



Quarterly Investment Report

As of 9/30/2022



Executive Summary

PORTFOLIO STATISTICS:

Quarter Ending:	06/30/2022	09/30/2022
Tax-Equivalent Book Yield	0.73%	0.82%
Book Value	\$43,634,485	\$43,716,523
Projected Tax-Equivalent Annual Income	\$319,442	\$359,411
Unrealized Gain	-\$1,154,713	-\$1,611,069
YTD Realized Gain	\$20,388	\$20,388
Portfolio Duration	1.28	1.21
Average Credit Quality	AA+	AA+

PORTFOLIO ALLOCATION:

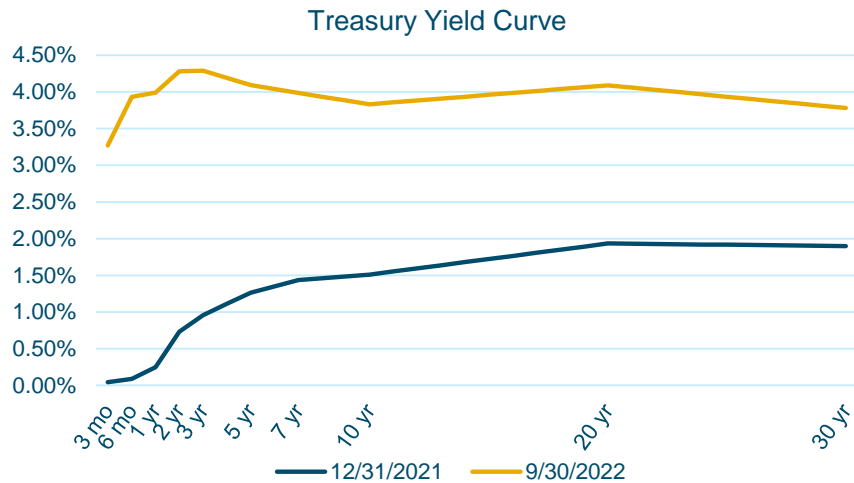
Sector	06/30/2022	09/30/2022
Treasury	98%	97%
Agency	0%	0%
Credit	0%	0%
Exempt Muni	0%	0%
Taxable Muni	0%	0%
MPT	0%	0%
CMO	0%	0%
ABS	0%	0%
CMBS	0%	0%
Short-Term	2%	3%

PERFORMANCE:

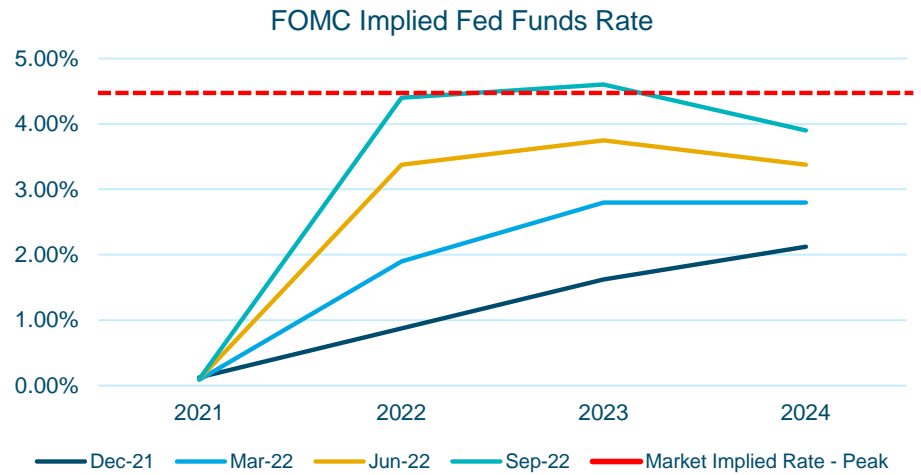
Tax-equivalent Performance	Portfolio	Target/Benchmark	Difference
YTD Booked Income	\$262,238	\$308,853	-\$46,615
QTD Total Return	-0.86%	-0.87%	0.01%
YTD Total Return	-2.93%	-3.12%	0.19%

Economic Outlook

Treasury Yields and the Economy



Source: Federal Reserve



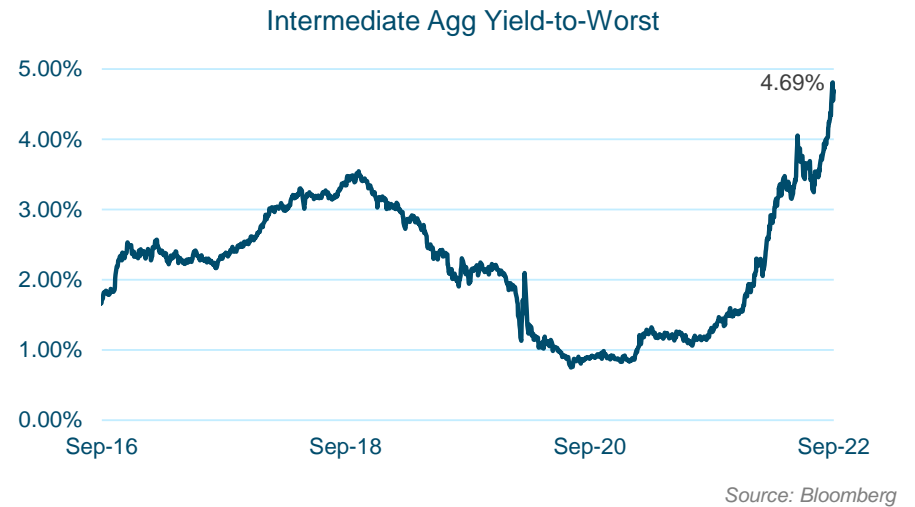
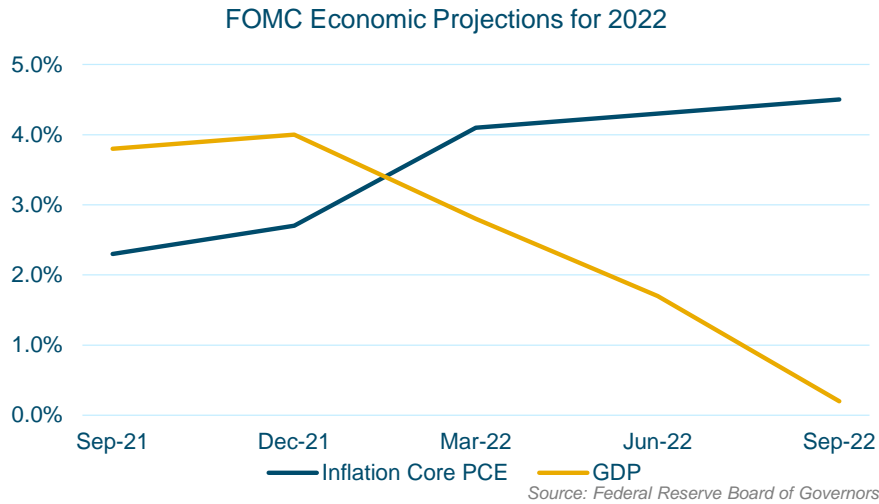
Source: Federal Reserve Board of Governors

Yield Curve & Hike Expectations

- Yield levels continued to push higher as inflation and employment prints remain supportive of further aggressive hiking by the Fed
- While yields fell in late July in response to the market's expectation of a dovish pivot, the Fed quickly dispelled that notion in the weeks leading into the September FOMC meeting. At the meeting, they raised rates by +75 bps, the 3rd hike of that magnitude this year, while also increasing the hawkishness of their future forecasts
- The Federal Reserve remains resolute that they will do "whatever it takes" to restore price stability, even if it comes at the price of higher unemployment and possibly pushing the economy into a recession
 - As a result, 2-year Treasury yields have risen +355 bps YTD to 4.28% in response to the Fed's latest economic projections of increasing the funds rate to nearly 4.4% by year-end 2022
 - 10-year Treasury yields have moved higher as well, but to a lesser extent, reflective of fixed income buyer's expectations for slower future growth
 - 10-year yields have increased by +232 bps YTD to 3.83%
 - The acceleration of hikes during Q2 & Q3 have resulted in extreme rate volatility as well as a yield curve inversion. Currently, the difference between the 2 and 10-year yields have fallen from +78 bps at year-end 2021 to -45 bps ending Q3
- U.S. equities have also struggled YTD as the markets respond to rate hikes and the building potential for a recession in the coming year. The S&P is lower by -24.8% and the Dow is down -20.9% on the year, both falling to the lowest levels since November of 2020

