GSMJIF
Garden State Municipal Joint Insurance Fund

Quarterly Investment Report

As of 3/31/2023

SLC Management

Executive Summary

PORTFOLIO STATISTICS:

Quarter Ending:	12/31/2022	03/31/2023
Tax-Equivalent Book Yield	0.85%	1.17%
Book Value	$42,820,769	$38,425,172
Projected Tax-Equivalent Annual Income	$363,290	$450,190
Unrealized Gain	-$1,415,412	-$1,029,668
YTD Realized Gain	$20,388	$0
Portfolio Duration	1.06	1.09
Average Credit Quality	AA+	AA+

PORTFOLIO ALLOCATION:

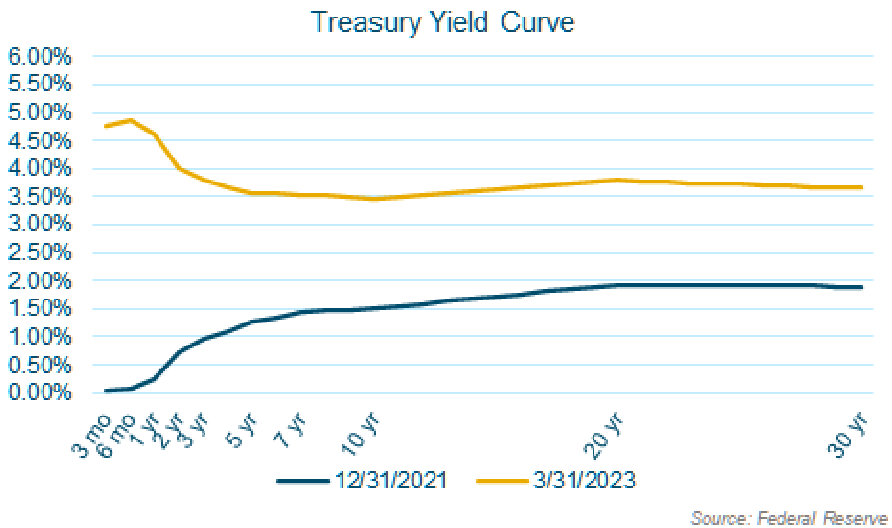
Sector	12/31/2022	03/31/2023
Treasury	93%	100%
Agency	0%	0%
Credit	0%	0%
Exempt Muni	0%	0%
Taxable Muni	0%	0%
MPT	0%	0%
CMO	0%	0%
ABS	0%	0%
CMBS	0%	0%
Short-Term	7%	0%

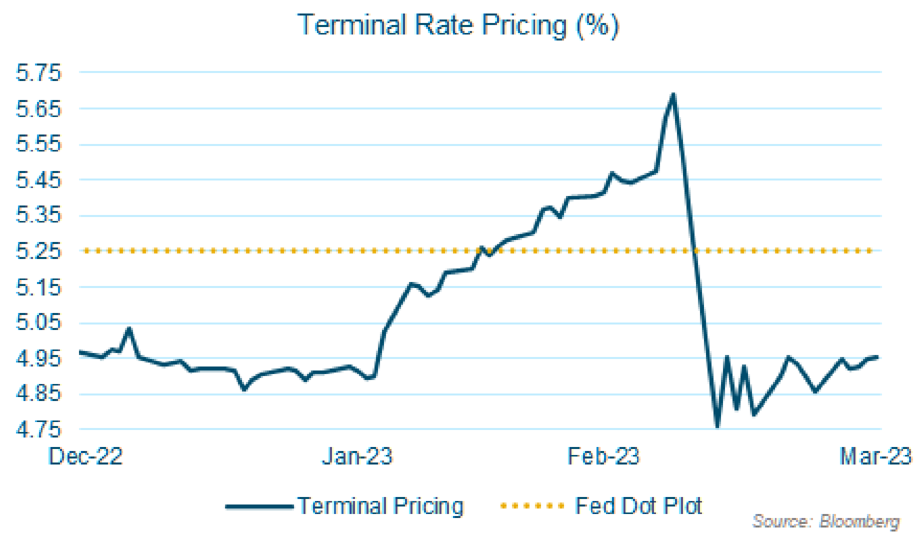
PERFORMANCE:

Tax-equivalent Performance	Portfolio	Target/Benchmark	Difference
YTD Booked Income	$106,206	$95,620	$10,586
QTD Total Return	1.31%	1.34%	-0.03%
YTD Total Return	1.31%	1.34%	-0.03%

Economic Outlook

Treasury Yields and the Economy





Yield Curve & Hike Expectations

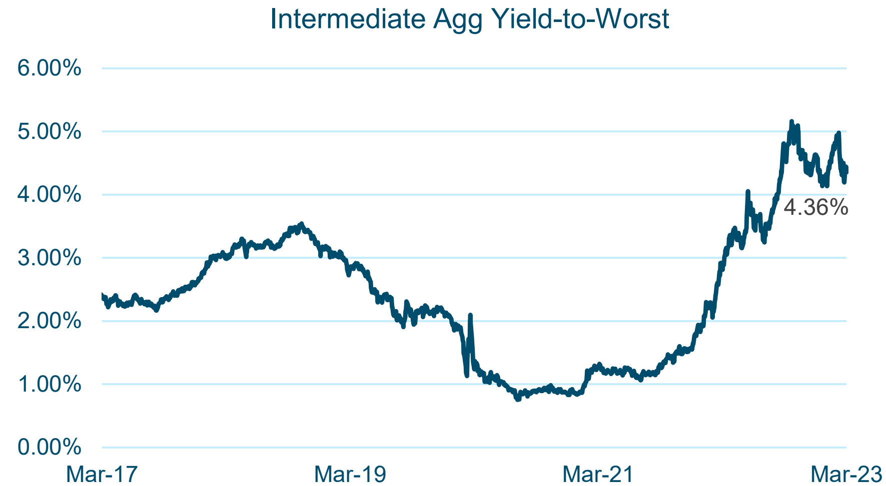
- Yield levels experienced significant volatility in Q1 as the market weighed the implications of stubborn inflation versus the instability caused by the recent banking crisis.
- As a result, Fed fund terminal rate expectations whipsawed during the quarter, trading in a wide range from lows of 4.75% (indicating no additional hikes) to highs of 5.70% (indicating an additional +75 bps of hikes).
  - After surprisingly strong economic data in January, terminal rate pricing peaked at ~5.70% on March 8th after Chairman Powell's comments that "rates would likely move higher than previously anticipated."
  - That move higher was short lived as the subsequent Silicon Valley Bank crisis and corresponding contagion fears sparked a flight to quality trade, resulting in nearly 100 bps of terminal rate expectations being pulled from market pricing in a matter of 3 trading days.
  - Ending the quarter, the Fed Funds rate is currently at 5.0% and the March Summary of Economic Projections point to a terminal rate of 5.10% for the end of 2023.

- The effect on the Treasury market was:
  - 2-year Treasury yields trading a wide range over the quarter of 124 bps, with highs of 5.08% and lows of 3.77%, ending Q1 at 4.03%.
  - 10-year Treasury yields ranged from highs of 4.06% to lows of 3.38%, finishing the quarter at 3.47%.

