



Inside the Vault

Local Government Edition

Changes to Public Qualified Depositories

Valley Credit Union decided to leave the Public Funds Collateralization Program (PFCP) and is no longer a qualified depository. Maps Credit Union, a qualified depository, recently completed its acquisition of Lewis & Clark Bank while Pacific Crest Federal Credit Union has rebranded as Sage Credit Union. A complete list of qualified depositories is available at www.oregon.gov/pfcp.

Treasury and PERS Launch Pension System Webinars

Join Treasury and PERS on Tuesday, January 20, from noon to 1:00 p.m. for the first webinar in a new series about the Oregon Public Employees Retirement Fund (OPERF). Hear about contribution planning and system insights from PERS leadership, and learn how OPERF is strategically managed for long-term growth, protected against risk, and invested for you—PERS employers and members! Speakers include State Treasurer Elizabeth Steiner, PERS Director Kevin Olineck, and Treasury Chief Investment Officer Rex Kim.

Topics

- ▲ The plan to continue improving PERS' unfunded actuarial liability and funded status
- ▲ Structure and strategy of the OPERF portfolio and fund risk management
- ▲ Link between investment returns and employer contribution rates

The webinar will even include time for you to ask questions of the speakers. Space is limited, so [register today](#) to reserve your spot.

Upcoming Holiday

The pool will be closed on Monday, January 19, for Martin Luther King, Jr. Day. Connect will be available but the system will not allow transactions to settle on the holiday.

Interest Rates

Average Annualized Yield	
December	4.25%
Interest Rates	
December 1–31	4.25%

Credit Market Review

The broader fixed income market (as measured by the Bloomberg U.S. Aggregate Bond Index) rose modestly in the fourth quarter of 2025 and finished the year with strong returns. In December, the Federal Reserve delivered a third consecutive rate cut to 3.5-3.75% in support of the labor market. The move jived with the November nonfarm payrolls revealing an uptick in unemployment to 4.6%, but the rest of the hard data would point to a resilient U.S. economy.

Third quarter Personal Consumption surged 3.5% and strong service exports lifted third quarter GDP to a 4.3% increase. With some shelter categories omitted in October due to the government shutdown, year-over-year Core CPI fell to 2.6%, a full 40 basis points below consensus estimates. Taken together, the dynamic of an accommodative Fed and upward trajectory of U.S. growth added to the steepness of the U.S. Treasury curve. The 2-year note finished the year at 3.47%, rallying 0.14% in the quarter, and completing a 0.77% year-to-date rally. In contrast, the 30-year bond yield rose 0.11% in the quarter, ending the year 0.06% higher at 4.84%. The 10-year yield drifted higher with the firm December data but still finished 0.40% lower on the year at 4.17%.

Investment grade credit spreads were rangebound in the back half of the year as the combination of strong fundamentals and continuous inflows helped offset the headwinds from elevated issuance. The Bloomberg U.S. Aggregate Corporate Average OAS finished at +78 OAS, just two basis points tighter on the year and a far cry from the post-Liberation wide of +119 in mid-March. Investment grade credit delivered four consecutive positive quarters, finishing with a 0.88% fourth quarter return and 7.83% year-to-date gain.

Oregon Short Term Fund

The OSTF's paid rate decreased from 4.25% to 4.10% on January 14. Should you have questions, contact members of the Fixed Income Team at 503.431.7900.

LGIP: Audit Confirmation Requests

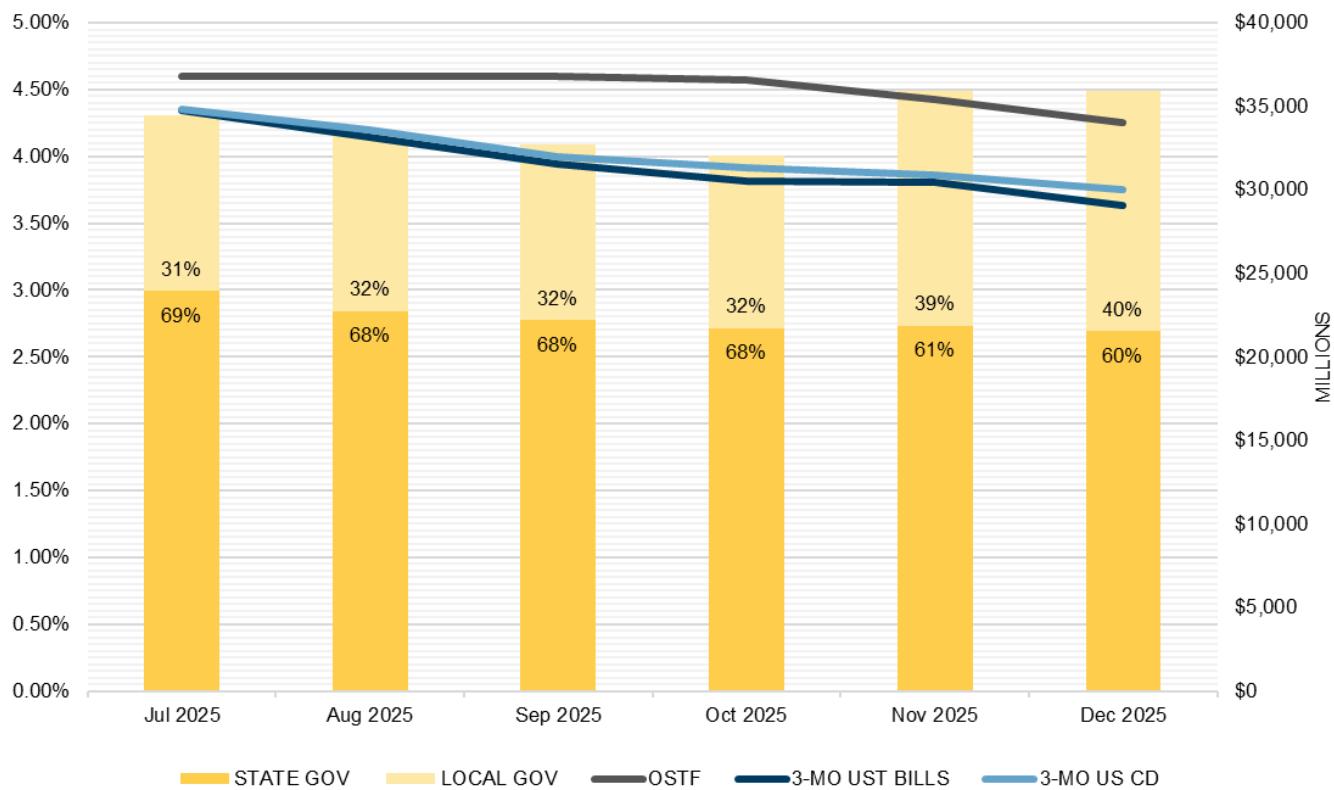
Auditors needing confirmation of Local Government Investment Pool account balances must submit requests in writing to PFMAM Client Services. Requests must include or be accompanied by a release signed by a participant's authorized contact (the contact must be registered in the records of the pool and have permission to view/access pool account information). Requests/releases can be submitted through Confirmation.com (auditor use only) or Connect, faxed to 888.535.0120, or mailed to:

