



NOTICE

**MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, December 14, 2022, 10:30 a.m. CT/9:30 a.m. MT**

PLEASE TAKE NOTICE that on **Wednesday, December 14, 2022, at 10:30 a.m. CT/9:30 a.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting at the Cornhusker Marriot Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska. An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted. The meeting will also be made available by Zoom via Computer, Smart Device or Telephone <https://us06web.zoom.us/j/89172724792?pwd=ZUtxVmFTNEhlWkpUMHUrM2oyRIJQQT09> or via phone at 833-548-0276. The Meeting ID is 891 7272 4792 and the passcode is 773453.

On December 7, 2022, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also is available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne.



AGENDA

**MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, December 14, 2022, 10:30 a.m. CT/9:30 a.m. MT**

**Cornhusker Marriot Hotel - Grand Ballroom, B and C
333 South 13th Street, Lincoln NE**

In accordance with the Open Meetings Act, Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed is available to the public at the meeting and at the links below for examination and copying. The LARM Board may pass motions to go into closed session on agenda items pursuant to the requirements of the Open Meetings Act.

You may also join the meeting by Zoom via Computer, Smart Device or Telephone <https://us06web.zoom.us/j/89172724792?pwd=ZUtxVmFTNEhIWkpUMHUrM2oyRIJQQT09> or via phone at 833-548-0276. The Meeting ID is 891 7272 4792 and the passcode is 773453.

Officials of LARM members and members of the public may comment on agenda items or listen to the Board Meeting; however, if the Board votes to hold a closed session pursuant to the Open Meetings Act, officials of LARM members and members of the public may not comment or listen during that time.

1. Call meeting to order:

a. 10:30 a.m. CT/9:30 a.m. MT – Hickman Mayor Doug Hanson, Chair of the LARM Board, will call the meeting to order.

b. Roll call.

c. Indicate that on December 7, 2022, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials were available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also posted with the following links kept continually current: an electronic copy of the agenda and all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne

d. Inform the public about the location of the Open Meetings Act which is accessible to members of the public and at www.larmpool.org along with a copy of all reproducible written materials to be discussed at this meeting.

e. Pledge of Allegiance to the Flag of the United States of America.

f. Public comment on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.

2. Consider a motion to approve the minutes of the September 14, 2022, Meeting of the LARM Board of Directors.

See pages 1-6

3. Consider a motion to accept the resolutions and/or minutes of the respective governing bodies of the following individuals to approve them to serve as a candidate for or a member of the LARM Board by the governing body of the participating member. (These members were elected at the September 14, 2022, Annual Members' Meeting of LARM to a three-year term on the LARM Board beginning on January 1, 2023):

Josh Moenning, Mayor of the City of Norfolk

LeAnn Brown, Clerk/Treasurer of the City of Oshkosh

Tony Kaufman, Mayor of the City of Gering

Chris Rector, City Administrator of the City of Holdrege

Joey Spellerberg, Mayor of the City of Fremont

See pages 7-11

- *Dave Bos, Executive Director, LARM*
- *Lynn Rex, Administrator, LARM*

4. Consider a motion to accept the quarterly update on LARM investments.

See pages 12-65

- *Michael Maloney, Senior Portfolio Manager, US Bank*

5. Consider a motion to accept the quarterly update on LARM financials.

See pages 66-72

- *Kathy Manuel, Sedgwick Risk Pooling Services*

6. Consider a motion to approve the appointment of Lanette Doane as LARM Board Chair due to the upcoming vacancy of current LARM Board Chair Doug Hanson who chose not to seek reelection as Mayor of the City of Hickman.

- *Lynn Rex, Administrator, LARM*

7. Consider a motion to approve the appointment of Pat Heath, Gering City Administrator, as a LARM Board member due to the upcoming vacancy of current LARM Board member Tony Kaufman who chose not to seek reelection as Mayor of the City of Gering.

- *Lynn Rex, Administrator, LARM*

8. Consider a motion to receive a League Building Committee Update.

- *Dave Bos, Executive Director, LARM*
- *Lynn Rex, Administrator, LARM*

9. Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation.

- *Andy Fynn, Sedgwick Risk Pooling Services*

10. Discuss the date for the next meeting of the LARM Board of Directors.

- *Lynn Rex, Administrator, LARM*
- *Dave Bos, Executive Director, LARM*

11. Consider a motion to adjourn.



MINUTES
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Wednesday, September 14, 2022, 4:30 p.m. CT/3:30 p.m. MT
Cornhusker Marriott Hotel-Grand Ballroom. B and C
333 S 13th Street, Lincoln NE

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held September 14, 2022, at 4:30 p.m. CT /3:30 p.m.MT. in the Grand Ballroom, B and C at the Cornhusker Marriott Hotel at 333 S 13th Street in Lincoln, Nebraska.

(AGENDA ITEM #1) **Call meeting to order.** At 4:30 p.m. CT, **LARM Board Chair Mayor Doug Hanson**, City of Hickman, called the meeting to order.

The roll call was read with the following voting Board Members present: **Connie Jo Beck**, Clerk/Deputy Treasurer, City of St. Paul; **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh; **Pam Buehe**, Board Member, Sarpy County SID #29; **Lanette Doane**, Clerk/Treasurer, Village of Ansley; **Mayor Doug Hanson**, City of Hickman; **Jo Leyland**, Administrator/Clerk/Treasurer, City of Imperial; **Tom Ourada**, Administrator, City of Crete; and **Mayor Deb VanMatre**, City of Gibbon. Ex-officio (non-voting) Board Member **L. Lynn Rex**, Executive Director of the League of Nebraska Municipalities, and Administrator of LARM was present; ex-officio (non-voting) Board Member **Mayor Paul Lambert**, City of Plattsmouth, and President of the League of Nebraska Municipalities, was present.

At the time of roll call: 7 were absent: (**Mayor Don Groesser**, City of Ralston; **Melissa Harrell**, Administrator/Treasurer, City of Wahoo **Mayor Tony Kaufman**, City of Gering; **Mayor Josh Moenning**, City of Norfolk; **Chris Rector**, Administrator, City of Holdrege; **Sandra Schendt**, Clerk/Treasurer, City of Nelson; and **Mayor Joey Spellerberg**, City of Fremont.) **Mayor Tony Kaufman**, City of Gering, **joined the meeting at 5:23 p.m.**

Other participants included: **Cline Williams Law Firm** – representing LARM, Trent Sidders; **Sedgwick (LARM's third party administrator)** – Mark Weaver and Chris Cadwell; **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Randy Peters, Drew Cook, Ethan Nguyen, Fred Wiebelhaus, Kyla Brockevelt, James Kelley, Clint Simmons, and Nate Fox; **League of Nebraska Municipalities** – Shirley Riley.

Chair Mayor Doug Hanson indicated that on September 7, 2022, a notice of the meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of the meeting with the agenda and other materials also was made available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- www.larmpool.org and Facebook page- www.facebook.com/larmne.

Chair Mayor Doug Hanson stated in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination. The Open Meetings Act was posted in the meeting room and was accessible to members of the public. Chair Mayor Doug Hanson informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

The Pledge of Allegiance to the Flag of the United States of America was recited.

(AGENDA ITEM #2) **Consider a motion to approve the minutes of the June 14, 2022, Meeting of the LARM Board of Directors.** Chair Hanson asked if there was any discussion; there was none. Mayor Deb VanMatre moved, seconded by Pam Buethe to approve the minutes of the June 14, 2022, Meeting of the LARM Board of Directors. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Leyland, Ourada, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Kaufman, Moenning, Rector, Schendt, and Spellerberg. **Motion carried: 8 ayes, 0 nays, 0 abstention, and 7 absent.**

(AGENDA ITEM #3) **Consider a motion to approve LARM's Proposed Budget for FY 2022-2023** (Presented by Mark Weaver, CPA, Director of Finance, Sedgwick; Dave Bos, Executive Director, Tracy Juranek, Assistant Executive Director and Lynn Rex, Administrator, LARM.) Chair Hanson asked if there was any discussion. There was none. Connie Jo Beck moved, seconded by Pam Buethe to approve LARM's Proposed Budget for FY 2022-2023. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Leyland, Ourada, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Kaufman, Moenning, Rector, Schendt and Spellerberg. **Motion carried: 8 ayes, 0 nays, 0 abstentions, and 7 absent.**

(AGENDA ITEM #4) **Consider a motion to approve the reinsurance update and place the following coverages: a) Excess Workers' Compensation, Effective 10-1-2022; b) Excess Liability, Effective 10-1-2022** (Presented by Justin Swarbrick, Senior Vice President, Alliant Insurance Services, Inc.; Chris Cadwell, Director of Pool Administration, Sedgwick.) Chair Hanson asked if there was any discussion. There was none. Lanette Doane moved, seconded by Tom Ourada to approve the reinsurance update, and place the following coverages: a) Excess Workers' Compensation, Effective 10-1-2022; b) Excess Liability, Effective 10-1-2022. Roll call vote. Ayes: Beck, Brown, Buethe, Doane,

Hanson, Leyland, Ourada, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Kaufman, Moenning, Rector, Schendt, and Spellerberg. **Motion carried: 8 ayes, 0 nays, 0 abstentions, and 7 absent.**

(AGENDA ITEM #5) **Consider a motion to accept the quarterly update on LARM investments.** (Presented by Mike Maloney, Senior Portfolio Manager, US Bank) Chair Hanson asked if there was any discussion. There was none. LeAnne Brown moved, seconded by Mayor Deb VanMatre. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Leyland, Ourada, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Kaufman, Moenning, Rector, Schendt, and Spellerberg. **Motion carried: 8 ayes, 0 nays, 0 abstentions, and 7 absent.**

(AGENDA ITEM #6) **Consider a motion to accept the quarterly update on LARM financials.** (Presented by Mark Weaver, Director of Financial Reporting, Sedgwick Risk Pooling Services) Chair Hanson asked if there was any discussion. There was none. Mayor Tony Kaufman moved, seconded by Tom Ourada to accept the quarterly update on LARM financials. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Kaufman, Leyland, Ourada, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Moenning, Rector, Schendt, and Spellerberg. **Motion carried: 9 ayes, 0 nays, 0 abstentions, and 6 absent.**

(AGENDA ITEM #7) **Consider a motion for Mayor Doug Hanson to appoint Mayor Josh Moenning, Lanette Doane, and Sandra Schendt to a committee he will chair regarding League of Nebraska Municipalities/League Association of Risk Management negotiations regarding agreements between the League and LARM.** (Dave Bos, Executive Director, LARM; Mayor Doug Hanson, Chair, LARM; and Lynn Rex, Administrator, LARM) Chair Hanson asked if there was any discussion. There was none. Connie Jo Beck moved, seconded by Mayor Deb VanMatre for Mayor Doug Hanson to appoint Mayor Josh Moenning, Lanette Doane, and Sandra Schendt to a committee he will chair regarding League of Nebraska Municipalities/League Association of Risk Management negotiations regarding agreements between the League and LARM. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Kaufman, Leyland, Ourada, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Moenning, Rector, Schendt, and Spellerberg. **Motion carried: 9 ayes, 0 nays, 0 abstentions, and 6 absent.**

(AGENDA ITEM #8) **Public disclosure of release and settlement agreement between Telly C. Briggs and Daniel Morales, Ryan Wisnieski, Chad Ostmeier, the City of Imperial, and the League Association of Risk Management in consideration of payment of the total sum of \$120,000 to provide release and discharge to Daniel Morales, Ryan Wisnieski, Chad Ostmeier, the City of Imperial and the League**

Association of Risk Management for a liability claim, in compliance with Nebraska Revised Statute 84-713. (*Dave Bos, Executive Director, LARM*) Mayor Tony Kaufman moved, seconded by Mayor Deb VanMatre to approve public disclosure of release and settlement agreement between Telly C. Briggs and Daniel Morales, Ryan Wisnieski, Chad Ostmeyer, the City of Imperial, and the League Association of Risk Management in consideration of payment of the total sum of \$120,000 to provide release and discharge to Daniel Morales, Ryan Wisnieski, Chad Ostmeyer, the City of Imperial and the League Association of Risk Management for a liability claim, in compliance with Nebraska Revised Statute 84-713. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Kaufman, Leyland, Ourada, VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Moenning, Rector, Schendt, and Spellerberg. **Motion carried: 9 ayes, 0 nays, 0 abstentions, and 6 absent.**

(AGENDA ITEM #9) Public disclosure of release and settlement agreement between Christopher Kems and the League Association of Risk Management, Sedgwick Claims Management Services, Inc. and its affiliates, and each of their officers, directors, employees, successors and assigns, Public Entity Risk Services of Iowa in consideration of payment of the total sum of \$100,000 to provide release and discharge to the League Association of Risk Management, Sedgwick Claims Management Services, Inc. and its affiliates, and each of their officers, directors employees, successors and assigns, Public Entity Risk Services of Iowa for a liability claim, in compliance with Nebraska Revised Statute 84-713. (*Dave Bos, Executive Director, LARM*) Jo Leyland moved, seconded by Lanette Doane to approve public disclosure of release and settlement agreement between Christopher Kems and the League Association of Risk Management, Sedgwick Claims Management Services, Inc. and its affiliates, and each of their officers, directors, employees, successors and assigns, Public Entity Risk Services of Iowa in consideration of payment of the total sum of \$100,000 to provide release and discharge to the League Association of Risk Management, Sedgwick Claims Management Services, Inc. and its affiliates, and each of their officers, directors employees, successors and assigns, Public Entity Risk Services of Iowa for a liability claim, in compliance with Nebraska Revised Statute 84-713. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Kaufman, Leyland, Ourada, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Moenning, Rector, Schendt, and Spellerberg. **Motion carried: 9 ayes, 0 nays, 0 abstentions, and 6 absent.**

(AGENDA ITEM #10) Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation. (*Presented by John Baum, Sedgwick and Trent Sidders, Cline Williams*) LeAnne Brown moved, seconded by Connie Jo Beck to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Shirley Riley, Trent Sidders, Mark Weaver, Chris Cadwell, and John Baum. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Kaufman, Leyland, Ourada, and VanMatre. Nays: None, Abstentions: None. Absent: Groesser, Harrell, Moenning, Rector, Schendt, and Spellerberg. **Motion carried: 9 ayes, 0 nays, 0 abstentions, and 6 absent.**

Chair Mayor Doug Hanson repeated the motion again to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Shirley Riley, Trent Sidders, Mark Weaver, Chris Cadwell, and John Baum. As of 5:41 p.m. the Board was in closed session.

At 5:54 p.m. Chair Mayor Doug Hanson restated that the reason the Board went into closed session was to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Shirley Riley, Trent Sidders, Mark Weaver, Chris Cadwell and John Baum. He went on to state that there was no action taken in the closed session and that the Board was now back in open session.

(AGENDA ITEM #11) Discuss the date for the next meeting of the LARM Board of Directors. *(Presented by Lynn Rex, Administrator and Dave Bos, Executive Director, LARM).*

(AGENDA ITEM #12) Consider a motion to adjourn. At 5:58 p.m. Connie Jo Beck moved, seconded by Pam Buethe to adjourn. Chair Mayor Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Beck, Brown, Buethe, Doane, Hanson, Kaufman, Leyland, Ourada, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Harrell, Moenning, Rector, Schendt, and Spellerberg. ***Motion carried: 9 ayes, 0 nays, 0 abstentions, and 6 absent.***

Approved on:

ATTEST:

Kyla Brockevelt
Executive Administrative Assistant
League Association of Risk Management

L. Lynn Rex
LARM Administrator
Ex-Officio, Non-Voting, LARM Board Member
Executive Director of the League of Nebraska Municipalities



NOTICE
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
(LARM)

Wednesday, September 14, 2022,
4:30 p.m. CT/3:30 p.m. MT

PLEASE TAKE NOTICE that on **Wednesday, September 14, 2022, at 4:30 p.m. CT/3:30 p.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting at the Cornhusker Marriot Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska. An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials is available at this location with a copy of the Open Meetings Act posted. The meeting will also be made available by Zoom via Computer, Smart Device or Telephone <https://us06web.zoom.us/j/82674662551?pwd=WkNmWDlJNmRhTFRKMjtwK3JTS2VTdz09> or via phone at 1-833-548-0276. The Meeting ID is 826 7466 2551 and the passcode is 092147.

On September 7, 2022, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also is available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne.



CITY OF FREMONT NEBRASKA

COMMUNITY DEVELOPMENT AGENCY & REGULAR CITY COUNCIL MEETING MINUTES

October 25, 2022 - 7:00 PM

Public Comment – 6:30 PM

City Council Chambers 400 East Military, Fremont NE

COMMUNITY DEVELOPMENT AGENCY AGENDA

7:00 PM

MEETING CALLED TO ORDER Following the Pledge of Allegiance, Mayor Spellerberg called the Community Development Agency meeting to order and stated that a copy of the open meeting law is posted continually for public inspection located near the entrance door by the agendas.

ROLL CALL Roll call showed Members Ellis, Ganem, Yerger, Sookram, Jensen, Legband and Gibson present. Vaughan absent. 7 members present.

1. Resolution 2022-001 to approve amendment to RD Leasing Redevelopment Agreement. Motion made by Jensen, Seconded by Gibson to approve Resolution 2022-001. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried.

ADJOURNMENT Motion made by Jensen, seconded by Sookram to adjourn; time: 7:10 P.M. Voting Yea: Yerger, Ellis, Legband, Ganem, Sookram, Jensen, Gibson. Motion carried.

CITY COUNCIL REGULAR MEETING AGENDA

7:00 PM – Following the preceding Meeting

MEETING CALLED TO ORDER Mayor Spellerberg called the Regular Meeting to order and stated that a copy of the open meeting law is posted continually for public inspection located near the entrance door by the agendas.

ROLL CALL Roll call showed Council Members Ellis, Ganem, Yerger, Sookram, Jensen, Legband and Gibson present. Vaughan absent. 7 members present.

MAYOR COMMENTS

(There will be no discussion from the Council or the public regarding comments made by the Mayor. Should anyone have questions regarding the comments, please contact the Mayor after the meeting)

1. Motion to adopt current agenda for the October 25, 2022 Regular Meeting

Motion made by Gibson, Seconded by Ganem to adopt current agenda for the October 25, 2022 Regular Meeting. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried.

CONSENT AGENDA: All items in the consent agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or a citizen so requests, in which event the item will be removed from the consent agenda and considered separately. Motion made by Ganem, seconded by Sookram to approve consent agenda items 2 & 4-10. Voting Yea: Gibson, Ellis, Ganem, Jensen, Legband, Sookram, Yerger. Motion carried.

