

# Three Valleys Municipal Water District

Period Ending  
July 31, 2017



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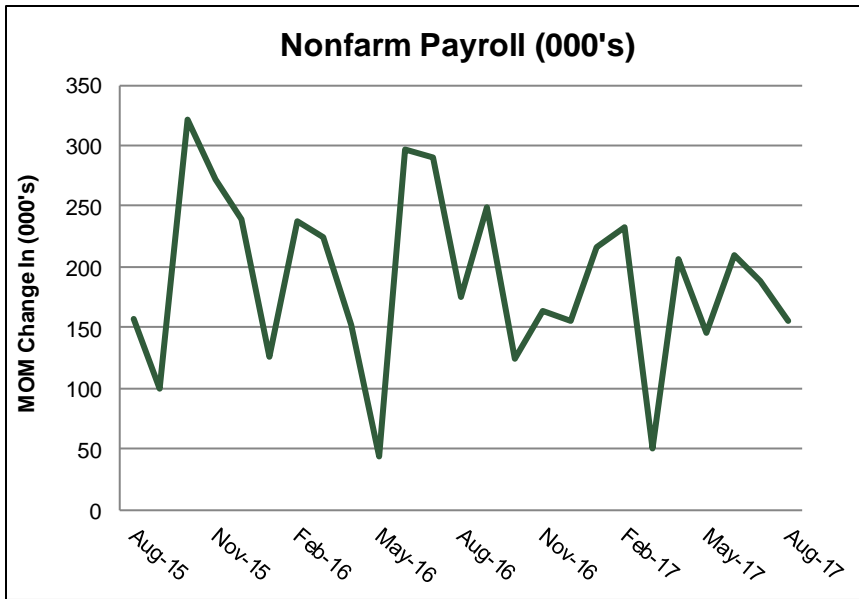
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**SECTION 1**

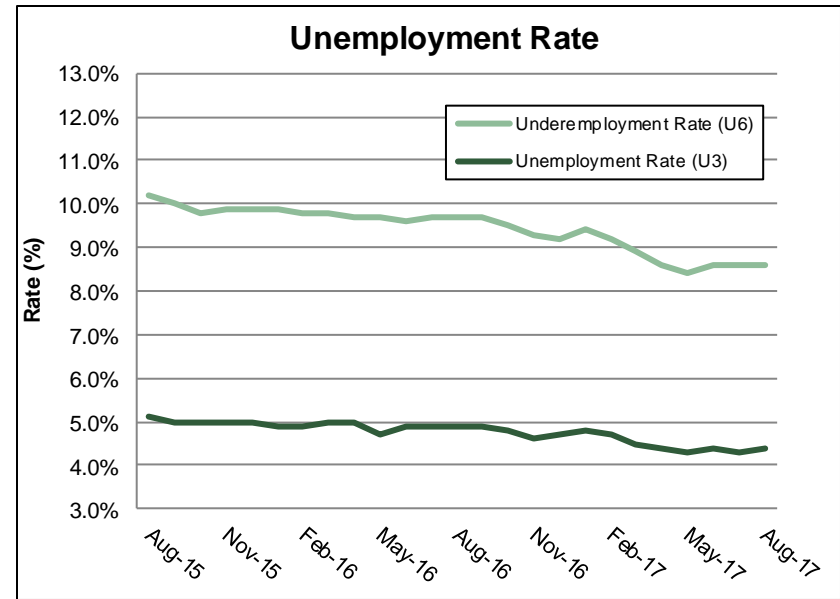
**Economic Update**



- The Federal Open Market Committee (FOMC) left the fed funds target rate unchanged at a range of 1.00%-1.25% at the July 26 meeting. The FOMC did not update their economic projections (which point to another rate hike before the end of the year) or host a press conference in conjunction with that meeting. The language of the Fed's policy statement suggested they could begin tapering the amount of their balance sheet reinvestments in September. The statement specifically said they plan to begin implementing their balance sheet normalization program "relatively soon". Though inflation is expected to remain below the Fed's target in the near-term, the FOMC expects inflation to stabilize over the medium term. We continue to believe the Fed is likely to keep policy rates unchanged through year-end, but believe policymakers are firmly committed to starting the balance sheet normalization process this fall. All else being equal, we believe the FOMC's plans to normalize the balance sheet could ultimately foster a steeper Treasury yield curve.
- GDP grew by 3.0% in the second quarter, following growth of 1.2% in the first quarter. We expect economic growth to remain modest through year-end. While tax reform or fiscal stimulus may ultimately help fuel stronger economic growth, there is a high level of skepticism among market participants that the Trump administration will deliver on their legislative agenda. In addition, concerns are building about the looming debt ceiling debate. Though financial market volatility has been quite low in recent months, we expect volatility to be elevated this fall.
- The Treasury yield curve flattened in August. The 2-year Treasury yield declined two basis points to 1.33% and the 10-year Treasury yield declined about 18 basis points to 2.12%. We believe geopolitical tensions and domestic political uncertainty weighed on the long end of the yield curve.

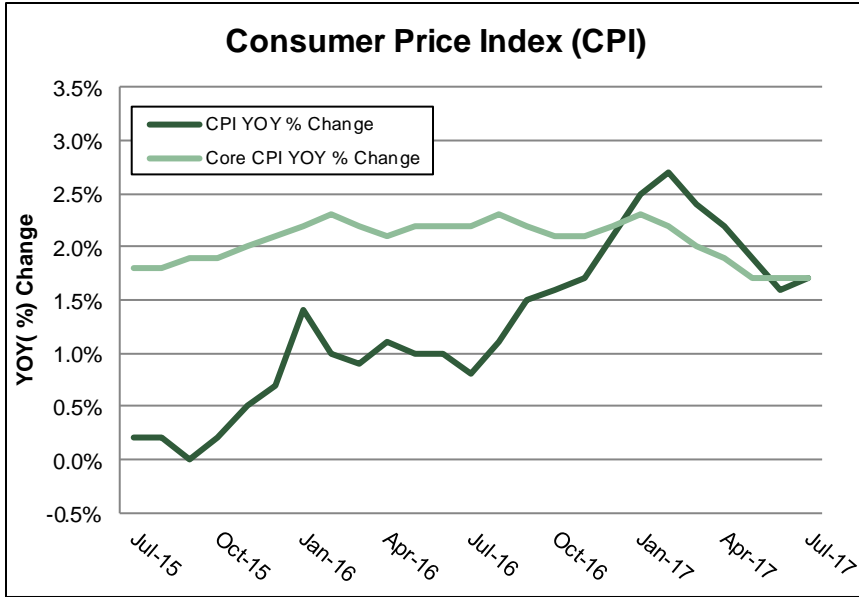


Source: US Department of Labor

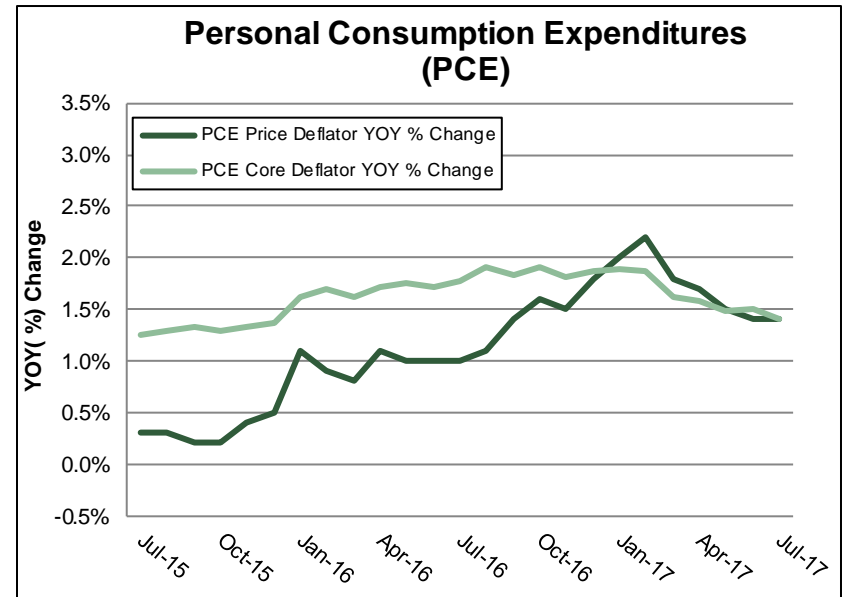


Source: US Department of Labor

Nonfarm payrolls rose 156,000 in August, weaker than the 180,000 consensus estimate of economists. In addition, June and July payrolls were revised down by a total of 41,000. On a trailing 3-month and 6-month basis, payrolls increased by an average of 185,000 and 160,000 per month, respectively. The unemployment rate increased to 4.4% in August from 4.3% in July, and the labor participation rate held steady at 62.9%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, was unchanged from the prior month at 8.6%. Wages increased 0.1% in August and 2.5% on a year-over-year basis.

