July 2026

OREGON STATE TREASURY

Inside the Vault

Local Government Edition

Market Update

The bond market had another volatile quarter as interest rates tracked the path of oil. Treasury yields rose early during the quarter as oil prices remained elevated and the odds of a rate cut weakened, then reversed lower in June as energy prices declined and the inflation outlook improved. The 30-year Treasury was especially volatile, rising to its highest level since 2007 over concerns about oil, inflation, and a Federal Reserve leaning toward higher rates. Shorter-term yields, which are the most sensitive to Fed policy, also increased over the quarter as the market priced out additional rate cuts and began to weigh the possibility of a rate hike. By the end of the quarter, volatility had eased and yields stabilized.

The broader fixed income market (as measured by the Bloomberg U.S. Aggregate Bond Index) returned 0.67% during the second quarter, bringing the index's year-to-date total return to 0.62%. Corporate bonds outperformed during Q2, with high-yield gaining 2.4% and investment grade returning 1.8%. Credit spreads tightened over the quarter as the asset class was supported by strong corporate earnings, robust demand, and optimism around a ceasefire in the Middle East. Overall, credit spreads remain tight by historical standards, signaling continued confidence rather than concern.

The equity market, measured by the MSCI World Index, ended the quarter up 13.8%, driven by technology sector gains, despite a selloff in June as AI valuations came into focus. The U.S. dollar also rallied, supported by resilient U.S. economic data and evolving monetary policy expectations. Rates diverged across the globe, despite broadly rallying on news of a ceasefire in June. Meanwhile, global yields and central policies diverged. The Fed and the Bank of England remained on hold as widely expected, while the European Central Bank, Reserve Bank of Australia, and Bank of Japan raised rates by 25 basis points amid inflation concerns.

Oregon Short Term Fund

The OSTF's paid rate has remained at 4.00% since February 12. Should you have questions, contact members of the Fixed Income Team at 503.431.7900.

Interest Rates

Average Annualized Yield

June	4.00%

Interest Rates

June 1–30	4.00%

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.

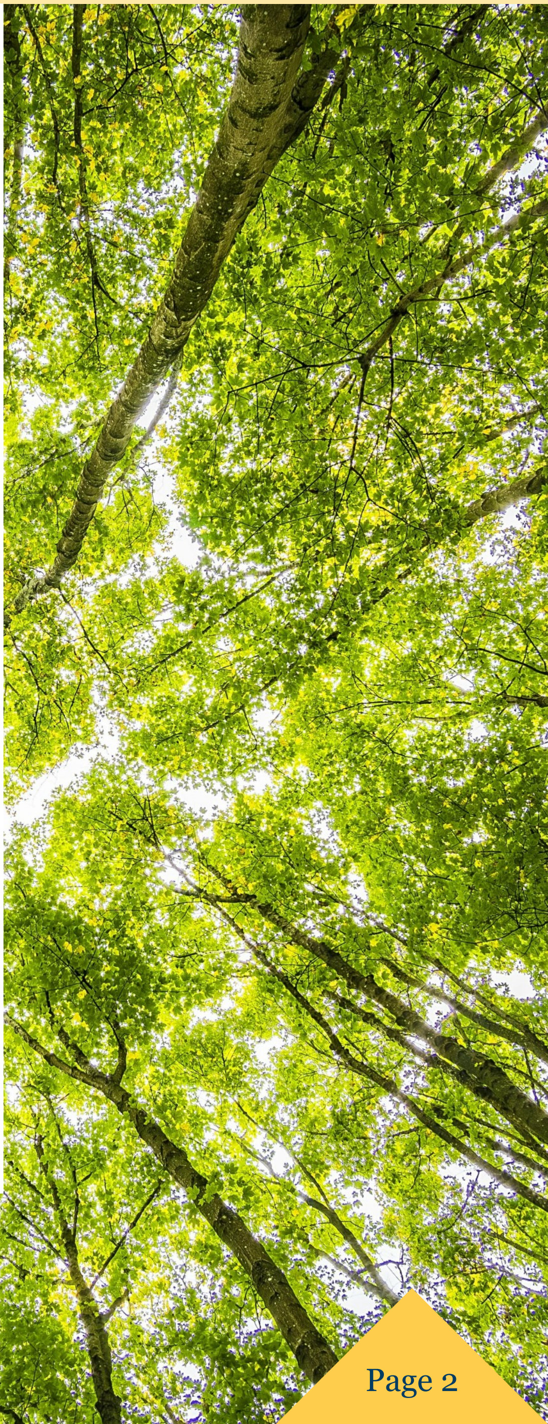
Financially Fit Oregon

Money matters to everyone. As government finance officials, you help civic, business and community leaders—and Oregonians at large—to stay up-to-date about the economic wellbeing of our state. Additionally, as trusted financial experts, you know it's healthier for our state and local governments when more Oregonians are financially fit individually.

