

**To:** Clean Water Services Board of Directors  
**From:** Kathleen Leader, Chief Financial Officer  
**Date:** October 17, 2025  
**Subject:** Clean Water Services Investment Report: July 1 – September 30, 2025

The purpose of this informational report is to provide an update on the Clean Water Services (District) treasury investments. This report is in conformance with the District's Investment Policy and covers July 1 through September 30, 2025.

## **BACKGROUND**

On September 7, 2021, the District's Board of Directors (Board) authorized the District by Resolution and Order 21-23 to develop its treasury function separate from Washington County and transfer the District's cash and investment portfolio to the District's accounts before June 30, 2022. The transfer was completed on June 1, 2022, and the District hired Government Portfolio Advisors to manage District investments and provide reporting. Every year the Board adopts an investment policy; the 2025 Investment Policy was adopted by the Board on November 19, 2024, by Resolution and Order 24-17, and is attached as Appendix B.

The purpose of the Investment Report is to document compliance with the investment policy requirements by achieving equal or better market performance in comparison to benchmark data. This report summarizes results for compliance, performance standards, and reporting requirements for July 1 through September 30, 2025. The Quarterly Investment Report from Government Portfolio Advisors dated September 30, 2025, is attached as Appendix A.

Summary of the reporting requirements for compliance (all page numbers reference Appendix A, the report dated September 30, 2025, unless otherwise noted):

**1. A listing of all investments held during the reporting period showing par/face value, accounting book value, market value, type of investment, issuer, credit ratings, and yield to maturity (yield to worst if callable).**

District has 68 cash and investment holdings in its portfolio as of September 30, 2025.

- The list titled Holdings by Maturity & Ratings is on pages 16-20.

**2. Average maturity of the portfolio at period-end.**

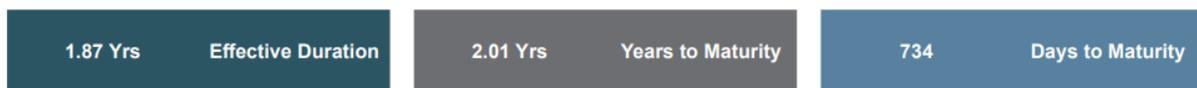
The average maturity (effective duration) is 1.87 years for the entire portfolio as of September 30, 2025. This duration consolidates the effective duration for The Investment Core at 2.07 years, the Liquidity balance at 0.01 year, and the endowment fund at 0.34 year.

➤ Details are on page 7 and page 10.

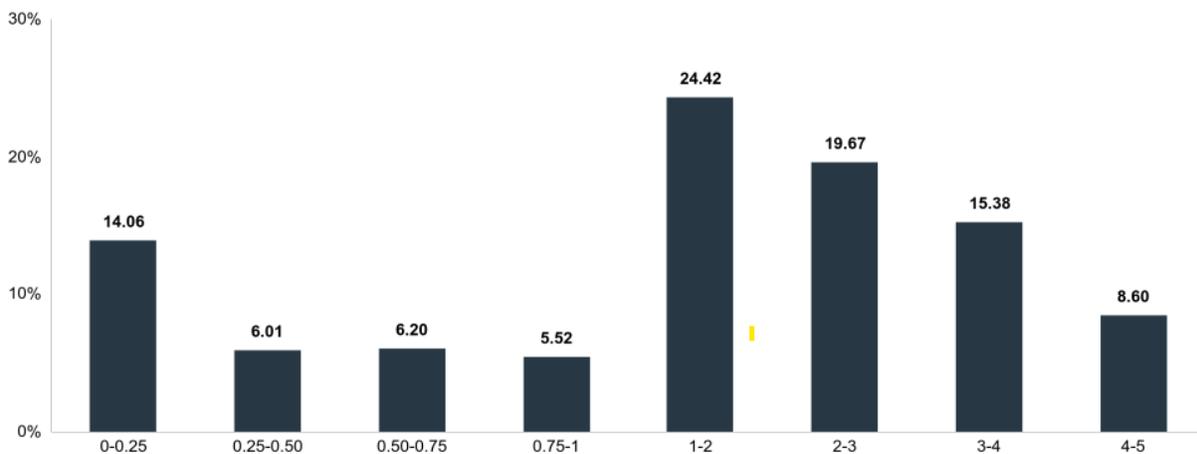
**3. Maturity distribution of the portfolio at period-end.**

The graph below shows the maturity distribution of the portfolio as of September 30, 2025.

➤ Additional details are on page 15.



Distribution by Effective Duration



**4. Average portfolio credit quality of the portfolio at period-end.**

The average portfolio credit rating is AA+.

➤ Additional details are on page 10 and page 14.

**5. Average weighted yield to maturity (yield to worst if callable investments are allowed) of the portfolio.**

The average book yield to maturity is 3.83 percent as of September 30, 2025.

➤ Additional details are on page 10 and page 13.

## 6. Distribution by type of investment.

The District's distribution by type of investment did not change much in the first quarter. The graph "Allocation by Asset Class" is a visual representation of the distribution as of September 30, 2025.

➤ Page 8 and page 10.

### Allocation by Asset Class



## 7. Transactions since last report.

In the first quarter, there were eight buy transactions, three sell transactions, three maturities, one call redemption, and multiple interest transactions.

➤ The full list of transactions is on pages 21 to 23.

## 8. Violations of portfolio guidelines or noncompliance issues that occurred during the prior period or are outstanding. This report should also note actions (taken or planned) to bring the portfolio back into compliance.

The entire portfolio was in compliance from July 1 through September 30 with no violations.

➤ Additional details about compliance are on pages 4 and 5.

## 9. Oregon Short-Term Fund Rate Comparison

Oregon Short-Term Fund did not adjust the Local Government Investment Pool rate between July 1 and September 30; the rate remained at 4.60 percent. The book yield for the Investment Core portion of the portfolio, which is invested in various bonds, increased from 3.63 percent to 3.75 percent. Because the current condition of the Oregon Short-Term Fund provides a higher rate of return, the District's strategy is to carry a high balance in the Oregon Short-Term Fund.

➤ Rate information is on page 10.

### 10. Benchmark Comparison

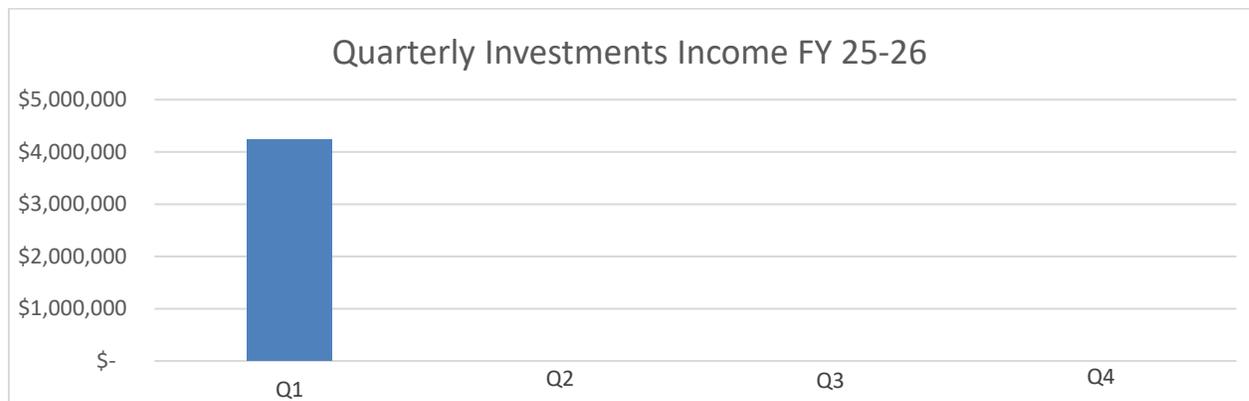
The District’s investment advisor uses the ICE BofA (Intercontinental Exchange Bank of America) 0-5 Year US Treasury Index to compare against the Investment Core portion of the District’s portfolio. In the first quarter, the Investment Core returned 1.22 percent, a decrease from 1.36 percent in the previous quarter. In comparison, the benchmark portfolio returned 1.15 percent, a decrease from 1.28 percent in the previous quarter. The portfolio returns include changes in market value, causing unrealized gains and losses. However, District’s investment strategy is generally holding investments to maturity; the unrealized gains and losses due to market conditions do not impact the investment portfolio’s actual return.

- Benchmark comparison information is on page 6 and 7.

### 11. Investment Income

The actual realized investment income in the first quarter was \$3.6 million at an annualized rate of 3.75 percent for the Investment Core, and \$0.6 million at an annualized rate of 4.6 percent for the Liquidity portion. The graphs below provide the investment income for the Fiscal Year 2025-26 per quarter.

- Additional details are on page 12.



Investment Income FY 25-26 - YTD					
Quarter	Book yield - GPA	GPA Value	LGIP Average Rate	LGIP Value	TOTAL
Q1	3.83%	\$ 3,630,208	4.60%	\$ 608,952	\$ 4,239,160
Q2					\$ -
Q3					\$ -
Q4					\$ -
Total Investment Income *		\$ 3,630,208		\$ 608,952	\$ 4,239,160
Less Fees **		(29,321)		(11)	\$ (29,332)
Net Investment Income:		\$ 3,600,887		\$ 608,941	\$ 4,209,828

**Attachments**

- Appendix A: Annual Investment Report for Clean Water Services prepared by Government Portfolio Advisors, September 30, 2025
- Appendix B: 2025 Clean Water Services Investment Policy



# Quarterly Investment Report Clean Water Services

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September 30, 2025

Total Aggregate Portfolio

# Contents



September 30, 2025

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## Market Commentary

**Market Yields:** Yields declined over the quarter and were led by a drop in the front end of the curve as the Fed moved to ease monetary policy. The 3-month Treasury bill saw its yield decline by 36 basis points to 3.93% while the 2-year note yield fell by 11 basis points to 3.61%. Medium to long tenors declined modestly with the 5-year Treasury note yield falling by 6 basis points to 3.74% while the bellwether 10-year note fell by 8 basis points to 4.15%.

**FOMC:** The Federal Reserve lowered the Fed funds rate to a median 4.125% at their September meeting following a nine-month pause. Chair Powell labeled the move as a “risk management” rate cut to combat further weakening in the labor market while maintaining a moderately restrictive stance to keep inflation from accelerating further.

**Employment:** The labor market loosened over Q2 with the unemployment rate rising from 4.1% to 4.3% between June and August. The July jobs report was a pivotal economic release that missed expectations and came with a massive downward revision to the prior two months, revealing the job market may be slowing faster than initially thought. Just as economists were eager to receive the September nonfarm payrolls report, the Federal Government shutdown postponed its release. Fortunately, the BLS isn’t the only one tracking the labor market – private payrolls company ADP released its monthly report showing payrolls contracted by 32 thousand workers, far below the expected gain of 55 thousand.

**Inflation:** Price growth accelerated over the quarter and remained at an elevated pace. The Fed’s favored core PCE inflation gauge rose to 2.9% in August, driven by prices for services such as airfares, healthcare, and financial services. Surprisingly, the tariff effect has been more muted than economists expected; however, prices for core goods have firmed in recent months, with economists attributing the increases to implemented duties. The consensus remains that tariffs will provide a one-time boost to core goods prices and inflation in this category shouldn’t be an alarming concern. Shelter price increases, which lag behind real-time data, are forecasted to slow, and if higher inflation among core goods proves temporary, broader inflation readings could decelerate toward the Fed’s target.

## Market Outlook

**GDP:** Real GDP advanced by a formidable 3.8% in Q2 as the economy bounced back from a contraction of -0.6% in Q1. However, both Q1 and Q2 GDP growth were extremely noisy readings with outsized contributions from net exports and inventories as firms pulled forward purchases to front run tariff induced cost increases. A different metric that gauges economic activity that is not sensitive to fluctuations among net exports and inventories is final sales to private domestic purchasers. Although it decreased slightly to 2.7% in Q2, it remains firmly in expansionary territory, suggesting the economy is moving along at a healthy pace.

**Fed Funds:** In a widely anticipated move, the Federal Open Market Committee (FOMC) lowered the Fed funds rate by 25 points to a range of 4.00% to 4.25% at their September meeting. Chair Powell cited slowing job growth over the summer as support for the action but echoed caution that risks to their inflation mandate still exist. The FOMC is forecasting two more rate cuts before the end of the year which would bring the median effective rate to 3.625%. Market pricing is currently aligned with Fed forecasts for the remainder of the year and into 2026 where it is expected that the policy rate to be reduced to approximately 3% by the end of next year.

