



# CITY OF DIXON

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

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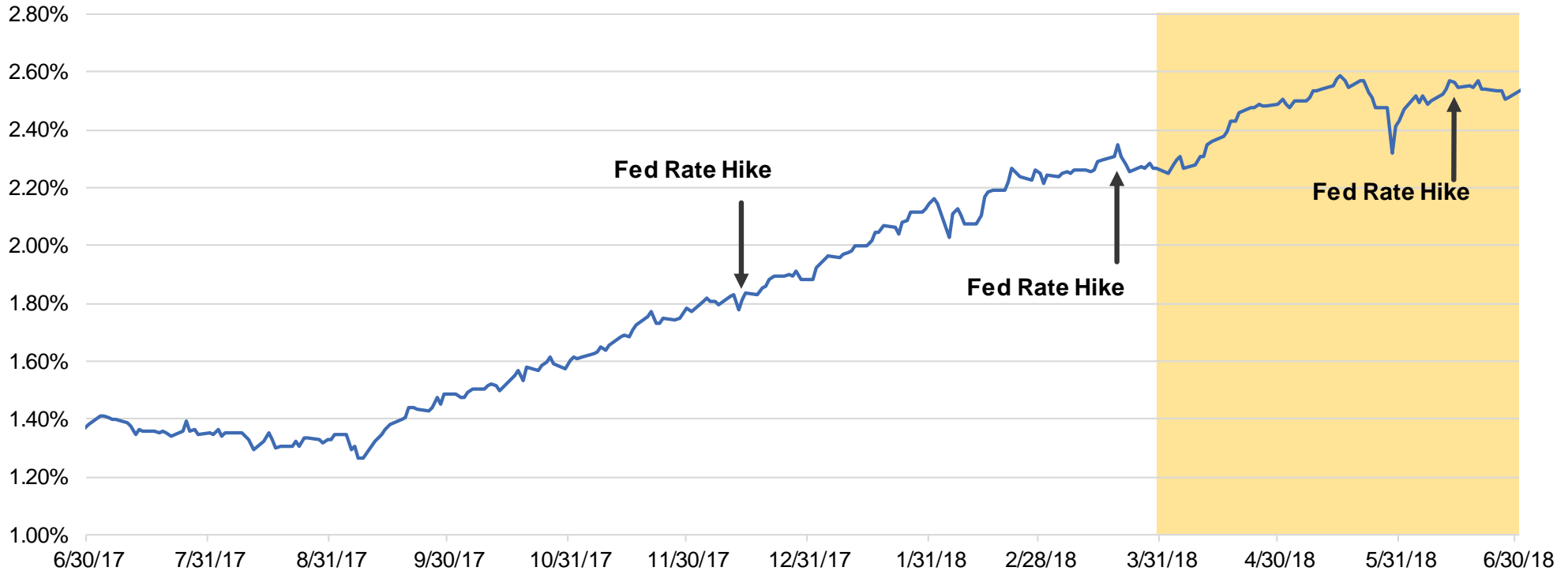
# Market Update

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### Interest Rate Update

- Interest rates continued to trend higher during the quarter as the Federal Reserve continued to raise the Fed Funds target rate.
- However, several flights to quality, driven by political uncertainties in Europe and trade tensions between the U.S. and our trade partners, tempered the interest rate increase.

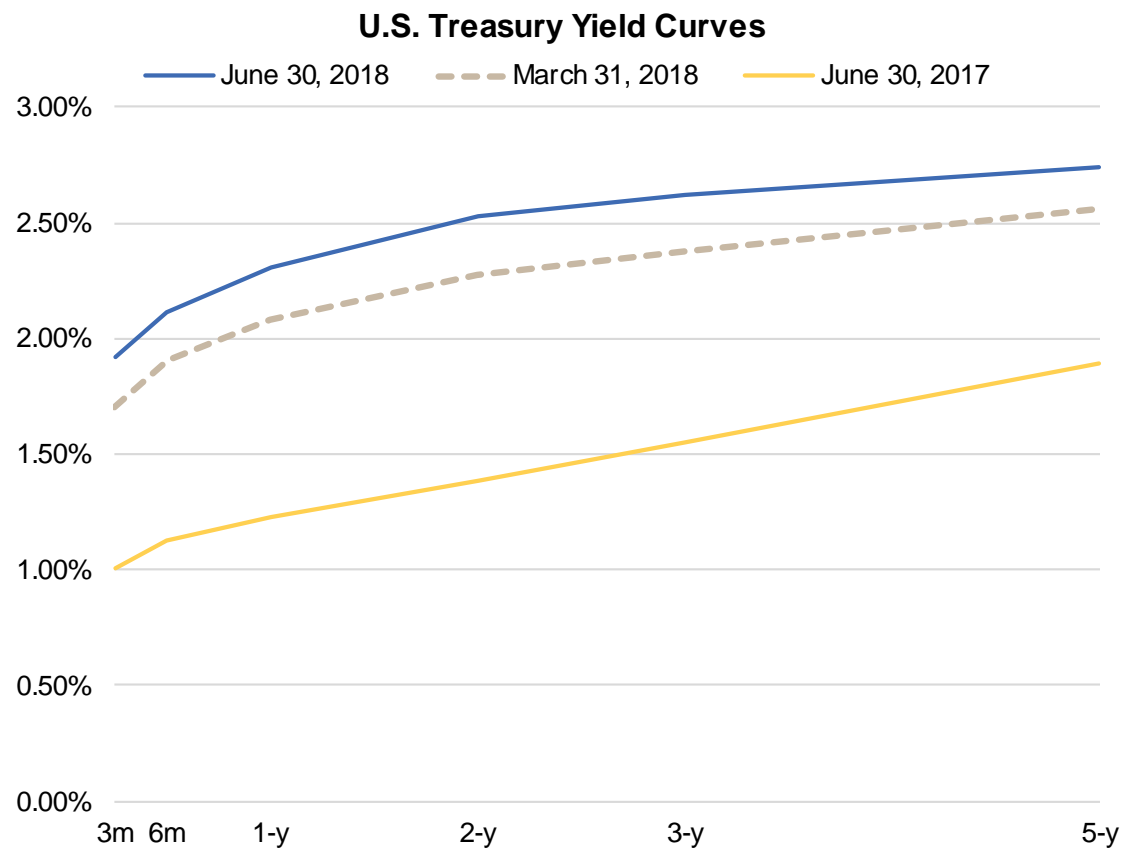
**2-Year Treasury Yields**  
June 30, 2017 – June 30, 2018



Source: Bloomberg, as of 6/30/18.

### Yield Curve Remains Flat

- Interest rates moved higher across the yield curve. However, the yield curve remained flat, as rates on shorter term maturities moved up more than longer term maturities.



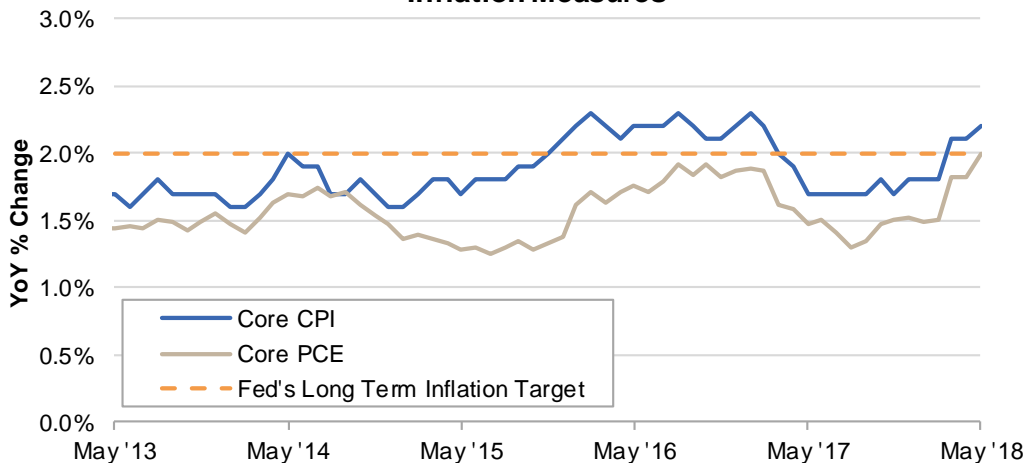
|                | 3/31/18 | 6/30/18 | QoQ Change |
|----------------|---------|---------|------------|
| <b>3 month</b> | 1.70%   | 1.92%   | +0.22%     |
| <b>6 month</b> | 1.91%   | 2.11%   | +0.20%     |
| <b>1 year</b>  | 2.08%   | 2.31%   | +0.23%     |
| <b>2 year</b>  | 2.27%   | 2.53%   | +0.26%     |
| <b>3 year</b>  | 2.38%   | 2.62%   | +0.24%     |
| <b>5 year</b>  | 2.56%   | 2.74%   | +0.18%     |
| <b>10 year</b> | 2.74%   | 2.86%   | +0.12%     |

Source: Bloomberg, as of 6/30/18.

### U.S. Economic Conditions Are Positive

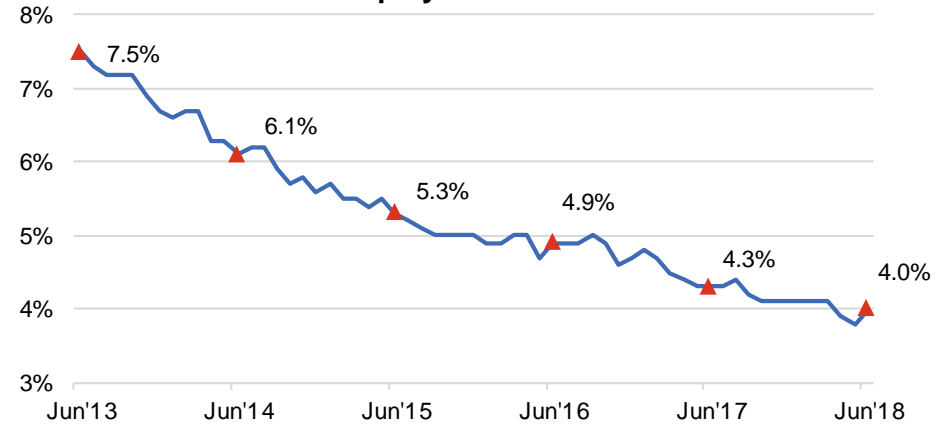
- Recent U.S. economic conditions were characterized by:
  - A strong labor market with unemployment at 4.0%, up from 3.8% in May, reflecting an increase in the labor force participation rate.
  - Strong corporate profits driven in part by savings from tax cuts.
  - Expectations for solid GDP growth in 2018.
  - Stable to modestly higher inflation and wages, with inflation (as measured by PCE) hitting the Fed's 2% target for first time since 2012.

**Inflation Measures**

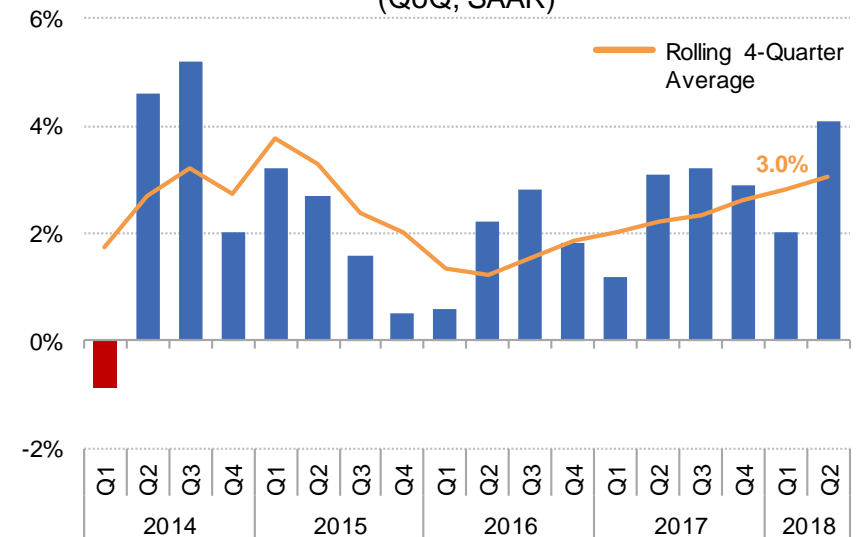


Source: Bloomberg, as of 6/30/2018.

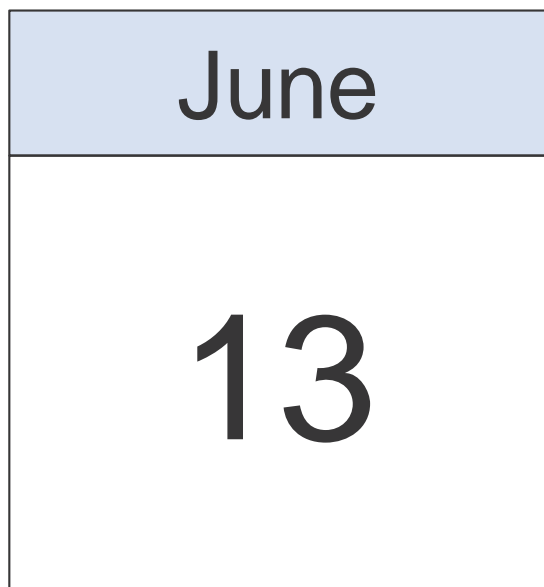
**Unemployment Rate**



**US Real GDP (QoQ, SAAR)**



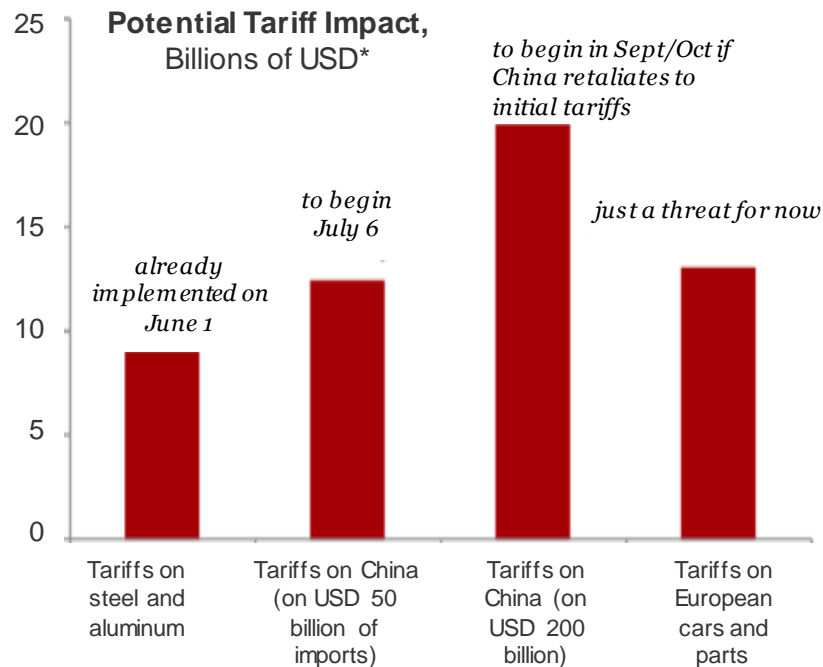
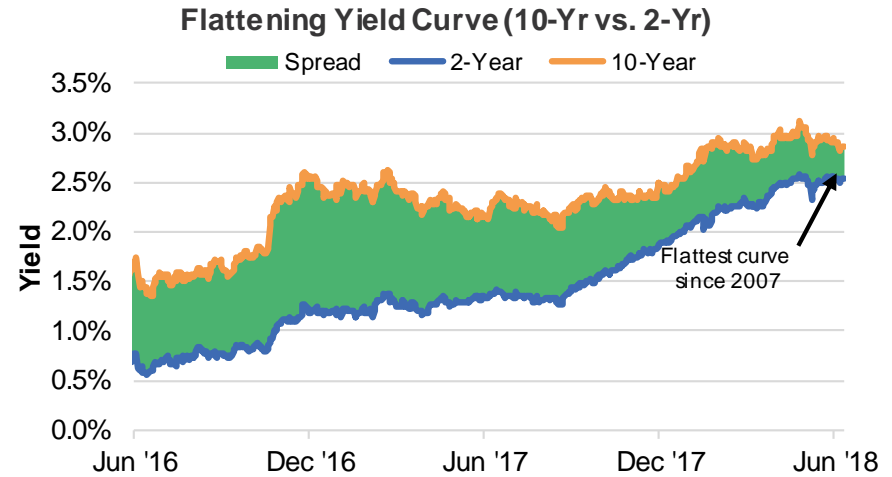
## FOMC Statement Highlights



