



CONSENT CALENDAR

Agenda Item # 3

AGENDA REPORT SUMMARY

Meeting Date: October 9, 2018

Subject: Quarterly Investment Portfolio Report – Quarter Ended June 30, 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 June 30, 2018

Initiated by:

Staff

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 June 30, 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 June 30, 2018



Subject: Quarterly Investment Portfolio Report – Quarter Ended June 30, 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 holdings and demonstrate compliance with the City's Investment Policy.

Background

A review of the Investment Portfolio Report Quarter Ended June 30, 2018 was presented and discussed by the Financial Commission.

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 June 30, 2018, was \$66,235,915.

As of June 30, 2018, 12% 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), 22% in US Treasuries, and 19% in medium-term Corporate Notes and Commercial Paper, 14% in Certificate of Deposits, with the balance of 32% 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.

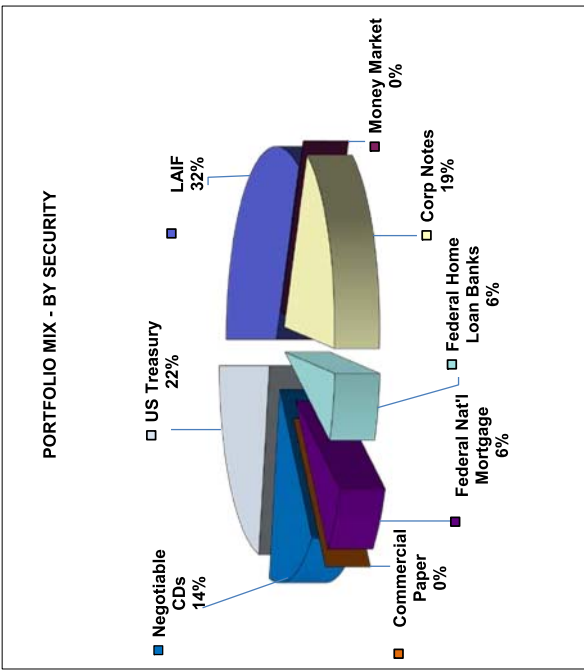
As part of these quarterly updates, a status report is prepared by PFM, which is included as Attachment 3: Investment Performance Review for the Quarter Ended June 30, 2018. It is important to note that this report highlights the performance of City investments that fall outside its liquid holdings with 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 0.74%, which is highlighted on page 10 of the PFM Investment Performance Review Report.

Recommendation

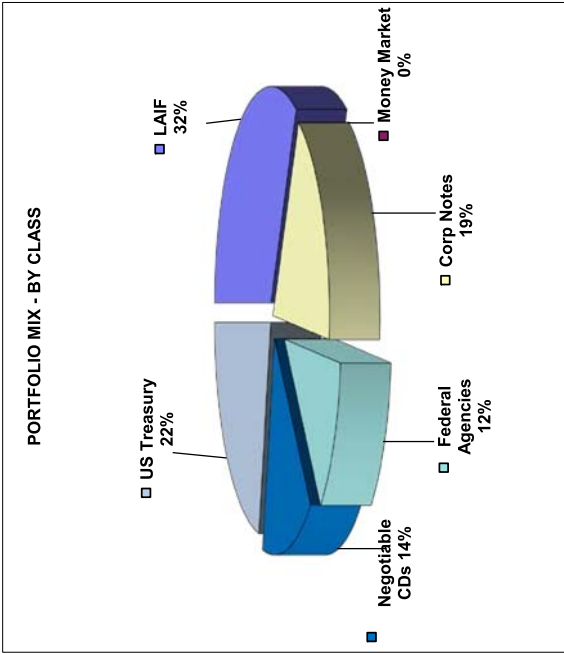
Receive the Investment Portfolio Report through June 30, 2018.

Portfolio Mix Charts
June 2018

Portfolio Mix By Security		
Security Type	% of Total	
LAIF	32%	21,466,927
Money Market	0%	58,988
Corp Notes	19%	12,755,000
Federal Home Loan Banks	6%	3,825,000
Federal Nat'l Mortgage	6%	4,230,000
Commercial Paper	0%	-
Negotiable CDs	14%	9,590,000
US Treasury	22%	14,310,000
	100%	66,235,915



Portfolio Mix		
Security Type	% of Total	Market Value
LAIF	32%	21,466,927
Money Market	0%	58,988
Corp Notes	19%	12,755,000
Federal Agencies	12%	7,933,811
Negotiable CDs	14%	9,590,000
US Treasury	22%	14,310,000
	100%	66,235,915
		65,620,588
Corp Notes		12,755,000
US Treasury/Agencies		22,365,000
Negotiable CDs		9,590,000
Accrued Interest		221,373
		44,710,000
		44,316,046
Margin Over (Under) Par		(393,954)



Portfolio Policy Compliance
June 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	32%	21,466,927	06/30/18	No Term	65,000,000	100%	43,533,073	Yes	N/A
Money Market	0%	58,988	06/30/18	Overnight		20%	13,188,195	Yes	N/A
Corp Notes	19%	12,755,000	09/23/16	4 Years		30%	7,115,774	Yes	Yes
Federal Agencies	12%	8,055,000	06/03/16	5 Years		100%	58,180,915	Yes	Yes
Commercial Paper	0%	-	06/30/18	180 Days		15%	9,935,387	Yes	N/A
Negotiable CDs	14%	9,590,000	01/12/17	3 Years		30%	10,280,774	Yes	Yes
US Treasury	22%	14,310,000	12/05/16	5 Years		100%	51,925,915	Yes	Yes
	100%	66,235,915							



CITY OF LOS ALTOS

Investment Performance Review For the Quarter Ended June 30, 2018

Client Management Team

Monique Spyke, Managing Director
Izac Chyou, Senior Managing Consultant

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Market Update

QUARTERLY MARKET SUMMARY

SUMMARY

- Economic data continued to indicate strong growth worldwide, despite the myriad of geopolitical and global trade war events hitting the headlines. During the quarter, volatility waned, equity markets gained their footing, the U.S. Dollar (USD) continued its ascent and the Federal Open Market Committee's (FOMC) dual mandate came into clearer focus. But, with trade wars officially on, it is now a question of whether the strong fiscal stimulus that is fueling the U.S. economy will be enough to overcome the drag of trade uncertainty.
- Positive economic data released in the second quarter included job gains, housing starts, new home sales, factory orders, manufacturing survey indices and consumer sentiment.
- At its June FOMC meeting, the Federal Reserve (Fed) increased the overnight federal funds rate by 0.25 percent, to a new range of 1.75 to 2.00 percent. While widely anticipated, the June rate hike was consistent with the Fed's continuing resolve to gradually tighten monetary policy. Fed expectations – as measured by the FOMC's updated "dot plot" – indicated two more rate hikes in the second half of 2018 and three more in 2019. Market estimates – as measured by Fed funds futures contracts – similarly imply two more hikes in 2018, but are less optimistic for 2019.
- The S&P 500 Index (S&P) rebounded by 3.4 percent over the quarter, following the first quarterly decline (first quarter 2018) in nearly three years. International indices followed suit, posting gains in local currencies for the quarter; however, the stronger USD tempered those gains for domestic investors. Meanwhile, bond yields generally rose, while the yield curve flattened.

ECONOMIC SNAPSHOT

- Real gross domestic product (GDP) in the U.S. increased at an annual rate of 2 percent in the first quarter. The deceleration in growth was driven by weaker consumer spending, despite being boosted by a significant improvement in net exports. Looking forward, federal tax cuts and expanded spending point toward accelerated growth estimates for the second quarter.
- U.S. labor market conditions – part one of the Fed's dual mandate – remained strong during the quarter. Despite the quarter-end uptick in the headline unemployment rate to 4 percent (previously 3.8 percent), it remains near multi-decade lows. In addition, job growth remains robust (monthly average of 211,000 new jobs in the second quarter), weekly jobless claims reached a generational low and job openings reached a new record high. In fact, for the first time, there are more job openings than the number of unemployed persons.
- Inflation – the second part of the Fed's dual mandate – continued to march higher. As measured by the personal consumption expenditures (PCE) core price index, year-over-year (YoY) inflation reached the Fed's target of 2 percent for the first time since 2012.

INTEREST RATES

- U.S. Treasury yields generally rose over the quarter, with maturities less than three years increasing 20 to 25 basis points (bps) (0.20 to 0.25 percent), while maturities greater than five years increased by a lesser amount and 30-year Treasury bonds were nearly unchanged. The result was a flatter yield curve; the difference between 10-year and two-year Treasury yields narrowed to 33 bps (0.33 percent) by quarter-end, a level not hit since June 2007.
- Money market investments, like commercial paper and bank Certificates of Deposit (CDs), continued to offer attractive yields, reacting quickly to the periodic Fed rate hikes.
- After widening in the first quarter, credit spreads remained volatile in the second quarter, but ended the quarter only modestly wider. Healthy corporate fundamentals remained supportive.

