



CITY OF LONG BEACH

C-9

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6465 • Fax (562) 570-5836

August 15, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Investment Report for Quarter Ending June 30, 2017. (Citywide)

DISCUSSION

The Department of Financial Management, City Treasurer's Office, invests the City's funds in compliance with the California Government Code, Section 53600 et. seq., and the City's Investment Policy. As of June 30, 2017, these funds had a book value of approximately \$1.544 billion.

Statutory Compliance

All investment transactions have been executed in conformance with the City's Investment Policy and the California Government Code. The Investment Advisory Committee, composed of the Assistant City Auditor, Deputy City Attorney, City Treasurer, City Controller, Budget Management Bureau staff, and designated representatives from the Harbor and Water Departments, meets quarterly, or as needed, to review investment policies, strategies and performance. All portfolio transactions as of June 30, 2017 are listed in Attachment A.

Investment Strategies

The City's Investment Policy divides the investment portfolio into short-term, intermediate-term, and long-term portfolios. Their respective benchmarks are the Three-Month Treasury Bill, the One-Year Constant Maturity Treasury (CMT) and the Merrill Lynch One-to-Five Year Treasury/Agency.

The short-term portfolio maintains a weighted average maturity of three to six months and provides sufficient liquidity to satisfy the City's short-term cash needs. The intermediate-term portfolio maintains a weighted average maturity of approximately one year and provides for the cash needs with maturities greater than six months. The long-term portfolio maintains a weighted average maturity of one to five years to satisfy the City's longer-term cash needs.

The City's cash management goals are to maintain and preserve the safety of funds in custody and provide adequate liquidity for anticipated expenditure needs. Approximately \$686.7 million of the total investment pool, or approximately 44.6 percent of funds, will mature in the next six months, ensuring that sufficient funds are available to meet the City's liquidity needs.

Investment Position and Performance

The following table summarizes the City's investment pool position and performance for the quarter ending June 30, 2017:

INVESTMENT PORTFOLIO POSITION AND PERFORMANCE SUMMARY						
Portfolio	INVESTMENT POSITION AS OF June 30, 2017			INVESTMENT PERFORMANCE ⁴ April 1, 2017 THRU June 30, 2017		
	Book Value ¹	Market Value ¹	Unrealized Gain/(Loss) ²	Portfolio Total Return ³	Benchmark Total Return ³	Variance From Benchmark ³
Short-Term	\$282,625,982	\$282,190,915	(\$435,067)	0.24 percent	0.20 percent	0.04 percent
Intermediate-Term	\$522,616,946	\$520,272,920	(\$2,344,026)	0.26 percent	0.20 percent	0.06 percent
Long-Term	\$435,314,088	\$433,659,166	(\$1,654,922)	0.48 percent	0.38 percent	0.10 percent
Total Investments	\$1,240,557,015	\$1,236,123,001	(\$4,434,015)	0.33 percent	0.26 percent	0.07 percent
Cash	\$303,492,986	\$303,492,986				
Total Cash and Investments	\$1,544,050,002	\$1,539,615,987				

¹ Book value is the initial value/outlay for an investment, while market value represents the value based on current market conditions.

² Unrealized Gain/(Loss) is the difference between book and market value. Typically, investments are held to maturity and therefore gains/losses are rarely realized.

³ Total Return is an annualized performance measurement metric that includes income and both realized and unrealized gains/(losses).

⁴ Investment Performance - Total Investments Total Return numbers are calculated as a weighted average.

Investment portfolio holdings as of June 30, 2017, are included in Attachment B.

This matter was reviewed by Deputy City Attorney Amy R. Webber on July 25, 2017 and by Assistant Finance Director Lea Eriksen on July 27, 2017.

TIMING CONSIDERATIONS

Action on this item is not time critical.

