Virginia State Non-Arbitrage Program – SNAP Fund Portfolio

Annual Report

June 30, 2024

Virginia State
SNAP
Non-Arbitrage Program

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BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT

Virginia Treasury Board and Participants of the
Virginia State Non-Arbitrage Program – SNAP Fund Portfolio
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of the Virginia State Non-Arbitrage Program – SNAP Fund Portfolio (the "Fund"), which comprise the statement of net position as of June 30, 2024, the related statement of changes in net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2024, and the results of its operations for the year 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. 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 thereafter.

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 generally accepted 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, including omissions, 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 generally accepted 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, although not a part of the basic financial statements, is required by 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 inquires 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.

Other Information Included in the Annual Report

Management is responsible for the other information included in the Fund's Annual Report. The other information comprises Other Information – Schedule of Investments as of June 30, 2024, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appear 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.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia
October 23, 2024

Management’s Discussion and Analysis

We are pleased to present the Annual Report for the Virginia State Non-Arbitrage Program (the Program) for the year ended June 30, 2024. Management’s Discussion and Analysis is designed to focus the reader on significant financial items and provides an overview of the Program’s financial statements for the year ended June 30, 2024. The Program’s financial statements have been prepared in conformity with the reporting framework prescribed by the Governmental Accounting Standards Board (GASB) for local government investment pools.

Economic Update

The latter half of 2023 saw the Federal Reserve (Fed) reach the end of its rate hiking cycle with the Federal Funds Rate target range maintained at 5.25-5.50%. A “higher for longer” narrative persisted in the first half of 2024, based on “sticky” inflation and continuing economic strength. Markets are now expecting the Fed to begin its rate cutting cycle within the next three to six months based on recent inflation and employment data prints.

Inflation, as measured by the year-over-year change in the Consumer Price Index (CPI), peaked at 3.7% in August and September of 2023. CPI continued to move lower over the latter half of the year and into 2024. However, CPI reversed trend in February and March as services inflation—and shelter in particular—put upward pressure on overall inflation numbers. Recently, the CPI has begun moving lower again and ended June at 3.0%.

The labor market continued to show exceptional strength as the unemployment rate has remained at or near 4% for over three years. During 2023, an average of 251,000 new jobs were added per month, which has since dropped slightly to 222,000 new jobs per month through June 2024. The strength in the labor market has resulted in wages continuing to increase. Average hourly earnings are up by 3.9% on a year-over-year basis. However, the job market has started to come into better balance as the number of unfilled job openings declined to the lowest level since February 2021. The worker-demand gap, a measure of the number of jobs per unemployed worker, continues to fall from elevated levels during the pandemic.

At the same time, strong consumer spending contributed to U.S. domestic production defying expectations. In fact, Q3 2023 Gross Domestic Product (GDP) growth of 4.9% was the strongest reading over the prior seven quarters and was followed up by a stronger-than-expected Q4 2023 GDP growth of 3.4%. Growth in GDP rose an average of 3.1% per quarter over calendar year 2023, an improvement from the prior four quarter average of 0.7%, and was mostly driven by strong consumer spending. Growth showed signs of slowing in Q1 2024, with the annualized quarterly GDP increase declining to 1.4%. Combined with the prior quarters’ strength, GDP grew 2.9% from the year prior, still well above the Fed’s long-term expectation of 1.8%.

Short-term rates remained elevated as the yield on the 3-month Treasury Bill have closed above 5% every trading day since mid-April 2023. This level continues to create opportunities for short-term investors to earn the highest yields in more than two decades. Meanwhile, the 2-year U.S. Treasury ended the fiscal year 22 bps higher. Underscoring elevated bond volatility during the year, the range of yields on the benchmark tenor was 107 bps, including a low of 4.15% in January and a high of 5.22% in October.

The stronger economic backdrop resulted in significant changes in market expectations for the timing and number of rate cuts in 2024. At the start of the year, the market was pricing in five or six rate cuts with the first cut in March. Now, the market expects one or two rate cuts, with the first cut occurring in September or December. In its most recent “dot plot” from June, the Fed’s median forecast implies one rate cut by the end of 2024, which is two fewer than previously projected in March. The Fed’s “dot plot” also implies four rate cuts in 2025, implying a target range of 4.00%-4.25% by the beginning of 2026.

Portfolio Strategy

The SNAP Fund Portfolio began the fiscal year in July 2023 in a defensive posture while maintaining a very short maturity profile. This shorter strategy had been in place since early 2022 when the Federal Reserve began a historic campaign of interest rate increases in an effort to tame elevated inflation. Shorter maturities allowed for more frequent reinvestments that could quickly capitalize on each interest rate hike. We also incorporated more floating-rate instruments into the Fund, securities on which the interest rate quickly adjusts to any rate increase.

