



# 2023 ANNUAL REPORT

**IOWA PUBLIC AGENCY INVESTMENT TRUST**

**DIVERSIFIED PORTFOLIO ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

Shares of the Fund are NOT INSURED BY THE FDIC. Investment products involve investment risk, including the possible loss of principal. Past performance is not predictive of future results, and the composition of the Fund's portfolio is subject to change.

This annual report is not authorized for distribution unless accompanied or preceded by a current Information Statement. An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information about the investment company can be found in the Fund's Information Statement.

To obtain more information, please call 800-872-4024 or visit the website [IPAIT.org](http://IPAIT.org). Please read the Information Statement carefully before investing.



Iowa Public Agency Investment Trust  
Diversified Portfolio  
Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2023 and 2022

[www.IPAIT.org](http://www.IPAIT.org)

Prepared by the  
Iowa Public Agency Investment Trust  
Board of Trustees



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# Letter of Transmittal (unaudited)

September 1, 2023

Dear fellow IPAIT Participants,

The Iowa Public Agency Investment Trust (“IPAIT”) is pleased to submit the Diversified Portfolio Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023.

IPAIT is a common law trust established under Iowa law pursuant to Chapter 28E, Iowa Code (1987), as amended, which authorizes Iowa public agencies to jointly invest monies pursuant to a joint investment agreement following the requirements of Iowa Code 12B.10. IPAIT was established by the adoption of a Joint Powers Agreement and Declaration of Trust as of October 1, 1987, and commenced operations on November 13, 1987. The Joint Powers Agreement and Declaration of Trust was amended September 1, 1988, May 1, 1993, September 1, 2005, and again on September 1, 2017. The objective of the portfolio is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for Iowa public agencies under Iowa law.

IPAIT enables eligible Iowa public agencies to effectively invest their available operating and reserve funds in a competitive rate environment that focuses on safety of principal and liquidity. The Diversified Portfolio follows money market mutual fund investment parameters per GASB 79 and has maintained a \$1 per unit net asset value since inception.

IPAIT is a ‘AAAm’ rated Fund and obtains an annual rating from S&P Global Ratings (“S&P”). According to S&P, a fund rated ‘AAAm’ demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. ‘AAAm’ is the highest principal stability fund rating assigned by S&P. This is accomplished through conservative investment practices and strict internal controls. The portfolio is monitored on a weekly basis by S&P.

## About the Report

While IPAIT’s financial statements and the related financial data contained in this report have been prepared in conformity with U.S. generally accepted accounting principles and have been audited by IPAIT’s Independent Auditor, Eide Bailly LLP, the ultimate accuracy and validity of this information is the responsibility of IPAIT’s Board of Trustees. To carry out this responsibility, the Board of Trustees requires its providers to maintain financial policies, procedures, accounting systems, and internal controls which the Board believes provide reasonable, but not absolute, assurance that accurate financial records are maintained, and investment assets are safeguarded. The cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In addition, the three ex-officio non-voting Trustees meet with the Diversified Portfolio service providers and legal counsel to review all aspects of IPAIT performance each month. The Board of Trustees meets quarterly to similarly review Diversified Portfolio performance and compliance. In addition, the IPAIT Board of Trustees regularly subjects IPAIT to a comprehensive review of all services and costs of operation.

In the Board’s opinion, IPAIT’s providers’ internal controls are adequate to ensure that the financial information in this report presents fairly the IPAIT Diversified Portfolio operations and financial condition.

## Investment Safeguards

The Diversified Portfolio continues to be focused on the investment objectives as stated in the IPAIT Investment Policy. These goals, in order of priority, are safety of invested principal, maintenance of liquidity, and maximum yield. Within these objectives, the Diversified Portfolio strives to provide participants with the best available rate of return for legally authorized investments. All security settlements within the Diversified Portfolio are settled on a delivery-versus-payment (DVP) basis. DVP settlements greatly reduce the possibility of inappropriate transmission of funds or securities.



# Letter of Transmittal (unaudited)

## Statements of Changes in Fiduciary Net Position

For the fiscal year ending June 30, 2023 (FY 23) and the fiscal year ending June 30, 2022 (FY 22) total interest earned, total operating expenses, and net investment income were as follows:

	<u>Interest Earned</u>	<u>Expenses</u>	<u>Net Investment Income</u>
FY 23	\$ 28,594,579	\$ 2,171,415	\$ 26,423,164
FY 22	\$ 1,389,089	\$ 826,380	\$ 562,709

The increase in year-over-year interest earned and net investment income is attributed to higher portfolio yields in FY 23 as well as an increase in fund balances in FY 23. The increase in expenses was due to the reduction of fees waived by service providers in response to the higher portfolio yields in FY 23.

IPAIT operates pursuant to Service Provider agreements for all aspects of operation. Every agreement specifies the fees to be charged for each component of IPAIT services based on average daily net position. Average net positions were \$728,903,067 in FY 23, up from \$584,418,029 in the previous fiscal year. More financial analysis and detailed information is included in the Management Discussion and Analysis section of this report.

## Our Economy

The Federal Reserve continued battling inflation throughout the year. The Fed hiked rates by 75 basis points in July 2022 and increased the fed funds rate at each meeting until a pause in June 2023. In total, the Fed hiked rates by a substantial 350 basis points over the 12 months ended June 2023. There was a hawkish pause in June; while leaving rates steady, the Fed simultaneously indicated two further hikes are on the way. The increased rates are tamping down inflation and slowing economic growth. Consumer Price Index peaked in 2022 at 9.1% and declined to 3.0% in June 2023. Meanwhile, employment remained tight throughout the year with wage growth elevated. Wage growth continued to fuel the personal consumption component of GDP though the first calendar quarter of 2023, but business investment cooled.

## Certificate of Achievement

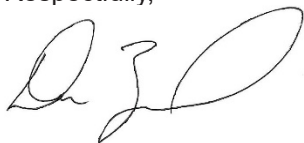
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to IPAIT for its comprehensive annual financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

## Summary

On behalf of the Board of Trustees, sponsoring associations and Service Providers, we thank you for your continued support of IPAIT. We encourage you to contact us with comments and suggestions regarding any improvements to the operation of IPAIT. Your involvement in IPAIT is essential in its ability to provide a competitive investment alternative and ongoing program opportunities for association members.

As we begin Fiscal Year 2023-2024, IPAIT will continue to be guided by its objectives of safety of principal, liquidity, and competitive return. In addition, IPAIT will be an excellent resource as a user-friendly investment alternative and also an educational resource. The IPAIT.org website provides monthly updates as well as access to the secure participant recordkeeping system. We collectively pledge to continue working together to provide a viable investment option for every participant.

Respectfully,



Dan Zomermaand  
Chair, Board of Trustees



## Board of Trustees (unaudited)



**Alan Kemp**  
Executive Director,  
Iowa League of Cities  
IPAIT Secretary to the Board



**William Peterson**  
Executive Director,  
Iowa State Association of Counties  
IPAIT Treasurer to the Board



**Troy DeJooe**  
Executive Director,  
Iowa Association of Municipal Utilities  
IPAIT Assistant Secretary to the Board



**Tim Stiles**  
Finance Director  
City of West Des Moines



**Jeff Nemmers**  
City Clerk / Finance Director  
City of Fort Dodge



**Brent Hinson**  
Deputy City Administrator/Finance Director  
City of Mason City



**Craig Anderson**  
Board of Supervisors  
Plymouth County



**Dan Zomermaand**  
Treasurer  
Sioux County



**Mitch Hambelton**  
Treasurer  
Dallas County



**Steven Pick**  
General Manager  
Spencer Municipal Utilities



**Mark Roberts**  
Director, Finance and Administrative  
Services  
Muscatine Power and Water



**Pat Mullenbach**  
Finance Manager & Treasurer  
West Des Moines Water Works

The trustees and officers are not compensated for Board service. Expenses incurred in attending meetings are paid by the Trust.



## Board of Trustees (unaudited)

Name	Address	Position held with IPAIT	Term of Office	Length of Time Served	Principal Occupation During Past Five Years
Dan Zomermaand	104 1st Street SE Orange City, IA 51041	Trustee Chair	Term Ending 2025	Since 2020	Sioux County Treasurer
Brent Hinson	10 First Street NW Mason City, IA 50401	Trustee	Term Ending 2023	Since 2023	Deputy City Administrator / Finance Director City of Mason City
Pat Mullenbach	1505 Railroad Ave West Des Moines, IA 50265	Trustee	Term Ending 2023	Since 2020	Finance Manager & Treasurer, West Des Moines Water Works
Craig Anderson	215 4 <sup>th</sup> Avenue SE LeMars, IA 51031	Trustee	Term Ending 2024	Since 2013	Plymouth County Board of Supervisors Self-employed Farmer
Jeff Nemmers	819 1 <sup>st</sup> Ave South Fort Dodge, IA 50501	Trustee	Term Ending 2025	Since 2019	City of Fort Dodge City Clerk / Finance Director
Mark Roberts	3205 Cedar Street Muscatine, IA 52761	Trustee	Term Ending 2024	Since 2020	Director, Finance & Administrative Services Muscatine Power & Water
Steven Pick	520 2 <sup>nd</sup> Ave E, Suite 1 Spencer, IA 51301	Trustee	Term Ending 2025	Since 2014	General Manager, Spencer Municipal Utilities
Tim Stiles	4200 Mills Civic Pky West Des Moines, IA 50265	Trustee	Term Ending 2024	Since 2015	Finance Director, City of West Des Moines
Mitch Hambleton	801 Court Street Adel, IA 50158	Trustee	Term Ending 2023	Since 2023	Dallas County Treasurer
Alan Kemp Ex Officio Non-Voting Trustee	500 SW 7 <sup>th</sup> Suite 101 Des Moines, IA 50309	IPAIT Secretary		Since 2007	Iowa League of Cities Executive Director
William Peterson Ex Officio Non-Voting Trustee	5500 Westown Pky, Ste 190 West Des Moines, IA 50266	IPAIT Treasurer		Since 1994	Iowa State Association of Counties Executive Director
Troy DeJode Ex Officio Non-Voting Trustee	1735 NE 70th Ave. Ankeny, IA 50021	IPAIT Assistant Secretary		Since 2014	Iowa Association of Municipal Utilities Executive Director



# Service Providers (unaudited)

Sponsoring Associations



**IOWA  
ASSOCIATION OF MUNICIPAL  
UTILITIES**

Iowa Association of Municipal Utilities  
1735 NE 70th Avenue  
Ankeny, IA 50021-9353  
Troy DeJoode, Executive Director  
tdejoode@iamu.org  
515-289-1999



Iowa State Association of Counties  
5500 Westown Parkway, Suite 190  
West Des Moines, IA 50266-8202  
William Peterson, Executive Director  
bpeterson@iowacounties.org  
515-244-7181



Iowa League of Cities  
500 SW 7th Street, Suite 101  
Des Moines, IA 50309  
Alan Kemp, Executive Director  
alankemp@iowaleague.org  
515-244-7282

Legal Counsel



**AHLERS COONEY**  
ATTORNEYS  
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Des Moines, IA 50309  
Elizabeth Grob 515-246-0305  
egrob@ahlerslaw.com



**Administrator**  
PMA Financial Network, LLC

**Investment Adviser**  
PMA Asset Management, LLC

**Marketer**  
PMA Securities, LLC

4200 University Ave, Suite 114  
West Des Moines, IA 50266  
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Jim Davis, CEO  
jdavis@pmanetwork.com  
Charlie Czachor, SVP, LGIP Investment Director  
cczachor@pmanetwork.com  
Paul Kruse, SVP, Director – Iowa  
pkruise@pmanetwork.com  
630-657-6400

Custodian



U.S. Bank Institutional Trust & Custody  
800 Nicollet Mall  
Minneapolis, MN 55402  
Debra Spencer 612-303-7943  
debra.spencer1@usbank.com

