CSMcKee
INVESTMENT MANAGERS

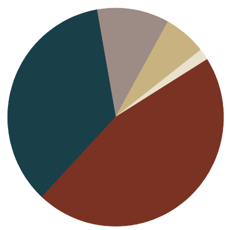
Lackawanna County Employees' Retirement Fund

Account Statement - at 12/31/2017 94300

Portfolio Summary

	QTD 9/30/17 - 12/31/17	YTD 12/31/16 - 12/31/17
Beginning market value	$168,741,989	$159,828,634
Net additions and disbursements	-1,684,054	-6,621,626
Investment income	1,200,788	3,833,072
Portfolio appreciation / depreciation	5,918,263	17,136,904
Ending market value	***$174,176,985***	***$174,176,985***

Allocation



Actual

	Actual	Target	Diff
Large-Cap Core Equity	***46.0%***	*45.0%*	*+1.0%*
Small-Cap Core Equity	***6.4%***	*5.0%*	*+1.4%*
International Equity	***10.9%***	*10.0%*	*+0.9%*
Fixed Income	***35.1%***	*40.0%*	*(-4.9%)*
Cash	***1.6%***	*0.0%*	*+1.6%*

Performance

	QTD	YTD	3 yr	5 yr	ITD
Large-Cap Core Equity *(4/1/2002)**	**7.37%**	**19.53%**	**9.81%**	**14.57%**	**8.77%**
S&P 500	*6.64%*	*21.83%*	*11.41%*	*15.79%*	*7.68%*
Small-Cap Core Equity *(4/1/2002)**	**3.23%**	**15.18%**	**7.15%**	**9.40%**	**9.63%**
Russell 2000	*3.34%*	*14.65%*	*9.96%*	*14.12%*	*8.73%*
International Mutual Fund *(3/1/1995)**	**5.04%**	**26.23%**	**8.63%**	**7.20%**	**6.75%**
EAFE	*4.23%*	*25.03%*	*7.79%*	*7.90%*	*5.61%*
Fixed Income *(1/1/1987)**	**-0.01%**	**2.44%**	**2.23%**	**1.81%**	**6.38%**
Blend Index	*-0.07%*	*2.27%*	*1.82%*	*1.49%*	*6.13%*
Total Portfolio *(12/31/1978)**	**4.24%**	**13.41%**	**6.71%**	**8.87%**	**9.14%**
Blend Index	*3.54%*	*13.57%*	*7.20%*	*9.22%*	*9.50%*

Benchmark History

Total Portfolio Blend Index

01/01/2014	SP500 45% BCIAGG 40% EAFE 9% R2000 6%
04/01/2002	SP500 45% BCAGG 40% EAFE 9% R2000 6%
04/01/1999	BCAGG 49% SP500 44% EAFE 7%
03/01/1995	BCGC 49% SP500 44% EAFE 7%
12/31/1978	SP500 53% BCGC 47%

Fixed Income Blend Index

01/01/2014	BCIAGG 100%
04/01/1999	BCAGG 100%
01/01/1987	BCGC 100%

Periods greater than 1 year are annualized
** Performance Start Date*

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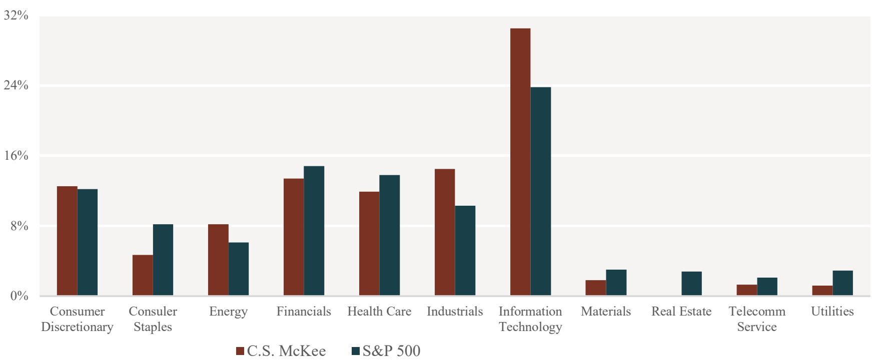
Large-Cap Core Equity

Portfolio Characteristics – at December 31, 2017

Benchmark Comparisons

	C.S. McKee	*S&P 500*	*Variance*
Number of Holdings	**49**	505	-456
Weighted Average Capitalization ($Mil)	**189,900**	183,255	6,645
Mean Capitalization ($Mil)	**136,260**	47,402	88,858
Median Capitalization ($Mil)	**66,807**	21,552	45,255
Yield (%)	**1.60**	1.87	-0.27
Beta (Volatility)	**1.08**	1.00	0.08
R-Squared (Risk due to Market)	**0.94**	1.00	-0.06
5-Year Standard Deviation (Variability)	**10.38**	9.49	0.89
Price-to-Book	**3.13**	3.11	0.02
Turnover (Trailing 12 Months) (%)	**5.6**		
Price-to-Earnings Ratios:			
Trailing 12-Month P/E Ratio	**21.9**	22.5	-0.6
2018 Forecast P/E Ratio	**18.1**	18.6	-0.5
2019 Forecast P/E Ratio	**16.2**	16.8	-0.6
EPS Growth - Next 5 Years (%)	**13.2**	11.5	1.7

Sector Allocation (GICS)



Best & Worst Contributors to Performance * / Top Holdings / Transactions

Top 5 Contributors	*% Contribution*	*% of Portfolio*
Microsoft	0.76	*5.18*
Intel	0.67	*3.38*
Apple	0.65	*5.20*
Wal-Mart	0.61	*2.64*
Deere	0.46	*2.15*

Btm 5 Contributors	*% Contribution*	*% of Portfolio*
Celgene	-0.98	*2.25*
General Electric	-0.41	*1.76*
Expedia	-0.27	*1.24*
Time Warner	-0.22	*1.75*
Gilead Sciences	-0.16	*1.16*

Top 10 Holdings		*% of Portfolio*
Alphabet-GOOG/GOOGL	GOOG	*5.23*
Apple	AAPL	*5.20*
Microsoft	MSFT	*5.18*
Honeywell	HON	*3.54*
Intel	INTC	*3.38*
Walt Disney	DIS	*2.65*
Wal-Mart Stores	WMT	*2.64*
JPMorgan Chase	JPM	*2.62*
Express Scripts	ESRX	*2.49*
Celgene	CELG	*2.25*