- Information received since the FOMC met in May indicates that the labor market has continued to strengthen and that **economic activity has been rising at a solid rate**. Job gains have been strong in recent months, and the **unemployment rate has declined**. Recent data suggest that growth of **household spending has picked up**, and business fixed investment has continued to grow strongly.
  - In view of realized and expected labor market conditions and inflation, the Committee decided to **raise the target range for the federal funds rate  $\frac{1}{4}$  percent to  $1\frac{3}{4}$  to 2 percent**.
  - The committee noted that **further gradual increases in the target range for the federal funds rate will be consistent with sustained expansion** of labor market conditions and **inflation** near the Committee's symmetric 2 percent objective over the medium term.
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- **The IOER**, which the Fed adjusts to set the upper bound of its target rate, **was lifted by only 20 basis points to 1.95 percent**. This technical adjustment is being made because the effective fed funds rate has recently been trading at the top of the range.
  - Powell announced starting in January 2019, he will **begin holding press conferences after every central bank meeting**. Powell stressed that it will enhance communication and not necessarily signal anything about timing or pace of future rate changes.

Source: Federal Reserve.

What We're Watching...



### Economic Indicators are Strong

Metrics At or Near Multi-Year Bests

|                     |                   |
|---------------------|-------------------|
| U.S. GDP            | Unemployment Rate |
| Global Growth       | Job Openings      |
| Consumer Confidence | Corporate Profits |
| Home Prices         | Inflation         |

Source: Bloomberg, ICE BofAML Indices, as of 6/30/18.

\*Impact calculated as tariff rate multiplied by total imports as of 2017. Assumes a 25% tariff rate for potential tariff on EU cars and parts rather than 35% Trump floated. Source: Pictet WM-AA&MR, US ITC.

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# Portfolio Review

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### Sector Allocation and Compliance

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

| Security Type               | Market Value<br>as of 6/30/18 | % of<br>Portfolio | % Change<br>vs. 3/31/18 | Permitted by<br>Policy | In<br>Compliance |
|-----------------------------|-------------------------------|-------------------|-------------------------|------------------------|------------------|
| U.S. Treasury               | \$4,731,121                   | 11.8%             | +0.2%                   | 100%                   | ✓                |
| Federal Agency              | \$1,646,200                   | 4.1%              | -6.7%                   | 100%                   | ✓                |
| Federal Agency CMOs         | \$161,032                     | 0.4%              | +0.3%                   | 100%                   | ✓                |
| Supranationals              | \$1,507,657                   | 3.8%              | -                       | 30%                    | ✓                |
| Negotiable CDs              | \$3,283,970                   | 8.2%              | -0.6%                   | 30%                    | ✓                |
| Corporate Notes             | \$4,683,639                   | 11.7%             | -0.4%                   | 30%                    | ✓                |
| Commercial Paper            | \$1,343,462                   | 3.4%              | -0.4%                   | 25%                    | ✓                |
| Asset-Backed Securities     | \$2,436,434                   | 6.1%              | +2.6%                   | 20%                    | ✓                |
| <b>Securities Sub-Total</b> | <b>\$19,793,516</b>           | <b>49.4%</b>      |                         |                        |                  |
| Accrued Interest            | \$77,881                      |                   |                         |                        |                  |
| <b>Securities Total</b>     | <b>\$19,871,397</b>           |                   |                         |                        |                  |
| Money Market Fund           | \$21,593                      | 0.1%              | -0.7%                   | 20%                    | ✓                |
| CAMP                        | \$4,313,790                   | 10.8%             | -1.2%                   | \$5 million            | ✓                |
| LAIF                        | \$15,931,502                  | 39.8%             | +6.7%                   | \$65 million           | ✓                |
| <b>Total Investments</b>    | <b>\$40,138,282</b>           | <b>100.0%</b>     |                         |                        |                  |

Detail may not add to total due to rounding.

## Portfolio Recap

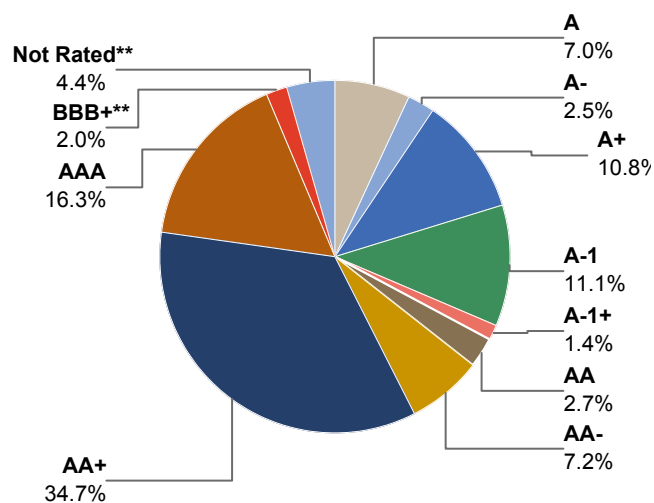
- In what we viewed as a well-choreographed interest rate environment, we continued to strategically position the portfolio with a modestly defensive duration bias relative to the benchmark. However, with rates near multi-year highs, there were also opportunities to selectively capture higher yields in some parts of the yield curve when rebalancing the portfolio or participating in new issues.
- Most investment-grade sectors contributed positive excess returns (returns in excess of similar-duration Treasuries) to fixed income portfolios for the quarter:
  - Federal agency yield spreads remained very narrow throughout the quarter. Generally, the agency sector generated returns similar to Treasuries in the second quarter, except for longer-maturity issues where wider yield spreads resulted in underperformance.
  - In the supranational sector, the first quarter was a period of seasonally high issuance volume and wider-than-average spreads, offering an attractive opportunity to add to allocations. As we had anticipated, the portfolio's holding of supranationals benefited from modest spread tightening as new supply fell significantly in the second quarter.
  - Corporate allocations contributed to incremental performance for the quarter and we continued to selectively purchase high quality issuers for the portfolio at attractive spreads.
  - Similarly, asset-backed securities (ABS) generated attractive excess returns for the quarter, while simultaneously providing a level of downside protection given the sector's strong structural protections and AAA ratings. During the second quarter, we continued to purchase ABS for the portfolio as we viewed the sector as providing a high-quality tactical diversifier to credit allocations.
  - Short-term, high-quality negotiable certificates of deposit continued to offer considerable value relative to not only similar-maturity government securities but also somewhat longer Treasury maturities. The combination of incremental income and the interest rate risk protection offered by these sectors' shorter durations continue to benefit the portfolio.
  - The mortgage-backed security (MBS) sector rebounded in the second quarter, following significant underperformance in the first quarter. Although we are cognizant of looming headwinds facing the MBS sector, we carefully sought opportunities to add attractive issues to the portfolio at increased yield spreads. Preferred structures included those with limited interest rate and extension risk.

**Portfolio Statistics**

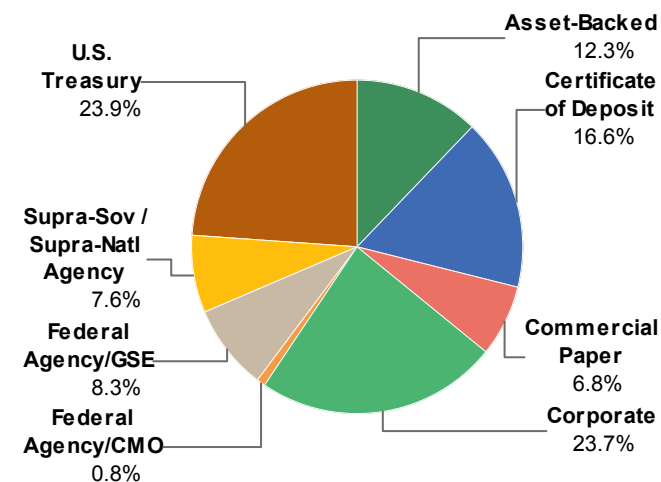
As of June 30, 2018

|                               |              |
|-------------------------------|--------------|
| <b>Par Value:</b>             | \$20,057,832 |
| <b>Total Market Value:</b>    | \$19,892,990 |
| <b>Security Market Value:</b> | \$19,793,516 |
| <b>Accrued Interest:</b>      | \$77,881     |
| <b>Cash:</b>                  | \$21,593     |
| <b>Amortized Cost:</b>        | \$19,995,883 |
| <b>Yield at Market:</b>       | 2.66%        |
| <b>Yield at Cost:</b>         | 2.10%        |
| <b>Effective Duration:</b>    | 1.75 Years   |
| <b>Duration to Worst:</b>     | 1.77 Years   |
| <b>Average Maturity:</b>      | 2.08 Years   |
| <b>Average Credit: *</b>      | AA           |

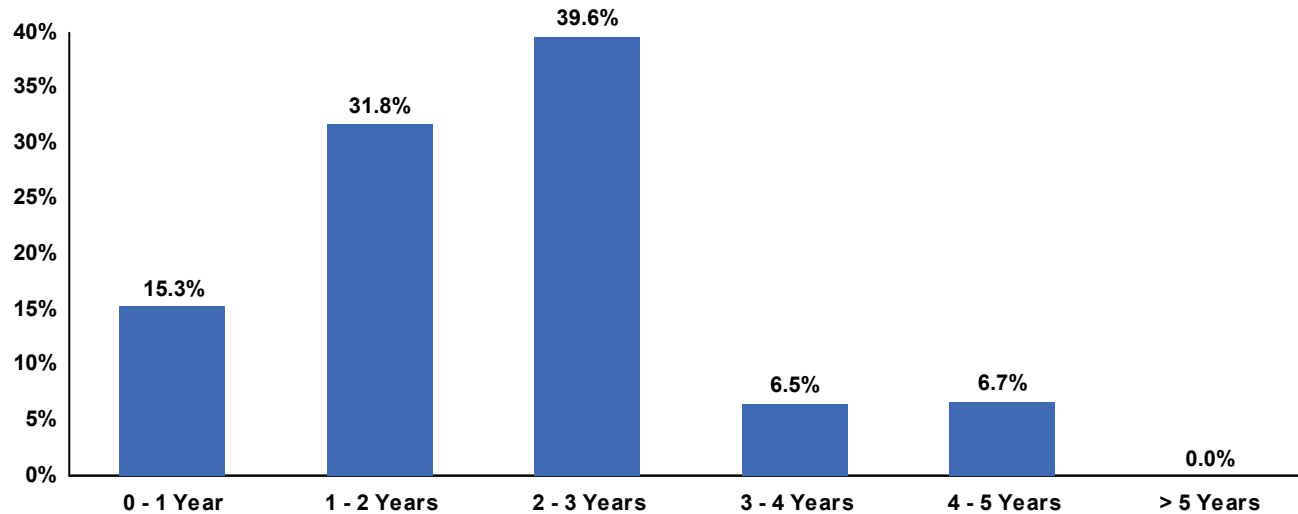
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**

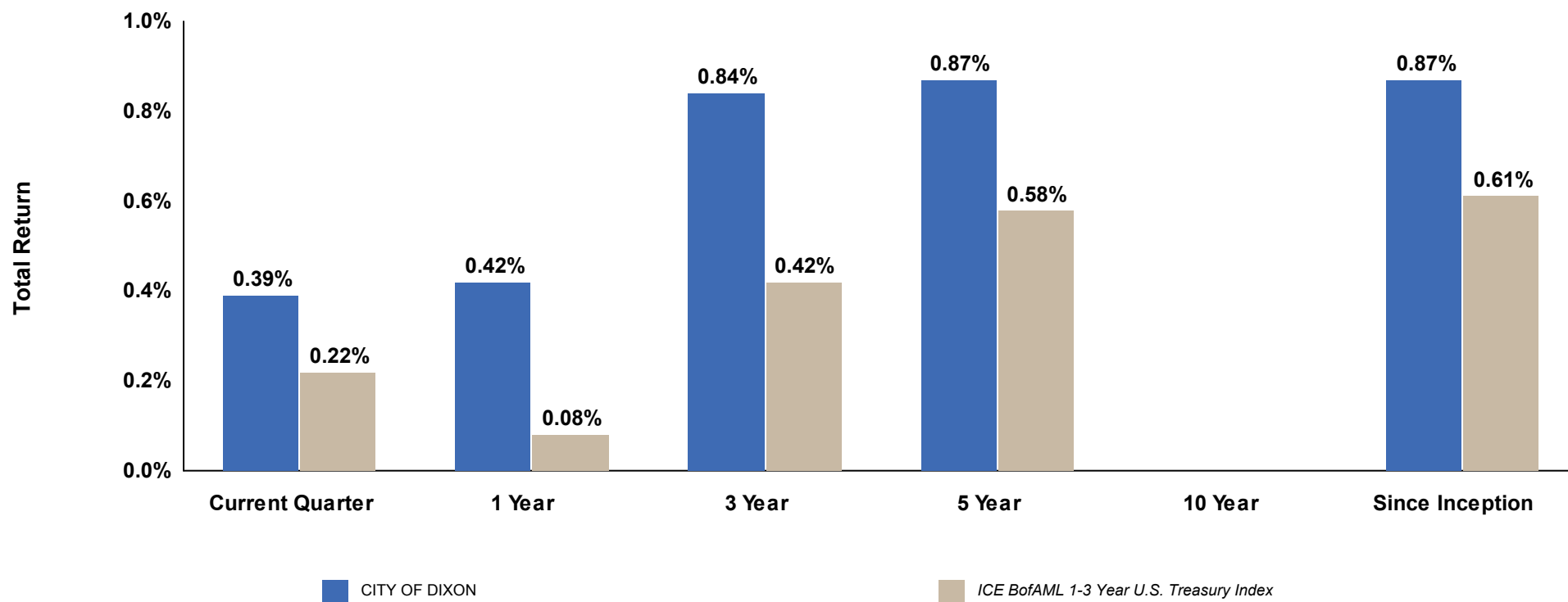


\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

\*\*Securities Not Rated or rated BBB+ by S&P are rated A- or the equivalent or better by at least one nationally recognized statistical rating organization.

