



# CITY OF SALEM

## **Investment Performance Review For the Quarter Ended June 30, 2019**

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# Market Update

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## QUARTERLY MARKET SUMMARY

### SUMMARY

- The second quarter saw plunging interest rates, surging equity prices, mixed economic data and increasing global growth concerns. While few economists expect the decade-long U.S. expansion to end soon, the Federal Reserve's (Fed) cautionary tone set the stage for rate cuts in the second half of the year.
- U.S. economic conditions are characterized by: (1) solid gross domestic product (GDP) growth in Q1, but more tempered expectations for Q2; (2) strong job growth, with a low unemployment rate of 3.7%; (3) softening inflation pressures; and (4) increased downside risks, including a slowdown in manufacturing, weaker business investments and protracted trade wars.
- At its June meeting, the Federal Open Market Committee (FOMC) maintained the overnight fed funds rate at a target range of 2.25%-2.50%, but acknowledged soft business investment, declining market-based inflation measures and increased uncertainty to the outlook. In their latest assessment of monetary policy, nearly half of respondents viewed two rate cuts as appropriate by year-end. In subsequent communications, Fed chair Jerome Powell all but assured a first preemptive rate cut will occur at the Fed's next meeting on July 30-31.
- Equity investors seemed to rejoice in the Fed's more dovish stance. By quarter-end, domestic equity markets had reversed losses from May and reached new record highs. The S&P 500 returned 4.3% for the quarter and is now up 17.3% for the year – the best first half of a year since 1997.

### ECONOMIC SNAPSHOT

- U.S. GDP grew 3.1% in Q1, up from 2.2% in Q4. Growth was driven by an unexpected improvement in net exports and outsized growth in inventories, factors that are not likely to be sustained. But consumer spending, which makes up more than two thirds of total economic output, increased at a slower pace relative to prior quarters. Forecasts for Q2 are substantially lower – generally in the 1.5% to 2.0% range.
- The U.S. labor market remained strong, with average job growth of 172,000 per month in 2019, compared with average gains of 223,000 in 2018. The unemployment rate stood at 3.7% in June, near a 49-year low, as the economy remains at what is considered "full employment." Wages also rose, but at a modest 3.1% growth rate over the past year.
- Inflation continued to be tame. The Consumer Price Index (CPI) rose 1.6% over the past year, while the Fed's preferred inflation gauge, the Core Personal Consumption Expenditure (PCE) Price Index, excluding food and energy prices, also rose 1.6% over the past year, below the Fed's target of 2%.
- Recent manufacturing data weakened in the face of slowing global demand. The most recent Institute for Supply Management (ISM) manufacturing survey fell to a 30-month low, while new orders for manufactured goods have fallen in three of the past four months. Conversely, consumer confidence remains near all-time highs, while retail sales rebounded from weakness in Q1.

### INTEREST RATES

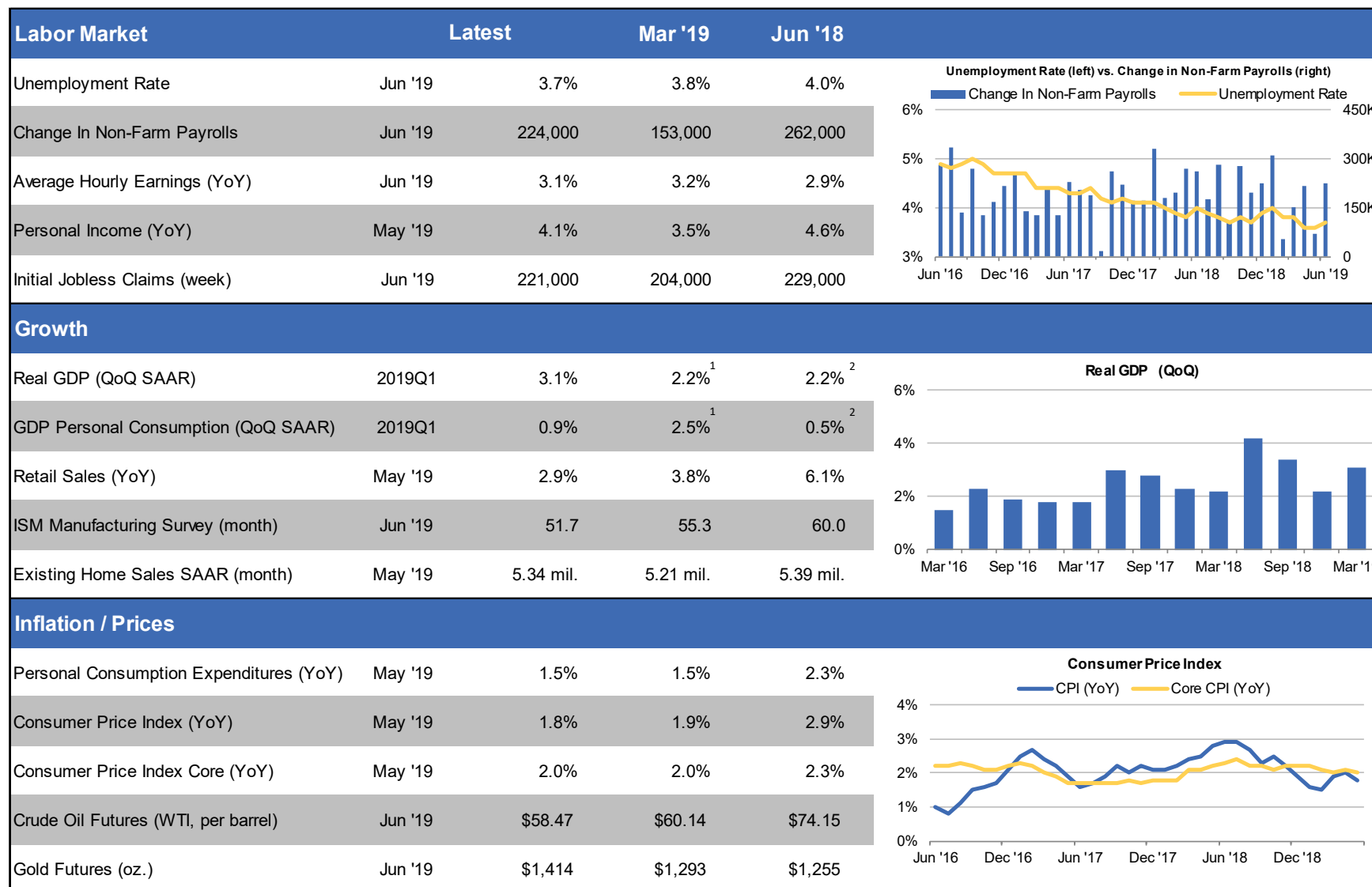
- U.S. Treasury yields fell for a third consecutive quarter, with maturities beyond one year falling 40 to 50 basis points (bps). The yield on most longer Treasury maturities are now near 18-month lows. At quarter-end, the yield on a 3-month Treasury bill stood at 2.09%, the 2-year note was 1.76%, the 5-year was 1.77% and the 10-year yielded 2.01%.
- The yield curve reached its greatest level of inversion since 2007, as the spread between the 10-year and 3-month Treasuries reached -28 bps, although it finished the quarter narrower as short-term rates trended lower in expectation of rate cuts.
- Money market yield curves for Treasury bills and commercial paper are also now inverted, reflecting the market's expectation for lower Fed policy rates in the term. However, yields on short-term commercial paper and bank certificates of deposit remain attractive versus short-term government securities, despite the inverted curve.

### SECTOR PERFORMANCE

- Absolute returns were very strong in Q2 as lower yields pushed prices higher. Treasury benchmarks posted some of their strongest quarterly returns in three years. The increasing yield curve inversion further boosted the returns of longer duration instruments, outperforming shorter-maturity counterparts. For example, the 3-month Treasury bill index returned 0.64% for the quarter, while 5-year and 10-year Treasury indices returned 2.81% and 4.23%, respectively.
- Federal agency returns underperformed similar-duration Treasury securities for the quarter, as agency yield spreads continued to trade at very narrow levels. Callable agencies underperformed non-callable structures by a wider margin as the large downward move in yields increased the likelihood of call, limiting price appreciation.
- Modest incremental income on supranational debt compared to federal agencies helped buoy modest positive relative performance over the quarter. Despite the historically tight level of yield spreads, the sector served as a portfolio diversifier and performance enhancer relative to Treasuries and agencies over the past year.
- Following superb performance in Q1, investment-grade corporates continued to be one of the best performing sectors in Q2. Despite intra-quarter spread volatility, the incremental income from the sector-supported positive excess returns – returns in excess of Treasuries adjusted to similar duration. For the second consecutive quarter, lower-quality credits outperformed higher-quality issues as risk appetite held firm.
- AAA-rated asset-backed securities (ABS) were modestly additive to performance for the quarter, despite spreads bouncing off 10-year lows in June. Within ABS, fixed-rate dominated floating rate structures and credit card collateral outpaced auto loans.
- The continued drop in rates pressured mortgage-backed securities (MBS) in Q2, resulting in underperformance and strongly negative excess returns. The decline in mortgage rates triggered expected increases in principal prepayments, generally a negative for the sector. On the flip side, agency-backed commercial mortgage-backed securities (CMBS) generated positive excess returns in back-to-back quarters, as these structures have less prepayment variability and interest rate sensitivity.

## QUARTERLY MARKET SUMMARY

## Economic Snapshot



1. Data as of Fourth Quarter 2018.

2. Data as of First Quarter 2018.

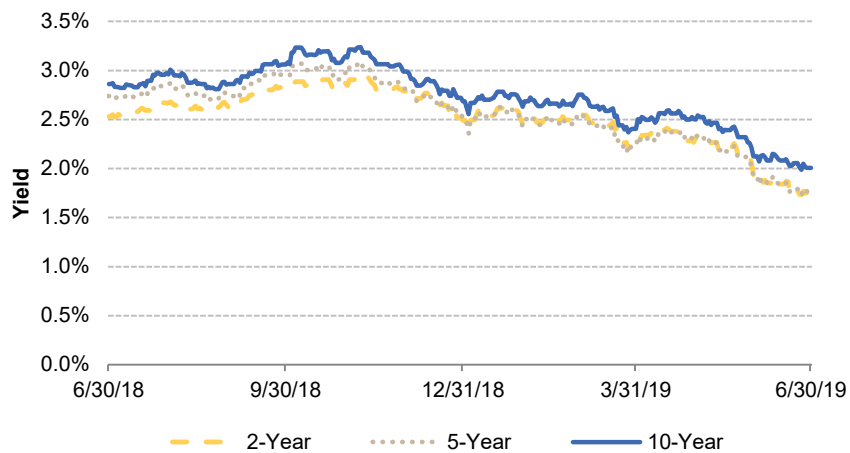
Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