Economic Outlook

Treasury Yields and the Economy

Source: Bloomberg



Source: Bloomberg

<u>Interest Rate Volatility</u>

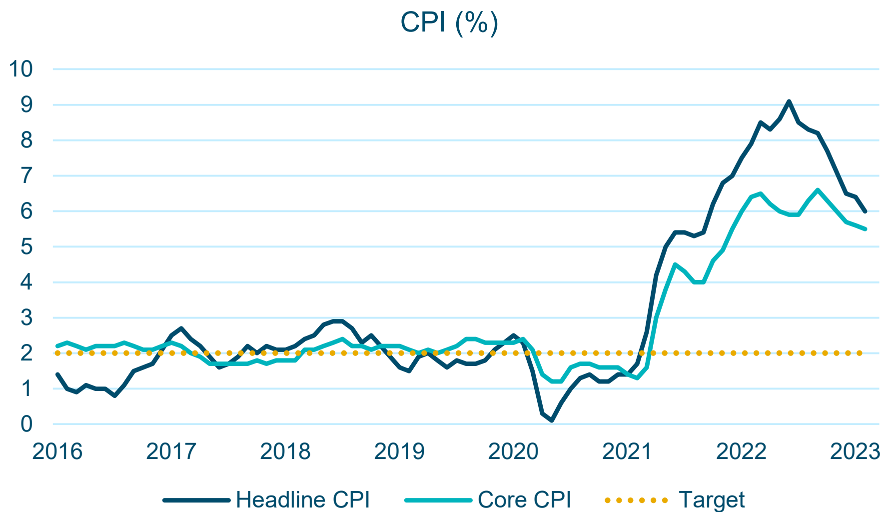
- With the Fed taking a flexible, "data dependent" approach to monetary policy, markets have experienced extremely high interest rate volatility over the past year. The MOVE index, which measures interest rate volatility, is running at levels not experienced since the onset of the pandemic and the Great Financial Crisis in 2008.
  - This volatility was only intensified with the troubles experienced in the banking sector in early March, which has led to uncertainty over the direction and pace of the Fed's ongoing rate hiking campaign.
- While the Federal Reserve remains determined to restore price stability, they reduced the pace of hikes to 25 bps at both FOMC meetings this year.
  - After raising rates at the fastest pace in 43 years to fight persistently high inflation, the FOMC felt it was prudent to slow the pace of hikes given the lag effect on the economy. However, they acknowledged the need to maintain funds at higher levels for a prolonged period to fight inflation.
    - Powell stated at the March meeting "The Committee remains highly attentive to inflation risks" and "some additional policy firming may be appropriate". Currently, no officials see rate cuts this year and funds are forecasted to remain well over 4% throughout 2024.

<u>Investment Yields</u>

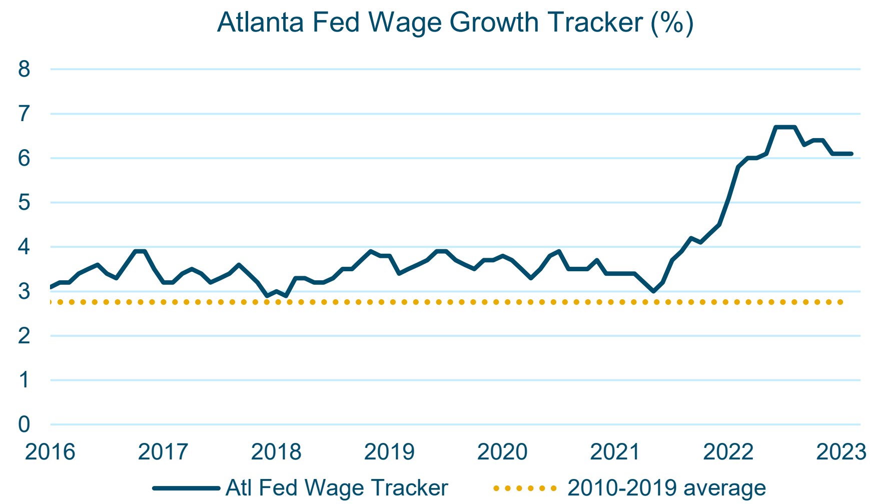
- Reinvestment yields, as measured by the Intermediate Aggregate index, eased on the quarter but remain at levels that will help provide tailwinds to portfolio book yields and investment income.
- The yield to worst for the Bloomberg Intermediate Aggregate ended Q1 at 4.36%, which is well above its average of 2.27% over the past decade.

Economic Outlook

Market Indicators



Source: Bloomberg



Source: Bloomberg

CPI

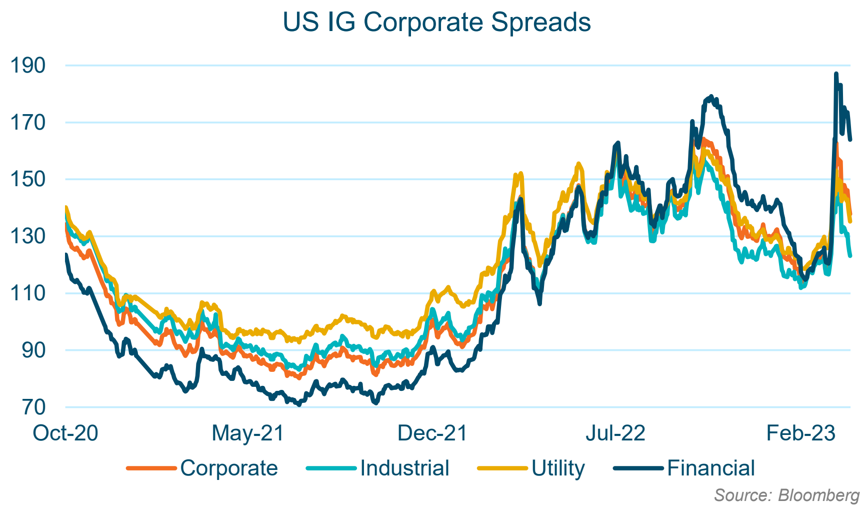
- While both CPI measures have eased from highs experienced last year, both remain uncomfortably elevated, and well above Fed target levels of 2%.
  - Headline CPI has fallen from peak of 9.1% to 6.0% and core measures have declined from 6.6% to 5.5%
- Breaking down CPI components, goods prices have moved lower with the reopening of the global markets and the easing of commodity prices, while service prices remain resilient given heavy exposure to shelter and wages.
  - Given the sticky nature of these components, the Fed is not comfortable that inflation will recover to target levels quickly, which further supports tighter monetary policy moving forward.

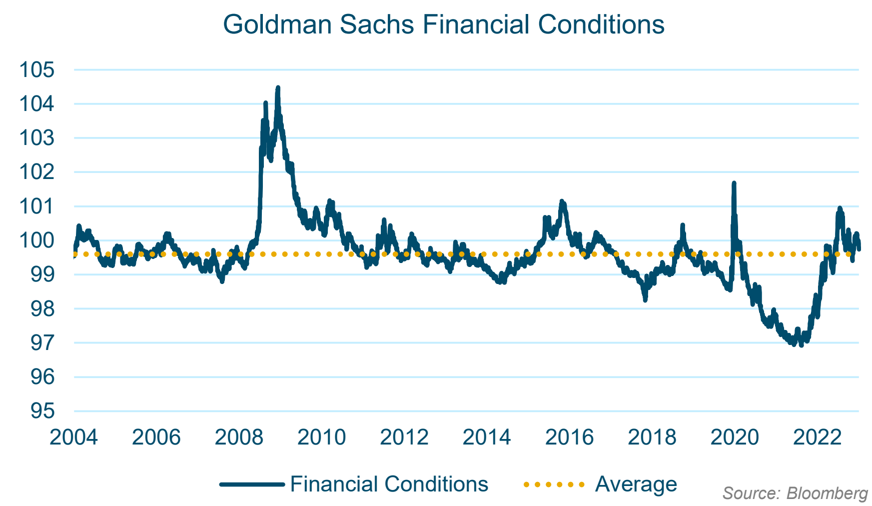
Wages

- Tight labor market conditions remain one of the key factors adding to inflationary pressures within the U.S. economy. As a result, wage growth has reached historically high levels as demand for workers exceeds available supply.
  - While the pace of growth has slowed on a month over month basis, hiring remains resilient and exceeds the 3-year average monthly growth experienced prior to the pandemic.
  - With the unemployment rate near 50-year lows and job openings at the upper end of all-time highs, wage pressures will continue to be a challenge for the Fed as they strive to lower inflation in 2023.
- The Atlanta Fed Wage measure shows growth running above 6% levels, which is more than double the rate consistent with 2% inflation.