Transactions

Buys
- ***New:*** Facebook (FB)
- ***Add:*** Occidental Petroleum (OXY), Baker Hughes (BHGE), General Electric (GE)

Sales
- ***Full:*** Federated Investors (FII)
- ***Trim:*** Dell Technologies (DVMT), Apple (AAPL)

Market Capitalization

	C.S. McKee Stocks	*C.S. McKee* % of Portfolio	*S&P 500* Stocks	*S&P 500* % of Portfolio
Less than $5 Billion	**2**	***3.1***	13	*0.2*
$5 to $10 Billion	**2**	***2.8***	58	*1.9*
$10 to $25 Billion	**5**	***7.7***	212	*14.3*
$25 to $50 Billion	**9**	***15.8***	109	*16.0*
Over $50 Billion	**31**	***70.6***	113	*67.6*
Total	**49**	***100.0***	505	*100.0*

The above information is shown as supplemental information and complements the composite disclosure presentation. Please see full disclosure information at the end of this presentation.

Model accounts are used to produce characteristics and performance attribution for the C. S. McKee products. Adjustments are made to account for timing differences in the transactions and to balance to the actual time-weighted composite figure. Past security contributions to performance are not indicative of future results and client results may vary significantly.

** For information on the contribution calculation methodology and a list of every holding's contribution to the overall account's performance during the measurement period, please contact C. S. McKee at 412-566-1234.*

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INVESTMENT MANAGERS

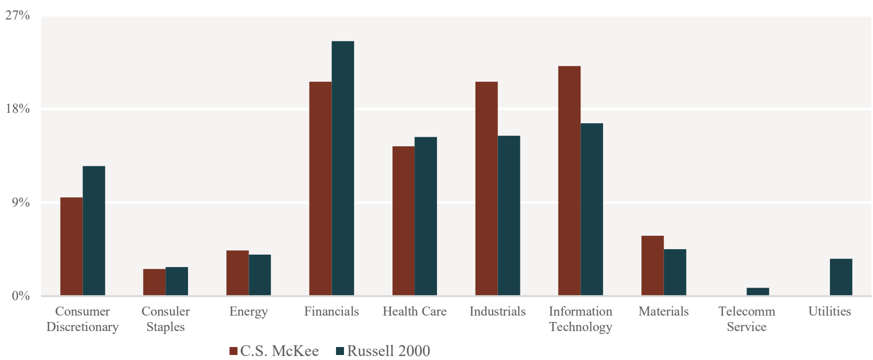
Small-Cap Core Equity

Portfolio Characteristics – at December 31, 2017

Benchmark Comparisons

	C.S. McKee	*Russell 2000*	*Variance*
Number of Holdings	**34**	1,983	-1,949
Weighted Average Capitalization ($Mil)	**2,349**	2,393	-44
Mean Capitalization ($Mil)	**2,186**	1,271	915
Median Capitalization ($Mil)	**1,750**	861	889
Yield (%)	**0.89**	1.27	-0.38
Beta (Volatility)	**0.92**	1.00	-0.08
R-Squared (Risk due to Market)	**0.88**	1.00	-0.12
5-Year Standard Deviation (Variability)	**12.81**	13.80	-0.99
Price-to-Book	**2.37**	2.41	-0.04
Turnover (Trailing 12 Months) (%)	**14.1**		
Price-to-Earnings Ratios:			
Trailing 12-Month P/E Ratio	**24.3**	29.3	-5.0
2018 Forecast P/E Ratio	**20.0**	26.4	-6.4
2019 Forecast P/E Ratio	**18.9**	21.2	-2.3
EPS Growth - Next 5 Years (%)	**14.4**	13.6	0.8

Sector Allocation (GICS)



Best & Worst Contributors to Performance * / Top Holdings / Transactions

Top 5 Contributors	*% Contribution*	*% of Portfolio*
EPAM Systems	0.72	*3.81*
Sun Hydraulics	0.62	*3.63*
Federated Investors	0.59	*3.15*
Chart Industries	0.59	*3.49*
United Natural Foods	0.39	*2.47*

Btm 5 Contributors	*% Contribution*	*% of Portfolio*
Navigators Group	-0.63	*3.07*
Prestige Brands	-0.45	*3.36*
Benchmark Electronics	-0.42	*2.37*
Semtech	-0.40	*4.13*
BancFirst	-0.26	*2.40*

Top 10 Holdings		*% of Portfolio*
Toro	TTC	*5.73*
Semtech	SMTC	*4.13*
EPAM Systems	EPAM	*3.81*
Forward Air	FWRD	*3.72*
Sun Hydraulics	SNHY	*3.63*
Chart Industries	GTLS	*3.49*
Lakeland Financial	LKFN	*3.44*
Supernus Pharma	SUPN	*3.39*
Cooper Standard	CPS	*3.39*
Prestige Brands	PBH	*3.36*

Transactions

Buys

Add: Matador Resources (MTDR)
Steven Madden (SHOO)

Market Capitalization

	C.S. McKee		*Russell 2000*	
	Stocks	*% of Portfolio*	*Stocks*	*% of Portfolio*
Less than $500 Million	**2**	***2.1***	648	*6.9*
$500 Million to $1 Billion	**4**	***9.7***	453	*12.6*
$1 Billion and Over	**28**	***88.2***	882	*80.5*
Total	**34**	***100.0***	1,983	*100.0*

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** For information on the contribution calculation methodology and a list of every holding's contribution to the overall account's performance during the measurement period, please contact C. S. McKee at 412-566-1234.*

CSMcKee INVESTMENT MANAGERS

International Equity

Portfolio Characteristics – at December 31, 2017

Benchmark Comparisons

	C.S. McKee	MSCI EAFE
Price-to-Book Value Ratio	**1.59**	1.75
Price-to-Earnings Ratios:		
Trailing 12-Month P/E Ratio	**16.9**	19.0
Forward 12-Month P/E Ratio**	**13.6**	15.5
Earnings Per Share Growth Rate		
5 Year EPS Forecast**	**11.6%**	10.5%
Holdings	**47**	928
Markets	**14**	21
Market Cap Range	**$2.6 to $220.9 Bill.**	$1.3 to $267.6 Bill.
Weighted Avg. Market Cap	**$53.0 Billion**	$59.6 Billion
Median Maket Cap	**$47.7 Billion**	$8.0 Billion
ADRs	**8.7%**	0.0%

