

# Finance Committee Investment Report

## Cowlitz County

### October 19<sup>th</sup>, 2023

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Data as of September 30, 2023

Total Aggregate Portfolio

# Quarterly Review

Cowlitz County | COWLITZ Total Portfolio

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Total Portfolio

Overview Strategic

Plan Review

Portfolio Holdings & Transactions

Market Overview

# Compliance Report

Cowlitz County | COWLITZ Total Portfolio



September 30, 2023

## Category

Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100.000	14.215	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	35.000	0.891	Compliant
US Agency FFCB Issuer Concentration	25.000	18.595	Compliant
US Agency FHLB Issuer Concentration	35.000	17.022	Compliant
US Agency FHLMC Issuer Concentration	35.000	1.155	Compliant
US Agency FNMA Issuer Concentration	35.000	1.241	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	35.000	3.016	Compliant
US Agency Obligations Issuer Concentration	35.000	18.595	Compliant
US Agency Obligations Maximum % of Holdings	100.000	38.013	Compliant
Supranationals - Issuer is ADB, IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Maximum % of Holdings	10.000	0.000	Compliant
Municipal Bonds Issuer Concentration	5.000	0.000	Compliant
Municipal Bonds Maximum % of Holdings	30.000	0.000	Compliant
Municipal Bonds WA issues GO/Local and GO only Outside WA	0.000	0.000	Compliant
Corporate Note Portfolio Duration (years)	3.000	2.018	Compliant
Corporate Notes & Commercial Paper Foreign Exposure except Canada	2.000	0.000	Compliant
Corporate Notes & Commercial Paper Maximum % of Holdings	25.000	3.057	Compliant
Corporate Notes & Commercial Paper Single Issuer %	3.000	0.763	Compliant
Certificates of Deposit Issuer Concentration	10.000	0.000	Compliant
Certificates of Deposit Maximum % of Holdings	25.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	20.000	0.000	Compliant
LGIP Maximum % of Holdings	100.000	44.716	Compliant
PDPC Bank Deposits Issuer Concentration	10.000	0.000	Compliant
PDPC Bank Deposits Maximum % of Holdings	20.000	0.000	Compliant

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

# Compliance Report

Cowlitz County | COWLITZ Total Portfolio



September 30, 2023

## Category

<b>Policy Maturity Structure Constraint</b>	<b>Policy Limit</b>	<b>Actual %</b>	<b>Status</b>
Maturity Constraints Under 30 days Minimum % of Total Portfolio	10.000	45.235	Compliant
Maturity Constraints Under 1 year Minimum % of Total Portfolio	25.000	71.123	Compliant
Maturity Constraints Under 5.5 years Minimum % of Total Portfolio	100.000	100.000	Compliant
<b>Policy Maturity Constraint</b>	<b>Policy Limit</b>	<b>Actual Term</b>	<b>Status</b>
US Treasury Maximum Maturity At Time of Purchase (years)	5.500	3.000	Compliant
US Agency Obligations - All Other Issuers Combined	5.500	0.000	Compliant
Supranationals Maximum Maturity At Time of Purchase (years)	5.500	0.000	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.500	0.000	Compliant
Corporate Maximum Maturity At Time of Purchase (years)	5.500	2.964	Compliant
Commercial Paper Maximum Maturity At Time of Purchase (days)	270.000	0.000	Compliant
Certificates of Deposit Maximum Maturity At Time of Purchase (years)	5.500	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Weighted Average Maturity (years)	1.500	0.674	Compliant
<b>Policy Credit Constraint</b>			<b>Status</b>
Supranationals Ratings AA-/Aa3/AA- or better (Rated by 1 NRSRO)			Compliant
Municipal Bonds Ratings Minimum AA-/Aa3/AA- (Rated by 1 NRSRO)			Compliant
Corporate Notes A-/A3/A- Issuer Concentration (Rated by 1 NRSRO) (2%)			Compliant
Corporate Notes AA-/Aa3/AA- by All If Rated Issuer Concentration (3%)			Compliant
Corporate Notes Ratings Minimum A-/A3/A- by All if rated			Compliant
Corporate Notes Single A with Negative Outlook Cannot Purchase			Compliant
Corporate Notes Split AA- to A- Issuer Concentration % (All must be rated at least A-) (2%)			Compliant
Commercial Paper Over 100 days Minimum Long Term Rating A-/A3/A- by one			Compliant
Commercial Paper Ratings Minimum ST Rating A1/P1/F1 (Rated by 2 NRSROs)			Compliant

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

# Summary Overview

Cowlitz County | COWLITZ Total Portfolio

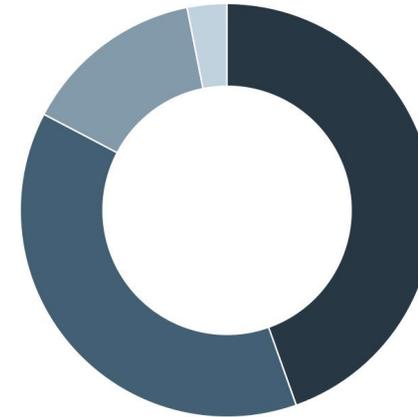


September 30, 2023

## Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	171,867,555
Investments	213,727,264
Book Yield	5.11%
Market Yield	5.40%
Effective Duration	0.64
Years to Maturity	0.68
Avg Credit Rating	AAA

