

City of Peoria

Quarterly Investment Report

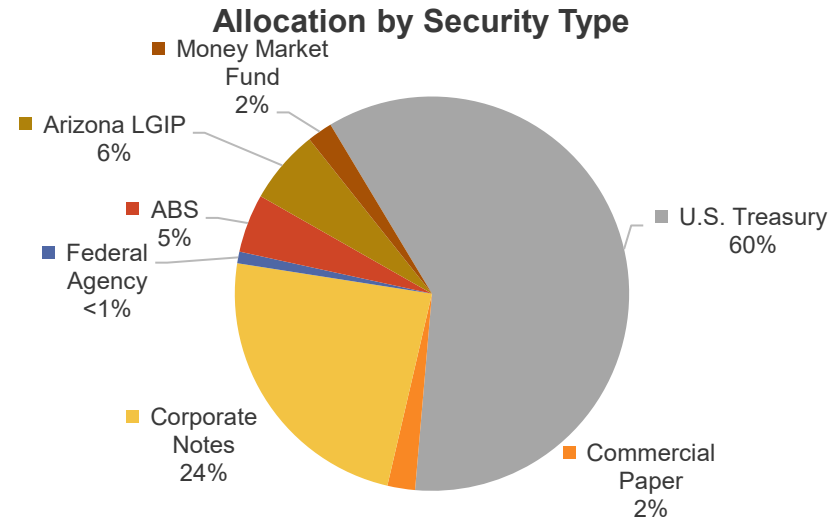
September 30, 2024

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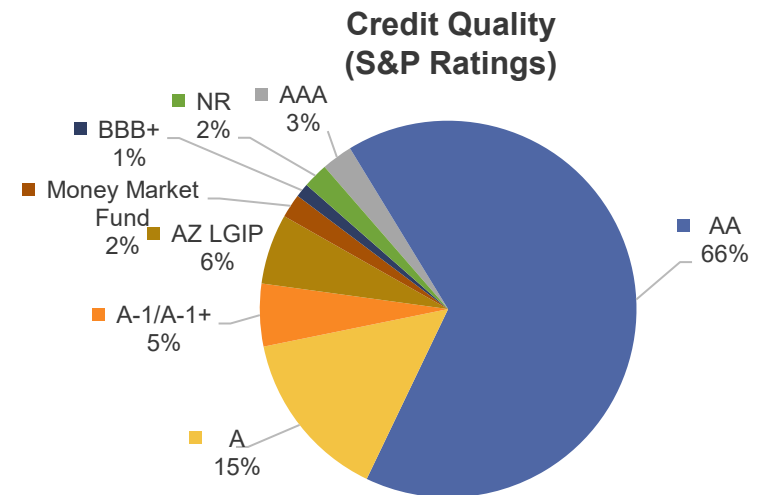
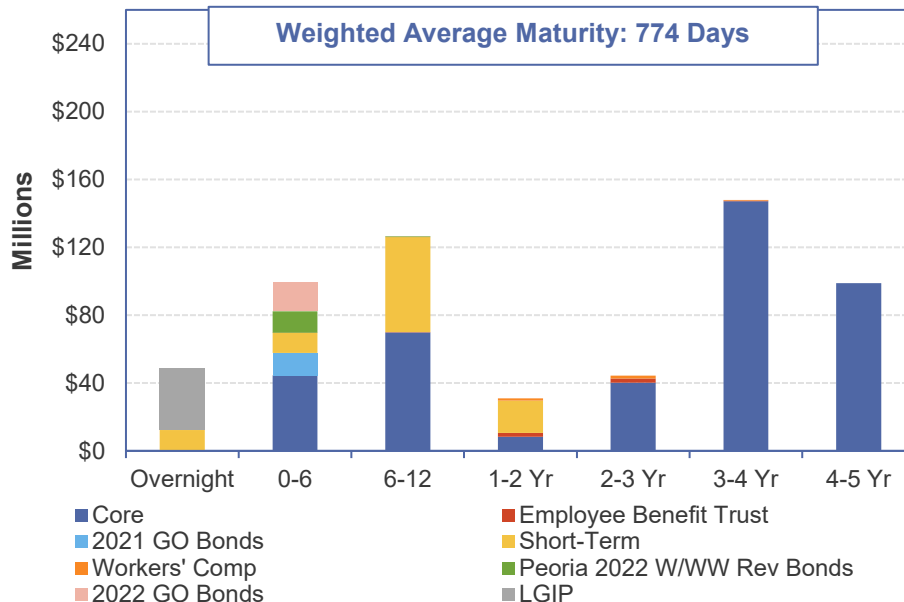
PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Account Summary	Ending Values as of 6/30/24	Ending Values as of 9/30/24
Market Value	\$572,921,856	\$601,626,685
Book Value	\$577,301,108	\$596,376,950
Unrealized Gain/(Loss)	(\$4,379,252)	\$5,249,735
Weighted Avg. YTM	4.98%	4.17%
Weighted Avg. YTC	3.97%	4.14%