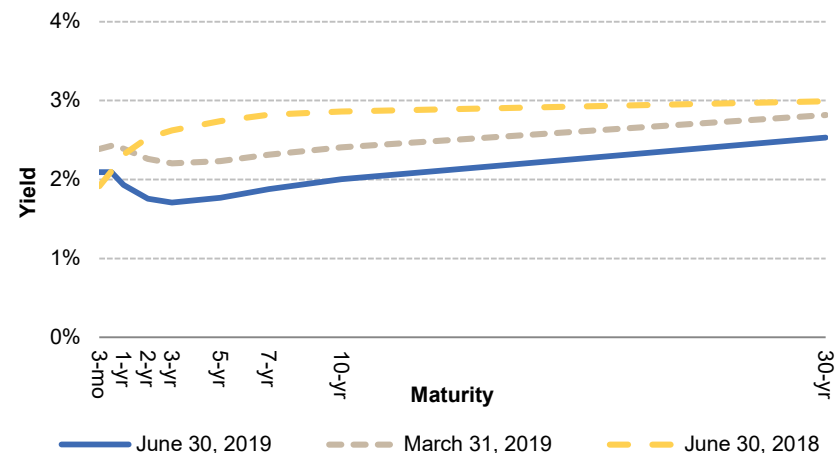
# QUARTERLY MARKET SUMMARY

## Interest Rate Overview

U.S. Treasury Note Yields



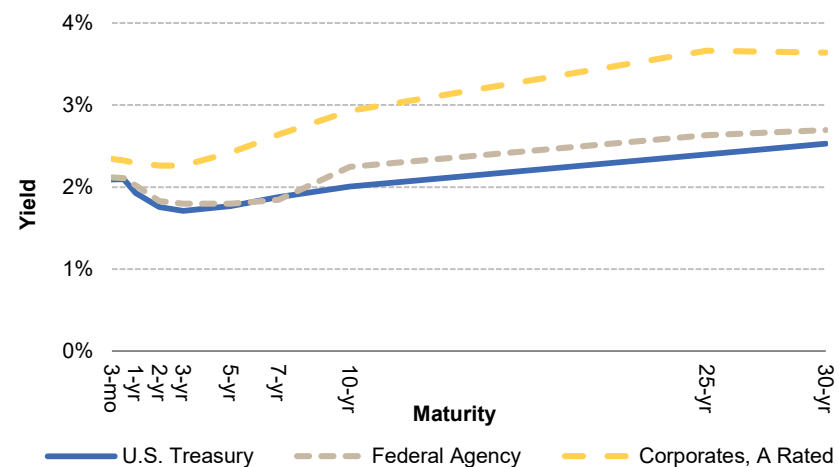
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Jun '19	Mar '19	Change over Quarter	Jun '18	Change over Year
3-Month	2.09%	2.39%	(0.30%)	1.92%	0.17%
1-Year	1.93%	2.39%	(0.46%)	2.31%	(0.38%)
2-Year	1.76%	2.26%	(0.50%)	2.53%	(0.77%)
5-Year	1.77%	2.23%	(0.46%)	2.74%	(0.97%)
10-Year	2.01%	2.41%	(0.40%)	2.86%	(0.85%)
30-Year	2.53%	2.82%	(0.29%)	2.99%	(0.46%)

Yield Curves as of 6/30/19



Source: Bloomberg.

## QUARTERLY MARKET SUMMARY

## ICE BofAML Index Returns

June 30, 2019	As of 6/30/19		Returns for Periods ended 6/30/19		
	Duration	Yield	3 Month	1 Year	3 Years
<b>1-3 Year Indices</b>					
U.S. Treasury	1.87	1.80%	1.44%	3.96%	1.29%
Federal Agency	1.54	1.83%	1.30%	3.88%	1.46%
U.S. Corporates, A-AAA rated	1.87	2.30%	1.54%	4.84%	2.13%
Agency MBS (0 to 3 years)	3.57	2.63%	1.59%	5.69%	2.10%
Taxable Municipals	1.77	2.19%	1.52%	4.77%	2.56%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.63	1.77%	1.82%	4.89%	1.31%
Federal Agency	1.83	1.80%	1.44%	4.30%	1.46%
U.S. Corporates, A-AAA rated	2.65	2.36%	2.01%	6.06%	2.34%
Agency MBS (0 to 5 years)	3.18	2.68%	1.86%	5.56%	1.71%
Taxable Municipals	2.22	2.43%	1.38%	5.11%	2.45%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	6.64	1.94%	3.06%	7.33%	1.34%
Federal Agency	4.04	1.98%	2.32%	6.20%	1.89%
U.S. Corporates, A-AAA rated	7.46	2.87%	4.04%	10.11%	3.32%
Agency MBS (0 to 30 years)	3.83	2.75%	2.01%	6.32%	2.10%
Taxable Municipals	10.83	3.34%	4.99%	11.36%	4.38%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

## QUARTERLY MARKET SUMMARY

**DISCLOSURES**

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# Investment Strategy & Portfolio Review

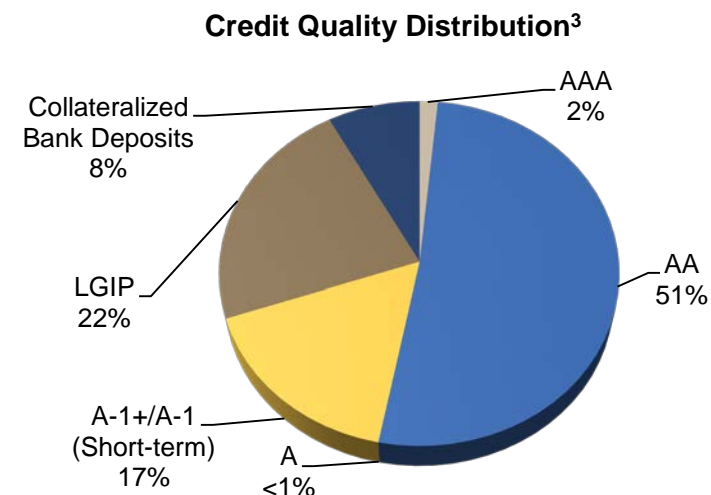
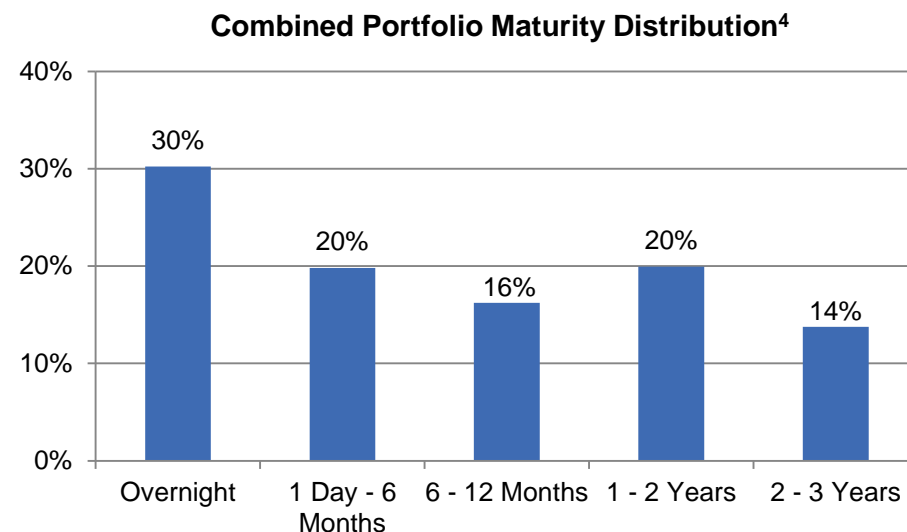
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The portfolio is in compliance with applicable state statutes and the City's Investment Policy C-7.

Quarter Ended June 30, 2019 – 2Q19	
Quarterly Summary	
Market Value (MV)	\$341,493,363
Amortized Cost	\$339,997,415
Combined Portfolio Yield on Cost	2.24%
Weighted Average Maturity	0.83 years
Cash Basis Earnings for Quarter <sup>2</sup>	\$1,602,101
Accrual Basis Earnings for Quarter <sup>2</sup>	\$1,452,730
Quarterly Change	
Amortized Cost – 4Q18	\$387,496,585
Beginning MV – 4Q18	\$388,504,315
Net Contributions	(\$35,910,642)
Change in Cash	(\$13,042,623)
Change in MV	\$1,942,313
Ending MV – 1Q19	\$341,493,363

Sector Distribution				
Sector	Amortized <sup>1</sup> Cost	Market <sup>1</sup> Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$167,440,770	\$168,781,522	49%	100%
Federal Agencies	\$35,778,705	\$35,710,825	10%	100%
U.S. Instrumentalities	\$978,001	\$975,406	<1%	10%
Municipal Obligations	\$1,490,386	\$1,513,463	<1%	10%
Commercial Paper	\$7,355,463	\$7,355,379	2%	Combined 35% Max.
Corporate Notes	\$23,752,365	\$23,955,042	7%	
LGIP	\$76,057,469	\$76,057,469	22%	ORS limit
Collateralized Deposit Accounts	\$27,144,258	\$27,144,258	8%	100%
<b>Total</b>	<b>\$339,997,415</b>	<b>\$341,493,363</b>	<b>100%</b>	



1. Values as of June 30, 2019 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.

## Portfolio Recap

- ◆ Interest rates plummeted in the second quarter, with yields on 2- to 5-year Treasury securities falling around 50 basis points (0.50%) to the lowest levels since 2017. Rates fell in response to slowing global growth expectations, weakness in manufacturing due to renewed trade disputes, low inflation, and expectations for multiple Fed rate cuts in the second half of the year. Much of the yield curve remains inverted, where longer-term yields are lower than short-term yields.
- ◆ U.S. equity markets reached new all-time highs in the quarter and credit-sensitive fixed income assets performed well despite elevated geopolitical risks and yield spreads on corporate bonds widening modestly over the quarter.
- ◆ Our strategy throughout the quarter included the following elements:
  - Broad diversification, generally including the widest range of permitted investments, which reduces the overall risk in the portfolio and provides the opportunity for better returns over the long term.
  - We maintained a portfolio duration in line with the benchmark. Maintaining a neutral duration—despite the inverted yield curve—drove strong market-value returns across most fixed-income sectors as market prices on fixed-income securities tend to rise as yields fall.
  - We continued to reduce federal agency and supranational allocations as their yields did not offer much value compared to treasury alternatives. This has been driven mainly by a lack of new supply, particularly in supranationals. Non-callable agencies generated small out-performance due to their modestly higher yields, but callable agencies underperformed as lower rates increased the likelihood of a call before maturity.
  - Corporate yield spreads remain tight by historical standards but widened briefly amid trade tensions. Corporates generated excess returns for the second consecutive quarter. We focused allocations on high quality issuers with relatively less exposure to international trade risks. We also had a slight preference for industrials over financials in the quarter.
  - Short-term commercial paper and negotiable bank CD yield spreads narrowed in the second quarter, reducing their overall attractiveness. By quarter-end, the money market yield curve was also inverted.

