



# San Geronio Pass Water Agency

## Investment Performance Review For the Quarter Ended March 31, 2022

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## Market Update

## Current Market Themes



- ▶ Invasion of Ukraine impacted the economic landscape
  - ▶ Commodity prices soared, especially energy
  - ▶ Created significant geopolitical uncertainty
  - ▶ Triggered market volatility



- ▶ The U.S. economy is characterized by:
  - ▶ A strong labor market
  - ▶ Inflation at a 40-year high
  - ▶ Depressed consumer confidence

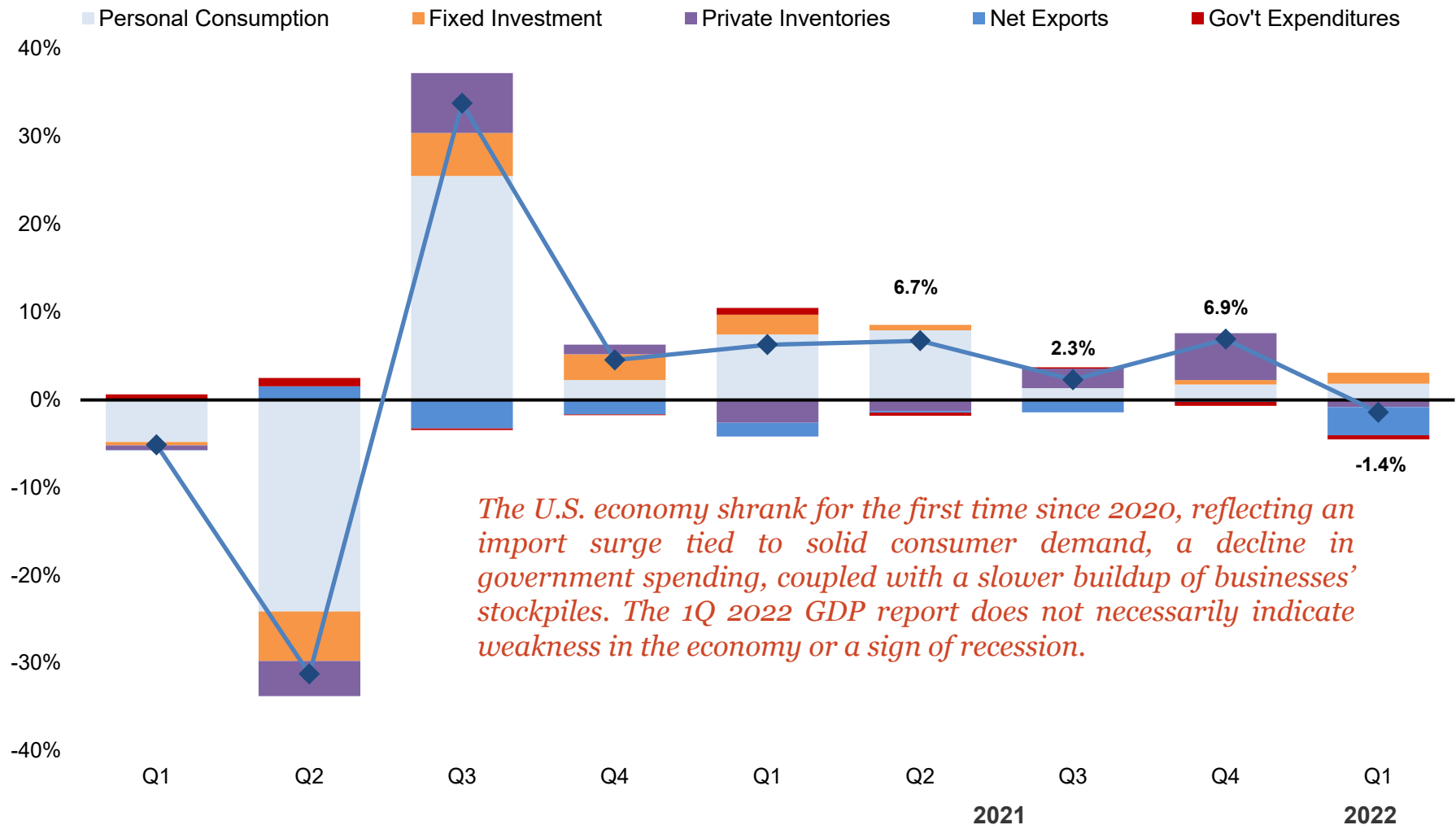


- ▶ The Federal Reserve is tightening monetary policy
  - ▶ Initiated the first of what will be many rate hikes in 2022
  - ▶ Balance sheet reduction likely to start soon



- ▶ U.S. Treasury yield curve has partially inverted
  - ▶ Yield on 2-year Treasury notes rose above the 10-year Treasury
  - ▶ One early, but imperfect warning sign for a future recession

