

INVESTMENT UPDATE

to

CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM

on

Thursday, November 16, 2023

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RICHMOND CAPITAL MANAGEMENT
Experience, Knowledge, Service

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Performance Summary

As of September 30, 2023

	City of Fort Pierce Retirement and Benefit System	Bloomberg Aggregate Index	Value Added
3rd Quarter, 2023	-3.37%	-3.23%	-0.14%
Fiscal Year to Date	1.01%	0.64%	+0.37%
Annualized: 3 Years	-4.84%	-5.21%	+0.37%
5 Years	0.40%	0.10%	+0.30%
10 Years	1.50%	1.13%	+0.37%
Annualized Since Inception (8/1/1989)	5.51%	4.99%	+0.52%

*Bloomberg Govt/Credit 8/1/89 to 5/31/13, Bloomberg Aggregate 6/1/13 forward
Fiscal Year End September 30th*



CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Portfolio Review

As of September 30, 2023

Cash Flows Since Inception Through September 30, 2023	
Market Value (8/1/1989)	\$12,816,948
Change in Market Value of Holdings	(6,709,303)
Interest Earned	76,696,736
Contributions/ Withdrawals	31,758,163 (63,784,940)
Total	\$50,777,604

Portfolio Review Through September 30, 2023	
Average Maturity	8.60 Years
Portfolio Duration (Bloomberg Aggregate)	6.11 Years 6.15 Years
Average Yield to Maturity (Bloomberg Aggregate)	5.68% 5.39%
Average Quality	AA-

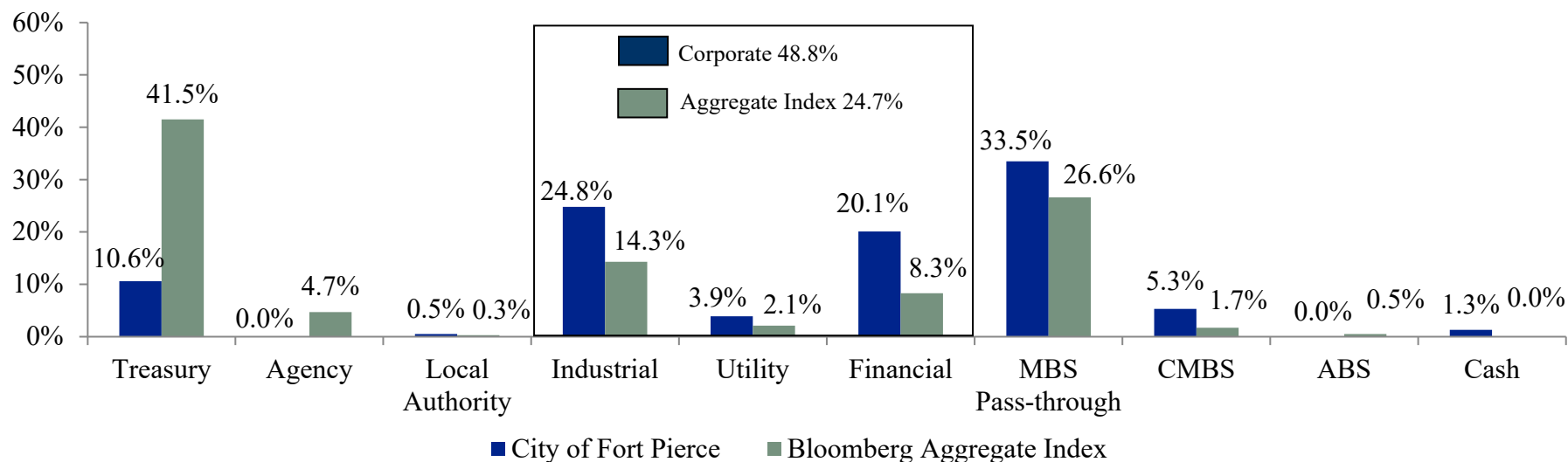
Statistics in this report are calculated by Bloomberg PORT Fixed Income Analytic models.



CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

As of September 30, 2023

Quality Distribution		
	City of Fort Pierce	Bloomberg Aggregate Index
AAA	6.6%	3.8%
AA	46.6%	72.2%
A	28.6%	11.6%
BAA	18.2%	12.4%

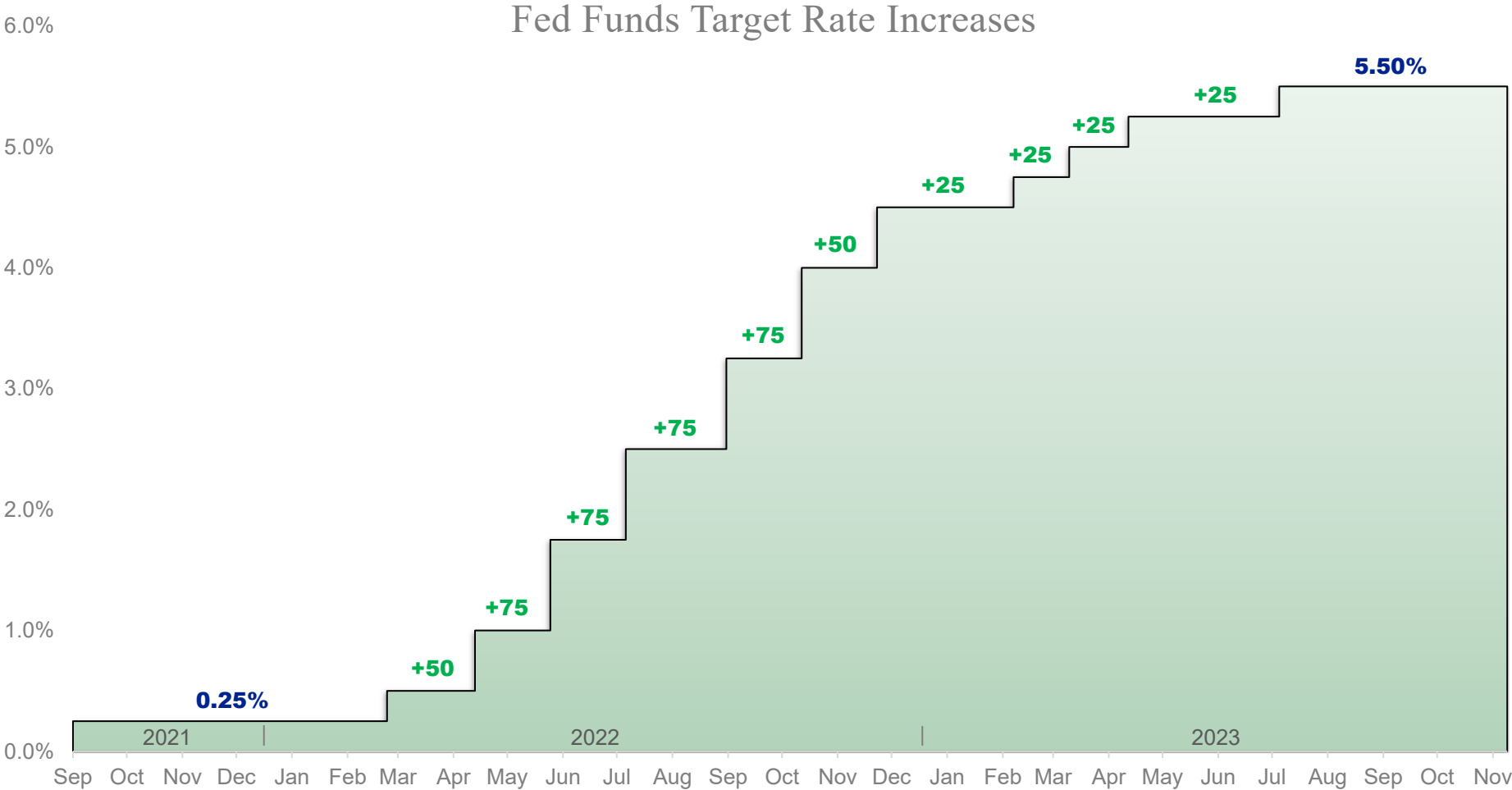


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FEDERAL FUNDS TARGET RATE INCREASES

