



CITY OF BRENTWOOD

Investment Performance Review For the Quarter Ended December 31, 2018

Client Management Team

Monique Spyke, Managing Director

Izac Chyou, Senior Managing Consultant

PFM Asset Management LLC

50 California Street, Suite 2300

San Francisco, CA 94111

415-982-5544

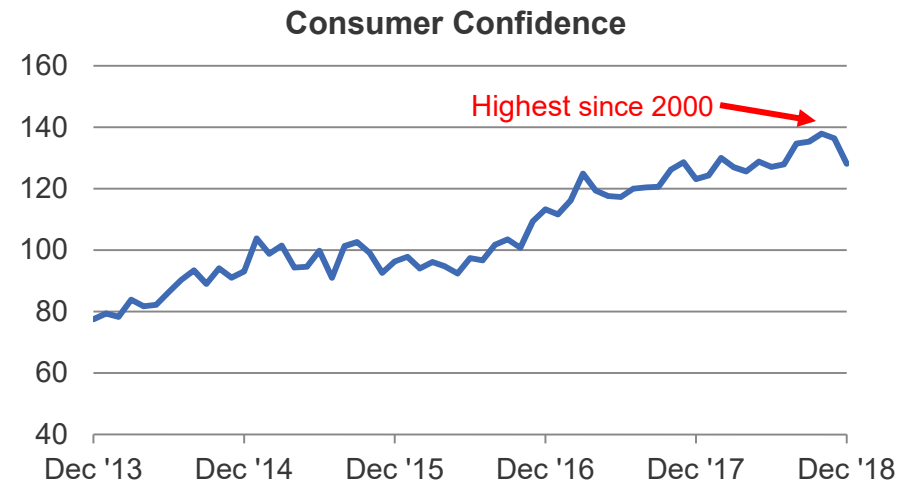
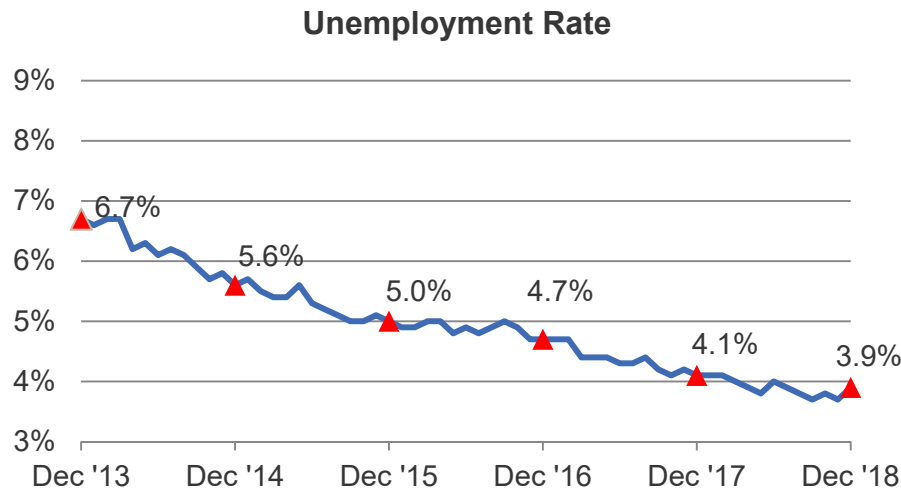
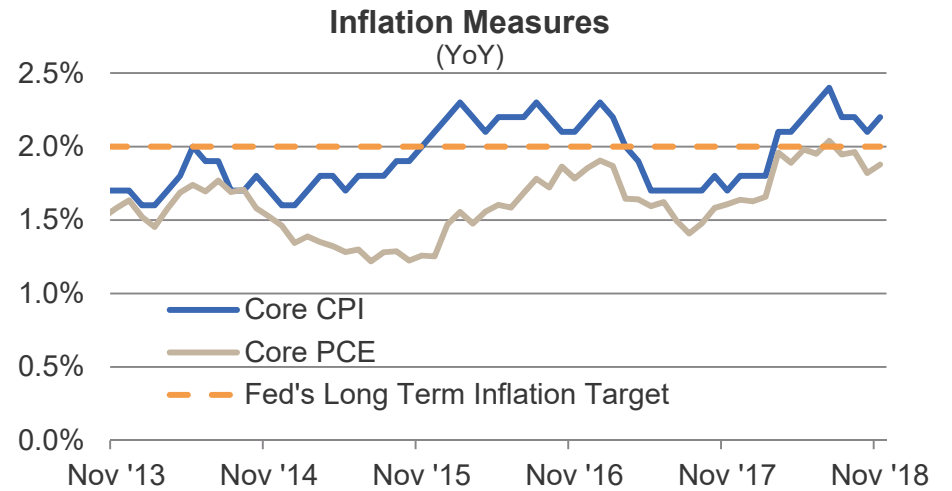
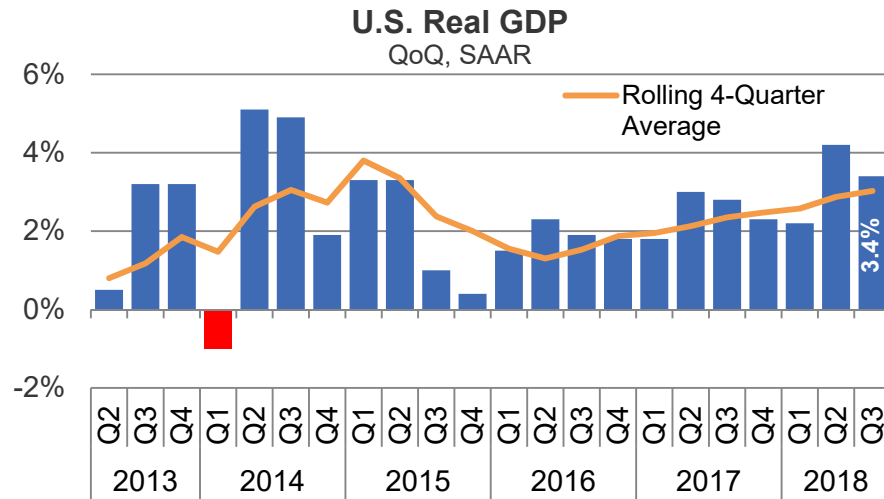
213 Market Street

Harrisburg, PA 17101-2141

717-232-2723

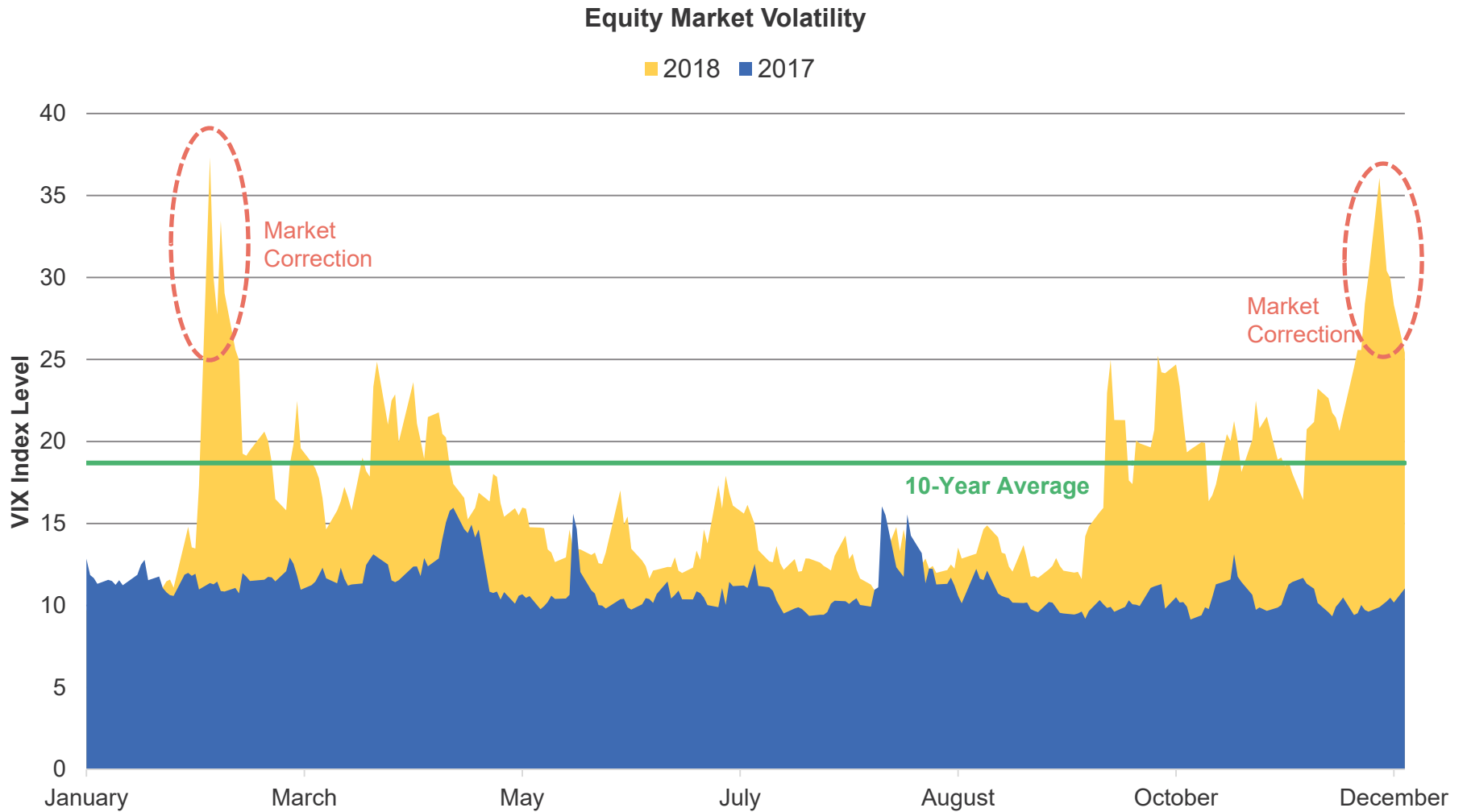
Market Update

Economic Summary



Source: Bloomberg, latest data available as of 12/31/2018.

