Payden&Rygel

Quarterly Portfolio Review

FLORIDA LOCAL GOVERNMENT INVESTMENT TRUST

2nd Quarter 2022

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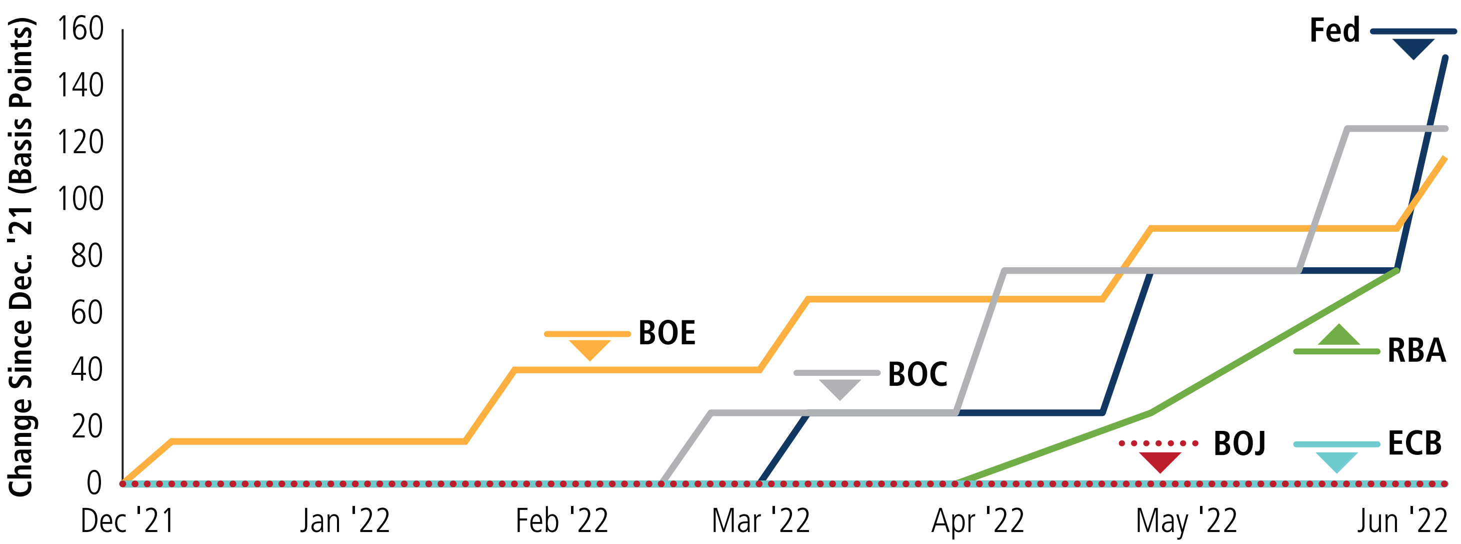
MARKET MEMO

From the desk of Joan Payden

- Fixed income markets experienced continued turmoil in the second quarter as inflation accelerated worldwide and global central banks tightened monetary policy in response, sending interest rates up.
- Although the Bank of England (BoE) was one of the first banks to begin raising interest rates, the Federal Reserve (Fed), Bank of Canada (BoC) and Reserve Bank of Australia (RBA) soon followed. The Fed has now increased its policy rate by 150 basis points.
- The European Central Bank (ECB) has not yet raised its policy interest rates but is expected to initiate liftoff in July and hike through year-end.
- The Bank of Japan is one of the only global central banks continuing to maintain an easy monetary policy stance. As a result, the yen has reached a 24-year low relative to the dollar.

MONETARY POLICY SQUEEZE
CHANGE IN POLICY INTEREST RATES FOR SELECT GLOBAL CENTRAL BANKS



Source: Cental Banks of the U.S., England, Canada, Australia, Europe, and Japan

MARKET THEMES FOR Q2

Volatility remained elevated in the second quarter of 2022 against the backdrop of rising global inflation, faster central bank tightening, geopolitical tensions, and Covid's knock-on effects to economic growth. After a very bumpy ride, U.S. stocks ended the quarter down even more than Q1, underperforming other developed market equities. Global bond yields were significantly higher, as future monetary policy forecasts are tighter than originally expected. After May's surprise U.S. inflation reading markets priced in, and the Fed delivered, a 75-basis point rate hike. Risk assets sold off broadly during the quarter, with spreads widening as investors started to assess the risk of a recession.

