

# INVEST PROGRAM 2022 ANNUAL REPORT

## **Introduction**

The following report provides an overview of the Pennsylvania Treasury Department's INVEST Program including the objectives, policies, and risks associated with the Program. In addition, performance results for the INVEST Daily and INVEST Community portfolios are included herein for the twelve-month period beginning January 1, 2022, through December 31, 2022.

## **Program Overview**

The powers and duties of the Treasurer and Treasury are delineated for the most part in the Pennsylvania Fiscal Code and include the deposit, investment, and safekeeping of the money and securities belonging to the Commonwealth of Pennsylvania. Treasury manages and invests money that exceeds the ordinary operational needs of the Commonwealth. Treasury also possesses the investment authority for money derived from other specialized Treasury programs, including the Pennsylvania Treasury INVEST Program, which is designed for local governments and non-profit organizations. The INVEST Program currently consists of two Standard & Poor's rated pools, the Local Government Pool (INVEST Daily) and the Community Pool (INVEST Community).

The Local Government Pool consists of a single portfolio and is available to all governmental entities including counties, cities, boroughs, incorporated towns, townships, school districts, other units of government, authorities, boards, and commissions.

The Community Pool also consists of a single portfolio and is available to non-governmental entities including but not limited to colleges, community colleges and universities, hospitals, libraries, and fire companies.

In addition to the above rated pools, Treasury also offers non-rated custom pools to meet the unique needs or circumstances of specific governmental and community participants. The custom pools are comprised solely of domestic certificates of deposit.

## **Investment Objectives and Policies**

The INVEST Program is administered by the Pennsylvania Treasury Department in accordance with Commonwealth law, including statutes related to local government, specific rules, and regulations. The Treasury Investment Policy for INVEST details the specific laws and strict guidelines followed in the execution of the investment philosophy. In addition, rated pools are further restricted to investments that also satisfy criteria established by Standard & Poor's.

Treasury will immediately modify investment activity to comply with new or modified law consistent with all applicable laws, rules, and regulations.

Treasury's objective is to provide maximum security and liquidity, and to maintain the highest possible rating for the INVEST Daily and INVEST Community Pools. Each pool is rated "AAAm", the highest stable principal fund rating assigned by Standard & Poor's. This rating signifies the pool's extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.

When evaluating a local government investment pool, Standard & Poor's analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, as well as its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value.

Both the INVEST Daily and INVEST Community Pools seek to provide current income while maintaining liquidity and a stable net asset value per share (NAVPS) of \$1.00. Each portfolio invests in short-term, high-quality, fixed income securities and is managed to ensure that the weighted average maturity does not exceed 60 days at any time. Effective September 1, 2016, Treasury, in accordance with Act 10, expanded its allowable investments to include commercial paper and negotiable certificates of deposit.

As of December 31, 2022, the NAVPS of INVEST Daily and INVEST Community was \$1.00 <sup>(1)</sup> and the average maturity of each portfolio was 22 days and 19 days respectively.

(1) \$1 is defined as being any amount between \$0.9985 and \$1.0015.

### **Terms, Conditions and Fees**

The following chart summarizes the terms, conditions, and fees applicable to the participants in the INVEST Program.

<b>Service</b>	<b>Daily</b>	<b>Community</b>	<b>Custom</b>
<b>Administrative Fee <sup>(2)</sup></b>	11 Basis Points	11 Basis Points	6 Basis Points
<b>Transaction Fee</b>	None	None	None
<b>Transactions</b>	Unlimited	Unlimited	At Maturity
<b>Balance Requirement</b>	None	None	As Per Specific Investment
<b>Term</b>	Same Day	Same Day	Same Day or Designated Day
<b>Accounts</b>	Unlimited	Unlimited	Unlimited
<b>Deposits</b>	No Maximum / No Minimum	No Maximum / No Minimum	\$100,000 Minimum
<b>Interest</b>	Calculated Daily / Paid Monthly	Calculated Daily / Paid Monthly	Paid at Maturity
<b>Transaction Confirmation</b>	Next Business Day	Next Business Day	Next Business Day
<b>Statements</b>	Monthly	Monthly	Initial Deposit and Maturity

<sup>(2)</sup> Effective May 10, 2021, the INVEST Program temporarily waived a portion of the administrative fee in response to the rate environment. The fee was adjusted to institute a minimum 1 basis point yield on the portfolio. The adjusted fee remained in effect until the waiver policy expired on June 30, 2022.

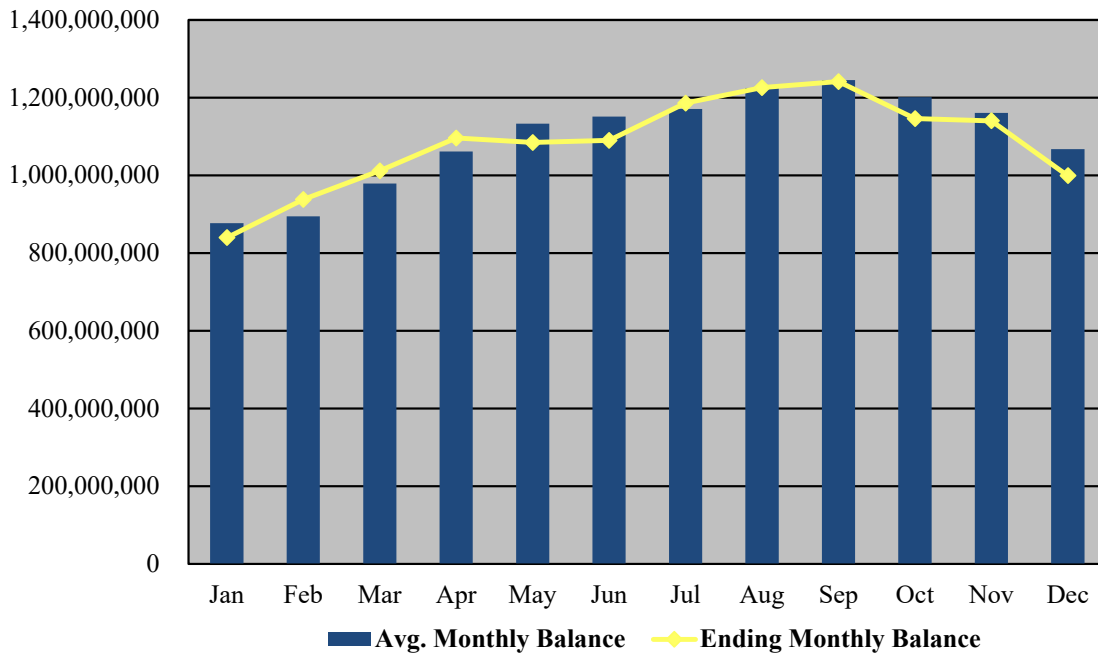
### **Program Oversight**

The Compliance Division within Treasury's Bureau of Cash Management and Investments has implemented investment-monitoring procedures for the INVEST Program to ensure strict adherence to the INVEST Investment Policy. In addition, the financial statements of the INVEST Program are audited annually by an independent Certified Public Accounting (CPA) firm and/or the Pennsylvania Department of the Auditor General.