## Allocation by Asset Class



Pooled Funds 44.6%
  US Agency 38.1%
  US Treasury 14.2%
  Corporate 3.1%

## Strategic Structure

Account	Par Amount	Book Value	Market Value	Net Unrealized Gain (Loss)	Book Yield	Maturity in Years	Effective Duration	Benchmark Duration	Benchmark
COWLITZ-Pooled Investment Core	215,500,000	213,525,457	212,488,391	(1,037,067)	4.89%	1.22	1.14	1.35	ICE BofA 0-3 Year US Treasury Index
COWLITZ-Pooled Liquidity	171,867,555	171,867,555	171,867,555	0	5.39%	0.01	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
<b>Total</b>	<b>387,367,555</b>	<b>385,393,012</b>	<b>384,355,946</b>	<b>(1,037,067)</b>	<b>5.11%</b>	<b>0.68</b>	<b>0.64</b>	<b>0.78</b>	

# Portfolio Activity

Cowlitz County | Total Aggregate Portfolio



September 30, 2023

## Accrual Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2023)
Beginning Book Value	396,526,178.10	383,378,645.59
Maturities/Calls	(2,000,000.00)	(9,000,000.00)
Purchases	72,067,670.94	209,046,431.02
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(81,874,167.73)	(199,051,183.62)
Amortization/Accretion	673,331.00	1,019,119.31
Realized Gain (Loss)	0.00	0.00
Ending Book Value	385,393,012.30	385,393,012.30

## Fair Market Activity Summary

	Quarter to Date	Fiscal Year to Date (01/01/2023)
Beginning Market Value	395,675,785.10	382,957,696.55
Maturities/Calls	(2,000,000.00)	(9,000,000.00)
Purchases	72,067,670.94	209,046,431.02
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(81,874,167.73)	(199,051,183.62)
Amortization/Accretion	673,331.00	1,019,119.31
Change in Net Unrealized Gain (Loss)	(186,673.68)	(616,117.63)
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	384,355,945.64	384,355,945.64

Maturities/Calls	Market Value
Quarter to Date	(2,000,000.00)
Fiscal Year to Date	(9,000,000.00)

Purchases	Market Value
Quarter to Date	162,175,411.20
Fiscal Year to Date	560,105,436.55

Sales	Market Value
Quarter to Date	(171,981,907.99)
Fiscal Year to Date	(530,097,689.15)

# Return Management-Income Detail

Cowlitz County | Total Aggregate Portfolio



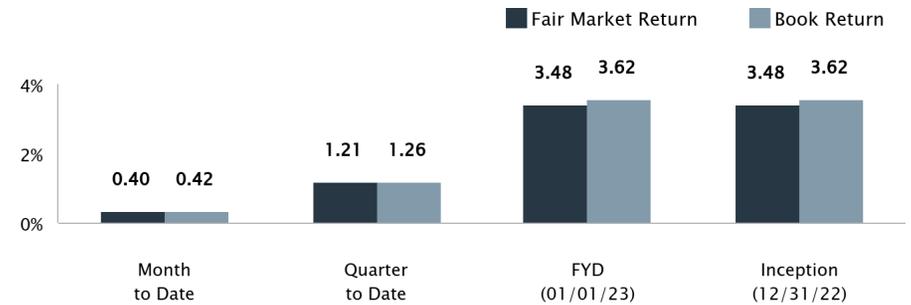
September 30, 2023

## Accrued Book Return

	Quarter to Date	Fiscal Year to Date (01/01/2023)
Amortization/Accretion	673,331.00	1,019,119.31
Interest Earned	4,199,738.21	12,995,142.72
Realized Gain (Loss)	0.00	0.00
Book Income	4,873,069.21	14,014,262.03
Average Portfolio Balance	381,151,349.24	388,323,499.91
Book Return for Period	1.26%	3.62%

## Return Comparisons

Periodic for performance less than one year. Annualized for performance greater than one year.



## Fair Market Return

	Quarter to Date	Fiscal Year to Date (01/01/2023)
Market Value Change	(860,004.68)	(1,635,236.94)
Amortization/Accretion	673,331.00	1,019,119.31
Interest Earned	4,199,738.21	12,995,142.72
Fair Market Earned Income	4,013,064.53	12,379,025.09
Average Portfolio Balance	381,151,349.24	388,323,499.91
Fair Market Return for Period	1.21%	3.48%

## Interest Income

	Quarter to Date	Fiscal Year to Date (01/01/2023)
Beginning Accrued Interest	1,219,232.62	20,208.85
Coupons Paid	4,530,081.03	12,653,623.30
Purchased Accrued Interest	349,983.89	864,645.42
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	1,238,873.69	1,238,873.69
Interest Earned	4,199,738.21	12,995,142.72



# Strategic Quarterly Update

Cowlitz County | COWLITZ Total Portfolio



September 30, 2023

Metric	Previous	Current
<b>Strategy</b>	<b>06/30/2023</b>	<b>09/30/2023</b>
<b>Effective Duration</b>		
Pooled Investment Core	1.13	1.14
Benchmark Duration	1.35	1.35
<b>Total Effective Duration</b>	<b>0.41</b>	<b>0.64</b>

<b>Total Return (Net of Fees %)*</b>		
Pooled Investment Core	0.23	1.09
Benchmark Return	(0.04)	0.94
<b>Total Portfolio Performance</b>	<b>0.98</b>	<b>1.21</b>

\*Changes in Market Value include net unrealized and realized gains/losses.