Economic Outlook

Market Indicators





<u>IG Corporate Spreads</u>

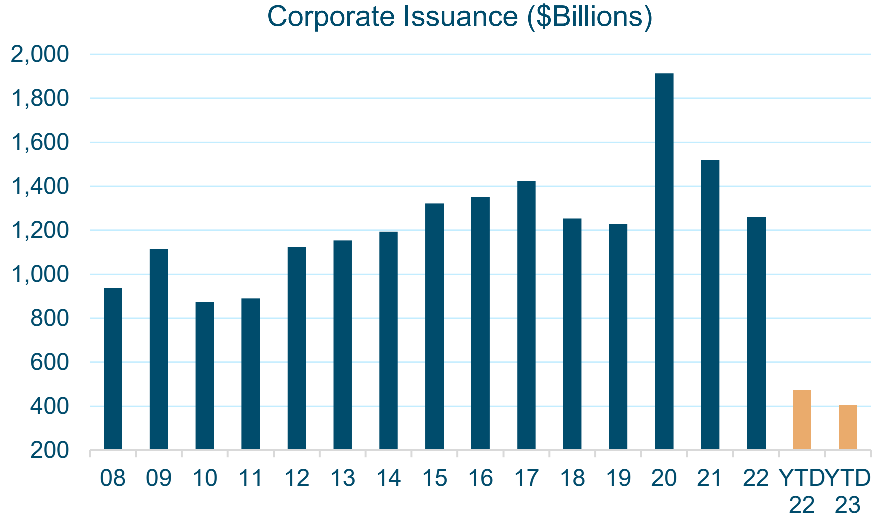
- Low supply and heavy demand in early February drove corporate spreads to tight levels not experienced since early 2022.
    - That move quickly reversed in March, sparked by the collapse of Silicon Valley Bank which widened spreads across all risk sectors.
    - Financials felt the most pain, widening ~70 bps, while industrials and utilities widened in sympathy, but to a lesser extent.
    - This is typical of a banking crisis which is generally followed by tighter lending standards and a lower risk appetite by investors.
    - Despite significant widening in March, IG spreads remain in line with 2010-2019 averages (140 bps vs. 138 bps currently).

<u>Financial Conditions</u>

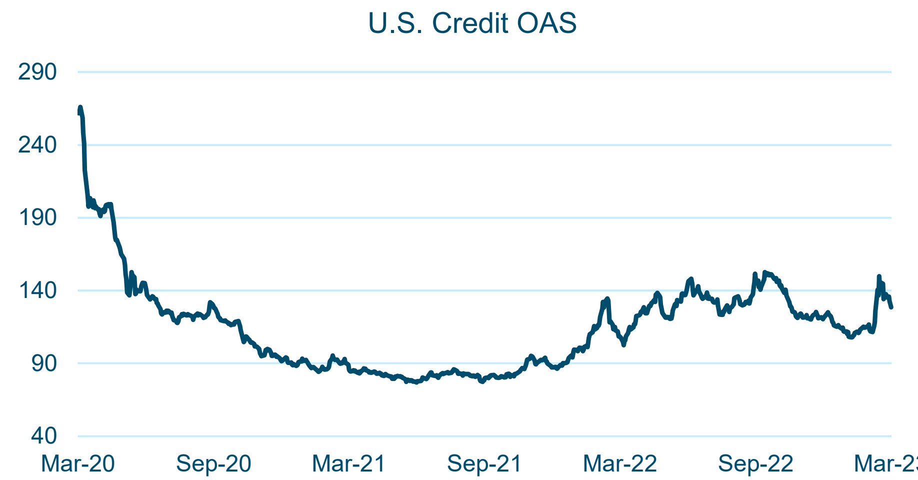
- Financial conditions are tightening from historic lows experienced in 2021, however these conditions have yet to provide a meaningful impact on inflation.
- Business condition surveys (ISM PMI) have also noted tighter conditions which have dampened the outlooks for future growth prospects. Coupled with the recent banking crisis, we would expect to see conditions tighten further.
    - Historically, conditions above 101 have corresponded with severe market disruptions, increasing the likelihood of a "hard landing".
- Deterioration in lending conditions and business outlooks point to slowing profitability and potential credit risk to bond holders.
    - Moving into 2023, credit spreads should trend wider as investors demand higher yields to compensate them for the taking on these elevated risks in a recessionary environment.
    - We advocate focusing on credit quality to insulate portfolios from credit disruptions until spreads provide better compensation for risk.

