



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Marshall Eyerman, Chief Financial Officer

**AGENDA DATE:** September 3, 2019

**TITLE:** RECEIPT OF QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDED JUNE 30, 2019

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### **RECOMMENDED ACTION**

#### **Recommendation:**

1. Receive and file the Quarterly Investment Report for quarter ended June 30, 2019, 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 June 30, 2019. 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 7, 2019. 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 June 30, 2019. 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. Through June 30, 2019, the City has utilized 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. Beginning in July, 2019, the City will only be using one investment management firm which was selected based on the results of an RFP process and approved by the City Council on May 7, 2019. 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 report was scheduled for review by the Finance Subcommittee at their meeting on August 27, 2019.

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

	<b>Portfolio, Balance</b>	<b>Avg. Yield to Maturity Trends</b>		
		<u>Jun 2019</u>	<u>May 2019</u>	<u>Jun 2018</u>
<b>Chandler</b>	\$100,533,542	2.19%	2.25%	1.97%
<b>Insight</b>	\$57,126,387	1.98%	2.06%	1.70%
<b>LAIF</b>	\$62,910,262	2.428%	2.449%	1.854%

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 June 30, 2019. **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**

The fed funds rate remained unchanged in June at a range between 2.25% and 2.5%. The Treasury yield curve continues to experience significant change on a year-over-year basis fueled by uncertainties about the economic outlook. The 3-month T-bill was up nearly 18 basis points while the 2-Year Treasury yield was down 77 basis points and the 10-Year treasury was down by nearly 86 basis points. The current shape of the yield curve implies that market participants are pricing-in multiple rate cuts over the coming months.

## **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. 06-2019 Investment Report

## 2. CAM-Newsletter-July-2019

### **APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	8/07/19 7:26 AM
City Attorney Approval	<u>✓ Approved</u>	8/26/19 4:10 PM
City Manager Approval	<u>✓ Approved</u>	8/26/19 4:36 PM

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

**MOVER:**        Victoria Baca, Mayor Pro Tem

**SECONDER:**   David Marquez, Council Member

**AYES:**         Gutierrez, Baca, Marquez, Cabrera, Thornton

# CITY OF MORENO VALLEY

## Treasurer's Cash and Investments Report

June 2019

General Portfolio	Cost Value	Market Value	Par Value	Average Maturity (in years)	Average Yield to Maturity	Average Duration (in years)
Bank Accounts	4,564,607	4,564,607	4,564,607			
State of California LAIF Pool	62,910,262	63,017,951	62,910,262	0.53	2.43%	
Investments-Chandler	100,533,873	101,543,627	100,533,542	2.67	2.19%	2.55
Investments-Insight	56,994,360	57,175,358	57,126,387	0.91	1.98%	0.79
<b>Total General Portfolio</b>	<b>225,003,102</b>	<b>226,301,543</b>	<b>225,134,798</b>			

Bond Proceeds with Fiscal Agents	Market Value
Construction Funds	15,483,144
Principal & Interest Accounts	2,613,171
Debt Service Reserve Funds	2,116,134
Custody Accounts	303,744
Arbitrage Rebate Accounts	4,575
Other Accounts	32
<b>Total Bond Proceeds</b>	<b>20,520,800</b>

Deferred Compensation Funds	Market Value as of June 30, 2019
Nationwide	15,895,070
ICMA	6,211,791
<b>Total Deferred Compensation Funds</b>	<b>22,106,861</b>

<b>Total Investment Portfolio</b>	<b>268,929,204</b>
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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

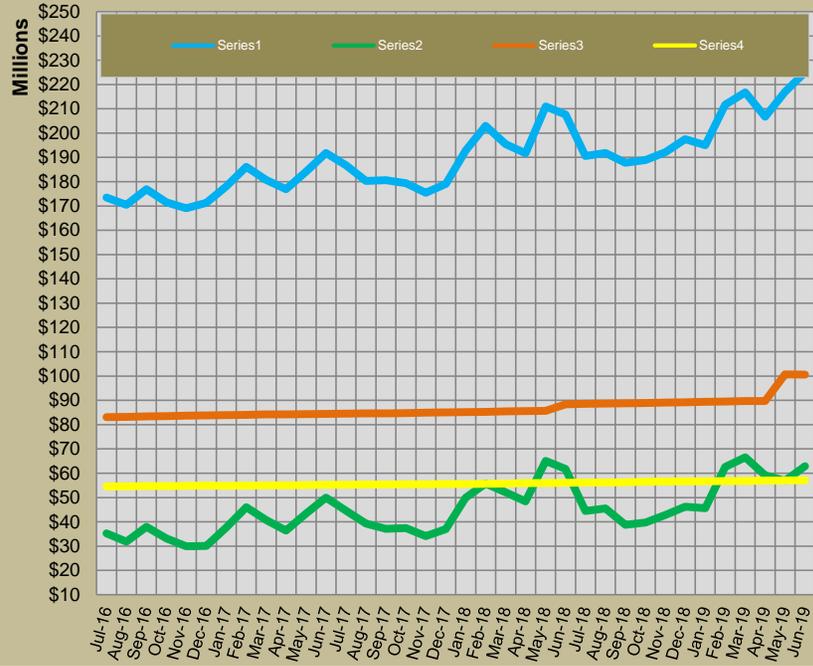
Period	Total General Portfolio (1)		Local Agency Investment Fund (LAIF)		Chandler			Insight			
	Asset Balance (par)	Balance	Yield	Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)		Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)	
						Investment Portfolio (4)	Benchmark 1-5 Gov(5)			Investment Portfolio (4)	Benchmark 1-3 Gov(5)
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%
Jan-19	195,050,449	45,553,390	2.355%	89,373,064	2.15%	2.50%	2.45%	56,704,121	1.96%	0.31%	2.40%
Feb-19	211,740,422	62,553,390	2.392%	89,552,434	2.17%	2.84%	2.68%	56,761,069	2.13%	0.29%	2.44%
Mar-19	216,770,725	66,553,390	2.436%	89,668,393	2.21%	3.40%	3.28%	56,827,466	2.11%	0.47%	2.72%
Apr-19	206,696,569	59,210,262	2.445%	89,757,226	2.23%	3.83%	3.76%	56,986,412	2.10%	1.12%	3.08%
May-19	217,014,248	56,910,262	2.449%	100,691,487	2.25%	4.22%	4.27%	57,041,732	2.06%	1.51%	2.52%
Jun-19	225,003,102	62,910,263	2.428%	100,533,542	2.19%	4.88%	5.01%	57,126,387	1.98%	1.85%	2.57%

**Notes:**

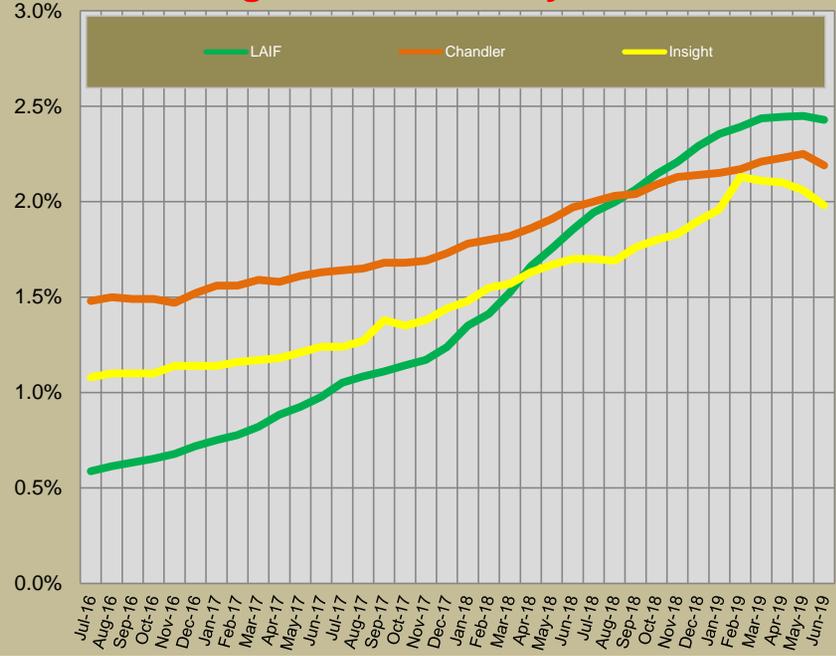
- (1) Total General Portfolio includes all assets that comprise the City's Investment Portfolio which is LAIF as well as assets managed by Chandler and Cutwater.
- (2) Yield to Maturity (YTM): The rate of return on an investment or security if it were to be held until maturity. This yield does not reflect 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

