

# GOVERNMENT PORTFOLIO ADVISORS

## Monthly Report

Account  
Walla Walla County

8/31/2018

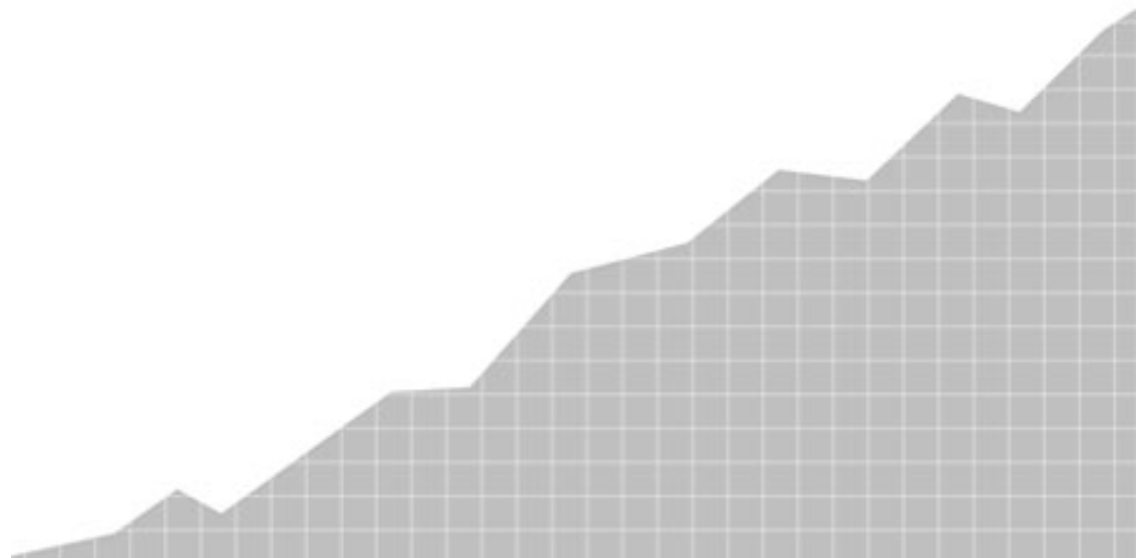




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## MONTH END COMMENTARY- AUGUST 2018

The summer doldrums hit the fixed income markets in full force during August. The economic data continues to support two more Fed Funds increases during the remainder of 2018 and the unfolding of those expected increases will ultimately provide the direction for yields for the coming months for the short end of the Treasury markets.

Economic strength in employment, and inflation now trading at the Fed's desired level of a Core PCE rate of 2% for the first time in six years, will keep the Fed on track for their well communicated expectations. As such, the market has fully discounted a 25-basis point increase in Fed Funds at the September 26 meeting and has an expected probability of a 65% chance that they will raise funds to 2.5% at their December 19 meeting. The expectations of two additional 2018 Fed Fund increases have been imbedded into the market for the last three months and has helped to hold yields steady as economic data remains firm. For the remainder of the year, yields should drift upwards ever so slightly with the primary caveat being an increase in Core PCE. The biggest risk to the Treasury market is a significant increase in the Core PCE above the desired rate of 2%, which could cause an upward acceleration in yields if there is a perception that the Fed is behind the inflation curve.

The two-year Treasury note ended the month of August 4 basis points below July's closing level while the five-year note was 11 basis points below the previous month's close. This caused the yield spread between the two-year note and the five-year note to decline to a decade low spread of 11 basis points. Much has been written recently about the flattening of the yield curve and its predictive power of determining the start of an economic recession. We still have close to 80 basis points between the 3-month bill and the ten year note before an inversion occurs. Perhaps at least 3 more Fed Fund increases.

### STRATEGY GOING FORWARD:

GPA expects the gradual increase in interest rates to continue along the path well communicated by the Federal Reserve. The expectations communicated by the Fed are well priced into the fixed income markets and one of the primary risks in the market is a substantial change to expectations. As such, we are targeting portfolio durations to stay close to their respective benchmark durations. Our current target range for portfolio duration relative to benchmark duration is unchanged this month at 90% to 100% of the respective benchmark. We may well move to higher rates over the next several quarters, but we expect this movement to most likely be methodical and at a pace that will accommodate reinvestments into higher yielding issues.

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

3 month bill	1.52
1 year note	1.13
2 year note	-0.20
3 year note	-1.17
5 year note	-2.20

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

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	0.28%	1.40
BAML 1-3 Year Treasury	0.32%	1.85
BAML 0-5 Year Treasury	0.37%	2.15
BAML 1-5 Year Treasury	0.43%	2.62

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

	8/31/2017	6/30/2018	7/31/2018	8/31/2018	Change from Last Month	Change from Prior Year
3 month bill	0.99	1.92	2.02	2.10	0.08	1.11
6 month bill	1.08	2.11	2.19	2.26	0.07	1.18
2 year note	1.32	2.53	2.67	2.63	-0.04	1.31
3 year note	1.43	2.62	2.77	2.69	-0.08	1.26
5 year note	1.70	2.74	2.85	2.74	-0.11	1.04
10 year note	2.12	2.86	2.96	2.86	-0.10	0.74

