



Investment Report

# City of Stockton

Period Ending  
June 30, 2016



CITY OF STOCKTON

ADMINISTRATIVE SERVICES

City Hall • 425 N. El Dorado Street • Stockton, CA 95202-1997 • 209 / 937-8460 • Fax 209 / 937-8844  
www.stocktongov.com

**MEMORANDUM**

July 13, 2016

**SUBJECT: CERTIFICATION OF QUARTERLY INVESTMENT REPORT FOR  
QUARTER ENDED JUNE 30, 2016**

I hereby certify:

- 1) All investment actions executed since the last quarterly report have been made in full compliance with California Government Code (CGC) 53601; and
- 2) That the City of Stockton will meet its expenditure obligations for the next six months, as described in CGC 53646(b)(2) and (3) respectively.

A handwritten signature in black ink, appearing to read 'Matt Paulin', written over a horizontal line.

MATT PAULIN  
CHIEF FINANCIAL OFFICER



<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Consolidated Information</b>
<b>SECTION 4</b>	<b>Portfolio Holdings</b>
<b>SECTION 5</b>	<b>Quarterly Transactions</b>



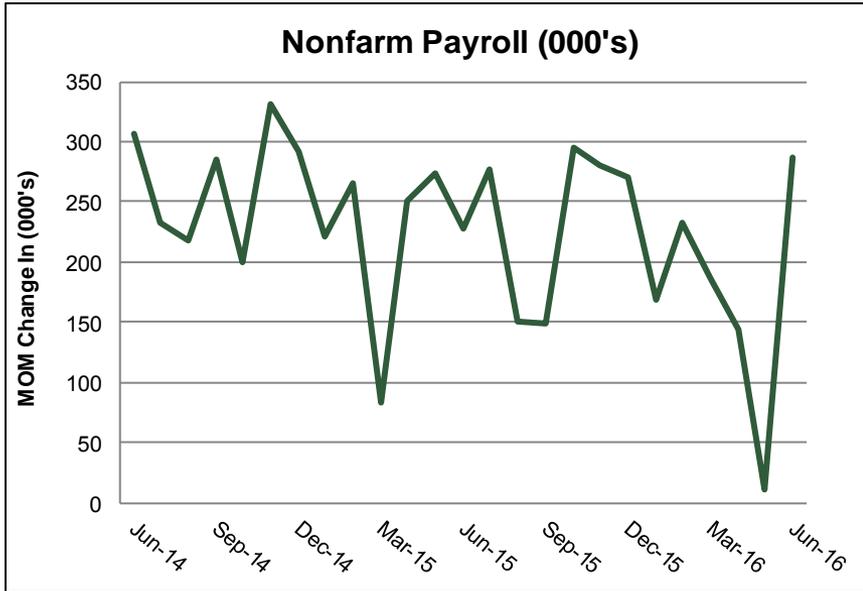
---

**SECTION 1**

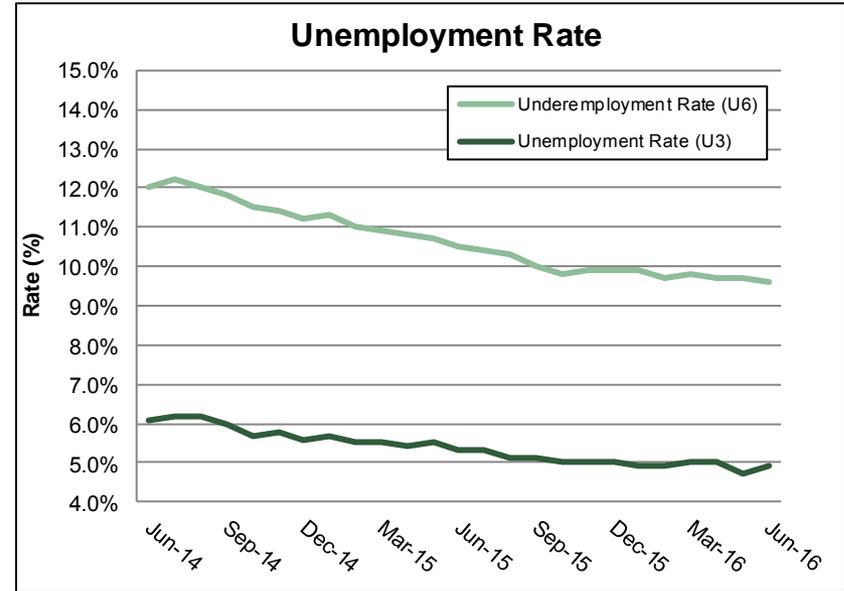
**Economic Update**



- The Federal Open Market Committee (FOMC) voted to keep the fed funds rate unchanged at the June 14-15 meeting. The FOMC statement was mostly balanced, noting that the pace of labor market gains slowed but economic activity picked up. Brexit fears and the corresponding volatility in sovereign bond yields, along with disappointing May jobs report, likely prompted the Fed to keep monetary policy on hold. In her press conference, Fed Chair Yellen conceded that the Fed can more effectively respond to an overshoot of inflation than they can to a weakening labor market and/or deflation. In hindsight, the Fed's cautious stance in June seems to have been prudent. Just a week later, Britain's unexpected vote to leave the European Union was a shock to the financial markets and prompted a broad selloff of risk assets and spike in volatility. The long-term implications of the Brexit vote are highly uncertain. Near term, we expect financial market volatility to remain elevated and interest rates to stay lower for longer. We believe the hurdle rate for future fed funds rate hikes has moved materially higher. Furthermore, we expect the Federal Reserve to remain on hold over the near-term.
- Although the global economy faces headwinds, domestic economic data continues to point toward modest growth, in our view. Nonfarm payroll growth was lower in the second quarter than the first quarter, but remained high enough to absorb new entrants into the labor market. The unemployment rate was 4.9% in June and wage growth continued to tick higher during the month. Consumer confidence remains strong and consumer spending has recently improved. The housing sector appears healthy and pricing remains firm. Meanwhile, manufacturing trends have improved but remain sluggish. Inflation pressures are muted (for now) with the Core PCE index up just 1.6% year-over-year in May. First quarter 2016 GDP grew 1.1%, following growth of 1.4% in the fourth quarter. Market participants are forecasting a modest rebound in GDP growth to 2.5% in the second quarter of 2016.
- In June, the 2-year Treasury yield declined nearly 30 basis points and the 10-year Treasury yield declined almost 38 basis points. Negative interest rates in Europe and Japan, investors' hunt for yield, and a global flight to quality, continues to fuel demand for US Treasury securities. According to fed funds futures prices, the implied probability of one rate hike during the next twelve months is lower than 25%. Elevated market volatility, the potential for a further slowdown in global economic growth, and highly accommodative monetary policies by other global central banks will continue to influence the Federal Reserve. The FOMC's median projection calls for two rate hikes before year-end, but we believe this projection is unlikely to be met.

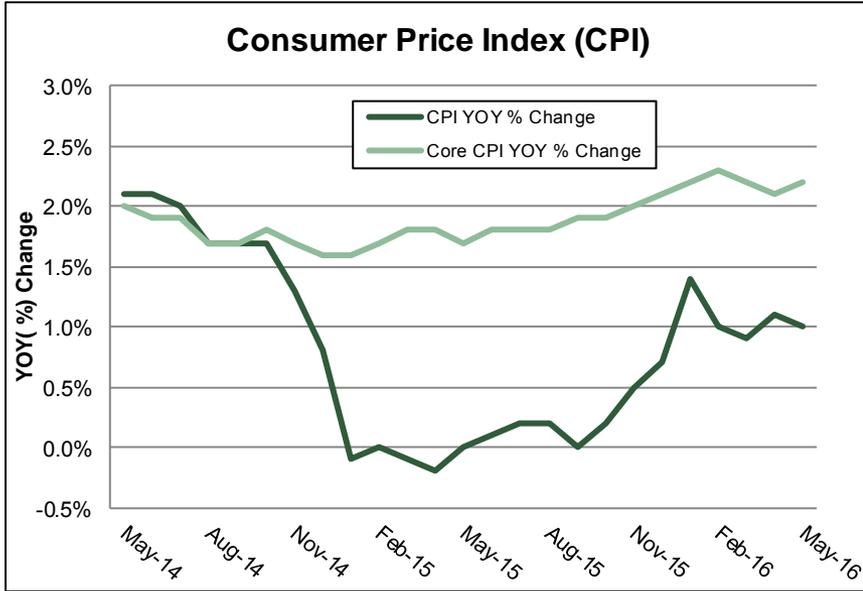


Source: US Department of Labor

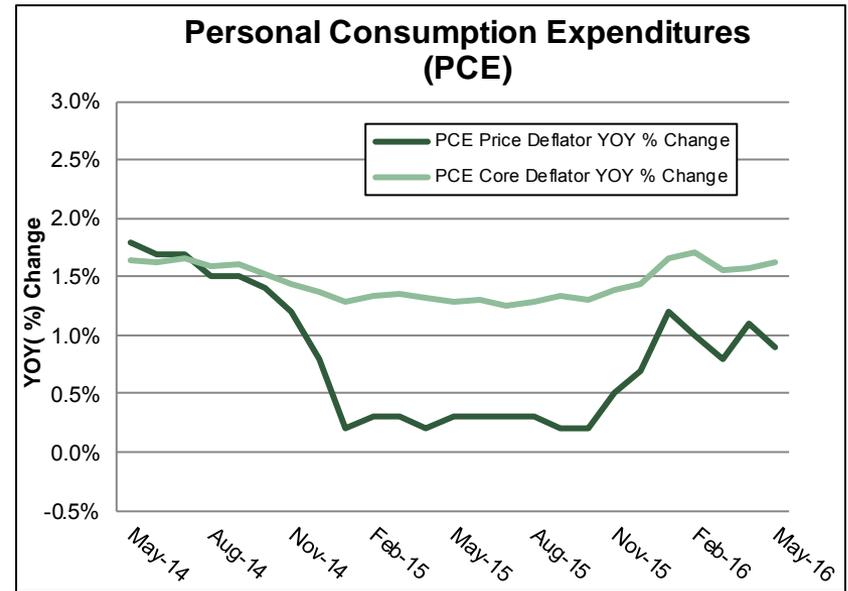


Source: US Department of Labor

Nonfarm payrolls were much stronger than expected in June, up 287,000 versus the consensus forecast of 180,000. However, May payrolls (which were already quite low) were revised down to 11,000 from 38,000. During the second quarter, payrolls increased by an average of 147,000 per month, compared to an average of 196,000 during the first quarter. Job growth has decelerated but remains consistent with slow domestic economic growth. The unemployment rate increased to 4.9% in June from 4.7% in May, as the participation rate increased to 62.7% from 62.6%. 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, edged down to 9.6% from 9.7%. Wages inched up 0.1% in June, following growth of 0.2% in May. On a year-over-year basis, wages were up 2.6% in June.

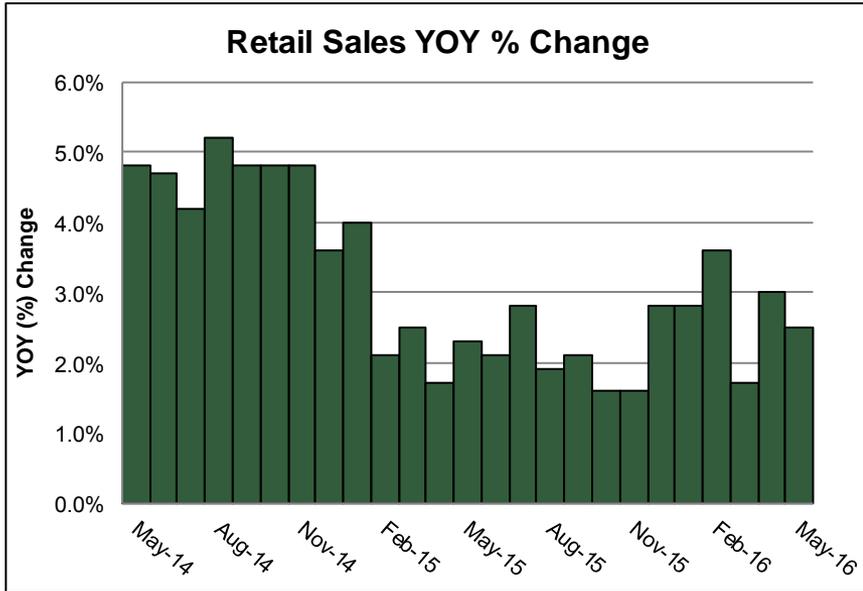


Source: US Department of Labor

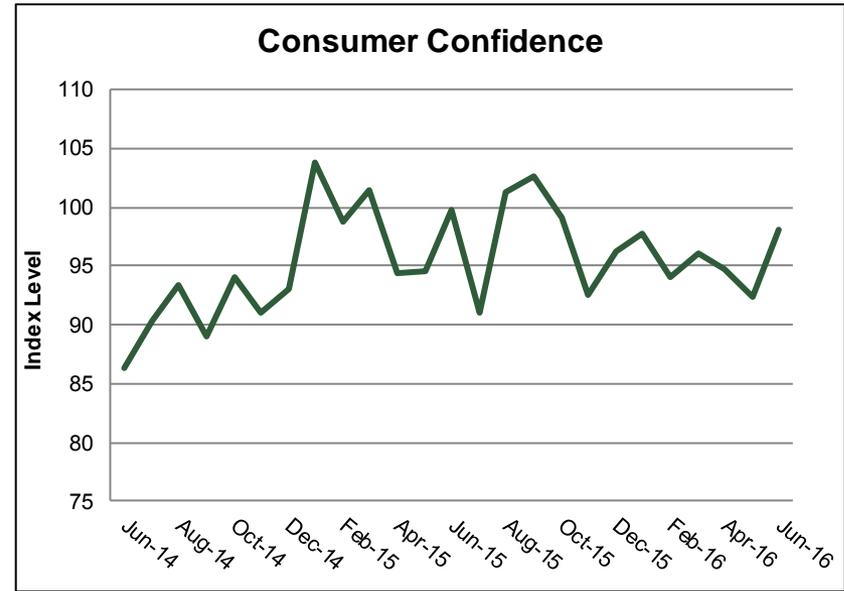


Source: US Department of Labor

Inflation pressures remain contained for now. The Consumer Price Index (CPI) was up just 1.0% year-over-year in May, vs. 1.1% in April. Core CPI (CPI less food and energy) was up 2.2% year-over-year in May, vs. 2.1% in April. The Personal Consumption Expenditures (PCE) index was up 0.9% year-over-year in May, vs. up 1.1% in April. Core PCE (excluding food and energy) was unchanged in May, up 1.6% year-over-year. Although Core CPI is trending above 2.0%, the Fed's primary inflation gauge is PCE which remains below the Fed's 2.0% target.

