



CITY OF LOS ALTOS

Investment Performance Review For the Quarter Ended December 31, 2017

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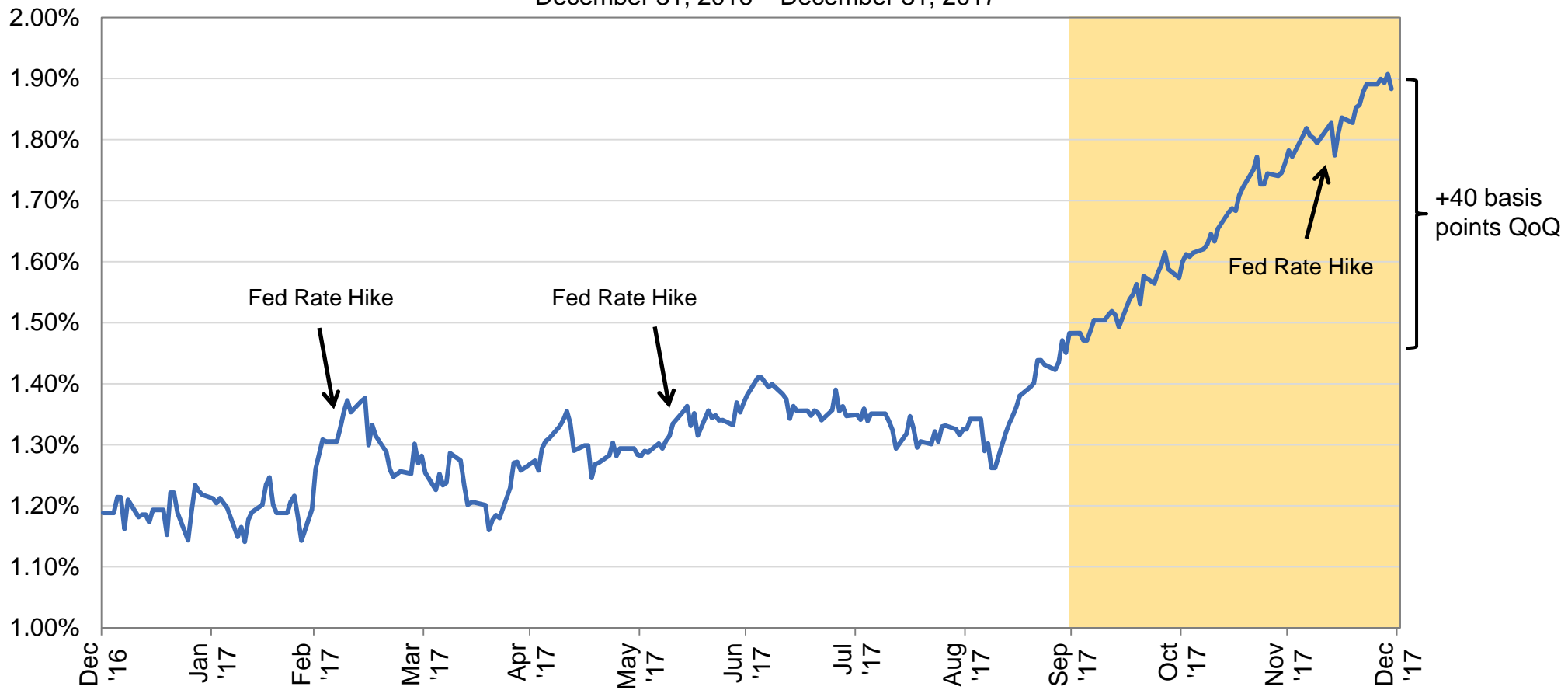
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Market Update

Interest Rate Update

- Two-year treasury yields moved notably higher for the year ended December 31, 2017; the increase was most pronounced during the fourth quarter as markets responded to another rate hike by the Federal Reserve and the passage of the largest overhaul of the U.S. tax system in more than thirty years.

2-Year Treasury Yields
December 31, 2016 – December 31, 2017



Source: Bloomberg, as of 12/31/17.

A Flattening Yield Curve

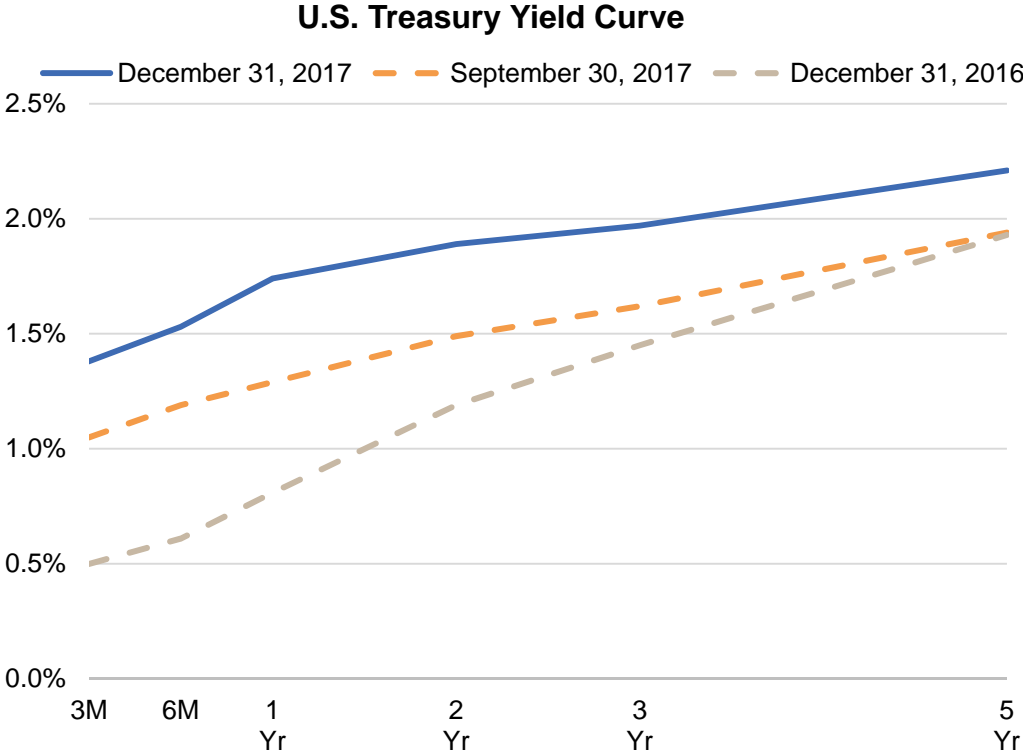
- The yield on the 2-year U.S. Treasury note has increased by 70 basis points (0.70%) this year, while the yield on the 10-year U.S. Treasury note has decreased by 3 basis points (0.03%) since the beginning of the year as expectations of future growth and inflation prospects have fallen.
- As a result, the spread between the 10-year U.S. Treasury and the 2-year U.S. Treasury is currently near a 10-year low.

10-Year/2-Year U.S. Treasury Spread
 January 1, 2002 – December 31, 2017



Source: Bloomberg, as of 12/31/17.

U.S. Treasury Yield Curve



Yield Curve History

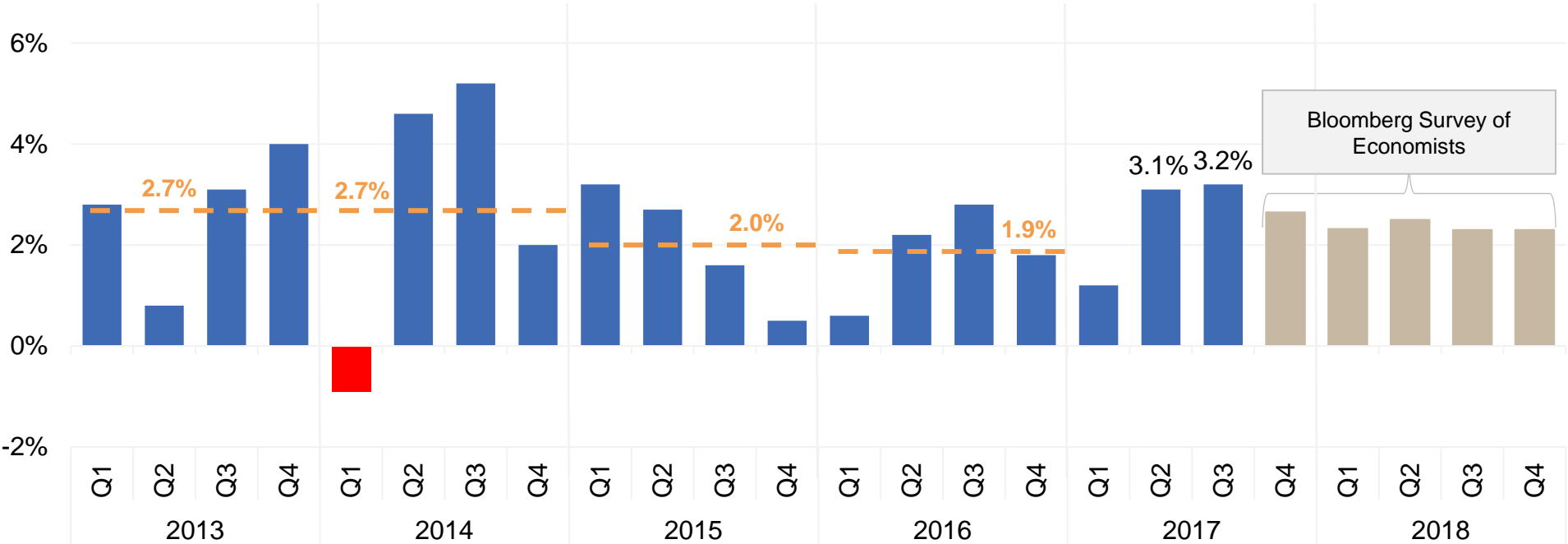
| Maturity | 12/31/16 | 12/31/17 | Change |
|----------|----------|----------|---------|
| 3-Mo. | 0.50% | 1.38% | + 0.88% |
| 6-Mo. | 0.61% | 1.53% | + 0.92% |
| 1-Yr. | 0.81% | 1.74% | + 0.93% |
| 2-Yr. | 1.19% | 1.89% | + 0.70% |
| 3-Yr. | 1.45% | 1.97% | + 0.52% |
| 5-Yr. | 1.93% | 2.21% | + 0.28% |
| 10-Yr. | 2.44% | 2.41% | - 0.03% |
| 20-Yr. | 2.76% | 2.58% | - 0.18% |
| 30-Yr. | 3.07% | 2.74% | - 0.33% |

Source: Bloomberg, as of 12/31/17.

Economic Growth Remained Strong in Third Quarter

- Gross domestic product (GDP) increased at an annualized rate of 3.2% in the third quarter of 2017, the fastest pace of expansion over two consecutive quarters since 2014. Growth has averaged 2.3% over the last four quarters.
- The acceleration in third quarter GDP reflected positive contributions from personal consumption and business investment boosted primarily by a rise in private inventories and exports. This acceleration was offset by negative contributions from residential housing.

U.S. Real GDP
QoQ, SAAR

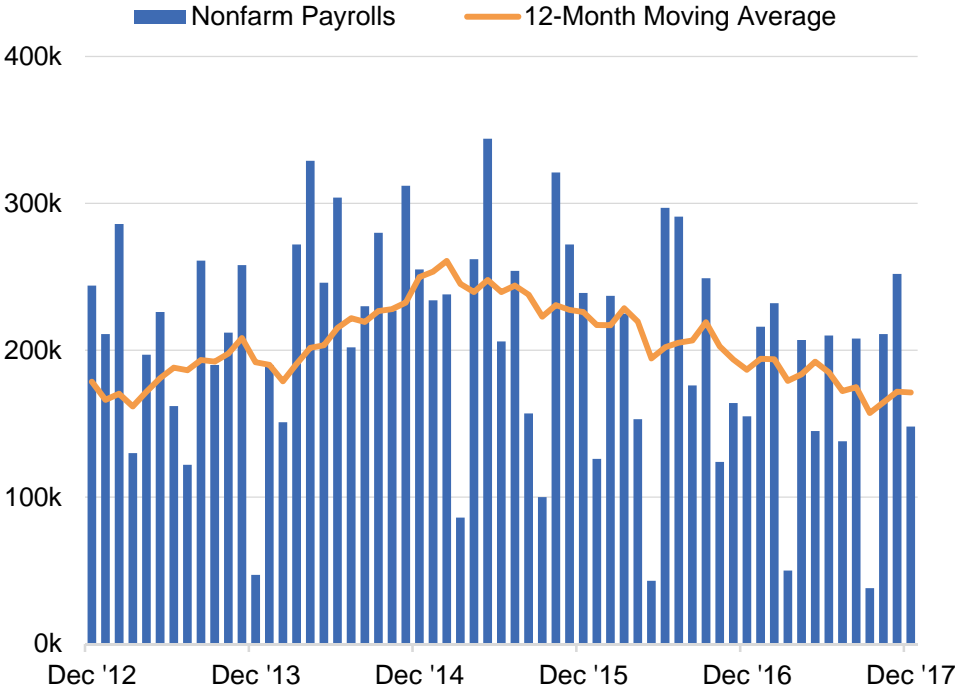


Source: Bloomberg, as of December 2017. SAAR is seasonally adjusted annualized rate. Orange dashes denote four-quarter averages.