The fiscal year proved to be relatively calm from a monetary policy standpoint, as the Federal Reserve has kept interest rates steady at 5.25-5.50% since their last hike in July 2023. Beneath the surface, however, there was significant volatility in short-term interest rates as market expectations for the Fed’s rate policy swung wildly, demonstrated by an over 100 basis point yield range on 2-year U.S. Treasury Notes. A “data-dependent” Federal Reserve coupled with resilient economic data and persistent inflation led to this outcome. During these uncertain times for monetary policy, we deployed a balanced portfolio strategy that aimed to (1) capitalize on opportunities available in short-term investments such as repurchase agreements and floating rate securities while also (2) selectively adding investments in 6-12 month fixed rate securities that would provide an anchor to portfolio yields once the Fed begins to normalize interest rate policy. In credit markets, we continued to find value in Commercial Paper and Negotiable CD’s during the period as credit fundamentals remained strong and yield spreads remained relatively attractive for short-term, high-quality issuers.

Our active management style performed well this year during a period of interest rate uncertainty. The Portfolio remains well-positioned in the current environment and flexible enough to adapt should market conditions change. We will continue to closely monitor the outlook for inflation and unemployment as these factors will drive the path of monetary policy and short-term interest rates. As always, our primary objectives are to protect the net asset value of the shares and to provide liquidity for investors. We will continue to work hard to achieve these goals, while also seeking to maximize investment yields in a prudent manner.

Financial Statement Overview

Management's Discussion and Analysis provides an overview of the financial statements of the Fund. The financial statements for the Fund include a Statement of Net Position and Statement of Changes in Net Position. These financial statements are supported by the Notes to Financial Statements. In addition, a Schedule of Investments for the Fund is included as Other Information following the Notes to Financial Statements.

Condensed Financial Information and Analysis

The Statement of Net Position presents the financial position of the Fund as of June 30, 2024 and includes all assets and liabilities of the Fund. The difference between total assets and total liabilities, which is equal to the participants' interest in the Fund's net position, is shown below for the current and prior fiscal year-end dates:

	June 30, 2024	June 30, 2023
Total Assets	$ 5,005,658,708	$ 5,254,647,953
Total Liabilities	(320,537)	(49,945,510)
Net Position	$ 5,005,338,171	$ 5,204,702,443

Total assets of the Fund fluctuate as investable assets rise and fall when capital shares are issued and redeemed. The decrease in total assets of the Fund is primarily comprised of a $212,532,074 decrease in investments as well as a $49,624,973 decrease in total liabilities. The decrease in total liabilities is mostly due to a $49,604,229 decrease in payables for securities purchased in the prior year that settled in the beginning of the current year.

The Statement of Changes in Net Position presents the Fund's activity for the year ended June 30, 2024. Yearly variances in the gross income generated by the Fund are impacted by the overall rate environment described in the preceding paragraphs. Average net assets also impact the net investment income, as well as certain expense line items that are based on a percent of net assets. The changes in the Fund's net position during both the current and prior fiscal year primarily relate to a net capital share issuance for each period, but also include net investment income and realized gains on sale of investments, as outlined in the table that follows:

	Year Ended June 30, 2024	Year Ended June 30, 2023
Investment Income	$ 271,223,649	$ 213,938,465
Net Expenses	(3,493,378)	(3,822,413)
Net Investment Income	267,730,271	210,116,052
Net Realized Gain on Sale of Investments	74,150	8,858
Net Capital Shares Redeemed	(467,168,693)	(667,689,741)
Change in Net Position	$ (199,364,272)	$ (457,564,831)

The investment income of the Fund is driven by a combination of the amount of investable assets and the general short-term interest rate environment that impacts the yields on investments the Fund can purchase. Net capital shares decreased $467,168,693 in the current year, which resulted in the bulk of the decrease in the change in net position. Although average net assets decreased around 9% year-over-year, the significant driver of the increase in investment income was due to the increases to short-term interest rates described previously. Net expenses are mostly comprised of investment management fees, which are calculated as a percent of average net assets, a $100,000 annual oversight fee to the Virginia Treasury Board and other operating costs. The net expenses decrease year-over-year is primarily due to the decrease in average net assets lowering asset-based fees, as well lower banking fees in the current year versus the prior year following a change in custodians in late 2023, which resulted in lower custody fees. Realized gains on the sale of investments, which occurs whenever investments are sold for more than their carrying value, increased significantly year-over-year, again, due to the increasing short-term interest rates. Net capital share activity represents the total shares issued net of shares redeemed for a year.