Country Allocations

Country	C.S McKee* (%)	MSCI EAFE (%)	Variance
AUSTRALIA	6.58	6.93	-0.35
AUSTRIA	0.00	0.26	-0.26
BELGIUM	0.00	1.10	-1.10
DENMARK	0.00	1.83	-1.83
FINLAND	0.00	0.93	-0.93
FRANCE	13.07	10.68	2.39
GERMANY	4.06	9.83	-5.77
HONG KONG	3.53	3.57	-0.04
IRELAND	0.00	0.49	-0.49
ISRAEL	1.69	0.47	1.22
ITALY	4.54	2.34	2.20
JAPAN	23.45	24.04	-0.59
NETHERLANDS	0.00	3.57	-3.57
NEW ZEALAND	0.00	0.17	-0.17
NORWAY	1.26	0.66	0.60
PORTUGAL	0.00	0.15	-0.15
SINGAPORE	1.82	1.33	0.49
SPAIN	3.93	3.12	0.81
SWEDEN	5.22	2.69	2.53
SWITZERLAND	6.77	8.03	-1.26
TAIWAN	3.93	0.00	3.93
UNITED KINGDOM	16.05	17.81	-1.76
CASH	4.10	0.00	4.10
Total	**100.00**	***100.00***	

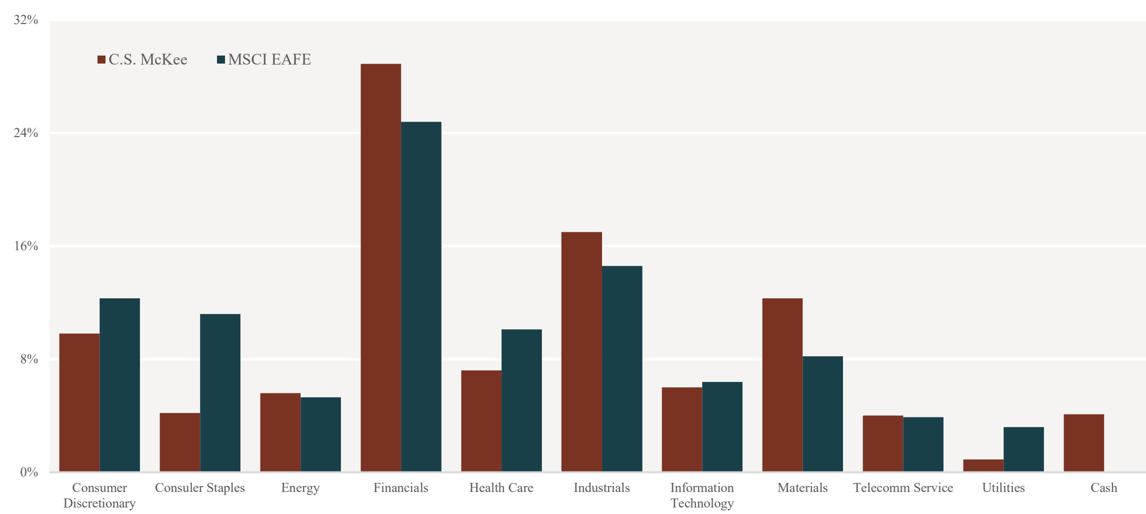
Allocations

*Top 10 Countries**	*% of Portfolio*
Japan	23.45
United Kingdom	16.05
France	13.07
Switzerland	6.77
Australia	6.58
Sweden	5.22
Italy	4.54
Germany	4.06
Spain	3.93
Taiwan	3.93
Total	**87.60**

*Top 10 Holdings**	*% of Portfolio*
Faurecia	3.59
Volvo B	3.45
Allianz SE	3.32
Intesa SanPaolo	3.06
AXA	3.04
Diageo	2.99
Komatsu	2.91
Nordea Bank	2.81
CSL FPO	2.79
Glencore	2.76
Total	**30.72**

*Geographic Distribution**	
Europe	60%
Japan	24%
Non-Japanese Asia	5%
Australia	7%
Israel	0%
Dev. Markets (10% Max.)	4%

Weighting by Economic Sector* *(Period-ending weights using GICS sectors)*



** Holdings subject to risk. Holdings and allocations subject to change. For information, please contact C. S. McKee at 412-566-1234.*

*** Forward P/E Ratio divides a stock's current price by its estimate future earnings per share; it is calculated using consensus earnings estimates for the upcoming quarters. 5 Year Earnings Growth provides an estimate of how much analysts believe earnings will grow over the next 5 year period. Forward P/E Ratio and 5 Year Earnings Growth are not a forecast of the product's future performance.*

