



City of Salem

Quarterly Investment Report

Quarter Ended December 31, 2016



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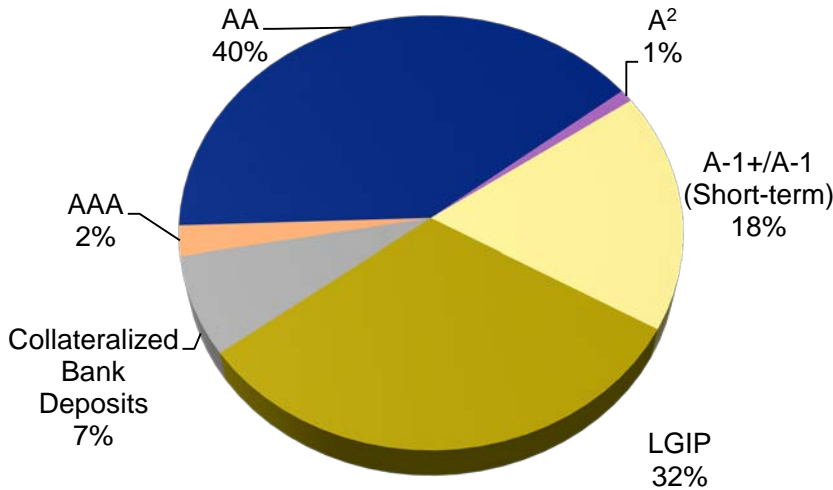
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Summary by Sector ¹	Amortized Cost	Market Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$45,448,538	\$45,372,869	17%	100%
Federal Agencies	45,374,333	45,005,278	16%	100%
U.S. Instrumentalities	2,725,435	2,691,459	1%	10%
Commercial Paper	48,468,665	48,478,930	18%	35%
Corporate Notes	25,112,304	25,023,179	9%	
LGIP	86,346,493	86,346,493	32%	ORS limit
Collateralized Deposit Accounts	20,135,358	20,135,358	7%	100%
Total	\$273,611,126	\$273,053,566	100%	

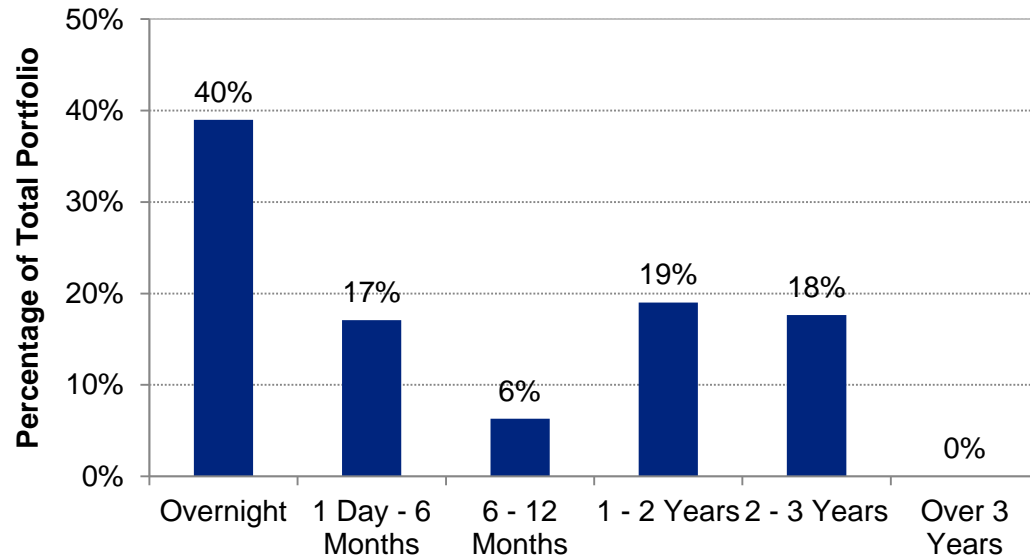
Combined Portfolio Statistics	
Combined Portfolio Yield on Cost (12/31/2016)	1.02%
Weighted Average Maturity (12/31/16)	0.81 years

Combined Portfolio Earnings (excludes earnings on LGIP and deposit accounts)	
Cash Basis Earnings for Quarter	\$341,457
Accrual Basis Earnings for Quarter	\$429,508

