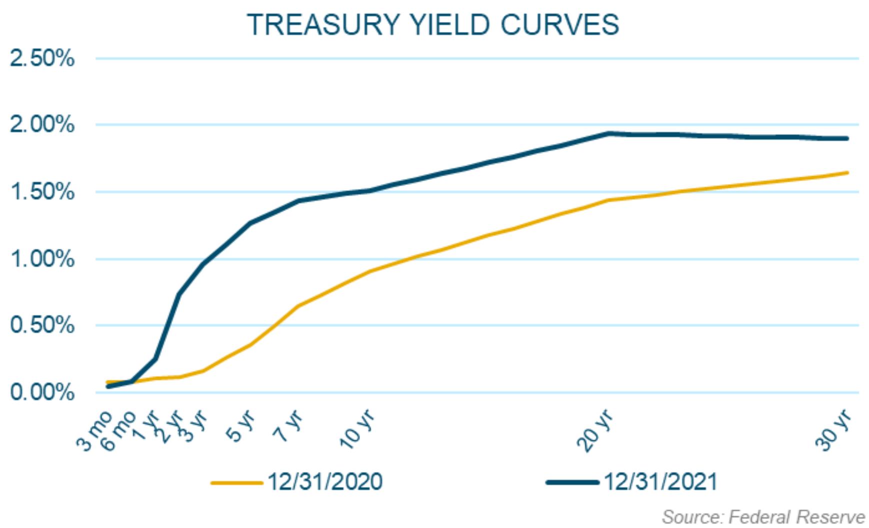
PORTFOLIO ALLOCATION:

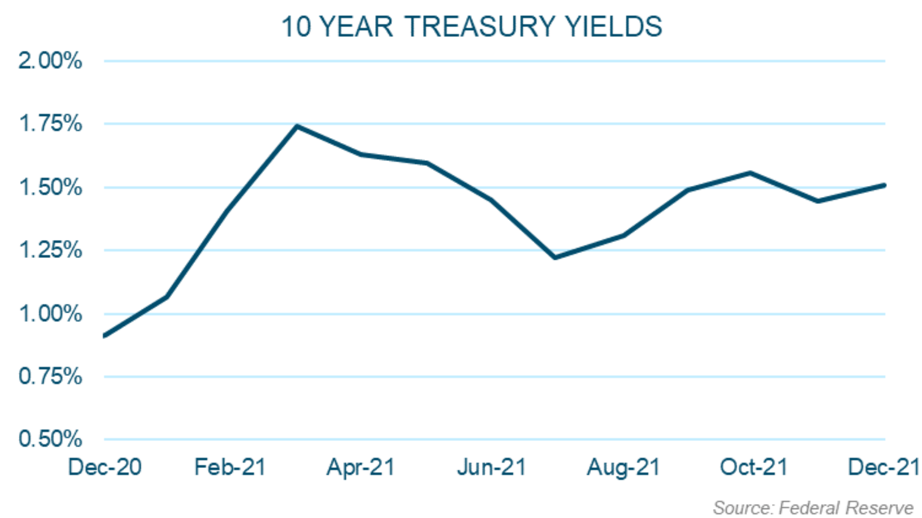
Sector	09/30/2021	12/31/2021
Treasury	88%	88%
Agency	0%	0%
Credit	0%	0%
Exempt Muni	0%	0%
Taxable Muni	0%	0%
MPT	0%	0%
CMO	0%	0%
ABS	0%	0%
CMBS	0%	0%
Short-Term	12%	12%

PERFORMANCE:

Tax-equivalent Performance	Portfolio	Target/Benchmark	Difference
QTD Total Return	-0.08%	-0.11%	0.03%
YTD Total Return	0.00%	-0.02%	0.02%

Economic Outlook

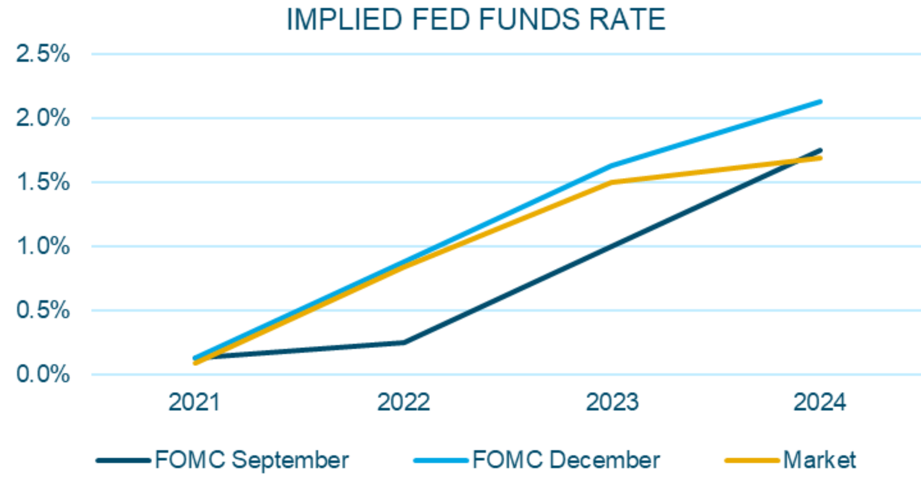




- Across the curve, yield levels pushed higher in 2021 in response to massive pandemic stimulus and mounting inflationary pressures
  - While two-year bonds experienced a steady rise in yields throughout the year, 10-year Treasuries witnessed extreme volatility with yields rising on inflation anxiety and falling as Covid spiked throughout the year
    - 10-year Treasuries traded in a wide range (0.92% to 1.74%), ending the year +61 bps higher at 1.51%
    - 2-year bonds climbed steadily over the second half of the year, and also ended +61 bps higher at 0.73%
  - The steepness of the yield curve, measured by the difference between the 2 and 10-year yields, was nearly unchanged at +78 bps
  - Given the favorable borrowing environment, equity market returns for the year were very strong with the S&P returning +26.9% and the Dow Jones advancing +18.7%
- Moving forward, rate volatility is likely to remain high as the markets adjust to the removal of accommodation by global central banks in 2022
  - For the Federal Reserve, the speed of potential rate hikes will be highly dependent on labor market recovery, how quickly inflationary pressures subside, and decisions on U.S. fiscal policy
  - A FOMC policy misstep that reduces growth too quickly could ultimately lead to lower longer-term yields, which is currently a concern being factored into the relatively low 10 to 30-year yield levels