**2-year Yield Expectations:** Market forecasters expect yields to continue their descent into 2026 albeit modestly. The median forecast provided by Bloomberg calls for the 2-year yield to decline to 3.3% by the end of 2026. Any further deterioration in the labor market is likely to pull forward that timeline while any reacceleration of inflation would prolong a decline and in extreme scenarios, could cause yields to move higher.

**Portfolio Positioning:** We advise clients to manage portfolio durations neutral to slightly long of their respective benchmark targets to lock in portfolio earnings over the easing cycle while electing for a bullet structure to benefit from a continued steepening of the yield curve. Credit spreads remain compressed relative to historical norms supporting an underweight allocation to corporate and municipal credit while agency spreads offer some pockets of opportunity for yield pickup in the 1-to-2-year space but are trading mostly flat to treasuries beyond that mark.

## Quarterly Yield Change

	12/31/24	03/31/25	06/30/25	09/30/25
3 month bill	4.31	4.29	4.29	3.93
2 year note	4.24	3.88	3.72	3.61
5 year note	4.38	3.95	3.8	3.74
10 year note	4.57	4.21	4.23	4.15

## Economists’ Survey Projections

	Q4-25	Q1-26	Q2-26	Q3-26
Real GDP	1.2	1.5	1.9	1.9
Core PCE (YOY%)	3.2	3.1	3.1	2.8
Unemployment	4.4	4.4	4.5	4.4

## Economists’ Survey Projections for Rates

	Q4-25	Q1-26	Q2-26	Q3-26
Fed Funds	3.87	3.66	3.46	3.36
2 Year	3.51	3.41	3.36	3.36
10 year	4.15	4.1	4.09	4.08

# Compliance Report

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

**Category**

<b>Policy Diversification Constraint</b>	<b>Policy Limit</b>	<b>Actual Value*</b>	<b>Status</b>
US Treasury Obligations Maximum % of Holdings	100.000	50.884	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25.000	0.000	Compliant
US Agency FFCB Issuer Concentration	35.000	18.439	Compliant
US Agency FHLB Issuer Concentration	35.000	11.481	Compliant
US Agency FHLMC Issuer Concentration	35.000	0.000	Compliant
US Agency FNMA Issuer Concentration	35.000	1.118	Compliant
US Agency Obligations - All Other Issuers Combined	35.000	0.000	Compliant
US Agency Obligations Issuer Concentration	35.000	18.439	Compliant
US Agency Obligations Maximum % of Holdings	100.000	31.038	Compliant
Municipal Bonds Issuer Concentration	5.000	1.094	Compliant
Municipal Bonds Maximum % of Holdings	25.000	1.299	Compliant
Municipal Bonds Outside OR, CA, ID, WA	0.000	0.000	Compliant
Corporate Notes & Commercial Paper Maximum % of Holdings	35.000	7.140	Compliant
Corporate Notes & Commercial Paper Single Issuer %	5.000	2.108	Compliant
Certificates of Deposit Issuer Concentration	5.000	0.000	Compliant
Certificates of Deposit Maximum % of Holdings	10.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	10.000	0.000	Compliant
LGIP-Oregon Short Term Fund Maximum	63,387,000.000	41,789,755.520	Compliant
Bank Time Deposits/Savings Accounts Issuer Concentration	20.000	0.088	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings	20.000	0.143	Compliant
No 144A or 4(2)	0.000	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

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

## Category

<b>Policy Maturity Structure Constraint</b>	<b>Policy Limit</b>	<b>Actual %</b>	<b>Status</b>
Maturity Constraints Under 90 days Minimum % of Total Portfolio	10.000	14.200	Compliant
Maturity Constraints Under 1 year Minimum % of Total Portfolio	25.000	31.937	Compliant
Maturity Constraints Under 5.25 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)	5.250	5.203	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5.250	5.228	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.250	5.162	Compliant
Corporate Maximum Maturity At Time of Purchase (years)	5.250	4.978	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)	5.250	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Weighted Average Maturity (years)	2.500	2.007	Compliant
<b>Policy Credit Constraint</b>			<b>Status</b>
Municipal Bonds Ratings Minimum AA-/Aa3/AA- (Rated by 1 NRSRO)			Compliant
Corporate Notes Ratings Minimum AA-/Aa3/AA- (Rated by 1 NRSRO)			Compliant
Commercial Paper Ratings Minimum A1/P1/F1 (Rated by 1 NRSRO)			Compliant
Banker's Acceptance Ratings Minimum A1/ P1/F1 (Rated by 1 NRSRO)			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.

### Strategic Outlook

- **Fed Policy & Market Yields:** The Federal Reserve cut the Fed funds rate to a 4.00%–4.25% range amid labor market weakness, prompting front-end Treasury yields to decline, with the 3-month bill falling 36 basis points and the 2-year note dropping 11 basis points.
- **Economic Conditions:** Unemployment rose to 4.3% and private payrolls contracted, signaling labor market softening, while inflation remained elevated with core PCE running at a yearly 2.9% and is being driven by prices for services and core goods.
- **Investment Strategy:** Portfolio durations are advised to be neutral to slightly long to capture earnings during the easing cycle, with a preference for bullet structures and selective exposure to agency spreads in the short-term space.

### Portfolio Positioning

- Invested \$24.5MM in maturities out the curve to lock in yields ahead of Fed rate cut
- Liquidity balance has remained consistent over quarter ahead of expected debt service payments
- The total portfolio book yield increased from 3.757 to 3.834.
- The total portfolio unrealized gain ended the quarter at \$2,863,748.
- The core portfolio duration decreased over the quarter from 2.102 last quarter to 2.068 this quarter. The benchmark duration ended the quarter at 2.099.
- Net total return for the core portfolio, which includes change in market value and interest income, was 1.22%. The benchmark total return for the period was 1.15%.

# Strategic Quarterly Update

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

Metric	Previous	Current
<b>Strategy</b>	<b>06/30/2025</b>	<b>09/30/2025</b>
<b>Effective Duration</b>		
Investment Core	2.10	2.07
Benchmark Duration	2.11	2.10
<b>Total Effective Duration</b>	<b>1.83</b>	<b>1.87</b>
<b>Total Return (Net of Fees %)*</b>		
Investment Core	1.36	1.22
Benchmark Return	1.28	1.15
<b>Total Portfolio Performance</b>	<b>1.33</b>	<b>1.21</b>
<i>*Changes in Market Value include net unrealized and realized gains/losses.</i>		
<b>Maturity Total Portfolio</b>		
<b>Average Maturity Total Holdings</b>	<b>1.99</b>	<b>2.01</b>

Metric	Previous	Current
<b>Book Yield</b>	<b>06/30/2025</b>	<b>09/30/2025</b>
<b>Ending Book Yield</b>		
Investment Core	3.63%	3.75%
Liquidity	4.60%	4.60%
State Endowment	4.33%	4.33%
<b>Total Book Yield</b>	<b>3.76%</b>	<b>3.83%</b>
<b>Values</b>		
	<b>06/30/2025</b>	<b>09/30/2025</b>
<b>Market Value + Accrued</b>		
Investment Core	398,521,890	401,097,419
Liquidity	58,472,540	41,789,756
State Endowment	183,284	185,294
<b>Total MV + Accrued</b>	<b>457,177,714</b>	<b>443,072,469</b>
<b>Net Unrealized Gain/Loss</b>		
<b>Total Net Unrealized Gain/Loss</b>	<b>1,638,968</b>	<b>2,863,748</b>

# Asset Allocation Change over Quarter

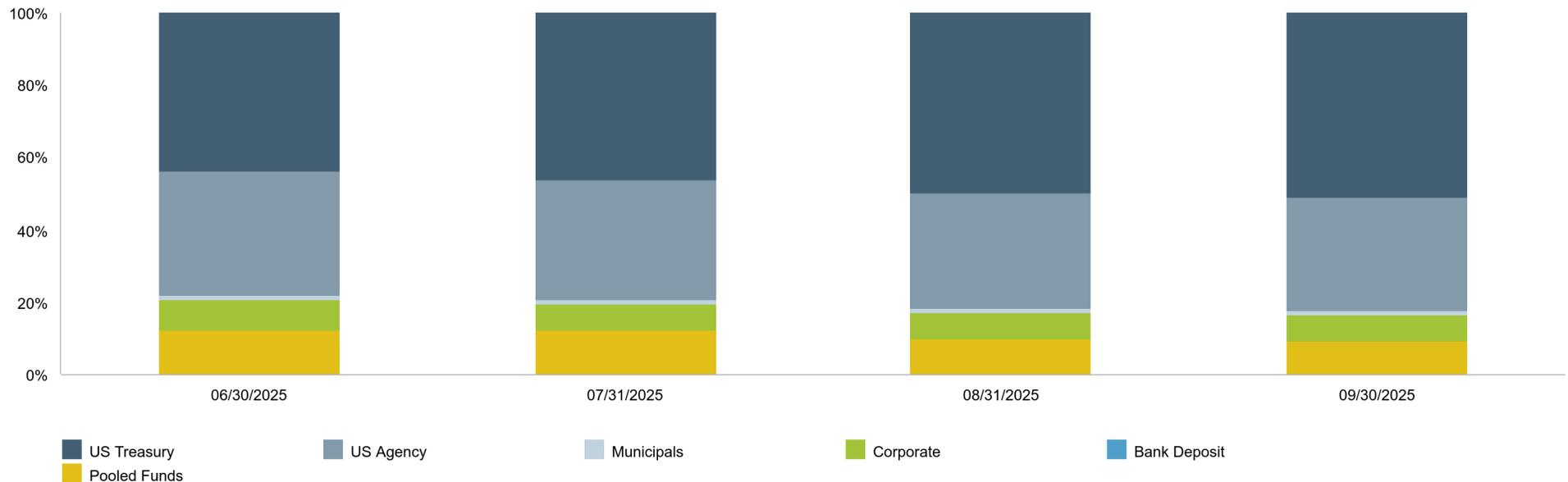
Clean Water Services | Total Aggregate Portfolio



September 30, 2025

## Asset Allocation Changes

Security Type	06/30/2025		09/30/2025		Change	
	Market Value + Accrued	% of Portfolio	Market Value + Accrued	% of Portfolio	Market Value + Accrued	% of Portfolio
US Treasury	199,495,222.01	43.64%	225,296,167.87	50.85%	25,800,945.86	7.21%
US Agency	155,307,263.89	33.97%	137,953,831.73	31.14%	(17,353,432.16)	(2.84%)
Municipals	5,673,102.36	1.24%	5,745,033.14	1.30%	71,930.78	0.06%
Corporate	38,102,629.48	8.33%	31,656,268.11	7.14%	(6,446,361.37)	(1.19%)
Bank Deposit	126,956.39	0.03%	631,412.87	0.14%	504,456.48	0.11%
Pooled Funds	58,472,539.60	12.79%	41,789,755.52	9.43%	(16,682,784.08)	(3.36%)
Total	457,177,713.74	100.00%	443,072,469.24	100.00%	(14,105,244.49)	



If negative cash balance is showing, it is due to a pending trade payable at the end of period.