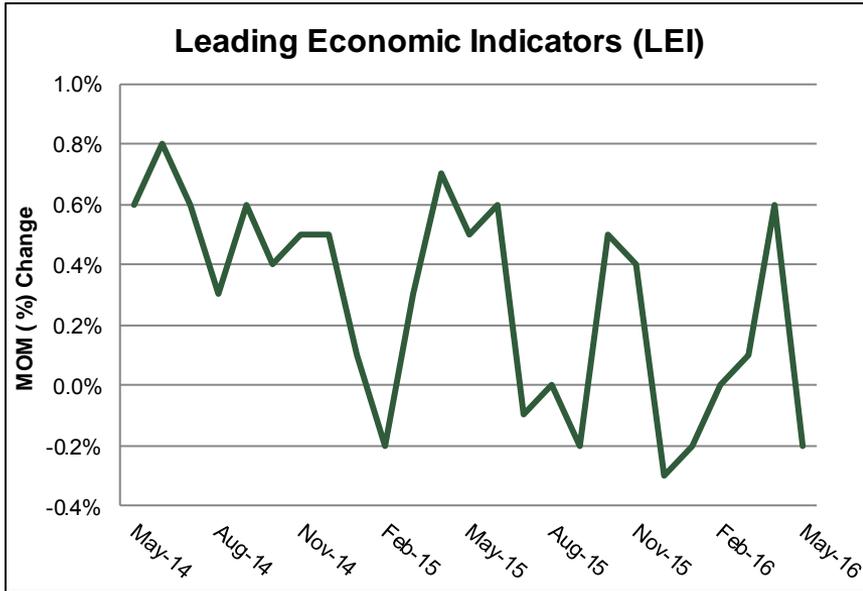


Source: US Department of Commerce

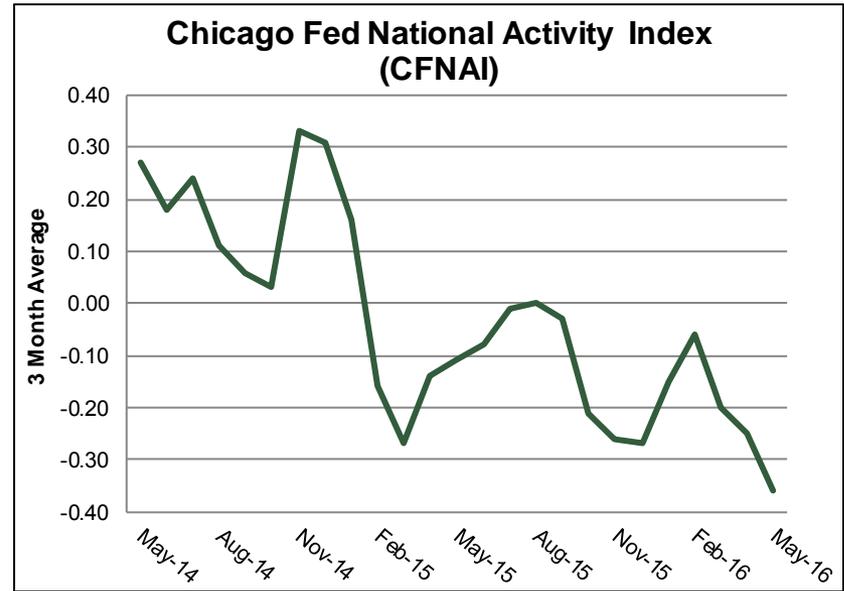


Source: Federal Reserve

Retail sales rose 2.5% in May on a year-over-year basis, following a 3.0% increase in April. Retail sales were up 0.5% month-over-month. Excluding autos and gas, retail sales were up 0.3% month-over-month, in line with expectations. Meanwhile, the consumer confidence index jumped to 98.0 in June from 92.4 in May. Overall, reports on consumer spending have been mixed in recent months but we believe the underlying trend is favorable.

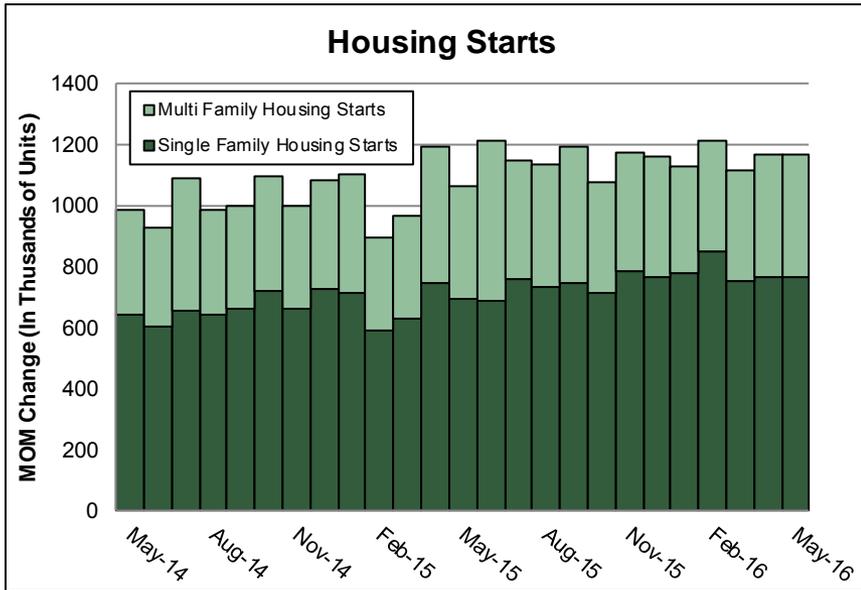


Source: The Conference Board

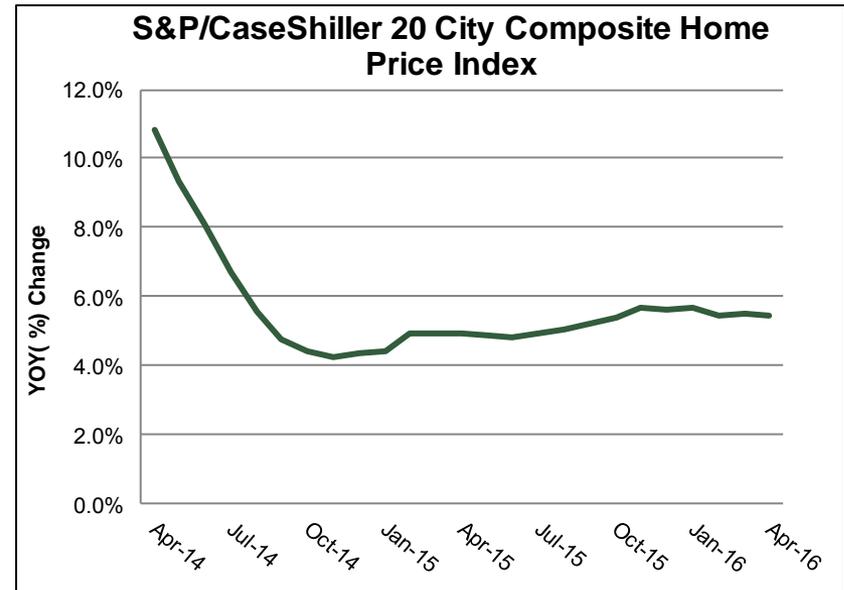


Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) declined 0.2% in May, dragged down by a since-reversed jump in initial jobless claims. According to the Conference Board (which publishes the LEI), “while the LEI suggests the economy will continue growing at a moderate pace in the near term, volatility in financial markets and a moderating outlook in labor markets could pose downside risks to growth.” Meanwhile, the Chicago Fed National Activity Index (CFNAI) declined to -0.36 in May on a 3-month moving average basis, a level consistent with below-trend economic growth. Notably, a reading below -0.70 on a 3-month moving average basis has historically corresponded with the onset of a recession; fortunately the CFNAI remains safely above that level.

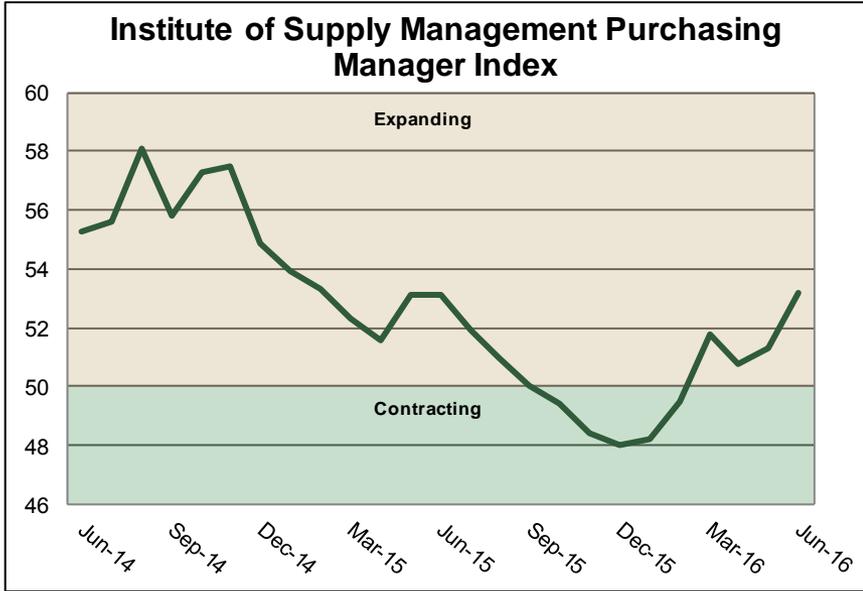


Source: US Census Bureau

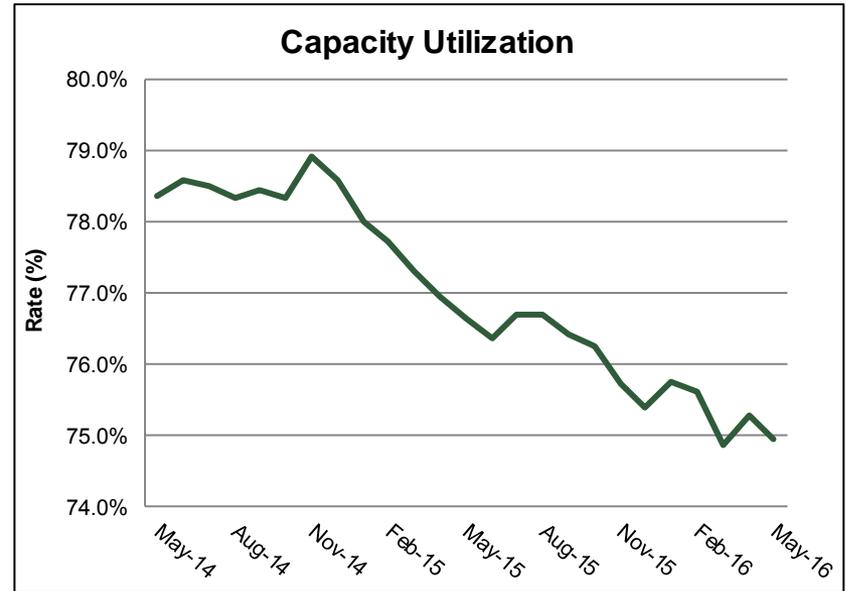


Source: S&P

Total housing starts slipped 0.3% on a month-over-month basis in May, but were up 9.5% on a year-over-year basis. Month-over-month, single-family starts rose 0.3% in May while multi-family starts declined 1.2%. However, year-over-year, single-family starts were up 10.1% in May and multi-family starts were up 8.4%. Housing starts tend to be volatile on a month-to-month basis and the data is subject to revision. Multi-family starts were particularly strong in 2015, making the year-over-year comparison challenging. We believe underlying trends in the housing market remain healthy. According to the Case-Shiller 20-City home price index, home prices were up 5.4% year-over-year in April, vs. up 5.5% year-over-year in March.