Economic Outlook

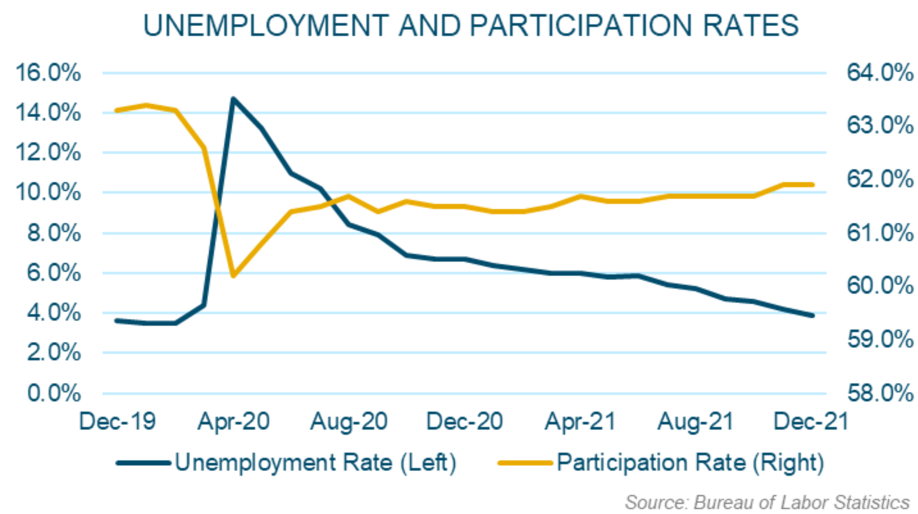
Source: Federal Reserve

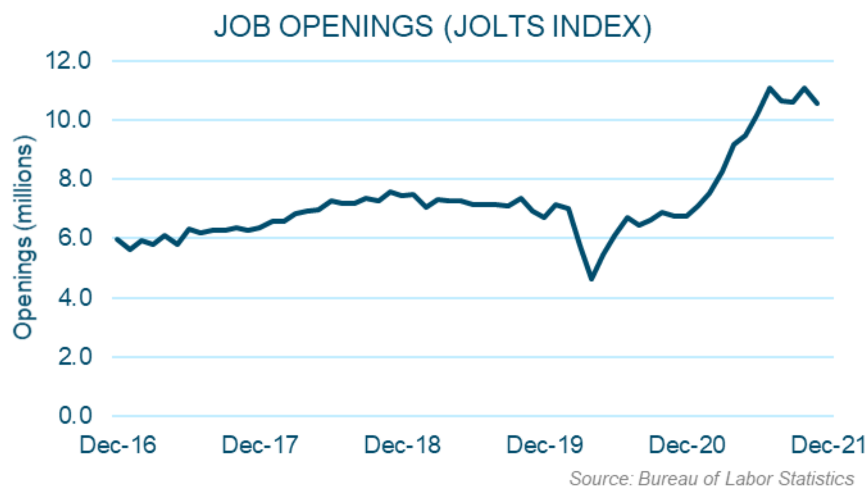


Source: Federal Reserve Board of Governors

- In 2021, the market witnessed a pivot by the Fed, not only on the outlook toward tapering and rate hikes, but also in their economic projections for 2021 and beyond
- With each meeting, the FOMC slowed the pace of growth and inflation recovery, while improving their labor market outlook
  - GDP: The FOMC eased 2021 growth projections from June's high of 7.0% to 5.5% in December. They now project growth at 4.1% in 2022, before easing toward longer-term levels of 2% in 2023 and 2024
  - Inflation: Given the ongoing global supply chain disruptions that plagued 2021, the FOMC consistently pushed out expectations for inflation to return to their 2% target levels. December's revised projections do not see that recovery until 2023 or 2024
    - As a result, the FOMC removed the word "transitory" from their depiction regarding current inflationary pressures
  - Employment: Despite a lower participation rate, the unemployment rate has improved at a faster pace than expected
    - FOMC members now expect to return to full employment and pre-pandemic levels of 3.5% by the end of 2022, providing more flexibility for the Fed to hike rates sooner to combat inflation
  - Dot Plot: With the decision in December to accelerate the tapering of the quantitative easing program, the Fed is on track to end asset purchases by March of 2022. Subsequently, this opens the door for an accelerated pace of rate hikes in 2022
    - The median Fed expectations are for 3 rate hikes in 2022 and 2023, and 2 rate hikes in 2024
    - This acceleration of hikes has caused the yield curve to flatten over the course of the fourth quarter as short rates rose in response to hike expectations, while longer-term yields have eased given growth concerns with higher rates

Economic Outlook



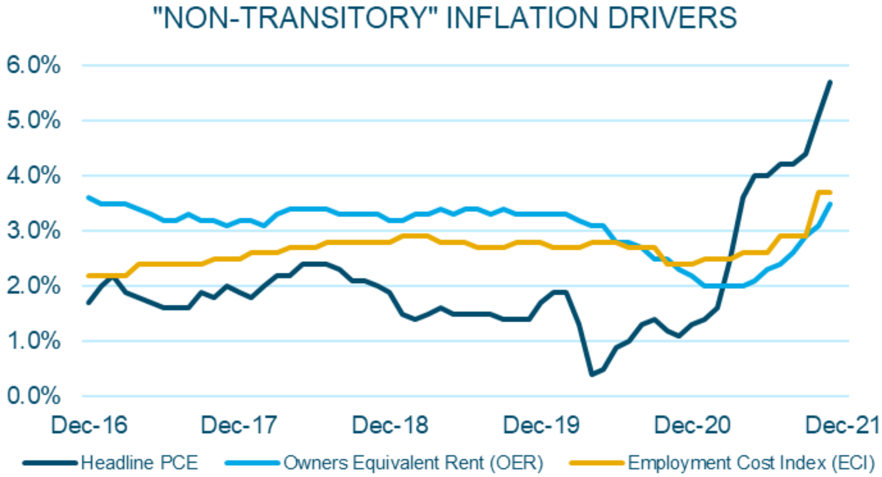


- Maximizing employment gains prior to removing accommodation has been a key objective for the Federal Reserve
  - Currently, labor market job losses since the pandemic remain at 3.5 million, while the unemployment rate has recovered to 3.9%
  - Part of the recovery in the unemployment rate is due to the stubbornly low participation rate, which has been slow to recover from pre-pandemic levels, and remains approximately -1.5% lower than early 2020
  - While some of these losses can be attributed to retirement, payroll growth has been slowed due to ongoing childcare needs and continued uncertainty regarding the virus
  - Employment levels in service sectors such as restaurants, retail, travel and leisure have witnessed the slowest recovery