**Portfolio Performance (Total Return)**

| Portfolio/Benchmark                     | Effective Duration | Current Quarter | Annualized Return |        |        |         | Since Inception (09/30/10) |
|---|--------------------|-----------------|-------------------|--------|--------|---------|----------------------------|
|   |                    |                 | 1 Year            | 3 Year | 5 Year | 10 Year |                            |
| CITY OF DIXON                           | 1.75               | 0.39%           | 0.42%             | 0.84%  | 0.87%  | -       | 0.87%                      |
| ICE BofAML 1-3 Year U.S. Treasury Index | 1.80               | 0.22%           | 0.08%             | 0.42%  | 0.58%  | -       | 0.61%                      |
| Difference                              |                    | 0.17%           | 0.34%             | 0.42%  | 0.29%  | -       | 0.26%                      |

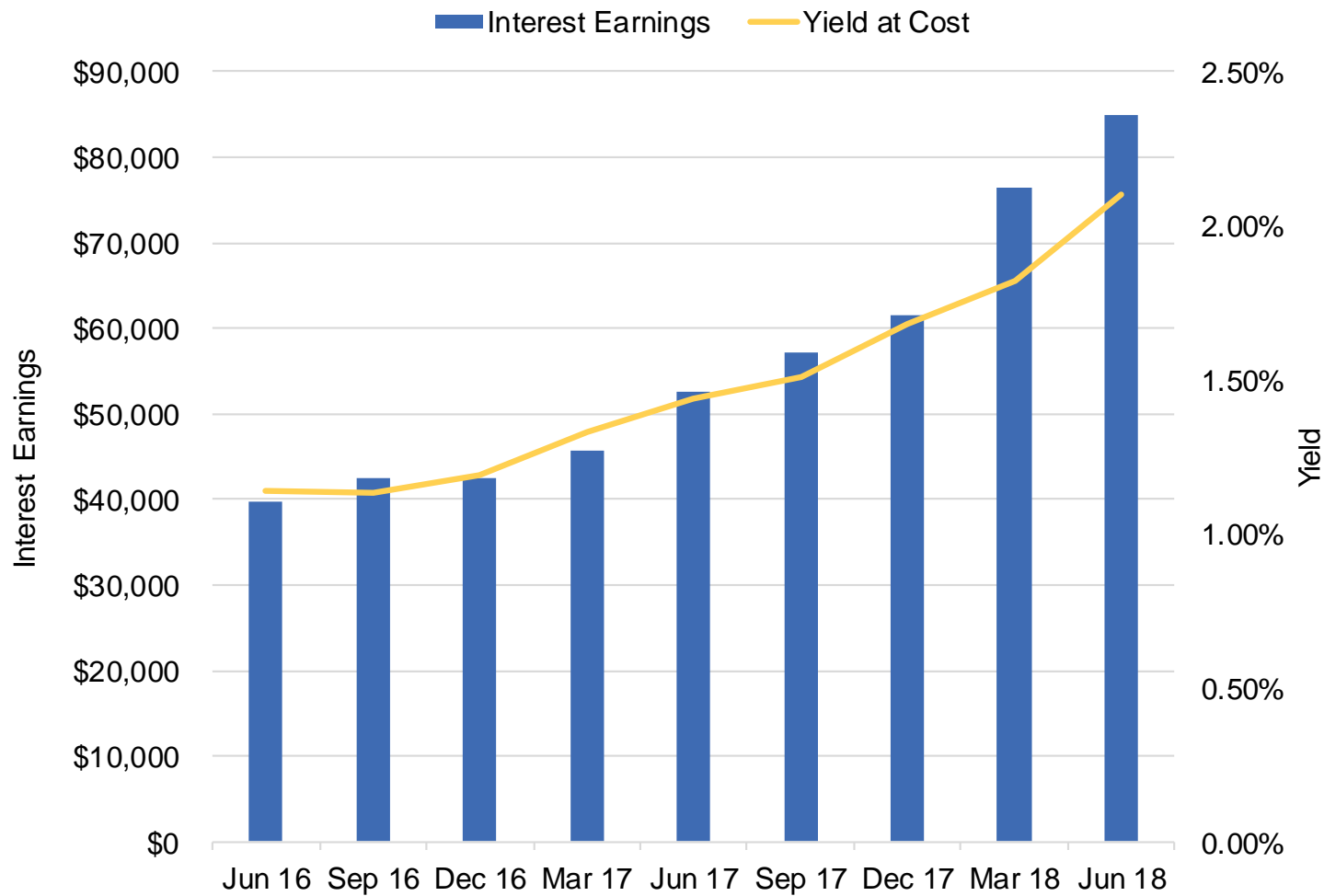


Portfolio performance is gross of fees unless otherwise indicated.

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

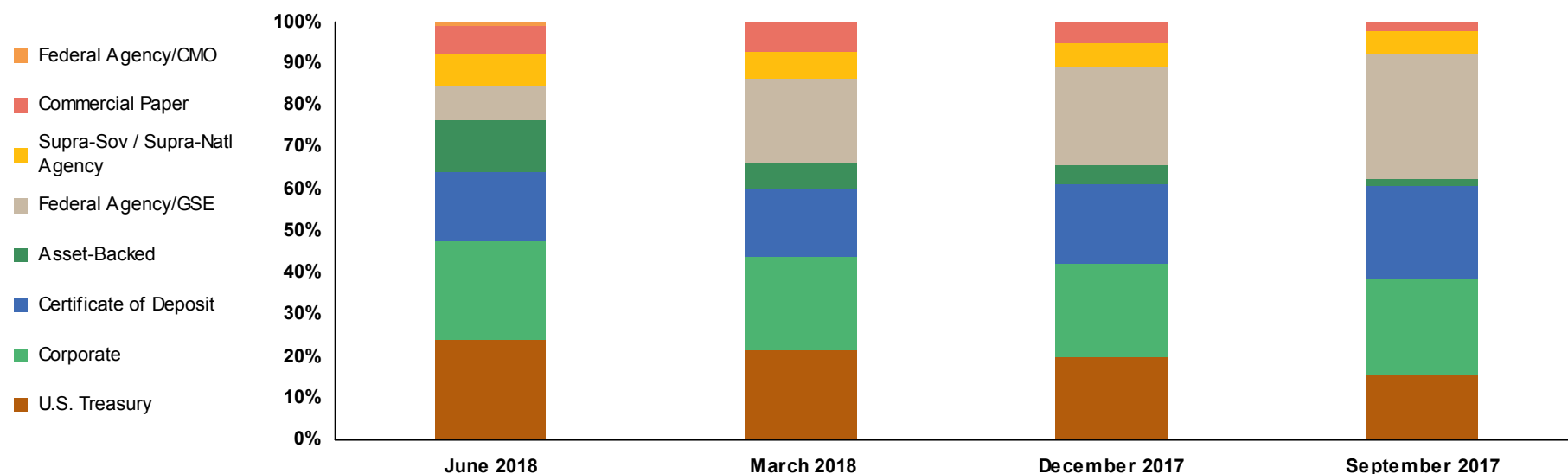
|                                     | <b>Market Value Basis</b> | <b>Accrual (Amortized Cost) Basis</b> |
|-------------------------------------|---------------------------|---------------------------------------|
| <b>Beginning Value (03/31/2018)</b> | \$19,482,145.19           | \$19,711,625.95                       |
| <b>Net Purchases/Sales</b>          | \$318,890.42              | \$318,890.42                          |
| <b>Change in Value</b>              | (\$7,519.92)              | (\$34,633.26)                         |
| <b>Ending Value (06/30/2018)</b>    | \$19,793,515.69           | \$19,995,883.11                       |
| <b>Interest Earned</b>              | \$84,959.65               | \$84,959.65                           |
| <b>Portfolio Earnings</b>           | \$77,439.73               | \$50,326.39                           |

**Portfolio Interest Earnings and Yield at Cost**



Sector Allocation

| Sector                        | June 30, 2018 |               | March 31, 2018 |               | December 31, 2017 |               | September 30, 2017 |               |
|-------------------------------|---------------|---------------|----------------|---------------|-------------------|---------------|--------------------|---------------|
|                               | MV (\$MM)     | % of Total    | MV (\$MM)      | % of Total    | MV (\$MM)         | % of Total    | MV (\$MM)          | % of Total    |
| U.S. Treasury                 | 4.7           | 23.9%         | 4.2            | 21.2%         | 3.7               | 20.0%         | 2.4                | 15.5%         |
| Corporate                     | 4.7           | 23.7%         | 4.3            | 22.2%         | 4.2               | 22.2%         | 3.6                | 22.9%         |
| Certificate of Deposit        | 3.3           | 16.6%         | 3.1            | 16.2%         | 3.5               | 18.9%         | 3.5                | 22.2%         |
| Asset-Backed                  | 2.4           | 12.3%         | 1.3            | 6.5%          | 0.9               | 4.6%          | 0.2                | 1.5%          |
| Federal Agency/GSE            | 1.6           | 8.3%          | 3.9            | 19.9%         | 4.4               | 23.6%         | 4.8                | 30.2%         |
| Supra-Sov / Supra-Natl Agency | 1.5           | 7.6%          | 1.3            | 6.9%          | 1.0               | 5.5%          | 0.9                | 5.5%          |
| Commercial Paper              | 1.3           | 6.8%          | 1.3            | 6.9%          | 0.9               | 5.0%          | 0.3                | 1.9%          |
| Federal Agency/CMO            | 0.2           | 0.8%          | 0.0            | 0.2%          | 0.0               | 0.2%          | 0.0                | 0.3%          |
| <b>Total</b>                  | <b>\$19.8</b> | <b>100.0%</b> | <b>\$19.5</b>  | <b>100.0%</b> | <b>\$18.7</b>     | <b>100.0%</b> | <b>\$15.8</b>      | <b>100.0%</b> |

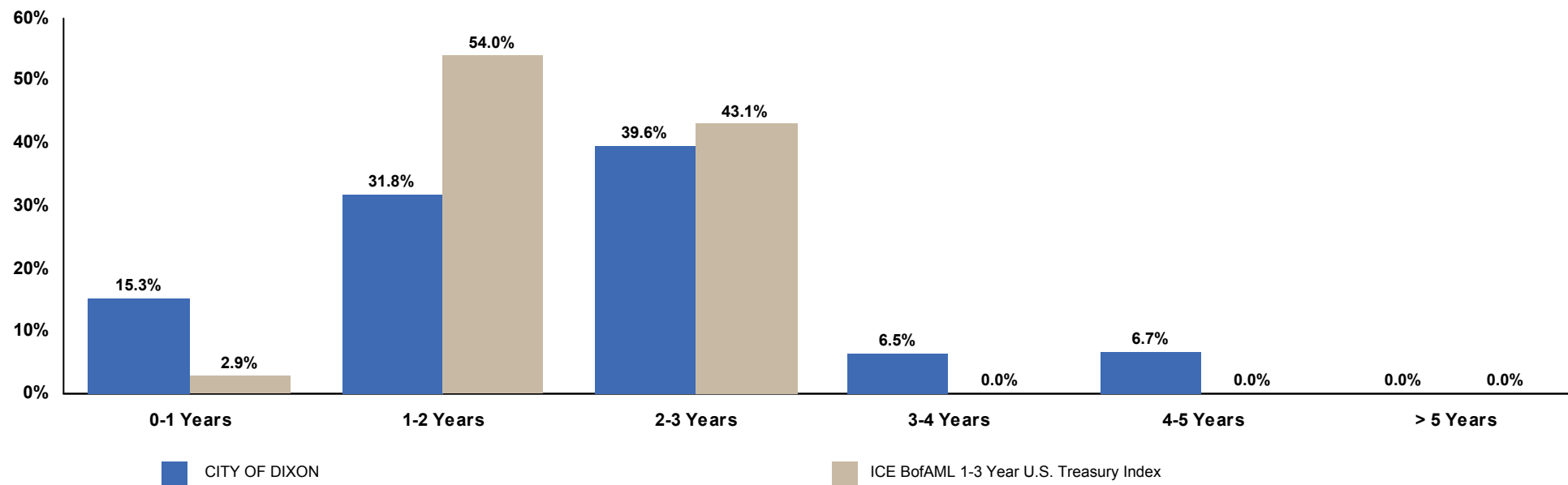


Detail may not add to total due to rounding.