Maturity Distribution



- These balances include \$36,304,959 invested with the AZ State Local Government Investment Pool as of 9/30/2024.
- 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
09/30/24

Security Type	Book Value	% of Portfolio	Policy Limit
U.S. Treasury	\$357,717,450	60%	80%
Federal Agency	\$5,698,973	1%	80%
Corporate Note	\$142,151,352	24%	35%
Commercial Paper	\$13,500,274	2%	35%
ABS	\$28,651,085	5%	35%
AZ LGIP	\$36,304,959	6%	35%
Money Market Fund	\$12,352,857	2%	35%
Total Book Value	\$596,376,950	100%	

Accrual Basis Earnings	7/1/24 through 9/30/24
Estimated Earnings	\$5,760,018
Total Estimated Earnings	\$5,760,018

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 = 46%

Maturity	Book Value	% of Portfolio	Policy Limit
Overnight	\$48,657,816	8%	No Limit
0-6 Months	\$99,324,250	17%	No Limit
6-12 Months	\$126,343,938	21%	No Limit
1-2 Years	\$30,931,846	5%	No Limit
2-3 Years	\$44,415,604	7%	No Limit
3-4 Years	\$147,880,155	25%	No Limit
4-5 Years	\$98,823,341	17%	No Limit
Total Book Value	\$596,376,950	100%	

1. These balances include \$36,304,959 invested with the AZ State Local Government Investment Pool as of 9/30/2024.
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
09/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
United States Treasury	\$357,717,450	2%	80%
LGIP	\$36,304,959	6%	35%
Money Market Fund	\$12,352,857	<1%	35%
Mitsubishi UFJ Financial Group Inc	\$12,274,435	2%	10%
FHLB	\$4,908,605	1%	40%
JPMorgan Chase & Co	\$4,887,723	1%	5%
Roche Holdings	\$4,762,022	1%	5%
National Australia Bank Ltd	\$4,690,848	1%	5%
Hershey Company	\$4,032,434	1%	5%
Apple Inc	\$3,511,387	1%	5%
Toyota Motor Corp	\$3,505,102	<1%	5%
Metlife Inc	\$3,496,620	1%	5%
ANZ Banking Group Ltd	\$3,488,700	1%	5%
Kubota Credit	\$3,479,650	1%	5%
Toronto-Dominion Bank	\$3,341,915	1%	5%
Royal Bank Of Canada	\$3,259,540	1%	5%
Rabobank Nederland	\$3,247,997	1%	5%
Canadian Imperial Bank Of Commerce	\$3,179,087	1%	5%
USAA Owners Trust	\$3,094,575	1%	5%
American Express Co	\$3,088,436	1%	5%
Wells Fargo & Company	\$3,045,177	<1%	5%

Holdings by Issuer

City of Peoria as of
09/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
Automatic Data Processing Corp	\$3,003,267	1%	5%
BMW Financial Services Na LLC	\$2,927,364	<1%	5%
Amazon.Com Inc	\$2,878,130	<1%	5%
Deere & Company	\$2,838,665	<1%	5%
Nordea Bank ABP	\$2,812,831	<1%	5%
Sumitomo Mitsui Financial Group Inc	\$2,754,062	<1%	5%
National Rural Utilities Co Finance Corp	\$2,705,979	<1%	5%
Citigroup Inc	\$2,666,023	<1%	5%
Comcast Corp	\$2,636,979	<1%	5%
Goldman Sachs Group Inc	\$2,560,327	<1%	5%
Bank Of Nova Scotia	\$2,548,789	<1%	5%
Westpac Banking Corp	\$2,497,629	<1%	5%
State Street Corporation	\$2,435,876	<1%	5%
Linde Inc.	\$2,423,972	<1%	5%
Morgan Stanley	\$2,399,982	<1%	5%
Caterpillar Inc	\$2,380,990	<1%	5%
Nissan Auto Receivables	\$2,239,729	<1%	10%
Nestle	\$2,238,473	<1%	5%
BP PLC	\$2,235,000	<1%	5%
GM Financial Securitized Term	\$2,229,675	<1%	10%
Fifth Third Auto Trust	\$2,179,895	<1%	10%
Discover Financial Services	\$2,119,914	<1%	10%