## Investment Strategy Outlook

- ◆ While we expect U.S. and global economic growth to moderate in the second half of the year amid elevated risks to the economy, we do not believe a recession is imminent.
- ◆ The Fed has officially shifted its stance on monetary policy from “patient” to “appropriate,” and rates have continued to move lower. As such, our view is to continue to maintain a portfolio duration in line with the benchmark in order to minimize risk and optimize performance relative to the benchmark in the event yields continue to decline. While market-implied probabilities and economist surveys strongly suggest that the Fed will cut rates as early as July, the key questions of “when” and “how much” will drive our strategy over the rest of the year.
- ◆ Our outlook for each of the major investment-grade fixed-income sectors are as follows:
  - Federal agency spreads are very tight and we expect them to remain so. Although callable agency spreads are wider than they have been in a while, the sharp downward move in rates has reduced the likelihood of outperformance.
  - In supranationals, supply constraints have led us to recalibrate our strategy to account for lower allocations. We will still seek to add supranationals to the portfolio as attractive issues become available.
  - As a result of the Fed’s more accommodative stance and our positive view of the corporate sector, we will maintain corporate allocations and seek to modestly extend the duration of our allocations, while remaining diligent in our issuer and security selection process.
  - Historically tight spreads have also reduced the range of high-quality, short-term credit issues that offer adequate incremental income to warrant purchase. Careful maturity selection around Fed meeting expectations will be an important consideration going forward, particularly with both the Treasury and credit yield curves inverted.



# CITY OF SALEM LONG-TERM PORTFOLIO

**Investment Performance Review  
For the Quarter Ended June 30, 2019**

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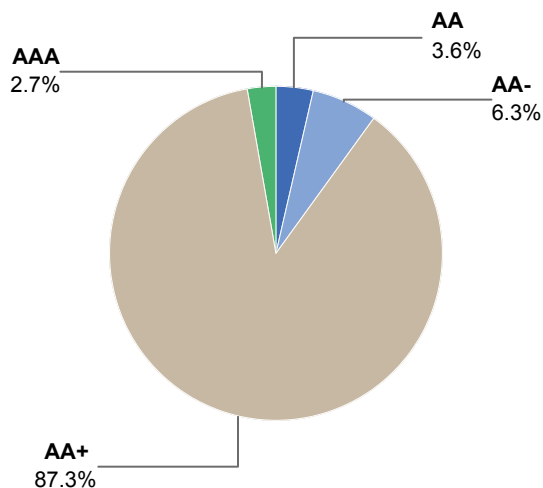
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**Portfolio Statistics**

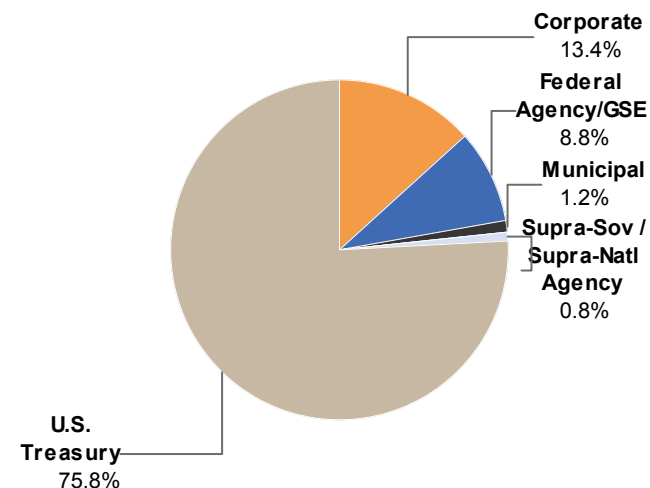
As of June 30, 2019

<b>Par Value:</b>	\$126,655,000
<b>Total Market Value:</b>	\$127,703,494
<b>Security Market Value:</b>	\$127,122,114
<b>Accrued Interest:</b>	\$581,380
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$125,612,129
<b>Yield at Market:</b>	1.87%
<b>Yield at Cost:</b>	2.41%
<b>Effective Duration:</b>	1.72 Years
<b>Duration to Worst:</b>	1.72 Years
<b>Average Maturity:</b>	1.78 Years
<b>Average Credit: *</b>	AA

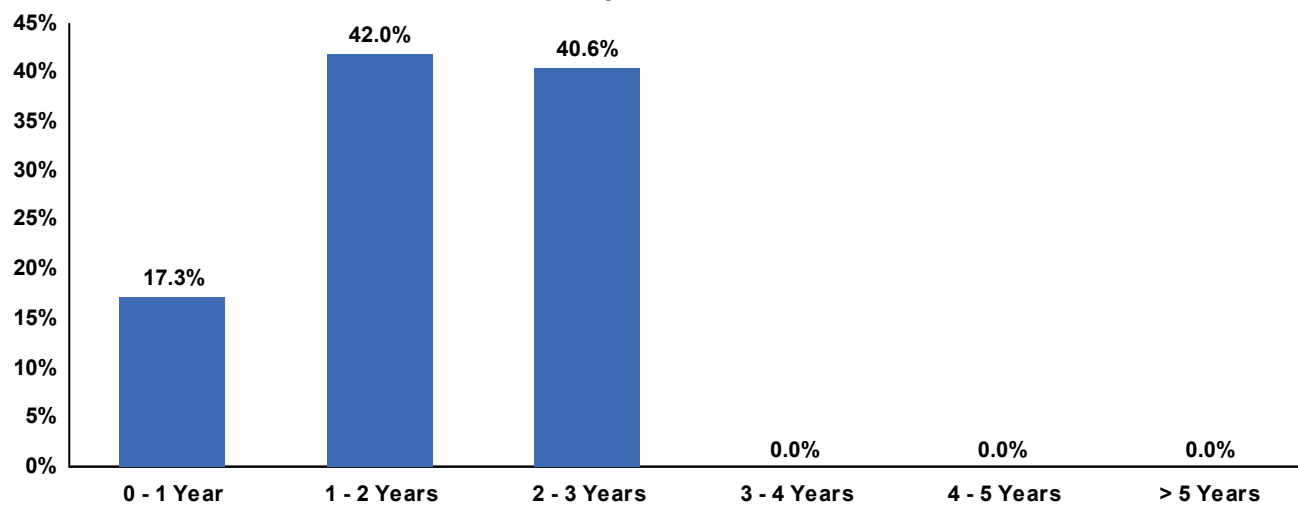
**Credit Quality (S&P Ratings)**



**Sector Allocation**



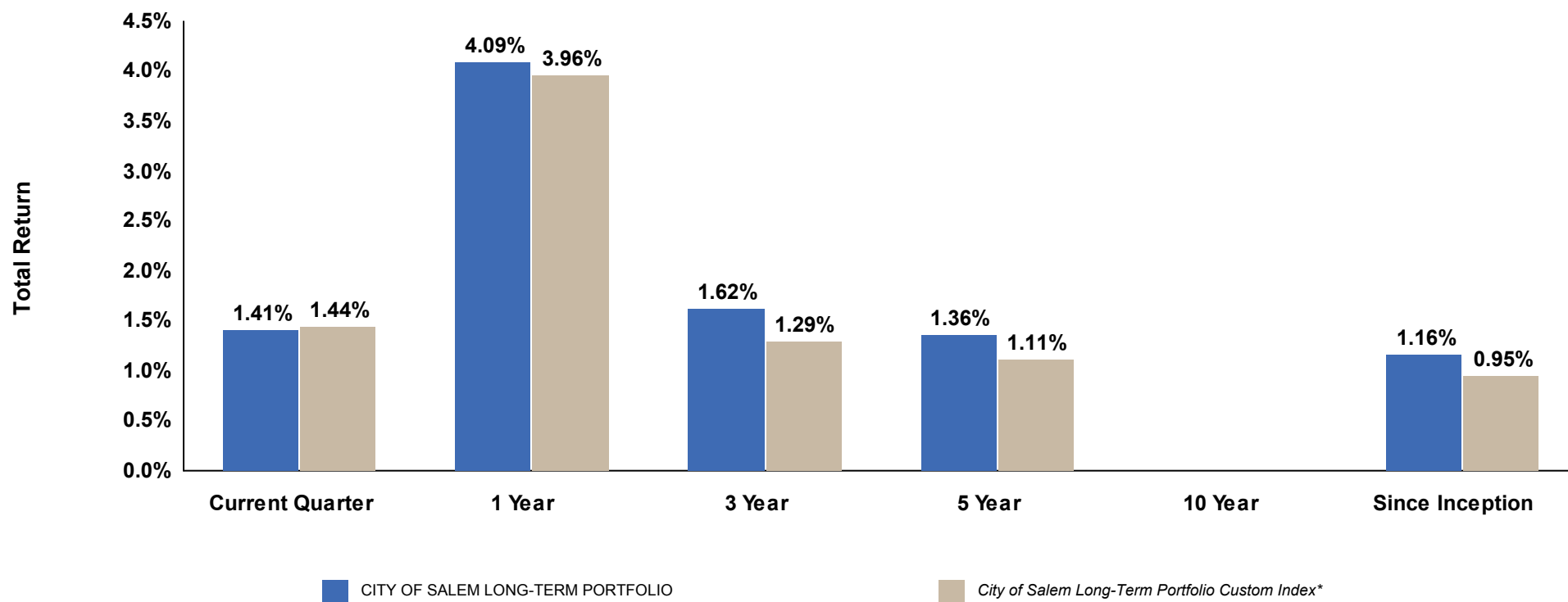
**Maturity Distribution**



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

Portfolio 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	1.72	1.41%	4.09%	1.62%	1.36%	-	1.16%
City of Salem Long-Term Portfolio Custom Index*	1.81	1.44%	3.96%	1.29%	1.11%	-	0.95%
Difference		-0.03%	0.13%	0.33%	0.25%	-	0.21%



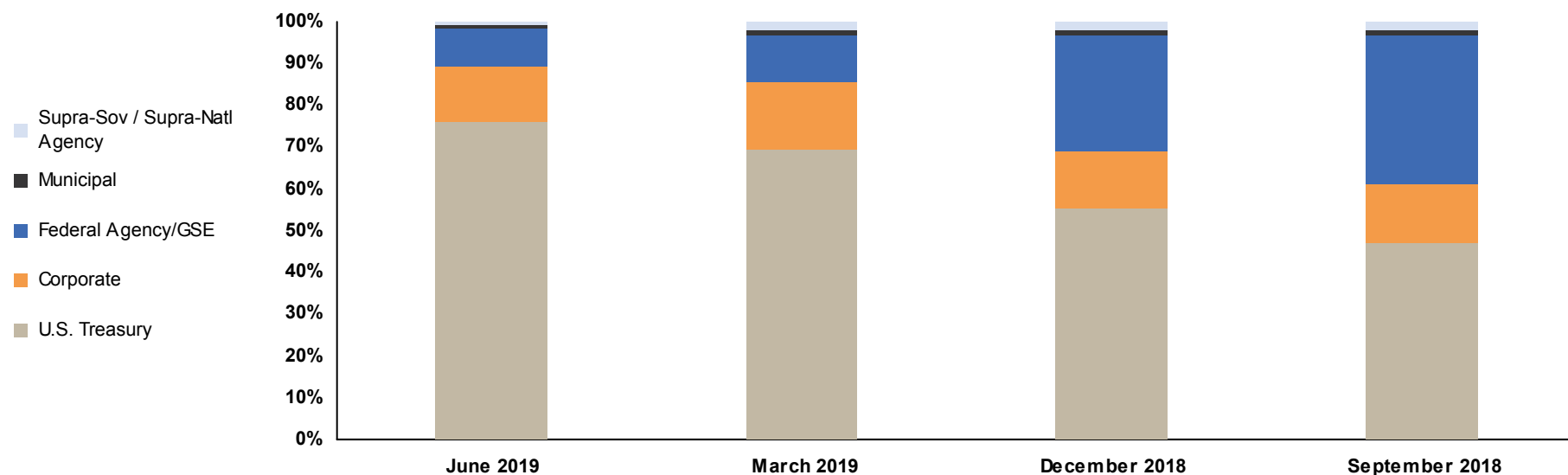
Portfolio performance is gross of fees unless otherwise indicated. \*Performance benchmark was the ICE Bank of America Merrill Lynch (ICE BAML) 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BAML 1-3 Year U.S. Treasury Index beginning 6/30/2016.