Independent Auditor

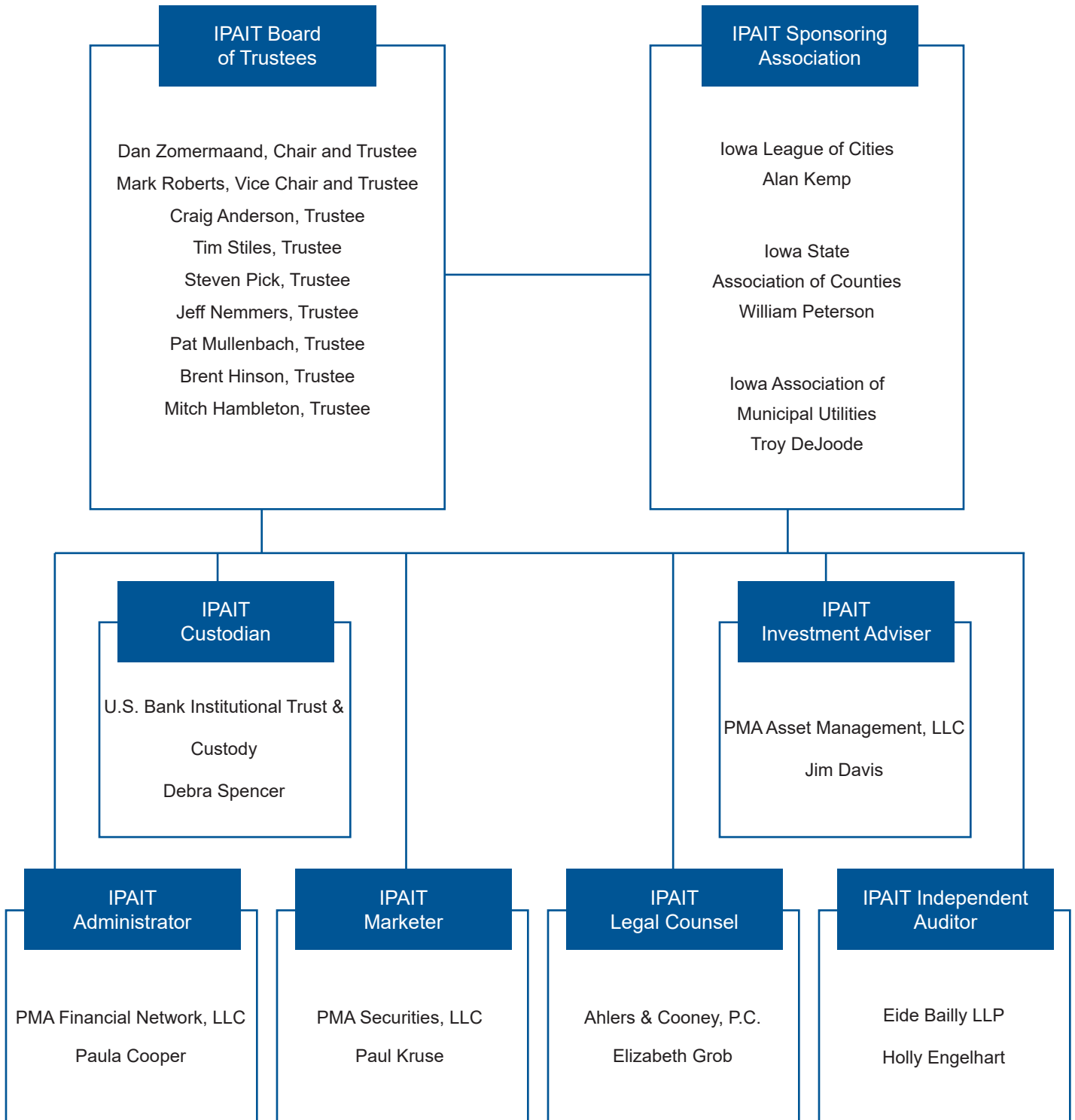


Eide Bailly LLP  
24 2nd Avenue SW  
Aberdeen, SD 57401  
Holly Engelhart 605-622-4215  
hengelhart@eidebailly.com





# Organization Chart (unaudited)



See the IPAIT schedule of fees and expenses presented later in this report.



# Certificate of Achievement



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Iowa Public Agency Investment Trust**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



CPAs & BUSINESS ADVISORS

## Independent Auditor's Report

To the Trustees and Participants  
Iowa Public Agency Investment Trust

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Iowa Public Agency Investment Trust's Diversified Portfolio (the Fund), which comprise the statements of fiduciary net position and the schedule of investments, as of June 30, 2023 and 2022, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund, as of June 30, 2023 and 2022, and the respective changes in financial position, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

What inspires you, inspires us. | [eidebailly.com](http://eidebailly.com)

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS *and Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund’s basic financial statements. The supplementary schedule of financial highlights is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule of financial highlights is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, investment section, and statistical section, but does not include the basic financial statements and our auditor’s report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023, on our consideration of the Fund’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund’s internal control over financial reporting and compliance.



Aberdeen, South Dakota  
August 31, 2023



# Management Discussion and Analysis

This section of the Iowa Public Agency Investment Trust (IPAIT) Diversified Portfolio's Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the financial position and results of operations for the fiscal years ended June 30, 2023 (FY 23) and 2022 (FY 22). This information is being presented to provide additional information regarding the activities of IPAIT's Diversified Portfolio, pursuant to the requirements of Governmental Accounting Standards Board. This discussion and analysis should be read in conjunction with the Independent Auditors' Report, Eide Bailly LLP, the Financial Statements, and the accompanying notes.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis provides an introduction to and overview of the basic financial statements of IPAIT's Diversified Portfolio. The following components comprise the financial statements: 1) Statements of Fiduciary Net Position, 2) Statements of Changes in Fiduciary Net Position, and 3) Notes to Financial Statements.

- The Statements of Fiduciary Net Position show the financial position (assets and liabilities) of the portfolio as of the date of the two most recent fiscal year ends.
- The Statements of Changes in Fiduciary Net Position display the results of operations (income and expenses), additions (net investment income, unit sales, and reinvestments) and deductions (dividends and unit redemptions) of the portfolio for the two most recent fiscal years.
- The Notes to Financial Statements describe significant accounting policies and disclose summary security transaction amounts and fund expenses of the portfolio.

## CONDENSED FINANCIAL INFORMATION AND FINANCIAL ANALYSIS

Year-over-year changes in most financial statement amounts reported in IPAIT's Diversified Portfolio are most significantly impacted by the level of average net position (which fluctuates based on the overall levels of pool participant/unitholder invested balances). The pool is the portfolio. Additionally, changes in the short-term interest rate environment (which follows the general trend established by monetary policy set by the Federal Reserve) contribute to year-over-year variances in the amount of investment income earned by the portfolio. Over the twelve months ended June 30, 2023, the Federal Reserve's Federal Open Market Committee increased the Fed Funds rate seven times increasing the rate from 1.50% as of June 30, 2022, to 5.00% as of June 30, 2023. Over the twelve months ended June 30, 2022, the Federal Reserve's Federal Open Market Committee increased the rate three times from 0.25% as of June 30, 2021, to 1.50% as of June 30, 2022.

Condensed financial information and variance explanations for FY 23, as compared to FY 22, follow.

<b>Net Position</b>	<b>June 30, 2023</b>	<b>Percent Change</b>	<b>June 30, 2022</b>
Total investments	\$ 826,769,904	55%	\$ 531,974,935
Other assets	2,820,218	756%	329,393
	829,590,122	56%	532,304,328
Total liabilities	(197,890)	56%	(127,043)
Net position held in trust for pool participants	<u>\$ 829,392,232</u>	56%	<u>\$ 532,177,285</u>
Average Net Position	\$ 728,903,067	25%	\$ 584,418,029



## Management Discussion and Analysis (continued)

Total investments increased 55% comparing June 30, 2023 and June 30, 2022 amounts due to higher participant investments in the Diversified Portfolio at the end of FY 23. As a result of higher rates, interest receivable was higher than at the end of FY 22. Also, cash was received after the fund closed. Combined, these factors contributed to an increase in other assets of 756%.

<b>Change in Net Position for the years ended</b>	<b>June 30, 2023</b>	<b>Percent Change</b>	<b>June 30, 2022</b>
Investment income	\$ 28,594,579	1959%	\$ 1,389,089
Net expenses	(2,171,415)	163%	(826,380)
Dividends to unitholders from net investment income	(26,423,164)	4596%	(562,709)
Net increase in assets derived from unit transactions	297,214,947	453%	53,766,512
Net position held in trust for pool participants at the beginning of the period	532,177,285	11%	478,410,773
Net position held in trust for pool participants at the end of the period	\$ 829,392,232	56%	\$ 532,177,285

During the 12-month period in FY 23, the Fed Funds target rate increased from 1.50% to 5.00%, resulting in increases in investment income of 1,959% and dividends to unitholders of 4,596%. During the 12-month period in FY 22, the Fed Funds target rate increased from 0.25% to 1.50%. The Fed Funds target rate is an economic indicator for short-term investments which significantly impacts the investment income earned by the Diversified Portfolio. Total expenses are derived based on the net position of the Diversified Portfolio. The net position increased 56% and net expenses increased 163% during FY 23.

Condensed financial information and variance explanations for FY 22, as compared to FY 21, follow.

<b>Net Position</b>	<b>June 30, 2022</b>	<b>Percent Change</b>	<b>June 30, 2021</b>
Total investments	\$ 531,974,935	9%	\$ 486,809,844
Other assets	329,393	-11%	368,954
	532,304,328	9%	487,178,798
Total liabilities	(127,043)	-99%	(8,768,025)
Net position held in trust for pool participants	\$ 532,177,285	11%	\$ 478,410,773
Average Net Position	\$ 584,418,029	21%	\$ 482,447,398



## Management Discussion and Analysis (continued)

Total investments increased 9% comparing June 30, 2022, and June 30, 2021, amounts due to higher participant investments in the Diversified Portfolio at the end of FY 22. Other assets were 11% lower at the end of FY 22 due to decreased interest receivables. There were no payables for investment purchases at the end of FY 22, resulting in a decrease in total liabilities when compared to June 30, 2021.

<b>Change in Net Position for the years ended</b>	<b>June 30, 2022</b>	<b>Percent Change</b>	<b>June 30, 2021</b>
Investment income	\$ 1,389,089	88%	\$ 737,773
Net expenses	(826,380)	24%	(663,966)
Dividends to unitholders from net investment income	(562,709)	662%	(73,807)
Net increase in assets derived from unit transactions	53,766,512	218%	16,930,073
 Net position held in trust for pool participants at the beginning of the period	 <u>478,410,773</u>	 4%	 <u>461,480,700</u>
 Net position held in trust for pool participants at the end of the period	 <u>\$ 532,177,285</u>	 11%	 <u>\$ 478,410,773</u>

During the 12-month period in FY 22, the Fed Funds target rate increased from 0.25% to 1.50%, resulting in increases in investment income of 88% and dividends to unitholders of 662%. During the 12-month period in FY 21, the Fed Funds target rate did not change. It remained at 0.25% throughout the period. The Fed Funds target rate is an economic indicator for short-term investments which significantly impacts the investment income earned by the Diversified Portfolio. Total expenses are derived based on the net position of the Diversified Portfolio. The net position increased 11% and net expenses increased 24% during FY 22.





# Statements of Fiduciary Net Position

## Diversified Portfolio June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Investments in securities, at amortized cost:		
U.S. Treasury Notes	\$ 161,694,103	\$ 87,863,054
U.S. Government Agency Obligations	288,850,178	107,944,493
Money Market Mutual Funds	1,760,165	8,571,679
Deposit Accounts	116,965,458	30,095,709
Repurchase Agreements	257,500,000	297,500,000
Total investments in securities	826,769,904	531,974,935
Cash	2,012,368	-
Interest receivable	807,850	329,393
Total assets	829,590,122	532,304,328
<b>Liabilities</b>		
Investment advisory fees payable	44,187	29,339
Administrative fees payable	57,004	36,757
Marketing fees payable	42,152	25,954
Custody fees payable	1,858	2,551
Sponsorship fees payable	52,689	32,442
Total liabilities	197,890	127,043
<b>Net Position Held in Trust for Pool Participants</b>	<b>\$ 829,392,232</b>	<b>\$ 532,177,285</b>
<b>Units of beneficial interest outstanding</b>	<b>829,392,232</b>	<b>532,177,285</b>
<b>Net asset value - offering and redemption price per share</b>	<b>\$ 1.0000</b>	<b>\$ 1.0000</b>



# Statements of Changes in Fiduciary Net Position

## Diversified Portfolio Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Additions</b>		
Investment Income:		
Interest	\$ 28,594,579	\$ 1,389,089
Expenses:		
Investment advisory fees	468,377	388,930
Administrative fees	599,151	490,814
Marketing fees	437,321	350,651
Sponsorship fees	546,651	438,313
Custody fees	32,315	28,058
Administrative expenses	87,600	43,800
Total expenses	<u>2,171,415</u>	<u>1,740,566</u>
Less: Expenses voluntarily reduced/waived		
Investment advisory fees	-	(212,936)
Administrative fees	-	(268,829)
Marketing fees	-	(192,187)
Sponsorship fees	-	(240,234)
Total expenses voluntarily reduced/waived	<u>-</u>	<u>(914,186)</u>
Net expenses	<u>2,171,415</u>	<u>826,380</u>
Net investment income	26,423,164	562,709
Unitholder transaction additions:		
(at constant net asset value of \$1 per unit)		
Units sold	1,894,865,194	1,242,310,149
Units issued in reinvestment of dividends from net investment income	<u>26,423,164</u>	<u>562,709</u>
Total unitholder transaction additions	<u>1,921,288,358</u>	<u>1,242,872,858</u>
Total additions	<u>1,947,711,522</u>	<u>1,243,435,567</u>
<b>Deductions</b>		
Dividends to unitholders from:		
Net investment income	(26,423,164)	(562,709)
From unit transactions:		
Units redeemed	<u>(1,624,073,411)</u>	<u>(1,189,106,346)</u>
Total deductions	<u>(1,650,496,575)</u>	<u>(1,189,669,055)</u>
Change in fiduciary net position	297,214,947	53,766,512
Net position held in trust for pool participants at beginning of period	<u>532,177,285</u>	<u>478,410,773</u>
Net position held in trust for pool participants at end of period	<u>\$ 829,392,232</u>	<u>\$ 532,177,285</u>



# Notes to Financial Statements

## Diversified Portfolio Years ended June 30, 2023 and 2022

### (1) Organization

Iowa Public Agency Investment Trust (the "Trust" or "IPAIT") is a common law trust established under Iowa law pursuant to Chapter 28E and Sections 331.555 and 384.21, Iowa Code (1987), as amended, which authorizes Iowa public agencies to jointly invest monies pursuant to a joint investment agreement. IPAIT is an S&P Global Ratings 'AAAm' rated money market fund pursuant to the requirements of Iowa Code 12B.10. IPAIT was established by the adoption of a Joint Powers Agreement and Declaration of Trust as of October 1, 1987, and commenced operations on November 13, 1987. The Joint Powers Agreement and Declaration of Trust was amended on August 1, 1988, and May 1, 1993, and September 1, 2005; and further amended as of September 1, 2017. The accompanying financial statements include activities of the Diversified Portfolio. The objective of the Diversified Portfolio is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for Iowa public agencies under Iowa law. U.S. Bank Institutional Trust & Custody (US Bank) serves as the Custodian. Companies collectively known as PMA Financial Network (PMA) serve as the Administrator, Investment Adviser and Marketer. PMA Financial Network, LLC serves as the Administrator, PMA Asset Management, LLC serves as the Investment Adviser, and PMA Securities, LLC serves as the Marketer.

