



Quarterly Investment Report

As of 9/30/2021



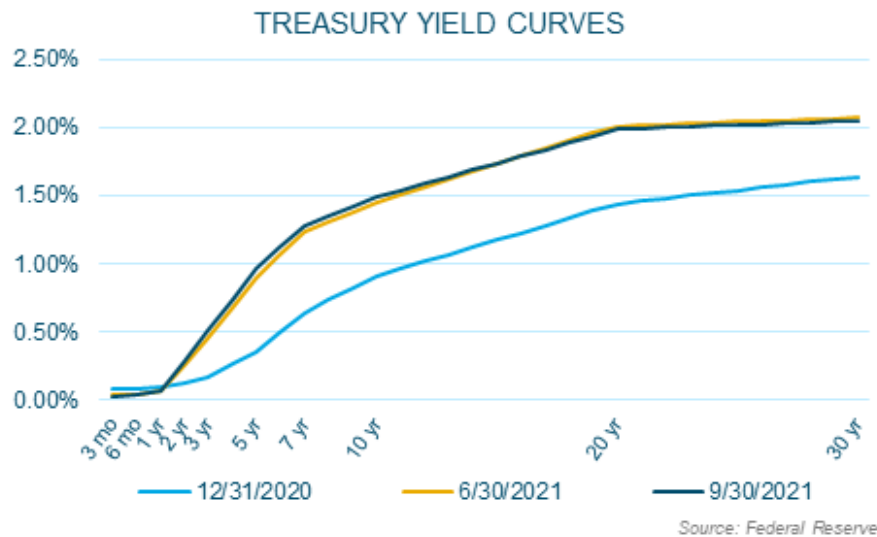
Executive Summary

PORTFOLIO STATISTICS:		
Quarter Ending:	06/30/2021	09/30/2021
Tax-Equivalent Book Yield	1.21%	0.97%
Book Value	\$44,361,024	\$45,852,684
YTD Realized Gain	\$0	\$0
Portfolio Duration	1.33	1.40
Average Credit Quality	AA+	AA+

PORTFOLIO ALLOCATION:		
Sector	06/30/2021	09/30/2021
Treasury	96%	96%
Agency	0%	0%
Taxable Muni	0%	0%
MPT	0%	0%
CMO	0%	0%
ABS	0%	0%
CMBS	0%	0%
Short-Term	4%	4%

PERFORMANCE:			
Tax-equivalent Performance	Portfolio	Target/Benchmark	Difference
QTD Total Return	0.04%	0.05%	-0.01%
YTD Total Return	0.02%	0.11%	-0.09%

Economic Outlook



- Yields from start to finish during the third quarter hide the rate volatility the market experienced
 - During July, August and half of September, the markets saw an easing of rates across yield curve as COVID Delta variant fears ramped up
 - It was only in the last two weeks of the quarter that rates moved up to reach slightly higher levels QTD
 - 10-year Treasury yields traded in a wide range (from 1.17% to 1.56%), but ended the quarter at 1.49%, just +2bps higher from the prior quarter's close
 - The move higher was driven by the hawkish tone following the September FOMC meeting, as well as political anxiety around the debt ceiling
 - 5 and 7-year bonds saw the largest yield move during the quarter, ending higher by +8 bps (0.97%) and +5 bps (1.28%), respectively
 - 2-year bonds increased by +3 bps to close at 0.28%
 - The steepness of the yield curve, measured by the difference between the 2 and 10-year yields, was unchanged at +121 bps
- Equity market returns for the quarter were subpar with the S&P returning only +0.23% and the DOW down -1.91%
- Moving forward, volatility is likely to remain high through year-end as the economy faces numerous hurdles including labor market recovery, inflationary pressures from chain disruptions, decisions on fiscal policy and potential Fed leadership changes

Economic Outlook

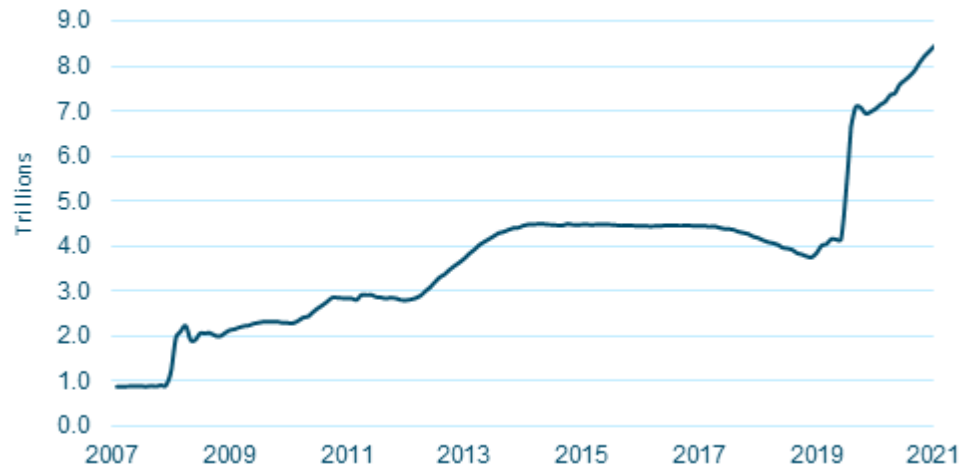
FOMC MEETING PROJECTIONS

GDP				
	2021	2022	2023	2024
Sep-21	5.9%	3.8%	2.5%	2.0%
Jun-21	7.0%	3.3%	2.4%	
Mar-21	6.5%	3.3%	2.2%	

Inflation (Core PCE)				
	2021	2022	2023	2024
Sep-21	3.7%	2.3%	2.2%	2.1%
Jun-21	3.0%	2.1%	2.1%	
Mar-21	2.2%	2.0%	2.1%	

