

# City of Stockton

Period Ending  
December 31, 2016



# CITY OF STOCKTON

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## ADMINISTRATIVE SERVICES

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

January 12, 2017

SUBJECT **CERTIFICATION OF QUARTERLY INVESTMENT REPORT FOR  
QUARTER ENDED DECEMBER 31, 2016**

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I hereby certify:

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

MATT PAULIN  
CHIEF FINANCIAL OFFICER



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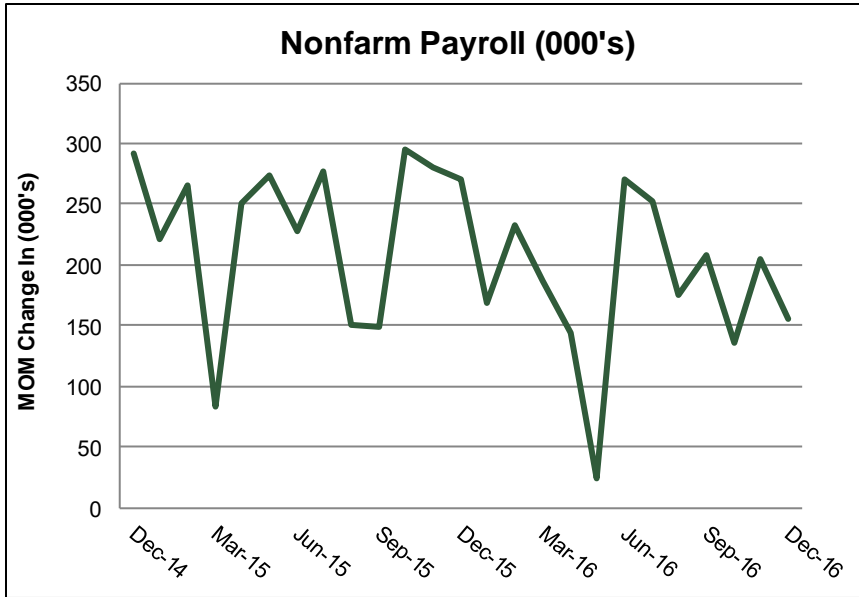


## SECTION 1

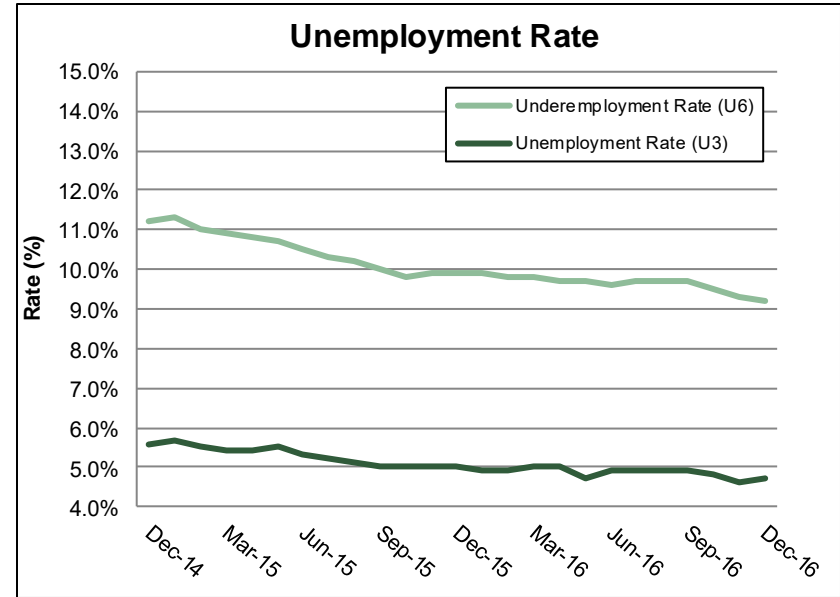
# Economic Update



- The Federal Open Market Committee (FOMC) unanimously voted to increase the target fed funds rate by 25 basis points to a range of 0.50%-0.75%, at the December 14 meeting. The Fed noted that economic activity has expanded at a moderate pace and labor market trends have improved, but inflation remains below target. The Fed's revised "dot plot" was slightly more hawkish, as the projected path of the fed funds rate was revised upward. The Committee's GDP and inflation forecasts were little changed while projections for the unemployment rate were revised down slightly. The FOMC's median projection for the fed funds rate in 2017 was revised up to 1.4% from 1.1%, which would be indicative of three more 25 basis point rate hikes next year. The Fed's longer-run median fed funds target rate was revised up to 3.0% from 2.9%. Fed Chair Yellen downplayed the forecast changes during her press conference, and continued to emphasize that future increases in the fed funds rate are expected to be gradual. She added that it is too early to anticipate how potential changes in fiscal policy will impact the economy and the Fed's outlook. The market is now pricing in more than a 70% chance of another rate hike in June 2017.
- Domestic economic data remains indicative of slow growth. The U.S. labor market continues to improve, consumer confidence remains strong, and housing trends remain mostly favorable. The manufacturing sector has slightly improved but may come under renewed pressure due to recent dollar strength. Third quarter 2016 GDP grew 3.5%, following growth of 1.4% in the second quarter and 0.8% in the first quarter. Market participants estimate GDP grew 2.2% in the fourth quarter.
- In December, the yield shifted upward as the 2-year Treasury yield increased nearly 8 basis points and the 10-year Treasury yield increased about 6 basis points. The move up in rates over the past two months has largely been driven by heightened expectations for fiscal stimulus, and a potential increase in inflation, in light of President-elect Trump's victory and the Republican Party congressional sweep in the US. Global factors (including steeper yield curves in Japan and Germany, and an expectation for ongoing stimulus from the European Central Bank) also continue to influence US Treasury yields.

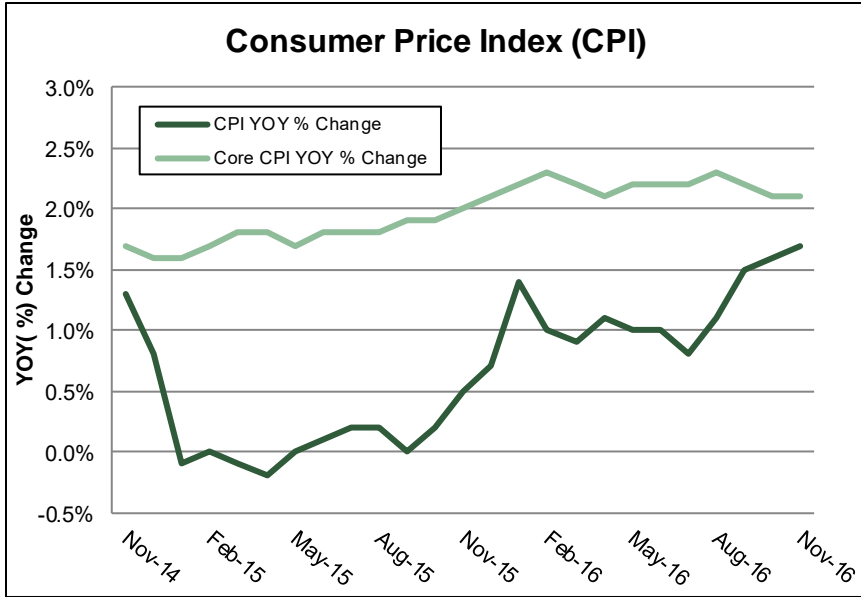


Source: US Department of Labor

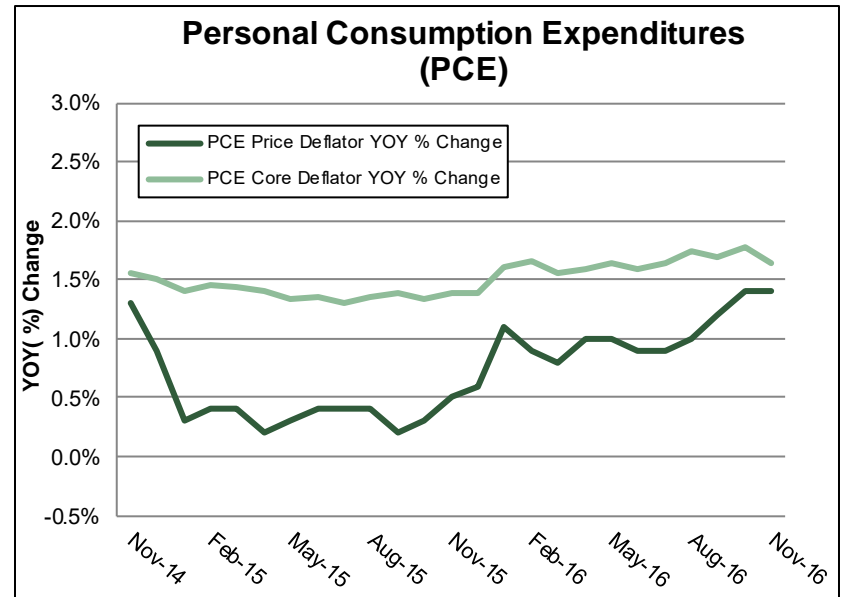


Source: US Department of Labor

Nonfarm payrolls were lower than expected in December, up 156,000 versus the consensus forecast of 175,000. However, October and November payrolls were revised up by a total of 19,000. On a trailing 3-month and 6-month basis, payrolls increased by an average of 165,000 and 188,500 per month, respectively. The unemployment rate inched back up to 4.7% from 4.6%, but the participation rate also increased to 62.7% from 62.6%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 9.2% in December from 9.3% in November. Wages were up a solid 0.4% in December, versus expectations for a 0.3% increase. On a year-over-year basis, wages were up 2.9% in December (the highest year-over-year increase since June 2009), vs. 2.5% in November.

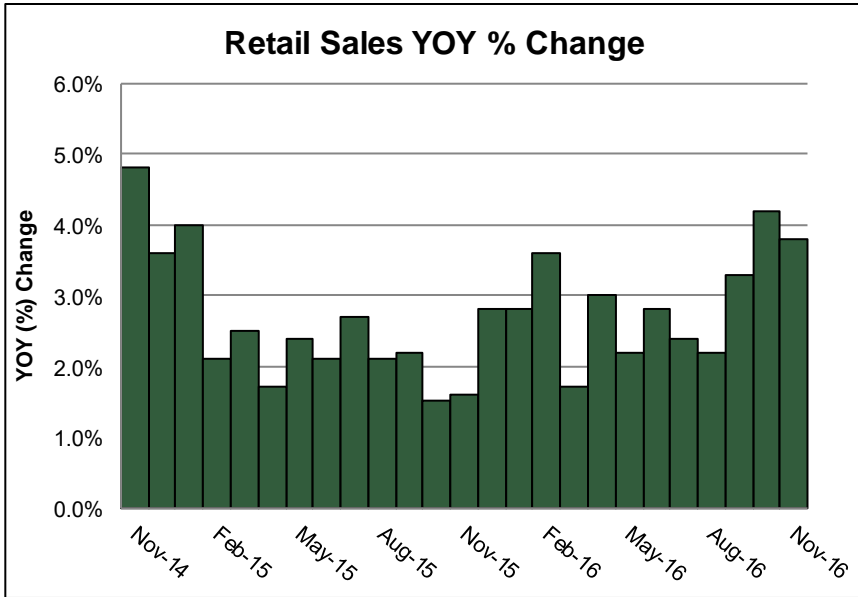


Source: US Department of Labor

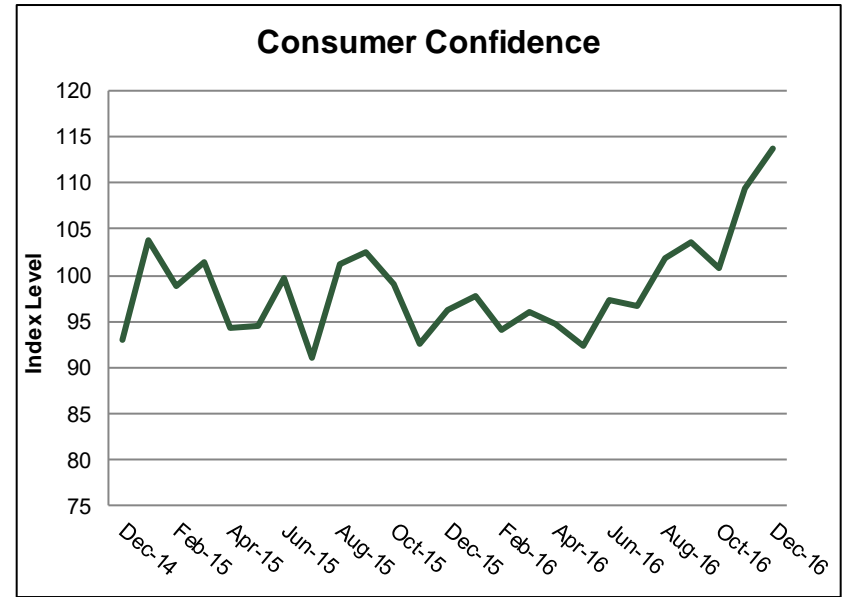


Source: US Department of Labor

The Consumer Price Index (CPI) was up 1.7% year-over-year in November, versus up 1.6% year-over-year in October. Core CPI (CPI less food and energy) was up 2.1% year-over-year in November, unchanged from October. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in November, unchanged from October. Core PCE (excluding food and energy) was up 1.6% year-over-year in November, after being up 1.8% year-over-year in October. Although Core CPI is trending above 2.0%, the Fed's primary inflation gauge is PCE which remains below the Fed's 2.0% target.



