



CONSENT CALENDAR

Agenda Item # 3

AGENDA REPORT SUMMARY

Meeting Date: February 26, 2019

Subject: Quarterly Investment Portfolio Report – Quarter Ended December 31, 2018

Prepared by: Sharif Etman, Administrative Services Director

Approved by: Chris Jordan, City Manager

Attachment(s):

1. Portfolio Mix Charts
2. Investment Policy Compliance Chart
3. Investment Performance Review Quarter Ended December 31, 2018

Initiated by:

Staff

Previous Council Consideration:

N/A

Fiscal Impact:

None

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- None

Summary:

- This report presents the status of the City's investment portfolio through December 31, 2018. The reporting model has been developed in coordination with PFM Asset Management LLC (PFM), the City's investment portfolio managers

Staff Recommendation:

Receive the Investment Portfolio Report through December 31, 2018



Subject: Quarterly Investment Portfolio Report – Quarter Ended December 31, 2018

Purpose

These quarterly reports are presented to both the City Council and the Financial Commission to keep both bodies apprised as to the status of the City's investment holding and demonstrate compliance with the City's Investment Policy.

Background

A review of the Investment Portfolio Report - Quarter Ended December 31, 2018 was presented and discussed at the January 29, 2019 Financial Commission Special Meeting.

Discussion/Analysis

The summary provided below presents the sum total of all City investment holdings. The City's portfolio book value, excluding operating cash and bond holdings as of December 31, 2018, was \$68,653,745.

As of December 31, 2018, 5.1% of the City's portfolio was placed in Federal Agency Securities (Fannie Mae, Federal Home Loan Bank, Federal Home Loan Mortgage and Federal Farm Credit), 24.5% in U.S. Treasuries, 18.8% in medium-term corporate Notes and Commercial Paper, and 12.6% in Certificate of Deposits, with the balance of 25.8% in LAIF. This portfolio mix is illustrated as part of Attachment 1.

Full compliance with the City's Investment Policy is monitored closely and on a per trade basis as illustrated in Attachment 2. In accordance with California Government Code 53646(b)(3), the City of Los Altos has the ability to meet its pool expenditure requirements for the next six months.

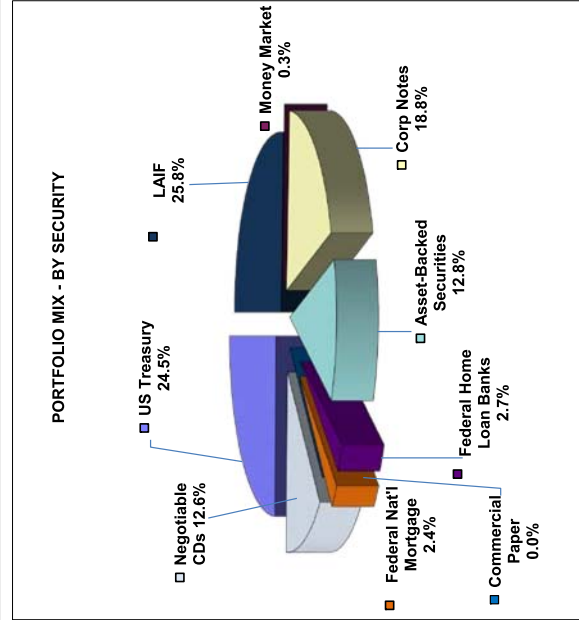
PFM prepared a quarterly status report, which is included as Attachment 3. It is important to note that this report highlights the performance of City investments that fall outside its liquid holdings with LAIF. This has been intentionally crafted to isolate the performance of the City's independently managed investments. The total return of the portfolio since inception is 0.87%, which is highlighted on page 13 of Attachment 3.

Recommendation

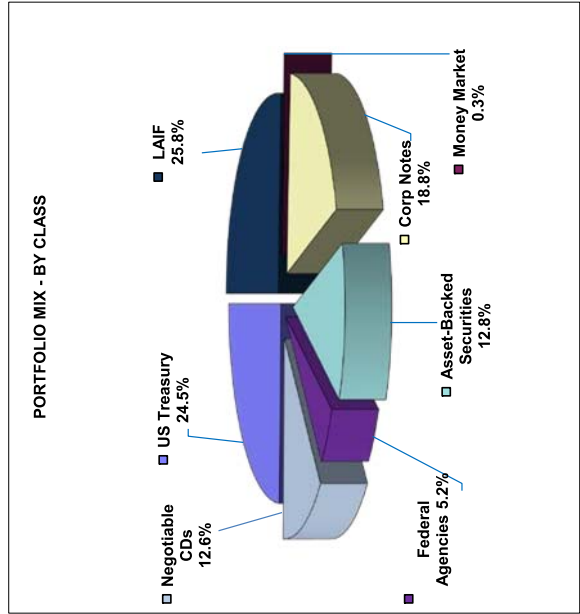
The staff recommends Council receive the Investment Portfolio Report through December 31, 2018.

Portfolio Mix Charts
Dec 2018

Portfolio Mix		By Security	
Security Type	% of Total		
LAIF	25.8%	17,681,537	
Money Market	0.3%	188,580	
Corp Notes	18.8%	12,915,000	
Asset-Backed Securities	12.8%	8,790,125	
Federal Home Loan Banks	2.7%	1,885,864	
Federal Nat'l Mortgage	2.4%	1,675,000	
Commercial Paper	0.0%	-	
Negotiable CDs	12.6%	8,665,000	
US Treasury	24.5%	16,852,639	
	100%	68,653,745	



Portfolio Mix		Market Value	
Security Type	% of Total	Par Value	Market Value
LAIF	25.8%	17,681,537	17,681,537
Money Market	0.3%	188,580	188,580
Corp Notes	18.8%	12,915,000	12,799,843
Asset-Backed Securities	12.8%	8,790,125	8,760,156
Federal Agencies	5.2%	3,560,864	2,739,108
Negotiable CDs	12.6%	8,665,000	8,635,665
US Treasury	24.5%	16,852,639	15,832,722
	100%	68,653,745	66,637,610
Corp Notes		12,915,000	12,799,843
Asset-Backed Securities		8,790,125	8,760,156
US Treasury/Agencies		20,413,503	18,571,830
Negotiable CDs		8,665,000	8,635,665
Accrued Interest		-	293,081
		50,783,628	49,060,574
Margin Over (Under) Par			(1,723,053)



Investment Policy Compliance Chart

Dec 2018

City Investment	% Mix	Par Value	Earliest Term	City Policy Term Limitation	City Policy \$ Limitation	City Policy % Limitation	CAPACITY	% Compliance Yes/No	Term Compliance Yes/No
LAIF	26%	17,681,537	12/31/18	No Term	65,000,000	100%	47,318,463	Yes	N/A
Money Market	0%	188,580	12/31/18	Overnight		20%	13,542,169	Yes	N/A
Corp Notes	19%	12,915,000	09/23/16	5 Years		30%	7,681,123	Yes	Yes
Asset-Backed Securities	13%	8,790,125	01/25/17	5 Years		20%	4,940,624	Yes	Yes
Federal Agencies	5%	3,560,864	09/01/17	5 Years		100%	65,092,881	Yes	Yes
Commercial Paper	0%	-	12/31/18	270 Days		25%	17,163,436	Yes	N/A
Negotiable CDs	13%	8,665,000	05/04/17	3 Years		30%	11,931,123	Yes	Yes
US Treasury	25%	16,852,639	12/05/16	5 Years		100%	51,801,106	Yes	Yes
	<u>100%</u>	<u>68,653,745</u>							



CITY OF LOS ALTOS

Investment Performance Review For the Quarter Ended December 31, 2018

Client Management Team

Monique Spyke, Managing Director Izac
Chyou, Senior Managing Consultant

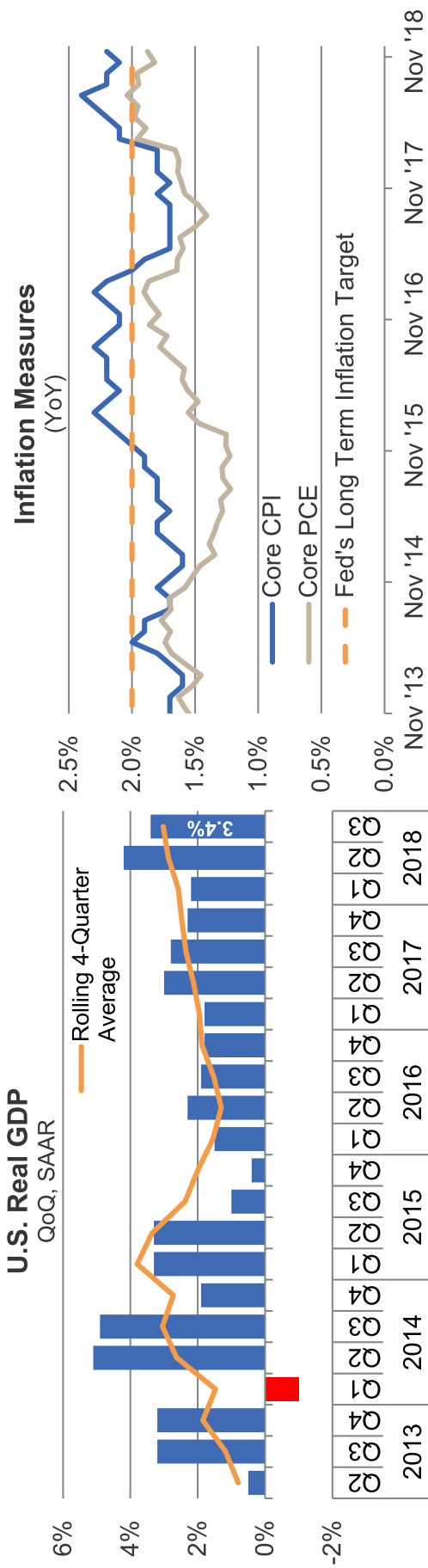
PFM Asset Management LLC

50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544

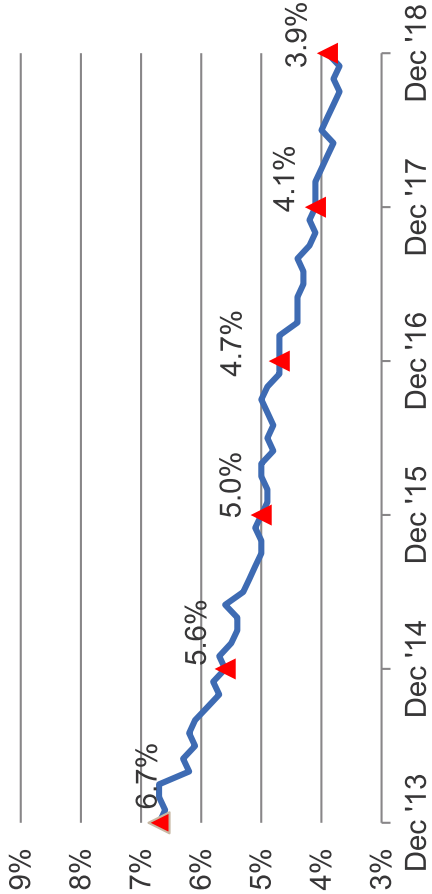
213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

