



City of Naperville

City of Naperville
Executive Summary

September 30, 2018

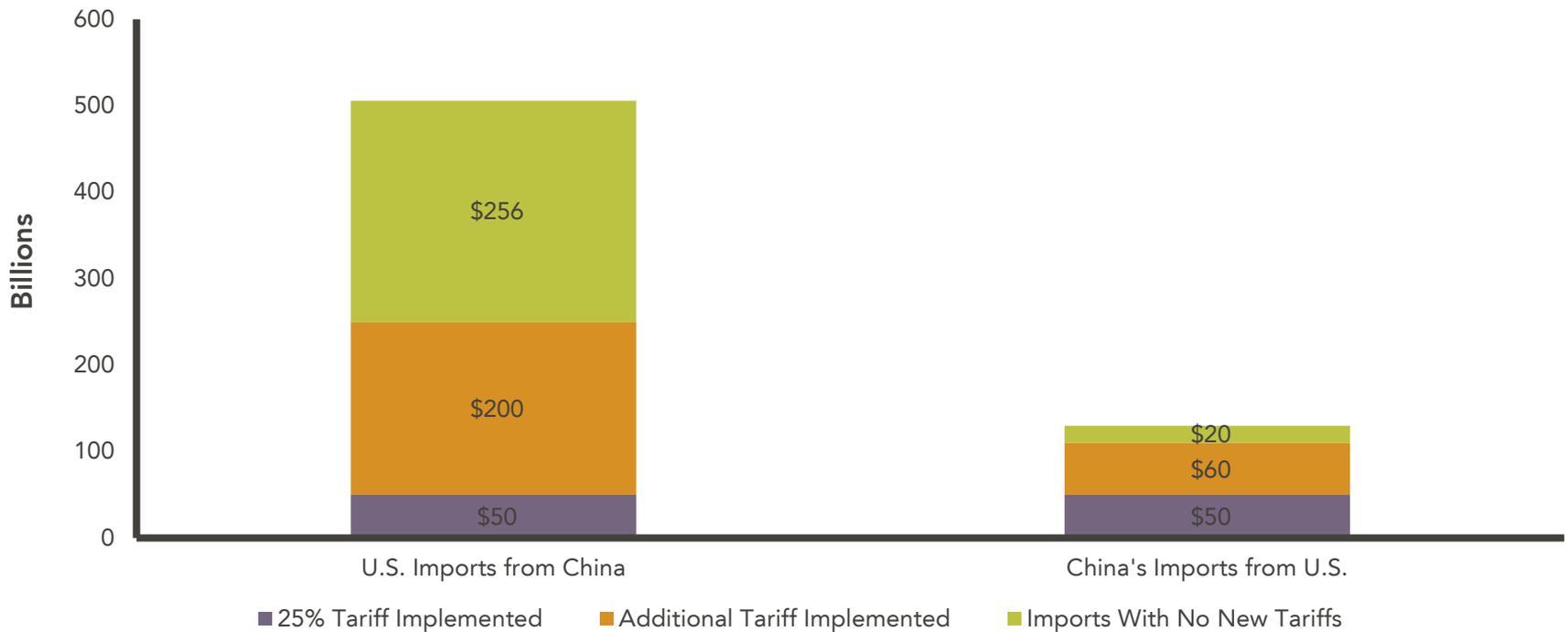
3Q Market Environment

U.S. economy overview

- 2Q GDP grew 4.2% thanks to higher personal consumption and net exports; 3Q expected to be about 4.1% according to the Atlanta Fed GDPNow estimate
- The unemployment rate remained at 3.7% in September with 134K nonfarm jobs added
- CPI increased 2.7% over the trailing 12 months, as energy prices have risen 10.2% during this time. Core CPI growth remains steady at 2.2%
- China and U.S. both increased tariffs in September, escalating the trade conflict
- Trump administration reached a deal to revise NAFTA, but still needs to be approved by Congress and ratified by both Mexico and Canada

The trade war continues

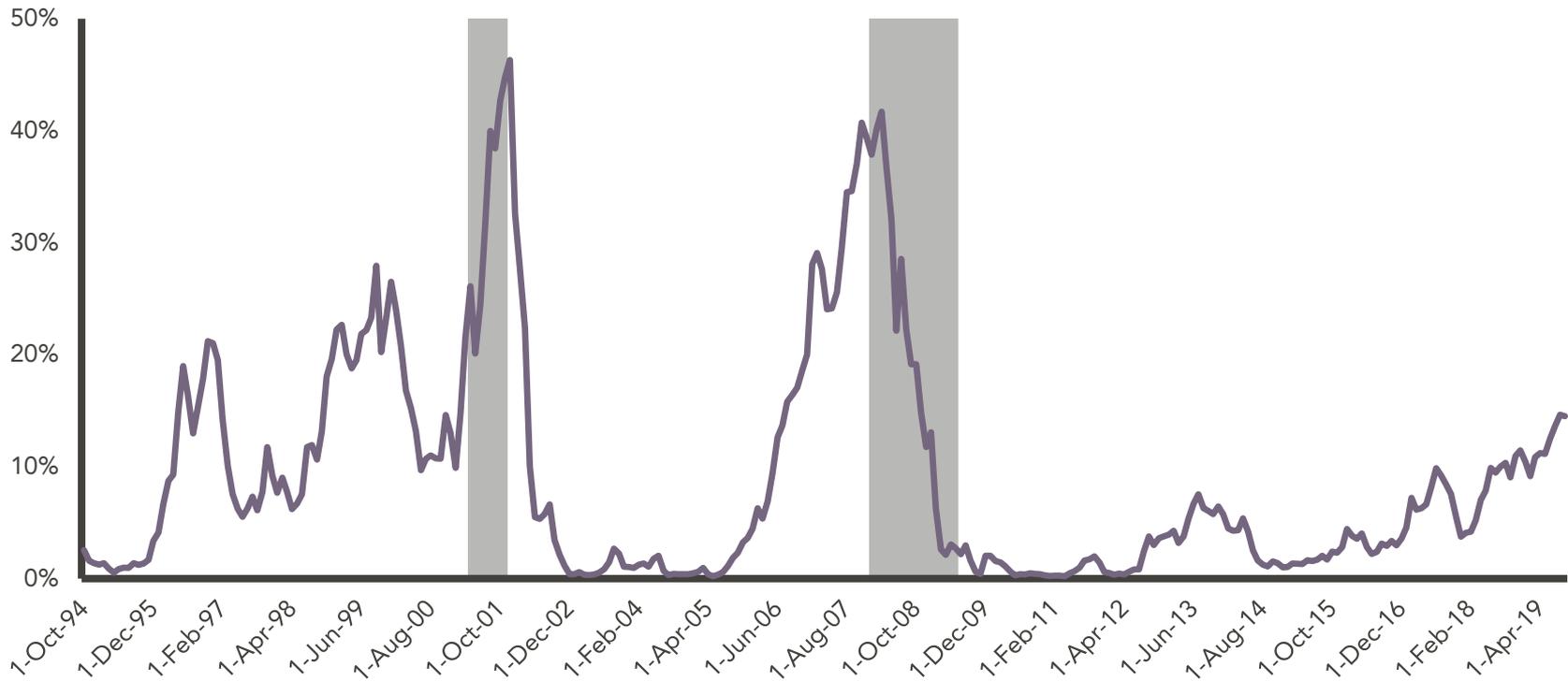
The Trump administration is now threatening to add tariffs on nearly all remaining imports from China, which could make it difficult for China to retaliate



Source: Wall Street Journal

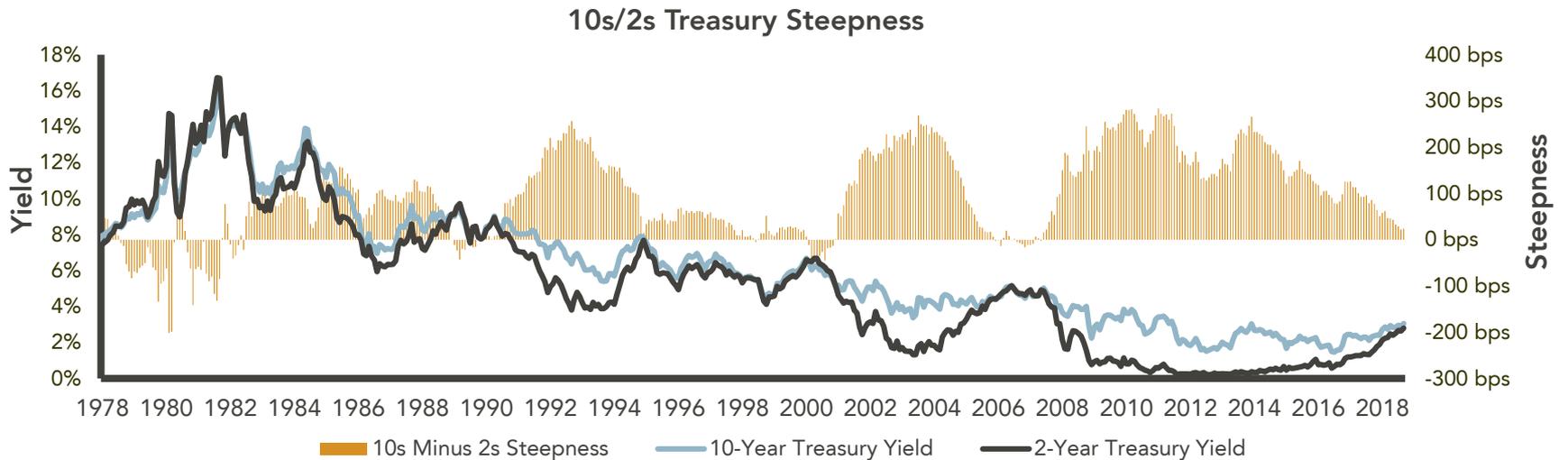
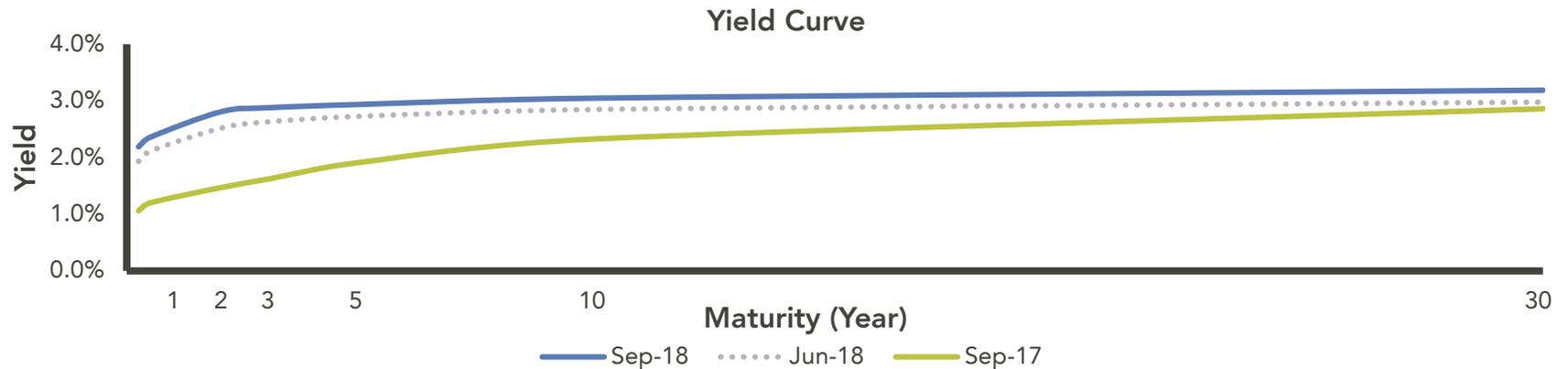
Recession probability rises

Odds of recession in the next 12 months are still relatively low



Source: NY Federal Reserve

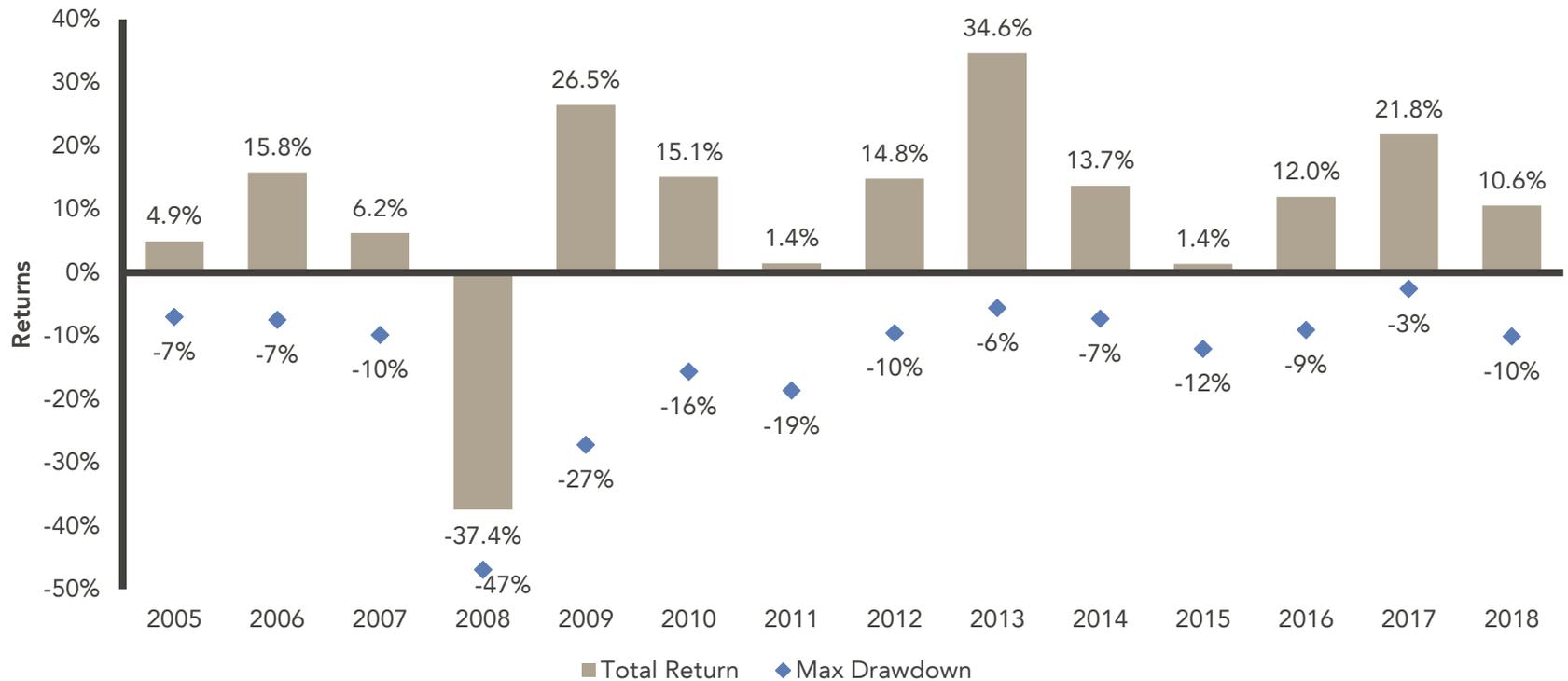
Yield curve rises, still flat



Source: Federal Reserve as of September 30, 2018

Negative returns are normal

S&P 500 maximum market drawdown



Source: Bloomberg as of September 30, 2018

Is growth's outperformance peaking?

Rolling 10-year trailing performance of growth minus value



Source: Evestment; as of September 30, 2018

U.S. equity style index valuations

Growth valuations exceed value

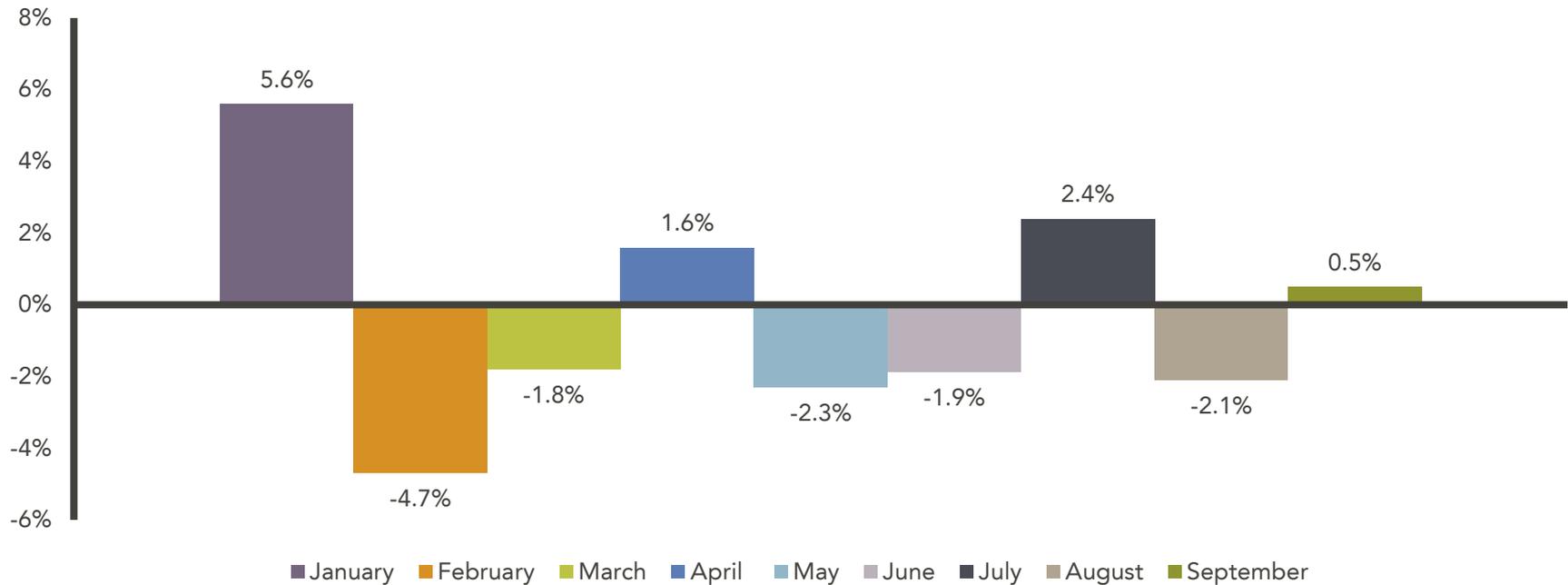
| Valuation Metrics | Russell 1000 Value | | Russell 1000 Growth | | Russell Mid Cap Value | | Russell Mid Cap Growth | | Russell 2000 Value | | Russell 2000 Growth | |
|-------------------|--------------------|---------------------------|---------------------|---------------------------|-----------------------|---------------------------|------------------------|---------------------------|--------------------|---------------------------|---------------------|---------------------------|
| | Current | Historical Percentile (%) | Current | Historical Percentile (%) | Current | Historical Percentile (%) | Current | Historical Percentile (%) | Current | Historical Percentile (%) | Current | Historical Percentile (%) |
| P/E | 17.7 | 87 | 25.9 | 87 | 18.6 | 92 | 25.7 | 86 | 15.9 | 59 | 25.0 | 88 |
| P/B | 2.2 | 81 | 8.0 | 96 | 2.1 | 86 | 6.9 | 99 | 1.6 | 67 | 4.9 | 100 |
| P/S | 1.7 | 95 | 3.3 | 95 | 1.5 | 96 | 2.5 | 95 | 0.9 | 68 | 1.7 | 94 |
| P/CF | 10.7 | 68 | 18.9 | 92 | 10.1 | 88 | 19.0 | 90 | 11.4 | 76 | 35.4 | 95 |
| EV/EBITDA | 12.0 | 93 | 17.2 | 92 | 12.9 | 84 | 17.8 | 95 | 14.4 | 80 | 32.8 | 100 |
| Average | | 85 | | 93 | | 89 | | 93 | | 70 | | 95 |

Source: Bloomberg. P/E is adjusted for negative earnings, percentiles are based on data March 2000 – September 2018

Returns have been more down than up

Variability in this year's monthly returns

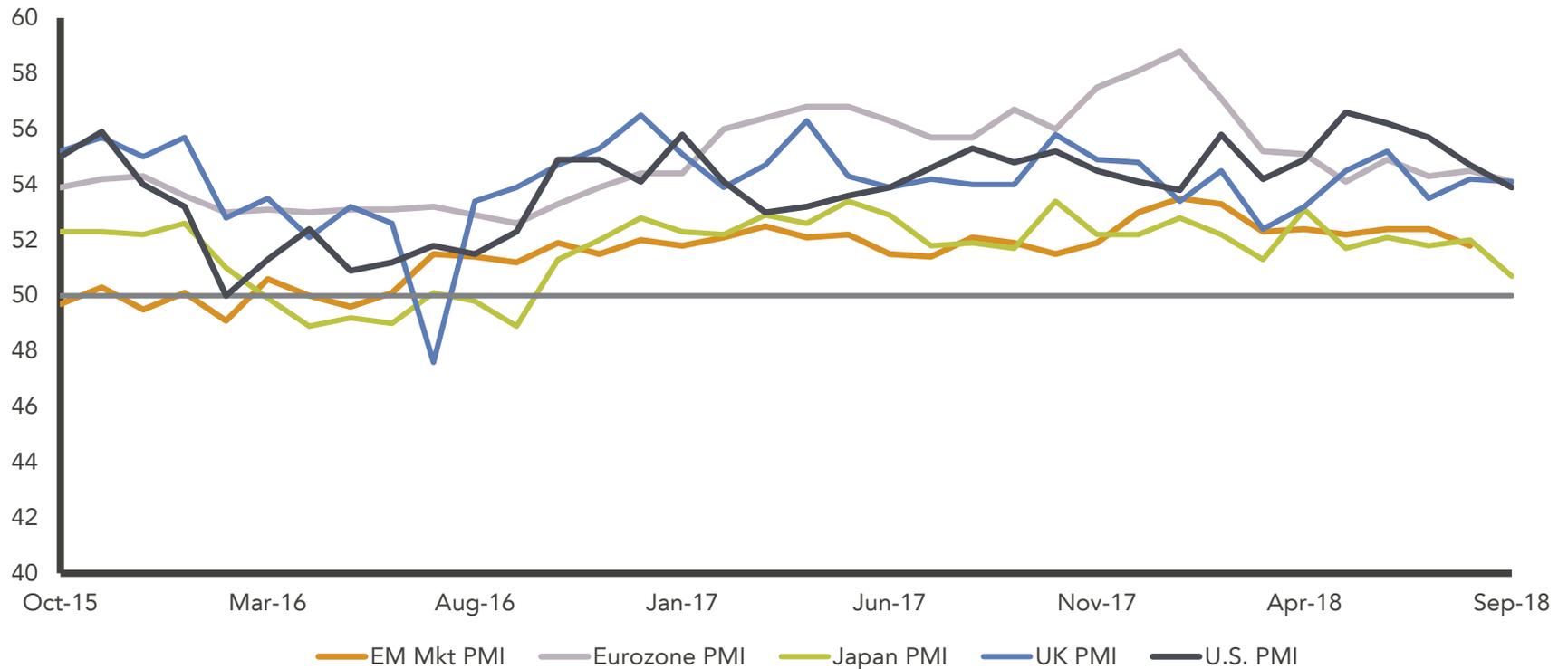
MSCI ACWI ex U.S.



