

City of Peoria

Quarterly Investment Report

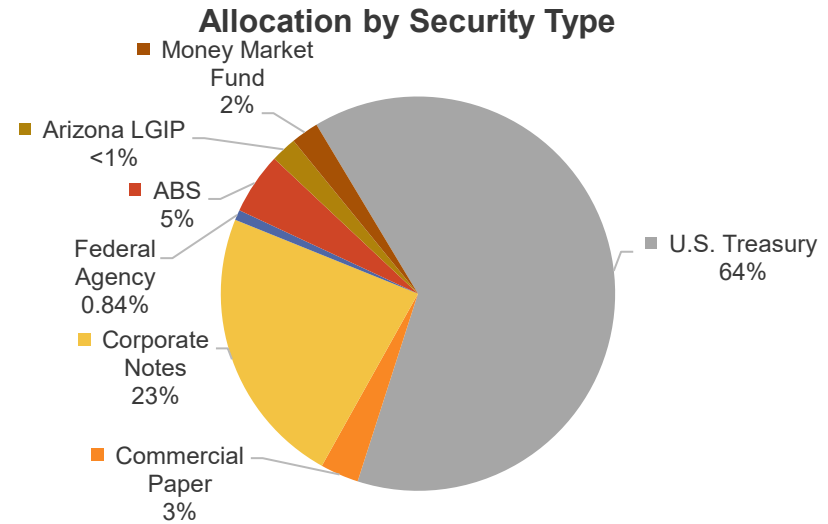
June 30, 2024

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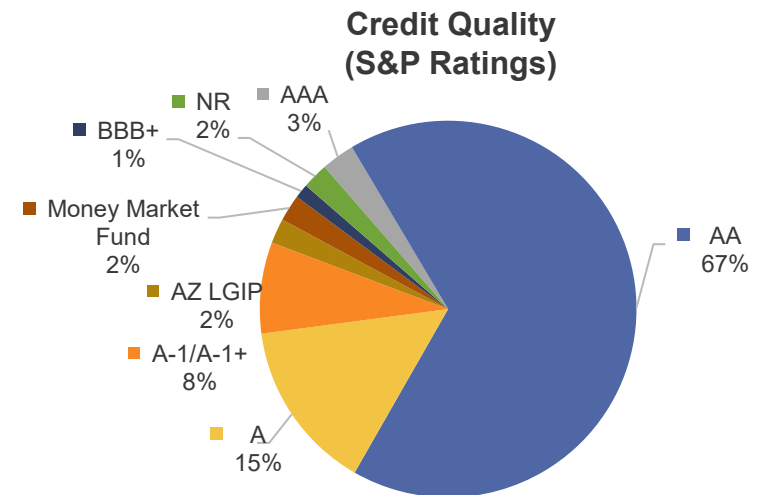
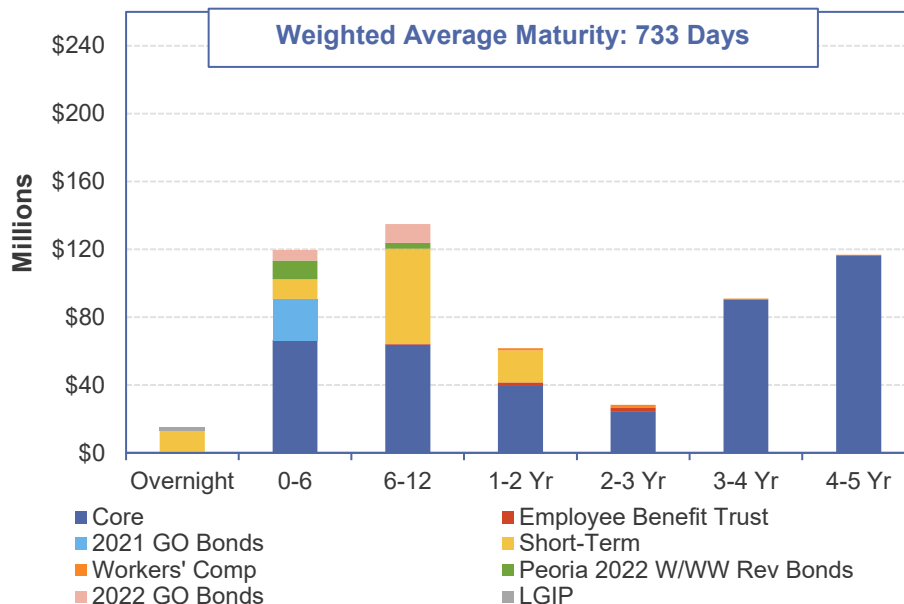
PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Account Summary	Ending Values as of 3/31/24	Ending Values as of 6/30/24
Market Value	\$615,774,649	\$572,921,856
Book Value	\$620,728,398	\$577,301,108
Unrealized Gain/(Loss)	(\$4,953,749)	(\$4,379,252)
Weighted Avg. YTM	5.18%	4.98%
Weighted Avg. YTC	3.88%	3.97%