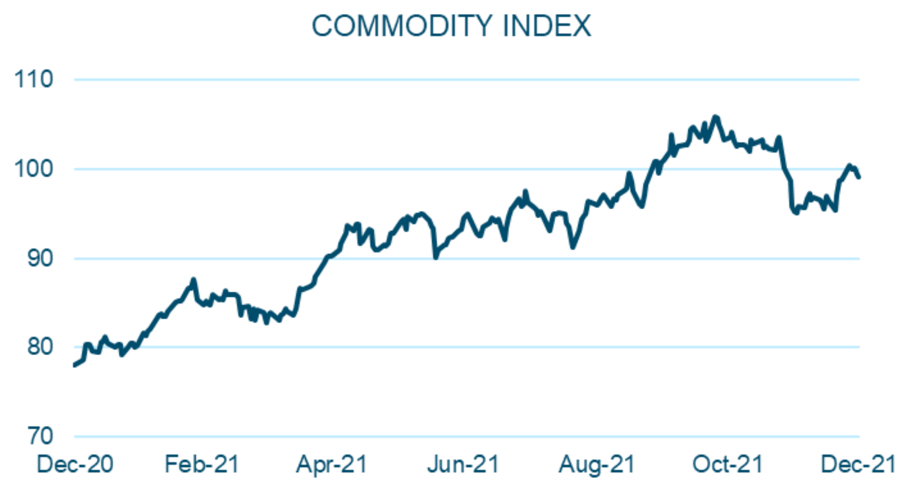
- U.S. labor market conditions remain tight and difficulty attaining workers has been a continued problem plaguing businesses the entire year
  - The job openings survey (JOLTS) calculated by the Labor Department has consistently shown that there are ample positions available, more than exceeding those on unemployment even after normalizing for pre-pandemic participation rates
  - With jobless claims also reaching historic lows (1969), it also underscores the tightness of the labor markets

- Given the ongoing labor shortage, employers have been forced to increase wages to attract talent back to the workforce which has subsequently added to inflationary pressures this year
  - In 2022, it is expected that labor growth and participation will continue to improve slowly as vaccination rates rise, COVID fears subside, and higher wages bring more candidates back to the labor pool

Economic Outlook



Source: Federal Reserve, Bureau of Labor Statistics



Source: Bloomberg

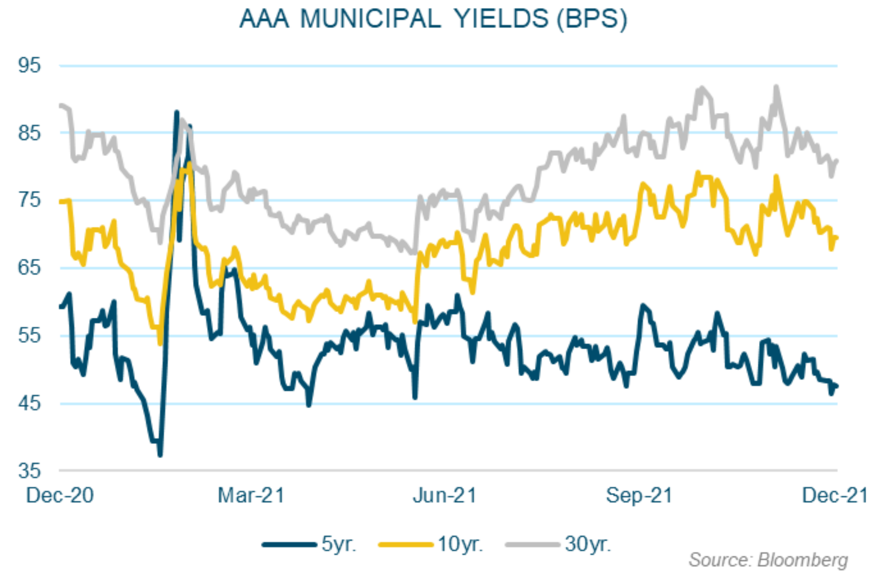
- Almost two years into the pandemic, variant flare ups, uneven vaccination rollouts and varied stages of economic lockdowns across the globe have caused major disruptions to the global manufacturing supply chain. As a result, shortages of raw materials, commodities, and parts continue to drive producer costs and consumer prices higher
  - These disruptions have inflation measures now hitting their highest levels in nearly 40 years. With the Omicron variant hitting late Q4, it does not appear that supply chain issues will ease soon
  - Given these sustained inflationary pressures, the Fed recently removed “transitory” from their depiction of inflation, and has moved toward a quicker policy response than previously planned

- While some “transitory” factors have helped push inflation higher over the year, numerous “non-transitory” factors are now also coming into play
  - Wages have experienced significant upward pressure this year given widespread labor shortages and weak labor force participation. While most of those gains have been centered in service industry jobs, labor shortages are now impacting wages across industries
  - Inflationary measures for shelter costs have also moved higher on the year given the recent run-up in home prices. This shift is concerning given the large percentage the component represents within both PCE and CPI inflation measures

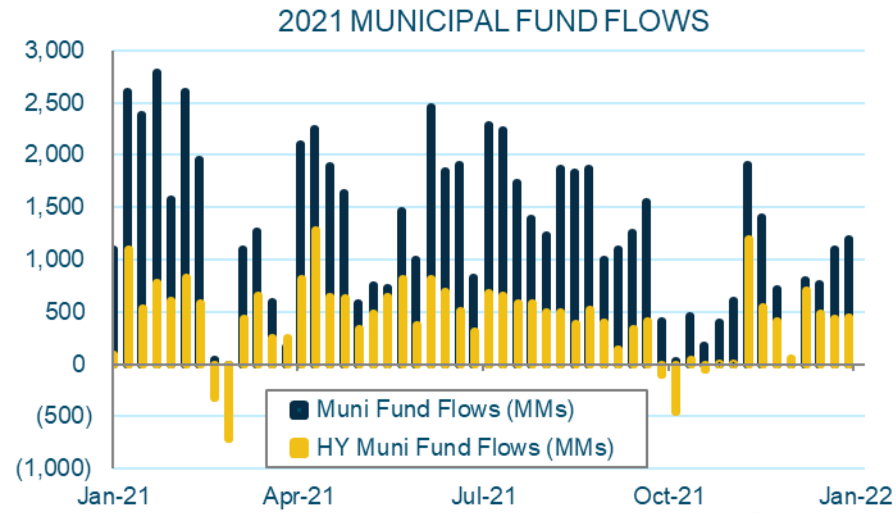
- “Transitory” costs seen in commodities and global shipping rates have eased from their 2021 peaks, however variant flare-ups continue to threaten the recovery of global supply chains and pressure inflation higher
  - With further re-opening these “transitory” costs should ease inflation over the longer term

