



**Investment Advisory Board
Meeting
City of Rio Rancho
AGENDA
August 27, 2025
6:00 PM
City Council Chambers**

Investment Advisory Board Members

Van Billops, District 1	Vacant, District 2
Vacant, District 3	Ron Baker, District 4
Chandra McCray, District 5	Kelly Wainwright, District 6
David Jablonski, At-Large	

Meeting Information

This meeting will be conducted in-person. A live stream of the meeting can be viewed on the City of Rio Rancho website at <https://rrnm.gov/2303/Watch-and-Download-City-Meetings>

Pursuant to the Rules of Procedures, any person wishing to address the Board related to an item listed under Discussion and Deliberation, shall register in person with the designated City staff person no later than fifteen (15) minutes prior to the scheduled start time of a meeting. No more than two (2) hours in total will be allotted for comments pertaining to a specific agenda item at any meeting. A majority vote of the Board members present may approve to extend the total amount of time allotted for public input related to a specific agenda item at a meeting.

Public input can be submitted in writing to the designated City staff person prior to the date of the meeting in which the item is scheduled to be heard; however, only public input received before 4 p.m. on the day of the meeting will be entered into the record prior to the meeting.

Call to Order and Pledge of Allegiance

Consent Calendar

There will be no discussion of these items unless a Board Member so requests, in which event the item will be moved to a discussion item on the regular agenda.

- [1 Approval of the May 28, 2025, Minutes
052825 Minutes](#)

Staff Presentations, Reports and Comments

Discussion and Deliberation

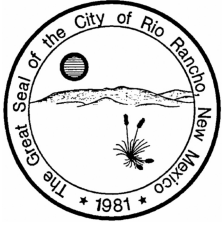
- [2 Review and Input on the Permanent Fund Performance
City of Rio Rancho Permanent Fund 2025Q2](#)
- [3 Review and Input on the Core and Liquidity Portfolios Performance
Portfolio Q4 2025](#)
- [4 Procedural Recommendation Discussion on Earning Withdrawal and Emergency Fund Allocation
Investment Advisory Policy recommendation R.Baker](#)

Comments by Members

Public Forum

Any person wishing to address a board, commission, committee, or advisory body related to a non-agenda item shall register in person with the applicable City staff person no later than fifteen (15) minutes prior to the scheduled start time of a meeting. No more than two (2) hours in total will be allotted for public forum comments at any meeting. A majority vote of the board, commission, committee, or advisory body members present may approve to extend the total amount of time allotted for public forum at a meeting.

Adjournment



**CITY OF RIO RANCHO
COVER PAGE**

Legislation Item:

AGENDA DATE:
August 27, 2025

DEPARTMENT:
City Clerk

SUBJECT:
Approval of the May 28, 2025, Minutes

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

ATTACHMENT: [052825 Minutes](#)



Investment Advisory Board
Meeting
MINUTES
MAY 28, 2025
6:00 PM
Council Chambers

Members Present:

Van Billops, District 1
Chandra McCray, District 5 (arrived 6:07pm)
Kelly Wainwright, District 6
David Jablonski, At-Large

Staff Present:

Carole Jaramillo, Director of Financial Services
Noel Davis, City Clerk

Members Absent

Ron Baker, District 4

SPECIAL GUEST:

Mallory Sampson, PFM Asset Management
Deanne Woodring, GPA

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Kelly Wainwright called the meeting to order at 6:02 p.m.

CONSENT CALENDAR**1. Approval of February 25, 2025 Minutes**

Van Billops moved to approve the consent calendar. Seconded by member Jablonski.

The motion carried by a vote of 3 FOR and 0 AGAINST.

YES: Van Billops, Kelly Wainwright, David Jablonski

NO: None

ABSENT: Chandra McCray, Ron Baker

STAFF PRESENTATIONS, REPORTS AND COMMENTS**PUBLIC HEARINGS****DISCUSSION AND DELIBERATION****2. Review and Input on the Permanent Fund Performance**

Mallory Sampson PFM Asset Management, presented this item and briefly went over the performance of the portfolio. In the fourth quarter, U.S. real gross domestic product grew at seasonally adjusted annualized rate of 2.4%, a deceleration from the 3.1% growth in Q3. The U.S. unemployment rate rose to 4.2% in March remaining in the remarkably stable range between 4.0% and 4.2% that we have seen for in the last six months. The latest initial jobless claims ticked higher to 2.2k in March as layoffs generally remain low, pointing to a relatively stable labor market despite a cooling outlook. The number of job openings slipped to 7.6M in February. Inflation remained

1 sticky in the first quarter. Headline inflation (CPI) grew at a year-over-year rate of 2.8%
2 in February, down slightly from the 2.9% reading in December. Core CPI, which
3 excludes volatile food and energy, slowed to 3.1% on an annual basis, the lowest rate
4 since April 2021. This cooling rate does not capture the full impact of the new tariffs,
5 which are expected to drive up prices in a transitory manner. The Federal Reserve held
6 rates flat in the first quarter. The latest Fed projections continue to forecast two quarter-
7 percentage-point rate reductions by the end of 2025. On April 2, 2025, President Trump
8 announced a 10% tariff on all imports into the United States effective April 5, and
9 steeper tariffs on over 60 countries, effective April 9, in addition to the already
10 announced tariffs. While these levies could be removed or lowered substantially as the
11 administration negotiates with its trading partners, they could adversely impact
12 economic growth prospects should they remain in place for an extended period.
13

14 3. Review and Input on the Core and Liquidity Portfolios Performance

15
16 Deanne Woodring GPA, gave a market overview. The Markets, experienced significant
17 volatility in Q1 2025, driven by policy uncertainty and economic data fluctuations.
18 Investor sentiment was heavily influenced by the incoming administration's policy
19 proposals, including higher tariffs, lower taxes, and increased deportations. Despite
20 weakness in stock prices, consumer spending remained resilient, supported by healthy
21 balance sheets and surging asset values. Recent administration policies, specifically
22 tariffs, have threatened this stability. The strategic outlook in Q1 2025 was marked by
23 significant market volatility, driven by policy uncertainty.
24

25 4. Review and Input on Recommended Additional Revenue Contributions to the
26 Permanent Fund

27
28 Carole Jaramillo, Director of Financial Services presented this item. She went over the
29 five-year financial plan for the city's general fund. As a general statement the city is
30 projecting on the pessimistic basis for revenue over the next five years because of the
31 volatility on the unknowns that are happening in the economy right now. Staff has
32 planned that into projections and are remaining optimistic, but very cautious. The
33 budgeting plan calls for the city to hit the reserve target of 25%. From a staff
34 perspective, the hope is the Board would recommend against adding excess revenue to
35 the Permanent Fund this year, because any excess revenue taken out will bring down
36 the balance in those reserves.
37

38 Chandra McCray moved to not transfer money into the permanent fund.
39 Seconded by David Jablonski

40
41 The motion carried by a vote of 4 FOR and 0 AGAINST.
42 YES: Van Billops, Chandra McCray, Kelly Wainwright, David Jablonski
43 NO: None
44 ABSENT: Ron Baker
45

46 **COMMENTS BY MEMBERS**

47
48 **PUBLIC FORUM**
49

1 **ADJOURNMENT**

2 The meeting adjourned at 6:45 p.m.

3

4 APPROVED THIS 27th DAY OF AUGUST, 2025

5

6

7

8

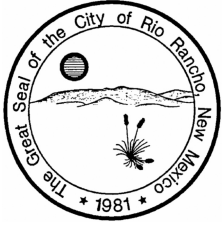
Kelly Wainwright, Chair

9

10 Noel Davis, City Clerk

11 SEAL

DRAFT



**CITY OF RIO RANCHO
COVER PAGE**

Legislation Item:

AGENDA DATE:

August 27, 2025

DEPARTMENT:

City Clerk

SUBJECT:

Review and Input on the Permanent Fund Performance

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

Presentation by PMF Asset Management.

ATTACHMENT: [City of Rio Rancho Permanent Fund 2025Q2](#)



City of Rio Rancho Permanent Fund

Investment Performance Review For the Quarter Ended June 30, 2025

Client Management Team

Chad Stapleton, CIMA® CRPS™
Mallory Sampson, CFP®

PFM Asset Management
A division of U.S. Bancorp Asset Management, Inc.

1201 S Alma School Rd
Suite 3000
Mesa, AZ 85210

1735 Market Street
43rd Floor
Philadelphia, PA 19103

Markets and Economy

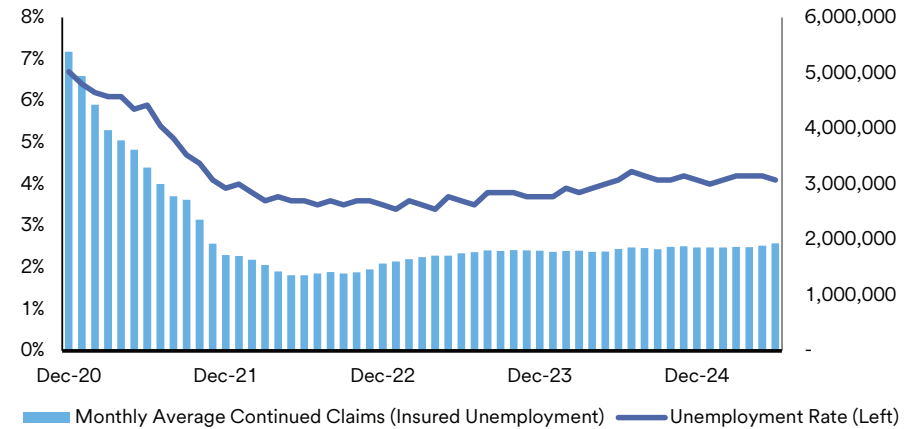
Index or Average Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500 (TR)	10.94%	6.20%	15.16%	19.69%	16.63%	14.38%	13.63%
Russell 3000	10.99%	5.75%	15.30%	19.06%	15.95%	13.54%	12.95%
Russell 1000 Growth	17.84%	6.09%	17.22%	25.73%	18.13%	17.88%	17.00%
Russell 1000	11.11%	6.12%	15.66%	19.57%	16.29%	14.08%	13.34%
Russell 1000 Value	3.79%	6.00%	13.70%	12.75%	13.92%	9.58%	9.18%
Russell Midcap	8.53%	4.84%	15.21%	14.32%	13.10%	10.02%	9.88%
Russell Midcap Growth	18.20%	9.79%	26.49%	21.44%	12.65%	12.72%	12.11%
Russell Midcap Value	5.35%	3.12%	11.53%	11.33%	13.70%	8.21%	8.39%
Russell 2000 Growth	11.97%	-0.48%	9.73%	12.37%	7.41%	5.68%	7.13%
Russell 2000	8.50%	-1.79%	7.68%	9.99%	10.03%	5.51%	7.12%
Russell 2000 Value	4.97%	-3.16%	5.54%	7.45%	12.46%	4.84%	6.71%
INTERNATIONAL EQUITY							
MSCI EAFE	11.78%	19.45%	17.73%	15.95%	11.15%	7.20%	6.50%
MSCI AC World	11.53%	10.05%	16.17%	17.33%	13.64%	10.77%	9.99%
MSCI AC World ex USA	12.03%	17.90%	17.72%	13.98%	10.12%	6.57%	6.12%
MSCI AC World ex USA Small Cap	16.93%	17.68%	18.34%	13.45%	10.74%	5.94%	6.54%
MSCI EM (Emerging Markets)	11.99%	15.27%	15.29%	9.69%	6.80%	4.48%	4.81%
ALTERNATIVES							
FTSE Nareit / Equity REITs - INV	-1.16%	-0.25%	8.60%	5.34%	8.62%	5.58%	6.32%
MSCI US REIT Index	-1.46%	-0.71%	7.62%	4.08%	7.37%	4.35%	5.03%
MSCI World Core Infrastructure	5.45%	13.44%	21.38%	6.78%	8.08%	7.25%	7.46%
Bloomberg Commodity Index	-3.08%	5.53%	5.77%	0.13%	12.67%	4.91%	1.98%
FIXED INCOME							
Bloomberg US Aggregate	1.21%	4.02%	6.08%	2.55%	-0.73%	1.77%	1.76%
Bloomberg US Government/Credit	1.22%	3.95%	5.89%	2.60%	-0.83%	1.96%	1.92%
Bloomberg US Intermediate Government/Credit	1.67%	4.13%	6.74%	3.57%	0.63%	2.42%	2.04%
Bloomberg US Treasury (1-3 Y)	1.20%	2.84%	5.72%	3.43%	1.33%	2.10%	1.59%
ICE BofA US High Yield	3.57%	4.55%	10.24%	9.84%	6.00%	5.18%	5.29%
Bloomberg Global Aggregate	4.52%	7.27%	8.91%	2.74%	-1.16%	0.57%	1.17%
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	1.05%	2.10%	4.73%	4.64%	2.81%	2.58%	2.01%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

THE ECONOMY

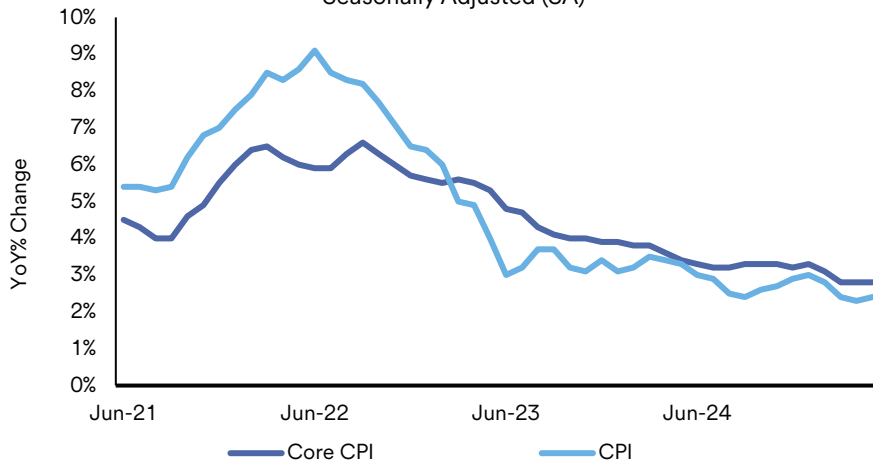
- In the first quarter, U.S. real gross domestic product (GDP) contracted at a seasonally adjusted annualized rate of -0.5%, marking the first quarterly contraction since 2022. This figure was due in large part to a surge in imports as companies hoped to get ahead of tariffs, however other areas including consumption also saw some softening over the quarter. Outside the U.S., some developed countries saw similar contraction such as Japan, which saw (annualized) GDP decline by -0.2% over the quarter; while the Eurozone grew at annualized rate of 2.5%.
- The U.S. unemployment rate held relatively steady over the quarter with a reading of 4.1% in June. The latest initial jobless claims for the week ending June 28 ticked slightly higher to 233,000 in June, while the outstanding claims rose to approximately 2 million as unemployed workers struggled to find suitable employment. Businesses appear to be in a relative “low hire, low fire” mode.
- Inflation remained relatively flat in the second quarter. Headline inflation (CPI) grew at a year-over-year rate of 2.4% in May after a slight dip in April. Core CPI, which excludes volatile food and energy, grew at 2.8% on an annual basis, the lowest rate since March 2021, however it has been growing at this pace since March.