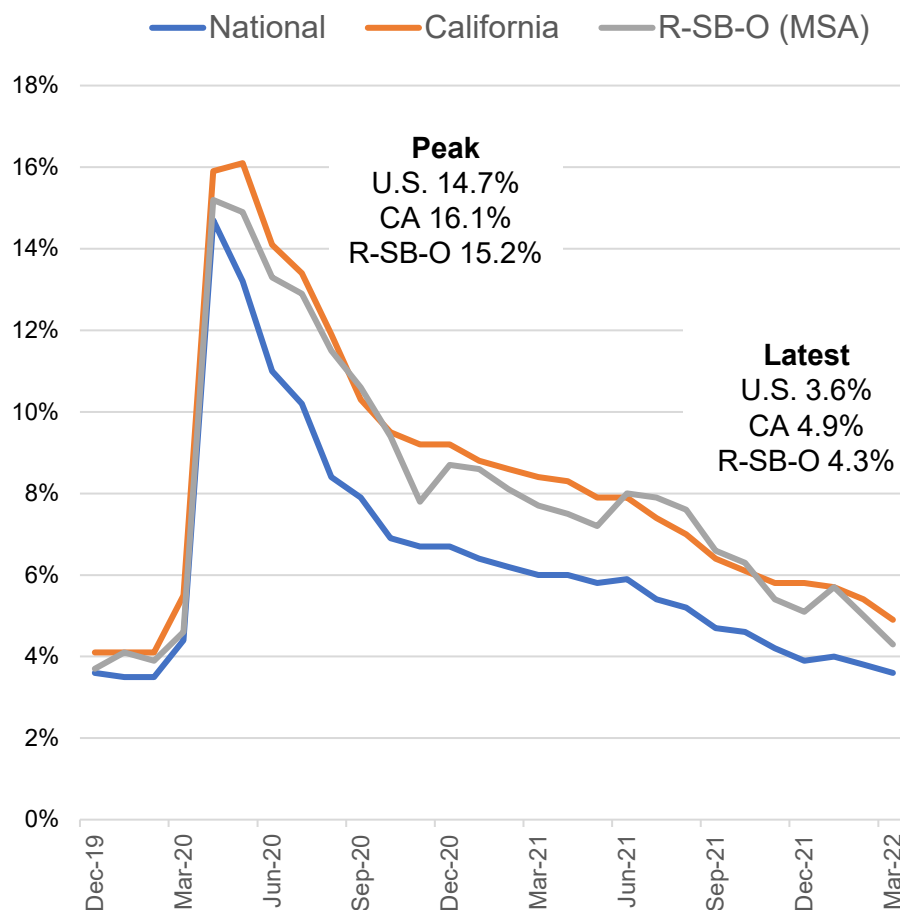
## U.S. Real GDP Contracts in the First Quarter



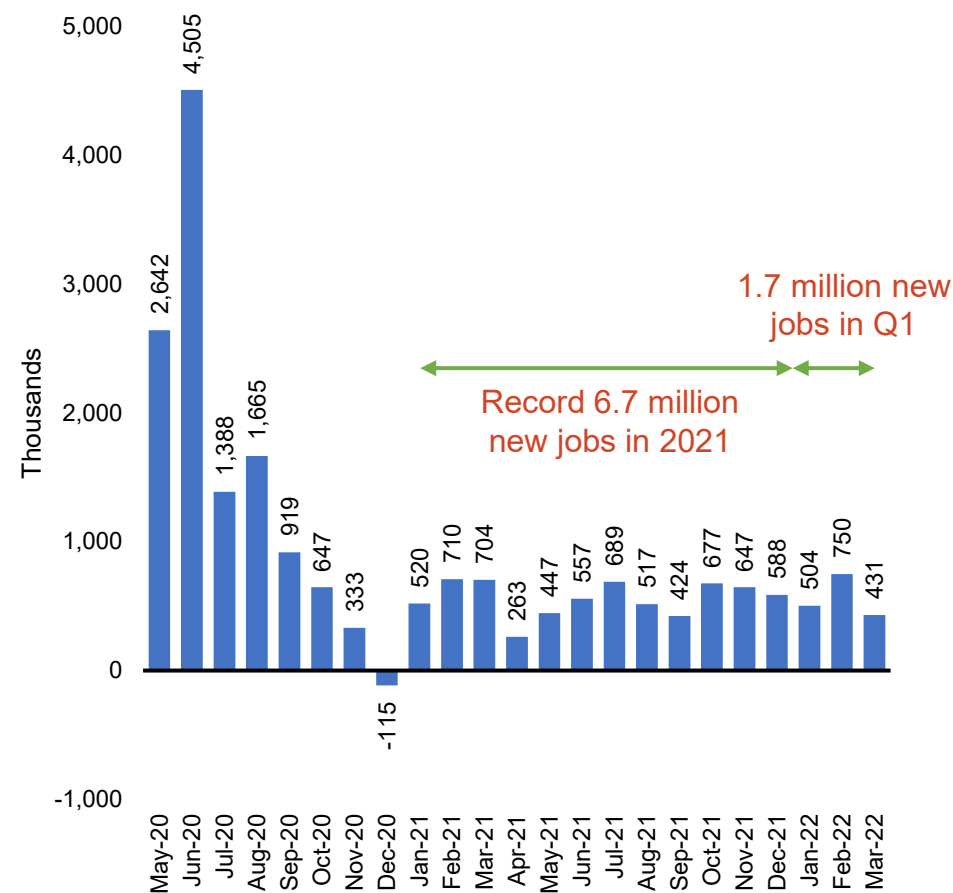
Source: Bureau of Economic Analysis.