Maturity Distribution



- These balances include \$12,250,957 invested with the AZ State Local Government Investment Pool as of 6/30/2024.
- Weighted average maturity includes all liquid and LGIP balances and uses book values for weighting.
- Bank Notes are included with Corporate Note figures, and Discount Notes are included with Federal Agency figures.

Security Type and Issuer Distribution^{1,2,3}

City of Peoria as of
06/30/24

Security Type	Book Value	% of Portfolio	Policy Limit
U.S. Treasury	\$366,946,691	64%	80%
Federal Agency	\$4,843,572	1%	80%
Corporate Note	\$132,835,625	23%	35%
Commercial Paper	\$18,199,319	3%	35%
ABS	\$29,153,467	5%	35%
AZ LGIP	\$12,250,957	2%	35%
Money Market Fund	\$13,071,477	2%	35%
Total Book Value	\$577,301,108	100%	

Accrual Basis Earnings	4/1/24 through 6/30/24
Estimated Earnings	\$5,497,249
Total Estimated Earnings	\$5,497,249

Other Investment Policy Requirements
Policy Limit - At least 20% of portfolio to mature in less than one year.
Current portfolio maturing in less than one year = 48%

Maturity	Book Value	% of Portfolio	Policy Limit
Overnight	\$25,322,434	3%	No Limit
0-6 Months	\$119,555,432	21%	No Limit
6-12 Months	\$134,873,037	24%	No Limit
1-2 Years	\$61,742,955	11%	No Limit
2-3 Years	\$28,325,977	5%	No Limit
3-4 Years	\$90,916,471	16%	No Limit
4-5 Years	\$116,564,802	21%	No Limit
Total Book Value	\$577,301,108	100%	

1. These balances include \$12,250,957 invested with the AZ State Local Government Investment Pool as of 6/30/2024.
2. Weighted average maturity includes all liquid and LGIP balances and uses book values for weighting.
3. Bank Notes are included with Corporate Note figures, and Discount Notes are included with Federal Agency figures

Holdings by Issuer

City of Peoria as of
06/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
United States Treasury	\$366,946,692	64%	80%
Money Market Fund	\$13,071,477	2%	35%
Mitsubishi Ufj Financial Group Inc	\$13,014,818	2%	10%
LGIP	\$12,250,957	2%	35%
Toronto-Dominion Bank	\$6,685,265	1%	5%
JPMorgan Chase & Co	\$4,887,975	1%	5%
FHLB	\$4,843,572	1%	40%
National Australia Bank Ltd	\$4,688,939	1%	5%
Bank Of Montreal	\$4,064,875	1%	5%
Hershey Company	\$4,026,326	1%	5%
Rabobank Nederland	\$3,977,471	1%	5%
Apple Inc	\$3,512,188	1%	5%
Metlife Inc	\$3,495,414	1%	5%
ANZ Banking Group Ltd	\$3,487,470	1%	5%
Kubota Credit	\$3,479,618	1%	5%
Royal Bank Of Canada	\$3,245,371	1%	5%
Toyota Motor Corp	\$3,205,764	1%	5%
USAA Owners Trust	\$3,094,541	1%	5%
American Express Co	\$3,089,881	1%	5%
Wells Fargo & Company	\$3,039,520	1%	5%
Automatic Data Processing Corp	\$2,986,414	1%	5%