2. Motion to approve October 12, 2022 through October 25, 2022 claims and authorize checks to be drawn on the proper accounts
3. Dispense with and approve October 11, 2022 City Council Meeting Minutes. Motion made by Yerger, Seconded by Legband to amend the minutes item #11 to include the final vote on the item following the amendment. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried. Motion made by Jensen, Seconded by Yerger to approve the October 11, 2022 City Council Meeting Minutes as amended. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried.
4. Receive September 2022 animal reports
5. Motion to approve Joey Spellerberg as a member of the League Association of Risk Management (LARM) Board of Directors for a three-year term of office effective January 1, 2023
6. Resolution 2022-188 to consider addition of indoor area for Churchills, LLC., dba Churchills the Cigar Bar, 345 N. Main St.
7. Motion to approve the Cement/Asphalt/Excavate worker license application(s): NE Construction & Rock Hard Concrete Inc.
8. Resolution 2022-189 approving Outside Fire contracts for November 1, 2022 to October 31, 2023
9. Resolution 2022-190 authorizing the Fremont Department of Utilities Staff to purchase 23,034 lbs of T-2 336.4 Kcmil ACSR Linnet wire
10. Resolution 2022-195 to approve and accept the Debby Durham Family Foundation Grant in the amount of \$33,000 to purchase a new Zoll X-series Heart Monitor/Defibrillator

NEW BUSINESS: Requires individual associated action

11. Resolution 2022-191 to approve amendment to RD Leasing Redevelopment Agreement Motion made by Gibson, Seconded by Legband to approve Resolution 2022-191. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried.
12. Ordinance 5632 to approve Government Salary. Motion made by Sookram, Seconded by Ganem to introduce and hold first reading of Ordinance 5632. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried. City Clerk provided first

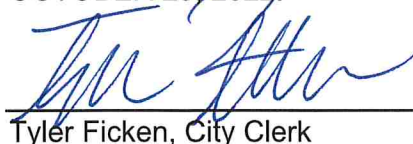
reading of the Ordinance. Motion made by Jensen, Seconded by Ganem to suspend the rules and move to final reading of the Ordinance. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried. City Clerk provided final reading of the Ordinance. Mayor Spellerberg called for a final vote on the Ordinance. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Ordinance 5632 approved.

13. Affirm Emergency Declaration by the Mayor and City Administrator for expenses in excess of the spending limit 5th & Park street repair. Motion made by Yerger, Seconded by Sookram to affirm Emergency Declaration by the Mayor and City Administrator for expenses in excess of the spending limit 5th & Park street repair. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried.
14. Resolution 2022-192 South Clarmar & Railroad street ROW agreement with Gavilon Group LLC. Motion made by Jensen, Seconded by Sookram to approve Resolution 2022-192. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried.
15. Resolution 2022-193 South Clarmar & Railroad street ROW agreement with Structural Component Systems, Inc. Motion made by Sookram, Seconded by Ganem to approve Resolution 2022-193. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried.
16. Resolution 2022-194 South Clarmar & Railroad street ROW agreement with Steven R. Hasebroock, Linda S. Hasebroock, Brian Dale Bertram, and Donna M. Bertram. Motion made by Yerger, Seconded by Ganem to approve Resolution 2022-194. Voting Yea: Ellis, Ganem, Gibson, Jensen, Legband, Sookram, Yerger. Motion carried.

ADJOURNMENT Motion made by Jensen, seconded by Gibson to adjourn; time: 7:33 P.M. Voting Yea: Yerger, Ellis, Legband, Ganem, Sookram, Jensen, Gibson. Motion carried.

Agenda posted at the Municipal Building on October 19, 2022 and online at www.fremontne.gov. Agenda distributed to the Mayor and City Council on October 19, 2022. This meeting is preceded by publicized notice in the Fremont Tribune on the last Thursday of the preceding month and the agenda, including any notice of study session or public hearing, is displayed in the Municipal Building and is open to the public. The official current copy is available at City Hall, 400 East Military, City Clerk's Office. The City Council reserves the right to go into Executive Session at any time. A copy of the Open Meeting Law is posted in the City Council Chambers for review by the public. The City of Fremont reserves the right to adjust the order of items on the agenda.

APPROVED AND ACCEPTED AS THE OFFICIAL COPY OF THE FREMONT, NEBRASKA COMMUNITY DEVELOPMENT AGENCY & REGULAR CITY COUNCIL MEETING MINUTES FOR OCTOBER 25, 2022.



Tyler Ficken, City Clerk



Joey Spellerberg, Mayor

RESOLUTION NO. 2022-18

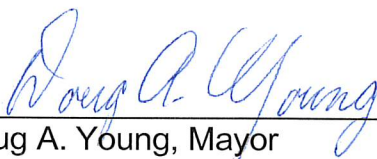
Of the Mayor and Council of the City of Holdrege, Nebraska

WHEREAS, The City of Holdrege, Nebraska, is a member of the League Association of Risk Management (LARM); and

WHEREAS, the Board of Directors of LARM duly elected Holdrege City Administrator Chris Rector to serve a three-year term on the LARM Board of Directors at the annual LARM Board meeting on September 14, 2022.

BE IT RESOLVED that the governing body of The City of Holdrege, Nebraska, hereby approves the membership of Chris Rector on the Board of Directors of the League Association of Risk Management.

Adopted this 18th day of October 2022


Doug A. Young, Mayor

ATTEST:


Dane C. Jensen, City Clerk

**RESOLUTION FOR "PARTICIPATING MEMBERS" OF LARM
TO RATIFY THE ELECTIONS OF
MEMBERS OF THE LARM BOARD OF DIRECTORS**

WHEREAS, the City of Norfolk is a "participating member" of the League Association of Risk Management ("LARM"); and

WHEREAS, the Interlocal Agreement that formed and continues to govern LARM provides in 8.1.4.2. that "Each participating member may cast one vote for each of the open Board positions."; and

WHEREAS, at a LARM Members Meeting on September 14, 2022, the following five individuals were elected to three-year terms as members of the LARM Board of Directors commencing January 1, 2023:

- Josh Moenning
- LeAnn Olson
- Tony Kaufman
- Joey Spellerberg
- Chris Rector

WHEREAS, the City of Norfolk wishes to ratify the election of the aforementioned five LARM Board of Directors.

NOW, THEREFORE, BE IT RESOLVED that the City of Norfolk hereby ratifies and confirms the election of members of the LARM Board of Directors as stated above.

PASSED AND APPROVED this 17th day of October, 2022.

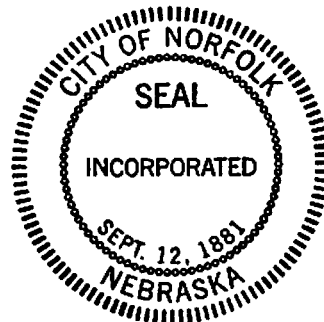
ATTEST:

Brianna Duerst
Brianna Duerst, City Clerk

(S E A L)

Approved as to form: D. Myers-Noelle
Danielle Myers-Noelle, City Attorney

Josh Moenning, Mayor





League Association of Risk Management

September 14, 2022

U.S. Bank Institutional Asset Management

Your U.S. Bank Team

Michael T. Maloney
Senior Portfolio Manager
Institutional Asset Management
563-663-2640
Michael.Maloney@usbank.com

Corey Reavis
Vice President
Relationship Manager
Institutional Trust & Custody
Corey.Reavis@usbank.com

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- Page 4 – League Association of Risk Management
 - Performance
 - Fixed Income Overview
 - Fixed Income Analysis
 - Holdings
- Page 10 – Investment Policy
- Page 14 – Market Outlook & Disclosures

Selected Period Performance

Selected Period Performance

	Market Value	1 Month	3 Months	Year to Date (10 Months)	1 Year	3 Years	5 Years	Inception to Date 11/01/2014
Total Portfolio Gross of Fees	16,413,789	-.26	-3.61	-6.81	-7.03	-2.19	-.52	-.09
Total Portfolio Net of Fees	16,413,789	-.27	-3.65	-6.93	-7.16	-2.33	-.66	-.23
Total Fixed Income	12,398,753	-.21	-3.62	-7.25	-7.57	-2.42	-.57	-.08
BBARC 1-5 Year US Treasury Index		-.20	-3.22	-6.54	-6.76	-1.22	.33	.57
Total Cash Equivalents	4,015,036	.02	.05	.09	.09	.16	.61	.43
FTSE 1 Month Treasury Bill Index		.24	.62	.83	.84	.53	1.10	.79
FTSE 6 Month Treasury Bill Index		.23	.55	.87	.88	.69	1.24	.92
Pending Cash	0	.00	.00	.00	.00	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

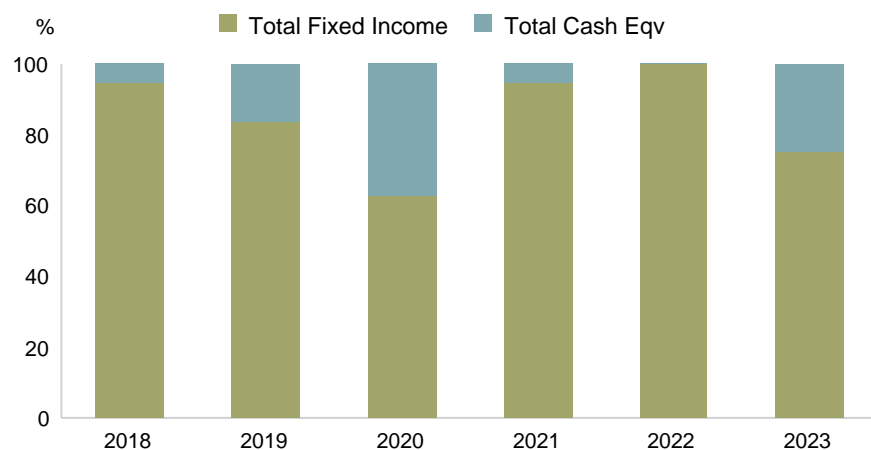
Investment products and services are:
NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

History of Asset Growth Graphs

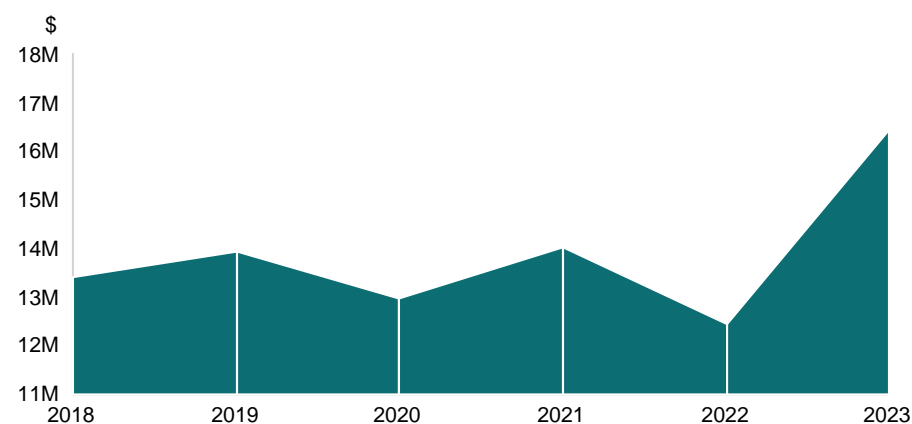
Annual Portfolio Values

	Consolidated	Oct 2017- Sep 2018	Oct 2018- Sep 2019	Oct 2019- Sep 2020	Oct 2020- Sep 2021	Oct 2021- Sep 2022	Oct 2022- Oct 2022
Beginning Portfolio Value	14,923,367	14,923,367	13,380,140	13,922,983	12,945,684	13,999,890	12,440,653
Contributions	32,450,000	4,750,000	4,600,000	3,700,000	7,900,000	7,500,000	4,000,000
Withdrawals	-30,559,582	-6,405,776	-4,574,303	-4,921,961	-6,822,895	-7,833,096	-1,552
Income Earned	927,066	230,600	304,987	209,553	87,451	88,038	6,438
Gain/Loss	-1,327,063	-118,051	212,158	35,109	-110,350	-1,314,179	-31,751
Ending Portfolio Value	16,413,789	13,380,140	13,922,983	12,945,684	13,999,890	12,440,653	16,413,789
Total Return	-.50	.79	3.14	1.52	-.12	-7.28	-.26
Principal	-1.67	-.62	1.22	-.03	-.73	-7.73	-.35
Income	1.18	1.41	1.92	1.55	.61	.45	.09

Allocation Over Time



Ending Market Values Over Time



Account: XXXXXXXX9800

Holdings Method: Direct

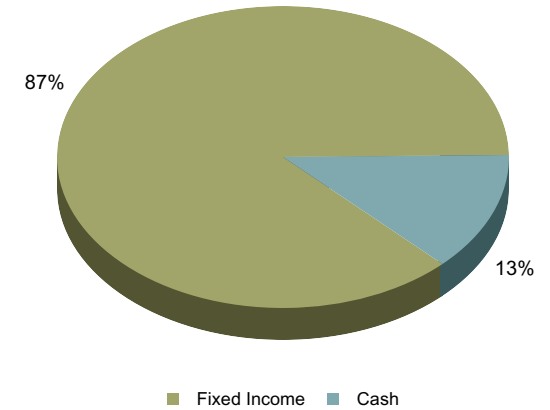
Report Date: 10/31/2022

Portfolio Summary

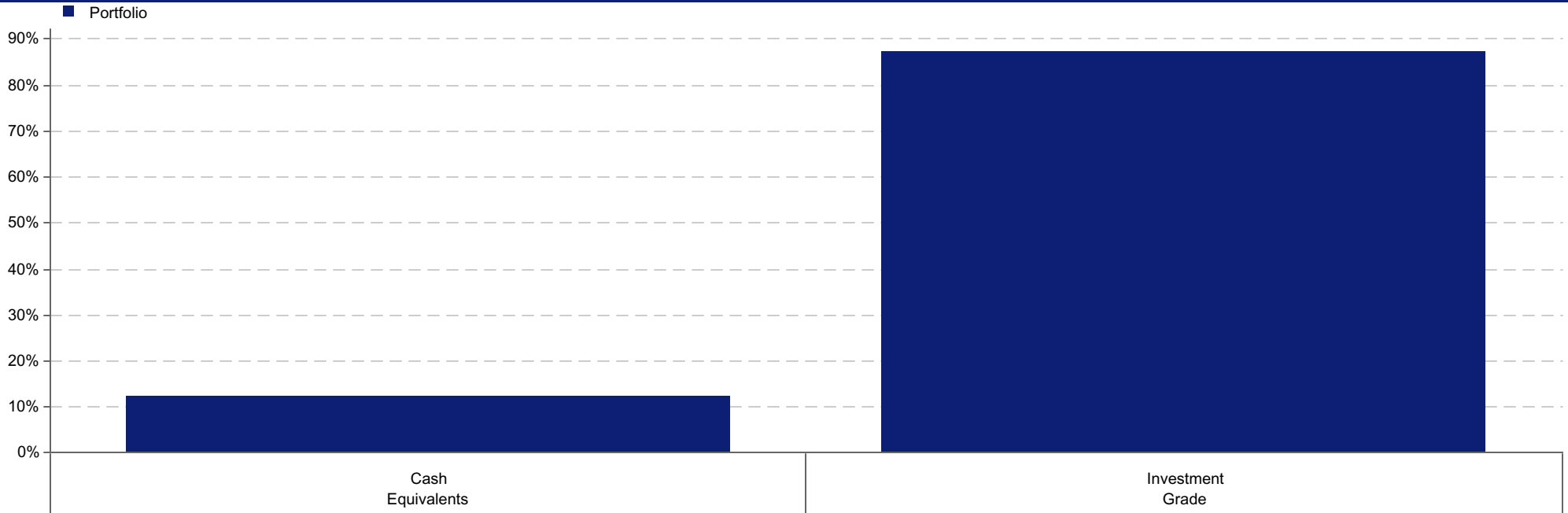
Inv. Objective	All Fixed/Non Taxable
Total Portfolio Value	\$16,397,667
Net Realized Cap Gains YTD	\$0
Annual Income Projected	\$84,589
Current Yield	.52%
Number of Securities	21
Portfolio Mgr.	Michael T. Maloney

Portfolio Asset Allocation

Fixed Income	\$14,339,718	87.45%
Cash	\$2,057,949	12.55%
Invested Total	\$16,397,667	100.00%



Portfolio Model Allocation



Account: XXXXXXXXX9800

Holdings Method: Direct

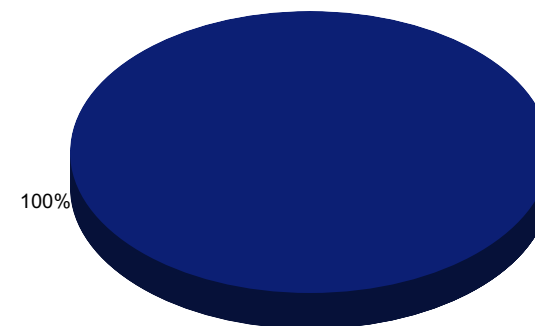
Report Date: 10/31/2022

Fixed Income Summary

Inv. Objective	All Fixed/Non Taxable
Total Fixed Income Value	\$14,339,718
Current Yield	1.12%
Annual Income Projected	\$73,270
Number of Securities	20
Portfolio Mgr.	Michael T. Maloney

