



Quarterly Investment Report

*As of
March 31, 2019*

June 6, 2019

This report presents the City's investment portfolio for the quarter ending March 31, 2019. It has been prepared to comply with regulations contained in California Government Code Section 53646. The report includes all investments managed by the City on its own behalf as well as for other third party agencies on a fiduciary basis such as the Whale Rock Commission. It also includes all City-related investments held by trustees for bond debt service obligations. As required, the report provides information on the investment type, issuer, maturity date, cost, and current market value for each security.

The investment objectives of the City of San Luis Obispo are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The City follows the practice of pooling cash and investments for all funds under its direct control. Funds held by outside fiscal agents under provisions of bond indentures are maintained separately. Interest earned on pooled cash and investments is allocated quarterly to the various funds based on the respective fund's average quarterly cash balance. Interest earned from cash and investments with fiscal agents is credited directly to the related accounts. It is common for governments to pool the cash and investments of various funds to improve investment performance. By pooling funds, the city is able to benefit from economies of scale, diversification, liquidity, and ease of administration.

The City uses the services of an investment advisor, PFM Asset Management, to manage a portion of the City's portfolio. The City's strategy is to retain approximately 25% of the portfolio to manage its day-to-day cash flow needs, while PFM's focus is on longer-term investment management. In addition, the City has retained direct control of several investments that had been acquired before the City began to use investment advisors. All investments are held by the City in a safe keeping account with Bank of New York Mellon, except for investments held by trustees related to bond financings, which are held by either US Bank or Bank of New York Mellon.

Investment Portfolio Benefits all Funds

The City's cash and investment portfolio represents money from all City funds, including the General Fund, enterprise funds, capital projects funds, and other funds which are restricted to specific purposes.

In general, monies held by the city are either allocated by the City Council for spending or are purposefully retained in reserve. For example, the money in the Capital Outlay Fund has been identified to provide particular capital projects for the community and there is a plan for spending down the cash balance as the projects progress. In the General Fund, approximately \$10 million is purposely held in reserve to meet the City's reserve policy of 20% of operating expenditures.

Quarterly Investment Report

Current Cash and Investment Summary

The following is a summary of the City's cash and investments based on market value as of March 31, 2019 compared with the prior quarter:

	December 31, 2018	March 31, 2019	Percent of Total
Cash and investments held by the City	41,673,965	53,022,106	40.10%
Cash and investments managed by PFM	77,229,567	78,240,568	59.18%
Cash and investments held by trustees	941,780	951,661	0.72%
TOTAL	119,845,312	132,214,335	100%

There are a number of factors which result in changes in cash and investment balances from month to month and quarter to quarter. Often they are the result of the receipt of revenues or a large disbursement. Some major City revenues are received on a periodic rather than a monthly basis. Property Tax, for example, is received in December, January, April and May of each year. Other revenues, such as Transient Occupancy Tax, are received monthly but vary considerably because they are seasonal. On the disbursement side, payments for bonded indebtedness or large capital projects can reduce the portfolio substantially in the quarter that they occur. Significant fluctuations of this type will be discussed in the following section of this report.

Securities in the City's portfolio are priced by IDC, an independent pricing service at the end of every month. In some cases, the City may have investments with a current market value that is greater or less than the recorded value. These changes in market value are due to fluctuations in the marketplace having no effect on yield, as the City does not intend to sell securities prior to maturity. Nevertheless, these market changes will impact the total value of the portfolio as reported. At March 31, 2019, the market value of the portfolio was \$50,659 less than the cost basis.

The portfolio's yield on a market basis as of March 31, 2019 was 2.41%, and the yield on a cost basis was 2.18%. (These amounts do not reflect the returns on the assets held by the bond trustee.)

As of March 31, 2019, the investment portfolio was in compliance with all State laws, the City's Statement of Investment Policy and the City's Investment Management Plan.

Summary of Activity for the Quarter and Future Liquidity

Cash receipts and disbursements are generally consistent with past trends for the quarter. The cash management program contains enough liquidity to meet at least the next three months of expected expenditures by the City as well as by related parties, such as the Whale Rock Commission.

Report Contents and Distribution. This report includes the following four schedules on the City's portfolio as of March 31, 2019; summary of investments held or managed by the City, trustees or PFM; summary of investment portfolio liquidity; investment details; and detail of holdings for each investment. These schedules have not yet been reviewed by the City's independent auditor.

If you have any questions concerning this report, or require additional information, contact Brigitte Elke, Director of Finance at (805) 781-7125.

DISTRIBUTION LIST

City Council

Heidi Harmon, Mayor

Andy Pease, Vice Mayor

Aaron Gomez, Council Member

Andy Pease, Council Member

Carlyn Christianson, Council Member

Erica Stewart, Council Member

Investment Oversight Committee

Heidi Harmon, Mayor

Derek Johnson, City Manager

Brigitte Elke, Director of Finance

Debbie Malicoat, Accounting Manager

Daniel Humphrey, Public Member

PFM Asset Management

Monique Skype, Portfolio Manager

CITY OF SAN LUIS OBISPO

SUMMARY OF INVESTMENTS

As of March 31, 2019

INVESTMENTS HELD AND MANAGED BY THE CITY			
	Percent of Portfolio	Current Yield	Market Value
Local Agency Investment Funds	44%	2.44%	23,154,000.45
Certificate of Deposit	2%	2.25%	1,000,000.00
Money Market Account	2%	0.25%	1,019,879.63
Checking Account	53%	0.57%	27,848,226.43
Treasury Issues	0%	0.00%	0.00
Total Investments Held by the City	100%	1.41%	\$53,022,106.51

INVESTMENTS OF THE CITY MANAGED BY PUBLIC FINANCIAL MANAGEMENT			
	Percent of Portfolio	Current Yield	Value
Federal Agency Issues	25%	1.79%	19,941,695.89
Commercial Paper	3%	2.71%	2,494,255.50
Money Market Fund	0%	0.00%	148,625.54
US Corporate Notes	16%	2.18%	12,825,898.23
Negotiable CD	12%	2.56%	9,503,508.62
Asset-Backed Security	1%	2.90%	830,827.55
Treasury Issues	42%	2.26%	32,495,756.39
Total Investments Managed by Public Financial Management	100%	2.15%	\$78,240,567.72

INVESTMENTS OF THE CITY HELD BY TRUSTEES FOR BOND DEBT SERVICE OBLIGATIONS			
	Percent of Trustee Portfolio	Current Yield	Market Value
First American Treasury Funds	0.00%	0.00%	0.00
Other Money Market Accounts	49.23%	0.30%	468,499.65
Certificate of Deposit	0.00%	0.00%	0.00
Guaranteed Investment Contracts	0.00%	see below	0.00
Federal Agency Issues	0.00%	0.00%	0.00
Treasury Issues	50.77%	Varies	483,161.15
Total Investments Held by Trustees	100%		\$951,660.80

Total of all Investments--Market Value			\$132,214,335.03
---	--	--	-------------------------

CITY OF SAN LUIS OBISPO
SUMMARY OF INVESTMENT PORTFOLIO LIQUIDITY
As of March 31, 2019

INVESTMENTS HELD BY THE CITY AND THOSE MANAGED BY PUBLIC FINANCIAL MANAGEMENT (PFM)				
	Managed by City	Managed by PFM	Percent of Portfolio	Market Value
On Demand	52,022,106.51	148,625.54	40%	52,170,732.05
Within Six Months	1,000,000.00	9,300,750.31	8%	10,300,750.31
Six Months to One Year		7,332,833.37	6%	7,332,833.37
Within One to Five Years		61,458,358.50	47%	61,458,358.50
Over Five Years			0%	0.00
TOTAL	53,022,106.51	\$78,240,567.72	100%	\$131,262,674.23

INVESTMENTS HELD BY TRUSTEES FOR BOND DEBT SERVICE OBLIGATIONS			
		Percent of Portfolio	Market Value
On Demand		49%	468,499.65
Within Six Months		0%	0.00
Six Months to One Year		0%	0.00
Within One to Five Years		0%	0.00
Over Five Years		51%	483,161.15
TOTAL		100%	\$951,660.80

Total of all Investments--Market Value	\$132,214,335.03
---	-------------------------

CITY OF SAN LUIS OBISPO
INVESTMENT DETAIL
As of March 31, 2019

INVESTMENTS HELD AND MANAGED BY THE CITY						
Agency (Broker)	Investment Description	Coupon Rate	Current Yield	Purchase Date	Maturity Date	Market Value
Local Agency Investment Fund	Money Market Fund City	NA	2.44%	Varies	On Demand	23,083,984.89
Local Agency Investment Fund	Money Market Fund CIB	NA	2.44%	Varies	On Demand	70,015.56
JP Morgan Chase	Checking Account	NA	0.57%	Varies	On Demand	27,848,226.43
Pacific Premiere Bank	Collateralized Certificate of Deposit	NA	2.25%	12/20/2005	12/20/2019	1,000,000.00
Pacific Premiere Bank	Money Market Account	NA	0.25%	1/24/2012	On Demand	1,019,879.63
TOTAL						\$53,022,106.51

CITY OF SAN LUIS OBISPO

INVESTMENT DETAIL

As of March 31, 2019

INVESTMENTS HELD BY TRUSTEES FOR BOND DEBT SERVICE OBLIGATIONS						
Agency (Broker)	Investment Description	Coupon Rate	Current Yield	Purchase Date	Maturity Date	Market Value
2012 Water Revenue Refunding Bonds (Refunded 2002 Water Revenue Bonds)						
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	N/A	0.30%	Varies	on demand	\$10,096.61
U. S. Bank Corporate Trust Services	United States Treasury Note	7.13%	6.04%	Varies	2/15/23	\$259,549.40
U. S. Bank Corporate Trust Services	United States Treasury Note	2.00%	2.01%	Varies	11/15/21	\$223,611.75
2012 Revenue Refunding Bonds (Refunded 2001 Revenue Refunding Bonds)						
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	N/A	0.30%	Varies	on demand	\$511.73
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	N/A	0.30%	Varies	on demand	\$405,600.00
2018 Water Revenue Refunding Bonds (Refunded 2006 Water Revenue Bonds)						
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	N/A	0.30%	Varies	on demand	\$84.46
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	N/A	0.30%	Varies	on demand	\$34,498.35
2018 Lease Revenue Refunding Bonds (Refunded 2005 Ref Lease Rev, 2006 Lease Rev, & 2009 Lease Rev Bonds)						
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	N/A	0.30%	Varies	on demand	\$4,428.13
U. S. Bank Corporate Trust Services	U.S. Bank Money Market Account	N/A	0.30%	Varies	on demand	\$13,280.37
TOTAL						\$951,660.80

CITY OF SAN LUIS OBISPO

INVESTMENT DETAIL

As of March 31, 2019

MANAGED BY PUBLIC FINANCIAL MANAGEMENT

The City of San Luis Obispo maintains certain performance objectives for the investments that are managed by Public Financial Management. The overall performance objective for the portfolio is to earn a total rate of return over the market cycle that equals or exceeds the market index. In order to achieve this objective the portfolio invests in high-quality money market instruments, US Treasury securities, Agency securities, and high-grade corporate securities, with a maximum maturity of five years. To monitor the achievement of this objective, the City uses a "Benchmark" to compare to. The benchmark which is used is based on the BofA Merrill Lynch Index of 0-5 year Treasury securities. Below is a summary of the monthly results as compared to the benchmark. While the City strives to achieve this performance objective every month, the goal is assumed to be met on an annual basis. The City of San Luis Obispo is currently just under the benchmark goals in most categories. We feel that through market trends and current investing adjustments, our performance will meet or exceed the benchmarks by the end of the fiscal year.

Benchmark Comparison for the Quarter Ended 3/31/2019

	<u>Benchmark</u>	<u>3/31/2019 Portfolio</u>	<u>12/31/2018 Portfolio</u>
Average Maturity (yrs)	2.26	2.21	1.99
Modified Duration	2.09	2.1	1.91
Average Purchase Yield	N/A	2.18%	2.06%
Average Market Yield	2.48%	2.41%	2.68%
Average Quality	AAA	AA/Aa1	AA/Aa1
Total Market Value	\$ -	\$ 78,449,909	\$ 76,632,466

The following pages provide a summary of the portfolio under management by Public Financial Management (PFM) as well as a detailed holding report for the month.