Holdings by Issuer

City of Peoria as of
06/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
Amazon.Com Inc	\$2,861,164	<1%	5%
Deere & Company	\$2,840,350	<1%	5%
Roche Holdings	\$2,743,185	<1%	5%
Gm Financial Securitized Term	\$2,730,778	<1%	10%
National Rural Utilities Co Finance Corp	\$2,706,010	<1%	5%
Citigroup Inc	\$2,660,055	<1%	5%
Comcast Corp	\$2,639,599	<1%	5%
Goldman Sachs Group Inc	\$2,550,139	<1%	5%
Westpac Banking Corp	\$2,496,556	<1%	5%
Linde Inc.	\$2,423,753	<1%	5%
Caterpillar Inc	\$2,373,377	<1%	5%
Nissan Auto Receivables	\$2,239,707	<1%	10%
Nestle	\$2,235,414	<1%	5%
BP PLC	\$2,235,000	<1%	5%
Fifth Third Auto Trust	\$2,179,888	<1%	10%
Canadian Imperial Bank Of Commerce	\$2,176,279	<1%	5%
Discover Financial Services	\$2,119,908	<1%	10%
Bmw Financial Services Na Llc	\$2,051,617	<1%	5%
New York Life Insurance Company	\$2,009,033	<1%	5%
Air Products & Chemicals	\$1,998,678	<1%	5%
MassMutual Global	\$1,994,575	<1%	5%
Exxon Mobil Corp	\$1,994,120	<1%	5%

Holdings by Issuer

City of Peoria as of
06/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
Adobe Inc	\$1,986,346	<1%	5%
General Dynamics Corp	\$1,964,635	<1%	5%
The Bank Of New York Mellon Corporation	\$1,957,456	<1%	5%
Pacific Life GF	\$1,805,747	<1%	5%
Honeywell International	\$1,780,836	<1%	5%
Northern Trust	\$1,763,523	<1%	5%
Sumitomo Mitsui Financial Group Inc	\$1,754,981	<1%	5%
American Honda Finance	\$1,749,069	<1%	5%
Chase Auto Owner Trust	\$1,699,925	<1%	5%
Paccar Financial Corp	\$1,590,993	<1%	5%
Brighthouse Financial Global	\$1,574,560	<1%	5%
Morgan Stanley	\$1,549,980	<1%	5%
Mastercard Inc	\$1,526,979	<1%	5%
UBS AG	\$1,494,393	<1%	5%
Bank Of Nova Scotia	\$1,493,371	<1%	5%
Mercedes-Benz Fin NA	\$1,462,035	<1%	5%
Meta Platforms Inc	\$1,448,549	<1%	5%
Ally Auto Receivables Trust	\$1,414,806	<1%	5%
Honda Auto Receivables	\$1,329,837	<1%	5%
Credit Agricole SA	\$1,319,269	<1%	10%
Natixis NY Branch	\$1,319,258	<1%	10%
Kenvue Inc.	\$1,278,493	<1%	5%