Source: Bloomberg

Global economic growth remains positive

Eurozone PMIs cool off but remain in expansion territory



Source: Bloomberg

Price declines lead to better valuations

Non-U.S. developed large-cap is the least expensive

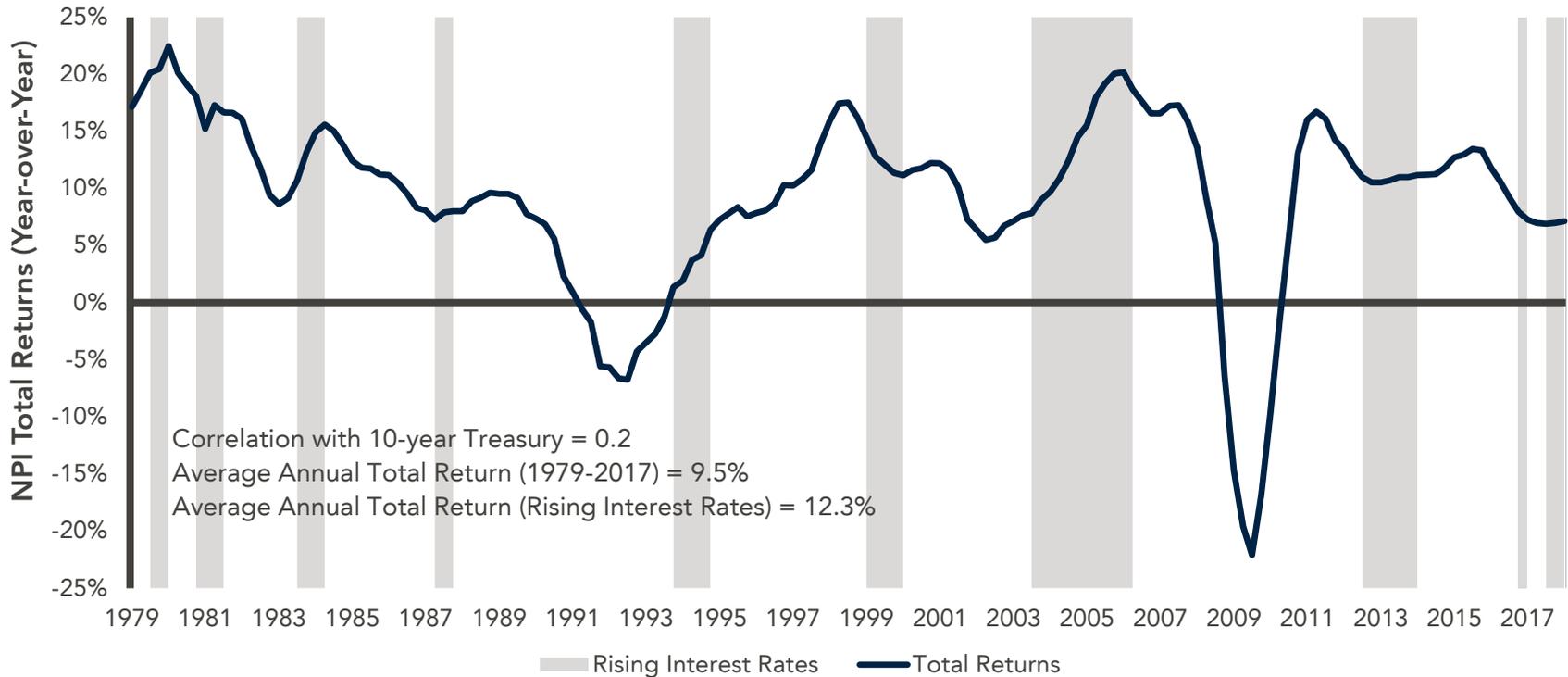
| Valuation Metrics | S&P 500 | | MSCI EAFE | | MSCI EM | | MSCI EAFE SC | |
|-------------------|---------|---------------------------|-----------|---------------------------|---------|---------------------------|--------------|---------------------------|
| | Current | Historical Percentile (%) | Current | Historical Percentile (%) | Current | Historical Percentile (%) | Current | Historical Percentile (%) |
| P/E | 20.9 | 84 | 14.1 | 29 | 12.1 | 51 | 14.6 | 49 |
| Forward P/E | 18.1 | 89 | 14.3 | 47 | 12.0 | 48 | 17.0 | 55 |
| P/B | 3.5 | 90 | 1.7 | 43 | 1.6 | 47 | 1.6 | 72 |
| P/S | 2.3 | 100 | 1.2 | 77 | 1.2 | 57 | 0.9 | 93 |
| P/CF | 13.8 | 75 | 9.8 | 54 | 8.9 | 76 | 11.6 | 83 |
| EV/EBITDA | 13.8 | 97 | 9.4 | 36 | 8.3 | 73 | 10.5 | 37 |
| Average | | 89 | | 48 | | 59 | | 65 |

Source: Bloomberg through September 30, 2018; as of October 4, 2018.

P/E is adjusted for negative earnings; percentiles are based on data going back to 1999 except for FP/E which goes back to 2005.

Rising rates and real estate

Commercial real estate has historically displayed little correlation with interest rates



Sources: NCREIF, Federal Reserve via DWS

Purpose:

Guide institutional investment programs

Mission

Enable institutions to become more effective investment stewards

Vision

Leading investment consultant of risk-adjusted returns & client services

Principles

- ✓ Real-world pragmatism
- ✓ Independent expertise
- ✓ Focused client service
- ✓ Careful research

The sources of information used in this report are believed to be reliable. Marquette Associates, Inc. has not independently verified all of the information and its accuracy cannot be guaranteed. Opinions, estimates, projections and comments on financial market trends constitute our judgment and are subject to change without notice. References to specific securities are for illustrative purposes only and do not constitute recommendations. Past performance does not guarantee future results.

Market Value: \$116.8 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

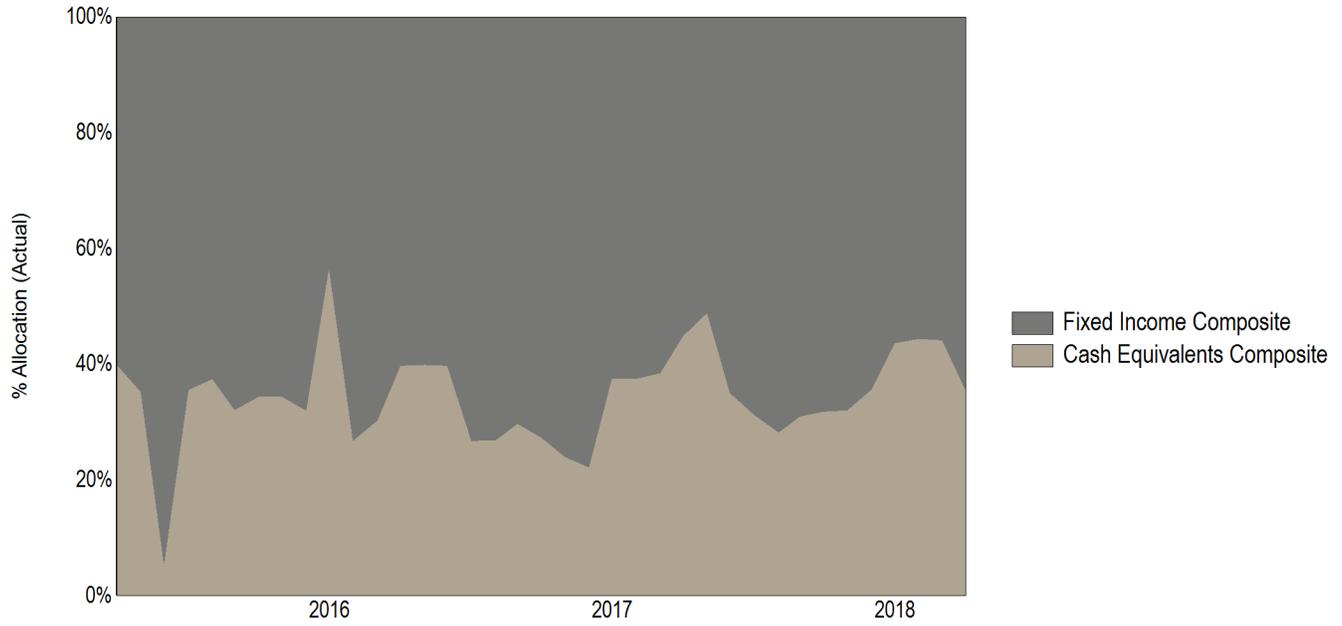
Market Values

Market Value: \$116.8 Million and 100.0% of Fund

Ending September 30, 2018

| | Asset Class | Market Value (\$) | 3 Mo Net Cash Flows (\$) | % of Portfolio |
|-----------------------------------|-------------------------|----------------------|-----------------------------|----------------|
| Total Fund Composite | | 116,756,353 | 11,515,121 | 100.0 |
| Fixed Income Composite | | 75,262,954 | 15,989,844 | 64.5 |
| BMO/TCH | Int. Govt. Fixed Income | 37,229,158 | 7,998,658 | 31.9 |
| PFM | Int. Govt. Fixed Income | 38,033,796 | 7,998,621 | 32.6 |
| Cash Equivalents Composite | | 41,493,399 | -4,482,158 | 35.5 |
| City-Managed IMET | Cash & Equivalents | 12,995 | 0 | 0.0 |
| Concentration Account | Cash & Equivalents | 41,480,404 | -4,482,158 | 35.5 |

Historic Asset Allocation



Market Value: \$116.8 Million and 100.0% of Fund

Summary of Cash Flows

| | Third Quarter | Year-To-Date | One Year | Three Years |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Beginning Market Value | \$105,129,523.07 | \$86,716,430.09 | \$95,700,982.05 | \$80,112,434.76 |
| Contributions | \$128,767,102.08 | \$151,442,849.53 | \$165,951,998.25 | \$415,929,222.93 |
| Withdrawals | -\$117,251,981.37 | -\$121,105,803.83 | -\$144,502,855.92 | -\$379,491,959.98 |
| Net Cash Flow | \$11,515,120.71 | \$30,337,045.70 | \$21,449,142.33 | \$36,437,262.95 |
| Net Investment Change | \$111,708.81 | -\$297,123.20 | -\$393,771.79 | \$206,654.88 |
| Ending Market Value | \$116,756,352.59 | \$116,756,352.59 | \$116,756,352.59 | \$116,756,352.59 |
| Net Change | \$11,626,829.52 | \$30,039,922.50 | \$21,055,370.54 | \$36,643,917.83 |

Total Fund Composite

Annualized Performance (Gross of Fees)

Market Value: \$116.8 Million and 100.0% of Fund

Ending September 30, 2018

| | 3 Mo | YTD | 1 Yr | 2 Yrs | 3 Yrs | 4 Yrs | 5 Yrs | 7 Yrs | 10 Yrs |
|-----------------------------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| Total Fund Composite | 0.1 | -0.4 | -0.5 | -0.3 | 0.4 | 0.8 | 0.9 | 0.9 | 2.3 |
| <i>Policy Benchmark</i> | <i>0.0</i> | <i>-0.5</i> | <i>-0.8</i> | <i>-0.6</i> | <i>0.3</i> | <i>0.9</i> | <i>0.9</i> | <i>0.8</i> | <i>1.9</i> |
| Fixed Income Composite | 0.1 | -0.6 | -0.7 | -0.6 | 0.5 | 1.1 | 1.2 | 1.2 | -- |
| <i>BBgBarc US Govt Int TR</i> | <i>-0.1</i> | <i>-0.8</i> | <i>-1.2</i> | <i>-0.9</i> | <i>0.2</i> | <i>0.9</i> | <i>0.9</i> | <i>0.9</i> | <i>2.2</i> |
| Cash Equivalents Composite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -- |
| <i>91 Day T-Bills</i> | <i>0.5</i> | <i>1.3</i> | <i>1.6</i> | <i>1.2</i> | <i>0.9</i> | <i>0.6</i> | <i>0.5</i> | <i>0.4</i> | <i>0.3</i> |

Total Fund Composite

Calendar Performance (Gross of Fees)

Market Value: \$116.8 Million and 100.0% of Fund

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

Total Fund Composite

Calendar Performance (Gross of Fees)

Market Value: \$116.8 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 |
|-----------------------------------|-------------|------------|------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Fund Composite | -0.4 | 1.2 | 0.7 | 0.0 | 1.6 | 2.1 | -0.5 | 1.6 | 4.9 | 4.4 | 3.2 |
| <i>Policy Benchmark</i> | -0.5 | 1.1 | 0.9 | 0.0 | 2.0 | 2.3 | -0.7 | 1.5 | 4.7 | 3.5 | 2.0 |
| Fixed Income Composite | -0.6 | 1.6 | 1.3 | 0.1 | 2.5 | 2.8 | -0.7 | 2.1 | 5.8 | 4.7 | -- |
| <i>BBgBarc US Govt Int TR</i> | -0.8 | 1.1 | 1.1 | 0.0 | 2.3 | 2.7 | -0.8 | 1.8 | 5.6 | 4.1 | 2.3 |
| Cash Equivalents Composite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | -- |
| <i>91 Day T-Bills</i> | 1.3 | 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: \$116.8 Million and 100.0% of Fund

Ending September 30, 2018

| | 3 Mo | YTD | 1 Yr | 2 Yrs | 3 Yrs | 4 Yrs | 5 Yrs | 7 Yrs | 10 Yrs |
|-----------------------------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| Total Fund Composite | 0.1 | -0.4 | -0.5 | -0.3 | 0.4 | 0.8 | 0.9 | 0.9 | 2.3 |
| <i>Policy Benchmark</i> | <i>0.0</i> | <i>-0.5</i> | <i>-0.8</i> | <i>-0.6</i> | <i>0.3</i> | <i>0.9</i> | <i>0.9</i> | <i>0.8</i> | <i>1.9</i> |
| Fixed Income Composite | 0.1 | -0.6 | -0.7 | -0.6 | 0.5 | 1.1 | 1.2 | 1.2 | -- |
| <i>BBgBarc US Govt Int TR</i> | <i>-0.1</i> | <i>-0.8</i> | <i>-1.2</i> | <i>-0.9</i> | <i>0.2</i> | <i>0.9</i> | <i>0.9</i> | <i>0.9</i> | <i>2.2</i> |
| BMO/TCH | 0.1 | -0.7 | -0.8 | -0.7 | 0.6 | 1.1 | 1.2 | 1.1 | -- |
| <i>BBgBarc US Govt Int TR</i> | <i>-0.1</i> | <i>-0.8</i> | <i>-1.2</i> | <i>-0.9</i> | <i>0.2</i> | <i>0.9</i> | <i>0.9</i> | <i>0.9</i> | <i>2.2</i> |
| PFM | 0.2 | -0.4 | -0.7 | -- | -- | -- | -- | -- | -- |
| <i>BBgBarc US Govt Int TR</i> | <i>-0.1</i> | <i>-0.8</i> | <i>-1.2</i> | <i>-0.9</i> | <i>0.2</i> | <i>0.9</i> | <i>0.9</i> | <i>0.9</i> | <i>2.2</i> |
| Cash Equivalents Composite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -- |
| <i>91 Day T-Bills</i> | <i>0.5</i> | <i>1.3</i> | <i>1.6</i> | <i>1.2</i> | <i>0.9</i> | <i>0.6</i> | <i>0.5</i> | <i>0.4</i> | <i>0.3</i> |
| City-Managed IMET | 0.5 | 1.3 | 1.6 | 1.2 | 1.0 | 0.8 | 0.7 | 0.6 | -- |
| <i>91 Day T-Bills</i> | <i>0.5</i> | <i>1.3</i> | <i>1.6</i> | <i>1.2</i> | <i>0.9</i> | <i>0.6</i> | <i>0.5</i> | <i>0.4</i> | <i>0.3</i> |

Investment Manager

Calendar Performance (Gross of Fees)

Market Value: \$116.8 Million and 100.0% of Fund

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

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$116.8 Million and 100.0% of Fund

Ending September 30, 2018

| | 3 Mo | YTD | 1 Yr | 2 Yrs | 3 Yrs | 4 Yrs | 5 Yrs | 7 Yrs | 10 Yrs |
|--|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| Total Fund Composite | 0.1 | -0.5 | -0.6 | -0.4 | 0.3 | 0.7 | 0.8 | 0.8 | 2.2 |
| <i>Policy Benchmark</i> | <i>0.0</i> | <i>-0.5</i> | <i>-0.8</i> | <i>-0.6</i> | <i>0.3</i> | <i>0.9</i> | <i>0.9</i> | <i>0.8</i> | <i>1.9</i> |
| Fixed Income Composite | 0.1 | -0.7 | -0.9 | -0.8 | 0.4 | 1.0 | 1.0 | 1.0 | -- |
| <i>BBgBarc US Govt Int TR</i> | <i>-0.1</i> | <i>-0.8</i> | <i>-1.2</i> | <i>-0.9</i> | <i>0.2</i> | <i>0.9</i> | <i>0.9</i> | <i>0.9</i> | <i>2.2</i> |
| <i>InvestorForce Public DB US Fix Inc Net Rank</i> | <i>--</i> | <i>--</i> | <i>--</i> | <i>--</i> | <i>--</i> | <i>--</i> | <i>--</i> | <i>--</i> | <i>--</i> |
| Cash Equivalents Composite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -- |
| <i>91 Day T-Bills</i> | <i>0.5</i> | <i>1.3</i> | <i>1.6</i> | <i>1.2</i> | <i>0.9</i> | <i>0.6</i> | <i>0.5</i> | <i>0.4</i> | <i>0.3</i> |

Total Fund Composite

Calendar Performance (Net of Fees)

Market Value: \$116.8 Million and 100.0% of Fund

| | Calendar Year | | | | | | | | |
|--|---------------|------------|------------|------------|-------------|------------|------------|------------|------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Total Fund Composite | 1.1 | 0.6 | 0.7 | 2.1 | -1.0 | 1.7 | 5.2 | 5.2 | 1.9 |
| <i>Policy Benchmark</i> | 1.1 | 0.9 | 1.0 | 2.1 | -1.1 | 1.5 | 5.2 | 4.2 | -0.2 |
| Fixed Income Composite | 1.4 | 1.1 | 1.1 | 2.7 | -1.4 | 2.2 | 6.1 | 5.5 | -- |
| <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 | -- |
| Cash Equivalents Composite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | -- |
| <i>91 Day T-Bills</i> | 0.9 | 0.3 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 |

Total Fund Composite

Calendar Performance (Net of Fees)

Market Value: \$116.8 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 |
|-----------------------------------|-------------|------------|------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Fund Composite | -0.5 | 1.1 | 0.6 | 0.0 | 0.0 | 1.5 | 2.0 | -0.6 | 1.5 | 4.8 | 4.2 | 3.0 |
| <i>Policy Benchmark</i> | -0.5 | 1.1 | 0.9 | 0.0 | 0.0 | 2.0 | 2.3 | -0.7 | 1.5 | 4.7 | 3.5 | 2.0 |
| Fixed Income Composite | -0.7 | 1.4 | 1.1 | 0.0 | -0.1 | 2.4 | 2.6 | -0.8 | 1.9 | 5.7 | 4.5 | -- |
| <i>BBgBarc US Govt Int TR</i> | -0.8 | 1.1 | 1.1 | 0.0 | -0.1 | 2.3 | 2.7 | -0.8 | 1.8 | 5.6 | 4.1 | 2.3 |
| Cash Equivalents Composite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | -- |
| <i>91 Day T-Bills</i> | 1.3 | 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: \$116.8 Million and 100.0% of Fund

