



**City of Naperville**

City of Naperville  
Executive Summary

**June 30, 2018**

## U.S. Equity Returns

	Qtr	YTD	1 Yr	3 Yr
S&P 500	3.4%	2.6%	14.6%	12.0%
Russell 3000	3.9%	3.2%	14.9%	11.7%
NASDAQ	6.6%	9.4%	23.5%	16.2%
Dow Jones	1.3%	-0.7%	16.6%	14.1%

## Style Index Returns

		Quarter					Year-to-Date		
		Value	Core	Growth			Value	Core	Growth
Large	Mid	1.2%	3.6%	5.8%	Large	Mid	-1.7%	2.9%	7.3%
	Small	2.4%	2.8%	3.2%		Small	-0.2%	2.3%	5.4%
		8.3%	7.8%	7.2%			5.4%	7.7%	9.7%

## Non-U.S. Equity Returns

	Qtr	YTD	1 Yr	3 Yr
ACWI ex. US	-2.6%	-3.8%	6.7%	5.0%
EAFE Index	-1.2%	-2.7%	6.1%	4.7%
EAFE Local	3.5%	-1.0%	5.4%	4.9%
EAFE Growth	0.1%	-0.9%	8.8%	6.2%
EAFE Value	-2.6%	-4.6%	3.5%	3.0%
EAFE Small Cap	-1.6%	-1.3%	12.2%	10.2%
Emerging Markets	-8.0%	-6.7%	7.9%	6.1%
EM Small Cap	-8.6%	-8.5%	5.7%	2.9%

## Regional Returns

	Qtr	YTD	1 Yr	3 Yr
Europe	-1.6%	-3.4%	4.7%	4.7%
Asia ex-Japan	-5.4%	-4.8%	9.4%	7.5%
EM Latin America	-17.8%	-11.2%	0.3%	2.3%
U.K	2.9%	-1.0%	9.4%	2.5%
Germany	-4.0%	-7.4%	1.7%	4.8%
France	-0.5%	-0.1%	9.0%	8.0%
Japan	-2.8%	-2.0%	9.9%	6.4%
China	-3.5%	-1.7%	20.5%	7.7%
Brazil	-26.4%	-17.3%	0.2%	3.5%
India	-0.6%	-7.5%	6.7%	5.7%

## Real Estate Returns\*

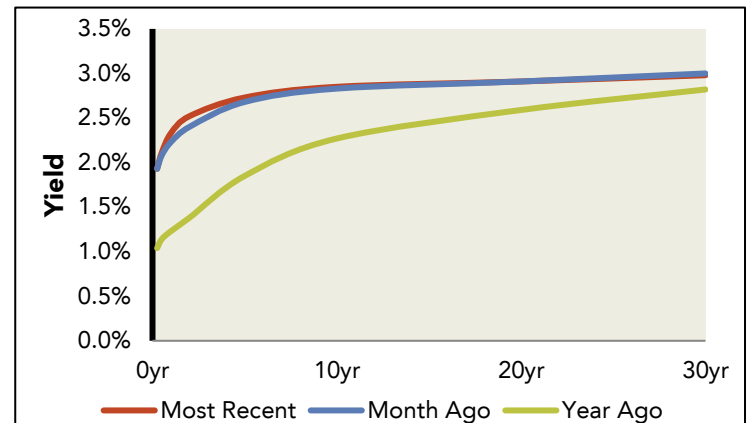
	Qtr	YTD	1 Yr	3 Yr
NCREIF NPI National	1.7%	1.7%	7.1%	8.7%
FTSE NAREIT	-6.7%	-6.7%	-1.0%	10.1%

\*Returns as of March 2018

## Fixed Income Returns

	Qtr	YTD	1 Yr	3 Yr
Aggregate	-0.2%	-1.6%	-0.5%	1.7%
Universal	-0.3%	-1.7%	-0.4%	2.1%
Government	0.1%	-1.1%	-0.8%	1.0%
Treasury	0.1%	-1.1%	-0.8%	1.0%
Long Gov/Credit	-1.4%	-5.0%	-1.1%	4.4%
TIPS	0.8%	0.0%	1.9%	1.9%
Credit	-0.9%	-3.0%	-0.8%	2.9%
High Yield	1.0%	0.2%	2.7%	5.5%
Bank Loans	0.8%	2.4%	4.7%	4.3%
Global Hedged	0.2%	0.1%	1.5%	2.8%
EM Debt Hard Currency	-3.5%	-5.2%	-1.7%	4.7%

## Yield Curve



## Hedge Fund Returns

	Qtr	YTD	1 Yr	3 Yr
HFRX Fund Weighted	0.2%	-0.8%	2.3%	0.8%
Hedged Equity	-0.9%	0.2%	6.4%	1.8%
Event Driven	0.3%	-4.5%	-2.8%	1.3%
Macro	0.2%	-1.8%	0.5%	-1.1%
Relative Value	1.1%	2.4%	4.6%	0.5%
CBOE PutWrite	4.2%	1.5%	5.9%	7.9%

## Commodity Returns

	Qtr	YTD	1 Yr	3 Yr
GSCI Total	8.0%	10.4%	32.6%	-3.7%
Precious Metals	-4.5%	-5.0%	-1.0%	1.0%
Livestock	5.5%	-5.1%	-8.1%	-4.3%
Industrial Metals	1.0%	-5.3%	15.7%	6.0%
Energy	10.7%	12.7%	37.0%	-8.5%
Agriculture	-8.7%	-5.8%	-10.5%	-8.4%
WTI Crude Oil	13.2%	23.2%	62.8%	-7.7%
Gold	-5.5%	-4.6%	-0.1%	1.3%



**City of Naperville**

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Executive Summary

**June 30, 2018**

## Total Fund Composite

## Manager Status

Market Value: \$105.1 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
BMO/TCH	Int. Govt. Fixed Income	In Compliance	---
PFM	Int. Govt. Fixed Income	In Compliance	---
City-Managed IMET	Cash & Equivalents	In Compliance	---
Concentration Account	Cash & Equivalents	In Compliance	---

### Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

**In Compliance** – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

**Alert** – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

**On Notice** – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

**Termination** – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

## Total Fund Composite

## Market Values

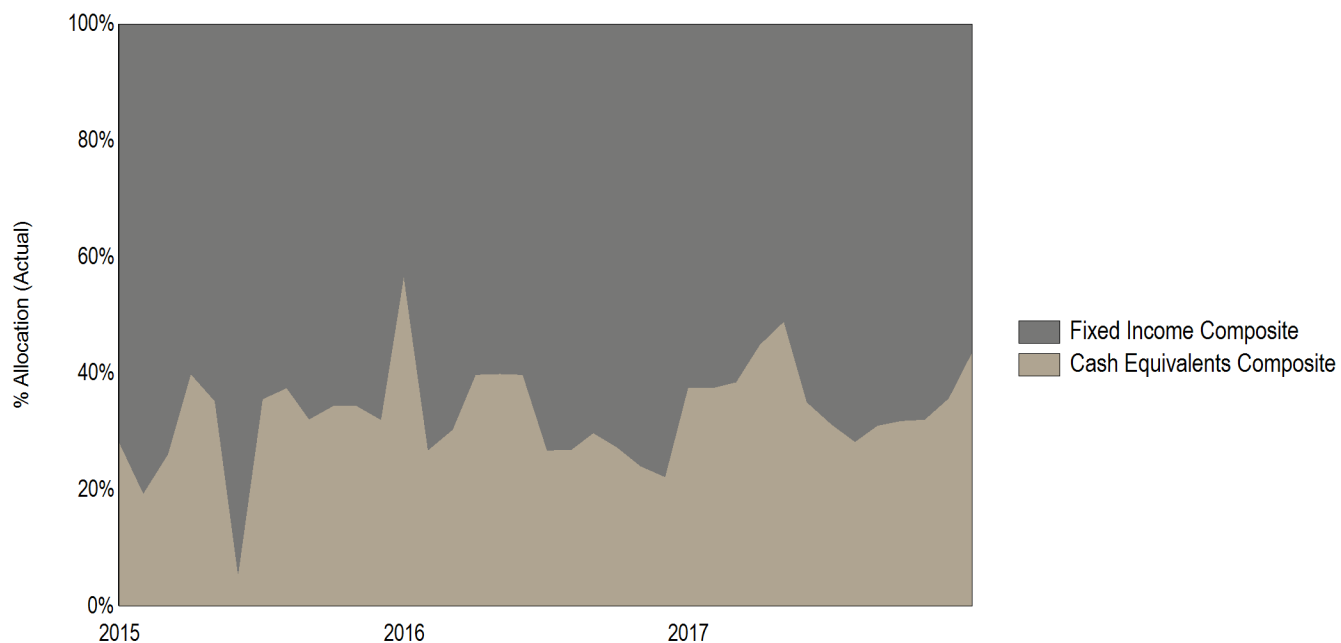
Market Value: \$105.1 Million and 100.0% of Fund

**Ending June 30, 2018**

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio
<b>Total Fund Composite</b>		<b>105,129,523</b>	<b>18,295,220</b>	<b>100.0</b>
<b>Fixed Income Composite</b>		<b>59,154,028</b>	<b>-2,714</b>	<b>56.3</b>
BMO/TCH	Int. Govt. Fixed Income	29,192,057	-1,338	27.8
PFM	Int. Govt. Fixed Income	29,961,971	-1,376	28.5
<b>Cash Equivalents Composite</b>		<b>45,975,495</b>	<b>18,297,935</b>	<b>43.7</b>
City-Managed IMET	Cash & Equivalents	12,933	0	0.0
Concentration Account	Cash & Equivalents	45,962,562	18,297,935	43.7

Market Value: \$105.1 Million and 100.0% of Fund

Historic Asset Allocation



## Total Fund Composite

## Market Value History

Market Value: \$105.1 Million and 100.0% of Fund

### Summary of Cash Flows

	Second Quarter	Year-To-Date	One Year	Three Years
<b>Beginning Market Value</b>	<b>\$86,749,717.91</b>	<b>\$86,716,430.09</b>	<b>\$84,136,404.60</b>	<b>\$77,392,534.42</b>
Contributions	\$18,297,934.55	\$22,675,747.45	\$48,574,419.80	\$368,494,410.61
Withdrawals	-\$2,714.22	-\$3,853,822.46	-\$27,289,664.06	-\$341,442,584.95
Net Cash Flow	\$18,295,220.33	\$18,821,924.99	\$21,284,755.74	\$27,051,825.66
Net Investment Change	\$84,584.83	-\$408,832.01	-\$291,637.27	\$685,162.99
<b>Ending Market Value</b>	<b>\$105,129,523.07</b>	<b>\$105,129,523.07</b>	<b>\$105,129,523.07</b>	<b>\$105,129,523.07</b>
Net Change	\$18,379,805.16	\$18,413,092.98	\$20,993,118.47	\$27,736,988.65

## Total Fund Composite

## Annualized Performance (Gross of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

Ending June 30, 2018

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>0.6</b>	<b>0.7</b>	<b>0.9</b>	<b>1.2</b>	<b>2.5</b>
<i>Policy Benchmark</i>	<i>0.1</i>	<i>-0.4</i>	<i>-0.4</i>	<i>-0.7</i>	<i>0.6</i>	<i>0.9</i>	<i>0.9</i>	<i>1.2</i>	<i>2.1</i>
<b>Fixed Income Composite</b>	<b>0.1</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.8</b>	<b>0.9</b>	<b>1.1</b>	<b>1.3</b>	<b>1.6</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>0.1</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-1.0</i>	<i>0.6</i>	<i>0.9</i>	<i>1.0</i>	<i>1.4</i>	<i>2.4</i>
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
<i>91 Day T-Bills</i>	<i>0.5</i>	<i>0.8</i>	<i>1.4</i>	<i>1.0</i>	<i>0.7</i>	<i>0.5</i>	<i>0.4</i>	<i>0.3</i>	<i>0.3</i>



## Total Fund Composite

## Calendar Performance (Gross of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

	Calendar Year								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Fund Composite</b>	<b>1.2</b>	<b>0.7</b>	<b>0.9</b>	<b>2.2</b>	<b>-0.9</b>	<b>1.8</b>	<b>5.3</b>	<b>5.3</b>	<b>2.0</b>
<i>Policy Benchmark</i>	<i>1.1</i>	<i>0.9</i>	<i>1.0</i>	<i>2.1</i>	<i>-1.1</i>	<i>1.5</i>	<i>5.2</i>	<i>4.2</i>	<i>-0.2</i>
<b>Fixed Income Composite</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>2.9</b>	<b>-1.2</b>	<b>2.3</b>	<b>6.2</b>	<b>5.7</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>1.1</i>	<i>1.1</i>	<i>1.2</i>	<i>2.5</i>	<i>-1.2</i>	<i>1.7</i>	<i>6.1</i>	<i>5.0</i>	<i>-0.3</i>
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>
<i>91 Day T-Bills</i>	<i>0.9</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>

## Total Fund Composite

## Calendar Performance (Gross of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

	Fiscal Year										
	YTD	2017	2016	5/1/15 - 12/31/15	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
<b>Total Fund Composite</b>	<b>-0.5</b>	<b>1.2</b>	<b>0.7</b>	<b>0.0</b>	<b>1.6</b>	<b>2.1</b>	<b>-0.5</b>	<b>1.6</b>	<b>4.9</b>	<b>4.4</b>	<b>3.2</b>
<i>Policy Benchmark</i>	-0.4	1.1	0.9	0.0	2.0	2.3	-0.7	1.5	4.7	3.5	2.0
<b>Fixed Income Composite</b>	<b>-0.7</b>	<b>1.6</b>	<b>1.3</b>	<b>0.1</b>	<b>2.5</b>	<b>2.8</b>	<b>-0.7</b>	<b>2.1</b>	<b>5.8</b>	<b>4.7</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	-0.7	1.1	1.1	0.0	2.3	2.7	-0.8	1.8	5.6	4.1	2.3
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>
<i>91 Day T-Bills</i>	0.8	0.9	0.3	0.0	0.1	0.0	0.0	0.1	0.0	0.1	0.1

Please note that the above table reflects a May 1 fiscal year for all but the first four columns, which reflect the newly implemented January 1 fiscal year.

## Investment Manager

## Annualized Performance (Gross of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

Ending June 30, 2018

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>0.6</b>	<b>0.7</b>	<b>0.9</b>	<b>1.2</b>	<b>2.5</b>
<i>Policy Benchmark</i>	<i>0.1</i>	<i>-0.4</i>	<i>-0.4</i>	<i>-0.7</i>	<i>0.6</i>	<i>0.9</i>	<i>0.9</i>	<i>1.2</i>	<i>2.1</i>
<b>Fixed Income Composite</b>	<b>0.1</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.8</b>	<b>0.9</b>	<b>1.1</b>	<b>1.3</b>	<b>1.6</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>0.1</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-1.0</i>	<i>0.6</i>	<i>0.9</i>	<i>1.0</i>	<i>1.4</i>	<i>2.4</i>
BMO/TCH	0.1	-0.8	-0.4	-0.8	0.9	1.0	1.3	1.5	--
<i>BBgBarc US Govt Int TR</i>	<i>0.1</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-1.0</i>	<i>0.6</i>	<i>0.9</i>	<i>1.0</i>	<i>1.4</i>	<i>2.4</i>
PFM	0.2	-0.6	-0.5	--	--	--	--	--	--
<i>BBgBarc US Govt Int TR</i>	<i>0.1</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-1.0</i>	<i>0.6</i>	<i>0.9</i>	<i>1.0</i>	<i>1.4</i>	<i>2.4</i>
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
<i>91 Day T-Bills</i>	<i>0.5</i>	<i>0.8</i>	<i>1.4</i>	<i>1.0</i>	<i>0.7</i>	<i>0.5</i>	<i>0.4</i>	<i>0.3</i>	<i>0.3</i>
City-Managed IMET	0.4	0.8	1.4	1.0	0.8	0.7	0.6	0.5	--
<i>91 Day T-Bills</i>	<i>0.5</i>	<i>0.8</i>	<i>1.4</i>	<i>1.0</i>	<i>0.7</i>	<i>0.5</i>	<i>0.4</i>	<i>0.3</i>	<i>0.3</i>

# Investment Manager

# Calendar Performance (Gross of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

	Calendar Year								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Fund Composite</b>	<b>1.2</b>	<b>0.7</b>	<b>0.9</b>	<b>2.2</b>	<b>-0.9</b>	<b>1.8</b>	<b>5.3</b>	<b>5.3</b>	<b>2.0</b>
<i>Policy Benchmark</i>	<i>1.1</i>	<i>0.9</i>	<i>1.0</i>	<i>2.1</i>	<i>-1.1</i>	<i>1.5</i>	<i>5.2</i>	<i>4.2</i>	<i>-0.2</i>
<b>Fixed Income Composite</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>2.9</b>	<b>-1.2</b>	<b>2.3</b>	<b>6.2</b>	<b>5.7</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>1.1</i>	<i>1.1</i>	<i>1.2</i>	<i>2.5</i>	<i>-1.2</i>	<i>1.7</i>	<i>6.1</i>	<i>5.0</i>	<i>-0.3</i>
BMO/TCH	1.7	1.1	1.2	2.9	-1.5	2.2	6.3	5.3	--
<i>BBgBarc US Govt Int TR</i>	<i>1.1</i>	<i>1.1</i>	<i>1.2</i>	<i>2.5</i>	<i>-1.2</i>	<i>1.7</i>	<i>6.1</i>	<i>5.0</i>	<i>-0.3</i>
PFM	1.4	--	--	--	--	--	--	--	--
<i>BBgBarc US Govt Int TR</i>	<i>1.1</i>	<i>1.1</i>	<i>1.2</i>	<i>2.5</i>	<i>-1.2</i>	<i>1.7</i>	<i>6.1</i>	<i>5.0</i>	<i>-0.3</i>
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>
<i>91 Day T-Bills</i>	<i>0.9</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>
City-Managed IMET	1.0	0.5	0.3	0.4	0.3	0.3	--	--	--
<i>91 Day T-Bills</i>	<i>0.9</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>

## Total Fund Composite

## Annualized Performance (Net of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

Ending June 30, 2018

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.8</b>	<b>1.1</b>	<b>2.3</b>
<i>Policy Benchmark</i>	<i>0.1</i>	<i>-0.4</i>	<i>-0.4</i>	<i>-0.7</i>	<i>0.6</i>	<i>0.9</i>	<i>0.9</i>	<i>1.2</i>	<i>2.1</i>
<b>Fixed Income Composite</b>	<b>0.1</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.9</b>	<b>0.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.4</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>0.1</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-1.0</i>	<i>0.6</i>	<i>0.9</i>	<i>1.0</i>	<i>1.4</i>	<i>2.4</i>
<i>InvestorForce Public DB US Fix Inc Net Rank</i>	<i>25</i>	<i>22</i>	<i>89</i>	<i>99</i>	<i>93</i>	<i>93</i>	<i>93</i>	<i>91</i>	<i>--</i>
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
<i>91 Day T-Bills</i>	<i>0.5</i>	<i>0.8</i>	<i>1.4</i>	<i>1.0</i>	<i>0.7</i>	<i>0.5</i>	<i>0.4</i>	<i>0.3</i>	<i>0.3</i>

## Total Fund Composite

## Calendar Performance (Net of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

	Calendar Year								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Fund Composite</b>	<b>1.1</b>	<b>0.6</b>	<b>0.7</b>	<b>2.1</b>	<b>-1.0</b>	<b>1.7</b>	<b>5.2</b>	<b>5.2</b>	<b>1.9</b>
<i>Policy Benchmark</i>	<i>1.1</i>	<i>0.9</i>	<i>1.0</i>	<i>2.1</i>	<i>-1.1</i>	<i>1.5</i>	<i>5.2</i>	<i>4.2</i>	<i>-0.2</i>
<b>Fixed Income Composite</b>	<b>1.4</b>	<b>1.1</b>	<b>1.1</b>	<b>2.7</b>	<b>-1.4</b>	<b>2.2</b>	<b>6.1</b>	<b>5.5</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>1.1</i>	<i>1.1</i>	<i>1.2</i>	<i>2.5</i>	<i>-1.2</i>	<i>1.7</i>	<i>6.1</i>	<i>5.0</i>	<i>-0.3</i>
<i>InvestorForce Public DB US Fix Inc Net Rank</i>	<i>97</i>	<i>97</i>	<i>14</i>	<i>85</i>	<i>62</i>	<i>92</i>	<i>52</i>	<i>60</i>	<i>--</i>
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>
<i>91 Day T-Bills</i>	<i>0.9</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>

## Total Fund Composite

## Calendar Performance (Net of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

### Fiscal Year

	YTD	2017	2016	5/1/15 - 12/31/15	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
<b>Total Fund Composite</b>	<b>-0.5</b>	<b>1.1</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>1.5</b>	<b>2.0</b>	<b>-0.6</b>	<b>1.5</b>	<b>4.8</b>	<b>4.2</b>	<b>3.0</b>
<i>Policy Benchmark</i>	-0.4	1.1	0.9	0.0	0.0	2.0	2.3	-0.7	1.5	4.7	3.5	2.0
<b>Fixed Income Composite</b>	<b>-0.7</b>	<b>1.4</b>	<b>1.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>2.4</b>	<b>2.6</b>	<b>-0.8</b>	<b>1.9</b>	<b>5.7</b>	<b>4.5</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	-0.7	1.1	1.1	0.0	-0.1	2.3	2.7	-0.8	1.8	5.6	4.1	2.3
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>
<i>91 Day T-Bills</i>	0.8	0.9	0.3	0.0	0.4	0.1	0.0	0.0	0.1	0.0	0.1	0.1

Please note that the above table reflects a May 1 fiscal year for all but the first four columns, which reflect the newly implemented January 1 fiscal year.