The Return of Volatility in 2018

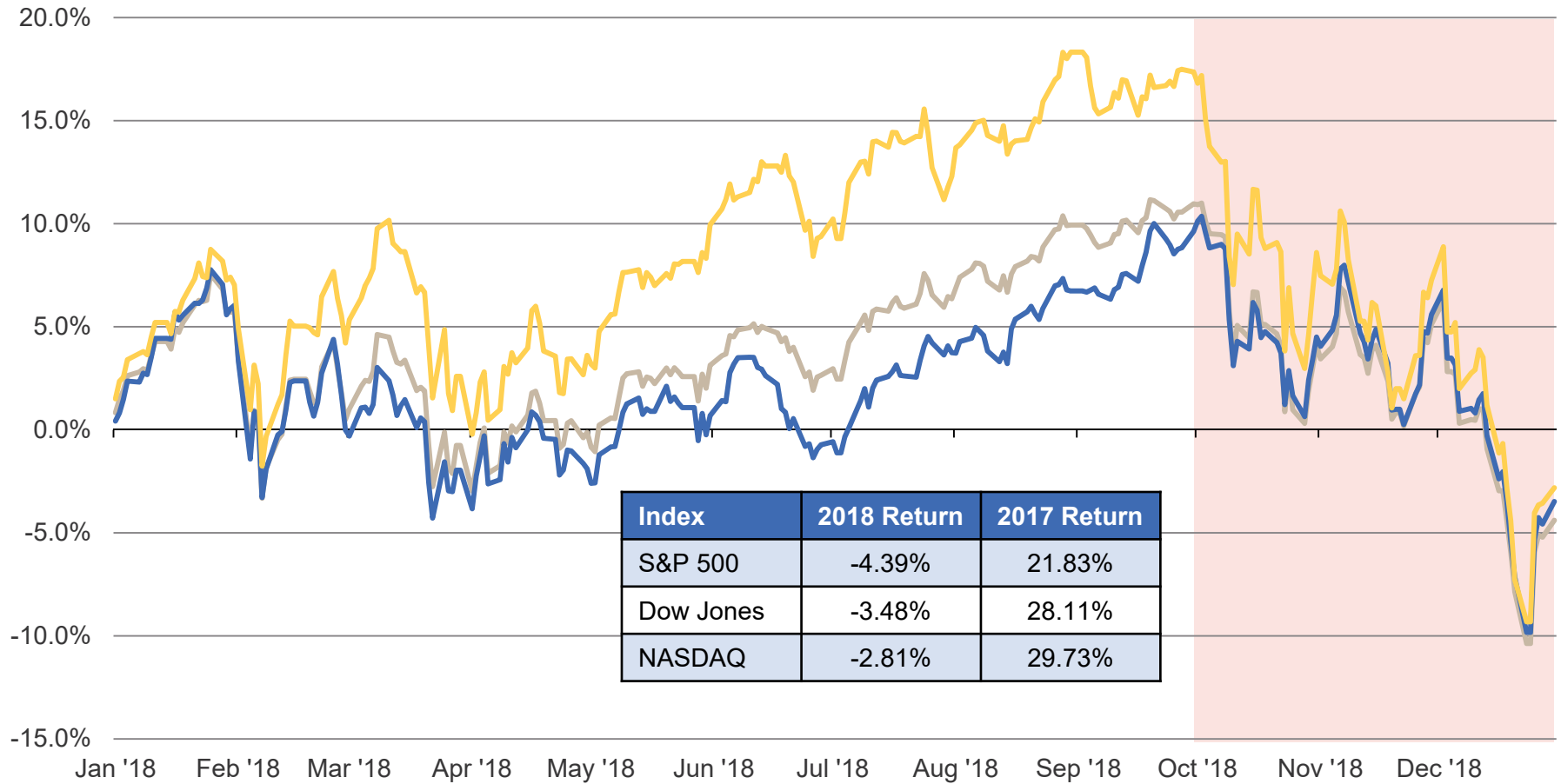


Source: Bloomberg, as of 12/31/2018. VIX Index is the Chicago Board Options Exchange SPX Volatility Index, which reflects a market estimate of future volatility.

Fourth Quarter Stock Sell-Off Erases Year-to-Date Gains

Cumulative Total Return Year-to-Date

— S&P 500 — Dow Jones — NASDAQ



Source: Bloomberg, as of 12/31/2018.

Treasury Yields Fall from Recent Highs

- The sell-off in equity markets in the fourth quarter sparked a flight to quality as investors sought the relative safety of U.S. Treasury obligations, pushing yields lower.
- As was widely expected, the Federal Reserve raised the federal funds target rate by 25 basis points for the fourth time in 2018 at its December meeting, but the consequential bump in yields was overcome by continued equity market uncertainty.
- The 2-year Treasury decreased by 33 basis points to end the quarter at 2.49%.

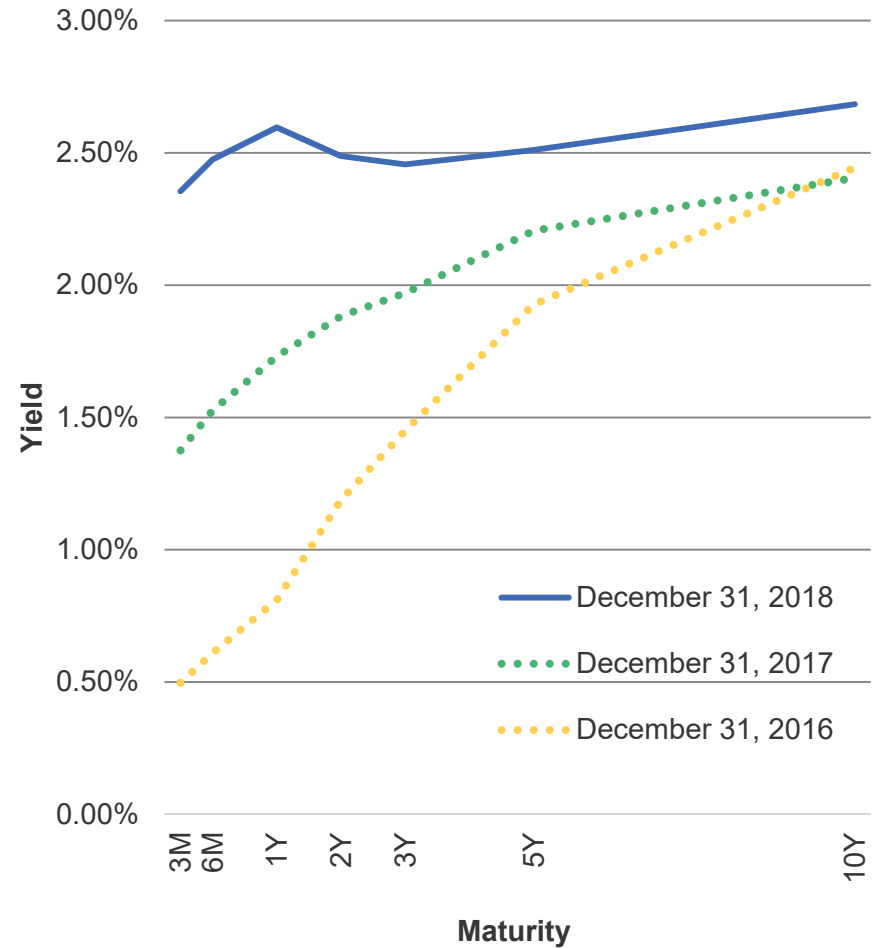
2-Year U.S. Treasury



Source: Bloomberg, as of 12/31/2018.

U.S. Treasury Curve

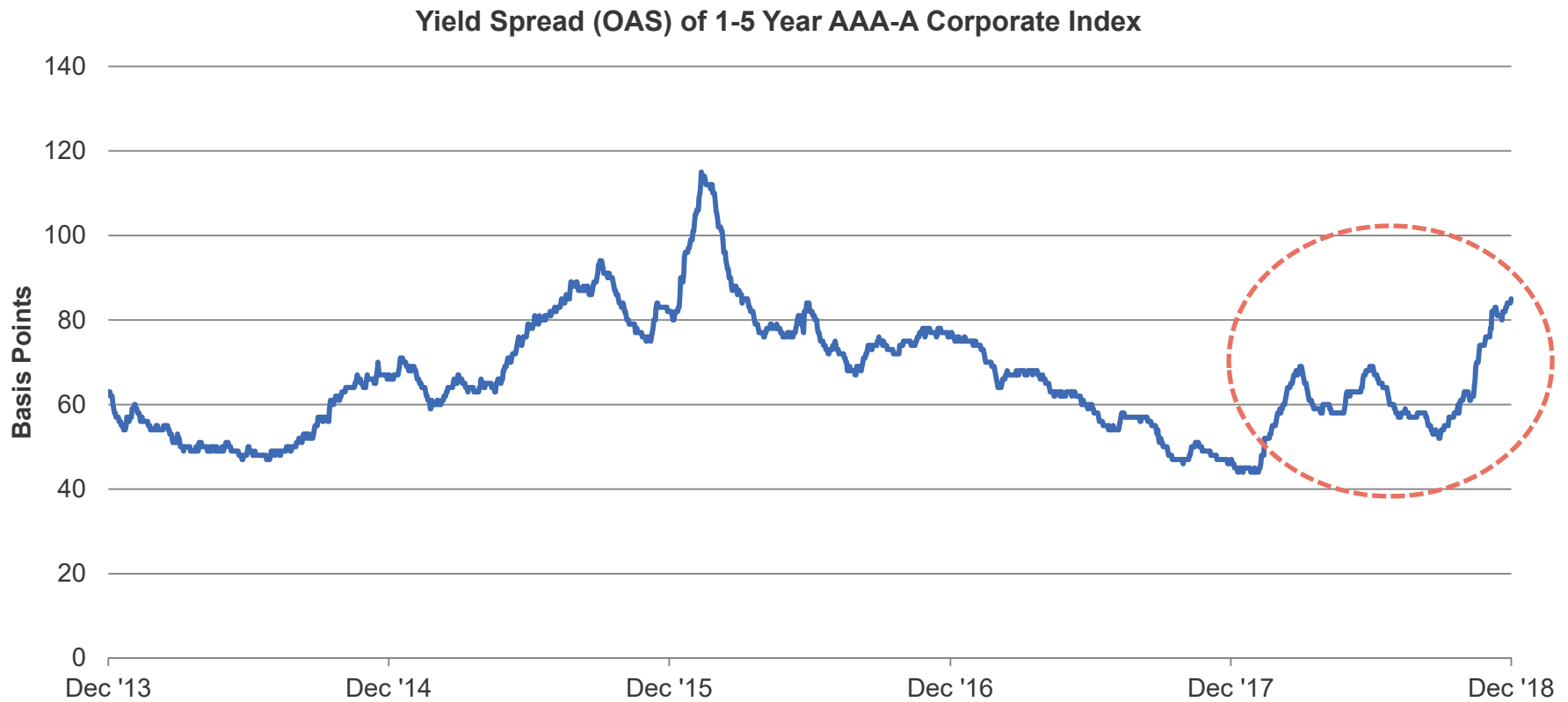
	4Q2018 12/31/18	4Q2017 12/31/17	4Q2016 12/31/16
3-month	2.35%	1.38%	0.50%
6-month	2.48%	1.53%	0.61%
1-year	2.60%	1.73%	0.81%
2-year	2.49%	1.88%	1.19%
3-year	2.46%	1.97%	1.45%
5-year	2.51%	2.21%	1.93%
10-year	2.68%	2.41%	2.44%



Source: Bloomberg, as of 12/31/2018.