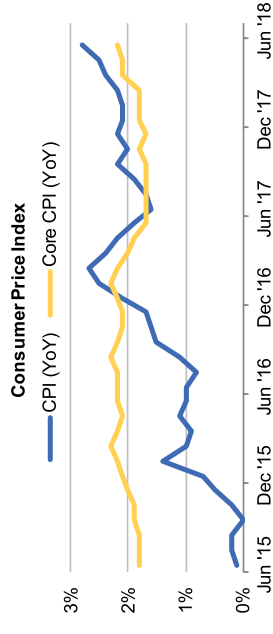
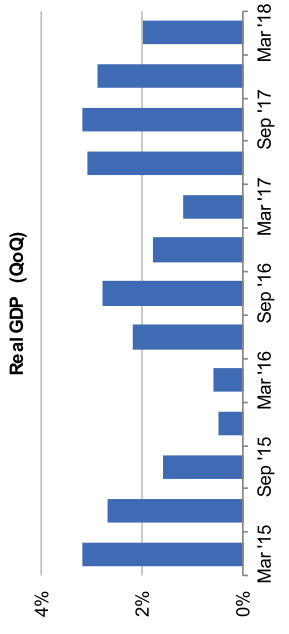
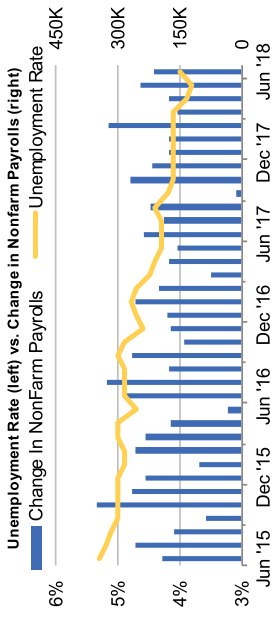
SECTOR PERFORMANCE

- Rising yields caused shorter-maturity to outperform longer-maturity Treasury indices; the exception was 30-year Treasury bonds, which were buoyed by incremental income amid relatively unchanged yields over the quarter. For example, the three-month Treasury bill index generated +0.45 percent of total return for the quarter, while the five-year Treasury returned -0.05 percent, and the 30-year Treasury returned +0.51 percent.
- Federal agency returns were in line with similar-duration U.S. Treasury securities for the quarter, as spreads across the majority of the curve continued to trade very narrowly. The incremental income benefit from the sector continues to be minimal.
- For the second consecutive quarter, the municipal sector was a top performer, as the sector continued to reap the benefits of a sharp slowdown in supply following the year-end flurry of issuance. From both an absolute and excess return perspective, the sector was a positive contributor to portfolio performance for the quarter.
- Shorter-term corporates generated positive excess returns in the quarter as incremental income offset modestly wider yield spreads. But, longer-term corporates (five years and longer) underperformed Treasuries as the impact of wider yield spreads on longer-duration securities overwhelmed the benefit of higher yields.
- After a general underperformance of mortgage-backed securities (MBS) in the first quarter, the sector found its footing in the second quarter. Nevertheless, returns in the MBS sector continue to be very much structure-dependent as specific maturities and coupon characteristics drove relative performance.
- Short-term commercial paper and bank CDs continued to offer incremental value relative to both short- and intermediate-term government securities. The incremental yield advantage offered in these sectors continues to be a valuable return attribute in the face of rising rates.

QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market	Latest	Mar '18	Jun '17
Unemployment Rate	Jun '18	4.0%	4.3%
Change In NonFarm Payrolls	Jun '18	213,000	239,000
Average Hourly Earnings (YoY)	Jun '18	2.7%	2.5%
Personal Income (YoY)	May '18	4.0%	3.7%
Initial Jobless Claims (week)	6/30/18	231,000	251,000
Growth			
Real GDP (QoQ SAAR)	2018Q1	2.0% ¹	1.2% ²
GDP Personal Consumption (QoQ SAAR)	2018Q1	0.9% ¹	1.9% ²
Retail Sales (YoY)	May '18	5.9%	5.1%
ISM Manufacturing Survey (month)	Jun '18	60.2	59.3
Existing Home Sales SAAR (month)	May '18	5.43 mil.	5.50 mil.
Inflation / Prices			
Personal Consumption Expenditures (YoY)	May '18	2.3%	2.0%
Consumer Price Index (YoY)	May '18	2.8%	2.4%
Consumer Price Index Core (YoY)	May '18	2.2%	2.1%
Crude Oil Futures (WTI, per barrel)	Jun 30	\$74.15	\$64.94
Gold Futures (oz.)	Jun 30	\$1,255	\$1,323



1. Data as of Fourth Quarter 2017.

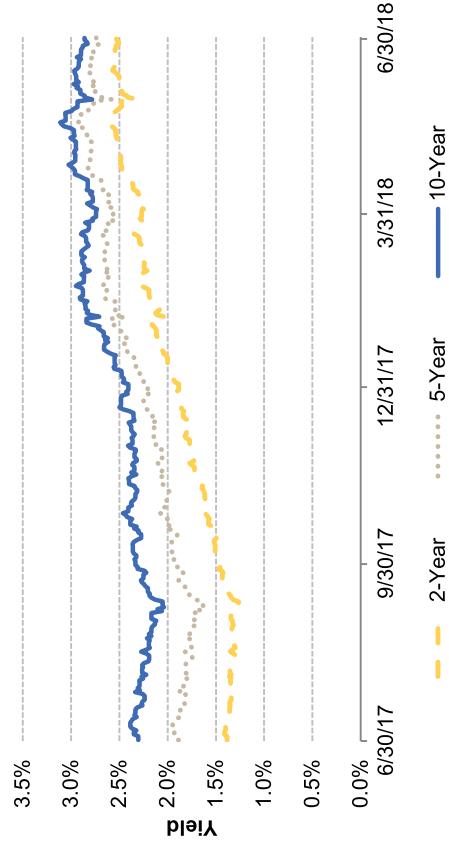
2. Data as of First Quarter 2017.

Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

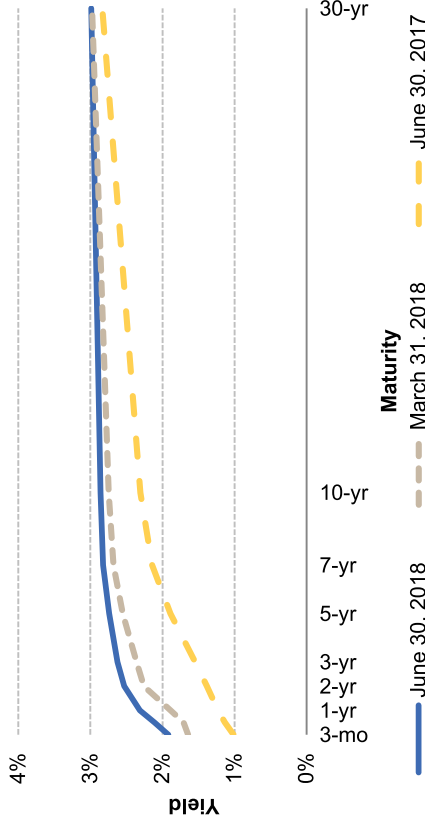
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



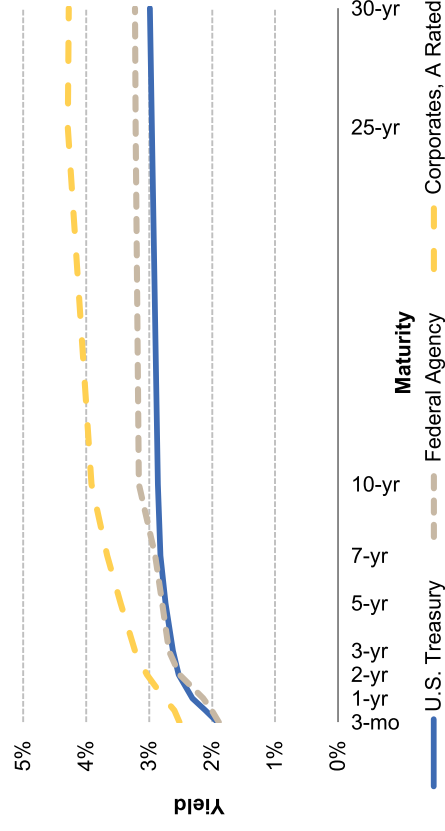
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Jun '18	Mar '18	Change Over Quarter	Jun '17	Change Over Year
3-month	1.92%	1.71%	0.21%	1.01%	0.91%
1-year	2.31%	2.09%	0.22%	1.23%	1.08%
2-year	2.53%	2.27%	0.26%	1.38%	1.15%
5-year	2.74%	2.56%	0.18%	1.89%	0.85%
10-year	2.86%	2.74%	0.12%	2.31%	0.55%
30-year	2.99%	2.97%	0.02%	2.84%	0.15%

Yield Curves as of 6/30/18



Source: Bloomberg.

QUARTERLY MARKET SUMMARY

ICE BofAML Index Returns

		As of 6/30/18		Returns for Periods ended 6/30/18		
June 30, 2018		Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices						
U.S. Treasury		1.81	2.51%	0.22%	0.08%	0.42%
Federal Agency		1.67	2.55%	0.23%	0.30%	0.60%
U.S. Corporates, A-AAA rated		1.89	3.11%	0.47%	0.57%	1.28%
Agency MBS (0 to 3 years)		2.40	2.84%	(0.05%)	0.34%	1.06%
Taxable Municipals		1.58	2.83%	0.40%	1.74%	2.21%
1-5 Year Indices						
U.S. Treasury		2.58	2.58%	0.13%	(0.35%)	0.50%
Federal Agency		2.01	2.59%	0.20%	0.08%	0.69%
U.S. Corporates, A-AAA rated		2.66	3.26%	0.30%	0.08%	1.45%
Agency MBS (0 to 5 years)		3.29	3.04%	(0.21%)	(0.35%)	1.00%
Taxable Municipals		2.29	2.96%	0.33%	1.39%	2.37%
Master Indices (Maturities 1 Year or Greater)						
U.S. Treasury		6.22	2.71%	0.11%	(0.60%)	1.13%
Federal Agency		3.78	2.75%	(0.02%)	(0.04%)	1.16%
U.S. Corporates, A-AAA rated		6.90	3.74%	(0.70%)	(0.80%)	2.62%
Agency MBS (0 to 30 years)		5.09	3.38%	0.31%	0.15%	1.48%
Taxable Municipals		10.53	3.99%	(0.28%)	2.81%	5.49%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

Portfolio Review

Portfolio Recap

- Despite numerous global headwinds facing economic growth, including global trade wars and geopolitical uncertainty, the strength and resolve of domestic economic themes prevailed:
 - U.S. GDP grew at 2% in the first quarter with year-over-year (YoY) growth up to 2.8%.
 - Inflation trended higher as the core personal consumption expenditures (PCE) price index grew at 2% YoY for the first time since 2012.
 - The labor market saw continued strength as the U.S. unemployment rate reached a multi-decade low of 3.8% (before bouncing back to 4% in June), job growth remained robust, and wages trended modestly higher.
 - The S&P 500 Index grinded out a 3.4% return for the quarter.
 - The Fed increased short-term rates by an additional $\frac{1}{4}$ percent in June and is expected to continue to pursue additional rate hikes over the near term.
- U.S. Treasury yields increased during the quarter, but the impact varied widely by maturity:
 - Yield on maturities 3 years and under rose approximately 20-25 basis points (0.20%-0.25%), the result of the widely anticipated Fed rate hike in June.
 - Yields on longer-term maturities rose by much less—the 10-year Treasury increased 12 basis points (0.12%), while the 30-year Treasury bond rose just 2 basis points (0.02%), the result of modest inflation expectations, moderating growth prospects, and persistently low global interest rates.
 - As a consequence, the yield curve flattened to a new post-recession low.
- 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.