**Portfolio Earnings***Quarter-Ended June 30, 2019*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2019)</b>	\$127,400,793.85	\$126,943,742.34
<b>Net Purchases/Sales</b>	(\$1,442,454.53)	(\$1,442,454.53)
<b>Change in Value</b>	\$1,163,774.87	\$110,841.03
<b>Ending Value (06/30/2019)</b>	\$127,122,114.19	\$125,612,128.84
<b>Interest Earned</b>	\$630,735.49	\$630,735.49
<b>Portfolio Earnings</b>	\$1,794,510.36	\$741,576.52

Sector Allocation

Sector	June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	96.4	75.8%	88.3	69.4%	69.9	55.1%	59.3	47.1%
Corporate	17.1	13.4%	20.3	15.9%	17.7	14.0%	17.6	14.0%
Federal Agency/GSE	11.2	8.8%	14.6	11.4%	35.0	27.6%	44.7	35.6%
Municipal	1.5	1.2%	1.5	1.2%	1.5	1.2%	1.5	1.2%
Supra-Sov / Supra-Natl Agency	1.0	0.8%	2.7	2.1%	2.7	2.1%	2.7	2.1%
<b>Total</b>	<b>\$127.1</b>	<b>100.0%</b>	<b>\$127.4</b>	<b>100.0%</b>	<b>\$126.7</b>	<b>100.0%</b>	<b>\$125.9</b>	<b>100.0%</b>



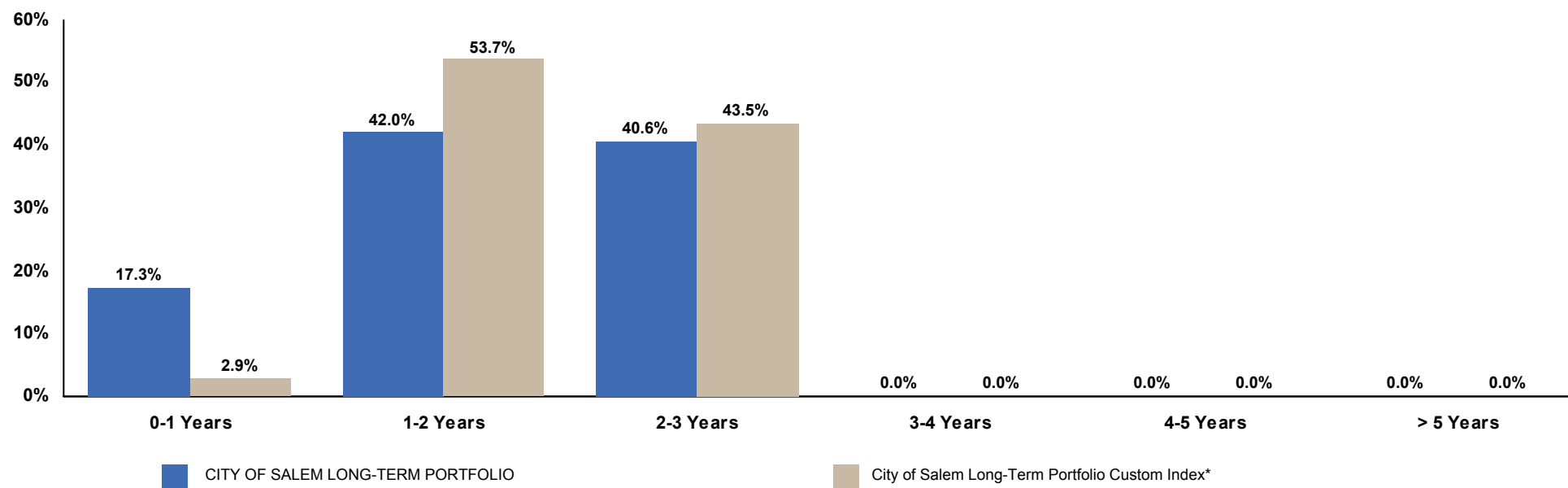
Detail may not add to total due to rounding.



**Maturity Distribution**

*As of June 30, 2019*

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	1.87%	1.78 yrs	17.3%	42.0%	40.6%	0.0%	0.0%	0.0%
City of Salem Long-Term Portfolio Custom Index*	1.80%	1.94 yrs	2.9%	53.7%	43.5%	0.0%	0.0%	0.0%



Portfolio performance is gross of fees unless otherwise indicated. \*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 June 30, 2019**

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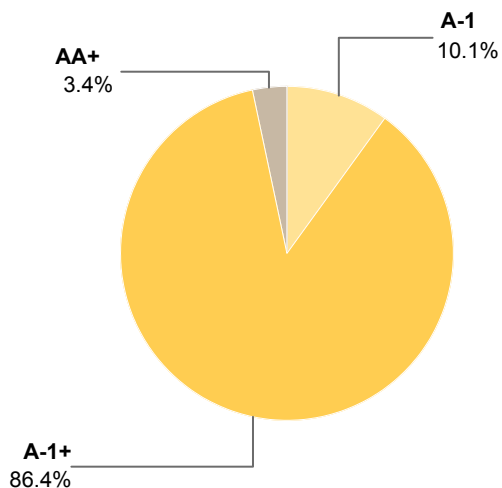
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**Portfolio Statistics**

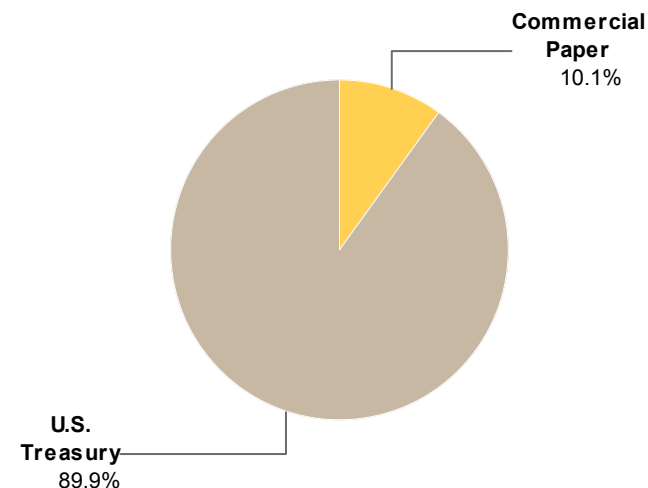
As of June 30, 2019

<b>Par Value:</b>	\$51,250,000
<b>Total Market Value:</b>	\$50,952,712
<b>Security Market Value:</b>	\$50,947,189
<b>Accrued Interest:</b>	\$5,523
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$50,906,913
<b>Yield at Market:</b>	2.06%
<b>Yield at Cost:</b>	2.46%
<b>Effective Duration:</b>	0.30 Years
<b>Duration to Worst:</b>	0.30 Years
<b>Average Maturity:</b>	0.30 Years
<b>Average Credit: *</b>	AA

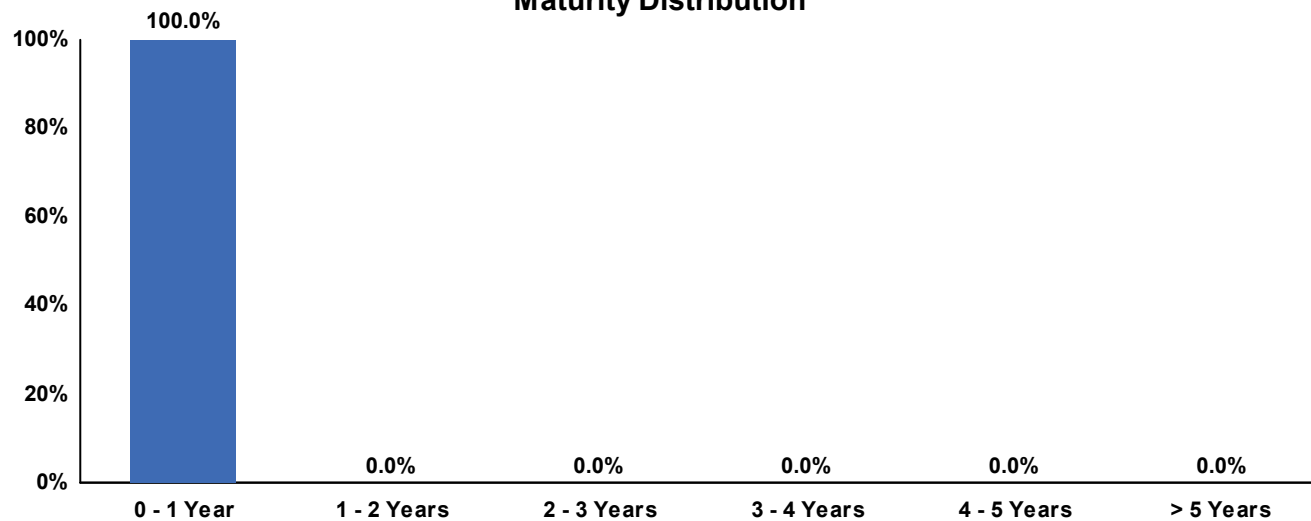
**Credit Quality (S&P Ratings)**



**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 June 30, 2019*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2019)</b>	\$81,595,963.75	\$81,575,663.82
<b>Net Purchases/Sales</b>	(\$31,098,623.07)	(\$31,098,623.07)
<b>Change in Value</b>	\$449,848.32	\$429,872.74
<b>Ending Value (06/30/2019)</b>	\$50,947,189.00	\$50,906,913.49
<b>Interest Earned</b>	\$4,518.44	\$4,518.44
<b>Portfolio Earnings</b>	\$454,366.76	\$434,391.18



# CITY OF SALEM STREETS & BRIDGES GO BONDS

**Investment Performance Review  
For the Quarter Ended June 30, 2019**

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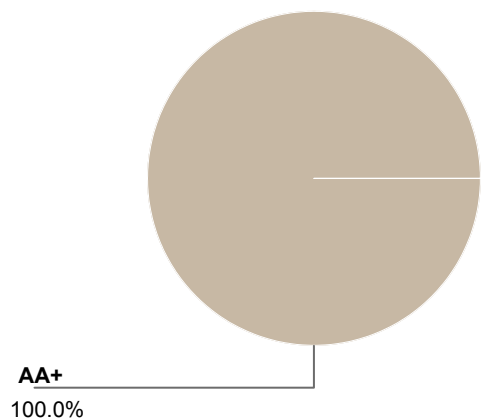
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**Portfolio Statistics**