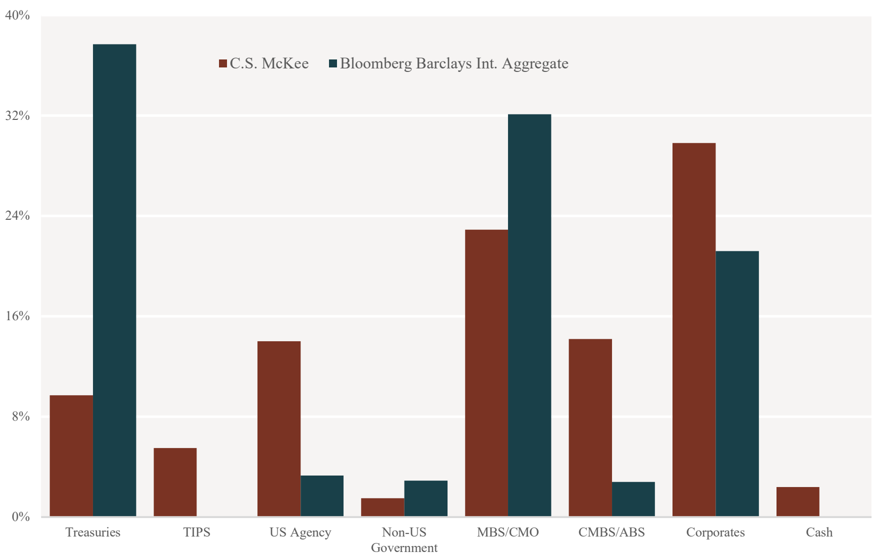
Intermediate Aggregate Fixed Income

Portfolio Characteristics – at December 31, 2017

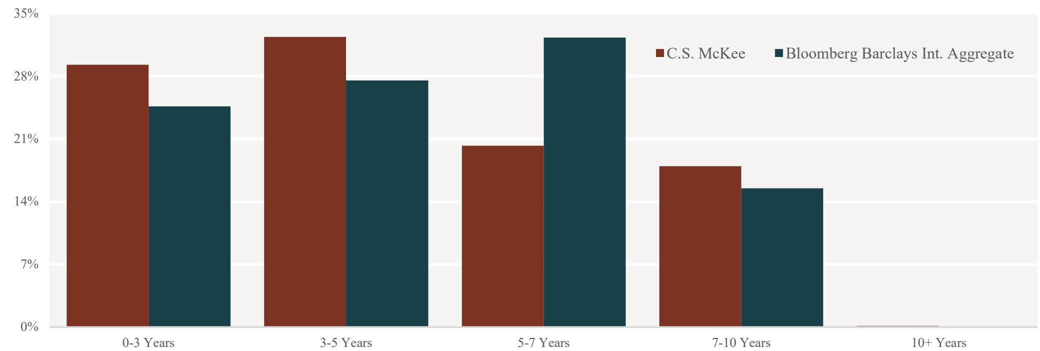
Benchmark Comparisons	*C.S. McKee*	*Bloomberg Barclays Int. Aggregate*	*Variance*
Effective Duration	**3.83 yrs**	4.17 yrs	*-0.34 yrs*
Average Convexity	**-0.16**	-0.18	*0.02*
Average Maturity	**4.51 yrs**	4.80 yrs	*-0.29 yrs*
Yield to Maturity	**2.62 %**	2.53 %	*0.09 %*
Average Coupon	**2.76 %**	2.82 %	*-0.06 %*
Average Quality	**Aa1**	Aa2	*N/A*

Top 10 Largest Holdings*	*Coupon*	*Maturity*	*Sector*	*% of Portfolio*
UNITED STATES TREAS NTS I/L	0.375	01/15/2027	Treasury	2.67
UNITED STATES TREAS NTS I/L	0.625	01/15/2026	Treasury	2.37
UNITED STATES TREAS NTS	1.875	07/31/2022	Treasury	2.01
UNITED STATES TREAS NTS	1.875	10/31/2022	Treasury	1.79
FNMA POOL - BC6009	3.500	05/01/2046	MBS	1.64
UNITED STATES TREAS NTS	1.750	04/30/2022	Treasury	1.59
UNITED STATES TREAS NTS	2.000	06/30/2024	Treasury	1.51
UNITED STATES TREAS NTS	1.500	08/15/2026	Treasury	1.45
FNMA POOL - BC1158	3.500	02/01/2046	MBS	1.39
AMERICAN EXPRESS CENTRN	2.300	04/05/2021	FDIC CD	1.32

Sector Allocation



Term Structure



** Holdings subject to risk. Holdings and allocations subject to change. The securities identified and described do not represent all of the securities purchased, sold, or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. For information on the contribution calculation methodology and a list of every holding's contribution to the overall account's performance during the measurement period, please contact C. S. McKee at 412-566-1234.*

The above information is supplemental and complements the composite disclosure presentation at the end of this document, which includes net-of-fee returns for all periods presented. For additional information, contact C. S. McKee at 412-566-1234.

Large-Cap Core Equity, Fourth Quarter, 2017

The C.S. McKee Large-Cap Core Equity composite's return of 7.42% outperformed the S&P 500's return of 6.64% by 78 basis points in the quarter.

- ***What worked for the strategy over the quarter?***

Stock selection within, as well as an overweight to, the Information Technology sector combined to add 93 basis points to relative performance in the quarter. In particular, semiconductor manufacturer, Intel, saw its shares rise 22% in the fourth quarter. The strong showing was due to outperformance in their Data Center Group, which is closely watched by Wall Street. Also, full-year guidance was raised for the third consecutive quarter. The stock added 25 basis points to performance.

Global software provider, Microsoft, also outperformed the sector return with shares rising more than 15%. Cloud revenues remained strong and the personal computing segment came in at the high-end of their guidance. Margins have also improved as they are capitalizing on the economies of scale in their cloud business, particularly with the Azure platform. The stock added 10 basis points to performance.

Stock selection within the Industrials sector added 42 basis points to performance. Shares of farm equipment manufacturer Deere & Company, harvested a 25% return during the quarter. The company has benefitted from increased global demand for heavy equipment and increased sales in South America. The stock added 30 basis points to performance.

Finally, within the Financials sector, shares of credit card provider, Discover Financial Services, rose nearly 20% in the quarter. The company is one of the greatest beneficiaries in the Financials sector from the new corporate tax cut. With its domestic-based credit card and loan portfolios the company will see its effective tax rate reduced by the full 14% cut. This will add over 20% to 2018 earnings. The stock added 17 basis points to performance.

- ***What didn't work for the strategy over the quarter?***

Headwinds in the quarter came primarily from the Consumer Discretionary sector which cost the portfolio 80 basis points. The majority of the underperformance could be attributed to two holdings. The market had apparent reservations about travel agency provider, Expedia, sending its shares lower by nearly 17%. Hurricanes Harvey and Irma significantly impacted travel reservations as room-nights-stayed grew at an anemic 16% in the third quarter. The stock cost the portfolio 39 basis points.

At the same time, shares of media and entertainment provider, Time Warner, flopped in the fourth quarter, falling 10%. The company's acquisition by AT&T has run into unexpected government scrutiny. The stock cost the portfolio 33 basis points.

