



GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

5/31/2019

Walla Walla Public SD 2018 Bonds

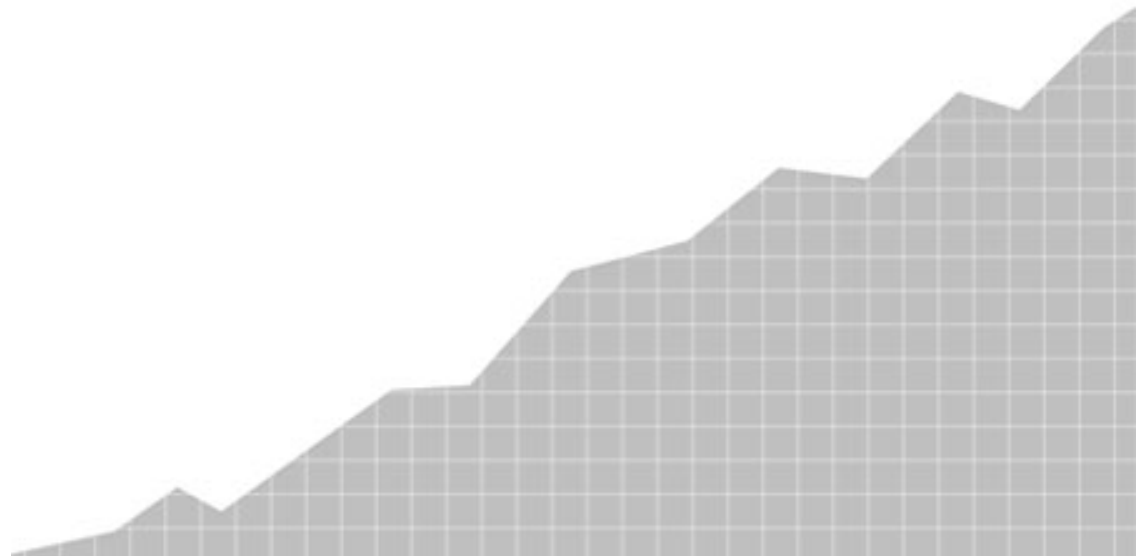




Table of Contents

Market Commentary.....1

Account Summary.....2

Portfolio Summary3

Market Value Report and Asset Allocation5

Holdings Report6

Disclaimer12

MONTH END COMMENTARY- May 2019

The fixed income markets capitulated to the demands of higher tariffs, and fixed income yields traded substantially lower during May. Trade tensions escalated as the U.S. increased tariffs on China from 10% to 25% on \$200 billion of imports and then threatened to impose additional tariffs on another \$300 billion of Chinese goods. Furthermore, the U.S. threatened Mexico with an increase tariffs unless Mexico restricted the flow of migrants into the U.S. The reaction from investors to the global trade escalation resulted in significant capital flowing into the safety of U.S. Treasuries.

Two-year Treasury note yield, which started the year off at 2.50%, drifted off slowly over the first four months of 2019, but yields plunged in May to levels not seen since January of 2018. The yield on the two-year note ended the month at 1.92%. The last time the two-year note yielded this low the fed funds rate was trading at 1.50%, or a full 100 basis points lower than the fed funds current target.

The yield relationship between the three-month Treasury bill and the ten-year Treasury note is now solidly inverted as the three-month bill is trading 20 basis points lower compared to the ten-year note. This is the eighth time this inversion has occurred in the last fifty years, and a recession has followed every occurrence with an average lag of about ten months. Some economists have argued that the indicator is somewhat less reliable than in the past due to quantitative easing, which the Fed began to implement after the 2008 recession. Quantitative easing occurs when the Fed purchases longer treasury securities, lowering long term yields to stimulate the economy through lower borrowing costs and lower mortgage rates. Nevertheless, the consistency and accuracy of using an inverted curve as an early indicator of a coming economic slowdown cannot be ignored and should warrant caution.