Fixed Income Asset Allocation

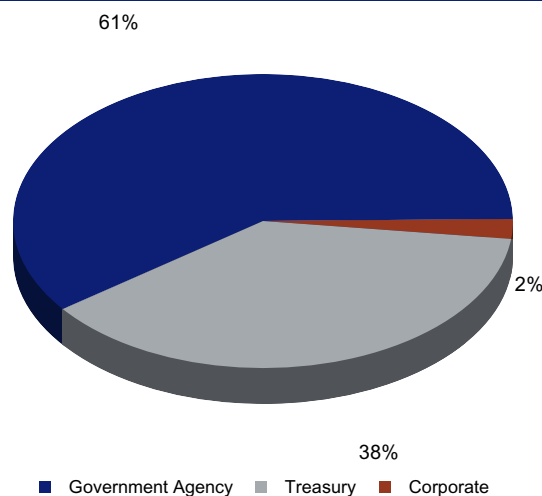
Investment Grade \$14,339,718 100.00%



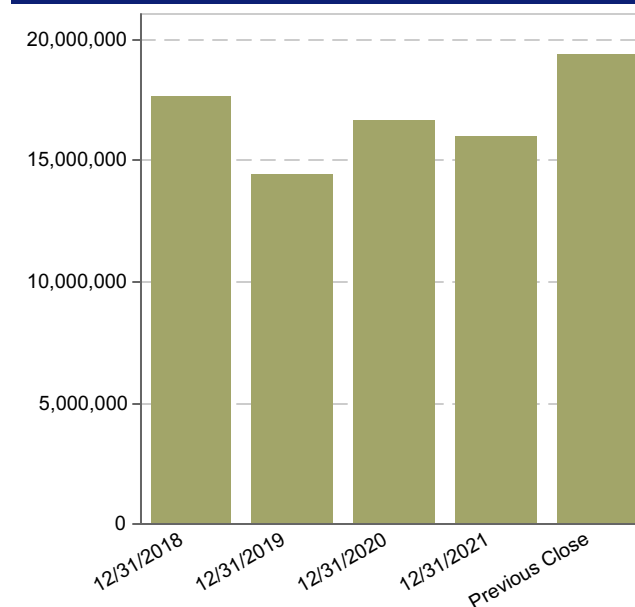
■ Investment Grade

Fixed Income Sector Exposures

Government Agency	\$8,702,228	61.00%
Treasury	\$5,407,928	38.00%
Corporate	\$229,563	2.00%



Fixed Income Market Value



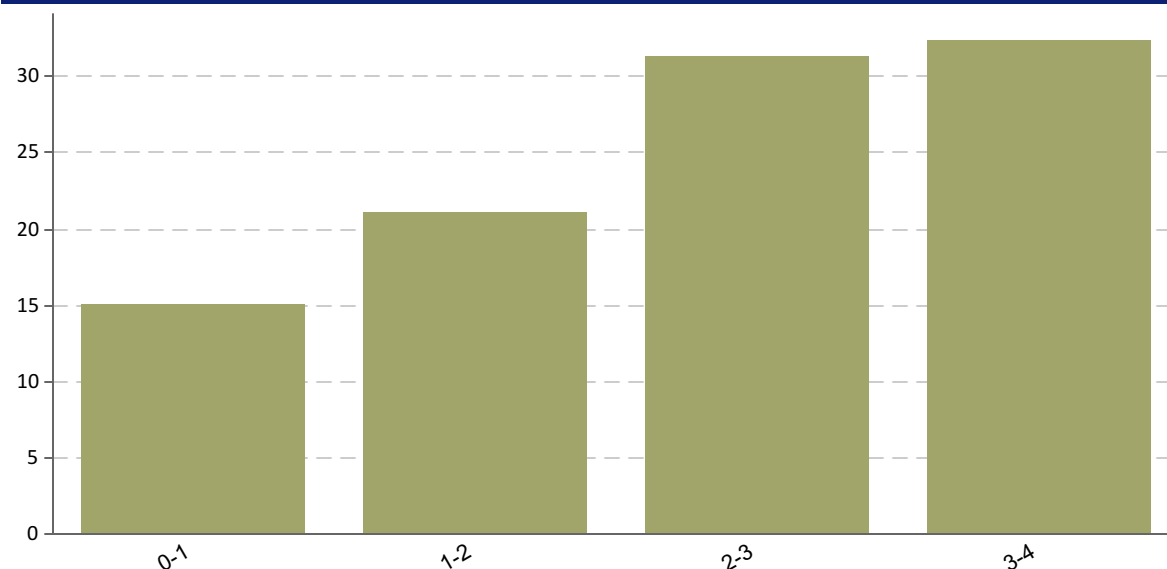
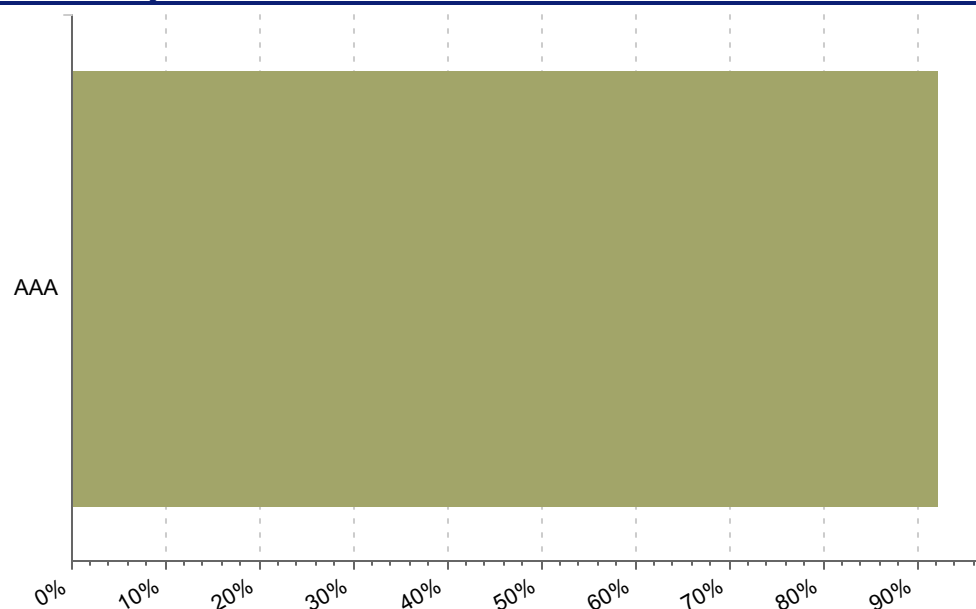
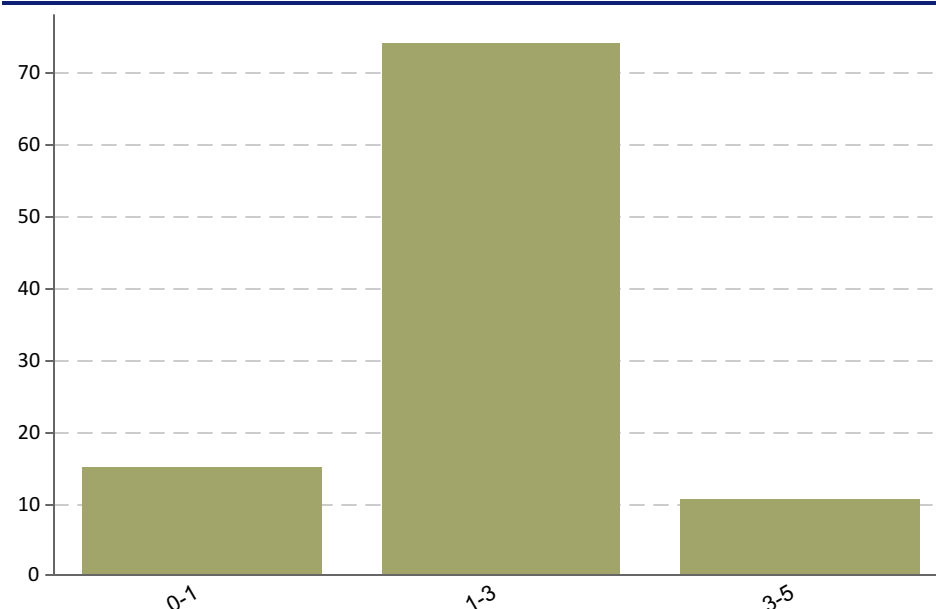
Account: XXXXXXXX9800

Holdings Method: Direct

Report Date: 10/31/2022

Bond Characteristics

	Portfolio	% Avail
Avg. Coupon (%)	.46	100
Current Yield (%)	1.12	100
Yield To Maturity	4.64	100
Yield to Call/Worst (%)	4.64	100
Eff. Maturity (Yrs)	2.28	100
Effective Duration	2.20	100
Avg. Quality	AAA	95
# of Securities	20	100

Bond Effective Maturity

Bond Quality Distribution

Bond Duration Distribution




LEAGUE ASSOC OF RISK MANAGEMENT

Portfolio Holdings

Account: XXXXXXXXX9800

Holdings Method: Direct

Report Date: 10/31/2022

		Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
Total			100.0			16,397,667	17,718,236	-1,320,569	0.52	84,589
Cash			12.55			2,057,949	2,057,949	.00	0.55	11,319
Cash Equivalents			12.55			2,057,949	2,057,949	.00	0.55	11,319
US BANK MONEY MARKET (MMDA) IT&C		991070749	12.55	1.00	2,057,949	2,057,949	2,057,949	.00	0.55	11,319
Fixed Income			87.45			14,339,718	15,660,286	-1,320,569	0.51	73,270
Investment Grade			87.45			14,339,718	15,660,286	-1,320,569	0.51	73,270
Corporate			1.40			229,563	249,500	-19,938	0.38	875
BMW BK NORTH C D 0.350% 10/23/24		05580AXH2	1.40	91.83	250,000	229,563	249,500	-19,938	0.38	875
Government Agency			53.07			8,702,228	9,717,437	-1,015,209	0.56	48,645
F F C B DEB 0.220% 9/08/23		3133EL6J8	1.32	96.24	225,000	216,538	224,773	-8,235	0.23	495
F H L M C M T N 0.375% 7/29/24		3134GW4X1	4.24	92.67	750,000	695,040	749,775	-54,735	0.40	2,813
F H L M C M T N 0.420% 9/17/24		3134GWSW7	4.22	92.22	750,000	691,673	750,000	-58,328	0.46	3,150
F H L B DEB 0.375% 2/25/25		3130ALB52	5.51	90.29	1,000,000	902,880	1,000,000	-97,120	0.42	3,750
F F C B DEB 0.550% 8/26/25		3130AJZA0	4.06	88.86	750,000	666,428	749,850	-83,423	0.62	4,125
F N M A 0.600% 8/29/25		3136G4X24	4.08	89.13	750,000	668,483	752,138	-83,656	0.67	4,500
F H L M C M T N 0.375% 9/23/25		3137EAEX3	4.07	88.96	750,000	667,238	746,224	-78,986	0.42	2,813
F N M A M T N 0.580% 10/28/25		3135GA2A8	4.05	88.52	750,000	663,885	749,850	-85,965	0.66	4,350
F N M A 0.500% 11/07/25		3135G06G3	5.42	88.86	1,000,000	888,580	996,440	-107,860	0.56	5,000
F H L B DEB 0.570% 11/25/25		3130AKGD2	4.03	88.10	750,000	660,758	748,500	-87,743	0.65	4,275
F H L M C M T N 0.600% 11/25/25		3134GXCH5	5.39	88.32	1,000,000	883,200	1,000,000	-116,800	0.68	6,000
F N M A 0.650% 12/10/25		3135G06J7	4.03	88.21	750,000	661,568	749,888	-88,320	0.74	4,875
F H L B DEB 0.500% 2/10/26		3130AKW51	2.66	87.19	500,000	435,960	500,000	-64,040	0.57	2,500
Treasury			32.98			5,407,928	5,693,349	-285,422	0.44	23,750
U S TREASURY BILL 4/27/23		912796YV5	11.93	97.84	2,000,000	1,956,780	1,956,123	657	0.00	0
U S TREASURY NT 0.125% 12/15/23		91282CBA8	5.80	95.12	1,000,000	951,210	991,445	-40,235	0.13	1,250
U S TREASURY NT 0.375% 4/15/24		91282CBV2	2.87	94.01	500,000	470,060	500,801	-30,741	0.40	1,875
U S TREASURY NT 0.750% 11/15/24		91282CDH1	5.65	92.71	1,000,000	927,110	998,086	-70,976	0.81	7,500
U S TREASURY NT 0.750% 4/30/26		91282CBW0	1.35	88.23	250,000	220,578	249,434	-28,856	0.85	1,875
U S TREASURY NT 1.125% 10/31/26		91282CDG3	5.38	88.22	1,000,000	882,190	997,461	-115,271	1.28	11,250

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Not A Deposit | Not FDIC Insured | May Lose Value | Not Bank Guaranteed | Not Insured By Any Federal Government Agency

Material is based on data from sources deemed to be reliable, accuracy/completeness is not guaranteed.

Holdings Date: 10/31/2022

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LEAGUE ASSOCIATION OF RISK MANAGEMENT

INVESTMENT POLICY

- I. Purpose. The purpose of this document is to establish the investment policy for the League Association of Risk Management, hereafter called LARM, and to provide guidance to the LARM Board, the Investment Committee, the LARM Administrator, and, if utilized, the Investment Manager or Custodian Bank pertaining to investment objectives and guidelines.
- II. Goal. The overall investment goal of LARM is to obtain a high rate of return on its portfolio assets, with a minimal risk, abiding by the appropriate statutes governing the investment of these funds and complying with the responsibility to LARM members.
- III. Priority Listing of Objectives.
 - A. Safety of Principal. Avoidance of financial risk or compromise of the financial integrity of the portfolio.
 - B. Liquidity. Provide sufficient liquidity for the payment of claims and expenses.

This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary and resale markets (dynamic liquidity). A portion of the portfolio may be placed in money market mutual funds which offer same day liquidity for short term funds.
 - C. Earn a High Rate of Return. Earn the highest rate of return with minimal risk. However, return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.
 - D. Diversification of Assets. Diversify assets by both the industry and the issuer in order to avoid undue exposure by any single industry or issuer.
 - E. All investments of LARM shall be in compliance with the Nebraska Insurer's Investment Act at all times.
- IV. Procedure.
 - A. LARM Board. The Board shall:
 1. Review and approve, at least quarterly, all purchases and disposals of investments.

2. Review, at least quarterly, whether all investments have been made in accordance with the Investment Policy.
3. Authorize the Investment Committee, under the general supervision of the LARM Board Chair, to manage the investments of LARM, either independently or through the utilization of the LARM Administrator or an Investment Manager or Custodian Bank.
4. Review the investment policy on an annual basis.

B. Investment Committee. The Investment Committee shall:

1. Receive and review summary reports on the investment portfolio, investment activities, and investment practices in order to determine whether the investment activity is consistent with the Investment Policy.
2. Provide such summary reports at least quarterly to the LARM Board for their review and approval.
3. Review and recommend revision of the Investment Policy to the LARM Board, as appropriate.
4. Review the Investment Manager or Custodian bank's performance and fees at least every 3 years.

C. LARM Administrator. The LARM Administrator shall:

1. Notify the Investment Committee of matters that bear upon the proper investment of the portfolio including pertinent financial, legal, or other information involving the investment of the portfolio and changes in investment objectives.
2. Meet regularly with the Investment Committee to report on progress of the portfolio.

D. Investment Manager or Custodian Bank. If utilized, the Investment Manager or Custodian Bank shall:

1. Meet regularly with the Investment Committee to report on progress of the portfolio.
2. Provide reports monthly to the Investment Committee.
3. Provide information concerning market trends and investment strategies.

V. Investment Guidelines.

A. Regulatory Limitations. The investment guidelines and restrictions as set forth by the Insurers Investment Act (Nebraska Revised Statutes Section 44-5101 et seq.) shall be adhered to at all times by the Board, the Investment Committee, the LARM Administrator, and any Investment Manager or Custodian Bank utilized by the Investment Committee in exercise of their discretion.

B. Prudence. The standard of prudence to be used for managing LARM's investments is the "prudent investor" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of

their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.”

C. General Strategies.

1. The Investment Committee, or an Investment Manager or Custodial Bank, if utilized, shall determine the appropriate allocation of funds among cash, cash equivalents, and investment grade fixed income securities.
2. Capital gains and losses may be realized when, in the judgment of the Investment Committee or its investment manager or custodian bank, if utilized, consistent with the goals, objectives, and guidelines of this policy, such action is in the best interest of the portfolio and will lead to a greater long-term total rate of return.
3. Securities purchased by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited in general maturity parameters as follows:

The maximum maturity of any security at date of purchase shall not exceed 60 months. The purchase of a security with a maturity longer than 60 months shall be approved by the LARM Board at the next quarterly meeting. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as money market funds to ensure appropriate liquidity is maintained to meet ongoing obligations.

Securities shall not be sold prior to maturity with the following exceptions:

A security with declining credit may be sold early to minimize loss of principal.

Liquidity needs of the portfolio require that the security be sold.

A security swap that would adjust the portfolio (quality, yield, or duration) in a manner that would allow it to better fulfill the investment objectives.

Security purchases and sales shall be made, so that at the time of purchase or sale they do not cause, or exacerbate, non-compliance with the LARM portfolio maturity limitations.

4. Investments made by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited according to the following:

<u>Asset Class</u>	<u>Limitation*</u>
Direct obligations of the United States or obligations for which the full faith and credit of the United States is pledged for the payment of all principal and interest	No Limit
Direct obligations of any agency or instrumentality of the United States or obligations for which the full faith and credit of any agency or instrumentality of the United States is pledged for the payment of all principal and interest	25% per issuer
Other investment grade fixed income securities	5% per issuer
Mutual funds investing in the above classes	<u>5% per issuer, not to exceed 25% in total if the fund is only allowed to invest in U.S. government obligations or U.S. agency or instrumentality obligations; and</u> <u>5% per issuer, not to exceed 10% if invested in other classes.</u>

**Limitations apply to the percentage of admitted assets as shown by the most recent financial statement filed with the Nebraska Department of Insurance.*

- VI. Standard of Performance. Consideration shall be given to the extent to which the investment results are consistent with the goals and objectives as set forth in this policy.

