

School District of Lake County



Investment Performance Review Quarter Ended September 30, 2016

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Tab I

Summary

- The volatile effects of Britain's Brexit vote to leave the European Union (EU) quickly dissipated at the beginning of the third quarter as investors concluded that any effects could take up to two years to play out. Investors turned their focus back to fundamental economic factors, such as growth, inflation, and the timing of future rate hikes by the Federal Reserve (Fed).
- The Fed left rates unchanged at its third quarter meetings and lowered rate expectations in September. Given the upcoming U.S. presidential election, the market expects no action at the Fed's November meeting, but holds roughly a 60% chance of a rate hike in December.
- Other central banks continued to implement accommodative monetary policy. The European Central Bank (ECB) kept its benchmark interest rate near 0% and continued its 80-billion-euro monthly bond-buying program. Meanwhile, the Bank of Japan (BoJ) introduced two policies: one keeps 10-year Japanese government bond yields near zero percent; the other expands money supply until inflation remains above the 2% target. The Bank of England (BoE) joined the easing by cutting its interest rate to 0.25% from 0.50% and enacting a bond purchase program to the tune of 10 billion pounds a month.

Economic Snapshot

- The U.S. economy continued to grow at a slow but steady pace. Consumers drove growth in the first half of the year, while business investment lagged. The labor market remained strong, with the unemployment rate remaining below 5% throughout most of the third quarter. The housing market was arguably the economy's strongest sector as home sales rose to levels not seen since before the 2008 financial crisis.
- U.S. gross domestic product (GDP) grew at a 1.4% rate in the second quarter, a modest rebound from the first quarter's 0.8% rate. Consumer spending drove growth in the second quarter, contributing the most to GDP since 2014, while weakness in business investment detracted the most since 2009. Economic growth is expected to rebound in the third quarter to between 2.5% and 3%.
- The unemployment rate ticked up to 5.0% by the end of the third quarter, as the pace of hiring aligned with the pace of economic growth. September's modest addition of 156,000 jobs rounded out a quarter that added 575,000 jobs, the most jobs added since the first quarter of 2016.

Weekly unemployment filings continued to fall to levels not seen since the early 1970s, while job openings reached record levels. Both were positive indications of labor market strength.

- Inflation pressures firmed slightly over the third quarter as the personal consumption expenditure (PCE) price index, the Fed's favored inflation metric, rose 1.7% for the year ended August 31. Housing and medical costs continued to rise. Average hourly earnings, an important measure of wages in the manufacturing sector, grew 2.6% over the 12 months ended September, the 19th consecutive month of greater than 2% year-over-year (YoY) growth.

Interest Rates

- Interest rates rose significantly in the third quarter, reversing second-quarter declines spurred by Brexit. Short-term yields led the rise, as expectations rebounded for a Fed rate hike this year, slightly flattening the yield curve. The two-year Treasury yield climbed 18 basis points (bps), while the yield on the 10-year Treasury rose 12 bps.
- In the money market space, shorter-term Treasury yields rebounded from their second-quarter compression. Short-term credit instruments, like commercial paper and negotiable bank certificates of deposit (CDs), continued to offer significant added income as yields remained elevated ahead of the Securities and Exchange Commission's money market reform effective October 14.

Sector Performance

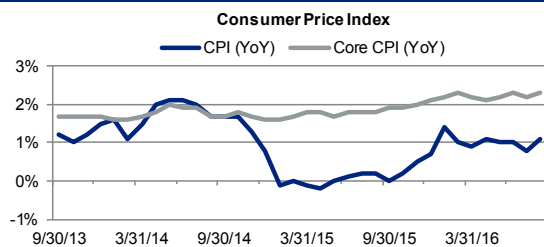
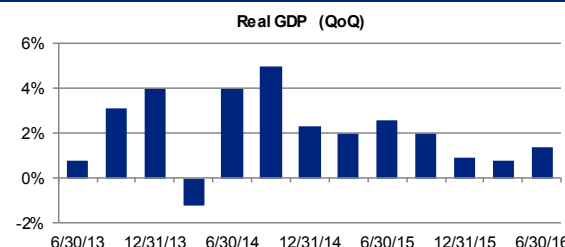
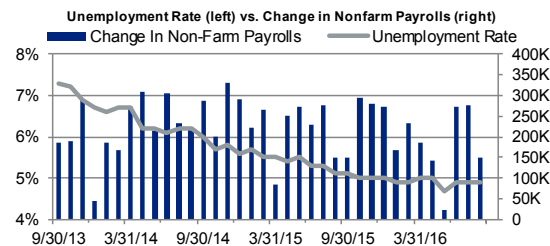
- Returns declined for U.S. Treasury indexes for the third quarter as yields rose, decreasing market values. The declines offset second quarter gains. Shorter maturity issues outperformed longer maturities.
- Non-callable federal agency spreads drifted tighter during the quarter, leading to the sector's modest outperformance relative to comparable-maturity Treasuries.
- Corporate yield spreads tightened throughout most of the third quarter, reaching their lowest levels of the year, as Brexit fears abated and investors' search for yield continued. The sector once again outperformed Treasuries.
- Mortgage-backed (MBS) and asset-backed securities (ABS) outperformed Treasuries for the first quarter this year as rising interest rates decreased prepayment risk.