Credit Quality Distribution

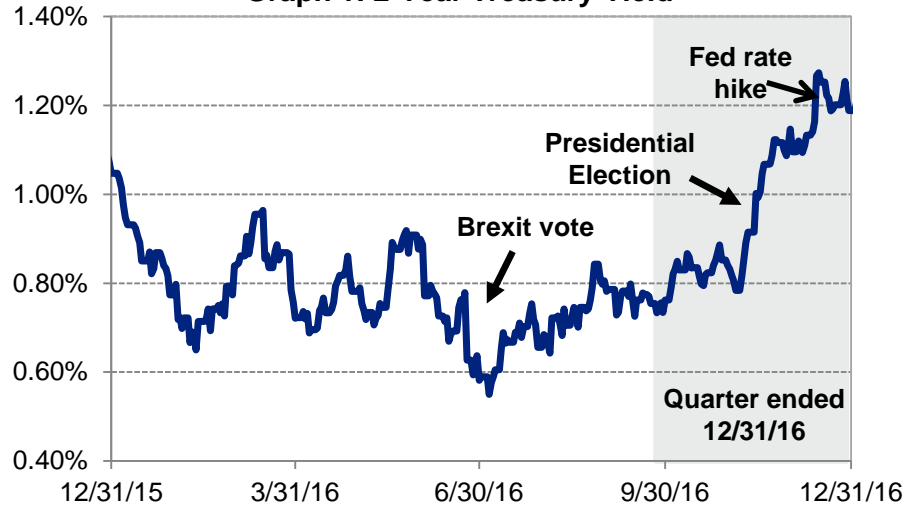


Combined Portfolio Maturity Distribution³



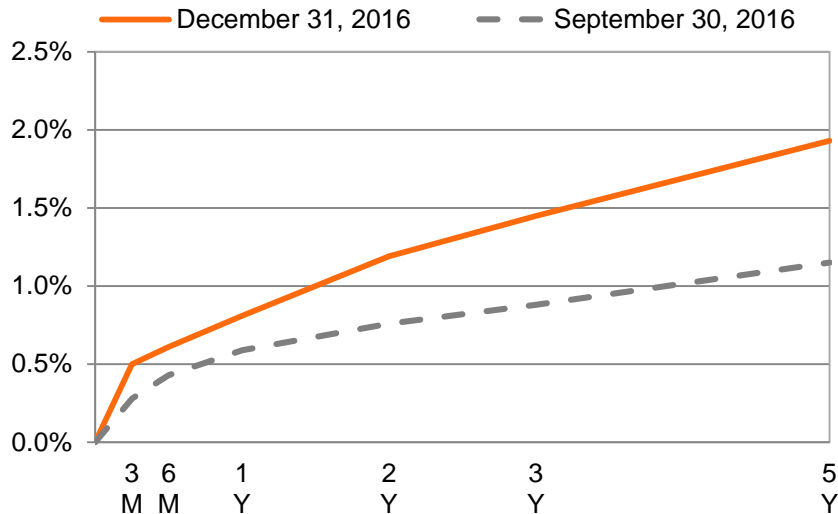
1. Values as of December 31, 2016, including accrued interest.
 2. Ratings by Standard & Poor's. Wells Fargo & Co is rated A by S&P, but rated AA- by Fitch and is in compliance with the City's investment policy and Oregon Revised Statutes.
 3. Callable securities are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Graph 1: 2-Year Treasury Yield



- **Graph 1:** The yield on the 2-year Treasury moved higher during the quarter ended December 31, 2016.
 - Yields surged post-election as expectations for U.S. economic growth rose.
 - The increased yields this quarter were also attributed to the anticipation of the December FOMC rate hike.
 - Fed officials are forecasting an additional 3 rate hikes in 2017, which will likely increase yields in the next quarter.

**Graph 2: U.S. Treasury Yield Curves
9/30/16 vs. 12/31/16**



- **Graph 2:** Graph 2 plots the yields of U.S. Treasuries at different maturities on September 30, 2016 and December 31, 2016.
 - U.S. Treasury yields rose, with the longer end rising substantially over higher inflation expectations from the President's proposed fiscal policies.
 - As a result, the yield curve has steepened significantly over the prior quarter.

Source: Bloomberg

Combined Portfolio Summary¹

	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Market Value (MV)	\$273,053,566	\$215,671,669	\$233,843,603	\$271,247,546
Amortized Cost	\$273,611,126	\$215,482,887	\$233,248,301	\$270,909,409

Quarterly Summary	Quarter Ending December 31, 2016
Beginning MV	\$215,671,669
Change in Cash	\$57,369,126
Change in MV	\$12,771
Ending MV	\$273,053,566