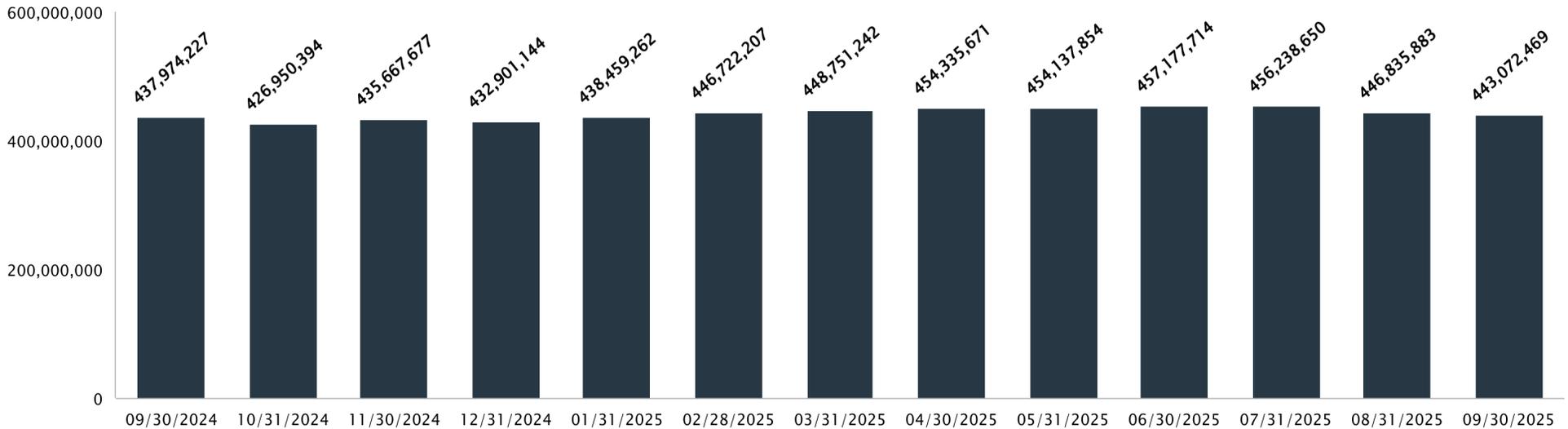
# Historical Balances

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

## Market Value



## Market Value and Return

Period Begin	Period End	Market Value + Accrued	Earned Income	Book Yield	Effective Duration	Maturity in Years
09/01/2024	09/30/2024	437,974,227	1,314,316	3.63%	1.90	2.07
10/01/2024	10/31/2024	426,950,394	1,276,607	3.56%	1.91	2.09
11/01/2024	11/30/2024	435,667,677	1,252,234	3.57%	1.86	2.03
12/01/2024	12/31/2024	432,901,144	1,292,011	3.54%	1.86	2.02
01/01/2025	01/31/2025	438,459,262	1,288,898	3.59%	1.85	2.00
02/01/2025	02/28/2025	446,722,207	1,260,075	3.64%	1.82	1.97
03/01/2025	03/31/2025	448,751,242	1,355,254	3.68%	1.84	2.00
04/01/2025	04/30/2025	454,335,671	1,352,065	3.73%	1.85	2.00
05/01/2025	05/31/2025	454,137,854	1,395,206	3.72%	1.87	2.04
06/01/2025	06/30/2025	457,177,714	1,385,538	3.76%	1.83	1.99
07/01/2025	07/31/2025	456,238,650	1,424,220	3.79%	1.85	1.99
08/01/2025	08/31/2025	446,835,883	1,421,064	3.81%	1.88	2.02
09/01/2025	09/30/2025	443,072,469	1,393,876	3.84%	1.87	2.01

# Summary Overview

Clean Water Services | Total Aggregate Portfolio

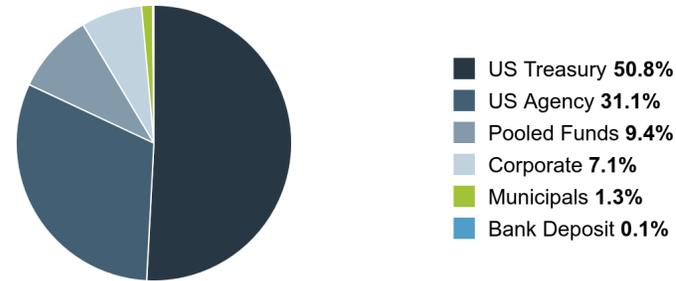


September 30, 2025

## Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	42,421,168.39
Investments (Market Value + Accrued)	400,651,300.85
Book Yield	3.83%
Market Yield	3.82%
Effective Duration	1.87
Years to Maturity	2.01
Avg Credit Rating	AA+

## Allocation by Asset Class



## Strategic Structure

Account	Par Amount	Original Cost	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
CWS-Investment Core	400,387,414.79	391,178,776.76	395,274,023.10	398,137,610.72	2,863,587.62	3.75%	2.07	2.10	ICE BofA 0-5 Year US Treasury Index
CWS-Liquidity	41,789,755.52	41,789,755.52	41,789,755.52	41,789,755.52	0.00	4.60%	0.01	0.16	ICE BofA 0-3 Month US Treasury Bill Index
CWS-State Endowment	183,998.08	183,883.28	183,956.51	184,116.69	160.18	4.33%	0.34	0.50	ICE BofA 0-1 Year US Treasury Notes & Bonds
<b>Total</b>	<b>442,361,168.39</b>	<b>433,152,415.56</b>	<b>437,247,735.14</b>	<b>440,111,482.94</b>	<b>2,863,747.80</b>	<b>3.83%</b>	<b>1.87</b>		

### Accrual Activity Summary

	Quarter to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	452,958,230.35	452,958,230.35
Maturities/Calls	(24,500,000.00)	(24,500,000.00)
Purchases	24,373,049.80	24,373,049.80
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(16,178,327.60)	(16,178,327.60)
Amortization/Accretion	594,782.59	594,782.59
Realized Gain (Loss)	0.00	0.00
Ending Book Value	437,247,735.14	437,247,735.14

### Fair Market Activity Summary

	Quarter to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	454,597,198.73	454,597,198.73
Maturities/Calls	(24,500,000.00)	(24,500,000.00)
Purchases	24,373,049.80	24,373,049.80
Sales	0.00	0.00
Change in Cash, Payables, Receivables	(16,178,327.60)	(16,178,327.60)
Amortization/Accretion	594,782.59	594,782.59
Change in Net Unrealized Gain (Loss)	1,224,779.43	1,224,779.43
Net Realized Gain (Loss)	0.00	0.00
Ending Market Value	440,111,482.94	440,111,482.94

Maturities/Calls	Market Value
Quarter to Date	(24,500,000.00)
Fiscal Year to Date	(24,500,000.00)

Purchases	Market Value
Quarter to Date	24,373,049.80
Fiscal Year to Date	24,373,049.80

Sales	Market Value
Quarter to Date	0.00
Fiscal Year to Date	0.00

# Return Management-Income Detail

Clean Water Services | Total Aggregate Portfolio



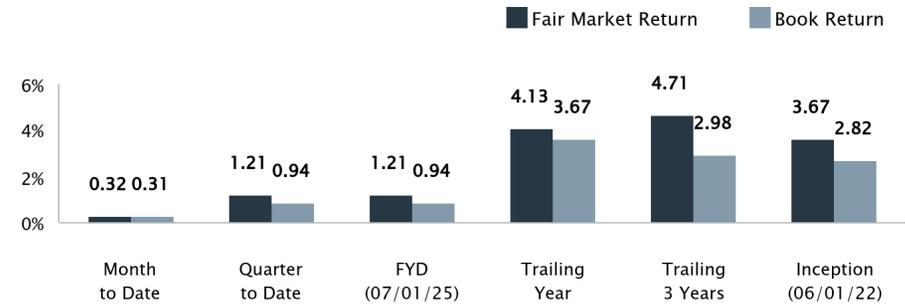
September 30, 2025

## Accrued Book Return

	Quarter to Date	Fiscal Year to Date (07/01/2025)
Amortization/Accretion	594,782.59	594,782.59
Interest Earned	3,644,377.42	3,644,377.42
Realized Gain (Loss)	0.00	0.00
Book Income	4,239,160.00	4,239,160.00
Average Portfolio Balance	450,265,621.44	450,265,621.44
Book Return for Period	0.94%	0.94%

## 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 (07/01/2025)
Fair Value Change	629,996.84	629,996.84
Amortization/Accretion	594,782.59	594,782.59
Interest Earned	3,644,377.42	3,644,377.42
Fair Market Earned Income	4,869,156.84	4,869,156.84
Average Portfolio Balance	450,265,621.44	450,265,621.44
Fair Market Return for Period	1.21%	1.21%

## Interest Income

	Quarter to Date	Fiscal Year to Date (07/01/2025)
Beginning Accrued Interest	2,580,515.01	2,580,515.01
Coupons Income	3,538,649.15	3,538,649.15
Purchased Accrued Interest	274,857.71	274,857.71
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	2,960,986.31	2,960,986.31
Interest Earned	3,644,377.42	3,644,377.42

# Security Type Distribution

Clean Water Services | Total Aggregate Portfolio

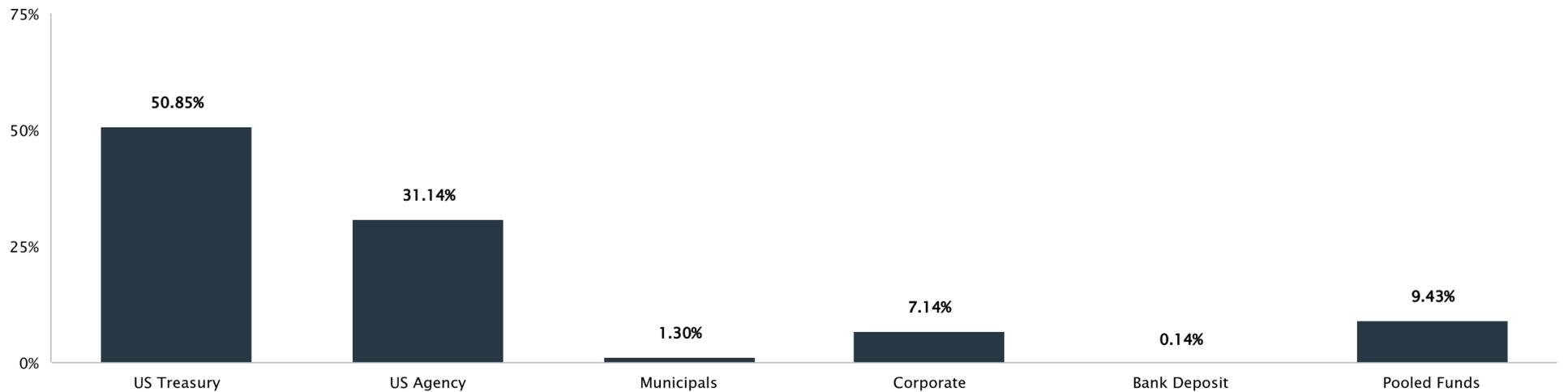


September 30, 2025

## Security Type Distribution

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	227,545,000.00	3.50%	225,296,167.87	50.85%
US Agency	134,990,000.00	4.10%	137,953,831.73	31.14%
Municipals	5,905,000.00	3.57%	5,745,033.14	1.30%
Corporate	31,500,000.00	4.06%	31,656,268.11	7.14%
Bank Deposit	631,412.87	4.57%	631,412.87	0.14%
Pooled Funds	41,789,755.52	4.60%	41,789,755.52	9.43%
<b>Total</b>	<b>442,361,168.39</b>	<b>3.83%</b>	<b>443,072,469.24</b>	<b>100.00%</b>

## Security Type Distribution



# Risk Management-Credit/Issuer

Clean Water Services | Total Aggregate Portfolio

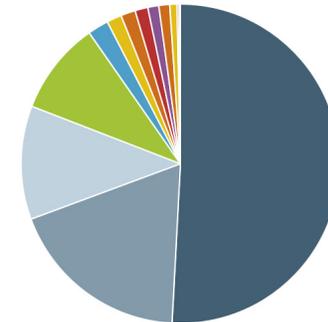


September 30, 2025

## Credit Rating S&P/Moody's/Fitch

	Market Value + Accrued	%
<b>S&amp;P</b>		
A	3,229,871.17	0.73
A+	9,366,421.86	2.11
A-1+	176,296.22	0.04
AA	18,137,172.80	4.09
AA+	368,837,813.46	83.25
AAA	903,914.94	0.20
NA	42,420,978.81	9.57
<b>Moody's</b>		
A1	9,795,249.03	2.21
Aa1	364,153,724.96	82.19
Aa2	11,571,794.93	2.61
Aa3	9,366,421.86	2.11
Aaa	5,764,299.66	1.30
NA	42,420,978.81	9.57
<b>Fitch</b>		
A+	9,366,421.86	2.11
AA	11,571,794.93	2.61
AA+	363,977,428.74	82.15
AA-	9,795,249.03	2.21
AAA	189.58	0.00
F1+	176,296.22	0.04
NA	48,185,088.89	10.88
<b>Total</b>	<b>443,072,469.24</b>	<b>100.00</b>