City of San Luis Obispo Investment Report

For the Quarter Ended March 31, 2019

PFM Asset
Management LLC
www.pfm.com

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

Izac Chyou, Senior Managing Consultant
chyoui@pfm.com



Table of Contents

- I. Market Update

- II. Portfolio Review

- III. Appendix
 - A. Consolidated Portfolio Information
 - B. Investment Policy Snapshot
 - C. Portfolio Holdings
 - D. Quarterly Transactions

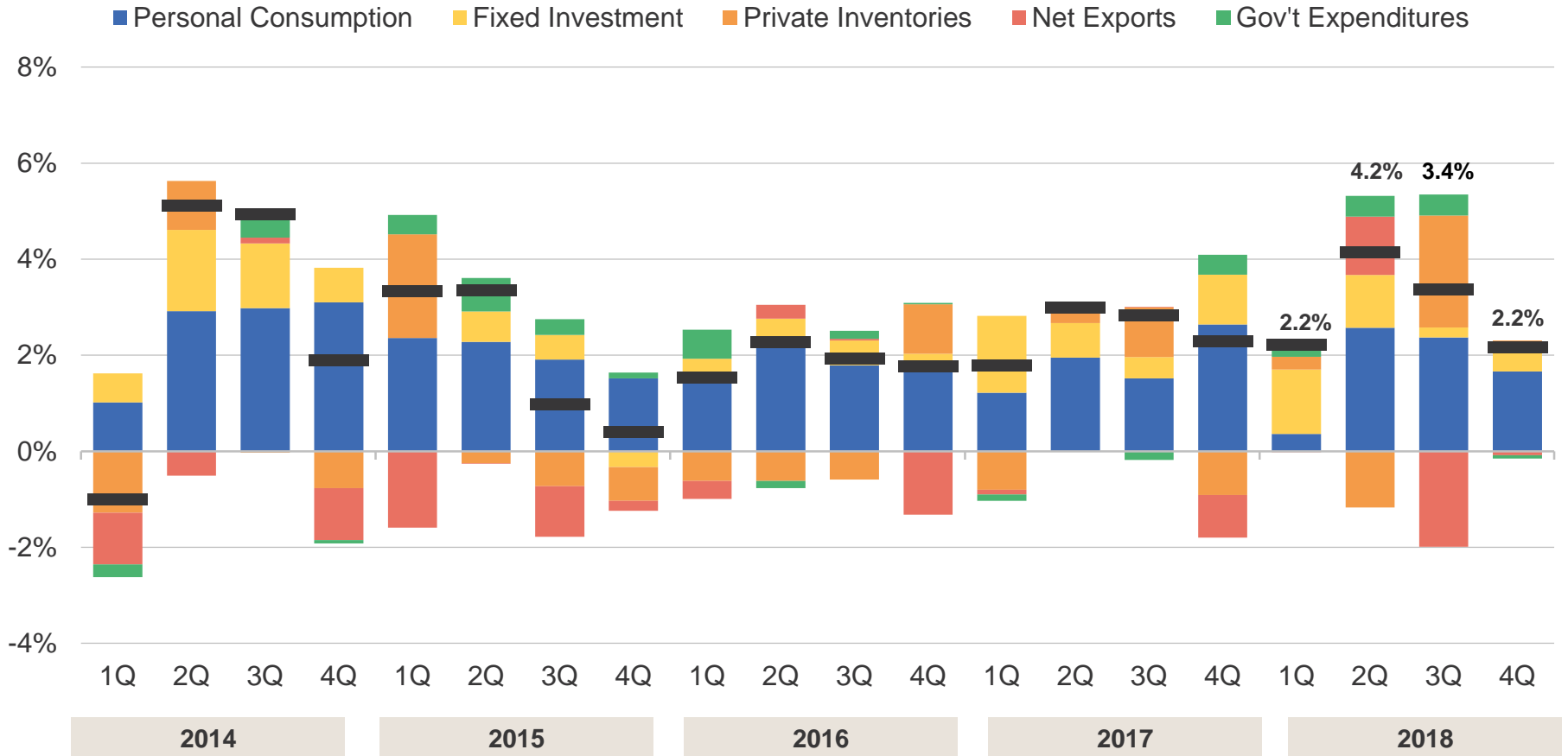


I. Market Update



U.S. Economic Growth Slows in Fourth Quarter

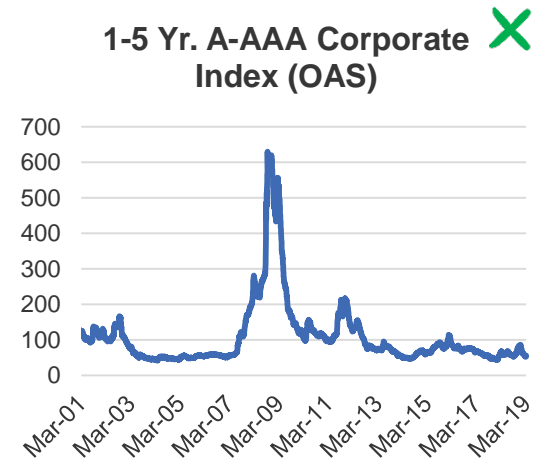
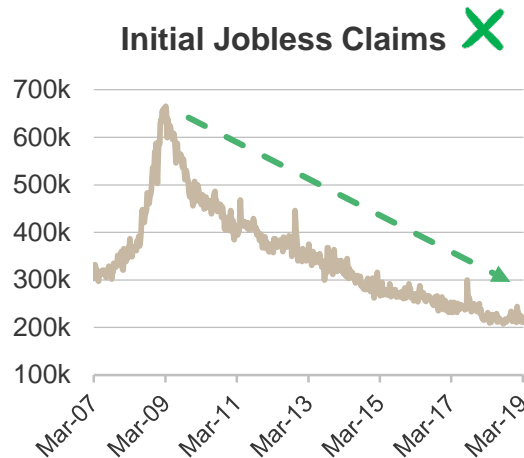
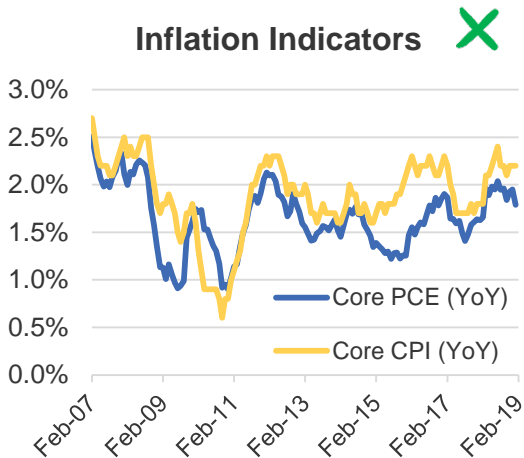
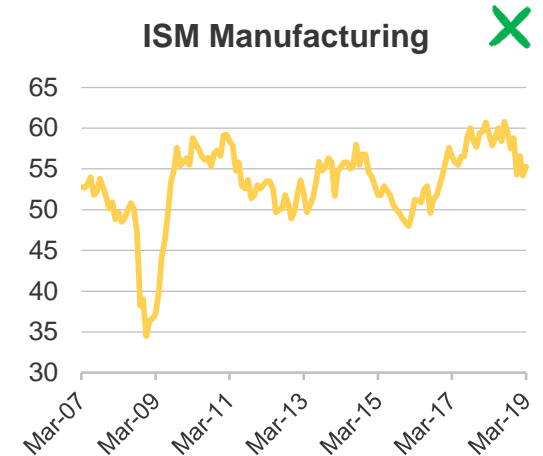
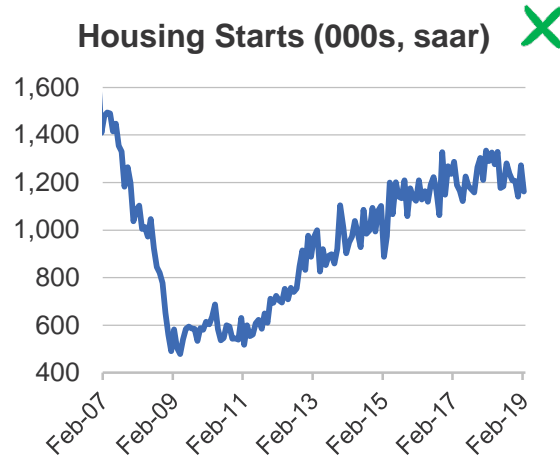
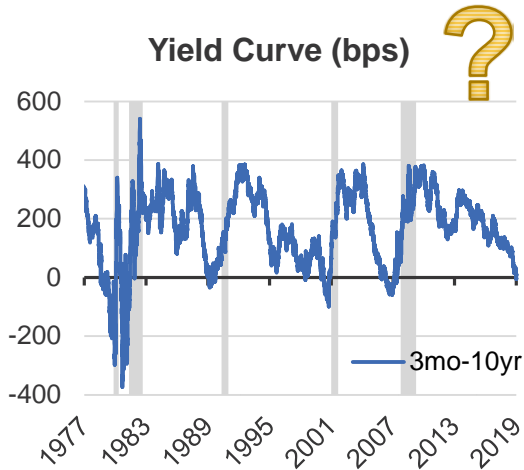
U.S. GDP Contributors and Detractors



Source: Bureau of Economic Analysis, as of April 2019. 4th quarter contributions are based on the final GDP growth estimate.



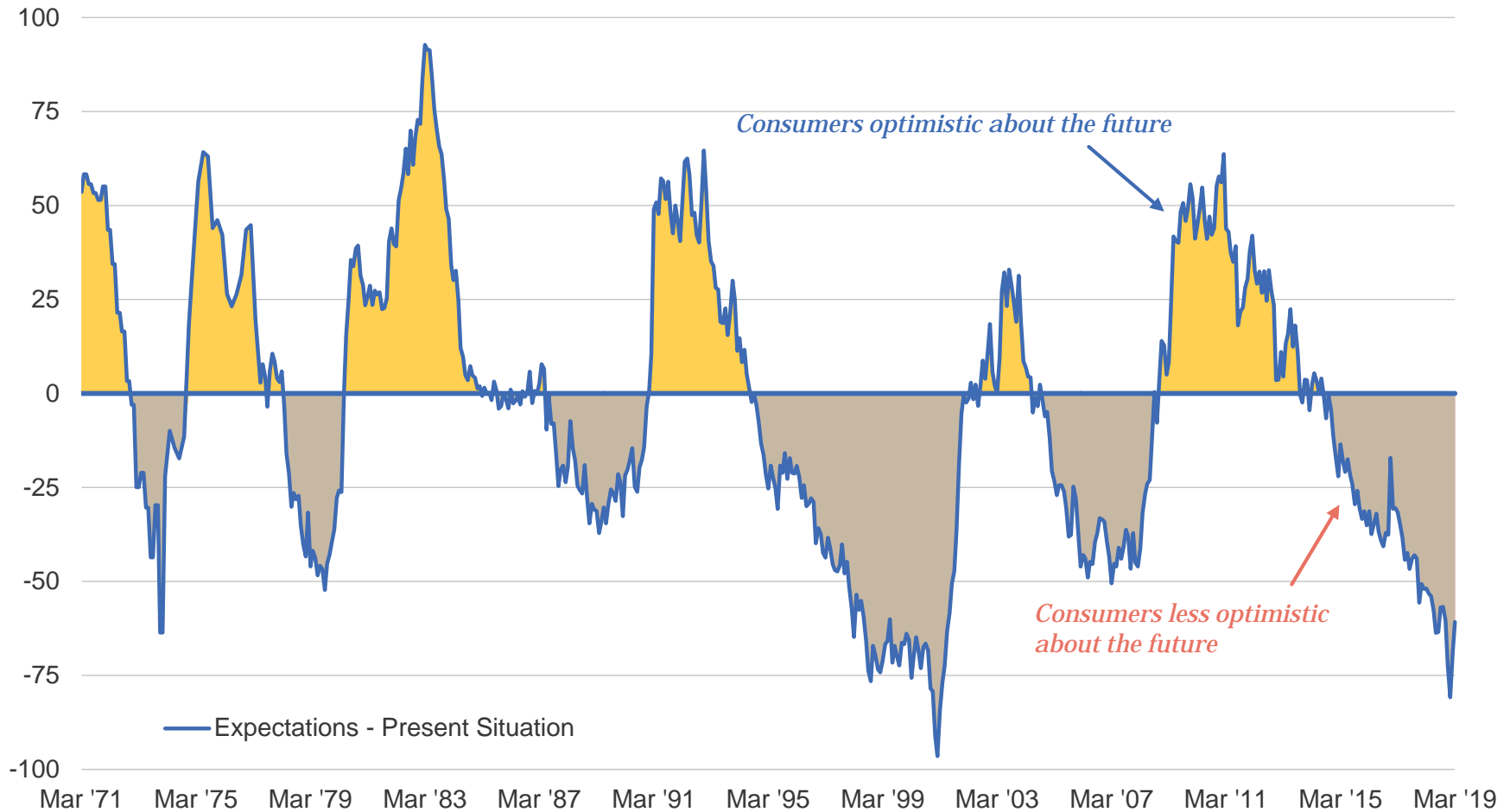
Are We Nearing a Recession?



Source: Bloomberg as of 3/31/2019.



Consumer Expectations of Future Economic Conditions Weakens

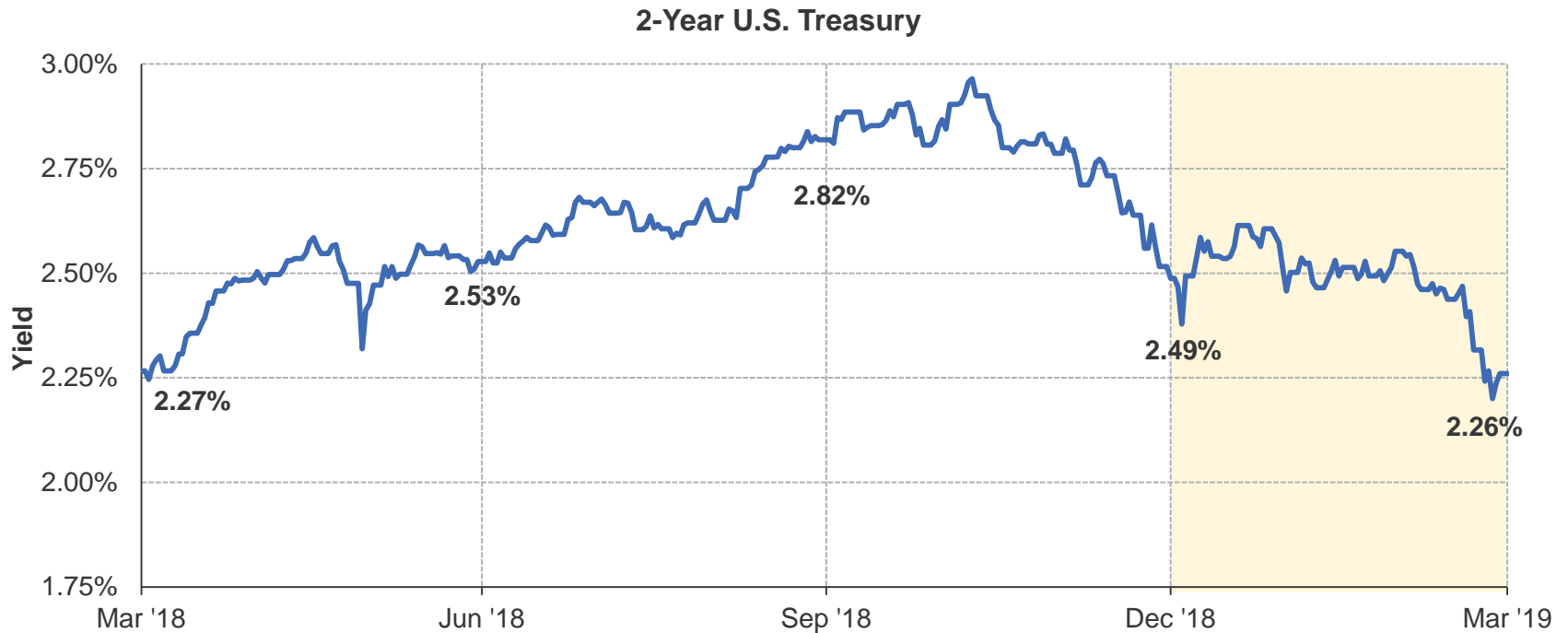


Source: Bloomberg and Conference Board, as of 3/31/2019.