OUTLOOK

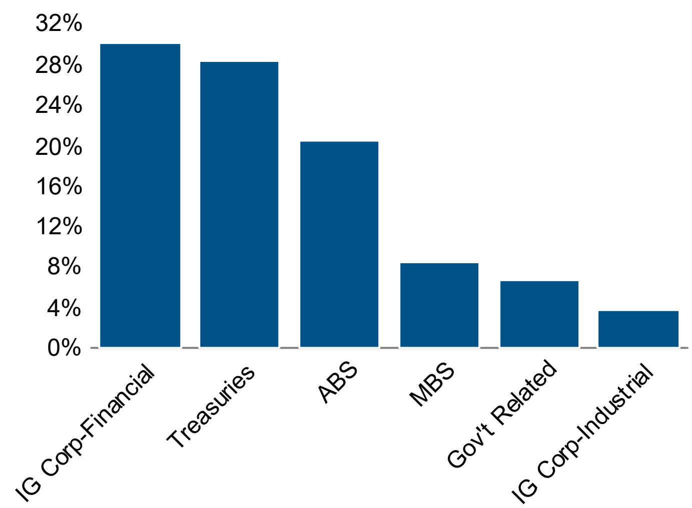
Because many central banks delayed hiking until they were well "behind the curve," monetary policy makers are primed to "overcorrect" as they try to rein in the highest inflation in over four decades. As a result, the path to a "soft landing" for the global economy has become increasingly narrow, and the risk of recession has gone up significantly. Financial conditions have tightened across the board, with the durable goods sector, which includes housing and autos, already showing signs of slowing.

FLORIDA TRUST SHORT-TERM BOND FUND

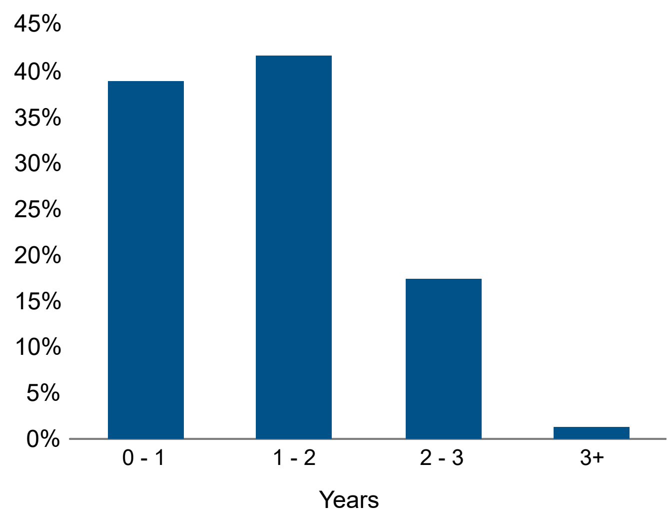
Portfolio Review and Market Update - 2nd Quarter 2022

PORTFOLIO CHARACTERISTICS (As of 6/30/2022)	
Portfolio Market Value	$865.5 million
Fitch Rating	AAAf/S1
Weighted Average Duration	1.26 years
SEC 30-Day Yield (net)	1.98%

SECTOR ALLOCATION



DURATION DISTRIBUTION



PORTFOLIO RETURNS - Periods Ending 6/30/2022

	2nd Quarter	2022 YTD	Trailing 1 Yr	Trailing 5 Yr	Trailing 10 Yr	Since Inception (1/1/92)
FLORIDA TRUST S-T BOND FUND (gross)	**-0.73%**	**-2.45%**	**-2.84%**	**1.35%**	**1.21%**	**3.50%**
FLORIDA TRUST S-T BOND FUND (NAV)*	-0.80%	-2.57%	-3.08%	1.10%	0.95%	3.18%
ICE BofA 1-3 Year US Treasury Index**	-0.50%	-2.84%	-3.30%	0.94%	0.78%	3.06%

Periods over one year are annualized

**Net Asset Value data provided by custodian UMB.*

***Taxable money market funds average prior to 02/2000.*

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OUR STRATEGIES

Multi-Sector

Short Maturity Bonds

U.S. Core Bond

Absolute Return Fixed Income

Strategic Income

Global Fixed Income

Liability Driven Investing

Sector-Specific

Emerging Markets Debt

Government/Sovereign

High Yield Bonds & Loans

Inflation-Linked/TIPS

Investment Grade Corporate Bonds

Municipal Bonds (U.S.)

Securitized Bonds

Income-Focused Equities

Equity Income

Available in:
Separate Accounts – Mutual Funds (U.S. and UCITS)
Collective Trusts ("CITs") – Customized Solutions

For more information about Payden & Rygel's strategies, contact us at a location listed below.

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