FISCAL IMPACT

There is no fiscal or local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DN
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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

INVESTMENT TRADING ACTIVITY
APRIL 1, 2017 - JUNE 30, 2017

Fund	Inv #	Cusip Number	Issuer	Coupon	Par Value	Trade Date	Maturity Date	Redemption Date
SECURITY PURCHASES								
98	15442	3135G0T45	FNMA	1.875	10,000,000	05/08/2017	04/05/2022	- -
98	15443	313378CR0	FHLB	2.250	5,000,000	06/06/2017	03/11/2022	- -
98	15444	912828W97	USTR	1.250	3,600,000	06/06/2017	03/31/2019	- -
98	15445	313378J77	FHLB	1.875	4,350,000	06/22/2017	03/13/2020	- -
98	15446	313379Q69	FHLB	2.125	7,500,000	06/22/2017	06/10/2022	- -
TOTAL SECURITY PURCHASES					30,450,000			

SECURITY MATURITIES								
97	15327	3130A7TL9	FHLB	0.625	5,000,000	04/20/2016	04/20/2017	- -
97	15425	912828K66	USTR	0.500	1,000,000	11/10/2016	04/30/2017	- -
97	15392	313385FC5	FHLB	0.580	2,250,000	08/02/2016	05/03/2017	- -
97	15423	313385FK7	FHLB	0.555	1,000,000	11/10/2016	05/10/2017	- -
97	15373	3130A8LC5	FHLB	0.625	5,000,000	06/27/2016	06/27/2017	- -
98	14667	3133ECKV5	FFCB	0.700	8,400,000	05/07/2013	06/05/2017	- -
98	14644	313379DD8	FHLB	1.000	10,600,000	03/20/2013	06/21/2017	- -
98	14711	313379DD8	FHLB	1.000	950,000	07/31/2013	06/21/2017	- -
99	15203	912828K66	USTR	0.500	5,000,000	10/13/2015	04/30/2017	- -
99	15213	912828K66	USTR	0.500	5,000,000	10/28/2015	04/30/2017	- -
99	15041	3130A4Q54	FHLB	0.800	2,460,000	04/09/2015	05/17/2017	- -
99	15081	3130A5EP0	FHLB	0.625	13,000,000	05/15/2015	05/30/2017	- -
99	15100	3130A5HX0	FHLB	0.680	5,000,000	06/02/2015	06/02/2017	- -
99	15114	313379FW4	FHLB	1.000	9,000,000	06/25/2015	06/09/2017	- -
99	15118	313379FW4	FHLB	1.000	5,500,000	06/29/2015	06/09/2017	- -
99	15131	313379FW4	FHLB	1.000	5,105,000	07/10/2015	06/09/2017	- -
TOTAL SECURITY MATURITIES					84,265,000			

SECURITY SALES AND CALLS								
99	15340	3134G8W96	FHLMC	0.750	3,689,000	05/12/2016	04/26/2019	04/26/2017
97	15417	3134GATS3	FHLMC	0.625	7,500,000	10/26/2016	10/26/2018	04/26/2017
97	15418	3134GATS3	FHLMC	0.625	7,500,000	10/26/2016	10/26/2018	04/26/2017
98	14921	3137EABA6	FHLMC	5.125	9,100,000	08/20/2014	11/17/2017	05/08/2017
TOTAL SECURITY SALES AND CALLS					27,789,000			

**INVESTMENT PORTFOLIO HOLDINGS
AS OF JUNE 30, 2017**

ATTACHMENT B

Inv #	Security Description	CUSIP Number	S&P Rating	Coupon Rate	Par Value	Book Value	Market Value	Trade Date	Settlement Date	Maturity Date
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SHORT-TERM (97)