Source: Institute for Supply Management



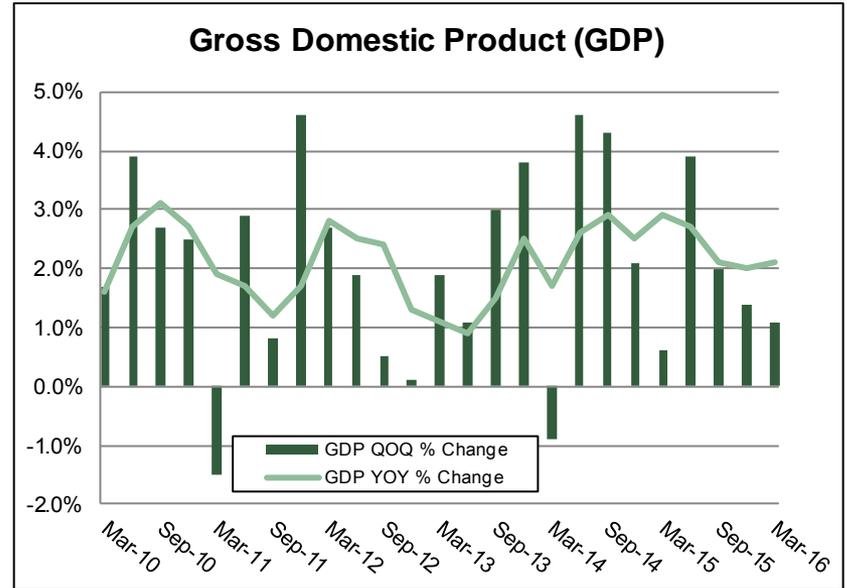
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index increased to 53.2 in June from 51.3 in May. The index is above the 50.0 breakeven level, which suggests that the manufacturing sector is expanding slightly. Notably, a reading above 43.1 over a period of time is generally indicative of broad economic expansion, based on the historical relationship between the index and GDP growth. Meanwhile, capacity utilization, which is production divided by capacity, dropped to 74.9% in May from 75.3% in April. The capacity utilization rate is much lower than the long-run average of 80.0% (1972-2015), suggesting there is still excess capacity in the industrial sector.



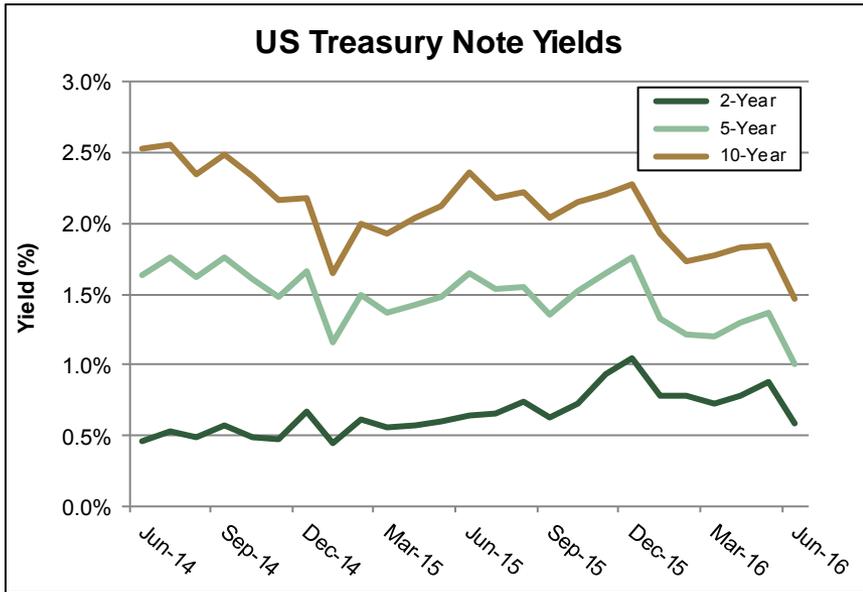
Components of GDP	6/15	9/15	12/15	3/16
Personal Consumption Expenditures	2.4%	2.0%	1.7%	1.0%
Gross Private Domestic Investment	0.9%	-0.1%	-0.2%	-0.3%
Net Exports and Imports	0.2%	-0.3%	-0.1%	0.1%
Federal Government Expenditures	0.0%	0.0%	0.2%	-0.1%
State and Local (Consumption and Gross Investment)	0.5%	0.3%	-0.1%	0.3%
<b>Total</b>	<b>3.9%</b>	<b>2.0%</b>	<b>1.4%</b>	<b>1.1%</b>

Source: US Department of Commerce

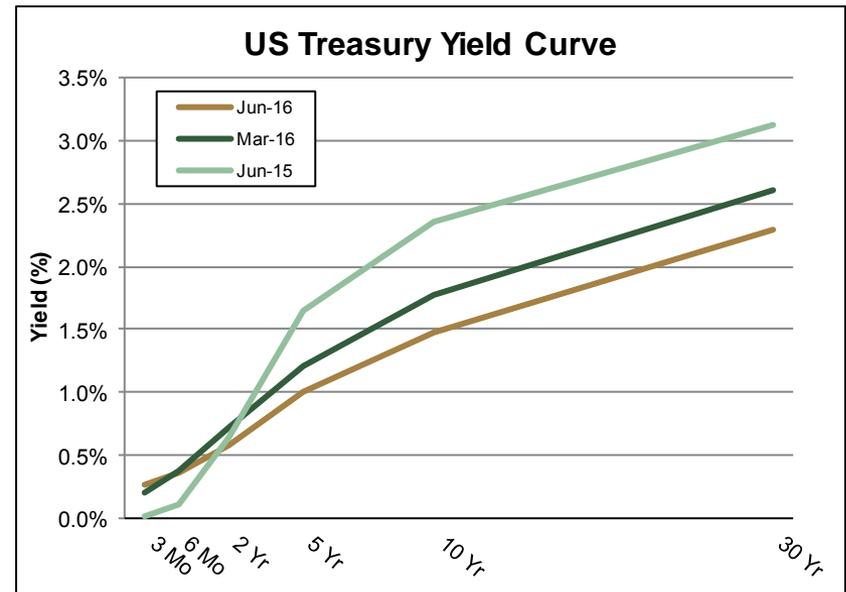


Source: US Department of Commerce

First quarter real GDP growth was revised up again to 1.1%, from the second estimate of 0.8% and the advance estimate of 0.5%. This follows growth of 1.4% in the fourth quarter. The second upward revision to first quarter GDP was driven by an upward adjustment to nonresidential investment and net exports. Growth from Personal Consumption Expenditures (PCE) decelerated in the first quarter from the fourth quarter but continued to be the biggest overall contributor to economic growth. Market participants are forecasting GDP growth of about 2.5% in the second quarter of 2016.

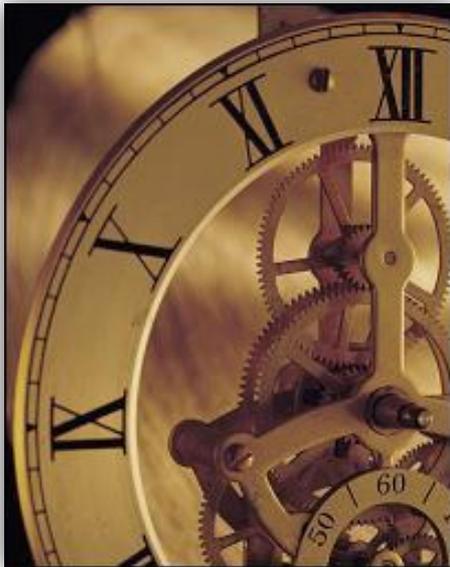


Source: Bloomberg



Source: Bloomberg

Over the past three months, the yield curve flattened with the 2-year Treasury yield down 14 basis points and the 10-year Treasury yield down 30 basis points. The flattening is even more pronounced on a year-over-year basis with the 2-year Treasury yield down 6 basis points and the 10-year Treasury yield down nearly 90 basis points. Over the past year, financial market volatility has been elevated due to weak global economic growth, volatile commodity prices, and divergent global central bank monetary policy.



---

## SECTION 2

# Account Profile

## Investment Objectives

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

## Chandler Asset Management Performance Objectives

The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index, the Bank of America Merrill Lynch Index of 1-5 Year Government securities.

## Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.



## City of Stockton

June 30, 2016

### COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Local Agency Bonds	No Limitation; 5 year maximum maturity	Complies
Treasury Issues	No Limitation; 10 year maximum maturity	Complies
Agency Issues	No Limitation; 10 year maximum maturity	Complies
Banker's Acceptances	40% maximum; <180 days maturity	Complies
Commercial Paper	25% maximum; <270 days maturity; A-1/P-1/F-1 minimum ratings	Complies
Negotiable Certificates of Deposit	30% maximum; 5 years maximum maturity	Complies
Repurchase Agreements	No limitation; 1 year maximum maturity	Complies
Reverse Repurchase Agreements	20% maximum; <92 days maturity	Complies
Medium Term Notes	30% maximum; 5 years maximum maturity; A-rated or better	Complies
Money Market Mutual Funds	AAA/Aaa rated by two NRSRO; 20% maximum	Complies
Collateralized Certificates of Deposits	5 years maximum maturity	Complies
Time Deposits	5 years maximum maturity	Complies
Mortgage Pass-through and Asset Backed Securities	20% maximum; AA-rated issue; A-rated issuer	Complies
Local Agency Investment Fund - L.A.I.F.	\$50 million program limitation	Complies
Per issuer maximum	5% per issuer; except for Treasury and Agency issuers and MM Funds	Complies
Maximum maturity	5 years; except 15% of assets can have a max. maturity of between 5 and 10 years	Complies



**City of Stockton Consolidated**  
**June 30, 2016**

**COMPLIANCE WITH INVESTMENT POLICY**

*This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by Client. Chandler relies on Client to provide accurate information for reporting assets and producing this compliance statement.*

<b>Category</b>	<b>Standard</b>	<b>Comment</b>
Local Agency Bonds	No Limitation; 5 year maximum maturity	Complies
Treasury Issues	No Limitation; 10 year maximum maturity	Complies
Agency Issues	No Limitation; 10 year maximum maturity	Complies
Banker's Acceptances	40% maximum; <180 days maturity	Complies
Commercial Paper	25% maximum; <270 days maturity; A-1/P-1/F-1 minimum ratings	Complies
Negotiable Certificates of Deposit	30% maximum; 5 years maximum maturity	Complies
Repurchase Agreements	No limitation; 1 year maximum maturity	Complies
Reverse Repurchase Agreements	20% maximum; <92 days maturity	Complies
Medium Term Notes	30% maximum; 5 years maximum maturity; A-rated or better	Complies
Money Market Mutual Funds	AAA/Aaa rated by two NRSRO; 20% maximum	Complies
Collateralized Certificates of Deposits	5 years maximum maturity	Complies
Time Deposits	5 years maximum maturity	Complies
Mortgage Pass-through and Asset Backed Securities	20% maximum; AA-rated issue; A-rated issuer	Complies
Local Agency Investment Fund - L.A.I.F.	Program limitation	Complies
Per issuer maximum	5% per issuer; except for Treasury, Agency issuers and money market funds	Complies
Maximum maturity	5 years; except 15% of assets can have a max. maturity of between 5 and 10 years	Complies



# Account Profile

## Portfolio Characteristics

### City of Stockton Reserve Portfolio

	06/30/2016		03/31/2016
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.70	2.67	2.69
Modified Duration	2.60	2.48	2.49
Average Purchase Yield	n/a	1.38 %	1.35 %
Average Market Yield	0.72 %	0.89 %	1.02 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		325,341,413	323,027,791

\* BAML 1-5 Yr US Treasury/Agency Index

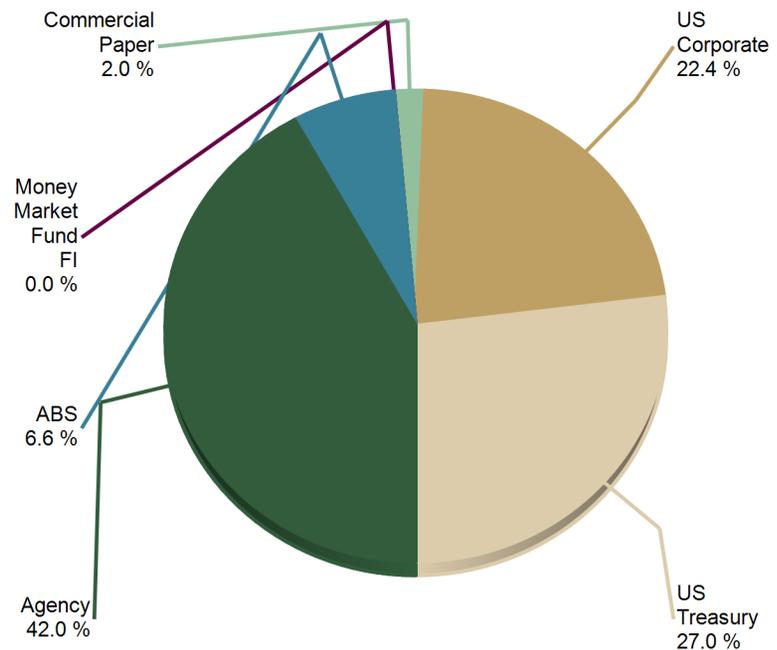
\*\* Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.