Source: US Department of Commerce



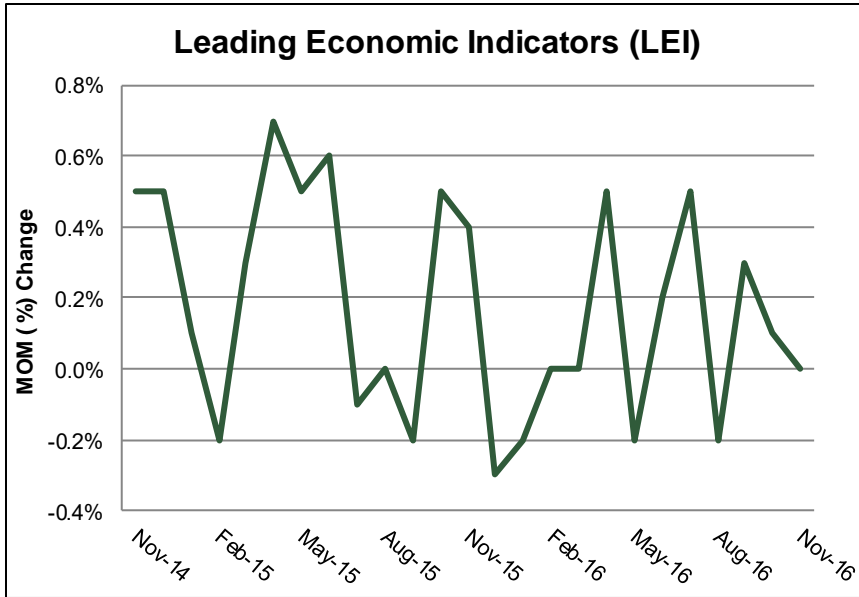
Source: Federal Reserve

On a year-over-year basis, total retail sales were up 3.8% in November compared with a 4.2% increase in October. On a month-over-month basis, retail sales were up just 0.1% in November, below expectations of 0.4%. Excluding autos and gas, retail sales rose 0.2% in the month. Meanwhile, consumer confidence increased to 113.7 in December versus 109.4 in November.

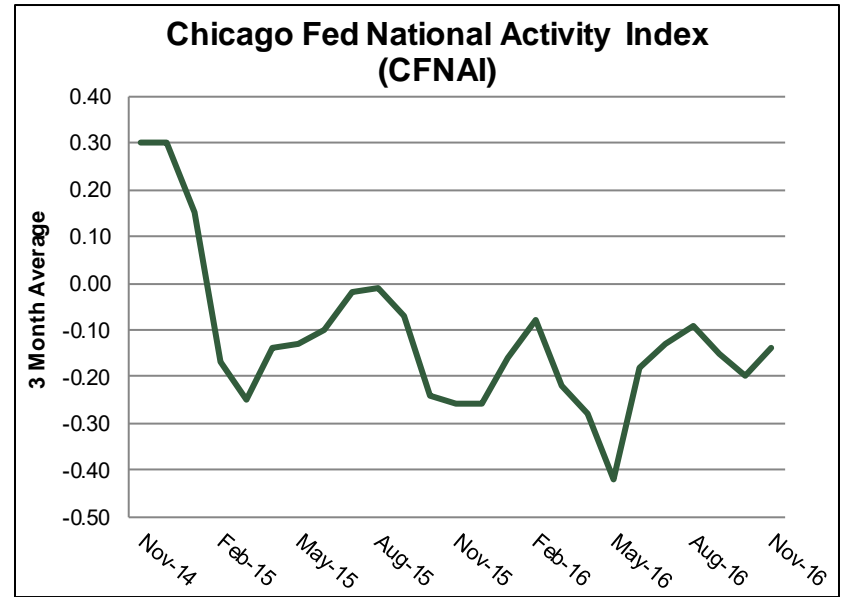




# Economic Activity

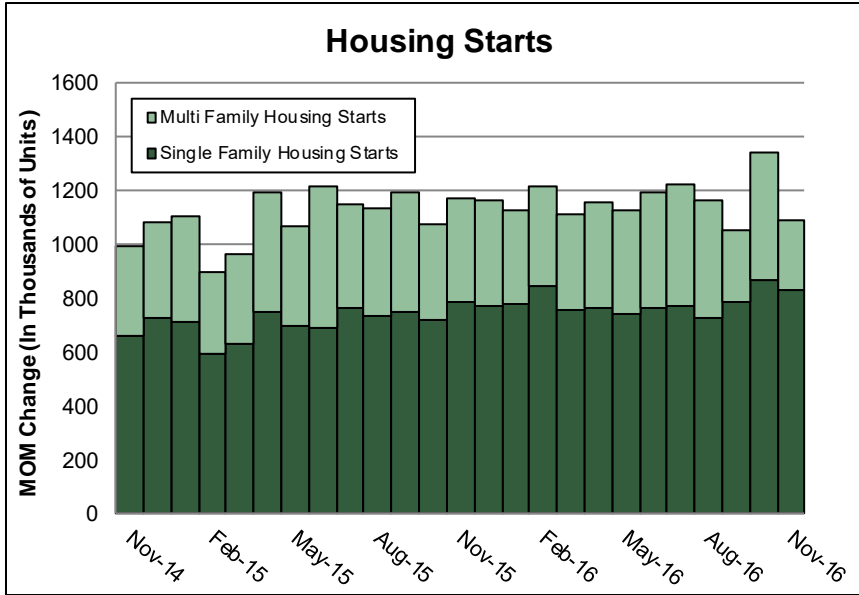


Source: The Conference Board

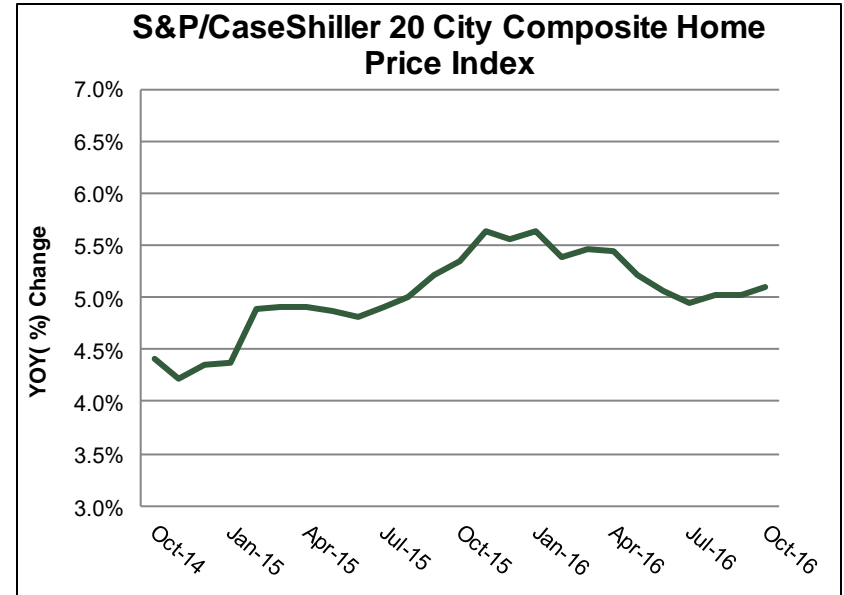


Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) was flat in November, below expectations, pointing to flat economic growth ahead. Meanwhile, the Chicago Fed National Activity Index (CFNAI) improved in November on a 3-month moving average basis to -0.14 from -0.20 in October. Still, the CFNAI suggests that the pace of economic growth is below-trend.

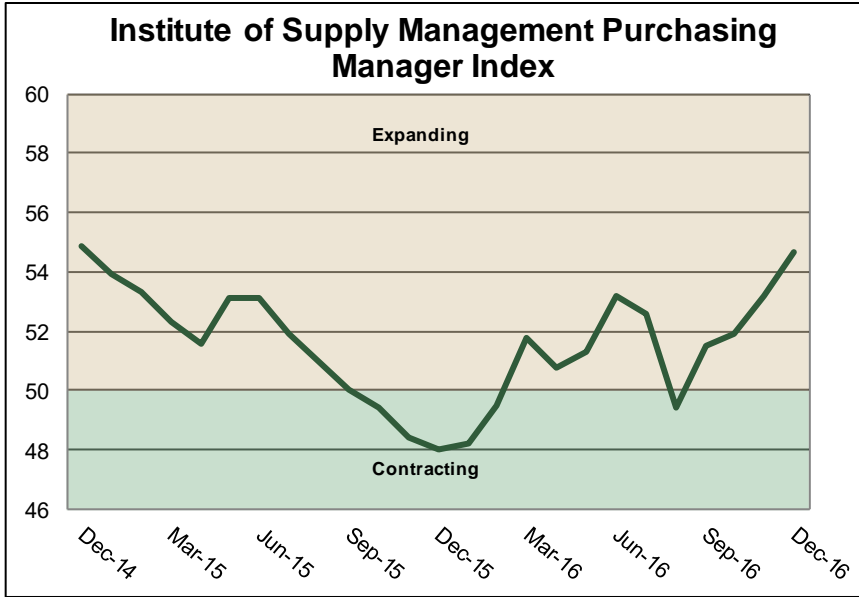


Source: US Census Bureau

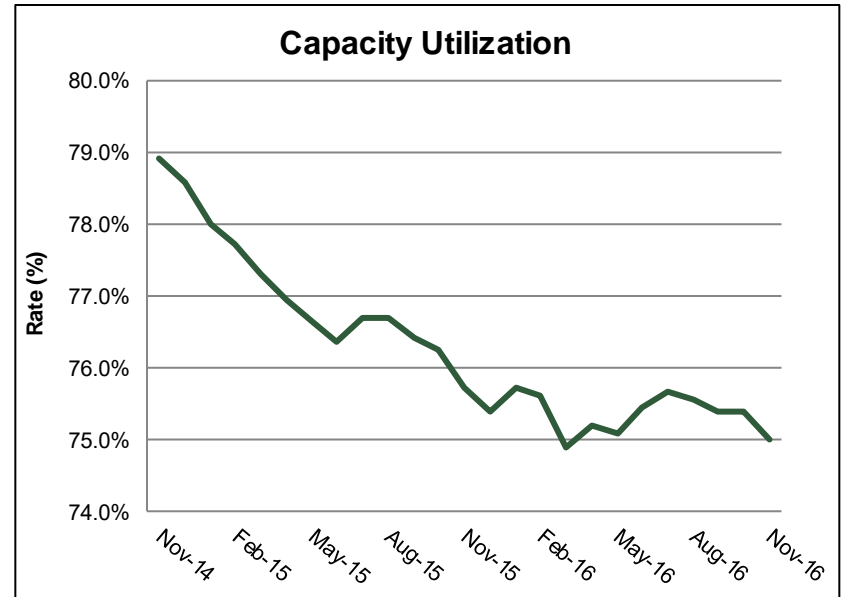


Source: S&P

Total housing starts fell 18.7% in November, following a gain of 27.4% in October. Single-family starts fell 4.1% in November while multi-family starts plunged 45.1%. Housing starts tend to be volatile on a month-to-month basis. According to the Case-Shiller 20-City home price index, home prices were up 5.1% year-over-year in October, compared to 5.0% in September.



Source: Institute for Supply Management



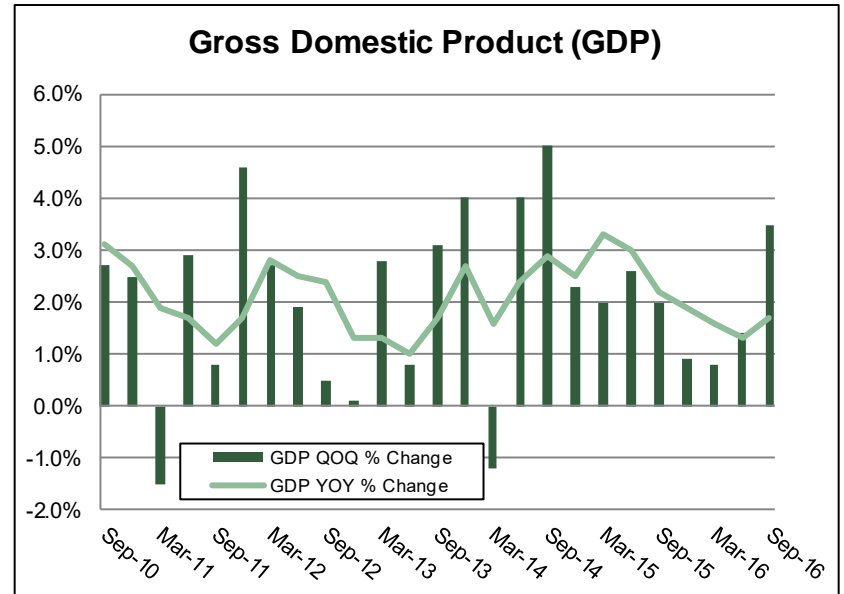
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index increased to 54.7 in December from 53.2 in November, suggesting that manufacturing activity continues to improve. Notably, a reading above 50.0 suggests the manufacturing sector is expanding. Meanwhile, capacity utilization, which is production divided by capacity, declined to 75.0% in November from 75.4% in October. The capacity utilization rate remains below the long-run average of 80.0% (1972-2015), suggesting there is still excess capacity in the industrial sector.