<b>Maturity Total Portfolio</b>		
<b>Average Maturity Total Holdings</b>	<b>0.44</b>	<b>0.68</b>

Metric	Previous	Current
<b>Book Yield</b>	<b>06/30/2023</b>	<b>09/30/2023</b>
<b>Ending Book Yield</b>		
Pooled Investment Core	4.68%	4.89%
Pooled Liquidity	5.20%	5.39%
<b>Total Book Yield</b>	<b>5.01%</b>	<b>5.11%</b>

<b>Values</b>	<b>06/30/2023</b>	<b>09/30/2023</b>
<b>Market Value + Accrued</b>		
Pooled Investment Core	143,153,295	213,727,264
Pooled Liquidity	253,741,723	171,867,555
<b>Total MV + Accrued</b>	<b>396,895,018</b>	<b>385,594,819</b>

<b>Net Unrealized Gain/Loss</b>		
<b>Total Net Unrealized Gain/Loss</b>	<b>(850,393)</b>	<b>(1,037,067)</b>

# Risk Management - Maturity/Duration

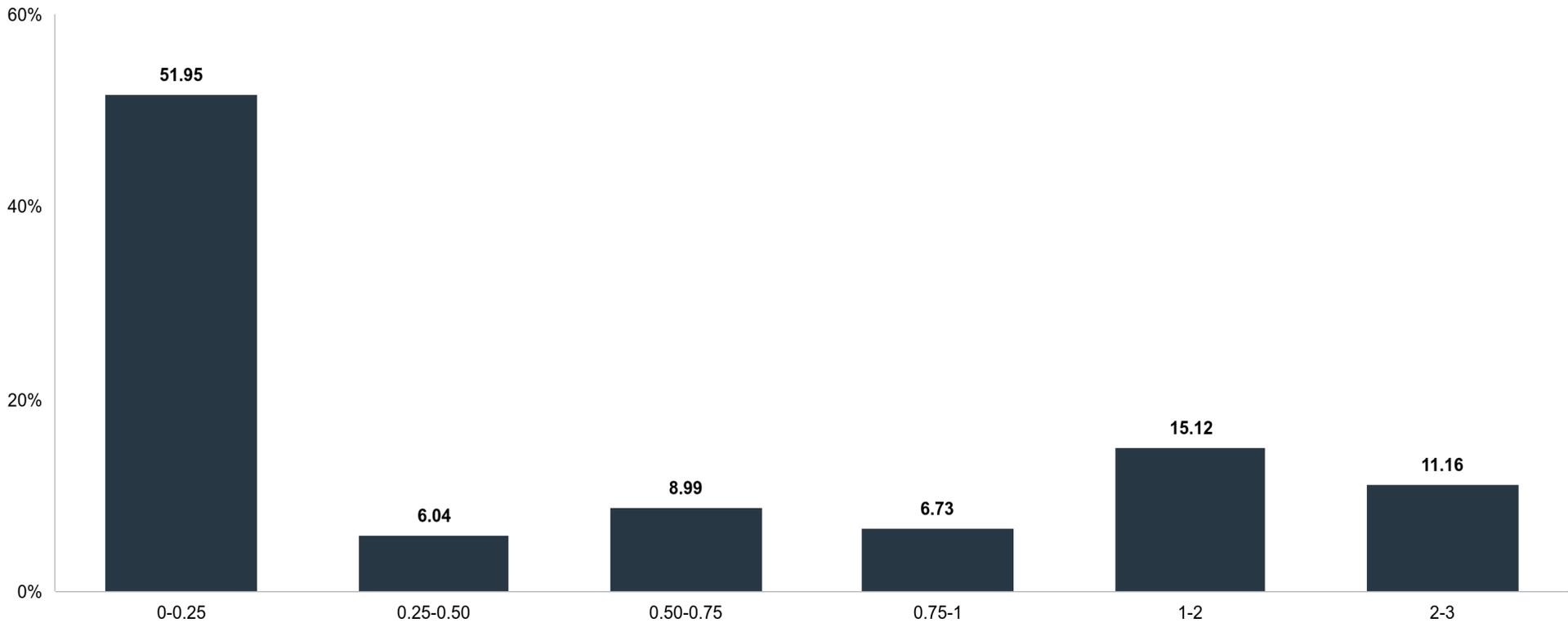
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September 30, 2023

<b>Effective Duration</b> <b>0.64 Yrs</b>	<b>Years to Maturity</b> <b>0.68 Yrs</b>	<b>Days to Maturity</b> <b>247</b>
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Distribution by Effective Duration



# Return Management - Performance

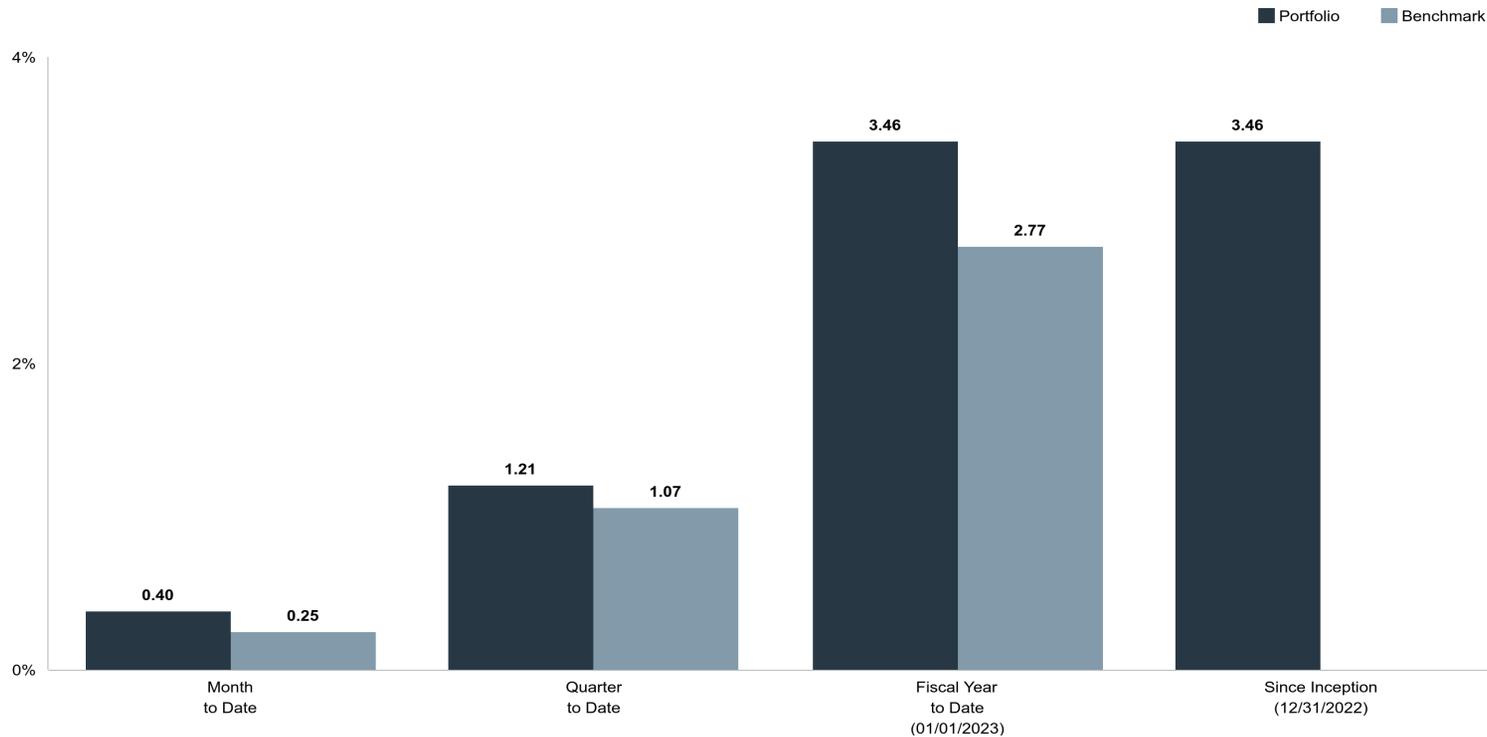
Cowlitz County | COWLITZ Total Portfolio