## U.S. Economy Added 431,000 Jobs in March; Unemployment Rate Falls to 3.6%

### Unemployment Rate



### Monthly Change In Nonfarm Payrolls



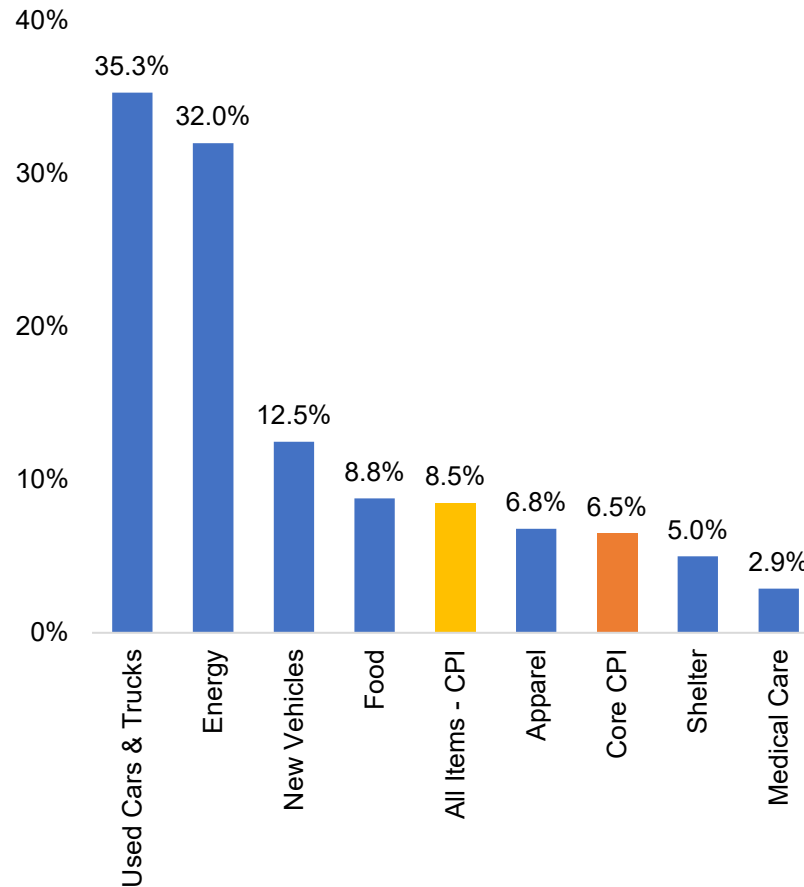
Source: U.S. Bureau of Labor Statistics. Data as of March 2022. R-SB-O is the Riverside-San Bernardino-Ontario (MSA).

## Inflation at a 40-year High

**Consumer Price Index**  
% Change YoY



**Key Consumer Price Index Components**  
% Change YoY



### Other Inflation Measures

**Core CPI:** 6.5%

**R-SB-O CPI:** 10.0%

**R-SB-O Core CPI:** 6.9%

**PCE:** 6.4%

**Core PCE:** 5.4%

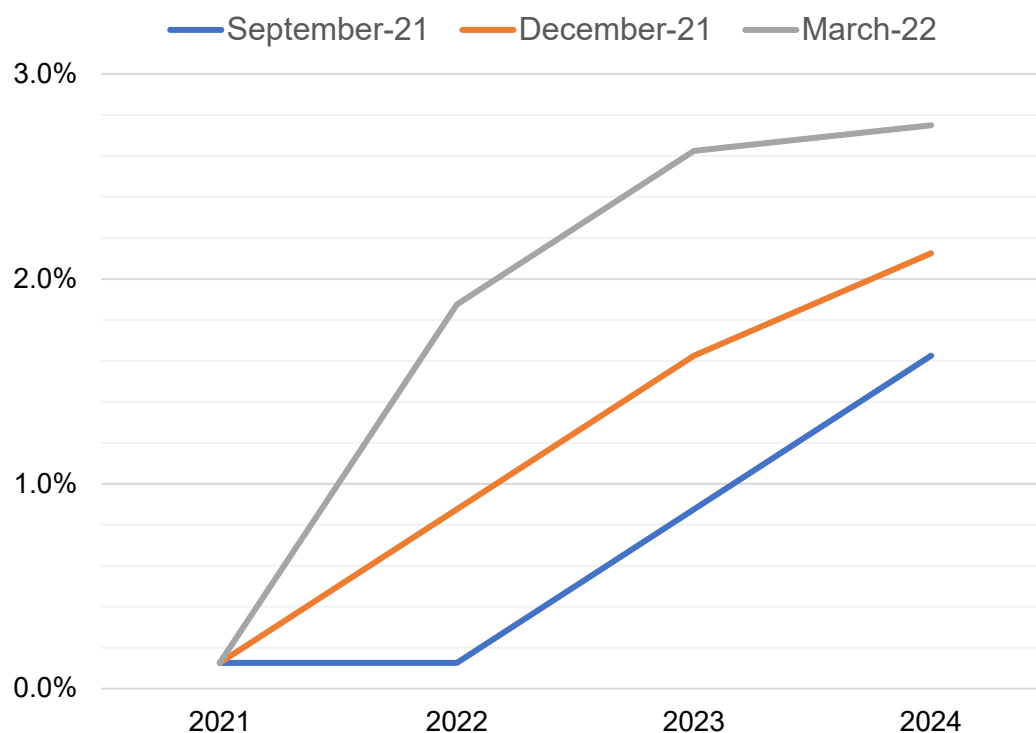
**PPI:** 11.2%

**CA CCCI:** 22.5%

Source: CPI (consumer Price Index) and PPI (Producer Price Index) BLS.gov, data as of March 2022. PCE (Person Consumption Expenditures) bea.gov as of February 2022. CA CCCI (CA Department of Governmental Services Construction Cost) dgs.ca.gov as of March 2022.