The front end of the Treasury market is now discounting substantially lower yields and a lower fed funds rate by the end of 2019. The fed funds futures market has priced in a 67% probability of a 25 basis point cut at the July 31, 2019 Fed meeting and a 50% probability of fed funds being 75 basis points lower by the end of the year.

GDP grew 3.1% during the first quarter, but is expected to slow substantially during Q2 2019. Bloomberg consensus projections are for GDP to fall to 2% in Q2 and to continue to fall below 2% in 2020.

TREASURY YIELD CURVE TOTAL RETURNS LAST 12 MONTHS:							TREASURY BENCHMARK TOTAL RETURNS IN MONTH:			
							Benchmark	Period Return	YTM	Duration (Years)
3 month bill	2.259%						ICE BAML 90 Day Bill	0.23%	2.28%	0.20
1 year note	2.696%						ICE BAML 0-1 Year Treasury	0.24%	2.36%	0.48
2 year note	3.397%						ICE BAML 0-3 Year Treasury	0.57%	2.12%	1.40
3 year note	4.361%						ICE BAML 0-5 Year Treasury	0.84%	2.06%	2.10
5 year note	6.303%									
CHANGES IN THE TREASURY MARKET (ABSOLUTE YIELD LEVELS):										
	5/31/2018	3/31/2019	4/30/2019	5/31/2019	Monthly Change	Yearly Change				
3 month bill	1.90%	2.38%	2.41%	2.34%	-0.07%	0.45%				
6 month bill	2.08%	2.42%	2.44%	2.35%	-0.10%	0.27%				
2 year note	2.43%	2.26%	2.27%	1.92%	-0.34%	-0.51%				
3 year note	2.55%	2.21%	2.24%	1.87%	-0.37%	-0.68%				
5 year note	2.70%	2.23%	2.28%	1.91%	-0.37%	-0.79%				
10 year note	2.86%	2.41%	2.50%	2.13%	-0.38%	-0.73%				

Source: Bloomberg



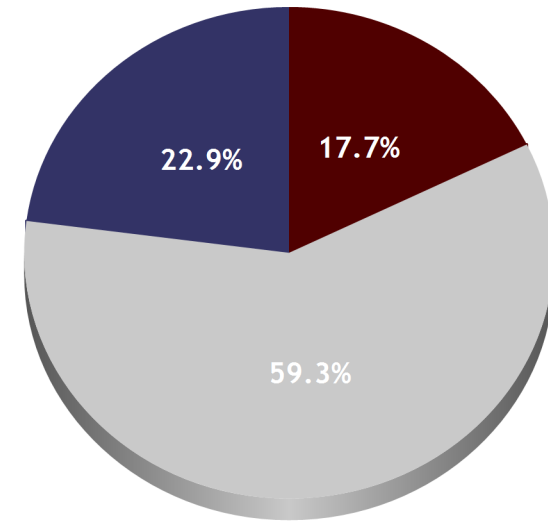
Weighted Averages

Book Yield	2.51
Maturity	1.07
Coupon	2.21
Moody	Aaa
S&P	AA+

Fixed Income Totals

Par Value	65,578,433
Market Value	65,760,805.18
Amortized Book Value	65,464,691.45
Unrealized Gain/Loss	296,113.73
Estimated Annual Cash Flow	1,444,707.05

Fixed Income Allocation



Security Type	Market Value	% Assets
US Agency (USD)	11,661,176.00	17.7
US Treasury (USD)	39,021,196.50	59.3
LGIP State Pool (USD)	15,078,432.68	22.9
Fixed Income Total	65,760,805.18	100.0

Portfolio Summary

May 31, 2019

Portfolio Name	Par Amount	Total Original Cost	Total Adjusted Cost	Market Value	Unrealized Gain/Loss	Yield At Cost	Mod Dur	Eff Dur	Bench Dur	Benchmark
Walla Walla Public SD 2018 Bonds	65,578,433	65,413,811.31	65,464,691.45	65,760,805.18	296,113.73	2.51	1.04	1.03	1.00	Cash Matched
TOTAL PORTFOLIO	65,578,433	65,413,811.31	65,464,691.45	65,760,805.18	296,113.73	2.51	1.04	1.03	1.00	