In 2010, the Board of Trustees approved a resolution ceasing the investment operations of the Direct Government Obligation Portfolio and transferring assets to the Diversified Portfolio. The transfer was facilitated through SEC Rule 17a-7 at fair value. The Direct Government Obligation Portfolio remains available for future investment if IPAIT participants should request it in the future.

### (2) Significant Accounting Policies

The significant accounting policies followed by IPAIT are as follows:

#### Basis of Accounting

An investment trust fund, which is a type of fiduciary fund, is used to account for the investment pool and accounts of the Trust. The accompanying statements are prepared based on the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and realized. Expenses are recognized in the period incurred. Fiduciary net position is reported as net position held in the Trust for pool participants.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increase (decrease) in net assets resulting from operations during the reporting period. Actual results could differ from those estimates.

#### Fair Value Measurements

The framework for measuring fair value establishes a fair value hierarchy that prioritizes the inputs used in the valuation techniques to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. These inputs are summarized into three broad levels as described below:

Level 1 – quoted prices in active markets for identical securities;

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, and evaluated quotations obtained from pricing services); or

Level 3 – significant unobservable inputs (including IPAIT's own assumptions in determining the fair value of investments).

There are no investments in the Diversified Portfolio measured at fair value on a recurring or non-recurring basis since all investments are carried at amortized cost. Money market mutual funds are considered Level 1 and all remaining investments are considered Level 2.



# Notes to Financial Statements (continued)

## Diversified Portfolio Years ended June 30, 2023 and 2022

### Investments in Securities

The Diversified Portfolio measures its investments at amortized cost on the Statement of Net Position pursuant to criteria established in Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*. The criteria in GASB Statement No. 79 specifies that an external investment pool must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The Diversified Portfolio meets all of the necessary criteria in GASB Statement No. 79 to measure all of the investments in the Diversified Portfolio at amortized cost, which approximates fair value. This involves valuing a portfolio security at its original cost on the date of purchase, and thereafter amortizing any premium or discount on the interest method. The net asset value of the Diversified Portfolio is calculated daily. Investment policies are followed to maintain a constant net asset value of \$1.00 per unit for the portfolio.

Security transactions are accounted for on the trade date. Interest income, including the accretion of discount and amortization of premium, is accrued daily as earned. Purchases of portfolio securities for the Diversified Portfolio aggregated \$93,348,929,798 and \$40,871,168,192 for the years ended June 30, 2023 and 2022, respectively. Proceeds from the maturity and sale of securities for the Diversified Portfolio aggregated \$93,062,687,533 and \$40,825,210,231 for the years ended June 30, 2023 and 2022, respectively.

The Diversified Portfolio is authorized by investment policy and statute to invest public funds in obligations of the U.S. government, its agencies and instrumentalities; certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Chapter 12C of the Code of Iowa; federally insured depository institutions through the Insured Cash Sweep (ICS) service and the Demand Deposit Marketplace Program (DDM) regardless of location pursuant to Chapter 12B10(7) of the Code of Iowa; government-only money market funds; and repurchase agreements, provided that the underlying collateral consists of obligations of the U.S. government, its agencies and instrumentalities and that the Diversified Portfolio's custodian takes delivery of the collateral either directly or through an authorized custodian.

In connection with transactions in repurchase agreements, it is the Diversified Portfolio's policy that the value of the underlying collateral securities exceeds the principal amount of the repurchase transaction, including accrued interest at all times. If the seller were to default on its repurchase obligation and the value of the collateral declines, realization of the collateral by the Diversified Portfolio may be delayed or limited. At June 30, 2023, the securities purchased under repurchase agreements to resell were collateralized by U.S. Government Agency and U.S. Treasury Securities with a fair value of \$186,869,753 and \$75,780,397, respectively with maturities ranging from July 27, 2023 to June 20, 2063. At June 30, 2022, the securities purchased under repurchase agreements to resell were collateralized by U.S. Government Agency and U.S. Treasury Securities with a fair value totaling \$303,450,008 with maturities ranging from December 29, 2022 to May 20, 2052.

ICS and DDM are networks of banks offering demand deposit accounts below the standard FDIC insurance maximum so that principal and interest are eligible for full FDIC insurance. As of June 30, 2023, the Diversified Portfolio held \$40,184,970 in the ICS program. As of June 30, 2022, the Diversified Portfolio held \$1,216 and \$30,049,814 in the ICS and DDM program, respectively.

### Income Tax Status

The Trust is exempt from both state and federal incomes taxes pursuant to Section 115 of the Internal Revenue Code.

### Distributions to Participants

Dividends declared and accrued daily from net investment income and net realized gains, if any, are paid in cash or reinvested in the Trust based upon each participant's pro rata participation in the pool.

### Investment and Redemption Provisions

The Diversified Portfolio allows participants to purchase and redeem units on a daily basis, subject to limitations whereby liquidity of the fund may require redemptions to be delayed until applicable investments have matured or are liquidated.



# Notes to Financial Statements (continued)

## Diversified Portfolio Years ended June 30, 2023 and 2022

### (3) Fees and Expenses

PMA Financial Network receives 0.190% of the average daily net asset value up to \$150 million, 0.160% from \$150 to \$250 million, and 0.130% exceeding \$250 million for investment adviser and administrative fees. For the years ended June 30, 2023 and 2022, the Diversified Portfolio paid \$1,067,528 and \$397,979, respectively, to PMA for services provided net of waivers. For the year ended June 30, 2022, PMA voluntarily waived investment adviser and administrative fees of \$481,765. There were no such waivers for the year ended June 30, 2023. Future waivers may not be required and are determined on market yields and other market considerations.

PMA Financial Network receives 0.060% of the average daily net asset value of the portfolio for marketing fees. For the years ended June 30, 2023 and 2022, the Diversified Portfolio paid \$437,321 and \$158,464, respectively, to PMA for services provided net of waivers. During the year ended June 30, 2022, PMA voluntarily waived marketing fees of \$192,187. There were no such waivers for the year ended June 30, 2023. Future waivers may not be required and are determined on market yields and other market considerations.

US Bank receives approximately 0.0033% of the average daily net asset value of the portfolio for custody fees. For the years ended June 30, 2023 and 2022, the Diversified Portfolio paid \$32,315 and \$28,058, respectively, to US Bank for services provided.

Under a distribution plan, the public agency associations collectively receive an annual fee of 0.075% of the average daily net asset value for sponsorship fees. For the years ended June 30, 2023 and 2022, the Diversified Portfolio paid \$198,555 and \$86,300 to the Iowa League of Cities, \$296,834 and \$90,638 to the Iowa State Association of Counties, and \$51,262 and \$21,141 to the Iowa Association of Municipal Utilities, respectively, net of waivers. During the year ended June 30, 2022, public agency associations voluntarily waived a portion of their fees. The Iowa League of Cities waived \$106,400, the Iowa State Association of Counties waived \$107,718 and the Iowa Association of Municipal Utilities waived \$26,116, respectively. No fees were waived during the year ended June 30, 2023 and future waivers may not be required and are determined on market yields and other market considerations.

In addition, the Trust is responsible for other operating expenses incurred directly by the Trust. The estimated annual other operating expenses are accrued and have averaged between 0.01% and 0.02% of the average daily net asset value and totaled \$87,600 and \$43,800 for the years ended June 30, 2023 and 2022, respectively. The daily accrued expenses are paid from the Diversified Portfolio to the IPAIT Administrative Fund each month. The IPAIT Administrative Fund pays the direct expenses of IPAIT such as audit, insurance, legal, ratings fees, and other miscellaneous items. The IPAIT Administrative Fund also holds Board-designated reserve funds for specific purposes. The IPAIT Administrative Fund is governed by the IPAIT Board of Trustees who approves the annual budget and reviews and approves the transaction activity and balances at each quarterly meeting.

All fees are computed daily and paid monthly. Fees waived in prior periods cannot be recovered in future periods.



# Notes to Financial Statements (continued)

## Diversified Portfolio Years ended June 30, 2023 and 2022

### (4) Cash and Investments

On June 30, 2023, the Diversified Portfolio received a wire after the investment cut-off, resulting in a cash balance of \$2,012,368. Deposits are covered by FDIC insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trust limits the exposure to credit risk in the Diversified Portfolio by investing only in obligations issued or guaranteed by the U.S. Government, government-only money market funds, deposits covered by FDIC insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa, and collateralized perfected repurchase agreements. The following table provides information on the credit ratings of the Diversified Portfolio investments as of June 30, 2023 and 2022:

Security Type	Credit Rating		June 30, 2023	
	Moody's	S&P	Carrying Value	Percent of Investments
U.S. Government agencies	Aaa	AA+	\$ 288,850,178	34.94%
U.S. Treasury notes and bills *	N/A	N/A	161,694,103	19.56
Repurchase agreements (underlying securities)				
U.S. Treasury notes and bills *	N/A	N/A	74,294,413	8.99
U.S. Government agencies	Aaa	AA+	183,205,587	22.16
Money market mutual funds	Aaa-mf	AAAm	1,760,165	0.21
Deposit accounts				
U.S. Bank, N.A. pursuant to Iowa Code 12C	A-1	P-1	76,421,818	9.24
FDIC insured	Not rated	Not rated	40,543,640	4.90
			<u>\$ 826,769,904</u>	<u>100.00%</u>

Security Type	Credit Rating		June 30, 2022	
	Moody's	S&P	Carrying Value	Percent of Investments
U.S. Government agencies	Aaa	AA+	\$ 107,944,493	20.29%
U.S. Treasury notes and bills *	N/A	N/A	87,863,054	16.52
Repurchase agreements (underlying securities)				
U.S. Treasury notes and bills *	N/A	N/A	203,595,126	38.27
U.S. Government agencies	Aaa	AA+	93,904,874	17.65
Money market mutual funds	Aaa-mf	AAAm	8,571,679	1.61
FDIC insured bank products	Not rated	Not rated	30,095,709	5.66
			<u>\$ 531,974,935</u>	<u>100.00%</u>

\* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the Diversified Portfolio. All other investments are held in the name of the Diversified Portfolio by a third party and are not exposed to custodial credit risk. The Diversified Portfolio or its agent does not release cash or securities until the counterparty delivers its side of the transaction.



# Notes to Financial Statements (continued)

## Diversified Portfolio Years ended June 30, 2023 and 2022

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Management attempts to limit the Diversified Portfolio's exposure to interest rate risk and believes this is addressed by the fact that securities are limited by S&P Global guidelines as well as by investment policy to investments of high quality with durations not to exceed 397 days. Significant changes in market interest rates are not expected to present long-term risks to the Diversified Portfolio.

The following table provides information on the weighted average maturities for various asset types of the Diversified Portfolio as of June 30, 2023 and 2022:

Security Type	June 30, 2023		June 30, 2022	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
U.S. Government agencies	\$ 288,850,178	58	\$ 107,944,493	105
U.S. Treasury notes and bills	161,694,103	57	87,863,054	74
Repurchase agreements	257,500,000	3	297,500,000	1
Money market mutual funds	1,760,165	3	8,571,679	1
Deposit accounts	116,965,458	3	30,095,709	1
	<u>\$ 826,769,904</u>	<u>33</u>	<u>\$ 531,974,935</u>	<u>34</u>

Concentration credit risk is the risk of loss attributed to the magnitude of the Trust's investments in a single issuer. Management does not believe the Diversified Portfolio has concentration risk. Securities are limited by investment policy to obligations issued or guaranteed by the U.S. Government, government-only money market funds, deposits covered by FDIC insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa, and collateralized perfected repurchase agreements. The Diversified Portfolio investments at June 30, 2023 included 34.9% in U.S. Government agencies, 19.6% in U.S. Treasury notes, 31.2% in repurchase agreements collateralized by U.S. Government Agency and U.S. Treasury securities, 0.2% in money market mutual funds, and 14.1% in bank products covered by FDIC insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the value of an investment or deposit. The Diversified Portfolio does not hold interests in foreign currency or interests valued in foreign currency.

### (5) Risk Management

The Trust is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; and natural disasters.

The Trust maintains insurance coverage for fidelity and errors and omissions exposures. There have been no claims or settlements under the Trust insurance coverage since its organization in 1987.

### (6) Subsequent Events

IPAIT has evaluated the effects of events that occurred subsequent to June 30, 2023, and there have been no material events that would require recognition in the financial statements or disclosure in the notes to the financial statements.



