



# CITY OF STOCKTON

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

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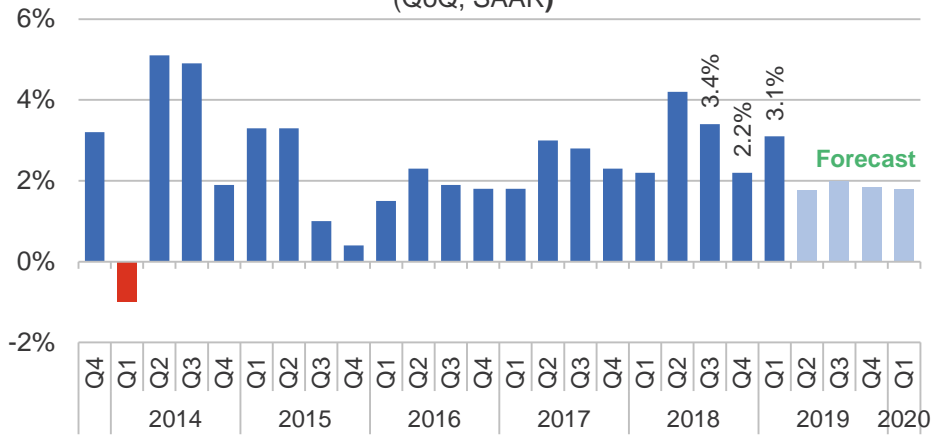
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# Market Update

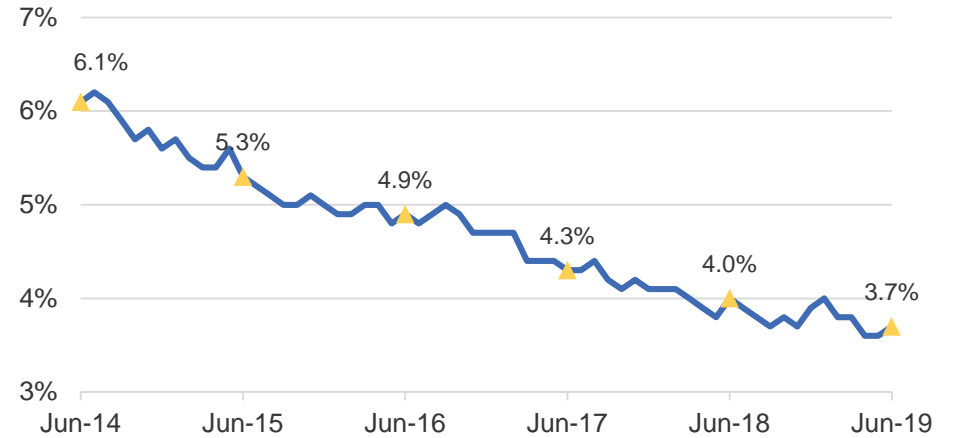
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## U.S. Economic Conditions Remain Strong

**U.S. Real GDP**  
(QoQ, SAAR)



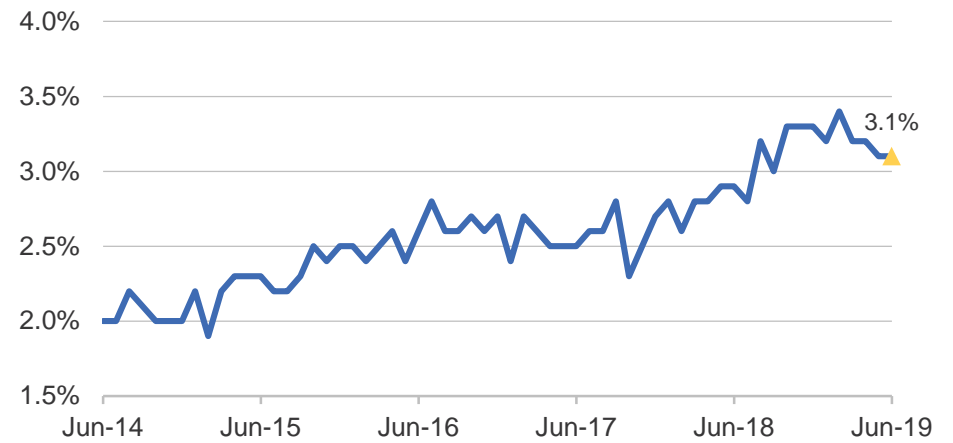
**Unemployment Rate**



**Consumer Confidence**



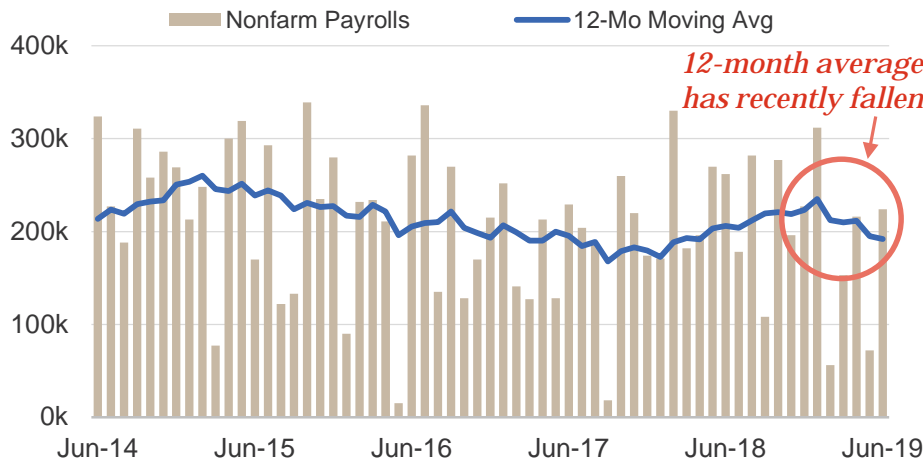
**Average Hourly Earnings (YoY)**



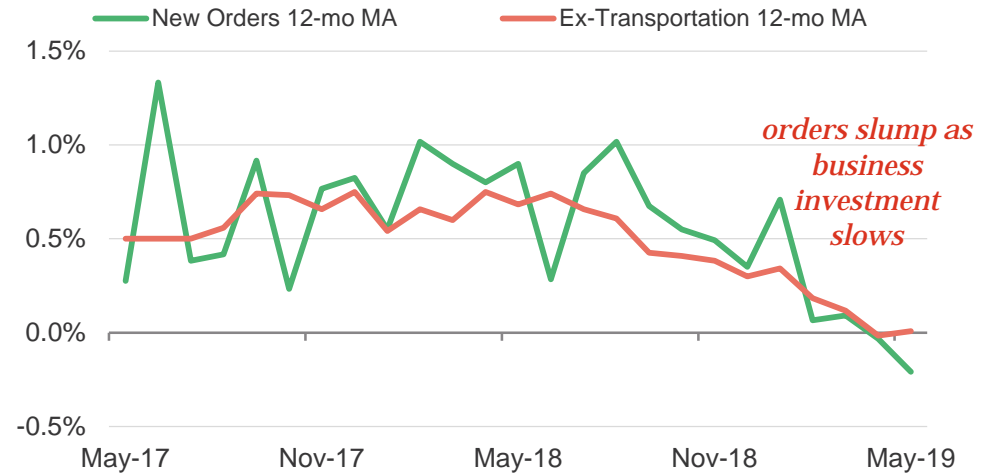
Source: Bloomberg, latest data available as of 6/28/19. SAAR is seasonally adjusted annualized rate.

## However, Economic Data Showing Cracks

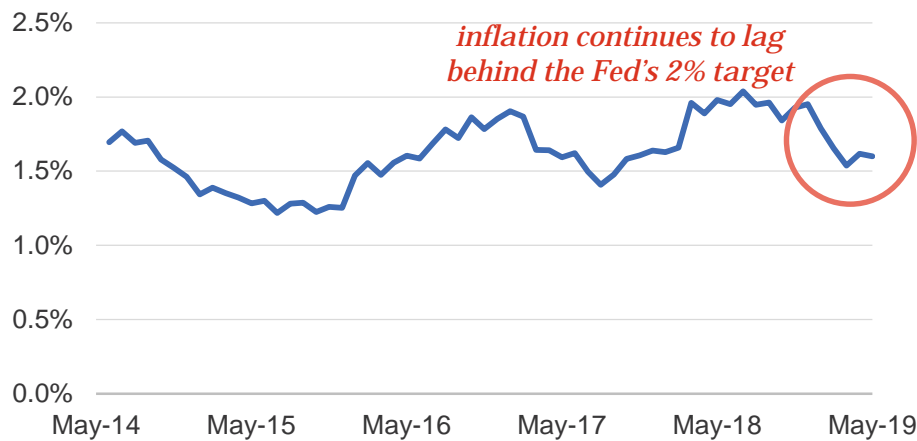
### Monthly Change in Nonfarm Payrolls



### Durable Goods Orders



### Inflation (Core PCE YoY)

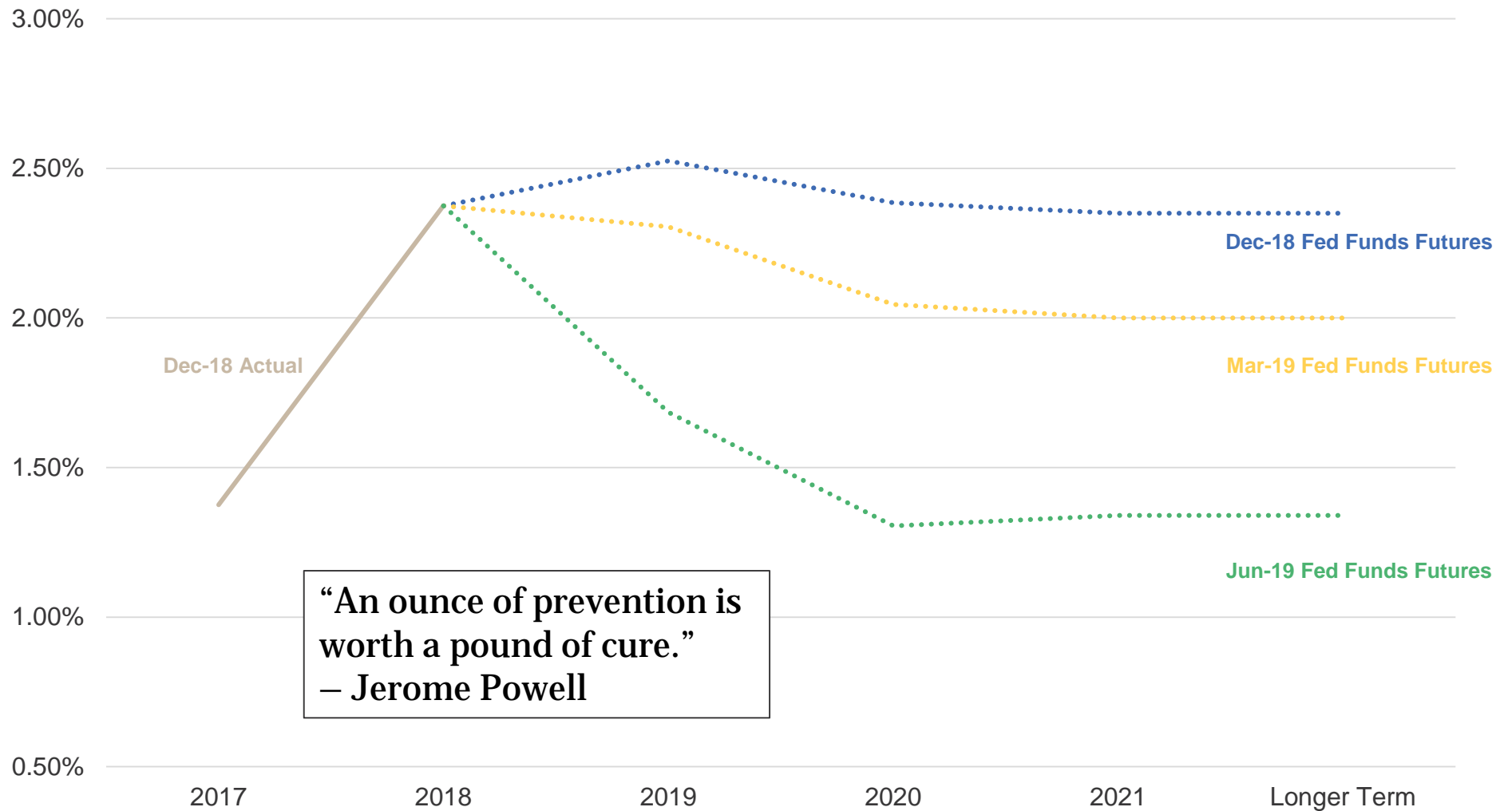


### ISM Manufacturing



Source: Bloomberg as of 6/28/19.