8083	CALIF	LAIFGF	AA-	0.978	63,378,410	63,378,410	63,378,410	- -	- -	- -
8084	CALIF	LAIFHD	AA-	0.978	63,381,915	63,381,915	63,381,915	- -	- -	- -
8086	CALIF	LAIFWD	AA-	0.978	63,379,320	63,379,320	63,379,320	- -	- -	- -
15411	USTR	912828M98	AA+	0.625	10,000,000	9,998,223	9,988,900	10/4/2016	10/5/2016	9/30/2017
15192	FFCB	912828W97	AA+	1.090	6,500,000	6,499,414	6,479,395	9/24/2015	9/28/2015	6/28/2018
15193	FFCB	3133EFEY9	AA+	1.090	2,400,000	2,399,784	2,392,392	9/24/2015	9/28/2015	6/28/2018
15169	FHLMC	3134G3ZH6	AA+	0.900	6,500,000	6,500,000	6,499,545	9/10/2015	9/15/2015	9/15/2017
15282	FHLMC	3134G7WZ0	AA+	1.050	10,000,000	10,000,000	9,979,100	2/11/2016	2/26/2016	2/26/2018
15366	FHLMC	3134G9MA2	AA+	1.000	7,500,000	7,500,000	7,478,850	6/9/2016	6/29/2016	6/29/2018
15197	FNMA	3134G92D8	AA+	1.125	15,000,000	15,000,000	14,943,000	10/5/2015	10/29/2015	10/29/2018
15200	FNMA	3136G2PF8	AA+	1.000	7,500,000	7,505,710	7,498,875	10/5/2015	10/6/2015	9/20/2017
15358	FNMA	3136G3QD0	AA+	1.150	5,000,000	5,000,000	4,952,000	6/6/2016	6/28/2016	6/28/2019
15368	FNMA	3136G3SQ9	AA+	1.200	5,000,000	5,000,000	4,932,300	6/13/2016	6/30/2016	12/30/2019
15374	FNMA	3136G3TF2	AA+	1.250	7,500,000	7,500,000	7,398,300	6/22/2016	7/13/2016	4/13/2020
15380	FNMA	3136G3UG8	AA+	1.000	5,000,000	5,000,000	4,929,300	7/7/2016	7/26/2016	7/26/2019
15391	FNMA	3136G3U37	AA+	1.000	4,580,000	4,583,207	4,579,313	7/29/2016	8/1/2016	9/20/2017
TOTAL SHORT-TERM				1.026	282,619,645	282,625,982	282,190,915			

INTERMEDIATE-TERM (99)

15236	FFCB	3133EFRQ2	AA+	1.300	5,000,000	4,999,099	4,997,450	11/24/2015	12/3/2015	12/3/2018
15237	FFCB	3133EFRQ2	AA+	1.300	5,000,000	4,999,249	4,997,450	11/24/2015	12/3/2015	12/3/2018
15243	FFCB	3133EFSJ7	AA+	1.300	5,000,000	4,997,482	4,995,500	12/7/2015	12/14/2015	12/14/2018
15318	FFCB	3133EF3B1	AA+	0.750	5,000,000	4,997,312	4,980,150	4/7/2016	4/12/2016	4/18/2018
15335	FFCB	3133EF3T2	AA+	0.850	6,675,000	6,669,333	6,631,346	5/3/2016	5/4/2016	11/19/2018
15119	FHLB	3130A5KF5	AA+	0.950	1,005,000	1,004,969	1,004,367	6/26/2015	6/29/2015	11/28/2017
15141	FHLB	3130A5VA4	AA+	0.950	2,590,000	2,589,778	2,586,452	7/29/2015	7/30/2015	12/27/2017
15142	FHLB	3130A5VT3	AA+	0.900	6,435,000	6,431,769	6,421,744	7/29/2015	7/30/2015	1/30/2018
15146	FHLB	3130A66L6	AA+	1.050	5,000,000	4,998,374	4,987,600	8/4/2015	8/5/2015	7/25/2018
15163	FHLB	313383HU8	AA+	0.750	7,000,000	6,999,026	6,995,870	8/28/2015	9/1/2015	9/8/2017
15202	FHLB	313380EC7	AA+	0.625	15,000,000	14,994,921	14,977,350	10/8/2015	10/9/2015	10/26/2017
15204	FHLB	3130A6LZ8	AA+	1.625	10,000,000	10,075,143	10,034,000	10/9/2015	10/13/2015	6/14/2019
15215	FHLB	313379EE5	AA+	0.625	5,000,000	4,998,669	4,992,450	10/28/2015	10/29/2015	10/26/2017
15228	FHLB	3130A6AE7	AA+	1.000	10,000,000	10,000,000	9,991,200	11/19/2015	11/20/2015	12/19/2017
15229	FHLB	3130A6SW8	AA+	1.000	5,000,000	5,000,000	4,995,600	11/19/2015	11/20/2015	12/19/2017
15242	FHLB	3130A6SW8	AA+	1.250	10,000,000	9,994,551	9,983,100	12/2/2015	12/3/2015	11/30/2018
15252	FHLB	3130A6UJ4	AA+	1.125	7,500,000	7,500,678	7,499,025	1/4/2016	1/5/2016	12/8/2017
15262	FHLB	3130A3HF4	AA+	1.125	7,500,000	7,503,971	7,499,025	1/12/2016	1/13/2016	12/8/2017
15285	FHLB	313383HU8	AA+	0.875	10,000,000	9,998,935	9,974,500	2/17/2016	2/18/2016	3/19/2018
15353	FHLB	3130A7CV5	AA+	0.875	5,000,000	4,994,263	4,979,100	5/26/2016	5/27/2016	6/29/2018
15354	FHLB	3130A8BD4	AA+	0.875	5,000,000	4,994,263	4,979,100	5/26/2016	5/27/2016	6/29/2018