Economic Outlook

Treasury Yields and the Economy



FOMC Projections

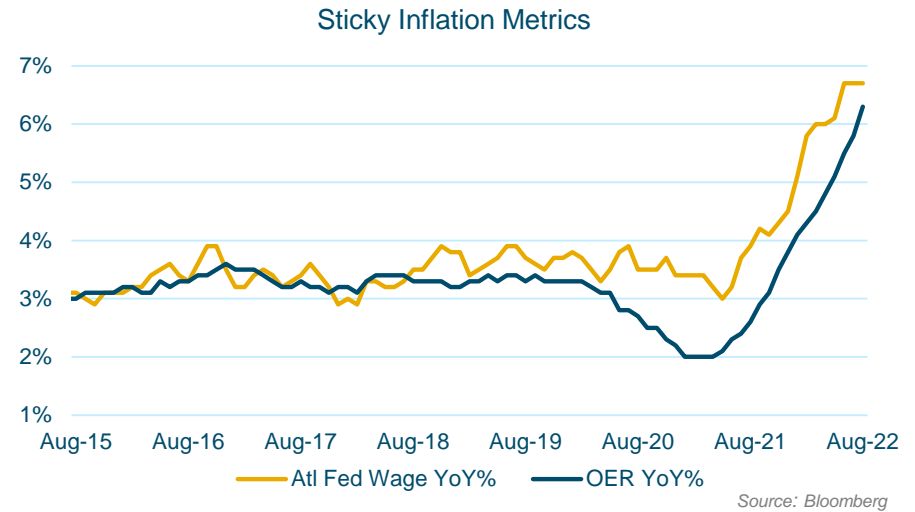
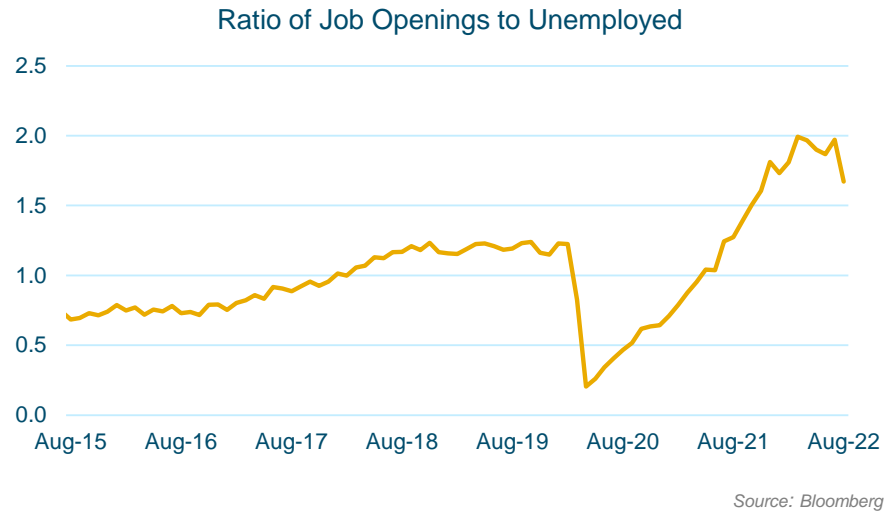
- At the September FOMC meeting, the Fed released their latest Summary of Economic Projections (SEP) which has consistently followed the same pattern over the course of the last year, signaling prolonged higher inflation and slower growth
- In the September release:
 - **GDP:** The FOMC's 2022 growth projections have declined from Dec 2021's anticipated +4.0% level to a meager +0.2% at the Sept meeting
 - **Inflation:** Given ongoing global supply chain disruptions and tight labor market conditions, the FOMC has further delayed the inflation recovery to the target levels of mid-2% until early 2025
 - **Dot Plot:** The Fed has consistently accelerated the pace of rate hikes over the course of year. The median Fed expectations are for an additional 5 rate hikes (+25 bps each, totaling +1.25%) in the final quarter of 2022, taking the Fed Funds rate to approximately 4.4% at year-end and reaching a terminal rate of 4.53% in early 2023

Investment Yields

- On a positive note, rising market yields continue to provide better reinvestment opportunities, reversing downward pressure on portfolio book yields
- The yield to worst for the Bloomberg Intermediate Aggregate ended Q3 at 4.69%, which is well above its average of 2.10% over the past decade

Economic Outlook

Market Indicators



Employment & Wages

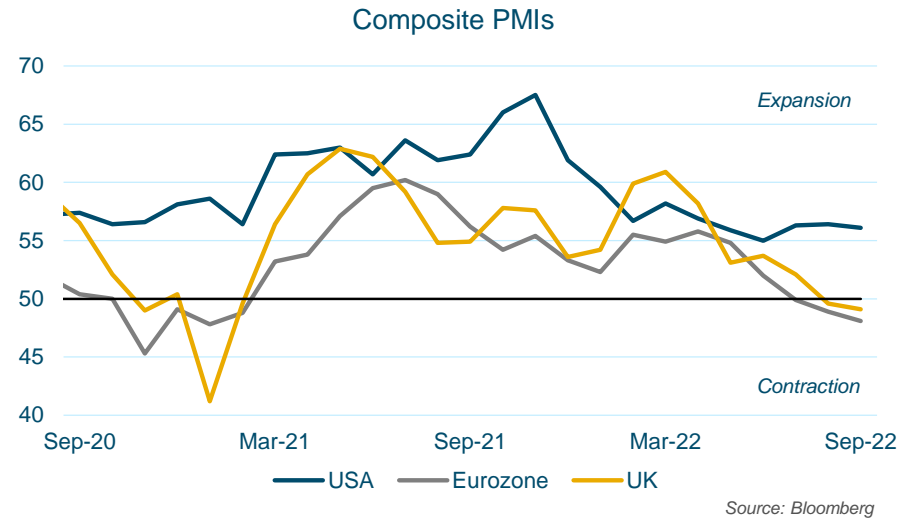
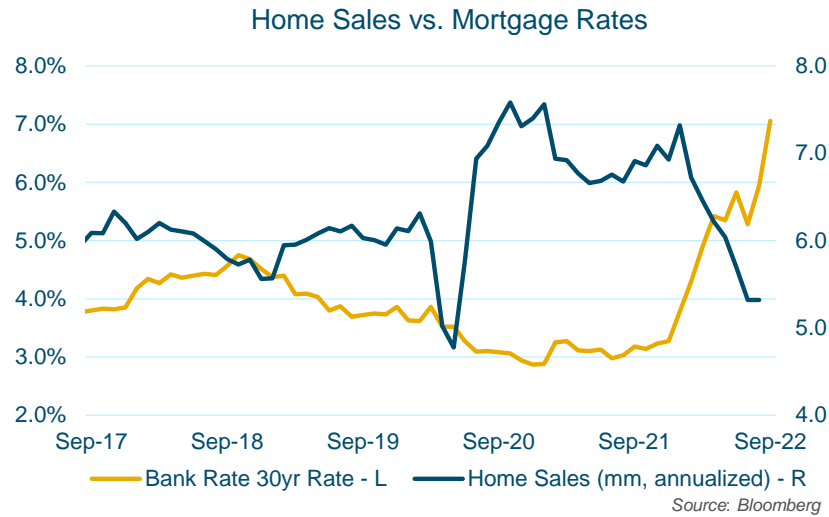
- Employment demand continues to outweigh supply as depicted by the ratio of job openings relative to job seekers
 - While the ratio has fallen from historic highs of 2 openings per seeker, the figure remains extremely elevated at 1.7 as of August.
 - Recently, Powell has cited this measure illustrating a “tight” labor market as the Fed looks to cool the economy enough to bring this ratio back in line with historic norms of roughly 1.2 openings per seeker
- Given tight conditions, businesses face difficulty retaining workers without increasing wages/benefits and pushing production costs higher
 - Wages continue to climb at a rate of +6.7% y/y, feeding concerns about a developing wage-price spiral