Revised 3-23-2007; 12-16-2009; 3-1-2011; 2-26-2018

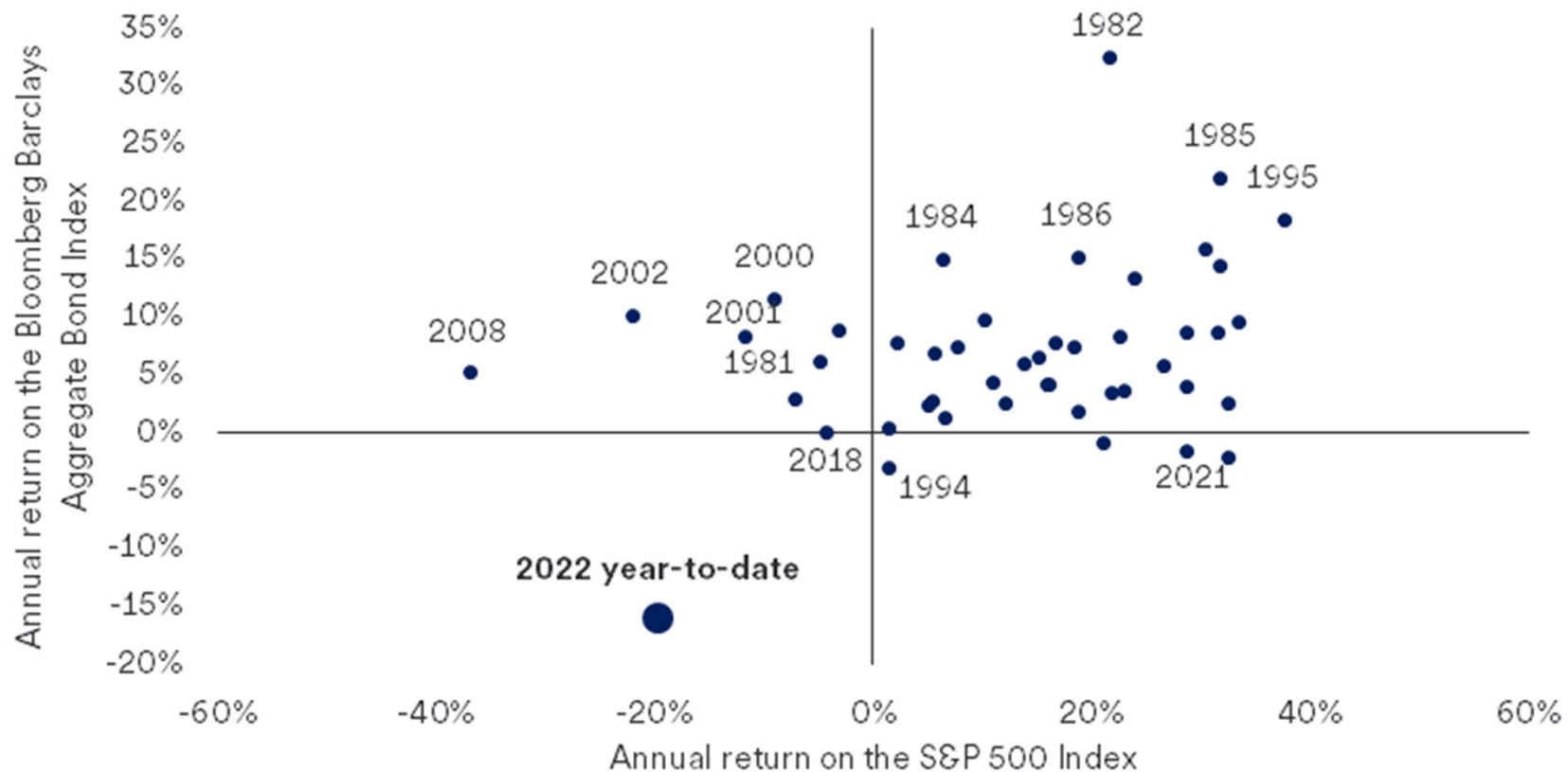


November 10, 2022

Market views – November 2022

This year's stock and bond market performance has been a historical anomaly

In the past, bond market returns provided a positive performance offset during periods of material stock market declines. This year's drawdown across both equities and high-quality domestic bonds stands out as a historical outlier.



Source: U.S. Bank Asset Management Group analysis, Bloomberg. Data period: December 31, 1975-November 4, 2022.

10-year Treasury chart

Uncertainty regarding the long-term path for growth and inflation is contributing to Treasury yield volatility. Our fundamental measures of 10-year Treasury yields reflect this uncertainty with a wide range of support and resistance between 3% and 4.5%.

10-year Treasury chart



Source: Bloomberg. Data period: November 4, 2001-November 4, 2022.



U.S. Bank | Public | Please refer to disclosures in appendix.

Borrowing costs remain modest relative to a multi-generational historical context

Rising Treasury yields are increasing borrowing costs, which could impact consumers' and businesses' willingness to borrow and, therefore, economic growth. Credit still appears reasonable when considering a longer-term perspective, but recent increases in mortgage borrowing costs are notable.

U.S. long Treasury yields



Source: Bloomberg. Data period: December 1871-November 4, 2022.

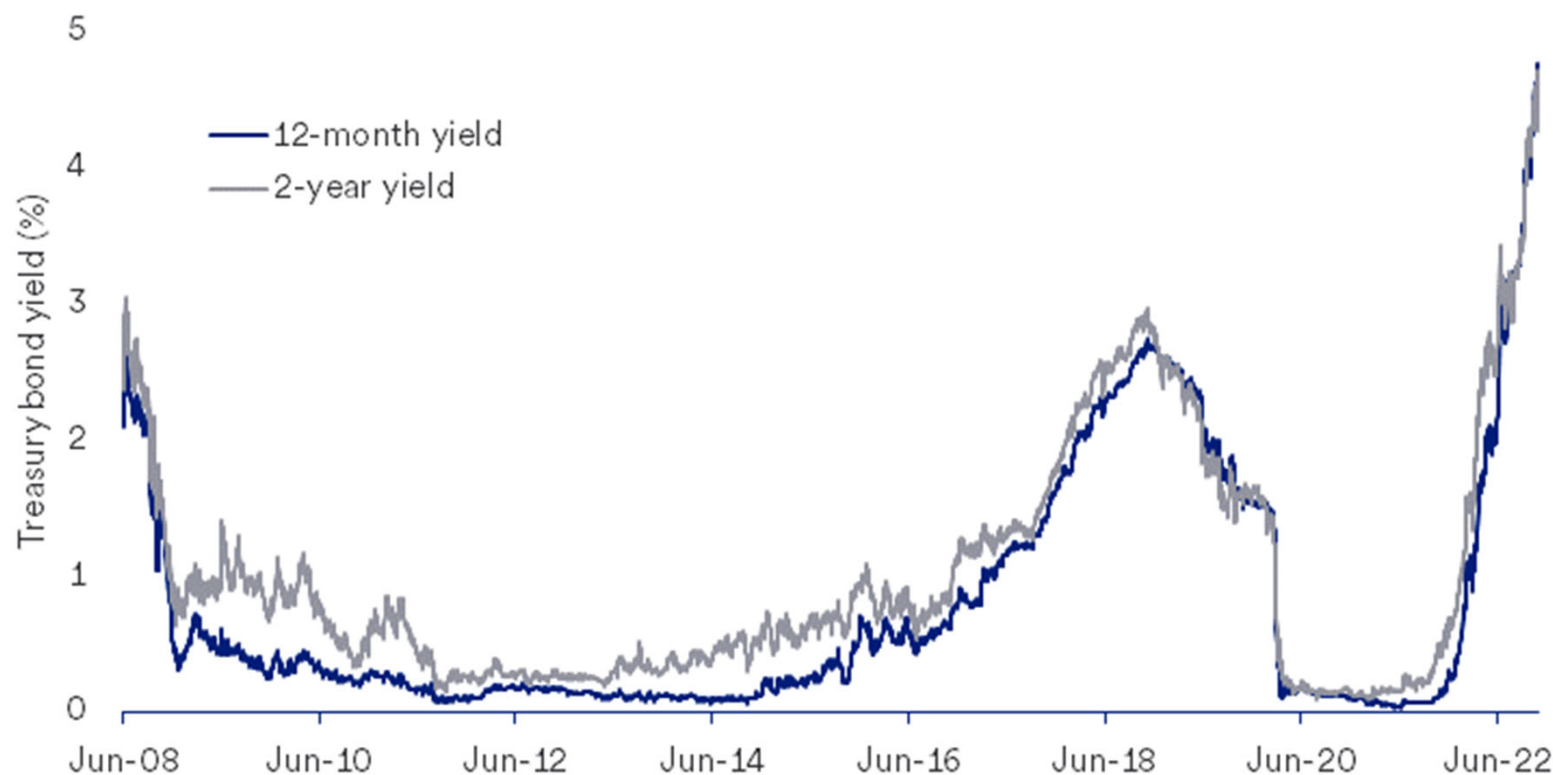


U.S. Bank | Public | Please refer to disclosures in appendix.

Federal Reserve rate hikes are increasing near-term borrowing costs

Short-term Treasury yields have rapidly increased this year to their highest levels in more than 10 years. Rate hikes are an attempt to tighten financial conditions which should slow demand and ultimately reduce inflation.

U.S. 12-month and two-year Treasury yields



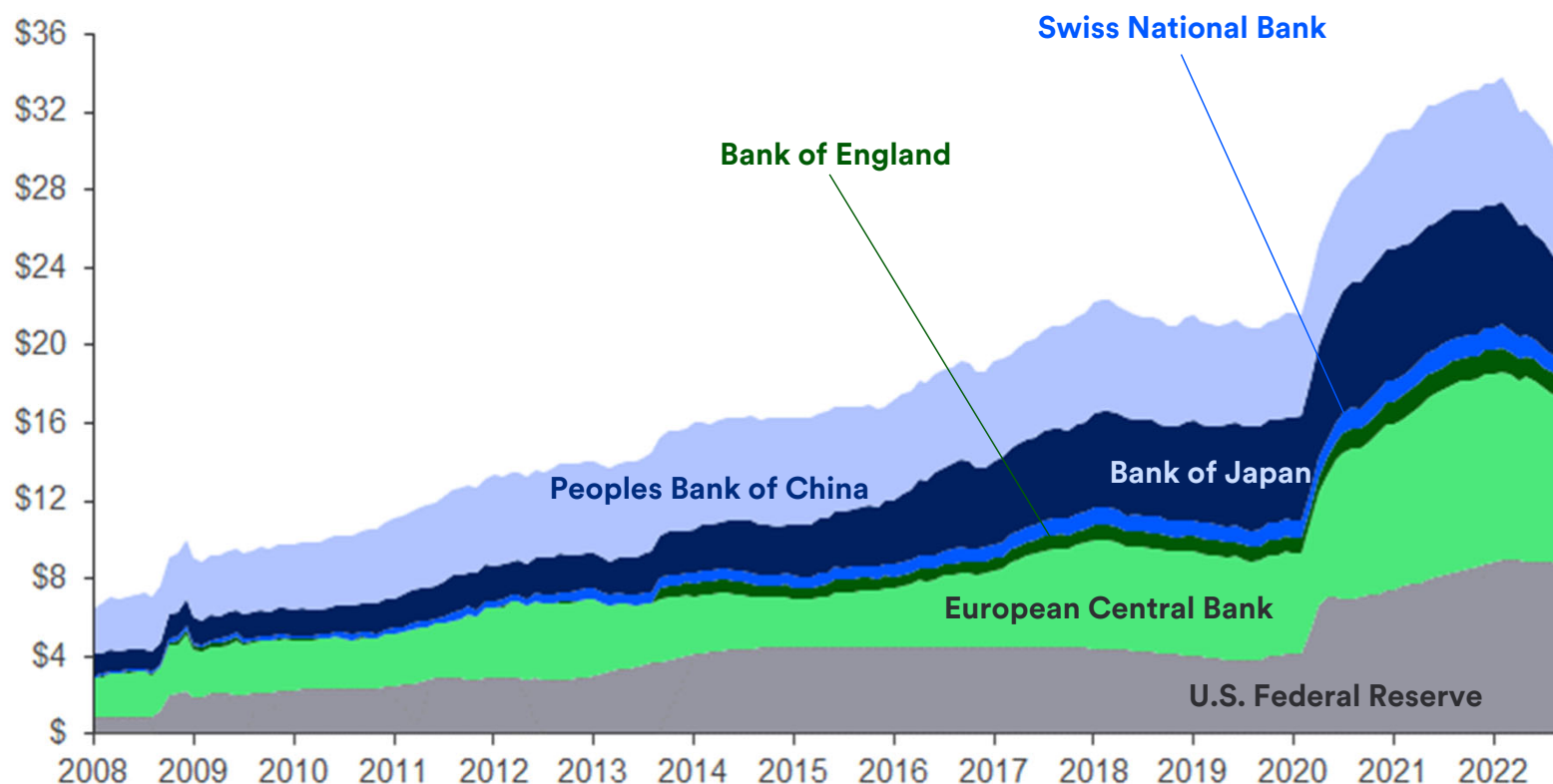
Source: Bloomberg. Data period: June 4, 2008-November 4, 2022.



The “wall of money” remains high but has started to shrink in 2022

Central banks have had a massive capital market presence since 2008, helping to keep interest rates low. The Federal Reserve is reducing its asset holdings by allowing bonds on its balance sheet to mature while simultaneously raising interest rates, a material policy shift from pandemic-era emergency policy support. Foreign central bank assets are stable but falling in dollar amounts as the dollar strengthens.

Total balance sheet size by major central banks
(\$ trillions)



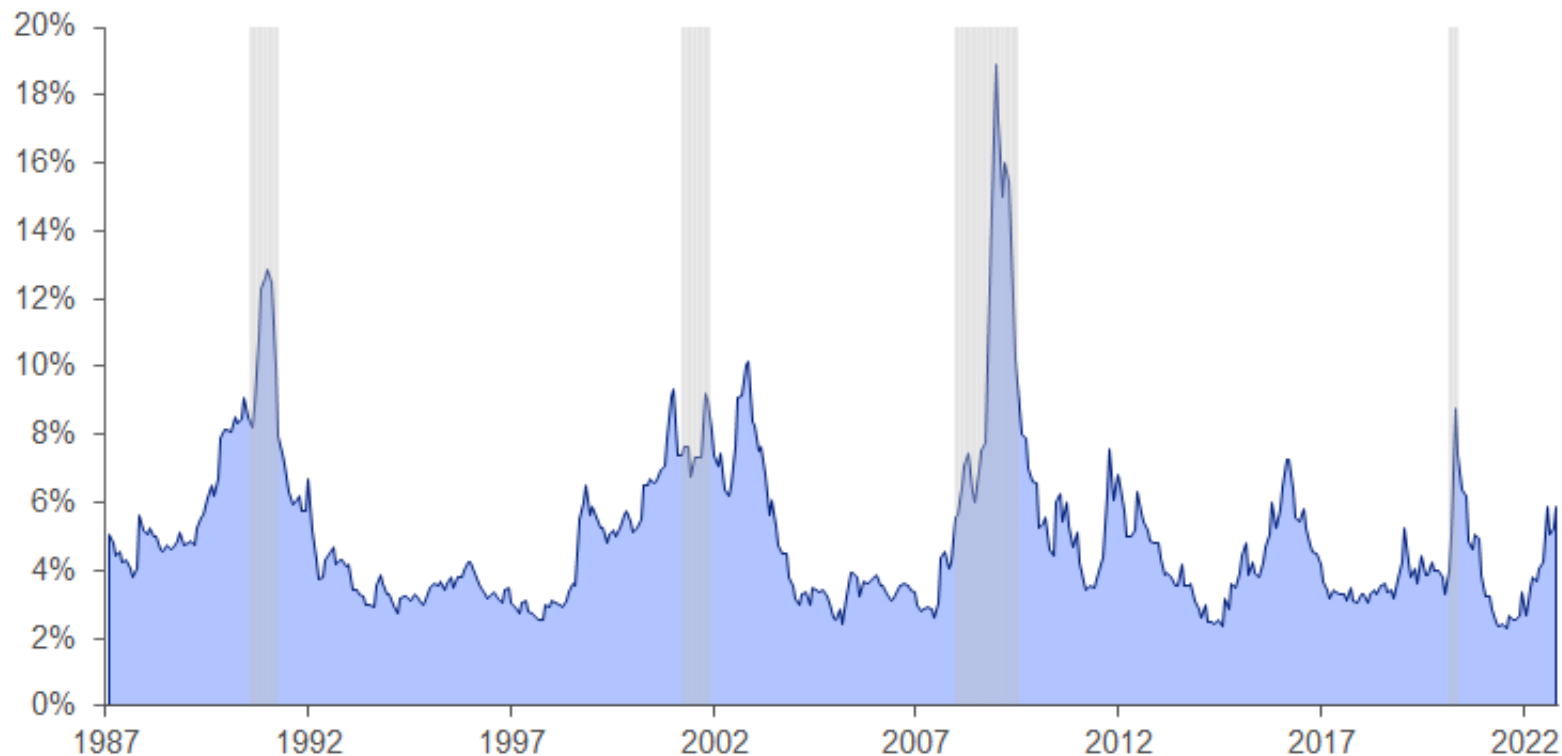
Sources: U.S. Bank Asset Management Group analysis, Bloomberg. Data period: January 2008-October 31, 2022.



A key component of our outlook rests on borrowing costs for riskier companies

High yield credit spreads, which show the premium that riskier borrowers pay to issue debt, improved following the Fed's decisive action to promote pro-growth policies following the pandemic's outset. Spreads have widened recently, with the Fed tightening monetary policy and investors digesting geopolitical events.

Calculated spread between the Bloomberg Barclays U.S. Corporate High Yield Index yield-to-worst and the U.S. government 10-year yield



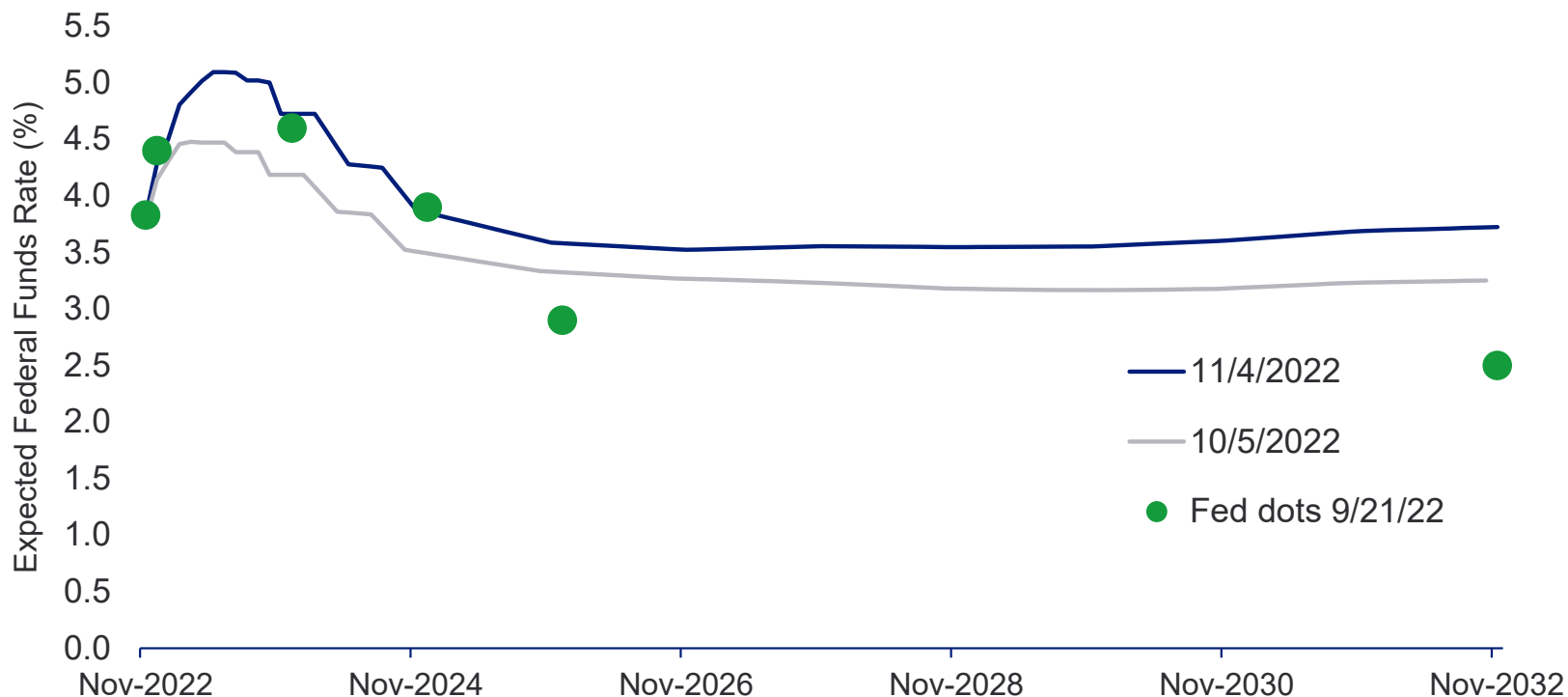
Source: Bloomberg. Data period: January 1987-October 31, 2022. Gray shaded bar areas indicate recessionary periods.



