



**City of Pittsburg  
Finance Division  
65 Civic Avenue  
Pittsburg, California 94565**

November 2, 2017

Honorable Mayor and City Council:

I have reviewed the City of Pittsburg's Amended Treasury Report for the quarter ending September 30, 2017, and find that it complies with the Investment Policy established by my office.

Sincerely,

A handwritten signature in blue ink that reads "Nancy Parent". The signature is fluid and cursive, with the first name "Nancy" and last name "Parent" clearly distinguishable.

Nancy Parent  
City Treasurer

**CITY OF PITTSBURG**  
Cash & Investment Portfolio  
FY 2017-18 -1st Quarter

**Table I**

DESCRIPTION	BALANCE 06/30/17	BALANCE, 09/30/17	FAIR MKT VALUE (9/2017 Factor)
<b><u>CASH &amp; INVESTMENTS:</u></b>			
LAIF City Operating	\$ 33,800,000	\$ 20,800,000	\$ 20,780,075
Operating Cash & Investment Accounts	55,023,284	55,443,556	55,298,624
<b>TOTAL CITY INVESTMENTS:</b>	<b>\$ 88,823,284</b>	<b>\$ 76,243,556</b>	<b>\$ 76,078,699</b>
<b><u>FISCAL AGENT INVESTMENTS:</u></b>			
Miscellaneous Debt Service Operating Accounts	\$ 86,130	\$ 101,756	\$ 101,756
Pension Obligation Bond-Reserve Funds	2,817,501	3,594,862	3,594,862
Assessment District Bonds-Reserve Funds	2,768,903	2,757,356	2,771,831
Tax Allocation (TAB) Bonds Restricted Reserves Funds	41,582,655	14,503,486	14,505,179
Water Revenue Bonds	25,898	17	17
<b>TOTAL FISCAL AGENT INVESTMENTS:</b>	<b>\$ 47,281,087</b>	<b>\$ 20,957,477</b>	<b>\$ 20,973,646</b>
<b>TOTAL CASH &amp; INVESTMENTS PER GL</b>	<b>\$ 136,104,371</b>	<b>\$ 97,201,034</b>	<b>\$ 97,052,343</b>

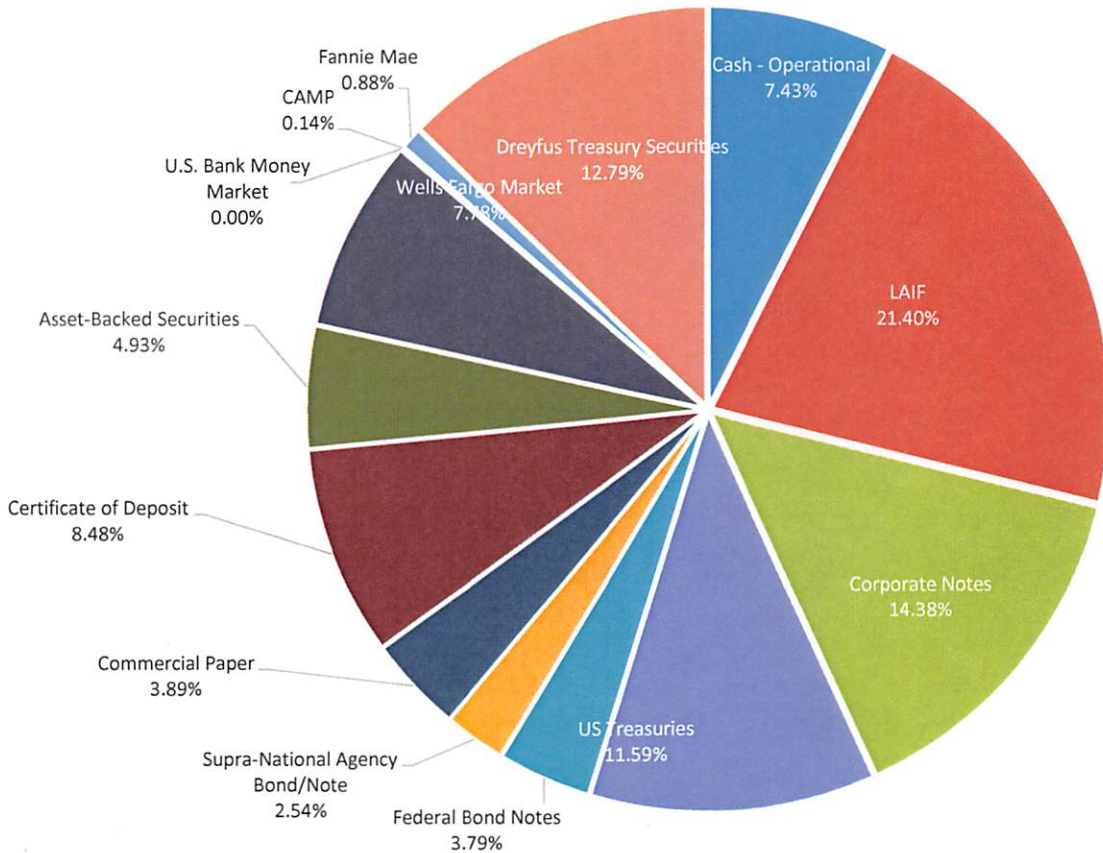
Balance between City's cost and PFM's statements (attached) have a variance of \$400. This difference is due to how PFM accounts for sales of securities vs. how Wells Fargo, our custodial bank, accounts for the sale of securities.

**City of Pittsburgh  
Investment by Type as of September 30, 2017**

**Table II**

Description	Amount	Avg Yield	Average Duration or Maturity Date
Cash - Operational	\$ 7,220,770	7.43%	N/A
LAIF	20,800,000	21.40%	180 days
Corporate Notes	13,974,805	14.38%	864 days
US Treasuries	11,263,105	11.59%	1,413 days
Federal Bond Notes	3,682,013	3.79%	791 days
Supra-National Agency Bond/Note	2,464,774	2.54%	739 days
Commercial Paper	3,779,418	3.89%	120 days
Certificate of Deposit	8,238,877	8.48%	427 days
Asset-Backed Securities	4,789,551	4.93%	1,441 days
Wells Fargo Market	7,564,244	7.78%	47 days
U.S. Bank Money Market	17	0.00%	N/A
CAMP	136,408	0.14%	N/A
Fannie Mae	858,771	0.88%	N/A
Dreyfus Treasury Securities	12,428,280	12.79%	24 days
<b>GRAND TOTAL:</b>	<b>\$ 97,201,034</b>	<b>100.00%</b>	

**City of Pittsburgh  
Investments by type (September 30, 2017)**





**JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/18/17	1.12	1.08	177
09/19/17	1.12	1.08	176
09/20/17	1.12	1.08	174
09/21/17	1.12	1.08	173
09/22/17	1.12	1.08	179
09/23/17	1.12	1.08	179
09/24/17	1.12	1.08	179
09/25/17	1.12	1.08	175
09/26/17	1.12	1.08	173
09/27/17	1.12	1.08	179
09/28/17	1.13	1.08	180
09/29/17	1.13	1.08	180
09/30/17	1.11	1.08	190
10/01/17	1.11	1.11	191
10/02/17	1.13	1.12	198
10/03/17	1.13	1.12	200
10/04/17	1.13	1.13	198
10/05/17	1.13	1.13	197
10/06/17	1.13	1.13	196
10/07/17	1.13	1.13	196
10/08/17	1.13	1.13	196
10/09/17	1.13	1.13	193
10/10/17	1.13	1.13	194
10/11/17	1.13	1.13	192
10/12/17	1.14	1.13	193
10/13/17	1.14	1.13	193
10/14/17	1.14	1.13	193
10/15/17	1.14	1.13	193
10/16/17	1.15	1.14	195
10/17/17	1.15	1.14	193
10/18/17	1.15	1.14	193

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

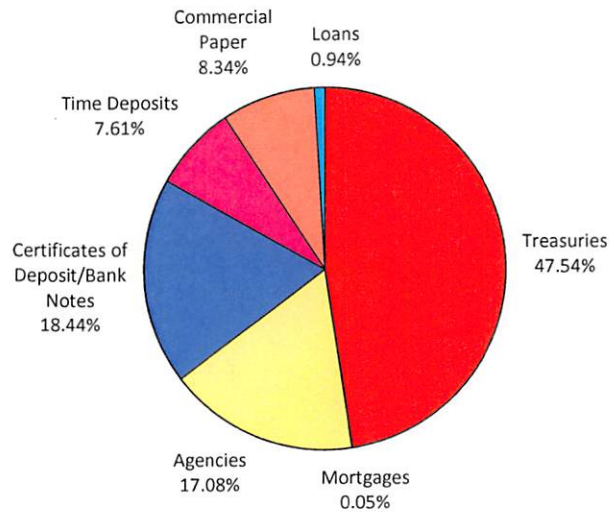
**Quarter Ending 09/30/17**

Apportionment Rate: 1.07%  
 Earnings Ratio: .00002942867511750  
 Fair Value Factor: .999042071  
 Daily: 1.11%  
 Quarter to Date: 1.08%  
 Average Life: 190

**PMIA Average Monthly Effective Yields**

**Sept 2017 1.111**  
 Aug 2017 1.084  
 July 2017 1.051

**Pooled Money Investment Account  
Portfolio Composition  
09/30/17  
\$74.1 billion**





# CITY OF PITTSBURG

## **Investment Performance Review For the Quarter Ended September 30, 2017**

Client Management Team

Monique Spyke, Managing Director

Izac Chyou, Senior Managing Consultant

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San Francisco, CA 94111

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PFM Asset Management LLC

One Keystone Plaza, Suite 300

Harrisburg, PA 17101-2044

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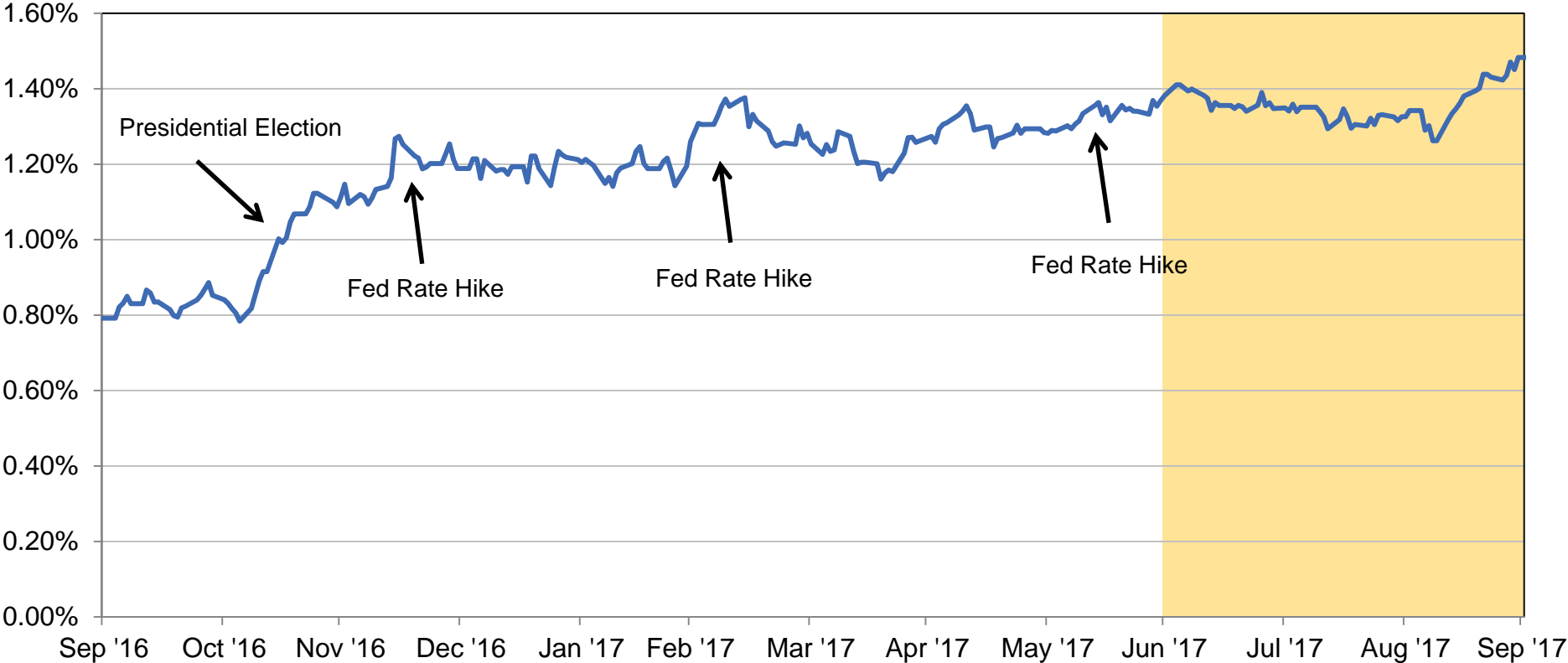
# Market Update

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### Interest Rate Update

- Two-year treasury yields moved modestly higher towards the end of the quarter, possibly due to heightened expectations of another rate hike and a tax overhaul that could increase government borrowing.