## Investment Manager

## Annualized Performance (Net of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

Ending June 30, 2018

	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
<b>Total Fund Composite</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.8</b>	<b>1.1</b>	<b>2.3</b>
<i>Policy Benchmark</i>	<i>0.1</i>	<i>-0.4</i>	<i>-0.4</i>	<i>-0.7</i>	<i>0.6</i>	<i>0.9</i>	<i>0.9</i>	<i>1.2</i>	<i>2.1</i>
<b>Fixed Income Composite</b>	<b>0.1</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.9</b>	<b>0.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.4</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>0.1</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-1.0</i>	<i>0.6</i>	<i>0.9</i>	<i>1.0</i>	<i>1.4</i>	<i>2.4</i>
<i>InvestorForce Public DB US Fix Inc Net Rank</i>	<i>25</i>	<i>22</i>	<i>89</i>	<i>99</i>	<i>93</i>	<i>93</i>	<i>93</i>	<i>91</i>	<i>--</i>
<b>BMO/TCH</b>	<b>0.1</b>	<b>-0.9</b>	<b>-0.6</b>	<b>-1.0</b>	<b>0.8</b>	<b>0.9</b>	<b>1.1</b>	<b>1.4</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>0.1</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-1.0</i>	<i>0.6</i>	<i>0.9</i>	<i>1.0</i>	<i>1.4</i>	<i>2.4</i>
<i>eV US Government Fixed Inc Net Rank</i>	<i>49</i>	<i>71</i>	<i>65</i>	<i>59</i>	<i>63</i>	<i>74</i>	<i>68</i>	<i>69</i>	<i>--</i>
<b>PFM</b>	<b>0.1</b>	<b>-0.6</b>	<b>-0.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	<i>0.1</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-1.0</i>	<i>0.6</i>	<i>0.9</i>	<i>1.0</i>	<i>1.4</i>	<i>2.4</i>
<i>eV US Government Fixed Inc Net Rank</i>	<i>26</i>	<i>12</i>	<i>64</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
<i>91 Day T-Bills</i>	<i>0.5</i>	<i>0.8</i>	<i>1.4</i>	<i>1.0</i>	<i>0.7</i>	<i>0.5</i>	<i>0.4</i>	<i>0.3</i>	<i>0.3</i>
<b>City-Managed IMET</b>	<b>0.4</b>	<b>0.8</b>	<b>1.4</b>	<b>1.0</b>	<b>0.8</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>--</b>
<i>91 Day T-Bills</i>	<i>0.5</i>	<i>0.8</i>	<i>1.4</i>	<i>1.0</i>	<i>0.7</i>	<i>0.5</i>	<i>0.4</i>	<i>0.3</i>	<i>0.3</i>



## Investment Manager

## Calendar Performance (Net of Fees)

Market Value: \$105.1 Million and 100.0% of Fund

	Calendar Year								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Fund Composite</b>	<b>1.1</b>	<b>0.6</b>	<b>0.7</b>	<b>2.1</b>	<b>-1.0</b>	<b>1.7</b>	<b>5.2</b>	<b>5.2</b>	<b>1.9</b>
<i>Policy Benchmark</i>	1.1	0.9	1.0	2.1	-1.1	1.5	5.2	4.2	-0.2
<b>Fixed Income Composite</b>	<b>1.4</b>	<b>1.1</b>	<b>1.1</b>	<b>2.7</b>	<b>-1.4</b>	<b>2.2</b>	<b>6.1</b>	<b>5.5</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	1.1	1.1	1.2	2.5	-1.2	1.7	6.1	5.0	-0.3
<i>InvestorForce Public DB US Fix Inc Net Rank</i>	97	97	14	85	62	92	52	60	--
<b>BMO/TCH</b>	<b>1.5</b>	<b>1.0</b>	<b>1.0</b>	<b>2.8</b>	<b>-1.7</b>	<b>2.1</b>	<b>6.1</b>	<b>5.2</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	1.1	1.1	1.2	2.5	-1.2	1.7	6.1	5.0	-0.3
<i>eV US Government Fixed Inc Net Rank</i>	68	77	26	58	65	64	39	42	--
<b>PFM</b>	<b>1.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>BBgBarc US Govt Int TR</i>	1.1	1.1	1.2	2.5	-1.2	1.7	6.1	5.0	-0.3
<i>eV US Government Fixed Inc Net Rank</i>	73	--	--	--	--	--	--	--	--
<b>Cash Equivalents Composite</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>
<i>91 Day T-Bills</i>	0.9	0.3	0.0	0.0	0.0	0.1	0.0	0.1	0.1
<b>City-Managed IMET</b>	<b>1.0</b>	<b>0.5</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>91 Day T-Bills</i>	0.9	0.3	0.0	0.0	0.0	0.1	0.0	0.1	0.1

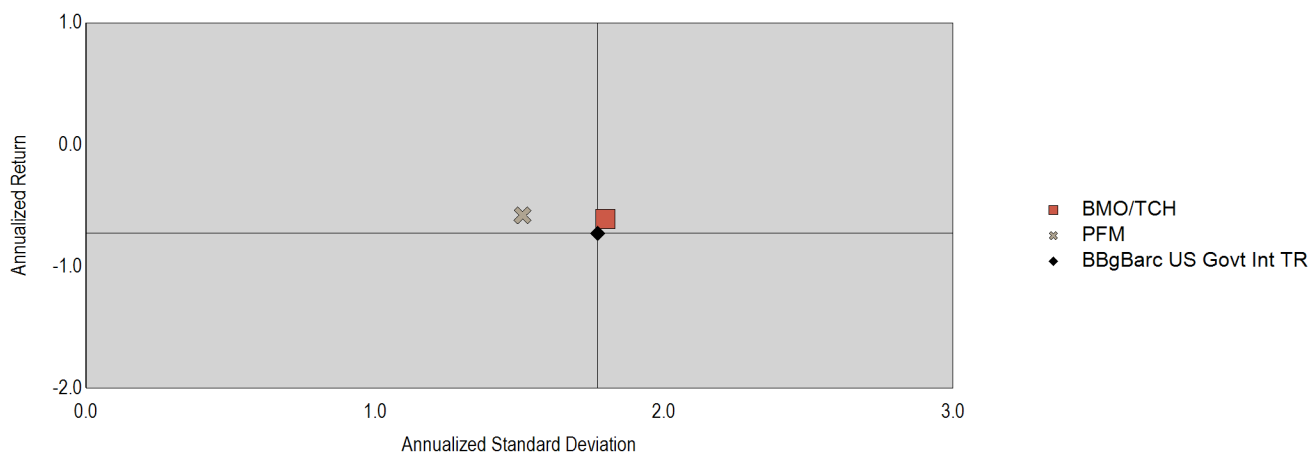
# Fixed Income Composite

As of June 30, 2018

# Characteristics

Market Value: \$59.2 Million and 56.3% of Fund

## Risk / Return - 1 Year



## Characteristics

	Portfolio	Index
	Q2-18	Q2-18
Yield to Maturity	3.0%	2.7%
Avg. Eff. Maturity	4.2 yrs.	4.0 yrs.
Avg. Duration	3.8 yrs.	3.8 yrs.
Avg. Quality	AA	--

Region	Number Of Assets
North America ex U.S.	3
United States	185
United Kingdom	4
Emerging Markets	2
Other	2
<b>Total</b>	<b>196</b>

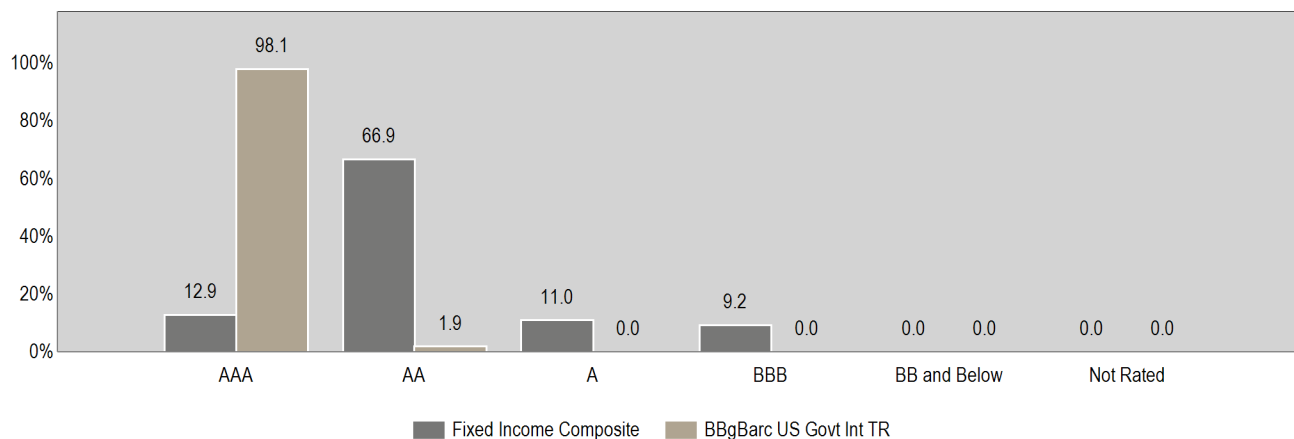
## Sector

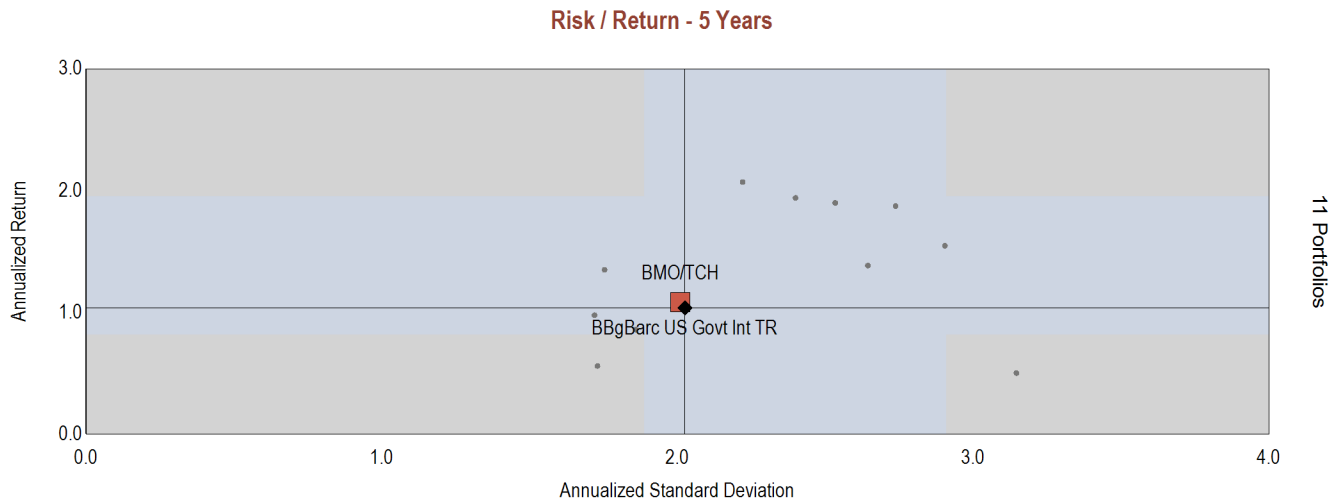
	Portfolio	Index
	Q2-18	Q2-18
UST/Agency	42.0%	100.0%
Corporate	21.8%	--
MBS	29.6%	--
ABS	--	--
Foreign	6.5%	--
Muni	--	--
Other	--	--

## Maturity

	Q2-18
<1 Year	4.1%
1-3 Years	38.6%
3-5 Years	28.4%
5-7 Years	11.7%
7-10 Years	17.2%
10-15 Years	0.0%
15-20 Years	0.0%
>20 Years	0.0%
Not Rated/Cash	0.0%

## Quality Distribution



**Characteristics**

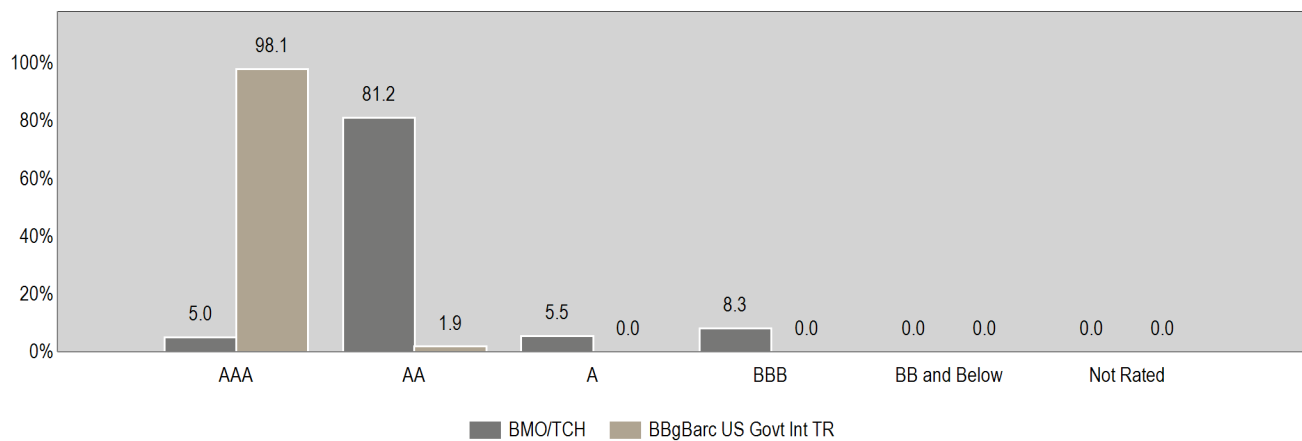
	Portfolio	Index
	Q2-18	Q2-18
Yield to Maturity	2.9%	2.7%
Avg. Eff. Maturity	4.6 yrs.	4.0 yrs.
Avg. Duration	4.0 yrs.	3.8 yrs.
Avg. Quality	AA	--
Region	Number Of Assets	
United States	51	
United Kingdom	2	
Other	0	
<b>Total</b>	<b>53</b>	

**Sector**

	Portfolio	Index
	Q2-18	Q2-18
UST/Agency	57.6%	100.0%
Corporate	14.7%	--
MBS	26.9%	--
ABS	--	--
Foreign	0.8%	--
Muni	--	--
Other	--	--

**Maturity**

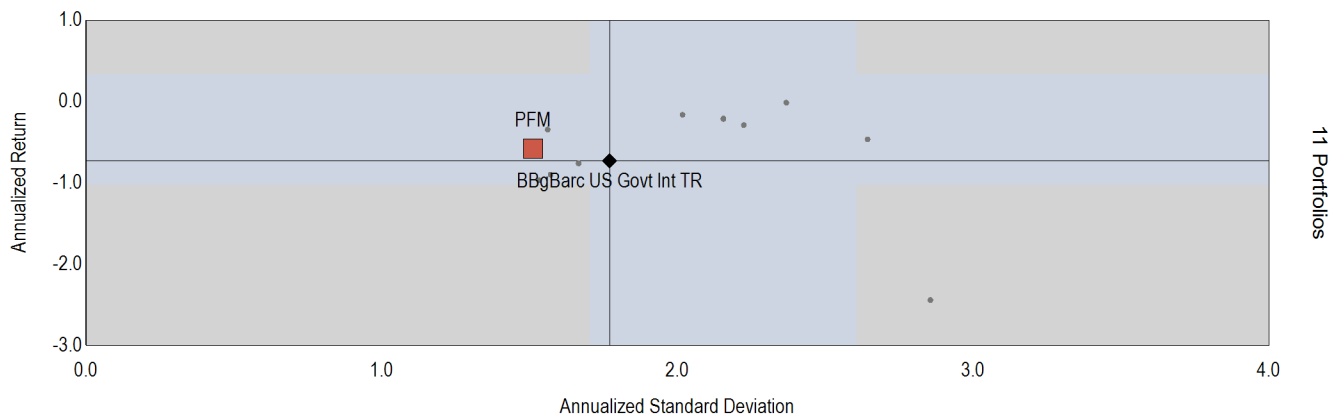
	Q2-18
<1 Year	6.2%
1-3 Years	37.4%
3-5 Years	19.1%
5-7 Years	9.0%
7-10 Years	28.4%
10-15 Years	0.0%
15-20 Years	0.0%
>20 Years	0.0%
Not Rated/Cash	0.0%