## Issuer Concentration



- United States **50.8%**
- Farm Credit System **18.5%**
- Federal Home Loan Banks **11.5%**
- Oregon Short Term Fund **9.4%**
- Citigroup Inc. **2.1%**
- Walmart Inc. **1.5%**
- Amazon.com, Inc. **1.5%**
- Apple Inc. **1.3%**
- Federal National Mortgage Association **1.1%**
- The Regents Of The University Of California **1.1%**
- Royal Bank of Canada **0.7%**
- State of Oregon **0.2%**
- (PROMONTORY) Zions Bank **0.1%**
- (IOCZFNB) Zions Bank **0.1%**
- US Dollar **0.0%**

# Risk Management-Maturity/Duration

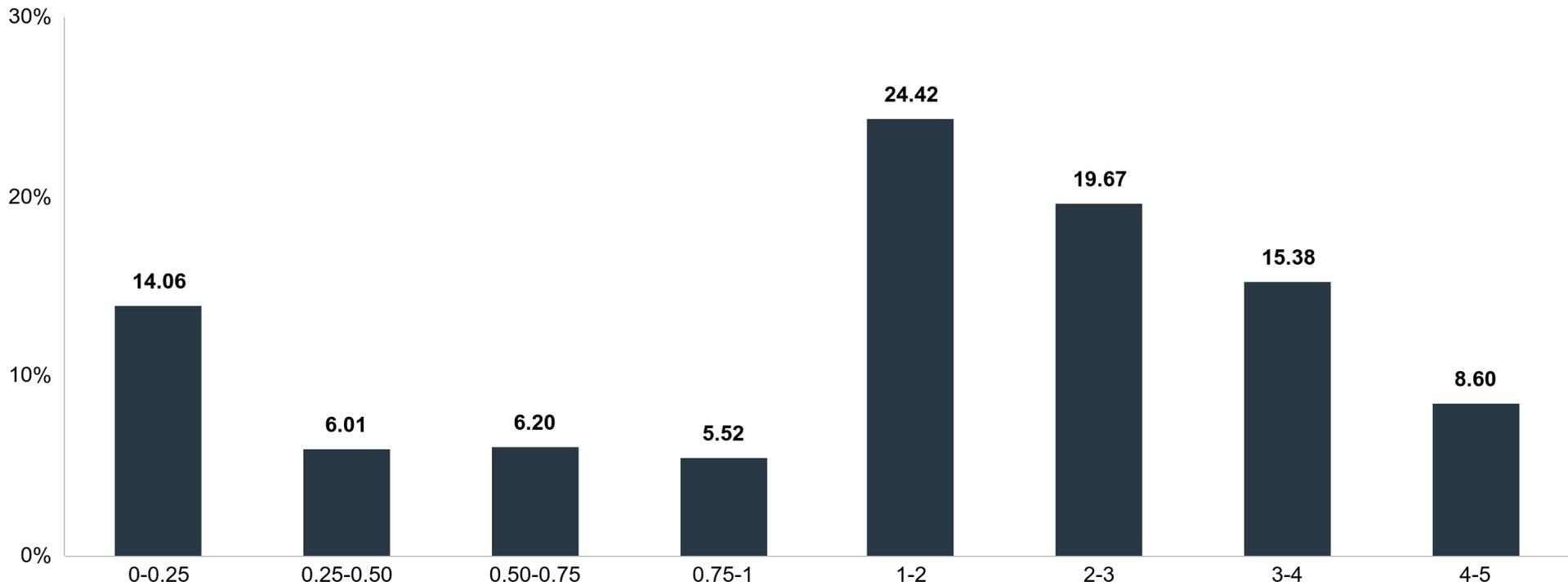
Clean Water Services | Total Aggregate Portfolio



September 30, 2025

<b>1.87 Yrs</b>	<b>Effective Duration</b>	<b>2.01 Yrs</b>	<b>Years to Maturity</b>	<b>734</b>	<b>Days to Maturity</b>
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Distribution by Effective Duration



# Holdings by Maturity & Ratings



Clean Water Services | Total Aggregate Portfolio

September 30, 2025

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
OSTF_LGIP	41,789,755.52	OREGON SHORT TERM FUND	4.600%	09/30/2025		41,789,755.52	0.00	41,789,755.52	4.60%	4.60%	9.43	0.01	0.01	NA NA NA
CCYUSD	-83.18	Payable		09/30/2025		(83.18)	0.00	(83.18)			-0.00			AAA Aaa AAA
CCYUSD	272.76	Receivable		09/30/2025		272.76	0.00	272.76			0.00			AAA Aaa AAA
IOCZFN	245,000.00	Zions Bank Interest on Checking Acct	4.570%	09/30/2025		245,000.00	0.00	245,000.00	4.57%	4.57%	0.06	0.00		NA NA NA
	386,223.29	Zions FDIC Insured Cash Deposit ICS	4.570%	09/30/2025		386,223.29	0.00	386,223.29	4.57%	4.57%	0.09	0.00		NA NA NA
91282CFP1	7,500,000.00	UNITED STATES TREASURY	4.250%	10/15/2025		7,500,002.18	147,182.38	7,647,184.55	4.75%	4.17%	1.73	0.04	0.04	AA+ Aa1 AA+
3135G06G3	4,940,000.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION	0.500%	11/07/2025		4,921,636.74	9,880.00	4,931,516.74	0.51%	4.12%	1.11	0.10	0.10	AA+ Aa1 AA+
68607DVB8	905,000.00	OREGON ST DEPT TRANSN HWY USER TAX REV	0.686%	11/15/2025		901,380.00	2,345.36	903,725.36	0.69%	3.89%	0.20	0.13	0.12	AAA Aa1 AA+
3133EPM8	6,750,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.125%	12/08/2025		6,750,257.04	87,398.44	6,837,655.48	4.40%	4.05%	1.54	0.19	0.19	AA+ Aa1 AA+
91282CBH3	8,235,000.00	UNITED STATES TREASURY	0.375%	01/31/2026		8,136,823.40	5,202.82	8,142,026.22	0.60%	3.99%	1.84	0.34	0.33	AA+ Aa1 AA+
3130B4VT5	175,000.00	FEDERAL HOME LOAN BANKS	4.250%	02/04/2026		175,118.62	1,177.60	176,296.22	4.32%	4.02%	0.04	0.35	0.34	A-1+ Aa1 F1+
037833EB2	3,295,000.00	APPLE INC	0.700%	02/08/2026	01/08/2026	3,257,139.10	3,395.68	3,260,534.78	0.72%	3.97%	0.74	0.36	0.35	AA+ Aaa NA
91282CBQ3	4,940,000.00	UNITED STATES TREASURY	0.500%	02/28/2026		4,871,418.92	2,115.19	4,873,534.11	0.93%	3.88%	1.10	0.41	0.41	AA+ Aa1 AA+
3130AUU36	10,000,000.00	FEDERAL HOME LOAN BANKS	4.125%	03/13/2026		10,011,929.50	20,625.00	10,032,554.50	3.85%	3.85%	2.26	0.45	0.45	AA+ Aa1 AA+

# Holdings by Maturity & Ratings

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3133EPPR0	5,700,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.625%	04/10/2026		5,721,973.16	125,221.88	5,847,195.03	4.93%	3.88%	1.32	0.53	0.51	AA+ Aa1 AA+
91282CBW0	9,120,000.00	UNITED STATES TREASURY	0.750%	04/30/2026		8,960,400.00	28,623.91	8,989,023.91	1.99%	3.81%	2.03	0.58	0.57	AA+ Aa1 AA+
023135BX3	3,000,000.00	AMAZON.COM INC	1.000%	05/12/2026	04/12/2026	2,947,274.70	11,583.33	2,958,858.03	4.50%	3.91%	0.67	0.61	0.60	AA A1 AA-
91282CCF6	4,940,000.00	UNITED STATES TREASURY	0.750%	05/31/2026		4,840,871.93	12,451.23	4,853,323.16	0.83%	3.83%	1.10	0.67	0.65	AA+ Aa1 AA+
91282CCJ8	4,940,000.00	UNITED STATES TREASURY	0.875%	06/30/2026		4,835,295.17	10,923.71	4,846,218.88	0.79%	3.77%	1.09	0.75	0.73	AA+ Aa1 AA+
91282CCP4	7,940,000.00	UNITED STATES TREASURY	0.625%	07/31/2026		7,737,840.14	8,360.73	7,746,200.87	1.72%	3.75%	1.75	0.83	0.82	AA+ Aa1 AA+
3130B2PJ8	6,875,000.00	FEDERAL HOME LOAN BANKS	3.625%	09/04/2026		6,867,409.45	18,691.41	6,886,100.86	3.61%	3.74%	1.55	0.93	0.90	AA+ Aa1 AA+
91282CCZ2	4,940,000.00	UNITED STATES TREASURY	0.875%	09/30/2026		4,803,648.29	118.75	4,803,767.04	1.11%	3.71%	1.08	1.00	0.98	AA+ Aa1 AA+
912828YG9	5,000,000.00	UNITED STATES TREASURY	1.625%	09/30/2026		4,898,652.35	223.21	4,898,875.56	4.84%	3.71%	1.11	1.00	0.98	AA+ Aa1 AA+
912828YQ7	7,500,000.00	UNITED STATES TREASURY	1.625%	10/31/2026		7,335,937.50	51,002.04	7,386,939.54	4.41%	3.70%	1.67	1.08	1.05	AA+ Aa1 AA+
91282CDK4	7,940,000.00	UNITED STATES TREASURY	1.250%	11/30/2026		7,719,168.75	33,354.51	7,752,523.26	2.41%	3.71%	1.75	1.17	1.14	AA+ Aa1 AA+
17325FBC1	5,000,000.00	CITIBANK NA	5.488%	12/04/2026	11/04/2026	5,079,736.50	89,180.00	5,168,916.50	5.16%	3.98%	1.17	1.18	1.04	A+ Aa3 A+
3133EPQ73	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.125%	12/22/2026		5,023,988.15	56,718.75	5,080,706.90	4.14%	3.72%	1.15	1.23	1.18	AA+ Aa1 AA+
78016EYV3	3,295,000.00	ROYAL BANK OF CANADA	2.050%	01/21/2027		3,216,736.93	13,134.24	3,229,871.17	2.60%	3.93%	0.73	1.31	1.27	A A1 AA-

# Holdings by Maturity & Ratings



Clean Water Services | Total Aggregate Portfolio

September 30, 2025

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3133EP4U6	12,495,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.375%	03/08/2027		12,631,369.43	34,925.26	12,666,294.69	4.43%	3.59%	2.86	1.44	1.38	AA+ Aa1 AA+
91282CEF4	12,500,000.00	UNITED STATES TREASURY	2.500%	03/31/2027		12,290,039.00	858.52	12,290,897.52	3.16%	3.66%	2.77	1.50	1.45	AA+ Aa1 AA+
3133EPGT6	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.875%	04/26/2027		5,015,109.45	83,420.14	5,098,529.59	3.82%	3.67%	1.15	1.57	1.49	AA+ Aa1 AA+
912828X88	5,000,000.00	UNITED STATES TREASURY	2.375%	05/15/2027		4,900,195.30	44,853.94	4,945,049.24	4.77%	3.65%	1.12	1.62	1.56	AA+ Aa1 AA+
91412HGF4	5,000,000.00	UNIVERSITY CALIF REVS	1.316%	05/15/2027	03/15/2027	4,816,450.00	24,857.78	4,841,307.78	4.11%	3.66%	1.09	1.62	1.57	AA Aa2 AA
91282CET4	7,750,000.00	UNITED STATES TREASURY	2.625%	05/31/2027		7,622,548.85	68,368.34	7,690,917.19	3.50%	3.65%	1.74	1.67	1.60	AA+ Aa1 AA+
91282CEW7	8,975,000.00	UNITED STATES TREASURY	3.250%	06/30/2027		8,917,503.91	73,714.50	8,991,218.41	3.72%	3.63%	2.03	1.75	1.67	AA+ Aa1 AA+
91282CFB2	6,850,000.00	UNITED STATES TREASURY	2.750%	07/31/2027		6,743,503.87	31,737.09	6,775,240.96	3.97%	3.63%	1.53	1.83	1.76	AA+ Aa1 AA+
931142EX7	5,000,000.00	WALMART INC	3.950%	09/09/2027	08/09/2027	5,022,297.65	12,069.44	5,034,367.09	4.36%	3.70%	1.14	1.94	1.80	AA Aa2 AA
91282CFU0	7,500,000.00	UNITED STATES TREASURY	4.125%	10/31/2027		7,577,343.75	129,466.71	7,706,810.46	4.25%	3.61%	1.74	2.08	1.95	AA+ Aa1 AA+
91282CFZ9	8,000,000.00	UNITED STATES TREASURY	3.875%	11/30/2027		8,043,750.00	104,180.33	8,147,930.33	4.49%	3.61%	1.84	2.17	2.04	AA+ Aa1 AA+
023135CP9	3,500,000.00	AMAZON.COM INC	4.550%	12/01/2027	11/01/2027	3,553,436.50	53,083.33	3,606,519.83	4.30%	3.78%	0.81	2.17	1.96	AA A1 AA-
91282CGH8	8,000,000.00	UNITED STATES TREASURY	3.500%	01/31/2028		7,980,000.00	47,173.91	8,027,173.91	4.47%	3.61%	1.81	2.34	2.21	AA+ Aa1 AA+
3133EPCX1	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.375%	03/10/2028		5,081,852.40	12,760.42	5,094,612.82	4.41%	3.67%	1.15	2.44	2.30	AA+ Aa1 AA+