**2-Year Treasury Yields**  
September 30, 2016 – September 30, 2017

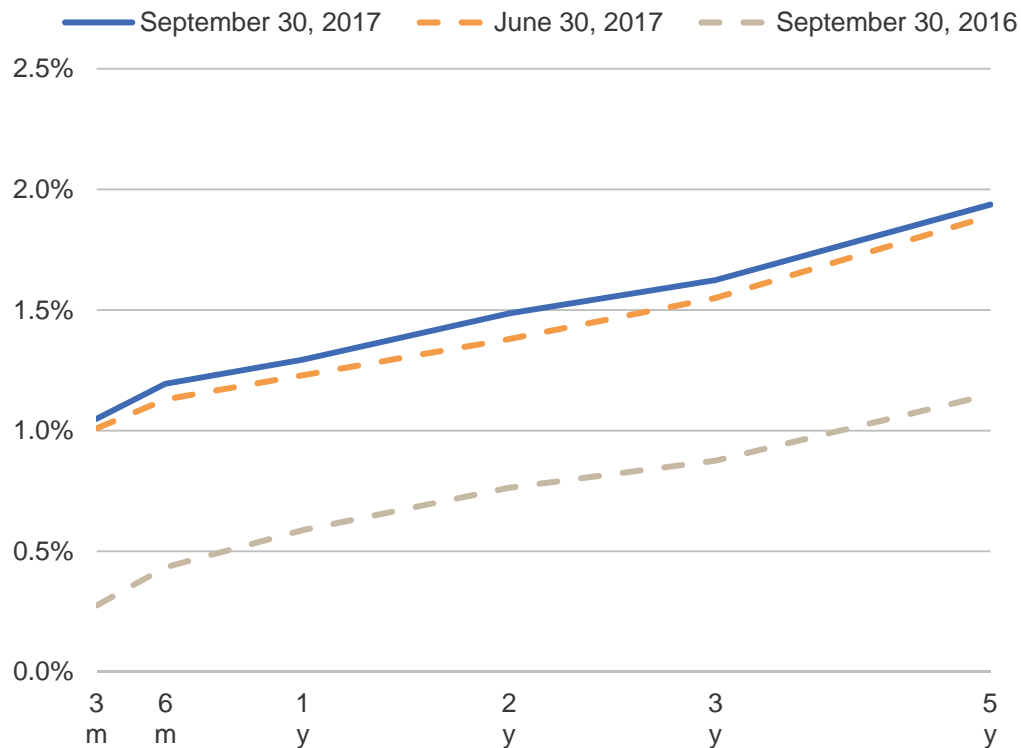


Source: Bloomberg, as of 9/30/17.

### Short-Term Yields Higher but Curve Flatter in Third Quarter

- Treasury yields are substantially higher compared to a year ago. Short-term yields continue to rise in response to the Fed raising rates in their efforts to normalize policy. Longer-term yields still remain relatively low in response to lower inflation and growth expectations.

U.S. Treasury Yield Curve



Yield Curve History

Maturity	6/30/17	9/30/17	Change
3-Mo.	1.01	1.05	0.04
6-Mo.	1.13	1.19	0.06
1-Yr.	1.23	1.29	0.06
2-Yr.	1.38	1.49	0.11
3-Yr.	1.55	1.62	0.07
5-Yr.	1.89	1.94	0.05
10-Yr.	2.31	2.33	0.02
20-Yr.	2.61	2.60	0.01
30-Yr.	2.84	2.86	0.02

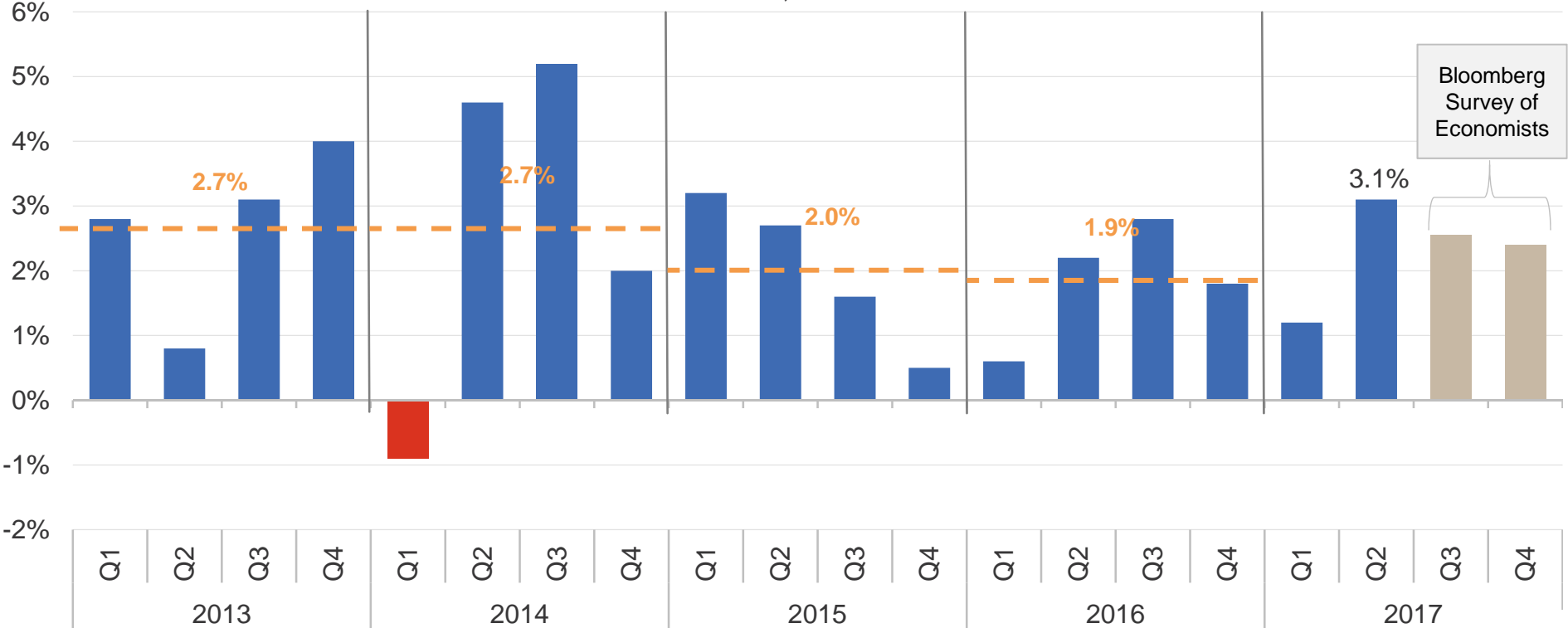
Source: Bloomberg, as of 9/30/17.



### Economic Growth

- ◆ Gross domestic product (GDP) increased at an annualized rate of 3.1% in the second quarter of 2017.
- ◆ The acceleration in second quarter GDP reflected positive contributions from personal consumption, nonresidential private investments, exports, and federal government spending, offset by negative contributions from residential fixed investments, imports, and state and local government spending.

#### U.S. Real GDP QoQ, SAAR

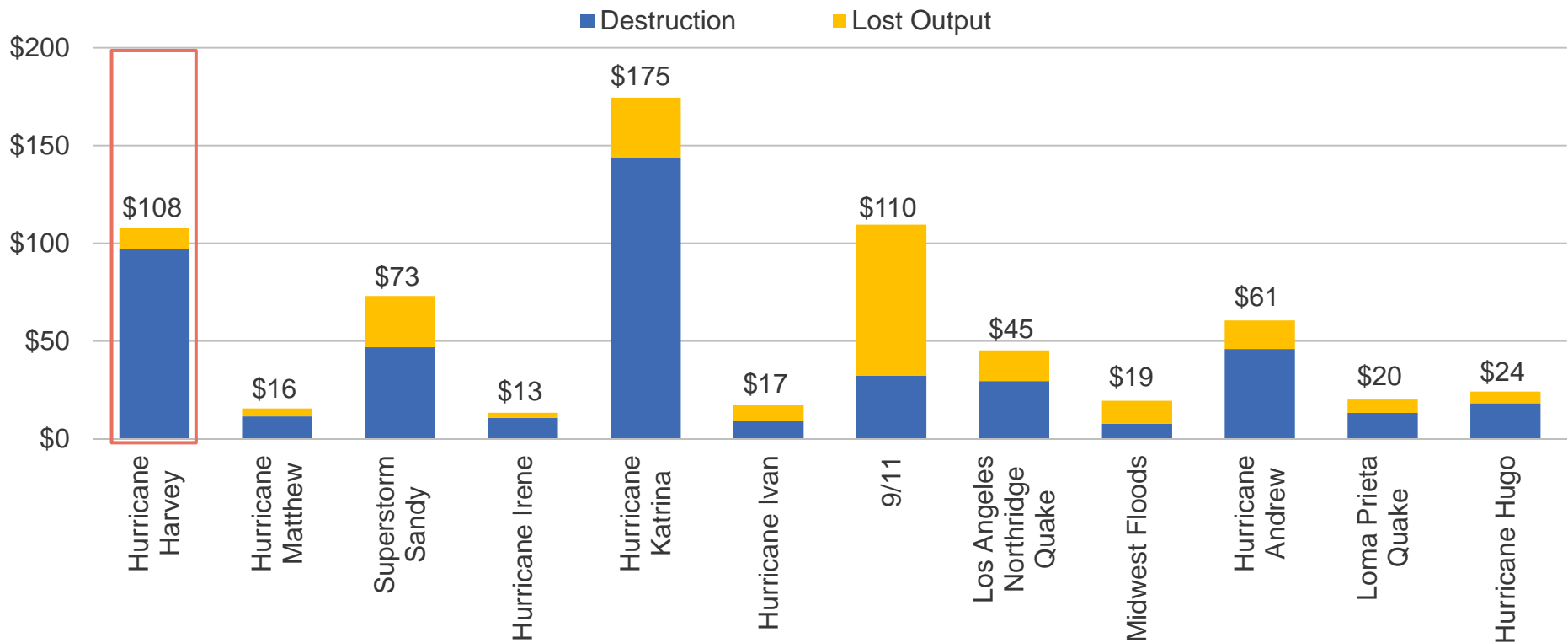


Source: Bloomberg, as of 9/30/17. SAAR is seasonally adjusted annualized rate. Orange dashes denotes four-quarter averages.

### Hurricane Disruption

- Hurricane Harvey is expected to be the second most destructive natural disaster over the last three decades.
- Destruction to property caused by Hurricane Harvey is estimated to range from \$77 to \$97 billion. The lost economic output is forecasted to be \$9 – \$11 billion.

**Total Economic Loss Due to Disasters**  
(Billions of Today's Dollars)

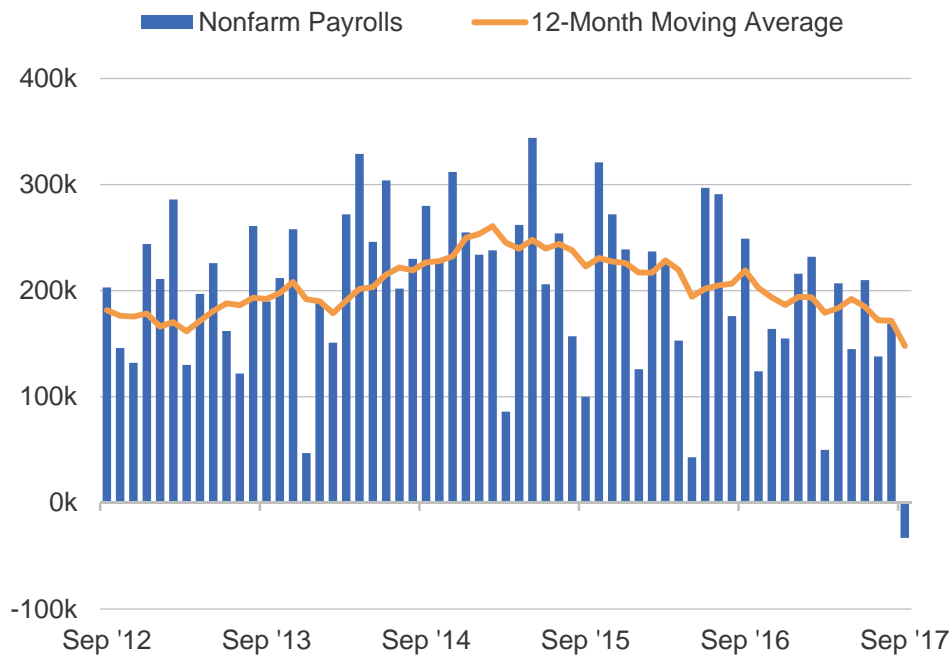


Hurricane Harvey estimates are preliminary and shown in the chart at the high end of the estimated range. Source: The Economic Impact of Hurricane Harvey, Moody's Analytics, 9/5/17.

