



County of Fresno Stable Value Fund

September 28, 2023

Maria Mendelsberg, CFA
Asst. Vice President & Portfolio Manager

Daniel Gargan
Client Portfolio Manager

Bill Thornton, CIMA®
Investment Director, Govt Markets

Empower Investments



Empower Investments & Empower

Empower Investments manages **\$190 billion** for retirement investors¹.

Our mission is to innovate and develop better investment solutions for retirement investors.

Our solutions are shaped from a unique, first-hand understanding of the needs and behaviors of more than 17 million retirement investors across more than 71,000 retirement plans²

1. As of 6/30/2023. Empower Investments collectively refers to assets managed by Empower Capital Management, LLC as well as Empower's general account products, stable value products, and institutional separate accounts.

2. As of June 30, 2023. Information refers to all retirement business of Empower Annuity Insurance Company of America (EAICA) and its subsidiaries, including Empower Retirement, LLC; Empower Life & Annuity Insurance Company of New York (ELAINY); and Empower Annuity Insurance Company (EAIC), marketed under the Empower brand.

3. According to Stable Value Investment Association (SVIA) October 2022 stable value provider rankings

4. As of June 30, 2023. Rating is the Overall Star Rating according to Morningstar®

At A Glance

- **#1 Stable Value provider** in the DC industry with more than \$100bn AUM³
- Highly compelling **institutional separate account platform with 100+ funds** comprising **\$49 billion of AUM** featuring premier managers across the spectrum of asset classes
- Empower Funds with **26 funds rated 4 or 5 stars by Morningstar⁴**

Capital Preservation Products

Empower Investments is the largest provider of stable value products for retirement plans with more than \$100 billion of stable value product assets as of June 30, 2023.

Stable Value Products

Empower Investments is a pioneer in stable value investing, bringing to market our first stable value product in 1976. Today, we offer two customized stable value products:

- Empower Custom Stable Value Portfolios
- Empower Diversified Stable Value Portfolios

General Account Fixed Products

Empower Investments offers a general account product whose principal and interest is guaranteed by EAICA, ELAINY or EAIC as applicable.

- Empower Investments Fixed Account
- Guaranteed Interest Account

* As of June 30, 2023. Ratings are subject to change and represent the opinions of the rating agencies regarding the financial strength of EAICA, ELAINY, and EAIC and their ability to meet ongoing obligations to their respective policyholders. Ratings do not pertain to any offered product or any affiliates or subsidiaries.

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Empower Investments capital preservation products are backed by highly rated insurance companies with strong and stable financial strength ratings: Empower Annuity Insurance Company of America (EAICA), Empower Life & Annuity Insurance Company of New York (ELAINY), Empower Annuity Insurance Company (EAIC).

Financial Strength Ratings *

EAICA	ELAINY	EAIC	
A+ ¹	A+ ¹	A+ ¹	A.M. Best Company, Inc.
AA ²	AA ²	AA- ²	Fitch Ratings
Aa3 ³	Aa3 ³	Aa3 ³	Moody's Investors Service
AA ²	AA ²	AA- ²	Standard & Poor's Ratings Services

¹ Superior (highest of 7 rating categories and second highest of thirteen possible ratings)

² Very strong (second highest of nine categories)

³ Excellent (second highest of nine categories)

Empower Investments Team Structure

Raman Srivastava, CFA
Global CIO & Executive Vice President

Jack Brown, CFA
SVP, U.S. CIO & Lead Portfolio Manager

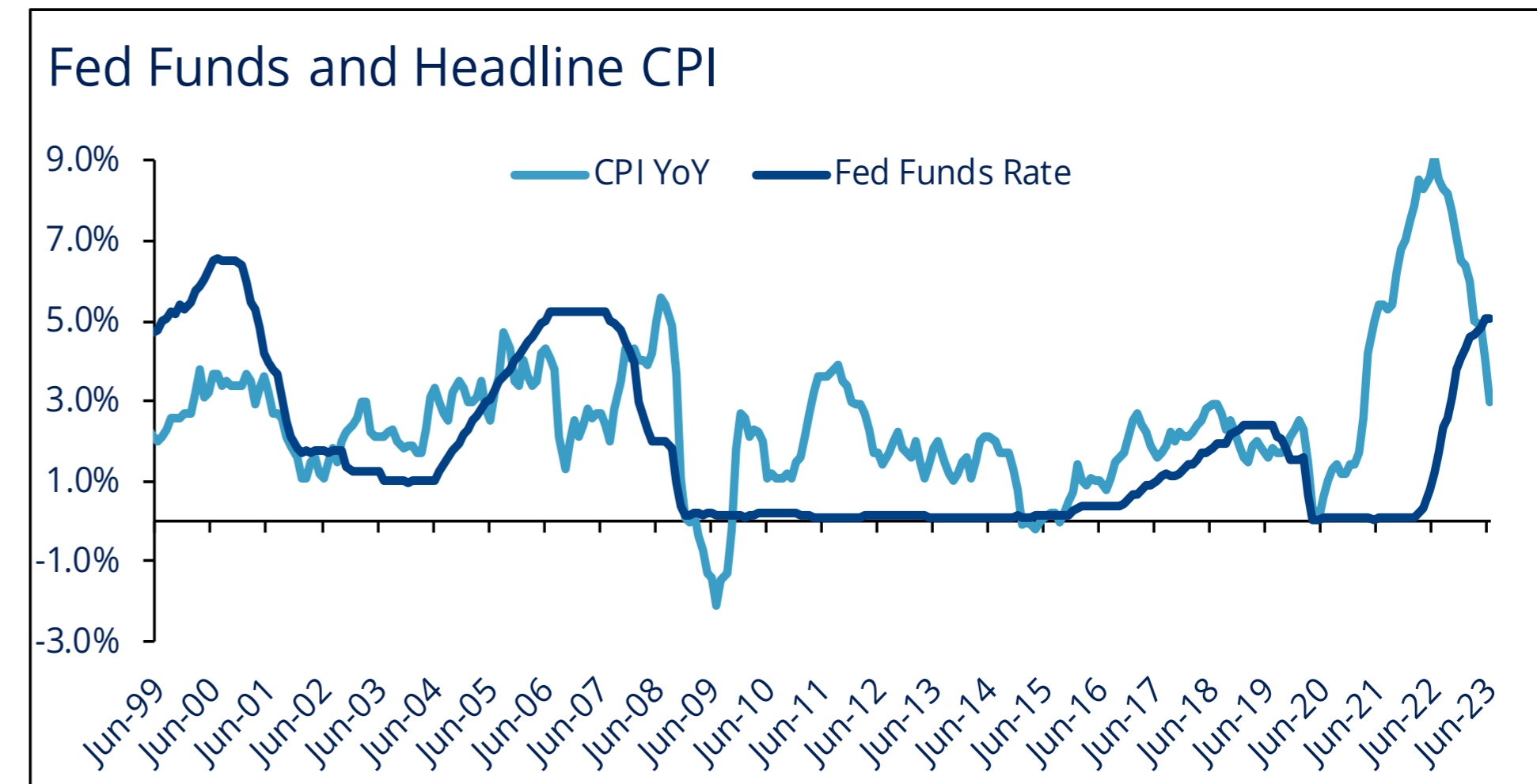
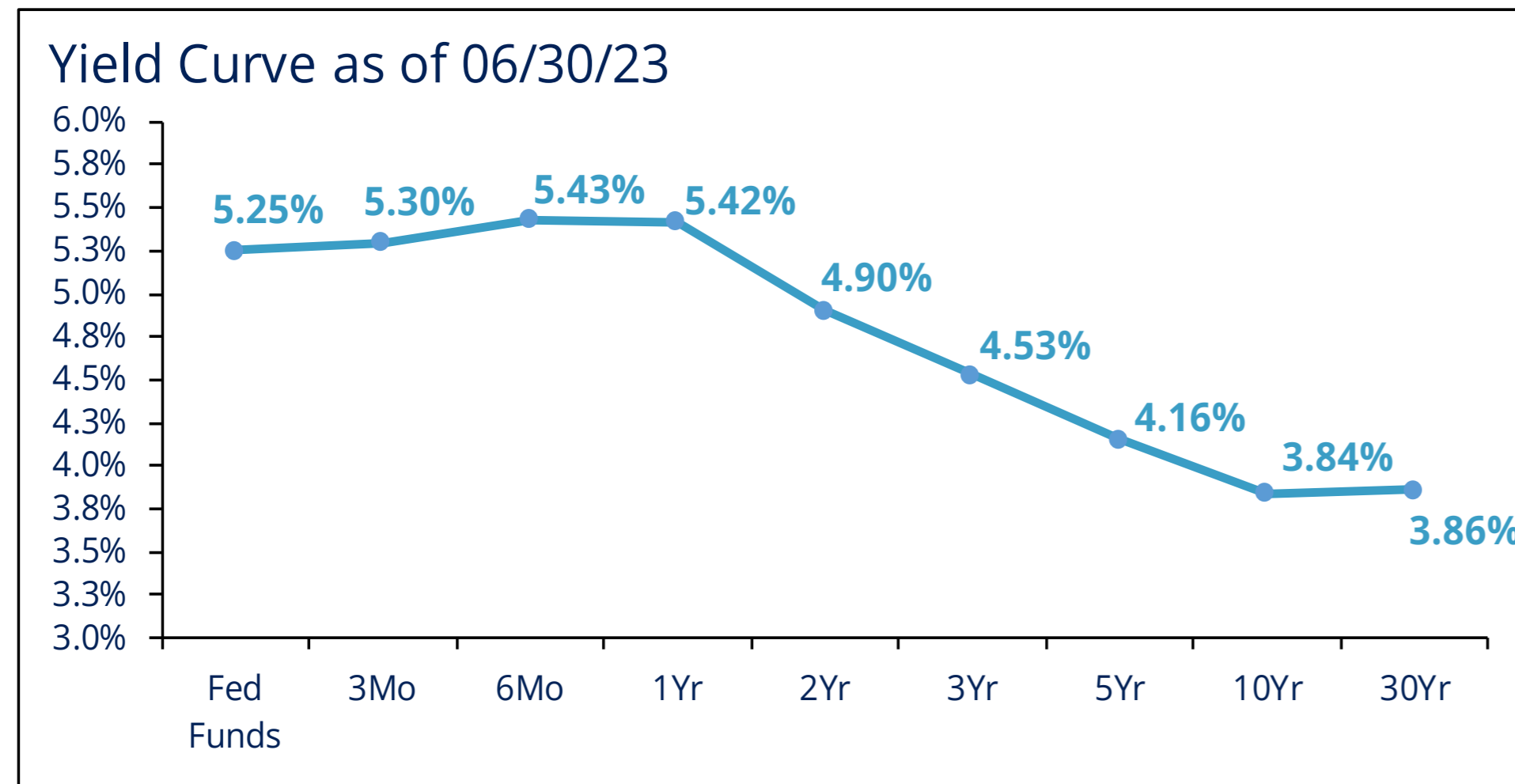
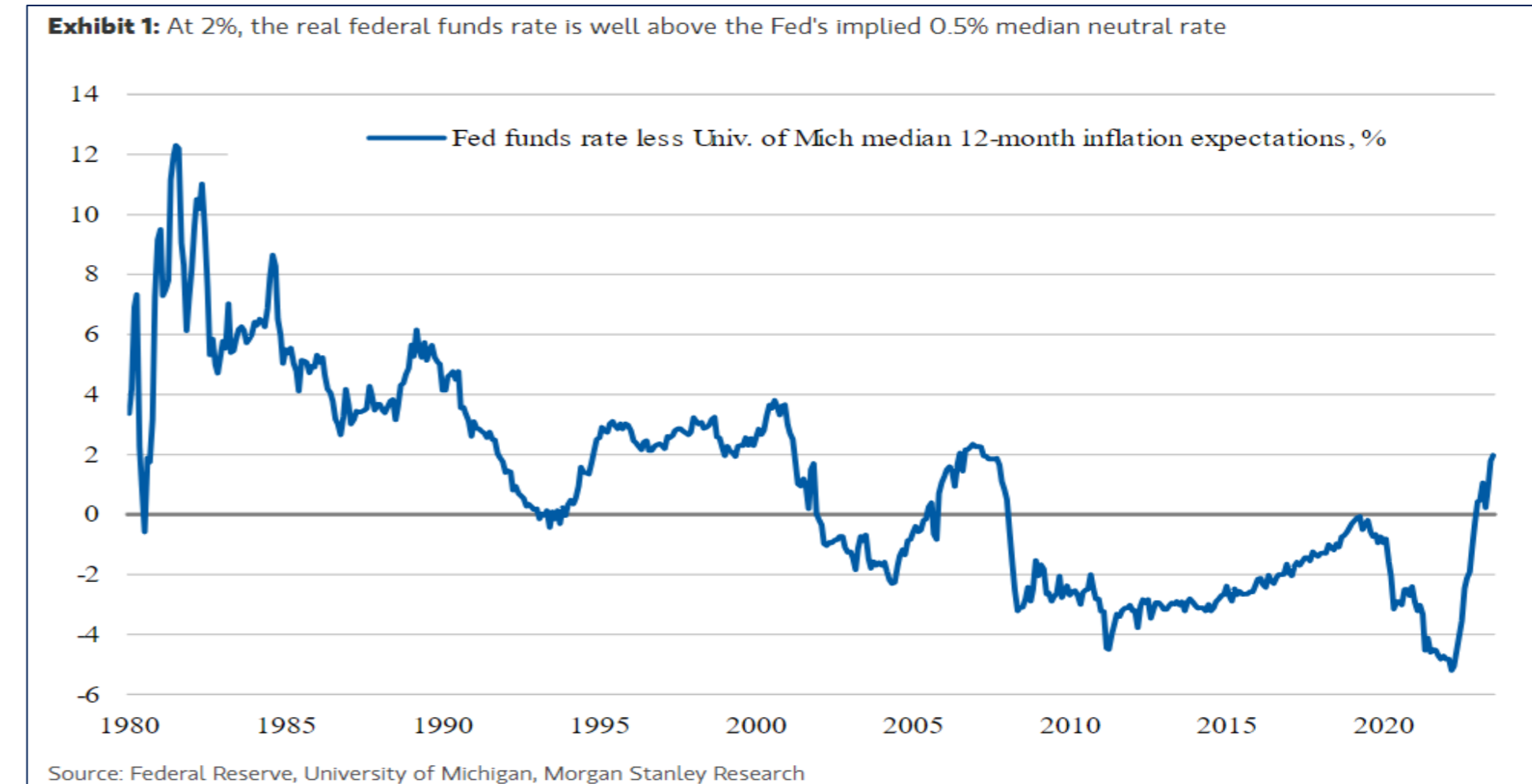
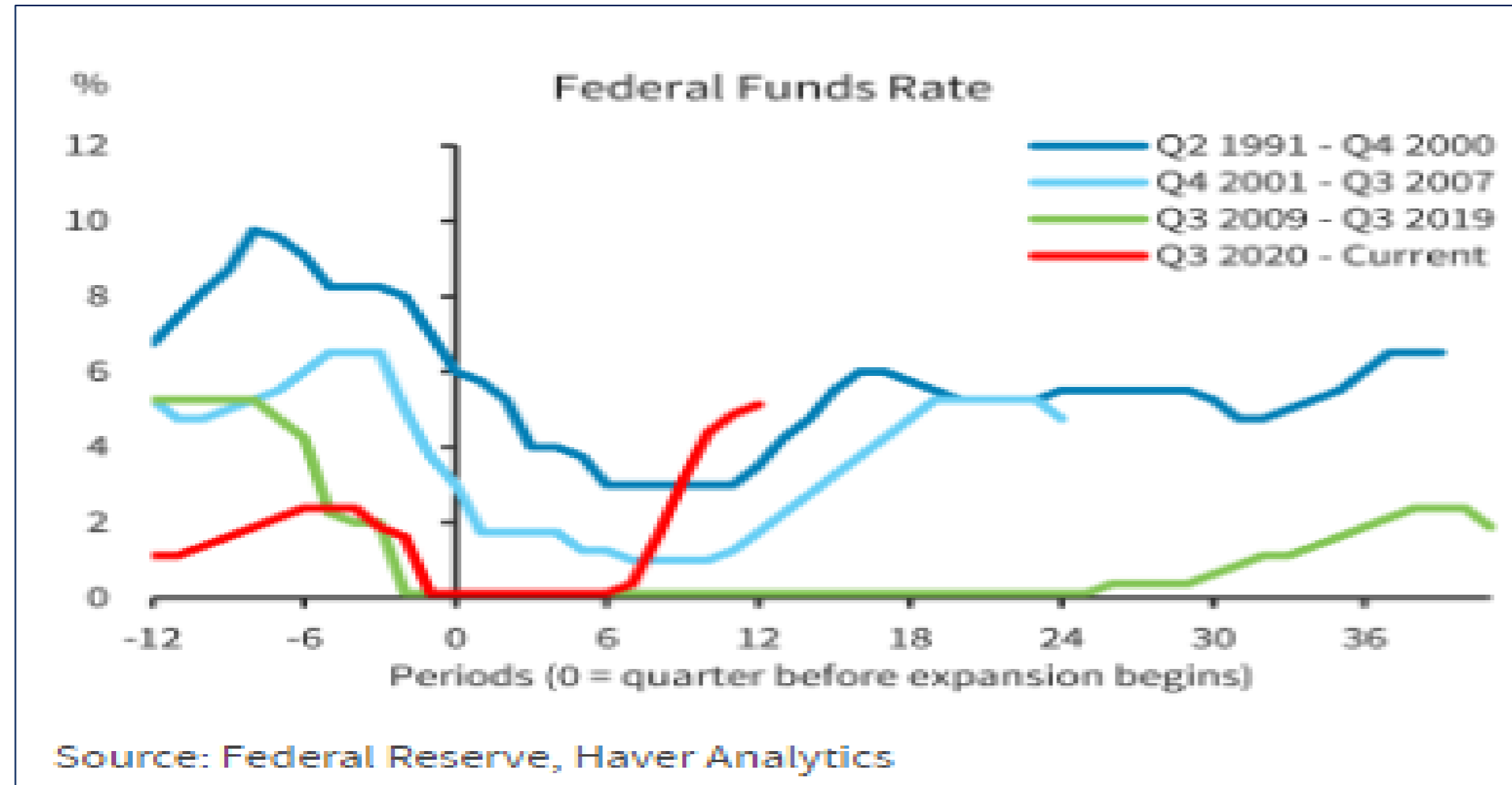
TRADING & HEDGING	PORTFOLIO MANAGEMENT		CORPORATE BOND RESEARCH		STRUCTURED PRODUCTS	COMMERCIAL MORTGAGES	
Timothy Dodd, CFA Trader, Corporate Credit	Maria Mendelsberg, CFA AVP, Portfolio Management, Credit	Anthony Arnese, CFA AVP, Portfolio Management, High Yield	Tad Anderson AVP, Head of Corporate Bond Research		Darrin Clough, CFA AVP, Portfolio Management, Structured Investments	Jacob Cannon Head of Commercial Mortgage Lending	
Jason Harubin, CFA Trader, Structured Investments	Mikki Sells AVP, Portfolio Construction Specialist	Tareq Affouri, CFA Assistant Portfolio Manager, Credit	Anthony Barbato, CFA Sr. Mgr Investments Credit Research High Yield, Consumer Staples	Robyn Richards, CFA, CPA AVP, Investments Credit Research REITS, Insurance	Adam Wilde, CFA Sr. Analyst Structured Investments ABS, CLO	Steve Pulver Sr Manager Mortgage Investments	Michael Harrington Manager Mortgage Investments
Stephanie Bopp Trader, Corporate Credit	Nicole Morgan Analyst Portfolio Analysis	Daniel Gargan Client Portfolio Manager	Rob Steger Sr. Investments Analyst Technology	Bradley Bell, CFA Manager, Investments Credit Research Energy, Housing	Joe Astifan, CFA Analyst Structured Investments Agency MBS, Agency CMBS	Fred Hoffman Manager Mortgage Investments	John Maher Manager Mortgage Investments
Cameron Farrell Assistant Trader	Alexander Johansson Analyst Portfolio Analysis		Sandra Shan, CFA Sr. Investments Analyst Consumer Cyclical, Transportation	Luke Obermeyer, CFA Sr. Investments Analyst Consumer Non-cyclicals, Healthcare	Peter Lorbiecki, CFA Analyst Structured Investments Esoteric ABS	Kimberly Eggers Sr. Analyst Mortgage Investments	Brian Monahan Analyst Mortgage Investments
			Steven Armbruster Investments Analyst Diversified Industrials	Rachel Lin, CFA Investments Analyst Financials	Connor Kistler Analyst Structured Investments CMBS, RMBS	Tyler Dollahan Associate Analyst Mortgage Investments	Aaron Cabrera, CFA Analyst Mortgage Investments
			Elliott Benson, CFA Investments Analyst Communications, Materials	Darren Lang, CFA Investments Analyst Media, Telecom, Business Services	Doug Schwartz CLO Structuring Manager		
			Mathew Koomen Spec Investments Credit Research	Jeff Strong, CFA Investments Analyst, Utilities	Jack Stallone Sr. CLO Structuring Analyst		
			Ken Boyd Spec Investments Credit Research				

