



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: March 5, 2019

TITLE: RECEIPT OF QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2018

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended December 31, 2018, in compliance with the City's Investment Policy.

SUMMARY

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended December 31, 2018. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. It is recommended that the City Council receive and file the attached Quarterly Investment Report.

DISCUSSION

The City maintains a portfolio of investments in order to earn interest on cash balances that are not currently required to fund operations. California Government Code Sections 53601 and 53646 establish the types of investments allowed, the governing restrictions on these investments, the third-party custodian arrangement for certain investments, and the reporting practices related to the portfolios of local agencies. The City has implemented an Investment Policy, which was last reviewed by the City Council on May 15, 2018. The policy is in full compliance with the requirements of both of the above-mentioned Code Sections.

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended December 31, 2018. The report complies with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. As stated in the attached report, there is more than adequate liquidity within the portfolio for the City to meet its budgeted expenditures over the next six months.

The City's investment policy has set the primary goals of the portfolio management as Safety and Liquidity followed by Yield. The City currently utilizes two investment management firms who use an active investment management approach in which securities are purchased but not necessarily held to maturity, and may be actively traded based on market conditions and the City's investment goals. The City's cash flow requirements are evaluated on an ongoing basis, with short-term needs accommodated through the City's pooled investment funds with the State Local Agency Investment Fund (LAIF). LAIF is a pool of public funds managed by the State Treasurer of California, providing 24-hour liquidity while yielding a rate of return approximately equivalent to a one-year treasury bill. With the combined use of a conservative approach to evaluating cash flow needs and LAIF liquidity, the City will not have to liquidate securities at current market rates that are intended to be held for longer-term investment.

The table shows some of the key portfolio measures for the month.

	Portfolio, Balance	Avg. Yield to Maturity Trends		
		Dec 2018	Nov 2018	Dec 2017
Chandler	\$89,215,211	2.14%	2.13%	1.73%
Insight	\$56,671,250	1.90%	1.83%	1.44%
LAIF	\$46,268,140	2.291%	2.208 %	1.239%

Bond proceeds are held and invested by a Trustee. The investment of these funds is governed by an investment policy approved by the City Council as a part of the governing documents for each specific bond issue. Deferred Compensation Plan funds are included in the report but these funds are held and invested by the respective plan administrators based on the direction of the participating employees. These funds are placed in a trust separate from City funds.

ALTERNATIVES

1. Receive and file the Quarterly Investment Report for December 31, 2018. **Staff recommends this alternative as it accomplishes timely investment reporting.**
2. Do not accept and file the Quarterly Investment Report and provide staff with

additional direction. ***Staff does not recommend this alternative as it will not accomplish timely investment reporting.***

FISCAL IMPACT

After the December meeting the fed funds rate now stands at a range of 2.25% to 2.50%. The Treasury yield curve continued to flatten in December with the spread between the 2-year and the 10-year Treasury yields narrowing from 52 basis points last year to just 20 basis points at month end. By comparison the average spread over the past 20 years has been about 140 basis points. Based on current economic activity it is anticipated that the FOMC will take no additional actions through the first quarter of 2019.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development**
- 2. Public Safety**
- 3. Library**
- 4. Infrastructure**
- 5. Beautification, Community Engagement, and Quality of Life**
- 6. Youth Programs**

ATTACHMENTS

- 1. 12-2018 Investment Report**
- 2. CAM-Newsletter-January-2019**

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	2/06/19 3:40 PM
City Attorney Approval	<u>✓ Approved</u>	2/25/19 1:07 PM
City Manager Approval	<u>✓ Approved</u>	2/26/19 6:17 PM

RESULT: **APPROVED BY CONSENT VOTE [UNANIMOUS]**

MOVER: Victoria Baca, Mayor Pro Tem

SECONDER: David Marquez, Council Member

AYES: Dr. Yxstian A. Gutierrez, Victoria Baca, David Marquez, Ulises
Cabrera

ABSENT: Dr. Carla J. Thornton

CITY OF MORENO VALLEY

Treasurer's Cash and Investments Report

December 2018

General Portfolio	Cost Value	Market Value	Par Value	Average Maturity (in years)	Average Yield to Maturity	Average Duration (in years)
Bank Accounts	5,307,873	5,307,873	5,307,873			
State of California LAIF Pool	46,268,140	46,224,237	46,268,140	0.54	2.29%	
Investments-Chandler	88,817,848	87,919,429	89,215,211	2.57	2.14%	2.31
Investments-Insight	56,509,014	56,150,975	56,671,250	0.95	1.90%	0.91
Total General Portfolio	196,902,875	195,602,514	197,462,474			

Bond Proceeds with Fiscal Agents	Market Value
Construction Funds	6,321,116
Principal & Interest Accounts	1,866,311
Debt Service Reserve Funds	2,115,249
Custody Accounts	332,737
Arbitrage Rebate Accounts	4,524
Other Accounts	12,823
Total Bond Proceeds	10,652,760

Deferred Compensation Funds	Market Value as of Dec 31, 2018
Nationwide	13,995,938
ICMA	5,634,158
Total Deferred Compensation Funds	19,630,096

Total Investment Portfolio	225,885,371
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1. I hereby certify that the investments are in compliance with the investment policy adopted by the City Council. There are no items of non-compliance for this period.
2. The market values for the specific investments in the General Portfolio are provided by the City's investment advisors, Chandler Asset Management and Insight Asset Management.
3. The market value for LAIF is provided by the State Treasurer.
4. The market values for investments held by fiscal agents and the deferred compensation plans are provided by each respective trustee or fiscal agent.
5. The City has the ability to meet its budgeted expenditures for the next six months pending any future action by City Council or any unforeseen catastrophic event.

/S/ Marshall Eyerman
City Treasurer

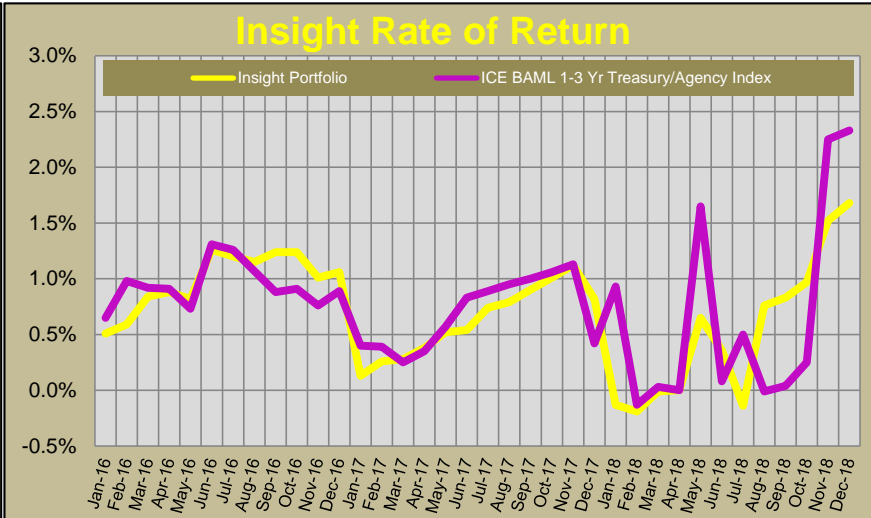
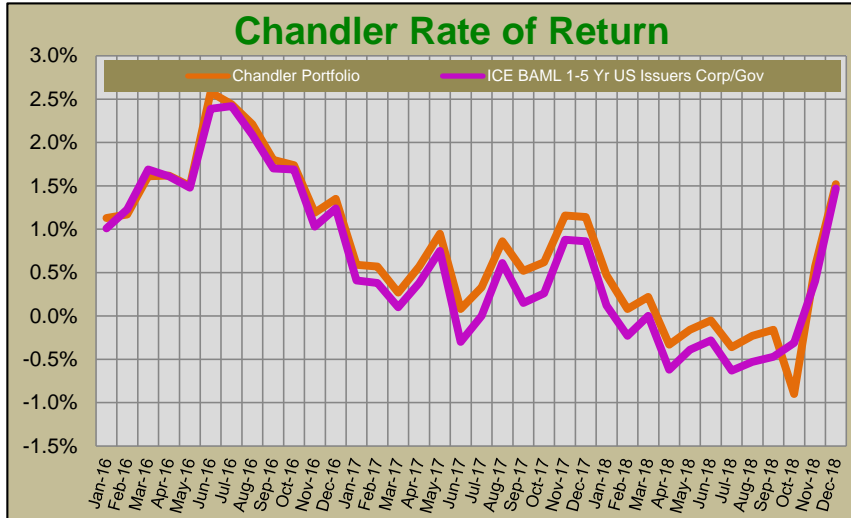
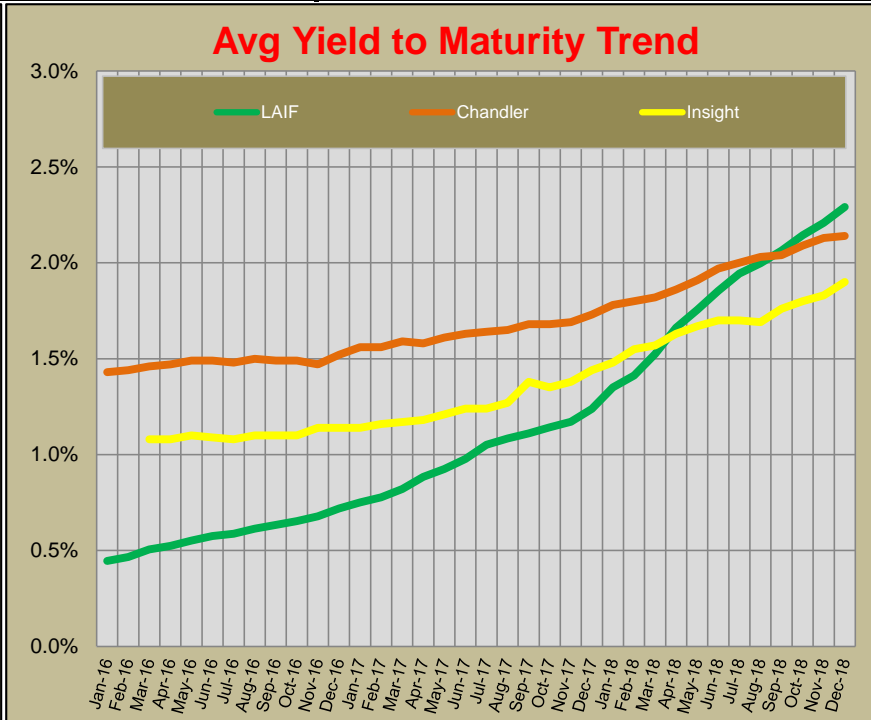
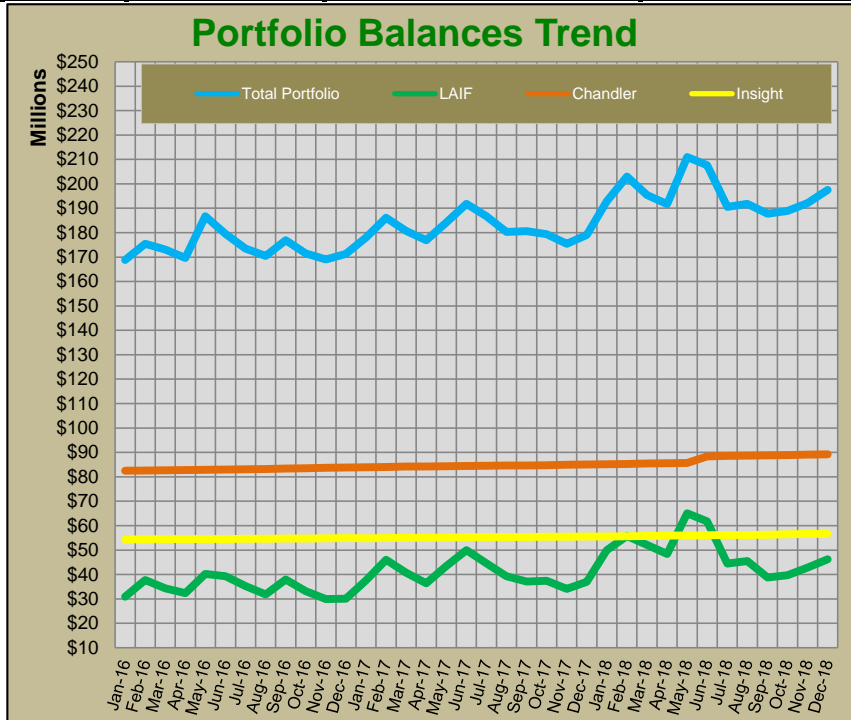
PORTFOLIO PERFORMANCE - 36 MONTH TREND