# GA | Gross Domestic Product (GDP)

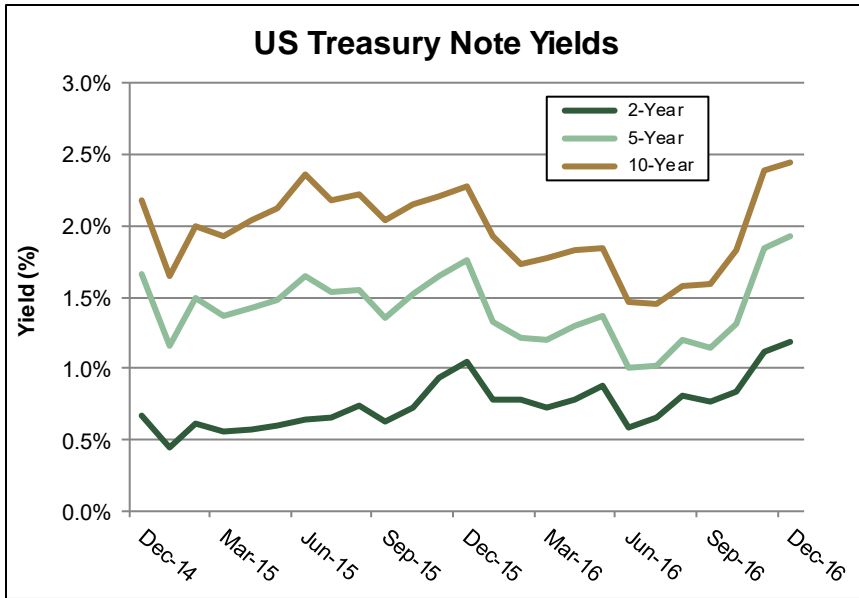
Components of GDP	12/15	3/16	6/16	9/16
Personal Consumption Expenditures	1.5%	1.1%	2.9%	2.0%
Gross Private Domestic Investment	-0.4%	-0.6%	-1.3%	0.5%
Net Exports and Imports	-0.5%	0.0%	0.2%	0.9%
Federal Government Expenditures	0.3%	-0.1%	0.0%	0.2%
State and Local (Consumption and Gross Investment)	-0.1%	0.4%	-0.3%	0.0%
<b>Total</b>	<b>0.9%</b>	<b>0.8%</b>	<b>1.4%</b>	<b>3.5%</b>

Source: US Department of Commerce

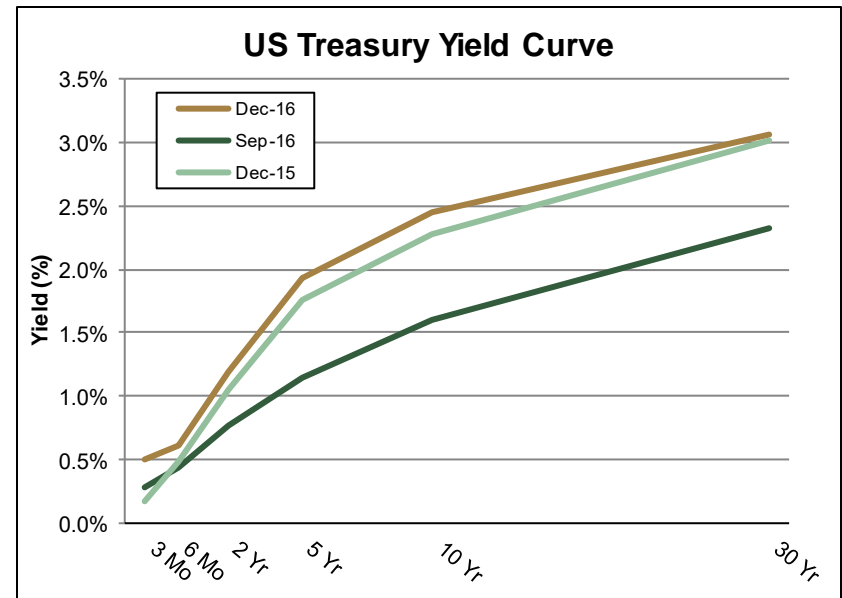


Source: US Department of Commerce

Third quarter real GDP was revised up to an annualized rate of 3.5% from the second estimate of 3.2%. The upward revision was driven by nonresidential investment, PCE, and state and local spending. This compares to 1.4% growth in the second quarter. Overall, Personal Consumption Expenditures continued to be the biggest contributor of economic growth in the third quarter, although it was down from the second quarter. Market participants estimate GDP grew 2.2% in the fourth quarter.



Source: Bloomberg



Source: Bloomberg

Over the past three months, the yield curve steepened with the 2-year Treasury yield up nearly 43 basis points and the 10-year Treasury yield up 85 basis points. On a year-over-year basis the 2-year Treasury yield increased 14 basis points and 10-year Treasury yield increased about 18 basis points. Over the past year, financial market volatility has been elevated due to weak global economic growth, volatile commodity prices, political uncertainty, and divergent global central bank monetary policy.



## SECTION 2

### Account Profile



## Investment Objectives

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

## Chandler Asset Management Performance Objectives

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

## Strategy

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



## City of Stockton Consolidated

December 31, 2016

### COMPLIANCE WITH INVESTMENT POLICY

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

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





# Account Profile

## Portfolio Characteristics

### City of Stockton Reserve Portfolio

	12/31/2016		09/30/2016
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.72	2.65	2.61
Modified Duration	2.61	2.42	2.39
Average Purchase Yield	n/a	1.47 %	1.42 %
Average Market Yield	1.40 %	1.54 %	1.07 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		322,232,379	325,110,994

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

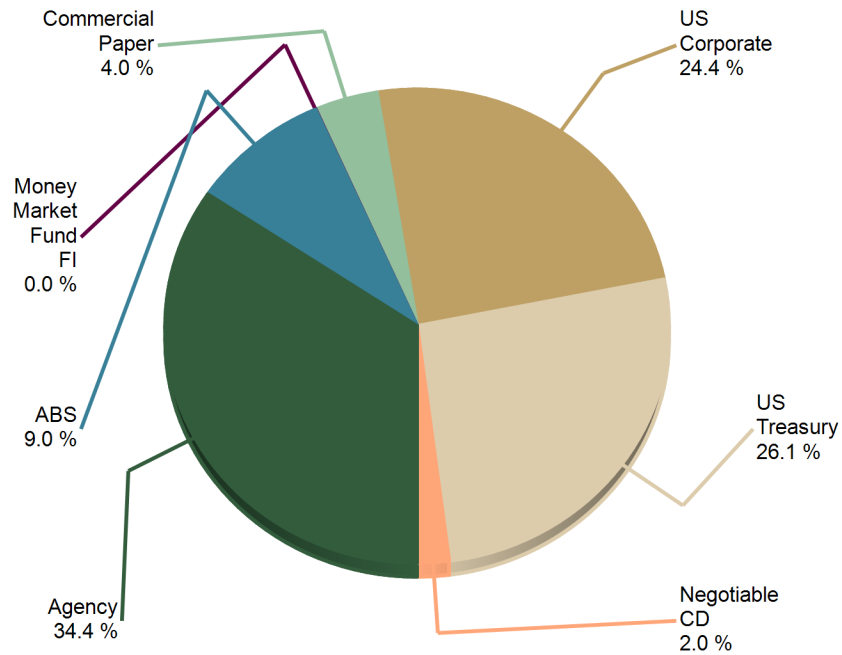
\*\* Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.



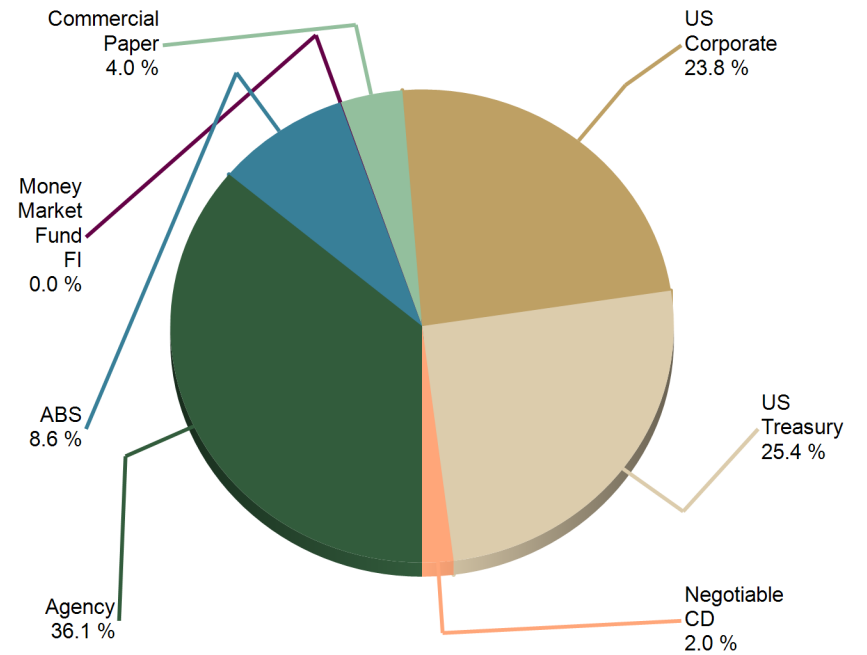
# Sector Distribution

## City of Stockton Reserve Portfolio

December 31, 2016



September 30, 2016





Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	26.13 %
Federal National Mortgage Association	Agency	15.60 %
Federal Home Loan Mortgage Corp	Agency	10.34 %
Federal Home Loan Bank	Agency	6.29 %
Honda ABS	ABS	3.04 %
John Deere ABS	ABS	2.37 %
Bank of Nova Scotia	Negotiable CD	2.03 %
Rabobank Nederland NV NY	Commercial Paper	2.02 %
Bank of Tokyo-Mit UFJ	Commercial Paper	2.02 %
Toyota ABS	ABS	1.66 %
Exxon Mobil Corp	US Corporate	1.41 %
Microsoft	US Corporate	1.37 %
US Bancorp	US Corporate	1.35 %
JP Morgan ABS	ABS	1.28 %
Oracle Corp	US Corporate	1.26 %
Tennessee Valley Authority	Agency	1.19 %
Qualcomm Inc	US Corporate	1.14 %
Bank of New York	US Corporate	1.14 %
Wells Fargo Corp	US Corporate	1.14 %
Charles Schwab Corp/The	US Corporate	1.13 %
Honda Motor Corporation	US Corporate	1.13 %
HSBC USA Corp	US Corporate	1.12 %
General Electric Co	US Corporate	1.11 %
IBM Corp	US Corporate	1.07 %
United Technology Corp	US Corporate	0.97 %
Federal Farm Credit Bank	Agency	0.97 %
Apple Inc	US Corporate	0.93 %
Praxair	US Corporate	0.93 %
Toyota Motor Corp	US Corporate	0.92 %
ChevronTexaco Corp	US Corporate	0.90 %
Pepsico Inc	US Corporate	0.78 %
Intel Corp	US Corporate	0.78 %
Cisco Systems	US Corporate	0.76 %