EXPERIENCE

- Investment professionals: 43
- Avg. investment experience: 15 years
- Avg. years at Empower: 7 years
- Middle office professionals: 10

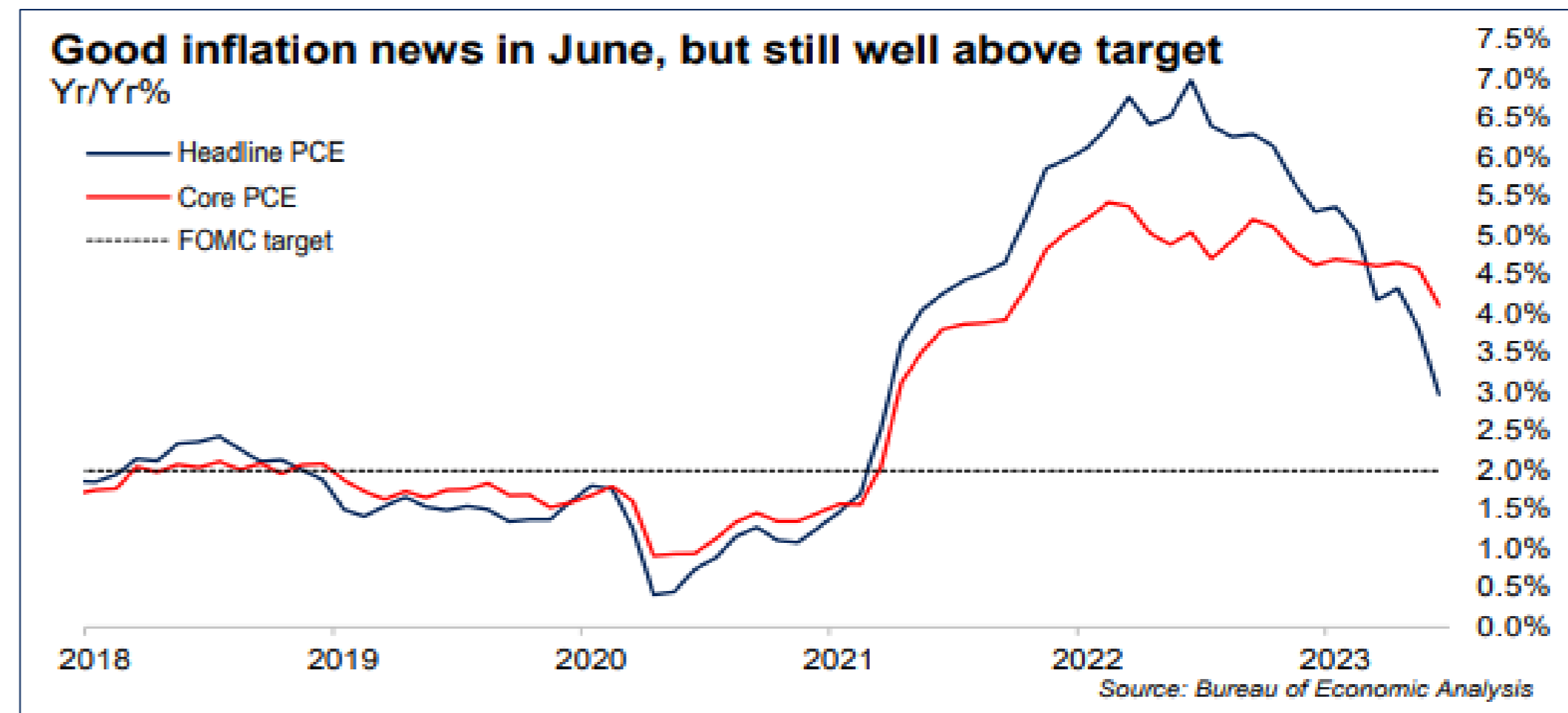
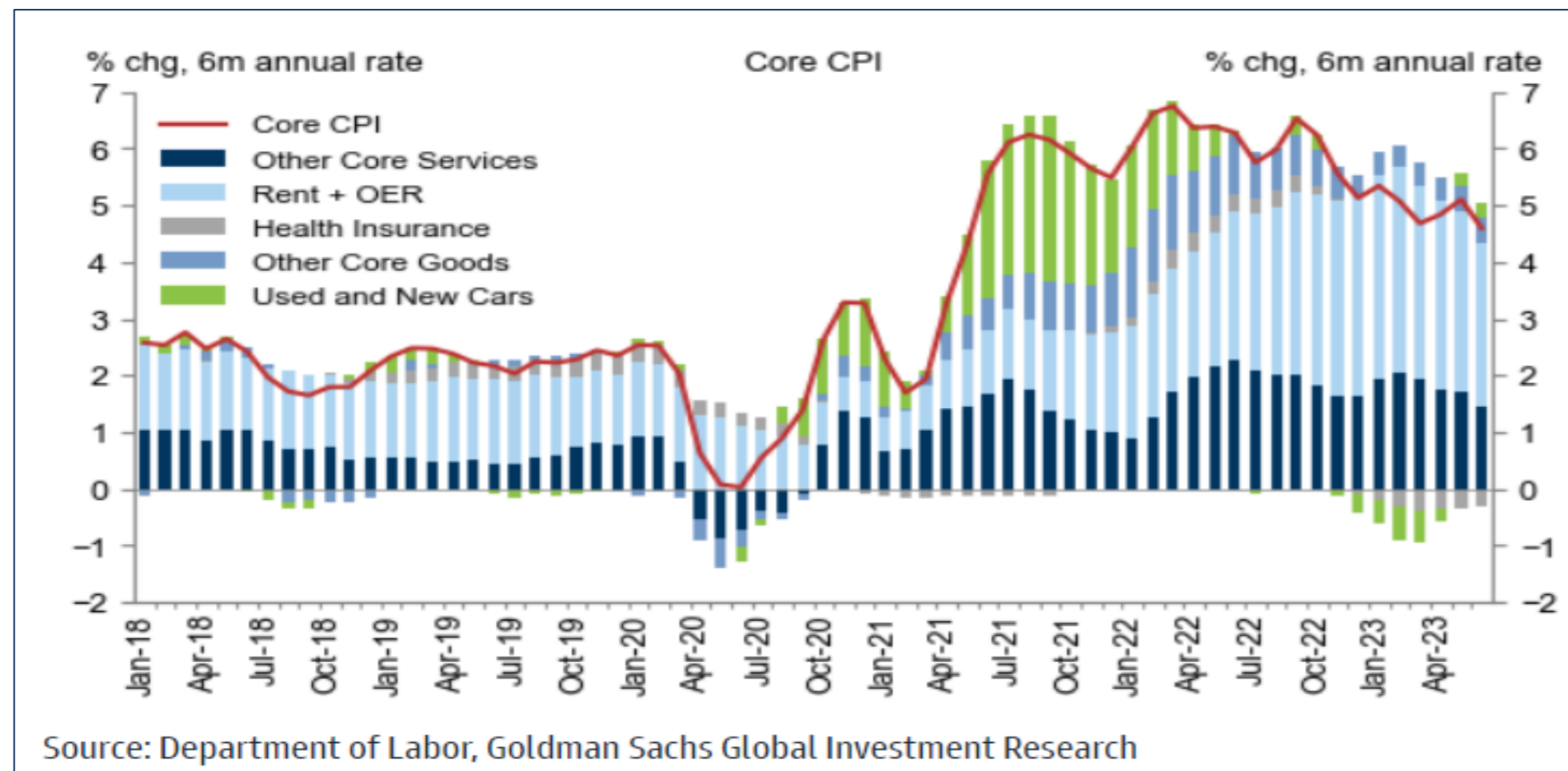