**Maturity Distribution**

*As of June 30, 2018*

| Portfolio/Benchmark                     | Yield at Market | Average Maturity | 0-1 Years | 1-2 Years | 2-3 Years | 3-4 Years | 4-5 Years | >5 Years |
|---|-----------------|------------------|-----------|-----------|-----------|-----------|-----------|----------|
| CITY OF DIXON                           | 2.66%           | 2.08 yrs         | 15.3%     | 31.8%     | 39.6%     | 6.5%      | 6.7%      | 0.0%     |
| ICE BofAML 1-3 Year U.S. Treasury Index | 2.53%           | 1.94 yrs         | 2.9%      | 54.0%     | 43.1%     | 0.0%      | 0.0%      | 0.0%     |





## Issuer Distribution

As of June 30, 2018

| Issuer                              | Market Value (\$) | % of Portfolio |
|-------------------------------------|-------------------|----------------|
| UNITED STATES TREASURY              | 4,731,121         | 23.9%          |
| FREDDIE MAC                         | 783,372           | 4.0%           |
| ING GROUP NV                        | 696,150           | 3.5%           |
| INTL BANK OF RECONSTRUCTION AND DEV | 671,910           | 3.4%           |
| FEDERAL HOME LOAN BANKS             | 646,546           | 3.3%           |
| JP MORGAN CHASE & CO                | 545,724           | 2.8%           |
| INTER-AMERICAN DEVELOPMENT BANK     | 484,322           | 2.5%           |
| ALLY AUTO RECEIVABLES TRUST         | 458,447           | 2.3%           |
| CITIGROUP INC                       | 439,526           | 2.2%           |
| MITSUBISHI UFJ FINANCIAL GROUP INC  | 408,059           | 2.1%           |
| TOYOTA MOTOR CORP                   | 406,900           | 2.1%           |
| FANNIE MAE                          | 377,314           | 1.9%           |
| PFIZER INC                          | 375,830           | 1.9%           |
| FORD CREDIT AUTO OWNER TRUST        | 357,958           | 1.8%           |
| INTERNATIONAL FINANCE CORPORATION   | 351,426           | 1.8%           |
| BANK OF AMERICA CO                  | 348,469           | 1.8%           |
| AMERICAN EXPRESS CO                 | 321,256           | 1.6%           |
| SUMITOMO MITSUI FINANCIAL GROUP INC | 308,682           | 1.6%           |

Top 5 = 38.0%

Top 10 = 49.8%

| Issuer                                  | Market Value (\$) | % of Portfolio |
|---|-------------------|----------------|
| SKANDINAVISKA ENSKILDA BANKEN AB        | 297,412           | 1.5%           |
| SWEDBANK AB                             | 293,735           | 1.5%           |
| BANK OF MONTREAL                        | 289,460           | 1.5%           |
| WESTPAC BANKING CORP                    | 285,410           | 1.4%           |
| SVENSKA HANDELSBANKEN AB                | 278,784           | 1.4%           |
| ROYAL BANK OF CANADA                    | 251,760           | 1.3%           |
| UBS AG                                  | 250,822           | 1.3%           |
| CANADIAN IMPERIAL BANK OF COMMERCE      | 249,347           | 1.3%           |
| CARMAX AUTO OWNER TRUST                 | 247,951           | 1.3%           |
| CHEVRON CORPORATION                     | 237,829           | 1.2%           |
| BANK OF NOVA SCOTIA                     | 221,221           | 1.1%           |
| HONDA AUTO RECEIVABLES                  | 217,894           | 1.1%           |
| CREDIT SUISSE GROUP                     | 199,993           | 1.0%           |
| NORDEA BANK AB                          | 198,945           | 1.0%           |
| UNILEVER PLC                            | 183,545           | 0.9%           |
| CATERPILLAR INC                         | 181,798           | 0.9%           |
| THE BANK OF NEW YORK MELLON CORPORATION | 176,687           | 0.9%           |
| EXXON MOBIL CORP                        | 172,540           | 0.9%           |
| PACCAR FINANCIAL CORP                   | 168,563           | 0.9%           |
| APPLE INC                               | 157,736           | 0.8%           |
| WAL-MART STORES INC                     | 156,758           | 0.8%           |

| Issuer                                   | Market Value (\$) | % of Portfolio |
|--|-------------------|----------------|
| STATE STREET CORPORATION                 | 148,778           | 0.8%           |
| BB&T CORPORATION                         | 148,535           | 0.8%           |
| GOLDMAN SACHS GROUP INC                  | 148,436           | 0.8%           |
| MICROSOFT CORP                           | 147,792           | 0.8%           |
| INTEL CORPORATION                        | 147,654           | 0.8%           |
| THE WALT DISNEY CORPORATION              | 147,515           | 0.8%           |
| IBM CORP                                 | 146,558           | 0.7%           |
| AMERICAN HONDA FINANCE                   | 138,139           | 0.7%           |
| CHARLES SCHWAB                           | 125,500           | 0.6%           |
| UNITED PARCEL SERVICE INC                | 121,931           | 0.6%           |
| GENERAL DYNAMICS CORP                    | 114,875           | 0.6%           |
| DEERE & COMPANY                          | 98,500            | 0.5%           |
| PEPSICO INC                              | 97,496            | 0.5%           |
| HERSHEY COMPANY                          | 90,101            | 0.5%           |
| NATIONAL RURAL UTILITIES CO FINANCE CORP | 79,405            | 0.4%           |
| HOME DEPOT INC                           | 78,561            | 0.4%           |
| HYUNDAI AUTO RECEIVABLES                 | 69,768            | 0.4%           |
| MORGAN STANLEY                           | 69,492            | 0.4%           |
| COCA-COLA COMPANY                        | 65,405            | 0.3%           |
| NISSAN AUTO RECEIVABLES                  | 49,316            | 0.3%           |
| JOHN DEERE OWNER TRUST                   | 44,769            | 0.2%           |

| Issuer                  | Market Value (\$) | % of Portfolio |
|-------------------------|-------------------|----------------|
| HONEYWELL INTERNATIONAL | 44,439            | 0.2%           |
| VISA INC                | 39,350            | 0.2%           |
| <b>Grand Total:</b>     | <b>19,793,516</b> | <b>100.0%</b>  |

## Investment Outlook

- ◆ In light of continued economic growth, inflation near the Fed's 2% target, and strong labor market conditions, the Fed appears poised to raise rates further. As a result of the expectation for one or two additional hikes in 2018 and three to four more in 2019, our view remains that the general trend of interest rates will be to increase gradually over the near term. Therefore, we plan to maintain a defensive duration posture to mitigate a portion of interest rate risk relative to the benchmark.
  
- ◆ Our outlook for each of the major investment-grade fixed income sectors is as follows:
  - Federal agency securities remain expensive as most maturities offer less than five basis points (0.05%) of incremental yield relative to U.S. Treasuries. We will continue to reduce exposure to agencies in maturities where spreads are tight, seeking better value in Treasuries or other sectors.
  - Given an expected light supply of supranationals over the coming months, additional purchases may be limited. However, current allocations are expected to be maintained as the portfolio benefits from decent incremental income relative to traditional agencies.
  - While fundamentals remain generally healthy and incremental income is still modestly attractive, potential headwinds in the corporate sector are beginning to temper our overall constructive guidance. As a result, our view on the sector has shifted to a more neutral and selectively opportunistic stance.
  - In conjunction with our somewhat more defensive posture, negotiable certificates of deposit (CD) and asset-backed securities (ABS) offer attractive incremental income compared to government security alternatives.
  - As the Fed balance sheet is set to reduce its mortgage-backed securities (MBS) exposure more significantly over the next six months, the sector may experience spread pressures through the second half of the year. As a result, we will maintain allocations to the sector, with new purchases focused on specific structures that limit interest rate sensitivity and provide more stable cash flows.

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# Transactions & Account Holdings

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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>       |             |                  |           |                                      |        |               |                     |                 |                   |
| 4/10/18          | 4/13/18     | 80,000           | 89236TEU5 | TOYOTA MOTOR CREDIT CORP CORP NOTES  | 2.95%  | 4/13/21       | 79,968.00           | 2.96%           |                   |
| 4/10/18          | 4/18/18     | 70,000           | 44891KAD7 | HART 2018-A A3                       | 2.79%  | 7/15/22       | 69,989.46           | 2.80%           |                   |
| 4/11/18          | 4/30/18     | 135,000          | 3136B1XP4 | FNA 2018-M5 A2                       | 3.56%  | 9/25/21       | 138,072.44          | 2.27%           |                   |
| 4/12/18          | 4/19/18     | 170,000          | 4581X0DB1 | INTER-AMERICAN DEVELOPMENT BANK NOTE | 2.62%  | 4/19/21       | 169,626.00          | 2.70%           |                   |
| 4/18/18          | 4/25/18     | 145,000          | 14314XAB5 | CARMX 2018-2 A2                      | 2.73%  | 8/15/21       | 144,992.33          | 2.73%           |                   |
| 4/24/18          | 4/30/18     | 140,000          | 02004VAC7 | ALLYA 2018-2 A3                      | 2.92%  | 11/15/22      | 139,974.58          | 2.93%           |                   |
| 5/3/18           | 5/10/18     | 90,000           | 427866BA5 | HERSHEY COMPANY CORP NOTES           | 3.10%  | 5/15/21       | 89,937.90           | 3.12%           |                   |
| 5/7/18           | 5/10/18     | 60,000           | 69371RP26 | PACCAR FINANCIAL CORP                | 3.10%  | 5/10/21       | 59,984.40           | 3.11%           |                   |
| 5/8/18           | 5/11/18     | 115,000          | 369550BA5 | GENERAL DYNAMICS CORP                | 2.87%  | 5/11/20       | 114,592.90          | 3.06%           |                   |
| 5/9/18           | 5/16/18     | 165,000          | 89238TAD5 | TAOT 2018-B A3                       | 2.96%  | 9/15/22       | 164,997.54          | 2.96%           |                   |
| 5/9/18           | 5/16/18     | 65,000           | 14913Q2J7 | CATERPILLAR FINL SERVICE             | 2.95%  | 5/15/20       | 64,987.65           | 2.96%           |                   |
| 5/15/18          | 5/22/18     | 200,000          | 34528FAD0 | FORDO 2018-A A3                      | 3.03%  | 11/15/22      | 199,967.66          | 3.04%           |                   |
| 5/17/18          | 5/22/18     | 125,000          | 808513AW5 | CHARLES SCHWAB CORP CORP NOTES       | 3.25%  | 5/21/21       | 124,996.25          | 3.25%           |                   |
| 5/22/18          | 5/30/18     | 70,000           | 43814UAG4 | HAROT 2018-2 A3                      | 3.01%  | 5/18/22       | 69,998.47           | 3.01%           |                   |
| 6/4/18           | 6/6/18      | 900,000          | 912828WN6 | US TREASURY NOTES                    | 2.00%  | 5/31/21       | 884,263.83          | 2.62%           |                   |
| 6/5/18           | 6/7/18      | 220,000          | 06417GU22 | BANK OF NOVA SCOTIA HOUSTON CD       | 3.08%  | 6/5/20        | 219,916.40          | 3.10%           |                   |
| 6/7/18           | 6/8/18      | 250,000          | 78012UEE1 | ROYAL BANK OF CANADA NY CD           | 3.24%  | 6/7/21        | 250,000.00          | 3.24%           |                   |
| 6/11/18          | 6/13/18     | 200,000          | 05522RCW6 | BANK OF AMERICA ABS 2017-A1 A1       | 1.95%  | 8/15/22       | 197,162.71          | 2.72%           |                   |
| 6/19/18          | 6/27/18     | 200,000          | 02007JAC1 | ALLYA 2018-3 A3                      | 3.00%  | 1/15/23       | 199,986.32          | 3.09%           |                   |
| <b>Total BUY</b> |             | <b>3,400,000</b> |           |                                      |        |               | <b>3,383,414.84</b> |                 |                   |

## INTEREST

|        |        |         |           |                                      |       |         |          |  |  |
|--------|--------|---------|-----------|--------------------------------------|-------|---------|----------|--|--|
| 4/1/18 | 4/1/18 | 125,000 | 911312BP0 | UNITED PARCEL SERVICE CORPORATE BOND | 2.05% | 4/1/21  | 975.17   |  |  |
| 4/1/18 | 4/1/18 | 155,000 | 06051GGS2 | BANK OF AMERICA CORP (CALLABLE)      | 2.32% | 10/1/21 | 1,934.50 |  |  |