Source: Federal Reserve, Bloomberg

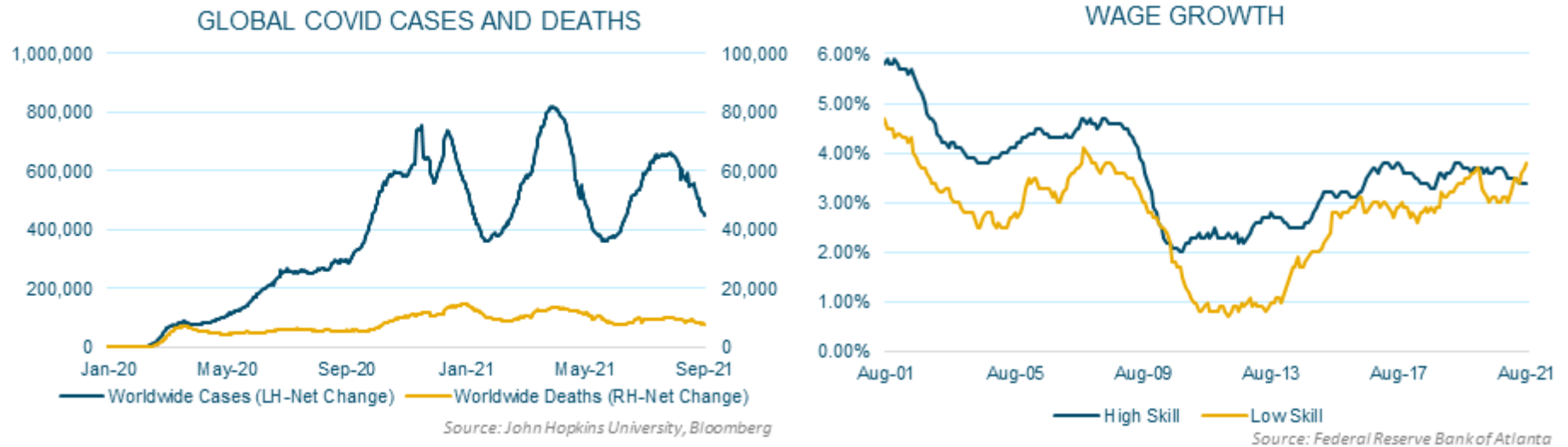
FEDERAL RESERVE BALANCE SHEET



Source: Federal Reserve

- With the change in economic conditions over the third quarter, the FOMC adjusted growth, inflation, and employment expectations for 2021
 - GDP: The FOMC eased growth projections from June's +7.0% to 5.9% for 2021, while pushing some additional growth off into 2022
 - Inflation: Given ongoing global supply chain disruptions, the FOMC also delayed its expectations for inflation to moderate in 2021
 - Core inflation is projected to remain higher than previously expected for the remainder of the year at 3.7%
 - As global vaccination rates improve, the FOMC projects "transitory" inflation pressures to subside in 2022 through 2024
 - Employment: Improvements in the unemployment rate was also delayed for the remainder of 2021, however, FOMC members expect to return to full employment and pre-pandemic levels of 3.5% by 2023
- During the Great Financial Crisis and the recent pandemic, the Federal Reserve actively used their balance sheet to purchase both Treasury and MBS to help maintain low long-term interest rates. As of the end of Q3, purchases are still being made at a pace of \$120 billion per month
 - Given the recovery, conditions are now moving closer to an announcement of tapering those purchases. The market expects the Fed to follow the same tapering script as they did post GFC. This would entail maintaining current holdings for an extended period as the economy further recovers, then allowing the balance sheet to gradually decline through maturities and principal paydowns
 - The FOMC will likely start tapering in Q4 and complete the process by mid-2022
 - Chairman Powell has stated that tapering is not to be interpreted as a signal for rate "lift-off". The U.S. economy will need to see further economic improvements before the Fed considers increasing short term rates
 - Dot Plot: median projections now imply three rate hikes by the end of 2023 with an additional three hikes in 2024

Economic Outlook

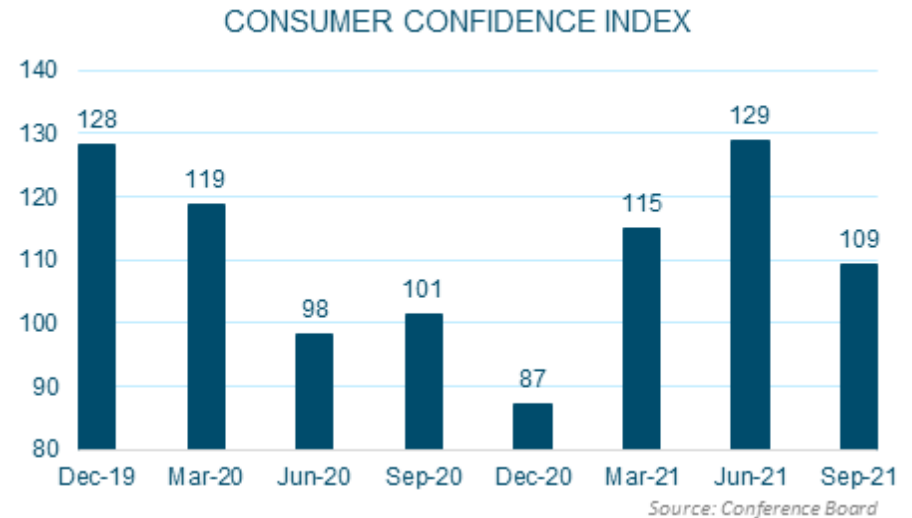
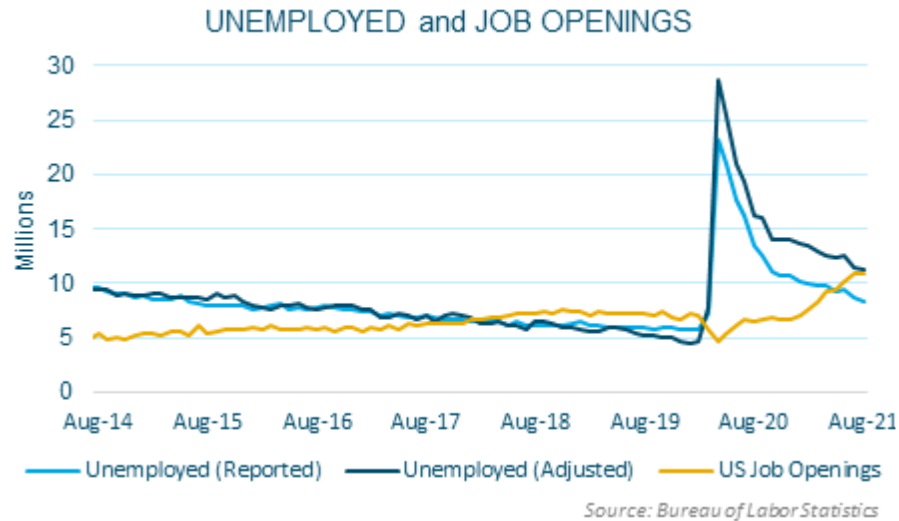


- Over a year and a half into the pandemic, the markets have experienced multiple waves of COVID outbreaks
 - The uneven nature of vaccination rollout and the varied stages of economic lockdowns across the globe have caused major disruptions to the global manufacturing supply chain. As a result, shortages of raw materials, commodities, and parts continue to pressure producer costs and consumer prices higher
 - With progress being made on global vaccinations, more recent outbreaks have been less deadly and thus have reduced the extent to which future lockdowns will be implemented. Moving forward this should reduce the reaction to “shut down” economies, decreasing the impact on the global supply chain

- While inflation fears have sparked market concern, the Fed remains confident that the recent inflation spike is a result of “transitory” factors
 - Examples of “transitory” costs have been seen in prices of lumber, copper and used cars which, despite remaining at multi-year highs, have begun to subside over the past quarter

- Labor is generally regarded as the largest contributor to the cost of goods & services and is largely considered “non-transitory”. So far, labor costs have experienced only modest upward pressure
 - Wage growth has been primarily witnessed in the lower paying segments such as the service industry, struggling to attract workers to return
 - In contrast, higher skill/paid positions have experienced only moderate wage increases
 - Historically, wage growth is relatively in line with historical averages and only slightly ahead of the current 5-year average