Oregon LGIP
PO Box 11760
Harrisburg, PA 17108-1760

For help with submitting an audit confirmation request, contact PFMAM Client Services at 855.OST.LGIP.



Oregon Short Term Fund Analysis



	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
TOTAL OSTF AVG DOLLARS INVESTED (MM)	34,477	33,295	32,701	32,077	35,893	35,929
STATE GOV PORTION (MM)	23,926	22,737	22,182	21,715	21,876	21,532
LOCAL GOV PORTION (MM)	10,551	10,558	10,519	10,362	14,017	14,397
OSTF ANNUAL YIELD (ACT/ACT)	4.60	4.60	4.60	4.57	4.43	4.25
3-MO UST BILLS (BOND EQ YLD)	4.341	4.146	3.939	3.816	3.803	3.633
3-MO US CD (ACT/360)*	4.35	4.20	4.00	3.92	3.86	3.75

NOTE: The OSTF ANNUAL YIELD represents the average annualized yield paid to participants during the month. Since interest accrues to accounts on a daily basis and the rate paid changes during the month, this average rate is not the exact rate earned by each account.

3-MO UST BILLS yield is the yield for the Treasury Bill Issue maturing closest to 3 months from month end. 3-MO US CD rates are obtained from Bloomberg and represent a composite of broker dealer quotes on highly rated (A1+/P1/F1+ from Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings respectively) bank certificates of deposit and are quoted on a CD equivalent yield basis.

Market Data Table

	12/31/2025	1 Month	3 Months	12 Months		12/31/2025	1 Month	3 Months	12 Months
7-Day Agency Discount Note**	3.48	3.76	3.90	4.11	Bloomberg Barclays 1-3 Year Corporate YTW*	3.96	4.00	4.07	4.74
30-Day Agy Nt Disc**	3.52	3.75	3.80	4.21	Bloomberg Barclays 1-3 Year Corporate OAS*	0.51	0.51	0.46	0.52
90-Day Agy Nt Disc**	3.51	3.66	3.77	4.20	Bloomberg Barclays 1-3 Year Corporate Modified Duration*	1.77	1.81	1.84	1.78
180-Day Agy Nt Disc**	3.44	3.58	3.65	4.11					
360-Day Agy Nt Disc**	3.25	3.44	3.45	4.02	7-Day Muni VRDN Yield**	2.36	2.79	2.89	3.62
					O/N GGC Repo Yield**	3.89	4.13	4.23	4.50
30-Day Treasury Bill**	3.51	3.83	3.98	4.13					
60-Day Treasury Bill**	3.54	3.78	3.91	4.19	Secured Overnight Funding Rate (SOFR)**	3.87	4.12	4.24	4.49
90-Day Treasury Bill**	3.55	3.74	3.85	4.21					
6-Month Treasury Yield**	3.61	3.77	3.84	4.27	US 10 Year Inflation Break-Even**	2.25	2.23	2.37	2.34
1-Year Treasury Yield**	3.48	3.60	3.62	4.15					
2-Year Treasury Yield**	3.48	3.49	3.61	4.24	1-Day CP (A1/P1)**	3.68	3.89	4.12	4.27
3-Year Treasury Yield**	3.54	3.49	3.62	4.27	7-Day CP (A1/P1)**	3.66	3.89	4.11	4.27
					30-Day CP (A1/P1)**	3.67	3.87	4.09	4.31
1-Month SOFR**	3.69	3.86	4.13	4.33					
3-Month SOFR**	3.65	3.79	3.98	4.31	30-Day CD (A1/P1)**	3.71	3.90	4.11	4.48
6-Month SOFR**	3.57	3.70	3.85	4.25	90-Day CD (A1/P1)**	3.78	3.95	4.08	4.49
12-Month SOFR**	3.42	3.51	3.66	4.18	6-Month CD (A1/P1)**	3.78	3.92	4.02	4.46
Sources: *Bloomberg Index Services, **Bloomberg					1-Year CD (A1/P1)**	3.77	3.84	3.95	4.47

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