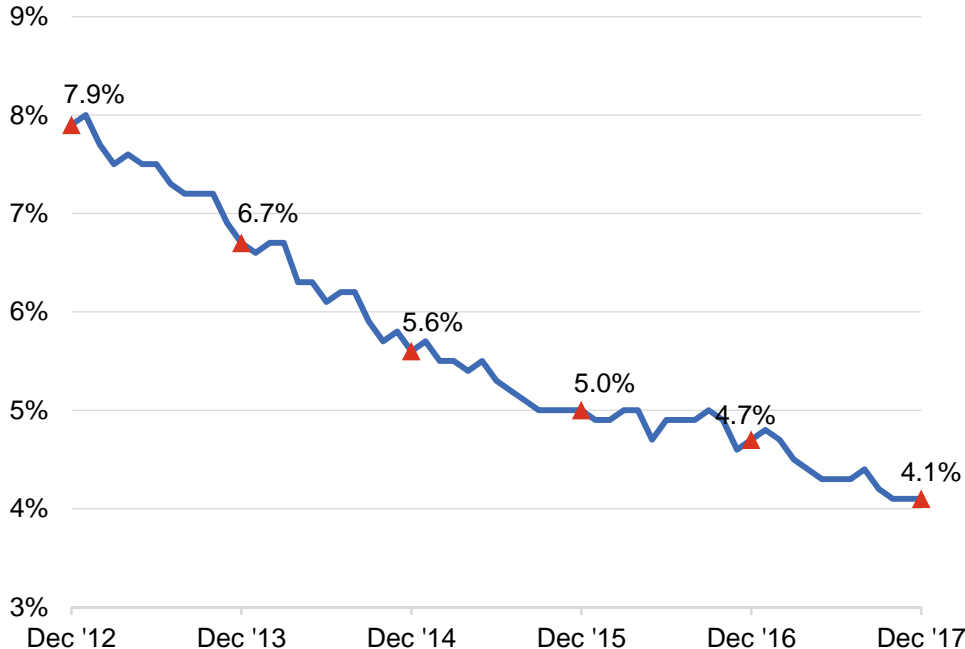
Labor Market Activity Slows Down in December

- The U.S. labor market added 611,000 jobs for the quarter ending December 31, 2017, and an average of 171,000 jobs per month over the past year.
- Headline unemployment rate for the fourth quarter remained at 4.1% for the third consecutive month. The U6 unemployment rate decreased from 8.3% in September to 8.1% in December, while the labor force participation rate fell from 63.0% in September to 62.7% in December.
- Average hourly earnings—an important gauge of wage growth—grew 2.5% over the past 12 months.

Monthly Change in Nonfarm Payrolls



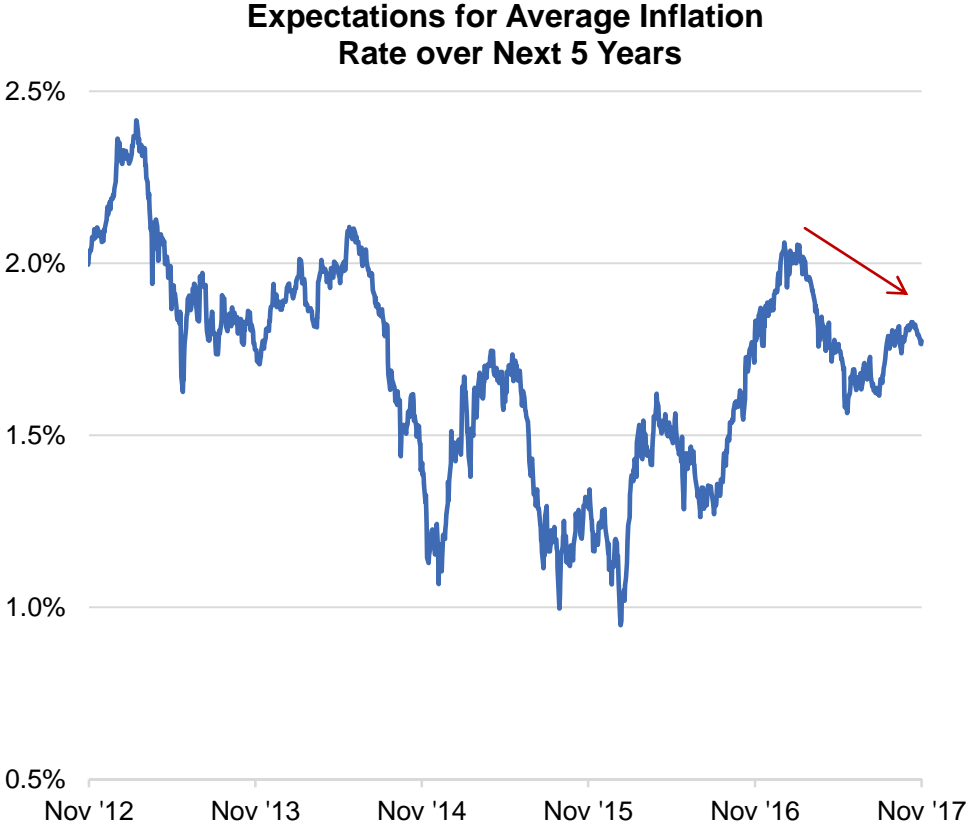
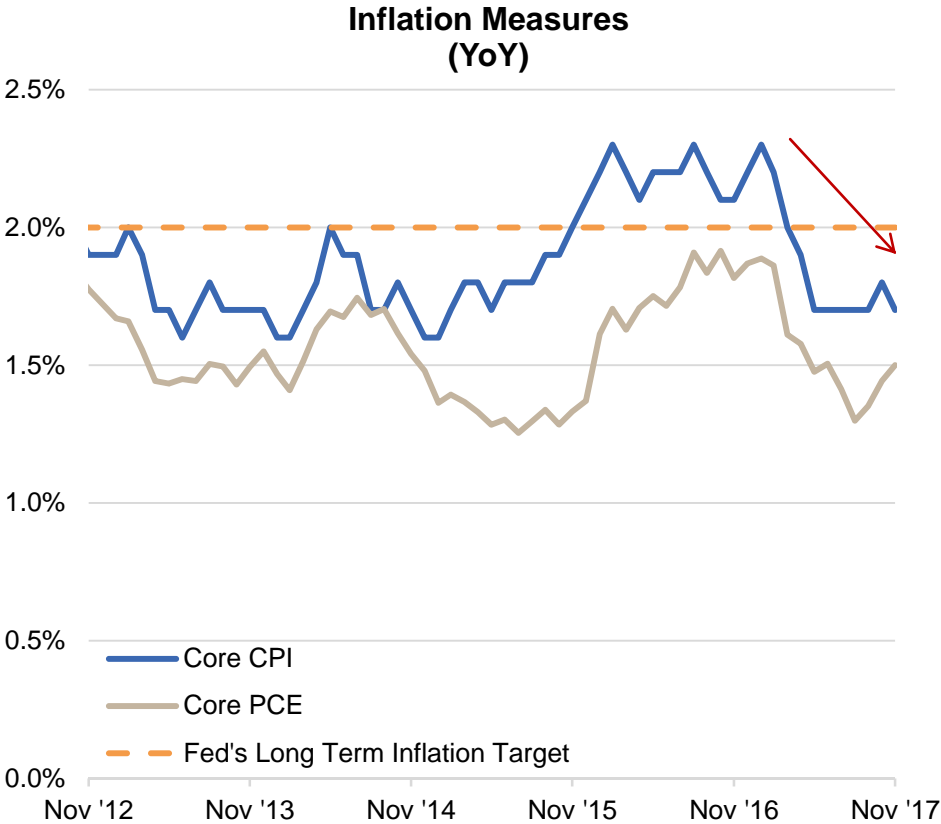
Unemployment Rate



Source: Bloomberg, as of December 2017.

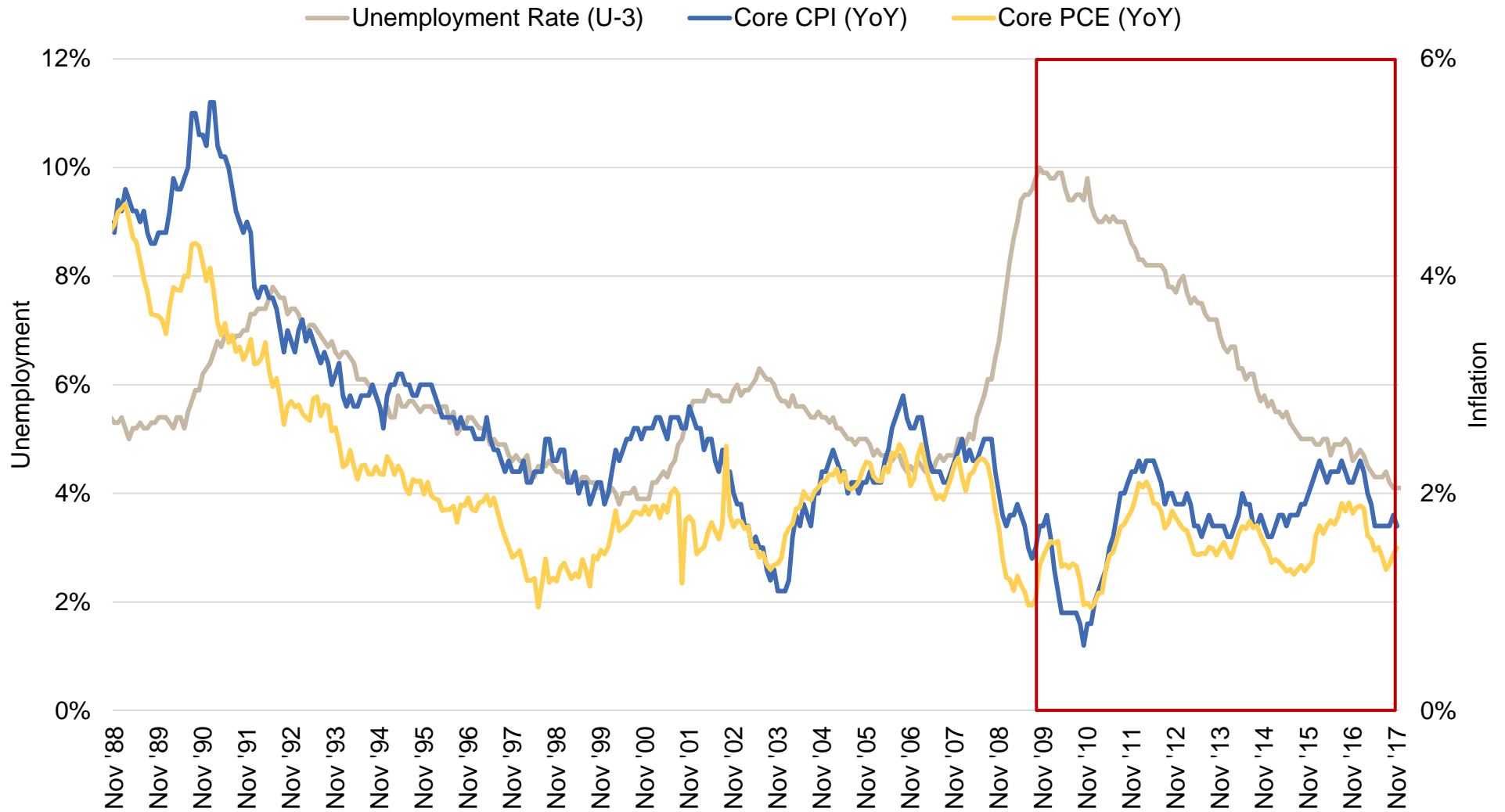
Inflation Remains Muted

- Inflation pressures have declined since the beginning of 2017. The core personal consumption expenditures (PCE) price index, the Fed’s preferred measure of inflation, moved slightly higher to 1.5% year-over-year in November.
- The Fed expects inflation to remain subdued in the near term but to reach their 2% target in the medium term.



Source: Bloomberg, as of November 2017. Inflation expectations based on yield difference between 5-year Treasury note and 5-year Treasury Inflation Protected Securities (TIPS).

Inflation Remains Lackluster Despite a Strong Labor Market



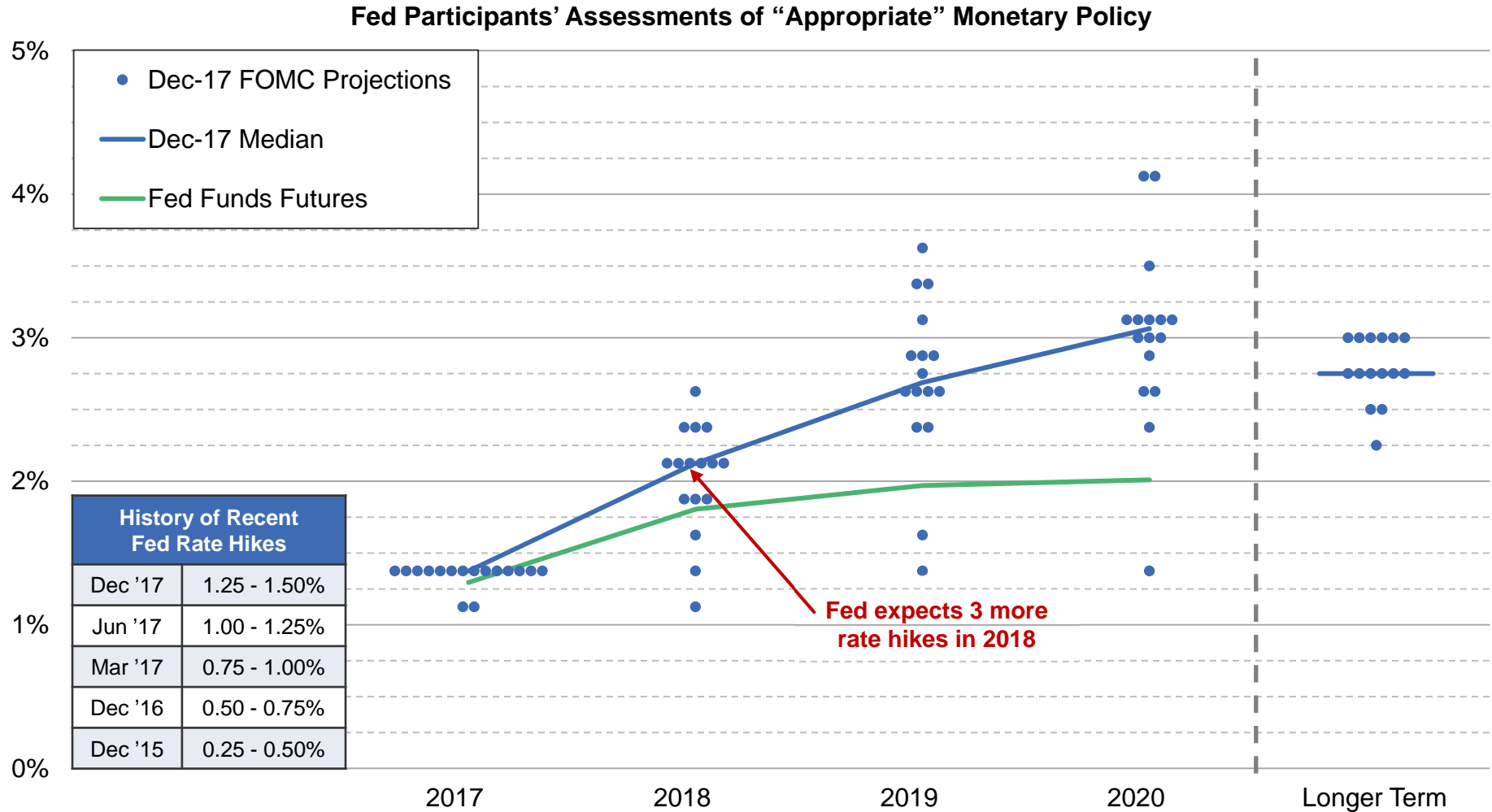
Source: Bloomberg, as of November 2017.