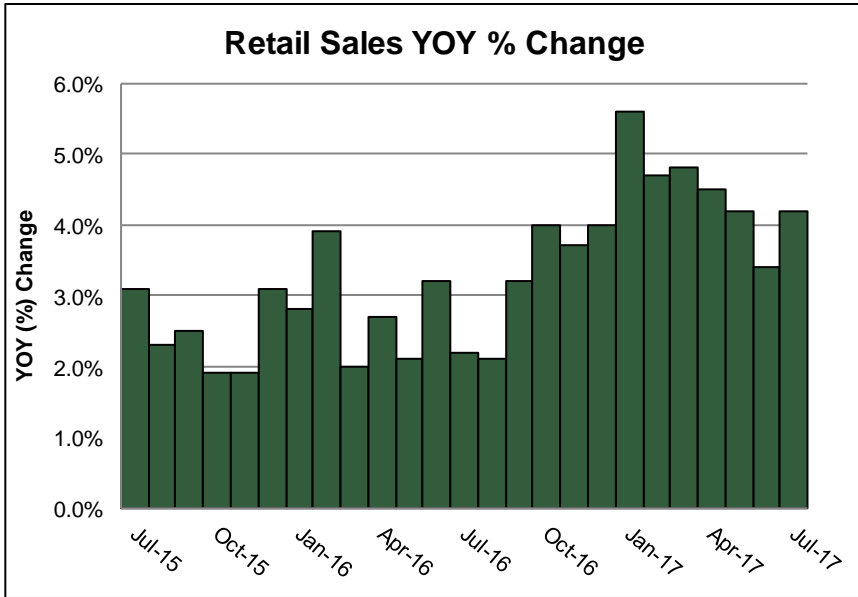


Source: US Department of Labor



Source: US Department of Labor

The Consumer Price Index (CPI) was up 1.7% year-over-year in July, versus up 1.6% year-over-year in June. Core CPI (CPI less food and energy) was up just 1.7% year-over-year in July, unchanged from the prior month. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in July, unchanged from June. Core PCE (excluding food and energy) was up 1.4% year-over-year in July, versus up 1.5% year-over-year in June. Inflation remains below the Fed's 2.0% target.



Source: US Department of Commerce

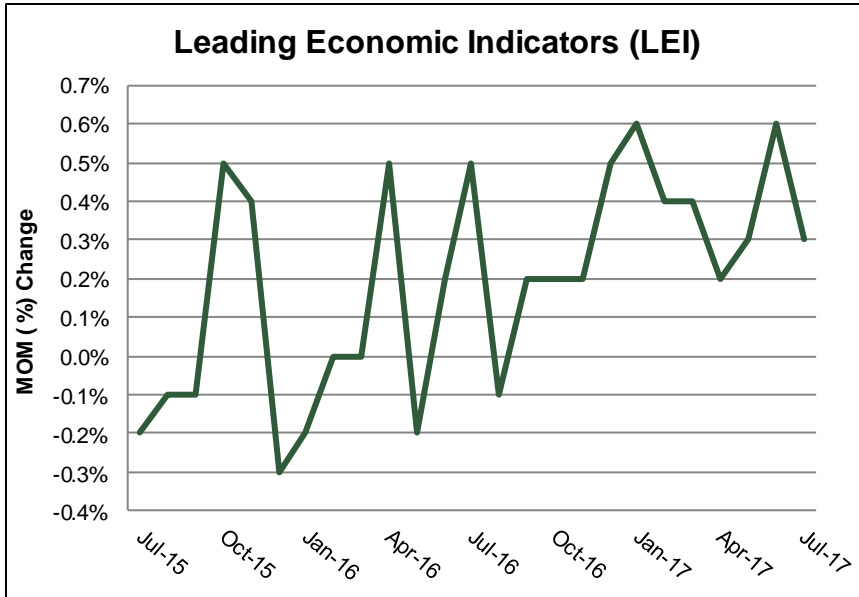


Source: Federal Reserve

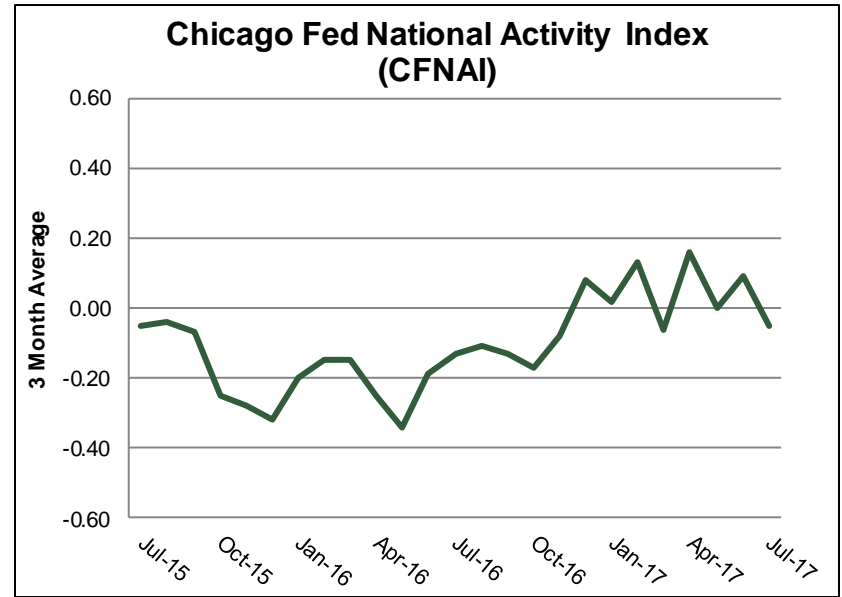
On a year-over-year basis, total retail sales were up 4.2% in July compared with an upwardly revised 3.4% increase in June. On a month-over-month basis, retail sales increased 0.6% in July, above expectations for a 0.3% increase, following a 0.3% increase in June. Excluding autos and gas, retail sales were up 0.5% in July. Overall, July retail sales were better than expected. Meanwhile, the consumer confidence index remained strong in August at 122.9 versus 120.0 in July.



# Economic Activity



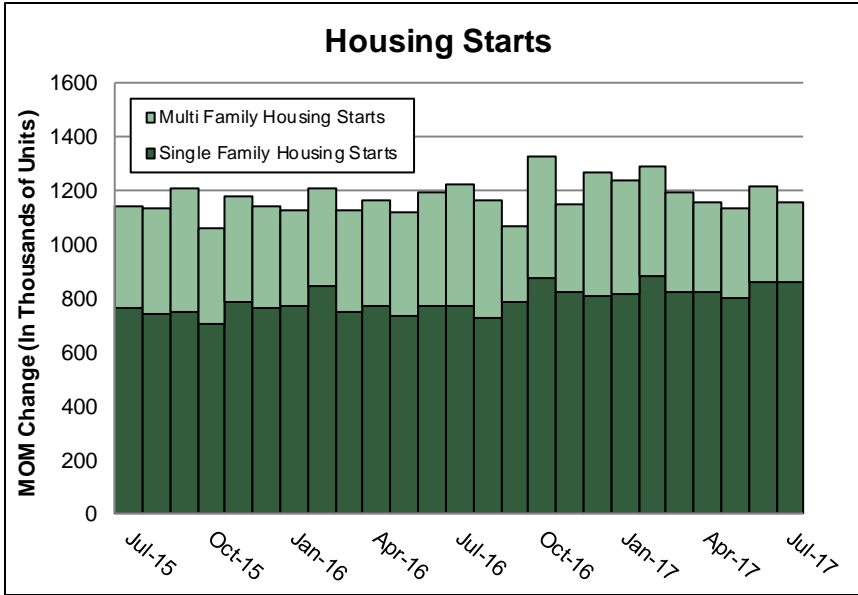
Source: The Conference Board



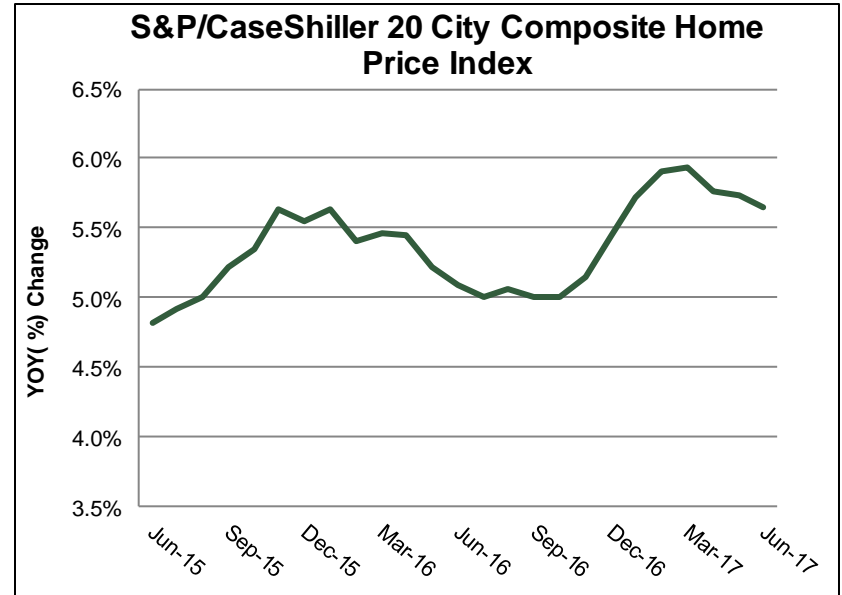
Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) rose 0.3% in July, following a strong 0.6% increase in June. The increase in the LEI suggests economic growth may improve through year-end. However, the Chicago Fed National Activity Index (CFNAI) decreased to -0.05 in July on a 3-month moving average basis from 0.09 in June. According to the Chicago Fed, the CFNAI points to economic growth near the historical trend. Overall, we believe the economy remains on a slow growth trajectory.



