



School District of Lake County



Investment Performance Review For the Quarter Ended December 31, 2018

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- ◆ Market Update

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- ◆ Executive Summary
- ◆ Impact Fee Portfolio
- ◆ Short Term Portfolio

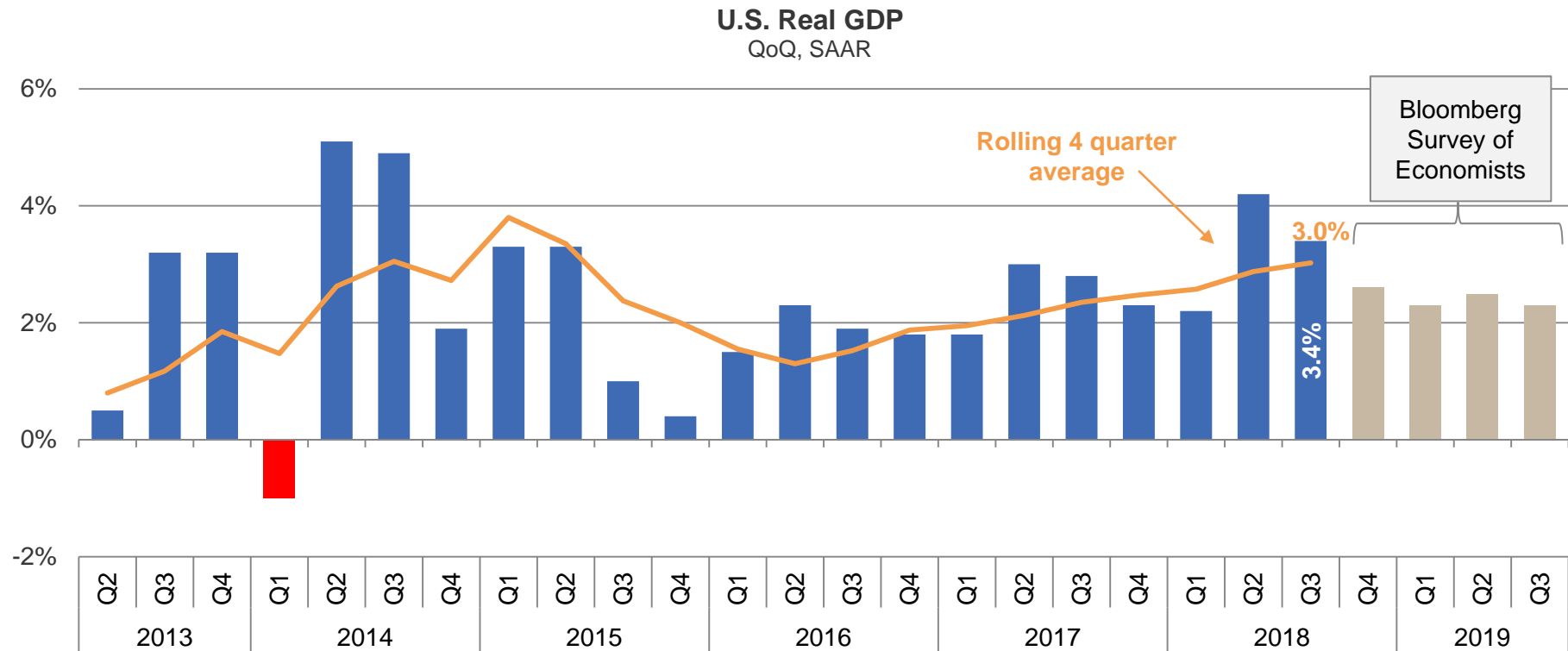
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- ◆ Asset Allocation Chart
- ◆ Important Disclosures

Tab I

Strong Economic Growth Continues in the Third Quarter

- U.S. gross domestic product (GDP) grew at an annualized rate of 3.4% in the third quarter of 2018, making it the best six-month period of growth since 2014.
- Third-quarter GDP reflected positive contributions from business investment, consumer spending, and federal, state, and local government spending.
- Trade (net imports) detracted the most from GDP in 33 years.

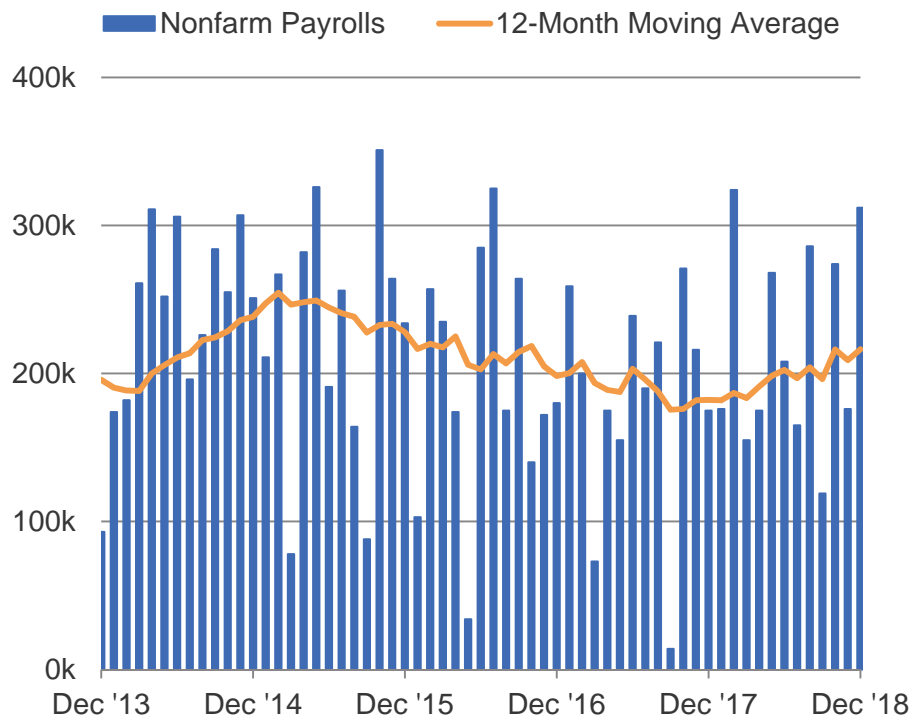


Source: Bloomberg, as of third quarter 2018. SAAR is seasonally adjusted annualized rate.

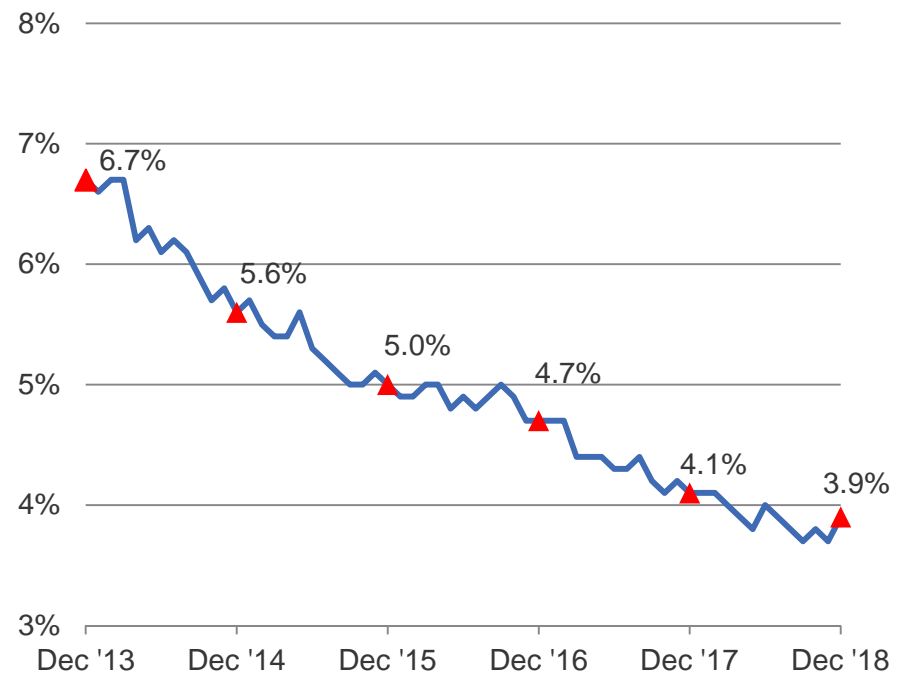
Labor Market Strength Pushes Forward

- ◆ The U.S. labor market added a robust 312,000 jobs in December, for a total of 762,000 total jobs added in the fourth quarter.
 - The headline unemployment rate rose slightly to 3.9% in December as the labor force participation rate increased to 63.1%.
 - The broader U-6 measure of unemployment held steady at 7.6%.

