



CITY OF SALEM

Investment Performance Review For the Quarter Ended September 30, 2019

Client Management Team

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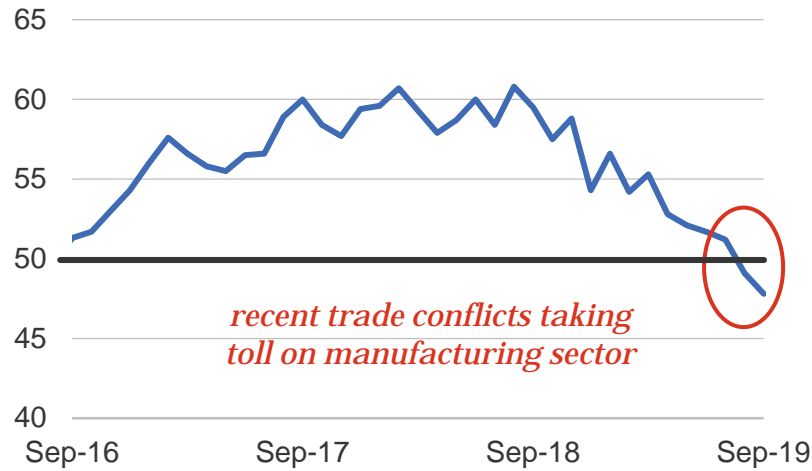
717-232-2723

Allison Kaune, Senior Managing Consultant

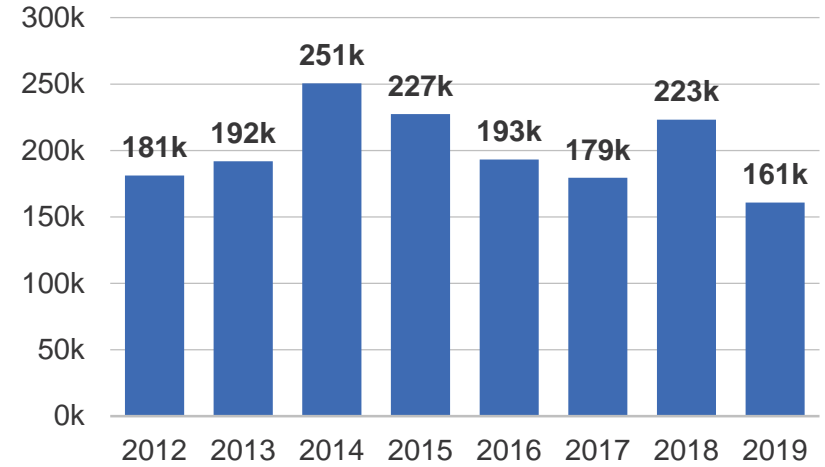
Market Update

Market Indicators Mixed, but Recession Does Not Appear Imminent

ISM Manufacturing Activity Index



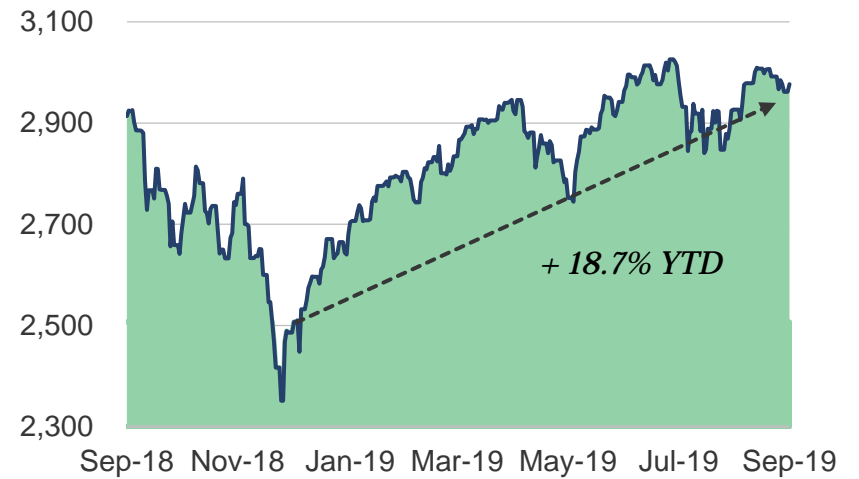
Average Monthly Job Growth



Conference Board Consumer Confidence



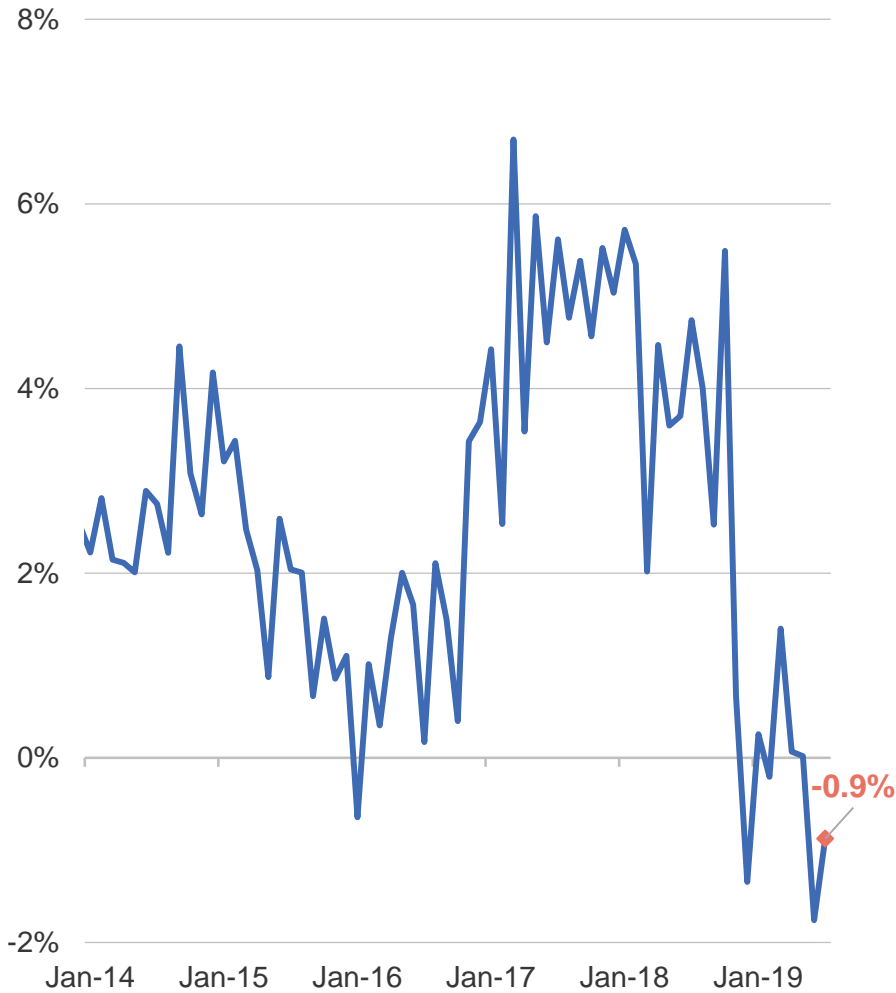
S&P 500 Price Change



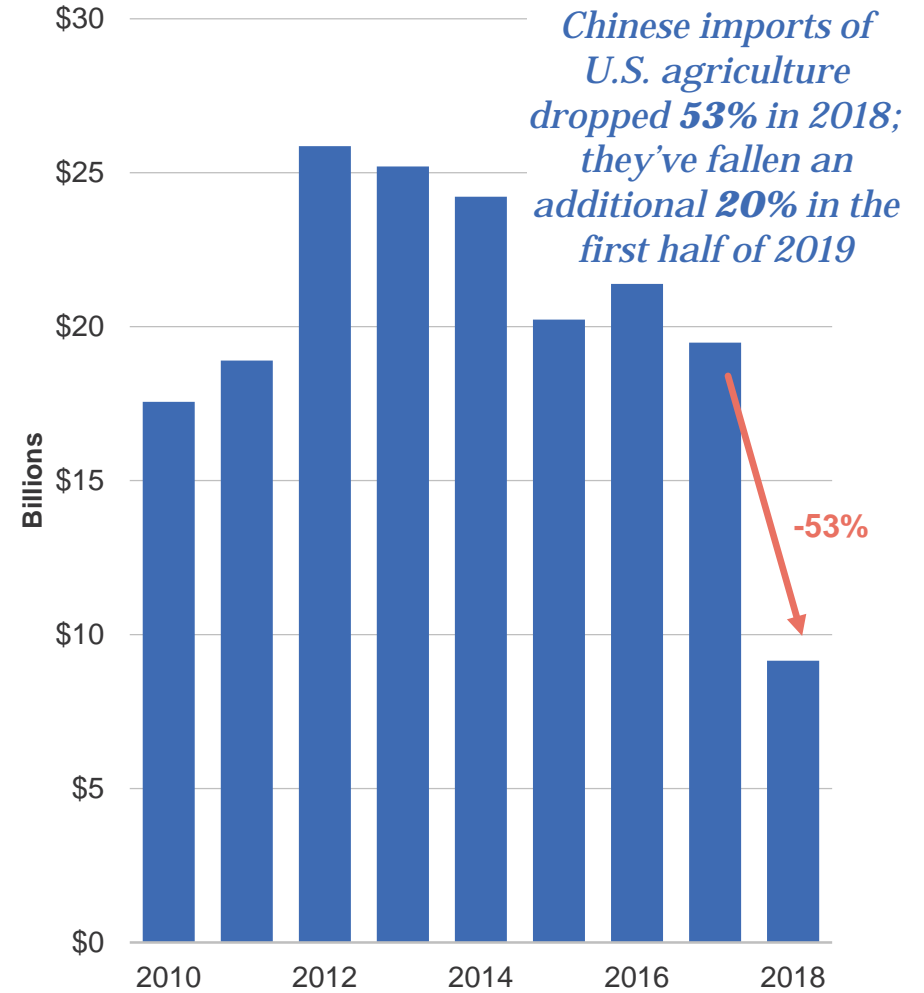
Source: Bloomberg, data available as of 9/30/2019.

Tariffs Take a Toll on Global Trade Volume, Especially U.S. Agriculture

Global Trade Volume YoY



U.S. Agricultural Exports to China



Source: CPB (left); Wall Street Journal & USDA Foreign Agricultural Services (right)

The OECD Follows World Bank & IMF in Lowering Growth Projections

- The world growth outlook was cut to 2.9% for 2019, down from the 3.2% projection from 4 months ago.
- This rate is the slowest pace since the global financial crisis.

“The global economy has become increasingly fragile and uncertain, with growth slowing and downside risks continuing to mount.”