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## Performance Returns Net of Fees

Periodic for performance less than one year. Annualized for performance greater than one year.



## Historical Returns

Period	Month to Date	Quarter to Date	Fiscal Year to Date (01/01/2023)	Since Inception (12/31/2022)
Return (Net of Fees)*	0.398%	1.209%	3.464%	3.464%
Return (Gross of Fees)	0.398%	1.211%	3.478%	3.479%
65% ICE BofAML U.S. Treasuries 0-3 years/35% ICE BofAML US 1-Month Treasury Bill Index	0.254%	1.070%	2.769%	-

## 1) **Building the portfolio:**

Plan: Timing of adding in securities versus holding in the LGIP pool. The inverted curve is presenting the need to be patient in building up the investments to the target size.

Actions: The overall pool is up to a 5.11% yield – the investment component is yielding 4.89% and the liquidity component is yielding 5.39%.

## 2) **Duration discipline:**

Plan: Create a benchmark that has the appropriate duration parameters for the long term to balance the County Pool risk and return profile. This assessment involves understanding historical cash flows and participant expectations.

Actions: Cash flow analysis and communication with participants has been completed. The average duration target for the CCIP is 1 year. This construct applies a 35% target to liquidity at a duration of .01 years and 65% target to the investment core at 1.45 duration and a 0-3 year profile.

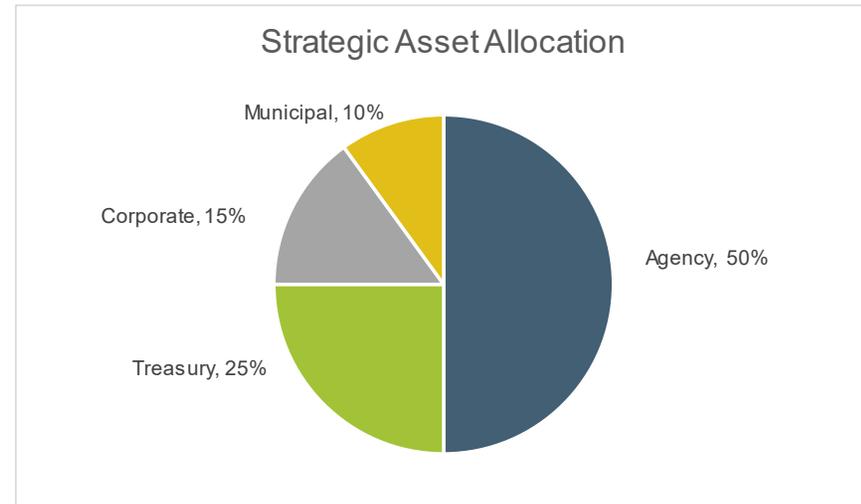
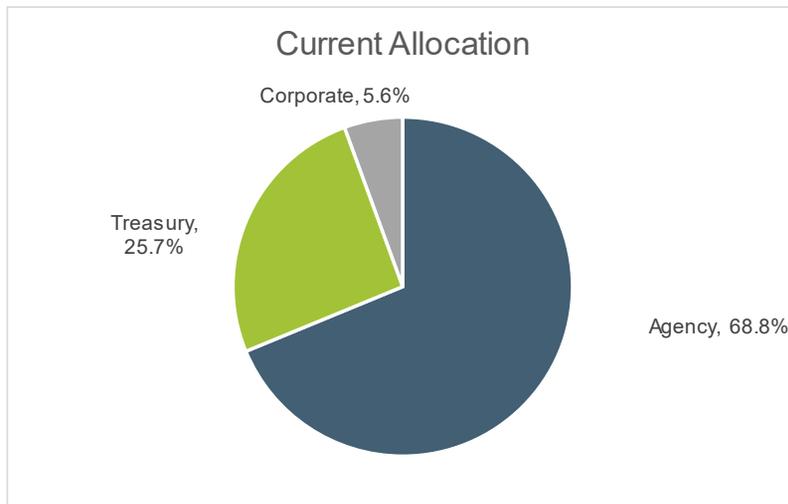
## 3) **Asset allocation discipline:**

Plan: Establish long-term targets and bands that provide for use of all allowable asset classes, which provide for improved earnings over interest rate cycles.