### Changes in Market Conditions Have Evolved Over Time



Source: Federal Reserve and Bloomberg. Fed funds futures, as of each respective meeting date: 12/19/19, 3/20/19, and 6/19/19.

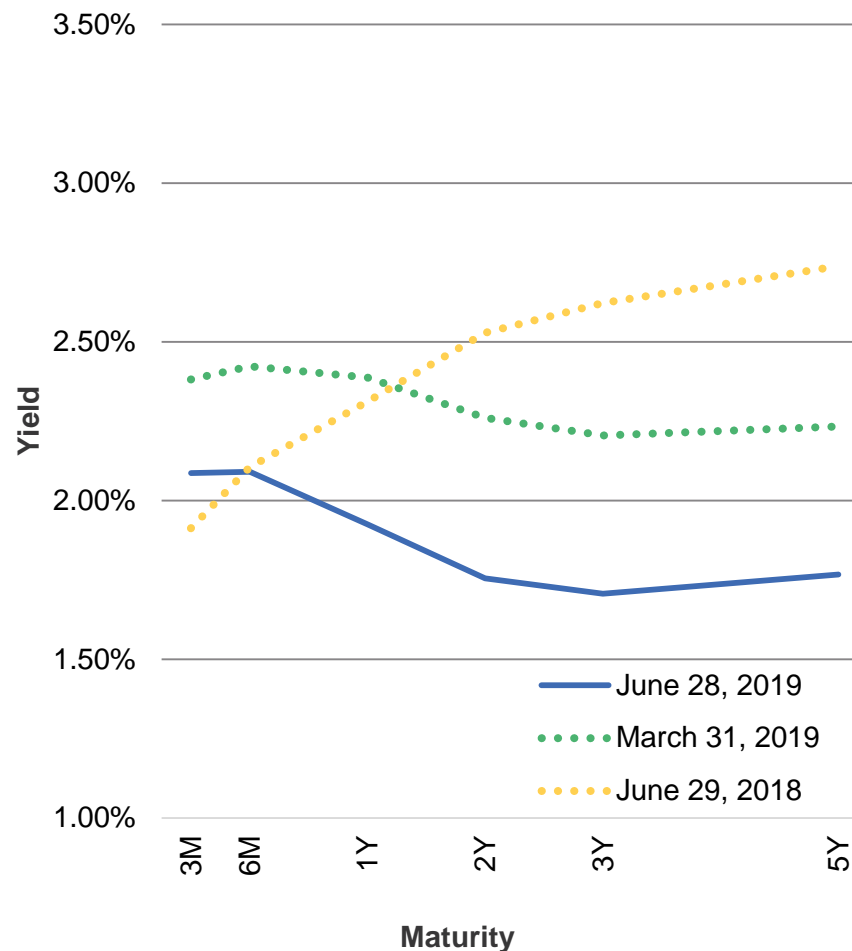
### 2-Year Treasury Yield History



Source: Bloomberg as of 6/28/19.

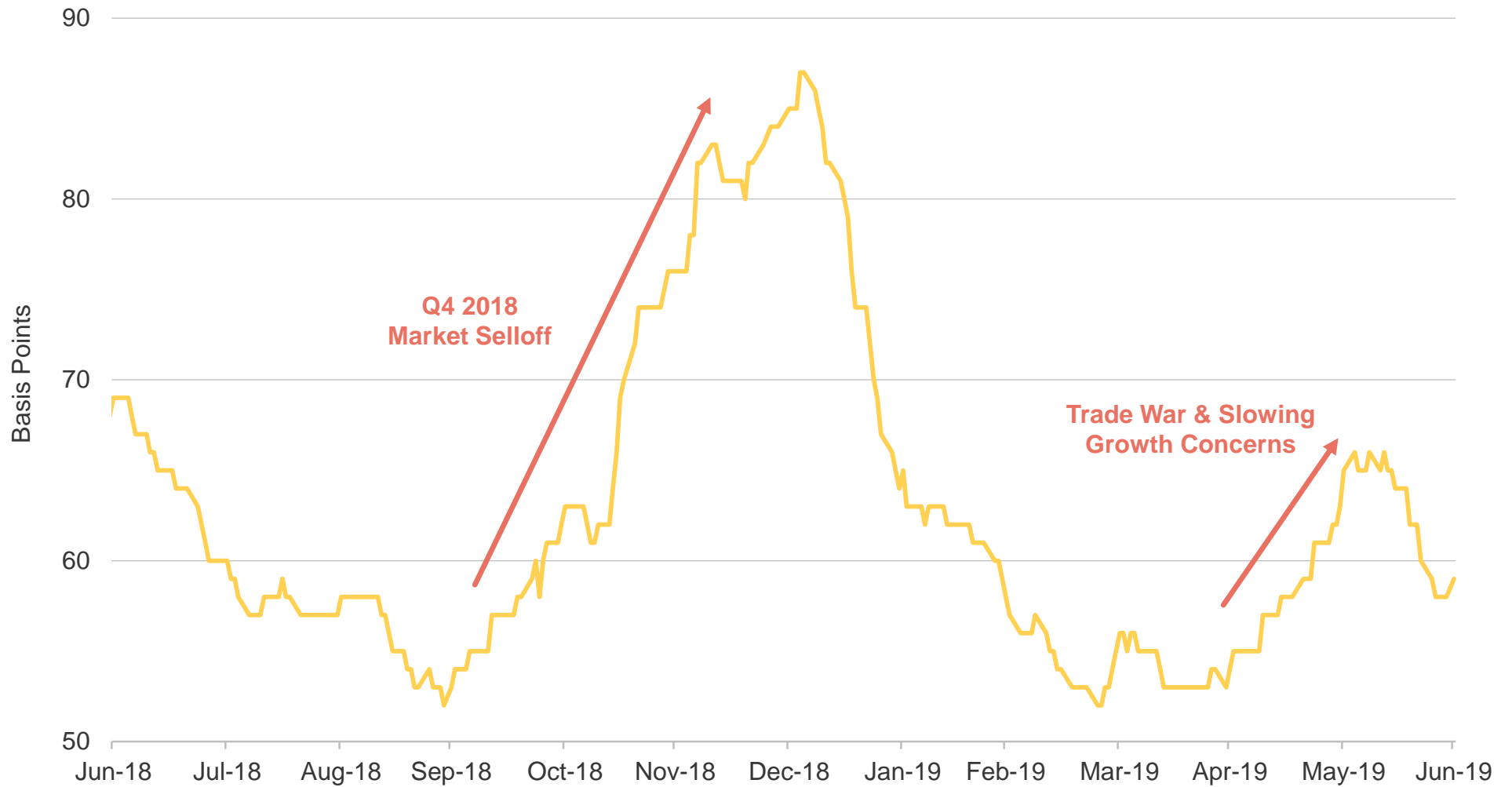
## U.S. Treasury Yields Have Fallen; Inversion Deepens

	2Q2019 6/28/19	1Q2019 3/29/19	2Q2018 6/29/18
<b>3-month</b>	<b>2.09%</b>	2.38%	1.91%
<b>6-month</b>	<b>2.09%</b>	2.42%	2.10%
<b>1-year</b>	<b>1.93%</b>	2.39%	2.31%
<b>2-year</b>	<b>1.75%</b>	2.26%	2.53%
<b>3-year</b>	<b>1.71%</b>	2.20%	2.62%
<b>5-year</b>	<b>1.77%</b>	2.23%	2.74%



Source: Bloomberg as of 6/28/19.

### Yield Spreads (Option-Adjusted Spreads) of 1-5 Year A-AAA Corporate Index

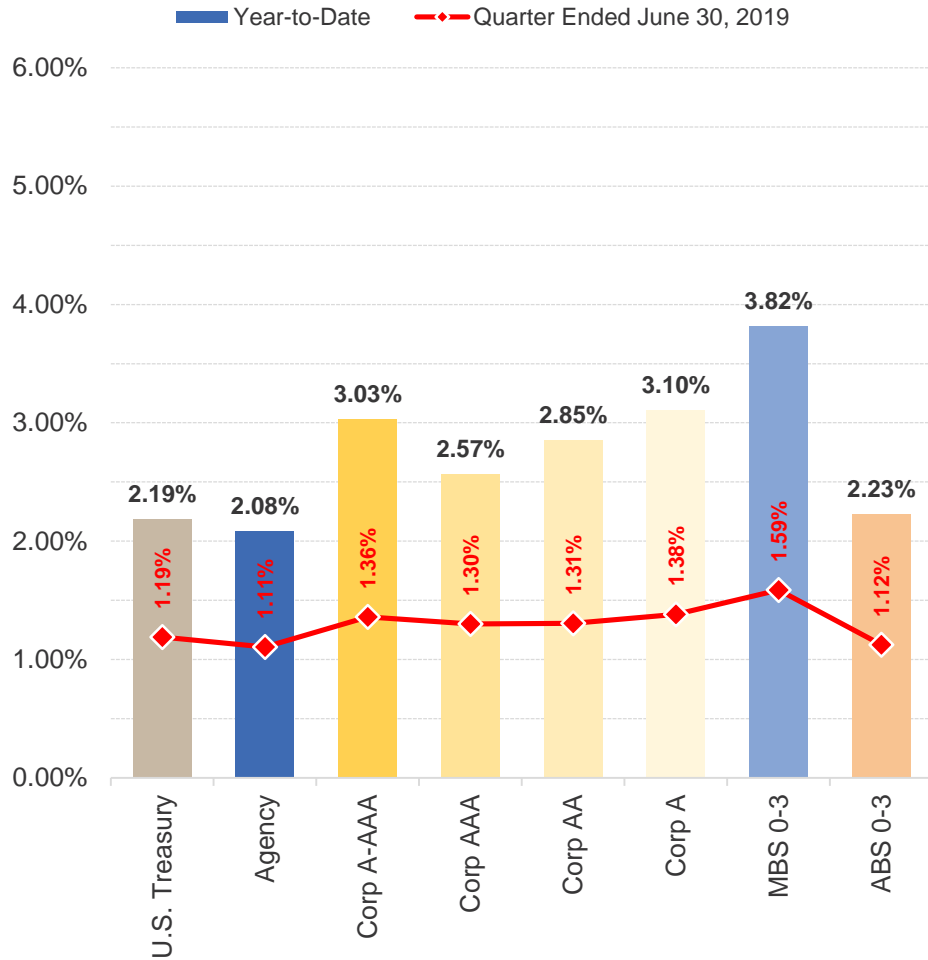


Source: Bloomberg as of 6/28/19.