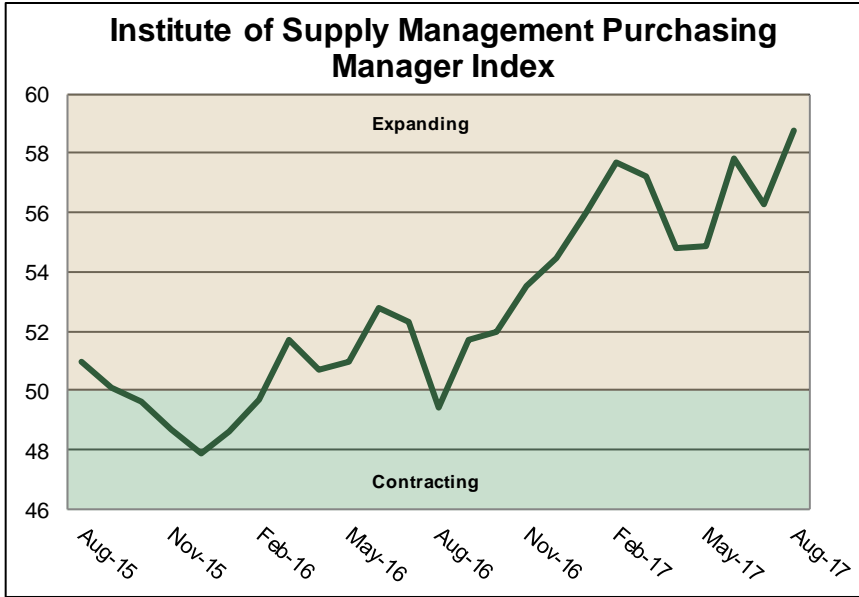


Source: US Census Bureau

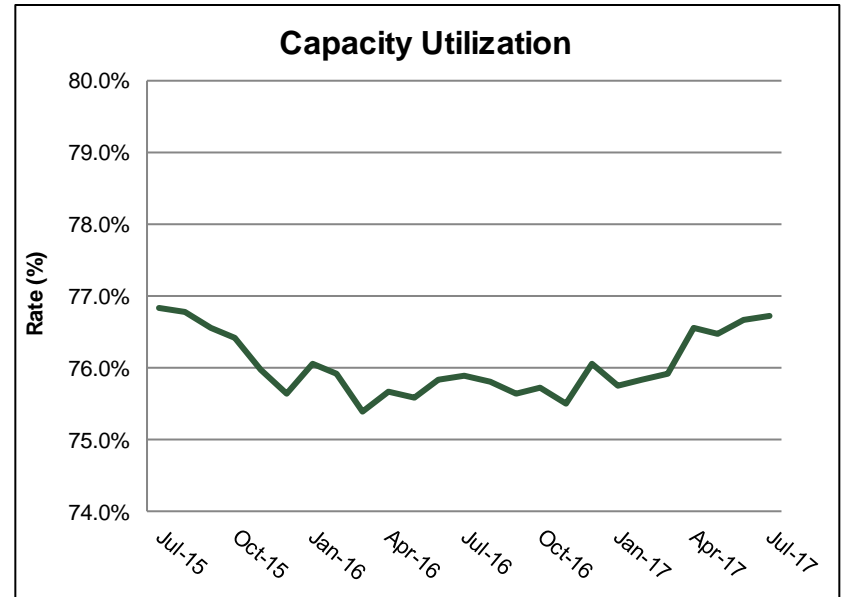


Source: S&P

Total housing starts fell 4.8% in July, following a 7.4% increase in June. Single-family starts fell 0.5% in July, while multi-family starts plunged 15.3%. Permits were also weaker than expected in July, down 4.1%, driven by a significant decline in multi-family permits. Although the July housing starts report was disappointing, the weakness was driven by declines in the multi-family component which tends to be more volatile. According to the Case-Shiller 20-City home price index, home prices were up 5.7% year-over-year in June, unchanged from May.



Source: Institute for Supply Management



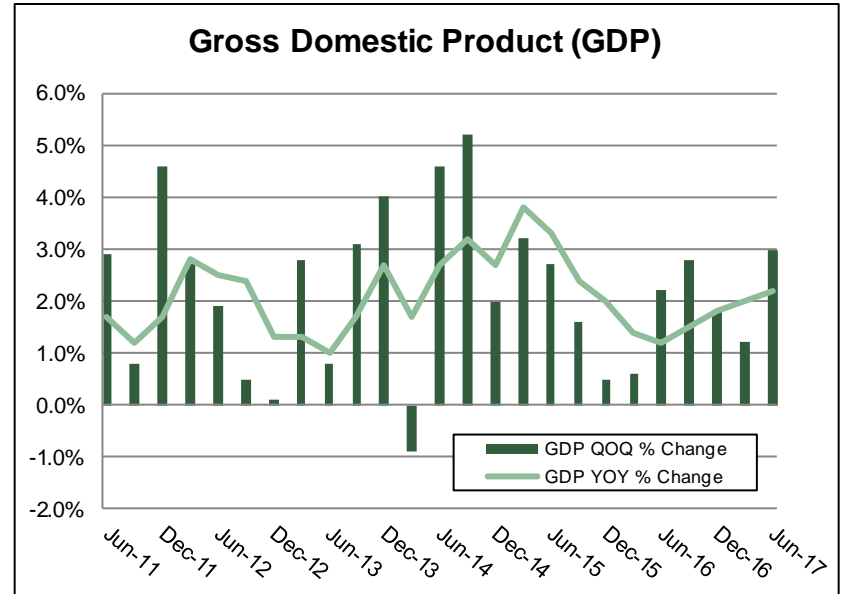
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index increased to 58.8 in August from 56.3 in July. A reading above 50.0 suggests the manufacturing sector is expanding. Meanwhile, capacity utilization, which is production divided by capacity, increased to 76.7% in July from 76.6% in June. The capacity utilization rate remains below the long-run average of 79.9% (1972-2016), suggesting there is still excess capacity in the industrial sector.

# GA | Gross Domestic Product (GDP)

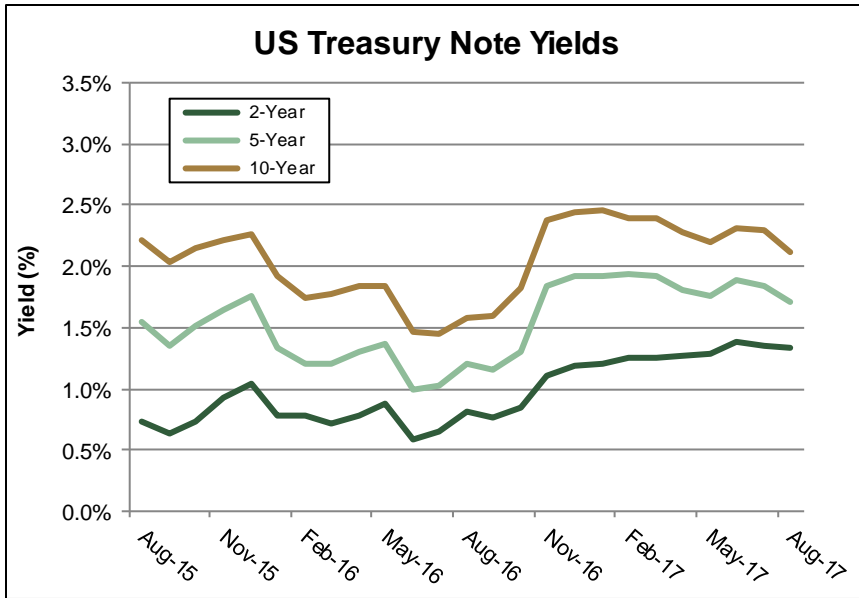
Components of GDP	9/16	12/16	3/17	6/17
Personal Consumption Expenditures	1.9%	2.0%	1.3%	2.3%
Gross Private Domestic Investment	0.4%	1.3%	-0.2%	0.6%
Net Exports and Imports	0.4%	-1.6%	0.2%	0.2%
Federal Government Expenditures	0.1%	0.0%	-0.2%	0.1%
State and Local (Consumption and Gross Investment)	0.0%	0.1%	0.1%	-0.2%
<b>Total</b>	<b>2.8%</b>	<b>1.8%</b>	<b>1.2%</b>	<b>3.0%</b>

Source: US Department of Commerce

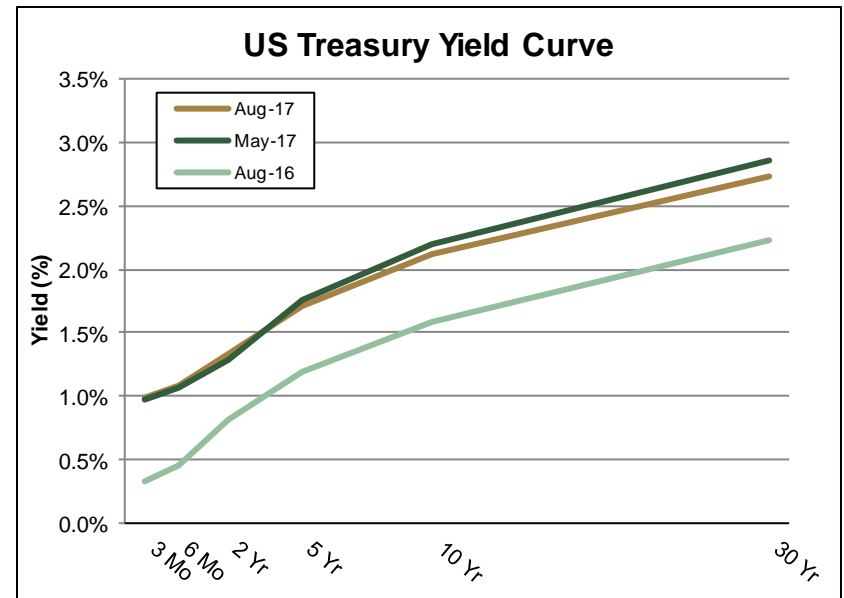


Source: US Department of Commerce

Second quarter GDP grew at an annualized pace of 3.0%, according to the second estimate, following growth of 1.2% in the first quarter. Second quarter GDP growth was revised up four tenths from the advance estimate of 2.6% and was higher than expected. The upward revision was led by consumer spending and business investment. The consensus forecast currently calls for GDP growth of about 2.5% in the third quarter.