Inflation

- While there has been some modest reprieve in headline inflation measures with the decline in oil prices, core inflation measures remain stubbornly high. This has not provided the Fed comfort that inflation is under control nor that it is returning to target levels of 2.0%
 - Core PCE inflation remains at 4.9% y/y. These are levels not witnessed in 40-years
 - While some commodity prices are easing with the “reopening” of global economies, sticky components such as wages and owners’ equivalent rent (OER) will remain supportive of higher core levels for the foreseeable future
 - Wage pressures will continue to remain at elevated levels until labor market imbalances subside
 - Given the lag from the peak of home prices to cost of shelter (roughly 1 year), OER will also provide a floor to elevated core inflation

Economic Outlook

Market Indicators



Mortgage Rates and Home Sales

- Implications of higher rates are feeding through to the broader economy and housing remains one of the most sensitive sectors to these moves
 - With rates falling to record lows during the pandemic, mortgage financing also followed suit and pushed housing demand to record highs
 - Home sales increased and prices soared over 2020 and 2021, reaching double digit year-over-year growth
 - As rates have moved higher with the Fed's push to fight inflation, housing has been one of the first sectors to be impacted
 - 30-year mortgage rates have risen from pandemic lows of 2.82% to 20-year highs of 7.06%
 - Naturally, housing sales have retreated as elevated prices and a higher cost of financing have started to slow demand
 - While still elevated, home prices are beginning to show signs of easing, especially in areas that experienced the fastest pace of growth. In July, the S&P CoreLogic Case-Shiller Index experienced the first decline in home prices since March of 2012

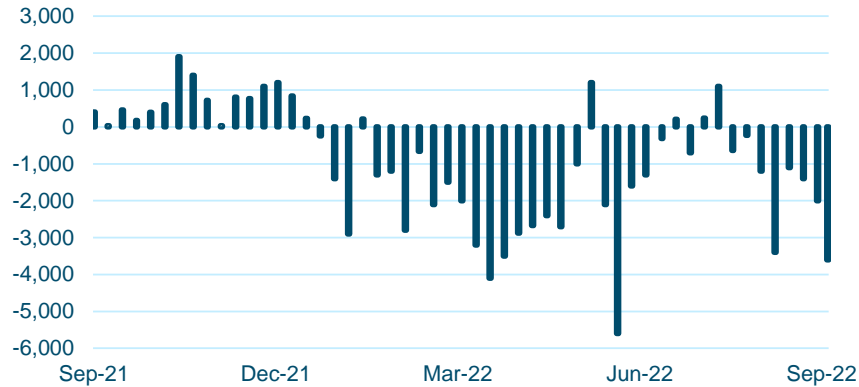
Global Purchasing Managers Index

- Globally, businesses are also feeling the pressure of a higher rate environment and the corresponding impact on future growth prospects
- Composite purchase managers surveys, which combine outlooks for manufacturing and service industries, have declined significantly from peaks in 2021
 - While U.S. companies are feeling the pinch of a slowing economy, outlooks remain in expansion territory
 - Comparatively, both the Eurozone and UK outlooks have weakened and have now fallen into contraction
 - The Russian energy crisis is also negatively impacting European countries more than other areas of the globe

Economic Outlook

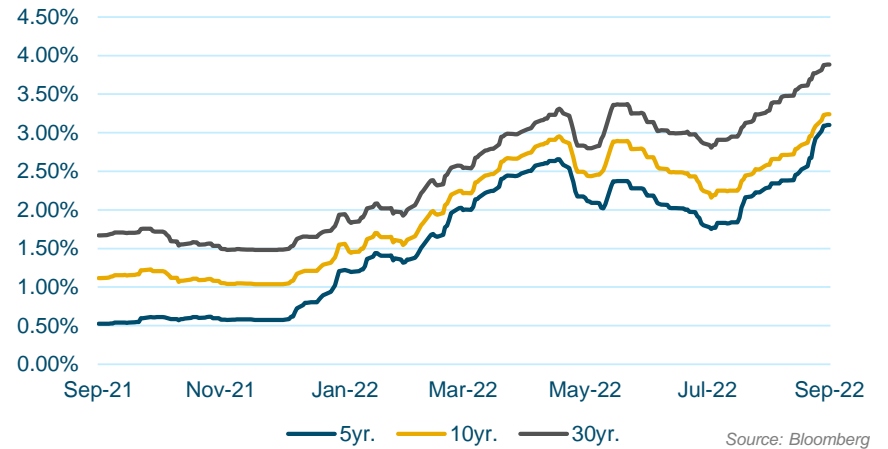
Municipals

Lipper Muni Fund Flows (\$Millions)



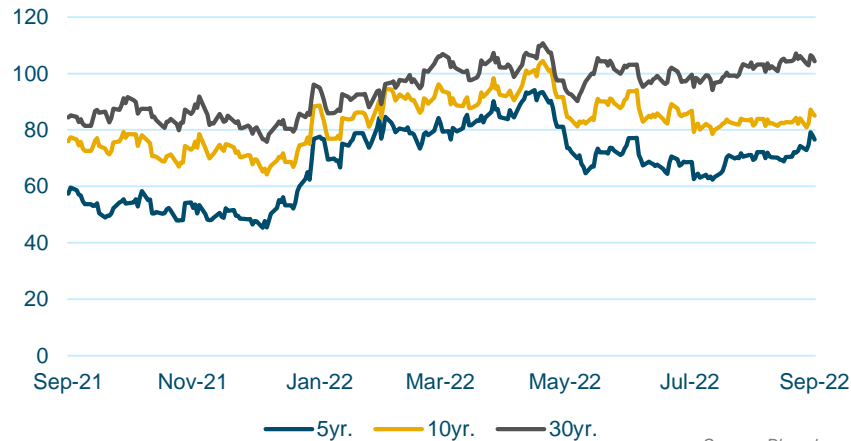
Source: Lipper

AAA Municipal Yields



Source: Bloomberg

AAA Municipals / Treasury Yield Ratios (bps)