Portfolio Recap (Continued)

- 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. Limited incremental yield, in combination with light issuance and diminishing supply, influenced our continued preference to reduce the portfolio's allocation to agencies. 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.
 - In the corporate sector, our fundamental outlook remained favorable as corporate profits surged in the first half of the year, in part due to the 2017 tax cuts. When yield spreads widened in the first quarter, a result of global issues rather than any fundamental credit concerns, we viewed the wider spreads as an opportunity to increase allocations to credit sectors. However, we are being more selective given balance sheet weakening in certain industries as companies return capital to shareholders through dividends and share buybacks. In short- and intermediate-term maturities, corporate allocations contributed to incremental performance for the quarter.
 - 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 commercial paper and 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.

Sector Allocation and Compliance

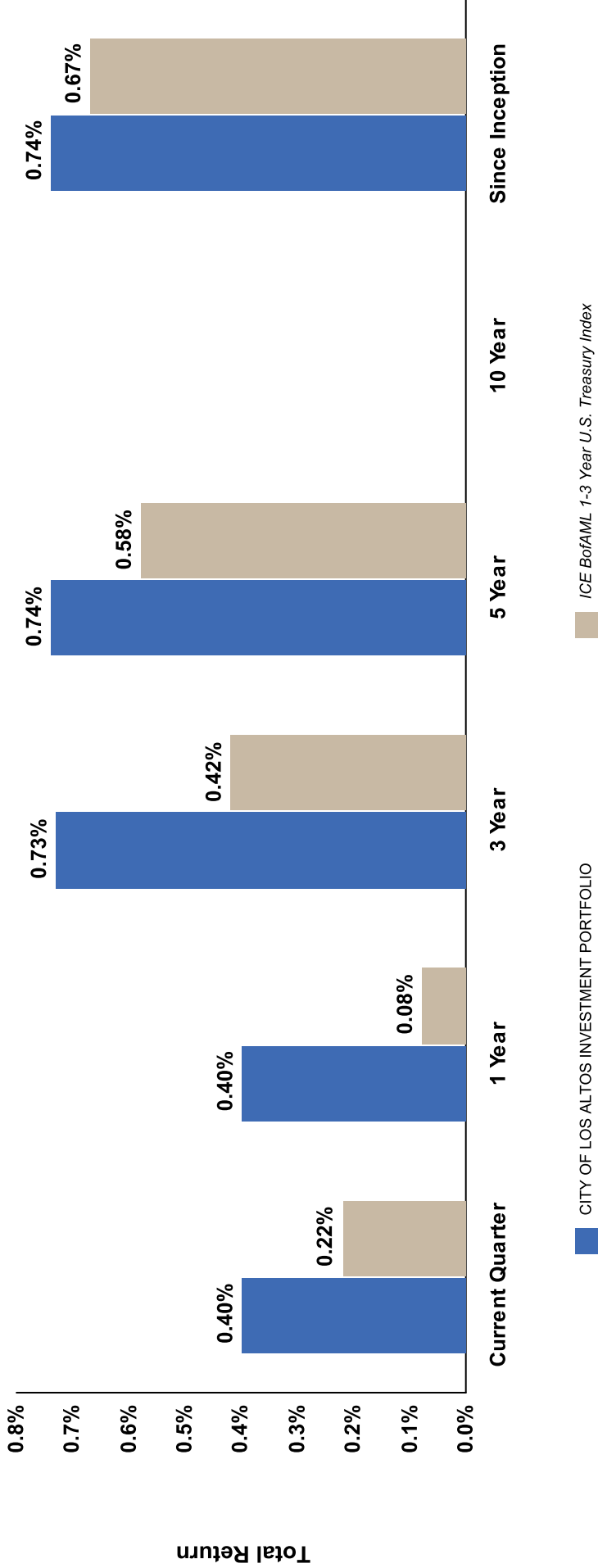
- The portfolio is in compliance with the City's Investment Policy and the California Government Code.

Security Type	Market Value	% of Portfolio	% Change vs. 3/31/18	Permitted by Policy	In Compliance
U.S. Treasury	\$14,034,272	26.1%	-3.0%	100%	✓
Federal Agency	\$7,548,438	14.0%	-1.9%	100%	✓
Supranationals	\$3,039,275	5.6%	+1.1%	10%	✓
Negotiable CDs	\$9,546,878	17.7%	-0.2%	30%	✓
Corporate Notes	\$12,579,712	23.4%	+0.6%	30%	✓
Asset-Backed Securities	\$6,670,881	12.4%	+2.6%	20%	✓
Securities Sub-Total	\$53,804,829	99.9%			
Accrued Interest	\$221,373				
Securities Total	\$54,026,203				
Money Market Fund	\$58,988	0.1%	-	20%	✓
Total Investments	\$54,085,191	100.0%			

As of 3/31/2018. Detail may not add to total due to rounding.

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 INVESTMENT PORTFOLIO	1.71	0.40%	0.40%	0.73%	0.74%	-	0.74%
ICE BofAML 1-3 Year U.S. Treasury Index	1.80	0.22%	0.08%	0.42%	0.58%	-	0.67%
Difference		0.18%	0.32%	0.31%	0.16%	-	0.07%



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 June 30, 2018

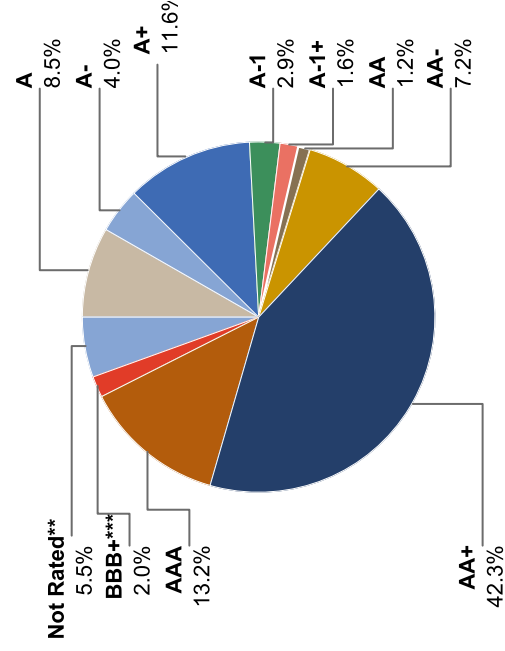
	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2018)	\$53,613,288.01	\$54,282,516.63
Net Purchases/Sales	\$222,664.53	\$222,664.53
Change in Value	(\$31,123.30)	(\$66,262.79)
Ending Value (06/30/2018)	\$53,804,829.24	\$54,438,918.37
Interest Earned	\$248,916.08	\$248,916.08
Portfolio Earnings	\$217,792.78	\$182,653.29

Portfolio Statistics

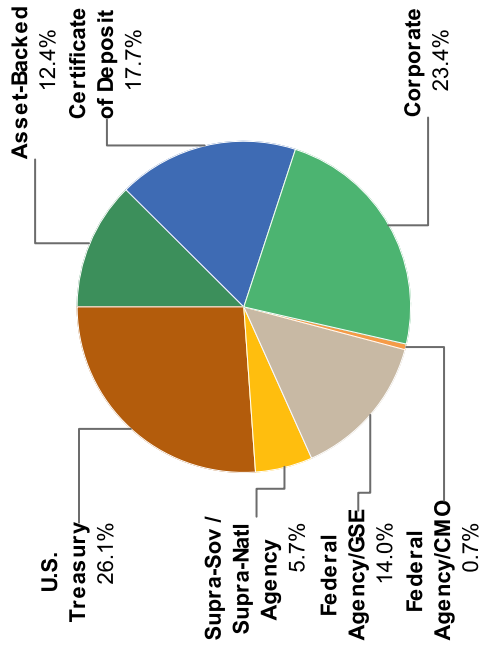
As of June 30, 2018

Par Value:	\$54,520,639
Total Market Value:	\$54,085,191
Security Market Value:	\$53,804,829
Accrued Interest:	\$221,373
Cash:	\$58,988
Amortized Cost:	\$54,438,918
Yield at Market:	2.63%
Yield at Cost:	1.97%
Effective Duration:	1.71 Years
Duration to Worst:	1.80 Years
Average Maturity:	2.06 Years
Average Credit: *	AA