# Issuers Continued



City of Stockton Reserve Portfolio  
Account #10020

## Issuer Report

As of 12/31/2016

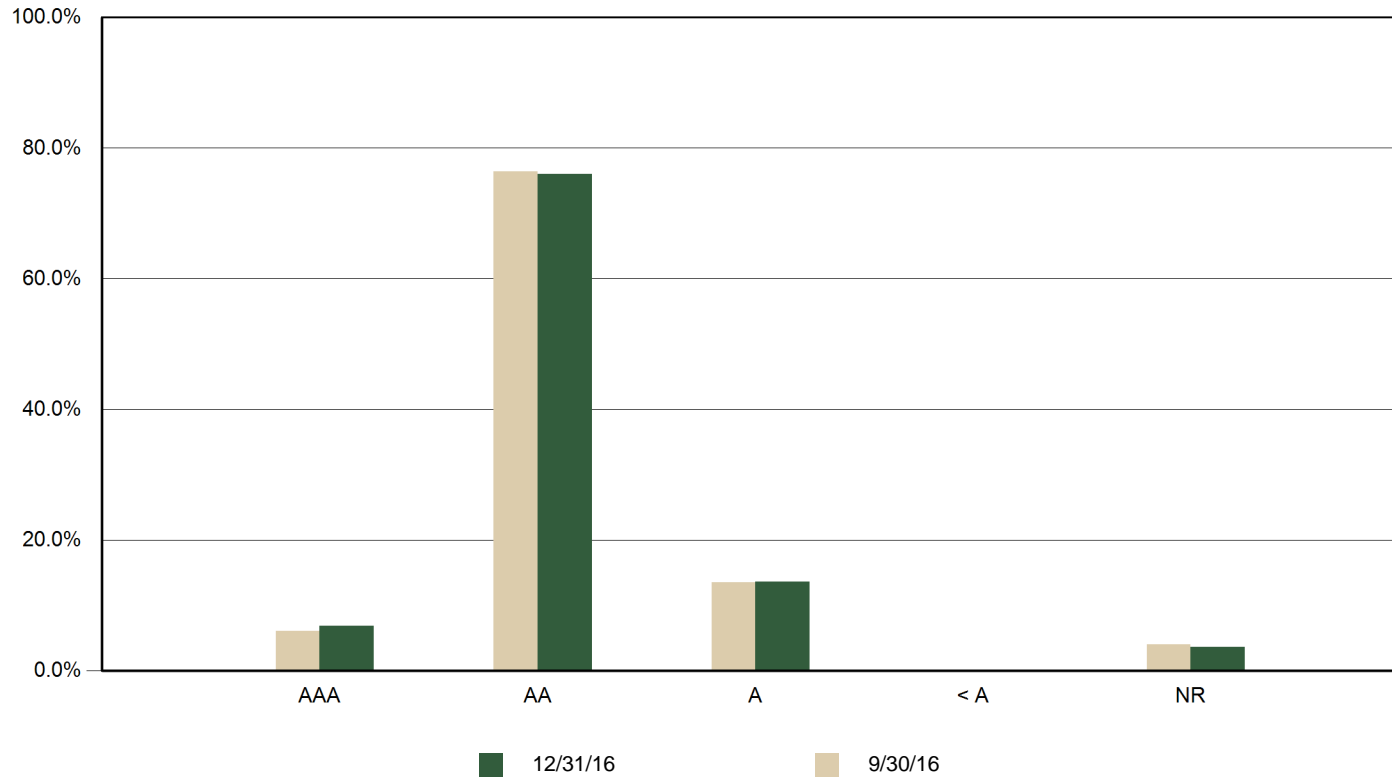
Issue Name	Investment Type	% Portfolio
State Street Bank	US Corporate	0.73 %
Nissan ABS	ABS	0.63 %
Berkshire Hathaway	US Corporate	0.59 %
Costco Wholesale Corporation	US Corporate	0.48 %
Deere & Company	US Corporate	0.46 %
Wal-Mart Stores	US Corporate	0.32 %
Paccar Financial	US Corporate	0.26 %
Pfizer Inc.	US Corporate	0.21 %
Federated GOVT Obligation MMF	Money Market Fund FI	0.02 %
<b>Total</b>		<b>100.00 %</b>



# Quality Distribution

## City of Stockton Reserve Portfolio

December 31, 2016 vs. September 30, 2016



	AAA	AA	A	<A	NR
<b>12/31/16</b>	6.8 %	76.1 %	13.6 %	0.0 %	3.6 %
<b>9/30/16</b>	6.1 %	76.4 %	13.5 %	0.0 %	4.0 %

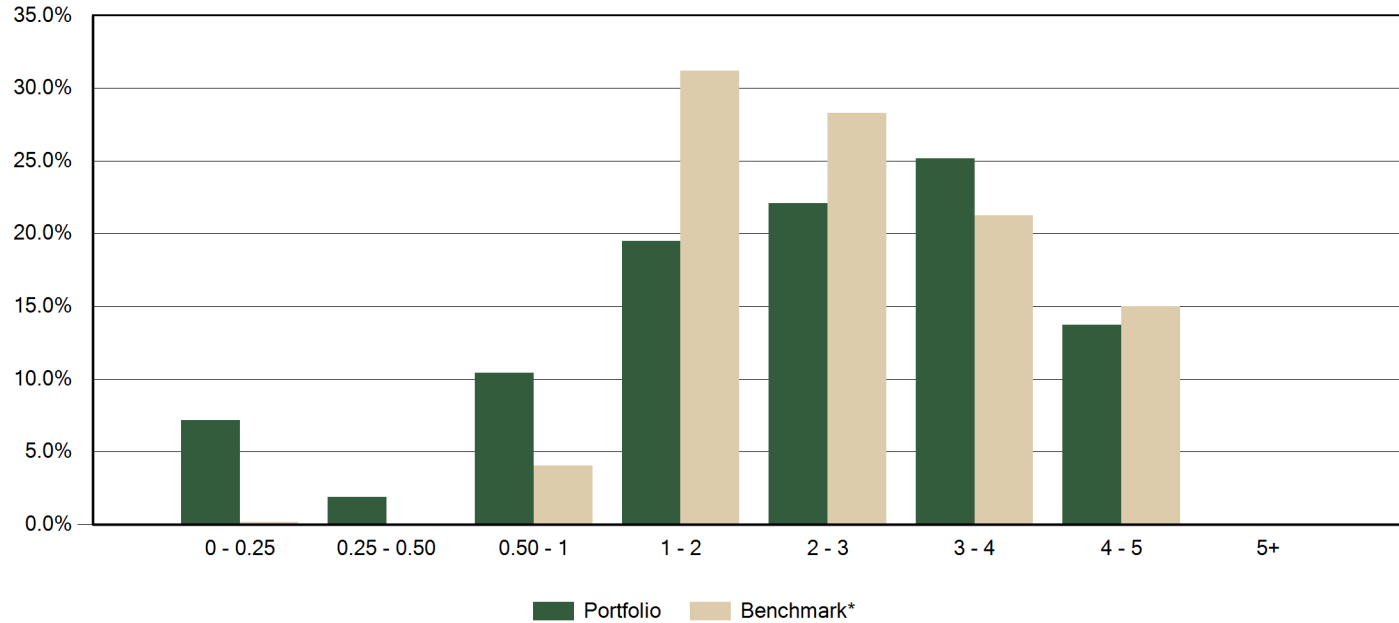
Source: S&P Ratings



# Duration Distribution

## City of Stockton Reserve Portfolio

Portfolio Compared to the Benchmark as of December 31, 2016



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
<b>Portfolio</b>	7.2 %	1.9 %	10.4 %	19.5 %	22.1 %	25.2 %	13.7 %	0.0 %
<b>Benchmark*</b>	0.2 %	0.0 %	4.1 %	31.2 %	28.3 %	21.2 %	15.0 %	0.0 %

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



# Investment Performance

## City of Stockton Reserve Portfolio

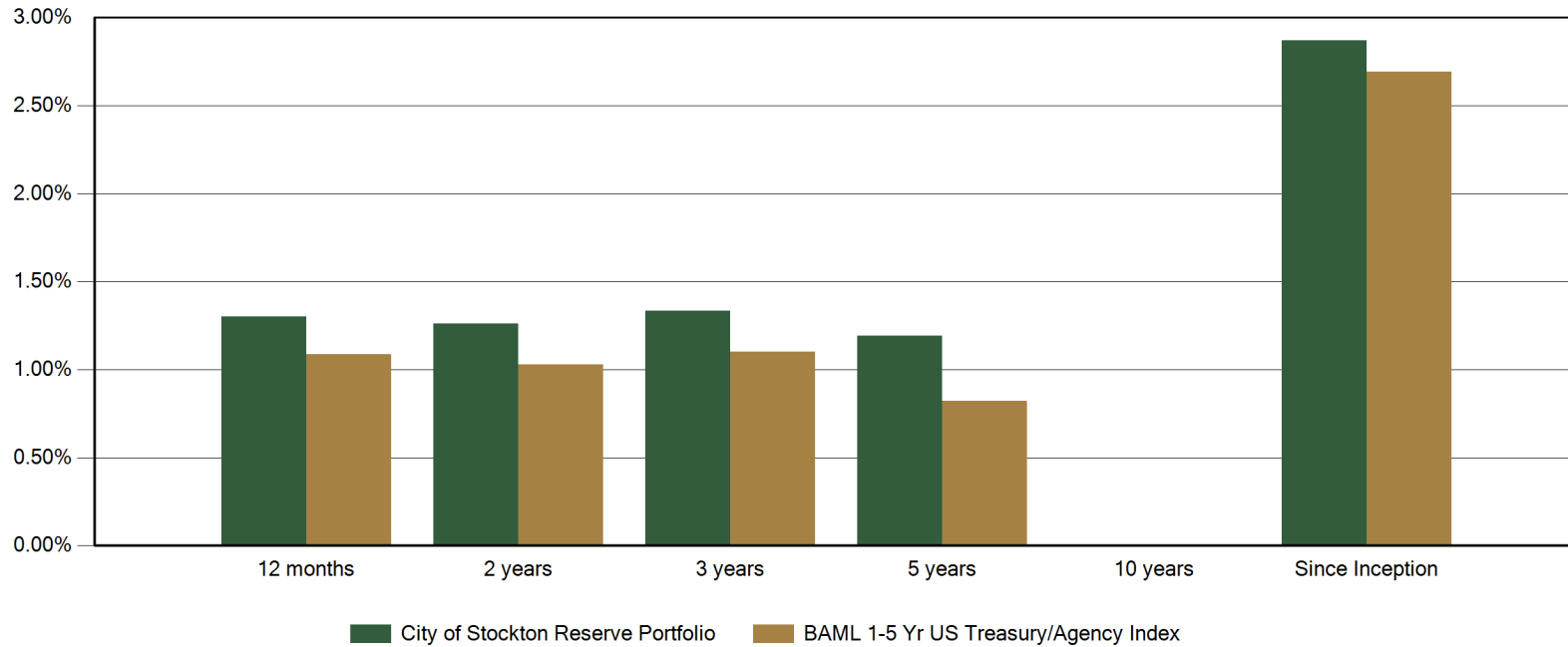
Period Ending

December 31, 2016

Total Rate of Return

Annualized Since Inception

June 30, 2007



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
City of Stockton Reserve Portfolio	-0.87 %	1.30 %	1.26 %	1.33 %	1.19 %	N/A	2.87 %
BAML 1-5 Yr US Treasury/Agency Index	-1.07 %	1.09 %	1.03 %	1.10 %	0.82 %	N/A	2.69 %

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



# Account Profile

## Portfolio Characteristics

### City of Stockton Liquid Account

	12/31/2016	09/30/2016
	Portfolio	Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	0.55 %	0.50 %
Average Market Yield	0.55 %	0.50 %
Average Quality**	AAA/Aaa	AAA/Aaa
Total Market Value	94,428,657	70,851,456

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

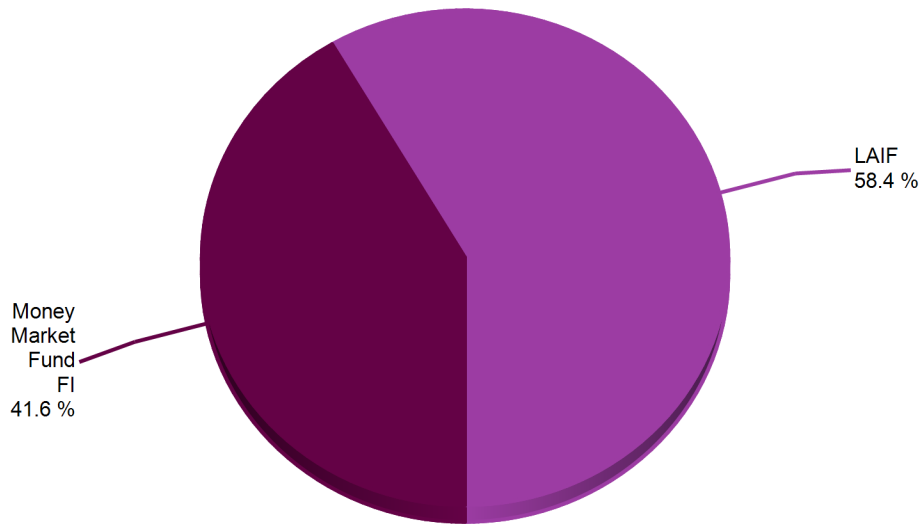




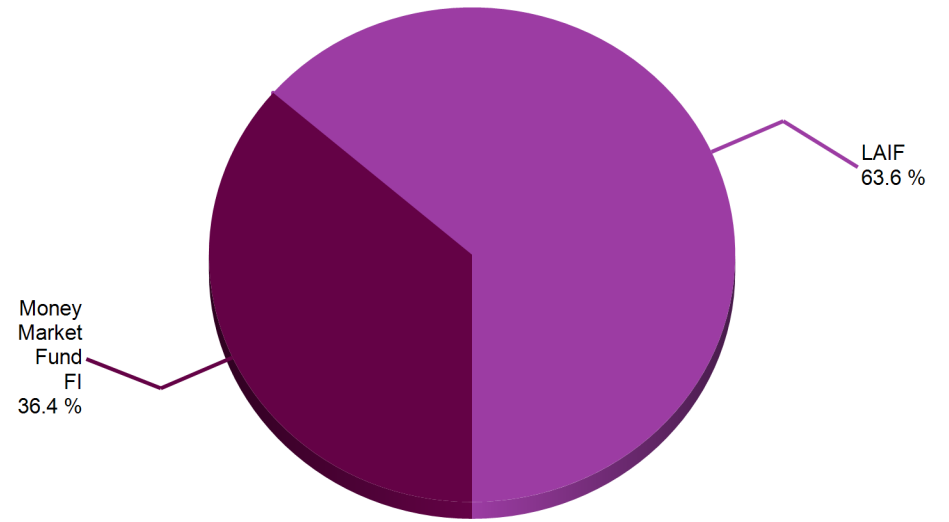
# Sector Distribution

## City of Stockton Liquid Account

December 31, 2016



September 30, 2016





City of Stockton Liquid Account  
Account #10019

## Issuer Report

As of 12/31/2016

Issue Name	Investment Type	% Portfolio
Local Agency Investment Fund	LAIF	58.43 %
Wells Fargo Advantage Govt #1751 MMKT	Money Market Fund FI	41.57 %
<b>Total</b>		<b>100.00 %</b>