Economic Snapshot

Labor Market	Latest	Jun 2016	Sep 2015	
Unemployment Rate	Aug'16	4.9%	4.9%	5.1%
Change In Non-Farm Payrolls	Aug'16	151,000	271,000	149,000
Average Hourly Earnings (YoY)	Aug'16	2.4%	2.6%	2.4%
Personal Income (YoY)	Aug'16	3.1%	3.1%	4.0%
Initial Jobless Claims (week)	9/23/16	254,000	270,000	277,000

Growth	Latest	Jun 2016	Sep 2015	
Real GDP (QoQ SAAR)	2016Q2	1.4%	0.8% ¹	2.6% ²
GDP Personal Consumption (QoQ SAAR)	2016Q2	4.3%	1.6% ¹	2.9% ²
Retail Sales (YoY)	Aug'16	1.9%	2.8%	2.1%
ISM Manufacturing Survey (month)	Aug'16	49.4	53.2	50.0
Existing Home Sales SAAR (month)	Aug'16	5.33 mil.	5.57 mil.	5.44 mil.

Inflation / Prices	Latest	Jun 2016	Sep 2015	
Personal Consumption Expenditures (YoY)	Aug'16	1.0%	0.9%	0.2%
Consumer Price Index (YoY)	Aug'16	1.1%	1.0%	0.0%
Consumer Price Index Core (YoY)	Aug'16	2.3%	2.3%	1.9%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$48.24	\$48.33	\$45.09
Gold Futures (oz.)	Sep 30	\$1,313	\$1,321	\$1,116



1. Data as of Fourth Quarter 2015

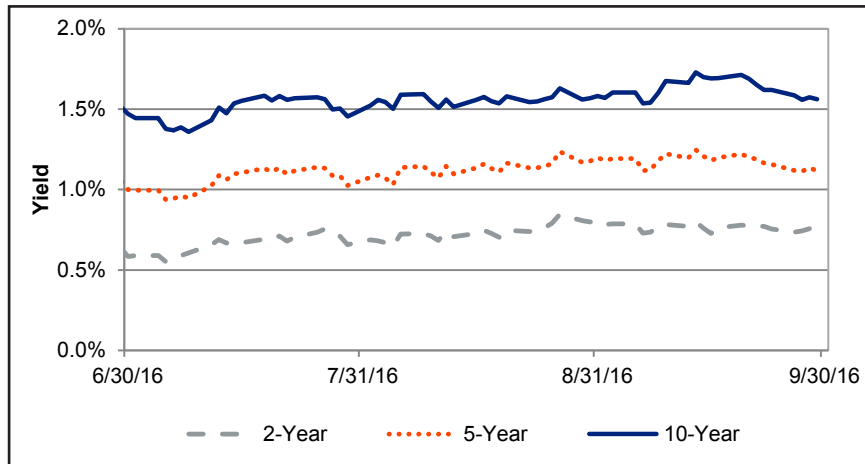
2. Data as of First Quarter 2015

Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

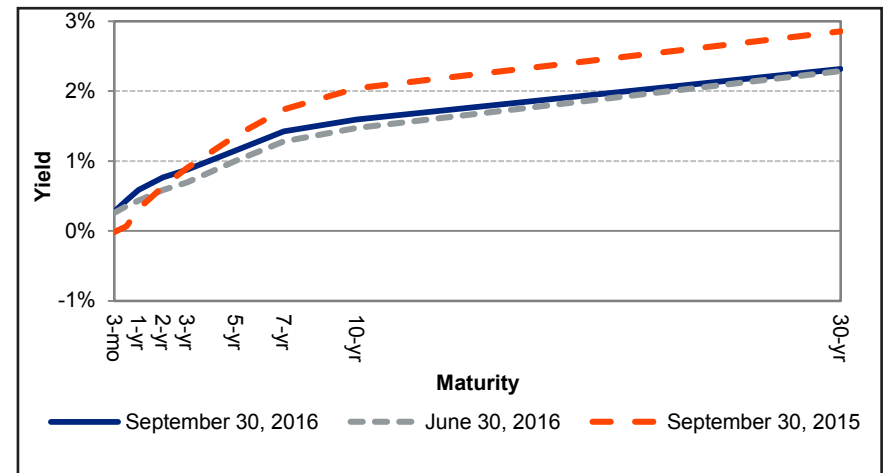
Source: Bloomberg

Interest Rate Overview

U.S. Treasury Note Yields



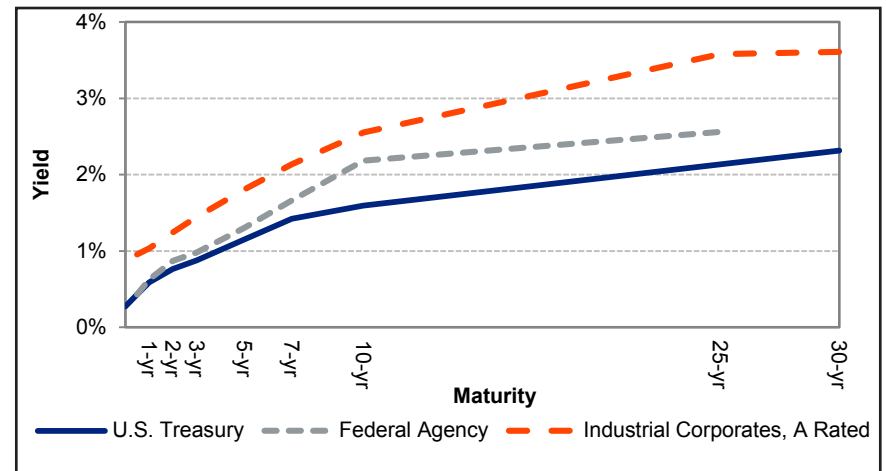
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	9/30/16	6/30/16	Change over Quarter	9/30/15	Change over Year
3-month	0.28%	0.26%	0.02%	(0.02%)	0.30%
1-year	0.59%	0.44%	0.15%	0.31%	0.28%
2-year	0.76%	0.58%	0.18%	0.63%	0.13%
5-year	1.15%	1.00%	0.15%	1.36%	(0.21%)
10-year	1.60%	1.47%	0.13%	2.04%	(0.44%)
30-year	2.32%	2.29%	0.03%	2.85%	(0.53%)