GOP Tax Cuts and Jobs Act

| Personal Taxes | Income Tax Brackets | Deductions | Exemptions | Other | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--|--|--|---|-----|---------|----------|-----|----------|----------|-----|----------|-----------|-----|-----------|-----------|-----|-----------|-----------|-----|-----------|-----------|-----|-------------|-------------|--|--|
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #2e5496; color: white;"> <th style="text-align: left;">Tax Rate</th> <th style="text-align: left;">Single</th> <th style="text-align: left;">Married</th> </tr> </thead> <tbody> <tr> <td>10%</td> <td>\$9,525</td> <td>\$19,050</td> </tr> <tr> <td>12%</td> <td>\$38,700</td> <td>\$77,400</td> </tr> <tr> <td>22%</td> <td>\$82,500</td> <td>\$165,000</td> </tr> <tr> <td>24%</td> <td>\$157,500</td> <td>\$315,000</td> </tr> <tr> <td>32%</td> <td>\$200,000</td> <td>\$400,000</td> </tr> <tr> <td>35%</td> <td>\$500,000</td> <td>\$600,000</td> </tr> <tr> <td>37%</td> <td>> \$500,000</td> <td>> \$600,000</td> </tr> </tbody> </table> | Tax Rate | Single | Married | 10% | \$9,525 | \$19,050 | 12% | \$38,700 | \$77,400 | 22% | \$82,500 | \$165,000 | 24% | \$157,500 | \$315,000 | 32% | \$200,000 | \$400,000 | 35% | \$500,000 | \$600,000 | 37% | > \$500,000 | > \$600,000 | <ul style="list-style-type: none"> • Can deduct up to \$10,000 in a blend of state and local property, income, and sales tax. The state and local deduction was previously unlimited. • Deductible interest on mortgage capped at \$750,000. | <ul style="list-style-type: none"> • Child tax credit raised from \$1,000 to \$2,000 per child. • The estate tax exemption will be doubled from \$5.5 million to \$11 million. |
| Tax Rate | Single | Married | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10% | \$9,525 | \$19,050 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12% | \$38,700 | \$77,400 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22% | \$82,500 | \$165,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24% | \$157,500 | \$315,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 32% | \$200,000 | \$400,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35% | \$500,000 | \$600,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 37% | > \$500,000 | > \$600,000 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business Taxes | Marginal Tax Rate | Deductions | Exemptions | Other | | | | | | | | | | | | | | | | | | | | | | | |
| | <ul style="list-style-type: none"> • Reduced from 35% to 21%. • Marks the largest one-time decline in U.S. history and amounts to almost \$1 trillion of tax cuts over the next decade. | <ul style="list-style-type: none"> • Pass-through businesses like limited liability corporations allowed to deduct 20% of their earnings. However, this will expire after 2025. | <ul style="list-style-type: none"> • Businesses will be exempt from paying the corporate alternative minimum tax. | <ul style="list-style-type: none"> • One-time tax on repatriated cash and profits will be 15.5%, up slightly from the 14% to 14.5% that had been proposed in earlier versions. | | | | | | | | | | | | | | | | | | | | | | | |

Source: The Washington Post, Business Insider.

FOMC "Dot Plot" – December 2017



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed member's judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of 12/13/17.

Investment Performance Review

Portfolio Recap

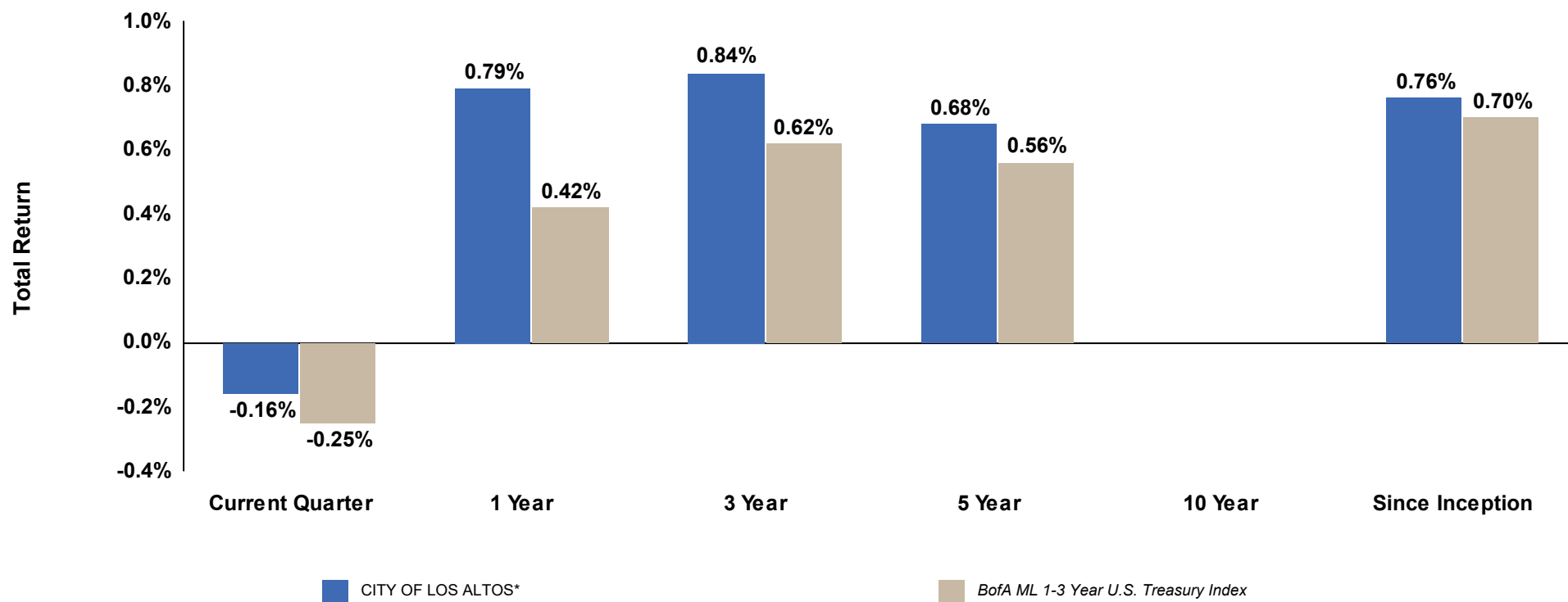
- ◆ In the fourth quarter, economic data was generally favorable, the unemployment rate hovered near a 15-year low, inflation remained in check, and the Fed raised rates for a third time in 2017. At the same time, both consumer and business confidence remained high, and Congress passed large corporate and individual tax cuts.
- ◆ Market reaction to the final tax bill reflected expectations for at least a near-term positive economic impact, causing both interest rates and U.S. equity markets to rise.
- ◆ The post-tax-bill market moves amplified existing trends. During the quarter
 - 2-year Treasury yields rose 40 basis points (0.40%), reflecting the FOMC's December rate hike and expectations for more policy changes going forward,
 - 10-year Treasury yields rose 9 basis points, muted by low inflation prospects and strong demand for yield by global investors,
 - the yield curve flattened to its narrowest levels since 2007, and
 - equity markets capped the first calendar year ever with 12 consecutive months of positive returns.
- ◆ The strength of the U.S. economy, coupled with the December Fed rate hike, drove yields on all but the longest Treasury maturities higher in the fourth quarter. As a result, fixed-income returns were mixed for the quarter, with shorter indexes generating negative returns; however, on a positive note, reinvestment opportunities became more attractive.
- ◆ Higher yields, narrow credit spreads, and a flat yield curve created a challenging investment landscape. As such, we generally employed a duration-neutral portfolio stance relative to the benchmark.

Portfolio Recap

- ◆ Credit instruments and other “spread product” generated outperformance for the quarter relative to government securities. The primary drivers of portfolio performance were asset allocation and diversification.
 - Federal agency yield spreads remained very narrow relative to similar-maturity Treasuries throughout the quarter. We generally favored U.S. Treasuries for government security allocations, except in a few maturity ranges where agency spreads were marginally wider. Minimal incremental income and similar relative price changes resulted in little excess return from the agency sector during the quarter. (Excess return is the return on a sector over and above the return on similar-duration Treasuries.)
 - Supranational spreads continued to narrow through the fourth quarter on limited supply dynamics. The portfolio benefited from incremental performance, in addition to broader diversification within the government sector.
 - Investment-grade corporate yield spreads continued to grind tighter. Due to a combination of incremental yield and spread compression, the corporate sector was one of the best performing fixed income sectors during the quarter.
 - Incremental returns on asset-backed securities (ABS) were also strong, although they were dependent on industry, issuer, and deal tranches.
 - Negotiable CDs continued to provide attractive incremental yield benefits relative to comparable Treasuries while providing an alternative to corporate debt that performed equally well.

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 * | 1.77 | -0.16% | 0.79% | 0.84% | 0.68% | - | 0.76% |
| BofA ML 1-3 Year U.S. Treasury Index | 1.80 | -0.25% | 0.42% | 0.62% | 0.56% | - | 0.70% |
| Difference | | 0.09% | 0.37% | 0.22% | 0.12% | - | 0.06% |



* Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Earnings*Quarter-Ended December 31, 2017*

| | Market Value Basis | Accrual (Amortized Cost) Basis |
|-------------------------------------|---------------------------|---------------------------------------|
| Beginning Value (09/30/2017) | \$53,818,641.86 | \$53,938,400.45 |
| Net Purchases/Sales | \$127,636.69 | \$127,636.69 |
| Change in Value | (\$299,360.62) | (\$21,411.27) |
| Ending Value (12/31/2017) | \$53,646,917.93 | \$54,044,625.87 |
| Interest Earned | \$213,549.98 | \$213,549.98 |
| Portfolio Earnings | (\$85,810.64) | \$192,138.71 |

Sector Allocation and Compliance

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

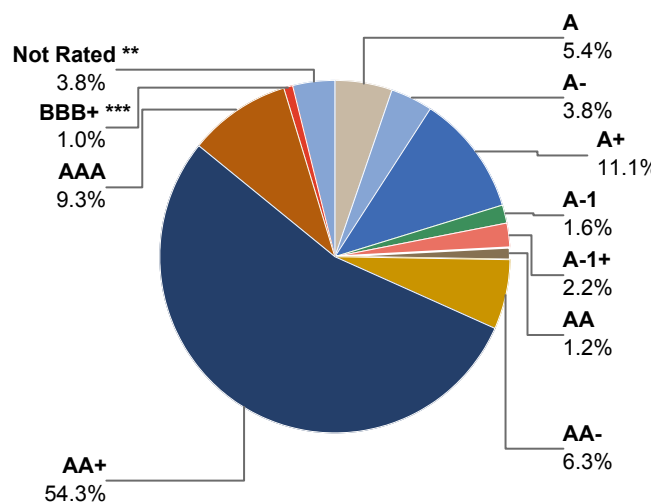
| Security Type | Market Value | % of Portfolio | % Change vs. 9/30/17 | Permitted by Policy | In Compliance |
|-----------------------------|---------------------|-----------------------|-----------------------------|----------------------------|----------------------|
| U.S. Treasury | \$18,252,435 | 33.9% | -3.5% | 100% | ✓ |
| Federal Agency | \$10,027,478 | 18.6% | -1.4% | 100% | ✓ |
| Supranationals | \$1,898,019 | 3.5% | +1.0% | 10% | ✓ |
| Negotiable CDs | \$8,885,479 | 16.5% | -0.1% | 30% | ✓ |
| Corporate Notes | \$9,788,312 | 18.2% | +3.1% | 30% | ✓ |
| Asset-Backed Securities | \$4,795,196 | 8.9% | +0.6% | 20% | ✓ |
| Securities Sub-Total | \$53,646,918 | 99.7% | | | |
| Accrued Interest | \$180,753 | | | | |
| Securities Total | \$53,827,671 | | | | |
| Money Market Fund | \$137,061 | 0.3% | +0.2% | 20% | ✓ |
| Total Investments | \$53,964,732 | 100.0% | | | |