The Fund's return for the year ended June 30, 2024 was 5.68%, as compared to a return of 4.08% for the prior fiscal year. In addition, select financial highlights for the current fiscal year, as compared to the prior fiscal year, are as follows:

	Year Ended June 30, 2024	Year Ended June 30, 2023
Ratio of Net Investment Income to Average Net Assets	5.54%	3.96%
Ratio of Expenses to Average Net Assets	0.07%	0.07%

The ratio of net investment income to average net assets significantly increased year-over-year. This increase, as well as the increase in total return year-over-year, is due to the increase in investment income that was driven primarily by the increased interest rates as noted above. The ratio of expenses to average net assets was unchanged year-over-year.

Statement of Net Position

June 30, 2024

Assets	
Investments	$ 4,974,893,033
Cash and Cash Equivalents	215,551
Interest Receivable	30,541,647
Other Assets	8,477
Total Assets	5,005,658,708
Liabilities	
Investment Management Fees Payable	266,893
Banking Fees Payable	16,504
Audit Fees Payable	27,500
Other Accrued Expenses	9,640
Total Liabilities	320,537
Net Position	
(applicable to 5,005,338,171 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to $1.00 per share)	$ 5,005,338,171

Statement of Changes in Net Position

Year Ended June 30, 2024

Income	
Investment Income	$ 271,223,649
Expenses	
Investment Management Fees	3,267,015
Treasury Board Oversight Fees	100,000
Banking Fees	83,681
Audit Fees	27,500
Other Expenses	15,182
Total Expenses	3,493,378
Net Investment Income	267,730,271
Other Income	
Net Realized Gain on Sale of Investments	74,150
Net Increase from Investment Operations Before Capital Transactions	267,804,421
Capital Shares Issued	3,179,897,516
Capital Shares Redeemed	(3,647,066,209)
Change in Net Position	(199,364,272)
Net Position – Beginning of Year	5,204,702,443
Net Position – End of Year	$ 5,005,338,171

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

A. Organization and Reporting Entity

The Virginia State Non-Arbitrage Program (the Program) was established by the Treasury Board of the Commonwealth of Virginia in 1989 pursuant to the Government Non-Arbitrage Investment Act, also known as the SNAP Act (Chapter 47, Title 2.2, Code of Virginia 1950, as amended), to provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The Commonwealth of Virginia, counties, cities, and towns in the Commonwealth, and their agencies, institutions and authorities are all eligible to invest in the Program.

The Program currently provides the SNAP Fund Portfolio (the Fund) and separately managed Individual Portfolios as a means for Issuers to invest these proceeds. It also provides recordkeeping, depository and arbitrage calculation services. The Fund invests in securities permitted by Code of Virginia §2.2-4500 et seq. and may hold deposits subject to Code of Virginia § 2.2-4400 et seq.

The Fund was established as a local government investment pool on October 27, 2016 and it commenced operations on December 2, 2016. The Fund has not provided or obtained any legally binding guarantees to support the value of shares. Participation in the Fund is voluntary for non-pooled Issuers but is required for pooled Issuers. The Fund is not required to be registered with the Securities & Exchange Commission (SEC) as an investment company.

The Fund's financial statements presented within this Annual Report have been prepared in conformity with the reporting framework prescribed by the Governmental Accounting Standards Board (GASB) for local government investment pools.

B. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Measurement Focus and Basis of Accounting

The Fund reports transactions and balances using the economic resources management focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

The Fund reflects cash on deposit in bank accounts which is available within one business day as cash and cash equivalents. Certificates of deposit are disclosed separately as investments in the financial statements.

Valuation of Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under GASB Statement No. 72, as amended, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Inputs other than quoted prices that are observable for the asset, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 – Unobservable inputs for the assets, including the Fund's own assumptions for determining fair value.

The Fund's investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. In accordance with GASB Statement No. 79, the portfolio securities are valued at amortized cost, which approximates fair value. GASB Statement No. 79 requires a comparison of the Fund's investments on an amortized cost basis to fair values determined on a market value basis at least monthly. The market prices used to determine fair values in this comparison are derived from closing bid prices as of the last business day of the month as supplied by third-party pricing services. Where prices are not available from these generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Since the value is not obtained from a quoted price in an active market, all securities held by the Fund as of June 30, 2024 are categorized as Level 2.

Investment Transactions

Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Costs used in determining realized gains and losses on the sale of investment securities are those of specific securities sold. Interest income is recorded using the accrual method. Discounts and premiums are accreted and amortized, respectively, to interest income over the lives of the respective securities.