| Trade Date | Settle Date | Par (\$) | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|--|--------|---------------|-------------------|-----------------|-------------------|
| 4/1/18     | 4/25/18     | 28,830   | 3136ASPX8 | FNMA SERIES 2016-M9 ASQ2                 | 1.78%  | 6/1/19        | 45.64             |                 |                   |
| 4/2/18     | 4/2/18      | 0        | MONEY0002 | MONEY MARKET FUND                        |        |               | 238.97            |                 |                   |
| 4/5/18     | 4/5/18      | 290,000  | 06417GUE6 | BANK OF NOVA SCOTIA HOUSTON LT CD        | 1.91%  | 4/5/19        | 2,800.27          |                 |                   |
| 4/15/18    | 4/15/18     | 95,000   | 06406FAA1 | BANK OF NEW YORK MELLON CORP (CALLABLE)  | 2.50%  | 4/15/21       | 1,187.50          |                 |                   |
| 4/15/18    | 4/15/18     | 110,000  | 14314RAH5 | CARMX 2017-4 A2A                         | 1.80%  | 4/15/21       | 165.00            |                 |                   |
| 4/15/18    | 4/15/18     | 120,000  | 02007YAC8 | ALLYA 2017-5 A3                          | 1.99%  | 3/15/22       | 199.00            |                 |                   |
| 4/15/18    | 4/15/18     | 50,000   | 65478HAD0 | NAROT 2017-C A3                          | 2.12%  | 4/15/22       | 88.33             |                 |                   |
| 4/15/18    | 4/15/18     | 100,000  | 713448DX3 | PEPSICO INC CORP (CALLABLE) NOTE         | 2.00%  | 4/15/21       | 1,027.78          |                 |                   |
| 4/15/18    | 4/15/18     | 160,000  | 34532AAD5 | FORDO 2017-C A3                          | 2.01%  | 3/15/22       | 268.00            |                 |                   |
| 4/15/18    | 4/15/18     | 95,000   | 89238KAD4 | TAOT 2017-D A3                           | 1.93%  | 1/15/22       | 152.79            |                 |                   |
| 4/15/18    | 4/15/18     | 40,000   | 24422ETM1 | JOHN DEERE CAPITAL CORP                  | 1.65%  | 10/15/18      | 330.00            |                 |                   |
| 4/15/18    | 4/15/18     | 165,000  | 02582JHQ6 | AMXCA 2018-1 A                           | 2.67%  | 10/17/22      | 293.70            |                 |                   |
| 4/15/18    | 4/15/18     | 85,000   | 06406FAA1 | BANK OF NEW YORK MELLON CORP (CALLABLE)  | 2.50%  | 4/15/21       | 1,062.50          |                 |                   |
| 4/16/18    | 4/16/18     | 45,000   | 47788CAC6 | JDOT 2018-A A3                           | 2.66%  | 4/15/22       | 149.63            |                 |                   |
| 4/17/18    | 4/17/18     | 70,000   | 89236TDU6 | TOYOTA MOTOR CREDIT CORP                 | 1.95%  | 4/17/20       | 682.50            |                 |                   |
| 4/18/18    | 4/18/18     | 65,000   | 43814PAC4 | HAROT 2017-3 A3                          | 1.79%  | 9/18/21       | 96.96             |                 |                   |
| 4/20/18    | 4/20/18     | 300,000  | 3137EAEF2 | FHLMC AGENCY NOTES                       | 1.37%  | 4/20/20       | 2,062.50          |                 |                   |
| 4/20/18    | 4/20/18     | 500,000  | 3137EAEF2 | FHLMC AGENCY NOTES                       | 1.37%  | 4/20/20       | 3,437.50          |                 |                   |
| 4/21/18    | 4/21/18     | 150,000  | 459058FZ1 | INTL BK RECON & DEVELOP NOTES            | 1.87%  | 4/21/20       | 1,407.00          |                 |                   |
| 4/21/18    | 4/21/18     | 85,000   | 43813FAC7 | HAROT 2017-4 A3                          | 2.05%  | 11/21/21      | 145.21            |                 |                   |
| 4/30/18    | 4/30/18     | 45,000   | 438516BQ8 | HONEYWELL INTERNATIONAL CORP NOTES       | 1.80%  | 10/30/19      | 405.00            |                 |                   |
| 4/30/18    | 4/30/18     | 200,000  | 912828K58 | US TREASURY NOTES                        | 1.37%  | 4/30/20       | 1,375.00          |                 |                   |
| 4/30/18    | 4/30/18     | 110,000  | 025816BP3 | AMERICAN EXPRESS CO CORP (CALLABLE) NOTE | 2.20%  | 10/30/20      | 1,210.00          |                 |                   |
| 4/30/18    | 4/30/18     | 50,000   | 0258M0EC9 | AMERICAN EXPRESS CREDIT (CALLABLE) CORP  | 1.70%  | 10/30/19      | 425.00            |                 |                   |
| 5/1/18     | 5/1/18      | 0        | MONEY0002 | MONEY MARKET FUND                        |        |               | 223.71            |                 |                   |
| 5/1/18     | 5/25/18     | 135,000  | 3136B1XP4 | FNA 2018-M5 A2                           | 3.56%  | 9/25/21       | 400.50            |                 |                   |
| 5/1/18     | 5/25/18     | 25,368   | 3136ASPX8 | FNMA SERIES 2016-M9 ASQ2                 | 1.78%  | 6/1/19        | 37.73             |                 |                   |
| 5/3/18     | 5/3/18      | 310,000  | 86563YVNO | SUMITOMO MITSUI BANK NY CD               | 2.05%  | 5/3/19        | 3,111.00          |                 |                   |
| 5/9/18     | 5/9/18      | 160,000  | 4581X0CD8 | INTER-AMERICAN DEVELOPMENT BANK          | 2.12%  | 11/9/20       | 1,700.00          |                 |                   |
| 5/11/18    | 5/11/18     | 150,000  | 458140AZ3 | INTEL CORP NOTES                         | 1.85%  | 5/11/20       | 1,387.50          |                 |                   |



| Trade Date | Settle Date | Par (\$) | CUSIP     | Security Description                     | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|--|--------|---------------|-------------------|-----------------|-------------------|
| 5/12/18    | 5/12/18     | 160,000  | 4581X0CX4 | INTER-AMERICAN DEVEL BK NOTE             | 1.62%  | 5/12/20       | 1,300.00          |                 |                   |
| 5/13/18    | 5/13/18     | 40,000   | 69371RN85 | PACCAR FINANCIAL CORP NOTES              | 2.05%  | 11/13/20      | 410.00            |                 |                   |
| 5/15/18    | 5/15/18     | 110,000  | 14314RAH5 | CARMX 2017-4 A2A                         | 1.80%  | 4/15/21       | 165.00            |                 |                   |
| 5/15/18    | 5/15/18     | 95,000   | 89238KAD4 | TAOT 2017-D A3                           | 1.93%  | 1/15/22       | 152.79            |                 |                   |
| 5/15/18    | 5/15/18     | 120,000  | 02007YAC8 | ALLYA 2017-5 A3                          | 1.99%  | 3/15/22       | 199.00            |                 |                   |
| 5/15/18    | 5/15/18     | 150,000  | 459200HM6 | IBM CREDIT CORPORATE NOTE                | 1.62%  | 5/15/20       | 1,218.75          |                 |                   |
| 5/15/18    | 5/15/18     | 145,000  | 14314XAB5 | CARMX 2018-2 A2                          | 2.73%  | 8/15/21       | 219.92            |                 |                   |
| 5/15/18    | 5/15/18     | 160,000  | 34532AAD5 | FORDO 2017-C A3                          | 2.01%  | 3/15/22       | 268.00            |                 |                   |
| 5/15/18    | 5/15/18     | 45,000   | 47788CAC6 | JDOT 2018-A A3                           | 2.66%  | 4/15/22       | 99.75             |                 |                   |
| 5/15/18    | 5/15/18     | 140,000  | 02004VAC7 | ALLYA 2018-2 A3                          | 2.92%  | 11/15/22      | 170.33            |                 |                   |
| 5/15/18    | 5/15/18     | 165,000  | 02582JHQ6 | AMXCA 2018-1 A                           | 2.67%  | 10/17/22      | 367.13            |                 |                   |
| 5/15/18    | 5/15/18     | 65,000   | 191216AR1 | COCA-COLA CO/THE GLOBAL NOTES            | 3.15%  | 11/15/20      | 1,023.75          |                 |                   |
| 5/15/18    | 5/15/18     | 70,000   | 44891KAD7 | HART 2018-A A3                           | 2.79%  | 7/15/22       | 146.48            |                 |                   |
| 5/15/18    | 5/15/18     | 50,000   | 65478HAD0 | NAROT 2017-C A3                          | 2.12%  | 4/15/22       | 88.33             |                 |                   |
| 5/16/18    | 5/16/18     | 240,000  | 166764BH2 | CHEVRON CORP NOTES                       | 1.56%  | 5/16/19       | 1,873.20          |                 |                   |
| 5/16/18    | 5/16/18     | 300,000  | 87019U6D6 | SWEDBANK (NEW YORK) CERT DEPOS           | 2.27%  | 11/16/20      | 3,405.00          |                 |                   |
| 5/18/18    | 5/18/18     | 65,000   | 43814PAC4 | HAROT 2017-3 A3                          | 1.79%  | 9/18/21       | 96.96             |                 |                   |
| 5/21/18    | 5/21/18     | 85,000   | 43813FAC7 | HAROT 2017-4 A3                          | 2.05%  | 11/21/21      | 145.21            |                 |                   |
| 5/27/18    | 5/27/18     | 190,000  | 459058FS7 | INTL BANK OF RECON AND DEV GLOBAL NOTES  | 1.12%  | 11/27/19      | 1,069.70          |                 |                   |
| 5/30/18    | 5/30/18     | 250,000  | 13606A5Z7 | CANADIAN IMPERIAL BANK NY CD             | 1.76%  | 11/30/18      | 2,200.00          |                 |                   |
| 5/30/18    | 5/30/18     | 50,000   | 65558LWA6 | NORDEA BANK FINLAND NY CD                | 1.76%  | 11/30/18      | 442.44            |                 |                   |
| 5/31/18    | 5/31/18     | 240,000  | 912828G61 | US TREASURY NOTES                        | 1.50%  | 11/30/19      | 1,800.00          |                 |                   |
| 6/1/18     | 6/1/18      | 0        | MONEY0002 | MONEY MARKET FUND                        |        |               | 92.86             |                 |                   |
| 6/1/18     | 6/25/18     | 25,323   | 3136ASPX8 | FNMA SERIES 2016-M9 ASQ2                 | 1.78%  | 6/1/19        | 37.67             |                 |                   |
| 6/1/18     | 6/25/18     | 135,000  | 3136B1XP4 | FNA 2018-M5 A2                           | 3.56%  | 9/25/21       | 400.50            |                 |                   |
| 6/3/18     | 6/3/18      | 300,000  | 717081DU4 | PFIZER INC CORP NOTES                    | 1.45%  | 6/3/19        | 2,175.00          |                 |                   |
| 6/5/18     | 6/5/18      | 80,000   | 437076BQ4 | HOME DEPOT INC CORP NOTES                | 1.80%  | 6/5/20        | 720.00            |                 |                   |
| 6/13/18    | 6/13/18     | 150,000  | 38145GAJ9 | GOLDMAN SACHS GROUP (CALLABLE) INC BONDS | 2.30%  | 12/13/19      | 1,725.00          |                 |                   |
| 6/14/18    | 6/14/18     | 40,000   | 92826CAB8 | VISA INC (CALLABLE) CORP NOTES           | 2.20%  | 12/14/20      | 440.00            |                 |                   |
| 6/15/18    | 6/15/18     | 200,000  | 05522RCW6 | BANK OF AMERICA ABS 2017-A1 A1           | 1.95%  | 8/15/22       | 325.00            |                 |                   |

| Trade Date | Settle Date | Par (\$) | CUSIP     | Security Description          | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|-------------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 6/15/18    | 6/15/18     | 50,000   | 65478HAD0 | NAROT 2017-C A3               | 2.12%  | 4/15/22       | 88.33             |                 |                   |
| 6/15/18    | 6/15/18     | 145,000  | 14314XAB5 | CARMX 2018-2 A2               | 2.73%  | 8/15/21       | 329.88            |                 |                   |
| 6/15/18    | 6/15/18     | 95,000   | 89238KAD4 | TAOT 2017-D A3                | 1.93%  | 1/15/22       | 152.79            |                 |                   |
| 6/15/18    | 6/15/18     | 160,000  | 34532AAD5 | FORDO 2017-C A3               | 2.01%  | 3/15/22       | 268.00            |                 |                   |
| 6/15/18    | 6/15/18     | 45,000   | 47788CAC6 | JDOT 2018-A A3                | 2.66%  | 4/15/22       | 99.75             |                 |                   |
| 6/15/18    | 6/15/18     | 80,000   | 717081EB5 | PFIZER INC CORP NOTE          | 1.70%  | 12/15/19      | 680.00            |                 |                   |
| 6/15/18    | 6/15/18     | 165,000  | 89238TAD5 | TAOT 2018-B A3                | 2.96%  | 9/15/22       | 393.43            |                 |                   |
| 6/15/18    | 6/15/18     | 120,000  | 02007YAC8 | ALLYA 2017-5 A3               | 1.99%  | 3/15/22       | 199.00            |                 |                   |
| 6/15/18    | 6/15/18     | 200,000  | 34528FAD0 | FORDO 2018-A A3               | 3.03%  | 11/15/22      | 387.17            |                 |                   |
| 6/15/18    | 6/15/18     | 70,000   | 44891KAD7 | HART 2018-A A3                | 2.79%  | 7/15/22       | 162.75            |                 |                   |
| 6/15/18    | 6/15/18     | 165,000  | 02582JHQ6 | AMXCA 2018-1 A                | 2.67%  | 10/17/22      | 367.13            |                 |                   |
| 6/15/18    | 6/15/18     | 110,000  | 14314RAH5 | CARMX 2017-4 A2A              | 1.80%  | 4/15/21       | 165.00            |                 |                   |
| 6/15/18    | 6/15/18     | 140,000  | 02004VAC7 | ALLYA 2018-2 A3               | 2.92%  | 11/15/22      | 340.67            |                 |                   |
| 6/15/18    | 6/15/18     | 160,000  | 931142EA7 | WAL-MART STORES INC CORP NOTE | 1.90%  | 12/15/20      | 1,984.44          |                 |                   |
| 6/18/18    | 6/18/18     | 70,000   | 43814UAG4 | HAROT 2018-2 A3               | 3.01%  | 5/18/22       | 105.35            |                 |                   |
| 6/18/18    | 6/18/18     | 65,000   | 43814PAC4 | HAROT 2017-3 A3               | 1.79%  | 9/18/21       | 96.96             |                 |                   |
| 6/21/18    | 6/21/18     | 85,000   | 43813FAC7 | HAROT 2017-4 A3               | 2.05%  | 11/21/21      | 145.21            |                 |                   |
| 6/22/18    | 6/22/18     | 20,000   | 24422ETS8 | JOHN DEERE CAPITAL CORP NOTES | 1.95%  | 6/22/20       | 195.00            |                 |                   |
| 6/30/18    | 6/30/18     | 145,000  | 912828N48 | US TREASURY NOTES             | 1.75%  | 12/31/20      | 1,268.75          |                 |                   |
| 6/30/18    | 6/30/18     | 500,000  | 912828XH8 | US TREASURY NOTES             | 1.62%  | 6/30/20       | 4,062.50          |                 |                   |
| 6/30/18    | 6/30/18     | 330,000  | 912828XH8 | US TREASURY NOTES             | 1.62%  | 6/30/20       | 2,681.25          |                 |                   |