Credit Spreads Widen with Market Volatility

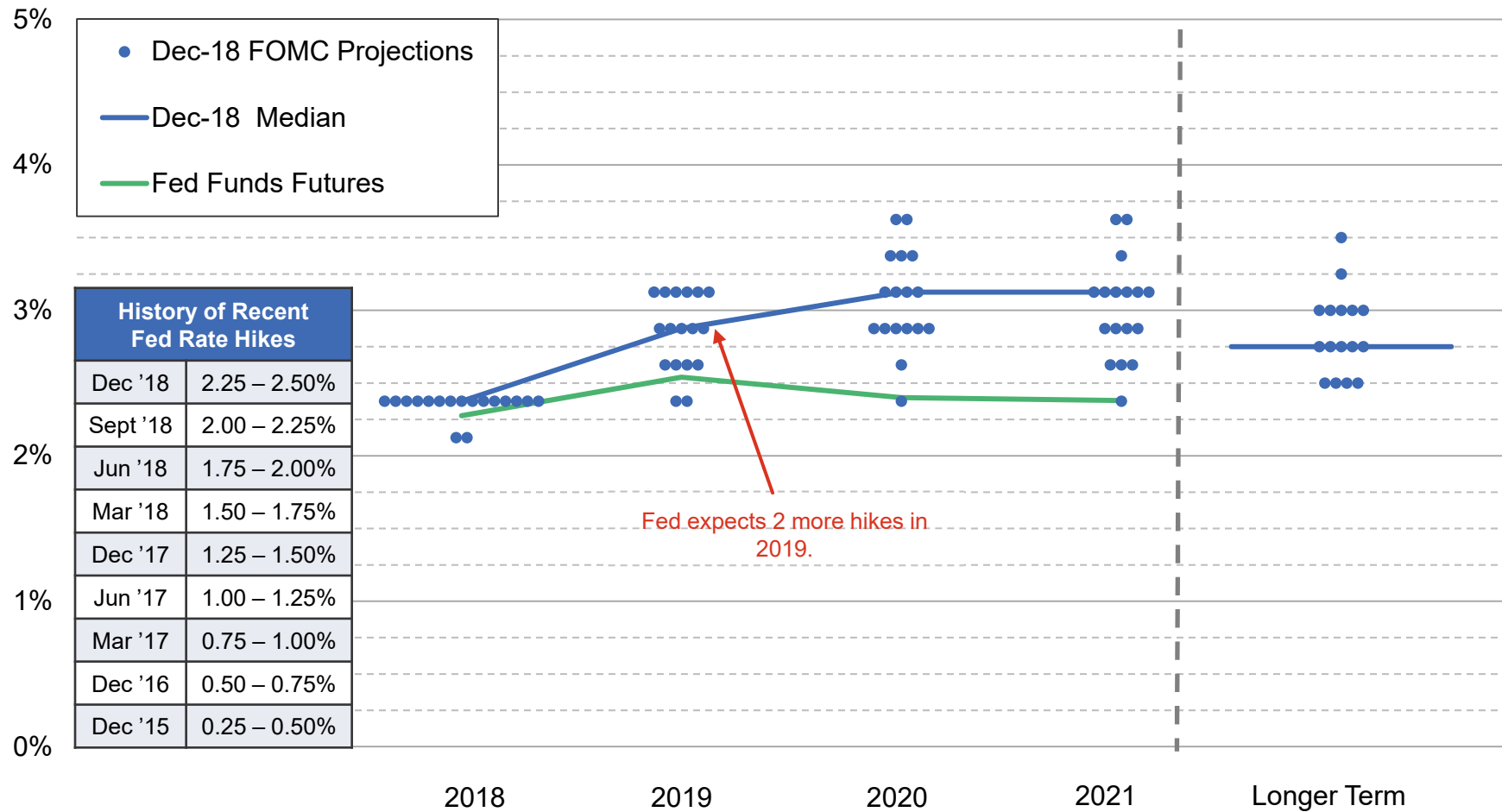
- Volatility in equity markets in the fourth quarter caused an increase in demand for haven assets like Treasury bonds, widening credit spreads further to the highest level since 2016.



Source: ICE BofAML Indices, as of 12/31/2018. OAS is option-adjusted spread versus a comparable maturity Treasury.

FOMC “Dot Plot” – A Fourth 2018 Rate Hike in December

Fed Participants’ Assessments of “Appropriate” Monetary Policy
December 2018



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members’ judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of 12/19/2018.

Investment Strategy & Portfolio Review

Portfolio Recap

- Investors gravitated toward lower-risk assets through the final months of 2018 as volatility surged, stocks lost their footing, credit spreads widened, and the belly of the curve (maturities between one and five years) began trading at rates lower than shorter- and longer-term securities (maturities one year or less and maturities greater than five years). U.S. Treasury yields reversed course during the quarter as maturities beyond one year declined 30 – 40 basis points (0.30% to 0.40%).
- For the past several quarters we have positioned the portfolio with a duration less than that of the benchmark. This benefited the portfolio for most of 2018 as the Federal Reserve raised rates, and yields across the curve increased. However, in the fourth quarter, sudden shifts in market sentiment caused interest rates to fall, which eroded some of those benefits, negatively impacting portfolio performance versus the benchmark. At the same time, the declines in longer-term yields positively impacted the portfolio's absolute performance.
 - Our strategy over the past several months was to actively reduce exposure to credit sectors (and increase allocations to safer U.S. Treasuries), which helped to reduce relative underperformance versus the benchmark as U.S. Treasuries outperformed credit sectors for the quarter.
 - The federal agency sector was one of the few to generate positive excess returns relative to U.S. Treasuries for the quarter. The modest incremental yield spread versus Treasuries accounted for the slight relative outperformance.
 - Corporates felt the pressure of wider spreads across all industries. As a result, the sector underperformed most fixed-income alternatives in the quarter. While portfolio allocations to the sector detracted from performance relative to the benchmark, our shift to a more defensive bias at the beginning of the quarter—favoring higher quality issuers, active selling of lower-yielding issues, and shorter durations—helped mitigate the underperformance.
 - After actively adding asset-backed securities (ABS) in prior quarters, the portfolio's allocation was maintained in the quarter. We continue to view ABS as a favorable sector that offers incremental income and enhanced credit quality. Although the sector generated returns that were less than those of similar-duration Treasuries, in the fourth quarter the AAA-rated ABS sector generated attractive relative performance compared to corporates.
 - After yields narrowed to 12-month lows in the third quarter, spreads on negotiable bank certificates of deposit and commercial paper issuers rebounded in the fourth quarter. As a result, the portfolio benefited from additional allocations to these high-quality, short-term credit instruments at attractive yields.
 - Mortgage-backed securities (MBS)—regardless of structure, coupon, and collateral type—generated returns less than Treasuries in the quarter. Although allocations to the sector detracted from performance relative to Treasury-only benchmarks, our cautious view of the sector helped limit overall risk to the portfolio.

Sector Allocation and Compliance

- The portfolio is in compliance with the City's Investment Policy and California Government Code.

Security Type	Market Value	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$72,006,419	31.6%	100%	✓
Federal Agency	\$21,935,074	9.6%	100%	✓
Federal Agency CMOs	\$2,611,669	1.1%	20%	✓
Supranationals	\$15,844,396	7.0%	30%	✓
Negotiable CDs	\$31,888,488	14.0%	30%	✓
Corporate Notes	\$34,484,158	15.1%	30%	✓
Asset-Backed Securities	\$14,529,787	6.4%	20%	✓
Securities Sub-Total	\$193,299,991	84.9%		
Accrued Interest	\$1,065,348			
Securities Total	\$194,365,339			
Money Market Fund	\$810,226	0.4%	15%	✓
LAIF	\$33,649,637	14.8%	\$65 Million	✓
Total Investments	\$228,825,202	100.0%		

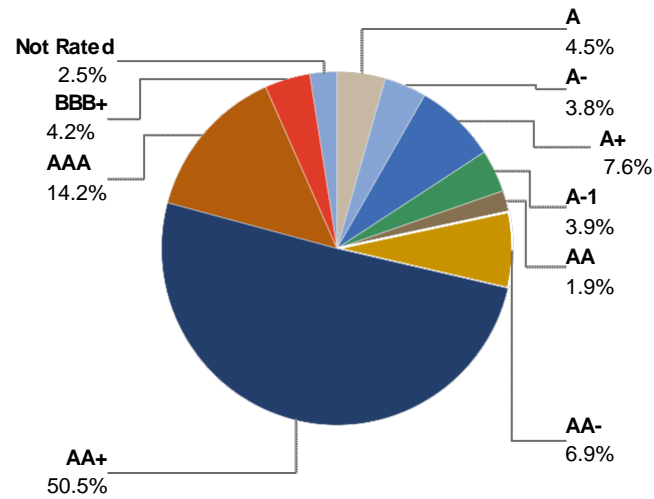
Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of June 23, 2015.

Portfolio Statistics

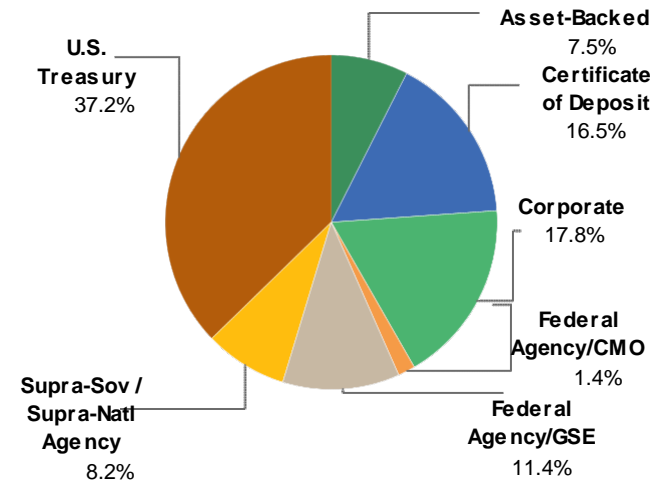
As of December 31, 2018

Par Value:	\$195,796,640
Total Market Value:	\$195,175,564
Security Market Value:	\$193,299,991
Accrued Interest:	\$1,065,348
Cash:	\$810,226
Amortized Cost:	\$195,058,465
Yield at Market:	2.71%
Yield at Cost:	2.22%
Effective Duration:	2.31 Years
Duration to Worst:	2.36 Years
Average Credit: *	AA