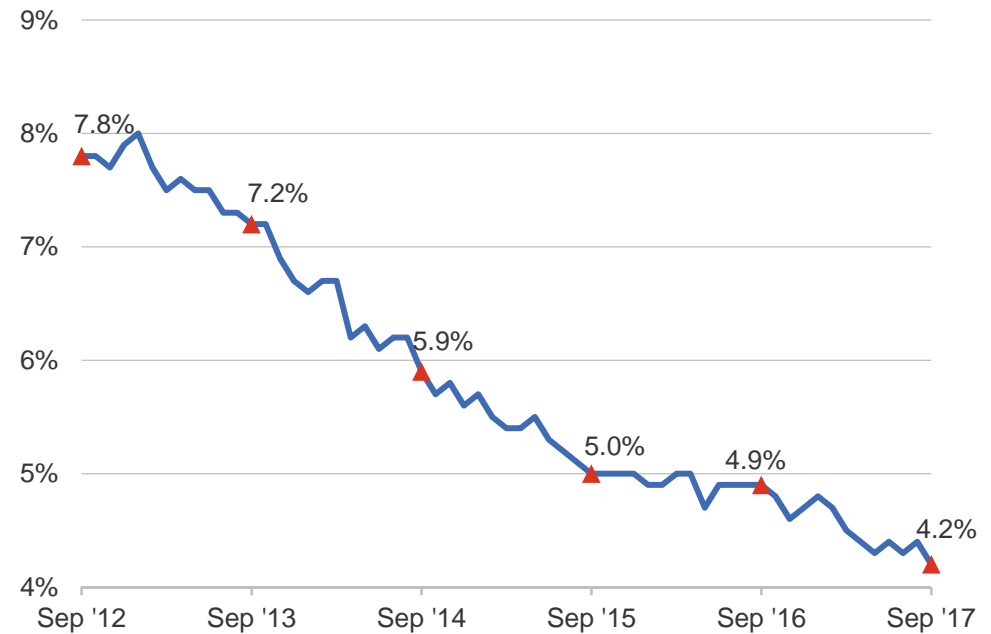
## Labor Market Remains Strong Despite the Impact of Hurricanes

- The U.S. labor market lost 33,000 jobs in September. The first decline in U.S. nonfarm payrolls in seven years.
- Despite the impact of the hurricanes on the September job numbers, the headline unemployment rate ticked down to 4.2%, hitting the lowest level in more than 16 years. The U6 unemployment rate also decreased slightly from 8.6% in June to 8.3% in September, while the labor force participation rate ticked up from 62.8% in June to 63.1% in September.
- Average hourly earnings—an important gauge of wage growth—grew 2.9% over the past 12 months.

Monthly Change in Nonfarm Payrolls



Unemployment Rate

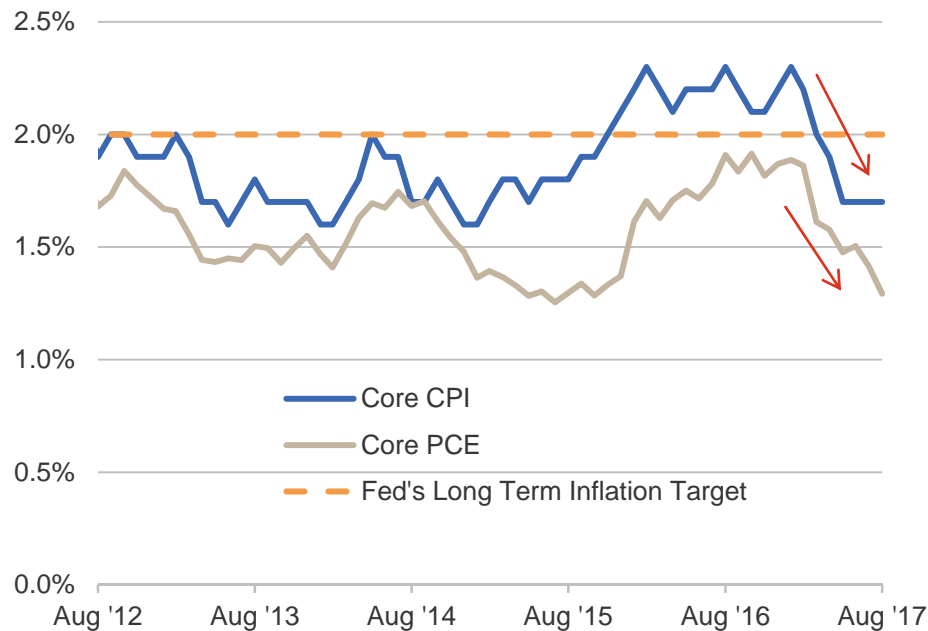


Source: Bloomberg, as of 9/30/17.

### Inflation Steadies but Outlook Remains Weak

- Inflation pressures have declined from levels at the beginning of the year. The core personal consumption expenditures (PCE) price index, the Fed's preferred measure of inflation, slipped to 1.3% year-over-year in August. While some Fed officials expect this weakness to be transitory, the prospect for another rate hike in 2017 may be diminished should this trend continue.
- Although inflation expectations jumped following the U.S. election, the outlook has since softened, reflecting doubts in the administration's ability to implement its agenda.

**Inflation Measures**  
(YoY)

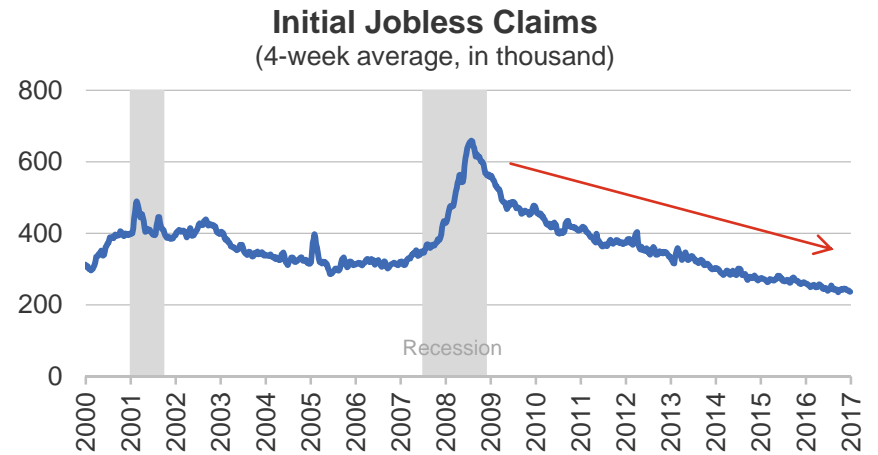
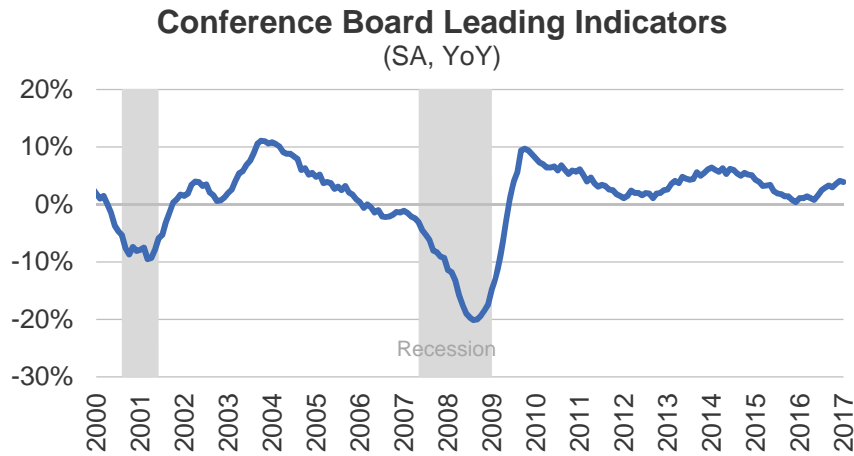
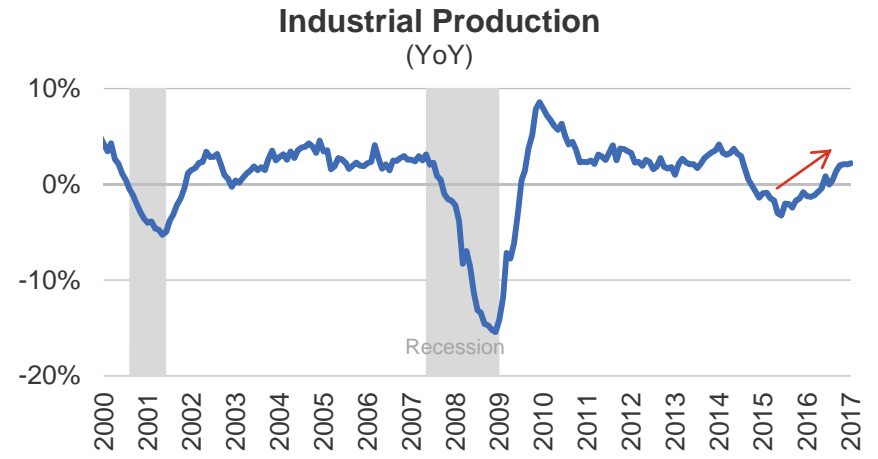
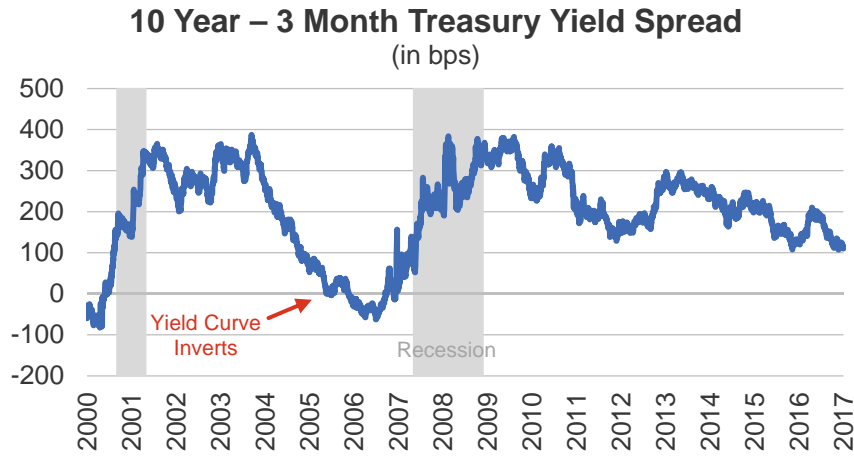


**Expectations for Average Inflation Rate Over Next 5 Years**



Source: Bloomberg, as of 9/30/17. Inflation expectations based on yield difference between 5-year Treasury note and 5-year Treasury Inflation Protected Securities (TIPS).

### U.S. Recession Indicators: Low Risk in the Near-Term

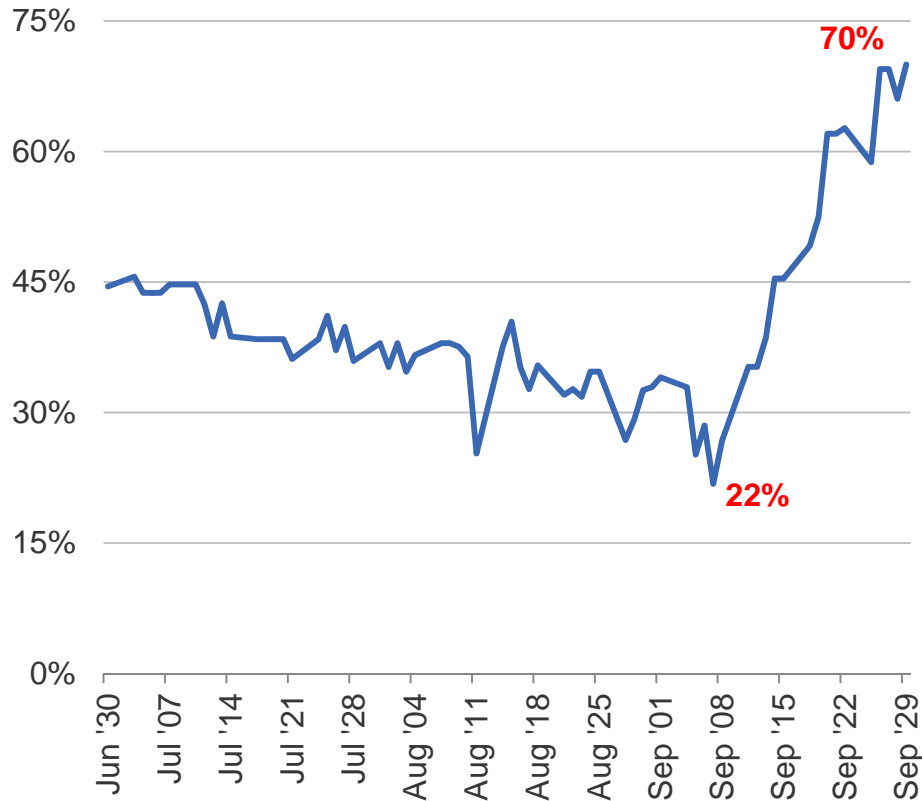


Source: Bloomberg, as of 8/31/17. SA is seasonally adjusted.

