City of Peoria

Quarterly Investment Report

June 30, 2025

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pfm asset management

A Division of U.S. Bancorp Asset Management, Inc.

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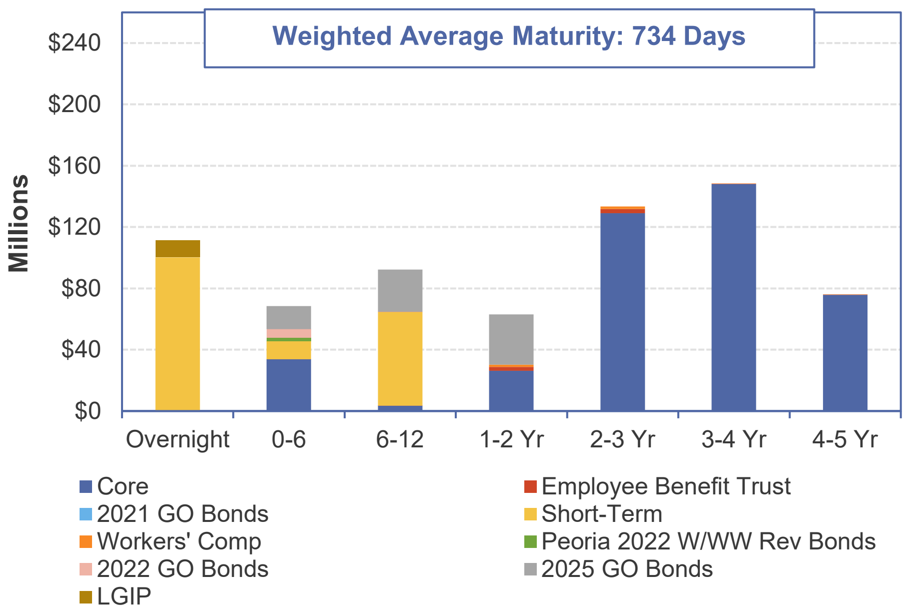
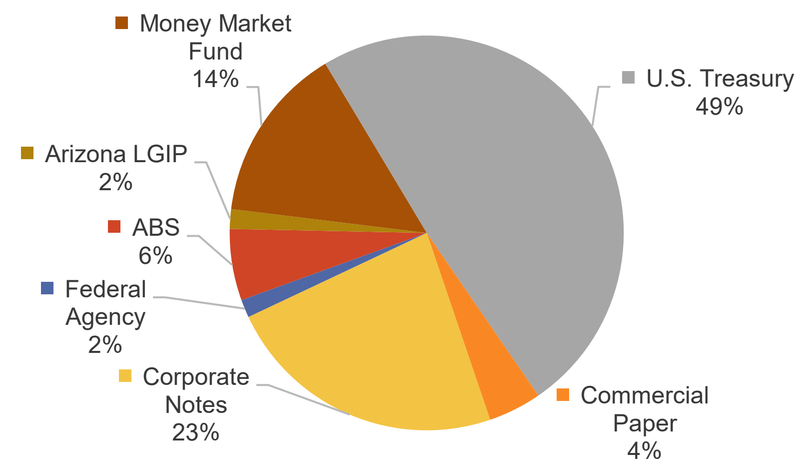
Executive Summary[1,2,3]

Account Summary	Ending Values as of 3/31/25	Ending Values as of 6/30/25
Market Value	$623,030,820	$697,921,646
Book Value	$620,613,342	$693,157,522
Unrealized Gain/(Loss)	$2,417,478	$4,764,124
Weighted Avg. YTM	4.29%	4.31%
Weighted Avg. YTC	4.27%	4.04%