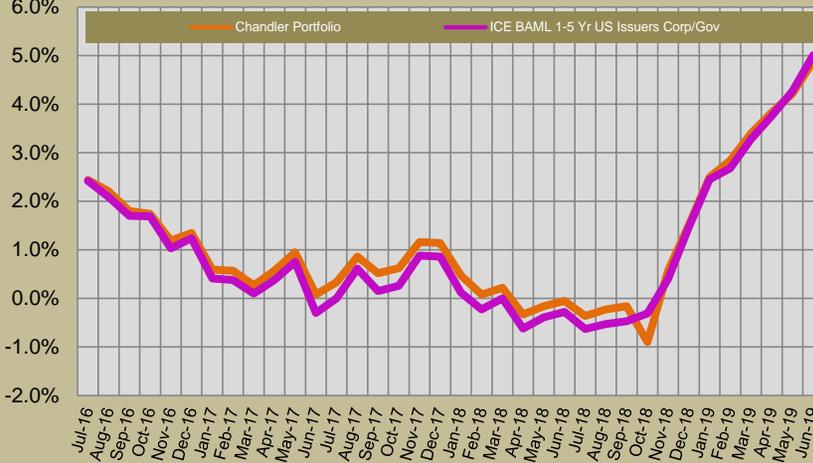
## Portfolio Balances Trend



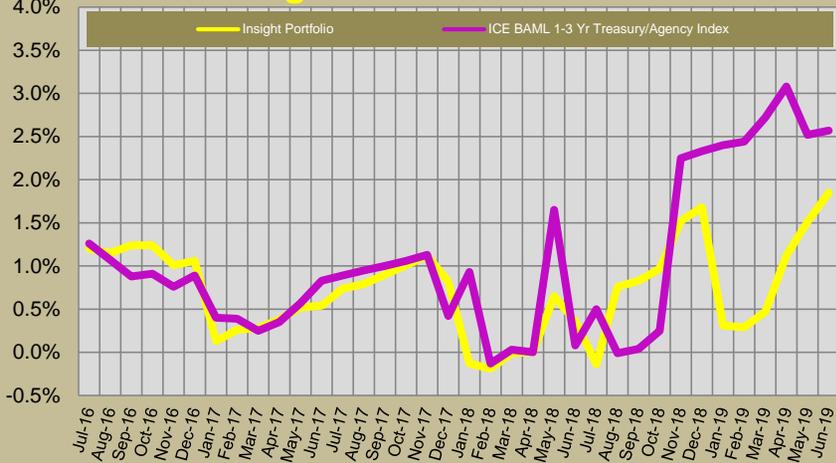
## Avg Yield to Maturity Trend



## Chandler Rate of Return



## Insight Rate of Return



### 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.)

## FUNDS WITH FISCAL AGENTS

Account Name	Account Number	Investment	Issuer	Value Date	Maturity Date	Market Value	Stated Rate	Yield	Price	% of Portfolio			
<b>Wells Fargo CFD # 5</b>													
Series B Revenue	22333500	cash	cash	06/30/19	07/01/19	0	0.00%	0.00%	1.000	0.000%			
Series B Revenue	22333500	Money Market	WF Government Fund	06/30/19	07/01/19	1,150	2.27%	2.29%	1.000	0.006%			
Series A Principal	22333501	Money Market	WF Government Fund	06/30/19	07/01/19	4,163	2.27%	2.29%	1.000	0.020%			
Series A reserve	22333502	Money Market	WF Government Fund	06/30/19	07/01/19	62	2.27%	2.29%	1.000	0.000%			
Series B reserve	22333503	Money Market	WF Government Fund	06/30/19	07/01/19	546,000	2.27%	2.29%	1.000	2.661%			
Series A interest	22333503	cash	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%			
Series B admin fund	22333504	Money Market	WF Government Fund	06/30/19	07/01/19	3	2.27%	2.29%	1.000	0.000%			
Series B interest	22333504	cash	cash	06/30/19	07/01/19	0	0.01%	0.01%	1.000	0.000%			
Series B interest	22333505	Money Market	WF Govt Fund	06/30/19	07/01/19	0	2.27%	2.27%	1.000	0.000%			
Series A Revenue	22333505	cash	cash	06/30/19	07/01/19	0	0.01%	0.01%	1.000	0.000%			
Series B interest	22333506	Money Market	WF Govt Fund	06/30/19	07/01/19	0	2.27%	2.27%	1.000	0.000%			
Series A Revenue	22333506	cash	cash	06/30/19	07/01/19	0	0.01%	0.01%	1.000	0.000%			
Series B interest	22333507	Money Market	WF Govt Fund	06/30/19	07/01/19	239,330	2.27%	2.27%	1.000	1.166%			
Series A Revenue	22333507	cash	cash	06/30/19	07/01/19	0	0.01%	0.01%	1.000	0.000%			
Series B interest	22333508	Money Market	WF Govt Fund	06/30/19	07/01/19	0	2.27%	2.27%	1.000	0.000%			
Series A Revenue	22333508	cash	cash	06/30/19	07/01/19	0	4.24%	4.24%	1.000	0.000%			
						790,708							
<b>Wells Fargo Community Facilities District 87-1 (A-1)</b>													
Special tax funds	22631800	cash	cash	06/30/19	07/01/19	0	0.00%	0.01%	1.000	0.000%			
special tax funds	22631800	Money Market	WF Government Fund	06/30/19	07/01/19	1,202,211	2.27%	2.29%	1.000	5.858%			
interest acct	22631801	Money Market	WF Government Fund	06/30/19	07/01/19	11,399	2.27%	2.29%	1.000	0.056%			
reserve fund	22631802	Money Market	WF Government Fund	06/30/19	07/01/19	300	2.27%	2.29%	1.000	0.001%			
reserve fund	22631804	Money Market	WF Government Fund	06/30/19	07/01/19	1,030,670	2.27%	2.29%	1.000	5.023%			
admin exp acct	22631805	Money Market	WF Government Fund	06/30/19	07/01/19	18	2.27%	2.29%	1.000	0.000%			
cost of issuance	22631806	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%			
debt service acct	22631809	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%			
debt service acct	22631809	US Treasury Not	US Treasury	06/30/19	05/31/19	0	1.25%	1.25%	1.000	0.000%			
surplus acct	22631810	Money Market	WF Government Fund	06/30/19	07/01/19	514,493	2.27%	2.27%	1.000	2.507%			
special tax funds	22631900	Money Market	WF Government Fund	06/30/19	07/01/19	289,522	2.27%	2.29%	1.000	1.411%			
interest acct	22631901	Money Market	WF Government Fund	06/30/19	07/01/19	38,658	2.27%	2.29%	1.000	0.188%			
principal fund	22631902	Money Market	WF Government Fund	06/30/19	07/01/19	103	2.27%	2.29%	1.000	0.001%			
reserve fund	22631904	Money Market	WF Government Fund	06/30/19	07/01/19	367,460	2.27%	2.29%	1.000	1.791%			
admin exp acct	22631905	Money Market	WF Government Fund	06/30/19	07/01/19	7	2.27%	2.29%	1.000	0.000%			
cost of issuance	22631906	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%			
surplus acct	22631907	Money Market	WF Government Fund	06/30/19	07/01/19	4,575	2.27%	2.29%	1.000	0.022%			
						3,459,416							
<b>Wells Fargo 2013 Total Road Improvement COPs</b>													
revenue fund	46612400	Money Market	WF Government Fund	06/30/19	07/01/19	2	2.27%	2.29%	1.000	0.000%			
interest fund	46612401	Money Market	WF Government Fund	06/30/19	07/01/19	493	2.27%	2.29%	1.000	0.002%			
principal fund	46612402	Money Market	WF Government Fund	06/30/19	07/01/19	566	2.27%	2.29%	1.000	0.003%			
reserve fund	46612403	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%			
admin fund	46612404	Money Market	WF Government Fund	06/30/19	07/01/19	2,785	2.27%	2.29%	1.000	0.014%			
surplus fund	46612405	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%			
acquisition fund	46612407	Money Market	WF Advantage	06/30/19	07/01/19	0	2.27%	2.27%	1.000	0.000%			
						3,846							
<b>Wells Fargo 2013 Partial Refunding of the 2005 Lease Revenue Bonds</b>													
revenue fund	48360700	Money Market	WF Government Fund	06/30/19	07/01/19	59	2.27%	2.29%	1.000	0.000%			
interest fund	48360701	Money Market	WF Government Fund	06/30/19	07/01/19	1	2.27%	2.29%	1.000	0.000%			
principal fund	48360702	Money Market	WF Government Fund	06/30/19	07/01/19	222	2.27%	2.29%	1.000	0.001%			
cost of issuance	48360705	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.27%	1.000	0.000%			
						282							
<b>Wells Fargo 2017 Refunding of the 2007 RDA TABs</b>													
income fund	49150300	49150300	49150300	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	189,555	2.27%	2.29%	1.000	0.924%
interest fund	49150301	49150301	49150301	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
reserve fund	49150304	49150304	49150304	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
expense acct	49150305	49150305	49150305	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
cost of issuance	49150307	49150307	49150307	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
bond proceeds	49150308	49150308	49150308	Money Market	Money Market	WF Government Fund	06/30/19	01/01/17	0	2.27%	0.01%	1.000	0.000%
						189,555							
<b>Wells Fargo Community Facilities District 7 Improvement Area 1</b>													
special tax fund	77025300	77025300	77025300	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	302,533	2.27%	2.29%	1.000	1.474%
bond fund	77025301	77025301	77025301	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	100,745	2.27%	2.29%	1.000	0.491%
reserve fund	77025302	77025302	77025302	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	171,642	2.27%	2.29%	1.000	0.836%
cost of issuance	77025303	77025303	77025303	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
improvement fund	77025304	77025304	77025304	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
admin exp acct	77025305	77025305	77025305	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	4	2.27%	2.29%	1.000	0.000%
						574,924							
<b>Wells Fargo 2016 Taxable Refunding Lease Revenue Bonds (Electric Utility)</b>													
revenue fund	77157100	77157100	77157100	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
interest fund	77157101	77157101	77157101	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
principal fund	77157102	77157102	77157102	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
reserve fund	77157103	77157103	77157103	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
capitalized interest	77157104	77157104	77157104	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
cost of issuance	77157110	77157110	77157110	Money Market	Money Market	WF Government Fund	06/30/19	01/01/17	0	2.27%	0.01%	1.000	0.000%
						0							
<b>Wells Fargo 2014 Partial Refunding of the 2005 Lease Revenue Bonds</b>													
revenue fund	83478300	83478300	83478300	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
interest fund	83478301	83478301	83478301	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	215	2.27%	2.29%	1.000	0.001%
principal fund	83478302	83478302	83478302	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
redemption fund	83478303	83478303	83478303	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.27%	1.000	0.000%
						215							
<b>Wells Fargo 2015 Taxable Lease Revenue Bonds (Electric Utility)</b>													
revenue fund	84457000	84457000	84457000	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	814	2.27%	2.29%	1.000	0.004%
interest fund	84457001	84457001	84457001	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	309	2.27%	2.29%	1.000	0.002%
principal fund	84457002	84457002	84457002	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
reserve fund	84457005	84457005	84457005	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
construction fund	84457006	84457006	84457006	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
construction fund	84457006	84457006	84457006	Government Pool	Government Pool	Local Agency Investment	06/30/19	07/01/19	0	0.01%	0.01%	1.000	0.000%
cost of issuance	84467007	84467007	84467007	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.27%	1.000	0.000%
						1,123							
<b>Wilmington Trust 2018 Streetlight Financing</b>													
construction fund	130808	130808	130808	cash	cash	cash	06/30/19	07/01/19	0	0.00%	0.00%	1.000	0.000%
construction fund	130808	130808	130808	Money Market	Money Market	Federated Gov Obl Fund	06/30/19	07/01/19	1,794,521	2.07%	2.07%	1.000	8.745%
						1,794,521							
<b>Wells Fargo 2019 Taxable Lease Revenue Bonds (Electric Utility)</b>													
revenue fund	83056100	83056100	83056100	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	0	2.27%	2.29%	1.000	0.000%
construction fund	83056103	83056103	83056103	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	13,688,623	2.27%	2.29%	1.000	66.706%
cost of issuance	83056106	83056106	83056106	Money Market	Money Market	WF Government Fund	06/30/19	07/01/19	17,587	2.27%	2.29%	1.000	0.086%
						13,706,210							
						20,520,800							
<b>Totals</b>										<b>100%</b>			
<b>Summary of Bond Proceeds with Fiscal Agents</b>													
<b>Type</b>													
1	Construction Funds	15,483,144											
2	Principal & Interest Accounts	2,613,171											

# DEFERRED COMPENSATION FUNDS

## Nationwide

Fund	Market Value as of June 30, 2019	Fund	Market Value as of June 30, 2019	Fund	Market Value as of June 30, 2019
<b>Liquid Savings</b>		<b>Nationwide US Sm Cap Val Ins Svc</b>	<b>102,501</b>	<b>Federated Kaufmann Fund</b>	<b>232,147</b>
Nationwide Fixed (Part Time Employee)	876,862	American Century Balanced	55	Putnam Growth Opportunity A	14,784
<b>Liquid Savings (Part Time Employees)</b>		<b>Am Century Growth</b>	<b>134,670</b>	<b>Nationwide InvDes Mod Cons Fund SC</b>	<b>83,715</b>
Certificates of Deposit 3 years		Am Century Select	247,958	Nationwide InvDes Mod Aggr Fund	1,034,229
<b>Certificates of Deposit 5 years</b>		<b>JP Morgan Mid Cap Value A</b>	<b>1,535,410</b>	<b>Nationwide InvDes Aggr Fund</b>	<b>231,885</b>
Invesco Mid Cap Core Equity	35,887	Vanguard Index 500	145,318	Nationwide InvDes Mod Fd	899,612
<b>Bond Fund of America</b>	<b>189,291</b>	<b>Vanguard Institutional Index</b>	<b>858,426</b>	<b>Nationwide Inv Des Cons</b>	<b>212,118</b>
Growth Fund of America	129,551	Vanguard Wellington	31,060	Nationwide Large Cap Growth	89,921
<b>Investment Co. of America</b>	<b>76,533</b>	<b>Vanguard Windsor II</b>	<b>287,105</b>	<b>Nationwide Fund A</b>	<b>71,392</b>
Income Fund of America	72,015	Vanguard Total Bond Index	429,387	Nationwide Dest 2015 Inst Svc	24,314
<b>Brown Cap Mgmt Inc SM Co</b>	<b>277,914</b>	<b>Washington Mutual Inv</b>	<b>265,547</b>	<b>Nationwide Dest 2020 Inst Svc</b>	<b>93,793</b>
Fidelity Independence	3,838	DFA US Micro Cap Port	130,607	Nationwide Dest 2025 Inst Svc	549,804
<b>Fidelity Equity Income</b>	<b>183,292</b>	<b>EuroPacific Growth</b>	<b>458,591</b>	<b>Nationwide Dest 2030 Inst Svc</b>	<b>159,755</b>
Fidelity Magellan	446,807	Stable Fund C	3,608,323	Nationwide Dest 2035 Inst Svc	33,699
<b>Fidelity Puritan</b>	<b>92,377</b>	<b>N B Socially Responsive Fund</b>	<b>120,621</b>	<b>Nationwide Dest 2040 Inst Svc</b>	<b>42,819</b>
Fidelity Contrafund	341,563	Dtsch High Income Fund A	91,495	Nationwide Dest 2045 Inst Svc	48,409
<b>Janus Henderson Research Fund</b>	<b>34,909</b>	<b>Dtsch Eq Divd A</b>	<b>118,848</b>	<b>Nationwide Dest 2050 Inst Svc</b>	<b>11,741</b>
Janus Henderson Forty	50,287	Oppenheimer Global Fund A	683,885	<b>Total Nationwide Deferred</b>	<b><u><u>\$15,895,070</u></u></b>

## ICMA

Fund	Market Value as of June 30, 2019	Fund	Market Value as of June 30, 2019
<b>Aggressive Oppor.</b>	<b>\$98,001</b>	VT Vantagepoint Discovery	113,574
International	73,660	<b>VT Vantagepoint Inflation Focused</b>	<b>135,618</b>
<b>Global Equity Growth</b>	<b>291,687</b>	VT Vantagepoint Mid/Sm Index	163,714
Growth and Income	182,504	<b>VT Vantagepoint Overseas Equity Index Fund</b>	<b>195,680</b>
<b>Broad Market</b>	<b>62,719</b>	VT Vantagepoint Select Value	22,705
500 Stock Index	274,995	<b>VT Parnassus Core Equity</b>	<b>13,548</b>
<b>Equity Income</b>	<b>234,301</b>	Vantage Growth Fund	361,579
MS Retirement Income	19,691	<b>VT Puritan</b>	<b>55,205</b>
<b>Core Bond</b>	<b>238,483</b>	VT Diversified International	42,209
Cash Management	18,919	<b>VT TR Price Growth Stock Adv</b>	<b>268,167</b>
<b>Plus Fund</b>	<b>1,401,879</b>	VT Nuveen Real Estate Secs	62,775
Retirement Income Advantage	16,096	<b>VT TR Price Small Cap Value</b>	<b>0</b>
<b>Conservative Growth</b>	<b>36,189</b>	VT Invesco Diversified	21,986
Traditional Growth	46,697	<b>VT Gold Sach Mid Cap Value</b>	<b>0</b>
<b>Long-Term Growth</b>	<b>891,542</b>	VT Oppenheimer Main Street	67,080
Western Asset Core Plus Bond	50,951	<b>VT Contrafund</b>	<b>244,209</b>
<b>Milestone 2010</b>	<b>23,565</b>	VT PIMCO Total Return	0
Milestone 2020	133,394	<b>VT PIMCO High Yield</b>	<b>4,048</b>
<b>Milestone 2025</b>	<b>12,331</b>	VT Victory Sycamore Est Value	31,208
Milestone 2030	19,910	<b>VT MFS Value</b>	<b>99,110</b>
<b>Milestone 2035</b>	<b>27,285</b>	VT AMG TimesSquare Mid Cap Growth Admin	146,985
Milestone 2040	7,592	<b>Total ICMA</b>	<b><u><u>\$6,211,791</u></u></b>

## Summary by Plan

Deferred Compensation Plan	Market Value as of June 30, 2019
Total Nationwide	\$15,895,070
Total ICMA	6,211,791
<b>Total Deferred Compensation Plans</b>	<b><u><u>\$22,106,861</u></u></b>

## Summary by Investment Type

Investment Type	Market Value as of June 30, 2019
Savings Deposits and CD's	\$4,485,185
Mutual Funds	17,621,676
<b>Total Deferred Compensation Plans</b>	<b><u><u>\$22,106,861</u></u></b>



# City of Moreno Valley

## MONTHLY ACCOUNT STATEMENT

JUNE 1, 2019 THROUGH JUNE 30, 2019

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto: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	2.55
Average Coupon	2.17%
Average Purchase YTM	2.19%
Average Market YTM	1.97%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.81 yrs
Average Life	2.67 yrs