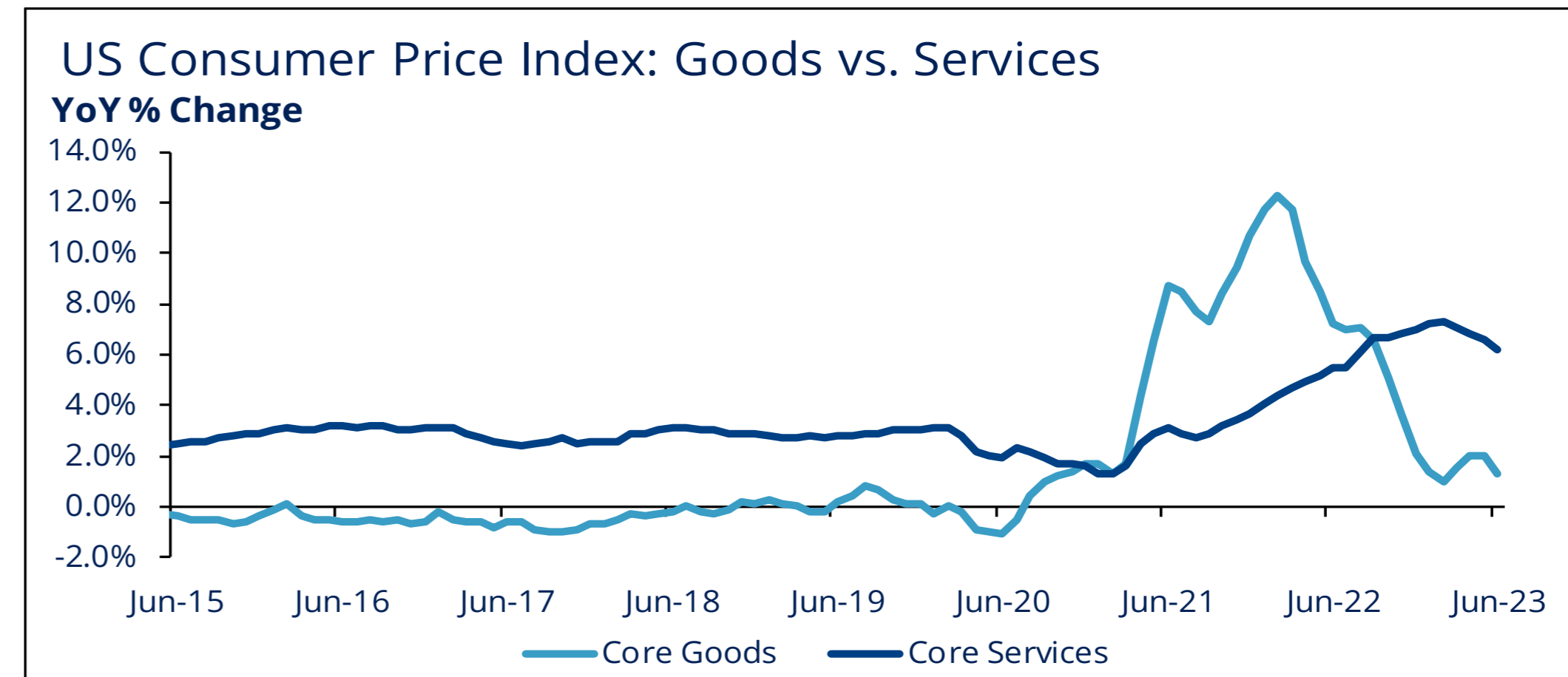
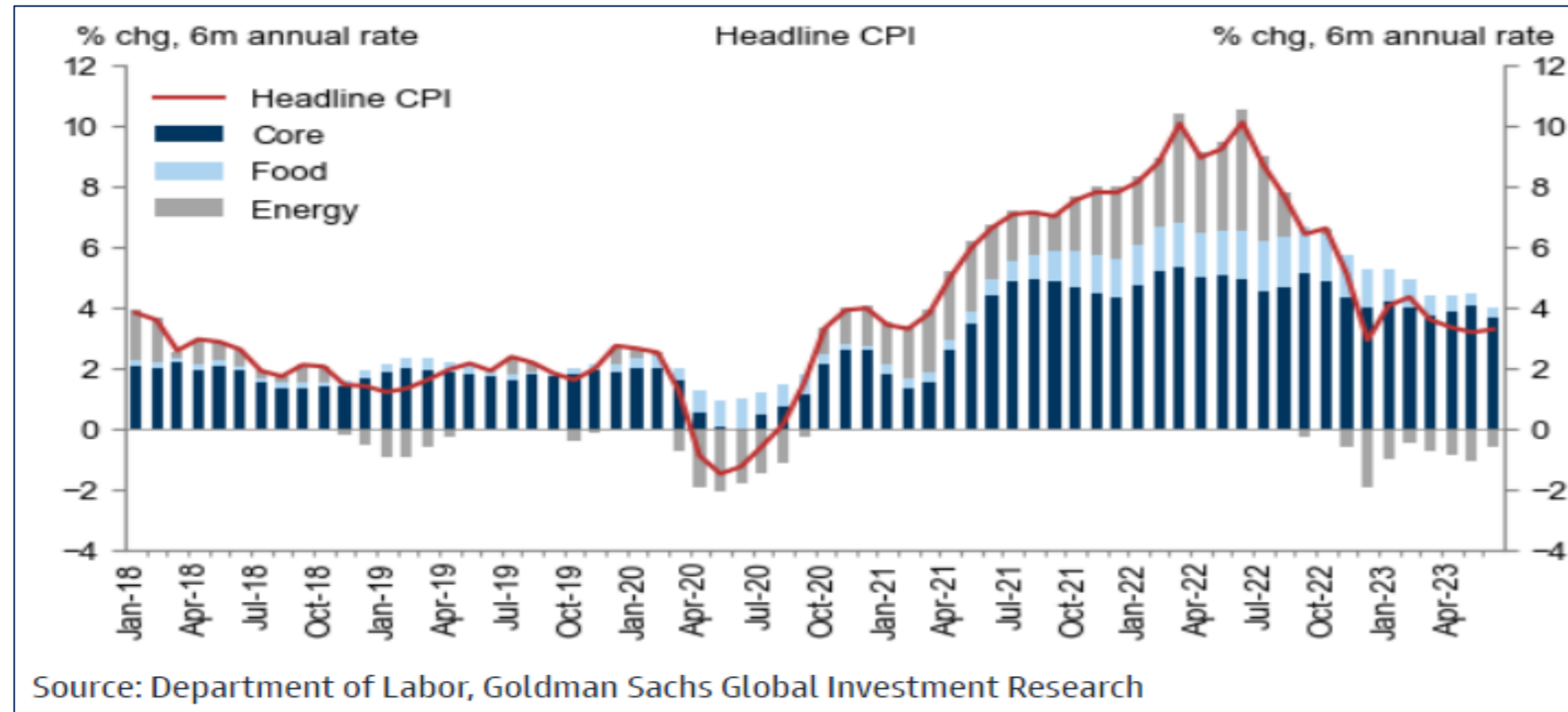
Economic Review & Outlook

Is the fastest hiking cycle in decades reaching an end?

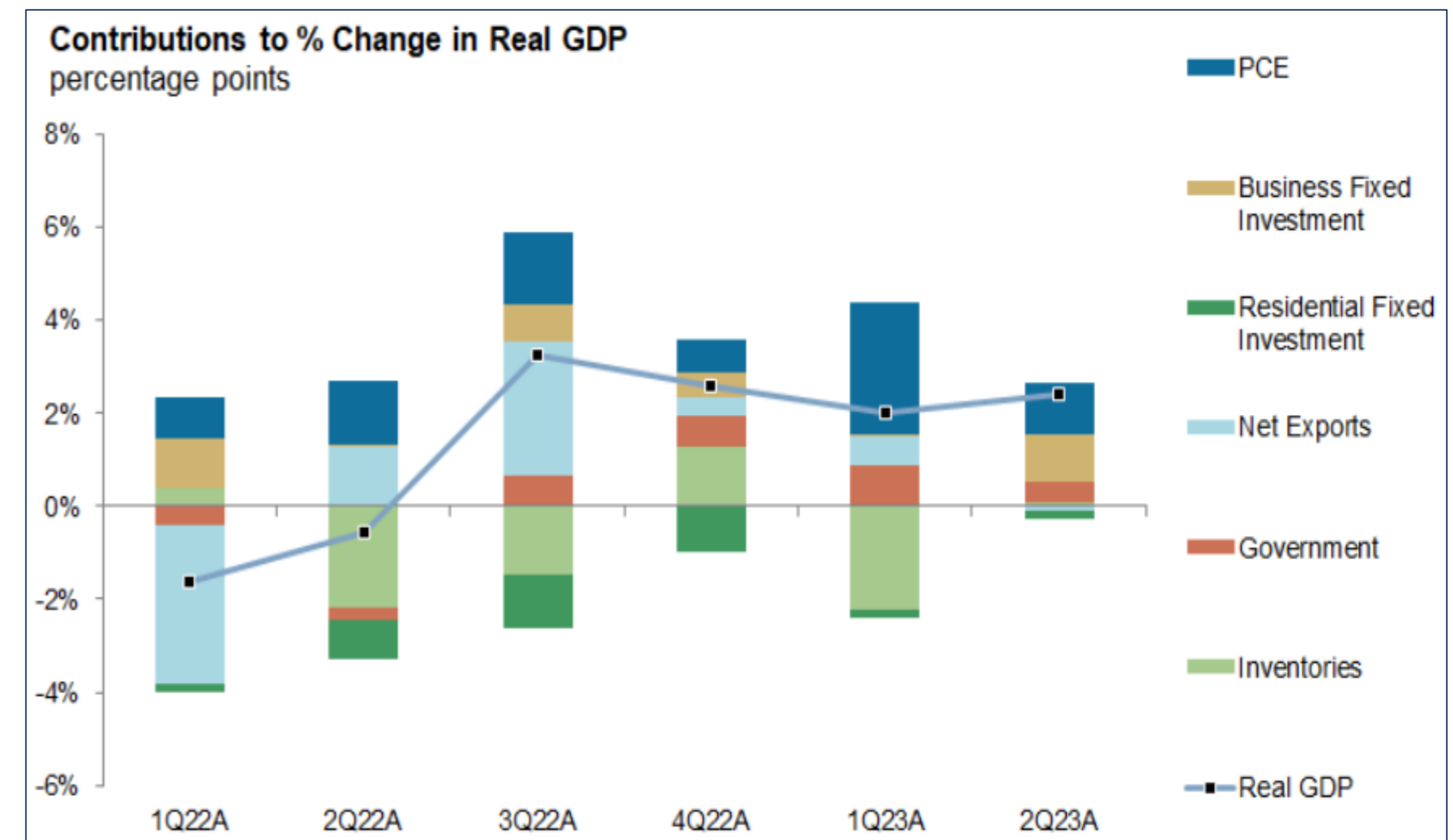
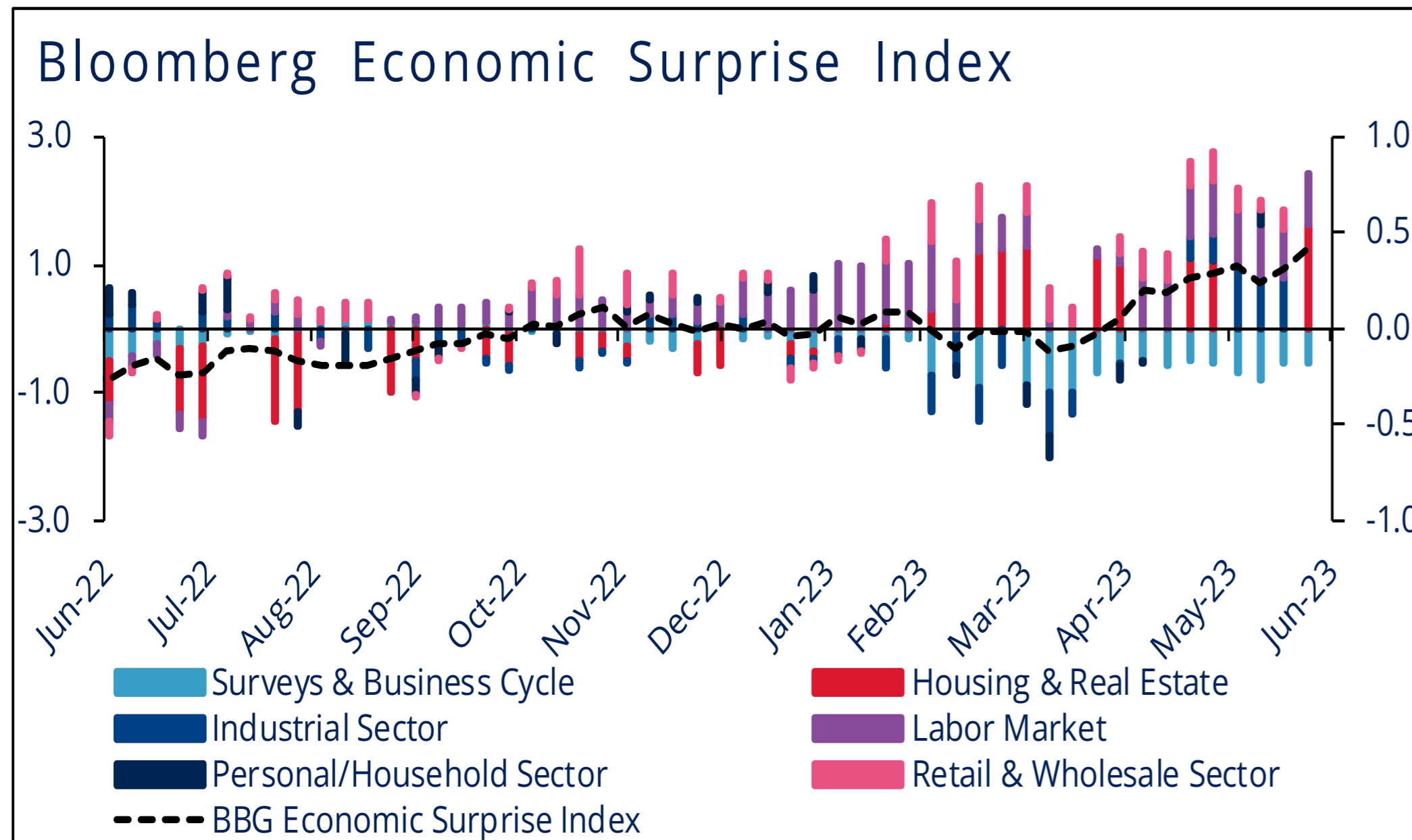