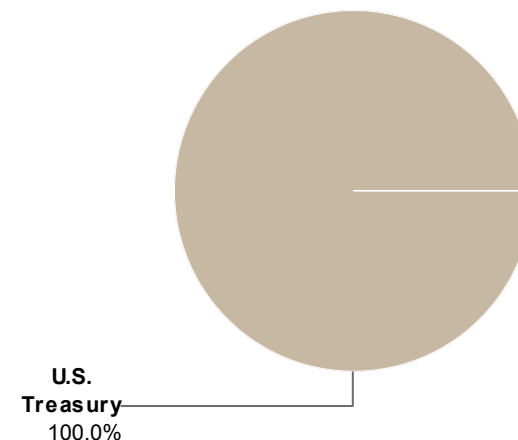
As of June 30, 2019

<b>Par Value:</b>	\$1,930,000
<b>Total Market Value:</b>	\$1,924,720
<b>Security Market Value:</b>	\$1,920,622
<b>Accrued Interest:</b>	\$4,098
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$1,914,693
<b>Yield at Market:</b>	2.01%
<b>Yield at Cost:</b>	2.38%
<b>Effective Duration:</b>	0.84 Years
<b>Duration to Worst:</b>	0.84 Years
<b>Average Maturity:</b>	0.86 Years
<b>Average Credit: *</b>	AA

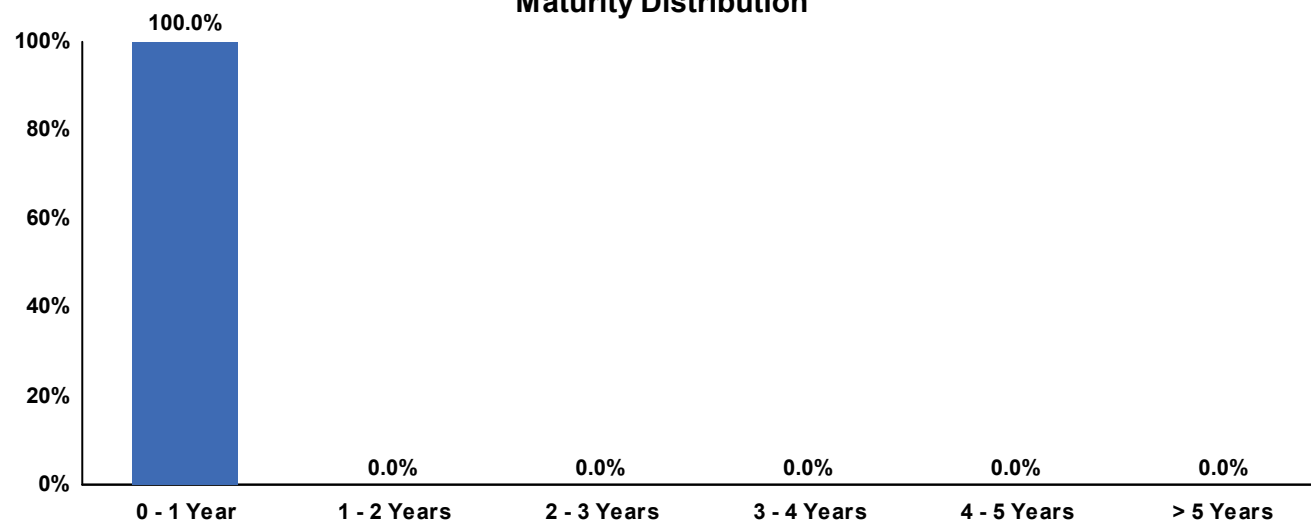
**Credit Quality (S&P Ratings)**



**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 June 30, 2019*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2019)</b>	\$1,926,593.71	\$1,926,531.51
<b>Net Purchases/Sales</b>	(\$18,510.93)	(\$18,510.93)
<b>Change in Value</b>	\$12,539.20	\$6,672.73
<b>Ending Value (06/30/2019)</b>	\$1,920,621.98	\$1,914,693.31
<b>Interest Earned</b>	\$4,782.02	\$4,782.02
<b>Portfolio Earnings</b>	\$17,321.22	\$11,454.75



# CITY OF SALEM POLICE FACILITY BONDS 2017

**Investment Performance Review  
For the Quarter Ended June 30, 2019**

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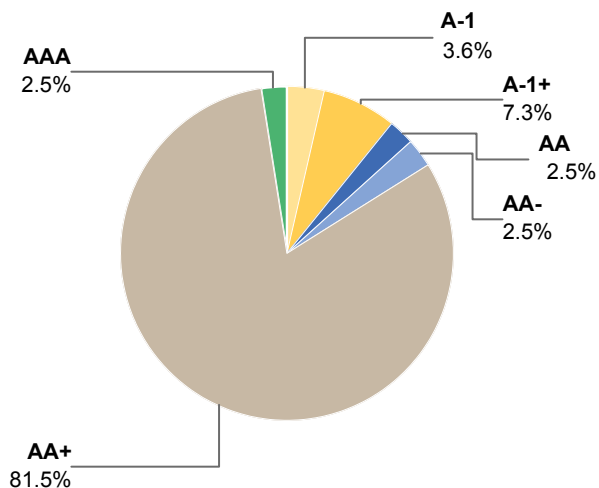


**Portfolio Statistics**

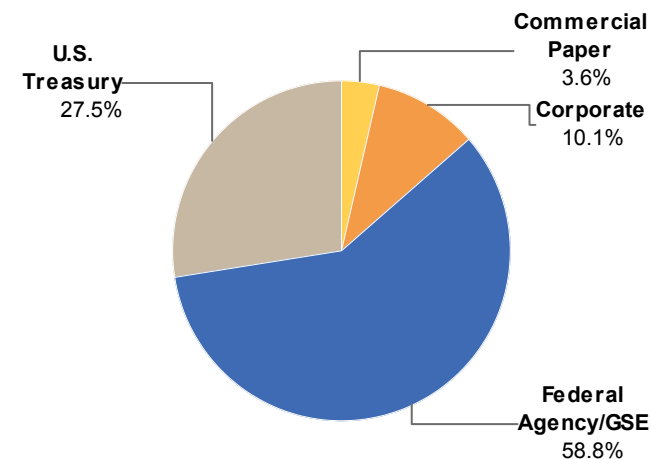
As of June 30, 2019

<b>Par Value:</b>	\$41,585,000
<b>Total Market Value:</b>	\$41,575,339
<b>Security Market Value:</b>	\$41,443,549
<b>Accrued Interest:</b>	\$131,790
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$41,567,559
<b>Yield at Market:</b>	2.13%
<b>Yield at Cost:</b>	1.57%
<b>Effective Duration:</b>	0.56 Years
<b>Duration to Worst:</b>	0.57 Years
<b>Average Maturity:</b>	0.58 Years
<b>Average Credit: *</b>	AA

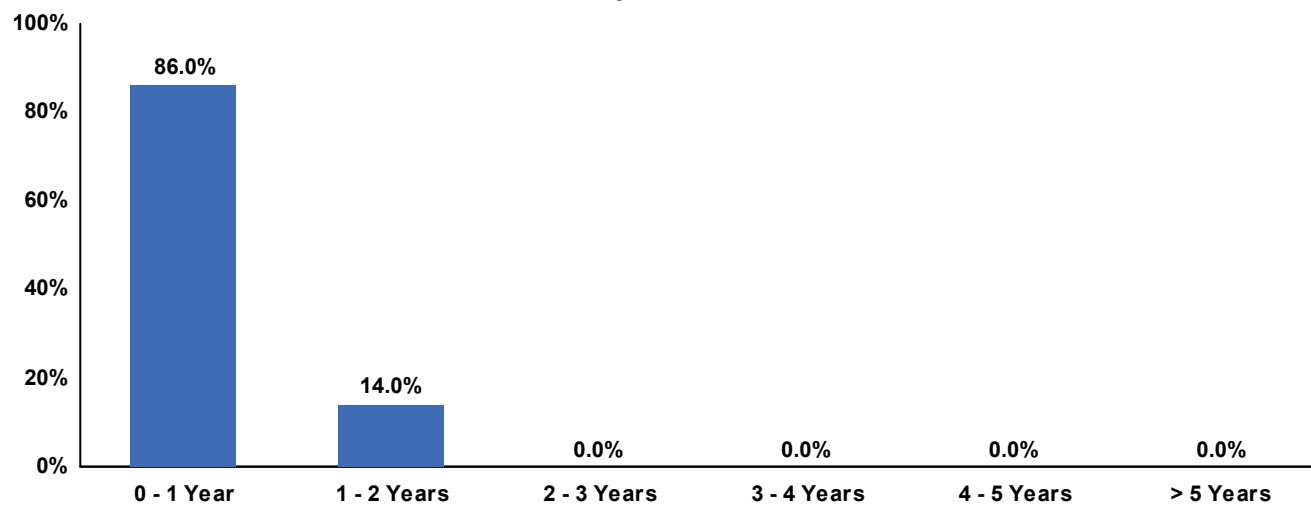
**Credit Quality (S&P Ratings)**



**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 June 30, 2019*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2019)</b>	\$44,012,209.43	\$44,320,402.82
<b>Net Purchases/Sales</b>	(\$2,778,870.14)	(\$2,778,870.14)
<b>Change in Value</b>	\$210,209.80	\$26,026.46
<b>Ending Value (06/30/2019)</b>	\$41,443,549.09	\$41,567,559.14
<b>Interest Earned</b>	\$144,245.07	\$144,245.07
<b>Portfolio Earnings</b>	\$354,454.87	\$170,271.53



# CITY OF SALEM LIBRARY PROJ GO BONDS 2018

**Investment Performance Review  
For the Quarter Ended June 30, 2019**

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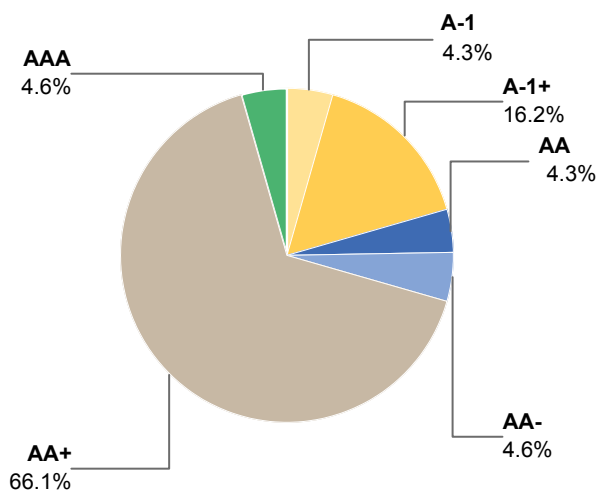
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**Portfolio Statistics**