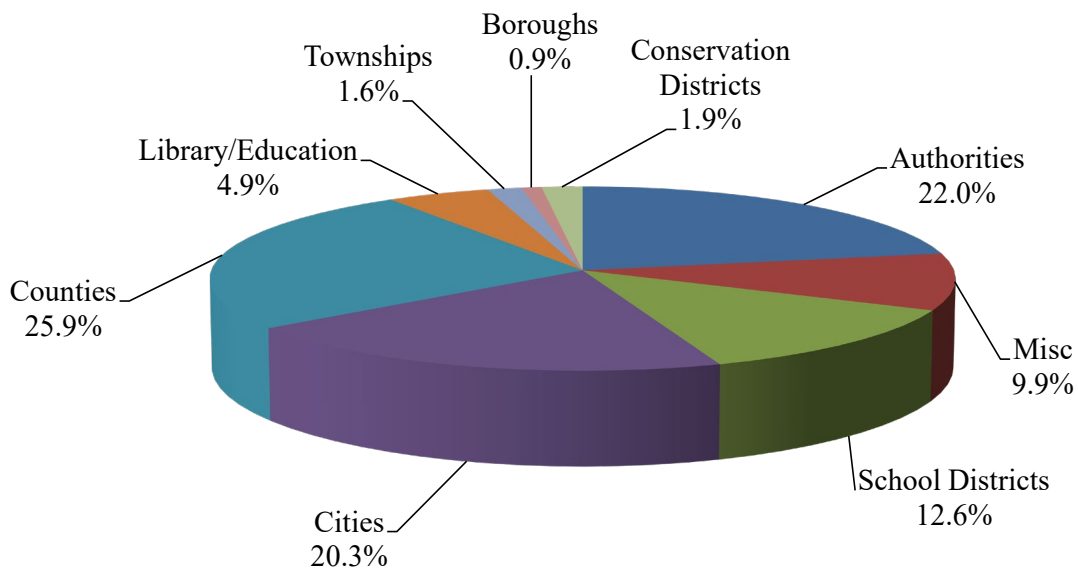
Furthermore, Treasury's Investment Committee meets regularly to review the objectives and performance of the INVEST Program, as well as all other programs administered by the Department. The Investment Committee consists of the Treasurer; the Chief Investment Officer, who shall Chair meetings of the Committee; the Chief Counsel; and other persons whom the Treasurer may wish to appoint.

**Pool Share Summary**

The following chart reflects the combined monthly average and ending shareholder balances for the INVEST Program which includes INVEST Daily and INVEST Community. Fluctuations in shareholder balances represent net cash flows into or out of the Program.



On December 31, 2022, the INVEST Program was comprised of 432 participants, with 265 participants comprising the INVEST Daily Pool and 167 participants comprising the INVEST Community Pool. The illustration below displays the composition of Program shareholders based on December 31, 2022, participant assets.



## **Economic Review**

**Federal Reserve Policy:** The year 2022 was marked by a raising rate environment, as the Federal Reserve took the federal funds target range from 0.00% - 0.25% at the beginning of the year to 4.25% - 4.50% by year end.

The first of the Fed's series of rate hikes took place in March 2022, when it increased rates by 25 basis points. The March rate hike was the first change in rates since March 2020, when the Fed cut rates effectively to zero in an attempt to help stabilize an economy and financial markets that were under pressure from the impacts of COVID-19. In addition, it marked the first rate hike since December 2018. Following the Fed's March meeting, the FOMC stated that it "anticipates that ongoing increases in the target range will be appropriate." As a result, the committee had penciled in rate increases at each of its six remaining meetings in 2022, along with the possibility of one or more of them having a 50 basis point increase if inflation pressures remained elevated or intensified. As a result, at the end of 1Q2022, the markets expected the Fed to increase rates by approximately 250 basis points throughout the remainder of the year. However, that number ultimately ended up being nearly twice that, due to rising inflation levels.

The Federal Reserve increased rates on two separate occasions during 2Q2022. First, in May, the Fed increased rates by 50 basis points, bringing the federal funds target range to 0.75% - 1.00%. Then, in June, the Fed increased rates by 75 basis points, bringing the federal funds target range to 1.50% - 1.75% by the end of the second quarter. While the 50 basis point rate hike in May was widely expected for a long period of time, it was just before the Fed's June meeting that the markets priced in a 75 basis point rate hike. Prior to the June CPI reading, which was released the Friday before the Fed meeting, markets were expecting a 50 basis point rate hike. However, after the CPI soared to 9.1% from a year before, which was higher than expected and marked the fastest pace for inflation in 40 years, the Fed elected to increase rates by 75 basis points.

During 3Q2022, the Fed once again increased rates on two separate occasions. First, in July, the Fed increased rates by 75 basis points. Then, in September, the Fed increased rates by an additional 75 basis points, bringing the federal funds target range to 3.00% - 3.25% by the end of the third quarter. Following the Fed's September meeting, Federal Reserve Chair Jerome Powell reiterated that his main message has not changed, i.e., "the FOMC is strongly resolved to bring inflation down to 2%, and we will keep at it until the job is done."

Finally, during 4Q2022, the Fed once again increased rates by 75 basis points in November. Then, in December, the Fed followed up with a 50 basis point rate hike, bringing the federal funds target range to 4.25% - 4.50% by the end of the year. The December rate hike broke a string of four straight 75 basis point rate hikes and brought the federal funds target range to its highest level in 15 years. In addition to the December rate hike, came an indication that officials expect to continue to raise rates into 2023. According to the FOMC's dot plot, the expected terminal rate was put at 5.1%. Currently, markets have priced in an additional two or three 25 basis point rate hikes over the next three Fed meetings, which would bring the federal funds target range to around the expected terminal rate.