-OECD, 9/19/19

OECD GDP Growth Projections
September 2019

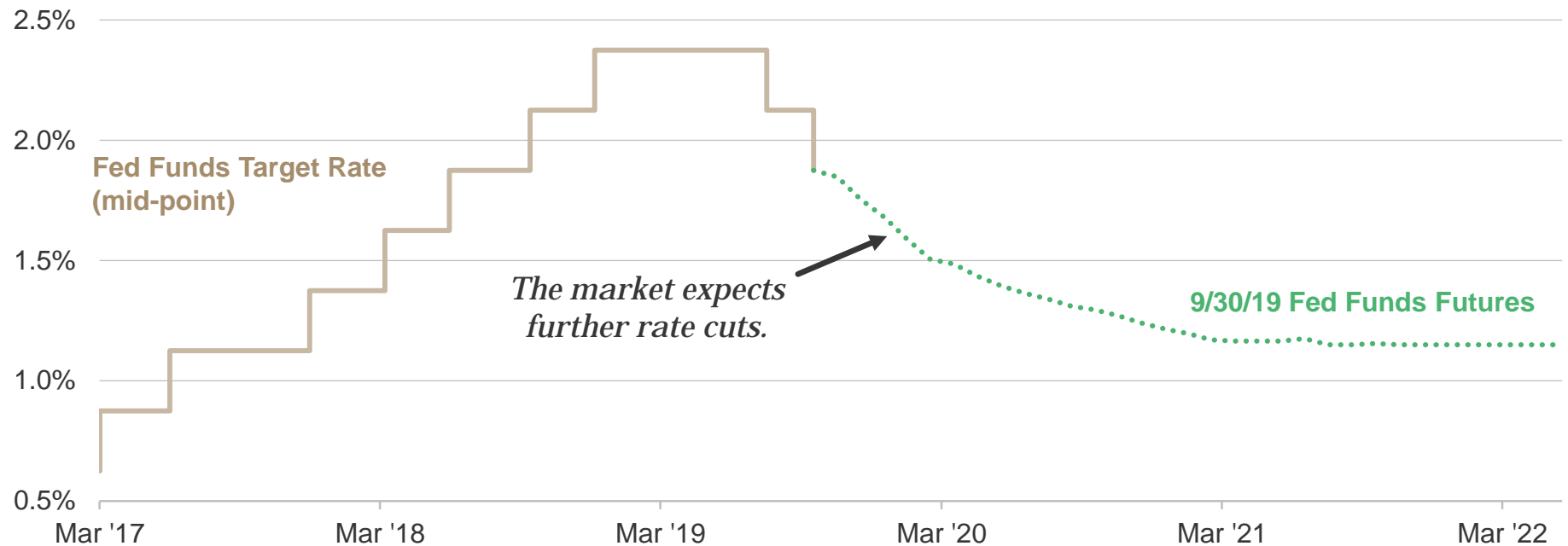
Region	2019	2020
World	2.9% ↓	3.0% ↓
U.S.	2.4% ↓	2.0% ↓
China	6.1% ↓	5.7% ↓
United Kingdom	1.0% ↓	0.9% ↓
Euro Area	1.1% ↓	1.0% ↓
Germany	0.5% ↓	0.6% ↓
France	1.3%	1.2% ↓
Italy	0.0%	0.4% ↓
Japan	1.0% ↑	0.6%
Canada	1.5% ↑	1.6% ↓

Source: The Organization for Economic Co-operation and Development. Arrows indicate change from prior projection.

The Federal Reserve Cut Rates in July and September



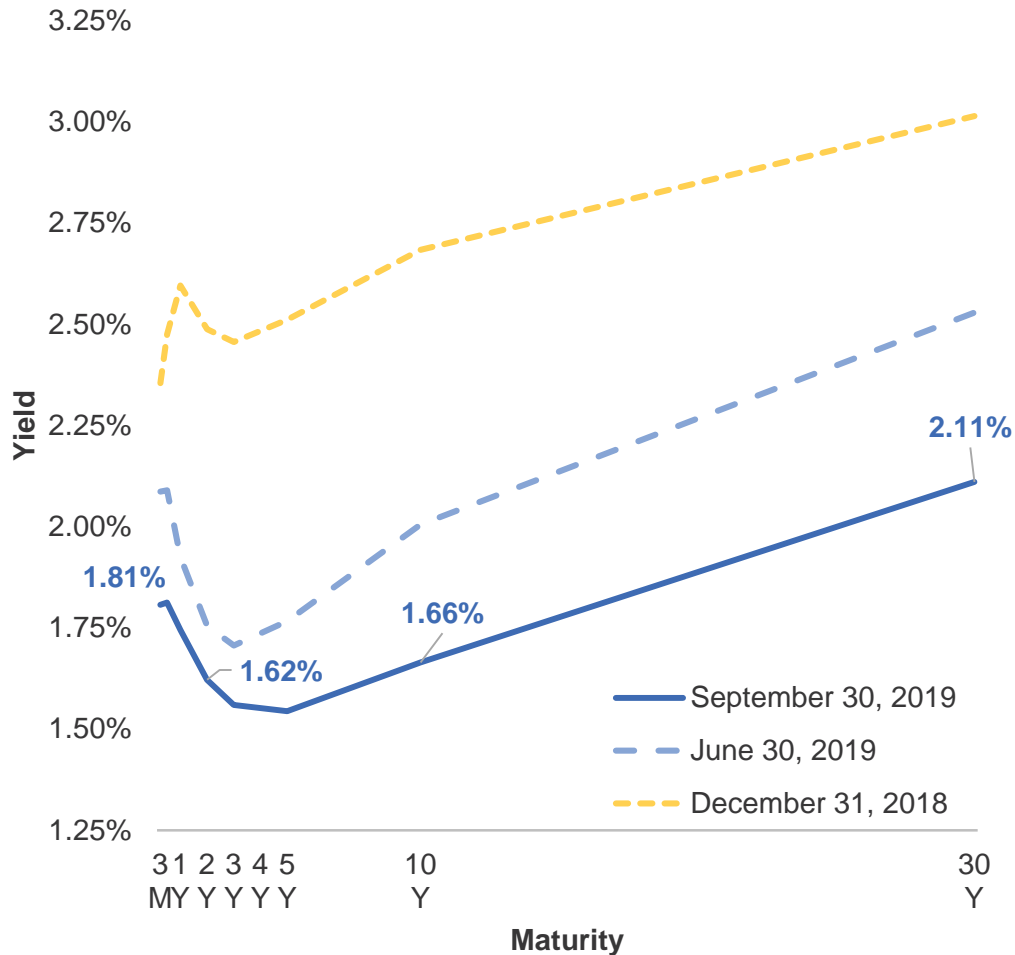
The Fed cited “...weak global growth...trade policy uncertainty...and muted inflation...”



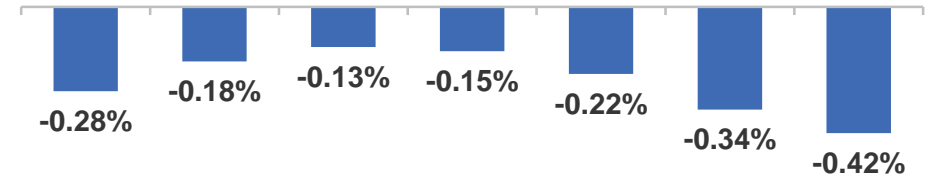
Source: Federal Reserve and Bloomberg.

Yields Continued to Decline in the Third Quarter

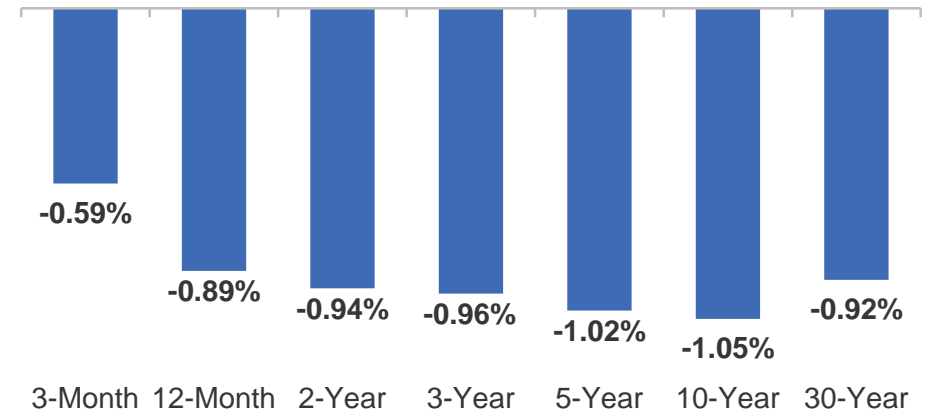
U.S. Treasury Yield Curve



Q3 Change in Yield



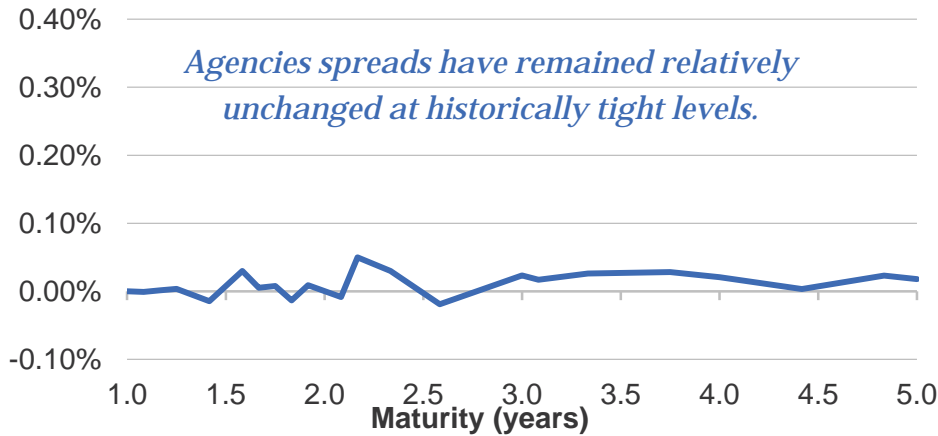
YTD Change in Yield



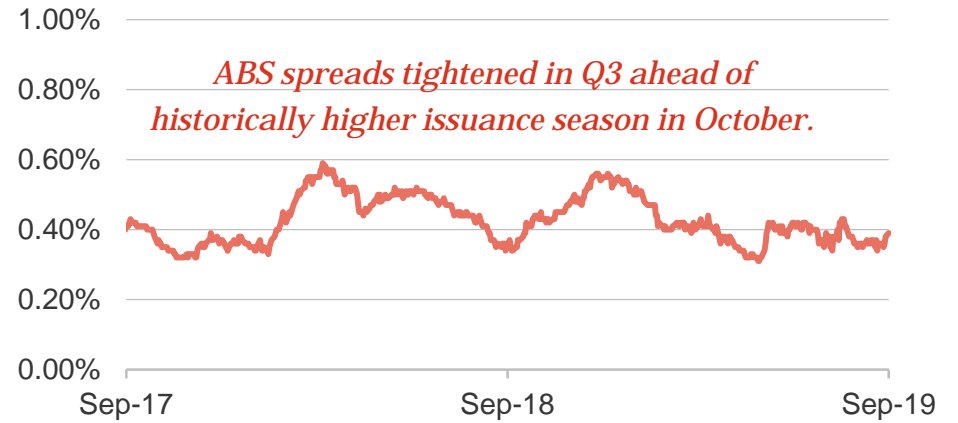
Source: Bloomberg, as of 9/30/19.