Treasury Yields Fall Further Post Fed Meeting

- Investors' appetite for riskier equity assets, coupled with the Fed's recent move to a more "patient" stance regarding further rate hikes, drove Treasury yields further downward during the first quarter.
- The 2-year Treasury decreased by 23 basis points from December 31, 2018 to end the quarter at 2.26%



Source: Bloomberg as of 3/31/2019.



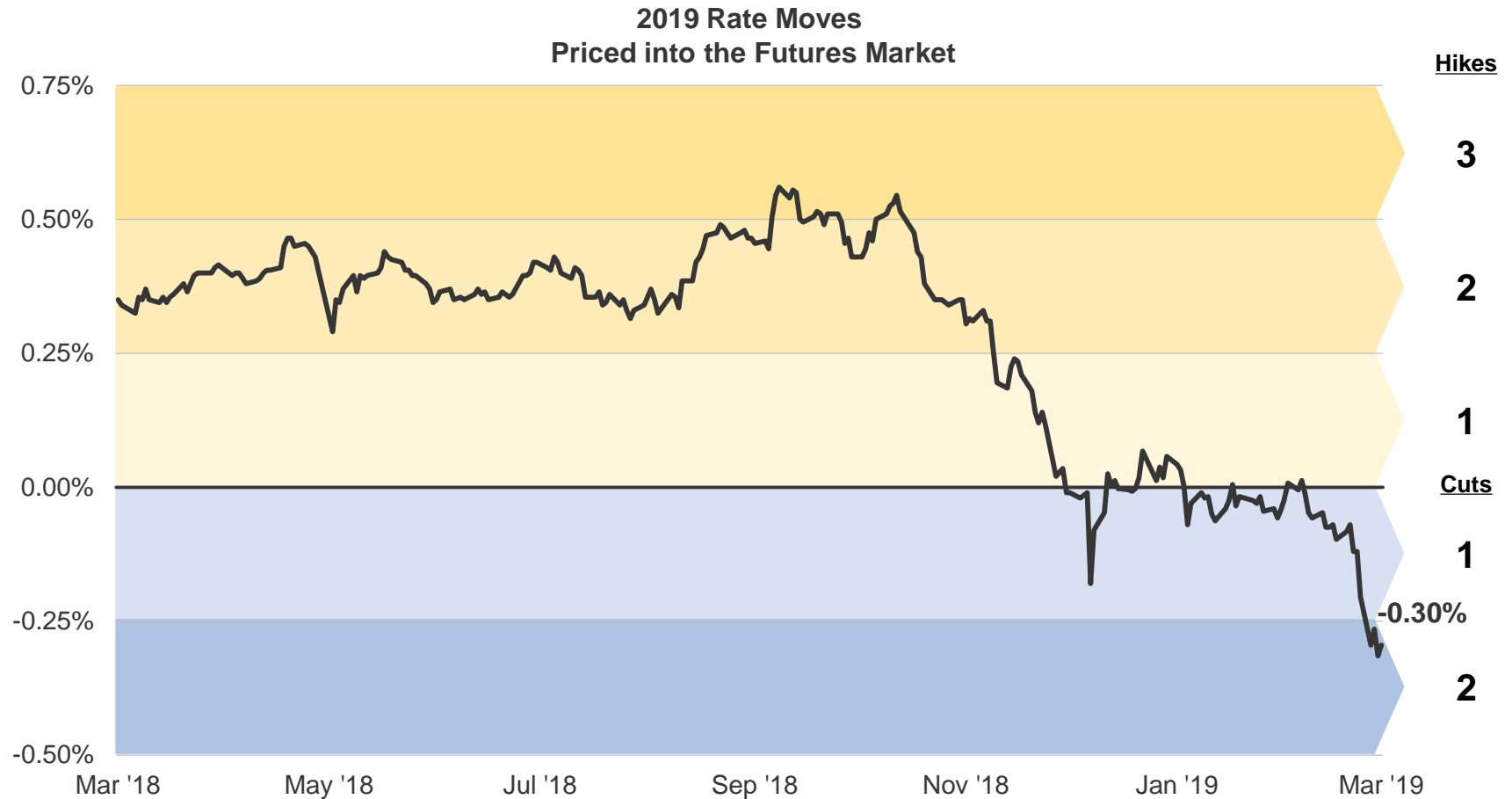
Fed Shifted to a More Patient Stance in March

- GDP and unemployment forecasts were downgraded.
 - Growth of household spending and fixed business investment have slowed.
 - In light of global economic and financial developments and easing inflation expectations, the Committee **forecasts the Fed Funds Rate to remain at current levels through 2019**, after signaling two more rate hikes this past December.
 - The Committee will assess realized and expected economic conditions. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and **readings on financial and international developments**.
- **Implication: Likely no further rate hikes in 2019; the Fed may cut rates by year end.**

Source: FOMC Statement March 20, 2019



Are We Done With Rate Hikes?

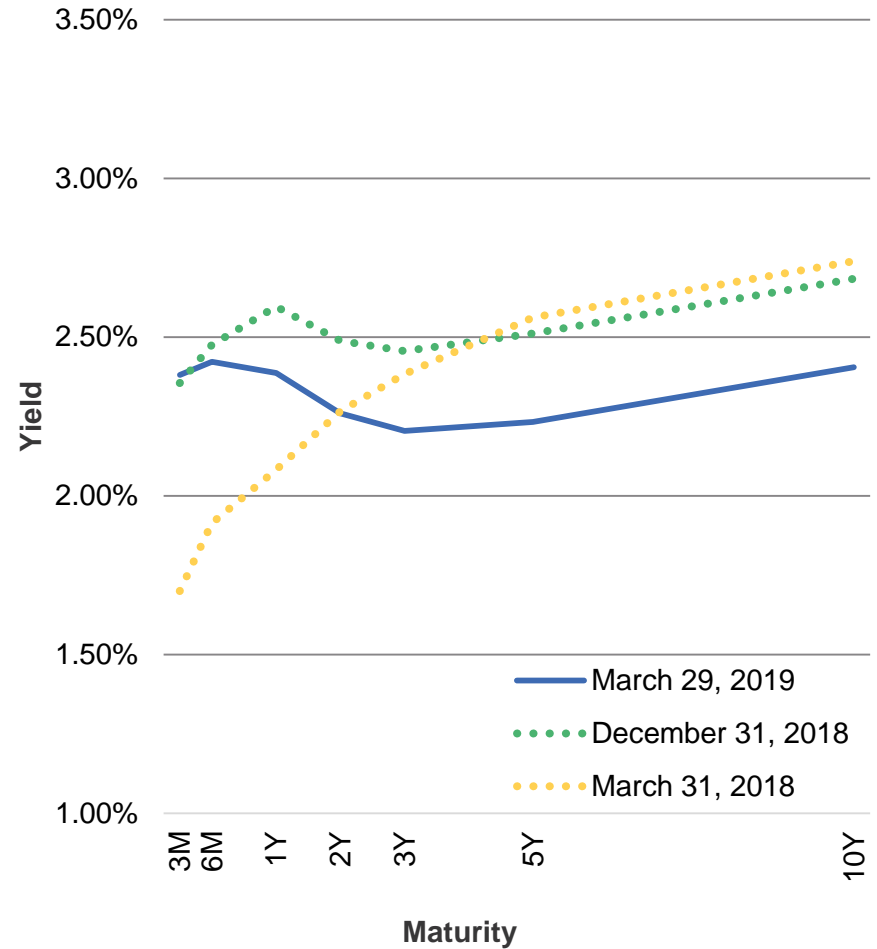


Source: Bloomberg, as of 3/28/2019.



U.S. Treasury Yields Have Fallen; Inversion Deepens

	1Q2019 3/29/19	4Q2018 12/31/18	1Q2018 3/31/18
3-month	2.38%	2.35%	1.70%
6-month	2.42%	2.48%	1.91%
1-year	2.39%	2.60%	2.08%
2-year	2.26%	2.49%	2.27%
3-year	2.20%	2.46%	2.38%
5-year	2.23%	2.51%	2.56%
10-year	2.41%	2.68%	2.74%



Source: Bloomberg as of 3/29/2019.



II. Portfolio Review



Portfolio Characteristics - Internal

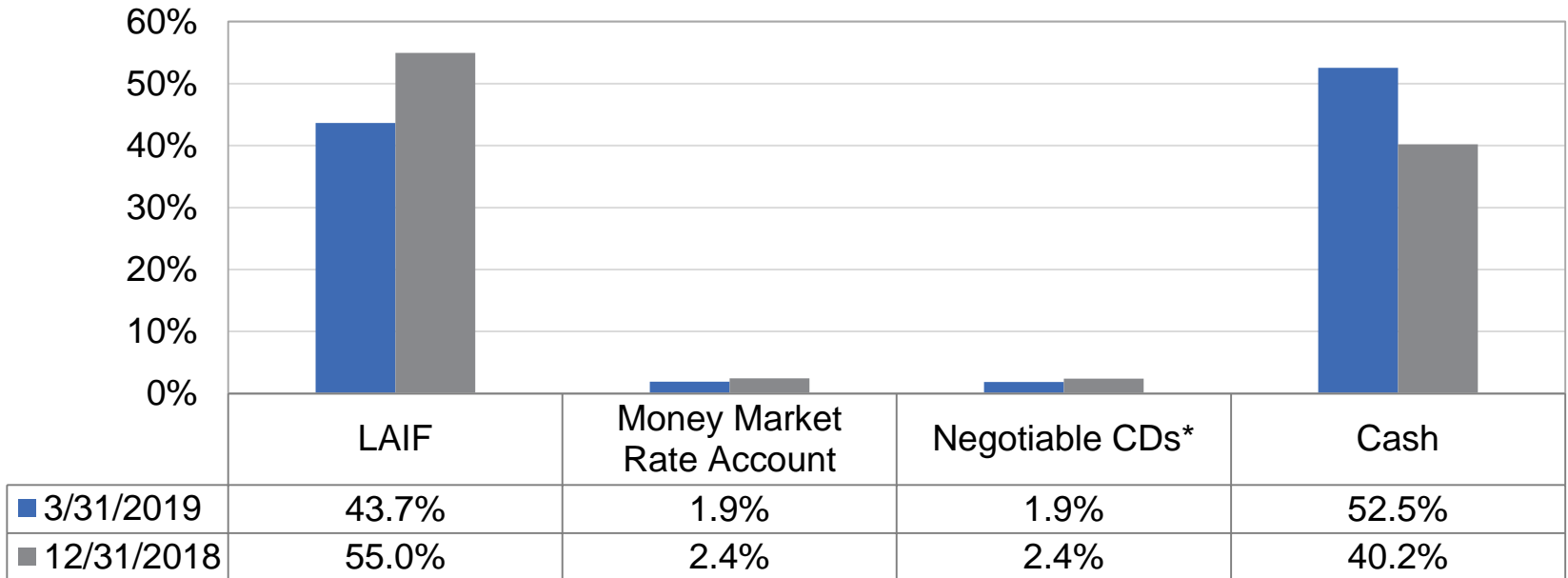
	3/31/2019	12/31/2018
Average Maturity (yrs)	0.02	0.01
Effective Duration ¹	0.02	0.01
Average Market Yield	1.41%	1.52%
Total Market Value	53,022,107	41,673,965

Securities and funds in the internal portfolio are not rated.

1. Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price for each 1% change in interest rates. Modified duration is a similar risk measure but it ignores how changes in rates will impact cash flows on bonds with embedded options such as callable notes, MBS, or ABS. Effective duration takes into account the impact that changing interest rates has on cash flows (i.e., if interest rates fall and a callable bond is more likely to be called prior to its final maturity, the effective duration will decrease).



Sector Distribution- Internal



* Issuer is Pacific Premier Bank.
Percentages based on market values excluding accrued interest.



Aggregate Sector Allocation and Compliance

<u>Security Type</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>% Change vs 12/31/18</u>	<u>Permitted by Policy</u>	<u>In Compliance</u>
U.S. Treasury	\$32,575,580	24.8%	+0.9%	100%	✓
Federal Agency	\$20,071,214	15.3%	-3.4%	100%	✓
Negotiable CDs	\$9,503,509	7.2%	-1.1%	30%	✓
Corporate Notes	\$12,825,898	9.8%	-1.1%	30%	✓
Commercial Paper	\$2,494,256	1.9%	-1.0%	25%	✓
Asset-Backed Securities	\$830,828	0.6%	+0.6%	15%	✓
Securities Sub-Total	\$78,301,284	59.6%	-5.2%		
Money Market Fund	\$148,626	0.1%	-0.1%	20%	✓
Accrued Interest	\$375,665				
Securities Total	\$78,825,574				
LAIF	\$23,154,000	17.6%	-1.7%	\$65 Million	✓
JP Morgan Checking*	\$27,848,226	21.2%	+7.1%	100%	✓
Pacific Premiere MMF	\$1,019,880	0.8%	-0.1%	20%	✓
Pacific Premiere Bank CD	\$1,000,000	0.8%	-0.1%	25%	✓
Total Investments	\$131,847,680	100.0%			

*JP Morgan checking account balance is 100% cash.



