



# CITY OF SALEM

## **Investment Performance Review For the Quarter Ended September 30, 2018**

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# Market Update

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## QUARTERLY MARKET SUMMARY

### SUMMARY

- U.S. growth remained healthy in the third quarter as the unemployment rate hit historical lows, confidence rose further, and stocks surged. This occurred despite ongoing concerns about a trade war with China, a disorderly Brexit, Italian budget concerns, Iran sanctions, a Turkish debt crisis, and other geopolitical risks.
- Positive domestic economic data included strong readings on the labor market, auto sales, industrial production, manufacturing and service sector purchasing manager surveys, and consumer sentiment. On the weaker side, residential housing has slowed due to escalating prices and higher mortgage rates. Broad measures of inflation also moderated a bit during the quarter. Lastly, the twin deficits—the federal budget deficit and trade deficit—both portend long-term imbalances that could be problematic for sustainable long-term growth of the U.S. economy.
- Amid strong economic fundamentals, the Federal Reserve (Fed) stayed the course, raising the federal funds rate by 0.25% to a new target range of 2.00% to 2.25%. Despite the removal of longstanding language from the Federal Open Market Committee (FOMC) statement that previously characterized the stance of monetary policy as “accommodative,” updated FOMC forecasts indicated an additional 0.25% hike is expected in December, followed by two to four more hikes in 2019.
- The S&P 500 Index (S&P) soared by 7.7% during the quarter, lifting the year-to-date (YTD) return to 10.6%. But, prices may have gotten ahead of themselves, increasing the risk of a near-term pullback. International indices also posted healthy gains, despite a few struggling emerging market (EM) economies.

### ECONOMIC SNAPSHOT

- Real gross domestic product (GDP) in the U.S. grew at an annualized rate of 4.2% in the second quarter, the fastest pace since 2014. Growth in the third quarter is expected to slow a bit but remains healthy.
- U.S. labor market conditions remained strong during the quarter. The U.S. economy has added an average of more than 200,000 jobs per month this year, and the unemployment rate dropped to a 48-year low of 3.7%. Although there are a record number of job openings in the U.S., strong employment reports continue to suggest that the job market remains tight.
- On the inflation front, many gauges are now at or near the Fed’s 2% target. While job growth is solid, wage growth has been slower than in previous expansionary cycles as companies continue to resist raising wages. Tariffs could, however, push prices higher as a result of the increased cost of raw materials and growing supply bottlenecks. Rising oil prices may nudge overall prices higher in coming quarters.

### INTEREST RATES

- U.S. Treasury yields rose by 20-30 basis points (bps) (0.20% to 0.30%) in the quarter, with short-term yields outpacing longer-term yields. For example, the yield on the two-year Treasury note rose 29 bps to 2.82%, while the yield on the 10-year note rose 20 bps to end the quarter at 3.06%. The result was a flatter yield curve over the quarter, but the pace of flattening moderated near quarter-end.

- The yield curve remains very flat from a historical perspective (less incentive for investors to increase maturity). The yield difference between 10-year and two-year U.S. Treasury notes ended the quarter at 24 bps (0.24%), only 8 bps off of the decade low. While a flattening curve is not a foolproof indicator of future recession, it is one of many signals investors look at for indications of the future economy.
- As a result of rising yields, shorter Treasury indices outperformed longer-maturity ones. Although longer maturities provided higher yields, the small incremental benefit due to a flat yield curve was not sufficient to offset the adverse impact on market values due to increasing yields. For example, the three-month Treasury bill index generated a return of 0.49% for the quarter, while the five- and 10-year Treasury returned -0.26% and -1.1%, respectively.

### SECTOR PERFORMANCE

- Although Treasury returns were muted by rising rates during the quarter, diversification into other sectors added value as most other investment-grade (IG), fixed-income asset classes outperformed Treasuries. Corporates and asset-backed securities (ABS) performed well, generating strong, positive excess returns.
- Despite very narrow spreads available in the federal agency sector, returns in the sector generated excess returns near double digits for the third quarter. Because of their incremental yield and shorter durations, callable agencies accounted for the majority of the excess returns from the sector.
- Supranational securities performed well as the combination of tighter spreads and incremental income led to the sector posting attractive returns relative to both Treasuries and agencies.
- The corporate sector benefited the most from incremental income, posting attractive excess returns for the third quarter. Record earnings, stable credit fundamentals, and a generally positive economic environment continued to serve as tailwinds to the sector. Specifically, one- to three-year BBB-rated corporate issuers were one of the best-performing segments of the IG market during the third quarter.
- Similarly, AAA-rated ABS were a positive contributor to performance for the third quarter, posting excess returns on average in the 25-30 bps range.
- Mortgage-backed securities (MBS) generated positive excess returns for the second consecutive quarter, despite still being in the red YTD. Longer was better for the third quarter as 30-year collateral pools outperformed their 15-year counterparts. Meanwhile, agency-backed commercial MBS (CMBS) was the best segment of the securitized asset class as these structures are less sensitive to increasing interest rates.
- Commercial paper and certificate of deposit yield spreads grinded to one-year lows over the quarter. As a result, short-term credit instruments now look more expensive relative to U.S. Treasuries. Still, they offer incrementally higher yields relative to similar-maturity government alternatives.

# QUARTERLY MARKET SUMMARY

## Economic Snapshot

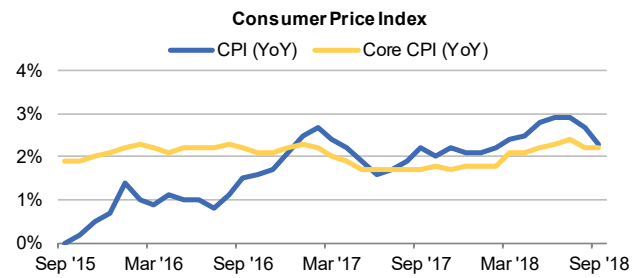
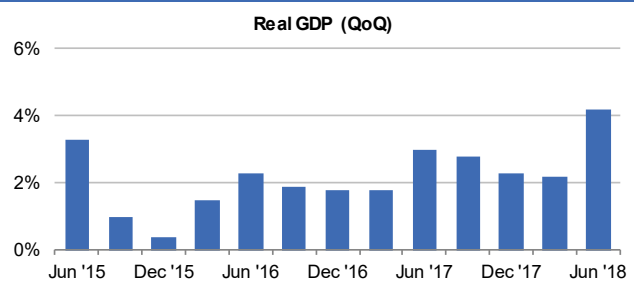
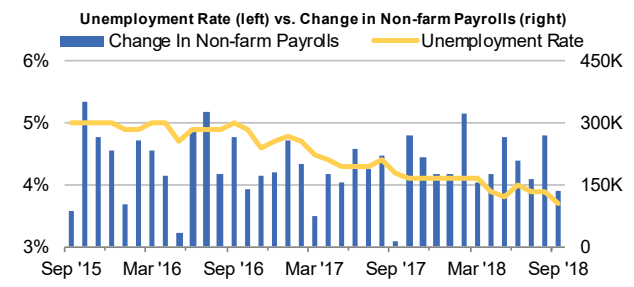
Labor Market	Latest	Jun '18	Sep '17	
Unemployment Rate	Sep'18	3.7%	4.0%	4.2%
Change In Non-farm Payrolls	Sep'18	134,000	208,000	14,000
Average Hourly Earnings (YoY)	Sep'18	2.8%	2.8%	2.8%
Personal Income (YoY)	Aug'18	4.7%	4.9%	4.6%
Initial Jobless Claims (week)	10/6/18	214,000	232,000	254,000

Growth	Latest	Jun '18	Sep '17	
Real GDP (QoQ SAAR)	2018Q2	4.2%	2.2% <sup>1</sup>	3.0% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2018Q2	3.8%	0.5% <sup>1</sup>	2.9% <sup>2</sup>
Retail Sales (YoY)	Sep'18	4.7%	6.1%	5.2%
ISM Manufacturing Survey (month)	Sep'18	59.8	60.2	60.2
Existing Home Sales SAAR (month)	Aug'18	5.34 mil.	5.38 mil.	5.37 mil.

Inflation / Prices	Latest	Jun '18	Sep '17	
Personal Consumption Expenditures (YoY)	Aug'18	2.2%	2.3%	1.8%
Consumer Price Index (YoY)	Sep'18	2.3%	2.9%	2.2%
Consumer Price Index Core (YoY)	Sep'18	2.2%	2.3%	1.7%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$73.25	\$74.15	\$51.67
Gold Futures (oz.)	Sep 30	\$1,192	\$1,255	\$1,282



1. Data as of First Quarter 2018.

2. Data as of Second Quarter 2017.

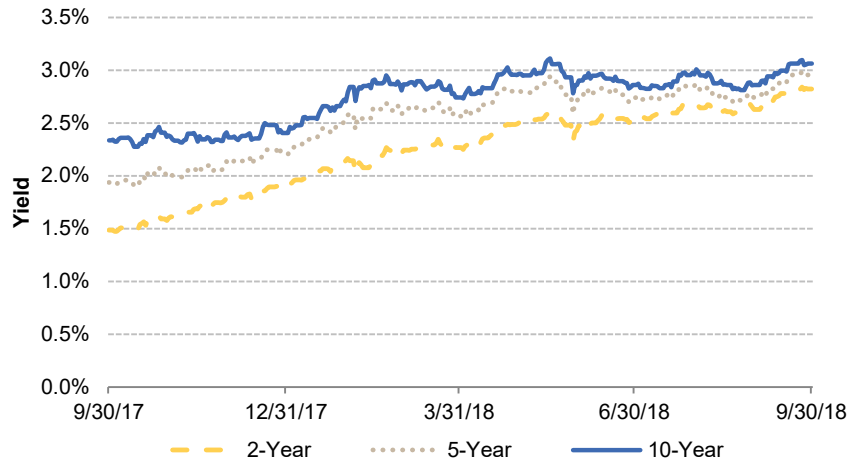
Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

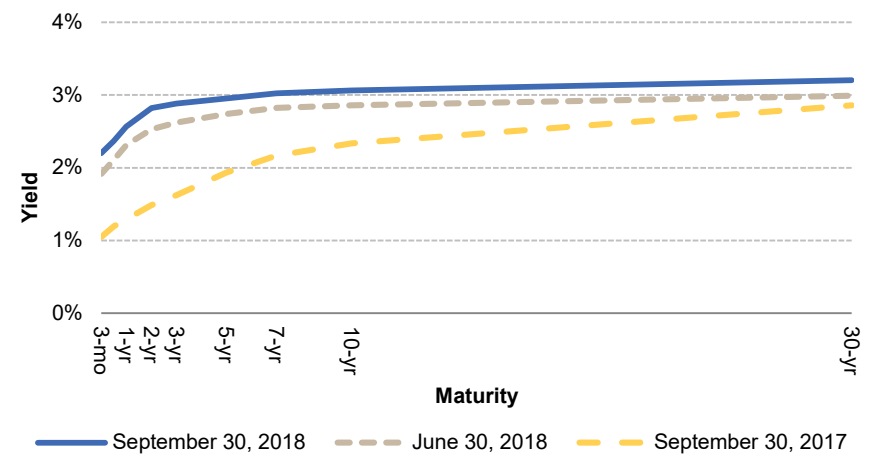
# QUARTERLY MARKET SUMMARY

## Interest Rate Overview

U.S. Treasury Note Yields



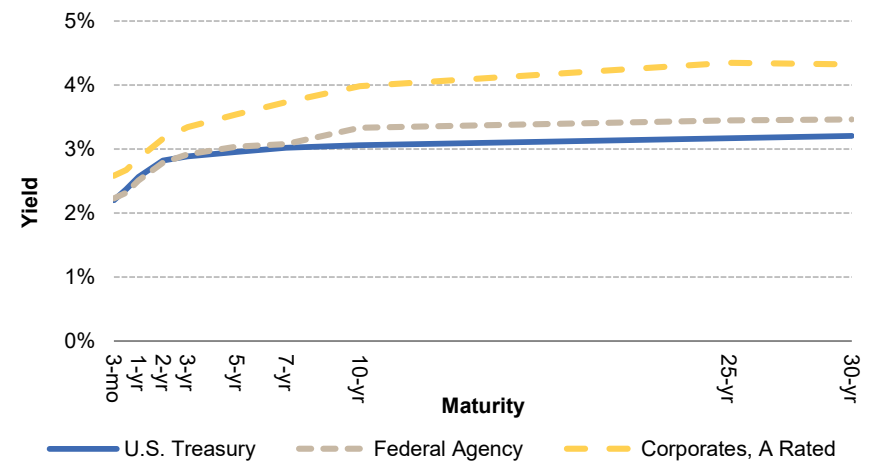
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Sep '18	Jun '18	Change Over Quarter	Sep '17	Change Over Year
3-month	2.20%	1.92%	0.28%	1.05%	1.15%
1-year	2.57%	2.31%	0.26%	1.29%	1.28%
2-year	2.82%	2.53%	0.29%	1.49%	1.33%
5-year	2.95%	2.74%	0.21%	1.94%	1.01%
10-year	3.06%	2.86%	0.20%	2.33%	0.73%
30-year	3.21%	2.99%	0.22%	2.86%	0.35%

Yield Curves as of 9/30/18



Source: Bloomberg.