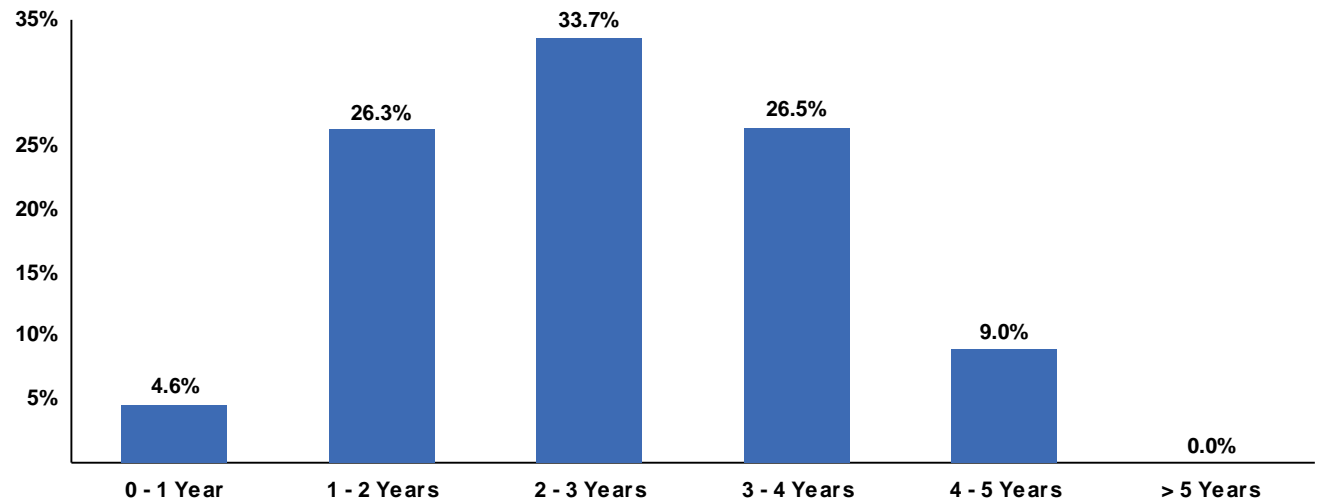
Credit Quality (S&P Ratings)



Sector Allocation



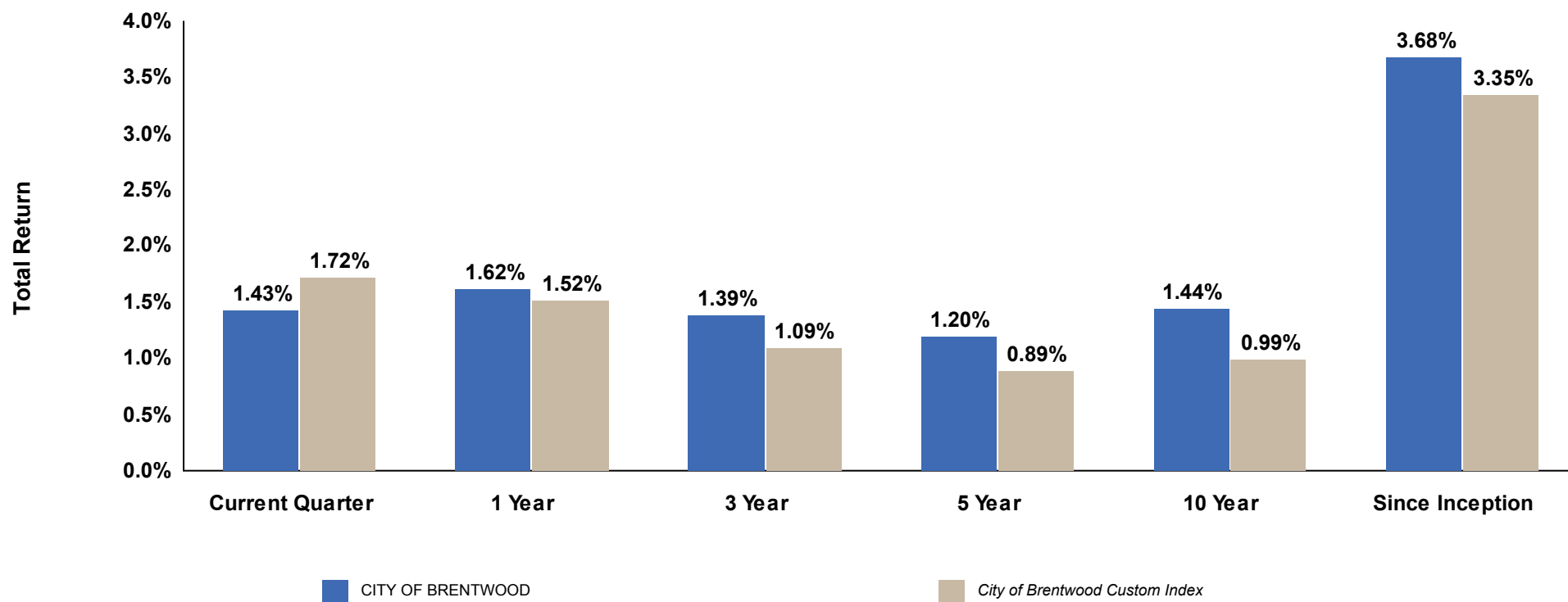
Maturity Distribution



*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio. Securities held in the City's portfolio are in compliance with California Government Code and the City's investment policy date June 23, 2015.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (12/31/92)
			1 Year	3 Year	5 Year	10 Year	
CITY OF BRENTWOOD	2.31	1.43%	1.62%	1.39%	1.20%	1.44%	3.68%
City of Brentwood Custom Index	2.56	1.72%	1.52%	1.09%	0.89%	0.99%	3.35%
Difference		-0.29%	0.10%	0.30%	0.31%	0.45%	0.33%



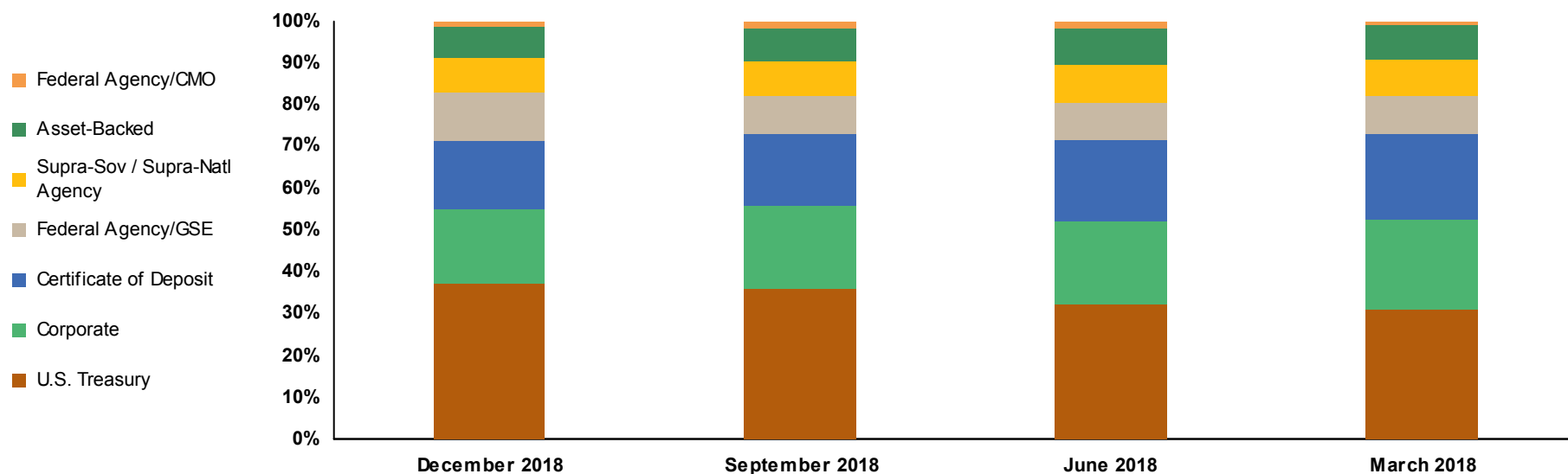
Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Earnings*Quarter-Ended December 31, 2018*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2018)	\$190,615,054.64	\$194,104,635.17
Net Purchases/Sales	\$1,003,179.54	\$1,003,179.54
Change in Value	\$1,681,756.58	(\$49,349.37)
Ending Value (12/31/2018)	\$193,299,990.76	\$195,058,465.34
Interest Earned	\$1,070,241.93	\$1,070,241.93
Portfolio Earnings	\$2,751,998.51	\$1,020,892.56

Sector Allocation

Sector	December 31, 2018		September 30, 2018		June 30, 2018		March 31, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	72.0	37.2%	68.4	35.8%	61.1	32.0%	58.5	30.8%
Corporate	34.5	17.8%	37.8	19.9%	37.9	19.9%	40.8	21.5%
Certificate of Deposit	31.9	16.5%	33.4	17.5%	37.3	19.6%	39.0	20.5%
Federal Agency/GSE	21.9	11.4%	16.8	8.8%	16.8	8.8%	17.8	9.4%
Supra-Sov / Supra-Natl Agency	15.8	8.2%	15.7	8.2%	17.6	9.3%	16.5	8.7%
Asset-Backed	14.5	7.5%	15.5	8.2%	15.9	8.4%	15.6	8.2%
Federal Agency/CMO	2.6	1.4%	3.0	1.6%	3.7	2.0%	1.6	0.9%
Total	\$193.3	100.0%	\$190.6	100.0%	\$190.4	100.0%	\$189.9	100.0%

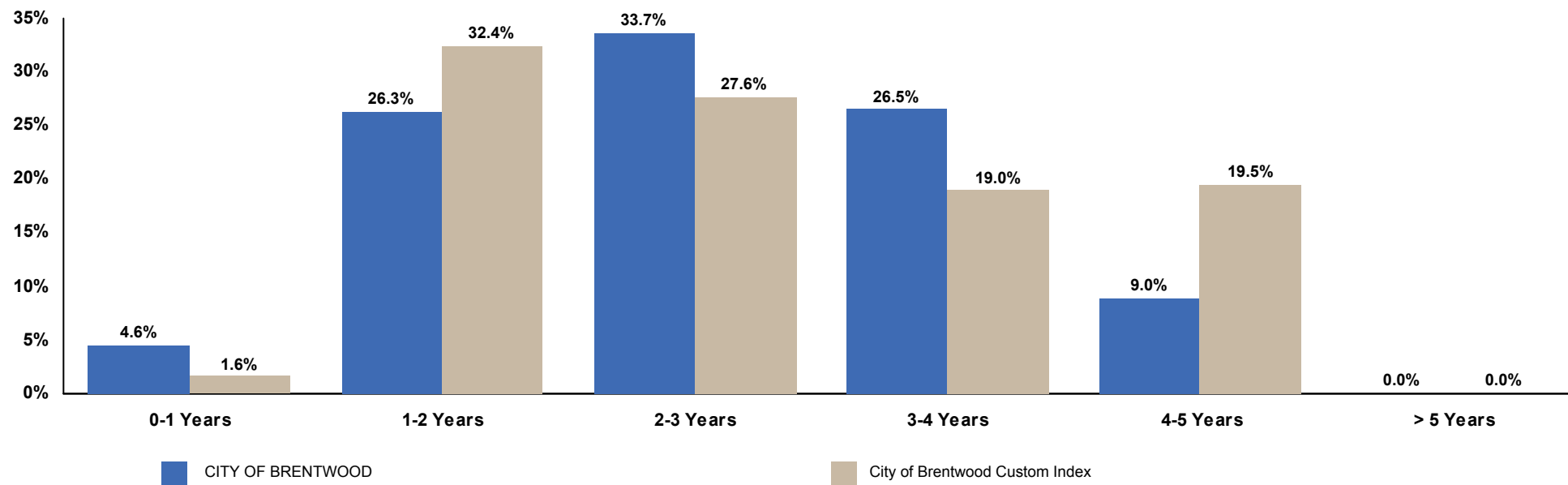


Detail may not add to total due to rounding.