Economic Outlook



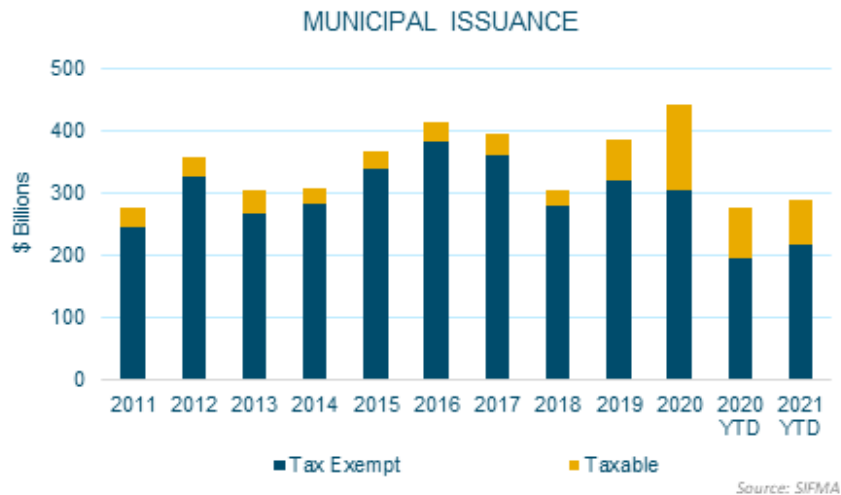
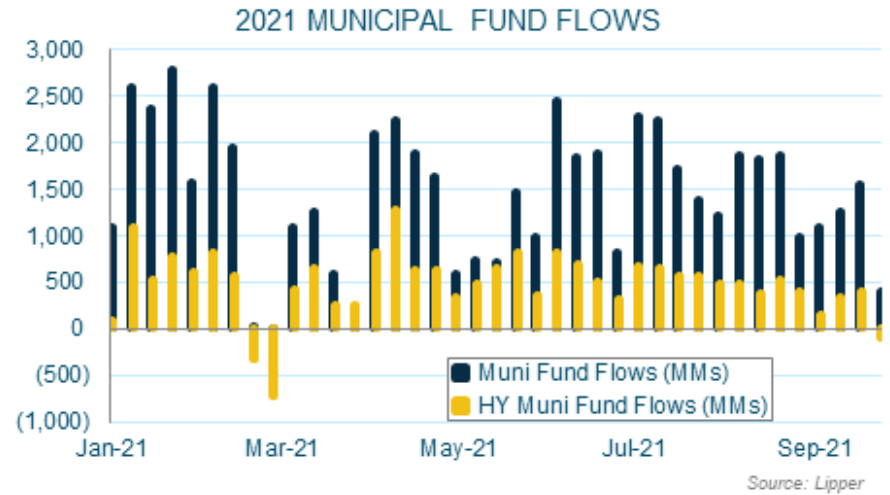
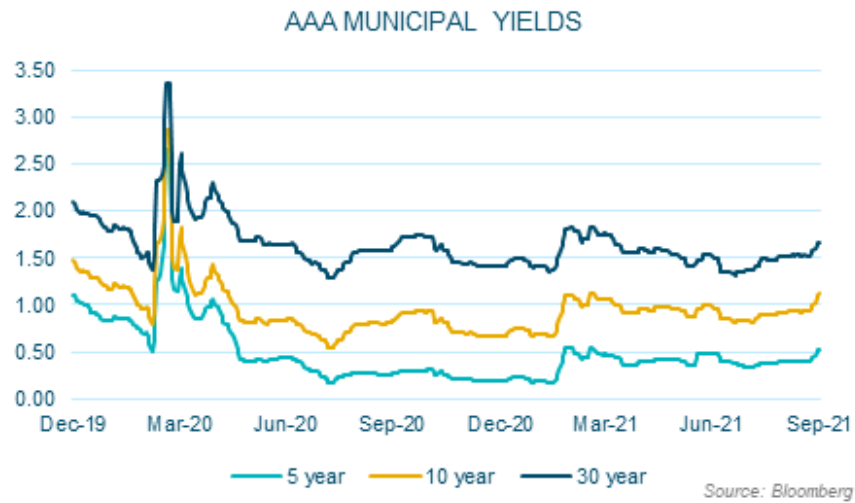
- Maximizing employment gains prior to removing accommodation remains a key objective for the Fed
 - Currently, labor markets show job losses of just under 5.5 million (participation rate adjusted) since the pandemic began
 - While some of these losses can be attributed to retirement, payroll growth has been slowed due to ongoing childcare needs, continued virus fears, and extended unemployment benefits
 - Despite slower than anticipated growth, the labor market continues to make positive additions to payrolls
 - Recent gains have largely been attributed to the leisure and hospitality sectors, as they benefit from reopening
 - Over the quarter, however, reports of labor shortages and difficulty attaining workers continued
 - The U.S. Jobs Openings Survey (JOLTS) shows that there are ample positions available, exceeding those on unemployment. If we adjust the unemployed pool to normalize for pre-pandemic participation rates however, the two are virtually equal.
 - It is expected that labor growth will continue to show improvement this fall as vaccination rates rise, schools reopen, and the expiration of extended unemployment benefits bring more candidates back to the labor pool
 - More importantly, there remains slack in the labor market and that slack should help keep long-term wage inflation in check

- After seeing substantial improvement Q2, consumer confidence eased in Q3 as the Delta variant spiked and inflationary pressures hit consumers
 - As Delta fades and supply bottlenecks ease inflation pressures, expect confidence to improve given favorable labor market conditions and strong household balance sheets, allowing pent-up consumer demand to emerge
 - This demand should buoy retail sales and uphold GDP prospects carrying into 2022

- Business conditions also remain solid, surveys show that both the manufacturing and service sectors remain at expansionary levels

Economic Outlook

Municipals



Comments

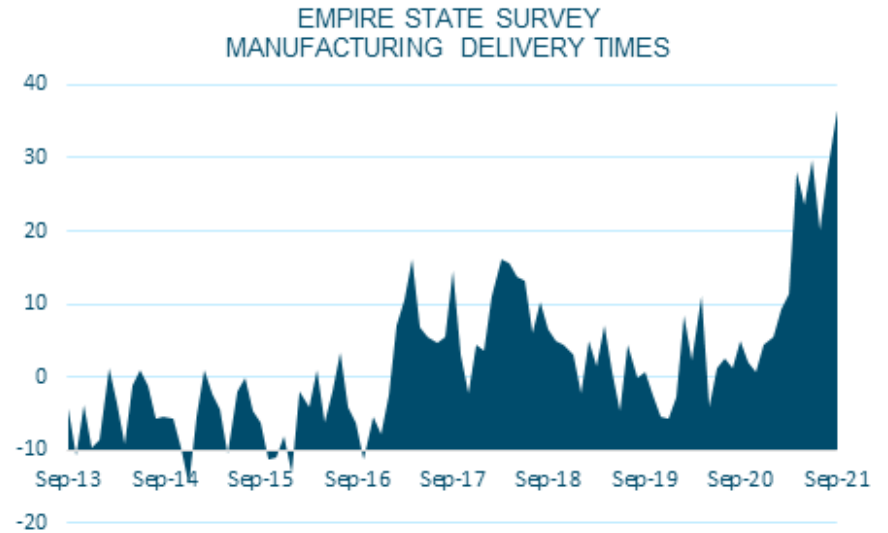
- The Bloomberg Barclays Municipal Index returned -0.27% during the third quarter, annual returns remain positive at +0.79%
- The tax-exempt municipal yield curve steepened over the quarter, driven by yields rising in longer maturities
 - Five-year pre-tax yields finished the quarter where they began at 0.50%
 - 10yr and 30yr yields increased by +16 basis points and +18 basis points respectively, finishing the quarter at 1.14% and 1.67%
- The taxable municipal Index returned 0.20%, bringing YTD returns to +0.49%, YTD excess returns remain strong at 3.61%
- Investor demand for municipals remained strong throughout the third quarter

Economic Outlook

Corporates



Source: Bloomberg



Source: Federal Reserve Bank of New York



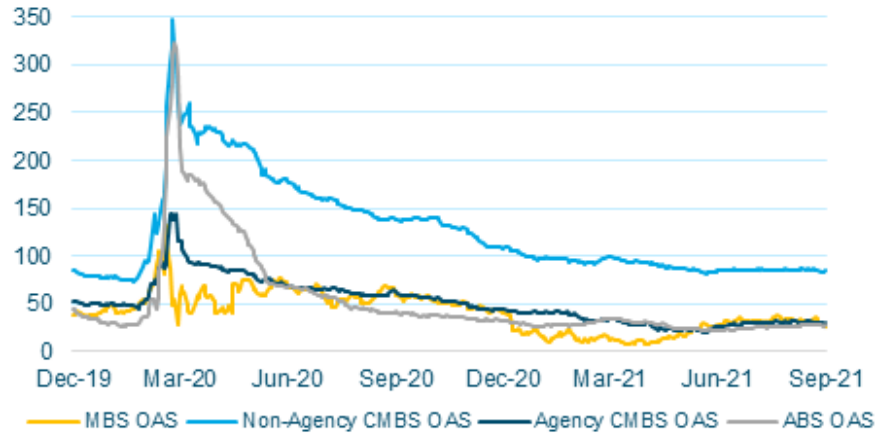
Source: Bloomberg

Comments

- Investment grade corporate credit spreads closed the third quarter relatively unchanged at +80 after trading as wide as +86 in mid-August, versus +77 at the end of second quarter, as domestic and international investor demand remains strong
- Third quarter issuance was strong at \$352bn, but trailed Q320's pandemic induced issuance of \$390bn
 - 2021 issuance is down -27% year to date from 2020, but remains on pace to top 2018 and 2019 levels
- We continue to watch supply chain bottlenecks closely, which present challenges to firms across the investment grade space
- We retain our tactical overweight to corporates with a high-quality bias given historically tight spread levels