Yield Curves as of 9/30/2016



Source: Bloomberg

QUARTERLY MARKET SUMMARY

BofA Merrill Lynch Index Returns

	As of 9/30/16		Returns for Periods ended 9/30/16		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.90	0.78%	(0.11%)	0.88%	0.85%
Federal Agency	1.69	0.90%	0.03%	0.94%	0.95%
U.S. Corporates, A-AAA rated	1.90	1.48%	0.17%	2.04%	1.60%
Agency MBS (0 to 3 years)	2.22	1.40%	0.29%	2.43%	1.67%
Taxable Municipals	1.99	1.95%	0.56%	3.44%	2.71%
1-5 Year Indices					
U.S. Treasury	2.73	0.90%	(0.19%)	1.52%	1.43%
Federal Agency	2.14	0.98%	0.00%	1.36%	1.41%
U.S. Corporates, A-AAA rated	2.76	1.66%	0.30%	3.01%	2.44%
Agency MBS (0 to 5 years)	3.29	1.81%	0.61%	3.29%	2.91%
Taxable Municipals	2.64	1.90%	0.52%	4.16%	3.64%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.59	1.28%	(0.33%)	4.33%	3.70%
Federal Agency	3.90	1.27%	0.13%	2.98%	2.82%
U.S. Corporates, A-AAA rated	7.16	2.46%	0.89%	7.52%	5.38%
Agency MBS (0 to 30 years)	3.49	1.90%	0.61%	3.66%	3.57%
Taxable Municipals	4.09	2.43%	0.09%	5.53%	5.19%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices

Disclosures

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Tab II

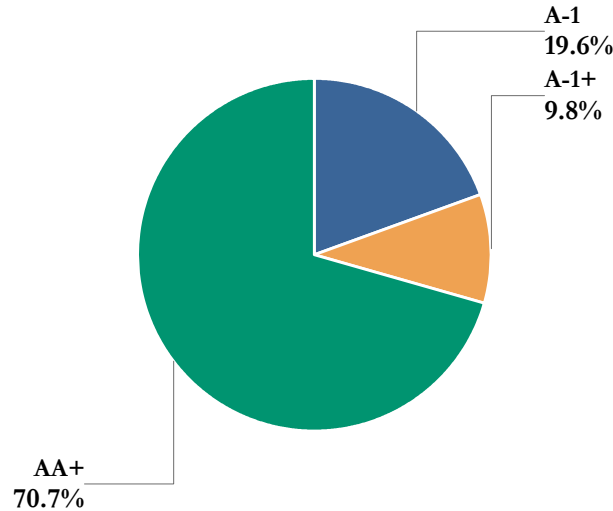
- The Impact Fee Portfolio is of high credit quality and invested in U.S. Treasury and commercial paper securities.
- At quarter end, the Portfolio had a Yield to Maturity at Cost of 0.59%,
- Yields drifted modestly higher during the third quarter as early-quarter Brexit fears faded and U.S. economic data rebounded, bringing the Fed closer to an eventual rate hike, perhaps in December.
- We sought to generally maintain portfolio durations and maturity distributions comparable to those of benchmarks to reduce potential performance mismatches given the uncertain rate environment.
- We will continue to monitor incoming economic data to assess and confirm the prospect for a Fed rate hike by year-end. In the near-term, the upcoming U.S. Presidential election could be a source of market volatility.
- PFM will continue to navigate the market environment with a keen focus on relative value sector analysis, prudent duration management, and efficient yield curve placement. While producing strong investment returns remains a priority, it is secondary to maintaining safety and liquidity, particularly in the current environment where we expect yields to trend higher.

Portfolio Statistics

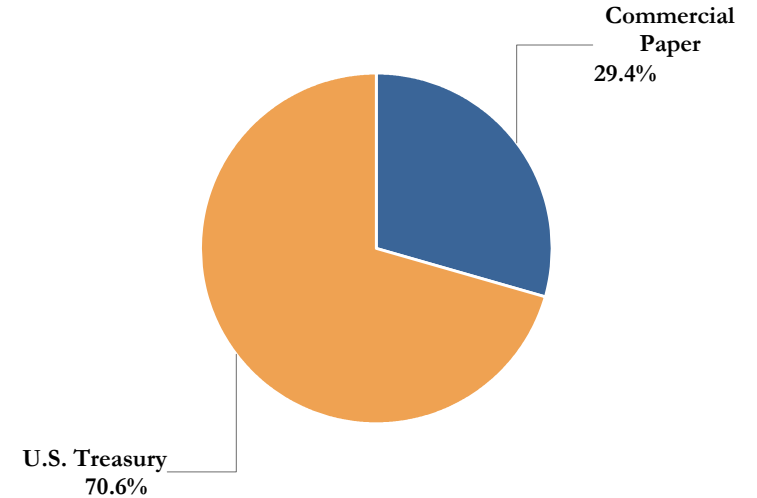
As of September 30, 2016

Par Value:	25,500,000
Total Market Value:	26,260,996
Security Market Value:	25,489,728
Accrued Interest:	14,614
Cash:	756,654
PFM	-
Amortized Cost:	25,482,794
Yield at Market:	0.50%
Yield at Cost:	0.59%
Effective Duration:	0.35 Years
Duration to Worst:	0.35 Years
Average Maturity:	0.35 Years
Average Credit: **	AA