# Holdings by Maturity & Ratings

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
3130ATS57	4,000,000.00	FEDERAL HOME LOAN BANKS	4.500%	03/10/2028		4,075,407.04	10,500.00	4,085,907.04	3.95%	3.69%	0.92	2.44	2.30	AA+ Aa1 AA+
3133EPFU4	10,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	3.500%	04/12/2028		9,967,391.40	164,305.56	10,131,696.96	3.60%	3.64%	2.29	2.53	2.36	AA+ Aa1 AA+
931142FB4	1,660,000.00	WALMART INC	3.900%	04/15/2028	03/15/2028	1,666,267.73	29,852.33	1,696,120.06	4.02%	3.74%	0.38	2.54	2.31	AA Aa2 AA
3133EREB3	8,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.500%	05/09/2028		8,158,419.60	142,000.00	8,300,419.60	4.49%	3.70%	1.87	2.61	2.41	AA+ Aa1 AA+
3130AWC24	7,500,000.00	FEDERAL HOME LOAN BANKS	4.000%	06/09/2028		7,569,980.55	93,333.33	7,663,313.88	4.18%	3.63%	1.73	2.69	2.50	AA+ Aa1 AA+
3130AWN63	5,000,000.00	FEDERAL HOME LOAN BANKS	4.000%	06/30/2028		5,054,108.05	50,555.56	5,104,663.61	4.55%	3.58%	1.15	2.75	2.56	AA+ Aa1 AA+
91282CCH2	4,475,000.00	UNITED STATES TREASURY	1.250%	06/30/2028		4,200,032.24	14,136.38	4,214,168.62	3.83%	3.62%	0.95	2.75	2.65	AA+ Aa1 AA+
3130AWTR1	3,300,000.00	FEDERAL HOME LOAN BANKS	4.375%	09/08/2028		3,367,639.34	9,223.96	3,376,863.30	4.53%	3.63%	0.76	2.94	2.74	AA+ Aa1 AA+
3133EPWK7	5,250,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.500%	09/22/2028		5,367,600.68	5,906.25	5,373,506.93	4.77%	3.70%	1.21	2.98	2.77	AA+ Aa1 AA+
17325FBB3	4,000,000.00	CITIBANK NA	5.803%	09/29/2028	08/29/2028	4,196,215.80	1,289.56	4,197,505.36	5.43%	4.00%	0.95	3.00	2.68	A+ Aa3 A+
3133EPC45	6,555,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.625%	11/13/2028		6,729,969.73	116,214.69	6,846,184.42	4.50%	3.71%	1.55	3.12	2.84	AA+ Aa1 AA+
3133EPN50	5,000,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.250%	12/15/2028		5,090,233.60	62,569.44	5,152,803.04	3.93%	3.65%	1.16	3.21	2.95	AA+ Aa1 AA+
91282CJW2	5,000,000.00	UNITED STATES TREASURY	4.000%	01/31/2029		5,055,273.45	33,695.65	5,088,969.10	4.23%	3.64%	1.15	3.34	3.08	AA+ Aa1 AA+
91282CEB3	5,600,000.00	UNITED STATES TREASURY	1.875%	02/28/2029		5,283,468.74	8,991.71	5,292,460.45	4.34%	3.65%	1.19	3.41	3.26	AA+ Aa1 AA+

# Holdings by Maturity & Ratings



Clean Water Services | Total Aggregate Portfolio

September 30, 2025

Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Market Value	Accrued	Market Value + Accrued	Book Yield	Market Yield	% of Portfolio	Years to Maturity	Eff Duration	S&P, Moody, Fitch
91282CEM9	10,000,000.00	UNITED STATES TREASURY	2.875%	04/30/2029		9,736,718.80	120,312.50	9,857,031.30	4.60%	3.67%	2.22	3.58	3.33	AA+ Aa1 AA+
3130B1BC0	13,000,000.00	FEDERAL HOME LOAN BANKS	4.625%	06/08/2029		13,405,821.00	188,725.69	13,594,546.69	4.50%	3.71%	3.07	3.69	3.33	AA+ Aa1 AA+
91282CFJ5	10,000,000.00	UNITED STATES TREASURY	3.125%	08/31/2029		9,797,265.60	26,761.05	9,824,026.65	4.00%	3.69%	2.22	3.92	3.64	AA+ Aa1 AA+
91282CLR0	8,600,000.00	UNITED STATES TREASURY	4.125%	10/31/2029		8,739,078.17	148,455.16	8,887,533.33	3.89%	3.69%	2.01	4.08	3.67	AA+ Aa1 AA+
91282CFY2	10,000,000.00	UNITED STATES TREASURY	3.875%	11/30/2029		10,066,406.20	130,225.41	10,196,631.61	4.32%	3.70%	2.30	4.17	3.77	AA+ Aa1 AA+
3133ERKN0	5,450,000.00	FEDERAL FARM CREDIT BANKS FUNDING CORP	4.500%	01/08/2030		5,615,919.69	56,543.75	5,672,463.44	3.93%	3.72%	1.28	4.27	3.83	AA+ Aa1 AA+
912833XX3	8,200,000.00	UNITED STATES TREASURY	0.000%	02/15/2030		6,949,211.11	0.00	6,949,211.11	4.51%	3.82%	1.57	4.38	4.29	AA+ Aa1 AA+
91282CGQ8	7,000,000.00	UNITED STATES TREASURY	4.000%	02/28/2030		7,083,125.00	23,977.90	7,107,102.90	4.17%	3.71%	1.60	4.41	4.01	AA+ Aa1 AA+
91282CGS4	10,000,000.00	UNITED STATES TREASURY	3.625%	03/31/2030		9,961,328.10	995.88	9,962,323.98	4.11%	3.72%	2.25	4.50	4.12	AA+ Aa1 AA+
037833DU1	2,750,000.00	APPLE INC	1.650%	05/11/2030	02/11/2030	2,485,929.46	17,645.83	2,503,575.30	4.31%	3.95%	0.57	4.61	4.34	AA+ Aaa NA
91282CHR5	6,500,000.00	UNITED STATES TREASURY	4.000%	07/31/2030		6,574,902.36	43,804.35	6,618,706.71	3.94%	3.74%	1.49	4.83	4.34	AA+ Aa1 AA+
91282CHZ7	4,600,000.00	UNITED STATES TREASURY	4.625%	09/30/2030		4,782,562.50	584.48	4,783,146.98	3.67%	3.75%	1.08	5.00	4.45	AA+ Aa1 AA+
<b>Total</b>	<b>442,361,168.39</b>		<b>3.289%</b>			<b>440,111,482.94</b>	<b>2,960,986.31</b>	<b>443,072,469.24</b>	<b>3.83%</b>	<b>3.82%</b>	<b>100.00</b>	<b>2.01</b>	<b>1.87</b>	

# Transactions

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
<b>Buy</b>										
91282CCH2	US TREASURY 1.250 06/30/28	07/18/2025	07/21/2025	0.00	92.89	4,475,000.00	4,157,030.27	3,192.09	4,160,222.36	STONEX FINANCIAL INC.
91282CHR5	US TREASURY 4.000 07/31/30	07/23/2025	07/24/2025	0.00	100.25	6,500,000.00	6,516,250.00	124,972.38	6,641,222.38	NATWEST MARKETS PLC
IOCZFNB	Zions Bank Interest on Checking Acct	08/02/2025	08/02/2025	0.00	1.00	33.62	33.62	0.00	33.62	Direct
PROMONTORY	Zions FDIC Insured Cash Deposit ICS	08/04/2025	08/04/2025	0.00	1.00	3,760.29	3,760.29	0.00	3,748.18	Direct
91282CEW7	US TREASURY 3.250 06/30/27	08/20/2025	08/25/2025	0.00	99.17	8,975,000.00	8,900,675.78	44,387.23	8,945,063.01	Daiwa Capital Markets
IOCZFNB	Zions Bank Interest on Checking Acct	09/02/2025	09/02/2025	0.00	1.00	1,696,516.34	1,696,516.34	0.00	1,696,516.34	Direct
PROMONTORY	Zions FDIC Insured Cash Deposit ICS	09/05/2025	09/05/2025	0.00	1.00	934,800.21	934,800.21	0.00	934,767.82	Direct
91282CHZ7	US TREASURY 4.625 09/30/30	09/18/2025	09/23/2025	0.00	104.33	4,600,000.00	4,799,093.75	102,306.01	4,901,399.76	STONEX FINANCIAL INC.
<b>Total</b>				<b>0.00</b>		<b>27,185,110.46</b>	<b>27,008,160.26</b>	<b>274,857.71</b>	<b>27,282,973.47</b>	
<b>Sell</b>										
PROMONTORY	Zions FDIC Insured Cash Deposit ICS	08/22/2025	08/22/2025	0.00	1.00	552,397.95	552,397.95	0.00	552,397.95	Direct
IOCZFNB	Zions Bank Interest on Checking Acct	08/25/2025	08/25/2025	0.00	1.00	1,578,326.21	1,578,326.21	0.00	1,578,326.21	Direct
OSTF_LGIP	OREGON SHORT TERM FUND	09/05/2025	09/05/2025	0.00	1.00	16,682,784.08	16,682,784.08	0.00	16,682,784.08	Direct
<b>Total</b>				<b>0.00</b>		<b>18,813,508.24</b>	<b>18,813,508.24</b>	<b>0.00</b>	<b>18,813,508.24</b>	
<b>Maturity</b>										
3137EAEU9	FREDDIE MAC 0.375 07/21/25 MTN MAT	07/21/2025	07/21/2025	0.00	100.00	4,120,000.00	4,120,000.00	0.00	4,120,000.00	
3135G05X7	FANNIE MAE 0.375 08/25/25 MATD	08/25/2025	08/25/2025	0.00	100.00	8,940,000.00	8,940,000.00	0.00	8,940,000.00	
3137EAEX3	FREDDIE MAC 0.375 09/23/25 MTN MAT	09/23/2025	09/23/2025	0.00	100.00	4,940,000.00	4,940,000.00	0.00	4,940,000.00	
<b>Total</b>				<b>0.00</b>		<b>18,000,000.00</b>	<b>18,000,000.00</b>	<b>0.00</b>	<b>18,000,000.00</b>	
<b>Call Redemption</b>										
06406RBJ5	BONY MELLON 4.414 07/24/26 MTN CAL	07/24/2025	07/24/2025	0.00	100.00	6,500,000.00	6,500,000.00	0.00	6,500,000.00	
<b>Total</b>				<b>0.00</b>		<b>6,500,000.00</b>	<b>6,500,000.00</b>	<b>0.00</b>	<b>6,500,000.00</b>	
<b>Coupon</b>										
3133ERKN0	FED FARM CR BNKS 4.500 01/08/30	07/08/2025	07/08/2025	122,625.00		0.00	0.00	0.00	122,625.00	
3137EAEU9	FREDDIE MAC 0.375 07/21/25 MTN MAT	07/21/2025	07/21/2025	7,725.00		0.00	0.00	0.00	7,725.00	
78016EYV3	RBC 2.050 01/21/27 MTN	07/21/2025	07/21/2025	33,773.75		0.00	0.00	0.00	33,773.75	
06406RBJ5	BONY MELLON 4.414 07/24/26 MTN CAL	07/24/2025	07/24/2025	143,455.00		0.00	0.00	0.00	143,455.00	
91282CBH3	US TREASURY 0.375 01/31/26	07/31/2025	07/31/2025	15,440.63		0.00	0.01	0.00	15,440.63	