Monthly Change in Nonfarm Payrolls



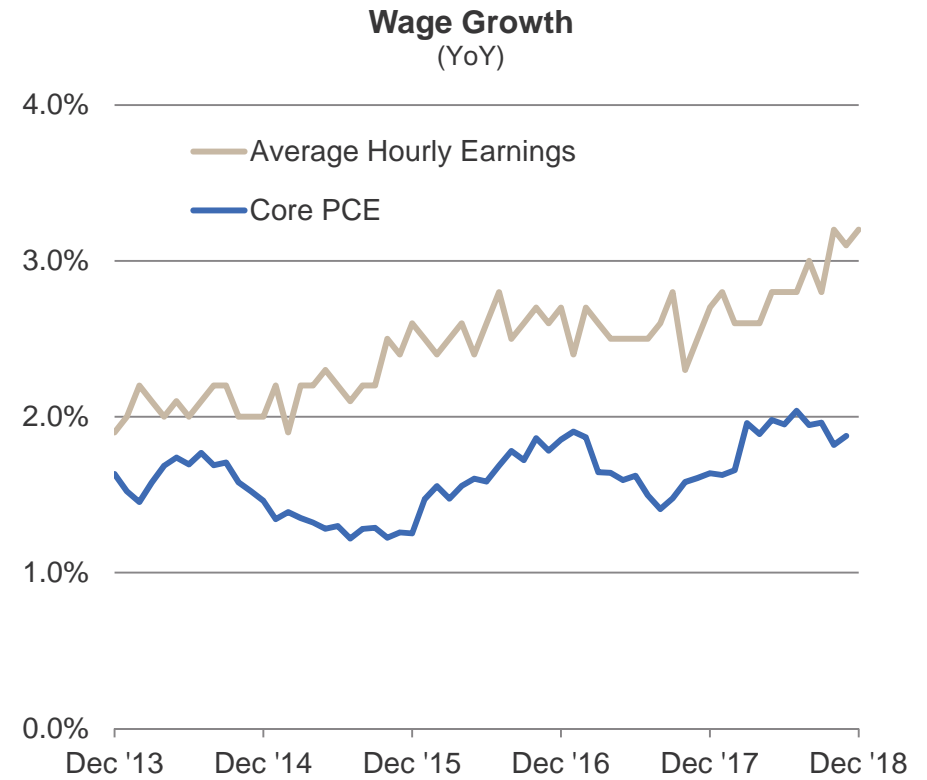
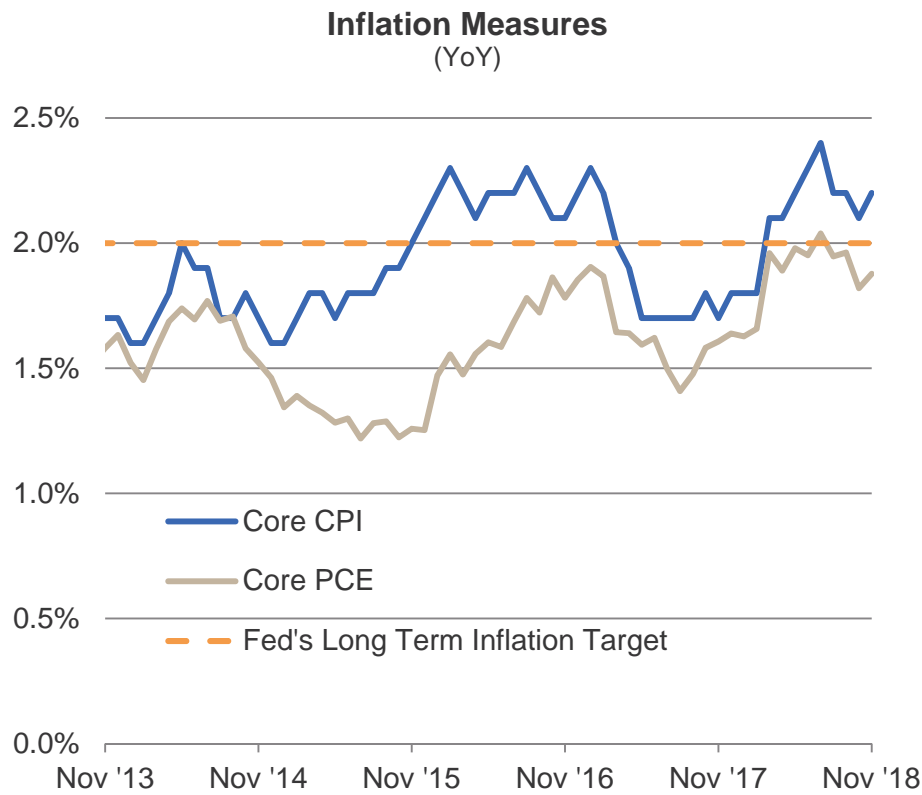
Unemployment Rate



Source: Bloomberg, latest data available as of 12/31/2018.

Inflation Dips Below Fed's Target at Year-End

- The core personal consumption expenditures (PCE) price index, the Fed's preferred measure of inflation, decelerated to 1.9% in November, just below the Fed's 2% target.
- The tight labor market continued to support wage growth, with average hourly earnings hitting 3.2% year-over-year in December.



Source: Bloomberg, latest data available as of 12/31/2018.

Treasury Yields Fall from Recent Highs

- The sell-off in equity markets in the fourth quarter sparked a flight to quality as investors sought the relative safety of U.S. Treasury obligations, pushing yields lower.
- As was widely expected, the Federal Reserve raised the federal funds target rate by 25 basis points for the fourth time in 2018 at its December meeting, but the consequential bump in yields was overcome by continued equity market uncertainty.
- The 2-year Treasury decreased by 33 basis points to end the quarter at 2.49%.

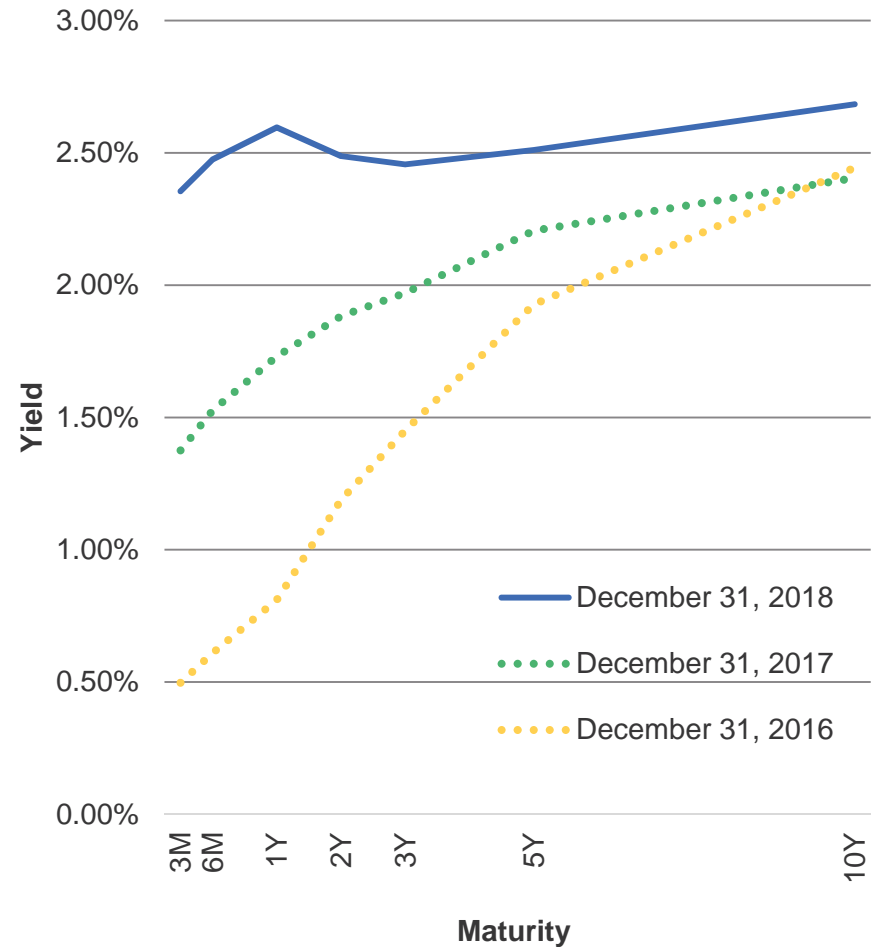
Quarter	Ending Yield	QoQ Change
4Q 2018	2.49%	-0.33%
3Q 2018	2.82%	0.29%
2Q 2018	2.53%	0.26%
1Q 2018	2.27%	0.38%
4Q 2017	1.89%	0.42%
3Q 2017	1.47%	0.09%
2Q 2017	1.38%	0.11%
1Q 2017	1.27%	0.07%
4Q 2016	1.20%	0.56%



Source: Bloomberg, as of 12/31/2018.