Period	Total General Portfolio (1)	Local Agency Investment Fund (LAIF)		Chandler				Insight			
	Asset Balance (par)	Balance	Yield	Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)		Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)	
						Investment Portfolio (4)	Benchmark 1-5 Gov(5)			Investment Portfolio (4)	Benchmark 1-3 Gov(5)
Jan-16	168,824,464	30,850,627	0.446%	82,510,170	1.43%	1.13%	1.01%	54,319,684	(6)	0.51%	0.65%
Feb-16	175,430,692	37,750,627	0.467%	82,617,177	1.44%	1.17%	1.23%	54,372,589	(6)	0.59%	0.98%
Mar-16	173,065,238	34,310,627	0.506%	82,721,056	1.46%	1.61%	1.69%	54,499,863	1.08%	0.84%	0.92%
Apr-16	169,665,429	32,296,705	0.525%	82,769,869	1.47%	1.62%	1.61%	54,517,986	1.08%	0.88%	0.91%
May-16	186,737,459	40,246,705	0.552%	82,923,233	1.49%	1.50%	1.48%	54,535,685	1.10%	0.82%	0.73%
Jun-16	179,533,412	39,271,705	0.576%	82,995,248	1.49%	2.58%	2.39%	54,552,897	1.09%	1.26%	1.31%
Jul-16	173,464,003	35,222,341	0.588%	83,081,551	1.48%	2.44%	2.42%	54,560,166	1.08%	1.20%	1.26%
Aug-16	170,506,021	31,792,341	0.614%	83,224,209	1.50%	2.21%	2.09%	54,644,115	1.10%	1.15%	1.07%
Sep-16	176,898,187	37,892,341	0.634%	83,379,424	1.49%	1.80%	1.70%	54,722,092	1.10%	1.24%	0.88%
Oct-16	171,480,180	33,193,311	0.654%	83,523,267	1.49%	1.74%	1.69%	54,763,602	1.10%	1.24%	0.91%
Nov-16	169,062,818	29,923,311	0.678%	83,701,960	1.47%	1.19%	1.03%	54,796,940	1.14%	1.01%	0.76%
Dec-16	171,351,017	30,054,201	0.719%	83,828,755	1.52%	1.35%	1.24%	54,953,105	1.14%	1.06%	0.89%
Jan-17	178,020,726	37,628,655	0.751%	83,921,074	1.56%	0.59%	0.41%	54,865,800	1.14%	0.13%	0.40%
Feb-17	186,127,218	46,028,655	0.777%	84,036,078	1.56%	0.57%	0.38%	54,956,116	1.16%	0.26%	0.39%
Mar-17	180,720,329	40,778,655	0.821%	84,203,833	1.59%	0.27%	0.10%	55,036,202	1.17%	0.28%	0.25%
Apr-17	176,886,824	36,353,121	0.884%	84,254,557	1.58%	0.57%	0.38%	55,069,278	1.18%	0.38%	0.35%
May-17	184,129,362	43,453,119	0.925%	84,366,558	1.61%	0.95%	0.75%	55,139,856	1.21%	0.52%	0.57%
Jun-17	191,761,138	49,953,121	0.978%	84,433,672	1.63%	0.08%	-0.30%	55,188,911	1.24%	0.54%	0.83%
Jul-17	186,724,734	44,548,019	1.051%	84,553,984	1.64%	0.33%	0.00%	55,200,136	1.24%	0.74%	0.89%
Aug-17	180,293,288	39,248,019	1.084%	84,648,884	1.65%	0.86%	0.61%	55,293,843	1.27%	0.79%	0.95%
Sep-17	180,597,317	37,148,019	1.111%	84,681,990	1.68%	0.52%	0.15%	55,327,685	1.38%	0.90%	1.00%
Oct-17	179,411,035	37,462,434	1.143%	84,785,780	1.68%	0.62%	0.26%	55,413,748	1.35%	1.01%	1.06%
Nov-17	175,469,499	34,062,434	1.172%	84,916,378	1.69%	1.16%	0.88%	55,471,666	1.38%	1.12%	1.13%
Dec-17	179,112,928	36,962,434	1.239%	85,008,412	1.73%	1.14%	0.86%	55,541,162	1.44%	0.82%	0.42%
Jan-18	192,795,926	49,974,332	1.350%	85,144,970	1.78%	0.47%	0.12%	55,563,293	1.48%	-0.13%	0.93%
Feb-18	202,940,569	55,774,331	1.412%	85,263,827	1.80%	0.08%	-0.23%	55,682,887	1.55%	-0.19%	-0.13%
Mar-18	195,416,305	52,074,331	1.524%	85,446,356	1.82%	0.22%	0.00%	55,785,899	1.57%	-0.01%	0.03%
Apr-18	191,668,439	48,358,005	1.661%	85,541,787	1.86%	-0.33%	-0.62%	55,920,551	1.63%	0.00%	0.00%
May-18	210,976,889	65,058,005	1.755%	85,714,498	1.91%	-0.16%	-0.39%	55,998,203	1.67%	0.65%	1.65%
Jun-18	207,635,739	61,758,005	1.854%	88,337,665	1.97%	-0.05%	-0.28%	56,077,829	1.70%	0.36%	0.08%
Jul-18	190,571,998	44,418,902	1.944%	88,543,794	2.00%	-0.36%	-0.63%	56,116,437	1.70%	-0.14%	0.50%
Aug-18	191,837,452	45,518,902	1.998%	88,654,200	2.03%	-0.23%	-0.53%	56,196,487	1.69%	0.76%	-0.01%
Sep-18	187,805,745	38,718,902	2.063%	88,810,836	2.04%	-0.16%	-0.47%	56,303,716	1.76%	0.83%	0.04%
Oct-18	188,925,543	39,668,140	2.144%	88,887,254	2.09%	-0.90%	-0.31%	56,473,609	1.80%	0.97%	0.25%
Nov-18	192,152,043	42,768,140	2.208%	89,084,357	2.13%	0.57%	0.40%	56,568,013	1.83%	1.52%	2.25%
Dec-18	197,462,474	46,268,140	2.291%	89,215,211	2.14%	1.52%	1.47%	56,671,250	1.90%	1.68%	2.33%

Notes:

- (1) Total General Portfolio includes all assets that comprise the City's Investment Portfolio which is LAIF as well as assets managed by Chandler and Cutwater.
- (2) Yield to Maturity (YTM): The rate of return on an investment or security if it were to be held until maturity. This yield does not reflect changes in the market value of a security
- (3) Rate of Return represents the gain or loss on an investment or portfolio of investments over a specified period, expressed as a percentage of increase over the initial investment cost. Gains on investments are considered to be any income received from the security or portfolio plus any realized capital gain. This measure of return recognizes the changes in market values of a security or portfolio of securities.
- (4) The Rate of Return for the investment portfolio reflects the performance of the portfolio during the past twelve months.
- (5) The portfolio benchmarks are: Chandler-ICE Bank of America-Merrill Lynch 1 to 5 year Government Index and Insight- Bank of America-ICE Merrill Lynch 1 to 3 year Treasury Index
- (6) As the result of a transition to a new reporting platform Weighted Avg Yield to Maturity and Total Return Yield data is not available. Insight staff are working to rectify this problem.

PORTFOLIO PERFORMANCE - 36 MONTH TREND



PORTFOLIO CHARACTERISTICS

The portfolio invested in LAIF represents the City's immediate cash liquidity needs and is managed by City staff in a manner to fund the day to day operations of the City.

The portfolio managed by Insight is comprised of idle cash balances related to funds that generally expect to expend cash within the next 36 months. (Example: Gen Fund, Zone A, Measure A, NSP etc.)

The portfolio managed by Chandler is comprised of idle cash balances related to funds that generally expect to expend cash with the next 24 to 60 months. (Example: Reserve Funds, Facility & Equip Replacement, Endowments etc.)

CITY OF MORENO VALLEY
Treasurer's Cash and Investments Report

FUNDS WITH FISCAL AGENTS

Account Name	Account Number	Investment	Issuer	Value Date	Maturity Date	Market Value	Stated Rate	Yield	Price	% of Portfolio
Wells Fargo CFD # 5										
Series B Revenue	22333500	cash	cash	12/31/18	01/01/19	0	0.00%	0.00%	1.000	0.000%
Series B Revenue	22333500	Money Market	WF Government Fund	12/31/18	01/01/19	1,137	1.80%	2.06%	1.000	0.011%
Series A Principal	22333501	Money Market	WF Government Fund	12/31/18	01/01/19	3,604	1.80%	2.06%	1.000	0.034%
Series A reserve	22333502	Money Market	WF Government Fund	12/31/18	01/01/19	61	1.80%	2.06%	1.000	0.001%
Series B reserve	22333503	Money Market	WF Government Fund	12/31/18	01/01/19	546,000	1.80%	2.06%	1.000	5.125%
Series A interest	22333503	cash	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
Series B admin fund	22333504	Money Market	WF Government Fund	12/31/18	01/01/19	1	1.80%	2.06%	1.000	0.000%
Series B interest	22333504	cash	cash	12/31/18	01/01/19	0	0.01%	0.01%	1.000	0.000%
Series B interest	22333505	Money Market	WF Govt Fund	12/31/18	01/01/19	0	1.80%	1.80%	1.000	0.000%
Series A Revenue	22333505	cash	cash	12/31/18	01/01/19	0	0.01%	0.01%	1.000	0.000%
Series B interest	22333506	Money Market	WF Govt Fund	12/31/18	01/01/19	0	1.80%	1.80%	1.000	0.000%
Series A Revenue	22333506	cash	cash	12/31/18	01/01/19	0	0.01%	0.01%	1.000	0.000%
Series B interest	22333507	Money Market	WF Govt Fund	12/31/18	01/01/19	17,882	1.80%	1.80%	1.000	0.168%
Series A Revenue	22333507	cash	cash	12/31/18	01/01/19	0	0.01%	0.01%	1.000	0.000%
Series B interest	22333508	Money Market	WF Govt Fund	12/31/18	01/01/19	0	1.80%	1.80%	1.000	0.000%
Series A Revenue	22333508	cash	cash	12/31/18	01/01/19	0	4.24%	4.24%	1.000	0.000%
						568,685				
Wells Fargo Community Facilities District 87-1 (IA-1)										
Special tax funds	22631800	cash	cash	12/31/18	01/01/19	0	0.00%	0.01%	1.000	0.000%
Special tax funds	22631800	Money Market	WF Government Fund	12/31/18	01/01/19	208,700	1.80%	2.06%	1.000	1.959%
interest acct	22631801	Money Market	WF Government Fund	12/31/18	01/01/19	9,351	1.80%	2.06%	1.000	0.088%
reserve fund	22631802	cash	WF Government Fund	12/31/18	01/01/19	198	1.80%	2.06%	1.000	0.002%
reserve fund	22631804	Money Market	WF Government Fund	12/31/18	01/01/19	1,030,380	1.80%	2.06%	1.000	9.672%
admin exp acct	22631805	Money Market	WF Government Fund	12/31/18	01/01/19	10,643	1.80%	2.06%	1.000	0.100%
cost of issuance	22631806	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
debt service acct	22631809	Money Market	WF Government Fund	12/31/18	01/01/19	537,670	1.80%	2.06%	1.000	5.047%
debt service acct	22631809	US Treasury Note	US Treasury	12/31/18	01/01/19	0	1.00%	1.00%	1.000	0.000%
surplus acct	22631810	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	1.80%	1.000	0.000%
special tax funds	22631900	Money Market	WF Government Fund	12/31/18	01/01/19	380	1.80%	2.06%	1.000	0.004%
interest acct	22631901	Money Market	WF Government Fund	12/31/18	01/01/19	3,017	1.80%	2.06%	1.000	0.028%
principal fund	22631902	Money Market	WF Government Fund	12/31/18	01/01/19	102	1.80%	2.06%	1.000	0.001%
reserve fund	22631904	Money Market	WF Government Fund	12/31/18	01/01/19	367,149	1.80%	2.06%	1.000	3.447%
admin exp acct	22631905	Money Market	WF Government Fund	12/31/18	01/01/19	2,176	1.80%	2.06%	1.000	0.020%
cost of issuance	22631906	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
surplus acct	22631907	Money Market	WF Government Fund	12/31/18	01/01/19	4,524	1.80%	2.06%	1.000	0.042%
						2,174,290				
Wells Fargo 2013 Total Road Improvement COPs										
revenue fund	46612400	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
interest fund	46612401	Money Market	WF Government Fund	12/31/18	01/01/19	399	1.80%	2.06%	1.000	0.004%
principal fund	46612402	Money Market	WF Government Fund	12/31/18	01/01/19	386	1.80%	2.06%	1.000	0.004%
reserve fund	46612403	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
admin fund	46612404	Money Market	WF Government Fund	12/31/18	01/01/19	771	1.80%	2.06%	1.000	0.007%
surplus fund	46612405	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
acquisition fund	46612407	Money Market	WF Advantage	12/31/18	01/01/19	0	1.80%	1.80%	1.000	0.000%
						1,556				
Wells Fargo 2013 Partial Refunding of the 2005 Lease Revenue Bonds										
revenue fund	48360700	Money Market	WF Government Fund	12/31/18	01/01/19	334	1.80%	2.06%	1.000	0.003%
interest fund	48360701	Money Market	WF Government Fund	12/31/18	01/01/19	31	1.80%	2.06%	1.000	0.000%
principal fund	48360702	Money Market	WF Government Fund	12/31/18	01/01/19	221	1.80%	2.06%	1.000	0.002%
cost of issuance	48360705	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	1.80%	1.000	0.000%
						586				

Account Name	Account Number	Investment	Issuer	Value Date	Maturity Date	Market Value	Stated Rate	Yield	Price	% of Portfolio
Wells Fargo 2017 Refunding of the 2007 RDA TABs										
income fund	49150300	Money Market	WF Government Fund	12/31/18	01/01/19	938,707	1.80%	2.06%	1.000	8.812%
interest fund	49150301	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
reserve fund	49150304	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
expense acct	49150305	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
cost of issuance	49150307	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
bond proceeds	49150308	Money Market	WF Government Fund	12/31/18	01/01/17	0	1.80%	0.01%	1.000	0.000%
						938,707				
Wells Fargo Community Facilities District 7 Improvement Area 1										
special tax fund	77025300	Money Market	WF Government Fund	12/31/18	01/01/19	331,141	1.80%	2.06%	1.000	3.108%
bond fund	77025301	Money Market	WF Government Fund	12/31/18	01/01/19	143,922	1.80%	2.06%	1.000	1.351%
reserve fund	77025302	Money Market	WF Government Fund	12/31/18	01/01/19	171,461	1.80%	2.06%	1.000	1.610%
cost of issuance	77025303	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
improvement fund	77025304	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
admin exp acct	77025305	Money Market	WF Government Fund	12/31/18	01/01/19	3	1.80%	2.06%	1.000	0.000%
						646,527				
Wells Fargo 2016 Taxable Refunding Lease Revenue Bonds (Electric Utility)										
revenue fund	77157100	Money Market	WF Government Fund	12/31/18	01/01/19	899	1.80%	2.06%	1.000	0.008%
interest fund	77157101	Money Market	WF Government Fund	12/31/18	01/01/19	1	1.80%	2.06%	1.000	0.000%
principal fund	77157102	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
reserve fund	77157103	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
capitalized interest	77157104	Money Market	WF Government Fund	12/31/18	01/01/19	181,624	1.80%	2.06%	1.000	1.705%
cost of issuance	77157110	Money Market	WF Government Fund	12/31/18	01/01/17	0	1.80%	0.01%	1.000	0.000%
						182,524				
Wells Fargo 2014 Partial Refunding of the 2005 Lease Revenue Bonds										
revenue fund	83478300	Money Market	WF Government Fund	12/31/18	01/01/19	125	1.80%	2.06%	1.000	0.001%
interest fund	83478301	Money Market	WF Government Fund	12/31/18	01/01/19	94	1.80%	2.06%	1.000	0.001%
principal fund	83478302	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
redemption fund	83478303	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	1.80%	1.000	0.000%
						219				
Wells Fargo 2015 Taxable Lease Revenue Bonds (Electric Utility)										
revenue fund	84457000	Money Market	WF Government Fund	12/31/18	01/01/19	174	1.80%	2.06%	1.000	0.002%
interest fund	84457001	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
principal fund	84457002	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
reserve fund	84457005	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
construction fund	84457006	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	2.06%	1.000	0.000%
construction fund	84457006	Government Pool	Local Agency Investment	12/31/18	01/01/19	0	0.01%	0.01%	1.000	0.000%
cost of issuance	84467007	Money Market	WF Government Fund	12/31/18	01/01/19	0	1.80%	1.80%	1.000	0.000%
						174				
Wilmington Trust 2018 Streetlight Financing										
construction fund	84457006	cash	cash	12/31/18	01/01/19	6,139,492	1.80%	2.06%	1.000	57.633%
construction fund	84457006	Money Market		12/31/18	01/01/19	0			1.000	0.000%
						6,139,492				
						10,652,760				
Totals										100%