Market Update

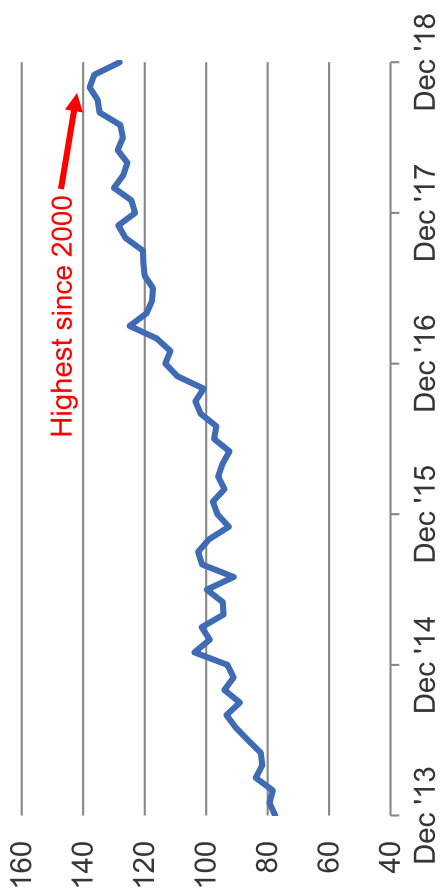
Economic Summary



Unemployment Rate

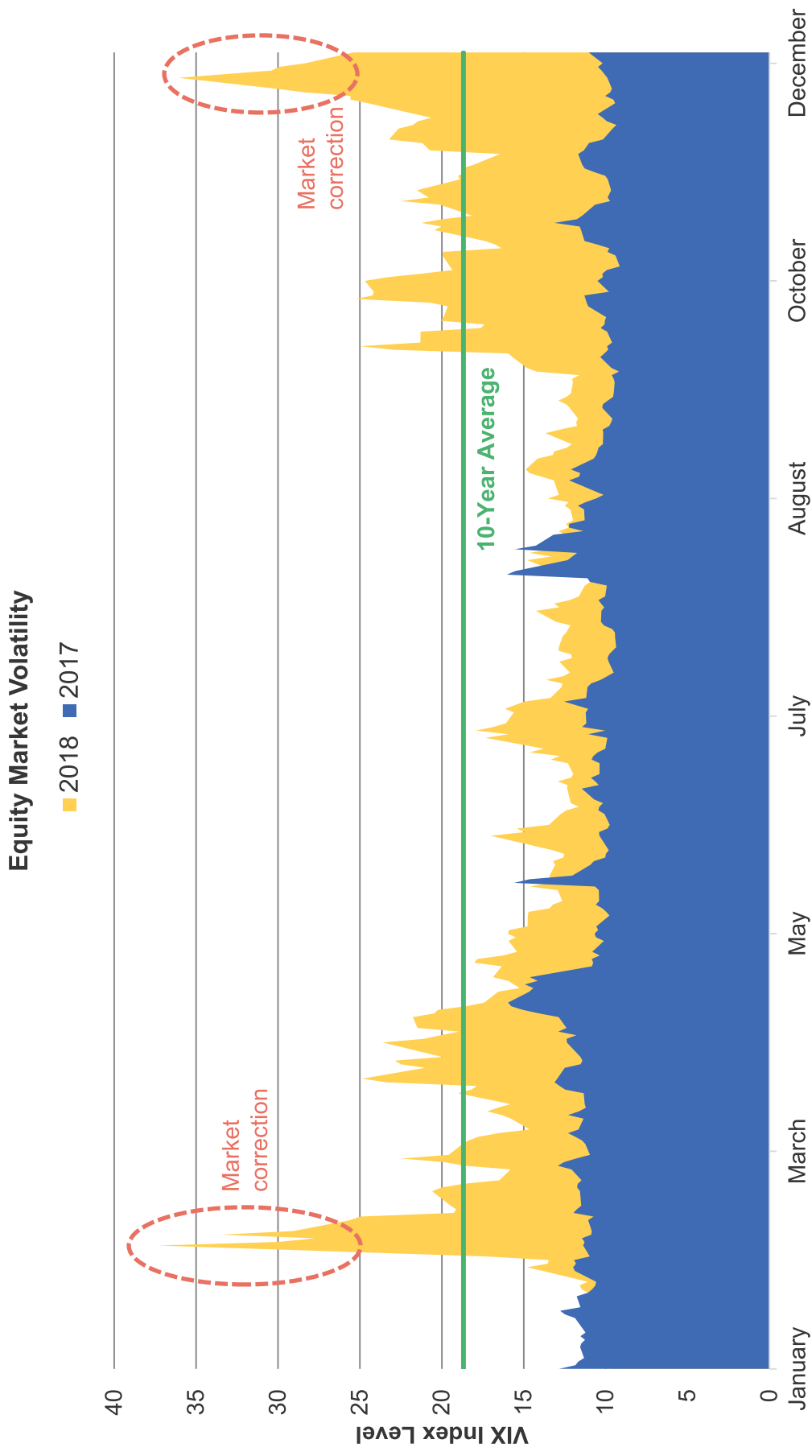


Consumer Confidence



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

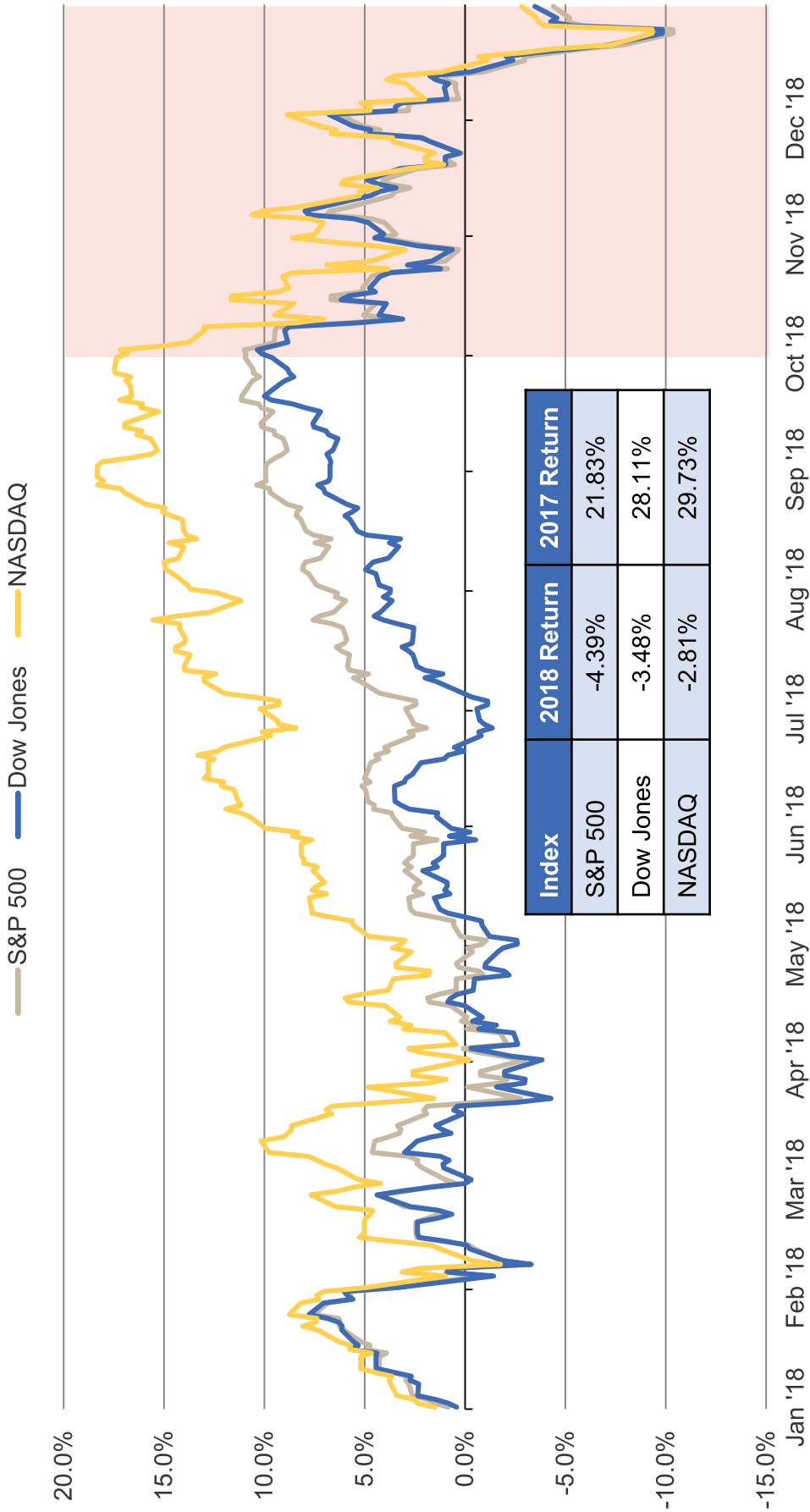
The Return of Volatility in 2018



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

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

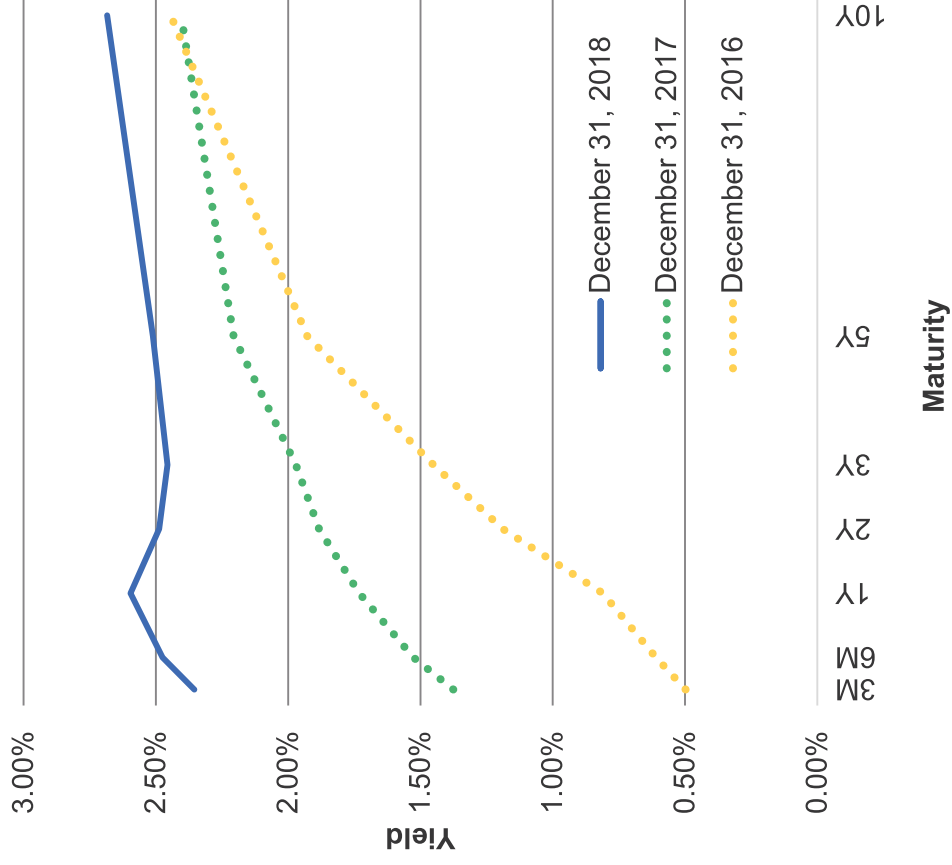
Cumulative Total Return Year-to-Date



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

U.S. Treasury Curve

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

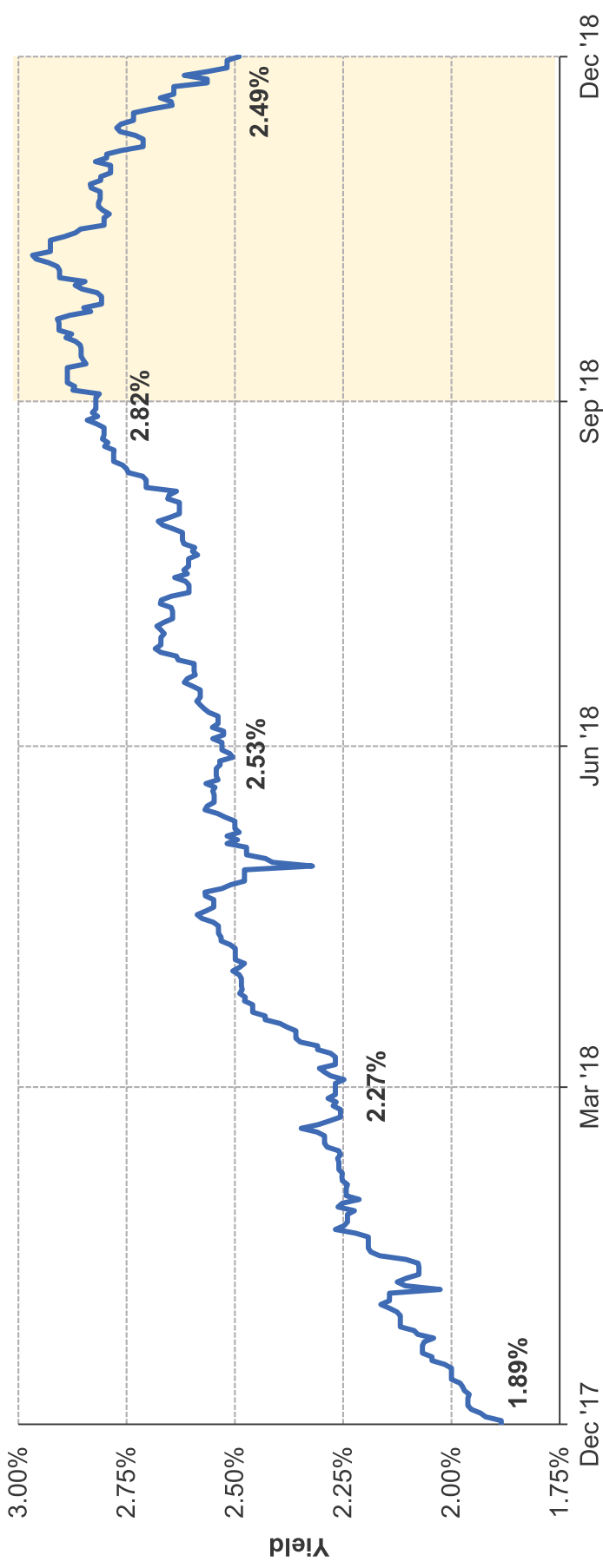


Source: Bloomberg, as of 12/31/2018.