U.S. Treasury Curve

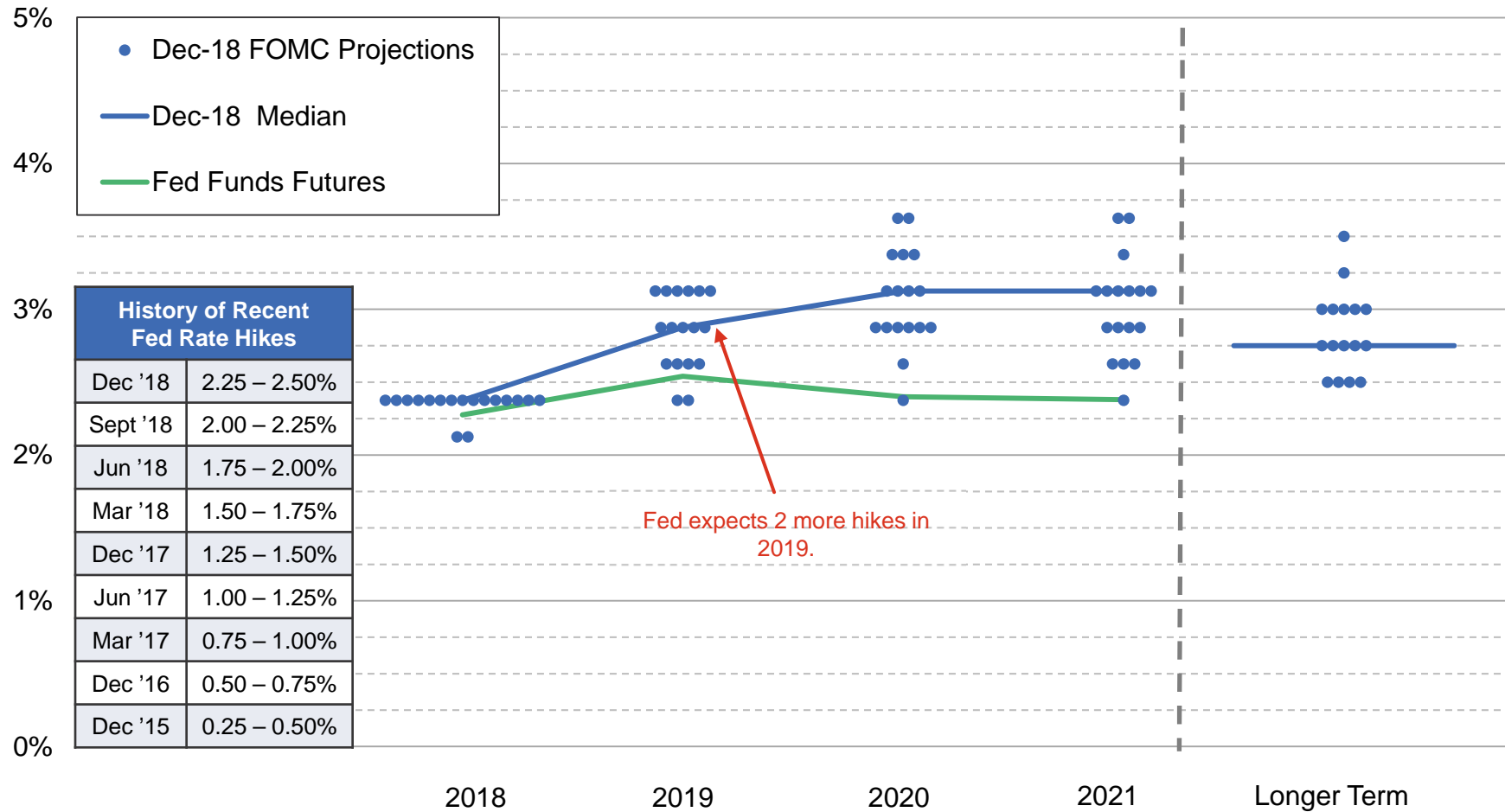
	4Q2018 12/31/18	4Q2017 12/31/17	4Q2016 12/31/16
3-month	2.35%	1.38%	0.50%
6-month	2.48%	1.53%	0.61%
1-year	2.60%	1.73%	0.81%
2-year	2.49%	1.88%	1.19%
3-year	2.46%	1.97%	1.45%
5-year	2.51%	2.21%	1.93%
10-year	2.68%	2.41%	2.44%



Source: Bloomberg, as of 12/31/2018.

FOMC “Dot Plot” – A Fourth 2018 Rate Hike in December

Fed Participants’ Assessments of “Appropriate” Monetary Policy
December 2018

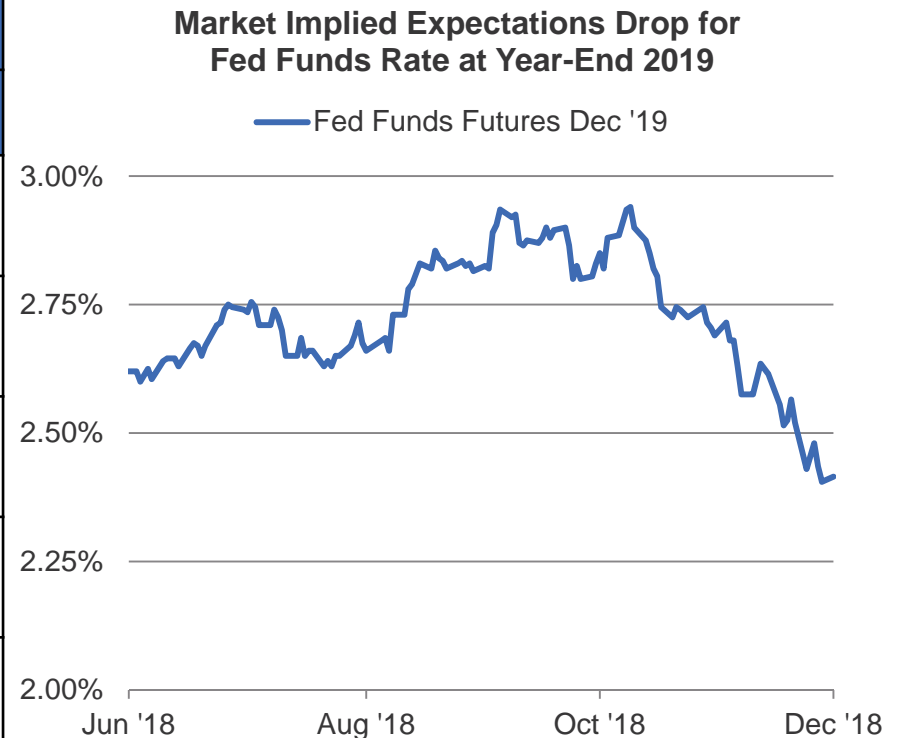


Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members’ judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of 12/19/2018.

Fed Expectations for 2019 Less Optimistic

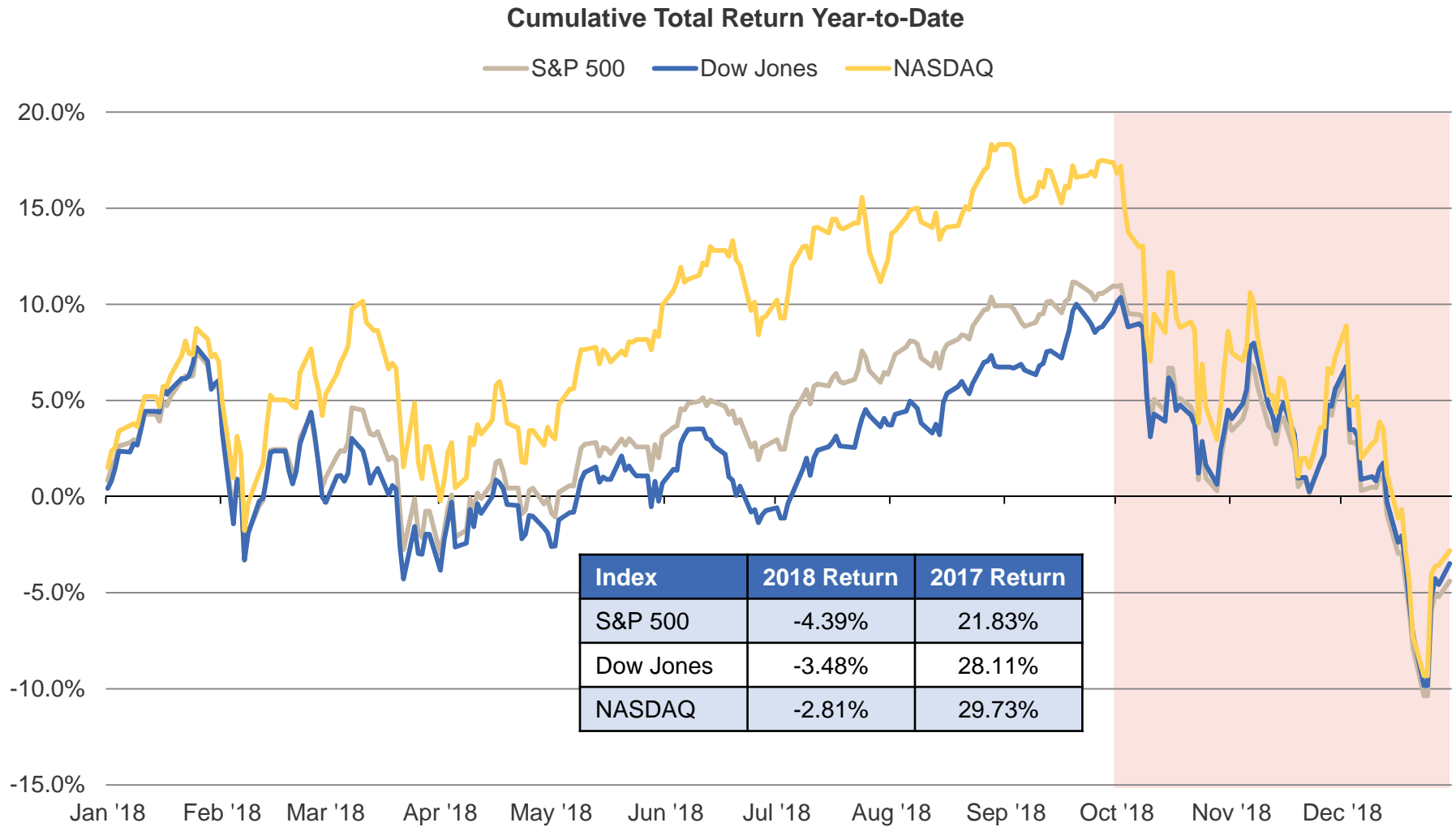
- According to the Federal Open Market Committee meeting minutes from December, the Committee believes that risks to the economic outlook are roughly balanced, but it will continue to monitor global economic and financial developments and assess their implications for the economic outlook.
- The Committee has grown less optimistic regarding near-term economic growth as its December projections for 2019 real GDP and inflation have decreased from the prior quarter’s expectations.