\*Source: Bloomberg



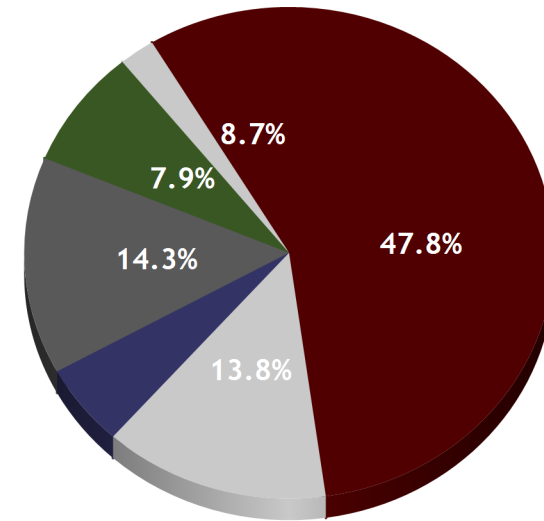
## Weighted Averages

Book Yield	1.77
Maturity	1.12
Coupon	1.79
Moody	Aa1
S&P	AA

## Fixed Income Totals

Par Value	91,628,213
Market Value	91,006,090.87
Amortized Book Value	91,573,999.81
Unrealized Gain/Loss	-567,908.95
Estimated Annual Cash Flow	1,634,081.03

## Fixed Income Allocation



Security Type	Market Value	% Assets
US Agency (USD)	43,483,869.73	47.8
Municipal (USD)	12,543,976.98	13.8
US Treasury (USD)	4,935,262.00	5.4
LGIP State Pool (USD)	13,016,794.88	14.3
Bank or Cash Deposit (USD)	7,163,007.28	7.9
Commercial Paper (USD)	1,987,300.00	2.2
Supranationals (USD)	7,875,880.00	8.7
<b>Fixed Income Total</b>	<b>91,006,090.87</b>	<b>100.0</b>

# Portfolio Summary

August 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	91,628,213	91,821,868.42	91,573,999.81	91,006,090.86	-567,908.95	1.77	1.08	1.06	1.40	BofA Merrill 0-3 Treasury
<b>TOTAL PORTFOLIO</b>	<b>91,628,213</b>	<b>91,821,868.42</b>	<b>91,573,999.81</b>	<b>91,006,090.86</b>	<b>-567,908.95</b>	<b>1.77</b>	<b>1.08</b>	<b>1.06</b>	<b>1.40</b>	



## Cost Basis Summary

	Month End Ending 8/31/2018	Fiscal Year-to-Date 12/31/2017
Beginning Amortized Cost	93,185,024.79	86,566,088.89
Investment Purchases	2,863,231.39	22,598,840.36
Investment Maturities/Sells/Calls	(2,000,000.00)	(24,253,692.39)
Amortization	(844.80)	(54,920.44)
Change in Cash Equivalents	(2,473,411.57)	6,717,683.39
Realized Gains / Losses	0.00	0.00
<b>Ending Amortized Costs</b>	<b>91,573,999.81</b>	<b>91,573,999.81</b>

## Accrual Earnings Summary

	Month End Ending 8/31/2018	Fiscal Year-to-Date 12/31/2017
Amortization/Accretion	(844.80)	(54,920.44)
Interest Earned	129,458.25	960,723.97
Realized Gain (Loss)	0.00	0.00
Total Income	128,613.45	905,803.53
Average Portfolio Balance	92,765,573.05	91,074,678.80
<b>Earnings Yield</b>	<b>1.63%</b>	<b>1.49%</b>

## MarketValue Summary

	As of 8/31/2018
Ending Market Value	91,006,090.87
Unrealized Gain/Loss	(567,908.95)
Net Asset Value (NAV)	0.9938

## Interest Earnings Summary

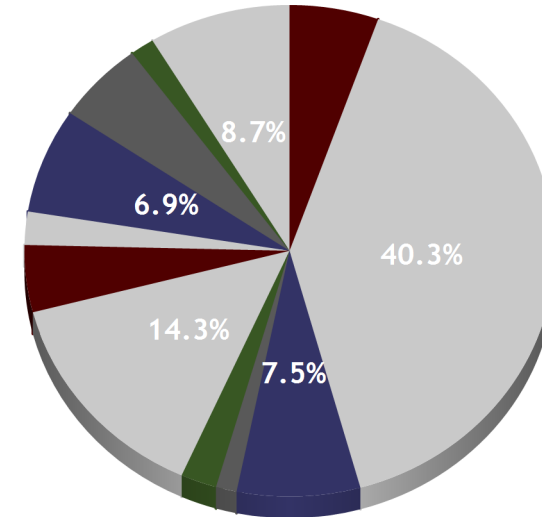
	Month End Ending 8/31/2018	Fiscal Year-to-Date 12/31/2017
Beginning Accrued Interest	349,201.83	317,501.93
Coupons Paid	142,120.68	869,105.95
Purchased Accrued Interest	(7,790.00)	(77,192.24)
Sold Accrued Interest	0.00	141,982.80
Ending Accrued Interest	344,329.39	344,329.39
<b>Interest Earned</b>	<b>129,458.25</b>	<b>960,723.97</b>



## Total Return For Period

	Since 7/31/2018
<b>Beginning Principal Value</b>	<b>92,549,756.38</b>
Beginning Accrued Interest	349,201.83
Net Contributions/Withdrawals	-1,744,510.86
Market Value Change	66,514.67
Interest Earnings	129,458.25
<b>Ending Principal Value</b>	<b>91,006,090.87</b>
Accrued Interest	344,329.39
<b>Total Return</b>	<b>195,972.92</b>
Advisory Fees for Period	-1,000.00
<b>Net Total Return</b>	<b>194,972.92</b>

## Portfolio Allocation as of 8/31/2018



Industry Group	Market Value	% Assets	Yield
US Treasury	4,935,262.00	5.4	1.7
US Agency Bullet	36,648,893.73	40.3	1.6
US Agency Callable	6,834,976.00	7.5	1.7
Bank Deposit	1,157,000.00	1.3	0.1
Certificate of Deposit	2,000,000.00	2.2	1.5
State Investment Pool	13,016,794.88	14.3	2.0
Money Market Fund	4,006,007.28	4.4	1.8
Commercial Paper	1,987,300.00	2.2	2.3
Muni GO	6,283,456.20	6.9	1.4
Muni Rev	4,922,110.25	5.4	1.8
Municipal Direct	1,338,410.53	1.5	2.3
Supranationals	7,875,880.00	8.7	2.7
<b>Total</b>	<b>91,006,090.87</b>	<b>100.0</b>	<b>1.8</b>