**Inflation:** The Fed's preferred measure of inflation, the Core Personal Consumption Expenditures (PCE) index, which excludes food and energy, came in well above the Fed's target inflation rate of 2.0%, ranging from 5.2% - 5.3% during 1Q2022 (inflation readings are year-over-year changes). During 2Q2022, however, the Core PCE index readings began to decline, as they ended the second quarter with a reading of 4.8%. Then, during 3Q2022, the Core PCE index increased with a reading of 5.1% for September. Following the Fed's September meeting, Jerome Powell made it clear that inflation has not fallen as much as the Fed expected it to by this point, saying that core PCE inflation, "on a 3- 6- and 12-month trailing annualized basis," is now at 4.8%, 4.5%, and 4.8%, respectively. "That's a pretty good summary of where we are with inflation and that's not where we wanted to be," Powell said. "We need to continue, and we did today do another large increase as we approach the level we think we need to get to. We're still discovering what that level is." Finally, 4Q2022 started with a reading of 5.1% in October, followed by readings of 4.7% and 4.4% in November and December, respectively. Following the Fed's December meeting, Jerome Powell made it clear that inflation is declining, however, he suggested that there is still some work to be done, saying "the inflation data received so far shows a welcome reduction in the monthly pace of price increases. But it will take substantially more evidence to have confidence that inflation is on a sustained downward path." As a result, the markets continue to price in several more rate hikes over the upcoming Fed meetings.

**Labor Markets:** The beginning of 1Q2022 picked up where the end of 4Q2021 left off, with the unemployment rate declining. The unemployment rate was 3.9% at the end of 4Q2021 and fell to 3.6% by the end of 1Q2022. During the second, third, and fourth quarters, the unemployment rate remained relatively stable and has remained in a narrow range of 3.5% - 3.7% since March 2022. As a result, there appears to be a lot of continued momentum in the labor markets and the Fed will likely use that as additional support for future interest rate hikes. Following the Fed's December meeting, members slightly lowered their unemployment rate outlook for this year and slightly increased their unemployment rate outlook for ensuing years.

**National Accounts:** Gross Domestic Product decreased by 1.6% during 1Q2022, following an increase of 6.9% in 4Q2021. During the first quarter, the economy slowed from its pace of 2021 as federal stimulus programs ended and inflation surged. In addition, the surge in the omicron variant slowed economic activity and the Russian invasion of Ukraine put additional pressure on supply chains.

Once again, GDP decreased in 2Q2022, as it declined by 0.6%. Shortly after the release, FOMC members shared that they saw GDP growth slowing to 0.2% for 2022, then rising slightly in the following years to a long-term rate of 1.8%. This forecast is a sharp cut from the previous 1.7% estimate in June and came following two consecutive quarters of negative growth.

Finally, during 3Q2022, GDP increased by 3.2%. This time, FOMC members shared that they lowered growth targets for 2023, putting expected GDP gains at just 0.5%.

**Fixed Income Markets:** The market for commercial paper, agency securities, and certificates of deposits remained very similar for much of the year, *i.e.*, increasing yields and moderate supply. Throughout the entire year, as each Fed meeting grew closer and additional data was released, the markets would begin pricing in what they expected the Fed to increase the federal funds target range by. Then, once the Fed officially announced what the rate hike would be following each meeting, the market would fully price in what the Fed had decided. In addition, while there was moderate supply throughout the entire year, supply would become limited around month end, and most noticeably, quarter and year end.

## **Investment Strategy**

Treasury's strategy in managing the assets of the INVEST Program is safety, liquidity, compliance with policies and regulations, and yield, in that order. To maintain safety, the program invests in the highest quality money market securities consistent with the Investment Policy Statement in conjunction with guidance provided by PNC Capital Advisors for individual issuer selection. Liquidity is managed based on GASB 79 requirements for daily and weekly liquidity as well as analyzing historical and projected participant cash flows. Compliance is adhered to by following the investment policy statement, GASB 79, and the requirements from Standard & Poor's to maintain AAAM ratings. Yield is optimized by carefully evaluating and scrutinizing investment options for the best possible returns available within approved parameters.

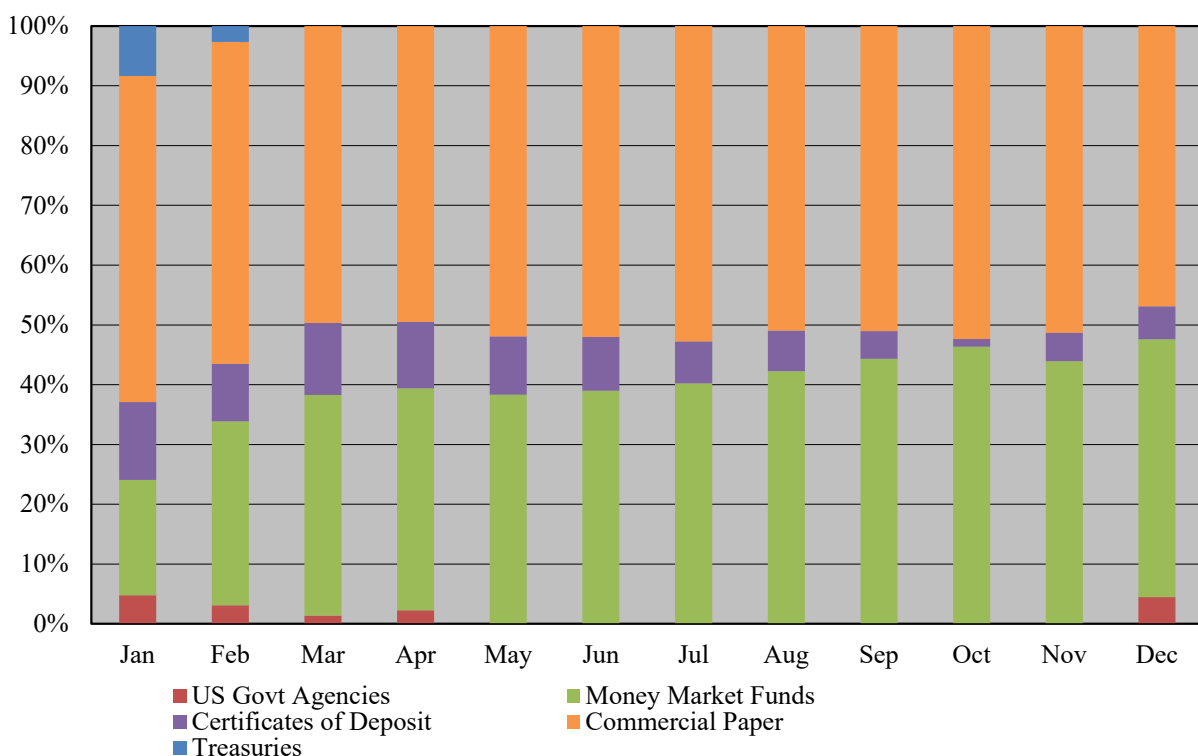
With the Fed on its long path of raising interest rates, continued uncertainty surrounding the outlook of COVID-19, and the surge in inflation, Treasury had a more conservative investment approach for all of 2022. During 1Q2022, a major focus was put on duration management and individual security selection. Prior to the Fed's March meeting, Treasury focused on purchasing securities that would mature shortly after the March Fed meeting so Treasury could reinvest those securities in other short-term securities, but at a higher rate. In addition, Treasury looked to add a few securities in the intermediate range that had already priced in potential future Fed rate hikes.