Cost Basis Summary

	Month End Ending 5/31/2019	Fiscal Year-to-Date 12/31/2018
Beginning Amortized Cost	65,400,892.93	65,681,609.50
Investment Purchases	0.00	50,335,378.63
Investment Maturities/Sells/Calls	0.00	0.00
Amortization	16,779.62	50,880.14
Change in Cash Equivalents	47,018.90	(50,603,176.82)
Realized Gains / Losses	0.00	0.00
Ending Amortized Costs	65,464,691.45	65,464,691.45

Accrual Earnings Summary

	Month End Ending 5/31/2019	Fiscal Year-to-Date 12/31/2018
Amortization/Accretion	16,779.62	50,880.14
Interest Earned	122,220.43	628,614.88
Realized Gain (Loss)	0.00	0.00
Total Income	139,000.05	679,495.02
Average Portfolio Balance	65,774,631.78	65,808,098.56
Earnings Yield	2.49%	2.50%

MarketValue Summary

	As of 5/31/2019
Ending Market Value	65,760,805.18
Unrealized Gain/Loss	296,113.73

Interest Earnings Summary

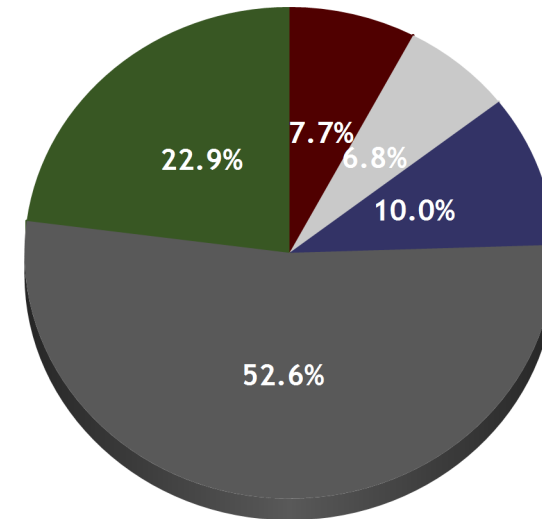
	Month End Ending 5/31/2019	Fiscal Year-to-Date 12/31/2018
Beginning Accrued Interest	315,638.54	0.00
Coupons Paid	165,062.68	634,326.77
Purchased Accrued Interest	0.00	(278,508.18)
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	272,796.29	272,796.29
Interest Earned	122,220.43	628,614.88



Total Return For Period

	Since 4/30/2019
Beginning Principal Value	65,531,510.78
Beginning Accrued Interest	315,638.54
Net Contributions/Withdrawals	-118,043.78
Market Value Change	182,275.50
Interest Earnings	122,220.43
Ending Principal Value	65,760,805.18
Accrued Interest	272,796.29
Total Return	304,495.93
Advisory Fees for Period	-1,450.00
Net Total Return	303,045.93

Portfolio Allocation as of 5/31/2019



Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	5,073,360.00	7.7	2.5
US TREASURY	4,440,159.00	6.8	2.5
FEDERAL HOME LOAN BANKS	6,587,816.00	10.0	2.5
UNITED STATES TREAS NTS	34,581,037.50	52.6	2.5
WA LGIP	15,078,432.68	22.9	2.5
Total	65,760,805.18	100.0	2.5