## QUARTERLY MARKET SUMMARY

## ICE BofAML Index Returns

September 30, 2018	As of 9/30/18		Returns for Periods Ended 9/30/18		
	Duration	Yield	3 Month	1 Year	3 Years
<b>1-3 Year Indices</b>					
U.S. Treasury	1.81	2.80%	0.19%	0.04%	0.38%
Federal Agency	1.69	2.80%	0.32%	0.34%	0.59%
U.S. Corporates, A-AAA-rated	1.83	3.21%	0.67%	0.67%	1.38%
Agency MBS (0 to 3 years)	4.53	3.45%	(0.37%)	(0.38%)	0.82%
Taxable Municipals	1.80	3.06%	0.60%	1.32%	2.14%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.58	2.85%	0.05%	(0.58%)	0.29%
Federal Agency	2.03	2.84%	0.26%	0.03%	0.59%
U.S. Corporates, A-AAA-rated	2.59	3.35%	0.66%	0.06%	1.47%
Agency MBS (0 to 5 years)	3.65	3.30%	0.11%	(0.82%)	0.81%
Taxable Municipals	2.41	3.38%	0.57%	1.08%	2.15%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	6.13	2.95%	(0.66%)	(1.64%)	0.28%
Federal Agency	3.89	2.99%	(0.01%)	(0.56%)	0.80%
U.S. Corporates, A-AAA-rated	6.82	3.79%	0.67%	(1.29%)	2.43%
Agency MBS (0 to 30 years)	5.11	3.56%	(0.12%)	(0.88%)	1.00%
Taxable Municipals	10.33	4.19%	(0.67%)	(0.38%)	4.67%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

## QUARTERLY MARKET SUMMARY

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# Investment Strategy & Portfolio Review

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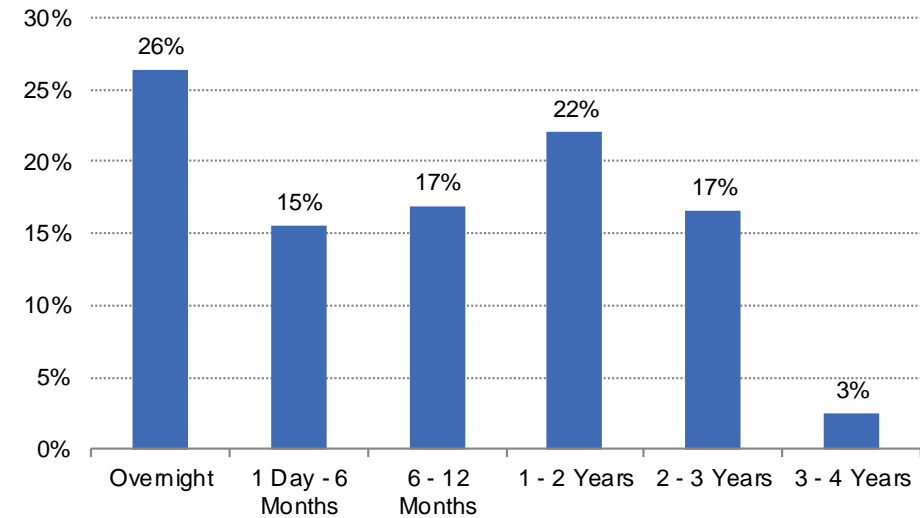
The portfolio is in compliance with applicable state statutes and the City's Investment Policy C-7.

Quarter Ended September 30, 2018 – 3Q18	
Quarterly Summary	
Market Value (MV)	\$313,629,575
Amortized Cost	\$315,813,638
Combined Portfolio Yield on Cost	1.84%
Weighted Average Maturity	0.96 years
Cash Basis Earnings for Quarter	\$839,622
Accrual Basis Earnings for Quarter <sup>2</sup>	\$1,034,684
Quarterly Change	
Amortized Cost – 2Q18	\$327,007,374
Beginning MV – 2Q18	\$324,809,946
Change in Cash	(\$11,283,622)
Change in MV	\$103,251
Ending MV – 3Q18	\$313,629,575

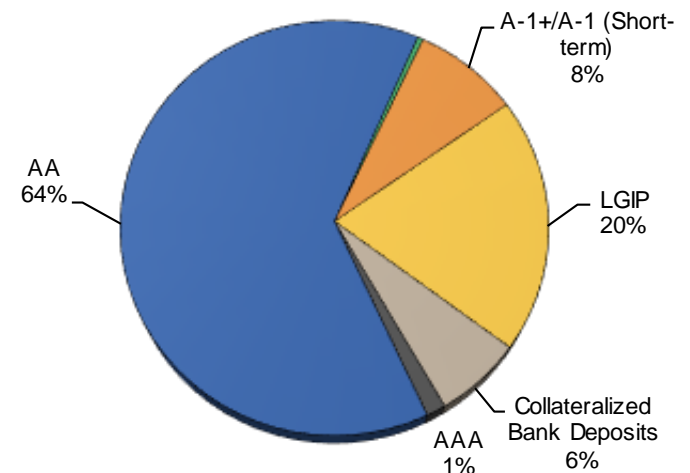
Sector Distribution				
Sector	Amortized Cost	Market <sup>1</sup> Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$111,503,942	\$110,611,607	35%	100%
Federal Agencies	\$74,751,086	\$73,723,915	24%	100%
U.S. Instrumentalities	\$2,730,642	\$2,699,674	1%	10%
Municipal Obligations	\$1,497,994	\$1,493,044	<1%	10%
Commercial Paper	\$16,840,579	\$16,837,098	5%	35%
Corporate Notes	\$25,707,559	\$25,482,401	8%	35%
LGIP	\$62,452,253	\$62,452,253	20%	ORS limit
Collateralized Deposit Accounts	\$20,329,583	\$20,329,583	6%	100%
<b>Total</b>	<b>\$315,813,638</b>	<b>\$313,629,575</b>	<b>100%</b>	

1. Values as of September 30, 2018 including accrued interest.
2. Excludes earnings on LGIP and deposit accounts
3. Ratings by Standard & Poor's (S&P). Securities rated A by S&P are rated AA- or the equivalent or better by at least one nationally recognized statistical rating organization and in compliance with the City's investment policy and Oregon Revised Statutes.
4. Callable securities are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Combined Portfolio Maturity Distribution<sup>4</sup>



Credit Quality Distribution





# CITY OF SALEM LONG-TERM PORTFOLIO

**Investment Performance Review  
For the Quarter Ended September 30, 2018**

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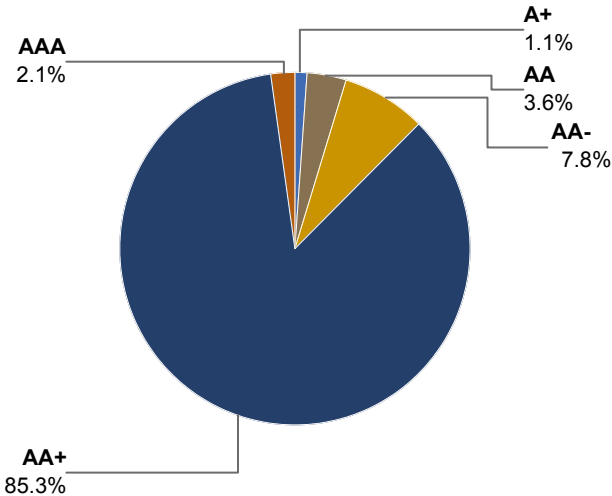
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**Portfolio Statistics**

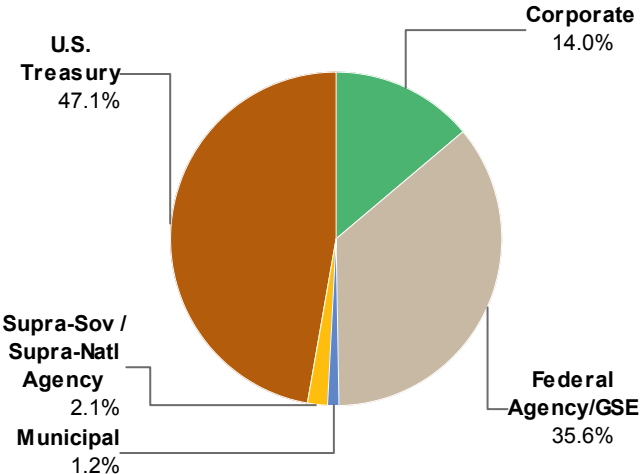
As of September 30, 2018

Par Value:	\$128,235,000
Total Market Value:	\$126,402,248
Security Market Value:	\$125,862,623
Accrued Interest:	\$539,625
Cash:	-
Amortized Cost:	\$127,257,533
Yield at Market:	2.77%
Yield at Cost:	1.87%
Effective Duration:	1.64 Years
Duration to Worst:	1.65 Years
Average Maturity:	1.71 Years
Average Credit: *	AA