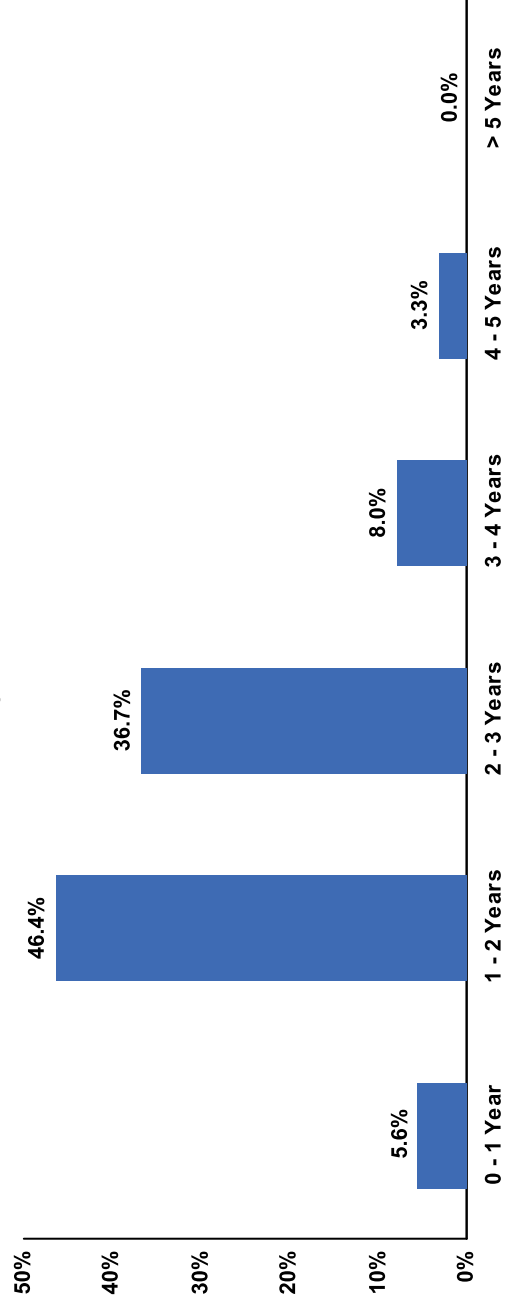
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



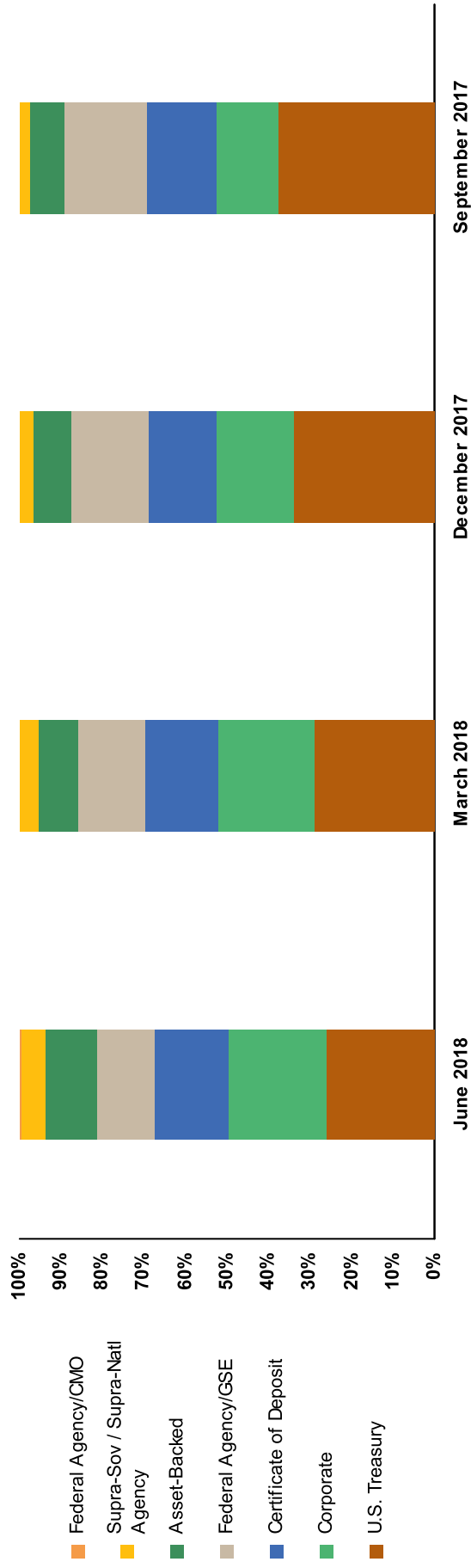
*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

** The "Not Rated" category comprises asset-backed securities rated Aaa by Moody's.

*** The "BBB+" category comprises securities rated A- or better by Moody's and/or Fitch.

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	14.0	26.1%	15.6	29.1%	18.3	34.0%	20.2	37.5%
Corporate	12.6	23.4%	12.2	22.8%	9.8	18.3%	8.1	15.1%
Certificate of Deposit	9.5	17.7%	9.6	17.9%	8.9	16.6%	8.9	16.6%
Federal Agency/GSE	7.5	14.0%	8.5	15.9%	10.0	18.7%	10.8	20.0%
Asset-Backed	6.7	12.4%	5.2	9.8%	4.8	8.9%	4.5	8.3%
Supra-Sov / Supra-Natl Agency	3.0	5.7%	2.4	4.5%	1.9	3.5%	1.4	2.5%
Federal Agency/CMO	0.4	0.7%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	\$53.8	100.0%	\$53.6	100.0%	\$53.6	100.0%	\$53.8	100.0%

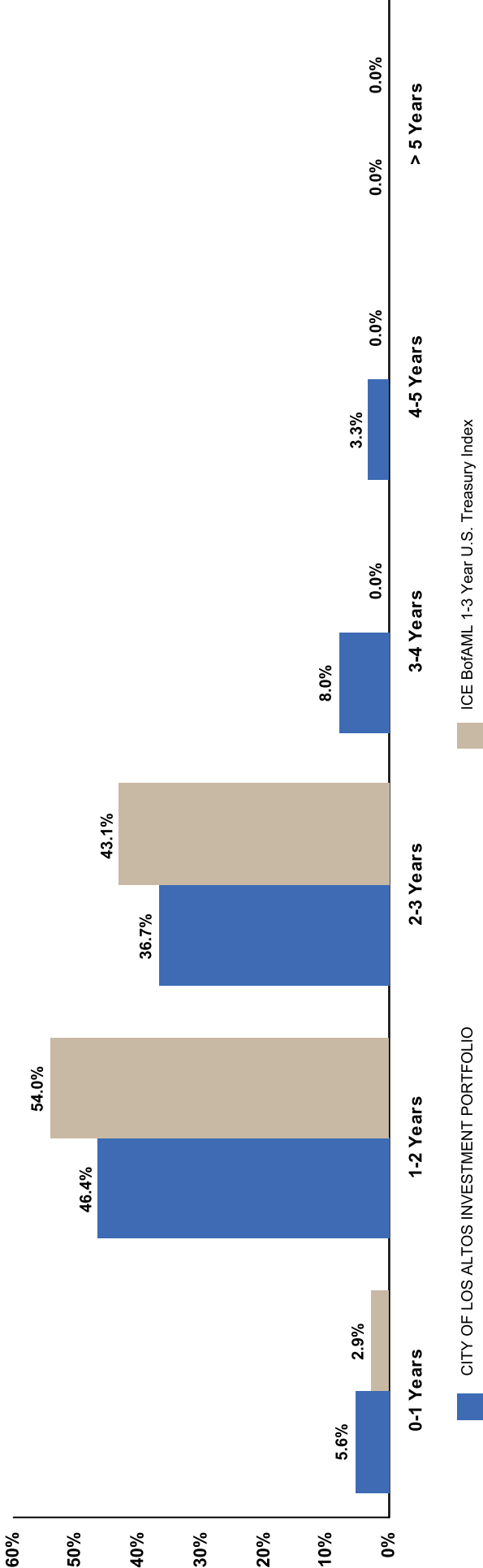


Detail may not add to total due to rounding.

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 LOS ALTOS INVESTMENT PORTFOLIO	2.63%	2.06 yrs	5.6%	46.4%	36.7%	8.0%	3.3%	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%



Sector/Issuer Distribution

As of June 30, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
ALLY AUTO RECEIVABLES TRUST	850,532	12.7%	1.6%
AMERICAN EXPRESS CO	492,556	7.4%	0.9%
BANK OF AMERICA CO	270,792	4.1%	0.5%
CARMAX AUTO OWNER TRUST	276,842	4.2%	0.5%
CITIGROUP INC	645,641	9.7%	1.2%
CNH EQUIPMENT TRUST	177,242	2.7%	0.3%
FORD CREDIT AUTO OWNER TRUST	847,908	12.7%	1.6%
HONDA AUTO RECEIVABLES	684,445	10.3%	1.3%
HYUNDAI AUTO RECEIVABLES	518,084	7.8%	1.0%
JOHN DEERE OWNER TRUST	361,386	5.4%	0.7%
NISSAN AUTO RECEIVABLES	517,162	7.8%	1.0%
TOYOTA MOTOR CORP	1,028,289	15.4%	1.9%
Sector Total	6,670,881	100.0%	12.4%
Certificate of Deposit			
BANK OF MONTREAL	598,882	6.3%	1.1%
BANK OF NOVA SCOTIA	553,052	5.8%	1.0%
CANADIAN IMPERIAL BANK OF COMMERCE	549,999	5.8%	1.0%
CREDIT AGRICOLE SA	550,608	5.8%	1.0%
CREDIT SUISSE GROUP	549,980	5.8%	1.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
MITSUBISHI UFJ FINANCIAL GROUP INC NORDEA BANK AB ROYAL BANK OF CANADA SKANDINAVISKA ENSKILDA BANKEN AB SUMITOMO MITSUI FINANCIAL GROUP INC SVENSKA HANDELSBANKEN AB SWEDBANK AB UBS AG WESTPAC BANKING CORP	544,501 547,099 704,927 1,065,726 970,854 871,200 538,515 551,808 949,728	5.7% 5.7% 7.4% 11.2% 10.2% 9.1% 5.6% 5.8% 9.9%	1.0% 1.0% 1.3% 2.0% 1.8% 1.6% 1.0% 1.0% 1.8%
Sector Total	9,546,878	100.0%	17.7%