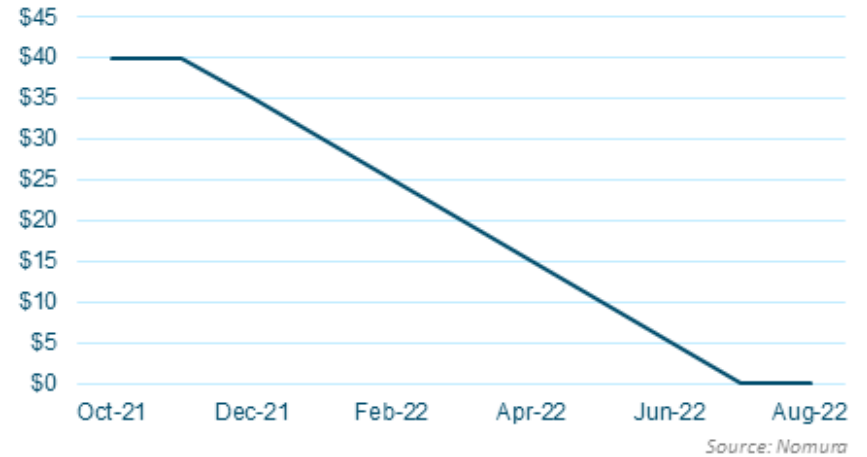
Economic Outlook

Mortgage and Asset Backed Securities (MBS and ABS)



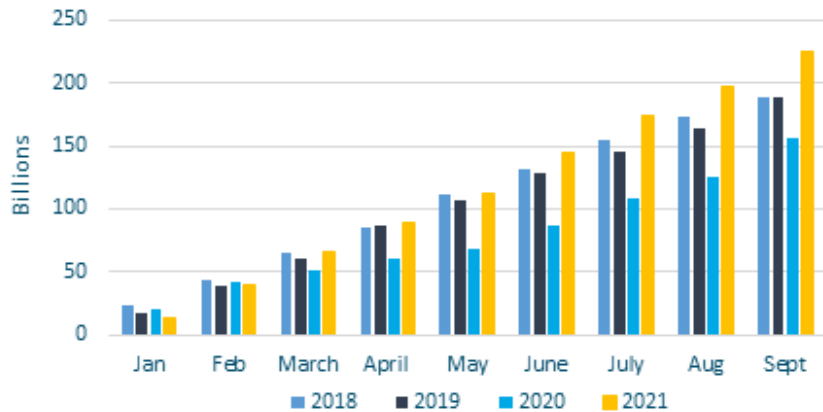
Source: Bloomberg

POSSIBLE MBS TAPERING SCHEDULE (\$B/MO)



Source: Nomura

YTD ABS ISSUANCE



Source: Bloomberg

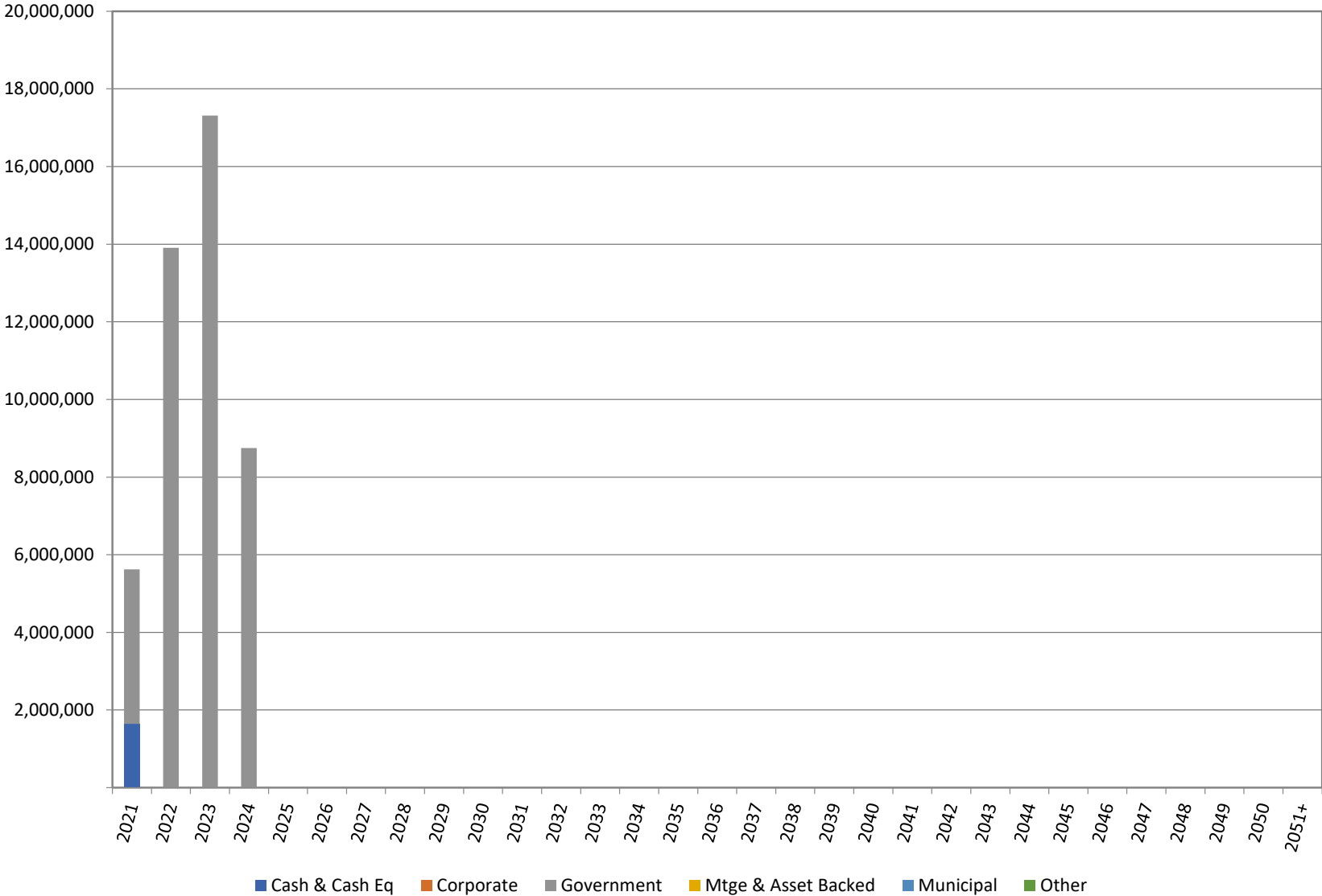
Comments

- Despite volatility during Q3, spreads across securitized products were relatively unchanged
 - Higher rates kept MBS spreads from moving wider on near term tapering expectations
 - ABS Spreads performed well despite increased supply
- Based on guidance from the Fed and street consensus, it is likely the Fed will announce tapering in November
 - The chart above projects the impact of tapering, should the Fed reduce their current MBS purchases of \$40 billion per month by \$5 billion. At that rate, MBS purchases would be finalized by summer of 2022
- In ABS, the markets saw strong supply and even stronger investor demand as issuers and investors continue to catch up from limited supply in past couple of years
 - 2021 supply is up 44% vs 2020 and 20% vs 2019
 - The high supply has driven analysts to revise expected issuance from ~\$220bn to ~\$260bn for the year

Portfolio Statistics

Security Type	Book Value	Market Value	Gain / (Loss)	Tax-Equivalent Book Yield	Tax-Equivalent Market Yield	Effective Duration	Convexity	Securities at Gain		Securities at Loss	
								#	Amount	#	Amount
Fixed Income											
Treasury	44,207,101	44,378,314	171,213	1.01	0.22	1.46	0.03	20	204,168	14	(32,955)
Agency	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Corporate	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Taxable Municipal	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Tax-exempt Municipal	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Mortgage Pass-Through	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
CMOs	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
ARMs	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Asset Backed	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
CMBS	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Other	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Total	44,207,101	44,378,314	171,213	1.01	0.22	1.46	0.03	20	204,168	14	(32,955)
Short Term											
Sweep Money Market	1,645,583	1,645,583	0	0.00	0.00	0.00	0.00	0	0	0	0
Commercial Paper	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
(Payable)/Receivable	0	0	0	0.00	0.00	0.00	0.00	0	0	0	0
Total	1,645,583	1,645,583	0	0.00	0.00	0.00	0.00	0	0	0	0
Total Fixed Income & Short Term											
Total	45,852,684	46,023,897	171,213	0.97	0.21	1.40	0.03	20	204,168	14	(32,955)
Equity											
Common Stock	0	0	0					0	0	0	0
Total	0	0	0					0	0	0	0
Grand Total											
Total	45,852,684	46,023,897	171,213					20	204,168	14	(32,955)