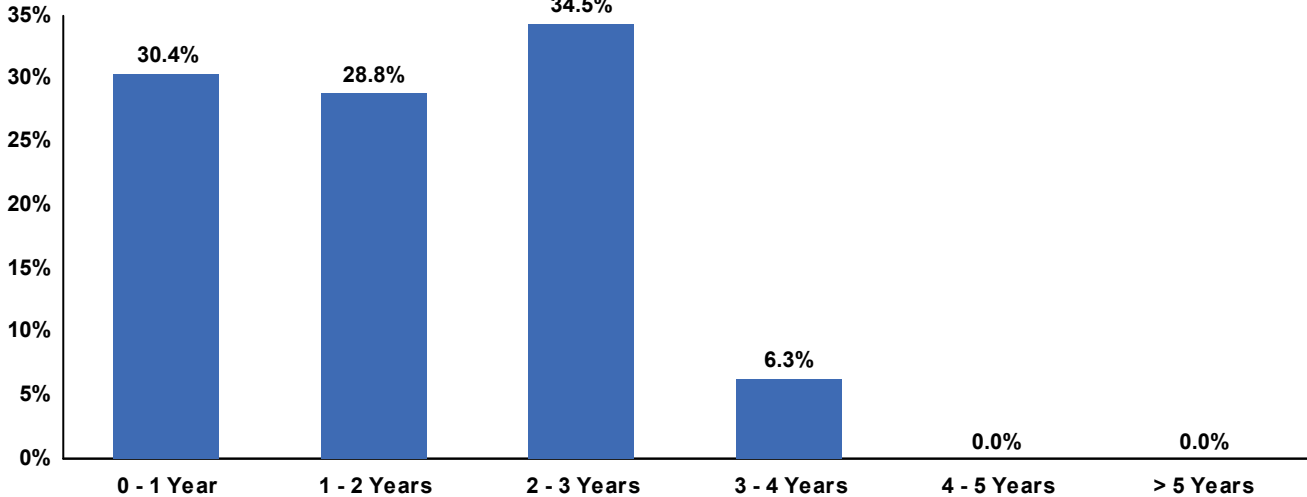
**Credit Quality (S&P Ratings)**



**Sector Allocation**



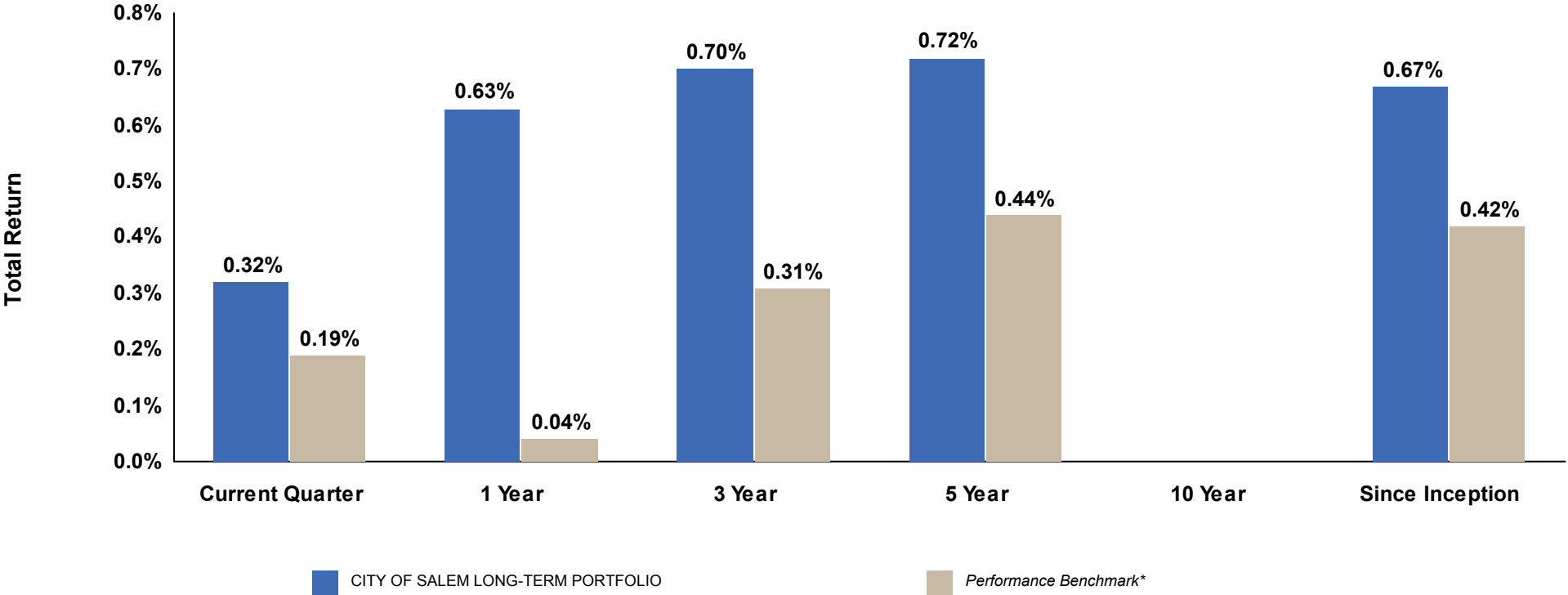
**Maturity Distribution**



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (12/31/12)
			1 Year	3 Year	5 Year	10 Year	
CITY OF SALEM LONG-TERM PORTFOLIO	1.64	0.32%	0.63%	0.70%	0.72%	-	0.67%
Performance Benchmark*	1.80	0.19%	0.04%	0.31%	0.44%	-	0.42%
Difference		0.13%	0.59%	0.39%	0.28%	-	0.25%



\*Performance benchmark was the ICE Bank of America Merrill Lynch (ICE BAML) 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BAML 1-3 Year U.S. Treasury Index beginning 6/30/2016. Portfolio performance is gross of fees unless otherwise indicated.

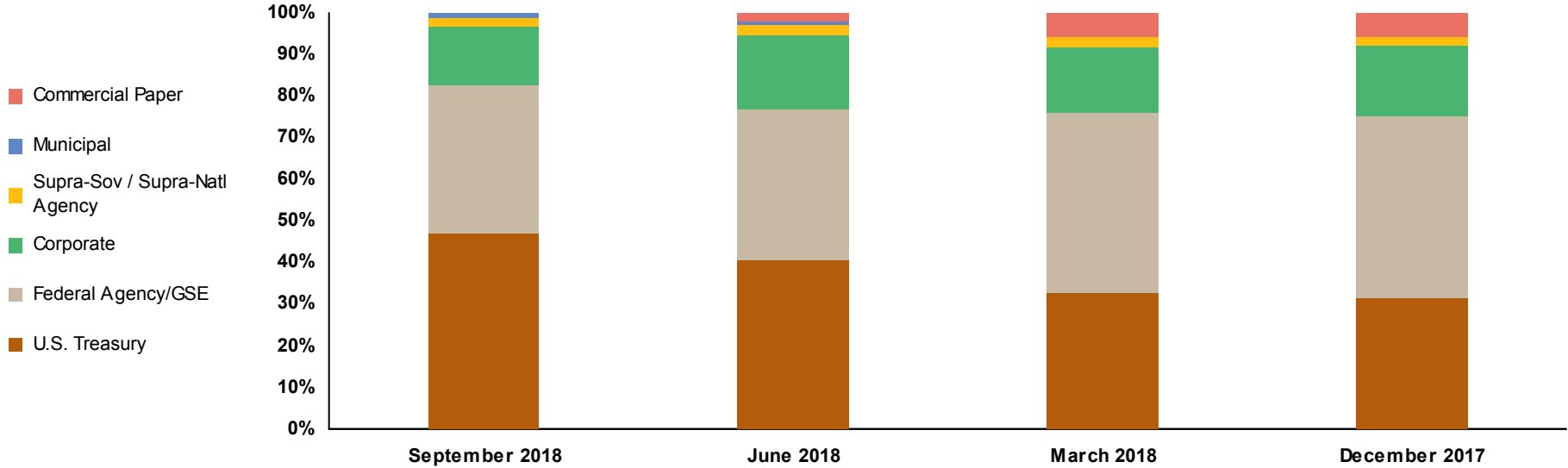
**Portfolio Earnings**

**Quarter-Ended September 30, 2018**

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (06/30/2018)</b>	\$123,530,383.70	\$124,797,749.72
<b>Net Purchases/Sales</b>	\$2,425,035.87	\$2,425,035.87
<b>Change in Value</b>	(\$92,796.31)	\$34,747.37
<b>Ending Value (09/30/2018)</b>	\$125,862,623.26	\$127,257,532.96
<b>Interest Earned</b>	\$493,770.63	\$493,770.63
<b>Portfolio Earnings</b>	\$400,974.32	\$528,518.00

Sector Allocation

Sector	September 30, 2018		June 30, 2018		March 31, 2018		December 31, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	59.3	47.1%	50.2	40.6%	40.1	32.4%	39.1	31.5%
Federal Agency/GSE	44.7	35.6%	44.7	36.2%	53.9	43.6%	54.0	43.5%
Corporate	17.6	14.0%	22.0	17.8%	19.5	15.8%	20.8	16.8%
Supra-Sov / Supra-Natl Agency	2.7	2.1%	2.7	2.2%	2.7	2.2%	2.7	2.2%
Municipal	1.5	1.2%	1.5	1.2%	0.0	0.0%	0.0	0.0%
Commercial Paper	0.0	0.0%	2.5	2.0%	7.5	6.0%	7.4	6.0%
<b>Total</b>	<b>\$125.9</b>	<b>100.0%</b>	<b>\$123.5</b>	<b>100.0%</b>	<b>\$123.7</b>	<b>100.0%</b>	<b>\$124.1</b>	<b>100.0%</b>

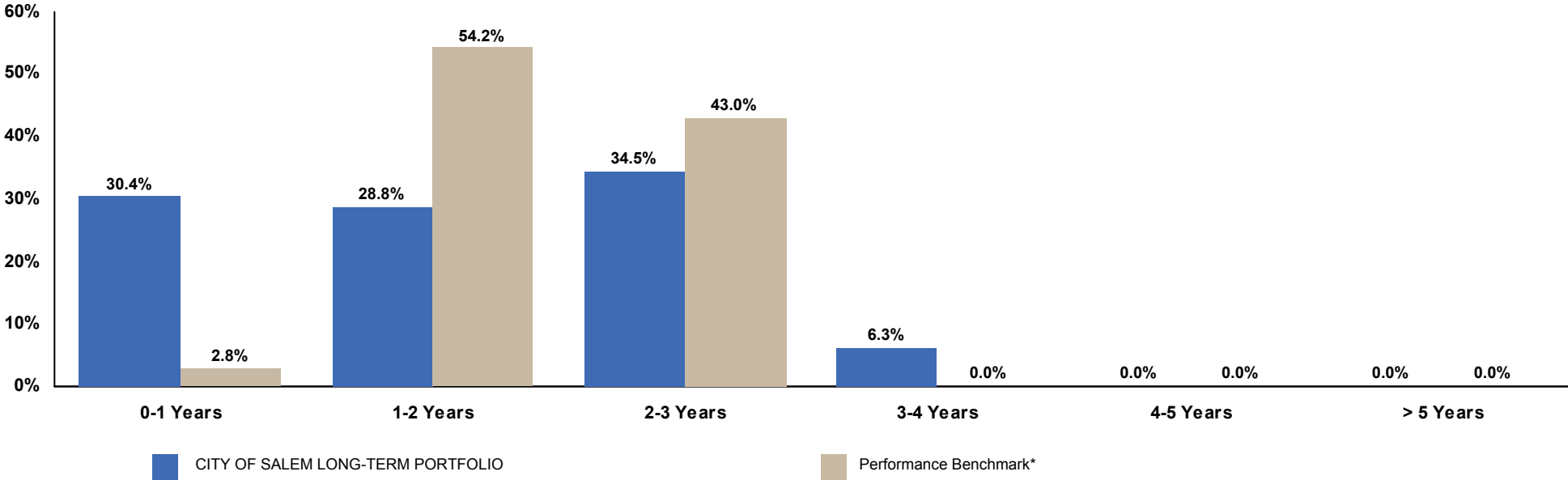


Detail may not add to total due to rounding.

**Maturity Distribution**

As of September 30, 2018

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF SALEM LONG-TERM PORTFOLIO	2.77%	1.71 yrs	30.4%	28.8%	34.5%	6.3%	0.0%	0.0%
Performance Benchmark*	2.81%	1.94 yrs	2.8%	54.2%	43.0%	0.0%	0.0%	0.0%



\*Performance benchmark was the ICE Bank of America Merrill Lynch (ICE BAML) 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BAML 1-3 Year U.S. Treasury Index beginning 6/30/2016.