Socially Responsible Investment Policy

- The City's Investment Policy restricts issuers from the portfolio who generate revenue from tobacco, electronic cigarette, or tobacco-related products, or who support the direct production or drilling of fossil fuels. The City's portfolio is in compliance with the SRI restrictions. Below are the Bloomberg Industry Classifications ("BICS") for all of the portfolio's holdings.

Issuer	Sector (BICS)	Issuer	Sector (BICS)
American Honda Finance	Automobiles Manufacturing	General Electric	Electrical Equipment Manufacturing
Toyota Motor Credit Corp	Automobiles Manufacturing	Walt Disney Company	Entertainment Content
Ally Auto Receivables Trust	Automobiles Manufacturing	UBS AG Stamford CT	Financial Services
Nissan Auto Receivables	Automobiles Manufacturing	BNY Mellon	Financial Services
Bank of Montreal Chicago	Banks	Hershey Company	Food & Beverage
Bank of Nova Scotia	Banks	FHLB	Government Agencies
Nordea Bank AB NY	Banks	FNMA	Government Agencies
Skandinav Enskilda Banken NY	Banks	FHLMC	Government Agencies
Swedbank NY	Banks	John Deere	Machinery Manufacturing
Westpac Banking Corp NY	Banks	Wal-Mart Stores	Mass Merchants
Credit Agricole	Banks	Berkshire Hathaway	Property & Casualty Insurance
MUFG Bank	Banks	Burlington North	Railroad
Wells Fargo & Company	Banks	Home Depot	Retail - Consumer Discretionary
Apple Inc	Communications Equipment	IBM	Software & Services
Proctor & Gamble	Consumer Products	Microsoft Corp	Software & Services
Unilever	Consumer Products	U.S. Treasury	Sovereigns

Source: Bloomberg. BICs is an industry classification system developed and utilized by Bloomberg that classifies securities based on business, economic function and other characteristics.



Objectives

Investment Objectives

- The investment objectives of the City of San Luis Obispo are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

Performance Objectives

- The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index, the ICE Bank of America Merrill Lynch Index of 0-5 Year Treasury securities.

Strategy

- In order to achieve this objective, the portfolio invests in high-quality money market instruments, U.S. Treasury securities, Federal Agency securities, and high-grade corporate securities, with a maximum maturity of five years.

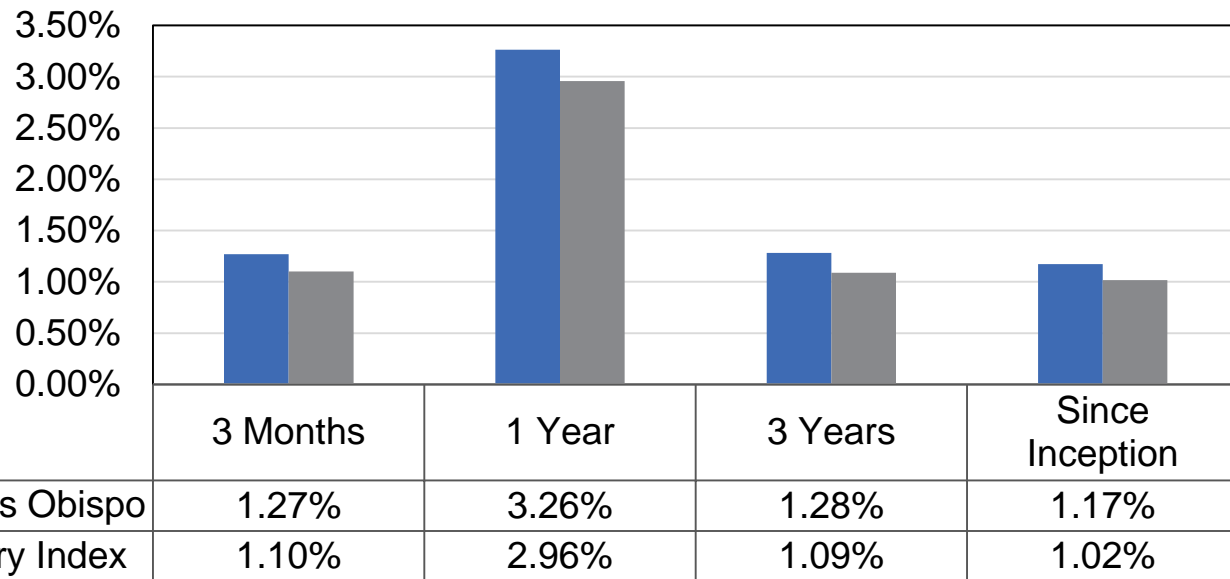


First Quarter 2019 Recap

- Continuing the trend from the fourth quarter of 2018, interest rates moved lower during the first quarter of 2019, as the Fed stated it has no plans for further rate action in 2019. However, in a strong reversal from the prior quarter, equity markets rebounded, credit spreads tightened and volatility decreased.
- U.S. Treasury yields with maturities beyond one year fell 20-30 basis points (0.20% to 0.30%). In the last week of the quarter, the 3-month to 10-year part of the yield curve inverted temporarily, renewing concerns about a possible recession.
- Our portfolio strategy included the following elements:
 - Our strategy over the past several months was to actively reduce exposure to credit sectors (and increase allocations to safer U.S. Treasuries), which helped to reduce relative underperformance versus the benchmark as U.S. Treasuries outperformed credit sectors for the quarter. Because of the maturity of the current business cycle, slower growth prospects, and a Fed now on hold for further rate hikes, we removed our defensive bias with regard to portfolio duration (duration positioning short of the benchmark), a strategy that had been in place for much of 2017-18 while rates were rising. We are now targeting a duration that is in line with the benchmark.
 - Sector allocation strategy continued to favor broad diversification, generally including the widest range of permitted investments. While the fourth quarter flight to safer assets resulted in Treasuries being the best performing sector, the first quarter's rebound generated strong excess returns for the portfolio as most fixed income sectors outperformed similar duration Treasuries.
 - With agency spreads near historic lows, we continued to favor Treasuries in the government space. We found some value in agencies, primarily with new issues that offered wider than average yield spreads.
 - After corporate yield spreads increased to their widest levels in over two years in the fourth quarter, we sought opportunities to add exposure in the sector as spreads moved tighter throughout the first quarter.
 - We found asset-backed securities (ABS) to be an attractive and alternative outlet to other credit instruments, as ABS typically experiences less volatility than corporates during periods of stress.



Total Rate of Return



Difference: **+0.17%** **+0.31%** **+0.19%** **+0.15%**

- Performance is for the City of San Luis Obispo's Operating Funds.
- Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Performance for periods one year and greater are presented on an annualized basis.
- ICE Bank of America Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Inception date is December 31, 2014.



Portfolio Earnings

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2018)	\$76,942,992	\$77,597,570
Net Purchases/Sales	\$548,743	\$548,743
Change in Value	\$600,207	(\$3,712)
Ending Value (3/31/2019)	\$78,091,942	\$78,142,601
Interest Earned	\$382,877	\$382,877
Portfolio Earnings	\$983,084	\$379,164

Earnings for the City of San Luis Obispo's Operating Funds.



Portfolio Characteristics — PFM Managed

	3/31/2019	
	Portfolio	Benchmark ²
Average Maturity (yrs)	2.21	2.26
Effective Duration ¹	2.10	2.09
Average Purchase Yield	2.18%	N/A
Average Market Yield	2.41%	2.33%
Average Quality	AA/Aa1	AA
Total Market Value ³	78,449,909	

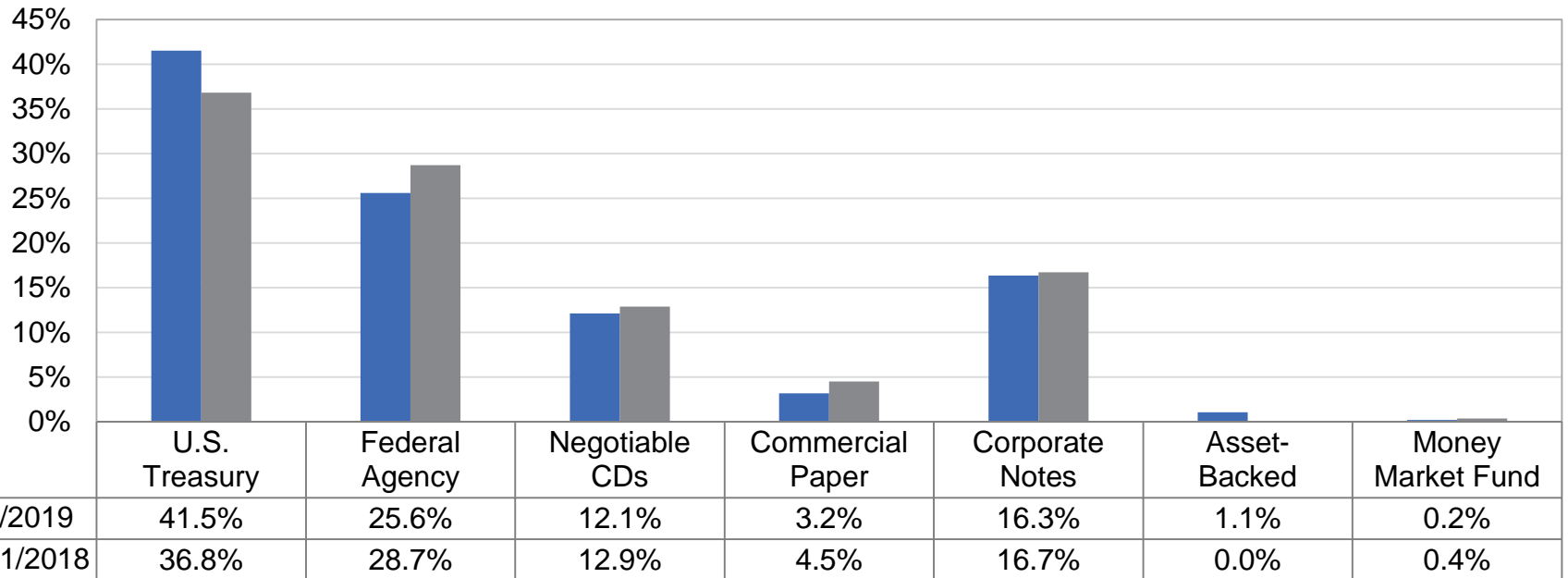
1. The City of San Luis Obispo's current benchmark is the ICE Bank of America Merrill Lynch (BAML) 0-5 Year U.S. Treasury Index.

2. Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price for each 1% change in interest rates. Modified duration is a similar risk measure but it ignores how changes in rates will impact cash flows on bonds with embedded options such as callable notes, MBS, or ABS. Effective duration takes into account the impact that changing interest rates has on cash flows (i.e., if interest rates fall and a callable bond is more likely to be called prior to its final maturity, the effective duration will decrease).

3. Total Market Value includes cash and accrued interest.



Sector Distribution — PFM Managed

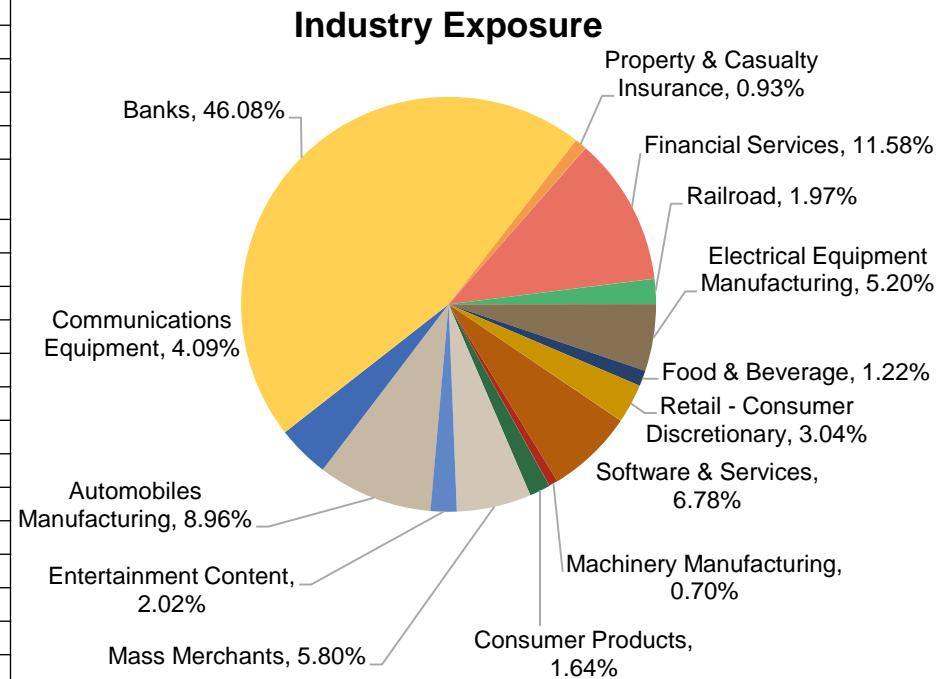


Sector distribution based on market value and excludes accrued interest.