### Probability of Fed Rate Hike at the December Meeting

- The probability of a third rate hike in 2017 at the FOMC’s December meeting increased following their September meeting.
- The FOMC will initiate the balance sheet normalization program described in the June 2017 Addendum to the Committee’s Policy Normalization Principles and Plans in October.

**Historical Probability of December Rate Hike**



**Probability of Fed Rate Hike**

Meeting	Probability (25bps)
12/13/2017	70%
1/31/2018	68%
3/21/2018	54%
5/2/2018	54%
6/13/2018	43%

Source: Bloomberg, as of 9/30/2017.

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# Portfolio Review

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Security Type	Original Cost	Market Value	% of Portfolio	In Compliance	Average Maturity <sup>1</sup>	Average Yield <sup>1</sup>
Cash Equivalents	\$7,220,770	\$7,220,770	9.5%	✓	1	0.00%
Money Market Funds	\$30,244	\$30,244	<0.1%	✓	1	0.33%
Investment Pools	\$20,800,000	\$20,780,075	27.3%	✓	1	1.07%
<b>Total Liquidity</b>	<b>\$28,051,014</b>	<b>\$28,031,089</b>	<b>36.8%</b>		<b>1</b>	<b>0.79%</b>
U.S. Treasury Notes <sup>2</sup>	\$11,262,904	\$11,212,001	14.7%	✓	1,349	1.65%
Federal Agency Securities <sup>3</sup>	\$3,681,814	\$3,669,396	4.8%	✓	865	1.50%
Supranational Securities	\$2,464,774	\$2,456,827	3.2%	✓	814	1.48%
Negotiable Certificates of Deposit	\$8,238,877	\$8,249,053	10.8%	✓	508	1.83%
Medium-Term Corporate Notes	\$13,974,805	\$13,882,496	18.2%	✓	874	2.07%
Asset-Backed Securities	\$4,789,551	\$4,783,616	6.3%	✓	1,374	1.71%
Commercial Paper	\$3,779,418	\$3,794,220	5.0%	✓	108	1.42%
<b>Total Securities</b>	<b>\$48,192,143</b>	<b>\$48,047,609</b>	<b>63.2%</b>		<b>908</b>	<b>2.23%</b>
<b>Total Portfolio</b>	<b>\$76,243,157</b>	<b>\$76,078,697</b>	<b>100.0%</b>		<b>575</b>	<b>1.70%</b>
<b>Bonded Debt Portfolio</b>	<b>\$20,957,477</b>	<b>\$20,974,533</b>				<b>0.72%</b>
<b>Total</b>	<b>\$97,200,634</b>	<b>\$97,053,230</b>				<b>1.49%</b>

1. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

2. Due to different disposal values applied by Wells Fargo and PFM, original cost value of U.S. Treasury bond with CUSIP 912828Q78 differs by \$200.11.

3. Due to different disposal values applied by Wells Fargo and PFM, original cost value of Federal Agency bond with CUSIP 3135G0N82 differs by \$199.15.



Issuer	Original Cost*	Market Value	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>1</sup>	Average Yield <sup>1</sup>
<b>Cash Equivalents</b>	<b>7,220,770</b>	<b>7,220,770</b>	<b>9.5%</b>			<b>1</b>	<b>0.00%</b>
Bank	7,220,770	7,220,770	9.5%	100%	✓	1	0.00%
<b>Money Market Funds</b>	<b>30,244</b>	<b>30,244</b>	<b>&lt;0.1%</b>			<b>1</b>	<b>0.33%</b>
Wells Fargo	30,244	30,244	<0.1%	10%	✓	1	0.33%
<b>Investment Pools</b>	<b>20,800,000</b>	<b>20,780,075</b>	<b>27.3%</b>			<b>1</b>	<b>1.07%</b>
Local Agency Investment Fund	20,800,000	20,780,075	27.3%	\$65 million	✓	1	1.07%
<b>U.S. Treasury Notes</b>	<b>11,262,904</b>	<b>11,212,001</b>	<b>14.7%</b>			<b>1349</b>	<b>1.65%</b>
U.S. Treasury <sup>2</sup>	11,262,904	11,212,001	14.7%	100%	✓	1349	1.65%
<b>Federal Agency Securities</b>	<b>3,681,814</b>	<b>3,669,396</b>	<b>4.8%</b>			<b>865</b>	<b>1.50%</b>
FHLMC	1,550,990	1,547,114	2.0%	100%	✓	837	1.47%
FNMA <sup>3</sup>	2,130,824	2,122,282	2.8%	100%	✓	886	1.52%
<b>Commercial Paper</b>	<b>3,779,418</b>	<b>3,794,220</b>	<b>5.0%</b>			<b>108</b>	<b>1.42%</b>
Bank of Tokyo Mitsubishi CP	1,087,506	1,094,990	1.4%	5%	✓	118	1.54%
BNP Paribas	939,604	943,382	1.2%	5%	✓	174	1.49%
Credit Agricole SA	995,500	998,465	1.3%	5%	✓	46	1.36%
Toyota	756,808	757,383	1.0%	5%	✓	2145	5.60%
<b>Negotiable Certificates of Deposit</b>	<b>8,238,877</b>	<b>8,249,053</b>	<b>10.8%</b>			<b>508</b>	<b>1.83%</b>
Bank of Nova Scotia (Houston)	1,150,000	1,148,504	1.5%	5%	✓	552	1.91%
Bank of Montreal Chicago	945,000	948,834	1.2%	5%	✓	495	1.90%
Canadian Imperial Bank	939,267	942,370	1.2%	5%	✓	426	1.78%
Credit Suisse NY	950,000	950,116	1.2%	5%	✓	258	1.61%
Nordea Bank	940,000	942,370	1.2%	5%	✓	426	1.74%
Westpac Banking Corp NY	870,000	874,214	1.1%	5%	✓	1038	2.05%
Royal Bank of Canada (New York)	695,000	695,959	0.9%	5%	✓	160	1.69%
Skandinaviska Enskilda NY	999,610	999,090	1.3%	5%	✓	671	1.85%
Svenska Handelsbanken	750,000	747,596	1.0%	5%	✓	467	1.91%

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3. Due to different disposal values applied by Wells Fargo and PFM, original cost value of Federal Agency bond with CUSIP 3135G0N82 differs by \$199.15.

Issuer	Original Cost*	Market Value	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>1</sup>	Average Yield <sup>1</sup>
<b>Medium-Term Corporate Notes</b>	<b>13,974,805</b>	<b>13,882,496</b>	<b>18.2%</b>			<b>874</b>	<b>2.07%</b>
American Express Company	429,553	432,250	0.6%	5%	✓	885	2.24%
American Honda Finance	299,574	300,662	0.4%	5%	✓	867	2.05%
Apple Inc.	1,566,302	1,572,349	2.1%	5%	✓	583	2.01%
BB&T Bank	715,361	723,272	1.0%	5%	✓	1644	2.59%
Bank of New York	1,000,460	1,009,952	1.3%	5%	✓	1591	2.59%
Berkshire Hathaway	144,859	143,964	0.2%	5%	✓	684	1.33%
Caterpillar Financial	354,702	353,362	0.5%	5%	✓	1070	1.88%
John Deere	979,224	982,304	1.3%	5%	✓	345	1.82%
Walt Disney Corporation	149,961	150,500	0.2%	5%	✓	886	1.96%
General Electric	922,668	920,679	1.2%	5%	✓	184	1.52%
Home Depot	234,864	235,172	0.3%	5%	✓	979	1.82%
IBM	1,366,021	1,240,999	1.6%	5%	✓	667	1.88%
JP Morgan Chase	1,986,282	2,005,741	2.6%	5%	✓	845	2.36%
Pepsi Co.	354,734	354,699	0.5%	5%	✓	579	1.59%
State Street	463,499	462,887	0.6%	5%	✓	1053	1.94%
Toyota	1,534,832	1,537,137	2.0%	5%	✓	1058	2.76%
Wells Fargo	1,471,910	1,456,569	1.9%	5%	✓	1164	2.04%
<b>Asset-Backed Securities</b>	<b>4,789,551</b>	<b>4,783,616</b>	<b>6.3%</b>			<b>1374</b>	<b>1.71%</b>
Ally Auto	1,029,918	1,028,973	1.4%	5%	✓	1448	1.76%
American Express Company Credit	539,913	539,351	0.7%	5%	✓	1537	1.65%
CNH Equipment Trust	604,977	605,135	0.8%	5%	✓	1019	1.80%
Ford Motor Credit	314,999	314,505	0.4%	5%	✓	1354	1.67%
Honda Auto Receivables	469,959	469,056	0.6%	5%	✓	1415	1.68%
Citibank Credit Card Issuance Trust	474,965	475,000	0.6%	5%	✓	1451	1.80%
Hyundai Auto Receivables	1,079,848	1,077,021	1.4%	5%	✓	1402	1.64%
John Deere Owner Trust	274,973	274,575	0.4%	5%	✓	1262	1.64%
<b>Supranational Securities</b>	<b>2,464,774</b>	<b>2,456,827</b>	<b>3.2%</b>			<b>814</b>	<b>1.48%</b>
Inter-American Development Bank	648,050	643,209	0.8%	100%	✓	590	1.10%
International Bank of Reconstruction and Development	1,816,724	1,813,617	2.4%	100%	✓	893	1.62%
<b>Total</b>	<b>76,243,157</b>	<b>76,078,697</b>				<b>575</b>	<b>1.70%</b>

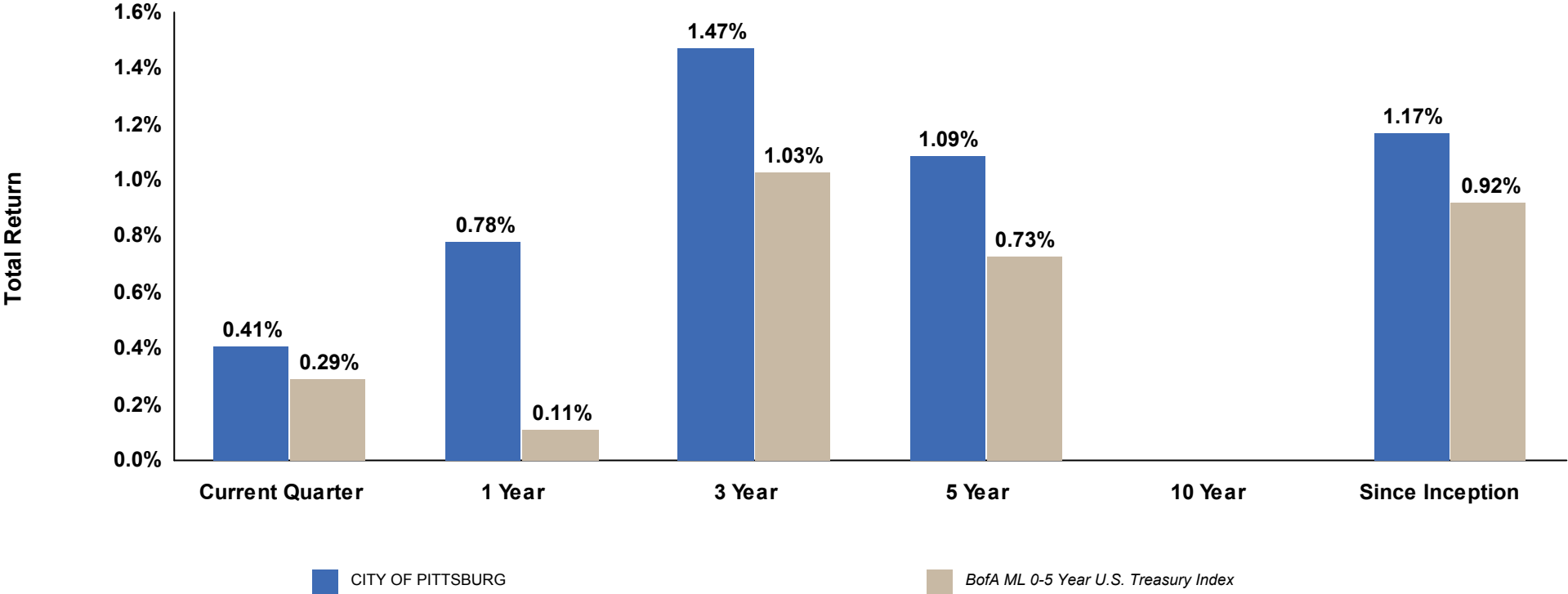
1. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days. Per issuer limit.