U.S. Unemployment and Monthly Average Continued Claims



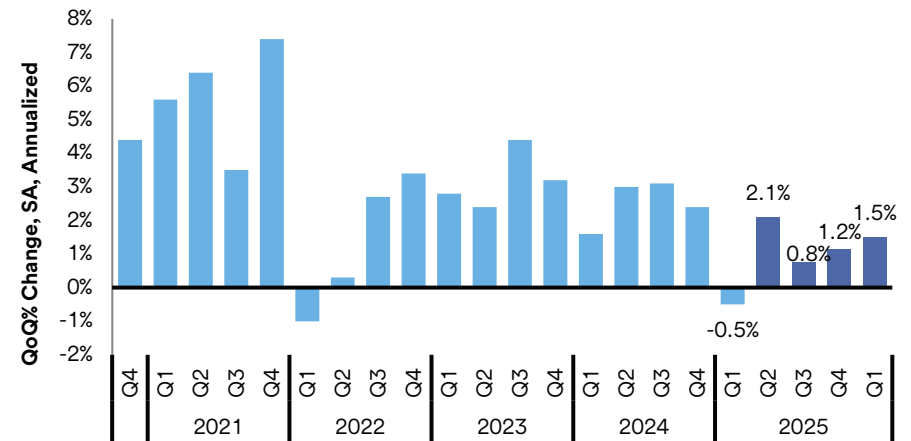
Source: Bloomberg.

U.S. Inflation Rate
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

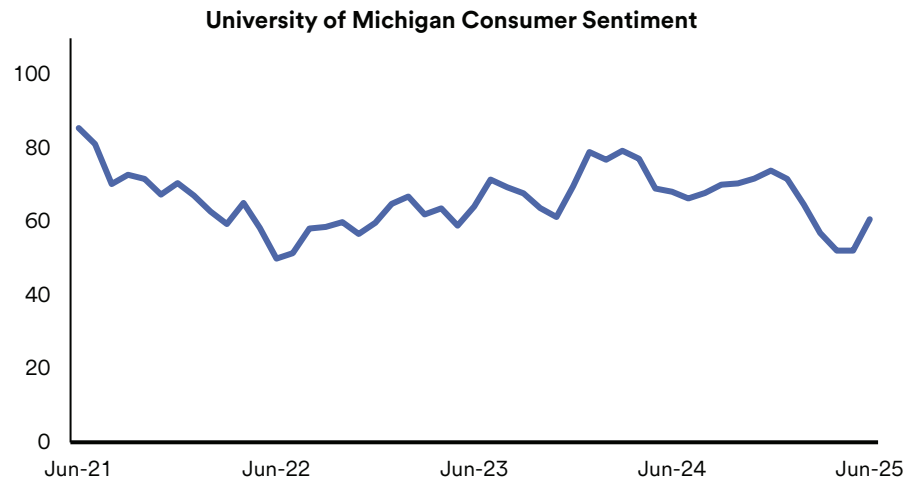
U.S. GDP Growth



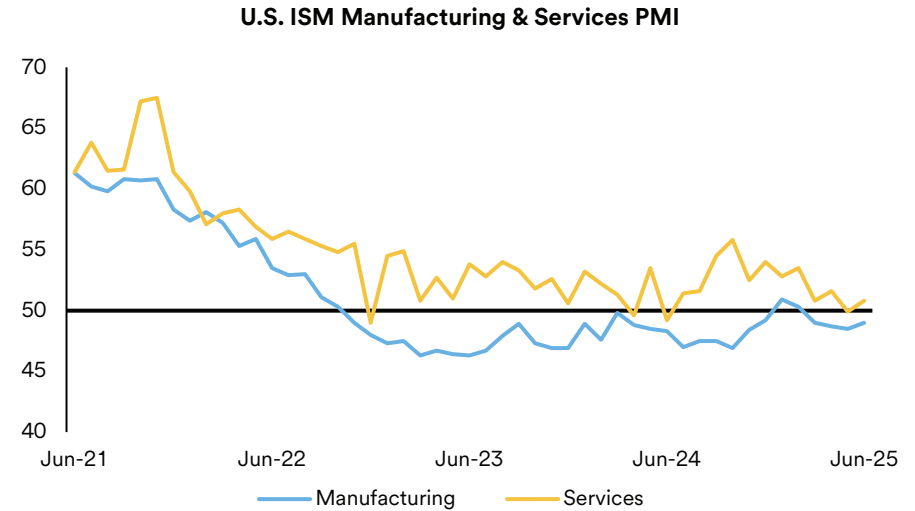
Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

WHAT WE'RE WATCHING

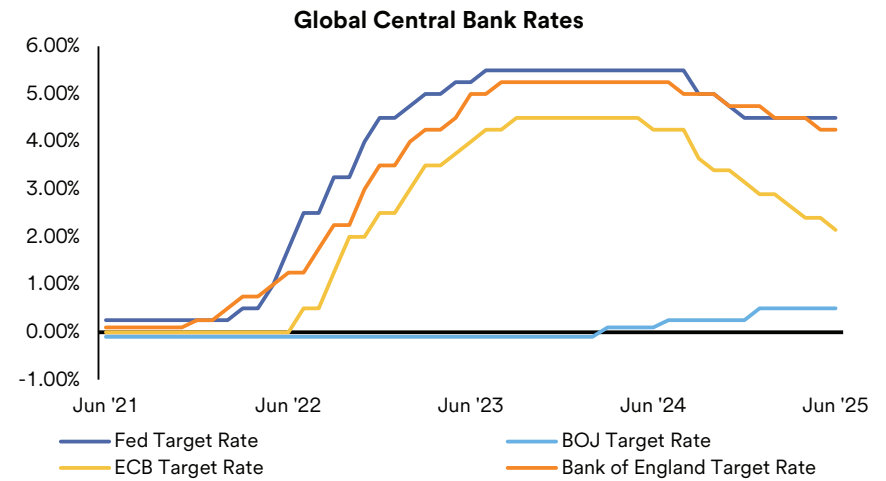
- The Federal Reserve (Fed) held rates flat again in the second quarter and it continues to maintain a 'wait-and-see' approach until more supportive data points to a clearer path regarding the impacts of tariffs. The latest Fed projections continue to forecast two quarter-percentage-point rate reductions by the end of 2025. Outside of the U.S., the European Central Bank (ECB) cut rates twice in the second quarter, bringing rates near neutral as inflation fell within targets.
- U.S. consumer sentiment, as measured by the University of Michigan survey of consumers, recovered after a precipitous drop in March and April, but still remains relatively gloomy, and down significantly from December 2024 levels, as consumers remain cautious about the risks of both an economic slowdown and further increases in inflation. Consumer spending, which drives more than two-thirds of the economy, has seen a slight pullback, falling 0.1% month-over-month, in May.
- Continued geopolitical risk and trade relations remain areas of concern for the markets. Conflict in the Middle East has the potential to impact energy prices, a consequence that we briefly saw before the ceasefire between Israel and Iran. Trade deals have not been finalized with a variety of important partners, and while continued trade negotiations may clear up some of the tariff uncertainty in the third quarter, many questions have not yet been resolved and their possible effects on inflation remain unclear.



Source: Bloomberg.



Source: Bloomberg.



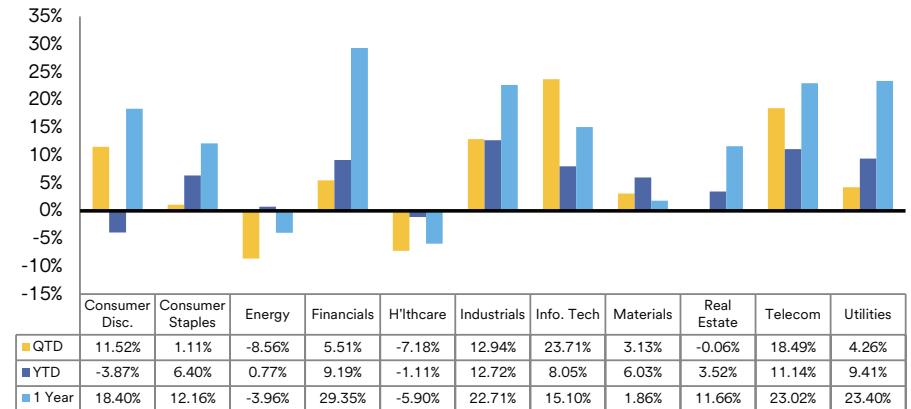
Source: Bloomberg.

DOMESTIC EQUITY

- The S&P 500 Index (S&P) posted a 10.9% return for the second quarter of 2025, recovering from a steep drop at the start of the quarter as markets reacted to the tariff announcements.
- Within the S&P 500, performance was mixed across the 11 GICS sectors. Only three sectors saw declines in the quarter: Energy (-8.6%), Healthcare (-7.2%) and Real Estate (-0.1%). The best performing sectors were Information Technology (23.7%), Communication Services (18.5%), and Industrials (12.9%).
- Positive returns were seen across all capitalizations with large caps, as represented by the Russell 1000 Index, returning 11.1% during the quarter while mid and small caps, as represented by the Russell Midcap and Russell 2000 indices both returned approximately 8.5%.
- According to FactSet Earnings Insight (as of June 27, 2025), analysts are projecting moderate earnings growth of 5.0% for Q2 2025, and for calendar year 2025, analysts are projecting year-over-year earnings growth of 9.1%. If the projected earnings growth for Q2 is correct, this will mark the lowest earnings growth since Q4 2023.
- As of the end of the quarter, the forward 12-month adjusted positive price-to-earnings (P/E) ratio (includes only positive earnings results for consistency) for the S&P 500 is 25.7, which is above the 5-year average of 23.3. The Russell 2000, which represents small cap stocks, had an adjusted positive forward P/E ratio of 19.6, also above its 5-year average of 17.7.

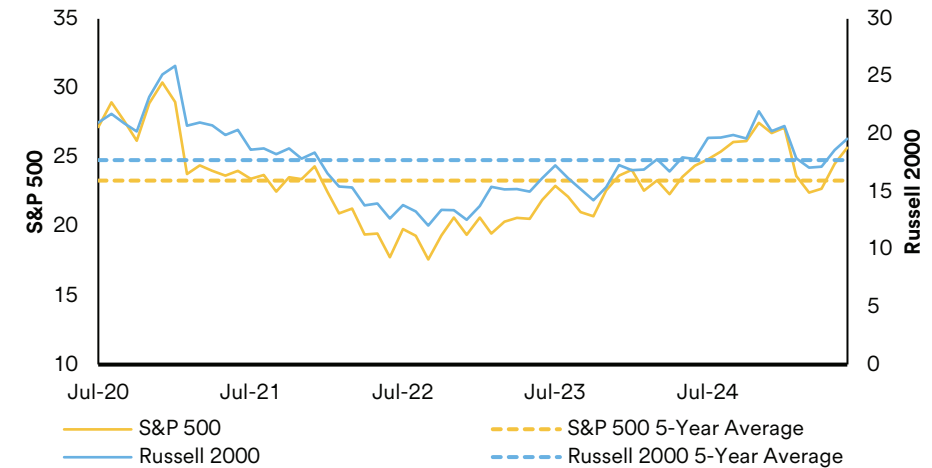
S&P 500 Index Performance by Sector

Periods Ended June 30, 2025



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

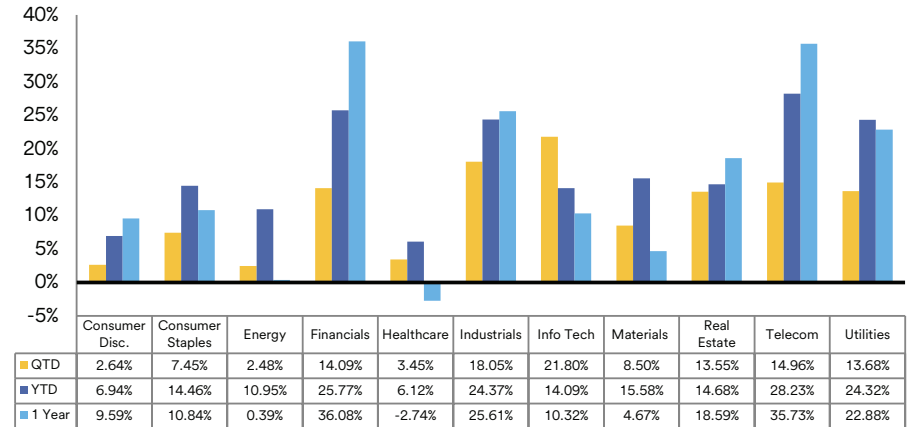
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