Repurchase Agreements

Repurchase agreements entered into with broker-dealers are secured by U.S. government or agency obligations. The Fund's custodian takes possession of the collateral pledged for investments in repurchase agreements. The Fund also enters into tri-party repurchase agreements. Collateral pledged for tri-party repurchase agreements is held for the Fund by an independent third-party custodian bank until the maturity of the repurchase agreement. Repurchase agreements are collateralized at 102% of the obligation's principal and interest value. In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. If the seller defaults and the value of the collateral declines, realization of the value of the obligation by the Fund may be delayed. In the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to delays from legal proceedings.

Share Valuation and Participant Transactions

The net asset value (NAV) per share of the Fund is calculated as of the close of business each business day by dividing the net position of the Fund by the number of outstanding shares. It is the Fund's objective to maintain a NAV of $1.00 per share; however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Dividends and Distributions

On a daily basis, the Fund declares dividends and distributions from its net investment income, and net realized gains or losses from securities transactions, if any. Such dividends and distributions are payable to participants of record at the time of the previous computation of the Fund's NAV and are distributed to each investor's account by purchase of additional shares of the Fund on the last business day of each month. For the fiscal year ended June 30, 2024, the Fund distributed dividends totaling $267,804,421.

Redemption Restrictions

Shares of the Fund are available to be redeemed upon proper notice, as outlined in the Fund's Information Statement, without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as an investor has a sufficient number of shares to meet their redemption request. The procedures for effecting redemption shall be as set forth in the Information Statement from time to time. The Treasury Board may suspend the right of withdrawal or postpone the date of payment if there is an emergency that makes the sale of the Fund's securities or determination of its NAV not reasonably practical.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Tax Status

The Fund is not subject to Federal or State income tax upon the income realized by it. Accordingly, no provision for income taxes is required in the financial statements.

Representations and Indemnification

In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Subsequent Events Evaluation

The Fund has evaluated subsequent events through October 23, 2024, the date through which procedures were performed to prepare the financial statements for issuance. Other than the organizational changes in service providers noted in Note D, no events have taken place that meet the definition of a subsequent event requiring adjustment to or disclosure in these financial statements.

C. Investment Risks

Under GASB Statement No. 40, as amended, state and local governments and other municipal entities are required to disclose credit risk, concentration of credit risk, and interest rate risk for investment portfolios. The following risk disclosures of the Fund as of June 30, 2024 have been provided for the information of the Fund's investors.

Credit Risk

The Fund's investment policies, as outlined in the Fund's Information Statement, limits the Fund's investments to investments authorized under Virginia law for counties, cities, towns, political subdivisions and public bodies of the Commonwealth of Virginia as those terms are used in the Code of Virginia. As of June 30, 2024, the Fund's portfolio was comprised of investments which were, in aggregate, rated by S&P Global Ratings (S&P) as follows:

S&P Rating	%
AA+	19.76%
A-1+	14.45%
A-1	48.56%
Exempt(1)	17.23%

(1) Represents investments in U.S. Treasury obligations, which are not considered to be subject to overall credit risk per GASB.

The above ratings of the investments held by the Fund include the ratings of collateral underlying repurchase agreements in effect for the portfolio as of June 30, 2024. Securities with a long-term of A or higher are equivalent to the highest short-term rating category based on S&P rating methodology.

Concentration of Credit Risk

As outlined in the Fund's Information Statement, the Fund's investment policy establishes certain restrictions on investments and limitations on portfolio composition. The Fund's investment portfolio as of June 30, 2024 included the following issuers, which individually represented greater than 5% of its total investment portfolio:

Issuer	%
BNP Paribas (1)	17.56%
BofA Securities, Inc (1)	6.16%
Credit Agricole Corporate and Investment Bank (NY) (1)	10.43%
Toronto Dominion Bank (1)	9.28%

(1) These issuers are also counterparty to repurchase agreements entered into by the Fund. These repurchase agreements are collateralized by U.S. government and agency obligations.

Interest Rate Risk

The Fund's investment policies limit its exposure to market value fluctuations due to changes in interest rates by requiring that the Fund maintain a dollar-weighted average maturity of not greater than 60 days. As of June 30, 2024, the weighted average maturity of the Fund's entire portfolio, including cash and cash equivalents, was 39 days. The range of yields to maturity, actual maturity dates, principal values, fair values and weighted average maturities of the types of investments the Fund held as of June 30, 2024 are as follows:

Type of Deposits and Investments	Yield-to-Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Cash and Cash Equivalents	n/a	n/a	$ 215,551	$ 215,551	1 Day
Certificates of Deposit – Negotiable	5.23%-6.00%	7/1/24-5/23/25	1,944,222,000	1,944,273,450	57 Days
Commercial Paper	5.27%-5.80%	7/1/24-3/14/25	1,172,250,000	1,160,766,690	67 Days
Government Agency and Instrumentality Obligations:					
Agency Discount Notes	5.29%	8/16/24	29,556,000	29,357,540	47 Days
U.S. Treasury Bills	5.27%-5.29%	7/9/24-7/23/24	45,000,000	44,896,396	17 Days
U.S. Treasury Notes	5.34%	7/31/24	56,000,000	55,998,957	2 Days
Repurchase Agreements	5.31%-5.37%	7/1/24-9/11/24	1,739,600,000	1,739,600,000	2 Days
			$4,986,843,551	$4,975,108,584	