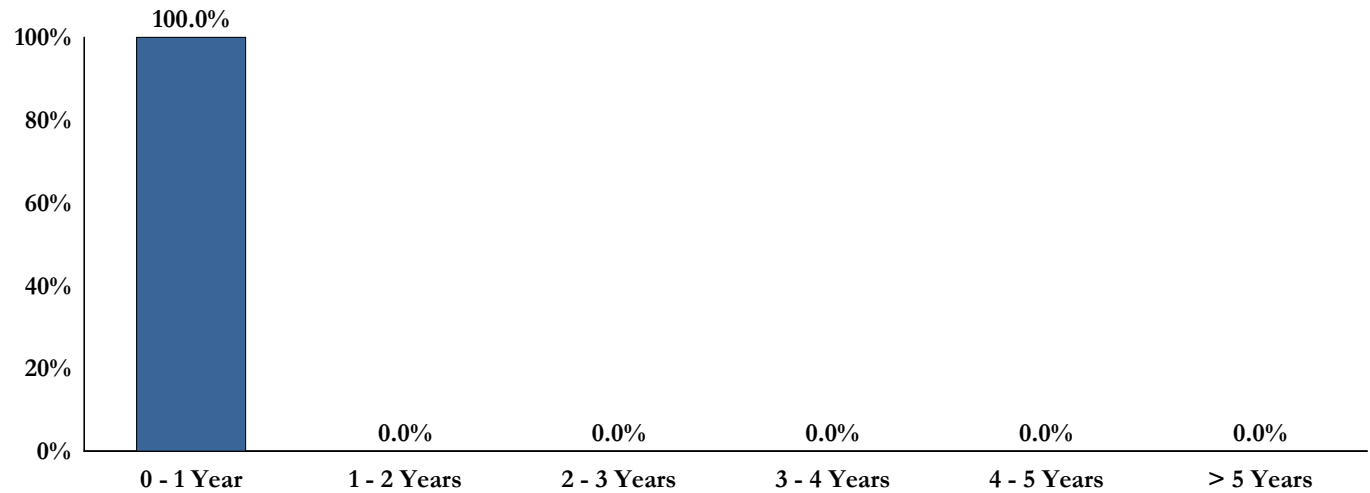
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



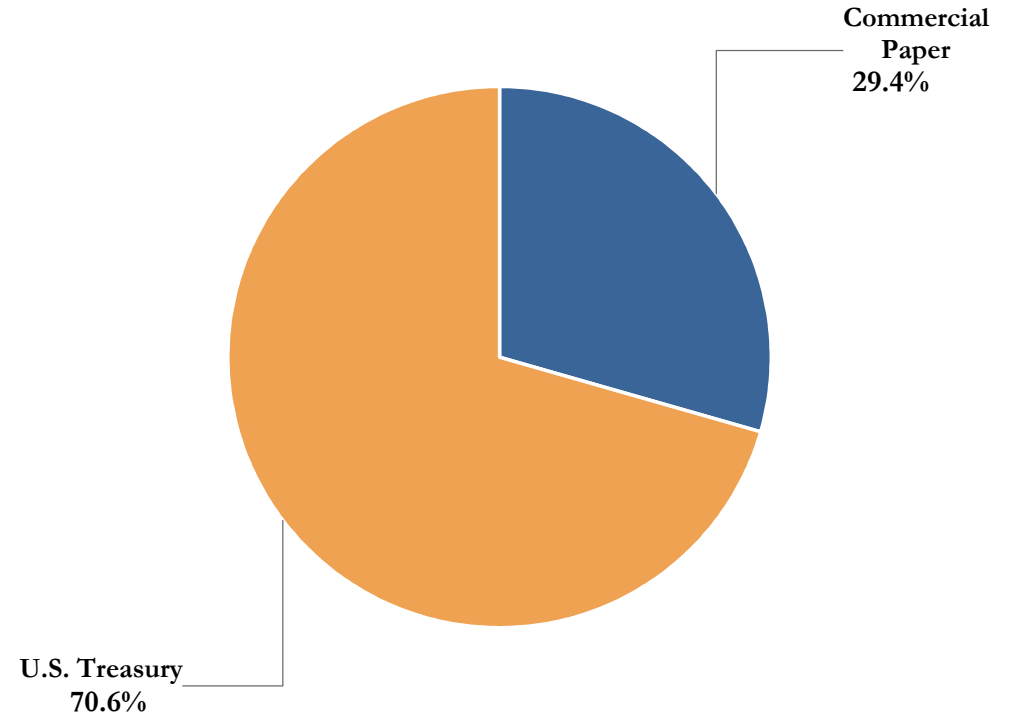
** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings
Quarter-Ended September 30, 2016