# CITY OF SALEM SHORT TERM PORTFOLIO

**Investment Performance Review  
For the Quarter Ended September 30, 2018**

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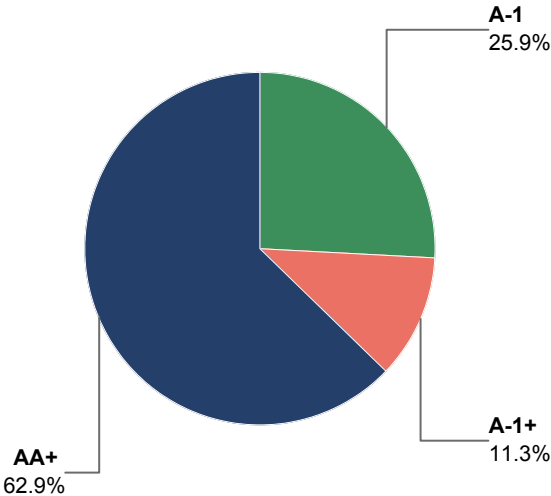


**Portfolio Statistics**

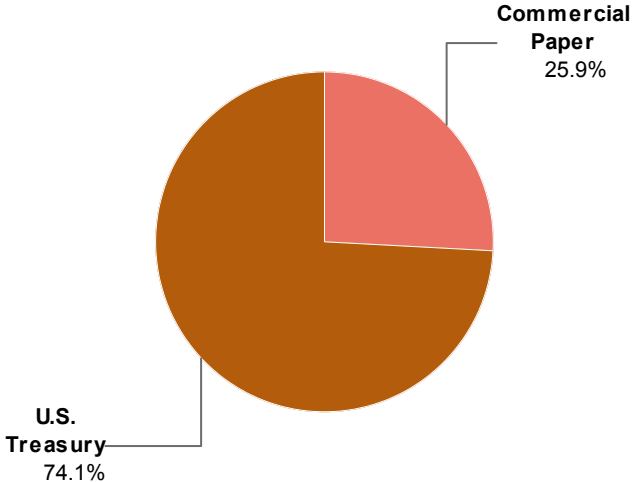
As of September 30, 2018

Par Value:	\$37,500,000
Total Market Value:	\$37,412,472
Security Market Value:	\$37,333,756
Accrued Interest:	\$78,716
Cash:	-
Amortized Cost:	\$37,343,074
Yield at Market:	2.17%
Yield at Cost:	1.93%
Effective Duration:	0.20 Years
Duration to Worst:	0.20 Years
Average Maturity:	0.20 Years
Average Credit: *	AA

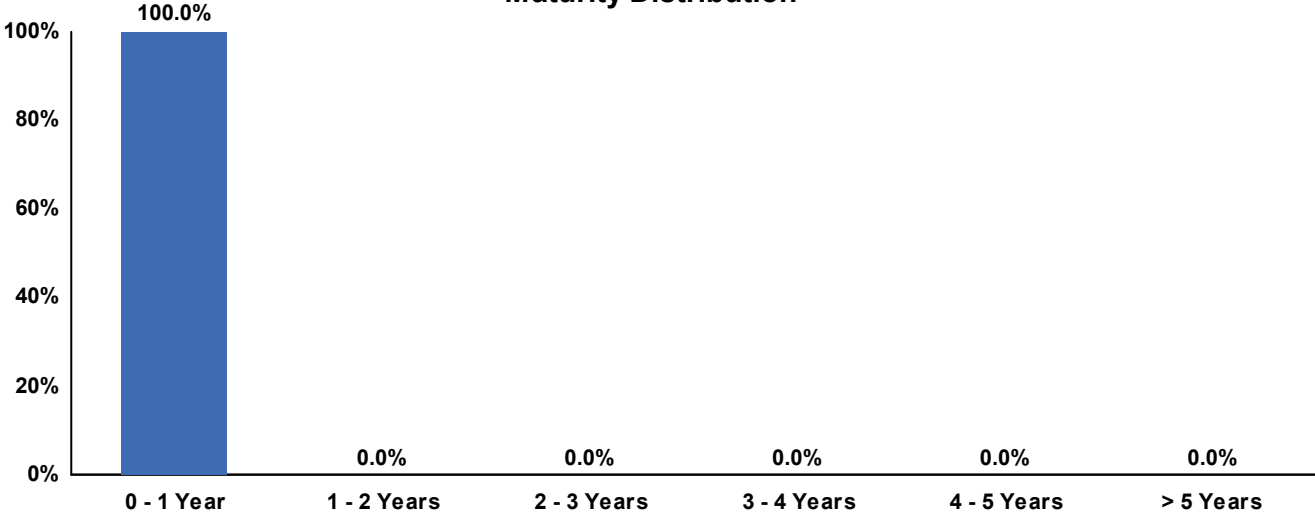
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Portfolio Earnings**

**Quarter-Ended September 30, 2018**

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (06/30/2018)</b>	\$51,594,767.25	\$51,637,830.50
<b>Net Purchases/Sales</b>	(\$14,406,879.20)	(\$14,406,879.20)
<b>Change in Value</b>	\$145,867.70	\$112,122.22
<b>Ending Value (09/30/2018)</b>	\$37,333,755.75	\$37,343,073.52
<b>Interest Earned</b>	\$94,379.60	\$94,379.60
<b>Portfolio Earnings</b>	\$240,247.30	\$206,501.82



# CITY OF SALEM STREETS & BRIDGES GO BONDS

**Investment Performance Review  
For the Quarter Ended September 30, 2018**

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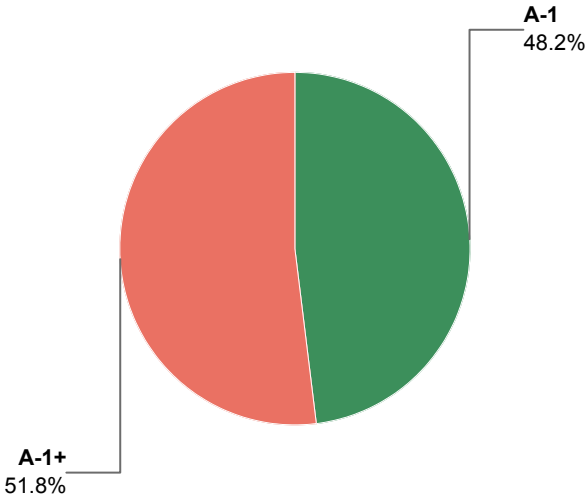
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**Portfolio Statistics**

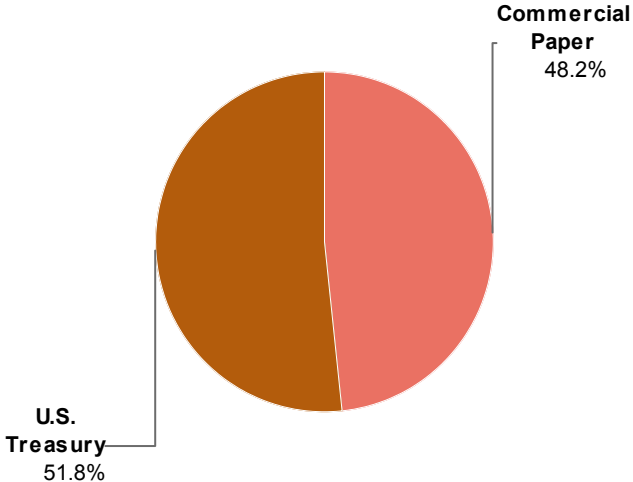
As of September 30, 2018

Par Value:	\$1,930,000
Total Market Value:	\$1,929,036
Security Market Value:	\$1,929,036
Accrued Interest:	-
Cash:	-
Amortized Cost:	\$1,929,237
Yield at Market:	2.44%
Yield at Cost:	2.15%
Effective Duration:	0.02 Years
Duration to Worst:	0.02 Years
Average Maturity:	0.02 Years
Average Credit: *	AA

**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Portfolio Earnings**

*Quarter-Ended September 30, 2018*

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (06/30/2018)</b>	\$1,918,834.16	\$1,918,764.94
<b>Net Purchases/Sales</b>	\$0.00	\$0.00
<b>Change in Value</b>	\$10,201.66	\$10,471.91
<b>Ending Value (09/30/2018)</b>	\$1,929,035.82	\$1,929,236.85
<b>Interest Earned</b>	\$0.00	\$0.00
<b>Portfolio Earnings</b>	\$10,201.66	\$10,471.91



# CITY OF SALEM POLICE FACILITY BONDS 2017

**Investment Performance Review**  
**For the Quarter Ended September 30, 2018**

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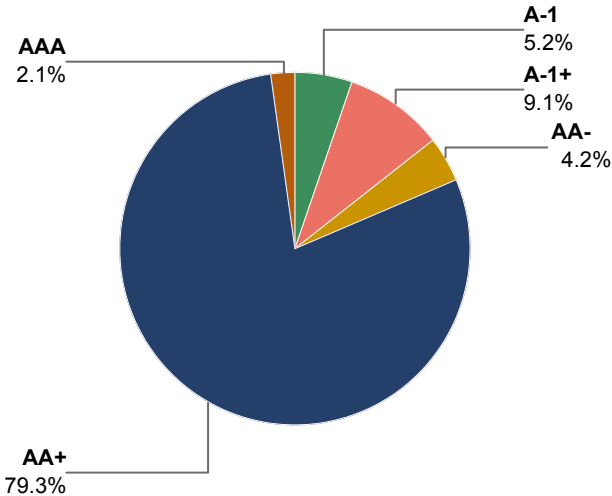
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**Portfolio Statistics**

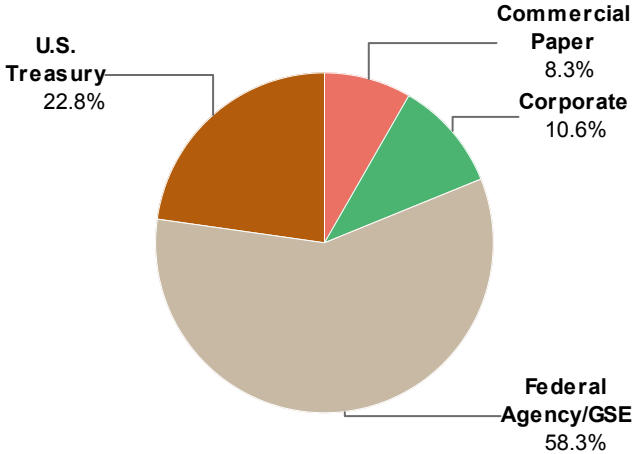
As of September 30, 2018

<b>Par Value:</b>	\$49,910,000
<b>Total Market Value:</b>	\$49,371,324
<b>Security Market Value:</b>	\$49,221,140
<b>Accrued Interest:</b>	\$150,184
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$49,898,562
<b>Yield at Market:</b>	2.63%
<b>Yield at Cost:</b>	1.54%
<b>Effective Duration:</b>	1.07 Years
<b>Duration to Worst:</b>	1.07 Years
<b>Average Maturity:</b>	1.10 Years
<b>Average Credit: *</b>	AA