Credit Industry Exposure — PFM Managed

Issuer	Industry*	%
Ally Auto Receivables Trust	Automobiles Manufacturing	0.1%
American Honda Finance	Automobiles Manufacturing	2.3%
Apple Inc	Communications Equipment	4.1%
Bank of Montreal Chicago	Banks	5.3%
Bank of Nova Scotia	Banks	5.9%
Berkshire Hathaway	Property & Casualty Insurance	0.9%
BNY Mellon	Financial Services	7.1%
Burlington North	Railroad	2.0%
Credit Agricole	Banks	5.8%
General Electric	Electrical Equipment Manufacturing	5.2%
Hershey Company	Food & Beverage	1.2%
Home Depot	Retail - Consumer Discretionary	3.0%
IBM	Software & Services	2.9%
John Deere	Machinery Manufacturing	0.7%
Microsoft Corp	Software & Services	3.9%
MUFG Bank	Banks	3.9%
Nissan Auto Receivables	Automobiles Manufacturing	2.0%
Nordea Bank AB NY	Banks	4.5%
Proctor & Gamble	Consumer Products	1.2%
Skandinav Enskilda Banken NY	Banks	5.8%
Swedbank NY	Banks	5.9%
Toyota Motor Credit Corp	Automobiles Manufacturing	4.5%
UBS AG Stamford CT	Financial Services	4.5%
Unilever	Consumer Products	0.4%
Wal-Mart Stores	Mass Merchants	5.8%
Walt Disney Company	Entertainment Content	2.0%
Wells Fargo & Company	Banks	3.8%
Westpac Banking Corp NY	Banks	5.2%
	Total	100.0%

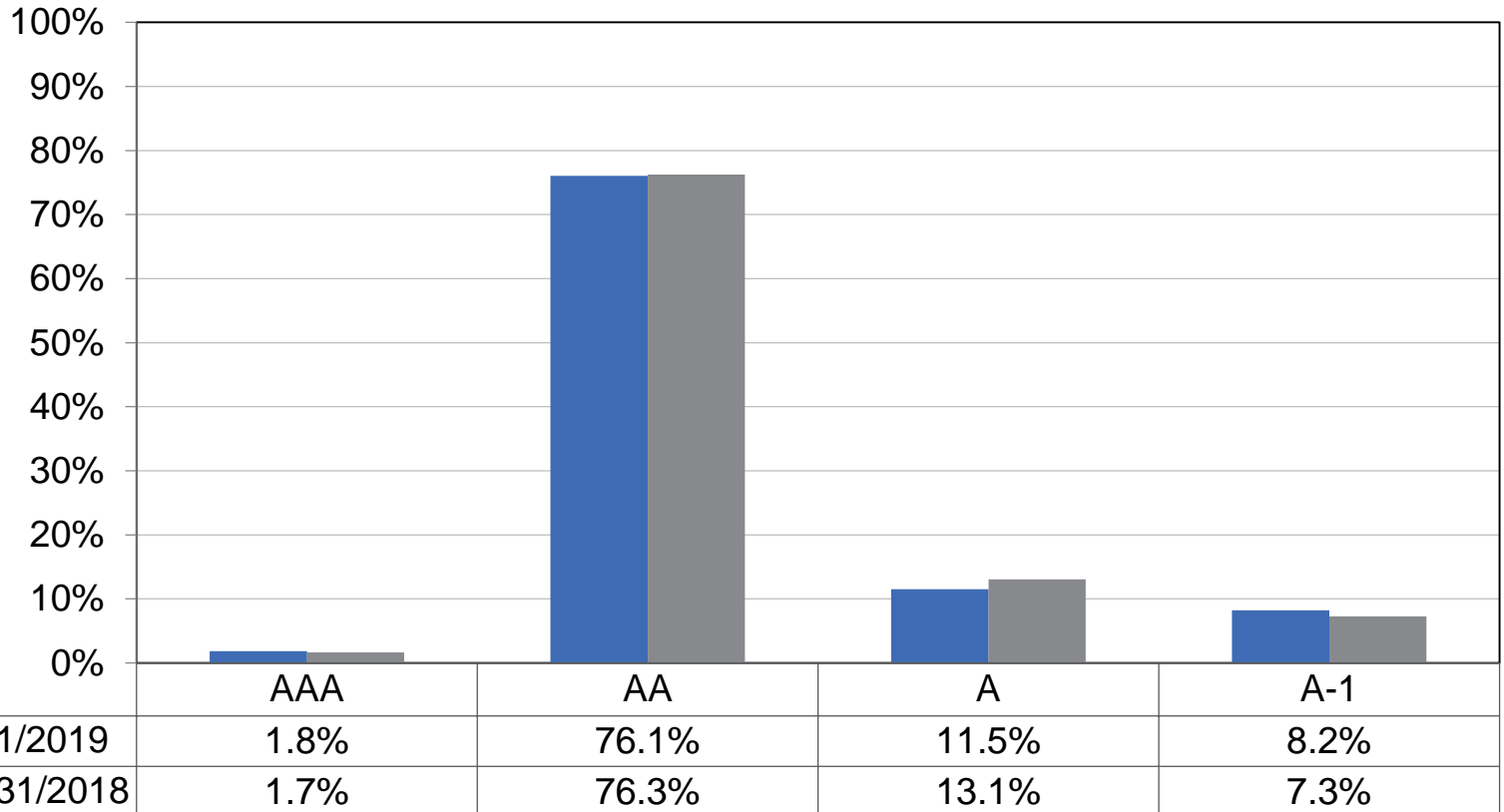


*Issuer's industry as defined by Bloomberg. Detail may not add to total due to rounding.

**General Electric corporate notes were downgraded to BBB+ by S&P, Moody's and Fitch during the further quarter 2018.



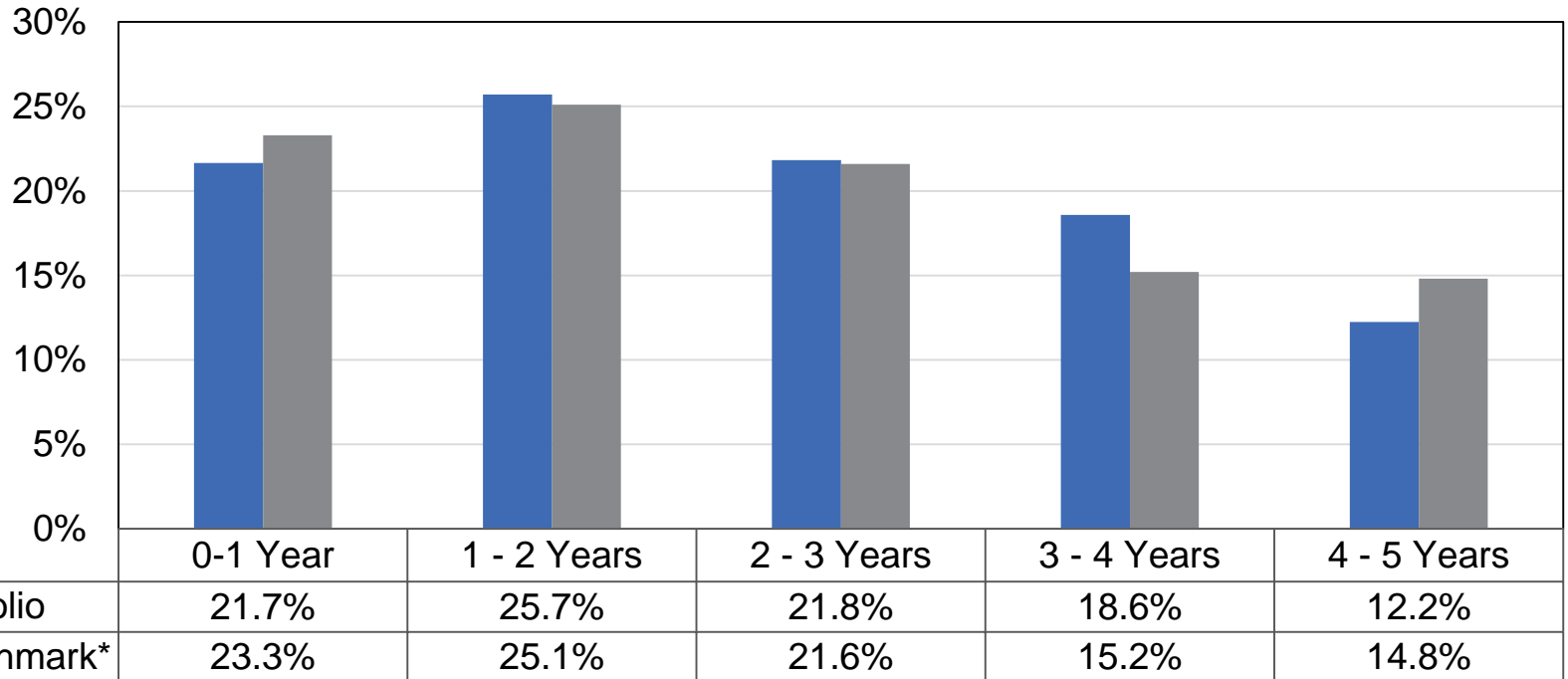
Credit Quality — PFM Managed



Ratings by Standard & Poor's.



Maturity Distribution — PFM Managed Portfolio vs. Benchmark



Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
*Benchmark is composed of the ICE BAML 0-5 Year U.S. Treasury Index. Data from Bloomberg.



Issuer Distribution — PFM Managed

Issuer Name	Investment Type	% of Portfolio	S&P	Moody's
U.S. Treasury	U.S. Treasury	41.6%	AA+	Aaa
FNMA	Federal Agency	17.1%	AA+	Aaa
FHLMC	Federal Agency	5.9%	AA+	Aaa
FHLB	Federal Agency	2.7%	AA+	Aaa
BNY Mellon	Corporate Note	2.3%	A	A1
Swedbank NY	Negotiable CD	1.9%	AA-	Aa2
Bank of Nova Scotia	Negotiable CD	1.9%	A+	Aa2
Credit Agricole	Commercial Paper	1.9%	A-1	P-1
Skandinav Enskilda Banken NY	Negotiable CD	1.9%	A-1	P-1
Wal-Mart Stores	Corporate Note	1.9%	AA	Aa2
Bank of Montreal Chicago	Negotiable CD	1.7%	A+	Aa2
Westpac Banking Corp NY	Negotiable CD	1.7%	AA-	Aa3
General Electric	Corporate Note	1.7%	BBB+	Baa1
Toyota Motor Credit Corp	Corporate Note	1.5%	AA-	Aa3
UBS AG Stamford CT	Negotiable CD	1.5%	A-1	P-1
Nordea Bank AB NY	Negotiable CD	1.5%	A-1+	P-1
Apple Inc	Corporate Note	1.3%	AA+	Aa1
MUFG Bank	Commercial Paper	1.3%	A-1	P-1
Microsoft Corp	Corporate Note	1.3%	AAA	Aaa
Wells Fargo & Company	Corporate Note	1.2%	A-	A2
Home Depot	Corporate Note	1.0%	A	A2
IBM	Corporate Note	0.9%	A	A1
American Honda Finance	Corporate Note	0.8%	A	A2
Walt Disney Company	Corporate Note	0.7%	A	A2
Burlington North	Corporate Note	0.6%	A+	A3
Nissan Auto Receivables	Asset-Backed	0.6%	NR	Aaa
Proctor & Gamble	Corporate Note	0.4%	AA-	Aa3
Hershey Company	Corporate Note	0.4%	A	A1
Berkshire Hathaway	Corporate Note	0.3%	AA	Aa2
John Deere	Corporate Note	0.2%	A	A2
Unilever	Corporate Note	0.1%	A+	A1
Ally Auto Receivables Trust	Asset-Backed	<0.1%	NR	Aaa
Total/Average		100.0%		

Ratings by Standard & Poor's and Moody's.

*Financial securities rated "A" by S&P are rated "AA" by Fitch and /or Egan-Jones Rating Company.

**General Electric corporate notes were downgraded to BBB+ by S&P, Moody's and Fitch during the further quarter 2018.



Current Outlook and Strategy

- With the Fed on hold and the market's current outlook for lower future interest rates, we will maintain a neutral duration posture in the portfolio relative to the benchmark.
- As a result of the outlook for slower economic growth, we continue to recommend maintaining diversification among investment grade sectors with a tilt toward higher grade corporate bonds given their income-producing potential.
- Our outlook for each of the major investment-grade fixed-income sectors are as follows:
 - As federal agency spreads remain very tight, we expect agency purchases to be minimal, seeking better value in either Treasuries or other sectors. Given the inverted-to-flat yield curve, we will also evaluate callable agencies for their incremental yield.
 - In the corporate sector, yield spreads have narrowed, settling in around longer-term, post-recession historical averages. Although the Treasury yield curve is flat, the corporate spread curve remains positively sloped, offering value for extending maturities. But, given international growth concerns, we remain diligent in our issuer and security selection process.
 - Allocations to AAA-rated ABS will be maintained. The sector offers an attractive incremental income compared to similar duration government securities and continues to offer a defensive outlet relative to other credit instruments.
 - Short-term, high quality credit in the form of negotiable certificates of deposit and commercial paper offer good income potential, especially in light of the partially inverted Treasury yield curve.