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (06/30/2016)	\$0.00	\$0.00
Net Purchases/Sales	\$25,478,282.30	\$25,478,282.30
Change in Value	\$11,445.20	\$4,512.05
Ending Value (09/30/2016)	\$25,489,727.50	\$25,482,794.35
Interest Earned	(\$6,626.91)	(\$6,626.91)
Portfolio Earnings	\$4,818.29	(\$2,114.86)

Sector Allocation
As of September 30, 2016

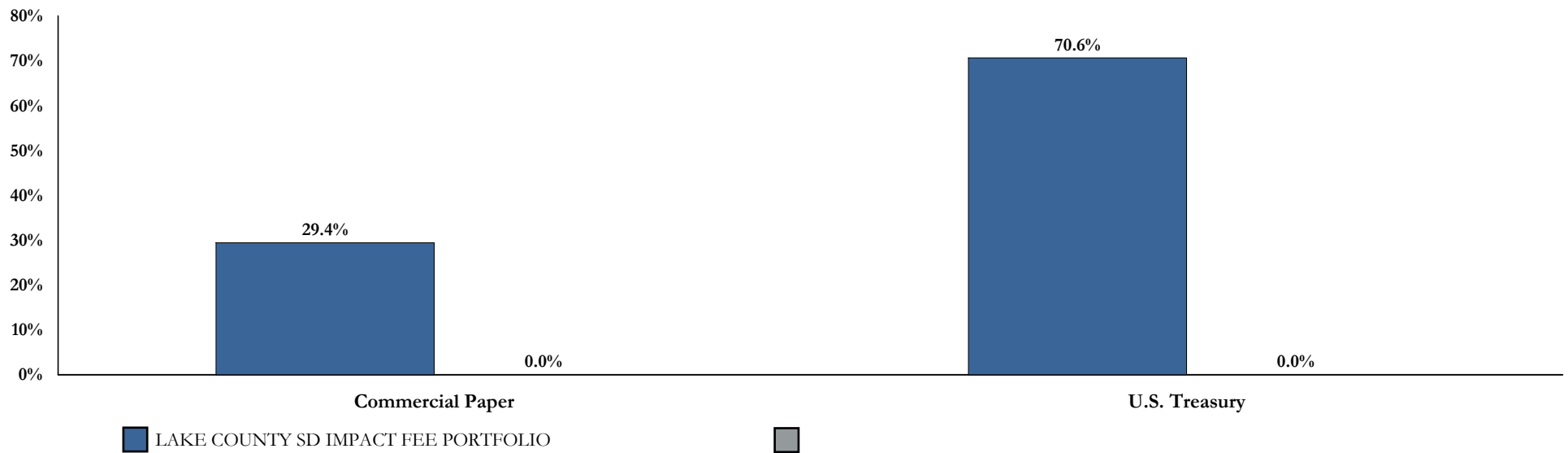
Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	18,009,120	70.6%
Commercial Paper	7,480,608	29.4%
Total	25,489,728	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of September 30, 2016

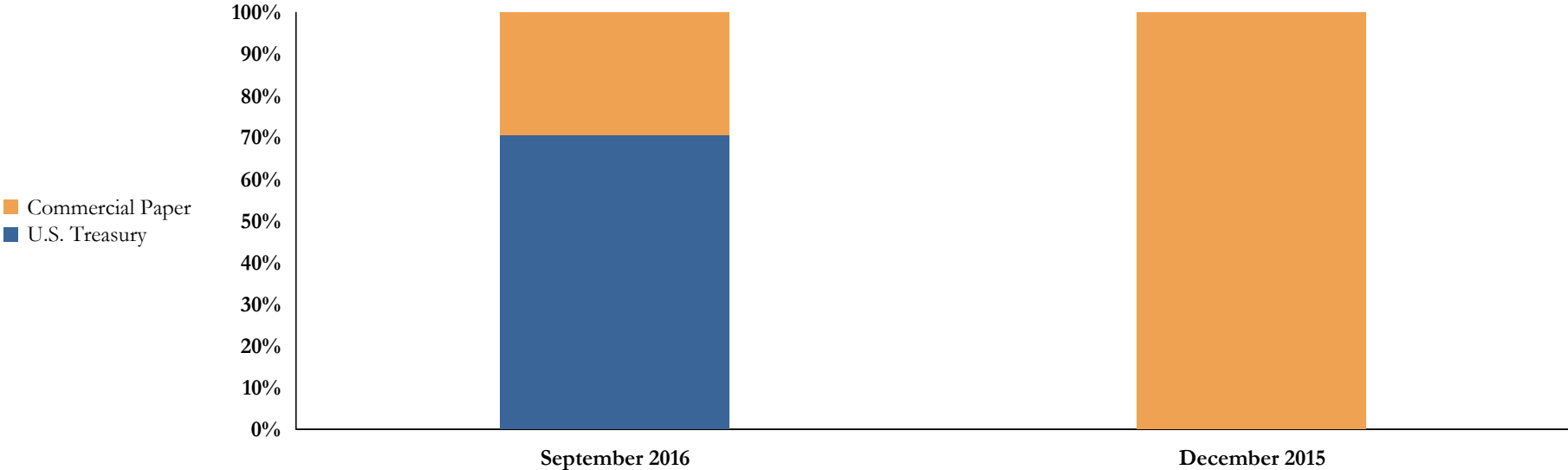
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	18,009,120	70.6%	-
Commercial Paper	7,480,608	29.4%	-
Total	25,489,728	100.0%	0.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	18.0	70.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Commercial Paper	7.5	29.4%	0.0	0.0%	0.0	0.0%	16.1	100.0%
Total	\$25.5	100.0%	\$0.0	0.0%	\$0.0	0.0%	\$16.1	100.0%