Ending September 30, 2018

| | 3 Mo | YTD | 1 Yr | 2 Yrs | 3 Yrs | 4 Yrs | 5 Yrs | 7 Yrs | 10 Yrs |
|--|------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| Total Fund Composite | 0.1 | -0.5 | -0.6 | -0.4 | 0.3 | 0.7 | 0.8 | 0.8 | 2.2 |
| <i>Policy Benchmark</i> | 0.0 | -0.5 | -0.8 | -0.6 | 0.3 | 0.9 | 0.9 | 0.8 | 1.9 |
| Fixed Income Composite | 0.1 | -0.7 | -0.9 | -0.8 | 0.4 | 1.0 | 1.0 | 1.0 | -- |
| <i>BBgBarc US Govt Int TR</i> | -0.1 | -0.8 | -1.2 | -0.9 | 0.2 | 0.9 | 0.9 | 0.9 | 2.2 |
| <i>InvestorForce Public DB US Fix Inc Net Rank</i> | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| BMO/TCH | 0.0 | -0.8 | -1.0 | -0.9 | 0.4 | 0.9 | 1.0 | 0.9 | -- |
| <i>BBgBarc US Govt Int TR</i> | -0.1 | -0.8 | -1.2 | -0.9 | 0.2 | 0.9 | 0.9 | 0.9 | 2.2 |
| <i>eV US Government Fixed Inc Net Rank</i> | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| PFM | 0.1 | -0.5 | -0.8 | -- | -- | -- | -- | -- | -- |
| <i>BBgBarc US Govt Int TR</i> | -0.1 | -0.8 | -1.2 | -0.9 | 0.2 | 0.9 | 0.9 | 0.9 | 2.2 |
| <i>eV US Government Fixed Inc Net Rank</i> | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Cash Equivalents Composite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -- |
| <i>91 Day T-Bills</i> | 0.5 | 1.3 | 1.6 | 1.2 | 0.9 | 0.6 | 0.5 | 0.4 | 0.3 |
| City-Managed IMET | 0.5 | 1.3 | 1.6 | 1.2 | 1.0 | 0.8 | 0.7 | 0.6 | -- |
| <i>91 Day T-Bills</i> | 0.5 | 1.3 | 1.6 | 1.2 | 0.9 | 0.6 | 0.5 | 0.4 | 0.3 |

Investment Manager

Calendar Performance (Net of Fees)

Market Value: \$116.8 Million and 100.0% of Fund

| | Calendar Year | | | | | | | | |
|--|---------------|------------|------------|------------|-------------|------------|------------|------------|------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Total Fund Composite | 1.1 | 0.6 | 0.7 | 2.1 | -1.0 | 1.7 | 5.2 | 5.2 | 1.9 |
| <i>Policy Benchmark</i> | 1.1 | 0.9 | 1.0 | 2.1 | -1.1 | 1.5 | 5.2 | 4.2 | -0.2 |
| Fixed Income Composite | 1.4 | 1.1 | 1.1 | 2.7 | -1.4 | 2.2 | 6.1 | 5.5 | -- |
| <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 | -- |
| BMO/TCH | 1.5 | 1.0 | 1.0 | 2.8 | -1.7 | 2.1 | 6.1 | 5.2 | -- |
| <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 | -- |
| PFM | 1.3 | -- | -- | -- | -- | -- | -- | -- | -- |
| <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 | -- | -- | -- | -- | -- | -- | -- | -- |
| Cash Equivalents Composite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | -- |
| <i>91 Day T-Bills</i> | 0.9 | 0.3 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 |
| City-Managed IMET | 1.0 | 0.5 | 0.3 | 0.4 | 0.3 | 0.3 | -- | -- | -- |
| <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 September 30, 2018

Characteristics

Market Value: \$75.3 Million and 64.5% of Fund



Characteristics

| | Portfolio | Index |
|--------------------|-----------|----------|
| | Q3-18 | Q3-18 |
| Yield to Maturity | 3.2% | 2.9% |
| Avg. Eff. Maturity | 4.1 yrs. | 4.0 yrs. |
| Avg. Duration | 3.7 yrs. | 3.7 yrs. |
| Avg. Quality | AA | -- |

| Region | Number Of Assets |
|-----------------------|------------------|
| North America ex U.S. | 3 |
| United States | 199 |
| United Kingdom | 4 |
| Emerging Markets | 2 |
| Other | 3 |
| Total | 211 |

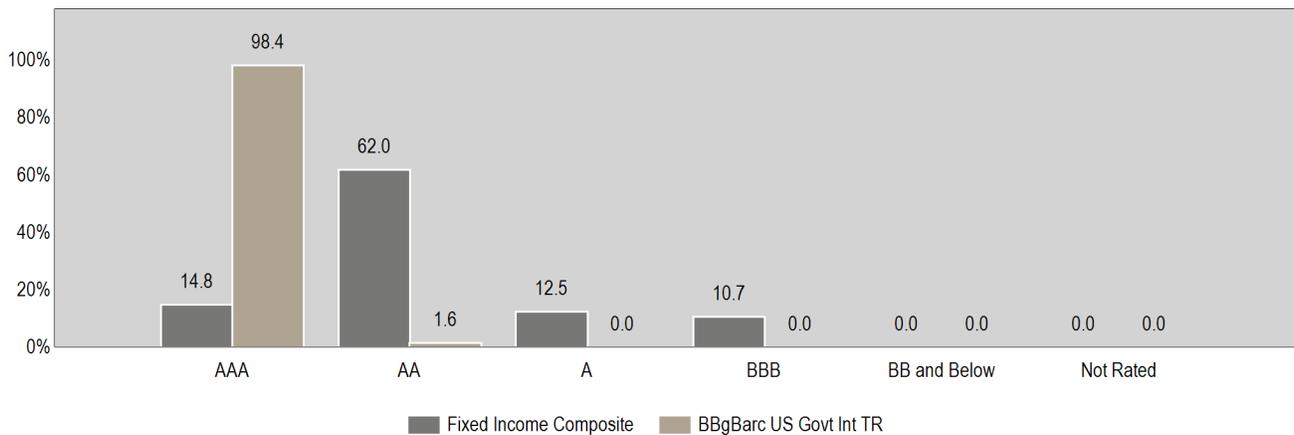
Sector

| | Portfolio | Index |
|------------|-----------|--------|
| | Q3-18 | Q3-18 |
| UST/Agency | 43.8% | 100.0% |
| Corporate | 24.8% | -- |
| MBS | 23.7% | -- |
| ABS | -- | -- |
| Foreign | 7.7% | -- |
| Muni | -- | -- |
| Other | 0.0% | -- |

Maturity

| | Q3-18 |
|----------------|-------|
| <1 Year | 5.4% |
| 1-3 Years | 35.6% |
| 3-5 Years | 33.0% |
| 5-7 Years | 14.6% |
| 7-10 Years | 11.3% |
| 10-15 Years | 0.0% |
| 15-20 Years | 0.1% |
| >20 Years | 0.0% |
| Not Rated/Cash | 0.0% |

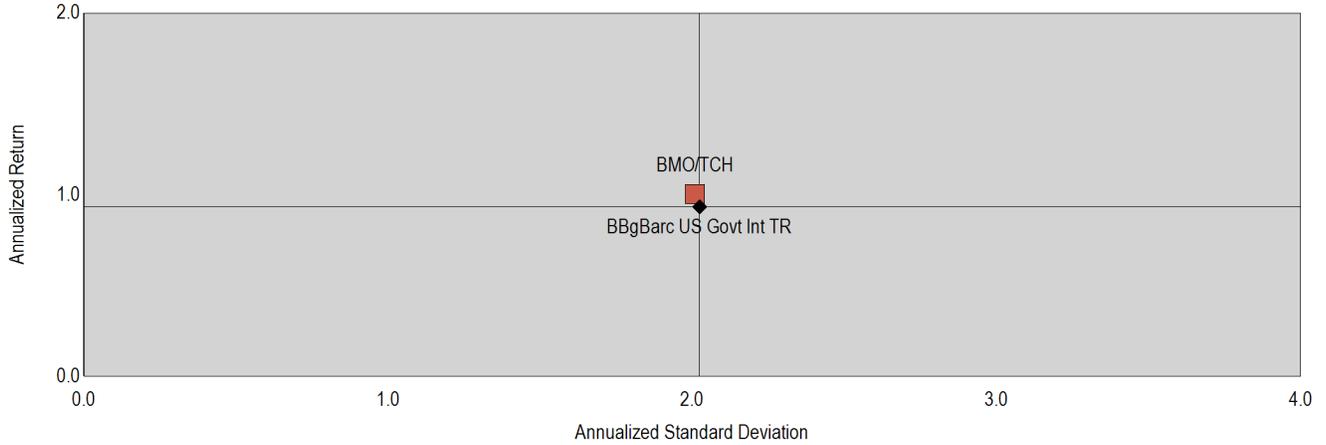
Quality Distribution



As of September 30, 2018

Market Value: \$37.2 Million and 31.9% of Fund

Risk / Return - 5 Years



Characteristics

| | Portfolio | Index |
|--------------------|-----------|------------------|
| | Q3-18 | Q3-18 |
| Yield to Maturity | 3.1% | 2.9% |
| Avg. Eff. Maturity | 4.3 yrs. | 4.0 yrs. |
| Avg. Duration | 3.8 yrs. | 3.7 yrs. |
| Avg. Quality | AA | -- |
| Region | | Number Of Assets |
| United States | | 60 |
| United Kingdom | | 2 |
| Other | | 0 |
| Total | | 62 |

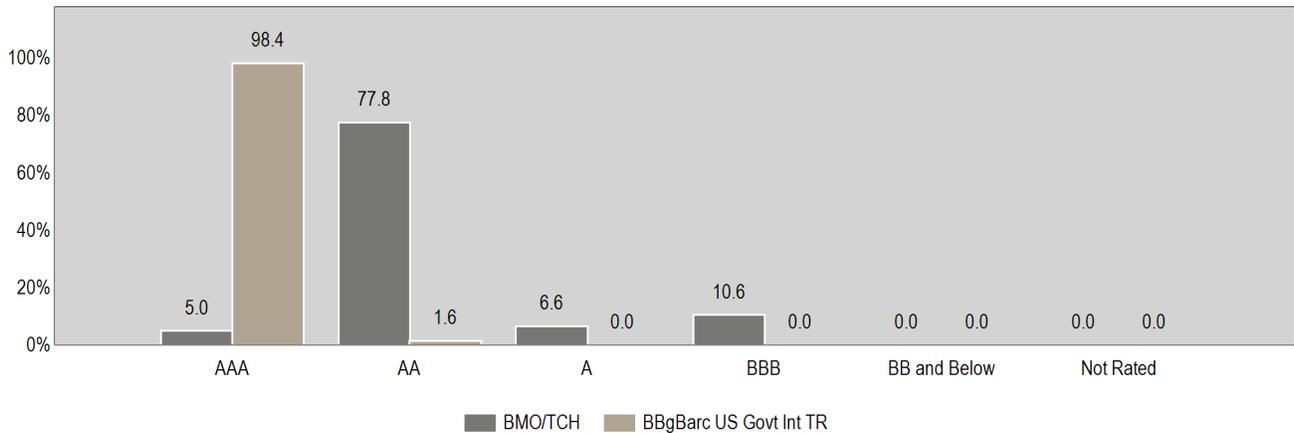
Sector

| | Portfolio | Index |
|------------|-----------|--------|
| | Q3-18 | Q3-18 |
| UST/Agency | 58.8% | 100.0% |
| Corporate | 18.7% | -- |
| MBS | 21.8% | -- |
| ABS | -- | -- |
| Foreign | 0.7% | -- |
| Muni | -- | -- |
| Other | 0.0% | -- |

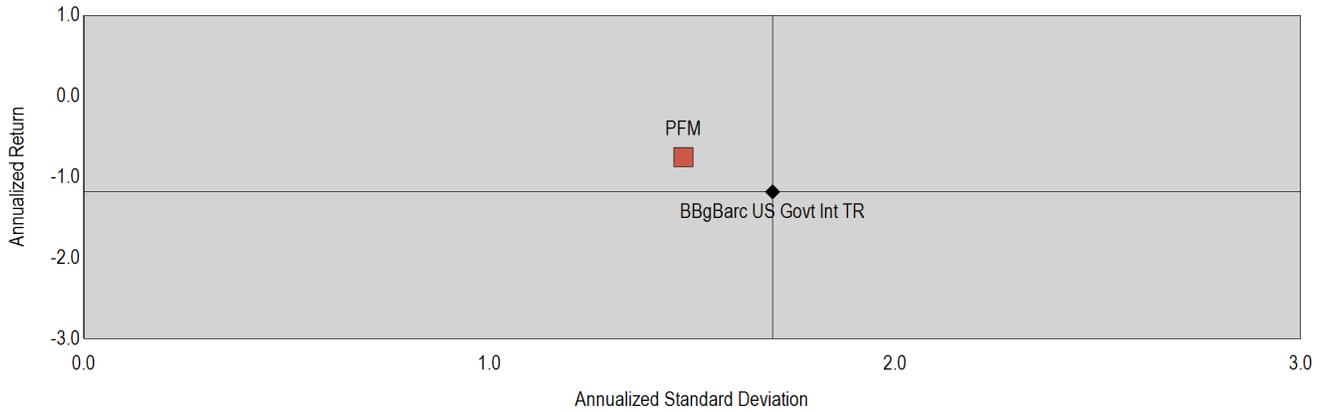
Maturity

| | Q3-18 |
|----------------|-------|
| <1 Year | 8.6% |
| 1-3 Years | 39.0% |
| 3-5 Years | 21.0% |
| 5-7 Years | 8.5% |
| 7-10 Years | 22.9% |
| 10-15 Years | 0.0% |
| 15-20 Years | 0.0% |
| >20 Years | 0.0% |
| Not Rated/Cash | 0.0% |

Quality Distribution



Risk / Return - 1 Year



Characteristics

| | Portfolio | Index |
|--------------------|-----------|----------|
| | Q3-18 | Q3-18 |
| Yield to Maturity | 3.2% | 2.9% |
| Avg. Eff. Maturity | 3.8 yrs. | 4.0 yrs. |
| Avg. Duration | 3.5 yrs. | 3.7 yrs. |
| Avg. Quality | AA | -- |

| Region | Number Of Assets |
|-----------------------|------------------|
| North America ex U.S. | 3 |
| United States | 140 |
| United Kingdom | 2 |
| Emerging Markets | 2 |
| Other | 3 |
| Total | 150 |

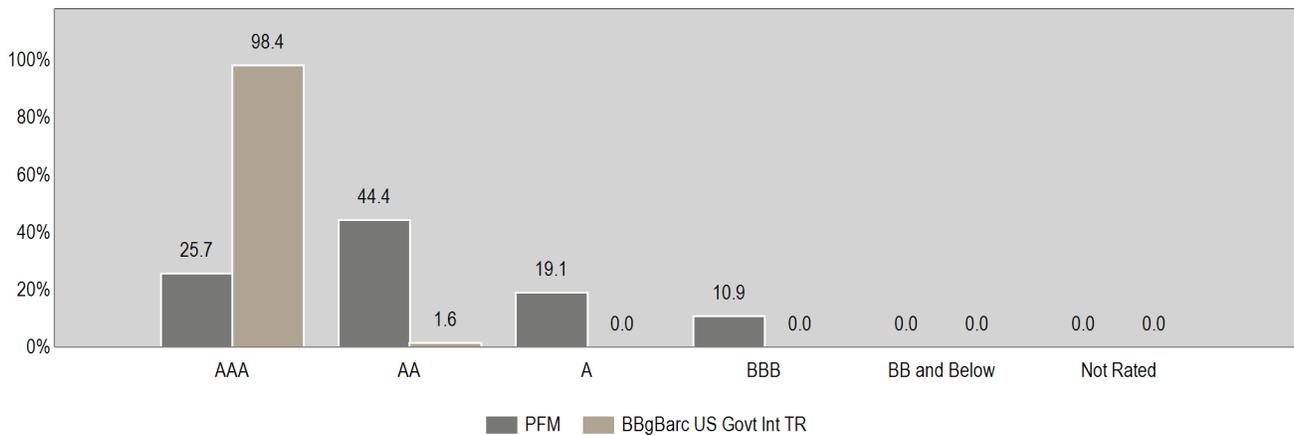
Sector

| | Portfolio | Index |
|------------|-----------|--------|
| | Q3-18 | Q3-18 |
| UST/Agency | 29.3% | 100.0% |
| Corporate | 30.6% | -- |
| MBS | 25.6% | -- |
| ABS | -- | -- |
| Foreign | 14.5% | -- |
| Muni | -- | -- |
| Other | 0.0% | -- |

Maturity

| | Q3-18 |
|----------------|-------|
| <1 Year | 2.3% |
| 1-3 Years | 32.3% |
| 3-5 Years | 44.6% |
| 5-7 Years | 20.4% |
| 7-10 Years | 0.1% |
| 10-15 Years | 0.0% |
| 15-20 Years | 0.2% |
| >20 Years | 0.0% |
| Not Rated/Cash | 0.0% |

Quality Distribution



Total Fund Composite

Fee Schedule

Market Value: \$116.8 Million and 100.0% of Fund

| Asset Class | Investment Manager | Fee Schedule | Expense Ratio & Estimated Annual Fee ¹ | Industry Average ² |
|---|----------------------------|---|---|-------------------------------|
| Int. Govt. Fixed Income | BMO/TCH | 0.15% on the Balance | 0.15% \$55,844 | 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 | 0.09% \$35,427 | 0.25% |
| Total Investment Management Fees | | | 0.08% \$91,271 | 0.16% |
| Investment Consultant | Marquette Associates, Inc. | \$25,000 Annual Fee | 0.02% \$25,000 | N/A |
| Total Fund | | | 0.10% \$116,271 | |

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

² Source: 2016 Marquette Associates Investment Management Fee Study.

City of Naperville

Q3 2018 Investment Review

Presented by:

Meaghan Ryan, CFA

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 narrowed somewhat during the 3rd quarter
- The Fed commentary exhibited further confidence in the US economy with the removal of the "accommodative" policy reference
- Measures of volatility have declined as financial markets have re-centered on the US economy as opposed global trade rhetoric
- The policy divergence between the Fed and ECB has widened further as the concerns over the Eurozone structure resurfaced in Italy
- Financial conditions which had shown signs of tighter policy, once again eased as U.S. economic data bolstered lending markets and general sentiment
- Duration construction: U.S. economic data, Fed vigilance and tightening labor market conditions suggest higher benchmark rates, though somewhat constrained by economic tensions and a slow follow through to real wages

SECTOR OUTLOOK

- Investment Grade Credit: Subscription levels for primary issues remains robust throughout credit markets as incremental demand for U.S. credit continues to outstrip supply; The rise in absolute yields and the decline in volatility have replaced the global marginal buyer with domestic; Short to intermediate duration assets appear particularly attractive
- Securitized: Agency MBS spreads remain unremarkable in a broad context, but weathered concerns over extension risk and Fed hawkishness quite well; CMBS "dupers" still appear attractive relative to similarly-rated cross sector opportunities
- "Beta" Sectors: Highly selective approach to high yield opportunities, particularly following the relative performance of lower-quality securities; EMD sell-off has not been sufficiently broad to garner a structural opportunity

QUALITY DECISIONS

- Overall, lower quality outperformed during 3Q 2018 as concerns over M&A supply and volatility have abated; accordingly, most dislocations narrowed significantly; however, headline-related opportunities continue to surface through markets
- Following the OAS rally, primary market concessions continue to underwhelm, opportunity remains in secondary markets

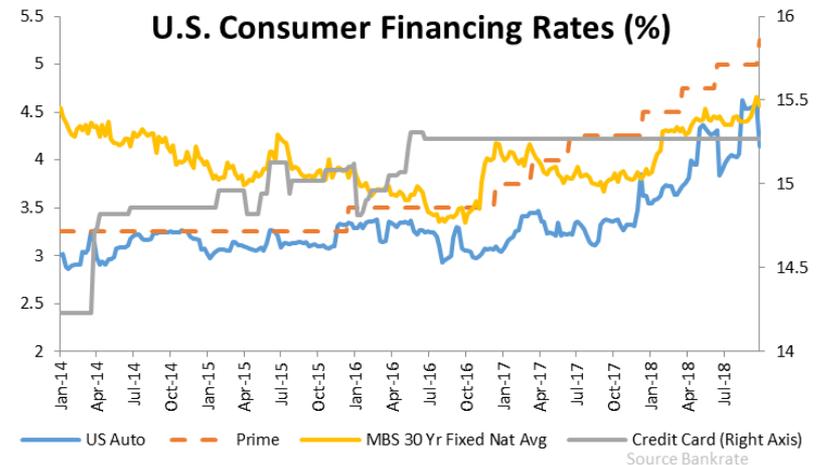
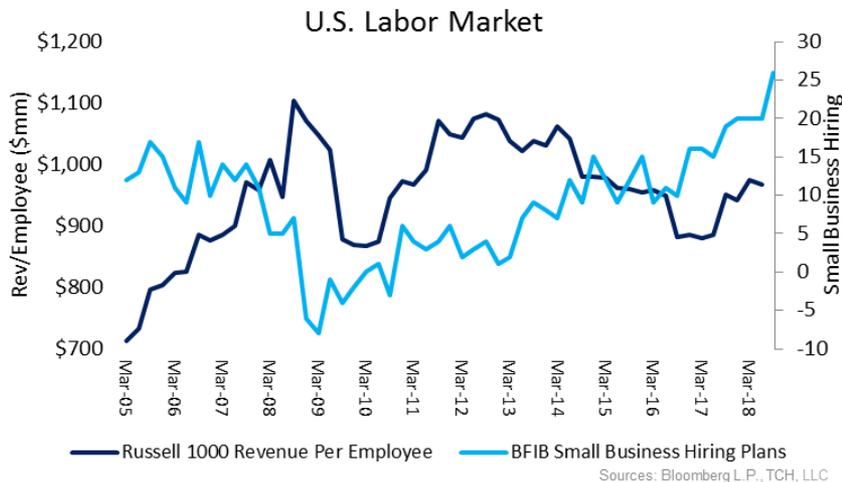
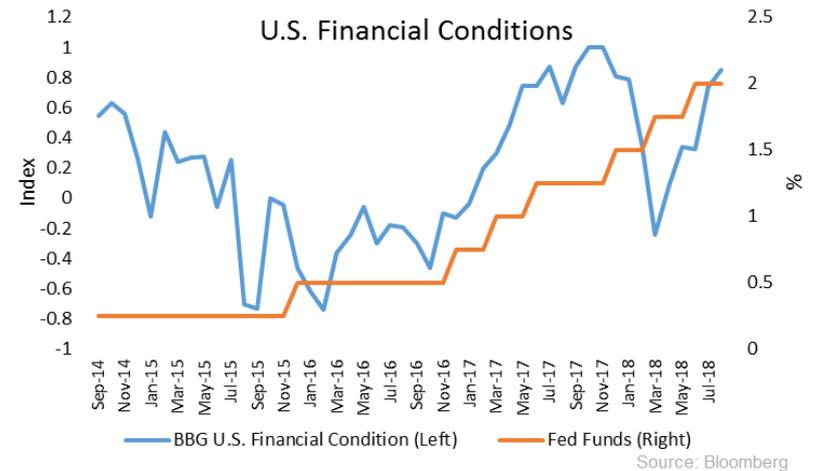
SECURITY SELECTION