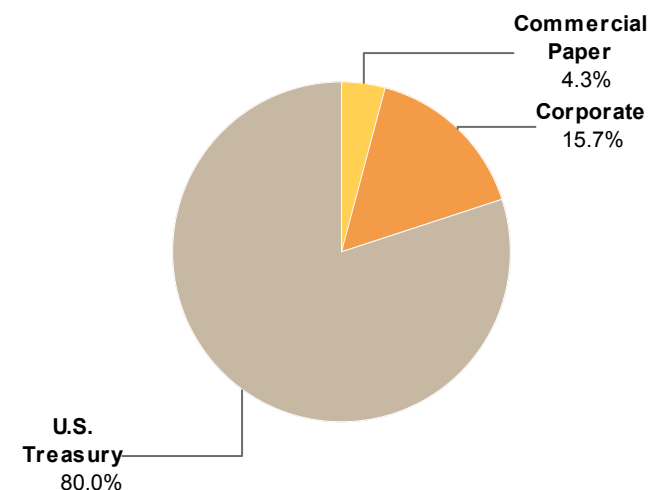
As of June 30, 2019

<b>Par Value:</b>	\$16,135,000
<b>Total Market Value:</b>	\$16,135,372
<b>Security Market Value:</b>	\$16,088,948
<b>Accrued Interest:</b>	\$46,424
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$16,025,179
<b>Yield at Market:</b>	1.99%
<b>Yield at Cost:</b>	2.38%
<b>Effective Duration:</b>	0.92 Years
<b>Duration to Worst:</b>	0.92 Years
<b>Average Maturity:</b>	0.94 Years
<b>Average Credit: *</b>	AA

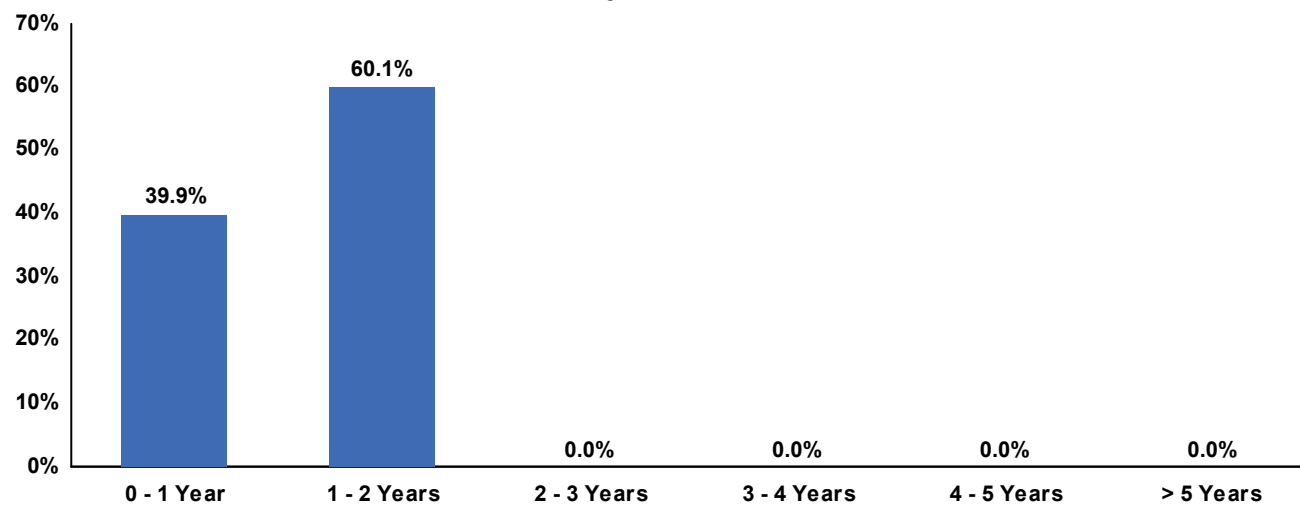
**Credit Quality (S&P Ratings)**



**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 June 30, 2019*

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (03/31/2019)</b>	\$16,015,354.03	\$16,018,214.83
<b>Net Purchases/Sales</b>	(\$32,347.47)	(\$32,347.47)
<b>Change in Value</b>	\$105,941.19	\$39,311.88
<b>Ending Value (06/30/2019)</b>	\$16,088,947.75	\$16,025,179.24
<b>Interest Earned</b>	\$55,724.08	\$55,724.08
<b>Portfolio Earnings</b>	\$161,665.27	\$95,035.96

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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>									
5/8/19	5/13/19	1,750,000	912828WZ9	US TREASURY N/B NOTES	1.75%	4/30/22	1,727,156.08	2.23%	
5/10/19	5/16/19	5,400,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	5,352,933.42	2.21%	
<b>Total BUY</b>		<b>7,150,000</b>					<b>7,080,089.50</b>		
<b>INTEREST</b>									
4/1/19	4/1/19	1,480,000	13063DGA0	CA ST TXBL GO BONDS	2.80%	4/1/21	20,720.00		
4/13/19	4/13/19	3,100,000	3135G0U27	FANNIE MAE NOTES	2.50%	4/13/21	38,750.00		
4/15/19	4/15/19	9,965,000	9128285F3	UNITED STATES TREASURY NOTES	2.87%	10/15/21	143,246.88		
4/30/19	4/30/19	2,500,000	912828VA5	US TREASURY NOTES	1.12%	4/30/20	14,062.50		
4/30/19	4/30/19	2,500,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	17,187.50		
4/30/19	4/30/19	6,500,000	912828L99	US TREASURY NOTES	1.37%	10/31/20	44,687.50		
5/13/19	5/13/19	1,750,000	458182DX7	INTER-AMERICAN DEVELOPMENT BANK	1.00%	5/13/19	8,750.00		
5/13/19	5/13/19	2,500,000	037833BD1	APPLE INC CORP NOTE	2.00%	5/6/20	25,000.00		
5/15/19	5/15/19	1,015,000	9128284P2	US TREASURY NOTES	2.62%	5/15/21	13,321.88		
5/16/19	5/16/19	2,000,000	166764BH2	CHEVRON CORP NOTES	1.56%	5/16/19	15,610.00		
5/19/19	5/19/19	875,000	02079KAA5	ALPHABET INC CORP NOTE	3.62%	5/19/21	15,859.38		
5/30/19	5/30/19	1,335,000	191216BV1	COCA-COLA COMPANY CORP NOTES	1.37%	5/30/19	9,178.13		
5/31/19	5/31/19	4,000,000	9128284Q0	US TREASURY N/B NOTES	2.50%	5/31/20	50,000.00		
5/31/19	5/31/19	2,500,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	25,000.00		
5/31/19	5/31/19	5,200,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	52,000.00		
5/31/19	5/31/19	5,000,000	912828U65	US TREASURY NOTES	1.75%	11/30/21	43,750.00		
5/31/19	5/31/19	5,350,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	43,468.75		
6/23/19	6/23/19	2,500,000	931142EJ8	WAL-MART STORES INC CORP NOTES	3.12%	6/23/21	39,062.50		
6/30/19	6/30/19	4,000,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	32,500.00		

## 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)
6/30/19	6/30/19	1,100,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	8,937.50		
6/30/19	6/30/19	5,000,000	912828S27	US TREASURY N/B	1.12%	6/30/21	28,125.00		
<b>Total INTEREST</b>		<b>70,170,000</b>					<b>689,217.52</b>		
<b>MATURITY</b>									
5/13/19	5/13/19	1,750,000	458182DX7	INTER-AMERICAN DEVELOPMENT BANK	1.00%	5/13/19	1,750,000.00		0.00
5/16/19	5/16/19	2,000,000	166764BH2	CHEVRON CORP NOTES	1.56%	5/16/19	2,000,000.00		0.00
5/30/19	5/30/19	1,335,000	191216BV1	COCA-COLA COMPANY CORP NOTES	1.37%	5/30/19	1,335,000.00		0.00
<b>Total MATURITY</b>		<b>5,085,000</b>					<b>5,085,000.00</b>		<b>0.00</b>
<b>SELL</b>									
5/10/19	5/16/19	3,450,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	3,436,851.67	2.45%	(17,736.38)
<b>Total SELL</b>		<b>3,450,000</b>					<b>3,436,851.67</b>		<b>-17,736.38</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>									
4/26/19	4/29/19	1,750,000	912828X21	US TREASURY N/B NOTES	1.50%	4/15/20	1,736,170.12	2.40%	
5/2/19	5/6/19	2,500,000	912796RM3	UNITED STATES TREASURY BILL	0.00%	11/7/19	2,470,117.36	2.35%	
5/8/19	5/9/19	5,250,000	912796RM3	UNITED STATES TREASURY BILL	0.00%	11/7/19	5,186,963.54	2.40%	
5/10/19	5/16/19	13,500,000	912796RM3	UNITED STATES TREASURY BILL	0.00%	11/7/19	13,344,403.13	2.40%	
6/19/19	6/20/19	5,250,000	62479LCD5	MUFG BANK LTD/NY COMM PAPER	0.00%	3/13/20	5,164,726.88	2.23%	
<b>Total BUY</b>		<b>28,250,000</b>					<b>27,902,381.03</b>		
<b>MATURITY</b>									
4/25/19	4/25/19	1,750,000	912796QC6	UNITED STATES TREASURY BILL	0.00%	4/25/19	1,750,000.00		0.00
5/3/19	5/3/19	2,500,000	89233HS39	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	5/3/19	2,500,000.00		0.00
5/9/19	5/9/19	5,250,000	912796RP6	UNITED STATES TREASURY BILL	0.00%	5/9/19	5,250,000.00		0.00
5/16/19	5/16/19	13,500,000	912796RQ4	UNITED STATES TREASURY BILL	0.00%	5/16/19	13,500,000.00		0.00
5/23/19	5/23/19	5,000,000	912796QH5	UNITED STATES TREASURY BILL	0.00%	5/23/19	5,000,000.00		0.00
5/23/19	5/23/19	13,500,000	912796QH5	UNITED STATES TREASURY BILL	0.00%	5/23/19	13,500,000.00		0.00
5/24/19	5/24/19	1,000,000	62479MSQ7	MUFG BANK LTD/NY COMM PAPER	0.00%	5/24/19	1,000,000.00		0.00
5/24/19	5/24/19	1,500,000	89233HSQ8	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	5/24/19	1,500,000.00		0.00
5/28/19	5/28/19	1,500,000	46640QSU6	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	5/28/19	1,500,000.00		0.00
5/28/19	5/28/19	1,000,000	09659CSU3	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	5/28/19	1,000,000.00		0.00
5/30/19	5/30/19	3,750,000	912796RR2	UNITED STATES TREASURY BILL	0.00%	5/30/19	3,750,000.00		0.00
5/30/19	5/30/19	3,500,000	62479MSW4	MUFG BANK LTD/NY COMM PAPER	0.00%	5/30/19	3,500,000.00		0.00
6/20/19	6/20/19	5,250,000	912796QM4	UNITED STATES TREASURY BILL	0.00%	6/20/19	5,250,000.00		0.00
<b>Total MATURITY</b>		<b>59,000,000</b>					<b>59,000,000.00</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>									
4/10/19	4/11/19	1,000,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	995,489.25	2.41%	
5/10/19	5/16/19	930,000	912828X96	US TREASURY N/B NOTES	1.50%	5/15/20	922,191.04	2.36%	
<b>Total BUY</b>		<b>1,930,000</b>					<b>1,917,680.29</b>		
<b>INTEREST</b>									
4/30/19	4/30/19	1,000,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	6,875.00		
<b>Total INTEREST</b>		<b>1,000,000</b>					<b>6,875.00</b>		
<b>MATURITY</b>									
4/11/19	4/11/19	1,000,000	912796RG6	UNITED STATES TREASURY BILL	0.00%	4/11/19	1,000,000.00		0.00
5/16/19	5/16/19	930,000	912796RQ4	UNITED STATES TREASURY BILL	0.00%	5/16/19	930,000.00		0.00
<b>Total MATURITY</b>		<b>1,930,000</b>					<b>1,930,000.00</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>									
5/2/19	5/6/19	2,000,000	912796RM3	UNITED STATES TREASURY BILL	0.00%	11/7/19	1,976,129.86	2.35%	
<b>Total BUY</b>		<b>2,000,000</b>					<b>1,976,129.86</b>		
<b>INTEREST</b>									
4/2/19	4/2/19	2,570,000	3137EADM8	FREDDIE MAC GLOBAL NOTES	1.25%	10/2/19	16,062.50		
4/20/19	4/20/19	2,500,000	3137EAEF2	FHLMC AGENCY NOTES	1.37%	4/20/20	17,187.50		
5/15/19	5/15/19	1,050,000	166764AN0	CHEVRON CORP (CALLABLE) NOTE	2.19%	11/15/19	11,513.25		
5/15/19	5/15/19	1,515,000	3130AA3R7	FHLB NOTES	1.37%	11/15/19	10,415.63		
5/28/19	5/28/19	2,390,000	3130ABF92	FEDERAL HOME LOAN BANK AGENCY NOTES	1.37%	5/28/19	16,431.25		
5/31/19	5/31/19	2,500,000	912828XE5	US TREASURY NOTES	1.50%	5/31/20	18,750.00		
6/21/19	6/21/19	2,365,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	13,303.13		
6/22/19	6/22/19	2,480,000	3135G0D75	FNMA BENCHMARK NOTES	1.50%	6/22/20	18,600.00		
6/30/19	6/30/19	2,550,000	912828G95	US TREASURY NOTES	1.62%	12/31/19	20,718.75		
6/30/19	6/30/19	2,060,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	18,025.00		
<b>Total INTEREST</b>		<b>21,980,000</b>					<b>161,007.01</b>		
<b>MATURITY</b>									
5/28/19	5/28/19	2,390,000	3130ABF92	FEDERAL HOME LOAN BANK AGENCY NOTES	1.37%	5/28/19	2,390,000.00		0.00
6/21/19	6/21/19	2,365,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	2,365,000.00		0.00
<b>Total MATURITY</b>		<b>4,755,000</b>					<b>4,755,000.00</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>									
4/22/19	4/23/19	1,150,000	912796SN0	UNITED STATES TREASURY BILL	0.00%	10/17/19	1,136,458.27	2.42%	
5/10/19	5/16/19	950,000	912796RM3	UNITED STATES TREASURY BILL	0.00%	11/7/19	939,050.59	2.40%	
6/13/19	6/14/19	700,000	09659CZD3	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	12/13/19	692,143.67	2.25%	
<b>Total BUY</b>		<b>2,800,000</b>					<b>2,767,652.53</b>		
<b>INTEREST</b>									
4/1/19	4/1/19	360,000	594918AH7	MICROSOFT CORP NOTES	3.00%	10/1/20	5,400.00		
4/17/19	4/17/19	370,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	3,607.50		
4/25/19	4/25/19	370,000	742718EZ8	THE PROCTER & GAMBLE CO CORP NOTES	1.75%	10/25/19	3,237.50		
4/30/19	4/30/19	840,000	912828L99	US TREASURY NOTES	1.37%	10/31/20	5,775.00		
4/30/19	4/30/19	530,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	3,643.75		
5/11/19	5/11/19	375,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	3,375.00		
5/31/19	5/31/19	525,000	912828XE5	US TREASURY NOTES	1.50%	5/31/20	3,937.50		
5/31/19	5/31/19	1,200,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	9,750.00		
6/15/19	6/15/19	320,000	717081EB5	PFIZER INC CORP NOTE	1.70%	12/15/19	2,720.00		
6/30/19	6/30/19	1,195,000	912828A83	US TREASURY NOTES	2.37%	12/31/20	14,190.63		
6/30/19	6/30/19	900,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	7,312.50		
<b>Total INTEREST</b>		<b>6,985,000</b>					<b>62,949.38</b>		
<b>MATURITY</b>									
4/17/19	4/17/19	750,000	62479MRH8	MUFG BANK LTD/NY COMM PAPER	0.00%	4/17/19	750,000.00		0.00
4/18/19	4/18/19	400,000	89233HRJ5	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	4/18/19	400,000.00		0.00