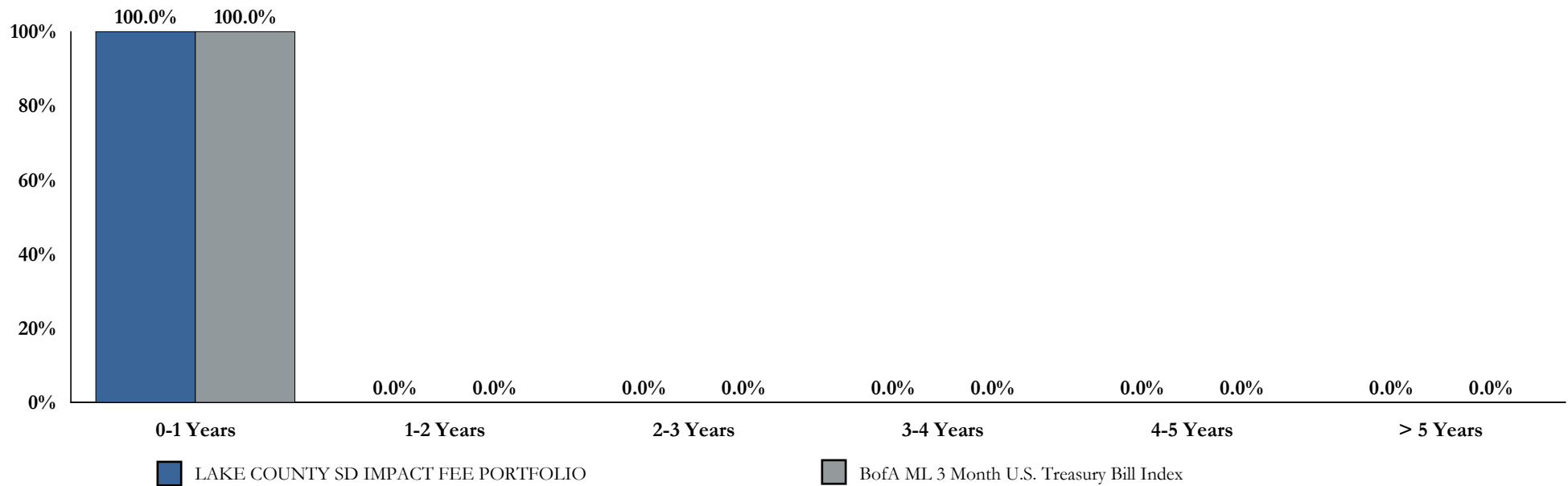


Detail may not add to total due to rounding.

Maturity Distribution

As of September 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
LAKE COUNTY SD IMPACT FEE PORTFOLIO	0.50%	0.35 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	0.27%	0.25 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