Type	Summary of Bond Proceeds with Fiscal Agents	
1	Construction Funds	6,321,116
2	Principal & Interest Accounts	1,866,311
3	Debt Service Reserve Funds	2,115,249
4	Custody Accounts	332,737
5	Arbitrage Rebate Accounts	4,524
6	Other Accounts	12,823
Total Fiscal Agent Funds		10,652,760
		100%

DEFERRED COMPENSATION FUNDS

Nationwide

Fund	Market Value as of Dec 31, 2018	Fund	Market Value as of Dec 31, 2018	Fund	Market Value as of Dec 31, 2018
Liquid Savings		Nationwide US Sm Cap Val Ins Svc	56,830	Federated Kaufmann Fund	175,183
Nationwide Fixed (Part Time Employee)	838,227	American Century Balanced	49	Putnam Growth Opportunity A	11,761
Liquid Savings (Part Time Employees)	0	Am Century Growth	110,400	Nationwide InvDes Mod Cons Fund SC	77,840
Certificates of Deposit 3 years	0	Am Century Select	205,013	Nationwide InvDes Mod Aggr Fund	936,363
Certificates of Deposit 5 years	0	JP Morgan Mid Cap Value A	1,392,823	Nationwide InvDes Aggr Fund	350,416
Invesco Mid Cap Core Equity	31,036	Vanguard Index 500	122,839	Nationwide InvDes Mod Fd	847,018
Bond Fund of America	125,667	Vanguard Institutional Index	868,226	Nationwide Inv Des Cons	193,362
Growth Fund of America	112,657	Vanguard Wellington	27,558	Nationwide Large Cap Growth	57,694
Investment Co. of America	91,396	Vanguard Windsor II	207,308	Nationwide Fund A	32,582
Income Fund of America	358,095	Vanguard Total Bond Index	368,241	Nationwide Dest 2015 Inst Svc	22,109
Brown Cap Mgmt Inc SM Co	233,559	Washington Mutual Inv	152,748	Nationwide Dest 2020 Inst Svc	85,437
Fidelity Independence	3,180	DFA US Micro Cap Port	94,911	Nationwide Dest 2025 Inst Svc	491,622
Fidelity Equity Income	96,368	EuroPacific Growth	287,412	Nationwide Dest 2030 Inst Svc	134,062
Fidelity Magellan	385,701	Stable Fund C	3,093,180	Nationwide Dest 2035 Inst Svc	25,061
Fidelity Puritan	81,119	N B Socially Responsive Fund	65,890	Nationwide Dest 2040 Inst Svc	31,383
Fidelity Contrafund	326,686	Dtsch High Income Fund A	81,680	Nationwide Dest 2045 Inst Svc	37,077
Janus Henderson Research Fund	27,449	Dtsch Eq Divd A	101,680	Nationwide Dest 2050 Inst Svc	5,853
Janus Henderson Forty	40,943	Oppenheimer Global Fund A	492,244	Total Nationwide Deferred	<u>\$13,995,938</u>

ICMA

Fund	Market Value as of Dec 31, 2018	Fund	Market Value as of Dec 31, 2018
Aggressive Oppor.	\$117,974	VT Vantagepoint Discovery	76,804
International	44,444	VT Vantagepoint Inflation Focused	115,940
Global Equity Growth	310,622	VT Vantagepoint Mid/Sm Index	139,131
Growth and Income	144,091	VT Vantagepoint Overseas Equity Index Fund	208,176
Broad Market	53,052	VT Vantagepoint Select Value	19,093
500 Stock Index	286,925	VT Carillon Eagle Mid Cap Gr	5,617
Equity Income	205,564	Vantage Growth Fund	331,206
MS Retirement Income	19,176	VT Puritan	54,989
Core Bond	113,669	VT Diversified International	33,268
Cash Management	18,780	VT TR Price Growth Stock Adv	262,903
Plus Fund	1,356,365	VT Nuveen Real Estate Secs	47,518
Retirement Income Advantage	14,058	VT TR Price Small Cap Value	0
Conservative Growth	76,993	VT Invesco Diversified	6,786
Traditional Growth	17,520	VT Gold Sach Mid Cap Value	0
Long-Term Growth	817,805	VT Oppenheimer Main Street	55,427
Western Asset Core Plus Bond	15,824	VT Contrafund	228,221
Milestone 2010	20,572	VT PIMCO Total Return	0
Milestone 2020	118,752	VT PIMCO High Yield	25,671
Milestone 2025	11,048	VT Victory Sycamore Est Value	18,141
Milestone 2030	13,233	VT MFS Value	83,735
Milestone 2035	17,928	VT AMG TimesSquare Mid Cap Growth Admin	100,421
Milestone 2040	26,716	Total ICMA	<u>\$5,634,158</u>

Summary by Plan

Deferred Compensation Plan	Market Value as of Dec 31, 2018
Total Nationwide	\$13,995,938
Total ICMA	5,634,158
Total Deferred Compensation Plans	<u>\$19,630,096</u>

Summary by Investment Type

Investment Type	Market Value as of Dec 31, 2018
Savings Deposits and CD's	\$3,931,407
Mutual Funds	15,698,689
Total Deferred Compensation Plans	<u>\$19,630,096</u>



City of Moreno Valley - Account #10119

MONTHLY ACCOUNT STATEMENT

DECEMBER 1, 2018 THROUGH DECEMBER 31, 2018

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Union Bank N.A.
Tina Guzman
(619) 230-3547

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.31
Average Coupon	2.02%
Average Purchase YTM	2.14%
Average Market YTM	2.76%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.57 yrs
Average Life	2.43 yrs

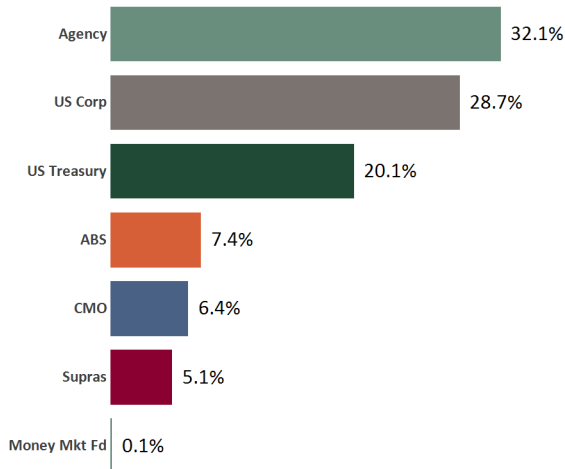
ACCOUNT SUMMARY

	Beg. Values as of 11/30/18	End Values as of 12/31/18
Market Value	87,084,984	87,919,429
Accrued Interest	397,422	417,709
Total Market Value	87,482,406	88,337,138
Income Earned	152,171	159,746
Cont/WD		0
Par	89,084,357	89,215,211
Book Value	88,804,812	88,944,272
Cost Value	88,685,161	88,817,848

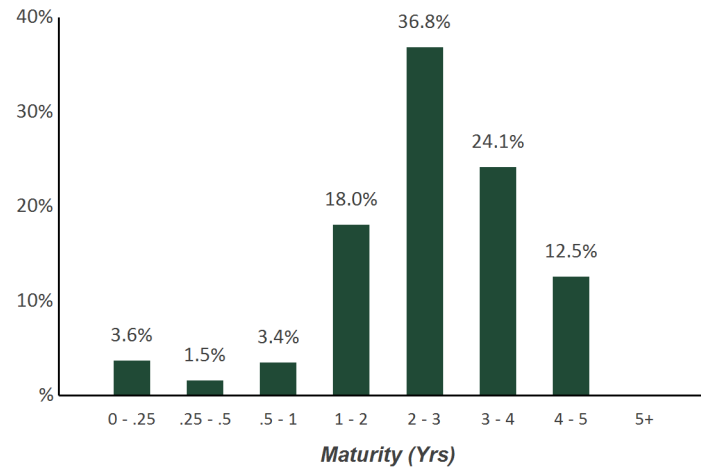
TOP ISSUERS

Federal National Mortgage Assoc	20.2%
Government of United States	20.1%
Federal Home Loan Mortgage Corp	12.8%
Federal Home Loan Bank	5.5%
Inter-American Dev Bank	4.4%
Honda ABS	2.2%
US Bancorp	2.1%
General Electric Co	2.0%
Total	69.3%

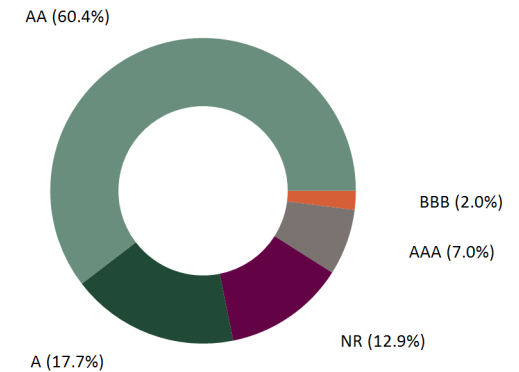
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2010
City of Moreno Valley	0.98%	1.41%	1.52%	1.52%	1.33%	1.34%	1.33%	N/A	1.56%
ICE BAML 1-5 Yr US Treasury/Agency Index	1.10%	1.71%	1.53%	1.53%	1.10%	1.09%	1.10%	N/A	1.27%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	1.08%	1.61%	1.47%	1.47%	1.16%	1.19%	1.20%	N/A	1.43%

Statement of Compliance

As of December 31, 2018



City of Moreno Valley

Assets managed by Chandler Asset Management are in full compliance with state law and with the City's investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Supranational Securities	"AA" rated by a NRSRO; 30% maximum; 5% max per issuer; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities (Local Agency/State-CA and others)	No Limitation	Complies
Banker's Acceptances	40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1/P-1/F-1" minimum ratings; "A" rated issuer or higher, if long term debt; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complied at time of purchase*
Money Market Mutual Funds and Mutual Funds	AAA/Aaa or Highest rating by two NRSROs; 20% maximum	Complies
Collateralized Certificates of Deposit (CD)/ Time Deposit (TD)	5% max per issuer	Complies
FDIC Insured Certificates of Deposit (CD)/Time Deposit (TD)	5% max per issuer	Complies
Asset-Backed (ABS), Mortgage Backed (MBS) and Collateralized Mortgage Obligations (CMO)	"AA" rated or better by a NRSRO; "A" rated issuer; 20% maximum (combined MBS/ABS/CMO); 5% max per issuer	Complies
Repurchase Agreements	1 year max maturity	Complies
Local Agency Investment Fund (LAIF)	Maximum program limitation; Not used by investment adviser	Complies
County Pooled Investment Funds; Joint Powers Authority Pool	Not used by investment adviser	Complies
Prohibited Securities	Reverse repurchase agreements; Futures or Option contracts; Securities lending; Zero interest accrual securities; Derivatives including but not limited to: Inverse floaters, Interest only strips from mortgages, residual securities, structured notes, forward based derivatives, forward contracts, forward rate agreements, interest rate futures, foreign currency futures contracts, option based derivatives, interest rate caps, interest rate floors, swap contracts, interest rate swaps, interest rate collars, foreign currency swaps, cross currency exchange agreements, fixed rate currency swaps, basis swaps, equity swaps, fixed rate equity swaps, floating rate equity swaps and commodity swaps.	Complies
Max Per Issuer	5% of portfolio per issuer, except US Government, its agencies and instrumentalities	Complies
Maximum maturity	5 years	Complies
Weighted Average Maturity	3 years	Complies

* General Electric (36962G7G3) rated Baa1/BBB+/BBB+ was downgraded November 2018 and October 2018; Complied at time of purchase