Maturity Schedule By Weighted Average Life



Effective Maturity Schedule

Year	Book Value	Tax Equiv. Book Yield	% of Total Book Value
2021	3,972,369	2.46	9%
2022	13,905,847	2.03	32%
2023	17,383,719	0.22	39%
2024	8,945,166	0.32	20%
2025+	0	0.00	0%
Subtotal	44,207,101	1.01	100%
(inc. ABS, Agcy, CMBS, Corp, Muni, UST)			
MBS	0	0.00	0%
TOTAL	44,207,101	1.01	100%

Performance

**Tax-Equivalent Total Return
as of 09/30/2021
Inception Date: 07/01/2010**

	Portfolio	Benchmark	Difference
Quarter to Date	0.04%	0.05%	-0.01%
Year to Date	0.02%	0.11%	-0.08%
Since Inception	1.46%	1.29%	0.18%

Benchmark Composition:

100.0% Garden State Duration Matched Treasury

Bond Purchases

Trade Date	Description	Security Type	S&P Rating	Moody's Rating	Coupon	Maturity Date	Call Date	Price	Cost	Pre-Tax Book Yield	Tax-Equivalent Book Yield
07/06/2021	US TREASURY N/B	Treasury	AA+	Aaa	0.250	03/15/2024	N/A	99.71	1,495,723	0.36	0.36
07/06/2021	US TREASURY N/B	Treasury	AA+	Aaa	0.375	04/15/2024	N/A	99.98	1,399,727	0.38	0.38
08/04/2021	US TREASURY N/B	Treasury	AA+	Aaa	1.625	10/31/2023	N/A	103.18	180,558	0.20	0.20
08/04/2021	US TREASURY N/B	Treasury	AA+	Aaa	2.000	05/31/2024	N/A	104.80	1,572,070	0.29	0.29
08/17/2021	US TREASURY N/B	Treasury	AA+	Aaa	0.375	07/15/2024	N/A	99.93	1,449,037	0.40	0.40
Total									6,097,114	0.35	0.35

Bond Sales, Calls & Maturities

Trade Date	Trade Type	Description	Security Type	S&P Rating	Moody's Rating	Coupon	Effective Maturity	Maturity Date	Price	Book Value	Realized Gain/(Loss)	Pre-Tax Book Yield	Tax-Equivalent Book Yield
07/31/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.250	07/31/2021	07/31/2021	100.00	1,650,000	0	2.37	2.37
08/15/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.125	08/15/2021	08/15/2021	100.00	1,400,000	0	2.69	2.69
09/30/2021	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.125	09/30/2021	09/30/2021	100.00	1,575,000	0	2.34	2.34
Total										4,625,000	0	2.46	2.46

Appendix

Detailed Portfolio Report

Portfolio Holdings Report

Date Acquired	S&P Rating	Moody's Rating	Quantity	Description	Coupon	Effective Maturity	Maturity	Original Cost	Book Value	Market Value	Unrealized Gain/(Loss)	Book Yield	Market Yield	Effective Duration	Avg Life	Convexity
Money Market																
08/16/2021			1,645,583	BANK OF AMER/ML	0.00			1,645,583	1,645,583	1,645,583	0	0.00	0.00	0.00	0.00	
			1,645,583					1,645,583	1,645,583	1,645,583	0	0.00	0.00	0.00	0.00	
Treasury																
06/07/2018	AA+	Aaa	1,500,000	US TREASURY N/B	2.00	10/31/2021	10/31/2021	1,481,621	1,499,605	1,502,220	2,614	2.33	0.24	0.08	0.08	0.00
06/18/2018	AA+	Aaa	1,050,000	US TREASURY N/B	2.13	12/31/2021	12/31/2021	1,028,836	1,048,455	1,055,376	6,921	2.73	0.08	0.25	0.25	0.01
07/02/2019	AA+	Aaa	1,050,000	US TREASURY N/B	1.75	09/30/2022	09/30/2022	1,050,861	1,050,273	1,067,231	16,957	1.72	0.11	0.99	1.00	0.01
07/16/2019	AA+	Aaa	1,025,000	US TREASURY N/B	1.88	10/31/2022	10/31/2022	1,025,721	1,025,245	1,044,619	19,373	1.85	0.11	1.07	1.08	0.02
06/11/2018	AA+	Aaa	1,425,000	US TREASURY N/B	2.00	11/15/2021	11/15/2021	1,404,416	1,424,309	1,428,292	3,983	2.40	0.15	0.12	0.12	0.00
07/05/2018	AA+	Aaa	1,140,000	US TREASURY N/B	2.00	02/15/2022	02/15/2022	1,116,478	1,137,451	1,148,242	10,791	2.61	0.07	0.38	0.38	0.00
11/09/2020	AA+	Aaa	1,125,000	US TREASURY N/B	1.63	10/31/2023	10/31/2023	1,169,374	1,157,385	1,155,758	(1,628)	0.24	0.31	2.04	2.08	0.05
06/24/2019	AA+	Aaa	1,000,000	US TREASURY N/B	1.63	08/15/2022	08/15/2022	997,305	999,239	1,013,360	14,121	1.71	0.10	0.87	0.87	0.01
01/22/2020	AA+	Aaa	1,275,000	US TREASURY N/B	1.63	11/15/2022	11/15/2022	1,278,287	1,276,333	1,296,611	20,278	1.53	0.12	1.11	1.12	0.02
06/25/2018	AA+	Aaa	1,050,000	US TREASURY N/B	1.88	01/31/2022	01/31/2022	1,020,592	1,047,177	1,056,279	9,102	2.70	0.09	0.33	0.33	0.00
05/05/2021	AA+	Aaa	1,425,000	US TREASURY N/B	2.25	01/31/2024	01/31/2024	1,502,039	1,490,648	1,487,672	(2,976)	0.27	0.36	2.28	2.33	0.06
06/02/2021	AA+	Aaa	1,475,000	US TREASURY N/B	2.13	02/29/2024	02/29/2024	1,550,479	1,541,492	1,536,994	(4,497)	0.25	0.38	2.36	2.41	0.07
07/05/2018	AA+	Aaa	1,000,000	US TREASURY N/B	1.88	03/31/2022	03/31/2022	971,367	996,024	1,008,980	12,956	2.69	0.08	0.50	0.50	0.00
07/06/2018	AA+	Aaa	1,100,000	US TREASURY N/B	1.88	04/30/2022	04/30/2022	1,067,430	1,094,818	1,111,561	16,743	2.70	0.08	0.57	0.58	0.01
07/16/2018	AA+	Aaa	1,350,000	US TREASURY N/B	1.88	05/31/2022	05/31/2022	1,308,287	1,342,544	1,366,133	23,588	2.72	0.08	0.66	0.66	0.01
08/20/2018	AA+	Aaa	1,325,000	US TREASURY N/B	2.13	06/30/2022	06/30/2022	1,297,931	1,319,548	1,345,233	25,685	2.69	0.09	0.74	0.75	0.01
06/19/2019	AA+	Aaa	1,065,000	US TREASURY N/B	2.00	07/31/2022	07/31/2022	1,072,425	1,067,028	1,081,934	14,906	1.77	0.09	0.82	0.83	0.01
08/04/2021	AA+	Aaa	1,500,000	US TREASURY N/B	2.00	05/31/2024	05/31/2024	1,572,070	1,568,105	1,561,755	(6,350)	0.29	0.45	2.59	2.66	0.08
03/10/2020	AA+	Aaa	1,525,000	US TREASURY N/B	1.63	12/15/2022	12/15/2022	1,576,365	1,550,168	1,552,526	2,358	0.25	0.13	1.19	1.21	0.02
06/24/2020	AA+	Aaa	1,500,000	US TREASURY N/B	1.50	01/15/2023	01/15/2023	1,549,570	1,525,021	1,526,190	1,169	0.20	0.15	1.28	1.29	0.02
04/22/2020	AA+	Aaa	1,175,000	US TREASURY N/B	1.38	02/15/2023	02/15/2023	1,211,804	1,193,402	1,194,599	1,197	0.23	0.16	1.36	1.38	0.03
05/15/2020	AA+	Aaa	1,000,000	US TREASURY N/B	0.50	03/15/2023	03/15/2023	1,008,984	1,004,638	1,004,730	92	0.18	0.18	1.45	1.45	0.03
05/05/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	04/15/2023	04/15/2023	1,500,449	1,500,242	1,501,290	1,048	0.24	0.19	1.53	1.54	0.03
05/15/2020	AA+	Aaa	1,290,000	US TREASURY N/B	0.13	05/15/2023	05/15/2023	1,287,179	1,288,447	1,288,233	(214)	0.20	0.21	1.62	1.62	0.03
06/16/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	06/15/2023	06/15/2023	1,500,527	1,500,301	1,500,585	284	0.24	0.23	1.70	1.70	0.04
07/16/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.13	07/15/2023	07/15/2023	1,498,066	1,498,844	1,496,955	(1,889)	0.17	0.24	1.79	1.79	0.04
08/13/2020	AA+	Aaa	1,000,000	US TREASURY N/B	0.13	08/15/2023	08/15/2023	998,625	999,122	997,660	(1,462)	0.17	0.25	1.87	1.87	0.04
10/02/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.13	09/15/2023	09/15/2023	1,498,184	1,498,793	1,495,605	(3,188)	0.17	0.28	1.95	1.96	0.05
12/07/2020	AA+	Aaa	1,000,000	US TREASURY N/B	0.13	10/15/2023	10/15/2023	998,047	998,602	996,560	(2,042)	0.19	0.29	2.03	2.04	0.05
04/05/2021	AA+	Aaa	1,575,000	US TREASURY N/B	0.25	11/15/2023	11/15/2023	1,573,277	1,573,597	1,573,031	(566)	0.29	0.31	2.12	2.12	0.06
05/03/2021	AA+	Aaa	1,650,000	US TREASURY N/B	0.13	12/15/2023	12/15/2023	1,644,457	1,645,325	1,642,526	(2,799)	0.25	0.33	2.20	2.21	0.06
07/06/2021	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	03/15/2024	03/15/2024	1,495,723	1,496,094	1,495,080	(1,014)	0.36	0.38	2.45	2.45	0.07
07/06/2021	AA+	Aaa	1,400,000	US TREASURY N/B	0.38	04/15/2024	04/15/2024	1,399,727	1,399,750	1,398,572	(1,178)	0.38	0.42	2.53	2.54	0.08