## Federal Reserve Pivots on Monetary Policy

### Fed Participants' Assessments of "Appropriate" Monetary Policy



**September 2021:** Inflation is elevated, but largely reflecting transitory factors. If economy continues to grow, the Fed may moderate its asset purchases. The median assessment is that rate liftoff is expected by end of 2023.  
2-Year U.S. Treasury: 0.25%

**December 2021:** Inflation has exceeded the target range for some time; therefore, the Fed expects to maintain the target range until maximum employment is reached. The Fed announces an accelerated tapering of asset purchases; the median assessment is for three rate hikes in 2022.  
2-Year U.S. Treasury: 0.69%

**March 2022:** Indicators of economic activity continued to strengthen; inflation remains elevated; the Fed executed its first rate hike. The median forecast is for a total of seven rate hikes during 2022.  
2-Year U.S. Treasury: 1.95%

Source: Federal Reserve and Bloomberg, as of 3/31/22. Lines represent the median assessment based on each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end for each meeting.

## Total Returns Have Historically Suffered as the Fed Raised Rates

### 3-Year Treasury Yield



### Annual Returns of the ICE BofAML 1-5 Year Treasury Index

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
0.91%	-0.19%	1.24%	0.98%	1.09%	0.65%	1.52%	4.20%	4.25%	-1.10%	-3.16%

Source (graph): Bloomberg, data as of 3/31/2022. Source (table): ICE BofAML Indices, data as of 3/31/2022.



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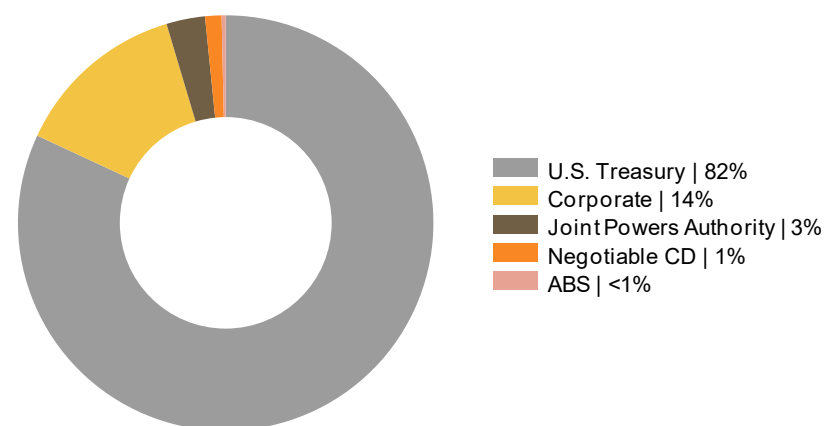
# Portfolio Review

## Portfolio Snapshot<sup>1</sup>

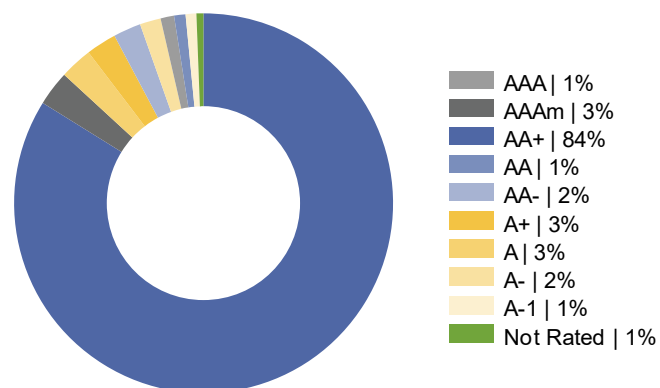
### Portfolio Statistics

<b>Total Market Value</b>	\$60,420,471.75
Managed Account Sub-Total	\$58,538,804.14
Accrued Interest	\$85,802.11
Pool	\$1,795,865.50
<b>Portfolio Effective Duration</b>	2.46 years
<b>Benchmark Effective Duration</b>	2.54 years
<b>Yield At Cost</b>	0.95%
<b>Yield At Market</b>	2.27%
<b>Portfolio Credit Quality</b>	AA