Portfolio Statistics

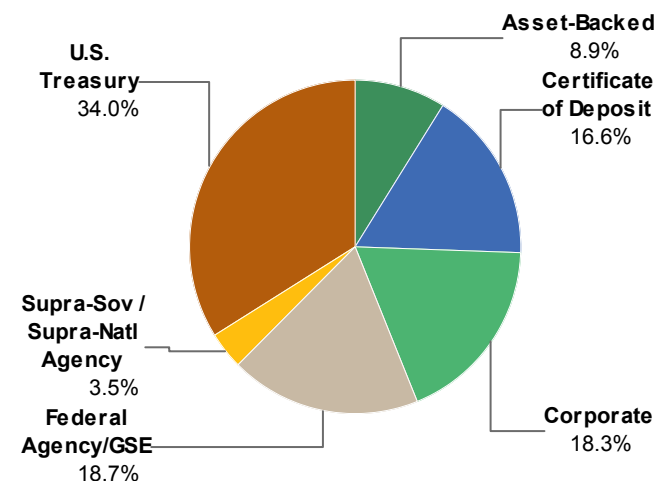
As of December 31, 2017

| | |
|-------------------------------|--------------|
| Par Value: | \$54,023,010 |
| Total Market Value: | \$53,964,732 |
| Security Market Value: | \$53,646,918 |
| Accrued Interest: | \$180,753 |
| Cash: | \$137,061 |
| Amortized Cost: | \$54,044,626 |
| Yield at Market: | 1.94% |
| Yield at Cost: | 1.57% |
| Effective Duration: | 1.77 Years |
| Duration to Worst: | 1.84 Years |
| Average Maturity: | 2.00 Years |
| Average Credit: * | AA |

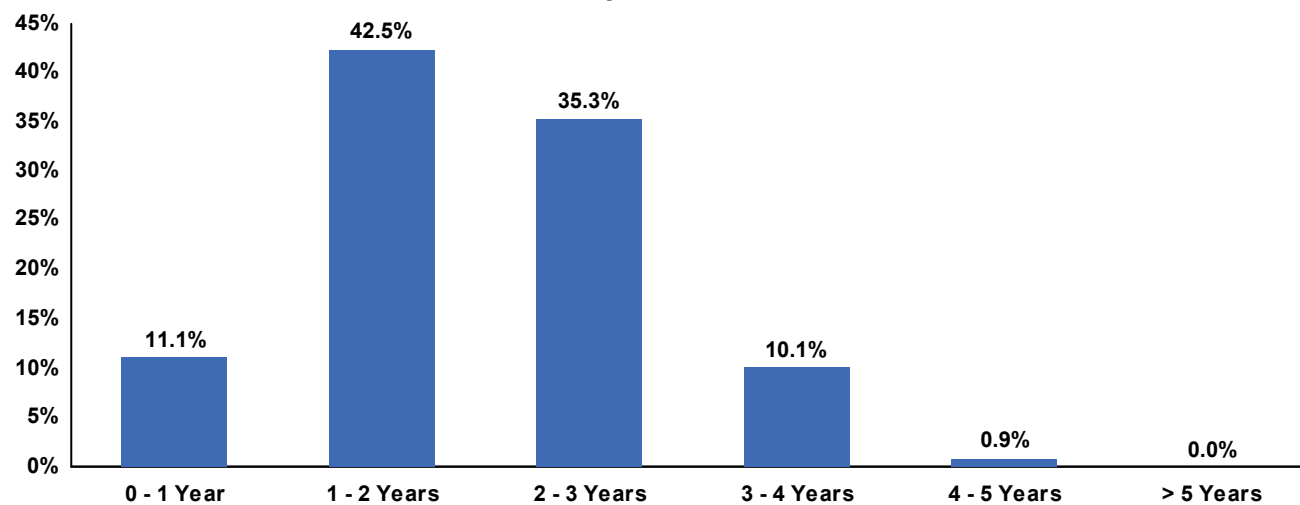
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



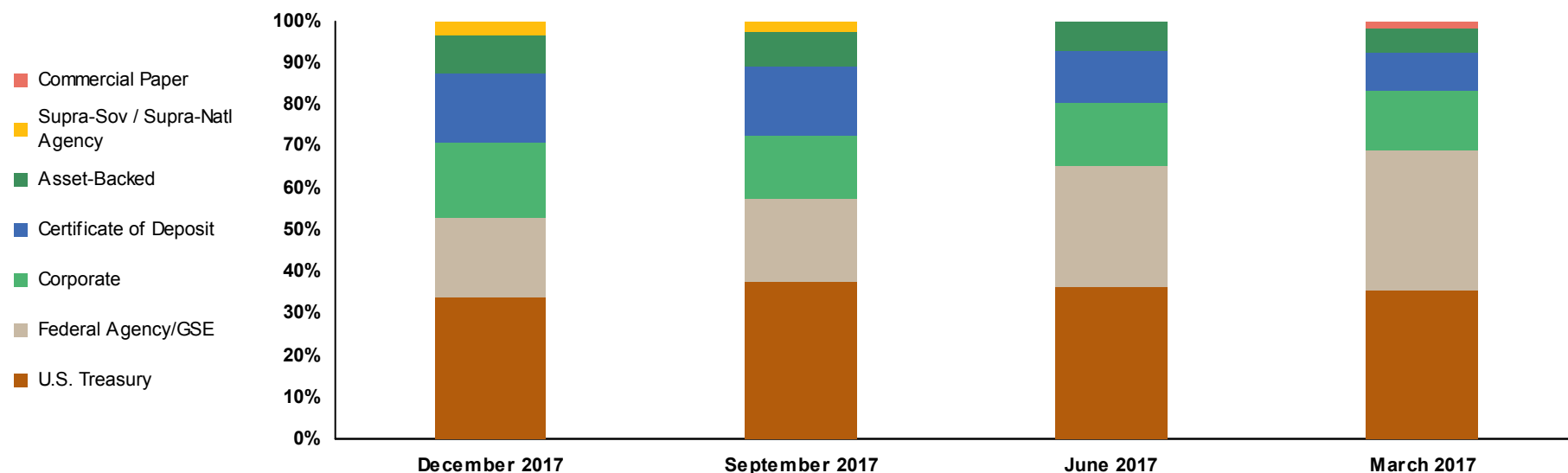
* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

** 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 | December 31, 2017 | | September 30, 2017 | | June 30, 2017 | | March 31, 2017 | |
|-------------------------------|-------------------|---------------|--------------------|---------------|---------------|---------------|----------------|---------------|
| | MV (\$MM) | % of Total | MV (\$MM) | % of Total | MV (\$MM) | % of Total | MV (\$MM) | % of Total |
| U.S. Treasury | 18.3 | 34.0% | 20.2 | 37.5% | 18.5 | 36.4% | 17.3 | 35.5% |
| Federal Agency/GSE | 10.0 | 18.7% | 10.8 | 20.0% | 14.7 | 29.0% | 16.1 | 33.2% |
| Corporate | 9.8 | 18.3% | 8.1 | 15.1% | 7.7 | 15.1% | 7.1 | 14.6% |
| Certificate of Deposit | 8.9 | 16.6% | 8.9 | 16.6% | 6.3 | 12.5% | 4.4 | 9.0% |
| Asset-Backed | 4.8 | 8.9% | 4.5 | 8.3% | 3.5 | 7.0% | 2.9 | 6.0% |
| Supra-Sov / Supra-Natl Agency | 1.9 | 3.5% | 1.4 | 2.5% | 0.0 | 0.0% | 0.0 | 0.0% |
| Commercial Paper | 0.0 | 0.0% | 0.0 | 0.0% | 0.0 | 0.0% | 0.8 | 1.7% |
| Total | \$53.6 | 100.0% | \$53.8 | 100.0% | \$50.7 | 100.0% | \$48.5 | 100.0% |

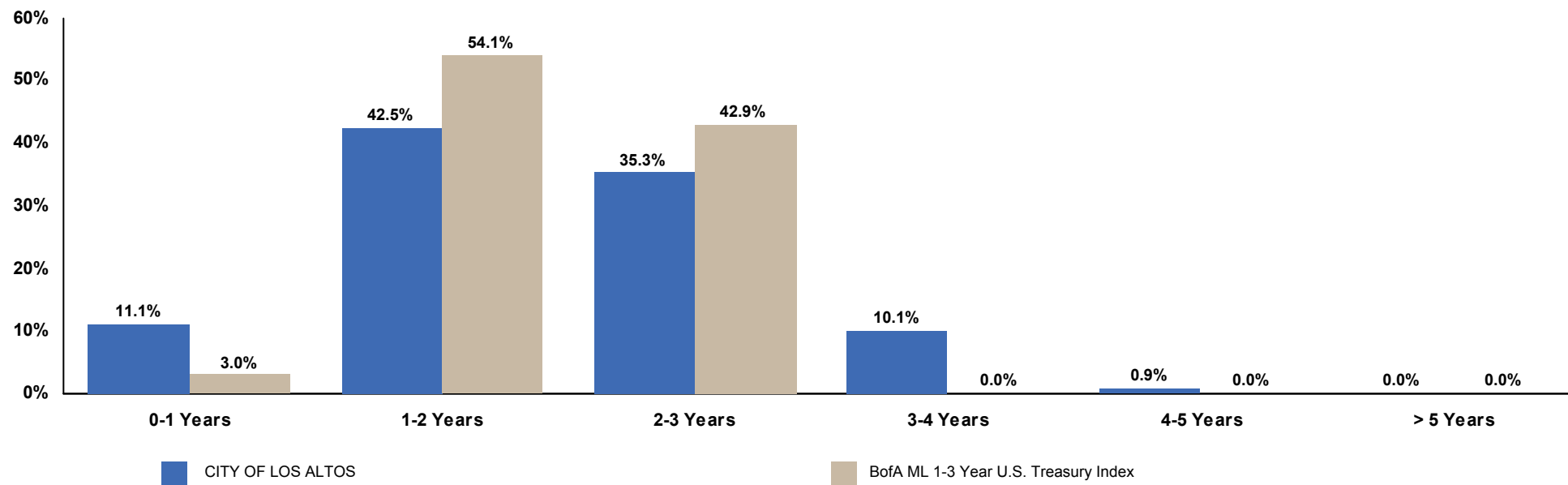


Detail may not add to total due to rounding.

Maturity Distribution

As of December 31, 2017

| 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 | 1.94% | 2.00 yrs | 11.1% | 42.5% | 35.3% | 10.1% | 0.9% | 0.0% |
| BofA ML 1-3 Year U.S. Treasury Index | 1.89% | 1.92 yrs | 3.0% | 54.1% | 42.9% | 0.0% | 0.0% | 0.0% |



Sector/Issuer Distribution

As of December 31, 2017

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|------------------------------------|-------------------|---------------|----------------------|
| Asset-Backed | | | |
| ALLY AUTO RECEIVABLES TRUST | 478,139 | 10.0% | 0.9% |
| AMERICAN EXPRESS CO | 189,017 | 3.9% | 0.4% |
| CARMAX AUTO OWNER TRUST | 456,982 | 9.5% | 0.9% |
| CITIGROUP INC | 647,973 | 13.5% | 1.2% |
| CNH EQUIPMENT TRUST | 334,807 | 7.0% | 0.6% |
| FORD CREDIT AUTO OWNER TRUST | 577,285 | 12.0% | 1.1% |
| HONDA AUTO RECEIVABLES | 357,524 | 7.5% | 0.7% |
| HYUNDAI AUTO RECEIVABLES | 432,123 | 9.0% | 0.8% |
| JOHN DEERE OWNER TRUST | 233,486 | 4.9% | 0.4% |
| NISSAN AUTO RECEIVABLES | 521,420 | 10.9% | 1.0% |
| TOYOTA MOTOR CORP | 566,440 | 11.8% | 1.1% |
| Sector Total | 4,795,196 | 100.0% | 8.9% |
| Certificate of Deposit | | | |
| BANK OF MONTREAL | 876,082 | 9.9% | 1.6% |
| BANK OF NOVA SCOTIA | 971,471 | 10.9% | 1.8% |
| CANADIAN IMPERIAL BANK OF COMMERCE | 873,153 | 9.8% | 1.6% |
| MITSUBISHI UFJ FINANCIAL GROUP INC | 547,427 | 6.2% | 1.0% |
| NORDEA BANK AB | 875,543 | 9.9% | 1.6% |
| SKANDINAVISKA ENSKILDA BANKEN AB | 1,061,197 | 11.9% | 2.0% |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|-------------------------------------|-------------------|---------------|----------------------|
| SUMITOMO MITSUI FINANCIAL GROUP INC | 974,333 | 11.0% | 1.8% |
| SVENSKA HANDELSBANKEN AB | 871,132 | 9.8% | 1.6% |
| SWEDBANK AB | 547,029 | 6.2% | 1.0% |
| TORONTO-DOMINION BANK | 324,716 | 3.7% | 0.6% |
| WESTPAC BANKING CORP | 963,398 | 10.8% | 1.8% |
| Sector Total | 8,885,479 | 100.0% | 16.6% |