Markets and Fed in conflict on future policy rate levels

Investors are pricing in expectations that the Fed will increase (“hike”) the effective policy rate by another 0.5% by year-end, ultimately reaching around 5.25% by mid-2023. The market also expects the Fed to reduce interest rates in late 2023, an expectation Fed leaders have eschewed in recent communications.

Rate hikes priced in by the market and projected by the Fed dots



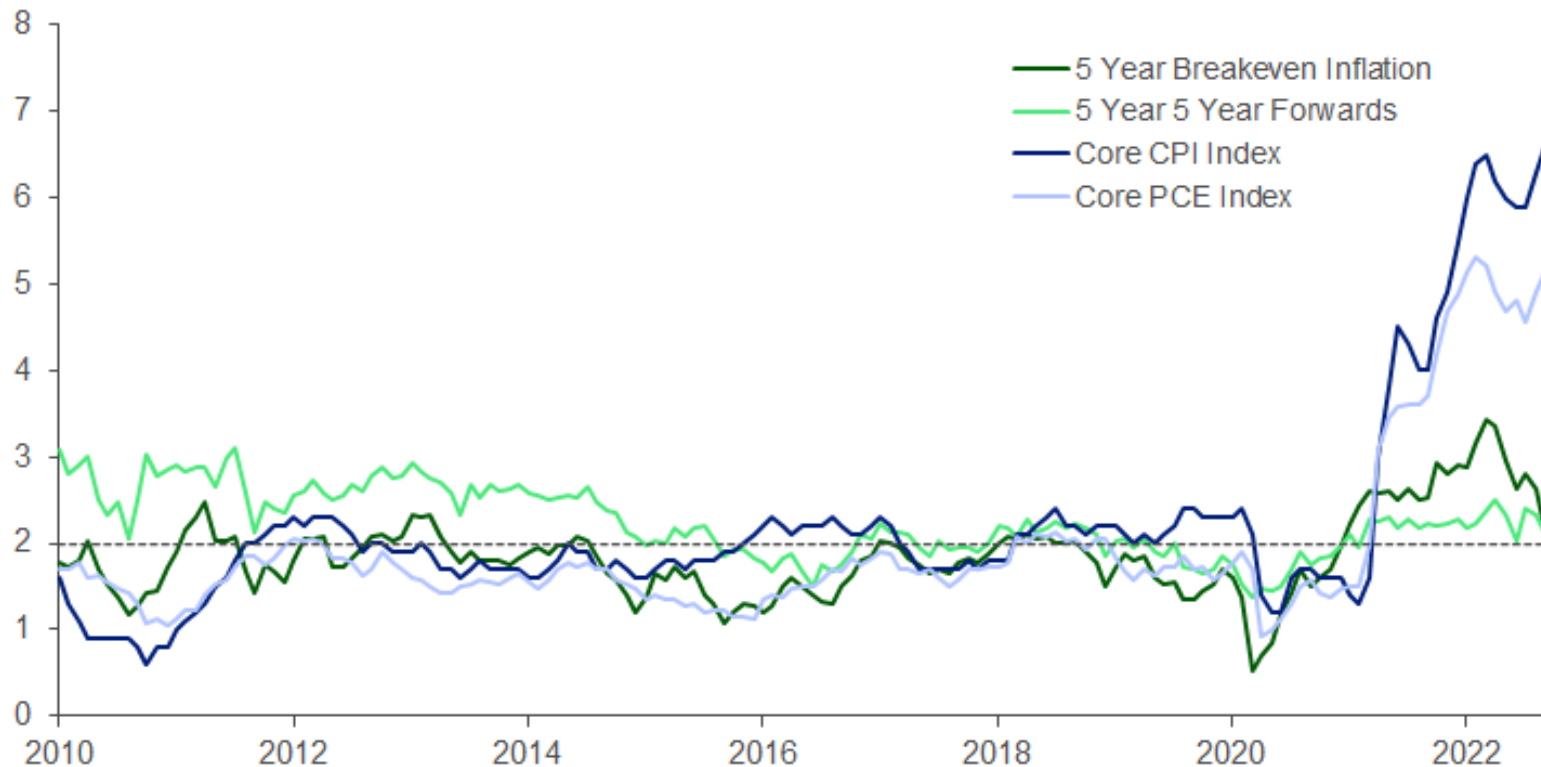
Source: U.S. Bank Asset Management Group analysis, Bloomberg data: Projected hikes through 2028. Data period: September 21, 2022-November 4, 2022.



Inflation data: The 2% level had a gravitational pull, but recently elevated prices have persisted well above that

Actual inflation measures remain above the 2% threshold central banks have historically targeted, but expectations-based measures are closer to the 2% target as investors anticipate slowing growth and inflation resulting from central banks' aggressive tightening actions.

Comparing various domestic inflation measures



Source: U.S. Bank Asset Management Group analysis, Bloomberg.
Data period: January 2010-November 4, 2022. Dashed gray line indicates 2% target rate level.

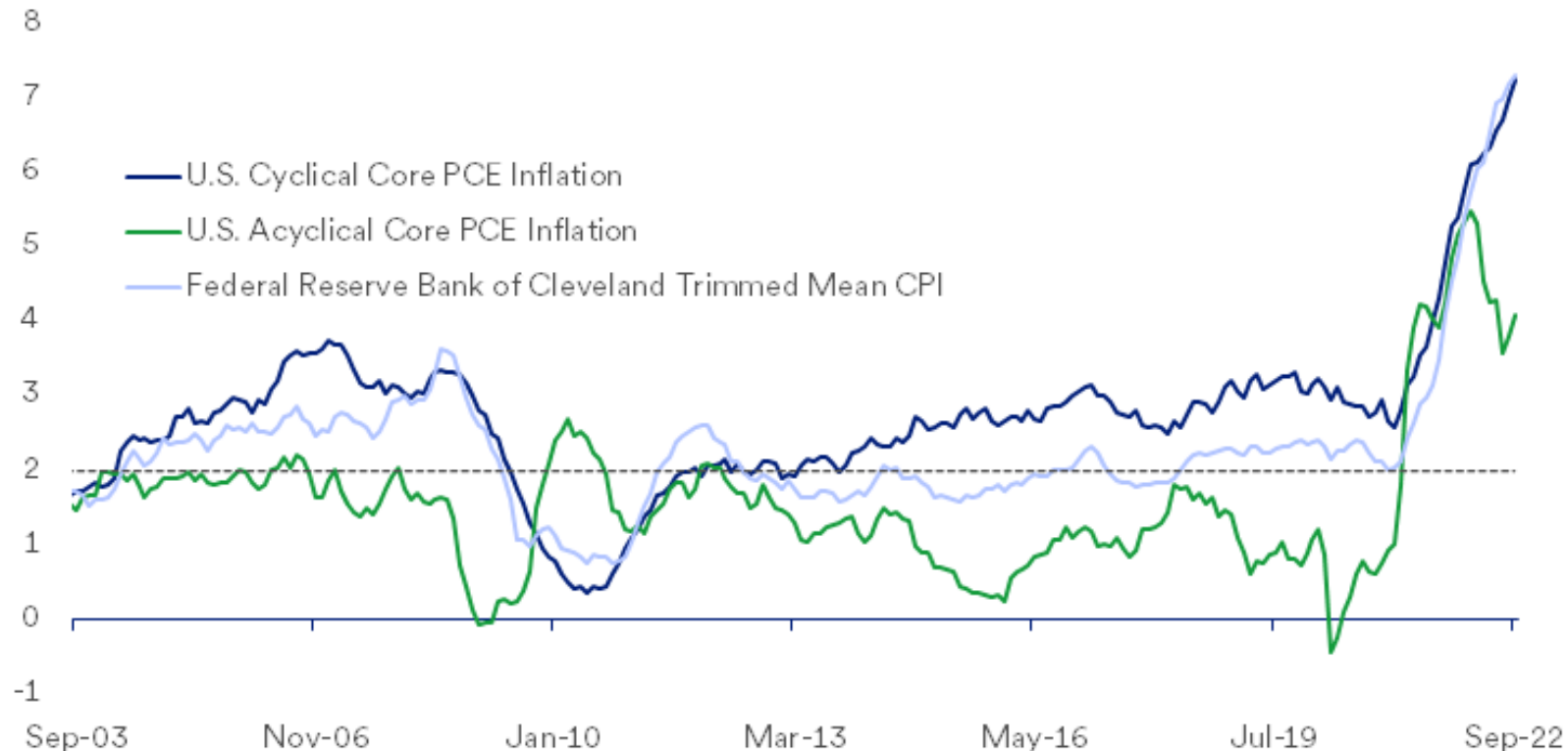


Inflation: Persistent and broad-based

Assessing more advanced inflationary measures

Inflation tied to cyclical economic components continues to run hot. The Fed's attempt at a "soft-landing" aims to slow the economy just enough to bring inflation down to its 2% average target, yet inflationary pressures remain sticky.

Various inflation measures (%)



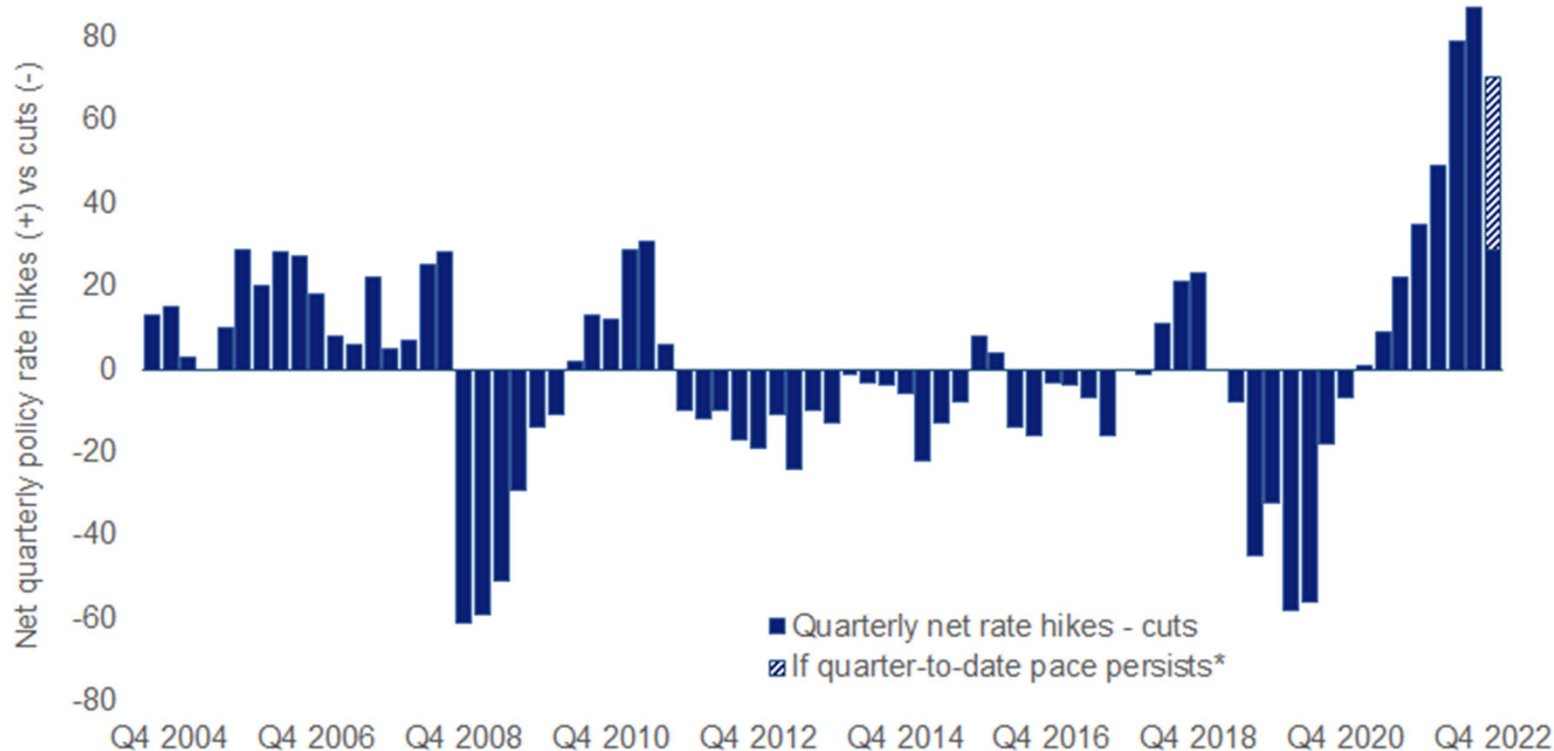
Sources: U.S. Bank Asset Management Group, Bloomberg. Data period: September 30, 2003-September 30, 2022.



Global central banks are raising interest rates to thwart inflationary pressures

Global central banks continue to tighten monetary policy at a rapid pace. Our tracker of 60 central banks recorded four consecutive record highs of quarterly net policy rate increases through September. The tightening pace has slowed modestly in the fourth quarter but remains historically elevated.

Net global central bank hikes — cuts



Source: U.S. Bank Asset Management Group analysis, Bloomberg. Data period: August 31, 2004-November 4, 2022.

*If quarter-to-date pace persists is a linear extrapolation assuming the current pace of rate hikes is maintained through the entire quarter.



Inflation forecasts are mixed with dollar strength hindering a deceleration in many countries

Inflation continued broadly rising on a quarter-over-quarter basis through September. Forecasts anticipate inflationary pressures beginning to ease in towards the end of the year, but energy cost concerns and currency weakness remain concerns for many European countries.

Inflation YoY % Change

Country/Region															Forecast Inflation	
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Oct-22	Last	Dec-22	Mar-23
United States	1.8	1.7	2.1	2.1	0.3	1.2	1.3	1.9	4.9	5.4	6.7	8.0		↑	7.4	6.0
Japan	0.8	0.3	0.5	0.5	0.1	0.2	-0.8	-0.5	-0.8	-0.2	0.5	0.9		↑	3.0	2.4
United Kingdom	2.0	1.8	1.4	1.7	0.6	0.6	0.5	0.6	2.0	2.8	4.9	6.2		↑	10.3	9.7
Switzerland	0.6	0.2	-0.1	-0.1	-1.2	-0.9	-0.7	-0.4	0.5	0.8	1.4	2.1	3.0	↑	3.2	3.0
France	1.3	1.2	1.2	1.4	0.3	0.4	0.1	1.0	1.8	2.2	3.3	4.2	7.1	↑	6.7	6.3
Australia	1.6	1.7	1.8	2.2	-0.3	0.7	0.9	1.1	3.8	3.0	3.5	5.1		↑	7.6	6.5
Germany	1.6	1.0	1.2	1.5	0.7	-0.2	-0.6	1.7	2.2	3.5	5.4	6.1	11.6	↑	10.5	9.1
Netherlands	2.7	2.6	2.7	1.6	1.3	1.2	1.0	1.8	2.0	2.2	4.8	7.4	14.3	↑	9.7	6.8
Sweden	2.0	1.5	1.7	1.0	0.1	0.6	0.3	1.5	1.8	2.0	3.3	4.7		↑	9.4	8.0
China	2.6	2.9	4.3	5.0	2.7	2.3	0.1	0.0	1.1	0.8	1.8	1.1		↓	2.7	2.8
Taiwan	0.8	0.4	0.6	0.5	-1.0	-0.5	0.0	0.8	2.1	2.3	2.7	2.8	2.7	↓	2.7	2.3
India	3.1	3.5	5.8	6.7	6.6	6.9	6.4	4.9	5.6	5.1	5.0	6.3		↑	6.5	6.1
South Korea	0.7	0.1	0.3	1.0	0.0	0.7	0.4	1.4	2.5	2.5	3.6	3.8	5.7	↑	5.5	4.8
Brazil	4.3	3.2	3.4	3.8	2.1	2.6	4.3	5.3	7.7	9.6	10.5	10.7		↑	5.7	4.3
South Africa	4.5	4.1	3.8	4.4	2.4	3.1	3.2	3.1	4.8	4.8	5.5	5.8		↑	7.2	6.9
Mexico	4.2	3.3	2.9	3.4	2.8	3.9	3.5	4.0	6.0	5.8	7.0	7.3		↑	8.6	7.7
Thailand	1.1	0.6	0.4	0.4	-2.7	-0.7	-0.4	-0.5	2.4	0.7	2.4	4.8	6.0	↑	6.4	4.4
Indonesia	2.9	3.0	2.7	2.9	2.3	1.4	1.6	1.4	1.5	1.6	1.8	2.3	5.7	↑	5.5	5.0
Hong Kong	3.0	3.3	3.0	2.0	1.4	-1.6	-0.6	1.2	0.8	2.2	2.0	1.5		↓	2.1	2.0

Source: U.S. Bank Asset Management Group analysis, Bloomberg, S&P, Markit, Data period: September 30, 1953-November 4, 2022.