**Quality Distribution**

As of June 30, 2018

Market Value: \$30.0 Million and 28.5% of Fund

## Risk / Return - 1 Year



## Characteristics

	Portfolio	Index
	Q2-18	Q2-18
Yield to Maturity	3.1%	2.7%
Avg. Eff. Maturity	3.9 yrs.	4.0 yrs.
Avg. Duration	3.6 yrs.	3.8 yrs.
Avg. Quality	AA	--

Region	Number Of Assets
North America ex U.S.	3
United States	134
United Kingdom	2
Emerging Markets	2
Other	2
<b>Total</b>	<b>143</b>

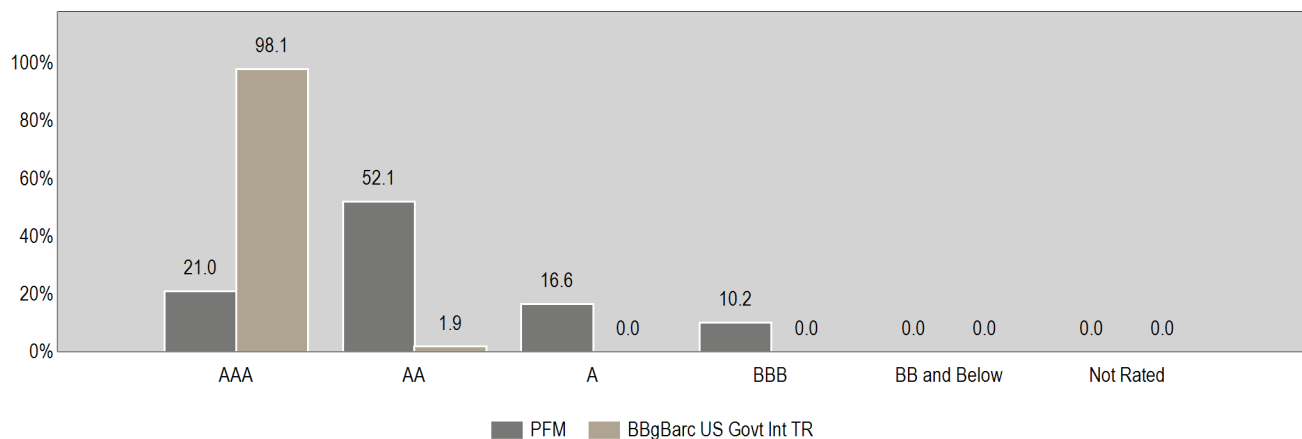
## Sector

	Portfolio	Index
	Q2-18	Q2-18
UST/Agency	26.5%	100.0%
Corporate	28.9%	--
MBS	32.3%	--
ABS	--	--
Foreign	12.2%	--
Muni	--	--
Other	--	--

## Maturity

	Q2-18
<1 Year	1.9%
1-3 Years	39.7%
3-5 Years	37.8%
5-7 Years	14.4%
7-10 Years	6.1%
10-15 Years	0.0%
15-20 Years	0.0%
>20 Years	0.0%
Not Rated/Cash	0.0%

## Quality Distribution



## Total Fund Composite

## Fee Schedule

Market Value: \$105.1 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee <sup>1</sup>	Industry Average <sup>2</sup>
Int. Govt. Fixed Income	BMO/TCH	0.15% on the Balance	0.15% \$43,788	0.25%
Int. Govt. Fixed Income	PFM	0.10% on the first \$25 million 0.08% on the next \$25 million 0.07% on the next \$50 million 0.06% on the balance	0.10% \$28,970	0.25%
<b>Total Investment Management Fees</b>			<b>0.07%</b> <b>\$72,758</b>	<b>0.14%</b>
Investment Consultant	Marquette Associates, Inc.	\$25,000 Annual Fee	0.02% \$25,000	N/A
<b>Total Fund</b>			<b>0.09%</b> <b>\$97,758</b>	

<sup>1</sup> Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

<sup>2</sup> Source: 2016 Marquette Associates Investment Management Fee Study.



# City of Naperville

## Q2 2018 Investment Review

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**Presented by:**

Meaghan Ryan

Vice President, Relationship Management

(312) 461-3633

# Overview

## Positioning and Rationale

### YIELD CURVE ANALYSIS

- The gap between the Fed and the Treasury market's view of future economic data widened, aided by the persistent divergence in the area of inflation
- The ECB continues to signal for further policy normalization; however concerns from within the economic zone's political structure continue to surface
- Fed commentary around inflation softened, describing "2%" as +/- a median range; indicating a willingness to tighten despite complacent prices
- Two out of 3 major credit markets (Investment Grade and Emerging Markets) have corrected significantly, while High Yield continues to show resilience across capital and quality structures
- Volatility surfaces have been erratic as financial markets concern over global trade rhetoric overshadowed the comparatively balanced global economic results
- Duration construction: In isolation, U.S. and global economic data, Fed vigilance and tightening labor market conditions suggest higher benchmark rates, but appear constrained by rising global political and economic tensions; Base case is that the former wins out, but remain cautious for signs of elevated tail risk

### SECTOR OUTLOOK

- Investment Grade Credit: Broadly-speaking subscription levels for primary issues remains robust, suggesting that incremental demand for U.S. credit continues to outstrip supply; Driven by volatility, credit spreads repriced and better reflect the drift in quality and duration which had gone overlooked
- Securitized: Agency MBS spreads remain unremarkable in a broader context, but pockets of widening surrounding extension risk and Fed hawkishness may present certain opportunities across labels; CMBS "dupers" still appear attractive relative to similarly-rated cross sector opportunities
- "Beta" Sectors: Highly selective approach to higher credit beta opportunities, particularly following the relative underperformance of investment grade relative to high yield during recent bouts of volatility

### QUALITY DECISIONS

- Overall, lower quality U.S. investment grade credit underperformed in 1H 2018 as a confluence of M&A supply and volatility weighed on risk markets; accordingly, most headline-related relative value opportunities and dislocations remain in lower quality investment grade; however, at this point in the cycle, incremental exposure requires compelling valuations

### SECURITY SELECTION

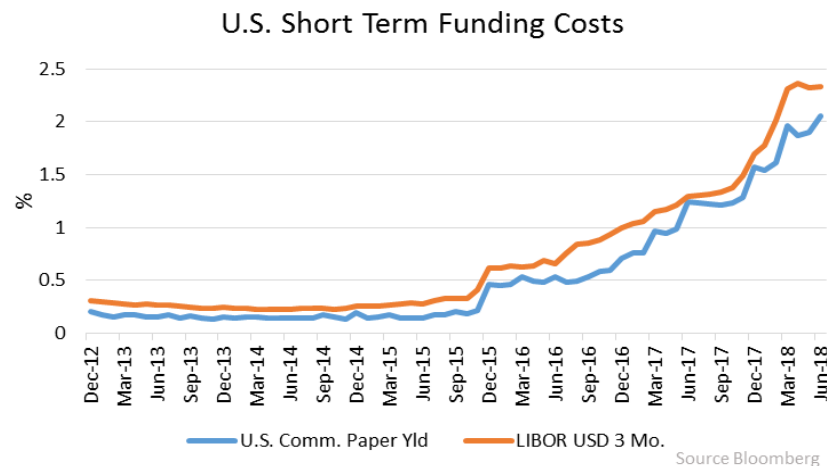
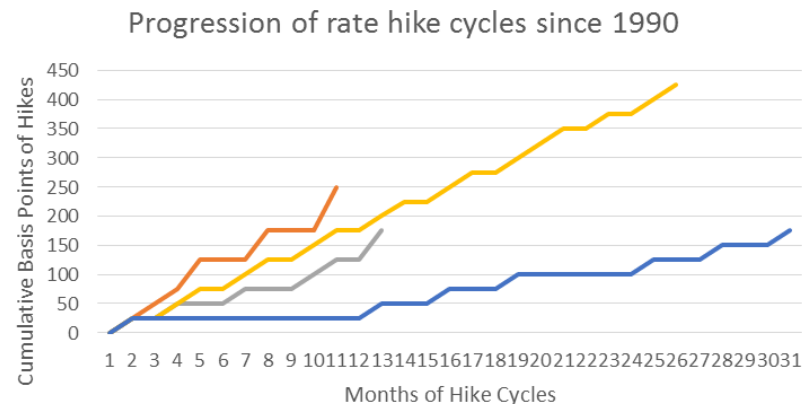
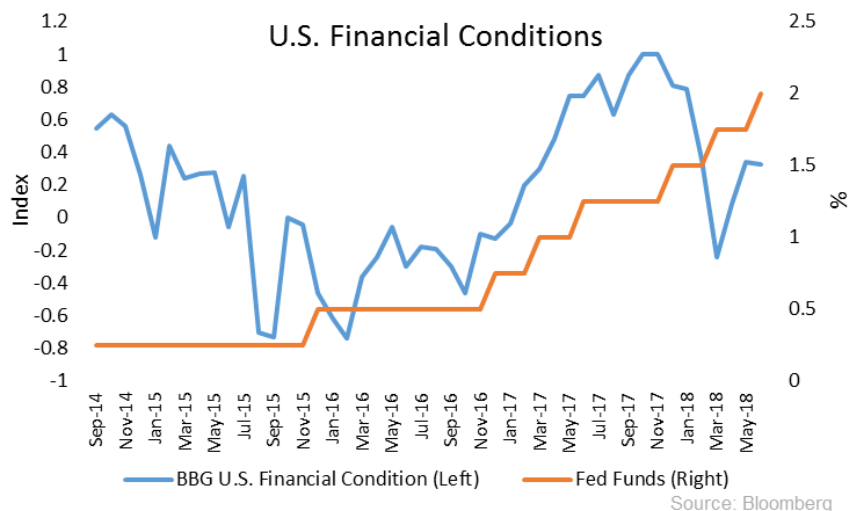
- Despite the OAS widening, primary market concessions continue to underwhelm, opportunity remains in secondary markets
- Industrials- spats of volatility still lack differentiation, particularly when reacting to headlines; in cases where reactions exceed what is justified by fundamentals, significant relative value opportunities for nimble capital persist
- Financials- Financial sector operating metrics remains solid; however increases in volatility and LIBOR warrant monitoring; U.S. institutions will remain the relative "safe haven" globally



# U.S. Economic Outlook

## Financial markets begin showing signs of tighter conditions

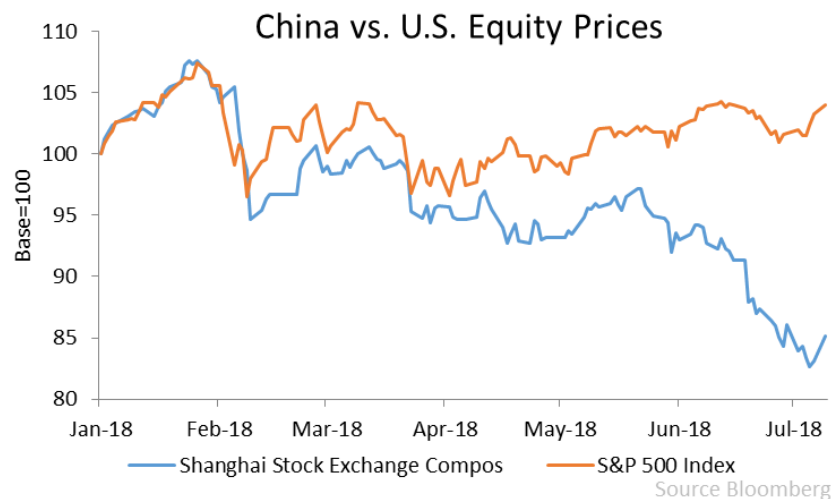
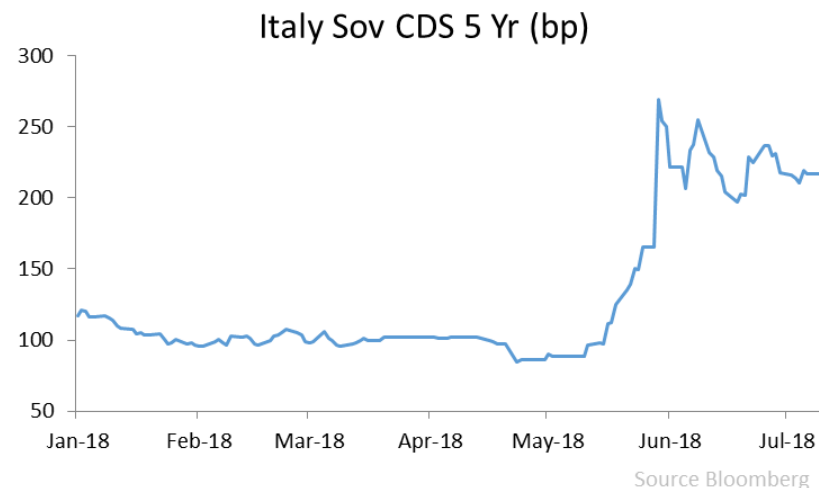
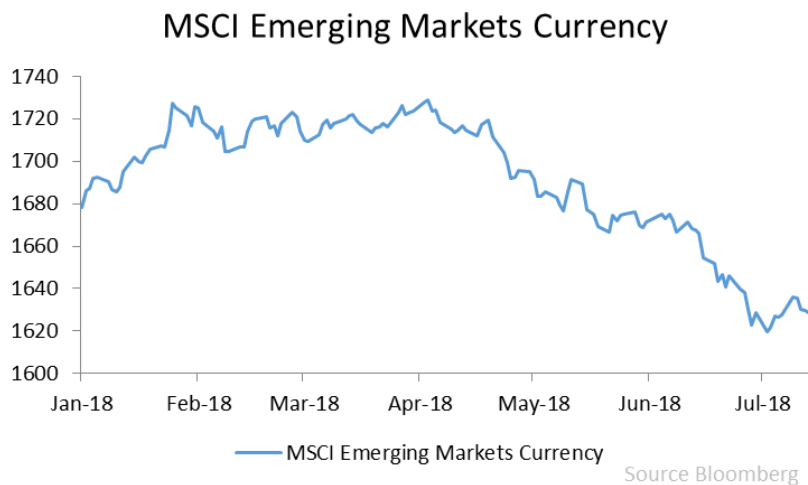
- Overall the U.S. economic growth outlook remains stable; however, industries, such as retail, face continued headwinds from secular decline and “trade” talks
- A continued hawkish tone from the Fed, combined with a rise in market volatility have driven short-term funding costs higher
- U.S. financial conditions, which had weathered the increases in Fed Funds well, entered the third quarter on a tighter note



# Global Economic Outlook

## Global policy normalization hits a few speed bumps as central banks warn on trade

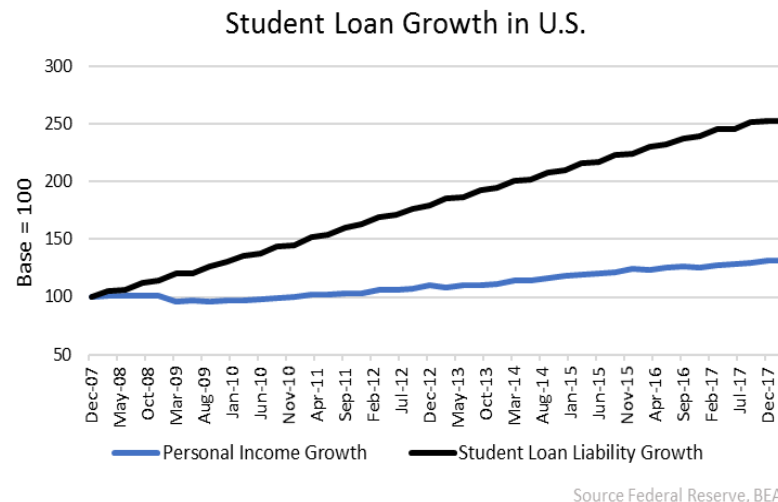
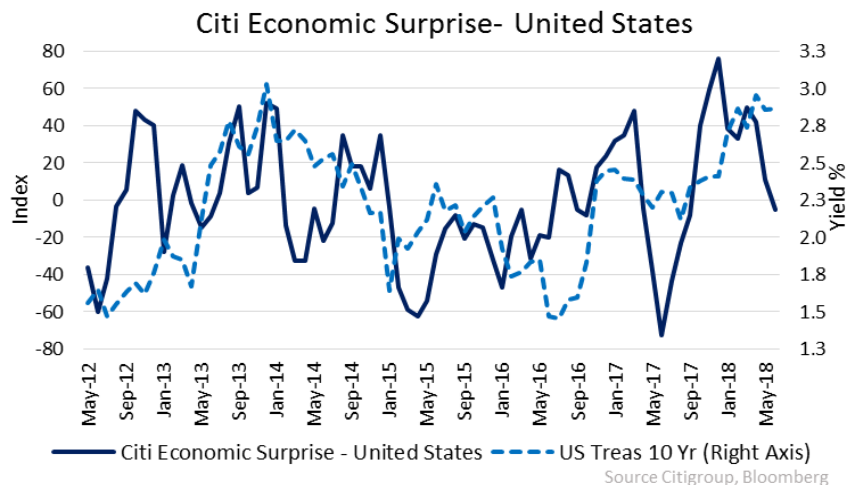
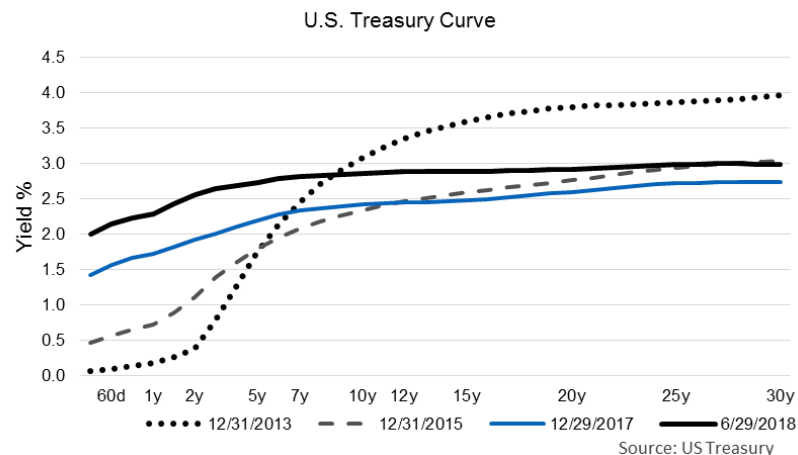
- The ECB policy normalization cycle received a potential headwind by way of the Italian parliamentary situation
- Despite a healthy growth outlook, major economies and their respective industries sound the alarm on trade tensions
- By the data, emerging market growth has been mixed with the outlook further complicated by hardening trade-related tensions