INTERNATIONAL EQUITY

- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, outperformed their U.S. counterparts, returning 12.0% for the quarter.
- All 11 sectors posted positive returns for the quarter. The top performing sectors were Information Technology (21.8%), Industrials (18.0%) and Communication Services (15.0%). The worst performers for the quarter were Energy (2.5%), Consumer Discretionary (2.6%), and Healthcare (3.5%).
- Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, underperformed emerging markets (EM), as represented by the MSCI Emerging Market Index, returning 11.8% versus 12.0% for the quarter. Returns from all international indices are in USD, which positively impacted performance due to the weakening dollar.
- Of the five largest-weighted countries in the MSCI EAFE Index the MSCI Germany Index (16.3%) outperformed while MSCI Japan (11.4%) performed in line with EAFE. The MSCI France (9.3%), MSCI United Kingdom (8.7%), and MSCI Switzerland (7.5%) indices all underperformed, though they still saw solid returns.
- Of the five largest-weighted countries in Emerging Markets, MSCI China (2.0%) and MSCI India (9.2%) underperformed the MSCI Emerging Markets index, while MSCI Taiwan (26.1%), MSCI Korea (32.7%), and MSCI Brazil (13.3%) all outperformed. Taiwan and Korea were both boosted to their double digit returns by the continued demand for semiconductors.
- Growth stocks outperformed value stocks for the quarter as represented by the broad benchmarks. MSCI AC World ex-USA Growth returned 13.7%, while MSCI AC World ex-USA Value returned 10.4%. Within EM, growth outperformed value as well, returning 13.4% versus 8.5%.
- Small-caps, as represented by the MSCI ACWI ex-U.S. Small Cap Index, also saw strong positive returns during the quarter, posting a return of 16.9%.
- Non-U.S. equity valuations rose over the second quarter but remain close to their long-term averages. As of quarter-end, the MSCI EAFE's Adjusted Positive Forward P/E stood at 16.6 versus a 5-year average of 16.0. MSCI EM ended the quarter with an Adjusted Positive Forward P/E ratio of 13.6, slightly above its 5-year average of 13.3.

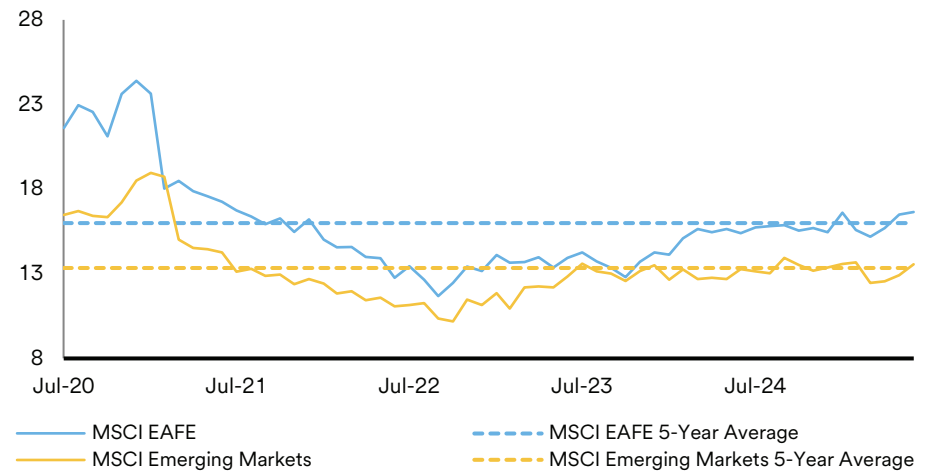
MSCI ACWI ex-U.S. Sectors

Periods Ended June 30, 2025



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



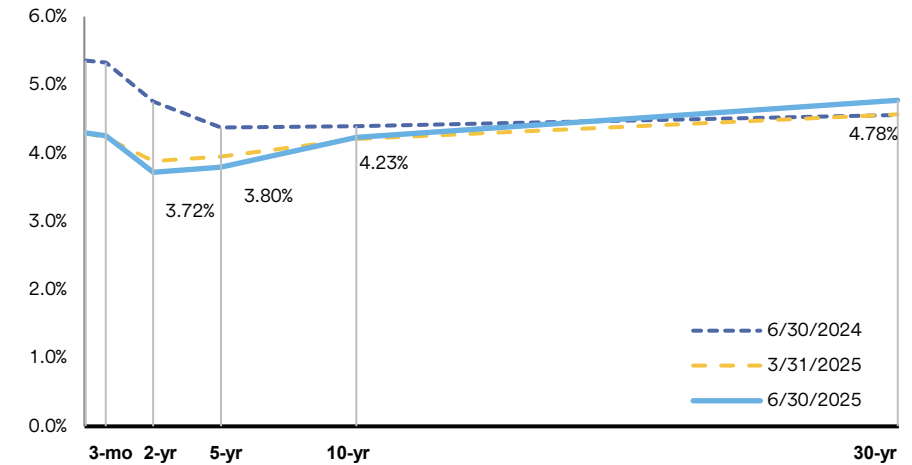
Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

FIXED INCOME

- The U.S. bond market, represented by the Bloomberg U.S. Aggregate Index, saw positive returns in the first quarter, returning 1.2%.
- The Bloomberg U.S. Treasury Index closed the quarter returning 0.8%. During the period, the Federal Open Market Committee (FOMC) held rates steady, marking the second quarter with no changes as policy makers continue their cautious stance as uncertainty remains over the final impact of tariffs on inflation and economic activity. The official dot plot continues to project two cuts for the remainder of the year. The yield curve steepened over the quarter as rates rose on the very long end and fell in the intermediate-term. The 30-year rose to 4.8%, while the 2-year ended at 3.7%. Cash markets currently provide higher yields than the 2-year Treasuries.
- Corporate credit saw positive returns across the quality spectrum for the quarter. The Investment Grade Bloomberg U.S. Corporate (IG Corp) Index returned 1.8% while High Yield bonds, as represented by the ICE BofA High Yield (HY) Index, returned 3.6%. After a spike in April, spreads returned to levels below the 10-year average for both investment-grade and high yield, in line with a broad “risk on” sentiment.
- The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index returned 1.1%. On the commercial side, the Bloomberg U.S. Agency CMBS Index returned 1.8% while the non-agency CMBS Index posted a return of 2.0%.

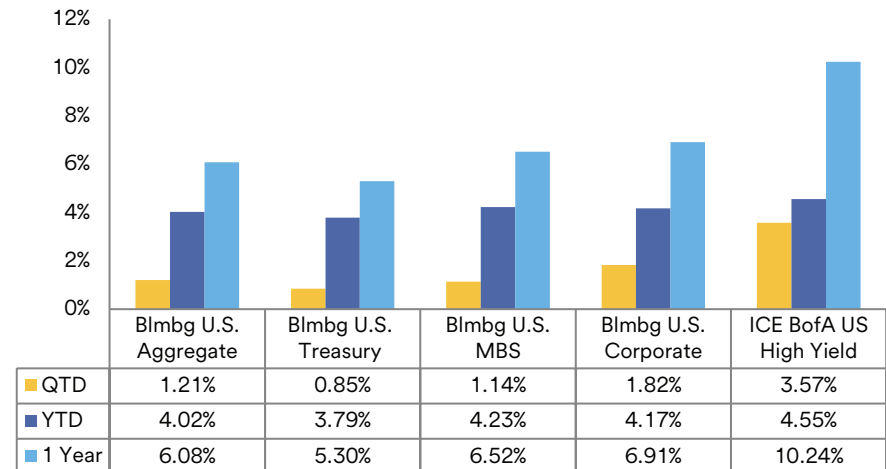
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended June 30, 2025

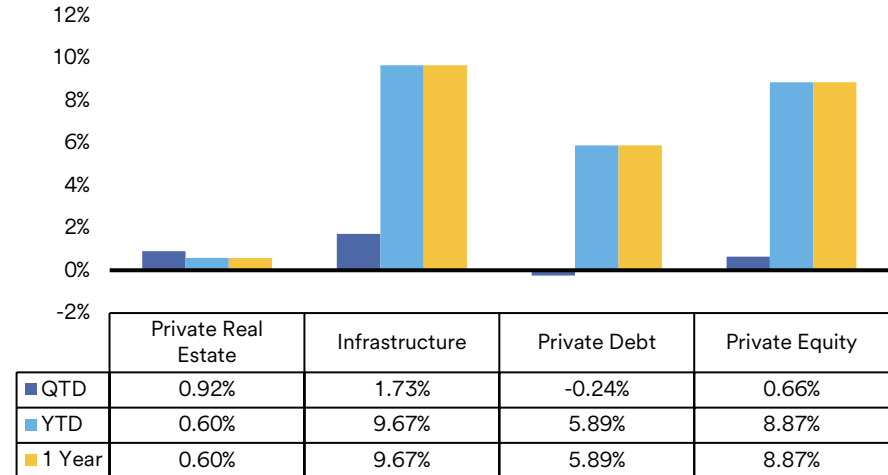


Source: Bloomberg.

ALTERNATIVES

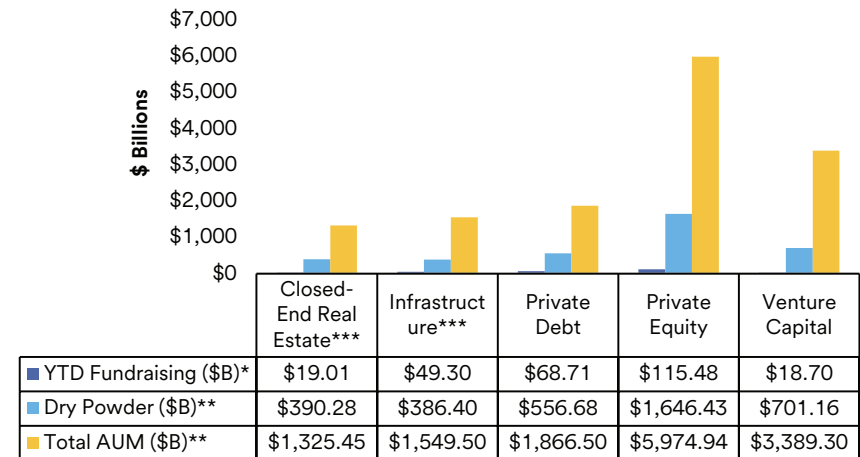
- Real estate investment trusts (REITs), as measured by the FTSE NAREIT Equity REITs Index, returned -1.5% in the second quarter, down from the 0.9% return in the prior quarter. Three of the nine major sectors saw positive returns. Private real estate, as measured by the NCREIF Property Index, gained 0.9% in the fourth quarter of 2024, resulting in a 0.6% return for the year. Q4 marked the second quarter of positive total returns in two years as property value declines leveled off across most sectors. Senior Housing was the top performer, returning 2.1%, while Office Properties continued to fare poorly, returning -0.6%.
- Listed infrastructure, as measured by the MSCI World Infrastructure Index, performed strongly in the second quarter, growing 5.4%. This compares to a 7.6% return in the prior quarter. In Q1 2025, 13 private infrastructure funds raised \$49.7 billion, a strong quarter following a year of subdued fundraising. Most of the capital went to funds larger than \$5 billion which seek to capitalize on secular trends around the adoption of artificial intelligence (AI) and decarbonization. Infrastructure dry powder has fallen from the previous year and stands at \$394.4 billion as of Q3 2024. According to PitchBook, infrastructure funds posted a return of 1.7% in Q4 2024. The asset class has generated an annualized return of 10.7% for the five years ended Q4 2024.
- In Q1 2025, 42 private debt funds raised \$68.7 billion. Private debt dry powder remains above the long-term average at \$556.7 billion as of Q3 2024; although over 50% has been outstanding for more than two years. According to PitchBook, private debt funds posted a return of -0.2% in Q4 2024. The asset class has generated an annualized return of 8.1% for the five years ended Q4 2024.
- In Q1 2025, 131 private equity funds raised \$115.5 billion – a slower pace compared to the prior year as constrained distributions hindered fundraising efforts. The bulk of the capital raised went to experienced managers raising capital for funds larger than \$1 billion. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at \$1.6 trillion as of Q3 2024. Recent private equity performance has been muted due to higher borrowing costs and a slowdown in deal activity. According to PitchBook, private equity funds posted a return of 0.7% in Q4 2024. The asset class has generated an annualized return of 15.8% for the five years ended Q4 2024.

Returns for Private Capital Assets












Source: NCREIF, PitchBook.
As of December 31, 2024, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder



Sources: Pitchbook.
* Total capital raised in 2025 as of March 31, 2025 - most recent period for which ALL fundraising data is available.
** Cumulative dry powder and total AUM as of September 30, 2024.
*** Excluding open-end, evergreen fund vehicles.