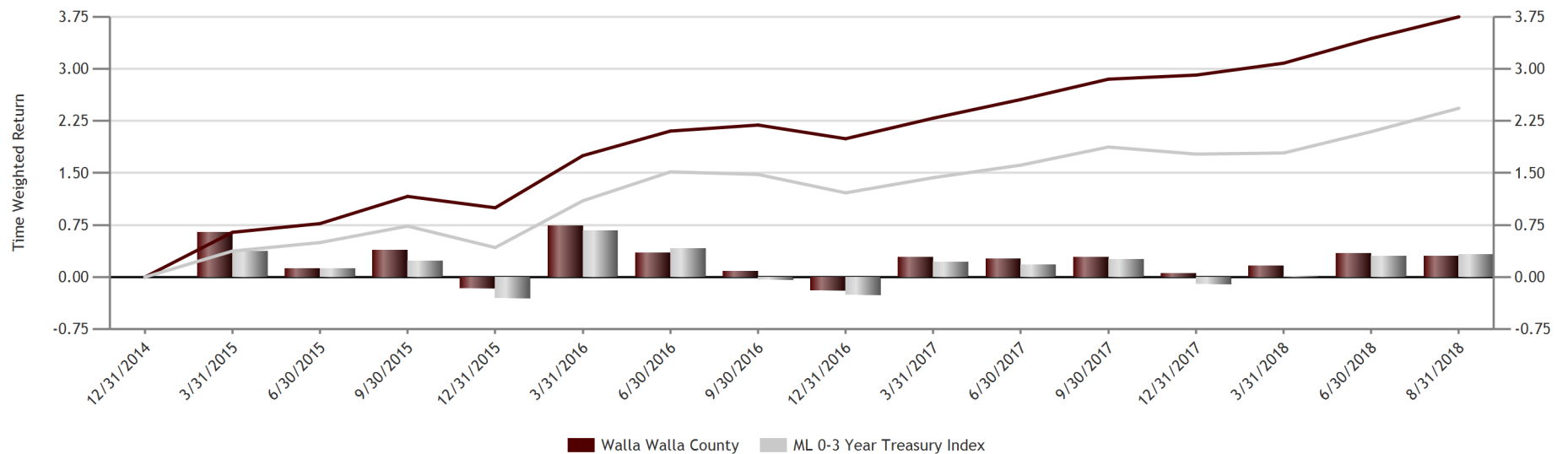


## Performance History

Portfolio	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
Account	0.21	0.30	0.81	1.01

Index	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Inception To Date
ML 0-3 Year Treasury Index	0.28	0.33	0.65	0.66

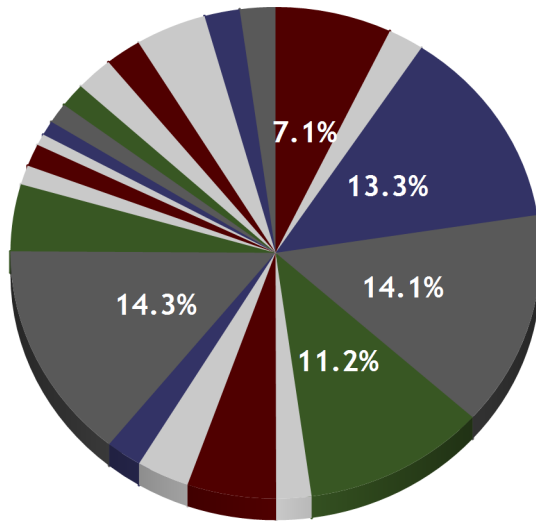
## Time Weighted Return Inception (12/31/2014) to Date







## Portfolio Allocation as of 8/31/2018



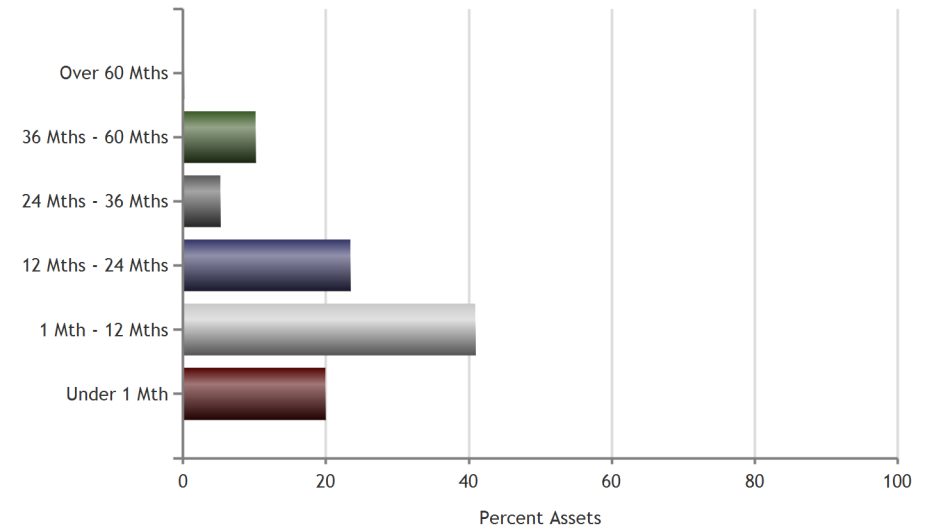
Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	6,457,207.00	7.1	1.3
TOYOTA	1,987,300.00	2.2	2.3
FEDERAL HOME LOAN BANKS	12,064,390.98	13.3	1.7
FEDERAL FARM CR BKS	12,857,646.00	14.1	1.8
FEDERAL HOME LN MTG CORP	10,155,839.75	11.2	1.3
FEDERAL AGRIC MTG CORP	1,948,786.00	2.1	2.1
UNITED STATES TREAS NTS	4,935,262.00	5.4	1.7
UNIV OF WASHINGTON	2,932,170.25	3.2	1.8
ENERGY NORTHWEST WASH ELEC REV	1,989,940.00	2.2	1.8
WA LGIP	13,016,794.88	14.3	2.0
UMPQUA BANK	4,003,003.52	4.4	1.6
BAKER BOYER	1,157,000.00	1.3	0.1
WALLA WALLA COUNTY BONDS	1,338,410.53	1.5	2.3
OREGON SCHOOL BOARD	683,627.00	0.8	1.5
THURSTON COUNTY	873,758.70	1.0	2.9
NORTH SLOPE BORO ALASKA	1,216,852.80	1.3	1.1
CA ST PUB WKS BD LS	1,427,697.70	1.6	1.1
TACOMA METROPOLITAN PARK DISTRICT	2,081,520.00	2.3	1.1
WASHINGTON FEDERAL BANK	2,003,003.76	2.2	1.8
INTL BK RECON & DEVELOP	3,943,820.00	4.3	2.8
INTL FINANCE CORP	1,960,140.00	2.2	2.6
INTER-AMERICAN DEVELOP BK	1,971,920.00	2.2	2.6
<b>Total</b>	<b>91,006,090.87</b>	<b>100.0</b>	<b>1.8</b>



## Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Mth	4	18,179,802.16	20.0	1.8	1.836%	0.1
1 Mth - 12 Mths	23	37,273,425.56	41.0	2.3	1.367%	0.6
12 Mths - 24 Mths	11	21,346,304.25	23.5	2.6	2.271%	1.5
24 Mths - 36 Mths	3	4,801,836.70	5.3	2.8	2.303%	2.1
36 Mths - 60 Mths	6	9,235,129.18	10.1	2.8	1.989%	3.6
Over 60 Mths	2	169,593.02	0.2	3.0	3.158%	6.8

## Distribution by Maturity



## Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AAA	4	7,875,880.00	8.7	2.7	1.922%	1.9
AA+	28	49,402,515.98	54.3	2.5	1.538%	1.2
AA	4	5,599,829.20	6.2	2.1	4.079%	1.0
AA-	2	2,673,567.00	2.9	2.9	1.975%	1.5
A-1+	1	1,987,300.00	2.2	2.3	0.000%	0.3
N/A	9	21,518,212.69	23.6	1.8	1.833%	0.3
NR	1	1,948,786.00	2.1	2.9	2.100%	3.3

## Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	32	57,278,395.98	62.9	2.5	1.591%	1.3
Aa1	1	1,989,940.00	2.2	2.9	2.653%	1.8
Aa2	5	6,283,456.20	6.9	2.2	3.635%	1.0
P-1	1	1,987,300.00	2.2	2.3	0.000%	0.3
N/A	9	21,518,212.69	23.6	1.8	1.833%	0.3
NR	1	1,948,786.00	2.1	2.9	2.100%	3.3

# Portfolio Holdings

## Walla Walla County

August 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		04-24-15	100.05	1.05	99.7926	2.08	2,993,778.00	9,528.69	3,003,306.69	-7,677.48	3.3	0.25	0.23
		1.250% Due 11-30-18													
912828M80	2,000,000	UNITED STATES TREAS NTS		04-26-18	96.87	2.79	97.0742	2.73	1,941,484.00	10,163.93	1,951,647.93	4,016.13	2.1	4.02	4.01
		2.000% Due 11-30-22													
	5,000,000					1.73		2.34	4,935,262.00	19,692.62	4,954,954.62	-3,661.36	5.4	1.73	1.72
<b>US Agency Bullet</b>															
3134G9JK4	1,000,000	FEDERAL HOME LN MTG CORP		05-16-16	100.00	1.12	99.7854	2.01	997,854.00	2,968.75	1,000,822.75	-2,146.00	1.1	0.24	0.22
		1.125% Due 11-26-18													
3134G44S4	1,000,000	FEDERAL HOME LN MTG CORP		05-18-16	100.00	1.00	99.7199	2.12	997,199.00	2,555.56	999,754.56	-2,798.13	1.1	0.25	0.23
		1.000% Due 11-29-18													
313381GB5	1,000,000	FEDERAL HOME LOAN BANKS		05-16-16	100.02	0.91	99.7086	2.17	997,086.00	2,527.78	999,613.78	-3,138.55	1.1	0.25	0.23
		1.000% Due 11-30-18													
3133EFX51	2,000,000	FEDERAL FARM CR BKS		05-16-16	100.02	0.95	99.5732	2.21	1,991,464.00	3,000.00	1,994,464.00	-8,913.55	2.2	0.35	0.34
		1.000% Due 01-07-19													
3136G3YL3	2,000,000	FEDERAL NATL MTG ASSN		08-02-16	99.97	0.98	99.4668	2.23	1,989,336.00	1,800.00	1,991,136.00	-10,006.63	2.2	0.40	0.38
		0.900% Due 01-25-19													
3133EF3V7	2,000,000	FEDERAL FARM CR BKS		08-02-16	100.01	0.85	99.3528	2.30	1,987,056.00	777.78	1,987,833.78	-13,151.48	2.2	0.45	0.44
		0.875% Due 02-15-19													
3135G0ZA4	2,000,000	FEDERAL NATL MTG ASSN		04-19-17	100.29	1.23	99.8122	2.27	1,996,244.00	1,250.00	1,997,494.00	-9,652.86	2.2	0.46	0.45
		1.875% Due 02-19-19													
3133782M2	2,000,000	FEDERAL HOME LOAN BANKS		04-19-17	100.12	1.27	99.5950	2.28	1,991,900.00	14,416.67	2,006,316.67	-10,456.56	2.2	0.51	0.49
		1.500% Due 03-08-19													
3130ABF92	2,000,000	FEDERAL HOME LOAN BANKS		03-15-18	99.42	2.17	99.2636	2.37	1,985,272.00	7,104.17	1,992,376.17	-3,212.94	2.2	0.73	0.71
		1.375% Due 05-28-19													
313379EE5	2,000,000	FEDERAL HOME LOAN BANKS		09-27-17	100.10	1.50	99.4087	2.38	1,988,174.00	6,951.39	1,995,125.39	-13,730.25	2.2	0.78	0.76
		1.625% Due 06-14-19													