Treasury Yields Fall from Recent Highs

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

2-Year U.S. Treasury

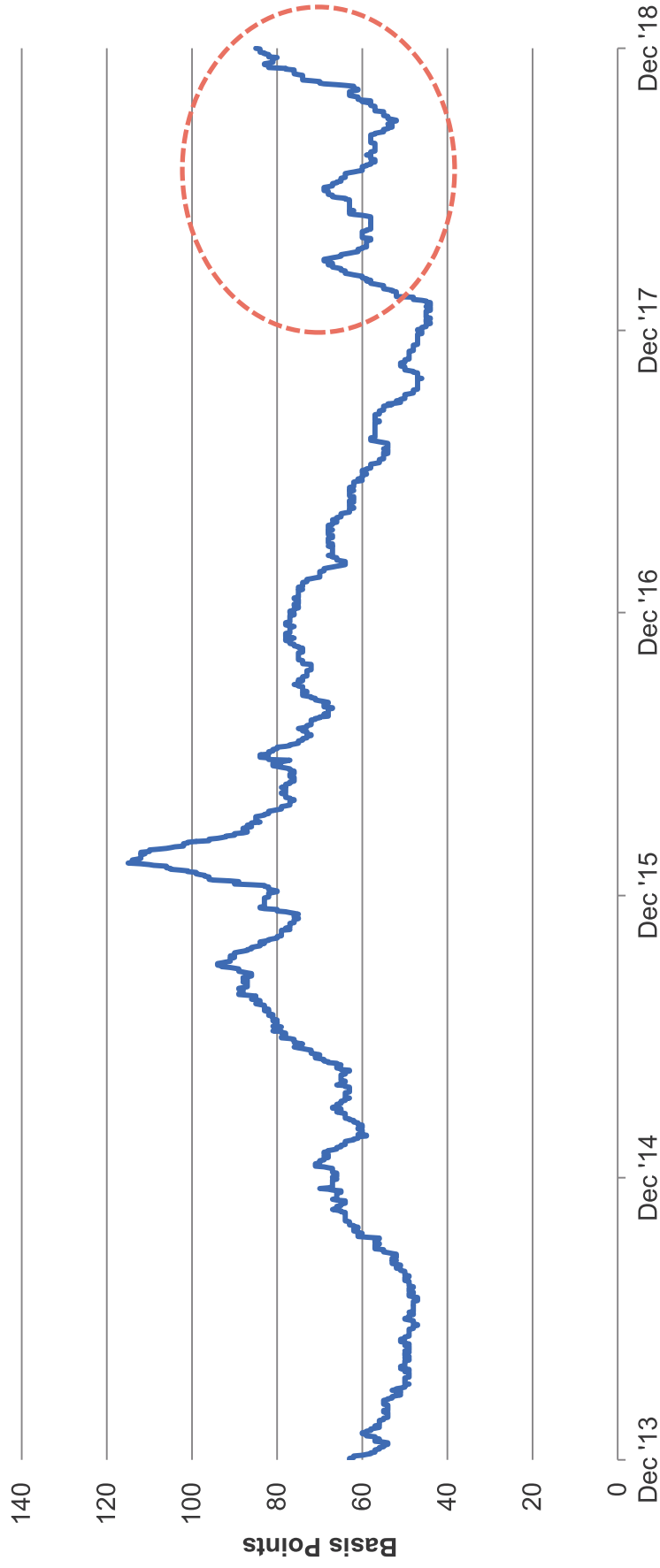


Source: Bloomberg, as of 12/31/2018.

Credit Spreads Widen with Market Volatility

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

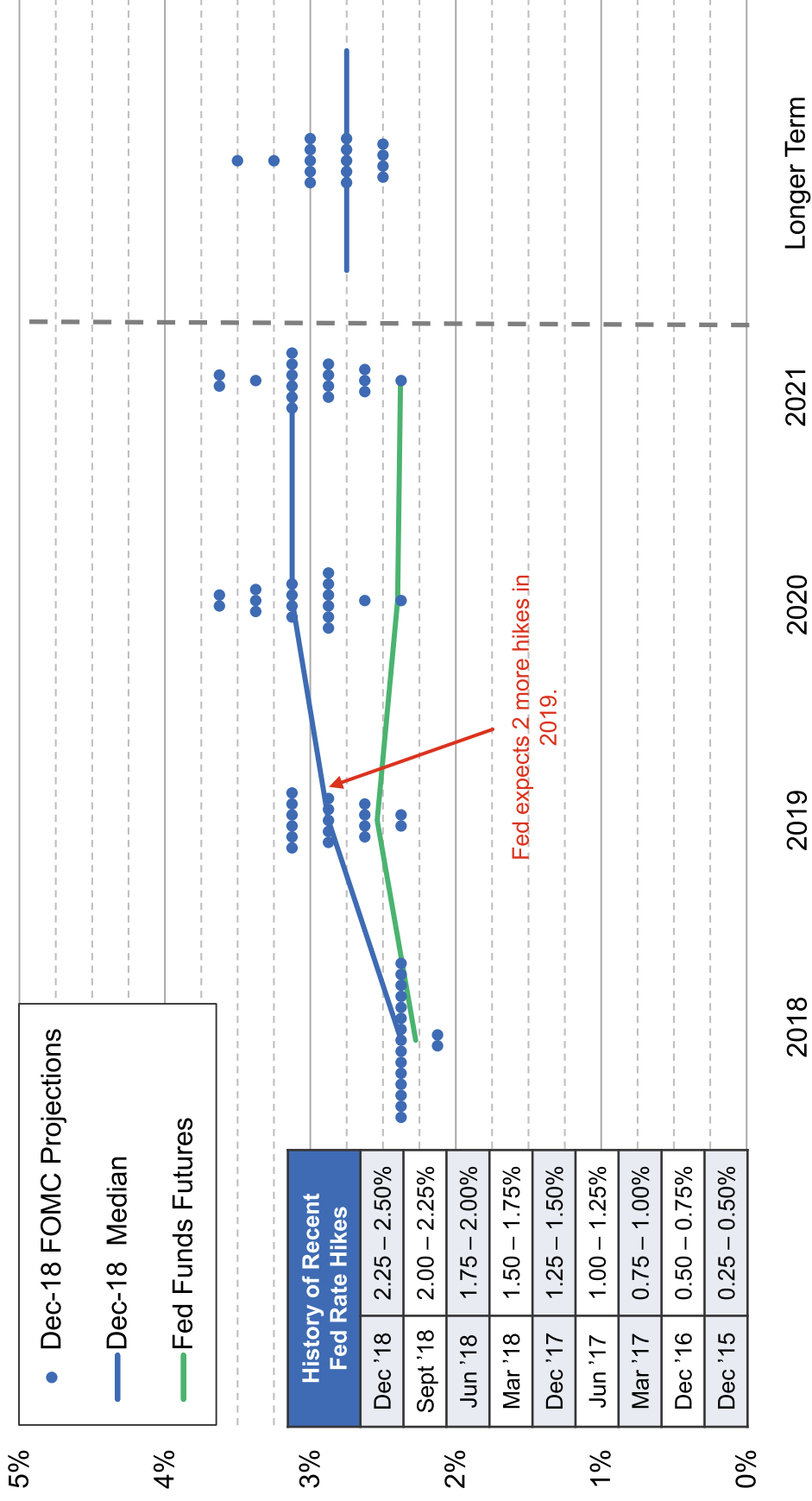
Yield Spread (OAS) of 1-5 Year AAA-A Corporate Index



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

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

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



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

Investment Strategy & Portfolio Review

Sector Allocation and Compliance

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

Security Type	Market Value	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$16,852,639	30.8%	100%	✓
Federal Agency	\$2,739,108	5.0%	100%	✓
Federal Agency CMOs	\$817,444	1.5%	100%	✓
Supranationals	\$3,861,525	7.1%	10%	✓
Negotiable CDs	\$8,635,665	15.8%	30%	✓
Corporate Notes	\$12,799,843	23.4%	30%	✓
Asset-Backed Securities	\$8,760,156	16.0%	20%	✓
Securities Sub-Total	\$54,466,380	99.7%		
Accrued Interest	\$246,130			
Securities Total	\$54,712,510			
Money Market Fund	\$188,580	0.3%	20%	✓
Total Investments	\$54,901,090	100.0%		

Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of June 2018.

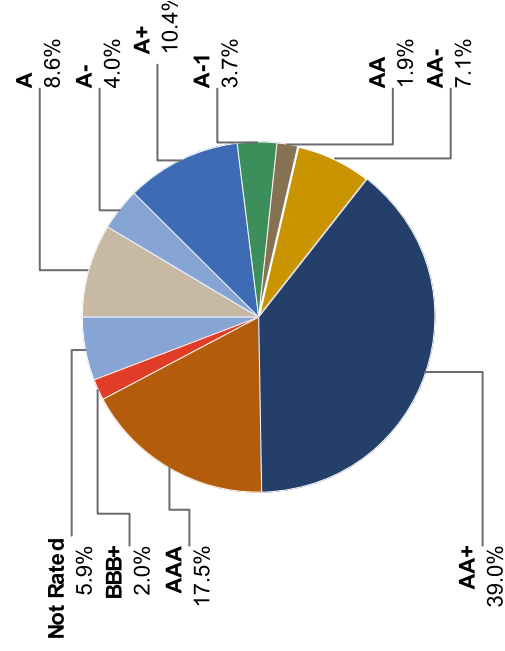
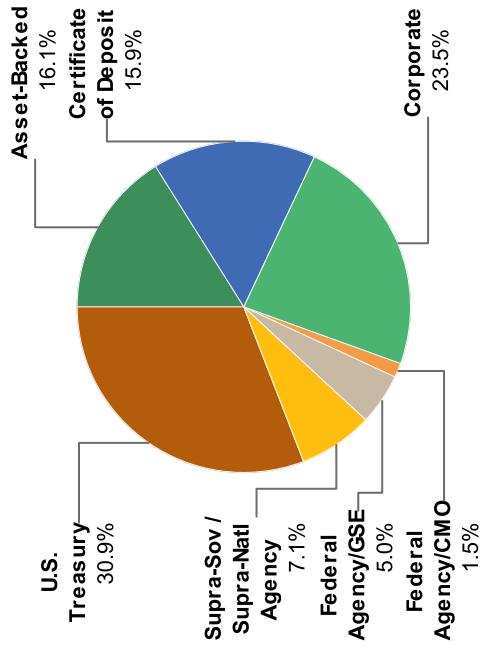
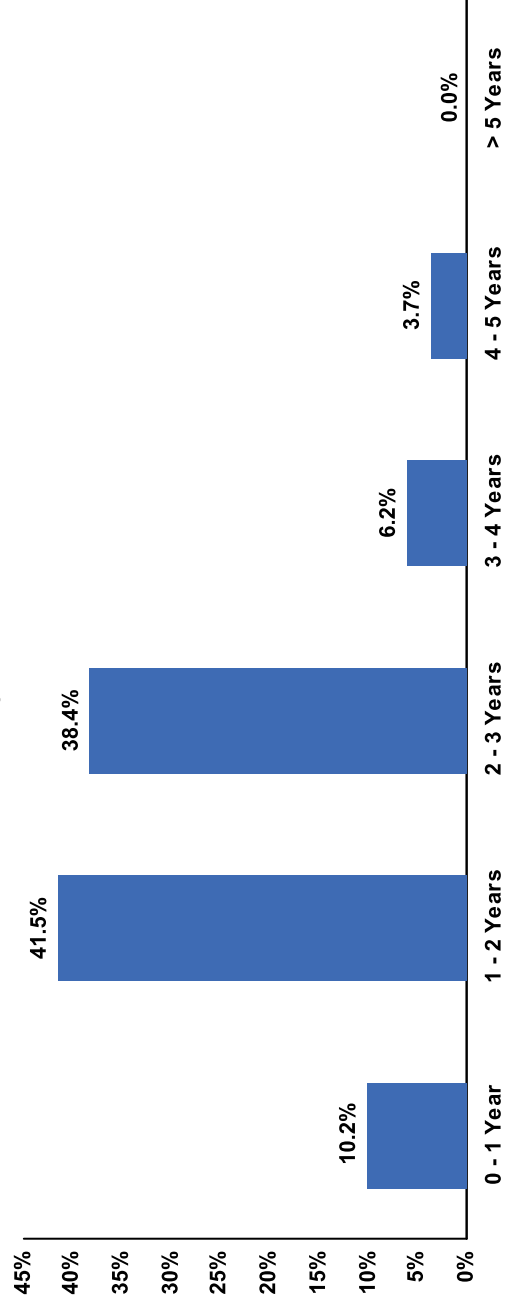
Portfolio Recap

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

Portfolio Statistics

As of December 31, 2018

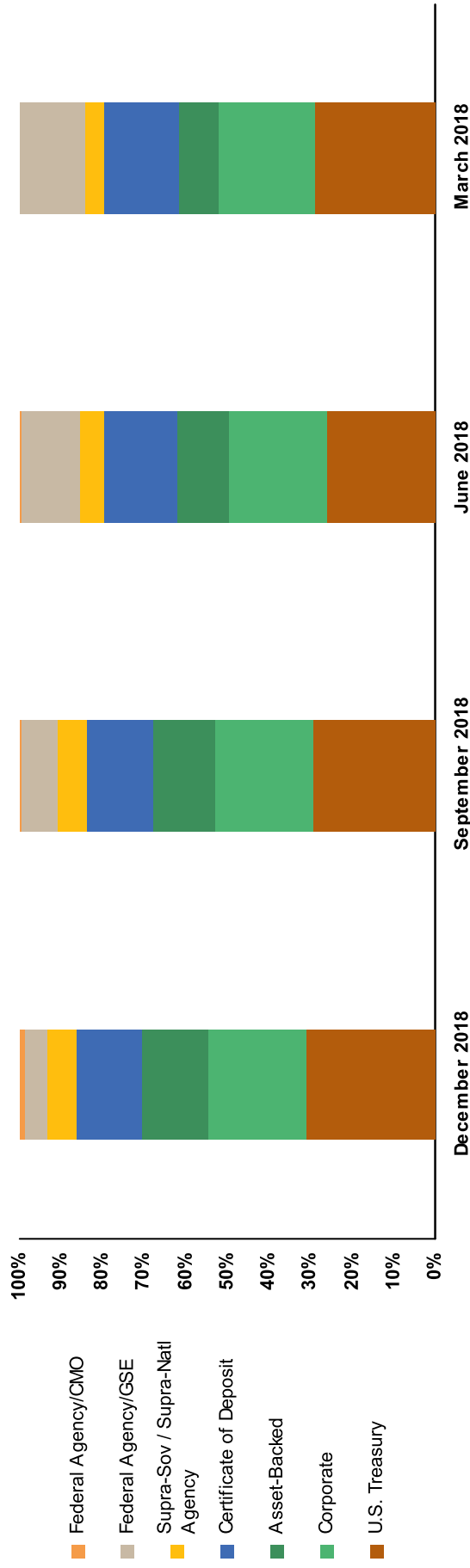
Par Value:	\$54,850,989
Total Market Value:	\$54,901,090
Security Market Value:	\$54,466,380
Accrued Interest:	\$246,130
Cash:	\$188,580
Amortized Cost:	\$54,760,098
Yield at Market:	2.75%
Yield at Cost:	2.30%
Effective Duration:	1.61 Years
Duration to Worst:	1.68 Years
Average Maturity:	2.00 Years
Average Credit: *	AA

Credit Quality (S&P Ratings)**Sector Allocation****Maturity Distribution**

* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio. Securities held in the City's portfolio are in compliance with California Government Code and the City's investment policy dated June 2018.