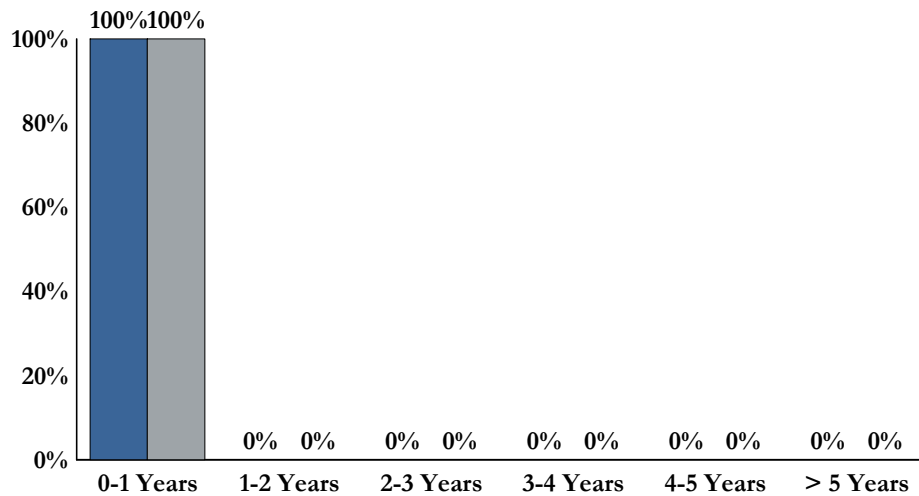


Duration Distribution

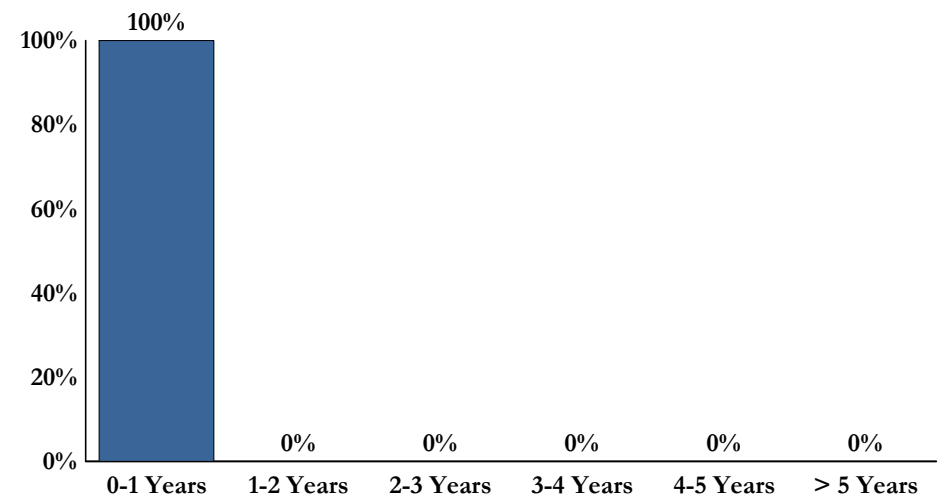
As of September 30, 2016

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
LAKE COUNTY SD IMPACT FEE PORTFOLIO	0.35	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BofA ML 3 Month U.S. Treasury Bill Index	0.15	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Distribution by Effective Duration



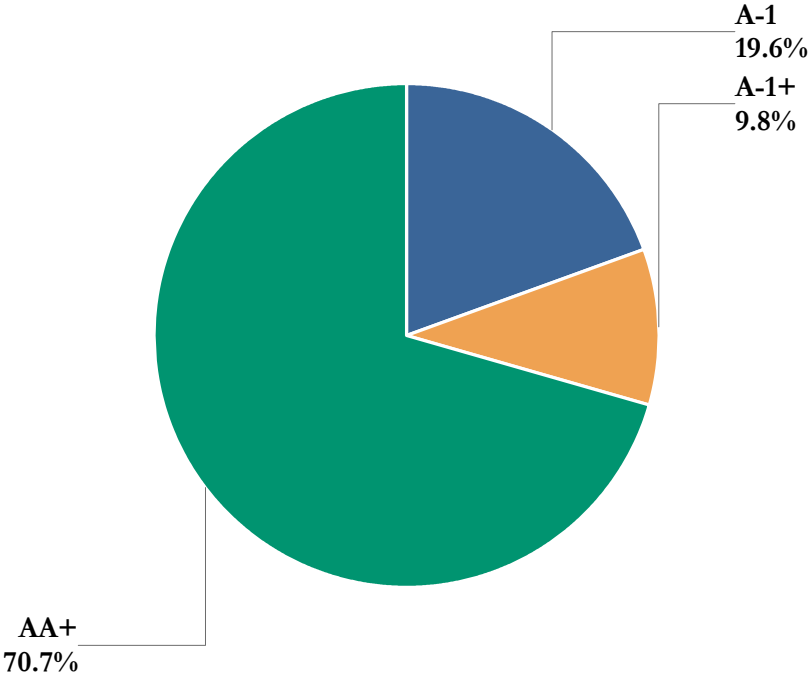
Contribution to Portfolio Duration



■ LAKE COUNTY SD IMPACT FEE PORTFOLIO
■ BofA ML 3 Month U.S. Treasury Bill Index

Credit Quality
As of September 30, 2016

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$18,009,120	70.7%
A-1	\$4,985,640	19.6%
A-1+	\$2,494,968	9.8%
Totals	\$25,489,728	100.0%



Detail may not add to total due to rounding.

Issuer Distribution*As of September 30, 2016*

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	18,009,120	70.7%
TOYOTA MOTOR CORP	2,494,968	9.8%
MITSUBISHI UFJ FINANCIAL GROUP INC	2,494,183	9.8%
JP MORGAN CHASE & CO	2,491,458	9.8%
Grand Total:	25,489,728	100.0%

Sector/Issuer Distribution*As of September 30, 2016*

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
IP MORGAN CHASE & CO	2,491,458	33.3%	9.8%
MITSUBISHI UFJ FINANCIAL GROUP INC	2,494,183	33.3%	9.8%
TOYOTA MOTOR CORP	2,494,968	33.4%	9.8%
Sector Total	7,480,608	100.0%	29.3%
U.S. Treasury			
UNITED STATES TREASURY	18,009,120	100.0%	70.7%
Sector Total	18,009,120	100.0%	70.7%
Portfolio Total	25,489,728	100.0%	100.0%