**INVESTMENT PORTFOLIO HOLDINGS
AS OF JUNE 30, 2017**

ATTACHMENT B

Inv #	Security Description	CUSIP Number	S&P Rating	Coupon Rate	Par Value	Book Value	Market Value	Trade Date	Settlement Date	Maturity Date
15357	FHLB	3130A8BD4	AA+	1.125	10,000,000	10,021,332	9,943,800	6/3/2016	6/6/2016	6/21/2019
15360	FHLB	3130A8DB6	AA+	1.250	7,400,000	7,424,627	7,397,262	6/6/2016	6/7/2016	6/8/2018
15393	FHLB	3130A8QS5	AA+	0.875	7,500,000	7,506,325	7,456,950	8/1/2016	8/2/2016	8/15/2018
15394	FHLB	3130A7SZ9	AA+	0.875	15,000,000	14,979,912	14,816,700	8/3/2016	8/4/2016	8/5/2019
15398	FHLB	3130A8Y72	AA+	0.875	7,500,000	7,496,960	7,454,700	8/25/2016	8/26/2016	10/1/2018
15416	FHLB	3130A9AE1	AA+	1.125	7,225,000	7,238,969	7,202,747	10/11/2016	10/12/2016	9/14/2018
15136	FHLMC	3137EADP1	AA+	0.750	5,000,000	5,000,017	4,999,500	7/15/2015	7/16/2015	7/14/2017
15184	FHLMC	3137EADM8	AA+	0.750	10,000,000	9,999,881	9,995,600	9/22/2015	9/23/2015	8/25/2017
15245	FHLMC	3137EADK2	AA+	1.000	20,000,000	19,995,334	19,984,800	12/10/2015	12/11/2015	12/15/2017
15261	FHLMC	3137EADX4	AA+	0.750	3,800,000	3,794,833	3,791,184	1/12/2016	1/13/2016	1/12/2018
15308	FHLMC	3137EADN6	AA+	1.125	10,000,000	9,998,075	9,955,100	3/18/2016	3/21/2016	4/15/2019
15384	FHLMC	3137EADZ9	AA+	0.850	5,000,000	5,000,437	4,976,100	7/21/2016	7/27/2016	7/27/2018
15102	FNMA	3135G0A78	AA+	1.125	10,000,000	9,993,818	9,979,800	6/4/2015	6/8/2015	7/20/2018
15159	FNMA	3135G0E33	AA+	1.125	8,500,000	8,498,836	8,473,565	8/28/2015	9/1/2015	10/19/2018
15218	FNMA	3135G0E58	AA+	1.125	15,000,000	14,989,573	14,946,750	10/30/2015	11/3/2015	12/14/2018
15219	FNMA	3135G0G72	AA+	1.125	10,000,000	9,995,894	9,964,500	10/30/2015	11/3/2015	12/14/2018
15256	FNMA	3135G0G72	AA+	1.375	15,000,000	14,995,206	14,997,900	1/6/2016	1/8/2016	1/28/2019
15290	FNMA	3135G0A78	AA+	1.000	15,000,000	14,980,551	14,899,950	2/19/2016	2/23/2016	2/26/2019
15291	FNMA	3135G0J53	AA+	1.000	5,000,000	4,994,341	4,966,650	2/19/2016	2/23/2016	2/26/2019
15296	FNMA	3135G0J53	AA+	0.875	10,000,000	9,992,823	9,973,600	3/2/2016	3/4/2016	3/28/2018
15341	FNMA	3135G0J20	AA+	1.250	20,000,000	19,919,221	19,647,000	5/12/2016	5/16/2016	5/6/2021
15413	FNMA	3135G0N82	AA+	1.375	10,000,000	9,973,659	9,819,600	10/6/2016	10/11/2016	10/7/2021
15421	FNMA	3135G0Q89	AA+	1.000	20,000,000	19,958,620	19,778,400	10/21/2016	10/25/2016	10/24/2019
15093	USTR	912828K25	AA+	0.750	8,000,000	7,998,890	7,990,880	5/21/2015	5/22/2015	10/31/2017
15145	USTR	912828XK1	AA+	0.875	5,000,000	4,994,147	4,978,150	8/4/2015	8/5/2015	7/15/2018
15196	USTR	912828XK1	AA+	0.750	7,500,000	7,500,441	7,472,175	10/5/2015	10/6/2015	3/31/2018
15250	USTR	912828WD8	AA+	1.000	5,000,000	4,999,500	4,999,250	12/30/2015	12/31/2015	9/15/2017
15238	FHLB	3133EFEY9	AA+	0.750	10,000,000	9,990,699	9,985,100	11/30/2015	12/1/2015	11/22/2017
14681	FHLMC	313382XA6	AA+	1.000	10,000,000	10,001,031	9,999,800	5/17/2013	5/20/2013	7/25/2017
15303	FHLMC	3134G8M48	AA+	1.500	6,500,000	6,500,000	6,487,780	3/11/2016	3/30/2016	12/30/2019
15325	FHLMC	3134G8S83	AA+	1.050	12,500,000	12,498,681	12,431,875	4/15/2016	4/26/2016	10/26/2018
15334	FHLMC	3134G8YU7	AA+	1.250	5,000,000	5,000,000	4,941,150	4/28/2016	5/26/2016	8/26/2019
15346	FHLMC	3134G9GS0	AA+	1.125	7,525,000	7,525,000	7,450,503	5/17/2016	5/27/2016	5/24/2019
15385	FHLMC	3134G9UY1	AA+	1.150	5,000,000	5,000,000	4,927,550	7/21/2016	7/26/2016	7/26/2019
15211	FNMA	3135G0PP2	AA+	1.300	10,000,000	10,000,000	9,969,900	10/21/2015	10/29/2015	4/29/2019
15295	FNMA	3135G0G23	AA+	1.200	4,430,000	4,437,414	4,412,191	2/29/2016	3/1/2016	4/17/2019
15349	FNMA	3136G0P54	AA+	1.300	10,000,000	10,000,000	9,930,400	5/18/2016	5/26/2016	11/26/2019
15383	FNMA	3135G0M26	AA+	1.000	5,000,000	5,000,000	4,967,150	7/13/2016	7/25/2016	1/25/2019
15387	FNMA	3135G0M67	AA+	1.300	5,700,000	5,700,000	5,579,730	7/27/2016	8/22/2016	5/22/2020
15410	FNMA	3135G0PP2	AA+	1.100	20,000,000	19,980,115	19,824,800	10/4/2016	10/17/2016	10/17/2019
TOTAL INTERMEDIATE-TERM				1.04	522,785,000	522,616,946	520,272,920			