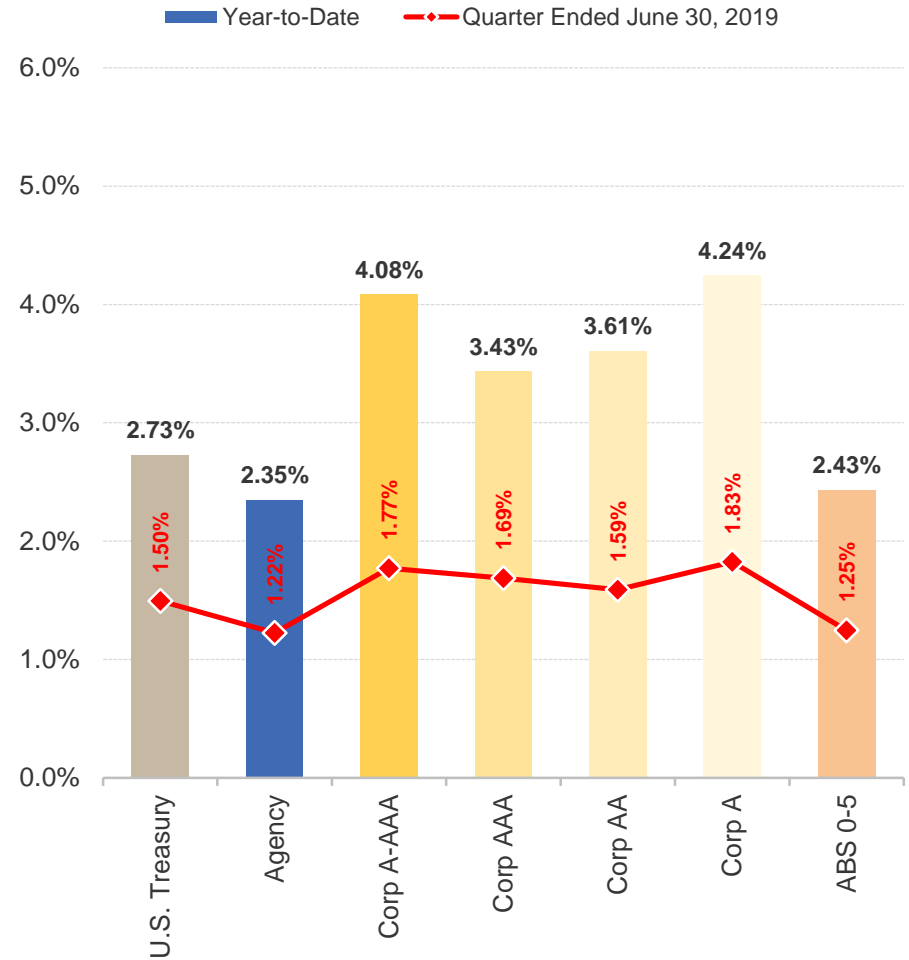


## Fixed Income Index Returns Year-To-Date

### 1-3 Year Indices



### 1-5 Year Indices



Source: Bloomberg, ICE BofAML Indices as of 6/30/19.

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# Investment Strategy & Portfolio Review

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## Portfolio Recap

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

## Sector Allocation & Compliance

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

Security Type	Market Value as of June 30, 2019	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$145,640,465	24.0%	100%	✓
Federal Agency	\$65,627,970	10.8%	100%	✓
Federal Agency CMOs	\$9,929,826	1.6%	20%	✓
Supranationals	\$19,195,627	3.2%	30%	✓
Negotiable CDs	\$60,551,654	10.0%	30%	✓
Corporate Notes	\$104,783,517	17.3%	30%	✓
Asset-Backed Securities	\$37,177,081	6.1%	20%	✓
<b>Securities Sub-Total</b>	<b>\$442,906,140</b>	<b>73.1%</b>		
Accrued Interest	\$2,679,903			
<b>Securities Total</b>	<b>\$445,586,043</b>			
Money Market Fund	\$1,092,990	0.2%	20%	✓
Main City Account	\$56,799,109	9.4%	20%	✓
LAIF	\$10,000,000	1.6%	\$65 million	✓
CAMP	\$95,370,515	15.7%	100%	✓
<b>Total Investments</b>	<b>\$608,848,658</b>	<b>100.0%</b>		

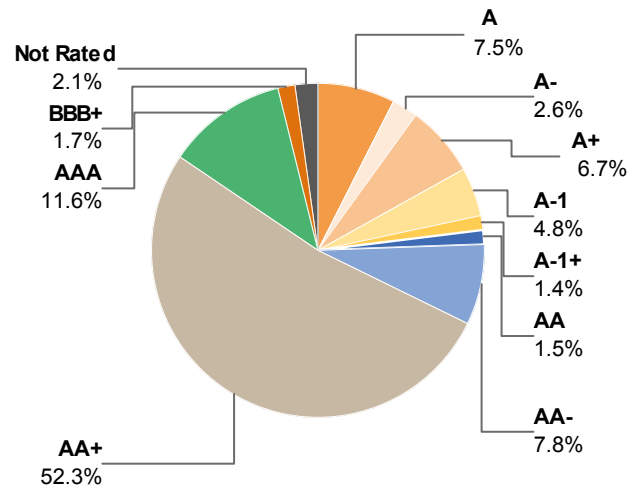
Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of October 2017.

**Portfolio Statistics**

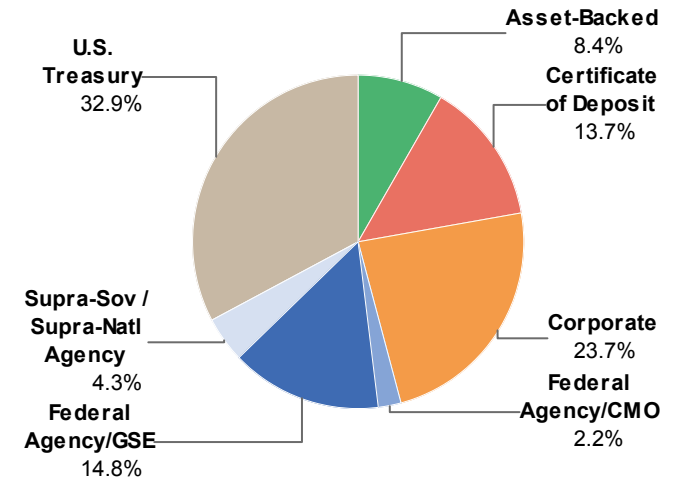
As of June 30, 2019

<b>Par Value:</b>	\$438,188,191
<b>Total Market Value:</b>	\$446,679,034
<b>Security Market Value:</b>	\$442,906,140
<b>Accrued Interest:</b>	\$2,679,903
<b>Cash:</b>	\$1,092,990
<b>Amortized Cost:</b>	\$436,645,734
<b>Yield at Market:</b>	1.97%
<b>Yield at Cost:</b>	2.49%
<b>Effective Duration:</b>	2.50 Years
<b>Duration to Worst:</b>	2.51 Years
<b>Average Maturity:</b>	2.80 Years
<b>Average Credit: *</b>	AA

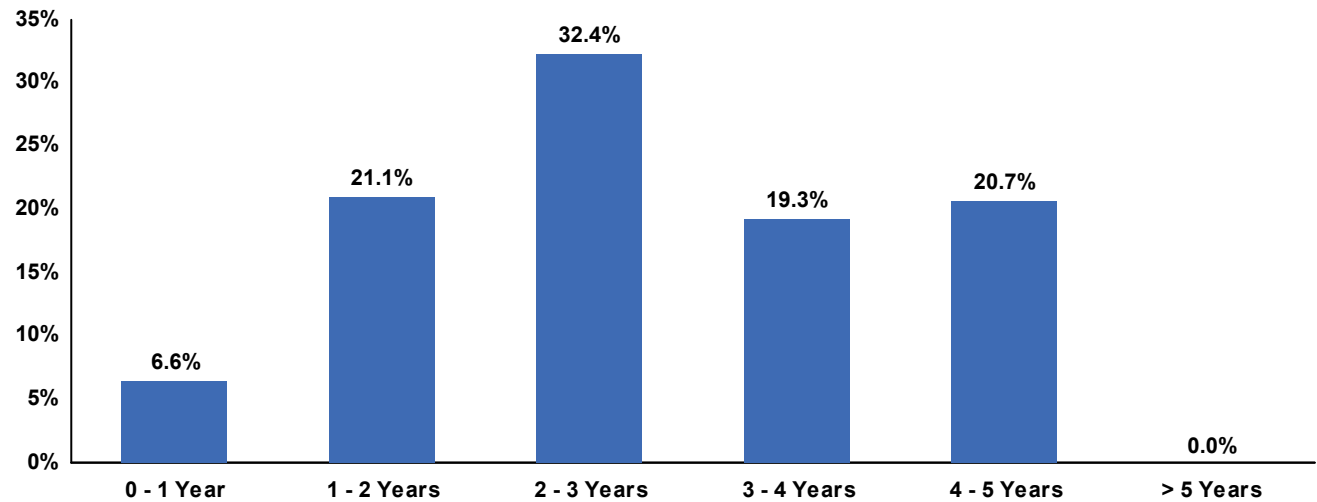
**Credit Quality (S&P Ratings)\*\***



**Sector Allocation**



**Maturity Distribution**

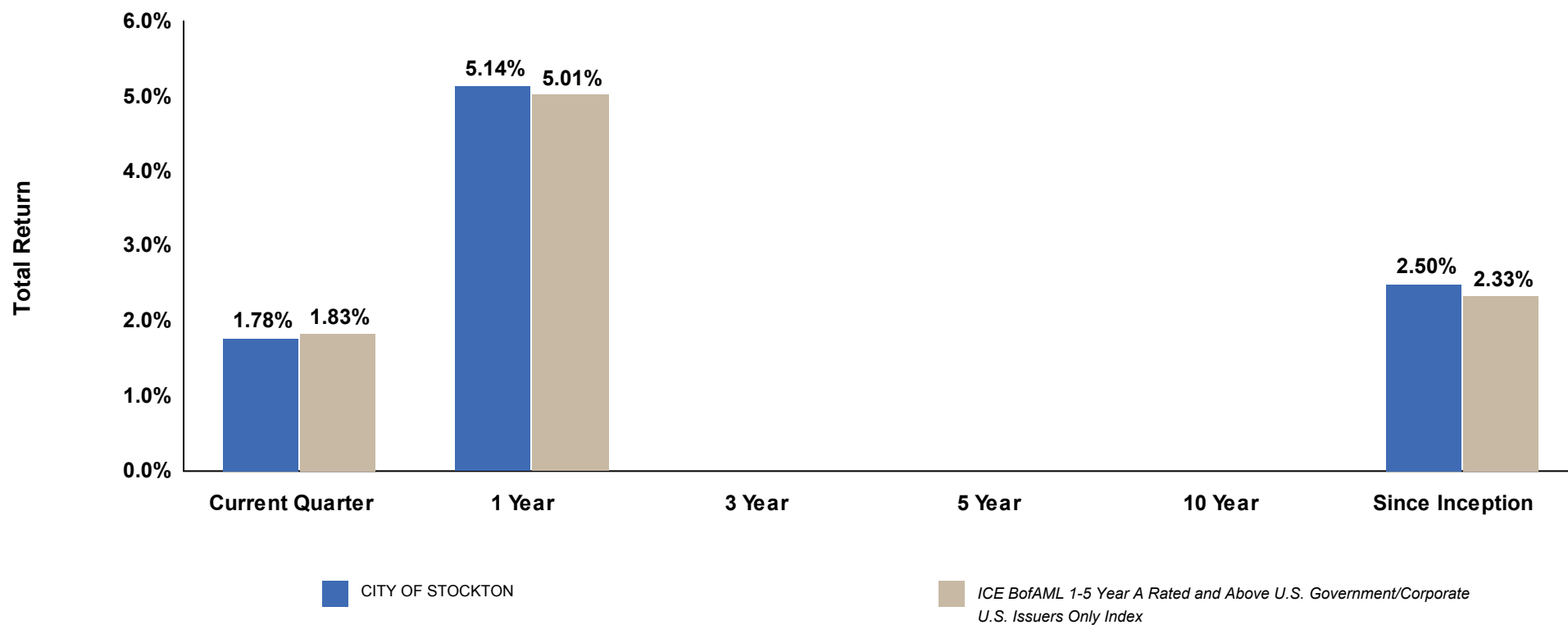


\*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

\*\*Securities held in the City's portfolio are in compliance with California Government Code and the City's investment policy dated October 2017.