PORTFOLIO RECAP

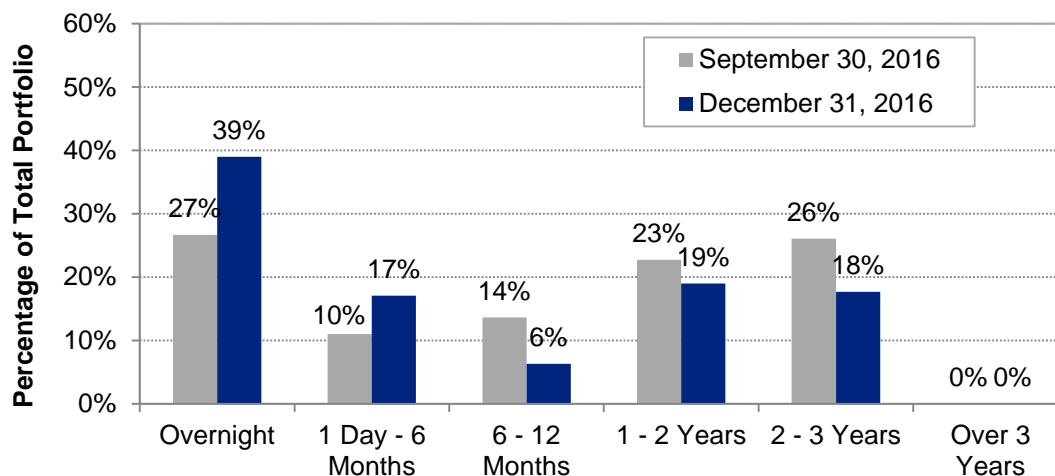
- The portfolio is in compliance with applicable state statutes and the City’s Investment Policy C-7.
- The portfolio has sufficient liquidity to cover upcoming needs, is diversified among high-quality fixed-income sectors, and is of high credit quality.
- The benchmark for the City’s Long-Term Portfolio has transitioned from the Bank of America Merrill Lynch (BAML) 0-3 Year Treasury index to the BAML 1-3 Year Treasury index. Yields on the City’s Short-Term Portfolio and Streets and Bridges Portfolio are being compared to the LGIP yield.
- We shortened the portfolio duration in October as the uncertainty related to the election and the strong likelihood of a Fed rate increase had created an interest rate environment less favorable to a neutral position. In early December, following the dramatic leap in interest rates, we extended the duration to be more closely aligned with the benchmark, capturing the higher yields available.
- The portfolios’ total return was negative for the quarter as investment income couldn’t keep pace with the sharp rise in interest rates that drove market values lower. However, by maintaining a shorter duration and emphasizing diversification, the portfolio outperformed the benchmark for the period.
- Significant mandated reforms to the money market fund industry took effect in the fourth quarter. The reforms caused important changes in the supply/demand dynamic in the short-term markets as nearly \$1 trillion in assets shifted from “prime” funds that invest in credit instruments, into government funds that hold only government securities. The result was reduced demand and higher yields for short-term credit instruments, like commercial paper. This created excellent investment opportunities in short-term credit instruments, which we used both to fill short-term investment needs and as attractive alternatives to longer Treasuries and agencies.

1. Values as of quarter end, including accrued interest

Combined Portfolio Change Over Quarter

Security Type	Change in Allocation
U.S. Treasuries	-9%
Federal Agencies	-3%
U.S. Instrumentalities	-
Municipal Obligations	-
Commercial Paper	+2%
Corporate Notes	-2%
LGIP	+8%
Collateralized Deposit Accounts	+4%

Combined Portfolio Maturity Distribution



Portfolio and Benchmark Performance

Total Return ^{1,2,3,4,5}	Total Return for Quarter Ended December 31, 2016	Total Return for Past 1 Year	Total Return for Past 3 Years	Total Return Since Inception
City of Salem Long-Term Portfolio	-0.32%	0.87%	0.65%	0.58%
Bank of America Merrill Lynch U.S. Treasury Index	-0.43%	0.54%	0.47%	0.43%
Yield Comparison	Yield ⁶	Yield Comparison		Yield ⁶
City of Salem Short-Term Portfolio	1.19%	City of Salem Streets & Bridges Portfolio		1.23%
Oregon LGIP	1.03%	Oregon LGIP		1.03%

Notes:

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets. Long-Term Portfolio benchmark was the BAML 0-3 Year U.S. Treasury index from inception through 6/30/2016 and the BAML 1-3 Year Treasury index beginning 6/30/16.
3. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis.
4. Inception date is December 31, 2012.
5. Excludes Streets & Bridges, and Short-Term Portfolio as well as LGIP and bank balances in the performance and duration calculations.
6. Yield at Cost for the City's Short-Term and Streets and Bridges portfolios as of quarter end and Oregon LGIP rate as of month end.

Combined Portfolio Transactions¹

Trade Date	Trade Type	Security	Maturity Date	Broker	Par Value	Yield to Maturity	S&P Rating
10/4/16	Buy	FHLB Global Notes	9/26/2019	HSCB Securities (USA) Inc.	3,450,000	1.02%	AA+
10/4/16	Sell	US Treasury Notes	7/31/2017	BNP Paribas	3,400,000	0.00%	AA+
10/15/16	Maturity	US Treasury Notes	10/15/2016	RBS Greenwich Capital	2,490,000	0.00%	AA+
10/31/16	Maturity	US Treasury Notes	10/31/2016	RBS Greenwich Capital	2,000,000	0.00%	AA+
12/14/16	Buy	Bank Tokyo-Mit UFJ NY Commercial Paper	6/9/2017	BNP Paribas	3,000,000	1.25%	A-1
12/14/16	Buy	BNP Paribas NY Branch Commercial Paper	6/7/2017	BNP Paribas	2,250,000	1.18%	A-1
12/14/16	Buy	Credit Agricole CIB NY Commercial Paper	5/11/2017	BNP Paribas	5,000,000	1.00%	A-1
12/14/16	Buy	JP Morgan Securities Commercial Paper	9/8/2017	HSBC Securities (USA) Inc	4,750,000	1.34%	A-1
12/14/16	Buy	Toyota Motor Credit Corp Commercial Paper	8/28/2017	Societe Generale	2,000,000	1.23%	A-1+
12/16/16	Maturity	BNP Paribas NY Branch Commercial Paper	12/16/2016	RBS Greenwich Capital	750,000	0.00%	A-1
12/16/16	Maturity	JP Morgan Securities Commercial Paper	12/16/2016	RBS Greenwich Capital	750,000	0.00%	A-1
12/16/16	Maturity	Toyota Motor Credit Corp Commercial Paper	12/16/2016	RBS Greenwich Capital	750,000	0.00%	A-1+
12/31/16	Maturity	US Treasury Notes	12/31/2016	RBS Greenwich Capital	1,000,000	0.00%	AA+