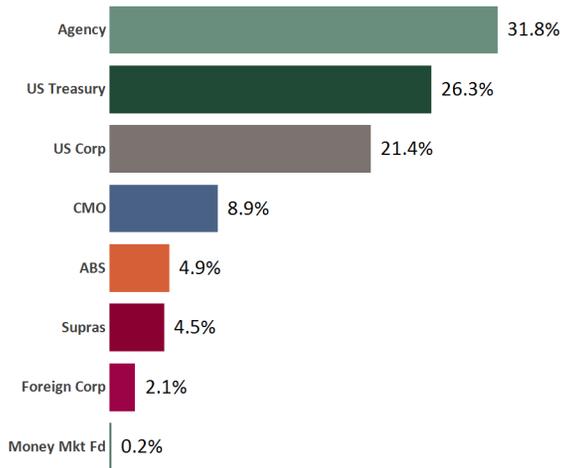
**ACCOUNT SUMMARY**

	Beg. Values as of 5/31/19	End Values as of 6/30/19
Market Value	100,936,223	101,543,627
Accrued Interest	431,407	460,656
<b>Total Market Value</b>	<b>101,367,630</b>	<b>102,004,283</b>
Income Earned	168,715	179,653
Cont/WD		0
Par	100,691,487	100,533,542
Book Value	100,528,036	100,692,919
Cost Value	100,367,320	100,533,873

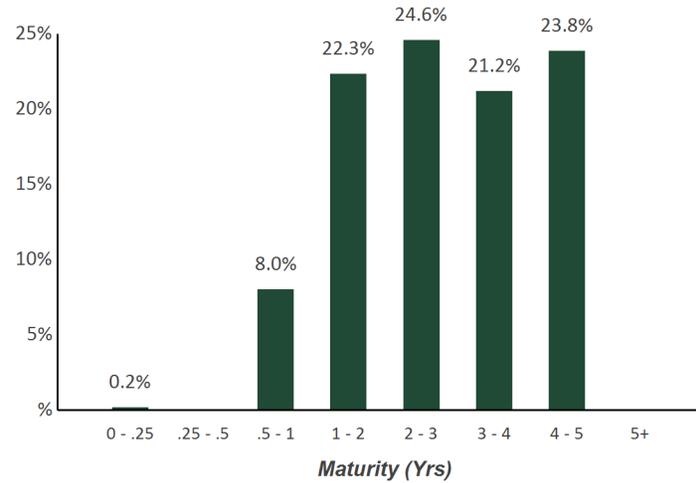
**TOP ISSUERS**

Government of United States	26.3%
Federal National Mortgage Assoc	17.0%
Federal Home Loan Mortgage Corp	13.6%
Federal Home Loan Bank	10.1%
Inter-American Dev Bank	3.9%
Honda ABS	1.5%
John Deere ABS	1.3%
American Express ABS	1.3%
<b>Total</b>	<b>74.9%</b>

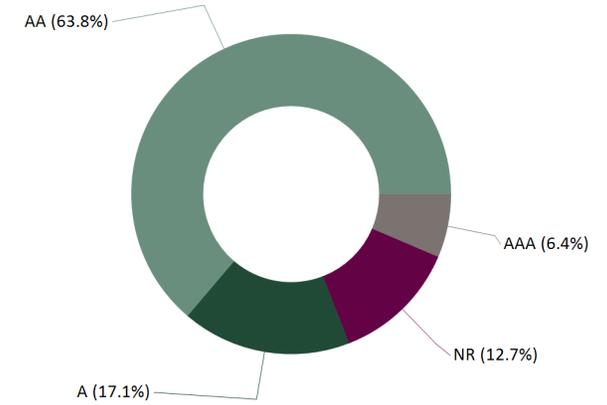
**SECTOR ALLOCATION**



**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	0.63%	1.68%	3.14%	4.88%	2.39%	1.61%	1.76%	N/A	1.82%
ICE BAML 1-5 Yr US Treasury/Agency Index	0.65%	1.81%	3.04%	4.87%	2.24%	1.32%	1.54%	N/A	1.53%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.69%	1.83%	3.20%	5.01%	2.33%	1.44%	1.65%	N/A	1.70%

# Statement of Compliance

As of June 30, 2019



## 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	Complies
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



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
<b>ABS</b>									
89231UAD9	Toyota Auto Receivables 2016-B 1.3% Due 4/15/2020	7,718.75	05/02/2016 1.31%	7,718.36 7,718.75	99.94 3.15%	7,714.06 4.46	0.01% (4.69)	Aaa / AAA NR	0.79 0.03
43814QAC2	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	1,730.38	05/24/2016 1.39%	1,730.35 1,730.37	99.93 3.41%	1,729.23 1.07	0.00% (1.14)	Aaa / NR AAA	0.79 0.03
89237RAB4	Toyota Auto Receivable 2017-C A2A 1.58% Due 7/15/2020	91,805.14	07/25/2017 1.59%	91,804.27 91,804.83	99.93 2.60%	91,738.83 64.47	0.09% (66.00)	Aaa / AAA NR	1.04 0.07
89238BAB8	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	351,838.82	01/23/2018 2.12%	351,802.86 351,821.64	99.93 2.49%	351,588.62 328.38	0.35% (233.02)	Aaa / AAA NR	1.30 0.19
161571HF4	Chase CHAIT 2016-A5 1.27% Due 7/15/2021	400,000.00	09/27/2018 2.11%	395,328.13 396,591.04	99.96 2.54%	399,833.60 225.78	0.39% 3,242.56	NR / AAA AAA	2.04 0.03
43811BAC8	Honda Auto Receivables 2017-2 A3 1.68% Due 8/16/2021	780,038.06	04/27/2018 2.62%	767,910.92 772,211.82	99.71 2.16%	777,802.42 582.43	0.76% 5,590.60	Aaa / AAA NR	2.13 0.60
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	137,789.15	07/11/2017 1.83%	137,779.06 137,783.70	99.74 2.27%	137,434.87 111.46	0.13% (348.83)	Aaa / NR AAA	2.30 0.58
47788CAC6	John Deere Owner Trust 2016-B A4 2.66% Due 4/18/2022	275,000.00	02/21/2018 2.68%	274,980.23 274,986.62	100.46 2.21%	276,259.50 325.11	0.27% 1,272.88	Aaa / NR AAA	2.80 0.97
43815HAC1	Honda Auto Receivables Owner 2018-3 A3 2.95% Due 8/22/2022	750,000.00	08/21/2018 2.98%	749,897.10 749,918.81	101.25 2.10%	759,378.00 614.58	0.75% 9,459.19	Aaa / NR AAA	3.15 1.44
02587AAJ3	American Express Credit 2017-1 1.93% Due 9/15/2022	1,300,000.00	Various 3.01%	1,280,843.74 1,284,732.79	99.80 2.27%	1,297,341.50 1,115.11	1.27% 12,608.71	Aaa / NR AAA	3.21 0.61
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	875,000.00	07/18/2018 3.10%	874,933.68 874,948.05	101.35 2.13%	886,794.11 1,197.78	0.87% 11,846.06	Aaa / NR AAA	3.38 1.38
<b>Total ABS</b>		<b>4,970,920.30</b>	<b>2.75%</b>	<b>4,934,728.70</b> <b>4,944,248.42</b>	<b>2.24%</b>	<b>4,987,614.74</b> <b>4,570.63</b>	<b>4.89%</b> <b>43,366.32</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.74</b> <b>0.80</b>
<b>AGENCY</b>									
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	650,000.00	08/26/2015 1.56%	644,690.80 649,052.48	99.43 2.07%	646,288.50 1,489.58	0.64% (2,763.98)	Aaa / AA+ AAA	0.84 0.82
3135G0D75	FNMA Note 1.5% Due 6/22/2020	1,655,000.00	09/29/2015 1.49%	1,655,893.70 1,655,184.74	99.49 2.03%	1,646,554.54 620.63	1.61% (8,630.20)	Aaa / AA+ AAA	0.98 0.96



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
<b>AGENCY</b>									
3137EAEK1	FHLMC Note 1.875% Due 11/17/2020	400,000.00	11/21/2017 1.96%	398,963.53 399,520.24	99.97 1.90%	399,874.00 916.67	0.39% 353.76	Aaa / AA+ AAA	1.39 1.35
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,650,000.00	12/16/2015 1.90%	1,618,815.00 1,641,075.23	99.51 1.85%	1,641,906.75 2,131.25	1.61% 831.52	Aaa / AA+ AAA	1.42 1.39
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,410,000.00	02/17/2016 1.46%	1,404,303.60 1,408,135.50	99.27 1.83%	1,399,647.78 7,162.60	1.38% (8,487.72)	Aaa / AA+ AAA	1.64 1.60
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,675,000.00	Various 1.47%	1,667,519.85 1,672,437.94	99.23 1.85%	1,662,119.25 7,996.96	1.64% (10,318.69)	Aaa / AA+ AAA	1.66 1.62
3135G0K69	FNMA Note 1.25% Due 5/6/2021	1,675,000.00	06/29/2016 1.18%	1,680,695.00 1,677,170.60	98.97 1.82%	1,657,791.05 3,198.78	1.63% (19,379.55)	Aaa / AA+ AAA	1.85 1.81
313379RB7	FHLB Note 1.875% Due 6/11/2021	1,000,000.00	08/30/2017 1.67%	1,007,540.00 1,003,884.74	100.03 1.86%	1,000,265.00 1,041.67	0.98% (3,619.74)	Aaa / AA+ AAA	1.95 1.90
3135G0U35	FNMA Note 2.75% Due 6/22/2021	1,000,000.00	06/28/2018 2.70%	1,001,480.00 1,000,981.23	101.81 1.82%	1,018,057.00 687.50	1.00% 17,075.77	Aaa / AA+ AAA	1.98 1.92
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,100,000.00	10/04/2016 1.33%	1,089,836.00 1,095,659.00	98.75 1.75%	1,086,291.80 5,740.63	1.07% (9,367.20)	Aaa / AA+ AAA	2.04 1.99
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,625,000.00	Various 1.32%	1,610,283.75 1,618,680.79	98.58 1.81%	1,601,899.00 7,058.60	1.58% (16,781.79)	Aaa / AA+ AAA	2.12 2.07
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,700,000.00	Various 1.32%	1,694,675.10 1,697,670.01	98.86 1.80%	1,680,701.60 7,909.72	1.66% (16,968.41)	Aaa / AA+ AAA	2.13 2.08
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	1,740,000.00	Various 1.75%	1,710,142.50 1,725,662.76	99.00 1.82%	1,722,685.26 5,582.50	1.69% (2,977.50)	Aaa / AA+ AAA	2.27 2.22
3130AF5B9	FHLB Note 3% Due 10/12/2021	1,400,000.00	11/29/2018 2.91%	1,403,528.00 1,402,810.27	102.66 1.80%	1,437,290.40 9,216.67	1.42% 34,480.13	Aaa / AA+ NR	2.29 2.19
3135G0S38	FNMA Note 2% Due 1/5/2022	1,700,000.00	04/25/2017 1.92%	1,706,205.00 1,703,326.95	100.52 1.79%	1,708,918.20 16,622.22	1.69% 5,591.25	Aaa / AA+ AAA	2.52 2.42
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	450,000.00	01/27/2017 2.03%	457,185.15 453,681.94	101.48 1.78%	456,648.30 4,987.50	0.45% 2,966.36	Aaa / AA+ AAA	2.54 2.43
3135G0T45	FNMA Note 1.875% Due 4/5/2022	1,725,000.00	06/19/2017 1.88%	1,724,739.53 1,724,849.82	100.18 1.81%	1,728,091.20 7,726.56	1.70% 3,241.38	Aaa / AA+ AAA	2.77 2.67
3135G0T78	FNMA Note 2% Due 10/5/2022	900,000.00	12/12/2017 2.25%	889,749.00 893,045.42	100.70 1.78%	906,298.20 4,300.00	0.89% 13,252.78	Aaa / AA+ AAA	3.27 3.13



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
<b>AGENCY</b>									
3135G0T94	FNMA Note 2.375% Due 1/19/2023	1,850,000.00	04/11/2018 2.71%	1,822,731.00 1,829,692.97	101.97 1.80%	1,886,361.75 19,771.88	1.87% 56,668.78	Aaa / AA+ AAA	3.56 3.36
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	1,600,000.00	Various 2.84%	1,593,438.00 1,594,731.95	103.54 1.82%	1,656,632.00 1,466.67	1.63% 61,900.05	Aaa / AA+ AAA	3.97 3.75
3130A0F70	FHLB Note 3.375% Due 12/8/2023	1,700,000.00	01/16/2019 2.73%	1,749,623.00 1,745,038.57	106.39 1.87%	1,808,580.70 3,665.63	1.78% 63,542.13	Aaa / AA+ AAA	4.44 4.12
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	1,400,000.00	04/29/2019 2.37%	1,400,098.00 1,400,094.57	102.18 1.89%	1,430,483.60 10,436.81	1.41% 30,389.03	Aaa / AA+ NR	4.69 4.39
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	2,000,000.00	06/18/2019 1.96%	2,086,520.00 2,085,950.16	104.71 1.87%	2,094,266.00 2,715.28	2.06% 8,315.84	Aaa / AA+ NR	4.96 4.61
<b>Total Agency</b>		<b>32,005,000.00</b>	<b>1.94%</b>	<b>32,018,655.51</b> <b>32,078,337.88</b>	<b>1.84%</b>	<b>32,277,651.88</b> <b>132,446.31</b>	<b>31.77%</b> <b>199,314.00</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.64</b> <b>2.52</b>
<b>CMO</b>									
3137BDDC7	FHLMC K716 A2 3.13% Due 6/25/2021	475,000.00	09/12/2017 1.92%	494,482.42 485,235.33	101.51 2.17%	482,158.73 247.79	0.47% (3,076.60)	Aaa / AA+ NR	1.99 1.74
3137BFDQ1	FHLMC K717 A2 2.991% Due 9/25/2021	1,050,000.00	12/28/2018 2.89%	1,050,656.25 1,050,536.69	101.51 2.15%	1,065,846.60 2,617.13	1.05% 15,309.91	NR / NR AAA	2.24 1.96
3137BM6P6	FHLMC K721 A2 3.09% Due 8/25/2022	2,040,000.00	Various 2.17%	2,110,275.09 2,091,819.76	102.62 2.11%	2,093,394.96 5,253.00	2.06% 1,575.20	Aaa / NR NR	3.16 2.79
3137B5JM6	FHLMC K034 A2 3.531% Due 7/25/2023	1,500,000.00	08/28/2018 3.03%	1,531,816.41 1,526,409.93	105.34 2.08%	1,580,031.00 4,413.75	1.55% 53,621.07	NR / NR AAA	4.07 3.68
3137B7MZ9	FHLMC K036 A2 3.527% Due 10/25/2023	2,145,000.00	Various 2.79%	2,209,267.38 2,207,590.62	105.49 2.10%	2,262,839.87 1,260.90	2.22% 55,249.25	Aaa / NR AAA	4.32 3.86
3137BYPQ7	FHLMC K726 A2 2.905% Due 4/25/2024	1,500,000.00	04/22/2019 2.72%	1,510,722.66 1,510,329.44	103.31 2.12%	1,549,666.44 3,631.25	1.52% 39,337.00	NR / AAA NR	4.82 4.30
<b>Total CMO</b>		<b>8,710,000.00</b>	<b>2.64%</b>	<b>8,907,220.21</b> <b>8,871,921.77</b>	<b>2.11%</b>	<b>9,033,937.60</b> <b>17,423.82</b>	<b>8.87%</b> <b>162,015.83</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.72</b> <b>3.32</b>
<b>FOREIGN CORPORATE</b>									
404280BA6	HSBC Holdings PLC Note 3.6% Due 5/25/2023	900,000.00	03/20/2019 3.33%	909,477.00 908,849.34	104.04 2.51%	936,333.00 3,240.00	0.92% 27,483.66	A2 / A AA-	3.90 3.62