- 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

U.S. economic growth remains solid despite global trade talk

- While U.S. financial conditions had exhibited signs of tighter monetary policy, overall conditions have since eased as economic growth remains solid
- Small businesses continue to hire aggressively, driving the cost of labor acquisitions higher; however, until large companies begin to adjust wages beyond “cost-of-living”, real wage growth will continue to lag
- Higher consumer financing costs have been orderly as domestic consumption and consumer sentiment remain strong, with the latter reading at a five year high

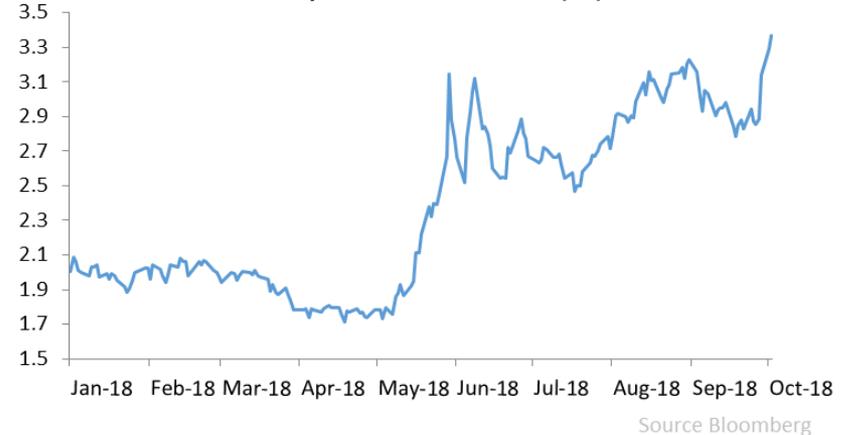


Global Economic Outlook

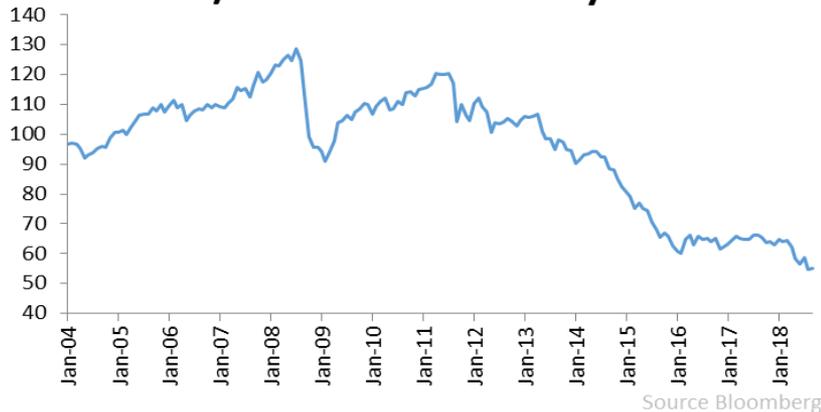
The global “synchronized growth” story remains elusive

- The ECB policy of the “whole is greater than the sum” is being tested yet again as prominent Italian Eurozone skeptics express concerns over the country’s budget deficit and use of the common currency
- Economic data within China continues to show mixed signals as escalating trade tensions with the U.S. have battered local financial markets
- A confluence of monetary policy trade tensions, geo-political risks and negative sentiment have led to further declines in notable EM currency markets, exacerbating the debt burden for some

Italy 10 Yr Sov Yield (%)



BBG/JPM LatAm Currency Index



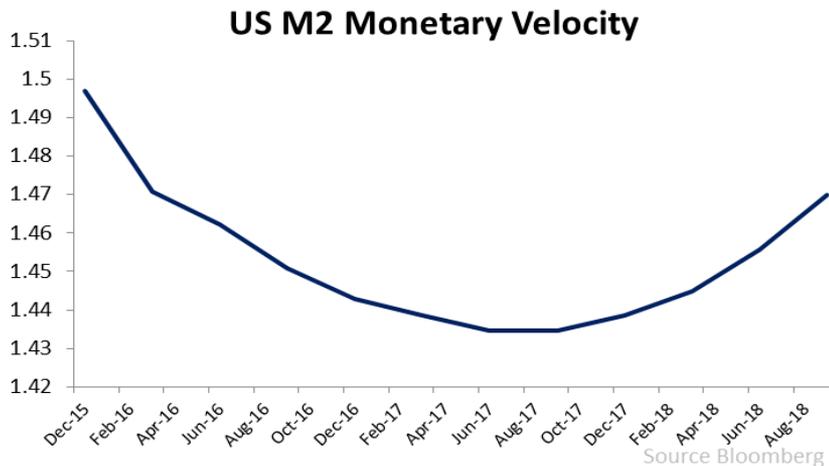
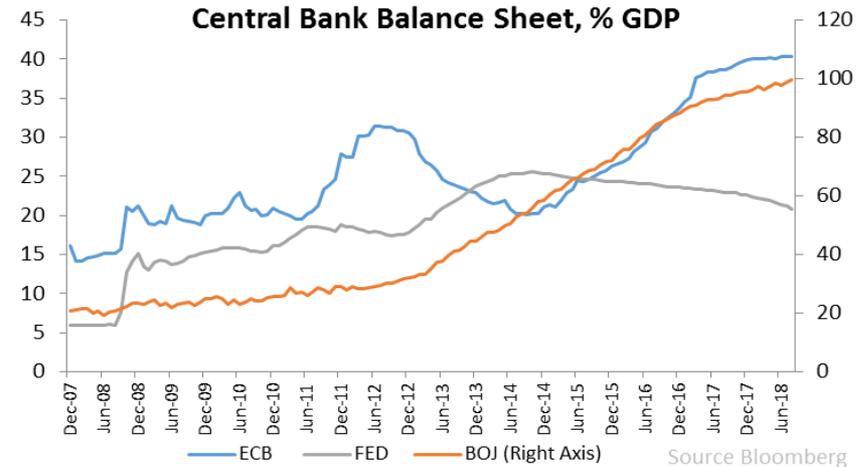
China vs. U.S. Equity Prices



U.S. Interest Rate Outlook

What's in a word? U.S. economy transitions away from “accommodative” policy

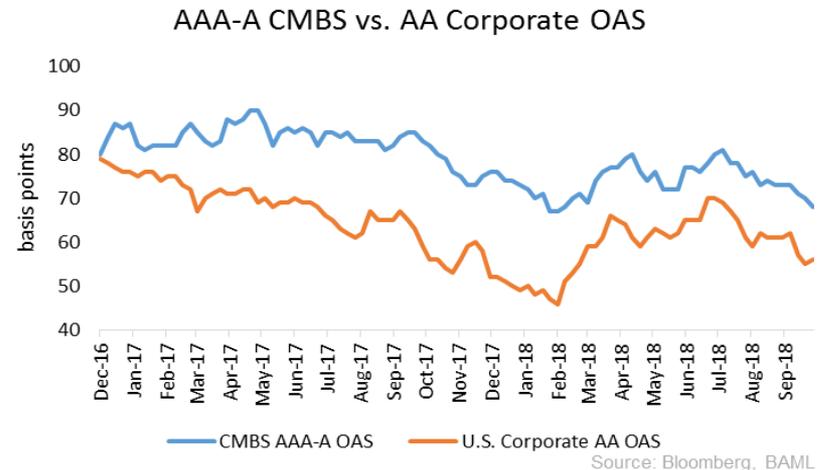
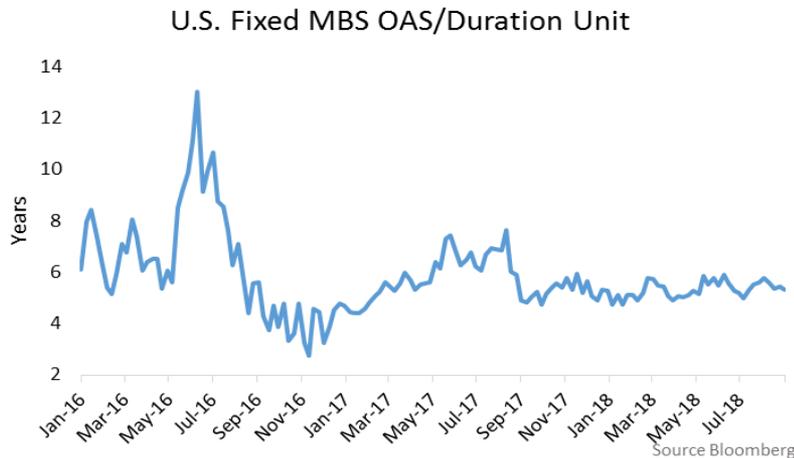
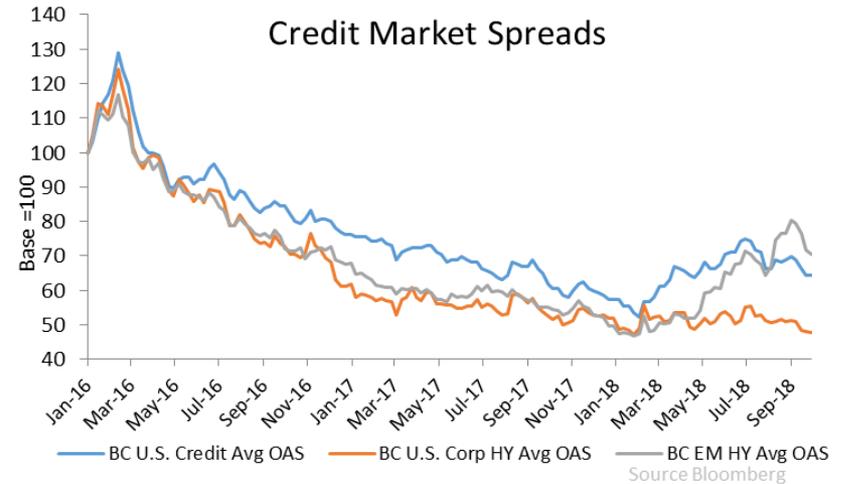
- The divergence amongst global central banks widened as the gap between U.S. benchmark yields and economic output narrowed
- Despite structural factors such as the new marginal consumer being more encumbered with debt than during any past period, monetary velocity has accelerated for the first time in five years
- Though inflation expectations have held above the 2% target, absent an acceleration in the Phillips Curve, a flatter U.S term structure will remain stubborn



Spread Sector Outlook

U.S. spread sectors enter 4Q 2018 on firm footing across the quality spectrum

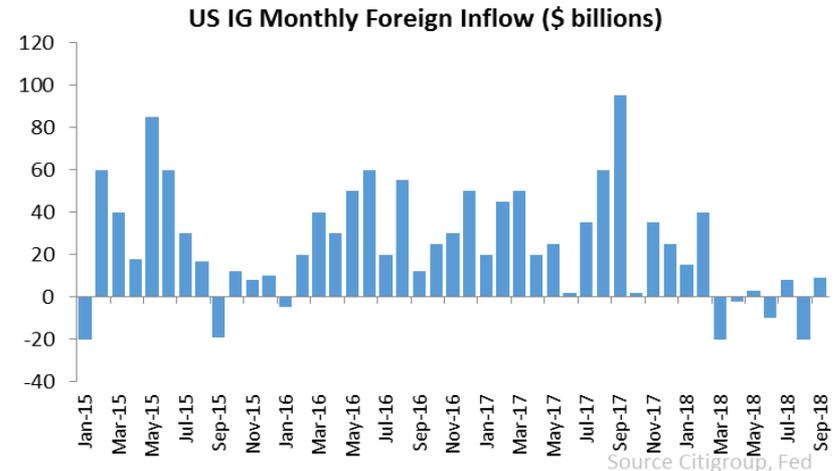
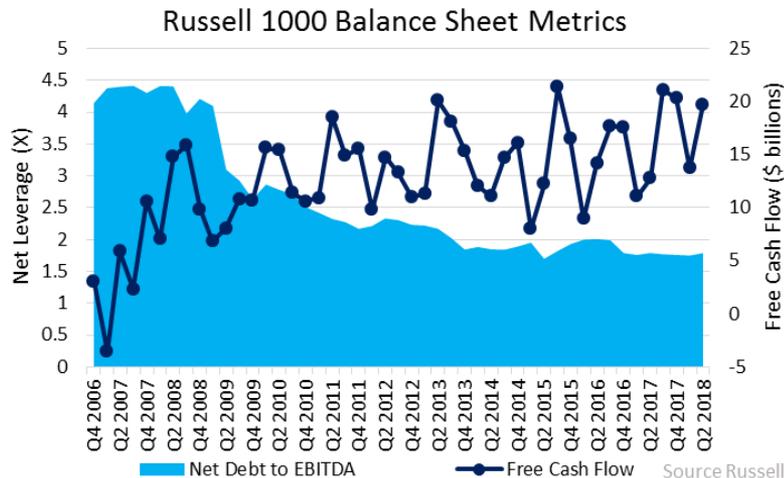
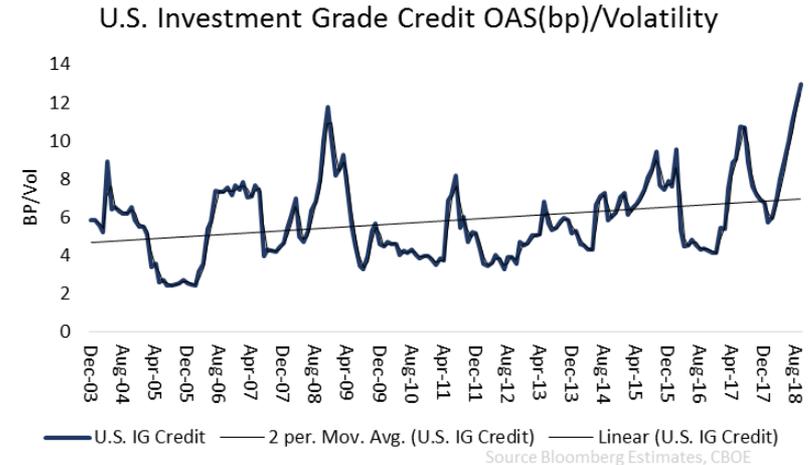
- Following strong performance during 3Q 2018, particularly for lower quality, the backdrop for U.S. credit markets remains favorable given continued strength in the domestic economy
- The notable underperformance of EMD may present a longer-term opportunity, but presently, the repricing has yet to be sufficiently dispersed across countries/issuers
- MBS spreads have performed well despite rising benchmark yields and a more hawkish Fed; high quality CMBS remains relatively attractive



Credit Market Outlook

Higher yields, solid data and low volatility: Demand for U.S. credit likely to persist

- U.S. investment grade corporate bonds have reached their highest absolute yields in over five years offering an attractive entry point, particularly when coupled with low, stable volatility environment
- Robust demand should persist through both primary and secondary markets as domestic participants have more than offset a decline in the global marginal buyer; Short to intermediate duration assets appear particularly attractive
- Overall, corporate balance sheets have been well-managed throughout the extended credit cycle



City of Naperville: Q3 Activity

| Market Value Reconciliation: Q3 2018 | | |
|---|-----------|----------------------|
| Ending Market Value: June 30, 2018* | \$ | 29,187,482.77 |
| Contributions/Withdrawals | \$ | 8,000,000.00 |
| Net Invested Funds | \$ | 37,187,482.77 |
| Net Income | \$ | 173,919.40 |
| Unrealized Gain/Loss | \$ | (75,075.80) |
| Net Realized Gain/Loss | \$ | (63,150.00) |
| Ending Market Value: September 30, 2018* | \$ | 37,223,176.37 |

* Market values include accrued income

Performance & Market Value as of September 30, 2018

| | QTD | 1 Year | 3 Years | 5 Years | Since Inception* |
|--------------------------|--------|--------|---------|---------|------------------|
| Portfolio (Gross) | 0.12% | -0.79% | 0.60% | 1.19% | 2.05% |
| Portfolio (Net) | 0.09% | -0.94% | 0.45% | 1.04% | 1.89% |
| <i>Barclays Govt Int</i> | -0.11% | -1.18% | 0.19% | 0.93% | 1.78% |

Market Value (including accruals)

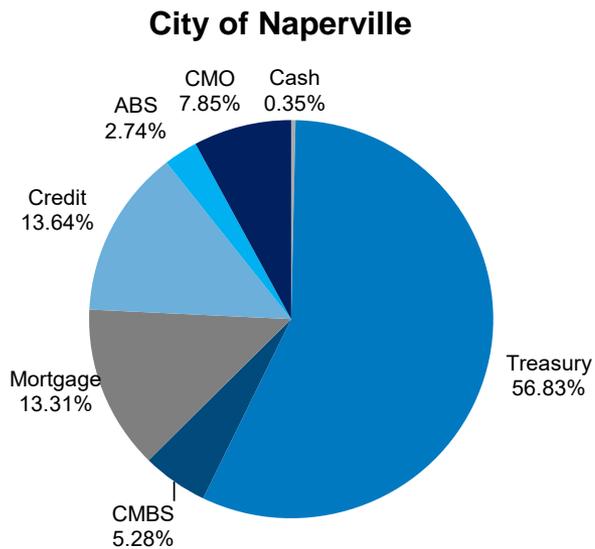
\$37,223,176

* Inception Date: October 1, 2009

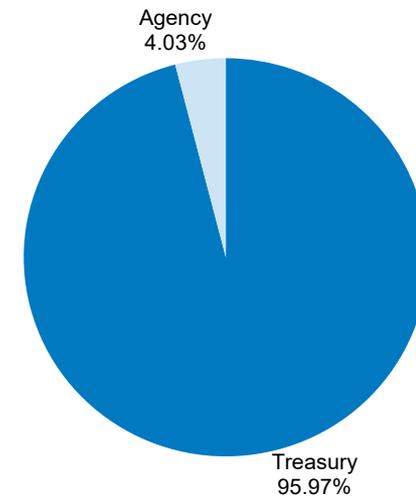
Fixed Income Profile as of June 30, 2018

| | 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



Barclays Intermediate Government



Source: BondEdge

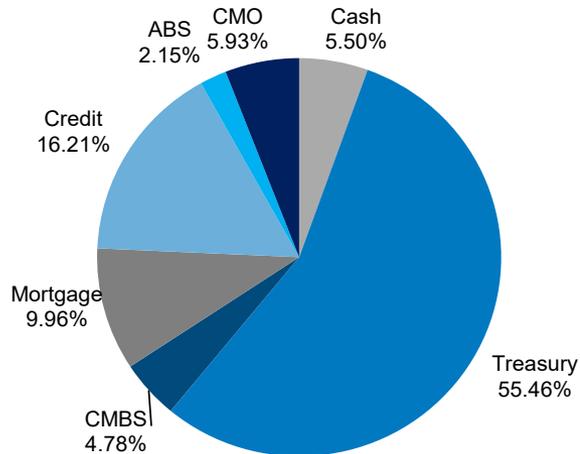
Note: Totals may not be exact due to rounding.

Fixed Income Profile as of September 30, 2018

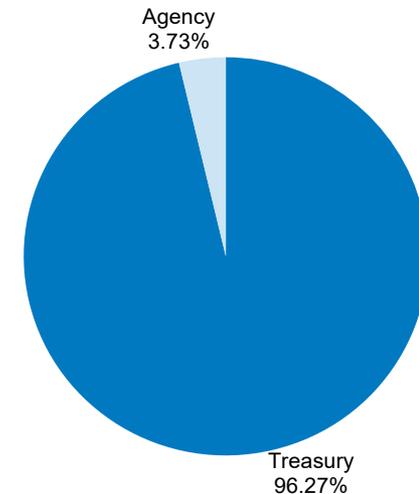
| | Avg. Coupon | Yield to Maturity | Avg. Quality | Avg. Duration | Avg. Maturity |
|----------------------------------|-------------|-------------------|--------------|---------------|---------------|
| City of Naperville | 2.42% | 3.10% | Aa2 | 3.53 yrs | 4.06 yrs |
| Barclays Intermediate Government | 2.12% | 2.90% | Aaa | 3.74 yrs | 4.03 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 September 30, 2018

| Issuer | % Held | Type |
|---------------------------|---------------|-------|
| FNMA 2010-025- ND | 0.05 | FIXED |
| FHLMC 4182- VB | 1.70 | FIXED |
| FNMA 2011-027- DB | 2.68 | FIXED |
| FHLMC K062- A2 | 1.34 | FIXED |
| FHLMC K-066- A2 | 1.30 | FIXED |
| FHLMC K-068- A2 | 1.31 | FIXED |
| FNMA POOL - AP7831 | 1.69 | FIXED |
| FHLMC GOLD POOL - G14713 | 1.12 | FIXED |
| FHLMC 2973- EB | 0.16 | FIXED |
| FNMA 2012-021- PJ | 1.04 | FIXED |
| FNMA 2012-028- PT | 0.31 | FIXED |
| GNMA2 POOL - MA1996 | 0.20 | FIXED |
| GNMA2 POOL - MA2149 | 0.42 | FIXED |
| GNMA2 POOL - 626912 | 1.16 | FIXED |
| FNMA POOL - AY6521 | 0.34 | FIXED |
| FNMA POOL - AS5444 | 0.99 | FIXED |
| FNMA POOL - AS6815 | 0.46 | FIXED |
| FNMA POOL - MA2771 | 0.77 | FIXED |
| FNMA POOL - MA2806 | 0.56 | FIXED |
| FNMA POOL - AS8483 | 0.57 | FIXED |
| FHLMC GOLD POOL - G08775 | 1.68 | FIXED |
| CITIGROUP MTG 2018-B2- A4 | 0.68 | FIXED |
| GNMA 2011-042- B | 0.15 | FLOAT |
| Total | 20.68% | |

Source: BondEdge

Note: Totals may not be exact due to rounding.