Source: Bloomberg



Source: Bloomberg

The yield curve has flattened meaningfully this year. The spread between 2-year and 10-year Treasury yields was just 79 basis points as of August 31, compared to 126 at the end of 2016. In the three months ending in August, the 2-year Treasury yield increased about four basis points while the 10-year Treasury yield decreased about nine basis points. Immediately following the US Presidential election last fall, the Treasury yield curve steepened meaningfully, driven by heightened expectations for tax reform, fiscal stimulus, and above-trend economic growth under the Trump administration. However, market participants are now skeptical the Trump administration will deliver on their legislative agenda.



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## SECTION 2

# Account Profile

## **Investment Objectives**

The investment objectives of the District are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

## **Chandler Asset Management Performance Objective**

The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index, the Bank of America Merrill Lynch Index of 1-5 Year Government securities.

## **Strategy**

In order to achieve this objective, the portfolio invests in high quality money market instruments, US Treasury securities, Agency securities, and high-grade corporate securities with a maximum maturity of five years.



## Three Valleys Municipal Water District July 31, 2017

### COMPLIANCE WITH INVESTMENT POLICY

*Assets managed by Chandler Asset Management are in full compliance with State law and with the District's investment policy.*

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Municipal Securities/ Local Agency Bonds	Bonds issued by TVMWD; Issued by local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, or Joint Power Agencies	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% max per issuer	Complies
Banker's Acceptances	"A" rated or higher by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; "A" rated issuer or equivalent by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer must be organized and operating within the US, have AUM >\$500 mil	Complies
Corporate Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max per issuer	Complies
Certificates of Deposits/Time Deposit	Collateralized/ FDIC insured	Complies
Money Market Mutual Funds	"AAA" rated by 2 NRSROs; 20% maximum; 10% per fund	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	"AA" rated or higher by a NRSRO; "A" rated issuer or higher by a NRSRO; 20% maximum; 5% max per issuer	Complies
Local Agency Investment Fund - LAIF	Max program limitation	Complies
Repurchase Agreements	102% Collateralized; 1 year max maturity	Complies
Reverse Repurchase Agreements	20% maximum; 92 days max maturity	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	Complies
Max Per Issuer	5% of portfolio per issuer (except U.S. Government, Agencies/GSEs, Supranationals, Money Market Mutual Funds, LAIF, LGIP)	Complies
Maximum maturity	5 years	Complies



# Portfolio Characteristics

## Three Valleys Municipal Water District

	7/31/2017		4/30/2017
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.69	2.56	2.56
Modified Duration	2.58	2.43	2.43
Average Purchase Yield	n/a	1.61%	1.56%
Average Market Yield	1.49%	1.57%	1.52%
Average Quality**	AAA	AA/Aa1	AA/Aa1
Contributions/Withdrawals		-3,361	
Total Market Value		10,199,052	10,156,820

\*BAML 1-5 Yr US Treasury/Agency Index

\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

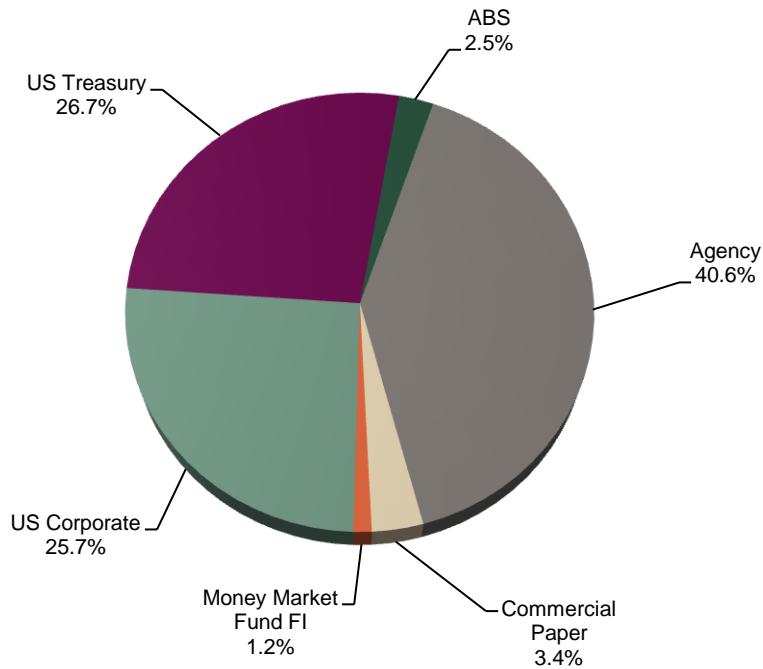




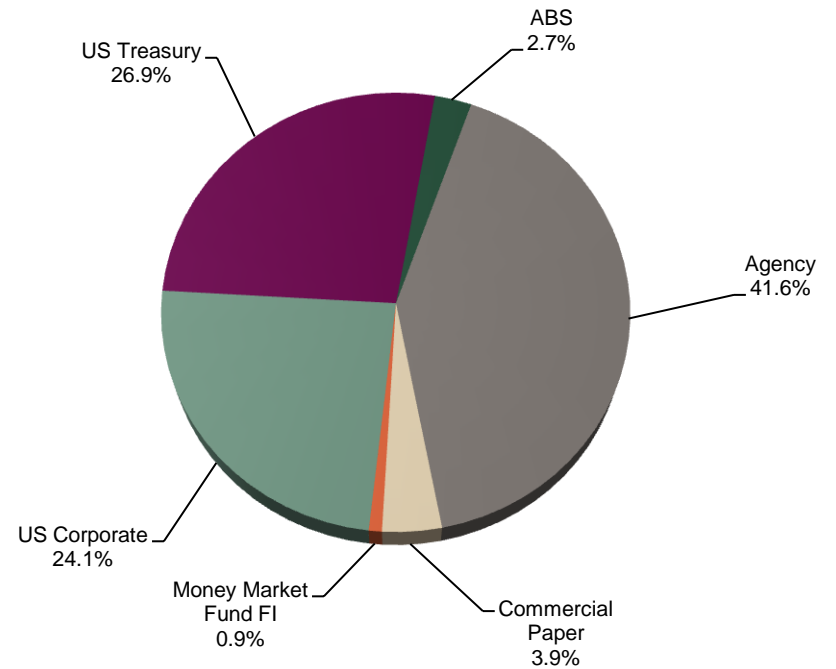
# Sector Distribution

## Three Valleys Municipal Water District

July 31, 2017



April 30, 2017



**Three Valleys Municipal Water District – Account #10065**
**As of 7/31/2017**

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	26.65%
Federal National Mortgage Association	Agency	15.68%
Federal Home Loan Mortgage Corp	Agency	11.95%
Federal Home Loan Bank	Agency	6.20%
Federal Farm Credit Bank	Agency	3.87%
Tennessee Valley Authority	Agency	2.87%
Bank of Tokyo-Mit UFJ	Commercial Paper	2.00%
US Bancorp	US Corporate	1.99%
Deere & Company	US Corporate	1.85%
Cisco Systems	US Corporate	1.80%
ChevronTexaco Corp	US Corporate	1.72%
Honda Motor Corporation	US Corporate	1.63%
Intel Corp	US Corporate	1.47%
Bank of New York	US Corporate	1.45%
Toyota Motor Corp	Commercial Paper	1.36%
Praxair	US Corporate	1.32%
Chubb Corporation	US Corporate	1.25%
IBM Corp	US Corporate	1.23%
First American Govt Oblig Fund	Money Market Fund FI	1.20%
Exxon Mobil Corp	US Corporate	1.20%
Qualcomm Inc	US Corporate	1.20%
Oracle Corp	US Corporate	1.13%
Wal-Mart Stores	US Corporate	1.13%
Pepsico Inc	US Corporate	1.03%
State Street Bank	US Corporate	1.01%
Toyota ABS	ABS	0.99%
Wells Fargo Corp	US Corporate	0.99%
Apple Inc	US Corporate	0.98%
John Deere ABS	ABS	0.93%
Costco Wholesale Corporation	US Corporate	0.79%