Actions: GPA has paused adding corporates to the portfolio and will re-evaluate as market conditions evolve

## Core Liquidity Targets

	Current (9/30/2023)	Target	Minimum	Maximum	Target Percentage
Liquidity Component	\$171,867,555	\$125,000,000	\$100,000,000	\$150,000,000	35%
<b>Benchmark</b>		<b>Duration</b>	<b>Target</b>	<b>Minimum</b>	<b>Maximum</b>
ICE BAML 1 month Bill		0.01	0.01	0.01	0.01
	Current (9/30/2023)	Target	Minimum	Maximum	Target Percentage
Investment Component	\$215,200,000	\$250,000,000	\$175,000,000	\$275,000,000	65%
<b>Benchmark</b>		<b>Duration</b>	<b>Target</b>	<b>Minimum</b>	<b>Maximum</b>
ICE BAML 0-3 year		1.46	1.33	1.00	1.75
	Total	Current Duration	Blended Benchmark		
Total County Pool	\$387,067,555	0.81	0.87		



Market Sector	Current Allocation	Strategic Target	Tactical Bands
Agency	68.8%	50%	10%-85%
Treasury	25.7%	25%	10%-80%
Corporate	5.6%	15%	0%-20%
Municipal	0.0%	10%	0%-20%

## Portfolio Holding & Transactions

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# Holdings

Cowlitz County | COWLITZ Total Portfolio



September 30, 2023

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
<b>Fixed Income</b>								
COWLITZ-Pooled Investment Core	2,000,000	US TREASURY 0.125 10/15/23	0.20%	(4,564)	0.04	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FHLBANKS 4.900 11/07/23	5.04%	(3,142)	0.1	A-1+	F1+	P-1
COWLITZ-Pooled Investment Core	1,000,000	FHLBANKS 0.500 11/09/23	4.42%	(1,556)	0.11	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	10,000,000	US TREASURY BILL 11/09/23	5.38%	(4,201)	0.11	A-1+	F1+	P-1
COWLITZ-Pooled Investment Core	10,000,000	US TREASURY BILL 12/07/23	5.38%	(5,634)	0.19	A-1+	F1+	P-1
COWLITZ-Pooled Investment Core	10,000,000	US TREASURY 0.125 01/15/24	5.33%	(8,657)	0.29	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FHLBANKS 5.000 02/08/24	5.01%	(13,395)	0.35	A-1+	F1+	Aaa
COWLITZ-Pooled Investment Core	1,500,000	FEDERAL FARM 0.200 02/16/24 '23	0.22%	(29,781)	0.37	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	2,000,000	FEDERAL FARM 0.250 03/01/24 '23	0.33%	(43,938)	0.41	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FHLBANKS 4.375 03/08/24	5.00%	(21,200)	0.43	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	10,000,000	FEDERAL FARM 4.875 04/25/24	4.70%	(43,100)	0.55	AA+	F1+	Aaa
COWLITZ-Pooled Investment Core	10,000,000	US TREASURY 2.500 05/31/24	5.31%	(15,708)	0.65	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FHLBANKS 4.875 06/14/24	5.15%	(13,753)	0.68	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	10,000,000	FHLBANKS 3.000 07/08/24	5.41%	(11,802)	0.75	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FEDERAL FARM 4.875 08/21/24	5.04%	(19,063)	0.86	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	1,000,000	FEDERAL FARM 3.375 08/26/24	3.45%	(18,735)	0.88	AA+	AA+	Aaa

# Holdings

Cowlitz County | COWLITZ Total Portfolio



September 30, 2023

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
COWLITZ-Pooled Investment Core	10,000,000	FHLBANKS 4.875 09/13/24	4.38%	(105,629)	0.92	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	10,000,000	FEDERAL FARM 5.250 10/02/24	5.46%	(3,680)	0.97	AA+	F1+	Aaa
COWLITZ-Pooled Investment Core	1,000,000	US TREASURY 0.625 10/15/24	0.61%	(48,821)	1.01	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	10,000,000	FEDERAL FARM 5.500 11/25/24	5.46%	3,866	1.1	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FANNIE MAE 1.625 01/07/25	5.01%	(26,173)	1.23	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FEDERAL FARM 4.250 02/10/25	4.55%	(60,337)	1.3	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	10,000,000	FHLBANKS 5.000 02/28/25	5.24%	(27,316)	1.34	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FHLBANKS 4.625 03/14/25	4.80%	(47,154)	1.39	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	7,500,000	US TREASURY 2.625 04/15/25	4.83%	(45,271)	1.47	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	7,500,000	FEDERAL FARM 4.875 07/28/25	4.99%	(28,876)	1.72	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	US TREASURY 5.000 08/31/25	5.11%	(2,236)	1.8	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FREDDIE MAC 12/11/25	4.70%	(74,821)	2.09	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	2,000,000	TD 5.103 01/09/26 MTN	5.09%	(29,127)	2.09	A	AA-	A1
COWLITZ-Pooled Investment Core	2,000,000	JOHN DEERE CAP 4.800 01/09/26 MTN	5.04%	(14,345)	2.11	A	A+	A2
COWLITZ-Pooled Investment Core	2,000,000	RBC 4.875 01/12/26 MTN	5.09%	(31,006)	2.11	A	AA-	A1
COWLITZ-Pooled Investment Core	5,000,000	FEDERAL FARM 4.125 02/13/26	4.18%	(89,410)	2.22	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FHLBANKS 4.375 03/13/26	4.76%	(34,916)	2.29	AA+	AA+	Aaa