Sector Allocation

Sector	December 31, 2018		September 30, 2018		June 30, 2018		March 31, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	16.9	30.9%	15.8	29.3%	14.0	26.1%	15.6	29.1%
Corporate	12.8	23.5%	12.7	23.5%	12.6	23.4%	12.2	22.8%
Asset-Backed	8.8	16.1%	8.0	14.9%	6.7	12.4%	5.2	9.8%
Certificate of Deposit	8.6	15.9%	8.6	16.0%	9.5	17.7%	9.6	17.9%
Supra-Sov / Supra-Natl Agency	3.9	7.1%	3.8	7.1%	3.0	5.7%	2.4	4.5%
Federal Agency/GSE	2.7	5.0%	4.6	8.5%	7.5	14.0%	8.5	15.9%
Federal Agency/CMO	0.8	1.5%	0.4	0.7%	0.4	0.7%	0.0	0.0%
Total	\$54.5	100.0%	\$54.0	100.0%	\$53.8	100.0%	\$53.6	100.0%

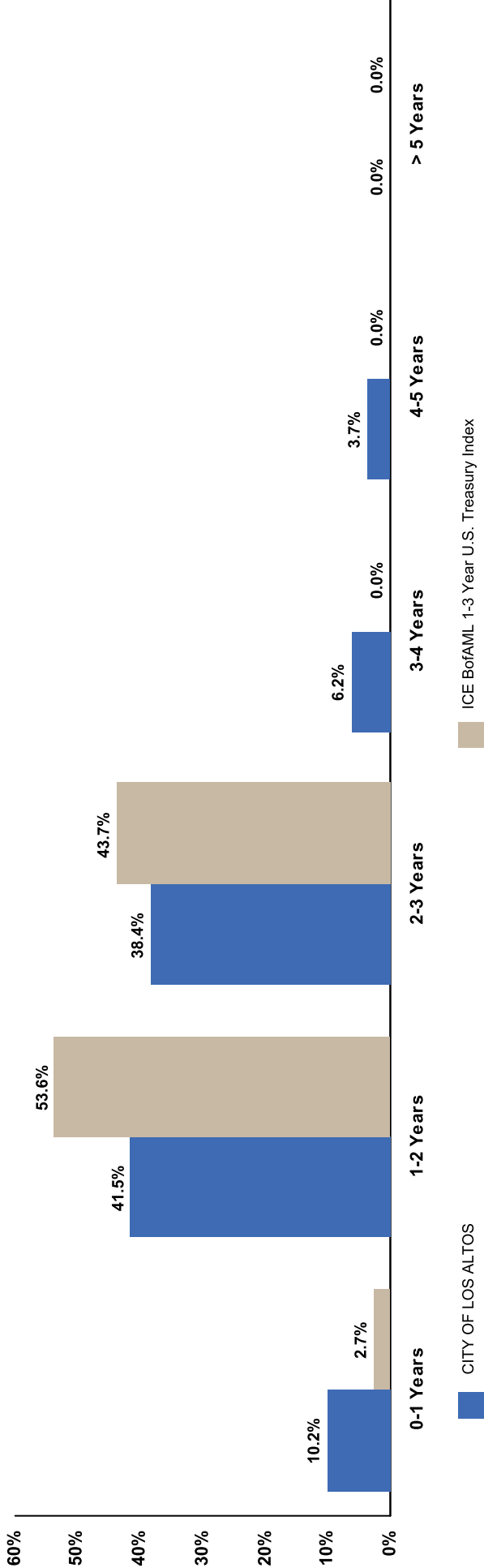


Detail may not add to total due to rounding.

Maturity Distribution

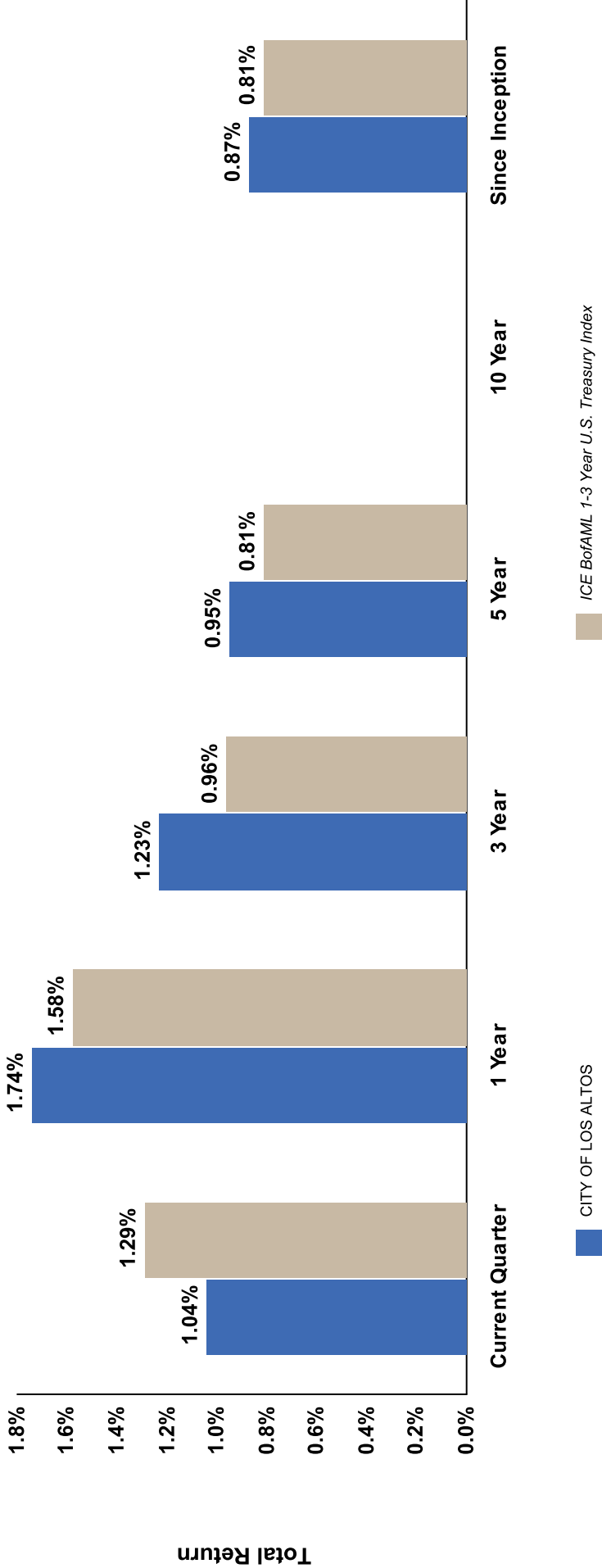
As of December 31, 2018

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF LOS ALTOS	2.75%	2.00 yrs	10.2%	41.5%	38.4%	6.2%	3.7%	0.0%
ICE BofAML 1-3 Year U.S. Treasury Index	2.52%	1.94 yrs	2.7%	53.6%	43.7%	0.0%	0.0%	0.0%



Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (06/30/10) **
			1 Year	3 Year	5 Year	10 Year	
CITY OF LOS ALTOS	1.61	1.04%	1.74%	1.23%	0.95%	-	0.87%
ICE BofAML 1-3 Year U.S. Treasury Index	1.81	1.29%	1.58%	0.96%	0.81%	-	0.81%
Difference		-0.25%	0.16%	0.27%	0.14%	-	0.06%



Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.

Portfolio Earnings

Quarter-Ended December 31, 2018

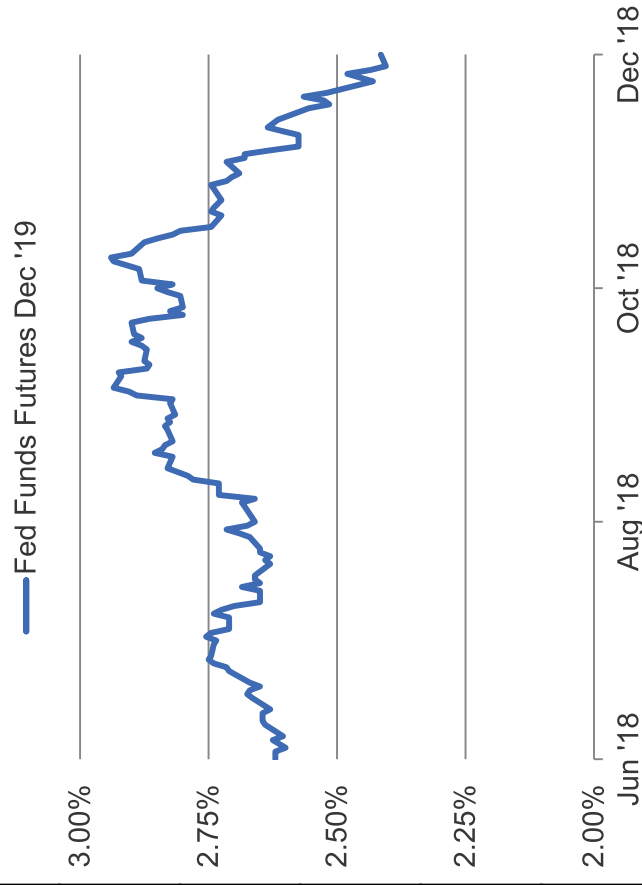
	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (09/30/2018)	\$53,994,722.11	\$54,608,378.45
Net Purchases/Sales	\$199,167.17	\$199,167.17
Change in Value	\$272,490.26	(\$47,447.57)
Ending Value (12/31/2018)	\$54,466,379.54	\$54,760,098.05
Interest Earned	\$293,080.93	\$293,080.93
Portfolio Earnings	\$565,571.19	\$245,633.36

Fed Expectations for 2019 Less Optimistic

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

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

Market Implied Expectations Drop for Fed Funds Rate at Year-End 2019



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

Investment Strategy Outlook

- While the path of future Fed rate hikes is less clear than in recent years, we expect future tightening (additional Fed rate hikes) to be modest. Further, political gridlock adds additional uncertainty. As a result, we will seek to increase portfolio duration to be more in line with (neutral to) the benchmark.
- Our outlooks for the major investment-grade fixed income sectors are as follows:
 - Federal agency spreads (incremental yield) remain very narrow as most maturities offer less than five basis points (0.05%) of incremental yield relative to U.S. Treasuries. We will continue to moderate use of agencies where yield differences are narrow, seeking better relative value in either Treasuries or other sectors. Callable agencies will continue to be evaluated, and, where analyses indicate strong value, we will seek to utilize these securities as portfolio diversifiers.
 - Supranational issuance is expected to increase during the first quarter of 2019. We will seek to take advantage of attractively priced new issues through the first several months of the year.
 - Although it appears that volatility may not dissipate quickly, the significant sell-off in the corporate sector (resulting in wider spreads) presents an opportunity to selectively add to the sector. We prefer high-quality, defensive issuers with a focus on one- to three-year maturities and continue to prefer financials (specifically domestic issuers) and to remain selective in industrial issuers.
 - Allocations to AAA-rated Asset-Backed Securities (ABS) will be maintained. The sector continues to offer attractive incremental income compared to government securities while also serving as a lower volatility credit alternative. Further, as issuance is expected to increase through the beginning of the year, opportunities may arise to add exposure.
 - The MBS sector has underperformed as spreads have widened. While certain structures (namely Collateralized Mortgage-Backed Securities) have been identified as an opportunity to add to the portfolio, our view of the overall sector remains cautious. Elevated volatility and the pace of global economic growth remain headwinds as well as the Fed's continued wind-down of its MBS holdings.
 - Short-term money market investors continue to reap the rewards of current monetary policy as the fed funds effective rate now nears two and a half percent. Short-term negotiable bank certificates of deposit have since normalized following very narrow yield differences at year-end, and once again provide an attractive, high-quality source of incremental income.