Portfolio Performance (Total Return)

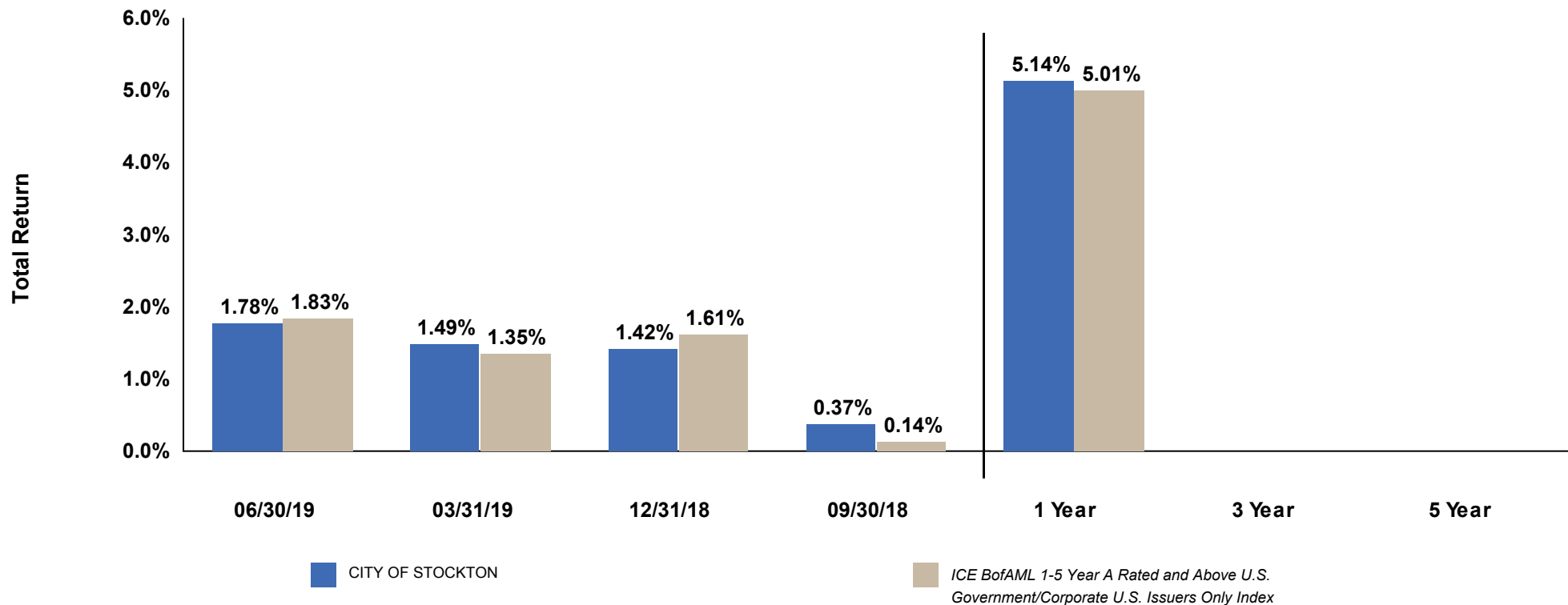
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return				Since Inception (06/30/17)
				3 Year	5 Year	10 Year		
CITY OF STOCKTON	2.50	1.78%	5.14%	-	-	-	2.50%	
ICE BofAML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index	2.54	1.83%	5.01%	-	-	-	2.33%	
Difference		-0.05%	0.13%	-	-	-	0.17%	



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		06/30/19	03/31/19	12/31/18	09/30/18		3 Year	5 Year
CITY OF STOCKTON	2.50	1.78%	1.49%	1.42%	0.37%	5.14%	-	-
ICE BofAML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index	2.54	1.83%	1.35%	1.61%	0.14%	5.01%	-	-
Difference		-0.05%	0.14%	-0.19%	0.23%	0.13%	-	-



Portfolio performance is gross of fees unless otherwise indicated.

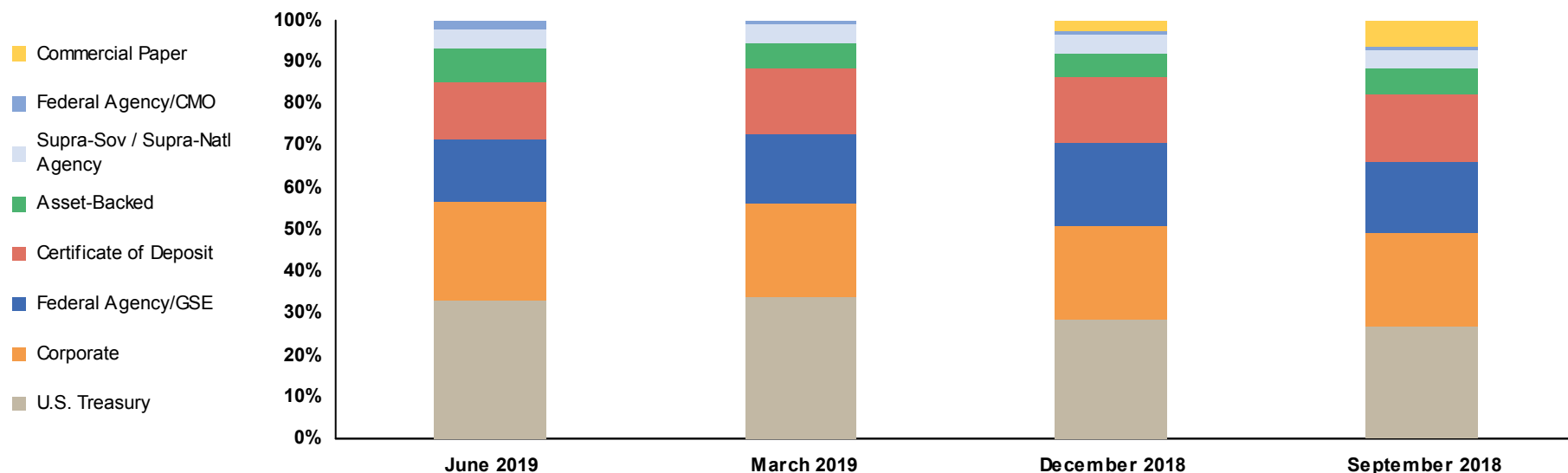
**Portfolio Earnings***Quarter-Ended June 30, 2019*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2019)</b>	\$435,503,047.32	\$434,628,973.62
<b>Net Purchases/Sales</b>	\$2,150,682.67	\$2,150,682.67
<b>Change in Value</b>	\$5,252,409.98	(\$133,922.11)
<b>Ending Value (06/30/2019)</b>	\$442,906,139.97	\$436,645,734.18
<b>Interest Earned</b>	\$2,543,110.67	\$2,543,110.67
<b>Portfolio Earnings</b>	\$7,795,520.65	\$2,409,188.56



Sector Allocation

Sector	June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	145.6	32.9%	148.3	34.0%	122.0	28.5%	113.3	26.8%
Corporate	104.8	23.7%	96.7	22.2%	95.5	22.3%	95.1	22.5%
Federal Agency/GSE	65.6	14.8%	71.0	16.3%	85.0	19.8%	71.7	16.9%
Certificate of Deposit	60.6	13.7%	67.9	15.6%	67.5	15.7%	67.5	16.0%
Asset-Backed	37.2	8.4%	28.3	6.5%	24.9	5.8%	26.1	6.2%
Supra-Sov / Supra-Natl Agency	19.2	4.3%	19.0	4.4%	19.0	4.4%	18.8	4.4%
Federal Agency/CMO	9.9	2.2%	4.2	1.0%	4.4	1.0%	4.7	1.1%
Commercial Paper	0.0	0.0%	0.0	0.0%	10.9	2.5%	25.9	6.1%
<b>Total</b>	<b>\$442.9</b>	<b>100.0%</b>	<b>\$435.5</b>	<b>100.0%</b>	<b>\$429.2</b>	<b>100.0%</b>	<b>\$423.1</b>	<b>100.0%</b>

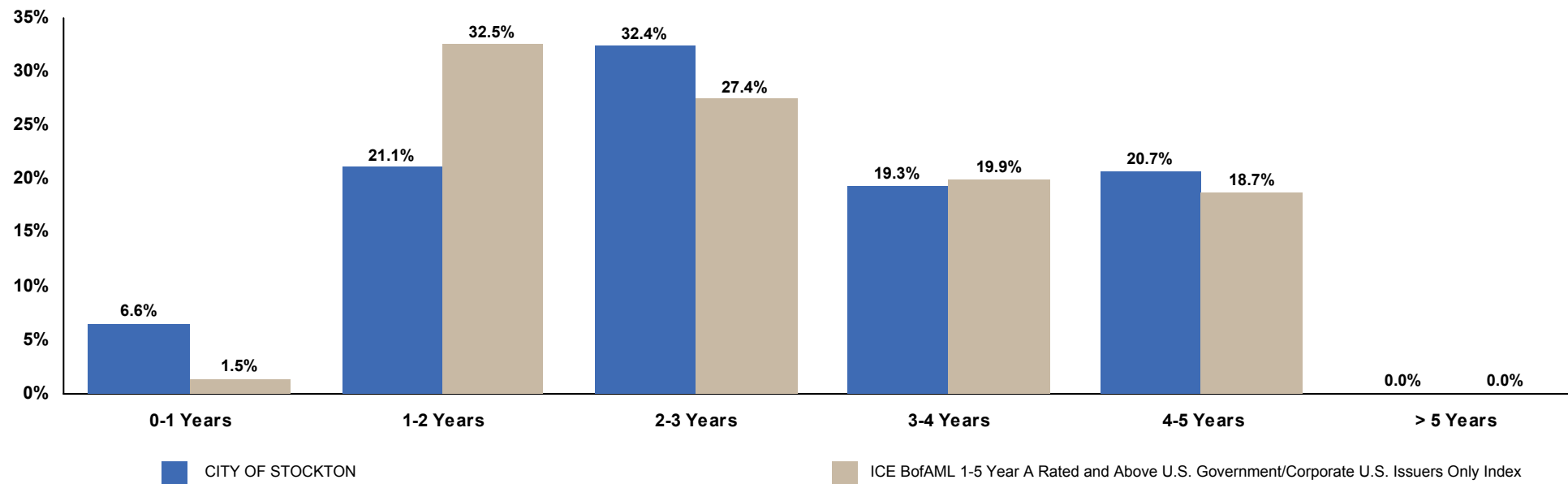


Detail may not add to total due to rounding.