Portfolio Holdings Report

Date Acquired	S&P Rating	Moody's Rating	Quantity	Description	Coupon	Effective Maturity	Maturity	Original Cost	Book Value	Market Value	Unrealized Gain/(Loss)	Book Yield	Market Yield	Effective Duration	Avg Life	Convexity
08/17/2021	AA+	Aaa	1,450,000	US TREASURY N/B	0.38	07/15/2024	07/15/2024	1,449,037	1,449,077	1,445,926	(3,151)	0.40	0.48	2.77	2.79	0.09
			43,945,000					44,105,540	44,207,101	44,378,314	171,213	1.01	0.22	1.46	1.47	0.03
			45,590,583					45,751,123	45,852,684	46,023,897	171,213	0.97	0.21	1.40	1.41	0.03

Glossary of Terms

Security Types	
Adjustable Rate Mortgage (ARM)	A mortgage in which the interest rate is changed at regular intervals to reflect fluctuations in market interest rates. Because the borrower takes some of the risk of rising interest rates, the initial rate may be lower than that on a fixed-rate mortgage. There are often limitations on the interest rate change from one period to the next, with a rate cap for the life of the loan.
Agency	A fixed income security issued by a government-sponsored agency, such as Ginnie Mae, Freddie Mac, or the Tennessee Valley Authority. Depending on the issuer, these bonds may or may not be backed by the full faith and credit of the U.S. government.
Asset-Backed Security (ABS)	A fixed income security backed by the cash flows from loans or leases. Auto loans, home equity loans, and credit card receivables are the most common assets backing these securities. Principal and interest payments made by borrowers are redirected to owners of ABS to meet the scheduled coupon and principal payments.
Collateralized Mortgage Obligation (CMO)	A security similar to a mortgage-pass through. In a CMO, the principal and interest received from borrowers is split into different classes called tranches. The structure of CMO payment tranches makes the timing of cash flows more certain for owners of some tranches and less certain for owners of other tranches. More uncertain tranches typically provide higher yields.
Commercial Mortgage-Backed Security (CMBS)	A fixed income security backed by the cash flows from commercial real estate mortgages. All principal and interest from the mortgages flow to bond holders in a defined sequence. Common types of real estate involved are apartment buildings, office and retail space, hotels, and health care facilities.
Corporate (Corp)	A fixed income security issued by a private corporation.
Mortgage Pass-Through (MPT)	A fixed income security backed by the cash flows from residential mortgages. Monthly principal and interest payments made by borrowers are redirected to owners of MPTs as they are received. Because borrowers may prepay their mortgages (perhaps due to refinancing or selling the house), the timing of cash flows on these securities is uncertain.
Preferred Stock (Preferred)	Capital stock having priority over a corporation's common stock in the distribution of dividends. In the event of a liquidation, preferred stock's claim on assets ranks above that of common stock but below that of bank loans or corporate bonds.
Tax-exempt Municipal (ExMuni)	A fixed income security, issued by a state or municipality, paying interest that is exempt from federal income tax. Interest may or may not be exempt from state and local tax.
Taxable Municipal (TaxMuni)	A fixed income security, issued by a state or municipality, paying interest that is subject to federal income tax. Typically issued much less commonly than tax-exempt municipalities.
Treasury	A marketable fixed income security issued by the U.S. Department of the Treasury and backed by the full faith and credit of the U.S. government.

Glossary of Terms

Definitions	
Average Life	The dollar-weighted average time to maturity of a stream of principal cash flows. Also referred to as “weighted average life” or “WAL”.
Basis Point (bp)	1/100 of 1% (or equivalently .0001).
Benchmark	<p>An index against which performance can be measured. Attributes of a good benchmark include:</p> <p><i>Objective:</i> The index should be identified ahead of the time, it should be easily understood, and the construction rules should be clearly defined.</p> <p><i>Replicable:</i> The manager should be able to replicate the returns passively.</p> <p><i>Relevant:</i> The index should represent the manager’s neutral position. In other words, without the manager’s input, the index should represent a reasonable portfolio the company would purchase.</p> <p><i>Tax Adjusted:</i> The benchmark should adjust for the different tax rates on various security types</p>
Book Income	Dollars of investment income that flow through an insurance company’s income statement. This is equal to coupon received plus any accretion/ (amortization) of book value. It can also include any <u>realized</u> gains or losses in the portfolio.
Book Value	The value of a security that is reflected on an insurance company’s balance sheet. For fixed income securities on a statutory and tax basis this is the amortized value. The amortized value periodically writes up any accrual of purchase discount (or writes down amortization of premium) over the life of the security. The amortized value holds the underlying “book yield” constant and therefore does not swing with movements in the market.
Book Yield	The average annual yield which a bond purchased and held to maturity will earn over the period it is owned. This is generally fixed at the time of purchase of the security. The book yield can be used to calculate the book value of the security at any time between purchase and maturity.
Cash Flow	Interest and principal payments from the securities in a fixed income portfolio. A bullet (non-callable) bond will typically pay a coupon payment every 6 months, with a return of principal at maturity. For mortgage-backed securities and asset-backed securities, cash flows generally arrive monthly from both interest and principal. This principal portion contains both the planned return of principal and prepayment of principal due to reasons such as mortgage refinancing.
Convexity	Describes the sensitivity of a bond’s duration to a change in yield. As yields decrease, duration increases on bonds with positive convexity and decreases on bonds with negative convexity. This causes bonds with negative convexity to underperform when yields increase or decrease by large amounts.
Credit Risk	The risk that the issuer of a fixed income security may default and be unable to make timely interest and principal payments on the security.
Duration	The sensitivity of a bond’s price to a change in yield. Duration generally increases for bonds with longer maturities, meaning these bonds are more sensitive to yield changes. Bond price and yield move in opposite directions. Example: A bond with a duration of 5.0 would experience a price decrease of 5% for every 1% (100 bps) increase in interest rates.