Corporate

| | | | |
|---------------------------------|---------|------|------|
| AMERICAN EXPRESS CO | 445,355 | 4.5% | 0.8% |
| AMERICAN HONDA FINANCE | 552,077 | 5.6% | 1.0% |
| APPLE INC | 546,052 | 5.6% | 1.0% |
| BANK OF AMERICA CO | 548,450 | 5.6% | 1.0% |
| BB&T CORPORATION | 552,121 | 5.6% | 1.0% |
| CATERPILLAR INC | 405,214 | 4.1% | 0.8% |
| CHEVRON CORPORATION | 322,229 | 3.3% | 0.6% |
| CISCO SYSTEMS INC | 197,914 | 2.0% | 0.4% |
| DEERE & COMPANY | 99,291 | 1.0% | 0.2% |
| EXXON MOBIL CORP | 273,577 | 2.8% | 0.5% |
| GOLDMAN SACHS GROUP INC | 549,310 | 5.6% | 1.0% |
| HOME DEPOT INC | 233,131 | 2.4% | 0.4% |
| HONEYWELL INTERNATIONAL | 149,207 | 1.5% | 0.3% |
| IBM CORP | 350,428 | 3.6% | 0.7% |
| INTEL CORPORATION | 248,852 | 2.5% | 0.5% |
| INTERNATIONAL BUSINESS MACHINES | 471,793 | 4.8% | 0.9% |
| JOHNSON & JOHNSON | 114,455 | 1.2% | 0.2% |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|---|-------------------|---------------|----------------------|
| JP MORGAN CHASE & CO | 499,666 | 5.1% | 0.9% |
| MICROSOFT CORP | 214,364 | 2.2% | 0.4% |
| PACCAR FINANCIAL CORP | 153,820 | 1.6% | 0.3% |
| PEPSICO INC | 233,705 | 2.4% | 0.4% |
| PFIZER INC | 372,041 | 3.8% | 0.7% |
| THE BANK OF NEW YORK MELLON CORPORATION | 474,321 | 4.8% | 0.9% |
| THE WALT DISNEY CORPORATION | 585,568 | 6.0% | 1.1% |
| TOYOTA MOTOR CORP | 473,088 | 4.8% | 0.9% |
| UNITED PARCEL SERVICE INC | 318,308 | 3.3% | 0.6% |
| VISA INC | 149,882 | 1.5% | 0.3% |
| WAL-MART STORES INC | 254,094 | 2.6% | 0.5% |
| Sector Total | 9,788,312 | 100.0% | 18.2% |
| Federal Agency/GSE | | | |
| FANNIE MAE | 5,284,480 | 52.7% | 9.9% |
| FEDERAL HOME LOAN BANKS | 2,646,200 | 26.4% | 4.9% |
| FREDDIE MAC | 2,096,798 | 20.9% | 3.9% |
| Sector Total | 10,027,478 | 100.0% | 18.7% |
| Supra-Sov / Supra-Natl Agency | | | |
| INTER-AMERICAN DEVELOPMENT BANK | 545,461 | 28.7% | 1.0% |
| INTL BANK OF RECONSTRUCTION AND DEV | 1,352,558 | 71.3% | 2.5% |
| Sector Total | 1,898,019 | 100.0% | 3.5% |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|------------------------|-------------------|---------------|----------------------|
| U.S. Treasury | | | |
| UNITED STATES TREASURY | 18,252,435 | 100.0% | 34.0% |
| Sector Total | 18,252,435 | 100.0% | 34.0% |
| Portfolio Total | 53,646,918 | 100.0% | 100.0% |

2018 Investment Outlook and Strategy

- Generally, the economic themes that brought 2017 to a close will carry forward into 2018, including improving growth, stable job production, healthy personal consumption, and strong corporate fundamentals.
- Following three hikes in 2017, the Fed's "dot plot," released after the December FOMC meeting, indicated an expectation for three more hikes in 2018. As of year-end, the market-implied probability of a rate hike at the March FOMC meeting was around 70%.
- The FOMC begins 2018 balancing several factors: persistently low inflation, uncertainty around the pace of economic growth, and the continuation of balance sheet normalization. Additionally, a change in leadership at the Fed—Jerome Powell will replace Janet Yellen as Fed Chair—has the potential to create some uncertainty. As a current Fed governor, Powell is expected to follow closely in Yellen's footsteps.
- Our outlook for each of the major investment-grade fixed income sectors are as follows:
 - Federal agency spreads remain tight; however, the best value relative to U.S. Treasuries is in the 2- to 3-year area of the curve. While callable agency value waned towards the end of 2017, wider spreads in the new year may provide an opportunity to capture incremental yield.
 - Supranational issuance came to a halt at the close of the year, and with it some of their incremental value. However, with the prospect of high seasonal supply in the first quarter, the expectation exists for attractive spreads and purchase opportunities.
 - Corporate yield spreads are expected to remain stable, with incremental income being supportive of continued expected outperformance. As always, careful issuer due diligence will drive selection.
 - The relative value dynamics of the municipal market may shift in the wake of tax reform. Although issuance is likely to fall sharply in 2018, creating a potential supply shortage, the impact of lower individual tax rates could be negative.
 - Given the steepness of the short-term yield curve (under one year), short-term credit instruments like commercial paper and negotiable CDs look particularly attractive. We believe their current yields fully compensate for at least three Fed rate hikes in 2018.

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 | | | | | | | | | |
| 9/25/17 | 10/2/17 | 200,000 | 17305EGH2 | CCCIT 2017-A9 A9 | 1.80% | 9/20/21 | 199,985.10 | 1.80% | |
| 10/2/17 | 10/10/17 | 545,000 | 4581X0CD8 | INTER-AMERICAN DEVELOPMENT BANK | 2.12% | 11/9/20 | 554,909.35 | 1.81% | |
| 10/4/17 | 10/5/17 | 725,000 | 912828XE5 | US TREASURY NOTES | 1.50% | 5/31/20 | 727,215.95 | 1.58% | |
| 10/11/17 | 10/20/17 | 255,000 | 931142DY6 | WAL-MART STORES INC CORP NOTE | 1.75% | 10/9/19 | 254,994.90 | 1.75% | |
| 10/12/17 | 10/13/17 | 1,075,000 | 3130ACM92 | FEDERAL HOME LOAN BANK NOTES | 1.50% | 10/21/19 | 1,073,097.25 | 1.59% | |
| 10/17/17 | 10/25/17 | 175,000 | 14314RAH5 | CARMX 2017-4 A2A | 1.80% | 4/15/21 | 174,987.16 | 1.79% | |
| 10/23/17 | 10/30/17 | 150,000 | 438516BQ8 | HONEYWELL INTERNATIONAL CORP NOTES | 1.80% | 10/30/19 | 149,883.00 | 1.84% | |
| 11/1/17 | 11/3/17 | 350,000 | 38148LAA4 | GOLDMAN SACHS GROUP INC CORP NOTES | 2.60% | 4/23/20 | 352,891.78 | 2.28% | |
| 11/1/17 | 11/3/17 | 1,000,000 | 912828M98 | US TREASURY NOTES | 1.62% | 11/30/20 | 1,002,590.29 | 1.77% | |
| 11/6/17 | 11/13/17 | 330,000 | 037833DJ6 | APPLE INC | 2.00% | 11/13/20 | 329,722.80 | 2.03% | |
| 11/6/17 | 11/13/17 | 155,000 | 69371RN85 | PACCAR FINANCIAL CORP NOTES | 2.05% | 11/13/20 | 154,986.05 | 2.05% | |
| 11/8/17 | 11/10/17 | 115,000 | 478160CH5 | JOHNSON & JOHNSON CORP NOTE | 1.95% | 11/10/20 | 114,876.95 | 1.99% | |
| 11/9/17 | 11/14/17 | 320,000 | 911312BP0 | UNITED PARCEL SERVICE CORPORATE BOND | 2.05% | 4/1/21 | 319,494.40 | 2.10% | |
| 11/13/17 | 11/16/17 | 325,000 | 02665WBZ3 | AMERICAN HONDA FINANCE | 2.00% | 11/13/19 | 324,818.00 | 2.03% | |
| 11/14/17 | 11/21/17 | 275,000 | 34532AAD5 | FORDO 2017-C A3 | 2.01% | 3/15/22 | 274,950.42 | 2.02% | |
| 11/16/17 | 11/17/17 | 550,000 | 87019U6D6 | SWEDBANK (NEW YORK) CERT DEPOS | 2.27% | 11/16/20 | 550,000.00 | 2.30% | |
| 11/16/17 | 11/20/17 | 100,000 | 05531FAZ6 | BRANCH BANKING & TRUST (CALLABLE) NOTES | 2.15% | 2/1/21 | 99,623.33 | 2.32% | |
| 11/27/17 | 11/29/17 | 550,000 | 06051GGS2 | BANK OF AMERICA CORP (CALLABLE) | 2.32% | 10/1/21 | 549,934.73 | 2.46% | |
| 12/1/17 | 12/5/17 | 800,000 | 912828N48 | US TREASURY N/B | 1.75% | 12/31/20 | 802,198.37 | 1.91% | |
| Total BUY | | 7,995,000 | | | | | 8,011,159.83 | | |
| INTEREST | | | | | | | | | |
| 10/1/17 | 10/1/17 | 1,125,000 | 3130A9AE1 | FHLB GLOBAL NOTES | 0.87% | 10/1/18 | 4,921.88 | | |
| 10/2/17 | 10/2/17 | 0 | MONEY002 | MONEY MARKET FUND | | | 38.96 | | |

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|-----------|-----------|---|--------|---------------|-------------------|-----------------|-------------------|
| 10/5/17 | 10/5/17 | 975,000 | 06417GUE6 | BANK OF NOVA SCOTIA HOUSTON LT CD | 1.91% | 4/5/19 | 9,414.71 | | |
| 10/15/17 | 10/15/17 | 325,000 | 3137EADZ9 | FREDDIE MAC NOTES | 1.12% | 4/15/19 | 1,828.13 | | |
| 10/15/17 | 10/15/17 | 230,000 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 339.25 | | |
| 10/15/17 | 10/15/17 | 350,000 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 478.33 | | |
| 10/15/17 | 10/15/17 | 450,000 | 3137EADZ9 | FREDDIE MAC NOTES | 1.12% | 4/15/19 | 2,531.25 | | |
| 10/15/17 | 10/15/17 | 90,000 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 133.50 | | |
| 10/15/17 | 10/15/17 | 250,000 | 654747AD6 | NISSAN ABS 2017-A A3 | 1.74% | 8/15/21 | 362.50 | | |
| 10/15/17 | 10/15/17 | 380,000 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 563.67 | | |
| 10/15/17 | 10/15/17 | 120,000 | 89238MAD0 | TOYOTA ABS 2017-A A3 | 1.73% | 2/15/21 | 173.00 | | |
| 10/15/17 | 10/15/17 | 376,532 | 14314JAB6 | CARMAX ABS 2017-1 A2 | 1.54% | 2/15/20 | 483.22 | | |
| 10/15/17 | 10/15/17 | 145,000 | 47788BAD6 | JOHN DEERE ABS 2017-B A3 | 1.82% | 10/15/21 | 219.92 | | |
| 10/15/17 | 10/15/17 | 100,000 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 141.67 | | |
| 10/15/17 | 10/15/17 | 450,000 | 89190BAD0 | TOYOTA ABS 2017-B A3 | 1.76% | 7/15/21 | 660.00 | | |
| 10/15/17 | 10/15/17 | 190,000 | 02582JHG8 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 259.67 | | |
| 10/15/17 | 10/15/17 | 275,000 | 65478GAD2 | NISSAN ABS 2017-B A3 | 1.75% | 10/15/21 | 401.04 | | |
| 10/15/17 | 10/15/17 | 305,000 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 424.46 | | |
| 10/15/17 | 10/15/17 | 205,000 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 300.67 | | |
| 10/17/17 | 10/17/17 | 325,000 | 89236TDU6 | TOYOTA MOTOR CREDIT CORP (CALLABLE) | 1.95% | 4/17/20 | 3,168.75 | | |
| 10/17/17 | 10/17/17 | 150,000 | 89236TDU6 | TOYOTA MOTOR CREDIT CORP (CALLABLE) | 1.95% | 4/17/20 | 1,462.50 | | |
| 10/18/17 | 10/18/17 | 140,000 | 43814PAC4 | HAROT 2017-3 A3 | 1.79% | 9/18/21 | 132.26 | | |
| 10/19/17 | 10/19/17 | 500,000 | 3135G0E58 | FNMA BENCHMARK NOTE | 1.12% | 10/19/18 | 2,812.50 | | |
| 10/21/17 | 10/21/17 | 220,000 | 43814TAC6 | HONDA ABS 2017-1 A3 | 1.72% | 7/21/21 | 315.33 | | |
| 10/30/17 | 10/30/17 | 450,000 | 0258M0EC9 | AMERICAN EXPRESS CREDIT (CALLABLE) CORP | 1.70% | 10/30/19 | 3,825.00 | | |
| 10/31/17 | 10/31/17 | 1,060,000 | 912828D23 | US TREASURY NOTES | 1.62% | 4/30/19 | 8,612.50 | | |
| 10/31/17 | 10/31/17 | 1,075,000 | 912828T83 | US TREASURY NOTES | 0.75% | 10/31/18 | 4,031.25 | | |
| 10/31/17 | 10/31/17 | 1,075,000 | 912828T83 | US TREASURY NOTES | 0.75% | 10/31/18 | 4,031.25 | | |
| 10/31/17 | 10/31/17 | 1,285,000 | 912828D23 | US TREASURY NOTES | 1.62% | 4/30/19 | 10,440.63 | | |
| 10/31/17 | 10/31/17 | 175,000 | 912828F62 | US TREASURY NOTES | 1.50% | 10/31/19 | 1,312.50 | | |
| 10/31/17 | 10/31/17 | 2,000,000 | 912828K58 | US TREASURY NOTES | 1.37% | 4/30/20 | 13,750.00 | | |
| 11/1/17 | 11/1/17 | 0 | MONEY0002 | MONEY MARKET FUND | | | 39.17 | | |