Indicator	2018		2019		Longer run	
	Sept.	Dec.	Sept.	Dec.	Sept.	Dec.
Real GDP (YoY)	3.1%	3.0%	2.5%	2.3%	1.8%	1.9%
Unemployment Rate	3.7%	3.7%	3.5%	3.5%	4.5%	4.4%
PCE Inflation (YoY)	2.1%	1.9%	2.0%	1.9%	2.0%	2.0%
Core PCE (YoY)	2.0%	1.9%	2.1%	2.0%	-	-
Federal Funds Rate (Median)	2.4%	2.4%	3.1%	2.9%	3.0%	2.8%



Source: Federal Reserve, Bloomberg as of 12/31/2018.

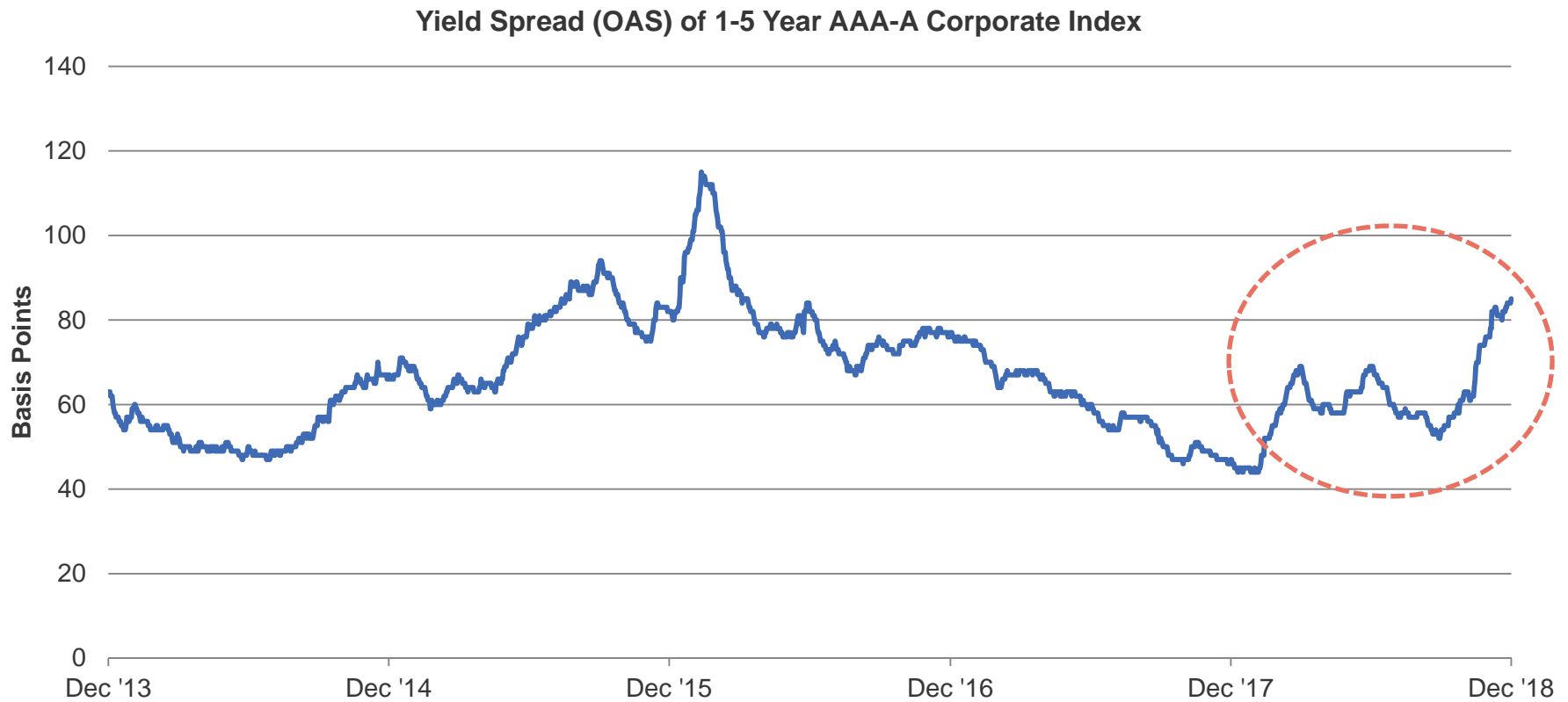
Fourth Quarter Stock Sell-Off Erases Year-to-Date Gains



Source: Bloomberg, as of 12/31/2018.

Credit Spreads Widen with Market Volatility

- Volatility in equity markets in the fourth quarter caused an increase in demand for haven assets like Treasury bonds, widening credit spreads further to the highest level since 2016.



Source: ICE BofAML Indices, as of 12/31/2018. OAS is option-adjusted spread versus a comparable maturity Treasury.

Tab II

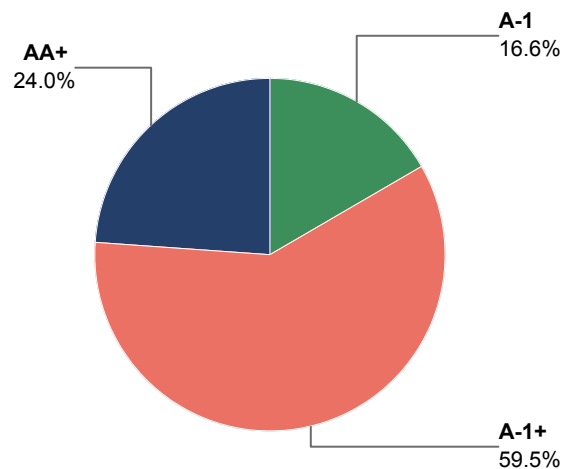
- The Portfolio is of high credit quality and invested in U.S. Treasury, Federal Agency/GSE, and commercial paper securities.
- The Impact Fee Portfolio provided the District with a yield to maturity at cost of 2.41%.
- We positioned portfolios with a defensive duration for the majority of the past several quarters in light of the Fed's tightening cycle and the outlook for higher rates over at least the near term.
 - The defensive bias benefitted portfolios for most of 2018 as the Fed raised rates and yields across the curve increased to multi-year highs. However, sudden shifts in market sentiment during Q4, and significant declines in yields across the curve, eroded the majority of short-duration benefits on portfolio performance.
- Economic conditions, which remain solid, were characterized by:
 - U.S. GDP grew at 3.4% in Q3 (following 4.2% growth in Q2; both figures are the highest since Q3 2014);
 - Inflation continued to hover just shy of the Fed's objective of 2%, as measured by the personal consumption expenditures (PCE) core price index;
 - Wage growth continued its ascent, maintaining a gradual upward trend and reinforcing the desired trajectory of inflation;
- The Fed increased short-term rates by an additional ¼ percent in December (the fourth hike of 2018);
 - While the path of future Fed rate hikes remains less clear than in recent years, we expect future tightening, if any, to be modest. Further, the shake-up on Capitol Hill adds additional uncertainty;
 - As uncertainty typically warrants a more neutral duration posture, we will seek to reduce the short duration bias over the quarter.
 - However, we remain cognizant of the dislocation in the current yield curve (inverted and/or very flat between one and five years) and will approach yield curve positioning with prudence and caution.