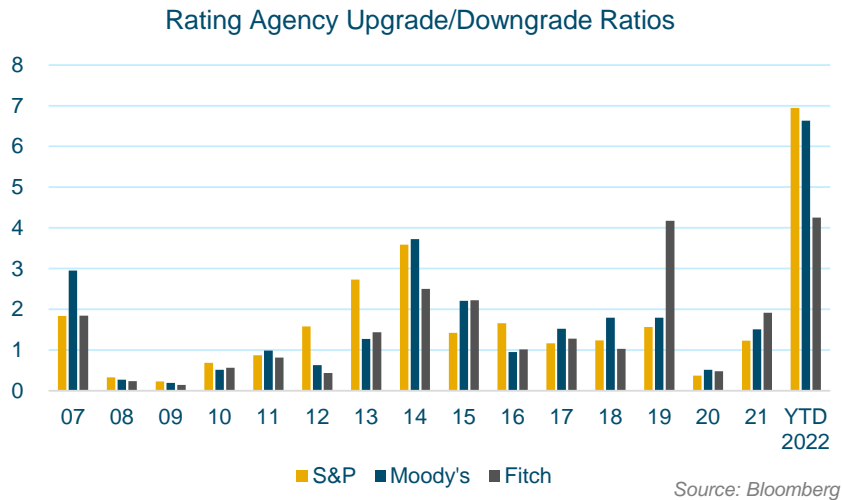
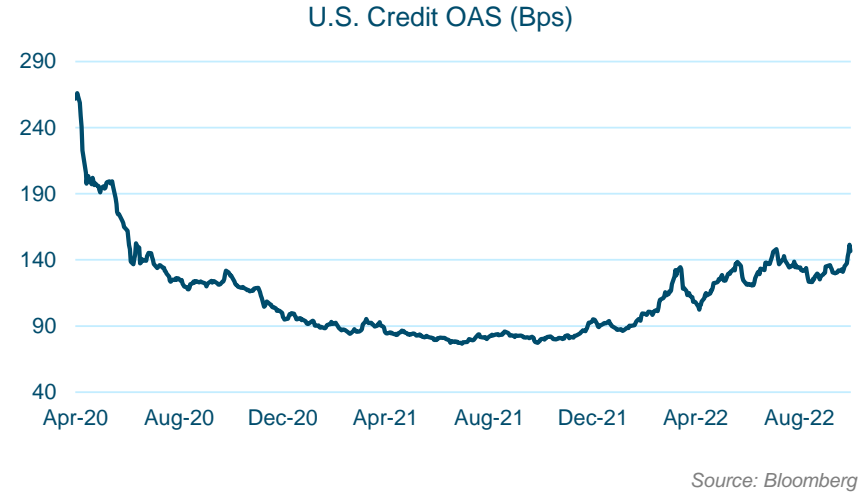
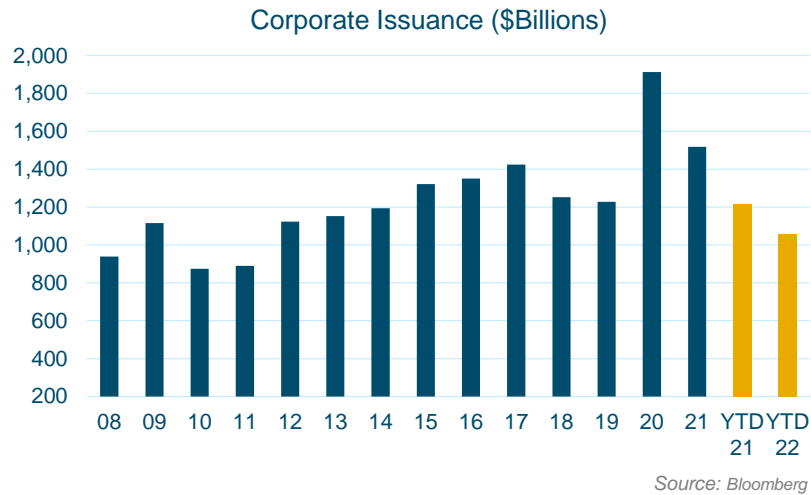


Source: Bloomberg

- Municipal fund flows were negative for the quarter, with outflows averaging about \$1 billion per week and increasing the record year-to-date outflows to \$91 billion. While the Bloomberg Municipal Index experienced negative returns of -3.46% for the quarter, tax-exempts outperformed the taxable alternatives with the Aggregate index posting -4.75%.
- Unlike portions of the Treasury yield curve that is inverted, the municipal curve remains positively sloped. In accounts where durations have "rolled in", this positive slope allows for extension swaps within portfolios.
- The ratio of pre-tax yields to similar maturity Treasuries improved over the quarter, and we continue to layer in purchases across many of the portfolios we manage. Along with providing better relative value, municipal balance sheets remain in good shape post COVID stimulus and should weather an economic slowdown better than many other asset classes.

Economic Outlook

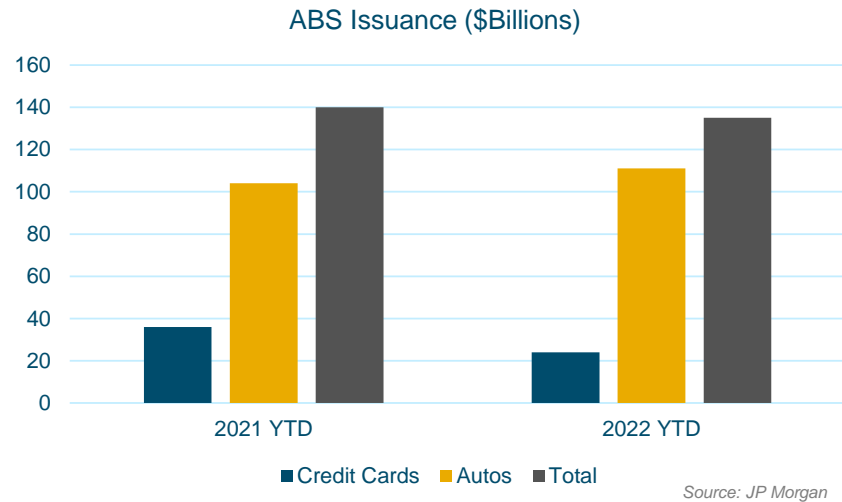
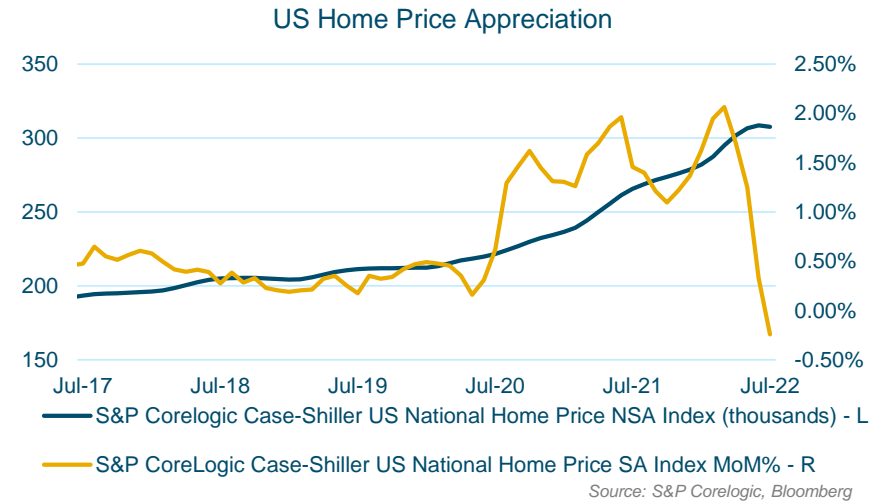
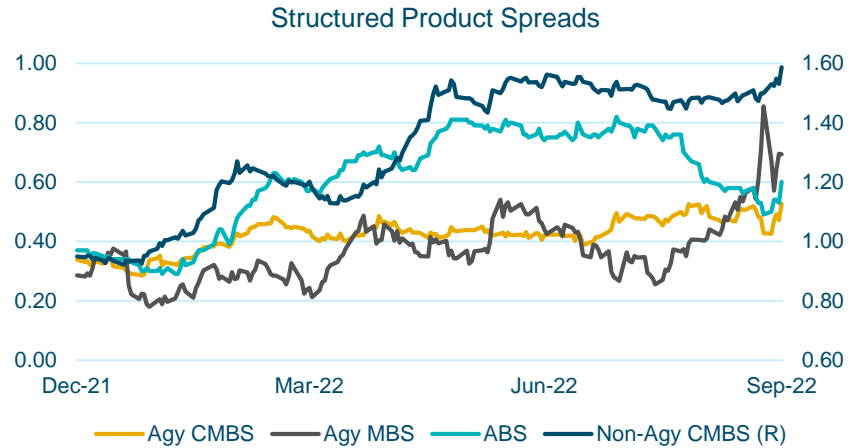
Corporates



- IG spreads continued to widen in Q3'22, trading in a volatile 28bps range. Credit spreads closed the quarter 4bps wider at +147, just inside the year-to-date wides on increasing fears of a recession, as the Fed continues to aggressively fight inflation.
- Q3'22 IG issuance slowed dramatically, falling 33% y/y (-34% q/q) to \$238bn. A hawkish Fed, interest rate volatility, and increasing recessionary fears frequently left issuers on the sidelines.
- Corporate fundamentals continued to soften, albeit from strong levels. Given the inflationary and global growth outlooks, we would expect operating performance to weaken moving forward.
- We retain our tactical overweight to corporates with a high-quality bias.