Economic Outlook

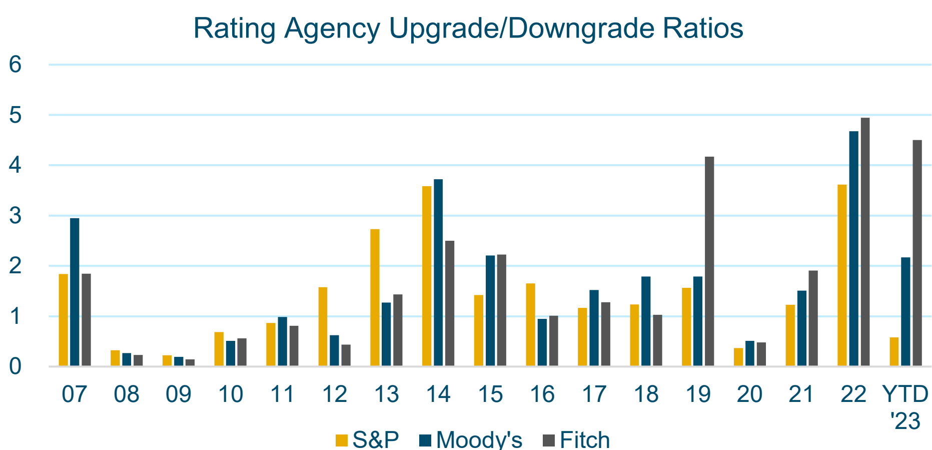
Corporates



Source: Bloomberg



Source: Bloomberg

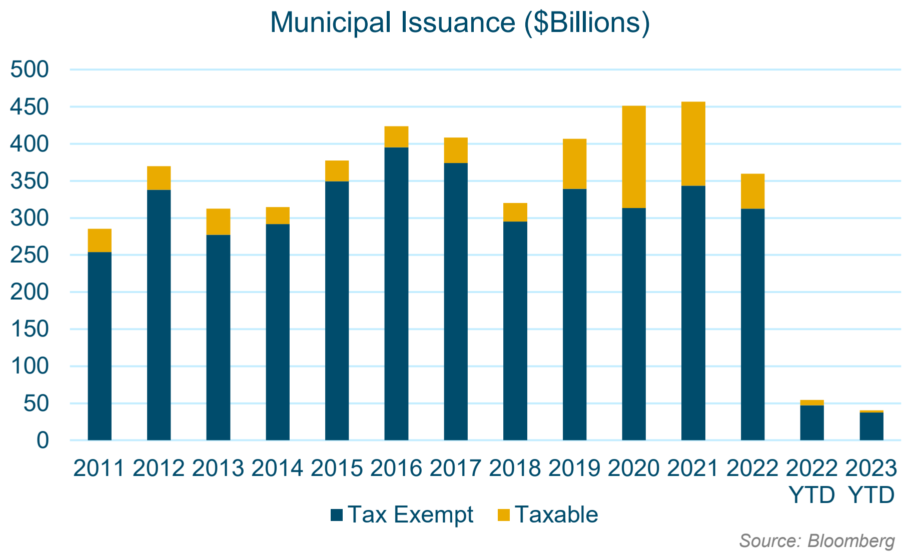


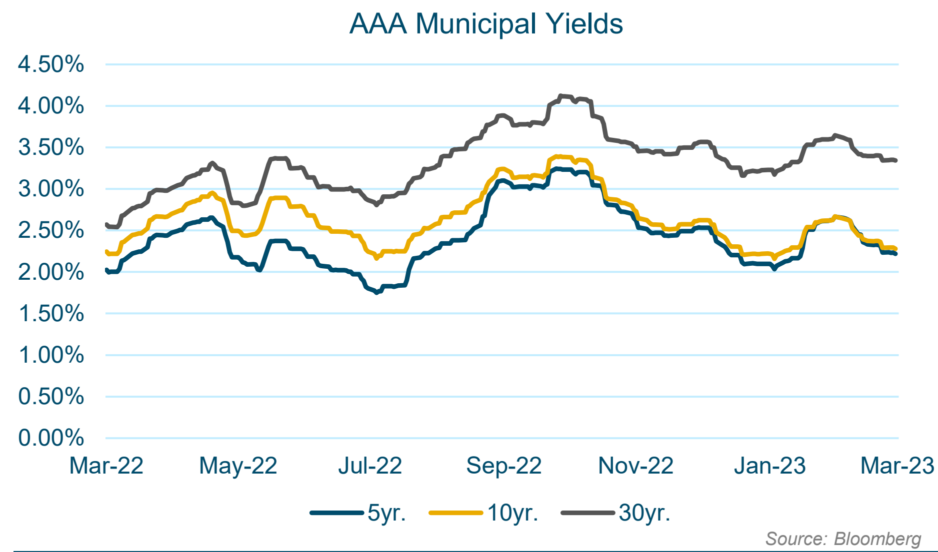
Source: Bloomberg

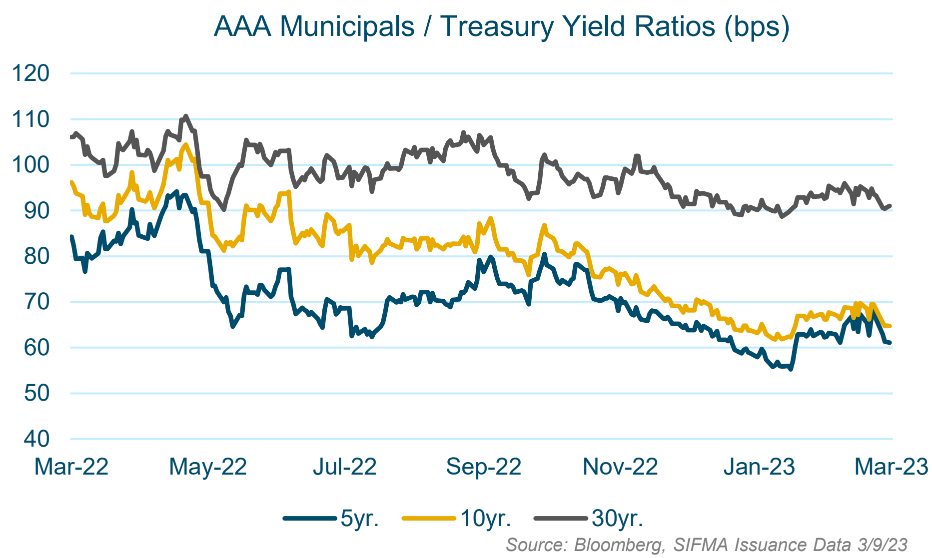
- IG spreads widened 7bps to +129 in Q1'23, which masked the intra-quarter volatility that saw spreads trade in a 42bps range. Spreads reached YTD tights of +108 in early February and wides of +150 in mid-March. Pressure from the banking crisis brought issuance down 15% for Q1 and 58% lower in March when compared to 2022.
- Corporate fundamentals continue to show sequential weakening, albeit from strong levels. Given continued inflationary headwinds and a deteriorating global growth outlook, we would expect operating performance to weaken moving forward.
- Given our weakening outlook on the economy, we have reduced our overweight to credit over the past year and retain an up-in-quality bias across credits.

Economic Outlook

Municipals



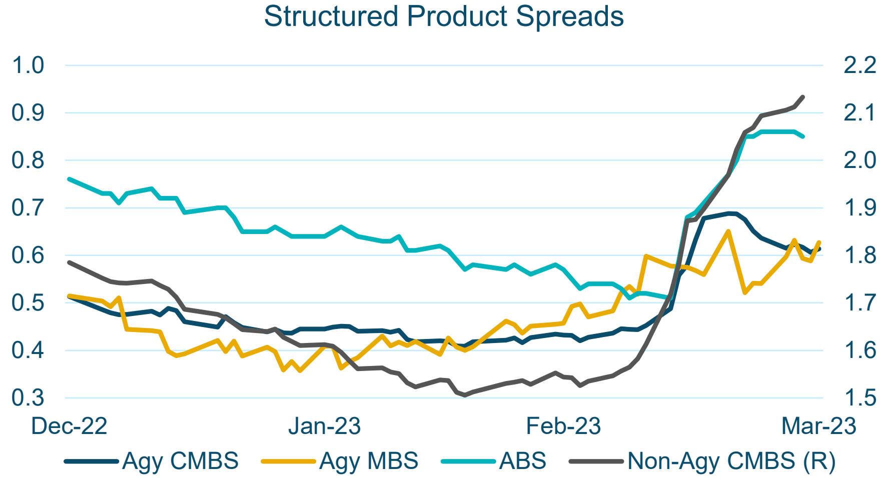




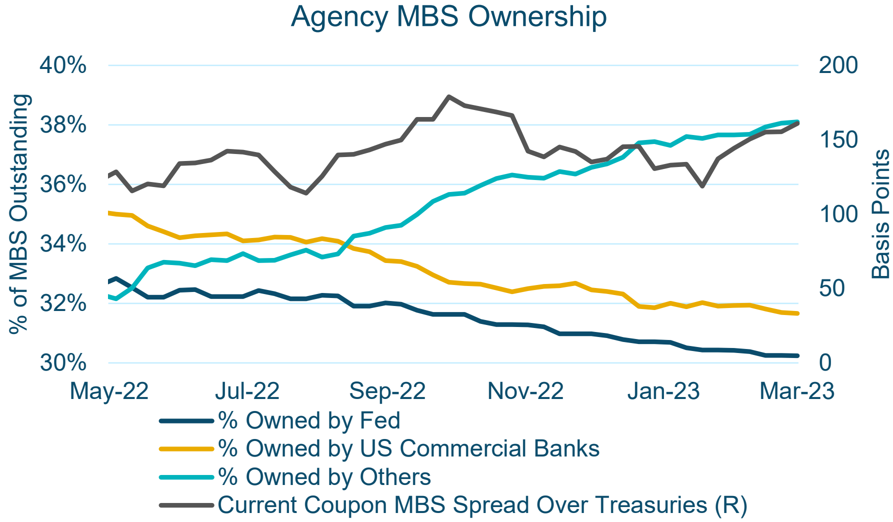
- Bloomberg Municipal Index experienced positive returns of +2.78% for the first quarter, underperforming taxable alternatives with the Aggregate index posting +2.96%.
- Long-term municipal bond sales started 2023 at the slowest pace of issuance since 2018 and fell 24% compared to same period last year.
- The ratio of pre-tax municipal yields to similar maturity treasuries remained on the rich side of fair value throughout quarter. Market valuations have been supported by lower issuance and retail demand.
- For insurance clients that maintain benchmark allocations to exempts, we will look to layer in purchases when ratios improve, and additional new issue supply comes to market throughout the quarter.
- Despite improved balance sheets at both the state and local government levels from COVID related federal funding, we continue to underweight general obligation debt being mindful of underfunded pension liabilities. In lieu of GO debt, we continue to favor water, sewer and electric utility debt.