Portfolio Statistics

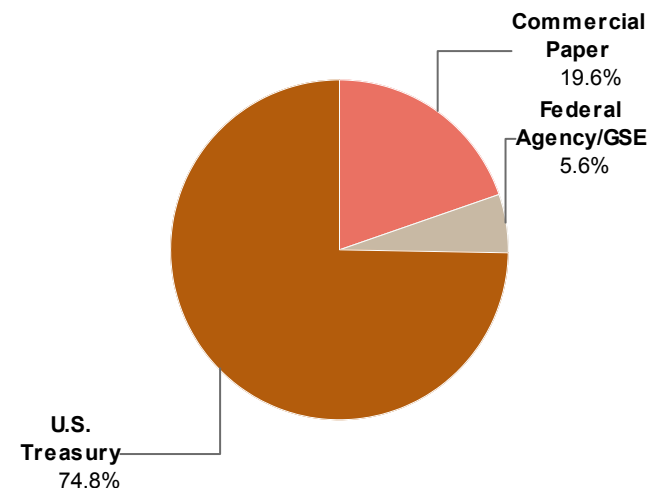
As of December 31, 2018

Par Value:	\$27,000,000
Total Market Value:	\$27,042,004
Security Market Value:	\$26,891,041
Accrued Interest:	\$36,266
Cash:	\$114,697
Amortized Cost:	\$26,892,386
Yield at Market:	2.35%
Yield at Cost:	2.41%
Effective Duration:	0.17 Years
Duration to Worst:	0.17 Years
Average Maturity:	0.18 Years
Average Credit: *	AA
Benchmark Eff. Yield:	2.39%

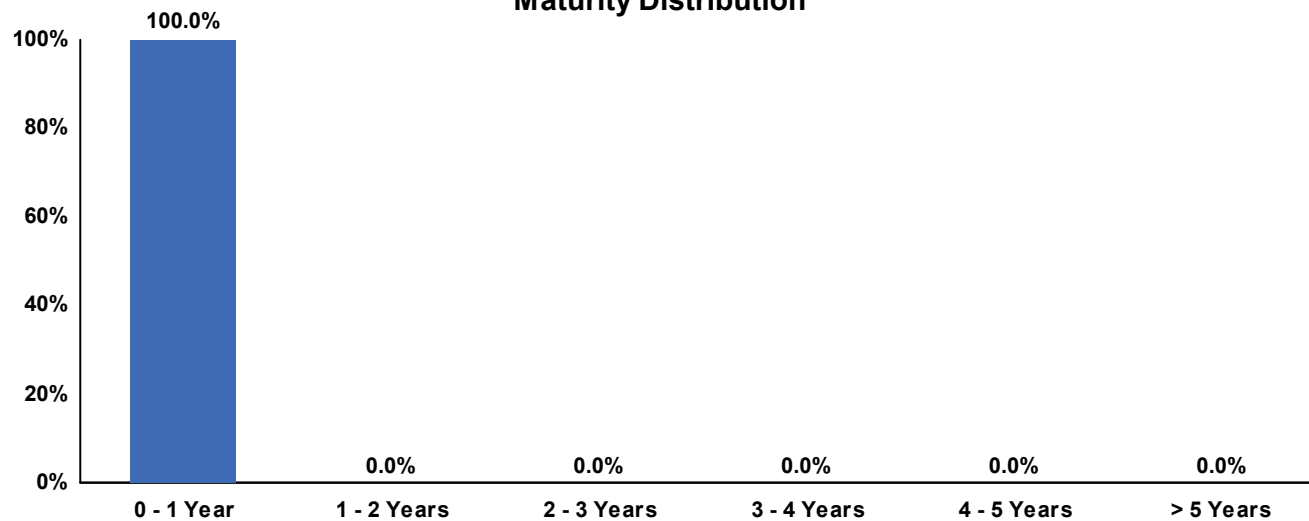
Credit Quality (S&P Ratings)



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.

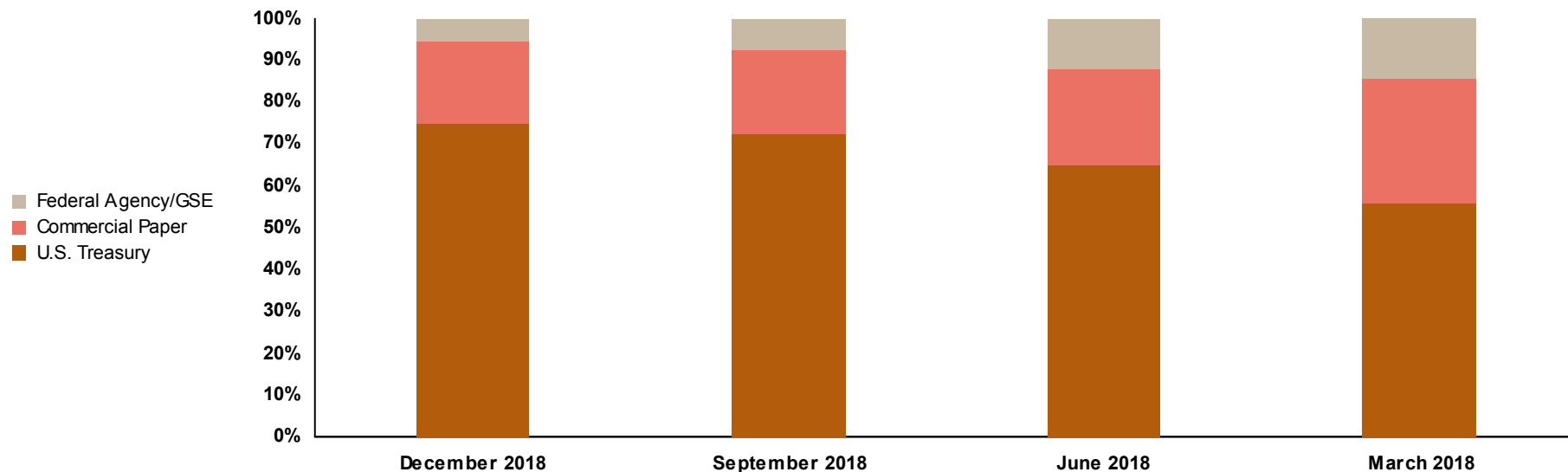
Portfolio Earnings

Quarter-Ended December 31, 2018

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (09/30/2018)	\$23,737,337.18	\$23,739,644.39
Net Purchases/Sales	\$3,031,357.42	\$3,031,357.42
Change in Value	\$122,346.35	\$121,384.24
Ending Value (12/31/2018)	\$26,891,040.95	\$26,892,386.05
Interest Earned	\$26,926.54	\$26,926.54
Portfolio Earnings	\$149,272.89	\$148,310.78

Sector Allocation

Sector	December 31, 2018		September 30, 2018		June 30, 2018		March 31, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	20.1	74.8%	17.1	72.0%	17.2	64.9%	12.9	55.6%
Commercial Paper	5.3	19.6%	4.9	20.6%	6.1	22.9%	6.9	29.7%
Federal Agency/GSE	1.5	5.6%	1.7	7.4%	3.2	12.2%	3.4	14.7%
Total	\$26.9	100.0%	\$23.7	100.0%	\$26.6	100.0%	\$23.1	100.0%

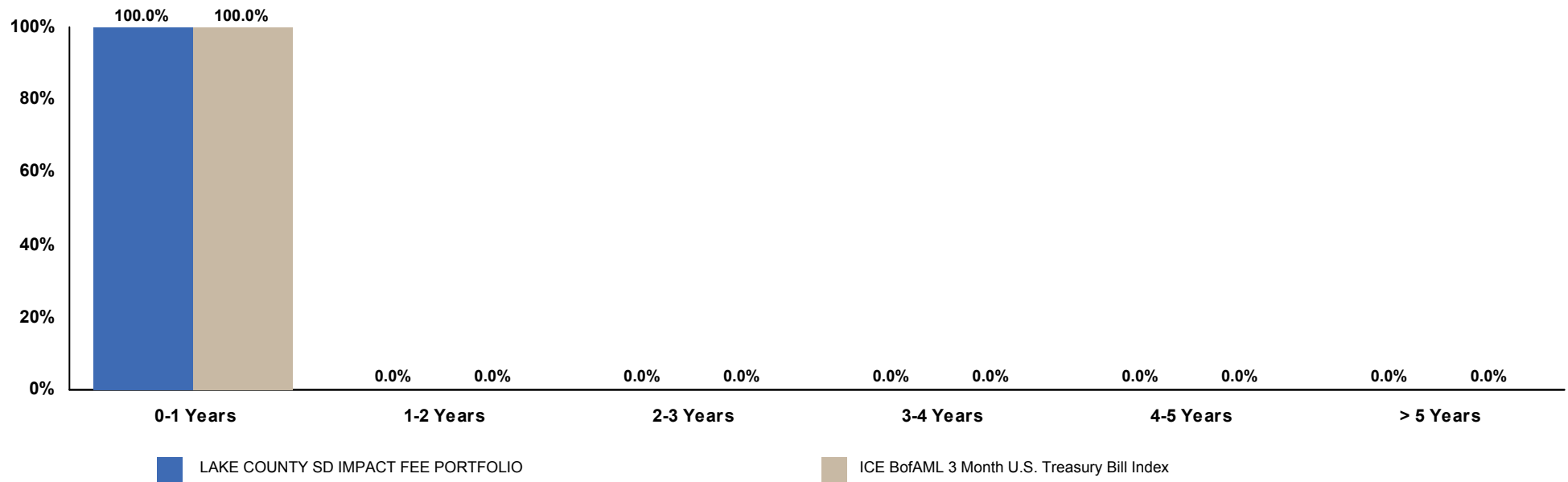


Detail may not add to total due to rounding.