Throughout the rest of the year, Treasury kept maturities relatively short, structuring maturities Fed meeting to Fed meeting. Treasury accomplished this by adding short-term fixed rate securities that matured shortly before or just after Fed meeting dates, which allowed Treasury to reinvest those securities when the market had better priced in future Fed rate hikes. In addition, Treasury added several floating rate securities further out the curve. This allowed Treasury to add a little more yield to the portfolio, while mitigating against the uncertainty of how much the Fed will raise its federal funds target range in the future. Finally, as the fourth quarter came to a close, Treasury mixed in a few fixed rate securities further out than Treasury had previously been purchasing, due to the increasing probability of the Fed wrapping up its rate hikes over the next couple Fed meetings.

The Invest Daily and Invest Community portfolios are highly liquid and well diversified. Interest rates set by the Fed are the primary driver of investment yields in the short-term markets, and with short-term yields continuing to increase throughout 2022, Invest Daily and Invest Community earnings also increased. The yields of both portfolios were just 0.01% at the beginning of January 2022, however, they both surpassed 4.00% during December 2022.

## Asset Distribution

The following chart reflects the month-end asset class distribution of the INVEST Program, in percentage terms, for the period January 1, 2022, to December 31, 2022.



## Credit Risk

The INVEST Program addresses credit risk by limiting allowable investments to high-quality, fixed income securities. As such, Program investments are limited to those securities carrying the highest credit quality rating assigned by Standard and Poor's; A1+ or A1 for short-term obligations. These ratings signify that the obligor's capacity to meet its financial commitment on the obligations is extremely strong. In addition, non-rated Pennsylvania certificates of deposit are permitted but must be fully collateralized as to the principal amount plus any accrued interest for any amount above FDIC insurance.

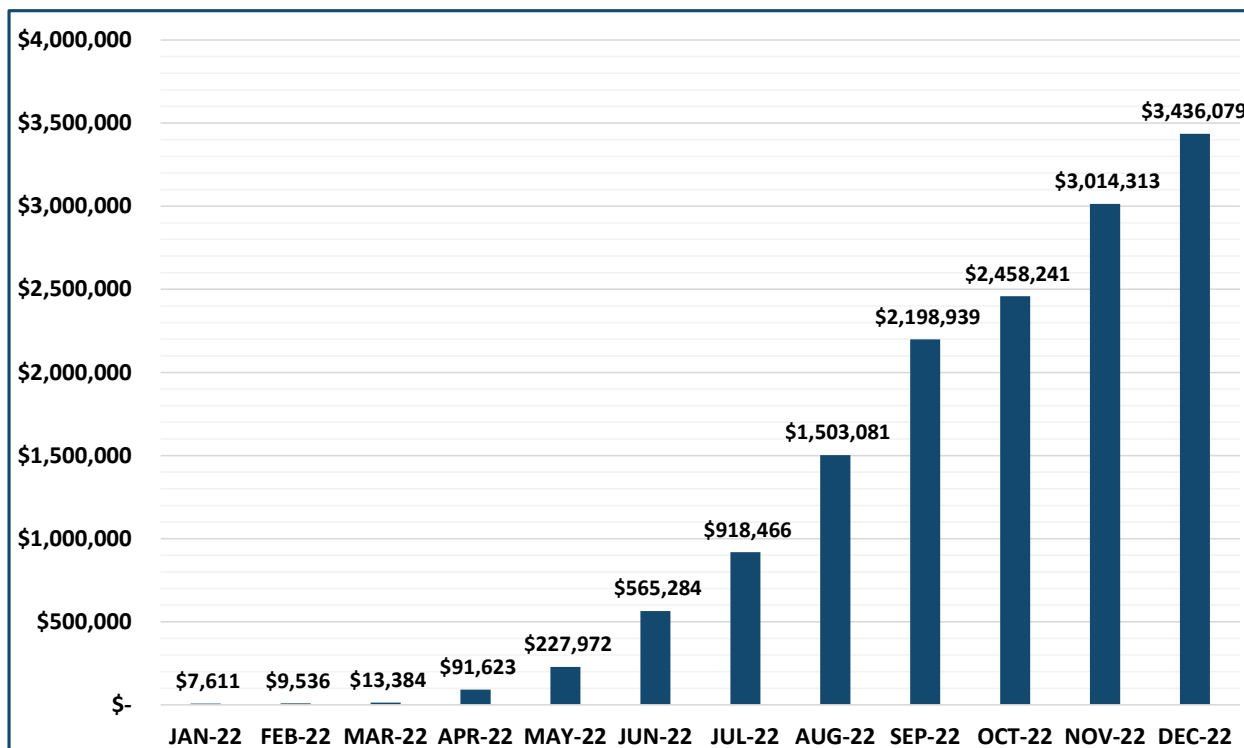
On average, 99.57% of the securities in the INVEST Daily and INVEST Community portfolios were rated A1+ or A1 during the period of January 1, 2022, through December 31, 2022.



### Dividend Distributions

Each portfolio's dividends are computed and accrued daily. Dividends, comprised of interest income and capital gains, are distributed on the first business day of every month and are either automatically reinvested or distributed as cash depending upon the participants' election.