# Portfolio Holdings

Walla Walla County  
August 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
3134GBEW8	2,250,000	FEDERAL HOME LN MTG CORP 1.500% Due 07-26-19		04-12-17	100.00	1.50	99.1235	2.48	2,230,278.75	11,718.75	2,241,997.50	-19,721.25	2.5	0.89	0.87
3136G3A62	1,500,000	FEDERAL NATL MTG ASSN 1.050% Due 07-26-19		11-01-17	99.50	1.62	98.7416	2.46	1,481,124.00	1,531.25	1,482,655.25	-11,309.09	1.6	0.89	0.87
3130ABZX7	1,215,000	FEDERAL HOME LOAN BANKS 1.410% Due 08-07-19		09-28-17	99.90	1.52	99.0865	2.40	1,203,900.97	1,142.10	1,205,043.07	-9,903.75	1.3	0.92	0.91
3137EAEH8	2,000,000	FEDERAL HOME LN MTG CORP 1.375% Due 08-15-19		11-01-17	99.77	1.62	98.9736	2.46	1,979,472.00	1,222.22	1,980,694.22	-15,863.47	2.2	0.94	0.93
3134G9KF3	2,000,000	FEDERAL HOME LN MTG CORP 1.200% Due 11-25-19		05-18-16	99.96	1.23	98.3463	2.56	1,966,926.00	6,400.00	1,973,326.00	-32,301.63	2.2	1.21	1.20
3135G0ZY2	1,000,000	FEDERAL NATL MTG ASSN 1.750% Due 11-26-19		10-20-17	100.13	1.64	99.0503	2.53	990,503.00	4,618.06	995,121.06	-10,836.23	1.1	1.21	1.20
3133EJLU1	2,000,000	FEDERAL FARM CR BKS 2.420% Due 01-24-20		05-02-18	99.87	2.52	99.7477	2.60	1,994,954.00	4,974.44	1,999,928.44	-2,359.88	2.2	1.36	1.35
3133EJGM5	2,000,000	FEDERAL FARM CR BKS 2.300% Due 02-19-20		03-16-18	99.88	2.38	99.5437	2.61	1,990,874.00	1,533.33	1,992,407.33	-6,776.84	2.2	1.43	1.42
313378J77	2,000,000	FEDERAL HOME LOAN BANKS 1.875% Due 03-13-20		05-03-18	99.09	2.49	98.8286	2.65	1,976,572.00	17,500.00	1,994,072.00	-5,135.82	2.2	1.49	1.47
3133EHW58	2,000,000	FEDERAL FARM CR BKS 1.900% Due 11-27-20		11-17-17	100.01	1.90	98.1959	2.73	1,963,918.00	9,922.22	1,973,840.22	-36,231.22	2.2	2.16	2.15
3132X0PX3	2,000,000	FEDERAL AGRIC MTG CORP 2.100% Due 02-23-22		02-16-17	100.12	2.06	97.4393	2.88	1,948,786.00	933.33	1,949,719.33	-53,649.62	2.1	3.32	3.32
	36,965,000					1.59		2.44	36,648,893.72	104,847.79	36,753,741.52	-281,295.76	40.3	1.01	1.00
<b>US Agency Callable</b>															
3134G9MU8	2,000,000	FEDERAL HOME LN MTG CORP 1.300% Due 05-24-19	11-24-18	05-17-16	100.00	1.30	99.2055	2.39	1,984,110.00	7,005.56	1,991,115.56	-15,890.00	2.2	0.72	0.70
3133EF5V5	1,000,000	FEDERAL FARM CR BKS 1.350% Due 08-02-19	09-02-18	09-28-17	99.84	1.53	98.8116	2.66	988,116.00	1,087.50	989,203.50	-10,251.21	1.1	0.91	0.89