Issuer Distribution

Sector/Issuer Distribution

As of December 31, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
ALLY AUTO RECEIVABLES TRUST	780,495	8.9%	1.4%
AMERICAN EXPRESS CO	492,925	5.6%	0.9%
BANK OF AMERICA CO	271,718	3.1%	0.5%
BMW FINANCIAL SERVICES NA LLC	115,544	1.3%	0.2%
CARMAX AUTO OWNER TRUST	564,739	6.4%	1.0%
CITIGROUP INC	471,169	5.4%	0.9%
CNH EQUIPMENT TRUST	55,027	0.6%	0.1%
FORD CREDIT AUTO LEASE TRUST	230,951	2.6%	0.4%
FORD CREDIT AUTO OWNER TRUST	824,952	9.4%	1.5%
GM FINANCIAL AUTO LEASING TRUST	170,243	1.9%	0.3%
GM FINANCIAL SECURITIZED TERM	245,872	2.8%	0.5%
HONDA AUTO RECEIVABLES	646,174	7.4%	1.2%
HYUNDAI AUTO RECEIVABLES	519,831	5.9%	1.0%
JOHN DEERE OWNER TRUST	351,637	4.0%	0.6%
MERCEDES-BENZ AUTO LEASE TRUST	522,136	6.0%	1.0%
MERCEDES-BENZ AUTO RECEIVABLES	350,631	4.0%	0.6%
NISSAN AUTO LEASE TRUST	205,243	2.3%	0.4%
NISSAN AUTO RECEIVABLES	519,479	5.9%	1.0%
TOYOTA MOTOR CORP	1,018,075	11.6%	1.9%
VOLKSWAGEN OF AMERICA	403,314	4.6%	0.7%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	8,760,156	100.0%	16.1%
Certificate of Deposit			
BANK OF MONTREAL	549,359	6.4%	1.0%
BANK OF NOVA SCOTIA	551,608	6.4%	1.0%
CANADIAN IMPERIAL BANK OF COMMERCE	551,022	6.4%	1.0%
CREDIT AGRICOLE SA	550,138	6.4%	1.0%
CREDIT SUISSE GROUP	549,059	6.4%	1.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	546,163	6.3%	1.0%
NORDEA BANK AB	549,666	6.4%	1.0%
ROYAL BANK OF CANADA	700,071	8.1%	1.3%
SKANDINAVISKA ENSKILDA BANKEN AB	1,068,994	12.4%	2.0%
SUMITOMO MITSUI FINANCIAL GROUP INC	977,792	11.3%	1.8%
SWEDBANK AB	539,571	6.2%	1.0%
UBS AG	550,311	6.4%	1.0%
WESTPAC BANKING CORP	951,911	11.0%	1.7%
Sector Total	8,635,665	100.0%	15.9%
Corporate			
3M COMPANY	136,091	1.1%	0.2%
AMERICAN EXPRESS CO	544,016	4.3%	1.0%
AMERICAN HONDA FINANCE	552,961	4.3%	1.0%
APPLE INC	542,882	4.2%	1.0%
BANK OF AMERICA CO	539,265	4.2%	1.0%
BB&T CORPORATION	543,867	4.2%	1.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
CATERPILLAR INC	552,411	4.3%	1.0%
CHARLES SCHWAB	271,318	2.1%	0.5%
CHEVRON CORPORATION	322,109	2.5%	0.6%
CISCO SYSTEMS INC	198,206	1.5%	0.4%
DEERE & COMPANY	699,555	5.5%	1.3%
EXXON MOBIL CORP	269,880	2.1%	0.5%
GENERAL DYNAMICS CORP	330,227	2.6%	0.6%
GOLDMAN SACHS GROUP INC	545,245	4.3%	1.0%
HERSHEY COMPANY	206,815	1.6%	0.4%
HOME DEPOT INC	388,246	3.0%	0.7%
HSBC HOLDINGS PLC	193,031	1.5%	0.4%
IBM CORP	470,386	3.7%	0.9%
INTEL CORPORATION	246,937	1.9%	0.5%
JOHNSON & JOHNSON	113,315	0.9%	0.2%
JP MORGAN CHASE & CO	544,315	4.3%	1.0%
MORGAN STANLEY	538,338	4.2%	1.0%
NATIONAL RURAL UTILITIES CO FINANCE CORP	228,953	1.8%	0.4%
PACCAR FINANCIAL CORP	340,777	2.7%	0.6%
PFIZER INC	342,030	2.7%	0.6%
THE BANK OF NEW YORK MELLON CORPORATION	544,915	4.3%	1.0%
THE WALT DISNEY CORPORATION	581,799	4.5%	1.1%
TOYOTA MOTOR CORP	619,123	4.8%	1.1%
UNILEVER PLC	547,352	4.3%	1.0%
UNITED PARCEL SERVICE INC	314,408	2.5%	0.6%
VISA INC	148,371	1.2%	0.3%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
WAL-MART STORES INC	382,700	3.0%	0.7%
Sector Total	12,799,843	100.0%	23.5%
Federal Agency/CMO			
FANNIE MAE	324,468	39.7%	0.6%
FREDDIE MAC	492,976	60.3%	0.9%
Sector Total	817,444	100.0%	1.5%
Federal Agency/GSE			
FANNIE MAE	1,650,396	60.3%	3.0%
FEDERAL HOME LOAN BANKS	1,088,713	39.7%	2.0%
Sector Total	2,739,108	100.0%	5.0%
Supra-Sov / Supra-Natl Agency			
INTER-AMERICAN DEVELOPMENT BANK	1,155,522	29.9%	2.1%
INTERNATIONAL FINANCE CORPORATION	549,377	14.2%	1.0%
INTL BANK OF RECONSTRUCTION AND DEV	2,156,626	55.8%	4.0%
Sector Total	3,861,525	100.0%	7.1%
U.S. Treasury			
UNITED STATES TREASURY	16,852,639	100.0%	30.9%
Sector Total	16,852,639	100.0%	30.9%

