

# GOVERNMENT PORTFOLIO ADVISORS

## Monthly Report

Account  
Walla Walla County

5/31/2018

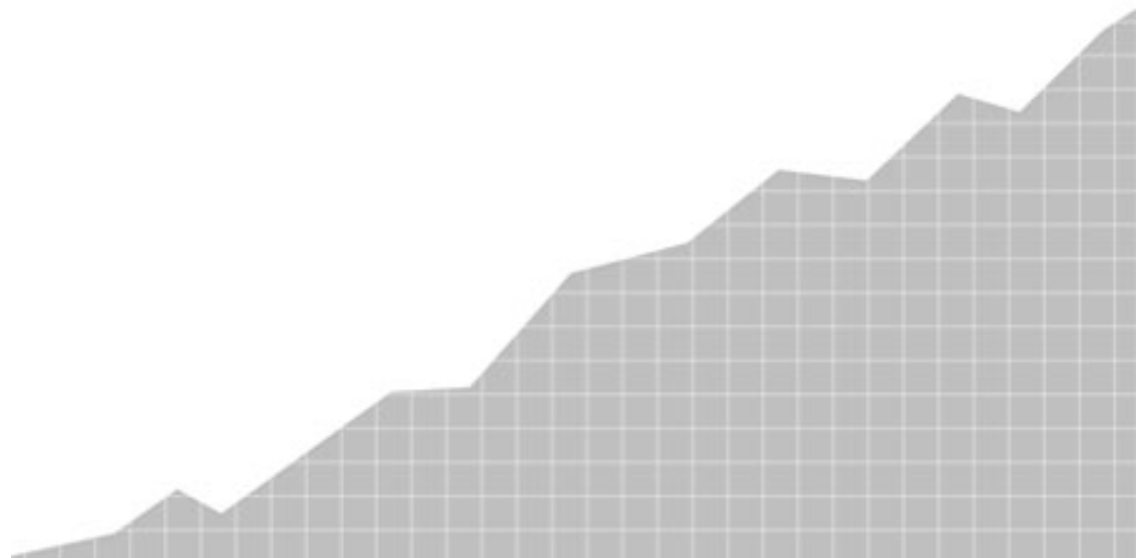




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## MONTH END COMMENTARY- MAY 2018

Two-year Treasury notes opened the month at 2.50%, and appeared set to follow the previous month's path to higher rates until political woes in Italy caused investors to flee to the safety of US Treasuries. Italy's populist Five Star Movement and League parties were gaining power in a surprise reversal of political control. Both populist parties are strongly anti Euro, and fears of a replay of Brexit forced the sale of Italian bonds and a change in sentiment regarding rising US interest rates. Two-year Treasury notes hit a decade long high of 2.59% on May 16<sup>th</sup> and subsequently declined 27 basis points to a yield of 2.32% on May 29<sup>th</sup>. This decline in rates is the largest since the Brexit-induced low in yields during June 2016. Investors most likely remember that the Brexit trade-off in yields recovered, and interest rates are now substantially higher than pre-Brexit trading. Italy's ultimate secession from the Euro is far from being a done deal and the market may be discounting too much in the way of economic damage from the political turmoil.

Italian political woes are not the only issue causing second thoughts in the upward direction of interest rates. Anti-trade rhetoric has increased recently with most economist voicing their opposition to trade tariffs with warnings of the economic damage that could result from a trade war. GPA believes that there is a better than 50/50 chance that push will not come to shove in the trade tariff battle and that negotiations will prevail. There is no doubt that trade tariffs, if enacted, would most likely raise inflation and result in economic damage.

The Fed met on May 2<sup>nd</sup> and announced that they were going to maintain Fed Funds at an unchanged range of 1.50% to 1.75%. The Fed Funds futures market is currently discounting a 100% probability of an increase in Fed Funds to a range of 1.75% to 2% at their next meeting on June 13<sup>th</sup>. The June hike would be the second increase in 2018. The Fed Funds futures market is discounting an 86% probability of a third hike at their September 26<sup>th</sup> meeting and a 49% chance of a fourth 2018 hike at the December 19<sup>th</sup> meeting.

### STRATEGY GOING FORWARD:

The trade towards higher US interest rates was weighted too much towards a sure thing and the sharp reversal in rates caused by Italian politics was not too surprising. We expect the markets to recover from the short-term prospects of Italy pulling out of the Euro and continue to focus on strong US economic growth. Employment continues to grow at a strong pace and inflation has now surpassed the Fed's target with a 2.5% print in May. We are advising fixed income portfolios to keep portfolio durations close to their respective benchmark durations with ranges of 90% to 95%. This weighting will help mitigate the market declines of higher rates while respecting the fact that we are now at rates that we have not seen for close to a decade.

#### TREASURY YIELD CURVE TOTAL RETURNS LAST 12 MONTHS:\*

3month bill	1.27
1 year note	0.83
2 year note	-0.19
3 year note	-0.94
5 year note	-1.90

#### TREASURY BENCHMARK TOTAL RETURNS IN MONTH\*

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	0.31%	1.40
BAML 1-3 Year Treasury	0.36%	1.85
BAML 0-5 Year Treasury	0.42%	2.15
BAML 1-5 Year Treasury	0.48%	2.60

#### Changes in the Treasury Market (absolute yield levels): \*

	5/31/2017	3/31/2018	4/30/2018	5/31/2018	Change from Last Month	Change from Prior Year
3 month bill	0.98	1.71	1.80	1.81	0.01	0.83
6 month bill	1.11	1.92	2.00	2.07	0.07	0.96
2 year note	1.27	2.27	2.49	2.41	-0.08	1.14
3 year note	1.42	2.38	2.63	2.53	-0.10	1.11
5 year note	1.75	2.56	2.80	2.67	-0.13	0.92
10 year note	2.21	2.74	2.95	2.83	-0.12	0.62

\*Source: Bloomberg



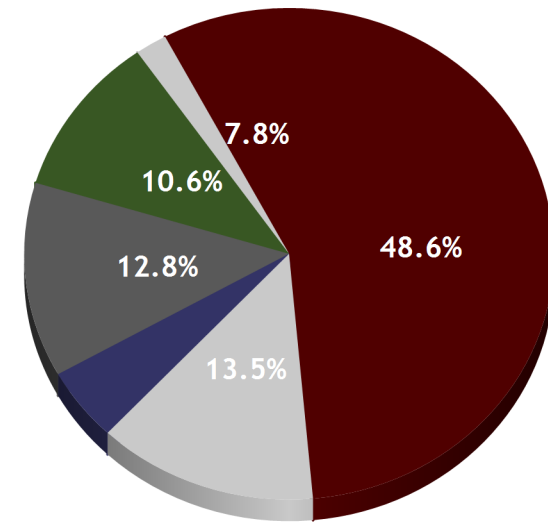
## Weighted Averages

Book Yield	1.68
Maturity	1.17
Coupon	1.69
Moody	Aa1
S&P	AA

## Fixed Income Totals

Par Value	102,464,216
Market Value	101,842,939.44
Amortized Book Value	102,403,311.35
Unrealized Gain/Loss	-560,371.91
Estimated Annual Cash Flow	1,728,009.16