# U.S. Interest Rate Outlook

## Benchmark yields enter 3Q 2018 in a malaise of sorts

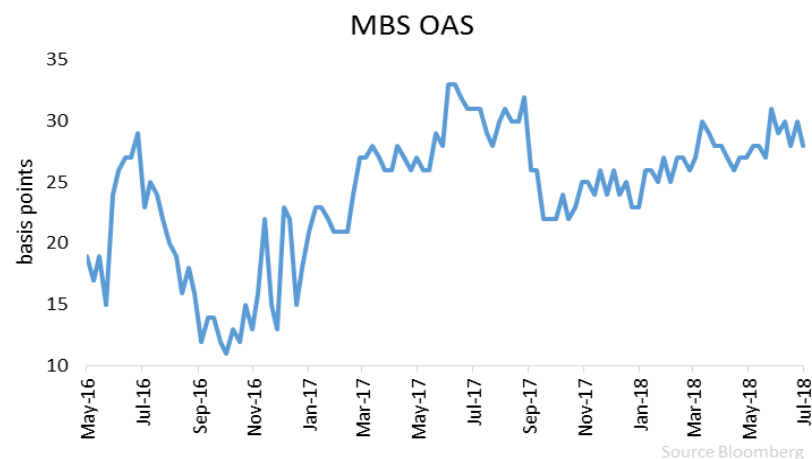
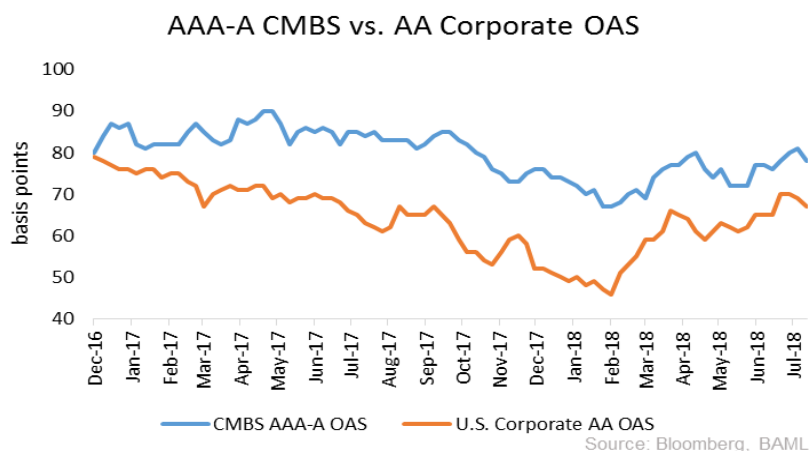
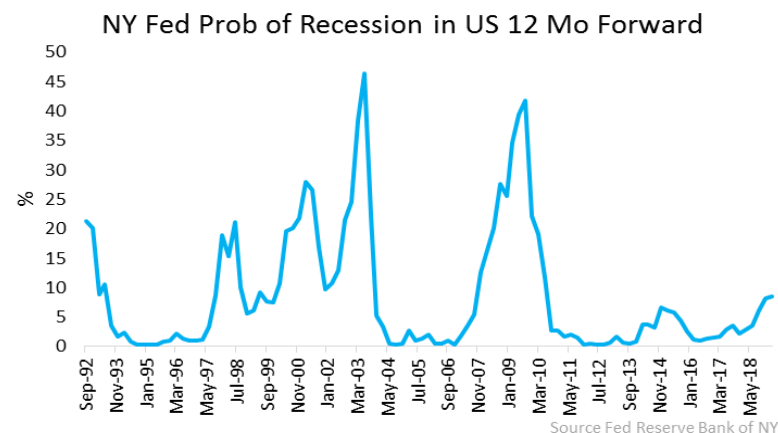
- The gap between U.S. benchmark yields and economic output has once again widened; Despite historically low unemployment, market-based inflation indicators remain tepid
- The new marginal consumer is more encumbered with debt than during any past period, helping to weigh down expectations for replacing current levels of consumption
- Despite steady increases in real asset prices, absent an acceleration in the Phillips Curve, a flatter U.S term structure will prove stubborn



# Spread Sector Outlook

## Market volatility ebbs and flows heading into the third quarter

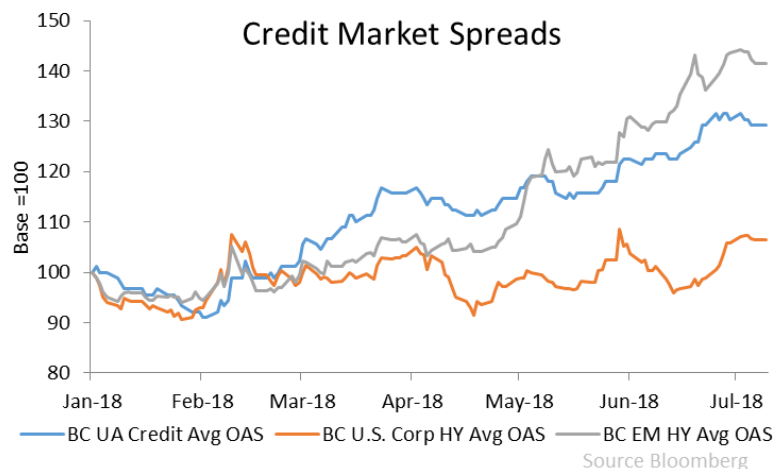
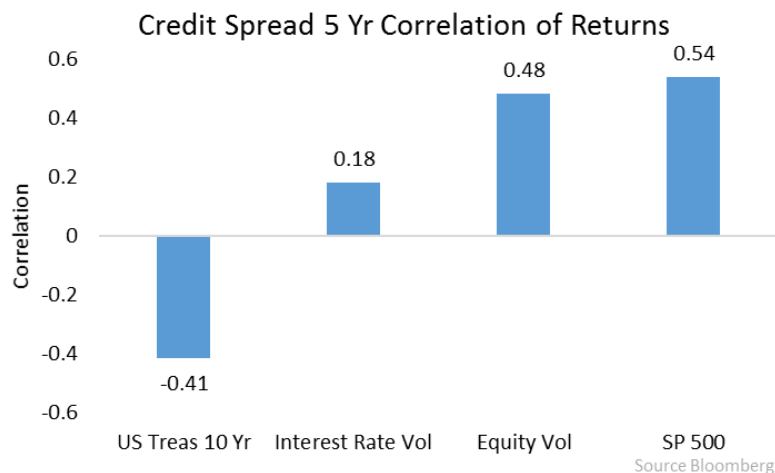
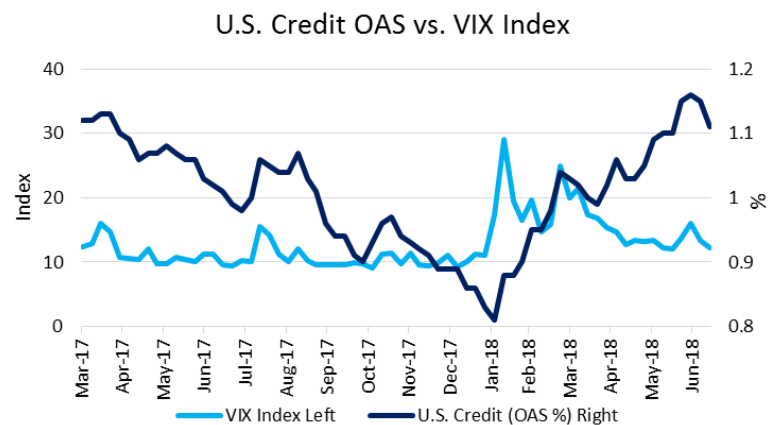
- The Fed's economic models continue to project a positive U.S. growth environment
- Following the increase in U.S. benchmark yields and a more hawkish Fed comments/projections, MBS spreads have widened as the market reprices further extension risk and a softer "Fed premium"
- The relationship between higher-quality investment grade credit and AAA CMBS dupers has tightened, but remains attractive on a duration-adjusted basis



# Credit Market Outlook

## Credit markets enter 2H 2018 following a period of bifurcated performance

- Aided by geopolitical headlines, credit spreads adjusted to reflect higher volatility in both interest rates and risk assets
- A generally positive economic environment and well-managed corporate balance sheets continue to drive credit markets, as large M&A supply at historically tight levels were absorbed easily
- Though the rising volatility environment has created bottom-up opportunities, it is also a good time to revisit credit's correlations with different forms of volatility



# City of Naperville: Q2 Activity

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Market Value Reconciliation: Q2 2018		
<b>Ending Market Value: March 31, 2018*</b>	<b>\$</b>	<b>29,163,890.31</b>
Contributions/Withdrawals	\$	-
Net Invested Funds	\$	29,163,890.31
Net Income	\$	156,458.42
Unrealized Gain/Loss	\$	(108,893.96)
Net Realized Gain/Loss	\$	(23,972.00)
<b>Ending Market Value: June 30, 2018*</b>	<b>\$</b>	<b>29,187,482.77</b>

*\* Market values include accrued income*

# Performance & Market Value as of June 30, 2018

	QTD	1 Year	3 Years	5 Years	Since Inception*
Portfolio (Gross)	0.08%	-0.44%	0.93%	1.27%	2.09%
Portfolio (Net)	0.05%	-0.59%	0.78%	1.12%	1.93%
<i>Barclays Govt Int</i>	0.06%	-0.73%	0.63%	1.04%	1.84%

## Market Value (including accruals)

\$29,187,483

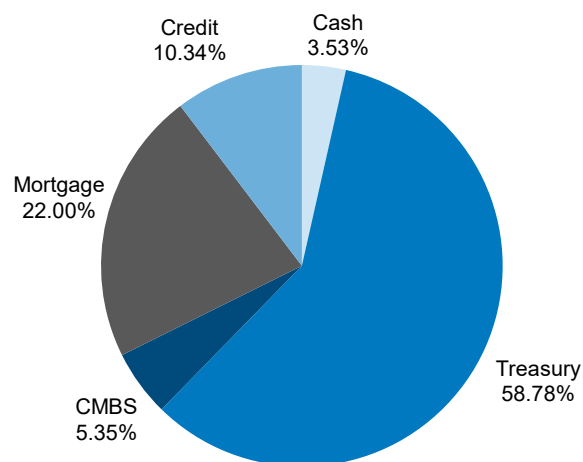
\* Inception Date: October 1, 2009

# Fixed Income Profile as of March 31, 2018

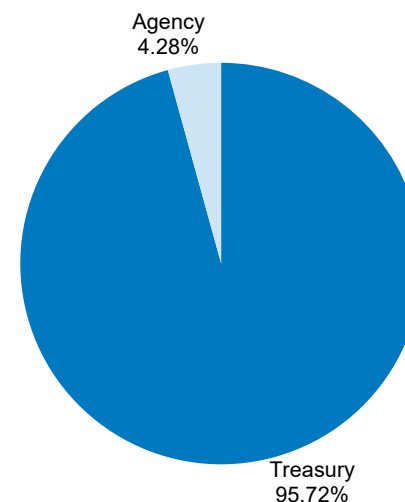
	Avg. Coupon	Yield to Maturity	Avg. Quality	Avg. Duration	Avg. Maturity
City of Naperville	2.46%	2.74%	Aa2	3.92 yrs	4.52 yrs
Barclays Intermediate Government	1.96%	2.47%	Aaa	3.81 yrs	4.07 yrs

## Market Value Diversification

**City of Naperville**



**Barclays Intermediate Government**



Source: BondEdge

Note: Totals may not be exact due to rounding.

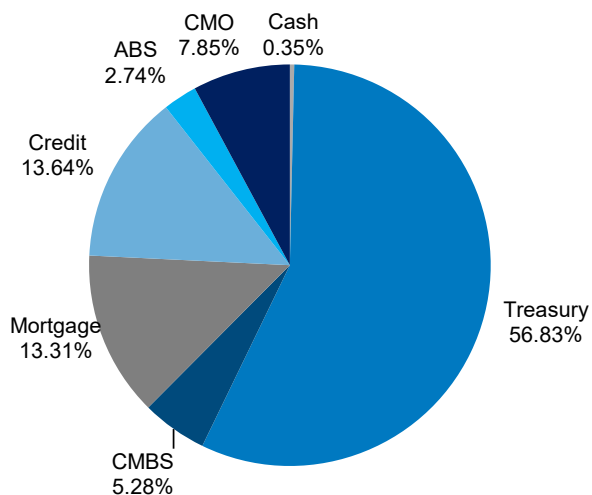


# Fixed Income Profile as of June 30, 2018

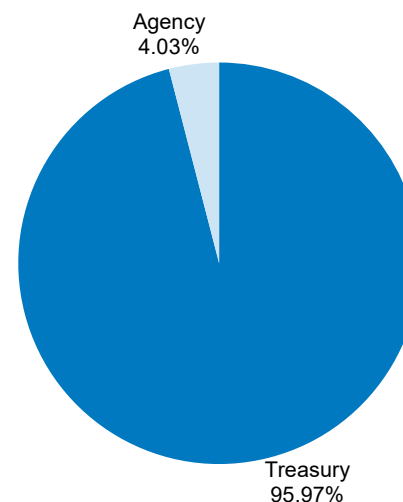
	Avg. Coupon	Yield to Maturity	Avg. Quality	Avg. Duration	Avg. Maturity
City of Naperville	2.49%	2.95%	Aa2	3.87 yrs	4.51 yrs
Barclays Intermediate Government	2.03%	2.66%	Aaa	3.77 yrs	4.05 yrs

## Market Value Diversification

**City of Naperville**



**Barclays Intermediate Government**



Source: BondEdge

Note: Totals may not be exact due to rounding.

# Mortgage Allocation as of June 30, 2018

Issuer	% Held	Type
FNMA POOL - AY6521	0.46405	FIXED
FNMA POOL - MA2771	1.02843	FIXED
FNMA POOL - AS6815	0.60731	FIXED
FNMA POOL - AS8483	0.75924	FIXED
FNMA POOL - MA2806	0.74140	FIXED
GNMA2 POOL - 626912	1.50814	FIXED
FNMA 2012-028- PT	0.45111	FIXED
GNMA2 POOL - MA1996	0.27256	FIXED
GNMA2 POOL - MA2149	0.56596	FIXED
FHLMC 2973- EB	0.22269	FIXED
FHLMC 4182- VB	2.25037	FIXED
FNMA 2010-025- ND	0.07766	FIXED
FNMA 2011-027- DB	3.43369	FIXED
FNMA 2012-021- PJ	1.41368	FIXED
FHLMC GOLD POOL - G08775	2.23990	FIXED
FNMA POOL - AP7831	2.27519	FIXED
FNMA POOL - AS5444	1.31688	FIXED
FHLMC GOLD POOL - G14713	1.53184	FIXED
FHLMC K-068- A2	1.69452	FIXED
FHLMC K062- A2	1.72411	FIXED
FHLMC K-066- A2	1.67510	FIXED
GNMA 2011-042- B	0.18955	FLOAT
<b>Total</b>	<b>26.44%</b>	

Source: BondEdge

Note: Totals may not be exact due to rounding.

# Maturity Breakdown – Sector Type as of June 30, 2018

Maturity/Sector	Treasury	Financial	Industrial	MBS	CMBS	ABS	Cash	Total
<1.00	5.37	--	--	0.08	--	0.69	0.35	6.47
1.00 - 2.99	30.94	1.03	3.45	0.22	0.19	2.06	--	37.89
3.00 - 4.99	6.03	--	1.86	10.90	--	--	--	18.80
5.00 - 6.99	3.28	--	2.04	2.80	--	--	--	8.12
7.00 - 9.99	11.20	2.64	2.63	7.16	5.09	--	--	28.72
Total	56.82	3.67	9.98	21.16	5.28	2.74	0.35	100.00

Source: BondEdge

Note: Totals may not be exact due to rounding.

# Q2 Commentary

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During the second quarter, the portfolio increased allocations to non-governmental sectors (credit +3%, ABS +3%) on the margin. This change is in line with our incremental approach to implementing portfolio strategy in the context of recently broadened guidelines.

This reallocation was primarily achieved through the deployment of cash (-3%), with additional allocations coming from government securities (-3%). Key portfolio metrics were largely unchanged, though portfolio yields increased nicely (from 2.74% to 2.96%) given changes in the market environment and added allocations to credit in the context of spread widening.

*Source: BondEdge*

*Note: Totals may not be exact due to rounding.*

# Appendix

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# Holdings

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**PORTFOLIO APPRAISAL**  
**City of Naperville**  
**130**  
June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>CORPORATE BONDS</b>									
300,000	CVS HEALTH CORP 3.125% Due 03-09-20	99.95	299,856	99.87	299,612	1.0	3.125	9,375	3.1
250,000	KELLOGG CO. 3.250% Due 05-14-21	99.91	249,780	99.89	249,718	0.9	3.250	8,125	3.3
300,000	ABBVIE, INC. 2.850% Due 05-14-23	97.10	291,294	96.31	288,929	1.0	2.850	8,550	3.0
300,000	ANHEUSER-BUSCH INBEV WOR 3.500% Due 01-12-24	99.51	298,521	99.38	298,148	1.0	3.500	10,500	3.5
300,000	ACTAVIS FUNDING SCS 3.800% Due 03-15-25	98.33	294,981	97.10	291,314	1.0	3.800	11,400	3.9
250,000	GE CAPITAL INTL FUNDING 3.373% Due 11-15-25	96.59	241,468	95.98	239,956	0.8	3.373	8,433	3.5
300,000	TIME WARNER, INC. 3.800% Due 02-15-27	96.88	290,643	94.44	283,312	1.0	3.800	11,400	4.0
250,000	KIMCO REALTY CORP. 3.800% Due 04-01-27	97.66	244,143	95.12	237,801	0.8	3.800	9,500	4.0
300,000	MID-AMERICA APARTMENTS 3.600% Due 06-01-27	97.56	292,674	95.84	287,533	1.0	3.600	10,800	3.8
250,000	MPLX LP 4.000% Due 03-15-28	98.41	246,023	95.11	237,769	0.8	4.000	10,000	4.2
250,000	ANDEAVOR 3.800% Due 04-01-28	95.26	238,155	94.45	236,117	0.8	3.800	9,500	4.0
	Accrued Interest				25,695	0.1			
			2,987,537		2,975,903	10.2		107,583	3.6
<b>CORPORATE BONDS--FLOATING RATE</b>									
250,000	IBM CREDIT CORP 2.523% Due 02-05-21	100.07	250,185	100.14	250,352	0.9	2.523	6,308	2.5
300,000	LLOYDS BANK PLC 2.853% Due 05-07-21	100.00	300,000	100.14	300,424	1.0	2.853	8,559	2.8