Manufacturing survey data has weakened globally, but U.S. data shows relative strength

Manufacturing purchasing manager indexes (PMIs) shown below score economic conditions on a scale from 0 to 100. Scores above 50 reflect improving activity. Manufacturing activity continues to expand across most geographies but at a slower pace. Manufacturing conditions have held up relatively well in the U.S. compared to the rest of the world with U.S. PMI data improving in September.

Manufacturing PMIs

<u>Country / Region</u>	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	3m	Last
World	53.2	53.7	52.9	52.3	52.3	52.2	51.1	50.3	49.8	49.4		↓
United States	55.5	57.3	58.8	59.2	57.0	52.7	52.2	51.5	52.0	50.4		↓
Developed Markets	56.4	56.6	56.5	56.3	55.0	52.5	51.3	50.3	50.1	48.8		↓
Emerging Markets	50.0	50.9	49.2	48.1	49.5	51.7	50.8	50.2	49.4	49.8		↑
European Union	58.5	57.9	56.3	55.3	54.2	51.6	49.3	49.1	48.1	46.1		↓
Eurozone	58.7	58.2	56.5	55.5	54.6	52.1	49.8	49.6	48.4	46.4		↓

Source: U.S. Bank Asset Management Group analysis, Bloomberg, S&P, Markit, Data period: September 30, 1953-November 4, 2022.

The number of job openings far surpasses the amount of unemployed people

The ratio of job openings relative to unemployed people indicates nearly two jobs are available for every person looking for work. Prospective worker scarcity contributes to ongoing supply chain challenges and elevated wage inflation.

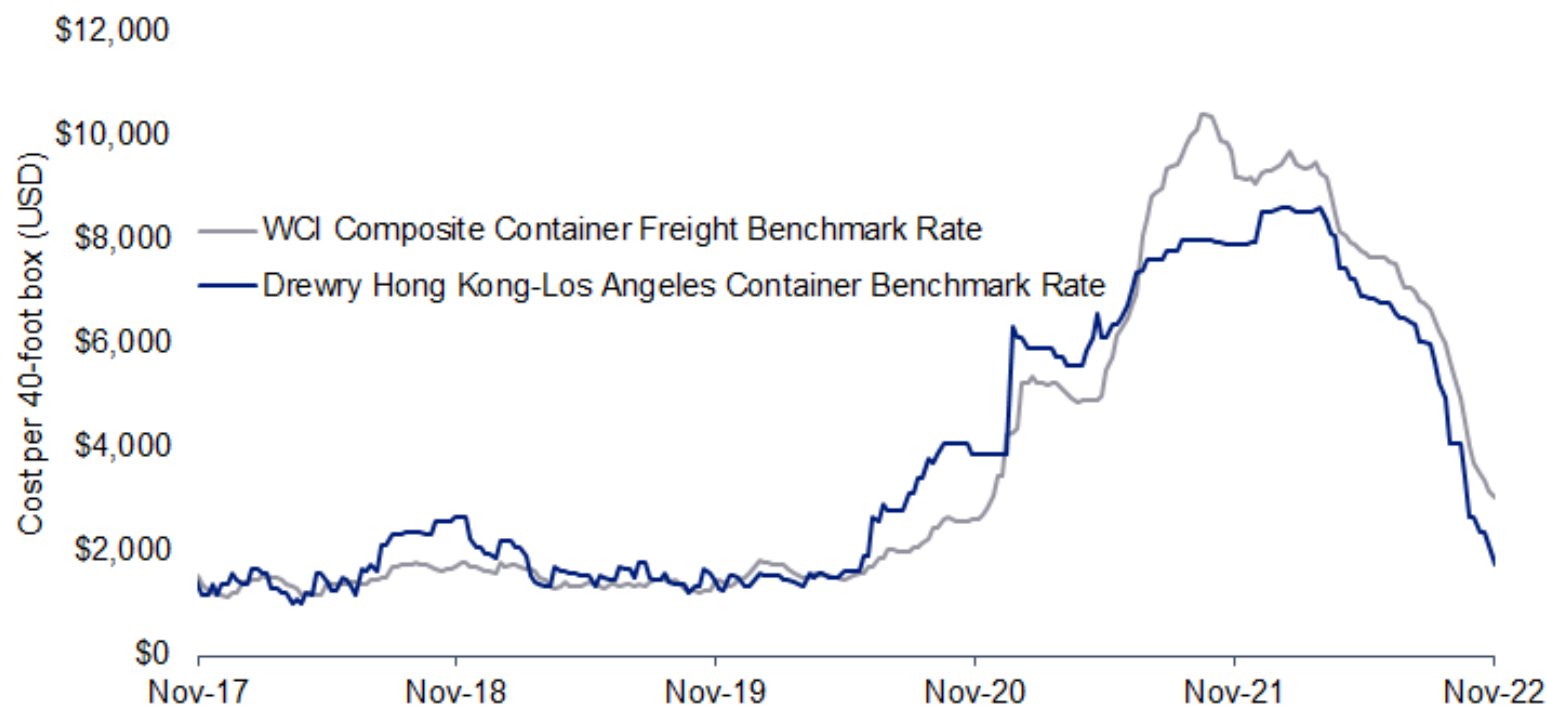
U.S. job openings to unemployment ratio



Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: September 30, 2001-September 30, 2022. Gray bars indicate recessionary periods.

Problematic supply chain pressures may be partially alleviated by declining shipping prices

Container shipping rates

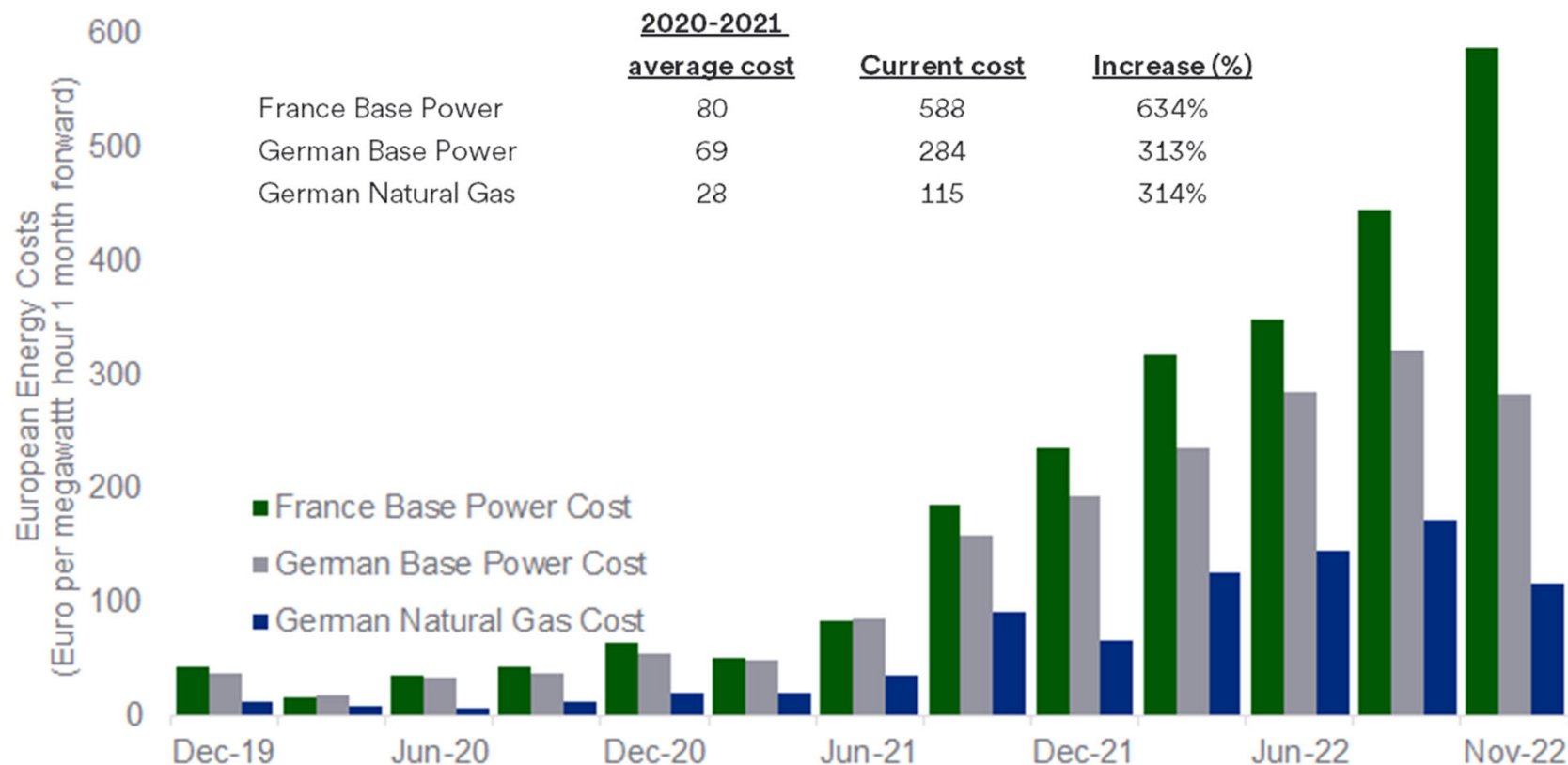


Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: November 3, 2017-November 3, 2022.



European energy costs have surged, stressing consumer and business expenses

Europe's dependency on dwindling Russian energy supplies has rapidly increased costs this year. Winter could prove challenging, with energy reserves below normal levels and Russian natural gas flows cutoff.



Source: U.S. Bank analysis, Bloomberg data. Data period: November 4, 2019-November 4, 2022.

Consumer stability: Savings rates decline from COVID highs

Households appear to be dipping into savings to fuel recent purchases, with personal savings as a percentage of disposable income falling well below the longer-term trend of thrift (green trendline below). With inflation levels potentially remaining sticky throughout this year and into next year, savings trends will be important in understanding consumer demand resiliency as we work through initial pent-up demand for leisure travel and other activities that now come with a much higher price tag than recent years.

Personal savings as a percent of disposable income



Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: September 30, 1992-September 30, 2022.



Consumer stability: Consumers have relied on credit to support spending

Inflation has exceeded average income growth this year and consequently consumers have used credit cards to maintain spending. It will be important to monitor credit card usage going forward as lending standards tighten.

Year-over-year growth in U.S. consumer loans and credit card balances



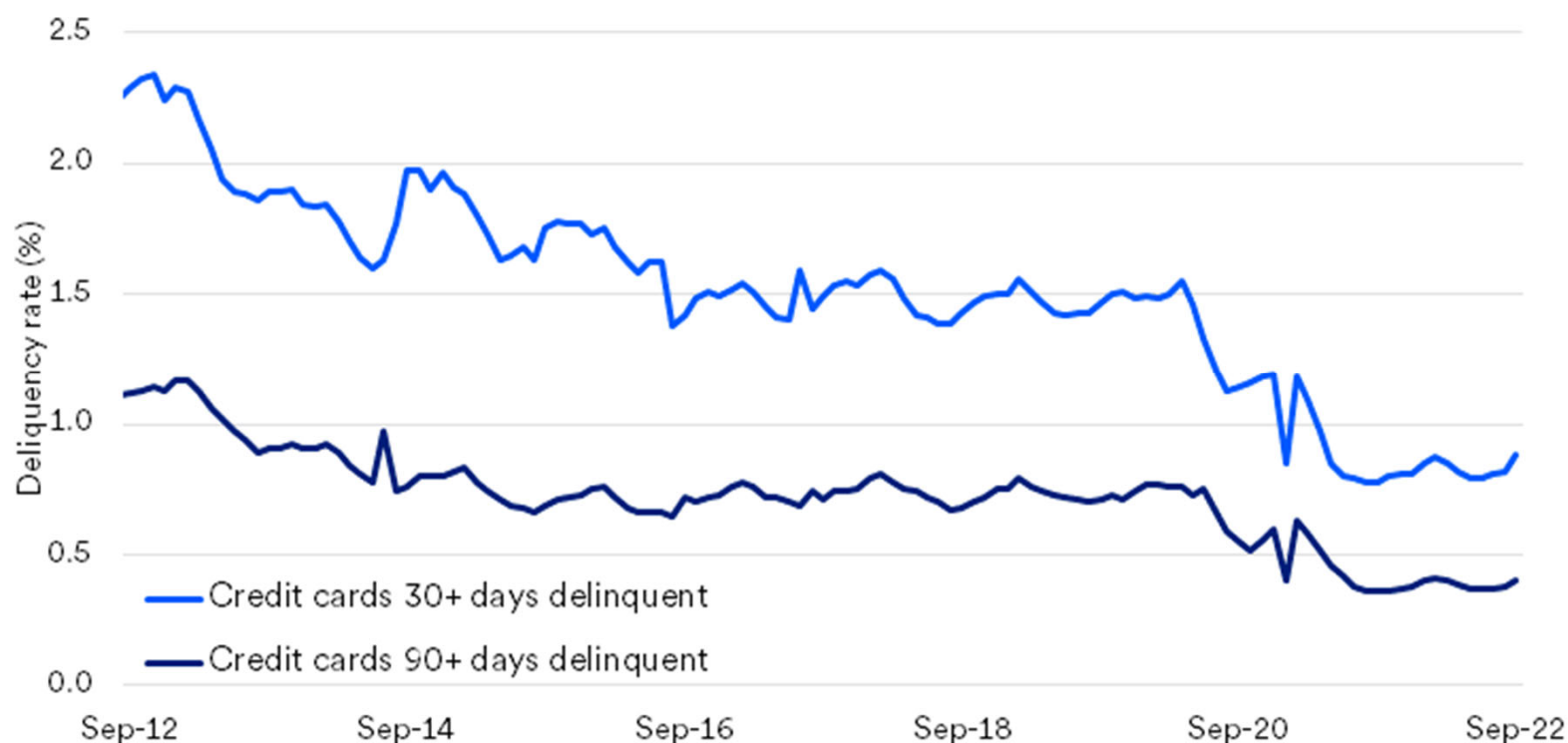
Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: October 31, 2012-October 26, 2022.



Consumer stability: Credit card delinquencies are low but have ticked higher in recent months

Thus far consumers have had little trouble servicing their elevated credit card debt. The credit card delinquency rate (the proportion of debt with missed payments) has consistently fallen over the last decade as consumers bolstered their finances. Some signs of stress may be beginning to appear with delinquency rates increasing slightly since bottoming in late 2021.

U.S. credit card delinquency rates

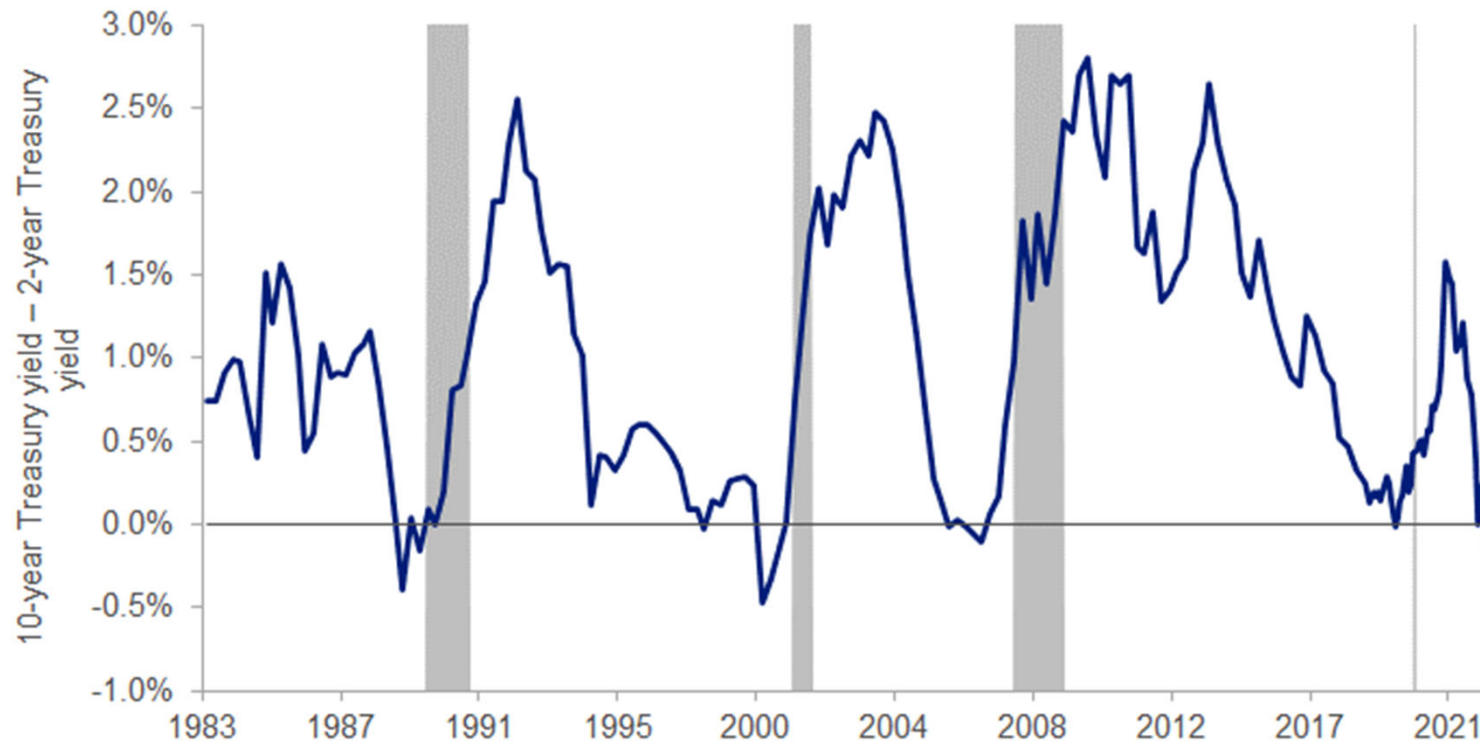


Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: October 31, 2012-October 26, 2022.



Curve slope: The difference in 10-year and two-year Treasury yields

Ten-year Treasury yields falling below two-year Treasury yields (“inversion”) tends to precede labor market weakness by several months. The job market is strong, but the market recognizes the Fed's goal of tightening monetary policy to slow inflation may create challenges ahead.



Source: U.S. Bank Asset Management Group analysis, Bloomberg. Data period: January 29, 1982-November 4, 2022. Gray bars indicate recessionary periods.

Rising home prices support mortgage bond collateral values

Home prices appreciated significantly after the pandemic's onset, resulting in mortgage bond collateral values (homeowner's equity) well in excess of home loan balances. Home price appreciation has cooled recently, reflecting higher mortgage interest rates as the Fed tightens monetary policy to slow interest-rate sector activity.