## Fixed Income Allocation



Security Type	Market Value	% Assets
US Agency (USD)	49,450,387.22	48.6
Municipal (USD)	13,705,392.42	13.5
US Treasury (USD)	4,933,242.00	4.8
LGIP State Pool (USD)	13,045,000.39	12.8
Bank or Cash Deposit (USD)	10,820,317.41	10.6
Commercial Paper (USD)	1,989,740.00	2.0
Supranationals (USD)	7,898,860.00	7.8
<b>Fixed Income Total</b>	<b>101,842,939.44</b>	<b>100.0</b>

# Portfolio Summary

May 31, 2018

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 County	102,464,216	102,645,377.78	102,403,311.35	101,842,939.44	-560,371.91	1.68	1.13	1.11	1.40	BofA Merrill 0-3 Treasury
<b>TOTAL PORTFOLIO</b>	<b>102,464,216</b>	<b>102,645,377.78</b>	<b>102,403,311.35</b>	<b>101,842,939.44</b>	<b>-560,371.91</b>	<b>1.68</b>	<b>1.13</b>	<b>1.11</b>	<b>1.40</b>	



## Cost Basis Summary

	Month End Ending 5/31/2018	Fiscal Year-to-Date 12/31/2017
Beginning Amortized Cost	114,927,837.09	86,566,088.89
Investment Purchases	11,840,768.00	19,735,608.97
Investment Maturities/Sells/Calls	(4,136,818.72)	(14,248,204.50)
Amortization	(3,304.32)	(53,381.04)
Change in Cash Equivalents	(20,225,170.70)	10,403,199.03
Realized Gains / Losses	0.00	0.00
<b>Ending Amortized Costs</b>	<b>102,403,311.35</b>	<b>102,403,311.35</b>

## Accrual Earnings Summary

	Month End Ending 5/31/2018	Fiscal Year-to-Date 12/31/2017
Amortization/Accretion	(3,304.32)	(53,381.04)
Interest Earned	146,290.27	569,758.39
Realized Gain (Loss)	0.00	0.00
Total Income	142,985.94	516,377.35
Average Portfolio Balance	114,284,280.83	88,738,274.13
<b>Earnings Yield</b>	<b>1.47%</b>	<b>1.41%</b>

## MarketValue Summary

	As of 5/31/2018
Ending Market Value	101,842,939.44
Unrealized Gain/Loss	(560,371.91)
Net Asset Value (NAV)	0.9945

## Interest Earnings Summary

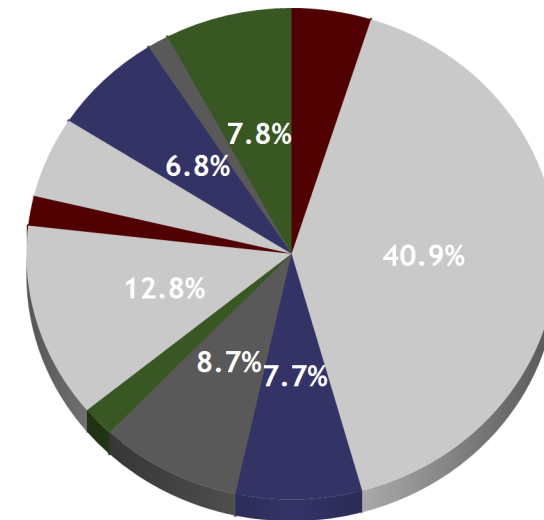
	Month End Ending 5/31/2018	Fiscal Year-to-Date 12/31/2017
Beginning Accrued Interest	437,975.50	317,501.93
Coupons Paid	194,040.39	447,816.00
Purchased Accrued Interest	(44,888.50)	(69,402.24)
Sold Accrued Interest	24,027.64	97,760.33
Ending Accrued Interest	411,086.24	411,086.24
<b>Interest Earned</b>	<b>146,290.27</b>	<b>569,758.39</b>



## Total Return For Period

	Since 4/30/2018
<b>Beginning Principal Value</b>	<b>114,208,946.30</b>
Beginning Accrued Interest	437,975.50
Net Contributions/Withdrawals	-12,694,400.95
Market Value Change	155,214.56
Interest Earnings	146,290.27
<b>Ending Principal Value</b>	<b>101,842,939.44</b>
Accrued Interest	411,086.24
<b>Total Return</b>	<b>301,504.83</b>
Advisory Fees for Period	-1,000.00
<b>Net Total Return</b>	<b>300,504.83</b>

## Portfolio Allocation as of 5/31/2018



Industry Group	Market Value	% Assets	Yield
US Treasury	4,933,242.00	4.8	1.7
US Agency Bullet	41,618,288.22	40.9	1.5
US Agency Callable	7,832,099.00	7.7	1.7
Bank Deposit	8,820,317.41	8.7	1.5
Certificate of Deposit	2,000,000.00	2.0	1.5
State Investment Pool	13,045,000.39	12.8	1.8
Commercial Paper	1,989,740.00	2.0	2.4
Muni GO	5,428,310.75	5.3	1.1
Muni Rev	6,933,183.25	6.8	1.7
Municipal Direct	1,343,898.42	1.3	2.3
Supranationals	7,898,860.00	7.8	2.7
<b>Total</b>	<b>101,842,939.44</b>	<b>100.0</b>	<b>1.7</b>