Source: Bloomberg, FOMC, Federal Reserve, Barclays, FHN, University of Michigan, Morgan Stanley
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Clear signs of disinflation but 2% target is a ways away



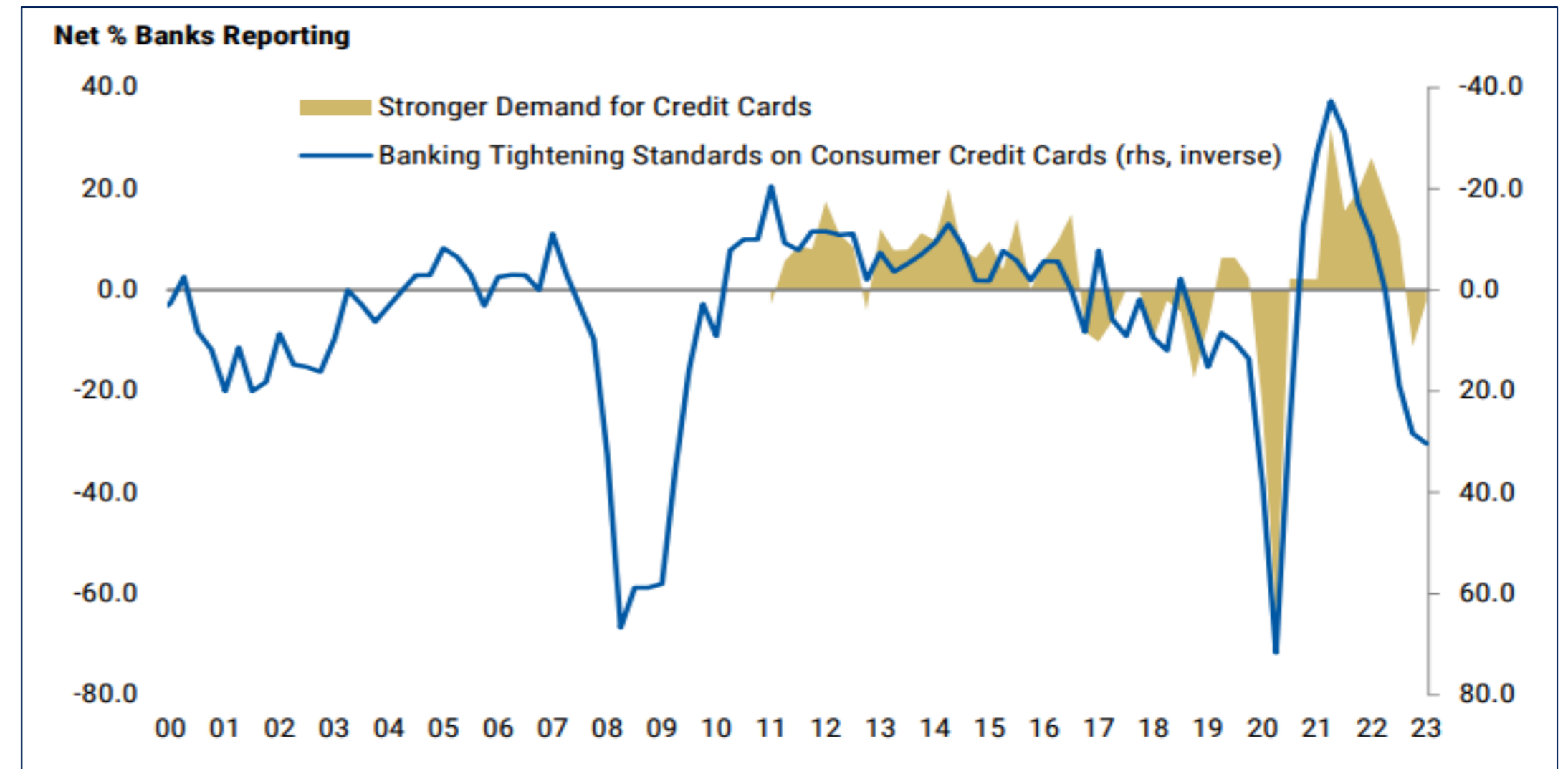
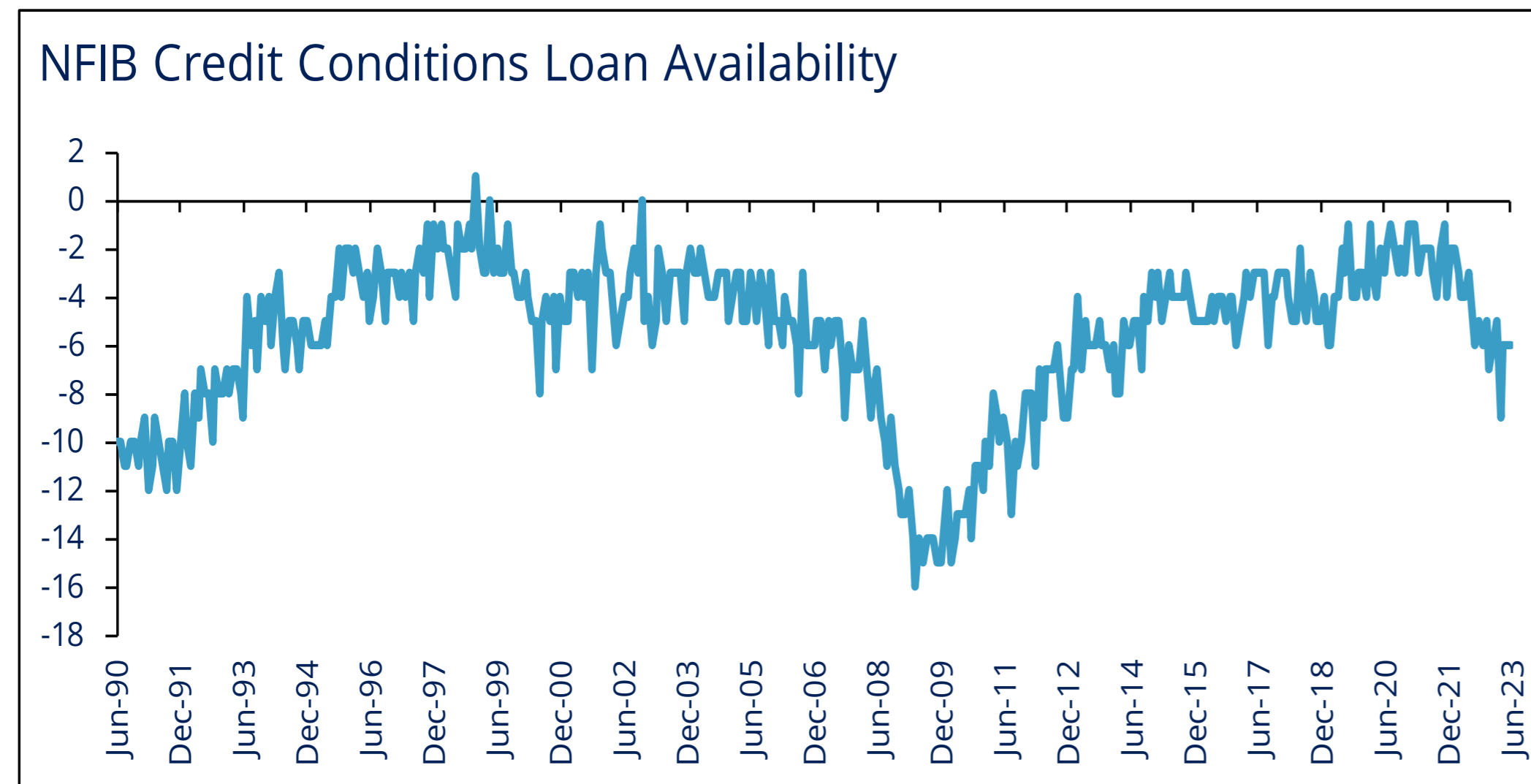
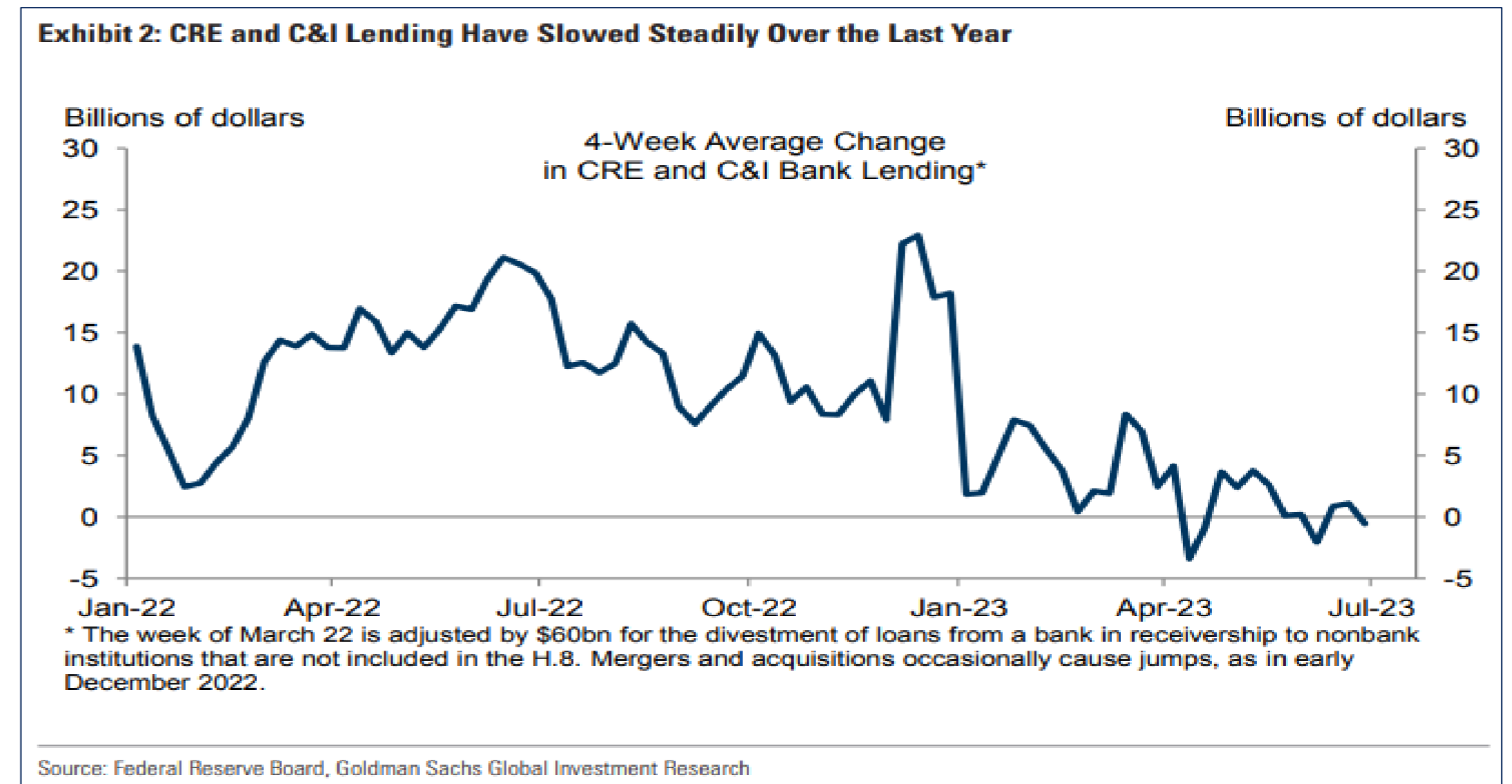
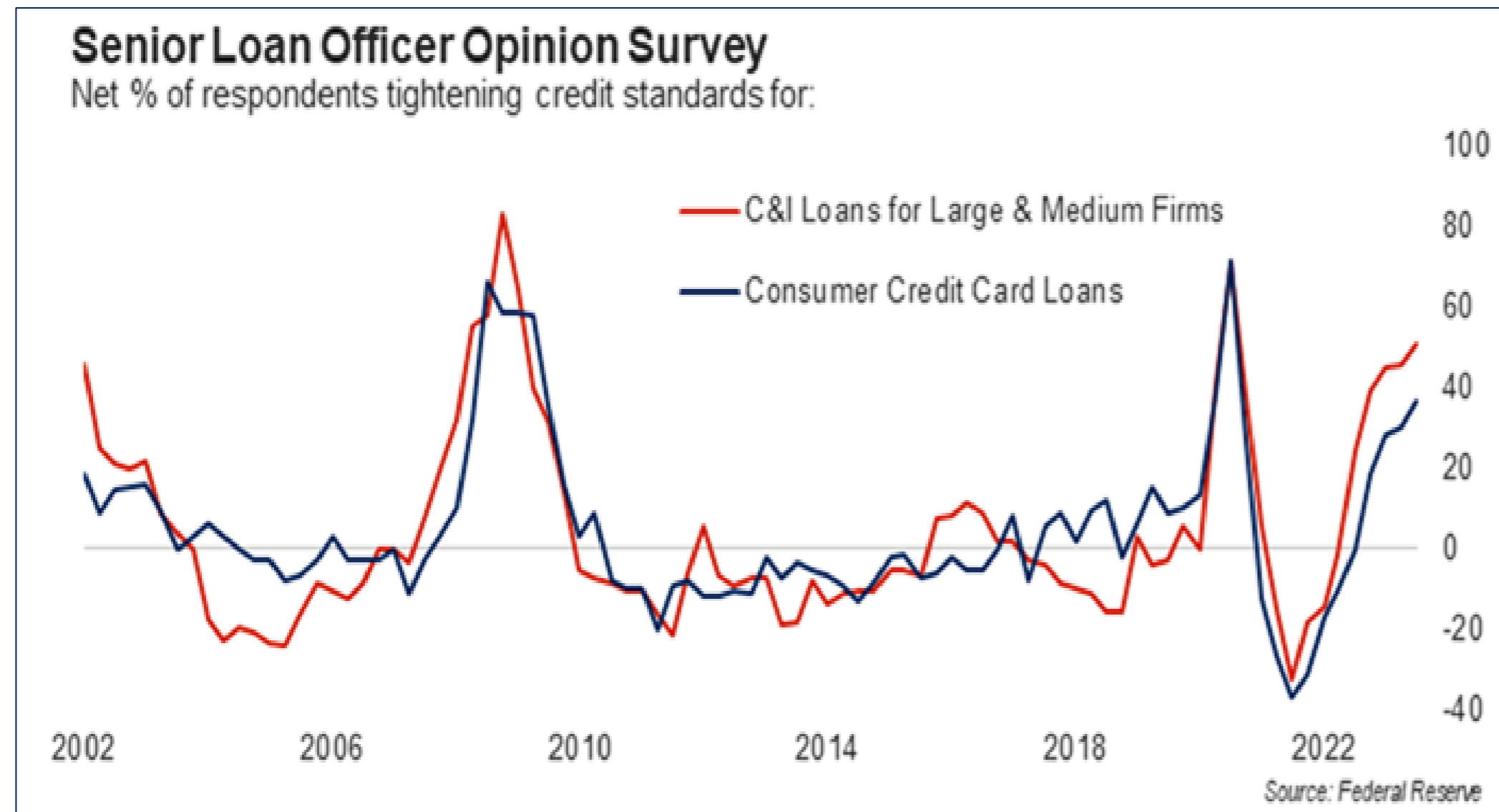
Most Q2 economic data surprised to the upside