Maturity Distribution

As of December 31, 2018

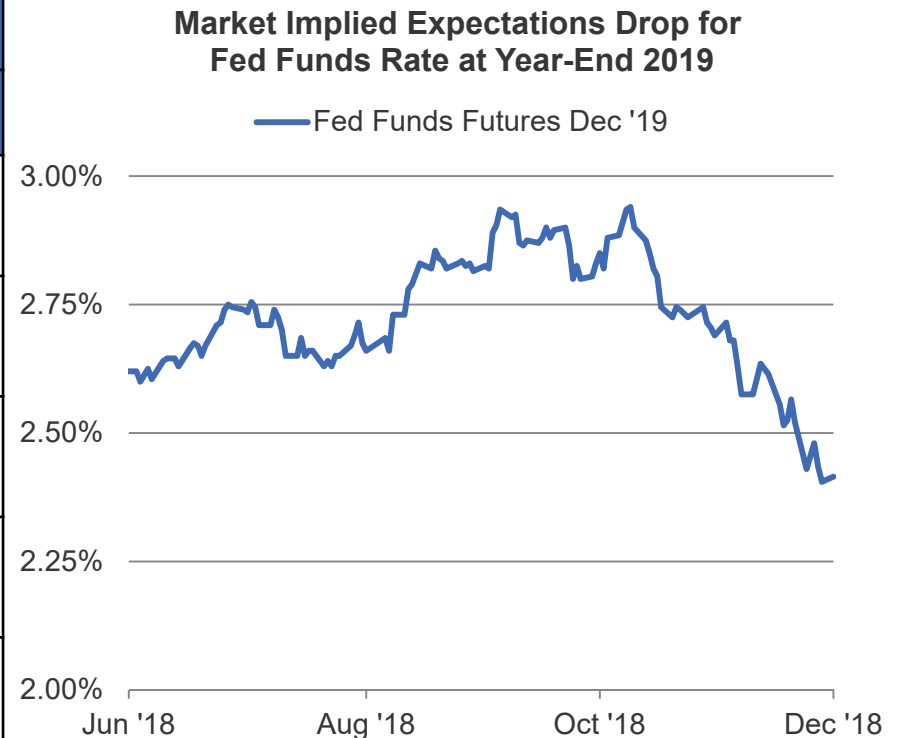
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF BRENTWOOD	2.71%	2.56 yrs	4.6%	26.3%	33.7%	26.5%	9.0%	0.0%
City of Brentwood Custom Index	2.51%	2.75 yrs	1.6%	32.4%	27.6%	19.0%	19.5%	0.0%



Fed Expectations for 2019 Less Optimistic

- According to the Federal Open Market Committee meeting minutes from December, the Committee believes that risks to the economic outlook are roughly balanced, but it will continue to monitor global economic and financial developments and assess their implications for the economic outlook.
- The Committee has grown less optimistic regarding near-term economic growth as its December projections for 2019 real GDP and inflation have decreased from the prior quarter's expectations.

Indicator	2018		2019		Longer run	
	Sept.	Dec.	Sept.	Dec.	Sept.	Dec.
Real GDP (YoY)	3.1%	3.0%	2.5%	2.3%	1.8%	1.9%
Unemployment Rate	3.7%	3.7%	3.5%	3.5%	4.5%	4.4%
PCE Inflation (YoY)	2.1%	1.9%	2.0%	1.9%	2.0%	2.0%
Core PCE (YoY)	2.0%	1.9%	2.1%	2.0%	-	-
Federal Funds Rate (Median)	2.4%	2.4%	3.1%	2.9%	3.0%	2.8%



Source: Federal Reserve, Bloomberg as of 12/31/2018.

Investment Strategy Outlook

- While the path of future Fed rate hikes is less clear than in recent years, we expect future tightening (additional Fed rate hikes) to be modest. Further, political gridlock adds additional uncertainty. As a result, we will seek to increase portfolio duration to be more in line with (neutral to) the benchmark.
- Our outlooks for the major investment-grade fixed income sectors are as follows:
 - Despite the outperformance from the federal agency sector in the fourth quarter, federal agency spreads (incremental yield) remain very narrow as most maturities offer less than five basis points (0.05%) of incremental yield relative to U.S. Treasuries. We will continue to moderate use of agencies where yield differences are narrow, seeking better relative value in either Treasuries or other sectors. Callable agencies will continue to be evaluated, and, where analyses indicate strong value, we will seek to utilize these securities as portfolio diversifiers.
 - Although it appears that volatility may not dissipate quickly, the significant sell-off in the corporate sector (resulting in wider spreads) presents an opportunity to selectively add to the sector. We prefer high-quality, defensive issuers with a focus on one- to three-year maturities and continue to prefer financials (specifically domestic issuers) and to remain selective in industrial issuers.
 - Allocations to AAA-rated Asset-Backed Securities (ABS) will be maintained. The sector continues to offer attractive incremental income compared to government securities while also serving as a lower volatility credit alternative. Further, as issuance is expected to increase through the beginning of the year, opportunities may arise to add exposure.
 - The MBS sector has underperformed as spreads have widened. While certain structures (namely Collateralized Mortgage-Backed Securities) have been identified as an opportunity to add to the portfolio, our view of the overall sector remains cautious. Elevated volatility and the pace of global economic growth remain headwinds as well as the Fed's continued wind-down of its MBS holdings.
 - Short-term money market investors continue to reap the rewards of current monetary policy as the fed funds effective rate now nears two and a half percent. Short-term negotiable bank certificates of deposit and commercial paper have since normalized following very narrow yield differences at year-end, and once again provide an attractive, high-quality source of incremental income.

Issuer Distribution

Sector/Issuer Distribution

As of December 31, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
ALLY AUTO RECEIVABLES TRUST	3,290,138	22.6%	1.7%
HONDA AUTO RECEIVABLES	3,643,434	25.1%	1.9%
HYUNDAI AUTO RECEIVABLES	3,589,422	24.7%	1.9%
JOHN DEERE OWNER TRUST	1,086,865	7.5%	0.6%
NISSAN AUTO RECEIVABLES	198,119	1.4%	0.1%
TOYOTA MOTOR CORP	2,721,808	18.7%	1.4%
Sector Total	14,529,787	100.0%	7.5%
Certificate of Deposit			
BANK OF MONTREAL	2,497,088	7.8%	1.3%
BANK OF NOVA SCOTIA	3,748,759	11.8%	1.9%
CANADIAN IMPERIAL BANK OF COMMERCE	1,743,233	5.5%	0.9%
CREDIT SUISSE GROUP	1,916,715	6.0%	1.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	1,896,674	5.9%	1.0%
NORDEA BANK AB	2,883,246	9.0%	1.5%
SKANDINAVISKA ENSKILDA BANKEN AB	3,729,049	11.7%	1.9%
SUMITOMO MITSUI FINANCIAL GROUP INC	3,510,262	11.0%	1.8%
SWEDBANK AB	3,752,470	11.8%	1.9%
UBS AG	2,891,636	9.1%	1.5%
WESTPAC BANKING CORP	3,319,357	10.4%	1.7%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	31,888,488	100.0%	16.5%
Corporate			
AMERICAN EXPRESS CO	1,098,066	3.2%	0.6%
APPLE INC	990,537	2.9%	0.5%
BANK OF AMERICA CO	1,874,158	5.4%	1.0%
BB&T CORPORATION	964,272	2.8%	0.5%
BURLINGTON NORTHERN SANTA FE	855,299	2.5%	0.4%
CATERPILLAR INC	509,943	1.5%	0.3%
CITIGROUP INC	1,869,273	5.4%	1.0%
DEERE & COMPANY	442,980	1.3%	0.2%
GENERAL ELECTRIC CO	4,553,010	13.2%	2.4%
GOLDMAN SACHS GROUP INC	1,780,330	5.2%	0.9%
HOME DEPOT INC	1,929,827	5.6%	1.0%
JP MORGAN CHASE & CO	3,450,650	10.0%	1.8%
MICROSOFT CORP	1,906,067	5.5%	1.0%
PEPSICO INC	1,190,798	3.5%	0.6%
THE BANK OF NEW YORK MELLON CORPORATION	1,866,368	5.4%	1.0%
TOYOTA MOTOR CORP	3,331,116	9.7%	1.7%
UNILEVER PLC	270,907	0.8%	0.1%
UNITED PARCEL SERVICE INC	1,860,170	5.4%	1.0%
WAL-MART STORES INC	3,740,386	10.8%	1.9%
Sector Total	34,484,158	100.0%	17.8%
Federal Agency/CMO			

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
FANNIE MAE	1,209,944	46.3%	0.6%
FREDDIE MAC	1,401,726	53.7%	0.7%
Sector Total	2,611,669	100.0%	1.4%
Federal Agency/GSE			
FANNIE MAE	21,935,074	100.0%	11.3%
Sector Total	21,935,074	100.0%	11.3%
Supra-Sov / Supra-Natl Agency			
INTER-AMERICAN DEVELOPMENT BANK	7,702,322	48.6%	4.0%
INTERNATIONAL FINANCE CORPORATION	4,411,706	27.8%	2.3%
INTL BANK OF RECONSTRUCTION AND DEV	3,730,369	23.5%	1.9%
Sector Total	15,844,396	100.0%	8.2%
U.S. Treasury			
UNITED STATES TREASURY	72,006,419	100.0%	37.3%
Sector Total	72,006,419	100.0%	37.3%
Portfolio Total	193,299,991	100.0%	100.0%