Yield Spreads Narrow Across All Spread Sectors

Federal Agency Yield Spreads



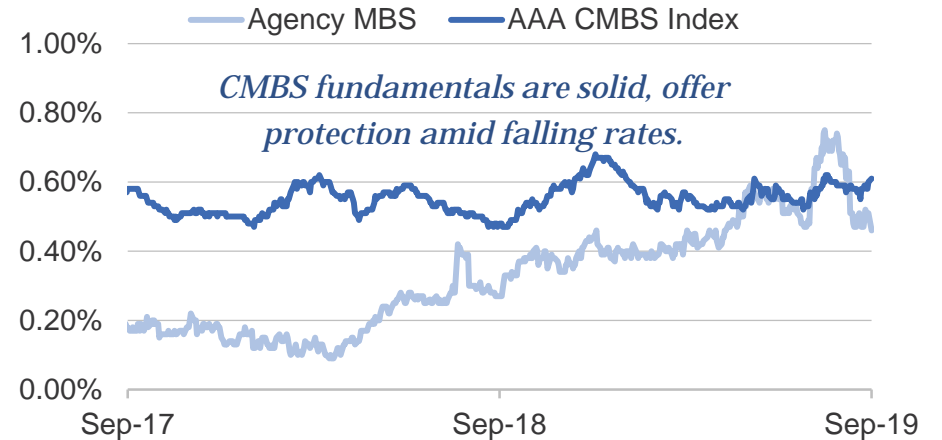
Auto Asset-Backed Securities Yield Spreads



Corporate Notes (1-5 yr A-AAA) Yield Spreads



Mortgage-Backed Securities Yield Spreads



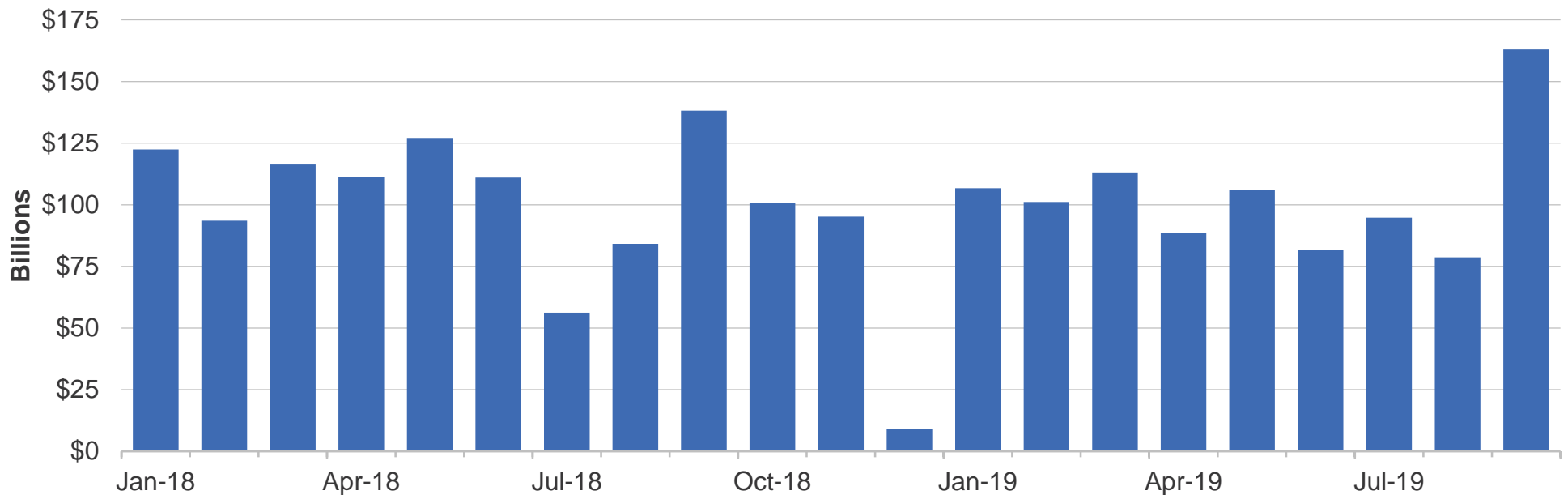
Source: Bloomberg, MarketAxess, and PFM. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. ICE BofAML 1-5 year Indices. Data as of 9/30/19. CMBS refers to Commercial Mortgage-Backed Securities.

Corporate Issuance Surges in September

- ◆ After a slow start to the quarter, investment grade corporate issuance broke records in September.
 - \$163 billion issued in September.
 - Third busiest month on record.
 - The first week of September was the busiest single week on record.

- ◆ Spreads tightened as demand was high to meet the surge in supply.

U.S. Corporate Investment Grade Issuance



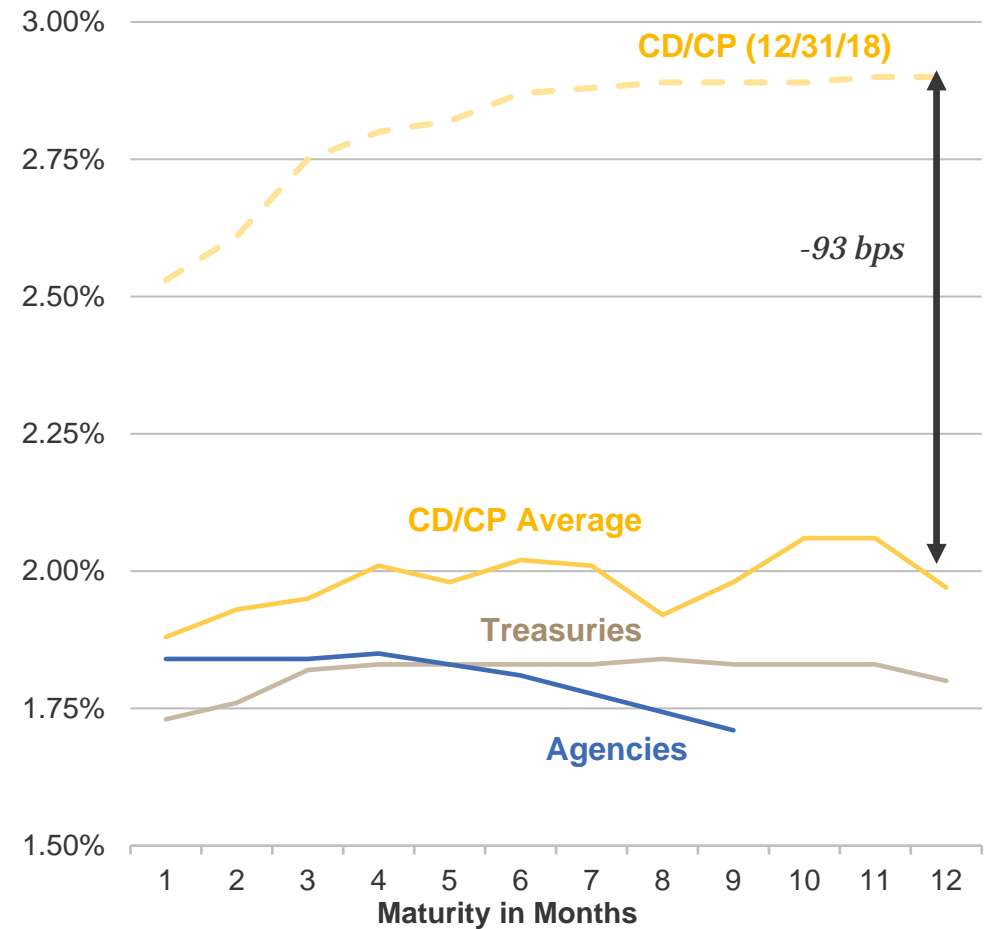
Source: SIFMA, as of September 2019.

Short-Term Credit Spreads Stretch to Near 8-Month Wides

Yield Spread on 6-month Commercial Paper over T-Bill



Money Market Yield Curves



Source (left): Bloomberg, as of 9/30/19. Source (right): PFM Trading Desk, as of 9/30/19. 6-mo CP yield spread based on A1/P1 rated CP index.

Fixed-Income Sector Outlook – October 2019

Sector	Our Investment Preferences	Comments
COMMERCIAL PAPER / CD		<ul style="list-style-type: none"> CP/negotiable CD spreads are near historic tights, though securities appear cheap relative to corporate notes.
TREASURIES		
T-Bill		<ul style="list-style-type: none"> Treasury bill supply is expected to increase by over \$100 billion during the fourth quarter.
T-Note		<ul style="list-style-type: none"> The Treasury yield curve remains inverted, providing little opportunity to benefit from roll-down.
FEDERAL AGENCIES		
Bullets		<ul style="list-style-type: none"> Federal agency spreads remain near historic tights. Treasuries continue to be attractive relative to agencies. Callables have been underperforming duration-matched bullets as redemption activity has been elevated, especially in short lock-out structures.
Callables		
SUPRANATIONALS		<ul style="list-style-type: none"> Spreads remain near historical tights; Treasuries have better value. There may be opportunities to sell at single-digit yield spreads before a possible demand-side technical decay into year-end.
CORPORATES		
Financials		<ul style="list-style-type: none"> Tighter credit spreads and a cloudy economic outlook have reduced the attractiveness of the corporate sector. Steady demand from foreign investors and a lower interest rate environment, supported by recent FOMC action, are both positives for the sector.
Industrials		
SECURITIZED		
Asset-Backed		<ul style="list-style-type: none"> The AAA-rated ABS sector offers a defensive outlet to credit exposure but has tightened to near multi-year tights. As interest rates have fallen and supply has increased, MBS spreads have widened significantly to a more historic norm. We view this as a buying opportunity. Agency CMBS are an attractive alternative to other government sectors due to their incremental income potential.
Agency Mortgage-Backed		
Agency CMBS		
MUNICIPALS		<ul style="list-style-type: none"> The low interest rate environment should spur refunding activity and increase taxable municipal supply.

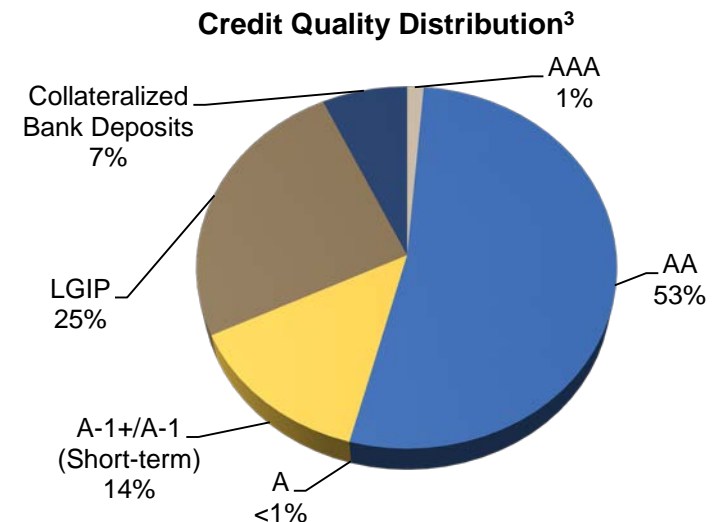
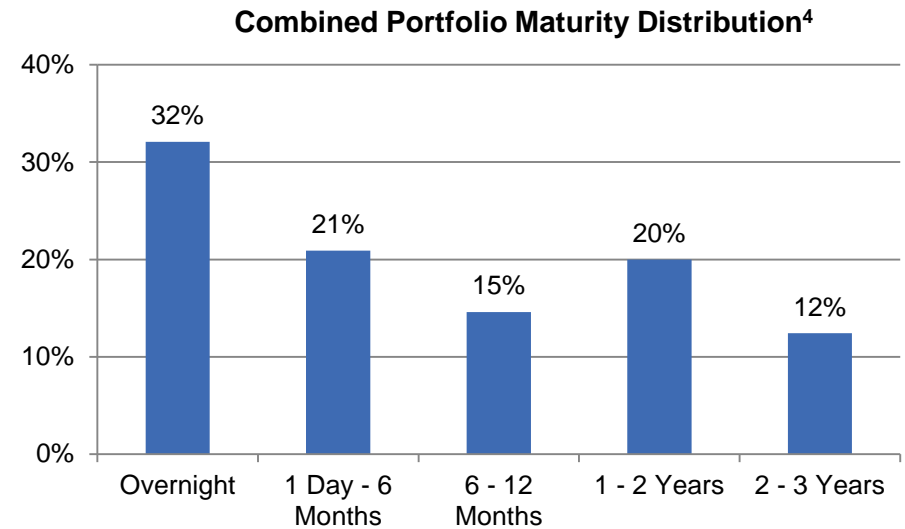