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|-----------|-----------|---|--------|---------------|-------------------|-----------------|-------------------|
| 11/2/17 | 11/2/17 | 235,000 | 713448DR6 | PEPSICO INC CORP NOTE | 1.55% | 5/2/19 | 1,821.25 | | |
| 11/3/17 | 11/3/17 | 975,000 | 86563YVN0 | SUMITOMO MITSUI BANK NY CD | 2.05% | 5/3/19 | 10,160.31 | | |
| 11/9/17 | 11/9/17 | 545,000 | 4581X0CD8 | INTER-AMERICAN DEVELOPMENT BANK | 2.12% | 11/9/20 | 5,790.63 | | |
| 11/11/17 | 11/11/17 | 250,000 | 458140AZ3 | INTEL CORP NOTES | 1.85% | 5/11/20 | 2,312.50 | | |
| 11/11/17 | 11/11/17 | 220,000 | 037833CS7 | APPLE INC BONDS | 1.80% | 5/11/20 | 1,980.00 | | |
| 11/15/17 | 11/15/17 | 380,000 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 563.67 | | |
| 11/15/17 | 11/15/17 | 100,000 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 141.67 | | |
| 11/15/17 | 11/15/17 | 275,000 | 65478GAD2 | NISSAN ABS 2017-B A3 | 1.75% | 10/15/21 | 401.04 | | |
| 11/15/17 | 11/15/17 | 120,000 | 89238MAD0 | TOYOTA ABS 2017-A A3 | 1.73% | 2/15/21 | 173.00 | | |
| 11/15/17 | 11/15/17 | 305,000 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 424.46 | | |
| 11/15/17 | 11/15/17 | 450,000 | 89190BAD0 | TOYOTA ABS 2017-B A3 | 1.76% | 7/15/21 | 660.00 | | |
| 11/15/17 | 11/15/17 | 350,000 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 478.33 | | |
| 11/15/17 | 11/15/17 | 175,000 | 14314RAH5 | CARMX 2017-4 A2A | 1.80% | 4/15/21 | 175.00 | | |
| 11/15/17 | 11/15/17 | 205,000 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 300.67 | | |
| 11/15/17 | 11/15/17 | 90,000 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 133.50 | | |
| 11/15/17 | 11/15/17 | 250,000 | 654747AD6 | NISSAN ABS 2017-A A3 | 1.74% | 8/15/21 | 362.50 | | |
| 11/15/17 | 11/15/17 | 344,694 | 14314JAB6 | CARMAX ABS 2017-1 A2 | 1.54% | 2/15/20 | 442.36 | | |
| 11/15/17 | 11/15/17 | 190,000 | 02582JHG8 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 259.67 | | |
| 11/15/17 | 11/15/17 | 230,000 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 339.25 | | |
| 11/15/17 | 11/15/17 | 145,000 | 47788BAD6 | JOHN DEERE ABS 2017-B A3 | 1.82% | 10/15/21 | 219.92 | | |
| 11/18/17 | 11/18/17 | 140,000 | 43814PAC4 | HAROT 2017-3 A3 | 1.79% | 9/18/21 | 208.83 | | |
| 11/21/17 | 11/21/17 | 220,000 | 43814TAC6 | HONDA ABS 2017-1 A3 | 1.72% | 7/21/21 | 315.33 | | |
| 11/27/17 | 11/27/17 | 550,000 | 459058FS7 | INTL BANK OF RECON AND DEV GLOBAL NOTES | 1.12% | 11/27/19 | 3,096.50 | | |
| 11/30/17 | 11/30/17 | 1,250,000 | 912828A34 | US TREASURY NOTES | 1.25% | 11/30/18 | 7,812.50 | | |
| 11/30/17 | 11/30/17 | 875,000 | 65558LWA6 | NORDEA BANK FINLAND NY CD | 1.76% | 11/30/18 | 7,871.11 | | |
| 11/30/17 | 11/30/17 | 1,400,000 | 912828A34 | US TREASURY NOTES | 1.25% | 11/30/18 | 8,750.00 | | |
| 11/30/17 | 11/30/17 | 565,000 | 912828M98 | US TREASURY NOTES | 1.62% | 11/30/20 | 4,590.63 | | |
| 11/30/17 | 11/30/17 | 2,360,000 | 912828G61 | US TREASURY NOTES | 1.50% | 11/30/19 | 17,700.00 | | |
| 11/30/17 | 11/30/17 | 725,000 | 912828XE5 | US TREASURY NOTES | 1.50% | 5/31/20 | 5,437.50 | | |
| 11/30/17 | 11/30/17 | 875,000 | 13606A5Z7 | CANADIAN IMPERIAL BANK NY CD | 1.76% | 11/30/18 | 7,700.00 | | |

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|-----------|-----------|--|--------|---------------|-------------------|-----------------|-------------------|
| 12/1/17 | 12/1/17 | 0 | MONEY0002 | MONEY MARKET FUND | | | 21.02 | | |
| 12/3/17 | 12/3/17 | 375,000 | 717081DU4 | PFIZER INC CORP NOTES | 1.45% | 6/3/19 | 2,718.75 | | |
| 12/5/17 | 12/5/17 | 235,000 | 437076BQ4 | HOME DEPOT INC CORP NOTES | 1.80% | 6/5/20 | 2,115.00 | | |
| 12/5/17 | 12/5/17 | 500,000 | 25468PDU7 | WALT DISNEY COMPANY CORP NOTES | 1.80% | 6/5/20 | 4,475.00 | | |
| 12/14/17 | 12/14/17 | 550,000 | 3135G0G72 | FNMA NOTES | 1.12% | 12/14/18 | 3,093.75 | | |
| 12/14/17 | 12/14/17 | 150,000 | 92826CAB8 | VISA INC (CALLABLE) CORP NOTES | 2.20% | 12/14/20 | 1,650.00 | | |
| 12/15/17 | 12/15/17 | 380,000 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 563.67 | | |
| 12/15/17 | 12/15/17 | 190,000 | 02582JHG8 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 259.67 | | |
| 12/15/17 | 12/15/17 | 275,000 | 34532AAD5 | FORDO 2017-C A3 | 2.01% | 3/15/22 | 368.50 | | |
| 12/15/17 | 12/15/17 | 230,000 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 339.25 | | |
| 12/15/17 | 12/15/17 | 312,267 | 14314JAB6 | CARMAX ABS 2017-1 A2 | 1.54% | 2/15/20 | 400.74 | | |
| 12/15/17 | 12/15/17 | 175,000 | 14314RAH5 | CARMX 2017-4 A2A | 1.80% | 4/15/21 | 262.50 | | |
| 12/15/17 | 12/15/17 | 90,000 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 133.50 | | |
| 12/15/17 | 12/15/17 | 100,000 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 141.67 | | |
| 12/15/17 | 12/15/17 | 205,000 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 300.67 | | |
| 12/15/17 | 12/15/17 | 120,000 | 89238MAD0 | TOYOTA ABS 2017-A A3 | 1.73% | 2/15/21 | 173.00 | | |
| 12/15/17 | 12/15/17 | 145,000 | 47788BAD6 | JOHN DEERE ABS 2017-B A3 | 1.82% | 10/15/21 | 219.92 | | |
| 12/15/17 | 12/15/17 | 275,000 | 65478GAD2 | NISSAN ABS 2017-B A3 | 1.75% | 10/15/21 | 401.04 | | |
| 12/15/17 | 12/15/17 | 350,000 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 478.33 | | |
| 12/15/17 | 12/15/17 | 305,000 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 424.46 | | |
| 12/15/17 | 12/15/17 | 450,000 | 89190BAD0 | TOYOTA ABS 2017-B A3 | 1.76% | 7/15/21 | 660.00 | | |
| 12/15/17 | 12/15/17 | 250,000 | 654747AD6 | NISSAN ABS 2017-A A3 | 1.74% | 8/15/21 | 362.50 | | |
| 12/18/17 | 12/18/17 | 140,000 | 43814PAC4 | HAROT 2017-3 A3 | 1.79% | 9/18/21 | 208.83 | | |
| 12/21/17 | 12/21/17 | 775,000 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 4,359.38 | | |
| 12/21/17 | 12/21/17 | 220,000 | 43814TAC6 | HONDA ABS 2017-1 A3 | 1.72% | 7/21/21 | 315.33 | | |
| 12/22/17 | 12/22/17 | 100,000 | 24422ETS8 | JOHN DEERE CAPITAL CORP NOTES | 1.95% | 6/22/20 | 975.00 | | |
| 12/29/17 | 12/29/17 | 450,000 | 05531FAU7 | BRANCH BANKING & TRUST (CALLABLE) CORP | 2.62% | 6/29/20 | 5,906.25 | | |
| 12/31/17 | 12/31/17 | 800,000 | 912828N48 | US TREASURY N/B | 1.75% | 12/31/20 | 7,000.00 | | |
| 12/31/17 | 12/31/17 | 1,025,000 | 912828A75 | US TREASURY NOTES | 1.50% | 12/31/18 | 7,687.50 | | |
| 12/31/17 | 12/31/17 | 2,200,000 | 912828XH8 | US TREASURY NOTES | 1.62% | 6/30/20 | 17,875.00 | | |

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|-----------------------|-------------|-------------------|-----------|-------------------------------------|--------|---------------|-------------------|-----------------|-------------------|
| Total INTEREST | | 40,963,493 | | | | | 232,121.83 | | |
| PAYDOWNS | | | | | | | | | |
| 10/15/17 | 10/15/17 | 31,838 | 14314JAB6 | CARMAX ABS 2017-1 A2 | 1.54% | 2/15/20 | 31,837.64 | | 0.00 |
| 11/15/17 | 11/15/17 | 32,428 | 14314JAB6 | CARMAX ABS 2017-1 A2 | 1.54% | 2/15/20 | 32,427.69 | | 0.00 |
| 12/15/17 | 12/15/17 | 14,705 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 14,705.36 | | 0.00 |
| 12/15/17 | 12/15/17 | 29,551 | 14314JAB6 | CARMAX ABS 2017-1 A2 | 1.54% | 2/15/20 | 29,550.83 | | 0.00 |
| Total PAYDOWNS | | 108,522 | | | | | 108,521.52 | | 0.00 |
| SELL | | | | | | | | | |
| 9/26/17 | 10/2/17 | 200,000 | 3130A9AE1 | FHLB GLOBAL NOTES | 0.87% | 10/1/18 | 199,020.86 | 1.37% | (918.86) |
| 10/2/17 | 10/10/17 | 550,000 | 3130A9AE1 | FHLB GLOBAL NOTES | 0.87% | 10/1/18 | 547,628.81 | 1.34% | (2,316.35) |
| 10/4/17 | 10/5/17 | 350,000 | 3135G0E58 | FNMA BENCHMARK NOTE | 1.12% | 10/19/18 | 350,853.13 | 1.39% | (771.83) |
| 10/4/17 | 10/5/17 | 375,000 | 3130A9AE1 | FHLB GLOBAL NOTES | 0.87% | 10/1/18 | 373,206.46 | 1.37% | (1,708.89) |
| 10/12/17 | 10/13/17 | 1,075,000 | 912828F62 | US TREASURY NOTES | 1.50% | 10/31/19 | 1,081,559.91 | 1.53% | (167.31) |
| 10/12/17 | 10/19/17 | 200,000 | 3135G0E58 | FNMA BENCHMARK NOTE | 1.12% | 10/19/18 | 199,394.00 | 1.43% | (501.09) |
| 10/13/17 | 10/17/17 | 90,000 | 084670BX5 | BERKSHIRE HATHAWAY INC GLOBAL NOTES | 1.15% | 8/15/18 | 89,961.35 | 1.44% | (212.40) |
| 10/17/17 | 10/25/17 | 75,000 | 912828T83 | US TREASURY NOTES | 0.75% | 10/31/18 | 74,753.53 | 1.44% | (151.98) |
| 10/23/17 | 10/30/17 | 150,000 | 3135G0E58 | FNMA BENCHMARK NOTE | 1.12% | 10/19/18 | 149,576.06 | 1.46% | (399.21) |
| 11/1/17 | 11/3/17 | 150,000 | 3135G0E58 | FNMA BENCHMARK NOTE | 1.12% | 10/19/18 | 149,518.13 | 1.51% | (471.87) |
| 11/1/17 | 11/3/17 | 1,075,000 | 912828T83 | US TREASURY NOTES | 0.75% | 10/31/18 | 1,067,340.26 | 1.48% | (2,598.68) |
| 11/1/17 | 11/3/17 | 75,000 | 912828T83 | US TREASURY NOTES | 0.75% | 10/31/18 | 74,465.60 | 1.48% | (195.15) |
| 11/6/17 | 11/13/17 | 475,000 | 912828T83 | US TREASURY NOTES | 0.75% | 10/31/18 | 471,639.66 | 1.52% | (1,370.67) |
| 11/8/17 | 11/10/17 | 115,000 | 912828M98 | US TREASURY NOTES | 1.62% | 11/30/20 | 115,302.18 | 1.78% | (34.60) |
| 11/9/17 | 11/14/17 | 320,000 | 912828M98 | US TREASURY NOTES | 1.62% | 11/30/20 | 320,947.68 | 1.78% | (51.28) |
| 11/13/17 | 11/16/17 | 275,000 | 02665WBK6 | AMERICAN HONDA FINANCE CORP | 1.50% | 11/19/18 | 276,194.88 | 1.80% | (775.78) |