## CITY OF SALEM LIBRARY PROJ GO BONDS 2018

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/16/19	5/16/19	950,000	912796RQ4	UNITED STATES TREASURY BILL	0.00%	5/16/19	950,000.00		0.00
6/13/19	6/13/19	700,000	912796RU5	UNITED STATES TREASURY BILL	0.00%	6/13/19	700,000.00		0.00
<b>Total MATURITY</b>		<b>2,800,000</b>					<b>2,800,000.00</b>		<b>0.00</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 04/01/2013 1.125% 03/31/2020	912828UV0	2,930,000.00	AA+	Aaa	3/15/2017	3/17/2017	2,879,526.17	1.71	8,285.66	2,917,330.80	2,910,773.34
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	5,791.44	2,471,309.58	2,486,817.50
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	4,738.45	2,492,487.93	2,481,640.00
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	8,469.95	3,997,414.88	4,017,656.00
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	176.63	3,962,496.60	3,986,876.00
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	48.57	1,101,042.42	1,096,390.90
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	15,057.74	6,469,654.95	6,457,854.00
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	7,363.56	5,317,271.48	5,333,072.60
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	28,677.49	4,944,266.40	4,964,845.00
US TREASURY N/B DTD 02/28/2019 2.500% 02/28/2021	9128286D7	7,440,000.00	AA+	Aaa	3/7/2019	3/11/2019	7,443,778.13	2.47	62,168.48	7,443,221.07	7,522,829.52
US TREASURY 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	3,402.87	1,014,546.53	1,030,661.45
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	8,808.74	5,133,339.54	5,222,344.40
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	4,234.97	2,471,703.75	2,510,742.50
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	152.85	4,847,582.15	4,938,670.00
US TREASURY NOTES 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	20,148.57	6,864,041.67	7,030,928.63

## 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 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	3,534.84	1,211,737.46	1,233,496.25
UNITED STATES TREASURY NOTES DTD 10/15/2018 2.875% 10/15/2021	9128285F3	9,965,000.00	AA+	Aaa	11/9/2018	11/13/2018	9,932,691.60	2.99	60,273.28	9,939,556.37	10,218,409.95
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	5,000,000.00	AA+	Aaa	12/4/2018	12/7/2018	4,850,390.63	2.80	7,411.20	4,877,859.65	5,001,560.00
US TREASURY NOTES DTD 01/15/2019 2.500% 01/15/2022	9128285V8	8,100,000.00	AA+	Aaa	1/30/2019	1/31/2019	8,085,761.72	2.56	93,418.51	8,087,748.02	8,253,138.60
US TREASURY N/B NOTES DTD 02/28/2017 1.875% 02/28/2022	912828W55	2,500,000.00	AA+	Aaa	2/26/2019	2/27/2019	2,458,203.13	2.46	15,667.46	2,462,752.68	2,509,277.50
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	5,400,000.00	AA+	Aaa	5/10/2019	5/16/2019	5,348,531.25	2.21	17,058.42	5,350,653.13	5,421,724.20
US TREASURY N/B NOTES DTD 04/30/2015 1.750% 04/30/2022	912828WZ9	1,750,000.00	AA+	Aaa	5/8/2019	5/13/2019	1,726,074.22	2.23	5,159.65	1,727,120.61	1,751,503.25
<b>Security Type Sub-Total</b>		<b>96,125,000.00</b>					<b>94,566,417.02</b>	<b>2.45</b>	<b>380,049.33</b>	<b>95,105,137.67</b>	<b>96,381,211.59</b>
<b>Supra-National Agency Bond / Note</b>											
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	3,077.34	974,923.31	972,328.50
<b>Security Type Sub-Total</b>		<b>975,000.00</b>					<b>973,966.50</b>	<b>1.16</b>	<b>3,077.34</b>	<b>974,923.31</b>	<b>972,328.50</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	10,360.00	1,480,025.90	1,503,102.80
<b>Security Type Sub-Total</b>		<b>1,480,000.00</b>					<b>1,480,059.20</b>	<b>2.80</b>	<b>10,360.00</b>	<b>1,480,025.90</b>	<b>1,503,102.80</b>
<b>Federal Agency Bond / Note</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>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	700,000.00	AA+	Aaa	8/4/2016	8/8/2016	699,321.00	0.91	2,484.03	699,978.33	699,091.40
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	30,750.00	5,997,990.36	5,976,942.00
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	4,972.92	1,398,148.54	1,390,754.40
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	16,791.67	3,097,213.19	3,136,161.50
<b>Security Type Sub-Total</b>		<b>11,200,000.00</b>					<b>11,181,208.00</b>	<b>1.78</b>	<b>54,998.62</b>	<b>11,193,330.42</b>	<b>11,202,949.30</b>
<b>Corporate Note</b>											
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	6,666.67	2,504,603.65	2,497,030.00
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	20,000.00	2,508,379.73	2,497,302.50
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	39,194.44	2,038,593.00	2,065,916.00
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	9,395.83	1,236,680.70	1,250,716.25
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	3,700.52	886,684.61	901,264.00
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	1,736.11	2,499,911.63	2,554,550.00
TOYOTA MOTOR CREDIT CORP BONDS DTD 01/09/2017 2.600% 01/11/2022	89236TDP7	2,750,000.00	AA-	Aa3	1/8/2019	1/10/2019	2,705,972.50	3.16	33,763.89	2,712,668.04	2,778,773.25
JOHNSON & JOHNSON CORP NOTES DTD 03/03/2017 2.250% 03/03/2022	478160CD4	2,500,000.00	AAA	Aaa	3/5/2019	3/7/2019	2,467,900.00	2.70	18,437.50	2,471,190.18	2,516,970.00