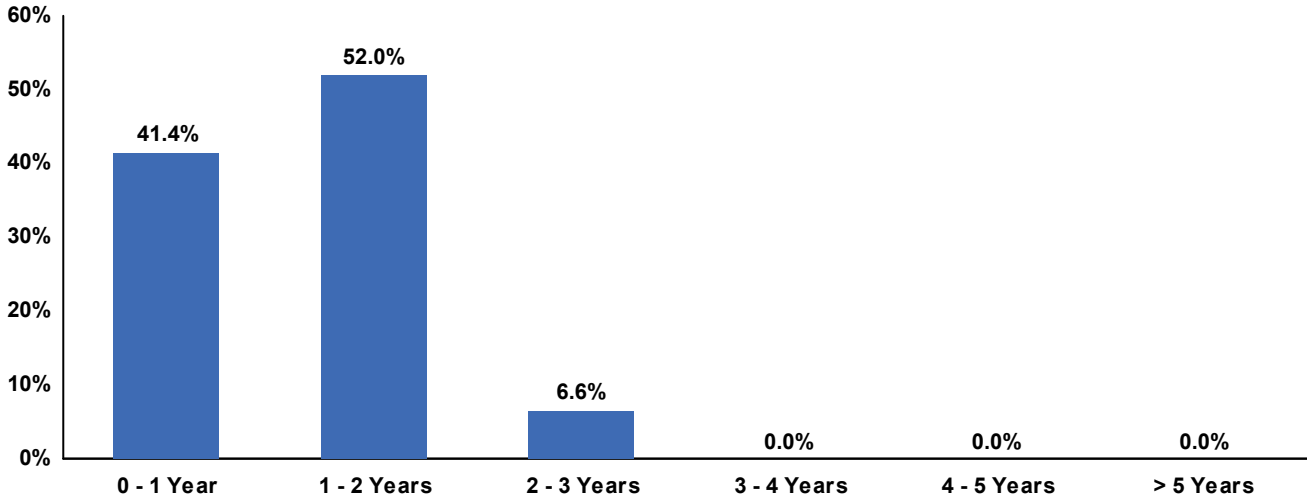
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Portfolio Earnings**  
**Quarter-Ended September 30, 2018**

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (06/30/2018)</b>	\$51,151,239.26	\$51,838,984.50
<b>Net Purchases/Sales</b>	(\$1,978,448.44)	(\$1,978,448.44)
<b>Change in Value</b>	\$48,349.52	\$38,025.81
<b>Ending Value (09/30/2018)</b>	\$49,221,140.34	\$49,898,561.87
<b>Interest Earned</b>	\$157,484.78	\$157,484.78
<b>Portfolio Earnings</b>	\$205,834.30	\$195,510.59





# CITY OF SALEM LIBRARY PROJ GO BONDS 2018

**Investment Performance Review  
For the Quarter Ended September 30, 2018**

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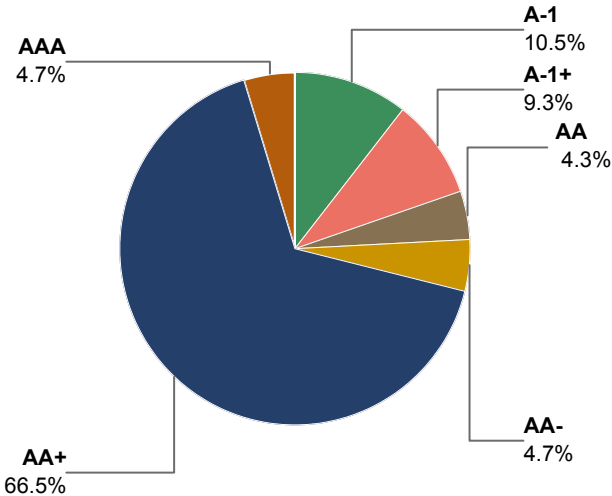
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**Portfolio Statistics**

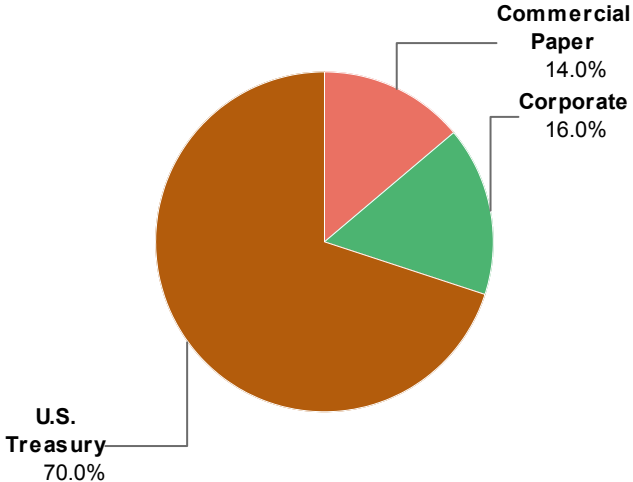
As of September 30, 2018

Par Value:	\$15,935,000
Total Market Value:	\$15,732,659
Security Market Value:	\$15,678,915
Accrued Interest:	\$53,744
Cash:	-
Amortized Cost:	\$15,781,128
Yield at Market:	2.74%
Yield at Cost:	2.37%
Effective Duration:	1.47 Years
Duration to Worst:	1.47 Years
Average Maturity:	1.51 Years
Average Credit: *	AA

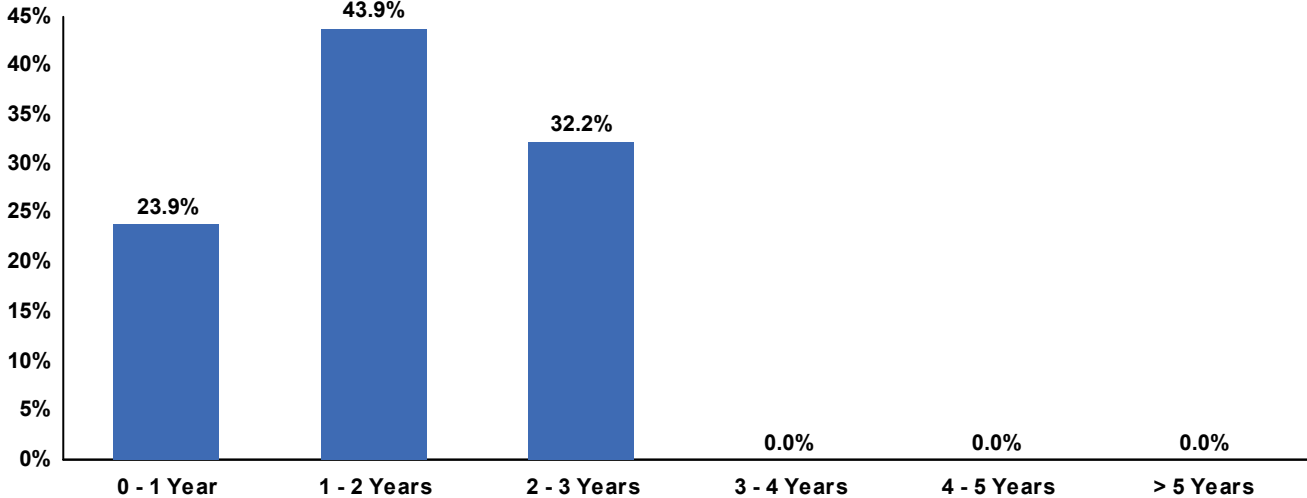
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Portfolio Earnings**  
**Quarter-Ended September 30, 2018**

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (06/30/2018)</b>	\$15,687,286.94	\$15,743,352.85
<b>Net Purchases/Sales</b>	\$0.00	\$0.00
<b>Change in Value</b>	(\$8,371.72)	\$37,775.31
<b>Ending Value (09/30/2018)</b>	\$15,678,915.22	\$15,781,128.16
<b>Interest Earned</b>	\$55,906.45	\$55,906.45
<b>Portfolio Earnings</b>	\$47,534.73	\$93,681.76

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# Portfolio Transactions

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## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
8/23/18	8/27/18	2,500,000	3134GSWC5	FREDDIE MAC NOTES (CALLABLE)	2.90%	8/27/21	2,500,000.00	2.90%	
9/11/18	9/12/18	7,125,000	912828T34	US TREASURY N/B	1.12%	9/30/21	6,811,009.06	2.82%	
9/19/18	9/20/18	2,500,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	2,458,279.56	2.78%	
<b>Total BUY</b>		<b>12,125,000</b>					<b>11,769,288.62</b>		
<b>INTEREST</b>									
7/15/18	7/15/18	2,500,000	94974BFQ8	WELLS FARGO & COMPANY NOTES	2.15%	1/15/19	26,875.00		
7/15/18	7/15/18	2,000,000	084664BQ3	BERKSHIRE HATHAWAY FINANCE CORP NOTES	4.25%	1/15/21	42,500.00		
7/17/18	7/17/18	7,500,000	3137EAE5	FREDDIE MAC NOTES	1.50%	1/17/20	56,250.00		
7/19/18	7/19/18	5,000,000	3137EAE1	FHLMC REFERENCE NOTE	0.87%	7/19/19	21,875.00		
7/31/18	7/31/18	5,000,000	912828N89	US TREASURY NOTES	1.37%	1/31/21	34,375.00		
8/2/18	8/2/18	3,200,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	14,000.00		
8/5/18	8/5/18	3,200,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	14,000.00		
8/7/18	8/7/18	2,500,000	88579YAQ4	3M COMPANY CORP NOTES	2.00%	8/7/20	25,000.00		
8/26/18	8/26/18	2,500,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	12,500.00		
8/28/18	8/28/18	1,250,000	17275RBD3	CISCO SYSTEMS INC CORP NOTES	2.20%	2/28/21	13,750.00		
8/28/18	8/28/18	6,000,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	45,000.00		
9/20/18	9/20/18	975,000	00828EBQ1	AFRICAN DEVELOPMENT BANK NOTE	1.12%	9/20/19	5,484.38		
9/26/18	9/26/18	3,450,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	17,250.00		
9/28/18	9/28/18	1,400,000	3130ACE26	FHLB NOTES	1.37%	9/28/20	9,625.00		
9/30/18	9/30/18	1,250,000	912828T34	US TREASURY N/B	1.12%	9/30/21	7,031.25		
9/30/18	9/30/18	2,930,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	16,481.25		
9/30/18	9/30/18	7,125,000	912828T34	US TREASURY N/B	1.12%	9/30/21	40,078.13		