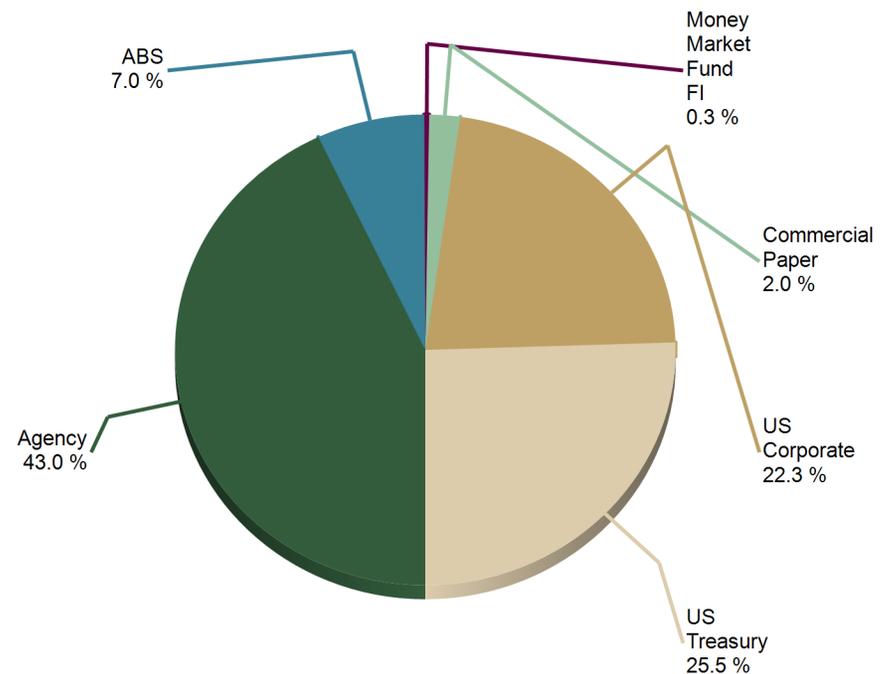
# Sector Distribution

## City of Stockton Reserve Portfolio

June 30, 2016



March 31, 2016





City of Stockton Reserve Portfolio  
Account #10020

### Issuer Report

As of 6/30/2016

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	26.97 %
Federal National Mortgage Association	Agency	18.48 %
Federal Home Loan Mortgage Corp	Agency	11.57 %
Federal Home Loan Bank	Agency	9.75 %
Honda ABS	ABS	2.43 %
John Deere ABS	ABS	2.00 %
Bank of Tokyo-Mit UFJ	Commercial Paper	1.99 %
Toyota ABS	ABS	1.44 %
Exxon Mobil Corp	US Corporate	1.43 %
US Bancorp	US Corporate	1.36 %
Tennessee Valley Authority	Agency	1.19 %
Qualcomm Inc	US Corporate	1.16 %
Wells Fargo Corp	US Corporate	1.15 %
Bank of New York	US Corporate	1.14 %
Honda Motor Corporation	US Corporate	1.13 %
Charles Schwab Corp/The	US Corporate	1.13 %
General Electric Co	US Corporate	1.13 %
HSBC USA Corp	US Corporate	1.11 %
IBM Corp	US Corporate	1.07 %
United Technology Corp	US Corporate	0.97 %
Federal Farm Credit Bank	Agency	0.96 %
Apple Inc	US Corporate	0.93 %
Praxair	US Corporate	0.92 %
Toyota Motor Corp	US Corporate	0.92 %
ChevronTexaco Corp	US Corporate	0.90 %
JP Morgan ABS	ABS	0.78 %
Pepsico Inc	US Corporate	0.78 %
Intel Corp	US Corporate	0.77 %
Cisco Systems	US Corporate	0.76 %
Oracle Corp	US Corporate	0.73 %
State Street Bank	US Corporate	0.70 %
Costco Wholesale Corporation	US Corporate	0.49 %
Microsoft	US Corporate	0.48 %



City of Stockton Reserve Portfolio  
Account #10020

### Issuer Report

As of 6/30/2016

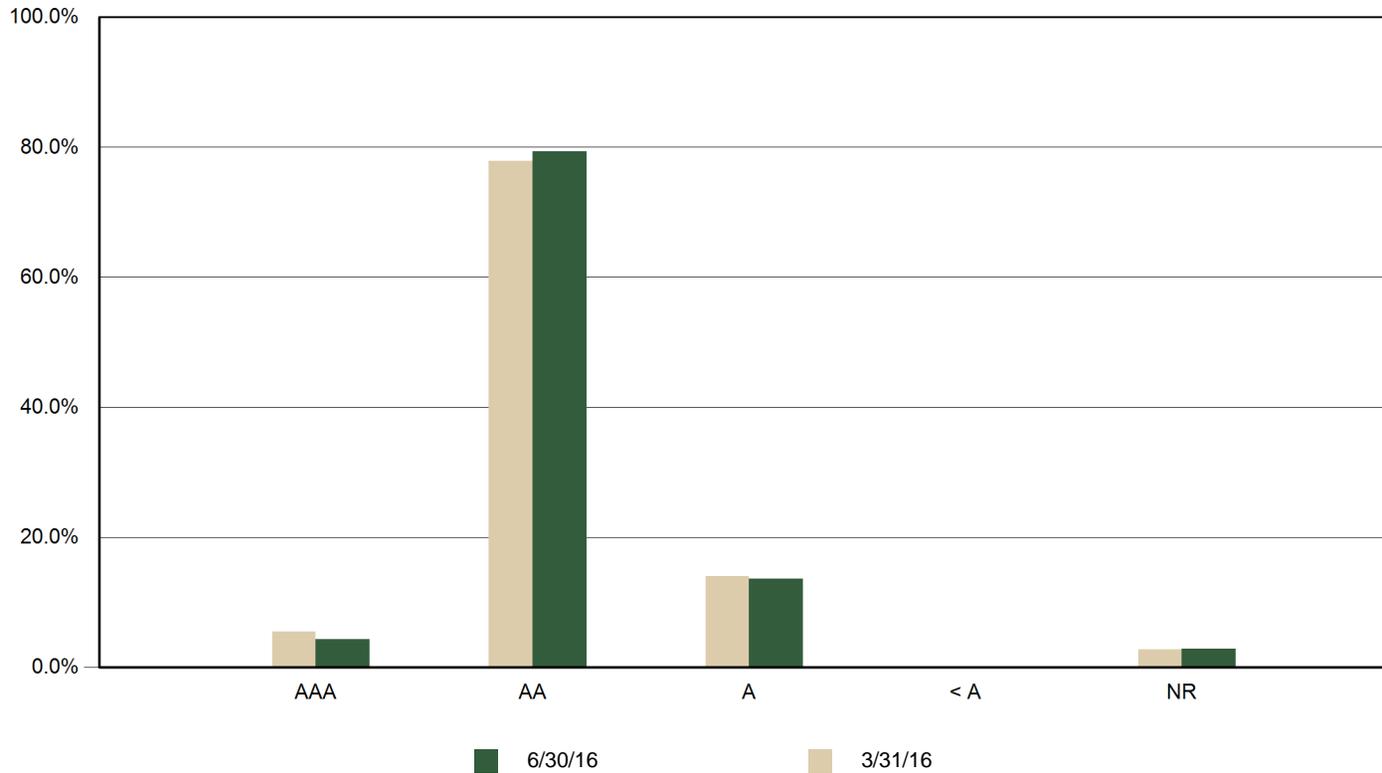
Issue Name	Investment Type	% Portfolio
Deere & Company	US Corporate	0.46 %
Wal-Mart Stores	US Corporate	0.32 %
Paccar Financial	US Corporate	0.26 %
Pfizer Inc.	US Corporate	0.21 %
Federated GOVT Obligation MMF	Money Market Fund FI	0.01 %
<b>Total</b>		<b>100.00 %</b>



# Quality Distribution

## City of Stockton Reserve Portfolio

June 30, 2016 vs. March 31, 2016

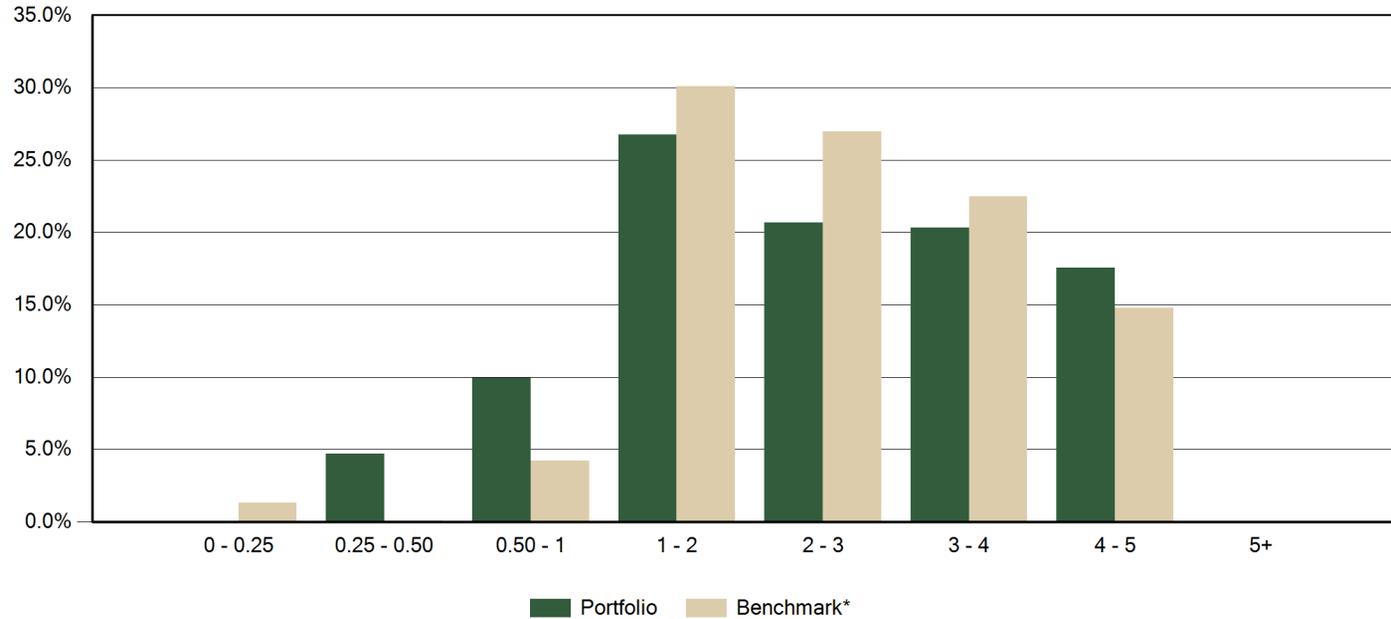


	AAA	AA	A	<A	NR
<b>6/30/16</b>	4.3 %	79.3 %	13.6 %	0.0 %	2.9 %
<b>3/31/16</b>	5.5 %	77.8 %	14.0 %	0.0 %	2.7 %

Source: S&P Ratings



## City of Stockton Reserve Portfolio Portfolio Compared to the Benchmark as of June 30, 2016



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
<b>Portfolio</b>	0.0 %	4.7 %	9.9 %	26.7 %	20.7 %	20.3 %	17.6 %	0.0 %
<b>Benchmark*</b>	1.3 %	0.1 %	4.2 %	30.1 %	27.0 %	22.5 %	14.8 %	0.0 %