Source: Bloomberg, BEA, Morgan Stanley

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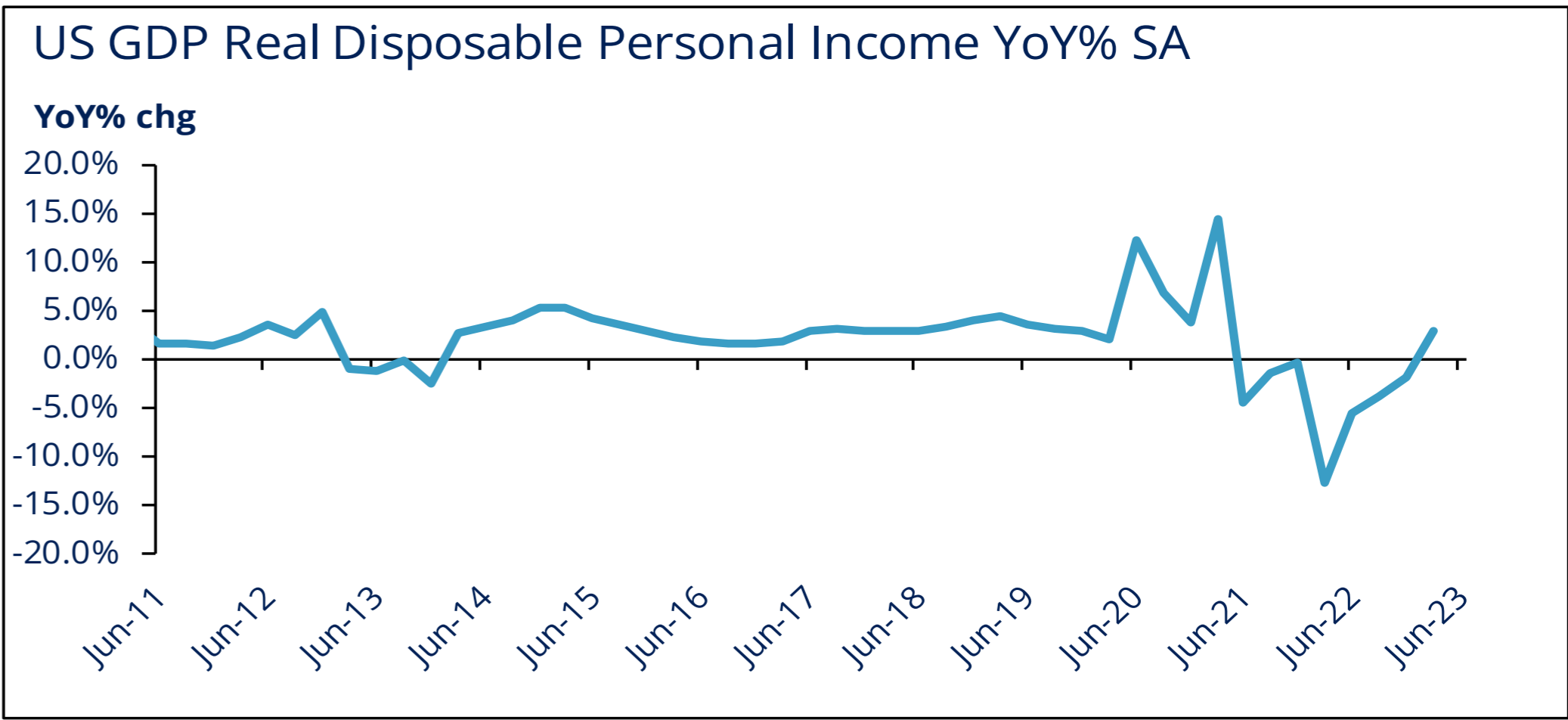
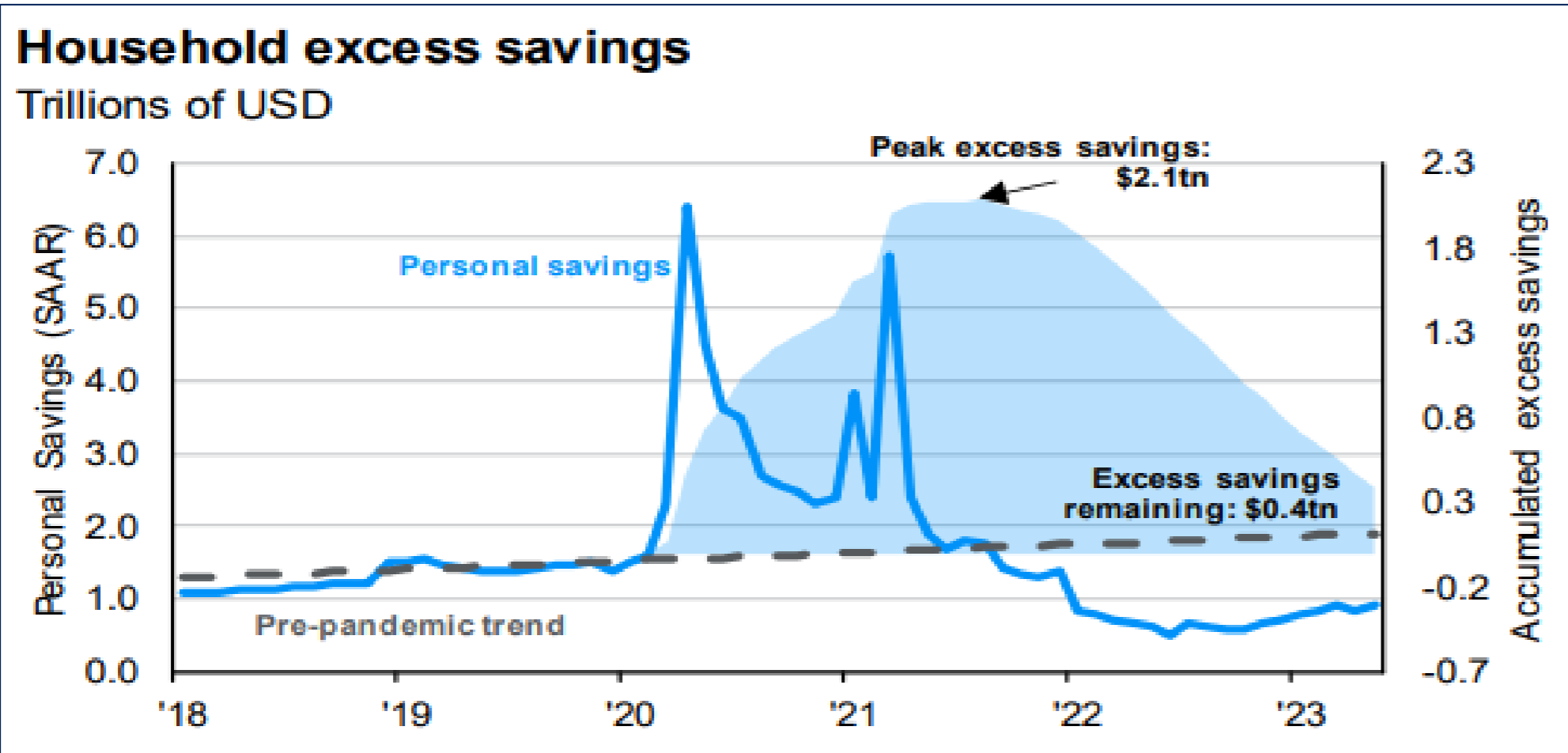
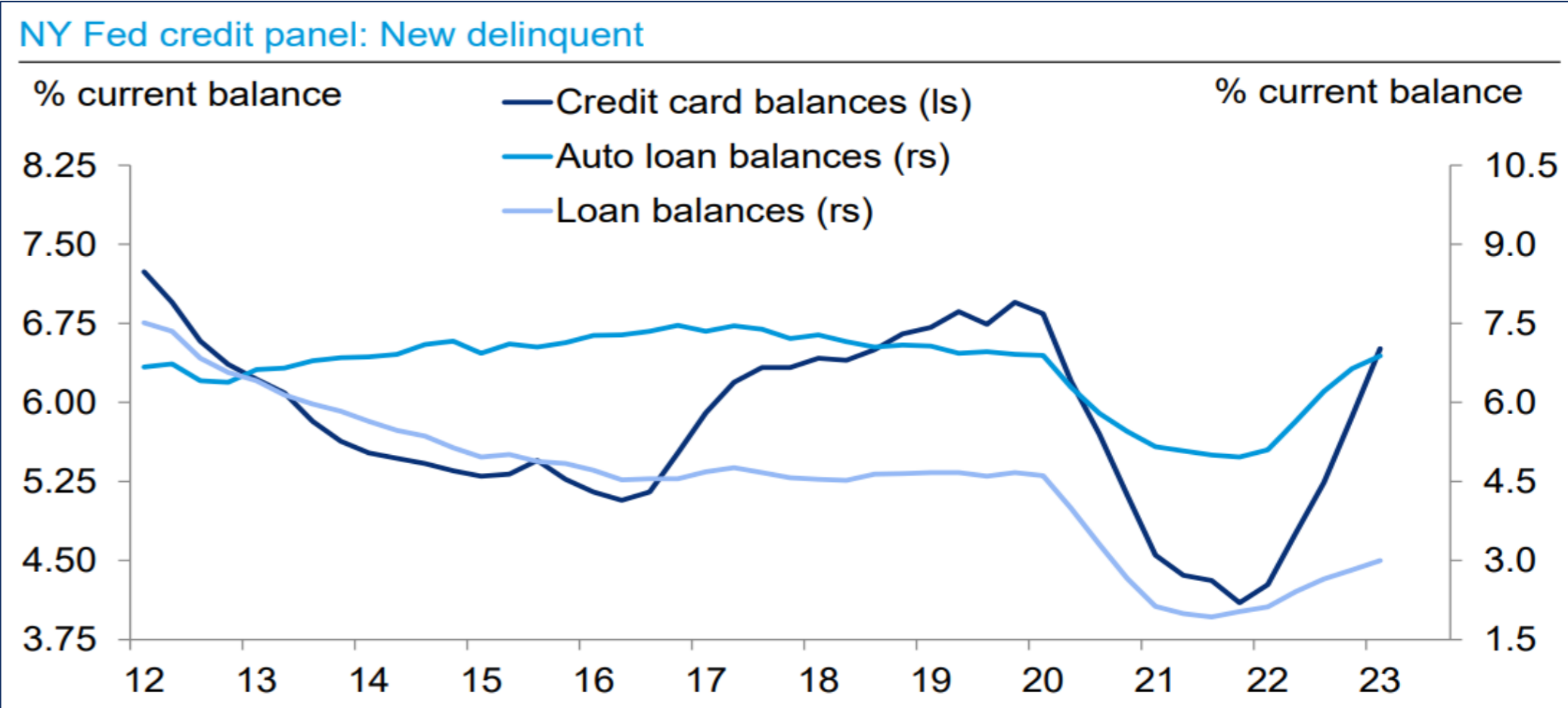
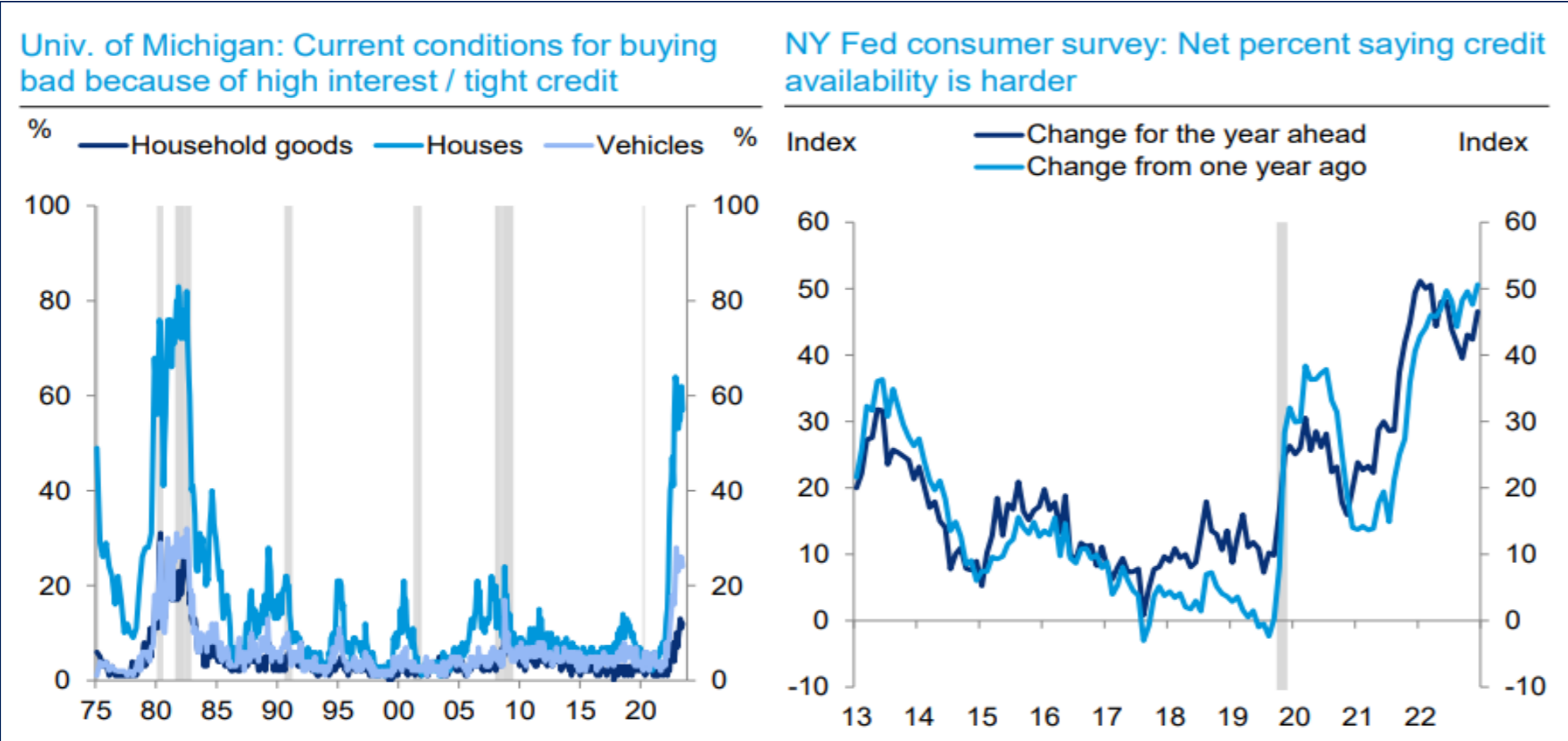
Bank lending is a crucial engine of US growth