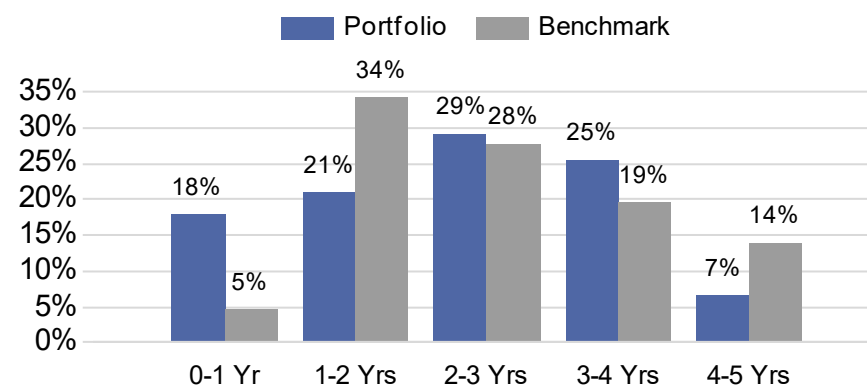
### Sector Allocation



### Credit Quality - S&P



### Duration Distribution



1. Total market value includes accrued interest and balances invested in CAMP, as of March 31, 2022.

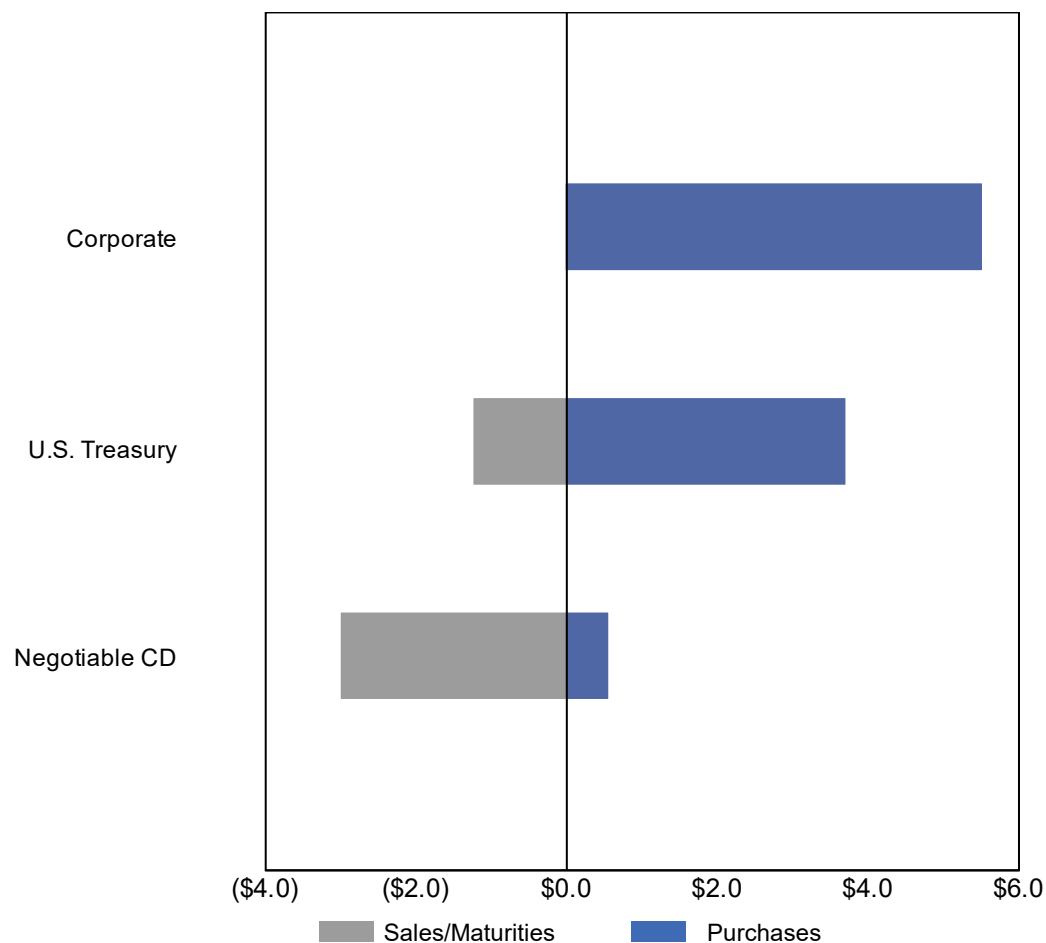
Yield and duration calculations exclude balances invested in CAMP.

The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg.