Corporate

AMERICAN EXPRESS CO AMERICAN HONDA FINANCE APPLE INC BANK OF AMERICA CO BB&T CORPORATION CATERPILLAR INC CHARLES SCHWAB CHEVRON CORPORATION CISCO SYSTEMS INC DEERE & COMPANY EXXON MOBIL CORP GENERAL DYNAMICS CORP GOLDMAN SACHS GROUP INC	541,772 546,495 540,205 537,684 542,455 399,262 271,079 321,031 197,183 696,307 271,135 329,641 544,707	4.3% 4.3% 4.3% 4.3% 4.3% 3.2% 2.2% 2.6% 1.6% 5.5% 2.2% 2.6% 4.3%	1.0% 1.0% 1.0% 1.0% 1.0% 0.7% 0.5% 0.6% 0.4% 1.3% 0.5% 0.6% 1.0%
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Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
HERSHEY COMPANY	205,230	1.6%	0.4%
HOME DEPOT INC	230,773	1.8%	0.4%
HONEYWELL INTERNATIONAL	148,131	1.2%	0.3%
HSBC HOLDINGS PLC	192,723	1.5%	0.4%
IBM CORP	468,998	3.7%	0.9%
INTEL CORPORATION	246,089	2.0%	0.5%
JOHNSON & JOHNSON	113,110	0.9%	0.2%
JP MORGAN CHASE & CO	542,568	4.3%	1.0%
MICROSOFT CORP	212,253	1.7%	0.4%
MORGAN STANLEY	537,178	4.3%	1.0%
NATIONAL RURAL UTILITIES CO FINANCE CORP	228,289	1.8%	0.4%
PACCAR FINANCIAL CORP	339,624	2.7%	0.6%
THE BANK OF NEW YORK MELLON CORPORATION	542,740	4.3%	1.0%
THE WALT DISNEY CORPORATION	577,341	4.6%	1.1%
TOYOTA MOTOR CORP	616,056	4.9%	1.1%
UNILEVER PLC	545,673	4.3%	1.0%
UNITED PARCEL SERVICE INC	312,143	2.5%	0.6%
VISA INC	147,564	1.2%	0.3%
WAL-MART STORES INC	634,271	5.0%	1.2%
Sector Total	12,579,712	100.0%	23.4%
Federal Agency/CMO			
FANNIE MAE	385,373	100.0%	0.7%
Sector Total	385,373	100.0%	0.7%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Federal Agency/GSE			
FANNIE MAE	3,779,602	50.1%	7.0%
FEDERAL HOME LOAN BANKS	2,440,162	32.3%	4.5%
FREDDIE MAC	1,328,674	17.6%	2.5%
Sector Total	7,548,438	100.0%	14.0%
Supra-Sov / Supra-Natl Agency			
INTER-AMERICAN DEVELOPMENT BANK	1,149,717	37.8%	2.1%
INTERNATIONAL FINANCE CORPORATION	545,228	17.9%	1.0%
INTL BANK OF RECONSTRUCTION AND DEV	1,344,329	44.2%	2.5%
Sector Total	3,039,275	100.0%	5.6%
U.S. Treasury			
UNITED STATES TREASURY	14,034,272	100.0%	26.1%
Sector Total	14,034,272	100.0%	26.1%
Portfolio Total	53,804,829	100.0%	100.0%

Investment Strategy 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. Over the past quarter, however, the 2-3 year portions of the agency curve experienced modest widening that may create some opportunities in the third quarter.
 - 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. A shift to euro-denominated issues (preferred recently by a number of supranational issuers) may push secondary U.S. dollar-denominated spreads modestly wider, which could provide additional opportunity in the sector.
 - 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 market-neutral and selectively opportunistic stance. In addition, we have a preference for financials and selective industrial issuers with stronger balance sheets, which we think can better navigate the current phase of the credit cycle.
 - 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.
 - Short-term money market investors continue to reap the rewards of current monetary policy tightening and higher overnight target rates. Further, the yield curve for high-quality commercial paper and negotiable certificates of deposit (CP/CD) is quite steep and attractive, offering opportunities to extend maturities and add to allocations in this space