Source: Bloomberg, NFIB, FRB, St. Louis Fed, Goldman Sachs, Morgan Stanley

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Consumer spending has been solid but headwinds are rising

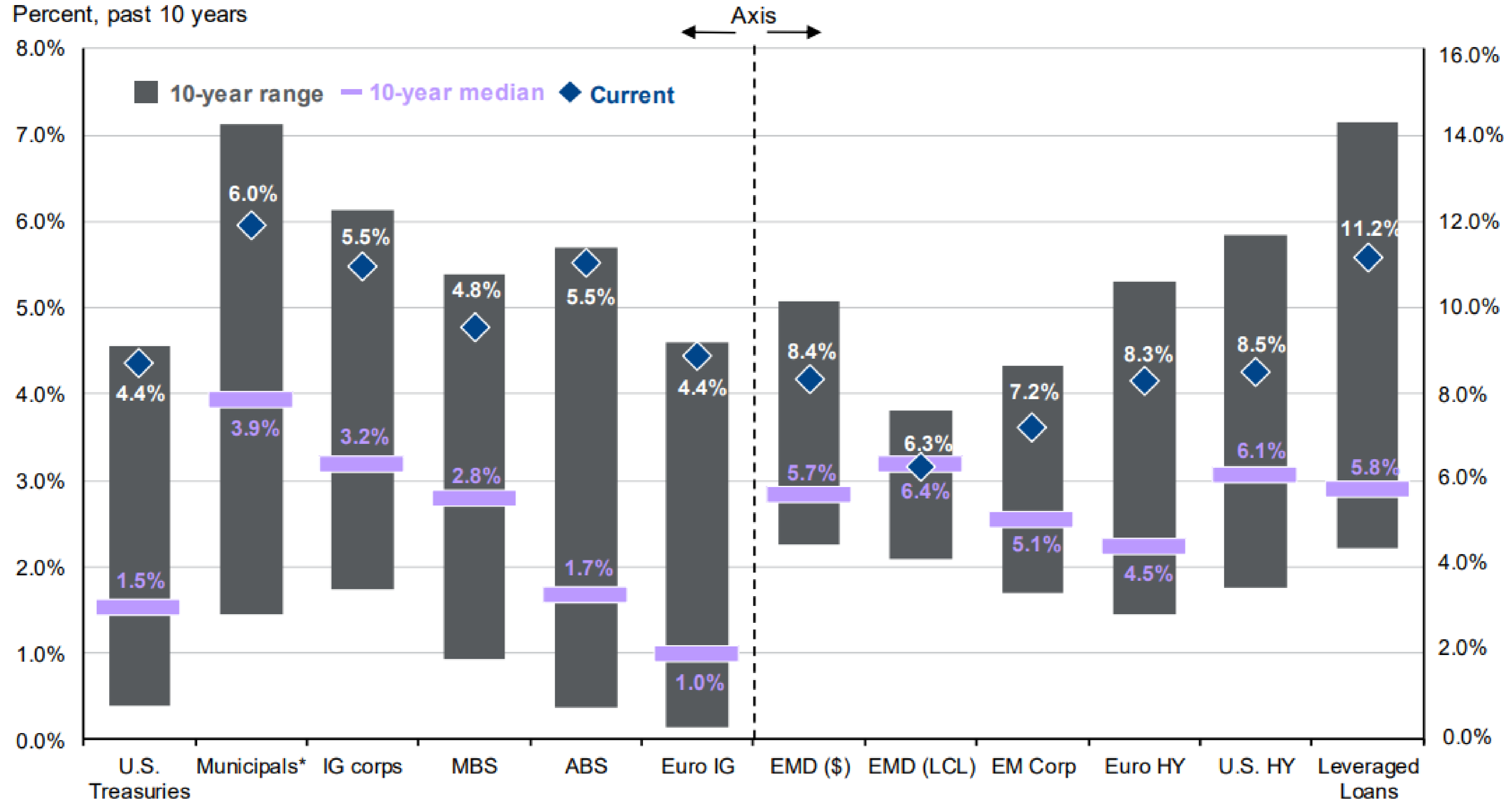


Source: Bloomberg, Federal Reserve, BLS, BEA, Census Bureau, JP Morgan, Deutsche Bank
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Fixed income yields remain the most attractive in years

Yield-to-worst across fixed income sectors

Percent, past 10 years



Source: JP Morgan, Bloomberg

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Portfolio Performance & Composition