**PORTFOLIO APPRAISAL**  
**City of Naperville**  
**130**  
June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
200,000	GLAXOSMITHKLINE CAPITAL 2.693% Due 05-14-21	100.00	200,000	100.28	200,551	0.7	2.693	5,385	2.7
250,000	FORD MOTOR CREDIT CO. LLC 3.606% Due 03-28-22 Accrued Interest	101.42	253,560	101.12	252,811	0.9	3.606	9,014	3.6
					2,927	0.0			
			1,003,745		1,007,064	3.5		29,266	2.9
<b>U.S. GOVERNMENT AND AGENCY BONDS</b>									
250,000	U.S. TREASURY 2.250% Due 07-31-18	103.41	258,525	100.03	250,085	0.9	2.250	5,625	2.2
1,300,000	U.S. TREASURY 3.750% Due 11-15-18	105.13	1,366,669	100.59	1,307,719	4.5	3.750	48,750	3.7
1,465,000	U.S. TREASURY 3.625% Due 08-15-19	105.48	1,545,353	101.33	1,484,457	5.1	3.625	53,106	3.6
700,000	U.S. TREASURY 1.375% Due 10-31-20	98.35	688,436	97.28	680,968	2.3	1.375	9,625	1.4
945,000	U.S. TREASURY 2.625% Due 11-15-20	95.92	906,400	100.10	945,923	3.2	2.625	24,806	2.6
750,000	U.S. TREASURY NOTES 2.000% Due 11-30-20	101.64	762,307	98.63	739,746	2.5	2.000	15,000	2.0
1,000,000	U.S. TREASURY 1.625% Due 11-30-20	99.90	999,027	97.76	977,578	3.3	1.625	16,250	1.7
2,300,000	U.S. TREASURY 1.375% Due 01-31-21	101.29	2,329,726	96.95	2,229,832	7.6	1.375	31,625	1.4
2,000,000	U.S. TREASURY 1.375% Due 05-31-21	101.48	2,029,538	96.50	1,930,078	6.6	1.375	27,500	1.4
1,850,000	U.S. TREASURY 1.500% Due 02-28-23	97.38	1,801,468	94.67	1,751,358	6.0	1.500	27,750	1.6
1,000,000	U.S. TREASURY 2.000% Due 02-15-25	99.98	999,805	95.11	951,055	3.3	2.000	20,000	2.1
1,250,000	U.S. TREASURY 2.000% Due 08-15-25	97.02	1,212,798	94.73	1,184,083	4.1	2.000	25,000	2.1
1,700,000	U.S. TREASURY 1.625% Due 02-15-26	101.07	1,718,202	91.74	1,559,617	5.3	1.625	27,625	1.8



**PORTFOLIO APPRAISAL**  
**City of Naperville**  
**130**  
June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
	Accrued Interest				87,129	0.3			
			16,618,255		16,079,628	55.1		332,663	2.1
<b>TREASURY INFLATION PROTECTED SECURITIES (TIPS)</b>									
518,535.00	TREASURY INFLATION PROTECTED SECURITIES (TIPS) 0.375% Due 01-15-27 Accrued Interest	98.81	512,377	97.16	503,809	1.7	0.375	1,945	0.4
					892	0.0			
			512,377		504,701	1.7		1,945	0.4
<b>MORTGAGE-BACKED SECURITIES</b>									
676,330.59	FNCL POOL #AP7831 2.500% Due 09-01-27	103.84	702,327	97.98	662,689	2.3	2.500	16,908	2.6
456,175.02	FGLMC POOL #G14713 2.500% Due 04-01-28	103.45	471,927	97.81	446,171	1.5	2.500	11,404	2.6
76,788.76	G2SF POOL #MA1996 4.000% Due 06-20-44	106.05	81,432	103.28	79,307	0.3	4.000	3,072	3.9
159,439.74	G2SF POOL #MA2149 4.000% Due 08-20-44	106.90	170,439	103.28	164,676	0.6	4.000	6,378	3.9
447,967.72	GNSF POOL #626912 3.000% Due 02-20-45	103.09	461,827	98.02	439,098	1.5	3.000	13,439	3.1
135,485.71	FNCL POOL #AY6521 3.500% Due 04-01-45	104.05	140,969	99.69	135,062	0.5	3.500	4,742	3.5
393,714.86	FNCL POOL #AS4720 3.000% Due 07-01-45	99.44	391,500	97.38	383,403	1.3	3.000	11,811	3.1
182,247.98	FNCL POOL #AS6815 3.000% Due 03-01-46	101.91	185,722	97.02	176,815	0.6	3.000	5,467	3.1
308,622.92	FNCL POOL #MA2771 3.000% Due 10-01-46	104.20	321,583	97.02	299,423	1.0	3.000	9,259	3.1
222,487.14	FNCL POOL #MA2806 3.000% Due 11-01-46	100.58	223,773	97.02	215,855	0.7	3.000	6,675	3.1
227,984.70	FNCL POOL #AS8483 3.000% Due 12-01-46	99.84	227,611	96.96	221,047	0.8	3.000	6,840	3.1
638,462.56	FGLMC POOL #G08775 4.000% Due 08-01-47	104.89	669,687	102.08	651,717	2.2	4.000	25,539	3.9

**PORTFOLIO APPRAISAL**  
**City of Naperville**  
**130**  
June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
	Accrued Interest				9,790	0.0			
			4,048,797		3,885,053	13.3		121,533	3.1
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES</b>									
500,000.00	FHLMC MULTIFAMILY STRUCTURED PASSTHROUGH SERIES K062 CLASS A2 3.413% Due 12-25-26	103.00	514,989	100.37	501,845	1.7	3.413	17,065	3.4
500,000.00	FHLMC MULTIFAMILY STRUCTURED PASSTHROUGH SERIES K063 CLASS A2 3.117% Due 06-25-27	103.00	514,976	97.74	488,695	1.7	3.117	15,585	3.2
500,000.00	FHLMC MULTIFAMILY STRUCTURED PASSTHROUGH SERIES K068 CLASS A2 3.244% Due 08-25-27	103.00	514,984	98.66	493,275	1.7	3.244	16,220	3.3
	Accrued Interest				3,937	0.0			
			1,544,948		1,487,752	5.1		48,870	3.3
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES--FLOATING</b>									
55,201.56	GNR SERIES 2011-42 CLASS B 3.622% Due 07-16-47	101.24	55,887	99.93	55,163	0.2	3.622	1,999	3.6
	Accrued Interest				161	0.0			
			55,887		55,324	0.2		1,999	3.6

**PORTFOLIO APPRAISAL**  
**City of Naperville**  
**130**  
June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>ASSET-BACKED SECURITIES</b>									
200,000.00	HONDA AUTO RECEIVABLES OWNER TRUST SERIES 2018-2 CLASS A2 2.660% Due 12-18-20	100.00	200,000	99.97	199,938	0.7	2.660	5,320	2.7
300,000.00	ALLY AUTO RECEIVABLES TRUST SERIES 2018-3 CLASS A3 3.000% Due 01-17-23	99.99	299,979	99.99	299,979	1.0	3.000	9,000	3.0
300,000.00	CARMAX AUTO OWNER TRUST SERIES 2018-2 CLASS A3 2.980% Due 01-17-23	100.00	299,988	99.95	299,850	1.0	2.980	8,940	3.0
	Accrued Interest				625	0.0			
			799,967		800,392	2.7		23,260	2.9
<b>CMO'S</b>									
22,540.08	FNMA REMIC TRUST 2010-25 3.500% Due 03-25-25	107.25	24,175	100.28	22,604	0.1	3.500	789	3.5
649,475.26	FGHL SERIES 4182 CLASS VB 3.500% Due 03-15-26	104.80	680,630	100.85	654,989	2.2	3.500	22,732	3.5
1,000,000.00	FNMA REMIC TRUST 2011-27 3.000% Due 04-25-26	105.25	1,052,500	99.98	999,770	3.4	3.000	30,000	3.0
62,392.85	FHLMC REMIC SERIES 2973 5.500% Due 04-15-35	100.49	62,697	103.74	64,724	0.2	5.500	3,432	5.3
404,794.37	FNR 2012-21 PJ 4 4.000% Due 03-25-41	105.19	425,793	101.61	411,316	1.4	4.000	16,192	3.9

**PORTFOLIO APPRAISAL**  
**City of Naperville**  
**130**  
June 30, 2018

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
129,411.67	FANNIE MAE SERIES 2012-28 CLASS PT 4.000% Due 03-25-42 Accrued Interest	103.94	134,507	101.42	131,252	0.4	4.000	5,176	3.9
					6,309	0.0			
			2,380,302		2,290,964	7.8		78,320	3.4
<b>CASH AND EQUIVALENTS</b>									
	MONEY-MARKET ACCRUAL		401		401	0.0	0.172	1	0.2
	MONEY-MARKET FUNDS		100,302		100,302	0.3	0.172	173	0.2
			100,703		100,703	0.3		173	0.2
<b>TOTAL PORTFOLIO</b>			<b>30,052,518</b>		<b>29,187,483</b>	<b>100.0</b>		<b>745,612</b>	<b>2.6</b>

# Disclosure

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# CITY OF NAPERVILLE

## **Investment Performance Review For the Quarter Ended June 30, 2018**

Client Management Team

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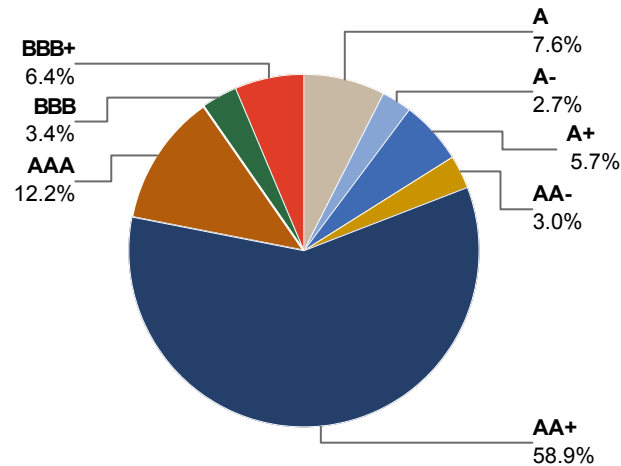
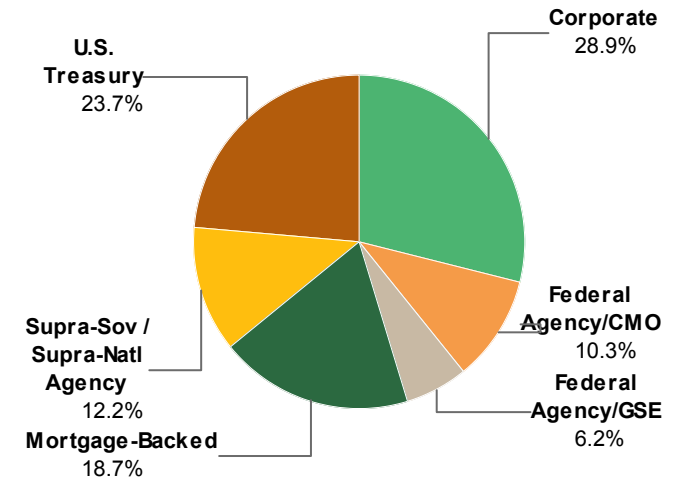
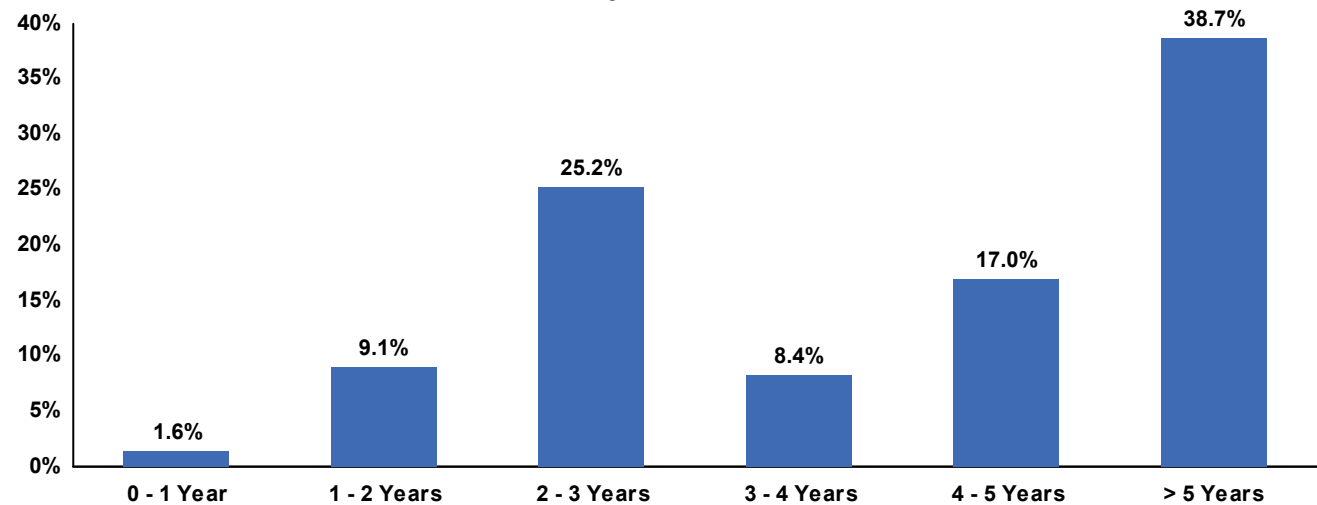
## Q2 2018 Commentary

Given the enhanced flexibility of the new Investment Policy, we increased the corporate sector allocation 11% during the second quarter, aligning the portfolio with our investment strategy. The implementation of this sector allocation change placed a high priority on diversification. As a result, 10 new corporate credits were added to the portfolio. Offsetting this corporate sector increase, we decreased our allocation to Treasuries by 3%, agencies by 4%, and commercial paper by 4%.

**Portfolio Statistics**

As of June 30, 2018

<b>Par Value:</b>	\$29,599,849
<b>Total Market Value:</b>	\$28,850,610
<b>Security Market Value:</b>	\$28,741,033
<b>Accrued Interest:</b>	\$109,577
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$29,408,713
<b>Yield at Market:</b>	3.07%
<b>Yield at Cost:</b>	2.53%
<b>Effective Duration:</b>	3.64 Years
<b>Duration to Worst:</b>	3.88 Years
<b>Average Maturity:</b>	6.66 Years
<b>Average Credit: *</b>	AA

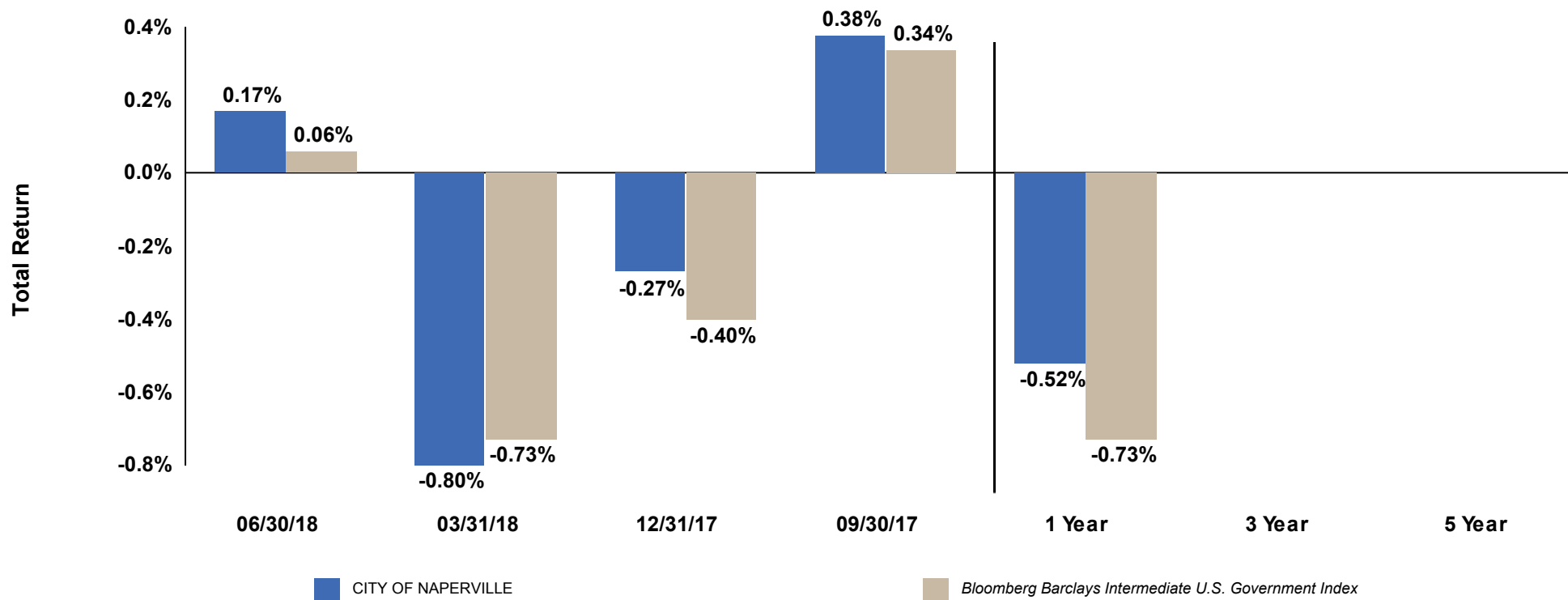
**Credit Quality (S&P Ratings)****Sector Allocation****Maturity Distribution**

\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.



## Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		06/30/18	03/31/18	12/31/17	09/30/17		3 Year	5 Year
CITY OF NAPERVILLE	3.64	0.17%	-0.80%	-0.27%	0.38%	-0.52%	-	-
Bloomberg Barclays Intermediate U.S. Government Index	3.69	0.06%	-0.73%	-0.40%	0.34%	-0.73%	-	-
Difference		0.11%	-0.07%	0.13%	0.04%	0.21%	-	-



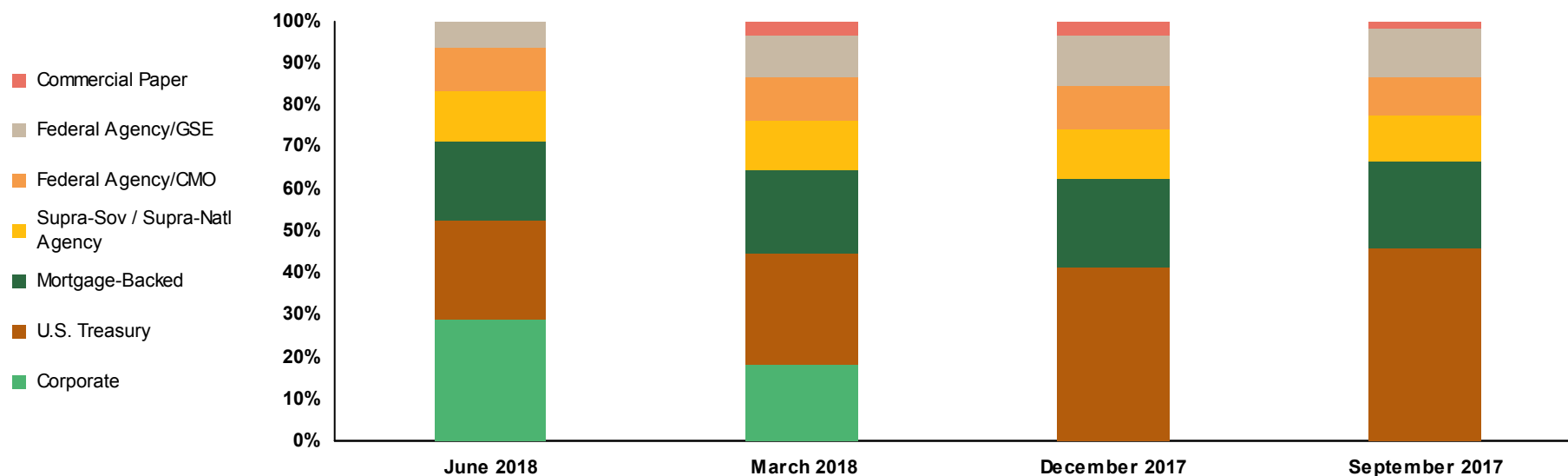
Portfolio performance is gross of fees unless otherwise indicated.