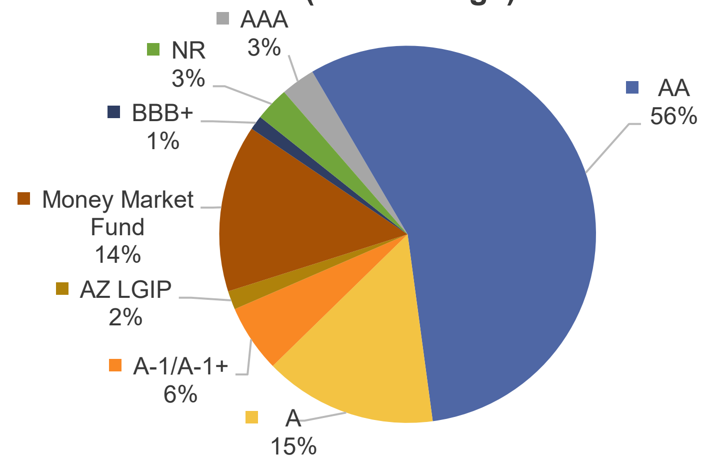
Maturity Distribution



Allocation by Security Type



Credit Quality (S&P Ratings)



1. *These balances include $11,155,852 invested with the AZ State Local Government Investment Pool as of 6/30/2025.*
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.*

Security Type and Issuer Distribution[1,2,3]

Security Type	Book Value	% of Portfolio	Policy Limit
U.S. Treasury	$339,779,603	49%	80%
Federal Agency	$10,177,602	1%	80%
Corporate Note	$160,924,166	23%	35%
Commercial Paper	$30,328,627	4%	35%
Asset-Backed Securities	$40,584,100	6%	35%
AZ LGIP	$11,155,852	2%	35%
Money Market Fund	$100,207,572	14%	35%
Total Book Value	**$693,157,522**	**100%**	

Accrual Basis Earnings	4/1/25 through 6/30/25
Estimated Earnings	$6,308,268
Total Estimated Earnings	**$6,308,268**

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 = **27%**

Maturity	Book Value	% of Portfolio	Policy Limit
Overnight	$111,363,424	16%	No Limit
0-6 Months	$68,536,052	10%	No Limit
6-12 Months	$92,253,239	13%	No Limit
1-2 Years	$63,030,846	9%	No Limit
2-3 Years	$133,496,725	19%	No Limit
3-4 Years	$148,381,337	21%	No Limit
4-5 Years	$76,095,900	11%	No Limit
Total Book Value	**$693,157,522**	**100%**	

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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 6/30/25

Issuer	Book Value	% of Portfolio	Policy Limit
United States Treasury	$339,779,603	49%	80%
Money Market Fund	$100,207,572	14%	35%
Mitsubishi Ufj Financial Group Inc	$14,743,834	2%	10%
LGIP	$11,155,852	2%	35%
FHLB	$10,177,602	1%	40%
American Express Co	$6,834,516	1%	10%
Toronto-Dominion Bank	$6,184,761	1%	10%
Toyota Motor Corp	$5,366,158	1%	10%
Sumitomo Mitsui Financial Group Inc	$5,201,958	1%	10%
JPMorgan Chase & Co	$4,885,134	1%	5%
Kubota Credit	$4,772,760	1%	10%
Royal Bank Of Canada	$4,283,803	1%	5%
Hershey Company	$4,070,686	1%	5%
Wells Fargo & Company	$3,670,597	1%	5%
Apple Inc	$3,608,777	1%	5%
Nissan Auto Receivables	$3,596,222	1%	10%
New York Life Insurance Company	$3,523,377	1%	5%
Deere & Company	$3,434,570	<1%	5%
Goldman Sachs Group Inc	$3,237,363	<1%	5%
Volkswagen Auto	$3,229,861	<1%	10%
Stichting Administratiekantoor Continui	$3,200,000	<1%	5%