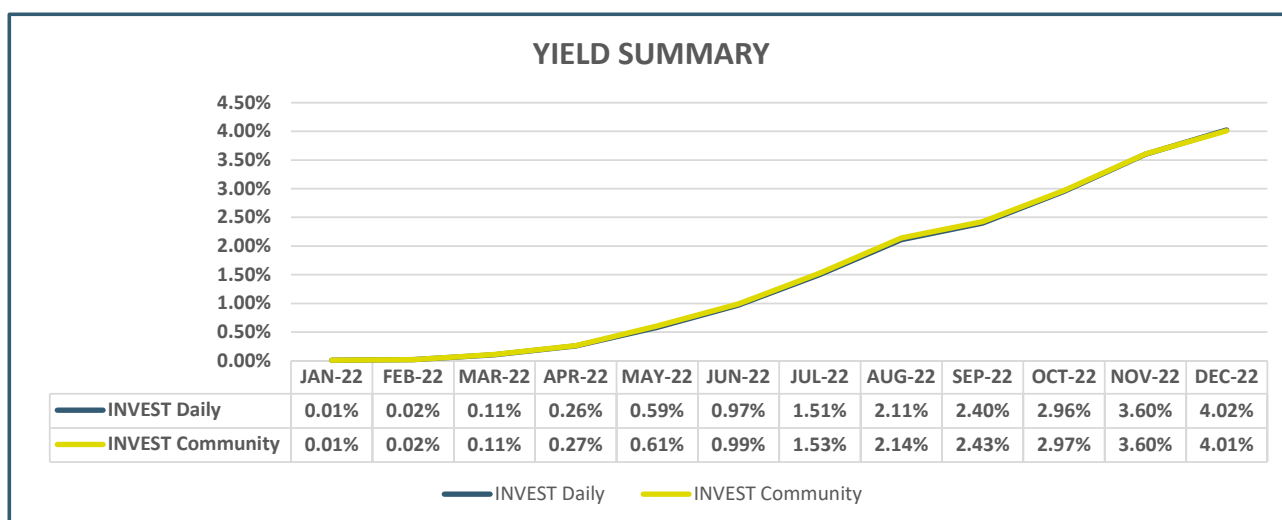
For the calendar year ended December 31, 2022, dividends distributed to INVEST Daily and INVEST Community shareholders totaled \$13,683,808 and \$760,721 respectively. The following chart reflects the dividend distribution of the INVEST Program for the period of January 1, 2022, through December 31, 2022.



### Yield Summary

The daily yield of the portfolios represents the annualized daily return (without regard to compounding), including current interest accrued, accretion of discount or amortization of premium, plus realized capital gains, less realized capital losses, rounded to the nearest 0.001 percentage point.

For the twelve-month period ended December 31, 2022, the average annualized yield for the INVEST Daily portfolio and the INVEST Community portfolio was 1.56% and 1.57% respectively. The chart on the following page reflects the yield summary of the INVEST Program for the period of January 1, 2022, through December 31, 2022.



### **Performance Summary**

The data contained below represents past performance, which cannot be used to predict future returns that may be achieved by the portfolios. Note that annual returns can and will fluctuate. An investment in the INVEST Program is neither insured nor guaranteed by the U.S. Government, or by the Commonwealth of Pennsylvania, and there is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

For the year ended December 31, 2022, the net returns of the INVEST Daily and INVEST Community portfolios exceeded their assigned benchmark, the ICE Bank of America Merrill Lynch 3-month US Treasury Bill Index, by 20 basis points and 21 basis points respectively. Additional performance information for the portfolios versus their assigned benchmark is reflected below.

<b>PERFORMANCE SUMMARY TABLE</b>	<b><i>1 Month Return</i></b>	<b><i>3 Month Return</i></b>	<b><i>1 Year Return</i></b>	<b><i>3 Year Return</i></b>	<b><i>5 Year Return</i></b>
INVEST Daily	0.35%	0.92%	1.67%	0.86%	1.40%
INVEST Community	0.35%	0.92%	1.68%	0.87%	1.40%
ICE BofAML 91-day T-Bill	0.36%	0.85%	1.47%	0.73%	1.27%

### Statements of Net Assets

The following Statements of Net Assets provide a detailed listing of the INVEST Daily and INVEST Community portfolio holdings as of December 31, 2022, including each security's maturity date, coupon rate (if applicable), and statement-date amortized value. Securities are grouped and sub-totaled by instrument type. The amortized value column includes accrued interest. Other assets are added to, and liabilities are subtracted from, the value of the portfolio's total investments to calculate the portfolio's net assets. Finally, net assets are divided by outstanding shares of each portfolio, arriving at the share price, or net asset value per share. Each portfolio's objective is to maintain a constant NAVPS of \$1.00.

The INVEST Daily and INVEST Community portfolios invest in short-term debt instruments issued by the U.S. Government or its agencies, commercial paper, and other short-term debt instruments (including Buy/Sell Repurchase Agreements) of selected companies. The issuers' abilities to meet their obligations may be affected by economic developments in such industries.

1. The following Generally Accepted Accounting Principles are applicable to the portfolios. The financial statements are prepared in accordance with these principles:
  - A. **Security Valuation:** Securities are reported at amortized cost, which approximates market value.
  - B. **Other:** Security transactions are accounted for on the date the securities are purchased or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold. Discounts and premiums are accreted and amortized, respectively, to interest income over the lives of the respective securities. Distributions from net investment income are declared daily and paid on the first business day of the following month.
  - C. **Buy/Sell Repurchase Agreements:** All Repurchase Agreements held by these portfolios are secured by U.S. Government Obligations and/or Government National Mortgage Association Obligations, which have explicit full faith and credit from the United States Government. Securities pledged as collateral for Buy/Sell Repurchase Agreements are held by a third-party custodian bank until the agreements mature. Each agreement requires that the market value of the collateral be sufficient to cover 102% of payments of interest and principal; however, in the event of default or bankruptcy by the other party to the agreement, retention of the collateral may be subject to legal proceedings.
2. All short-term local government investment Funds are subject to income and manager risk, as well as the risk of rating changes.