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|-------------------|-------------|------------------|-----------|---------------------------------------|--------|---------------|---------------------|-----------------|-------------------|
| 11/13/17 | 11/16/17 | 50,000 | 912828F62 | US TREASURY NOTES | 1.50% | 10/31/19 | 49,853.46 | 1.69% | (155.41) |
| 11/14/17 | 11/21/17 | 240,000 | 912828G61 | US TREASURY NOTES | 1.50% | 11/30/19 | 240,717.73 | 1.71% | (1,249.85) |
| 11/16/17 | 11/20/17 | 100,000 | 912828T83 | US TREASURY NOTES | 0.75% | 10/31/18 | 99,260.19 | 1.59% | (344.35) |
| 11/16/17 | 11/17/17 | 550,000 | 89113WWJ1 | TORONTO DOMINION BANK NY CERT DEPOS | 1.48% | 3/14/18 | 556,287.32 | 1.44% | (66.40) |
| 11/27/17 | 11/29/17 | 125,000 | 46623EKD0 | JP MORGAN CHASE CORP NOTES (CALLABLE) | 1.70% | 3/1/18 | 125,495.69 | 1.77% | 17.13 |
| 11/27/17 | 11/29/17 | 440,000 | 24422ETA7 | JOHN DEERE CAPITAL CORP NOTE | 1.75% | 8/10/18 | 442,441.39 | 1.71% | 215.73 |
| 12/1/17 | 12/5/17 | 425,000 | 912828T83 | US TREASURY NOTES | 0.75% | 10/31/18 | 421,904.86 | 1.65% | (1,627.68) |
| 12/1/17 | 12/5/17 | 300,000 | 912828A34 | US TREASURY NOTES | 1.25% | 11/30/18 | 298,821.04 | 1.67% | (1,429.63) |
| Total SELL | | 7,780,000 | | | | | 7,776,144.18 | | -17,286.41 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| 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 12/02/2013 1.250% 11/30/2018 | 912828A34 | 950,000.00 | AA+ | Aaa | 11/05/15 | 11/09/15 | 951,929.69 | 1.18 | 1,043.96 | 950,583.37 | 945,361.15 |
| US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018 | 912828A34 | 1,400,000.00 | AA+ | Aaa | 05/03/16 | 05/06/16 | 1,414,765.63 | 0.83 | 1,538.46 | 1,405,279.82 | 1,393,163.80 |
| US TREASURY NOTES DTD 12/31/2013 1.500% 12/31/2018 | 912828A75 | 1,025,000.00 | AA+ | Aaa | 12/01/15 | 12/04/15 | 1,033,688.48 | 1.22 | 42.47 | 1,027,855.76 | 1,021,756.90 |
| US TREASURY NOTES DTD 03/31/2014 1.625% 03/31/2019 | 912828C65 | 300,000.00 | AA+ | Aaa | 03/02/16 | 03/04/16 | 305,203.13 | 1.05 | 1,245.54 | 302,126.61 | 299,121.00 |
| US TREASURY NOTES DTD 04/02/2012 1.500% 03/31/2019 | 912828SN1 | 1,015,000.00 | AA+ | Aaa | 03/02/17 | 03/02/17 | 1,018,132.23 | 1.35 | 3,889.90 | 1,016,886.32 | 1,010,757.30 |
| US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019 | 912828D23 | 1,060,000.00 | AA+ | Aaa | 11/10/16 | 11/14/16 | 1,074,492.19 | 1.06 | 2,950.14 | 1,067,869.49 | 1,056,728.84 |
| US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019 | 912828D23 | 1,285,000.00 | AA+ | Aaa | 06/27/16 | 06/29/16 | 1,318,329.69 | 0.70 | 3,576.35 | 1,300,692.28 | 1,281,034.49 |
| US TREASURY NOTES DTD 10/31/2014 1.500% 10/31/2019 | 912828F62 | 125,000.00 | AA+ | Aaa | 03/02/17 | 03/02/17 | 124,916.99 | 1.53 | 321.13 | 124,943.19 | 124,140.63 |
| US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019 | 912828G61 | 2,360,000.00 | AA+ | Aaa | 12/01/16 | 12/05/16 | 2,363,687.50 | 1.45 | 3,112.09 | 2,362,380.11 | 2,342,944.28 |
| US TREASURY NOTES DTD 02/02/2015 1.250% 01/31/2020 | 912828H52 | 1,300,000.00 | AA+ | Aaa | 01/03/17 | 01/05/17 | 1,289,640.63 | 1.52 | 6,800.27 | 1,292,928.72 | 1,282,785.40 |
| US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020 | 912828J50 | 50,000.00 | AA+ | Aaa | 02/01/17 | 02/03/17 | 49,697.27 | 1.58 | 233.60 | 49,785.55 | 49,435.55 |
| US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020 | 912828J50 | 275,000.00 | AA+ | Aaa | 08/31/17 | 09/01/17 | 274,989.26 | 1.38 | 1,284.79 | 274,990.71 | 271,895.53 |
| US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020 | 912828K58 | 2,000,000.00 | AA+ | Aaa | 07/13/17 | 07/13/17 | 1,992,109.38 | 1.52 | 4,709.94 | 1,993,423.28 | 1,975,234.00 |
| US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020 | 912828XE5 | 725,000.00 | AA+ | Aaa | 10/04/17 | 10/05/17 | 723,442.38 | 1.58 | 956.04 | 723,585.47 | 717,863.10 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| 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 06/30/2015 1.625% 06/30/2020 | 912828XH8 | 2,200,000.00 | AA+ | Aaa | 06/26/17 | 06/28/17 | 2,207,906.25 | 1.50 | 98.76 | 2,206,594.61 | 2,183,757.40 |
| US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020 | 912828XM7 | 950,000.00 | AA+ | Aaa | 07/05/17 | 07/07/17 | 950,593.75 | 1.60 | 6,460.26 | 950,504.75 | 942,689.75 |
| US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020 | 912828M98 | 565,000.00 | AA+ | Aaa | 11/01/17 | 11/03/17 | 562,550.19 | 1.77 | 807.14 | 562,678.44 | 559,327.97 |
| US TREASURY N/B DTD 12/31/2015 1.750% 12/31/2020 | 912828N48 | 800,000.00 | AA+ | Aaa | 12/01/17 | 12/05/17 | 796,187.50 | 1.91 | 38.67 | 796,280.04 | 794,437.60 |
| Security Type Sub-Total | | 18,385,000.00 | | | | | 18,452,262.14 | 1.35 | 39,109.51 | 18,409,388.52 | 18,252,434.69 |

| | | | | | | | | | | | |
|---|-----------|---------------------|-----|-----|----------|----------|---------------------|-------------|-----------------|---------------------|---------------------|
| 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 | 08/28/17 | 08/30/17 | 545,308.50 | 1.51 | 584.38 | 546,004.95 | 540,821.05 |
| INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 08/29/2017 1.625% 09/04/2020 | 459058GA5 | 275,000.00 | AAA | Aaa | 08/22/17 | 08/29/17 | 274,942.25 | 1.63 | 1,514.41 | 274,948.75 | 271,543.53 |
| INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020 | 45905UP32 | 550,000.00 | AAA | Aaa | 09/12/17 | 09/19/17 | 548,680.00 | 1.64 | 2,432.56 | 548,802.60 | 540,193.50 |
| INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020 | 4581X0CD8 | 545,000.00 | AAA | Aaa | 10/02/17 | 10/10/17 | 550,051.66 | 1.81 | 1,672.85 | 549,694.67 | 545,460.53 |
| Security Type Sub-Total | | 1,920,000.00 | | | | | 1,918,982.41 | 1.65 | 6,204.20 | 1,919,450.97 | 1,898,018.61 |

| | | | | | | | | | | | |
|---|-----------|------------|-----|-----|----------|----------|------------|------|----------|------------|------------|
| Federal Agency Bond / Note | | | | | | | | | | | |
| FNMA NOTES DTD 11/03/2015 1.125% 12/14/2018 | 3135G0G72 | 550,000.00 | AA+ | Aaa | 08/16/16 | 08/16/16 | 552,816.00 | 0.90 | 292.19 | 551,160.28 | 546,344.15 |
| FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 | 950,000.00 | AA+ | Aaa | 02/19/16 | 02/23/16 | 947,758.00 | 1.08 | 3,298.61 | 949,132.41 | 941,019.65 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| 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 | | | | | | | | | | | |
| FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019 | 3137EADZ9 | 325,000.00 | AA+ | Aaa | 05/26/16 | 05/31/16 | 325,250.25 | 1.10 | 771.88 | 325,113.67 | 322,025.28 |
| FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019 | 3137EADZ9 | 450,000.00 | AA+ | Aaa | 03/29/16 | 03/29/16 | 450,301.50 | 1.10 | 1,068.75 | 450,128.62 | 445,881.15 |
| FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019 | 3130A8DB6 | 775,000.00 | AA+ | Aaa | 06/02/16 | 06/03/16 | 774,674.50 | 1.14 | 242.19 | 774,840.94 | 766,679.60 |
| FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019 | 3137EAEB1 | 400,000.00 | AA+ | Aaa | 09/01/16 | 09/02/16 | 398,076.00 | 1.04 | 1,575.00 | 398,958.04 | 393,745.60 |
| FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019 | 3137EAEB1 | 950,000.00 | AA+ | Aaa | 07/19/16 | 07/20/16 | 947,701.00 | 0.96 | 3,740.63 | 948,802.92 | 935,145.80 |
| FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019 | 3135G0N33 | 1,000,000.00 | AA+ | Aaa | 07/29/16 | 08/02/16 | 998,320.00 | 0.93 | 3,621.53 | 999,106.03 | 983,973.00 |
| FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019 | 3135G0P49 | 1,175,000.00 | AA+ | Aaa | 08/31/16 | 09/02/16 | 1,173,167.00 | 1.05 | 4,014.58 | 1,173,975.88 | 1,157,667.58 |
| FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019 | 3130A9EP2 | 825,000.00 | AA+ | Aaa | 10/03/16 | 10/05/16 | 824,711.25 | 1.01 | 2,177.08 | 824,830.76 | 812,361.00 |
| FEDERAL HOME LOAN BANK NOTES DTD 10/13/2017 1.500% 10/21/2019 | 3130ACM92 | 1,075,000.00 | AA+ | Aaa | 10/12/17 | 10/13/17 | 1,073,097.25 | 1.59 | 3,493.75 | 1,073,299.16 | 1,067,158.95 |
| FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020 | 3135G0T29 | 600,000.00 | AA+ | Aaa | 02/24/17 | 02/28/17 | 599,616.00 | 1.52 | 3,075.00 | 599,722.03 | 593,773.80 |
| FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020 | 3135G0T60 | 1,075,000.00 | AA+ | Aaa | 08/31/17 | 09/01/17 | 1,075,279.50 | 1.49 | 6,718.75 | 1,075,250.88 | 1,061,702.25 |
| Security Type Sub-Total | | 10,150,000.00 | | | | | 10,140,768.25 | 1.16 | 34,089.94 | 10,144,321.62 | 10,027,477.81 |

Corporate Note

| | | | | | | | | | | | |
|---|-----------|------------|----|----|----------|----------|------------|------|----------|------------|------------|
| IBM CORP NOTE DTD 02/12/2014 1.950% 02/12/2019 | 459200HT1 | 350,000.00 | A+ | A1 | 02/17/16 | 02/22/16 | 353,307.50 | 1.62 | 2,635.21 | 351,258.07 | 350,428.05 |
| PEPSICO INC CORP NOTE DTD 05/02/2017 1.550% 05/02/2019 | 713448DR6 | 235,000.00 | A+ | A1 | 04/27/17 | 05/02/17 | 234,823.75 | 1.59 | 596.97 | 234,881.68 | 233,705.15 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| 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 | | | | | | | | | | | |
| PFIZER INC CORP NOTES DTD 06/03/2016 1.450% 06/03/2019 | 717081DU4 | 375,000.00 | AA | A1 | 06/03/16 | 06/08/16 | 376,106.25 | 1.35 | 422.92 | 375,532.46 | 372,040.88 |
| GOLDMAN SACHS GROUP INC CORP NOTE DTD 07/24/2017 1.950% 07/23/2019 | 38141GWP5 | 200,000.00 | BBB+ | A3 | 07/19/17 | 07/24/17 | 199,976.00 | 1.96 | 1,700.83 | 199,981.13 | 198,833.60 |
| IBM CREDIT CORP NOTE DTD 09/08/2017 1.625% 09/06/2019 | 44932HAA1 | 475,000.00 | A+ | A1 | 09/05/17 | 09/08/17 | 474,639.00 | 1.66 | 2,422.83 | 474,695.03 | 471,793.28 |
| CISCO SYSTEMS INC CORP NOTES DTD 09/20/2016 1.400% 09/20/2019 | 17275RBG6 | 200,000.00 | AA- | A1 | 09/20/16 | 09/23/16 | 200,216.00 | 1.36 | 785.56 | 200,125.23 | 197,913.60 |
| WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.750% 10/09/2019 | 931142DY6 | 255,000.00 | AA | Aa2 | 10/11/17 | 10/20/17 | 254,994.90 | 1.75 | 880.10 | 254,995.23 | 254,094.24 |
| HONEYWELL INTERNATIONAL CORP NOTES DTD 10/30/2017 1.800% 10/30/2019 | 438516BQ8 | 150,000.00 | A | A2 | 10/23/17 | 10/30/17 | 149,883.00 | 1.84 | 457.50 | 149,892.78 | 149,207.10 |
| AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 10/31/2016 1.700% 10/30/2019 | 0258M0EC9 | 450,000.00 | A- | A2 | 01/31/17 | 02/03/17 | 446,580.00 | 1.99 | 1,296.25 | 447,699.91 | 445,355.10 |
| AMERICAN HONDA FINANCE DTD 11/16/2017 2.000% 11/13/2019 | 02665WBZ3 | 325,000.00 | A+ | A2 | 11/13/17 | 11/16/17 | 324,818.00 | 2.03 | 812.50 | 324,829.20 | 323,887.20 |
| JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020 | 46625HKA7 | 500,000.00 | A- | A3 | 06/15/17 | 06/20/17 | 501,885.00 | 2.10 | 4,937.50 | 501,498.59 | 499,665.50 |
| MICROSOFT CORP DTD 02/06/2017 1.850% 02/06/2020 | 594918BV5 | 215,000.00 | AAA | Aaa | 01/30/17 | 02/06/17 | 214,855.95 | 1.87 | 1,602.05 | 214,898.47 | 214,364.25 |
| BNY MELLON (CALLABLE) CORP NOTE DTD 02/24/2015 2.150% 02/24/2020 | 06406HCZ0 | 475,000.00 | A | A1 | 03/29/17 | 03/30/17 | 476,695.75 | 2.02 | 3,602.74 | 476,255.55 | 474,321.23 |
| CHEVRON CORP NOTES DTD 03/03/2017 1.991% 03/03/2020 | 166764BP4 | 325,000.00 | AA- | Aa2 | 02/28/17 | 03/03/17 | 325,000.00 | 1.99 | 2,120.97 | 325,000.00 | 322,229.38 |
| WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020 | 25468PDP8 | 90,000.00 | A+ | A2 | 03/01/17 | 03/06/17 | 89,976.60 | 1.96 | 570.38 | 89,982.84 | 89,707.50 |
| EXXON MOBIL (CALLABLE) CORP NOTE DTD 03/06/2015 1.912% 03/06/2020 | 30231GAG7 | 275,000.00 | AA+ | Aaa | 08/14/17 | 08/15/17 | 276,394.25 | 1.71 | 1,679.64 | 276,186.14 | 273,577.43 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| 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 | | | | | | | | | | | |
| TOYOTA MOTOR CREDIT CORP (CALLABLE) DTD 04/17/2017 1.950% 04/17/2020 | 89236TDU6 | 150,000.00 | AA- | Aa3 | 04/12/17 | 04/17/17 | 150,045.00 | 1.94 | 601.25 | 150,034.64 | 149,396.10 |
| TOYOTA MOTOR CREDIT CORP (CALLABLE) DTD 04/17/2017 1.950% 04/17/2020 | 89236TDU6 | 325,000.00 | AA- | Aa3 | 04/11/17 | 04/17/17 | 324,850.50 | 1.97 | 1,302.71 | 324,884.90 | 323,691.55 |
| GOLDMAN SACHS GROUP INC CORP NOTES DTD 01/23/2015 2.600% 04/23/2020 | 38148LAA4 | 350,000.00 | BBB+ | A3 | 11/01/17 | 11/03/17 | 352,639.00 | 2.28 | 1,718.89 | 352,471.28 | 350,476.70 |
| APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020 | 037833CS7 | 220,000.00 | AA+ | Aa1 | 05/04/17 | 05/11/17 | 219,775.60 | 1.84 | 550.00 | 219,822.40 | 218,136.82 |
| INTEL CORP NOTES DTD 05/11/2017 1.850% 05/11/2020 | 458140AZ3 | 250,000.00 | A+ | A1 | 05/08/17 | 05/11/17 | 249,905.00 | 1.86 | 642.36 | 249,924.81 | 248,852.00 |
| HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020 | 437076BQ4 | 235,000.00 | A | A2 | 05/24/17 | 06/05/17 | 234,863.70 | 1.82 | 305.50 | 234,889.14 | 233,131.28 |
| WALT DISNEY COMPANY CORP NOTES DTD 06/06/2017 1.800% 06/05/2020 | 25468PDU7 | 500,000.00 | A+ | A2 | 06/01/17 | 06/06/17 | 499,420.00 | 1.84 | 650.00 | 499,527.72 | 495,860.00 |
| JOHN DEERE CAPITAL CORP NOTES DTD 06/22/2017 1.950% 06/22/2020 | 24422ETS8 | 100,000.00 | A | A2 | 06/19/17 | 06/22/17 | 99,939.00 | 1.97 | 48.75 | 99,949.42 | 99,290.80 |
| BRANCH BANKING & TRUST (CALLABLE) CORP DTD 06/29/2015 2.625% 06/29/2020 | 05531FAU7 | 450,000.00 | A- | A2 | 03/17/17 | 03/22/17 | 454,144.50 | 2.33 | 65.63 | 453,171.82 | 453,067.20 |
| AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020 | 02665WBT7 | 230,000.00 | A+ | A2 | 07/17/17 | 07/20/17 | 229,767.70 | 1.98 | 2,005.79 | 229,801.48 | 228,189.67 |
| CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020 | 14913O2A6 | 410,000.00 | A | A3 | 09/05/17 | 09/07/17 | 409,655.60 | 1.88 | 2,401.92 | 409,691.05 | 405,213.66 |
| JOHNSON & JOHNSON CORP NOTE DTD 11/10/2017 1.950% 11/10/2020 | 478160CH5 | 115,000.00 | AAA | Aaa | 11/08/17 | 11/10/17 | 114,876.95 | 1.99 | 317.69 | 114,882.62 | 114,455.48 |
| PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020 | 69371RN85 | 155,000.00 | A+ | A1 | 11/06/17 | 11/13/17 | 154,986.05 | 2.05 | 423.67 | 154,986.65 | 153,819.83 |
| APPLE INC DTD 11/13/2017 2.000% 11/13/2020 | 037833DJ6 | 330,000.00 | AA+ | Aa1 | 11/06/17 | 11/13/17 | 329,722.80 | 2.03 | 880.00 | 329,734.81 | 327,914.73 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| 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 | | | | | | | | | | | |
| VISA INC (CALLABLE) CORP NOTES DTD 12/14/2015 2.200% 12/14/2020 | 92826CAB8 | 150,000.00 | A+ | A1 | 08/25/17 | 08/30/17 | 151,650.00 | 1.85 | 155.83 | 151,483.18 | 149,881.80 |
| BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021 | 05531FAZ6 | 100,000.00 | A- | A2 | 11/16/17 | 11/20/17 | 99,480.00 | 2.32 | 388.19 | 99,497.44 | 99,054.00 |
| UNITED PARCEL SERVICE CORPORATE BOND DTD 11/14/2017 2.050% 04/01/2021 | 911312BP0 | 320,000.00 | A+ | A1 | 11/09/17 | 11/14/17 | 319,494.40 | 2.10 | 856.44 | 319,512.37 | 318,307.52 |
| BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021 | 06051GGS2 | 550,000.00 | A- | A3 | 11/27/17 | 11/29/17 | 547,409.50 | 2.46 | 3,663.37 | 547,469.92 | 548,449.55 |