\* BAML 1-5 Yr US Treasury/Agency Index



# Investment Performance

## City of Stockton Reserve Portfolio

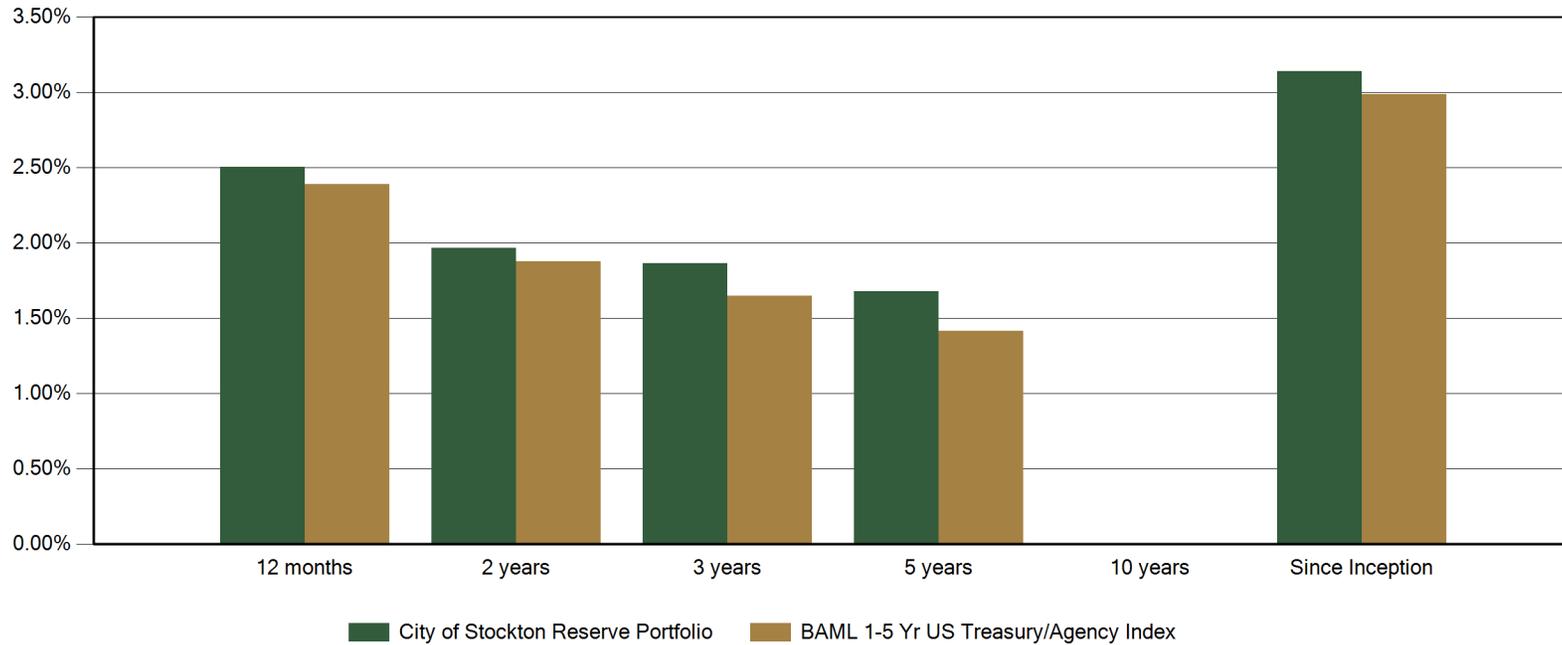
Period Ending

June 30, 2016

Total Rate of Return

Annualized Since Inception

June 30, 2007



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
City of Stockton Reserve Portfolio	0.73 %	2.51 %	1.97 %	1.87 %	1.68 %	N/A	3.14 %
BAML 1-5 Yr US Treasury/Agency Index	0.79 %	2.39 %	1.88 %	1.65 %	1.42 %	N/A	2.99 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



# Account Profile

## Portfolio Characteristics

### City of Stockton Liquid Account

	06/30/2016	03/31/2016
	Portfolio	Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	0.40 %	0.39 %
Average Market Yield	0.40 %	0.39 %
Average Quality**	AAA/Aaa	AAA/Aaa
Total Market Value	129,316,061	86,903,844

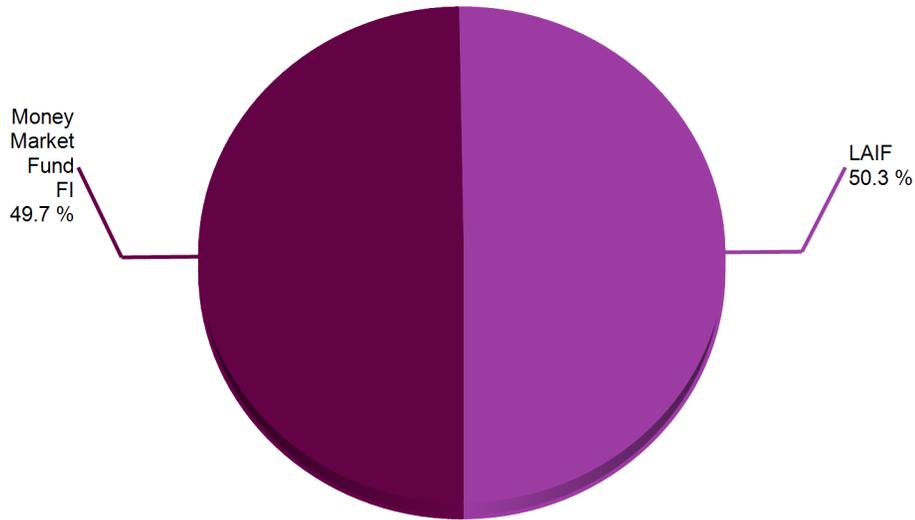
\* Portfolio is S&P and Moody's respectively.



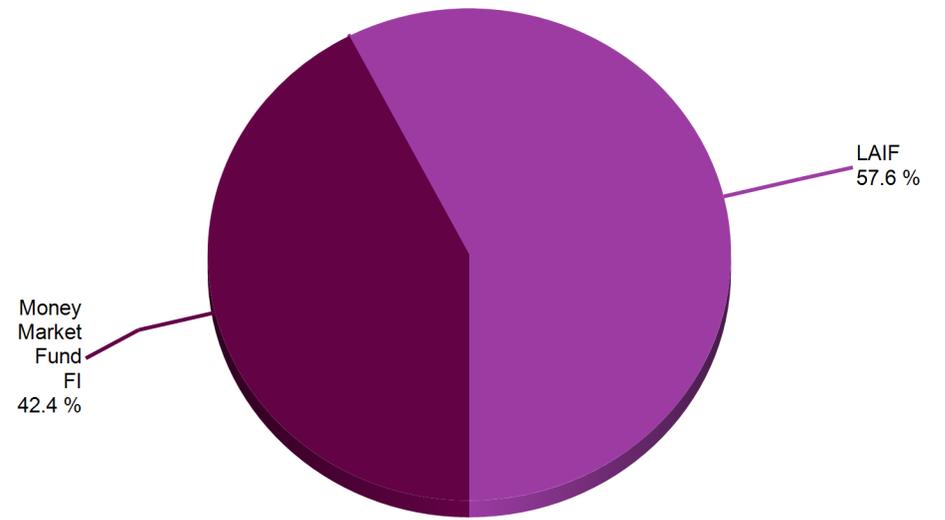
# Sector Distribution

## City of Stockton Liquid Account

June 30, 2016



March 31, 2016





**City of Stockton Liquid Account  
Account #10019**

**Issuer Report**

As of 6/30/2016

<b>Issue Name</b>	<b>Investment Type</b>	<b>% Portfolio</b>
Local Agency Investment Fund	LAIF	50.28 %
Wells Fargo Advantage Govt #1751 MMKT	Money Market Fund FI	49.72 %
<b>Total</b>		<b>100.00 %</b>



---

## SECTION 3

# Consolidated Information



## City of Stockton Consolidated

	06/30/2016	03/31/2016
	Portfolio	Portfolio
Average Maturity (yrs)	1.91	2.12
Modified Duration	1.78	1.96
Average Purchase Yield	1.10 %	1.14 %
Average Market Yield	0.75 %	0.88 %
Average Quality**	AA+/Aa1	AA+/Aa1
Total Market Value	454,657,474	409,931,635

\* Portfolio is S&P and Moody's respectively.

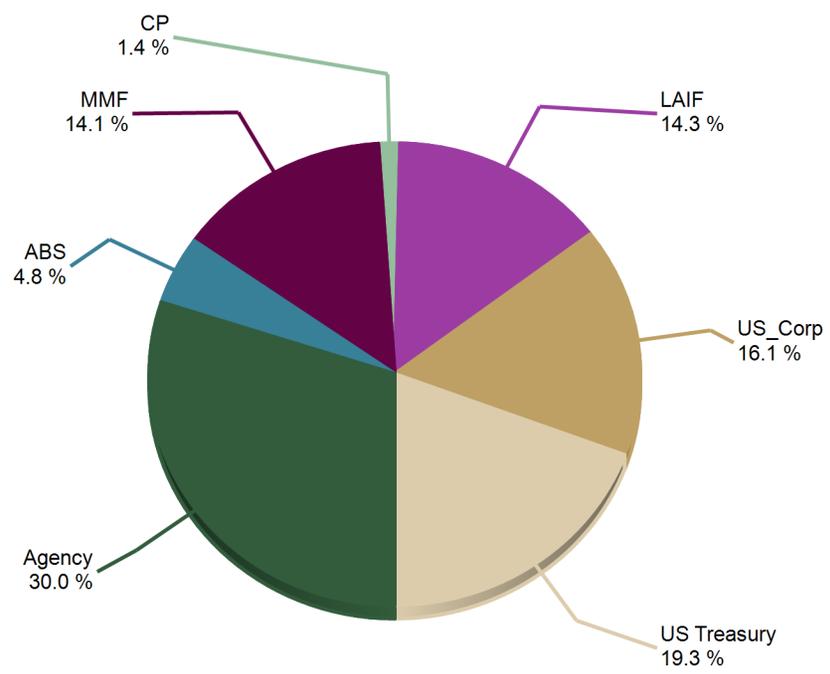
Stockton Consolidated Portfolio Periodic Total Return		
	%	US \$
1 Month	0.60%	2,586,824.73
3 Month	0.56%	2,445,950.11
1 Year	1.95%	7,832,852.10
2 Year	2.96%	10,738,786.12



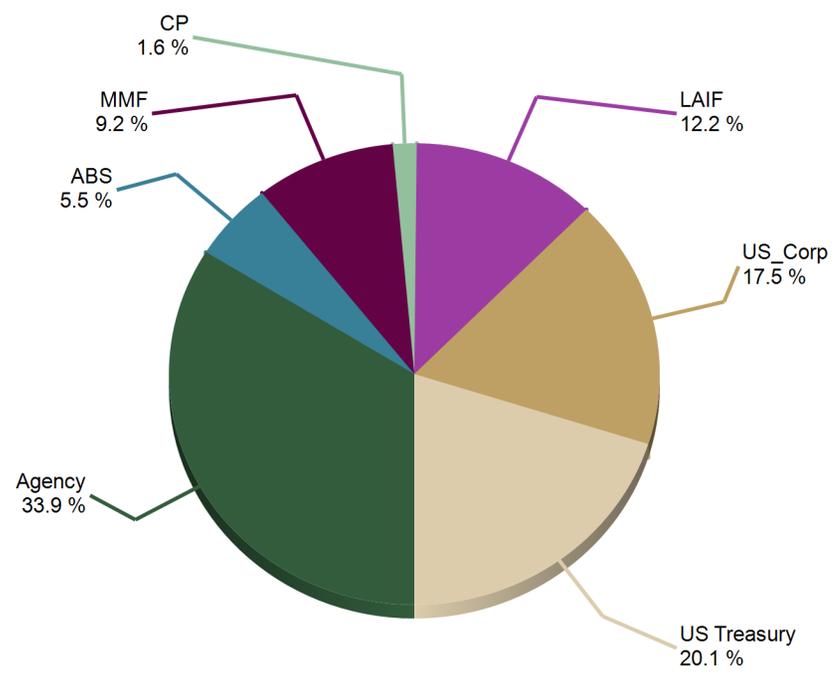
# Sector Distribution

## City of Stockton Consolidated

June 30, 2016



March 31, 2016





# Investment Performance

## City of Stockton Consolidated

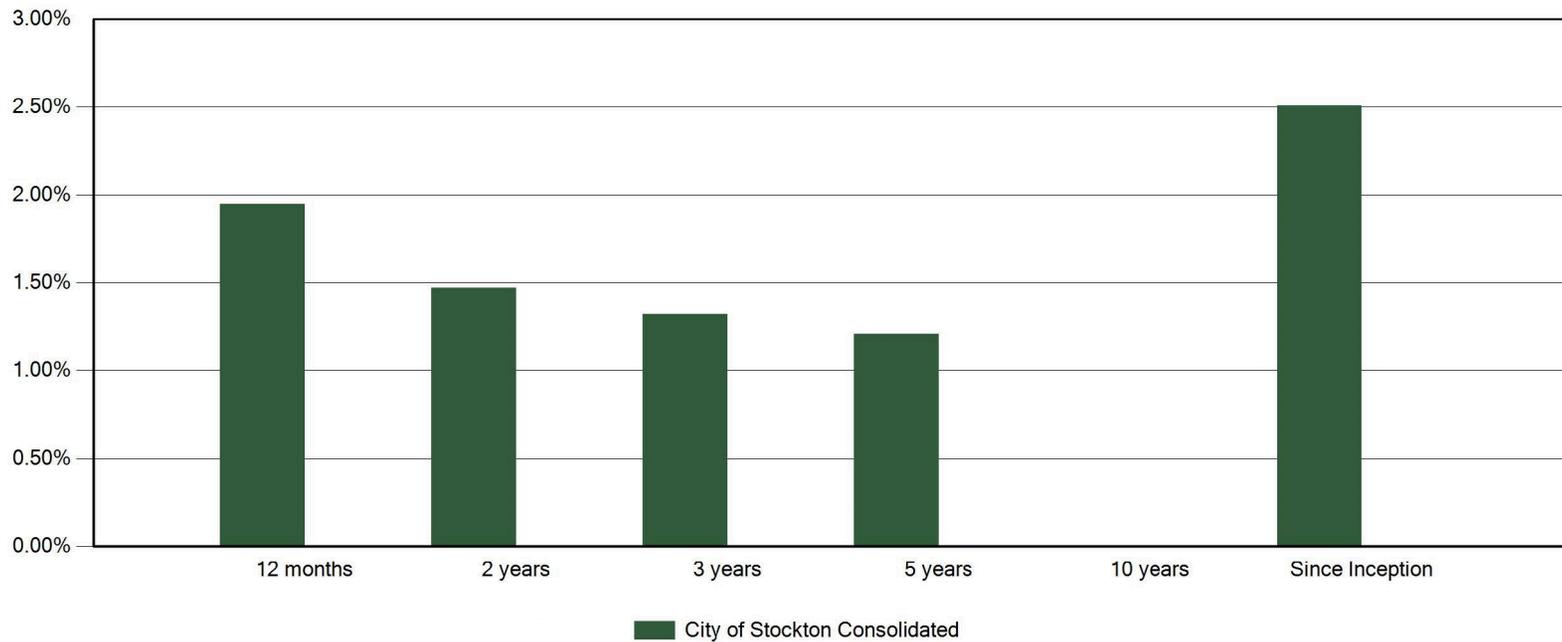
Period Ending

June 30, 2016

Total Rate of Return

Annualized Since Inception

July 31, 2007



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
City of Stockton Consolidated	0.56 %	1.95 %	1.47 %	1.32 %	1.21 %	N/A	2.51 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