**Total INTEREST** **10,804,520** **65,977.02**

#### PAYDOWNS

|         |         |       |           |                          |       |         |          |      |
|---------|---------|-------|-----------|--------------------------|-------|---------|----------|------|
| 4/1/18  | 4/25/18 | 3,462 | 3136ASPX8 | FNMA SERIES 2016-M9 ASQ2 | 1.78% | 6/1/19  | 3,461.94 | 0.00 |
| 5/1/18  | 5/25/18 | 45    | 3136ASPX8 | FNMA SERIES 2016-M9 ASQ2 | 1.78% | 6/1/19  | 45.24    | 0.00 |
| 6/1/18  | 6/25/18 | 1,104 | 3136ASPX8 | FNMA SERIES 2016-M9 ASQ2 | 1.78% | 6/1/19  | 1,103.94 | 0.00 |
| 6/15/18 | 6/15/18 | 6,386 | 14314RAH5 | CARMX 2017-4 A2A         | 1.80% | 4/15/21 | 6,386.19 | 0.00 |

| Trade Date            | Settle Date | Par (\$)         | CUSIP     | Security Description              | Coupon | Maturity Date | Transact Amt (\$)   | Yield at Market | Realized G/L (BV) |
|-----------------------|-------------|------------------|-----------|-----------------------------------|--------|---------------|---------------------|-----------------|-------------------|
| <b>Total PAYDOWNS</b> |             | <b>10,997</b>    |           |                                   |        |               | <b>10,997.31</b>    |                 | <b>0.00</b>       |
| <b>SELL</b>           |             |                  |           |                                   |        |               |                     |                 |                   |
| 4/10/18               | 4/13/18     | 75,000           | 89236TDH5 | TOYOTA MOTOR CORP NOTES           | 1.55%  | 10/18/19      | 74,348.60           | 2.65%           | (1,197.36)        |
| 4/12/18               | 4/19/18     | 170,000          | 912828N48 | US TREASURY NOTES                 | 1.75%  | 12/31/20      | 167,714.93          | 2.47%           | (2,525.76)        |
| 4/25/18               | 4/30/18     | 130,000          | 3130A8DB6 | FHLB GLOBAL NOTE                  | 1.12%  | 6/21/19       | 128,739.17          | 2.35%           | (1,764.18)        |
| 4/25/18               | 4/30/18     | 90,000           | 3130A8DB6 | FHLB GLOBAL NOTE                  | 1.12%  | 6/21/19       | 89,127.11           | 2.35%           | (1,531.55)        |
| 5/7/18                | 5/9/18      | 160,000          | 3130A8DB6 | FHLB GLOBAL NOTE                  | 1.12%  | 6/21/19       | 158,562.00          | 2.34%           | (2,642.51)        |
| 5/11/18               | 5/11/18     | 220,000          | 3137EAEB1 | FHLMC REFERENCE NOTE              | 0.87%  | 7/19/19       | 216,645.71          | 2.42%           | (3,740.22)        |
| 5/16/18               | 5/16/18     | 300,000          | 3130A8Y72 | FHLB GLOBAL NOTE                  | 0.87%  | 8/5/19        | 295,039.46          | 2.46%           | (5,461.17)        |
| 5/17/18               | 5/22/18     | 40,000           | 24422ETM1 | JOHN DEERE CAPITAL CORP           | 1.65%  | 10/15/18      | 39,955.03           | 2.36%           | (106.84)          |
| 5/22/18               | 5/22/18     | 125,000          | 3135G0P49 | FNMA NOTES                        | 1.00%  | 8/28/19       | 122,994.17          | 2.48%           | (2,264.54)        |
| 5/29/18               | 5/30/18     | 35,000           | 912828T6  | US TREASURY N/B NOTES             | 1.25%  | 8/31/19       | 34,663.85           | 2.28%           | (74.54)           |
| 6/1/18                | 6/5/18      | 50,000           | 65558LWA6 | NORDEA BANK FINLAND NY CD         | 1.76%  | 11/30/18      | 49,855.70           | 1.98%           | (158.97)          |
| 6/4/18                | 6/6/18      | 800,000          | 3135G0N33 | FNMA BENCHMARK NOTE               | 0.87%  | 8/2/19        | 788,579.11          | 2.40%           | (13,309.98)       |
| 6/4/18                | 6/6/18      | 80,000           | 037833BQ2 | APPLE INC CORP NOTES              | 1.70%  | 2/22/19       | 79,997.11           | 2.40%           | (388.72)          |
| 6/5/18                | 6/7/18      | 290,000          | 06417GUE6 | BANK OF NOVA SCOTIA HOUSTON LT CD | 1.91%  | 4/5/19        | 289,267.03          | 2.56%           | (1,702.30)        |
| 6/8/18                | 6/8/18      | 200,000          | 3130A9EP2 | FHLB GLOBAL NOTES                 | 1.00%  | 9/26/19       | 196,757.80          | 2.43%           | (3,567.23)        |
| 6/11/18               | 6/12/18     | 235,000          | 3130A9EP2 | FHLB GLOBAL NOTES                 | 1.00%  | 9/26/19       | 231,190.91          | 2.45%           | (4,217.85)        |
| 6/21/18               | 6/27/18     | 100,000          | 912828G61 | US TREASURY NOTES                 | 1.50%  | 11/30/19      | 98,735.66           | 2.49%           | (1,435.40)        |
| <b>Total SELL</b>     |             | <b>3,100,000</b> |           |                                   |        |               | <b>3,062,173.35</b> |                 | <b>-46,089.12</b> |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|---|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>U.S. Treasury Bond / Note</b>                        |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| US TREASURY NOTES<br>DTD 12/01/2014 1.500% 11/30/2019   | 912828G61 | 140,000.00          | AA+           | Aaa               | 12/1/2016     | 12/5/2016      | 140,175.00          | 1.46           | 177.87              | 140,083.92          | 138,113.22          |
| US TREASURY NOTES<br>DTD 02/02/2015 1.250% 01/31/2020   | 912828H52 | 120,000.00          | AA+           | Aaa               | 1/3/2017      | 1/5/2017       | 119,034.37          | 1.52           | 625.69              | 119,496.90          | 117,703.08          |
| US TREASURY NOTES<br>DTD 04/01/2013 1.125% 03/31/2020   | 912828UV0 | 500,000.00          | AA+           | Aaa               | 12/22/2017    | 12/26/2017     | 491,132.81          | 1.93           | 1,413.93            | 493,113.51          | 488,125.00          |
| US TREASURY NOTES<br>DTD 04/01/2013 1.125% 03/31/2020   | 912828UV0 | 200,000.00          | AA+           | Aaa               | 3/15/2017     | 3/17/2017      | 196,585.94          | 1.70           | 565.57              | 198,014.53          | 195,250.00          |
| US TREASURY NOTES<br>DTD 04/30/2015 1.375% 04/30/2020   | 912828K58 | 200,000.00          | AA+           | Aaa               | 4/3/2017      | 4/5/2017       | 199,203.13          | 1.51           | 463.32              | 199,520.51          | 195,906.20          |
| US TREASURY NOTES<br>DTD 06/30/2015 1.625% 06/30/2020   | 912828XH8 | 500,000.00          | AA+           | Aaa               | 12/22/2017    | 12/26/2017     | 496,015.63          | 1.95           | 22.08               | 496,818.68          | 491,113.50          |
| US TREASURY NOTES<br>DTD 06/30/2015 1.625% 06/30/2020   | 912828XH8 | 330,000.00          | AA+           | Aaa               | 6/26/2017     | 6/28/2017      | 331,185.94          | 1.50           | 14.57               | 330,794.10          | 324,134.91          |
| US TREASURY NOTES<br>DTD 07/31/2015 1.625% 07/31/2020   | 912828XM7 | 100,000.00          | AA+           | Aaa               | 7/5/2017      | 7/7/2017       | 100,062.50          | 1.60           | 677.83              | 100,043.04          | 98,117.20           |
| US TREASURY NOTES<br>DTD 07/31/2015 1.625% 07/31/2020   | 912828XM7 | 300,000.00          | AA+           | Aaa               | 12/28/2017    | 12/29/2017     | 297,503.91          | 1.96           | 2,033.49            | 297,984.27          | 294,351.60          |
| US TREASURY NOTES<br>DTD 08/31/2015 1.375% 08/31/2020   | 912828L32 | 650,000.00          | AA+           | Aaa               | 8/31/2017     | 9/1/2017       | 648,806.64          | 1.44           | 2,987.26            | 649,132.80          | 633,851.40          |
| US TREASURY NOTES<br>DTD 08/31/2015 1.375% 08/31/2020   | 912828L32 | 150,000.00          | AA+           | Aaa               | 8/1/2017      | 8/3/2017       | 149,320.31          | 1.53           | 689.37              | 149,518.61          | 146,273.40          |
| US TREASURY NOTES<br>DTD 12/31/2015 1.750% 12/31/2020   | 912828N48 | 145,000.00          | AA+           | Aaa               | 12/1/2017     | 12/5/2017      | 144,365.62          | 1.90           | 6.90                | 144,481.90          | 142,060.42          |
| US TREASURY NOTES<br>DTD 01/31/2016 1.375% 01/31/2021   | 912828N89 | 600,000.00          | AA+           | Aaa               | 1/2/2018      | 1/4/2018       | 587,976.56          | 2.05           | 3,441.30            | 589,848.82          | 581,695.20          |
| US TREASURY NOTES<br>DTD 06/02/2014 2.000% 05/31/2021   | 912828WN6 | 900,000.00          | AA+           | Aaa               | 6/4/2018      | 6/6/2018       | 883,968.75          | 2.62           | 1,524.59            | 884,324.13          | 884,425.50          |
| <b>Security Type Sub-Total</b>                          |           | <b>4,835,000.00</b> |               |                   |               |                | <b>4,785,337.11</b> | <b>1.91</b>    | <b>14,643.77</b>    | <b>4,793,175.72</b> | <b>4,731,120.63</b> |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|---|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Supra-National Agency Bond / Note</b>  |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| INTL BANK OF RECON AND DEV SN<br>NOTE<br>DTD 07/13/2016 0.875% 08/15/2019       | 459058FK4 | 185,000.00          | AAA           | Aaa               | 7/6/2016      | 7/13/2016      | 184,961.15          | 0.88           | 611.53              | 184,985.67          | 181,677.40          |
| INTL BANK OF RECON AND DEV<br>GLOBAL NOTES<br>DTD 10/27/2016 1.125% 11/27/2019  | 459058FS7 | 190,000.00          | AAA           | Aaa               | 8/18/2017     | 8/23/2017      | 188,441.75          | 1.50           | 201.88              | 189,026.01          | 186,222.80          |
| INTL BK RECON & DEVELOP NOTES<br>DTD 03/21/2017 1.875% 04/21/2020               | 459058FZ1 | 150,000.00          | AAA           | Aaa               | 3/14/2017     | 3/21/2017      | 149,869.50          | 1.90           | 546.88              | 149,922.13          | 147,985.50          |
| INTER-AMERICAN DEVEL BK NOTE<br>DTD 04/12/2017 1.625% 05/12/2020                | 4581X0CX4 | 160,000.00          | AAA           | Aaa               | 4/5/2017      | 4/12/2017      | 159,620.80          | 1.70           | 353.89              | 159,767.99          | 157,289.92          |
| INTL BANK OF RECONSTRUCTION<br>AND DEV NOTE<br>DTD 09/19/2017 1.561% 09/12/2020 | 45905UP32 | 160,000.00          | AAA           | Aaa               | 9/12/2017     | 9/19/2017      | 159,616.00          | 1.64           | 756.22              | 159,715.03          | 156,024.00          |
| INTER-AMERICAN DEVELOPMENT<br>BANK<br>DTD 11/08/2013 2.125% 11/09/2020          | 4581X0CD8 | 160,000.00          | AAA           | Aaa               | 10/2/2017     | 10/10/2017     | 161,483.06          | 1.81           | 491.11              | 161,141.99          | 157,848.00          |
| INTERNATIONAL FINANCE<br>CORPORATION NOTE<br>DTD 01/25/2018 2.250% 01/25/2021   | 45950KCM0 | 155,000.00          | AAA           | Aaa               | 1/18/2018     | 1/25/2018      | 154,544.30          | 2.35           | 1,511.25            | 154,608.21          | 153,161.24          |
| INTERNATIONAL FINANCE<br>CORPORATION NOTE<br>DTD 03/16/2018 2.635% 03/09/2021   | 45950VLQ7 | 200,000.00          | AAA           | Aaa               | 3/9/2018      | 3/16/2018      | 199,850.00          | 2.66           | 1,537.08            | 199,863.87          | 198,264.80          |
| INTER-AMERICAN DEVELOPMENT<br>BANK NOTE<br>DTD 04/19/2018 2.625% 04/19/2021     | 4581X0DB1 | 170,000.00          | AAA           | Aaa               | 4/12/2018     | 4/19/2018      | 169,626.00          | 2.70           | 892.50              | 169,650.10          | 169,183.83          |
| <b>Security Type Sub-Total</b>  |           | <b>1,530,000.00</b> |               |                   |               |                | <b>1,528,012.56</b> | <b>1.91</b>    | <b>6,902.34</b>     | <b>1,528,681.00</b> | <b>1,507,657.49</b> |
| <b>Federal Agency Collateralized Mortgage Obligation</b>                        |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FNMA SERIES 2016-M9 ASQ2<br>DTD 06/01/2016 1.785% 06/01/2019                    | 3136ASPX8 | 24,218.60           | AA+           | Aaa               | 6/9/2016      | 6/30/2016      | 24,460.78           | 1.05           | 36.03               | 24,268.20           | 24,123.31           |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity    | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|--|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Federal Agency Collateralized Mortgage Obligation</b>   |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FNA 2018-M5 A2<br>DTD 04/01/2018 3.560% 09/25/2021         | 3136B1XP4 | 135,000.00          | AA+           | Aaa               | 4/11/2018     | 4/30/2018      | 137,685.29          | 2.27           | 400.50              | 137,605.86          | 136,908.91          |
| <b>Security Type Sub-Total</b>                             |           | <b>159,218.60</b>   |               |                   |               |                | <b>162,146.07</b>   | <b>2.09</b>    | <b>436.53</b>       | <b>161,874.06</b>   | <b>161,032.22</b>   |
| <b>Federal Agency Bond / Note</b>                          |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| FNMA NOTES<br>DTD 02/28/2017 1.500% 02/28/2020             | 3135G0T29 | 220,000.00          | AA+           | Aaa               | 2/24/2017     | 2/28/2017      | 219,859.20          | 1.52           | 1,127.50            | 219,921.40          | 216,282.00          |
| FHLMC AGENCY NOTES<br>DTD 04/20/2017 1.375% 04/20/2020     | 3137EAEF2 | 500,000.00          | AA+           | Aaa               | 12/28/2017    | 12/29/2017     | 493,100.00          | 1.99           | 1,355.90            | 494,589.25          | 489,607.50          |
| FHLMC AGENCY NOTES<br>DTD 04/20/2017 1.375% 04/20/2020     | 3137EAEF2 | 300,000.00          | AA+           | Aaa               | 4/24/2017     | 4/25/2017      | 298,584.00          | 1.54           | 813.54              | 299,137.74          | 293,764.50          |
| FHLB NOTES<br>DTD 09/08/2017 1.375% 09/28/2020             | 3130ACE26 | 500,000.00          | AA+           | Aaa               | 12/28/2017    | 12/29/2017     | 491,225.00          | 2.03           | 1,776.04            | 492,808.94          | 486,125.00          |
| FHLB NOTES<br>DTD 09/08/2017 1.375% 09/28/2020             | 3130ACE26 | 165,000.00          | AA+           | Aaa               | 9/7/2017      | 9/8/2017       | 164,470.35          | 1.48           | 586.09              | 164,608.88          | 160,421.25          |
| <b>Security Type Sub-Total</b>                             |           | <b>1,685,000.00</b> |               |                   |               |                | <b>1,667,238.55</b> | <b>1.81</b>    | <b>5,659.07</b>     | <b>1,671,066.21</b> | <b>1,646,200.25</b> |
| <b>Corporate Note</b>                                      |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| CHEVRON CORP NOTES<br>DTD 05/16/2016 1.561% 05/16/2019     | 166764BH2 | 240,000.00          | AA-           | Aa2               | 5/9/2016      | 5/16/2016      | 240,000.00          | 1.56           | 468.30              | 240,000.00          | 237,829.20          |
| PFIZER INC CORP NOTES<br>DTD 06/03/2016 1.450% 06/03/2019  | 717081DU4 | 300,000.00          | AA            | A1                | 6/21/2016     | 6/24/2016      | 300,861.00          | 1.35           | 338.33              | 300,273.78          | 296,988.30          |
| AMERICAN HONDA FINANCE<br>DTD 07/12/2016 1.200% 07/12/2019 | 02665WBE0 | 80,000.00           | A+            | A2                | 7/7/2016      | 7/12/2016      | 79,920.00           | 1.23           | 450.67              | 79,972.19           | 78,760.32           |
| APPLE INC CORP NOTES<br>DTD 08/04/2016 1.100% 08/02/2019   | 037833CB4 | 160,000.00          | AA+           | Aa1               | 7/28/2016     | 8/4/2016       | 159,840.00          | 1.13           | 718.67              | 159,941.37          | 157,736.32          |
| MICROSOFT CORP NOTES<br>DTD 08/08/2016 1.100% 08/08/2019   | 594918BN3 | 100,000.00          | AAA           | Aaa               | 8/1/2016      | 8/8/2016       | 99,897.00           | 1.14           | 436.94              | 99,961.74           | 98,431.20           |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate Note</b>   |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| AMERICAN EXPRESS CREDIT<br>(CALLABLE) CORP<br>DTD 10/31/2016 1.700% 10/30/2019  | 0258M0EC9 | 50,000.00  | A-            | A2                | 10/26/2016    | 10/31/2016     | 49,940.50        | 1.74           | 144.03              | 49,973.24         | 49,224.65       |
| HONEYWELL INTERNATIONAL CORP<br>NOTES<br>DTD 10/30/2017 1.800% 10/30/2019       | 438516BQ8 | 45,000.00  | A             | A2                | 10/23/2017    | 10/30/2017     | 44,964.90        | 1.84           | 137.25              | 44,976.51         | 44,439.44       |
| GOLDMAN SACHS GROUP<br>(CALLABLE) INC BONDS<br>DTD 12/13/2016 2.300% 12/13/2019 | 38145GAJ9 | 150,000.00 | BBB+          | A3                | 12/8/2016     | 12/13/2016     | 149,887.50       | 2.33           | 172.50              | 149,944.66        | 148,435.80      |
| PFIZER INC CORP NOTE<br>DTD 11/21/2016 1.700% 12/15/2019                        | 717081EB5 | 80,000.00  | AA            | A1                | 11/14/2016    | 11/21/2016     | 79,942.40        | 1.72           | 60.44               | 79,972.12         | 78,841.76       |
| CITIGROUP INC (CALLABLE) CORP<br>NOTE<br>DTD 01/10/2017 2.450% 01/10/2020       | 172967LF6 | 70,000.00  | BBB+          | Baa1              | 1/4/2017      | 1/10/2017      | 69,972.00        | 2.46           | 814.63              | 69,985.51         | 69,213.83       |
| BB&T CORP (CALLABLE) NOTE<br>DTD 12/08/2014 2.450% 01/15/2020                   | 05531FAS2 | 150,000.00 | A-            | A2                | 2/2/2017      | 2/7/2017       | 151,485.00       | 2.10           | 1,694.58            | 150,769.04        | 148,534.65      |
| JPMORGAN CHASE & CO (CALLABLE)<br>DTD 01/23/2015 2.250% 01/23/2020              | 46625HKA7 | 150,000.00 | A-            | A3                | 3/16/2017     | 3/21/2017      | 150,079.50       | 2.23           | 1,481.25            | 150,044.93        | 148,070.55      |
| MORGAN STANLEY CORP BONDS<br>DTD 01/27/2015 2.650% 01/27/2020                   | 61747YDW2 | 70,000.00  | BBB+          | A3                | 1/31/2017     | 2/3/2017       | 70,605.50        | 2.35           | 793.53              | 70,324.37         | 69,491.66       |
| MICROSOFT CORP NOTES<br>DTD 02/06/2017 1.850% 02/06/2020                        | 594918BV5 | 50,000.00  | AAA           | Aaa               | 1/30/2017     | 2/6/2017       | 49,966.50        | 1.87           | 372.57              | 49,981.94         | 49,361.10       |
| WALT DISNEY COMPANY CORP<br>NOTES<br>DTD 03/06/2017 1.950% 03/04/2020           | 25468PDP8 | 30,000.00  | A+            | A2                | 3/1/2017      | 3/6/2017       | 29,992.20        | 1.96           | 190.13              | 29,995.57         | 29,502.93       |
| WALT DISNEY COMPANY CORP<br>NOTES<br>DTD 03/06/2017 1.950% 03/04/2020           | 25468PDP8 | 120,000.00 | A+            | A2                | 4/24/2017     | 4/27/2017      | 120,646.80       | 1.76           | 760.50              | 120,384.14        | 118,011.72      |
| EXXON MOBIL (CALLABLE) CORP<br>NOTE<br>DTD 03/06/2015 1.912% 03/06/2020         | 30231GAG7 | 175,000.00 | AA+           | Aaa               | 4/3/2017      | 4/5/2017       | 175,698.25       | 1.77           | 1,068.86            | 175,398.40        | 172,540.38      |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                         | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate Note</b>   |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| JOHN DEERE CAPITAL CORP NOTES<br>DTD 03/15/2017 2.200% 03/13/2020               | 24422ETQ2 | 60,000.00  | A             | A2                | 3/10/2017     | 3/15/2017      | 59,953.20        | 2.23           | 396.00              | 59,973.04         | 59,283.60       |
| TOYOTA MOTOR CREDIT CORP<br>DTD 04/17/2017 1.950% 04/17/2020                    | 89236TDU6 | 70,000.00  | AA-           | Aa3               | 4/11/2017     | 4/17/2017      | 69,967.80        | 1.97           | 280.58              | 69,980.52         | 68,795.79       |
| GENERAL DYNAMICS CORP<br>DTD 05/11/2018 2.875% 05/11/2020                       | 369550BA5 | 115,000.00 | A+            | A2                | 5/8/2018      | 5/11/2018      | 114,592.90       | 3.06           | 459.20              | 114,620.53        | 114,875.00      |
| INTEL CORP NOTES<br>DTD 05/11/2017 1.850% 05/11/2020                            | 458140AZ3 | 150,000.00 | A+            | A1                | 5/8/2017      | 5/11/2017      | 149,943.00       | 1.86           | 385.42              | 149,964.27        | 147,653.55      |
| IBM CREDIT CORPORATE NOTE<br>DTD 05/07/2013 1.625% 05/15/2020                   | 459200HM6 | 150,000.00 | A+            | A1                | 8/1/2017      | 8/3/2017       | 149,431.50       | 1.76           | 311.46              | 149,615.52        | 146,558.25      |
| CATERPILLAR FINL SERVICE<br>DTD 05/16/2018 2.950% 05/15/2020                    | 14913Q2J7 | 65,000.00  | A             | A3                | 5/9/2018      | 5/16/2018      | 64,987.65        | 2.96           | 239.69              | 64,988.40         | 64,940.85       |
| HOME DEPOT INC CORP NOTES<br>DTD 06/05/2017 1.800% 06/05/2020                   | 437076BQ4 | 80,000.00  | A             | A2                | 5/24/2017     | 6/5/2017       | 79,953.60        | 1.82           | 104.00              | 79,969.90         | 78,561.04       |
| JOHN DEERE CAPITAL CORP NOTES<br>DTD 06/22/2017 1.950% 06/22/2020               | 24422ETS8 | 20,000.00  | A             | A2                | 6/19/2017     | 6/22/2017      | 19,987.80        | 1.97           | 9.75                | 19,991.89         | 19,567.42       |
| STATE STREET CORP NOTES<br>DTD 08/18/2015 2.550% 08/18/2020                     | 857477AS2 | 150,000.00 | A             | A1                | 6/8/2017      | 6/13/2017      | 152,811.00       | 1.94           | 1,413.13            | 151,903.05        | 148,778.40      |
| CATERPILLAR FINL SERVICE NOTE<br>DTD 09/07/2017 1.850% 09/04/2020               | 14913Q2A6 | 120,000.00 | A             | A3                | 9/5/2017      | 9/7/2017       | 119,899.20       | 1.88           | 721.50              | 119,926.11        | 116,857.20      |
| AMERICAN EXPRESS CO CORP<br>(CALLABLE) NOTE<br>DTD 10/30/2017 2.200% 10/30/2020 | 025816BP3 | 110,000.00 | BBB+          | A3                | 10/23/2017    | 10/30/2017     | 109,857.00       | 2.25           | 410.06              | 109,888.11        | 107,468.35      |
| PACCAR FINANCIAL CORP NOTES<br>DTD 11/13/2017 2.050% 11/13/2020                 | 69371RN85 | 40,000.00  | A+            | A1                | 11/6/2017     | 11/13/2017     | 39,996.40        | 2.05           | 109.33              | 39,997.14         | 39,037.16       |
| COCA-COLA CO/THE GLOBAL NOTES<br>DTD 11/15/2010 3.150% 11/15/2020               | 191216AR1 | 65,000.00  | A+            | Aa3               | 9/8/2017      | 9/12/2017      | 67,737.80        | 1.78           | 261.63              | 67,060.46         | 65,404.89       |
| VISA INC (CALLABLE) CORP NOTES<br>DTD 12/14/2015 2.200% 12/14/2020              | 92826CAB8 | 40,000.00  | A+            | A1                | 8/25/2017     | 8/30/2017      | 40,440.00        | 1.85           | 41.56               | 40,328.13         | 39,350.32       |
| WAL-MART STORES INC CORP NOTE<br>DTD 10/20/2017 1.900% 12/15/2020               | 931142EA7 | 160,000.00 | AA            | Aa2               | 10/11/2017    | 10/20/2017     | 159,768.00       | 1.95           | 135.11              | 159,820.39        | 156,757.76      |



## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                        | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|--|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Corporate Note</b>  |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| JOHN DEERE CAPITAL CORP NOTES<br>DTD 01/08/2018 2.350% 01/08/2021              | 24422ETZ2 | 20,000.00  | A             | A2                | 1/3/2018      | 1/8/2018       | 19,989.60        | 2.37           | 225.86              | 19,991.22         | 19,649.40       |
| AMERICAN HONDA FINANCE<br>DTD 02/15/2018 2.650% 02/12/2021                     | 02665WCD1 | 60,000.00  | A+            | A2                | 2/12/2018     | 2/15/2018      | 59,916.00        | 2.70           | 600.67              | 59,926.20         | 59,379.06       |
| PACCAR FINANCIAL CORP NOTES<br>DTD 02/27/2018 2.800% 03/01/2021                | 69371RN93 | 70,000.00  | A+            | A1                | 2/22/2018     | 2/27/2018      | 69,965.70        | 2.82           | 675.11              | 69,969.57         | 69,394.08       |
| NATIONAL RURAL UTIL COOP<br>DTD 02/26/2018 2.900% 03/15/2021                   | 63743HER9 | 80,000.00  | A             | A2                | 2/21/2018     | 2/26/2018      | 79,911.20        | 2.94           | 805.56              | 79,921.44         | 79,404.88       |
| UNILEVER CAPITAL CORP NOTES<br>DTD 03/22/2018 2.750% 03/22/2021                | 904764AZ0 | 185,000.00 | A+            | A1                | 3/19/2018     | 3/22/2018      | 184,054.65       | 2.93           | 1,399.06            | 184,138.19        | 183,544.61      |
| UNITED PARCEL SERVICE<br>CORPORATE BOND<br>DTD 11/14/2017 2.050% 04/01/2021    | 911312BP0 | 125,000.00 | A+            | A1                | 11/9/2017     | 11/14/2017     | 124,802.50       | 2.10           | 640.63              | 124,837.34        | 121,930.88      |
| TOYOTA MOTOR CREDIT CORP CORP<br>NOTES<br>DTD 04/13/2018 2.950% 04/13/2021     | 89236TEU5 | 80,000.00  | AA-           | Aa3               | 4/10/2018     | 4/13/2018      | 79,968.00        | 2.96           | 511.33              | 79,970.23         | 79,587.76       |
| BANK OF NEW YORK MELLON CORP<br>(CALLABLE)<br>DTD 02/19/2016 2.500% 04/15/2021 | 06406FAA1 | 85,000.00  | A             | A1                | 3/1/2018      | 3/5/2018       | 83,772.60        | 2.99           | 448.61              | 83,896.10         | 83,435.75       |
| BANK OF NEW YORK MELLON CORP<br>(CALLABLE)<br>DTD 02/19/2016 2.500% 04/15/2021 | 06406FAA1 | 95,000.00  | A             | A1                | 2/16/2018     | 2/21/2018      | 93,763.10        | 2.94           | 501.39              | 93,901.16         | 93,251.72       |
| PEPSICO INC CORP (CALLABLE)<br>NOTE<br>DTD 10/10/2017 2.000% 04/15/2021        | 713448DX3 | 100,000.00 | A+            | A1                | 10/5/2017     | 10/10/2017     | 99,980.00        | 2.01           | 422.22              | 99,983.91         | 97,495.90       |
| PACCAR FINANCIAL CORP<br>DTD 05/10/2018 3.100% 05/10/2021                      | 69371RP26 | 60,000.00  | A+            | A1                | 5/7/2018      | 5/10/2018      | 59,984.40        | 3.11           | 263.50              | 59,985.11         | 60,131.82       |
| HERSHEY COMPANY CORP NOTES<br>DTD 05/10/2018 3.100% 05/15/2021                 | 427866BA5 | 90,000.00  | A             | A1                | 5/3/2018      | 5/10/2018      | 89,937.90        | 3.12           | 395.25              | 89,940.78         | 90,100.98       |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity                    | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|--|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Corporate Note</b>  |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| CHARLES SCHWAB CORP CORP<br>NOTES<br>DTD 05/22/2018 3.250% 05/21/2021      | 808513AW5 | 125,000.00          | A             | A2                | 5/17/2018     | 5/22/2018      | 124,996.25          | 3.25           | 440.10              | 124,996.36          | 125,499.50          |
| BANK OF AMERICA CORP (CALLABLE)<br>DTD 09/18/2017 2.328% 10/01/2021        | 06051GGS2 | 155,000.00          | A-            | A3                | 9/13/2017     | 9/18/2017      | 155,000.00          | 2.33           | 902.10              | 155,000.00          | 151,529.09          |
| <b>Security Type Sub-Total</b>   |           | <b>4,745,000.00</b> |               |                   |               |                | <b>4,749,067.80</b> | <b>2.12</b>    | <b>23,612.99</b>    | <b>4,746,384.58</b> | <b>4,683,638.82</b> |
| <b>Commercial Paper</b>  |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| MUFG BANK LTD/NY COMM PAPER<br>DTD 10/26/2017 0.000% 07/23/2018            | 06538CGP0 | 250,000.00          | A-1           | P-1               | 10/26/2017    | 10/26/2017     | 246,925.00          | 1.66           | 0.00                | 249,749.45          | 249,658.75          |
| ING (US) FUNDING LLC COMM PAPER<br>DTD 12/28/2017 0.000% 09/24/2018        | 4497W1JQ0 | 700,000.00          | A-1           | P-1               | 12/28/2017    | 12/29/2017     | 690,061.94          | 1.93           | 0.00                | 696,859.72          | 696,150.00          |
| JP MORGAN SECURITIES LLC COMM<br>PAPER<br>DTD 01/02/2018 0.000% 09/28/2018 | 46640QJU6 | 400,000.00          | A-1           | P-1               | 1/2/2018      | 1/3/2018       | 394,044.44          | 2.03           | 0.00                | 398,022.22          | 397,653.20          |
| <b>Security Type Sub-Total</b>   |           | <b>1,350,000.00</b> |               |                   |               |                | <b>1,331,031.38</b> | <b>1.91</b>    | <b>0.00</b>         | <b>1,344,631.39</b> | <b>1,343,461.95</b> |
| <b>Certificate of Deposit</b>  |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| CANADIAN IMPERIAL BANK NY CD<br>DTD 12/05/2016 1.760% 11/30/2018           | 13606A5Z7 | 250,000.00          | A-1           | P-1               | 12/1/2016     | 12/5/2016      | 249,805.00          | 1.78           | 378.89              | 249,959.12          | 249,346.50          |
| SVENSKA HANDELSBANKEN NY LT<br>CD<br>DTD 01/12/2017 1.890% 01/10/2019      | 86958JHB8 | 280,000.00          | A-1+          | P-1               | 1/10/2017     | 1/12/2017      | 280,000.00          | 1.91           | 2,528.40            | 280,000.00          | 278,783.96          |
| BANK OF MONTREAL CHICAGO CERT<br>DEPOS<br>DTD 02/09/2017 1.880% 02/07/2019 | 06427KRC3 | 290,000.00          | A-1           | P-1               | 2/8/2017      | 2/9/2017       | 290,000.00          | 1.90           | 2,180.80            | 290,000.00          | 289,459.73          |
| SUMITOMO MITSUI BANK NY CD<br>DTD 05/04/2017 2.050% 05/03/2019             | 86563YVN0 | 310,000.00          | A-1           | P-1               | 5/3/2017      | 5/4/2017       | 310,000.00          | 2.05           | 1,041.51            | 310,000.00          | 308,681.88          |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity               | CUSIP     | Par                 | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost    | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost   | Market<br>Value     |
|---|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| <b>Certificate of Deposit</b>   |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| SKANDINAV ENSKILDA BANKEN NY CD<br>DTD 08/04/2017 1.840% 08/02/2019   | 83050FXT3 | 300,000.00          | A+            | Aa2               | 8/3/2017      | 8/4/2017       | 299,883.00          | 1.85           | 2,284.67            | 299,936.20          | 297,411.90          |
| MUFG BANK LTD/NY CERT DEPOS<br>DTD 09/27/2017 2.070% 09/25/2019       | 06539RGM3 | 160,000.00          | A             | A1                | 9/25/2017     | 9/27/2017      | 160,000.00          | 2.07           | 2,548.40            | 160,000.00          | 158,400.16          |
| CREDIT SUISSE NEW YORK CERT DEPOS<br>DTD 02/08/2018 2.670% 02/07/2020 | 22549LFR1 | 200,000.00          | A             | A1                | 2/7/2018      | 2/8/2018       | 200,000.00          | 2.67           | 2,121.17            | 200,000.00          | 199,992.60          |
| NORDEA BANK AB NY CD<br>DTD 02/22/2018 2.720% 02/20/2020              | 65590ASN7 | 200,000.00          | AA-           | Aa3               | 2/20/2018     | 2/22/2018      | 200,000.00          | 2.72           | 1,949.33            | 200,000.00          | 198,945.00          |
| UBS AG STAMFORD CT LT CD<br>DTD 03/06/2018 2.900% 03/02/2020          | 90275DHG8 | 250,000.00          | A+            | Aa2               | 3/2/2018      | 3/6/2018       | 250,000.00          | 2.93           | 2,356.25            | 250,000.00          | 250,822.00          |
| BANK OF NOVA SCOTIA HOUSTON CD<br>DTD 06/07/2018 3.080% 06/05/2020    | 06417GU22 | 220,000.00          | A+            | A1                | 6/5/2018      | 6/7/2018       | 219,916.40          | 3.10           | 451.73              | 219,919.10          | 221,220.78          |
| WESTPAC BANKING CORP NY CD<br>DTD 08/07/2017 2.050% 08/03/2020        | 96121T4A3 | 290,000.00          | AA-           | Aa3               | 8/3/2017      | 8/7/2017       | 290,000.00          | 2.05           | 2,378.00            | 290,000.00          | 285,410.46          |
| SWEDBANK (NEW YORK) CERT DEPOS<br>DTD 11/17/2017 2.270% 11/16/2020    | 87019U6D6 | 300,000.00          | AA-           | Aa2               | 11/16/2017    | 11/17/2017     | 300,000.00          | 2.30           | 870.17              | 300,000.00          | 293,735.40          |
| ROYAL BANK OF CANADA NY CD<br>DTD 06/08/2018 3.240% 06/07/2021        | 78012UEE1 | 250,000.00          | AA-           | A1                | 6/7/2018      | 6/8/2018       | 250,000.00          | 3.24           | 517.50              | 250,000.00          | 251,759.50          |
| <b>Security Type Sub-Total</b>  |           | <b>3,300,000.00</b> |               |                   |               |                | <b>3,299,604.40</b> | <b>2.32</b>    | <b>21,606.82</b>    | <b>3,299,814.42</b> | <b>3,283,969.87</b> |
| <b>Asset-Backed Security / Collateralized Mortgage Obligation</b>     |           |                     |               |                   |               |                |                     |                |                     |                     |                     |
| CARMX 2017-4 A2A<br>DTD 10/25/2017 1.800% 04/15/2021                  | 14314RAH5 | 103,613.81          | AAA           | NR                | 10/17/2017    | 10/25/2017     | 103,606.21          | 1.79           | 82.89               | 103,607.63          | 103,087.45          |
| CARMX 2018-2 A2<br>DTD 04/25/2018 2.730% 08/15/2021                   | 14314XAB5 | 145,000.00          | AAA           | NR                | 4/18/2018     | 4/25/2018      | 144,992.33          | 2.73           | 175.93              | 144,992.76          | 144,863.66          |
| HAROT 2017-3 A3<br>DTD 09/29/2017 1.790% 09/18/2021                   | 43814PAC4 | 65,000.00           | AAA           | NR                | 9/25/2017     | 9/29/2017      | 64,992.96           | 1.94           | 42.02               | 64,994.23           | 63,960.70           |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity            | CUSIP     | Par        | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost | Market<br>Value |
|--|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| <b>Asset-Backed Security / Collateralized Mortgage Obligation</b>  |           |            |               |                   |               |                |                  |                |                     |                   |                 |
| CCCIT 2017-A9 A9<br>DTD 10/02/2017 1.800% 09/20/2021               | 17305EGH2 | 175,000.00 | AAA           | NR                | 9/25/2017     | 10/2/2017      | 174,986.96       | 1.80           | 883.75              | 174,989.41        | 172,844.02      |
| HAROT 2017-4 A3<br>DTD 11/29/2017 2.050% 11/21/2021                | 43813FAC7 | 85,000.00  | NR            | Aaa               | 11/22/2017    | 11/29/2017     | 84,988.02        | 2.06           | 48.40               | 84,989.71         | 83,846.71       |
| TAOT 2017-D A3<br>DTD 11/15/2017 1.930% 01/15/2022                 | 89238KAD4 | 95,000.00  | AAA           | Aaa               | 11/7/2017     | 11/15/2017     | 94,991.24        | 2.26           | 81.49               | 94,992.52         | 93,489.23       |
| FORDO 2017-C A3<br>DTD 11/21/2017 2.010% 03/15/2022                | 34532AAD5 | 160,000.00 | AAA           | NR                | 11/14/2017    | 11/21/2017     | 159,971.15       | 2.02           | 142.93              | 159,975.05        | 157,739.50      |
| ALLYA 2017-5 A3<br>DTD 11/22/2017 1.990% 03/15/2022                | 02007YAC8 | 120,000.00 | AAA           | Aaa               | 11/14/2017    | 11/22/2017     | 119,990.69       | 1.99           | 106.13              | 119,991.95        | 118,553.29      |
| JDOT 2018-A A3<br>DTD 02/28/2018 2.660% 04/15/2022                 | 47788CAC6 | 45,000.00  | NR            | Aaa               | 2/21/2018     | 2/28/2018      | 44,996.76        | 2.66           | 53.20               | 44,997.05         | 44,768.64       |
| NAROT 2017-C A3<br>DTD 12/13/2017 2.120% 04/15/2022                | 65478HAD0 | 50,000.00  | NR            | Aaa               | 12/6/2017     | 12/13/2017     | 49,991.55        | 2.13           | 47.11               | 49,992.83         | 49,316.24       |
| HAROT 2018-2 A3<br>DTD 05/30/2018 3.010% 05/18/2022                | 43814UAG4 | 70,000.00  | AAA           | NR                | 5/22/2018     | 5/30/2018      | 69,998.47        | 3.01           | 76.09               | 69,998.55         | 70,086.13       |
| HART 2018-A A3<br>DTD 04/18/2018 2.790% 07/15/2022                 | 44891KAD7 | 70,000.00  | AAA           | Aaa               | 4/10/2018     | 4/18/2018      | 69,989.46        | 2.80           | 86.80               | 69,989.94         | 69,768.10       |
| BANK OF AMERICA ABS 2017-A1 A1<br>DTD 03/30/2017 1.950% 08/15/2022 | 05522RCW6 | 200,000.00 | NR            | Aaa               | 6/11/2018     | 6/13/2018      | 196,859.38       | 2.72           | 173.33              | 196,859.38        | 196,939.90      |
| TAOT 2018-B A3<br>DTD 05/16/2018 2.960% 09/15/2022                 | 89238TAD5 | 165,000.00 | AAA           | Aaa               | 5/9/2018      | 5/16/2018      | 164,997.54       | 2.96           | 217.07              | 164,997.62        | 165,027.51      |
| AMXCA 2018-1 A<br>DTD 03/21/2018 2.670% 10/17/2022                 | 02582JHQ6 | 165,000.00 | NR            | Aaa               | 3/14/2018     | 3/21/2018      | 164,980.84       | 2.68           | 195.80              | 164,981.97        | 164,563.31      |
| ALLYA 2018-2 A3<br>DTD 04/30/2018 2.920% 11/15/2022                | 02004VAC7 | 140,000.00 | NR            | Aaa               | 4/24/2018     | 4/30/2018      | 139,974.58       | 2.93           | 181.69              | 139,975.38        | 139,906.91      |
| FORDO 2018-A A3<br>DTD 05/22/2018 3.030% 11/15/2022                | 34528FAD0 | 200,000.00 | AAA           | NR                | 5/15/2018     | 5/22/2018      | 199,967.66       | 3.04           | 269.33              | 199,968.40        | 200,218.50      |
| ALLYA 2018-3 A3<br>DTD 06/27/2018 3.000% 01/15/2023                | 02007JAC1 | 200,000.00 | AAA           | Aaa               | 6/19/2018     | 6/27/2018      | 199,986.32       | 3.09           | 66.67               | 199,986.36        | 199,986.32      |