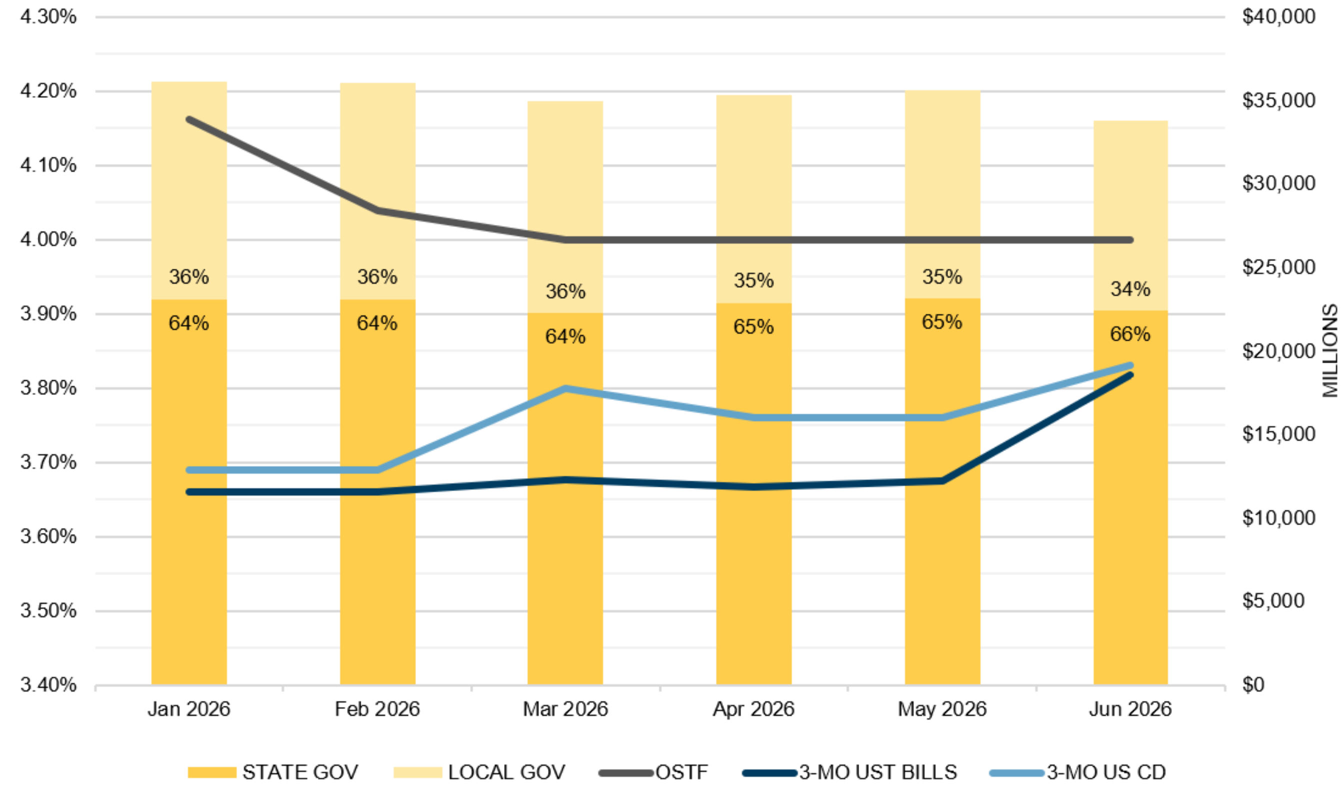
With that in mind, consider subscribing to these two helpful resources focused on money matters in Oregon (which could also be valuable to your colleagues and networks):

- Each month, State Treasurer Elizabeth Steiner M.D. prepares an overview about her priorities and news from the State Treasury. For instance, the July issue of "From the Desk of Treasurer Steiner" highlighted that Oregon's pension fund was recognized as the top performing fund among its peers since 1997.
- "Financially Fit Oregon" features public-focused news-you-can-use and ways to improve financial education and wellbeing. In July, the newsletter highlighted risks at "crypto ATMs" and encouraged the public and businesses to search for their unclaimed property for free. In addition, please share content and tips about what's happening in your community.