**Portfolio Earnings***Quarter-Ended June 30, 2018*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (03/31/2018)</b>	\$29,218,434.38	\$29,818,820.39
<b>Net Purchases/Sales</b>	(\$361,944.94)	(\$361,944.94)
<b>Change in Value</b>	(\$115,456.85)	(\$48,162.56)
<b>Ending Value (06/30/2018)</b>	\$28,741,032.59	\$29,408,712.89
<b>Interest Earned</b>	\$165,926.26	\$165,926.26
<b>Portfolio Earnings</b>	\$50,469.41	\$117,763.70

## Sector Allocation

Sector	June 30, 2018		March 31, 2018		December 31, 2017		September 30, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Corporate	8.3	28.9%	5.3	18.1%	0.0	0.0%	0.0	0.0%
U.S. Treasury	6.8	23.7%	7.7	26.5%	12.3	41.4%	11.8	46.1%
Mortgage-Backed	5.4	18.7%	5.7	19.7%	6.3	21.2%	5.3	20.6%
Supra-Sov / Supra-Natl Agency	3.5	12.2%	3.5	12.0%	3.6	11.9%	2.8	11.0%
Federal Agency/CMO	2.9	10.3%	3.0	10.4%	3.0	10.1%	2.4	9.2%
Federal Agency/GSE	1.8	6.2%	2.9	9.9%	3.6	12.1%	2.9	11.2%
Commercial Paper	0.0	0.0%	1.0	3.4%	1.0	3.3%	0.5	1.9%
<b>Total</b>	<b>\$28.7</b>	<b>100.0%</b>	<b>\$29.2</b>	<b>100.0%</b>	<b>\$29.8</b>	<b>100.0%</b>	<b>\$25.7</b>	<b>100.0%</b>

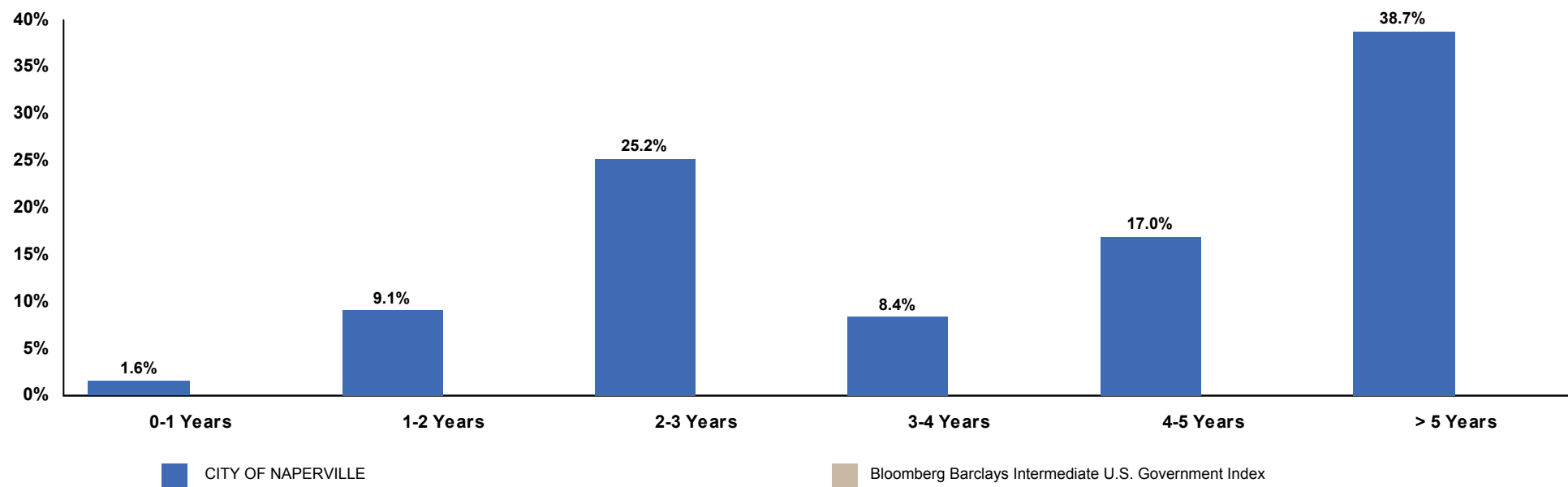


Detail may not add to total due to rounding.

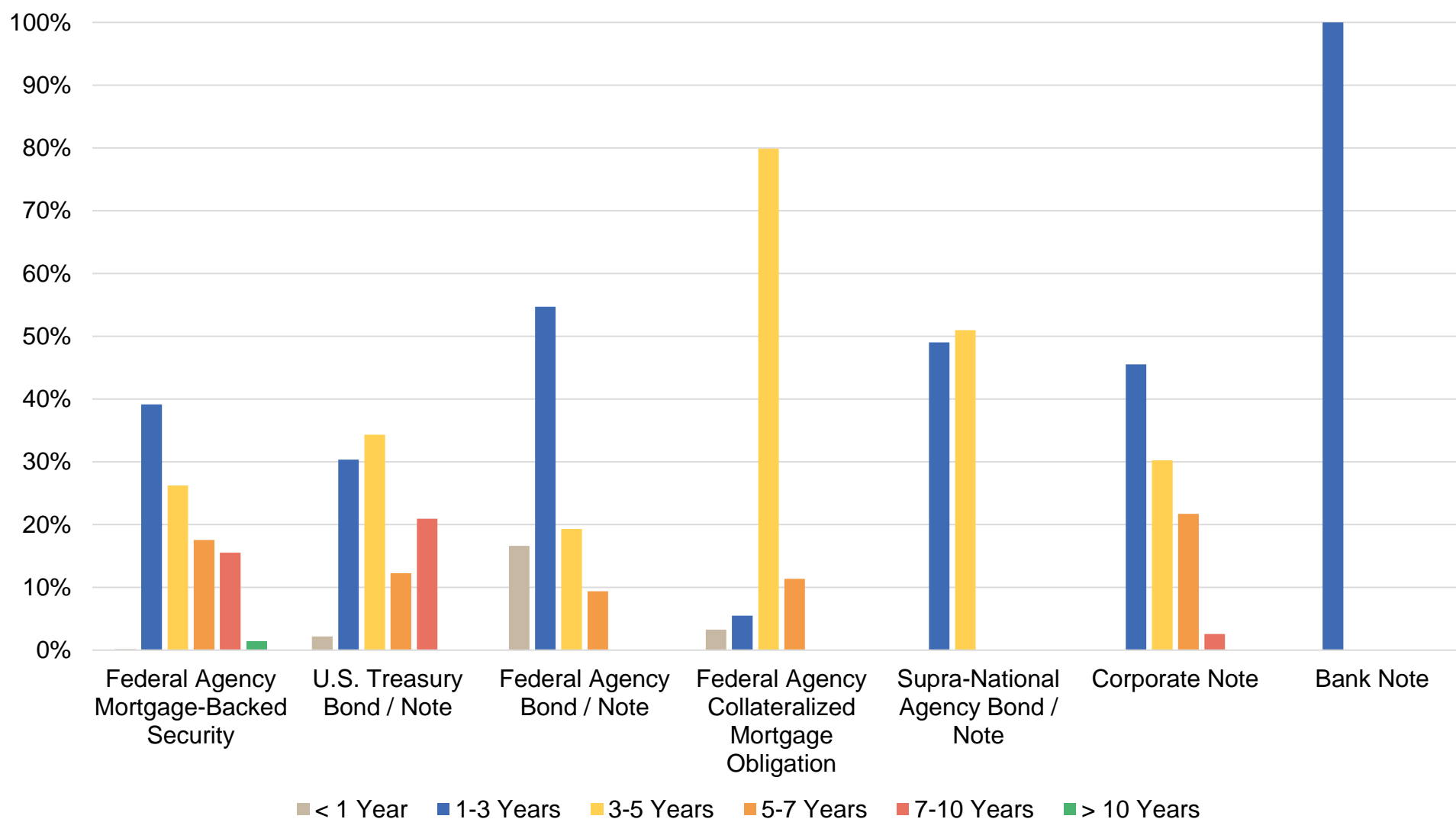
## Maturity Distribution

As of June 30, 2018

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF NAPERVILLE	3.07%	6.66 yrs	1.6%	9.1%	25.2%	8.4%	17.0%	38.7%
Bloomberg Barclays Intermediate U.S. Government Index								



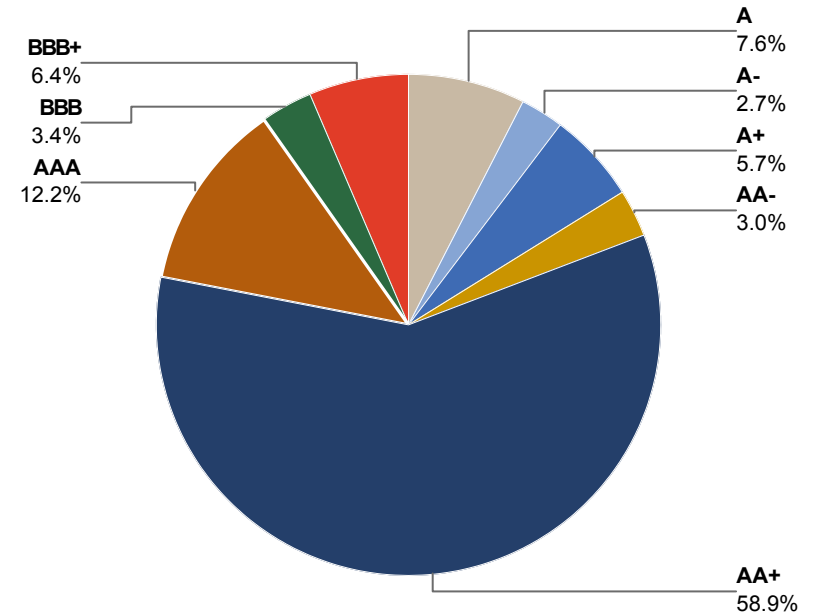
## Maturity Distribution By Sector



\*Maturities for Mortgage-Backed Securities (MBS) and Collateralized Mortgage Obligations (CMOs) are calculated using weighted average life.

**Credit Quality****As of June 30, 2018**

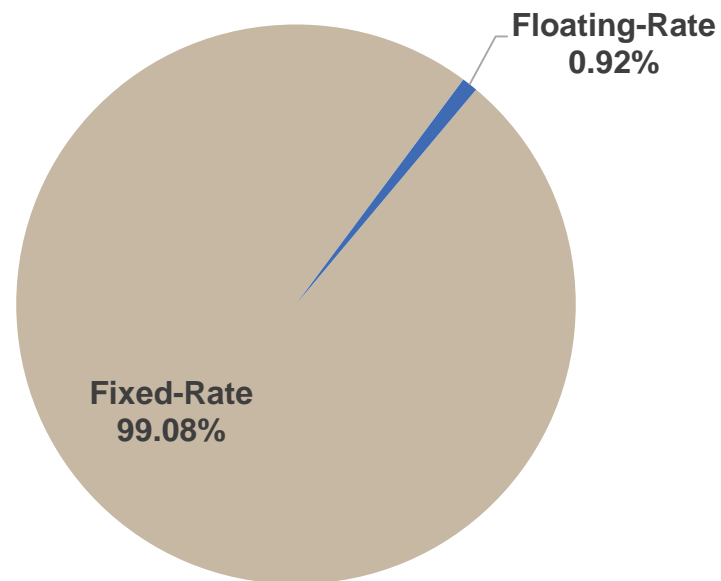
S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$16,926,241	58.9%
AAA	\$3,506,641	12.2%
A	\$2,194,112	7.6%
BBB+	\$1,852,196	6.4%
A+	\$1,633,541	5.7%
BBB	\$979,853	3.4%
AA-	\$860,163	3.0%
A-	\$788,285	2.7%
<b>Totals</b>	<b>\$28,741,033</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

## Mortgage Sector Overview

Type	Market Value	%
Fixed-Rate	\$8,165,392	99.08%
Floating-Rate	\$76,175	0.92%
Total	\$8,241,567	100.00%



## Sector/Issuer Distribution

As of June 30, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Corporate</b>			
AIR LEASE CORP	191,646	2.3%	0.7%
AMERICAN EXPRESS CO	291,519	3.5%	1.0%
AMERICAN INTERNATIONAL GROUP	209,465	2.5%	0.7%
AMGEN INC	201,186	2.4%	0.7%
AT&T	196,975	2.4%	0.7%
BANCO SANTANDER SA	299,827	3.6%	1.0%
BANK OF AMERICA CO	296,929	3.6%	1.0%
BANK OF MONTREAL	278,882	3.4%	1.0%
BANK OF NOVA SCOTIA	497,419	6.0%	1.7%
CATERPILLAR INC	298,246	3.6%	1.0%
CHARLES SCHWAB	175,699	2.1%	0.6%
CITIGROUP INC	301,624	3.6%	1.0%
CVS HEALTH CORP	198,986	2.4%	0.7%
DEERE & COMPANY	297,798	3.6%	1.0%
FORD MOTOR COMPANY	195,722	2.4%	0.7%
GENERAL MOTORS CORP	196,525	2.4%	0.7%
GOLDMAN SACHS GROUP INC	275,192	3.3%	1.0%
HARTFORD FINL SVCS GRP	211,063	2.5%	0.7%
JP MORGAN CHASE & CO	272,450	3.3%	0.9%
LLOYDS BANKING GROUP PLC	359,361	4.3%	1.3%
MCDONALD'S CORPORATION	109,654	1.3%	0.4%



Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
MORGAN STANLEY	275,487	3.3%	1.0%
NATIONAL RURAL UTILITIES CO FINANCE CORP	198,512	2.4%	0.7%
PRUDENTIAL FINANCIAL INC	272,648	3.3%	0.9%
ROYAL BANK OF CANADA	374,838	4.5%	1.3%
THE BANK OF NEW YORK MELLON CORPORATION	450,197	5.4%	1.6%
TORONTO-DOMINION BANK	485,325	5.8%	1.7%
UNILEVER PLC	297,640	3.6%	1.0%
UNION PACIFIC CORP	199,837	2.4%	0.7%
UNITEDHEALTH GROUP INC	200,239	2.4%	0.7%
VERIZON COMMUNICATIONS	197,262	2.4%	0.7%
<b>Sector Total</b>	<b>8,308,150</b>	<b>100.0%</b>	<b>28.9%</b>
<b>Federal Agency/CMO</b>			
FANNIE MAE	1,958,854	66.4%	6.8%
FREDDIE MAC	615,182	20.9%	2.1%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	373,992	12.7%	1.3%
<b>Sector Total</b>	<b>2,948,028</b>	<b>100.0%</b>	<b>10.3%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	165,242	9.2%	0.6%
FEDERAL FARM CREDIT BANKS	199,067	11.1%	0.7%
FEDERAL HOME LOAN BANKS	1,125,194	62.8%	3.9%
FREDDIE MAC	301,428	16.8%	1.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Sector Total</b>	<b>1,790,932</b>	<b>100.0%</b>	<b>6.2%</b>
<b>Mortgage-Backed</b>			
FANNIE MAE	4,741,990	88.3%	16.5%
FREDDIE MAC	495,031	9.2%	1.7%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	134,583	2.5%	0.5%
<b>Sector Total</b>	<b>5,371,604</b>	<b>100.0%</b>	<b>18.7%</b>
<b>Supra-Sov / Supra-Natl Agency</b>			
AFRICAN DEVELOPMENT BANK	1,124,966	32.1%	3.9%
ASIAN DEVELOPMENT BANK	1,168,624	33.3%	4.1%
INTER-AMERICAN DEVELOPMENT BANK	725,476	20.7%	2.5%
INTL BANK OF RECONSTRUCTION AND DEV	487,575	13.9%	1.7%
<b>Sector Total</b>	<b>3,506,641</b>	<b>100.0%</b>	<b>12.2%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	6,815,677	100.0%	23.7%
<b>Sector Total</b>	<b>6,815,677</b>	<b>100.0%</b>	<b>23.7%</b>
<b>Portfolio Total</b>	<b>28,741,033</b>	<b>100.0%</b>	<b>100.0%</b>

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 04/15/2016 0.875% 04/15/2019	912828Q52	150,000.00	AA+	Aaa	7/13/2016	7/13/2016	150,486.33	0.76	276.13	150,140.38	148,330.05
US TREASURY NOTES DTD 01/31/2013 1.375% 01/31/2020	912828UL2	250,000.00	AA+	Aaa	1/7/2016	1/7/2016	248,798.83	1.50	1,433.87	249,523.99	245,713.00
US TREASURY STRIPS DTD 02/15/1990 0.000% 02/15/2020	912833KY5	300,000.00	AA+	Aaa	7/12/2016	7/12/2016	290,349.00	0.91	0.00	295,598.40	288,157.20
US TREASURY STRIPS DTD 08/15/1990 0.000% 08/15/2020	912833LA6	100,000.00	AA+	Aaa	10/14/2011	10/14/2011	81,996.00	2.26	0.00	95,340.34	94,725.00
US TREASURY STRIPS DTD 08/15/1990 0.000% 08/15/2020	912833LA6	100,000.00	AA+	Aaa	9/15/2011	9/15/2011	83,106.00	2.09	0.00	95,686.63	94,725.00
US TREASURY STRIPS DTD 08/15/1990 0.000% 08/15/2020	912833LA6	400,000.00	AA+	Aaa	8/17/2011	8/17/2011	328,560.00	2.20	0.00	381,838.56	378,900.00
US TREASURY STRIPS DTD 08/15/1990 0.000% 08/15/2020	912833LA6	400,000.00	AA+	Aaa	9/3/2014	9/3/2014	355,416.00	2.00	0.00	383,469.90	378,900.00
US TSY INFL IX BONDS DTD 01/31/2011 1.125% 01/15/2021	912828PP9	385,052.50	AA+	Aaa	11/17/2011	11/17/2011	477,632.91	0.12	2,288.54	452,170.35	446,675.29
US TREASURY STRIPS DTD 05/15/1991 0.000% 05/15/2021	912833LD0	150,000.00	AA+	Aaa	11/29/2016	11/30/2016	138,060.00	1.87	0.00	142,195.02	139,075.20
US TREASURY STRIPS (I) DTD 11/16/1992 0.000% 11/15/2022	912833LK4	650,000.00	AA+	Aaa	7/12/2016	7/12/2016	598,360.51	1.31	0.00	613,945.82	576,070.95
US TREASURY STRIPS DTD 02/15/1993 0.000% 02/15/2023	912833LL2	850,000.00	AA+	Aaa	7/12/2016	7/12/2016	778,209.00	1.34	0.00	798,989.70	747,609.00
US TREASURY STRIPS DTD 08/15/1994 0.000% 05/15/2023	912833LN8	500,000.00	AA+	Aaa	6/12/2014	6/12/2014	393,915.00	2.69	0.00	438,959.22	436,719.50
US TREASURY STRIPS DTD 08/15/1994 0.000% 05/15/2023	912833LN8	100,000.00	AA+	Aaa	6/11/2014	6/11/2014	78,826.00	2.68	0.00	87,821.48	87,343.90
US TREASURY STRIPS DTD 08/15/1994 0.000% 05/15/2023	912833LN8	150,000.00	AA+	Aaa	5/20/2014	5/20/2014	119,065.50	2.59	0.00	132,344.96	131,015.85
US TREASURY STRIPS DTD 08/15/1994 0.000% 05/15/2023	912833LN8	50,000.00	AA+	Aaa	6/16/2014	6/16/2014	39,542.00	2.65	0.00	43,980.54	43,671.95