Investment Strategy & Portfolio Review

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

Quarter Ended September 30, 2019 – 3Q19	
Quarterly Summary	
Market Value (MV)	\$320,140,544
Amortized Cost	\$318,558,740
Combined Portfolio Yield on Cost	2.26%
Weighted Average Maturity	0.73 years
Cash Basis Earnings for Quarter ²	\$1,205,934
Accrual Basis Earnings for Quarter ²	\$1,285,070
Quarterly Change	
Amortized Cost – 3Q19	\$318,558,740
Beginning MV – 3Q19	\$341,493,363
Net Contributions	\$ (22,239,311.86)
Change in Cash	(\$2,553,921)
Change in MV	\$553,839
Ending MV – 3Q19	\$320,140,544

Sector Distribution				
Sector	Amortized ¹ Cost	Market ¹ Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$148,329,395	\$149,642,634	47%	100%
Federal Agencies	\$28,430,107	\$28,425,262	9%	100%
Municipal Obligations	\$1,500,742	\$1,522,254	<1%	10%
Commercial Paper	\$14,918,890	\$14,922,574	5%	Combined 35% Max.
Corporate Notes	\$22,662,313	\$22,910,528	7%	
LGIP	\$80,318,670	\$80,318,670	25%	ORS limit
Collateralized Deposit Accounts	\$22,398,623	\$22,398,623	7%	100%
Total	\$318,558,740	\$320,140,544	100%	



1. Values as of September 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

- ◆ Our strategy throughout the quarter included the following elements:
 - We continued to rotate out of the federal agency sector as its yield spreads remained unattractive relative to comparable treasuries. Even new issue concessions were less attractive than in prior quarters. While limited supply is partly to blame, insatiable market demand has essentially capped any upside. As a result, we continued to prefer Treasuries over agencies and supranationals, and avoided callable agencies, due to significant early redemptions.
 - Corporate bonds rallied, pushing yield spreads back to near 12-month lows during the quarter as a more accommodative Fed and a temporary lull in the trade war offensive mitigated some of the imminent risk to the economy. As a result, investment-grade (IG) corporates generated attractive excess returns for the third quarter, with lower quality issuers outperforming higher quality ones. A bevy of new-issue corporates in September provided many opportunities, albeit at somewhat modest yield spreads.
 - After narrowing in the first half of 2019, yield spreads on short-term commercial paper gradually increased from multi-year lows. Short-term credit sectors once again offered favorable incremental yield opportunities for ultra-short-term investors.

Investment Strategy Outlook

- Our strategy as we enter the final quarter of 2019 is to maintain a well-diversified portfolio as we seek to balance portfolio earnings potential with profit-taking in sectors that appear overly expensive. Issue selection has become increasingly important, regardless of sector, as market cross-currents have created both risks and opportunities.
- Our outlook for the major investment-grade fixed income sectors is as follows:
 - Federal agency yield spreads remain very tight. In some cases, agencies offer yields less than those on Treasuries of similar maturity. The U.S. Treasury Department also released an updated housing reform plan that seeks to reduce the role of the Federal Government, but implementation faces many political and practical difficulties. We continue to favor further reductions in agency holdings because their upside is limited.
 - In the investment-grade (IG) corporate sector, we remain cautiously optimistic. Stable fundamentals, positive earnings growth, and a resilient equity market support the underlying stability of the credit markets; however, in addition to the myriad of geopolitical issues that have yet to be resolved, increased balance sheet leverage translates into somewhat elevated financial risks, especially in light of the narrow spreads currently available. As a result, we plan to reduce “rich” corporate holdings while creating room for new corporate opportunities as they become available.
 - On the heels of two Fed rate cuts in the third quarter, money market investors may see further rate adjustments in the coming months. Short-term credit spreads have widened recently, creating investment opportunities that offset some of the Fed’s lower overnight target rate.



CITY OF SALEM LONG-TERM PORTFOLIO

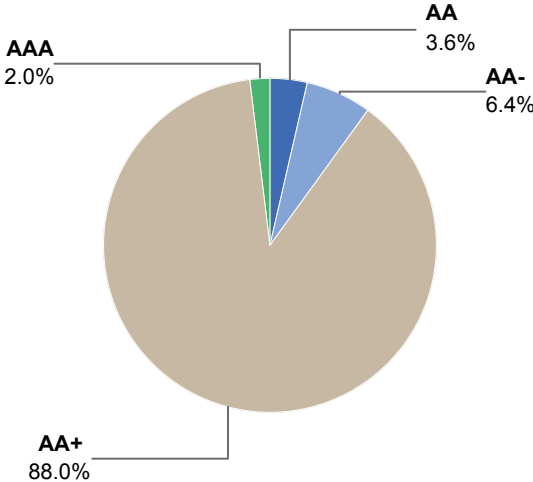
**Investment Performance Review
For the Quarter Ended September 30, 2019**

Portfolio Statistics

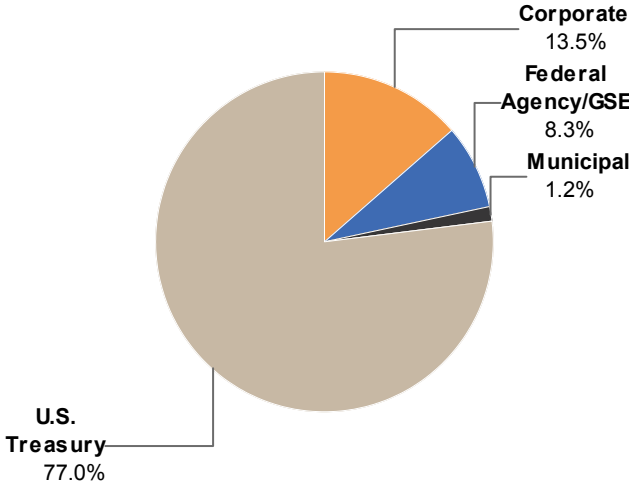
As of September 30, 2019

Par Value:	\$125,940,000
Total Market Value:	\$127,266,209
Security Market Value:	\$126,580,051
Accrued Interest:	\$686,158
Cash:	-
Amortized Cost:	\$125,030,985
Yield at Market:	1.75%
Yield at Cost:	2.42%
Effective Duration:	1.51 Years
Duration to Worst:	1.51 Years
Average Maturity:	1.55 Years
Average Credit: *	AA

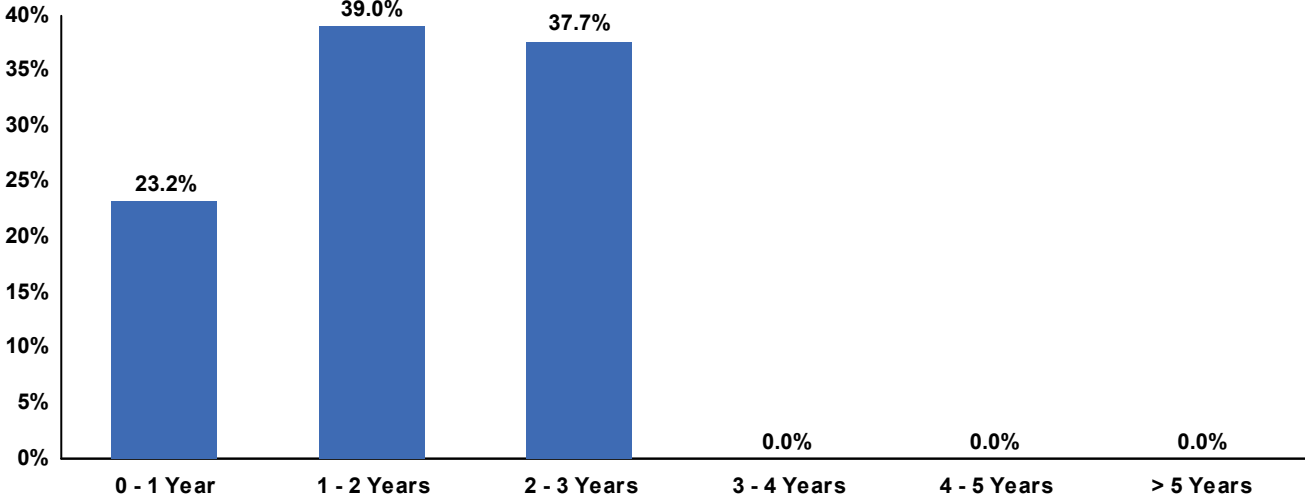
Credit Quality (S&P Ratings)



Sector Allocation



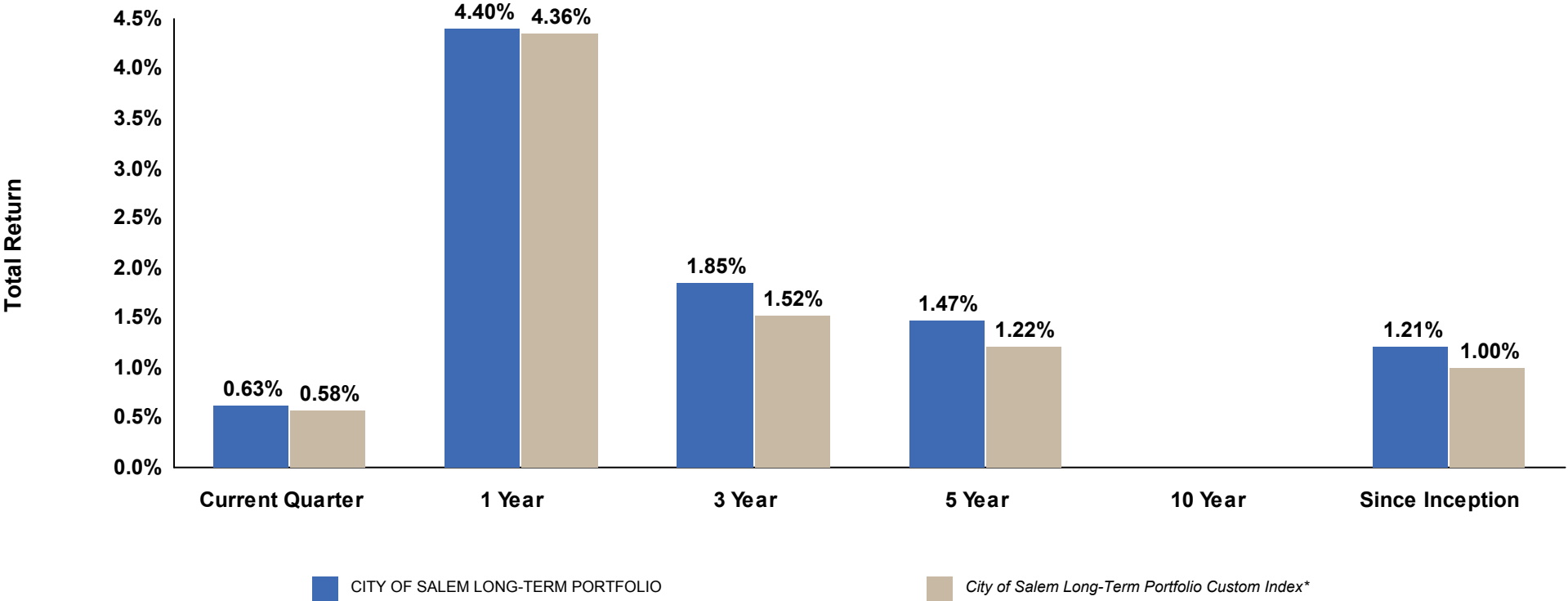
Maturity Distribution



* 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	1.51	0.63%	4.40%	1.85%	1.47%	-	1.21%
City of Salem Long-Term Portfolio Custom Index*	1.81	0.58%	4.36%	1.52%	1.22%	-	1.00%
Difference		0.05%	0.04%	0.33%	0.25%	-	0.21%



Portfolio performance is gross of fees unless otherwise indicated. *Performance benchmark was the ICE BofAML 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BofAML 1-3 Year U.S. Treasury Index beginning 6/30/2016.