Economic Outlook

Structured Products

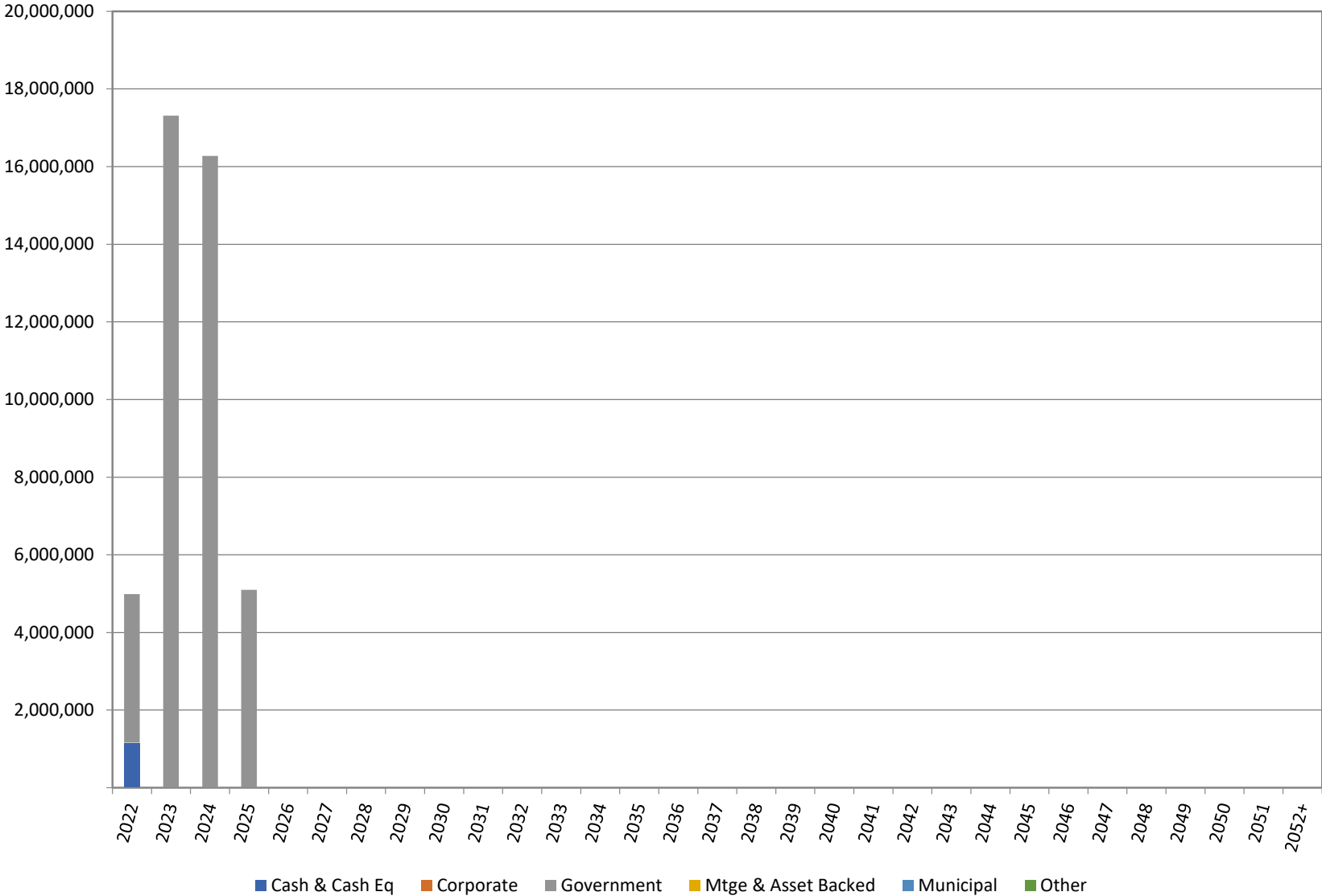


- MBS finished the quarter 25bps wider after a hawkish Fed and concerns about global financial conditions led to a steep rise in rates and volatility. Agency CMBS also widened over the period by 11bps, mostly on lack of participation from banks, on which the sector is heavily dependent. ABS tightened 14bps on slower issuance and a more inverted yield curve, which made yields in the sector more attractive. Non-Agency CMBS also widened slightly (5bps) due to pressure on the sector from higher interest rates.
- US home prices printed their first deceleration in July with a modest drop of 0.2% MoM, according to S&P data. Most housing market analysts believe that this is just the start of a downward trend as would-be buyers feel the pressure from higher mortgage rates and home values that are up over 40% since the start of the COVID pandemic.

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	42,553,233	40,942,164	(1,611,069)	0.84	4.07	1.24	0.03	0	0	33	(1,611,069)
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	42,553,233	40,942,164	(1,611,069)	0.84	4.07	1.24	0.03	0	0	33	(1,611,069)
Short Term											
Sweep Money Market	1,163,290	1,163,290	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	1,163,290	1,163,290	0	0.00	0.00	0.00	0.00	0	0	0	0
Total Fixed Income & Short Term											
Total	43,716,523	42,105,455	(1,611,069)	0.82	3.96	1.21	0.03	0	0	33	(1,611,069)
Equity											
Common Stock	0	0	0					0	0	0	0
Total	0	0	0					0	0	0	0
Grand Total											
Total	43,716,523	42,105,455	(1,611,069)					0	0	33	(1,611,069)

Maturity Schedule By Weighted Average Life



Effective Maturity Schedule

Year	Book Value	Tax Equiv. Book Yield	% of Total Book Value
2022	3,829,449	1.11	9%
2023	17,337,987	0.22	41%
2024	16,341,130	0.78	38%
2025	5,044,667	3.00	12%
2026+	0	0.00	0%
Subtotal	42,553,233	0.84	100%
(inc. ABS, Agcy, CMBS, Corp, Muni, UST)			
MBS	0	0.00	0%
TOTAL	42,553,233	0.84	100%

Performance

**Tax-Equivalent Total Return
as of 09/30/2022
Inception Date: 07/01/2010**

	Portfolio	Benchmark	Difference
Quarter to Date	-0.86%	-0.87%	0.01%
Year to Date	-2.93%	-3.12%	0.19%
Since Inception	1.06%	0.89%	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
07/07/2022	US TREASURY N/B	Treasury	AA+	Aaa	1.750	03/15/2025	N/A	96.71	918,754	3.03	3.03
08/02/2022	US TREASURY N/B	Treasury	AA+	Aaa	2.875	04/30/2025	N/A	99.72	1,146,766	2.98	2.98
08/16/2022	US TREASURY N/B	Treasury	AA+	Aaa	2.750	05/15/2025	N/A	98.77	987,695	3.22	3.22
Total									3,053,215	3.07	3.07

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
07/31/2022	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	2.000	07/31/2022	07/31/2022	100.00	1,065,000	0	1.77	1.77
08/15/2022	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	1.625	08/15/2022	08/15/2022	100.00	1,000,000	0	1.71	1.71
09/30/2022	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	1.750	09/30/2022	09/30/2022	100.00	1,050,000	0	1.72	1.72
Total										3,115,000	0	1.74	1.74