## Portfolio Recap

- ◆ Policy challenges in the U.S., combined with escalating tensions on the geopolitical front, led to bouts of uncertainty which triggered periods of “risk-off” and “risk-on” during the third quarter. Nonetheless, volatility remained low and equities continued to book new record highs, reflective of investor complacency.
- ◆ After three rate hikes since December 2016, the Federal Reserve (Fed) shifted gears and announced the beginning of their program to reduce the central bank’s enormous balance sheet. The plan is to gradually reduce the Fed's securities holdings by decreasing its reinvestment of the principal payments on its large holdings of Treasury and agency mortgage-backed securities. This had little impact on our strategy as the process was telegraphed well in advance and will be gradual and predictable.
- ◆ Strong investor appetite for high-quality bonds generally caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in strong relative performance for corporate, asset-backed and supranational securities.
  - The yield spreads on federal agency securities vs. comparable-maturity Treasuries narrowed to historic lows, in some cases near zero, leading to diminished value of the agency sector.
  - Supranationals carried more yield spread and offered an attractive alternative in the high-quality government agency space.
  - Corporate yield spreads also tightened to multi-year lows as investors reaching for yield piled into a limited market supply of investment-grade securities.
  - Despite weakening collateral metrics in some higher risk areas of the ABS sector (e.g., subprime auto loans which PFM does not purchase), higher quality prime auto loan and credit-card-backed tranches performed well, benefitting from higher initial yields.
- ◆ Without a clear trend in the direction of interest rates, we maintained the portfolio duration in line with the benchmark to minimize return volatility.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (09/30/10) **
			1 Year	3 Year	5 Year	10 Year	
CITY OF PITTSBURG*	2.20	0.41%	0.78%	1.47%	1.09%	-	1.17%
BofA ML 0-5 Year U.S. Treasury Index	2.15	0.29%	0.11%	1.03%	0.73%	-	0.92%
Difference		0.12%	0.67%	0.44%	0.36%	-	0.25%



\*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 September 30, 2017**

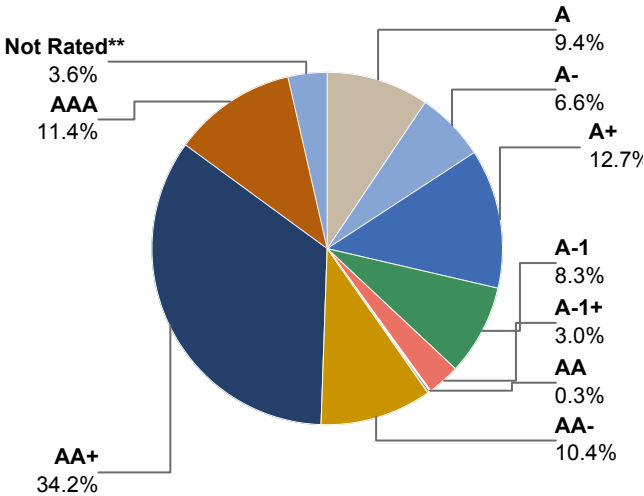
	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (06/30/2017)</b>	\$47,830,918.21	\$47,817,720.61
<b>Net Purchases/Sales</b>	\$239,113.44	\$239,113.44
<b>Change in Value</b>	(\$22,422.96)	\$1,703.47
<b>Ending Value (09/30/2017)</b>	\$48,047,608.69	\$48,058,537.52
<b>Interest Earned</b>	\$220,457.94	\$220,457.94
<b>Portfolio Earnings</b>	\$198,034.98	\$222,161.41

**Portfolio Statistics**

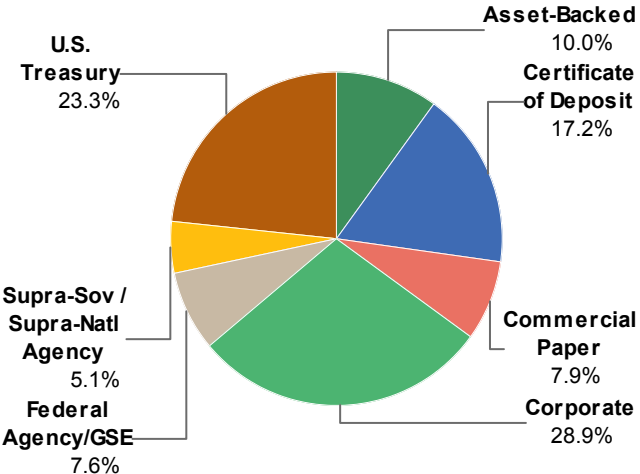
As of September 30, 2017

Par Value:	\$47,995,000
Total Market Value:	\$48,274,650
Security Market Value:	\$48,047,609
Accrued Interest:	\$199,927
Cash:	\$27,114
Amortized Cost:	\$48,058,538
Yield at Market:	1.70%
Yield at Cost:	1.77%
Effective Duration:	2.20 Years
Duration to Worst:	2.28 Years
Average Maturity:	2.49 Years
Average Credit: *	AA

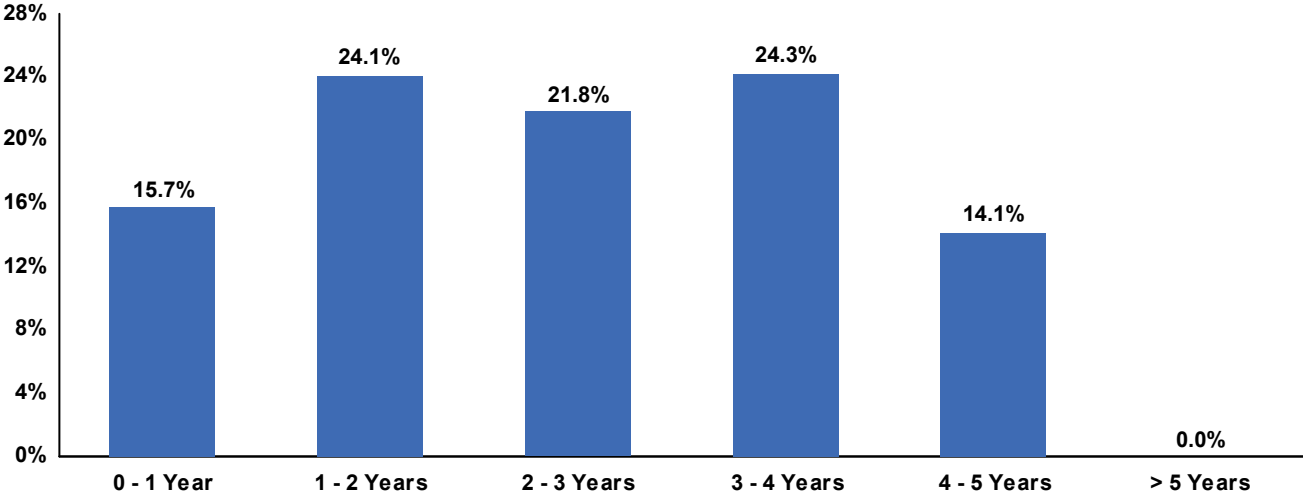
**Credit Quality (S&P Ratings)**



**Sector Allocation**



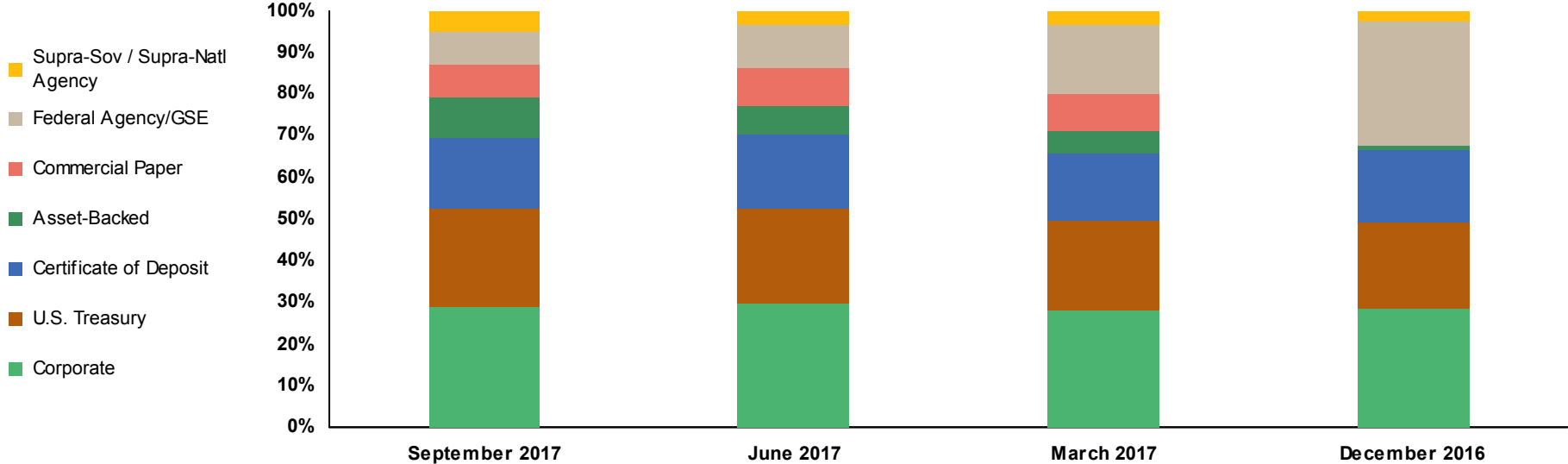
**Maturity Distribution**



\*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.

Sector Allocation

Sector	September 30, 2017		June 30, 2017		March 31, 2017		December 31, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Corporate	13.9	28.9%	14.1	29.5%	13.5	28.3%	13.5	28.6%
U.S. Treasury	11.2	23.3%	10.9	22.8%	10.1	21.1%	9.7	20.5%
Certificate of Deposit	8.2	17.2%	8.4	17.7%	7.7	16.3%	8.3	17.6%
Asset-Backed	4.8	10.0%	3.5	7.3%	2.5	5.2%	0.5	1.0%
Commercial Paper	3.8	7.9%	4.2	8.8%	4.3	9.1%	0.0	0.0%
Federal Agency/GSE	3.7	7.6%	5.0	10.4%	7.9	16.5%	14.0	29.6%
Supra-Sov / Supra-Natl Agency	2.5	5.1%	1.7	3.5%	1.7	3.5%	1.3	2.7%
<b>Total</b>	<b>\$48.0</b>	<b>100.0%</b>	<b>\$47.8</b>	<b>100.0%</b>	<b>\$47.6</b>	<b>100.0%</b>	<b>\$47.3</b>	<b>100.0%</b>

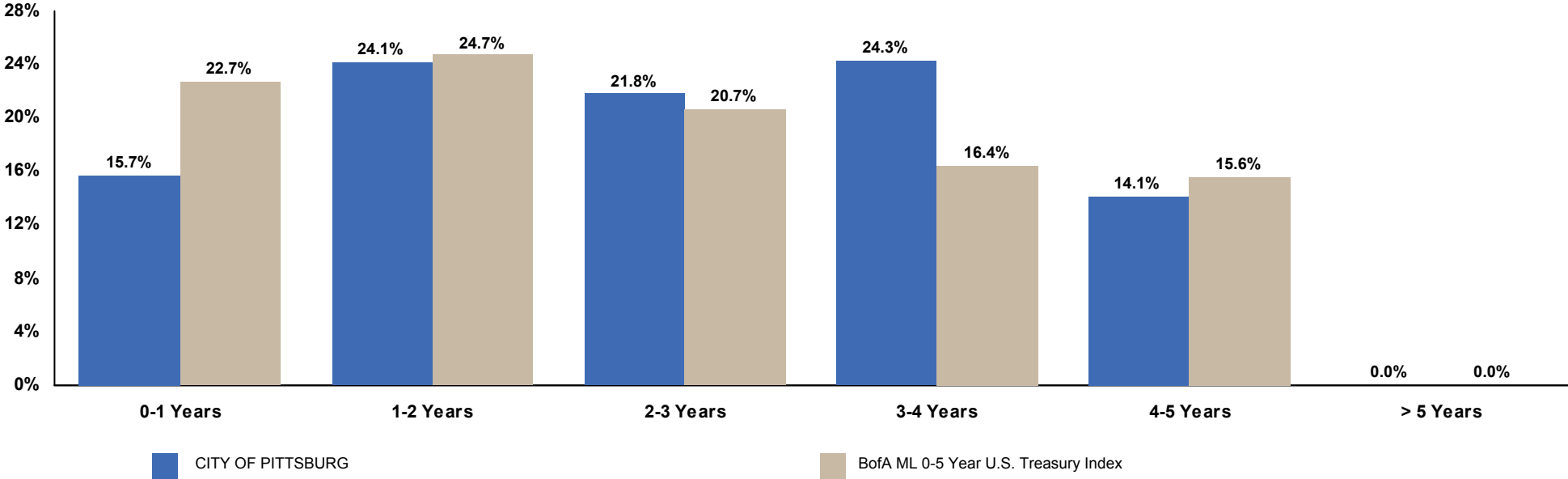


Detail may not add to total due to rounding.