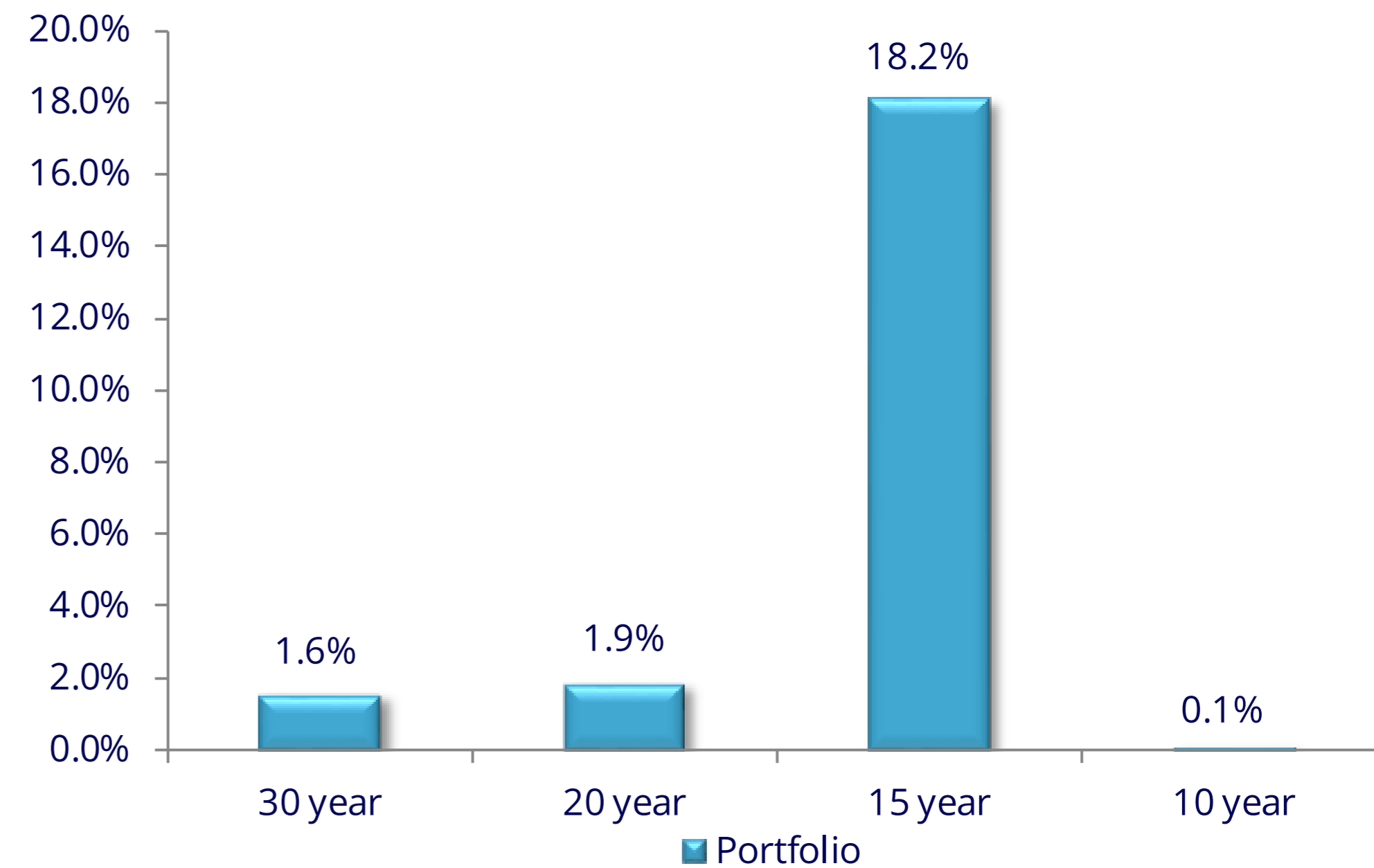
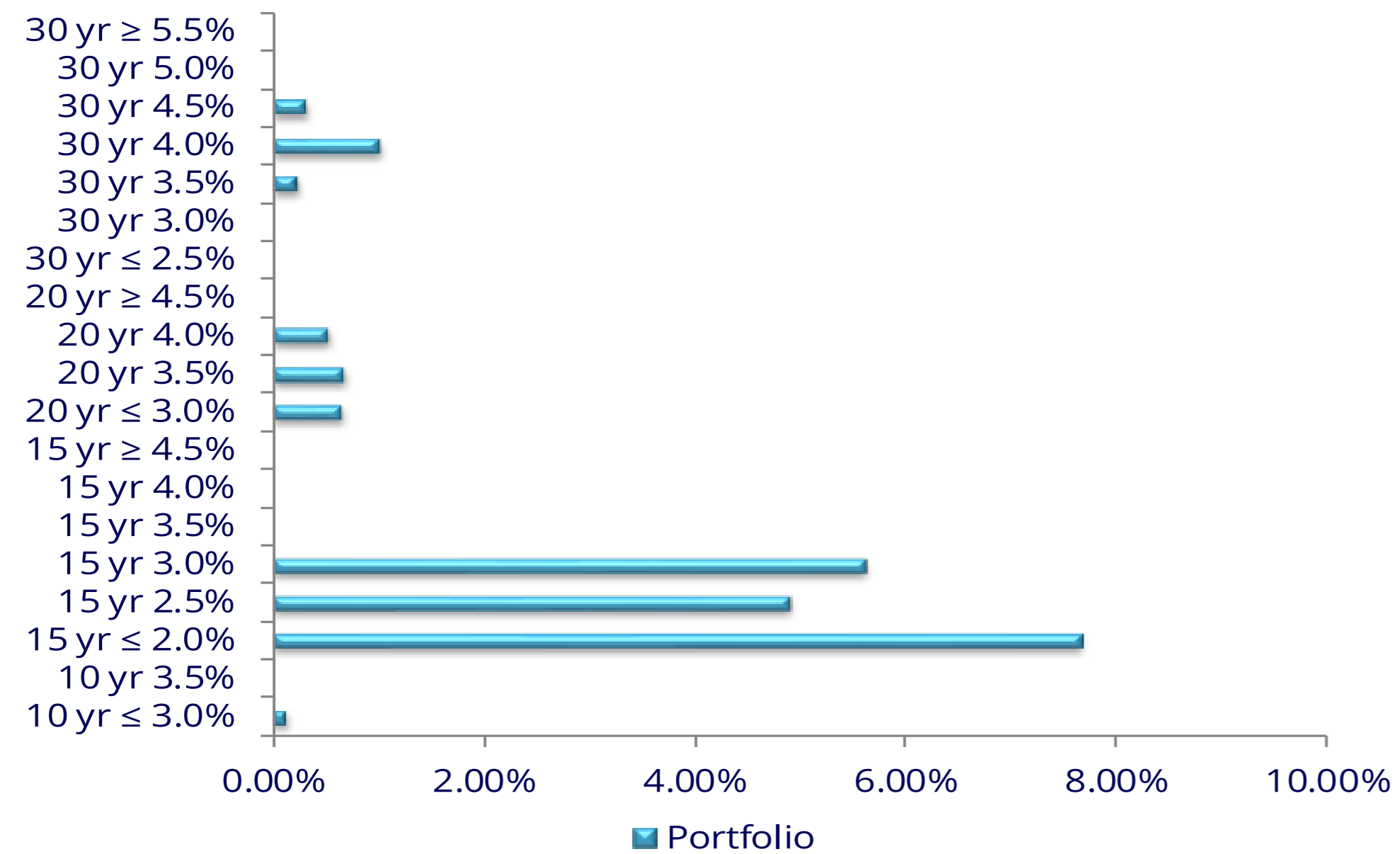
Portfolio composition

6/30/23	Fresno	Fresno Duration
Sector Weightings:		
Treasury	1.2%	3.2
Agency	0.0%	0.0
MBS	21.8%	3.6
30 year	1.6%	5.3
20 year	1.9%	3.1
15 year	18.2%	3.6
10 year	0.1%	1.7
CMO	2.1%	3.8
CMO Agency	1.0%	3.7
CMO Non-Agency	1.1%	3.9
Corporate Bonds	48.8%	2.8
Finance	28.7%	2.6
Banks	14.7%	2.4
REITs	2.6%	3.0
Other	11.4%	2.8
Industrial	19.6%	3.0
Communication	1.9%	3.4
Consumer Cyclical	3.4%	3.1
Consumer Non Cyclical	7.4%	3.0
Energy	0.9%	2.5
Industrial	3.7%	3.0
Materials	0.5%	3.4
Technology	1.3%	2.7
Transportation	0.4%	2.3
Utility	0.4%	3.5
Government Related	0.0%	0.0
CMBS	11.4%	2.0
CMBS Agency	4.6%	2.4
CMBS Non-Agency	6.8%	1.7
ABS	11.5%	1.1
Auto	3.3%	1.6
CLO	5.2%	0.2
Other	3.0%	2.4
Cash & Cash Equivalents	3.2%	0.0

Credit Quality	AA
Weighted Average Life	3.1
Effective Duration	2.6
Effective Convexity	0.1
Yield To Maturity	5.52
OAS	88
Total AUM	\$62,806,996

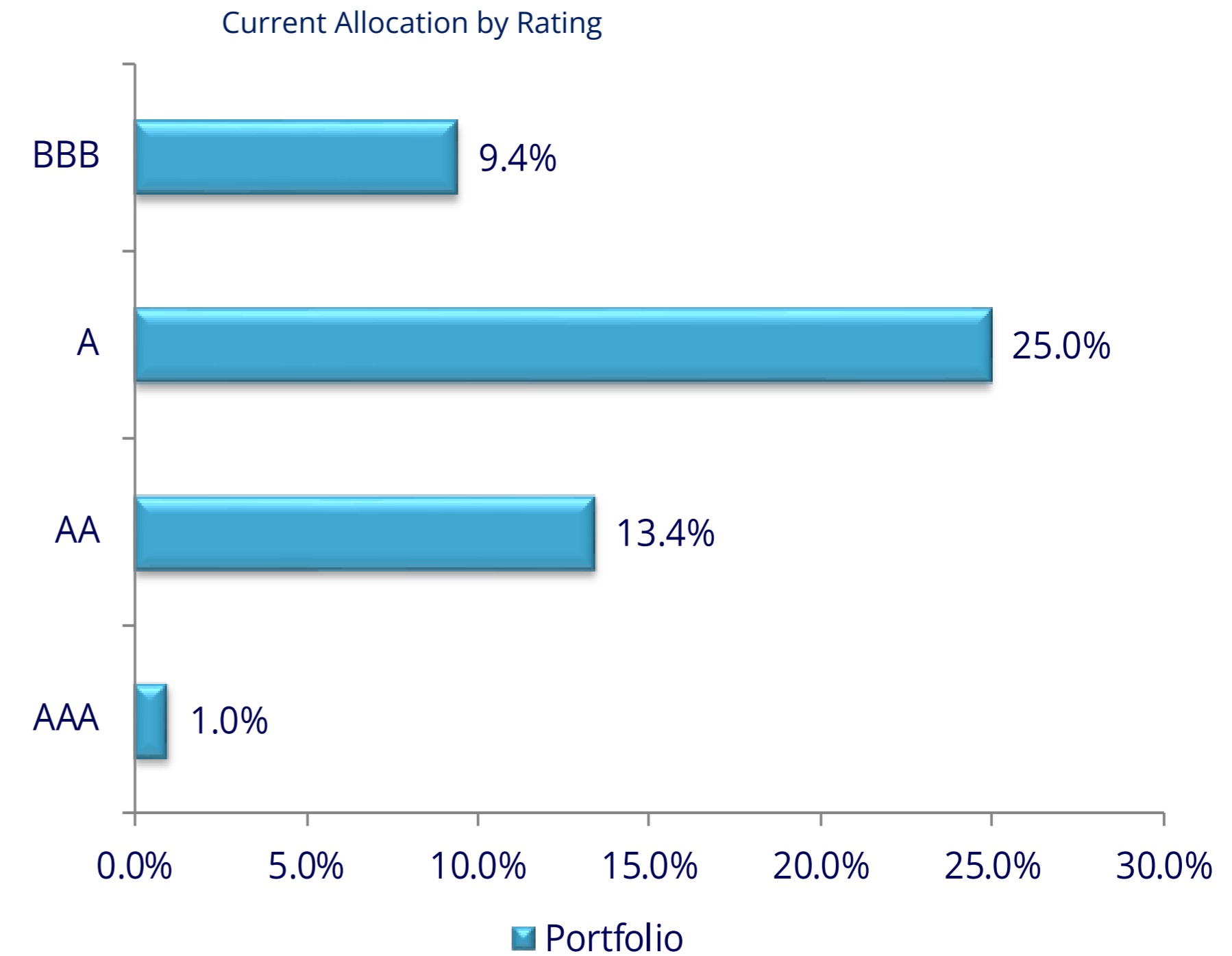
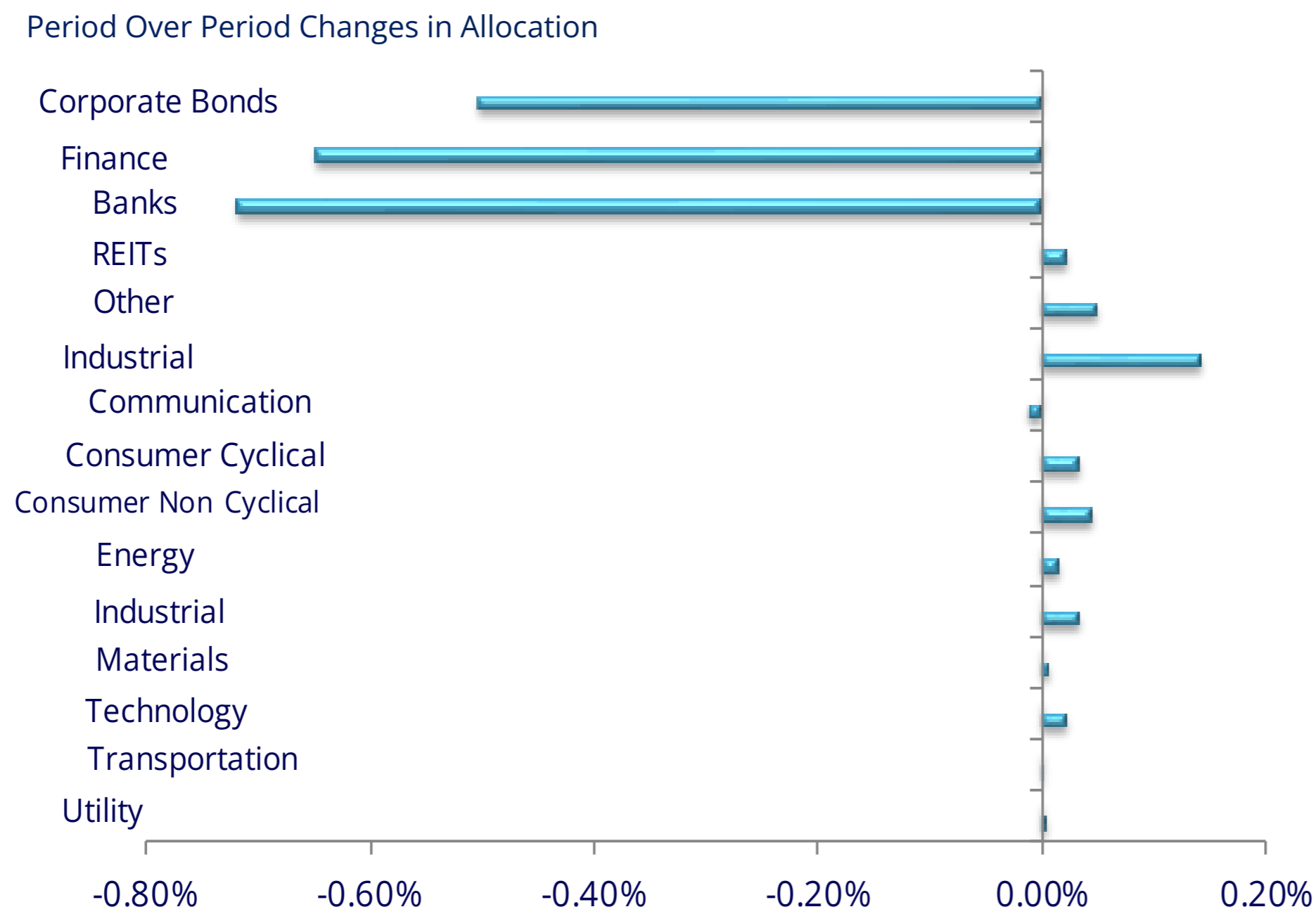
- Q2: 2023 Portfolio Composition Activity:
- Increased allocation to ABS vs. a decrease to MBS and corporate bonds
- Within corporates decreased allocation to financials

MBS Pass-through: Term & Coupon



- The MBS allocation is focused on coupons that offer attractive yields and strong relative value given the current market environment
- Decreased allocation to 15-year MBS

Corporate bonds



- After a subdued April, new issue activity picked up in May and June as companies were able to take advantage of tight spreads and strong markets
- There were no corporate bond purchases during the quarter