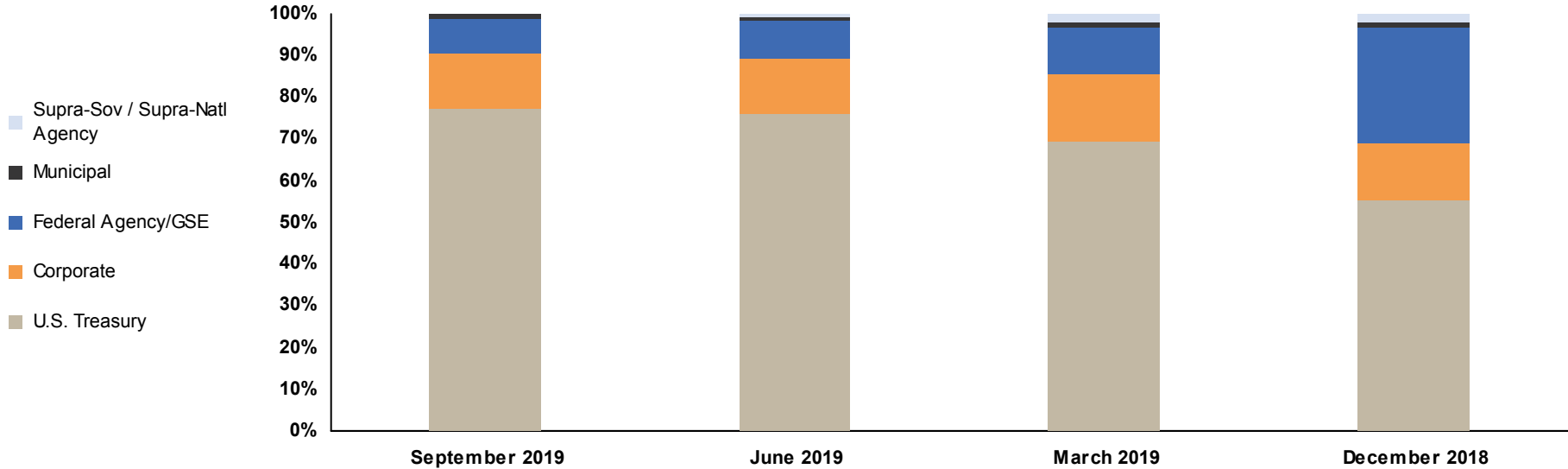
Portfolio Earnings

Quarter-Ended September 30, 2019

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (06/30/2019)	\$127,122,114.19	\$125,612,128.84
Net Purchases/Sales	(\$713,687.50)	(\$713,687.50)
Change in Value	\$171,624.08	\$132,543.74
Ending Value (09/30/2019)	\$126,580,050.77	\$125,030,985.08
Interest Earned	\$623,591.88	\$623,591.88
Portfolio Earnings	\$795,215.96	\$756,135.62

Sector Allocation

Sector	September 30, 2019		June 30, 2019		March 31, 2019		December 31, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	97.5	77.0%	96.4	75.8%	88.3	69.4%	69.9	55.1%
Corporate	17.1	13.5%	17.1	13.4%	20.3	15.9%	17.7	14.0%
Federal Agency/GSE	10.5	8.3%	11.2	8.8%	14.6	11.4%	35.0	27.6%
Municipal	1.5	1.2%	1.5	1.2%	1.5	1.2%	1.5	1.2%
Supra-Sov / Supra-Natl Agency	0.0	0.0%	1.0	0.8%	2.7	2.1%	2.7	2.1%
Total	\$126.6	100.0%	\$127.1	100.0%	\$127.4	100.0%	\$126.7	100.0%

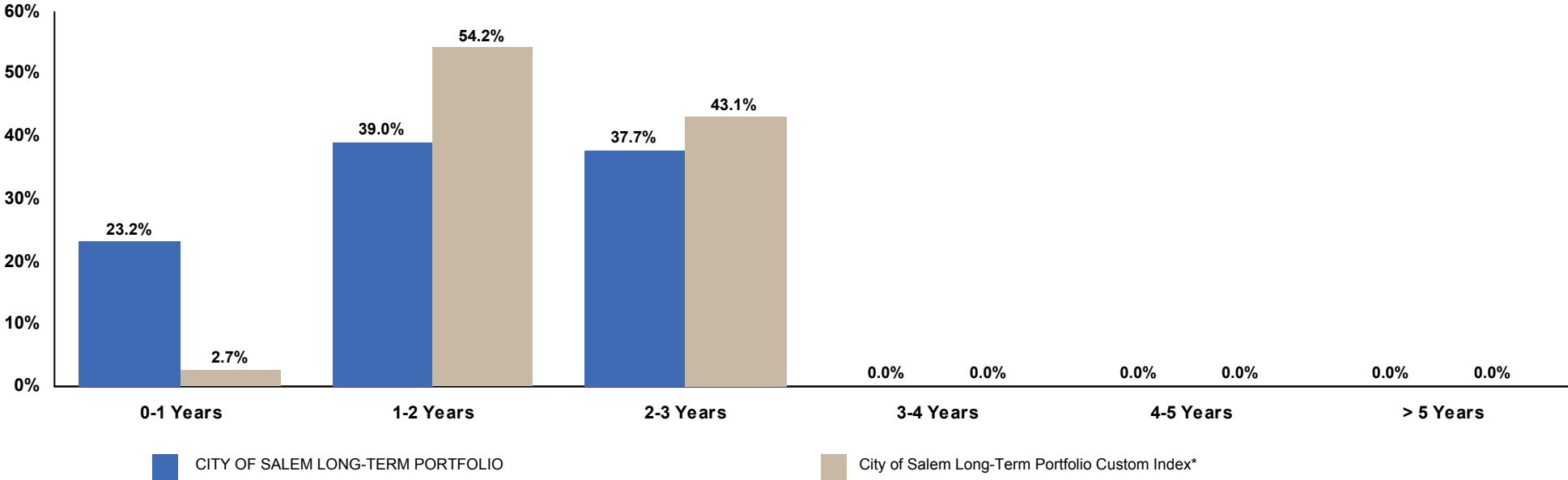


Detail may not add to total due to rounding.

Maturity Distribution

As of September 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	1.75%	1.55 yrs	23.2%	39.0%	37.7%	0.0%	0.0%	0.0%
City of Salem Long-Term Portfolio Custom Index*	1.68%	1.94 yrs	2.7%	54.2%	43.1%	0.0%	0.0%	0.0%



Portfolio performance is gross of fees unless otherwise indicated. *Performance benchmark was the ICE BofAML 0-3 Year U.S. Treasury Index from inception through 6/30/2016 and the ICE BofAML 1-3 Year U.S. Treasury Index beginning 6/30/2016.



CITY OF SALEM SHORT TERM PORTFOLIO

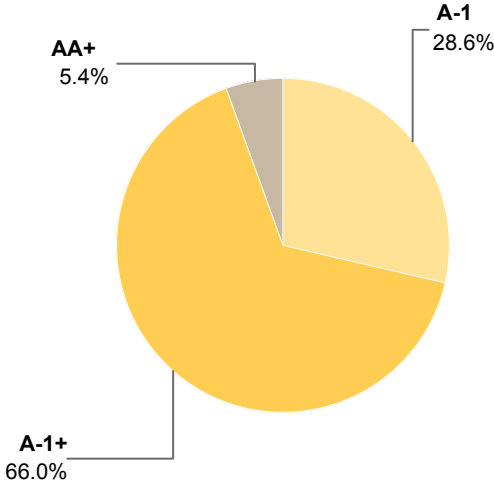
**Investment Performance Review
For the Quarter Ended September 30, 2019**

Portfolio Statistics

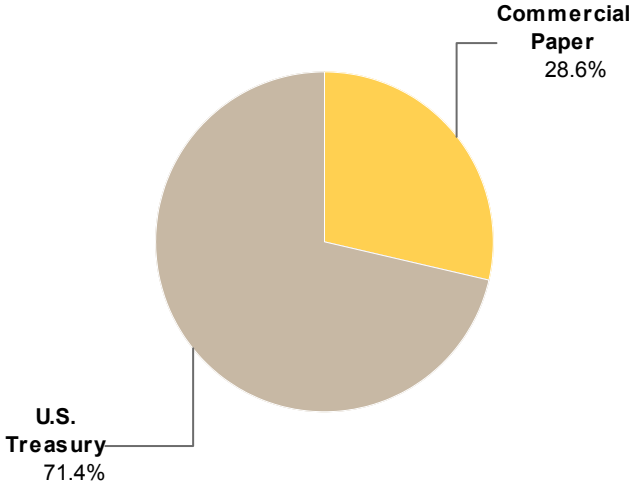
As of September 30, 2019

Par Value:	\$32,250,000
Total Market Value:	\$32,154,197
Security Market Value:	\$32,142,076
Accrued Interest:	\$12,121
Cash:	-
Amortized Cost:	\$32,119,271
Yield at Market:	1.80%
Yield at Cost:	2.34%
Effective Duration:	0.20 Years
Duration to Worst:	0.20 Years
Average Maturity:	0.20 Years
Average Credit: *	AA

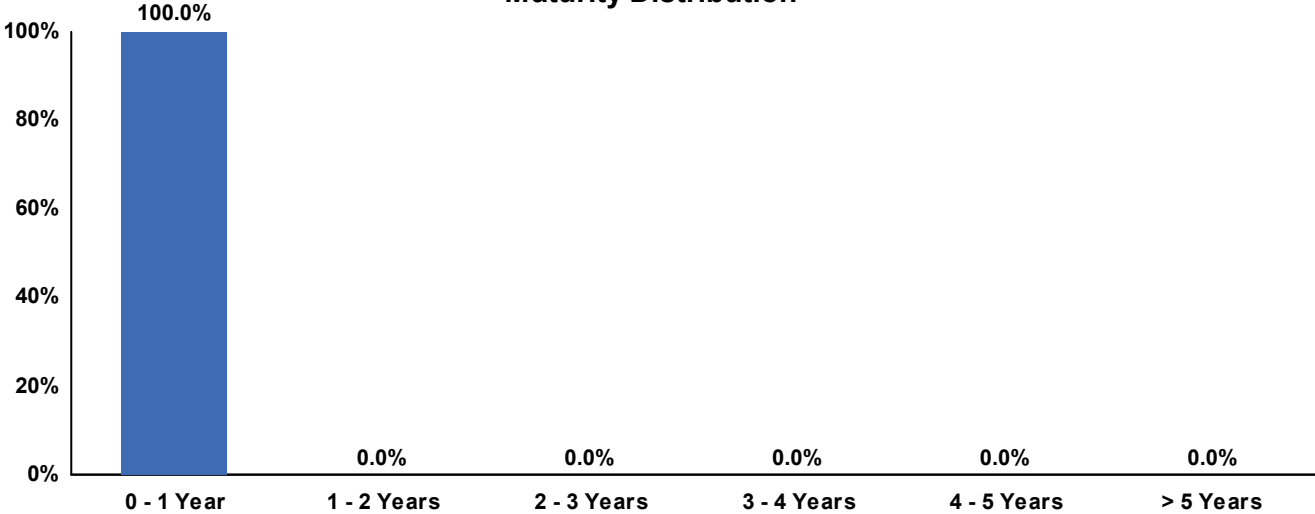
Credit Quality (S&P Ratings)