Factors to Consider Over the Next 6-12 Months

<p>Monetary Policy (Global):</p>  <ul style="list-style-type: none"> • The Fed continued to hold the rates unchanged through the second quarter amid healthy labor markets and tariff-induced inflation concerns. Latest dot plot points to two rate cuts before year end. • While inflation continues to cool globally, tariffs add to future inflation pressures and complicate the outlook. 	<p>Economic Growth (Global):</p>  <ul style="list-style-type: none"> • U.S. GDP is expected to grow at a slower pace for rest of the year but uncertainty over economic growth outcomes remains elevated even as higher tariff rates have been paused. • Escalating trade and geopolitical tensions create the potential for slower global growth while fiscal stimulus within Eurozone a positive for growth. 	<p>Inflation (U.S.):</p>  <ul style="list-style-type: none"> • Progress has been made towards the Fed’s 2% inflation target over recent months. However, future price pressures from tariffs are expected in coming months. • Fed Chair Powell said that he expects tariffs to impact inflation and that the size, duration, and time of tariff effects are highly uncertain.
<p>Financial Conditions (U.S.):</p>  <ul style="list-style-type: none"> • Even after the recent bout of volatility, risk and credit conditions still point to the stability of financial conditions. • The evolving fiscal landscape and persistent uncertainty may lead to tightening financial conditions over the next 6-12 months especially if inflation and growth concerns take hold. 	<p>Consumer Spending (U.S.):</p>  <ul style="list-style-type: none"> • Sentiment has remained subdued as consumers continue to expect higher prices and weaker labor market conditions. Tax extension support is a positive while higher prices are a negative. • A material deterioration of labor market conditions remains the biggest risk factor to consumer spending. 	<p>Labor Markets (U.S.):</p>  <ul style="list-style-type: none"> • The labor market remains healthy, but signs of labor market cooling have begun to show on the margin particularly through initial and continuing jobless claims. • With hiring and quits rates low, any acceleration in layoffs may result in job seekers remaining unemployed for longer.
<p>Corporate Fundamentals:</p>  <ul style="list-style-type: none"> • Earnings growth expectations are positive across global equities, but expectations within U.S. have seen a pullback over the course of this year. • In the U.S., any deregulation initiatives are positives while tariff/cost pressure impact on both earnings growth expectations and profit margins needs attention. 	<p>Valuations:</p>  <ul style="list-style-type: none"> • U.S. equities and credit markets sold off due to reciprocal tariffs in April but have recovered most of the losses over the quarter, bringing them back into expensive valuations relative to history. • We believe that economic and policy risks are not fully reflected in the current valuations. 	<p>Political/Policy Risks:</p>  <ul style="list-style-type: none"> • Geopolitical conflict in the Middle East and other regions remains a source of concern. • Deglobalization and global trade and tariff policy risks continue to create market uncertainty and strained relationships with major trading partners for the U.S.



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Investment Strategy Overview

Asset Class	Our Q3 2025 Investment Outlook	Comments
U.S. Equities		<ul style="list-style-type: none"> Tariffs and their possible impact on business and consumer confidence, corporate profit margins, inflation and economic growth has led to increased uncertainty in 2025. We maintain defensive stance due to expensive valuations amidst uncertainty around economic and policy outcomes. Reciprocal tariffs are being quickly renegotiated but any negative news can lead to swift pullback in equities. Small cap have lagged large caps on YTD basis while recent performance has been positive. Small caps are more attractively valued but vulnerable to higher level of rates and growth slowdown leading us to stay neutral.
Large-Caps		
Small-Caps		
Non-U.S. Equities		<ul style="list-style-type: none"> International equities have outperformed U.S. equities on YTD basis, helped by a weaker USD. Improved sentiment is driven by increased fiscal spending efforts in Europe and continued stimulus in China but we remain defensive due to worry about global slowdown from tariff and trade tensions. Across Europe and China, we believe that there are structural/geopolitical issues that need to be addressed for long-term sustained outperformance.
Developed Markets		
Emerging Markets		
Fixed Income		<ul style="list-style-type: none"> Latest Fed projections call for higher inflation, higher unemployment and lower growth by year-end while rate cut path still remains uncertain. We maintain an overweight to fixed income due to attractive yields and ability to preserve capital during risk-off periods. We maintain duration close to the benchmark duration across the portfolios. We remain positive on investment grade credit due to underlying corporate fundamentals but are neutral to high yield given the tighter spreads pointing to higher downside than upside in case of stress.
Core Bonds		
Investment Grade Credit		
High Yield Credit		
Diversifying Assets		<ul style="list-style-type: none"> During the S&P 500 sell-off of close to 20%, listed REITs and listed infrastructure held up well pointing to their characteristics of lower correlation. While the long-term fundamentals within listed real estate and listed infrastructure are healthy, we remain neutral due to ongoing interest rate uncertainty.
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook ○ Outlook one quarter ago



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SOURCES

Factset

<https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf>

<https://www.bls.gov/news.release/pdf/empisit.pdf>

<https://www.bls.gov/news.release/pdf/cpi.pdf>

<http://www.sca.isr.umich.edu/>

NCREIF

PitchBook

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Plan Performance Review

Asset Allocation & Performance

	Allocation		Performance(%)								
	Market Value (\$)	%	1 Quarter	Fiscal YTD	Year To Date	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Total Fund	14,763,038	100.00	6.55	11.70	6.28	11.70	N/A	N/A	N/A	13.30	01/01/2023
<i>Blended Benchmark</i>			<i>6.64</i>	<i>11.59</i>	<i>7.02</i>	<i>11.59</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>13.30</i>	<i>01/01/2023</i>
Domestic Equity	5,469,134	37.05	8.88	12.14	2.84	12.14	N/A	N/A	N/A	18.81	01/01/2023
<i>Russell 3000 Index</i>			<i>10.99</i>	<i>15.30</i>	<i>5.75</i>	<i>15.30</i>	<i>19.08</i>	<i>15.96</i>	<i>13.55</i>	<i>22.15</i>	<i>01/01/2023</i>
US Large Cap Index Pool	5,250,225	35.56	11.13	15.51	6.14	15.51	N/A	N/A	N/A	22.73	01/01/2023
<i>S&P 500 Index (Net)</i>			<i>10.83</i>	<i>14.70</i>	<i>5.99</i>	<i>14.70</i>	<i>19.17</i>	<i>16.11</i>	<i>13.82</i>	<i>22.42</i>	<i>01/01/2023</i>
US Small/Mid Cap Pool	218,910	1.48	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	07/01/2025
<i>Russell 2000 Index</i>			<i>8.50</i>	<i>7.68</i>	<i>-1.79</i>	<i>7.68</i>	<i>10.00</i>	<i>10.04</i>	<i>5.52</i>	<i>N/A</i>	<i>07/01/2025</i>
International Equity	2,799,558	18.96	11.24	18.75	17.72	18.75	N/A	N/A	N/A	16.02	01/01/2023
<i>MSCI AC World ex USA (Net)</i>			<i>12.03</i>	<i>17.72</i>	<i>17.90</i>	<i>17.72</i>	<i>13.99</i>	<i>10.13</i>	<i>6.58</i>	<i>15.65</i>	<i>01/01/2023</i>
Non-US Developed Markets Active Pool	2,104,701	14.26	11.20	19.94	18.64	19.94	N/A	N/A	N/A	16.84	01/01/2023
<i>MSCI EAFE (net)</i>			<i>11.78</i>	<i>17.73</i>	<i>19.45</i>	<i>17.73</i>	<i>15.97</i>	<i>11.16</i>	<i>7.21</i>	<i>16.54</i>	<i>01/01/2023</i>
Non-US Emerging Markets Index Pool	694,857	4.71	11.23	14.96	14.76	14.96	N/A	N/A	N/A	13.46	01/01/2023
<i>MSCI EM (net)</i>			<i>11.99</i>	<i>15.29</i>	<i>15.27</i>	<i>15.29</i>	<i>9.70</i>	<i>6.81</i>	<i>4.48</i>	<i>13.12</i>	<i>01/01/2023</i>
Real Asset	843,288	5.71	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.52	06/01/2025
Real Estate Pool	416,538	2.82	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.53	06/01/2025
Real Estate Custom Index			1.02	1.54	2.07	1.54	-4.52	3.02	3.97	1.02	06/01/2025
Real Return Pool	426,750	2.89	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.50	06/01/2025
Real Return Custom Index			0.08	5.61	3.76	5.61	3.59	5.95	4.63	0.08	06/01/2025
Fixed Income	5,651,058	38.28	2.31	7.90	4.29	7.90	N/A	N/A	N/A	6.60	01/01/2023
<i>Blmbg. U.S. Aggregate</i>			<i>1.21</i>	<i>6.08</i>	<i>4.02</i>	<i>6.08</i>	<i>2.55</i>	<i>-0.73</i>	<i>1.77</i>	<i>4.32</i>	<i>01/01/2023</i>
Credit Plus Pool	5,651,058	38.28	2.31	7.90	4.29	7.90	N/A	N/A	N/A	6.60	01/01/2023
<i>Blmbg. U.S. Universal Index</i>			<i>1.40</i>	<i>6.51</i>	<i>4.10</i>	<i>6.51</i>	<i>3.28</i>	<i>-0.15</i>	<i>2.11</i>	<i>4.93</i>	<i>01/01/2023</i>

Returns are net of fees.
Returns are expressed as percentages.

Comparative Performance

	2024	2023	2022	2021	2020
Total Fund	10.98	15.84	N/A	N/A	N/A
<i>Blended Benchmark</i>	10.63	15.43	N/A	N/A	N/A
Domestic Equity	20.16	24.51	N/A	N/A	N/A
<i>Russell 3000 Index</i>	23.81	25.96	-19.21	25.66	20.89
US Large Cap Index Pool	24.15	26.64	N/A	N/A	N/A
<i>S&P 500 Index (Net)</i>	24.50	25.67	-18.51	28.16	17.75
US Small/Mid Cap Pool	N/A	N/A	N/A	N/A	N/A
<i>Russell 2000 Index</i>	11.54	16.93	-20.44	14.82	19.96
International Equity	6.71	15.43	N/A	N/A	N/A
<i>MSCI AC World ex USA (Net)</i>	5.53	15.62	-16.00	7.82	10.65
Non-US Developed Markets Active Pool	6.62	16.67	N/A	N/A	N/A
<i>MSCI EAFE (net)</i>	3.82	18.24	-14.45	11.26	7.82
Non-US Emerging Markets Index Pool	6.97	11.71	N/A	N/A	N/A
<i>MSCI EM (net)</i>	7.50	9.83	-20.09	-2.54	18.31
Real Asset	N/A	N/A	N/A	N/A	N/A
Real Estate Pool	N/A	N/A	N/A	N/A	N/A
<i>Real Estate Custom Index</i>	-7.74	-12.40	22.55	15.66	1.65
Real Return Pool	N/A	N/A	N/A	N/A	N/A
<i>Real Return Custom Index</i>	4.15	2.62	4.16	9.58	4.03
Fixed Income	4.57	7.59	N/A	N/A	N/A
<i>Blmbg. U.S. Aggregate</i>	1.25	5.53	-13.01	-1.55	7.51
Credit Plus Pool	4.57	7.59	N/A	N/A	N/A
<i>Blmbg. U.S. Universal Index</i>	2.04	6.17	-12.99	-1.10	7.58

Returns are net of fees
Returns are expressed as percentages.

Account Reconciliation

QTR				
	Market Value As of 04/01/2025	Net Flows	Return On Investment	Market Value As of 06/30/2025
Total Fund	13,805,383	(10,527)	968,182	14,763,038
US Large Cap Index Pool	3,982,659	738,547	529,018	5,250,225
US Small/Mid Cap Pool	-	208,873	10,037	218,910
Non-US Developed Markets Active Pool	2,248,804	(388,478)	244,374	2,104,701
Non-US Emerging Markets Index Pool	707,015	(86,139)	73,981	694,857
Real Estate Pool	-	414,162	2,376	416,538
Real Return Pool	-	414,003	12,747	426,750
Credit Plus Pool	5,675,817	(159,799)	135,041	5,651,058

YTD				
	Market Value As of 01/01/2025	Net Flows	Return On Investment	Market Value As of 06/30/2025
Total Fund	13,839,317	(15,578)	939,300	14,763,038
US Large Cap Index Pool	4,169,929	738,445	341,851	5,250,225
US Small/Mid Cap Pool	-	208,873	10,037	218,910
Non-US Developed Markets Active Pool	2,107,791	(390,323)	387,232	2,104,701
Non-US Emerging Markets Index Pool	685,257	(86,343)	95,943	694,857
Real Estate Pool	-	414,162	2,376	416,538
Real Return Pool	-	414,003	12,747	426,750
Credit Plus Pool	5,568,500	(162,574)	245,132	5,651,058

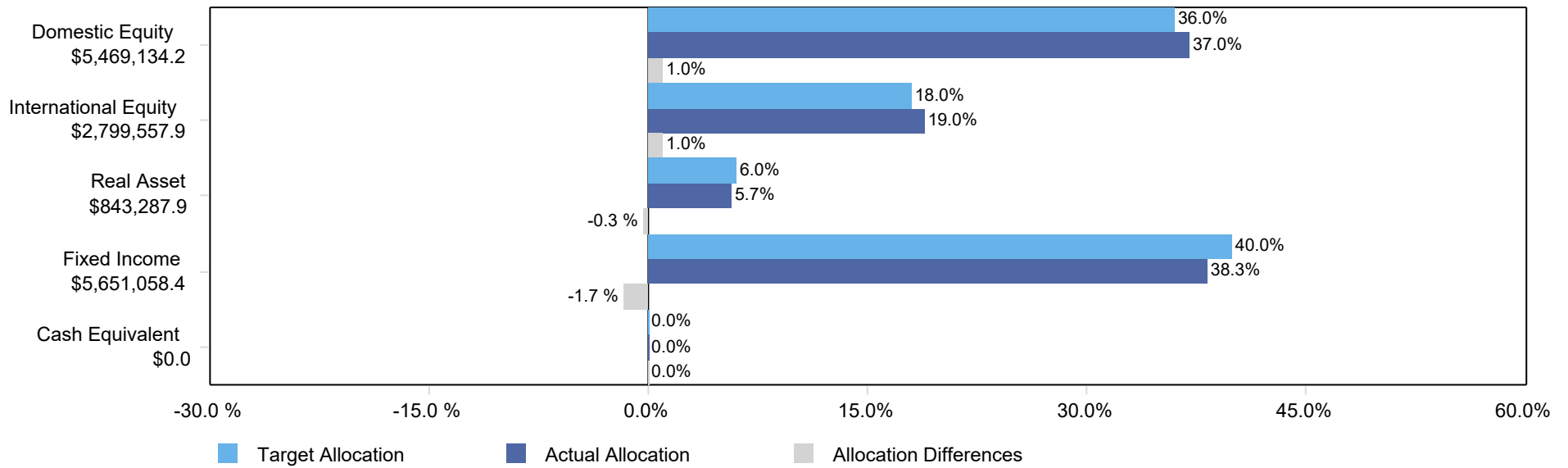
1 Year				
	Market Value As of 07/01/2024	Net Flows	Return On Investment	Market Value As of 06/30/2025
Total Fund	12,234,943	979,489	1,548,606	14,763,038
US Large Cap Index Pool	3,719,083	878,358	652,783	5,250,225