## 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>Security Type Sub-Total</b>		<b>16,875,000.00</b>					<b>16,896,917.50</b>	<b>2.61</b>	<b>132,894.96</b>	<b>16,858,711.54</b>	<b>17,062,522.00</b>
<b>Managed Account Sub Total</b>		<b>126,655,000.00</b>					<b>125,098,568.22</b>	<b>2.41</b>	<b>581,380.25</b>	<b>125,612,128.84</b>	<b>127,122,114.19</b>
<b>Securities Sub-Total</b>		<b>\$126,655,000.00</b>					<b>\$125,098,568.22</b>	<b>2.41%</b>	<b>\$581,380.25</b>	<b>\$125,612,128.84</b>	<b>\$127,122,114.19</b>
<b>Accrued Interest</b>											<b>\$581,380.25</b>
<b>Total Investments</b>											<b>\$127,703,494.44</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 04/17/2017 1.500% 04/15/2020	912828X21	1,750,000.00	AA+	Aaa	4/26/2019	4/29/2019	1,735,166.02	2.40	5,522.54	1,737,806.23	1,742,753.25
<b>Security Type Sub-Total</b>		<b>1,750,000.00</b>					<b>1,735,166.02</b>	<b>2.40</b>	<b>5,522.54</b>	<b>1,737,806.23</b>	<b>1,742,753.25</b>
<b>U.S. Treasury Bill</b>											
UNITED STATES TREASURY BILL DTD 01/17/2019 0.000% 07/18/2019	912796QR3	7,000,000.00	A-1+	P-1	11/27/2018	11/29/2018	6,887,317.56	2.55	0.00	6,991,707.38	6,993,217.00
UNITED STATES TREASURY BILL DTD 08/16/2018 0.000% 08/15/2019	912796QV4	6,000,000.00	A-1+	P-1	11/29/2018	12/3/2018	5,892,266.75	2.58	0.00	5,980,988.22	5,984,304.00
UNITED STATES TREASURY BILL DTD 08/16/2018 0.000% 08/15/2019	912796QV4	5,000,000.00	A-1+	P-1	11/27/2018	11/29/2018	4,908,778.04	2.58	0.00	4,984,150.60	4,986,920.00
UNITED STATES TREASURY BILL DTD 09/13/2018 0.000% 09/12/2019	912796RA9	5,000,000.00	A-1+	P-1	11/27/2018	11/29/2018	4,898,704.94	2.59	0.00	4,974,235.05	4,979,090.00
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	2,500,000.00	A-1+	P-1	5/2/2019	5/6/2019	2,470,117.36	2.35	0.00	2,479,162.90	2,481,522.50
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	5,250,000.00	A-1+	P-1	5/8/2019	5/9/2019	5,186,963.54	2.40	0.00	5,205,320.30	5,211,197.25
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	13,500,000.00	A-1+	P-1	5/10/2019	5/16/2019	13,344,403.13	2.40	0.00	13,385,302.79	13,400,221.50
<b>Security Type Sub-Total</b>		<b>44,250,000.00</b>					<b>43,588,551.32</b>	<b>2.49</b>	<b>0.00</b>	<b>44,000,867.24</b>	<b>44,036,472.25</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 06/17/2019 0.000% 03/13/2020	62479LCD5	5,250,000.00	A-1	P-1	6/19/2019	6/20/2019	5,164,726.88	2.23	0.00	5,168,240.02	5,167,963.50
<b>Security Type Sub-Total</b>		<b>5,250,000.00</b>					<b>5,164,726.88</b>	<b>2.23</b>	<b>0.00</b>	<b>5,168,240.02</b>	<b>5,167,963.50</b>
<b>Managed Account Sub Total</b>		<b>51,250,000.00</b>					<b>50,488,444.22</b>	<b>2.46</b>	<b>5,522.54</b>	<b>50,906,913.49</b>	<b>50,947,189.00</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>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	1,000,000.00	AA+	Aaa	4/10/2019	4/11/2019	989,335.94	2.41	2,316.58	991,562.39	994,727.00
US TREASURY N/B NOTES DTD 05/15/2017 1.500% 05/15/2020	912828X96	930,000.00	AA+	Aaa	5/10/2019	5/16/2019	922,153.13	2.36	1,781.66	923,130.92	925,894.98
<b>Security Type Sub-Total</b>		<b>1,930,000.00</b>					<b>1,911,489.07</b>	<b>2.38</b>	<b>4,098.24</b>	<b>1,914,693.31</b>	<b>1,920,621.98</b>
<b>Managed Account Sub Total</b>		<b>1,930,000.00</b>					<b>1,911,489.07</b>	<b>2.38</b>	<b>4,098.24</b>	<b>1,914,693.31</b>	<b>1,920,621.98</b>
<b>Securities Sub-Total</b>		<b>\$1,930,000.00</b>					<b>\$1,911,489.07</b>	<b>2.38%</b>	<b>\$4,098.24</b>	<b>\$1,914,693.31</b>	<b>\$1,920,621.98</b>
<b>Accrued Interest</b>											<b>\$4,098.24</b>
<b>Total Investments</b>											<b>\$1,924,720.22</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	112.60	2,553,061.68	2,543,923.35
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	3,176.23	2,501,564.30	2,488,477.50
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	4,475.89	1,293,351.13	1,286,704.23
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	97.96	2,066,645.13	2,057,264.32
<b>Security Type Sub-Total</b>		<b>8,405,000.00</b>					<b>8,434,122.85</b>	<b>1.45</b>	<b>7,862.68</b>	<b>8,414,622.24</b>	<b>8,376,369.40</b>
<b>U.S. Treasury Bill</b>											
UNITED STATES TREASURY BILL DTD 02/28/2019 0.000% 08/29/2019	912796SF7	1,050,000.00	A-1+	P-1	2/28/2019	3/4/2019	1,037,343.76	2.47	0.00	1,045,804.96	1,046,385.90
UNITED STATES TREASURY BILL DTD 11/08/2018 0.000% 11/07/2019	912796RM3	2,000,000.00	A-1+	P-1	5/2/2019	5/6/2019	1,976,129.86	2.35	0.00	1,983,355.42	1,985,218.00
<b>Security Type Sub-Total</b>		<b>3,050,000.00</b>					<b>3,013,473.62</b>	<b>2.39</b>	<b>0.00</b>	<b>3,029,160.38</b>	<b>3,031,603.90</b>
<b>Federal Agency Bond / Note</b>											
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	9,942.19	2,524,413.04	2,522,957.28
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	10,077.22	1,940,027.53	1,937,931.96
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	2,135.42	624,638.19	623,813.75
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	4,024.31	1,523,526.71	1,520,574.45
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	7,942.01	2,568,851.72	2,563,767.75

## 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 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	2,661.77	1,514,709.48	1,510,848.90
FREDDIE MAC NOTES DTD 01/17/2017 1.500% 01/17/2020	3137EAAE5	6,270,000.00	AA+	Aaa	9/1/2017	9/7/2017	6,277,398.60	1.45	42,845.00	6,271,735.97	6,247,772.85
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	6,779.51	2,498,211.13	2,487,305.00
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	930.00	2,481,251.73	2,467,344.56
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	15,603.33	2,480,069.66	2,467,619.84
<b>Security Type Sub-Total</b>		<b>24,430,000.00</b>					<b>24,385,920.40</b>	<b>1.43</b>	<b>102,940.76</b>	<b>24,427,435.16</b>	<b>24,349,936.34</b>
<b>Corporate Note</b>											
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	4,124.17	1,049,515.61	1,047,742.50
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	2,942.28	1,051,720.64	1,049,749.05
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	6,419.58	1,049,406.10	1,045,628.85
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	7,500.21	1,051,354.01	1,047,943.05
<b>Security Type Sub-Total</b>		<b>4,200,000.00</b>					<b>4,211,455.50</b>	<b>1.63</b>	<b>20,986.24</b>	<b>4,201,996.36</b>	<b>4,191,063.45</b>
<b>Commercial Paper</b>											
MUFG BANK LTD/NY COMM PAPER DTD 11/28/2018 0.000% 08/22/2019	62479MVN0	1,500,000.00	A-1	P-1	2/26/2019	2/27/2019	1,480,860.00	2.64	0.00	1,494,345.00	1,494,576.00
<b>Security Type Sub-Total</b>		<b>1,500,000.00</b>					<b>1,480,860.00</b>	<b>2.64</b>	<b>0.00</b>	<b>1,494,345.00</b>	<b>1,494,576.00</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>Managed Account Sub Total</b>		<b>41,585,000.00</b>					<b>41,525,832.37</b>	<b>1.57</b>	<b>131,789.68</b>	<b>41,567,559.14</b>	<b>41,443,549.09</b>
<b>Securities Sub-Total</b>		<b>\$41,585,000.00</b>					<b>\$41,525,832.37</b>	<b>1.57%</b>	<b>\$131,789.68</b>	<b>\$41,567,559.14</b>	<b>\$41,443,549.09</b>
<b>Accrued Interest</b>											<b>\$131,789.68</b>
<b>Total Investments</b>											<b>\$41,575,338.77</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	2,229.30	643,649.46	643,664.85
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	1,227.79	525,931.80	527,205.31
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	667.01	521,139.32	522,580.28
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	39.74	893,905.55	897,047.10
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	8,574.57	1,255,577.12	1,260,800.20
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	7,468.16	1,607,028.36	1,614,970.50
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	4,354.92	1,245,076.23	1,251,928.44
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	1,945.92	829,234.26	834,553.44
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	1,651.64	1,187,821.21	1,196,203.20
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	77.12	1,195,294.44	1,204,429.75
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	1,778.00	305,198.69	307,820.39
<b>Security Type Sub-Total</b>		<b>10,295,000.00</b>					<b>10,116,407.42</b>	<b>2.33</b>	<b>30,014.17</b>	<b>10,209,856.44</b>	<b>10,261,203.46</b>
<b>U.S. Treasury Bill</b>											
UNITED STATES TREASURY BILL DTD 09/13/2018 0.000% 09/12/2019	912796RA9	520,000.00	A-1+	P-1	3/14/2019	3/18/2019	513,693.58	2.48	0.00	517,413.66	517,825.36
UNITED STATES TREASURY BILL DTD 04/18/2019 0.000% 10/17/2019	912796SN0	1,150,000.00	A-1+	P-1	4/22/2019	4/23/2019	1,136,458.27	2.42	0.00	1,141,737.25	1,142,935.55



## 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 11/08/2018 0.000% 11/07/2019	912796RM3	950,000.00	A-1+	P-1	5/10/2019	5/16/2019	939,050.59	2.40	0.00	941,928.71	942,978.55
<b>Security Type Sub-Total</b>		<b>2,620,000.00</b>					<b>2,589,202.44</b>	<b>2.43</b>	<b>0.00</b>	<b>2,601,079.62</b>	<b>2,603,739.46</b>
<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	1,187.08	369,291.12	369,358.42
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	241.78	318,944.72	319,233.28
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	1,483.08	367,634.43	369,289.60
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	937.50	372,602.47	374,087.63
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	6,271.25	364,080.16	365,828.04
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	3,589.17	367,026.99	368,912.44
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	2,700.00	361,785.80	364,455.72
<b>Security Type Sub-Total</b>		<b>2,520,000.00</b>					<b>2,517,418.00</b>	<b>2.53</b>	<b>16,409.86</b>	<b>2,521,365.69</b>	<b>2,531,165.13</b>
<b>Commercial Paper</b>											
BNP PARIBAS NY BRANCH COMM PAPER DTD 03/20/2019 0.000% 12/13/2019	09659CZD3	700,000.00	A-1	P-1	6/13/2019	6/14/2019	692,143.67	2.25	0.00	692,877.49	692,839.70
<b>Security Type Sub-Total</b>		<b>700,000.00</b>					<b>692,143.67</b>	<b>2.25</b>	<b>0.00</b>	<b>692,877.49</b>	<b>692,839.70</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>Managed Account Sub Total</b>		<b>16,135,000.00</b>					<b>15,915,171.53</b>	<b>2.38</b>	<b>46,424.03</b>	<b>16,025,179.24</b>	<b>16,088,947.75</b>
<b>Securities Sub-Total</b>		<b>\$16,135,000.00</b>					<b>\$15,915,171.53</b>	<b>2.38%</b>	<b>\$46,424.03</b>	<b>\$16,025,179.24</b>	<b>\$16,088,947.75</b>
<b>Accrued Interest</b>											<b>\$46,424.03</b>
<b>Total Investments</b>											<b>\$16,135,371.78</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.