# Holdings

Cowlitz County | COWLITZ Total Portfolio



September 30, 2023

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
COWLITZ-Pooled Investment Core	3,000,000	JP MORGAN 4.080 04/26/26 '25 FRN	5.09%	(22,680)	1.47	A-	AA-	A1
COWLITZ-Pooled Investment Core	3,000,000	TOYOTA MOTOR CRD 4.450 05/18/26 MTN	4.85%	(39,121)	2.41	A+	A+	A1
COWLITZ-Pooled Investment Core	5,000,000	FEDERAL FARM 4.750 05/28/26	4.87%	(17,189)	2.46	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	10,000,000	FEDERAL FARM 4.500 08/14/26	4.82%	(29,105)	2.65	AA+	AA+	Aaa
COWLITZ-Pooled Investment Core	5,000,000	FHLBANKS 4.625 09/11/26	4.92%	(5,489)	2.71	AA+	AA+	Aaa
<b>Fixed Income Total</b>	<b>215,500,000</b>		<b>4.89%</b>	<b>(1,037,067)</b>	<b>1.14</b>	<b>AA+</b>	<b>AA+</b>	<b>Aaa</b>
<b>Money Market Funds</b>								
COWLITZ-Pooled Liquidity	171,867,555	WASHINGTON LGIP	5.39%	0	0.01	NA	NA	NA
<b>Money Market Funds Total</b>	<b>171,867,555</b>		<b>5.39%</b>	<b>0</b>	<b>0.01</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Total</b>	<b>387,367,555</b>		<b>5.11%</b>	<b>(1,037,067)</b>	<b>0.64</b>	<b>AA+</b>	<b>AA+</b>	<b>Aaa</b>

# Transactions

Cowlitz County | COWLITZ Total Portfolio



September 30, 2023

Identifier	Detailed Description	Trade Date	Settle Date	Total Amount	Units	Principal Amount	Accrued Interest
<b>Buy</b>							
WA_LGIP				(90,107,740)	90,107,740	90,107,740	0
3130ASME6	FHLBANKS 3.000 07/08/24	08/03/2023	08/07/2023	(9,810,567)	10,000,000	9,786,400	24,167
3133EPRS6	FEDERAL FARM 4.875 07/28/25	08/03/2023	08/07/2023	(7,493,263)	7,500,000	7,484,122	9,141
3130AV7L0	FHLBANKS 5.000 02/28/25	08/21/2023	08/23/2023	(10,201,811)	10,000,000	9,965,700	236,111
3133EPSW6	FEDERAL FARM 4.500 08/14/26	08/21/2023	08/23/2023	(9,924,750)	10,000,000	9,913,500	11,250
3133EPVK8	FEDERAL FARM 5.250 10/02/24	09/06/2023	09/12/2023	(9,986,392)	10,000,000	9,979,100	7,292
3133EPUD5	FEDERAL FARM 4.750 05/28/26	09/06/2023	09/12/2023	(4,994,286)	5,000,000	4,985,050	9,236
91282CHV6	US TREASURY 5.000 08/31/25	09/22/2023	09/25/2023	(5,007,506)	5,000,000	4,989,648	17,857
3130AWTQ3	FHLBANKS 4.625 09/11/26	09/22/2023	09/25/2023	(4,991,953)	5,000,000	4,958,550	33,403
3133EPWP6	FEDERAL FARM 5.500 11/25/24	09/22/2023	09/25/2023	(10,007,128)	10,000,000	10,005,600	1,528
<b>Total</b>				<b>(162,525,395)</b>	<b>162,607,740</b>	<b>162,175,411</b>	<b>349,984</b>
<b>Maturity</b>							
3130AJXD6	FHLBANKS 0.125 09/08/23 MATD	09/08/2023	09/08/2023	1,000,000	(1,000,000)	(1,000,000)	0
3130AK4S2	FHLBANKS 0.280 09/11/23 MATD	09/11/2023	09/11/2023	1,000,000	(1,000,000)	(1,000,000)	0
<b>Total</b>				<b>2,000,000</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>0</b>
<b>Sell</b>							