**Maturity Distribution**

As of September 30, 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 PITTSBURG	1.70%	2.49 yrs	15.7%	24.1%	21.8%	24.3%	14.1%	0.0%
BofA ML 0-5 Year U.S. Treasury Index	1.53%	2.30 yrs	22.7%	24.7%	20.7%	16.4%	15.6%	0.0%





## Sector/Issuer Distribution

As of September 30, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Asset-Backed</b>			
ALLY AUTO RECEIVABLES TRUST	1,028,973	21.5%	2.1%
AMERICAN EXPRESS CO	539,351	11.3%	1.1%
CITIGROUP INC	475,000	9.9%	1.0%
CNH EQUIPMENT TRUST	605,135	12.7%	1.3%
FORD CREDIT AUTO OWNER TRUST	314,505	6.6%	0.7%
HONDA AUTO RECEIVABLES	469,056	9.8%	1.0%
HYUNDAI AUTO RECEIVABLES	1,077,021	22.5%	2.2%
JOHN DEERE OWNER TRUST	274,575	5.7%	0.6%
<b>Sector Total</b>	<b>4,783,616</b>	<b>100.0%</b>	<b>10.0%</b>
<b>Certificate of Deposit</b>			
BANK OF MONTREAL	948,834	11.5%	2.0%
BANK OF NOVA SCOTIA	1,148,504	13.9%	2.4%
CANADIAN IMPERIAL BANK OF COMMERCE	942,370	11.4%	2.0%
CREDIT SUISSE GROUP	950,116	11.5%	2.0%
NORDEA BANK AB	942,370	11.4%	2.0%
ROYAL BANK OF CANADA	695,959	8.4%	1.4%
SKANDINAVISKA ENSKILDA BANKEN AB	999,090	12.1%	2.1%
SVENSKA HANDELSBANKEN AB	747,596	9.1%	1.6%
WESTPAC BANKING CORP	874,214	10.6%	1.8%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Sector Total</b>	<b>8,249,053</b>	<b>100.0%</b>	<b>17.2%</b>
<b>Commercial Paper</b>			
BNP PARIBAS	943,382	24.9%	2.0%
CREDIT AGRICOLE SA	998,465	26.3%	2.1%
MITSUBISHI UFJ FINANCIAL GROUP INC	1,094,990	28.9%	2.3%
TOYOTA MOTOR CORP	757,383	20.0%	1.6%
<b>Sector Total</b>	<b>3,794,220</b>	<b>100.0%</b>	<b>7.9%</b>
<b>Corporate</b>			
AMERICAN EXPRESS CO	432,250	3.1%	0.9%
AMERICAN HONDA FINANCE	300,662	2.2%	0.6%
APPLE INC	1,572,349	11.3%	3.3%
BB&T CORPORATION	723,272	5.2%	1.5%
BERKSHIRE HATHAWAY INC	143,964	1.0%	0.3%
CATERPILLAR INC	353,362	2.5%	0.7%
DEERE & COMPANY	982,304	7.1%	2.0%
GENERAL ELECTRIC CO	920,679	6.6%	1.9%
HOME DEPOT INC	235,172	1.7%	0.5%
IBM CORP	769,001	5.5%	1.6%
INTERNATIONAL BUSINESS MACHINES	471,998	3.4%	1.0%
JP MORGAN CHASE & CO	2,005,741	14.4%	4.2%
PEPSICO INC	354,699	2.6%	0.7%
STATE STREET CORPORATION	462,887	3.3%	1.0%
THE BANK OF NEW YORK MELLON CORPORATION	1,009,952	7.3%	2.1%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
THE WALT DISNEY CORPORATION	150,500	1.1%	0.3%
TOYOTA MOTOR CORP	1,537,137	11.1%	3.2%
WELLS FARGO & COMPANY	1,456,569	10.5%	3.0%
<b>Sector Total</b>	<b>13,882,496</b>	<b>100.0%</b>	<b>28.9%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	2,122,282	57.8%	4.4%
FREDDIE MAC	1,547,114	42.2%	3.2%
<b>Sector Total</b>	<b>3,669,396</b>	<b>100.0%</b>	<b>7.6%</b>
<b>Supra-Sov / Supra-Natl Agency</b>			
INTER-AMERICAN DEVELOPMENT BANK	643,209	26.2%	1.3%
INTL BANK OF RECONSTRUCTION AND DEV	1,813,617	73.8%	3.8%
<b>Sector Total</b>	<b>2,456,827</b>	<b>100.0%</b>	<b>5.1%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	11,212,001	100.0%	23.3%
<b>Sector Total</b>	<b>11,212,001</b>	<b>100.0%</b>	<b>23.3%</b>
<b>Portfolio Total</b>	<b>48,047,609</b>	<b>100.0%</b>	<b>100.0%</b>

## Outlook and Strategy

- Although current low inflation is a conundrum, recent signaling from Fed officials boosted expectations for another rate hike this year, raising the market-implied probability of a December hike from 30% mid-third quarter to over 70%.
- With 2-year Treasury yields at the highest level since 2008, we plan to maintain the portfolio duration generally in line with the benchmark. However, the significant flattening of the yield curve since the beginning of the year has reduced the benefit of some maturity extensions, so we will carefully assess value along the yield curve.
- As we near the end of Janet Yellen's term as Chair of the Federal Reserve, which will expire early next year, we will assess the market implications of all new appointees to the Fed (there will be a total of 4 openings on the Fed's 7-member Board of Governors).
- Our prevailing economic theme includes moderate growth expectations in the U.S. and abroad, further improvements in the tightening U.S. labor market, healthy consumer demand, and a stable corporate backdrop.
- The impact from the recent Gulf Coast hurricanes will likely manifest itself in weaker economic data for September and early fourth quarter. However, history shows that the effects of weather-related events are typically short lived and may be smoothed over by the subsequent recovery and rebuilding activity.
- On the policy front, the potential for tax reform is worth watching, as will be the debt ceiling debate, which will resurface in December.
- Our outlook on each of the major investment-grade fixed income sectors is as follows:
  - Limited supply and robust demand are likely to keep yield spreads on federal agencies tight. Generally, we favor U.S. Treasuries over agencies, except for new issues that offer a fair yield concession. Supranationals remain an attractive alternative.
  - Corporate fundamentals remain stable, and we continue to view the sector positively. However, recent richness in the sector warrants being more selective with industries, issuers, and individual issues.
  - In the credit space, we find that negotiable certificates of deposit (CDs) offer the best value, especially in the 2-year and under maturity range.
  - ABS continue to offer opportunity for modest incremental yield. We continue to closely monitor developments in the underlying collateral.

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# Transactions & Account Holdings

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## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
7/5/17	7/7/17	1,015,000	912828H86	US TREASURY NOTES	1.50%	1/31/22	1,004,911.12	1.88%	
7/11/17	7/18/17	95,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	94,993.05	1.82%	
7/17/17	7/18/17	1,000,000	22533TYF7	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	11/15/17	995,500.00	1.36%	
7/19/17	7/20/17	450,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	449,426.12	1.44%	
7/28/17	8/1/17	330,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	329,000.10	1.60%	
8/3/17	8/4/17	1,000,000	83050FXT3	SKANDINAV ENSKILDA BANKEN NY CD	1.84%	8/2/19	999,610.00	1.85%	
8/3/17	8/7/17	870,000	96121T4A3	WESTPAC BANKING CORP NY CD	2.05%	8/3/20	870,000.00	2.05%	
8/3/17	8/4/17	150,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	149,932.94	1.43%	
8/9/17	8/16/17	395,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	394,931.55	1.78%	
8/15/17	8/23/17	340,000	02007FAC9	ALLY ABS 2017-4 A3	1.75%	12/15/21	339,995.61	1.75%	
8/18/17	8/23/17	955,000	459058FS7	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.12%	11/27/19	949,736.57	1.50%	
8/22/17	8/29/17	475,000	459058GA5	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.62%	9/4/20	474,900.25	1.63%	
8/30/17	8/31/17	575,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	568,373.04	1.64%	
8/30/17	8/31/17	575,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	575,621.00	1.51%	
9/5/17	9/5/17	760,000	89233HA38	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	1/3/18	756,808.00	1.27%	
9/5/17	9/7/17	355,000	14913Q2A6	CATERPILLAR FINL SERVICE NOTE	1.85%	9/4/20	354,701.80	1.88%	
9/5/17	9/8/17	475,000	44932HAB9	IBM CREDIT CORP NOTE	1.80%	1/20/21	474,016.75	1.86%	
9/8/17	9/12/17	640,000	912828VK3	US TREASURY NOTES	1.37%	6/30/18	642,569.57	1.22%	
9/8/17	9/12/17	475,000	89236TEC5	TOYOTA MOTOR CREDIT CORP	2.15%	9/8/22	474,552.97	2.18%	
9/19/17	9/20/17	950,000	22549LFP5	CREDIT SUISSE NEW YORK CERT DEPOS	1.61%	6/15/18	950,000.00	1.61%	
9/25/17	10/2/17	475,000	17305EGH2	CCCIT 2017-A9 A9	1.80%	9/20/21	474,964.61	1.80%	
<b>Total BUY</b>		<b>12,355,000</b>					<b>12,324,545.05</b>		