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>Total INTEREST</b>		<b>57,780,000</b>					<b>402,075.01</b>		
<b>SELL</b>									
8/23/18	8/27/18	2,500,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	2,484,119.44	2.30%	(16,286.98)
9/11/18	9/12/18	1,845,000	594918BF0	MICROSOFT CORP NOTES	1.30%	11/3/18	1,851,030.08	2.27%	(2,475.97)
9/11/18	9/12/18	2,500,000	09659CPN2	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	2/22/19	2,471,248.61	2.57%	(1,245.14)
9/11/18	9/12/18	2,500,000	94974BFQ8	WELLS FARGO & COMPANY NOTES	2.15%	1/15/19	2,505,535.42	2.49%	(10,118.95)
<b>Total SELL</b>		<b>9,345,000</b>					<b>9,311,933.55</b>		<b>-30,127.04</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
9/6/18	9/7/18	4,750,000	46640QQ53	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	3/5/19	4,690,954.86	2.53%	
9/19/18	9/20/18	2,500,000	09659CPL6	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	2/20/19	2,474,500.00	2.42%	
9/19/18	9/20/18	2,500,000	912796RB7	UNITED STATES TREASURY BILL	0.00%	3/14/19	2,471,987.85	2.33%	
9/19/18	9/20/18	2,500,000	62479MNH2	MUFG BANK LTD/NY COMM PAPER	0.00%	1/17/19	2,480,414.58	2.39%	
9/19/18	9/20/18	1,750,000	912796QC6	UNITED STATES TREASURY BILL	0.00%	4/25/19	1,725,263.51	2.38%	
<b>Total BUY</b>		<b>14,000,000</b>					<b>13,843,120.80</b>		
<b>INTEREST</b>									
9/15/18	9/15/18	5,500,000	912828L40	US TREASURY NOTES	1.00%	9/15/18	27,500.00		
9/15/18	9/15/18	18,000,000	912828L40	US TREASURY NOTES	1.00%	9/15/18	90,000.00		
<b>Total INTEREST</b>		<b>23,500,000</b>					<b>117,500.00</b>		
<b>MATURITY</b>									
8/31/18	8/31/18	4,750,000	46640QH2	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	8/31/18	4,750,000.00		0.00
9/15/18	9/15/18	5,500,000	912828L40	US TREASURY NOTES	1.00%	9/15/18	5,500,000.00		0.00
9/15/18	9/15/18	18,000,000	912828L40	US TREASURY NOTES	1.00%	9/15/18	18,000,000.00		0.00
<b>Total MATURITY</b>		<b>28,250,000</b>					<b>28,250,000.00</b>		<b>0.00</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
8/7/18	8/8/18	1,500,000	22533UL50	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	11/5/18	1,491,730.42	2.24%	
8/7/18	8/8/18	1,070,000	62479ML84	MUFG BANK LTD/NY COMM PAPER	0.00%	11/8/18	1,063,792.81	2.28%	
8/16/18	8/17/18	3,000,000	912796PD5	UNITED STATES TREASURY BILL	0.00%	11/8/18	2,986,028.33	2.03%	
<b>Total BUY</b>		<b>5,570,000</b>					<b>5,541,551.56</b>		
<b>INTEREST</b>									
7/17/18	7/17/18	6,270,000	3137EAE5	FREDDIE MAC NOTES	1.50%	1/17/20	47,025.00		
7/19/18	7/19/18	2,525,000	3137EAE8	FHLMC REFERENCE NOTE	0.87%	7/19/19	11,046.88		
7/30/18	7/30/18	2,480,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	18,600.00		
8/9/18	8/9/18	1,050,000	037833AX8	APPLE INC BONDS	1.55%	2/7/20	8,137.50		
8/12/18	8/12/18	1,050,000	594918AY0	MICROSOFT CORP (CALLABLE) NOTE	1.85%	2/12/20	9,712.50		
8/15/18	8/15/18	1,050,000	084664BY6	BERKSHIRE HATHAWAY FIN GLOBAL NOTES	2.00%	8/15/18	10,500.00		
8/15/18	8/15/18	1,950,000	912828K82	US TREASURY N/B	1.00%	8/15/18	9,750.00		
8/15/18	8/15/18	1,940,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	13,337.50		
8/28/18	8/28/18	625,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	3,125.00		
9/1/18	9/1/18	1,050,000	30231GAP7	EXXON MOBIL CORP NOTES	1.70%	3/1/19	8,967.00		
9/20/18	9/20/18	1,050,000	17275RBG6	CISCO SYSTEMS INC CORP NOTES	1.40%	9/20/19	7,350.00		
9/26/18	9/26/18	1,525,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	7,625.00		
9/30/18	9/30/18	1,295,000	912828L65	US TREASURY NOTES	1.37%	9/30/20	8,903.13		
<b>Total INTEREST</b>		<b>23,860,000</b>					<b>164,079.51</b>		
<b>MATURITY</b>									



CITY OF SALEM POLICE FACILITY BONDS 2017

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
7/27/18	7/27/18	1,500,000	22533UGT4	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	7/27/18	1,500,000.00		0.00
8/7/18	8/7/18	1,070,000	06538CH79	MUFG BANK LTD/NY COMM PAPER	0.00%	8/7/18	1,070,000.00		0.00
8/15/18	8/15/18	1,950,000	912828K82	US TREASURY N/B	1.00%	8/15/18	1,950,000.00		0.00
8/15/18	8/15/18	1,050,000	084664BY6	BERKSHIRE HATHAWAY FIN GLOBAL NOTES	2.00%	8/15/18	1,050,000.00		0.00
8/27/18	8/27/18	1,950,000	09659CHT8	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	8/27/18	1,950,000.00		0.00
<b>Total MATURITY</b>		<b>7,520,000</b>					<b>7,520,000.00</b>		<b>0.00</b>

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
7/8/18	7/8/18	360,000	931142CU5	WAL MART STORES INC. CORP NOTES	3.62%	7/8/20	6,525.00		
7/31/18	7/31/18	310,000	912828N89	US TREASURY NOTES	1.37%	1/31/21	2,131.25		
7/31/18	7/31/18	1,265,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	10,278.13		
8/31/18	8/31/18	1,625,000	912828L32	US TREASURY NOTES	1.37%	8/31/20	11,171.88		
9/1/18	9/1/18	365,000	478160AW4	JOHNSON & JOHNSON GLOBAL NOTES	2.95%	9/1/20	5,383.75		
9/30/18	9/30/18	645,000	9128282X7	US TREASURY N/B NOTES	1.37%	9/30/19	4,434.38		
9/30/18	9/30/18	1,260,000	912828L65	US TREASURY NOTES	1.37%	9/30/20	8,662.50		
<b>Total INTEREST</b>		<b>5,830,000</b>					<b>48,586.89</b>		

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# Portfolio Holdings

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## Managed Account Detail of Securities Held

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
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019	912828D23	5,000,000.00	AA+	Aaa	5/3/2016	5/5/2016	5,105,468.75	0.91	34,001.36	5,020,756.30	4,976,170.00
US TREASURY NOTES DTD 04/01/2013 1.125% 03/31/2020	912828UV0	2,930,000.00	AA+	Aaa	3/15/2017	3/17/2017	2,879,526.17	1.71	90.56	2,904,804.64	2,859,841.15
US TREASURY NOTES DTD 04/30/2013 1.125% 04/30/2020	912828VA5	2,500,000.00	AA+	Aaa	4/26/2017	4/27/2017	2,473,242.19	1.49	11,769.70	2,485,786.63	2,436,327.50
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	2,500,000.00	AA+	Aaa	9/19/2018	9/20/2018	2,444,921.88	2.78	14,385.19	2,445,927.68	2,445,800.00
US TREASURY N/B NOTES DTD 05/31/2018 2.500% 05/31/2020	9128284Q0	4,000,000.00	AA+	Aaa	6/14/2018	6/18/2018	3,994,531.25	2.57	33,606.56	3,995,334.04	3,980,936.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	4,000,000.00	AA+	Aaa	6/14/2018	6/18/2018	3,924,531.25	2.58	16,426.63	3,934,946.28	3,919,688.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	1,100,000.00	AA+	Aaa	6/27/2017	6/28/2017	1,103,093.75	1.53	4,517.32	1,101,815.52	1,077,914.20
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	6,500,000.00	AA+	Aaa	2/1/2017	2/7/2017	6,416,718.75	1.73	37,401.49	6,452,856.48	6,308,809.00
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	5,350,000.00	AA+	Aaa	1/8/2018	1/10/2018	5,284,169.92	2.07	29,216.70	5,300,340.82	5,213,532.20
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	5,000,000.00	AA+	Aaa	1/8/2018	1/10/2018	4,893,945.31	2.09	11,582.88	4,918,541.40	4,833,400.00
US TREASURY N/B NOTES DTD 05/15/2018 2.625% 05/15/2021	9128284P2	1,015,000.00	AA+	Aaa	5/24/2018	5/29/2018	1,014,286.33	2.65	10,063.81	1,014,369.34	1,008,616.67
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	5,200,000.00	AA+	Aaa	6/14/2018	6/18/2018	5,098,640.63	2.69	34,950.82	5,108,185.42	5,083,811.20
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	2,500,000.00	AA+	Aaa	6/5/2018	6/7/2018	2,456,542.97	2.61	16,803.28	2,461,018.38	2,444,140.00
US TREASURY N/B DTD 06/30/2016 1.125% 06/30/2021	912828S27	5,000,000.00	AA+	Aaa	6/14/2018	6/18/2018	4,771,679.69	2.70	14,215.35	4,792,485.15	4,769,920.00
US TREASURY N/B DTD 09/30/2016 1.125% 09/30/2021	912828T34	7,125,000.00	AA+	Aaa	9/11/2018	9/12/2018	6,774,873.05	2.82	220.21	6,780,615.69	6,766,527.00

## Managed Account Detail of Securities Held

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
<b>U.S. Treasury Bond / Note</b>											
US TREASURY N/B DTD 09/30/2016 1.125% 09/30/2021	912828T34	1,250,000.00	AA+	Aaa	3/6/2018	3/7/2018	1,190,283.20	2.53	38.63	1,199,455.43	1,187,110.00
<b>Security Type Sub-Total</b>		<b>60,970,000.00</b>					<b>59,826,455.09</b>	<b>2.21</b>	<b>269,290.49</b>	<b>59,917,239.20</b>	<b>59,312,542.92</b>
<b>Supra-National Agency Bond / Note</b>											
INTER-AMERICAN DEVELOPMENT BANK DTD 04/12/2016 1.000% 05/13/2019	458182DX7	1,750,000.00	AAA	Aaa	4/5/2016	4/12/2016	1,744,750.00	1.10	6,708.33	1,748,936.42	1,732,703.00
AFRICAN DEVELOPMENT BANK NOTE DTD 09/20/2016 1.125% 09/20/2019	00828EBQ1	975,000.00	AAA	Aaa	9/14/2016	9/20/2016	973,966.50	1.16	335.16	974,662.12	959,927.48
<b>Security Type Sub-Total</b>		<b>2,725,000.00</b>					<b>2,718,716.50</b>	<b>1.12</b>	<b>7,043.49</b>	<b>2,723,598.54</b>	<b>2,692,630.48</b>
<b>Municipal Bond / Note</b>											
CA ST TXBL GO BONDS DTD 04/25/2018 2.800% 04/01/2021	13063DGA0	1,480,000.00	AA-	Aa3	4/18/2018	4/25/2018	1,480,059.20	2.80	17,957.33	1,480,036.64	1,475,086.40
<b>Security Type Sub-Total</b>		<b>1,480,000.00</b>					<b>1,480,059.20</b>	<b>2.80</b>	<b>17,957.33</b>	<b>1,480,036.64</b>	<b>1,475,086.40</b>
<b>Federal Agency Bond / Note</b>											
FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	5,000,000.00	AA+	Aaa	9/2/2016	9/8/2016	5,020,550.00	0.96	25,937.50	5,004,298.75	4,964,650.00
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	5,000,000.00	AA+	Aaa	7/8/2016	7/12/2016	5,048,300.00	0.79	15,625.00	5,011,960.00	4,949,185.00
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	5,000,000.00	AA+	Aaa	7/21/2016	7/25/2016	4,986,450.00	0.97	8,750.00	4,996,329.75	4,934,220.00
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	3,200,000.00	AA+	Aaa	8/4/2016	8/8/2016	3,198,112.00	0.90	4,588.89	3,199,466.24	3,155,094.40
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	3,200,000.00	AA+	Aaa	8/4/2016	8/8/2016	3,196,896.00	0.91	4,355.56	3,199,115.71	3,153,990.40