Portfolio Holdings by Maturity

Walla Walla Public SD 2018 Bonds

May 31, 2019

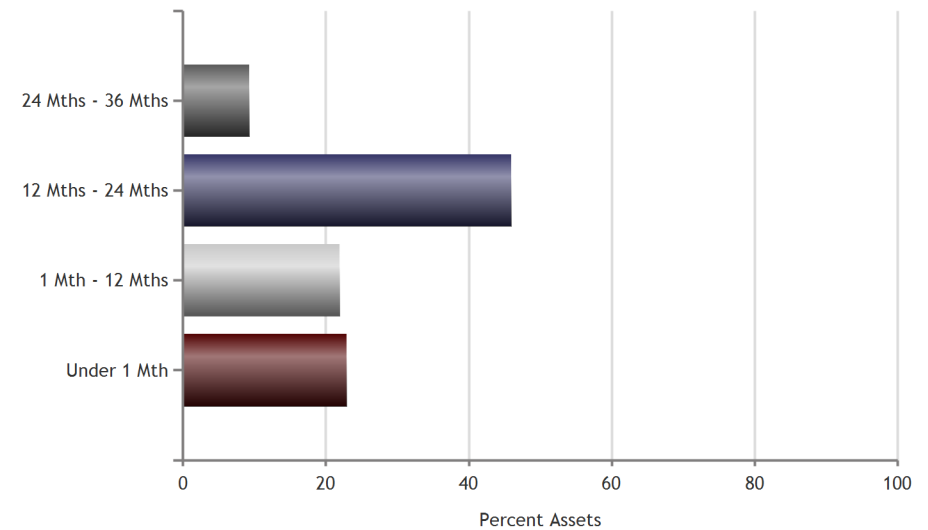
Maturity Date	Cusip	Par Value	Coupon	Security Name	Call Date	Date	Book Yield	Yield To Mat	Pct. Assets	Dur To Mat	Eff Dur	S & P	Moody
06-29-19	WAP00L	15,078,433	2.50	WASHINGTON LGIP		12-27-18	2.50	2.50	22.9	0.08	0.05	N/A	N/A
09-30-19	912828F39	4,000,000	1.75	UNITED STATES TREAS NTS		02-22-19	2.52	2.38	6.1	0.33	0.32	AA+	Aaa
01-02-20	912796RT8	4,500,000	0.00	UNITED STATES TREAS BILLS		02-22-19	2.53	2.28	6.8	0.58	0.57	AA+	Aaa
01-31-20	912828H52	2,000,000	1.25	UNITED STATES TREAS NTS		02-22-19	2.53	2.33	3.0	0.66	0.65	AA+	Aaa
03-31-20	9128284C1	2,000,000	2.25	UNITED STATES TREAS NTS		02-22-19	2.52	2.31	3.0	0.82	0.81	AA+	Aaa
05-15-20	912828X96	2,000,000	1.50	UNITED STATES TREAS NTS		02-22-19	2.51	2.25	3.0	0.94	0.93	AA+	Aaa
06-30-20	912828XY1	2,000,000	2.50	UNITED STATES TREAS NTS		02-22-19	2.53	2.22	3.1	1.05	1.04	AA+	Aaa
08-15-20	9128282Q2	2,500,000	1.50	UNITED STATES TREAS NTS		02-22-19	2.52	2.15	3.8	1.19	1.18	AA+	Aaa
09-11-20	313370US5	2,500,000	2.87	FEDERAL HOME LOAN BANKS		02-22-19	2.52	2.08	3.8	1.25	1.24	AA+	Aaa
11-15-20	912828PC8	4,000,000	2.62	UNITED STATES TREAS NTS		02-22-19	2.52	2.06	6.1	1.42	1.42	AA+	Aaa
12-11-20	313371U79	4,000,000	3.12	FEDERAL HOME LOAN BANKS		02-22-19	2.52	2.07	6.2	1.47	1.46	AA+	Aaa
01-15-21	9128283Q1	5,000,000	2.00	UNITED STATES TREAS NTS		02-22-19	2.51	2.03	7.6	1.58	1.57	AA+	Aaa
03-31-21	912828C57	5,000,000	2.25	UNITED STATES TREAS NTS		02-22-19	2.50	1.99	7.6	1.78	1.77	AA+	Aaa
05-15-21	9128284P2	5,000,000	2.62	UNITED STATES TREAS NTS		02-22-19	2.49	1.97	7.7	1.90	1.89	AA+	Aaa
06-22-21	3135G0U35	5,000,000	2.75	FEDERAL NATL MTG ASSN		02-22-19	2.51	2.02	7.7	1.97	1.96	AA+	Aaa
08-15-21	9128284W7	1,000,000	2.75	UNITED STATES TREAS NTS		02-22-19	2.47	1.95	1.5	2.12	2.11	AA+	Aaa
TOTAL PORTFOLIO		65,578,433					2.51	2.21	100.0	1.04	1.03		



Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Mth	1	15,078,432.68	22.9	2.5	2.497%	0.1
1 Mth - 12 Mths	5	14,402,271.00	21.9	2.3	1.176%	0.6
12 Mths - 24 Mths	8	30,189,436.50	45.9	2.0	2.447%	1.5
24 Mths - 36 Mths	2	6,090,665.00	9.3	2.0	2.750%	2.0

Distribution by Maturity



Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	15	50,682,372.50	77.1	2.1	2.122%	1.3
N/A	1	15,078,432.68	22.9	2.5	2.497%	0.1

Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	15	50,682,372.50	77.1	2.1	2.122%	1.3
N/A	1	15,078,432.68	22.9	2.5	2.497%	0.1



Interest

Trade Date	Settle Date	Symbol	Security	Amount
5/15/2019	5/15/2019	912828X96	UNITED STATES TREAS NTS 1.500% Due 05-15-20	15,000
5/15/2019	5/15/2019	9128284P2	UNITED STATES TREAS NTS 2.625% Due 05-15-21	65,625
5/15/2019	5/15/2019	912828PC8	UNITED STATES TREAS NTS 2.625% Due 11-15-20	52,500
5/31/2019	5/31/2019	WAP00L	WASHINGTON LGIP 2.497% Due 06-29-19	31,938
Total Interest				165,063

Expenses

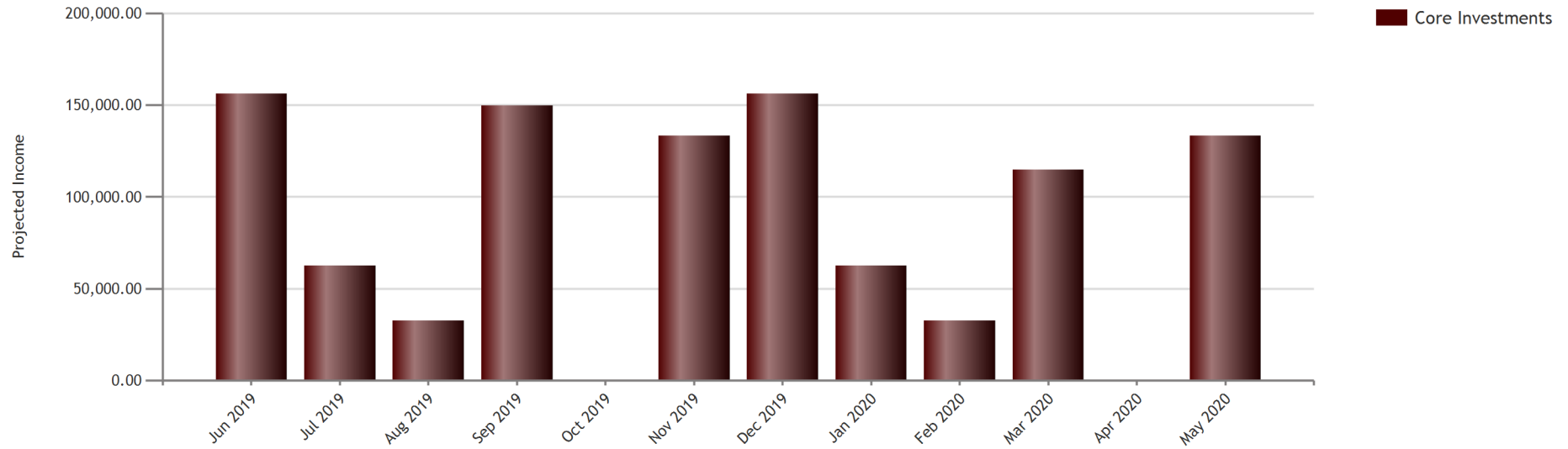
Trade Date	Settle Date	Symbol	Security	Amount
5/31/2019	5/31/2019	manfee	Management Fee	1,450
5/31/2019	5/31/2019	treasfee	TREASURER FEE	967
Total Expenses				2,417