## INTEREST

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
7/3/17	7/3/17	0	MONEY0002	MONEY MARKET FUND			25.89		
7/8/17	7/8/17	200,000	24422ETE9	JOHN DEERE CAPITAL CORP NOTE	1.95%	1/8/19	1,950.00		
7/10/17	7/10/17	750,000	86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1.89%	1/10/19	7,048.13		
7/15/17	7/15/17	120,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	170.00		
7/15/17	7/15/17	540,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	738.00		
7/15/17	7/15/17	245,000	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	263.38		
7/15/17	7/15/17	570,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	845.50		
7/15/17	7/15/17	305,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	447.33		
7/15/17	7/15/17	85,000	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	88.54		
7/15/17	7/15/17	605,000	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	826.83		
7/15/17	7/15/17	95,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	140.92		
7/15/17	7/15/17	315,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	438.38		
7/15/17	7/15/17	135,000	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	175.50		
7/16/17	7/16/17	470,000	43811BAC8	HONDA ABS 2017-2 A3	1.68%	8/15/21	394.80		
7/18/17	7/18/17	1,560,000	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	16,575.00		
7/23/17	7/23/17	1,995,000	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	22,443.75		
7/31/17	7/31/17	1,095,000	912828V72	US TREASURY NOTES	1.87%	1/31/22	10,265.63		
7/31/17	7/31/17	1,015,000	912828H86	US TREASURY NOTES	1.50%	1/31/22	7,612.50		
7/31/17	7/31/17	340,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	2,762.50		
7/31/17	7/31/17	1,135,000	912828WY2	US TREASURY N/B	2.25%	7/31/21	12,768.75		
8/1/17	8/1/17	0	MONEY0002	MONEY MARKET FUND			28.55		
8/2/17	8/2/17	230,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	1,006.25		
8/7/17	8/7/17	945,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	8,784.30		
8/7/17	8/7/17	1,000,000	06406RAA5	BANK OF NY MELLON CORP NOTES	2.60%	2/7/22	13,000.00		
8/10/17	8/10/17	780,000	24422ETA7	JOHN DEERE CAPITAL CORP NOTE	1.75%	8/10/18	6,825.00		
8/14/17	8/14/17	300,000	02665WBM2	AMERICAN HONDA FINANCE	2.00%	2/14/20	2,966.67		
8/15/17	8/15/17	120,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	170.00		
8/15/17	8/15/17	315,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	438.38		
8/15/17	8/15/17	85,000	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	88.54		
8/15/17	8/15/17	145,000	084664CK5	BERKSHIRE HATHAWAY INC CORPORATE NOTES	1.30%	8/15/19	942.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
8/15/17	8/15/17	95,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	140.92		
8/15/17	8/15/17	245,000	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	263.38		
8/15/17	8/15/17	305,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	447.33		
8/15/17	8/15/17	570,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	845.50		
8/15/17	8/15/17	470,000	43811BAC8	HONDA ABS 2017-2 A3	1.68%	8/15/21	658.00		
8/15/17	8/15/17	135,000	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	175.50		
8/15/17	8/15/17	540,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	738.00		
8/15/17	8/15/17	605,000	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	826.83		
8/17/17	8/17/17	115,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	718.75		
8/17/17	8/17/17	1,150,000	40428AR41	HSBC BANK USA NA FLOATING CERT DEPOS	1.90%	11/17/17	5,200.19		
8/18/17	8/18/17	455,000	857477AS2	STATE STREET CORP NOTES	2.55%	8/18/20	5,801.25		
8/19/17	8/19/17	1,600,000	3135G0ZA4	FANNIE MAE BENCHMARK NOTE	1.87%	2/19/19	15,000.00		
8/26/17	8/26/17	615,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	3,075.00		
8/28/17	8/28/17	605,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	4,537.50		
8/31/17	8/31/17	1,000,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	10,000.00		
8/31/17	8/31/17	1,225,000	912828D72	US TREASURY NOTES	2.00%	8/31/21	12,250.00		
8/31/17	8/31/17	860,000	912828D72	US TREASURY NOTES	2.00%	8/31/21	8,600.00		
9/1/17	9/1/17	0	MONEY0002	MONEY MARKET FUND			65.25		
9/3/17	9/3/17	430,000	0258M0EE5	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	2.20%	3/3/20	4,730.00		
9/4/17	9/4/17	150,000	25468PDP8	WALT DISNEY COMPANY CORP NOTES	1.95%	3/4/20	1,446.25		
9/9/17	9/9/17	695,000	78009NZZ2	ROYAL BANK OF CANADA NY CD	1.70%	3/9/18	5,907.50		
9/15/17	9/15/17	570,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	845.50		
9/15/17	9/15/17	120,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	170.00		
9/15/17	9/15/17	95,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	273.76		
9/15/17	9/15/17	150,000	084664CG4	BERKSHIRE HATHAWAY INC NOTES	1.70%	3/15/19	1,275.00		
9/15/17	9/15/17	315,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	438.38		
9/15/17	9/15/17	135,000	44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	9/15/20	175.50		
9/15/17	9/15/17	395,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	563.20		
9/15/17	9/15/17	540,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	738.00		
9/15/17	9/15/17	470,000	43811BAC8	HONDA ABS 2017-2 A3	1.68%	8/15/21	658.00		



Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
9/15/17	9/15/17	85,000	47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	6/15/20	88.54		
9/15/17	9/15/17	340,000	02007FAC9	ALLY ABS 2017-4 A3	1.75%	12/15/21	363.61		
9/15/17	9/15/17	305,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	447.33		
9/15/17	9/15/17	245,000	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	263.38		
9/15/17	9/15/17	605,000	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	826.83		
9/15/17	9/15/17	95,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	140.92		
<b>Total INTEREST</b>		<b>31,825,000</b>					<b>208,926.62</b>		
<b>MATURITY</b>									
9/5/17	9/5/17	760,000	21687AW58	COOPERATIEVE RABOBANK UA COMM PAPER	0.00%	9/5/17	760,000.00		0.00
<b>Total MATURITY</b>		<b>760,000</b>					<b>760,000.00</b>		<b>0.00</b>
<b>SELL</b>									
7/5/17	7/7/17	355,000	3135G0ZA4	FANNIE MAE BENCHMARK NOTE	1.87%	2/19/19	360,150.16	1.42%	1,412.80
7/5/17	7/7/17	650,000	459058FE8	INTL BANK OF RECON AND DEV SN NOTES	0.87%	7/19/18	649,101.70	1.41%	(3,023.32)
7/11/17	7/14/17	95,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	94,279.66	1.45%	(984.87)
7/17/17	7/18/17	1,400,000	22533TV78	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	8/7/17	1,399,051.11	1.22%	15.56
7/28/17	8/1/17	340,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	340,997.82	1.53%	(2,952.96)
8/3/17	8/4/17	1,150,000	83050FBG5	SKANDINAVISKA ENSKILDA BANKEN NY CD	1.48%	11/16/17	1,162,922.56	1.27%	583.06
8/3/17	8/7/17	870,000	912828VJ6	US TREASURY NOTES	1.87%	6/30/20	881,879.75	1.46%	979.27
8/9/17	8/14/17	45,000	3130AAXX1	FEDERAL HOME LOAN BANK AGENCY	1.37%	3/18/19	45,283.59	1.35%	21.00
8/9/17	8/14/17	230,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	227,679.68	1.41%	(2,132.89)
8/15/17	8/18/17	285,000	3130AAXX1	FEDERAL HOME LOAN BANK AGENCY	1.37%	3/18/19	286,788.30	1.36%	81.59
8/15/17	8/18/17	60,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	59,954.87	1.37%	(259.57)
8/18/17	8/23/17	585,000	3135G0ZA4	FANNIE MAE BENCHMARK NOTE	1.87%	2/19/19	589,801.88	1.33%	2,878.12
8/21/17	8/23/17	325,000	3135G0ZA4	FANNIE MAE BENCHMARK NOTE	1.87%	2/19/19	327,722.96	1.32%	1,654.21

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
8/22/17	8/29/17	475,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	472,659.83	1.34%	(1,819.33)
8/30/17	8/31/17	1,150,000	40428AR41	HSBC BANK USA NA FLOATING CERT DEPOS	1.90%	11/17/17	1,152,197.09	1.31%	1,345.50
9/5/17	9/7/17	360,000	459200GM7	IBM CORP CALLABLE BONDS	7.62%	10/15/18	394,076.30	1.70%	744.35
9/5/17	9/8/17	475,000	459200GM7	IBM CORP CALLABLE BONDS	7.62%	10/15/18	520,181.14	1.67%	1,174.54
9/8/17	9/12/17	475,000	912828H86	US TREASURY NOTES	1.50%	1/31/22	473,828.63	1.60%	5,504.44
9/8/17	9/12/17	500,000	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	505,743.75	1.67%	4,077.64
9/19/17	9/20/17	715,000	65602USD1	NORINCHUKIN BANK NY CERT DEPOS	1.40%	11/10/17	718,792.45	1.34%	94.31
9/19/17	9/20/17	225,000	912828VK3	US TREASURY NOTES	1.37%	6/30/18	225,882.73	1.26%	(80.31)
9/25/17	10/2/17	325,000	3135G0ZA4	FANNIE MAE BENCHMARK NOTE	1.87%	2/19/19	327,697.36	1.43%	1,040.69
9/25/17	10/2/17	150,000	084664CG4	BERKSHIRE HATHAWAY INC NOTES	1.70%	3/15/19	150,396.42	1.57%	331.93
<b>Total SELL</b>		<b>11,240,000</b>					<b>11,367,069.74</b>		<b>10,685.76</b>



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<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 07/01/2013 1.375% 06/30/2018	912828VK3	415,000.00	AA+	Aaa	09/08/17	09/12/17	415,518.75	1.22	1,442.07	415,485.55	415,243.19
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	360,000.00	AA+	Aaa	12/02/15	12/04/15	357,117.19	1.56	1,663.52	358,265.45	358,073.28
US TREASURY NOTES DTD 07/01/2013 1.875% 06/30/2020	912828VJ6	195,000.00	AA+	Aaa	09/01/15	09/03/15	198,389.65	1.50	924.00	196,961.14	196,500.53
US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	1,000,000.00	AA+	Aaa	10/03/16	10/05/16	1,036,406.25	1.15	1,712.71	1,028,390.78	1,009,609.00
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	835,000.00	AA+	Aaa	02/01/17	02/03/17	818,495.70	1.86	4,804.65	820,973.64	824,432.24
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	850,000.00	AA+	Aaa	01/03/17	01/05/17	833,066.41	1.86	4,890.96	835,865.26	839,242.40
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	1,110,000.00	AA+	Aaa	06/27/16	06/29/16	1,130,465.63	0.98	6,387.02	1,125,249.10	1,095,951.84
US TREASURY N/B DTD 07/31/2014 2.250% 07/31/2021	912828WY2	1,135,000.00	AA+	Aaa	11/22/16	11/23/16	1,159,118.75	1.78	4,302.51	1,154,870.68	1,154,552.65
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	860,000.00	AA+	Aaa	06/26/17	06/28/17	871,220.31	1.67	1,472.93	870,552.02	866,853.34
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,225,000.00	AA+	Aaa	12/01/16	12/05/16	1,229,306.64	1.92	2,098.07	1,228,599.90	1,234,762.03
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	500,000.00	AA+	Aaa	03/14/17	03/16/17	481,406.25	2.10	2,615.49	483,501.01	488,828.00
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	575,000.00	AA+	Aaa	08/30/17	08/31/17	565,970.70	1.64	3,007.81	566,148.98	562,152.20
US TREASURY NOTES DTD 01/03/2017 2.000% 12/31/2021	912828U81	535,000.00	AA+	Aaa	06/26/17	06/28/17	541,499.41	1.72	2,704.08	541,139.77	538,322.89
US TREASURY NOTES DTD 02/02/2015 1.500% 01/31/2022	912828H86	540,000.00	AA+	Aaa	07/05/17	07/07/17	531,119.53	1.88	1,364.67	531,560.93	531,921.06



**Managed Account Detail of Securities Held**

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<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	1,095,000.00	AA+	Aaa	05/08/17	05/10/17	1,093,802.34	1.90	3,459.07	1,093,909.58	1,095,556.26
<b>Security Type Sub-Total</b>		<b>11,230,000.00</b>					<b>11,262,903.51</b>	<b>1.65</b>	<b>42,849.56</b>	<b>11,251,473.79</b>	<b>11,212,000.91</b>
<b>Supra-National Agency Bond / Note</b>											
INTER-AMERICAN DEVELOPMENT BANK DTD 04/12/2016 1.000% 05/13/2019	458182DX7	650,000.00	AAA	Aaa	04/05/16	04/12/16	648,050.00	1.10	2,491.67	648,969.75	643,209.45
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 10/27/2016 1.125% 11/27/2019	459058FS7	955,000.00	AAA	Aaa	08/18/17	08/23/17	947,167.73	1.50	3,700.63	947,529.73	944,015.59
INTL BK RECON & DEVELOP NOTES DTD 03/21/2017 1.875% 04/21/2020	459058FZ1	395,000.00	AAA	Aaa	03/14/17	03/21/17	394,656.35	1.90	3,908.85	394,716.28	396,476.91
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 08/29/2017 1.625% 09/04/2020	459058GA5	475,000.00	AAA	Aaa	08/22/17	08/29/17	474,900.25	1.63	686.11	474,903.20	473,124.70
<b>Security Type Sub-Total</b>		<b>2,475,000.00</b>					<b>2,464,774.33</b>	<b>1.48</b>	<b>10,787.26</b>	<b>2,466,118.96</b>	<b>2,456,826.65</b>
<b>Federal Agency Bond / Note</b>											
FANNIE MAE BENCHMARK NOTE DTD 01/13/2014 1.875% 02/19/2019	3135G0ZA4	365,000.00	AA+	Aaa	08/01/14	08/04/14	368,343.40	1.66	798.44	366,045.21	367,030.50
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	140,000.00	AA+	Aaa	02/19/16	02/23/16	139,669.60	1.08	136.11	139,844.61	139,108.62
FREDDIE MAC NOTES DTD 07/19/2017 1.375% 08/15/2019	3137EAEH8	150,000.00	AA+	Aaa	08/03/17	08/04/17	149,847.00	1.43	412.50	149,859.00	149,549.55
FREDDIE MAC NOTES DTD 07/19/2017 1.375% 08/15/2019	3137EAEH8	450,000.00	AA+	Aaa	07/19/17	07/20/17	449,408.93	1.44	1,237.50	449,465.13	448,648.65
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	605,000.00	AA+	Aaa	02/24/17	02/28/17	604,612.80	1.52	831.88	604,687.81	603,561.31