The yields shown in the preceding table represent the yield-to-maturity at original cost except for adjustable-rate instruments, for which the rate shown is the coupon rate in effect as of June 30, 2024. The weighted average maturities shown in the preceding table are calculated based on the stated maturity dates with the following exceptions: (1) floating or variable rate securities are assumed to have an effective maturity of the date upon which the security's interest rate next resets; (2) the effective maturity of callable securities is assumed to be its stated maturity unless the security had been called as of the reporting date, in which case the effective maturity would be assumed to be its called date; (3) for instruments subject to demand features, the effective maturity is assumed to be the period remaining until the principal amount of the security may be recovered through the demand features; and (4) the effective maturity of cash and cash equivalents is assumed to be one day. Refer to the Schedule of Investments included in the unaudited Other Information that follows for further information.

D. Fees and Charges

Management Fees

Effective September 17, 2004, the Treasury Board entered into an agreement with PFM Asset Management LLC (PFMAM) to act as investment manager and program administrator to the Program. PFMAM is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940 (Advisers Act). In conjunction with the establishment of the Fund on October 27, 2016, the Treasury Board entered into an updated agreement with PFMAM to act as investment manager and program administrator. In this capacity, PFMAM provides investment advice and generally supervises the investment program of the Fund, services all investor accounts, determines and allocates income of the Fund, provides administrative personnel, equipment and office space, determines the NAV of the Fund on a daily basis and performs all related administrative services. Shares of the Fund are distributed by PFMAM's affiliate, PFM Fund Distributors, Inc. (PFMFD), a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC).

Under its current agreement with the Fund, PFMAM is entitled to a fee payable monthly that is determined based on the average daily net assets. PFMAM's fee was calculated as follows: 0.095% of the first $1 billion of average daily net assets, 0.07% of the next $2 billion of average daily net assets, and 0.05% of average daily net assets over $3 billion. PFMFD is not separately compensated for the services it provides to the Fund.

PFMAM is a subsidiary of U.S. Bancorp Asset Management Inc. (USBAM). USBAM is a subsidiary of U.S. Bank, National Association (U.S. Bank), a separate entity and subsidiary of U.S. Bancorp. U.S. Bank served as the Fund's custodian through the end of September 2023, after which State Street Bank and Trust, N.A. began serving as the Fund's custodian. During the portion of the year ended June 30, 2024 prior to the change in custodian, the Fund accrued custodial fees from U.S. Bank totaling $32,889, none of which remain payable by the Fund as of June 30, 2024.

Effective October 1, 2024, PFMAM consolidated its investment management and administration accounts under its parent company, USBAM. USBAM is also an investment adviser registered with the SEC under the Advisers Act. As a result of the consolidation, effective October 1, 2024, USBAM is the investment manager and administrator of the Fund. PFMAM will continue to serve the Fund as a brand operating as a division of USBAM.

Effective October 1, 2024, PFMFD merged into its affiliate U.S. Bancorp Investments (USBI), also a member of FINRA and SIPC. USBI is an affiliate of USBAM. As a result of the merger, effective October 1, 2024, USBI is the distributor of the Fund.

Treasury Board Oversight Fees

In accordance with the contract creating the Program, the Treasury Board has the power to conduct the business of the Fund and carry on its operations and to do all such other things and execute all such instruments as it deems necessary, proper or desirable in order to promote the interests of the Fund. Treasury Board may remove and appoint successors to the Investment Manager, the Depository, the Custodian and the Rebate Calculation Agent. The Fund is assessed an annual fee of $100,000 by the Treasury Board for its oversight of the Fund. The fee shall accrue daily, be payable quarterly and be subject to change not more than once each fiscal year. The Treasury Board shall provide at least 30 days' notice of any change in the amount of the annual fee.

Other Fund Expenses

The Fund pays custodial and depository banking fees, audit fees, rating fees, and other operating expenses.