1. Does not include transactions in the LGIP and bank accounts

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Combined Portfolio Holdings by Maturity

Issuer	CUSIP	Par Value ¹	Maturity Date	Call Date	S&P Rating	Market Value ²	Yield to Maturity ³
LGIP - City	-	47,412,243	-	-		\$47,412,243	1.03%
LGIP - URA	-	38,934,250	-	-		38,934,250	1.03%
U.S. Bank	-	20,135,358	-	-		20,135,358	0.50%
Credit Agricole CIB NY	22533TP67	2,500,000	2/6/2017		A-1	2,498,125	1.11%
Bank of Tokyo Mitsubishi, U.S.	06538BP98	2,500,000	2/9/2017		A-1	2,497,860	1.12%
Bank of Tokyo Mitsubishi, U.S.	06538BPQ0	2,500,000	2/24/2017		A-1	2,496,960	1.22%
Credit Agricole CIB NY	22533TQ82	500,000	3/8/2017		A-1	499,175	1.19%
ING U.S Commercial Paper	4497W0Q84	500,000	3/8/2017		A-1	499,127	1.22%
ING U.S Commercial Paper	4497W0Q84	2,500,000	3/8/2017		A-1	2,495,633	1.22%
BNP Paribas NY	09659BQ94	2,500,000	3/9/2017		A-1	2,495,683	1.27%
BNP Paribas NY	09659BQ94	2,500,000	3/9/2017		A-1	2,495,683	1.27%
Federal National Mortgage Association	3135G0JA2	2,025,000	4/27/2017		AA+	2,032,102	0.81%
General Electric Co	36962G5W0	2,500,000	4/27/2017		AA-	2,519,767	1.18%
Canadian Imperial Holding Commercial Paper	13607ES59	2,500,000	5/5/2017		A-1	2,489,895	1.26%
Toyota Motor Corp	89233GS56	2,500,000	5/5/2017		A-1+	2,491,600	1.15%
Rabobank Nederland NV NY	21687AS87	2,500,000	5/8/2017		A-1	2,491,570	1.23%
JP Morgan Chase & Co	46640PS87	2,500,000	5/8/2017		A-1	2,489,628	1.09%
Credit Agricole NY	22533TSB3	5,000,000	5/11/2017		A-1	4,979,725	1.00%
Bank of Montreal Chicago Commercial Paper	06366GT25	2,500,000	6/2/2017		A-1	2,487,125	1.25%
Bank of Montreal Chicago Commercial Paper	06366GT25	675,000	6/2/2017		A-1	671,524	1.25%
Bank of Montreal Chicago Commercial Paper	06366GT25	2,500,000	6/2/2017		A-1	2,487,125	1.25%
BNP Paribas NY	09659BT75	2,250,000	6/7/2017		A-1	2,238,273	1.18%
Bank of Tokyo Mitsubishi NY	06538BT94	3,000,000	6/9/2017		A-1	2,983,671	1.25%
Federal Home Loan Mortgage Corporation	3137EADH9	3,000,000	6/29/2017		AA+	3,004,778	0.94%
Toyota Motor Corp	89233GVU7	2,000,000	8/28/2017		A-1+	1,982,380	1.23%

1. End of quarter trade-data par values of portfolio holdings; rounded to nearest dollar.

2. End of quarter trade-data market values of portfolio holdings including accrued interest; rounded to nearest dollar.

3. LGIP yield is provided by OSTF website. U.S. Bank yield (before fees) is provided by the City.

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Combined Portfolio Holdings by Maturity (continued)