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<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Federal Agency Bond / Note</b>											
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	955,000.00	AA+	Aaa	04/19/17	04/20/17	951,733.90	1.49	5,872.59	952,211.79	948,915.70
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	330,000.00	AA+	Aaa	07/28/17	08/01/17	329,000.10	1.60	825.00	329,054.58	328,196.22
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	575,000.00	AA+	Aaa	08/30/17	08/31/17	574,902.25	1.51	1,437.50	574,905.45	571,857.05
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	115,000.00	AA+	Aaa	09/01/16	09/02/16	114,296.20	1.38	175.69	114,445.67	112,528.65
<b>Security Type Sub-Total</b>		<b>3,685,000.00</b>					<b>3,681,814.18</b>	<b>1.50</b>	<b>11,727.21</b>	<b>3,680,519.25</b>	<b>3,669,396.25</b>
<b>Corporate Note</b>											
GENERAL ELEC CAP CORP GLOBAL NOTES DTD 04/02/2013 1.625% 04/02/2018	36962G6W9	920,000.00	AA-	A1	07/01/15	07/07/15	922,668.00	1.52	7,433.47	920,499.87	920,678.96
JOHN DEERE CAPITAL CORP NOTE DTD 09/11/2015 1.750% 08/10/2018	24422ETA7	780,000.00	A	A2	09/08/15	09/11/15	779,235.60	1.78	1,933.75	779,769.54	781,511.64
IBM CORP CALLABLE BONDS DTD 10/15/2008 7.625% 10/15/2018	459200GM7	725,000.00	A+	A1	08/01/14	08/06/14	892,003.75	1.88	25,490.80	767,623.09	769,000.98
JOHN DEERE CAPITAL CORP NOTE DTD 01/08/2016 1.950% 01/08/2019	24422ETE9	200,000.00	A	A2	01/05/16	01/08/16	199,988.00	1.95	899.17	199,994.84	200,792.00
PEPSICO INC DTD 05/02/2017 1.550% 05/02/2019	713448DR6	355,000.00	A+	A1	04/27/17	05/02/17	354,733.75	1.59	2,277.42	354,788.20	354,698.61
APPLE INC GLOBAL NOTES DTD 05/06/2014 2.100% 05/06/2019	037833AO3	1,560,000.00	AA+	Aa1	08/01/14	08/06/14	1,566,302.40	2.01	13,195.00	1,562,192.95	1,572,348.96
TOYOTA MOTOR CREDIT CORP NOTES DTD 07/18/2014 2.125% 07/18/2019	89236TBP9	1,060,000.00	AA-	Aa3	08/01/14	08/06/14	1,060,392.20	2.12	4,567.57	1,060,149.09	1,067,404.10
BERKSHIRE HATHAWAY INC CORPORATE NOTES DTD 08/15/2016 1.300% 08/15/2019	084664CK5	145,000.00	AA	Aa2	08/08/16	08/15/16	144,859.35	1.33	240.86	144,911.58	143,963.83



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<b>Corporate Note</b>											
JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020	46625HKA7	1,995,000.00	A-	A3	10/15/15	10/20/15	1,986,281.85	2.36	8,478.75	1,990,180.24	2,005,741.08
AMERICAN HONDA FINANCE DTD 02/16/2017 2.000% 02/14/2020	02665WBM2	300,000.00	A+	A1	02/13/17	02/16/17	299,574.00	2.05	783.33	299,660.72	300,662.40
AMERICAN EXPRESS CREDIT CORP NOTES DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	430,000.00	A-	A2	02/28/17	03/03/17	429,552.80	2.24	735.78	429,636.68	432,249.76
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	150,000.00	A+	A2	03/01/17	03/06/17	149,961.00	1.96	219.38	149,968.18	150,499.95
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	235,000.00	A	A2	05/24/17	06/05/17	234,863.70	1.82	1,363.00	234,878.01	235,171.79
STATE STREET CORP NOTES DTD 08/18/2015 2.550% 08/18/2020	857477AS2	455,000.00	A	A1	06/08/17	06/13/17	463,499.40	1.94	1,385.85	462,724.55	462,886.52
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	1491302A6	355,000.00	A	A3	09/05/17	09/07/17	354,701.80	1.88	437.83	354,708.26	353,362.03
WELLS FARGO & COMPANY NOTES DTD 12/07/2015 2.550% 12/07/2020	94974BGR5	1,440,000.00	A	A2	05/06/16	05/10/16	1,471,910.40	2.04	11,628.00	1,462,519.58	1,456,568.64
IBM CREDIT CORP NOTE DTD 09/08/2017 1.800% 01/20/2021	44932HAB9	475,000.00	A+	A1	09/05/17	09/08/17	474,016.75	1.86	546.25	474,034.29	471,998.00
BANK OF NY MELLON CORP NOTES DTD 02/07/2017 2.600% 02/07/2022	06406RAA5	1,000,000.00	A	A1	02/07/17	02/10/17	1,000,460.00	2.59	3,900.00	1,000,405.27	1,009,952.00
BB&T CORP NOTES DTD 03/21/2017 2.750% 04/01/2022	05531FAX1	710,000.00	A-	A2	04/03/17	04/06/17	715,360.50	2.59	10,304.86	714,875.24	723,272.03
TOYOTA MOTOR CREDIT CORP DTD 09/08/2017 2.150% 09/08/2022	89236TEC5	475,000.00	AA-	Aa3	09/08/17	09/12/17	474,439.50	2.18	652.47	474,445.20	469,733.20
<b>Security Type Sub-Total</b>		<b>13,765,000.00</b>					<b>13,974,804.75</b>	<b>2.07</b>	<b>96,473.54</b>	<b>13,837,965.38</b>	<b>13,882,496.48</b>
<b>Commercial Paper</b>											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 05/16/2017 0.000% 11/15/2017	22533TYF7	1,000,000.00	A-1	P-1	07/17/17	07/18/17	995,500.00	1.36	0.00	998,312.50	998,465.00



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<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Commercial Paper</b>											
TOYOTA MOTOR CREDIT CORP COMM PAPER DTD 08/07/2017 0.000% 01/03/2018	89233HA38	760,000.00	A-1+	P-1	09/05/17	09/05/17	756,808.00	1.27	0.00	757,499.60	757,383.32
BANK OF TOKYO MITSUBISHI UFJ COMM PAPER DTD 05/01/2017 0.000% 01/26/2018	06538CAS0	1,100,000.00	A-1	P-1	05/01/17	05/02/17	1,087,506.44	1.54	0.00	1,094,566.00	1,094,989.50
BNP PARIBAS NY BRANCH COMM PAPER DTD 06/26/2017 0.000% 03/23/2018	09659CCP1	950,000.00	A-1	P-1	06/26/17	06/28/17	939,603.83	1.49	0.00	943,289.04	943,382.30
<b>Security Type Sub-Total</b>		<b>3,810,000.00</b>					<b>3,779,418.27</b>	<b>1.42</b>	<b>0.00</b>	<b>3,793,667.14</b>	<b>3,794,220.12</b>
<b>Certificate of Deposit</b>											
ROYAL BANK OF CANADA NY CD DTD 03/15/2016 1.700% 03/09/2018	78009NZZ2	695,000.00	A-1+	P-1	03/11/16	03/15/16	695,000.00	1.69	722.03	695,000.00	695,959.10
CREDIT SUISSE NEW YORK CERT DEPOS DTD 09/20/2017 1.610% 06/15/2018	22549LFP5	950,000.00	A-1	P-1	09/19/17	09/20/17	950,000.00	1.61	467.35	950,000.00	950,115.81
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	940,000.00	A+	A1	12/01/16	12/05/16	939,266.80	1.78	5,560.62	939,570.19	942,369.74
NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	940,000.00	AA-	Aa3	12/01/16	12/05/16	940,000.00	1.74	5,698.49	940,000.00	942,369.74
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	750,000.00	AA-	Aa2	01/10/17	01/12/17	750,000.00	1.91	3,268.13	750,000.00	747,596.25
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	945,000.00	A+	A1	02/08/17	02/09/17	945,000.00	1.90	2,664.90	945,000.00	948,833.87
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	1,150,000.00	A+	A1	04/05/17	04/06/17	1,150,000.00	1.91	10,860.47	1,150,000.00	1,148,503.85
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	1,000,000.00	A+	Aa3	08/03/17	08/04/17	999,610.00	1.85	2,964.44	999,641.07	999,090.00
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	870,000.00	AA-	Aa3	08/03/17	08/07/17	870,000.00	2.05	2,675.25	870,000.00	874,214.28



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 2017**

### CITY OF PITTSBURG GENERAL FUNDS

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
<b>Security Type Sub-Total</b>		<b>8,240,000.00</b>					<b>8,238,876.80</b>	<b>1.83</b>	<b>34,881.68</b>	<b>8,239,211.26</b>	<b>8,249,052.64</b>
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	85,000.00	NR	Aaa	07/19/16	07/27/16	84,993.23	1.25	47.22	84,995.61	84,639.86
CNH 2017-A A2 DTD 03/22/2017 1.640% 07/15/2020	12636WAB2	605,000.00	AAA	NR	03/15/17	03/22/17	604,976.77	1.80	440.98	604,976.77	605,134.85
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	135,000.00	AAA	Aaa	03/22/16	03/30/16	134,973.81	1.57	93.60	134,983.49	134,862.91
JOHN DEERE ABS 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	95,000.00	NR	Aaa	02/22/17	03/02/17	94,986.47	1.79	75.16	94,986.47	94,997.82
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	245,000.00	AAA	Aaa	09/14/16	09/21/16	244,967.02	1.30	140.47	244,975.22	243,098.60
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	120,000.00	NR	Aaa	01/24/17	01/31/17	119,989.51	1.70	90.67	119,991.20	119,849.60
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	315,000.00	NR	Aaa	01/18/17	01/25/17	314,998.83	1.67	233.80	314,999.10	314,505.04
HYUNDAI ABS 2017-A A3 DTD 03/29/2017 1.760% 08/15/2021	44931PAD8	305,000.00	AAA	NR	03/22/17	03/29/17	304,975.33	1.76	238.58	304,975.33	304,816.97
HONDA ABS 2017-2 A3 DTD 06/27/2017 1.680% 08/15/2021	43811BAC8	470,000.00	AAA	Aaa	06/20/17	06/27/17	469,959.35	1.68	350.93	469,959.35	469,055.96
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	570,000.00	NR	Aaa	03/21/17	03/29/17	569,932.80	1.79	450.93	569,932.80	569,707.02
<b>CCCIT 2017-A9 A9 DTD 10/02/2017 1.800% 09/20/2021</b>	<b>17305EGH2</b>	<b>475,000.00</b>	<b>NR</b>	<b>NR</b>	<b>09/25/17</b>	<b>10/02/17</b>	<b>474,964.61</b>	<b>1.80</b>	<b>0.00</b>	<b>474,964.61</b>	<b>475,000.00</b>
JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	95,000.00	NR	Aaa	07/11/17	07/18/17	94,993.05	1.82	76.84	94,993.50	94,937.44





**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2017**

**CITY OF PITTSBURG GENERAL FUNDS**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
ALLY ABS 2017-4 A3 DTD 08/23/2017 1.750% 12/15/2021	02007FAC9	340,000.00	AAA	NR	08/15/17	08/23/17	339,995.61	1.75	264.44	339,995.77	339,416.02
AMERICAN EXPRESS ABS 2017-4 A DTD 05/30/2017 1.640% 12/15/2021	02582JHG8	540,000.00	AAA	NR	05/22/17	05/30/17	539,913.49	1.65	393.60	539,919.12	539,350.76
HYUNDAI ABS 2017-B A3 DTD 08/16/2017 1.770% 01/15/2022	44932GAD7	395,000.00	AAA	Aaa	08/09/17	08/16/17	394,931.55	1.78	310.73	394,933.40	394,242.79
<b>Security Type Sub-Total</b>		<b>4,790,000.00</b>					<b>4,789,551.43</b>	<b>1.71</b>	<b>3,207.95</b>	<b>4,789,581.74</b>	<b>4,783,615.64</b>
<b>Managed Account Sub-Total</b>		<b>47,995,000.00</b>					<b>48,192,143.27</b>	<b>1.77</b>	<b>199,927.20</b>	<b>48,058,537.52</b>	<b>48,047,608.69</b>
<b>Securities Sub-Total</b>		<b>\$47,995,000.00</b>					<b>\$48,192,143.27</b>	<b>1.77%</b>	<b>\$199,927.20</b>	<b>\$48,058,537.52</b>	<b>\$48,047,608.69</b>
<b>Accrued Interest</b>											<b>\$199,927.20</b>
<b>Total Investments</b>											<b>\$48,247,535.89</b>

Bolded items are forward settling trades.

## IMPORTANT DISCLOSURES

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

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

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**GLOSSARY**

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

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**GLOSSARY**

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