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, 2019

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (06/30/2019)	\$50,947,189.00	\$50,906,913.49
Net Purchases/Sales	(\$19,036,095.78)	(\$19,036,095.78)
Change in Value	\$230,982.53	\$248,452.89
Ending Value (09/30/2019)	\$32,142,075.75	\$32,119,270.60
Interest Earned	\$6,598.36	\$6,598.36
Portfolio Earnings	\$237,580.89	\$255,051.25



CITY OF SALEM STREETS & BRIDGES GO BONDS

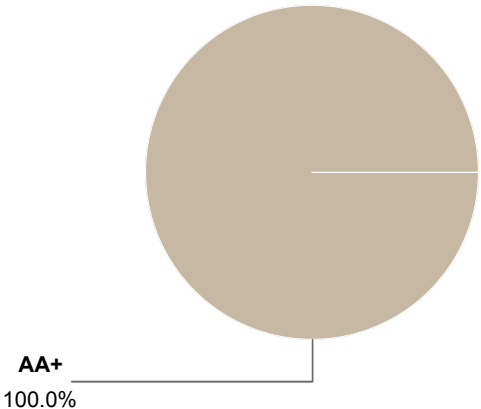
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For the Quarter Ended September 30, 2019**

Portfolio Statistics

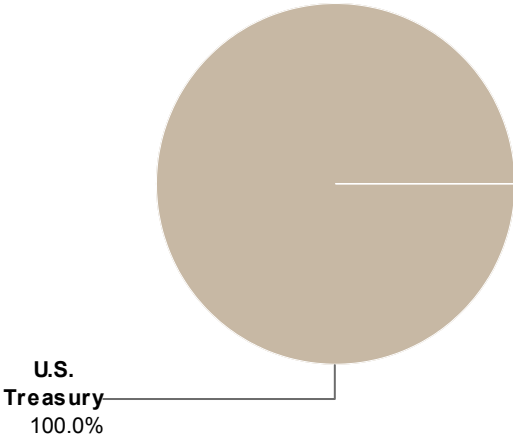
As of September 30, 2019

Par Value:	\$1,930,000
Total Market Value:	\$1,935,986
Security Market Value:	\$1,924,963
Accrued Interest:	\$11,023
Cash:	-
Amortized Cost:	\$1,919,167
Yield at Market:	1.87%
Yield at Cost:	2.38%
Effective Duration:	0.59 Years
Duration to Worst:	0.59 Years
Average Maturity:	0.60 Years
Average Credit: *	AA

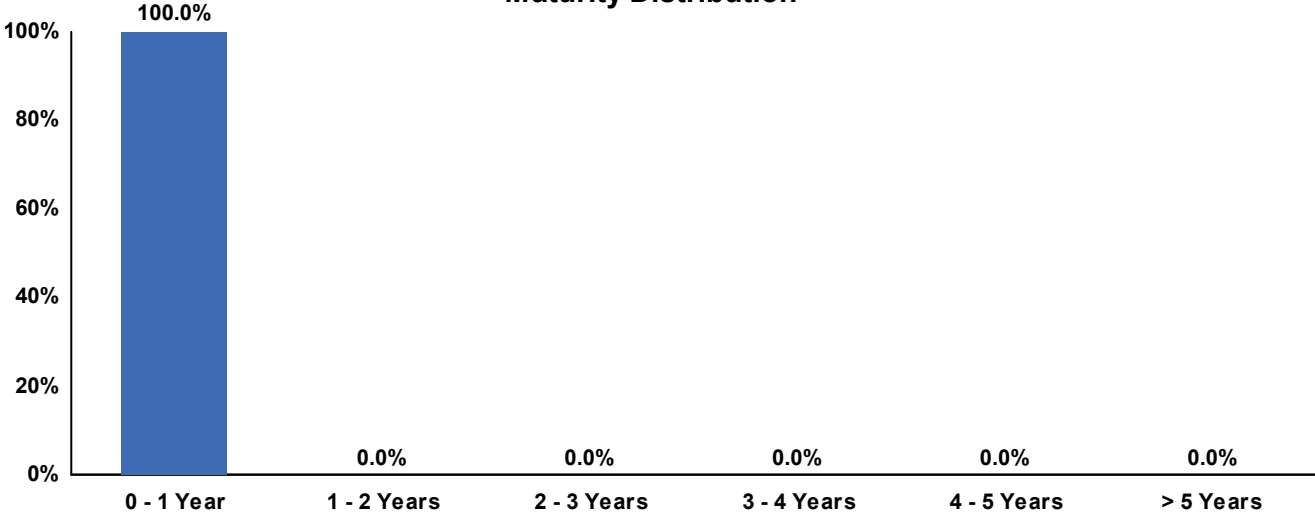
Credit Quality (S&P Ratings)



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, 2019

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (06/30/2019)	\$1,920,621.98	\$1,914,693.31
Net Purchases/Sales	\$0.00	\$0.00
Change in Value	\$4,340.64	\$4,474.14
Ending Value (09/30/2019)	\$1,924,962.62	\$1,919,167.45
Interest Earned	\$6,925.00	\$6,925.00
Portfolio Earnings	\$11,265.64	\$11,399.14



CITY OF SALEM POLICE FACILITY BONDS 2017

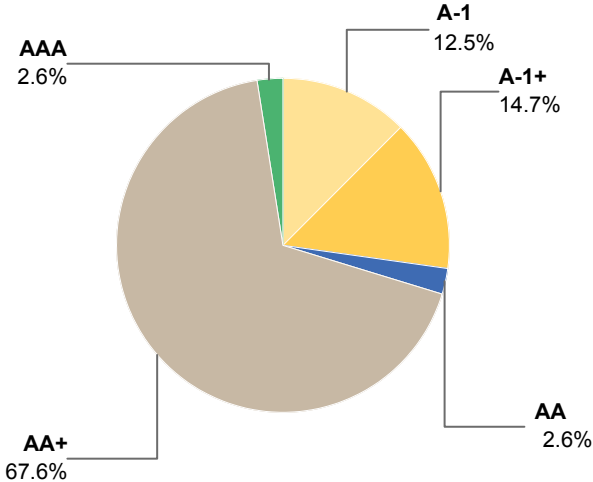
**Investment Performance Review
For the Quarter Ended September 30, 2019**

Portfolio Statistics

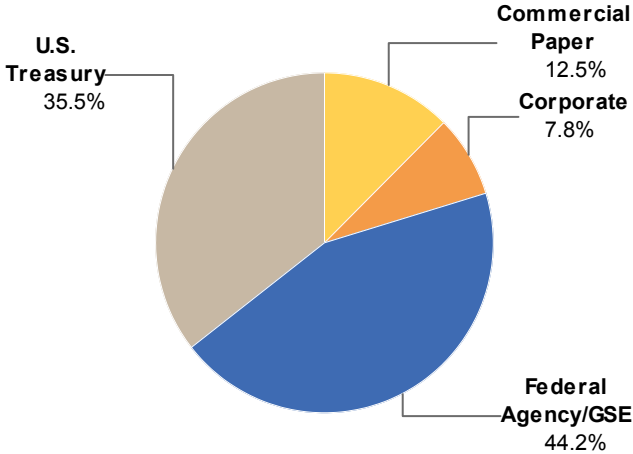
As of September 30, 2019

Par Value:	\$40,385,000
Total Market Value:	\$40,413,802
Security Market Value:	\$40,292,793
Accrued Interest:	\$121,009
Cash:	-
Amortized Cost:	\$40,346,691
Yield at Market:	1.89%
Yield at Cost:	1.65%
Effective Duration:	0.41 Years
Duration to Worst:	0.40 Years
Average Maturity:	0.41 Years
Average Credit: *	AA

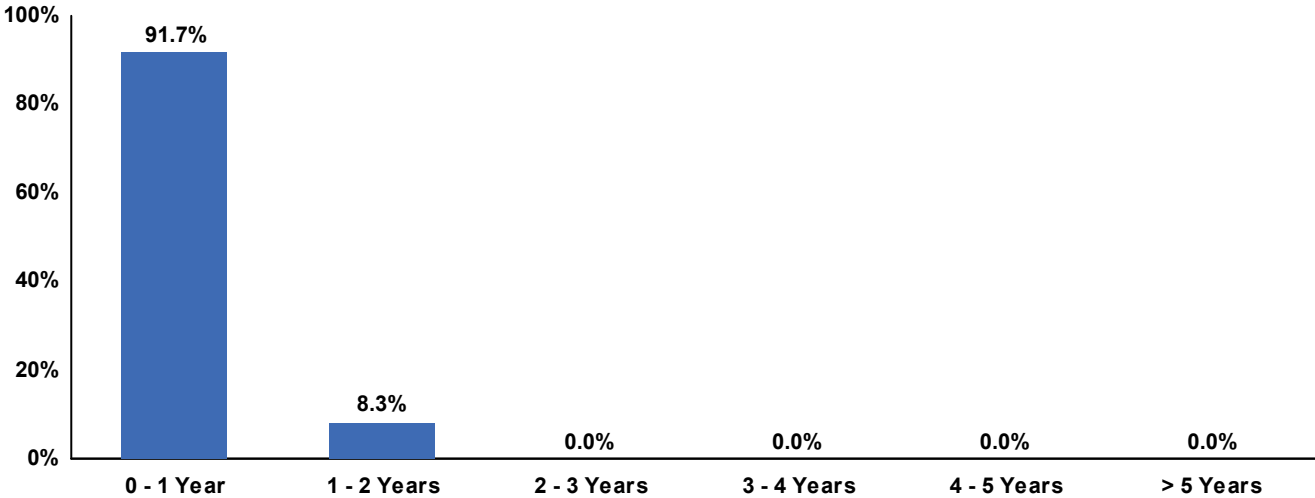
Credit Quality (S&P Ratings)



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, 2019

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2019)	\$41,443,549.09	\$41,567,559.14
Net Purchases/Sales	(\$1,264,297.10)	(\$1,264,297.10)
Change in Value	\$113,541.03	\$43,428.78
Ending Value (09/30/2019)	\$40,292,793.02	\$40,346,690.82
Interest Earned	\$124,082.00	\$124,082.00
Portfolio Earnings	\$237,623.03	\$167,510.78



CITY OF SALEM LIBRARY PROJ GO BONDS 2018

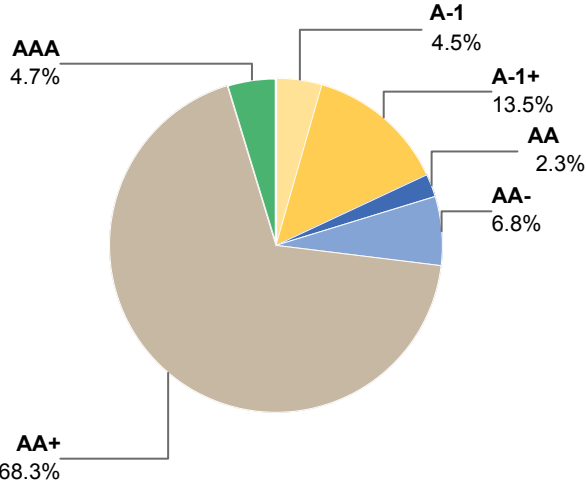
**Investment Performance Review
For the Quarter Ended June 30, 2019**