Economic Outlook

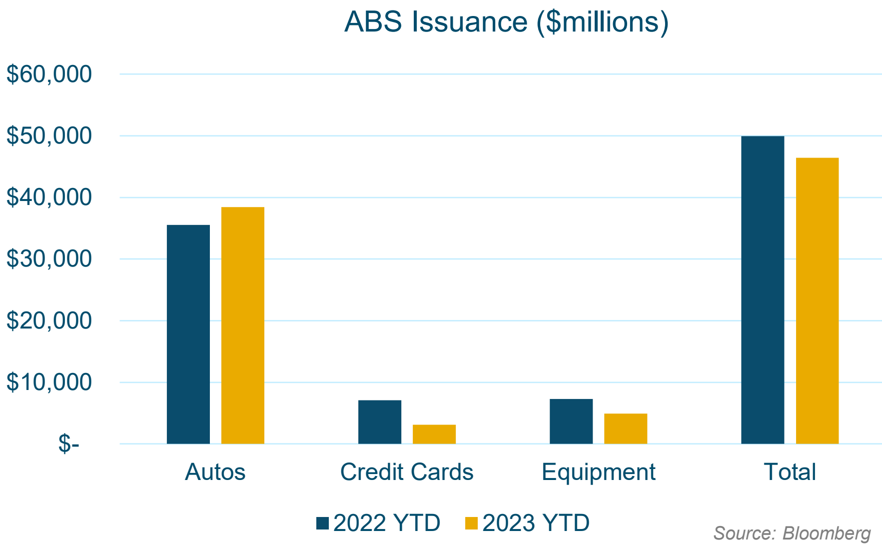
Structured Product



Source: Bloomberg



Source: Federal Reserve, Bloomberg



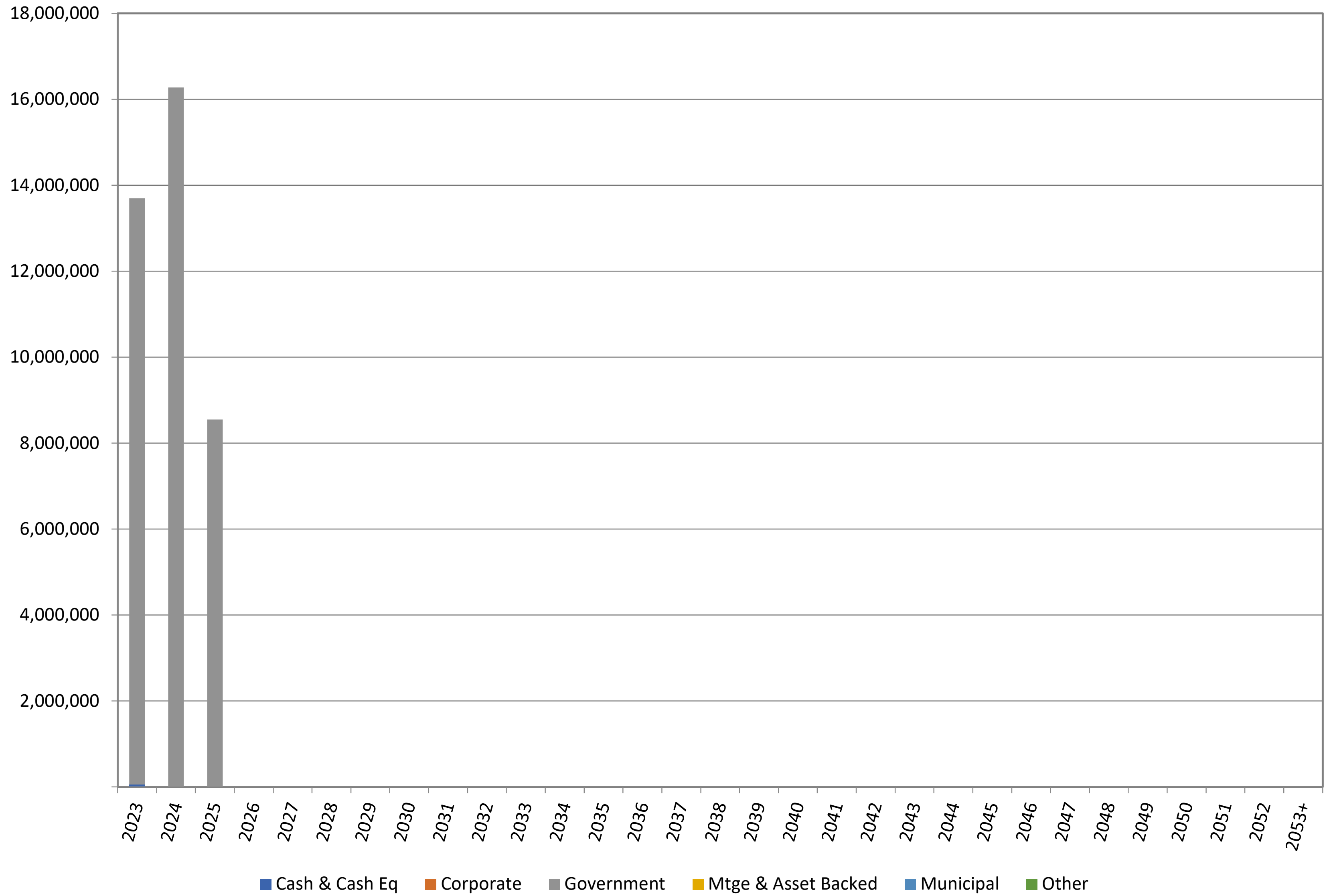
Source: Bloomberg

- Spreads moved tighter from the start of the year across structured product sectors until early March when the banking crisis liquidity woes hit the market. While Agency MBS and CMBS held in better, they were not immune to the risk-off move, widening QTD by approximately 10bps.
- With the Fed ending its buying of MBS in 2022, it has provided more enticing spread levels for investors. We feel comfortable adding to residential and multifamily agency exposure despite recessionary headwinds, given the high quality and liquidity of those sectors.
- Non-Agency CMBS widened 37bps as investor concerns grew regarding refinance risk and borrower performance, especially with in the office subsector. In that sector, our focus is on AAA deals that are well diversified between property types, borrower, and geographic exposure. We have focused on deals with relatively low concentrations to both office and retail versus broad market issuance.
- Despite lower issuance, ABS also moved wider by 9bps wider in sympathy with the general risk-off sentiment. We retain our overweight to the sector in AAA rated prime issuers.

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	38,368,397	37,338,729	(1,029,668)	1.17	4.43	1.09	0.02	2	14,771	28	(1,044,439)
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	**38,368,397**	**37,338,729**	**(1,029,668)**	**1.17**	**4.43**	**1.09**	**0.02**	**2**	**14,771**	**28**	**(1,044,439)**
Short Term											
Sweep Money Market	56,775	56,775	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	**56,775**	**56,775**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	**0**	**0**	**0**	**0**
Total Fixed Income & Short Term											
Total	**38,425,172**	**37,395,504**	**(1,029,668)**	**1.17**	**4.42**	**1.09**	**0.02**	**2**	**14,771**	**28**	**(1,044,439)**
Equity											
Common Stock	0	0	0					0	0	0	0
Total	**0**	**0**	**0**					**0**	**0**	**0**	**0**
Grand Total											
Total	**38,425,172**	**37,395,504**	**(1,029,668)**					**2**	**14,771**	**28**	**(1,044,439)**

Maturity Schedule By Weighted Average Life



Effective Maturity Schedule

Year	Book Value	Tax Equiv. Book Yield	% of Total Book Value
2023	13,646,041	0.22	36%
2024	16,314,182	0.79	43%
2025	8,408,174	3.47	22%
2026+	0	0.00	0%
Subtotal	**38.368.397**	**1.17**	**100%**
(inc. ABS, Agcy, CMBS, Corp, Muni, UST)			
MBS	0	0.00	0%
TOTAL	**38.368.397**	**1.17**	**100%**

Performance

Tax-Equivalent Total Return
as of 03/31/2023
Inception Date: 07/01/2010

	Portfolio	Benchmark	Difference
Quarter to Date	1.31%	1.34%	-0.03%
Year to Date	1.31%	1.34%	-0.03%
Since Inception	1.18%	1.00%	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
02/16/2023	US TREASURY N/B	Treasury	AA+	Aaa	3.000	07/15/2025	N/A	96.63	1,207,861	4.49	4.49
03/27/2023	US TREASURY N/B	Treasury	AA+	Aaa	2.750	08/31/2025	N/A	97.39	1,022,561	3.89	3.89
Total									**2,230,422**	**4.22**	**4.22**

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
01/15/2023	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	1.500	01/15/2023	01/15/2023	100.00	1,500,000	0	0.20	0.20
02/15/2023	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	1.375	02/15/2023	02/15/2023	100.00	1,175,000	0	0.23	0.23
03/15/2023	Maturity	US TREASURY N/B	Treasury	AA+	Aaa	0.500	03/15/2023	03/15/2023	100.00	1,000,000	0	0.18	0.18
Total										**3,675,000**	**0**	**0.21**	**0.21**