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									
10/2/18	10/4/18	2,600,000	912828P38	US TREASURY NOTES	1.75%	1/31/23	2,483,927.31	2.93%	
10/16/18	10/18/18	2,000,000	86565BPC9	SUMITOMO MITSUI BANK NY CERT DEPOS	3.39%	10/16/20	1,997,280.00	3.46%	
11/29/18	11/30/18	4,900,000	3135G0U43	FANNIE MAE NOTES	2.87%	9/12/23	4,908,768.28	2.97%	
Total BUY		9,500,000					9,389,975.59		
INTEREST									
10/1/18	10/1/18	1,950,000	437076AZ5	HOME DEPOT INC CORP NOTES	2.70%	4/1/23	26,325.00		
10/1/18	10/1/18	845,000	12189TBC7	BURLINGTON NRTH CORP	4.70%	10/1/19	19,857.50		
10/1/18	10/1/18	1,900,000	911312AQ9	UNITED PARCEL SERVICE CORP NOTES	2.45%	10/1/22	23,275.00		
10/1/18	10/25/18	299,265	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	410.49		
10/1/18	10/25/18	1,000,000	3137BM6P6	FHLMC MULTIFAMILY STRUCTURED P POOL	3.09%	8/25/22	2,575.00		
10/1/18	10/25/18	441,587	3137BNN26	FHLMC SERIES KP03 A2	1.78%	7/1/19	655.02		
10/1/18	10/25/18	1,203,729	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	3,699.90		
10/1/18	10/25/18	42,290	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	66.89		
10/2/18	10/2/18	0	MONEY0002	MONEY MARKET FUND			1,165.46		
10/5/18	10/5/18	400,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON CD	1.91%	4/5/19	3,883.67		
10/10/18	10/10/18	1,740,000	13606BVF0	CANADIAN IMP BK COMM NY FLT CERT DEPOS	2.81%	4/10/20	12,145.80		
10/13/18	10/13/18	1,915,000	3135G0U27	FANNIE MAE NOTES	2.50%	4/13/21	23,937.50		
10/15/18	10/15/18	300,869	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	391.13		
10/15/18	10/15/18	1,255,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	1,851.13		
10/15/18	10/15/18	990,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	1,938.75		
10/15/18	10/15/18	485,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	699.21		
10/15/18	10/15/18	1,525,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	2,262.08		
10/15/18	10/15/18	820,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	1,202.67		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/15/18	10/15/18	205,486	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	222.61		
10/15/18	10/15/18	550,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	834.17		
10/15/18	10/15/18	184,529	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	192.22		
10/15/18	10/15/18	640,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	1,488.00		
10/15/18	10/15/18	1,195,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	1,921.96		
10/15/18	10/15/18	620,980	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	879.72		
10/15/18	10/15/18	1,900,000	43811BAC8	HONDA ABS 2017-2 A3	1.68%	8/15/21	2,660.00		
10/15/18	10/15/18	886,152	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	952.61		
10/15/18	10/15/18	480,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	712.00		
10/15/18	10/15/18	258,752	65478VAD9	NISSAN ABS 2016-B A3	1.32%	1/15/21	284.63		
10/15/18	10/15/18	1,215,000	713448DX3	PEPSICO INC CORP (CALLABLE) NOTE	2.00%	4/15/21	12,150.00		
10/15/18	10/15/18	1,485,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	2,462.62		
10/19/18	10/19/18	1,150,000	4581X0DB1	INTER-AMERICAN DEVELOPMENT BANK NOTE	2.62%	4/19/21	15,093.75		
10/19/18	10/19/18	1,900,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	24,937.50		
10/21/18	10/21/18	868,806	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	1,245.29		
10/21/18	10/21/18	1,065,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	1,819.37		
10/31/18	10/31/18	2,100,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	21,000.00		
10/31/18	10/31/18	3,825,000	9128283C2	US TREASURY N/B NOTES	2.00%	10/31/22	38,250.00		
10/31/18	10/31/18	2,670,000	912828R28	US TREASURY N/B NOTES	1.62%	4/30/23	21,693.75		
10/31/18	10/31/18	4,050,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	25,312.50		
10/31/18	10/31/18	5,000,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	50,000.00		
10/31/18	10/31/18	3,950,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	37,031.25		
11/1/18	11/25/18	42,229	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	66.79		
11/1/18	11/25/18	1,148,896	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	3,537.73		
11/1/18	11/25/18	440,706	3137BNN26	FHLMC SERIES KP03 A2	1.78%	7/1/19	653.72		
11/1/18	11/25/18	1,000,000	3137BM6P6	FHLMC MULTIFAMILY STRUCTURED P POOL	3.09%	8/25/22	2,575.00		
11/1/18	11/25/18	180,793	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	247.99		
11/2/18	11/2/18	0	MONEY0002	MONEY MARKET FUND			608.40		
11/5/18	11/5/18	1,500,000	86563YVNO	SUMITOMO MITSUI BANK NY CD	2.05%	5/3/19	15,887.50		
11/5/18	11/5/18	275,000	904764AV9	UNILEVER CAPITAL CORP BONDS	1.80%	5/5/20	2,475.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
11/9/18	11/9/18	3,730,000	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	39,631.25		
11/13/18	11/13/18	1,000,000	037833BD1	APPLE INC CORP NOTE	2.00%	5/6/20	10,000.00		
11/15/18	11/15/18	166,493	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	173.43		
11/15/18	11/15/18	180,988	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	196.07		
11/15/18	11/15/18	1,195,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	1,921.96		
11/15/18	11/15/18	1,900,000	43811BAC8	HONDA ABS 2017-2 A3	1.68%	8/15/21	2,660.00		
11/15/18	11/15/18	990,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	1,938.75		
11/15/18	11/15/18	825,479	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	887.39		
11/15/18	11/15/18	266,278	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	346.16		
11/15/18	11/15/18	1,255,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	1,851.13		
11/15/18	11/15/18	550,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	834.17		
11/15/18	11/15/18	640,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	1,488.00		
11/15/18	11/15/18	240,052	65478VAD9	NISSAN ABS 2016-B A3	1.32%	1/15/21	264.06		
11/15/18	11/15/18	581,311	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	823.52		
11/15/18	11/15/18	485,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	699.21		
11/15/18	11/15/18	1,485,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	2,462.62		
11/15/18	11/15/18	820,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	1,202.67		
11/15/18	11/15/18	480,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	712.00		
11/15/18	11/15/18	1,525,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	2,262.08		
11/16/18	11/16/18	3,825,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	44,378.49		
11/17/18	11/17/18	3,350,000	89236TBJ3	TOYOTA MOTOR CREDIT CORP BONDS	2.75%	5/17/21	46,062.50		
11/19/18	11/19/18	0	45905UP32	INTL BANK OF RECONSTRUCTION AND DEV NOTE	1.56%	9/12/20	19.00		
11/21/18	11/21/18	1,065,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	1,819.38		
11/21/18	11/21/18	817,483	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	1,171.73		
11/29/18	11/29/18	525,000	14913Q2E8	CATERPILLAR FINANCIAL SERVICES CORP NOTE	2.55%	11/29/22	6,693.75		
11/30/18	11/30/18	2,840,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	19,525.00		
11/30/18	11/30/18	2,975,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	20,453.13		
12/1/18	12/25/18	113,956	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	156.31		
12/1/18	12/25/18	35,018	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	55.39		
12/1/18	12/25/18	400,108	3137BNN26	FHLMC SERIES KP03 A2	1.78%	7/1/19	593.49		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
12/1/18	12/25/18	1,000,000	3137BM6P6	FHLMC MULTIFAMILY STRUCTURED P POOL	3.09%	8/25/22	2,575.00		
12/1/18	12/25/18	1,099,980	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	3,296.56		
12/4/18	12/4/18	0	MONEY0002	MONEY MARKET FUND			1,555.36		
12/5/18	12/5/18	3,340,000	06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	3.08%	6/5/20	50,864.49		
12/8/18	12/8/18	1,900,000	172967LC3	CITIGROUP INC CORP (CALLABLE) NOTE	2.90%	12/8/21	27,550.00		
12/15/18	12/15/18	1,900,000	43811BAC8	HONDA ABS 2017-2 A3	1.68%	8/15/21	2,660.00		
12/15/18	12/15/18	550,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	834.17		
12/15/18	12/15/18	538,328	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	762.63		
12/15/18	12/15/18	990,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	1,938.75		
12/15/18	12/15/18	470,660	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	678.53		
12/15/18	12/15/18	1,255,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	1,851.13		
12/15/18	12/15/18	457,486	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	678.60		
12/15/18	12/15/18	231,516	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	300.97		
12/15/18	12/15/18	820,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	1,202.67		
12/15/18	12/15/18	764,226	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	821.54		
12/15/18	12/15/18	142,241	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	148.17		
12/15/18	12/15/18	154,590	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	167.47		
12/15/18	12/15/18	640,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	1,488.00		
12/15/18	12/15/18	218,507	65478VAD9	NISSAN ABS 2016-B A3	1.32%	1/15/21	240.36		
12/15/18	12/15/18	1,485,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	2,462.62		
12/15/18	12/15/18	1,429,847	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	2,120.94		
12/15/18	12/15/18	1,195,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	1,921.96		
12/15/18	12/15/18	3,800,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	36,100.00		
12/21/18	12/21/18	764,722	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	1,096.10		
12/21/18	12/21/18	1,065,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	1,819.37		
12/22/18	12/22/18	450,000	24422ETS8	JOHN DEERE CAPITAL CORP NOTES	1.95%	6/22/20	4,387.50		
12/28/18	12/28/18	1,995,000	3135G0H55	FNMA BENCHMARK NOTES	1.87%	12/28/20	18,703.13		
12/31/18	12/31/18	5,325,000	912828XG0	US TREASURY N/B NOTES	2.12%	6/30/22	56,578.13		
12/31/18	12/31/18	2,815,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	29,909.38		
12/31/18	12/31/18	4,100,000	912828XG0	US TREASURY N/B NOTES	2.12%	6/30/22	43,562.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total INTEREST		133,059,340					923,096.95		
PAYDOWNS									
10/1/18	10/25/18	62	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	61.60		0.00
10/1/18	10/25/18	54,833	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	54,832.84		0.00
10/1/18	10/25/18	118,472	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	118,472.46		0.00
10/1/18	10/25/18	881	3137BNN26	FHLMC SERIES KP03 A2	1.78%	7/1/19	880.70		0.00
10/15/18	10/15/18	18,035	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	18,035.30		0.00
10/15/18	10/15/18	39,669	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	39,668.56		0.00
10/15/18	10/15/18	24,498	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	24,497.67		0.00
10/15/18	10/15/18	18,701	65478VAD9	NISSAN ABS 2016-B A3	1.32%	1/15/21	18,700.51		0.00
10/15/18	10/15/18	60,673	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	60,673.05		0.00
10/15/18	10/15/18	34,591	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	34,590.80		0.00
10/21/18	10/21/18	51,323	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	51,322.88		0.00
11/1/18	11/25/18	48,916	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	48,915.97		0.00
11/1/18	11/25/18	66,836	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	66,836.36		0.00
11/1/18	11/25/18	40,598	3137BNN26	FHLMC SERIES KP03 A2	1.78%	7/1/19	40,598.23		0.00
11/1/18	11/25/18	7,211	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	7,210.97		0.00
11/15/18	11/15/18	24,252	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	24,251.97		0.00
11/15/18	11/15/18	42,983	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	42,982.77		0.00
11/15/18	11/15/18	95,153	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	95,153.17		0.00
11/15/18	11/15/18	26,399	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	26,398.70		0.00
11/15/18	11/15/18	22,514	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	22,514.33		0.00
11/15/18	11/15/18	14,340	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	14,340.28		0.00
11/15/18	11/15/18	21,545	65478VAD9	NISSAN ABS 2016-B A3	1.32%	1/15/21	21,544.56		0.00
11/15/18	11/15/18	61,253	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	61,252.99		0.00
11/15/18	11/15/18	34,763	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	34,762.55		0.00
11/21/18	11/21/18	52,760	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	52,760.24		0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
12/1/18	12/25/18	9,845	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	9,845.03		0.00
12/1/18	12/25/18	23,397	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	23,396.59		0.00
12/1/18	12/25/18	814	3137BNN26	FHLMC SERIES KP03 A2	1.78%	7/1/19	814.22		0.00
12/1/18	12/25/18	17,193	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	17,193.29		0.00
12/15/18	12/15/18	18,315	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	18,315.16		0.00
12/15/18	12/15/18	96,395	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	96,395.43		0.00
12/15/18	12/15/18	38,290	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	38,290.24		0.00
12/15/18	12/15/18	23,826	89231UAD9	TOYOTA ABS 2016-B A3	1.30%	4/15/20	23,825.74		0.00
12/15/18	12/15/18	34,749	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	34,749.30		0.00
12/15/18	12/15/18	34,635	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	34,635.19		0.00
12/15/18	12/15/18	18,791	65478VAD9	NISSAN ABS 2016-B A3	1.32%	1/15/21	18,791.42		0.00
12/15/18	12/15/18	57,482	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	57,481.55		0.00
12/15/18	12/15/18	30,855	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	30,855.13		0.00
12/21/18	12/21/18	49,957	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	49,957.34		0.00
Total PAYDOWNS		1,435,805					1,435,805.09		0.00
SELL									
10/2/18	10/3/18	1,500,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	1,500,810.75	2.10%	(3,575.92)
10/16/18	10/18/18	2,000,000	86563YVN0	SUMITOMO MITSUI BANK NY CD	2.05%	5/3/19	2,010,628.85	2.74%	(8,504.48)
11/29/18	11/30/18	3,480,000	037833AX8	APPLE INC BONDS	1.55%	2/7/20	3,441,925.90	2.91%	(43,520.22)
Total SELL		6,980,000					6,953,365.50		-55,600.62