Appendix

Detailed Portfolio Report

Portfolio Holdings Report

CUSIP	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																	
711990333	08/31/2022			1,163,290	TD BK DEP	0.00			1,163,290	1,163,290	1,163,290	0	0.00	0.00	0.00	0.00	
Total Money Market				1,163,290					1,163,290	1,163,290	1,163,290	0	0.00	0.00	0.00	0.00	
Treasury																	
9128283D0	04/22/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.25	10/31/2024	10/31/2024	984,805	987,345	960,630	(26,715)	2.88	4.24	1.98	2.08	0.05
9128283V0	04/22/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.50	01/31/2025	01/31/2025	989,883	991,447	960,980	(30,467)	2.88	4.27	2.22	2.33	0.06
9128283Z1	04/22/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.75	02/28/2025	02/28/2025	996,055	996,653	965,310	(31,343)	2.89	4.27	2.29	2.41	0.06
9128284M9	08/02/2022	AA+	Aaa	1,150,000	US TREASURY N/B	2.88	04/30/2025	04/30/2025	1,146,766	1,146,966	1,111,280	(35,687)	2.98	4.26	2.42	2.58	0.07
912828M49	07/16/2019	AA+	Aaa	1,025,000	US TREASURY N/B	1.88	10/31/2022	10/31/2022	1,025,721	1,025,019	1,024,283	(736)	1.85	2.69	0.08	0.08	0.00
912828T91	11/09/2020	AA+	Aaa	1,125,000	US TREASURY N/B	1.63	10/31/2023	10/31/2023	1,169,374	1,141,847	1,093,275	(48,572)	0.24	4.31	1.05	1.08	0.02
912828TY6	01/22/2020	AA+	Aaa	1,275,000	US TREASURY N/B	1.63	11/15/2022	11/15/2022	1,278,287	1,275,146	1,272,731	(2,415)	1.53	3.04	0.12	0.12	-0.01
912828V80	05/05/2021	AA+	Aaa	1,425,000	US TREASURY N/B	2.25	01/31/2024	01/31/2024	1,502,039	1,462,540	1,387,323	(75,217)	0.27	4.31	1.29	1.33	0.02
912828W48	06/02/2021	AA+	Aaa	1,475,000	US TREASURY N/B	2.13	02/29/2024	02/29/2024	1,550,479	1,514,000	1,431,148	(82,852)	0.25	4.31	1.37	1.41	0.03
912828XT2	08/04/2021	AA+	Aaa	1,500,000	US TREASURY N/B	2.00	05/31/2024	05/31/2024	1,572,070	1,542,600	1,445,040	(97,560)	0.29	4.30	1.60	1.66	0.03
912828XX3	04/22/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.00	06/30/2024	06/30/2024	983,320	986,585	961,800	(24,785)	2.79	4.29	1.68	1.75	0.04
912828YW4	03/10/2020	AA+	Aaa	1,525,000	US TREASURY N/B	1.63	12/15/2022	12/15/2022	1,576,365	1,529,284	1,520,410	(8,874)	0.25	3.07	0.20	0.21	0.01
912828Z29	06/24/2020	AA+	Aaa	1,500,000	US TREASURY N/B	1.50	01/15/2023	01/15/2023	1,549,570	1,505,600	1,491,660	(13,940)	0.20	3.42	0.29	0.29	0.00
912828Z86	04/22/2020	AA+	Aaa	1,175,000	US TREASURY N/B	1.38	02/15/2023	02/15/2023	1,211,804	1,179,997	1,164,496	(15,502)	0.23	3.79	0.37	0.38	0.00
912828ZD5	05/15/2020	AA+	Aaa	1,000,000	US TREASURY N/B	0.50	03/15/2023	03/15/2023	1,008,984	1,001,454	985,080	(16,374)	0.18	3.81	0.44	0.45	0.00
912828ZH6	05/05/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	04/15/2023	04/15/2023	1,500,449	1,500,085	1,470,765	(29,320)	0.24	3.93	0.53	0.54	0.01
912828ZP8	05/15/2020	AA+	Aaa	1,290,000	US TREASURY N/B	0.13	05/15/2023	05/15/2023	1,287,179	1,289,404	1,259,156	(30,247)	0.20	4.04	0.61	0.62	0.01
912828ZU7	06/16/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	06/15/2023	06/15/2023	1,500,527	1,500,124	1,460,040	(40,084)	0.24	4.11	0.69	0.70	0.01
912828ZY9	07/16/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.13	07/15/2023	07/15/2023	1,498,066	1,499,490	1,453,065	(46,425)	0.17	4.19	0.77	0.79	0.01
91282CAF8	08/13/2020	AA+	Aaa	1,000,000	US TREASURY N/B	0.13	08/15/2023	08/15/2023	998,625	999,591	964,960	(34,631)	0.17	4.25	0.86	0.87	0.01
91282CAK7	10/02/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.13	09/15/2023	09/15/2023	1,498,184	1,499,409	1,442,865	(56,544)	0.17	4.22	0.94	0.96	0.01
91282CAP6	12/07/2020	AA+	Aaa	1,000,000	US TREASURY N/B	0.13	10/15/2023	10/15/2023	998,047	999,287	958,200	(41,087)	0.19	4.27	1.02	1.04	0.02
91282CAW1	04/05/2021	AA+	Aaa	1,575,000	US TREASURY N/B	0.25	11/15/2023	11/15/2023	1,573,277	1,574,257	1,505,480	(68,778)	0.29	4.31	1.10	1.12	0.02
91282CBA8	05/03/2021	AA+	Aaa	1,650,000	US TREASURY N/B	0.13	12/15/2023	12/15/2023	1,644,457	1,647,442	1,570,404	(77,038)	0.25	4.27	1.18	1.21	0.02
91282CBR1	07/06/2021	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	03/15/2024	03/15/2024	1,495,723	1,497,681	1,414,800	(82,881)	0.36	4.31	1.42	1.45	0.03
91282CBV2	07/06/2021	AA+	Aaa	1,400,000	US TREASURY N/B	0.38	04/15/2024	04/15/2024	1,399,727	1,399,848	1,318,576	(81,272)	0.38	4.32	1.50	1.54	0.03
91282CCL3	08/17/2021	AA+	Aaa	1,450,000	US TREASURY N/B	0.38	07/15/2024	07/15/2024	1,449,037	1,449,407	1,354,228	(95,179)	0.40	4.24	1.75	1.79	0.04
91282CCT6	11/08/2021	AA+	Aaa	1,525,000	US TREASURY N/B	0.38	08/15/2024	08/15/2024	1,513,205	1,516,987	1,419,150	(97,837)	0.66	4.27	1.83	1.87	0.04
91282CCX7	10/06/2021	AA+	Aaa	1,625,000	US TREASURY N/B	0.38	09/15/2024	09/15/2024	1,617,383	1,619,919	1,507,951	(111,967)	0.54	4.25	1.91	1.96	0.05
91282CDH1	11/17/2021	AA+	Aaa	1,500,000	US TREASURY N/B	0.75	11/15/2024	11/15/2024	1,495,020	1,496,454	1,394,175	(102,279)	0.86	4.26	2.06	2.12	0.05
91282CDN8	02/01/2022	AA+	Aaa	875,000	US TREASURY N/B	1.00	12/15/2024	12/15/2024	865,635	867,764	815,736	(52,028)	1.38	4.25	2.13	2.20	0.06
91282CED9	07/07/2022	AA+	Aaa	950,000	US TREASURY N/B	1.75	03/15/2025	03/15/2025	918,754	921,366	894,710	(26,656)	3.03	4.27	2.36	2.45	0.07
91282CEQ0	08/16/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.75	05/15/2025	05/15/2025	987,695	988,234	962,460	(25,774)	3.22	4.28	2.46	2.62	0.07

Portfolio Holdings Report

CUSIP	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
Total Treasury				42,515,000					42,786,511	42,553,233	40,942,164	(1,611,069)	0.84	4.07	1.24	1.30	0.03
Grand Total				43,678,290					43,949,802	43,716,523	42,105,455	(1,611,069)	0.82	3.96	1.21	1.26	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 municipals.
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.