Glossary of Terms

Definitions (cont.)	
DYCARRSM	A proprietary model designed specifically for P/C insurance companies to maximize investment income while managing interest rate risk (see definition.) The model applies stress tests to projected operational cash flow and finds the likelihood that bonds in the portfolio will need to be liquidated in order to meet cash flow needs (such as the payment of losses). This may allow a company to invest in longer duration securities with higher yields.
FICO Score	A generic credit score developed by Fair, Isaac and Company, Inc., designed to predict the likelihood of borrowers becoming delinquent in their credit obligations.
Gross Domestic Product (GDP)	The total market value of all final goods and services produced in a country in a given year; it is equal to total consumer, investment, and government spending, plus exports, minus imports.
Interest Rate Risk	The risk to a bondholder that an increase in interest rates will cause bond prices to fall. Interest rates and market prices for fixed income securities generally move in opposite directions. Interest rate changes are the largest cause of changes in the market value of a bond portfolio.
Loan to Value (LTV)	A lending risk assessment ratio used in mortgage lending. LTV is calculated by dividing the mortgage amount by the lesser of appraised value or selling price. Residential mortgage loans conforming to agency guidelines have LTV ratios of 80% or lower at origination. Lenders will frequently require lower LTV ratios for commercial or investment properties.
Market Value	Estimated value of the bond based on current market price. This value fluctuates continually with interest rates and perceived risk of the issuer. Reflects the amount that could be received by selling the bond.
Option Adjusted Spread (OAS)	The portion of a bond's yield which is attributable to the credit risk of a bond as perceived by the market. This allows for comparison between bonds with or without embedded options such as calls, puts, and prepayment features.
Realized Gain/(Loss)	Difference between market and book value when a bond is sold. If market is greater than book value the bond was sold at a realized capital gain. Realized capital gains/(losses) flow through an insurer's income statement.
Tax Equivalent Yield	Yield adjusted for taxes, which allows for comparison of taxable bonds to tax-exempt bonds. Calculated by dividing after-tax yield by 0.65 (1 minus 35%).
Total Return	The return on a security or portfolio that reflects both income and price change. Assumes that the security or portfolio is priced using fair value at the end of the evaluation period.
Unrealized Gain/(Loss)	The difference between market value and book value on a bond. If market value is greater than book value the bond is at an unrealized gain. Under statutory accounting rules, changes in unrealized gain/(loss) do not affect income.
Volatility Adjusted Duration	A portfolio duration which has been adjusted for the lower observed price volatility seen in tax-exempt municipal bonds. Historically municipals appear to have about 15% lower price volatility than their stated durations suggest; this measure takes that observance into account.
Whole Loan	An original residential mortgage loan; distinct from a pooled pass-through which contains multiple loans. Non-agency CMOs use whole loans as collateral. They usually include jumbo mortgages and other mortgages which do not conform to the standards required for securitization by the agencies (GNMA, FNMA, FHLMC).
Yield	The implied return achievable for purchasing a bond at a given price.

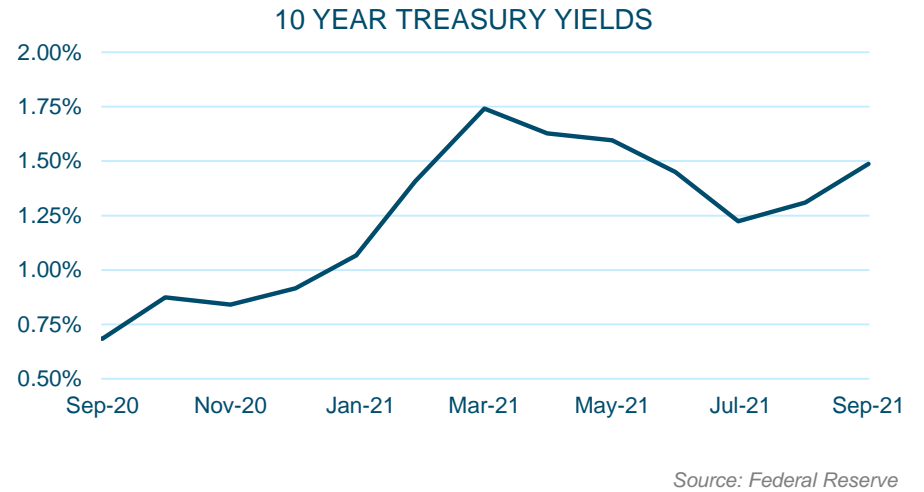
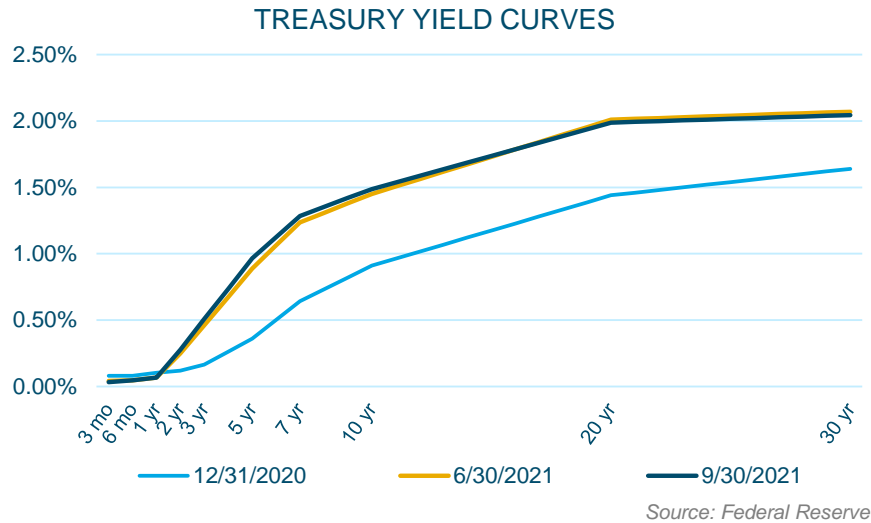
Appendix

Presentation Overview

Overview

- Economic overview and market update
- Portfolio review
- Performance

Treasury Yields and the Economy

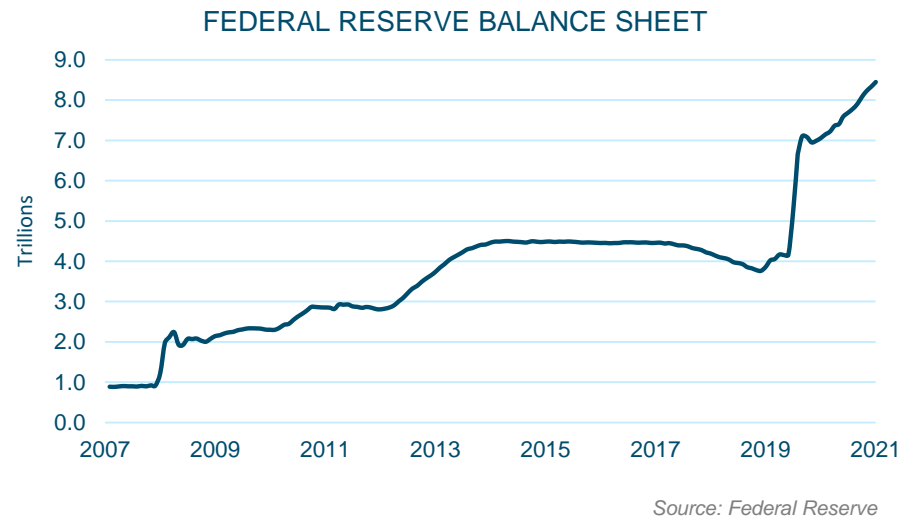


FOMC MEETING PROJECTIONS

	GDP			
	2021	2022	2023	2024
Sep-21	5.9%	3.8%	2.5%	2.0%
Jun-21	7.0%	3.3%	2.4%	
Mar-21	6.5%	3.3%	2.2%	