Economic Outlook

Municipals



Source: Bloomberg



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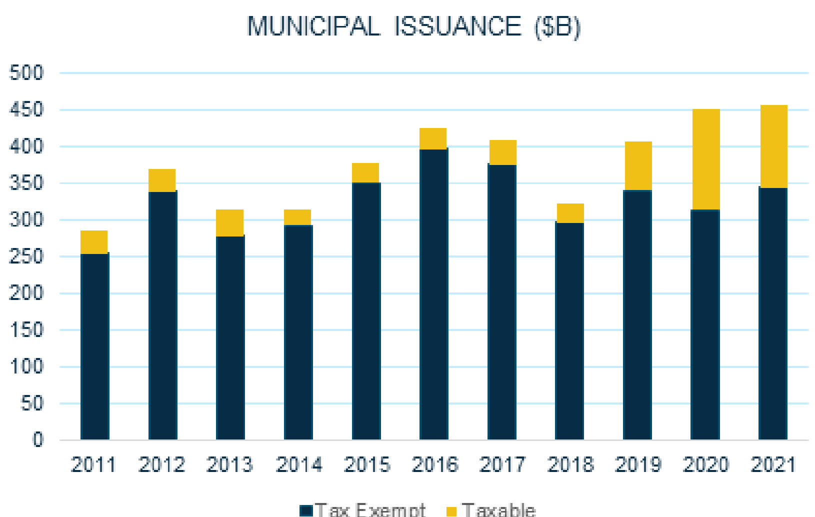


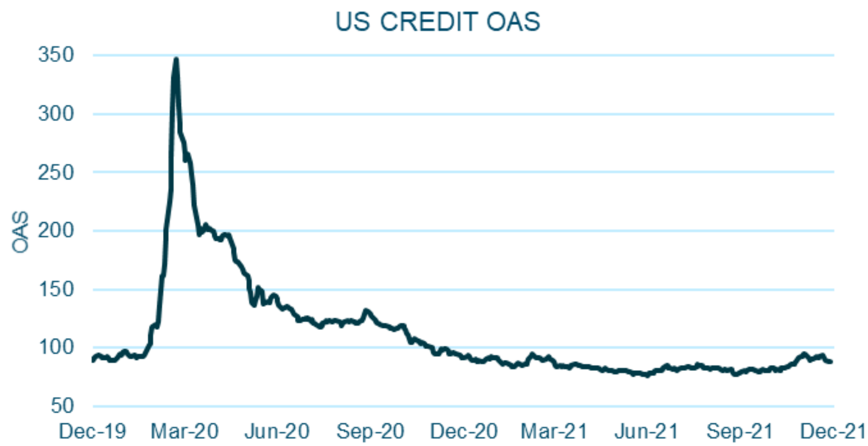
Source: SIFMA

Comments

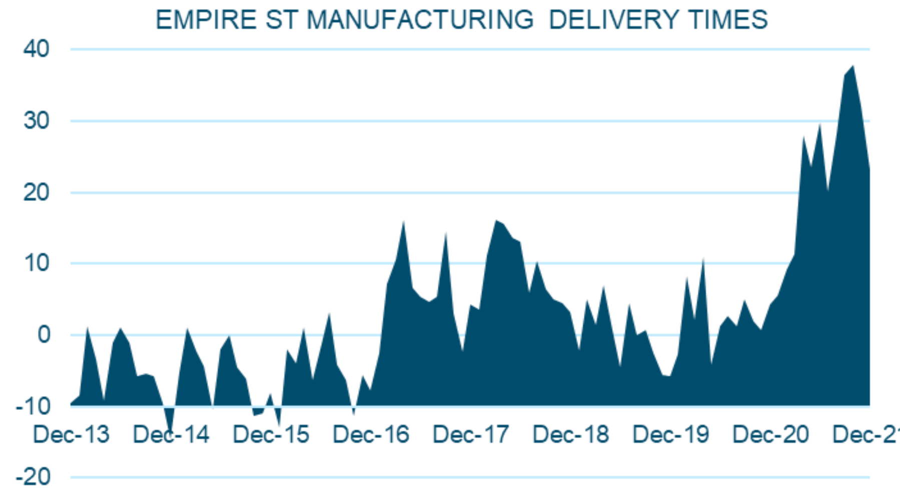
- Both tax exempt and taxable municipals outperformed most other investment grade options during 2021
- Pre-tax yields rose off the historically low yields fueled by the pandemic, with the yield curve steepening
  - Per Municipal Market Data, 5yr and 10yr AAA municipal yields finished +37 bps and +31 bps higher respectively while 30yr AAA municipal yields only increased +9 bps
- Municipal bond issuance surged to an all-time high in 2021 according to data compiled by Bloomberg. Long-term municipal issuance rose to a total of $460 billion in 2021, with roughly ¼ of that being issued as taxable debt
- Demand for tax exempt income remained robust over the year as evidenced by roughly $100bn in exempt bond fund inflows