**Maturity Distribution**

*As of June 30, 2019*

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF STOCKTON	1.97%	2.80 yrs	6.6%	21.1%	32.4%	19.3%	20.7%	0.0%
ICE BofAML 1-5 Year A Rated and Above U.S. Government/Corporate U.S. Issuers Only Index	1.84%	2.75 yrs	1.5%	32.5%	27.4%	19.9%	18.7%	0.0%



## Investment Strategy Outlook

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

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# Issuer Distribution

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## Issuer Distribution

As of June 30, 2019

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	145,640,465	32.9%
FANNIE MAE	44,490,686	10.1%
FREDDIE MAC	26,639,939	6.0%
TOYOTA MOTOR CORP	8,855,311	2.0%
INTERNATIONAL FINANCE CORPORATION	8,344,649	1.9%
NISSAN AUTO RECEIVABLES	7,887,384	1.8%
SWEDBANK AB	7,532,728	1.7%
HYUNDAI AUTO RECEIVABLES	7,306,769	1.7%
BANK OF NOVA SCOTIA	7,058,716	1.6%
BANK OF MONTREAL	7,048,678	1.6%
THE BANK OF NEW YORK MELLON CORPORATION	7,023,144	1.6%
ALLY AUTO RECEIVABLES TRUST	6,752,313	1.5%
WESTPAC BANKING CORP	6,725,591	1.5%
PFIZER INC	6,597,971	1.5%
NORDEA BANK AB	6,081,774	1.4%
APPLE INC	6,041,106	1.4%
UBS AG	6,026,550	1.4%
INTL BANK OF RECONSTRUCTION AND DEV	5,958,120	1.4%

Top 5 = 52.9%

Top 10 = 61.2%

Issuer	Market Value (\$)	% of Portfolio
HONDA AUTO RECEIVABLES	5,396,505	1.2%
DEERE & COMPANY	4,927,353	1.1%
INTER-AMERICAN DEVELOPMENT BANK	4,892,858	1.1%
EXXON MOBIL CORP	4,505,450	1.0%
MASTERCARD INC	4,487,516	1.0%
MICROSOFT CORP	4,469,025	1.0%
FEDERAL HOME LOAN BANKS	4,427,171	1.0%
US BANCORP	4,244,942	1.0%
ORACLE CORP	4,079,246	0.9%
ROYAL BANK OF CANADA	4,079,052	0.9%
CREDIT AGRICOLE SA	4,075,985	0.9%
CANADIAN IMPERIAL BANK OF COMMERCE	4,063,653	0.9%
CREDIT SUISSE GROUP	4,040,998	0.9%
THE WALT DISNEY CORPORATION	4,032,964	0.9%
INTEL CORPORATION	4,031,800	0.9%
AMERICAN EXPRESS CO	4,028,854	0.9%
UNITED PARCEL SERVICE INC	4,024,116	0.9%
AMERICAN HONDA FINANCE	3,986,948	0.9%
CISCO SYSTEMS INC	3,976,512	0.9%
HOME DEPOT INC	3,827,836	0.9%
mitsubishi UFJ Financial Group Inc	3,817,930	0.9%

Issuer	Market Value (\$)	% of Portfolio
CITIGROUP INC	3,783,839	0.9%
BANK OF AMERICA CO	3,768,343	0.9%
GOLDMAN SACHS GROUP INC	3,752,716	0.9%
VISA INC	3,470,665	0.8%
IBM CORP	3,122,469	0.7%
MERCEDES-BENZ AUTO RECEIVABLES	2,746,343	0.6%
STATE STREET CORPORATION	2,373,798	0.5%
JP MORGAN CHASE & CO	2,006,982	0.5%
BB&T CORPORATION	1,941,569	0.4%
PACCAR FINANCIAL CORP	1,711,363	0.4%
CARMAX AUTO OWNER TRUST	1,545,398	0.4%
CAPITAL ONE PRIME AUTO REC TRUST	1,254,048	0.3%
<b>Grand Total:</b>	<b>442,906,140</b>	<b>100.0%</b>

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# Portfolio Transactions

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## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
4/2/19	4/4/19	2,125,000	91159HHV5	US BANK NA CINCINNATI CORP NOTES	3.37%	2/5/24	2,183,150.63	2.89%	
4/2/19	4/4/19	2,375,000	912828S92	US TREASURY NOTES	1.25%	7/31/23	2,279,600.20	2.28%	
4/2/19	4/4/19	4,250,000	57636QAB0	MASTERCARD INC CORP NOTES	3.37%	4/1/24	4,389,957.81	2.67%	
4/2/19	4/5/19	1,700,000	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	1,704,763.02	2.46%	
4/3/19	4/10/19	1,840,000	44932NAD2	HYUNDAI AUTO RECEIVABLES TRUST	2.66%	6/15/23	1,839,757.86	2.67%	
4/3/19	4/4/19	4,055,000	22535CDU2	CREDIT AGRICOLE CIB NY CERT DEPOS	2.83%	4/2/21	4,055,000.00	2.85%	
4/9/19	4/17/19	1,525,000	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/24	1,524,844.15	2.90%	
5/1/19	5/3/19	3,525,000	9128285D8	UNITED STATES TREASURY NOTES	2.87%	9/30/23	3,626,806.50	2.25%	
5/16/19	5/21/19	3,965,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	3,995,929.20	2.20%	
5/21/19	5/29/19	2,290,000	43815MAC0	HAROT 2019-2 A3	2.52%	6/21/23	2,289,914.58	2.52%	
5/21/19	5/30/19	1,240,000	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/23	1,239,748.78	2.52%	
5/21/19	5/28/19	2,450,000	65479HAC1	NAROT 2019-B A3	2.50%	11/15/23	2,449,446.06	2.51%	
6/3/19	6/5/19	9,225,000	912828X70	US TREASURY N/B NOTES	2.00%	4/30/24	9,284,849.69	1.90%	
6/3/19	6/5/19	6,400,000	717081ES8	PFIZER INC CORP NOTES	2.95%	3/15/24	6,606,805.33	2.38%	
<b>Total BUY</b>		<b>46,965,000</b>					<b>47,470,573.81</b>		

## INTEREST

4/1/19	4/1/19	0	MONEY0002	MONEY MARKET FUND			1,155.60		
4/1/19	4/25/19	2,063,966	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	6,233.36		
4/1/19	4/25/19	2,100,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	5,407.50		
4/5/19	4/5/19	7,150,000	3135G0T45	FANNIE MAE NOTES	1.87%	4/5/22	67,031.25		
4/10/19	4/10/19	4,055,000	13606BVF0	CANADIAN IMP BK COMM NY FLT CERT DEPOS	2.98%	4/10/20	32,262.59		
4/13/19	4/13/19	2,480,000	3135G0U27	FANNIE MAE NOTES	2.50%	4/13/21	31,000.00		
4/13/19	4/13/19	3,700,000	89236TEU5	TOYOTA MOTOR CREDIT CORP NOTES	2.95%	4/13/21	54,575.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
4/15/19	4/15/19	3,950,000	02007JAC1	ALLYA 2018-3 A3	3.00%	1/15/23	9,875.00		
4/15/19	4/15/19	4,185,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	6,172.88		
4/15/19	4/15/19	1,950,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	3,818.75		
4/15/19	4/15/19	102,192	47788MAC4	JOHN DEERE ABS 2016-A A3	1.36%	4/15/20	115.82		
4/15/19	4/15/19	2,780,000	65479KAD2	NAROT 2019-A A3	2.90%	10/15/23	6,718.33		
4/15/19	4/15/19	2,930,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	4,858.92		
4/15/19	4/15/19	216,137	43814QAC2	HONDA ABS 2016-2 A3	1.39%	4/15/20	250.36		
4/15/19	4/15/19	2,340,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	3,763.50		
4/15/19	4/15/19	2,710,000	58772RAD6	MBART 2018-1 A3	3.03%	1/15/23	6,842.75		
4/15/19	4/15/19	1,330,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	3,092.25		
4/15/19	4/15/19	2,540,000	65479GAD1	NAROT 2018-B A3	3.06%	3/15/23	6,477.00		
4/18/19	4/18/19	1,175,000	43814WAC9	HAROT 2019-1 A3	2.83%	3/20/23	2,771.04		
4/19/19	4/19/19	3,745,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	49,153.13		
4/19/19	4/19/19	4,830,000	4581X0DB1	INTER-AMERICAN DEVELOPMENT BANK NOTE	2.62%	4/19/21	63,393.75		
4/21/19	4/21/19	2,105,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	3,596.04		
4/25/19	4/25/19	3,740,000	38141GVU5	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.62%	4/25/21	49,087.50		
4/30/19	4/30/19	7,475,000	9128283C2	US TREASURY N/B NOTES	2.00%	10/31/22	74,750.00		
4/30/19	4/30/19	10,000,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	100,000.00		
5/1/19	5/1/19	0	MONEY0002	MONEY MARKET FUND			1,671.89		
5/1/19	5/25/19	2,024,451	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	6,108.27		
5/1/19	5/25/19	1,700,000	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	3,847.67		
5/1/19	5/25/19	2,100,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	5,407.50		
5/3/19	5/3/19	1,515,000	594918BG8	MICROSOFT CORP (CALLABLE) NOTES	2.00%	11/3/20	15,150.00		
5/11/19	5/11/19	4,000,000	458140BB5	INTEL CORP (CALLABLE) NOTES	2.35%	5/11/22	47,000.00		
5/11/19	5/11/19	6,000,000	037833CQ1	APPLE INC CORP (CALLABLE) NOTE	2.30%	5/11/22	69,000.00		
5/15/19	5/15/19	2,780,000	65479KAD2	NAROT 2019-A A3	2.90%	10/15/23	6,718.33		
5/15/19	5/15/19	141,680	43814QAC2	HONDA ABS 2016-2 A3	1.39%	4/15/20	164.11		
5/15/19	5/15/19	2,710,000	58772RAD6	MBART 2018-1 A3	3.03%	1/15/23	6,842.75		
5/15/19	5/15/19	1,950,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	3,818.75		
5/15/19	5/15/19	1,330,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	3,092.25		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/15/19	5/15/19	2,930,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	4,858.92		
5/15/19	5/15/19	4,185,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	6,172.88		
5/15/19	5/15/19	1,525,000	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/24	3,178.78		
5/15/19	5/15/19	1,840,000	44932NAD2	HYUNDAI AUTO RECEIVABLES TRUST	2.66%	6/15/23	4,758.44		
5/15/19	5/15/19	10,925,000	912828WE6	US TREASURY NOTES	2.75%	11/15/23	150,218.75		
5/15/19	5/15/19	2,540,000	65479GAD1	NAROT 2018-B A3	3.06%	3/15/23	6,477.00		
5/15/19	5/15/19	9,139	47788MAC4	JOHN DEERE ABS 2016-A A3	1.36%	4/15/20	10.36		
5/15/19	5/15/19	2,340,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	3,763.50		
5/15/19	5/15/19	3,950,000	02007JAC1	ALLYA 2018-3 A3	3.00%	1/15/23	9,875.00		
5/16/19	5/16/19	4,000,000	911312BC9	UNITED PARCEL SERVICE (CALLABLE) NOTES	2.35%	5/16/22	47,000.00		
5/16/19	5/16/19	7,555,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	86,225.63		
5/18/19	5/18/19	1,175,000	43814WAC9	HAROT 2019-1 A3	2.83%	3/20/23	2,771.04		
5/19/19	5/19/19	150,000	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	1,462.50		
5/19/19	5/19/19	2,230,000	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	21,742.50		
5/21/19	5/21/19	2,105,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	3,596.04		
5/31/19	5/31/19	2,440,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	16,775.00		
5/31/19	5/31/19	12,075,000	912828U57	US TREASURY NOTES	2.12%	11/30/23	128,296.88		
5/31/19	5/31/19	440,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	3,025.00		
6/1/19	6/1/19	2,000,000	437076BG6	HOME DEPOT INC CORP (CALLABLE) NOTES	2.62%	6/1/22	26,250.00		
6/1/19	6/25/19	1,996,087	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	5,929.82		
6/1/19	6/25/19	1,700,000	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/25/22	3,847.67		
6/1/19	6/25/19	2,100,000	3137BM6P6	FHLMC SERIES K721 A2	3.09%	8/25/22	5,407.50		
6/1/19	6/25/19	3,965,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	9,221.93		
6/3/19	6/3/19	0	MONEY0002	MONEY MARKET FUND			737.79		
6/5/19	6/5/19	7,000,000	06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	3.08%	6/5/20	107,800.00		
6/5/19	6/5/19	1,800,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	16,200.00		
6/7/19	6/7/19	4,000,000	78012UEE1	ROYAL BANK OF CANADA NY CD	3.24%	6/7/21	64,800.00		
6/8/19	6/8/19	3,425,000	3130A0F70	FEDERAL HOME LOAN BANKS NOTES	3.37%	12/8/23	57,796.88		
6/8/19	6/8/19	3,745,000	172967LC3	CITIGROUP INC CORP (CALLABLE) NOTE	2.90%	12/8/21	54,302.50		
6/14/19	6/14/19	1,460,000	92826CAB8	VISA INC (CALLABLE) CORP NOTES	2.20%	12/14/20	16,060.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
6/15/19	6/15/19	2,450,000	65479HAC1	NAROT 2019-B A3	2.50%	11/15/23	2,892.36		
6/15/19	6/15/19	1,525,000	14316LAC7	CARMX 2019-2 A3	2.68%	3/15/24	3,405.83		
6/15/19	6/15/19	72,568	43814QAC2	HONDA ABS 2016-2 A3	1.39%	4/15/20	84.06		
6/15/19	6/15/19	1,240,000	14042WAC4	COPAR 2019-1 A3	2.51%	11/15/23	1,296.83		
6/15/19	6/15/19	2,710,000	58772RAD6	MBART 2018-1 A3	3.03%	1/15/23	6,842.75		
6/15/19	6/15/19	2,780,000	65479KAD2	NAROT 2019-A A3	2.90%	10/15/23	6,718.33		
6/15/19	6/15/19	2,930,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	4,858.92		
6/15/19	6/15/19	1,840,000	44932NAD2	HYUNDAI AUTO RECEIVABLES TRUST	2.66%	6/15/23	4,078.67		
6/15/19	6/15/19	1,950,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	3,818.75		
6/15/19	6/15/19	3,950,000	02007JAC1	ALLYA 2018-3 A3	3.00%	1/15/23	9,875.00		
6/15/19	6/15/19	1,330,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	3,092.25		
6/15/19	6/15/19	2,540,000	65479GAD1	NAROT 2018-B A3	3.06%	3/15/23	6,477.00		
6/15/19	6/15/19	2,340,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	3,763.50		
6/15/19	6/15/19	4,185,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	6,172.88		
6/18/19	6/18/19	1,175,000	43814WAC9	HAROT 2019-1 A3	2.83%	3/20/23	2,771.04		
6/19/19	6/19/19	5,000,000	3137EAEN5	FREDDIE MAC NOTES	2.75%	6/19/23	68,750.00		
6/19/19	6/19/19	6,825,000	3137EAEN5	FREDDIE MAC NOTES	2.75%	6/19/23	93,843.75		
6/21/19	6/21/19	2,290,000	43815MAC0	HAROT 2019-2 A3	2.52%	6/21/23	3,526.60		
6/21/19	6/21/19	2,018,497	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	3,448.27		
6/30/19	6/30/19	4,745,000	912828N30	US TREASURY NOTES	2.12%	12/31/22	50,415.63		
6/30/19	6/30/19	460,000	9128285U0	US TREASURY N/B	2.62%	12/31/23	6,037.50		
<b>Total INTEREST</b>		<b>255,864,716</b>					<b>1,921,956.07</b>		