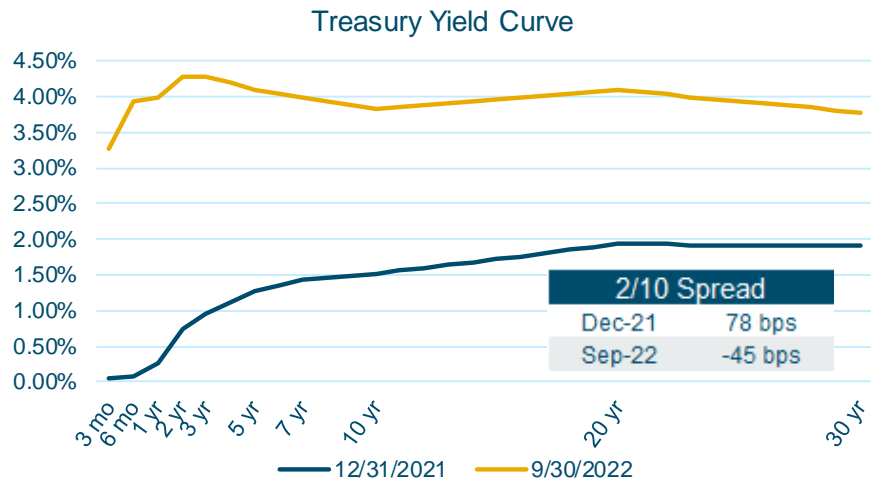
Appendix

Presentation Overview

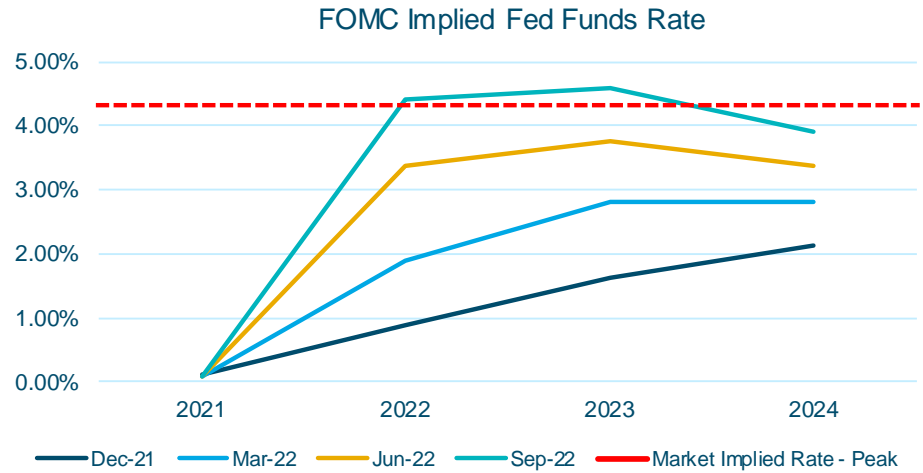
Overview

- Economic overview and market update
- Portfolio review
- Performance

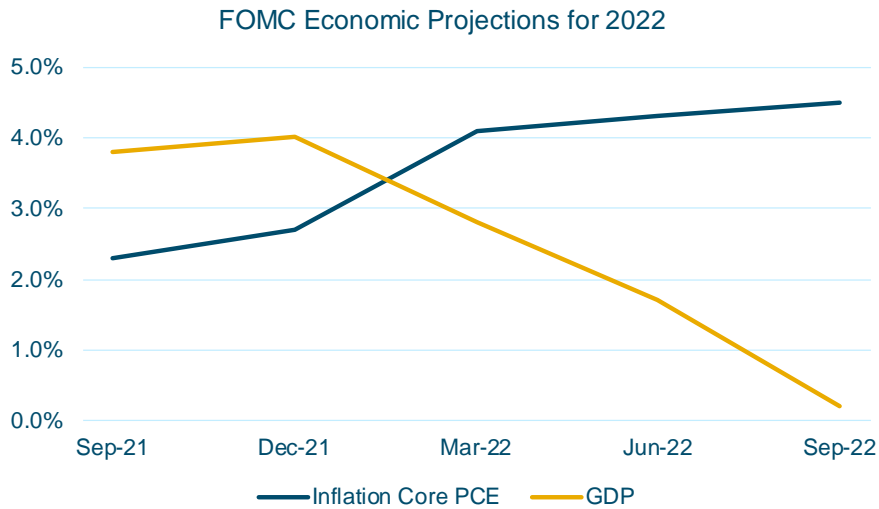
Treasury Yields and the Economy



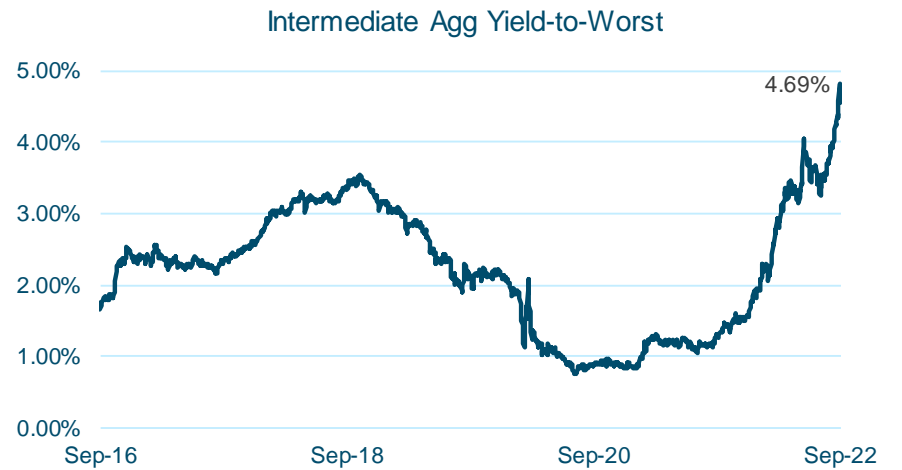
Source: Federal Reserve



Source: Federal Reserve Board of Governors



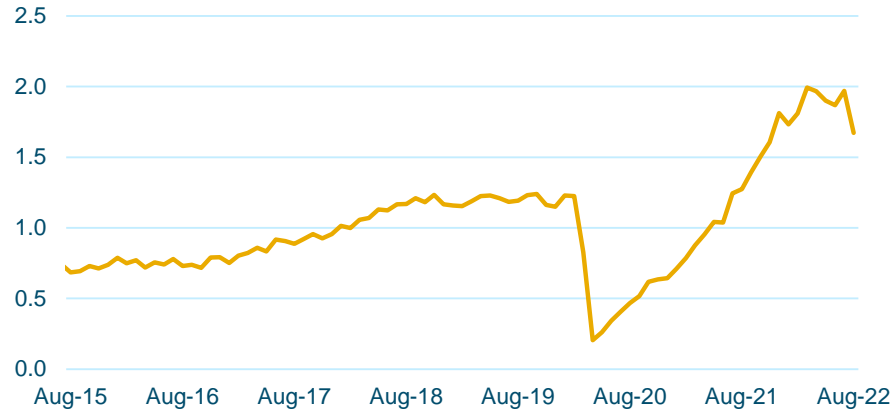
Source: Federal Reserve Board of Governors