Maturity Breakdown – Sector Type as of September 30, 2018

| Maturity/Sector | Treasury | Financial | Industrial | MBS | CMBS | ABS | Cash | Total |
|-----------------|--------------|-------------|-------------|--------------|-------------|-------------|-------------|---------------|
| <1.00 | 7.53 | -- | -- | 0.05 | -- | 0.54 | 5.50 | 13.62 |
| 1.00 - 2.99 | 28.02 | 0.81 | 3.37 | 0.16 | 0.15 | 1.61 | -- | 34.12 |
| 3.00 - 4.99 | 9.74 | 3.08 | 1.46 | 8.22 | -- | -- | -- | 22.50 |
| 5.00 - 6.99 | 2.53 | -- | 2.94 | 2.09 | -- | -- | -- | 7.56 |
| 7.00 - 9.99 | 7.63 | 3.13 | 1.42 | 5.37 | 4.64 | -- | -- | 22.19 |
| Total | 55.46 | 7.03 | 9.19 | 15.90 | 4.78 | 2.15 | 5.50 | 100.00 |

Source: BondEdge

Note: Totals may not be exact due to rounding.

Q3 Commentary

Additional cash flows were received during the third quarter. These cash flows were deployed to increase the allocation to credit modestly (+2%), while reducing the relative allocation to securitized products (mortgage backed securities declined by 5%); these changes are a continuation of the incremental approach we have taken to implementing portfolio strategy in the context of recently broadened guidelines.

Changes to key portfolio metrics included reducing relative duration to modestly short of the benchmark – we expect to tactically manage duration in this environment. Portfolio yields increased from 2.96% to 3.10% reflecting higher Treasury yields, but tighter credit spreads.

Source: BondEdge

Note: Totals may not be exact due to rounding.

Appendix

Holdings

PORTFOLIO APPRAISAL
City of Naperville
130
September 30, 2018

| Quantity | Security | Unit Cost | Total Cost | Price | Market Value | Pct. Assets | Unit Income | Annual Income | Cur. Yield |
|------------------------|---|-----------|------------|--------|--------------|-------------|-------------|---------------|------------|
| CORPORATE BONDS | | | | | | | | | |
| 300,000 | CVS HEALTH CORP 3.125% Due 03-09-20 | 99.95 | 299,856 | 100.01 | 300,042 | 0.8 | 3.125 | 9,375 | 3.1 |
| 250,000 | KELLOGG CO. 3.250% Due 05-14-21 | 99.91 | 249,780 | 99.52 | 248,806 | 0.7 | 3.250 | 8,125 | 3.3 |
| 250,000 | CATERPILLAR FINANCIAL SERVICE 3.150% Due 09-07-21 | 99.92 | 249,808 | 99.88 | 249,706 | 0.7 | 3.150 | 7,875 | 3.2 |
| 250,000 | AMERICAN EXPRESS CO. 2.500% Due 08-01-22 | 96.59 | 241,485 | 95.86 | 239,654 | 0.6 | 2.500 | 6,250 | 2.6 |
| 500,000 | JP MORGAN CHASE & CO. 3.375% Due 05-01-23 | 98.06 | 490,285 | 98.16 | 490,801 | 1.3 | 3.375 | 16,875 | 3.4 |
| 300,000 | ABBVIE, INC. 2.850% Due 05-14-23 | 97.10 | 291,294 | 96.29 | 288,855 | 0.8 | 2.850 | 8,550 | 3.0 |
| 400,000 | MORGAN STANLEY 4.100% Due 05-22-23 | 100.67 | 402,660 | 100.62 | 402,476 | 1.1 | 4.100 | 16,400 | 4.1 |
| 400,000 | FISERV INC 3.800% Due 10-01-23 | 99.95 | 399,816 | 99.98 | 399,901 | 1.1 | 3.800 | 15,200 | 3.8 |
| 100,000 | ABBVIE, INC. 3.750% Due 11-14-23 | 99.87 | 99,872 | 99.61 | 99,611 | 0.3 | 3.750 | 3,750 | 3.8 |
| 300,000 | ANHEUSER-BUSCH INBEV WOR 3.500% Due 01-12-24 | 99.51 | 298,521 | 98.96 | 296,877 | 0.8 | 3.500 | 10,500 | 3.5 |
| 300,000 | ACTAVIS FUNDING SCS 3.800% Due 03-15-25 | 98.33 | 294,981 | 97.92 | 293,773 | 0.8 | 3.800 | 11,400 | 3.9 |
| 250,000 | GE CAPITAL INTL FUNDING 3.373% Due 11-15-25 | 96.59 | 241,468 | 95.20 | 237,993 | 0.6 | 3.373 | 8,433 | 3.5 |
| 300,000 | TIME WARNER, INC. 3.800% Due 02-15-27 | 96.88 | 290,643 | 95.66 | 286,968 | 0.8 | 3.800 | 11,400 | 4.0 |
| 250,000 | KIMCO REALTY CORP. 3.800% Due 04-01-27 | 97.66 | 244,143 | 95.58 | 238,946 | 0.6 | 3.800 | 9,500 | 4.0 |
| 300,000 | MID-AMERICA APARTMENTS 3.600% Due 06-01-27 | 97.56 | 292,674 | 95.28 | 285,834 | 0.8 | 3.600 | 10,800 | 3.8 |

PORTFOLIO APPRAISAL
City of Naperville
130
September 30, 2018

| Quantity | Security | Unit Cost | Total Cost | Price | Market Value | Pct. Assets | Unit Income | Annual Income | Cur. Yield |
|---|--|-----------|------------|--------|--------------|-------------|-------------|---------------|------------|
| 400,000 | BANK OF AMERICA CORP. 3.824% Due 01-20-28 | 97.92 | 391,668 | 97.31 | 389,248 | 1.0 | 3.824 | 15,296 | 3.9 |
| 250,000 | MPLX LP 4.000% Due 03-15-28 Accrued Interest | 98.41 | 246,023 | 96.18 | 240,455 | 0.6 | 4.000 | 10,000 | 4.2 |
| | | | | | 40,547 | 0.1 | | | |
| | | | 5,024,975 | | 5,030,494 | 13.5 | | 179,729 | 3.6 |
| CORPORATE BONDS--FLOATING RATE | | | | | | | | | |
| 250,000 | IBM CREDIT CORP 2.501% Due 02-05-21 | 100.07 | 250,185 | 100.17 | 250,431 | 0.7 | 2.501 | 6,251 | 2.5 |
| 300,000 | LLOYDS BANK PLC 2.833% Due 05-07-21 | 100.00 | 300,000 | 100.35 | 301,045 | 0.8 | 2.833 | 8,499 | 2.8 |
| 200,000 | GLAXOSMITHKLINE CAPITAL 2.669% Due 05-14-21 | 100.00 | 200,000 | 100.54 | 201,075 | 0.5 | 2.669 | 5,339 | 2.7 |
| 250,000 | FORD MOTOR CREDIT CO. LLC 3.656% Due 03-28-22 Accrued Interest | 101.42 | 253,560 | 99.87 | 249,670 | 0.7 | 3.656 | 9,140 | 3.7 |
| | | | | | 2,978 | 0.0 | | | |
| | | | 1,003,745 | | 1,005,199 | 2.7 | | 29,229 | 2.9 |
| U.S. GOVERNMENT AND AGENCY BONDS | | | | | | | | | |
| 1,300,000 | U.S. TREASURY 3.750% Due 11-15-18 | 105.13 | 1,366,669 | 100.20 | 1,302,569 | 3.5 | 3.750 | 48,750 | 3.7 |
| 1,465,000 | U.S. TREASURY 3.625% Due 08-15-19 | 105.48 | 1,545,353 | 100.84 | 1,477,246 | 4.0 | 3.625 | 53,106 | 3.6 |
| 2,200,000 | U.S. TREASURY 1.375% Due 10-31-20 | 97.45 | 2,143,905 | 97.06 | 2,135,289 | 5.7 | 1.375 | 30,250 | 1.4 |
| 945,000 | U.S. TREASURY 2.625% Due 11-15-20 | 95.92 | 906,400 | 99.54 | 940,644 | 2.5 | 2.625 | 24,806 | 2.6 |
| 750,000 | U.S. TREASURY NOTES 2.000% Due 11-30-20 | 101.64 | 762,307 | 98.23 | 736,729 | 2.0 | 2.000 | 15,000 | 2.0 |
| 1,000,000 | U.S. TREASURY 1.625% Due 11-30-20 | 99.90 | 999,027 | 97.45 | 974,492 | 2.6 | 1.625 | 16,250 | 1.7 |

PORTFOLIO APPRAISAL
City of Naperville
130
September 30, 2018

| Quantity | Security | Unit Cost | Total Cost | Price | Market Value | Pct. Assets | Unit Income | Annual Income | Cur. Yield |
|---|--|-----------|------------|-------|--------------|-------------|-------------|---------------|------------|
| 2,300,000 | U.S. TREASURY 1.375% Due 01-31-21 | 101.29 | 2,329,726 | 96.67 | 2,223,364 | 6.0 | 1.375 | 31,625 | 1.4 |
| 3,500,000 | U.S. TREASURY 1.375% Due 05-31-21 | 99.19 | 3,471,765 | 96.17 | 3,366,017 | 9.0 | 1.375 | 48,125 | 1.4 |
| 3,850,000 | U.S. TREASURY 1.500% Due 02-28-23 | 95.80 | 3,688,109 | 94.05 | 3,621,106 | 9.7 | 1.500 | 57,750 | 1.6 |
| 500,000 | U.S. TREASURY 2.000% Due 02-15-25 | 99.98 | 499,902 | 94.18 | 470,899 | 1.3 | 2.000 | 10,000 | 2.1 |
| 500,000 | U.S. TREASURY 2.000% Due 08-15-25 | 94.86 | 474,318 | 93.71 | 468,555 | 1.3 | 2.000 | 10,000 | 2.1 |
| 1,700,000 | U.S. TREASURY 1.625% Due 02-15-26 | 101.07 | 1,718,202 | 90.75 | 1,542,684 | 4.1 | 1.625 | 27,625 | 1.8 |
| 500,000 | U.S. TREASURY NOTES 2.875% Due 05-15-28 Accrued Interest | 99.29 | 496,465 | 98.49 | 492,461 | 1.3 | 2.875 | 14,375 | 2.9 |
| | | | 20,402,148 | | 19,846,682 | 53.3 | | 387,663 | 2.0 |
| TREASURY INFLATION PROTECTED SECURITIES (TIPS) | | | | | | | | | |
| 521,625.00 | TREASURY INFLATION PROTECTED SECURITIES (TIPS) 0.375% Due 01-15-27 | 98.81 | 515,431 | 95.46 | 497,928 | 1.3 | 0.375 | 1,956 | 0.4 |
| 301,182.00 | TREASURY INFLATION PROTECTED SECURITIES (TIPS) 0.750% Due 07-15-28 Accrued Interest | 100.11 | 301,501 | 98.39 | 296,319 | 0.8 | 0.750 | 2,259 | 0.8 |
| | | | 816,932 | | 795,129 | 2.1 | | 4,215 | 0.5 |
| MORTGAGE-BACKED SECURITIES | | | | | | | | | |
| 646,709.79 | FNCI POOL #AP7831 2.500% Due 09-01-27 | 103.84 | 671,568 | 97.28 | 629,126 | 1.7 | 2.500 | 16,168 | 2.6 |
| 426,947.30 | FGLMC POOL #G14713 2.500% Due 04-01-28 | 103.45 | 441,690 | 97.15 | 414,766 | 1.1 | 2.500 | 10,674 | 2.6 |

PORTFOLIO APPRAISAL
City of Naperville
130
September 30, 2018

| Quantity | Security | Unit Cost | Total Cost | Price | Market Value | Pct. Assets | Unit Income | Annual Income | Cur. Yield |
|--|--|-----------|------------|--------|--------------|-------------|-------------|---------------|------------|
| 72,569.87 | G2SF POOL #MA1996 4.000% Due 06-20-44 | 106.05 | 76,958 | 102.50 | 74,382 | 0.2 | 4.000 | 2,903 | 3.9 |
| 151,455.32 | G2SF POOL #MA2149 4.000% Due 08-20-44 | 106.90 | 161,903 | 102.50 | 155,243 | 0.4 | 4.000 | 6,058 | 3.9 |
| 444,532.98 | GNSF POOL #626912 3.000% Due 02-20-45 | 103.09 | 458,286 | 97.04 | 431,357 | 1.2 | 3.000 | 13,336 | 3.1 |
| 128,530.69 | FNCL POOL #AY6521 3.500% Due 04-01-45 | 104.05 | 133,732 | 98.57 | 126,698 | 0.3 | 3.500 | 4,499 | 3.6 |
| 381,964.38 | FNCL POOL #AS4720 3.000% Due 07-01-45 | 99.44 | 379,816 | 96.00 | 366,667 | 1.0 | 3.000 | 11,459 | 3.1 |
| 176,776.90 | FNCL POOL #AS6815 3.000% Due 03-01-46 | 101.91 | 180,147 | 95.82 | 169,391 | 0.5 | 3.000 | 5,303 | 3.1 |
| 300,333.34 | FNCL POOL #MA2771 3.000% Due 10-01-46 | 104.20 | 312,945 | 95.79 | 287,677 | 0.8 | 3.000 | 9,010 | 3.1 |
| 216,422.52 | FNCL POOL #MA2806 3.000% Due 11-01-46 | 100.58 | 217,674 | 95.78 | 207,292 | 0.6 | 3.000 | 6,493 | 3.1 |
| 222,902.45 | FNCL POOL #AS8483 3.000% Due 12-01-46 | 99.84 | 222,537 | 95.77 | 213,476 | 0.6 | 3.000 | 6,687 | 3.1 |
| 616,948.81 | FGLMC POOL #G08775 4.000% Due 08-01-47 | 104.89 | 647,121 | 101.09 | 623,661 | 1.7 | 4.000 | 24,678 | 4.0 |
| | Accrued Interest | | | | 9,447 | 0.0 | | | |
| | | | 3,904,377 | | 3,709,183 | 10.0 | | 117,267 | 3.2 |
| COMMERCIAL MORTGAGE-BACKED SECURITIES | | | | | | | | | |
| 500,000.00 | FHLMC MULTIFAMILY STRUCTURED PASSTHROUGH SERIES K062 CLASS A2 3.413% Due 12-25-26 | 103.00 | 514,989 | 99.32 | 496,575 | 1.3 | 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 | 96.87 | 484,365 | 1.3 | 3.117 | 15,585 | 3.2 |

PORTFOLIO APPRAISAL
City of Naperville
130
September 30, 2018

| Quantity | Security | Unit Cost | Total Cost | Price | Market Value | Pct. Assets | Unit Income | Annual Income | Cur. Yield |
|--|--|-----------|------------|-------|--------------|-------------|-------------|---------------|------------|
| 500,000.00 | FHLMC MULTIFAMILY STRUCTURED PASSTHROUGH SERIES K068 CLASS A2 3.244% Due 08-25-27 Accrued Interest | 103.00 | 514,984 | 97.59 | 487,970 | 1.3 | 3.244 | 16,220 | 3.3 |
| | | | | | 3,937 | 0.0 | | | |
| | | | 1,544,948 | | 1,472,847 | 4.0 | | 48,870 | 3.3 |
| COMMERCIAL MORTGAGE-BACKED SECURITIES--FLOATING | | | | | | | | | |
| 54,326.29 | GNR SERIES 2011-42 CLASS B 3.622% Due 07-16-47 Accrued Interest | 101.24 | 55,001 | 99.71 | 54,167 | 0.1 | 3.622 | 1,968 | 3.6 |
| | | | | | 159 | 0.0 | | | |
| | | | 55,001 | | 54,325 | 0.1 | | 1,968 | 3.6 |
| ASSET-BACKED SECURITIES | | | | | | | | | |
| 200,000.00 | HONDA AUTO RECEIVABLES OWNER TRUST SERIES 2018-2 CLASS A2 2.660% Due 12-18-20 | 100.00 | 200,000 | 99.92 | 199,848 | 0.5 | 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 | 99.82 | 299,448 | 0.8 | 3.000 | 9,000 | 3.0 |
| 300,000.00 | CARMAX AUTO OWNER TRUST SERIES 2018-2 CLASS A3 2.980% Due 01-17-23 Accrued Interest | 100.00 | 299,988 | 99.65 | 298,947 | 0.8 | 2.980 | 8,940 | 3.0 |
| | | | | | 900 | 0.0 | | | |
| | | | 799,967 | | 799,143 | 2.1 | | 23,260 | 2.9 |

PORTFOLIO APPRAISAL
City of Naperville
130
September 30, 2018

| Quantity | Security | Unit Cost | Total Cost | Price | Market Value | Pct. Assets | Unit Income | Annual Income | Cur. Yield |
|-----------------------------|--|-----------|-------------------|--------|-------------------|--------------|-------------|----------------|------------|
| CMO'S | | | | | | | | | |
| 17,071.99 | FNMA REMIC TRUST 2010-25 3.500% Due 03-25-25 | 107.25 | 18,310 | 99.99 | 17,070 | 0.0 | 3.500 | 598 | 3.5 |
| 631,125.44 | FGHL SERIES 4182 CLASS VB 3.500% Due 03-15-26 | 104.80 | 661,400 | 100.05 | 631,466 | 1.7 | 3.500 | 22,089 | 3.5 |
| 1,000,000.00 | FNMA REMIC TRUST 2011-27 3.000% Due 04-25-26 | 105.25 | 1,052,500 | 99.38 | 993,770 | 2.7 | 3.000 | 30,000 | 3.0 |
| 57,091.48 | FHLMC REMIC SERIES 2973 5.500% Due 04-15-35 | 100.49 | 57,370 | 103.09 | 58,856 | 0.2 | 5.500 | 3,140 | 5.3 |
| 379,264.40 | FNR 2012-21 PJ 4 4.000% Due 03-25-41 | 105.19 | 398,939 | 101.41 | 384,593 | 1.0 | 4.000 | 15,171 | 3.9 |
| 115,724.61 | FANNIE MAE SERIES 2012-28 CLASS PT 4.000% Due 03-25-42 | 103.94 | 120,281 | 100.41 | 116,194 | 0.3 | 4.000 | 4,629 | 4.0 |
| 250,000.00 | CGCMT 2018-B2 A4 4.009% Due 03-10-51 Accrued Interest | 101.84 | 254,600 | 101.43 | 253,568 | 0.7 | 4.009 | 10,023 | 4.0 |
| | | | | | 6,900 | 0.0 | | | |
| | | | 2,563,400 | | 2,462,417 | 6.6 | | 85,649 | 3.5 |
| CASH AND EQUIVALENTS | | | | | | | | | |
| | MONEY-MARKET ACCRUAL | | 5,647 | | 5,647 | 0.0 | 0.181 | 10 | 0.2 |
| | MONEY-MARKET FUNDS | | 2,042,112 | | 2,042,112 | 5.5 | 0.181 | 3,697 | 0.2 |
| | | | 2,047,758 | | 2,047,758 | 5.5 | | 3,707 | 0.2 |
| TOTAL PORTFOLIO | | | 38,163,251 | | 37,223,176 | 100.0 | | 881,556 | 2.4 |

Disclosure

For institutional use only.

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CITY OF NAPERVILLE

Investment Performance Review For the Quarter Ended September 30, 2018

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Amber Cannegieter, Key Account Manager

Q3 2018 Commentary

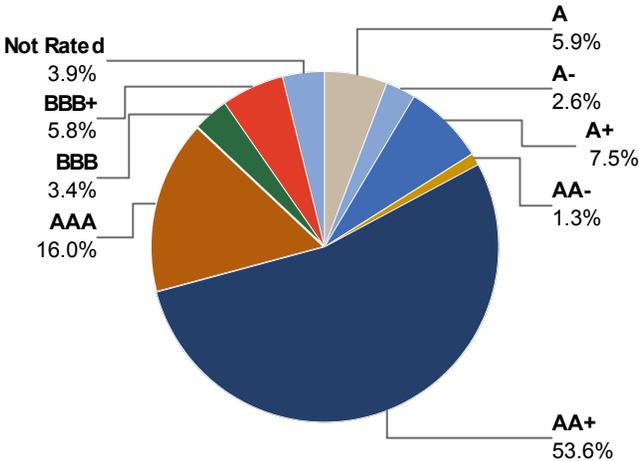
Our allocations to the corporate, agency CMBS and MBS sectors provided positive contributions to performance, as those sectors outperformed Treasuries on a duration-neutral basis by 86, 45 and 17 basis points, respectively, in the third quarter. In addition, the portfolio also benefitted from our supranational and agency allocations, as those sectors generated 9 and 7 basis points of excess returns, respectively. To a lesser extent, the portfolio benefitted from our modestly short duration position, as the yield on the 5-yr. Treasury note increased 21 basis points during the third quarter.