**PAYDOWNS**

4/1/19	4/25/19	39,515	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	39,515.32		0.00
4/15/19	4/15/19	93,053	47788MAC4	JOHN DEERE ABS 2016-A A3	1.36%	4/15/20	93,053.08		0.00
4/15/19	4/15/19	74,456	43814QAC2	HONDA ABS 2016-2 A3	1.39%	4/15/20	74,456.14		0.00
5/1/19	5/25/19	28,364	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	28,364.06		0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/15/19	5/15/19	69,112	43814QAC2	HONDA ABS 2016-2 A3	1.39%	4/15/20	69,112.34		0.00
5/15/19	5/15/19	9,139	47788MAC4	JOHN DEERE ABS 2016-A A3	1.36%	4/15/20	9,138.72		0.00
5/21/19	5/21/19	86,503	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	86,503.14		0.00
6/1/19	6/25/19	7,181	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	7,180.85		0.00
6/15/19	6/15/19	65,910	43814QAC2	HONDA ABS 2016-2 A3	1.39%	4/15/20	65,909.95		0.00
6/15/19	6/15/19	160,770	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	160,770.24		0.00
6/15/19	6/15/19	67,357	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	67,357.24		0.00
6/21/19	6/21/19	133,742	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	133,742.40		0.00
<b>Total PAYDOWNS</b>		<b>835,103</b>					<b>835,103.48</b>		<b>0.00</b>

## SELL

4/2/19	4/4/19	7,500,000	83050FXT3	SKANDINAVISKA ENSKILDA BANKEN NY CD	1.84%	8/2/19	7,503,965.61	2.60%	(18,935.55)
4/2/19	4/5/19	1,725,000	912828W89	US TREASURY NOTES	1.87%	3/31/22	1,706,776.81	2.25%	(7,388.63)
4/3/19	4/4/19	100,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	98,483.90	2.33%	(1,370.29)
4/3/19	4/4/19	4,055,000	22532XHT8	CREDIT AGRICOLE CIB NY FLT CERT DEPOS	3.05%	4/10/20	4,099,365.21	2.97%	13,591.14
4/3/19	4/8/19	1,800,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	1,773,122.85	2.33%	(24,580.24)
4/9/19	4/11/19	1,565,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	1,528,058.18	2.37%	(35,725.95)
5/1/19	5/3/19	1,525,000	912828N89	US TREASURY NOTES	1.37%	1/31/21	1,506,560.53	2.29%	(23,229.98)
5/1/19	5/3/19	1,350,000	912828N89	US TREASURY NOTES	1.37%	1/31/21	1,333,676.52	2.29%	(9,323.51)
5/16/19	5/21/19	3,450,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	3,440,460.94	2.16%	25,157.71
5/21/19	5/28/19	4,935,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	4,842,848.47	2.28%	(97,087.69)
5/21/19	5/28/19	1,170,000	912828T34	US TREASURY NOTES	1.12%	9/30/21	1,143,567.11	2.20%	(18,869.85)
6/3/19	6/5/19	675,000	94974BGF1	WELLS FARGO & CO CORP BONDS	2.15%	1/30/20	678,378.56	2.53%	(457.07)
6/3/19	6/5/19	500,000	94974BGF1	WELLS FARGO & CO CORP BONDS	2.15%	1/30/20	502,502.64	2.53%	(380.45)
6/3/19	6/5/19	2,885,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	2,903,139.05	1.94%	(26,744.02)
6/3/19	6/5/19	6,475,000	912828P87	US TREASURY NOTES	1.12%	2/28/21	6,403,398.90	1.95%	(41,951.19)
6/3/19	6/5/19	500,000	94974BGF1	WELLS FARGO & CO CORP BONDS	2.15%	1/30/20	502,502.64	2.53%	(1,230.00)
6/3/19	6/5/19	1,095,000	084664CK5	BERKSHIRE HATHAWAY INC CORPORATE NOTES	1.30%	8/15/19	1,096,754.43	2.51%	(2,525.16)

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
6/3/19	6/5/19	1,985,000	94974BGF1	WELLS FARGO & CO CORP BONDS	2.15%	1/30/20	1,994,935.48	2.53%	(4,513.59)
6/3/19	6/5/19	1,500,000	94974BGF1	WELLS FARGO & CO CORP BONDS	2.15%	1/30/20	1,507,507.91	2.53%	(4,143.23)
<b>Total SELL</b>		<b>44,790,000</b>					<b>44,566,005.74</b>		<b>-279,707.55</b>

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# Portfolio Holdings

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## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	440,000.00	AA+	Aaa	2/14/2019	2/15/2019	429,085.94	2.50	512.43	430,829.49	436,700.00
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	2,440,000.00	AA+	Aaa	8/2/2017	8/3/2017	2,413,598.43	1.67	2,841.67	2,426,580.76	2,421,700.00
US TREASURY NOTES DTD 09/30/2016 1.125% 09/30/2021	912828T34	3,680,000.00	AA+	Aaa	11/9/2016	11/9/2016	3,617,768.59	1.48	10,406.56	3,650,836.44	3,631,412.96
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	6,550,000.00	AA+	Aaa	3/1/2018	3/5/2018	6,441,771.49	2.48	22,070.65	6,479,912.38	6,589,660.25
US TREASURY NOTES DTD 03/02/2015 1.750% 02/28/2022	912828J43	4,800,000.00	AA+	Aaa	3/13/2017	3/13/2017	4,713,203.58	2.14	28,076.09	4,752,276.96	4,803,000.00
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	4,745,000.00	AA+	Aaa	12/1/2017	12/5/2017	4,700,700.97	2.10	22,363.73	4,716,386.32	4,765,944.43
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	10,000,000.00	AA+	Aaa	1/3/2018	1/4/2018	9,877,734.38	2.18	47,131.15	9,919,500.10	10,044,140.00
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	7,600,000.00	AA+	Aaa	8/1/2018	8/3/2018	7,350,625.00	2.82	35,819.67	7,410,413.44	7,633,546.40
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	8,900,000.00	AA+	Aaa	9/4/2018	9/6/2018	8,637,519.53	2.75	41,946.72	8,695,534.25	8,939,284.60
US TREASURY NOTES DTD 07/31/2015 2.000% 07/31/2022	912828XQ8	9,000,000.00	AA+	Aaa	8/30/2017	8/31/2017	9,113,906.25	1.73	75,082.87	9,072,586.62	9,074,529.00
US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	912828P4	5,400,000.00	AA+	Aaa	11/1/2017	11/3/2017	5,366,671.88	2.01	42,234.12	5,378,018.17	5,424,256.80
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	4,765,000.00	AA+	Aaa	6/4/2018	6/6/2018	4,570,491.21	2.76	20,960.79	4,616,593.22	4,768,349.80
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	5,555,000.00	AA+	Aaa	10/3/2017	10/6/2017	5,507,695.70	1.93	24,435.93	5,523,662.80	5,558,905.17
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	5,000,000.00	AA+	Aaa	6/20/2018	6/21/2018	4,795,507.81	2.77	21,994.54	4,842,562.45	5,003,515.00
US TREASURY N/B NOTES DTD 10/31/2017 2.000% 10/31/2022	9128283C2	7,475,000.00	AA+	Aaa	5/2/2018	5/4/2018	7,225,638.67	2.80	25,187.50	7,287,048.08	7,540,406.25



## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	4,745,000.00	AA+	Aaa	6/4/2018	6/6/2018	4,614,141.80	2.77	274.00	4,643,350.62	4,809,688.59
US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	7,100,000.00	AA+	Aaa	10/2/2018	10/5/2018	6,759,699.22	2.94	51,828.04	6,814,938.41	7,104,991.30
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	3,850,000.00	AA+	Aaa	2/8/2019	2/12/2019	3,708,181.64	2.44	14,516.39	3,720,718.85	3,817,968.00
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	2,375,000.00	AA+	Aaa	4/2/2019	4/4/2019	2,274,433.59	2.28	12,383.46	2,279,845.03	2,329,354.88
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	3,875,000.00	AA+	Aaa	2/8/2019	2/12/2019	3,681,098.63	2.44	20,204.59	3,696,976.84	3,800,526.38
UNITED STATES TREASURY NOTES DTD 10/01/2018 2.875% 09/30/2023	9128285D8	3,525,000.00	AA+	Aaa	5/1/2019	5/3/2019	3,617,668.95	2.25	25,474.39	3,614,445.61	3,687,618.83
US TREASURY NOTES DTD 11/15/2013 2.750% 11/15/2023	912828WE6	10,925,000.00	AA+	Aaa	3/6/2019	3/8/2019	11,035,530.27	2.52	38,371.09	11,028,683.49	11,384,188.68
US TREASURY NOTES DTD 11/30/2016 2.125% 11/30/2023	912828U57	12,075,000.00	AA+	Aaa	1/7/2019	1/9/2019	11,858,970.70	2.52	21,733.35	11,878,950.90	12,267,922.28
US TREASURY N/B DTD 12/31/2018 2.625% 12/31/2023	9128285U0	460,000.00	AA+	Aaa	1/30/2019	1/31/2019	461,365.62	2.56	32.81	461,261.24	477,321.76
US TREASURY N/B NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	9,225,000.00	AA+	Aaa	6/3/2019	6/5/2019	9,266,800.78	1.90	31,084.24	9,266,234.74	9,325,534.05
<b>Security Type Sub-Total</b>		<b>144,505,000.00</b>					<b>142,039,810.63</b>	<b>2.37</b>	<b>636,966.78</b>	<b>142,608,147.21</b>	<b>145,640,465.41</b>
<b>Supra-National Agency Bond / Note</b>											
INTERNATIONAL FINANCE CORPORATION NOTE DTD 01/25/2018 2.250% 01/25/2021	45950KCM0	2,215,000.00	AAA	Aaa	1/18/2018	1/25/2018	2,208,487.90	2.35	21,596.25	2,211,543.01	2,226,717.35
INTERNATIONAL FINANCE CORPORATION NOTE DTD 03/16/2018 2.635% 03/09/2021	45950VLQ7	6,075,000.00	AAA	Aaa	3/9/2018	3/16/2018	6,070,443.75	2.66	49,801.50	6,072,364.18	6,117,932.03

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Supra-National Agency Bond / Note</b>											
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	4,830,000.00	AAA	Aaa	4/12/2018	4/19/2018	4,819,374.00	2.70	25,357.50	4,823,524.85	4,892,857.62
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	5,850,000.00	AAA	Aaa	7/18/2018	7/25/2018	5,836,311.00	2.83	70,606.25	5,840,452.10	5,958,119.70
<b>Security Type Sub-Total</b>		<b>18,970,000.00</b>					<b>18,934,616.65</b>	<b>2.69</b>	<b>167,361.50</b>	<b>18,947,884.14</b>	<b>19,195,626.70</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	1,988,905.70	AA+	Aaa	4/11/2018	4/30/2018	2,028,467.03	2.27	5,900.42	2,014,611.05	2,027,986.30
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2015 2.791% 01/25/2022	3137BHXY8	3,965,000.00	AA+	Aaa	5/16/2019	5/21/2019	3,989,781.25	2.20	9,221.93	3,989,134.40	4,021,814.49
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2015 2.716% 06/25/2022	3137BLUR7	1,700,000.00	AA+	Aaa	4/2/2019	4/5/2019	1,704,250.00	2.46	3,847.67	1,703,760.09	1,725,060.55
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/25/2022	3137BM6P6	2,100,000.00	AA+	Aaa	4/4/2018	4/9/2018	2,117,882.81	2.61	5,407.50	2,112,013.66	2,154,964.77
<b>Security Type Sub-Total</b>		<b>9,753,905.70</b>					<b>9,840,381.09</b>	<b>2.35</b>	<b>24,377.52</b>	<b>9,819,519.20</b>	<b>9,929,826.11</b>
<b>Federal Agency Bond / Note</b>											
FNMA NOTES DTD 02/05/2016 1.375% 02/26/2021	3135G0J20	6,400,000.00	AA+	Aaa	2/26/2016	2/26/2016	6,388,224.00	1.41	30,555.56	6,396,016.19	6,350,784.00
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	2,480,000.00	AA+	Aaa	4/12/2018	4/13/2018	2,476,304.80	2.55	13,433.33	2,477,770.55	2,508,929.20
FANNIE MAE NOTES DTD 01/09/2017 2.000% 01/05/2022	3135G0S38	6,400,000.00	AA+	Aaa	1/11/2017	1/11/2017	6,395,040.00	2.02	62,577.78	6,397,436.99	6,433,574.40
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	4,325,000.00	AA+	Aaa	1/9/2019	1/11/2019	4,321,886.00	2.65	53,611.98	4,322,360.19	4,414,817.28

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency Bond / Note</b>											
FREDDIE MAC GLOBAL NOTES DTD 01/13/2012 2.375% 01/13/2022	3137EADB2	6,400,000.00	AA+	Aaa	1/27/2017	1/27/2017	6,502,188.80	2.03	70,933.33	6,453,474.43	6,494,553.60
FANNIE MAE NOTES DTD 04/10/2017 1.875% 04/05/2022	3135G0T45	7,150,000.00	AA+	Aaa	6/19/2017	6/20/2017	7,148,920.35	1.88	32,026.04	7,149,404.98	7,162,812.80
FREDDIE MAC NOTES DTD 06/11/2018 2.750% 06/19/2023	3137EAEN5	5,000,000.00	AA+	Aaa	6/20/2018	6/21/2018	4,968,400.00	2.89	4,583.33	4,974,544.15	5,176,975.00
FREDDIE MAC NOTES DTD 06/11/2018 2.750% 06/19/2023	3137EAEN5	6,825,000.00	AA+	Aaa	6/27/2018	6/28/2018	6,802,341.00	2.82	6,256.25	6,806,708.04	7,066,570.88
FANNIE MAE NOTES DTD 09/14/2018 2.875% 09/12/2023	3135G0U43	12,325,000.00	AA+	Aaa	11/29/2018	11/30/2018	12,272,249.00	2.97	107,287.41	12,278,598.22	12,836,401.23
FEDERAL HOME LOAN BANKS NOTES DTD 12/09/2013 3.375% 12/08/2023	3130A0F70	3,425,000.00	AA+	Aaa	1/30/2019	1/31/2019	3,527,407.50	2.71	7,385.16	3,519,197.36	3,643,758.18
FANNIE MAE NOTES DTD 02/08/2019 2.500% 02/05/2024	3135G0V34	2,675,000.00	AA+	Aaa	2/7/2019	2/8/2019	2,665,049.00	2.58	26,564.24	2,665,793.45	2,755,381.08
FHLB BONDS DTD 02/15/2019 2.500% 02/13/2024	3130AFW94	760,000.00	AA+	Aaa	2/14/2019	2/15/2019	757,309.60	2.58	7,177.78	757,501.13	783,412.56
<b>Security Type Sub-Total</b>		<b>64,165,000.00</b>					<b>64,225,320.05</b>	<b>2.42</b>	<b>422,392.19</b>	<b>64,198,805.68</b>	<b>65,627,970.21</b>
<b>Corporate Note</b>											
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	1,800,000.00	A	A2	5/24/2017	6/5/2017	1,798,956.00	1.82	2,340.00	1,799,671.16	1,793,750.40
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	845,000.00	A	A2	7/17/2017	7/20/2017	844,146.55	1.98	7,369.10	844,694.79	842,242.77
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	3,155,000.00	A	A2	7/19/2017	7/24/2017	3,156,829.90	1.93	27,514.23	3,155,657.57	3,144,705.24
AMERICAN EXP (CALLABLE) CREDIT CORP NOTE DTD 09/14/2015 2.600% 09/14/2020	0258M0DX4	2,000,000.00	A-	A2	4/3/2018	4/5/2018	1,978,360.00	3.06	15,455.56	1,989,157.60	2,007,490.00

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
MICROSOFT CORP (CALLABLE) NOTES DTD 11/03/2015 2.000% 11/03/2020	594918BG8	1,515,000.00	AAA	Aaa	10/29/2015	11/3/2015	1,513,788.00	2.02	4,881.67	1,514,663.58	1,514,397.03
VISA INC (CALLABLE) CORP NOTES DTD 12/14/2015 2.200% 12/14/2020	92826CAB8	1,460,000.00	AA-	Aa3	4/3/2018	4/5/2018	1,439,049.00	2.76	1,516.78	1,448,517.10	1,462,290.74
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 01/08/2019 3.050% 01/08/2021	89236TFQ3	805,000.00	AA-	Aa3	1/3/2019	1/8/2019	804,517.00	3.08	11,798.84	804,630.41	816,067.95
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	1,945,000.00	A-	A2	10/23/2017	10/26/2017	1,944,105.30	2.17	17,423.96	1,944,544.44	1,941,569.02
IBM CORP NOTES DTD 02/19/2016 2.250% 02/19/2021	459200JF9	3,123,000.00	A	A1	7/13/2017	7/18/2017	3,139,895.43	2.09	25,764.75	3,130,861.47	3,122,469.09
JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 03/01/2016 2.550% 03/01/2021	46625HQJ2	2,000,000.00	A-	A2	7/6/2017	7/11/2017	2,010,300.00	2.40	17,000.00	2,004,718.16	2,006,982.00
EXXON MOBIL CORPORATE (CALLABLE) NOTES DTD 03/03/2016 2.222% 03/01/2021	30231GAV4	1,415,000.00	AA+	Aaa	2/29/2016	3/3/2016	1,415,000.00	2.22	10,480.43	1,415,000.00	1,418,920.97
EXXON MOBIL CORPORATE (CALLABLE) NOTES DTD 03/03/2016 2.222% 03/01/2021	30231GAV4	3,078,000.00	AA+	Aaa	5/16/2016	5/16/2016	3,131,957.34	1.84	22,797.72	3,096,684.91	3,086,529.14
TOYOTA MOTOR CREDIT CORP NOTES DTD 04/13/2018 2.950% 04/13/2021	89236TEU5	3,700,000.00	AA-	Aa3	4/10/2018	4/13/2018	3,698,520.00	2.96	23,649.17	3,699,104.97	3,750,923.10
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	3,745,000.00	A-	A2	11/1/2017	11/3/2017	3,773,050.05	2.40	19,661.25	3,759,881.77	3,768,342.59
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.625% 04/25/2021	38141GVU5	3,740,000.00	BBB+	A3	11/3/2017	11/7/2017	3,758,722.44	2.47	17,998.75	3,749,811.82	3,752,716.00
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	2,230,000.00	A	A1	5/16/2016	5/19/2016	2,228,840.40	1.96	5,073.25	2,229,549.99	2,224,188.62

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	150,000.00	A	A1	11/1/2016	11/1/2016	150,142.50	1.93	341.25	150,060.75	149,609.10
MICROSOFT CORP (CALLABLE) NOTES DTD 08/08/2016 1.550% 08/08/2021	594918BP8	2,125,000.00	AAA	Aaa	8/1/2016	8/8/2016	2,122,768.75	1.57	13,083.51	2,124,040.46	2,106,907.75
MICROSOFT CORP (CALLABLE) NOTES DTD 08/08/2016 1.550% 08/08/2021	594918BP8	855,000.00	AAA	Aaa	8/2/2016	8/8/2016	853,691.85	1.58	5,264.19	854,437.35	847,720.53
PACCAR FINANCIAL CORP DTD 08/11/2016 1.650% 08/11/2021	69371RN44	1,730,000.00	A+	A1	1/25/2017	1/25/2017	1,661,976.40	2.57	11,100.83	1,697,427.91	1,711,362.71
ORACLE CORP (CALLABLE) NOTES DTD 07/07/2016 1.900% 09/15/2021	68389XBK0	4,100,000.00	AA-	A1	11/29/2016	11/29/2016	4,008,201.00	2.40	22,937.22	4,056,506.75	4,079,245.80
CISCO SYSTEMS INC CORP (CALLABLE) NOTES DTD 09/20/2016 1.850% 09/20/2021	17275RBJ0	4,000,000.00	AA-	A1	6/20/2018	6/22/2018	3,851,880.00	3.06	20,761.11	3,897,199.60	3,976,512.00
CITIGROUP INC CORP (CALLABLE) NOTE DTD 12/08/2016 2.900% 12/08/2021	172967LC3	3,745,000.00	BBB+	A3	11/20/2017	11/22/2017	3,770,578.35	2.72	6,938.65	3,760,556.95	3,783,839.40
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	875,000.00	A	A2	3/21/2017	3/21/2017	877,056.25	2.60	11,271.70	876,120.22	884,396.63
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	3,000,000.00	A	A2	3/22/2017	3/22/2017	3,010,920.00	2.57	38,645.83	3,005,931.75	3,032,217.00
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	1,000,000.00	A	A2	3/21/2017	3/21/2017	1,003,240.00	2.58	12,881.94	1,001,760.40	1,010,739.00
US BANCORP (CALLABLE) NOTES DTD 01/24/2017 2.625% 01/24/2022	91159HHP8	2,000,000.00	A+	A1	1/19/2017	1/24/2017	1,996,560.00	2.66	22,895.83	1,998,179.54	2,021,380.00
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 03/03/2017 2.700% 03/03/2022	0258M0EGO	2,000,000.00	A-	A2	7/10/2017	7/13/2017	2,019,320.00	2.48	17,700.00	2,011,260.34	2,021,364.00