Transactions & Account Holdings

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
4/6/18	4/10/18	550,000	13606BVF0	CANADIAN IMP BK COMM NY FLT CERT DEPOS	2.73%	4/10/20	550,000.00	2.78%	
4/6/18	4/10/18	550,000	22532XHT8	CREDIT AGRICOLE CIB NY FLT CERT DEPOS	2.80%	4/10/20	550,000.00	2.85%	
4/10/18	4/13/18	150,000	89236TEU5	TOYOTA MOTOR CREDIT CORP CORP NOTES	2.95%	4/13/21	149,940.00	2.96%	
4/10/18	4/18/18	90,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	89,986.45	2.80%	
4/11/18	4/30/18	380,000	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	388,648.34	2.27%	
4/12/18	4/19/18	615,000	4581X0DB1	INTER-AMERICAN DEVELOPMENT BANK NOTE	2.62%	4/19/21	613,647.00	2.70%	
4/24/18	4/30/18	375,000	02004VAC7	ALLYA 2018-2 A3	2.92%	11/15/22	374,931.90	2.93%	
5/3/18	5/10/18	205,000	427866BA5	HERSHEY COMPANY CORP NOTES	3.10%	5/15/21	204,858.55	3.12%	
5/8/18	5/11/18	330,000	369550BA5	GENERAL DYNAMICS CORP	2.87%	5/11/20	328,831.80	3.06%	
5/9/18	5/16/18	465,000	89238TAD5	TAOT 2018-B A3	2.96%	9/15/22	464,993.07	2.96%	
5/15/18	5/22/18	275,000	34528FAD0	FORDO 2018-A A3	3.03%	11/15/22	274,955.53	3.04%	
5/17/18	5/22/18	270,000	808513AW5	CHARLES SCHWAB CORP CORP NOTES	3.25%	5/21/21	269,991.90	3.25%	
5/22/18	5/30/18	95,000	43814UAG4	HAROT 2018-2 A3	3.01%	5/18/22	94,997.93	3.01%	
6/4/18	6/6/18	1,650,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	1,621,214.81	2.62%	
6/5/18	6/7/18	550,000	06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	3.08%	6/5/20	549,791.00	3.10%	
6/7/18	6/8/18	700,000	78012UEE1	ROYAL BANK OF CANADA NY CD	3.24%	6/7/21	700,000.00	3.24%	
6/11/18	6/13/18	275,000	05522RCW6	BANK OF AMERICA ABS 2017-A1 A1	1.95%	8/15/22	271,055.75	2.73%	
6/20/18	6/27/18	380,000	931142EJ8	WAL-MART STORES INC CORP NOTES	3.12%	6/23/21	379,981.00	3.13%	
Total BUY		7,905,000					7,877,825.03		
INTEREST									
4/1/18	4/1/18	320,000	911312BP0	UNITED PARCEL SERVICE CORPORATE BOND	2.05%	4/1/21	2,496.44		
4/1/18	4/1/18	550,000	06051GGS2	BANK OF AMERICA CORP (CALLABLE)	2.32%	10/1/21	6,864.37		
4/2/18	4/2/18	0	MONEY0002	MONEY MARKET FUND			48.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
4/5/18	4/5/18	975,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON LT CD	1.91%	4/5/19	9,414.71		
4/9/18	4/9/18	255,000	931142DY6	WAL-MART STORES INC CORP NOTE	1.75%	10/9/19	2,094.90		
4/15/18	4/15/18	197,644	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	253.64		
4/15/18	4/15/18	205,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	300.67		
4/15/18	4/15/18	120,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	173.00		
4/15/18	4/15/18	175,000	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	262.50		
4/15/18	4/15/18	325,000	3137EADZ9	FREDDIE MAC NOTES	1.12%	4/15/19	1,828.13		
4/15/18	4/15/18	190,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	259.67		
4/15/18	4/15/18	145,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	219.92		
4/15/18	4/15/18	250,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	362.50		
4/15/18	4/15/18	275,000	65478GAD2	NISSAN ABS 2017-B A3	1.75%	10/15/21	401.04		
4/15/18	4/15/18	450,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	660.00		
4/15/18	4/15/18	380,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	563.67		
4/15/18	4/15/18	100,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	141.67		
4/15/18	4/15/18	90,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	133.50		
4/15/18	4/15/18	235,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	517.00		
4/15/18	4/15/18	230,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	339.25		
4/15/18	4/15/18	450,000	3137EADZ9	FREDDIE MAC NOTES	1.12%	4/15/19	2,531.25		
4/15/18	4/15/18	305,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	424.46		
4/15/18	4/15/18	305,000	02582JHQ6	AMXCA 2018-1 A	2.67%	10/17/22	542.90		
4/15/18	4/15/18	217,202	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	296.84		
4/15/18	4/15/18	75,000	06406FAA1	BANK OF NEW YORK MELLON CORP (CALLABLE)	2.50%	4/15/21	937.50		
4/15/18	4/15/18	275,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	460.63		
4/16/18	4/16/18	130,000	47788CAC6	JDOT 2018-A A3	2.66%	4/15/22	432.25		
4/17/18	4/17/18	325,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	3,168.75		
4/17/18	4/17/18	150,000	89236TDU6	TOYOTA MOTOR CREDIT CORP	1.95%	4/17/20	1,462.50		
4/18/18	4/18/18	140,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	208.83		
4/21/18	4/21/18	1,075,000	3130ACM92	FEDERAL HOME LOAN BANK NOTES	1.50%	10/21/19	8,420.83		
4/21/18	4/21/18	220,000	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	315.33		
4/21/18	4/21/18	550,000	61746BEA0	MORGAN STANLEY CORP NOTES	2.50%	4/21/21	6,875.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
4/23/18	4/23/18	350,000	38148LAA4	GOLDMAN SACHS GROUP INC CORP NOTES	2.60%	4/23/20	4,550.00		
4/30/18	4/30/18	2,000,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	13,750.00		
4/30/18	4/30/18	150,000	438516BQ8	HONEYWELL INTERNATIONAL CORP NOTES	1.80%	10/30/19	1,350.00		
4/30/18	4/30/18	125,000	912828F62	US TREASURY NOTES	1.50%	10/31/19	937.50		
4/30/18	4/30/18	450,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	3,825.00		
4/30/18	4/30/18	1,285,000	912828D23	US TREASURY NOTES	1.62%	4/30/19	10,440.63		
4/30/18	4/30/18	1,060,000	912828D23	US TREASURY NOTES	1.62%	4/30/19	8,612.50		
5/1/18	5/1/18	0	MONEY0002	MONEY MARKET FUND			68.36		
5/1/18	5/25/18	380,000	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	1,127.33		
5/2/18	5/2/18	235,000	713448DR6	PEPSICO INC CORP NOTE	1.55%	5/2/19	1,821.25		
5/3/18	5/3/18	975,000	86563YYN0	SUMITOMO MITSUI BANK NY CD	2.05%	5/3/19	10,049.27		
5/9/18	5/9/18	545,000	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	5,790.63		
5/10/18	5/10/18	115,000	478160CH5	JOHNSON & JOHNSON CORP NOTE	1.95%	11/10/20	1,121.25		
5/11/18	5/11/18	220,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	1,980.00		
5/11/18	5/11/18	250,000	458140AZ3	INTEL CORP NOTES	1.85%	5/11/20	2,312.50		
5/13/18	5/13/18	325,000	02665WBZ3	AMERICAN HONDA FINANCE	2.00%	11/13/19	3,195.83		
5/13/18	5/13/18	155,000	69371RN85	PACCAR FINANCIAL CORP NOTES	2.05%	11/13/20	1,588.75		
5/13/18	5/13/18	330,000	037833DJ6	APPLE INC	2.00%	11/13/20	3,300.00		
5/15/18	5/15/18	275,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	460.63		
5/15/18	5/15/18	250,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	362.50		
5/15/18	5/15/18	235,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	517.00		
5/15/18	5/15/18	205,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	300.67		
5/15/18	5/15/18	145,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	219.92		
5/15/18	5/15/18	275,000	65478GAD2	NISSAN ABS 2017-B A3	1.75%	10/15/21	401.04		
5/15/18	5/15/18	190,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	259.67		
5/15/18	5/15/18	305,000	02582JHQ6	AMXCA 2018-1 A	2.67%	10/17/22	678.63		
5/15/18	5/15/18	130,000	47788CAC6	JDOT 2018-A A3	2.66%	4/15/22	288.17		
5/15/18	5/15/18	90,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	188.33		
5/15/18	5/15/18	230,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	339.25		
5/15/18	5/15/18	380,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	563.67		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/15/18	5/15/18	167,230	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	214.61		
5/15/18	5/15/18	305,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	424.46		
5/15/18	5/15/18	375,000	02004VAC7	ALLYA 2018-2 A3	2.92%	11/15/22	456.25		
5/15/18	5/15/18	175,000	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	262.50		
5/15/18	5/15/18	90,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	133.50		
5/15/18	5/15/18	450,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	660.00		
5/15/18	5/15/18	201,042	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	274.76		
5/15/18	5/15/18	120,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	173.00		
5/15/18	5/15/18	100,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	141.67		
5/16/18	5/16/18	550,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	6,242.50		
5/18/18	5/18/18	140,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	208.83		
5/21/18	5/21/18	220,000	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	315.33		
5/27/18	5/27/18	550,000	459058F57	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.12%	11/27/19	3,096.50		
5/30/18	5/30/18	325,000	65558LWA6	NORDEA BANK FINLAND NY CD	1.76%	11/30/18	2,875.89		
5/31/18	5/31/18	565,000	912828M98	US TREASURY NOTES	1.62%	11/30/20	4,590.63		
5/31/18	5/31/18	725,000	912828XE5	US TREASURY NOTES	1.50%	5/31/20	5,437.50		
5/31/18	5/31/18	2,360,000	912828G61	US TREASURY NOTES	1.50%	11/30/19	17,700.00		
6/1/18	6/1/18	0	MONEY0002	MONEY MARKET FUND			118.42		
6/1/18	6/25/18	380,000	3136B1XP4	FNA 2018-M5 A2	3.56%	9/25/21	1,127.33		
6/3/18	6/3/18	375,000	717081DU4	PFIZER INC CORP NOTES	1.45%	6/3/19	2,718.75		
6/5/18	6/5/18	500,000	25468PDU7	WALT DISNEY COMPANY CORP NOTES	1.80%	6/5/20	4,500.00		
6/5/18	6/5/18	235,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	2,115.00		
6/14/18	6/14/18	150,000	92826CAB8	VISA INC (CALLABLE) CORP NOTES	2.20%	12/14/20	1,650.00		
6/15/18	6/15/18	465,000	89238TAD5	TAOT 2018-B A3	2.96%	9/15/22	1,108.77		
6/15/18	6/15/18	275,000	05522RCW6	BANK OF AMERICA ABS 2017-A1 A1	1.95%	8/15/22	446.88		
6/15/18	6/15/18	90,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	133.50		
6/15/18	6/15/18	275,000	34528FAD0	FORDO 2018-A A3	3.03%	11/15/22	532.35		
6/15/18	6/15/18	275,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	460.63		
6/15/18	6/15/18	90,000	44891KAD7	HART 2018-A A3	2.79%	7/15/22	209.25		
6/15/18	6/15/18	305,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	424.46		

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	235,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	517.00		
6/15/18	6/15/18	375,000	02004VAC7	ALLYA 2018-2 A3	2.92%	11/15/22	912.50		
6/15/18	6/15/18	140,211	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	179.94		
6/15/18	6/15/18	205,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	300.67		
6/15/18	6/15/18	380,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	563.67		
6/15/18	6/15/18	100,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	141.67		
6/15/18	6/15/18	250,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	362.50		
6/15/18	6/15/18	275,000	65478GAD2	NISSAN ABS 2017-B A3	1.75%	10/15/21	401.04		
6/15/18	6/15/18	188,662	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	257.84		
6/15/18	6/15/18	175,000	14314RAH5	CARMX 2017-4 A2A	1.80%	4/15/21	262.50		
6/15/18	6/15/18	305,000	02582JHQ6	AMXCA 2018-1 A	2.67%	10/17/22	678.63		
6/15/18	6/15/18	130,000	47788CAC6	JDOT 2018-A A3	2.66%	4/15/22	288.17		
6/15/18	6/15/18	450,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	660.00		
6/15/18	6/15/18	190,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	259.67		
6/15/18	6/15/18	230,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	339.25		
6/15/18	6/15/18	145,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	219.92		
6/15/18	6/15/18	120,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	173.00		
6/18/18	6/18/18	95,000	43814UAG4	HAROT 2018-2 A3	3.01%	5/18/22	142.98		
6/18/18	6/18/18	140,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	208.83		
6/21/18	6/21/18	220,000	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	315.33		
6/21/18	6/21/18	775,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	4,359.38		
6/22/18	6/22/18	100,000	24422ETS8	JOHN DEERE CAPITAL CORP NOTES	1.95%	6/22/20	975.00		
6/29/18	6/29/18	450,000	05531FAU7	BRANCH BANKING & TRUST (CALLABLE) CORP	2.62%	6/29/20	5,906.25		
6/30/18	6/30/18	2,200,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	17,875.00		
6/30/18	6/30/18	800,000	912828N48	US TREASURY NOTES	1.75%	12/31/20	7,000.00		
Total INTEREST		40,851,990					235,866.44		
PAYDOWNS									

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
6/4/18	6/6/18	220,000	912828D23	US TREASURY NOTES	1.62%	4/30/19	219,061.78	2.29%	(3,119.02)
6/5/18	6/7/18	975,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON LT CD	1.91%	4/5/19	972,535.69	2.56%	(5,723.25)
6/7/18	6/8/18	275,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	275,387.44	2.56%	(1,350.25)
6/11/18	6/13/18	275,000	717081DU4	PFIZER INC CORP NOTES	1.45%	6/3/19	272,110.51	2.59%	(3,268.00)
6/21/18	6/27/18	100,000	717081DU4	PFIZER INC CORP NOTES	1.45%	6/3/19	99,067.67	2.57%	(1,122.48)
6/21/18	6/27/18	200,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	197,569.50	2.40%	(2,440.51)
Total SELL		7,570,000					7,535,348.93		-69,960.47

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 10/31/2014 1.500% 10/31/2019	912828F62	125,000.00	AA+	Aaa	3/2/2017	3/2/2017	124,916.99	1.53	315.90	124,958.48	123,447.25
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	2,360,000.00	AA+	Aaa	12/1/2016	12/5/2016	2,363,687.50	1.45	2,998.36	2,361,767.95	2,328,194.28
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	5,787.64	1,105,391.56	1,088,753.49
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	229.79	49,834.01	49,076.15
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	1,263.84	274,992.82	269,918.83
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	4,633.15	1,994,808.32	1,959,062.00
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	921.11	723,872.45	711,009.68
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	97.15	2,205,293.99	2,160,899.40
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	6,439.40	950,408.86	932,113.40
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	777.65	563,066.14	552,331.57
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	38.04	796,885.91	783,781.60
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	8,603.25	1,474,671.62	1,454,238.00
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	2,795.08	1,621,323.94	1,621,446.75
Security Type Sub-Total		14,310,000.00					14,237,908.99	1.72	34,900.36	14,247,276.05	14,034,272.40
Supra-National Agency Bond / Note											