**Three Valleys Municipal Water District – Account #10065****As of 7/31/2017**

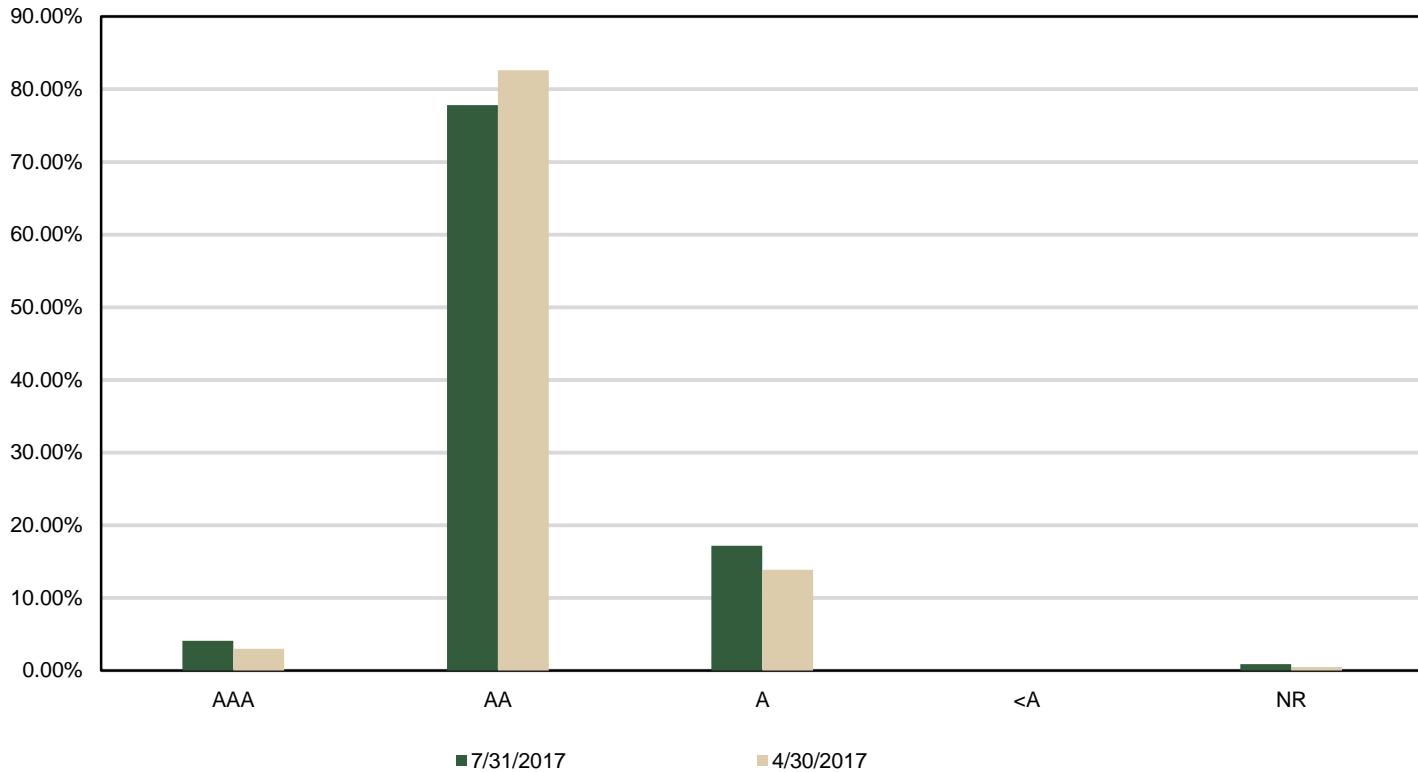
<b>Issue Name</b>	<b>Investment Type</b>	<b>% Portfolio</b>
Toyota Motor Corp	US Corporate	0.59%
Honda ABS	ABS	0.54%
<b>Total</b>		<b>100.00%</b>



# Quality Distribution

## Three Valleys Municipal Water District

July 31, 2017 vs. April 30, 2017



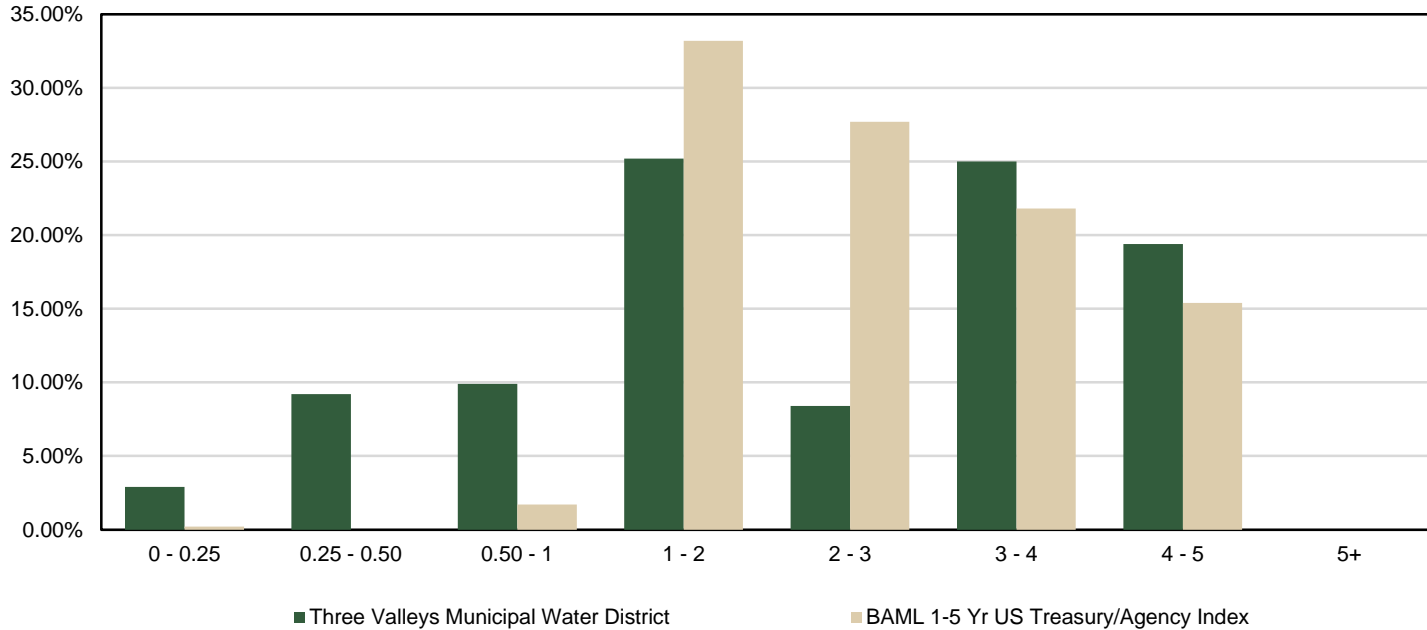
	AAA	AA	A	<A	NR
07/31/17	4.1%	77.8%	17.2%	0.0%	0.9%
04/30/17	3.0%	82.6%	13.9%	0.0%	0.5%

Source: S&P Ratings



# Duration Distribution

## Three Valleys Municipal Water District Portfolio Compared to the Benchmark as of July 31, 2017



	<b>0 - 0.25</b>	<b>0.25 - 0.50</b>	<b>0.50 - 1</b>	<b>1 - 2</b>	<b>2 - 3</b>	<b>3 - 4</b>	<b>4 - 5</b>	<b>5+</b>
Portfolio	2.9%	9.2%	9.9%	25.2%	8.4%	25.0%	19.4%	0.0%
Benchmark*	0.2%	0.0%	1.7%	33.2%	27.7%	21.8%	15.4%	0.0%