---

## SECTION 4

# Portfolio Holdings



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>									
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	55,789.22	08/27/2013 0.88 %	55,781.61 55,787.05	99.99 0.97 %	55,781.80 21.57	0.02 % (5.25)	Aaa / NR AAA	1.13 0.13
43813JAC9	Honda Auto Receivables 2014-1 A3 0.67% Due 11/21/2017	1,004,260.14	Various 0.89 %	1,002,185.54 1,003,593.47	99.97 0.79 %	1,003,939.79 186.90	0.31 % 346.32	Aaa / NR AAA	1.39 0.27
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	798,485.95	Various 0.70 %	798,232.77 798,418.10	99.93 0.90 %	797,948.57 237.77	0.25 % (469.53)	Aaa / AAA NR	1.46 0.29
89231TAB6	Toyota Auto Receivables Owner 2015-C 0.92% Due 2/15/2018	1,338,961.26	08/18/2015 0.93 %	1,338,853.61 1,338,890.53	100.04 0.81 %	1,339,478.10 547.49	0.41 % 587.57	Aaa / AAA NR	1.63 0.34
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	816,525.28	05/13/2014 0.78 %	816,427.13 816,496.45	99.95 0.89 %	816,112.12 227.04	0.25 % (384.33)	Aaa / AAA NR	1.72 0.43
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	1,219,054.27	Various 0.92 %	1,219,134.65 1,219,079.78	99.98 0.96 %	1,218,842.15 498.45	0.37 % (237.63)	Aaa / NR AAA	1.79 0.42
43814HAC2	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	1,167,091.68	08/12/2014 0.89 %	1,166,866.54 1,167,011.18	99.98 0.93 %	1,166,820.91 456.46	0.36 % (190.27)	NR / AAA AAA	1.96 0.49
161571GC2	Chase CHAIT Pool #2013-A8 1.01% Due 10/15/2018	2,545,000.00	Various 0.95 %	2,548,390.63 2,547,493.61	100.07 0.77 %	2,546,705.15 1,142.43	0.78 % (788.46)	Aaa / AAA AAA	2.29 0.27
477877AD6	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	2,767,816.60	Various 1.07 %	2,767,718.92 2,767,776.08	100.04 1.00 %	2,768,987.38 1,316.26	0.85 % 1,211.30	Aaa / NR AAA	2.38 0.60
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	2,540,000.00	Various 1.19 %	2,538,205.91 2,538,744.74	100.18 0.92 %	2,544,569.46 1,264.35	0.78 % 5,824.72	Aaa / AAA NR	2.63 0.87
43813NAC0	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	3,115,000.00	Various 1.12 %	3,111,531.78 3,112,339.38	100.08 0.96 %	3,117,601.03 899.89	0.96 % 5,261.65	NR / AAA AAA	2.65 0.98
47788MAC4	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	2,450,000.00	02/23/2016 1.37 %	2,449,614.37 2,449,645.37	100.37 1.17 %	2,458,991.50 1,480.89	0.76 % 9,346.13	Aaa / NR AAA	3.79 1.87
43814QAC2	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	1,770,000.00	05/24/2016 1.40 %	1,769,965.66 1,769,966.41	100.73 1.04 %	1,782,929.85 1,093.47	0.55 % 12,963.44	Aaa / NR AAA	3.79 2.03
<b>Total ABS</b>		<b>21,587,984.40</b>	<b>1.08 %</b>	<b>21,582,909.12</b> <b>21,585,242.15</b>	<b>0.94 %</b>	<b>21,618,707.81</b> <b>9,372.97</b>	<b>6.65 %</b> <b>33,465.66</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.50</b> <b>0.84</b>
<b>AGENCY</b>									
3133787M7	FHLB Note 1.05% Due 2/27/2017	1,240,000.00	02/27/2012 1.03 %	1,241,140.80 1,240,150.57	100.40 0.45 %	1,244,921.56 4,484.67	0.38 % 4,770.99	Aaa / AA+ AAA	0.66 0.65
313378WF4	FHLB Note 1.125% Due 3/10/2017	2,485,000.00	04/24/2012 1.05 %	2,493,846.60 2,486,252.44	100.38 0.57 %	2,494,529.98 8,619.84	0.77 % 8,277.54	Aaa / AA+ AAA	0.69 0.69
3130A5EPO	FHLB Note 0.625% Due 5/30/2017	5,900,000.00	Various 0.68 %	5,893,650.20 5,896,944.70	100.05 0.57 %	5,902,725.80 3,175.35	1.82 % 5,781.10	Aaa / AA+ AAA	0.92 0.91
313379VE6	FHLB Note 1.01% Due 6/19/2017	665,000.00	07/26/2012 0.82 %	671,078.10 666,199.98	100.43 0.56 %	667,880.78 223.88	0.21 % 1,680.80	Aaa / AA+ AAA	0.97 0.96
313379DD8	FHLB Note 1% Due 6/21/2017	1,500,000.00	12/27/2012 0.72 %	1,518,390.00 1,503,990.50	100.39 0.60 %	1,505,845.50 416.67	0.46 % 1,855.00	Aaa / AA+ AAA	0.98 0.97



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>									
3137EADH9	FHLMC Note 1% Due 6/29/2017	2,600,000.00	Various 0.98 %	2,604,786.56 2,600,594.56	100.41 0.59 %	2,610,576.80 144.45	0.80 % 9,982.24	Aaa / AA+ AAA	1.00 0.99
3137EADJ5	FHLMC Note 1% Due 7/28/2017	3,350,000.00	Various 0.83 %	3,377,014.50 3,355,957.31	100.43 0.60 %	3,364,334.65 14,237.50	1.04 % 8,377.34	Aaa / AA+ AAA	1.08 1.07
3133EAY28	FFCB Note 0.83% Due 9/21/2017	3,115,000.00	Various 0.79 %	3,120,957.00 3,116,463.87	100.25 0.63 %	3,122,684.71 7,181.81	0.96 % 6,220.84	Aaa / AA+ AAA	1.23 1.21
3137EADL0	FHLMC Note 1% Due 9/29/2017	4,000,000.00	Various 1.15 %	3,977,747.00 3,992,811.75	100.48 0.61 %	4,019,136.00 10,222.22	1.24 % 26,324.25	Aaa / AA+ AAA	1.25 1.24
3135G0RT2	FNMA Note 0.875% Due 12/20/2017	5,350,000.00	Various 0.93 %	5,339,554.00 5,345,915.82	100.35 0.63 %	5,368,901.55 1,430.38	1.65 % 22,985.73	Aaa / AA+ AAA	1.47 1.46
3137EADN6	FHLMC Note 0.75% Due 1/12/2018	5,800,000.00	07/28/2015 0.94 %	5,773,186.60 5,783,278.95	100.17 0.64 %	5,809,941.20 20,420.83	1.79 % 26,662.25	Aaa / AA+ AAA	1.54 1.52
3137EADP1	FHLMC Note 0.875% Due 3/7/2018	3,200,000.00	Various 1.32 %	3,138,060.00 3,176,847.69	100.18 0.76 %	3,205,897.60 8,866.66	0.99 % 29,049.91	Aaa / AA+ AAA	1.68 1.67
313378A43	FHLB Note 1.375% Due 3/9/2018	5,285,000.00	Various 1.30 %	5,286,263.15 5,291,259.25	101.17 0.68 %	5,346,633.67 22,608.05	1.65 % 55,374.42	Aaa / AA+ AAA	1.69 1.67
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	5,335,000.00	Various 1.11 %	5,336,466.54 5,336,023.92	100.82 0.67 %	5,378,485.59 11,003.44	1.66 % 42,461.67	Aaa / AA+ AAA	1.82 1.80
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	5,300,000.00	Various 1.31 %	5,203,598.59 5,258,173.00	100.40 0.66 %	5,320,977.40 5,152.78	1.64 % 62,804.40	Aaa / AA+ AAA	1.89 1.87
3135G0E33	FNMA Note 1.125% Due 7/20/2018	5,300,000.00	Various 1.16 %	5,294,309.80 5,296,248.11	100.88 0.69 %	5,346,634.70 26,665.64	1.65 % 50,386.59	Aaa / AA+ AAA	2.05 2.02
880591EQ1	Tennessee Valley Authority Note 1.75% Due 10/15/2018	3,775,000.00	Various 1.59 %	3,803,947.65 3,788,635.03	102.07 0.83 %	3,853,274.64 13,946.53	1.19 % 64,639.61	Aaa / AA+ AAA	2.29 2.24
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	3,750,000.00	Various 1.67 %	3,741,970.80 3,746,257.73	102.13 0.73 %	3,829,826.25 5,755.21	1.18 % 83,568.52	Aaa / AA+ AAA	2.41 2.36
313376BR5	FHLB Note 1.75% Due 12/14/2018	2,500,000.00	01/29/2014 1.62 %	2,515,350.00 2,507,731.08	102.39 0.77 %	2,559,665.00 2,065.97	0.79 % 51,933.92	Aaa / AA+ AAA	2.46 2.40
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	3,700,000.00	Various 1.71 %	3,727,352.70 3,715,239.50	102.77 0.81 %	3,802,375.30 25,437.50	1.18 % 87,135.80	Aaa / AA+ AAA	2.64 2.56
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	5,275,000.00	Various 1.62 %	5,303,450.18 5,294,584.26	102.75 0.79 %	5,420,046.68 7,949.12	1.67 % 125,462.42	Aaa / AA+ AAA	2.92 2.84
3135G0ZE6	FNMA Note 1.75% Due 6/20/2019	5,300,000.00	Various 1.56 %	5,341,513.00 5,328,759.87	102.72 0.82 %	5,444,297.80 2,834.03	1.67 % 115,537.93	Aaa / AA+ AAA	2.97 2.90
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	5,400,000.00	Various 1.73 %	5,282,340.35 5,323,066.97	101.23 0.85 %	5,466,247.20 28,125.00	1.69 % 143,180.23	Aaa / AA+ AAA	3.09 3.01
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	5,300,000.00	Various 1.67 %	5,318,673.00 5,313,311.45	102.77 0.87 %	5,446,757.00 28,082.64	1.68 % 133,445.55	Aaa / AA+ AAA	3.20 3.10
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	5,350,000.00	Various 1.71 %	5,239,378.60 5,272,845.89	101.19 0.88 %	5,413,531.25 16,532.99	1.67 % 140,685.36	Aaa / AA+ AAA	3.26 3.18



