

Financial Statement Disclosures for June 30, 2024

The following is the Public Trust Advisors, LLC (Investment Manager) interpretation of your disclosure responsibilities related to your participation in the Virginia Investment Pool (VIP) and the responsibilities of Public Trust Advisors, LLC (Public Trust) to provide you with information needed to make your disclosure. Please consult your accounting/auditor experts for additional information regarding your specific reporting requirements.

General Description

If an external investment pool meets the criteria in GASB 79 Paragraph 4 and measures all its investments at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in Paragraph 4, the pool's participants should measure their investments in the pool at fair value as provided in Paragraph 11 of GASB Statement 31, as amended.

GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement not an entity-specific measurement.

Both the VIP Stable NAV Liquidity Pool and the VIP 1-3 Year High Quality Bond Fund measure their investments at fair value as provided in GASB Statement No. 72.

VIP Stable NAV Liquidity Pool

The VIP Stable NAV Liquidity Pool is not required and chooses not to meet all the specific criteria outlined in GASB 79 Paragraph 4; therefore, participants should measure their investments in the pool at fair value as provided in Paragraph 11 of GASB Statement 31, as amended. The VIP Stable NAV Liquidity Pool reports the fair value of investments, which approximates amortized costs, to its participants.

Public Trust interprets GASB 31, as amended by GASB 79, to mean that the pool should measure all of the investments at fair value. Therefore, your participant balance should be considered the fair value of your investment in the pool.

VIP 1-3 Year High Quality Bond Fund

The VIP 1-3 Year High Quality Bond Fund is a fluctuating NAV fund that is measured at fair value for financial reporting purposes. Participants in the VIP 1-3 Year High Quality Bond Fund should measure their investment in the fund at fair value as provided in Paragraph 11 of GASB Statement 31, as amended.

GASB 72 Note Disclosure Requirement for VIP

Since the VIP Stable NAV Liquidity Pool and the VIP 1-3 Year High Quality Bond Fund measure their investments at fair value in accordance with Paragraph 11 of Statement 31 and as amended by Paragraph 41 of Statement 79, a participant's investment in either fund is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72*.

Credit Quality Disclosure

VIP Stable NAV Liquidity Pool

The pool is rated by S&P Global Ratings and is currently rated 'AAAm'.

VIP 1-3 Year High Quality Bond Fund

The fund is rated by S&P Global Ratings and is currently rated 'AA+f/S1.'

Interest Rate Risk Disclosure

VIP Stable NAV Liquidity Pool

The dollar weighted average days to maturity (WAM) of the pool at June 30, 2024, is 20 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of the pool at June 30, 2024, is 49 days.

VIP 1-3 Year High Quality Bond Fund

The weighted average effective duration of the fund at June 30, 2024, is 1.78 years.

This information provided may be required for the financial reporting of participants in VIP. Participants should consult their auditing and accounting professionals regarding their specific reporting requirements.

This document is for informational purposes only. All information is assumed to be correct, but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third party sources that may or may not be verified. The information presented should not be used in making any investment decisions and is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. **Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.**

S&P Global Ratings in no way guarantees favorable performance results and should not be construed as safety in an investment. 'AAAm' and 'AA+f/S1' ratings by S&P Global Ratings are obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. Ratings are subject to change and do not remove credit risk.

Weighted Average Maturity (WAM) is the weighted average amount of time until the maturities on mortgages in a mortgage-backed security (MBS) mature. This term is used more broadly to describe maturities in a portfolio of debt securities, including corporate debt and municipal bonds. The higher the WAM, the longer it takes for all of the mortgages or bonds in the portfolio to mature. WAM is used to manage debt portfolios and to assess the performance of debt portfolio managers. (Source: [Investopedia](#))

Weighted Average Life (WAL) is the average length of time that each dollar of unpaid principal on a loan, a mortgage, or an amortizing bond remains outstanding. Calculating the WAL shows an investor, an analyst, or a portfolio manager how many years it will take to receive half the amount of the outstanding principal. (Source: [Investopedia](#))