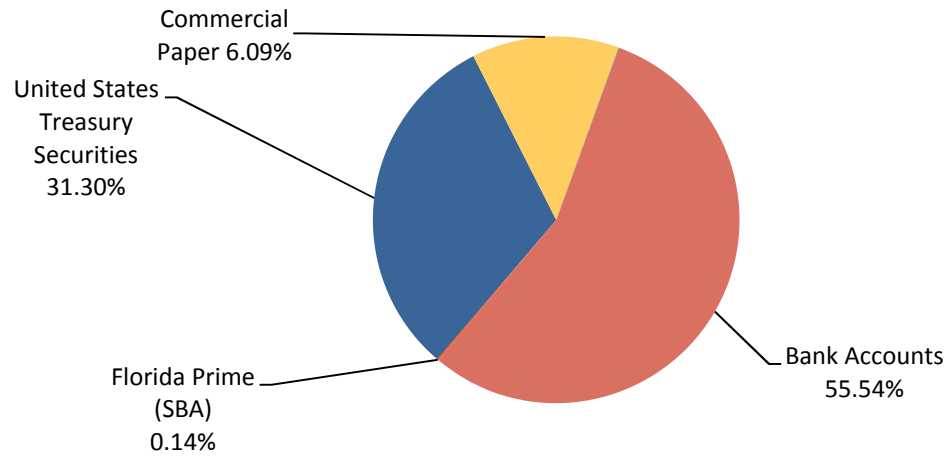
Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
8/31/16	8/31/16	2,500,000	06538BN33	BANK OF TOKYO MITS UFJ LTD COMM PAPER	0.00%	1/3/17	2,491,493.06	0.98%	
8/31/16	8/31/16	2,500,000	46640PPT4	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	2/27/17	2,488,125.00	0.95%	
8/31/16	9/1/16	6,000,000	912828H29	US TREASURY NOTES	0.62%	12/31/16	6,011,107.34	0.39%	
8/31/16	9/1/16	2,500,000	89233GN36	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	1/3/17	2,492,336.11	0.89%	
8/31/16	9/1/16	6,000,000	912828H78	US TREASURY NOTES	0.50%	1/31/17	6,004,483.70	0.42%	
8/31/16	9/1/16	6,000,000	912828J92	US TREASURY NOTES	0.50%	3/31/17	6,012,388.58	0.51%	
Total BUY		25,500,000					25,499,933.79		
INTEREST									
9/19/16	9/19/16	0	MONEY0002	MONEY MARKET FUND			24.58		
9/30/16	9/30/16	6,000,000	912828J92	US TREASURY NOTES	0.50%	3/31/17	15,000.00		
Total INTEREST		6,000,000					15,024.58		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
BUY	8/31/16	8/31/16	2,500,000.00	06538BN33	BANK OF TOKYO MITS UFJ LTD COMM PAPER	0.00%	1/3/17	(2,491,493.06)	0.98%	
BUY	8/31/16	8/31/16	2,500,000.00	46640PPT4	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	2/27/17	(2,488,125.00)	0.95%	
BUY	8/31/16	9/1/16	6,000,000.00	912828H29	US TREASURY NOTES	0.62%	12/31/16	(6,011,107.34)	0.39%	
BUY	8/31/16	9/1/16	2,500,000.00	89233GN36	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	1/3/17	(2,492,336.11)	0.89%	
BUY	8/31/16	9/1/16	6,000,000.00	912828H78	US TREASURY NOTES	0.50%	1/31/17	(6,004,483.70)	0.42%	
BUY	8/31/16	9/1/16	6,000,000.00	912828J92	US TREASURY NOTES	0.50%	3/31/17	(6,012,388.58)	0.51%	
INTEREST	9/19/16	9/19/16	0.00	MONEY0002	MONEY MARKET FUND			24.58		
INTEREST	9/30/16	9/30/16	6,000,000.00	912828J92	US TREASURY NOTES	0.50%	3/31/17	15,000.00		
TOTALS								(25,484,909.21)		

Tab III



Security Type ¹	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Florida Prime (SBA)	78,840.34	0.14%		25%	YES
United States Treasury Securities	18,019,444.81	31.30%		100%	YES
United States Government Agency Securities	-	0.00%		50%	YES
Federal Instrumentalities	-	0.00%	2	80%	YES
Mortgage-Backed Securities	-	0.00%	2,3	20%	YES
Certificates of Deposit or Savings Account	-	0.00%		25%	YES
Repurchase Agreements	-	0.00%		50%	YES
Commercial Paper	7,477,963.21	12.99%		35%	YES
Corporate Notes	-	0.00%		0%	YES
Bankers' Acceptances	-	0.00%		35%	YES
State and/or Local Government Debt	-	0.00%		20%	YES
Money Market Mutual Funds	21,128.75	0.04%		50%	YES
Intergovernmental Investment Pool	-	0.00%		25%	YES
Bank Accounts	31,970,962.51	55.54%		100%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 80%. The combined total as of September 30, 2016 is .00%.
3. The Investment Policy does allow for Government and Federal Agency mortgage backed securities (MBS). Which is limited to GNMA, FHLMC, and FNMA mortgage backed securities. GNMA securities have the full faith and credit of the United States Treasury. As of September 6, 2008, FHLMC and FNMA have been under conservatorship with the United States Treasury. PFM has imposed an internal maximum allocation limit of 20% in MBS'. PFM will notify the School District prior to adding MBS' to the portfolio.

Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Government National Mortgage Association (GNMA)	-	0.00%		25%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		40%	YES
Federal Home Loan Bank (FHLB)	-	0.00%		40%	YES
Federal National Mortgage Association (FNMA)	-	0.00%		40%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	-	0.00%		40%	YES
Bank of Tokyo Mitsubishi, Inc. Commercial Paper	2,493,602.78	4.33%		10%	YES
JP Morgan Chase & Company Commercial Paper	2,490,170.15	4.33%		10%	YES
Toyota Motor Corporation Commercial Paper	2,494,190.28	4.33%		10%	YES
Bank Accounts	31,970,962.51	55.54%		100%	YES
Money Market Fund - Impact Fees	21,128.75	0.04%		25%	YES

Important Disclosures

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values which include accrued interest, are derived from closing bid prices as of the last business day of the month as supplied by a third party vendor. Where prices are not available from generally recognized sources the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount, expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

Glossary

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction occurs on a non-business day (i.e. coupon payments and maturity proceeds), the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred however the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.