Portfolio Total	54,466,380	100.0%	100.0%
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Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/2/18	10/4/18	625,000	9128284W7	US TREASURY NOTES	2.75%	8/15/21	625,015.92	2.89%	
10/3/18	10/10/18	325,000	02665WCP4	AMERICAN HONDA FINANCE CORP NOTES	3.37%	12/10/21	324,844.00	3.39%	
10/10/18	10/17/18	115,000	05586CAC8	BMWLT 2018-1 A3	3.26%	7/20/21	114,984.02	3.27%	
10/16/18	10/24/18	205,000	65478BAD3	NISSAN AUTO LEASE TRUST	3.25%	9/15/21	204,982.08	3.26%	
10/16/18	10/18/18	550,000	86565BPC9	SUMITOMO MITSUI BANK NY CERT DEPOS	3.39%	10/16/20	549,252.00	3.46%	
10/17/18	10/24/18	210,000	14315EAC4	CARMAX AUTO OWNER TRUST	3.36%	9/15/23	209,998.07	3.36%	
11/2/18	11/6/18	1,075,000	3130AF5B9	FEDERAL HOME LOAN BANKS NOTES	3.00%	10/12/21	1,076,526.50	3.02%	
11/15/18	11/20/18	520,000	58769LAC6	MBALT 2018-B A3	3.21%	9/15/21	519,988.35	3.51%	
11/15/18	11/21/18	400,000	92869BAD4	VALET 2018-2 A3	3.25%	4/20/23	399,983.20	3.25%	
11/26/18	11/28/18	275,000	30231GAJ1	EXXON MOBIL CORP (CALLABLE) NOTE	2.39%	3/6/22	268,152.45	3.38%	
11/27/18	12/6/18	155,000	437076BV3	HOME DEPOT INC	3.25%	3/1/22	154,575.30	3.34%	
12/7/18	12/14/18	225,000	3137FKK70	FHMS KJ23 A1	3.17%	3/1/22	225,256.09	3.05%	
12/7/18	12/17/18	265,000	3137FKK39	FHMS KP05 A	3.20%	7/1/23	265,376.45	3.11%	
12/11/18	12/12/18	1,075,000	9128285F3	UNITED STATES TREASURY NOTES	2.87%	10/15/21	1,082,990.05	2.77%	
Total BUY		6,020,000					6,021,924.48		
INTEREST									
10/1/18	10/1/18	320,000	911312BP0	UNITED PARCEL SERVICE CORPORATE BOND	2.05%	4/1/21	3,280.00		
10/1/18	10/1/18	550,000	06051GGS2	BANK OF AMERICA CORP (CALLABLE)	2.32%	10/1/21	6,402.00		
10/1/18	10/1/18	0	MONEY0002	MONEY MARKET FUND			188.30		
10/1/18	10/25/18	358,758	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	1,102.72		
10/10/18	10/10/18	550,000	22532XHT8	CREDIT AGRICOLE CIB NY FLT CERT DEPOS	2.88%	4/10/20	3,937.58		
10/10/18	10/10/18	550,000	13606BVFO	CANADIAN IMP BK COMM NY FLT CERT DEPOS	2.81%	4/10/20	3,839.19		
10/13/18	10/13/18	150,000	89236TEU5	TOYOTA MOTOR CREDIT CORP NOTES	2.95%	4/13/21	2,212.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/15/18	10/15/18	305,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	424.46		
10/15/18	10/15/18	275,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	460.63		
10/15/18	10/15/18	275,000	34528FAD0	FORDO 2018-A A3	3.03%	11/15/22	694.38		
10/15/18	10/15/18	230,000	34531LAD2	FORDL 2018-B A3	3.19%	12/15/21	489.13		
10/15/18	10/15/18	126,323	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	189.49		
10/15/18	10/15/18	205,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	300.67		
10/15/18	10/15/18	275,000	65478GAD2	NISSAN ABS 2017-B A3	1.75%	10/15/21	401.04		
10/15/18	10/15/18	305,000	02582JHQ6	AMXCA 2018-1 A	2.67%	10/17/22	678.63		
10/15/18	10/15/18	275,000	05522RCW6	BANK OF AMERICA ABS 2017-A1 A1	1.95%	8/15/22	446.88		
10/15/18	10/15/18	350,000	58772RAD6	MBART 2018-1 A3	3.03%	1/15/23	883.75		
10/15/18	10/15/18	250,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	362.50		
10/15/18	10/15/18	190,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	259.67		
10/15/18	10/15/18	75,000	06406FAA1	BANK OF NEW YORK MELLON CORP (CALLABLE)	2.50%	4/15/21	937.50		
10/15/18	10/15/18	145,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	219.92		
10/15/18	10/15/18	130,000	47788CAC6	JDOT 2018-A A3	2.66%	4/15/22	288.17		
10/15/18	10/15/18	375,000	02004VAC7	ALLYA 2018-2 A3	2.92%	11/15/22	912.50		
10/15/18	10/15/18	95,535	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	135.34		
10/15/18	10/15/18	134,465	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	183.77		
10/15/18	10/15/18	35,301	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	45.30		
10/15/18	10/15/18	450,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	660.00		
10/15/18	10/15/18	465,000	89238TAD5	TAOT 2018-B A3	2.96%	9/15/22	1,147.00		
10/15/18	10/15/18	90,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	209.25		
10/15/18	10/15/18	230,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	339.25		
10/15/18	10/15/18	380,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	563.67		
10/15/18	10/15/18	260,000	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/23	678.17		
10/15/18	10/15/18	235,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	517.00		
10/15/18	10/15/18	90,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	133.50		
10/15/18	10/15/18	120,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	173.00		
10/16/18	10/16/18	245,000	36255JAD6	GMCAR 2018-3 A3	3.02%	5/16/23	616.58		
10/17/18	10/17/18	150,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	1,462.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/17/18	10/17/18	325,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	3,168.75		
10/18/18	10/18/18	95,000	43814UAG4	HAROT 2018-2 A3	3.01%	5/18/22	238.29		
10/18/18	10/18/18	140,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	208.83		
10/19/18	10/19/18	615,000	4581X0DB1	INTER-AMERICAN DEVELOPMENT BANK NOTE	2.62%	4/19/21	8,071.88		
10/20/18	10/20/18	170,000	36256GAD1	GMALT 2018-3 A3	3.18%	6/20/21	390.43		
10/21/18	10/21/18	219,698	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	314.90		
10/21/18	10/21/18	1,075,000	3130ACM92	FEDERAL HOME LOAN BANK NOTES	1.50%	10/21/19	8,062.50		
10/21/18	10/21/18	550,000	61746BEA0	MORGAN STANLEY CORP NOTES	2.50%	4/21/21	6,875.00		
10/23/18	10/23/18	350,000	38148LAA4	GOLDMAN SACHS GROUP INC CORP NOTES	2.60%	4/23/20	4,550.00		
10/30/18	10/30/18	450,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	3,825.00		
10/31/18	10/31/18	125,000	912828F62	US TREASURY NOTES	1.50%	10/31/19	937.50		
10/31/18	10/31/18	2,000,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	13,750.00		
11/1/18	11/1/18	0	MONEY0002	MONEY MARKET FUND			173.28		
11/1/18	11/25/18	342,416	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	1,054.38		
11/5/18	11/5/18	425,000	86563YYN0	SUMITOMO MITSUI BANK NY CD	2.05%	5/3/19	4,501.46		
11/9/18	11/9/18	545,000	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	5,790.63		
11/10/18	11/10/18	115,000	478160CH5	JOHNSON & JOHNSON CORP NOTE	1.95%	11/10/20	1,121.25		
11/11/18	11/11/18	220,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	1,980.00		
11/11/18	11/11/18	330,000	369550BA5	GENERAL DYNAMICS CORP	2.87%	5/11/20	4,743.75		
11/11/18	11/11/18	250,000	458140AZ3	INTEL CORP NOTES	1.85%	5/11/20	2,312.50		
11/13/18	11/13/18	155,000	69371RN85	PACCAR FINANCIAL CORP NOTES	2.05%	11/13/20	1,588.75		
11/13/18	11/13/18	330,000	037833DJ6	APPLE INC	2.00%	11/13/20	3,300.00		
11/15/18	11/15/18	89,433	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	126.70		
11/15/18	11/15/18	305,000	02582JHQ6	AMXCA 2018-1 A	2.67%	10/17/22	678.63		
11/15/18	11/15/18	230,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	339.25		
11/15/18	11/15/18	145,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	219.92		
11/15/18	11/15/18	111,090	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	151.82		
11/15/18	11/15/18	210,000	14315EAC4	CARMAX AUTO OWNER TRUST	3.36%	9/15/23	411.60		
11/15/18	11/15/18	90,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	209.25		
11/15/18	11/15/18	250,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	362.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
11/15/18	11/15/18	130,000	47788CAC6	JDOT 2018-A A3	2.66%	4/15/22	288.17		
11/15/18	11/15/18	190,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	259.67		
11/15/18	11/15/18	275,000	05522RCW6	BANK OF AMERICA ABS 2017-A1 A1	1.95%	8/15/22	446.88		
11/15/18	11/15/18	90,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	133.50		
11/15/18	11/15/18	230,000	34531LAD2	FORDL 2018-B A3	3.19%	12/15/21	611.42		
11/15/18	11/15/18	275,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	460.63		
11/15/18	11/15/18	450,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	660.00		
11/15/18	11/15/18	120,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	173.00		
11/15/18	11/15/18	275,000	34528FAD0	FORDO 2018-A A3	3.03%	11/15/22	694.38		
11/15/18	11/15/18	305,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	424.46		
11/15/18	11/15/18	465,000	89238TAD5	TAOT 2018-B A3	2.96%	9/15/22	1,147.00		
11/15/18	11/15/18	205,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	300.67		
11/15/18	11/15/18	260,000	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/23	678.17		
11/15/18	11/15/18	114,928	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	172.39		
11/15/18	11/15/18	235,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	517.00		
11/15/18	11/15/18	375,000	02004VAC7	ALLYA 2018-2 A3	2.92%	11/15/22	912.50		
11/15/18	11/15/18	350,000	58772RAD6	MBART 2018-1 A3	3.03%	1/15/23	883.75		
11/15/18	11/15/18	205,000	65478BAD3	NISSAN AUTO LEASE TRUST	3.25%	9/15/21	388.65		
11/15/18	11/15/18	380,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	563.67		
11/15/18	11/15/18	12,425	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	15.95		
11/15/18	11/15/18	205,000	427866BA5	HERSHEY COMPANY CORP NOTES	3.10%	5/15/21	3,265.76		
11/15/18	11/15/18	275,000	65478GAD2	NISSAN ABS 2017-B A3	1.75%	10/15/21	401.04		
11/16/18	11/16/18	550,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	6,381.22		
11/16/18	11/16/18	245,000	36255JAD6	GMCAR 2018-3 A3	3.02%	5/16/23	616.58		
11/18/18	11/18/18	140,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	208.83		
11/18/18	11/18/18	95,000	43814UAG4	HAROT 2018-2 A3	3.01%	5/18/22	238.29		
11/20/18	11/20/18	115,000	05586CAC8	BMWLT 2018-1 A3	3.26%	7/20/21	343.66		
11/20/18	11/20/18	170,000	36256GAD1	GMALT 2018-3 A3	3.18%	6/20/21	450.50		
11/21/18	11/21/18	270,000	808513AW5	CHARLES SCHWAB CORP NOTES	3.25%	5/21/21	4,363.13		
11/21/18	11/21/18	206,720	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	296.30		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
11/27/18	11/27/18	550,000	459058FS7	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.12%	11/27/19	3,096.50		
11/30/18	11/30/18	565,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	4,590.63		
11/30/18	11/30/18	1,650,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	16,500.00		
11/30/18	11/30/18	725,000	912828XE5	US TREASURY NOTES	1.50%	5/31/20	5,437.50		
11/30/18	11/30/18	2,235,000	912828G61	US TREASURY NOTES	1.50%	11/30/19	16,762.50		
12/1/18	12/25/18	327,837	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	982.50		
12/3/18	12/3/18	0	MONEY0002	MONEY MARKET FUND			205.44		
12/5/18	12/5/18	550,000	06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	3.08%	6/5/20	8,375.89		
12/5/18	12/5/18	500,000	25468PDU7	WALT DISNEY COMPANY CORP NOTES	1.80%	6/5/20	4,500.00		
12/5/18	12/5/18	235,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	2,115.00		
12/7/18	12/7/18	700,000	78012UEE1	ROYAL BANK OF CANADA NY CD	3.24%	6/7/21	11,277.00		
12/10/18	12/10/18	325,000	02665WCP4	AMERICAN HONDA FINANCE CORP NOTES	3.37%	12/10/21	1,828.13		
12/14/18	12/14/18	150,000	92826CAB8	VISA INC (CALLABLE) CORP NOTES	2.20%	12/14/20	1,650.00		
12/15/18	12/15/18	230,000	34531LAD2	FORDL 2018-B A3	3.19%	12/15/21	611.42		
12/15/18	12/15/18	90,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	209.25		
12/15/18	12/15/18	356,290	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	528.50		
12/15/18	12/15/18	103,456	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	155.18		
12/15/18	12/15/18	145,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	219.92		
12/15/18	12/15/18	450,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	660.00		
12/15/18	12/15/18	190,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	259.67		
12/15/18	12/15/18	275,000	05522RCW6	BANK OF AMERICA ABS 2017-A1 A1	1.95%	8/15/22	446.88		
12/15/18	12/15/18	130,000	47788CAC6	JDOT 2018-A A3	2.66%	4/15/22	288.17		
12/15/18	12/15/18	350,000	58772RAD6	MBART 2018-1 A3	3.03%	1/15/23	883.75		
12/15/18	12/15/18	275,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	460.63		
12/15/18	12/15/18	235,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	517.00		
12/15/18	12/15/18	465,000	89238TAD5	TAOT 2018-B A3	2.96%	9/15/22	1,147.00		
12/15/18	12/15/18	305,000	02582JHQ6	AMXCA 2018-1 A	2.67%	10/17/22	678.63		
12/15/18	12/15/18	80,196	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	109.60		
12/15/18	12/15/18	520,000	58769LAC6	MBALT 2018-B A3	3.21%	9/15/21	1,159.17		
12/15/18	12/15/18	250,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	362.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
12/15/18	12/15/18	260,000	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/23	678.17		
12/15/18	12/15/18	210,000	14315EAC4	CARMAX AUTO OWNER TRUST	3.36%	9/15/23	588.00		
12/15/18	12/15/18	300,721	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	418.50		
12/15/18	12/15/18	205,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	300.67		
12/15/18	12/15/18	85,779	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	127.24		
12/15/18	12/15/18	275,000	34528FAD0	FORDO 2018-A A3	3.03%	11/15/22	694.38		
12/15/18	12/15/18	230,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	339.25		
12/15/18	12/15/18	205,000	65478BAD3	NISSAN AUTO LEASE TRUST	3.25%	9/15/21	555.21		
12/15/18	12/15/18	375,000	02004VAC7	ALLYA 2018-2 A3	2.92%	11/15/22	912.50		
12/15/18	12/15/18	82,820	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	117.33		
12/15/18	12/15/18	275,000	65478GAD2	NISSAN ABS 2017-B A3	1.75%	10/15/21	401.04		
12/15/18	12/15/18	116,452	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	167.88		
12/16/18	12/16/18	245,000	36255JAD6	GMCAR 2018-3 A3	3.02%	5/16/23	616.58		
12/18/18	12/18/18	95,000	43814UAG4	HAROT 2018-2 A3	3.01%	5/18/22	238.29		
12/18/18	12/18/18	140,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	208.83		
12/20/18	12/20/18	115,000	05586CAC8	BMWLT 2018-1 A3	3.26%	7/20/21	312.42		
12/20/18	12/20/18	400,000	92869BAD4	VALET 2018-2 A3	3.25%	4/20/23	1,047.22		
12/20/18	12/20/18	170,000	36256GAD1	GMALT 2018-3 A3	3.18%	6/20/21	450.50		
12/21/18	12/21/18	193,378	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	277.18		
12/22/18	12/22/18	100,000	24422ETS8	JOHN DEERE CAPITAL CORP NOTES	1.95%	6/22/20	975.00		
12/23/18	12/23/18	380,000	931142EJ8	WAL-MART STORES INC CORP NOTES	3.12%	6/23/21	5,805.56		
12/29/18	12/29/18	450,000	05531FAU7	BRANCH BANKING & TRUST (CALLABLE) CORP	2.62%	6/29/20	5,906.25		
12/31/18	12/31/18	975,000	912828WR7	US TREASURY NOTES	2.12%	6/30/21	10,359.38		
12/31/18	12/31/18	800,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	7,000.00		
12/31/18	12/31/18	2,200,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	17,875.00		
Total INTEREST		48,564,021					283,922.60		
PAYDOWNS									

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/1/18	10/25/18	16,342	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	16,342.33		0.00
10/15/18	10/15/18	23,375	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	23,375.44		0.00
10/15/18	10/15/18	6,103	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	6,102.86		0.00
10/15/18	10/15/18	11,396	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	11,395.94		0.00
10/15/18	10/15/18	22,876	14314JAB6	CARMX ABS 2017-1 A2	1.54%	2/15/20	22,876.35		0.00
10/21/18	10/21/18	12,978	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	12,978.20		0.00
11/1/18	11/25/18	14,579	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	14,578.88		0.00
11/15/18	11/15/18	3,548	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	3,548.11		0.00
11/15/18	11/15/18	30,894	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	30,893.72		0.00
11/15/18	11/15/18	6,613	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	6,612.74		0.00
11/15/18	11/15/18	23,710	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	23,710.30		0.00
11/15/18	11/15/18	11,471	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	11,471.49		0.00
11/15/18	11/15/18	12,425	14314JAB6	CARMX ABS 2017-1 A2	1.54%	2/15/20	12,424.97		0.00
11/15/18	11/15/18	4,221	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	4,221.44		0.00
11/15/18	11/15/18	4,279	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	4,279.05		0.00
11/21/18	11/21/18	13,342	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	13,341.67		0.00
12/1/18	12/25/18	6,973	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	6,973.10		0.00
12/15/18	12/15/18	8,570	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	8,569.53		0.00
12/15/18	12/15/18	25,114	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	25,113.60		0.00
12/15/18	12/15/18	5,891	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	5,890.80		0.00
12/15/18	12/15/18	24,020	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	24,019.84		0.00
12/15/18	12/15/18	10,758	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	10,757.99		0.00
12/15/18	12/15/18	6,515	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	6,515.49		0.00
12/15/18	12/15/18	20,466	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	20,466.36		0.00
12/21/18	12/21/18	12,633	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	12,632.89		0.00
Total PAYDOWNS		339,093					339,093.09		0.00
SELL									

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/2/18	10/4/18	150,000	438516BQ8	HONEYWELL INTERNATIONAL CORP NOTES	1.80%	10/30/19	149,670.00	2.74%	(1,421.76)
10/2/18	10/4/18	215,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	212,301.09	2.60%	(2,922.26)
10/2/18	10/4/18	215,000	594918BV5	MICROSOFT CORP NOTES	1.85%	2/6/20	213,078.02	2.76%	(2,497.54)
10/3/18	10/10/18	325,000	02665WBZ3	AMERICAN HONDA FINANCE	2.00%	11/13/19	324,452.92	2.92%	(3,100.47)
10/16/18	10/18/18	550,000	86563YVN0	SUMITOMO MITSUI BANK NY CD	2.05%	5/3/19	552,922.94	2.74%	(2,338.73)
10/17/18	10/22/18	450,000	17305EGA7	CITIBANK ABS 2017-A2 A2	1.74%	1/19/21	451,204.92	1.90%	(861.33)
11/2/18	11/6/18	100,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	98,620.11	2.71%	(1,480.45)
11/2/18	11/6/18	900,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	889,667.00	2.68%	(11,647.70)
11/15/18	11/20/18	125,000	912828F62	US TREASURY NOTES	1.50%	10/31/19	123,672.93	2.73%	(1,401.11)
11/15/18	11/20/18	725,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	715,821.50	2.70%	(10,192.87)
11/26/18	11/28/18	125,000	912828G61	US TREASURY NOTES	1.50%	11/30/19	124,384.28	2.75%	(1,609.70)
11/28/18	12/5/18	100,000	912828G61	US TREASURY NOTES	1.50%	11/30/19	98,797.94	2.77%	(1,275.03)
12/6/18	12/10/18	1,075,000	3130ACM92	FEDERAL HOME LOAN BANK NOTES	1.50%	10/21/19	1,066,283.54	2.70%	(10,090.72)
12/7/18	12/14/18	375,000	912828G61	US TREASURY NOTES	1.50%	11/30/19	370,836.47	2.74%	(4,571.37)
12/17/18	12/17/18	100,000	912828G61	US TREASURY NOTES	1.50%	11/30/19	98,937.24	2.71%	(1,183.44)
Total SELL		5,530,000					5,490,650.90		-56,594.48