Maturity Distribution

As of December 31, 2018

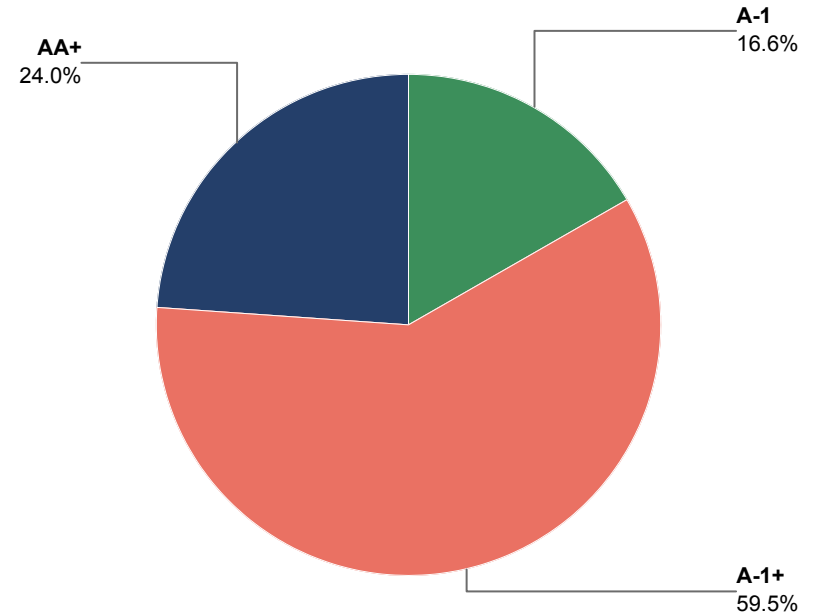
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
LAKE COUNTY SD IMPACT FEE PORTFOLIO	2.35%	0.18 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ICE BofAML 3 Month U.S. Treasury Bill Index	2.39%	0.24 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Credit Quality

As of December 31, 2018

S&P Rating	Market Value (\$)	% of Portfolio
A-1+	\$15,986,666	59.5%
AA+	\$6,442,207	24.0%
A-1	\$4,462,168	16.6%
Totals	\$26,891,041	100.0%



Detail may not add to total due to rounding.

Issuer Distribution
As of December 31, 2018

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	20,136,294	74.9%
FEDERAL HOME LOAN BANKS	1,498,527	5.6%
JP MORGAN CHASE & CO	1,289,776	4.8%
CREDIT AGRICOLE SA	799,242	3.0%
mitsubishi UFJ FINANCIAL GROUP INC	794,290	3.0%
DEXIA GROUP	794,051	3.0%
BANK OF MONTREAL	789,568	2.9%
NATIXIS NY BRANCH	789,294	2.9%
Grand Total:	26,891,041	100.0%

Sector/Issuer Distribution

As of December 31, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
BANK OF MONTREAL	789,568	15.0%	2.9%
CREDIT AGRICOLE SA	799,242	15.2%	3.0%
DEXIA GROUP	794,051	15.1%	3.0%
JP MORGAN CHASE & CO	1,289,776	24.5%	4.8%
mitsubishi UFJ Financial Group Inc	794,290	15.1%	3.0%
NATIXIS NY BRANCH	789,294	15.0%	2.9%
Sector Total	5,256,220	100.0%	19.5%
Federal Agency/GSE			
FEDERAL HOME LOAN BANKS	1,498,527	100.0%	5.6%
Sector Total	1,498,527	100.0%	5.6%
U.S. Treasury			
UNITED STATES TREASURY	20,136,294	100.0%	74.9%
Sector Total	20,136,294	100.0%	74.9%
Portfolio Total	26,891,041	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/3/18	10/4/18	2,500,000	912828B33	US TREASURY NOTES	1.50%	1/31/19	2,500,080.67	2.31%	
10/4/18	10/5/18	800,000	62479MR21	MUFG BANK LTD/NY COMM PAPER	0.00%	4/2/19	789,737.33	2.61%	
10/11/18	10/12/18	1,500,000	313384AQ2	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	1/15/19	1,491,133.33	2.25%	
10/11/18	10/12/18	1,300,000	46640QR94	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	4/9/19	1,283,129.25	2.64%	
10/30/18	10/31/18	3,000,000	912828B33	US TREASURY NOTES	1.50%	1/31/19	3,004,687.50	2.37%	
11/6/18	11/7/18	500,000	912828XV7	US TREASURY N/B NOTES	1.25%	6/30/19	497,950.07	2.58%	
11/6/18	11/7/18	450,000	912828SN1	US TREASURY NOTES	1.50%	3/31/19	449,069.90	2.42%	
11/28/18	11/29/18	4,000,000	912796QY8	UNITED STATES TREASURY BILL	0.00%	2/21/19	3,978,113.33	2.36%	
11/29/18	11/30/18	3,000,000	912796PE3	UNITED STATES TREASURY BILL	0.00%	12/6/18	2,998,953.00	2.09%	
12/17/18	12/18/18	800,000	63873KTE7	NATIXIS NY BRANCH COMM PAPER	0.00%	6/14/19	788,528.89	2.94%	
12/20/18	12/21/18	800,000	06366HTE7	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	6/14/19	788,959.44	2.88%	
12/27/18	12/28/18	2,000,000	912796RV3	UNITED STATES TREASURY BILL	0.00%	6/27/19	1,975,464.44	2.47%	
12/27/18	12/28/18	2,000,000	912796RB7	UNITED STATES TREASURY BILL	0.00%	3/14/19	1,990,077.78	2.36%	
12/27/18	12/28/18	2,500,000	912796UP2	TREASURY BILL	0.00%	2/19/19	2,491,258.68	2.38%	
Total BUY		25,150,000					25,027,143.61		

INTEREST

10/1/18	10/1/18	0	MONEY0002	MONEY MARKET FUND			980.67		
10/15/18	10/15/18	0	MONEY0002	MONEY MARKET FUND			100.53		
10/31/18	10/31/18	2,000,000	912828WD8	US TREASURY NOTES	1.25%	10/31/18	12,500.00		
11/1/18	11/1/18	0	MONEY0002	MONEY MARKET FUND			2,755.81		
11/20/18	11/20/18	0	MONEY0002	MONEY MARKET FUND			83.11		
12/3/18	12/3/18	0	MONEY0002	MONEY MARKET FUND			2,280.45		
12/20/18	12/20/18	0	MONEY0002	MONEY MARKET FUND			82.81		

LAKE COUNTY SD IMPACT FEE PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
12/31/18	12/31/18	500,000	912828XV7	US TREASURY N/B NOTES	1.25%	6/30/19	3,125.00		
Total INTEREST		2,500,000					21,908.38		

MATURITY

10/4/18	10/4/18	700,000	912796QB8	UNITED STATES TREASURY BILL	0.00%	10/4/18	700,000.00		0.00
10/5/18	10/5/18	1,250,000	89233HK52	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	10/5/18	1,250,000.00		0.00
10/9/18	10/9/18	1,250,000	46640QK91	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	10/9/18	1,250,000.00		0.00
10/17/18	10/17/18	1,750,000	313385K88	FED HOME LN DISCOUNT NT	0.00%	10/17/18	1,750,000.00		0.00
10/31/18	10/31/18	2,000,000	912828WD8	US TREASURY NOTES	1.25%	10/31/18	2,000,000.00		0.00
11/15/18	11/15/18	1,000,000	912796QJ1	UNITED STATES TREASURY BILL	0.00%	11/15/18	1,000,000.00		0.00
11/23/18	11/23/18	3,000,000	912796QK8	UNITED STATES TREASURY BILL	0.00%	11/23/18	3,000,000.00		0.00
11/29/18	11/29/18	3,000,000	912796QL6	UNITED STATES TREASURY BILL	0.00%	11/29/18	3,000,000.00		0.00
12/6/18	12/6/18	3,000,000	912796PE3	UNITED STATES TREASURY BILL	0.00%	12/6/18	3,000,000.00		0.00
12/17/18	12/17/18	800,000	63873KMH7	NATIXIS NY BRANCH COMM PAPER	0.00%	12/17/18	800,000.00		0.00
12/20/18	12/20/18	1,225,000	912796QP7	UNITED STATES TREASURY BILL	0.00%	12/20/18	1,225,000.00		0.00
12/20/18	12/20/18	3,000,000	912796QP7	UNITED STATES TREASURY BILL	0.00%	12/20/18	3,000,000.00		0.00
Total MATURITY		21,975,000					21,975,000.00		0.00