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
5/31/2019	5/31/2019	47,019	WAP00L	WASHINGTON LGIP 2.497% Due 06-29-19	100.00	47,019
Total Contributions						47,019

Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
5/15/2019	5/15/2019		cash	CASH ACCOUNT		133,125
Total Withdrawals						133,125



	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020
Core Investments	156,250.00	62,500.00	32,500.00	149,687.50	0.00	133,125.00	156,250.00	62,500.00	32,500.00	114,687.50	0.00	133,125.00
US Agency (USD)	131,250.00	0.00	0.00	35,937.50	0.00	0.00	131,250.00	0.00	0.00	35,937.50	0.00	0.00
US Treasury (USD)	25,000.00	62,500.00	32,500.00	113,750.00	0.00	133,125.00	25,000.00	62,500.00	32,500.00	78,750.00	0.00	133,125.00
Total	156,250.00	62,500.00	32,500.00	149,687.50	0.00	133,125.00	156,250.00	62,500.00	32,500.00	114,687.50	0.00	133,125.00
Grand Total	1,033,125.00											

EARNED INCOME REPORT

Walla Walla Public SD 2018 Bonds

From 04-30-19 To 05-31-19

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
US Agency (USD)									
Agency									
US Agency Bullet									
313370US5	FEDERAL HOME LOAN BANKS 2.875% Due 09-11-20	9,982.64	0.00	0.00	0.00	15,972.22	5,989.58	-726.45	5,263.13
313371U79	FEDERAL HOME LOAN BANKS 3.125% Due 12-11-20	48,611.11	0.00	0.00	0.00	59,027.78	10,416.67	-1,998.14	8,418.53
3135G0U35	FEDERAL NATL MTG ASSN 2.750% Due 06-22-21	49,270.83	0.00	0.00	0.00	60,729.17	11,458.33	-973.83	10,484.50
		107,864.58	0.00	0.00	0.00	135,729.17	27,864.58	-3,698.42	24,166.16
Agency Total		107,864.58	0.00	0.00	0.00	135,729.17	27,864.58	-3,698.42	24,166.16
US Agency (USD) Total		107,864.58	0.00	0.00	0.00	135,729.17	27,864.58	-3,698.42	24,166.16
US Treasury (USD)									
Treasury									
US Treasury									
912828F39	UNITED STATES TREAS NTS 1.750% Due 09-30-19	5,928.96	0.00	0.00	0.00	11,857.92	5,928.96	2,590.84	8,519.80
912828H52	UNITED STATES TREAS NTS 1.250% Due 01-31-20	6,215.47	0.00	0.00	0.00	8,356.35	2,140.88	2,128.10	4,268.98
9128284C1	UNITED STATES TREAS NTS 2.250% Due 03-31-20	3,811.48	0.00	0.00	0.00	7,622.95	3,811.48	448.79	4,260.26
912828X96	UNITED STATES TREAS NTS 1.500% Due 05-15-20	13,839.78	0.00	0.00	-15,000.00	1,385.87	2,546.09	1,678.24	4,224.33
912828XY1	UNITED STATES TREAS NTS 2.500% Due 06-30-20	16,712.71	0.00	0.00	0.00	20,994.48	4,281.77	44.43	4,326.20
9128282Q2	UNITED STATES TREAS NTS 1.500% Due 08-15-20	7,769.34	0.00	0.00	0.00	10,980.66	3,211.33	2,119.09	5,330.42
912828PC8	UNITED STATES TREAS NTS 2.625% Due 11-15-20	48,439.23	0.00	0.00	-52,500.00	4,850.54	8,911.32	-355.38	8,555.94
9128283Q1	UNITED STATES TREAS NTS 2.000% Due 01-15-21	29,281.77	0.00	0.00	0.00	37,845.30	8,563.54	2,112.69	10,676.22
912828C57	UNITED STATES TREAS NTS 2.250% Due 03-31-21	9,528.69	0.00	0.00	0.00	19,057.38	9,528.69	1,013.94	10,542.63