# Portfolio Holdings

Walla Walla County  
August 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
3130A9Z46	2,000,000	FEDERAL HOME LOAN BANKS 1.600% Due 11-26-21	11-26-18	11-15-16	99.53	1.75	96.0743	2.88	1,921,486.00	8,444.44	1,929,930.44	-69,112.64	2.1	3.11	3.09
3133EHKT9	2,000,000	FEDERAL FARM CR BKS 2.220% Due 11-25-22	09-25-18	09-21-17	99.92	2.24	97.0632	2.96	1,941,264.00	11,840.00	1,953,104.00	-57,100.26	2.1	3.98	3.61
	7,000,000					1.73		2.73	6,834,976.00	28,377.50	6,863,353.50	-152,354.10	7.5	2.35	2.23
<b>Bank Deposit</b>															
SYS117600	1,157,000	BAKER BOYER BANK 0.100% Due 09-29-18		12-30-17	100.00	0.10	100.0000	0.10	1,157,000.00	0.00	1,157,000.00	0.00	1.3	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	1.49	2,000,000.00	25,152.88	2,025,152.88	0.00	2.2	0.53	0.53
<b>State Investment Pool</b>															
WAPOL	13,016,795	WASHINGTON LGIP 2.017% Due 09-29-18		12-31-15	100.00	2.02	100.0000	2.02	13,016,794.88	0.00	13,016,794.88	0.00	14.3	0.08	0.05
<b>Money Market Fund</b>															
SYSUMPQ11	2,003,004	UMPQUA BANK MMF 1.750% Due 09-29-18		12-31-15	100.00	1.76	100.0000	1.76	2,003,003.52	0.00	2,003,003.52	0.00	2.2	0.08	0.05
000WAFED3	2,003,004	WASHINGTON FEDERAL MMF 1.750% Due 09-29-18		03-14-17	100.00	1.76	100.0000	1.76	2,003,003.76	0.00	2,003,003.76	0.00	2.2	0.08	0.05
	4,006,007					1.76		1.76	4,006,007.28	0.00	4,006,007.28	0.00	4.4	0.08	0.05
<b>Commercial Paper</b>															
89233HMC5	2,000,000	TOYOTA MOTOR CREDIT CP 0.000% Due 12-12-18		08-28-18	99.37	2.30	99.3650	2.28	1,987,300.00	0.00	1,987,300.00	-6.67	2.2	0.28	0.27
<b>Muni GO</b>															
172217ZF1	1,430,000	CINCINNATI OH 2.000% Due 12-01-18		10-20-16	100.23	1.05	99.8390	2.61	1,427,697.70	7,150.00	1,434,847.70	-5,653.04	1.6	0.25	0.23
662523D55	1,185,000	NORTH SLOP BORO AK 5.000% Due 06-30-19		10-26-16	103.19	1.10	102.6880	1.73	1,216,852.80	10,039.58	1,226,892.38	-5,931.62	1.3	0.81	0.79

# Portfolio Holdings

Walla Walla County

August 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
686053CJ6	700,000	OREGON ST SCHOOL BOARDS ASSOC 0.000% Due 06-30-19		06-08-17	98.78	1.51	97.6610	2.86	683,627.00	0.00	683,627.00	-7,806.80	0.8	0.82	0.80
592240UE3	2,000,000	MET PARK DIST OF TACOMA WA 5.000% Due 12-01-19		11-04-16	104.81	1.08	104.0760	1.68	2,081,520.00	25,000.00	2,106,520.00	-14,593.97	2.3	1.21	1.19
886100UG9	855,000	THURSTON CNTY WA 4.000% Due 12-01-20		08-21-18	102.46	2.86	102.1940	2.98	873,758.70	8,550.00	882,308.70	-2,308.43	1.0	2.13	2.11
	6,170,000					1.37		2.21	6,283,456.20	50,739.58	6,334,195.78	-36,293.86	6.9	1.00	0.98
<b>Muni Rev</b>															
91523NQE9	2,475,000	UNIV OF WASHINGTON 1.750% Due 12-01-19		09-10-15	100.00	1.75	98.7190	2.79	2,443,295.25	10,828.12	2,454,123.37	-31,704.75	2.7	1.22	1.21
29270CYN9	2,000,000	ENERGY NW WA ELEC REVENUE-COLUMBIA 2.653% Due 07-01-20		02-27-17	101.50	1.80	99.4970	2.93	1,989,940.00	8,843.33	1,998,783.33	-40,080.67	2.2	1.77	1.76
91523NMU7	500,000	UNIV OF WASH TXBL REVENUE 2.462% Due 12-01-22		09-22-17	100.70	2.29	97.7750	3.02	488,875.00	3,077.50	491,952.50	-14,625.69	0.5	3.98	3.96
	4,975,000					1.82		2.87	4,922,110.25	22,748.96	4,944,859.21	-86,411.11	5.4	1.72	1.70
<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	3.49	175,583.33	25,771.73	201,355.06	0.00	0.2	0.09	0.06
JAIL 2016	993,234	WALLA WALLA COUNTY 1.820% Due 12-01-21		12-01-16	100.00	1.82	100.0000	1.76	993,234.18	31,634.51	1,024,868.69	0.00	1.1	3.08	3.05
FAIR12820	80,264	WALLA WALLA COUNTY 3.067% Due 12-08-26		12-08-16	100.00	3.07	100.0000	2.91	80,263.58	4,260.08	84,523.66	0.00	0.1	6.67	6.65
FAIR2012B	89,329	WALLA WALLA COUNTY 3.240% Due 04-30-27		04-30-17	100.00	3.24	100.0000	3.11	89,329.44	3,867.07	93,196.51	0.00	0.1	6.83	6.81
	1,338,411					2.28		2.15	1,338,410.53	65,533.39	1,403,943.92	0.00	1.5	3.15	3.12

# Portfolio Holdings

Walla Walla County  
August 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>Supranationals</b>															
4581X0CP1	2,000,000	INTER-AMERICAN DEVELOP BK 1.875% Due 06-16-20		05-10-18	98.68	2.64	98.5960	2.68	1,971,920.00	7,812.50	1,979,732.50	-1,680.02	2.2	1.74	1.73
45950KCG3	2,000,000	INTL FINANCE CORP 1.625% Due 07-16-20		05-10-18	98.18	2.63	98.0070	2.72	1,960,140.00	4,062.50	1,964,202.50	-3,398.88	2.2	1.83	1.81
45905US54	2,000,000	INTL BK RECON & DEVELOPMENT 2.235% Due 08-05-20		05-03-18	99.17	2.68	98.9830	2.78	1,979,660.00	3,228.33	1,982,888.33	-3,720.32	2.2	1.87	1.86
45905UQ80	2,000,000	INTL BK RECON & DEVELOPMENT 1.950% Due 11-09-20	11-09-18	05-15-18	98.16	2.82	98.2080	2.80	1,964,160.00	12,133.33	1,976,293.33	913.12	2.2	2.11	2.10
	8,000,000					2.69		2.74	7,875,880.00	27,236.67	7,903,116.67	-7,886.10	8.7	1.89	1.87
<b>TOTAL</b>	<b>91,628,213</b>					<b>1.77</b>		<b>2.34</b>	<b>91,006,090.86</b>	<b>344,329.39</b>	<b>91,350,420.26</b>	<b>-567,908.95</b>	<b>100.0</b>	<b>1.08</b>	<b>1.06</b>



## Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
8/21/2018	8/23/2018	855,000	886100UG9	THURSTON CNTY WA 4.000% Due 12-01-20	102.49	876,298
8/28/2018	8/29/2018	2,000,000	89233HMC5	TOYOTA MOTOR CREDIT CP 0.000% Due 12-12-18	99.35	1,986,933
<b>Total Purchases</b>						<b>2,863,231</b>

## Interest

Trade Date	Settle Date	Symbol	Security	Amount
8/2/2018	8/2/2018	3133EF5V5	FEDERAL FARM CR BKS 1.350% Due 08-02-19	6,750
8/5/2018	8/5/2018	45905U54	INTL BK RECON & DEVELOPMENT 2.235% Due 08-05-20	22,360
8/7/2018	8/7/2018	3130ABZX7	FEDERAL HOME LOAN BANKS 1.410% Due 08-07-19	8,566
8/15/2018	8/15/2018	3133EF3V7	FEDERAL FARM CR BKS 0.875% Due 02-15-19	8,750
8/15/2018	8/15/2018	3137EAEH8	FEDERAL HOME LN MTG CORP 1.375% Due 08-15-19	13,750
8/19/2018	8/19/2018	3133EJGM5	FEDERAL FARM CR BKS 2.300% Due 02-19-20	19,167
8/19/2018	8/19/2018	3135G0ZA4	FEDERAL NATL MTG ASSN 1.875% Due 02-19-19	18,750
8/23/2018	8/23/2018	3132X0PX3	FEDERAL AGRIC MTG CORP 2.100% Due 02-23-22	21,000
8/21/2018	8/23/2018	886100UG9	THURSTON CNTY WA 4.000% Due 12-01-20	-7,790
8/31/2018	8/31/2018	SYS117600054	BAKER BOYER BANK 0.100% Due 09-29-18	218
8/31/2018	8/31/2018	SYS117600054	BAKER BOYER BANK 0.100% Due 09-29-18	0
8/31/2018	8/31/2018	SYSUMPQ1	UMPQUA BANK MMF 1.750% Due 09-29-18	3,021



**Interest**

Trade Date	Settle Date	Symbol	Security	Amount
8/31/2018	8/31/2018	SYSUMPQ1	UMPQUA BANK MMF 1.750% Due 09-29-18	0
8/31/2018	8/31/2018	000WAFED	WASHINGTON FEDERAL MMF 1.750% Due 09-29-18	3,004
8/31/2018	8/31/2018	000WAFED	WASHINGTON FEDERAL MMF 1.750% Due 09-29-18	0
8/31/2018	8/31/2018	WAPOL	WASHINGTON LGIP 2.017% Due 09-29-18	16,785
8/31/2018	8/31/2018	WAPOL	WASHINGTON LGIP 2.017% Due 09-29-18	0
<b>Total Interest</b>				<b>134,331</b>

**Maturities**

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost	Amort. or Accretion	Unit Price	Proceeds	Gain/Loss
8/24/2018	8/24/2018	2,000,000	89233HHQ0	TOYOTA MOTOR CREDIT CP 0.000% Due 08-24-18	99.22	1,984,337	15,663	100.00	2,000,000	0
<b>Total Maturities</b>						<b>1,984,337</b>	<b>15,663</b>		<b>2,000,000</b>	<b>0</b>

**Expenses**

Trade Date	Settle Date	Symbol	Security	Amount
8/31/2018	8/31/2018	manfee	Management Fee	1,000
<b>Total Expenses</b>				<b>1,000</b>

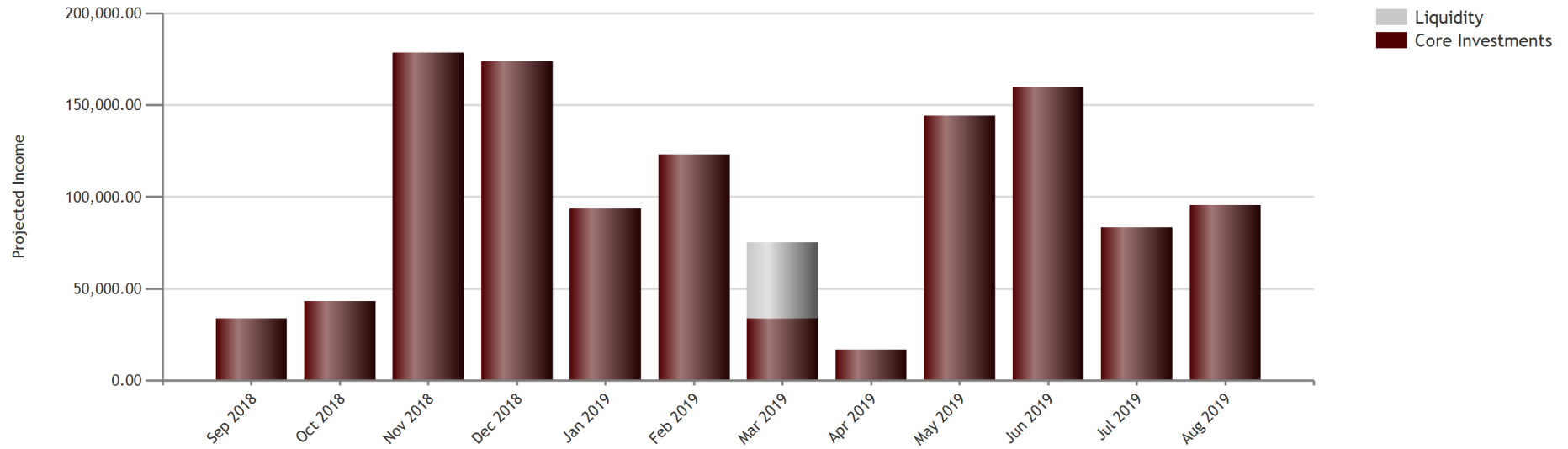
**Contributions**

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
8/23/2018	8/23/2018		cash	CASH ACCOUNT		884,088
8/29/2018	8/29/2018		cash	CASH ACCOUNT		1,986,933
<b>Total Contributions</b>						<b>2,871,021</b>



## Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
8/1/2018	8/1/2018		cash	CASH ACCOUNT		5,000
8/2/2018	8/2/2018		cash	CASH ACCOUNT		1,750
8/6/2018	8/6/2018		cash	CASH ACCOUNT		22,360
8/7/2018	8/7/2018		cash	CASH ACCOUNT		8,566
8/15/2018	8/15/2018		cash	CASH ACCOUNT		22,500
8/20/2018	8/20/2018		cash	CASH ACCOUNT		37,917
8/23/2018	8/23/2018		cash	CASH ACCOUNT		21,000
8/24/2018	8/24/2018		cash	CASH ACCOUNT		2,000,000
8/31/2018	8/31/2018	1,370,000	SYS117600054	BAKER BOYER BANK 0.100% Due 09-29-18	100.00	1,370,000
8/31/2018	8/31/2018	27,707	SYSUMPQ1	UMPQUA BANK MMF 1.750% Due 09-29-18	100.00	27,707
8/31/2018	8/31/2018	27,946	000WAFED	WASHINGTON FEDERAL MMF 1.750% Due 09-29-18	100.00	27,946
8/31/2018	8/31/2018	1,047,758	WAP00L	WASHINGTON LGIP 2.017% Due 09-29-18	100.00	1,047,758
Total Withdrawals						4,592,504



	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019
Core Investments	33,750.00	43,232.01	178,575.00	173,836.25	93,855.00	122,915.75	33,750.00	16,875.00	144,200.00	159,536.25	83,292.50	95,415.75
US Agency (USD)	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	16,250.00	40,512.50	73,065.75
Municipal (USD)	0.00	26,357.01	0.00	138,836.25	26,530.00	0.00	0.00	0.00	0.00	124,536.25	26,530.00	0.00
US Treasury (USD)	0.00	0.00	38,750.00	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00	0.00	0.00
Supranationals (USD)	0.00	0.00	19,500.00	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
Liquidity	0.00	0.00	0.00	0.00	0.00	0.00	41,287.12	0.00	0.00	0.00	0.00	0.00
Certificate of Deposit (USD)	0.00	0.00	0.00	0.00	0.00	0.00	41,287.12	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>33,750.00</b>	<b>43,232.01</b>	<b>178,575.00</b>	<b>173,836.25</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>159,536.25</b>	<b>83,292.50</b>	<b>95,415.75</b>
<b>Grand Total</b>	<b>1,220,520.63</b>											



## NAV and Sensitivity Analysis

08/31/18

**Weighted Average Maturity (days):** 409  
**Book Value:** \$91,573,999.81  
**Market Value:** \$91,006,090.87  
**Market Value (NAV):** 0.993798  
**Total \$ Unrealized Loss:** \$567,909  
**Total \$ Unrealized Gain:** \$0

<u>Basis Point Shift</u>								Gain (Loss)
<b>300</b>	0.943141	0.955776	0.958104	0.960198	0.962094	0.963817	0.969383	\$ (3,644,795)
<b>250</b>	0.951141	0.961998	0.963998	0.965798	0.967427	0.968908	0.973691	\$ (3,131,981)
<b>200</b>	0.959141	0.968220	0.969893	0.971398	0.972760	0.973999	0.977999	\$ (2,619,167)
<b>150</b>	0.967141	0.974443	0.975788	0.976998	0.978094	0.979089	0.982306	\$ (2,106,352)
<b>100</b>	0.975141	0.980665	0.981682	0.982598	0.983427	0.984180	0.986614	\$ (1,593,538)
<b>50</b>	0.983141	0.986887	0.987577	0.988198	0.988760	0.989271	0.990922	\$ (1,080,723)
<b>0</b>	<b>0.991141</b>	<b>0.993109</b>	<b>0.993472</b>	<b>0.993798</b>	<b>0.994094</b>	<b>0.994362</b>	<b>0.995230</b>	\$ (567,909)
<b>-50</b>	0.999141	0.999332	0.999367	0.999398	0.999427	0.999453	0.999537	\$ (55,095)
<b>-100</b>	1.007141	1.005554	1.005261	1.004998	1.004760	1.004544	1.003845	\$ 457,720
<b>-150</b>	1.015141	1.011776	1.011156	1.010598	1.010094	1.009635	1.008153	\$ 970,534
<b>-200</b>	1.023141	0.350000	1.017051	1.016198	1.015427	1.014726	1.012460	\$ 1,483,349
<b>-250</b>	1.031141	1.024220	1.022946	1.021798	1.020760	1.019817	1.016768	\$ 1,996,163
<b>-300</b>	1.039141	1.030443	1.028840	1.027398	1.026094	1.024908	1.021076	\$ 2,508,977

Redemption/Inflow O/S Shares	-30%	-10%	-5%	0%	5%	10%	30%
	64,101,800	82,416,600	86,995,300	91,574,000	96,152,700	100,731,400	119,046,200

**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

8/31/2018

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.