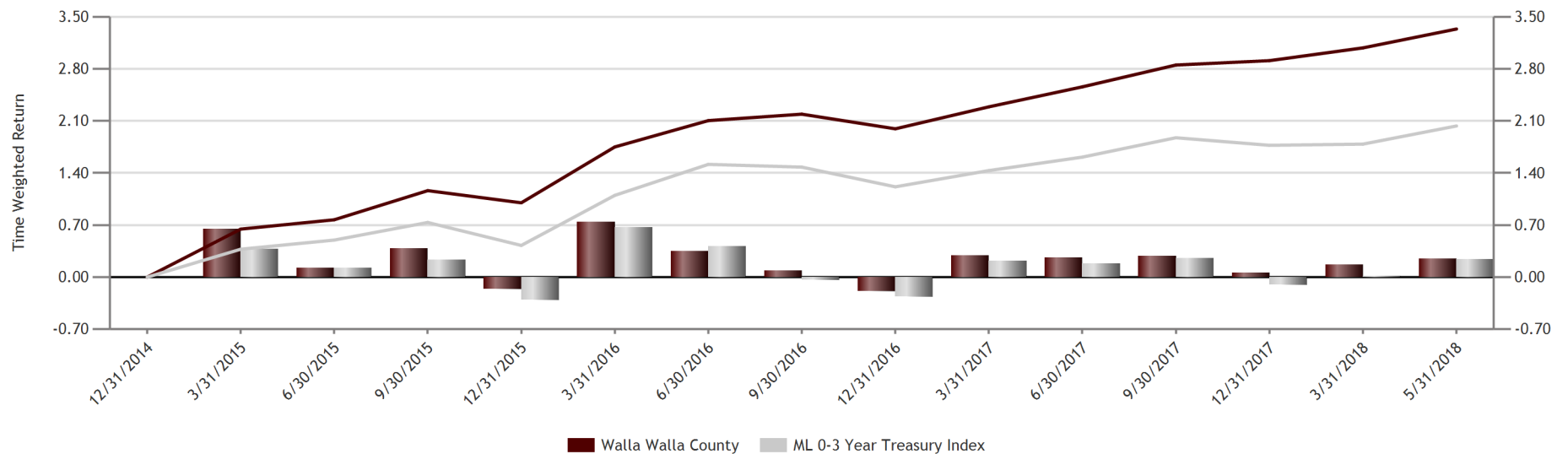


## Performance History

Portfolio	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
Account	0.27	0.25	0.41	0.97

Index	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
ML 0-3 Year Treasury Index	0.31	0.24	0.26	0.59

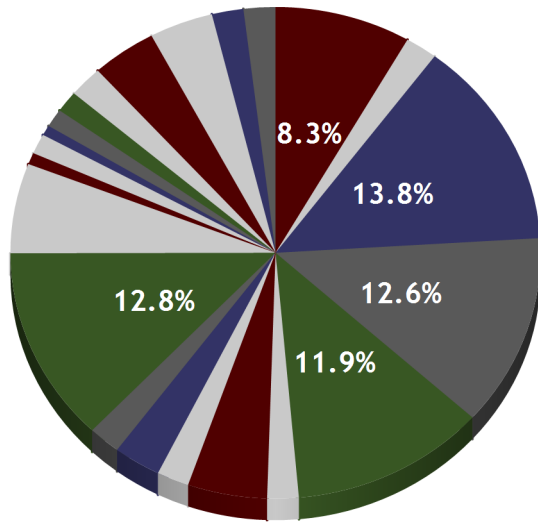
## Time Weighted Return Inception (12/31/2014) to Date







## Portfolio Allocation as of 5/31/2018



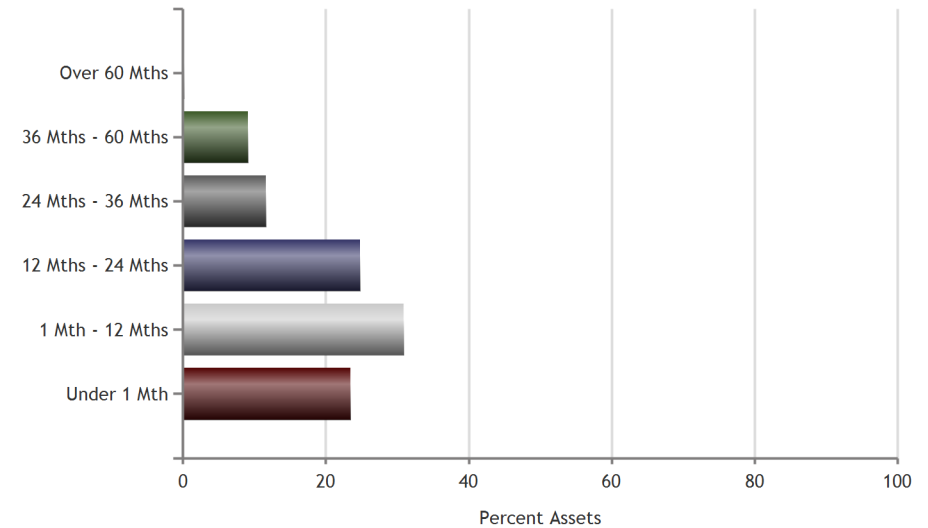
Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	8,444,275.50	8.3	1.2
TOYOTA	1,989,740.00	2.0	2.4
FEDERAL HOME LOAN BANKS	14,055,804.97	13.8	1.6
FEDERAL FARM CR BKS	12,865,895.00	12.6	1.8
FEDERAL HOME LN MTG CORP	12,133,471.75	11.9	1.3
FEDERAL AGRIC MTG CORP	1,950,940.00	1.9	2.1
UNITED STATES TREAS NTS	4,933,242.00	4.8	1.7
ENERGY NW WA ELEC REVENUE	2,000,100.00	2.0	1.4
UNIV OF WASHINGTON	2,933,843.25	2.9	1.8
ENERGY NORTHWEST WASH ELEC REV	1,999,240.00	2.0	1.8
WA LGIP	13,045,000.39	12.8	1.8
UMPQUA BANK	6,020,039.04	5.9	1.6
BAKER BOYER	780,000.00	0.8	0.1
WALLA WALLA COUNTY BONDS	1,343,898.42	1.3	2.3
OREGON SCHOOL BOARD	679,882.00	0.7	1.5
NORTH SLOPE BORO ALASKA	1,226,747.55	1.2	1.1
CA ST PUB WKS BD LS	1,425,481.20	1.4	1.1
TACOMA METROPOLITAN PARK DISTRICT	2,096,200.00	2.1	1.1
WASHINGTON FEDERAL BANK	4,020,278.37	3.9	1.6
INTL BK RECON & DEVELOP	3,962,680.00	3.9	2.8
INTL FINANCE CORP	1,959,600.00	1.9	2.6
INTER-AMERICAN DEVELOP BK	1,976,580.00	1.9	2.6
<b>Total</b>	<b>101,842,939.44</b>	<b>100.0</b>	<b>1.7</b>



## Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Mth	5	23,864,653.80	23.4	1.7	1.608%	0.1
1 Mth - 12 Mths	18	31,453,460.53	30.9	2.1	1.231%	0.5
12 Mths - 24 Mths	15	25,235,101.02	24.8	2.3	2.060%	1.3
24 Mths - 36 Mths	6	11,865,692.00	11.7	2.5	2.042%	2.2
36 Mths - 60 Mths	6	9,248,951.18	9.1	2.7	1.989%	3.8
Over 60 Mths	2	175,080.91	0.2	3.0	3.155%	6.9

## Distribution by Maturity



## Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AAA	4	7,898,860.00	7.8	2.5	1.923%	2.1
AA+	31	55,366,532.47	54.4	2.3	1.472%	1.3
AA	3	4,748,428.75	4.7	2.0	4.099%	1.0
AA-	3	4,679,222.00	4.6	2.4	2.051%	1.0
A-1+	1	1,989,740.00	2.0	2.2	0.000%	0.2
N/A	9	25,209,216.22	24.8	1.7	1.685%	0.3
NR	1	1,950,940.00	1.9	2.8	2.100%	3.5

## Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	35	63,265,392.47	62.1	2.3	1.528%	1.4
Aa1	2	3,999,340.00	3.9	2.3	2.400%	1.0
Aa2	4	5,428,310.75	5.3	2.1	3.586%	1.0
P-1	1	1,989,740.00	2.0	2.2	0.000%	0.2
N/A	9	25,209,216.22	24.8	1.7	1.685%	0.3
NR	1	1,950,940.00	1.9	2.8	2.100%	3.5

# Portfolio Holdings

Walla Walla County  
May 31, 2018

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
<b>US Treasury</b>															
912828A34	3,000,000	UNITED STATES TREAS NTS 1.250% Due 11-30-18		04-24-15	100.10	1.05	99.5820	2.09	2,987,460.00	102.46	2,987,562.46	-15,483.31	2.9	0.49	0.49
912828M80	2,000,000	UNITED STATES TREAS NTS 2.000% Due 11-30-22		04-26-18	96.69	2.79	97.2891	2.64	1,945,782.00	109.29	1,945,891.29	12,026.09	1.9	4.27	4.27
	5,000,000					1.74		2.31	4,933,242.00	211.75	4,933,453.75	-3,457.22	4.8	1.98	1.98
<b>US Agency Bullet</b>															
3130A96A4	2,000,000	FEDERAL HOME LOAN BANKS 1.000% Due 06-15-18		08-29-16	100.00	1.00	99.9668	1.72	1,999,336.00	9,222.22	2,008,558.22	-664.00	2.0	0.04	0.03
3134G8XA2	2,000,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-27-18		04-26-16	100.00	1.02	99.8561	1.89	1,997,122.00	1,888.89	1,999,010.89	-2,830.14	2.0	0.16	0.14
3135G0L68	2,000,000	FEDERAL NATL MTG ASSN 0.750% Due 07-27-18		10-21-16	99.98	0.91	99.8213	1.86	1,996,426.00	5,166.67	2,001,592.67	-3,092.81	2.0	0.16	0.14
3134G44S4	1,000,000	FEDERAL HOME LN MTG CORP 1.000% Due 11-29-18		05-18-16	100.00	1.00	99.4588	2.09	994,588.00	55.56	994,643.56	-5,406.16	1.0	0.49	0.48
313381GB5	1,000,000	FEDERAL HOME LOAN BANKS 1.000% Due 11-30-18		05-16-16	100.05	0.91	99.4410	2.13	994,410.00	27.78	994,437.78	-6,044.10	1.0	0.49	0.48
3133EFX51	2,000,000	FEDERAL FARM CR BKS 1.000% Due 01-07-19		05-16-16	100.03	0.95	99.3391	2.10	1,986,782.00	8,000.00	1,994,782.00	-13,866.91	2.0	0.59	0.59
3136G3YL3	2,000,000	FEDERAL NATL MTG ASSN 0.900% Due 01-25-19		08-02-16	99.95	0.98	99.1391	2.23	1,982,782.00	6,300.00	1,989,082.00	-16,144.22	1.9	0.64	0.63
3133EF3V7	2,000,000	FEDERAL FARM CR BKS 0.875% Due 02-15-19		08-02-16	100.02	0.85	99.1021	2.15	1,982,042.00	5,152.78	1,987,194.78	-18,280.48	1.9	0.70	0.69
3135G0ZA4	2,000,000	FEDERAL NATL MTG ASSN 1.875% Due 02-19-19		04-19-17	100.45	1.23	99.7651	2.20	1,995,302.00	10,625.00	2,005,927.00	-13,767.44	2.0	0.71	0.70
3133782M2	2,000,000	FEDERAL HOME LOAN BANKS 1.500% Due 03-08-19		04-19-17	100.18	1.27	99.4456	2.22	1,988,912.00	6,916.67	1,995,828.67	-14,597.77	2.0	0.76	0.75

# Portfolio Holdings

## Walla Walla County

May 31, 2018

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
3130ABF92	2,000,000	FEDERAL HOME LOAN BANKS 1.375% Due 05-28-19		03-15-18	99.23	2.17	99.1151	2.28	1,982,302.00	229.17	1,982,531.17	-2,238.95	1.9	0.98	0.97
313379EE5	2,000,000	FEDERAL HOME LOAN BANKS 1.625% Due 06-14-19		09-27-17	100.13	1.50	99.3713	2.24	1,987,426.00	15,076.39	2,002,502.39	-15,088.60	2.0	1.02	1.00
3134GBEW8	2,250,000	FEDERAL HOME LN MTG CORP 1.500% Due 07-26-19		04-12-17	100.00	1.50	98.8503	2.51	2,224,131.75	3,281.25	2,227,413.00	-25,868.25	2.2	1.13	1.12
3136G3A62	1,500,000	FEDERAL NATL MTG ASSN 1.050% Due 07-26-19		11-01-17	99.35	1.62	98.5605	2.32	1,478,407.50	5,468.75	1,483,876.25	-11,908.85	1.5	1.13	1.12
3130ABZX7	1,215,000	FEDERAL HOME LOAN BANKS 1.410% Due 08-07-19		09-28-17	99.88	1.52	98.9158	2.34	1,201,826.97	5,424.97	1,207,251.94	-11,655.27	1.2	1.16	1.15
3137EAEH8	2,000,000	FEDERAL HOME LN MTG CORP 1.375% Due 08-15-19		11-01-17	99.71	1.62	98.8781	2.32	1,977,562.00	8,097.22	1,985,659.22	-16,542.11	1.9	1.18	1.17
3134G9KF3	2,000,000	FEDERAL HOME LN MTG CORP 1.200% Due 11-25-19		05-18-16	99.95	1.23	98.2820	2.38	1,965,640.00	400.00	1,966,040.00	-33,429.20	1.9	1.46	1.45
3135G0ZY2	1,000,000	FEDERAL NATL MTG ASSN 1.750% Due 11-26-19		10-20-17	100.16	1.64	99.1358	2.34	991,358.00	243.06	991,601.06	-10,254.81	1.0	1.46	1.45
3133EJLU1	2,000,000	FEDERAL FARM CR BKS 2.420% Due 01-24-20		05-02-18	99.84	2.52	99.9755	2.43	1,999,510.00	4,974.44	2,004,484.44	2,682.64	2.0	1.60	1.60
3133EJGM5	2,000,000	FEDERAL FARM CR BKS 2.300% Due 02-19-20		03-16-18	99.86	2.38	99.8278	2.40	1,996,556.00	9,200.00	2,005,756.00	-689.79	2.0	1.67	1.66
313378J77	2,000,000	FEDERAL HOME LOAN BANKS 1.875% Due 03-13-20		05-03-18	98.93	2.49	98.8667	2.52	1,977,334.00	8,125.00	1,985,459.00	-1,357.89	1.9	1.74	1.73
3133EHW58	2,000,000	FEDERAL FARM CR BKS 1.900% Due 11-27-20		11-17-17	100.01	1.90	98.3796	2.57	1,967,592.00	422.22	1,968,014.22	-32,574.03	1.9	2.41	2.41
3132X0PX3	2,000,000	FEDERAL AGRIC MTG CORP 2.100% Due 02-23-22		02-16-17	100.13	2.06	97.5470	2.79	1,950,940.00	11,433.33	1,962,373.33	-51,672.05	1.9	3.54	3.54
	41,965,000					1.51		2.27	41,618,288.22	125,731.36	41,744,019.58	-305,291.21	40.9	1.11	1.10