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	03/15/2023			56,775	TD BK DEP	0.00			56,775	56,775	56,775	0	0.00	0.00	0.00	0.00	
Total Money Market				**56,775**					**56,775**	**56,775**	**56,775**	**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	990,326	968,670	(21,656)	2.88	4.32	1.51	1.58	0.03
9128283V0	04/22/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.50	01/31/2025	01/31/2025	989,883	993,224	970,590	(22,634)	2.88	4.18	1.76	1.83	0.04
9128283Z1	04/22/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.75	02/28/2025	02/28/2025	996,055	997,329	974,840	(22,489)	2.89	4.13	1.83	1.91	0.04
9128284M9	08/02/2022	AA+	Aaa	1,150,000	US TREASURY N/B	2.88	04/30/2025	04/30/2025	1,146,766	1,147,546	1,122,377	(25,169)	2.98	4.09	1.96	2.08	0.05
9128284Z0	03/27/2023	AA+	Aaa	1,050,000	US TREASURY N/B	2.75	08/31/2025	08/31/2025	1,022,561	1,022,679	1,020,390	(2,289)	3.89	3.99	2.29	2.42	0.06
912828T91	11/09/2020	AA+	Aaa	1,125,000	US TREASURY N/B	1.63	10/31/2023	10/31/2023	1,169,374	1,134,041	1,105,133	(28,909)	0.24	4.73	0.57	0.58	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	1,448,535	1,395,773	(52,762)	0.27	4.78	0.81	0.84	0.01
912828W48	06/02/2021	AA+	Aaa	1,475,000	US TREASURY N/B	2.13	02/29/2024	02/29/2024	1,550,479	1,500,192	1,441,060	(59,132)	0.25	4.72	0.89	0.91	0.01
912828XT2	08/04/2021	AA+	Aaa	1,500,000	US TREASURY N/B	2.00	05/31/2024	05/31/2024	1,572,070	1,529,843	1,457,580	(72,263)	0.29	4.51	1.12	1.16	0.02
912828XX3	04/22/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.00	06/30/2024	06/30/2024	983,320	990,349	969,960	(20,389)	2.79	4.49	1.21	1.25	0.02
912828ZH6	05/05/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	04/15/2023	04/15/2023	1,500,449	1,500,006	1,497,840	(2,166)	0.24	3.75	0.04	0.04	0.00
912828ZP8	05/15/2020	AA+	Aaa	1,290,000	US TREASURY N/B	0.13	05/15/2023	05/15/2023	1,287,179	1,289,883	1,283,111	(6,772)	0.20	4.44	0.12	0.12	0.00
912828ZU7	06/16/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	06/15/2023	06/15/2023	1,500,527	1,500,036	1,486,620	(13,416)	0.24	4.56	0.20	0.21	0.00
912828ZY9	07/16/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.13	07/15/2023	07/15/2023	1,498,066	1,499,812	1,480,140	(19,672)	0.17	4.71	0.28	0.29	0.00
91282CAF8	08/13/2020	AA+	Aaa	1,000,000	US TREASURY N/B	0.13	08/15/2023	08/15/2023	998,625	999,824	982,850	(16,974)	0.17	4.74	0.37	0.37	0.00
91282CAK7	10/02/2020	AA+	Aaa	1,500,000	US TREASURY N/B	0.13	09/15/2023	09/15/2023	1,498,184	1,499,720	1,469,475	(30,245)	0.17	4.68	0.45	0.46	0.00
91282CAP6	12/07/2020	AA+	Aaa	1,000,000	US TREASURY N/B	0.13	10/15/2023	10/15/2023	998,047	999,630	975,590	(24,040)	0.19	4.75	0.53	0.54	0.01
91282CAW1	04/05/2021	AA+	Aaa	1,575,000	US TREASURY N/B	0.25	11/15/2023	11/15/2023	1,573,277	1,574,588	1,531,814	(42,775)	0.29	4.76	0.61	0.62	0.01
91282CBA8	05/03/2021	AA+	Aaa	1,650,000	US TREASURY N/B	0.13	12/15/2023	12/15/2023	1,644,457	1,648,500	1,598,174	(50,327)	0.25	4.68	0.69	0.71	0.01
91282CBR1	07/06/2021	AA+	Aaa	1,500,000	US TREASURY N/B	0.25	03/15/2024	03/15/2024	1,495,723	1,498,479	1,438,950	(59,529)	0.36	4.65	0.93	0.96	0.01
91282CBV2	07/06/2021	AA+	Aaa	1,400,000	US TREASURY N/B	0.38	04/15/2024	04/15/2024	1,399,727	1,399,898	1,340,066	(59,832)	0.38	4.63	1.01	1.04	0.02
91282CCL3	08/17/2021	AA+	Aaa	1,450,000	US TREASURY N/B	0.38	07/15/2024	07/15/2024	1,449,037	1,449,572	1,376,819	(72,753)	0.40	4.43	1.26	1.29	0.02
91282CCT6	11/08/2021	AA+	Aaa	1,525,000	US TREASURY N/B	0.38	08/15/2024	08/15/2024	1,513,205	1,519,103	1,443,870	(75,233)	0.66	4.39	1.34	1.37	0.02
91282CCX7	10/06/2021	AA+	Aaa	1,625,000	US TREASURY N/B	0.38	09/15/2024	09/15/2024	1,617,383	1,621,218	1,534,731	(86,487)	0.54	4.35	1.42	1.46	0.03
91282CDH1	11/17/2021	AA+	Aaa	1,500,000	US TREASURY N/B	0.75	11/15/2024	11/15/2024	1,495,020	1,497,285	1,417,440	(79,845)	0.86	4.29	1.58	1.62	0.03
91282CDN8	02/01/2022	AA+	Aaa	875,000	US TREASURY N/B	1.00	12/15/2024	12/15/2024	865,635	869,383	828,826	(40,556)	1.38	4.23	1.65	1.70	0.04
91282CED9	07/07/2022	AA+	Aaa	950,000	US TREASURY N/B	1.75	03/15/2025	03/15/2025	918,754	927,049	908,143	(18,906)	3.03	4.12	1.88	1.95	0.04
91282CEQ0	08/16/2022	AA+	Aaa	1,000,000	US TREASURY N/B	2.75	05/15/2025	05/15/2025	987,695	990,419	973,200	(17,219)	3.22	4.08	2.00	2.12	0.05
91282CEU1	10/04/2022	AA+	Aaa	1,150,000	US TREASURY N/B	2.88	06/15/2025	06/15/2025	1,113,748	1,120,071	1,122,285	2,214	4.12	4.02	2.09	2.21	0.05
91282CEY3	02/16/2023	AA+	Aaa	1,250,000	US TREASURY N/B	3.00	07/15/2025	07/15/2025	1,207,861	1,209,856	1,222,413	12,557	4.49	4.02	2.16	2.29	0.06
Total Treasury				**38,465,000**					**38,479,950**	**38,368,397**	**37,338,729**	**(1,029,668)**	**1.17**	**4.43**	**1.09**	**1.13**	**0.02**
Grand Total				**38,521,775**					**38,536,725**	**38,425,172**	**37,395,504**	**(1,029,668)**	**1.17**	**4.42**	**1.09**	**1.13**	**0.02**

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	An index against which performance can be measured. Attributes of a good benchmark include: *Objective*: The index should be identified ahead of the time, it should be easily understood, and the construction rules should be clearly defined. *Replicable*: The manager should be able to replicate the returns passively. *Relevant*: 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. *Tax Adjusted*: The benchmark should adjust for the different tax rates on various security types
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 realized 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.)

DYCARR[SM]	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.