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**The following Statements of Net Assets were prepared by The Nottingham Company and are unaudited. Slight differences in totals and percentages may be noted due to rounding.**

**Pennsylvania Treasurer's INVEST Program for Local Governments**  
**December 31, 2022**

<b>INVEST Daily Portfolio</b>	<b>Principal</b>	<b>Rate</b>	<b>Date</b>	<b>Value</b>	<b>Cusip</b>
<b>FEDERAL HOME LOAN BANK - 4.45%</b>					
Federal Home Loan Bank	\$14,000,000	0.000%	2/8/2023	\$ 13,937,933	313384BQ1
Federal Home Loan Bank	9,500,000	0.000%	1/20/2023	9,479,644	313384AV1
Federal Home Loan Bank	18,000,000	0.000%	2/3/2023	<u>17,932,267</u>	313384BK4
<b>Total Federal Home Loan Bank (Cost \$41,349,844)</b>				<b>41,349,844</b>	
<b>CERTIFICATES OF DEPOSIT - 5.55%</b>					
Bank of Montreal - Chicago	9,500,000	4.500%	2/8/2023	9,500,000	06367CZH3
BNP Paribas of NY	14,000,000	4.570%	3/1/2023	14,000,000	05586FBD8
Royal Bank of Canada	14,000,000	4.410%	5/9/2023	14,000,000	78015JM61
Toronto Dominion Bank	14,000,000	4.410%	5/16/2023	<u>14,000,000</u>	89115BDT4
<b>Total Certificates of Deposit (Cost \$51,500,000)</b>				<b>51,500,000</b>	
<b>COMMERCIAL PAPER - 47.43%</b>					
ABN AMRO Funding LLC	9,500,000	0.000%	3/13/2023	9,412,877	00084CQD7
Amazon.com, Inc.	9,500,000	0.000%	3/7/2023	9,423,670	02314QQ77
Apple, Inc.	9,500,000	0.000%	1/10/2023	9,489,906	03785ENA8
Australia & New Zealand Banking Group	9,500,000	0.000%	3/20/2023	9,407,375	05253CQL3
Canadian Imperial Bank	14,000,000	0.000%	1/9/2023	13,987,151	13608BN91
Chariot Funding LLC	9,500,000	0.000%	1/31/2023	9,463,742	15963UNX0
Eli Lilly & Co.	4,000,000	0.000%	1/10/2023	3,995,850	53245QNA0
Eli Lilly & Co.	9,500,000	0.000%	1/13/2023	9,486,700	53245QND4
FMS WERT Management	9,500,000	0.000%	2/6/2023	9,460,148	34411HP65
Gotham Funding Corp.	9,500,000	0.000%	1/10/2023	9,489,835	38346MNA8
Koch Industries, Inc.	9,500,000	0.000%	3/22/2023	9,403,733	48246UQN9
Koch Industries, Inc.	9,500,000	0.000%	1/3/2023	9,497,857	50000EN34
Koch Industries, Inc.	9,500,000	0.000%	1/19/2023	9,479,860	50000ENK6
Koch Industries, Inc.	9,500,000	0.000%	1/31/2023	9,466,513	50000ENX8
Liberty Street Funding LLC	4,250,000	0.000%	3/22/2023	4,207,028	53127UQN3
Liberty Street Funding LLC	9,500,000	0.000%	3/29/2023	9,388,652	53127UQV5
Lloyd's Bank PLC	14,000,000	0.000%	3/6/2023	13,886,756	53943SQ67
Longship Funding LLC	9,500,000	0.000%	2/6/2023	9,459,150	54316UP60
Met Life Short-Term Funding	14,500,000	0.000%	1/5/2023	14,493,233	59157UN55
Met Life Short-Term Funding	9,500,000	0.000%	2/2/2023	9,464,280	59157UP20
National Security Clearing Corp.	14,000,000	0.000%	1/10/2023	13,985,685	63763QNA1
National Security Clearing Corp.	14,000,000	0.000%	1/20/2023	13,969,188	63763QNL7
Nieuw Amsterdam	9,500,000	0.000%	2/21/2023	9,440,783	65409SPM4
Novartis Finance Corp.	9,500,000	0.000%	1/9/2023	9,490,943	6698M5N96
Novartis Finance Corp.	9,500,000	0.000%	1/17/2023	9,481,760	6698M5NH8
Paccar Financial Corp.	9,500,000	0.000%	1/10/2023	9,490,215	69372BNA4
Paccar Financial Corp.	9,500,000	0.000%	1/13/2023	9,486,700	69372BND8
Procter & Gamble Corp.	9,500,000	0.000%	2/8/2023	9,456,881	74271UP87
Quebec Province	9,500,000	0.000%	1/26/2023	9,472,160	74800KNS7
Regency Markets	14,000,000	0.000%	1/12/2023	13,981,392	7588R1NC5
Regency Markets	14,000,000	0.000%	1/19/2023	13,969,200	7588R1NK7

