

# CNMI RETIREMENT SETTLEMENT FUND

*Report for the Quarter Ending  
March 31, 2014*



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RICHMOND CAPITAL MANAGEMENT  
*Experience, Knowledge, Service*

## CNMI RETIREMENT SETTLEMENT FUND

### *Strategy Summary*

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*As of March 31, 2014*

U.S. bonds posted strong returns, generally outpacing equities after a classic flight-to-quality start to the year. Weaker-than-expected U.S. economic activity combined with sluggish emerging market economic growth and geopolitical tensions helped drive down U.S. Treasury yields.

The 10 year Treasury yield declined 0.31% during the 1st quarter. The CNMI Retirement Settlement Fund MBS portfolio posted a 1.34% total return during the quarter. However, the performance lagged its benchmark based on its more defensive posture in terms of interest rate risk and security selection.

During the second quarter and beyond, the strategy will be to maximize sale proceeds of cash demands of the CNMI Retirement Settlement Fund.

# CNMI RETIREMENT SETTLEMENT FUND

## *Performance Summary*

*As of March 31, 2014*

Returns	CNMI Retirement Settlement Fund	Barclays U.S. Fixed Mortgage Index	Value-Added
Ist Quarter, 2014	1.34%	1.60%	-0.26%
12 Months to Date	-0.23%	0.18%	-0.41%
Annualized Since Inception (4/1/12)	1.33%	1.08%	+0.25%

## CNMI RETIREMENT SETTLEMENT FUND

### *Cash Flows*

*As of March 31, 2014*

CASH FLOWS	Quarter	Since Inception
Beginning Market Value	\$42,726,383	\$60,000,000
Change in Market	170,417	(5,587,872)
Interest Earned	404,910	6,966,109
Contributions/Withdrawals	(3,533,690)	(21,610,217)
Ending Market Value	\$39,768,020	\$39,768,020

# CNMI RETIREMENT SETTLEMENT FUND

*MBS Portfolio*

*Risk Statistics*

*As of March 31, 2014*

Portfolio Review <i>Through March 31, 2014</i>	
Fund Net Assets Value	<b>\$ 39,768,020</b>
Average Maturity	<b>4.81 Years</b>
Yield to Maturity <i>(Barclays MBS Index)</i>	<b>2.70%</b> <b>3.00%</b>
Portfolio Duration <i>(Barclays MBS Index)</i>	<b>3.88 Years</b> <b>4.79 Years</b>
Average Quality	<b>AAA</b>
Holdings	<b>33 Issues</b>