# Transactions

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
91282CCP4	US TREASURY 0.625 07/31/26	07/31/2025	07/31/2025	24,812.50		0.00	0.00	0.00	24,812.50	
91282CFB2	US TREASURY 2.750 07/31/27	07/31/2025	07/31/2025	94,187.50		0.00	0.00	0.00	94,187.50	
91282CGH8	US TREASURY 3.500 01/31/28	07/31/2025	07/31/2025	140,000.00		0.00	0.00	0.00	140,000.00	
91282CJW2	US TREASURY 4.000 01/31/29	07/31/2025	07/31/2025	100,000.00		0.00	0.00	0.00	100,000.00	
91282CHR5	US TREASURY 4.000 07/31/30	07/31/2025	07/31/2025	130,000.00		0.00	0.00	0.00	130,000.00	
3130B4VT5	FHLBANKS 4.250 02/04/26	08/04/2025	08/04/2025	3,718.75		0.00	0.00	0.00	3,718.75	
037833EB2	APPLE 0.700 02/08/26 '26	08/08/2025	08/08/2025	11,532.50		0.00	0.00	0.00	11,532.50	
3135G05X7	FANNIE MAE 0.375 08/25/25 MATD	08/25/2025	08/25/2025	16,762.50		0.00	0.00	0.00	16,762.50	
91282CBQ3	US TREASURY 0.500 02/28/26	08/31/2025	08/31/2025	12,350.00		0.00	0.00	0.00	12,350.00	
91282CEB3	US TREASURY 1.875 02/28/29	08/31/2025	08/31/2025	52,500.00		0.00	0.00	0.00	52,500.00	
91282CFJ5	US TREASURY 3.125 08/31/29	08/31/2025	08/31/2025	156,250.00		0.00	0.00	0.00	156,250.00	
91282CGQ8	US TREASURY 4.000 02/28/30	08/31/2025	08/31/2025	140,000.00		0.00	0.00	0.00	140,000.00	
3130B2PJ8	FHLBANKS 3.625 09/04/26	09/04/2025	09/04/2025	124,609.38		0.00	0.01	0.00	124,609.38	
3130AWTR1	FHLBANKS 4.375 09/08/28	09/08/2025	09/08/2025	72,187.50		0.00	0.00	0.00	72,187.50	
3133EP4U6	FED FARM CR BNKS 4.375 03/08/27	09/08/2025	09/08/2025	273,328.13		0.00	0.01	0.00	273,328.13	
931142EX7	WALMART 3.950 09/09/27 '27	09/09/2025	09/09/2025	98,750.00		0.00	0.00	0.00	98,750.00	
3130ATS57	FHLBANKS 4.500 03/10/28	09/10/2025	09/10/2025	90,000.00		0.00	0.00	0.00	90,000.00	
3133EPCX1	FED FARM CR BNKS 4.375 03/10/28	09/10/2025	09/10/2025	109,375.00		0.00	0.00	0.00	109,375.00	
3130AUU36	FHLBANKS 4.125 03/13/26	09/13/2025	09/13/2025	206,250.00		0.00	0.00	0.00	206,250.00	
3133EPWK7	FED FARM CR BNKS 4.500 09/22/28	09/22/2025	09/22/2025	118,125.00		0.00	0.00	0.00	118,125.00	
3137EAEX3	FREDDIE MAC 0.375 09/23/25 MTN MAT	09/23/2025	09/23/2025	9,262.50		0.00	0.00	0.00	9,262.50	
17325FBB3	CITIBANK NA US 5.803 09/29/28 '28	09/29/2025	09/29/2025	116,060.00		0.00	0.00	0.00	116,060.00	
91282YGG9	US TREASURY 1.625 09/30/26	09/30/2025	09/30/2025	40,625.00		0.00	0.00	0.00	40,625.00	
91282CCZ2	US TREASURY 0.875 09/30/26	09/30/2025	09/30/2025	21,612.50		0.00	0.00	0.00	21,612.50	
91282CEF4	US TREASURY 2.500 03/31/27	09/30/2025	09/30/2025	156,250.00		0.00	0.00	0.00	156,250.00	
91282CGS4	US TREASURY 3.625 03/31/30	09/30/2025	09/30/2025	181,250.00		0.00	0.00	0.00	181,250.00	
91282CHZ7	US TREASURY 4.625 09/30/30	09/30/2025	09/30/2025	106,375.00		0.00	0.00	0.00	106,375.00	
<b>Total</b>				<b>2,929,193.14</b>		<b>0.00</b>	<b>0.02</b>	<b>0.00</b>	<b>2,929,193.14</b>	
<b>Cash Transfer</b>										
CCYUSD	US DOLLAR	07/01/2025	07/01/2025	0.00		121,612.50	(121,612.50)	0.00	(121,612.50)	
CCYUSD	US DOLLAR	07/09/2025	07/09/2025	0.00		122,765.96	(122,765.96)	0.00	(122,765.96)	

# Transactions

Clean Water Services | Total Aggregate Portfolio



September 30, 2025

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
CCYUSD	US DOLLAR	07/23/2025	07/23/2025	0.00		1,276.30	(1,276.30)	0.00	(1,276.30)	
CCYUSD	US DOLLAR	08/05/2025	08/05/2025	0.00		506,744.36	(506,744.36)	0.00	(506,744.36)	
CCYUSD	US DOLLAR	08/11/2025	08/11/2025	0.00		11,532.50	(11,532.50)	0.00	(11,532.50)	
CCYUSD	US DOLLAR	08/26/2025	08/26/2025	0.00		11,699.49	(11,699.49)	0.00	(11,699.49)	
CCYUSD	US DOLLAR	09/03/2025	09/03/2025	0.00		361,217.95	(361,217.95)	0.00	(361,217.95)	
CCYUSD	US DOLLAR	09/05/2025	09/05/2025	0.00		124,720.13	(124,720.13)	0.00	(124,720.13)	
CCYUSD	US DOLLAR	09/09/2025	09/09/2025	0.00		345,515.63	(345,515.63)	0.00	(345,515.63)	
CCYUSD	US DOLLAR	09/11/2025	09/11/2025	0.00		298,125.00	(298,125.00)	0.00	(298,125.00)	
CCYUSD	US DOLLAR	09/16/2025	09/16/2025	0.00		206,250.00	(206,250.00)	0.00	(206,250.00)	
CCYUSD	US DOLLAR	09/23/2025	09/23/2025	0.00		118,125.00	(118,125.00)	0.00	(118,125.00)	
CCYUSD	US DOLLAR	09/24/2025	09/24/2025	0.00		47,862.74	(47,862.74)	0.00	(47,862.74)	
<b>Total</b>				<b>0.00</b>		<b>2,277,447.56</b>	<b>(2,277,447.56)</b>	<b>0.00</b>	<b>(2,277,447.56)</b>	
<b>Interest Income</b>										
OSTF_LGIP	OREGON SHORT TERM FUND	07/31/2025	07/31/2025	219,439.76		0.00	219,439.76	0.00	219,439.76	
OSTF_LGIP	OREGON SHORT TERM FUND	08/31/2025	08/31/2025	205,740.35		0.00	205,740.35	0.00	205,740.35	
PROMONTORY	Zions FDIC Insured Cash Deposit ICS	07/31/2025	07/31/2025	29.41		0.00	29.41	0.00	29.41	
OSTF_LGIP	OREGON SHORT TERM FUND	09/30/2025	09/30/2025	183,772.17		0.00	183,772.17	0.00	183,772.17	
PROMONTORY	Zions FDIC Insured Cash Deposit ICS	09/30/2025	09/30/2025	83.18		0.00	83.18	0.00	83.18	
IOCZFNB	Zions Bank Interest on Checking Acct	08/31/2025	08/31/2025	127.30		0.00	127.30	0.00	127.30	
IOCZFNB	Zions Bank Interest on Checking Acct	07/31/2025	07/31/2025	59.30		0.00	59.30	0.00	59.30	
IOCZFNB	Zions Bank Interest on Checking Acct	09/02/2025	09/02/2025	1.14		0.00	1.14	0.00	1.14	
IOCZFNB	Zions Bank Interest on Checking Acct	09/30/2025	09/30/2025	188.44		0.00	188.44	0.00	188.44	
PROMONTORY	Zions FDIC Insured Cash Deposit ICS	08/31/2025	09/02/2025	129.57		0.00	129.57	0.00	129.57	
<b>Total</b>				<b>609,570.62</b>		<b>0.00</b>	<b>609,570.62</b>	<b>0.00</b>	<b>609,570.62</b>	

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

**Questions About an Account:** GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodial bank maintains the control of assets and settles all investment transactions. The custodial statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodial bank statement and the GPA report should be reconciled, and differences documented.

**Trade Date versus Settlement Date:** Many custodial banks use settlement date basis and post coupons or maturities on the following business days when they occur on weekend. These items may result in the need to reconcile due to a timing difference. GPA reports are on a trade date basis in accordance with GIPS performance standards. GPA can provide all account settings to support the reason for any variance.

**Bank Deposits and Pooled Investment Funds Held in Liquidity Accounts Away from the Custodial Bank are Referred to as Line Item Securities:** GPA relies on the information provided by clients when reporting pool balances, bank balances and other assets that are not held at the client's custodial bank. GPA does not guarantee the accuracy of information received from third parties. Balances cannot be adjusted once submitted however corrective transactions can be entered as adjustments in the following months activity. Assets held outside the custodial bank that are reported to GPA are included in GPA's oversight compliance reporting and strategic plan.

**Account Control:** GPA does not have the authority to withdraw or deposit funds from or to any client's custodial account. Clients retain responsibility for the deposit and withdrawal of funds to the custodial account. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

**Custodial Bank Interface:** Our contract provides for the ability for GPA to interface into our client's custodial bank to reconcile transactions, maturities and coupon payments. The GPA client portal will be available to all clients to access this information directly at any time.

**Market Price:** Generally, GPA has set all securities market pricing to match custodial bank pricing. There may be certain securities that will require pricing override due to inaccurate custodial bank pricing that will otherwise distort portfolio performance returns. GPA may utilize Refinitiv pricing source for commercial paper, discount notes and supranational bonds when custodial bank pricing does not reflect current market levels. The pricing variances are obvious when market yields are distorted from the current market levels.

**Performance Calculation:** Historical returns are presented as time-weighted total return values and are presented gross and net of fees.

**Amortized Cost:** The original cost on 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. Discounts or premiums are amortized on a straight-line basis on all securities. This can be changed at the client's request.

**Callable Securities:** Securities subject to redemption in whole or in part prior to the stated final maturity at the discretion of the security's issuer are referred to as "callable". Certain call dates may not show up on the report if the call date has passed or if the security is continuously callable until maturity date. Bonds purchased at a premium will be amortized to the next call date while all other callable securities will be amortized to maturity. If the bond is amortized to the call date, amortization will be reflected to that date and once the call date passes, the bond will be fully amortized.

**Duration:** The duration is the effective duration. Duration on callable securities is based on the probability of the security being called given market rates and security characteristics.

**Benchmark Duration:** The benchmark duration is based on the duration of the stated benchmark that is assigned to each account.

**Rating:** Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

**Coupon Payments and Maturities on Weekends:** On occasion, coupon payments and maturities occur on a weekend or holiday. GPA's report settings are on the accrual basis so the coupon postings and maturities will be accounted for in the period earned. The bank may be set at a cash basis, which may result in a reconciliation variance.

**Cash and Cash Equivalents:** GPA has defined cash and cash equivalents to be cash, bank deposits, LGIP pools and repurchase agreements. This may vary from your custodial bank which typically defines cash and equivalents as all securities that mature under 90 days. Check with your custodial bank to understand their methodology.

**Account Settings:** GPA has the portfolio settings at the lot level, if a security is sold our setting will remove the lowest cost security first. First-in-first-out (FIFO) settings are available at the client's request.

**Historical Numbers:** Data was transferred from GPA's legacy system, however, variances may exist from the data received due to a change of settings on Clearwater. GPA is utilizing this information for historical return data with the understanding the accrual settings and pricing sources may differ slightly.