Other Information (unaudited)

Schedule of Investments (unaudited)

June 30, 2024

Rate[1]		Maturity Date[2]	Principal	Fair Value[3]
Certificates of Deposit (38.85%)				
Bank of America				
5.52%		12/2/24	$25,000,000	$25,000,000
5.70%	(4)	1/24/25	25,000,000	25,008,335
Bank of Montreal (Chicago)				
5.59%		9/3/24	15,000,000	14,998,521
5.46%		9/6/24	50,000,000	49,993,803
5.58%	(4)	11/8/24	30,000,000	30,000,000
5.54%	(4)	1/13/25	50,000,000	50,000,000
BMO Bank				
5.49%		5/15/25	19,000,000	19,000,000
BNP Paribas (NY)				
5.45%		9/12/24	25,683,000	25,696,095
5.31%		10/2/24	25,000,000	25,000,000
5.59%	(4)	11/8/24	40,000,000	40,000,000
5.67%	(4)	12/26/24	25,000,000	25,000,000
5.55%		12/31/24	19,669,000	19,623,175
Canadian Imperial Bank of Commerce (NY)				
5.56%	(4)	11/29/24	25,000,000	25,000,000
5.59%	(4)	2/14/25	20,000,000	19,999,913
5.46%		5/16/25	15,000,000	15,000,000
Citibank				
5.82%		7/8/24	15,000,000	14,999,503
5.74%		8/16/24	30,000,000	30,000,000
Credit Agricole Corporate and Investment Bank (NY)				
5.53%	(4)	8/14/24	20,000,000	20,000,000
5.59%	(4)	11/5/24	23,000,000	23,000,000
5.59%	(4)	11/25/24	24,000,000	24,000,000
5.31%		2/14/25	22,000,000	22,000,000
5.47%		4/30/25	20,000,000	20,015,416
Credit Industriel et Commercial (NY)				
5.54%	(4)	9/26/24	17,000,000	16,999,158
5.35%		1/2/25	50,000,000	50,000,000
5.60%		4/30/25	19,000,000	18,999,868
5.45%		5/23/25	16,230,000	16,235,352
DZ Bank (NY)				
5.40%		2/19/25	13,100,000	13,099,934
5.46%		3/3/25	17,000,000	16,999,908
Goldman Sachs Bank USA				
5.54%	(4)	11/18/24	45,000,000	45,000,000
HSBC USA				
5.83%	(4)	8/8/24	19,000,000	19,000,000
5.75%		8/15/24	33,000,000	33,000,000
Mitsubishi UFJ Trust & Banking Corporation (NY)				
5.52%	(4)	9/6/24	50,000,000	50,000,000
5.59%	(4)	11/5/24	20,000,000	20,000,000
Mizuho Bank Ltd. (NY)				
5.58%	(4)	10/4/24	50,000,000	50,000,000

The notes to the financial statements are an integral part of the schedule of investments.

Schedule of Investments (unaudited)

June 30, 2024

Rate[1]		Maturity Date[2]		Principal	Fair Value[3]
Mizuho Bank Ltd. (NY) (Cont.)					
5.59%	[4]	11/6/24		$69,000,000	$68,999,920
5.53%	[4]	12/9/24		20,000,000	20,000,000
5.74%	[4]	1/10/25		20,000,000	20,012,469
Nordea Bank (NY)					
5.48%	[4]	7/22/24		25,000,000	24,999,842
5.91%	[4]	8/14/24		10,200,000	10,200,478
5.53%	[4]	10/10/24		35,000,000	35,000,000
5.63%	[4]	2/5/25		25,000,000	25,000,000
Royal Bank of Canada (NY)					
5.48%		8/12/24		48,000,000	48,013,755
Skandinaviska Enskilda Banken (NY)					
5.52%	[4]	10/4/24		34,000,000	34,000,000
5.64%	[4]	3/7/25		25,000,000	25,000,000
Sumitomo Mitsui Banking Corporation (NY)					
5.57%	[4]	10/1/24		50,000,000	50,000,000
5.55%	[4]	1/14/25		30,000,000	30,000,000
Sumitomo Mitsui Trust Bank Ltd. (NY)					
5.60%	[4]	7/1/24		50,000,000	50,000,000
5.61%	[4]	7/8/24		30,000,000	30,000,000
5.51%	[4]	9/6/24		45,000,000	45,000,000
5.46%		9/12/24		25,000,000	25,000,000
5.58%	[4]	10/23/24		32,000,000	32,000,000
Svenska Handelsbanken (NY)					
5.90%		7/12/24		24,000,000	24,000,000
5.63%	[4]	10/3/24		50,000,000	50,000,000
5.27%		10/17/24		25,000,000	25,000,361
5.60%	[4]	10/24/24		20,000,000	20,000,000
Swedbank (NY)					
5.26%		2/14/25		24,000,000	24,000,000
Toronto Dominion Bank (NY)					
5.90%		7/19/24		23,000,000	23,000,000
6.00%		9/5/24		15,000,000	15,000,000
5.48%		9/9/24		48,600,000	48,621,627
5.70%		9/23/24		20,000,000	20,011,016
5.63%	[4]	2/18/25		30,000,000	30,000,000
5.38%		3/20/25		20,000,000	20,000,000
5.48%		5/21/25		20,000,000	20,000,000
Wells Fargo Banking Corporation					
5.94%	[4]	8/2/24		29,240,000	29,245,086
5.23%		9/10/24		8,500,000	8,499,915
5.94%	[4]	11/12/24		26,000,000	26,000,000
5.23%		12/13/24		20,000,000	20,000,000
5.58%	[4]	3/10/25		30,000,000	30,000,000
5.39%		3/25/25		25,000,000	25,000,000
Total Certificates of Deposits					1,944,273,450