**INVESTMENT PORTFOLIO HOLDINGS
AS OF JUNE 30, 2017**

ATTACHMENT B

Inv #	Security Description	CUSIP Number	S&P Rating	Coupon Rate	Par Value	Book Value	Market Value	Trade Date	Settlement Date	Maturity Date
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LONG-TERM (98)

15430	FEDER	VP6000104	AA+	0.000	291,545	291,545	291,545	- -	12/6/2016	- -
14721	FHLB	313378A43	AA+	1.375	4,345,000	4,339,960	4,349,345	8/14/2013	8/15/2013	3/9/2018
14722	FHLB	313378A43	AA+	1.375	5,505,000	5,498,788	5,510,505	8/14/2013	8/15/2013	3/9/2018
14735	FHLB	313370SZ2	AA+	2.250	9,350,000	9,367,124	9,368,981	10/4/2013	10/7/2013	9/8/2017
15151	FHLB	3130A62S5	AA+	0.750	5,000,000	4,999,310	4,997,250	8/14/2015	8/17/2015	8/28/2017
15152	FHLB	313383HU8	AA+	1.750	6,000,000	6,000,294	6,020,400	8/14/2015	8/17/2015	6/12/2020
15216	FHLB	3130A6AE7	AA+	1.125	6,000,000	6,011,848	5,981,520	10/28/2015	10/29/2015	9/14/2018
15266	FHLB	313383HU8	AA+	1.750	5,000,000	5,039,645	5,017,000	1/15/2016	1/19/2016	6/12/2020
15286	FHLB	3130A7CV5	AA+	1.375	11,230,000	11,197,057	11,109,053	2/17/2016	2/18/2016	2/18/2021
15307	FHLB	3130A7CV5	AA+	1.375	5,000,000	4,947,159	4,946,150	3/16/2016	3/17/2016	2/18/2021
15390	FHLB	3130A8QS5	AA+	1.125	10,600,000	10,527,080	10,328,322	7/22/2016	7/25/2016	7/14/2021
15443	FHLB	313378CR0	AA+	2.250	5,000,000	5,124,021	5,071,500	6/5/2017	6/6/2017	3/11/2022
15445	FHLB	313378J77	AA+	1.875	4,350,000	4,408,678	4,382,408	6/21/2017	6/22/2017	3/13/2020
15446	FHLB	313379Q69	AA+	2.125	7,500,000	7,594,785	7,564,275	6/21/2017	6/22/2017	6/10/2022
14732	FHLMC	3137EADJ5	AA+	1.000	10,750,000	10,748,628	10,749,678	9/25/2013	9/27/2013	7/28/2017
14909	FHLMC	3137EADN6	AA+	0.750	11,000,000	10,968,798	10,974,480	7/28/2014	7/29/2014	1/12/2018
14959	FHLMC	3137EABP3	AA+	4.875	9,960,000	10,294,769	10,295,453	11/18/2014	11/19/2014	6/13/2018
15009	FHLMC	3137EADP1	AA+	0.875	11,400,000	11,397,510	11,370,474	1/30/2015	2/2/2015	3/7/2018
15168	FHLMC	3137EADM8	AA+	1.250	10,000,000	9,939,314	9,945,000	9/9/2015	9/10/2015	10/2/2019
15230	FHLMC	3137EADK2	AA+	1.250	10,200,000	10,142,467	10,159,302	11/19/2015	11/20/2015	8/1/2019