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Supra-National Agency Bond / Note											
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	547,042.29	539,066.00
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	274,957.87	268,930.75
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	549,020.43	536,332.50
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	548,889.90	537,669.75
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	4,226.98	549,625.64	545,228.20
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	613,734.20	612,047.39
Security Type Sub-Total		3,085,000.00					3,082,216.91	2.05	13,764.80	3,083,270.33	3,039,274.59
Federal Agency Collateralized Mortgage Obligation											
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	380,000.00	AA+	Aaa	4/11/2018	4/30/2018	387,558.58	2.27	1,127.33	387,335.03	385,373.24
Security Type Sub-Total		380,000.00					387,558.58	2.27	1,127.33	387,335.03	385,373.24
Federal Agency Bond / Note											
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	575,000.00	AA+	Aaa	6/2/2016	6/3/2016	574,758.50	1.14	179.69	574,921.85	568,018.93
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	400,000.00	AA+	Aaa	9/1/2016	9/2/2016	398,076.00	1.04	1,575.00	399,292.35	393,681.20

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	950,000.00	AA+	Aaa	7/19/2016	7/20/2016	947,701.00	0.96	3,740.63	949,187.17	934,992.85
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	1,000,000.00	AA+	Aaa	7/29/2016	8/2/2016	998,320.00	0.93	3,621.53	999,386.45	983,379.00
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	1,175,000.00	AA+	Aaa	8/31/2016	9/2/2016	1,173,167.00	1.05	4,014.58	1,174,282.84	1,155,782.88
FHLLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	825,000.00	AA+	Aaa	10/3/2016	10/5/2016	824,711.25	1.01	2,177.08	824,879.21	810,715.95
FEDERAL HOME LOAN BANK NOTES DTD 10/13/2017 1.500% 10/21/2019	3130ACM92	1,075,000.00	AA+	Aaa	10/12/2017	10/13/2017	1,073,097.25	1.59	3,135.42	1,073,764.18	1,061,427.05
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	599,785.63	589,860.00
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	1,075,203.64	1,050,580.30
Security Type Sub-Total		7,675,000.00					7,664,726.50	1.20	28,282.47	7,670,703.32	7,548,438.16
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	199,987.11	198,010.00
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	474,784.86	468,998.38
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	200,089.11	197,183.00
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.750% 10/09/2019	931142DY6	255,000.00	AA	Aa2	10/11/2017	10/20/2017	254,994.90	1.75	1,016.46	254,996.33	252,385.49
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	448,320.11	443,021.85

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							
Corporate Note									
HONEYWELL INTERNATIONAL CORP NOTES	A	A2	10/23/2017	10/30/2017	149,883.00	1.84	457.50	149,921.72	148,131.45
DTD 10/30/2017 1.800% 10/30/2019									
AMERICAN HONDA FINANCE	A+	A2	11/13/2017	11/16/2017	324,818.00	2.03	866.67	324,874.19	321,266.08
DTD 11/16/2017 2.000% 11/13/2019									
JPMORGAN CHASE & CO (CALLABLE)	A-	A3	6/15/2017	6/20/2017	501,885.00	2.10	4,937.50	501,126.51	493,568.50
DTD 01/23/2015 2.250% 01/23/2020									
MICROSOFT CORP NOTES	AAA	Aaa	1/30/2017	2/6/2017	214,855.95	1.87	1,602.05	214,922.32	212,252.73
DTD 02/06/2017 1.850% 02/06/2020									
BNY MELLON (CALLABLE) CORP NOTE	A	A1	3/29/2017	3/30/2017	476,695.75	2.02	3,602.74	475,956.91	469,119.98
DTD 02/24/2015 2.150% 02/24/2020									
CHEVRON CORP NOTES	AA-	Aa2	2/28/2017	3/3/2017	325,000.00	1.99	2,120.97	325,000.00	321,031.43
DTD 03/03/2017 1.991% 03/03/2020									
WALT DISNEY COMPANY CORP NOTES	A+	A2	3/1/2017	3/6/2017	89,976.60	1.96	570.38	89,986.72	88,508.79
DTD 03/06/2017 1.950% 03/04/2020									
HSBC USA INC NOTES	A	A2	3/27/2018	3/29/2018	192,515.70	3.03	1,476.58	192,837.63	192,722.60
DTD 03/05/2015 2.350% 03/05/2020									
EXXON MOBIL (CALLABLE) CORP NOTE	AA+	Aaa	8/14/2017	8/15/2017	276,394.25	1.71	1,679.64	275,907.46	271,134.88
DTD 03/06/2015 1.912% 03/06/2020									
TOYOTA MOTOR CREDIT CORP	AA-	Aa3	4/12/2017	4/17/2017	150,045.00	1.94	601.25	150,027.22	147,419.55
DTD 04/17/2017 1.950% 04/17/2020									
TOYOTA MOTOR CREDIT CORP	AA-	Aa3	4/11/2017	4/17/2017	324,850.50	1.97	1,302.71	324,909.55	319,409.03
DTD 04/17/2017 1.950% 04/17/2020									
GOLDMAN SACHS GROUP INC CORP NOTES	BBB+	A3	11/1/2017	11/3/2017	352,639.00	2.28	1,718.89	351,948.04	346,697.40
DTD 01/23/2015 2.600% 04/23/2020									
INTEL CORP NOTES	A+	A1	5/8/2017	5/11/2017	249,905.00	1.86	642.36	249,940.46	246,089.25
DTD 05/11/2017 1.850% 05/11/2020									

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											
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	219,859.38	216,272.32
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	328,911.09	329,641.29
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	234,911.58	230,773.06
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	499,623.29	488,832.50
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	99,959.44	97,837.10
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	452,529.46	445,205.25
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	229,839.58	225,228.42
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	409,747.56	399,262.10
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	99,248.75	98,750.60
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	114,902.68	113,109.75
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	329,779.98	323,932.62
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	154,988.93	151,269.00
VISA INC (CALLABLE) CORP NOTES DTD 12/14/2015 2.200% 12/14/2020	92826CAB8	150,000.00	A+	A1	8/25/2017	8/30/2017	151,650.00	1.85	155.83	151,230.49	147,563.70

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 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	204,909.98	201,406.35
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	99,576.29	97,250.10
JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 03/01/2016 2.550% 03/01/2021	46625HQQJ2	50,000.00	A-	A3	3/5/2018	3/7/2018	49,349.50	3.01	425.00	49,416.08	48,999.40
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	1,832.44	189,917.42	188,355.36
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	3,450.00	399,754.14	397,064.00
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	2,315.97	229,774.14	228,289.03
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	547,437.86	545,673.15
UNITED PARCEL SERVICE CORPORATE BOND DTD 11/14/2017 2.050% 04/01/2021	91132BP0	320,000.00	A+	A1	11/9/2017	11/14/2017	319,494.40	2.10	1,640.00	319,583.58	312,143.04
TOYOTA MOTOR CREDIT CORP 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	149,944.18	149,227.05
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	74,136.86	73,619.78
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	541,823.71	537,178.40
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	42786BBA5	205,000.00	A	A1	5/3/2018	5/10/2018	204,858.55	3.12	900.29	204,865.10	205,230.01
CHARLES SCHWAB CORP 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	950.63	269,992.15	271,078.92

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											
WAL-MART STORES INC CORP NOTES	931142EJ8	380,000.00	AA	Aa2	6/20/2018	6/27/2018	379,981.00	3.13	131.94	379,981.05	381,885.18
DTD 06/27/2018 3.125% 06/23/2021											
BANK OF AMERICA CORP (CALLABLE)	06051GGS2	550,000.00	A-	A3	11/27/2017	11/29/2017	547,409.50	2.46	3,201.00	547,799.06	537,683.85
DTD 09/18/2017 2.328% 10/01/2021											
Security Type Sub-Total		12,755,000.00					12,739,398.95	2.29	65,059.12	12,739,980.06	12,579,711.72
Certificate of Deposit											
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	875,000.00	A-1+	P-1	1/10/2017	1/12/2017	875,000.00	1.91	7,901.25	875,000.00	871,199.88
DTD 01/12/2017 1.890% 01/10/2019											
BANK OF MONTREAL CHICAGO CERT DEPOS	06427KRC3	600,000.00	A-1	P-1	2/8/2017	2/9/2017	600,000.00	1.90	4,512.00	600,000.00	598,882.20
DTD 02/09/2017 1.880% 02/07/2019											
SUMITOMO MITSUI BANK NY CD	86563YVN0	975,000.00	A-1	P-1	5/3/2017	5/4/2017	975,000.00	2.05	3,275.73	975,000.00	970,854.30
DTD 05/04/2017 2.050% 05/03/2019											
SKANDINAV ENSKILDA BANKEN NY CD	83050FXT3	1,075,000.00	A+	Aa2	8/3/2017	8/4/2017	1,074,580.75	1.85	8,186.72	1,074,771.37	1,065,725.98
DTD 08/04/2017 1.840% 08/02/2019											
MUFG BANK LTD/NY CERT DEPOS	06539RGM3	550,000.00	A	A1	9/25/2017	9/27/2017	550,000.00	2.07	8,760.13	550,000.00	544,500.55
DTD 09/27/2017 2.070% 09/25/2019											
CREDIT SUISSE NEW YORK CERT DEPOS	22549LFR1	550,000.00	A	A1	2/7/2018	2/8/2018	550,000.00	2.67	5,833.21	550,000.00	549,979.65
DTD 02/08/2018 2.670% 02/07/2020											
NORDEA BANK AB NY CD	65590ASN7	550,000.00	AA-	Aa3	2/20/2018	2/22/2018	550,000.00	2.72	5,360.67	550,000.00	547,098.75
DTD 02/22/2018 2.720% 02/20/2020											
UBS AG STAMFORD CT LT CD	90275DHG8	550,000.00	A+	Aa2	3/2/2018	3/6/2018	550,000.00	2.93	5,183.75	550,000.00	551,808.40
DTD 03/06/2018 2.900% 03/02/2020											