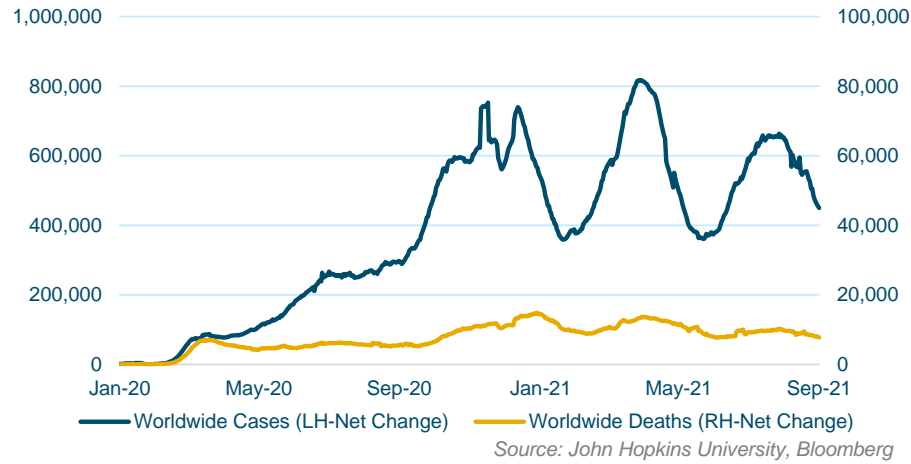
	Inflation (Core PCE)			
	2021	2022	2023	2024
Sep-21	3.7%	2.3%	2.2%	2.1%
Jun-21	3.0%	2.1%	2.1%	
Mar-21	2.2%	2.0%	2.1%	

Source: Federal Reserve, Bloomberg

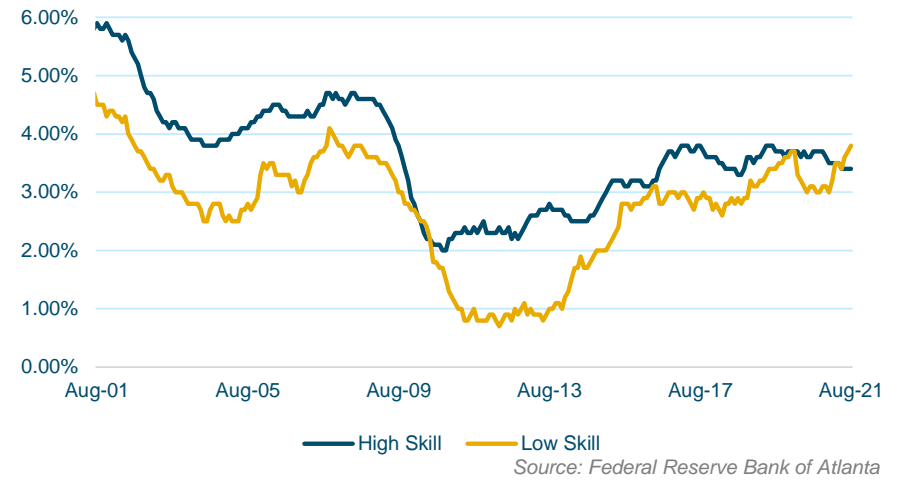


Market Indicators

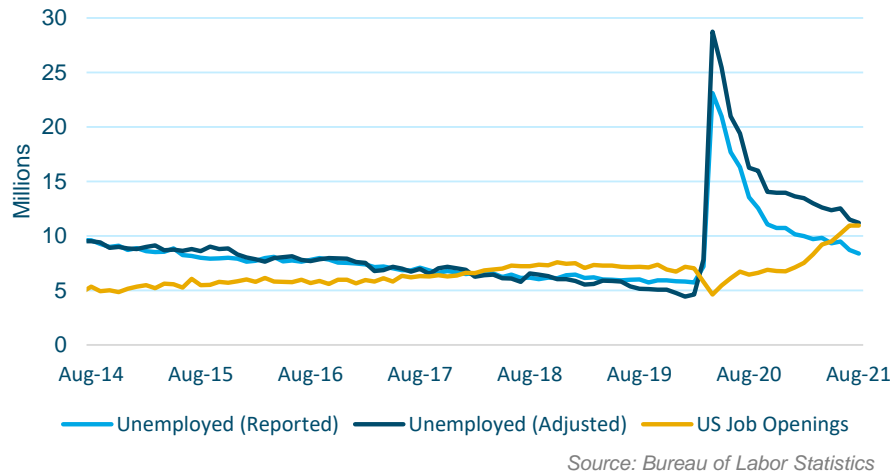
GLOBAL COVID CASES AND DEATHS



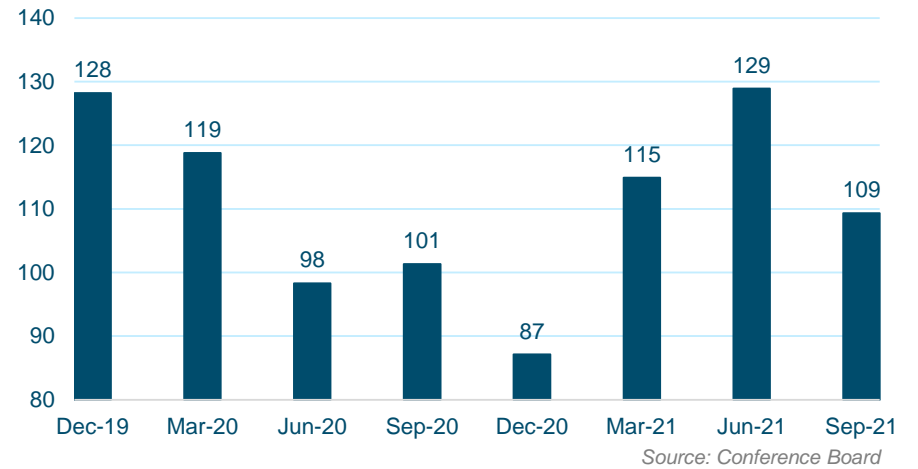
WAGE GROWTH



UNEMPLOYED and JOB OPENINGS



CONSUMER CONFIDENCE INDEX



Portfolio Changes

Garden State Muni Joint Insurance Fund	09/30/2020	12/31/2020	03/31/2021	06/30/2021	09/30/2021
Treasury Yields					
2 yr Treasury Yield	0.13%	0.12%	0.16%	0.25%	0.29%
5 yr Treasury Yield	0.27%	0.36%	0.93%	0.88%	0.98%
10 yr Treasury Yield	0.68%	0.91%	1.74%	1.45%	1.52%
Book Statistics					
Tax-Equivalent Book Yield	1.61%	1.53%	1.42%	1.21%	0.97%
Book Value (\$)	50,358,925	48,313,018	44,207,877	44,361,024	45,852,684
Projected Tax-Equivalent Income, next 12 months (\$)	812,485	737,169	627,408	538,635	446,816
Unrealized Gains/(Losses) (\$)	785,384	607,591	440,032	279,613	171,213
YTD Realized Gains/(Losses) (\$)	0	0	0	0	0
Portfolio Risk Statistics					
Effective Duration	1.28	1.32	1.20	1.33	1.40
Convexity	0.03	0.03	0.03	0.03	0.03
Weighted Average Life	1.29	1.33	1.21	1.34	1.41
Average Rating	AA+	AA+	AA+	AA+	AA+
Portfolio Sector Allocation					
Treasury	94%	97%	93%	96%	96%
Agency	0%	0%	0%	0%	0%
Corporate	0%	0%	0%	0%	0%
Taxable Municipal	0%	0%	0%	0%	0%
Tax-exempt Municipal	0%	0%	0%	0%	0%
Mortgage Pass-Through	0%	0%	0%	0%	0%
CMOs	0%	0%	0%	0%	0%
ARMs	0%	0%	0%	0%	0%
Asset Backed	0%	0%	0%	0%	0%
CMBS	0%	0%	0%	0%	0%
Cash & Cash Equivalents	6%	3%	7%	4%	4%

Performance

**Tax-Equivalent Total Return
as of 09/30/2021
Inception Date: 07/01/2010**

	Portfolio	Benchmark	Difference
Quarter to Date	0.04%	0.05%	-0.01%
Year to Date	0.02%	0.11%	-0.08%
Since Inception	1.46%	1.29%	0.18%

Benchmark Composition:

100.0% Garden State Duration Matched Treasury