Portfolio Statistics

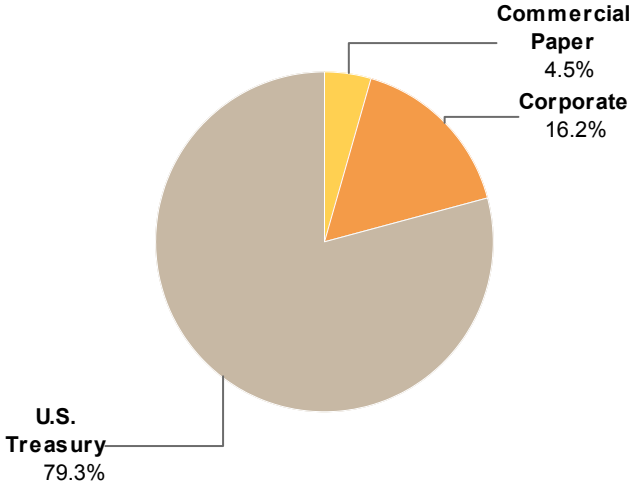
As of September 30, 2019

Par Value:	\$15,615,000
Total Market Value:	\$15,653,058
Security Market Value:	\$15,599,325
Accrued Interest:	\$53,733
Cash:	-
Amortized Cost:	\$15,541,289
Yield at Market:	1.84%
Yield at Cost:	2.36%
Effective Duration:	0.74 Years
Duration to Worst:	0.74 Years
Average Maturity:	0.76 Years
Average Credit: *	AA

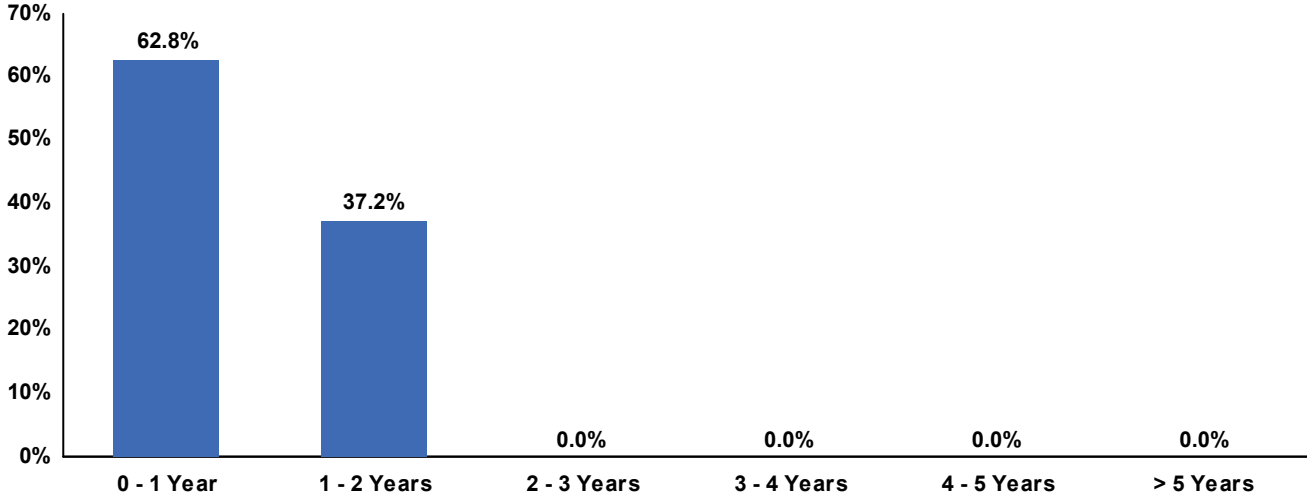
Credit Quality (S&P Ratings)



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, 2019

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2019)	\$16,088,947.75	\$16,025,179.24
Net Purchases/Sales	(\$522,973.05)	(\$522,973.05)
Change in Value	\$33,350.67	\$39,082.93
Ending Value (09/30/2019)	\$15,599,325.37	\$15,541,289.12
Interest Earned	\$55,895.54	\$55,895.54
Portfolio Earnings	\$89,246.21	\$94,978.47

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
9/19/19	9/20/19	960,000	912828XR6	US TREASURY NOTES	1.75%	5/31/22	966,453.48	1.70%	
Total BUY		960,000					966,453.48		
INTEREST									
7/11/19	7/11/19	2,750,000	89236TDP7	TOYOTA MOTOR CREDIT CORP BONDS	2.60%	1/11/22	35,750.00		
7/15/19	7/15/19	2,000,000	084664BQ3	BERKSHIRE HATHAWAY FINANCE CORP NOTES	4.25%	1/15/21	42,500.00		
7/15/19	7/15/19	8,100,000	9128285V8	US TREASURY NOTES	2.50%	1/15/22	101,250.00		
7/31/19	7/31/19	5,000,000	912828N89	US TREASURY NOTES	1.37%	1/31/21	34,375.00		
8/5/19	8/5/19	700,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	3,062.50		
8/7/19	8/7/19	2,500,000	88579YAQ4	3M COMPANY CORP NOTES	2.00%	8/7/20	25,000.00		
8/28/19	8/28/19	6,000,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	45,000.00		
8/28/19	8/28/19	1,250,000	17275RBD3	CISCO SYSTEMS INC CORP NOTES	2.20%	2/28/21	13,750.00		
8/31/19	8/31/19	7,440,000	9128286D7	US TREASURY N/B	2.50%	2/28/21	93,000.00		
8/31/19	8/31/19	2,500,000	912828W55	US TREASURY N/B NOTES	1.87%	2/28/22	23,437.50		
9/3/19	9/3/19	2,500,000	478160CD4	JOHNSON & JOHNSON CORP NOTES	2.25%	3/3/22	28,125.00		
9/20/19	9/20/19	975,000	00828EBQ1	AFRICAN DEVELOPMENT BANK NOTE	1.12%	9/20/19	5,489.25		
9/28/19	9/28/19	1,400,000	3130ACE26	FHLB NOTES	1.37%	9/28/20	9,625.00		
9/30/19	9/30/19	7,125,000	912828T34	US TREASURY NOTES	1.12%	9/30/21	40,078.13		
9/30/19	9/30/19	2,930,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	16,481.25		
9/30/19	9/30/19	1,250,000	912828T34	US TREASURY NOTES	1.12%	9/30/21	7,031.25		
Total INTEREST		54,420,000					523,954.88		

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)
MATURITY									
8/5/19	8/5/19	700,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	700,000.00		0.00
9/20/19	9/20/19	975,000	00828EBQ1	AFRICAN DEVELOPMENT BANK NOTE	1.12%	9/20/19	975,000.00		0.00
Total MATURITY		1,675,000					1,675,000.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/17/19	7/18/19	4,000,000	09659CZG6	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	12/16/19	3,963,592.22	2.19%	
8/22/19	8/23/19	1,500,000	62479MYM9	MUFG BANK LTD/NY COMM PAPER	0.00%	11/21/19	1,492,050.00	2.13%	
Total BUY		5,500,000					5,455,642.22		
MATURITY									
7/18/19	7/18/19	7,000,000	912796QR3	UNITED STATES TREASURY BILL	0.00%	7/18/19	7,000,000.00		0.00
8/15/19	8/15/19	6,000,000	912796QV4	UNITED STATES TREASURY BILL	0.00%	8/15/19	6,000,000.00		0.00
8/15/19	8/15/19	5,000,000	912796QV4	UNITED STATES TREASURY BILL	0.00%	8/15/19	5,000,000.00		0.00
9/12/19	9/12/19	5,000,000	912796RA9	UNITED STATES TREASURY BILL	0.00%	9/12/19	5,000,000.00		0.00
Total MATURITY		23,000,000					23,000,000.00		0.00
TRANSFER OUT									
8/24/19	8/24/19	1,500,000	62479MYM9	MUFG BANK LTD/NY COMM PAPER	0.00%	11/21/19	1,491,738.00	2.24%	0.00
Total TRANSFER OUT		1,500,000					1,491,738.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/17/19	7/19/19	3,000,000	912796SN0	UNITED STATES TREASURY BILL	0.00%	10/17/19	2,984,313.75	2.10%	
8/14/19	8/15/19	940,000	912796TF6	US TREASURY BILL	0.00%	2/13/20	931,160.87	1.88%	
8/14/19	8/15/19	1,000,000	22533UYF4	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	11/15/19	994,607.78	2.12%	
9/19/19	9/20/19	1,050,000	62479LCJ2	MUFG BANK LTD/NY COMM PAPER	0.00%	3/18/20	1,039,132.50	2.09%	
9/26/19	9/27/19	1,525,000	09659BCR9	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	3/25/20	1,509,750.00	2.02%	
Total BUY		7,515,000					7,458,964.90		
INTEREST									
7/17/19	7/17/19	6,270,000	3137EAE5	FREDDIE MAC NOTES	1.50%	1/17/20	47,025.00		
7/19/19	7/19/19	2,525,000	3137EAEB1	FHLMC REFERENCE NOTE	0.87%	7/19/19	11,046.88		
7/30/19	7/30/19	2,480,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	18,600.00		
8/9/19	8/9/19	1,050,000	037833AX8	APPLE INC BONDS	1.55%	2/7/20	8,137.50		
8/12/19	8/12/19	1,050,000	594918AY0	MICROSOFT CORP (CALLABLE) NOTE	1.85%	2/12/20	9,712.50		
8/15/19	8/15/19	1,940,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	13,337.50		
8/28/19	8/28/19	625,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	3,125.00		
9/20/19	9/20/19	1,050,000	17275RBG6	CISCO SYSTEMS INC CORP NOTES	1.40%	9/20/19	7,350.00		
9/26/19	9/26/19	1,525,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	7,625.00		
9/30/19	9/30/19	1,295,000	912828L65	US TREASURY NOTES	1.37%	9/30/20	8,903.13		
Total INTEREST		19,810,000					134,862.51		
MATURITY									
7/19/19	7/19/19	2,525,000	3137EAEB1	FHLMC REFERENCE NOTE	0.87%	7/19/19	2,525,000.00		0.00

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)
8/15/19	8/15/19	1,940,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	1,940,000.00		0.00
8/22/19	8/22/19	1,500,000	62479MVN0	MUFG BANK LTD/NY COMM PAPER	0.00%	8/22/19	1,500,000.00		0.00
8/28/19	8/28/19	625,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	625,000.00		0.00
8/29/19	8/29/19	1,050,000	912796SF7	UNITED STATES TREASURY BILL	0.00%	8/29/19	1,050,000.00		0.00
9/20/19	9/20/19	1,050,000	17275RBG6	CISCO SYSTEMS INC CORP NOTES	1.40%	9/20/19	1,050,000.00		0.00
9/26/19	9/26/19	1,525,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	1,525,000.00		0.00
Total MATURITY		10,215,000					10,215,000.00		0.00
TRANSFER IN									
8/24/19	8/24/19	1,500,000	62479MYM9	MUFG BANK LTD/NY COMM PAPER	0.00%	11/21/19	1,491,738.00	2.24%	0.00
Total TRANSFER IN		1,500,000					1,491,738.00		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
9/25/19	9/30/19	645,000	912828L65	US TREASURY NOTES	1.37%	9/30/20	642,026.95	1.84%	
Total BUY		645,000					642,026.95		
INTEREST									
7/8/19	7/8/19	360,000	931142CU5	WAL MART STORES INC. CORP NOTES	3.62%	7/8/20	6,525.00		
7/31/19	7/31/19	310,000	912828N89	US TREASURY NOTES	1.37%	1/31/21	2,131.25		
7/31/19	7/31/19	1,265,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	10,278.13		
8/31/19	8/31/19	1,625,000	912828L32	US TREASURY NOTES	1.37%	8/31/20	11,171.88		
9/1/19	9/1/19	365,000	478160AW4	JOHNSON & JOHNSON GLOBAL NOTES	2.95%	9/1/20	5,383.75		
9/30/19	9/30/19	1,260,000	912828L65	US TREASURY NOTES	1.37%	9/30/20	8,662.50		
9/30/19	9/30/19	645,000	9128282X7	US TREASURY N/B NOTES	1.37%	9/30/19	4,434.38		
Total INTEREST		5,830,000					48,586.89		
MATURITY									
9/12/19	9/12/19	520,000	912796RA9	UNITED STATES TREASURY BILL	0.00%	9/12/19	520,000.00		0.00
9/30/19	9/30/19	645,000	9128282X7	US TREASURY N/B NOTES	1.37%	9/30/19	645,000.00		0.00
Total MATURITY		1,165,000					1,165,000.00		0.00