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
<b>FOREIGN CORPORATE</b>									
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	1,150,000.00	03/26/2019 2.97%	1,164,559.00 1,163,794.85	103.52 2.45%	1,190,494.95 11,420.14	1.18% 26,700.10	Aa3 / A AA-	4.70 4.31
<b>Total Foreign Corporate</b>		<b>2,050,000.00</b>	<b>3.13%</b>	<b>2,074,036.00</b> <b>2,072,644.19</b>	<b>2.48%</b>	<b>2,126,827.95</b> <b>14,660.14</b>	<b>2.10%</b> <b>54,183.76</b>	<b>A1 / A</b> <b>AA-</b>	<b>4.35</b> <b>4.01</b>
<b>MONEY MARKET FUND FI</b>									
60934N104	Federated Investors Government Obligations Fund	157,621.74	Various 2.23%	157,621.74 157,621.74	1.00 2.23%	157,621.74 0.00	0.15% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>157,621.74</b>	<b>2.23%</b>	<b>157,621.74</b>	<b>2.23%</b>	<b>157,621.74</b> <b>0.00</b>	<b>0.15%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>SUPRANATIONAL</b>									
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 1,399,068.84	99.62 2.07%	1,394,621.20 3,096.53	1.37% (4,447.64)	Aaa / AAA AAA	0.87 0.85
45950KCM0	International Finance Corp Note 2.25% Due 1/25/2021	605,000.00	01/18/2018 2.35%	603,221.30 604,068.45	100.53 1.91%	608,200.45 5,898.75	0.60% 4,132.00	Aaa / AAA NR	1.58 1.52
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 1,673,948.44	100.80 1.80%	1,688,356.45 16,116.06	1.67% 14,408.01	Aaa / NR AAA	2.56 2.45
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	850,000.00	03/23/2018 2.79%	813,178.00 823,579.31	99.85 1.80%	848,743.70 4,421.18	0.84% 25,164.39	NR / NR AAA	3.21 3.09
<b>Total Supranational</b>		<b>4,530,000.00</b>	<b>2.16%</b>	<b>4,486,021.05</b> <b>4,500,665.04</b>	<b>1.90%</b>	<b>4,539,921.80</b> <b>29,532.52</b>	<b>4.48%</b> <b>39,256.76</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.03</b> <b>1.96</b>
<b>US CORPORATE</b>									
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	1,050,000.00	01/26/2015 2.17%	1,048,857.60 1,049,866.52	99.91 2.31%	1,049,014.05 9,468.96	1.04% (852.47)	A2 / A- A+	0.59 0.57
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	665,000.00	02/05/2015 1.77%	664,301.75 664,912.34	99.61 2.38%	662,398.52 4,396.39	0.65% (2,513.82)	Aa3 / A+ NR	0.63 0.61



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<b>US CORPORATE</b>									
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	980,000.00	06/11/2015 2.49%	969,146.50 978,046.37	99.97 2.29%	979,680.52 2,511.26	0.96% 1,634.15	A2 / A- NR	0.89 0.87
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	425,000.00	10/29/2015 2.02%	424,660.00 424,908.63	99.96 2.03%	424,830.85 1,369.44	0.42% (77.78)	Aaa / AAA AA+	1.35 1.31
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 1,051,707.91	100.04 2.26%	1,050,449.40 3,890.83	1.03% (1,258.51)	A3 / A A	1.35 1.23
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 1,051,995.02	100.42 2.22%	1,054,459.35 11,812.50	1.05% 2,464.33	Aa2 / AA- AA	1.56 1.50
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 1,164,644.30	100.28 2.05%	1,163,214.36 8,591.74	1.15% (1,429.94)	Aaa / AA+ NR	1.67 1.62
24422ESL4	John Deere Capital Corp Note 2.8% Due 3/4/2021	425,000.00	05/24/2017 2.12%	435,340.25 429,605.70	100.89 2.26%	428,772.73 3,867.50	0.42% (832.97)	A2 / A A	1.68 1.62
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	1,055,000.00	Various 3.25%	1,047,595.75 1,050,384.14	101.62 2.11%	1,072,082.56 4,395.83	1.06% 21,698.42	A2 / A+ NR	1.87 1.80
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	580,000.00	05/16/2016 1.96%	579,698.40 579,886.36	99.74 2.09%	578,488.52 1,319.50	0.57% (1,397.84)	A1 / A AA-	1.89 1.84
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	770,000.00	Various 1.57%	769,085.90 769,615.03	99.15 1.96%	763,444.22 4,740.85	0.75% (6,170.81)	Aaa / AAA AA+	2.11 2.05
69371RN44	Paccar Financial Corp Note 1.65% Due 8/11/2021	1,100,000.00	05/23/2018 3.15%	1,050,093.00 1,067,182.11	98.92 2.17%	1,088,149.70 7,058.33	1.07% 20,967.59	A1 / A+ NR	2.12 2.05
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 1,088,629.52	99.49 2.14%	1,094,431.80 6,153.89	1.08% 5,802.28	A1 / AA- A	2.21 2.14
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	1,200,000.00	Various 3.19%	1,176,750.00 1,183,263.22	101.05 2.17%	1,212,555.60 14,733.34	1.20% 29,292.38	Aa3 / AA- A+	2.54 2.41
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 1/24/2022	515,000.00	01/19/2017 2.66%	514,114.20 514,544.97	101.07 2.18%	520,505.35 5,895.68	0.52% 5,960.38	A1 / A+ AA-	2.57 2.37
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 1,169,935.24	101.03 2.09%	1,182,083.76 12,182.63	1.17% 12,148.52	A2 / A A+	3.08 2.85
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	1,050,000.00	11/29/2017 2.58%	1,032,234.00 1,038,118.61	99.75 2.28%	1,047,402.30 7,250.83	1.03% 9,283.69	A1 / A A	3.19 3.04



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<b>US CORPORATE</b>									
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%	940,832.50 943,398.58	101.45 2.38%	963,787.35 13,019.01	0.96% 20,388.77	A2 / A- AA-	3.55 2.95
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	280,000.00	06/13/2018 3.44%	272,213.20 273,933.07	102.15 2.19%	286,027.28 2,504.44	0.28% 12,094.21	A2 / A A	3.68 3.46
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	715,000.00	11/28/2018 3.54%	681,959.85 686,317.47	100.99 2.13%	722,079.93 2,764.67	0.71% 35,762.46	Aa1 / AA+ NR	3.84 3.64
097023BQ7	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 6/15/2023	800,000.00	02/13/2019 2.98%	764,456.00 767,513.55	98.16 2.36%	785,292.00 666.67	0.77% 17,778.45	A2 / A A	3.96 3.78
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	335,000.00	07/11/2018 3.49%	334,420.45 334,531.66	104.30 2.33%	349,393.28 5,361.40	0.35% 14,861.62	A2 / A NR	4.04 3.71
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	1,100,000.00	05/16/2019 2.79%	1,128,930.00 1,128,143.04	104.28 2.35%	1,147,061.30 14,758.33	1.14% 18,918.26	A1 / A AA-	4.12 3.78
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	835,000.00	10/03/2018 3.64%	834,315.30 834,414.29	105.24 2.33%	878,765.69 6,810.47	0.87% 44,351.40	A2 / A NR	4.28 3.93
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	1,100,000.00	03/06/2019 3.42%	1,104,235.00 1,103,967.99	103.67 2.50%	1,140,346.90 12,582.78	1.13% 36,378.91	A2 / A- A+	4.68 3.41
<b>Total US Corporate</b>		<b>21,460,000.00</b>	<b>2.67%</b>	<b>21,300,753.15</b> <b>21,349,465.64</b>	<b>2.23%</b>	<b>21,644,717.32</b> <b>168,107.27</b>	<b>21.38%</b> <b>295,251.68</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.53</b> <b>2.32</b>
<b>US TREASURY</b>									
912828VF4	US Treasury Note 1.375% Due 5/31/2020	1,750,000.00	07/10/2015 1.62%	1,730,250.01 1,746,291.34	99.42 2.01%	1,739,883.25 2,038.08	1.71% (6,408.09)	Aaa / AA+ AAA	0.92 0.91
912828L32	US Treasury Note 1.375% Due 8/31/2020	1,650,000.00	Various 1.37%	1,650,064.12 1,650,014.14	99.38 1.91%	1,639,816.20 7,583.05	1.62% (10,197.94)	Aaa / AA+ AAA	1.17 1.15
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,600,000.00	03/09/2016 1.40%	1,598,442.85 1,599,494.60	99.30 1.83%	1,588,750.40 9,176.80	1.57% (10,744.20)	Aaa / AA+ AAA	1.59 1.55
912828B90	US Treasury Note 2% Due 2/28/2021	1,650,000.00	Various 1.55%	1,683,525.06 1,661,815.39	100.30 1.82%	1,654,963.20 11,029.89	1.63% (6,852.19)	Aaa / AA+ AAA	1.67 1.62
912828Q37	US Treasury Note 1.25% Due 3/31/2021	1,700,000.00	Various 1.58%	1,676,910.00 1,690,454.29	99.06 1.80%	1,684,062.51 5,341.53	1.66% (6,391.78)	Aaa / AA+ AAA	1.75 1.72