Source: U.S. Bank Asset Management Group analysis, Bloomberg. Data period: August 31, 2002-August 31, 2022.



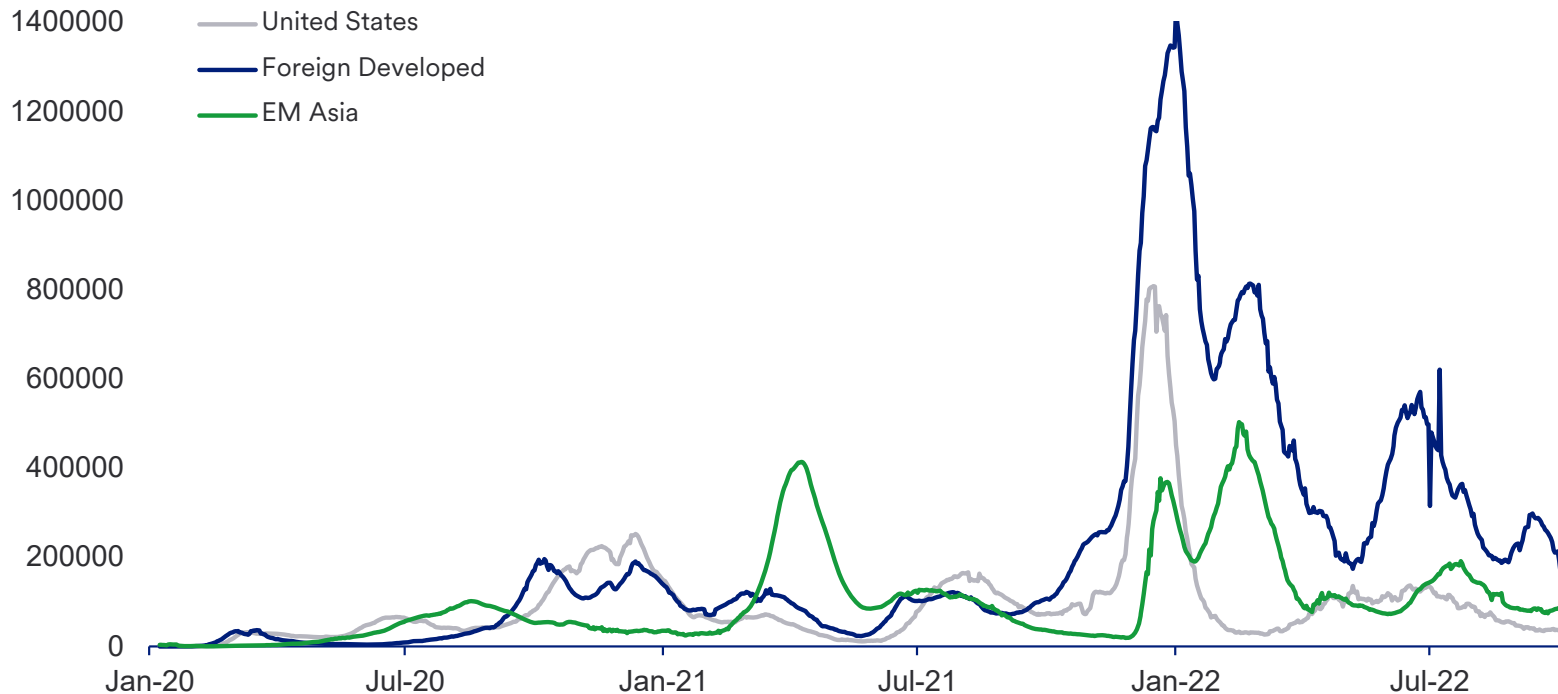
COVID-19 case growth by region

Through November 4, 2022

Despite high Omicron sub-variants transmission rates, global COVID case counts have declined below recent virus waves. Policy responses such as vaccination progress and activity and mobility restrictions have been uneven across foreign developed and emerging economies.

Confirmed COVID-19 cases

(Daily infection increase by region, seven-day average)



Source: Johns Hopkins CSSE. Data period: January 31, 2020-November 4, 2022.



Domestic earnings are projected to trend higher in 2022, but 2023 estimates likely need to fall

Earnings projections reflect analysts' expectation for still relatively strong top-line growth and optimistic assessments of companies' abilities to mitigate higher labor and input prices and manage ongoing supply chain challenges.

U.S. Wealth Management S&P 500 estimate summary (as of November 7, 2022; S&P 500 level: 3,806.80)

Consensus Estimates	Estimated Operating / Reported Earnings Per Share							P/E Est. Multiple		
Firm	2020	2021	2022	2023	YoY Growth			2021	2022	2023
					21/20	22/21	23/22			
• Bloomberg	123.5	193.1	222.1	237.0	56.4%	15.0%	6.7%	19.7x	17.1x	16.1x
• FactSet (Bottoms Up-SP500)	140.5	208.5	221.2	233.2	48.4%	6.1%	5.5%	18.3x	17.2x	16.3x
• S&P Global	142.5	209.5	220.4	228.9	47.0%	5.2%	3.8%	18.2x	17.3x	16.6x
Blend	135.5	203.7	221.2	233.0	50.4%	8.6%	5.3%	18.7x	17.2x	16.3x

Third quarter items of note:

- Revenue and earnings growth rates are trending modestly above low expectations.
- Consumer spending remains constructive, with emphasis on “experiences.”
- Profit margins are holding up reasonably well.
- Business spending is guarded.
- Guidance for 2023 is elusive.
- Earnings projections for 2023 are inching lower.

Source: U.S. Bank Asset Management Group, Bloomberg. Data as of November 7, 2022.

The relationship between Treasury yields and valuation is clear

When examining historical data, the relationship between yields and valuation is clear.

- When the 10-year Treasury yield has been between 2% and 6% (November 2022 – 4.2%), price/earnings (P/E) multiples average between 18.1 and 19.9.
- The minimum-maximum P/E range of 12.1 to 29.9 is wide, elevating the risk of misguided conclusions.
- Current P/E multiple of roughly 17.5 times last 12 months earnings is near historical averages, implying valuations are fair but above extreme lows.

Relationship between 10-Year Treasury yields and P/Es

10-Year Treasury Yield	S&P 500 P/E ratio (past 12 months)		
	Average	Min/Max	Instances**
0 - 2%	20.5	12.7 / 30.7	61
2 - 4%	18.1	12.1 / 24.2	138
4 - 6%	19.9	13.4 / 29.9	183
6 - 8%	17.4	7.3 / 29.3	187
8 - 10%	13.1	7.7 / 23.4	82
10 - 12%	10.4	7.0 / 13.5	39
12 - 14%	9.1	7.2 / 11.8	24

*Both 10-year Treasury yields and P/E ratios are measured monthly (at month-end).

Source: U.S. Bank Asset Management Group, Bloomberg, U.S. Bureau of Labor Statistics.

Data period: February 28, 1962-April 30, 2022.

Important disclosures, definitions of terms and index descriptions

If you have questions regarding this information or wish to receive definitions of any additional terms or indexes used in this report, please contact your Portfolio Manager.

Important disclosures (page 1 of 4)

The information provided here is not intended to replace your account statement. Your account statement is the official record of your account.



Equal Housing Lender. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products offered by U.S. Bank National Association. Member FDIC.

For use in one-on-one meetings/presentations.

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U.S. Bank and its representatives do not provide tax or legal advice. Your tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation.

Past performance is no guarantee of future results. All performance data, while obtained from sources deemed to be reliable, are not guaranteed for accuracy. Indexes shown are unmanaged and are not available for direct investment, nor are they subject to fees and expenses.

Performance reports included may show performance results gross of fees and expenses. If fees and expenses were included, the performance would be lower. If you have any questions, please speak with your relationship manager for additional information.

Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. **Diversification and asset allocation do not guarantee returns or protect against losses.**

Important disclosures (page 2 of 4)

Equity securities are subject to stock market fluctuations that occur in response to economic and business developments. **Stocks of small-capitalization companies** involve substantial risk. These stocks historically have experienced greater price volatility than stocks of larger companies and may be expected to do so in the future. **Stocks of mid-capitalization companies** can be expected to be slightly less volatile than those of small-capitalization companies, but still involve substantial risk and may be subject to more abrupt or erratic movements than large-capitalization companies. The value of **large-capitalization stocks** will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions. **Growth investments** focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends, which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments. **Value investments** focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

International investing involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility.

Investments in **real estate securities** can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults). There are special risks associated with an investment in **commodities**, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return, but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments.

Important disclosures (page 3 of 4)

The **municipal bond** market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issues of municipal securities. Interest rate increases can cause the price of a bond to decrease. Income on municipal bonds is free from federal taxes, but may be subject to the federal alternative minimum tax (AMT), state and local taxes. **Treasury Inflation-Protected Securities (TIPS)** offer a lower return compared to other similar investments and the principal value may increase or decrease with the rate of inflation. Gains in principal are taxable in that year, even though not paid out until maturity.

Non-financial **specialty assets**, such as real estate, farm, ranch and timber properties, oil, gas and mineral interests or closely-held business interests are complex and involve unique risks specific to each asset type, including the total loss of value. Special risk considerations may include natural events or disasters, complex tax considerations and lack of liquidity. Specialty assets may not be suitable for all investors.

Alternative investments very often use speculative investment and trading strategies. There is no guarantee that the investment program will be successful. Alternative investments are designed only for investors who are able to tolerate the full loss of an investment. These products are not suitable for every investor even if the investor does meet the financial requirements. It is important to consult with your investment professional to determine how these investments might fit your asset allocation, risk profile and tax situation. **Hedge funds** are speculative and involve a high degree of risk. An investment in a hedge fund involves a substantially more complicated set of risk factors than traditional investments in stocks or bonds, including the risks of using derivatives, leverage and short sales, which can magnify potential losses or gains. Restrictions exist on the ability to redeem or transfer interests in a fund. **Exchange-traded funds (ETFs)** are baskets of securities that are traded on an exchange like individual stocks at negotiated prices and are not individually redeemable. ETFs are designed to generally track a market index and shares may trade at a premium or a discount to the net asset value of the underlying securities. **Private equity** investments provide investors and funds the potential to invest directly into private companies or participate in buyouts of public companies that result in a delisting of the public equity. Investors considering an investment in private equity must be fully aware that these investments are illiquid by nature, typically represent a long-term binding commitment and are not readily marketable. The valuation procedures for these holdings are often subjective in nature. **Private debt** investments may be either direct or indirect and are subject to significant risks, including the possibility of default, limited liquidity and the infrequent availability of independent credit ratings for private companies. **Structured products** are subject to market risk and/or principal loss if sold prior to maturity or if the issuer defaults on the security. Investors should request and review copies of Structured Products Pricing Supplements and Prospectuses prior to approving or directing an investment in these securities.

Important disclosures (page 4 of 4)

Mutual fund investing involves risk and principal loss is possible. Investing in certain funds involves special risks, such as those related to investments in small- and mid-capitalization stocks, foreign, debt and high-yield securities and funds that focus their investments in a particular industry. Please refer to the fund prospectus for additional details pertaining to these risks. An investment in **money market funds** is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although these funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Holdings of First American Funds: U.S. Bancorp Asset Management, Inc. is a registered investment advisor and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, performance or services of U.S. Bancorp Asset Management. U.S. Bancorp Asset Management, Inc. serves as an investment advisor to First American Funds. **Holdings of Nuveen mutual funds:** Firststar Capital Corporation (Firststar Capital), an affiliate of U.S. Bancorp, holds a less-than-10 percent ownership interest in Windy City Investments Holdings, LLC which was formerly the parent of Windy City Investment Inc. and the indirect parent of Nuveen Fund Advisors, LLC which is the investment advisor to the Nuveen Mutual Funds. On October 1, 2014, Windy City Investments, Inc. was sold to Teachers Insurance and Annuity Association of America. As a result of the sale, U.S. Bancorp no longer has an indirect ownership interest in Nuveen Fund Advisors, LLC. Depending on the outcome of certain factors, Firststar Capital might in the future receive an earn-out payment in respect of its interest in Windy City Investment Holdings, LLC, under the terms of the sale. **Non-proprietary mutual funds:** U.S. Bank may enter into agreements with other non-proprietary mutual funds or their service providers whereby U.S. Bank provides shareholder services and/or sub-transfer agency, custodial and other administrative support services and receives compensation for these services. Compensation received by U.S. Bank directly or indirectly from mutual funds does not increase fund fees and expenses beyond what is disclosed in the fund prospectuses. For more information, review the fund prospectus.

Definitions of report and statement terms (page 1 of 5)

Accredited Investor: Private placement securities generally require that investors be accredited due to the additional risks and speculative nature of the securities. For natural persons, the criteria is met by a net worth of more than \$1 million (excluding primary residence) or an income of more than \$200,000 individually (\$300,000 jointly) for the two most recent years and a reasonable expectation for the same in the current year. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$5 million in assets. See full definition in Rule 501 of Regulation D under the Securities Act of 1933.

Alpha: A measure of risk-adjusted performance. A statistic measuring that portion of a stock, fund or composite's total return attributable to specific or non-market risk. Alpha measures non-market return and indicates how much value has been added or lost. A positive Alpha indicates the fund or composite has performed better than its Beta would predict (i.e., the manager has added value above the benchmark). A negative Alpha indicates a fund or composite has underperformed given the composite's Beta.

Alternative Investments: As used by U.S. Bank, an investment considered to be outside of the traditional asset classes of long-only stocks, bonds and cash. Examples of alternative investments include hedge funds, private equity, options and financial derivatives.

Annualized Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided annualize only periods greater than one year.

Annualized or Annual Rate of Return: Represents the average annual change in the value of an investment over the periods indicated.

Batting Average: Shows how consistently the portfolio return met or beat the market.

Beta: A measure of your portfolio's risk relative to a benchmark. A portfolio with a beta of 1.5, for example, would be expected to return roughly 1.5 times the benchmark's return. A high Beta indicates a riskier portfolio.

Bond Credit Rating: A grade given to bonds by a private independent rating service that indicates their credit quality. Ratings are the opinion of Standard & Poor's or other agencies as noted and not the opinion of U.S. Bank.

Consumer Price Index (CPI): A measure of the average change in prices over time in a market basket of goods and services and is one of the most frequently used statistics for identifying periods of inflation and deflation.

Convexity to Stated Maturity: A measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. Convexity is used as a risk-management tool and helps to measure and manage the amount of market risk to which a portfolio of bonds is exposed. This version of convexity measures the rate change in duration of a bond as the yield to (stated) maturity changes.

Definitions of report and statement terms (page 2 of 5)

Cost basis/book value: The original value of an asset at the time it was acquired. This is normally the purchase price or appraised value at the time of acquisition. This data is for information purposes only.

Cumulative Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided use unannualized returns in periods up to one year, but annualized returns for periods exceeding one year.

Downside Capture: The downside capture ratio reflects how a portfolio compares to a benchmark during periods when the benchmark is down. A downside capture ratio of 0.80 (or 80 percent) means the portfolio has historically declined only 80 percent as much as the benchmark during down markets.

Downside Deviation: The deviation of returns that fall below a minimum acceptable return (MAR). Although the numerator includes only returns below the MAR, the denominator includes all returns in the performance period. This risk statistic is similar to the downside standard deviation except the sum is restricted to returns less than the MAR instead of the mean.

Downside Standard Deviation: The deviation of returns that fall below the mean return. Although the numerator includes only returns below the mean, the denominator includes all returns in the performance period. This risk statistic is similar to the downside deviation except the sum is restricted to returns less than the mean instead of the minimum acceptable return (MAR).

Effective Maturity: The date of a bond's most likely redemption, given current market conditions, taking into consideration the optional and mandatory calls, the optional, mandatory and recurring puts, and the stated maturity.

Estimated annual income: The amount of income a particular asset is anticipated to earn over the period indicated. The shares multiplied by the annual income rate.

Gain/loss calculation: If an asset was sold, the difference between the proceeds received from the sale compared to the cost of acquiring the asset. If the value of the proceeds is the higher of the two numbers, then a gain was realized. If the value of the proceeds is the lower of the two numbers, a loss was incurred. This data is for information purposes only.

Information Ratio: The information ratio compares the average excess return of the portfolio over its associated benchmark divided by the tracking error.

M-Squared: The hypothetical return of the portfolio after its risk has been adjusted to match a benchmark.

Definitions of report and statement terms (page 3 of 5)

Market Value: Publicly traded assets are valued using market quotations or valuation methods from financial industry services believed by us to be reliable. Assets, that are not publicly traded, may be reflected at values from other external sources or special valuations prepared by us. Assets for which a current value is not available may be reflected as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could have been bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

Market Value Over Time: Many factors can impact the portfolio value over time, such as contributions to the account, distributions from the account, the investment of dividends and interest, the deduction of fees and expenses, and market performance.

Modified Duration to Effective Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration takes into consideration a “horizon date/price” that is, given current conditions, the most likely redemption date/price using the set of calls/puts, as well as stated maturity.

Modified Duration to Stated Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration uses stated maturity as the “horizon date/price” and ignores any potential call/put/pre-refunding, even if they are mandatory.

Price/Earnings Ratio (P/E): The P/E ratio of a company is calculated by dividing the price of the company’s stock by its trailing 12-month earnings per share. A high P/E usually indicates that the market is paying a premium for current earnings because it believes in the firm’s ability to grow its earnings. A low P/E indicates the market has less confidence that the company’s earnings will increase. Within a portfolio, P/E is the weighted average of the price/earnings ratios of the stocks in the portfolio.

Qualified Purchaser: Some private placement securities require that investors be Qualified Purchasers in addition to being Accredited Investors. For natural persons, the criteria is generally met when the client (individually or jointly) owns at least \$5 million in investments. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$25 million in investments though there are other eligibility tests that may apply. See full definition in Section 2(a)(51) of the Investment Company Act of 1940.

R-Squared: Measures the portion of the risk in your portfolio that can be attributed to the risk in the benchmark.

Realized and Unrealized Gains/Losses: Are calculated for individual tax lots based on the records we have available. Some data may be incomplete or differ from what you are required to report on your tax return. Some data used in these calculations may have been obtained from outside sources and cannot be verified by U.S. Bank. The data is intended for informational purposes only and should not be used for tax reporting purposes. Please consult with your tax or legal advisor for questions concerning your personal tax or financial situation.

Definitions of report and statement terms (page 4 of 5)

Residual Risk: The amount of risk specific to the assets in a portfolio distinct from the market, represented by a benchmark.