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>									
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	2,200,000.00	08/26/2015 1.56 %	2,182,030.40 2,185,279.44	101.51 0.97 %	2,233,167.20 5,041.67	0.69 % 47,887.76	Aaa / AA+ AAA	3.84 3.72
3135G0D75	FNMA Note 1.5% Due 6/22/2020	6,400,000.00	Various 1.74 %	6,327,449.80 6,341,926.37	101.92 1.01 %	6,522,950.40 2,400.00	2.01 % 181,024.03	Aaa / AA+ AAA	3.98 3.86
3135G0F73	FNMA Note 1.5% Due 11/30/2020	6,400,000.00	Various 1.87 %	6,288,644.00 6,300,836.15	101.70 1.11 %	6,508,563.20 8,266.67	2.00 % 207,727.05	Aaa / AA+ AAA	4.42 4.26
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	6,450,000.00	Various 1.45 %	6,426,116.60 6,427,857.19	101.18 1.11 %	6,526,058.40 32,765.10	2.02 % 98,201.21	Aaa / AA+ AAA	4.64 4.46
3135G0J20	FNMA Note 1.375% Due 2/26/2021	6,400,000.00	02/26/2016 1.41 %	6,388,224.00 6,389,018.11	101.04 1.15 %	6,466,304.00 30,555.56	2.00 % 77,285.89	Aaa / AA+ AAA	4.66 4.48
3135G0K69	FNMA Note 1.25% Due 5/6/2021	5,900,000.00	06/29/2016 1.18 %	5,920,060.00 5,920,048.67	100.37 1.17 %	5,922,113.20 9,218.75	1.82 % 2,064.53	Aaa / AA+ AAA	4.85 4.69
<b>Total Agency</b>		<b>134,525,000.00</b>	<b>1.35 %</b>	<b>134,076,550.52</b> <b>134,202,510.13</b>	<b>0.81 %</b>	<b>136,125,285.01</b> <b>363,830.91</b>	<b>41.95 %</b> <b>1,922,774.88</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.63</b> <b>2.56</b>
<b>COMMERCIAL PAPER</b>									
06538BKS1	Bank of Tokyo Mitsubishi NY Discount CP 0.74% Due 10/26/2016	6,485,000.00	06/27/2016 0.75 %	6,469,003.65 6,469,403.56	99.76 0.75 %	6,469,403.56 0.00	1.99 % 0.00	P-1 / A-1 F-1	0.32 0.32
<b>Total Commercial Paper</b>		<b>6,485,000.00</b>	<b>0.75 %</b>	<b>6,469,003.65</b> <b>6,469,403.56</b>	<b>0.75 %</b>	<b>6,469,403.56</b> <b>0.00</b>	<b>1.99 %</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1</b>	<b>0.32</b> <b>0.32</b>
<b>MONEY MARKET FUND FI</b>									
60934N104	Federated Prime Value Oblig GOVT OBLIG MMF	29,903.00	Various 0.25 %	29,903.00 29,903.00	1.00 0.25 %	29,903.00 0.00	0.01 % 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>29,903.00</b>	<b>0.25 %</b>	<b>29,903.00</b> <b>29,903.00</b>	<b>0.25 %</b>	<b>29,903.00</b> <b>0.00</b>	<b>0.01 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>US CORPORATE</b>									
24422ERL5	John Deere Capital Corp Note 2% Due 1/13/2017	910,000.00	09/11/2012 1.05 %	946,500.10 914,522.14	100.60 0.88 %	915,430.88 8,493.33	0.28 % 908.74	A2 / A NR	0.54 0.53
69371RK54	Paccar Financial Corp Note 1.6% Due 3/15/2017	830,000.00	03/10/2015 1.08 %	838,507.50 832,982.85	100.61 0.74 %	835,043.08 3,910.22	0.26 % 2,060.23	A1 / A+ NR	0.71 0.70
717081DJ9	Pfizer Inc. Note 1.1% Due 5/15/2017	685,000.00	05/12/2014 1.13 %	684,397.20 684,825.10	100.22 0.85 %	686,490.56 962.81	0.21 % 1,665.46	A1 / AA A+	0.87 0.87
913017BU2	United Tech Corp Note 1.8% Due 6/1/2017	3,120,000.00	Various 1.07 %	3,163,696.80 3,140,734.96	100.77 0.96 %	3,143,877.36 4,680.00	0.97 % 3,142.40	A3 / A- A-	0.92 0.91
68389XAN5	Oracle Corp Note 1.2% Due 10/15/2017	2,375,000.00	Various 1.44 %	2,353,030.25 2,367,753.18	100.35 0.92 %	2,383,409.88 6,016.66	0.73 % 15,656.70	A1 / AA- A+	1.29 1.28



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>US CORPORATE</b>									
166764AA8	Chevron Corp Callable Note Cont 11/5/17 1.104% Due 12/5/2017	1,550,000.00	Various 1.34 %	1,535,040.10 1,544,911.99	100.17 0.98 %	1,552,560.60 1,235.87	0.48 % 7,648.61	Aa2 / AA- NR	1.43 1.33
02665WAQ4	American Honda Finance Note 1.55% Due 12/11/2017	1,665,000.00	12/08/2014 1.58 %	1,663,451.55 1,664,254.03	100.83 0.97 %	1,678,797.86 1,433.75	0.52 % 14,543.83	A1 / A+ NR	1.45 1.43
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	2,500,000.00	Various 1.31 %	2,504,903.20 2,501,396.99	100.59 0.94 %	2,514,815.00 1,500.00	0.77 % 13,418.01	A1 / A+ A+	1.46 1.44
89236TCA1	Toyota Motor Credit Corp Note 1.45% Due 1/12/2018	2,955,000.00	Various 1.38 %	2,961,029.65 2,958,298.67	100.73 0.97 %	2,976,544.91 20,114.52	0.92 % 18,246.24	Aa3 / AA- A	1.54 1.50
40428HPH9	HSBC USA Inc Note 1.625% Due 1/16/2018	3,600,000.00	Various 1.74 %	3,586,182.00 3,593,606.14	99.82 1.74 %	3,593,584.80 26,812.51	1.11 % (21.34)	A2 / A AA-	1.55 1.51
459200HZ7	IBM Corp Note 1.125% Due 2/6/2018	3,440,000.00	Various 1.26 %	3,427,318.00 3,432,834.64	100.43 0.85 %	3,454,805.76 15,587.50	1.07 % 21,971.12	Aa3 / AA- A+	1.61 1.58
166764AV2	Chevron Corp Note 1.365% Due 3/2/2018	1,350,000.00	Various 1.40 %	1,348,780.00 1,349,316.49	100.55 1.03 %	1,357,414.20 6,091.31	0.42 % 8,097.71	Aa2 / AA- NR	1.67 1.64
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2018 1.5% Due 3/10/2018	3,635,000.00	Various 1.43 %	3,642,256.30 3,639,217.06	100.94 0.91 %	3,669,150.83 16,811.88	1.13 % 29,933.77	A2 / A A	1.69 1.58
931142DF7	Wal-Mart Stores Note 1.125% Due 4/11/2018	1,045,000.00	04/04/2013 1.14 %	1,044,038.60 1,044,658.30	100.51 0.84 %	1,050,292.93 2,612.50	0.32 % 5,634.63	Aa2 / AA AA	1.78 1.76
713448CR7	PepsiCo Inc Note 1.25% Due 4/30/2018	2,520,000.00	Various 1.28 %	2,517,637.60 2,518,487.15	100.53 0.95 %	2,533,471.92 5,337.50	0.78 % 14,984.77	A1 / A A	1.83 1.81
037833AJ9	Apple Inc Note 1% Due 5/3/2018	3,000,000.00	Various 1.28 %	2,968,660.25 2,985,220.08	100.25 0.86 %	3,007,383.01 4,833.33	0.93 % 22,162.93	Aa1 / AA+ NR	1.84 1.82
02665WAC5	American Honda Finance Note 2.125% Due 10/10/2018	1,950,000.00	Various 1.86 %	1,968,709.00 1,961,084.59	102.67 0.94 %	2,002,127.40 9,323.44	0.62 % 41,042.81	A1 / A+ NR	2.28 2.22
74005PBH6	Praxair Note 1.25% Due 11/7/2018	2,990,000.00	Various 1.65 %	2,946,487.30 2,962,889.09	100.30 1.12 %	2,999,041.76 5,606.25	0.92 % 36,152.67	A2 / A NR	2.36 2.31
91159HHE3	US Bancorp Callable Note Cont 10/15/2018 1.95% Due 11/15/2018	265,000.00	02/12/2014 1.90 %	265,561.80 265,276.27	102.10 1.02 %	270,564.74 660.29	0.08 % 5,288.47	A1 / A+ AA	2.38 2.24
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	565,000.00	12/10/2013 1.99 %	563,796.55 564,410.14	102.09 1.08 %	576,822.06 550.88	0.18 % 12,411.92	A2 / A NR	2.45 2.39
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	3,510,000.00	Various 2.08 %	3,538,408.20 3,528,906.04	103.39 0.94 %	3,629,161.00 37,449.74	1.13 % 100,254.96	A1 / AA+ NR	2.54 2.45
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	2,395,000.00	Various 2.04 %	2,404,780.75 2,400,257.13	102.71 1.09 %	2,459,813.49 16,964.59	0.76 % 59,556.36	A1 / AA- NR	2.67 2.58
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	4,025,000.00	Various 1.94 %	4,056,601.75 4,052,561.91	102.56 1.25 %	4,128,035.98 16,234.17	1.27 % 75,474.07	A1 / A+ AA	2.82 2.64



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>US CORPORATE</b>									
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	3,625,000.00	Various 2.23 %	3,634,931.45 3,631,987.23	102.04 1.63 %	3,698,917.38 25,475.69	1.14 % 66,930.15	A1 / A AA-	3.20 2.98
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	3,660,000.00	Various 2.25 %	3,643,555.40 3,647,270.97	101.70 1.66 %	3,722,088.24 33,006.09	1.15 % 74,817.27	A2 / A AA-	3.59 3.41
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	1,565,000.00	02/05/2015 1.77 %	1,563,356.75 1,563,807.20	102.00 1.18 %	1,596,365.73 10,346.39	0.49 % 32,558.53	A1 / A+ A+	3.63 3.49
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	3,675,000.00	Various 2.45 %	3,641,190.55 3,648,303.26	102.78 1.51 %	3,777,227.49 9,417.18	1.16 % 128,924.23	A1 / A+ NR	3.89 3.71
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	1,515,000.00	10/29/2015 2.02 %	1,513,788.00 1,513,947.88	102.55 1.38 %	1,553,664.32 4,881.67	0.48 % 39,716.44	Aaa / AAA AA+	4.35 4.07
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	4,493,000.00	Various 1.96 %	4,546,957.34 4,545,629.25	103.10 1.53 %	4,632,489.68 32,723.52	1.43 % 86,860.43	Aaa / AA+ NR	4.67 4.40
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	2,230,000.00	05/16/2016 1.96 %	2,228,840.40 2,228,867.71	101.26 1.68 %	2,258,028.87 5,073.25	0.70 % 29,161.16	A1 / A AA-	4.89 4.64
<b>Total US Corporate</b>		<b>71,643,000.00</b>	<b>1.70 %</b>	<b>71,702,394.34</b> <b>71,688,218.44</b>	<b>1.18 %</b>	<b>72,657,421.72</b> <b>334,146.84</b>	<b>22.44 %</b> <b>969,203.28</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.46</b> <b>2.35</b>
<b>US TREASURY</b>									
912828K66	US Treasury Note 0.5% Due 4/30/2017	3,800,000.00	06/19/2015 0.60 %	3,793,036.15 3,796,901.55	100.00 0.51 %	3,799,817.60 3,201.09	1.17 % 2,916.05	Aaa / AA+ AAA	0.83 0.83
912828TG5	US Treasury Note 0.5% Due 7/31/2017	6,800,000.00	Various 0.70 %	6,769,440.73 6,785,221.76	99.97 0.53 %	6,797,878.40 14,197.81	2.09 % 12,656.64	Aaa / AA+ AAA	1.08 1.08
912828TM2	US Treasury Note 0.625% Due 8/31/2017	6,800,000.00	Various 0.75 %	6,780,581.37 6,789,908.81	100.09 0.55 %	6,806,106.40 14,205.17	2.10 % 16,197.59	Aaa / AA+ AAA	1.17 1.16
912828WD8	US Treasury Note 1.25% Due 10/31/2018	4,350,000.00	Various 1.46 %	4,308,809.50 4,329,597.47	101.39 0.65 %	4,410,321.45 9,161.01	1.36 % 80,723.98	Aaa / AA+ AAA	2.34 2.30
912828SD3	US Treasury Note 1.25% Due 1/31/2019	5,350,000.00	Various 1.46 %	5,299,771.84 5,321,361.46	101.48 0.67 %	5,428,998.10 27,925.83	1.68 % 107,636.64	Aaa / AA+ AAA	2.59 2.53
912828ST8	US Treasury Note 1.25% Due 4/30/2019	5,350,000.00	Various 1.60 %	5,264,135.10 5,298,905.46	101.57 0.69 %	5,434,219.70 11,266.99	1.67 % 135,314.24	Aaa / AA+ AAA	2.83 2.78
912828TH3	US Treasury Note 0.875% Due 7/31/2019	6,700,000.00	03/01/2016 1.08 %	6,653,959.95 6,658,430.93	100.41 0.74 %	6,727,483.40 24,480.77	2.08 % 69,052.47	Aaa / AA+ AAA	3.08 3.03
912828UB4	US Treasury Note 1% Due 11/30/2019	6,475,000.00	Various 1.56 %	6,308,028.52 6,356,475.45	100.65 0.81 %	6,517,236.43 5,484.28	2.00 % 160,760.98	Aaa / AA+ AAA	3.42 3.35
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	5,925,000.00	Various 1.56 %	5,842,603.82 5,860,327.70	101.49 0.84 %	6,013,412.85 24,754.59	1.86 % 153,085.15	Aaa / AA+ AAA	3.67 3.57
912828J84	US Treasury Note 1.375% Due 3/31/2020	6,350,000.00	Various 1.32 %	6,362,538.84 6,361,890.87	101.89 0.86 %	6,470,053.10 21,947.41	2.00 % 108,162.23	Aaa / AA+ AAA	3.75 3.64