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	1,660,000.00	AA+	Aaa	12/1/2016	12/5/2016	1,662,593.75	1.45	2,189.01	1,660,804.22	1,642,882.08
US TREASURY NOTES DTD 02/02/2015 1.250% 01/31/2020	912828H52	1,110,000.00	AA+	Aaa	1/3/2017	1/5/2017	1,101,154.69	1.52	5,806.39	1,106,839.54	1,093,957.17
US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020	912828J50	50,000.00	AA+	Aaa	2/1/2017	2/3/2017	49,697.27	1.58	233.60	49,883.94	49,300.80
US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020	912828J50	275,000.00	AA+	Aaa	8/31/2017	9/1/2017	274,989.26	1.38	1,284.79	274,994.98	271,154.40
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	2,000,000.00	AA+	Aaa	7/13/2017	7/13/2017	1,992,109.38	1.52	4,709.94	1,996,219.60	1,969,218.00
US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	725,000.00	AA+	Aaa	10/4/2017	10/5/2017	723,442.38	1.58	956.04	724,165.45	714,351.20
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	2,200,000.00	AA+	Aaa	6/26/2017	6/28/2017	2,207,906.25	1.50	98.76	2,203,983.39	2,170,264.80
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	950,000.00	AA+	Aaa	7/5/2017	7/7/2017	950,593.75	1.60	6,460.26	950,311.68	936,529.00
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	565,000.00	AA+	Aaa	11/1/2017	11/3/2017	562,550.19	1.77	807.14	563,462.35	555,686.54
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	800,000.00	AA+	Aaa	12/1/2017	12/5/2017	796,187.50	1.91	38.67	797,497.69	788,593.60
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	1,500,000.00	AA+	Aaa	1/2/2018	1/4/2018	1,470,000.00	2.05	8,631.11	1,479,484.86	1,465,605.00
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	1,650,000.00	AA+	Aaa	6/4/2018	6/6/2018	1,620,673.83	2.62	2,901.10	1,626,123.51	1,631,694.90
US TREASURY NOTES DTD 06/30/2014 2.125% 06/30/2021	912828WR7	975,000.00	AA+	Aaa	7/3/2018	7/6/2018	960,070.31	2.66	57.23	962,426.68	966,926.03
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	625,000.00	AA+	Aaa	10/2/2018	10/4/2018	622,680.66	2.89	6,492.02	622,876.66	629,223.75
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	875,000.00	AA+	Aaa	9/5/2018	9/7/2018	875,717.77	2.72	9,088.82	875,648.80	880,913.25

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
UNITED STATES TREASURY NOTES DTD 10/15/2018 2.875% 10/15/2021	9128285F3	1,075,000.00	AA+	Aaa	12/11/2018	12/12/2018	1,078,065.43	2.77	5,293.34	1,078,010.32	1,086,338.03
Security Type Sub-Total		17,035,000.00					16,948,432.42	1.95	55,048.22	16,972,733.67	16,852,638.55
Supra-National Agency Bond / Note											
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 10/27/2016 1.125% 11/27/2019	459058FS7	550,000.00	AAA	Aaa	8/28/2017	8/30/2017	545,308.50	1.51	584.38	548,087.49	542,834.60
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 08/29/2017 1.625% 09/04/2020	459058GA5	275,000.00	AAA	Aaa	8/22/2017	8/29/2017	274,942.25	1.63	1,452.34	274,967.43	270,615.95
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	550,000.00	AAA	Aaa	9/12/2017	9/19/2017	548,680.00	1.64	2,599.50	549,240.30	539,921.80
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	545,000.00	AAA	Aaa	10/2/2017	10/10/2017	550,051.66	1.81	1,672.85	548,077.83	539,913.52
INTERNATIONAL FINANCE CORPORATION NOTE DTD 03/16/2018 2.635% 03/09/2021	45950VLQ7	550,000.00	AAA	Aaa	3/9/2018	3/16/2018	549,587.50	2.66	4,508.78	549,692.70	549,376.85
INTER-AMERICAN DEVELOPMENT BANK NOTE DTD 04/19/2018 2.625% 04/19/2021	4581X0DB1	615,000.00	AAA	Aaa	4/12/2018	4/19/2018	613,647.00	2.70	3,228.75	613,953.38	615,608.85
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 07/25/2018 2.750% 07/23/2021	459058GH0	800,000.00	AAA	Aaa	7/18/2018	7/25/2018	798,128.00	2.83	9,533.33	798,388.85	803,253.60
Security Type Sub-Total		3,885,000.00					3,880,344.91	2.21	23,579.93	3,882,407.98	3,861,525.17
Federal Agency Collateralized Mortgage Obligation											

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Collateralized Mortgage Obligation											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	320,864.12	AA+	Aaa	4/11/2018	4/30/2018	327,246.42	2.27	951.90	326,035.31	324,468.03
FHMS KJ23 A1 DTD 12/01/2018 3.174% 03/01/2022	3137FKK70	225,000.00	AA+	Aaa	12/7/2018	12/14/2018	224,998.20	3.05	595.13	224,998.20	226,402.74
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	265,000.00	AA+	Aaa	12/7/2018	12/17/2018	264,999.21	3.11	707.33	265,000.00	266,573.46
Security Type Sub-Total		810,864.12					817,243.83	2.76	2,254.36	816,033.51	817,444.23
Federal Agency Bond / Note											
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	600,000.00	AA+	Aaa	2/24/2017	2/28/2017	599,616.00	1.52	3,075.00	599,849.71	593,170.80
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	1,075,000.00	AA+	Aaa	8/31/2017	9/1/2017	1,075,279.50	1.49	6,763.54	1,075,155.27	1,057,224.88
FEDERAL HOME LOAN BANKS NOTES DTD 10/12/2018 3.000% 10/12/2021	3130AF5B9	1,075,000.00	AA+	Aaa	11/2/2018	11/6/2018	1,074,376.50	3.02	7,077.08	1,074,411.99	1,088,712.70
Security Type Sub-Total		2,750,000.00					2,749,272.00	2.11	16,915.62	2,749,416.97	2,739,108.38
Corporate Note											
GOLDMAN SACHS GROUP INC CORP NOTE DTD 07/24/2017 1.950% 07/23/2019	38141GWP5	200,000.00	BBB+	A3	7/19/2017	7/24/2017	199,976.00	1.96	1,711.67	199,993.15	198,668.80
IBM CREDIT CORP NOTE DTD 09/08/2017 1.625% 09/06/2019	44932HAA1	475,000.00	A	A1	9/5/2017	9/8/2017	474,639.00	1.66	2,465.71	474,875.50	470,385.85
CISCO SYSTEMS INC CORP NOTES DTD 09/20/2016 1.400% 09/20/2019	17275RBG6	200,000.00	AA-	A1	9/20/2016	9/23/2016	200,216.00	1.36	785.56	200,052.74	198,205.80
AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 10/31/2016 1.700% 10/30/2019	0258M0EC9	450,000.00	A-	A2	1/31/2017	2/3/2017	446,580.00	1.99	1,296.25	448,946.47	445,039.65

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020	46625HKA7	500,000.00	A-	A2	6/15/2017	6/20/2017	501,885.00	2.10	4,937.50	500,750.53	495,020.00
BNY MELLON (CALLABLE) CORP NOTE DTD 02/24/2015 2.150% 02/24/2020	06406HCZ0	475,000.00	A	A1	3/29/2017	3/30/2017	476,695.75	2.02	3,602.74	475,655.26	470,838.05
CHEVRON CORP NOTES DTD 03/03/2017 1.991% 03/03/2020	166764BP4	325,000.00	AA	Aa2	2/28/2017	3/3/2017	325,000.00	1.99	2,120.97	325,000.00	322,108.80
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	90,000.00	A+	A2	3/1/2017	3/6/2017	89,976.60	1.96	570.38	89,990.64	89,128.62
HSBC USA INC NOTES DTD 03/05/2015 2.350% 03/05/2020	40428HPR7	195,000.00	A	A2	3/27/2018	3/29/2018	192,515.70	3.03	1,476.58	193,471.73	193,031.28
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	150,000.00	AA-	Aa3	4/12/2017	4/17/2017	150,045.00	1.94	601.25	150,019.73	148,137.00
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	325,000.00	AA-	Aa3	4/11/2017	4/17/2017	324,850.50	1.97	1,302.71	324,934.44	320,963.50
GOLDMAN SACHS GROUP INC CORP NOTES DTD 01/23/2015 2.600% 04/23/2020	38148LAA4	350,000.00	BBB+	A3	11/1/2017	11/3/2017	352,639.00	2.28	1,718.89	351,418.02	346,576.65
INTEL CORP NOTES DTD 05/11/2017 1.850% 05/11/2020	45814OAZ3	250,000.00	A+	A1	5/8/2017	5/11/2017	249,905.00	1.86	642.36	249,956.26	246,936.50
GENERAL DYNAMICS CORP DTD 05/11/2018 2.875% 05/11/2020	369550BA5	330,000.00	A+	A2	5/8/2018	5/11/2018	328,831.80	3.06	1,317.71	329,197.73	330,226.71
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	220,000.00	AA+	Aa1	5/4/2017	5/11/2017	219,775.60	1.84	550.00	219,896.70	217,228.66
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	235,000.00	A	A2	5/24/2017	6/5/2017	234,863.70	1.82	305.50	234,934.22	231,637.39
WALT DISNEY COMPANY CORP NOTES DTD 06/06/2017 1.800% 06/05/2020	25468PDU7	500,000.00	A+	A2	6/1/2017	6/6/2017	499,420.00	1.84	650.00	499,719.74	492,670.50

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
JOHN DEERE CAPITAL CORP NOTES DTD 06/22/2017 1.950% 06/22/2020	24422ETS8	100,000.00	A	A2	6/19/2017	6/22/2017	99,939.00	1.97	48.75	99,969.56	98,440.10
BRANCH BANKING & TRUST (CALLABLE) CORP DTD 06/29/2015 2.625% 06/29/2020	05531FAU7	450,000.00	A-	A2	3/17/2017	3/22/2017	454,144.50	2.33	65.63	451,879.64	445,971.60
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	230,000.00	A+	A2	7/17/2017	7/20/2017	229,767.70	1.98	2,005.79	229,878.06	226,364.39
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	410,000.00	A	A3	9/5/2017	9/7/2017	409,655.60	1.88	2,465.13	409,804.70	402,015.25
AMERICAN EXP (CALLABLE) CREDIT CORP NOTE DTD 09/14/2015 2.600% 09/14/2020	0258M0DX4	100,000.00	A-	A2	3/5/2018	3/7/2018	99,144.00	2.95	772.78	99,415.11	98,976.60
JOHNSON & JOHNSON CORP NOTE DTD 11/10/2017 1.950% 11/10/2020	478160CH5	115,000.00	AAA	Aaa	11/8/2017	11/10/2017	114,876.95	1.99	317.69	114,922.94	113,315.37
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	155,000.00	A+	A1	11/6/2017	11/13/2017	154,986.05	2.05	423.67	154,991.22	152,497.99
APPLE INC DTD 11/13/2017 2.000% 11/13/2020	037833DJ6	330,000.00	AA+	Aa1	11/6/2017	11/13/2017	329,722.80	2.03	880.00	329,825.60	325,652.91
VISA INC (CALLABLE) CORP NOTES DTD 12/14/2015 2.200% 12/14/2020	92826CAB8	150,000.00	AA-	A1	8/25/2017	8/30/2017	151,650.00	1.85	155.83	150,975.47	148,370.55
JOHN DEERE CAPITAL CORP NOTES DTD 01/08/2018 2.350% 01/08/2021	24422ETZ2	205,000.00	A	A2	1/3/2018	1/8/2018	204,893.40	2.37	2,315.08	204,927.42	202,189.66
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	100,000.00	A-	A2	11/16/2017	11/20/2017	99,480.00	2.32	895.83	99,656.35	97,895.60
PACCAR FINANCIAL CORP NOTES DTD 02/27/2018 2.800% 03/01/2021	69371RN93	190,000.00	A+	A1	2/22/2018	2/27/2018	189,906.90	2.82	1,773.33	189,931.95	188,279.36
JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 03/01/2016 2.550% 03/01/2021	46625HQJ2	50,000.00	A-	A2	3/5/2018	3/7/2018	49,349.50	3.01	425.00	49,522.14	49,295.00

Managed Account Detail of Securities Held

Security Type/Description	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	400,000.00	A	A2	3/8/2018	3/13/2018	399,728.00	2.90	3,481.94	399,798.23	398,925.60
NATIONAL RURAL UTIL COOP DTD 02/26/2018 2.900% 03/15/2021	63743HER9	230,000.00	A	A2	2/21/2018	2/26/2018	229,744.70	2.94	1,963.94	229,811.69	228,952.81
UNILEVER CAPITAL CORP NOTES DTD 03/22/2018 2.750% 03/22/2021	904764AZ0	550,000.00	A+	A1	3/19/2018	3/22/2018	547,189.50	2.93	4,159.38	547,893.05	547,352.30
UNITED PARCEL SERVICE CORPORATE BOND DTD 11/14/2017 2.050% 04/01/2021	911312BP0	320,000.00	A+	A1	11/9/2017	11/14/2017	319,494.40	2.10	1,640.00	319,657.55	314,408.32
TOYOTA MOTOR CREDIT CORP NOTES DTD 04/13/2018 2.950% 04/13/2021	89236TEU5	150,000.00	AA-	Aa3	4/10/2018	4/13/2018	149,940.00	2.96	958.75	149,953.87	150,022.50
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021	06406FAA1	75,000.00	A	A1	2/14/2018	2/16/2018	74,024.25	2.93	395.83	74,286.54	74,076.45
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	550,000.00	BBB+	A3	2/13/2018	2/15/2018	540,760.00	3.06	2,673.61	543,230.85	538,337.80
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	205,000.00	A	A1	5/3/2018	5/10/2018	204,858.55	3.12	812.03	204,888.15	206,814.87
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	270,000.00	A	A2	5/17/2018	5/22/2018	269,991.90	3.25	975.00	269,993.33	271,317.60
WAL-MART STORES INC CORP NOTES DTD 06/27/2018 3.125% 06/23/2021	931142EJ8	380,000.00	AA	Aa2	6/20/2018	6/27/2018	379,981.00	3.13	263.89	379,983.30	382,699.90
CATERPILLAR FINANCIAL SERVICES CORP CORP DTD 09/07/2018 3.150% 09/07/2021	14913Q2N8	150,000.00	A	A3	9/4/2018	9/7/2018	149,884.50	3.18	1,496.25	149,896.22	150,395.25
3M COMPANY DTD 09/14/2018 3.000% 09/14/2021	88579YBA8	135,000.00	AA-	A1	9/11/2018	9/14/2018	134,723.25	3.07	1,203.75	134,749.63	136,091.07
PFIZER INC CORP NOTE DTD 09/07/2018 3.000% 09/15/2021	717081EM1	340,000.00	AA	A1	9/4/2018	9/7/2018	339,541.00	3.05	3,230.00	339,588.19	342,030.48