(continued)

Sector Positions

Equal-weight Consumer Discretionary: *We have been extremely selective in the names we want to own, as valuations are attractive but, an uncertain earnings environment, especially in retail, has kept us at an equal-weight position.*

Underweight Consumer Staples: *We believe the sector is overvalued given the low growth expectations relative to valuations.*

Overweight Energy: *With supply and demand increasingly approaching a balanced position and global growth increasing, we recently increased our energy weighting to an overweight position.*

Underweight Financials: *While we are underweight the sector, we are overweight mega-cap banks, as we anticipate they will benefit from interest rate normalization.*

Underweight Health Care: *We expect health care services companies and established biotech companies to outperform large pharmaceutical drug companies.*

Overweight Industrials: *As global economies grow and companies are more willing to invest in infrastructure, industrial stocks should outperform the overall market.*

Overweight Information Technology: *Valuations are still attractive given the growth expectations of the sector.*

Underweight Materials: *We have not seen enough evidence to change our stance on the Materials sector. The recent rebound in prices, may prove lasting if global growth shows signs of acceleration. This could potentially cause a reevaluation of our stance.*

Underweight REITS: *Continue to be extremely overvalued and are less attractive as a bond surrogate in a rising rate environment.*

Underweight Telecomm: *We will remain underweight, as low growth expectations make this interest rate sensitive sector unattractive.*

Underweight Utilities: *Trading is at valuations well above historical norms driven by their overweight in dividend oriented ETFs.*

Large-Cap Core Equity, Fourth Quarter, 2017

- ***For the full year:***

The C.S. McKee Large-Cap Core Equity composite's return of 19.40% underperformed the S&P 500's return of 21.83% by 243 basis points. The majority of the underperformance can be attributed to the Consumer Discretionary sector which cost the portfolio 282 basis points. Sporting goods retailer, Dick's Sporting Goods was down nearly 45% in 2017 and cost the portfolio 186 basis points. The company has suffered as suppliers look to broaden their sales channels and lower prices. The result has been a profit margin squeeze on the company. We believe the development of internal brands and a better supply/demand model by athletic wear makers will allow the stock to outperform its peers.

The Financials and Health Care sectors combined to detract 241 basis points from performance. Insurance company, AIG, took a breather this year as unfavorable Commercial Property & Casualty underwriting the past few years lowered earnings. New CEO, Brian Duperrault, with successful turnarounds at ACE and Marsh McLennan, is addressing those issues and should revive the recovery. This low expectation stock has the lowest price to book ratio in the industry, therefore any reasonable improvement in operations should meaningfully move the stock price. The stock declined 7% for the year and cost the portfolio 56 basis points.

Within the Health Care sector, shares of physician resource provider, Mednax, fell 20% for the year. Lower birth rates and lower surgical-patient volumes were the primary issues driving the stock lower. The company has been executing on an M&A strategy that we believe will contribute to growth going forward and activist investor interest should continue to spur action to improve performance. The stock cost the portfolio 73 basis points.

- ***How is the portfolio positioned?***

Growth easily outperformed value in 2017, and our overweight position to the higher growth sectors benefitted the portfolio. Valuation factors started to matter in the second half of the year after the FOMC announced that balance sheet normalization would begin in October and be on autopilot thereafter. We are going to remain overweight the high-growth sectors such as Information Technology and Industrials and underweight the high-yielding (low growth) sectors such as Consumer Staples and Utilities. Information Technology stocks are currently trading at a forward P/E multiple of 18.6x versus Consumer Staples and Utilities stocks which are trading at 19.9x and 17.4x respectively. We expect interest rates will continue to rise, with the Federal Reserve projected to raise rates three times this year. Inflation expectations are also slowly rising, as the 10-year inflation break-even rate, which reflects the yield premium on the 10-year U.S. Treasury note over the comparable Treasury Inflation-Protected Security, recently rose above 2% for the first time in over nine months. The bond proxy sectors typically underperform when interest rates rise, and we are well positioned to benefit from this trend.

Small-Cap Core Equity, Fourth Quarter, 2017

The C.S. McKee Small-Cap Core Equity composite's return of 3.27% underperformed the Russell 2000's return of 3.34% by 7 basis points in the quarter.

- ***What worked for the strategy over the quarter?***

The Energy and Industrials sectors combined to add 82 basis points to performance in the quarter. Within the Energy sector, shares of Navios Maritime Midstream Partners, an owner operator of tankers for the petroleum industry, saw its shares surge by 34% in the final three months of the year. The company benefitted from rising oil prices. A robust global economy elevated tanker rates, which in turn drove profitability higher. The stock added 26 basis points to performance.

Within the Industrials sector, shares of Sun Hydraulics, a manufacturer of integrated fluid power packages, saw its shares rise 20% in the fourth quarter as the improving global economy fueled demand for construction equipment. The stock added 41 basis points to performance.

- ***What didn't work for the strategy over the quarter?***

Headwinds came from the Health Care and Information Technology sectors which combined to detract 110 basis points from performance. Within the Health Care sector, shares of Prestige Brands, a distributor of over-the-counter healthcare and household cleaning supplies, saw its shares fall by 11% in the final three months of the year. Concerns with retail consolidation and the threat of online purchasing have weighed on the stock. We see the company's performance turning around in an improving economy. The stock cost the portfolio 53 basis points.

Within the Information Technology sector shares of Benchmark Electronic, a global provider of integrated electronic manufacturing services, fell 15% after the company guided fourth quarter earnings lower. We expect gross margins to improve given a sales mix that favors their higher-value businesses. The stock cost the portfolio 45 basis points.

(continued)

Sector Positions

Underweight Consumer Discretionary: *We have been extremely selective in the names we want to own, as valuations are attractive but, an uncertain earnings environment, especially in retail, has kept us underweight.*

Underweight Consumer Staples*: We believe the sector is overvalued given the low growth expectations relative to valuation.*

Equal-weight Energy: *With supply and demand increasingly approaching a balanced position and global growth increasing, we recently increased our energy weighting to an equal-weight position.*

Underweight Financials: *Banks should continue to benefit from a rising interest rate environment. We have no exposure to REITs as they remain extremely overvalued and are the source of our underweight to the overall sector.*

Underweight Health Care: *Overweight small-cap pharmaceutical companies while underweighting speculative biotech companies.*

Overweight Industrials: *As global economies grow and companies are more willing to invest in infrastructure, industrial stocks should outperform the overall market.*

Overweight Information Technology: *Overweight the more established small-cap technology companies while avoiding the speculative, high P/E (or negative P/E) companies.*

Overweight Materials: *We are overweight the paper and chemicals industries, while underweighting the metals and mining industry The recent rebound in metals prices may prove lasting if global growth shows signs of acceleration. This could potentially cause a reevaluation of our stance.*

Underweight Telecomm: *We will remain underweight, as low growth expectations make this interest rate sensitive sector unattractive.*

Underweight Utilities: *Trading at expensive valuations given the growth prospects.*

Small-Cap Core Equity, Fourth Quarter, 2017

- ***For the full year:***

The C.S. McKee Small-Cap Core Equity composite's return of 15.23% outperformed the Russell 2000's return of 14.65% by 58 basis points for the year-to-date period. Strength came from the Industrials and Energy sectors which combined to add 319 basis points to performance.