Issuer	CUSIP	Par Value ¹	Maturity Date	Call Date	S&P Rating ⁴	Market Value ²	Yield to Maturity ³
JP Morgan Securities LLC	46640PW82	4,750,000	9/8/2017		A-1	4,708,172	1.34%
Federal Home Loan Mortgage Corporation	3137EADL0	225,000	9/29/2017		AA+	225,793	1.22%
U.S. Treasury	912828TS9	2,500,000	9/30/2017		AA+	2,500,477	1.06%
U.S. Treasury	912828G20	5,000,000	11/15/2017		AA+	5,005,875	0.97%
Johnson & Johnson	478160BL7	1,560,000	11/21/2017		AAA	1,563,462	1.15%
Federal National Mortgage Association	3135G0RT2	255,000	12/20/2017		AA+	254,927	1.32%
U.S. Treasury	912828UE8	930,000	12/31/2017		AA+	928,493	1.17%
U.S. Treasury	912828UJ7	2,000,000	1/31/2018		AA+	2,005,839	1.08%
IBM Corp	459200HZ7	2,500,000	2/6/2018		AA-	2,505,646	1.23%
Exxon Mobil Corp	30231GAL6	2,500,000	3/6/2018		AA+	2,509,829	1.31%
U.S. Treasury	912828UU2	7,500,000	3/31/2018		AA+	7,492,689	1.08%
U.S. Treasury	912828UZ1	5,500,000	4/30/2018		AA+	5,479,031	1.02%
U.S. Treasury	912828UZ1	5,750,000	4/30/2018		AA+	5,728,078	1.11%
Apple Inc Global Notes	037833AJ9	2,500,000	5/3/2018		AA+	2,494,653	1.34%
Berkshire Hathaway Inc	084664BW0	3,000,000	5/15/2018		AA	2,997,306	1.07%
Federal Home Loan Bank	3130A8PK3	4,125,000	8/7/2018		AA+	4,102,527	0.73%
Federal Home Loan Bank	3130A8PK3	750,000	8/7/2018		AA+	745,914	0.81%
Federal Home Loan Bank	3130A9AE1	5,000,000	10/1/2018		AA+	4,983,423	0.91%
U.S. Treasury	912828WD8	3,700,000	10/31/2018		AA+	3,713,849	0.79%
Microsoft Corp	594918BF0	1,845,000	11/3/2018		AAA	1,847,390	1.33%
U.S. Treasury	912828A34	5,250,000	11/30/2018		AA+	5,263,355	0.85%
U.S. Treasury	912828N63	2,195,000	1/15/2019		AA+	2,202,206	1.04%
Wells Fargo & Co ⁴	94974BFQ8	2,500,000	1/15/2019		A	2,538,545	1.31%
Federal National Mortgage Association	3135G0J53	5,000,000	2/26/2019		AA+	4,986,276	0.97%
Federal Home Loan Mortgage Corporation	3137EADZ9	5,000,000	4/15/2019		AA+	4,991,640	0.96%

1. End of quarter trade-data par values of portfolio holdings; rounded to nearest dollar.

2. End of quarter trade-data market values of portfolio holdings including accrued interest; rounded to nearest dollar.

3. LGIP yield is provided by OSTF website. U.S. Bank yield (before fees) is provided by the City.

4. Wells Fargo & Co is rated AA- by Fitch and is in compliance with the City's investment policy and Oregon Revised Statutes.

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Combined Portfolio Holdings by Maturity (continued)

Issuer	CUSIP	Par Value ¹	Maturity Date	Call Date	S&P Rating	Market Value ²	Yield to Maturity ³
U.S. Treasury	912828D23	5,000,000	4/30/2019		AA+	5,052,976	0.91%
Inter-American Development Bank	458182DX7	1,750,000	5/13/2019		AAA	1,727,842	1.10%
Chevron Corp	166764BH2	2,000,000	5/16/2019		AA-	1,995,689	1.56%
Toyota Motor Credit Corp	89236TDE2	2,750,000	5/20/2019		AA-	2,723,183	1.45%
Coca-Cola Co	191216BV1	1,335,000	5/30/2019		AA-	1,327,710	1.40%
Federal Home Loan Bank	3130A8DB6	5,000,000	6/21/2019		AA+	4,973,103	0.79%
Federal Home Loan Mortgage Corporation	3137EAEB1	5,000,000	7/19/2019		AA+	4,953,521	0.97%
Federal National Mortgage Association	3135G0N33	3,200,000	8/2/2019		AA+	3,167,138	0.90%
Federal Home Loan Bank	3130A8Y72	3,200,000	8/5/2019		AA+	3,166,144	0.91%
African Development Bank	00828EBQ1	975,000	9/20/2019		AAA	963,617	1.16%
Federal Home Loan Bank	3130A9EP2	3,450,000	9/26/2019		AA+	3,417,994	1.02%
Total Market Value PFM Managed Funds		\$166,945,000				\$166,571,715	1.08%
LGIP		\$86,346,493				\$86,346,493	1.03%
Bank Balances		\$20,135,358				\$20,135,358	0.50%
Total Market Value All Funds		\$273,426,851				\$273,053,566	1.02%