Holdings by Issuer

City of Peoria as of
06/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
Unitedhealth Group Inc	\$1,253,125	<1%	5%
Medtronic Global Holdings	\$1,246,186	<1%	5%
Home Depot Inc	\$1,198,520	<1%	5%
Harley-Davidson Motorcycle Trust	\$1,174,915	<1%	5%
Hyundai Auto Receivables	\$1,149,922	<1%	5%
IBM Corp	\$1,133,112	<1%	5%
USAA Capital Corp	\$1,078,998	<1%	5%
State Street Corporation	\$1,016,468	<1%	5%
Westpac New Zealand LTD	\$940,000	<1%	5%
Ford Credit Auto Owner Trust	\$934,928	<1%	5%
Svenska Handelsbanken AB	\$841,853	<1%	10%
Toronto-Dominion Bank	\$841,383	<1%	10%
Nordea Bank ABP	\$794,877	<1%	5%
John Deere Owner Trust	\$704,908	<1%	10%
Texas Instruments Inc	\$696,656	<1%	5%
Bmw Vehicle Owner Trust	\$669,906	<1%	10%
Bristol-Myers Squibb Co	\$589,389	<1%	5%
Protective Life Global	\$560,000	<1%	5%
Macquarie Bank	\$494,492	<1%	10%
LMA Americas LLC	\$368,245	<1%	10%
Northwestern Mutual GLBL	\$364,963	<1%	5%
PNC Financial Services Group	\$230,000	<1%	5%

Holdings by Issuer

City of Peoria as of
06/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
BB&T Corporation	\$189,634	<1%	5%
Cisco Systems Inc	\$74,913	<1%	5%
Pepsico Inc	\$64,980	<1%	5%
Eli Lilly & Co	\$39,981	<1%	5%
Wal-Mart Stores Inc	\$14,996	<1%	5%
Hormel Foods Corp	\$14,987	<1%	5%
Total Book Value	\$577,301,108	100.00%	

Current Market Themes

- ▶ The U.S. economy is characterized by:
 - ▶ Moderating economic growth following two quarters of exceptional strength
 - ▶ Recent inflation prints resuming the path towards the Federal Reserve (Fed)'s 2% target
 - ▶ Labor markets continuing to show strength while unemployment has ticked up modestly
 - ▶ Resilient consumer spending supported by wage growth that is outpacing inflation
- ▶ Federal Reserve pushes out rate cuts
 - ▶ Fed revises expectations from 3 rate cuts in 2024 to 1 by year end following a lack of progress in the fight against inflation
 - ▶ Market continues to expect 1 or 2 rate cuts in 2024
 - ▶ Fed officials note that the risks to its “dual mandate” of stable inflation and maximum employment are becoming more balanced
- ▶ Treasury yields increase in response to economic data over the quarter
 - ▶ Yields on maturities between 2 and 10 years rose 13-20 basis points during the quarter
 - ▶ The yield curve has now been inverted for 24 months, the longest period in history
 - ▶ Spreads across most sectors remain near multi-year tights and represent market expectations for a soft landing

Investment Strategy Outlook

- ▶ U.S. Treasury yields once again rose over the quarter, reflecting the market adjusting to delayed rate cut expectations, but remained largely range-bound following the June Fed meeting. Despite higher yields, U.S. Treasury indexes less than 10 years posted positive returns as higher income more than offset the negative price effects.
- ▶ Federal Agency spreads remained in a narrow, tight range over the quarter driven by limited supply. Limited value, tight spreads, and normalized liquidity are likely to remain features of this sector absent an unexpected increase in new issuance. Callables, specifically, longer lockout structures with limited call options, can add value selectively in government-only accounts.
- ▶ Investment-Grade (IG) Corporates continued to perform exceedingly well for the majority of the quarter, as strong performance in April and May offset modest weakness in June. Lower rated issuers and longer-duration securities performed best. Given strong trailing performance and spreads near their two-year tights, selective trimming in favor of increased portfolio liquidity or new issues offered at attractive concessions remains appropriate.
- ▶ Short-term credit (commercial paper and negotiable bank CDs) yield spreads continue to tighten closer to similar maturity USTs. However, the sector can selectively provide value with incremental yields ranging 20 to 25 basis point in 9- to 12-month maturities.

Treasury Yields Remained Relatively Rangebound Following the FOMC meeting

City of Peoria as of
06/30/24

- ▶ The 2-year Treasury increased by 13 basis points during the past quarter.

**2-Year Treasury Yields
June 2022 – June 2024**



Source: Bloomberg, as of 6/30/2024.

Disclaimer

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