Within the Industrials sector, shares of Sun Hydraulics (mentioned above) rose more than 66%, on the heels of accelerated industrial production and consumer spending. The stock added 107 basis points to performance.

The performance contribution from the Energy sector was split nearly evenly between stock selection and our relative underweight to the sector versus the index.

The Information Technology sector was a slight drag on performance (-77 basis points) attributable mostly to shares of Synaptics, which were down 25% in 2017 and cost the portfolio 133 basis points. The company is experiencing headwinds as they transition to next-generation touch-and-display drivers. We feel that the sell-off is overdone with the stock now trading at 9x forward earnings.

- ***How is the portfolio positioned?***

Growth easily outperformed value in 2017, and our overweight position to the higher growth sectors benefited the portfolio. We are going to remain overweight the high-growth sectors such as Information Technology and Industrials and underweight the high-yielding (low growth) sectors such as Telecomm and Utilities. We expect interest rates will continue to rise, with the Federal Reserve projected to raise rates three times this year. Inflation expectations are also slowly rising, as the 10-year inflation break-even rate, which reflects the yield premium on the 10-year U.S. Treasury note over the comparable Treasury Inflation-Protected security, recently rose above 2% for the first time in over nine months. The bond proxy sectors typically underperform when interest rates rise, and we are well positioned to benefit from this trend.

INVESTMENT MANAGERS

Strategy Overview

International Equity Fourth Quarter, 2017

The C.S. McKee International Equity Fund's return of 5.04% outperformed the Morgan Stanley EAFE's return of 4.23% by .81% in the quarter (net basis). For the full year the portfolio outperformed the index by 1.21% on a net basis and has outperformed by 2.46% on a gross basis.

- ***What worked for the strategy over the quarter:***

Holdings in Asia contributed positively in the quarter. In the Hong Kong market, China Eastern Airlines returned 48% and helped propel the fund's exposure to a .62% relative outperformance. Similarly, holdings in Japan contributed .37% to relative performance. Komatsu, a Japanese heavy equipment manufacturer returned 27% in the quarter. To a lesser extent, holdings in the UK, where the fund is underweight, contributed to relative outperformance. Glencore, a global mining concern, continued to perform well, advancing 14%. It was joined by Diageo and Vodafone, both of which have strong presences in emerging markets, where economies are poised to grow strongly as developed markets' economies accelerate.

- ***What didn't work for the strategy over the quarter:***

The weakest markets in the quarter on a relative basis were Sweden and Australia. Both markets were dragged down by exposure to the Financial sector. In Sweden, Nordea banking group underperformed and declined by 11%. In Australia, ANZ Bank finished the quarter with a -1% return, causing our Australian exposure to underperform by 15 bps. Additionally, shares of Hon Hai, listed in Taiwan where the portfolio has its only direct emerging markets exposure, fell 9% in the quarter, weighing on overall relative performance.

- ***How is the portfolio positioned?***

The portfolio is globally diversified, with approximately 39% in Asia (EAFE 36%), 57% in Europe/Mideast (EAFE 64%) and 4% in cash. Within Asia, Japan has a 23% weighting (EAFE 24%). Within Europe, the UK represents the largest percentage of holdings at 16% (EAFE 18%), followed by France and Switzerland at 13% and 7%, respectively (EAFE 11% and 8%, respectively). The global economy is positioned for accelerated growth. Recent US tax reform has unleashed a wave of optimism in the markets. It is reasonable to expect a modest burst of accelerated US GDP in the wake of positive market returns and lower personal tax bills. This should translate into increased economic activity abroad, which bodes well for global markets.

Market Positions

Overweight Asia: *Japan continues to see better economic growth. Asia overall continues to benefit from an improvement in the Chinese economy.*

Underweight UK: *While global economies move untethered, Britain remains hamstrung by its Brexit negotiations. Some prominent politicians still argue for a reversal before the March,, 2019 deadline.*

Underweight Continental Europe: *2018 could be a strong year for the Continent, as such, this stance argues for review. With a low interest rate environment we are seeing economic growth accelerate.*

The above information is supplemental and complements the composite disclosure presentation at the end of this document, which includes net-of-fee returns for all periods presented. For additional information, contact C. S. McKee at 412-566-1234.

Intermediate Aggregate Fixed Income, Fourth Quarter, 2017

Expansive monetary policy paved over ephemeral concerns including missiles and cyberattacks from North Korea, fallout from Brexit, and the reemergence of inflation, driving equity and other risk markets to record levels in 2017. No doubt synergies from similar scenarios in Europe and Asia boosted domestic returns, unfazed by the planned reduction in monetary stimulus that was widely expected as the year began. The last minute passage of tax reform promises to continue fueling the speculative fire as we begin 2018.

Treasury yields pivoted around the stable 10-year maturity last year, with two-year notes rising 70 basis points to 1.89%, the highest level since September 2008. The 30-year bond yield fell 32 basis points, resulting in the flattest yield curve in just over 10 years. The Fed increased the Funds rate three times in 2017, and the survey of Fed Governors implies an equal number of additional hikes this year. Market expectations currently discount two moves this year, a relatively comfortable hurdle given the levels of economic growth, inflation, and the easy financial conditions still in place.

In a muted repeat of 2016, all spread sectors outperformed Treasuries last year, paced by the corporate sector's 331 basis points of excess return. The more economically sensitive Basic Materials group topped the list, while "BBB" credits were the best performing securities sorted by ratings. While our bias away from BBB's dampened relative returns, that headwind was offset by strong security selection and an overweight to the sector.

Weighed down by the fear of reduced Fed purchases, the mortgage sector nonetheless benefitted from low interest rate volatility, and outperformed Treasuries by 50 basis points. 70% of that alpha came in September, as the Fed confirmed the timing and dollar amount of the planned reduction. The drag on our relative performance from an underweight to this sector was offset by the 67 basis points of alpha produced by agency debentures.

TIPS responded favorably to the economic data, outperforming nominal Treasuries by 1% and adding 4 to 6 basis points to portfolio returns in the fourth quarter. We expect this trend to continue into the first half of 2018, before reaching a midyear plateau.