1. End of quarter trade-data par values of portfolio holdings; rounded to nearest dollar.

2. End of quarter trade-data market values of portfolio holdings including accrued interest; rounded to nearest dollar.

3. LGIP yield is provided by OSTF website. U.S. Bank yield (before fees) is provided by the City.



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2016**

CITY OF SALEM LONG-TERM PORTFOLIO -

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 10/01/2012 0.625% 09/30/2017	912828TS9	2,500,000.00	AA+	Aaa	06/11/14	06/13/14	2,464,941.41	1.06	3,992.10	2,491,982.90	2,496,485.00
US TREASURY NOTES DTD 11/17/2014 0.875% 11/15/2017	912828G20	5,000,000.00	AA+	Aaa	12/03/14	12/08/14	4,986,718.75	0.97	5,680.25	4,996,027.85	5,000,195.00
US TREASURY NOTES DTD 12/31/2012 0.750% 12/31/2017	912828UE8	930,000.00	AA+	Aaa	06/11/14	06/13/14	916,340.62	1.17	19.27	926,102.44	928,473.87
US TREASURY NOTES DTD 01/31/2013 0.875% 01/31/2018	912828UJ7	2,000,000.00	AA+	Aaa	11/24/14	11/26/14	1,987,187.50	1.08	7,323.37	1,995,594.82	1,998,516.00
US TREASURY NOTES DTD 04/01/2013 0.750% 03/31/2018	912828UU2	7,500,000.00	AA+	Aaa	02/26/15	02/27/15	7,425,585.94	1.08	14,371.57	7,469,724.53	7,478,317.50
US TREASURY NOTES DTD 04/30/2013 0.625% 04/30/2018	912828UZ1	5,500,000.00	AA+	Aaa	03/26/15	03/30/15	5,433,398.44	1.02	5,887.43	5,471,071.49	5,473,143.50
US TREASURY NOTES DTD 04/30/2013 0.625% 04/30/2018	912828UZ1	5,750,000.00	AA+	Aaa	03/13/15	03/16/15	5,663,750.00	1.11	6,155.04	5,712,965.23	5,721,922.75
US TREASURY NOTES DTD 10/31/2013 1.250% 10/31/2018	912828WD8	3,700,000.00	AA+	Aaa	05/09/16	05/11/16	3,741,914.06	0.79	7,921.27	3,731,106.90	3,705,927.40
US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	5,250,000.00	AA+	Aaa	05/03/16	05/05/16	5,303,935.55	0.85	5,769.23	5,290,226.39	5,257,586.25
US TREASURY N/B DTD 01/15/2016 1.125% 01/15/2019	912828N63	2,195,000.00	AA+	Aaa	03/23/16	03/24/16	2,200,230.27	1.04	11,407.44	2,198,813.29	2,190,798.77
US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019	912828D23	5,000,000.00	AA+	Aaa	05/03/16	05/05/16	5,105,468.75	0.91	13,915.75	5,082,479.05	5,039,060.00
Security Type Sub-Total		45,325,000.00					45,229,471.29	0.99	82,442.72	45,366,094.89	45,290,426.04
Supra-National Agency Bond / Note											
INTER-AMERICAN DEVELOPMENT BANK DTD 04/12/2016 1.000% 05/13/2019	458182DX7	1,750,000.00	AAA	Aaa	04/05/16	04/12/16	1,744,750.00	1.10	2,333.33	1,745,962.23	1,725,508.75
AFRICAN DEVELOPMENT BANK NOTE DTD 09/20/2016 1.125% 09/20/2019	00828EBO1	975,000.00	AAA	Aaa	09/14/16	09/20/16	973,966.50	1.16	3,077.34	974,061.76	960,539.78



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2016**

CITY OF SALEM LONG-TERM PORTFOLIO -

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Supra-National Agency Bond / Note											
Security Type Sub-Total		2,725,000.00					2,718,716.50	1.12	5,410.67	2,720,023.99	2,686,048.53
Federal Agency Bond / Note											
FNMA NOTES DTD 03/01/2012 1.125% 04/27/2017	3135G0JA2	2,025,000.00	AA+	Aaa	11/24/14	11/26/14	2,040,309.00	0.81	4,050.00	2,027,055.09	2,028,051.68
FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	3,000,000.00	AA+	Aaa	08/14/14	08/15/14	3,005,400.00	0.94	166.67	3,000,941.07	3,004,611.00
FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	750,000.00	AA+	Aaa	08/10/16	08/12/16	747,292.50	0.81	1,875.00	747,815.75	744,039.00
FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	4,125,000.00	AA+	Aaa	07/08/16	07/12/16	4,116,131.25	0.73	10,312.50	4,118,129.94	4,092,214.50
FHLB GLOBAL NOTE DTD 08/26/2016 0.875% 10/01/2018	3130A9AE1	5,000,000.00	AA+	Aaa	09/02/16	09/08/16	4,996,650.00	0.91	10,937.50	4,997,151.95	4,972,485.00
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	5,000,000.00	AA+	Aaa	05/03/16	05/05/16	5,003,750.00	0.97	17,361.11	5,002,894.45	4,968,915.00
FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	5,000,000.00	AA+	Aaa	09/02/16	09/08/16	5,020,550.00	0.96	11,875.00	5,018,106.35	4,979,765.00
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	5,000,000.00	AA+	Aaa	07/08/16	07/12/16	5,048,300.00	0.79	1,562.50	5,040,671.15	4,971,540.00
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	5,000,000.00	AA+	Aaa	07/21/16	07/25/16	4,986,450.00	0.97	19,565.97	4,988,395.35	4,933,955.00
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	3,200,000.00	AA+	Aaa	08/04/16	08/08/16	3,198,112.00	0.90	11,588.89	3,198,361.28	3,155,548.80
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	3,200,000.00	AA+	Aaa	08/04/16	08/08/16	3,196,896.00	0.91	11,433.33	3,197,304.06	3,154,710.40
FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	3,450,000.00	AA+	Aaa	10/04/16	10/07/16	3,448,344.00	1.02	9,104.17	3,448,473.55	3,408,889.80
Security Type Sub-Total		44,750,000.00					44,808,184.75	0.90	109,832.64	44,785,299.99	44,414,725.18