15356	FHLMC	3137EADZ9	AA+	1.125	5,000,000	5,001,644	4,977,550	5/26/2016	5/27/2016	4/15/2019
15396	FHLMC	3137EAEC9	AA+	1.125	10,500,000	10,427,431	10,213,245	8/11/2016	8/12/2016	8/12/2021
15437	FHLMC	3137EAEE5	AA+	1.500	6,000,000	5,976,908	5,994,960	3/15/2017	3/16/2017	1/17/2020
14701	FNMA	3135G0TG8	AA+	0.875	11,100,000	11,046,670	11,078,355	6/24/2013	6/25/2013	2/8/2018
14835	FNMA	3135G0RT2	AA+	0.875	10,600,000	10,582,316	10,585,690	4/16/2014	4/17/2014	12/20/2017
14939	FNMA	3135G0WJ8	AA+	0.875	10,350,000	10,295,426	10,314,603	9/17/2014	9/18/2014	5/21/2018
15026	FNMA	3135G0A78	AA+	1.625	5,000,000	4,991,564	5,013,250	3/13/2015	3/16/2015	1/21/2020
15139	FNMA	3135G0D75	AA+	1.500	5,750,000	5,717,882	5,735,970	7/27/2015	7/28/2015	6/22/2020
15140	FNMA	3135G0E33	AA+	1.125	5,750,000	5,753,070	5,738,385	7/27/2015	7/28/2015	7/20/2018
15267	FNMA	3135G0F73	AA+	1.500	5,000,000	4,991,437	4,969,300	1/15/2016	1/19/2016	11/30/2020
15275	FNMA	3135G0F73	AA+	1.500	7,000,000	6,987,865	6,957,020	1/25/2016	1/26/2016	11/30/2020
15283	FNMA	3135G0A78	AA+	1.625	10,450,000	10,567,202	10,477,693	2/12/2016	2/16/2016	1/21/2020
15298	FNMA	3135G0J20	AA+	1.375	10,700,000	10,641,818	10,568,711	3/3/2016	3/4/2016	2/26/2021
15408	FNMA	3135G0N82	AA+	1.250	11,500,000	11,444,615	11,241,710	9/16/2016	9/19/2016	8/17/2021
15433	FNMA	3135G0S38	AA+	2.000	11,500,000	11,489,730	11,538,295	1/11/2017	1/12/2017	1/5/2022
15442	FNMA	3135G0T45	AA+	1.875	10,000,000	9,962,979	9,968,600	5/5/2017	5/8/2017	4/5/2022
14978	USTR	912828VE7	AA+	1.000	8,000,000	7,988,685	7,979,040	12/12/2014	12/15/2014	5/31/2018
15024	USTR	912828J50	AA+	1.375	5,000,000	4,971,361	4,982,400	3/13/2015	3/16/2015	2/29/2020
15053	USTR	912828K25	AA+	0.750	11,000,000	10,992,297	10,954,900	4/17/2015	4/20/2015	4/15/2018
15143	USTR	912828XK1	AA+	0.875	10,300,000	10,288,402	10,254,989	7/31/2015	8/3/2015	7/15/2018
15217	USTR	912828WD8	AA+	1.250	5,125,000	5,145,963	5,119,004	10/28/2015	10/29/2015	10/31/2018
15268	USTR	912828L65	AA+	1.375	10,400,000	10,321,477	10,322,832	1/15/2016	1/19/2016	9/30/2020
15276	USTR	912828L65	AA+	1.375	2,350,000	2,345,734	2,332,563	1/25/2016	1/26/2016	9/30/2020