As we outline in our economic review, the backdrop for continued growth and an upward trend in inflation should support further gains in equity prices and tightening yield spreads. That said, we do not expect repeat gains/moves of similar magnitude or consistency as witnessed in 2017. Nonetheless, we continue to modestly overweight credit and agency holdings, careful to maintain dry powder if and when more attractive opportunities present themselves. We patiently await an upswing in volatility and foresee several possible sources for at least temporary market hiccups, including the U.S. Congressional elections, the Russia probe and other geopolitical events involving North Korea, Italy, Venezuela or sources unknown. Duration remains short of benchmark levels, as principal preservation remains our primary focus in a period of rising rates.

Portfolio Positions

Duration: *We further reduced duration in the fourth quarter, underweighting the 1-year to 5-year part of the yield curve.*

U.S. Treasuries: *TIPS continue to add value as breakeven spreads widen. 10-year TIPS breakeven targets are 2.10% and 2.30% versus the year-end level of 1.98%.*

Spread Sectors: *The credit overweight continues, marked by an increased allocation to ABS for most client portfolios. Though risk is elevated with yield spreads at their tightest levels in many years, we expect continued outperformance from high quality spread product versus Treasuries.*

***The U-3 Unemployment Rate held steady** at 4.1% through the fourth quarter. Year-over-year average hourly earnings continued to disappoint and finished the year at 2.5%. Many of the FOMC participants still expect wage pressures to increase as unemployment drops, which will eventually flow through into higher inflation.*

***Congress passed the Tax Cuts and Jobs Act** which reduced the corporate tax rate to 21%, lowered personal income taxes, and reduced interest and state tax deductions. The economic impact of the cut is expected to be modest, boosting GDP in 2018 and 2019 by roughly 0.5%. Beyond the first two years, economic growth is expected to slow due to worsening Federal government budget deficits, rising debt levels, and higher borrowing costs.*

***The ECB will cut their monthly purchases** to €30 billion from €60 billion starting in January, while also extending the program through September 2018. German 10yr Bund yields fell on the news and remain in a tight range between 0.20% and 0.50%. We expect Bund yields to rise later in 2018 as unfavorable supply/demand fundamentals weigh on German bond prices.*

***FOMC projections look for three hikes** in 2018 compared with market based projections of only two increases in the Federal Funds Rate. Jerome Powell will assume the lead at the Fed with Carnegie Mellon Professor Marvin Goodfriend also joining the board. Overall, the composition of the FOMC will tilt slightly more hawkish in 2018 versus 2017 with dovish members Charles Evans and Neel Kashkari replaced by John Williams and Raphael Bostic.*

More of the Same to Start 2018

Strong labor markets, steadily rising equity values, and the vigilant wait to see domestic inflation tick up towards the FOMC's two-percent target will be the themes for early 2018. Similar to the bullish start of 2017, on the back of President Trump's proposed economic plans, the start of this year will be boosted by the recently passed tax bill. Expectations have grown for a modest boost to GDP growth for the upcoming year and for wages to finally accelerate, as anticipated by traditional Phillip's Curve models. Growth and inflation expectations are also picking up *outside* the US, allowing the central banks in the EU and Japan to consider removing the extraordinary monetary accommodation in place for the past several years. Can low volatility and a benign economic environment last? We expect that they will – at least for the start of 2018 – until inflationary forces finally emerge later in the year and allow global central banks to continue normalizing monetary policy.

At the beginning of 2017, the Fed's preferred inflation gauge – the Core PCE Price Index – stood at 1.7%, before bottoming at 1.3% by late summer. During this decline, the Fed looked through the weakness, declaring that the dip in inflation was due to 'transitory' factors such as lower airfares and wireless phone plans. These transitory forces should start to fade around the second quarter of 2018, relieving part of the downward pressure on inflation. Current median forecasts look for Core PCE inflation to climb back to 1.7% by the end of 2018, and, if realized, will give the FOMC confidence that prices are moving in the correct direction. In Europe, inflationary pressures have returned, with HICP inflation around 1.5% and expected to continue growing in 2018. Even in Japan, the country synonymous with deflation, prices have begun to move higher after years of fiscal and monetary stimulus.

If these nascent price pressures in the US, EU, and Japan continue to move higher in 2018, central banks will be able to continue normalizing monetary policy. We believe that the current economic environment is ripe for higher prices and expect that inflation will move towards the Fed's target this year. Low unemployment, accommodative financial conditions, a weakening dollar, and strong business surveys all point to higher prices this year. Recently enacted tax cuts at a time of above potential GDP growth and full employment – the antithesis of Keynesian economics – will provide further fuel to rising prices in 2018.

While we await clarity regarding the return of inflation, we expect volatility to remain low and risky assets to outperform. Continued strength in global labor markets and firm demand for higher yielding assets will keep asset prices rising steadily. If the inflation story plays out as expected, the calm that the markets have experienced over the past year will likely end, as central banks drain liquidity from the markets. In this scenario, we expect the Fed to hike four times – not three – and surprise the market with its hawkish outlook. A halt to QE in Europe and the end of yield curve control in Japan later this year will mark the first concerted tightening by central banks since prior to the financial crisis. The themes that are likely to persist in early 2018 – low volatility and risky asset outperformance – will give way later in the year, as global central banks become less market friendly.

Investment Summary - at 12/31/2017

94300

Asset Class	*Total Cost*	*Weight at Cost*	*Market Value*	*Accrued Income*	*Total Value*	*Weight at Market*
Domestic Equity	$54,848,360.79	40.49%	$91,102,810.72	$70,095.40	**$91,172,906.12**	**52.34%**
International Mutual Funds	$16,620,364.26	12.27%	$19,027,345.56	$0.00	**$19,027,345.56**	**10.92%**
Fixed Income	$61,133,402.54	45.13%	$60,818,831.55	$303,024.62	**$61,121,856.16**	**35.09%**
Cash	$2,854,877.19	2.11%	$2,854,877.19	$0.00	**$2,854,877.19**	**1.64%**
Total Portfolio	$135,457,004.78	100.00%	$173,803,865.02	$373,120.02	**$174,176,985.04**	**100.00%**