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 02/28/2014 2.000% 02/28/2021	912828B90	2,045,000.00	AA+	Aaa	10/3/2016	10/5/2016	2,119,450.79	1.15	13,896.96	2,081,993.68	2,023,750.41
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	2,975,000.00	AA+	Aaa	8/2/2017	8/3/2017	2,942,809.57	1.67	3,596.15	2,954,478.36	2,898,533.58
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	2,840,000.00	AA+	Aaa	7/6/2017	7/7/2017	2,794,182.81	1.81	3,432.97	2,811,289.90	2,767,003.48
US TREASURY N/B DTD 07/31/2014 2.250% 07/31/2021	912828WY2	3,405,000.00	AA+	Aaa	11/22/2016	11/23/2016	3,477,356.25	1.78	32,060.67	3,445,606.46	3,386,112.47
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	2,000,000.00	AA+	Aaa	12/1/2016	12/5/2016	2,007,031.25	1.92	13,591.16	2,004,041.56	1,975,156.00
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	2,100,000.00	AA+	Aaa	12/20/2016	12/21/2016	2,089,910.16	2.10	7,193.37	2,094,016.18	2,073,010.80
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	5,000,000.00	AA+	Aaa	4/3/2017	4/5/2017	5,031,054.69	1.86	17,127.07	5,019,548.15	4,935,740.00
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	4,050,000.00	AA+	Aaa	7/12/2017	7/13/2017	3,958,558.59	1.80	8,670.58	3,989,070.95	3,914,896.05
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	1,800,000.00	AA+	Aaa	7/6/2017	7/11/2017	1,798,101.56	1.90	14,123.64	1,798,703.48	1,767,938.40
US TREASURY NOTES DTD 03/02/2015 1.750% 02/28/2022	912828J43	645,000.00	AA+	Aaa	3/15/2017	3/17/2017	633,107.81	2.14	3,835.26	637,272.16	630,940.94
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	4,650,000.00	AA+	Aaa	1/3/2018	1/4/2018	4,593,146.48	2.18	22,275.93	4,606,046.99	4,562,812.50
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	2,650,000.00	AA+	Aaa	8/1/2018	8/3/2018	2,563,046.88	2.82	12,694.88	2,572,497.70	2,600,312.50
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	3,500,000.00	AA+	Aaa	12/1/2017	12/5/2017	3,467,324.22	2.10	16,766.83	3,475,212.93	3,434,375.00
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	4,950,000.00	AA+	Aaa	9/4/2018	9/6/2018	4,804,013.67	2.75	23,713.08	4,816,651.41	4,857,187.50
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	3,950,000.00	AA+	Aaa	7/12/2017	7/13/2017	3,951,388.67	1.87	12,684.74	3,951,005.24	3,874,393.05

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 06/30/2015 2.125% 06/30/2022	912828XG0	4,100,000.00	AA+	Aaa	8/30/2017	8/31/2017	4,175,113.28	1.73	240.68	4,155,020.40	4,051,312.50
US TREASURY N/B NOTES DTD 06/30/2015 2.125% 06/30/2022	912828XG0	5,325,000.00	AA+	Aaa	7/6/2017	7/11/2017	5,369,929.69	1.95	312.59	5,357,073.70	5,261,765.63
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	2,870,000.00	AA+	Aaa	6/4/2018	6/6/2018	2,752,845.70	2.76	12,832.21	2,767,652.30	2,794,214.78
US TREASURY N/B NOTES DTD 10/31/2017 2.000% 10/31/2022	9128283C2	3,825,000.00	AA+	Aaa	5/2/2018	5/4/2018	3,697,400.39	2.80	13,102.21	3,715,214.89	3,757,167.45
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	2,815,000.00	AA+	Aaa	6/4/2018	6/6/2018	2,737,367.58	2.77	165.25	2,746,539.65	2,775,302.87
US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	2,600,000.00	AA+	Aaa	10/2/2018	10/4/2018	2,475,890.63	2.93	19,040.76	2,482,462.45	2,524,743.00
US TREASURY NOTES DTD 02/29/2016 1.500% 02/28/2023	912828P79	2,670,000.00	AA+	Aaa	7/2/2018	7/5/2018	2,526,070.31	2.74	13,608.15	2,540,561.87	2,565,181.14
US TREASURY N/B NOTES DTD 05/02/2016 1.625% 04/30/2023	912828R28	2,670,000.00	AA+	Aaa	7/2/2018	7/5/2018	2,535,144.14	2.75	7,431.01	2,548,157.33	2,574,568.86
Security Type Sub-Total		73,435,000.00					72,500,245.12	2.18	272,396.15	72,570,117.74	72,006,418.91
Supra-National Agency Bond / Note											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	3,800,000.00	AAA	Aaa	9/12/2017	9/19/2017	3,790,880.00	1.64	17,960.17	3,794,751.17	3,730,368.80
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	3,730,000.00	AAA	Aaa	10/2/2017	10/10/2017	3,764,573.76	1.81	11,449.03	3,751,064.76	3,695,187.91
INTERNATIONAL FINANCE CORPORATION NOTE DTD 01/25/2018 2.250% 01/25/2021	45950KCM0	1,525,000.00	AAA	Aaa	1/18/2018	1/25/2018	1,520,516.50	2.35	14,868.75	1,521,878.31	1,514,991.43

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
Supra-National Agency Bond / Note											
INTERNATIONAL FINANCE CORPORATION NOTE DTD 03/16/2018 2.635% 03/09/2021	45950VLQ7	2,900,000.00	AAA	Aaa	3/9/2018	3/16/2018	2,897,825.00	2.66	23,773.56	2,898,379.71	2,896,714.30
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	1,150,000.00	AAA	Aaa	4/12/2018	4/19/2018	1,147,470.00	2.70	6,037.50	1,148,042.91	1,151,138.50
INTER-AMERICAN DEVEL BANK DTD 09/14/2017 1.750% 09/14/2022	4581X0CZ9	2,950,000.00	AAA	Aaa	3/1/2018	3/5/2018	2,823,710.50	2.76	15,344.10	2,845,537.05	2,855,995.30
Security Type Sub-Total		16,055,000.00					15,944,975.76	2.22	89,433.11	15,959,653.91	15,844,396.24
Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AQSW1	17,824.61	AA+	Aaa	11/6/2015	11/30/2015	18,002.85	1.20	28.19	17,824.61	17,787.37
FHLMC SERIES KP03 A2 DTD 04/01/2016 1.780% 07/01/2019	3137BNN26	399,294.03	AA+	Aaa	4/15/2016	4/28/2016	403,277.39	1.10	592.29	399,465.92	396,830.59
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDQ0	104,111.37	AA+	Aaa	10/7/2015	10/30/2015	105,153.93	1.08	142.81	104,179.06	103,480.57
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	1,076,583.55	AA+	Aaa	4/11/2018	4/30/2018	1,097,997.88	2.27	3,193.86	1,093,934.27	1,088,675.63
FHLMC MULTIFAMILY STRUCTURED P POOL DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	1,000,000.00	AA+	Aaa	4/4/2018	4/9/2018	1,008,515.63	2.61	2,575.00	1,006,882.67	1,004,895.30
Security Type Sub-Total		2,597,813.56					2,632,947.68	2.17	6,532.15	2,622,286.53	2,611,669.46
Federal Agency Bond / Note											
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	3,665,000.00	AA+	Aaa	7/28/2017	8/1/2017	3,653,895.05	1.60	23,058.96	3,659,078.35	3,604,399.23
FNMA BENCHMARK NOTES DTD 11/16/2015 1.875% 12/28/2020	3135G0H55	1,995,000.00	AA+	Aaa	12/28/2015	12/29/2015	1,995,857.85	1.87	311.72	1,995,351.66	1,969,460.01

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	1,915,000.00	AA+	Aaa	4/12/2018	4/13/2018	1,912,146.65	2.55	10,372.92	1,912,809.41	1,913,437.36
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	4,050,000.00	AA+	Aaa	8/17/2016	8/19/2016	4,033,597.50	1.33	18,843.75	4,041,234.83	3,921,922.80
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	4,500,000.00	AA+	Aaa	9/1/2016	9/2/2016	4,472,460.00	1.38	20,937.50	4,485,175.88	4,357,692.00
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	1,250,000.00	AA+	Aaa	8/17/2016	8/19/2016	1,245,723.75	1.32	5,815.97	1,247,715.18	1,210,470.00
FANNIE MAE NOTES DTD 09/14/2018 2.875% 09/12/2023	3135G0U43	4,900,000.00	AA+	Aaa	11/29/2018	11/30/2018	4,879,028.00	2.97	41,871.18	4,879,415.74	4,957,692.60
Security Type Sub-Total		22,275,000.00					22,192,708.80	1.91	121,212.00	22,220,781.05	21,935,074.00
Corporate Note											
BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	845,000.00	A+	A3	6/3/2016	6/8/2016	932,795.50	1.48	9,928.75	865,237.55	855,298.86
GENERAL ELECTRIC CAP CORP NOTES DTD 01/08/2010 5.500% 01/08/2020	36962G4J0	4,500,000.00	BBB+	Baa1	3/20/2015	3/25/2015	5,203,485.00	2.05	118,937.50	4,655,680.02	4,553,010.00
MICROSOFT CORP NOTES DTD 02/06/2017 1.850% 02/06/2020	594918BV5	1,920,000.00	AAA	Aaa	1/30/2017	2/6/2017	1,918,713.60	1.87	14,306.67	1,919,521.31	1,906,066.56
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	1,110,000.00	A-	A2	2/28/2017	3/3/2017	1,108,845.60	2.24	8,004.33	1,109,539.98	1,098,066.39
UNILEVER CAPITAL CORP BONDS DTD 05/05/2017 1.800% 05/05/2020	904764AV9	275,000.00	A+	A1	5/2/2017	5/5/2017	274,122.75	1.91	770.00	274,600.82	270,907.45
APPLE INC CORP NOTE DTD 05/13/2015 2.000% 05/06/2020	037833BD1	1,000,000.00	AA+	Aa1	5/6/2015	5/13/2015	998,450.00	2.03	2,666.67	999,566.73	990,537.00
JOHN DEERE CAPITAL CORP NOTES DTD 06/22/2017 1.950% 06/22/2020	24422ETS8	450,000.00	A	A2	6/19/2017	6/22/2017	449,725.50	1.97	219.38	449,863.03	442,980.45