The notes to the financial statements are an integral part of the schedule of investments.

Schedule of Investments (unaudited)

June 30, 2024

Rate[1]		Maturity Date[2]	Principal	Fair Value[3]
Commerical Paper (23.19%)				
ABN AMRO Funding USA LLC				
5.31%		7/1/24	$50,000,000	$50,000,000
5.46%		9/25/24	50,000,000	49,357,389
5.54%		12/2/24	20,000,000	19,539,283
Barclays Capital Inc.				
5.53%		11/14/24	38,000,000	37,227,670
5.54%		11/29/24	14,000,000	13,684,074
5.49%		12/19/24	50,000,000	48,731,750
BofA Securities Inc.				
5.41%		11/18/24	16,250,000	15,921,389
5.58%	(4)	11/27/24	16,000,000	16,000,000
5.59%	(4)	1/7/25	49,000,000	49,000,000
5.44%		3/7/25	20,000,000	19,276,517
Canadian Imperial Holdings				
5.37%		12/6/24	26,000,000	25,411,187
Citigroup Global Markets Inc.				
5.57%	(4)	11/1/24	46,000,000	46,000,000
5.42%		3/11/25	25,000,000	24,084,632
Credit Industriel et Commercial (NY)				
5.44%		10/21/24	20,000,000	19,667,733
5.27%		11/8/24	30,000,000	29,450,750
ING US Funding LLC				
5.57%	(4)	10/7/24	50,000,000	50,000,000
5.58%	(4)	11/18/24	25,000,000	25,000,000
5.41%		11/22/24	12,000,000	11,750,400
5.54%	(4)	11/25/24	15,000,000	14,999,932
5.44%		12/16/24	32,000,000	31,218,987
JP Morgan Securities LLC (Callable)				
5.67%	(4)	10/4/24	78,000,000	78,000,000
5.64%	(4)	2/11/25	50,000,000	50,000,000
MUFG Bank Ltd. (NY)				
5.46%		9/13/24	20,000,000	19,778,822
5.29%		10/8/24	25,000,000	24,650,063
5.39%		11/8/24	22,000,000	21,588,478
5.47%		3/7/25	26,000,000	25,054,077
National Australia Bank (NY)				
5.60%	(4)	1/10/25	25,000,000	25,000,000
Natixis (NY)				
5.77%		7/15/24	50,000,000	49,892,083
5.64%	(4)	9/3/24	20,000,000	20,000,000
5.64%	(4)	9/4/24	30,000,000	30,000,000
5.34%		11/1/24	15,000,000	14,737,088
5.40%		11/20/24	25,000,000	24,488,208
5.44%		3/14/25	20,000,000	19,256,178
Royal Bank of Canada (NY)				
5.80%	(4)	8/2/24	50,000,000	50,000,000
5.57%	(4)	12/20/24	46,000,000	46,000,000

The notes to the financial statements are an integral part of the schedule of investments.

Schedule of Investments (unaudited)