# Transactions

Cowlitz County | COWLITZ Total Portfolio



September 30, 2023

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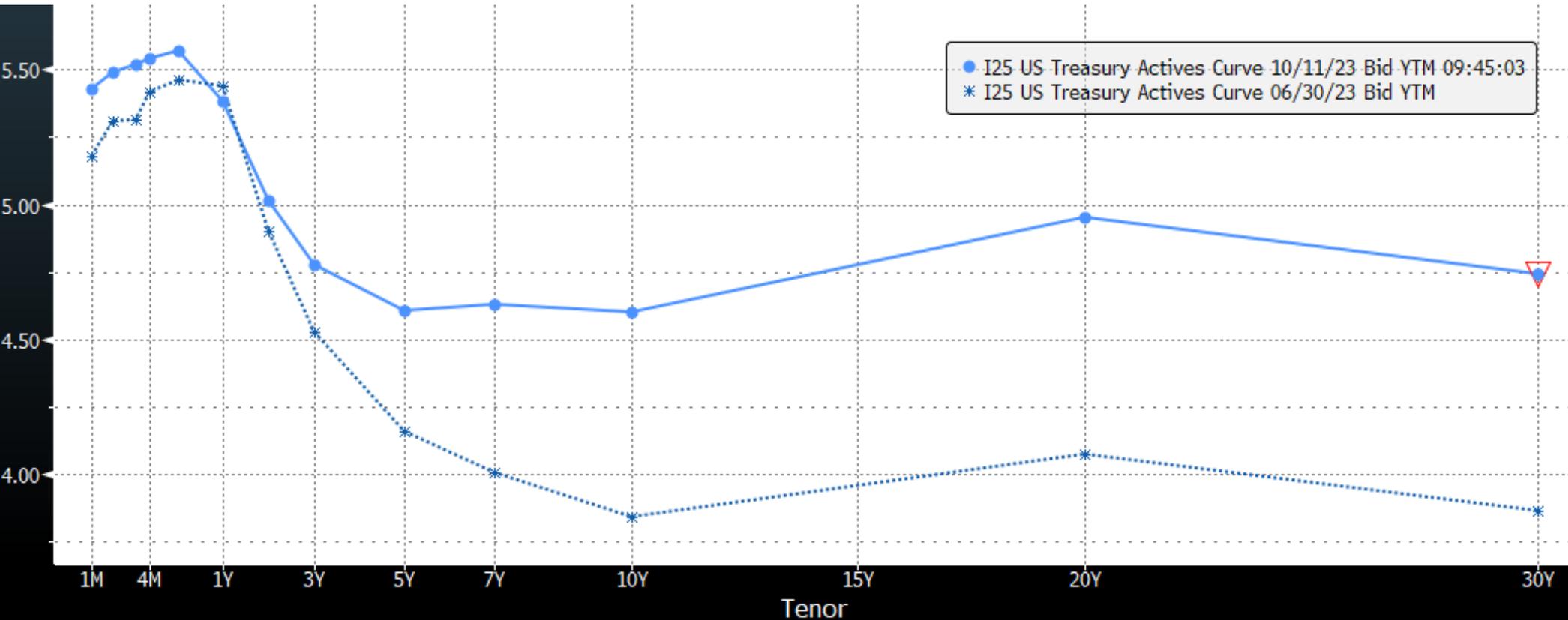
Identifier	Detailed Description	Trade Date	Settle Date	Total Amount	Units	Principal Amount	Accrued Interest
WA_LGIP				171,981,908	(171,981,908)	(171,981,908)	0
<b>Total</b>				<b>171,981,908</b>	<b>(171,981,908)</b>	<b>(171,981,908)</b>	<b>0</b>

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## Market Commentary

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# Interest Rate Curve



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11-Oct-2023 06:45:04

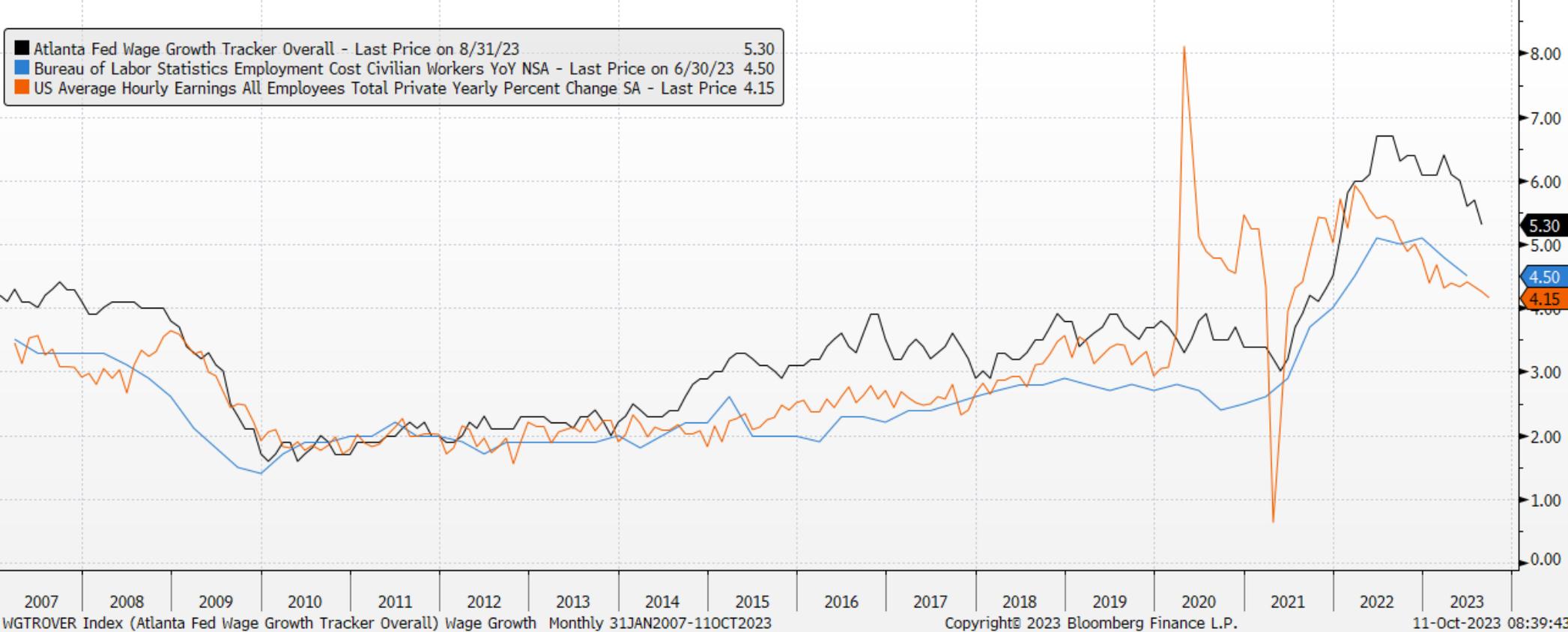
Longer-term interest rates climbed substantially higher in the third quarter due to increased supply, a still resilient economy as well as moves by the Bank of Japan to lift their interest rate caps. Short-term yields, which move more in concert with Fed policy were more muted as markets expect the Fed to be done with the rate hiking cycle.

Core CPI - Annualized Rate



Monthly inflation readings continue to conform with pre-COVID trends which we believe will keep the Fed on hold for the rest of the year. With cooler housing data set to enter the data and tailwinds that are now headwinds (student loans, excess savings rundown, Fed tightening) we expect the trend to continue along.