## SECTION 3

# Consolidated Information



## City of Stockton Consolidated

	12/31/2016	09/30/2016
	Portfolio	Portfolio
Average Maturity (yrs)	2.05	2.14
Modified Duration	1.88	1.96
Average Purchase Yield	1.26 %	1.25 %
Average Market Yield	1.31 %	0.97 %
Average Quality**	AA+/Aa1	AA+/Aa1
Total Market Value	416,661,036	395,962,450

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

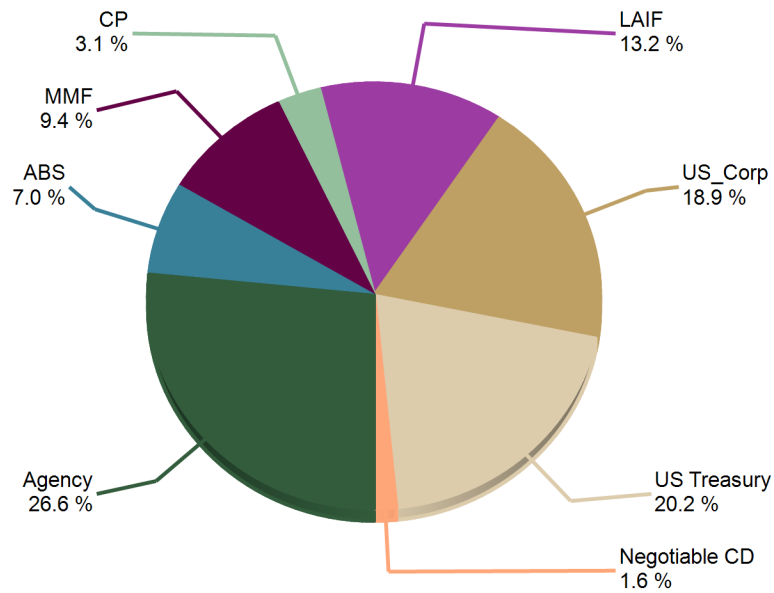
Stockton Consolidated Portfolio Periodic Total Return		
	%	US \$
1 Month	0.05%	195,895.60
3 Month	-0.69%	(2,747,614.58)
1 Year	1.02%	4,184,499.95
2 Year	1.84%	6,956,173.35



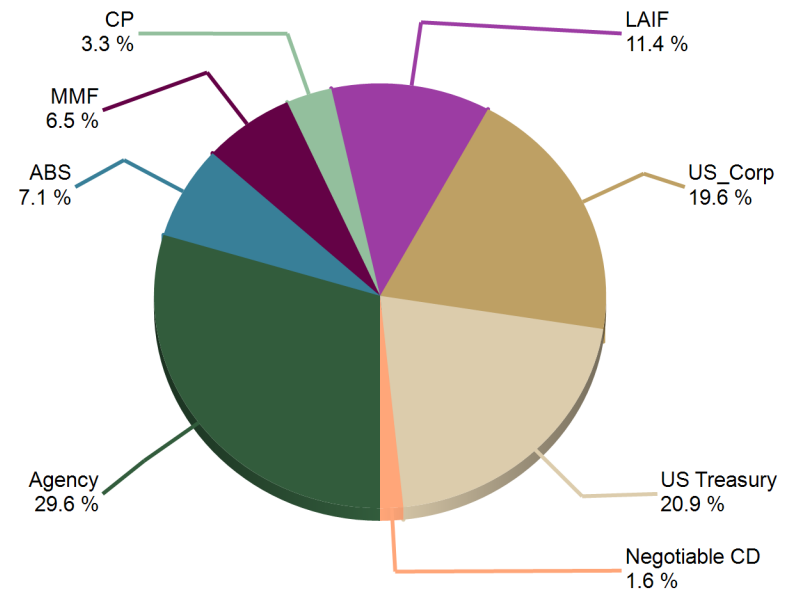
# Sector Distribution

## City of Stockton Consolidated

December 31, 2016



September 30, 2016





# Investment Performance

## City of Stockton Consolidated

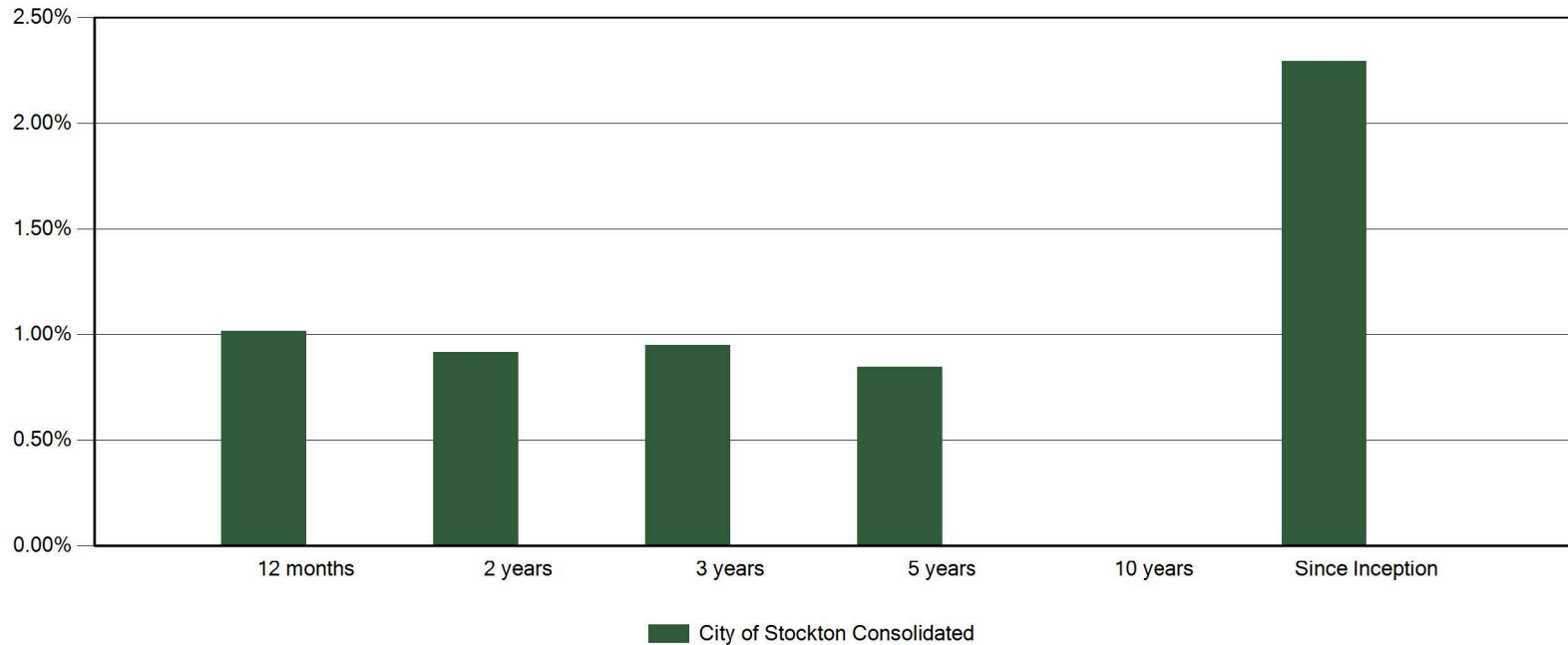
Period Ending

December 31, 2016

Total Rate of Return

Annualized Since Inception

July 31, 2007



	3 months	12 months	Annualized				Since Inception
			2 years	3 years	5 years	10 years	
City of Stockton Consolidated	-0.69 %	1.02 %	0.91 %	0.95 %	0.84 %	N/A	2.29 %

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



## SECTION 4

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# Portfolio Holdings



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
43813JAC9	Honda Auto Receivables 2014-1 A3 0.67% Due 11/21/2017	150,410.26	Various 0.89 %	150,099.54 150,410.26	99.97 1.16 %	150,369.80 28.00	0.05 % (40.46)	Aaa / NR AAA	0.89 0.05
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	204,863.64	Various 0.70 %	204,798.68 204,862.25	99.96 1.33 %	204,774.12 61.00	0.06 % (88.13)	Aaa / AAA NR	0.96 0.08
89231TAB6	Toyota Auto Receivables Owner 2015-C 0.92% Due 2/15/2018	451,269.69	08/18/2015 0.93 %	451,233.41 451,253.24	99.97 1.13 %	451,155.97 184.52	0.14 % (97.27)	Aaa / AAA NR	1.13 0.12
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	373,594.92	05/13/2014 0.78 %	373,550.01 373,589.29	99.92 1.14 %	373,281.10 103.88	0.12 % (308.19)	Aaa / AAA NR	1.21 0.23
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	567,152.93	Various 0.92 %	567,190.33 567,157.22	99.96 1.14 %	566,909.05 231.91	0.18 % (248.17)	Aaa / NR AAA	1.29 0.20
43814HAC2	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	596,819.60	08/12/2014 0.89 %	596,704.47 596,798.42	99.93 1.12 %	596,413.76 233.42	0.19 % (384.66)	NR / AAA AAA	1.45 0.29
477877AD6	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	1,719,709.66	Various 1.07 %	1,719,648.96 1,719,693.72	99.99 1.09 %	1,719,592.71 817.82	0.53 % (101.01)	Aaa / NR AAA	1.87 0.37
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	2,037,144.64	Various 1.19 %	2,035,705.74 2,036,449.75	99.95 1.22 %	2,036,058.84 1,014.04	0.63 % (390.91)	Aaa / AAA NR	2.13 0.54
47788NAB4	John Deere Owner Trust 2016-B A2 1.09% Due 2/15/2019	2,915,000.00	07/19/2016 1.10 %	2,914,822.19 2,914,852.30	99.89 1.26 %	2,911,647.75 1,412.16	0.90 % (3,204.55)	Aaa / NR AAA	2.13 0.70
43813NAC0	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	2,787,267.31	Various 1.12 %	2,784,163.98 2,785,340.55	99.89 1.23 %	2,784,301.65 805.21	0.86 % (1,038.90)	NR / AAA AAA	2.14 0.57
43814RAB2	Honda Auto Receivables 2016-4 A2 1.04% Due 4/18/2019	4,140,000.00	10/18/2016 1.05 %	4,139,884.49 4,139,893.17	99.76 1.31 %	4,130,121.96 1,554.80	1.28 % (9,771.21)	NR / AAA AAA	2.30 0.91
65478WAB1	Nissan Auto Receivables Owner 2016-C A2A 1.07% Due 5/15/2019	2,040,000.00	08/02/2016 1.08 %	2,039,919.62 2,039,931.10	99.83 1.30 %	2,036,513.64 970.13	0.63 % (3,417.46)	Aaa / NR AAA	2.37 0.76
89231LAB3	Toyota Auto Receivables Owner 2016-D 1.06% Due 5/15/2019	2,675,000.00	10/04/2016 1.07 %	2,674,786.00 2,674,804.34	99.81 1.29 %	2,669,874.70 1,260.22	0.83 % (4,929.64)	Aaa / AAA NR	2.37 0.84
161571HH0	Chase CHAIT Pool #2016-A7 1.06% Due 9/16/2019	4,140,000.00	09/06/2016 1.08 %	4,139,643.13 4,139,750.09	99.91 1.20 %	4,136,236.74 1,950.40	1.28 % (3,513.35)	Aaa / AAA AAA	2.71 0.68
47788MAC4	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	2,450,000.00	02/23/2016 1.37 %	2,449,614.37 2,449,692.52	99.74 1.55 %	2,443,581.00 1,480.89	0.76 % (6,111.52)	Aaa / NR AAA	3.29 1.41
43814QAC2	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	1,770,000.00	05/24/2016 1.40 %	1,769,965.66 1,769,970.88	99.85 1.49 %	1,767,256.50 1,093.47	0.55 % (2,714.38)	Aaa / NR AAA	3.29 1.57
<b>Total ABS</b>		<b>29,018,232.65</b>	<b>1.11 %</b>	<b>29,011,730.58</b> <b>29,014,449.10</b>	<b>1.28 %</b>	<b>28,978,089.29</b> <b>13,201.87</b>	<b>9.00 %</b> <b>(36,359.81)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.36</b> <b>0.77</b>
<b>AGENCY</b>									
3133EAY28	FFCB Note 0.83% Due 9/21/2017	3,115,000.00	Various 0.79 %	3,120,957.00 3,115,861.29	100.00 0.83 %	3,115,102.80 7,181.81	0.97 % (758.49)	Aaa / AA+ AAA	0.72 0.72
3137EADL0	FHLMC Note 1% Due 9/29/2017	4,000,000.00	Various 1.15 %	3,977,747.00 3,995,718.65	100.10 0.87 %	4,003,876.01 10,222.22	1.25 % 8,157.36	Aaa / AA+ AAA	0.75 0.74