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	10/1/18	10/1/18	0.00	MONEY0002	MONEY MARKET FUND			980.67		
BUY	10/3/18	10/4/18	2,500,000.00	912828B33	US TREASURY NOTES	1.50%	1/31/19	(2,500,080.67)	2.31%	
MATURITY	10/4/18	10/4/18	700,000.00	912796QB8	UNITED STATES TREASURY BILL	0.00%	10/4/18	700,000.00		0.00
BUY	10/4/18	10/5/18	800,000.00	62479MR21	MUFG BANK LTD/NY COMM PAPER	0.00%	4/2/19	(789,737.33)	2.61%	
MATURITY	10/5/18	10/5/18	1,250,000.00	89233HK52	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	10/5/18	1,250,000.00		0.00
MATURITY	10/9/18	10/9/18	1,250,000.00	46640QK91	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	10/9/18	1,250,000.00		0.00
BUY	10/11/18	10/12/18	1,500,000.00	313384AQ2	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	1/15/19	(1,491,133.33)	2.25%	
BUY	10/11/18	10/12/18	1,300,000.00	46640QR94	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	4/9/19	(1,283,129.25)	2.64%	
INTEREST	10/15/18	10/15/18	0.00	MONEY0002	MONEY MARKET FUND			100.53		
MATURITY	10/17/18	10/17/18	1,750,000.00	313385K88	FED HOME LN DISCOUNT NT	0.00%	10/17/18	1,750,000.00		0.00
BUY	10/30/18	10/31/18	3,000,000.00	912828B33	US TREASURY NOTES	1.50%	1/31/19	(3,004,687.50)	2.37%	
INTEREST	10/31/18	10/31/18	2,000,000.00	912828WD8	US TREASURY NOTES	1.25%	10/31/18	12,500.00		
MATURITY	10/31/18	10/31/18	2,000,000.00	912828WD8	US TREASURY NOTES	1.25%	10/31/18	2,000,000.00		0.00
INTEREST	11/1/18	11/1/18	0.00	MONEY0002	MONEY MARKET FUND			2,755.81		
BUY	11/6/18	11/7/18	500,000.00	912828XV7	US TREASURY N/B NOTES	1.25%	6/30/19	(497,950.07)	2.58%	
BUY	11/6/18	11/7/18	450,000.00	912828SN1	US TREASURY NOTES	1.50%	3/31/19	(449,069.90)	2.42%	
MATURITY	11/15/18	11/15/18	1,000,000.00	912796QJ1	UNITED STATES TREASURY BILL	0.00%	11/15/18	1,000,000.00		0.00
INTEREST	11/20/18	11/20/18	0.00	MONEY0002	MONEY MARKET FUND			83.11		
MATURITY	11/23/18	11/23/18	3,000,000.00	912796QK8	UNITED STATES TREASURY BILL	0.00%	11/23/18	3,000,000.00		0.00
BUY	11/28/18	11/29/18	4,000,000.00	912796QY8	UNITED STATES TREASURY BILL	0.00%	2/21/19	(3,978,113.33)	2.36%	

LAKE COUNTY SD IMPACT FEE PORTFOLIO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
MATURITY	11/29/18	11/29/18	3,000,000.00	912796QL6	UNITED STATES TREASURY BILL	0.00%	11/29/18	3,000,000.00		0.00
BUY	11/29/18	11/30/18	3,000,000.00	912796PE3	UNITED STATES TREASURY BILL	0.00%	12/6/18	(2,998,953.00)	2.09%	
INTEREST	12/3/18	12/3/18	0.00	MONEY0002	MONEY MARKET FUND			2,280.45		
MATURITY	12/6/18	12/6/18	3,000,000.00	912796PE3	UNITED STATES TREASURY BILL	0.00%	12/6/18	3,000,000.00		0.00
MATURITY	12/17/18	12/17/18	800,000.00	63873KMH7	NATIXIS NY BRANCH COMM PAPER	0.00%	12/17/18	800,000.00		0.00
BUY	12/17/18	12/18/18	800,000.00	63873KTE7	NATIXIS NY BRANCH COMM PAPER	0.00%	6/14/19	(788,528.89)	2.94%	
INTEREST	12/20/18	12/20/18	0.00	MONEY0002	MONEY MARKET FUND			82.81		
MATURITY	12/20/18	12/20/18	1,225,000.00	912796QP7	UNITED STATES TREASURY BILL	0.00%	12/20/18	1,225,000.00		0.00
MATURITY	12/20/18	12/20/18	3,000,000.00	912796QP7	UNITED STATES TREASURY BILL	0.00%	12/20/18	3,000,000.00		0.00
BUY	12/20/18	12/21/18	800,000.00	06366HTE7	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	6/14/19	(788,959.44)	2.88%	
BUY	12/27/18	12/28/18	2,000,000.00	912796RV3	UNITED STATES TREASURY BILL	0.00%	6/27/19	(1,975,464.44)	2.47%	
BUY	12/27/18	12/28/18	2,000,000.00	912796RB7	UNITED STATES TREASURY BILL	0.00%	3/14/19	(1,990,077.78)	2.36%	
BUY	12/27/18	12/28/18	2,500,000.00	912796UP2	TREASURY BILL	0.00%	2/19/19	(2,491,258.68)	2.38%	
INTEREST	12/31/18	12/31/18	500,000.00	912828XV7	US TREASURY N/B NOTES	1.25%	6/30/19	3,125.00		
TOTALS								(3,030,235.23)		0.00

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
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 01/31/2014 1.500% 01/31/2019	912828B33	2,500,000.00	AA+	Aaa	10/3/2018	10/4/2018	2,493,457.03	2.31	15,692.93	2,498,350.50	2,498,340.00
US TREASURY NOTES DTD 01/31/2014 1.500% 01/31/2019	912828B33	3,000,000.00	AA+	Aaa	10/30/2018	10/31/2018	2,993,437.50	2.37	18,831.52	2,997,860.04	2,998,008.00
US TREASURY NOTES DTD 04/02/2012 1.500% 03/31/2019	912828SN1	450,000.00	AA+	Aaa	11/6/2018	11/7/2018	448,365.23	2.42	1,724.59	448,989.62	448,983.90
US TREASURY N/B NOTES DTD 06/30/2017 1.250% 06/30/2019	912828XV7	500,000.00	AA+	Aaa	11/6/2018	11/7/2018	495,742.19	2.58	17.27	496,723.48	496,875.00
Security Type Sub-Total		6,450,000.00					6,431,001.95	2.37	36,266.31	6,441,923.64	6,442,206.90
U.S. Treasury Bill											
UNITED STATES TREASURY BILL DTD 07/12/2018 0.000% 01/10/2019	912796QS1	3,250,000.00	A-1+	P-1	9/27/2018	9/28/2018	3,229,579.17	2.19	0.00	3,248,232.81	3,248,371.75
TREASURY BILL DTD 12/26/2018 0.000% 02/19/2019	912796UP2	2,500,000.00	A-1+	P-1	12/27/2018	12/28/2018	2,491,258.68	2.38	0.00	2,491,918.40	2,492,087.50
UNITED STATES TREASURY BILL DTD 08/23/2018 0.000% 02/21/2019	912796QY8	4,000,000.00	A-1+	P-1	11/28/2018	11/29/2018	3,978,113.33	2.36	0.00	3,986,711.64	3,986,876.00
UNITED STATES TREASURY BILL DTD 09/13/2018 0.000% 03/14/2019	912796RB7	2,000,000.00	A-1+	P-1	12/27/2018	12/28/2018	1,990,077.78	2.36	0.00	1,990,599.98	1,990,598.00
UNITED STATES TREASURY BILL DTD 12/27/2018 0.000% 06/27/2019	912796RV3	2,000,000.00	A-1+	P-1	12/27/2018	12/28/2018	1,975,464.44	2.47	0.00	1,976,006.66	1,976,154.00
Security Type Sub-Total		13,750,000.00					13,664,493.40	2.34	0.00	13,693,469.49	13,694,087.25
Federal Agency Discount Note											
FEDERAL HOME LOAN BANKS DISC NOTE DTD 01/16/2018 0.000% 01/15/2019	313384AQ2	1,500,000.00	A-1+	P-1	10/11/2018	10/12/2018	1,491,133.33	2.25	0.00	1,498,693.34	1,498,527.30
Security Type Sub-Total		1,500,000.00					1,491,133.33	2.25	0.00	1,498,693.34	1,498,527.30