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<b>US TREASURY</b>									
912828S27	US Treasury Note 1.125% Due 6/30/2021	1,015,000.00	Various 1.91%	980,766.29 999,886.33	98.77 1.75%	1,002,550.01 31.03	0.98% 2,663.68	Aaa / AA+ AAA	2.00 1.97
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,700,000.00	11/09/2016 1.48%	1,671,251.79 1,686,761.33	98.68 1.73%	1,677,554.90 4,807.38	1.65% (9,206.43)	Aaa / AA+ AAA	2.25 2.20
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,785,000.00	03/13/2017 2.14%	1,752,722.58 1,767,658.24	100.06 1.73%	1,786,115.63 10,440.79	1.76% 18,457.39	Aaa / AA+ AAA	2.67 2.58
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,700,000.00	08/15/2017 1.82%	1,724,111.17 1,714,849.12	101.18 1.72%	1,720,054.90 98.17	1.69% 5,205.78	Aaa / AA+ AAA	3.00 2.90
912828L57	US Treasury Note 1.75% Due 9/30/2022	1,750,000.00	10/17/2017 1.99%	1,730,585.94 1,737,254.15	100.07 1.73%	1,751,230.25 7,698.09	1.72% 13,976.10	Aaa / AA+ AAA	3.25 3.13
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,750,000.00	01/25/2018 2.46%	1,722,792.97 1,730,667.89	101.36 1.72%	1,773,857.75 101.05	1.74% 43,189.86	Aaa / AA+ AAA	3.51 3.36
912828T91	US Treasury Note 1.625% Due 10/31/2023	2,000,000.00	06/26/2019 1.78%	1,986,875.00 1,986,908.08	99.50 1.75%	1,990,000.00 5,475.54	1.96% 3,091.92	Aaa / AA+ AAA	4.34 4.15
912828V23	US Treasury Note 2.25% Due 12/31/2023	2,150,000.00	Various 1.79%	2,192,416.02 2,192,250.74	102.16 1.75%	2,196,358.30 131.46	2.15% 4,107.56	Aaa / AA+ AAA	4.51 4.27
912828B66	US Treasury Note 2.75% Due 2/15/2024	2,150,000.00	Various 1.80%	2,240,216.80 2,239,874.90	104.42 1.75%	2,245,070.85 22,212.71	2.22% 5,195.95	Aaa / AA+ AAA	4.63 4.30
912828X70	US Treasury Note 2% Due 4/30/2024	2,300,000.00	Various 1.87%	2,313,906.25 2,313,833.93	101.09 1.76%	2,325,065.40 7,750.00	2.29% 11,231.47	Aaa / AA+ AAA	4.84 4.58
<b>Total US Treasury</b>		<b>26,650,000.00</b>	<b>1.78%</b>	<b>26,654,836.85</b> <b>26,718,014.47</b>	<b>1.78%</b>	<b>26,775,333.55</b> <b>93,915.57</b>	<b>26.34%</b> <b>57,319.08</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.97</b> <b>2.84</b>
<b>TOTAL PORTFOLIO</b>		<b>100,533,542.04</b>	<b>2.19%</b>	<b>100,533,873.21</b> <b>100,692,919.15</b>	<b>1.97%</b>	<b>101,543,626.58</b> <b>460,656.26</b>	<b>100.00%</b> <b>850,707.43</b>	<b>Aa1 / AA</b> <b>AAA</b>	<b>2.81</b> <b>2.55</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>102,004,282.84</b>			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/03/2019	60934N104	1,384.45	Federated Investors Government Obligations Fund	1.000	2.25%	1,384.45	0.00	1,384.45	0.00
Purchase	06/08/2019	60934N104	28,687.50	Federated Investors Government Obligations Fund	1.000	2.25%	28,687.50	0.00	28,687.50	0.00
Purchase	06/11/2019	60934N104	9,375.00	Federated Investors Government Obligations Fund	1.000	2.25%	9,375.00	0.00	9,375.00	0.00
Purchase	06/11/2019	912828X70	1,300,000.00	US Treasury Note 2% Due 4/30/2024	100.352	1.92%	1,304,570.31	2,967.39	1,307,537.70	0.00
Purchase	06/13/2019	60934N104	339,639.22	Federated Investors Government Obligations Fund	1.000	2.25%	339,639.22	0.00	339,639.22	0.00
Purchase	06/15/2019	60934N104	7,500.00	Federated Investors Government Obligations Fund	1.000	2.25%	7,500.00	0.00	7,500.00	0.00
Purchase	06/17/2019	60934N104	2,090.83	Federated Investors Government Obligations Fund	1.000	2.25%	2,090.83	0.00	2,090.83	0.00
Purchase	06/17/2019	60934N104	423.33	Federated Investors Government Obligations Fund	1.000	2.25%	423.33	0.00	423.33	0.00
Purchase	06/17/2019	60934N104	65,037.34	Federated Investors Government Obligations Fund	1.000	2.25%	65,037.34	0.00	65,037.34	0.00
Purchase	06/17/2019	60934N104	17,150.99	Federated Investors Government Obligations Fund	1.000	2.25%	17,150.99	0.00	17,150.99	0.00
Purchase	06/17/2019	60934N104	11,459.17	Federated Investors Government Obligations Fund	1.000	2.25%	11,459.17	0.00	11,459.17	0.00
Purchase	06/17/2019	60934N104	609.58	Federated Investors Government Obligations Fund	1.000	2.25%	609.58	0.00	609.58	0.00
Purchase	06/17/2019	60934N104	2,245.83	Federated Investors Government Obligations Fund	1.000	2.25%	2,245.83	0.00	2,245.83	0.00
Purchase	06/17/2019	60934N104	31,950.70	Federated Investors Government Obligations Fund	1.000	2.25%	31,950.70	0.00	31,950.70	0.00
Purchase	06/17/2019	60934N104	47,738.89	Federated Investors Government Obligations Fund	1.000	2.25%	47,738.89	0.00	47,738.89	0.00
Purchase	06/17/2019	60934N104	76,088.80	Federated Investors Government Obligations Fund	1.000	2.25%	76,088.80	0.00	76,088.80	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/18/2019	60934N104	10,000,000.00	Federated Investors Government Obligations Fund	1.000	2.25%	10,000,000.00	0.00	10,000,000.00	0.00
Purchase	06/19/2019	3130A1XJ2	750,000.00	FHLB Note 2.875% Due 6/14/2024	104.331	1.96%	782,482.50	299.48	782,781.98	0.00
Purchase	06/19/2019	3130A1XJ2	1,250,000.00	FHLB Note 2.875% Due 6/14/2024	104.323	1.96%	1,304,037.50	499.13	1,304,536.63	0.00
Purchase	06/19/2019	60934N104	22,000.00	Federated Investors Government Obligations Fund	1.000	2.25%	22,000.00	0.00	22,000.00	0.00
Purchase	06/21/2019	60934N104	1,843.75	Federated Investors Government Obligations Fund	1.000	2.25%	1,843.75	0.00	1,843.75	0.00
Purchase	06/22/2019	60934N104	26,162.50	Federated Investors Government Obligations Fund	1.000	2.25%	26,162.50	0.00	26,162.50	0.00
Purchase	06/24/2019	60934N104	342,483.13	Federated Investors Government Obligations Fund	1.000	2.25%	342,483.13	0.00	342,483.13	0.00
Purchase	06/24/2019	912828B66	1,750,000.00	US Treasury Note 2.75% Due 2/15/2024	104.176	1.81%	1,823,076.17	17,149.52	1,840,225.69	0.00
Purchase	06/24/2019	912828V23	1,750,000.00	US Treasury Note 2.25% Due 12/31/2023	101.965	1.80%	1,784,384.77	19,034.88	1,803,419.65	0.00
Purchase	06/25/2019	60934N104	316,819.30	Federated Investors Government Obligations Fund	1.000	2.25%	316,819.30	0.00	316,819.30	0.00
Purchase	06/25/2019	60934N104	4,413.75	Federated Investors Government Obligations Fund	1.000	2.25%	4,413.75	0.00	4,413.75	0.00
Purchase	06/25/2019	60934N104	3,527.00	Federated Investors Government Obligations Fund	1.000	2.25%	3,527.00	0.00	3,527.00	0.00
Purchase	06/25/2019	60934N104	1,238.96	Federated Investors Government Obligations Fund	1.000	2.25%	1,238.96	0.00	1,238.96	0.00
Purchase	06/25/2019	60934N104	3,476.25	Federated Investors Government Obligations Fund	1.000	2.25%	3,476.25	0.00	3,476.25	0.00
Purchase	06/25/2019	60934N104	3,631.25	Federated Investors Government Obligations Fund	1.000	2.25%	3,631.25	0.00	3,631.25	0.00
Purchase	06/26/2019	60934N104	2,617.13	Federated Investors Government Obligations Fund	1.000	2.25%	2,617.13	0.00	2,617.13	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/27/2019	912828B66	400,000.00	US Treasury Note 2.75% Due 2/15/2024	104.285	1.78%	417,140.63	4,011.05	421,151.68	0.00
Purchase	06/27/2019	912828T91	2,000,000.00	US Treasury Note 1.625% Due 10/31/2023	99.344	1.78%	1,986,875.00	5,122.28	1,991,997.28	0.00
Purchase	06/27/2019	912828V23	400,000.00	US Treasury Note 2.25% Due 12/31/2023	102.008	1.78%	408,031.25	4,425.41	412,456.66	0.00
Purchase	06/27/2019	912828X70	1,000,000.00	US Treasury Note 2% Due 4/30/2024	100.934	1.80%	1,009,335.94	3,152.17	1,012,488.11	0.00
Purchase	06/28/2019	3137B7MZ9	945,000.00	FHLMC K036 A2Due 10/25/2023	105.551	2.13%	997,454.88	2,499.76	999,954.64	0.00
Purchase	06/28/2019	3137BM6P6	690,000.00	FHLMC K721 A2Due 8/25/2022	102.742	2.09%	708,921.09	1,599.07	710,520.16	0.00
Purchase	06/30/2019	60934N104	66,553.13	Federated Investors Government Obligations Fund	1.000	2.23%	66,553.13	0.00	66,553.13	0.00
<b>Subtotal</b>			<b>23,671,147.78</b>				<b>23,962,457.82</b>	<b>60,760.14</b>	<b>24,023,217.96</b>	<b>0.00</b>
Security Contribution	06/06/2019	60934N104	333.67	Federated Investors Government Obligations Fund	1.000		333.67	0.00	333.67	0.00
<b>Subtotal</b>			<b>333.67</b>				<b>333.67</b>	<b>0.00</b>	<b>333.67</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>23,671,481.45</b>				<b>23,962,791.49</b>	<b>60,760.14</b>	<b>24,023,551.63</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	06/11/2019	60934N104	1,307,537.70	Federated Investors Government Obligations Fund	1.000	2.25%	1,307,537.70	0.00	1,307,537.70	0.00
Sale	06/13/2019	674599CK9	340,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	99.475	2.79%	338,215.00	1,424.22	339,639.22	4,245.51
Sale	06/19/2019	60934N104	2,087,318.61	Federated Investors Government Obligations Fund	1.000	2.25%	2,087,318.61	0.00	2,087,318.61	0.00
Sale	06/24/2019	60934N104	3,643,645.34	Federated Investors Government Obligations Fund	1.000	2.25%	3,643,645.34	0.00	3,643,645.34	0.00
Sale	06/24/2019	674599CK9	340,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	100.232	2.51%	340,788.80	1,694.33	342,483.13	6,755.34



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Sale	06/25/2019	674599CK9	315,000.00	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	100.072	2.57%	315,226.80	1,592.50	316,819.30	3,478.43
Sale	06/27/2019	60934N104	3,838,093.73	Federated Investors Government Obligations Fund	1.000	2.25%	3,838,093.73	0.00	3,838,093.73	0.00
Sale	06/28/2019	60934N104	1,710,474.80	Federated Investors Government Obligations Fund	1.000	2.23%	1,710,474.80	0.00	1,710,474.80	0.00
<b>Subtotal</b>			<b>13,582,070.18</b>				<b>13,581,300.78</b>	<b>4,711.05</b>	<b>13,586,011.83</b>	<b>14,479.28</b>
Paydown	06/17/2019	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	06/17/2019	161571HF4	0.00	Chase CHAIT 2016-A5 1.27% Due 7/15/2021	100.000		0.00	423.33	423.33	0.00
Paydown	06/17/2019	43811BAC8	63,855.89	Honda Auto Receivables 2017-2 A3 1.68% Due 8/16/2021	100.000		63,855.89	1,181.45	65,037.34	0.00
Paydown	06/17/2019	43814QAC2	17,129.14	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	100.000		17,129.14	21.85	17,150.99	0.00
Paydown	06/17/2019	47788BAD6	11,233.15	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	100.000		11,233.15	226.02	11,459.17	0.00
Paydown	06/17/2019	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	06/17/2019	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	06/17/2019	89231UAD9	31,907.77	Toyota Auto Receivables 2016-B 1.3% Due 4/15/2020	100.000		31,907.77	42.93	31,950.70	0.00
Paydown	06/17/2019	89237RAB4	47,555.40	Toyota Auto Receivable 2017-C A2A 1.58% Due 7/15/2020	100.000		47,555.40	183.49	47,738.89	0.00
Paydown	06/17/2019	89238BAB8	75,341.23	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	100.000		75,341.23	747.57	76,088.80	0.00
Paydown	06/21/2019	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



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Paydown	06/25/2019	3137B5JM6	0.00	FHLMC K034 A2 3.531% Due 7/25/2023	100.000		0.00	4,413.75	4,413.75	0.00
Paydown	06/25/2019	3137B7MZ9	0.00	FHLMC K036 A2Due 10/25/2023	100.000		0.00	3,527.00	3,527.00	0.00
Paydown	06/25/2019	3137BDCC7	0.00	FHLMC K716 A2 3.13% Due 6/25/2021	100.000		0.00	1,238.96	1,238.96	0.00
Paydown	06/25/2019	3137BM6P6	0.00	FHLMC K721 A2Due 8/25/2022	100.000		0.00	3,476.25	3,476.25	0.00
Paydown	06/25/2019	3137BYPQ7	0.00	FHLMC K726 A2 2.905% Due 4/25/2024	100.000		0.00	3,631.25	3,631.25	0.00
Paydown	06/26/2019	3137BFDQ1	0.00	FHLMC K717 A2 2.991% Due 9/25/2021	100.000		0.00	2,617.13	2,617.13	0.00
<b>Subtotal</b>			<b>247,022.58</b>				<b>247,022.58</b>	<b>28,520.97</b>	<b>275,543.55</b>	<b>0.00</b>
Maturity	06/18/2019	912796VG1	10,000,000.00	US Treasury Bill 2.285% Due 6/18/2019	100.000		10,000,000.00	0.00	10,000,000.00	0.00
<b>Subtotal</b>			<b>10,000,000.00</b>				<b>10,000,000.00</b>	<b>0.00</b>	<b>10,000,000.00</b>	<b>0.00</b>
Security Withdrawal	06/06/2019	60934N104	333.67	Federated Investors Government Obligations Fund	1.000		333.67	0.00	333.67	0.00
<b>Subtotal</b>			<b>333.67</b>				<b>333.67</b>	<b>0.00</b>	<b>333.67</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>23,829,426.43</b>				<b>23,828,657.03</b>	<b>33,232.02</b>	<b>23,861,889.05</b>	<b>14,479.28</b>
<b>OTHER TRANSACTIONS</b>										
Interest	06/08/2019	3130A0F70	1,700,000.00	FHLB Note 3.375% Due 12/8/2023	0.000		28,687.50	0.00	28,687.50	0.00
Interest	06/11/2019	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	06/15/2019	097023BQ7	800,000.00	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 6/15/2023	0.000		7,500.00	0.00	7,500.00	0.00
Interest	06/19/2019	3137EAEN5	1,600,000.00	FHLMC Note 2.75% Due 6/19/2023	0.000		22,000.00	0.00	22,000.00	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>OTHER TRANSACTIONS</b>										
Interest	06/22/2019	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	06/22/2019	3135G0U35	1,000,000.00	FNMA Note 2.75% Due 6/22/2021	0.000		13,750.00	0.00	13,750.00	0.00
Interest	06/30/2019	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	06/30/2019	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	06/30/2019	912828V23	2,150,000.00	US Treasury Note 2.25% Due 12/31/2023	0.000		24,187.50	0.00	24,187.50	0.00
Interest	06/30/2019	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
<b>Subtotal</b>			<b>14,370,000.00</b>				<b>160,278.13</b>	<b>0.00</b>	<b>160,278.13</b>	<b>0.00</b>
Dividend	06/03/2019	60934N104	1,308,544.14	Federated Investors Government Obligations Fund	0.000		1,384.45	0.00	1,384.45	0.00
<b>Subtotal</b>			<b>1,308,544.14</b>				<b>1,384.45</b>	<b>0.00</b>	<b>1,384.45</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>			<b>15,678,544.14</b>				<b>161,662.58</b>	<b>0.00</b>	<b>161,662.58</b>	<b>0.00</b>