# Schedule of Investments 2023

## Diversified Portfolio June 30, 2023

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
<b>U.S. Government Agency Obligations - 34.94%</b>				
Federal Farm Credit Bank - 2.53%	(a) 5.11%	07/03/23	\$ 8,000,000	\$ 8,000,528
	(a) 5.14%	07/03/23	4,000,000	3,997,765
	4.80%	07/07/23	4,000,000	3,996,887
	2.22%	11/01/23	5,000,000	4,946,670
				<u>20,941,850</u>
Federal Home Loan Bank - 28.90%	5.02%	07/03/23	11,000,000	10,997,030
	(a) 5.11%	07/03/23	5,000,000	5,000,000
	(a) 5.07%	07/03/23	3,000,000	2,999,953
	(a) 5.12%	07/03/23	11,000,000	11,000,000
	(a) 5.08%	07/03/23	4,000,000	4,000,000
	(a) 5.15%	07/03/23	4,375,000	4,375,000
	(a) 5.12%	07/03/23	4,000,000	4,000,000
	(a) 5.09%	07/03/23	5,000,000	4,999,650
	(a) 5.08%	07/03/23	7,000,000	7,000,000
	(a) 5.09%	07/03/23	7,000,000	7,000,000
	(a) 5.09%	07/03/23	5,000,000	5,000,000
	(a) 5.16%	07/03/23	2,500,000	2,500,000
	(a) 5.09%	07/03/23	5,000,000	5,000,000
	(a) 5.14%	07/03/23	5,000,000	4,999,867
	(a) 5.10%	07/03/23	5,000,000	5,000,000
	4.87%	07/12/23	4,000,000	3,994,207
	4.84%	07/26/23	3,500,000	3,488,576
	5.26%	08/02/23	15,000,000	14,933,467
	5.21%	08/09/23	15,000,000	14,919,573
	5.30%	08/11/23	15,000,000	14,914,754
	5.26%	08/15/23	6,000,000	5,962,650
	5.20%	08/16/23	9,000,000	8,943,203
	5.19%	08/23/23	8,000,000	7,941,971
	5.28%	08/30/23	15,000,000	14,875,350
	5.33%	09/06/23	10,000,000	9,905,772
	5.33%	09/08/23	5,000,000	4,952,083
	5.45%	09/15/23	8,000,000	7,914,204
	6.60%	09/22/23	10,000,000	9,881,518
	5.87%	10/06/23	8,000,000	7,887,286
	4.89%	11/07/23	7,000,000	6,996,672
	5.08%	01/12/24	4,000,000	3,896,217
	5.05%	02/06/24	4,000,000	3,883,889
	5.40%	03/01/24	5,000,000	4,828,353
	2.55%	03/28/24	5,000,000	4,911,785
				<u>238,903,030</u>
Freddie Mac - 3.17%	5.25%	07/18/23	10,000,000	9,976,672
	2.79%	12/29/23	4,000,000	3,960,124
	3.05%	01/25/24	8,635,596	8,533,435
	2.97%	04/25/24	3,831,080	3,760,261
				<u>26,230,492</u>





# Schedule of Investments 2023 (continued)

## Diversified Portfolio June 30, 2023

<u>Name of Issuer</u>		<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
Fannie Mae - 0.16%		2.32%	08/01/23	1,314,171	1,314,171
					<u>1,314,171</u>
International Development Finance Corp - 0.18%	(a)	5.35%	07/07/23	1,460,635	1,460,635
					<u>1,460,635</u>
Total U.S. Government Agency Obligations (fair value \$288,677,320)					<u>288,850,178</u>
<b>U.S. Treasury Notes - 19.56%</b>					
	(a)	5.28%	07/03/23	15,000,000	15,001,345
	(a)	5.28%	07/03/23	5,000,000	5,001,557
		5.04%	07/05/23	8,000,000	7,995,658
		4.87%	07/06/23	9,000,000	8,994,106
		5.05%	07/13/23	10,000,000	9,983,760
		4.82%	07/20/23	4,000,000	3,990,109
		4.99%	07/25/23	5,000,000	4,983,983
		4.83%	07/27/23	4,000,000	3,986,466
		7.76%	08/10/23	15,000,000	14,915,441
		5.71%	08/31/23	15,000,000	14,866,817
		5.79%	09/07/23	12,000,000	11,882,020
		5.94%	09/14/23	8,000,000	7,914,167
		6.44%	09/21/23	12,000,000	11,859,780
		10.64%	09/28/23	12,000,000	11,846,327
		5.91%	10/03/23	5,000,000	4,930,479
		5.94%	10/10/23	5,000,000	4,927,119
		5.53%	10/19/23	5,000,000	4,921,640
		5.39%	11/16/23	5,000,000	4,904,550
		5.91%	12/07/23	4,000,000	3,907,515
		6.02%	12/14/23	5,000,000	4,881,264
Total U.S. Treasury Notes (fair value \$161,730,897)					<u>161,694,103</u>
<b>Money Market Mutual Funds - 0.21%</b>					
Blackrock Liquid - Money Market - 0.18%		5.00%	07/03/23	1,505,076	1,505,076
Dreyfus Govern Cash - Money Market - 0.01%		5.00%	07/03/23	99,207	99,207
Fed Govt Obligation - Money Market - 0.01%		4.93%	07/03/23	72,288	72,288
First American Govt - Money Market - 0.01%		4.97%	07/03/23	64,711	64,711
JPMorgan US Govt - Money Market - 0.00%		5.03%	07/03/23	18,883	18,883
Total Money Market Mutual Funds (fair value \$1,760,165)					<u>1,760,165</u>
<b>Deposit Accounts - 14.15%</b>					
Cedar Rapids B&TC - ICS Demand - 4.90%		5.33%	07/03/23	40,535,021	40,535,021
Hills B&T Company - ICS Demand - 0.00%		5.30%	07/03/23	8,619	8,619
U.S. Bank, N.A. - Bank Dep - 9.25%		5.10%	07/03/23	76,421,818	76,421,818
Total Deposit Accounts (fair value \$116,965,458)					<u>116,965,458</u>



# Schedule of Investments 2023 (continued)

## Diversified Portfolio June 30, 2023

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
<b>Repurchase Agreements - 31.14%</b>				
BMO Capital Markets LLC - 12.09% (fair value \$100,000,000) (collateralized by \$127,444,395 par value U.S. Government Agencies with maturities ranging from 07/20/41 to 06/20/63, collateral worth	5.01%	07/03/23	100,000,000	100,000,000
Royal Bank of Canada - 13.85% (fair value \$114,500,000) (collateralized by \$3,778,783,181 par value U.S. Government Agencies and U.S. Treasuries with maturities ranging from 07/27/23 to 05/25/58, collateral worth \$116,790,075)	5.00%	07/03/23	114,500,000	114,500,000
State Street - 5.20% (fair value \$43,000,000) (collateralized by \$46,568,700 par value U.S. Treasury with a maturity date of 04/30/29, collateral worth \$43,860,075)	5.04%	07/03/23	43,000,000	43,000,000
Total Repurchase Agreements (fair value 257,500,000)				257,500,000
<b>Total Investments - 100.00%</b> (fair value \$826,633,840)				\$ 826,769,904

\* Time-weighted rate of return based on the market rate of return.

(a) Denotes variable rate security which shows current rate and next reset date.



# Schedule of Investments 2022

## Diversified Portfolio June 30, 2022

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
<b>U.S. Government Agency Obligations - 20.29%</b>				
Federal Farm Credit Bank - 7.92%	0.72%	08/02/22	\$ 3,250,000	\$ 3,248,267
	1.23%	08/03/22	5,000,000	5,000,207
	1.53%	08/11/22	1,000,000	1,000,057
	1.57%	08/26/22	3,000,000	3,000,480
	1.57%	09/14/22	4,000,000	4,000,687
	0.15%	09/16/22	1,500,000	1,499,772
	1.52%	09/30/22	3,000,000	2,999,981
	1.09%	10/04/22	3,000,000	3,000,000
	1.52%	10/05/22	4,000,000	3,999,973
	0.15%	10/13/22	1,442,000	1,442,034
	0.73%	11/23/22	5,000,000	4,988,209
	1.59%	12/12/22	2,000,000	2,003,179
	0.73%	12/14/22	3,000,000	2,991,602
	1.83%	02/03/23	3,000,000	2,970,222
				<u>42,144,670</u>
Federal Home Loan Bank - 4.94%	0.12%	08/12/22	1,690,000	1,690,017
	1.10%	08/15/22	5,000,000	5,004,696
	1.14%	08/19/22	5,500,000	5,491,488
	0.87%	09/09/22	6,000,000	6,012,942
	0.65%	12/09/22	5,050,000	5,077,228
	1.31%	02/17/23	3,000,000	3,001,135
				<u>26,277,506</u>
Freddie Mac - 0.89%	1.92%	07/25/22	600,796	600,392
	2.14%	03/25/23	2,674,248	2,674,060
	2.28%	05/05/23	1,500,000	1,476,260
				<u>4,750,712</u>
Fannie Mae - 5.65%	2.14%	08/01/22	1,823,323	1,823,323
	0.17%	09/06/22	5,650,000	5,663,103
	0.26%	10/05/22	6,000,000	6,027,496
	1.85%	11/01/22	2,238,573	2,240,404
	2.27%	01/01/23	1,695,717	1,695,693
	1.91%	01/01/23	2,630,889	2,632,677
	2.03%	03/01/23	870,000	872,163
	1.93%	03/01/23	3,000,000	3,008,042
	1.83%	03/01/23	3,306,843	3,322,269
	3.26%	07/01/23	2,769,672	2,736,535
				<u>30,021,705</u>
International Development Finance Corp - 0.89% (a)	1.66%	07/07/22	1,491,845	1,491,845
	0.15%	07/23/22	750,000	750,000
	0.28%	11/15/22	1,500,000	1,502,717
	1.46%	02/15/23	1,000,000	1,005,338
				<u>4,749,900</u>
Total U.S. Government Agency Obligations (fair value \$107,590,939)				<u>107,944,493</u>



# Schedule of Investments 2022 (continued)

## Diversified Portfolio June 30, 2022

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
<b>U.S. Treasury Notes - 16.52%</b>				
	0.54%	07/05/22	3,000,000	2,999,822
	0.68%	07/07/22	3,000,000	2,999,665
	0.65%	07/14/22	7,500,000	7,498,755
	0.37%	07/21/22	3,000,000	2,999,392
	0.90%	07/28/22	5,000,000	4,996,662
	0.82%	08/02/22	2,000,000	1,998,569
	0.54%	08/04/22	3,000,000	2,998,484
	0.55%	08/11/22	7,000,000	6,995,661
	0.98%	08/16/22	2,500,000	2,496,917
	0.74%	08/18/22	3,000,000	2,997,074
	1.07%	08/31/22	3,000,000	3,003,985
	0.10%	09/08/22	5,500,000	5,497,400
	1.67%	09/15/22	5,000,000	4,982,689
	1.24%	09/20/22	2,500,000	2,493,174
	0.89%	09/22/22	2,500,000	2,494,985
	1.30%	09/27/22	2,500,000	2,492,178
	1.78%	09/29/22	3,000,000	2,986,875
	1.42%	10/04/22	2,500,000	2,490,830
	0.09%	10/06/22	3,000,000	2,997,270
	0.16%	11/03/22	6,000,000	5,996,667
	1.56%	11/25/22	3,000,000	2,981,257
	0.24%	12/01/22	3,000,000	2,996,940
	1.75%	12/08/22	2,500,000	2,481,000
	0.40%	12/29/22	3,000,000	2,994,118
	0.64%	01/26/23	2,000,000	1,992,685
Total U.S. Treasury Notes (fair value \$87,685,073)				87,863,054
<b>Money Market Mutual Funds - 1.61%</b>				
Blackrock Liquid - Money Market - 1.57%	1.33%		8,316,590	8,316,590
Dreyfus Govern Cash - Money Market - 0.02%	1.36%		99,207	99,207
Fed Govt Obligation - Money Market - 0.01%	1.37%		72,288	72,288
First American Govt - Money Market - 0.01%	1.26%		64,711	64,711
JP Morgan US Govt - Money Market - 0.00%	1.38%		18,883	18,883
Total Money Market Mutual Funds (fair value \$8,571,679)				8,571,679
<b>Deposit Accounts - 5.66%</b>				
Community State Bank - ICS Savings - 0.00%	0.41%		360	360
Greenstate Credit Union - DDM - 5.65%	1.70%		30,049,814	30,049,814
Hills B&T Company - ICS Demand - 0.00%	0.60%		856	856
U.S. Bank NA - Bank Dep - 0.01%	0.01%		44,679	44,679
Total Deposit Accounts (fair value \$30,095,709)				30,095,709



# Schedule of Investments 2022 (continued)

## Diversified Portfolio June 30, 2022

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
<b>Repurchase Agreements - 55.92%</b>				
BMO Capital Markets LLC - 24.81% (fair value \$132,000,000) (collateralized by \$141,748,500 par value U.S. Treasuries with maturities ranging from 07/15/30 to 02/15/52, collateral worth \$134,640,008)	1.45%	07/01/22	132,000,000	132,000,000
Royal Bank of Canada - 31.11% (fair value \$165,500,000) (collateralized by \$2,064,975,309 par value U.S. Government Agencies and U.S. Treasuries with maturities ranging from 12/29/22 to 05/20/52, collateral worth \$168,810,000)	1.47%	07/01/22	165,500,000	165,500,000
Total Repurchase Agreements (fair value \$297,500,000)				297,500,000
<b>Total Investments - 100.00%</b> (fair value \$531,443,400)				\$ 531,974,935

\* Time-weighted rate of return based on the market rate of return.

(a) Denotes variable rate security which shows current rate and next reset date.