Security Type Sub-Total **9,835,000.00** **9,842,777.25** **1.94** **43,501.94** **9,839,447.96** **9,788,312.18**

| | | | | | | | | | | | |
|--|-----------|------------|------|-----|----------|----------|------------|------|----------|------------|------------|
| Certificate of Deposit | | | | | | | | | | | |
| TORONTO DOMINION BANK NY CERT DEPOS DTD 02/09/2017 1.480% 03/14/2018 | 89113WWJ1 | 325,000.00 | A-1+ | P-1 | 02/08/17 | 02/09/17 | 325,000.00 | 1.50 | 4,355.72 | 325,000.00 | 324,715.65 |
| CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018 | 13606A5Z7 | 875,000.00 | A-1 | P-1 | 12/01/16 | 12/05/16 | 874,317.50 | 1.78 | 1,326.11 | 874,686.52 | 873,152.88 |
| NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018 | 65558LWA6 | 875,000.00 | A-1+ | P-1 | 12/01/16 | 12/05/16 | 875,000.00 | 1.74 | 1,368.89 | 875,000.00 | 875,542.50 |
| SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019 | 86958JHB8 | 875,000.00 | AA- | Aa2 | 01/10/17 | 01/12/17 | 875,000.00 | 1.91 | 8,039.06 | 875,000.00 | 871,131.63 |
| BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019 | 06427KRC3 | 875,000.00 | A+ | A1 | 02/08/17 | 02/09/17 | 875,000.00 | 1.90 | 6,580.00 | 875,000.00 | 876,082.38 |
| BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019 | 06417GUE6 | 975,000.00 | A+ | A1 | 04/05/17 | 04/06/17 | 975,000.00 | 1.91 | 4,552.17 | 975,000.00 | 971,470.50 |
| SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019 | 86563YVNO | 975,000.00 | A | A1 | 05/03/17 | 05/04/17 | 975,000.00 | 2.05 | 3,275.73 | 975,000.00 | 974,333.10 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| 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 | | | | | | | | | | | |
| SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019 | 83050FXT3 | 1,075,000.00 | A+ | Aa3 | 08/03/17 | 08/04/17 | 1,074,580.75 | 1.85 | 8,241.67 | 1,074,667.14 | 1,061,196.53 |
| BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019 | 06539RGM3 | 550,000.00 | A+ | A1 | 09/25/17 | 09/27/17 | 550,000.00 | 2.07 | 3,036.00 | 550,000.00 | 547,426.55 |
| WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020 | 96121T4A3 | 965,000.00 | AA- | Aa3 | 08/03/17 | 08/07/17 | 965,000.00 | 2.05 | 7,913.00 | 965,000.00 | 963,398.10 |
| SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020 | 87019U6D6 | 550,000.00 | AA- | Aa3 | 11/16/17 | 11/17/17 | 550,000.00 | 2.30 | 1,560.63 | 550,000.00 | 547,028.90 |
| Security Type Sub-Total | | 8,915,000.00 | | | | | 8,913,898.25 | 1.92 | 50,248.98 | 8,914,353.66 | 8,885,478.72 |

Asset-Backed Security / Collateralized Mortgage Obligation

| | | | | | | | | | | | |
|--|-----------|------------|-----|-----|----------|----------|------------|------|----------|------------|------------|
| CARMAX ABS 2017-1 A2 DTD 01/31/2017 1.540% 02/15/2020 | 14314JAB6 | 282,715.70 | NR | Aaa | 01/25/17 | 01/31/17 | 282,715.61 | 1.60 | 193.50 | 282,715.68 | 282,342.57 |
| CNH 2017-A A2 DTD 03/22/2017 1.640% 07/15/2020 | 12636WAB2 | 335,294.64 | AAA | NR | 03/15/17 | 03/22/17 | 335,281.76 | 1.80 | 244.39 | 335,284.22 | 334,806.95 |
| CITIBANK ABS 2017-A2 A2 DTD 01/26/2017 1.740% 01/17/2021 | 17305EGA7 | 450,000.00 | AAA | Aaa | 01/19/17 | 01/26/17 | 449,913.83 | 1.75 | 3,567.00 | 450,000.00 | 448,996.10 |
| TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021 | 89238MAD0 | 120,000.00 | AAA | Aaa | 03/07/17 | 03/15/17 | 119,985.88 | 1.74 | 92.27 | 119,986.19 | 119,405.94 |
| JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021 | 47787XAC1 | 90,000.00 | NR | Aaa | 02/22/17 | 03/02/17 | 89,987.18 | 1.79 | 71.20 | 89,987.18 | 89,567.98 |
| CARMX 2017-4 A2A DTD 10/25/2017 1.800% 04/15/2021 | 14314RAH5 | 175,000.00 | AAA | NR | 10/17/17 | 10/25/17 | 174,987.16 | 1.79 | 140.00 | 174,987.76 | 174,639.73 |
| ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021 | 02007PAC7 | 100,000.00 | NR | Aaa | 01/24/17 | 01/31/17 | 99,991.26 | 1.70 | 75.56 | 99,993.19 | 99,533.92 |
| FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021 | 34531EAD8 | 305,000.00 | NR | Aaa | 01/18/17 | 01/25/17 | 304,998.87 | 1.67 | 226.38 | 304,999.20 | 303,091.68 |
| TOYOTA ABS 2017-B A3 DTD 05/17/2017 1.760% 07/15/2021 | 89190BAD0 | 450,000.00 | AAA | Aaa | 05/09/17 | 05/17/17 | 449,965.49 | 1.76 | 352.00 | 449,965.49 | 447,033.83 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|--------------|----------------------|---------------------------|---------------------------|-----------------------|------------------------|--------------------------|------------------------|-----------------------------|---------------------------|-------------------------|
| Asset-Backed Security / Collateralized Mortgage Obligation | | | | | | | | | | | |
| HONDA ABS 2017-1 A3 DTD 03/28/2017 1.720% 07/21/2021 | 43814TAC6 | 220,000.00 | NR | Aaa | 03/21/17 | 03/28/17 | 219,986.91 | 1.72 | 105.11 | 219,986.91 | 218,573.12 |
| HYUNDAI ABS 2017-A A3 DTD 03/29/2017 1.760% 08/15/2021 | 44931PAD8 | 205,000.00 | AAA | NR | 03/22/17 | 03/29/17 | 204,983.42 | 1.76 | 160.36 | 204,983.42 | 203,921.43 |
| NISSAN ABS 2017-A A3 DTD 03/28/2017 1.740% 08/15/2021 | 65474AD6 | 250,000.00 | NR | Aaa | 03/21/17 | 03/28/17 | 249,973.53 | 1.74 | 193.33 | 249,974.19 | 248,479.20 |
| ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021 | 02007HAC5 | 380,000.00 | NR | Aaa | 03/21/17 | 03/29/17 | 379,955.20 | 1.79 | 300.62 | 379,963.32 | 378,605.55 |
| HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021 | 43814PAC4 | 140,000.00 | AAA | NR | 09/25/17 | 09/29/17 | 139,984.84 | 1.94 | 90.49 | 139,985.71 | 138,950.57 |
| CCCT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021 | 17305EGH2 | 200,000.00 | AAA | NR | 09/25/17 | 10/02/17 | 199,985.10 | 1.80 | 890.00 | 199,986.10 | 198,976.92 |
| JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021 | 47788BAD6 | 145,000.00 | NR | Aaa | 07/11/17 | 07/18/17 | 144,989.39 | 1.82 | 117.29 | 144,990.56 | 143,918.00 |
| NISSAN ABS 2017-B A3 DTD 08/23/2017 1.750% 10/15/2021 | 65478GAD2 | 275,000.00 | NR | Aaa | 08/16/17 | 08/23/17 | 274,984.63 | 1.75 | 213.89 | 274,985.89 | 272,940.36 |
| AMERICAN EXPRESS ABS 2017-4 A DTD 05/30/2017 1.640% 12/15/2021 | 02582JHG8 | 190,000.00 | AAA | NR | 05/22/17 | 05/30/17 | 189,969.56 | 1.65 | 138.49 | 189,973.18 | 189,017.30 |
| HYUNDAI ABS 2017-B A3 DTD 08/16/2017 1.770% 01/15/2022 | 44932GAD7 | 230,000.00 | AAA | Aaa | 08/09/17 | 08/16/17 | 229,960.14 | 1.78 | 180.93 | 229,963.41 | 228,201.12 |
| FORDO 2017-C A3 DTD 11/21/2017 2.010% 03/15/2022 | 34532AAD5 | 275,000.00 | AAA | NR | 11/14/17 | 11/21/17 | 274,950.42 | 2.02 | 245.67 | 274,951.54 | 274,193.65 |
| Security Type Sub-Total | | 4,818,010.34 | | | | | 4,817,550.18 | 1.77 | 7,598.48 | 4,817,663.14 | 4,795,195.92 |
| Managed Account Sub-Total | | 54,023,010.34 | | | | | 54,086,238.48 | 1.57 | 180,753.05 | 54,044,625.87 | 53,646,917.93 |



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

CITY OF LOS ALTOS

| | | | | | | |
|-----------------------------|------------------------|------------------------|--------------|---------------------|------------------------|------------------------|
| Securities Sub-Total | \$54,023,010.34 | \$54,086,238.48 | 1.57% | \$180,753.05 | \$54,044,625.87 | \$53,646,917.93 |
| Accrued Interest | | | | | | \$180,753.05 |
| Total Investments | | | | | | \$53,827,670.98 |

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 of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

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