\*BAML 1-5 Yr US Treasury/Agency Index



# Investment Performance

## Three Valleys Municipal Water District

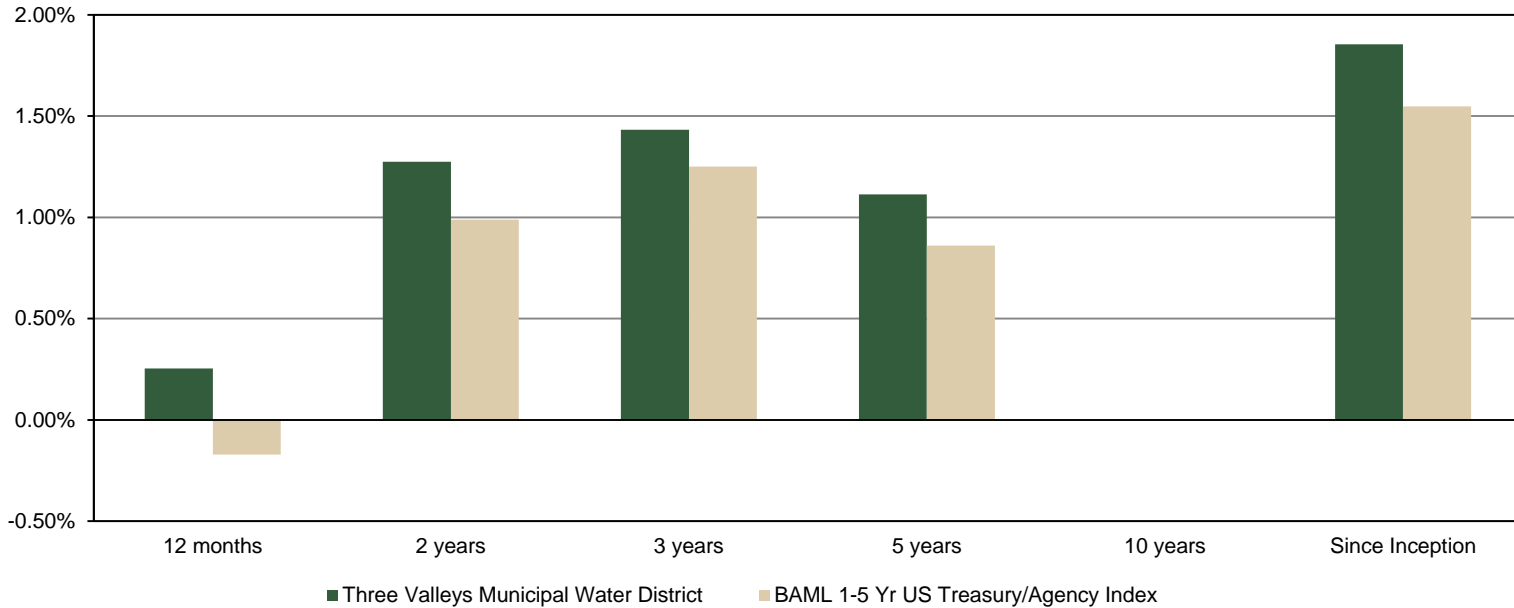
Period Ending

July 31, 2017

Total Rate of Return

Annualized Since Inception

April 30, 2009



	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Three Valleys Municipal Water District	0.45%	0.25%	1.27%	1.43%	1.11%	N/A	1.85%
BAML 1-5 Yr US Treasury/Agency Index	0.35%	-0.17%	0.99%	1.25%	0.86%	N/A	1.55%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



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## **SECTION 3**

# **Portfolio Holdings**



# Holdings Report

Three Valleys Municipal Water District - Account #10065

For the Month Ending 7/31/2017

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
43814HAC2	Honda Auto Receivables 2014-3 A3 0.880% Due 06/15/2018	4,666.48	08/12/2014 0.89%	4,665.58 4,666.48	99.98 1.41%	4,665.40 1.83	0.05% (1.08)	NR / AAA AAA	0.87 0.04
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.120% Due 02/15/2019	36,177.87	02/24/2015 1.13%	36,172.39 36,176.86	99.91 1.41%	36,146.32 18.01	0.35% (30.54)	Aaa / AAA NR	1.55 0.31
43813NAC0	Honda Auto Receivables 2015-2 A3 1.040% Due 02/21/2019	49,988.28	05/13/2015 1.05%	49,980.61 49,985.10	99.88 1.40%	49,926.54 14.44	0.49% (58.56)	NR / AAA AAA	1.56 0.35
89238MAB4	Toyota Auto Receivables Owner 2017-A 1.420% Due 09/16/2019	65,000.00	03/07/2017 1.43%	64,993.73 64,994.68	99.97 1.47%	64,981.02 41.02	0.64% (13.66)	Aaa / AAA NR	2.13 0.68
47787XAB3	John Deere Owner Trust 2017-A A2 1.500% Due 10/15/2019	45,000.00	02/22/2017 1.50%	44,999.82 44,999.85	99.98 1.53%	44,990.60 30.00	0.44% (9.25)	Aaa / NR AAA	2.21 0.78
47788BAB0	John Deere Owner Trust 2017-B A2A 1.590% Due 04/15/2020	30,000.00	07/11/2017 1.60%	29,997.39 29,997.43	100.01 1.59%	30,001.71 17.23	0.29% 4.28	Aaa / NR AAA	2.71 1.05
47788BAD6	John Deere Owner Trust 2017-B A3 1.820% Due 10/15/2021	20,000.00	07/11/2017 1.83%	19,998.54 19,998.55	100.08 1.79%	20,016.52 13.14	0.20% 17.97	Aaa / NR AAA	4.21 2.25
<b>Total ABS</b>		<b>250,832.63</b>	<b>1.37%</b>	<b>250,808.06</b> <b>250,818.95</b>	<b>1.50%</b>	<b>250,728.11</b> <b>135.67</b>	<b>2.46%</b> <b>(90.84)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.16</b> <b>0.74</b>

<b>Agency</b>									
3133EAY28	FFCB Note 0.830% Due 09/21/2017	170,000.00	09/18/2012 0.83%	170,000.00 170,000.00	99.96 1.11%	169,932.17 509.53	1.67% (67.83)	Aaa / AA+ AAA	0.14 0.14
3137EADN6	FHLMC Note 0.750% Due 01/12/2018	160,000.00	Various 1.01%	158,093.93 159,818.35	99.81 1.17%	159,701.29 63.34	1.57% (117.06)	Aaa / AA+ AAA	0.45 0.44
3130A4GJ5	FHLB Note 1.125% Due 04/25/2018	110,000.00	03/20/2015 1.02%	110,360.91 110,085.35	99.91 1.25%	109,895.94 330.00	1.08% (189.41)	Aaa / AA+ AAA	0.73 0.73
3135G0YM9	FNMA Note 1.875% Due 09/18/2018	200,000.00	10/07/2013 1.59%	202,654.00 200,606.92	100.65 1.29%	201,307.00 1,385.42	1.99% 700.08	Aaa / AA+ AAA	1.13 1.11
880591EQ1	Tennessee Valley Authority Note 1.750% Due 10/15/2018	290,000.00	Various 1.58%	292,357.15 290,572.76	100.54 1.30%	291,570.94 1,494.31	2.87% 998.18	Aaa / AA+ AAA	1.21 1.19
3135G0ZA4	FNMA Note 1.875% Due 02/19/2019	75,000.00	03/31/2014 1.81%	75,230.48 75,073.21	100.74 1.39%	75,552.08 632.81	0.75% 478.87	Aaa / AA+ AAA	1.56 1.51
3137EADG1	FHLMC Note 1.750% Due 05/30/2019	200,000.00	Various 1.45%	201,442.30 201,058.88	100.70 1.36%	201,390.40 593.05	1.98% 331.52	Aaa / AA+ AAA	1.83 1.80
3137EADK2	FHLMC Note 1.250% Due 08/01/2019	240,000.00	09/04/2014 1.83%	233,452.80 237,326.93	99.72 1.39%	239,324.88 1,500.00	2.36% 1,997.95	Aaa / AA+ AAA	2.00 1.96
3137EADM8	FHLMC Note 1.250% Due 10/02/2019	230,000.00	12/10/2014 1.71%	225,177.36 227,824.87	99.56 1.46%	228,983.40 950.35	2.25% 1,158.53	Aaa / AA+ AAA	2.17 2.12
3135G0F73	FNMA Note 1.500% Due 11/30/2020	200,000.00	12/16/2015 1.90%	196,220.00 197,458.42	99.62 1.62%	199,242.00 508.33	1.96% 1,783.58	Aaa / AA+ AAA	3.34 3.23
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	140,000.00	04/28/2016 1.42%	139,727.00 139,798.47	99.13 1.63%	138,776.12 871.60	1.37% (1,022.35)	Aaa / AA+ AAA	3.56 3.42





# Holdings Report

Three Valleys Municipal Water District - Account #10065

For the Month Ending 7/31/2017

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0J20	FNMA Note 1.375% Due 02/26/2021	200,000.00	Various 1.41%	199,699.04 199,791.89	99.01 1.66%	198,012.40 1,184.02	1.95% (1,779.49)	Aaa / AA+ AAA	3.58 3.45
3135G0K69	FNMA Note 1.250% Due 05/06/2021	180,000.00	06/29/2016 1.18%	180,612.00 180,474.81	98.49 1.66%	177,287.40 531.25	1.74% (3,187.41)	Aaa / AA+ AAA	3.77 3.65
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	185,000.00	10/04/2016 1.33%	183,290.60 183,584.00	97.76 1.71%	180,852.67 98.28	1.77% (2,731.33)	Aaa / AA+ AAA	3.96 3.84
3137EAEC9	FHLMC Note 1.125% Due 08/12/2021	185,000.00	08/30/2016 1.33%	183,185.15 183,521.61	97.53 1.76%	180,426.62 977.03	1.78% (3,094.99)	Aaa / AA+ AAA	4.04 3.90
3135G0N82	FNMA Note 1.250% Due 08/17/2021	185,000.00	09/28/2016 1.28%	184,715.10 184,763.99	98.06 1.75%	181,406.93 1,053.47	1.79% (3,357.06)	Aaa / AA+ AAA	4.05 3.90
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	160,000.00	10/27/2016 1.50%	159,025.60 159,175.13	98.43 1.76%	157,493.76 696.67	1.55% (1,681.37)	Aaa / AA+ AAA	4.19 4.03
3130AABG2	FHLB Note 1.875% Due 11/29/2021	200,000.00	12/28/2016 2.10%	197,940.00 198,186.60	100.43 1.77%	200,859.20 645.83	1.98% 2,672.60	Aaa / AA+ AAA	4.33 4.13
3135G0S38	FNMA Note 2.000% Due 01/05/2022	200,000.00	01/11/2017 2.02%	199,845.00 199,862.13	100.72 1.83%	201,432.80 288.89	1.98% 1,570.67	Aaa / AA+ AAA	4.44 4.22
3137EADB2	FHLMC Note 2.375% Due 01/13/2022	200,000.00	01/27/2017 2.03%	203,193.40 202,870.35	102.25 1.85%	204,504.20 237.50	2.01% 1,633.85	Aaa / AA+ AAA	4.46 4.21
3135G0T45	FNMA Note 1.875% Due 04/05/2022	200,000.00	Various 1.86%	200,108.00 200,105.90	100.03 1.87%	200,061.20 1,156.25	1.97% (44.70)	Aaa / AA+ AAA	4.68 4.43
3133EAYP7	FFCB Note 1.950% Due 07/19/2022	225,000.00	07/28/2017 1.92%	225,310.50 225,310.33	99.60 2.04%	224,093.70 146.25	2.20% (1,216.63)	Aaa / AA+ AAA	4.97 4.71
<b>Total Agency</b>		<b>4,135,000.00</b>	<b>1.58%</b>	<b>4,121,640.32</b> <b>4,127,270.90</b>	<b>1.58%</b>	<b>4,122,107.10</b> <b>15,854.18</b>	<b>40.57%</b> <b>(5,163.80)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.99</b> <b>2.87</b>