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
Corporate Note											
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	3,800,000.00	AA	Aa2	10/11/2017	10/20/2017	3,794,490.00	1.95	3,208.89	3,796,519.92	3,740,385.60
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	985,000.00	A-	A2	10/23/2017	10/26/2017	984,546.90	2.17	8,823.96	984,698.05	964,271.66
JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 03/01/2016 2.550% 03/01/2021	46625HQJ2	3,500,000.00	A-	A2	1/3/2017	1/5/2017	3,494,190.00	2.59	29,750.00	3,496,927.18	3,450,650.00
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	1,215,000.00	A+	A1	10/5/2017	10/10/2017	1,214,757.00	2.01	5,130.00	1,214,838.75	1,190,798.42
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	1,900,000.00	A-	A3	11/1/2017	11/3/2017	1,914,231.00	2.40	9,975.00	1,909,591.41	1,874,158.10
TOYOTA MOTOR CREDIT CORP BONDS DTD 05/16/2014 2.750% 05/17/2021	89236TBJ3	3,350,000.00	AA-	Aa3	2/1/2017	2/3/2017	3,401,288.50	2.37	11,259.72	3,379,105.00	3,331,116.05
GOLDMAN SACHS GROUP CORP NOTES DTD 07/27/2011 5.250% 07/27/2021	38141GGQ1	1,715,000.00	BBB+	A3	11/3/2017	11/7/2017	1,879,451.35	2.53	38,516.04	1,830,310.24	1,780,329.50
CITIGROUP INC CORP (CALLABLE) NOTE DTD 12/08/2016 2.900% 12/08/2021	172967LC3	1,900,000.00	BBB+	Baa1	11/20/2017	11/22/2017	1,912,977.00	2.72	3,520.28	1,909,501.43	1,869,273.20
BANK OF NY MELLON CORP (CALLABLE) NOTES DTD 02/07/2017 2.600% 02/07/2022	06406RAA5	1,900,000.00	A	A1	7/6/2017	7/11/2017	1,910,830.00	2.47	19,760.00	1,907,426.78	1,866,368.10
UNITED PARCEL SERVICE CORP NOTES DTD 09/27/2012 2.450% 10/01/2022	911312AQ9	1,900,000.00	A+	A1	3/1/2018	3/5/2018	1,855,407.00	3.00	11,637.50	1,863,011.12	1,860,170.30
CATERPILLAR FINANCIAL SERVICES CORP NOTE DTD 11/29/2017 2.550% 11/29/2022	14913Q2E8	525,000.00	A	A3	4/3/2018	4/5/2018	510,373.50	3.20	1,190.00	512,567.11	509,943.00

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
Corporate Note											
HOME DEPOT INC CORP NOTES DTD 04/05/2013 2.700% 04/01/2023	437076AZ5	1,950,000.00	A	A2	4/3/2018	4/5/2018	1,912,950.00	3.11	13,162.50	1,918,094.22	1,929,827.25
Security Type Sub-Total		34,740,000.00					35,671,630.20	2.34	310,767.19	34,996,600.65	34,484,157.89
Certificate of Deposit											
BANK OF NOVA SCOTIA HOUSTON CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	400,000.00	A-1	P-1	4/5/2017	4/6/2017	400,000.00	1.91	1,867.56	400,000.00	398,992.80
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVN0	1,500,000.00	A-1	P-1	5/3/2017	5/4/2017	1,500,000.00	2.05	4,868.75	1,500,000.00	1,496,467.50
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	3,750,000.00	A-1	P-1	8/3/2017	8/4/2017	3,748,537.50	1.85	29,133.33	3,749,572.09	3,729,048.75
MUFG BANK LTD/NY CERT DEPOS DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	1,910,000.00	A-1	P-1	9/25/2017	9/27/2017	1,910,000.00	2.07	10,762.85	1,910,000.00	1,896,673.93
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	1,920,000.00	A	A1	2/7/2018	2/8/2018	1,920,000.00	2.67	45,995.20	1,920,000.00	1,916,714.88
NORDEA BANK AB NY CD DTD 02/22/2018 2.720% 02/20/2020	65590ASN7	2,885,000.00	AA-	Aa3	2/20/2018	2/22/2018	2,885,000.00	2.72	28,555.09	2,885,000.00	2,883,245.92
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	2,890,000.00	A+	Aa2	3/2/2018	3/6/2018	2,890,000.00	2.93	27,703.86	2,890,000.00	2,891,635.74
CANADIAN IMP BK COMM NY FLT CERT DEPOS DTD 04/10/2018 2.814% 04/10/2020	13606BVF0	1,740,000.00	A+	Aa2	4/6/2018	4/10/2018	1,740,000.00	2.78	11,289.83	1,740,000.00	1,743,232.92
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	3,340,000.00	A+	Aa2	6/5/2018	6/7/2018	3,338,730.80	3.10	7,429.64	3,339,080.73	3,349,766.16
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	2,500,000.00	A+	Aa2	8/1/2018	8/3/2018	2,500,000.00	3.23	33,450.69	2,500,000.00	2,497,087.50

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
Certificate of Deposit											
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	3,365,000.00	AA-	Aa3	8/3/2017	8/7/2017	3,365,000.00	2.05	27,593.00	3,365,000.00	3,319,357.14
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	2,000,000.00	A	A1	10/16/2018	10/18/2018	1,997,280.00	3.46	13,748.33	1,997,548.50	2,013,794.00
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	3,825,000.00	AA-	Aa2	11/16/2017	11/17/2017	3,825,000.00	2.30	11,094.63	3,825,000.00	3,752,470.35
Security Type Sub-Total		32,025,000.00					32,019,548.30	2.56	253,492.76	32,021,201.32	31,888,487.59
Asset-Backed Security / Collateralized Mortgage Obligation											
TOYOTA ABS 2016-B A3 DTD 05/11/2016 1.300% 04/15/2020	89231UAD9	130,764.03	AAA	Aaa	5/2/2016	5/11/2016	130,757.35	1.30	75.55	130,762.17	130,058.45
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	123,926.26	NR	Aaa	7/19/2016	7/27/2016	123,916.40	1.25	68.85	123,923.13	123,363.51
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	200,660.37	AAA	Aaa	3/22/2016	3/30/2016	200,621.44	1.57	139.12	200,647.50	199,905.43
NISSAN ABS 2016-B A3 DTD 04/27/2016 1.320% 01/15/2021	65478VAD9	199,715.59	NR	Aaa	4/18/2016	4/27/2016	199,684.61	1.33	117.17	199,704.00	198,119.14
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	436,024.53	AAA	Aaa	3/7/2017	3/15/2017	435,973.22	1.74	335.25	435,996.09	432,917.64
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	706,744.69	AAA	Aaa	9/14/2016	9/21/2016	706,649.57	1.30	405.20	706,701.64	699,891.53
JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	422,736.37	NR	Aaa	2/22/2017	3/2/2017	422,676.18	1.79	334.43	422,695.50	419,715.88
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	500,038.24	NR	Aaa	1/24/2017	1/31/2017	499,994.55	1.70	377.81	500,014.76	496,580.28
HONDA ABS 2017-1 A3 DTD 03/28/2017 1.720% 07/21/2021	43814TAC6	714,765.10	NR	Aaa	3/21/2017	3/28/2017	714,722.57	1.72	341.50	714,733.36	708,619.84

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
Asset-Backed Security / Collateralized Mortgage Obligation											
HONDA ABS 2017-2 A3 DTD 06/27/2017 1.680% 08/15/2021	43811BAC8	1,900,000.00	AAA	Aaa	6/20/2017	6/27/2017	1,899,835.65	1.68	1,418.67	1,899,893.58	1,880,354.19
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	1,333,451.40	NR	Aaa	3/21/2017	3/29/2017	1,333,294.19	1.79	1,054.91	1,333,360.49	1,323,341.97
HYUNDAI ABS 2017-A A3 DTD 03/29/2017 1.760% 08/15/2021	44931PAD8	820,000.00	AAA	NR	3/22/2017	3/29/2017	819,933.66	1.76	641.42	819,939.52	811,905.29
JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	550,000.00	NR	Aaa	7/11/2017	7/18/2017	549,959.74	1.82	444.89	549,972.12	543,785.99
HAROT 2017-4 A3 DTD 11/29/2017 2.050% 11/21/2021	43813FAC7	1,065,000.00	NR	Aaa	11/22/2017	11/29/2017	1,064,849.94	2.06	606.46	1,064,889.40	1,054,460.01
TAOT 2017-D A3 DTD 11/15/2017 1.930% 01/15/2022	89238KAD4	1,195,000.00	AAA	Aaa	11/7/2017	11/15/2017	1,194,889.82	2.26	1,025.04	1,194,918.76	1,178,350.54
HYUNDAI ABS 2017-B A3 DTD 08/16/2017 1.770% 01/15/2022	44932GAD7	1,255,000.00	AAA	Aaa	8/9/2017	8/16/2017	1,254,782.51	1.78	987.27	1,254,848.32	1,238,232.32
ALLYA 2017-5 A3 DTD 11/22/2017 1.990% 03/15/2022	02007YAC8	1,485,000.00	AAA	Aaa	11/14/2017	11/22/2017	1,484,884.76	1.99	1,313.40	1,484,913.39	1,470,215.64
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	990,000.00	AAA	Aaa	1/23/2018	1/31/2018	989,988.62	2.35	1,034.00	989,991.42	980,481.15
HART 2018-A A3 DTD 04/18/2018 2.790% 07/15/2022	44891KAD7	640,000.00	AAA	Aaa	4/10/2018	4/18/2018	639,903.62	2.80	793.60	639,918.99	639,487.87
Security Type Sub-Total		14,668,826.58					14,667,318.40	1.89	11,514.54	14,667,824.14	14,529,786.67
Managed Account Sub Total		195,796,640.14					195,629,374.26	2.22	1,065,347.90	195,058,465.34	193,299,990.76
Securities Sub-Total		\$195,796,640.14					\$195,629,374.26	2.22%	\$1,065,347.90	\$195,058,465.34	\$193,299,990.76
Accrued Interest											\$1,065,347.90
Total Investments											\$194,365,338.66

Bolded items are forward settling trades.

Appendix

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 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.