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>US TREASURY</b>									
912828VF4	US Treasury Note 1.375% Due 5/31/2020	5,925,000.00	Various 1.63 %	5,855,070.65 5,868,886.32	101.84 0.90 %	6,033,777.08 6,900.36	1.86 % 164,890.76	Aaa / AA+ AAA	3.92 3.81
912828L32	US Treasury Note 1.375% Due 8/31/2020	6,700,000.00	Various 1.36 %	6,703,956.03 6,703,670.31	101.83 0.93 %	6,822,744.00 30,791.78	2.11 % 119,073.69	Aaa / AA+ AAA	4.17 4.03
912828L99	US Treasury Note 1.375% Due 10/31/2020	6,000,000.00	11/23/2015 1.71 %	5,906,035.73 5,917,501.14	101.81 0.95 %	6,108,516.00 13,899.46	1.88 % 191,014.86	Aaa / AA+ AAA	4.34 4.19
912828N89	US Treasury Note 1.375% Due 1/31/2021	3,750,000.00	03/09/2016 1.40 %	3,746,350.46 3,746,579.19	101.77 0.98 %	3,816,356.25 21,531.59	1.18 % 69,777.06	Aaa / AA+ AAA	4.59 4.41
912828B90	US Treasury Note 2% Due 2/28/2021	6,000,000.00	04/26/2016 1.40 %	6,168,535.74 6,162,431.45	104.61 0.99 %	6,276,564.00 40,108.70	1.94 % 114,132.55	Aaa / AA+ AAA	4.67 4.44
<b>Total US Treasury</b>		<b>86,275,000.00</b>	<b>1.30 %</b>	<b>85,762,854.43</b> <b>85,958,089.87</b>	<b>0.78 %</b>	<b>87,463,484.76</b> <b>269,856.84</b>	<b>26.97 %</b> <b>1,505,394.89</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.12</b> <b>3.04</b>
<b>TOTAL PORTFOLIO</b>		<b>320,545,887.40</b>	<b>1.38 %</b>	<b>319,623,615.06</b> <b>319,933,367.15</b>	<b>0.89 %</b>	<b>324,364,205.86</b> <b>977,207.56</b>	<b>100.00 %</b> <b>4,430,838.71</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>2.67</b> <b>2.48</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>325,341,413.42</b>			



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>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	64,935,974.74	Various 0.58 %	64,935,974.74 64,935,974.74	1.00 0.58 %	64,935,974.74 89,143.73	50.28 % 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>64,935,974.74</b>	<b>0.58 %</b>	<b>64,935,974.74</b>	<b>0.58 %</b>	<b>64,935,974.74</b> <b>89,143.73</b>	<b>50.28 %</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>MONEY MARKET FUND FI</b>									
94975P405	Wells Fargo Adv Govt #1751 Money Market Fund	64,290,942.50	Various 0.22 %	64,290,942.50 64,290,942.50	1.00 0.22 %	64,290,942.50 0.00	49.72 % 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>64,290,942.50</b>	<b>0.22 %</b>	<b>64,290,942.50</b>	<b>0.22 %</b>	<b>64,290,942.50</b> <b>0.00</b>	<b>49.72 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>129,226,917.24</b>	<b>0.40 %</b>	<b>129,226,917.24</b>	<b>0.40 %</b>	<b>129,226,917.24</b> <b>89,143.73</b>	<b>100.00 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>129,316,060.97</b>			



---

**SECTION 5**

**Quarterly Transactions**



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	04/15/2016	30LAIF\$00	54,462.71	Local Agency Investment Fund State Pool	1.000	0.51 %	54,462.71	0.00	54,462.71	0.00
Purchase	04/28/2016	912828B90	6,000,000.00	US Treasury Note 2% Due 2/28/2021	102.809	1.40 %	6,168,535.74	19,239.13	6,187,774.87	0.00
Purchase	05/19/2016	30231GAV4	3,078,000.00	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	101.753	1.84 %	3,131,957.34	14,438.56	3,146,395.90	0.00
Purchase	05/19/2016	357477AV5	2,230,000.00	State Street Bank Note 1.95% Due 5/19/2021	99.948	1.96 %	2,228,840.40	0.00	2,228,840.40	0.00
Purchase	05/31/2016	43814QAC2	1,770,000.00	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	99.998	1.40 %	1,769,965.66	0.00	1,769,965.66	0.00
Purchase	06/28/2016	06538BKS1	6,485,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.74% Due 10/26/2016	99.753	0.75 %	6,469,003.65	0.00	6,469,003.65	0.00
Purchase	06/30/2016	3135G0K69	5,900,000.00	FNMA Note 1.25% Due 5/6/2021	100.340	1.18 %	5,920,060.00	9,013.89	5,929,073.89	0.00
		<b>Subtotal</b>	<b>25,517,462.71</b>				<b>25,742,825.50</b>	<b>42,691.58</b>	<b>25,785,517.08</b>	<b>0.00</b>
Security Contribution	05/31/2016	30LAIF\$00	14,900,000.00	Local Agency Investment Fund State Pool	1.000		14,900,000.00	0.00	14,900,000.00	0.00
		<b>Subtotal</b>	<b>14,900,000.00</b>				<b>14,900,000.00</b>	<b>0.00</b>	<b>14,900,000.00</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>40,417,462.71</b>				<b>40,642,825.50</b>	<b>42,691.58</b>	<b>40,685,517.08</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	04/27/2016	3130A0C65	1,050,000.00	FHLB Note 0.625% Due 12/28/2016	100.051	0.55 %	1,050,535.50	2,169.27	1,052,704.77	1,420.51
Sale	04/27/2016	3133782N0	2,300,000.00	FHLB Note 0.875% Due 3/10/2017	100.188	0.66 %	2,304,324.00	2,627.43	2,306,951.43	923.87
Sale	04/27/2016	912828K66	900,000.00	US Treasury Note 0.5% Due 4/30/2017	99.875	0.62 %	898,871.99	2,212.91	901,084.90	-236.74
Sale	05/18/2016	912828K66	600,000.00	US Treasury Note 0.5% Due 4/30/2017	99.914	0.59 %	599,482.37	146.74	599,629.11	42.64
Sale	05/26/2016	3135G0MZ3	800,000.00	FNMA Note 0.875% Due 8/28/2017	100.026	0.85 %	800,208.00	1,711.11	801,919.11	1,961.55
Sale	06/30/2016	3135G0MZ3	4,500,000.00	FNMA Note 0.875% Due 8/28/2017	100.270	0.64 %	4,512,150.00	13,343.75	4,525,493.75	21,261.61
		<b>Subtotal</b>	<b>10,150,000.00</b>				<b>10,165,571.86</b>	<b>22,211.21</b>	<b>10,187,783.07</b>	<b>25,373.44</b>



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Call	05/05/2016	674599CB9	3,325,000.00	Occidental Petroleum Note 1.75% Due 2/15/2017	100.837	0.67 %	3,352,822.91	12,930.93	3,365,753.84	12,798.53
	<b>Subtotal</b>		<b>3,325,000.00</b>				<b>3,352,822.91</b>	<b>12,930.93</b>	<b>3,365,753.84</b>	<b>12,798.53</b>
Paydown	04/15/2016	161571GC2	0.00	Chase CHAIT Pool #2013-A8 1.01% Due 10/15/2018	100.000		0.00	2,142.04	2,142.04	0.00
Paydown	04/15/2016	47788MAC4	0.00	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	100.000		0.00	3,979.89	3,979.89	0.00
Paydown	04/15/2016	89231MAC9	127,645.69	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		127,645.69	643.97	128,289.66	0.00
Paydown	04/15/2016	89236WAC2	0.00	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	100.000		0.00	2,370.67	2,370.67	0.00
Paydown	04/18/2016	43814HAC2	117,518.66	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	100.000		117,518.66	1,102.33	118,620.99	0.00
Paydown	04/18/2016	477877AD6	0.00	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	100.000		0.00	2,728.50	2,728.50	0.00
Paydown	04/18/2016	477879AC4	35,033.99	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	100.000		35,033.99	111.70	35,145.69	0.00
Paydown	04/18/2016	47787VAC5	134,642.00	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		134,642.00	1,229.38	135,871.38	0.00
Paydown	04/18/2016	89231TAB6	113,101.26	Toyota Auto Receivables Owner 2015-C 0.92% Due 2/15/2018	100.000		113,101.26	1,364.67	114,465.93	0.00
Paydown	04/19/2016	43814GAC4	94,048.82	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		94,048.82	694.29	94,743.11	0.00
Paydown	04/21/2016	43813JAC9	188,549.39	Honda Auto Receivables 2014-1 A3 0.67% Due 11/21/2017	100.000		188,549.39	851.41	189,400.80	0.00
Paydown	04/21/2016	43813NAC0	0.00	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	100.000		0.00	2,699.66	2,699.66	0.00
Paydown	05/15/2016	161571GC2	0.00	Chase CHAIT Pool #2013-A8 1.01% Due 10/15/2018	100.000		0.00	2,142.04	2,142.04	0.00
Paydown	05/15/2016	43814HAC2	110,471.42	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	100.000		110,471.42	1,016.15	111,487.57	0.00
Paydown	05/15/2016	89231MAC9	114,702.92	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		114,702.92	572.71	115,275.63	0.00
Paydown	05/15/2016	89231TAB6	163,793.43	Toyota Auto Receivables Owner 2015-C 0.92% Due 2/15/2018	100.000		163,793.43	1,277.96	165,071.39	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	05/15/2016	89236WAC2	0.00	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	100.000		0.00	2,370.67	2,370.67	0.00
Paydown	05/17/2016	477877AD6	75,359.81	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	100.000		75,359.81	2,728.50	78,088.31	0.00
Paydown	05/17/2016	477879AC4	41,084.30	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	100.000		41,084.30	86.30	41,170.60	0.00
Paydown	05/17/2016	47787VAC5	159,819.75	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		159,819.75	1,126.15	160,945.90	0.00
Paydown	05/17/2016	47788MAC4	0.00	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	100.000		0.00	2,776.67	2,776.67	0.00
Paydown	05/18/2016	43814GAC4	88,178.88	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		88,178.88	633.94	88,812.82	0.00
Paydown	05/23/2016	43813JAC9	169,727.32	Honda Auto Receivables 2014-1 A3 0.67% Due 11/21/2017	100.000		169,727.32	746.13	170,473.45	0.00
Paydown	05/23/2016	43813NAC0	0.00	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	100.000		0.00	2,699.67	2,699.67	0.00
Paydown	06/15/2016	161571GC2	0.00	Chase CHAIT Pool #2013-A8 1.01% Due 10/15/2018	100.000		0.00	2,142.04	2,142.04	0.00
Paydown	06/15/2016	43814HAC2	108,092.08	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	100.000		108,092.08	935.13	109,027.21	0.00
Paydown	06/15/2016	43814QAC2	0.00	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	100.000		0.00	1,025.13	1,025.13	0.00
Paydown	06/15/2016	477877AD6	216,823.59	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	100.000		216,823.59	2,661.31	219,484.90	0.00
Paydown	06/15/2016	477879AC4	22,159.32	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	100.000		22,159.32	56.51	22,215.83	0.00
Paydown	06/15/2016	47787VAC5	90,021.29	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		90,021.29	1,003.62	91,024.91	0.00
Paydown	06/15/2016	47788MAC4	0.00	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	100.000		0.00	2,776.67	2,776.67	0.00
Paydown	06/15/2016	89231MAC9	112,553.51	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		112,553.51	508.66	113,062.17	0.00
Paydown	06/15/2016	89231TAB6	164,144.05	Toyota Auto Receivables Owner 2015-C 0.92% Due 2/15/2018	100.000		164,144.05	1,152.38	165,296.43	0.00
Paydown	06/16/2016	89236WAC2	0.00	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	100.000		0.00	2,370.67	2,370.67	0.00
Paydown	06/21/2016	43813JAC9	162,373.85	Honda Auto Receivables 2014-1 A3 0.67% Due 11/21/2017	100.000		162,373.85	651.37	163,025.22	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	06/21/2016	43813NAC0	0.00	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	100.000		0.00	2,699.67	2,699.67	0.00
Paydown	06/21/2016	43814GAC4	83,258.25	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		83,258.25	577.36	83,835.61	0.00
		<b>Subtotal</b>	<b>2,693,103.58</b>				<b>2,693,103.58</b>	<b>56,655.92</b>	<b>2,749,759.50</b>	<b>0.00</b>
Maturity	05/19/2016	38259PAC6	1,150,000.00	Google Inc Note 2.125% Due 5/19/2016	100.000		1,150,000.00	0.00	1,150,000.00	0.00
Maturity	06/24/2016	06538BFQ1	6,440,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.7% Due 6/24/2016	99.769		6,440,000.00	0.00	6,440,000.00	0.00
		<b>Subtotal</b>	<b>7,590,000.00</b>				<b>7,590,000.00</b>	<b>0.00</b>	<b>7,590,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>23,758,103.58</b>				<b>23,801,498.35</b>	<b>91,798.06</b>	<b>23,893,296.41</b>	<b>38,171.97</b>