## Managed Account Detail of Securities Held

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
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	3,450,000.00	AA+	Aaa	10/4/2016	10/7/2016	3,448,344.00	1.02	479.17	3,449,445.38	3,394,110.00
FREDDIE MAC NOTES DTD 01/17/2017 1.500% 01/17/2020	3137EAAE5	7,500,000.00	AA+	Aaa	4/7/2017	4/10/2017	7,504,050.00	1.48	23,125.00	7,501,937.25	7,382,992.50
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	6,000,000.00	AA+	Aaa	2/27/2017	2/28/2017	5,991,000.00	1.55	8,250.00	5,995,723.86	5,897,388.00
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,400,000.00	AA+	Aaa	9/7/2017	9/8/2017	1,395,506.00	1.48	160.42	1,397,045.50	1,360,583.00
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	3,100,000.00	AA+	Aaa	4/12/2018	4/13/2018	3,095,381.00	2.55	36,166.67	3,096,076.92	3,068,473.00
FREDDIE MAC NOTES (CALLABLE) DTD 08/27/2018 2.900% 08/27/2021	3134GSWC5	2,500,000.00	AA+	Aaa	8/23/2018	8/27/2018	2,500,000.00	2.90	6,847.22	2,500,000.00	2,488,125.00
<b>Security Type Sub-Total</b>		<b>45,350,000.00</b>					<b>45,384,589.00</b>	<b>1.34</b>	<b>134,285.43</b>	<b>45,351,399.36</b>	<b>44,748,811.30</b>
<b>Corporate Note</b>											
CHEVRON CORP NOTES DTD 05/16/2016 1.561% 05/16/2019	166764BH2	2,000,000.00	AA-	Aa2	5/9/2016	5/16/2016	2,000,000.00	1.56	11,707.50	2,000,000.00	1,987,514.00
TOYOTA MOTOR CREDIT CORP NOTES DTD 05/20/2016 1.400% 05/20/2019	89236TDE2	2,750,000.00	AA-	Aa3	5/17/2016	5/20/2016	2,746,150.00	1.45	14,009.72	2,749,170.13	2,728,734.25
COCA-COLA COMPANY CORP NOTES DTD 05/31/2016 1.375% 05/30/2019	191216BV1	1,335,000.00	A+	Aa3	5/25/2016	5/31/2016	1,334,065.50	1.40	6,169.74	1,334,789.94	1,324,611.03
APPLE INC CORP NOTE DTD 05/13/2015 2.000% 05/06/2020	037833BD1	2,500,000.00	AA+	Aa1	6/27/2017	6/28/2017	2,515,225.00	1.78	19,166.67	2,508,622.23	2,465,057.50
3M COMPANY CORP NOTES DTD 08/07/2015 2.000% 08/07/2020	88579YAQ4	2,500,000.00	AA-	A1	8/2/2017	8/7/2017	2,522,500.00	1.69	7,500.00	2,514,005.78	2,458,760.00
BERKSHIRE HATHAWAY FINANCE CORP NOTES DTD 01/11/2011 4.250% 01/15/2021	084664BQ3	2,000,000.00	AA	Aa2	5/15/2018	5/17/2018	2,065,600.00	2.96	17,944.44	2,056,767.12	2,051,130.00

## Managed Account Detail of Securities Held

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
<b>Corporate Note</b>											
CISCO SYSTEMS INC CORP NOTES DTD 02/29/2016 2.200% 02/28/2021	17275RBD3	1,250,000.00	AA-	A1	3/6/2018	3/7/2018	1,226,487.50	2.86	2,520.83	1,230,855.46	1,223,958.75
ALPHABET INC CORP NOTE DTD 04/27/2016 3.625% 05/19/2021	02079KAA5	875,000.00	AA+	Aa2	5/16/2018	5/17/2018	893,357.50	2.89	11,630.21	891,165.98	888,771.63
WAL-MART STORES INC CORP NOTES DTD 06/27/2018 3.125% 06/23/2021	931142EJ8	2,500,000.00	AA	Aa2	6/20/2018	6/27/2018	2,499,875.00	3.13	20,399.31	2,499,882.58	2,505,015.00
<b>Security Type Sub-Total</b>		<b>17,710,000.00</b>					<b>17,803,260.50</b>	<b>2.12</b>	<b>111,048.42</b>	<b>17,785,259.22</b>	<b>17,633,552.16</b>
<b>Managed Account Sub Total</b>		<b>128,235,000.00</b>					<b>127,213,080.29</b>	<b>1.87</b>	<b>539,625.16</b>	<b>127,257,532.96</b>	<b>125,862,623.26</b>
<b>Securities Sub-Total</b>		<b>\$128,235,000.00</b>					<b>\$127,213,080.29</b>	<b>1.87%</b>	<b>\$539,625.16</b>	<b>\$127,257,532.96</b>	<b>\$125,862,623.26</b>
<b>Accrued Interest</b>											<b>\$539,625.16</b>
<b>Total Investments</b>											<b>\$126,402,248.42</b>

Bolded items are forward settling trades.

## Managed Account Detail of Securities Held

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
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 10/15/2015 0.875% 10/15/2018	912828L81	5,500,000.00	AA+	Aaa	11/22/2017	11/27/2017	5,464,335.94	1.62	22,221.65	5,498,449.06	5,497,552.50
US TREASURY NOTES DTD 10/31/2016 0.750% 10/31/2018	912828T83	18,000,000.00	AA+	Aaa	11/30/2017	12/4/2017	17,855,156.25	1.65	56,494.57	17,986,928.58	17,980,866.00
<b>Security Type Sub-Total</b>		<b>23,500,000.00</b>					<b>23,319,492.19</b>	<b>1.64</b>	<b>78,716.22</b>	<b>23,485,377.64</b>	<b>23,478,418.50</b>
<b>U.S. Treasury Bill</b>											
UNITED STATES TREASURY BILL DTD 09/13/2018 0.000% 03/14/2019	912796RB7	2,500,000.00	A-1+	P-1	9/19/2018	9/20/2018	2,471,987.85	2.33	0.00	2,473,748.60	2,474,005.00
UNITED STATES TREASURY BILL DTD 04/26/2018 0.000% 04/25/2019	912796QC6	1,750,000.00	A-1+	P-1	9/19/2018	9/20/2018	1,725,263.51	2.38	0.00	1,726,517.43	1,726,543.00
<b>Security Type Sub-Total</b>		<b>4,250,000.00</b>					<b>4,197,251.36</b>	<b>2.35</b>	<b>0.00</b>	<b>4,200,266.03</b>	<b>4,200,548.00</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 07/19/2018 0.000% 01/17/2019	62479MNH2	2,500,000.00	A-1	P-1	9/19/2018	9/20/2018	2,480,414.58	2.39	0.00	2,482,225.00	2,481,430.00
BNP PARIBAS NY BRANCH COMM PAPER DTD 09/19/2018 0.000% 02/20/2019	09659CPL6	2,500,000.00	A-1	P-1	9/19/2018	9/20/2018	2,474,500.00	2.42	0.00	2,476,333.33	2,475,500.00
JP MORGAN SECURITIES LLC COMM PAPER DTD 06/08/2018 0.000% 03/05/2019	46640QQ53	4,750,000.00	A-1	P-1	9/6/2018	9/7/2018	4,690,954.86	2.53	0.00	4,698,871.52	4,697,859.25
<b>Security Type Sub-Total</b>		<b>9,750,000.00</b>					<b>9,645,869.44</b>	<b>2.47</b>	<b>0.00</b>	<b>9,657,429.85</b>	<b>9,654,789.25</b>
<b>Managed Account Sub Total</b>		<b>37,500,000.00</b>					<b>37,162,612.99</b>	<b>1.93</b>	<b>78,716.22</b>	<b>37,343,073.52</b>	<b>37,333,755.75</b>



CITY OF SALEM SHORT TERM PORTFOLIO

Portfolio Holdings

<b>Securities Sub-Total</b>	<b>\$37,500,000.00</b>	<b>\$37,162,612.99</b>	<b>1.93%</b>	<b>\$78,716.22</b>	<b>\$37,343,073.52</b>	<b>\$37,333,755.75</b>
<b>Accrued Interest</b>						<b>\$78,716.22</b>
<b>Total Investments</b>						<b>\$37,412,471.97</b>

Bolded items are forward settling trades.

**Managed Account Detail of Securities Held**

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
<b>U.S. Treasury Bill</b>											
UNITED STATES TREASURY BILL DTD 10/12/2017 0.000% 10/11/2018	912796NZ8	1,000,000.00	A-1+	P-1	4/2/2018	4/4/2018	990,251.42	1.87	0.00	999,486.92	999,432.00
<b>Security Type Sub-Total</b>		<b>1,000,000.00</b>					<b>990,251.42</b>	<b>1.87</b>	<b>0.00</b>	<b>999,486.92</b>	<b>999,432.00</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 04/09/2018 0.000% 10/05/2018	62479MK51	930,000.00	A-1	P-1	4/9/2018	4/10/2018	918,872.03	2.45	0.00	929,749.93	929,603.82
<b>Security Type Sub-Total</b>		<b>930,000.00</b>					<b>918,872.03</b>	<b>2.45</b>	<b>0.00</b>	<b>929,749.93</b>	<b>929,603.82</b>
<b>Managed Account Sub Total</b>		<b>1,930,000.00</b>					<b>1,909,123.45</b>	<b>2.15</b>	<b>0.00</b>	<b>1,929,236.85</b>	<b>1,929,035.82</b>
<b>Securities Sub-Total</b>		<b>\$1,930,000.00</b>					<b>\$1,909,123.45</b>	<b>2.15%</b>	<b>\$0.00</b>	<b>\$1,929,236.85</b>	<b>\$1,929,035.82</b>
<b>Accrued Interest</b>											<b>\$0.00</b>
<b>Total Investments</b>											<b>\$1,929,035.82</b>

Bolded items are forward settling trades.

## Managed Account Detail of Securities Held

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
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/31/2014 1.625% 12/31/2019	912828G95	2,550,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,564,044.92	1.38	10,471.98	2,557,637.35	2,515,934.55
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	2,500,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,504,589.84	1.43	12,602.46	2,502,828.78	2,447,655.00
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,295,000.00	AA+	Aaa	9/1/2017	9/7/2017	1,291,003.71	1.48	48.92	1,292,376.03	1,258,679.14
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	2,060,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,074,484.38	1.53	9,110.46	2,069,915.11	2,011,075.00
<b>Security Type Sub-Total</b>		<b>8,405,000.00</b>					<b>8,434,122.85</b>	<b>1.45</b>	<b>32,233.82</b>	<b>8,422,757.27</b>	<b>8,233,343.69</b>
<b>U.S. Treasury Bill</b>											
UNITED STATES TREASURY BILL DTD 11/09/2017 0.000% 11/08/2018	912796PD5	3,000,000.00	A-1+	P-1	8/16/2018	8/17/2018	2,986,028.33	2.03	0.00	2,993,603.31	2,993,445.00
<b>Security Type Sub-Total</b>		<b>3,000,000.00</b>					<b>2,986,028.33</b>	<b>2.03</b>	<b>0.00</b>	<b>2,993,603.31</b>	<b>2,993,445.00</b>
<b>Federal Agency Bond / Note</b>											
FEDERAL HOME LOAN BANK AGENCY NOTES DTD 05/12/2017 1.375% 05/28/2019	3130ABF92	2,390,000.00	AA+	Aaa	9/5/2017	9/8/2017	2,392,748.50	1.31	11,228.02	2,391,062.45	2,372,385.70
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	2,365,000.00	AA+	Aaa	9/5/2017	9/8/2017	2,357,195.50	1.31	7,390.63	2,361,828.35	2,340,964.51
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	2,525,000.00	AA+	Aaa	9/5/2017	9/8/2017	2,503,310.25	1.34	4,418.75	2,515,632.07	2,491,781.10
FREDDIE MAC NOTES DTD 07/19/2017 1.375% 08/15/2019	3137EAEH8	1,940,000.00	AA+	Aaa	9/5/2017	9/8/2017	1,940,426.80	1.36	3,408.47	1,940,195.88	1,919,777.44
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	625,000.00	AA+	Aaa	9/5/2017	9/8/2017	620,537.50	1.37	572.92	622,930.66	615,991.88
FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	1,525,000.00	AA+	Aaa	9/1/2017	9/7/2017	1,512,327.25	1.41	211.81	1,518,868.11	1,500,295.00