## Commercial Paper

06538BY80	Bank of Tokyo Mitsubishi NY Discount CP 1.330% Due 11/08/2017	205,000.00	07/07/2017 1.35%	204,060.87 204,250.21	99.63 1.35%	204,250.21 0.00	2.00% 0.00	P-1 / A-1 NR	0.27 0.27
89233HB29	Toyota Motor Credit Discount CP 1.320% Due 02/02/2018	140,000.00	06/02/2017 1.37%	138,738.91 139,035.94	99.31 1.37%	139,035.94 0.00	1.36% 0.00	P-1 / A-1+ NR	0.51 0.51
<b>Total Commercial Paper</b>		<b>345,000.00</b>	<b>1.36%</b>	<b>342,799.78</b> <b>343,286.15</b>	<b>1.36%</b>	<b>343,286.15</b> <b>0.00</b>	<b>3.37%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>NR</b>	<b>0.37</b> <b>0.37</b>

## Money Market Fund FI

31846V203	First American Govt Obligation Fund	122,435.08	Various 0.60%	122,435.08 122,435.08	1.00 0.60%	122,435.08 0.00	1.20% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>122,435.08</b>	<b>0.60%</b>	<b>122,435.08</b>	<b>0.60%</b>	<b>122,435.08</b> <b>0.00</b>	<b>1.20%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>

## US Corporate

166764AA8	Chevron Corp Callable Note Cont 11/5/17 1.104% Due 12/05/2017	175,000.00	Various 1.31%	173,518.80 174,877.87	99.91 1.45%	174,834.45 300.53	1.72% (43.42)	Aa2 / AA- NR	0.35 0.26
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# Holdings Report

Three Valleys Municipal Water District - Account #10065

For the Month Ending 7/31/2017

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
02665WAQ4	American Honda Finance Note 1.550% Due 12/11/2017	100,000.00	12/08/2014 1.58%	99,907.00 99,988.80	100.05 1.41%	100,049.50 215.28	0.98% 60.70	A1 / A+ NR	0.36 0.36
458140AL4	Intel Corp Note 1.350% Due 12/15/2017	150,000.00	12/12/2012 1.29%	150,430.95 150,032.13	100.01 1.33%	150,010.50 258.76	1.47% (21.63)	A1 / A+ A+	0.38 0.37
89236TCA1	Toyota Motor Credit Corp Note 1.450% Due 01/12/2018	60,000.00	Various 1.47%	59,958.05 59,994.11	100.03 1.38%	60,018.60 45.91	0.59% 24.49	Aa3 / AA- A	0.45 0.44
459200HZ7	IBM Corp Note 1.125% Due 02/06/2018	125,000.00	02/03/2015 1.23%	124,618.75 124,934.26	99.89 1.35%	124,857.00 683.59	1.23% (77.26)	A1 / A+ A+	0.52 0.51
931142DF7	Wal-Mart Stores Note 1.125% Due 04/11/2018	115,000.00	04/04/2013 1.14%	114,894.20 114,985.34	99.86 1.32%	114,841.42 395.31	1.13% (143.92)	Aa2 / AA AA	0.70 0.69
713448CR7	PepsiCo Inc Note 1.250% Due 04/30/2018	105,000.00	Various 1.26%	104,957.40 104,989.42	99.86 1.44%	104,854.26 331.77	1.03% (135.16)	A1 / A+ A	0.75 0.74
037833AJ9	Apple Inc Note 1.000% Due 05/03/2018	100,000.00	05/20/2013 1.20%	99,066.00 99,857.78	99.72 1.38%	99,718.30 244.44	0.98% (139.48)	Aa1 / AA+ NR	0.76 0.75
02665WAC5	American Honda Finance Note 2.125% Due 10/10/2018	65,000.00	04/14/2014 1.83%	65,820.95 65,218.15	100.74 1.50%	65,480.42 425.89	0.65% 262.27	A1 / A+ NR	1.19 1.17
74005PBH6	Praxair Note 1.250% Due 11/07/2018	135,000.00	01/08/2015 1.68%	132,876.45 134,294.69	99.75 1.45%	134,658.99 393.75	1.32% 364.30	A2 / A NR	1.27 1.25
24422ESF7	John Deere Capital Corp Note 1.950% Due 12/13/2018	60,000.00	12/10/2013 1.99%	59,872.20 59,965.08	100.52 1.56%	60,313.86 156.00	0.59% 348.78	A2 / A A	1.37 1.34
17275RAR3	Cisco Systems Note 2.125% Due 03/01/2019	180,000.00	Various 2.02%	180,856.20 180,271.28	100.93 1.53%	181,682.10 1,593.75	1.80% 1,410.82	A1 / AA- NR	1.58 1.54
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.200% Due 04/25/2019	140,000.00	Various 2.15%	140,322.10 140,112.12	100.92 1.63%	141,291.08 821.33	1.39% 1,178.96	A1 / A+ AA	1.73 1.61
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.300% Due 09/11/2019	145,000.00	Various 2.29%	145,058.95 145,024.12	101.03 1.78%	146,495.82 1,296.94	1.45% 1,471.70	A1 / A AA-	2.12 1.96
94974BGF1	Wells Fargo Corp Note 2.150% Due 01/30/2020	100,000.00	01/26/2015 2.18%	99,864.00 99,931.96	100.53 1.93%	100,533.60 5.97	0.99% 601.64	A2 / A AA-	2.50 2.42
22160KAG0	Costco Wholesale Corp Note 1.750% Due 02/15/2020	80,000.00	02/05/2015 1.77%	79,916.00 79,957.26	100.14 1.69%	80,109.84 645.56	0.79% 152.58	A1 / A+ A+	2.55 2.45
747525AD5	Qualcomm Inc Note 2.250% Due 05/20/2020	120,000.00	06/11/2015 2.49%	118,671.00 119,244.68	101.15 1.83%	121,385.16 532.50	1.20% 2,140.48	A1 / A NR	2.81 2.70
857477AS2	State Street Bank Note 2.550% Due 08/18/2020	100,000.00	06/28/2017 1.86%	102,098.00 102,037.59	102.04 1.86%	102,042.30 1,154.58	1.01% 4.71	A1 / A AA-	3.05 2.89
00440EAT4	ACE INA Holdings Inc Callable Note Cont 10/3/2020 2.300% Due 11/03/2020	125,000.00	02/06/2017 2.16%	125,588.75 125,512.28	101.15 1.92%	126,432.25 702.78	1.25% 919.97	A3 / A A	3.26 3.04
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021	120,000.00	05/16/2016 1.84%	122,103.60 121,574.99	100.96 1.94%	121,147.20 1,111.00	1.20% (427.79)	Aaa / AA+ NR	3.59 3.40
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.900% Due 09/15/2021	115,000.00	11/29/2016 2.40%	112,425.15 112,781.62	99.54 2.02%	114,468.93 825.44	1.13% 1,687.31	A1 / AA- A+	4.13 3.92
24422ETL3	John Deere Capital Corp Note 2.650% Due 01/06/2022	125,000.00	07/27/2017 2.15%	127,605.00 127,603.39	101.98 2.18%	127,474.13 230.03	1.25% (129.26)	A2 / A A	4.44 4.16