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
Commercial Paper											
CREDIT AGRICOLE CIB NY COMM PAPER DTD 05/17/2018 0.000% 01/14/2019	22533UNE9	800,000.00	A-1	P-1	7/18/2018	7/19/2018	790,373.78	2.45	0.00	799,300.89	799,241.60
MUFG BANK LTD/NY COMM PAPER DTD 07/06/2018 0.000% 04/02/2019	62479MR21	800,000.00	A-1	P-1	10/4/2018	10/5/2018	789,737.33	2.61	0.00	794,782.66	794,289.60
JP MORGAN SECURITIES LLC COMM PAPER DTD 07/13/2018 0.000% 04/09/2019	46640QR94	1,300,000.00	A-1	P-1	10/11/2018	10/12/2018	1,283,129.25	2.64	0.00	1,290,763.50	1,289,775.50
DEXIA CREDIT LOCAL SA NY COMM PAPER DTD 07/19/2018 0.000% 04/10/2019	25214PJX2	800,000.00	A-1+	P-1	7/18/2018	7/19/2018	784,924.44	2.61	0.00	794,368.00	794,051.20
NATIXIS NY BRANCH COMM PAPER DTD 12/13/2018 0.000% 06/14/2019	63873KTE7	800,000.00	A-1	P-1	12/17/2018	12/18/2018	788,528.89	2.94	0.00	789,431.11	789,293.60
BANK OF MONTREAL CHICAGO COMM PAPER DTD 09/18/2018 0.000% 06/14/2019	06366HTE7	800,000.00	A-1	P-1	12/20/2018	12/21/2018	788,959.44	2.88	0.00	789,653.42	789,568.00
Security Type Sub-Total		5,300,000.00					5,225,653.13	2.68	0.00	5,258,299.58	5,256,219.50
Managed Account Sub Total		27,000,000.00					26,812,281.81	2.41	36,266.31	26,892,386.05	26,891,040.95
Securities Sub-Total		\$27,000,000.00					\$26,812,281.81	2.41%	\$36,266.31	\$26,892,386.05	\$26,891,040.95
Accrued Interest											\$36,266.31
Total Investments											\$26,927,307.26

Bolded items are forward settling trades.

Portfolio Statistics

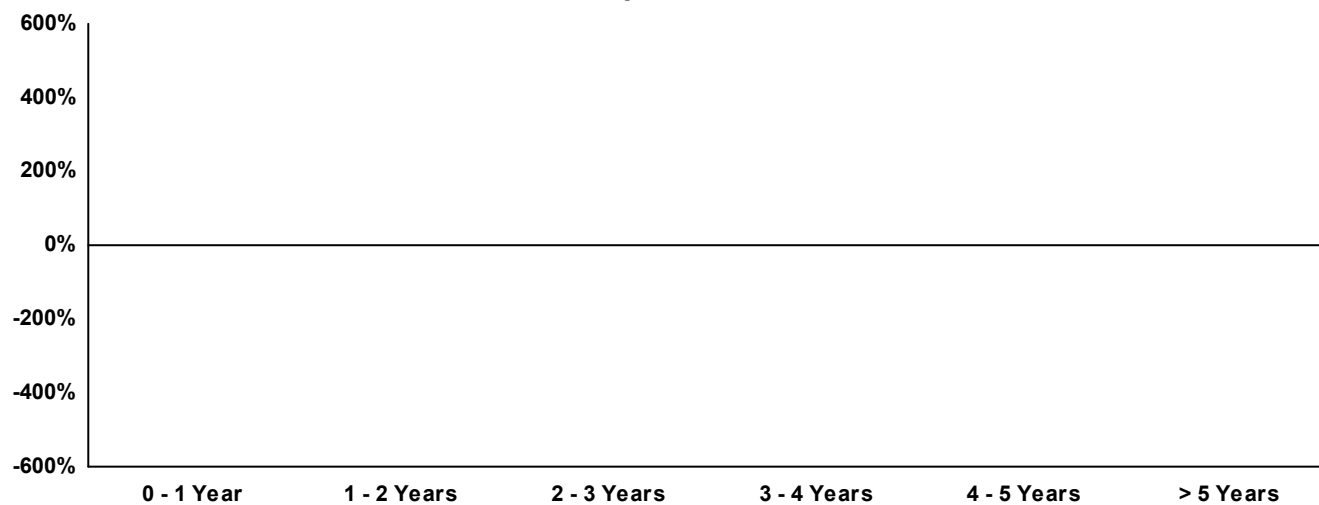
As of December 31, 2018

Par Value:	
Total Market Value:	\$147,976
Security Market Value:	-
Accrued Interest:	-
Cash:	\$147,976
Amortized Cost:	-
Yield at Market:	0.00%
Yield at Cost:	0.00%
Effective Duration:	0.00 Years
Duration to Worst:	0.00 Years
Average Maturity:	0.00 Years
Average Credit: *	

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 Earnings

Quarter-Ended December 31, 2018

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (09/30/2018)	\$0.00	\$0.00
Net Purchases/Sales	\$0.00	\$0.00
Change in Value	\$0.00	\$0.00
Ending Value (12/31/2018)	\$0.00	\$0.00
Interest Earned	\$637.17	\$637.17
Portfolio Earnings	\$637.17	\$637.17

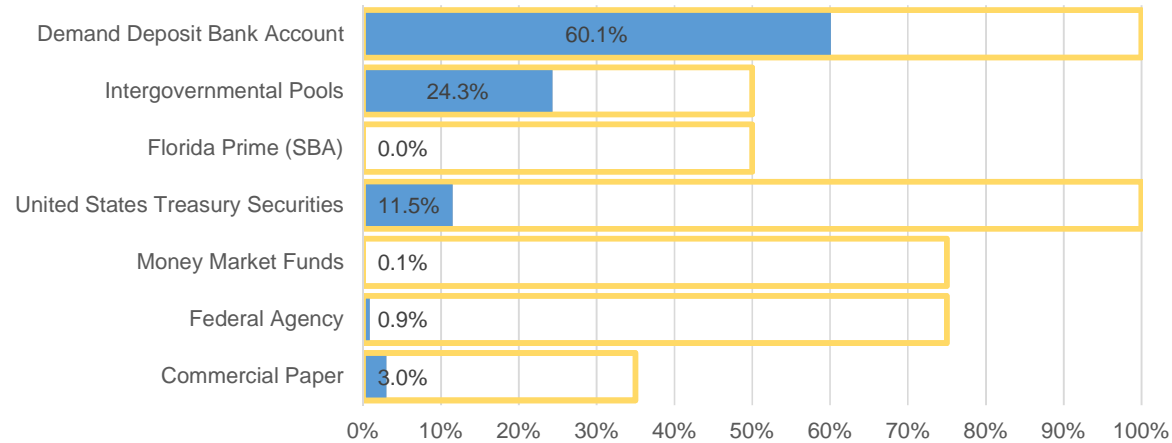
Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/1/18	9/28/18	0	MONEY0002	MONEY MARKET FUND			192.83		
11/1/18	10/31/18	0	MONEY0002	MONEY MARKET FUND			222.21		
12/3/18	12/4/18	0	MONEY0002	MONEY MARKET FUND			222.13		
Total INTEREST		0					637.17		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	10/1/18	9/28/18	0.00	MONEY0002	MONEY MARKET FUND			192.83		
INTEREST	11/1/18	10/31/18	0.00	MONEY0002	MONEY MARKET FUND			222.21		
INTEREST	12/3/18	12/4/18	0.00	MONEY0002	MONEY MARKET FUND			222.13		
TOTALS								637.17		

Tab III



Security Type	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Florida Prime (SBA)	81,723.40	0.05%	50%	YES
United States Treasury Securities	20,171,659.44	11.52%	100%	YES
Federal Agency	1,498,693.34	0.86%	75%	YES
Corporate Notes	-	0.00%	35%	YES
Municipals	-	0.00%	25%	YES
Agency Mortgage-Backed Securities (MBS)	-	0.00%	25%	YES
Certificates of Deposit and Savings Accounts	-	0.00%	50%	YES
Demand Deposit Bank Account	105,230,786.30	60.09%	100%	YES
Commercial Paper	5,258,299.58	3.00%	35%	YES
Repurchase Agreements	-	0.00%	40%	YES
Money Market Funds	262,672.58	0.15%	75%	YES
Intergovernmental Pools	42,625,312.00	24.34%	50%	YES

End of month trade-date amortized cost of portfolio holdings, including accrued interest.

Sector	Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Us Tsy Bond/Note	UNITED STATES TREASURY	20,171,659.44	11.52%	100%	YES
Mny Mkt/Mutual Fnd	MONEY MARKET FUND	262,672.58	0.15%	50%	YES
Intergovernmental Pools	FEITF	42,625,312.00	24.34%	50%	YES
Florida Prime (SBA)	FLORIDA PRIME (SBA)	81,723.40	0.05%	50%	YES
Fed Agy Bond/Note	FEDERAL HOME LOAN BANKS	1,498,693.34	0.86%	40%	YES
Demand Deposit Bank Account	BANK ACCOUNTS	105,230,786.30	60.09%	100%	YES
Commercial Paper	CREDIT AGRICOLE CIB NY	799,300.89	0.46%	5%	YES
Commercial Paper	JP MORGAN SECURITIES LLC	1,290,763.50	0.74%	5%	YES
Commercial Paper	BANK OF MONTREAL CHICAGO	789,653.42	0.45%	5%	YES
Commercial Paper	DEXIA CREDIT LOCAL SA NY	794,368.00	0.45%	5%	YES
Commercial Paper	MUFG BANK LTD/NY	794,782.66	0.45%	5%	YES
Commercial Paper	NATIXIS NY BRANCH	789,431.11	0.45%	5%	YES

End of month trade-date amortized cost of portfolio holdings, including accrued interest.

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.