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
654747AB0	Nissan Auto Receivables 2017-A A2A 1.47% Due 1/15/2020	20,591.03	03/21/2017 1.47%	20,590.92 20,590.99	99.95 2.98%	20,581.57 13.45	0.02% (9.42)	Aaa / NR AAA	1.04 0.03
47788MAC4	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	115,770.43	02/23/2016 1.37%	115,752.21 115,764.74	99.77 2.93%	115,499.16 69.98	0.13% (265.58)	Aaa / NR AAA	1.29 0.15
89231UAD9	Toyota Auto Receivables 2016-B 1.3% Due 4/15/2020	218,803.19	05/02/2016 1.31%	218,792.02 218,802.10	99.46 3.72%	217,622.44 126.42	0.25% (1,179.66)	Aaa / AAA NR	1.29 0.22
43814QAC2	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	114,701.07	05/24/2016 1.40%	114,698.84 114,700.33	99.60 3.12%	114,247.14 70.86	0.13% (453.19)	Aaa / NR AAA	1.29 0.23
47788BAB0	John Deere Owner Trust 2017-B A2A 1.59% Due 4/15/2020	67,061.99	07/11/2017 1.60%	67,056.16 67,059.26	99.81 2.95%	66,933.85 47.39	0.08% (125.41)	Aaa / NR AAA	1.29 0.14
89237RAB4	Toyota Auto Receivable 2017-C A2A 1.58% Due 7/15/2020	390,334.33	07/25/2017 1.59%	390,330.63 390,332.40	99.60 2.98%	388,765.92 274.10	0.44% (1,566.48)	Aaa / AAA NR	1.54 0.29
89238BAB8	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	810,838.13	01/23/2018 2.12%	810,755.26 810,783.36	99.61 3.07%	807,678.24 756.78	0.92% (3,105.12)	Aaa / AAA NR	1.79 0.40
161571HF4	Chase CHAIT 2016-A5 1.27% Due 7/15/2021	400,000.00	09/27/2018 2.11%	395,328.13 395,762.83	99.12 2.95%	396,494.00 225.78	0.45% 731.17	NR / AAA AAA	2.54 0.52
43811BAC8	Honda Auto Receivables 2017-2 A3 1.68% Due 8/16/2021	1,100,000.00	04/27/2018 2.62%	1,082,898.44 1,086,392.61	98.97 2.95%	1,088,626.00 821.33	1.23% 2,233.39	Aaa / AAA NR	2.63 0.82
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	170,000.00	07/11/2017 1.83%	169,987.56 169,991.83	98.87 2.99%	168,079.34 137.51	0.19% (1,912.49)	Aaa / NR AAA	2.79 0.97
47788CAC6	John Deere Owner Trust 2016-B A4 2.66% Due 4/18/2022	275,000.00	02/21/2018 2.68%	274,980.23 274,984.25	99.68 2.90%	274,109.27 325.11	0.31% (874.98)	Aaa / NR AAA	3.30 1.42
43815HAC1	Honda Auto Receivables Owner 2018-3 A3 2.95% Due 8/22/2022	750,000.00	08/21/2018 2.98%	749,897.10 749,906.01	100.06 2.94%	750,471.74 614.58	0.85% 565.73	Aaa / NR AAA	3.64 1.95
02587AAJ3	American Express Credit 2017-1 1.93% Due 9/15/2022	1,300,000.00	Various 3.01%	1,280,843.74 1,282,374.98	98.82 3.03%	1,284,624.88 1,115.11	1.46% 2,249.90	Aaa / NR AAA	3.71 1.09
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	875,000.00	07/18/2018 3.10%	874,933.68 874,940.42	100.49 2.87%	879,274.37 1,197.78	1.00% 4,333.95	Aaa / NR AAA	3.88 2.15
Total ABS		6,608,100.17	2.53%	6,566,844.92 6,572,386.11	3.00%	6,573,007.92 5,796.18	7.45% 621.81	Aaa / AAA AAA	2.87 1.06



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	850,000.00	10/29/2014 1.70%	851,929.50 850,275.64	99.39 2.64%	844,802.25 4,503.82	0.96% (5,473.39)	Aaa / AA+ AAA	0.70 0.68
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	1,650,000.00	08/26/2015 1.56%	1,636,522.80 1,646,167.40	98.46 2.56%	1,624,519.05 3,781.25	1.84% (21,648.35)	Aaa / AA+ AAA	1.33 1.31
3135G0D75	FNMA Note 1.5% Due 6/22/2020	1,655,000.00	09/29/2015 1.49%	1,655,893.70 1,655,278.41	98.54 2.52%	1,630,789.01 620.63	1.85% (24,489.40)	Aaa / AA+ AAA	1.48 1.45
3137EAEK1	FHLMC Note 1.875% Due 11/17/2020	400,000.00	11/21/2017 1.96%	398,963.53 399,348.29	98.75 2.56%	395,019.20 916.67	0.45% (4,329.09)	Aaa / AA+ AAA	1.88 1.83
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,650,000.00	12/16/2015 1.90%	1,618,815.00 1,637,956.73	98.02 2.57%	1,617,303.60 2,131.25	1.83% (20,653.13)	Aaa / AA+ AAA	1.92 1.87
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,410,000.00	02/17/2016 1.46%	1,404,303.60 1,407,571.16	97.68 2.50%	1,377,227.37 7,162.60	1.57% (30,343.79)	Aaa / AA+ AAA	2.14 2.07
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,675,000.00	Various 1.47%	1,667,519.85 1,671,672.70	97.56 2.54%	1,634,186.95 7,996.96	1.86% (37,485.75)	Aaa / AA+ AAA	2.16 2.09
3135G0K69	FNMA Note 1.25% Due 5/6/2021	1,675,000.00	06/29/2016 1.18%	1,680,695.00 1,677,752.64	97.10 2.53%	1,626,473.58 3,198.78	1.84% (51,279.06)	Aaa / AA+ AAA	2.35 2.29
313379RB7	FHLB Note 1.875% Due 6/11/2021	1,000,000.00	08/30/2017 1.67%	1,007,540.00 1,004,873.68	98.14 2.67%	981,399.00 1,041.67	1.11% (23,474.68)	Aaa / AA+ AAA	2.45 2.37
3135G0U35	FNMA Note 2.75% Due 6/22/2021	1,000,000.00	06/28/2018 2.70%	1,001,480.00 1,001,227.22	100.56 2.51%	1,005,611.00 687.50	1.14% 4,383.78	Aaa / AA+ AAA	2.48 2.38
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,100,000.00	10/04/2016 1.33%	1,089,836.00 1,094,602.93	96.58 2.53%	1,062,340.40 5,740.63	1.21% (32,262.53)	Aaa / AA+ AAA	2.54 2.46
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,625,000.00	Various 1.32%	1,610,283.75 1,617,201.14	96.58 2.48%	1,569,436.37 7,058.60	1.78% (47,764.77)	Aaa / AA+ AAA	2.62 2.54
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,700,000.00	Various 1.32%	1,694,675.10 1,697,127.94	96.84 2.50%	1,646,239.20 7,909.72	1.87% (50,888.74)	Aaa / AA+ AAA	2.63 2.55
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	1,740,000.00	Various 1.75%	1,710,142.50 1,722,532.43	96.99 2.51%	1,687,690.38 5,582.50	1.92% (34,842.05)	Aaa / AA+ AAA	2.77 2.68
3130AF5B9	FHLB Note 3% Due 10/12/2021	1,400,000.00	11/29/2018 2.91%	1,403,528.00 1,403,420.17	101.28 2.52%	1,417,858.40 9,216.67	1.62% 14,438.23	Aaa / AA+ NR	2.78 2.64
3135G0S38	FNMA Note 2% Due 1/5/2022	1,700,000.00	04/25/2017 1.92%	1,706,205.00 1,703,982.21	98.52 2.51%	1,674,845.10 16,622.22	1.91% (29,137.11)	Aaa / AA+ AAA	3.02 2.87



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	450,000.00	01/27/2017 2.03%	457,185.15 454,400.85	99.60 2.51%	448,208.10 4,987.50	0.51% (6,192.75)	Aaa / AA+ AAA	3.04 2.88
3135G0T45	FNMA Note 1.875% Due 4/5/2022	1,725,000.00	06/19/2017 1.88%	1,724,739.53 1,724,822.88	97.99 2.52%	1,690,284.38 7,726.56	1.92% (34,538.50)	Aaa / AA+ AAA	3.26 3.12
3135G0T78	FNMA Note 2% Due 10/5/2022	900,000.00	12/12/2017 2.25%	889,749.00 891,989.40	98.11 2.53%	882,986.40 4,300.00	1.00% (9,003.00)	Aaa / AA+ AAA	3.76 3.58
3135G0T94	FNMA Note 2.375% Due 1/19/2023	1,850,000.00	04/11/2018 2.71%	1,822,731.00 1,826,861.24	99.25 2.57%	1,836,154.60 19,771.88	2.10% 9,293.36	Aaa / AA+ AAA	4.05 3.79
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	1,600,000.00	Various 2.84%	1,593,438.00 1,594,073.89	100.58 2.61%	1,609,348.80 1,466.67	1.82% 15,274.91	Aaa / AA+ AAA	4.47 4.18
Total Agency		28,755,000.00	1.85%	28,626,176.01 28,683,138.95	2.54%	28,262,723.14 122,424.08	32.13% (420,415.81)	Aaa / AA+ AAA	2.61 2.51
CMO									
3137BDDC7	FHLMC K716 A2 3.13% Due 6/25/2021	475,000.00	09/12/2017 1.92%	494,482.42 487,790.63	100.37 2.89%	476,764.15 247.79	0.54% (11,026.48)	Aaa / AA+ NR	2.48 2.19
3137BFDQ1	FHLMC K717 A2 2.991% Due 9/25/2021	1,050,000.00	12/28/2018 2.81%	1,050,656.25 1,050,655.59	100.24 2.83%	1,052,484.30 2,617.13	1.19% 1,828.71	NR / NR AAA	2.74 2.41
3137BM6P6	FHLMC K721 A2 3.09% Due 8/25/2022	1,350,000.00	09/21/2017 2.22%	1,401,354.00 1,388,129.06	100.49 2.89%	1,356,608.25 3,476.25	1.54% (31,520.81)	Aaa / NR NR	3.65 3.22
3137B5JM6	FHLMC K034 A2 3.531% Due 7/25/2023	1,500,000.00	08/28/2018 3.03%	1,531,816.41 1,529,628.92	102.34 2.93%	1,535,071.50 4,413.75	1.74% 5,442.58	NR / NR AAA	4.57 4.09
3137B7MZ9	FHLMC K036 A2 3.527% Due 10/25/2023	1,200,000.00	10/29/2018 3.32%	1,211,812.50 1,211,404.72	102.34 2.95%	1,228,044.00 705.40	1.39% 16,639.28	Aaa / NR AAA	4.82 4.26
Total CMO		5,575,000.00	2.76%	5,690,121.58 5,667,608.92	2.90%	5,648,972.20 11,460.32	6.41% (18,636.72)	Aaa / AA+ AAA	3.89 3.44



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
60934N104	Federated Investors Government Obligations Fund	107,110.54	Various 2.26%	107,110.54 107,110.54	1.00 2.26%	107,110.54 0.00	0.12% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		107,110.54	2.26%	107,110.54 107,110.54	2.26%	107,110.54 0.00	0.12% 0.00	Aaa / AAA AAA	0.00 0.00
SUPRANATIONAL									
4581X0CX4	Inter-American Dev Bank Note 1.625% Due 5/12/2020	1,400,000.00	04/05/2017 1.70%	1,396,682.00 1,398,535.48	98.72 2.59%	1,382,047.80 3,096.53	1.57% (16,487.68)	Aaa / AAA AAA	1.36 1.33
45950KCM0	International Finance Corp Note 2.25% Due 1/25/2021	605,000.00	01/18/2018 2.35%	603,221.30 603,774.71	99.34 2.58%	601,029.39 5,898.75	0.69% (2,745.32)	Aaa / AAA NR	2.07 1.99
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,675,000.00	01/10/2017 2.15%	1,672,939.75 1,673,744.22	98.56 2.62%	1,650,910.15 16,116.06	1.89% (22,834.07)	Aaa / NR AAA	3.05 2.90
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	850,000.00	03/23/2018 2.79%	813,178.00 819,495.50	96.81 2.66%	822,913.90 4,421.18	0.94% 3,418.40	NR / NR AAA	3.71 3.53
Total Supranational		4,530,000.00	2.16%	4,486,021.05 4,495,549.91	2.61%	4,456,901.24 29,532.52	5.08% (38,648.67)	Aaa / AAA AAA	2.52 2.41
US CORPORATE									
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	1,750,000.00	01/08/2014 2.32%	1,748,286.80 1,749,987.81	99.96 3.35%	1,749,315.75 18,671.52	2.00% (672.06)	Baa1 / BBB+ BBB+	0.04 0.04
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	1,305,000.00	Various 2.07%	1,308,459.75 1,305,112.17	99.86 2.95%	1,303,163.87 9,243.76	1.49% (1,948.30)	A1 / AA- NR	0.16 0.17
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	1,365,000.00	Various 2.18%	1,366,198.85 1,365,036.56	99.78 2.89%	1,362,013.38 5,505.50	1.55% (3,023.18)	A1 / A+ AA-	0.32 0.31
084664CK5	Berkshire Hathaway Note 1.3% Due 8/15/2019	495,000.00	08/08/2016 1.33%	494,519.85 494,900.90	98.95 3.01%	489,803.99 2,431.00	0.56% (5,096.91)	Aa2 / AA A+	0.62 0.61
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	1,675,000.00	Various 2.29%	1,675,650.55 1,675,077.31	99.48 3.06%	1,666,293.35 11,771.53	1.90% (8,783.96)	A1 / A AA-	0.70 0.68