Holdings by Issuer

City of Peoria as of 6/30/25

Issuer	Book Value	% of Portfolio	Policy Limit
Rabobank Nederland	$3,198,361	<1%	5%
Bank Of Nova Scotia	$3,153,875	<1%	5%
Automatic Data Processing Corp	$3,054,354	<1%	5%
Morgan Stanley	$2,998,321	<1%	20%
Ford Credit Auto Owner Trust	$2,998,204	<1%	10%
Canadian Imperial Bank Of Commerce	$2,982,507	<1%	5%
Bmw Financial Services Na Llc	$2,929,824	<1%	5%
Amazon.Com Inc	$2,929,580	<1%	5%
Credit Agricole SA	$2,871,413	<1%	10%
Thunder Bay Funding LLC	$2,846,633	<1%	10%
Nordea Bank ABP	$2,810,368	<1%	5%
Commonwealth Bank Of Australia	$2,773,198	<1%	5%
Citigroup Inc	$2,758,995	<1%	5%
National Rural Utilities Co Finance Corp	$2,705,858	<1%	5%
Comcast Corp	$2,629,103	<1%	5%
Chevron Corporation	$2,525,000	<1%	5%
Pacific Life GF	$2,504,180	<1%	5%
ING Groep NV	$2,432,333	<1%	10%
Natixis NY Branch	$2,429,039	<1%	10%
Bank Of Montreal	$2,409,498	<1%	5%
Caterpillar Inc	$2,403,683	<1%	5%

Holdings by Issuer

City of Peoria as of 6/30/25

Issuer	Book Value	% of Portfolio	Policy Limit
USAA Owners Trust	$2,385,514	<1%	10%
State Street Corporation	$2,369,113	<1%	5%
Nestle	$2,247,600	<1%	5%
BP PLC	$2,235,000	<1%	5%
Westpac Banking Corp	$2,218,776	<1%	5%
Svenska Handelsbanken AB	$2,134,935	<1%	5%
Discover Financial Services	$2,119,932	<1%	10%
National Australia Bank Ltd	$2,103,201	<1%	20%
Roche Holdings	$2,014,055	<1%	5%
Fifth Third Auto Trust	$2,008,322	<1%	10%
Air Products & Chemicals	$1,998,949	<1%	5%
MassMutual Global	$1,995,671	<1%	5%
Mastercard Inc	$1,994,309	<1%	5%
Adobe Inc	$1,989,012	<1%	5%
General Dynamics Corp	$1,973,750	<1%	5%
The Bank Of New York Mellon Corporation	$1,968,559	<1%	5%
Honeywell International	$1,812,459	<1%	5%
Home Depot Inc	$1,808,033	<1%	5%
Northern Trust	$1,776,273	<1%	5%
American Honda Finance	$1,758,029	<1%	5%
ANZ Banking Group Ltd	$1,741,562	<1%	5%

Holdings by Issuer

Issuer	Book Value	% of Portfolio	Policy Limit
Chase Auto Owner Trust	$1,699,944	<1%	10%
Pepsico Inc	$1,647,159	<1%	5%
Advanced Micro Devices Inc	$1,635,000	<1%	5%
Northwestern Mutual GLBL	$1,634,950	<1%	5%
Hyundai Auto Receivables	$1,627,250	<1%	10%
Analog Devices Inc	$1,613,282	<1%	5%
Gm Financial Securitized Term	$1,595,277	<1%	10%
Paccar Financial Corp	$1,592,964	<1%	5%
Brighthouse Financial Global	$1,574,712	<1%	5%
Metlife Inc	$1,500,000	<1%	5%
UBS AG	$1,495,616	<1%	5%
Mercedes-Benz Fin NA	$1,471,329	<1%	5%
Wells Fargo Card Issuance Trust	$1,469,810	<1%	10%
Siemens AG	$1,454,933	<1%	5%
Meta Platforms Inc	$1,448,924	<1%	5%
Kenvue Inc.	$1,273,826	<1%	5%
Unitedhealth Group Inc	$1,267,403	<1%	5%
Medtronic Global Holdings	$1,247,203	<1%	5%
Cintas Corporation No. 2	$1,233,502	<1%	5%
Skandinaviska Enskilda Banken Ab	$1,218,832	<1%	5%
Ally Auto Receivables Trust	$1,206,965	<1%	10%