Benchmark Index	Disclosure
ICE BAML 1-5 Yr US Treasury/Agency Index	The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit <a href="http://www.mlindex.ml.com">www.mlindex.ml.com</a> for more information)
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	The ICE BAML US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must issued from US issuers and be rated AAA through A3 (based on an average of Moody’s, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: GU10. Please visit <a href="http://www.mlindex.ml.com">www.mlindex.ml.com</a> for more information)

Section 3

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# CITY OF MORENO VALLEY

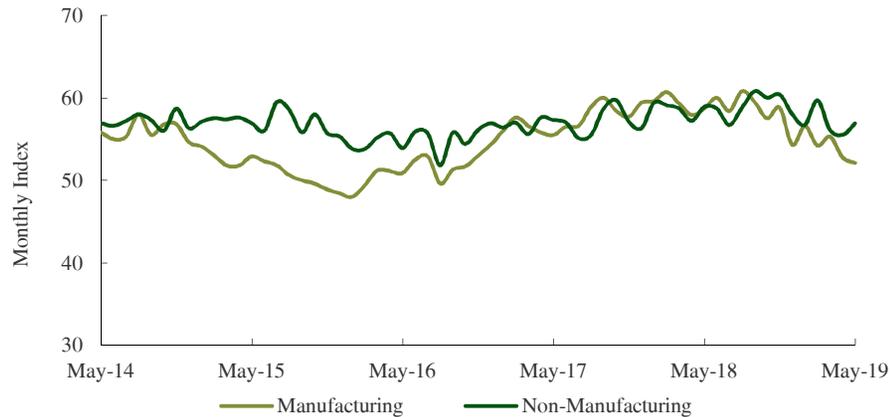
June 2019

Part of  BNY MELLON



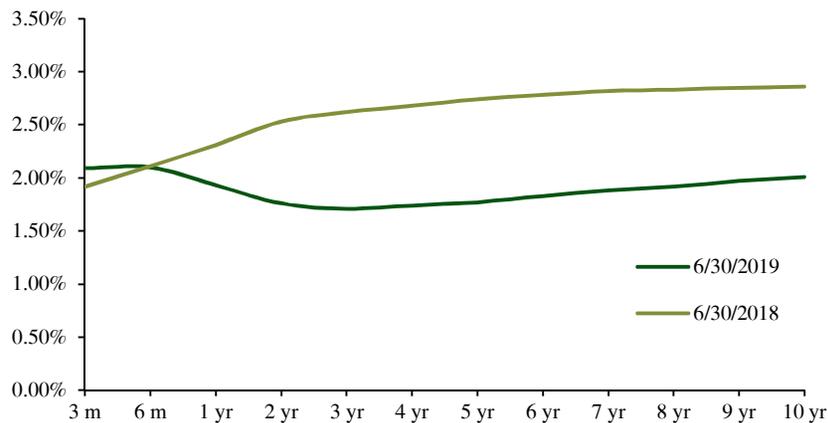
As of June 30, 2019

Chart 1: ISM Manufacturing & Non-Manufacturing Indices: 5/31/2014-5/31/2019



Source: Bloomberg Finance LP, June 30, 2019.

Chart 2: Treasury yield curve: 6/30/2018 and 6/30/2019



Source: Bloomberg Finance LP, June 30, 2019.

### Economic Indicators and Monetary Policy

Interest rates decreased across the yield curve in June fueled by softening in some economic indicators, trade tensions, and comments by the Federal Reserve. The Institute for Supply Management (ISM) Manufacturing Index was released on June 3 and reached a 31-month low of 52.1 in May versus 52.8 in April. On June 5, the ISM Non-manufacturing Index for May surprised to the upside, increasing to 56.9 compared to an April reading of 55.5. (See Chart 1)

The employment report released on June 7 showed that non-farm payrolls increased by 75,000 in May compared to expectation for 175,000 new jobs and the prior month gains were revised lower to 224,000 from 263,000. The unemployment rate was unchanged from April at 3.6% while the underemployment rate, which includes marginally attached workers, decreased to 7.1% in May from 7.3% in April. Average hourly earnings increased 0.2% in May for annual growth of 3.1% compared to 3.2% in April.

On June 19, the Federal Open Market Committee (FOMC) voted to maintain the target range for the federal funds rate at 2.25% to 2.50%. The FOMC statement and comments by Chair Powell were more dovish than expected. The statement removed reference to a “patient” approach to policy, and Chair Powell noted that the FOMC would “act as appropriate to sustain the expansion”. The committee’s ‘dot plot’ continued to project a median expectation for no policy rate cuts this year, but seven members (up from zero last quarter) now expect two rate cuts this year. The FOMC reduced its near-term inflation forecasts and also hinted at uncertainties relating to the evolution of trade tensions.

At the end of June, President Trump prepared to travel to the two-day G20 summit in Osaka, where a meeting is expected between Presidents Trump and Xi. While tariffs are likely to be the main topic of discussion, reports indicate that President Trump will look to address intellectual property theft and industrial subsidies as well.

### Interest Rate Summary

At the end of June, the 3-month US Treasury bill yielded 2.09%, the 6-month US Treasury bill yielded 2.10%, the 2-year US Treasury note yielded 1.76%, the 5-year US Treasury note yielded 1.77% and the 10-year US Treasury note yielded 2.01%. (See Chart 2).

# ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2019 - June 30, 2019

<u>Amortized Cost Basis Activity Summary</u>	
<b>Opening balance</b>	56,963,570.91
Income received	84,654.94
<b>Total receipts</b>	84,654.94
<b>Total disbursements</b>	0.00
Interportfolio transfers	0.00
<b>Total Interportfolio transfers</b>	0.00
Realized gain (loss)	0.00
<b>Total amortization expense</b>	(5,753.33)
<b>Total OID/MKT accretion income</b>	18,786.53
Return of capital	0.00
<b>Closing balance</b>	57,061,259.05
<b>Ending fair value</b>	57,175,358.15
Unrealized gain (loss)	114,099.10

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	1,156.94	0.00	0.00	1,156.94
Corporate Bonds	25,264.39	2,264.49	0.00	27,528.88
Government Agencies	43,319.85	9,148.21	0.00	52,468.06
Government Bonds	12,807.42	1,620.50	0.00	14,427.92
<b>Total</b>	<b>82,548.60</b>	<b>13,033.20</b>	<b>0.00</b>	<b>95,581.80</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	2.24	1.19	0.19
Overnight Repo	2.33	1.22	0.20
Merrill Lynch 3m US Treas Bill	2.25	1.16	0.17
Merrill Lynch 6m US Treas Bill	2.33	1.16	0.16
ML 1 Year US Treasury Note	2.49	1.19	0.16
ML 2 Year US Treasury Note	2.53	1.14	0.15
ML 5 Year US Treasury Note	2.57	1.14	0.15

\* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	82,548.60
Accretion (amortization)	13,033.20
Realized gain (loss) on sales	0.00
Total income on portfolio	95,581.80
Average daily amortized cost	57,008,560.41
Period return (%)	0.17
YTD return (%)	0.99
Weighted average final maturity in days	329

# ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2019 - June 30, 2019

<u>Fair Value Basis Activity Summary</u>		
<b>Opening balance</b>		56,978,208.58
Income received	84,654.94	
<b>Total receipts</b>		84,654.94
<b>Total disbursements</b>		0.00
Interportfolio transfers	0.00	
<b>Total Interportfolio transfers</b>		0.00
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		112,494.63
<b>Ending fair value</b>		57,175,358.15

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	1,156.94	0.00	1,156.94
Corporate Bonds	25,264.39	35,907.04	61,171.43
Government Agencies	43,319.85	51,898.69	95,218.54
Government Bonds	12,807.42	24,688.90	37,496.32
<b>Total</b>	<b>82,548.60</b>	<b>112,494.63</b>	<b>195,043.23</b>

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	2.24	1.19	0.19
Overnight Repo	2.33	1.22	0.20
ICE ML 3m US Treas Bill	2.31	1.24	0.22
ICE ML 6m US Treas Bill	2.51	1.38	0.27
ICE ML 1 Year US Treasury Note	2.98	1.76	0.40
ICE ML US Treasury 1-3	3.96	2.44	0.52
ICE ML US Treasury 1-5	4.89	3.06	0.65

\* rates reflected are cumulative

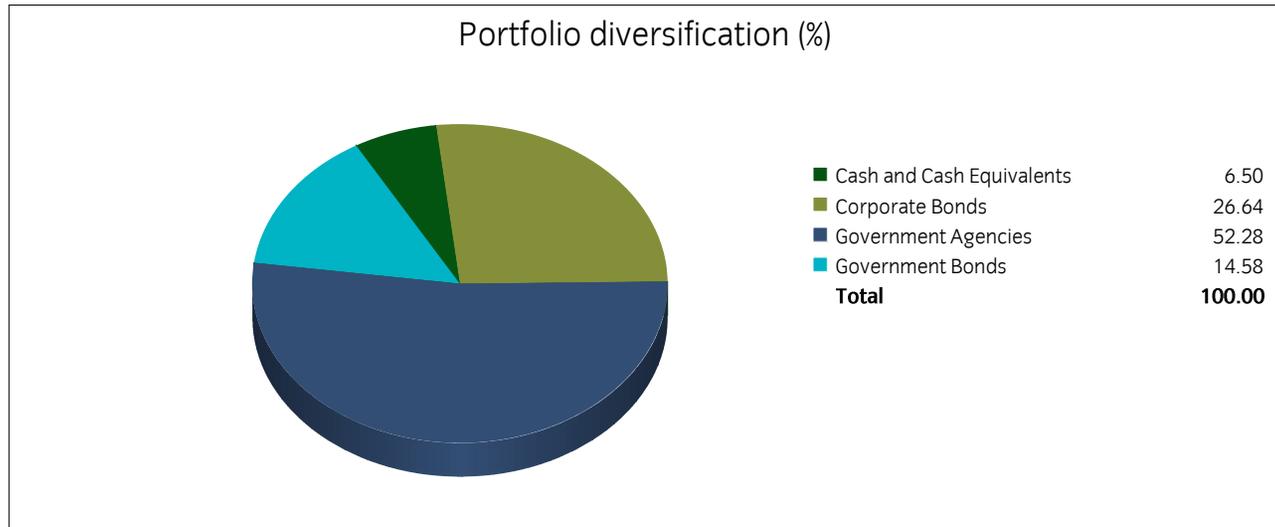
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	82,548.60
Change in fair value	112,494.63
Total income on portfolio	195,043.23
Average daily total value *	57,335,082.64
Period return (%)	0.34
YTD return (%)	1.85
Weighted average final maturity in days	329

\* Total value equals market value and accrued interest

# RECAP OF SECURITIES HELD

As of June 30, 2019

	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	3,707,386.60	3,707,386.60	3,707,386.60	0.00	1	6.50	0.00
Corporate Bonds	15,181,449.13	15,176,790.83	15,212,696.69	35,905.86	324	26.64	0.78
Government Agencies	29,798,225.83	29,864,023.62	29,888,115.21	24,091.59	322	52.28	0.74
Government Bonds	8,307,298.83	8,313,058.00	8,367,159.65	54,101.65	510	14.58	1.36
<b>Total</b>	<b>56,994,360.39</b>	<b>57,061,259.05</b>	<b>57,175,358.15</b>	<b>114,099.10</b>	<b>329</b>	<b>100.00</b>	<b>0.79</b>

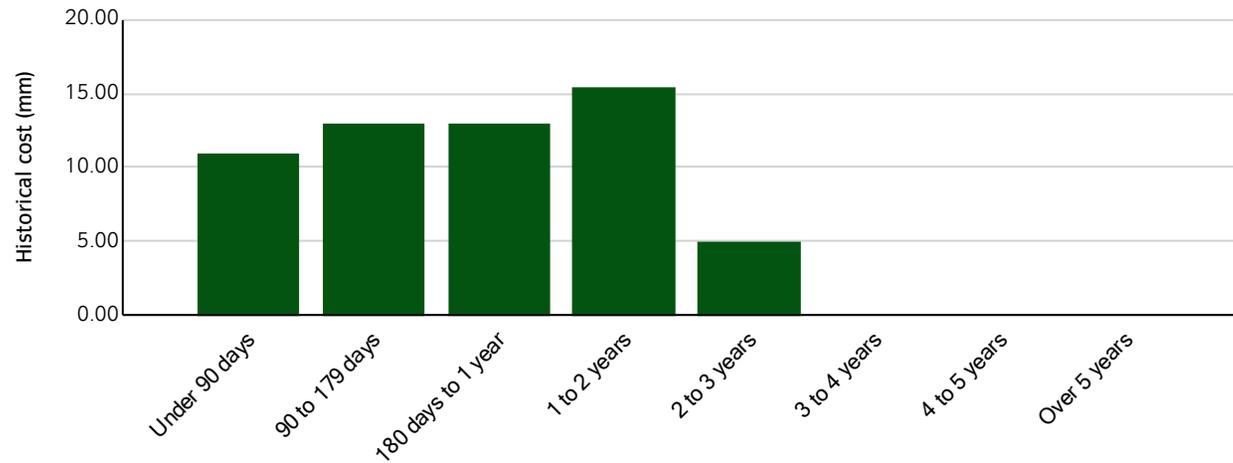


# MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2019

Maturity	Historic cost	Percent
Under 90 days	10,855,317.60	19.05
90 to 179 days	12,956,472.97	22.73
180 days to 1 year	12,952,277.84	22.73
1 to 2 years	15,306,866.35	26.86
2 to 3 years	4,923,425.63	8.64
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	<b>56,994,360.39</b>	<b>100.00</b>