III. Appendix



A. Consolidated Portfolio Information



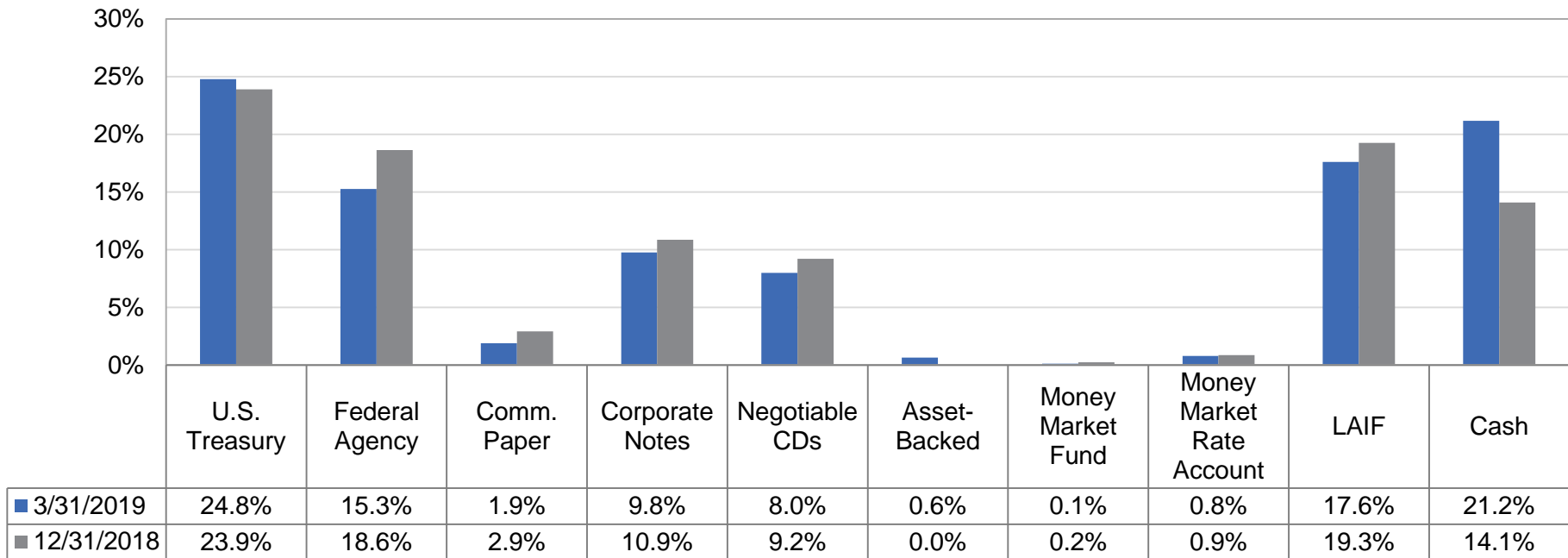
Portfolio Characteristics - Consolidated

	3/31/2019	12/31/2018
Average Maturity (yrs)	1.33	1.30
Effective Duration ¹	1.26	1.24
Average Purchase Yield	1.87%	1.88%
Average Market Yield	2.01%	2.28%
Average Quality	AA/Aa1	AA/Aa1
Total Market Value	131,472,016	118,903,532

1. Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price for each 1% change in interest rates. Modified duration is a similar risk measure but it ignores how changes in rates will impact cash flows on bonds with embedded options such as callable notes, MBS, or ABS. Effective duration takes into account the impact that changing interest rates has on cash flows (i.e., if interest rates fall and a callable bond is more likely to be called prior to its final maturity, the effective duration will decrease).



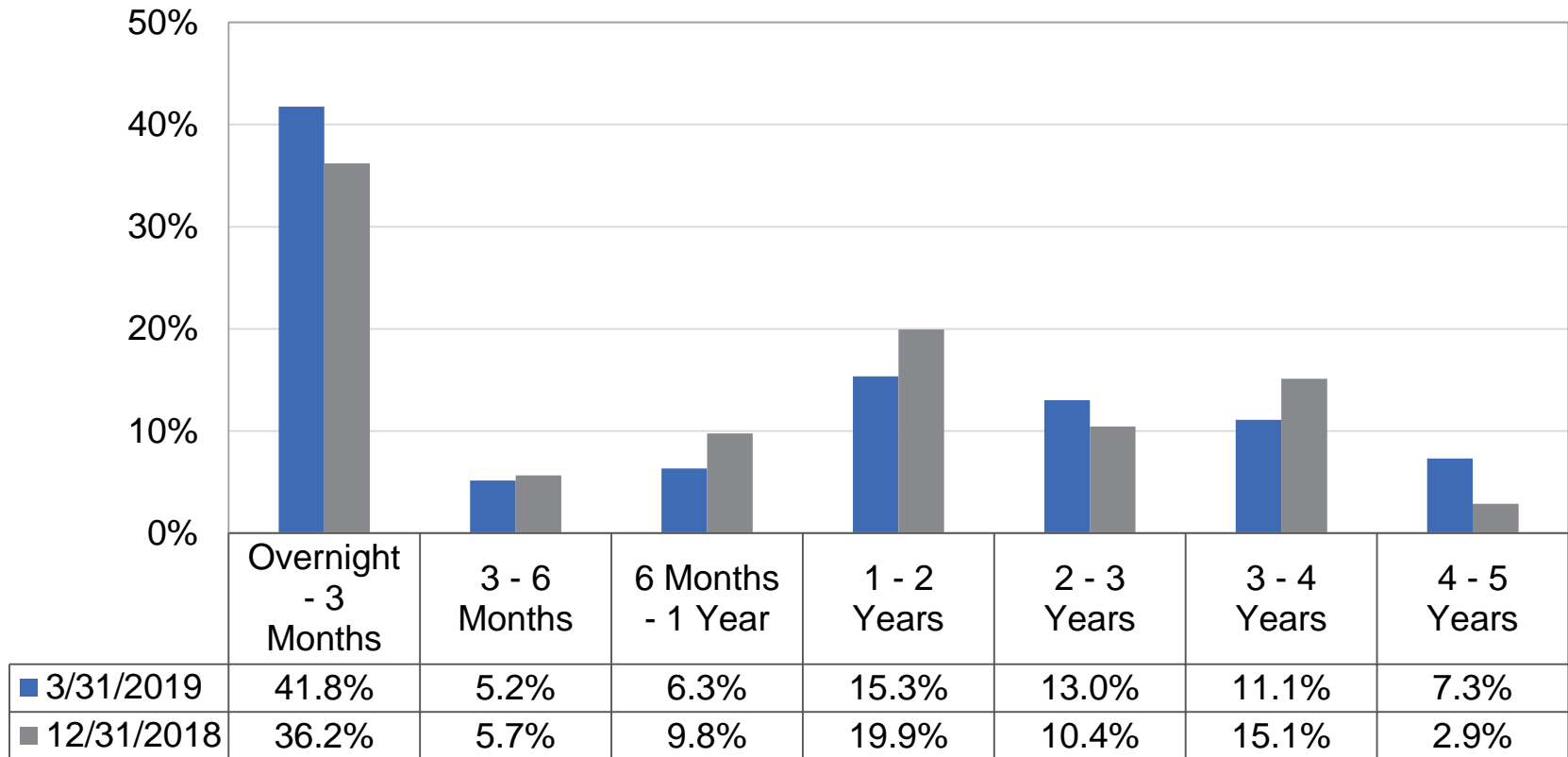
Sector Distribution - Consolidated



Sector distribution based on market value and excludes accrued interest.



Maturity Distribution - Consolidated



Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.



Issuer Distribution - Consolidated

Issuer Name	Investment Type	% of Portfolio	S&P	Moody's
U.S. Treasury	U.S. Treasury	24.8%	Aaa	Aaa
Cash	Cash	21.2%	NR	NR
LAIF	LAIF	17.6%	NR	NR
FNMA	Federal Agency	10.2%	AA+	Aaa
FHLMC	Federal Agency	3.5%	AA+	Aaa
FHLB	Federal Agency	1.6%	AA+	Aaa
BNY Mellon	Corporate Note	1.4%	A	A1
Swedbank NY	Negotiable CD	1.2%	AA-	Aa2
Bank of Nova Scotia	Negotiable CD	1.1%	A+	Aa2
Credit Agricole	Commercial Paper	1.1%	A-1	P-1
Skandinav Enskilda Banken NY	Negotiable CD	1.1%	A-1	P-1
Wal-Mart Stores	Corporate Note	1.1%	AA	Aa2
Bank of Montreal Chicago	Negotiable CD	1.0%	A+	Aa2
Westpac Banking Corp NY	Negotiable CD	1.0%	AA-	Aa3
General Electric	Corporate Note	1.0%	BBB+	Baa1
Toyota Motor Credit Corp	Corporate Note	0.9%	AA-	Aa3
UBS AG Stamford CT	Negotiable CD	0.9%	A-1	P-1
Nordea Bank AB NY	Negotiable CD	0.9%	A-1+	P-1
Apple Inc	Corporate Note	0.8%	AA+	Aa1
Pacific Premier Bank	Money Market Rate Account	0.8%	NR	NR
Pacific Premier Bank	Money Market RA	0.8%	NR	NR
MUFG Bank	Commercial Paper	0.8%	A-1	P-1
Microsoft Corp	Corporate Note	0.8%	AAA	Aaa
Wells Fargo & Company	Corporate Note	0.7%	A-	A2
Home Depot	Corporate Note	0.6%	A	A2
IBM	Corporate Note	0.6%	A	A1
American Honda Finance	Corporate Note	0.5%	A	A2
Walt Disney Company	Corporate Note	0.4%	A	A2
Burlington North	Corporate Note	0.4%	A+	A3
Nissan Auto Receivables	Asset-Backed	0.4%	NR	Aaa
Proctor & Gamble	Corporate Note	0.2%	AA-	Aa3
Hershey Company	Corporate Note	0.2%	A	A1
Berkshire Hathaway	Corporate Note	0.2%	AA	Aa2
John Deere	Corporate Note	0.1%	A	A2
Dreyfus Prime Cash Management Fund	Money Market Fund	0.1%	NR	NR
Unilever	Corporate Note	0.1%	A+	A1
Ally Auto Receivables Trust	Asset-Backed	0.0%	NR	Aaa
Nissan Auto Receivables	Asset-Backed	0.0%	NR	Aaa
Total		100.0%		

Ratings by Standard & Poor's and Moody's.

*General Electric corporate notes were downgraded to BBB+ by S&P, Moody's, and Fitch during the fourth quarter 2018.



B. Investment Policy Snapshot



Investment Policy Snapshot

- The portfolio complies with California Government Code and the City of San Luis Obispo's Investment Policy in regards to credit quality, maturity, sector, and issuer limits.

Category	Standard	In Compliance
Treasury Obligations	5 year maximum maturity	Yes
Government Sponsored Enterprise (GSE) Securities	5 year maximum maturity	Yes
Corporate Notes	5 year maximum maturity At least an "A" rating, its equivalent or better by one or more NRSROs 30% maximum, 5% per issuer	Yes
Asset Backed Security	5 year maximum maturity At least a "AAA" or better 15% Maximum, 2.5% per issuer	Yes
Local Government Investment Pool (LAIF)	Up to maximum permitted by State Law	Yes
Negotiable Certificates of Deposit	5 year maximum maturity At least an "A" rating, its equivalent or better by one or more NRSROs 30% maximum, 5% per issuer	Yes
Commercial Paper	270 day maximum maturity At least one "A-1" rating 40% maximum, 10% per issuer	Yes
Collateralized Bank Deposits	25% maximum, 5% per issuer	Yes
Money Market Mutual Funds	Highest rating category by 2 NRSROs 20% maximum, 10% per issuer	Yes
Maximum maturity	10 years; 10% maximum of portfolio in Treasury and GSE obligations with maturity >5 years	Yes
Duration limit	Duration of portfolio equal duration of benchmark plus or minus 10%	Yes
Social responsibility	No investments in companies involved in tobacco, electronic cigarettes, or the direct production or drilling of fossil fuels	Yes

Applies to aggregate portfolio. Source: City of San Luis Obispo Investment Management Plan, 2018.



C. Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 02/02/2015 1.250% 01/31/2020	912828H52	580,000.00	AA+	Aaa	11/9/2018	11/13/2018	569,125.00	2.83	1,201.66	572,502.31	574,358.34
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	560,000.00	AA+	Aaa	2/1/2016	2/3/2016	562,953.13	1.25	3,233.15	560,767.93	553,852.88
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	600,000.00	AA+	Aaa	12/2/2015	12/4/2015	595,195.31	1.56	2,765.11	598,721.44	592,945.20
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	685,000.00	AA+	Aaa	3/29/2016	3/30/2016	695,275.00	1.27	1,844.96	688,220.97	678,123.29
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	1,330,000.00	AA+	Aaa	10/1/2018	10/1/2018	1,290,775.39	2.84	7,678.73	1,300,029.89	1,309,894.39
US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	725,000.00	AA+	Aaa	10/3/2016	10/5/2016	751,394.53	1.15	1,260.87	736,631.28	720,865.33
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	380,000.00	AA+	Aaa	7/6/2017	7/7/2017	373,869.53	1.81	1,751.24	376,544.99	372,800.90
US TREASURY NOTES DTD 07/31/2014 2.250% 07/31/2021	912828WY2	685,000.00	AA+	Aaa	11/22/2016	11/23/2016	699,556.25	1.78	2,554.56	692,401.90	684,652.02
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,575,000.00	AA+	Aaa	12/1/2016	12/5/2016	1,580,537.11	1.92	2,739.13	1,577,893.92	1,565,094.83
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	1,145,000.00	AA+	Aaa	4/3/2017	4/5/2017	1,152,111.52	1.86	9,615.47	1,149,092.65	1,137,665.13
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	1,400,000.00	AA+	Aaa	3/1/2018	3/5/2018	1,376,867.19	2.48	11,756.91	1,383,470.13	1,391,031.60
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	1,000,000.00	AA+	Aaa	1/3/2017	1/5/2017	1,002,226.56	1.95	8,397.79	1,001,224.31	993,594.00
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	750,000.00	AA+	Aaa	11/1/2017	11/3/2017	745,107.42	1.92	4,399.04	746,759.94	740,302.50
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	1,545,000.00	AA+	Aaa	7/6/2017	7/11/2017	1,543,370.51	1.90	4,801.45	1,543,974.15	1,529,369.24
US TREASURY NOTES DTD 03/02/2015 1.750% 02/28/2022	912828J43	365,000.00	AA+	Aaa	3/15/2017	3/17/2017	358,270.31	2.14	555.43	360,958.20	359,952.78