An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

## Portfolio Activity

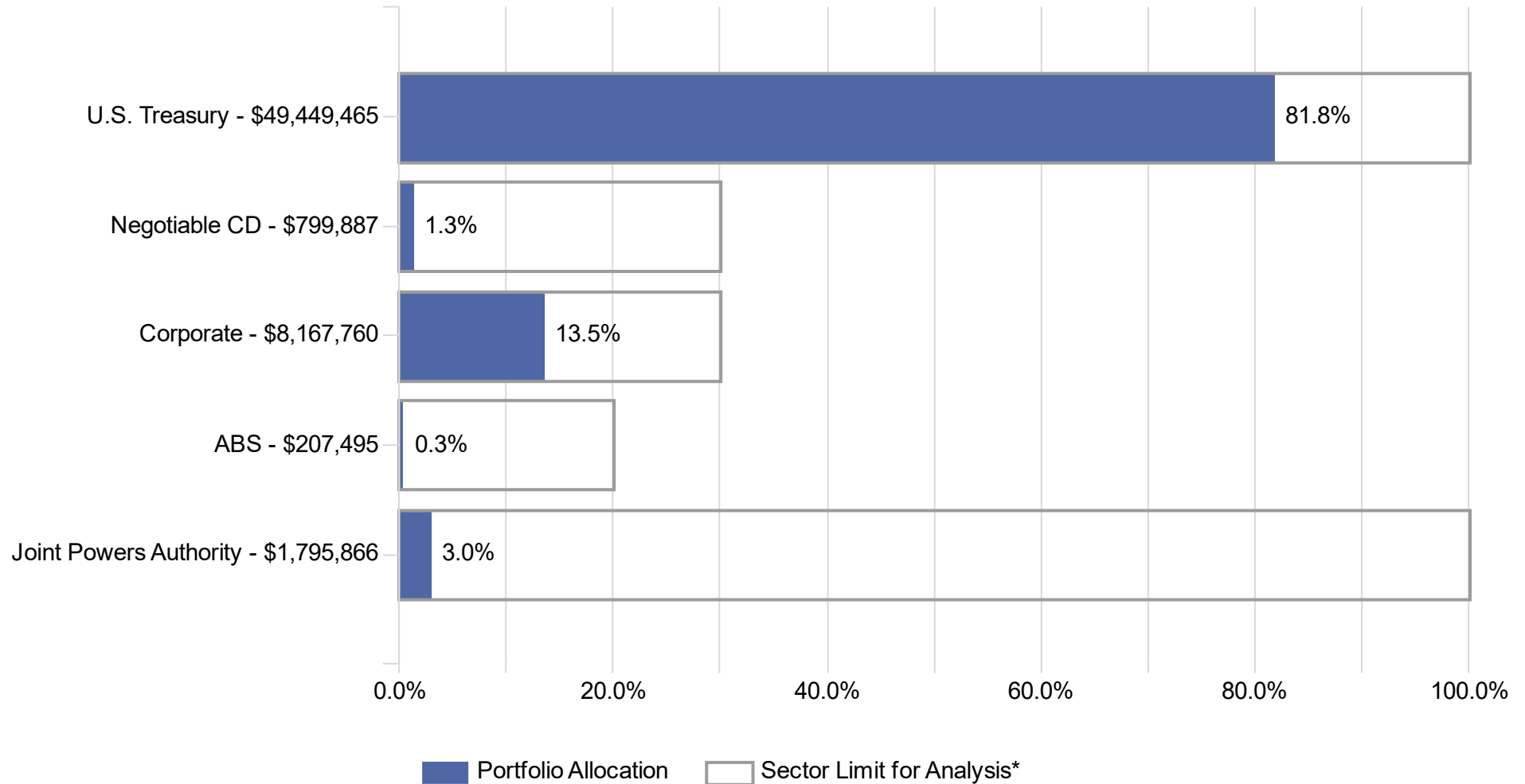
**Net Activity by Sector**  
(\$ millions)



Sector	Net Activity
Corporate	\$5,514,118
U.S. Treasury	\$2,485,486
Negotiable CD	(\$2,433,836)
<b>Total Net Activity</b>	<b>\$5,565,768</b>

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

## Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

\*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

## Certificate of Compliance

During the reporting period for the quarter ended March 31, 2022, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

*Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").*

## Portfolio Earnings

Accrual Basis Earnings		3/31/22
Interest Earned <sup>1</sup>		\$97,142
Realized Gains / (Losses) <sup>2</sup>		(\$6,418)
Change in Amortized Cost		\$26,681
<b>Total Earnings</b>		<b>\$117,405</b>
Market Value Basis Earnings		3/31/22
Interest Earned <sup>1</sup>		\$97,142
Change in Market Value		(\$1,832,308)
<b>Total Dollar Return</b>		<b>(\$1,735,166)</b>
Total Return %		
Portfolio <sup>3</sup>		-2.90%
Benchmark <sup>4</sup>		-3.16%
Difference		0.26%

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
2. Realized gains / (losses) are shown on an amortized cost basis.
3. Returns are presented on a periodic basis.
4. The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg.

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## Portfolio Holdings

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY NOTES DTD 06/30/2020 0.125% 06/30/2022	912828ZX1	985,000.00	AA+	Aaa	3/21/2022	3/22/2022	983,999.61	0.49	309.51	984,099.65	983,922.61
US TREASURY STRIPS -- 0.000% 11/15/2022	912833LK4	1,445,000.00	AA+	Aaa	12/12/201	12/12/201	1,378,031.47	1.66	0.00	1,430,716.72	1,434,162.50
US TREASURY NOTES DTD 11/15/2012 1.625% 11/15/2022	912828TY6	985,000.00	AA+	Aaa	3/21/2022	3/22/2022	988,501.37	1.07	6,057.61	988,354.25	987,154.69
US TREASURY NOTES DTD 12/31/2020 0.125% 12/31/2022	91282CBD2	3,125,000.00	AA+	Aaa	10/22/202	10/25/202	3,121,826.17	0.21	981.96	3,122,986.97	3,094,726.56
US TREASURY NOTES DTD 03/31/2021 0.125% 03/31/2023	91282CBU4	3,130,000.00	AA+	Aaa	10/22/202	10/25/202	3,121,441.41	0.32	10.69	3,124,031.94	3,080,604.84
US TREASURY NOTES DTD 06/15/2020 0.250% 06/15/2023	912828ZU7	3,050,000.00	AA+	Aaa	10/26/202	10/27/202	3,043,923.83	0.37	2,241.41	3,045,514.24	2,989,953.13
US TREASURY NOTES DTD 09/30/2016 1.375% 09/30/2023	912828T26	3,065,000.00	AA+	Aaa	10/26/202	10/27/202	3,118,398.05	0.47	115.15	3,106,548.70	3,030,997.50
US TREASURY NOTES DTD 12/15/2020 0.125% 12/15/2023	91282CBA8	3,150,000.00	AA+	Aaa	10/22/202	10/25/202	3,121,945.31	0.54	1,157.45	3,127,620.91	3,038,273.28
US TREASURY NOTES DTD 03/15/2021 0.250% 03/15/2024	91282CBR1	3,150,000.00	AA+	Aaa	10/22/202	10/25/202	3,121,822.27	0.63	363.79	3,126,927.87	3,025,968.75
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	3,150,000.00	AA+	Aaa	10/27/202	10/28/202	3,122,806.64	0.70	2,479.97	3,127,059.89	3,006,281.25
US TREASURY N/B NOTES DTD 10/15/2021 0.625% 10/15/2024	91282CDB4	3,135,000.00	AA+	Aaa	10/27/202	10/28/202	3,122,753.91	0.76	9,043.27	3,124,506.58	2,992,455.31
US TREASURY NOTES DTD 01/02/2018 2.250% 12/31/2024	9128283P3	2,970,000.00	AA+	Aaa	10/22/202	10/25/202	3,102,837.89	0.82	16,798.55	3,084,791.13	2,949,581.25
US TREASURY NOTES DTD 03/31/2020 0.500% 03/31/2025	912828ZF0	3,165,000.00	AA+	Aaa	10/22/202	10/25/202	3,122,964.84	0.89	43.24	3,128,265.36	2,982,023.44
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	3,200,000.00	AA+	Aaa	11/1/2021	11/2/2021	3,110,875.00	1.01	1,325.97	3,120,654.63	2,966,499.84
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	3,100,000.00	AA+	Aaa	10/29/202	10/29/202	3,003,003.91	1.05	3,254.14	3,013,214.02	2,857,812.50



Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury</b>											
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	3,245,000.00	AA+	Aaa	10/25/202	10/26/202	3,155,635.74	1.05	3,059.00	3,164,823.81	2,996,047.49
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	750,000.00	AA+	Aaa	1/4/2022	1/6/2022	723,398.44	1.27	466.16	724,920.06	691,054.65
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	1,050,000.00	AA+	Aaa	2/16/2022	2/22/2022	989,009.77	1.91	652.62	990,620.35	967,476.51
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	3,210,000.00	AA+	Aaa	10/25/202	10/26/202	3,161,348.44	1.10	65.78	3,166,072.18	2,993,325.00
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	2,525,000.00	AA+	Aaa	10/29/202	10/29/202	2,460,099.61	1.18	2,615.68	2,465,856.90	2,330,101.56
<b>Security Type Sub-Total</b>		<b>51,585,000.00</b>					<b>51,074,623.68</b>	<b>0.79</b>	<b>51,041.95</b>	<b>51,167,586.16</b>	<b>49,398,422.66</b>
<b>Negotiable CD</b>											
DISCOVER BANK DTD 04/01/2020 1.100% 04/01/2022	254673ZX7	248,000.00	NR	NR	3/23/2020	4/1/2020	248,000.00	1.10	1,360.26	248,000.00	248,009.42
BARCLAYS BANK PLC NY CERT DEPOS DTD 02/03/2022 1.050% 02/01/2023	06742TG34	555,000.00	A-1	P-1	2/2/2022	2/3/2022	555,000.00	1.05	922.69	555,000.00	549,594.60
<b>Security Type Sub-Total</b>		<b>803,000.00</b>					<b>803,000.00</b>	<b>1.07</b>	<b>2,282.95</b>	<b>803,000.00</b>	<b>797,604.02</b>
<b>Joint Powers Authority</b>											
CAMP Pool		1,795,865.50	AAAm	NR			1,795,865.50		0.00	1,795,865.50	1,795,865.50
<b>Security Type Sub-Total</b>		<b>1,795,865.50</b>					<b>1,795,865.50</b>		<b>0.00</b>	<b>1,795,865.50</b>	<b>1,795,865.50</b>
<b>Corporate</b>											
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/10/2022 1.250% 01/10/2025	24422EVY2	400,000.00	A	A2	3/8/2022	3/10/2022	390,488.00	2.12	1,125.00	390,689.80	383,849.20
JOHNSON & JOHNSON (CALLABLE) CORP NOTES DTD 11/10/2017 2.625% 01/15/2025	478160CJ1	600,000.00	AAA	Aaa	3/11/2022	3/15/2022	606,846.00	2.21	3,325.00	606,726.76	603,253.80