Economic Outlook

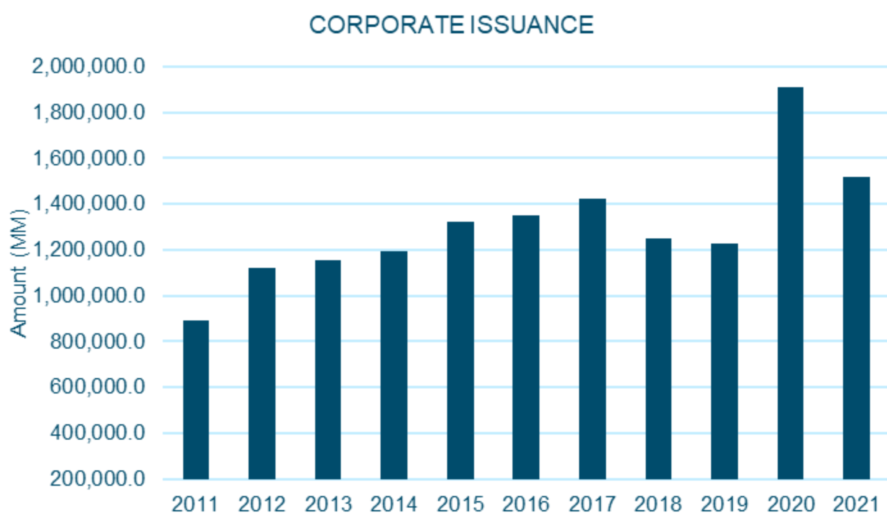
Corporates



Source: Bloomberg



Source: Federal Reserve Bank of New York



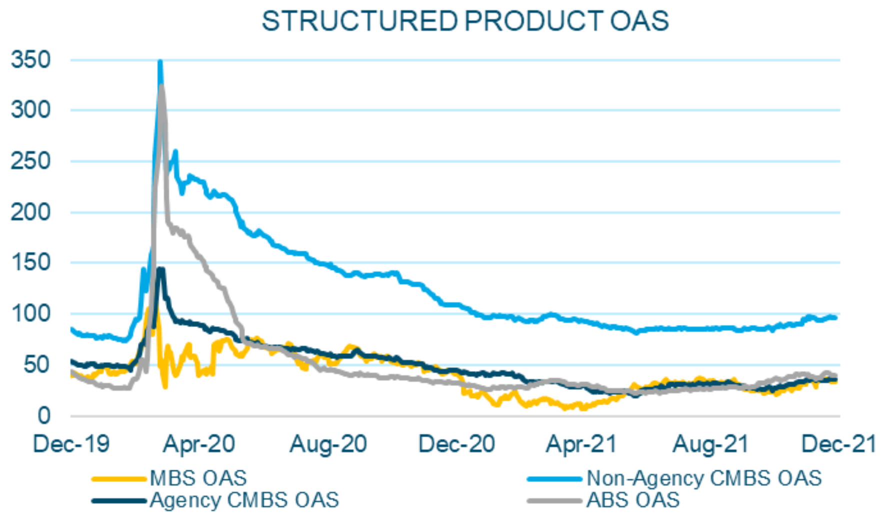
Source: Bloomberg

Comments

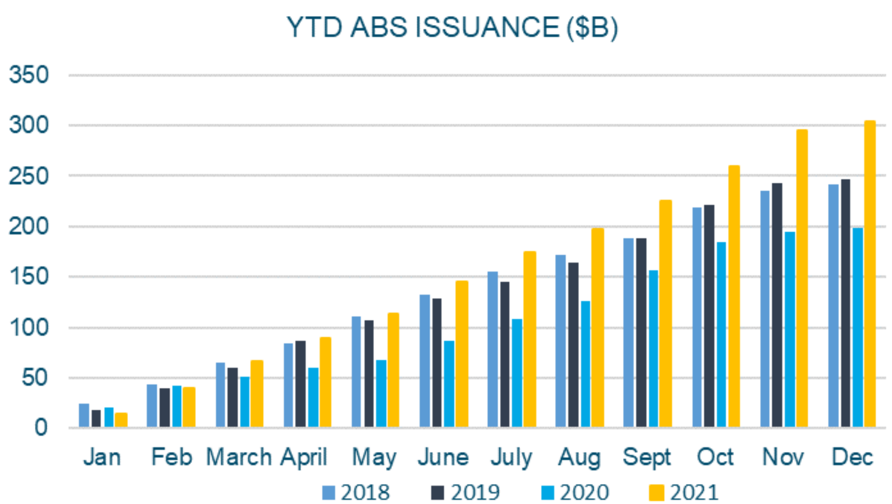
- IG spreads widened 7bps in Q4’21 to close out the year at +87, which was 5bps tighter year over year. Spreads traded in a narrow range throughout 2021 (+77-95), and any spread widening was routinely viewed as a buying opportunity.
- Q4’21 IG issuance remained strong at $332bn, besting Q4’20’s $241bn. Full year 2021 issuance fell -21% y/y to $1,517bn, but still marked the second highest annual issuance on record.
- We continue to watch supply chain bottlenecks and inflationary pressures closely, which present challenges to firms across the IG space.
- We retain our tactical overweight to corporates with a high-quality bias.

Economic Outlook

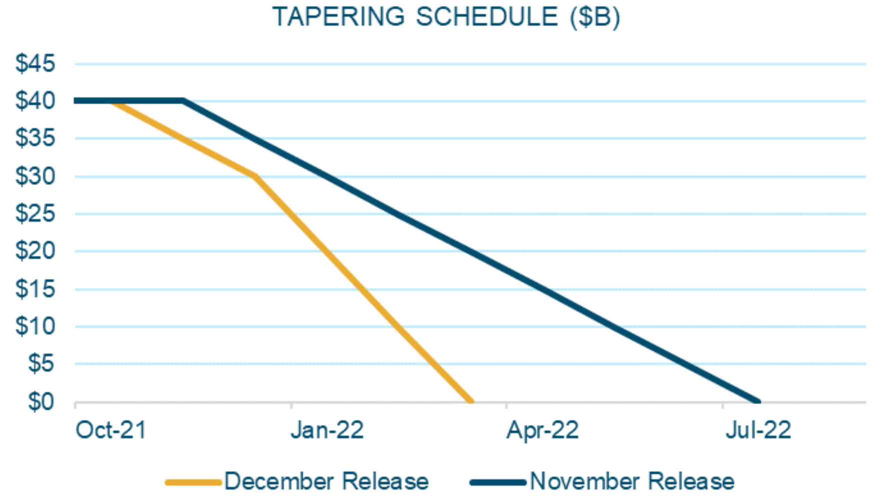
Mortgage and Asset Backed Securities (MBS and ABS)