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	1,860,000.00	AA+	Aaa	8/1/2018	8/3/2018	1,798,968.75	2.82	95.29	1,809,562.68	1,841,254.92
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	1,200,000.00	AA+	Aaa	12/1/2017	12/5/2017	1,188,796.88	2.10	61.48	1,192,127.58	1,187,906.40
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	2,085,000.00	AA+	Aaa	9/4/2018	9/6/2018	2,023,508.79	2.75	106.81	2,032,926.37	2,063,987.37
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	1,300,000.00	AA+	Aaa	1/3/2018	1/4/2018	1,284,105.47	2.18	66.60	1,288,616.10	1,286,898.60
US TREASURY NOTES DTD 07/31/2015 2.000% 07/31/2022	912828XQ8	2,100,000.00	AA+	Aaa	8/30/2017	9/1/2017	2,126,003.91	1.74	6,961.33	2,117,893.64	2,084,250.00
US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	912828P4	795,000.00	AA+	Aaa	11/1/2017	11/3/2017	790,093.36	2.01	2,470.65	791,508.79	785,776.41
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	1,240,000.00	AA+	Aaa	6/4/2018	6/6/2018	1,189,382.81	2.76	59.29	1,198,553.19	1,219,753.28
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	500,000.00	AA+	Aaa	10/3/2017	10/6/2017	495,742.19	1.93	23.91	496,970.13	491,836.00
US TREASURY N/B NOTES DTD 10/31/2017 2.000% 10/31/2022	9128283C2	1,835,000.00	AA+	Aaa	5/2/2018	5/4/2018	1,773,785.55	2.80	15,409.94	1,785,581.05	1,820,305.32
US TREASURY NOTES DTD 02/29/2016 1.500% 02/28/2023	912828P79	1,090,000.00	AA+	Aaa	7/2/2018	7/5/2018	1,031,242.19	2.74	1,421.74	1,040,130.89	1,060,025.00
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	840,000.00	AA+	Aaa	2/8/2019	2/12/2019	809,057.81	2.44	34.43	810,005.90	816,309.48
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	855,000.00	AA+	Aaa	2/8/2019	2/12/2019	812,216.60	2.44	1,771.41	813,426.43	820,132.25
US TREASURY NOTES DTD 11/15/2013 2.750% 11/15/2023	912828WE6	1,530,000.00	AA+	Aaa	3/6/2019	3/8/2019	1,545,479.30	2.52	15,923.41	1,545,282.99	1,563,409.08
US TREASURY NOTES DTD 11/30/2016 2.125% 11/30/2023	912828U57	2,185,000.00	AA+	Aaa	1/7/2019	1/9/2019	2,145,908.98	2.52	15,562.12	2,147,623.52	2,173,135.45
US TREASURY N/B DTD 12/31/2018 2.625% 12/31/2023	9128285U0	75,000.00	AA+	Aaa	1/30/2019	1/31/2019	75,222.66	2.56	494.91	75,215.90	76,274.40

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		32,815,000.00					32,386,150.01	2.26	125,018.82	32,434,619.17	32,495,756.39
Federal Agency Bond / Note											
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	275,000.00	AA+	Aaa	7/19/2016	7/20/2016	274,334.50	0.96	481.25	274,932.59	273,689.35
FREDDIE MAC GLOBAL NOTES DTD 07/30/2012 1.250% 08/01/2019	3137EADK2	1,050,000.00	AA+	Aaa	9/15/2014	9/15/2014	1,019,077.50	1.88	2,187.50	1,047,799.44	1,045,779.00
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	2,350,000.00	AA+	Aaa	7/29/2016	8/2/2016	2,346,052.00	0.93	3,369.97	2,349,552.51	2,337,573.20
FREDDIE MAC NOTES DTD 07/19/2017 1.375% 08/15/2019	3137EAEH8	355,000.00	AA+	Aaa	7/18/2017	7/19/2017	354,478.15	1.45	623.72	354,905.00	353,624.73
FNMA NOTES DTD 07/28/2014 1.750% 09/12/2019	3135G0ZG1	260,000.00	AA+	Aaa	2/4/2015	2/9/2015	264,505.80	1.36	240.14	260,451.24	259,165.40
FREDDIE MAC GLOBAL NOTES DTD 10/02/2012 1.250% 10/02/2019	3137EADM8	700,000.00	AA+	Aaa	12/28/2015	12/30/2015	689,857.00	1.65	4,350.69	698,606.20	695,751.00
FHLB NOTES DTD 11/17/2016 1.375% 11/15/2019	3130AA3R7	1,395,000.00	AA+	Aaa	11/16/2016	11/17/2016	1,394,679.15	1.38	7,246.25	1,394,932.19	1,386,275.67
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	885,000.00	AA+	Aaa	2/24/2017	2/28/2017	884,433.60	1.52	1,216.88	884,825.83	877,644.77
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	1,165,000.00	AA+	Aaa	4/19/2017	4/20/2017	1,161,015.70	1.49	7,163.94	1,163,581.76	1,152,342.28
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	1,465,000.00	AA+	Aaa	7/28/2017	8/1/2017	1,460,561.05	1.60	3,723.54	1,463,003.72	1,448,085.11
FREDDIE MAC NOTES DTD 02/16/2018 2.375% 02/16/2021	3137EAEL9	1,000,000.00	AA+	Aaa	7/2/2018	7/5/2018	991,780.00	2.70	2,968.75	994,057.56	1,000,967.00
FNMA NOTES DTD 02/05/2016 1.375% 02/26/2021	3135G0J20	520,000.00	AA+	Aaa	5/18/2016	5/19/2016	518,850.80	1.42	695.14	519,533.53	510,824.08
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	750,000.00	AA+	Aaa	4/12/2018	4/13/2018	748,882.50	2.55	8,750.00	749,233.42	752,780.25
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	1,000,000.00	AA+	Aaa	9/1/2016	9/2/2016	993,880.00	1.38	1,527.78	997,014.10	975,544.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	1,045,000.00	AA+	Aaa	8/17/2016	8/19/2016	1,040,767.75	1.33	1,596.53	1,042,950.17	1,019,443.48
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	325,000.00	AA+	Aaa	8/17/2016	8/19/2016	323,888.18	1.32	496.53	324,461.59	317,051.80
FANNIE MAE NOTES DTD 01/09/2017 2.000% 01/05/2022	3135G0S38	2,235,000.00	AA+	Aaa	6/27/2017	6/29/2017	2,249,281.65	1.85	10,678.33	2,243,871.59	2,217,663.11
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	555,000.00	AA+	Aaa	1/9/2019	1/11/2019	554,600.40	2.65	3,237.50	554,629.03	560,023.31
FANNIE MAE NOTES DTD 09/14/2018 2.875% 09/12/2023	3135G0U43	1,570,000.00	AA+	Aaa	11/29/2018	11/30/2018	1,562,573.90	2.98	2,382.26	1,563,098.92	1,606,742.71
FEDERAL HOME LOAN BANKS NOTES DTD 12/09/2013 3.375% 12/08/2023	3130A0F70	560,000.00	AA+	Aaa	1/30/2019	1/31/2019	576,744.00	2.71	5,932.50	576,204.29	585,470.48
FANNIE MAE NOTES DTD 02/08/2019 2.500% 02/05/2024	3135G0V34	440,000.00	AA+	Aaa	2/7/2019	2/8/2019	438,363.20	2.58	1,619.44	438,408.58	444,131.60
FHLB BONDS DTD 02/15/2019 2.500% 02/13/2024	3130AFW94	120,000.00	AA+	Aaa	2/14/2019	2/15/2019	119,575.20	2.58	383.33	119,585.43	121,123.56
Security Type Sub-Total		20,020,000.00					19,968,182.03	1.79	70,871.97	20,015,638.69	19,941,695.89
Corporate Note											
TOYOTA MOTOR CREDIT CORP NOTES DTD 07/18/2014 2.125% 07/18/2019	89236TBP9	640,000.00	AA-	Aa3	2/10/2017	2/15/2017	644,940.80	1.80	2,757.78	640,616.53	639,098.24
BERKSHIRE HATHAWAY INC CORPORATE NOTES DTD 08/15/2016 1.300% 08/15/2019	084664CK5	240,000.00	AA	Aa2	8/8/2016	8/15/2016	239,767.20	1.33	398.67	239,970.63	238,874.40
BURLINGTON NRTH CORP NOTE DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	500,000.00	A+	A3	6/3/2016	6/8/2016	551,950.00	1.48	11,750.00	508,002.79	505,324.00
MICROSOFT CORP (CALLABLE) NOTE DTD 02/12/2015 1.850% 02/12/2020	594918AY0	1,000,000.00	AAA	Aaa	4/8/2015	4/13/2015	1,012,570.00	1.58	2,518.06	1,002,134.95	995,239.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
GENERAL ELECTRIC CO CORPORATE NOTE DTD 04/27/2007 5.550% 05/04/2020	36962G2T0	1,300,000.00	BBB+	Baa1	9/25/2017	9/27/2017	1,422,486.00	1.83	29,461.25	1,352,075.31	1,334,037.90
UNILEVER CAPITAL CORP BONDS DTD 05/05/2017 1.800% 05/05/2020	904764AV9	105,000.00	A+	A1	5/2/2017	5/5/2017	104,665.05	1.91	766.50	104,875.63	104,121.15
JOHN DEERE CAPITAL CORP NOTES DTD 06/22/2017 1.950% 06/22/2020	24422ETS8	180,000.00	A	A2	6/19/2017	6/22/2017	179,890.20	1.97	965.25	179,954.41	178,598.70
BNY MELLON CORP NOTE (CALLABLE) DTD 08/17/2015 2.600% 08/17/2020	06406HDD8	960,000.00	A	A1	6/3/2016	6/8/2016	990,316.80	1.81	3,050.67	969,800.33	959,892.48
THE PROCTER & GAMBLE CO CORP NOTES DTD 10/25/2017 1.900% 10/23/2020	742718FA2	320,000.00	AA-	Aa3	10/23/2017	10/25/2017	319,510.40	1.95	2,668.44	319,741.16	317,842.24
BONY MELLON CORP NOTE (CALLABLE) DTD 11/27/2015 2.450% 11/27/2020	06406HDF3	865,000.00	A	A1	8/15/2016	8/18/2016	891,564.15	1.70	7,299.64	875,188.89	861,085.88
WELLS FARGO & COMPANY NOTES DTD 12/07/2015 2.550% 12/07/2020	94974BGR5	975,000.00	A-	A2	6/3/2016	6/8/2016	997,191.00	2.02	7,873.13	983,538.93	971,842.95
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	1,500,000.00	AA	Aa2	10/11/2017	10/20/2017	1,497,825.00	1.95	8,391.67	1,498,799.30	1,487,034.00
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 01/08/2019 3.050% 01/08/2021	89236TFQ3	435,000.00	AA-	Aa3	1/3/2019	1/8/2019	434,739.00	3.08	3,058.90	434,768.40	438,933.27
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	310,000.00	A	A1	5/3/2018	5/10/2018	309,786.10	3.12	3,630.44	309,846.65	313,091.94
AMERICAN HONDA FINANCE CORP NOTES DTD 09/09/2016 1.700% 09/09/2021	02665WBG5	400,000.00	A	A2	2/21/2019	2/25/2019	387,588.00	2.98	415.56	388,063.07	390,654.00
IBM CORP BONDS DTD 01/27/2017 2.500% 01/27/2022	459200JQ5	750,000.00	A	A1	2/1/2017	2/3/2017	751,575.00	2.45	3,333.33	750,916.27	743,486.25
APPLE INC CORP NOTES DTD 02/09/2017 2.500% 02/09/2022	037833CM0	1,050,000.00	AA+	Aa1	1/7/2019	1/9/2019	1,034,418.00	3.01	3,791.67	1,035,537.09	1,048,715.85

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
WALT DISNEY COMPANY/THE CORP NOTES DTD 11/30/2012 2.350% 12/01/2022	25468PCW4	525,000.00	A	A2	4/3/2018	4/5/2018	508,599.00	3.07	4,112.50	511,901.49	519,199.80
HOME DEPOT INC CORP NOTES DTD 04/05/2013 2.700% 04/01/2023	437076AZ5	775,000.00	A	A2	4/3/2018	4/5/2018	760,275.00	3.11	10,462.50	763,017.66	778,826.18
Security Type Sub-Total		12,830,000.00					13,039,656.70	2.18	106,705.96	12,868,749.49	12,825,898.23
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 10/09/2018 0.000% 04/08/2019	22533UR88	1,500,000.00	A-1	P-1	10/9/2018	10/9/2018	1,480,768.75	2.58	0.00	1,499,256.26	1,499,002.50
MUFG BANK LTD/NY COMM PAPER DTD 10/23/2018 0.000% 06/05/2019	62479MT52	1,000,000.00	A-1	P-1	12/3/2018	12/3/2018	985,382.22	2.90	0.00	994,836.11	995,253.00
Security Type Sub-Total		2,500,000.00					2,466,150.97	2.71	0.00	2,494,092.37	2,494,255.50
Certificate of Deposit											
BANK OF NOVA SCOTIA HOUSTON CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	165,000.00	A-1	P-1	4/5/2017	4/6/2017	165,000.00	1.91	1,558.24	165,000.00	164,975.75
SKANDINAVISKA ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	1,500,000.00	A-1	P-1	8/3/2017	8/4/2017	1,499,415.00	1.85	4,446.67	1,499,901.17	1,496,056.50
NORDEA BANK AB NY CD DTD 02/22/2018 2.720% 02/20/2020	65590ASN7	1,145,000.00	A-1+	P-1	2/20/2018	2/22/2018	1,145,000.00	2.72	3,546.96	1,145,000.00	1,147,538.47
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	1,145,000.00	A-1	P-1	3/2/2018	3/6/2018	1,145,000.00	2.93	2,582.61	1,145,000.00	1,148,688.05
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	1,330,000.00	A+	Aa2	6/5/2018	6/7/2018	1,329,494.60	3.10	13,199.51	1,329,697.00	1,339,310.00
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	1,345,000.00	AA-	Aa3	8/3/2017	8/7/2017	1,345,000.00	2.05	4,135.88	1,345,000.00	1,337,455.90