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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3137EADN6	FHLMC Note 0.75% Due 1/12/2018	4,700,000.00	07/28/2015 0.94 %	4,678,271.90 4,690,902.27	99.80 0.95 %	4,690,421.40 16,547.92	1.46 % (480.87)	Aaa / AA+ AAA	1.03 1.02
313378A43	FHLB Note 1.375% Due 3/9/2018	5,285,000.00	Various 1.30 %	5,286,263.15 5,289,389.60	100.36 1.07 %	5,303,904.45 22,608.05	1.65 % 14,514.85	Aaa / AA+ AAA	1.19 1.17
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	3,335,000.00	Various 1.11 %	3,335,916.76 3,335,462.44	100.08 1.07 %	3,337,574.62 6,878.44	1.04 % 2,112.18	Aaa / AA+ AAA	1.32 1.30
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	3,575,000.00	Various 1.31 %	3,509,974.52 3,554,321.02	99.72 1.08 %	3,564,997.15 3,475.70	1.11 % 10,676.13	Aaa / AA+ AAA	1.39 1.37
880591EQ1	Tennessee Valley Authority Note 1.75% Due 10/15/2018	3,775,000.00	Various 1.59 %	3,803,947.65 3,785,634.01	100.86 1.26 %	3,807,397.05 13,946.53	1.19 % 21,763.04	Aaa / AA+ AAA	1.79 1.75
313376BR5	FHLB Note 1.75% Due 12/14/2018	2,500,000.00	01/29/2014 1.62 %	2,515,350.00 2,506,143.45	101.05 1.21 %	2,526,172.50 2,065.97	0.78 % 20,029.05	Aaa / AA+ AAA	1.95 1.92
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	3,700,000.00	Various 1.71 %	3,727,352.70 3,712,327.70	101.22 1.29 %	3,745,069.70 25,437.50	1.17 % 32,742.00	Aaa / AA+ AAA	2.14 2.07
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	5,275,000.00	Various 1.62 %	5,303,450.18 5,291,194.32	100.94 1.35 %	5,324,701.05 7,949.12	1.65 % 33,506.73	Aaa / AA+ AAA	2.41 2.36
3135G0ZE6	FNMA Note 1.75% Due 6/20/2019	5,300,000.00	Various 1.56 %	5,341,513.00 5,323,878.12	101.05 1.32 %	5,355,575.80 2,834.03	1.66 % 31,697.68	Aaa / AA+ AAA	2.47 2.41
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	5,400,000.00	Various 1.73 %	5,282,340.35 5,335,638.63	99.59 1.41 %	5,377,768.20 28,125.00	1.68 % 42,129.57	Aaa / AA+ AAA	2.58 2.52
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	5,300,000.00	Various 1.67 %	5,318,673.00 5,311,214.44	100.95 1.39 %	5,350,350.00 28,082.64	1.67 % 39,135.56	Aaa / AA+ AAA	2.70 2.62
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	5,350,000.00	Various 1.71 %	5,239,378.60 5,284,795.68	99.42 1.47 %	5,318,707.85 16,532.99	1.66 % 33,912.17	Aaa / AA+ AAA	2.75 2.69
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	2,200,000.00	08/26/2015 1.56 %	2,182,030.40 2,187,214.14	99.22 1.61 %	2,182,941.20 5,041.67	0.68 % (4,272.94)	Aaa / AA+ AAA	3.33 3.24
3135G0D75	FNMA Note 1.5% Due 6/22/2020	6,400,000.00	Various 1.74 %	6,327,449.80 6,349,285.56	99.53 1.64 %	6,370,163.20 2,400.00	1.98 % 20,877.64	Aaa / AA+ AAA	3.48 3.37
3135G0F73	FNMA Note 1.5% Due 11/30/2020	6,400,000.00	Various 1.87 %	6,288,644.00 6,312,148.09	98.75 1.83 %	6,319,712.00 8,266.67	1.96 % 7,563.91	Aaa / AA+ AAA	3.92 3.78
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	6,450,000.00	Various 1.45 %	6,426,116.60 6,430,263.73	98.11 1.85 %	6,327,843.45 32,765.10	1.97 % (102,420.28)	Aaa / AA+ AAA	4.14 3.97
3135G0J20	FNMA Note 1.375% Due 2/26/2021	6,400,000.00	02/26/2016 1.41 %	6,388,224.00 6,390,206.04	98.05 1.86 %	6,275,232.00 30,555.56	1.96 % (114,974.04)	Aaa / AA+ AAA	4.16 3.99
3135G0K69	FNMA Note 1.25% Due 5/6/2021	5,900,000.00	06/29/2016 1.18 %	5,920,060.00 5,917,964.52	97.17 1.93 %	5,732,841.20 11,267.36	1.78 % (185,123.32)	Aaa / AA+ AAA	4.35 4.19
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	2,800,000.00	10/04/2016 1.33 %	2,774,128.00 2,775,420.11	96.53 1.93 %	2,702,728.00 14,612.50	0.84 % (72,692.11)	Aaa / AA+ AAA	4.54 4.37
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	6,555,000.00	Various 1.31 %	6,496,403.95 6,500,150.09	96.28 1.97 %	6,310,872.14 28,473.28	1.97 % (189,277.95)	Aaa / AA+ AAA	4.62 4.44



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3135G0N82	FNMA Note 1.25% Due 8/17/2021	6,500,000.00	10/04/2016 1.37 %	6,464,854.50 6,466,576.15	96.65 2.01 %	6,282,055.00 29,791.67	1.96 % (184,521.15)	Aaa / AA+ AAA	4.63 4.44
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	1,150,000.00	10/27/2016 1.50 %	1,142,996.50 1,143,248.70	97.29 1.97 %	1,118,800.50 3,689.58	0.35 % (24,448.20)	Aaa / AA+ AAA	4.77 4.57
<b>Total Agency</b>		<b>111,365,000.00</b>	<b>1.45 %</b>	<b>110,852,043.56</b> <b>111,004,958.75</b>	<b>1.50 %</b>	<b>110,444,807.27</b> <b>358,751.31</b>	<b>34.39 %</b> <b>(560,151.48)</b>	<b>Aaa / AA+ AAA</b>	<b>2.91</b> <b>2.82</b>
<b>COMMERCIAL PAPER</b>									
06538BQ63	Bank of Tokyo Mitsubishi NY Discount CP 1.03% Due 3/6/2017	6,505,000.00	10/26/2016 1.05 %	6,480,805.04 6,493,088.64	99.82 1.05 %	6,493,088.64 0.00	2.02 % 0.00	P-1 / A-1 NR	0.18 0.18
21687AQU0	Rabobank Nederland NV NY Discount CP 1.12% Due 3/28/2017	6,525,000.00	09/27/2016 1.14 %	6,488,257.01 6,507,542.00	99.73 1.14 %	6,507,542.00 0.00	2.02 % 0.00	P-1 / A-1 NR	0.24 0.24
<b>Total Commercial Paper</b>		<b>13,030,000.00</b>	<b>1.10 %</b>	<b>12,969,062.05</b> <b>13,000,630.64</b>	<b>1.10 %</b>	<b>13,000,630.64</b> <b>0.00</b>	<b>4.03 %</b> <b>0.00</b>	<b>P-1 / A-1 NR</b>	<b>0.21</b> <b>0.21</b>
<b>MONEY MARKET FUND FI</b>									
60934N104	Federated Prime Value Oblig GOVT OBLIG MMF	71,651.68	Various 0.40 %	71,651.68 71,651.68	1.00 0.40 %	71,651.68 0.00	0.02 % 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>71,651.68</b>	<b>0.40 %</b>	<b>71,651.68</b> <b>71,651.68</b>	<b>0.40 %</b>	<b>71,651.68</b> <b>0.00</b>	<b>0.02 %</b> <b>0.00</b>	<b>Aaa / AAA NR</b>	<b>0.00</b> <b>0.00</b>
<b>NEGOTIABLE CD</b>									
06417GNP9	Bank of Nova Scotia Yankee CD 1.26% Due 3/1/2017	6,500,000.00	08/29/2016 1.26 %	6,499,998.57 6,499,999.54	100.00 1.26 %	6,499,999.54 28,437.50	2.03 % 0.00	P-1 / A-1 F-1+	0.16 0.16
<b>Total Negotiable CD</b>		<b>6,500,000.00</b>	<b>1.26 %</b>	<b>6,499,998.57</b> <b>6,499,999.54</b>	<b>1.26 %</b>	<b>6,499,999.54</b> <b>28,437.50</b>	<b>2.03 %</b> <b>0.00</b>	<b>P-1 / A-1 F-1+</b>	<b>0.16</b> <b>0.16</b>
<b>US CORPORATE</b>									
24422ERL5	John Deere Capital Corp Note 2% Due 1/13/2017	910,000.00	09/11/2012 1.05 %	946,500.10 910,276.87	100.02 1.31 %	910,205.66 8,493.33	0.29 % (71.21)	A2 / A A	0.04 0.03
69371RK54	Paccar Financial Corp Note 1.6% Due 3/15/2017	830,000.00	03/10/2015 1.08 %	838,507.50 830,847.27	100.12 1.02 %	830,987.70 3,910.22	0.26 % 140.43	A1 / A+ NR	0.20 0.21
717081DJ9	Pfizer Inc. Note 1.1% Due 5/15/2017	685,000.00	05/12/2014 1.13 %	684,397.20 684,926.30	100.00 1.09 %	685,009.59 962.81	0.21 % 83.29	A1 / AA A+	0.37 0.37
913017BU2	United Tech Corp Note 1.8% Due 6/1/2017	3,120,000.00	Various 1.07 %	3,163,696.80 3,129,346.21	100.26 1.17 %	3,128,152.56 4,680.00	0.97 % (1,193.65)	A3 / A- A-	0.42 0.41