Source: Bloomberg



Source: Bloomberg



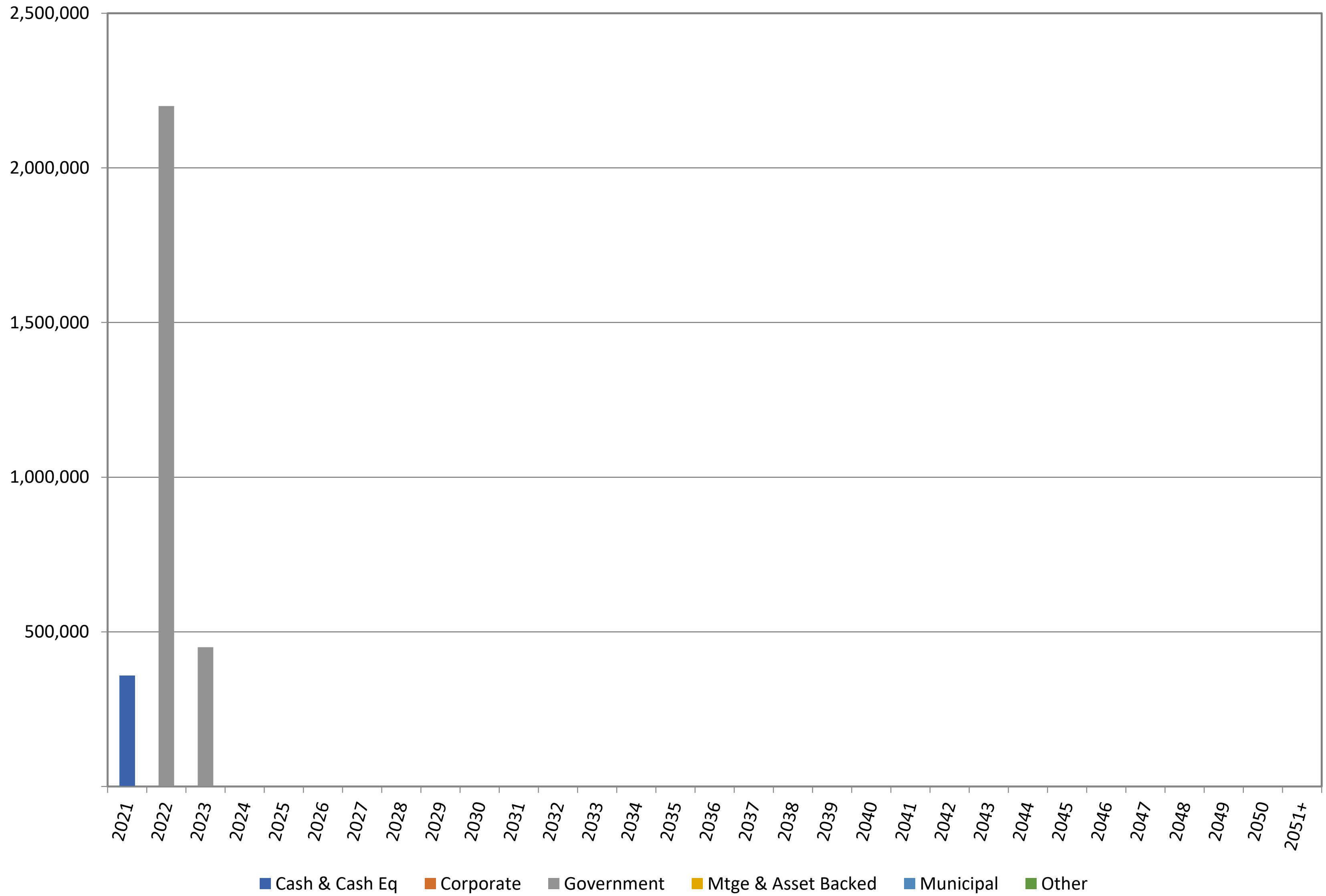
Comments

- Throughout the 4th quarter the market seemed comfortable with the Fed's planned tapering program ending summer of 2022. As inflation pressures rose, the Fed elected to accelerate the tapering schedule to accommodate March completion and giving them flexibility for an earlier rate liftoff
- ABS issuance surpassed all expectations with $303bn of total supply as the market continued to catch up into year-end. 2021 supply ended 53% higher than 2020 and 23% higher than 2019. We anticipate a return to normalcy in 2022 and expect issuance to fall somewhere between $250bn and $275bn for the year driven by auto loan issuance
- Spreads across ABS remained strong into year-end despite the barrage of supply. ABS spreads were range bound trading around T+15 to T+35 across 1-3Y bonds. Fundamentals for consumer ABS remain strong despite the slight uptick in delinquencies and charge offs, which continue to be offset by strong monthly payment rates and used car resale prices

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	2,657,299	2,654,321	(2,977)	0.16	0.30	0.71	0.01	1	7	11	(2,984)
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	**2,657,299**	**2,654,321**	**(2,977)**	**0.16**	**0.30**	**0.71**	**0.01**	**1**	**7**	**11**	**(2,984)**
Short Term											
Sweep Money Market	357,687	357,687	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	**357,687**	**357,687**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	**0**	**0**	**0**	**0**
Total Fixed Income & Short Term											
Total	**3,014,985**	**3,012,008**	**(2,977)**	**0.14**	**0.26**	**0.63**	**0.01**	**1**	**7**	**11**	**(2,984)**
Equity											
Common Stock	0	0	0					0	0	0	0
Total	**0**	**0**	**0**					**0**	**0**	**0**	**0**
Grand Total											
Total	**3,014,985**	**3,012,008**	**(2,977)**					**1**	**7**	**11**	**(2,984)**

Maturity Schedule By Weighted Average Life



Effective Maturity Schedule

Year	Book Value	Tax Equiv. Book Yield	% of Total Book Value
2021	0	0.00	0%
2022	2,204,025	0.14	83%
2023	453,273	0.25	17%
2024+	0	0.00	0%
Subtotal	**2.657.299**	**0.16**	**100%**
(inc. ABS, Agcy, CMBS, Corp, Muni, UST)			
MBS	0	0.00	0%
TOTAL	**2.657.299**	**0.16**	**100%**

Performance

Tax-Equivalent Total Return
as of 12/31/2021
Inception Date: 08/01/2014

	Portfolio	Benchmark	Difference
Quarter to Date	-0.08%	-0.11%	0.02%
Year to Date	0.00%	-0.02%	0.02%
Since Inception	1.05%	1.08%	-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
12/06/2021	US TREASURY N/B	Treasury	AA+	Aaa	1.625	11/15/2022	N/A	101.23	227,760	0.32	0.32
12/06/2021	US TREASURY N/B	Treasury	AA+	Aaa	0.125	09/30/2022	N/A	99.90	224,780	0.25	0.25
12/06/2021	US TREASURY N/B	Treasury	AA+	Aaa	0.125	02/28/2023	N/A	99.67	224,253	0.40	0.40
Total									**676,793**	**0.32**	**0.32**

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
10/31/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	1.250	10/31/2021	10/31/2021	100.00	245,000	0	0.44	0.44
11/30/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	1.500	11/30/2021	11/30/2021	100.00	245,000	0	0.45	0.45
12/15/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.625	12/15/2021	12/15/2021	100.00	175,000	0	0.49	0.49
Total										**665,000**	**0**	**0.46**	**0.46**