Portfolio Holdings

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
U.S. Treasury Bond / Note											
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	90.06	2,921,560.96	2,919,241.04
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	2,494,736.38	2,489,355.00
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	2,479,863.90	2,492,675.00
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	3,998,119.88	4,016,092.00
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	1,100,782.10	1,098,066.20
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	3,971,837.52	3,992,968.00
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	6,475,297.21	6,470,041.50
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	5,323,021.07	5,339,134.15
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	4,953,004.05	4,973,830.00
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	15,840.66	7,442,754.06	7,516,140.96
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	10,063.81	1,014,605.80	1,029,630.21
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	2,475,342.35	2,511,620.00
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	5,141,905.91	5,224,169.60
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	4,866,277.35	4,950,390.00
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	219.01	6,892,319.16	7,052,082.75

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
U.S. Treasury Bond / Note											
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	38.42	1,215,896.59	1,237,207.50
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	132,288.10	9,942,260.07	10,208,285.51
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	29,405.74	4,890,207.75	5,011,135.00
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	42,921.20	8,088,929.41	8,256,937.50
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	3,992.10	2,466,153.90	2,514,647.50
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	12,815.90	1,729,085.23	1,756,699.00
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	42,370.92	5,354,896.88	5,436,493.20
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	960,000.00	AA+	Aaa	9/19/2019	9/20/2019	961,312.50	1.70	5,645.90	961,299.38	963,600.00
Security Type Sub-Total		97,085,000.00					95,527,729.52	2.45	520,567.74	96,200,156.91	97,460,441.62
Municipal Bond / Note											
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	20,720.00	1,480,022.29	1,501,534.00
Security Type Sub-Total		1,480,000.00					1,480,059.20	2.80	20,720.00	1,480,022.29	1,501,534.00
Federal Agency Bond / Note											
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	5,998,751.22	5,989,776.00
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	1,398,518.09	1,393,621.60

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
Federal Agency Bond / Note											
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	3,097,595.61	3,136,930.30
Security Type Sub-Total		10,500,000.00					10,481,887.00	1.84	44,577.09	10,494,864.92	10,520,327.90
Corporate Note											
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	2,503,250.98	2,501,287.50
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	2,506,487.48	2,502,117.50
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	17,944.44	2,032,424.68	2,059,714.00
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	2,520.83	1,238,647.75	1,256,471.25
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	11,630.21	885,168.80	898,850.75
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	21,267.36	2,499,922.55	2,556,427.50
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	15,888.89	2,716,240.89	2,793,518.75
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	4,375.00	2,473,797.83	2,529,360.00
Security Type Sub-Total		16,875,000.00					16,896,917.50	2.61	100,293.40	16,855,940.96	17,097,747.25
Managed Account Sub Total		125,940,000.00					124,386,593.22	2.42	686,158.23	125,030,985.08	126,580,050.77

CITY OF SALEM LONG-TERM PORTFOLIO

Portfolio Holdings

Securities Sub-Total	\$125,940,000.00						
		\$124,386,593.22	2.42%	\$686,158.23	\$125,030,985.08	\$126,580,050.77	
Accrued Interest							\$686,158.23
Total Investments							\$127,266,209.00

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
U.S. Treasury Bond / Note											
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	12,120.90	1,741,661.78	1,746,514.00
Security Type Sub-Total		1,750,000.00					1,735,166.02	2.40	12,120.90	1,741,661.78	1,746,514.00
U.S. Treasury Bill											
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	5,237,184.91	5,240,718.00
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	13,467,102.39	13,476,132.00
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	2,494,023.48	2,495,580.00
Security Type Sub-Total		21,250,000.00					21,001,484.03	2.39	0.00	21,198,310.78	21,212,430.00
Commercial Paper											
BNP PARIBAS NY BRANCH COMM PAPER DTD 07/15/2019 0.000% 12/16/2019	09659CZG6	4,000,000.00	A-1	P-1	7/17/2019	7/18/2019	3,963,592.22	2.19	0.00	3,981,675.56	3,982,340.00
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	5,197,622.48	5,200,791.75
Security Type Sub-Total		9,250,000.00					9,128,319.10	2.21	0.00	9,179,298.04	9,183,131.75
Managed Account Sub Total		32,250,000.00					31,864,969.15	2.34	12,120.90	32,119,270.60	32,142,075.75
Securities Sub-Total		\$32,250,000.00					\$31,864,969.15	2.34%	\$12,120.90	\$32,119,270.60	\$32,142,075.75
Accrued Interest											\$12,120.90
Total Investments											\$32,154,196.65

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
U.S. Treasury Bond / Note											
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	5,754.08	994,080.96	997,070.00
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	5,269.16	925,086.49	927,892.62
Security Type Sub-Total		1,930,000.00					1,911,489.07	2.38	11,023.24	1,919,167.45	1,924,962.62
Managed Account Sub Total		1,930,000.00					1,911,489.07	2.38	11,023.24	1,919,167.45	1,924,962.62
Securities Sub-Total		\$1,930,000.00					\$1,911,489.07	2.38%	\$11,023.24	\$1,919,167.45	\$1,924,962.62
Accrued Interest											\$11,023.24
Total Investments											\$1,935,985.86

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
U.S. Treasury Bond / Note											
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	2,551,522.48	2,547,809.55
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	2,501,136.38	2,493,847.50
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	48.65	1,293,680.16	1,289,334.38
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	2,065,544.06	2,058,632.16
Security Type Sub-Total		8,405,000.00					8,434,122.85	1.45	32,233.55	8,411,883.08	8,389,623.59
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 04/18/2019 0.000% 10/17/2019	912796SN0	3,000,000.00	A-1+	P-1	7/17/2019	7/19/2019	2,984,313.75	2.10	0.00	2,997,211.32	2,997,636.00
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	1,995,225.98	1,996,464.00
US TREASURY BILL DTD 08/15/2019 0.000% 02/13/2020	912796TF6	940,000.00	A-1+	P-1	8/14/2019	8/15/2019	931,160.87	1.88	0.00	933,443.50	933,743.36
Security Type Sub-Total		5,940,000.00					5,891,604.48	2.15	0.00	5,925,880.80	5,927,843.36
Federal Agency Bond / Note											
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	2,569,987.38	2,569,922.90
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	1,514,904.60	1,513,971.32
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	19,332.50	6,270,939.37	6,262,338.06
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	2,498,765.68	2,492,712.50

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
Federal Agency Bond / Note											
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	2,480,931.96	2,473,088.24
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	2,480,053.62	2,473,242.00
Security Type Sub-Total		17,815,000.00					17,809,318.60	1.45	75,081.93	17,815,582.61	17,785,275.02
Corporate Note											
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	1,050,231.62	1,050,063.00
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	1,049,653.02	1,048,452.30
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	1,050,716.66	1,049,122.20
Security Type Sub-Total		3,150,000.00					3,165,897.00	1.63	13,693.69	3,150,601.30	3,147,637.50
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 08/12/2019 0.000% 11/15/2019	22533UYF4	1,000,000.00	A-1	P-1	8/14/2019	8/15/2019	994,607.78	2.12	0.00	997,362.50	997,368.00
MUFG BANK LTD/NY COMM PAPER DTD 07/12/2019 0.000% 11/21/2019	62479MYM9	1,500,000.00	A-1	P-1	8/22/2019	8/23/2019	1,492,050.00	2.13	0.00	1,495,495.01	1,495,456.50
MUFG BANK LTD/NY COMM PAPER DTD 09/20/2019 0.000% 03/18/2020	62479LCJ2	1,050,000.00	A-1	P-1	9/19/2019	9/20/2019	1,039,132.50	2.09	0.00	1,039,796.63	1,039,900.05
BNP PARIBAS NY BRANCH COMM PAPER DTD 09/26/2019 0.000% 03/25/2020	09659BCR9	1,525,000.00	A-1	P-1	9/26/2019	9/27/2019	1,509,750.00	2.02	0.00	1,510,088.89	1,509,689.00
Security Type Sub-Total		5,075,000.00					5,035,540.28	2.09	0.00	5,042,743.03	5,042,413.55

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
Managed Account Sub Total		40,385,000.00					40,336,483.21	1.65	121,009.17	40,346,690.82	40,292,793.02
Securities Sub-Total		\$40,385,000.00					\$40,336,483.21	1.65%	\$121,009.17	\$40,346,690.82	\$40,292,793.02
Accrued Interest											\$121,009.17
Total Investments											\$40,413,802.19

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
U.S. Treasury Bond / Note											
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	527,146.47	528,447.10
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	522,192.90	523,707.98
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	895,424.50	898,417.80
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	1,257,746.27	1,262,578.79
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	1,902.90	1,610,854.18	1,618,017.38
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	47.34	1,248,039.08	1,254,487.50
US TREASURY NOTES DTD 09/30/2015 1.375% 09/30/2020	912828L65	645,000.00	AA+	Aaa	9/25/2019	9/30/2019	642,026.95	1.84	24.23	642,035.04	642,178.13
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	831,228.97	836,128.44
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	6,553.28	1,189,957.44	1,197,562.80
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	1,195,245.85	1,203,448.65
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	305,950.12	308,377.46
Security Type Sub-Total		10,295,000.00					10,121,522.07	2.31	34,107.20	10,225,820.82	10,273,352.03
U.S. Treasury Bill											
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	1,148,775.89	1,149,093.80
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	947,684.98	948,320.40

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
Security Type Sub-Total		2,100,000.00					2,075,508.86	2.41	0.00	2,096,460.87	2,097,414.20
Corporate Note											
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	369,850.76	369,904.17
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	319,523.84	319,738.24
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	368,372.40	370,028.12
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	373,293.40	374,752.13
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	363,086.37	364,578.48
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	366,597.69	368,449.98
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	361,434.14	364,079.52
Security Type Sub-Total		2,520,000.00					2,517,418.00	2.53	19,625.48	2,522,158.60	2,531,530.64
Commercial Paper											
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	696,848.83	697,028.50
Security Type Sub-Total		700,000.00					692,143.67	2.25	0.00	696,848.83	697,028.50
Managed Account Sub Total		15,615,000.00					15,406,592.60	2.36	53,732.68	15,541,289.12	15,599,325.37

CITY OF SALEM LIBRARY PROJ GO BONDS 2018

Portfolio Holdings

Securities Sub-Total	\$15,615,000.00						
		\$15,406,592.60	2.36%	\$53,732.68	\$15,541,289.12	\$15,599,325.37	
Accrued Interest							\$53,732.68
Total Investments							\$15,653,058.05

Bolded items are forward settling trades.

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- 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.

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.

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.