Account Reconciliation

	Market Value As of 07/01/2024	Net Flows	Return On Investment	Market Value As of 06/30/2025
US Small/Mid Cap Pool	-	208,873	10,037	218,910
Non-US Developed Markets Active Pool	1,937,858	(241,065)	407,909	2,104,701
Non-US Emerging Markets Index Pool	626,266	(27,678)	96,269	694,857
Real Estate Pool	-	414,162	2,376	416,538
Real Return Pool	-	414,003	12,747	426,750
Credit Plus Pool	4,757,220	484,777	409,062	5,651,058

Asset Allocation Compliance - Total Fund

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
Total Fund	100.0	100.0	N/A	N/A	0.0
Domestic Equity	37.0	36.0	21.0	51.0	1.0
International Equity	19.0	18.0	6.0	36.0	1.0
Real Asset	5.7	6.0	0.0	20.0	-0.3
Fixed Income	38.3	40.0	25.0	55.0	-1.7
Cash Equivalent	0.0	0.0	0.0	20.0	0.0



Historical Hybrid Composition - Blended Benchmark

Allocation Mandate	Weight (%)
Jan-2023	
Russell 3000 Index	39.0
MSCI AC World ex USA (Net)	21.0
Blmbg. U.S. Aggregate	40.0
May-2025	
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	18.0
Blmbg. U.S. Aggregate	40.0
Real Return Custom Index	3.0
Real Estate Custom Index	3.0

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

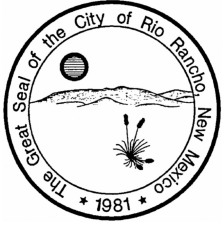
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**CITY OF RIO RANCHO
COVER PAGE**

Legislation Item:

AGENDA DATE:

August 27, 2025

DEPARTMENT:

City Clerk

SUBJECT:

Review and Input on the Core and Liquidity Portfolios Performance

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

Presentation by Government Portfolio Advisors

ATTACHMENT: [Portfolio Q4 2025](#)



IAB Report

June 30, 2025

City of Rio Rancho

Fed Funds Rate and Inflation

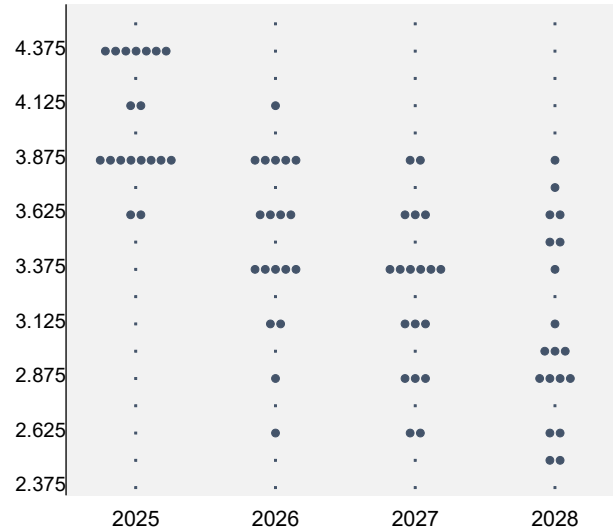


Market Overview

Fed Funds Rate

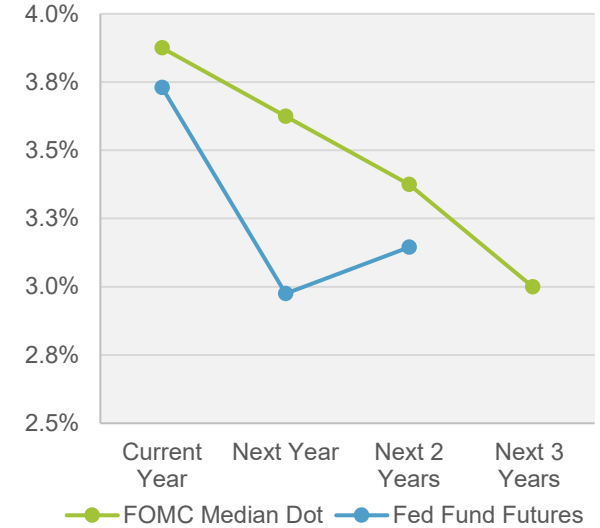
- Markets and the Fed are aligned for the remainder of 2025, with both predicting 50 basis points of easing.
- Going forward, markets are pricing in a quicker pace of rate cuts to a terminal rate of ~3%.
- At the Fed July 31st meeting, they opted for a wait and see approach to lower interest rates in response to rapidly evolving trade policy.

FOMC Dot Plot



Source: Bloomberg

FOMC Median & Futures

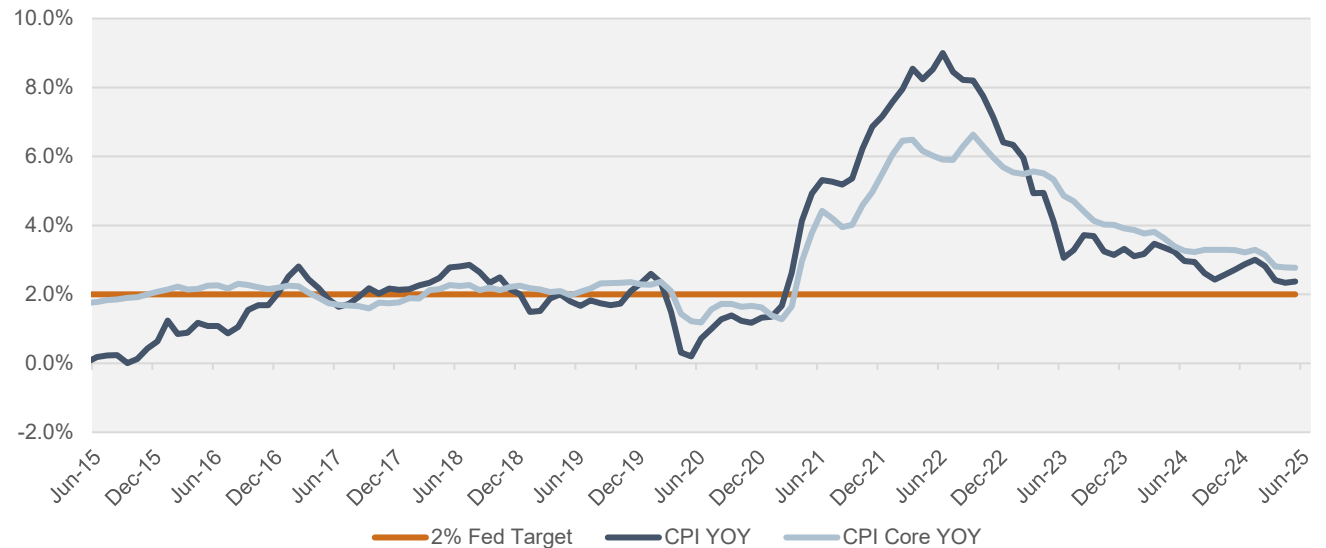


Source: Bloomberg

Fed Mandates

- The Fed is approaching their goal of restoring price stability, but inflation remains elevated above target.
- The Fed is holding to the 2% target.
- Tariffs add uncertainty to future inflationary data.

Inflation YOY Over Ten Years



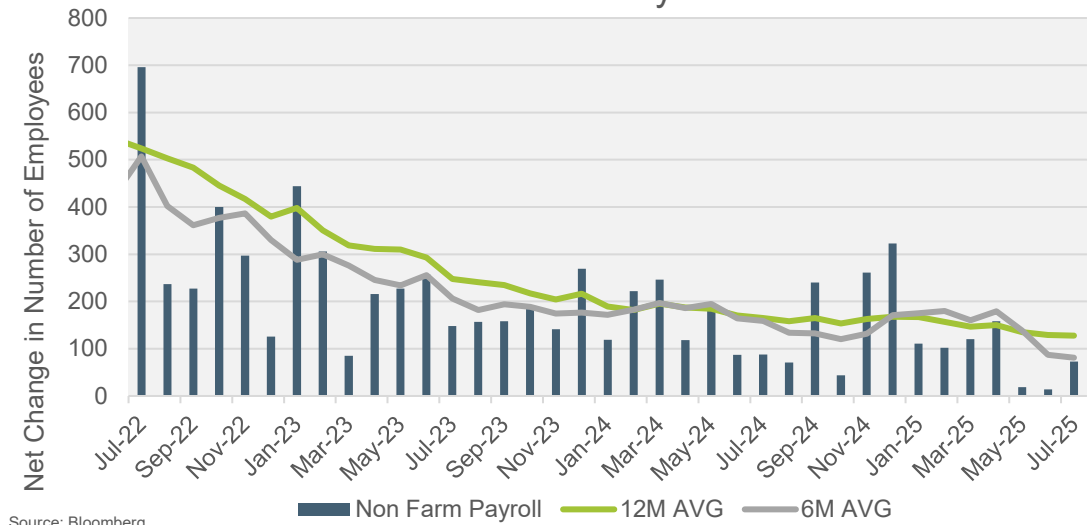
Source: Bloomberg

Market Overview

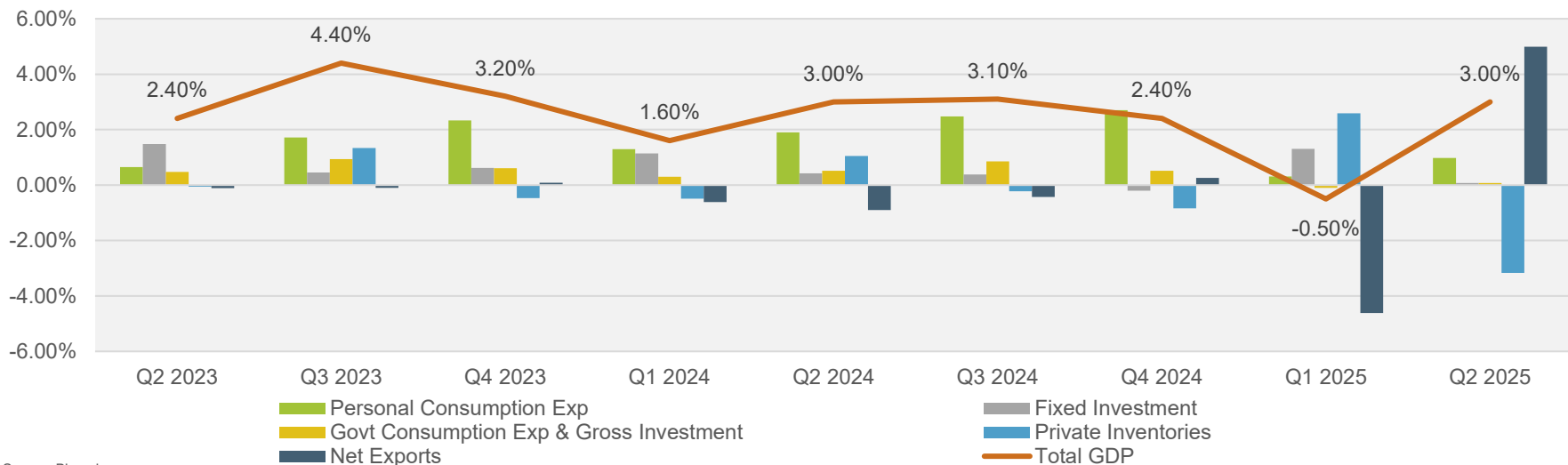
Consistent and Variable

- The labor market continues to showcase resiliency however, it is moderating and is closely being monitored by the Fed.
- GDP growth contracted in Q1 by -0.5% as businesses looked to front-run tariff cost increases leading net exports to contribute a significant drag on growth. Growth rebounded in Q2 but is expected to slow in the back half of the year and into 2026. The contribution from personal consumption rebounded from .31% in Q1 to 1.4% in Q2.