Return: An indication of the past performance of your portfolio.

Sharpe Ratio: Measures of risk-adjusted return that calculates the return per unit of risk, where risk is the Standard Deviation of your portfolio. A high Sharpe ratio indicates that the portfolio is benefiting from taking risk.

Sortino Ratio: Intended to differentiate between good and bad volatility. Similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.

Spread: The difference between the yields of two bonds with differing credit ratings (most often, a corporate bond with a certain amount of risk is compared to a standard traditionally lower risk Treasury bond). The bond spread will show the additional yield that could be earned from a bond which has a higher risk.

Standard Deviation: A measure of the volatility and risk of your portfolio. A low standard deviation indicates a portfolio with less volatile returns and therefore less inherent risk.

Time-weighted Return: The method used to calculate performance. Time-weighted return calculates period by period returns that negates the effect of external cash flows. Returns for periods of greater than one year are reported as an annualized (annual) rate of return. Returns of less than one year are reported on a cumulative return basis. Cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period involved.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

Traditional Investments: As used by U.S. Bank, an investment made in equity, fixed income or cash securities, mutual funds or exchange-traded funds (ETFs) where the investor buys at a price with the goal that the investment will go up in value.

Top 10 Holdings: The 10 assets with the highest market values in the account.

Total Portfolio Gross of Fees: Represents all assets included in the calculation of the portfolio, before the deduction of trust and asset management fees, and is inclusive of all applicable third-party security fees and expenses. Details of those fees and expenses are provided in the security's prospectus or offering documents.

Definitions of report and statement terms (page 5 of 5)

Total Return: The rate of return that includes the realized and unrealized gains and losses plus income for the measurement period.

Treynor Ratio: Measures the performance of a sector relative to risk by dividing the return of the sector in excess of the risk-free return by the sector's Beta. The higher the Treynor ratio, the better the return relative to risk.

Turnover Percent: Indicates how frequently asset are bought and sold within a portfolio.

Turnover Ratio: The percentage of a mutual fund's or other investment vehicle's holdings that have been "turned over" or replaced with other holdings in a given year.

Unrealized gain (loss) — The difference between the current market value (at the end of the statement period) and the cost to acquire the asset. If the current market value is higher than the cost, a gain is reflected. If the current market value is lower than the cost paid, a loss is reflected. This data is for information purposes only.

Upside Capture: The upside capture ratio reflects how a portfolio compares to the selected model benchmark during periods when the benchmark is up. An upside capture ratio of 1.15 (or 115 percent) means the portfolio has historically beat the benchmark by 15 percent during up markets.

Yield: The annual rate of return on an investment, expressed as a percentage. For bonds, it is the coupon rate divided by the market price. For stocks, it is the annual dividend divided by the market price.

Frequently used indexes (page 1 of 5)

Bloomberg Barclays 1-3 year U.S. Treasury Index: Measures the performance of the U.S. government bond market and includes public obligations of the U.S. Treasury with a maturity between one year and up to (but not including) three years.

Bloomberg Barclays 1-5 year U.S. Treasury Index: Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than five years, are rated investment grade and have \$250 million or more of outstanding face value.

The Bloomberg Barclays 1-5 year Municipal Index: Measures the performance of municipal bonds with time to maturity of more than one year and less than five years.

Bloomberg Barclays 7-year Municipal Index: Includes municipal bonds with a minimum credit rating of Baa that have been issued as part of a transaction of at least \$50 million, have a maturity value of at least \$5 million and a maturity range of four to six years.

Bloomberg Barclays Global Aggregate Index ex-U.S. Index: Measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Global Treasury ex-U.S. Index: Includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Bloomberg Barclays High Yield Municipal Bond Index: An unmanaged index made up of bonds that are non-investment grade, unrated or below Ba1 bonds.

Bloomberg Barclays Intermediate Aggregate Index: Consists of one- to 10-year governments, one- to 10-year corporate bonds, all mortgages and all asset-backed securities within the Aggregate Index.

Bloomberg Barclays Mortgage-Backed Securities Index: Covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable-rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Bloomberg Barclays U.S. Aggregate Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

Bloomberg Barclays U.S. Corporate Bond Index: Measures the investment grade, fixed-rate, taxable corporate bond market and includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Frequently used indexes (page 2 of 5)

Bloomberg Barclays U.S. Corporate High Yield Bond Index: Measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market.

Bloomberg Barclays U.S. Municipal Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed tax-exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

Bloomberg Barclays U.S. Treasury Index: Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index: An unmanaged index includes all publicly issued, U.S. TIPS that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

Cambridge U.S. Private Equity Index: This index is based on returns data compiled for U.S. private equity funds (including buyout, growth equity and mezzanine funds) that represent the majority of institutional capital raised by private equity partnerships formed since 1986. Returns may be delayed by up to six months. Quarterly performance is prorated based on the cube root for the months of the quarter.

Citigroup 3-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last three-month Treasury Bill issues.

Citigroup 6-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last six-month Treasury Bill issues.

Credit Suisse Leverage Loan Index: Represents tradable, senior-secured, U.S. dollar-denominated non-investment grade loans.

Dow Jones Industrial Average (DJIA): The price-weighted average of 30 significant U.S. stocks traded on the New York Stock Exchange and NASDAQ. The DJIA is the oldest and single most watched index in the world.

Dow Jones Select REIT Index: Measures the performance of publicly traded REITs and REIT-like securities in the U.S. and is a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

HFRI Indices: The Hedge Fund Research, Inc. (HFRI) indexes are a series of benchmarks designed to reflect hedge fund industry performance by constructing composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database.

Frequently used indexes (page 3 of 5)

HFR Equity Hedge Total Index: Uses the HFR (Hedge Fund Research) database and consists only of equity hedge funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

HFR Relative Value Fixed Income Corporate Index: Uses the HFR (Hedge Fund Research) database and consists of only relative value fixed income corporate funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

ICE BofAML 1-3 Year Corporate Index: Tracks U.S. dollar-denominated investment grade public debt issued in the U.S. bond market with maturities of one to three years.

ICE BofAML 1-5 Year Corporate and Government Index: Tracks the performance of short-term U.S. investment grade government and corporate securities with maturities between one and five years.

ICE BofAML U.S. 7-10 Year Index: Tracks the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market and includes all securities with a remaining term to maturity of greater than or equal to seven years and less than 10 years.

ICE BofAML Global Broad Market Index: Tracks the performance of investment grade public debt issued in the major domestic and Eurobond markets, including global bonds.

ICE BofAML U.S. High Yield Master II Index: Commonly used benchmark index for high yield corporate bonds and measures the broad high yield market.

J.P. Morgan Emerging Markets Bond Index Global (EMBI Global): Tracks total returns for traded external debt instruments in the emerging markets.

London Interbank Offered Rate (LIBOR) 3-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a three-month maturity.

London Interbank Offered Rate (LIBOR) 9-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a nine-month maturity.

MSCI All Country World Index (ACWI): Designed to measure the equity market performance of developed and emerging markets.

Frequently used indexes (page 4 of 5)

Russell 2000 Value Index: Measures companies in the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

Russell 3000 Index: Measures the performance of the 3,000 largest U.S. securities based on total market capitalization.

Russell Midcap Index: Measures the 800 smallest companies in the Russell 3000 Index.

Russell Midcap Growth Index: Measures companies in the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures companies in the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

MSCI All County World ex-U.S. Index (ACWI, excluding United States): Tracks the performance of stocks representing developed and emerging markets around the world that collectively comprise most foreign stock markets. U.S. stocks are excluded from the index.

MSCI EAFE Index: Includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East.

MSCI Emerging Markets (EM) Index: Designed to measure equity market performance in global emerging markets.

MSCI World Index: Tracks equity market performance of developed markets through individual country indices.

NAREIT Index: Includes REITs (Real Estate Investment Trusts) listed on the New York Stock Exchange, NASDAQ and American Stock Exchange.

NASDAQ Composite Index: A market capitalization-weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market.

NCREIF Property Index (NPI): Measures the investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index and is representative of the U.S. large capitalization securities market.

Frequently used indexes (page 5 of 5)

Russell 1000 Growth Index: Measures companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 1000 Value Index: Measures companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market.

Russell 2000 Growth Index: Measures companies in the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values. and is representative of U.S. securities exhibiting growth characteristics. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

S&P 500 Index: Consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market.

S&P Global ex-U.S. Property Index: Measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the United States. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment.

S&P GSCI: A composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

S&P/Case-Shiller Home Price Indexes: A group of indexes that track changes in home prices throughout the United States. Case-Shiller produces indexes representing certain metropolitan statistical areas (MSA) as well as a national index.

Swiss Re Global Cat Bond Total Return Index: Tracks the aggregate performance of all U.S. dollar-denominated euros and Japanese yen-denominated catastrophe bonds, capturing all ratings, perils and triggers.

U.S. Dollar Index: Indicates the general international value of the U.S. dollar by averaging the exchange rates between the U.S. dollar and six major world currencies.

Wilshire 5000 Index: Composed of more than 6,700 publicly-traded U.S. companies and is designed to track the overall performance of the American stock markets.

Important Disclosures

This information represents the opinion of U.S. Bank Wealth Management. The views are subject to change at any time based on market or other conditions and are current as of the date indicated on the materials. This is not intended to be a forecast of future events or guarantee of future results. It is not intended to provide specific advice or to be construed as an offering of securities or recommendation to invest. Not for use as a primary basis of investment decisions. Not to be construed to meet the needs of any particular investor. Not a representation or solicitation or an offer to sell/buy any security. Investors should consult with their investment professional for advice concerning their particular situation. The factual information provided has been obtained from sources believed to be reliable, but is not guaranteed as to accuracy or completeness. U.S. Bank is not affiliated or associated with any organizations mentioned.

Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. Diversification and asset allocation do not guarantee returns or protect against losses.

Past performance is no guarantee of future results. All performance data, while obtained from sources deemed to be reliable, are not guaranteed for accuracy. Indexes shown are unmanaged and are not available for direct investment, nor are they subject to fees and expenses. The **S&P 500 Index** consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market in general. The **MSCI EAFE Index** includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East (EAFE). The **MSCI Emerging Markets Index** is designed to measure equity market performance in global emerging markets. The **MSCI World Index** tracks equity market performance of developed markets through individual country indices. The **Consumer Price Index (CPI)** is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. The **Personal Consumption Expenditures (PCE) Price Index** measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation trends. The **Bloomberg Barclays U.S. Corporate High Yield Bond Index** measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market. The **Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities. The **Bloomberg Commodity Index** tracks prices of futures contracts on physical commodities in the commodity markets and is designed to minimize concentration in any one commodity or sector. The **Bloomberg Barclays Global Aggregate Index** measures global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. The **Wilshire U.S. REIT Index** is a broad measure of the U.S. real estate securities markets and a subset of the Wilshire Real Estate Securities Index and includes only Real Estate Investment Trusts (REITs). **West Texas Intermediate (WTI)** crude oil is the underlying commodity of the New York Mercantile Exchange's oil futures contracts. The **U.S. Dollar Index (DY)** is a measure of the value of the U.S. dollar relative to the value of a basket of currencies of the majority of the U.S.'s most significant trading partners. The **Hutchins Center Fiscal Impact Measure** shows how much local, state, and federal tax and spending policy adds to or subtracts from overall economic growth, and provides a near-term forecast of fiscal policies' effects on economic activity. The **Global Supply Chain Pressure Index (GSCPI)** is a new measurement of supply chain conditions, created by the Federal Reserve Bank of New York. The index combines variables from several indices in transportation and manufacturing, such as those related to delivery times, prices, and inventory.

Important Disclosures Continued

The **Trade-Weighted Dollar Index** was created by the Federal Reserve to measure the value of the U.S. dollar based on its competitiveness versus trading partners. The **Bloomberg Barclays U.S. Commercial Mortgage-Backed Securities (CMBS) Investment Grade Index** measures the market of conduit and fusion CMBS deals, with a minimum current deal size of \$300 million. The **S&P Global Leveraged Loan Index** is designed to measure the performance of the global senior loan market. This fixed-weight index is 75% weighted in the S&P/LSTA Leveraged Loan Index and 25% weighted in the S&P European Leveraged Loan Index. The **Chicago Board Options Exchange (CBOE) Crude Oil ETF Volatility Index (Oil VIX)** measures the market's expectation of 30-day volatility of crude oil prices. The **ICE BofAML MOVE Index** measures the implied yield volatility of a basket of one-month over-the-counter options on 2-year, 5-year, 10-year and 30-year Treasuries. The **Chicago Board Options Exchange (CBOE) Volatility Index (VIX)** measures the market's expectation of 30-day volatility and is a widely used measure of market risk and is often referred to as the "investor fear gauge." The **Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market. The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 2000 Value Index** measures the performance of those Russell 2000 Index securities with lower price-to-book ratios and lower forecasted growth values and is representative of U.S. securities exhibiting value characteristics. The **NASDAQ Composite Index** is a market-capitalization weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market.

Equity securities are subject to stock market fluctuations that occur in response to economic and business developments. **International investing** involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility. Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments. There are special risks associated with investments in **real assets** such as commodities and real estate securities. For commodities, risks may include market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults).



**LEAGUE ASSOCIATION OF RISK MANAGEMENT
FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(Unaudited)**

LEAGUE ASSOCIATION OF RISK MANAGEMENT

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League Association of Risk Management
Balance Sheets - Statutory Basis
September 30, 2022 and 2021

Assets

	September 30 2022 (Unaudited)	September 30 2021 (Audited)
Cash:		
Cash on deposit	\$ 1,151,446	\$ 1,942,698
Short-term investments	-	-
Total cash	<u>1,151,446</u>	<u>1,942,698</u>
Long-term investments	13,711,557	13,242,300
Accounts receivable	14,547	15,411
Premiums receivable	10,683,529	9,713,737
Interest receivable	21,503	15,485
Reinsurance recoverable on paid losses	<u>1,887,369</u>	<u>780,964</u>
Total assets	<u><u>\$ 27,469,951</u></u>	<u><u>\$ 25,710,595</u></u>

Liabilities and Surplus

Loss reserves	\$ 4,621,927	\$ 4,693,666
Loss adjustment expenses	2,249,940	2,552,549
Unearned premium	11,662,104	9,328,559
Taxes payable	106,591	97,488
Other liabilities	373,730	143,408
Funds held under reinsurance treaties	<u>25,000</u>	<u>25,000</u>
Total liabilities	19,039,292	16,840,670
Surplus	<u>8,430,659</u>	<u>8,869,925</u>
Total liabilities and surplus	<u><u>\$ 27,469,951</u></u>	<u><u>\$ 25,710,595</u></u>

League Association of Risk Management
Statements of Income - Statutory Basis
For the Years Ended September 30, 2022 and 2021

	Year Ended September 30 2022 (Unaudited)	Year Ended September 30 2021 (Audited)
Revenue:		
Premiums earned, direct	\$ 11,552,440	\$ 9,889,689
Premiums earned, transferred by excess	(3,923,187)	(2,874,577)
Net premiums	<u>7,629,253</u>	<u>7,015,112</u>
Investment income	1,142	56,947
Miscellaneous income	<u>112,913</u>	<u>106,370</u>
Total revenues	7,743,308	7,178,429
Expenses:		
Losses incurred, direct	7,134,578	3,635,453
Losses incurred, transferred by excess	(2,771,433)	(477,631)
Net losses	<u>4,363,145</u>	<u>3,157,822</u>
Loss expenses incurred	686,598	1,775,726
Other underwriting expense incurred	<u>3,132,831</u>	<u>2,755,026</u>
Total expenses	<u>8,182,574</u>	<u>7,688,574</u>
Net income/(loss) - statutory basis	<u><u>\$ (439,266)</u></u>	<u><u>\$ (510,145)</u></u>

League Association of Risk Management
Statement of Changes in Surplus - Statutory Basis
For the Years Ended September 30, 2022 and 2021

	Year Ended September 30 2022 (Unaudited)	Year Ended September 30 2021 (Audited)
Surplus, beginning of period	\$ 8,869,925	\$ 9,380,070
Net income/(loss) - statutory basis	(439,266)	(510,145)
Unrealized capital gain	410,693	397,674
Change in non-admitted assets	(410,693)	(397,674)
Surplus, end of period	<u>\$ 8,430,659</u>	<u>\$ 8,869,925</u>

League Association of Risk Management
Statement of Cash Flows - Statutory Basis
For the Years Ended September 30, 2022 and 2021

	Year Ended September 30 2022 (Unaudited)	Year Ended September 30 2021 (Audited)
Premiums collected, net of excess insurance	\$ 8,993,810	\$ 7,306,272
Loss and loss adjustment expenses paid	(6,530,494)	(2,772,640)
Underwriting expense paid	(2,893,407)	(2,897,034)
	<hr/>	<hr/>
Cash from underwriting	(430,091)	1,636,598
Investment Income	405,817	466,317
Other Income/(Expense)	112,913	106,370
	<hr/>	<hr/>
Net cash from operations	88,639	2,209,285
Transfer in:		
Other sources	58	-
Transfer out:		
Other applications	(879,949)	(6,388,797)
	<hr/>	<hr/>
Net change in cash and short-term investments	(791,252)	(4,179,512)
	<hr/>	<hr/>
Cash and short term investments, beginning of period	1,942,698	6,122,210
	<hr/>	<hr/>
Cash and short term investments, end of period	<u>\$ 1,151,446</u>	<u>\$ 1,942,698</u>

League Association of Risk Management
Reconciliation of Unpaid Claim Liabilities
For the Years Ended September 30, 2022 and 2021

	Year Ended September 30 2022 (Unaudited)	Year Ended September 30 2021 (Audited)
Unpaid claims and claims adjustment expenses at the beginning of period	\$ 7,246,215	\$ 6,203,649
Incurred claims and claims adjustment expenses:		
Provision for insured events of current policy year	6,137,434	5,044,642
Increase/(decrease) in provision in insured events of prior policy year	<u>(1,087,691)</u>	<u>(111,094)</u>
Total incurred claims and claims adjustment expense	5,049,743	4,933,548
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current policy year	2,555,720	1,313,253
Claims and claims adjustment expenses attributable to insured events of prior policy year	<u>2,868,371</u>	<u>2,577,729</u>
Total payments	<u>5,424,091</u>	<u>3,890,982</u>
Unpaid claims at end of period	<u><u>\$ 6,871,867</u></u>	<u><u>\$ 7,246,215</u></u>