Maturity distribution



# SECURITIES HELD

As of June 30, 2019

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
<b>Cash and Cash Equivalents</b>											
Cash and Cash Equivalents	0.000		3,707,386.60	3,707,386.60 0.00	3,707,386.60 0.00	3,707,386.60 0.00	0.00	0.00	0.00	0.00	6.50
<b>Total Cash and Cash Equivalents</b>			<b>3,707,386.60</b>	<b>3,707,386.60</b> <b>0.00</b>	<b>3,707,386.60</b> <b>0.00</b>	<b>3,707,386.60</b> <b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.50</b>
<b>Corporate Bonds</b>											
02665WAH4 AMERICAN HONDA FINANCE 2.25% 15AUG2019	2.250	08/15/2019	1,500,000.00	1,541,520.00 0.00	1,501,596.92 (1,064.62)	1,498,957.50 (798.00)	(2,639.42)	0.00	2,718.75	12,656.25	2.70
084664CK5 BERKSHIRE HATHAWAY FIN 1.3% 15AUG2019	1.300	08/15/2019	1,000,000.00	988,300.00 0.00	998,414.16 1,057.23	998,822.00 1,426.00	407.84	0.00	1,047.22	4,875.00	1.73
713448DJ4 PEPSICO INC 1.35% 04OCT2019	1.350	10/04/2019	1,500,000.00	1,487,931.00 0.00	1,498,716.11 409.74	1,496,241.00 2,163.00	(2,475.11)	0.00	1,631.25	4,837.50	2.61
24422ETJ8 JOHN DEERE CAPITAL CORP 1.25% 09OCT2019	1.250	10/09/2019	1,000,000.00	979,508.26 0.00	996,453.35 1,074.74	997,433.00 2,030.00	979.65	0.00	1,006.94	2,812.50	1.72
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	999,010.33 274.91	1,000,026.00 596.00	1,015.67	0.00	1,933.33	4,800.00	1.75
037833DH0 APPLE INC 1.8% 13NOV2019	1.800	11/13/2019	989,000.00	977,874.87 0.00	985,945.93 688.88	987,623.31 1,479.54	1,677.38	0.00	1,434.05	2,324.15	1.72
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	1,000,834.70 (130.42)	998,041.00 2,044.00	(2,793.70)	0.00	1,490.28	7,091.67	1.76

# SECURITIES HELD

As of June 30, 2019

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
<b>Corporate Bonds</b>											
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	1,000,814.11 (114.66)	997,995.00 1,496.00	(2,819.11)	0.00	1,579.69	6,373.25	1.76
25468PDP8 TWDC ENTERPRISES 18 CORP 1.95% 04MAR2020	1.950	03/04/2020	1,000,000.00	1,003,140.00 0.00	1,000,754.84 (92.81)	997,367.00 1,177.00	(3,387.84)	0.00	1,570.83	6,283.33	1.76
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	550,036.70 (3.64)	550,291.50 1,274.35	254.80	6,325.00	1,019.03	1,019.03	0.97
0258MODX4 AMERICAN EXPRESS CREDIT 2.6% 14SEP2020 (CALLABLE 14AUG20)	2.600	09/14/2020 08/14/2020	900,000.00	914,913.00 0.00	905,765.41 (428.12)	903,370.50 1,890.90	(2,394.91)	0.00	1,885.00	6,890.00	1.61
48125LRK0 JP MORGAN CHASE BANK NA 2.604% 01FEB2021 (CALLABLE 01FEB20)	2.604	02/01/2021 01/01/2021	1,000,000.00	992,840.00 0.00	994,452.70 291.45	1,001,099.00 1,834.00	6,646.30	0.00	2,097.67	10,777.67	1.74
17275RBJ0 CISCO SYSTEMS INC 1.85% 20SEP2021 (CALLABLE 20AUG21)	1.850	09/20/2021	1,250,000.00	1,223,812.50 0.00	1,227,351.35 849.32	1,243,089.38 8,776.25	15,738.03	0.00	1,862.85	6,423.61	2.15
89233P5T9 TOYOTA MOTOR CREDIT CORP 3.3% 12JAN2022	3.300	01/12/2022	1,500,000.00	1,519,035.00 0.00	1,516,644.22 (547.51)	1,542,340.50 10,518.00	25,696.28	0.00	3,987.50	23,100.00	2.67
<b>Total Corporate Bonds</b>			<b>15,189,000.00</b>	<b>15,181,449.13</b> <b>0.00</b>	<b>15,176,790.83</b> <b>2,264.49</b>	<b>15,212,696.69</b> <b>35,907.04</b>	<b>35,905.86</b>	<b>6,325.00</b>	<b>25,264.39</b>	<b>100,263.96</b>	<b>26.64</b>
<b>Government Agencies</b>											
3133ECW83 FEDERAL FARM CREDIT BANK 2.06% 01AUG2019	2.060	08/01/2019	1,500,000.00	1,526,550.00 0.00	1,500,854.67 (827.11)	1,499,955.00 585.00	(899.67)	0.00	2,489.17	12,789.17	2.68

# SECURITIES HELD

As of June 30, 2019

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
<b>Government Agencies</b>											
3135G0P49 FANNIE MAE 1% 28AUG2019	1.000	08/28/2019	1,100,000.00	1,079,969.00 0.00	1,097,463.32 1,312.07	1,097,912.20 1,590.60	448.88	0.00	886.11	3,727.78	1.89
313380FB8 FEDERAL HOME LOAN BANK 1.375% 13SEP2019	1.375	09/13/2019	1,000,000.00	1,016,632.00 0.00	1,001,049.38 (431.26)	998,310.00 1,190.00	(2,739.38)	0.00	1,107.64	4,086.81	1.78
3130ACM92 FEDERAL HOME LOAN BANK 1.5% 21OCT2019	1.500	10/21/2019	1,500,000.00	1,486,380.00 0.00	1,497,545.75 663.31	1,496,763.00 2,017.50	(782.75)	0.00	1,812.50	4,312.50	2.61
3135G0R39 FANNIE MAE 1% 24OCT2019	1.000	10/24/2019	3,790,000.00	3,731,290.53 0.00	3,769,821.44 5,388.89	3,776,011.11 6,674.19	6,189.67	0.00	3,053.05	6,948.33	6.55
3130AA2H0 FEDERAL HOME LOAN BANK 1.125% 29NOV2019	1.125	11/29/2019	1,700,000.00	1,684,980.50 0.00	1,697,929.78 416.82	1,692,537.00 3,043.00	(5,392.78)	0.00	1,540.63	1,646.88	2.96
3137EAAE5 FREDDIE MAC 1.5% 17JAN2020	1.500	01/17/2020	1,000,000.00	990,460.00 0.00	997,463.72 386.23	996,455.00 1,556.00	(1,008.72)	0.00	1,208.34	6,791.67	1.74
3133ECEY6 FEDERAL FARM CREDIT BANK 1.45% 11FEB2020	1.450	02/11/2020	1,000,000.00	999,000.00 0.00	999,808.33 26.02	996,740.00 1,930.00	(3,068.33)	0.00	1,168.05	5,598.61	1.75
3134G96L6 FREDDIE MAC 1.3% 25FEB2020 (CALLABLE 25AUG19)	1.300	02/25/2020 08/25/2019	1,000,000.00	1,000,000.00 0.00	1,000,000.00 0.00	994,880.00 2,180.00	(5,120.00)	0.00	1,047.22	4,513.89	1.75
3135G0T29 FANNIE MAE 1.5% 28FEB2020	1.500	02/28/2020	1,100,000.00	1,082,587.00 0.00	1,090,851.45 1,153.18	1,095,772.70 1,708.30	4,921.25	0.00	1,329.17	5,591.67	1.90
3136G3UB9 FANNIE MAE 1.2% 30MAR2020 CALLABLE	1.200	03/30/2020	1,300,000.00	1,299,025.00 0.00	1,299,799.50 22.27	1,292,018.00 1,950.00	(7,781.50)	0.00	1,300.00	3,900.00	2.28
3133EJNW5 FEDERAL FARM CREDIT BANK 2.55% 15MAY2020	2.550	05/15/2020	1,250,000.00	1,249,450.00 0.00	1,249,752.15 23.61	1,255,562.50 2,350.00	5,810.35	0.00	2,567.71	3,984.38	2.19

# SECURITIES HELD

As of June 30, 2019

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
<b>Government Agencies</b>											
3135G0D75 FANNIE MAE 1.5% 22JUN2020	1.500	06/22/2020	1,300,000.00	1,272,349.00 0.00	1,284,768.15 1,298.17	1,293,366.10 3,701.10	8,597.95	9,750.00	1,570.83	433.33	2.23
3130AB6A9 FEDERAL HOME LOAN BANK 1.65% 20JUL2020	1.650	07/20/2020	1,000,000.00	999,910.00 0.00	999,970.29 2.35	996,890.00 2,110.00	(3,080.29)	0.00	1,329.16	7,333.33	1.75
3130ACBY9 FEDERAL HOME LOAN BANK 1.68% 28AUG2020 (CALLABLE 28AUG19)	1.680	08/28/2020 08/28/2019	1,600,000.00	1,600,000.00 0.00	1,600,000.00 0.00	1,595,952.00 3,728.00	(4,048.00)	0.00	2,240.00	8,960.00	2.81
3133EHY9 FEDERAL FARM CREDIT BANK 1.5% 14SEP2020	1.500	09/14/2020	1,500,000.00	1,495,110.00 0.00	1,498,025.80 136.46	1,491,750.00 1,800.00	(6,275.80)	0.00	1,812.50	6,625.00	2.62
3133EDWV0 FEDERAL FARM CREDIT BANK 2.14% 06OCT2020	2.140	10/06/2020	1,860,000.00	1,860,855.60 0.00	1,860,395.29 (26.01)	1,865,022.00 2,343.60	4,626.71	0.00	3,206.43	9,287.60	3.26
3133EG2L8 FEDERAL FARM CREDIT BANK 1.92% 28DEC2020	1.920	12/28/2020	1,880,000.00	1,873,777.20 0.00	1,876,931.38 171.11	1,881,729.60 4,662.40	4,798.22	18,048.00	2,907.73	200.53	3.29
313373ZY1 FEDERAL HOME LOAN BANK 3.625% 11JUN2021	3.625	06/11/2021	2,000,000.00	2,049,900.00 0.00	2,041,593.22 (1,780.03)	2,067,414.00 4,946.00	25,820.78	36,250.00	5,840.28	3,826.39	3.60
3130AFT72 FEDERAL HOME LOAN BANK 2.67% 04NOV2021 (CALLABLE 04NOV19)	2.670	11/04/2021 11/04/2019	1,500,000.00	1,500,000.00 0.00	1,500,000.00 0.00	1,503,075.00 405.00	3,075.00	0.00	3,226.25	6,230.00	2.63
<b>Total Government Agencies</b>			<b>29,880,000.00</b>	<b>29,798,225.83</b> <b>0.00</b>	<b>29,864,023.62</b> <b>7,936.08</b>	<b>29,888,115.21</b> <b>50,470.69</b>	<b>24,091.59</b>	<b>64,048.00</b>	<b>41,642.77</b>	<b>106,787.87</b>	<b>52.28</b>

# SECURITIES HELD

## As of June 30, 2019

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
<b>Government Bonds</b>											
912828F39 USA TREASURY 1.75% 30SEP2019	1.750	09/30/2019	1,100,000.00	1,108,507.81 0.00	1,100,941.90 (307.14)	1,098,839.50 1,159.40	(2,102.40)	0.00	1,577.87	4,786.20	1.94
912828X21 USA TREASURY 1.5% 15APR2020	1.500	04/15/2020	1,500,000.00	1,498,652.34 0.00	1,499,579.76 43.47	1,493,788.50 3,925.50	(5,791.26)	0.00	1,844.26	4,672.13	2.63
912828Q2 USA TREASURY 1.5% 15AUG2020	1.500	08/15/2020	750,000.00	733,857.42 0.00	739,358.81 774.84	746,543.25 2,314.50	7,184.44	0.00	932.32	4,195.44	1.29
912828WC0 USA TREASURY 1.75% 31OCT2020	1.750	10/31/2020	1,300,000.00	1,296,191.41 0.00	1,298,257.81 106.88	1,297,765.30 3,604.90	(492.51)	0.00	1,854.62	3,771.06	2.27
912828C57 USA TREASURY 2.25% 31MAR2021	2.250	03/31/2021	1,500,000.00	1,489,511.72 0.00	1,491,535.31 396.78	1,511,659.50 4,746.00	20,124.19	0.00	2,766.39	8,391.39	2.61
912828F21 USA TREASURY 2.125% 30SEP2021	2.125	09/30/2021	2,200,000.00	2,180,578.13 0.00	2,183,384.41 605.67	2,218,563.60 8,938.60	35,179.19	0.00	3,831.96	11,623.63	3.83
<b>Total Government Bonds</b>			<b>8,350,000.00</b>	<b>8,307,298.83</b> <b>0.00</b>	<b>8,313,058.00</b> <b>1,620.50</b>	<b>8,367,159.65</b> <b>24,688.90</b>	<b>54,101.65</b>	<b>0.00</b>	<b>12,807.42</b>	<b>37,439.85</b>	<b>14.58</b>
<b>Grand total</b>			<b>57,126,386.60</b>	<b>56,994,360.39</b> <b>0.00</b>	<b>57,061,259.05</b> <b>11,821.07</b>	<b>57,175,358.15</b> <b>111,066.63</b>	<b>114,099.10</b>	<b>70,373.00</b>	<b>79,714.58</b>	<b>244,491.68</b>	<b>100.00</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2019