Non Farm Payroll



GDP Growth & Composition



Rate Expectations and Yield Curve

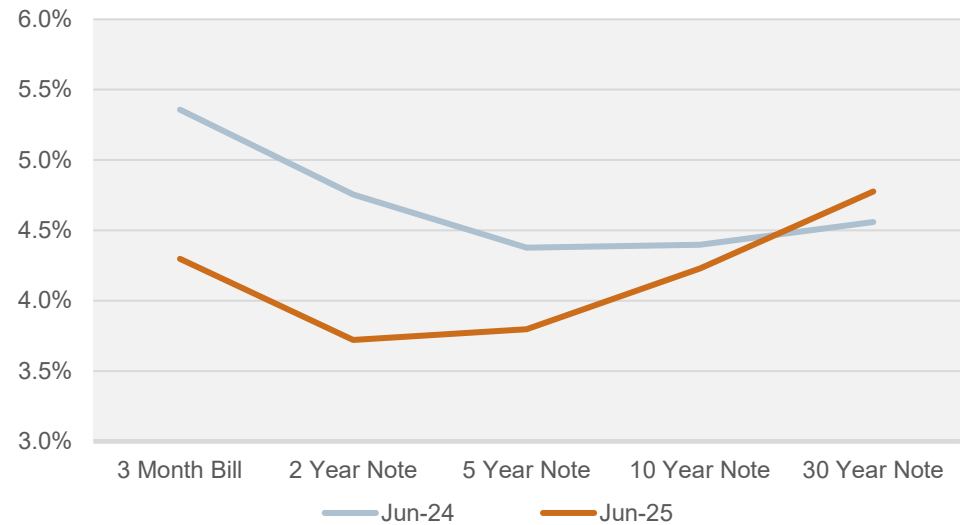


Market Overview

Reversion to the Mean

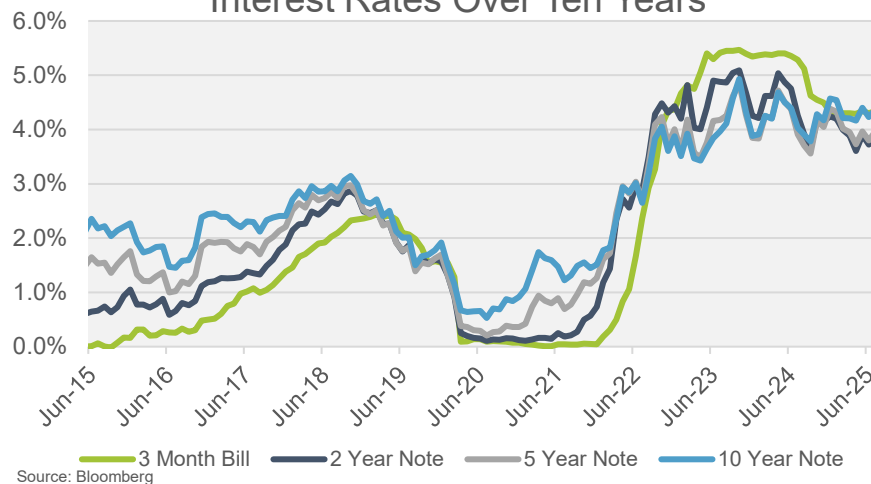
- The curve remained u-shaped throughout the year, with both the 3-month bill and the 2 year note down over 1%.
- Short-rates were buoyed up by the FOMC holding fed funds above 4%.
- The middle sector of the curve is pricing in near- term expectations of lower rates.
- The 10 - 30 year sector is reflecting concern about inflation over the long run.

Yield Curve



Source: Bloomberg

Interest Rates Over Ten Years



Quarterly Yields

	<u>6/30/2024</u>	<u>9/30/2024</u>	<u>12/31/2024</u>	<u>3/31/2025</u>	<u>6/30/2025</u>
3 Month Bill	5.36	4.62	4.32	4.30	4.30
2 Year Note	4.75	3.64	4.24	3.88	3.72
5 Year Note	4.38	3.56	4.38	3.95	3.80
10 Year Note	4.40	3.78	4.57	4.21	4.23

Asset Class & Curve Performance



June 30, 2025

Market Overview

Annualized Returns (%)						6/30/2025
Benchmark	Duration	Last Year	3 Year	5 Year	10 year	
US Treasury 0-1 Year	0.51	4.83%	4.44%	2.61%	2.00%	
US Treasury 0-3 Year	1.45	5.41%	3.77%	1.78%	1.74%	
US Treasury 1-3 Year	1.84	5.67%	3.42%	1.37%	1.61%	
US Treasury 0-5 Year	2.11	5.80%	3.53%	1.31%	1.71%	
US Treasury 1-5 Year	2.55	6.07%	3.23%	0.92%	1.61%	
US Treasury 0-10 Year	3.07	6.01%	3.10%	0.59%	1.64%	

Annualized Returns (%)						6/30/2025
Benchmark	Duration	Last Year	3 Year	5 Year	10 year	
US Treasury 1-5 Year	2.55	6.07%	3.23%	0.92%	1.61%	
US Agency 1-5 Year Bullet	2.71	5.97%	3.50%	1.28%	1.77%	
1-5 Year Corp AA-AAA	2.46	6.62%	3.99%	1.42%	2.22%	
1-5 Year US Supranationals Agg	2.88	6.35%	3.45%	1.06%	1.73%	
1-5 Year Municipals	2.43	4.08%	2.66%	1.15%	1.54%	
0-5 Yrs WAL Mortgages	3.08	7.18%	3.69%	0.85%	1.75%	

Compliance Report



June 30, 2025

City of Rio Rancho | RIO Total Portfolio

Category	Policy Limit	Actual Value*	Status
Policy Diversification Constraint			
US Treasury Obligations Maximum % of Holdings	100.000	58.494	Compliant
US Agency FFCB Issuer Concentration	30.000	7.704	Compliant
US Agency FHLB Issuer Concentration	30.000	5.522	Compliant
US Agency FHLMC Issuer Concentration	30.000	0.000	Compliant
US Agency FNMA Issuer Concentration	30.000	0.574	Compliant
US Agency Obligations - All Other Issuers Combined	30.000	0.000	Compliant
US Agency Obligations - FHLB, FNMA, FHLMC, FFCB, FAMA, GNMA - NM Only	30.000	0.000	Compliant
US Agency Obligations Maximum % of Holdings	80.000	13.800	Compliant
Supranationals - Issuer is IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Issuer Concentration (NM only)	5.000	0.601	Compliant
Supranationals Maximum % of Holdings (NM only)	15.000	0.601	Compliant
Municipal Bonds Maximum % of Holdings	25.000	0.000	Compliant
Municipal Bonds NM Only Issuer	0.000	0.000	Compliant
Fixed Income Mutual Fund (ETF) Maximum Issuer Concentration	20.000	0.000	Compliant
Fixed Income Mutual Fund and (ETF) Combined Maximum % Holdings	40.000	0.000	Compliant
Commercial Paper Issued and Operating in the US	0.000	0.000	Compliant
Commercial Paper Issuer Concentration	5.000	0.000	Compliant
Commercial Paper Maximum % of Holdings	25.000	0.000	Compliant
Certificates of Deposit Issuer Concentration	15.000	0.000	Compliant
Certificates of Deposit Maximum % of Holdings	40.000	0.000	Compliant
Money Market Govt Only	0.000	0.000	Compliant
Money Market Issuer Concentration	20.000	4.079	Compliant
Money Market Maximum % of Holdings	50.000	4.079	Compliant
LGIP Maximum % of Holdings	75.000	0.000	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings - NM	100.000	18.752	Compliant

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

City of Rio Rancho | RIO Total Portfolio



June 30, 2025

Category			
Policy Diversification Constraint	Policy Limit	Actual Value*	Status
Repurchase Agreements Maximum % of Holdings	50.000	0.000	Compliant
SIC New Mexico Funds (% portfolio)	5.000	0.000	Compliant
Federally Insured Obligations or Deposits	100.000	0.000	Compliant
Policy Maturity Structure Constraint	Policy Limit	Actual %	Status
Maturity Constraints Under 7 years Minimum % of Total Portfolio	100.000	100.000	Compliant
Policy Maturity Constraint	Policy Limit	Actual Term	Status
US Treasury Maximum Maturity At Time of Purchase (years)	7.000	5.063	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	7.000	5.379	Compliant
Supranationals Maximum Maturity At Time of Purchase (years)	5.000	4.871	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	7.000	0.000	Compliant
Commercial Paper Days to Final Maturity (days)	180.000	0.000	Compliant
Repurchase Agreements Maximum Maturity At Time of Purchase (days)	365.000	0.000	Compliant
Maximum Single Maturity (years)	7.000	4.832	Compliant
Weighted Effective Duration	3.000	1.146	Compliant
Policy Credit Constraint			Status
Supranationals Ratings AA-/Aa3/AA- or better (Rated by 1 NRSRO)			Compliant
Municipal Bonds Ratings Minimum A-/A3/A- (Rated by 1 NRSRO)			Compliant
Commercial Paper Ratings Minimum A1/P1/F1 (Rated by 1 NRSRO)			Compliant
Money Market Ratings Minimum AAA/Aaa/AAA (Rated by 1 NRSRO)			Compliant

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Summary Overview



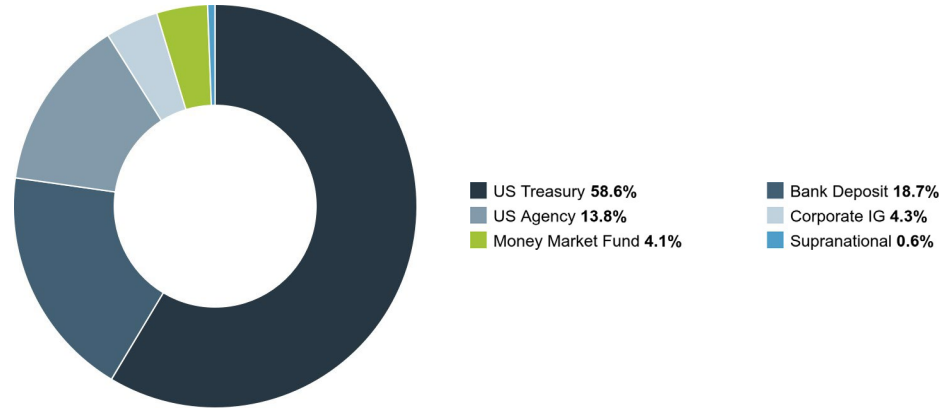
June 30, 2025

City of Rio Rancho | RIO Total Portfolio

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	76,158,995
Investments	259,008,028
Book Yield	4.12%
Market Yield	4.04%
Effective Duration	1.26
Years to Maturity	1.34
Avg Credit Rating	AA+

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Book Value	Market Value	Net Unrealized Gain (Loss)	Book Yield	Maturity*	Effective Duration	Benchmark Duration	Benchmark
RIO-BP2024 Investments	13,625,087	13,555,111	13,555,807	696	4.23%	0.44	0.42	0.51	ICE BofA 0-1 Year US Treasury Notes & Bonds
RIO-BP2025 SSGRT Investment	32,462,507	32,183,396	32,211,091	27,695	4.18%	0.84	0.82	0.51	ICE BofA 0-1 Year US Treasury Notes & Bonds
RIO-Cash Matched Investments	45,634,456	45,578,728	45,688,377	109,649	4.55%	0.45	0.43	0.08	ICE BofA US 1-Month Treasury Bill Index
RIO-Investment Core	169,933,966	178,379,151	179,617,503	1,238,352	3.95%	2.19	2.05	2.11	ICE BofA 0-5 Year US Treasury Index
RIO-Liquidity	62,507,980	62,507,980	62,507,980	0	4.27%	0.01	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	324,163,995	332,204,366	333,580,758	1,376,392	4.12%	1.34	1.26	1.23	

Strategic Annual Update

City of Rio Rancho | Total Aggregate Portfolio



June 30, 2025

Metric	Previous	Current
Strategy	06/30/2024	06/30/2025
Effective Duration		
Investment Core	2.31	2.05
Benchmark Duration	2.10	2.11
Total Effective Duration	1.48	1.26
Total Return (Net of Fees %)*		
Investment Core		6.03
Benchmark Return		5.80
Total Portfolio Performance		5.46
<i>*Changes in Market Value include net unrealized and realized gains/losses.</i>		
Maturity Total Portfolio		
Average Maturity Total Holdings	1.59	1.34

Metric	Previous	Current
Book Yield	06/30/2024	06/30/2025
Ending Book Yield		
BP2024 Investments		4.23%
BP2025 SSGRT Investment		4.18%
Cash Matched Investments	5.09%	4.55%
Investment Core	3.93%	3.95%
Liquidity	5.25%	4.27%
Total Book Yield	4.48%	4.12%

Values	06/30/2024	06/30/2025
Market Value + Accrued		
BP2024 Investments		13,683,456
BP2025 SSGRT Investment		32,448,691
Cash Matched Investments	43,662,575	45,936,933
Investment Core	143,848,733	180,589,964
Liquidity	68,935,233	62,507,980
Total MV + Accrued	256,446,542	335,167,023

Net Unrealized Gain/Loss		
Total Net Unrealized Gain/Loss	(1,853,640)	1,376,392

Return Management-Income Detail

City of Rio Rancho | Total Aggregate Portfolio



June 30, 2025

Accrued Book Return

	Fiscal Year Ending 06/30/2024	Fiscal Year Ending 06/30/2025
Amortization/Accretion	865,440.56	3,024,466.43
Interest Earned	9,505,672.29	9,414,956.92
Realized Gain (Loss)	(266,192.97)	2,499.44
Book Income	11,735,226.62	12,441,922.79
Average Portfolio Balance	282,086,316.92	293,329,603.74

Fair Market Return

	Fiscal Year Ending 06/30/2024	Fiscal Year Ending 06/30/2025
Fair Value Change	(2,719,080.82)	205,565.58
Amortization/Accretion	2,045,942.19	3,024,466.43
Interest Earned	9,505,672.29	9,414,956.92
Fair Market Earned Income	3,542,147.09	12,644,988.93
Average Portfolio Balance	259,661,182.01	293,329,603.74
Fair Market Return for Period		5.50%