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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US CORPORATE</b>									
166764AA8	Chevron Corp Callable Note Cont 11/5/17 1.104% Due 12/5/2017	1,550,000.00	Various 1.34 %	1,535,040.10 1,546,705.46	99.77 1.37 %	1,546,497.00 1,235.87	0.48 % (208.46)	Aa2 / AA- NR	0.93 0.84
02665WAQ4	American Honda Finance Note 1.55% Due 12/11/2017	1,665,000.00	12/08/2014 1.58 %	1,663,451.55 1,664,513.99	100.09 1.46 %	1,666,440.23 1,433.75	0.52 % 1,926.24	A1 / A+ NR	0.95 0.93
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	2,500,000.00	Various 1.31 %	2,504,903.20 2,500,913.81	100.15 1.19 %	2,503,757.50 1,500.00	0.78 % 2,843.69	A1 / A+ A+	0.96 0.95
89236TCA1	Toyota Motor Credit Corp Note 1.45% Due 1/12/2018	2,955,000.00	Various 1.38 %	2,961,029.65 2,957,214.82	100.03 1.42 %	2,955,856.95 20,114.52	0.92 % (1,357.87)	Aa3 / AA- A	1.03 1.01
40428HPH9	HSBC USA Inc Note 1.625% Due 1/16/2018	3,600,000.00	Various 1.74 %	3,586,182.00 3,595,692.09	99.83 1.79 %	3,593,703.60 26,812.51	1.12 % (1,988.49)	A2 / A AA-	1.04 1.02
459200HZ7	IBM Corp Note 1.125% Due 2/6/2018	3,440,000.00	Various 1.26 %	3,427,318.00 3,435,088.36	99.77 1.33 %	3,432,180.88 15,587.50	1.07 % (2,907.48)	Aa3 / AA- A+	1.10 1.08
166764AV2	Chevron Corp Note 1.365% Due 3/2/2018	1,350,000.00	Various 1.40 %	1,348,780.00 1,349,523.00	99.90 1.45 %	1,348,674.30 6,091.31	0.42 % (848.70)	Aa2 / AA- NR	1.17 1.15
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2018 1.5% Due 3/10/2018	3,635,000.00	Various 1.43 %	3,642,256.30 3,637,959.46	100.02 1.47 %	3,635,857.86 16,811.88	1.13 % (2,101.60)	A2 / A A	1.19 1.09
931142DF7	Wal-Mart Stores Note 1.125% Due 4/11/2018	1,045,000.00	04/04/2013 1.14 %	1,044,038.60 1,044,755.17	99.77 1.31 %	1,042,567.24 2,612.50	0.32 % (2,187.93)	Aa2 / AA AA	1.28 1.26
713448CR7	PepsiCo Inc Note 1.25% Due 4/30/2018	2,520,000.00	Various 1.28 %	2,517,637.60 2,518,903.86	99.87 1.35 %	2,516,827.32 5,337.50	0.78 % (2,076.54)	A1 / A A	1.33 1.32
037833AJ9	Apple Inc Note 1% Due 5/3/2018	3,000,000.00	Various 1.28 %	2,968,660.25 2,989,272.99	99.63 1.28 %	2,988,750.00 4,833.33	0.93 % (522.99)	Aa1 / AA+ NR	1.34 1.32
02665WAC5	American Honda Finance Note 2.125% Due 10/10/2018	1,950,000.00	Various 1.86 %	1,968,709.00 1,958,630.23	100.78 1.68 %	1,965,250.96 9,323.44	0.61 % 6,620.73	A1 / A+ NR	1.78 1.73
74005PBH6	Praxair Note 1.25% Due 11/7/2018	2,990,000.00	Various 1.65 %	2,946,487.30 2,968,696.32	99.54 1.50 %	2,976,368.59 5,606.25	0.93 % 7,672.27	A2 / A NR	1.85 1.82
91159HHE3	US Bancorp Callable Note Cont 10/15/2018 1.95% Due 11/15/2018	265,000.00	02/12/2014 1.90 %	265,561.80 265,215.47	100.51 1.66 %	266,348.32 660.29	0.08 % 1,132.85	A1 / A+ AA	1.87 1.75
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	565,000.00	12/10/2013 1.99 %	563,796.55 564,531.41	100.53 1.67 %	567,984.33 550.88	0.18 % 3,452.92	A2 / A A	1.95 1.91
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	3,510,000.00	Various 2.08 %	3,538,408.20 3,525,153.38	101.18 1.71 %	3,551,509.26 37,449.74	1.11 % 26,355.88	A1 / AA- AA-	2.04 1.96
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	2,395,000.00	Various 2.04 %	2,404,780.75 2,399,262.98	101.32 1.50 %	2,426,561.31 16,964.59	0.76 % 27,298.33	A1 / AA- NR	2.16 2.10
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	4,025,000.00	Various 1.94 %	4,056,601.75 4,047,467.98	100.85 1.81 %	4,059,357.40 16,234.17	1.26 % 11,889.42	A1 / A+ AA	2.32 2.17
084664CK5	Berkshire Hathaway Note 1.3% Due 8/15/2019	1,905,000.00	08/08/2016 1.33 %	1,903,152.15 1,903,386.72	98.79 1.78 %	1,881,865.68 9,355.67	0.59 % (21,521.04)	Aa2 / AA A+	2.62 2.55



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<b>US CORPORATE</b>									
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	3,625,000.00	Various 2.23 %	3,634,931.45 3,630,854.63	100.82 1.97 %	3,654,870.00 25,475.69	1.14 % 24,015.37	A1 / A AA-	2.70 2.51
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	3,660,000.00	Various 2.25 %	3,643,555.40 3,649,061.60	99.53 2.31 %	3,642,706.51 33,006.09	1.14 % (6,355.09)	A2 / A AA-	3.08 2.94
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	1,565,000.00	02/05/2015 1.77 %	1,563,356.75 1,563,972.97	99.19 2.02 %	1,552,314.11 10,346.39	0.48 % (11,658.86)	A1 / A+ A+	3.13 3.00
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	3,675,000.00	Various 2.45 %	3,641,190.55 3,651,764.99	100.01 2.25 %	3,675,268.29 9,417.18	1.14 % 23,503.30	A1 / A+ NR	3.39 3.24
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	1,515,000.00	10/29/2015 2.02 %	1,513,788.00 1,514,069.94	100.10 1.97 %	1,516,569.54 4,881.67	0.47 % 2,499.60	Aaa / AAA AA+	3.84 3.59
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	4,493,000.00	Various 1.96 %	4,546,957.34 4,539,946.28	100.23 2.16 %	4,503,293.47 33,278.15	1.41 % (36,652.81)	Aaa / AA+ NR	4.17 3.93
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	2,380,000.00	Various 1.96 %	2,378,982.90 2,379,122.07	97.99 2.44 %	2,332,211.98 5,414.50	0.73 % (46,910.09)	A1 / A AA-	4.38 4.16
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	2,980,000.00	Various 1.57 %	2,976,460.60 2,976,743.59	96.99 2.24 %	2,890,337.76 18,347.70	0.90 % (86,405.83)	Aaa / AAA AA+	4.61 4.38
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	4,100,000.00	11/29/2016 2.40 %	4,008,201.00 4,009,776.50	97.72 2.41 %	4,006,491.30 37,651.67	1.26 % (3,285.20)	A1 / AA- A+	4.71 4.43
<b>Total US Corporate</b>		<b>78,403,000.00</b>	<b>1.73 %</b>	<b>78,387,320.34</b> <b>78,343,596.72</b>	<b>1.74 %</b>	<b>78,254,777.20</b> <b>394,381.10</b>	<b>24.41 %</b> <b>(88,819.52)</b>	<b>A1 / AA-</b> <b>A+</b>	<b>2.24</b> <b>2.14</b>
<b>US TREASURY</b>									
912828WD8	US Treasury Note 1.25% Due 10/31/2018	4,350,000.00	Various 1.46 %	4,308,809.50 4,334,003.64	100.16 1.16 %	4,356,968.70 9,312.85	1.36 % 22,965.06	Aaa / AA+ AAA	1.83 1.80
912828ST8	US Treasury Note 1.25% Due 4/30/2019	5,350,000.00	Various 1.60 %	5,264,135.10 5,308,006.52	99.94 1.28 %	5,346,864.90 11,453.73	1.66 % 38,858.38	Aaa / AA+ AAA	2.33 2.29
912828R85	US Treasury Note 0.875% Due 6/15/2019	6,500,000.00	07/28/2016 0.82 %	6,510,178.03 6,508,667.30	98.95 1.31 %	6,431,951.50 2,656.25	2.00 % (76,715.80)	Aaa / AA+ AAA	2.45 2.42
912828TH3	US Treasury Note 0.875% Due 7/31/2019	6,700,000.00	03/01/2016 1.08 %	6,653,959.95 6,665,229.79	98.84 1.33 %	6,622,266.60 24,533.29	2.06 % (42,963.19)	Aaa / AA+ AAA	2.58 2.53
912828UB4	US Treasury Note 1% Due 11/30/2019	6,475,000.00	Various 1.56 %	6,308,028.52 6,373,964.23	98.80 1.42 %	6,397,099.28 5,692.30	1.99 % 23,135.05	Aaa / AA+ AAA	2.92 2.86
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	5,925,000.00	Various 1.56 %	5,842,603.82 5,869,221.35	99.20 1.51 %	5,877,783.68 25,164.88	1.83 % 8,562.33	Aaa / AA+ AAA	3.16 3.07
912828J84	US Treasury Note 1.375% Due 3/31/2020	6,350,000.00	Various 1.32 %	6,362,538.84 6,360,292.68	99.48 1.54 %	6,316,764.10 22,307.86	1.97 % (43,528.58)	Aaa / AA+ AAA	3.25 3.15
912828VF4	US Treasury Note 1.375% Due 5/31/2020	5,925,000.00	Various 1.63 %	5,855,070.65 5,876,106.54	99.37 1.57 %	5,887,506.60 7,162.09	1.83 % 11,400.06	Aaa / AA+ AAA	3.42 3.32



### Holdings Report

As of 12/31/16

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828L32	US Treasury Note 1.375% Due 8/31/2020	6,700,000.00	Various 1.36 %	6,703,956.03 6,703,226.58	98.96 1.67 %	6,630,380.30 31,302.15	2.07 % (72,846.28)	Aaa / AA+ AAA	3.67 3.54
912828L99	US Treasury Note 1.375% Due 10/31/2020	6,400,000.00	Various 1.66 %	6,311,724.57 6,332,208.53	98.77 1.71 %	6,321,497.60 15,071.82	1.97 % (10,710.93)	Aaa / AA+ AAA	3.84 3.70
912828N89	US Treasury Note 1.375% Due 1/31/2021	5,100,000.00	Various 1.52 %	5,069,460.45 5,070,118.96	98.40 1.78 %	5,018,517.30 29,345.79	1.57 % (51,601.66)	Aaa / AA+ AAA	4.09 3.93
912828B90	US Treasury Note 2% Due 2/28/2021	6,000,000.00	04/26/2016 1.40 %	6,168,535.74 6,144,881.60	100.80 1.80 %	6,047,814.00 40,773.48	1.89 % (97,067.60)	Aaa / AA+ AAA	4.16 3.95
912828Q37	US Treasury Note 1.25% Due 3/31/2021	6,500,000.00	12/13/2016 1.81 %	6,349,455.39 6,351,183.58	97.69 1.82 %	6,349,941.00 20,758.93	1.98 % (1,242.58)	Aaa / AA+ AAA	4.25 4.10
912828T34	US Treasury Note 1.125% Due 9/30/2021	6,550,000.00	11/09/2016 1.48 %	6,439,234.85 6,442,461.62	96.46 1.91 %	6,317,933.50 18,826.75	1.97 % (124,528.12)	Aaa / AA+ AAA	4.75 4.58
<b>Total US Treasury</b>		<b>84,825,000.00</b>	<b>1.44 %</b>	<b>84,147,691.44</b> <b>84,339,572.92</b>	<b>1.57 %</b>	<b>83,923,289.06</b> <b>264,362.17</b>	<b>26.13 %</b> <b>(416,283.86)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>3.37</b> <b>3.26</b>
<b>TOTAL PORTFOLIO</b>		<b>323,212,884.33</b>	<b>1.47 %</b>	<b>321,939,498.22</b> <b>322,274,859.35</b>	<b>1.54 %</b>	<b>321,173,244.68</b> <b>1,059,133.95</b>	<b>100.00 %</b> <b>(1,101,614.67)</b>	<b>Aa1 / AA</b> <b>AAA</b>	<b>2.65</b> <b>2.42</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>322,232,378.63</b>			



### Holdings Report

As of 12/31/16

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	55,082,251.00	Various 0.67 %	55,082,251.00 55,082,251.00	1.00 0.67 %	55,082,251.00 94,182.01	58.43 % 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>55,082,251.00</b>	<b>0.67 %</b>	<b>55,082,251.00</b>	<b>0.67 %</b>	<b>55,082,251.00</b> <b>94,182.01</b>	<b>58.43 %</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>MONEY MARKET FUND FI</b>									
94975P405	Wells Fargo Adv Govt #1751 Money Market Fund	39,252,224.42	Various 0.37 %	39,252,224.42 39,252,224.42	1.00 0.37 %	39,252,224.42 0.00	41.57 % 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>39,252,224.42</b>	<b>0.37 %</b>	<b>39,252,224.42</b>	<b>0.37 %</b>	<b>39,252,224.42</b> <b>0.00</b>	<b>41.57 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>94,334,475.42</b>	<b>0.55 %</b>	<b>94,334,475.42</b>	<b>0.55 %</b>	<b>94,334,475.42</b> <b>94,182.01</b>	<b>100.00 %</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>94,428,657.43</b>			