# Holdings Report

Three Valleys Municipal Water District - Account #10065

For the Month Ending 7/31/2017

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91159HHP8	US Bancorp Note 2.625% Due 01/24/2022	60,000.00	01/19/2017 2.66%	59,896.80 59,907.48	101.44 2.29%	60,862.86 30.63	0.60% 955.38	A1 / A+ AA	4.49 4.21
<b>Total US Corporate</b>		<b>2,600,000.00</b>	<b>1.81%</b>	<b>2,600,326.30</b> <b>2,603,096.40</b>	<b>1.65%</b>	<b>2,613,562.57</b> <b>12,401.74</b>	<b>25.75%</b> <b>10,466.17</b>	<b>A1 / A+</b> <b>A+</b>	<b>1.88</b> <b>1.79</b>
<b>US Treasury</b>									
912828VQ0	US Treasury Note 1.375% Due 07/31/2018	200,000.00	11/05/2013 1.31%	200,625.67 200,131.80	100.11 1.27%	200,211.00 7.47	1.96% 79.20	Aaa / AA+ AAA	1.00 0.99
912828SH4	US Treasury Note 1.375% Due 02/28/2019	235,000.00	Various 1.71%	231,325.79 233,818.97	100.09 1.32%	235,201.87 1,352.21	2.32% 1,382.90	Aaa / AA+ AAA	1.58 1.55
912828ST8	US Treasury Note 1.250% Due 04/30/2019	200,000.00	01/23/2015 1.22%	200,242.86 200,099.49	99.84 1.34%	199,687.60 631.79	1.96% (411.89)	Aaa / AA+ AAA	1.75 1.72
912828R85	US Treasury Note 0.875% Due 06/15/2019	160,000.00	07/28/2016 0.82%	160,250.54 160,162.82	99.14 1.34%	158,618.72 179.78	1.56% (1,544.10)	Aaa / AA+ AAA	1.87 1.85
912828TH3	US Treasury Note 0.875% Due 07/31/2019	200,000.00	03/30/2015 1.30%	196,414.73 198,348.92	99.08 1.34%	198,156.20 4.76	1.94% (192.72)	Aaa / AA+ AAA	2.00 1.97
912828VF4	US Treasury Note 1.375% Due 05/31/2020	200,000.00	07/10/2015 1.62%	197,742.86 198,691.77	99.72 1.48%	199,437.60 465.85	1.96% 745.83	Aaa / AA+ AAA	2.84 2.76
912828L99	US Treasury Note 1.375% Due 10/31/2020	180,000.00	11/23/2015 1.71%	177,181.07 178,144.17	99.38 1.57%	178,889.04 625.48	1.76% 744.87	Aaa / AA+ AAA	3.25 3.15
912828N89	US Treasury Note 1.375% Due 01/31/2021	155,000.00	03/09/2016 1.40%	154,849.15 154,892.03	99.17 1.62%	153,710.40 5.79	1.51% (1,181.63)	Aaa / AA+ AAA	3.51 3.40
912828B90	US Treasury Note 2.000% Due 02/28/2021	180,000.00	04/26/2016 1.40%	185,056.07 183,739.83	101.30 1.62%	182,341.44 1,506.52	1.80% (1,398.39)	Aaa / AA+ AAA	3.58 3.42
912828P87	US Treasury Note 1.125% Due 02/28/2021	200,000.00	12/29/2016 1.86%	194,125.67 194,955.49	98.23 1.64%	196,461.00 941.58	1.94% 1,505.51	Aaa / AA+ AAA	3.58 3.48
912828Q37	US Treasury Note 1.250% Due 03/31/2021	210,000.00	12/13/2016 1.81%	205,136.25 205,849.68	98.57 1.65%	207,005.82 882.17	2.04% 1,156.14	Aaa / AA+ AAA	3.67 3.55
912828T34	US Treasury Note 1.125% Due 09/30/2021	185,000.00	11/09/2016 1.48%	181,871.52 182,334.22	97.55 1.74%	180,468.98 699.44	1.78% (1,865.24)	Aaa / AA+ AAA	4.17 4.03
912828J43	US Treasury Note 1.750% Due 02/28/2022	215,000.00	03/13/2017 2.14%	211,112.24 211,410.64	99.80 1.80%	214,571.72 1,574.52	2.12% 3,161.08	Aaa / AA+ AAA	4.58 4.35
912828XR6	US Treasury Note 1.750% Due 05/31/2022	205,000.00	07/27/2017 1.84%	204,103.81 204,104.32	99.66 1.82%	204,295.21 607.72	2.01% 190.89	Aaa / AA+ AAA	4.84 4.60
<b>Total US Treasury</b>		<b>2,725,000.00</b>	<b>1.56%</b>	<b>2,700,038.23</b> <b>2,706,684.15</b>	<b>1.54%</b>	<b>2,709,056.60</b> <b>9,485.08</b>	<b>26.65%</b> <b>2,372.45</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.01</b> <b>2.91</b>
<b>TOTAL PORTFOLIO</b>		<b>10,178,267.71</b>	<b>1.61%</b>	<b>10,138,047.77</b> <b>10,153,591.63</b>	<b>1.57%</b>	<b>10,161,175.61</b> <b>37,876.67</b>	<b>100.00%</b> <b>7,583.98</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>2.56</b> <b>2.43</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>10,199,052.28</b>			



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## SECTION 4

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# Transactions



# Transaction Ledger

Three Valleys Municipal Water District - Account #10065

April 30, 2017 through July 31, 2017

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	06/05/2017	89233HB29	2,240,000.00	Toyota Motor Credit Discount CP 1.32% Due: 02/02/2018	99.099	1.37%	2,219,822.56	0.00	2,219,822.56	0.00
Purchase	06/29/2017	3135G0T45	2,400,000.00	FNMA Note 1.875% Due: 04/05/2022	100.074	1.86%	2,401,776.00	9,875.04	2,411,651.04	0.00
Purchase	06/29/2017	857477AS2	1,600,000.00	State Street Bank Note 2.55% Due: 08/18/2020	102.098	1.86%	1,633,568.00	14,846.72	1,648,414.72	0.00
Purchase	07/07/2017	06538BY80	205,000.00	Bank of Tokyo Mitsubishi NY Discount CP 1.33% Due: 11/08/2017	99.542	1.35%	204,060.87	0.00	204,060.87	0.00
Purchase	07/18/2017	47788BAB0	30,000.00	John Deere Owner Trust 2017-B A2A 1.59% Due: 04/15/2020	99.991	1.60%	29,997.39	0.00	29,997.39	0.00
Purchase	07/18/2017	47788BAD6	20,000.00	John Deere Owner Trust 2017-B A3 1.82% Due: 10/15/2021	99.993	1.83%	19,998.54	0.00	19,998.54	0.00
Purchase	07/31/2017	24422ETL3	125,000.00	John Deere Capital Corp Note 2.65% Due: 01/06/2022	102.084	2.15%	127,605.00	230.03	127,835.03	0.00
Purchase	07/31/2017	3133EAYP7	225,000.00	FFCB Note 1.95% Due: 07/19/2022	100.138	1.92%	225,310.50	146.25	225,456.75	0.00
Purchase	07/31/2017	3135G0T45	50,000.00	FNMA Note 1.875% Due: 04/05/2022	99.994	1.88%	49,997.00	289.06	50,286.06	0.00
Purchase	07/31/2017	91282XR6	205,000.00	US Treasury Note 1.75% Due: 05/31/2022	99.563	1.84%	204,103.81	597.92	204,701.73	0.00
	<b>Subtotal</b>		<b>7,100,000.00</b>				<b>7,116,239.67</b>	<b>25,985.02</b>	<b>7,142,224.69</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>7,100,000.00</b>				<b>7,116,239.67</b>	<b>25,985.02</b>	<b>7,142,224.69</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	07/28/2017	3135G0A78	200,000.00	FNMA Note 1.625% Due: 01/21/2020	100.337	1.49%	200,674.00	63.19	200,737.19	120.61
Sale	07/28/2017	3135G0ZG1	200,000.00	FNMA Note 1.75% Due: 09/12/2019	100.646	1.44%	201,292.20	1,322.22	202,614.42	5.84
Sale	07/31/2017	91282L32	200,000.00	US Treasury Note 1.375% Due: 08/31/2020	99.543	1.53%	199,085.27	1,143.34	200,228.61	924.62



# Transaction Ledger

Three Valleys Municipal Water District - Account #10065

April 30, 2017 through July 31, 2017

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	07/31/2017	912828L99	20,000.00	US Treasury Note 1.375% Due: 10/31/2020	99.386	1.57%	19,877.28	68.75	19,946.03	83.65
<b>Subtotal</b>			<b>620,000.00</b>				<b>620,928.75</b>	<b>2,597.50</b>	<b>623,526.25</b>	<b>1,134.72</b>
Maturity	05/01/2017	06538BS12	200,000.00	Bank of Tokyo Mitsubishi NY Discount CP 1.07% Due: 05/01/2017	99.634		200,000.00	0.00	200,000.00	0.00
Maturity	05/15/2017	717081DJ9	45,000.00	Pfizer Inc. Note 1.1% Due: 05/15/2017	100.000		45,000.00	0.00	45,000.00	0.00
Maturity	06/01/2017	913017BU2	240,000.00	United Tech Corp Note 1.8% Due: 06/01/2017	100.000		240,000.00	0.00	240,000.00	0.00
Maturity	06/19/2017	313379VE6	1,760,000.00	FHLB Note 1.01% Due: 06/19/2017	100.000		1,760,000.00	0.00	1,760,000.00	0.00
Maturity	07/07/2017	06538BU76	200,000.00	Bank of Tokyo Mitsubishi NY Discount CP 1.18% Due: 07/07/2017	99.600		200,000.00	0.00	200,000.00	0.00
<b>Subtotal</b>			<b>2,445,000.00</b>				<b>2,445,000.00</b>	<b>0.00</b>	<b>2,445,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>3,490,274.00</b>				<b>3,491,202.75</b>	<b>7,081.75</b>	<b>3,498,284.50</b>	<b>1,134.72</b>



***Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.***