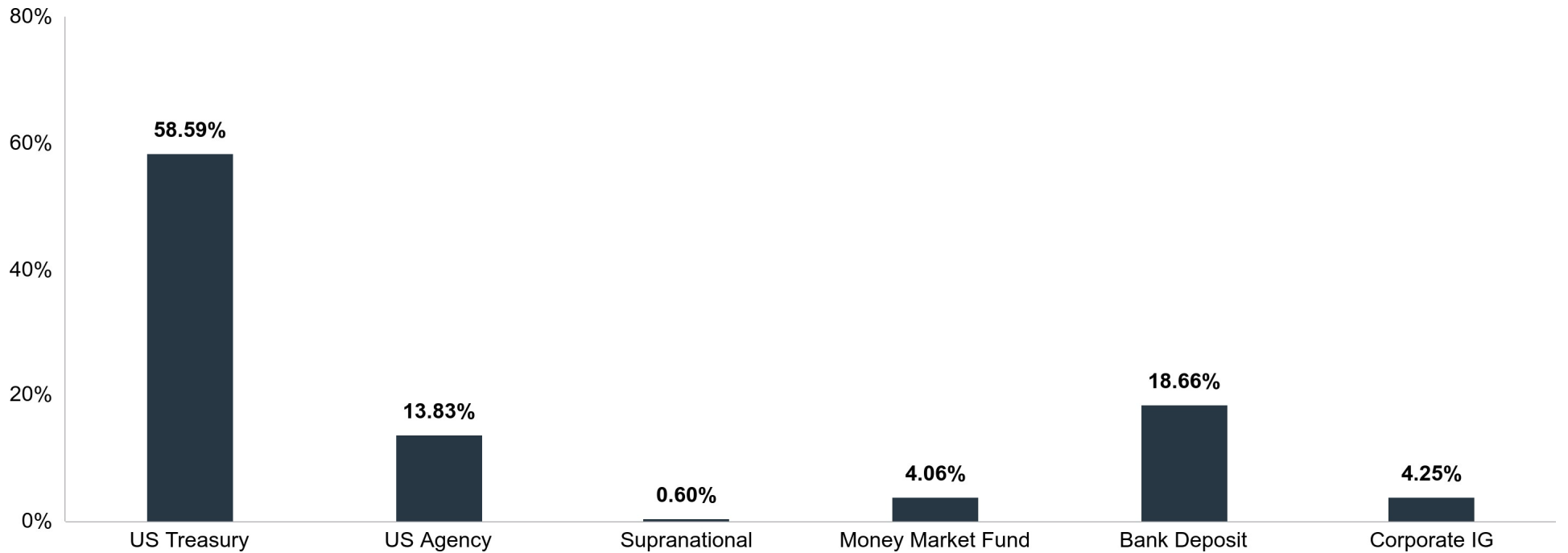
Security Type Distribution

City of Rio Rancho | RIO Total Portfolio



June 30, 2025

Security Type	Par Amount	Book Yield	Market Value + Accrued	% of Market Value + Accrued
US Treasury	199,205,000	3.97%	196,386,998	58.59%
US Agency	46,550,000	4.53%	46,340,584	13.83%
Supranational	2,000,000	4.29%	2,020,846	0.60%
Money Market Fund	13,605,771	4.22%	13,605,771	4.06%
Bank Deposit	62,553,224	4.27%	62,553,224	18.66%
Corporate IG	250,000	4.18%	14,259,600	4.25%
Total	324,163,995	4.12%	335,167,023	100.00%



Risk Management - Maturity/Duration

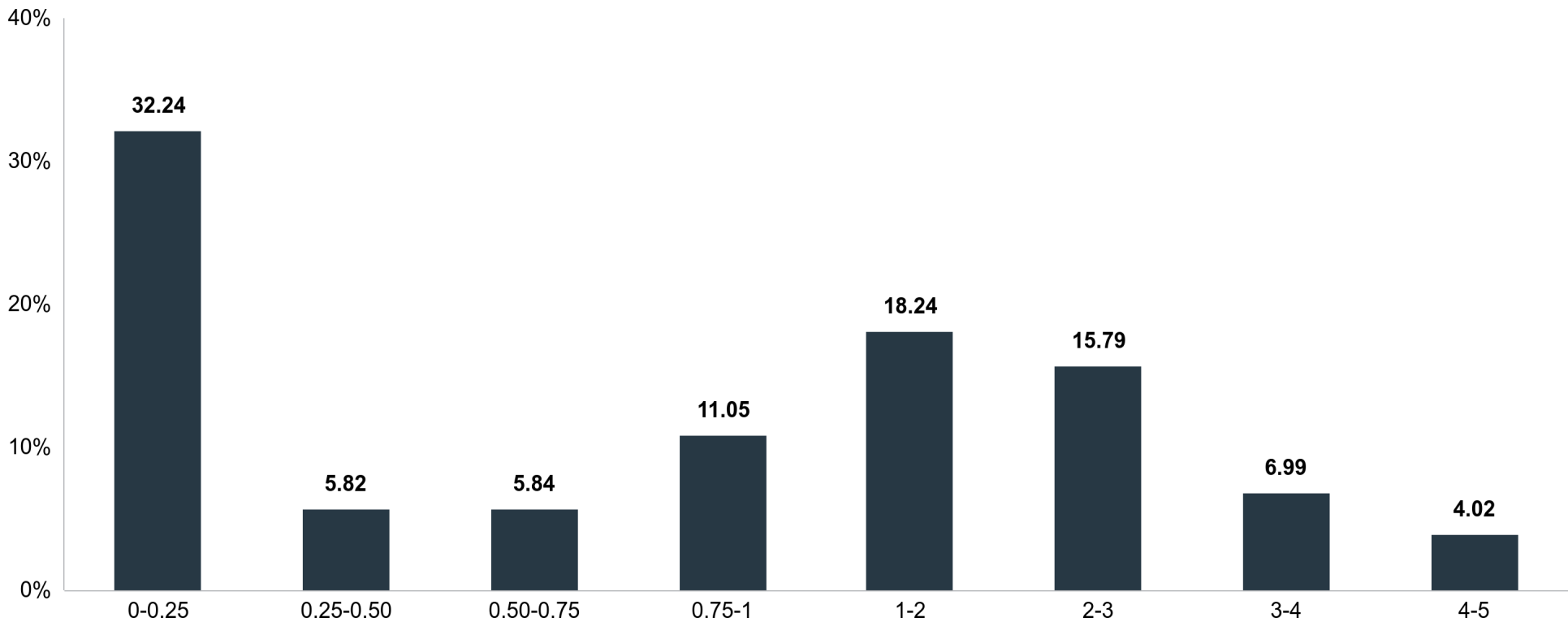
City of Rio Rancho | RIO Total Portfolio



June 30, 2025

Effective Duration 1.26 Yrs	Years to Maturity 1.34 Yrs	Days to Maturity 462
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Distribution by Effective Duration



Holdings

City of Rio Rancho | RIO Total Portfolio



June 30, 2025

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
Cash								
RIO-Cash Matched Investments	34,707	US Dollar		0		AAA	AAA	Aaa
RIO-BP2025 SSGRT Investment	1,491	US Dollar		0		AAA	AAA	Aaa
RIO-BP2024 Investments	6,738	US Dollar		0		AAA	AAA	Aaa
RIO-Investment Core	2,308	US Dollar		0		AAA	AAA	Aaa
Cash Total	45,245			0		AAA	AAA	Aaa
Fixed Income								
RIO-Investment Core	1,500,000	US TREASURY 3.000 07/15/25	3.39%	(582)	0.04	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 4.750 07/31/25	4.29%	(387)	0.09	AA+	AA+	Aa1
RIO-Investment Core	1,450,000	US TREASURY 0.250 07/31/25	3.73%	(954)	0.09	AA+	AA+	Aa1
RIO-BP2024 Investments	4,005,000	FHLBANKS 4.250 08/07/25	4.41%	(580)	0.1	A-1+	F1+	Aa1
RIO-Cash Matched Investments	9,360,000	US TREASURY BILL 08/14/25	4.39%	(190)	0.12	A-1+	F1+	P-1
RIO-Cash Matched Investments	6,220,000	US TREASURY 3.125 08/15/25	5.05%	3,553	0.13	AA+	AA+	Aa1
RIO-Investment Core	3,000,000	US TREASURY 3.125 08/15/25	3.91%	(2,367)	0.13	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	US TREASURY 0.250 09/30/25	3.30%	(5,420)	0.25	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	US TREASURY 4.250 10/15/25	3.88%	(2,612)	0.29	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	320,000	US TREASURY BILL 10/30/25	4.26%	(62)	0.33	A-1+	F1+	P-1
RIO-Investment Core	2,000,000	US TREASURY 0.250 10/31/25	0.62%	(24,238)	0.33	AA+	AA+	Aa1
RIO-BP2024 Investments	220,000	FED FARM CR BNKS 4.875 11/13/25	4.27%	(59)	0.36	AA+	AA+	Aa1
RIO-BP2024 Investments	1,000,000	FHLBANKS D NOTE 11/14/25	4.24%	167	0.37	A-1+	F1+	P-1

Holdings



City of Rio Rancho | RIO Total Portfolio

June 30, 2025

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
RIO-Cash Matched Investments	910,000	US TREASURY 4.500 11/15/25	5.00%	2,090	0.37	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	1,280,000	US TREASURY 4.875 11/30/25	4.26%	(495)	0.41	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 0.375 11/30/25	4.64%	3,215	0.41	AA+	AA+	Aa1
RIO-Cash Matched Investments	260,000	US TREASURY 4.000 12/15/25	4.98%	914	0.45	AA+	AA+	Aa1
RIO-BP2024 Investments	3,450,000	FHLBANKS D NOTE 12/19/25	4.21%	1,345	0.46	A-1+	F1+	P-1
RIO-Investment Core	2,600,000	US TREASURY 0.375 12/31/25	0.75%	(44,480)	0.49	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	1,600,000	US TREASURY 4.250 12/31/25	4.22%	(186)	0.49	AA+	AA+	Aa1
RIO-BP2024 Investments	1,640,000	US TREASURY 3.875 01/15/26	4.16%	250	0.52	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	1,910,000	US TREASURY 4.250 01/31/26	4.24%	(139)	0.56	AA+	AA+	Aa1
RIO-Investment Core	1,975,000	US TREASURY 0.375 01/31/26	0.79%	(38,780)	0.57	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	US TREASURY 4.000 02/15/26	4.78%	6,669	0.6	AA+	AA+	Aa1
RIO-Cash Matched Investments	375,000	US TREASURY 4.000 02/15/26	4.92%	1,575	0.6	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	3,440,000	US TREASURY 0.500 02/28/26	4.22%	346	0.65	AA+	AA+	Aa1
RIO-Investment Core	935,000	US TREASURY 4.500 03/31/26	4.07%	(289)	0.73	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	4,820,000	US TREASURY 4.500 03/31/26	4.19%	2,586	0.73	AA+	AA+	Aa1
RIO-Investment Core	2,565,000	US TREASURY 0.750 03/31/26	3.92%	(5,231)	0.73	AA+	AA+	Aa1
RIO-Investment Core	5,300,000	US TREASURY 0.750 04/30/26	4.42%	8,706	0.82	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	3,860,000	US TREASURY 0.750 04/30/26	4.18%	2,084	0.82	AA+	AA+	Aa1

Holdings



City of Rio Rancho | RIO Total Portfolio

June 30, 2025

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
RIO-Cash Matched Investments	8,060,000	FED FARM CR BNKS 4.750 05/08/26	4.88%	57,348	0.83	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	3,220,000	US TREASURY 4.875 05/31/26	4.16%	2,742	0.89	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	US TREASURY 0.750 05/31/26	3.11%	(17,492)	0.9	AA+	AA+	Aa1
RIO-Cash Matched Investments	4,385,000	FHLBANKS 4.875 06/12/26	4.85%	38,787	0.92	AA+	AA+	Aa1
RIO-Investment Core	4,500,000	FED FARM CR BNKS 4.375 06/23/26	4.89%	36,568	0.95	AA+	AA+	Aa1
RIO-Investment Core	2,500,000	US TREASURY 0.875 06/30/26	0.72%	(79,772)	0.98	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	3,220,000	US TREASURY 0.875 06/30/26	4.15%	3,933	0.98	AA+	AA+	Aa1
RIO-BP2024 Investments	160,000	FED FARM CR BNKS 4.625 07/10/26	3.99%	(34)	0.97	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	3,540,000	US TREASURY 4.375 07/31/26	4.15%	5,983	1.03	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	US TREASURY 0.625 07/31/26	3.23%	(16,400)	1.06	AA+	AA+	Aa1
RIO-Investment Core	730,000	US TREASURY 1.500 08/15/26	3.05%	(7,737)	1.09	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 4.375 08/15/26	4.40%	18,584	1.07	AA+	AA+	Aa1
RIO-Cash Matched Investments	5,875,000	US TREASURY 4.375 08/15/26	4.06%	5,572	1.07	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	3,540,000	US TREASURY 3.750 08/31/26	4.15%	7,778	1.12	AA+	AA+	Aa1
RIO-Investment Core	5,195,000	US TREASURY 0.875 09/30/26	3.73%	(13,614)	1.22	AA+	AA+	Aa1
RIO-BP2025 SSGRT Investment	1,225,000	US TREASURY 3.500 09/30/26	4.14%	3,124	1.2	AA+	AA+	Aa1
RIO-Investment Core	3,000,000	US TREASURY 1.125 10/31/26	3.34%	(22,239)	1.3	AA+	AA+	Aa1
RIO-Investment Core	2,500,000	FED FARM CR BNKS 4.000 11/23/26	3.66%	(10,026)	1.34	AA+	AA+	Aa1
RIO-Investment Core	1,075,000	US TREASURY 1.250 11/30/26	1.19%	(39,333)	1.38	AA+	AA+	Aa1