Portfolio Statistics

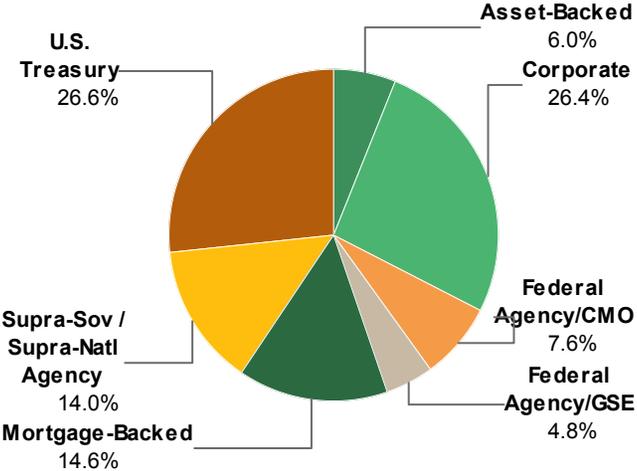
As of September 30, 2018

| | |
|-------------------------------|--------------|
| Par Value: | \$38,349,718 |
| Total Market Value: | \$37,443,207 |
| Security Market Value: | \$37,272,618 |
| Accrued Interest: | \$170,590 |
| Cash: | - |
| Amortized Cost: | \$38,063,556 |
| Yield at Market: | 3.22% |
| Yield at Cost: | 2.69% |
| Effective Duration: | 3.53 Years |
| Duration to Worst: | 3.64 Years |
| Average Maturity: | 6.20 Years |
| Average Credit: * | AA |

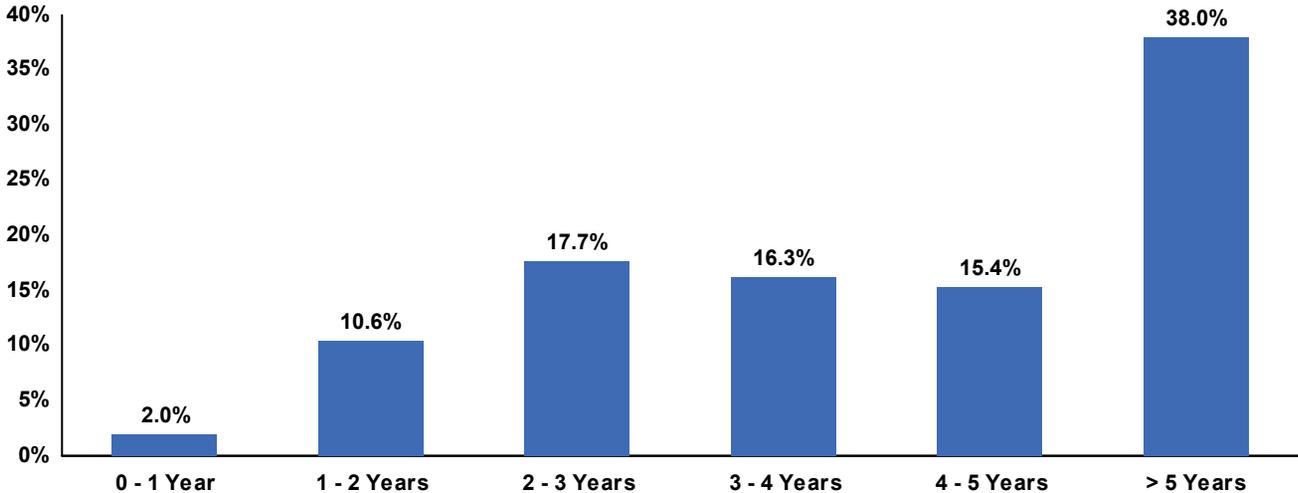
Credit Quality (S&P Ratings)



Sector Allocation



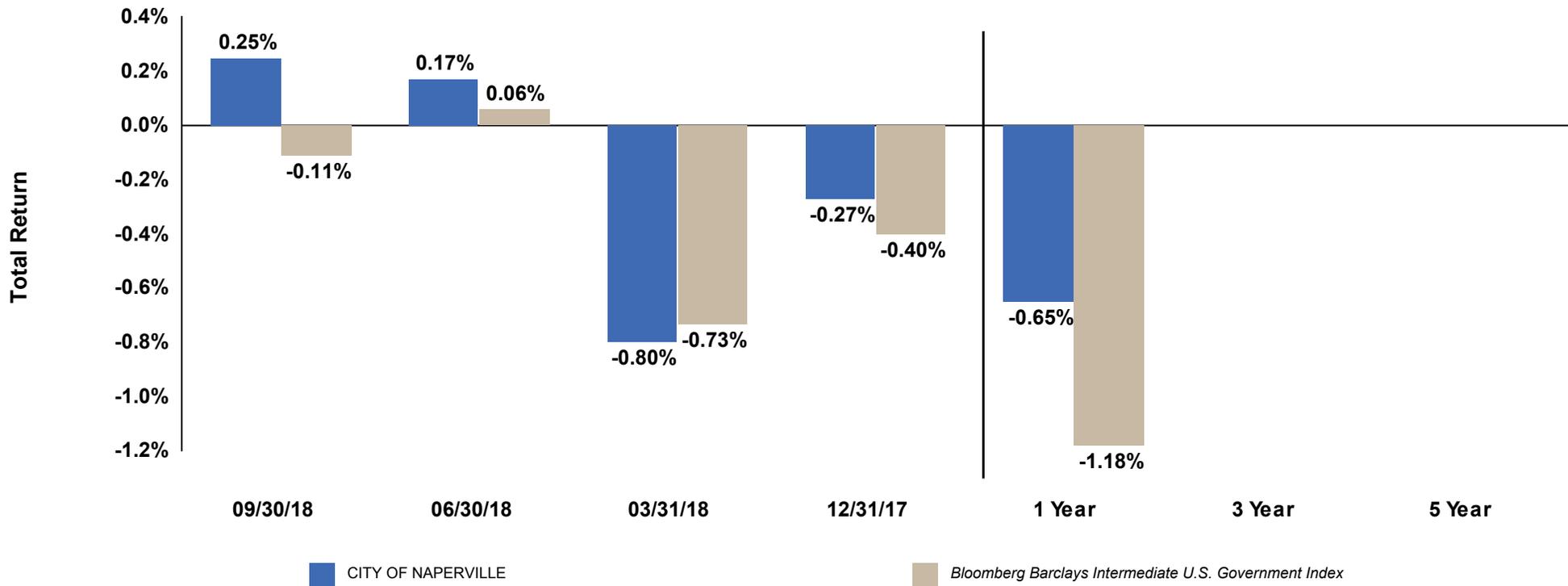
Maturity Distribution



* 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 | |
|--|--------------------|---------------|----------|----------|----------|--------|-------------------|--------|
| | | 09/30/18 | 06/30/18 | 03/31/18 | 12/31/17 | | 3 Year | 5 Year |
| CITY OF NAPERVILLE | 3.53 | 0.25% | 0.17% | -0.80% | -0.27% | -0.65% | - | - |
| <i>Bloomberg Barclays Intermediate U.S. Government Index</i> | 3.67 | -0.11% | 0.06% | -0.73% | -0.40% | -1.18% | - | - |
| Difference | | 0.36% | 0.11% | -0.07% | 0.13% | 0.53% | - | - |



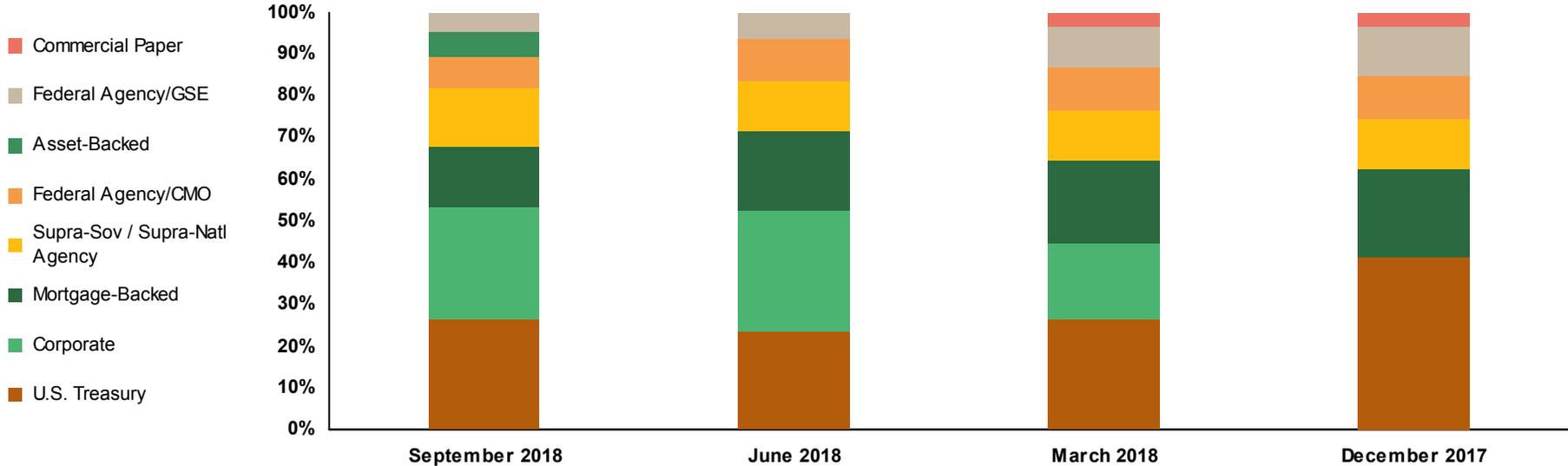
Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Earnings
Quarter-Ended September 30, 2018

| | Market Value Basis | Accrual (Amortized Cost) Basis |
|-------------------------------------|---------------------------|---------------------------------------|
| Beginning Value (06/30/2018) | \$28,741,015.69 | \$29,408,696.21 |
| Net Purchases/Sales | \$8,647,747.10 | \$8,647,747.10 |
| Change in Value | (\$116,145.22) | \$7,112.36 |
| Ending Value (09/30/2018) | \$37,272,617.57 | \$38,063,555.67 |
| Interest Earned | \$179,330.51 | \$179,330.51 |
| Portfolio Earnings | \$63,185.29 | \$186,442.87 |

Sector Allocation

| Sector | September 30, 2018 | | June 30, 2018 | | March 31, 2018 | | December 31, 2017 | |
|-------------------------------|--------------------|---------------|---------------|---------------|----------------|---------------|-------------------|---------------|
| | MV (\$MM) | % of Total | MV (\$MM) | % of Total | MV (\$MM) | % of Total | MV (\$MM) | % of Total |
| U.S. Treasury | 9.9 | 26.6% | 6.8 | 23.7% | 7.7 | 26.5% | 12.3 | 41.4% |
| Corporate | 9.9 | 26.4% | 8.3 | 28.9% | 5.3 | 18.1% | 0.0 | 0.0% |
| Mortgage-Backed | 5.4 | 14.6% | 5.4 | 18.7% | 5.7 | 19.7% | 6.3 | 21.2% |
| Supra-Sov / Supra-Natl Agency | 5.2 | 14.0% | 3.5 | 12.2% | 3.5 | 12.0% | 3.6 | 11.9% |
| Federal Agency/CMO | 2.8 | 7.6% | 2.9 | 10.3% | 3.0 | 10.4% | 3.0 | 10.1% |
| Asset-Backed | 2.2 | 6.0% | 0.0 | 0.0% | 0.0 | 0.0% | 0.0 | 0.0% |
| Federal Agency/GSE | 1.8 | 4.8% | 1.8 | 6.2% | 2.9 | 9.9% | 3.6 | 12.1% |
| Commercial Paper | 0.0 | 0.0% | 0.0 | 0.0% | 1.0 | 3.4% | 1.0 | 3.3% |
| Total | \$37.3 | 100.0% | \$28.7 | 100.0% | \$29.2 | 100.0% | \$29.8 | 100.0% |

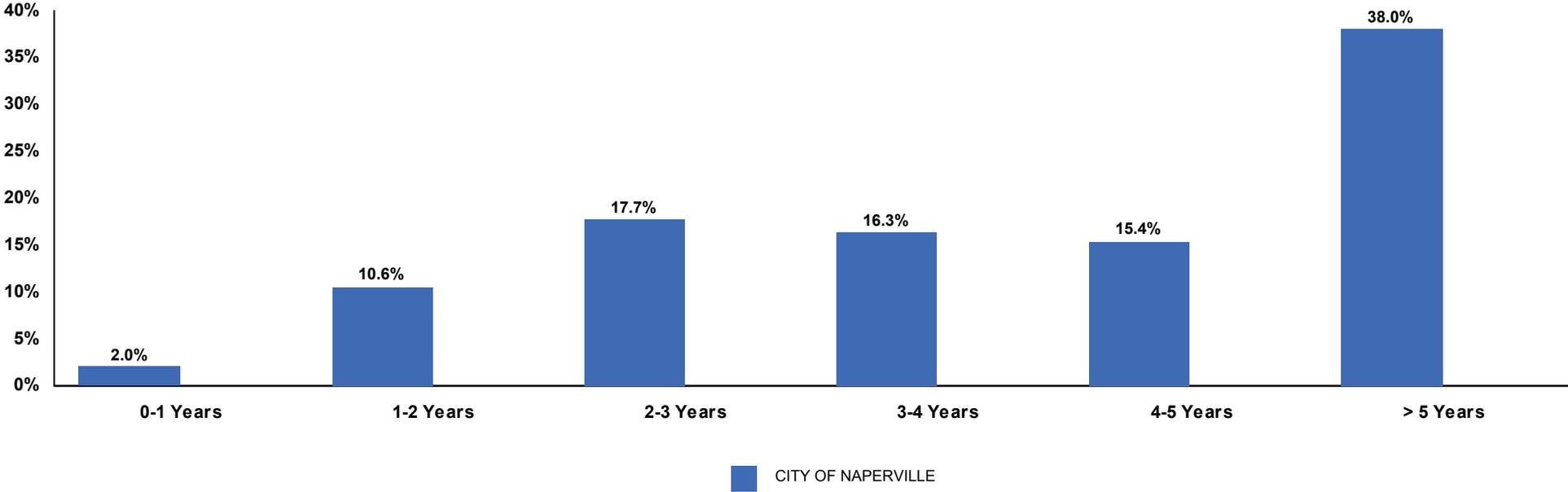


Detail may not add to total due to rounding.

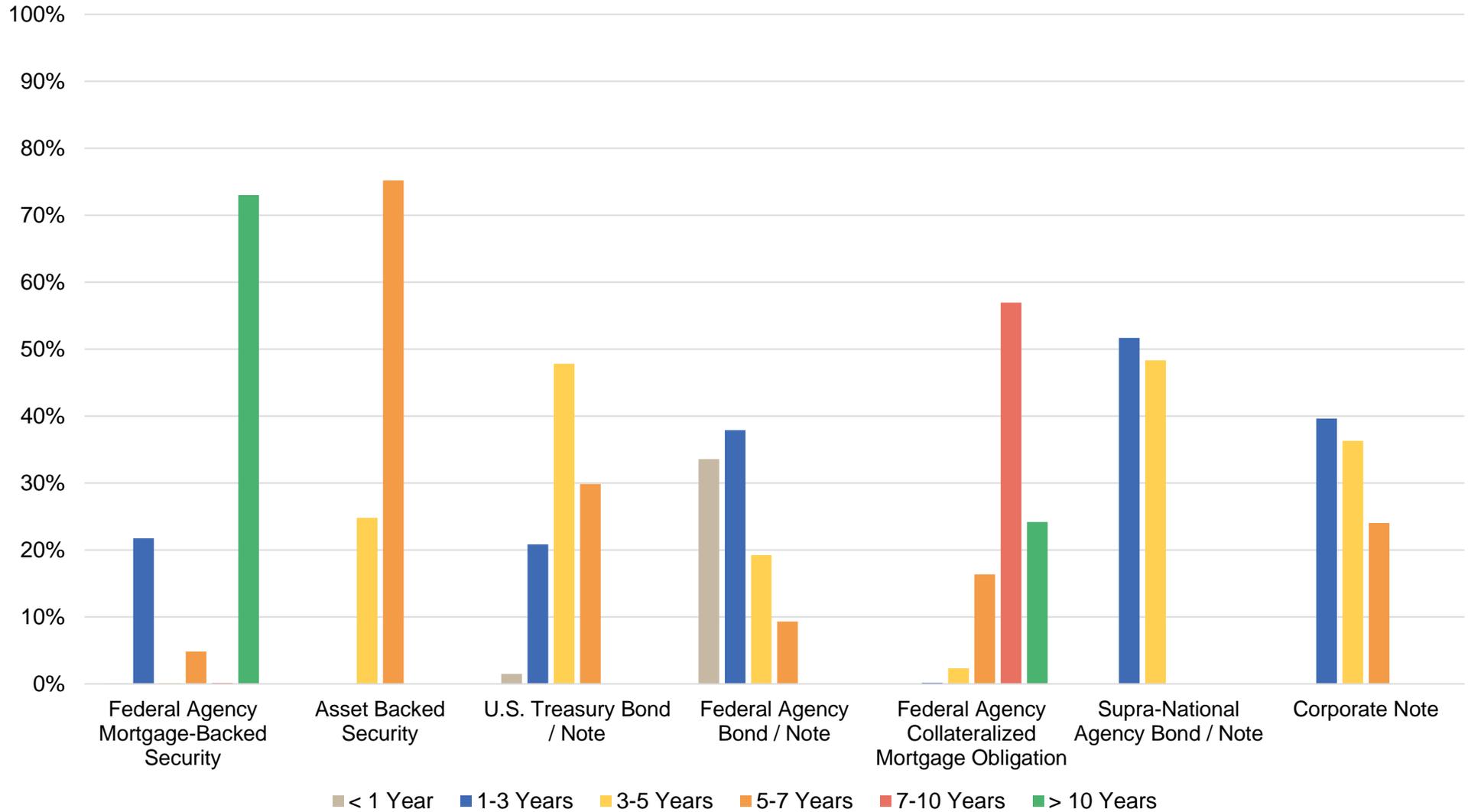
Maturity Distribution

As of September 30, 2018

| Portfolio | 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 | 3.22% | 6.20 yrs | 2.0% | 10.6% | 17.7% | 16.3% | 15.4% | 38.0% |

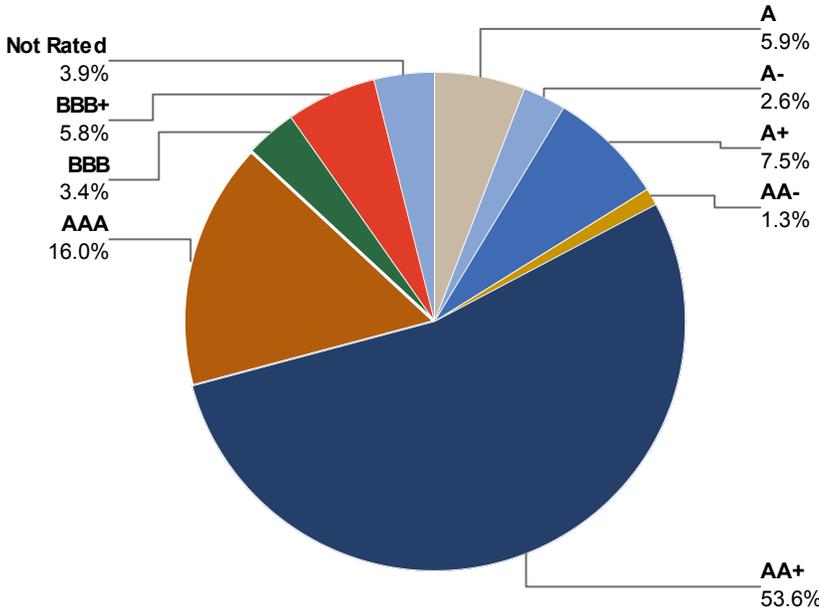


Maturity Distribution By Sector



Credit Quality
As of September 30, 2018

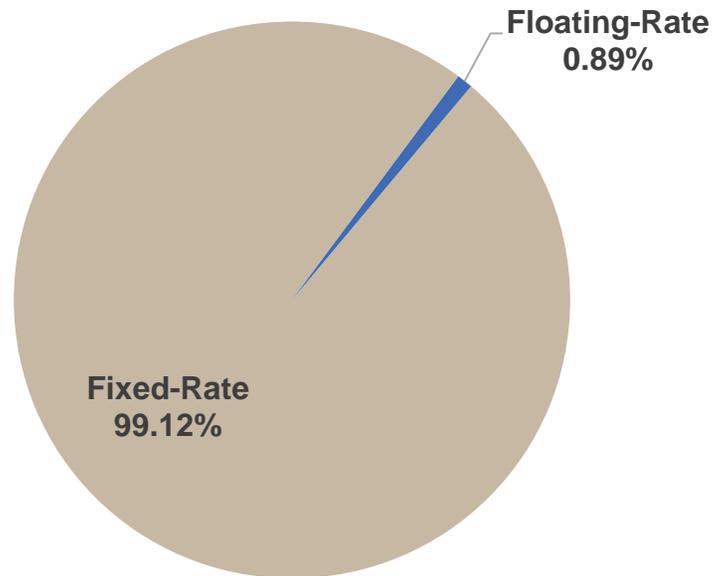
| S&P Rating | Market Value (\$) | % of Portfolio |
|---------------|---------------------|----------------|
| AA+ | \$19,979,001 | 53.6% |
| AAA | \$5,980,213 | 16.0% |
| A+ | \$2,801,189 | 7.5% |
| A | \$2,192,902 | 5.9% |
| BBB+ | \$2,146,440 | 5.8% |
| Not Rated | \$1,463,260 | 3.9% |
| BBB | \$1,252,392 | 3.4% |
| A- | \$970,941 | 2.6% |
| AA- | \$486,280 | 1.3% |
| Totals | \$37,272,618 | 100.0% |



Detail may not add to total due to rounding.