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
Certificate of Deposit											
CANADIAN IMP BK COMM NY FLT CERT DEPOS	13606BVF0	550,000.00	A+	A1	4/6/2018	4/10/2018	550,000.00	2.78	3,429.43	550,000.00	549,998.90
DTD 04/10/2018 2.731% 04/10/2020											
CREDIT AGRICOLE CIB NY FLT CERT DEPOS	22532XHT8	550,000.00	A	A1	4/6/2018	4/10/2018	550,000.00	2.85	3,517.12	550,000.00	550,607.75
DTD 04/10/2018 2.801% 04/10/2020											
BANK OF NOVA SCOTIA HOUSTON CD	06417GU22	550,000.00	A+	A1	6/5/2018	6/7/2018	549,791.00	3.10	1,129.33	549,797.75	553,051.95
DTD 06/07/2018 3.080% 06/05/2020											
WESTPAC BANKING CORP NY CD	96121T4A3	965,000.00	AA-	Aa3	8/3/2017	8/7/2017	965,000.00	2.05	7,913.00	965,000.00	949,727.91
DTD 08/07/2017 2.050% 08/03/2020											
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	550,000.00	AA-	Aa2	11/16/2017	11/17/2017	550,000.00	2.30	1,595.31	550,000.00	538,514.90
DTD 11/17/2017 2.270% 11/16/2020											
ROYAL BANK OF CANADA NY CD	78012UEE1	700,000.00	AA-	A1	6/7/2018	6/8/2018	700,000.00	3.24	1,449.00	700,000.00	704,926.60
DTD 06/08/2018 3.240% 06/07/2021											
Security Type Sub-Total		9,590,000.00					9,589,371.75	2.38	68,046.65	9,589,569.12	9,546,877.72
Asset-Backed Security / Collateralized Mortgage Obligation											
CARMAX ABS 2017-1 A2	14314JAB6	113,008.42	NR	Aaa	1/25/2017	1/31/2017	113,008.39	1.60	77.35	113,008.41	112,839.71
DTD 01/31/2017 1.540% 02/15/2020											
CNH 2017-A A2	12636WAB2	177,790.47	AAA	NR	3/15/2017	3/22/2017	177,783.65	1.80	129.59	177,785.92	177,242.36
DTD 03/22/2017 1.640% 07/15/2020											
CITIBANK ABS 2017-A2 A2	17305EGA7	450,000.00	AAA	Aaa	1/19/2017	1/26/2017	449,913.83	1.75	3,567.00	450,000.00	448,105.28
DTD 01/26/2017 1.740% 01/17/2021											
TOYOTA ABS 2017-A A3	89238MAD0	120,000.00	AAA	Aaa	3/7/2017	3/15/2017	119,985.88	1.74	92.27	119,990.41	118,831.18
DTD 03/15/2017 1.730% 02/15/2021											
CARMX 2017-4 A2A	14314RAH5	164,840.16	AAA	NR	10/17/2017	10/25/2017	164,828.07	1.79	131.87	164,830.33	164,002.77
DTD 10/25/2017 1.800% 04/15/2021											
JOHN DEERE ABS 2017-A A3	47787XAC1	90,000.00	NR	Aaa	2/22/2017	3/2/2017	89,987.18	1.79	71.20	89,989.11	89,160.55
DTD 03/02/2017 1.780% 04/15/2021											

Managed Account Detail of Securities Held

Asset-Backed Security / Collateralized Mortgage Obligation											
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	CUSIP	Par									
FORD ABS 2017-A A3	34531EAD8	305,000.00	NR	Aaa	1/18/2017	1/25/2017	304,998.87	1.67	226.38	304,999.34	301,492.90
DTD 01/25/2017 1.670% 06/15/2021											
ALLY ABS 2017-1 A3	02007PAC7	100,000.00	NR	Aaa	1/24/2017	1/31/2017	99,991.26	1.70	75.56	99,994.25	99,170.88
DTD 01/31/2017 1.700% 06/15/2021											
TOYOTA ABS 2017-B A3	89190BAD0	450,000.00	AAA	Aaa	5/9/2017	5/17/2017	449,965.49	1.76	352.00	449,974.52	444,380.45
DTD 05/17/2017 1.760% 07/15/2021											
HONDA ABS 2017-1 A3	43814TAC6	220,000.00	NR	Aaa	3/21/2017	3/28/2017	219,986.91	1.72	105.11	219,988.01	217,792.34
DTD 03/28/2017 1.720% 07/21/2021											
ALLY ABS 2017-2 A3	02007HAC5	380,000.00	NR	Aaa	3/21/2017	3/29/2017	379,955.20	1.79	300.62	379,968.69	376,610.55
DTD 03/29/2017 1.780% 08/15/2021											
NISSAN ABS 2017-A A3	654747AD6	250,000.00	NR	Aaa	3/21/2017	3/28/2017	249,973.53	1.74	193.33	249,978.07	246,545.55
DTD 03/28/2017 1.740% 08/15/2021											
HYUNDAI ABS 2017-A A3	44931PAD8	205,000.00	AAA	NR	3/22/2017	3/29/2017	204,983.42	1.76	160.36	204,983.42	202,352.57
DTD 03/29/2017 1.760% 08/15/2021											
HAROT 2017-3 A3	43814PAC4	140,000.00	AAA	NR	9/25/2017	9/29/2017	139,984.84	1.94	90.49	139,987.58	137,761.50
DTD 09/29/2017 1.790% 09/18/2021											
CCCIT 2017-A9 A9	17305EGH2	200,000.00	AAA	NR	9/25/2017	10/2/2017	199,985.10	1.80	1,010.00	199,987.90	197,536.02
DTD 10/02/2017 1.800% 09/20/2021											
NISSAN ABS 2017-B A3	65478GAD2	275,000.00	NR	Aaa	8/16/2017	8/23/2017	274,984.63	1.75	213.89	274,987.69	270,616.56
DTD 08/23/2017 1.750% 10/15/2021											
JOHN DEERE ABS 2017-B A3	47788BAD6	145,000.00	NR	Aaa	7/11/2017	7/18/2017	144,989.39	1.82	117.29	144,991.58	142,893.37
DTD 07/15/2017 1.820% 10/15/2021											
AMERICAN EXPRESS ABS 2017-4 A	02582JHG8	190,000.00	AAA	NR	5/22/2017	5/30/2017	189,969.56	1.65	138.49	189,976.47	188,363.36
DTD 05/30/2017 1.640% 12/15/2021											
HYUNDAI ABS 2017-B A3	44932GAD7	230,000.00	AAA	Aaa	8/9/2017	8/16/2017	229,960.14	1.78	180.93	229,967.80	226,030.06
DTD 08/16/2017 1.770% 01/15/2022											
HAROT 2018-1 A3	43814UAC3	235,000.00	AAA	Aaa	2/22/2018	2/28/2018	234,969.61	2.65	275.73	234,972.03	233,774.55
DTD 02/28/2018 2.640% 02/15/2022											
FORDO 2017-C A3	34532AAD5	275,000.00	AAA	NR	11/14/2017	11/21/2017	274,950.42	2.02	245.67	274,957.11	271,114.77
DTD 11/21/2017 2.010% 03/15/2022											

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							
JDOT 2018-A A3 DTD 02/28/2018 2.660% 04/15/2022	130,000.00	NR	Aaa	2/21/2018	2/28/2018	129,990.65	2.66	153.69	129,991.49	129,331.63
HAROT 2018-2 A3 DTD 05/30/2018 3.010% 05/18/2022	95,000.00	AAA	NR	5/22/2018	5/30/2018	94,997.93	3.01	103.26	94,998.03	95,116.89
HART 2018-A A3 DTD 04/18/2018 2.790% 07/15/2022	90,000.00	AAA	Aaa	4/10/2018	4/18/2018	89,986.45	2.80	111.60	89,987.07	89,701.84
BANK OF AMERICA ABS 2017-A1 A1 DTD 03/30/2017 1.950% 08/15/2022	275,000.00	NR	Aaa	6/11/2018	6/13/2018	270,638.67	2.73	238.33	270,638.67	270,792.36
TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	465,000.00	AAA	Aaa	5/9/2018	5/16/2018	464,993.07	2.96	611.73	464,993.30	465,077.52
AMXCA 2018-1 A DTD 03/21/2018 2.670% 10/17/2022	305,000.00	NR	Aaa	3/14/2018	3/21/2018	304,964.59	2.68	361.93	304,966.67	304,192.79
ALLYA 2018-2 A3 DTD 04/30/2018 2.920% 11/15/2022	375,000.00	NR	Aaa	4/24/2018	4/30/2018	374,931.90	2.93	486.67	374,934.05	374,750.66
FORDO 2018-A A3 DTD 05/22/2018 3.030% 11/15/2022	275,000.00	AAA	NR	5/15/2018	5/22/2018	274,955.53	3.04	370.33	274,956.54	275,300.44
Security Type Sub-Total	6,725,639.05					6,720,614.16	2.13	10,192.67	6,720,784.46	6,670,881.41
Managed Account Sub Total	54,520,639.05					54,421,795.84	1.97	221,373.40	54,438,918.37	53,804,829.24
Securities Sub-Total	\$54,520,639.05					\$54,421,795.84	1.97%	\$221,373.40	\$54,438,918.37	\$53,804,829.24
Accrued Interest										\$221,373.40
Total Investments										\$54,026,202.64

Bolded items are forward settling trades.

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- 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.

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