## Managed Account Detail of Securities Held

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
<b>Federal Agency Bond / Note</b>											
FREDDIE MAC GLOBAL NOTES DTD 10/02/2012 1.250% 10/02/2019	3137EADM8	2,570,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,560,696.60	1.43	15,973.26	2,565,461.07	2,534,587.97
FHLB NOTES DTD 11/17/2016 1.375% 11/15/2019	3130AA3R7	1,515,000.00	AA+	Aaa	9/1/2017	9/7/2017	1,513,303.20	1.43	7,869.58	1,514,128.22	1,493,262.78
FREDDIE MAC NOTES DTD 01/17/2017 1.500% 01/17/2020	3137EAEE5	6,270,000.00	AA+	Aaa	9/1/2017	9/7/2017	6,277,398.60	1.45	19,332.50	6,274,104.78	6,172,181.73
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	2,500,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,494,225.00	1.47	15,373.26	2,496,557.23	2,446,675.00
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	2,480,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,483,521.60	1.45	10,230.00	2,482,202.34	2,427,047.04
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	2,480,000.00	AA+	Aaa	9/1/2017	9/7/2017	2,480,173.60	1.50	6,303.33	2,480,117.35	2,423,555.20
<b>Security Type Sub-Total</b>		<b>29,185,000.00</b>					<b>29,135,864.40</b>	<b>1.41</b>	<b>102,312.53</b>	<b>29,163,088.51</b>	<b>28,738,505.35</b>
<b>Corporate Note</b>											
EXXON MOBIL CORP NOTES DTD 03/03/2016 1.708% 03/01/2019	30231GAP7	1,050,000.00	AA+	Aaa	9/5/2017	9/8/2017	1,053,643.50	1.47	1,494.50	1,051,033.10	1,046,679.90
CISCO SYSTEMS INC CORP NOTES DTD 09/20/2016 1.400% 09/20/2019	17275RBG6	1,050,000.00	AA-	A1	9/1/2017	9/7/2017	1,045,558.50	1.61	449.17	1,047,868.38	1,036,285.95
CHEVRON CORP (CALLABLE) NOTE DTD 11/18/2014 2.193% 11/15/2019	166764AN0	1,050,000.00	AA-	Aa2	9/1/2017	9/7/2017	1,062,358.50	1.64	8,698.90	1,056,156.77	1,042,527.15
APPLE INC BONDS DTD 02/09/2015 1.550% 02/07/2020	037833AX8	1,050,000.00	AA+	Aa1	9/1/2017	9/7/2017	1,047,637.50	1.65	2,350.83	1,048,671.77	1,032,438.75
MICROSOFT CORP (CALLABLE) NOTE DTD 02/12/2015 1.850% 02/12/2020	594918AY0	1,050,000.00	AAA	Aaa	9/1/2017	9/7/2017	1,055,901.00	1.61	2,643.96	1,053,250.78	1,036,606.20
<b>Security Type Sub-Total</b>		<b>5,250,000.00</b>					<b>5,265,099.00</b>	<b>1.60</b>	<b>15,637.36</b>	<b>5,256,980.80</b>	<b>5,194,537.95</b>
<b>Commercial Paper</b>											

## Managed Account Detail of Securities Held

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
<b>Commercial Paper</b>											
TOYOTA MOTOR CREDIT CORP COMM PAPER DTD 01/31/2018 0.000% 10/26/2018	89233HKS2	1,500,000.00	A-1+	P-1	1/31/2018	2/1/2018	1,478,083.75	2.00	0.00	1,497,947.91	1,497,448.50
CREDIT AGRICOLE CIB NY COMM PAPER DTD 05/08/2018 0.000% 11/05/2018	22533UL50	1,500,000.00	A-1	P-1	8/7/2018	8/8/2018	1,491,730.42	2.24	0.00	1,496,747.91	1,496,583.00
MUFG BANK LTD/NY COMM PAPER DTD 05/08/2018 0.000% 11/08/2018	62479ML84	1,070,000.00	A-1	P-1	8/7/2018	8/8/2018	1,063,792.81	2.28	0.00	1,067,436.16	1,067,276.85
<b>Security Type Sub-Total</b>		<b>4,070,000.00</b>					<b>4,033,606.98</b>	<b>2.16</b>	<b>0.00</b>	<b>4,062,131.98</b>	<b>4,061,308.35</b>
<b>Managed Account Sub Total</b>		<b>49,910,000.00</b>					<b>49,854,721.56</b>	<b>1.54</b>	<b>150,183.71</b>	<b>49,898,561.87</b>	<b>49,221,140.34</b>
<b>Securities Sub-Total</b>		<b>\$49,910,000.00</b>					<b>\$49,854,721.56</b>	<b>1.54%</b>	<b>\$150,183.71</b>	<b>\$49,898,561.87</b>	<b>\$49,221,140.34</b>
<b>Accrued Interest</b>											<b>\$150,183.71</b>
<b>Total Investments</b>											<b>\$49,371,324.05</b>

Bolded items are forward settling trades.

## Managed Account Detail of Securities Held

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
<b>U.S. Treasury Bond / Note</b>											
US TREASURY N/B NOTES DTD 10/02/2017 1.375% 09/30/2019	9128282X7	645,000.00	AA+	Aaa	3/27/2018	3/29/2018	636,912.30	2.23	24.36	639,612.81	636,862.04
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	530,000.00	AA+	Aaa	3/27/2018	3/29/2018	519,917.58	2.31	3,049.66	522,324.56	518,509.60
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	525,000.00	AA+	Aaa	3/27/2018	3/29/2018	515,956.05	2.32	2,646.52	518,041.14	514,007.55
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	900,000.00	AA+	Aaa	3/27/2018	3/29/2018	886,394.53	2.32	3,695.99	889,417.68	881,929.80
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	1,265,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,244,888.48	2.33	3,463.28	1,249,198.86	1,238,217.42
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	1,625,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,588,183.59	2.34	1,913.42	1,595,732.58	1,581,454.88
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	1,260,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,230,468.75	2.34	47.60	1,236,321.25	1,224,660.78
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	840,000.00	AA+	Aaa	3/27/2018	3/29/2018	819,360.94	2.36	4,833.42	823,311.69	815,292.24
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	1,200,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,177,312.50	2.36	6,553.28	1,181,540.80	1,169,390.40
US TREASURY NOTES DTD 12/31/2013 2.375% 12/31/2020	912828A83	1,195,000.00	AA+	Aaa	3/27/2018	3/29/2018	1,195,513.48	2.36	7,172.44	1,195,437.94	1,182,723.77
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	310,000.00	AA+	Aaa	3/27/2018	3/29/2018	301,499.22	2.38	718.14	302,989.82	299,670.80
<b>Security Type Sub-Total</b>		<b>10,295,000.00</b>					<b>10,116,407.42</b>	<b>2.33</b>	<b>34,118.11</b>	<b>10,153,929.13</b>	<b>10,062,719.28</b>
<b>U.S. Treasury Bill</b>											
UNITED STATES TREASURY BILL DTD 05/31/2018 0.000% 11/29/2018	912796QL6	920,000.00	A-1+	P-1	6/1/2018	6/4/2018	910,720.27	2.06	0.00	916,924.14	916,799.32
<b>Security Type Sub-Total</b>		<b>920,000.00</b>					<b>910,720.27</b>	<b>2.06</b>	<b>0.00</b>	<b>916,924.14</b>	<b>916,799.32</b>

## Managed Account Detail of Securities Held

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
<b>Corporate Note</b>											
THE PROCTER & GAMBLE CO CORP NOTES DTD 10/25/2017 1.750% 10/25/2019	742718EZ8	370,000.00	AA-	Aa3	3/27/2018	3/29/2018	366,522.00	2.36	2,805.83	367,628.74	366,177.16
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	320,000.00	AA	A1	3/27/2018	3/29/2018	316,089.60	2.43	1,601.78	317,232.66	315,691.52
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	370,000.00	AA-	Aa3	3/27/2018	3/29/2018	363,991.20	2.77	3,286.83	365,444.22	364,412.26
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	375,000.00	AA+	Aa1	3/27/2018	3/29/2018	369,191.25	2.56	2,625.00	370,554.81	368,723.25
WAL MART STORES INC. CORP NOTES DTD 07/08/2010 3.625% 07/08/2020	931142CU5	360,000.00	AA	Aa2	3/27/2018	3/29/2018	368,956.80	2.49	3,008.75	367,014.62	364,549.68
JOHNSON & JOHNSON GLOBAL NOTES DTD 08/17/2010 2.950% 09/01/2020	478160AW4	365,000.00	AAA	Aaa	3/27/2018	3/29/2018	369,142.75	2.46	897.29	368,300.99	366,440.29
MICROSOFT CORP NOTES DTD 09/27/2010 3.000% 10/01/2020	594918AH7	360,000.00	AAA	Aaa	3/27/2018	3/29/2018	363,524.40	2.59	5,400.00	362,831.79	362,005.56
<b>Security Type Sub-Total</b>		<b>2,520,000.00</b>					<b>2,517,418.00</b>	<b>2.53</b>	<b>19,625.48</b>	<b>2,519,007.83</b>	<b>2,507,999.72</b>
<b>Commercial Paper</b>											
JP MORGAN SECURITIES LLC COMM PAPER DTD 04/04/2018 0.000% 10/04/2018	46640QK42	550,000.00	A-1	P-1	4/4/2018	4/5/2018	543,326.67	2.43	0.00	549,890.00	549,798.70
TOYOTA MOTOR CREDIT CORP COMM PAPER DTD 04/04/2018 0.000% 12/17/2018	89233HMH4	550,000.00	A-1+	P-1	4/4/2018	4/5/2018	540,691.56	2.42	0.00	547,200.19	547,213.15
MUFG BANK LTD/NY COMM PAPER DTD 04/02/2018 0.000% 12/17/2018	62479MMH3	550,000.00	A-1	P-1	4/2/2018	4/4/2018	540,223.29	2.54	0.00	547,070.79	547,155.95

**Managed Account Detail of Securities Held**

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
<b>Commercial Paper</b>											
BNP PARIBAS NY BRANCH COMM PAPER DTD 04/02/2018 0.000% 12/17/2018	09659CMH8	550,000.00	A-1	P-1	4/2/2018	4/4/2018	540,341.08	2.50	0.00	547,106.08	547,229.10
<b>Security Type Sub-Total</b>		<b>2,200,000.00</b>					<b>2,164,582.60</b>	<b>2.47</b>	<b>0.00</b>	<b>2,191,267.06</b>	<b>2,191,396.90</b>
<b>Managed Account Sub Total</b>		<b>15,935,000.00</b>					<b>15,709,128.29</b>	<b>2.37</b>	<b>53,743.59</b>	<b>15,781,128.16</b>	<b>15,678,915.22</b>
<b>Securities Sub-Total</b>		<b>\$15,935,000.00</b>					<b>\$15,709,128.29</b>	<b>2.37%</b>	<b>\$53,743.59</b>	<b>\$15,781,128.16</b>	<b>\$15,678,915.22</b>
<b>Accrued Interest</b>											<b>\$53,743.59</b>
<b>Total Investments</b>											<b>\$15,732,658.81</b>

Bolded items are forward settling trades.



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**IMPORTANT DISCLOSURES**

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

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**GLOSSARY**

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

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**GLOSSARY**

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.