Mortgage Sector Overview

| Type | Market Value | % |
|---------------|--------------|---------|
| Fixed-Rate | \$8,098,393 | 99.12% |
| Floating-Rate | \$72,055 | 0.89% |
| Total | \$8,170,448 | 100.00% |



Sector/Issuer Distribution

As of September 30, 2018

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|---------------------------------|-------------------|---------------|----------------------|
| Asset-Backed | | | |
| CARMAX AUTO OWNER TRUST | 180,227 | 8.1% | 0.5% |
| CITIGROUP INC | 299,055 | 13.5% | 0.8% |
| CNH EQUIPMENT TRUST | 724,797 | 32.7% | 1.9% |
| FORD CREDIT AUTO LEASE TRUST | 275,232 | 12.4% | 0.7% |
| GM FINANCIAL AUTO LEASING TRUST | 274,824 | 12.4% | 0.7% |
| JOHN DEERE OWNER TRUST | 164,177 | 7.4% | 0.4% |
| WORLD OMNI AUTO REC TRUST | 299,952 | 13.5% | 0.8% |
| Sector Total | 2,218,264 | 100.0% | 6.0% |
| Corporate | | | |
| ABBVIE INC | 273,931 | 2.8% | 0.7% |
| AIR LEASE CORP | 191,434 | 1.9% | 0.5% |
| AMERICAN EXPRESS CO | 298,485 | 3.0% | 0.8% |
| AMERICAN INTERNATIONAL GROUP | 208,410 | 2.1% | 0.6% |
| AMGEN INC | 201,040 | 2.0% | 0.5% |
| AT&T | 197,327 | 2.0% | 0.5% |
| BANCO SANTANDER SA | 298,824 | 3.0% | 0.8% |
| BANK OF AMERICA CO | 296,556 | 3.0% | 0.8% |
| BANK OF MONTREAL | 652,385 | 6.6% | 1.8% |
| BANK OF NOVA SCOTIA | 646,733 | 6.6% | 1.7% |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|--|-------------------|-------------|----------------------|
| BP PLC | 200,443 | 2.0% | 0.5% |
| CANADIAN IMPERIAL BANK OF COMMERCE | 645,947 | 6.6% | 1.7% |
| CATERPILLAR INC | 297,875 | 3.0% | 0.8% |
| CHARLES SCHWAB | 175,022 | 1.8% | 0.5% |
| CITIGROUP INC | 300,624 | 3.1% | 0.8% |
| CVS HEALTH CORP | 198,953 | 2.0% | 0.5% |
| DEERE & COMPANY | 297,646 | 3.0% | 0.8% |
| FORD MOTOR COMPANY | 193,273 | 2.0% | 0.5% |
| GENERAL MOTORS CORP | 196,702 | 2.0% | 0.5% |
| GOLDMAN SACHS GROUP INC | 275,907 | 2.8% | 0.7% |
| HARTFORD FINL SVCS GRP | 209,754 | 2.1% | 0.6% |
| HP ENTERPRISE CO | 274,703 | 2.8% | 0.7% |
| JP MORGAN CHASE & CO | 272,376 | 2.8% | 0.7% |
| LLOYDS BANKING GROUP PLC | 358,605 | 3.6% | 1.0% |
| MCDONALD'S CORPORATION | 109,065 | 1.1% | 0.3% |
| MORGAN STANLEY | 273,750 | 2.8% | 0.7% |
| NATIONAL RURAL UTILITIES CO FINANCE CORP | 198,608 | 2.0% | 0.5% |
| PRUDENTIAL FINANCIAL INC | 274,956 | 2.8% | 0.7% |
| THE BANK OF NEW YORK MELLON CORPORATION | 448,931 | 4.6% | 1.2% |
| TORONTO-DOMINION BANK | 486,280 | 4.9% | 1.3% |
| UNILEVER PLC | 297,109 | 3.0% | 0.8% |
| UNION PACIFIC CORP | 200,011 | 2.0% | 0.5% |
| UNITEDHEALTH GROUP INC | 200,410 | 2.0% | 0.5% |
| VERIZON COMMUNICATIONS | 198,069 | 2.0% | 0.5% |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|--|-------------------|---------------|----------------------|
| Sector Total | 9,850,144 | 100.0% | 26.4% |
| Federal Agency/CMO | | | |
| FANNIE MAE | 1,863,752 | 66.0% | 5.0% |
| FREDDIE MAC | 599,999 | 21.3% | 1.6% |
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION | 359,603 | 12.7% | 1.0% |
| Sector Total | 2,823,354 | 100.0% | 7.6% |
| Federal Agency/GSE | | | |
| FANNIE MAE | 164,298 | 9.2% | 0.4% |
| FEDERAL FARM CREDIT BANKS | 197,531 | 11.1% | 0.5% |
| FEDERAL HOME LOAN BANKS | 1,122,875 | 62.9% | 3.0% |
| FREDDIE MAC | 301,821 | 16.9% | 0.8% |
| Sector Total | 1,786,525 | 100.0% | 4.8% |
| Mortgage-Backed | | | |
| FANNIE MAE | 4,317,304 | 79.3% | 11.6% |
| FREDDIE MAC | 1,000,742 | 18.4% | 2.7% |
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION | 124,210 | 2.3% | 0.3% |
| Sector Total | 5,442,256 | 100.0% | 14.6% |
| Supra-Sov / Supra-Natl Agency | | | |
| AFRICAN DEVELOPMENT BANK | 1,868,383 | 35.8% | 5.0% |
| ASIAN DEVELOPMENT BANK | 1,164,510 | 22.3% | 3.1% |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|-------------------------------------|-------------------|---------------|----------------------|
| INTER-AMERICAN DEVELOPMENT BANK | 1,705,450 | 32.6% | 4.6% |
| INTL BANK OF RECONSTRUCTION AND DEV | 486,867 | 9.3% | 1.3% |
| Sector Total | 5,225,209 | 100.0% | 14.0% |
| U.S. Treasury | | | |
| UNITED STATES TREASURY | 9,926,865 | 100.0% | 26.6% |
| Sector Total | 9,926,865 | 100.0% | 26.6% |
| Portfolio Total | 37,272,618 | 100.0% | 100.0% |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|--------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| U.S. Treasury Bond / Note | | | | | | | | | | | |
| US TREASURY NOTES DTD 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 | 606.05 | 150,095.80 | 148,757.85 |
| 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 | 579.14 | 249,598.89 | 245,595.75 |
| 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 | 296,277.10 | 289,035.90 |
| 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 | 383,949.36 | 379,395.20 |
| 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 | 385,394.74 | 379,395.20 |
| 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 | 96,188.48 | 94,848.80 |
| 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 | 95,881.60 | 94,848.80 |
| 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 | 480,258.97 | 0.12 | 1,057.73 | 453,751.11 | 446,232.53 |
| 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 | 142,857.90 | 139,051.65 |
| US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022 | 912828X47 | 2,500,000.00 | AA+ | Aaa | 9/13/2018 | 9/14/2018 | 2,417,382.81 | 2.84 | 19,616.17 | 2,418,394.78 | 2,412,207.50 |
| 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 | 615,952.35 | 575,240.25 |
| 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 | 801,689.19 | 746,312.75 |
| 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 | 44,270.97 | 43,553.65 |
| 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 | 133,198.05 | 130,660.95 |
| 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 | 178,486.87 | 174,214.60 |

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 |
|---|-----------|----------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|----------------------|---------------------|
| U.S. Treasury Bond / Note | | | | | | | | | | | |
| 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 | 88,408.62 | 87,107.30 |
| 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 | 441,901.61 | 435,536.50 |
| 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 | 819.16 | 146,389.86 | 141,427.80 |
| US TREASURY N/B NOTES DTD 05/01/2017 2.000% 04/30/2024 | 912828X70 | 750,000.00 | AA+ | Aaa | 9/13/2018 | 9/14/2018 | 715,722.66 | 2.89 | 6,277.17 | 715,986.05 | 712,558.50 |
| 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 | 215,619.35 | 207,961.00 |
| 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 | 217,012.51 | 207,961.00 |
| 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 | 432,726.02 | 415,922.00 |
| 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 | 219,526.75 | 202,720.00 |
| 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 | 226,222.90 | 202,720.00 |
| 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 | 898,327.25 | 810,880.00 |
| 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 | 223,815.48 | 202,720.00 |
| Security Type Sub-Total | | 10,885,052.50 | | | | | 9,926,025.79 | 2.07 | 28,955.42 | 10,271,923.59 | 9,926,865.48 |
| Supra-National Agency Bond / Note | | | | | | | | | | | |
| 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 | 507.81 | 649,525.51 | 640,731.00 |
| 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 | 2,306.60 | 349,578.44 | 343,181.30 |