**Financial Situation:** In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

**No Guarantee:** The securities in the portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.





# Clean Water Services

## Administrative Policy

<b>SECTION: Finance and Accounting</b>	<b>POLICY #: FA105</b>
<b>TITLE: Investment Policy</b>	
<b>IMPLEMENTED BY ADMINISTRATIVE PROCEDURES #:</b> N/A	<b>R&amp;O #:</b> CWS RO 24-17
<b>AUTHORIZATION SIGNATURE:</b> N/A	<b>EFFECTIVE DATE:</b> 1/1/2025

### PURPOSE

The purpose of this policy is to provide mandatory rules and guidelines for the Treasurer to follow in managing, investing, and making available monies of Clean Water Services (District).

### SCOPE

The District Treasurer or designee shall manage and invest all funds held on behalf of District or other public agencies as a trustee in a manner to earn appropriate yields with minimum risk, meet the liquidity needs of the District and other agencies, and comply with Oregon law. Investments will be diversified to minimize investment risks.

All funds of the District shall be pooled for investment purposes. The pooled investments shall be owned by the District.

A general-purpose investment portfolio will be the primary pool in which investments will be made. This portfolio may have a range of funds from a low of \$250 million to a high of \$500 million. Other special purpose investments pools may be established to conform to legal restrictions (e.g., bond covenants) or to recognize the longer-term nature of some funds (e.g., capital projects). Interest earned on the general-purpose portfolio will be allocated to participant in the pool based upon their pro-rata share of the average daily balance.

Special purpose portfolios may be established as needed to match investments with anticipated cash flow needs. A special purpose portfolio may be established if requested in writing by a government or agency

for which the District invests in a trust capacity or by a Department Director responsible for management of a capital project; or when required by the terms of a debt financing instrument; or as is determined as necessary by the Treasurer. If a request cannot be met, the Treasurer will provide a written explanation to the requester. Portfolio diversification will be established by the Treasurer for special purpose portfolios to conform to state statutes and this policy while meeting cash flow requirements requiring the special purpose portfolio.

## **RESPONSIBILITY**

- All department and program leaders should be familiar with this policy and implement this policy within their responsible offices, departments, and divisions.
- The Treasurer should be reviewing and revising this policy according to the listed review frequency.

## **POLICY GUIDANCE**

### **1. INTRODUCTION**

Clean Water Services, formally Unified Sewerage Agency of Washington County, was formed February 4, 1970, as a county service district under Oregon Revised Statutes Chapter 451. It was created by popular vote with the authority to implement sewerage improvements and programs and to provide the financing of those improvements and programs. The formation of the District unified 26 wastewater treatment plants. The District began a multimillion-dollar pollution control program based on the areawide wastewater treatment Master Plan. The plan called for eliminating all treatment plants on the tributaries of the Tualatin River and limited the construction or expansion of major treatment facilities to the Tualatin River. In July 1989, the Portland Metropolitan Area Local Government Boundary Commission authorized an expansion of the District's authority to include storm and surface water management (SWM) services. In this capacity, the District manages nonpoint source pollution, rainfall-related erosion and sedimentation, drainage and water pollution prevention. Combining science and nature, the District works in partnership with others to safeguard the river's health and vitality, ensure the economic success of the region, and protect public health for more than 610,000 residents in urban Washington County.

### **2. GOVERNING AUTHORITY**

The investments shall be in conformance with federal, state and other legal requirements. This policy has been adopted by the Clean Water Services Board of Directors. Specifically, this investment policy is written in conformance with ORS 294.035, 294.040, 294.052, 294.135, 294.145, and 294.810. All funds within the scope of this policy are subject to regulations established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

### **3. PRINCIPLES AND OBJECTIVES**

#### **A. PRESERVATION OF INVESTED CAPITAL**

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.

#### **B. LIQUIDITY**

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon Short Term Fund (OSTF) which offers next-day liquidity. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.

#### **C. RETURN**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

#### **D. PRINCIPLES**

As an institutional investor, District has a duty to act in the best long-term interest of our community. We believe that applying certain Principles in the District's investments may better align the District's investment strategy with the District's broader objectives of our community. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

Principle 1: We will incorporate Environmental, Social, and Governance (ESG) issues into the District's investment analysis and decision-making processes

Principle 2: We will incorporate the District's mission and vision into the District's investment analysis and decision-making processes.

We will work together to enhance our effectiveness in implementing the Principles and report on our progress towards implementing the Principles.

### **4. STANDARDS OF CARE**

#### **A. PRUDENCE**

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers

acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy. The "prudent person" standard states:

*Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.*

## **B. ETHICS**

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

## **C. DELEGATION OF AUTHORITY AND RESPONSIBILITIES**

### **i. Governing Body**

The ultimate responsibility and authority for the investment of District funds resides with the governing body – the Clean Water Services Board of Directors. The governing body will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.085 and 294.155.

### **ii. Delegation of Authority**

Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to the Treasurer, or his/her designee (hereinafter referred to as Investment Officer), and derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

iii. Investment Committee

The Investment Officer may seek to establish an investment committee to provide guidance to the Investment Officer and monitor investment policy compliance.

iv. Investment Advisor

The Treasurer may engage the services of one or more external investment managers to assist in the management of the District investment portfolio in a manner consistent with this investment policy. Investment advisers may be hired on a nondiscretionary basis. All investment transactions by approved investment advisers must be approved in writing by the Investment Officer and compliant with this Investment Policy. If District hires an investment adviser to provide investment management services, the adviser is authorized to transact with its direct dealer relationships on behalf of the District.

## 5. TRANSACTIONAL COUNTERPARTIES

### A. BROKER/DEALERS

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives.

The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

- i. Broker/dealer firms must meet the following minimum criteria:
  - a. Be registered with the Securities and Exchange Commission (SEC)
  - b. Be registered with the Financial Industry Regulatory Authority (FINRA)
  - c. Provide most recent audited financials
  - d. Provide FINRA Focus Report filings
- ii. Approved broker/dealer employees who execute transactions with the District must meet the following minimum criteria:
  - a. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
  - b. Be licensed by the state of Oregon;
  - c. Provide certification (in writing) of having read, understood, and agreed to comply with the most current version of this investment policy.
- iii. The Investment Officer may want to establish policy for engaging broker/dealer firms and registered representatives that are more restrictive than stated in this policy. Additional requisites or due diligence items may include:
  - a. Positive references from at least three other local government clients.

- b. As part of the periodic due diligence review, inquiries with other local government clients with regard to their recent experiences with broker/dealer firms or registered representatives and any change in relationship status.
  - c. Requirement that approved registered representatives provide notification within 30 days of any formal investigations or disciplinary actions initiated by federal or state regulators.
  - d. Requirement that prospective registered representatives have an established history of advising local governments with similar amounts of assets under management.
- iv. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Factors to consider would be:
- a. Pending investigations by securities regulators
  - b. Significant changes in net capital
  - c. Pending customer arbitration cases
  - d. Regulatory enforcement actions
- v. The Investment Officer shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with the District for investment purposes.

The Investment Officer or designee may utilize the investment advisor's approved broker/dealer list in lieu of the District's own approved list. The advisor must submit the approved list to the District annually and provide updates throughout the year as they occur. The advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures should include:

- a. FINRA Certification check
  - Firm profile
  - Firm history
  - Firm operations
  - Disclosures of arbitration awards, disciplinary and regulatory events
  - State registration verification
- b. Financial review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

The advisors must provide District with any changes to the list prior to transacting on behalf of the the District.

The advisor may be authorized through the contracted agreement to open accounts on behalf of District with the broker/dealers on the approved list. District will receive documentation directly from the brokers for account verification and regulatory requirements.

## **B. INVESTMENT ADVISOR**

A list will be maintained of approved advisors selected by conducting a process of due diligence.

- i. The following items are required for all approved Investment Advisors:
  - a. The investment advisor firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon (Note: Investment advisor firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon).
  - b. All investment advisor firm representatives conducting investment transactions on behalf of the District must be registered representatives with FINRA.
  - c. All investment advisor firm representatives conducting investment transactions on behalf of the District must be licensed by the state of Oregon.
  - d. Certification, by all of the advisor representatives conducting investment transactions on behalf of this entity, of having read, understood, and agreed to comply with this investment policy.
- ii. A periodic (at least annual) review of all authorized investment advisors under contract will be conducted by the Treasurer to determine their continued eligibility within the portfolio guidelines. The investment Advisor must notify the District immediately if any of the following issues arise while serving under a District contract:
  - a. Pending investigations by securities regulators.
  - b. Significant changes in net capital.
  - c. Pending customer arbitration cases.
  - d. Regulatory enforcement actions.

## **C. DEPOSITORIES**

All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

## **D. COMPETITIVE TRANSACTIONS**

- i. The Investment Officer shall obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
- ii. In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.
- iii. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price. However, the Investment Officer is encouraged to document quotations on comparable securities.

- iv. If an investment advisor provides investment management services, the advisor must retain documentation of competitive pricing execution on each transaction and provide upon request.

## **6. ADMINISTRATION AND OPERATIONS**

### **A. DELIVERY VS. PAYMENT**

All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in the District safekeeping institution prior to the release of funds.

### **B. THIRD-PARTY SAFEKEEPING**

Securities will be held by an independent third-party safekeeping institution selected by the District. All securities will be evidenced by safekeeping receipts in Clean Water Services name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16. District will have online access through the safekeeping bank for verification of the account holdings and transactions. District may hold bank deposits or certificates of deposits at banks qualified under ORS.295.

### **C. INTERNAL CONTROLS**

The Treasurer and Board of Directors are jointly responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this Investment Policy and, protected from loss, theft, or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the Board of Directors.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- i. Compliance with investment policy constraints and requirements
- ii. Clear delegation of authority
- iii. Segregation of duties and separation of responsibilities for trade execution, accounting, and record keeping
- iv. Written confirmation of transactions and funds transfers
- v. Timely reconciliation of custodial reports
- vi. Appropriate security for online transactions and access to bank accounts and bank data
- vii. Custodial safekeeping
- viii. Control of collusion
- ix. Review, maintenance and monitoring of security procedures both manual and automated
- x. Dual authorizations of wire and automated clearing house (ACH) transfers
- xi. Avoidance of physical delivery of securities wherever possible and address control requirements for physical delivery where necessary

An external auditor shall provide an annual independent review to assure compliance with Oregon state law and District policies and procedures.

#### **D. ACCOUNTING METHOD**

District shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

Pooling of Funds: Except for cash in certain restricted and special funds, District will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## **7. AUTHORIZED AND SUITABLE INVESTMENTS**

#### **A. PERMITTED INVESTMENTS**

All investments of the District shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (restriction on investments under ORS 294.035), ORS 294.135 (investment maturity dates), ORS 294.145 (prohibited conduct for custodial officer including not committing to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement), and ORS 294.805 to 294.895 (local government investment pool). Minimum credit ratings and percentage limitations apply to the time of purchase.

The following lists allowable investment types:

**US Treasury Obligations:** Direct obligations of the United States Treasury whose payment is guaranteed by the United States. [ORS Section 294.035(3)(a)]

**US Agency Obligations:** Federal agency and instrumentalities of the United States or enterprises sponsored by the United States Government (GSE) and whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government. [ORS Section 294.035(3)(a)]

**Municipal Debt:** Lawfully issued debt obligations of the States of Oregon, California, Idaho, and Washington and political subdivisions of those states if the obligations have a long-term rating on the settlement date of AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization, or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. [ORS Section 294.035(3)(c)]

**Corporate Indebtedness:** Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or

3(a)(3) of the Securities Act of 1933, and not listed on the Fossil Free Index (FFI) Carbon Underground (FFICU) 200™ annual listing. Corporate indebtedness must be rated on the settlement date AA- or better by S&P or Aa3 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization. [ORS Section 294.035(3)(i)]

**Commercial Paper:** Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Commercial Paper must be rated A1 by Standard and Poor's or P1 by Moody's or equivalent rating by any nationally recognized statistical rating organization. Issuer constraints for commercial paper combined with corporate notes will be limited by statute to 5% of market value per issuer. [ORS Section 294.035(3)(i)]

**Certificates of Deposit:** Certificates of deposit in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS Section 723.006, or in federal credit unions if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)].

**Bank Time Deposit/Savings Accounts:** Time deposit open accounts or savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state [ORS Section 294.035(3)(d)(e)].

**Bankers' Acceptances:** A short-term credit investment created by a nonfinancial firm and guaranteed by a qualified financial institution whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally recognized statistical rating organization. For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) S financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon. [ORS 294.035(3)(h)]

**Local Government Investment Pool:** State Treasurer's local short-term investment fund up to the statutory limit per ORS Section 294.810.