## Managed Account Detail of Securities Held

| Security Type/Description<br>Dated Date/Coupon/Maturity           | CUSIP     | Par                    | S&P<br>Rating | Moody's<br>Rating | Trade<br>Date | Settle<br>Date | Original<br>Cost       | YTM<br>at Cost | Accrued<br>Interest | Amortized<br>Cost      | Market<br>Value        |
|---|-----------|------------------------|---------------|-------------------|---------------|----------------|------------------------|----------------|---------------------|------------------------|------------------------|
| <b>Asset-Backed Security / Collateralized Mortgage Obligation</b> |           |                        |               |                   |               |                |                        |                |                     |                        |                        |
| CCCIT 2018-A1 A1<br>DTD 01/31/2018 2.490% 01/20/2023              | 17305EGK5 | 200,000.00             | NR            | Aaa               | 1/25/2018     | 1/31/2018      | 199,972.32             | 2.54           | 2,088.83            | 199,974.99             | 197,468.34             |
| <b>Security Type Sub-Total</b>                                    |           | <b>2,453,613.81</b>    |               |                   |               |                | <b>2,450,234.44</b>    | <b>2.54</b>    | <b>5,019.46</b>     | <b>2,450,255.73</b>    | <b>2,436,434.46</b>    |
| <b>Managed Account Sub Total</b>                                  |           | <b>20,057,832.41</b>   |               |                   |               |                | <b>19,972,672.31</b>   | <b>2.10</b>    | <b>77,880.98</b>    | <b>19,995,883.11</b>   | <b>19,793,515.69</b>   |
| <b>Securities Sub-Total</b>                                       |           | <b>\$20,057,832.41</b> |               |                   |               |                | <b>\$19,972,672.31</b> | <b>2.10%</b>   | <b>\$77,880.98</b>  | <b>\$19,995,883.11</b> | <b>\$19,793,515.69</b> |
| <b>Accrued Interest</b>   |           |                        |               |                   |               |                |                        |                |                     |                        | <b>\$77,880.98</b>     |
| <b>Total Investments</b>  |           |                        |               |                   |               |                |                        |                |                     |                        | <b>\$19,871,396.67</b> |

Bolded items are forward settling trades.

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# Appendix

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**IMPORTANT DISCLOSURES**

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

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

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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.