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

# CNMI RETIREMENT SETTLEMENT FUND

MBS Portfolio

As of March 31, 2014

Par Value		Name	Coupon	Price	Market Value	% of Portfolio	Yield	Duration	Convexity	Credit Rating	MBS Strategy
\$ 461,332	-CASH-	CASH AVAILABLE	0.010	100.00	\$ 461,332.00	1.20	0.01			AAA	
1,801,116	15 Year	GNMA II #MA0826	3.000	103.73	1,872,819.00	4.70	2.05	3.92	-0.34	AAA	150K MAX
3,094,383	15 Year	GNMA II #MA0909	3.000	103.73	3,217,509.00	8.10	2.06	3.96	-0.37	AAA	150K MAX
1,288,495	15 Year	GNMA II #AA1000	3.000	103.35	1,334,855.00	3.40	2.12	3.73	-0.31	AAA	85K MAX
396,732	15 Year	FNMA #AE5299	4.000	106.17	422,529.00	1.10	1.78	2.38	-0.42	AAA	175K MAX
2,307,009	15 Year	FHLMC #J15786 GOLD	4.500	107.04	2,478,051.00	6.20	2.16	2.53	-0.37	AAA	Investor Ppty
521,245	20 Year	FNMA #256866	5.000	108.83	569,448.00	1.40	2.22	2.36	-0.53	AAA	125K MAX
418,321	20 Year	FHLMC #G30321 GOLD	5.000	109.58	460,122.00	1.20	2.01	0.75	-0.53	AAA	150K MAX
420,040	20 Year	FNMA #256961	5.500	110.75	467,107.00	1.20	2.05	5.14	-0.49	AAA	125K MAX
1,744,753	30 Year	FHLMC #Q24308 GOLD	3.500	100.65	1,761,235.00	4.40	3.39	6.29	-0.84	AAA	125K MAX
2,807,350	30 Year	FHLMC #Q13429 GOLD	3.500	100.68	2,834,656.00	7.10	3.36	5.76	-0.69	AAA	GEO/SEASONED
1,147,803	30 Year	FNMA #AL2392	3.500	100.68	1,159,002.00	2.90	3.35	5.63	-0.65	AAA	175K MAX
972,807	30 Year	FHLMC #Q22248 GOLD	4.000	103.82	1,013,202.00	2.50	3.19	5.27	-0.82	AAA	Investor Ppty
748,852	30 Year	FHLMC #Q24847 GOLD	4.000	103.90	780,575.00	2.00	3.24	5.51	-0.95	AAA	175K MAX
1,190,070	30 Year	GNMA #753254	4.000	105.17	1,255,504.00	3.20	3.04	4.32	-0.79	AAA	TBA
903,497	30 Year	FHLMC #A94362 GOLD	4.000	103.99	942,585.00	2.40	3.10	4.44	-1.07	AAA	125K MAX
913,797	30 Year	FHLMC #Q07474 GOLD	4.000	103.89	952,427.00	2.40	3.18	4.94	-0.82	AAA	175K MAX
758,428	30 Year	FHLMC #A95637 GOLD	4.500	106.72	812,269.00	2.00	3.03	4.22	-0.82	AAA	Investor Ppty
1,912,081	30 Year	FHLMC #Q07483 GOLD	4.500	107.44	2,061,434.00	5.20	2.91	4.27	-0.78	AAA	125K MAX
2,786,990	30 Year	FHLMC #A86448 GOLD	4.500	107.19	2,997,770.00	7.50	2.88	3.94	-0.88	AAA	150K MAX
2,926,440	30 Year	FNMA #AA9346	4.500	107.26	3,149,873.00	7.90	2.77	3.54	-1.07	AAA	150K MAX
239,326	30 Year	GNMA #719262	5.000	109.92	264,062.00	0.70	2.72	3.27	-1.01	AAA	150K MAX
189,619	30 Year	GNMA #726382	5.000	110.28	209,909.00	0.50	2.40	2.82	-1.17	AAA	110K MAX
146,778	30 Year	GNMA #698214	5.000	110.30	162,504.00	0.40	2.58	3.03	-1.05	AAA	110K MAX
308,799	30 Year	FNMA #931997	5.000	109.72	340,089.00	0.90	2.77	3.49	-0.87	AAA	175K MAX
1,253,607	30 Year	FNMA #AB0057	5.000	109.61	1,379,302.00	3.50	2.62	2.92	-1.07	AAA	175K MAX
293,643	30 Year	FGLMC #A28362 GOLD	5.500	109.95	324,195.00	0.80	2.97	3.17	-0.55	AAA	GEO/SEASONED
912,502	30 Year	FHLMC #A36793 GOLD	5.500	110.77	1,014,988.00	2.60	2.58	2.61	-0.76	AAA	GEO/SEASONED
1,613,212	30 Year	FNMA #993048	5.500	111.57	1,807,174.00	4.50	2.75	3.00	-0.87	AAA	110K MAX
456,440	30 Year	FNMA #831592	5.500	110.96	508,572.00	1.30	2.48	2.61	-0.95	AAA	150K MAX
522,141	30 Year	FNMA #963636	5.500	110.87	581,270.00	1.50	2.73	2.67	-0.91	AAA	150K MAX
480,076	30 Year	FNMA #929627	5.500	110.71	533,669.00	1.30	2.91	3.02	-0.89	AAA	175K MAX
857,374	30 Year	FHLMC #C02554 GOLD	6.000	110.99	955,912.00	2.40	2.93	2.38	-0.79	AAA	125K MAX
608,260	30 Year	FNMA #831927	6.000	111.64	682,072.00	1.70	3.03	2.79	-0.76	AAA	150K MAX
<b>\$ 37,403,319</b>					<b>\$39,768,020.00</b>	<b>100.0%</b>	<b>2.70</b>	<b>3.88</b>	<b>-0.72</b>		