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NOTE 2 – DEPOSITS AND INVESTMENTS (continued):

Concentration of Credit Risk

Safety of investment principal is the foremost objective of the City's investment program. Diversification of investments is practiced to reduce the chances of losses from individual securities exceeding gains from the entire portfolio. The following table reflects the portfolio's underlying funds, level of investment in each financial instrument and investment by issuer as a percentage of total investment:

	Firefighters Pension Plan	
	Portfolio Allocation	Amount in Trust as of September 30, 2024
Cash and cash equivalents:		
Money Market	1.40%	$ 250,227
Investments, at fair value:		
Broad Market HQ Bond Fund	14.40%	2,573,758
Core Plus Fixed Income	14.90%	2,663,125
Diversified Large Cap	24.90%	4,450,456
Diversified Small to Mid Cap	14.50%	2,591,631
International Blend	20.50%	3,664,030
Core Real Estate	9.40%	1,680,092
Total		$ 17,873,319

Interest Rate Risk

Through its investment policy and guidelines, the FMIvT manages its exposure to fair value losses arising from increasing interest rates by limiting the modified duration of certain bond funds as follows:

	Fire Pension Investment Pool (FMIvT)	
Fixed Income Fund	Modified Duration in Years	Weighted Average Maturity (WAM) in Years
FMIvT Broad Market High Quality Bond Fund	5.10	7.10
FMIvT Core Plus Fixed Income Fund	6.24	6.66

Fair Value Measurement

The City and the Firefighters' Pension Plan categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Investments are reported at fair value other than those using Net Asset Value (NAV) or amortized cost. Fair value is 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. Fair value determination, other than those measured using the NAV as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).