Holdings

City of Rio Rancho | RIO Total Portfolio



June 30, 2025

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
RIO-Investment Core	2,000,000	FANNIE MAE 0.875 12/18/26 '25	4.04%	(1,210)	1.43	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 1.250 12/31/26	4.29%	22,445	1.46	AA+	AA+	Aa1
RIO-Investment Core	1,500,000	US TREASURY 2.250 02/15/27	4.23%	7,154	1.56	AA+	AA+	Aa1
RIO-Investment Core	1,100,000	FHLBANKS 0.900 02/26/27 '25	4.08%	(43)	1.61	AA+	AA+	Aa1
RIO-Investment Core	4,500,000	FHLBANKS 4.875 03/12/27	4.74%	67,088	1.6	AA+	AA+	Aa1
RIO-Investment Core	4,500,000	FED FARM CR BNKS 4.750 04/30/27	4.73%	65,354	1.73	AA+	AA+	Aa1
RIO-Investment Core	2,350,000	US TREASURY 2.375 05/15/27	3.26%	(22,164)	1.81	AA+	AA+	Aa1
RIO-Investment Core	300,000	US TREASURY 0.500 06/30/27	3.70%	(984)	1.96	AA+	AA+	Aa1
RIO-Investment Core	2,500,000	US TREASURY 3.250 06/30/27	3.61%	(5,697)	1.92	AA+	AA+	Aa1
RIO-BP2024 Investments	1,170,000	FEDERAL FARM CREDIT BANKS FUNDING CORPORATION 4.500 07/08/27	3.83%	(393)	1.88	AA+	AA+	Aa1
RIO-Investment Core	5,000,000	US TREASURY 2.750 07/31/27	4.10%	34,226	1.98	AA+	AA+	Aa1
RIO-Investment Core	700,000	US TREASURY 2.250 08/15/27	4.41%	7,714	2.03	AA+	AA+	Aa1
RIO-Investment Core	1,600,000	US TREASURY 0.500 08/31/27	3.63%	(7,111)	2.12	AA+	AA+	Aa1
RIO-Investment Core	4,500,000	US TREASURY 4.125 09/30/27	4.62%	87,218	2.11	AA+	AA+	Aa1
RIO-Investment Core	1,000,000	US TREASURY 0.500 10/31/27	3.91%	575	2.28	AA+	AA+	Aa1
RIO-Investment Core	2,325,000	US TREASURY 2.250 11/15/27	3.59%	(9,092)	2.28	AA+	AA+	Aa1
RIO-Investment Core	2,500,000	US TREASURY 0.625 12/31/27	3.56%	(14,772)	2.44	AA+	AA+	Aa1
RIO-Investment Core	1,000,000	US TREASURY 0.750 01/31/28	4.29%	9,943	2.51	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	US TREASURY 3.500 01/31/28	3.88%	8,548	2.41	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	US TREASURY 2.750 02/15/28	3.95%	9,112	2.48	AA+	AA+	Aa1
RIO-Investment Core	3,340,000	US TREASURY 1.250 03/31/28	4.04%	23,958	2.65	AA+	AA+	Aa1
RIO-Investment Core	1,850,000	US TREASURY 1.250 04/30/28	3.77%	(1,300)	2.74	AA+	AA+	Aa1
RIO-Investment Core	1,500,000	US TREASURY 1.250 05/31/28	3.76%	(1,424)	2.82	AA+	AA+	Aa1

Holdings



City of Rio Rancho | RIO Total Portfolio

June 30, 2025

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
RIO-Investment Core	210,000	ISHARES:1-5 IG CORP BD	4.20%	349,980	2.66	NA	NA	NA
RIO-Investment Core	40,000	VANGUARD ST CORP BD;ETF	4.13%	100,800	2.7	NA	NA	NA
RIO-Investment Core	4,700,000	US TREASURY 1.250 06/30/28	4.26%	64,313	2.9	AA+	AA+	Aa1
RIO-Investment Core	4,500,000	US TREASURY 4.125 07/31/28	4.54%	106,913	2.83	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 4.375 08/31/28	4.49%	91,759	2.9	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	US TREASURY 4.625 09/30/28	4.26%	34,166	2.97	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 3.125 11/15/28	4.13%	48,022	3.16	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 3.750 12/31/28	4.12%	49,840	3.25	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 2.625 02/15/29	4.12%	46,913	3.38	AA+	AA+	Aa1
RIO-Investment Core	4,000,000	US TREASURY 2.375 03/31/29	4.13%	45,970	3.52	AA+	AA+	Aa1
RIO-Investment Core	3,000,000	US TREASURY 3.250 06/30/29	3.86%	11,495	3.71	AA+	AA+	Aa1
RIO-Investment Core	2,850,000	US TREASURY 3.125 08/31/29	4.13%	38,050	3.83	AA+	AA+	Aa1
RIO-Investment Core	2,000,000	IBRD 3.875 10/16/29 MTN	4.29%	36,395	3.89	AAA	NA	Aaa
RIO-Investment Core	4,750,000	US TREASURY IO STR 11/15/29	4.21%	53,080	4.29	AA+	AA+	Aa1
RIO-Investment Core	5,000,000	FED FARM CR BNKS 1.320 03/18/30	4.29%	62,422	4.47	AA+	AA+	Aa1
RIO-Investment Core	5,000,000	US TREASURY 3.500 04/30/30	4.15%	76,911	4.38	AA+	AA+	Aa1
Fixed Income Total	248,005,000		4.08%	1,376,392	1.63	AA+	AA+	Aa1
Money Market Funds								
RIO-Liquidity	62,507,980	Wells Fargo Deposit	4.27%	0	0.01	NA	NA	NA
RIO-Cash Matched Investments	10,154,748	FIRST AMER:GVT OBLG;Z	4.22%	0	0	AAAm	AAA	Aaa
RIO-BP2025 SSGRT Investment	486,016	FIRST AMER:GVT OBLG;Z	4.22%	0	0	AAAm	AAA	Aaa
RIO-BP2024 Investments	1,973,349	FIRST AMER:GVT OBLG;Z	4.22%	0	0	AAAm	AAA	Aaa
RIO-Investment Core	991,658	FIRST AMER:GVT OBLG;Z	4.22%	0	0	AAAm	AAA	Aaa

Holdings

City of Rio Rancho | RIO Total Portfolio



June 30, 2025

Account	Par Value	Detailed Description	Book Yield	Net Unrealized Gain/Loss	Effective Duration	S&P Rating	Fitch Rating	Moody's Rating
Money Market Funds Total	76,113,750		4.26%	0	0.01	AAA	AAA	Aaa
Total	324,163,995		4.12%	1,376,392	1.26	AA+	AA+	Aa1

Transactions



City of Rio Rancho | RIO Total Portfolio

June 30, 2025

Identifier	Detailed Description	Trade Date	Settle Date	Total Amount	Units	Principal Amount	Accrued Interest
Buy							
31846V567	FIRST AMER:GVT OBLG;Z			(3,513,155)	3,513,155	3,513,155	0
31846V567	FIRST AMER:GVT OBLG;Z			(32,420,705)	32,420,705	32,420,705	0
RIO_WF_DEP				(7,277,262)	7,277,262	7,277,262	0
31846V567	FIRST AMER:GVT OBLG;Z			(10,147,102)	10,147,102	10,147,102	0
31846V567	FIRST AMER:GVT OBLG;Z			(2,859,063)	2,859,063	2,859,063	0
912797NM5	US TREASURY BILL 05/22/25	04/10/2025	04/14/2025	(2,537,621)	2,549,000	2,537,621	0
91282CGH8	US TREASURY 3.500 01/31/28	04/14/2025	04/15/2025	(1,994,075)	2,000,000	1,979,766	14,309
91282CLB5	US TREASURY 4.375 07/31/26	05/14/2025	05/19/2025	(3,595,194)	3,540,000	3,548,988	46,206
91282CJV4	US TREASURY 4.250 01/31/26	05/14/2025	05/19/2025	(1,934,293)	1,910,000	1,910,075	24,218
91282CJL6	US TREASURY 4.875 11/30/25	05/14/2025	05/19/2025	(1,313,243)	1,280,000	1,284,100	29,143
912797NA1	US TREASURY BILL 10/30/25	05/14/2025	05/19/2025	(313,986)	320,000	313,986	0
91282CKH3	US TREASURY 4.500 03/31/26	05/14/2025	05/19/2025	(4,861,277)	4,820,000	4,832,238	29,039
91282CJS1	US TREASURY 4.250 12/31/25	05/14/2025	05/19/2025	(1,626,361)	1,600,000	1,600,250	26,111
91282CLP4	US TREASURY 3.500 09/30/26	05/14/2025	05/19/2025	(1,220,404)	1,225,000	1,214,664	5,740
91282CKS9	US TREASURY 4.875 05/31/26	05/14/2025	05/19/2025	(3,316,205)	3,220,000	3,242,892	73,313

Transactions



City of Rio Rancho | RIO Total Portfolio

June 30, 2025

Identifier	Detailed Description	Trade Date	Settle Date	Total Amount	Units	Principal Amount	Accrued Interest
91282CCJ8	US TREASURY 0.875 06/30/26	05/14/2025	05/19/2025	(3,116,861)	3,220,000	3,106,042	10,819
91282CLH2	US TREASURY 3.750 08/31/26	05/14/2025	05/19/2025	(3,551,020)	3,540,000	3,522,162	28,859
912797PN1	US TREASURY BILL 08/14/25	05/14/2025	05/15/2025	(9,258,570)	9,360,000	9,258,570	0
91282CBW0	US TREASURY 0.750 04/30/26	05/14/2025	05/19/2025	(3,739,663)	3,860,000	3,738,169	1,495
91282CBQ3	US TREASURY 0.500 02/28/26	05/14/2025	05/19/2025	(3,346,183)	3,440,000	3,342,444	3,739
91282CGZ8	US TREASURY 3.500 04/30/30	05/14/2025	05/15/2025	(4,862,211)	5,000,000	4,855,078	7,133
313385PF7	FHLBANKS D NOTE 11/14/25	05/21/2025	05/22/2025	(979,687)	1,000,000	979,687	0
313385QS8	FHLBANKS D NOTE 12/19/25	06/10/2025	06/12/2025	(3,374,982)	3,450,000	3,374,982	0
91282CHU8	US TREASURY 4.375 08/15/26	06/12/2025	06/16/2025	(5,981,568)	5,875,000	5,895,654	85,914
Total				(117,140,687)	117,426,285	116,754,651	386,036
Maturity							
3130AJHU6	FHLBANKS 0.500 04/14/25 MATD	04/14/2025	04/14/2025	4,425,000	(4,425,000)	(4,425,000)	0
91282CEH0	US TREASURY 2.625 04/15/25 MATD	04/15/2025	04/15/2025	2,000,000	(2,000,000)	(2,000,000)	0
3130B1E60	FHLBANKS 5.125 05/13/25 MATD	05/13/2025	05/13/2025	9,580,000	(9,580,000)	(9,580,000)	0
91282CEQ0	US TREASURY 2.750 05/15/25 MATD	05/15/2025	05/15/2025	5,775,000	(5,775,000)	(5,775,000)	0
912797LB1	US TREASURY BILL 05/15/25 MATD	05/15/2025	05/15/2025	3,385,000	(3,385,000)	(3,385,000)	0

Transactions



June 30, 2025

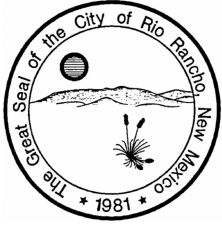
City of Rio Rancho | RIO Total Portfolio

Identifier	Detailed Description	Trade Date	Settle Date	Total Amount	Units	Principal Amount	Accrued Interest
91282CEQ0	US TREASURY 2.750 05/15/25 MATD	05/15/2025	05/15/2025	2,500,000	(2,500,000)	(2,500,000)	0
912797LB1	US TREASURY BILL 05/15/25 MATD	05/15/2025	05/15/2025	2,000,000	(2,000,000)	(2,000,000)	0
912797NM5	US TREASURY BILL 05/22/25 MATD	05/22/2025	05/22/2025	2,549,000	(2,549,000)	(2,549,000)	0
912797LN5	US TREASURY BILL 06/12/25 MATD	06/12/2025	06/12/2025	3,400,000	(3,400,000)	(3,400,000)	0
91282CEU1	US TREASURY 2.875 06/15/25 MATD	06/15/2025	06/15/2025	5,890,000	(5,890,000)	(5,890,000)	0
Total				41,504,000	(41,504,000)	(41,504,000)	0
Sell							
31846V567	FIRST AMER:GVT OBLG;Z			2,037,766	(2,037,766)	(2,037,766)	0
31846V567	FIRST AMER:GVT OBLG;Z			2,207,277	(2,207,277)	(2,207,277)	0
31846V567	FIRST AMER:GVT OBLG;Z	05/19/2025	05/19/2025	31,934,689	(31,934,689)	(31,934,689)	0
RIO_WF_DEP		05/31/2025	05/31/2025	5,494,089	(5,494,089)	(5,494,089)	0
31846V567	FIRST AMER:GVT OBLG;Z	06/16/2025	06/16/2025	1,699	(1,699)	(1,699)	0
Total				41,675,521	(41,675,521)	(41,675,521)	0

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**CITY OF RIO RANCHO
COVER PAGE**

Legislation Item:

AGENDA DATE:

August 27, 2025

DEPARTMENT:

City Clerk

SUBJECT:

Procedural Recommendation Discussion on Earning Withdrawal and Emergency Fund Allocation

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

Discussion

ATTACHMENT: [Investment Advisory Policy recommendation R.Baker](#)

During our last meeting, we discussed whether to withdraw last year's earnings or leave them in the market. We voted to keep the money in the market but raised concerns about needing withdrawals during negative market years. We proposed adding language to the policy allowing us to withdraw up to 50% of earnings in good years and move them to conservative investments. This would create an emergency fund for times when the market is negative and additional funds are needed, such as in 2008 and 2009 when Rio Rancho faced budget cuts.

Policy on Earnings Withdrawal and Emergency Fund Allocation

In order to ensure financial stability and preparedness for unforeseen budgetary needs, the following policy is established:

1. Earnings Withdrawal in Positive Market Years:

- Up to 50% of the earnings from the previous fiscal year may be withdrawn and reallocated to conservative investments during years of positive market performance.
- The decision to withdraw and reallocate funds will be made by a majority vote during the annual financial review meeting.

2. Emergency Fund Allocation:

- The reallocated funds will be designated as an emergency fund to be used exclusively during years of negative market performance or when additional funds are required to cover expenses outside of the budget.
- The emergency fund will be managed in a manner that ensures liquidity and minimizes risk.

3. Utilization of Emergency Funds:

- Withdrawals from the emergency fund will be permitted only when the market performance is negative, and additional funds are necessary to meet budgetary requirements.
- The decision to utilize the emergency fund will be made by a majority vote during a special financial review meeting.

4. Review and Adjustment:

- This policy will be reviewed annually during the financial review meeting to ensure its effectiveness and make any necessary adjustments.