Managed Account Detail of Securities Held

Security Type/Description	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	550,000.00	A-	A3	11/27/2017	11/29/2017	547,409.50	2.46	3,201.00	548,126.48	539,264.55
AMERICAN HONDA FINANCE CORP NOTES DTD 10/10/2018 3.375% 12/10/2021	02665WCP4	325,000.00	A+	A2	10/3/2018	10/10/2018	324,844.00	3.39	639.84	324,845.07	326,596.73
HOME DEPOT INC DTD 12/06/2018 3.250% 03/01/2022	437076BV3	155,000.00	A	A2	11/27/2018	12/6/2018	154,575.30	3.34	349.83	154,582.56	156,608.90
EXXON MOBIL CORP (CALLABLE) NOTE DTD 03/06/2015 2.397% 03/06/2022	30231GAJ1	275,000.00	AA+	Aaa	11/26/2018	11/28/2018	266,651.00	3.38	2,105.70	266,875.42	269,879.50
Security Type Sub-Total		12,915,000.00					12,888,671.90	2.43	68,151.03	12,892,673.15	12,799,842.77
Certificate of Deposit											
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVN0	425,000.00	A-1	P-1	5/3/2017	5/4/2017	425,000.00	2.05	1,379.48	425,000.00	423,999.13
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	1,075,000.00	A-1	P-1	8/3/2017	8/4/2017	1,074,580.75	1.85	8,351.56	1,074,877.33	1,068,993.98
MUFG BANK LTD/NY CERT DEPOS DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	550,000.00	A-1	P-1	9/25/2017	9/27/2017	550,000.00	2.07	3,099.25	550,000.00	546,162.65
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	550,000.00	A	A1	2/7/2018	2/8/2018	550,000.00	2.67	13,175.71	550,000.00	549,058.95
NORDEA BANK AB NY CD DTD 02/22/2018 2.720% 02/20/2020	65590ASN7	550,000.00	AA-	Aa3	2/20/2018	2/22/2018	550,000.00	2.72	5,443.78	550,000.00	549,665.60
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	550,000.00	A+	Aa2	3/2/2018	3/6/2018	550,000.00	2.93	5,272.36	550,000.00	550,311.30
CANADIAN IMP BK COMM NY FLT CERT DEPOS DTD 04/10/2018 2.814% 04/10/2020	13606BVF0	550,000.00	A+	Aa2	4/6/2018	4/10/2018	550,000.00	2.78	3,568.63	550,000.00	551,021.90

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
CREDIT AGRICOLE CIB NY FLT CERT DEPOS DTD 04/10/2018 2.884% 04/10/2020	22532XHT8	550,000.00	A+	A1	4/6/2018	4/10/2018	550,000.00	2.85	3,657.39	550,000.00	550,137.50
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	550,000.00	A+	Aa2	6/5/2018	6/7/2018	549,791.00	3.10	1,223.44	549,848.62	551,608.20
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	965,000.00	AA-	Aa3	8/3/2017	8/7/2017	965,000.00	2.05	7,913.00	965,000.00	951,910.74
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	550,000.00	A+	Aa2	8/1/2018	8/3/2018	550,000.00	3.23	7,359.15	550,000.00	549,359.25
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 10/18/2018 3.390% 10/16/2020	86565BPC9	550,000.00	A	A1	10/16/2018	10/18/2018	549,252.00	3.46	3,780.79	549,325.84	553,793.35
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	550,000.00	AA-	Aa2	11/16/2017	11/17/2017	550,000.00	2.30	1,595.31	550,000.00	539,570.90
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	700,000.00	AA-	Aa2	6/7/2018	6/8/2018	700,000.00	3.24	1,512.00	700,000.00	700,071.40
Security Type Sub-Total		8,665,000.00					8,663,623.75	2.61	67,331.85	8,664,051.79	8,635,664.85
Asset-Backed Security / Collateralized Mortgage Obligation											
CNH 2017-A A2 DTD 03/22/2017 1.640% 07/15/2020	12636WAB2	55,082.48	AAA	NR	3/15/2017	3/22/2017	55,080.36	1.80	40.15	55,081.40	55,027.00
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	107,882.36	AAA	Aaa	3/7/2017	3/15/2017	107,869.67	1.74	82.95	107,875.32	107,113.64
JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	79,263.07	NR	Aaa	2/22/2017	3/2/2017	79,251.78	1.79	62.71	79,255.41	78,696.73
CARMX 2017-4 A2A DTD 10/25/2017 1.800% 04/15/2021	14314RAH5	92,698.02	AAA	NR	10/17/2017	10/25/2017	92,691.22	1.79	74.16	92,693.45	92,306.29

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security / Collateralized Mortgage Obligation											
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	280,254.59	NR	Aaa	1/18/2017	1/25/2017	280,253.56	1.67	208.01	280,254.10	278,059.58
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	76,928.96	NR	Aaa	1/24/2017	1/31/2017	76,922.23	1.70	58.12	76,925.35	76,396.97
GMALT 2018-3 A3 DTD 09/26/2018 3.180% 06/20/2021	36256GAD1	170,000.00	AAA	Aaa	9/18/2018	9/26/2018	169,986.57	3.19	165.18	169,987.83	170,242.96
TOYOTA ABS 2017-B A3 DTD 05/17/2017 1.760% 07/15/2021	89190BAD0	450,000.00	AAA	Aaa	5/9/2017	5/17/2017	449,965.49	1.76	352.00	449,978.57	445,848.66
BMWLT 2018-1 A3 DTD 10/17/2018 3.260% 07/20/2021	05586CAC8	115,000.00	AAA	Aaa	10/10/2018	10/17/2018	114,984.02	3.27	114.55	114,985.23	115,543.80
HONDA ABS 2017-1 A3 DTD 03/28/2017 1.720% 07/12/2021	43814TAC6	180,745.20	NR	Aaa	3/21/2017	3/28/2017	180,734.44	1.72	86.36	180,737.17	179,191.23
NISSAN ABS 2017-A A3 DTD 03/28/2017 1.740% 08/15/2021	654747AD6	250,000.00	NR	Aaa	3/21/2017	3/28/2017	249,973.53	1.74	193.33	249,981.83	247,674.20
HYUNDAI ABS 2017-A A3 DTD 03/29/2017 1.760% 08/15/2021	44931PAD8	205,000.00	AAA	NR	3/22/2017	3/29/2017	204,983.42	1.76	160.36	204,984.88	202,976.32
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	332,269.86	NR	Aaa	3/21/2017	3/29/2017	332,230.69	1.79	262.86	332,247.21	329,750.79
MBALT 2018-B A3 DTD 11/20/2018 3.210% 09/15/2021	58769LAC6	520,000.00	AAA	NR	11/15/2018	11/20/2018	519,988.35	3.51	741.87	519,988.35	522,135.90
NISSAN AUTO LEASE TRUST DTD 10/24/2018 3.250% 09/15/2021	65478BAD3	205,000.00	AAA	Aaa	10/16/2018	10/24/2018	204,982.08	3.26	296.11	204,983.20	205,243.19
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	140,000.00	AAA	NR	9/25/2017	9/29/2017	139,984.84	1.94	90.49	139,989.44	138,285.59
CCCIT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021	17305EGH2	200,000.00	AAA	NR	9/25/2017	10/2/2017	199,985.10	1.80	1,010.00	199,989.51	198,387.06
NISSAN ABS 2017-B A3 DTD 08/23/2017 1.750% 10/15/2021	65478GAD2	275,000.00	NR	Aaa	8/16/2017	8/23/2017	274,984.63	1.75	213.89	274,989.50	271,804.86
JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	145,000.00	NR	Aaa	7/11/2017	7/18/2017	144,989.39	1.82	117.29	144,992.65	143,361.76

Managed Account Detail of Securities Held

Security Type/Description	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Dated Date/Coupon/Maturity	Par	CUSIP							
Asset-Backed Security / Collateralized Mortgage Obligation									
AMERICAN EXPRESS ABS 2017-4 A DTD 05/30/2017 1.640% 12/15/2021	AAA	NR	5/22/2017	5/30/2017	189,969.56	1.65	138.49	189,979.77	189,112.64
FORDL 2018-B A3 DTD 09/21/2018 3.190% 12/15/2021	NR	Aaa	9/18/2018	9/21/2018	229,980.57	3.41	326.09	229,982.20	230,950.98
HYUNDAI ABS 2017-B A3 DTD 08/16/2017 1.770% 01/15/2022	AAA	Aaa	8/9/2017	8/16/2017	229,960.14	1.78	180.93	229,972.20	226,927.04
HAROT 2018-1 A3 DTD 02/28/2018 2.640% 02/15/2022	AAA	Aaa	2/22/2018	2/28/2018	234,969.61	2.65	275.73	234,975.75	233,602.57
FORDO 2017-C A3 DTD 11/21/2017 2.010% 03/15/2022	AAA	NR	11/14/2017	11/21/2017	274,950.42	2.02	245.67	274,962.71	271,764.35
JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	NR	Aaa	2/21/2018	2/28/2018	129,990.65	2.66	153.69	129,992.40	129,578.98
HAROT 2018-2 A3 DTD 05/30/2018 3.010% 05/18/2022	AAA	NR	5/22/2018	5/30/2018	94,997.93	3.01	103.26	94,998.27	95,094.38
HART 2018-A A3 DTD 04/18/2018 2.790% 07/15/2022	AAA	Aaa	4/10/2018	4/18/2018	89,986.45	2.80	111.60	89,988.61	89,927.98
BANK OF AMERICA ABS 2017-A1 A1 DTD 03/30/2017 1.950% 08/15/2022	NR	Aaa	6/11/2018	6/13/2018	270,638.67	2.73	238.33	271,122.15	271,717.79
TACT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	AAA	Aaa	5/9/2018	5/16/2018	464,993.07	2.96	611.73	464,994.07	465,112.53
AMXCA 2018-1 A DTD 03/21/2018 2.670% 10/17/2022	NR	Aaa	3/14/2018	3/21/2018	304,964.59	2.68	361.93	304,970.41	303,812.79
FORDO 2018-A A3 DTD 05/22/2018 3.030% 11/15/2022	AAA	NR	5/15/2018	5/22/2018	274,955.53	3.04	370.33	274,961.32	275,127.93
ALLYA 2018-2 A3 DTD 04/30/2018 2.920% 11/15/2022	NR	Aaa	4/24/2018	4/30/2018	374,931.90	2.93	486.67	374,941.31	374,347.54
MBART 2018-1 A3 DTD 07/25/2018 3.030% 01/15/2023	AAA	Aaa	7/17/2018	7/25/2018	349,986.56	3.03	471.33	349,987.97	350,631.09
CCCIT 2018-A1 A1 DTD 01/31/2018 2.490% 01/20/2023	NR	Aaa	8/21/2018	8/23/2018	271,959.96	2.97	3,062.35	272,133.91	272,782.43

Managed Account Detail of Securities Held

Security Type/Description	S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Asset-Backed Security / Collateralized Mortgage Obligation									
VALET 2018-2 A3	AAA	Aaa	11/15/2018	11/21/2018	399,983.20	3.25	397.22	399,983.64	403,313.64
DTD 11/21/2018 3.250% 04/20/2023									
GMCAR 2018-3 A3	AAA	NR	7/11/2018	7/18/2018	244,942.87	3.03	308.29	244,948.00	245,872.03
DTD 07/18/2018 3.020% 05/16/2023									
CARMAX AUTO OWNER TRUST	AAA	NR	7/18/2018	7/25/2018	259,964.56	3.36	361.69	259,967.59	260,993.93
DTD 07/25/2018 3.130% 06/15/2023									
CARMAX AUTO OWNER TRUST	AAA	NR	10/17/2018	10/24/2018	209,998.07	3.36	313.60	209,998.30	211,438.44
DTD 10/24/2018 3.360% 09/15/2023									
Security Type Sub-Total	8,790,124.54				8,781,965.68	2.55	12,849.32	8,782,780.98	8,760,155.59
Managed Account Sub Total	54,850,988.66				54,729,554.49	2.30	246,130.33	54,760,098.05	54,466,379.54
Securities Sub-Total	\$54,850,988.66				\$54,729,554.49	2.30%	\$246,130.33	\$54,760,098.05	\$54,466,379.54
Accrued Interest									\$246,130.33
Total Investments									\$54,712,509.87

Bolded items are forward settling trades.

IMPORTANT DISCLOSURES

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

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

GLOSSARY

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

GLOSSARY

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