# Portfolio Holdings

Walla Walla County  
May 31, 2018

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
<b>US Agency Callable</b>															
3134G9JK4	1,000,000	FEDERAL HOME LN MTG CORP 1.125% Due 11-26-18	08-26-18	05-16-16	100.00	1.12	99.5650	2.02	995,650.00	156.25	995,806.25	-4,350.00	1.0	0.48	0.47
3134G9MU8	2,000,000	FEDERAL HOME LN MTG CORP 1.300% Due 05-24-19	08-24-18	05-17-16	100.00	1.30	98.9389	2.39	1,978,778.00	505.56	1,979,283.56	-21,222.00	1.9	0.97	0.95
3133EF5V5	1,000,000	FEDERAL FARM CR BKS 1.350% Due 08-02-19	06-02-18	09-28-17	99.79	1.53	98.8531	2.34	988,531.00	4,462.50	992,993.50	-9,389.25	1.0	1.15	1.14
3130A9Z46	2,000,000	FEDERAL HOME LOAN BANKS 1.600% Due 11-26-21	08-26-18	11-15-16	99.49	1.75	96.2129	2.74	1,924,258.00	444.44	1,924,702.44	-65,607.71	1.9	3.36	3.33
3133EHKT9	2,000,000	FEDERAL FARM CR BKS 2.220% Due 11-25-22	06-25-18	09-21-17	99.91	2.24	97.2441	2.88	1,944,882.00	740.00	1,945,622.00	-53,384.84	1.9	4.23	3.88
	8,000,000					1.65		2.55	7,832,099.00	6,308.75	7,838,407.75	-153,953.80	7.7	2.33	2.23
<b>Bank Deposit</b>															
SYS117600	780,000	BAKER BOYER BANK 0.100% Due 06-29-18		12-30-17	100.00	0.10	100.0000	0.10	780,000.00	0.00	780,000.00	0.00	0.8	0.08	0.05
SYSUMPQ11	4,020,039	UMPQUA BANK MMF 1.600% Due 06-29-18		12-31-15	100.00	1.61	100.0000	1.61	4,020,039.04	0.00	4,020,039.04	0.00	3.9	0.08	0.05
000WAFED3	4,020,278	WASHINGTON FEDERAL 1.600% Due 06-29-18		03-14-17	100.00	1.61	100.0000	1.61	4,020,278.37	0.00	4,020,278.37	0.00	3.9	0.08	0.05
	8,820,317					1.47		1.47	8,820,317.41	0.00	8,820,317.41	0.00	8.7	0.08	0.05
<b>Certificate of Deposit</b>															
SYSUMPQ29	2,000,000	UMPQUA BANK CD 1.510% Due 03-15-19		10-30-17	100.00	1.51	100.0000	1.50	2,000,000.00	17,540.82	2,017,540.82	0.00	2.0	0.78	0.78
<b>State Investment Pool</b>															
WAPOL	13,045,000	WASHINGTON LGIP 1.797% Due 06-29-18		12-31-15	100.00	1.80	100.0000	1.80	13,045,000.39	0.00	13,045,000.39	0.00	12.8	0.08	0.05
<b>Commercial Paper</b>															
89233HHQ0	2,000,000	TOYOTA MOTOR CREDIT CP 0.000% Due 08-24-18		04-24-18	99.46	2.41	99.4870	2.23	1,989,740.00	0.00	1,989,740.00	613.33	2.0	0.23	0.23