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY STRIPS DTD 08/15/1994 0.000% 05/15/2023	912833LN8	200,000.00	AA+	Aaa	5/29/2014	5/29/2014	160,400.00	2.48	0.00	177,391.65	174,687.80
US TREASURY N/B NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	150,000.00	AA+	Aaa	11/21/2017	11/22/2017	145,763.68	2.17	206.45	146,205.24	142,406.25
US TREASURY STRIPS DTD 08/15/1994 0.000% 11/15/2024	912833LT5	250,000.00	AA+	Aaa	12/3/2015	12/3/2015	201,375.00	2.43	0.00	214,320.65	208,589.00
US TREASURY STRIPS DTD 08/15/1994 0.000% 11/15/2024	912833LT5	250,000.00	AA+	Aaa	12/9/2015	12/9/2015	203,357.50	2.32	0.00	215,762.16	208,589.00
US TREASURY STRIPS DTD 08/15/1994 0.000% 11/15/2024	912833LT5	500,000.00	AA+	Aaa	11/23/2015	11/23/2015	404,520.00	2.37	0.00	430,180.15	417,178.00
US TREASURY STRIPS DTD 08/15/1995 0.000% 08/15/2025	912833LW8	250,000.00	AA+	Aaa	4/4/2016	4/4/2016	209,415.00	1.90	0.00	218,482.76	203,799.25
US TREASURY STRIPS DTD 08/15/1995 0.000% 08/15/2025	912833LW8	1,000,000.00	AA+	Aaa	7/12/2016	7/12/2016	867,730.00	1.57	0.00	894,801.87	815,197.00
US TREASURY STRIPS DTD 08/15/1995 0.000% 08/15/2025	912833LW8	250,000.00	AA+	Aaa	8/31/2016	8/31/2016	216,430.00	1.62	0.00	222,909.20	203,799.25
US TREASURY STRIPS DTD 08/15/1995 0.000% 08/15/2025	912833LW8	250,000.00	AA+	Aaa	7/6/2016	7/6/2016	218,980.00	1.46	0.00	225,395.29	203,799.25
<b>Security Type Sub-Total</b>		<b>7,635,052.50</b>					<b>6,790,294.26</b>	<b>1.72</b>	<b>4,204.99</b>	<b>7,107,454.26</b>	<b>6,815,676.69</b>
<b>Supra-National Agency Bond / Note</b>											
AFRICAN DEVELOPMENT BANK NOTE DTD 03/16/2017 1.875% 03/16/2020	00828ECA5	650,000.00	AAA	Aaa	3/8/2017	3/16/2017	649,038.00	1.93	3,554.69	649,445.61	641,379.70
ASIAN DEVELOPMENT BANK NOTE DTD 05/05/2017 1.625% 05/05/2020	045167DZ3	350,000.00	AAA	Aaa	4/26/2017	5/5/2017	349,216.00	1.70	884.72	349,513.39	343,390.60
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	500,000.00	AAA	Aaa	9/12/2017	9/19/2017	498,800.00	1.64	2,363.18	499,109.48	487,575.00

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Supra-National Agency Bond / Note</b>											
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	250,000.00	AAA	Aaa	10/2/2017	10/10/2017	252,317.28	1.81	767.36	251,784.36	246,637.50
ASIAN DEVELOPMENT BANK NOTE DTD 02/16/2017 2.000% 02/16/2022	045167DX8	850,000.00	AAA	Aaa	2/9/2017	2/16/2017	845,189.00	2.12	6,375.00	846,462.33	825,233.55
INTER-AMERICAN DEVEL BANK DTD 09/14/2017 1.750% 09/14/2022	4581X0CZ9	500,000.00	AAA	Aaa	9/7/2017	9/14/2017	498,240.00	1.82	2,600.69	498,510.22	478,838.50
AFRICAN DEVELOPMENT BANK NOTE DTD 11/16/2017 2.125% 11/16/2022	00828ECW7	500,000.00	AAA	Aaa	11/9/2017	11/16/2017	498,725.00	2.18	1,328.13	498,877.05	483,586.50
<b>Security Type Sub-Total</b>		<b>3,600,000.00</b>					<b>3,591,525.28</b>	<b>1.92</b>	<b>17,873.77</b>	<b>3,593,702.44</b>	<b>3,506,641.35</b>
<b>Federal Agency Mortgage-Backed Security</b>											
FHLMC POOL #B12459 DTD 02/01/2004 4.500% 10/01/2018	312964WU9	475.00	AA+	Aaa	3/22/2004	3/22/2004	555.36	2.15	1.78	477.00	478.71
FHLMC POOL #E99955 DTD 10/01/2003 5.000% 10/01/2018	3128H8BY5	479.65	AA+	Aaa	1/31/2005	1/31/2005	577.45	2.04	2.00	482.68	482.10
FNMA POOL #740462 DTD 10/01/2003 5.000% 11/01/2018	31402WTT5	392.51	AA+	Aaa	3/23/2004	3/23/2004	392.51	4.95	1.64	392.51	399.19
FNMA POOL #725432 DTD 04/01/2004 7.000% 11/01/2018	31402C4R0	4.98	AA+	Aaa	10/25/2006	10/25/2006	4.98	6.91	0.03	4.98	4.98
FNMA POOL #742078 DTD 03/01/2004 4.500% 03/01/2019	31402YM35	2,966.48	AA+	Aaa	3/24/2004	3/24/2004	2,966.48	4.46	11.12	2,966.48	2,988.15
FNMA POOL #116612 DTD 03/01/1991 3.678% 03/01/2019	31364TN56	75.60	AA+	Aaa	1/2/1997	1/2/1997	75.60	2.26	0.23	75.60	75.71
FHLMC POOL #B14961 DTD 06/01/2004 4.500% 06/01/2019	312967QN5	3,314.12	AA+	Aaa	10/14/2004	10/14/2004	3,729.44	2.72	12.43	3,348.73	3,339.98
FNMA POOL #AM1719 DTD 12/01/2012 1.470% 12/01/2019	3138L14D8	350,722.54	AA+	Aaa	11/15/2012	12/1/2012	352,393.61	1.31	429.64	350,722.54	343,565.10
FNMA POOL #465783 DTD 09/01/2010 3.840% 09/01/2020	31381NM83	216,165.04	AA+	Aaa	7/6/2012	7/6/2012	238,554.34	1.33	691.73	220,804.34	216,386.44

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency Mortgage-Backed Security</b>											
FHLMC SERIES 77 H DTD 08/15/1989 8.500% 09/15/2020	31340YM30	28.01	AA+	Aaa	9/11/2002	9/11/2002	28.01	8.40	0.11	28.01	28.29
FHLMC POOL #G11884 DTD 01/01/2006 5.500% 12/01/2020	31336WCU1	22,327.02	AA+	Aaa	2/17/2016	2/17/2016	23,714.93	2.86	102.33	23,077.95	22,879.43
FNMA POOL #467390 DTD 03/01/2011 4.160% 03/01/2021	31381QF76	440,878.40	AA+	Aaa	8/11/2011	8/11/2011	474,040.00	2.53	1,528.38	448,224.67	452,480.43
FNMA POOL #468651 DTD 07/01/2011 3.990% 07/01/2021	31381RTG9	370,399.12	AA+	Aaa	8/11/2011	8/11/2011	394,204.01	2.63	1,231.58	376,056.57	379,373.82
FNMA POOL #555791 DTD 09/01/2003 6.500% 12/01/2022	31385XNG8	7,031.89	AA+	Aaa	9/8/2003	9/8/2003	7,453.27	5.70	38.09	7,191.13	7,751.31
FNMA POOL #AM4716 DTD 12/01/2013 3.380% 12/01/2023	3138L5G20	198,434.25	AA+	Aaa	10/6/2014	10/6/2014	206,557.65	2.43	558.92	202,958.16	200,179.90
GNMA SERIES #783490 DTD 12/01/2011 6.000% 02/01/2024	36241L2X3	43,218.01	AA+	Aaa	5/26/2016	5/26/2016	47,400.16	3.41	216.09	46,571.54	45,041.17
GNMA SERIES #378308 DTD 01/01/1995 5.500% 04/01/2024	36204SGR1	14,533.89	AA+	Aaa	2/28/2000	2/28/2000	14,533.89	5.48	66.61	14,533.89	15,657.53
GNMA POOL #8528 DTD 10/01/1994 3.125% 10/01/2024	36202KPM1	3,685.07	AA+	Aaa	1/2/1997	1/2/1997	3,806.70	1.74	9.60	3,714.71	3,769.61
FNMA POOL #568243 DTD 12/01/2000 9.500% 11/01/2024	31386NHU5	5,755.34	AA+	Aaa	1/2/2001	1/2/2001	6,317.46	8.27	45.56	5,987.02	5,795.02
FNMA POOL #543110 DTD 06/01/2000 9.500% 04/01/2025	31385FKX3	1,964.19	AA+	Aaa	6/13/2000	6/13/2000	2,307.94	7.50	15.55	2,096.78	1,976.06
GNMA POOL #2022 DTD 06/01/1995 9.000% 06/01/2025	36202CG72	804.75	AA+	Aaa	1/2/1997	1/2/1997	804.75	8.95	6.04	804.75	868.76
GNMA POOL #2285 DTD 09/01/1996 8.000% 09/01/2026	36202CRE5	2,147.29	AA+	Aaa	1/2/1997	1/2/1997	2,306.83	7.22	14.32	2,249.78	2,463.83
GNMA POOL #2324 DTD 11/01/1996 8.000% 11/01/2026	36202CSM6	2,594.03	AA+	Aaa	1/2/1997	1/2/1997	2,800.20	7.17	17.29	2,726.47	2,930.85
GNMA POOL #2549 DTD 02/01/1998 7.500% 02/01/2028	36202CZN6	1,261.99	AA+	Aaa	2/1/1998	2/1/1998	1,367.77	6.66	7.89	1,334.70	1,386.41

## Managed Account Detail of Securities Held

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<b>Federal Agency Mortgage-Backed Security</b>											
GNMA POOL #2647 DTD 09/01/1998 8.000% 09/01/2028	36202C5G4	2,607.83	AA+	Aaa	9/1/1998	9/1/1998	2,607.83	7.96	17.39	2,607.83	2,679.29
GNMA POOL #486631 DTD 10/01/1998 6.500% 10/01/2028	36210ASU2	6,325.62	AA+	Aaa	1/31/2000	1/31/2000	6,325.62	6.48	34.26	6,325.62	6,975.75
FNMA POOL #755973 DTD 12/01/2003 8.000% 11/01/2028	31403R2E7	17,867.35	AA+	Aaa	1/7/2004	1/7/2004	17,501.95	8.18	119.12	17,569.49	20,170.35
FNMA POOL #252211 DTD 12/01/1998 6.000% 01/01/2029	31371HDQ8	3,664.72	AA+	Aaa	5/16/2000	5/16/2000	3,664.72	5.96	18.32	3,664.72	4,036.22
FANNIE MAE POOL AS2235 DTD 03/01/2014 3.500% 04/25/2029	3138WBPV1	611,365.42	AA+	Aaa	11/20/2017	11/22/2017	634,864.77	2.38	1,783.15	634,355.22	620,837.76
GNMA SERIES #783964 DTD 02/01/2015 4.000% 01/01/2030	3622A2MM1	51,272.88	AA+	Aaa	1/20/2016	1/20/2016	55,818.62	2.66	170.91	55,185.11	52,810.18
FNMA POOL #598451 DTD 07/01/2001 8.000% 06/01/2030	31387YZQ9	3,390.27	AA+	Aaa	7/11/2001	7/11/2001	3,729.42	6.96	22.60	3,636.58	3,572.16
FNMA SERIES 2011-69 CB DTD 06/01/2011 3.500% 07/01/2030	3136A0BE6	132,846.06	AA+	Aaa	7/18/2016	7/18/2016	138,203.52	2.86	387.47	137,906.44	134,161.33
FNMA POOL #AL3209 DTD 03/01/2013 4.500% 09/01/2031	3138EKR72	146,199.86	AA+	Aaa	7/13/2016	7/13/2016	162,530.58	2.93	548.25	161,605.51	154,107.77
FHLMC POOL #G30628 DTD 02/01/2013 4.000% 10/01/2032	3128CUVV5	39,444.61	AA+	Aaa	2/8/2016	2/8/2016	42,906.22	2.87	131.48	42,726.75	40,805.13
FNMA POOL #254693 DTD 03/01/2003 5.500% 04/01/2033	31371K3A7	13,125.53	AA+	Aaa	11/3/2005	11/3/2005	12,537.29	5.91	60.16	12,565.41	14,231.05
FHLMC POOL #V70026 DTD 05/01/2013 3.500% 05/01/2033	3132KSA38	33,715.34	AA+	Aaa	4/27/2016	4/27/2016	35,684.07	2.75	98.34	35,595.31	34,223.40
FNMA POOL #770377 DTD 03/01/2004 3.735% 04/01/2034	31404J2J3	32,138.50	AA+	Aaa	10/11/2006	10/11/2006	30,771.68	2.90	100.03	31,329.52	33,318.13
FNMA SERIES 2005-68 PG DTD 07/01/2005 5.500% 08/01/2035	31394E7B8	52,467.02	AA+	Aaa	8/17/2005	8/17/2005	54,756.40	5.09	240.47	54,306.69	56,212.71
FNMA POOL #888481 DTD 06/01/2007 5.500% 12/01/2035	31410GCS0	53,314.81	AA+	Aaa	9/27/2010	9/27/2010	57,068.16	4.78	244.36	56,977.81	57,820.25

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<b>Federal Agency Mortgage-Backed Security</b>											
FHLMC POOL #H00105 DTD 12/01/2005 5.500% 12/01/2035	3128MSDJ6	86,112.49	AA+	Aaa	9/2/2011	9/2/2011	93,245.81	4.66	394.68	93,100.61	90,352.55
FNMA POOL #849215 DTD 01/01/2006 6.500% 01/01/2036	31408EN81	9,046.42	AA+	Aaa	10/24/2006	10/24/2006	9,935.66	5.57	49.00	9,765.97	9,604.89
FNMA POOL #888209 DTD 02/01/2007 5.500% 05/01/2036	31410FYE9	71,945.95	AA+	Aaa	8/9/2011	8/9/2011	79,227.78	4.49	329.75	79,011.39	78,408.94
FNMA POOL #886320 DTD 07/01/2006 6.500% 07/01/2036	31410DVM9	6,486.56	AA+	Aaa	10/24/2006	10/24/2006	6,486.56	6.46	35.14	6,486.56	6,750.00
FNMA POOL #898179 DTD 09/01/2006 3.256% 09/01/2036	31410U2L5	46,053.05	AA+	Aaa	7/17/2009	7/17/2009	49,796.45	1.62	124.96	49,169.26	47,377.50
FHLMC POOL #C02641 DTD 10/01/2006 7.000% 10/01/2036	31292J5A4	7,137.45	AA+	Aaa	10/30/2006	10/30/2006	7,137.45	6.97	41.64	7,137.45	7,903.24
FHLMC POOL #1B7163 DTD 10/01/2006 3.815% 10/01/2036	3128QPK35	1,607.74	AA+	Aaa	10/19/2006	10/19/2006	1,635.80	5.73	10.26	1,607.74	1,629.94
FHLMC POOL #C02660 DTD 11/01/2006 6.500% 11/01/2036	31292J5V8	15,301.19	AA+	Aaa	11/14/2006	11/14/2006	16,889.90	5.56	82.88	16,557.33	17,033.53
FNMA POOL #960150 DTD 11/01/2007 6.000% 11/01/2037	31414AEX6	44,031.81	AA+	Aaa	9/20/2011	9/20/2011	49,040.43	4.90	220.16	48,994.78	48,504.62
FNMA SERIES 2011-104 KH DTD 09/01/2011 2.000% 03/01/2039	3136A1DD4	124,098.60	AA+	Aaa	7/12/2016	7/12/2016	125,695.07	1.87	206.83	125,686.72	121,991.70
FHLMC SERIES 3804 PW DTD 02/01/2011 4.500% 03/01/2040	3137A7F39	140,500.00	AA+	Aaa	9/21/2015	9/21/2015	151,608.28	3.74	526.88	151,527.88	145,049.98
FHLMC SERIES 4011 DB DTD 03/01/2012 4.000% 09/01/2041	3137AMXK8	76,938.89	AA+	Aaa	7/15/2016	7/15/2016	85,402.22	3.02	256.46	85,322.55	77,911.74
FNMA SERIES 2012-57 JW DTD 05/01/2012 4.500% 10/01/2041	3136A6HC1	117,377.78	AA+	Aaa	7/22/2016	7/22/2016	126,967.02	3.73	440.17	126,967.04	121,363.92
FNMA POOL #AL1107 DTD 11/01/2011 4.500% 11/01/2041	3138EHGR7	145,197.29	AA+	Aaa	7/14/2016	7/14/2016	159,199.94	3.60	544.49	159,149.27	152,591.51
FNMA POOL #AK9382 DTD 04/01/2012 4.000% 04/01/2042	3138EEM89	108,108.81	AA+	Aaa	8/8/2016	8/8/2016	117,225.67	3.24	360.36	117,162.31	111,180.02