Holdings by Issuer

City of Peoria as of 6/30/25

Issuer	Book Value	% of Portfolio	Policy Limit
Swedbank AB	$1,187,623	<1%	5%
Honda Auto Receivables	$1,174,006	<1%	10%
IBM Corp	$1,158,824	<1%	5%
Volvo Financial Equipment LLC	$1,119,877	<1%	10%
Blackrock Inc.	$1,034,980	<1%	5%
Westpac New Zealand LTD	$940,000	<1%	5%
Capital One Prime Auto Rec Trust	$924,888	<1%	10%
Mars Inc	$909,086	<1%	5%
Depository Trust & Clearing Corp	$729,387	<1%	5%
NatWest Group PLC	$705,000	<1%	5%
Texas Instruments Inc	$693,370	<1%	5%
Harley-Davidson Motorcycle Trust	$693,008	<1%	10%
Prudential Financial Inc	$684,890	<1%	5%
Charles Schwab	$598,918	<1%	5%
Protective Life Global	$560,000	<1%	5%
BMW Vehicle Owner Trust	$504,068	<1%	10%
John Deere Owner Trust	$498,503	<1%	10%
HSBC Holdings PLC	$414,811	<1%	5%
Bristol-Myers Squibb Co	$399,756	<1%	5%
Target Corp	$354,997	<1%	5%
PNC Financial Services Group	$230,000	<1%	5%

Holdings by Issuer

Issuer	Book Value	% of Portfolio	Policy Limit
Cummins Inc	$219,853	<1%	5%
Johnson & Johnson	$90,553	<1%	5%
Principal Financial Group Inc	$74,951	<1%	5%
Cisco Systems Inc	$74,945	<1%	5%
Wal-Mart Stores Inc	$39,995	<1%	5%
Eli Lilly & Co	$39,988	<1%	5%
Hormel Foods Corp	$14,993	<1%	5%
Accenture Capital Inc	$14,985	<1%	5%
Total Book Value	**$693,157,522**	**100.00%**	

Current Market Themes

- The U.S. economy is resilient but showing signs of cooling
  - Headline employment data belies underlying weakening
  - Inflation remained rangebound but does not yet reflect the full impact of tariffs
  - Fiscal policy uncertainty and volatile tariff rollouts weigh on consumer sentiment
- Fed remains on hold but may cut rates later this year
  - The Fed's June "dot plot" implies 50 bps of cuts in the back half of 2025 but members are split between 0 and 2 cuts this year
  - Fed Chair Powell stated the effect, size, and duration of tariffs are all highly uncertain making staying on hold the appropriate thing to do as they wait to learn more
- Treasury yields whipsawed by tariff announcements in Q2
  - Concerns over the budget bill, debt ceiling, and monetary policy added to volatility
  - The yield curve continued to steepen between 2 years and 10 years
  - Credit spreads widened sharply following tariff fears but tightened to levels near historic tights by quarter end

Market Outlook

- Fixed income indices produced positive returns for the month due to lower yields across the curve. The ICE BofA 3-month, 2-year, and 10-year U.S. Treasury indices returned +0.33%, +0.59%, and +1.63%, respectively.
- Yields on 3-month, 2-year, and 10-year U.S. Treasuries ended June at 4.29%, 3.72%, and 4.23%, representing decreases of -4 bps, -18 bps, and -17 bps, respectively.
- As expected, at the meeting held on June 18 the Federal Reserve (Fed) held the target range for the overnight rate unchanged at 4.25% to 4.50%. In its press release, the Fed noted uncertainty has diminished since April but remains elevated. During the press conference, Fed Chair Jerome Powell noted that the effect, size, and duration of tariffs are all highly uncertain and that warrants the Fed remaining on hold as it continues to observe the data.
- The Core Personal Consumption Expenditures Index (PCE), the Fed's preferred measure of inflation, rose a modest 0.2% over the prior month. This marks the third straight month of benign inflation readings, but the future impact of tariffs remains uncertain and supports the Fed's patience before it resumes cutting rates.
- We will continue to maintain portfolio durations near or slightly above 100% of benchmarks given the ongoing rate and policy uncertainty and the rebound in the absolute yield levels from their early-May lows.

Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of June 30, 2025.

U.S. Treasury Yields Continue to Lower Across the Curve

- The 2-year Treasury fell by 16 basis points during the second quarter.

Source: Bloomberg Finance L.P., as of June 30, 2025.

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