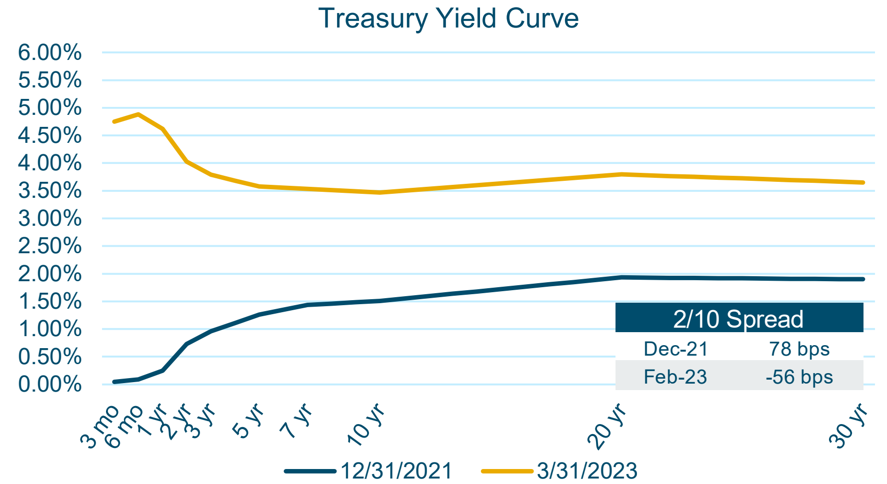
Appendix

Presentation Overview

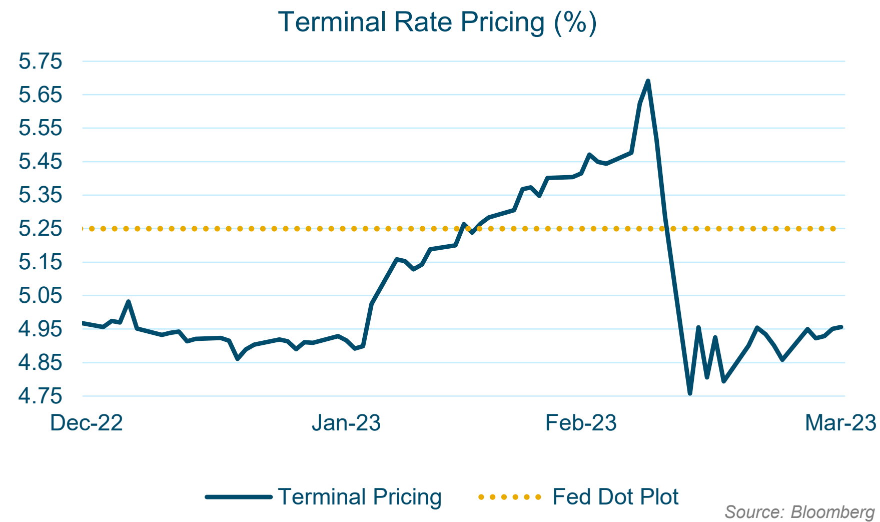
Overview

- Economic overview and market update
- Portfolio review
- Performance

Treasury Yields and the Economy



Source: Federal Reserve



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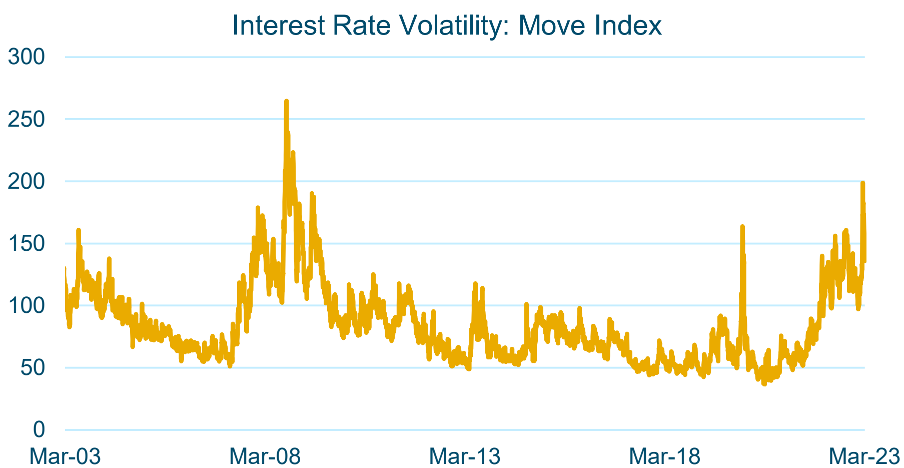

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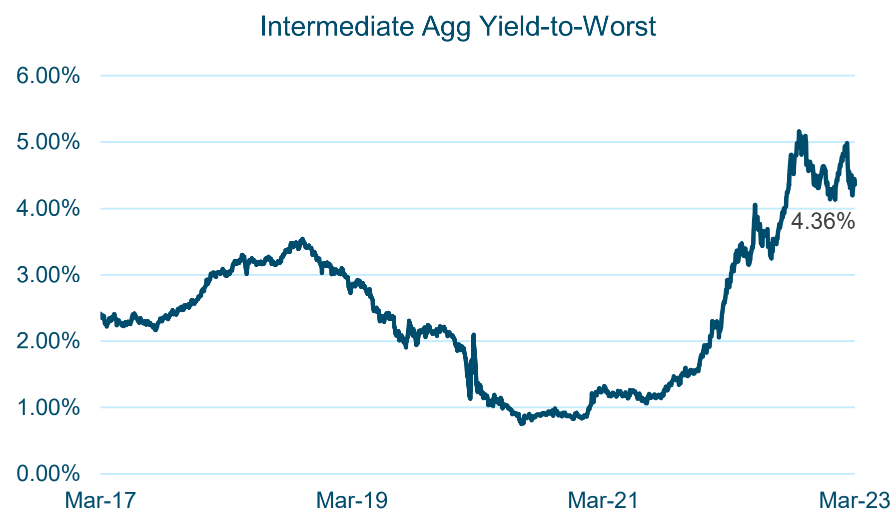
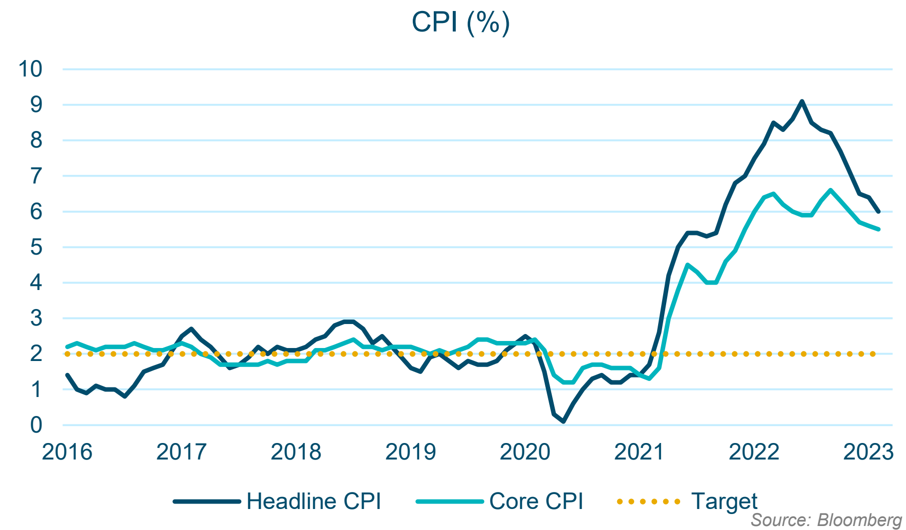


Source: Bloomberg

Market Indicators



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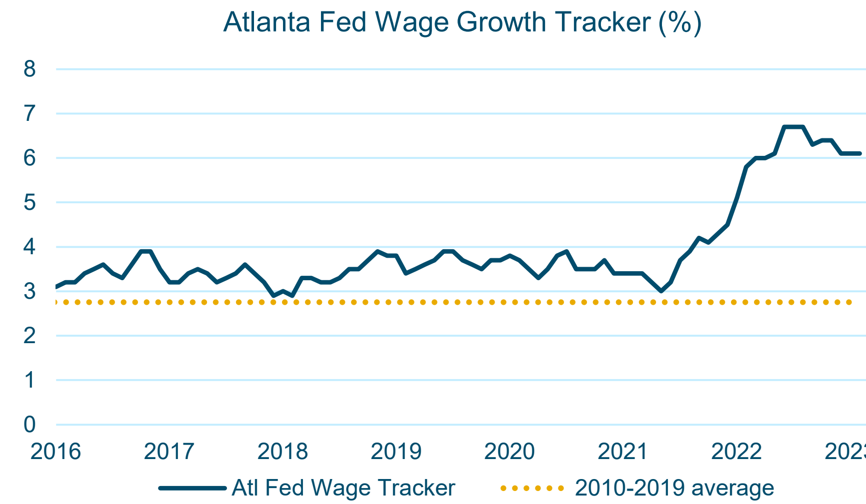