# Schedule of Financial Highlights

**Selected Data for Each Unit of Portfolio  
Outstanding Through Each Year Ended  
June 30,**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net Asset Value, Beginning of Period	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Net Investment Income	0.0363	0.0010	0.0002	0.0108	0.0203
Dividends Distributed	(0.0363)	(0.0010)	(0.0002)	(0.0108)	(0.0203)
Net Asset Value, End of Period	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Total Return*	0.35%	0.11%	0.02%	1.12%	2.04%
Ratio of Expenses to Average Net Position, After Waivers	0.30%	0.14%	0.14%	0.31%	0.34%
Ratio of Net Investment Income to Average Net Position, After Waivers	3.63%	0.10%	0.02%	1.08%	2.03%
Ratio of Expenses to Average Net Position, Before Waivers	0.30%	0.30%	0.31%	0.32%	0.34%
Ratio of Net Investment Income to Average Net Position, Before Waivers	3.63%	-0.06%	-0.16%	1.07%	2.03%
Net Position, End of Period (000 Omitted)	\$829,392	\$532,177	\$478,411	\$461,481	\$434,627

\* Total return is calculated by taking the ending value of an initial \$1,000 investment including monthly reinvested dividends, minus the initial investment, divided by the initial \$1,000 investment.



# Fund Facts Summary

## Diversified Portfolio Facts as of June 30, 2023 (unaudited)

**Investment Strategy/Goals:** To provide a safe, liquid, effective investment alternative for the operating funds, reserve funds, and bond proceeds for Iowa's municipalities, counties, municipal utilities, and other eligible public agencies by jointly investing participant funds in a professionally managed portfolio of short-term, high-quality, legally authorized, marketable securities.

**Date of Inception:** November 13, 1987

**Total Net Assets:** \$829 million

**Benchmarks:** Money Market Index, Iowa Code Chapter 74A 32-89 day Public Funds Rates, and Iowa Code Chapter 74A 90-179 day Public Funds Rates.

**Performance Objective:** To provide the highest level of current income from investment in a portfolio of U.S. government and agency securities, certificates of deposit in Iowa financial institutions, and other authorized securities collateralized by U.S. government and agency securities as is consistent with, in order of priority, preservation of principal and provision of necessary liquidity.

**Investment Adviser:** PMA Asset Management, LLC

**Management Fees:** Sliding scale from nine basis points (0.09%) to five and one-half basis points (0.055%)

**Total Expense Ratio:** Sliding scale from twelve basis points (0.12%) to thirty-three basis points (0.33%)

**Actual Expense Ratio FYE 2023:** The actual fee ratio charged during FYE 2023 was thirty basis points (0.30%)



# Diversified Portfolio (unaudited)

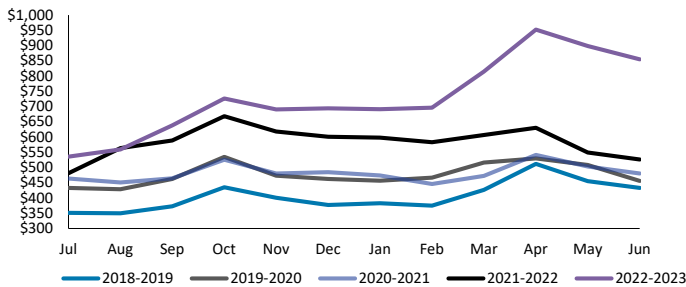
## INTRODUCTION

The IPAIT Diversified Portfolio (the “Fund”) is a short-term investment pool of high-quality money market instruments. In 2016, the Fund began obtaining an annual rating from S&P Global Ratings (“S&P”) and has maintained a rating of ‘AAAm’ since that time.

The Fund is made up of a professionally managed portfolio of demand deposits covered by FDIC insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa, SEC registered government money market mutual funds, U.S. government and federal agency securities, and fully collateralized repurchase agreements, the latter collateralized by U.S. government and federal agency securities. The Fund is typically used for the investment of public funds subject to the Iowa public funds statutory provisions invested by a participant unless other participant-specific investment restrictions exist.

## HISTORICAL PORTFOLIO CASH FLOW (expressed in millions)

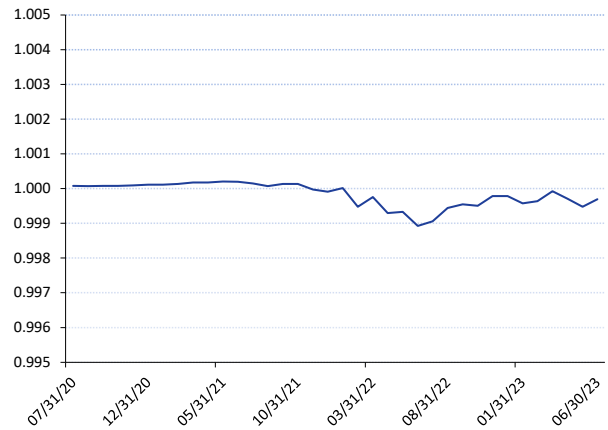
### IPAIT DIVERSIFIED PORTFOLIO



The Fund is managed by PMA Asset Management, LLC, a registered investment adviser. Aggregate cash flows are monitored daily and compared to respective Fund cash flow patterns of previous periods. Fund cash flow patterns throughout the fiscal period, as compared to previous years, have traditionally been repetitive. Over thirty years of operating history create a very helpful tool to gauge necessary pool liquidity needs.

The investment objective of the Fund is to provide as high a level of current income as is consistent with preservation of invested principal and provision of adequate liquidity to meet participants’ daily cash flow needs. As a general policy, all purchased securities will be held until they mature. Summaries of all security trades for the Fund are provided quarterly to the IPAIT Board of Trustees for review.

## AMORTIZED COST VS. FAIR VALUE PER SHARE JULY 1, 2020 - JUNE 30, 2023 IPAIT DIVERSIFIED PORTFOLIO



The Fund accrues interest income daily and pays accrued income monthly to participant accounts. Interest is paid on the last business day of the month. Daily income amounts and investment returns are calculated using the interest method. Under this method, a security is initially valued at cost on the date of purchase and, thereafter, any premium or discount is amortized using the interest method.

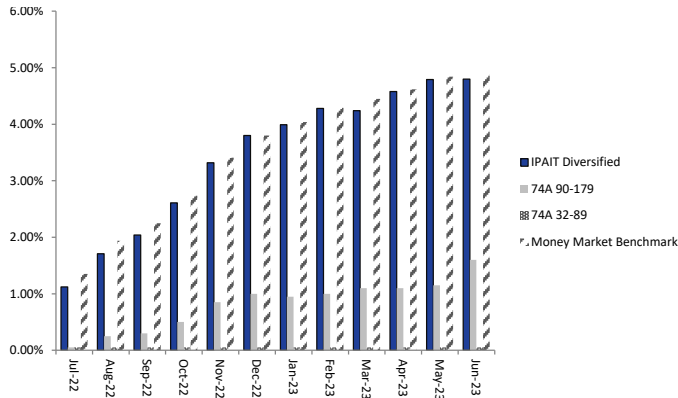
The IPAIT Adviser values the Fund’s portfolio weekly at current fair value, based upon actual market quotations. The Fund’s current fair valuation is compared to that Fund’s current amortized cost basis. IPAIT uses the Amortized Cost Method of Valuation along with IPAIT’s internal controls and procedures; any deviation in net asset value based upon available market quotations from the Fund’s \$1.00 amortized cost per unit is carefully monitored. Deviations may never exceed 0.5 percent. Illustrated above is the amortized cost versus fair value per unit comparison for the past three fiscal years.





# Diversified Portfolio (unaudited) (continued)

**IPAIT DIVERSIFIED PORTFOLIO VS. IOWA CHAPTER 74A (90-179 & 32-89 DAY) & MONEY MARKET BENCHMARK US GOVERNMENT & AGENCY JULY 2022 - JUNE 2023**



The Fund's investment performance is regularly compared to three established benchmarks: the Money Market Benchmark, average rate for money market funds investing in U.S. government securities, and the Iowa Code Chapter 74A rate for 32-89 and 90-179 day certificates of deposit issued by Iowa financial institutions for public funds in the state.

The Iowa Code Chapter 74A rates are distributed monthly by the state Treasurer's office for various investment periods and are intended to be the minimum rates at which Iowa financial institutions can accept public funds for timed deposits. While a public body must commit funds for minimum periods of time to access Chapter 74A rates, IPAIT may offer rates at or above the Chapter 74A benchmarks with complete daily liquidity.

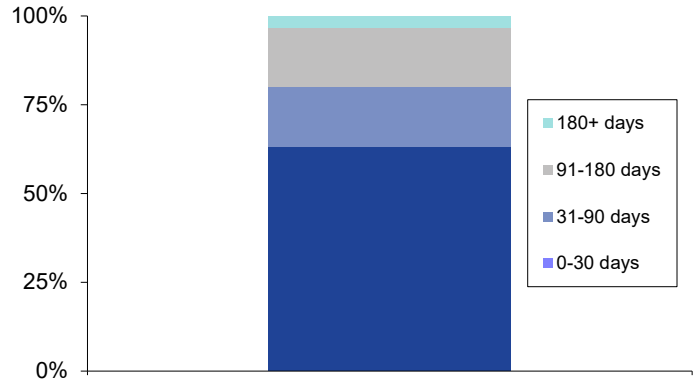
## RISK PROFILE

The Fund is low in risk profile. Portfolio investments are limited to:

1. No single portfolio investment may exceed the 397 days to maturity as outlined in GASB Statement No. 79.
2. The weighted average maturity (WAM) of the portfolio may never exceed 60 days.

In addition to the above investment maturity restrictions, the Fund limits itself to U.S. government and federal agency securities, perfected repurchase agreements collateralized by U.S. government and federal agency securities, deposits covered by FDIC insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa, and shares of SEC-registered government money market funds. This combination of those average maturities and high-quality credit instruments provides eligible Iowa public fund investors with a safe, effective investment alternative.

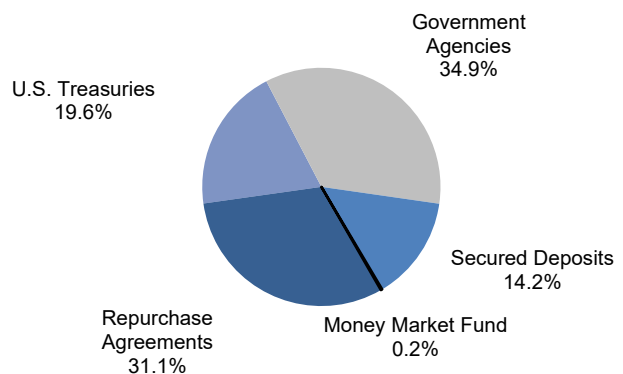
**MATURITY ANALYSIS AS OF JUNE 30, 2023 IPAIT DIVERSIFIED PORTFOLIO**



As noted previously, the Fund carefully limits itself to high credit-quality securities. In addition, IPAIT monitors a broad array of economic indicators as well as activities of the Federal Open Market Committee to be able to position the Fund's WAM to take advantage of projected interest rate environments.

**DISTRIBUTION BY SECURITY TYPE AS OF JUNE 30, 2023 (AMORTIZED COST AND FAIR VALUE)**

See the schedule of investments in the financial statements section of the report for a complete list of the portfolio holdings.



## IPAIT DIVERSIFIED PORTFOLIO

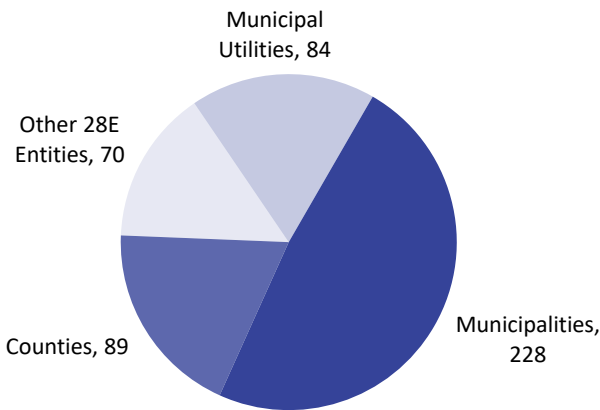
It is important to note that portfolio liquidity needs for IPAIT must control evaluation of alternative portfolio management opportunities at all times. For example, if historical cash flow analysis indicates that participants will need to withdraw funds, material extension of the Fund's portfolio is not a viable alternative.



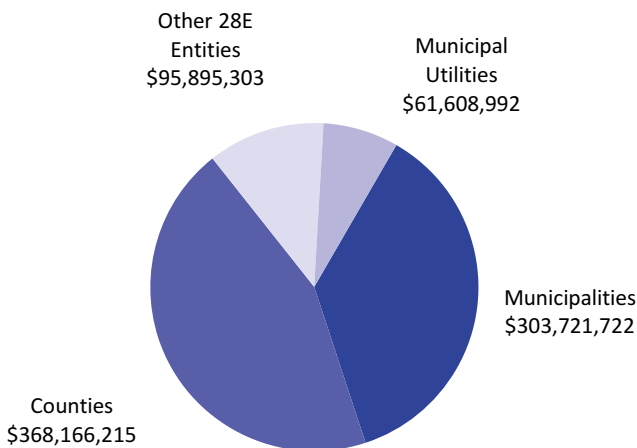
# Diversified Portfolio (unaudited) (continued)

Participation membership by affiliation concentration is illustrated in the following graph.