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	1,050,000.00	01/26/2015 2.17%	1,048,857.60 1,049,753.10	98.91 3.18%	1,038,581.25 9,468.96	1.19% (11,171.85)	A2 / A- A+	1.08 1.05
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	665,000.00	02/05/2015 1.77%	664,301.75 664,843.05	98.96 2.69%	658,100.63 4,396.39	0.75% (6,742.42)	Aa3 / A+ A+	1.13 1.09
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	980,000.00	06/11/2015 2.49%	969,146.50 976,954.99	98.61 3.28%	966,378.00 2,511.26	1.10% (10,576.99)	A2 / A- NR	1.39 1.35
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	425,000.00	10/29/2015 2.02%	424,660.00 424,874.94	98.89 2.62%	420,267.20 1,369.44	0.48% (4,607.74)	Aaa / AAA AA+	1.84 1.79
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	1,050,000.00	02/06/2017 2.16%	1,054,945.50 1,052,379.93	98.57 3.10%	1,034,983.95 3,890.83	1.18% (17,395.98)	A3 / A A	1.84 1.78
78012KKU0	Royal Bank of Canada Note 2.5% Due 1/19/2021	1,050,000.00	12/11/2017 2.37%	1,053,979.50 1,052,630.76	98.85 3.08%	1,037,962.80 11,812.50	1.19% (14,667.96)	Aa2 / AA- AA	2.05 1.96
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	1,160,000.00	Various 1.97%	1,173,322.80 1,166,024.62	98.56 2.91%	1,143,298.32 8,591.74	1.30% (22,726.30)	Aaa / AA+ NR	2.17 2.08
24422ESL4	John Deere Capital Corp Note 2.8% Due 3/4/2021	425,000.00	05/24/2017 2.12%	435,340.25 430,967.84	99.43 3.07%	422,565.18 3,867.50	0.48% (8,402.66)	A2 / A A	2.18 2.07
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	1,055,000.00	Various 3.25%	1,047,595.75 1,049,155.52	100.08 2.96%	1,055,853.50 4,395.83	1.20% 6,697.98	A2 / A+ NR	2.36 2.26
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	580,000.00	05/16/2016 1.96%	579,698.40 579,856.47	97.19 3.18%	563,715.92 1,319.50	0.64% (16,140.55)	A1 / A AA-	2.38 2.30
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	770,000.00	Various 1.57%	769,085.90 769,524.43	97.15 2.69%	748,029.59 4,740.85	0.85% (21,494.84)	Aaa / AAA AA+	2.61 2.51
69371RN44	Paccar Financial Corp Note 1.65% Due 8/11/2021	1,100,000.00	05/23/2018 3.15%	1,050,093.00 1,059,487.76	96.41 3.09%	1,060,474.80 7,058.33	1.21% 987.04	A1 / A+ NR	2.61 2.51
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	1,100,000.00	11/29/2016 2.40%	1,075,371.00 1,086,079.26	97.02 3.05%	1,067,227.70 6,153.89	1.22% (18,851.56)	A1 / AA- A	2.71 2.59
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	1,000,000.00	06/12/2018 3.25%	978,310.00 981,645.65	98.41 3.16%	984,084.00 12,277.78	1.13% 2,438.35	Aa3 / AA- A+	3.03 2.85
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 1/24/2022	515,000.00	01/19/2017 2.66%	514,114.20 514,457.17	98.48 3.15%	507,174.58 5,895.68	0.58% (7,282.59)	A1 / A+ AA-	3.07 2.88



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
674599CK9	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	740,000.00	06/18/2018 3.27%	722,343.60 724,811.70	97.54 3.39%	721,778.98 4,061.78	0.82% (3,032.72)	A3 / A A	3.29 3.10
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	1,170,000.00	07/25/2017 2.45%	1,169,894.70 1,169,924.80	96.85 3.39%	1,133,195.31 12,182.63	1.30% (36,729.49)	A2 / A A+	3.58 3.35
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	1,050,000.00	11/29/2017 2.58%	1,032,234.00 1,036,272.65	95.28 3.58%	1,000,422.15 7,250.83	1.14% (35,850.50)	A1 / A A	3.69 3.47
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	950,000.00	02/09/2018 3.19%	940,832.50 942,475.20	97.50 3.64%	926,230.05 13,019.01	1.06% (16,245.15)	A2 / A- AA-	4.04 3.48
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	280,000.00	06/13/2018 3.44%	272,213.20 273,116.02	97.77 3.38%	273,760.48 2,504.44	0.31% 644.46	A2 / A A	4.18 3.87
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	715,000.00	11/28/2018 3.54%	681,959.85 682,614.52	96.69 3.22%	691,355.67 2,764.67	0.79% 8,741.15	Aa1 / AA+ NR	4.34 4.06
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	335,000.00	07/11/2018 3.49%	334,420.45 334,474.15	100.03 3.44%	335,095.47 5,297.19	0.39% 621.32	A2 / A+ NR	4.54 4.10
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	835,000.00	10/03/2018 3.64%	834,315.30 834,346.42	100.71 3.46%	840,917.65 6,810.47	0.96% 6,571.23	A2 / A+ NR	4.78 4.32
Total US Corporate		25,590,000.00	2.50%	25,420,151.55 25,446,785.70	3.14%	25,202,043.52 189,264.81	28.74% (244,742.18)	A1 / A+ A+	2.11 1.98
US TREASURY									
912828VF4	US Treasury Note 1.375% Due 5/31/2020	1,750,000.00	07/10/2015 1.62%	1,730,250.01 1,744,287.56	98.39 2.54%	1,721,767.25 2,115.38	1.95% (22,520.31)	Aaa / AA+ AAA	1.42 1.39
912828L32	US Treasury Note 1.375% Due 8/31/2020	1,650,000.00	Various 1.37%	1,650,064.12 1,650,020.13	98.11 2.54%	1,618,869.45 7,708.73	1.84% (31,150.68)	Aaa / AA+ AAA	1.67 1.62
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,600,000.00	03/09/2016 1.40%	1,598,442.85 1,599,336.88	97.71 2.51%	1,563,312.00 9,206.52	1.78% (36,024.88)	Aaa / AA+ AAA	2.09 2.02
912828B90	US Treasury Note 2% Due 2/28/2021	1,650,000.00	Various 1.55%	1,683,525.06 1,665,332.81	98.96 2.50%	1,632,854.85 11,212.71	1.86% (32,477.96)	Aaa / AA+ AAA	2.16 2.09
912828Q37	US Treasury Note 1.25% Due 3/31/2021	1,700,000.00	Various 1.58%	1,676,910.00 1,687,750.43	97.34 2.47%	1,654,844.60 5,429.26	1.88% (32,905.83)	Aaa / AA+ AAA	2.25 2.19



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828S27	US Treasury Note 1.125% Due 6/30/2021	1,015,000.00	Various 1.91%	980,766.29 996,138.97	96.79 2.46%	982,369.78 31.55	1.11% (13,769.19)	Aaa / AA+ AAA	2.50 2.44
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,700,000.00	11/09/2016 1.48%	1,671,251.79 1,683,846.24	96.45 2.47%	1,639,636.40 4,886.33	1.86% (44,209.84)	Aaa / AA+ AAA	2.75 2.67
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,785,000.00	03/13/2017 2.14%	1,752,722.58 1,764,432.28	97.82 2.47%	1,746,092.36 10,613.85	1.99% (18,339.92)	Aaa / AA+ AAA	3.16 3.03
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,700,000.00	08/15/2017 1.82%	1,724,111.17 1,717,303.63	98.81 2.48%	1,679,812.50 99.79	1.90% (37,491.13)	Aaa / AA+ AAA	3.50 3.35
912828L57	US Treasury Note 1.75% Due 9/30/2022	1,750,000.00	10/17/2017 1.99%	1,730,585.94 1,735,310.60	97.36 2.49%	1,703,789.50 7,824.52	1.94% (31,521.10)	Aaa / AA+ AAA	3.75 3.58
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,750,000.00	01/25/2018 2.46%	1,722,792.97 1,727,932.08	98.59 2.50%	1,725,321.50 102.73	1.95% (2,610.58)	Aaa / AA+ AAA	4.00 3.81
Total US Treasury		18,050,000.00	1.76%	17,921,422.78 17,971,691.61	2.49%	17,668,670.19 59,231.37	20.07% (303,021.42)	Aaa / AA+ AAA	2.68 2.58
TOTAL PORTFOLIO		89,215,210.71	2.14%	88,817,848.43 88,944,271.74	2.76%	87,919,428.75 417,709.28	100.00% (1,024,842.99)	Aa1 / AA AAA	2.57 2.31
TOTAL MARKET VALUE PLUS ACCRUED						88,337,138.03			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/03/2018	60934N104	3,594.96	Federated Investors Government Obligations Fund	1.000	2.08%	3,594.96	0.00	3,594.96	0.00
Purchase	12/11/2018	60934N104	9,375.00	Federated Investors Government Obligations Fund	1.000	2.08%	9,375.00	0.00	9,375.00	0.00
Purchase	12/13/2018	60934N104	5,313.75	Federated Investors Government Obligations Fund	1.000	2.08%	5,313.75	0.00	5,313.75	0.00
Purchase	12/13/2018	60934N104	545,000.00	Federated Investors Government Obligations Fund	1.000	2.08%	545,000.00	0.00	545,000.00	0.00
Purchase	12/17/2018	60934N104	2,090.83	Federated Investors Government Obligations Fund	1.000	2.08%	2,090.83	0.00	2,090.83	0.00
Purchase	12/17/2018	60934N104	423.33	Federated Investors Government Obligations Fund	1.000	2.08%	423.33	0.00	423.33	0.00
Purchase	12/17/2018	60934N104	1,540.00	Federated Investors Government Obligations Fund	1.000	2.08%	1,540.00	0.00	1,540.00	0.00
Purchase	12/17/2018	60934N104	21,414.42	Federated Investors Government Obligations Fund	1.000	2.08%	21,414.42	0.00	21,414.42	0.00
Purchase	12/17/2018	60934N104	11,417.36	Federated Investors Government Obligations Fund	1.000	2.08%	11,417.36	0.00	11,417.36	0.00
Purchase	12/17/2018	60934N104	257.83	Federated Investors Government Obligations Fund	1.000	2.08%	257.83	0.00	257.83	0.00
Purchase	12/17/2018	60934N104	609.58	Federated Investors Government Obligations Fund	1.000	2.08%	609.58	0.00	609.58	0.00
Purchase	12/17/2018	60934N104	2,245.83	Federated Investors Government Obligations Fund	1.000	2.08%	2,245.83	0.00	2,245.83	0.00
Purchase	12/17/2018	60934N104	27,710.51	Federated Investors Government Obligations Fund	1.000	2.08%	27,710.51	0.00	27,710.51	0.00
Purchase	12/17/2018	60934N104	22,433.56	Federated Investors Government Obligations Fund	1.000	2.08%	22,433.56	0.00	22,433.56	0.00
Purchase	12/17/2018	60934N104	40,147.06	Federated Investors Government Obligations Fund	1.000	2.08%	40,147.06	0.00	40,147.06	0.00
Purchase	12/17/2018	60934N104	53,114.64	Federated Investors Government Obligations Fund	1.000	2.08%	53,114.64	0.00	53,114.64	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/17/2018	60934N104	82,288.63	Federated Investors Government Obligations Fund	1.000	2.08%	82,288.63	0.00	82,288.63	0.00
Purchase	12/19/2018	60934N104	22,977.78	Federated Investors Government Obligations Fund	1.000	2.08%	22,977.78	0.00	22,977.78	0.00
Purchase	12/21/2018	60934N104	1,843.75	Federated Investors Government Obligations Fund	1.000	2.08%	1,843.75	0.00	1,843.75	0.00
Purchase	12/22/2018	60934N104	25,933.33	Federated Investors Government Obligations Fund	1.000	2.08%	25,933.33	0.00	25,933.33	0.00
Purchase	12/25/2018	60934N104	3,527.00	Federated Investors Government Obligations Fund	1.000	2.08%	3,527.00	0.00	3,527.00	0.00
Purchase	12/26/2018	60934N104	4,413.75	Federated Investors Government Obligations Fund	1.000	2.08%	4,413.75	0.00	4,413.75	0.00
Purchase	12/26/2018	60934N104	1,238.96	Federated Investors Government Obligations Fund	1.000	2.08%	1,238.96	0.00	1,238.96	0.00
Purchase	12/26/2018	60934N104	3,476.25	Federated Investors Government Obligations Fund	1.000	2.08%	3,476.25	0.00	3,476.25	0.00
Purchase	12/31/2018	3137BFDQ1	1,050,000.00	FHLMC K717 A2 2.991% Due 9/25/2021	100.063	2.81%	1,050,656.25	2,617.13	1,053,273.38	0.00
Purchase	12/31/2018	60934N104	42,365.63	Federated Investors Government Obligations Fund	1.000	2.26%	42,365.63	0.00	42,365.63	0.00
Subtotal			1,984,753.74				1,985,409.99	2,617.13	1,988,027.12	0.00
TOTAL ACQUISITIONS			1,984,753.74				1,985,409.99	2,617.13	1,988,027.12	0.00
DISPOSITIONS										
Sale	12/31/2018	60934N104	1,053,273.38	Federated Investors Government Obligations Fund	1.000	2.26%	1,053,273.38	0.00	1,053,273.38	0.00
Subtotal			1,053,273.38				1,053,273.38	0.00	1,053,273.38	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	12/17/2018	02587AAJ3	0.00	American Express Credit 2017-1 1.93% Due 9/15/2022	100.000		0.00	2,090.83	2,090.83	0.00
Paydown	12/17/2018	161571HF4	0.00	Chase CHAIT 2016-A5 1.27% Due 7/15/2021	100.000		0.00	423.33	423.33	0.00
Paydown	12/17/2018	43811BAC8	0.00	Honda Auto Receivables 2017-2 A3 1.68% Due 8/16/2021	100.000		0.00	1,540.00	1,540.00	0.00
Paydown	12/17/2018	43814QAC2	21,256.94	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	100.000		21,256.94	157.48	21,414.42	0.00
Paydown	12/17/2018	47788BAB0	11,313.51	John Deere Owner Trust 2017-B A2A 1.59% Due 4/15/2020	100.000		11,313.51	103.85	11,417.36	0.00
Paydown	12/17/2018	47788BAD6	0.00	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	100.000		0.00	257.83	257.83	0.00
Paydown	12/17/2018	47788CAC6	0.00	John Deere Owner Trust 2016-B A4 2.66% Due 4/18/2022	100.000		0.00	609.58	609.58	0.00
Paydown	12/17/2018	47788EAC2	0.00	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	100.000		0.00	2,245.83	2,245.83	0.00
Paydown	12/17/2018	47788MAC4	27,548.08	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	100.000		27,548.08	162.43	27,710.51	0.00
Paydown	12/17/2018	654747AB0	22,380.92	Nissan Auto Receivables 2017-A A2A 1.47% Due 1/15/2020	100.000		22,380.92	52.64	22,433.56	0.00
Paydown	12/17/2018	89231UAD9	39,866.83	Toyota Auto Receivables 2016-B 1.3% Due 4/15/2020	100.000		39,866.83	280.23	40,147.06	0.00
Paydown	12/17/2018	89237RAB4	52,531.53	Toyota Auto Receivable 2017-C A2A 1.58% Due 7/15/2020	100.000		52,531.53	583.11	53,114.64	0.00
Paydown	12/17/2018	89238BAB8	80,728.39	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	100.000		80,728.39	1,560.24	82,288.63	0.00
Paydown	12/21/2018	43815HAC1	0.00	Honda Auto Receivables Owner 2018-3 A3 2.95% Due 8/22/2022	100.000		0.00	1,843.75	1,843.75	0.00
Paydown	12/26/2018	3137B5JM6	0.00	FHLMC K034 A2 3.531% Due 7/25/2023	100.000		0.00	4,413.75	4,413.75	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	12/26/2018	3137BDDC7	0.00	FHLMC K716 A2 3.13% Due 6/25/2021	100.000		0.00	1,238.96	1,238.96	0.00
Paydown	12/26/2018	3137BM6P6	0.00	FHLMC K721 A2Due 8/25/2022	100.000		0.00	3,476.25	3,476.25	0.00
Subtotal			255,626.20				255,626.20	21,040.09	276,666.29	0.00
Maturity	12/13/2018	24422ESF7	545,000.00	John Deere Capital Corp Note 1.95% Due 12/13/2018	100.000		545,000.00	0.00	545,000.00	0.00
Subtotal			545,000.00				545,000.00	0.00	545,000.00	0.00
TOTAL DISPOSITIONS			1,853,899.58				1,853,899.58	21,040.09	1,874,939.67	0.00