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	1,350,000.00	A+	Aa2	8/1/2018	8/3/2018	1,350,000.00	3.23	28,829.63	1,350,000.00	1,356,412.50
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	1,525,000.00	AA-	Aa2	11/16/2017	11/17/2017	1,525,000.00	2.30	13,077.72	1,525,000.00	1,513,071.45
Security Type Sub-Total		9,505,000.00					9,503,909.60	2.56	71,377.22	9,504,598.17	9,503,508.62
Asset-Backed Security											
HAROT 2019-1 A3 DTD 02/27/2019 2.830% 03/20/2023	43814WAC9	210,000.00	AAA	NR	2/19/2019	2/27/2019	209,994.37	2.83	214.61	209,994.59	211,293.56
TAOT 2019-A A3 DTD 02/13/2019 2.910% 07/15/2023	89239AAD5	80,000.00	AAA	Aaa	2/5/2019	2/13/2019	79,985.42	2.92	103.47	79,985.88	80,569.18
ALLYA 2019-1 A3 DTD 02/13/2019 2.910% 09/15/2023	02004WAC5	35,000.00	NR	Aaa	2/5/2019	2/13/2019	34,995.77	3.13	45.27	34,995.90	35,265.96
NAROT 2019-A A3 DTD 02/13/2019 2.900% 10/15/2023	65479KAD2	500,000.00	NR	Aaa	2/5/2019	2/13/2019	499,924.25	2.91	644.44	499,926.50	503,698.85
Security Type Sub-Total		825,000.00					824,899.81	2.90	1,007.79	824,902.87	830,827.55
Managed Account Sub Total		78,495,000.00					78,188,949.12	2.18	374,981.76	78,142,600.76	78,091,942.18
Securities Sub-Total		\$78,495,000.00					\$78,188,949.12	2.18%	\$374,981.76	\$78,142,600.76	\$78,091,942.18
Accrued Interest											\$374,981.76
Total Investments											\$78,466,923.94

Bolded items are forward settling trades.



D. Quarterly Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/3/19	1/8/19	435,000	89236TFQ3	TOYOTA MOTOR CREDIT CORP CORP NOTES	3.05%	1/8/21	434,739.00	3.08%	
1/7/19	1/9/19	2,185,000	912828U57	US TREASURY NOTES	2.12%	11/30/23	2,151,011.32	2.52%	
1/7/19	1/9/19	1,050,000	037833CM0	APPLE INC CORP NOTES	2.50%	2/9/22	1,045,355.50	3.01%	
1/9/19	1/11/19	555,000	3135G0U92	FANNIE MAE NOTES	2.62%	1/11/22	554,600.40	2.65%	
1/30/19	1/31/19	635,000	9128285U0	US TREASURY N/B	2.62%	12/31/23	638,312.59	2.56%	
1/30/19	1/31/19	560,000	3130A0F70	FEDERAL HOME LOAN BANKS NOTES	3.37%	12/8/23	579,526.50	2.71%	
2/5/19	2/13/19	35,000	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/23	34,995.77	3.13%	
2/5/19	2/13/19	80,000	89239AAD5	TAOT 2019-A A3	2.91%	7/15/23	79,985.42	2.92%	
2/5/19	2/13/19	500,000	65479KAD2	NAROT 2019-A A3	2.90%	10/15/23	499,924.25	2.91%	
2/7/19	2/8/19	440,000	3135G0V34	FANNIE MAE NOTES	2.50%	2/5/24	438,363.20	2.58%	
2/8/19	2/12/19	855,000	912828S92	US TREASURY NOTES	1.25%	7/31/23	812,570.88	2.44%	
2/8/19	2/12/19	840,000	912828Q29	US TREASURY NOTES	1.50%	3/31/23	813,730.89	2.44%	
2/14/19	2/15/19	120,000	3130AFW94	FHLB BONDS	2.50%	2/13/24	119,575.20	2.58%	
2/19/19	2/27/19	210,000	43814WAC9	HAROT 2019-1 A3	2.83%	3/20/23	209,994.37	2.83%	
2/21/19	2/25/19	400,000	02665WBG5	AMERICAN HONDA FINANCE CORP NOTES	1.70%	9/9/21	390,723.56	2.98%	
3/6/19	3/8/19	1,530,000	912828WE6	US TREASURY NOTES	2.75%	11/15/23	1,558,613.21	2.52%	
Total BUY		10,430,000					10,362,022.06		

INTEREST

1/3/19	1/3/19	0	MONEY0002	MONEY MARKET FUND			475.69		
1/5/19	1/5/19	2,235,000	3135G0S38	FANNIE MAE NOTES	2.00%	1/5/22	22,350.00		
1/18/19	1/18/19	640,000	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	6,800.00		
1/19/19	1/19/19	1,275,000	3137EAEB1	FHLMC REFERENCE NOTE	0.87%	7/19/19	5,578.13		
1/27/19	1/27/19	750,000	459200JQ5	IBM CORP BONDS	2.50%	1/27/22	9,375.00		

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
1/30/19	1/30/19	1,465,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	10,987.50		
1/31/19	1/31/19	580,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	3,625.00		
1/31/19	1/31/19	795,000	9128282P4	US TREASURY NOTES	1.87%	7/31/22	7,453.13		
1/31/19	1/31/19	685,000	912828WY2	US TREASURY NOTES	2.25%	7/31/21	7,706.25		
1/31/19	1/31/19	2,100,000	912828XQ8	US TREASURY NOTES	2.00%	7/31/22	21,000.00		
1/31/19	1/31/19	685,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	5,565.63		
1/31/19	1/31/19	1,545,000	912828V72	US TREASURY NOTES	1.87%	1/31/22	14,484.38		
2/1/19	2/1/19	1,050,000	3137EADK2	FREDDIE MAC GLOBAL NOTES	1.25%	8/1/19	6,562.50		
2/2/19	2/2/19	2,350,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	10,281.25		
2/4/19	2/4/19	0	MONEY0002	MONEY MARKET FUND			222.19		
2/4/19	2/4/19	1,500,000	83050FXT3	SKANDINAVISKA ENSKILDA BANKEN NY CD	1.84%	8/2/19	14,260.00		
2/7/19	2/7/19	500,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	4,700.00		
2/7/19	2/7/19	1,345,000	96121T4A3	WESTPAC BANKING CORP NY CD	2.05%	8/3/20	13,786.25		
2/9/19	2/9/19	1,050,000	037833CM0	APPLE INC CORP NOTES	2.50%	2/9/22	13,125.00		
2/12/19	2/12/19	1,000,000	594918AY0	MICROSOFT CORP (CALLABLE) NOTE	1.85%	2/12/20	9,250.00		
2/15/19	2/15/19	240,000	084664CK5	BERKSHIRE HATHAWAY INC CORPORATE NOTES	1.30%	8/15/19	1,560.00		
2/15/19	2/15/19	355,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	2,440.63		
2/16/19	2/16/19	1,000,000	3137EAEI9	FREDDIE MAC NOTES	2.37%	2/16/21	11,875.00		
2/17/19	2/17/19	325,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	2,031.25		
2/17/19	2/17/19	1,045,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	6,531.25		
2/17/19	2/17/19	1,000,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	6,250.00		
2/17/19	2/17/19	960,000	06406HDD8	BNY MELLON CORP NOTE (CALLABLE)	2.60%	8/17/20	12,480.00		
2/20/19	2/20/19	1,145,000	65590ASN7	NORDEA BANK AB NY CD	2.72%	2/20/20	15,572.00		
2/22/19	2/22/19	390,000	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	3,315.00		
2/26/19	2/26/19	520,000	3135G0J20	FNMA NOTES	1.37%	2/26/21	3,575.00		
2/28/19	2/28/19	725,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	7,250.00		
2/28/19	2/28/19	885,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	6,637.50		
2/28/19	2/28/19	1,090,000	912828P79	US TREASURY NOTES	1.50%	2/28/23	8,175.00		
2/28/19	2/28/19	365,000	912828J43	US TREASURY NOTES	1.75%	2/28/22	3,193.75		
2/28/19	2/28/19	1,575,000	912828D72	US TREASURY NOTES	2.00%	8/31/21	15,750.00		

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
3/4/19	3/4/19	1,145,000	90275DHG8	UBS AG STAMFORD CT LT CD	2.90%	3/2/20	16,694.74		
3/4/19	3/4/19	0	MONEY0002	MONEY MARKET FUND			665.41		
3/9/19	3/9/19	400,000	02665WBG5	AMERICAN HONDA FINANCE CORP NOTES	1.70%	9/9/21	3,400.00		
3/12/19	3/12/19	1,570,000	3135G0U43	FANNIE MAE NOTES	2.87%	9/12/23	22,317.99		
3/12/19	3/12/19	260,000	3135G0ZG1	FNMA NOTES	1.75%	9/12/19	2,275.00		
3/15/19	3/15/19	35,000	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/23	90.53		
3/15/19	3/15/19	500,000	65479KAD2	NAROT 2019-A A3	2.90%	10/15/23	1,288.89		
3/15/19	3/15/19	80,000	89239AAD5	TAOT 2019-A A3	2.91%	7/15/23	206.93		
3/18/19	3/18/19	210,000	43814WAC9	HAROT 2019-1 A3	2.83%	3/20/23	346.68		
3/31/19	3/31/19	2,085,000	912828W89	US TREASURY NOTES	1.87%	3/31/22	19,546.88		
3/31/19	3/31/19	1,200,000	912828W89	US TREASURY NOTES	1.87%	3/31/22	11,250.00		
3/31/19	3/31/19	840,000	912828Q29	US TREASURY NOTES	1.50%	3/31/23	6,300.00		
3/31/19	3/31/19	1,240,000	912828L57	US TREASURY NOTES	1.75%	9/30/22	10,850.00		
3/31/19	3/31/19	500,000	912828L57	US TREASURY NOTES	1.75%	9/30/22	4,375.00		
3/31/19	3/31/19	1,300,000	912828W89	US TREASURY NOTES	1.87%	3/31/22	12,187.50		
3/31/19	3/31/19	1,860,000	912828W89	US TREASURY NOTES	1.87%	3/31/22	17,437.50		
Total INTEREST		46,395,000					423,457.33		
MATURITY									
2/7/19	2/7/19	500,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	500,000.00		0.00
2/22/19	2/22/19	390,000	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	390,000.00		0.00
Total MATURITY		890,000					890,000.00		0.00
SELL									
1/3/19	1/8/19	435,000	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	437,551.15	2.93%	(2,557.71)
1/7/19	1/9/19	1,000,000	46640QNH0	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	1/17/19	999,440.00	2.52%	(15.56)

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
1/7/19	1/9/19	1,050,000	037833CK4	APPLE INC BONDS	1.90%	2/7/20	1,048,353.83	2.81%	(9,880.78)
1/7/19	1/9/19	70,000	3137EADZ9	FREDDIE MAC NOTES	1.12%	4/15/19	69,929.65	2.49%	(254.53)
1/7/19	1/9/19	810,000	3137EADZ9	FREDDIE MAC NOTES	1.12%	4/15/19	809,185.95	2.49%	(2,916.53)
1/9/19	1/11/19	565,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	557,518.41	2.63%	(9,958.70)
1/30/19	1/31/19	455,000	3130ABF92	FEDERAL HOME LOAN BANK AGENCY NOTES	1.37%	5/28/19	454,438.64	2.48%	(1,517.80)
1/30/19	1/31/19	735,000	3130ABF92	FEDERAL HOME LOAN BANK AGENCY NOTES	1.37%	5/28/19	734,093.20	2.48%	(2,620.61)
2/5/19	2/7/19	115,000	3137EADG1	FREDDIE MAC NOTES	1.75%	5/30/19	115,125.00	2.44%	(354.70)
2/5/19	2/7/19	500,000	3137EADG1	FREDDIE MAC NOTES	1.75%	5/30/19	500,558.47	2.43%	(1,527.16)
2/7/19	2/8/19	440,000	9128285U0	US TREASURY N/B	2.62%	12/31/23	444,252.15	2.48%	1,706.85
2/8/19	2/12/19	95,000	912828WL0	US TREASURY NOTES	1.50%	5/31/19	95,029.93	2.42%	(382.30)
2/8/19	2/12/19	550,000	912828TC4	US TREASURY NOTES	1.00%	6/30/19	547,709.95	2.41%	371.45
2/8/19	2/12/19	385,000	3137EADG1	FREDDIE MAC NOTES	1.75%	5/30/19	385,608.30	2.39%	(1,075.64)
2/14/19	2/15/19	120,000	9128285U0	US TREASURY N/B	2.62%	12/31/23	121,234.66	2.47%	480.83
2/19/19	2/21/19	210,000	912828TC4	US TREASURY NOTES	1.00%	6/30/19	209,218.85	2.46%	100.30
3/6/19	3/8/19	195,000	084664CG4	BERKSHIRE HATHAWAY INC NOTES	1.70%	3/15/19	196,559.89	2.55%	(32.17)
3/6/19	3/8/19	190,000	912828TC4	US TREASURY NOTES	1.00%	6/30/19	189,475.88	2.47%	70.19
3/6/19	3/8/19	1,000,000	3137EAEB1	FHLMC REFERENCE NOTE	0.87%	7/19/19	995,330.97	2.50%	(5,562.67)
Total SELL		8,920,000					8,910,614.88		-35,927.24



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 which 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 portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
- MBS maturities are represented by expected average life.



Glossary

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



Glossary

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction occurs on a non-business day (i.e. coupon payments and maturity proceeds), 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.

Thank You



pfm