

# CNMI RETIREMENT SETTLEMENT FUND

*Report for the Quarter Ending  
June 30, 2014*



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RICHMOND CAPITAL MANAGEMENT  
*Experience, Knowledge, Service*

## CNMI RETIREMENT SETTLEMENT FUND

### *Strategy Summary*

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*As of June 30, 2014*

Fixed income securities continued to provide investors with strong returns during the quarter as interest rates generally fell. Despite signs of an improving economy domestically, the increase in geopolitical risk has driven down interest rates. The 10 year Treasury yield declined 0.19% and the 30 year Treasury declined 0.20% during the quarter.

The CNMI Retirement Settlement Fund posted quarterly and year-to-date total returns of 1.96% and 3.33%, respectively. During the quarter and beyond, the strategy will continue to be maximizing the sale proceeds of cash demands of the Fund.

## CNMI RETIREMENT SETTLEMENT FUND

### *Performance Summary*

*As of June 30, 2014*

Returns	CNMI Retirement Settlement Fund	Barclays U.S. Fixed Mortgage Index	Value-Added
2nd Quarter, 2014	1.96%	2.44%	-0.48%
Year to Date	3.33%	4.08%	-0.75%
12 Months to Date	3.59%	4.71%	-1.12%
Annualized Since Inception (4/1/12)	2.06%	2.04%	+0.02%

## CNMI RETIREMENT SETTLEMENT FUND

### *Cash Flows*

*As of June 30, 2014*

CASH FLOWS	Quarter	Since Inception
Beginning Market Value	\$39,768,020	\$60,000,000
Change in Market	127,891	(5,459,981)
Interest Earned	115,735	7,081,843
Contributions/Withdrawals	(32,529,544)	(54,139,760)
Ending Market Value	\$7,482,102	\$7,482,102

# CNMI RETIREMENT SETTLEMENT FUND

*MBS Portfolio*

*Risk Statistics*

*As of June 30, 2014*

Portfolio Review <i>Through June 30, 2014</i>	
Fund Net Assets Value	<b>\$ 7,482,102</b>
Average Maturity	<b>4.58 Years</b>
Yield to Maturity <i>(Barclays MBS Index)</i>	<b>2.29%</b> <b>2.55%</b>
Portfolio Duration <i>(Barclays MBS Index)</i>	<b>3.36 Years</b> <b>4.21 Years</b>
Average Quality	<b>AAA</b>
Holdings	<b>11 Issues</b>

*Statistics in this report are calculated by Bond Edge Fixed Income Analytic models.*

# CNMI RETIREMENT SETTLEMENT FUND

## MBS Portfolio

As of June 30, 2014

Par Value		Name	Coupon	Price	Market Value	% of Portfolio	Yield	Duration	Convexity	Credit Rating	MBS Strategy
\$ 216,615	-CASH-	CASH AVAILABLE	0.010	100.00	\$ 216,615	2.90	0.01	0.00	0.00	AAA	
1,224,748	15 Year	GNMA II #AA1000	3.000	104.65	1,284,797	17.20	1.73	3.41	-0.37	AAA	85K MAX
289,667	30 Year	FGLMC #A28362 GOLD	5.500	111.54	324,428	4.30	2.45	2.72	-0.56	AAA	GEO/SEASONED
880,026	30 Year	FHLMC #A94362 GOLD	4.000	106.29	938,339	12.50	2.49	3.53	-1.23	AAA	125K MAX
737,986	30 Year	FHLMC #A95637 GOLD	4.500	108.48	803,327	10.70	2.56	3.59	-0.89	AAA	Investor Ppty
768,213	30 Year	FHLMC #C02554 GOLD	6.000	112.87	870,953	11.60	2.37	1.94	-0.76	AAA	125K MAX
512,521	30 Year	FNMA #993048	5.500	113.50	584,066	7.80	2.18	2.38	-0.87	AAA	110K MAX
588,984	30 Year	FNMA #AL2392	3.500	103.10	608,949	8.10	2.84	5.16	-0.86	AAA	175K MAX
139,202	30 Year	GNMA #698214	5.000	111.02	155,122	2.10	2.29	2.52	-1.06	AAA	110K MAX
226,024	30 Year	GNMA #719262	5.000	110.76	251,277	3.40	2.44	2.72	-1.03	AAA	150K MAX
177,626	30 Year	GNMA #726382	5.000	110.97	197,849	2.60	2.12	2.36	-1.15	AAA	110K MAX
1,161,354	30 Year	GNMA #753254	4.000	106.99	1,246,380	16.70	2.64	4.74	-0.99	AAA	TBA
<b>\$ 6,922,964</b>					<b>\$ 7,482,102</b>	<b>100.00</b>	<b>2.29</b>	<b>3.36</b>	<b>-0.82</b>		