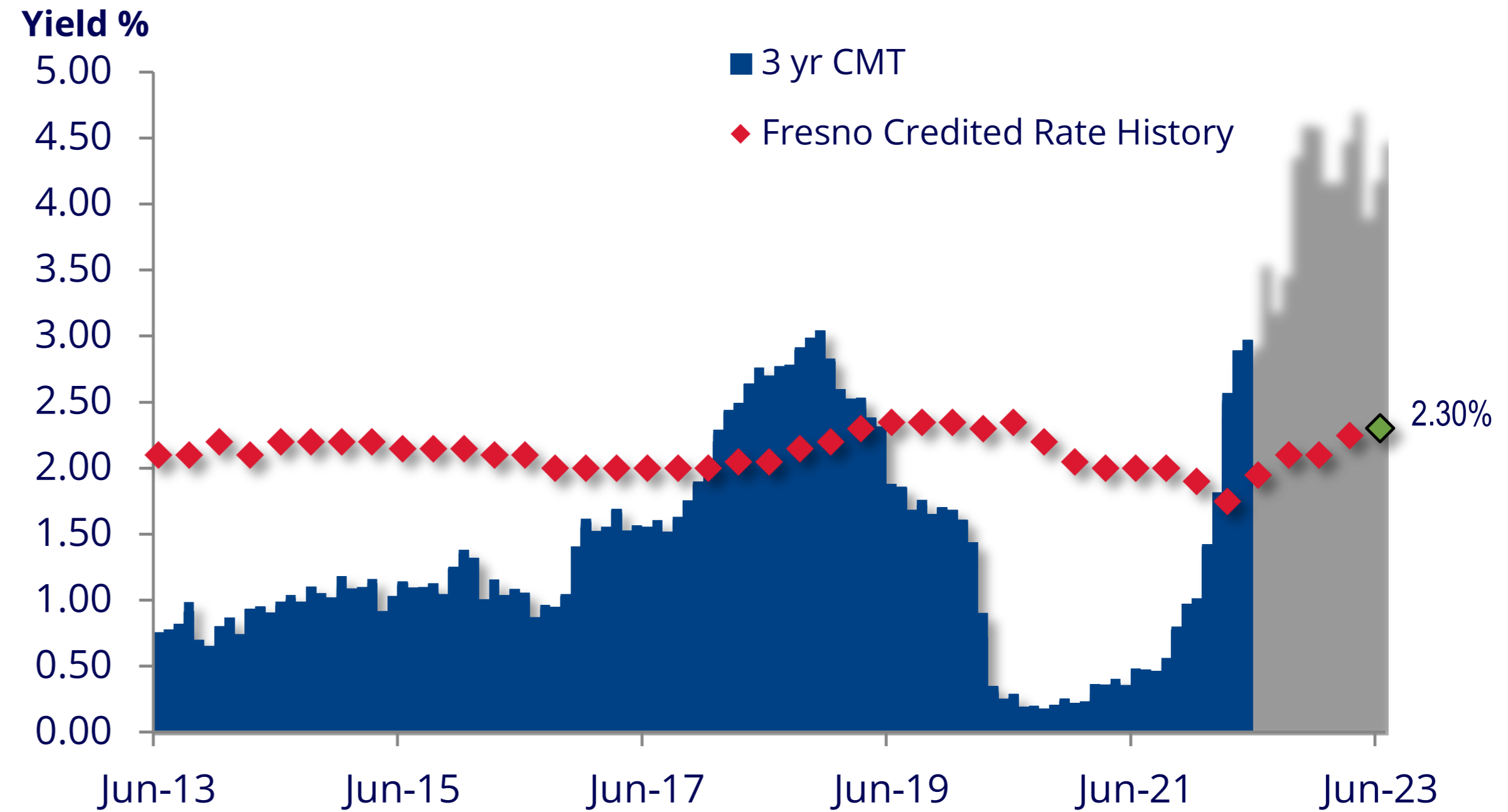
Credited Rate History

Fresno County Credited Rate History			
2009 4Q	3.25%	2016 4Q	2.00%
2010 1Q	3.25%	2017 1Q	2.00%
2010 2Q	3.25%	2017 2Q	2.00%
2010 3Q	3.30%	2017 3Q	2.00%
2010 4Q	3.20%	2017 4Q	2.00%
2011 1Q	3.10%	2018 1Q	2.00%
2011 2Q	3.10%	2018 2Q	2.05%
2011 3Q	3.10%	2018 3Q	2.05%
2011 4Q	3.00%	2018 4Q	2.15%
2012 1Q	2.80%	2019 1Q	2.20%
2012 2Q	2.70%	2019 2Q	2.30%
2012 3Q	2.60%	2019 3Q	2.35%
2012 4Q	2.25%	2019 4Q	2.35%
2013 1Q	2.20%	2020 1Q	2.35%
2013 2Q	2.20%	2020 2Q	2.30%
2013 3Q	2.10%	2020 3Q	2.35%
2013 4Q	2.10%	2020 4Q	2.20%
2014 1Q	2.20%	2021 1Q	2.05%
2014 2Q	2.10%	2021 2Q	2.00%
2014 3Q	2.20%	2021 3Q	2.00%
2014 4Q	2.20%	2021 4Q	2.00%
2015 1Q	2.20%	2022 1Q	1.90%
2015 2Q	2.20%	2022 2Q	1.75%
2015 3Q	2.15%	2022 3Q	1.95%
2015 4Q	2.15%	2022 4Q	2.10%
2016 1Q	2.15%	2023 1Q	2.10%
2016 2Q	2.10%	2023 2Q	2.25%
2016 3Q	2.10%	2023 3Q	2.30%

Inception Date: 11/19/2009

Book Yield (6/30): 2.28%

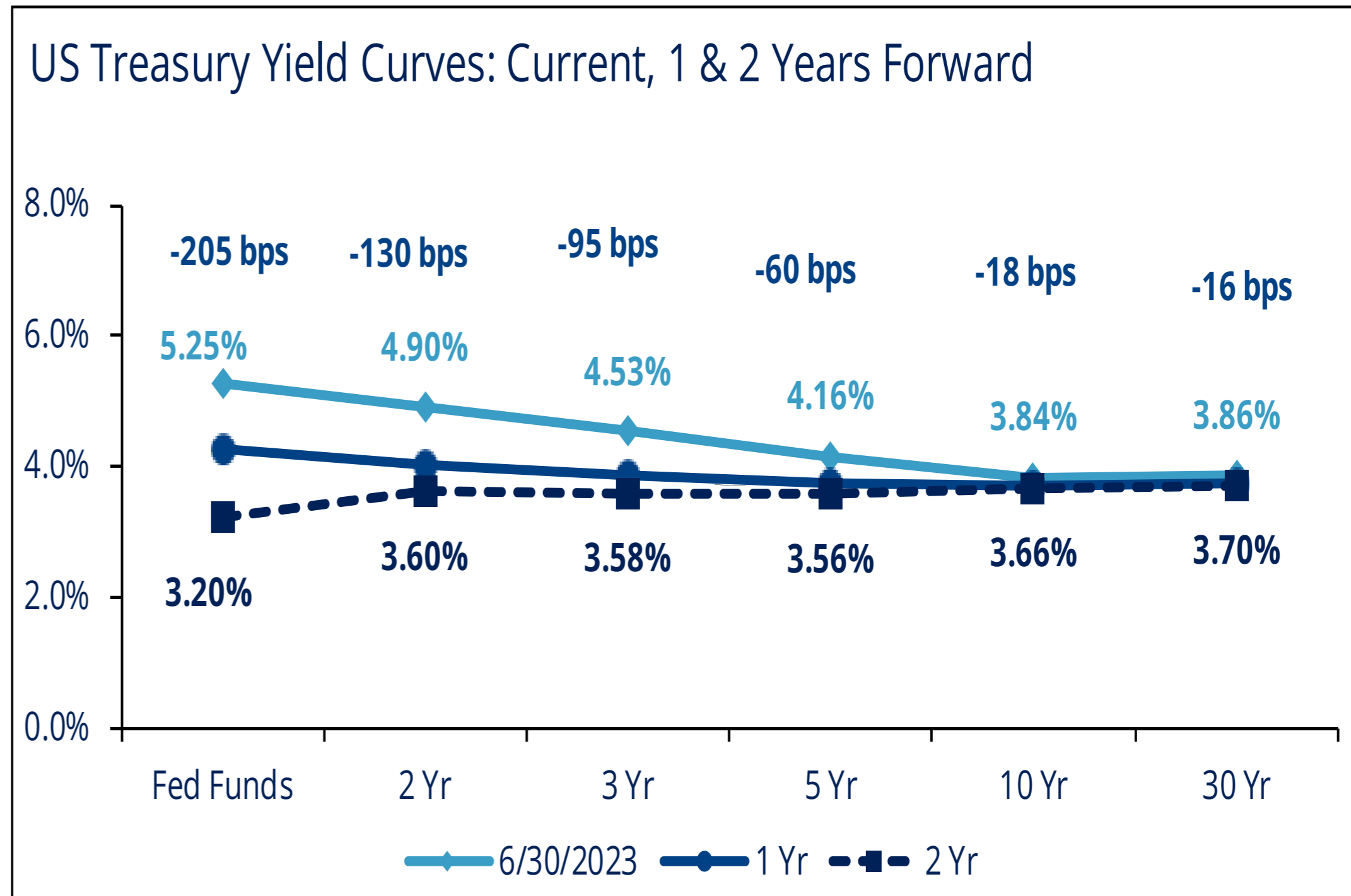
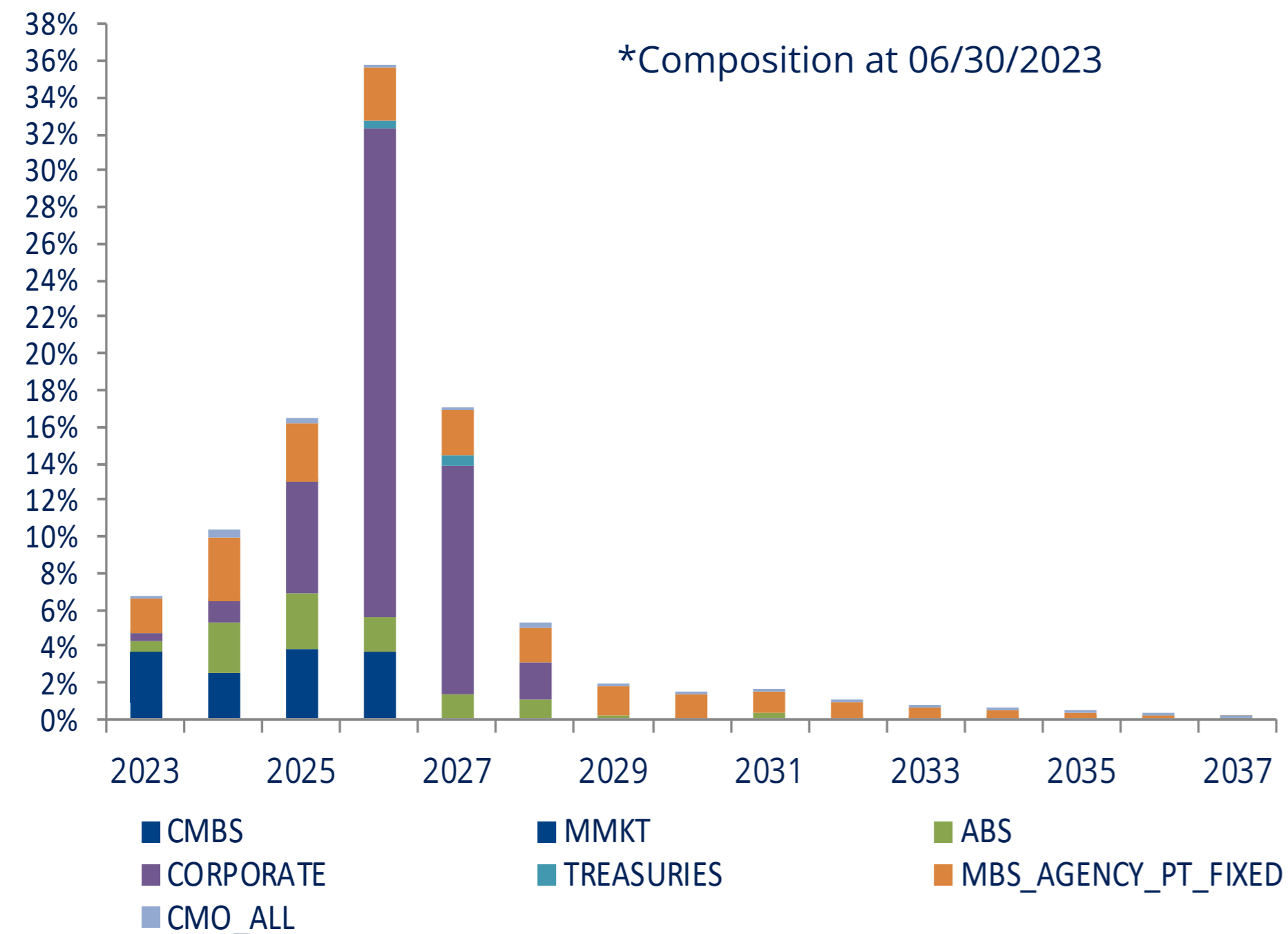
Mkt to Book (6/30): 92.2%



- The credited rate is below the 3-year CMT as treasury yields have increased dramatically over the past 18-months
- Market-to-book ratio at 92.2%
- Cash from existing portfolio securities being reinvested in current rate environment

Portfolio projected cash flows

Fresno County Portfolio Cash Flow Run-Off By Class



Disclosures

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