**PARTICIPANT MEMBERSHIP AS OF JUNE 30, 2023  
IPAIT DIVERSIFIED PORTFOLIO**



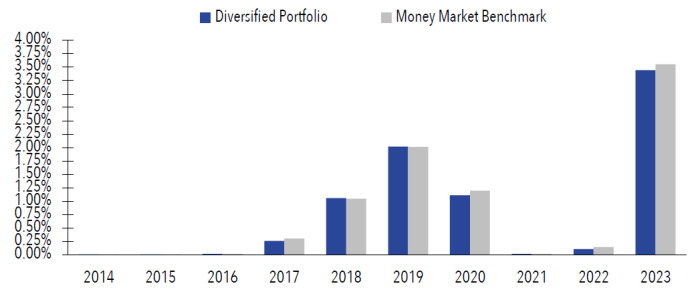
**OWNERSHIP ANALYSIS AS OF JUNE 30, 2023  
IPAIT DIVERSIFIED PORTFOLIO**



## PERFORMANCE SUMMARY

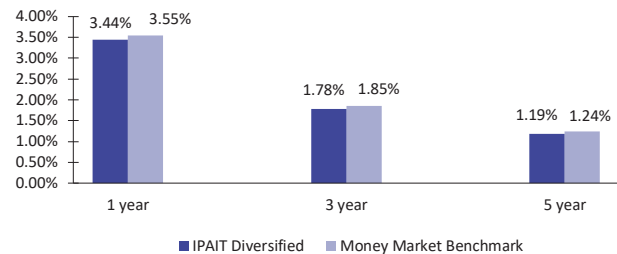
For the one-year period ended June 30, 2023, the Fund reported a ratio of net investment income to average net assets of 3.63%, net of all operating expenses. These figures compare relative to the money market benchmark average, which returned 3.55% for the fiscal period.

**ANNUAL TOTAL RETURNS  
IPAIT DIVERSIFIED PORTFOLIO VS. MONEY MARKET BENCHMARK  
(time-weighted rate of return)**



Also illustrated below are the historical returns for the Fund for the most recent one, three, and five year periods.

**ANNUALIZED TOTAL RETURNS  
IPAIT DIVERSIFIED PORTFOLIO VS.  
MONEY MARKET BENCHMARK**





# Fund Expenses (unaudited)

## FUND EXPENSES (unaudited)

It is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the fund, you incur ongoing costs, including management fees, distribution and service fees, and other fund expenses. Expenses, which are deducted from a fund's investment income, directly reduce the investment return of the fund.

A fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your fund and compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period and held for the entire period from January 1, 2023 to June 30, 2023. The table illustrates your fund's costs in two ways:

**1. Based on actual fund return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the fund's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

**2. Based on hypothetical 5% return.** This section is intended to help you compare your fund's costs with those of other mutual funds. It assumes that the fund had a return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is not the fund's actual return, the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Your fund does not carry a "sales load" or transaction fee. The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and timing of any purchases or redemptions.

You can find more information about the fund's expenses, including annual expense ratios for the past five years, in the Financial Highlights section of this report. For additional information on operating expenses and other shareholder costs, please refer to the Information Statement.

Example	Beginning Account Value 1/01/2023	Ending Account Value 6/30/2023	Expenses Paid During Period 1/01/23 to 6/30/23	Annualized Expense Ratio
<b>Based on Actual Fund Return</b>				
IPAIT Diversified Portfolio	\$1,000.00	\$1,022.38	\$1.50	0.30%
<b>Based on Hypothetical 5% Return</b>				
IPAIT Diversified Portfolio	\$1,000.00	\$1,025.34	\$1.50	0.30%

Expenses are equal to the fund's annualized expense ratio listed in the table above, multiplied by the average account value over the period, multiplied by 181, the number of days in the most recent fiscal half-year, divided by 365, to reflect the one-half year period.



## Fees and Expenses (unaudited)

All fees are calculated by basis points per net assets.

<b>Entity</b>	<b>Fee Type</b>	<b>Fee</b>
PMA Asset Management, LLC	Adviser	0.090% up to \$150MM; 0.070% on \$150 - \$250MM; 0.055% on assets exceeding \$250MM
PMA Financial Network, LLC	Administrator	0.100% up to \$150MM; 0.090% on \$150 - \$250MM; 0.075% on assets exceeding \$250MM
PMA Securities, LLC	Marketer	0.060%
Sponsoring Associations (1)	Sponsoring Associations	0.075%
U.S. Bank (2)	Custody	0.0033%
Administration Fund	Other fees & expenses	0.010% estimate (includes fixed & variable fees)

(1) Includes Iowa League of Cities, Iowa State Association of Counties, and Iowa Association of Municipal Utilities.

(2) Custody fees are 0.0033% of average monthly fair value of the portfolio plus transaction charges.

This fiscal year's actual expense ratio for the IPAIT Diversified Portfolio was 0.30% of average net position based on a sliding fee scale.

Actual:

For the fiscal year ended June 30, 2023, the following actual expenses, net of waivers, were incurred by the Fund:

	<b>Diversified Portfolio</b>
Adviser	\$ 468,377
Administrator	599,151
Marketing	437,321
Sponsoring Associations	546,651
Custody	32,315
Other fees and expenses	87,600
<b>Total</b>	<b>\$ 2,171,415</b>



# Statement of Additional Information (unaudited)

## **OTHER INFORMATION**

Units of IPAIT's Diversified Portfolio are not insured by the FDIC or the U.S. Government. Investment products involve investment risk, including the possible loss of principal. Past performance is not predictive of future results, and the composition of the Fund's portfolio is subject to change.

## **PARTICIPANT MEETING RESULTS**

No participant meetings were held during the fiscal year ended June 30, 2023, for proposals requiring participant approval.



## Investment Commentary (unaudited)

The global economy continued to deal with the lasting economic impacts of the pandemic and related fiscal and monetary policy measures throughout the fiscal year ending June 30, 2023. Elevated inflation remained a focal point for the economy and the Federal Reserve throughout the year. The United States Consumer Price Index (CPI) peaked in June of 2022 at 9.1% year-over-year. Over the year it steadily ticked down, ending the period at 3.0% in June of 2023. Energy prices were the most volatile component over the period with fuel oil inflation ranging from over 106% to negative 37%. Shelter tends to be the most lagged component of CPI and it peaked later in the period, in March 2023.

The labor market remained resilient through the year. The unemployment rate has stayed at or below 3.7% throughout the entire reporting period. The labor force participation rate continued to increase throughout the period as well. In May 2023 the labor force participation rate matched its pre-pandemic level at 62.6%. The core work group, ages 25 to 54, surpassed its pre-pandemic participation rate. Increasing from 83.1% January 2020 to 83.5% in May 2023. Total non-farm payrolls grew by \$3.75M year over year. Lower than the previous year's total, \$6.62M, but still well above the historical average of \$1.52M per year. Overall, these metrics indicate the labor market is functioning similarly to the way it did prior to the COVID 19 shut-downs.

Given the strong labor market and persistent inflation, the Federal Reserve Open Market Committee raised interest rates at each meeting until finally pausing in June of 2023. These hikes were between 25 and 75 basis points, totaling 350 basis points of rate hikes in the year. Over the entire rate hiking cycle, the Fed moved 525 basis points prior to the hawkish pause in June to end the year. The Fed paused while reminding the market that they remain data dependent and additional hikes are likely to be required prior to any longer-term pauses or potential rate cuts. This has been the most rapid hiking cycle in decades, outpacing even the '88-'89 and '94-'95 hiking cycles.

Although yields in the front end of the yield curve increased rapidly, longer term bond yields increased at a slower rate. The 90-day Treasury bond moved from 1.72% to 5.43% and the ten-year moved from 2.92% to 4.87%. This uneven increase of the yield curve caused it to invert. The 2-year, 10-year spread, a broadly followed metric, finished the period at negative 106bps. This is the most inverted the curve has been through this economic cycle. While an inverted yield curve has historically been a sign of a looming recession, the economy has held up well to date.

The rapid increase of interest rates began to stress financial company balance sheets in the first quarter of 2023. Several banks failed and were taken over by the Federal Deposit Insurance Corporation (FDIC). These banks had highly concentrated and esoteric deposits basis, specifically venture capital backed and/or cryptocurrency companies. The Federal Reserve, United States Treasury, and FDIC stepped in to back to the financial system. This restored confidence and prevented further bank runs. No depositors lost money as a result of these bank failures. More generally, corporate balance sheets for investment grade companies remain healthy. Relatively low corporate spreads for investment grade companies indicate the confidence investors have in these companies.

Shortly after the bank stress passed, the United States had a debt ceiling debate play out in Washington D.C. Finally, just days before a potential default, a bill was passed to suspend the debt ceiling until 2025. In August 2023, Fitch Ratings downgraded the U.S. to AA+ from AAA, due in part to governance concerns. Treasury yields did not materially change immediately following this downgrade.

Even with the backdrop of higher rates, geopolitical risks and domestic financial stress, the U.S. economy has been able to expand over the past twelve months. Gross Domestic Product (GDP) grew 2.4% (quarter-over-quarter, annualized) in the quarter ended June 30, 2023. This followed several quarters of strong growth, ranging from 2.0 to 3.2 percent, as the economy continues to return to its historical average following the pandemic. A survey of economists conducted by Bloomberg indicates expectations for slower growth in the next 12 months. The forecast calls for only one quarter of slightly negative growth followed by several quarters of modest positive growth. These expectations for a "soft landing" have fueled strong stock price growth in the past year. Although one quarter of negative growth is being forecast, the downturn is not expected to be prolonged or severe given the strength of the labor market and corporate balance sheets.



# Investment Policy (unaudited)

## SECTION 1 – SCOPE OF INVESTMENT POLICY

The Investment Policy of the Iowa Public Agency Investment Trust (IPAIT) shall apply to all funds invested on behalf of participants accounted for in the IPAIT financial statements. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

This Investment Policy is intended to comply with Iowa Code chapters 28E, 12B, 12C and sections 331.555 and 384.21.

Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to all of the following:

1. The IPAIT Board of Trustees.
2. All IPAIT depository institutions or fiduciaries.
3. The auditor engaged to audit any fund of IPAIT.

## SECTION 2 – FUNDAMENTAL INVESTMENT RESTRICTIONS

### A. Unless otherwise specified below, none of the portfolios will:

1. Invest more than 5 percent of the value of their total assets in the securities of any one federally insured Iowa depository institution (other than securities of the U.S. government or its agencies or instrumentalities).
2. Invest 25 percent or more of the value of their total assets in the securities of issuers conducting their principal business activities in any one industry, including financial institutions. This restriction does not apply to securities of the U.S. government or its agencies and instrumentalities and repurchase agreements relating thereto.
3. Mortgage, pledge or hypothecate their assets.
4. Make short sales of securities or maintain a short position.
5. Purchase any securities on margin.
6. Write, purchase or sell puts, calls or combinations thereof.
7. Purchase or sell real estate or real estate mortgage loans.
8. Invest in restricted securities or invest more than 10 percent of the Portfolio's net assets in repurchase agreements with a maturity of more than seven days, and other liquid assets, such as securities with no readily available market quotation.
9. Underwrite the securities of other issuers.

### B. Prohibited Investments

Assets of IPAIT shall not be invested in the following:

1. Reverse repurchase agreements.
2. Futures and options contracts.
3. Any security with a remaining maturity exceeding 397 days.

### C. Prohibited Investment Practices

The following investment practices are prohibited:

1. Trading of securities for speculation or the realization of short-term trading gains.
2. Investing pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
3. If a fiduciary or other third party with custody of public investment transaction records of IPAIT fails to produce requested records when requested by IPAIT or its agents within a reasonable time, IPAIT shall make no new investment with or through the fiduciary or third party and shall not renew maturity investments with or through the fiduciary or third party.



## Investment Policy (unaudited) (continued)

### D. Management Policies and Procedures

Following are the fundamental management policies and procedures for IPAIT. All investments shall be maintained in separate IPAIT custodial accounts, segregated by Portfolio on behalf of IPAIT Participants.

1. Each purchase or sale of a security must be handled on a delivery versus payment (DVP) basis. Funds for the purchase of an investment shall not be released to the seller until the security is delivered to the IPAIT Custodian. Conversely, a sold security shall not be released to the buyer until funds for the purchase price of the security have been received by the IPAIT Custodian.
2. "Free delivery" transactions are prohibited. The Custodian shall never release assets from the IPAIT custodial accounts until the funds for the investment are delivered.
3. Any material deviation (greater than 0.5 percent) from the amortized cost of investments shall be promptly reported by the Adviser to the Board of Trustees. If such deviation exceeds 0.5 percent, the Adviser will consider what action, if any, should be initiated to reasonably eliminate or reduce material dilution or other unfair results to Participants. Such action may include redemption of Trust Units in kind, selling portfolio securities prior to maturity, withholding distributions, or utilizing a net asset value per Trust Unit based upon available market quotations.
4. The frequent trading of securities, including day trading for the purpose of realizing short-term gains, the purchase and sale of futures and options to buy or sell authorized investments, reverse repurchase agreements, and other similar speculative transactions are expressly prohibited.
5. IPAIT may not make any investment other than Permitted Investments authorized by the provisions of the law applicable to the investment of funds by the Participants, as such laws may be amended from time to time.
6. IPAIT may not purchase any Permitted Investment if the effect of such purchase by IPAIT would be to make the average dollar weighted maturity of a portfolio greater than sixty (60) days.
7. IPAIT may not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments.
8. IPAIT may not make loans, provided that IPAIT may make Permitted Investments.

The restrictions set forth above are fundamental to the operation and activities of IPAIT and may not be changed without the affirmative approval, in writing, of a majority of the Participants entitled to vote, except that such restrictions may be changed by the Trustees so as to make them more restrictive when necessary to conform the investment program and activities of IPAIT to the laws of the State of Iowa and the United States of America as they may from time to time be amended.