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 |
|---|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| Supra-National Agency Bond / Note | | | | | | | | | | | |
| 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 | 411.93 | 499,209.10 | 486,866.50 |
| 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 | 2,095.49 | 251,598.59 | 245,906.25 |
| INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020 | 4581X0CD8 | 1,000,000.00 | AAA | Aaa | 9/21/2018 | 9/25/2018 | 983,680.00 | 2.92 | 8,381.94 | 983,806.32 | 983,625.00 |
| 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 | 2,125.00 | 846,697.76 | 821,328.65 |
| 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 | 413.19 | 498,595.58 | 475,919.00 |
| 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 | 3,984.38 | 498,938.40 | 481,923.00 |
| AFRICAN DEVELOPMENT BANK BOND DTD 09/20/2018 3.000% 09/20/2023 | 00828EDC0 | 750,000.00 | AAA | Aaa | 9/14/2018 | 9/20/2018 | 748,582.50 | 3.04 | 687.50 | 748,590.59 | 745,728.75 |
| Security Type Sub-Total | | 5,350,000.00 | | | | | 5,323,787.78 | 2.27 | 20,913.84 | 5,326,540.29 | 5,225,209.45 |
| Federal Agency Mortgage-Backed Security | | | | | | | | | | | |
| FNMA POOL #725432 DTD 04/01/2004 7.000% 11/01/2018 | 31402C4R0 | 2.01 | AA+ | Aaa | 10/25/2006 | 10/25/2006 | 2.01 | 6.91 | 0.01 | 2.01 | 2.01 |
| FNMA POOL #740462 DTD 10/01/2003 5.000% 11/01/2018 | 31402WTT5 | 31.21 | AA+ | Aaa | 3/23/2004 | 3/23/2004 | 31.21 | 4.95 | 0.13 | 31.21 | 31.36 |
| FNMA POOL #116612 DTD 03/01/1991 3.625% 03/01/2019 | 31364TN56 | 39.93 | AA+ | Aaa | 1/2/1997 | 1/2/1997 | 39.93 | 2.26 | 0.12 | 39.93 | 39.95 |
| FNMA POOL #742078 DTD 03/01/2004 4.500% 03/01/2019 | 31402YM35 | 1,740.51 | AA+ | Aaa | 3/24/2004 | 3/24/2004 | 1,740.51 | 4.46 | 6.53 | 1,740.51 | 1,762.75 |
| FHLMC POOL #B14961 DTD 06/01/2004 4.500% 06/01/2019 | 312967QN5 | 2,304.62 | AA+ | Aaa | 10/14/2004 | 10/14/2004 | 2,593.44 | 2.72 | 8.64 | 2,322.08 | 2,333.31 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Federal Agency Mortgage-Backed Security | | | | | | | | | | | |
| FNMA POOL #AM1719 DTD 12/01/2012 1.470% 12/01/2019 | 3138L14D8 | 348,310.84 | AA+ | Aaa | 11/15/2012 | 12/1/2012 | 349,970.41 | 1.31 | 426.68 | 348,310.84 | 341,730.38 |
| FHLMC SERIES 77 H DTD 08/15/1989 8.500% 09/15/2020 | 31340YM30 | 18.50 | AA+ | Aaa | 9/11/2002 | 9/11/2002 | 18.50 | 8.40 | 0.07 | 18.50 | 18.59 |
| FHLMC POOL #G11884 DTD 01/01/2006 5.500% 12/01/2020 | 31336WCU1 | 18,907.11 | AA+ | Aaa | 2/17/2016 | 2/17/2016 | 20,082.43 | 2.86 | 86.66 | 19,479.70 | 19,251.87 |
| FNMA POOL #467390 DTD 03/01/2011 4.160% 03/01/2021 | 31381QF76 | 438,461.26 | AA+ | Aaa | 8/11/2011 | 8/11/2011 | 471,441.05 | 2.53 | 1,520.00 | 444,881.16 | 447,088.91 |
| FNMA POOL #468651 DTD 07/01/2011 3.990% 07/01/2021 | 31381RTG9 | 368,262.36 | AA+ | Aaa | 8/11/2011 | 8/11/2011 | 391,929.93 | 2.63 | 1,224.47 | 373,286.20 | 374,739.08 |
| FNMA POOL #555791 DTD 09/01/2003 6.500% 12/01/2022 | 31385XNG8 | 6,163.51 | AA+ | Aaa | 9/8/2003 | 9/8/2003 | 6,532.85 | 5.70 | 33.39 | 6,295.41 | 6,757.30 |
| FNMA POOL #AM4716 DTD 12/01/2013 3.380% 12/01/2023 | 3138L5G20 | 197,662.51 | AA+ | Aaa | 10/6/2014 | 10/6/2014 | 205,754.31 | 2.43 | 556.75 | 201,919.02 | 197,649.69 |
| GNMA SERIES #783490 DTD 12/01/2011 6.000% 02/01/2024 | 36241L2X3 | 39,215.86 | AA+ | Aaa | 5/26/2016 | 5/26/2016 | 43,010.72 | 3.41 | 196.08 | 42,147.36 | 40,517.66 |
| GNMA SERIES #378308 DTD 01/01/1995 5.500% 04/01/2024 | 36204SGR1 | 13,953.88 | AA+ | Aaa | 2/28/2000 | 2/28/2000 | 13,953.88 | 5.48 | 63.96 | 13,953.88 | 14,961.50 |
| GNMA POOL #8528 DTD 10/01/1994 3.125% 10/01/2024 | 36202KPM1 | 3,499.80 | AA+ | Aaa | 1/2/1997 | 1/2/1997 | 3,615.32 | 1.74 | 9.11 | 3,526.45 | 3,579.03 |
| FNMA POOL #568243 DTD 12/01/2000 9.500% 11/01/2024 | 31386NHU5 | 5,198.29 | AA+ | Aaa | 1/2/2001 | 1/2/2001 | 5,706.00 | 8.27 | 41.15 | 5,399.31 | 5,232.02 |
| FNMA POOL #543110 DTD 06/01/2000 9.500% 04/01/2025 | 31385FKX3 | 1,526.30 | AA+ | Aaa | 6/13/2000 | 6/13/2000 | 1,793.42 | 7.50 | 12.08 | 1,625.28 | 1,534.26 |
| GNMA POOL #2022 DTD 06/01/1995 9.000% 06/01/2025 | 36202CG72 | 771.50 | AA+ | Aaa | 1/2/1997 | 1/2/1997 | 771.50 | 8.95 | 5.79 | 771.50 | 827.42 |
| GNMA POOL #2285 DTD 09/01/1996 8.000% 09/01/2026 | 36202CRE5 | 2,049.89 | AA+ | Aaa | 1/2/1997 | 1/2/1997 | 2,202.19 | 7.22 | 13.67 | 2,145.82 | 2,327.77 |
| GNMA POOL #2324 DTD 11/01/1996 8.000% 11/01/2026 | 36202CSM6 | 2,475.82 | AA+ | Aaa | 1/2/1997 | 1/2/1997 | 2,672.60 | 7.17 | 16.51 | 2,599.89 | 2,760.28 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Federal Agency Mortgage-Backed Security | | | | | | | | | | | |
| GNMA POOL #2549 DTD 02/01/1998 7.500% 02/01/2028 | 36202CZN6 | 1,219.13 | AA+ | Aaa | 2/1/1998 | 2/1/1998 | 1,321.32 | 6.66 | 7.62 | 1,288.47 | 1,325.06 |
| GNMA POOL #2647 DTD 09/01/1998 8.000% 09/01/2028 | 36202C5G4 | 2,501.96 | AA+ | Aaa | 9/1/1998 | 9/1/1998 | 2,501.96 | 7.96 | 16.68 | 2,501.96 | 2,564.47 |
| GNMA POOL #486631 DTD 10/01/1998 6.500% 10/01/2028 | 36210ASU2 | 6,208.40 | AA+ | Aaa | 1/31/2000 | 1/31/2000 | 6,208.40 | 6.48 | 33.63 | 6,208.40 | 6,811.29 |
| FNMA POOL #755973 DTD 12/01/2003 8.000% 11/01/2028 | 31403R2E7 | 16,555.06 | AA+ | Aaa | 1/7/2004 | 1/7/2004 | 16,216.50 | 8.18 | 110.37 | 16,280.53 | 18,493.53 |
| FNMA POOL #252211 DTD 12/01/1998 6.000% 01/01/2029 | 31371HDQ8 | 3,531.46 | AA+ | Aaa | 5/16/2000 | 5/16/2000 | 3,531.46 | 5.96 | 17.66 | 3,531.46 | 3,884.28 |
| FANNIE MAE POOL AS2235 DTD 03/01/2014 3.500% 04/25/2029 | 3138WBPV1 | 598,017.52 | AA+ | Aaa | 11/20/2017 | 11/22/2017 | 621,003.81 | 2.38 | 1,744.22 | 620,172.04 | 602,118.06 |
| GNMA SERIES #783964 DTD 02/01/2015 4.000% 01/01/2030 | 3622A2MM1 | 47,400.28 | AA+ | Aaa | 1/20/2016 | 1/20/2016 | 51,602.69 | 2.66 | 158.00 | 50,974.56 | 48,535.50 |
| FNMA POOL #598451 DTD 07/01/2001 8.000% 06/01/2030 | 31387YZQ9 | 3,181.49 | AA+ | Aaa | 7/11/2001 | 7/11/2001 | 3,499.76 | 6.96 | 21.21 | 3,410.96 | 3,334.39 |
| FNMA SERIES 2011-69 CB DTD 06/01/2011 3.500% 07/01/2030 | 3136A0BE6 | 124,796.42 | AA+ | Aaa | 7/18/2016 | 7/18/2016 | 129,829.25 | 2.86 | 363.99 | 129,503.54 | 125,327.32 |
| FNMA POOL #AL3209 DTD 03/01/2013 4.500% 09/01/2031 | 3138EKR72 | 140,684.92 | AA+ | Aaa | 7/13/2016 | 7/13/2016 | 156,399.61 | 2.93 | 527.57 | 155,367.63 | 146,941.20 |
| FHLMC POOL #G30628 DTD 02/01/2013 4.000% 10/01/2032 | 3128CUVV5 | 36,708.57 | AA+ | Aaa | 2/8/2016 | 2/8/2016 | 39,930.06 | 2.87 | 122.36 | 39,740.82 | 37,630.42 |
| FNMA POOL #254693 DTD 03/01/2003 5.500% 04/01/2033 | 31371K3A7 | 12,546.06 | AA+ | Aaa | 11/3/2005 | 11/3/2005 | 11,983.79 | 5.91 | 57.50 | 12,012.37 | 13,535.31 |
| FHLMC POOL #V70026 DTD 05/01/2013 3.500% 05/01/2033 | 3132KSA38 | 30,892.58 | AA+ | Aaa | 4/27/2016 | 4/27/2016 | 32,696.48 | 2.75 | 90.10 | 32,602.34 | 31,035.58 |
| FNMA POOL #770377 DTD 03/01/2004 3.735% 04/01/2034 | 31404J2J3 | 31,442.72 | AA+ | Aaa | 10/11/2006 | 10/11/2006 | 30,105.50 | 2.90 | 97.87 | 30,661.17 | 32,562.02 |
| FNMA SERIES 2005-68 PG DTD 07/01/2005 5.500% 08/01/2035 | 31394E7B8 | 48,927.86 | AA+ | Aaa | 8/17/2005 | 8/17/2005 | 51,062.81 | 5.09 | 224.25 | 50,638.70 | 51,954.26 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Federal Agency Mortgage-Backed Security | | | | | | | | | | | |
| FNMA POOL #888481 DTD 06/01/2007 5.500% 12/01/2035 | 31410GCS0 | 50,311.71 | AA+ | Aaa | 9/27/2010 | 9/27/2010 | 53,853.64 | 4.78 | 230.60 | 53,759.70 | 54,344.75 |
| FHLMC POOL #H00105 DTD 12/01/2005 5.500% 12/01/2035 | 3128MSDJ6 | 85,343.38 | AA+ | Aaa | 9/2/2011 | 9/2/2011 | 92,412.99 | 4.66 | 391.16 | 92,257.29 | 88,900.85 |
| FNMA POOL #849215 DTD 01/01/2006 6.500% 01/01/2036 | 31408EN81 | 8,981.62 | AA+ | Aaa | 10/24/2006 | 10/24/2006 | 9,864.49 | 5.57 | 48.65 | 9,690.70 | 9,456.92 |
| FNMA POOL #888209 DTD 02/01/2007 5.500% 05/01/2036 | 31410FYE9 | 67,115.79 | AA+ | Aaa | 8/9/2011 | 8/9/2011 | 73,908.75 | 4.49 | 307.61 | 73,691.19 | 72,775.37 |
| FNMA POOL #886320 DTD 07/01/2006 6.500% 07/01/2036 | 31410DVM9 | 6,436.89 | AA+ | Aaa | 10/24/2006 | 10/24/2006 | 6,436.89 | 6.46 | 34.87 | 6,436.89 | 6,656.88 |
| FNMA POOL #898179 DTD 09/01/2006 3.478% 09/01/2036 | 31410U2L5 | 36,332.55 | AA+ | Aaa | 7/17/2009 | 7/17/2009 | 39,285.82 | 1.62 | 105.30 | 38,846.12 | 37,237.47 |
| FHLMC POOL #1B7163 DTD 10/01/2006 3.815% 10/01/2036 | 3128QPK35 | 1,566.98 | AA+ | Aaa | 10/19/2006 | 10/19/2006 | 1,594.32 | 5.73 | 10.01 | 1,566.98 | 1,591.83 |
| FHLMC POOL #C02641 DTD 10/01/2006 7.000% 10/01/2036 | 31292J5A4 | 7,065.33 | AA+ | Aaa | 10/30/2006 | 10/30/2006 | 7,065.33 | 6.97 | 41.21 | 7,065.33 | 7,758.96 |
| FHLMC POOL #C02660 DTD 11/01/2006 6.500% 11/01/2036 | 31292J5V8 | 14,573.18 | AA+ | Aaa | 11/14/2006 | 11/14/2006 | 16,086.30 | 5.56 | 78.94 | 15,767.66 | 16,281.52 |
| FNMA POOL #960150 DTD 11/01/2007 6.000% 11/01/2037 | 31414AEX6 | 38,270.83 | AA+ | Aaa | 9/20/2011 | 9/20/2011 | 42,624.15 | 4.90 | 191.35 | 42,578.49 | 41,921.56 |
| FNMA SERIES 2011-104 KH DTD 09/01/2011 2.000% 03/01/2039 | 3136A1DD4 | 112,672.83 | AA+ | Aaa | 7/12/2016 | 7/12/2016 | 114,122.31 | 1.87 | 187.79 | 114,112.45 | 110,347.30 |
| 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 | 151,508.46 | 143,565.75 |
| FHLMC SERIES 4011 DB DTD 03/01/2012 4.000% 09/01/2041 | 3137AMXK8 | 76,938.55 | AA+ | Aaa | 7/15/2016 | 7/15/2016 | 85,401.85 | 3.02 | 256.46 | 85,304.74 | 76,518.18 |
| FNMA SERIES 2012-57 JW DTD 05/01/2012 4.500% 10/01/2041 | 3136A6HC1 | 111,269.07 | AA+ | Aaa | 7/22/2016 | 7/22/2016 | 120,359.25 | 3.73 | 417.26 | 120,348.40 | 114,090.43 |
| FNMA POOL #AL1107 DTD 11/01/2011 4.500% 11/01/2041 | 3138EHGR7 | 132,734.33 | AA+ | Aaa | 7/14/2016 | 7/14/2016 | 145,535.06 | 3.60 | 497.75 | 145,471.42 | 137,946.12 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| Federal Agency Mortgage-Backed Security | | | | | | | | | | | |
| FNMA POOL #AK9382 DTD 04/01/2012 4.000% 04/01/2042 | 3138EEM89 | 106,017.93 | AA+ | Aaa | 8/8/2016 | 8/8/2016 | 114,958.47 | 3.24 | 353.39 | 114,883.31 | 107,919.57 |
| FNMA POOL #MA1125 DTD 06/01/2012 4.000% 07/01/2042 | 31418AHB7 | 144,831.76 | AA+ | Aaa | 7/12/2016 | 7/12/2016 | 158,290.97 | 3.17 | 482.77 | 158,096.83 | 146,847.03 |
| FNMA POOL #MA1213 DTD 09/01/2012 3.500% 10/01/2042 | 31418AK31 | 28,186.63 | AA+ | Aaa | 6/21/2016 | 6/21/2016 | 29,972.27 | 2.94 | 82.21 | 29,944.58 | 27,815.91 |
| FNMA POOL #AP8813 DTD 11/01/2012 3.500% 11/01/2042 | 3138MCYK4 | 17,322.88 | AA+ | Aaa | 7/8/2016 | 7/8/2016 | 18,558.26 | 2.88 | 50.53 | 18,535.43 | 17,095.03 |
| FHLMC SERIES G07289 DTD 02/01/2013 3.000% 11/01/2042 | 3128M9NE8 | 52,099.03 | AA+ | Aaa | 6/9/2016 | 6/9/2016 | 54,186.17 | 2.65 | 130.25 | 54,133.72 | 50,268.85 |
| FNMA SERIES 2015-72 PC DTD 09/01/2015 3.000% 10/01/2043 | 3136AQAP5 | 109,210.30 | AA+ | Aaa | 7/12/2016 | 7/12/2016 | 113,175.61 | 2.68 | 273.03 | 112,896.79 | 108,826.45 |
| FNMA POOL #AL6167 DTD 12/01/2014 3.500% 01/01/2044 | 3138ENZ93 | 48,526.54 | AA+ | Aaa | 7/18/2016 | 7/18/2016 | 51,578.86 | 2.96 | 141.54 | 51,500.55 | 47,888.25 |
| FANNIE MAE POOL AS5675 DTD 07/01/2015 4.500% 08/25/2045 | 3138WFJV9 | 498,554.58 | AA+ | Aaa | 11/20/2017 | 11/22/2017 | 537,426.24 | 2.71 | 1,869.58 | 537,426.26 | 516,444.28 |
| FNMA POOL #AL9274 DTD 10/01/2016 4.000% 09/01/2046 | 3138ERJU5 | 379,902.58 | AA+ | Aaa | 11/29/2016 | 11/30/2016 | 403,438.73 | 3.49 | 1,266.34 | 400,591.60 | 384,973.02 |
| FG Q55747 DTD 04/01/2018 5.000% 05/01/2048 | 3132XYL54 | 497,075.11 | AA+ | Aaa | 9/20/2018 | 9/25/2018 | 527,054.95 | 3.83 | 2,071.15 | 527,054.95 | 525,586.17 |
| Security Type Sub-Total | | 5,327,050.52 | | | | | 5,650,555.57 | 3.02 | 17,861.46 | 5,588,860.85 | 5,442,256.28 |
| Federal Agency Collateralized Mortgage Obligation | | | | | | | | | | | |
| FNMA SERIES 1990-8 G DTD 01/01/1990 6.000% 01/01/2020 | 313603RN4 | 875.28 | AA+ | Aaa | 2/28/2000 | 2/28/2000 | 875.28 | 5.95 | 4.38 | 875.28 | 882.56 |
| FNMA SERIES 1190-106 J DTD 09/01/1990 8.500% 09/01/2020 | 31358E7X4 | 3,814.44 | AA+ | Aaa | 7/18/2002 | 7/18/2002 | 4,633.02 | 5.73 | 27.02 | 4,021.81 | 3,949.96 |
| FNMA SERIES G92-12 B DTD 02/01/1992 7.700% 02/01/2022 | 31358LTT3 | 118.72 | AA+ | Aaa | 2/1/1992 | 2/1/1992 | 118.72 | 7.65 | 0.76 | 118.72 | 119.78 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Federal Agency Collateralized Mortgage Obligation | | | | | | | | | | | |
| FNMA SERIES 1993-25 J DTD 03/01/1993 7.500% 03/01/2023 | 31358TWE5 | 6,683.88 | AA+ | Aaa | 9/9/2003 | 9/9/2003 | 7,568.58 | 5.83 | 41.77 | 7,156.42 | 7,085.31 |
| FHLMC SERIES 2595 CD DTD 04/01/2003 5.000% 04/01/2023 | 31393PCJ1 | 57,014.14 | AA+ | Aaa | 9/17/2015 | 9/17/2015 | 62,305.50 | 2.51 | 237.56 | 60,483.39 | 58,695.01 |
| 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 | 4,027.56 | 4,459.11 |
| FHLMC MULTIFAMILY STRUCTURED P POOL DTD 12/01/2017 2.951% 02/25/2024 | 3137FCM35 | 294,570.35 | AA+ | Aaa | 12/15/2017 | 12/22/2017 | 300,451.45 | 2.24 | 724.40 | 299,720.93 | 292,400.60 |
| FHLMC SERIES 1694 PK DTD 03/01/1994 6.500% 03/01/2024 | 3133T4NE2 | 14,792.34 | AA+ | Aaa | 7/7/2004 | 7/7/2004 | 14,792.34 | 6.47 | 80.13 | 14,792.34 | 15,543.29 |
| FHLMC MULTIFAMILY STRUCTURED P POOL DTD 03/01/2018 3.452% 09/24/2024 | 3137FEU99 | 148,356.49 | AA+ | Aaa | 2/28/2018 | 3/13/2018 | 151,319.47 | 2.76 | 426.77 | 151,067.78 | 149,542.07 |
| FNMA SERIES 2016-M12 A1 DTD 11/01/2016 2.132% 09/01/2026 | 3136AUKW0 | 463,964.04 | AA+ | Aaa | 11/3/2016 | 11/30/2016 | 468,581.33 | 1.90 | 824.31 | 467,612.06 | 437,256.51 |
| FNA 2016-M13 A1 DTD 12/01/2016 2.560% 09/25/2026 | 3136AUZB0 | 551,196.43 | AA+ | Aaa | 12/7/2016 | 12/29/2016 | 551,530.55 | 2.43 | 1,175.77 | 551,336.73 | 534,034.54 |
| FNA 2017-M8 A1 DTD 07/01/2017 2.654% 12/25/2026 | 3136AWZ91 | 215,964.59 | AA+ | Aaa | 7/12/2017 | 7/28/2017 | 218,116.61 | 2.40 | 477.64 | 217,831.18 | 210,849.99 |
| FANNIEMAE-ACES POOL DTD 06/01/2017 2.595% 12/25/2026 | 3136AV7F0 | 239,073.16 | AA+ | Aaa | 6/9/2017 | 6/30/2017 | 241,461.97 | 2.34 | 517.00 | 241,127.84 | 232,324.12 |
| FNA 2017-M15 ATS1 DTD 12/01/2017 2.987% 11/25/2027 | 3136AY6T5 | 198,407.22 | AA+ | Aaa | 11/30/2017 | 12/29/2017 | 201,382.95 | 2.63 | 493.87 | 201,161.02 | 193,613.94 |
| FNMA SERIES 2011-40 CA DTD 04/01/2011 3.500% 12/01/2028 | 31397SWX8 | 61,983.22 | AA+ | Aaa | 7/12/2016 | 7/12/2016 | 63,428.90 | 3.07 | 180.78 | 63,295.61 | 62,058.88 |
| FNMA POOL #650236 DTD 12/01/2002 5.000% 12/01/2032 | 31390MLR3 | 657.74 | AA+ | Aaa | 7/19/2005 | 7/19/2005 | 657.74 | 4.97 | 2.74 | 657.74 | 665.13 |
| FNMA SERIES 2009-57 TP DTD 07/01/2009 4.500% 02/01/2037 | 31396QSZ3 | 66,432.74 | AA+ | Aaa | 6/3/2016 | 6/3/2016 | 72,006.34 | 3.57 | 249.12 | 71,957.90 | 67,631.22 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| Federal Agency Collateralized Mortgage Obligation | | | | | | | | | | | |
| FNMA SERIES 2009-92 AD DTD 10/01/2009 6.000% 11/01/2039 | 31398FVM0 | 106,426.16 | AA+ | Aaa | 8/9/2011 | 8/9/2011 | 118,162.29 | 4.98 | 532.13 | 117,878.12 | 113,280.36 |
| GNMA SERIES 2010-158 CT DTD 12/01/2010 4.500% 12/01/2040 | 38377RFR1 | 124,898.45 | AA+ | Aaa | 7/12/2016 | 7/12/2016 | 136,886.09 | 3.59 | 468.37 | 136,791.62 | 131,269.01 |
| FHLMC SERIES T-54 2A DTD 02/01/2003 6.500% 02/01/2043 | 31393LFK4 | 70,847.77 | AA+ | Aaa | 2/1/2003 | 2/1/2003 | 78,475.44 | 5.66 | 383.76 | 76,363.27 | 79,359.14 |
| GNR SERIES 2017-149 JA DTD 10/01/2017 2.500% 03/20/2046 | 38380HQL9 | 237,524.64 | AA+ | Aaa | 11/6/2017 | 11/9/2017 | 237,320.51 | 2.49 | 494.84 | 237,320.52 | 228,333.79 |
| Security Type Sub-Total | | 2,867,614.90 | | | | | 2,934,119.51 | 2.69 | 7,366.53 | 2,925,597.84 | 2,823,354.32 |
| Federal Agency Bond / Note | | | | | | | | | | | |
| 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 | 1,409.38 | 299,815.48 | 297,789.00 |
| 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 | 535.87 | 304,809.33 | 301,820.68 |
| 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 | 3,000.00 | 449,580.84 | 444,577.05 |
| 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 | 1,042.71 | 70,754.04 | 68,255.72 |
| 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 | 1,088.00 | 171,584.48 | 164,298.03 |
| 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 | 206.25 | 151,041.87 | 145,990.05 |
| 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 | 1,451.39 | 204,758.43 | 197,530.60 |
| 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 | 512.71 | 63,768.01 | 59,471.76 |
| 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 | 218.75 | 113,345.64 | 106,791.70 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| Security Type Sub-Total | | 1,800,000.00 | | | | | 1,845,116.90 | 1.63 | 9,465.06 | 1,829,458.12 | 1,786,524.59 |
| Corporate Note | | | | | | | | | | | |
| 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 | 1,238.61 | 198,539.32 | 197,327.00 |
| 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 | 455.21 | 299,832.01 | 297,646.20 |
| 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 | 257.78 | 199,286.33 | 198,608.00 |
| 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 | 386.67 | 299,866.38 | 297,874.80 |
| 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 | 206.25 | 298,725.80 | 297,109.20 |
| TORONTO DOMINION CORP NOTE DTD 04/07/2016 2.125% 04/07/2021 | 89114QBG2 | 500,000.00 | AA- | Aa1 | 3/9/2018 | 3/13/2018 | 487,510.00 | 2.98 | 5,135.42 | 489,671.65 | 486,279.50 |
| BANK OF MONTREAL CHICAGO CORP NOTES DTD 04/13/2018 3.100% 04/13/2021 | 06367T4W7 | 280,000.00 | A+ | Aa2 | 4/10/2018 | 4/13/2018 | 279,672.40 | 3.14 | 4,050.67 | 279,721.39 | 278,882.24 |
| BANK OF MONTREAL CHICAGO CORP NOTES DTD 04/13/2018 3.100% 04/13/2021 | 06367T4W7 | 375,000.00 | A+ | Aa2 | 9/19/2018 | 9/21/2018 | 373,815.00 | 3.23 | 5,425.00 | 373,829.57 | 373,503.00 |
| 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 | 4,719.00 | 359,616.44 | 358,605.36 |
| CHARLES SCHWAB 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 | 2,038.02 | 174,995.28 | 175,021.70 |
| 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 | 3,400.00 | 299,498.69 | 298,824.30 |
| HP ENTERPRISE CO DTD 09/19/2018 3.500% 10/05/2021 | 42824CBC2 | 275,000.00 | BBB | Baa2 | 9/13/2018 | 9/19/2018 | 275,052.25 | 3.49 | 320.83 | 275,051.90 | 274,703.28 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|---|-----------|------------|---------------|-------------------|---------------|----------------|------------------|----------------|---------------------|-------------------|-----------------|
| Corporate Note | | | | | | | | | | | |
| 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 | 260.42 | 198,806.33 | 198,069.40 |
| FORD MOTOR CREDIT CO LLC (CALLABLE) NOTE DTD 03/31/2017 3.339% 03/28/2022 | 345397YL1 | 200,000.00 | BBB | Baa3 | 3/5/2018 | 3/7/2018 | 196,796.00 | 3.77 | 55.65 | 197,217.61 | 193,272.60 |
| 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 | 3,277.50 | 198,937.36 | 196,702.20 |
| 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 | 4,726.39 | 212,096.94 | 209,753.80 |
| 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 | 2,738.89 | 202,077.68 | 201,040.40 |
| 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 | 3,250.00 | 210,072.93 | 208,409.60 |
| 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 | 1,312.50 | 194,258.33 | 191,434.20 |
| 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 | 452.22 | 198,392.48 | 198,953.20 |
| 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 | 1,996.04 | 109,963.59 | 109,065.22 |
| 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 | 6,606.25 | 449,546.96 | 448,930.80 |
| 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 | 1,983.33 | 199,904.90 | 200,409.80 |
| AMERICAN EXPRESS CREDIT CORP NOTES DTD 08/03/2018 3.700% 08/03/2023 | 025816BW8 | 300,000.00 | BBB+ | A3 | 7/31/2018 | 8/3/2018 | 299,688.00 | 3.72 | 1,788.33 | 299,697.24 | 298,485.00 |

Managed Account Detail of Securities Held

| Security Type/Description Dated Date/Coupon/Maturity | CUSIP | Par | S&P Rating | Moody's Rating | Trade Date | Settle Date | Original Cost | YTM at Cost | Accrued Interest | Amortized Cost | Market Value |
|--|-----------|---------------------|---------------|-------------------|---------------|----------------|---------------------|----------------|---------------------|---------------------|---------------------|
| Corporate Note | | | | | | | | | | | |
| CANADIAN IMPERIAL BANK DTD 09/13/2018 3.500% 09/13/2023 | 13607RAD2 | 250,000.00 | A+ | Aa2 | 9/13/2018 | 9/17/2018 | 249,082.50 | 3.58 | 437.50 | 249,089.16 | 248,441.00 |
| CANADIAN IMPERIAL BANK DTD 09/13/2018 3.500% 09/13/2023 | 13607RAD2 | 400,000.00 | A+ | Aa2 | 9/6/2018 | 9/13/2018 | 399,308.00 | 3.54 | 700.00 | 399,314.39 | 397,505.60 |
| ABBVIE INC DTD 09/18/2018 3.750% 11/14/2023 | 00287YBC2 | 275,000.00 | A- | Baa2 | 9/13/2018 | 9/18/2018 | 274,648.00 | 3.78 | 372.40 | 274,651.20 | 273,930.53 |
| 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 | 855.56 | 279,682.31 | 275,906.95 |
| 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 | 769.17 | 300,074.78 | 296,555.70 |
| 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 | 4,499.31 | 277,806.04 | 273,750.40 |
| 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 | 3,636.11 | 275,949.92 | 274,955.73 |
| 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 | 4,347.30 | 300,000.00 | 300,623.70 |
| 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 | 621.61 | 276,814.37 | 272,375.68 |
| 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 | 1,583.33 | 199,992.00 | 200,011.20 |
| BP CAP MARKETS AMERICA DTD 09/21/2018 3.796% 09/21/2025 | 10373QAB6 | 200,000.00 | A- | A1 | 9/18/2018 | 9/21/2018 | 200,000.00 | 3.80 | 210.89 | 200,000.00 | 200,443.40 |
| Security Type Sub-Total | | 9,250,000.00 | | | | | 9,252,281.90 | 3.42 | 74,114.16 | 9,252,981.28 | 9,203,410.69 |
| Bank Note | | | | | | | | | | | |
| BANK OF NOVA SCOTIA BANK NOTE DTD 04/20/2018 3.125% 04/20/2021 | 064159LG9 | 150,000.00 | A+ | Aa2 | 9/13/2018 | 9/17/2018 | 149,224.50 | 3.33 | 2,096.35 | 149,236.85 | 149,246.10 |
| BANK OF NOVA SCOTIA BANK NOTE DTD 04/20/2018 3.125% 04/20/2021 | 064159LG9 | 500,000.00 | A+ | Aa2 | 4/17/2018 | 4/20/2018 | 499,050.00 | 3.19 | 6,987.85 | 499,186.08 | 497,487.00 |

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 |
|--|-----------|------------------------|---------------|-------------------|---------------|----------------|------------------------|----------------|---------------------|------------------------|------------------------|
| Security Type Sub-Total | | 650,000.00 | | | | | 648,274.50 | 3.22 | 9,084.20 | 648,422.93 | 646,733.10 |
| Asset-Backed Security / Collateralized Mortgage Obligation | | | | | | | | | | | |
| FORD CREDIT AUTO LEASE TRUST DTD 09/21/2018 3.300% 02/15/2022 | 34531LAE0 | 275,000.00 | NR | Aaa | 9/18/2018 | 9/21/2018 | 274,986.53 | 3.30 | 252.08 | 274,986.67 | 275,231.83 |
| GMALT 2018-3 A4 DTD 09/26/2018 3.300% 07/20/2022 | 36256GAE9 | 275,000.00 | AAA | Aaa | 9/18/2018 | 9/26/2018 | 274,964.97 | 3.31 | 126.04 | 274,965.09 | 274,823.73 |
| CARMAX AUTO OWNER TRUST DTD 07/25/2018 3.270% 03/15/2024 | 14313FAE9 | 180,000.00 | AAA | NR | 7/18/2018 | 7/25/2018 | 179,983.35 | 3.51 | 261.60 | 179,983.94 | 180,227.25 |
| CNH 2018-B A4 DTD 09/26/2018 3.370% 05/15/2024 | 12596EAD6 | 725,000.00 | NR | Aaa | 9/18/2018 | 9/26/2018 | 724,942.51 | 3.37 | 339.34 | 724,942.59 | 724,797.00 |
| WORLD OMNI AUTO RECEIVABLES TR DTD 08/01/2018 3.270% 09/15/2024 | 98163EAE6 | 300,000.00 | AAA | NR | 7/24/2018 | 8/1/2018 | 299,981.34 | 3.27 | 436.00 | 299,982.20 | 299,952.24 |
| CCCIT 2018-A6 A6 DTD 08/17/2018 3.210% 12/09/2024 | 17305EGR0 | 300,000.00 | NR | Aaa | 8/10/2018 | 8/17/2018 | 299,949.18 | 3.21 | 1,177.00 | 299,953.04 | 299,055.06 |
| JDOT 2018-B A4 DTD 07/25/2018 3.230% 06/15/2025 | 47788EAD0 | 165,000.00 | NR | Aaa | 7/18/2018 | 7/25/2018 | 164,955.68 | 3.24 | 236.87 | 164,957.24 | 164,176.55 |
| Security Type Sub-Total | | 2,220,000.00 | | | | | 2,219,763.56 | 3.32 | 2,828.93 | 2,219,770.77 | 2,218,263.66 |
| Managed Account Sub Total | | 38,349,717.92 | | | | | 37,799,925.51 | 2.69 | 170,589.60 | 38,063,555.67 | 37,272,617.57 |
| Securities Sub-Total | | \$38,349,717.92 | | | | | \$37,799,925.51 | 2.69% | \$170,589.60 | \$38,063,555.67 | \$37,272,617.57 |
| Accrued Interest | | | | | | | | | | | \$170,589.60 |
| Total Investments | | | | | | | | | | | \$37,443,207.17 |

Bolded items are forward settling trades.

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values 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 of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount 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.