Source: Bloomberg

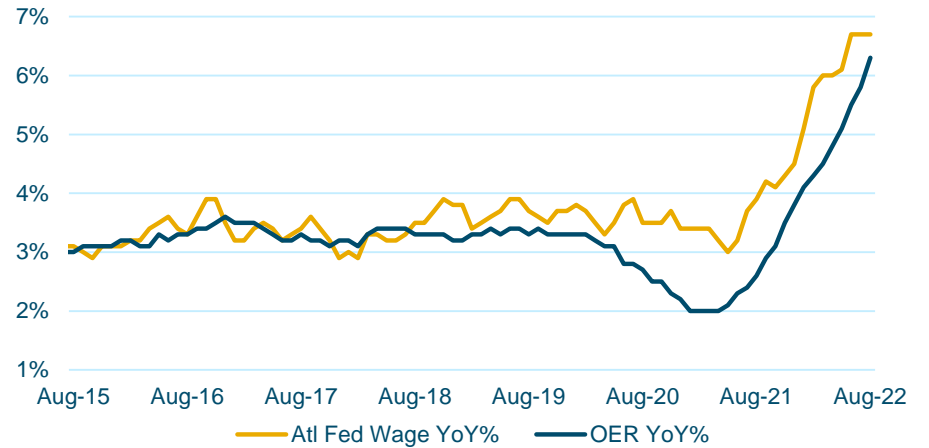
Market Indicators

Ratio of Job Openings to Unemployed



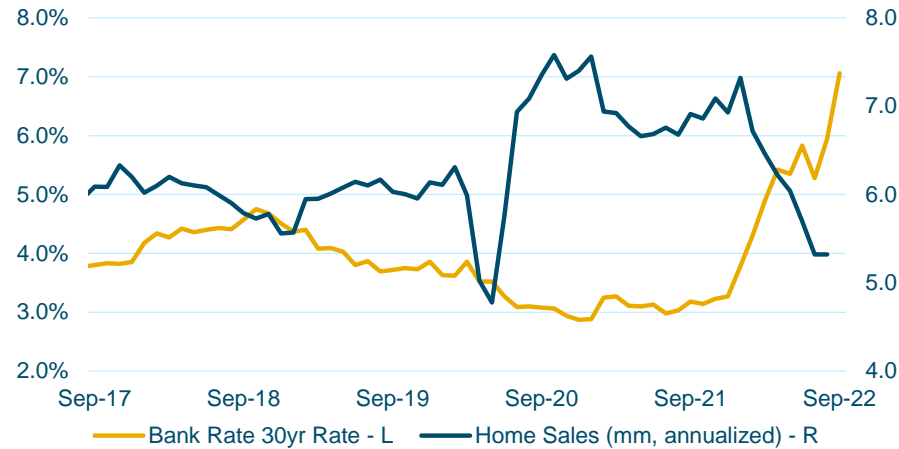
Source: Bloomberg

Sticky Inflation Metrics



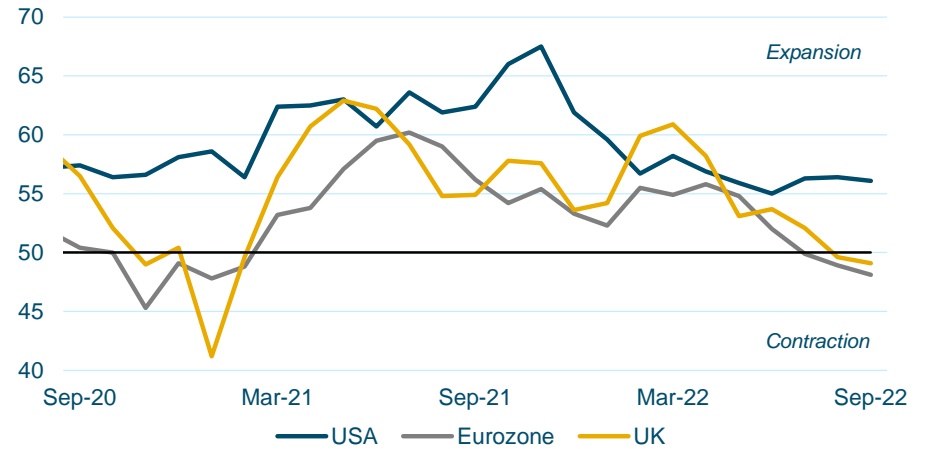
Source: Bloomberg

Home Sales vs. Mortgage Rates



Source: Bloomberg

Composite PMIs



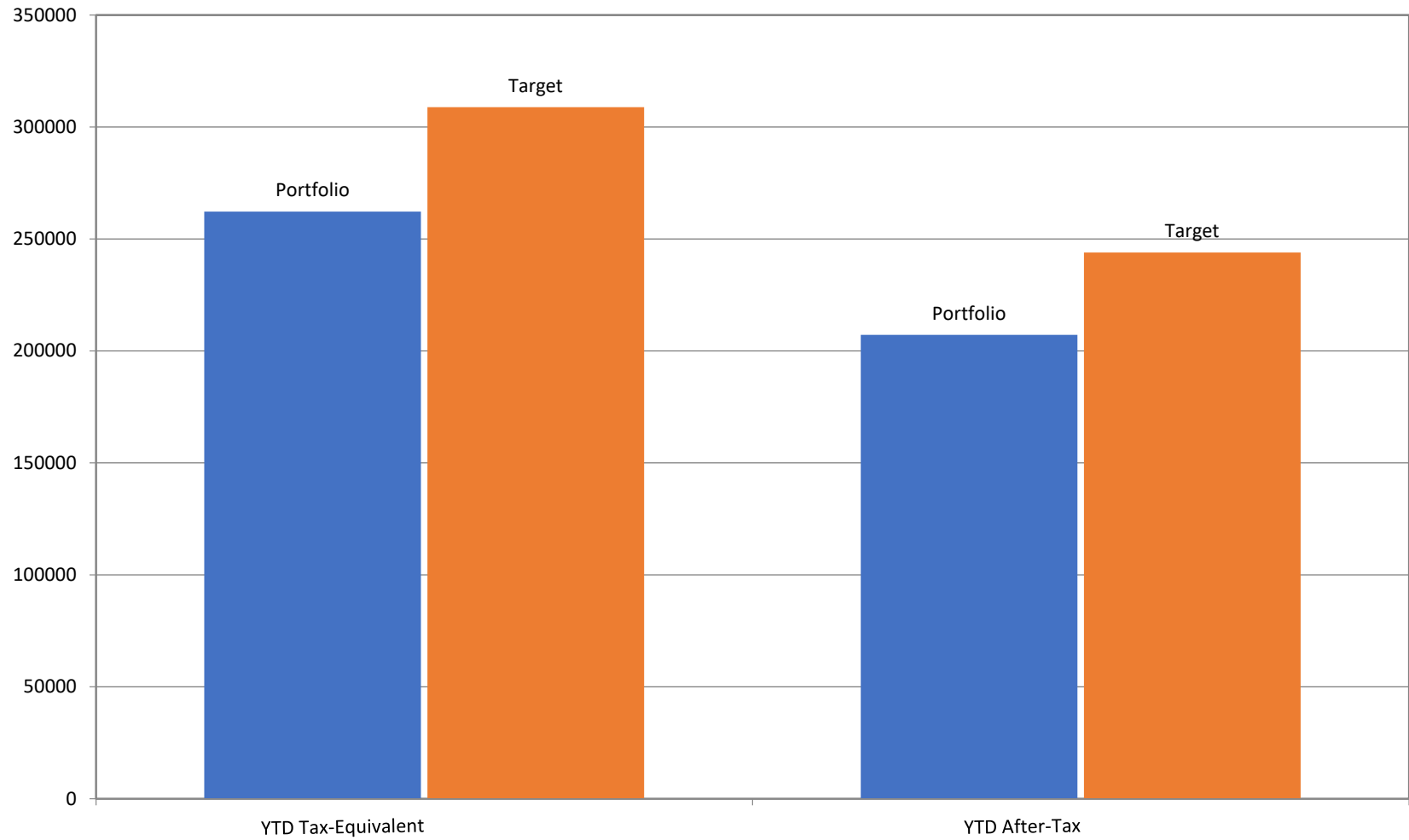
Source: Bloomberg

Portfolio Changes

Garden State Muni Joint Insurance Fund	09/30/2021	12/31/2021	03/31/2022	06/30/2022	09/30/2022
Treasury Yields					
2 yr Treasury Yield	0.29%	0.73%	2.32%	2.97%	4.23%
5 yr Treasury Yield	0.98%	1.26%	2.45%	3.04%	4.05%
10 yr Treasury Yield	1.52%	1.50%	2.33%	3.01%	3.79%
Book Statistics					
Tax-Equivalent Book Yield	0.97%	0.84%	0.57%	0.73%	0.82%
Book Value (\$)	45,852,684	44,658,023	39,584,825	43,634,485	43,716,523
Projected Tax-Equivalent Income, next 12 months (\$)	446,816	375,465	227,019	319,442	359,411
Unrealized Gains/(Losses) (\$)	171,213	(122,516)	(943,128)	(1,154,713)	(1,611,069)
YTD Realized Gains/(Losses) (\$)	0	1,282	20,388	20,388	20,388
Portfolio Risk Statistics					
Effective Duration	1.40	1.48	1.44	1.28	1.21
Convexity	0.03	0.04	0.03	0.03	0.03
Weighted Average Life	1.41	1.50	1.47	1.32	1.26
Average Rating	AA+	AA+	AA+	AA+	AA+
Portfolio Sector Allocation					
Treasury	96%	100%	100%	98%	97%
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	4%	0%	0%	2%	3%

Income Year to Date

Year to Date, as of 09/30/2022



Performance

**Tax-Equivalent Total Return
as of 09/30/2022
Inception Date: 07/01/2010**

	Portfolio	Benchmark	Difference
Quarter to Date	-0.86%	-0.87%	0.01%
Year to Date	-2.93%	-3.12%	0.19%
Since Inception	1.06%	0.89%	0.18%

Benchmark Composition:

100.0% Garden State Duration Matched Treasury