June 30, 2024

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Toyota Motor Credit Corporation				
5.75% [4]	7/1/24		$34,000,000	$34,000,000
5.53% [4]	10/23/24		32,000,000	32,000,000
Total Commerical Paper				1,160,766,690
Government Agency & Instrumentality Obligations (2.60%)				
Federal Home Loan Bank Discount Notes				
5.29%	8/16/24		29,556,000	29,357,540
U.S. Treasury Bills				
5.29%	7/9/24		20,000,000	19,976,566
5.27%	7/23/24		25,000,000	24,919,830
U.S. Treasury Notes				
5.34% [4]	7/31/24		56,000,000	55,998,957
Total Government Agency & Instrumentality Obligations				130,252,893
Repurchase Agreements (34.75%)				
BNP Paribas (NY)				
5.31%	7/1/24		542,500,000	542,500,000
		(Dated 6/28/24, repurchase price $542,740,056, collateralized by U.S. Treasury obligations, 0.00%-4.375%, maturing 8/31/30-11/15/49, fair value $553,594,857)		
5.33%	7/1/24		86,000,000	86,000,000
		(Dated 5/1/24, repurchase price $86,776,699, collateralized by: U.S. Treasury obligations, 0.00%, maturing 11/15/39, fair value $3,136,921; Fannie Mae obligations, 2.00%-7.00%, maturing 6/1/27-3/1/54, fair value $72,096,559; Freddie Mac obligations, 2.00%-7.00%, maturing 9/1/36-4/1/54, fair value $10,021,585; and Ginnie Mae obligations, 4.00%-6.00%, maturing 2/20/49-3/20/64, fair value $3,257,169)		
5.32%	7/8/24[5]		50,000,000	50,000,000
		(Dated 6/13/24, repurchase price $50,243,833, collateralized by U.S. Treasury obligations, 0.00%-5.45%, maturing 7/31/24-8/15/53, fair value $51,135,660)		
5.34%	7/8/24[5]		60,000,000	60,000,000
		(Dated 6/3/24, repurchase price $60,560,700, collateralized by U.S. Treasury obligations, 0.00%-5.48%, maturing 8/31/27-2/15/47, fair value $61,454,184)		
BofA Securities Inc.				
5.32%	7/1/24		49,000,000	49,000,000
		(Dated 4/3/24, repurchase price $49,644,459, collateralized by U.S. Treasury obligations, 0.00%, maturing 2/15/47-5/15/51, fair value $49,980,001)		
5.34%	7/8/24[5]		52,000,000	52,000,000
		(Dated 5/2/24, repurchase price $52,524,507, collateralized by U.S. Treasury obligations, 1.875%-4.75%, maturing 2/15/41-2/15/51, fair value $53,040,003)		
5.37%	7/8/24[5]		55,000,000	55,000,000
		(Dated 6/13/24, repurchase price $55,738,375, collateralized by: Fannie Mae obligations, 1.50%-6.50%, maturing 9/1/25-5/1/54, fair value $32,774,702; Freddie Mac obligations, 1.50%-7.00%, maturing 12/1/28-6/1/54, fair value $20,953,156; and Ginnie Mae obligations, 3.00%-3.50%, maturing 10/20/40-12/20/44, fair value $2,372,144)		
Credit Agricole Corporate and Investment Bank (NY)				
5.33%	7/1/24		300,000,000	300,000,000
		(Dated 6/28/24, repurchase price $300,133,250, collateralized by Fannie Mae obligations, 2.00%-6.00%, maturing 7/1/49-7/1/54, fair value $306,135,915)		

The notes to the financial statements are an integral part of the schedule of investments.

Schedule of Investments (unaudited)

June 30, 2024

Rate(1)	Maturity Date(2)		Principal	Fair Value(3)
Credit Agricole Corporate and Investment Bank (NY) (Cont.)				
5.32%	7/8/24(5)		$39,000,000	$39,000,000
(Dated 6/24/24, repurchase price $39,172,900, collateralized by Fannie Mae obligations, 2.50%-3.00%, maturing 11/1/48-7/1/50, fair value $39,821,150)				
5.32%	7/8/24(5)		71,000,000	71,000,000
(Dated 6/13/24, repurchase price $71,304,274, collateralized by Freddie Mac obligations, 2.00%, maturing 3/1/51, fair value $72,612,638)				
Goldman Sachs & Company				
5.33%	7/2/24		150,000,000	150,000,000
(Dated 6/25/24, repurchase price $150,155,458, collateralized by: Ginnie Mae obligations, 3.00%-6.00%, maturing 8/20/30-4/20/54, fair value $129,390,008; Fannie Mae obligations, 3.50%-5.50%, maturing 6/1/39-7/1/53, fair value $20,589,979; and Freddie Mac obligations, 4.00%-6.00%, maturing 9/1/45-4/1/53, fair value $3,155,928)				
TD Securities LLC				
5.32%	7/1/24		285,100,000	285,100,000
(Dated 6/28/24, repurchase price $285,226,394, collateralized by Ginnie Mae obligations, 3.00%-8.50%, maturing 12/15/24-4/20/63, fair value $290,930,923)				
Total Repurchase Agreements				1,739,600,000
Total Investments (99.39%) (Amortized Cost $4,974,893,033)				4,974,893,033
Other Assets and Liabilities, Net (0.61%)				30,445,138
Net Position (100.00%)				$5,005,338,171

(1) Yield-to-maturity at original cost unless otherwise noted.

(2) Actual maturity dates, unless otherwise noted.

(3) See Note B to the financial statements.

(4) Adjustable rate security. Rate shown is that which was in effect at June 30, 2024.

(5) Subject to put with 7-day notice.

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Virginia State

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