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																
11/30/2021			357,687	BANK OF AMER/ML	0.00			357,687	357,687	357,687	0	0.00	0.00	0.00	0.00	
			357,687					**357,687**	**357,687**	**357,687**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	
Treasury																
08/04/2021	AA+	Aaa	225,000	US TREASURY N/B	1.75	01/31/2023	01/31/2023	230,467	228,979	228,155	(824)	0.11	0.45	1.07	1.08	0.02
05/03/2021	AA+	Aaa	250,000	US TREASURY N/B	1.75	05/15/2022	05/15/2022	254,326	251,554	251,465	(89)	0.07	0.18	0.37	0.37	0.00
12/06/2021	AA+	Aaa	225,000	US TREASURY N/B	1.63	11/15/2022	11/15/2022	227,760	227,557	227,408	(150)	0.32	0.40	0.87	0.87	0.01
07/16/2020	AA+	Aaa	50,000	US TREASURY N/B	0.38	03/31/2022	03/31/2022	50,191	50,027	50,034	7	0.15	0.10	0.24	0.24	0.00
04/05/2021	AA+	Aaa	250,000	US TREASURY N/B	0.13	04/30/2022	04/30/2022	250,088	250,027	250,008	(20)	0.09	0.12	0.33	0.33	0.00
06/02/2021	AA+	Aaa	250,000	US TREASURY N/B	0.13	06/30/2022	06/30/2022	250,117	250,054	249,903	(152)	0.08	0.20	0.49	0.49	0.00
07/06/2021	AA+	Aaa	250,000	US TREASURY N/B	0.13	07/31/2022	07/31/2022	250,078	250,043	249,825	(218)	0.10	0.24	0.58	0.58	0.01
07/06/2021	AA+	Aaa	250,000	US TREASURY N/B	0.13	08/31/2022	08/31/2022	250,059	250,034	249,785	(249)	0.10	0.25	0.66	0.66	0.01
12/06/2021	AA+	Aaa	225,000	US TREASURY N/B	0.13	09/30/2022	09/30/2022	224,780	224,799	224,701	(98)	0.25	0.30	0.74	0.75	0.01
07/06/2021	AA+	Aaa	250,000	US TREASURY N/B	0.13	10/31/2022	10/31/2022	249,980	249,988	249,580	(408)	0.13	0.33	0.83	0.83	0.01
07/06/2021	AA+	Aaa	200,000	US TREASURY N/B	0.13	12/31/2022	12/31/2022	199,914	199,942	199,382	(560)	0.15	0.44	1.00	1.00	0.01
12/06/2021	AA+	Aaa	225,000	US TREASURY N/B	0.13	02/28/2023	02/28/2023	224,253	224,295	224,078	(217)	0.40	0.48	1.16	1.16	0.02
			2,650,000					**2,662,014**	**2,657,299**	**2,654,321**	**(2,977)**	**0.16**	**0.30**	**0.71**	**0.71**	**0.01**
			3,007,687					**3,019,700**	**3,014,985**	**3,012,008**	**(2,977)**	**0.14**	**0.26**	**0.63**	**0.63**	**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.