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>American Honda Finance Corp</b>												
02665WAH4	AMERICAN HONDA	2.250	08/15/2019		A	A2	1,500,000.00	1,541,520.00	2.70	1,498,957.50	2.62	0.13
<b>Issuer total</b>							<b>1,500,000.00</b>	<b>1,541,520.00</b>	<b>2.70</b>	<b>1,498,957.50</b>	<b>2.62</b>	<b>0.13</b>
<b>PepsiCo Inc</b>												
713448DJ4	PEPSICO INC 1.35%	1.350	10/04/2019		A+	A1	1,500,000.00	1,487,931.00	2.61	1,496,241.00	2.62	0.27
<b>Issuer total</b>							<b>1,500,000.00</b>	<b>1,487,931.00</b>	<b>2.61</b>	<b>1,496,241.00</b>	<b>2.62</b>	<b>0.27</b>
<b>Cisco Systems Inc</b>												
17275RBJ0	CISCO SYSTEMS INC	1.850	09/20/2021		AA-	A1	1,250,000.00	1,223,812.50	2.15	1,243,089.38	2.17	2.12
<b>Issuer total</b>							<b>1,250,000.00</b>	<b>1,223,812.50</b>	<b>2.15</b>	<b>1,243,089.38</b>	<b>2.17</b>	<b>2.12</b>
<b>JPMorgan Chase Bank NA</b>												
48125LRK0	JP MORGAN CHASE BANK	2.604	02/01/2021	01/01/2021	A+	Aa2	1,000,000.00	992,840.00	1.74	1,001,099.00	1.75	0.59
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>992,840.00</b>	<b>1.74</b>	<b>1,001,099.00</b>	<b>1.75</b>	<b>0.59</b>
<b>Berkshire Hathaway Finance Corp</b>												
084664CK5	BERKSHIRE HATHAWAY	1.300	08/15/2019		AA	Aa2	1,000,000.00	988,300.00	1.73	998,822.00	1.75	0.13
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>988,300.00</b>	<b>1.73</b>	<b>998,822.00</b>	<b>1.75</b>	<b>0.13</b>
<b>Microsoft Corp</b>												
594918AY0	MICROSOFT CORP 1.85%	1.850	02/12/2020	01/12/2020	AAA	Aaa	1,000,000.00	1,004,330.00	1.76	998,041.00	1.75	0.58
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,004,330.00</b>	<b>1.76</b>	<b>998,041.00</b>	<b>1.75</b>	<b>0.58</b>
<b>Chevron Corp</b>												
166764AR1	CHEVRON CORP 1.961%	1.961	03/03/2020	02/03/2020	AA	Aa2	1,000,000.00	1,003,180.00	1.76	997,995.00	1.75	0.63
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,003,180.00</b>	<b>1.76</b>	<b>997,995.00</b>	<b>1.75</b>	<b>0.63</b>

# GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of June 30, 2019

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
<b>John Deere Capital Corp</b>												
24422ETJ8	JOHN DEERE CAPITAL	1.250	10/09/2019		A	A2	1,000,000.00	979,508.26	1.72	997,433.00	1.74	0.28
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>979,508.26</b>	<b>1.72</b>	<b>997,433.00</b>	<b>1.74</b>	<b>0.28</b>
<b>TWDC Enterprises 18 Corp</b>												
25468PDP8	TWDC ENTERPRISES 18	1.950	03/04/2020		A	A2	1,000,000.00	1,003,140.00	1.76	997,367.00	1.74	0.67
<b>Issuer total</b>							<b>1,000,000.00</b>	<b>1,003,140.00</b>	<b>1.76</b>	<b>997,367.00</b>	<b>1.74</b>	<b>0.67</b>
<b>Apple Inc</b>												
037833DH0	APPLE INC 1.8%	1.800	11/13/2019		AA+	Aa1	989,000.00	977,874.87	1.72	987,623.31	1.73	0.37
<b>Issuer total</b>							<b>989,000.00</b>	<b>977,874.87</b>	<b>1.72</b>	<b>987,623.31</b>	<b>1.73</b>	<b>0.37</b>
<b>American Express Credit Corp</b>												
0258M0DX4	AMERICAN EXPRESS	2.600	09/14/2020	08/14/2020	A-	A2	900,000.00	914,913.00	1.61	903,370.50	1.58	1.11
<b>Issuer total</b>							<b>900,000.00</b>	<b>914,913.00</b>	<b>1.61</b>	<b>903,370.50</b>	<b>1.58</b>	<b>1.11</b>
<b>Grand total</b>							<b>57,126,386.60</b>	<b>56,994,360.39</b>	<b>100.00</b>	<b>57,175,358.15</b>	<b>100.00</b>	<b>0.79</b>

# SECURITIES SOLD AND MATURED

For the period June 1, 2019 - June 30, 2019

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
<b>Government Agencies</b>												
3134G44Y1	06/24/2019	1.250		(2,100,000.00)	2,075,808.00	2,100,000.00	0.00	2,100,000.00	0.00	0.00	13,125.00	1,677.08
FREDDIE MAC 1.25%	06/24/2019					1,212.13		1,428.00				
24JUN2019 CALLABLE												
<b>Total (Government Agencies)</b>				<b>(2,100,000.00)</b>	<b>2,075,808.00</b>	<b>2,100,000.00</b>		<b>2,100,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13,125.00</b>	<b>1,677.08</b>
<b>Grand total</b>				<b>(2,100,000.00)</b>	<b>2,075,808.00</b>	<b>2,100,000.00</b>		<b>2,100,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13,125.00</b>	<b>1,677.08</b>
						1,212.13		1,428.00				

# TRANSACTION REPORT

For the period June 1, 2019 - June 30, 2019

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
06/01/2019 06/01/2019	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
06/11/2019 06/11/2019	313373ZY1	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/11/2021	2,000,000.00	0.00	0.00	36,250.00	36,250.00
06/22/2019 06/22/2019	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
06/24/2019 06/24/2019	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
06/24/2019 06/24/2019	3134G44Y1	Capital Change	Government Agencies	FREDDIE MAC 1.25%	06/24/2019	(2,100,000.00)	0.00	2,100,000.00	0.00	2,100,000.00
06/28/2019 06/28/2019	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
06/30/2019		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	1,156.94	1,156.94

JULY 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.

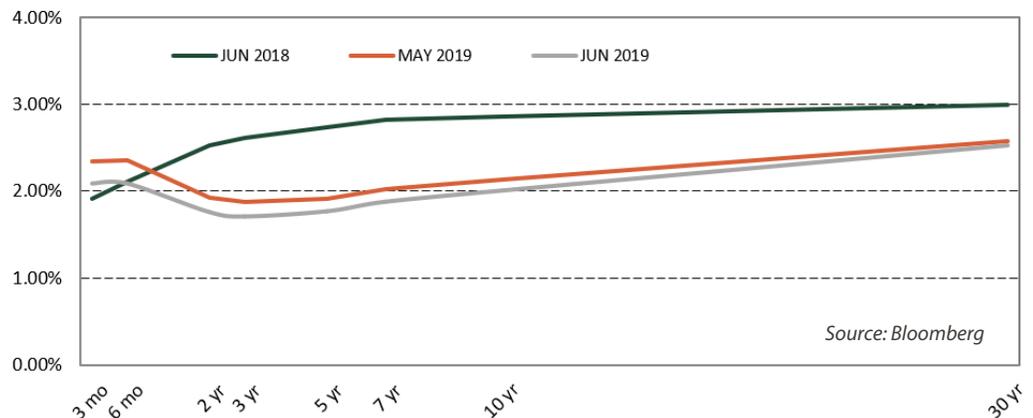
## Market Summary

The Federal Open Market Committee (FOMC) kept the target fed funds rate unchanged in June at a range of 2.25%-2.50%. In the policy statement, the Fed noted that market-based measures of inflation have declined and uncertainties about the economic outlook have increased. With regard to future policy adjustments, the Fed removed the word "patient" from the policy statement, and indicated they are prepared to act as appropriate to incoming data in order to sustain the economic expansion. The Fed did not make any changes to their balance sheet normalization program, and the runoff remains on track to end in September. There was one dissenting vote amongst the FOMC members, James Bullard, who was in favor of lowering the fed funds rate by 25 basis points.

In our view, US domestic economic data remains consistent with a slow growth environment; the US labor market is strong, wages are growing modestly, and inflation remains contained. However, headwinds to the economy have increased. Ongoing global trade disputes, slowing global economic growth, an uncertain outlook for Brexit, and geopolitical tensions have made the outlook uncertain. The trajectory of economic growth is likely to hinge on the outcome of ongoing trade negotiations as well as policy action by the major global central banks. We believe there is a high level of political pressure to make progress toward a trade agreement with China before the election cycle heats up this fall. We also believe a dovish collective stance by major global central banks should help to combat the headwinds to global economic growth.

Treasury yields declined further in June. At month-end, the 3-month T-bill yield was down 25 basis points to 2.09%, the 2-year Treasury yield was down 17 basis point to 1.76%, and the 10-year Treasury yield was down 12 basis points to 2.01%. An inversion of the yield curve in which the 10-year Treasury yield is lower than the 3-month T-bill yield is generally viewed as a powerful predictive signal of an upcoming recession. Although our 6-month forecast does not call for a recession, we believe downside risks to the economy are building. Notably, sovereign 10-year bond yields around the world were under pressure in June and the yields on both the 10-year German Bund and 10-year Japanese Government Bond remained negative at month-end.

## The Treasury Yield Curve Remains Quite Flat



The shape of the Treasury yield curve has changed significantly on a year-over-year basis. As of month-end in June, the 3-month T-bill yield was up nearly 18 basis points, the 2-Year Treasury yield was down 77 basis points, and the 10-Year Treasury yield was down nearly 86 basis points, year-over-year. The current shape of the yield curve implies that market participants are pricing-in multiple rate cuts. We believe the decline in long-term Treasury yields reflects a high level of market participants' nervousness about the outlook for global economic growth and a decline in global inflation expectations.

TREASURY YIELDS	Trend (▲/▼)	6/30/2019	5/31/2019	Change
3-Month	▼	2.09	2.34	(0.25)
2-Year	▼	1.76	1.92	(0.16)
3-Year	▼	1.71	1.87	(0.16)
5-Year	▼	1.77	1.91	(0.14)
7-Year	▼	1.88	2.02	(0.14)
10-Year	▼	2.01	2.13	(0.12)
30-Year	▼	2.53	2.57	(0.04)

Source: Bloomberg

## Economic Roundup

### Consumer Prices

The Consumer Price Index (CPI) was up just 1.8% year-over-year in May, versus up 2.0% year-over-year in April. Core CPI (CPI less food and energy) was up 2.0% year-over-year in May, versus up 2.1% year-over-year in April. The Personal Consumption Expenditures (PCE) index was up 1.5% year-over-year in May, versus up 1.6% year-over-year in April. Core PCE, which is the Fed's primary inflation gauge, was up 1.6% year-over-year in May, unchanged from April, remaining below the Fed's 2.0% inflation target.

### Retail Sales

On a year-over-year basis, retail sales were up 3.2% in May, versus up 3.7% year-over-year in April. On a month-over-month basis, retail sales increased 0.5% in May, and sales growth for April was revised up to 0.3% from -0.2%. Retail sales excluding autos and gas were up 0.5% in May, better than expectations of 0.4%. Solid growth in May, and upward revisions to April, indicate that consumer spending trends remain favorable.

### Labor Market

U.S. nonfarm payrolls rose by 224,000 in June, well above the consensus forecast of 165,000. April and May payrolls were revised down by a total of just 11,000. On a trailing 3-month basis payrolls increased an average of 171,000, more than enough to absorb new entrants into the labor market. The unemployment rate ticked up to 3.7% in June from 3.6% in May as the participation rate also increased to 62.9% from 62.8%. 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, also edged up to 7.2% in June from 7.1% in May. Wages rose 0.2% in June (slightly below expectations), following an upwardly revised 0.3% increase in May. On a year-over-year basis, wages were up 3.1% in June, versus up 3.2% in May.

### Housing Starts

Housing starts were stronger than expected in May, down slightly to a 1.269 million annual rate from an upwardly revised annual rate of 1.281 million in April. Multi-family starts jumped 10.9% to an annualized rate of 449,000, but single-family starts fell 6.4% to an annualized rate of 820,000. On a year-over-year basis, total housing starts were down 4.7% in May.

### Credit Spreads Tightened in June

CREDIT SPREADS	Spread to Treasuries (%)	One Month Ago (%)	Change
3-month top rated commercial paper	0.10	0.10	0.00
2-year A corporate note	0.51	0.56	(0.05)
5-year A corporate note	0.65	0.75	(0.10)
5-year Agency note	0.12	0.12	0.00

Source: Bloomberg

Data as of 6/30/2019

### Economic Data Points to Ongoing Slow Growth

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(55.5) \$Bln MAY 19	(51.2) \$Bln APR 19	(44.4) \$Bln MAY 18
GDP	3.1% MAR 19	2.2% DEC 18	2.2% MAR 18
Unemployment Rate	3.7% JUN 19	3.6% MAY 19	4.0% JUN 18
Prime Rate	5.50% JUN 19	5.50% MAY 19	5.00% JUN 18
CRB Index	181.04 JUN 19	175.36 MAY 19	200.38 JUN 18
Oil (West Texas Int.)	\$58.47 JUN 19	\$53.50 MAY 19	\$74.15 JUN 18
Consumer Price Index (y/o/y)	1.8% MAY 19	2.0% APR 19	2.8% MAY 18
Producer Price Index (y/o/y)	1.0% MAY 19	2.0% APR 19	4.1% MAY 18
Dollar/Euro	1.14 JUN 19	1.12 MAY 19	1.17 JUN 18

Source: Bloomberg

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## Market Data

### World Indices

data as of 6/30/2019

	Diff (5/31/19)	% Change
S&P 500		
<b>2,941.76</b>	189.70	6.89%
NASDAQ		
<b>8,006.24</b>	553.10	7.42%
DOW JONES		
<b>26,599.96</b>	1,784.92	7.19%
FTSE (UK)		
<b>7,425.63</b>	263.92	3.69%
DAX (Germany)		
<b>12,398.80</b>	671.96	5.73%
Hang Seng (Hong Kong)		
<b>28,542.62</b>	1,641.53	6.10%
Nikkei (Japan)		
<b>21,275.92</b>	674.73	3.28%

Source: Bloomberg



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