OTHER TRANSACTIONS										
Interest	12/11/2018	313379RB7	1,000,000.00	FHLB Note 1.875% Due 6/11/2021	0.000		9,375.00	0.00	9,375.00	0.00
Interest	12/13/2018	24422ESF7	545,000.00	John Deere Capital Corp Note 1.95% Due 12/13/2018	0.000		5,313.75	0.00	5,313.75	0.00
Interest	12/19/2018	3137EAEN5	1,600,000.00	FHLMC Note 2.75% Due 6/19/2023	0.000		22,977.78	0.00	22,977.78	0.00
Interest	12/22/2018	3135G0D75	1,655,000.00	FNMA Note 1.5% Due 6/22/2020	0.000		12,412.50	0.00	12,412.50	0.00
Interest	12/22/2018	3135G0U35	1,000,000.00	FNMA Note 2.75% Due 6/22/2021	0.000		13,520.83	0.00	13,520.83	0.00
Interest	12/25/2018	3137B7MZ9	1,200,000.00	FHLMC K036 A2 3.527% Due 10/25/2023	0.000		3,527.00	0.00	3,527.00	0.00
Interest	12/31/2018	912828N30	1,750,000.00	US Treasury Note 2.125% Due 12/31/2022	0.000		18,593.75	0.00	18,593.75	0.00
Interest	12/31/2018	912828S27	1,015,000.00	US Treasury Note 1.125% Due 6/30/2021	0.000		5,709.38	0.00	5,709.38	0.00
Interest	12/31/2018	912828XG0	1,700,000.00	US Treasury Note 2.125% Due 6/30/2022	0.000		18,062.50	0.00	18,062.50	0.00
Subtotal			11,465,000.00				109,492.49	0.00	109,492.49	0.00

Transaction Ledger

As of December 31, 2018



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Dividend	12/03/2018	60934N104	225,630.18	Federated Investors Government Obligations Fund	0.000		3,594.96	0.00	3,594.96	0.00
Subtotal			225,630.18				3,594.96	0.00	3,594.96	0.00
TOTAL OTHER TRANSACTIONS			11,690,630.18				113,087.45	0.00	113,087.45	0.00

Section 3
FOR PROFESSIONAL CLIENTS ONLY
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CITY OF MORENO VALLEY

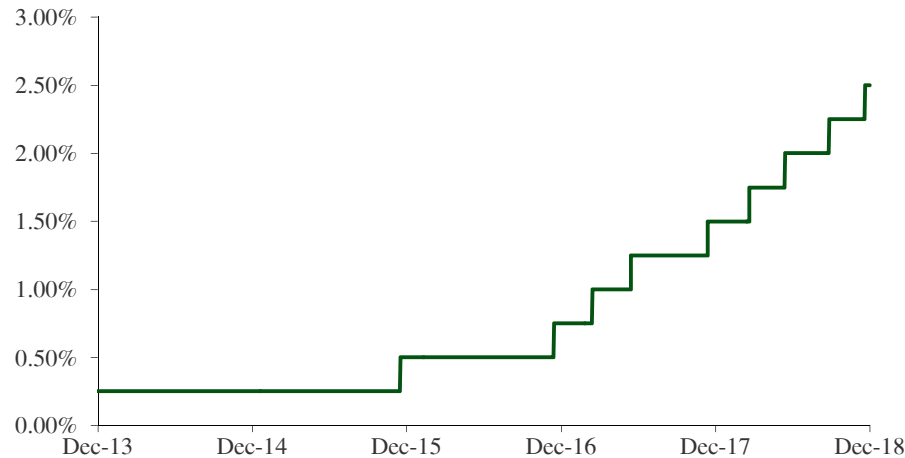
December 2018

Part of  BNY MELLON



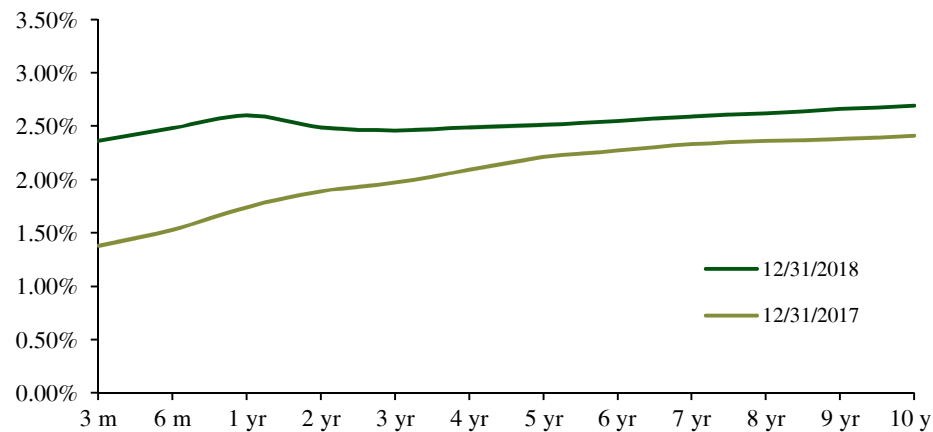
As of December 31, 2018

Chart 1: Fed funds target rate: 12/31/2013—12/31/2018



Source: Bloomberg Finance LP, December 31, 2018.

Chart 2: Treasury yield curve: 12/31/2017 and 12/31/2018



Source: Bloomberg Finance LP, December 31, 2018.

Economic Indicators and Monetary Policy

After reaching cyclical highs on November 8, 2-year US Treasury yields continued to decrease during December and the yield curve flattened further. The 2-year US Treasury note reached a peak yield of 2.97% in November and closed 2018 at a yield of 2.49%. Despite the recent downtrend in rates, the yield on the 2-year US Treasury note increased 60 basis points during 2018, from a yield of 1.89% on December 31, 2017. Lower rates over the past months were supported by continuing trade tensions and political discord, tightening financial conditions, volatile equity markets and softening in some economic releases.

On December 19 the Federal Open Market Committee (FOMC) increased the federal funds target rate 25 basis points to a range of 2.25% to 2.50% in a unanimous vote. (See Chart 1). The economic assessment presented by the FOMC was largely unchanged from the prior meeting and described a strong economy and near target level inflation conditions. The statement noted that the FOMC will monitor the risks to the current outlook posed by global economic and financial developments. Rate guidance indicated that two increases were likely in 2019.

On December 7 the payroll report was released, showing that 155,000 jobs were added in November, below expectations of 198,000, and the prior month job gains were revised downward to 237,000 from 250,000. The unemployment rate was unchanged at 3.7% and the underemployment rate increased to 7.6% from 7.4%. Wage growth was firm at 3.1% which is the fastest pace since spring 2009.

On December 11 the Producer Price Index (PPI) was released. The report showed year-over-year price increases of 2.5% at the headline level which includes food and energy and 2.7% when these volatile components are excluded. The next day the Consumer Price Index (CPI) report was published and it showed 2.2% year-over-year price increases for both the headline and core levels.

Interest Rate Summary

At the end of December, the 3-month US Treasury bill yielded 2.36%, the 6-month US Treasury bill yielded 2.48%, the 2-year US Treasury note yielded 2.49%, the 5-year US Treasury note yielded 2.51% and the 10-year US Treasury note yielded 2.69%. (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2018 - December 31, 2018

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	56,433,897.35
Income received	72,479.80
Total receipts	72,479.80
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Total amortization expense	(4,731.25)
Total OID/MKT accretion income	16,865.52
Return of capital	0.00
Closing balance	56,518,511.42
Ending fair value	56,150,974.68
Unrealized gain (loss)	(367,536.74)

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	134.58	0.00	0.00	134.58
Corporate Bonds	26,051.82	1,323.42	0.00	27,375.24
Government Agencies	41,133.33	9,347.12	0.00	50,480.45
Government Bonds	11,328.37	1,463.73	0.00	12,792.10
Total	78,648.10	12,134.27	0.00	90,782.37

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.83	1.04	0.19
Overnight Repo	1.90	1.09	0.22
Merrill Lynch 3m US Treas Bill	1.92	1.08	0.20
Merrill Lynch 6m US Treas Bill	2.07	1.16	0.21
ML 1 Year US Treasury Note	2.33	1.29	0.22
ML 2 Year US Treasury Note	2.53	1.37	0.22
ML 5 Year US Treasury Note	2.75	1.42	0.23

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	78,648.10
Accretion (amortization)	12,134.27
Realized gain (loss) on sales	0.00
Total income on portfolio	90,782.37
Average daily amortized cost	56,468,326.19
Period return (%)	0.16
YTD return (%)	1.68
Weighted average final maturity in days	343

ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2018 - December 31, 2018

<u>Fair Value Basis Activity Summary</u>		
Opening balance		55,922,223.26
Income received	72,479.80	
Total receipts		72,479.80
Total disbursements		0.00
Interportfolio transfers	0.00	
Total Interportfolio transfers		0.00
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		156,271.62
Ending fair value		56,150,974.68

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	134.58	0.00	134.58
Corporate Bonds	26,051.82	33,886.55	59,938.37
Government Agencies	41,133.33	99,424.57	140,557.90
Government Bonds	11,328.37	22,960.50	34,288.87
Total	78,648.10	156,271.62	234,919.72

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.83	1.04	0.19
Overnight Repo	1.90	1.09	0.22
ICE ML 3m US Treas Bill	1.87	1.06	0.18
ICE ML 6m US Treas Bill	1.92	1.11	0.22
ICE ML 1 Year US Treasury Note	1.86	1.20	0.36
ICE ML US Treasury 1-3	1.58	1.49	0.79
ICE ML US Treasury 1-5	1.52	1.77	1.11

* rates reflected are cumulative

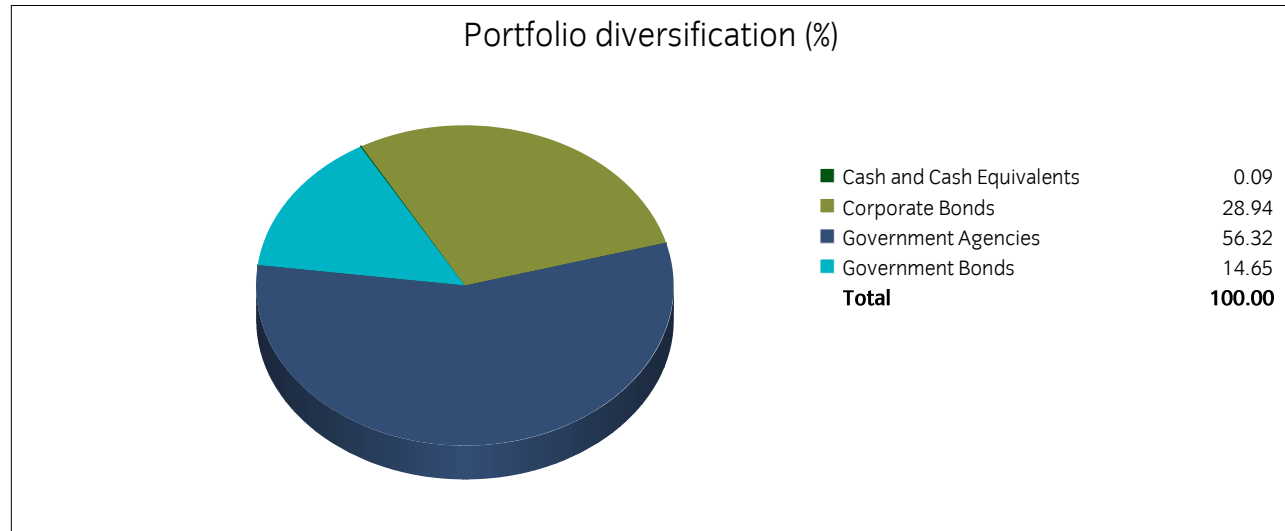
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	78,648.10
Change in fair value	156,271.62
Total income on portfolio	234,919.72
Average daily total value *	56,250,111.10
Period return (%)	0.42
YTD return (%)	1.62
Weighted average final maturity in days	343