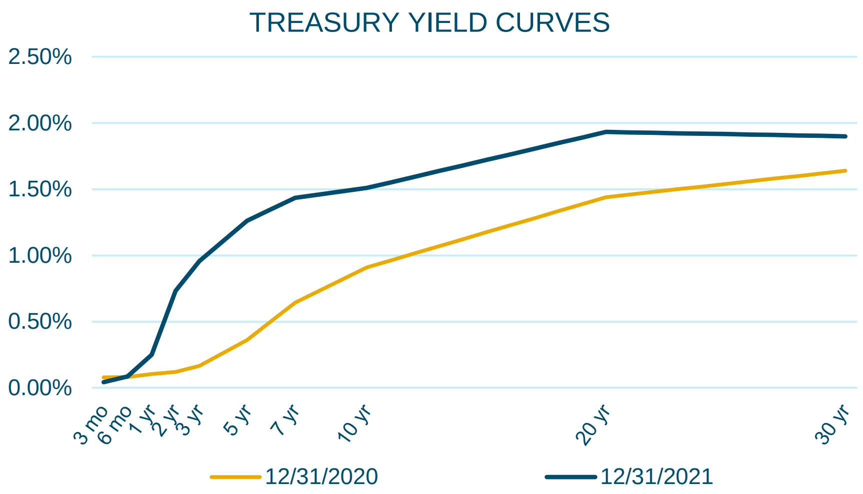
Appendix

Presentation Overview

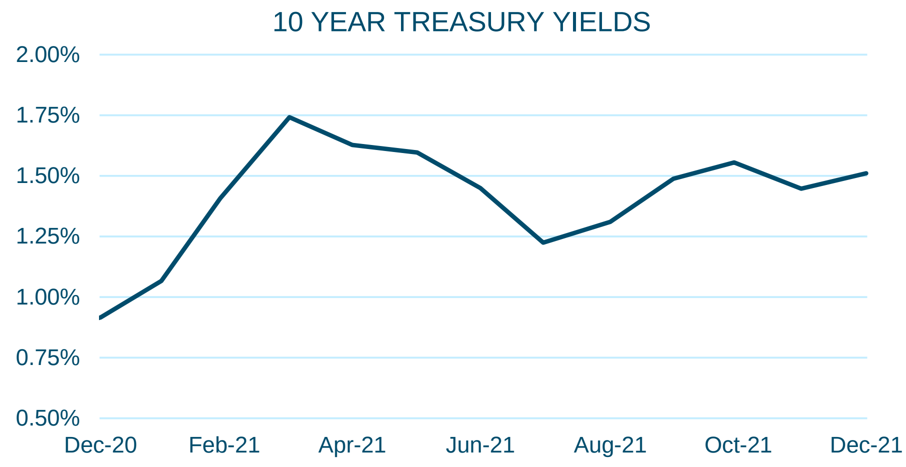
Overview

- Economic overview and market update
- Portfolio review
- Performance

Treasury Yields and the Economy

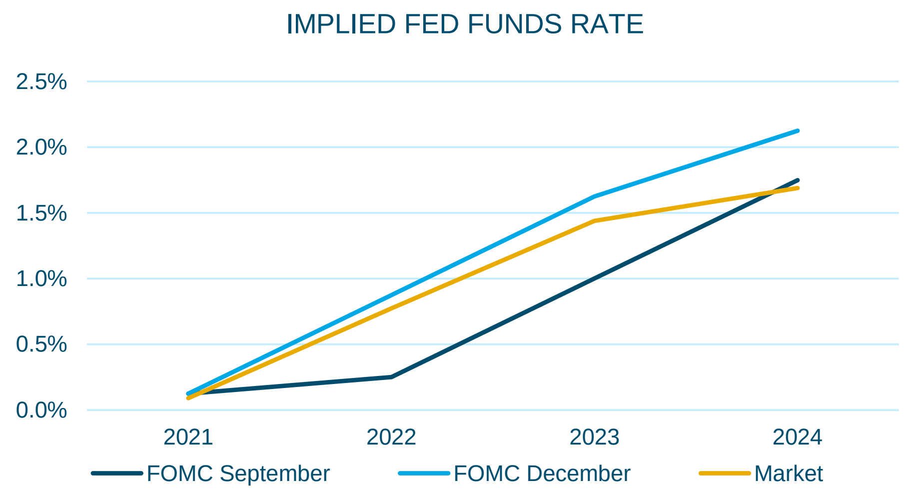


Source: Federal Reserve



Source: Federal Reserve

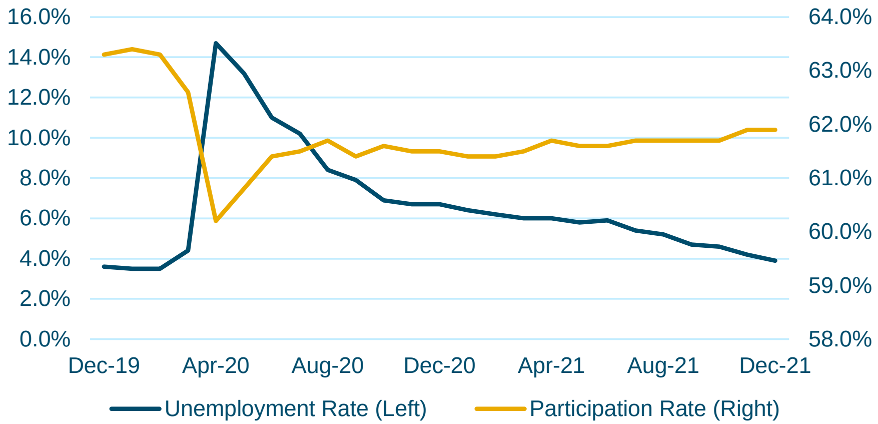
Source: Federal Reserve



Source: Federal Reserve Board of Governors

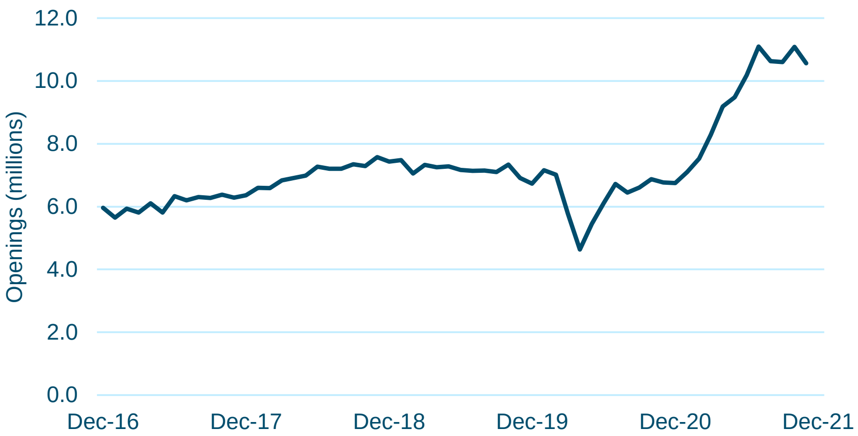
Market Indicators

UNEMPLOYMENT AND PARTICIPATION RATES



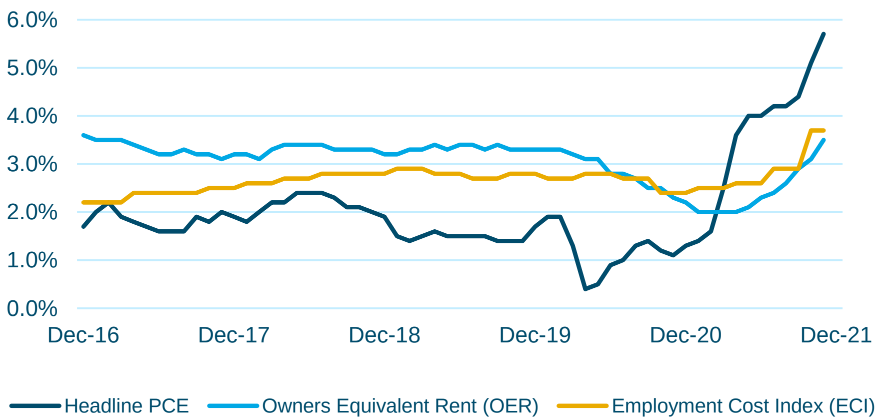
Source: Bureau of Labor Statistics

JOB OPENINGS (JOLTS INDEX)



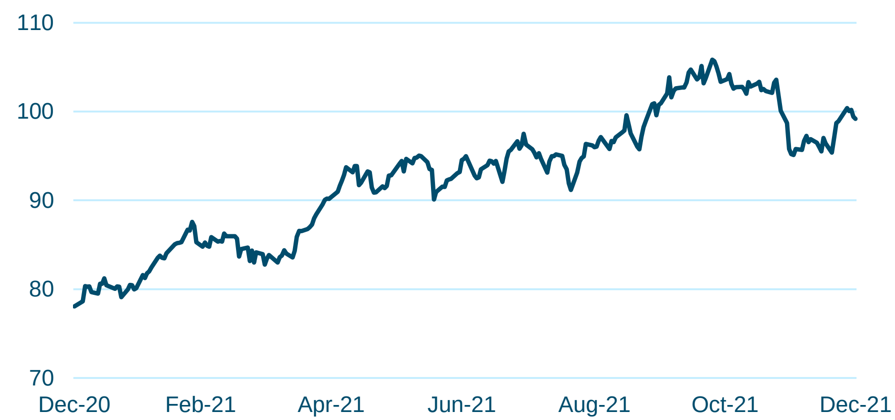
Source: Bureau of Labor Statistics

"NON-TRANSITORY" INFLATION DRIVERS



Source: Federal Reserve, Bureau of Labor Statistics

BLOOMBERG COMMODITY INDEX



Source: Bloomberg

Portfolio Changes

Public Entity Joint Insurance Fund	12/31/2020	03/31/2021	06/30/2021	09/30/2021	12/31/2021
Treasury Yields					
2 yr Treasury Yield	0.12%	0.16%	0.25%	0.29%	0.73%
5 yr Treasury Yield	0.36%	0.93%	0.88%	0.98%	1.26%
10 yr Treasury Yield	0.91%	1.74%	1.45%	1.52%	1.50%
Book Statistics					
Tax-Equivalent Book Yield	1.27%	1.01%	0.57%	0.17%	0.14%
Book Value ($)	3,198,904	2,500,607	2,259,671	3,010,443	3,014,985
Projected Tax-Equivalent Income, next 12 months ($)	40,524	25,280	12,852	5,141	4,239
Unrealized Gains/(Losses) ($)	14,309	7,292	2,278	435	(2,977)
YTD Realized Gains/(Losses) ($)	0	226	226	226	226
Portfolio Risk Statistics					
Effective Duration	0.61	0.33	0.47	0.62	0.63
Convexity	0.01	0.00	0.01	0.01	0.01
Weighted Average Life	0.61	0.33	0.47	0.62	0.63
Average Rating	AAA	AAA	AAA	AAA	AAA
Portfolio Sector Allocation					
Treasury	100%	79%	90%	88%	88%
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%	21%	10%	12%	12%

Performance

Tax-Equivalent Total Return
as of 12/31/2021
Inception Date: 08/01/2014

	Portfolio	Benchmark	Difference
Quarter to Date	-0.08%	-0.11%	0.02%
Year to Date	0.00%	-0.02%	0.02%
Since Inception	1.05%	1.08%	-0.03%

Benchmark Composition:

100.0% PEJIF Duration Matched Treasury