# Labor Market Update

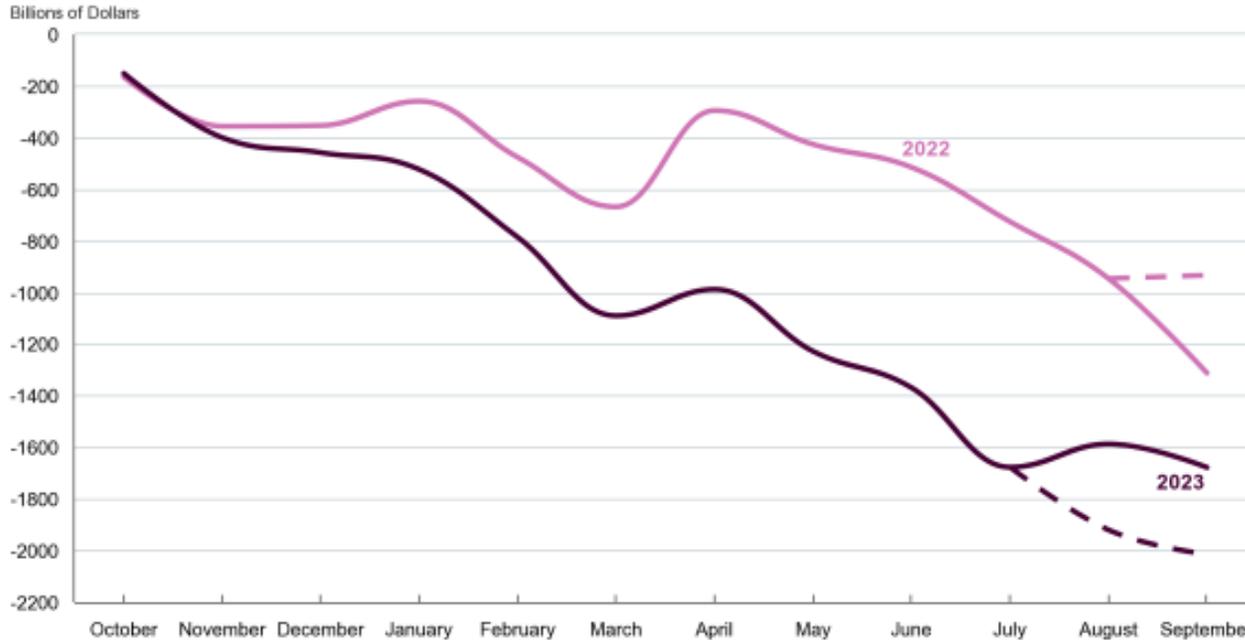


Labor markets continue their positive trend and show recent signs of strengthening – which we are suspect of but await more evidence to determine the trend.

Wage growth continues to moderate, a welcome sign to those that fear more inflation.

# Deficits Driving Supply

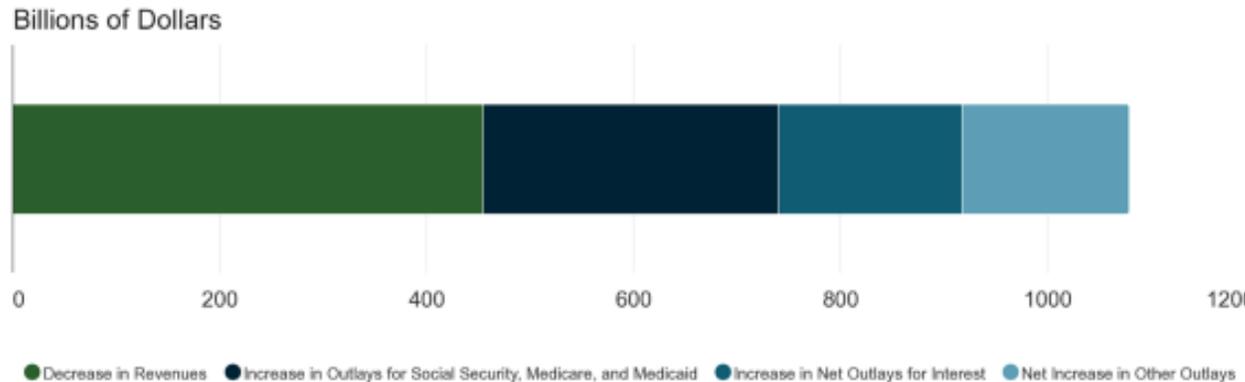
**Cumulative Monthly Deficits  
Fiscal Years 2022 and 2023**



Data Sources: Congressional Budget Office; Department of the Treasury.  
The value shown for September 2023 is CBO's estimate.  
Values for all months have been adjusted to exclude the effects of timing shifts.  
Dashed lines exclude the effects of the Administration's plan to cancel student loans.

Despite a solid economy, deficits continue increase leading to more Treasury supply issued into a market at the same time the Fed is running off holdings.

**Increase in the Deficit From 2022 to 2023**



Data Sources: Congressional Budget Office; Department of the Treasury.  
Values exclude the effects of timing shifts and of the Administration's plan to cancel student loans.

Driving the deficit is a decline in revenue as well as a surge in interest costs that is expected to accelerate as more is issued into this rate backdrop.

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A large, dark teal, wavy graphic that starts at the bottom left and trends upwards towards the right, ending at the top right. It has a thick, rounded appearance, resembling a stylized line graph or a ribbon.

**Government Portfolio Advisors**  
503-248-9973  
[www.gpafixedincome.com](http://www.gpafixedincome.com)

Dave Westcott, CFA- CEO  
Deanne Woodring, CFA- President  
Garrett Cudahey, CFA, CPA- CIO