**Pennsylvania Treasurer's INVEST Program for Local Governments**  
**December 31, 2022**

<b>INVEST Daily Portfolio</b>	<b>Principal</b>	<b>Rate</b>	<b>Date</b>	<b>Value</b>	<b>Cusip</b>
<b>COMMERCIAL PAPER - Continued</b>					
Sheffield Receivables	\$ 9,500,000	0.000%	1/6/2023	\$ 9,494,524	82124MN63
Sheffield Receivables	4,500,000	0.000%	3/8/2023	4,461,885	82124MQ86
Starbird Funding Corp.	9,500,000	0.000%	3/1/2023	9,428,069	85520MQ14
Svenska Handelsbanke	9,500,000	0.000%	1/18/2023	9,480,755	86960KNJ7
Swedish Export Credit Corp.	14,000,000	0.000%	1/17/2023	13,973,991	87030KNH5
Swedish Export Credit Corp.	14,000,000	0.000%	5/2/2023	13,775,545	87030KS23
Thunder Bay Funding	9,500,000	0.000%	2/21/2023	9,439,438	88602UPM6
Thunder Bay Funding	4,750,000	0.000%	4/14/2023	4,685,446	88602URE2
Toronto Dominion Bank	14,000,000	0.000%	2/14/2023	13,925,738	89119BPE0
Toyota Motor Credit Corp.	9,500,000	0.000%	3/2/2023	9,427,008	89232DQ23
Travelers Companies	9,500,000	0.000%	1/3/2023	9,497,762	8941P3N33
Victory Receivables	9,500,000	0.000%	4/18/2023	9,366,443	92646LRJ1
Walmart, Inc.	9,000,000	0.000%	1/9/2023	<u>8,991,400</u>	93114FN91
<b>Total Commercial Paper (Cost \$440,537,227)</b>				<u>440,537,227</u>	
<b>MONEY MARKET FUNDS - 42.75%</b>					
Dreyfus Government Cash Management Fund - Institutional Class	\$26,020,835	0.004%	1/11/2023	26,020,835	262006208
Dreyfus Preferred Government Money Market Fund - Institutional Class	31,625,682	0.003%	1/11/2023	31,625,682	26200X209
Dreyfus Treasury Cash Management Fund - Institutional Class	28,883,971	0.003%	1/11/2023	28,883,971	261908107
DWS Government Money Market Fund - Institutional Class	22,437,693	0.003%	1/11/2023	22,437,693	25160K207
Federated Government Obligations Fund - Institutional Class	16,113,022	0.003%	1/11/2023	16,113,022	60934N104
Federated Treasury Obligations Fund - Institutional Class	21,175,998	0.003%	1/11/2023	21,175,998	60934N500
First American Government Obligations Fund	11,176,652	0.003%	1/11/2023	11,176,651	31846V237
First American Treasury Obligations Fund	30,849,659	0.003%	1/11/2023	30,849,659	31846V229
Goldman Sachs Financial Square Money Market Fund - Institutional Class	31,887,362	0.003%	1/11/2023	31,887,362	38141W273
GS Financial Square Treasury Obligations Fund	30,819,242	0.003%	1/11/2023	30,819,242	38141W323
GS Financial Square Treasury Solutions Fund	29,772,230	0.003%	1/11/2023	29,772,230	38142B880
HSBC US Government Money Market	18,084,835	0.003%	1/11/2023	18,084,835	40428X107
Invesco Treasury Portfolio	29,194,901	0.003%	1/11/2023	29,194,901	825252406
JP Morgan US Government Money Market Fund	13,893,113	0.003%	1/11/2023	13,893,113	4812C0670
Morgan Stanley Liquidity Fund - Institutional Class	24,689,992	0.004%	1/11/2023	24,689,992	61747C707
STIT - Government & Agency Portfolio	30,401,195	0.003%	1/11/2023	<u>30,401,195</u>	825252885
<b>Total Money Market Funds (Cost \$397,026,381)</b>				<u>397,026,381</u>	

**Pennsylvania Treasurer's INVEST Program for Local Governments  
December 31, 2022**

<b>INVEST Daily Portfolio</b>	<b>Value</b>
Total Value of Investments (Cost \$930,413,452) - 100.18%	\$ 930,413,452
Liabilities in Excess of Other Assets - (0.18)%	<u>(1,686,348)</u>
<b>Net Assets (100%)</b>	<b><u>\$ 928,727,104</u></b>
Applicable to 930,413,452 outstanding shares of beneficial interest	
<b>Net Asset Value Per Share</b>	<b>\$ 1.00</b>

**Pennsylvania Treasurer's INVEST Program for Local Governments**  
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<b>INVEST Community Portfolio</b>	<b>Principal</b>	<b>Rate</b>	<b>Date</b>	<b>Value</b>	<b>Cusip</b>
<b>CERTIFICATES OF DEPOSIT - 4.97%</b>					
Bank of Montreal - Chicago	\$ 500,000	4.500%	2/8/2023	\$ 500,000	06367CZH3
BNP Paribas of NY	1,000,000	4.570%	3/1/2023	1,000,000	05586FBD8
Royal Bank of Canada	1,000,000	4.410%	5/9/2023	1,000,000	78015JM61
Toronto Dominion Bank	1,000,000	4.410%	5/16/2023	1,000,000	89115BDT4
<b>Total Certificates of Deposit (Cost \$3,500,000)</b>				<b>3,500,000</b>	
<b>COMMERCIAL PAPER - 41.00%</b>					
ABN AMRO Funding LLC	500,000	0.000%	3/13/2023	495,415	00084CQD7
Amazon.com, Inc.	500,000	0.000%	3/7/2023	495,983	02314QQ77
Apple, Inc.	500,000	0.000%	1/10/2023	499,469	03785ENA8
Australia & New Zealand Banking Group	500,000	0.000%	3/20/2023	495,125	05253CQL3
Canadian Imperial Bank	1,000,000	0.000%	1/9/2023	999,082	13608BN91
Chariot Funding LLC	500,000	0.000%	1/31/2023	498,092	15963UNX0
Eli Lilly & Co.	1,000,000	0.000%	1/10/2023	998,962	53245QNA0
Eli Lilly & Co.	500,000	0.000%	1/13/2023	499,300	53245QND4
FMS WERT Management	500,000	0.000%	2/6/2023	497,902	34411HP65
Gotham Funding Corp.	500,000	0.000%	1/10/2023	499,465	38346MNA8
KFW	500,000	0.000%	3/22/2023	494,933	48246UQN9
Koch Industries, Inc.	500,000	0.000%	1/3/2023	499,887	50000EN34
Koch Industries, Inc.	500,000	0.000%	1/19/2023	498,940	50000ENK6
Koch Industries, Inc.	500,000	0.000%	1/31/2023	498,237	50000ENX8
Liberty Street Funding LLC	750,000	0.000%	3/22/2023	742,417	53127UQN3
Liberty Street Funding LLC	500,000	0.000%	3/29/2023	494,140	53127UQV5
Lloyd's Bank PLC	1,000,000	0.000%	3/6/2023	991,911	53943SQ67
Longship Funding LLC	500,000	0.000%	2/6/2023	497,850	54316UP60
Met Life Short-Term Funding	500,000	0.000%	1/5/2023	499,767	59157UP55
Met Life Short-Term Funding	500,000	0.000%	2/2/2023	498,120	59157UP20
Met Life Short-Term Funding	1,000,000	0.000%	2/6/2023	995,700	59157UP61
National Security Clearing Corp.	1,000,000	0.000%	1/10/2023	998,977	63763QNA1
National Security Clearing Corp.	1,000,000	0.000%	1/20/2023	997,799	63763QNL7
Nieuw Amsterdam	500,000	0.000%	2/21/2023	496,883	65409SPM4
Novartis Finance Corp.	500,000	0.000%	1/9/2023	499,523	6698M5N96
Novartis Finance Corp.	500,000	0.000%	1/17/2023	499,040	6698M5NH8
Paccar Financial Corp.	500,000	0.000%	1/10/2023	499,485	69372BNA4
Paccar Financial Corp.	500,000	0.000%	1/11/2023	499,431	69372BNB2
Paccar Financial Corp.	500,000	0.000%	1/13/2023	499,300	69372BND8
Procter & Gamble Corp.	500,000	0.000%	2/8/2023	497,731	74271UP87
Quebec Province	500,000	0.000%	1/26/2023	498,535	74800KNS7
Regency Markets	1,000,000	0.000%	1/12/2023	998,671	7588R1NC5
Regency Markets	1,000,000	0.000%	1/19/2023	997,800	7588R1NK7
Sheffield Receivables	500,000	0.000%	1/6/2023	499,712	82124MN63
Sheffield Receivables	500,000	0.000%	3/8/2023	495,765	82124MQ86
Starbird Funding Corp.	500,000	0.000%	3/1/2023	496,214	85520MQ14
Svenska Handelsbanke	500,000	0.000%	1/18/2023	498,987	86960KNJ7
Swedish Export Credit Corp.	1,000,000	0.000%	1/17/2023	998,142	87030KNH5
Swedish Export Credit Corp.	1,000,000	0.000%	5/2/2023	983,968	87030KS23
Thunder Bay Funding	500,000	0.000%	2/21/2023	496,813	88602UPM6
Thunder Bay Funding	250,000	0.000%	4/14/2023	246,602	88602URE2