The above investment restrictions shall not be changed without the vote of a majority of the Participants in a Portfolio. "Majority" means the lesser of (a) 67 percent of the Trust's or a Portfolio's outstanding Trust Units voting at a meeting of the Participants at which more than 50 percent of the outstanding Trust Units are represented in person or by proxy, or (b) a majority of the Trust's or a Portfolio's outstanding Trust Units.

Provided, however, the Trust may invest Portfolio assets pursuant to the maximum extent possible by Iowa law governing investments by public agencies, and any change in the restrictions of the Iowa law governing investments by public agencies shall be deemed to be adopted by the Trust, and such change shall not require the approval of the Participants.

Any investment restrictions or limitations referred to above which involve a maximum percentage of securities or assets shall not be considered to be violated unless an excess over the percentage occurs immediately after an acquisition of securities or utilization of assets and results therefrom.





# Investment Policy (unaudited) (continued)

## Section 3 – DELEGATION OF AUTHORITY

The responsibility for conducting IPAIT investment transactions resides with the IPAIT Board of Trustees. Certain responsibilities have been delegated to the Administrator(s), the Adviser(s), and the Custodian (the “Service Providers”) pursuant to the Administrator Agreement(s), the Adviser Agreement(s), the Custodian Agreement, with amendments as may be adopted from time to time, and the current Information Statement (the “Documents”).

Each Service Provider shall individually notify the IPAIT Board of Trustees in writing within thirty days of receipt of all communications from the auditor of any Service Provider or any regulatory authority of the existence of a material weakness in internal control structure of the Service Provider or regulatory orders or sanctions regarding the type of services being provided to IPAIT by the Service Provider.

The records of investment transactions made by or on behalf of IPAIT are public records and are the property of IPAIT whether in the custody of IPAIT, or in the custody of a fiduciary or other third party.

## Section 4 – OBJECTIVES OF INVESTMENT POLICY

The primary objectives, in order of priority, of all investment activities involving the financial assets of IPAIT shall be the following:

1. **Safety:** Safety and preservation of principal in the overall portfolio is the foremost investment objective.
2. **Liquidity:** Maintaining the necessary liquidity to match expected liabilities is the second investment objective.
3. **Return:** Obtaining a reasonable return is the third investment objective.

## Section 5 – PRUDENCE

The Board of Trustees, when providing for the investment of deposit of public funds in the IPAIT program, shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the Section 4 investment objectives.

## Section 6 – INSTRUMENTS ELIGIBLE FOR INVESTMENT

Assets of IPAIT may be invested in the following, all as more fully described in the IPAIT Information Statement:

- Obligations of the United States government, its agencies and instrumentalities.
- Certificates of deposit (“CDs”) and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Iowa Code chapter 12C.
- Repurchase agreements, provided that the underlying collateral consists of obligations of the United States government, its agencies and instrumentalities and that the Custodian takes delivery of the collateral either directly or through a third party custodian.
- Insured deposits or certificates of deposit, invested pursuant to Iowa Code Section 12B10(7), in an amount above any insured portion of the public funds on deposit at a federally insured Iowa depository institution approved and secured pursuant to Iowa Code chapter 12C.
- Shares of a “government only” open-end management investment company registered with the federal Securities and Exchange Commission under the federal Investment Company Act of 1940, 15 U.S.C. §80a-1, and operating in accordance with 17 C.F.R. §270.2a-7.

All instruments eligible for investment are further qualified by all other provisions of this Investment Policy, including Section 7, Diversification and Investment Maturity Limitations.



# Investment Policy (unaudited) (continued)

## **Section 7 – DIVERSIFICATION AND INVESTMENT MATURITY LIMITATIONS**

It is the policy of IPAIT to diversify portfolio investments in the Diversified Portfolio. As described in the Information Statement, portfolio investments in the Diversified Portfolio are limited to the following:

1. No individual investment with maturity in excess of 397 days.
2. The maximum average maturity of all portfolio investments may not exceed 60 days. Pursuant to IPAIT policies as disclosed in the Documents, Participants may also individually invest in Fixed Term Program investments.

## **Section 8 – SAFEKEEPING AND CUSTODY**

All invested assets of Participants in the Portfolios or in the Fixed Term Program shall be held in accordance with the Custodian Agreement.

All invested assets eligible for physical delivery shall be secured by having them held at a third party custodian. All purchased investments shall be held pursuant to a written third party custodial agreement requiring delivery versus payment. No assets may be delivered out of the IPAIT account without full payment (no “free deliveries” shall be permitted).

## **Section 9 – REPORTING**

The Service Providers shall submit all reports required in the Documents.

## **Section 10 – INVESTMENT POLICY REVIEW AND AMENDMENT**

This Investment Policy shall be reviewed annually, or more frequently, as appropriate. Notice of amendments to the Investment Policy shall be promptly given to all parties noted in Section 1.

## **Section 11 – EFFECTIVE DATE**

This Investment Policy shall be effective as of September 1, 2017.  
Passed and approved this 30th day of August, 2017.

Amended effective November 1, 2003, August 26, 2009, August 25, 2010, August 28, 2013, and August 30, 2017.



## Investing & Non-Investing Participants - Diversified Portfolio (unaudited)

### \$0-\$50,000 Assets Invested

Brooklyn Municipal Utilities  
 Cascade Municipal Utilities  
 City of Afton  
 City of Badger  
 City of Bellevue  
 City of Breda  
 City of Cedar Rapids  
 City of Clarinda  
 City of Conrad  
 City of Coralville  
 City of Davenport  
 City of Des Moines  
 City of Elk Horn  
 City of Fairfield  
 City of Grand Mound  
 City of Grundy Center  
 City of Hiawatha  
 City of Knoxville  
 City of Malvern, Iowa  
 City of Manchester  
 City of Martensdale  
 City of Melcher-Dallas  
 City of Monroe  
 City of New London  
 City of New Virginia  
 City of Panora  
 City of Polk City  
 City of Springbrook  
 City of Walnut  
 City of Wellman  
 City of Wesley  
 City of West Liberty  
 City Utility of Eagle Grove  
 City Utility of Martensdale  
 City Utility of New Hampton  
 City Utility of Orient  
 City Utility of Pella  
 County of Cerro Gordo  
 County of Chickasaw  
 County of Howard  
 County of Polk  
 County of Scott  
 Durant Municipal Electric Plant  
 Fontanelle Municipal Utility  
 Gowrie Municipal Utilities  
 Greenfield Municipal Utilities  
 Iowa County Attorneys Case Management Project  
 Lamoni Municipal Utilities  
 North Central Iowa Regional SWA  
 Orange City Area Health System  
 Shelby County Chris A. Myrtue Memorial Hospital  
 Stuart Municipal Utilities  
 Winterset Municipal Utilities  
 Woodbine Municipal Light & Power  
\$50,000-\$250,000 Assets Invested  
 Central IA Reg Trans Planning Alliance  
 City of Auburn  
 City of Boone  
 City of Clinton  
 City of Cresco  
 City of Dike  
 City of Grant  
 City of Hospers  
 City of Indianola  
 City of Iowa City  
 City of Lovilia  
 City of Maynard  
 City of Morning Sun  
 City of Moulton  
 City of Nora Springs

### \$50,000-\$250,000 Assets Invested

City of Orange City  
 City of Parnell  
 City of Red Oak  
 City of Ringsted  
 City of Riverdale  
 City of Shenandoah  
 City of Van Meter  
 City of Webster City  
 City Utility of Fredericksburg  
 City Utility of Melcher-Dallas  
 City Utility of Middletown  
 County of Boone  
 County of Carroll  
 County of Greene  
 County of Kossuth  
 Fifth Judicial District  
 Hiawatha Water Department  
 IPAIT Administration Fund  
 La Porte City Utility  
 Lenox Municipal Utilities  
 Second Judicial Dist Dept. of Correct  
 Southeast Iowa Regional Planning Comm.  
 Sumner Municipal Light Plant  
 Town of Graf  
 Urbandale Sanitary Sewer District  
 West Des Moines Water Works  
\$250,000-\$500,000 Assets Invested  
 City of Algona  
 City of Corydon  
 City of Early  
 City of Fairbank  
 City of Lewis  
 City of Logan  
 City of Montezuma  
 City of Pella  
 City of Readlyn  
 City Utility of Corydon  
 City Utility of Dike  
 Grundy Center Municipal Utilities  
 Iowa Precinct Atlas Consortium  
 ISAC Group Unemployment Fund  
 Prairie Solid Waste Agency  
 Rock Rapids Municipal Utilities  
 South Iowa Area Crime Commission  
 South Iowa Detention Service Agency  
 Villisca Municipal Power Plant  
\$500,000-\$1,000,000 Assets Invested  
 City of Adel  
 City of Eagle Grove  
 City of Ely  
 City of Epworth  
 City of Gilbertville  
 City of Gilmore City  
 City of Griswold  
 City of Independence  
 City of Keokuk  
 City of Keystone  
 City of Mitchellville  
 City of Orleans  
 City of Shelby  
 City of Sioux Center  
 City of Washington  
 City Utility of Montezuma  
 City Utility of Readlyn  
 County of Wright  
 Iowa Counties Technology Services  
 Iowa County Treasurer's E-Government Alliance  
 Iowa Public Power Agency  
 Lakewood Benefited Rec. Lake District  
 Northwest Iowa Area Solid Waste Agency

### \$500,000-\$1,000,000 Assets Invested

SIMECA  
 Woodbury County  
\$1,000,000-\$5,000,000 Assets Invested  
 Adair County Memorial Hospital  
 Adams County  
 Algona Municipal Utilities  
 Allamakee County  
 Benton County Solid Waste Disposal Commission  
 Buena Vista County Solid Waste Commission  
 Cedar Falls Utilities  
 City of Altoona  
 City of Colfax  
 City of Denison  
 City of Earlville  
 City of Eldora  
 City of Greenfield  
 City of Grimes  
 City of Manning  
 City of Prairie City  
 City of Slater  
 City of Traer  
 City of Waverly  
 City Utility of Shelby  
 City Utility of Traer  
 Corning Municipal Utilities  
 County of Adair  
 County of Audubon  
 County of Butler  
 County of Cass  
 County of Cedar  
 County of Crawford  
 County of Dickinson  
 County of Emmet  
 County of Franklin  
 County of Grundy  
 County of Hardin  
 County of Louisa  
 County of Marshall  
 County of Osceola  
 County of Page  
 County of Pocahontas  
 County of Ringgold  
 County of Sioux  
 County of Tama  
 County of Wayne  
 County of Worth  
 Denison Municipal Utilities  
 Des Moines Area MPO  
 Des Moines County Regional Solid Waste Commission  
 Ellsworth Municipal Hospital dba Hansen Family Hosp.  
 Greater Regional Medical Center  
 Hawarden Regional Healthcare  
 IAMU Insurance Trust  
 Knoxville Utility  
 Madison County Memorial Hospital  
 Maquoketa Municipal Electric Utility  
 Montezuma Municipal Light and Power  
 Mt. Pleasant Municipal Utilities  
 North Iowa Area Council of Govts.  
 Ottumwa Water Works  
 Resale Power Group of Iowa  
 Ringgold County Hospital  
 Southwest Iowa Planning Council  
 Spencer Municipal Utility  
 Waterloo Water Works  
 Xenia Rural Water District  
Over \$5,000,000 Assets Invested  
 Bremer County  
 Broadlawns Medical Center  
 Buena Vista Regional Medical Center



## Investing & Non-Investing Participants - Diversified Portfolio (unaudited) (continued)

### Over \$5,000,000 Assets Invested

City of Ankeny  
City of Bettendorf  
City of Bondurant  
City of Council Bluffs  
City of Fort Dodge  
City of Johnston  
City of Marshalltown  
City of Mason City  
City of Mount Pleasant  
City of Muscatine  
City of Oskaloosa  
City of Ottumwa  
City of Sioux City  
City of Storm Lake  
City of Urbandale  
City of Waterloo  
City of West Des Moines  
City of Windsor Heights  
City Utility of Urbandale  
County of Appanoose  
County of Black Hawk  
County of Buchanan  
County of Calhoun  
County of Des Moines  
County of Fremont  
County of Hamilton  
County of Henry  
County of Jackson  
County of Madison  
County of Marion  
County of Monona  
County of Muscatine  
County of O'Brien  
County of Plymouth  
County of Poweshiek  
County of Story  
County of Union  
County of Wapello  
County of Washington  
County of Winneshiek  
Crawford County Memorial Hospital  
Dallas County  
Humboldt County  
Ida County  
IMWCA Group C  
Muscatine Power and Water  
NIMECA  
Warren County

### Non-Investing Participants

Alta Municipal Utilities  
Anita Municipal Utilities  
Audubon County Memorial Hospital  
Cass County Environment Control Agency  
Cass County Memorial Hospital  
Cedar Rapids/Linn County SWA  
City of Ackley  
City of Agency  
City of Albert City  
City of Alton  
City of Ames  
City of Anamosa  
City of Atlantic  
City of Audubon  
City of Bedford  
City of Bloomfield  
City of Brandon  
City of Buffalo  
City of Burlington  
City of Burt  
City of Bussey