As of November 1, 2023



TREASURY YIELD CURVE: HIGHER YIELDS

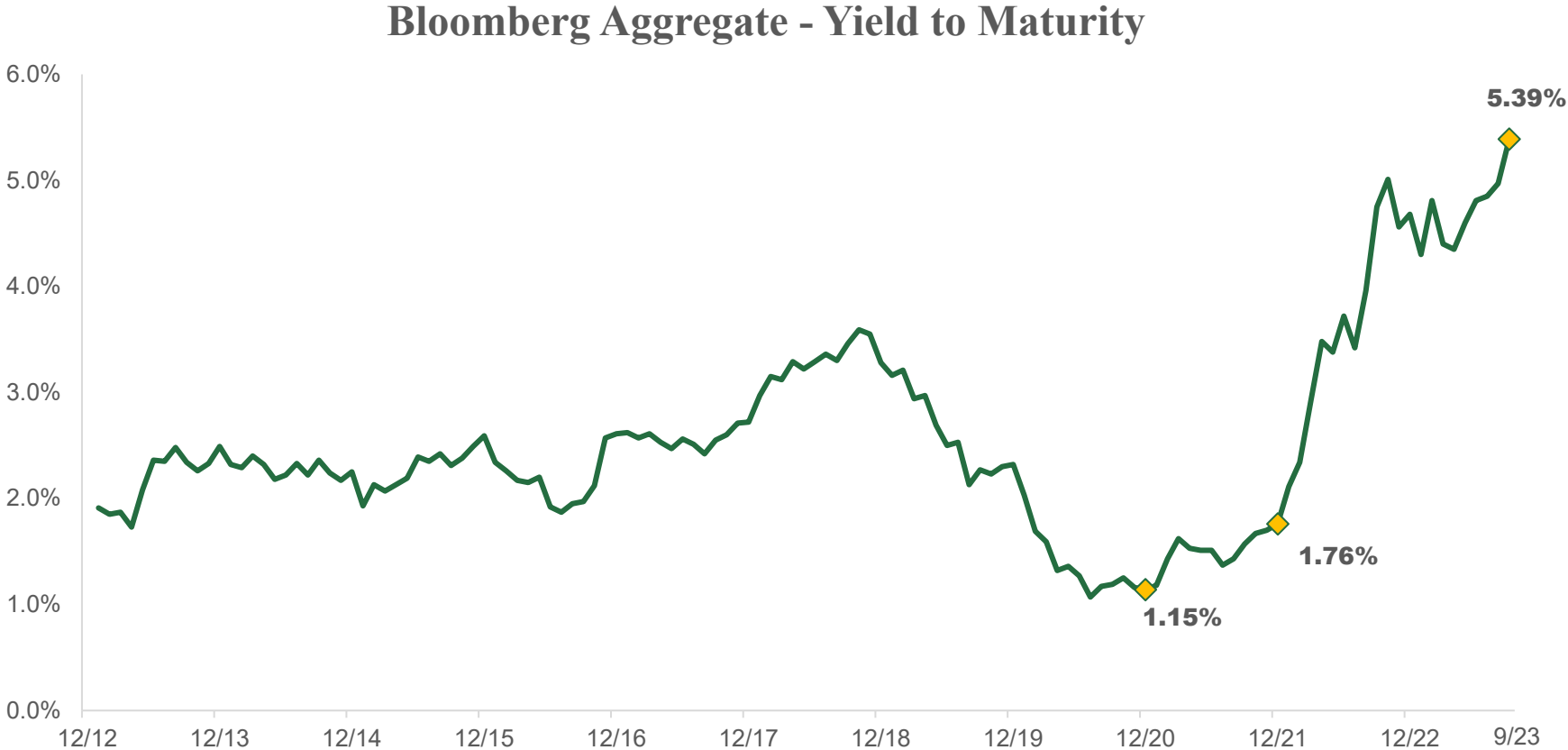
	9/30/23 Yields (%)	12/31/21 Yields (%)	Change (%)
1 Month	5.35	0.02	+5.33
3 Months	5.45	0.03	+5.42
1 Year	5.45	0.38	+5.07
2 Years	5.05	0.73	+4.32
3 Years	4.80	0.96	+3.84
5 Years	4.61	1.26	+3.35
7 Years	4.61	1.44	+3.17
10 Years	4.57	1.51	+3.06
20 Years	4.90	1.93	+2.97
30 Years	4.70	1.90	+2.80