## **B. COLLATERALIZATION**

Time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the state collateral pool for any excess over the amount insured by an agency of the United States government in accordance with ORS 295.018. All depositories must be on the state of Oregon's qualified list. Additional collateral requirements may be required if the Treasurer deems increased collateral is beneficial to the protection of the monies under the District's management.

## **C. APPROVAL OF PERMITTED INVESTMENTS**

If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this Policy has been amended and the amended version adopted by the District.

## **D. PROHIBITED INVESTMENTS**

- i. District shall not invest in “144A” private placement securities, this includes commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
- ii. District shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- iii. District shall not purchase mortgage-backed securities.
- iv. District shall not purchase, per ORS 294.040, any bonds of issuers listed in ORS 294.035(3)(a) to (c) that have a prior default history.
- v. District shall not invest directly in fossil fuel securities listed on the Carbon Fuel Underground 200 list.

## **8. INVESTMENT PARAMETERS**

### **A. CREDIT RISK**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by the following guidelines:

- i. **Diversification:** It is the policy of the District to diversify its investments. Where appropriate, exposures will be limited by security type, maturity, issuance, and issuer. Allowed security types and Investment exposure limitations are detailed in the table below.
- ii. **Credit Ratings:** Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations (NRSRO): Moody’s Investors Service; Standard & Poor’s; and Fitch Ratings Service as detailed in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.
- iii. The minimum weighted average credit rating of the portfolio’s rated investments shall be AA-/Aa3/AA- by Standard & Poor’s; Moody’s Investors Service; and Fitch Ratings Service respectively.
- iv. **Diversification and Credit Exposure Constraints:** The following table limits exposures among investments permitted by this policy.

### Total Portfolio Diversification Constraints

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P, Moody's, or Equivalent NRSRO	Maximum Maturity
US Treasury Obligations	100%	None	N/A	5.25 years
US Agency Obligations	100%	35%	N/A	5.25 years
Municipal Debt (OR, CA, ID, WA)	25%	5%	AA- / Aa3 Short Term*	5.25 years
Corporate Notes	35%**	5%***	AA- / Aa3	5.25 years
Commercial Paper			A1 / P1	270 days
Bank Time Deposits/Savings Accounts	20%	20%	Oregon Public Depository	N/A
Certificates of Deposit	10%	5%	Oregon Public Depository	5.25 years
Banker's Acceptances	10%	5%	A1 / P1	180 days
Oregon Short Term Fund	Maximum allowed per ORS 294.810	None	N/A	N/A

\*Short Term Ratings: Moody's - P1/MIG1/VMIG1. S&P - A-1/SP-1, Fitch F1

\*\*35% maximum combined corporate and commercial paper per ORS.

\*\*\*Issuer constraints apply to the combined issues in corporate and commercial paper holdings.

## B. INVESTMENT MATURITY

- i. District will not directly invest in securities maturing more than 5.25 years\* from the date of purchase.
- ii. The maximum weighted maturity of the total portfolio shall not exceed 2.50 years. This maximum is established to limit the portfolio to excessive price change exposure.
- iii. Liquidity funds will be held in the State Pool or in money market instruments maturing one year and shorter.
- iv. Core funds will be the defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between one day and 5.25 years and will be only invested in higher quality and liquid securities.

**Total Portfolio Maturity Constraints:**

<b>Maturity Constraints</b>	<b>Minimum % of Total Portfolio</b>
Under 90 days	10%
Under 1 year	25%
Under 5.25 years	100%
<b>Maturity Constraints</b>	<b>Maximum of Total Portfolio in Years</b>
Weighted Average Maturity	2.50
<b>Security Structure Constraint</b>	<b>Maximum % of Total Portfolio</b>
Callable Agency Securities	25%

\*Exception to 5.25-year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding 5.25 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

## **9. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE**

Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. The investments will be made in a manner to match cash flow expectations based on managed disbursement schedules.

Liquidity for bond proceeds will be managed through the OSTF pool or bank deposit balances.

Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and maturity matched with expected outflows.

Information will be maintained for arbitrage rebate calculations.

## **10. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENTS**

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities with a maturity of 5.25 years at the maximum when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the governing body of the county, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used. Reserve or Capital Improvement Project monies may be invested in securities exceeding 5.25 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

## **11. GUIDELINE MEASUREMENT AND ADHERENCE**

### **A. GUIDELINE MEASUREMENT**

Guideline measurements will use market value of investments.

### **B. GUIDELINE COMPLIANCE**

- i. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
- ii. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the Board of Directors.
- iii. Due to fluctuations in the aggregate surplus funds balance, maximum or minimum percentages for a particular issuer, investment type or minimum maturity constraint may be surpassed at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

## **12. REPORTING AND DISCLOSURE**

### **A. COMPLIANCE**

The Investment Officer shall prepare a report at least quarterly that allows the Board of Directors to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment oversight body. The report will include, at a minimum, the following:

- i. A listing of all investments held during the reporting period showing: par/face value; accounting book value; market value; type of investment; issuer; credit ratings; and yield to maturity (yield to worst if callable).
- ii. Average maturity of the portfolio at period-end
- iii. Maturity distribution of the portfolio at period-end
- iv. Average portfolio credit quality of the portfolio at period-end
- v. Average weighted yield to maturity (yield to worst if callable investments are allowed) of the portfolio
- vi. Distribution by type of investment
- vii. Transactions since last report
- viii. Violations of portfolio guidelines or noncompliance issues that occurred during the prior period or that are outstanding. This report should also note actions (taken or planned) to bring the portfolio back into compliance.

## **B. PERFORMANCE STANDARDS/EVALUATION**

- i. District yields will be compared to the OSTF pool rates.
- ii. The portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum effective duration and will have the objective to achieve market rates of returns over long investment horizons. The purpose of the benchmark is to appropriately manage the risk in the portfolio given interest rate cycles. The core portfolio is expected to provide similar returns to the benchmark over interest rate cycles but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a 0-3 year or 0-5 year standard market index and comparisons will be calculated monthly and reported quarterly.
- iii. When comparing the performance of the District's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.
- iv. The mark to market pricing will be calculated monthly and be provided in a monthly report.

## **C. REPORTING REQUIREMENTS**

The Investment Officer will retain and provide quarterly investment reports to the Board of Directors in a similar manner as outlined in ORS 208.090. The reports also will be available upon request. Securities holdings and cash balances held in the investment portfolio will be provided on the reports.

The minimum quarterly reporting requirements for total portfolio are as follows:

- Earnings yield
- Holdings report (including mark to market)
- Transactions report
- Weighted average maturity or duration
- Compliance report

## **13. ADOPTION OF POLICY**

This Investment Policy and any modifications to this policy must be formally approved in writing by the Clean Water Services Board of Directors. Regardless of whether this policy is submitted to the OSTF Board for comment, this policy shall be resubmitted not less than annually to the Board of Directors for approval.

## DEFINITIONS

**Accrued Interest:** The interest accumulated on a security since the issue date or since the last coupon payment. The buyer of the security pays the market price plus accrued interest.

**Agency Securities:** See “Federal Agency Securities.”

**Bankers’ Acceptance (BA’s):** A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers’ acceptances are traded at a discount from face value as a month market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

**Basis Point:** A basis point is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form. In most cases, it refers to changes in interest rates and bond yields.

**Benchmark:** A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio’s investments.

**Bond:** An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and it is usually secured by specific assets. Most bonds have a maturity of greater than one year and in general, pay interest semiannually.

**Broker/Dealer:** A person or firm transacting securities business with customers. A “broker” acts as an agent between buyers and sellers, and receives a commission for these services. A “dealer” buys and sells financial assets from its own portfolio. A dealer takes risk by owning an inventory of securities, whereas a broker merely matches up buyers and sellers.

**Call:** An option to buy a specific asset at a certain price within a certain period of time.

**Callable:** A bond or preferred stock that may be redeemed by the issuer before maturity for a call price specified at the time of issuance.

**Call Date:** The date before maturity on which a bond may be redeemed at the option of the issuer.

**Certificate of Deposit (CD):** Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity).

**Collateral:** Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** Short-term, unsecured, negotiable promissory notes issued by a company or financial institution. Issued at a discount and matures at par or face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

**Core Fund:** Core funds are defined as operating fund balance which exceeds District’s daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having

longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

**Corporate Note:** A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

**Coupon Rate:** The annual rate of interest that the issuer of a bond promises to pay to the holder of the bond.

**Current Maturity:** The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

**Current Yield:** The coupon payments on a security as a percentage of the security's market price. In many instances the price should be gross of accrued interest, particularly on instruments where no coupon is left to be paid until maturity.

**CUSIP:** A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

**Delivery Versus Payment (DVP):** Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

**Depository Trust Company (DTC):** A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.

**Discount Notes:** Short term debt obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Discount Notes typically have very large primary (new issue) and secondary markets.

**Federal Agency Security:** A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

**Federal Agency:** Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets.

**Federal Farm Credit Bank (FFCB):** A Government Sponsored Enterprise (GSE) system that is a network of cooperatively owned lending institutions that provide credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered

to have minimal credit risk due to its importance to the U.S. Financial system and agricultural industry. Also issues notes under its “designated note” program.

**Federal Home Loan Bank System (FHLB):** A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently 12 district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” and “TAP” programs.

**Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"):** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “reference note” program.

**Federal National Mortgage Association (FNMA or "Fannie Mae"):** One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

**Federal Reserve Bank:** One of the 12 distinct banks of the Federal Reserve System.

**Federal Reserve System (the Fed):** The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of 12 Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven-member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

**General Obligation Bonds (GOs):** Bonds secured by the pledge of the municipal issuer’s full faith and credit, which usually includes unlimited taxing power.

**Government Bonds:** Securities issued by the federal government; they are obligations of the U.S. Treasury. Also known as “government securities.”

**Government Sponsored Enterprise (GSE):** Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S.

Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, FNMA and FFCB.

**Interest:** Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

**Interest Rate:** The interest payable each year on borrowed funds, expressed as a percentage of the principal.

**Investment Advisor:** A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

**Investment Portfolio:** A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**Investment Securities:** Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

**Liquidity:** The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

**Liquidity Component:** A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

**Mark to Market:** Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price or some other valuation.

**Municipals:** Securities, usually bonds, issued by a state or its agencies. The interest on “munis” is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency’s taxation powers.

**NRSRO:** A “Nationally Recognized Statistical Rating Organization.” A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating such as Moody’s, S&P, Fitch and Duff & Phelps.

**Par Value:** The value of a security expressed as a specific dollar amount marked on the face of the security, or the amount of money due at maturity. Par value should not be confused with market value.

**Prudent Person Standard:** Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee will act with care, skill, prudence, and diligence under the circumstances the prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the entity.

**Rate of Return:** Amount of income received from an investment, expressed as a percentage of the amount invested.

**State of Oregon Local Government Investment Pool (OSTF – Oregon Short Term Fund):** The OSTF is organized pursuant to ORS 294.805 through 294.895. Participation in the Pool will not exceed the maximum limit annually set by ORS 294.810.

**Total Return:** Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

**Treasury Bill (T-Bill):** An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

**Treasury Bonds and Notes:** Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

**Yield:** The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Yield to Maturity:** The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

**Ratings Table – Long-Term**

Three Highest Rating Categories	S&P	Moody's	Fitch	Definition
	AAA	Aaa	AAA	Highest credit quality
	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-	Very high credit quality
A+, A, A-	A1, A2, A3	A+, A, A-	High credit quality	
	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-	Good credit quality
	BB+, BB, BB-	Ba1, Ba2, Ba3	BB+, BB, BB-	Non-investment grade

**Ratings Table – Short-Term**

Highest Rating Category	S&P	Moody's	Fitch	Definition
	A1+, A1	P1+, P1	F1+, F1	Highest credit quality
	<b>Municipal Commercial Paper</b>			
A-1, A-1+, SP-1+, SP-1	P1, MIG1, VMIG1	F1+, F1	Highest credit quality	

## REFERENCES

- Oregon Revised Statutes 294.035: [https://oregon.public.law/statutes/ors\\_294.035](https://oregon.public.law/statutes/ors_294.035)
- Oregon Short-Term Fund Board: <https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/pages/oregon-short-term-fund-board.aspx>
- Oregon Treasury: <https://www.oregon.gov/treasury/public-financial-services/public-depository-information/pages/default.aspx>

## REVISION HISTORY

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