**Pennsylvania Treasurer's INVEST Program for Local Governments**  
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<b>INVEST Community Portfolio</b>	<b>Principal</b>	<b>Rate</b>	<b>Date</b>	<b>Value</b>	<b>Cusip</b>
<b>COMMERCIAL PAPER - Continued</b>					
Toronto Dominion Bank	\$ 1,000,000	0.000%	2/14/2023	\$ 994,696	89119BPE0
Toyota Motor Credit Corp.	500,000	0.000%	3/2/2023	496,158	89232DQ23
Travelers Companies	500,000	0.000%	1/3/2023	499,882	8941P3N33
Victory Receivables	500,000	0.000%	4/18/2023	492,971	92646LRJ1
Walmart, Inc.	1,000,000	0.000%	1/9/2023	<u>999,044</u>	93114FN91
<b>Total Commercial Paper (Cost \$283,872,826)</b>				<u>28,872,826</u>	
<b>FEDERAL HOME LOAN BANKS - 4.95%</b>					
Federal Home Loan Bank	1,000,000	0.000%	2/8/2023	995,567	313384BQ1
Federal Home Loan Bank	500,000	0.000%	1/20/2023	498,929	313384AV1
Federal Home Loan Bank	2,000,000	0.000%	2/3/2023	<u>1,992,474</u>	313384BK4
<b>Total Federal Home Loan Banks (Cost \$3,486,970)</b>				<u>3,486,970</u>	
<b>MONEY MARKET FUNDS - 49.23%</b>					
BlackRock Liquidity Fed Fund - Institutional Class	728,868	0.003%	1/11/2023	728,868	09248U700
BlackRock Liquidity Treasury Fund - Institutional Class	1,409,646	0.003%	1/11/2023	1,409,646	09248U718
Dreyfus Government Cash Management Fund - Institutional Class	1,760,125	0.003%	1/11/2023	1,760,125	262006208
Dreyfus Preferred Government Money Market Fund - Institutional Class	1,832,393	0.003%	1/11/2023	1,832,393	26200X209
Dreyfus Treasury Obligations Cash Management Fund - Institutional Class	1,673,860	0.003%	1/11/2023	1,673,860	261908107
Dreyfus Treasury Securities Cash Management Fund - Institutional Class	1,720,663	0.003%	1/11/2023	1,720,663	261941108
DWS Government Money Market Series - Institutional Class	1,666,414	0.003%	1/11/2023	1,666,414	25160K207
Federated Government Obligations Fund - Institutional Class	1,469,593	0.003%	1/12/2023	1,469,593	60934N104
Federated Treasury Obligations Fund - Institutional Class	1,675,243	0.003%	1/11/2023	1,675,243	60934N500
Fidelity Investments Money Market Government Portfolio - Institutional Class	931,530	0.003%	1/11/2023	931,531	316175108
First American Government Fund	507,757	0.003%	1/12/2023	507,757	31846V567
First American Government Obligations Fund	1,690,704	0.003%	1/11/2023	1,690,705	31846V237
First American Treasury Obligations Fund	1,576,108	0.003%	1/11/2023	1,576,108	31846V229
Goldman Sachs Financial Square Money Market Fund	1,919,309	0.003%	1/12/2023	1,919,309	38141W273
GS Financial Square Treasury Obligations Fun	1,866,298	0.003%	1/11/2023	1,866,298	38141W323
GS Financial Square Treasury Solutions Fund	1,868,800	0.003%	1/11/2023	1,868,800	38142B880
HSBC US Government Money Market	1,913,138	0.003%	1/11/2023	1,913,138	40428X107
Invesco Treasury Portfolio	1,847,849	0.003%	1/11/2023	1,847,849	825252406
JP Morgan US Government Money Market Fund	1,500,000	0.003%	1/11/2023	1,500,000	4812C0670
JP Morgan US Treasury Plus Money Market Fund	1,792,977	0.003%	1/11/2023	1,792,977	4812C2239



**Pennsylvania Treasurer's INVEST Program for Local Governments  
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<b>INVEST Community Portfolio</b>	<b>Shares or Principal</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Value</b>	<b>Cusip</b>
<b>MONEY MARKET FUNDS - Continued</b>					
Morgan Stanley Liquidity Fund - Institutional Class	\$ 1,320,649	0.004%	1/11/2023	\$ 1,320,649	61747C707
STIT - Government & Agency Portfolio	1,998,632	0.003%	1/11/2023	<u>1,998,632</u>	825252885
<b>Total Money Market Funds (Cost \$34,670,558)</b>				<u>34,670,558</u>	
<b>Total Value of Investments (Cost \$70,530,354) - 100.156%</b>				\$ 70,530,354	
<b>Liabilities in Excess of Other Assets - (0.15)%</b>				<u>(108,942)</u>	
<b>NET ASSETS (100%)</b>				<u>\$ 70,421,412</u>	
Applicable to 70,530,354 outstanding shares of beneficial interest					
<b>NET ASSET VALUE PER SHARE</b>				\$ 1.00	