Source: Bloomberg



BLOOMBERG AGGREGATE INDEX – YIELD TO MATURITY

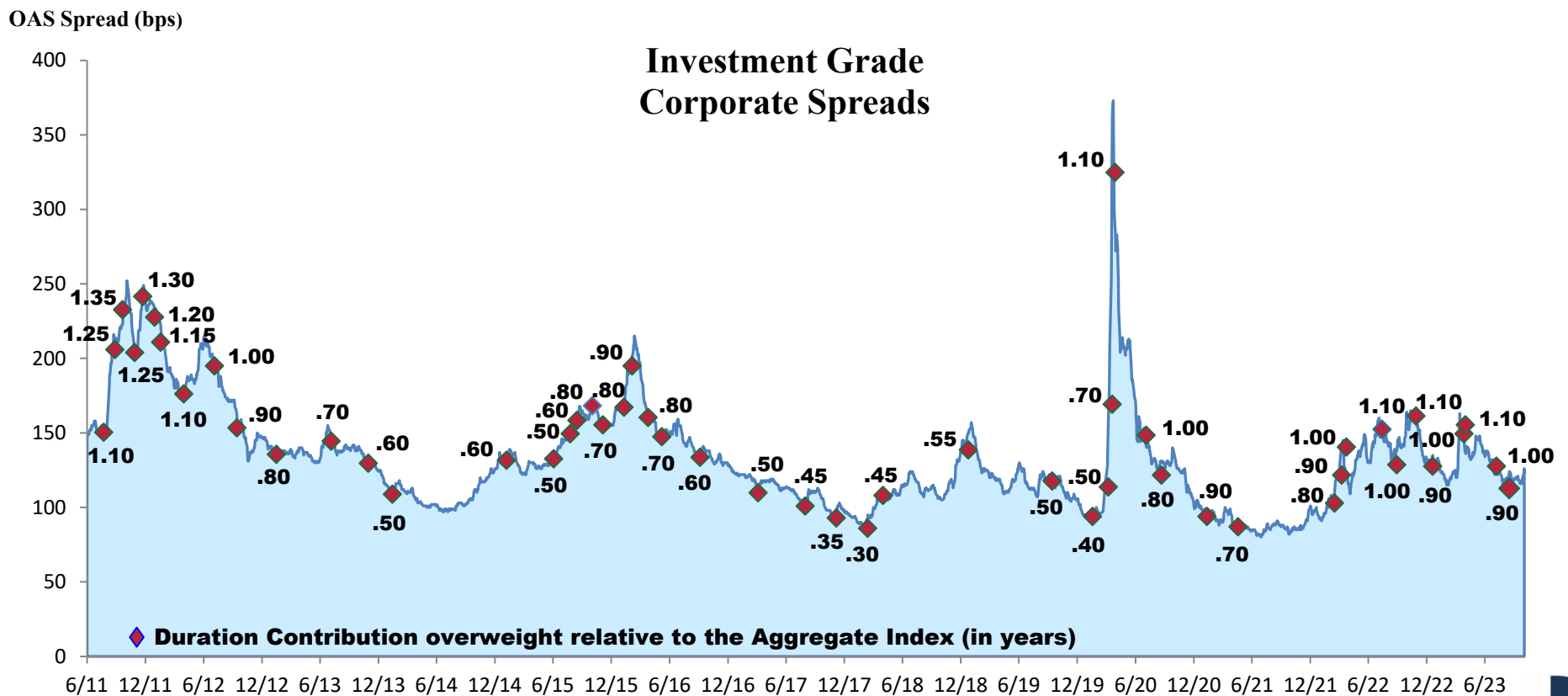
As of September 30, 2023



CORPORATE BOND ALLOCATION (DURATION CONTRIBUTION)