### Non-Investing Participants

County of Harrison  
County of Iowa

### Non-Investing Participants

City of Callender  
City of Camanche  
City of Carlisle  
City of Carson  
City of Carter Lake  
City of Cascade  
City of Cedar Falls  
City of Center Point  
City of Centerville  
City of Central City  
City of Charles City  
City of Cherokee  
City of Clear Lake  
City of Clive  
City of Colo  
City of Corning  
City of Correctionville  
City of Creston  
City of Cumming  
City of Dallas Center  
City of Dayton  
City of Denver  
City of DeWitt  
City of Dubuque  
City of Dunkerton  
City of Dyersville  
City of Dysart  
City of Earlham  
City of Eldon  
City of Eldridge  
City of Elk Run Heights  
City of Ellsworth  
City of Forest City  
City of Fort Madison  
City of Garner  
City of Grand River  
City of Grinnell  
City of Guttenberg  
City of Harlan  
City of Hartley  
City of Hawarden  
City of Hazleton  
City of Hudson  
City of Humboldt  
City of Inwood  
City of Jefferson  
City of La Porte City  
City of Lake Mills  
City of Lamont  
City of Lehigh  
City of Lenox  
City of Leon  
City of Letts  
City of Lisbon  
City of Livermore  
City of Lohrville  
City of Mallard  
City of Maquoketa  
City of Marble Rock  
City of Marengo  
City of Marion  
City of Massena  
City of McCausland  
City of Missouri Valley  
City of Montezuma Fire Department  
City of Mount Ayr  
City of Mount Vernon  
City of Murray  
City of Nevada  
City of New Hampton

### Non-Investing Participants

City of Newton  
City of Osage  
City of Osceola  
City of Ossian  
City of Parkersburg  
City of Peosta  
City of Pleasantville  
City of Pocahontas  
City of Prescott  
City of Preston  
City of Primghar  
City of Riverside  
City of Ruthven  
City of Sac City  
City of Sheldon  
City of Shueyville  
City of Spencer  
City of Spirit Lake  
City of St. Charles  
City of State Center  
City of Story City  
City of Stratford  
City of Sumner  
City of Swisher  
City of Tiffin  
City of Tipton  
City of Treynor  
City of Underwood  
City of Urbana  
City of Villisca  
City of Vinton  
City of West Branch  
City of West Burlington  
City of Westfield  
City of Wilton  
City of Woodbine  
City Utility of Alton  
City Utility of Anamosa  
City Utility of Bloomfield  
City Utility of Colfax  
City Utility of Coon Rapids  
City Utility of Creston  
City Utility of Denver  
City Utility of Harlan  
City Utility of Hawarden  
City Utility of Lake Mills  
City Utility of Laurens  
City Utility of LeClaire  
City Utility of Lohrville  
City Utility of Murray  
City Utility of Prairie City  
City Utility of Preston  
City Utility of Sac City  
City Utility of Sanborn  
City Utility of Slater  
City Utility of St. Charles  
City Utility of Story City  
City Utility of Wahpeton  
Clay County  
Clayton County  
Clear Lake Sanitary District  
Clinton County Area Solid Waste Agency  
Council Bluffs Airport Authority  
County of Buena Vista  
County of Clarke  
County of Decatur  
County of Dubuque  
County of Floyd  
County of Greene-Medical Center  
County of Hancock



# Statistical Information

## MAJOR PARTICIPANTS

	Top Ten Participants		Top Twenty Participants		Top Fifty Participants	
	Percent	Total Assets	Percent	Total Assets	Percent	Total Assets
2023	34%	\$ 280,443,656	62%	\$ 513,260,736	76%	\$ 632,755,284
2022	52%	278,739,676	80%	426,191,662	90%	478,136,309
2021	42%	201,594,021	62%	295,959,539	87%	417,686,406
2020	40%	182,900,116	57%	261,009,096	83%	385,256,254
2019	37%	161,605,066	54%	236,539,043	81%	352,331,979
2018	46%	168,416,226	65%	240,333,289	90%	329,536,816
2017	57%	215,009,724	76%	284,390,898	93%	349,860,884
2016	57%	145,931,857	74%	189,449,434	91%	232,777,667
2015	61%	180,639,805	75%	222,927,515	91%	269,435,729
2014	59%	186,561,809	75%	236,583,802	91%	286,164,072

### INVESTMENT ADVISER

As of June 30, 2023, PMA had a total of \$23.9 billion in assets under management, representing a diverse group of institutional and individual clients.

### CONSULTANTS

IPAIT does not employ the use of any professional consultants beyond those service providers detailed in the Notes to Financial Statement section.

### BROKERS

IPAIT does not employ the use of brokers in the operation of its various investment alternatives.

## CHANGES IN PARTICIPANT NET ASSETS UNDER MANAGEMENT

	Diversified Portfolio	Annual Change		Diversified Portfolio	Annual Change
06/23	\$ 829,392,232	55.95%	06/18	\$ 368,070,326	-1.73%
03/23	1,018,045,787	46.15%	03/18	406,990,284	-1.46%
12/22	695,644,958	16.07%	12/17	371,057,747	22.84%
09/22	760,187,926	8.41%	09/17	418,190,545	36.70%
06/22	531,847,798	11.17%	06/17	374,566,738	46.61%
03/22	696,577,682	19.32%	03/17	413,014,790	13.17%
12/21	599,315,661	24.02%	12/16	302,073,072	-7.62%
09/21	701,220,919	28.84%	09/16	305,913,700	-16.02%
06/21	478,406,813	3.67%	06/16	255,479,618	-14.04%
03/21	583,811,252	-0.28%	03/16	364,963,704	10.20%
12/20	483,227,624	5.09%	12/15	326,977,936	1.05%
09/20	544,249,244	-4.29%	09/15	364,276,704	8.96%
06/20	461,480,700	6.18%	06/15	297,197,204	-5.82%
03/20	585,474,022	8.93%	03/15	331,184,599	-11.49%
12/19	459,834,664	18.64%	12/14	323,576,257	-29.38%
09/19	568,626,032	32.04%	09/14	334,312,995	-25.80%
06/19	434,627,457	18.08%	06/14	315,577,872	-30.75%
03/19	537,469,738	32.06%	03/14	374,179,071	-27.30%
12/18	387,587,755	4.45%	12/13	458,174,841	-7.39%
09/18	430,643,418	2.98%	09/13	450,571,900	-11.64%



# Statistical Information (unaudited) (continued)

## MONTHLY AVERAGE YIELD COMPARISON

<u>Date</u>	<u>Diversified Portfolio Net Rate</u>	<u>Money Market Benchmark</u>	<u>Chapter 74A 32-89 Day</u>	<u>Chapter 74A 90-179 Day</u>
06/2023	4.80%	4.89%	0.05%	1.60%
05/2023	4.79%	4.84%	0.05%	1.15%
04/2023	4.58%	4.62%	0.05%	1.10%
03/2023	4.24%	4.45%	0.05%	1.10%
02/2023	4.28%	4.29%	0.05%	1.00%
01/2023	3.99%	4.04%	0.05%	0.95%
12/2022	3.80%	3.80%	0.05%	1.00%
11/2022	3.32%	3.41%	0.05%	0.85%
10/2022	2.61%	2.73%	0.05%	0.50%
09/2022	2.04%	2.25%	0.05%	0.30%
08/2022	1.71%	1.94%	0.05%	0.25%
07/2022	1.12%	1.35%	0.05%	0.05%

## AVERAGE ANNUAL YIELD COMPARISON

	<u>Diversified Portfolio Net Rate</u>	<u>Money Market Benchmark</u>
2023	3.63%	3.55%
2022	0.10%	0.15%
2021	0.02%	0.02%
2020	1.08%	1.20%
2019	2.03%	2.01%
2018	1.05%	1.05%
2017	0.29%	0.31%
2016	0.02%	0.02%
2015	0.01%	0.01%
2014	0.01%	0.01%

## TOTAL NET INVESTMENT INCOME FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>Diversified Portfolio</u>
2023	\$ 26,423,164
2022	562,709
2021	73,807
2020	5,175,288
2019	8,246,037
2018	3,974,423
2017	908,266
2016	69,219
2015	31,597
2014	39,545

# Changes in Fiduciary Net Position (unaudited)

For the Years Ended June 30,  
(dollars in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>DIVERSIFIED PORTFOLIO</b>					
<b>ADDITIONS</b>					
From investment activities:					
Net investment income	\$ 26,423	\$ 563	\$ 74	\$ 5,175	\$ 8,246
From unit transactions:					
Units sold	1,894,865	1,242,310	1,217,933	1,402,445	1,295,266
Units issued in reinvestment of dividends from net investment income	26,423	563	81	5,918	7,974
Total additions	<u>1,947,711</u>	<u>1,243,436</u>	<u>1,218,088</u>	<u>1,413,538</u>	<u>1,311,486</u>
<b>DEDUCTIONS</b>					
Dividends to unitholders from:					
Net investment income	(26,423)	(563)	(74)	(5,175)	(8,246)
From unit transactions:					
Units redeemed	<u>(1,624,073)</u>	<u>(1,189,106)</u>	<u>(1,201,084)</u>	<u>(1,381,510)</u>	<u>(1,236,683)</u>
Total deductions	<u>(1,650,496)</u>	<u>(1,189,669)</u>	<u>(1,201,158)</u>	<u>(1,386,685)</u>	<u>(1,244,929)</u>
Changes in fiduciary net position	297,215	53,767	16,930	26,853	66,557
Net position at beginning of period	<u>532,177</u>	<u>478,410</u>	<u>461,480</u>	<u>434,627</u>	<u>368,070</u>
Net position at end of period	<u>\$ 829,392</u>	<u>\$ 532,177</u>	<u>\$ 478,410</u>	<u>\$ 461,480</u>	<u>\$ 434,627</u>
<b>DIVERSIFIED PORTFOLIO</b>					
<b>ADDITIONS</b>					
From investment activities:					
Net investment income	\$ 3,974	\$ 908	\$ 69	\$ 32	\$ 40
From unit transactions:					
Units sold	921,202	826,913	707,855	778,834	794,889
Units issued in reinvestment of dividends from net investment income	3,667	731	60	29	40
Total additions	<u>928,843</u>	<u>828,552</u>	<u>707,984</u>	<u>778,895</u>	<u>794,969</u>
<b>DEDUCTIONS</b>					
Dividends to unitholders from:					
Net investment income	(3,974)	(908)	(69)	(32)	(40)
From unit transactions:					
Units redeemed	<u>(931,366)</u>	<u>(708,557)</u>	<u>(749,632)</u>	<u>(797,244)</u>	<u>(935,048)</u>
Total deductions	<u>(935,340)</u>	<u>(709,465)</u>	<u>(749,701)</u>	<u>(797,276)</u>	<u>(935,088)</u>
Changes in fiduciary net position	(6,497)	119,087	(41,717)	(18,381)	(140,119)
Net position at beginning of period	<u>374,567</u>	<u>255,480</u>	<u>297,197</u>	<u>315,578</u>	<u>455,697</u>
Net position at end of period	<u>\$ 368,070</u>	<u>\$ 374,567</u>	<u>\$ 255,480</u>	<u>\$ 297,197</u>	<u>\$ 315,578</u>

# Glossary of Investment Terms

**Accrued Interest** - interest accumulated on all securities in a portfolio since the most recent payment date for each security.

**Administrator** - entity that carries out IPAIT policies and provides participant recordkeeping services.

**Amortized Cost** - method of accounting that gradually reduces a security's discount or premium on a straight-line basis.

**Assets** - items in financial statement with current fair value owned by IPAIT.

**Certificate of Deposit** - debt instrument issued by a financial institution with an interest rate set by competitive forces in the marketplace.

**Collateral** - U.S. government or agency securities pledged to IPAIT until investment is repaid. For instance, the security for a collateralized certificate of deposit issued by an Iowa financial institution.

**Compound Rate** - interest calculation based upon investment of principal plus reinvestment of interest earned from previous period(s). IPAIT portfolio interest is compounded or reinvested monthly.

**Custodian** - bank that maintains custody of all IPAIT assets.

**Discount** - the dollar amount by which the par value of a bond exceeds its market price.

**Diversified** - spreading of risk by investing assets in several different categories of investment and assorted maturities within those categories.

**Investment Adviser** - Securities and Exchange Commission-registered firm that provides investment advice to IPAIT.

**Iowa Code Chapter 74A Rates** - minimum rates at which Iowa financial institutions may accept deposits of public funds for various periods.

**Liabilities** - claims on the assets of IPAIT.

**Fair Value** - 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.

**Net Investment Income** - income from IPAIT investments distributed to participants after payment of program operating expenses.

**Nominal Rate** - simple interest calculation based only upon the principal amount invested without reinvestment of earned interest.

**Par Value** - value of IPAIT investments at maturity.

**Portfolio** - all investments owned by IPAIT.

**Premium** - the dollar amount by which the market price of a bond exceeds its par value.

**Redemptions** - withdrawal of funds by participants from IPAIT.

**Repurchase Agreement** - agreement between IPAIT and a seller of U.S. government securities, whereby the seller agrees to repurchase the securities at an agreed upon price at a stated time. The transaction is collateralized by U.S. government or U.S. agency securities with a fair value of at least 102% of the value of the repurchase agreement.

**Straight-Line** - conservative accounting procedure to reduce a security's premium or discount in equal daily increments over its remaining period to maturity.

**U.S. Government Agencies** - securities issued by U.S. government-sponsored corporations such as the Federal Home Loan Bank and Federal National Mortgage Association.

**U.S. Government Securities** - direct obligations of the U.S. government, such as Treasury bills, notes and bonds.

**Yield Curve** - graph plotting yields of securities of similar quality on vertical axis and maturities ranging from shortest to longest on horizontal axis.





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