Thank you again for your work to keep Oregon and Oregonians financially secure.



Oregon Short Term Fund Analysis



	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
TOTAL OSTF AVG DOLLARS INVESTED (MM)	36,128	36,062	34,955	35,363	35,594	33,819
STATE GOV PORTION (MM)	23,110	23,092	22,277	22,879	23,155	22,420
LOCAL GOV PORTION (MM)	13,018	12,970	12,678	12,484	12,439	11,399
OSTF ANNUAL YIELD (ACT/ACT)	4.16	4.04	4.00	4.00	4.00	4.00
3-MO UST BILLS (BOND EQ YLD)	3.660	3.661	3.677	3.666	3.675	3.817
3-MO US CD (ACT/360)*	3.69	3.69	3.80	3.76	3.76	3.83

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

	6/30/2026	1 Month	3 Months	12 Months		6/30/2026	1 Month	3 Months	12 Months
7-Day Agency Discount Note**	3.48	3.51	3.54	4.09	Bloomberg Barclays 1-3 Year Corporate YTW*	4.55	4.42	4.36	4.27
30-Day Agy Nt Disc**	3.58	3.55	3.57	4.16	Bloomberg Barclays 1-3 Year Corporate OAS*	0.42	0.46	0.61	0.52
90-Day Agy Nt Disc**	3.67	3.58	3.58	4.18	Bloomberg Barclays 1-3 Year Corporate Modified Duration*	1.86	1.86	1.85	1.86
180-Day Agy Nt Disc**	3.75	3.59	3.55	4.02					
360-Day Agy Nt Disc**	3.79	3.65	3.54	3.70	7-Day Muni VRDN Yield**	2.67	1.57	2.42	1.92
					O/N GGC Repo Yield**	3.67	3.65	3.73	4.49
30-Day Treasury Bill**	3.61	3.61	3.62	4.18					
60-Day Treasury Bill**	3.67	3.63	3.63	4.24	Secured Overnight Funding Rate (SOFR)**	3.68	3.63	3.68	4.45
90-Day Treasury Bill**	3.72	3.64	3.63	4.24					
6-Month Treasury Yield**	3.97	3.75	3.70	4.25	US 10 Year Inflation Break-Even**	2.23	2.40	2.31	2.28
1-Year Treasury Yield**	3.98	3.78	3.66	3.97					
2-Year Treasury Yield**	4.18	4.01	3.80	3.72	1-Day CP (A1/P1)**	3.63	3.62	3.67	4.33
3-Year Treasury Yield**	4.18	4.05	3.82	3.69	7-Day CP (A1/P1)**	3.65	3.64	3.67	4.33
					30-Day CP (A1/P1)**	3.72	3.69	3.72	4.35
1-Month SOFR**	3.65	3.62	3.66	4.32					
3-Month SOFR**	3.73	3.66	3.68	4.29	30-Day CD (A1/P1)**	3.73	3.68	3.71	4.36
6-Month SOFR**	3.85	3.71	3.70	4.15	90-Day CD (A1/P1)**	3.92	3.84	3.89	4.42
12-Month SOFR**	3.99	3.84	3.73	3.88	6-Month CD (A1/P1)**	4.05	3.93	3.96	4.33
Sources: *Bloomberg Index Services, **Bloomberg					1-Year CD (A1/P1)**	4.26	4.14	4.00	4.20

Director of Finance
Cora Parker
503.378.4633

Deputy Director of Finance
Bryan Cruz González
503.378.3496

Newsletter Questions
Kari McCaw
503.378.4633

Local-Gov-News Mailing List
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Local Government Investment Pool
oregon.gov/lgip

PFMAM Client Services
855.OST.LGIP
csgmww@pfmam.com

- Connect Access
- Transactions
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- Account/User Maintenance
- Eligibility

Treasury
800.452.0345
lgip@ost.state.or.us

- Investment Management
- Statutory Requirements
- Service Provider Issues
- General Program Inquiries

Oregon Short Term Fund Staff
503.431.7900

Public Funds Collateralization Program
oregon.gov/pfcp
503.378.3400
public.funds@ost.state.or.us

OREGON STATE TREASURY
867 Hawthorne Ave SE ▸▸ Salem, OR 97301-5241
oregon.gov/treasury