EARNED INCOME REPORT

Walla Walla Public SD 2018 Bonds

From 04-30-19 To 05-31-19

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
9128284P2	UNITED STATES TREAS NTS 2.625% Due 05-15-21	60,549.03	0.00	0.00	-65,625.00	6,063.18	11,139.15	-546.02	10,593.12
9128284W7	UNITED STATES TREAS NTS 2.750% Due 08-15-21	5,697.51	0.00	0.00	0.00	8,052.49	2,354.97	-229.89	2,125.08
		207,773.96	0.00	0.00	-133,125.00	137,067.13	62,418.17	11,004.83	73,423.00
US Treasury Bill 912796RT8	UNITED STATES TREAS BILLS 0.000% Due 01-02-20	0.00	0.00	0.00	0.00	0.00	0.00	9,473.21	9,473.21
		0.00	0.00	0.00	0.00	0.00	0.00	9,473.21	9,473.21
Treasury Total		207,773.96	0.00	0.00	-133,125.00	137,067.13	62,418.17	20,478.04	82,896.21
US Treasury (USD) Total		207,773.96	0.00	0.00	-133,125.00	137,067.13	62,418.17	20,478.04	82,896.21
LGIP State Pool (USD)									
Pool Fund									
State Investment Pool WAPOOL	WASHINGTON LGIP 2.497% Due 06-29-19	0.00	0.00	0.00	-31,937.68	0.00	31,937.68	0.00	31,937.68
		0.00	0.00	0.00	-31,937.68	0.00	31,937.68	0.00	31,937.68
Pool Fund Total		0.00	0.00	0.00	-31,937.68	0.00	31,937.68	0.00	31,937.68
LGIP State Pool (USD) Total		0.00	0.00	0.00	-31,937.68	0.00	31,937.68	0.00	31,937.68
TOTAL PORTFOLIO		315,638.54	0.00	0.00	-165,062.68	272,796.29	122,220.43	16,779.62	139,000.05



Disclaimer & Terms

5/31/2019

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

Questions About an Account: GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. The custodian bank maintains the control of assets and executes (ie. Settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the GPA report should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

GPA relies on the information provided by the client's when reporting pool balances, bank balances and other assets that are not held at the client's custodial bank.

Account Control:

GPA does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their deposit funds to the custodian. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value:

Generally, market prices in GPA's reports are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data or Bloomberg. 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. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although GPA believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold.

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 premiums with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using a straight-line basis.

Financial Situation:

In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities:

Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented. Certain call dates may not show up on the report if the call date has passed and it is continuously callable. Bonds purchased at a premium will be amortized to call date versus all others will be amortized to maturity.

Duration:

The duration listed on the reports is duration to maturity and duration to call. Effective duration is calculated on Bloomberg and imported into these reports and reflects the OAS duration which incorporates the probability of the bond being called. Effective duration is what GPA compares to the benchmark to reflect current market risk.

Benchmark Duration:

The benchmark duration is the historical weighted average of the benchmark duration over monthly periods. GPA is reporting this number as a static amount period over period.

Portfolio:

The securities in this portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

Rating:

Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Coupon Payments and Maturities on Weekends:

Oftentimes, coupon payments and maturities will occur on a weekend or holiday. GPA will track these payments on an accrual basis, while the custodian bank may track on a cash basis. The accrual basis allocates the earnings in the period earned.