As of September 30, 2023

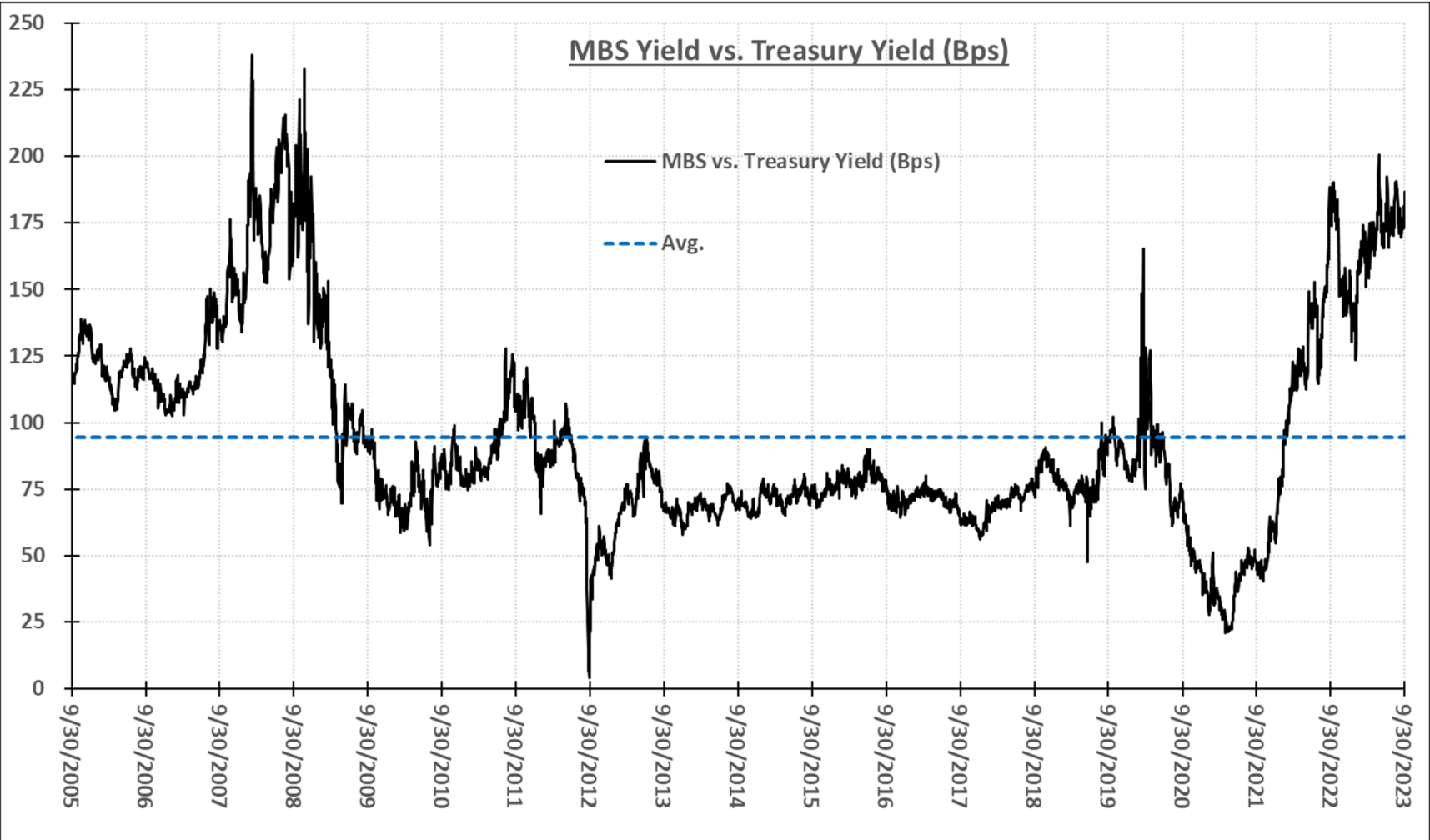
- We are disciplined and opportunistic in our approach to overweighting risk in the corporate sector.
- Volatility provided opportunities in 2022 and 2023. Spreads narrowed in Q2 and Q3 2023 and we lowered our credit risk in response.



Source: Bloomberg



AGENCY MBS LOOKS ATTRACTIVE – PORTFOLIO IS 7% OVERWEIGHT VERSUS INDEX



RICHMOND CAPITAL STRATEGY SUMMARY FOR 2023

- » We believe the investment grade bond market offers opportunity. The Aggregate yield-to-maturity is the highest it has been since 10/30/2008.
- » We mitigate the risk of all our spread product investments through diversification and a bias to the higher end of the investment grade ratings spectrum. In corporates, we favor A-rated and high BBB-rated companies. All of our mortgage holdings are AA+ to AAA-rated.
- » Lastly, with regard to the overall interest rate sensitivity of our portfolios, we are content to remain neutral duration relative to the benchmark. While closer to the end than the beginning, we think the path of the Federal Reserve rate hikes is still uncertain and other active strategies are much more interesting. Those strategies include the aforementioned risk/reward attractiveness of “spread” sectors and the security selection opportunities that continue to come our way during these high volatility times.