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of December 31, 2018

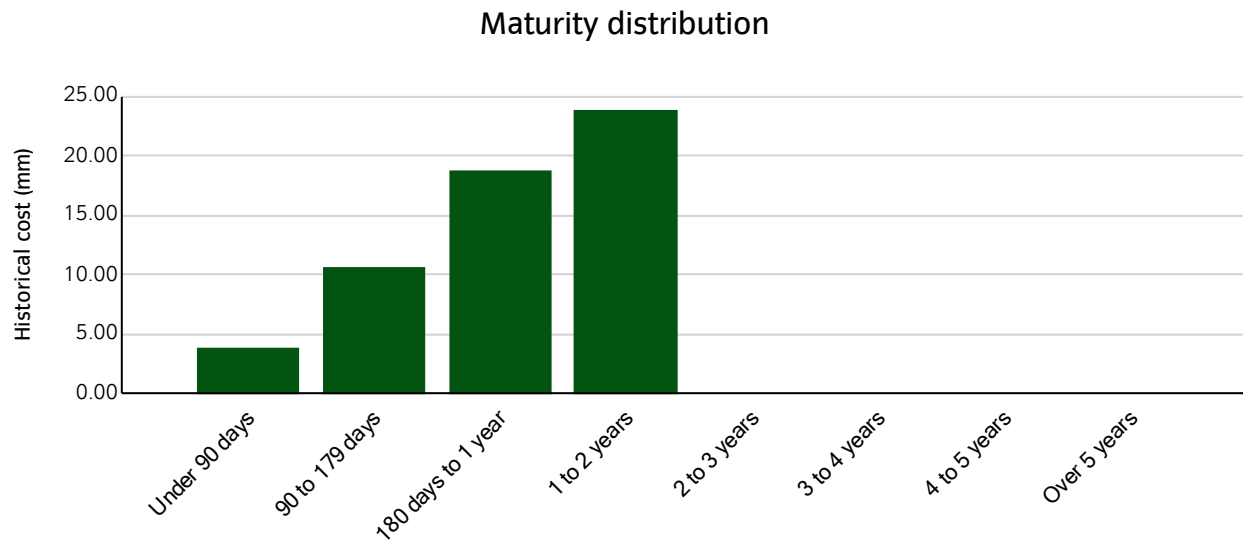
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	52,250.46	52,250.46	52,250.46	0.00	1	0.09	0.00
Corporate Bonds	16,355,413.63	16,328,958.10	16,213,918.87	(115,039.23)	272	28.94	0.72
Government Agencies	31,823,273.83	31,855,534.42	31,647,239.20	(208,295.22)	389	56.32	1.04
Government Bonds	8,278,076.17	8,281,768.44	8,237,566.15	(44,202.29)	309	14.65	0.82
Total	56,509,014.09	56,518,511.42	56,150,974.68	(367,536.74)	343	100.00	0.91



MATURITY DISTRIBUTION OF SECURITIES HELD

As of December 31, 2018

Maturity	Historic cost	Percent
Under 90 days	3,713,230.52	6.57
90 to 179 days	10,464,487.13	18.52
180 days to 1 year	18,604,403.97	32.92
1 to 2 years	23,726,892.47	41.99
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	56,509,014.09	100.00



SECURITIES HELD

As of December 31, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Cash and Cash Equivalents											
Cash and Cash Equivalents	0.000		52,250.46	52,250.46 0.00	52,250.46 0.00	52,250.46 0.00	0.00	0.00	0.00	0.00	0.09
Total Cash and Cash Equivalents			52,250.46	52,250.46 0.00	52,250.46 0.00	52,250.46 0.00	0.00	0.00	0.00	0.00	0.09
Corporate Bonds											
68389XAQ8 ORACLE CORP 2.375% 15JAN2019	2.375	01/15/2019	1,000,000.00	1,002,870.00 0.00	1,000,125.15 (250.29)	999,764.00 314.00	(361.15)	0.00	2,045.14	10,951.39	1.77
17275RBB7 CISCO SYSTEMS INC 1.6% 28FEB2019	1.600	02/28/2019	700,000.00	702,331.00 0.00	700,128.55 (64.27)	698,562.20 616.00	(1,566.35)	0.00	964.45	3,826.67	1.24
17275RAR3 CISCO SYSTEMS INC 2.125% 01MAR2019	2.125	03/01/2019	500,000.00	503,740.00 0.00	500,126.39 (62.16)	499,296.50 81.50	(829.89)	0.00	914.93	3,541.67	0.89
89236TDE2 TOYOTA MOTOR CREDIT CORP 1.4% 20MAY2019	1.400	05/20/2019	1,500,000.00	1,504,395.00 0.00	1,500,585.44 (125.45)	1,491,529.50 1,176.00	(9,055.94)	0.00	1,808.34	2,391.67	2.66
94988J5D5 WELLS FARGO BANK NA 1.75% 24MAY2019	1.750	05/24/2019	1,200,000.00	1,196,316.00 0.00	1,199,354.63 134.45	1,193,901.60 933.60	(5,453.03)	0.00	1,808.33	2,158.33	2.12
02665WAH4 AMERICAN HONDA FINANCE 2.25% 15AUG2019	2.250	08/15/2019	1,500,000.00	1,541,520.00 0.00	1,507,984.62 (1,064.61)	1,492,951.50 8,343.00	(15,033.12)	0.00	2,906.25	12,750.00	2.73
084664CK5 BERKSHIRE HATHAWAY FIN 1.3% 15AUG2019	1.300	08/15/2019	1,000,000.00	988,300.00 0.00	992,070.78 1,057.23	989,503.00 513.00	(2,567.78)	0.00	1,119.44	4,911.11	1.75
713448DJ4 PEPSICO INC 1.35% 04OCT2019	1.350	10/04/2019	1,500,000.00	1,487,931.00 0.00	1,496,257.61 409.76	1,482,070.50 1,917.00	(14,187.11)	0.00	1,743.75	4,893.75	2.63

SECURITIES HELD

As of December 31, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Corporate Bonds											
24422ETJ8 JOHN DEERE CAPITAL CORP 1.25% 09OCT2019	1.250	10/09/2019	1,000,000.00	979,508.26 0.00	990,004.91 1,074.75	986,172.00 1,895.00	(3,832.91)	0.00	1,076.39	2,847.22	1.73
69353RDZ8 PNC BANK NA 2.4% 18OCT2019 (CALLABLE 18SEP19)	2.400	10/18/2019 09/18/2019	1,000,000.00	994,960.00 0.00	997,360.87 274.91	994,093.00 (88.00)	(3,267.87)	0.00	2,066.67	4,866.67	1.76
037833DH0 APPLE INC 1.8% 13NOV2019	1.800	11/13/2019	989,000.00	977,874.87 0.00	981,812.61 688.89	980,919.87 1,955.25	(892.74)	0.00	1,532.95	2,373.60	1.73
594918AY0 MICROSOFT CORP 1.85% 12FEB2020 (CALLABLE 12JAN20)	1.850	02/12/2020 01/12/2020	1,000,000.00	1,004,330.00 0.00	1,001,696.55 (126.61)	991,493.00 3,408.00	(10,203.55)	0.00	1,593.06	7,143.06	1.78
166764AR1 CHEVRON CORP 1.961% 03MAR2020 (CALLABLE 03FEB20)	1.961	03/03/2020 02/03/2020	1,000,000.00	1,003,180.00 0.00	1,001,560.49 (110.67)	989,960.00 4,424.00	(11,600.49)	0.00	1,688.64	6,427.72	1.78
25468PDP8 WALT DISNEY COMPANY/THE 1.95% 04MAR2020	1.950	03/04/2020	1,000,000.00	1,003,140.00 0.00	1,001,311.68 (92.81)	990,318.00 4,197.00	(10,993.68)	0.00	1,679.17	6,337.50	1.78
69353REP9 PNC BANK NA 2.3% 01JUN2020 (CALLABLE 02MAY20)	2.300	06/01/2020 05/02/2020	550,000.00	550,104.50 0.00	550,060.07 (3.52)	542,594.80 950.40	(7,465.27)	6,325.00	1,089.31	1,054.17	0.97
0258M0DX4 AMERICAN EXPRESS CREDIT 2.6% 14SEP2020 (CALLABLE 14AUG20)	2.600	09/14/2020 08/13/2020	900,000.00	914,913.00 0.00	908,517.75 (416.18)	890,789.40 3,250.80	(17,728.35)	0.00	2,015.00	6,955.00	1.62
Total Corporate Bonds			16,339,000.00	16,355,413.63 0.00	16,328,958.10 1,323.42	16,213,918.87 33,886.55	(115,039.23)	6,325.00	26,051.82	83,429.53	28.94

SECURITIES HELD

As of December 31, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3137EADZ9 FREDDIE MAC 1.125% 15APR2019	1.125	04/15/2019	2,000,000.00	2,000,040.00 0.00	2,000,003.83 (1.09)	1,992,544.00 2,454.00	(7,459.83)	0.00	1,937.50	4,750.00	3.54
3134GBRH7 FREDDIE MAC 1.4% 14JUN2019 CALLABLE	1.400	06/14/2019	1,500,000.00	1,499,100.00 0.00	1,499,791.23 38.19	1,492,140.00 1,695.00	(7,651.23)	10,500.00	1,808.34	991.67	2.65
3134G44Y1 FREDDIE MAC 1.25% 24JUN2019 CALLABLE	1.250	06/24/2019	2,100,000.00	2,075,808.00 0.00	2,091,212.09 1,515.15	2,086,518.00 2,541.00	(4,694.09)	13,125.00	2,260.42	510.42	3.67
3133ECW83 FEDERAL FARM CREDIT BANK 2.06% 01AUG2019	2.060	08/01/2019	1,500,000.00	1,526,550.00 0.00	1,505,817.29 (827.10)	1,495,650.00 1,395.00	(10,167.29)	0.00	2,660.83	12,875.00	2.70
3135G0P49 FANNIE MAE 1% 28AUG2019	1.000	08/28/2019	1,100,000.00	1,079,969.00 0.00	1,089,590.88 1,312.08	1,088,278.40 1,710.50	(1,312.48)	0.00	947.22	3,758.33	1.91
313380FB8 FEDERAL HOME LOAN BANK 1.375% 13SEP2019	1.375	09/13/2019	1,000,000.00	1,016,632.00 0.00	1,003,636.90 (431.26)	991,010.00 1,550.00	(12,626.90)	0.00	1,184.03	4,125.00	1.80
3130ACM92 FEDERAL HOME LOAN BANK 1.5% 21OCT2019	1.500	10/21/2019	1,500,000.00	1,486,380.00 0.00	1,493,565.88 663.32	1,486,027.50 2,713.50	(7,538.38)	0.00	1,937.50	4,375.00	2.63
3135G0R39 FANNIE MAE 1% 24OCT2019	1.000	10/24/2019	3,790,000.00	3,731,290.53 (2,902.78)	3,737,881.81 4,150.45	3,739,763.55 6,723.72	1,881.74	0.00	2,450.83	7,053.61	6.60
3130AA2H0 FEDERAL HOME LOAN BANK 1.125% 29NOV2019	1.125	11/29/2019	1,700,000.00	1,684,980.50 0.00	1,695,428.85 416.82	1,677,322.00 4,471.00	(18,106.85)	0.00	1,646.87	1,700.00	2.98
3137EAEES FREDDIE MAC 1.5% 17JAN2020	1.500	01/17/2020	1,000,000.00	990,460.00 0.00	995,146.32 386.24	988,783.00 2,647.00	(6,363.32)	0.00	1,291.66	6,833.33	1.75

SECURITIES HELD

As of December 31, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3133ECEY6 FEDERAL FARM CREDIT BANK 1.45% 11FEB2020	1.450	02/11/2020	1,000,000.00	999,000.00 0.00	999,652.21 26.02	988,340.00 4,010.00	(11,312.21)	0.00	1,248.61	5,638.89	1.77
3134G96L6 FREDDIE MAC 1.3% 25FEB2020 (CALLABLE 25FEB19)	1.300	02/25/2020 02/25/2019	1,000,000.00	1,000,000.00 0.00	1,000,000.00 0.00	985,350.00 3,320.00	(14,650.00)	0.00	1,119.44	4,550.00	1.77
3135G0T29 FANNIE MAE 1.5% 28FEB2020	1.500	02/28/2020	1,100,000.00	1,082,587.00 0.00	1,083,932.38 1,153.18	1,087,479.80 4,720.10	3,547.42	0.00	1,420.83	5,637.50	1.92
3136G3UB9 FANNIE MAE 1.2% 30MAR2020 CALLABLE	1.200	03/30/2020	1,300,000.00	1,299,025.00 0.00	1,299,665.84 22.28	1,279,278.00 6,097.00	(20,387.84)	0.00	1,300.00	3,900.00	2.30
3133EJNW5 FEDERAL FARM CREDIT BANK 2.55% 15MAY2020	2.550	05/15/2020	1,250,000.00	1,249,450.00 0.00	1,249,610.52 23.61	1,250,181.25 4,818.75	570.73	0.00	2,744.79	4,072.92	2.21
3135G0D75 FANNIE MAE 1.5% 22JUN2020	1.500	06/22/2020	1,300,000.00	1,272,349.00 0.00	1,276,979.14 1,298.17	1,280,982.30 6,528.60	4,003.16	9,750.00	1,679.17	487.50	2.25
3130AB6A9 FEDERAL HOME LOAN BANK 1.65% 20JUL2020	1.650	07/20/2020	1,000,000.00	999,910.00 0.00	999,956.21 2.34	986,480.00 5,110.00	(13,476.21)	0.00	1,420.84	7,379.17	1.77
3130ACBY9 FEDERAL HOME LOAN BANK 1.68% 28AUG2020 (CALLABLE 28FEB19)	1.680	08/28/2020 02/28/2019	1,600,000.00	1,600,000.00 0.00	1,600,000.00 0.00	1,577,312.00 8,496.00	(22,688.00)	0.00	2,240.00	8,960.00	2.83
3133EHYM9 FEDERAL FARM CREDIT BANK 1.5% 14SEP2020	1.500	09/14/2020	1,500,000.00	1,495,110.00 0.00	1,497,207.01 136.46	1,472,805.00 7,650.00	(24,402.01)	0.00	1,937.50	6,687.50	2.65
3133EDWV0 FEDERAL FARM CREDIT BANK 2.14% 06OCT2020	2.140	10/06/2020	1,860,000.00	1,860,855.60 0.00	1,860,551.33 (26.00)	1,845,603.60 9,132.60	(14,947.73)	0.00	3,427.57	9,398.17	3.29