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
ADOBE INC CORP NOTES (CALLABLE) DTD 01/26/2015 3.250% 02/01/2025	00724FAC5	395,000.00	A+	A2	1/24/2022	1/26/2022	413,138.40	1.68	2,139.58	411,971.08	399,885.36
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	365,000.00	A+	A1	10/22/202	10/26/202	372,329.20	1.18	876.00	371,375.07	354,048.91
3M COMPANY (CALLABLE) CORP NOTES DTD 08/26/2019 2.000% 02/14/2025	88579YBH3	365,000.00	A+	A1	10/22/202	10/26/202	375,541.20	1.11	953.06	374,133.91	356,986.43
NOVARTIS CAPITAL CORP DTD 02/14/2020 1.750% 02/14/2025	66989HAP3	620,000.00	AA-	A1	3/11/2022	3/15/2022	610,731.00	2.28	1,416.53	610,878.68	604,741.80
ABBOTT LABORATORIES CORP NOTE (CALLABLE) DTD 03/10/2015 2.950% 03/15/2025	002824BB5	450,000.00	AA-	A1	3/11/2022	3/15/2022	456,714.00	2.43	590.00	456,600.54	452,419.65
BURLINGTN NORTH SANTA FE CORP NOTES (CAL DTD 03/09/2015 3.000% 04/01/2025	12189LAV3	355,000.00	AA-	A3	10/22/202	10/26/202	376,094.10	1.23	5,325.00	373,246.49	357,695.52
APPLE INC (CALLABLE) CORP NOTES DTD 05/11/2020 1.125% 05/11/2025	037833DT4	625,000.00	AA+	Aaa	10/22/202	10/26/202	625,000.00	1.13	2,734.38	625,000.00	597,176.88
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 11/13/2020 0.750% 11/13/2025	110122DN5	490,000.00	A+	A2	3/11/2022	3/15/2022	459,762.10	2.53	1,408.75	460,146.00	455,801.92
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 12/06/2021 1.530% 12/06/2025	06051GKE8	375,000.00	A-	A2	3/11/2022	3/15/2022	359,715.00	2.69	1,832.82	359,905.78	358,421.62
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 12/06/2021 1.530% 12/06/2025	06051GKE8	375,000.00	A-	A2	12/1/2021	12/6/2021	375,000.00	1.53	1,832.82	375,000.00	358,421.63
STATE STREET CORP NOTES (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	355,000.00	A	A1	10/22/202	10/26/202	374,553.40	1.61	28.61	372,099.46	351,097.84
JPMORGAN CHASE & CO DTD 04/15/2020 2.083% 04/22/2026	46647PBK1	370,000.00	A-	A2	10/22/202	10/26/202	377,303.80	1.63	3,403.97	376,604.17	356,406.94
ALPHABET INC CORP NOTES (CALLABLE) DTD 08/09/2016 1.998% 08/15/2026	02079KAC1	620,000.00	AA+	Aa2	3/11/2022	3/15/2022	612,609.60	2.28	1,582.86	612,687.44	604,818.06

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate</b>											
WAL MART INC CORP NOTES (CALLABLE) DTD 09/17/2021 1.050% 09/17/2026	931142ER0	645,000.00	AA	Aa2	3/11/2022	3/15/2022	609,615.30	2.34	263.38	609,980.53	600,373.10
TARGET CORP CORPORATE NOTES DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	75,000.00	A	A2	1/19/2022	1/24/2022	74,872.50	1.99	272.19	74,877.20	72,461.78
TARGET CORP CORPORATE NOTES DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	340,000.00	A	A2	1/27/2022	1/31/2022	339,792.60	1.96	1,233.91	339,799.48	328,493.38
BANK OF NY MELLON CORP (CALLABLE) CORPOR DTD 01/26/2022 2.050% 01/26/2027	06406RBA4	560,000.00	A	A1	1/26/2022	1/28/2022	561,803.20	1.98	2,072.78	561,739.84	538,989.36
<b>Security Type Sub-Total</b>		<b>8,380,000.00</b>					<b>8,371,909.40</b>	<b>1.93</b>	<b>32,416.64</b>	<b>8,363,462.23</b>	<b>8,135,343.18</b>
<b>ABS</b>											
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	120,000.00	NR	Aaa	11/16/2021	11/24/2021	119,974.70	0.89	29.33	119,976.83	116,201.75
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	95,000.00	AAA	NR	11/9/2021	11/17/2021	94,978.80	0.75	31.24	94,980.55	91,232.53
<b>Security Type Sub-Total</b>		<b>215,000.00</b>					<b>214,953.50</b>	<b>0.82</b>	<b>60.57</b>	<b>214,957.38</b>	<b>207,434.28</b>
<b>Managed Account Sub Total</b>		<b>60,983,000.00</b>					<b>60,464,486.58</b>	<b>0.95</b>	<b>85,802.11</b>	<b>60,549,005.77</b>	<b>58,538,804.14</b>
<b>Securities Sub Total</b>		<b>\$62,778,865.50</b>					<b>\$62,260,352.08</b>	<b>0.95%</b>	<b>\$85,802.11</b>	<b>\$62,344,871.27</b>	<b>\$60,334,669.64</b>
<b>Accrued Interest</b>											<b>\$85,802.11</b>
<b>Total Investments</b>											<b>\$60,420,471.75</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
<b>MATURITY</b>									
3/31/2022	3/31/2022	249,000.00	66704MEP2	NORTHSTAR BANK MI	1.10%	3/31/2022	249,232.63		
3/31/2022	3/31/2022	249,000.00	954444BR5	WEST MICHIGAN COM BANK	1.10%	3/31/2022	249,232.63		
<b>Total MATURITY</b>		<b>2,983,000.00</b>					<b>2,988,836.34</b>		<b>0.00</b>
<b>SELL</b>									
1/26/2022	1/28/2022	520,000.00	91282CCP4	US TREASURY N/B NOTES	0.62%	7/31/2026	500,961.01		-7,972.49
1/27/2022	1/31/2022	160,000.00	91282CCP4	US TREASURY N/B NOTES	0.62%	7/31/2026	153,143.75		-2,966.43
2/2/2022	2/3/2022	555,000.00	912833LK4	US TREASURY STRIPS	0.00%	11/15/2022	552,663.45		4,520.90
<b>Total SELL</b>		<b>1,235,000.00</b>					<b>1,206,768.21</b>		<b>-6,418.02</b>

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.