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2016**

CITY OF SALEM LONG-TERM PORTFOLIO -

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
GENERAL ELECTRIC CAPITAL CORP NOTES DTD 04/27/2012 2.300% 04/27/2017	36962G5W0	2,500,000.00	AA-	A1	07/09/14	07/16/14	2,576,075.00	1.18	10,222.22	2,508,937.43	2,509,545.00
JOHNSON & JOHNSON CORP NOTES DTD 11/21/2014 1.125% 11/21/2017	478160BL7	1,560,000.00	AAA	Aaa	11/18/14	11/21/14	1,558,767.60	1.15	1,950.00	1,559,630.51	1,561,511.64
IBM CORP NOTES DTD 02/06/2015 1.125% 02/06/2018	459200HZ7	2,500,000.00	AA-	Aa3	02/03/15	02/06/15	2,492,375.00	1.23	11,328.13	2,497,179.28	2,494,317.50
EXXON MOBIL CORP NOTES DTD 03/06/2015 1.305% 03/06/2018	30231GAL6	2,500,000.00	AA+	Aaa	03/04/15	03/06/15	2,500,000.00	1.31	10,421.88	2,500,000.00	2,499,407.50
APPLE INC GLOBAL NOTES DTD 05/03/2013 1.000% 05/03/2018	037833AJ9	2,500,000.00	AA+	Aa1	06/04/15	06/09/15	2,475,675.00	1.34	4,027.78	2,488,658.28	2,490,625.00
BERKSHIRE HATHAWAY NOTES DTD 05/15/2013 1.300% 05/15/2018	084664BW0	3,000,000.00	AA	Aa2	04/24/15	04/28/15	3,020,280.00	1.07	4,983.33	3,009,214.77	2,992,323.00
MICROSOFT CORP NOTES DTD 11/03/2015 1.300% 11/03/2018	594918BF0	1,845,000.00	AAA	Aaa	10/29/15	11/03/15	1,843,155.00	1.33	3,864.25	1,843,860.58	1,843,525.85
WELLS FARGO & COMPANY NOTES DTD 10/28/2013 2.150% 01/15/2019	94974BFQ8	2,500,000.00	A	A2	08/23/16	08/25/16	2,549,325.00	1.31	24,784.72	2,542,203.65	2,513,760.00
CHEVRON CORP NOTES DTD 05/16/2016 1.561% 05/16/2019	166764BH2	2,000,000.00	AA-	Aa2	05/09/16	05/16/16	2,000,000.00	1.56	3,902.50	2,000,000.00	1,991,786.00
TOYOTA MOTOR CREDIT CORP NOTES DTD 05/20/2016 1.400% 05/20/2019	89236TDE2	2,750,000.00	AA-	Aa3	05/17/16	05/20/16	2,746,150.00	1.45	4,384.72	2,746,924.73	2,718,798.50
COCA-COLA COMPANY CORP NOTES DTD 05/31/2016 1.375% 05/30/2019	191216BV1	1,335,000.00	AA-	Aa3	05/25/16	05/31/16	1,334,065.50	1.40	1,580.68	1,334,245.10	1,326,128.93
Security Type Sub-Total		24,990,000.00					25,095,868.10	1.30	81,450.21	25,030,854.33	24,941,728.92
Commercial Paper											
BANK OF TOKYO MITS UFJ LTD COMM PAPER -- 0.000% 02/24/2017	06538BPQ0	2,500,000.00	A-1	P-1	08/23/16	08/25/16	2,484,622.92	1.22	0.00	2,495,462.50	2,496,960.00



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2016**

CITY OF SALEM LONG-TERM PORTFOLIO -

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER -- 0.000% 03/09/2017	09659BQ94	2,500,000.00	A-1	P-1	09/07/16	09/09/16	2,484,162.50	1.27	0.00	2,494,137.50	2,495,682.50
BANK OF MONTREAL CHICAGO COMM PAPER -- 0.000% 06/02/2017	06366GT25	2,500,000.00	A-1	P-1	09/07/16	09/09/16	2,477,121.03	1.25	0.00	2,486,926.30	2,487,125.00
Security Type Sub-Total		7,500,000.00					7,445,906.45	1.25	0.00	7,476,526.30	7,479,767.50
Managed Account Sub-Total		125,290,000.00					125,298,147.09	1.04	279,136.24	125,378,799.50	124,812,696.17
Securities Sub-Total		\$125,290,000.00					\$125,298,147.09	1.04%	\$279,136.24	\$125,378,799.50	\$124,812,696.17
Accrued Interest											\$279,136.24
Total Investments											\$125,091,832.41



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2016**

CITY OF SALEM STREETS & BRIDGES GO BONDS -

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 08/10/2012 1.000% 09/29/2017	3137EADL0	225,000.00	AA+	Aaa	03/24/14	03/25/14	223,321.50	1.22	575.00	224,638.31	225,218.03
FANNIE MAE GLOBAL NOTES DTD 10/30/2012 0.875% 12/20/2017	3135GORT2	255,000.00	AA+	Aaa	03/24/14	03/25/14	250,907.25	1.32	68.18	253,919.01	254,858.73
Security Type Sub-Total		480,000.00					474,228.75	1.27	643.18	478,557.32	480,076.76
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER -- 0.000% 03/08/2017	22533TQ82	500,000.00	A-1	P-1	09/07/16	09/09/16	497,050.00	1.19	0.00	498,918.34	499,174.50
ING (US) FUNDING LLC COMM PAPER -- 0.000% 03/08/2017	4497W0Q84	500,000.00	A-1	P-1	09/09/16	09/13/16	497,042.22	1.22	0.00	498,890.84	499,126.50
BANK OF MONTREAL CHICAGO COMM PAPER -- 0.000% 06/02/2017	06366GT25	675,000.00	A-1	P-1	09/07/16	09/09/16	668,822.68	1.25	0.00	671,470.10	671,523.75
Security Type Sub-Total		1,675,000.00					1,662,914.90	1.22	0.00	1,669,279.28	1,669,824.75
Managed Account Sub-Total		2,155,000.00					2,137,143.65	1.23	643.18	2,147,836.60	2,149,901.51
Securities Sub-Total		\$2,155,000.00					\$2,137,143.65	1.23%	\$643.18	\$2,147,836.60	\$2,149,901.51
Accrued Interest											\$643.18
Total Investments											\$2,150,544.69