Holdings by Issuer

City of Peoria as of
09/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
New York Life Insurance Company	\$2,009,120	<1%	5%
Mastercard Inc	\$1,999,869	<1%	5%
Air Products & Chemicals	\$1,998,751	<1%	5%
Exxon Mobil Corp	\$1,996,270	<1%	5%
MassMutual Global	\$1,994,847	<1%	5%
Adobe Inc	\$1,987,000	<1%	5%
General Dynamics Corp	\$1,966,896	<1%	5%
The Bank Of New York Mellon Corporation	\$1,960,212	<1%	5%
Honeywell International	\$1,818,883	<1%	5%
Bank Of Montreal	\$1,814,974	<1%	5%
Pacific Life GF	\$1,805,366	<1%	5%
Northern Trust	\$1,766,697	<1%	5%
American Honda Finance	\$1,751,316	<1%	5%
Pepsico Inc	\$1,711,669	<1%	5%
Chase Auto Owner Trust	\$1,699,935	<1%	5%
Northwestern Mutual GLBL	\$1,634,932	<1%	5%
Paccar Financial Corp	\$1,591,490	<1%	5%
Brighthouse Financial Global	\$1,574,598	<1%	5%
UBS AG	\$1,494,696	58%	5%
Mercedes-Benz Fin NA	\$1,464,368	<1%	5%
Meta Platforms Inc	\$1,448,643	<1%	5%
Ally Auto Receivables Trust	\$1,414,819	<1%	5%

Holdings by Issuer

City of Peoria as of
09/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
Honda Auto Receivables	\$1,329,849	<1%	5%
Kenvue Inc.	\$1,279,925	<1%	5%
Unitedhealth Group Inc	\$1,256,701	1%	5%
Medtronic Global Holdings	\$1,246,439	<1%	5%
Home Depot Inc	\$1,202,164	<1%	5%
Harley-Davidson Motorcycle Trust	\$1,174,921	<1%	5%
Hyundai Auto Receivables	\$1,149,929	<1%	5%
IBM Corp	\$1,139,589	<1%	5%
USAA Capital Corp	\$1,079,297	<1%	5%
Blackrock Inc.	\$1,034,973	<1%	5%
Westpac New Zealand LTD	\$940,000	6%	5%
Ford Credit Auto Owner Trust	\$934,933	<1%	5%
FFCB	\$790,368	<1%	0%
John Deere Owner Trust	\$704,915	<1%	10%
Texas Instruments Inc	\$695,840	<1%	5%
Prudential Financial Inc	\$684,854	<1%	5%
BMW Vehicle Owner Trust	\$669,912	<1%	10%
Protective Life Global	\$560,000	<1%	5%
Sumitomo Mitsui Financial Group Inc	\$436,300	<1%	5%
Liberty Street Funding LLC	\$416,069	<1%	10%
Bristol-Myers Squibb Co	\$399,651	<1%	5%
LMA Americas LLC	\$373,469	<1%	10%

Holdings by Issuer

City of Peoria as of
09/30/24

Issuer	Book Value	% of Portfolio	Policy Limit
PNC Financial Services Group	\$230,000	<1%	5%
Swedbank AB	\$213,542	<1%	5%
Cisco Systems Inc	\$74,921	<1%	5%
Eli Lilly & Co	\$39,983	<1%	5%
Wal-Mart Stores Inc	\$14,997	<1%	5%
Hormel Foods Corp	\$14,989	<1%	5%
Total Book Value	\$596,376,950	100.00%	

Current Market Themes

- ▶ The U.S. economy is characterized by:
 - ▶ A labor market that reached better balance and supports consumer activity
 - ▶ Inflation that has made meaningful progress towards the Federal Reserve's (Fed) 2% target, although shelter costs remain a headwind
 - ▶ Resilient economic growth and consumer spending that support the 'soft landing' scenario
- ▶ Fed begins the easing cycle
 - ▶ The Fed cut the federal funds target rate by 50 basis points (bps) to 4.75% - 5.00% at its September FOMC meeting
 - ▶ Fed officials note they have gained greater confidence the risks to their dual mandate are "roughly" in balance
 - ▶ The Fed's September "dot plot" implies 50 bps of additional cuts in 2024 and 100 bps through 2025
- ▶ Treasury yields continued their descent
 - ▶ Yields on maturities between 3 months and 10 years fell 62-112 bps during the 3rd quarter
 - ▶ The yield curve began to disinvert in the 3rd quarter as the spread between the 2-year and 10-year Treasury reached positive territory for the first time in over 2 years
 - ▶ Despite intra-quarter spread widening, yield spreads across most credit sectors were range bound at tight levels, reflecting the strength of the economy

Investment Strategy Outlook

- ▶ U.S. economic growth remains strong reflecting a consumer who continues to spend at elevated levels.
- ▶ Inflation continues its trend lower but has been buoyed by stubborn housing costs.
- ▶ The labor market continues to moderate from extremely strong levels seen in prior quarters. The recent downward revisions to nonfarm payrolls through March 2024 further emphasized the cooling.
- ▶ The continuation of stable market measures, such as narrow corporate yield spreads, record equity index levels and low volatility, reflect economic confidence.
- ▶ As a result, we seek to maintain neutral portfolio durations relative to benchmarks.

- ▶ The 2-year Treasury decreased by over 100 basis points during the past quarter.

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



Source: Bloomberg Finance L.P., as of 9/30/2024.

Disclaimer

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