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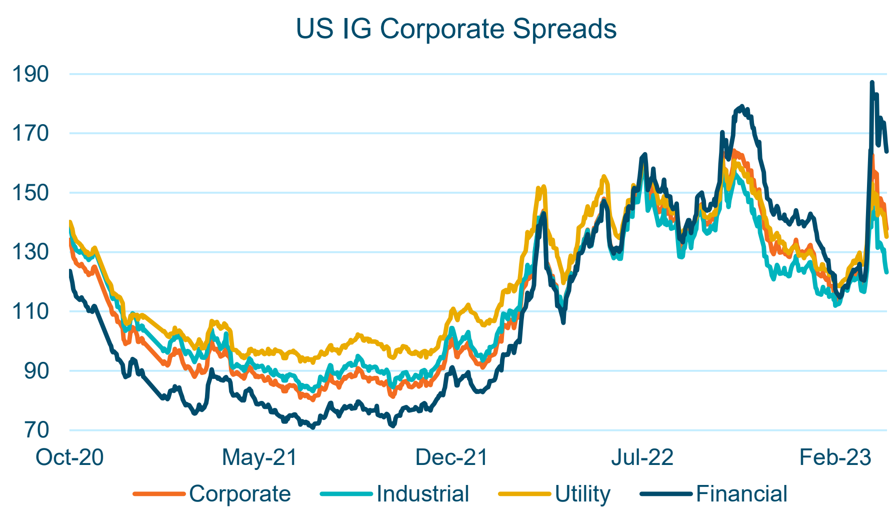

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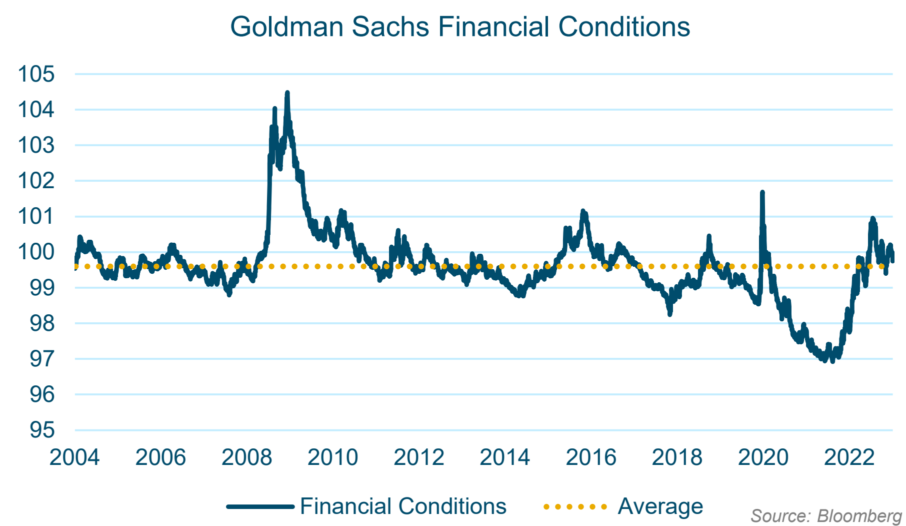
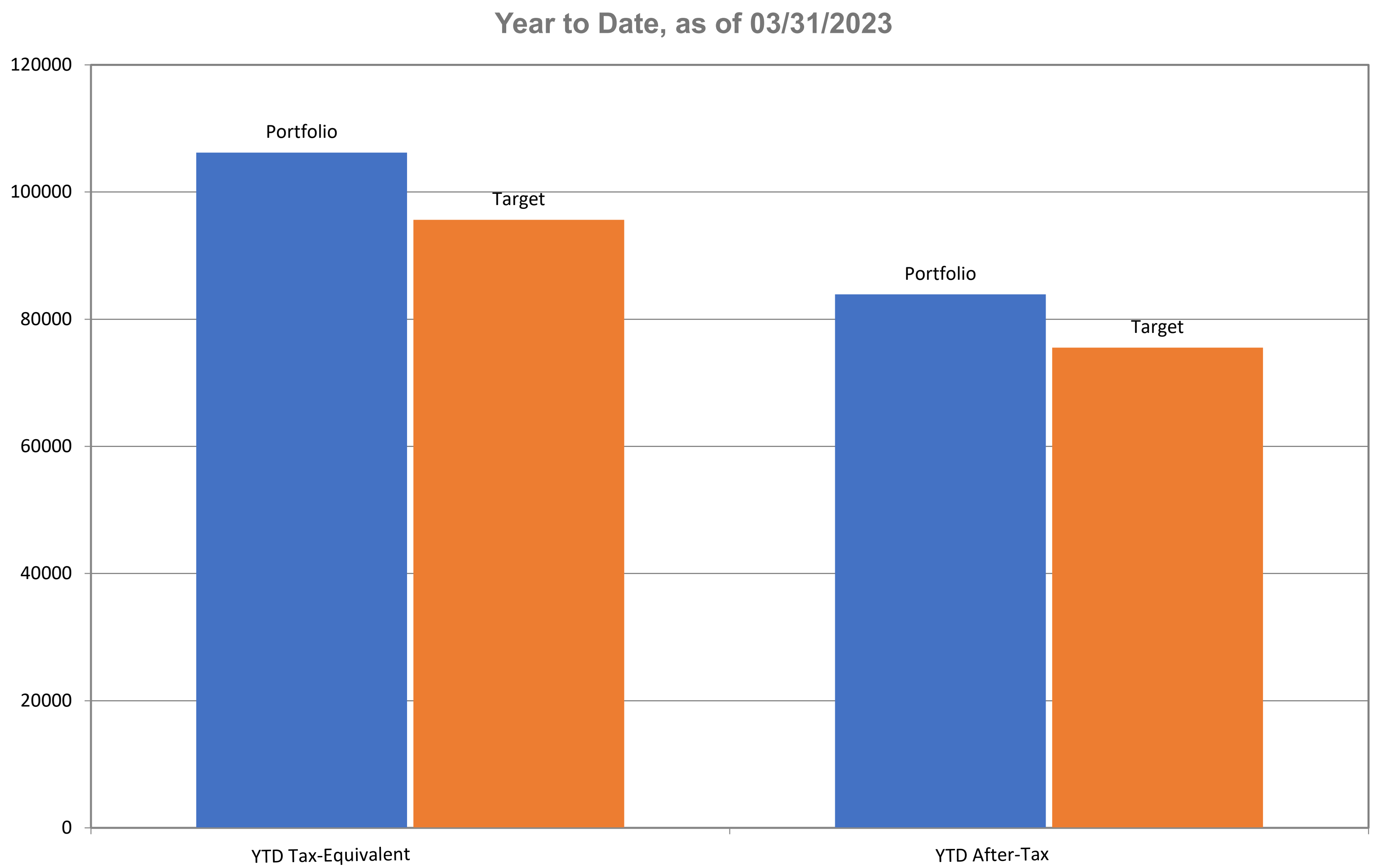


Source: Bloomberg

Portfolio Changes

Garden State Muni Joint Insurance Fund	03/31/2022	06/30/2022	09/30/2022	12/31/2022	03/31/2023
Treasury Yields					
2 yr Treasury Yield	2.32%	2.97%	4.23%	4.40%	4.03%
5 yr Treasury Yield	2.45%	3.04%	4.05%	3.96%	3.59%
10 yr Treasury Yield	2.33%	3.01%	3.79%	3.83%	3.48%
Book Statistics					
Tax-Equivalent Book Yield	0.57%	0.73%	0.82%	0.85%	1.17%
Book Value ($)	39,584,825	43,634,485	43,716,523	42,820,769	38,425,172
Projected Tax-Equivalent Income, next 12 months ($)	227,019	319,442	359,411	363,290	450,190
Unrealized Gains/(Losses) ($)	(943,128)	(1,154,713)	(1,611,069)	(1,415,412)	(1,029,668)
YTD Realized Gains/(Losses) ($)	20,388	20,388	20,388	20,388	0
Portfolio Risk Statistics					
Effective Duration	1.44	1.28	1.21	1.06	1.09
Convexity	0.03	0.03	0.03	0.02	0.02
Weighted Average Life	1.47	1.32	1.26	1.11	1.13
Average Rating	AA+	AA+	AA+	AA+	AA+
Portfolio Sector Allocation					
Treasury	100%	98%	97%	93%	100%
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	0%	2%	3%	7%	0%

Income Year to Date



Performance

Tax-Equivalent Total Return
as of 03/31/2023
Inception Date: 07/01/2010

	Portfolio	Benchmark	Difference
Quarter to Date	1.31%	1.34%	-0.03%
Year to Date	1.31%	1.34%	-0.03%
Since Inception	1.18%	1.00%	0.18%

Benchmark Composition:

100.0% Garden State Duration Matched Treasury