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2016**

CITY OF SALEM SHORT TERM PORTFOLIO -

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER -- 0.000% 02/06/2017	22533TP67	2,500,000.00	A-1	P-1	09/07/16	09/09/16	2,488,541.67	1.11	0.00	2,497,250.00	2,498,125.00
BANK OF TOKYO MITSUBISHI COMM PAPER -- 0.000% 02/09/2017	06538BP98	2,500,000.00	A-1	P-1	09/07/16	09/09/16	2,488,206.25	1.12	0.00	2,496,993.75	2,497,860.00
ING (US) FUNDING LLC COMM PAPER -- 0.000% 03/08/2017	4497W0Q84	2,500,000.00	A-1	P-1	09/09/16	09/13/16	2,485,211.11	1.22	0.00	2,494,454.18	2,495,632.50
BNP PARIBAS NY BRANCH COMM PAPER -- 0.000% 03/09/2017	09659BQ94	2,500,000.00	A-1	P-1	09/07/16	09/09/16	2,484,162.50	1.27	0.00	2,494,137.50	2,495,682.50
CANADIAN IMPERIAL HOLDING COMM PAPER -- 0.000% 05/05/2017	13607ES59	2,500,000.00	A-1	P-1	08/10/16	08/12/16	2,476,909.72	1.26	0.00	2,489,236.10	2,489,895.00
TOYOTA MOTOR CREDIT CORP COMM PAPER -- 0.000% 05/05/2017	89233GS56	2,500,000.00	A-1+	P-1	08/10/16	08/12/16	2,478,941.67	1.15	0.00	2,490,183.33	2,491,600.00
COOPERATIEVE RABOBANK U.A. COMM PAPER -- 0.000% 05/08/2017	21687AS87	2,500,000.00	A-1	P-1	08/11/16	08/12/16	2,477,209.72	1.23	0.00	2,489,240.28	2,491,570.00
JP MORGAN SECURITIES LLC COMM PAPER -- 0.000% 05/08/2017	46640PS87	2,500,000.00	A-1	P-1	08/11/16	08/12/16	2,479,825.00	1.09	0.00	2,490,475.00	2,489,627.50
CREDIT AGRICOLE CIB NY COMM PAPER DTD 12/15/2016 0.000% 05/11/2017	22533TSB3	5,000,000.00	A-1	P-1	12/14/16	12/15/16	4,979,583.33	1.00	0.00	4,981,944.40	4,979,725.00
BANK OF MONTREAL CHICAGO COMM PAPER -- 0.000% 06/02/2017	06366GT25	2,500,000.00	A-1	P-1	09/07/16	09/09/16	2,477,121.03	1.25	0.00	2,486,926.30	2,487,125.00
BNP PARIBAS NY BRANCH COMM PAPER DTD 12/14/2016 0.000% 06/07/2017	09659BT75	2,250,000.00	A-1	P-1	12/14/16	12/15/16	2,237,276.25	1.18	0.00	2,238,519.38	2,238,273.00
BANK TOKYO-MIT UFJ NY COMM PAPER DTD 12/15/2016 0.000% 06/09/2017	06538BT94	3,000,000.00	A-1	P-1	12/14/16	12/15/16	2,981,813.33	1.25	0.00	2,983,569.99	2,983,671.00



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2016**

CITY OF SALEM SHORT TERM PORTFOLIO -

Security Type/Description	Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Commercial Paper												
TOYOTA MOTOR CREDIT CORP COMM PAPER	-- 0.000% 08/28/2017	89233GVU7	2,000,000.00	A-1+	P-1	12/14/16	12/15/16	1,982,648.89	1.23	0.00	1,983,801.10	1,982,380.00
JP MORGAN SECURITIES LLC COMM PAPER	DTD 12/12/2016 0.000% 09/08/2017	46640PW82	4,750,000.00	A-1	P-1	12/14/16	12/15/16	4,703,145.21	1.34	0.00	4,706,128.48	4,708,171.50
Security Type Sub-Total			39,500,000.00					39,220,595.68	1.19	0.00	39,322,859.79	39,329,338.00
Managed Account Sub-Total			39,500,000.00					39,220,595.68	1.19	0.00	39,322,859.79	39,329,338.00
Securities Sub-Total			\$39,500,000.00					\$39,220,595.68	1.19%	\$0.00	\$39,322,859.79	\$39,329,338.00
Accrued Interest												\$0.00
Total Investments												\$39,329,338.00