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<b>Federal Agency Mortgage-Backed Security</b>											
FNMA POOL #MA1125 DTD 06/01/2012 4.000% 07/01/2042	31418AHB7	151,726.27	AA+	Aaa	7/12/2016	7/12/2016	165,826.19	3.17	505.75	165,653.96	155,668.82
FNMA POOL #MA1213 DTD 09/01/2012 3.500% 10/01/2042	31418AK31	29,531.49	AA+	Aaa	6/21/2016	6/21/2016	31,402.33	2.94	86.13	31,378.02	29,517.47
FNMA POOL #AP8813 DTD 11/01/2012 3.500% 11/01/2042	3138MCYK4	18,689.87	AA+	Aaa	7/8/2016	7/8/2016	20,022.74	2.88	54.51	20,001.47	18,681.00
FHLMC SERIES G07289 DTD 02/01/2013 3.000% 11/01/2042	3128M9NE8	54,215.00	AA+	Aaa	6/9/2016	6/9/2016	56,386.90	2.65	135.54	56,339.26	52,913.19
FNMA SERIES 2015-72 PC DTD 09/01/2015 3.000% 10/01/2043	3136AQAP5	122,430.56	AA+	Aaa	7/12/2016	7/12/2016	126,875.89	2.68	306.08	126,566.98	122,396.46
FNMA POOL #AL6167 DTD 12/01/2014 3.500% 01/01/2044	3138ENZ93	50,690.91	AA+	Aaa	7/18/2016	7/18/2016	53,879.36	2.96	147.85	53,804.20	50,666.87
FANNIE MAE POOL AS5675 DTD 07/01/2015 4.500% 08/25/2045	3138WFJV9	520,997.85	AA+	Aaa	11/20/2017	11/22/2017	561,619.39	2.71	1,953.74	561,619.40	542,890.23
FNMA POOL #AL9274 DTD 10/01/2016 4.000% 09/01/2046	3138ERJU5	405,607.34	AA+	Aaa	11/29/2016	11/30/2016	430,735.99	3.49	1,352.02	427,887.87	414,951.90
<b>Security Type Sub-Total</b>		<b>5,243,238.31</b>					<b>5,572,107.02</b>	<b>2.87</b>	<b>17,150.55</b>	<b>5,494,087.02</b>	<b>5,371,604.28</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 1990-8 G DTD 01/01/1990 6.000% 01/01/2020	313603RN4	1,091.64	AA+	Aaa	2/28/2000	2/28/2000	1,091.64	5.95	5.46	1,091.64	1,104.73
FNMA SERIES 1190-106 J DTD 09/01/1990 8.500% 09/01/2020	31358E7X4	4,593.12	AA+	Aaa	7/18/2002	7/18/2002	5,578.81	5.73	32.53	4,877.63	4,787.17
FHLMC SERIES 172 J DTD 06/15/1990 7.000% 07/15/2021	3129034A2	27.86	AA+	Aaa	7/12/2000	7/12/2000	23.03	9.39	0.09	24.91	27.85
FNMA SERIES G92-12 B DTD 02/01/1992 7.700% 02/01/2022	31358LTT3	189.15	AA+	Aaa	2/1/1992	2/1/1992	189.15	7.65	1.21	189.15	191.59
FNMA SERIES 1993-25 J DTD 03/01/1993 7.500% 03/01/2023	31358TWE5	7,390.78	AA+	Aaa	9/9/2003	9/9/2003	8,369.05	5.83	46.19	7,937.39	7,894.71

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<b>Federal Agency Collateralized Mortgage Obligation</b>											
FHLMC SERIES 2595 CD DTD 04/01/2003 5.000% 04/01/2023	31393PCJ1	61,440.76	AA+	Aaa	9/17/2015	9/17/2015	67,142.95	2.51	256.00	65,369.62	63,599.87
FHLMC SERIES 1671 L DTD 02/01/1994 7.000% 02/01/2024	3133T36F0	4,013.10	AA+	Aaa	12/14/2000	12/14/2000	4,044.43	6.88	23.41	4,028.41	4,514.55
FHLMC MULTIFAMILY STRUCTURED P POOL DTD 12/01/2017 2.951% 02/25/2024	3137FCM35	296,458.97	AA+	Aaa	12/15/2017	12/22/2017	302,377.78	2.24	729.04	301,898.20	295,998.27
FHLMC SERIES 1694 PK DTD 03/01/1994 6.500% 03/01/2024	3133T4NE2	16,439.29	AA+	Aaa	7/7/2004	7/7/2004	16,439.29	6.47	89.05	16,439.29	17,377.51
FHLMC MULTIFAMILY STRUCTURED P POOL DTD 03/01/2018 3.452% 09/24/2024	3137FEU99	149,182.52	AA+	Aaa	2/28/2018	3/13/2018	152,161.99	2.76	429.15	152,031.03	151,405.21
FNMA SERIES 2016-M12 A1 DTD 11/01/2016 2.132% 09/01/2026	3136AUKW0	470,351.53	AA+	Aaa	11/3/2016	11/30/2016	475,032.39	1.90	835.66	474,185.84	445,682.02
FNA 2016-M13 A1 DTD 12/01/2016 2.560% 09/25/2026	3136AUZB0	558,844.16	AA+	Aaa	12/7/2016	12/29/2016	559,182.92	2.43	1,192.08	558,989.15	545,320.13
FNA 2017-M8 A1 DTD 07/01/2017 2.654% 12/25/2026	3136AWZ91	239,088.22	AA+	Aaa	7/12/2017	7/28/2017	241,470.66	2.40	528.78	241,226.48	234,853.27
FANNIEMAE-ACES POOL DTD 06/01/2017 2.595% 12/25/2026	3136AV7F0	241,458.30	AA+	Aaa	6/9/2017	6/30/2017	243,870.95	2.34	522.15	243,605.45	236,356.07
FNA 2017-M15 ATS1 DTD 12/01/2017 2.987% 11/25/2027	3136AY6T5	198,934.24	AA+	Aaa	11/30/2017	12/29/2017	201,917.87	2.63	495.18	201,776.92	195,897.95
FNMA SERIES 2011-40 CA DTD 04/01/2011 3.500% 12/01/2028	31397SWX8	89,547.58	AA+	Aaa	7/12/2016	7/12/2016	91,636.16	3.07	261.18	91,469.81	89,866.79
FNMA POOL #650236 DTD 12/01/2002 5.000% 12/01/2032	31390MLR3	719.86	AA+	Aaa	7/19/2005	7/19/2005	719.86	4.97	3.00	719.86	729.51
FNMA SERIES 2009-57 TP DTD 07/01/2009 4.500% 02/01/2037	31396QSZ3	71,132.74	AA+	Aaa	6/3/2016	6/3/2016	77,100.66	3.57	266.75	77,056.46	73,002.51
FNMA SERIES 2009-92 AD DTD 10/01/2009 6.000% 11/01/2039	31398FVM0	114,746.72	AA+	Aaa	8/9/2011	8/9/2011	127,400.40	4.98	573.73	127,105.52	123,167.40

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<b>Federal Agency Collateralized Mortgage Obligation</b>											
GNMA SERIES 2010-158 CT DTD 12/01/2010 4.500% 12/01/2040	38377RFR1	131,221.38	AA+	Aaa	7/12/2016	7/12/2016	143,815.89	3.59	492.08	143,737.64	139,394.52
FHLMC SERIES T-54 2A DTD 02/01/2003 6.500% 02/01/2043	31393LFFK4	72,716.55	AA+	Aaa	2/1/2003	2/1/2003	80,545.42	5.66	393.88	78,420.71	82,258.87
GNR SERIES 2017-149 JA DTD 10/01/2017 2.500% 03/20/2046	38380HQL9	241,970.16	AA+	Aaa	11/6/2017	11/9/2017	241,762.21	2.49	504.10	241,762.22	234,597.86
<b>Security Type Sub-Total</b>		<b>2,971,558.63</b>					<b>3,041,873.51</b>	<b>2.70</b>	<b>7,680.70</b>	<b>3,033,943.33</b>	<b>2,948,028.36</b>
<b>Federal Agency Bond / Note</b>											
FEDERAL HOME LOAN BANK AGENCY NOTES DTD 05/12/2017 1.375% 05/28/2019	3130ABF92	300,000.00	AA+	Aaa	5/11/2017	5/12/2017	299,433.00	1.47	378.13	299,745.79	297,345.60
FREDDIE MAC NOTES DTD 07/19/2017 1.375% 08/15/2019	3137EAEH8	305,000.00	AA+	Aaa	7/18/2017	7/19/2017	304,551.65	1.45	1,584.31	304,755.09	301,428.45
FEDERAL HOME LOAN BANK NOTES DTD 10/13/2017 1.500% 10/21/2019	3130ACM92	450,000.00	AA+	Aaa	10/12/2017	10/13/2017	449,203.50	1.59	1,312.50	449,482.68	444,318.30
FHLB TAP BONDS DTD 11/09/2005 5.250% 12/11/2020	3133XDVS7	65,000.00	AA+	Aaa	7/12/2016	7/12/2016	76,428.95	1.15	189.58	71,401.02	68,951.29
FNMA (EX-CALLABLE) NOTES DTD 11/07/2012 1.600% 05/07/2021	3136G02F7	170,000.00	AA+	Aaa	7/12/2016	7/12/2016	172,896.80	1.23	408.00	171,734.14	165,242.38
FHLB NOTES DTD 08/10/2015 2.250% 09/09/2022	3130A6AP2	150,000.00	AA+	Aaa	9/28/2015	9/28/2015	151,782.00	2.07	1,050.00	151,105.12	146,555.40
FFCB NOTES DTD 06/26/2013 2.750% 06/26/2023	3133ECSY1	200,000.00	AA+	Aaa	9/28/2015	9/28/2015	207,530.00	2.22	76.39	204,996.68	199,067.20
FHLB NOTES DTD 05/08/2014 2.875% 06/14/2024	3130A1XJ2	60,000.00	AA+	Aaa	7/15/2016	7/15/2016	65,133.00	1.71	81.46	63,925.17	59,808.78
FHLB NOTES DTD 10/13/2009 4.375% 09/13/2024	3133XVDG3	100,000.00	AA+	Aaa	6/2/2016	6/2/2016	118,158.00	1.99	1,312.50	113,872.00	108,214.60
<b>Security Type Sub-Total</b>		<b>1,800,000.00</b>					<b>1,845,116.90</b>	<b>1.63</b>	<b>6,392.87</b>	<b>1,831,017.69</b>	<b>1,790,932.00</b>

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<b>Corporate Note</b>											
AT&T CORPORATE (CALLABLE) NOTES DTD 05/04/2015 2.450% 06/30/2020	00206RCL4	200,000.00	BBB	Baa2	3/5/2018	3/7/2018	198,076.00	2.88	13.61	198,335.41	196,975.20
JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	300,000.00	A	A2	3/8/2018	3/13/2018	299,796.00	2.90	2,587.50	299,815.61	297,798.00
CATERPILLAR FINANCIAL SERVICES CORP NOTE DTD 03/15/2018 2.900% 03/15/2021	14913Q2G3	300,000.00	A	A3	3/12/2018	3/15/2018	299,838.00	2.92	2,561.67	299,853.33	298,245.90
NATIONAL RURAL UTIL COOP DTD 02/26/2018 2.900% 03/15/2021	63743HER9	200,000.00	A	A2	4/12/2018	4/19/2018	199,154.00	3.05	2,013.89	199,213.08	198,512.20
UNILEVER CAPITAL CORP NOTES DTD 03/22/2018 2.750% 03/22/2021	904764AZ0	300,000.00	A+	A1	3/19/2018	3/22/2018	298,467.00	2.93	2,268.75	298,602.47	297,639.90
TORONTO DOMINION CORP NOTE DTD 04/07/2016 2.125% 04/07/2021	89114QBG2	500,000.00	AA-	Aa2	3/9/2018	3/13/2018	487,510.00	2.98	2,479.17	488,690.15	485,325.00
BANK OF MONTREAL CHICAGO CORP NOTES DTD 04/13/2018 3.100% 04/13/2021	06367T4W7	280,000.00	A+	A1	4/10/2018	4/13/2018	279,672.40	3.14	1,880.67	279,695.15	278,881.68
ROYAL BANK OF CANADA CORP NOTES DTD 04/30/2018 3.200% 04/30/2021	78013XKG2	375,000.00	AA-	A1	4/24/2018	4/30/2018	374,733.75	3.23	2,033.33	374,748.20	374,838.00
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	300,000.00	A-	A2	3/7/2018	3/9/2018	292,950.00	3.04	1,050.00	293,622.34	291,519.30
LLOYDS BANK PLC DTD 05/08/2018 3.300% 05/07/2021	53944VAP4	360,000.00	A+	Aa3	5/1/2018	5/8/2018	359,560.80	3.34	1,749.00	359,581.42	359,361.36
CHARLES SCHWAB CORP CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	175,000.00	A	A2	5/17/2018	5/22/2018	174,994.75	3.25	616.15	174,994.91	175,699.30
SANTANDER UK PLC CORP NOTES DTD 06/01/2018 3.400% 06/01/2021	80283LAT0	300,000.00	A	Aa3	5/23/2018	6/1/2018	299,439.00	3.47	850.00	299,453.92	299,826.60

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
VERIZON COMMUNICATIONS CORP NOTES DTD 03/16/2017 3.125% 03/16/2022	92343VDW1	200,000.00	BBB+	Baa1	3/5/2018	3/7/2018	198,622.00	3.31	1,822.92	198,725.39	197,261.60
FORD MOTOR CREDIT CO LLC (CALLABLE) NOTE DTD 03/31/2017 3.339% 03/28/2022	345397YL1	200,000.00	BBB	Baa2	3/5/2018	3/7/2018	196,796.00	3.77	1,725.15	197,032.77	195,721.80
GENERAL MOTORS FINL CO CORP NOTES DTD 04/10/2015 3.450% 04/10/2022	37045XAW6	200,000.00	BBB	Baa3	3/5/2018	3/7/2018	198,774.00	3.61	1,552.50	198,867.21	196,524.60
HARTFORD FINL SVCS GRP CORP NOTES DTD 04/05/2012 5.125% 04/15/2022	416518AB4	200,000.00	BBB+	Baa1	3/13/2018	3/15/2018	213,832.00	3.30	2,163.89	212,897.50	211,063.00
AMGEN INC CORP (CALLABLE) NOTES DTD 05/15/2012 3.625% 05/15/2022	031162BN9	200,000.00	A	Baa1	3/9/2018	3/13/2018	202,388.00	3.32	926.39	202,222.27	201,185.60
AMERICAN INTL GROUP CORP NOTES DTD 05/24/2012 4.875% 06/01/2022	026874CU9	200,000.00	BBB+	Baa1	3/5/2018	3/7/2018	211,514.00	3.40	812.50	210,716.47	209,465.40
AIR LEASE CORP (CALLABLE) NOTES DTD 06/12/2017 2.625% 07/01/2022	00912XAW4	200,000.00	BBB	NR	3/5/2018	3/7/2018	193,446.00	3.45	2,625.00	193,899.47	191,645.60
CVS HEALTH CORP NOTES DTD 03/09/2018 3.700% 03/09/2023	126650CV0	200,000.00	BBB	Baa1	3/6/2018	3/9/2018	198,208.00	3.90	2,302.22	198,310.07	198,985.80
MCDONALD'S CORP DTD 03/16/2018 3.350% 04/01/2023	58013MFE9	110,000.00	BBB+	Baa1	3/14/2018	3/16/2018	109,958.20	3.36	1,074.79	109,961.10	109,654.16
BANK OF NY MELLON CORP DTD 04/30/2018 3.500% 04/28/2023	06406RAG2	450,000.00	A	A1	4/23/2018	4/30/2018	449,509.50	3.52	2,668.75	449,524.63	450,196.65
UNITEDHEALTH GROUP INC CORP NOTES DTD 06/19/2018 3.500% 06/15/2023	91324PDJ8	200,000.00	A+	A3	6/14/2018	6/19/2018	199,900.00	3.51	233.33	199,900.58	200,239.40
GOLDMAN SACHS CORP NOTES DTD 03/03/2014 4.000% 03/03/2024	38141GVM3	275,000.00	BBB+	A3	3/6/2018	3/8/2018	280,117.75	3.65	3,605.56	279,876.08	275,192.23

## Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
BANK OF AMERICA CORP NOTE DTD 03/05/2018 3.550% 03/05/2024	06051GHF9	300,000.00	A-	A3	3/6/2018	3/8/2018	300,081.00	3.54	3,431.67	300,077.61	296,928.60
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	275,000.00	BBB+	A3	3/6/2018	3/8/2018	278,049.75	3.67	1,835.24	277,918.79	275,486.75
PRUDENTIAL FUNDING LLC CORP NOTES DTD 05/15/2014 3.500% 05/15/2024	74432QBZ7	275,000.00	A	Baa1	3/7/2018	3/9/2018	276,025.75	3.43	1,229.86	275,988.09	272,647.93
CITIGROUP INC DTD 05/22/2018 4.044% 06/01/2024	172967LZ2	300,000.00	BBB+	Baa1	5/15/2018	5/22/2018	300,000.00	4.04	1,314.30	300,000.00	301,623.60
JPMORGAN CHASE & CO BONDS DTD 09/10/2014 3.875% 09/10/2024	46625HJY7	275,000.00	BBB+	Baa1	3/6/2018	3/8/2018	276,966.25	3.75	3,285.68	276,882.12	272,449.65
UNION PACIFIC CORP CORP NOTES DTD 06/08/2018 3.750% 07/15/2025	907818ES3	200,000.00	A-	Baa1	6/5/2018	6/8/2018	199,992.00	3.75	479.17	199,992.00	199,836.60
<b>Security Type Sub-Total</b>		<b>7,850,000.00</b>					<b>7,848,371.90</b>	<b>3.36</b>	<b>53,192.66</b>	<b>7,849,398.14</b>	<b>7,810,731.41</b>
<b>Bank Note</b>											
BANK OF NOVA SCOTIA BANK NOTE DTD 04/20/2018 3.125% 04/20/2021	064159LG9	500,000.00	A+	A1	4/17/2018	4/20/2018	499,050.00	3.19	3,081.60	499,110.01	497,418.50
<b>Security Type Sub-Total</b>		<b>500,000.00</b>					<b>499,050.00</b>	<b>3.19</b>	<b>3,081.60</b>	<b>499,110.01</b>	<b>497,418.50</b>
<b>Managed Account Sub Total</b>		<b>29,599,849.44</b>					<b>29,188,338.87</b>	<b>2.53</b>	<b>109,577.14</b>	<b>29,408,712.89</b>	<b>28,741,032.59</b>
<b>Securities Sub-Total</b>		<b>\$29,599,849.44</b>					<b>\$29,188,338.87</b>	<b>2.53%</b>	<b>\$109,577.14</b>	<b>\$29,408,712.89</b>	<b>\$28,741,032.59</b>
<b>Accrued Interest</b>											<b>\$109,577.14</b>
<b>Total Investments</b>											<b>\$28,850,609.73</b>

Bolded items are forward settling trades.

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**IMPORTANT DISCLOSURES**

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

## GLOSSARY

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



## GLOSSARY

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

Fund Name	Ticker	Duration	Yield	YTD Return	Fee	Minimum	R2	Std Dev
Vanguard Prime Mony Market Fund	VMMXX	0	2.04%	0.90%	0.16%	\$3,000	0.97	0.16
Vanguard Federated Money Market Fund	VMFXX	0	1.84%	0.80%	0.11%	\$3,000	0.99	0.15
Vanguard Ultra Short-Term Bond Fund	VUSFX	0.98	1.84%	0.79%	0.10%	\$50,000	0.04	0.31
PIMCO Short Asset Investment Fund	PAIDX	0.06	1.82%	1.09%	0.27%	\$1,000,000	0.10	0.31
PIMCO Short-Term Fund	PTSHX	0	1.92%	1.21%	0.45%	\$1,000,000	0.01	0.97
Semper Short Duration Fund	SEMIX	0.43	2.57%	1.32%	0.61%	\$1,000,000	0.03	0.55
Baird Short-Term Bond Fund	BSBIX	0.0193	1.89%	0.12%	0.30%	\$25,000	0.02	0.83
First MidWest	---	0	1.99%	---	0	\$0	---	---
Naperville Trust Money Market Account	---	0	1.98%	---	0	\$2,500,000	---	---
BMO	---	---	---	---	---	---	---	---
PFM Illinois Trust	---	0	2.03%	---	0	---	---	---

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