**INVESTMENT PORTFOLIO HOLDINGS
AS OF JUNE 30, 2017**

ATTACHMENT B

Inv #	Security Description	CUSIP Number	S&P Rating	Coupon Rate	Par Value	Book Value	Market Value	Trade Date	Settlement Date	Maturity Date
15277	USTR	912828XH8	AA+	1.625	10,000,000	10,066,683	10,017,600	1/25/2016	1/26/2016	6/30/2020
15279	USTR	912828XH8	AA+	1.625	2,750,000	2,772,672	2,754,840	1/28/2016	1/29/2016	6/30/2020
15280	USTR	912828J50	AA+	1.375	5,100,000	5,111,834	5,082,048	1/28/2016	1/29/2016	2/29/2020
15299	USTR	912828N89	AA+	1.375	10,200,000	10,201,771	10,093,206	3/3/2016	3/4/2016	1/31/2021
15306	USTR	912828N89	AA+	1.375	4,300,000	4,275,795	4,254,979	3/16/2016	3/17/2016	1/31/2021
15332	USTR	912828Q37	AA+	1.250	11,750,000	11,705,721	11,555,420	4/22/2016	4/25/2016	3/31/2021
15355	USTR	912828M98	AA	1.625	5,050,000	5,101,700	5,047,425	5/26/2016	5/27/2016	11/30/2020
15415	USTR	912828T34	AA+	1.125	12,000,000	11,934,879	11,672,760	10/5/2016	10/6/2016	9/30/2021
15426	USTR	912828D72	AA+	2.000	10,500,000	10,635,940	10,592,295	11/14/2016	11/15/2016	8/31/2021
15428	USTR	912828T67	AA+	1.250	8,400,000	8,166,678	8,205,120	12/12/2016	12/13/2016	10/31/2021
15434	USTR	912828U81	AA+	2.000	9,000,000	9,003,560	9,065,070	1/25/2017	1/26/2017	12/31/2021
15438	USTR	912828J43	AA+	1.750	6,000,000	5,900,058	5,974,440	3/15/2017	3/16/2017	2/28/2022
15444	USTR	912828W97	AA+	1.250	3,600,000	3,605,543	3,592,260	6/5/2017	6/6/2017	3/31/2019
TOTAL LONG-TERM:				1.43	435,506,545	435,314,088	433,659,166			

TOTAL INVESTMENTS	1.16	1,240,911,190	1,240,557,015	1,236,123,001
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CASH

CASH	CASHBOA	CASHBOA	AA+	0.203	1,086,312	1,086,312	1,086,312	--	--	--
CASH	CASHUBOC	CASHUBOC	AA+	0.356	302,406,674	302,406,674	302,406,674	--	--	--
TOTAL CASH:				0.28	303,492,986	303,492,986	303,492,986			

TOTAL CASH AND INVESTMENTS	0.94	1,544,404,176	1,544,050,002	1,539,615,987
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