# Portfolio Holdings

Walla Walla County  
May 31, 2018

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
<b>Muni GO</b>															
172217ZF1	1,430,000	CINCINNATI OH 2.000% Due 12-01-18		10-20-16	100.47	1.05	99.6840	2.63	1,425,481.20	14,300.00	1,439,781.20	-11,242.35	1.4	0.49	0.48
662523D55	1,185,000	NORTH SLOP BORO AK 5.000% Due 06-30-19		10-26-16	104.16	1.10	103.5230	1.70	1,226,747.55	24,852.08	1,251,599.63	-7,489.65	1.2	1.04	1.02
686053CJ6	700,000	OREGON ST SCHOOL BOARDS ASSOC 0.000% Due 06-30-19		06-08-17	98.40	1.51	97.1260	2.71	679,882.00	0.00	679,882.00	-8,947.93	0.7	1.07	1.05
592240UE3	2,000,000	MET PARK DIST OF TACOMA WA 5.000% Due 12-01-19		11-04-16	105.78	1.08	104.8100	1.73	2,096,200.00	50,000.00	2,146,200.00	-19,305.39	2.1	1.42	1.42
	5,315,000					1.13		2.08	5,428,310.75	89,152.08	5,517,462.83	-46,985.32	5.3	1.05	1.04
<b>Muni Rev</b>															
29270CYL3	2,000,000	ENERGY NORTHWEST WASH ELEC REV 2.147% Due 07-01-18		05-11-17	100.06	1.36	100.0050	2.01	2,000,100.00	17,891.67	2,017,991.67	-1,187.54	2.0	0.09	0.07
91523NQE9	2,475,000	UNIV OF WASHINGTON 1.750% Due 12-01-19		09-10-15	100.00	1.75	98.7470	2.60	2,443,988.25	21,656.25	2,465,644.50	-31,011.75	2.4	1.46	1.46
29270CYN9	2,000,000	ENERGY NW WA ELEC REVENUE-COLUMBIA 2.653% Due 07-01-20		02-27-17	101.71	1.80	99.9620	2.67	1,999,240.00	22,108.33	2,021,348.33	-34,917.20	2.0	1.99	1.98
91523NMU7	500,000	UNIV OF WASH TXBL REVENUE 2.462% Due 12-01-22		09-22-17	100.74	2.29	97.9710	2.94	489,855.00	6,155.00	496,010.00	-13,853.25	0.5	4.17	4.17
	6,975,000					1.69		2.47	6,933,183.25	67,811.25	7,000,994.50	-80,969.73	6.8	1.41	1.40
<b>Municipal Direct</b>															
WWCO1	175,583	WALLA WALLA COUNTY 4.000% Due 10-01-18		10-01-09	100.00	4.00	100.0000	3.52	175,583.33	24,015.90	199,599.23	0.00	0.2	0.33	0.30
JAIL 2016	993,234	WALLA WALLA COUNTY 1.820% Due 12-01-21		12-01-16	100.00	1.82	100.0000	1.77	993,234.18	27,115.29	1,020,349.47	0.00	1.0	3.30	3.26
FAIR12820	85,751	WALLA WALLA COUNTY 3.067% Due 12-08-26		12-08-16	100.00	3.07	100.0000	2.93	85,751.47	3,893.86	89,645.33	0.00	0.1	6.82	6.80

# Portfolio Holdings

Walla Walla County  
May 31, 2018

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
FAIR2012B	89,329	WALLA WALLA COUNTY 3.240% Due 04-30-27		04-30-17	100.00	3.24	100.0000	3.13	89,329.44	3,143.50	92,472.94	0.00	0.1	6.97	6.95
	1,343,898					2.28		2.16	1,343,898.42	58,168.55	1,402,066.97	0.00	1.3	3.38	3.34
<b>Supranationals</b>															
4581X0CP1	2,000,000	INTER-AMERICAN DEVELOPMENT 1.875% Due 06-16-20		05-10-18	98.50	2.64	98.8290	2.46	1,976,580.00	17,187.50	1,993,767.50	6,595.42	1.9	1.97	1.96
45950KCG3	2,000,000	INTL FINANCE CORP 1.625% Due 07-16-20		05-10-18	97.94	2.63	97.9800	2.60	1,959,600.00	12,187.50	1,971,787.50	830.52	1.9	2.06	2.05
45905US54	2,000,000	INTL BK RECON & DEVELOPMENT 2.235% Due 08-05-20		05-03-18	99.06	2.68	99.7560	2.35	1,995,120.00	14,403.33	2,009,523.33	13,849.20	2.0	2.10	2.09
45905UQ80	2,000,000	INTL BK RECON & DEVELOPMENT 1.950% Due 11-09-20	11-09-18	05-15-18	97.96	2.82	98.3780	2.64	1,967,560.00	2,383.33	1,969,943.33	8,396.90	1.9	2.36	2.33
	8,000,000					2.69		2.51	7,898,860.00	46,161.67	7,945,021.67	29,672.04	7.8	2.12	2.11
<b>TOTAL</b>	<b>102,464,216</b>					<b>1.68</b>		<b>2.17</b>	<b>101,842,939.44</b>	<b>411,086.24</b>	<b>102,254,025.68</b>	<b>-560,371.91</b>	<b>100.0</b>	<b>1.13</b>	<b>1.11</b>



Walla Walla County

# Transaction Summary

5/1/2018 - 5/31/2018

## Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost				
5/2/2018	5/3/2018	2,000,000	3133EJLU1	FEDERAL FARM CR BKS 2.420% Due 01-24-20	99.83	1,996,674				
5/3/2018	5/4/2018	2,000,000	313378J77	FEDERAL HOME LOAN BANKS 1.875% Due 03-13-20	98.89	1,977,774				
5/3/2018	5/7/2018	2,000,000	45905U54	INTL BK RECON & DEVELOPMENT 2.235% Due 08-05-20	99.04	1,980,700				
5/10/2018	5/14/2018	2,000,000	4581X0CP1	INTER-AMERICAN DEVELOPMENT 1.875% Due 06-16-20	98.46	1,969,280				
5/10/2018	5/14/2018	2,000,000	45950KCG3	INTL FINANCE CORP 1.625% Due 07-16-20	97.89	1,957,840				
5/15/2018	5/17/2018	2,000,000	45905UQ80	INTL BK RECON & DEVELOPMENT 1.950% Due 11-09-20	97.93	1,958,500				
<b>Total Purchases</b>						<b>11,840,768</b>				

## Sales

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
5/1/2018	5/1/2018	136,819	JAIL 2016	WALLA WALLA COUNTY 1.820% Due 12-01-21	100.00	136,819	0	100.00	136,819	0
<b>Total Sales</b>						<b>136,819</b>	<b>0</b>		<b>136,819</b>	<b>0</b>

## Interest

Trade Date	Settle Date	Symbol	Security	Amount
5/1/2018	5/1/2018	JAIL 2016	WALLA WALLA COUNTY 1.820% Due 12-01-21	3,528
5/2/2018	5/3/2018	3133EJLU1	FEDERAL FARM CR BKS 2.420% Due 01-24-20	-1,210
5/3/2018	5/3/2018	WAPOL	WASHINGTON LGIP 1.797% Due 06-29-18	0
5/3/2018	5/4/2018	313378J77	FEDERAL HOME LOAN BANKS 1.875% Due 03-13-20	-5,313