## SECTION 5

### Quarterly Transactions



Transaction Ledger

9/30/16 Thru 12/31/16

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/06/2016	3130A8QS5	2,800,000.00	FHLB Note 1.125% Due 7/14/2021	99.076	1.33 %	2,774,128.00	7,175.00	2,781,303.00	0.00
Purchase	10/06/2016	3135G0N82	6,500,000.00	FNMA Note 1.25% Due 8/17/2021	99.459	1.37 %	6,464,854.50	10,607.64	6,475,462.14	0.00
Purchase	10/12/2016	39231LAB3	2,675,000.00	Toyota Auto Receivables Owner 2016-D 1.06% Due 5/15/2019	99.992	1.07 %	2,674,786.00	0.00	2,674,786.00	0.00
Purchase	10/15/2016	30LAIF\$00	82,251.00	Local Agency Investment Fund State Pool	1.000	0.63 %	82,251.00	0.00	82,251.00	0.00
Purchase	10/25/2016	43814RAB2	4,140,000.00	Honda Auto Receivables 2016-4 A2 1.04% Due 4/18/2019	99.997	1.05 %	4,139,884.49	0.00	4,139,884.49	0.00
Purchase	10/27/2016	06538BQ63	6,505,000.00	Bank of Tokyo Mitsubishi NY Discount CP 1.03% Due 3/6/2017	99.628	1.05 %	6,480,805.04	0.00	6,480,805.04	0.00
Purchase	10/28/2016	3135G0Q89	1,150,000.00	FNMA Note 1.375% Due 10/7/2021	99.391	1.50 %	1,142,996.50	922.40	1,143,918.90	0.00
Purchase	11/04/2016	357477AV5	150,000.00	State Street Bank Note 1.95% Due 5/19/2021	100.095	1.93 %	150,142.50	1,340.62	151,483.12	0.00
Purchase	11/10/2016	912828T34	6,550,000.00	US Treasury Note 1.125% Due 9/30/2021	98.309	1.48 %	6,439,234.85	8,299.97	6,447,534.82	0.00
Purchase	12/02/2016	68389XBK0	4,100,000.00	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	97.761	2.40 %	4,008,201.00	31,376.39	4,039,577.39	0.00
Purchase	12/14/2016	312828Q37	6,500,000.00	US Treasury Note 1.25% Due 3/31/2021	97.684	1.81 %	6,349,455.39	16,741.07	6,366,196.46	0.00
Purchase	12/29/2016	312828N89	1,350,000.00	US Treasury Note 1.375% Due 1/31/2021	98.008	1.88 %	1,323,109.99	7,616.68	1,330,726.67	0.00
	<b>Subtotal</b>		<b>42,502,251.00</b>				<b>42,029,849.26</b>	<b>84,079.77</b>	<b>42,113,929.03</b>	<b>0.00</b>
Security Contribution	10/05/2016	30LAIF\$00	10,000,000.00	Local Agency Investment Fund State Pool	1.000		10,000,000.00	0.00	10,000,000.00	0.00
	<b>Subtotal</b>		<b>10,000,000.00</b>				<b>10,000,000.00</b>	<b>0.00</b>	<b>10,000,000.00</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>52,502,251.00</b>				<b>52,029,849.26</b>	<b>84,079.77</b>	<b>52,113,929.03</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	10/06/2016	3135G0E33	5,300,000.00	FNMA Note 1.125% Due 7/20/2018	100.434	0.88 %	5,322,996.70	12,587.50	5,335,584.20	26,262.70
Sale	10/06/2016	3135G0YT4	3,750,000.00	FNMA Note 1.625% Due 11/27/2018	101.450	0.94 %	3,804,375.00	21,835.94	3,826,210.94	57,704.30





Transaction Ledger

9/30/16 Thru 12/31/16

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Sale	10/06/2016	3137EADJ5	2,750,000.00	FHLMC Note 1% Due 7/28/2017	100.256	0.68 %	2,757,040.00	5,194.45	2,762,234.45	3,359.77
Sale	10/20/2016	313379DD8	1,500,000.00	FHLB Note 1% Due 6/21/2017	100.268	0.60 %	1,504,020.00	4,958.33	1,508,978.33	1,277.24
Sale	11/10/2016	912828SD3	5,350,000.00	US Treasury Note 1.25% Due 1/31/2019	100.593	0.98 %	5,381,747.70	18,536.01	5,400,283.71	56,381.70
Sale	11/10/2016	912828TM2	1,000,000.00	US Treasury Note 0.625% Due 8/31/2017	99.945	0.69 %	999,449.78	1,225.83	1,000,675.61	473.95
Sale	11/30/2016	912828TM2	400,000.00	US Treasury Note 0.625% Due 8/31/2017	99.902	0.76 %	399,608.04	628.45	400,236.49	-10.16
Sale	12/02/2016	68389XAN5	2,375,000.00	Oracle Corp Note 1.2% Due 10/15/2017	100.082	1.10 %	2,376,947.50	3,720.83	2,380,668.33	6,824.87
Sale	12/14/2016	3135G0WJ8	1,725,000.00	FNMA Note 0.875% Due 5/21/2018	99.650	1.12 %	1,718,962.50	964.32	1,719,926.82	4,296.11
Sale	12/14/2016	912828TM2	4,400,000.00	US Treasury Note 0.625% Due 8/31/2017	99.886	0.79 %	4,395,000.89	7,976.52	4,402,977.41	-1,013.92
	<b>Subtotal</b>		<b>28,550,000.00</b>				<b>28,660,148.11</b>	<b>77,628.18</b>	<b>28,737,776.29</b>	<b>155,556.56</b>
Paydown	10/17/2016	161571GC2	2,545,000.00	Chase CHAIT Pool #2013-A8 1.01% Due 10/15/2018	100.000		2,545,000.00	2,142.04	2,547,142.04	0.00
Paydown	10/17/2016	43814QAC2	0.00	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	100.000		0.00	2,050.25	2,050.25	0.00
Paydown	10/17/2016	477879AC4	11,829.21	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	100.000		11,829.21	8.58	11,837.79	0.00
Paydown	10/17/2016	47787VAC5	94,057.18	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		94,057.18	699.98	94,757.16	0.00
Paydown	10/17/2016	47788MAC4	0.00	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	100.000		0.00	2,776.67	2,776.67	0.00
Paydown	10/17/2016	47788NAB4	0.00	John Deere Owner Trust 2016-B A2 1.09% Due 2/15/2019	100.000		0.00	2,647.79	2,647.79	0.00
Paydown	10/17/2016	65478WAB1	0.00	Nissan Auto Receivables Owner 2016-C A2A 1.07% Due 5/15/2019	100.000		0.00	1,819.00	1,819.00	0.00
Paydown	10/18/2016	161571HH0	0.00	Chase CHAIT Pool #2016-A7 1.06% Due 9/16/2019	100.000		0.00	3,900.80	3,900.80	0.00
Paydown	10/18/2016	43814HAC2	93,387.04	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	100.000		93,387.04	631.75	94,018.79	0.00
Paydown	10/18/2016	477877AD6	158,118.25	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	100.000		158,118.25	2,016.02	160,134.27	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Paydown	10/18/2016	89231MAC9	98,563.56	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		98,563.56	267.79	98,831.35	0.00
Paydown	10/18/2016	89231TAB6	148,906.59	Toyota Auto Receivables Owner 2015-C 0.92% Due 2/15/2018	100.000		148,906.59	671.49	149,578.08	0.00
Paydown	10/18/2016	89236WAC2	152,380.24	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	100.000		152,380.24	2,370.67	154,750.91	0.00
Paydown	10/19/2016	43814GAC4	72,392.83	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		72,392.83	371.48	72,764.31	0.00
Paydown	10/21/2016	43813JAC9	141,513.13	Honda Auto Receivables 2014-1 A3 0.67% Due 11/21/2017	100.000		141,513.13	308.00	141,821.13	0.00
Paydown	10/21/2016	43813NAC0	0.00	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	100.000		0.00	2,699.66	2,699.66	0.00
Paydown	11/15/2016	161571HH0	0.00	Chase CHAIT Pool #2016-A7 1.06% Due 9/16/2019	100.000		0.00	3,657.00	3,657.00	0.00
Paydown	11/15/2016	43814QAC2	0.00	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	100.000		0.00	2,050.25	2,050.25	0.00
Paydown	11/15/2016	47788MAC4	0.00	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	100.000		0.00	2,776.67	2,776.67	0.00
Paydown	11/15/2016	47788NAB4	0.00	John Deere Owner Trust 2016-B A2 1.09% Due 2/15/2019	100.000		0.00	2,647.79	2,647.79	0.00
Paydown	11/15/2016	65478WAB1	0.00	Nissan Auto Receivables Owner 2016-C A2A 1.07% Due 5/15/2019	100.000		0.00	1,819.00	1,819.00	0.00
Paydown	11/15/2016	39231LAB3	0.00	Toyota Auto Receivables Owner 2016-D 1.06% Due 5/15/2019	100.000		0.00	2,599.21	2,599.21	0.00
Paydown	11/16/2016	43814HAC2	88,116.00	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	100.000		88,116.00	563.26	88,679.26	0.00
Paydown	11/16/2016	477877AD6	218,525.32	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	100.000		218,525.32	1,875.03	220,400.35	0.00
Paydown	11/16/2016	47787VAC5	157,423.03	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		157,423.03	627.86	158,050.89	0.00
Paydown	11/16/2016	89231MAC9	89,465.22	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		89,465.22	212.76	89,677.98	0.00
Paydown	11/16/2016	89231TAB6	139,623.75	Toyota Auto Receivables Owner 2015-C 0.92% Due 2/15/2018	100.000		139,623.75	557.33	140,181.08	0.00
Paydown	11/16/2016	89236WAC2	177,423.19	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	100.000		177,423.19	2,228.45	179,651.64	0.00
Paydown	11/18/2016	43814GAC4	69,109.79	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		69,109.79	325.03	69,434.82	0.00



Transaction Ledger

9/30/16 Thru 12/31/16

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Paydown	11/18/2016	43814RAB2	0.00	Honda Auto Receivables 2016-4 A2 1.04% Due 4/18/2019	100.000		0.00	2,750.80	2,750.80	0.00
Paydown	11/21/2016	43813JAC9	134,440.62	Honda Auto Receivables 2014-1 A3 0.67% Due 11/21/2017	100.000		134,440.62	228.99	134,669.61	0.00
Paydown	11/22/2016	43813NAC0	103,265.07	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	100.000		103,265.07	2,699.67	105,964.74	0.00
Paydown	12/15/2016	47788MAC4	0.00	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	100.000		0.00	2,776.66	2,776.66	0.00
Paydown	12/15/2016	65478WAB1	0.00	Nissan Auto Receivables Owner 2016-C A2A 1.07% Due 5/15/2019	100.000		0.00	1,819.00	1,819.00	0.00
Paydown	12/16/2016	161571HH0	0.00	Chase CHAIT Pool #2016-A7 1.06% Due 9/16/2019	100.000		0.00	3,657.00	3,657.00	0.00
Paydown	12/16/2016	43814HAC2	83,152.15	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	100.000		83,152.15	498.65	83,650.80	0.00
Paydown	12/16/2016	43814QAC2	0.00	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	100.000		0.00	2,050.25	2,050.25	0.00
Paydown	12/16/2016	47787AD6	164,599.46	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	100.000		164,599.46	1,680.18	166,279.64	0.00
Paydown	12/16/2016	47787VAC5	94,382.27	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		94,382.27	507.18	94,889.45	0.00
Paydown	12/16/2016	47788NAB4	0.00	John Deere Owner Trust 2016-B A2 1.09% Due 2/15/2019	100.000		0.00	2,647.79	2,647.79	0.00
Paydown	12/16/2016	39231LAB3	0.00	Toyota Auto Receivables Owner 2016-D 1.06% Due 5/15/2019	100.000		0.00	2,362.92	2,362.92	0.00
Paydown	12/16/2016	89231MAC9	86,733.30	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		86,733.30	162.81	86,896.11	0.00
Paydown	12/16/2016	89231TAB6	136,060.12	Toyota Auto Receivables Owner 2015-C 0.92% Due 2/15/2018	100.000		136,060.12	450.29	136,510.41	0.00
Paydown	12/16/2016	89236WAC2	173,051.93	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	100.000		173,051.93	2,062.85	175,114.78	0.00
Paydown	12/19/2016	43814GAC4	63,832.07	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		63,832.07	280.68	64,112.75	0.00
Paydown	12/19/2016	43814RAB2	0.00	Honda Auto Receivables 2016-4 A2 1.04% Due 4/18/2019	100.000		0.00	3,588.00	3,588.00	0.00
Paydown	12/21/2016	43813JAC9	125,286.46	Honda Auto Receivables 2014-1 A3 0.67% Due 11/21/2017	100.000		125,286.46	153.92	125,440.38	0.00
Paydown	12/21/2016	43813NAC0	224,467.62	Honda Auto Receivables 2015-2 A3 1.04% Due 2/21/2019	100.000		224,467.62	2,610.17	227,077.79	0.00



Transaction Ledger

9/30/16 Thru 12/31/16

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
			<b>5,845,105.40</b>				<b>5,845,105.40</b>	<b>80,309.42</b>	<b>5,925,414.82</b>	<b>0.00</b>
	<b>Subtotal</b>									
Maturity	10/26/2016	06538BKS1	6,485,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.74% Due 10/26/2016	99.753		6,485,000.00	0.00	6,485,000.00	0.00
			<b>6,485,000.00</b>				<b>6,485,000.00</b>	<b>0.00</b>	<b>6,485,000.00</b>	<b>0.00</b>
	<b>Subtotal</b>									
<b>TOTAL DISPOSITIONS</b>			<b>40,880,105.40</b>				<b>40,990,253.51</b>	<b>157,937.60</b>	<b>41,148,191.11</b>	<b>155,556.56</b>