SECURITIES HELD

As of December 31, 2018

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3133EG2L8 FEDERAL FARM CREDIT BANK 1.92% 28DEC2020	1.920	12/28/2020	1,880,000.00	1,873,777.20 0.00	1,875,904.70 171.11	1,855,390.80 11,298.80	(20,513.90)	18,048.00	3,108.27	300.80	3.32
Total Government Agencies			31,980,000.00	31,823,273.83 (2,902.78)	31,855,534.42 10,029.97	31,647,239.20 99,082.57	(208,295.22)	51,423.00	39,772.22	103,984.81	56.32
Government Bonds											
912828B33 USA TREASURY 1.5% 31JAN2019	1.500	01/31/2019	1,450,000.00	1,452,039.06 0.00	1,450,129.00 (129.00)	1,449,037.20 964.25	(1,091.80)	0.00	1,832.20	9,042.80	2.57
912828C65 USA TREASURY 1.625% 31MAR2019	1.625	03/31/2019	2,200,000.00	2,188,828.13 0.00	2,197,230.11 954.07	2,195,690.20 2,222.00	(1,539.91)	0.00	3,044.64	9,035.71	3.87
912828F39 USA TREASURY 1.75% 30SEP2019	1.750	09/30/2019	1,100,000.00	1,108,507.81 0.00	1,102,794.98 (317.38)	1,092,867.60 1,460.80	(9,927.38)	0.00	1,639.43	4,865.39	1.96
912828X21 USA TREASURY 1.5% 15APR2020	1.500	04/15/2020	1,500,000.00	1,498,652.34 0.00	1,499,317.48 44.93	1,480,020.00 6,153.00	(19,297.48)	0.00	1,916.21	4,759.62	2.65
912828Q2 USA TREASURY 1.5% 15AUG2020	1.500	08/15/2020	750,000.00	733,857.42 0.00	734,683.92 800.67	737,724.75 3,984.75	3,040.83	0.00	947.69	4,218.75	1.30
912828WC0 USA TREASURY 1.75% 31OCT2020	1.750	10/31/2020	1,300,000.00	1,296,191.41 0.00	1,297,612.95 110.44	1,282,226.40 8,175.70	(15,386.55)	0.00	1,948.20	3,833.56	2.29
Total Government Bonds			8,300,000.00	8,278,076.17 0.00	8,281,768.44 1,463.73	8,237,566.15 22,960.50	(44,202.29)	0.00	11,328.37	35,755.83	14.65
Grand total			56,671,250.46	56,509,014.09 (2,902.78)	56,518,511.42 12,817.12	56,150,974.68 155,929.62	(367,536.74)	57,748.00	77,152.41	223,170.17	100.00

SECURITIES PURCHASED

For the period December 1, 2018 - December 31, 2018

Cusip / Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest purchased
Government Agencies							
3135G0R39	12/12/2018	1.000	10/24/2019	2,090,000.00	98.53	(2,059,241.93)	(2,902.78)
FANNIE MAE 1% 24OCT2019	12/14/2018						
WELLS FARGO SECURITIES INTL LTD							
Total Government Agencies				2,090,000.00		(2,059,241.93)	(2,902.78)
Grand total				2,090,000.00		(2,059,241.93)	(2,902.78)

SECURITIES SOLD AND MATURED

For the period December 1, 2018 - December 31, 2018

Cusip/ Description/ Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity /Accr (amort)	Price	Fair value at sale or maturity / Chg.in fair value	Realized gain (loss)	Accrued interest sold	Interest received	Interest earned
Government Agencies												
313376BR5 FEDERAL HOME LN BKS CONS BD 1.75 DUE 12-14-2018	12/14/2018	1.750		(2,000,000.00)	2,043,800.00	2,000,000.00 (682.85)	0.00	2,000,000.00 342.00	0.00	0.00	17,500.00	1,361.11
Total (Government Agencies)				(2,000,000.00)	2,043,800.00	2,000,000.00 (682.85)		2,000,000.00 342.00	0.00	0.00	17,500.00	1,361.11
Grand total				(2,000,000.00)	2,043,800.00	2,000,000.00 (682.85)		2,000,000.00 342.00	0.00	0.00	17,500.00	1,361.11

TRANSACTION REPORT

For the period December 1, 2018 - December 31, 2018

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
12/01/2018 12/01/2018	69353REP9	Income	Corporate Bonds	PNC BANK NA 2.3% 01JUN2020	06/01/2020	550,000.00	0.00	0.00	6,325.00	6,325.00
12/12/2018 12/14/2018	3135G0R39	Bought	Government Agencies	FANNIE MAE 1% 24OCT2019	10/24/2019	2,090,000.00	0.00	(2,059,241.93)	(2,902.78)	(2,062,144.71)
12/14/2018 12/14/2018	313376BR5	Income	Government Agencies	FEDERAL HOME LN BKS CONS	12/14/2018	2,000,000.00	0.00	0.00	17,500.00	17,500.00
12/14/2018 12/14/2018	313376BR5	Capital Change	Government Agencies	FEDERAL HOME LN BKS CONS	12/14/2018	(2,000,000.00)	0.00	2,000,000.00	0.00	2,000,000.00
12/14/2018 12/14/2018	3134GBRH7	Income	Government Agencies	FREDDIE MAC 1.4% 14JUN2019	06/14/2019	1,500,000.00	0.00	0.00	10,500.00	10,500.00
12/22/2018 12/22/2018	3135G0D75	Income	Government Agencies	FANNIE MAE 1.5% 22JUN2020	06/22/2020	1,300,000.00	0.00	0.00	9,750.00	9,750.00
12/24/2018 12/24/2018	3134G44Y1	Income	Government Agencies	FREDDIE MAC 1.25%	06/24/2019	2,100,000.00	0.00	0.00	13,125.00	13,125.00
12/28/2018 12/28/2018	3133EG2L8	Income	Government Agencies	FEDERAL FARM CREDIT BANK	12/28/2020	1,880,000.00	0.00	0.00	18,048.00	18,048.00
12/31/2018		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	134.58	134.58

JANUARY 2019



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Since 1988, Chandler Asset Management has specialized in the management of fixed income portfolios. Chandler's mission is to provide fully customizable, client-centered portfolio management that preserves principal, manages risk and generates income in our clients' portfolios.

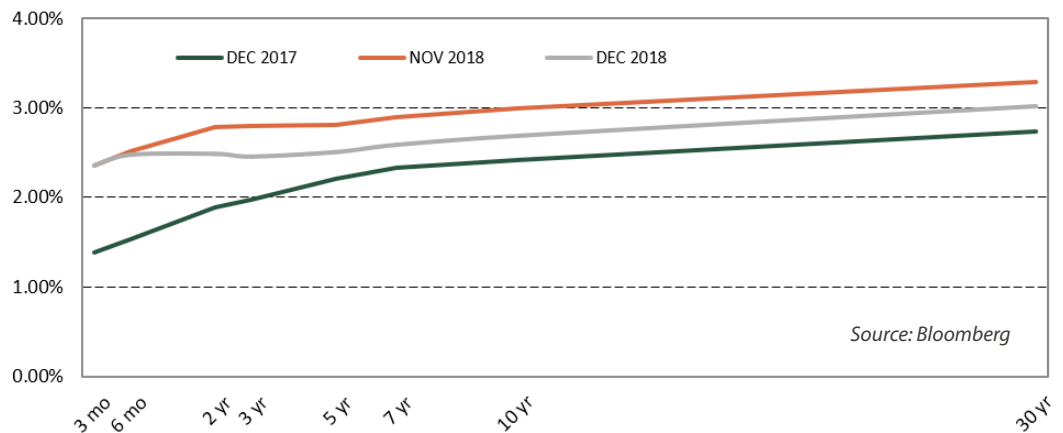
Market Summary

The Federal Open Market Committee (FOMC) raised the fed funds target rate by 25 basis points in December to a range of 2.25%-2.50%. Although recent economic data has softened, the rate hike was widely expected. The Fed's long run fed funds rate target was lowered to 2.8% from the previous estimate of 3.0%. However, the Fed did little to acknowledge the changing market dynamics and tightening financial conditions, reaffirming their strong economic forecast for 2019 and emphasizing the balance sheet reduction strategy remains on track. Although the modest adjustment in the Fed's projections was a step in the right direction, some market participants were expecting a more dovish tone from the Fed Chair. More recently, the Fed Chair and other members of the FOMC have begun to sound more dovish. We continue to believe the terminal fed funds rate will be below 3.0% and believe the Fed is at risk of making a policy error if monetary policy continues to tighten at the same quarterly pace of 2018. We believe there is a high probability that the Fed will keep monetary policy on pause at least through the first quarter.

Interest rate sensitive sectors such as housing and autos have softened, and financial conditions have tightened in recent months as equity prices have declined, borrowing costs have increased, and the US dollar has strengthened. Global economic growth has slowed, even as many other global central banks remain accommodative. Although US labor market conditions remain tight, we expect the pace of job growth is likely to slow as the economy is at or near full employment. Meanwhile, inflation pressures remain subdued, particularly as oil prices have declined meaningfully over the past three months. Though we don't foresee a recession in the near-term, economic growth has eased. The consensus forecast calls for GDP growth of 2.6% this year versus 2.9% in 2018.

Treasury yields declined in December and a portion of the Treasury yield curve inverted with the yield on 5-year Treasuries falling below the yield on 2-year Treasuries. Notably, the yield on 5-year Treasuries temporarily fell below the yield on 3-month T-bills last week. Although the yield curve hasn't completely inverted, we believe the current flatness of the curve reflects a high level of market participants' nervousness about the outlook for economic growth. At December month-end, the 2-year Treasury yield was down nearly 30 basis points to 2.49%, while the 10-year Treasury yield was down slightly more than 30 basis points to 2.68%. The spread between 2- and 10-year Treasury yields was just 20 basis points at year-end.

The Treasury Yield Curve Has Flattened



On a year-over-year basis, Treasury yields increased, and the Treasury yield curve flattened. The spread between 2-Year and 10-year Treasury yields narrowed from 52 basis points to 20 basis points in 2018. Rate hikes by the Federal Reserve have put upward pressure on rates, while supply and demand imbalances, technical factors, weakening global economic growth, and subdued inflation expectations have contributed to the curve flattening.

TREASURY YIELDS	Trend (▲/▼)	12/31/2018	11/30/2018	Change
3-Month	▲	2.36	2.35	0.01
2-Year	▼	2.49	2.79	(0.30)
3-Year	▼	2.46	2.80	(0.34)
5-Year	▼	2.51	2.81	(0.30)
7-Year	▼	2.59	2.90	(0.31)
10-Year	▼	2.69	2.99	(0.30)
30-Year	▼	3.02	3.29	(0.27)

Source: Bloomberg

Economic Roundup

Consumer Prices

The Consumer Price Index (CPI) was up just 2.2% year-over-year in November, versus up 2.5% year-over-year in October. Core CPI (CPI less food and energy) was also up 2.2% year-over-year in November, versus up 2.1% year-over-year in October. The Personal Consumption Expenditures (PCE) index was up 1.8% year-over-year in November, versus up 2.0% year-over-year in October. Core PCE (excluding food and energy) was up 1.9% on a year-over-year basis in November, versus up 1.8% in October. Core PCE inflation, which is the Fed's primary inflation gauge remains below the Fed's 2.0% target.

Retail Sales

On a year-over-year basis, retail sales were up 4.2% in November, versus up 4.8% year-over-year in October. On a month-over-month basis, retail sales increased 0.2% in November, above expectations for a 0.1% increase, following growth of 1.1% in October. October sales were likely boosted in part by a hurricane-related rebound in auto sales and building materials. Lower gas prices held back monthly retail sales growth in November, but sales growth excluding autos and gas was solid.

Labor Market

U.S. payrolls rose by 312,000 in December, well above the consensus forecast of 184,000. October and November payrolls were revised up by a total of 58,000. On a trailing 3-month and 6-month basis payrolls increased by an average of 254,000 and 222,000 per month, respectively, more than enough to absorb new entrants into the labor market. The unemployment rate increased to 3.9% in December from 3.7% in November as the labor participation rate increased to 63.1% from 62.9%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, was unchanged at 7.6%. Wages jumped 0.4% in December on a month-over-month basis, exceeding expectations of 0.3%. Wages were up 3.2% on a year-over-year basis in December, versus up 3.1% year-over-year in November. The average workweek increased to 34.5 hours in December from 34.4 hours in November.

Housing Starts

Total housing starts were stronger than expected in November, up 3.2% to a 1.256 million annualized rate. However, the growth was driven by multi-family starts which rose 22.4%. Single-family starts declined 4.6% in November. Permits rose 5.0% in the month.

Credit Spreads Widened Further in December

CREDIT SPREADS	Spread to Treasuries (%)	One Month Ago (%)	Change
3-month top rated commercial paper	0.35	0.30	0.05
2-year A corporate note	0.67	0.58	0.09
5-year A corporate note	0.91	0.85	0.06
5-year Agency note	0.15	0.18	(0.03)

Source: Bloomberg

Data as of 12/31/2018

Economic Growth Has Moderated

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(55.5) \$Bln OCT 18	(54.6) \$Bln SEP 18	(47.0) \$Bln OCT 17
GDP	3.4% SEP 18	4.2% JUN 18	2.8% SEP 17
Unemployment Rate	3.9% DEC 18	3.7% NOV 18	4.1% DEC 17
Prime Rate	5.50% DEC 18	5.25% NOV 18	4.50% DEC 17
CRB Index	169.80 DEC 18	181.74 NOV 18	193.86 DEC 17
Oil (West Texas Int.)	\$45.41 DEC 18	\$50.93 NOV 18	\$60.42 DEC 17
Consumer Price Index (y/o/y)	2.2% NOV 18	2.5% OCT 18	2.2% NOV 17
Producer Price Index (y/o/y)	1.6% NOV 18	3.4% OCT 18	4.2% NOV 17
Dollar/Euro	1.15 DEC 18	1.13 NOV 18	1.20 DEC 17

Source: Bloomberg

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Market Data

World Indices

data as of 12/31/2018

	Diff (11/30/18)	% Change
S&P 500		
2,506.85	253.32	9.18%
NASDAQ		
6,635.28	695.26	9.48%
DOW JONES		
23,327.46	2,211.00	8.66%
FTSE (UK)		
6,728.13	252.11	3.61%
DAX (Germany)		
10,558.96	698.28	6.20%
Hang Seng (Hong Kong)		
25,845.70	661.05	2.49%
Nikkei (Japan)		
20,014.77	2,336.29	10.45%

Source: Bloomberg



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