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 2.450% 03/04/2022	25468PDQ6	4,000,000.00	A	A2	7/14/2017	7/19/2017	4,047,920.00	2.18	31,850.00	4,028,321.28	4,032,964.00
APPLE INC CORP (CALLABLE) NOTE DTD 05/11/2017 2.300% 05/11/2022	037833CQ1	6,000,000.00	AA+	Aa1	7/10/2017	7/13/2017	5,992,020.00	2.33	19,166.67	5,995,219.08	6,041,106.00
INTEL CORP (CALLABLE) NOTES DTD 05/11/2017 2.350% 05/11/2022	458140BB5	4,000,000.00	A+	A1	7/10/2017	7/13/2017	4,002,480.00	2.34	13,055.56	4,001,536.84	4,031,800.00
UNITED PARCEL SERVICE (CALLABLE) NOTES DTD 05/16/2017 2.350% 05/16/2022	911312BC9	4,000,000.00	A+	A1	7/10/2017	7/13/2017	4,012,880.00	2.28	11,750.00	4,007,772.24	4,024,116.00
HOME DEPOT INC CORP (CALLABLE) NOTES DTD 06/02/2015 2.625% 06/01/2022	437076BG6	2,000,000.00	A	A2	7/10/2017	7/13/2017	2,029,380.00	2.30	4,375.00	2,017,753.00	2,034,086.00
VISA INC (CALLABLE) NOTE DTD 09/11/2017 2.150% 09/15/2022	92826CAG7	2,000,000.00	AA-	Aa3	6/20/2018	6/22/2018	1,917,180.00	3.20	12,661.11	1,936,286.70	2,008,374.00
BANK OF NY MELLON CORP CORP NOTES DTD 08/13/2018 3.450% 08/11/2023	06406RAJ6	6,735,000.00	A	A1	1/30/2019	1/31/2019	6,814,742.40	3.17	90,361.25	6,807,900.52	7,023,143.51
US BANK NA CINCINNATI CORP NOTES DTD 02/04/2019 3.375% 02/05/2024	91159HHV5	2,125,000.00	A+	A1	4/2/2019	4/4/2019	2,171,197.50	2.89	29,285.16	2,169,074.33	2,223,561.75
PFIZER INC CORP NOTES DTD 03/11/2019 2.950% 03/15/2024	717081ES8	6,400,000.00	AA	A1	6/3/2019	6/5/2019	6,562,752.00	2.38	57,688.89	6,560,458.05	6,597,971.20
MASTERCARD INC CORP NOTES DTD 03/31/2014 3.375% 04/01/2024	57636QAB0	4,250,000.00	A+	A1	4/2/2019	4/4/2019	4,388,762.50	2.67	35,859.38	4,382,441.94	4,487,515.50
<b>Security Type Sub-Total</b>		<b>103,646,000.00</b>					<b>103,901,686.91</b>	<b>2.47</b>	<b>720,600.54</b>	<b>103,927,395.74</b>	<b>104,783,516.54</b>
<b>Certificate of Deposit</b>											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	4,030,000.00	A-1	P-1	2/7/2018	2/8/2018	4,030,000.00	2.67	150,342.51	4,030,000.00	4,040,997.87

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
NORDEA BANK AB NY CD DTD 02/22/2018 2.720% 02/20/2020	65590ASN7	6,060,000.00	A-1+	P-1	2/20/2018	2/22/2018	6,060,000.00	2.72	59,980.53	6,060,000.00	6,081,773.58
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	6,000,000.00	A-1	P-1	3/2/2018	3/6/2018	6,000,000.00	2.93	57,516.67	6,000,000.00	6,026,550.00
CANADIAN IMP BK COMM NY FLT CERT DEPOS DTD 04/10/2018 2.984% 04/10/2020	13606BVF0	4,055,000.00	A-1	P-1	4/6/2018	4/10/2018	4,055,000.00	2.78	27,561.38	4,055,000.00	4,063,653.37
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	7,000,000.00	A-1	P-1	6/5/2018	6/7/2018	6,997,340.00	3.10	15,571.11	6,998,738.67	7,058,716.00
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	6,735,000.00	AA-	Aa3	8/3/2017	8/7/2017	6,735,000.00	2.05	55,227.00	6,735,000.00	6,725,591.21
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	7,000,000.00	A+	Aa2	8/1/2018	8/3/2018	7,000,000.00	3.23	205,932.22	7,000,000.00	7,048,678.00
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	7,555,000.00	AA-	Aa2	11/16/2017	11/17/2017	7,555,000.00	2.30	21,913.70	7,555,000.00	7,532,727.86
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.970% 02/26/2021	55379WZT6	3,760,000.00	A	A1	2/27/2019	2/28/2019	3,760,000.00	2.99	38,154.60	3,760,000.00	3,817,929.94
CREDIT AGRICOLE CIB NY CERT DEPOS DTD 04/04/2019 2.830% 04/02/2021	22535CDU2	4,055,000.00	A+	A1	4/3/2019	4/4/2019	4,055,000.00	2.85	28,051.59	4,055,000.00	4,075,984.63
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	4,000,000.00	AA-	Aa2	6/7/2018	6/8/2018	4,000,000.00	3.24	8,640.00	4,000,000.00	4,079,052.00
<b>Security Type Sub-Total</b>		<b>60,250,000.00</b>					<b>60,247,340.00</b>	<b>2.78</b>	<b>668,891.31</b>	<b>60,248,738.67</b>	<b>60,551,654.46</b>
<b>Asset-Backed Security</b>											
HONDA ABS 2016-2 A3 DTD 05/31/2016 1.390% 04/15/2020	43814QAC2	6,658.16	NR	Aaa	5/24/2016	5/31/2016	6,658.03	1.39	4.11	6,658.14	6,653.97

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Asset-Backed Security</b>											
HAROT 2017-4 A3 DTD 11/29/2017 2.050% 11/21/2021	43813FAC7	1,884,754.46	NR	Aaa	11/22/2017	11/29/2017	1,884,488.90	2.06	1,073.26	1,884,591.37	1,882,268.66
TAOT 2017-D A3 DTD 11/15/2017 1.930% 01/15/2022	89238KAD4	2,340,000.00	AAA	Aaa	11/7/2017	11/15/2017	2,339,784.25	2.26	2,007.20	2,339,866.18	2,334,739.45
HYUNDAI ABS 2017-B A3 DTD 08/16/2017 1.770% 01/15/2022	44932GAD7	4,117,642.76	AAA	Aaa	8/9/2017	8/16/2017	4,116,929.17	1.78	3,239.21	4,117,224.16	4,106,238.95
ALLYA 2017-5 A3 DTD 11/22/2017 1.990% 03/15/2022	02007YAC8	2,769,229.76	AAA	Aaa	11/14/2017	11/22/2017	2,769,014.87	1.99	2,449.23	2,769,092.60	2,765,152.62
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	1,950,000.00	AAA	Aaa	1/23/2018	1/31/2018	1,949,977.58	2.35	2,036.67	1,949,985.51	1,953,580.79
HART 2018-A A3 DTD 04/18/2018 2.790% 07/15/2022	44891KAD7	1,330,000.00	AAA	Aaa	4/10/2018	4/18/2018	1,329,799.70	2.80	1,649.20	1,329,854.55	1,341,132.23
MBART 2018-1 A3 DTD 07/25/2018 3.030% 01/15/2023	58772RAD6	2,710,000.00	AAA	Aaa	7/17/2018	7/25/2018	2,709,895.94	3.03	3,649.47	2,709,917.91	2,746,343.27
ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	3,950,000.00	AAA	Aaa	6/19/2018	6/27/2018	3,949,729.82	3.09	5,266.67	3,949,788.60	3,987,160.02
NAROT 2018-B A3 DTD 07/25/2018 3.060% 03/15/2023	65479GAD1	2,540,000.00	AAA	Aaa	7/17/2018	7/25/2018	2,539,917.70	3.06	3,454.40	2,539,934.77	2,581,075.36
HAROT 2019-1 A3 DTD 02/27/2019 2.830% 03/20/2023	43814WAC9	1,175,000.00	AAA	NR	2/19/2019	2/27/2019	1,174,968.51	2.83	1,200.78	1,174,971.55	1,191,895.44
HYUNDAI AUTO RECEIVABLES TRUST DTD 04/10/2019 2.660% 06/15/2023	44932NAD2	1,840,000.00	AAA	NR	4/3/2019	4/10/2019	1,839,757.86	2.67	2,175.29	1,839,771.69	1,859,398.20
HAROT 2019-2 A3 DTD 05/29/2019 2.520% 06/21/2023	43815MAC0	2,290,000.00	NR	Aaa	5/21/2019	5/29/2019	2,289,914.58	2.52	1,603.00	2,289,916.92	2,315,686.70
NAROT 2019-A A3 DTD 02/13/2019 2.900% 10/15/2023	65479KAD2	2,780,000.00	NR	Aaa	2/5/2019	2/13/2019	2,779,578.83	2.91	3,583.11	2,779,612.94	2,829,310.25
NAROT 2019-B A3 DTD 05/28/2019 2.500% 11/15/2023	65479HAC1	2,450,000.00	NR	Aaa	5/21/2019	5/28/2019	2,449,446.06	2.51	2,722.22	2,449,454.19	2,476,998.76
COPAR 2019-1 A3 DTD 05/30/2019 2.510% 11/15/2023	14042WAC4	1,240,000.00	AAA	Aaa	5/21/2019	5/30/2019	1,239,748.78	2.52	1,383.29	1,239,751.96	1,254,048.08



## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Asset-Backed Security</b>											
CARMX 2019-2 A3 DTD 04/17/2019 2.680% 03/15/2024	14316LAC7	1,525,000.00	AAA	NR	4/9/2019	4/17/2019	1,524,844.15	2.90	1,816.44	1,524,850.50	1,545,397.79
<b>Security Type Sub-Total</b>		<b>36,898,285.14</b>					<b>36,894,454.73</b>	<b>2.56</b>	<b>39,313.55</b>	<b>36,895,243.54</b>	<b>37,177,080.54</b>
<b>Managed Account Sub Total</b>		<b>438,188,190.84</b>					<b>436,083,610.06</b>	<b>2.49</b>	<b>2,679,903.39</b>	<b>436,645,734.18</b>	<b>442,906,139.97</b>
<b>Securities Sub-Total</b>		<b>\$438,188,190.84</b>					<b>\$436,083,610.06</b>	<b>2.49%</b>	<b>\$2,679,903.39</b>	<b>\$436,645,734.18</b>	<b>\$442,906,139.97</b>
<b>Accrued Interest</b>											<b>\$2,679,903.39</b>
<b>Total Investments</b>											<b>\$445,586,043.36</b>

Bolded items are forward settling trades.

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**IMPORTANT DISCLOSURES**

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

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**GLOSSARY**

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

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**GLOSSARY**

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