## Interest

Trade Date	Settle Date	Symbol	Security	Amount
5/4/2018	5/4/2018	WAP00L	WASHINGTON LGIP 1.797% Due 06-29-18	0
5/3/2018	5/7/2018	45905US54	INTL BK RECON & DEVELOPMENT 2.235% Due 08-05-20	-11,423
5/7/2018	5/7/2018	WAP00L	WASHINGTON LGIP 1.797% Due 06-29-18	0
5/10/2018	5/14/2018	4581X0CP1	INTER-AMERICAN DEVELOPMENT 1.875% Due 06-16-20	-15,417
5/10/2018	5/14/2018	45950KCG3	INTL FINANCE CORP 1.625% Due 07-16-20	-10,659
5/14/2018	5/14/2018	000WAFED	WASHINGTON FEDERAL 1.600% Due 06-29-18	0
5/15/2018	5/17/2018	45905UQ80	INTL BK RECON & DEVELOPMENT 1.950% Due 11-09-20	-867
5/17/2018	5/17/2018	SYSUMPQ1	UMPQUA BANK MMF 1.600% Due 06-29-18	0
5/24/2018	5/24/2018	3134G9MU8	FEDERAL HOME LN MTG CORP 1.300% Due 05-24-19	13,000
5/25/2018	5/25/2018	3133EHKT9	FEDERAL FARM CR BKS 2.220% Due 11-25-22	22,200
5/25/2018	5/25/2018	3134G9KF3	FEDERAL HOME LN MTG CORP 1.200% Due 11-25-19	12,000
5/25/2018	5/25/2018	3135G0XK4	FEDERAL NATL MTG ASSN 1.050% Due 05-25-18	10,500
5/26/2018	5/26/2018	3134G9JK4	FEDERAL HOME LN MTG CORP 1.125% Due 11-26-18	5,625
5/26/2018	5/26/2018	3130A9Z46	FEDERAL HOME LOAN BANKS 1.600% Due 11-26-21	16,000
5/26/2018	5/26/2018	3135G0ZY2	FEDERAL NATL MTG ASSN 1.750% Due 11-26-19	8,750
5/27/2018	5/27/2018	3133EHW58	FEDERAL FARM CR BKS 1.900% Due 11-27-20	19,000



## Interest

Trade Date	Settle Date	Symbol	Security	Amount
5/28/2018	5/28/2018	3130ABF92	FEDERAL HOME LOAN BANKS 1.375% Due 05-28-19	13,750
5/29/2018	5/29/2018	3134G4454	FEDERAL HOME LN MTG CORP 1.000% Due 11-29-18	5,000
5/30/2018	5/30/2018	313381GB5	FEDERAL HOME LOAN BANKS 1.000% Due 11-30-18	5,000
5/31/2018	5/31/2018	SYS117600054	BAKER BOYER BANK 0.100% Due 06-29-18	447
5/31/2018	5/31/2018	SYS117600054	BAKER BOYER BANK 0.100% Due 06-29-18	0
5/31/2018	5/31/2018	SYSUMPQ1	UMPQUA BANK MMF 1.600% Due 06-29-18	7,688
5/31/2018	5/31/2018	SYSUMPQ1	UMPQUA BANK MMF 1.600% Due 06-29-18	0
5/31/2018	5/31/2018	912828VE7	UNITED STATES TREAS NTS 1.000% Due 05-31-18	10,000
5/31/2018	5/31/2018	912828A34	UNITED STATES TREAS NTS 1.250% Due 11-30-18	18,750
5/31/2018	5/31/2018	912828M80	UNITED STATES TREAS NTS 2.000% Due 11-30-22	20,000
5/31/2018	5/31/2018	000WAFED	WASHINGTON FEDERAL 1.600% Due 06-29-18	7,689
5/31/2018	5/31/2018	000WAFED	WASHINGTON FEDERAL 1.600% Due 06-29-18	0
5/31/2018	5/31/2018	WAPPOOL	WASHINGTON LGIP 1.797% Due 06-29-18	19,142
5/31/2018	5/31/2018	WAPPOOL	WASHINGTON LGIP 1.797% Due 06-29-18	0
Total Interest				173,180



Walla Walla County

# Transaction Summary

5/1/2018 - 5/31/2018

## Maturities

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
5/25/2018	5/25/2018	2,000,000	3135G0XK4	FEDERAL NATL MTG ASSN 1.050% Due 05-25-18	99.90	1,998,000	2,000	100.00	2,000,000	0
5/31/2018	5/31/2018	2,000,000	912828VE7	UNITED STATES TREAS NTS 1.000% Due 05-31-18	100.28	2,005,620	-5,620	100.00	2,000,000	0
<b>Total Maturities</b>						<b>4,003,620</b>	<b>-3,620</b>		<b>4,000,000</b>	<b>0</b>

## Expenses

Trade Date	Settle Date	Symbol	Security	Amount
5/31/2018	5/31/2018	manfee	Management Fee	1,000
<b>Total Expenses</b>				<b>1,000</b>

## Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
5/3/2018	5/3/2018		cash	CASH ACCOUNT		1,997,884
5/4/2018	5/4/2018		cash	CASH ACCOUNT		1,983,087
5/7/2018	5/7/2018		cash	CASH ACCOUNT		1,992,123
5/14/2018	5/14/2018		cash	CASH ACCOUNT		3,953,196
5/17/2018	5/17/2018		cash	CASH ACCOUNT		1,959,367
5/31/2018	5/31/2018	7,688	000WAFED	WASHINGTON FEDERAL 1.600% Due 06-29-18	100.00	7,688
<b>Total Contributions</b>						<b>11,893,345</b>

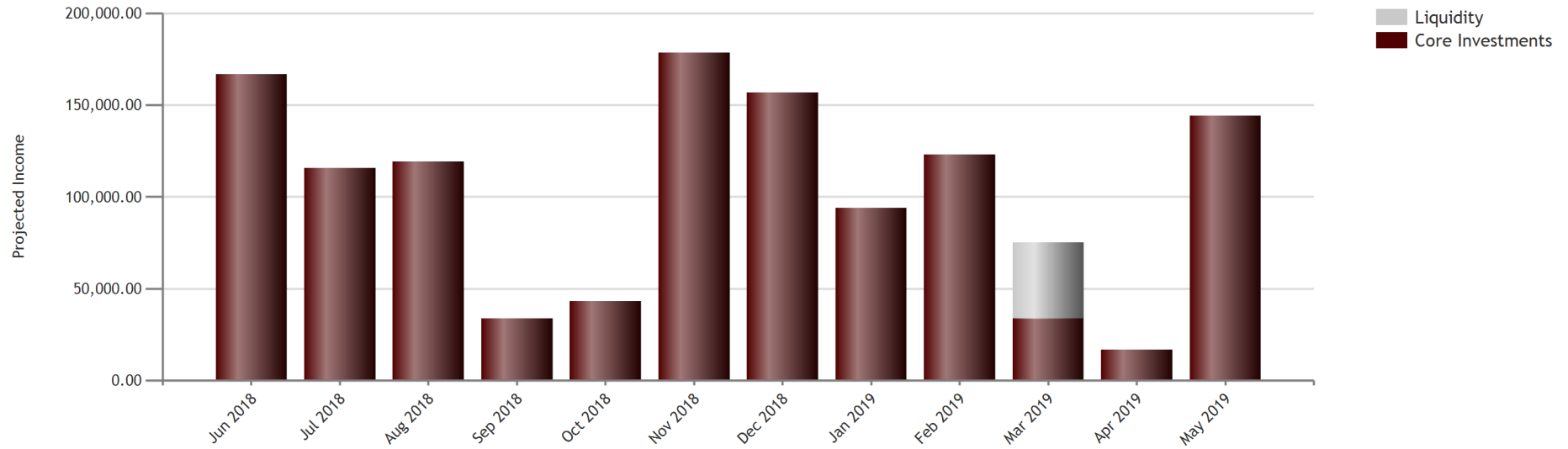
## Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
5/1/2018	5/1/2018		cash	CASH ACCOUNT		140,346
5/3/2018	5/3/2018	2,000,000	WAPOL	WASHINGTON LGIP 1.797% Due 06-29-18	100.00	2,000,000
5/4/2018	5/4/2018	2,000,000	WAPOL	WASHINGTON LGIP 1.797% Due 06-29-18	100.00	2,000,000
5/7/2018	5/7/2018	2,000,000	WAPOL	WASHINGTON LGIP 1.797% Due 06-29-18	100.00	2,000,000



## Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
5/14/2018	5/14/2018	4,000,000	000WAFED	WASHINGTON FEDERAL 1.600% Due 06-29-18	100.00	4,000,000
5/17/2018	5/17/2018	2,000,000	SYSUMPQ1	UMPQUA BANK MMF 1.600% Due 06-29-18	100.00	2,000,000
5/24/2018	5/24/2018		cash	CASH ACCOUNT		13,000
5/25/2018	5/25/2018		cash	CASH ACCOUNT		2,044,700
5/29/2018	5/29/2018		cash	CASH ACCOUNT		68,125
5/30/2018	5/30/2018		cash	CASH ACCOUNT		5,000
5/31/2018	5/31/2018	2,271,000	SYS117600054	BAKER BOYER BANK 0.100% Due 06-29-18	100.00	2,271,000
5/31/2018	5/31/2018		cash	CASH ACCOUNT		2,048,750
5/31/2018	5/31/2018	1,992,016	SYSUMPQ1	UMPQUA BANK MMF 1.600% Due 06-29-18	100.00	1,992,016
5/31/2018	5/31/2018	3,969,843	WAP00L	WASHINGTON LGIP 1.797% Due 06-29-18	100.00	3,969,843
Total Withdrawals						24,552,780



	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019
Core Investments	166,736.25	115,725.00	119,082.42	33,750.00	43,232.01	178,575.00	156,736.25	93,855.00	122,915.75	33,750.00	16,875.00	144,200.00
US Agency (USD)	26,250.00	51,475.00	96,732.42	33,750.00	16,875.00	120,325.00	16,250.00	51,075.00	100,565.75	33,750.00	16,875.00	104,700.00
Municipal (USD)	121,736.25	48,000.00	0.00	0.00	26,357.01	0.00	121,736.25	26,530.00	0.00	0.00	0.00	0.00
US Treasury (USD)	0.00	0.00	0.00	0.00	0.00	38,750.00	0.00	0.00	0.00	0.00	0.00	20,000.00
Supranationals (USD)	18,750.00	16,250.00	22,350.00	0.00	0.00	19,500.00	18,750.00	16,250.00	22,350.00	0.00	0.00	19,500.00
Liquidity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,287.12	0.00	0.00
Certificate of Deposit (USD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,287.12	0.00	0.00
<b>Total</b>	<b>166,736.25</b>	<b>115,725.00</b>	<b>119,082.42</b>	<b>33,750.00</b>	<b>43,232.01</b>	<b>178,575.00</b>	<b>156,736.25</b>	<b>93,855.00</b>	<b>122,915.75</b>	<b>75,037.12</b>	<b>16,875.00</b>	<b>144,200.00</b>
<b>Grand Total</b>	<b>1,266,719.80</b>											



## NAV and Sensitivity Analysis

05/31/18

Weighted Average Maturity (days):	427
Book Value:	\$102,403,311.35
Market Value:	\$101,842,939.44
Market Value (NAV):	0.994528
Total \$ Unrealized Loss:	\$560,372
Total \$ Unrealized Gain:	\$0

<i>Basis Point Shift</i>									Gain (Loss)
300	0.942040	0.954920	0.957292	0.959428	0.961360	0.963116	0.968791	\$	(4,154,728)
250	0.950397	0.961420	0.963450	0.965278	0.966931	0.968434	0.973291	\$	(3,555,669)
200	0.958754	0.967920	0.969608	0.971128	0.972503	0.973753	0.977791	\$	(2,956,609)
150	0.967111	0.974420	0.975766	0.976978	0.978074	0.979071	0.982291	\$	(2,357,550)
100	0.975468	0.980920	0.981924	0.982828	0.983646	0.984389	0.986791	\$	(1,758,491)
50	0.983825	0.987420	0.988082	0.988678	0.989217	0.989707	0.991291	\$	(1,159,431)
0	<b>0.992183</b>	<b>0.993920</b>	<b>0.994240</b>	<b>0.994528</b>	<b>0.994788</b>	<b>0.995025</b>	<b>0.995791</b>	\$	(560,372)
-50	1.000540	1.000420	1.000398	1.000378	1.000360	1.000343	1.000291	\$	38,687
-100	1.008897	1.006920	1.006556	1.006228	1.005931	1.005662	1.004791	\$	637,747
-150	1.017254	1.013420	1.012713	1.012078	1.011503	1.010980	1.009291	\$	1,236,806
-200	1.025611	0.350000	1.018871	1.017928	1.017074	1.016298	1.013791	\$	1,835,866
-250	1.033968	1.026420	1.025029	1.023778	1.022646	1.021616	1.018291	\$	2,434,925
-300	1.042325	1.032920	1.031187	1.029628	1.028217	1.026934	1.022791	\$	3,033,984

Redemption/Inflow	-30%	-10%	-5%	0%	5%	10%	30%
O/S Shares	71,682,318	92,162,980	97,283,146	102,403,311	107,523,477	112,643,642	133,124,305

*Shift Upon NAV =*  $NAV - (APM/365) * (Bp/10,000)$

*Dilution Upon NAV =*  $(NAV + Change) / (1 + Change)$

*NAV =* Market Value / Book Value

\* Source: S&P rating matrix



# Disclaimer & Terms

5/31/2018

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.