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Domestic Equity											
Consumer Discretionary											
BORG WARNER INC	COMMON		24,700.00	39.01	963,665.34	0.71%	51.09	1,261,923.00	0.00	1,261,923.00	0.72%
CHEESECAKE FACTORY	COMMON		6,200.00	43.54	269,925.35	0.20%	48.18	298,716.00	0.00	298,716.00	0.17%
COOPER-STANDARD HLDS	COMMON STOCK		3,200.00	60.47	193,500.80	0.14%	122.50	392,000.00	0.00	392,000.00	0.23%
DICKS SPORTING GOODS	COMMON		39,500.00	49.75	1,965,041.96	1.45%	28.74	1,135,230.00	0.00	1,135,230.00	0.65%
WALT DISNEY CO	COMMON		19,460.00	22.39	435,719.21	0.32%	107.51	2,092,144.60	18,110.40	2,110,255.00	1.21%
EXPEDIA INC	COMMON		8,200.00	107.35	880,288.04	0.65%	119.77	982,114.00	0.00	982,114.00	0.56%
MADDEN STEVEN LTD	COM		7,650.00	35.21	269,361.65	0.20%	46.70	357,255.00	0.00	357,255.00	0.21%
MARRIOTT INTL INC	CLASS A		11,300.00	72.04	814,035.05	0.60%	135.73	1,533,749.00	0.00	1,533,749.00	0.88%
STARBUCKS CORP	COMMON		27,100.00	13.20	357,732.20	0.26%	57.43	1,556,353.00	0.00	1,556,353.00	0.89%
TIME WARNER INC	COMMON		14,900.00	74.72	1,113,313.10	0.82%	91.47	1,362,903.00	0.00	1,362,903.00	0.78%
Consumer Staples											
UNITED NAT FOODS INC	COMMON		5,800.00	32.26	187,089.77	0.14%	49.27	285,766.00	0.00	285,766.00	0.16%
WAL MART STORES INC	COMMON		19,500.00	51.03	995,155.30	0.73%	98.75	1,925,625.00	10,455.00	1,936,080.00	1.11%
WALGREENS BOOTS ALNC	COMMON		24,900.00	47.81	1,190,516.70	0.88%	72.62	1,808,238.00	0.00	1,808,238.00	1.04%
Energy											
BAKER HUGHES A GE CO	CL A COMMON ST		31,600.00	49.54	1,565,373.80	1.16%	31.64	999,824.00	0.00	999,824.00	0.57%
CHEVRON CORP	COMMON		7,500.00	58.24	436,799.43	0.32%	125.19	938,925.00	0.00	938,925.00	0.54%
EOG RESOURCES INC	COMMON		16,200.00	99.66	1,614,428.56	1.19%	107.91	1,748,142.00	0.00	1,748,142.00	1.00%
MARATHON PETROLEUM	COMMON		18,200.00	42.70	777,097.23	0.57%	65.98	1,200,836.00	0.00	1,200,836.00	0.69%
MATADOR RESOURCES	COMMON		10,500.00	27.26	286,239.66	0.21%	31.13	326,865.00	0.00	326,865.00	0.19%
OCCIDENTAL PETE CORP	COMMON		24,800.00	74.07	1,836,949.81	1.36%	73.66	1,826,768.00	19,096.00	1,845,864.00	1.06%
NAVIOS MARITIME MIDS	LP COM UNIT LTD		16,200.00	10.71	173,520.58	0.13%	9.52	154,224.00	0.00	154,224.00	0.09%

CSMcKee INVESTMENT MANAGERS

Lackawanna County Employees' Retirement Fund

Position Detail - at 12/31/2017

94300

Description	*Issue*	*Rating*	*Shares*	*Unit Cost*	*Total Cost*	*Weight at Cost*	*Market Price*	*Market Value*	*Accrued Income*	*Total Value*	*Weight at Market*
Financials											
AMERN INTL GROUP INC	COMMON		23,700.00	38.49	912,103.98	0.67%	59.58	1,412,046.00	0.00	1,412,046.00	0.81%
BANCFIRST CORP	COMMON		5,400.00	21.64	116,836.52	0.09%	51.15	276,210.00	1,134.00	277,344.00	0.16%
BANK OF NEW YORK MEL	COMMON		28,000.00	27.33	765,196.14	0.56%	53.86	1,508,080.00	0.00	1,508,080.00	0.87%
DISCOVER FINL SVCS	COMMON		20,500.00	58.38	1,196,863.80	0.88%	76.92	1,576,860.00	0.00	1,576,860.00	0.91%
FEDERATED INVS INC	CLASS B		10,100.00	28.18	284,572.86	0.21%	36.08	364,408.00	0.00	364,408.00	0.21%
FIRST INTST BANCSYS	CLASS A		7,900.00	37.51	296,312.44	0.22%	40.05	316,395.00	0.00	316,395.00	0.18%
GOLDMAN SACHS GROUP	COMMON		6,000.00	133.91	803,463.00	0.59%	254.76	1,528,560.00	0.00	1,528,560.00	0.88%
HANCOCK HLDG CO	COMMON		5,114.00	33.97	173,746.93	0.13%	49.50	253,143.00	0.00	253,143.00	0.15%
JPMORGAN CHASE & CO	COMMON		18,000.00	34.65	623,661.93	0.46%	106.94	1,924,920.00	0.00	1,924,920.00	1.11%
LAKELAND FINL CORP	COMMON		8,400.00	8.84	74,251.98	0.05%	48.49	407,316.00	0.00	407,316.00	0.23%
MVC CAPITAL	COMMON		8,000.00	12.16	97,293.91	0.07%	10.56	84,480.00	1,200.00	85,680.00	0.05%
NAVIGATORS GROUP INC	COMMON		7,200.00	24.51	176,452.52	0.13%	48.70	350,640.00	0.00	350,640.00	0.20%
PRA GROUP INC	COMMON		7,300.00	15.95	116,460.82	0.09%	33.20	242,360.00	0.00	242,360.00	0.14%
T ROWE PRICE GRP	COMMON		14,100.00	82.28	1,160,200.17	0.86%	104.93	1,479,513.00	0.00	1,479,513.00	0.85%
WELLS FARGO & CO	COMMON		22,700.00	29.14	661,507.51	0.49%	60.67	1,377,209.00	0.00	1,377,209.00	0.79%
Health Care											
ABBOTT LABS	COMMON		21,200.00	31.05	658,261.28	0.49%	57.07	1,209,884.00	0.00	1,209,884.00	0.69%
ANIKA THERAPEUTICS	COMMON		4,900.00	44.48	217,961.07	0.16%	53.91	264,159.00	0.00	264,159.00	0.15%
CELGENE CORP	COMMON		19,200.00	28.77	552,378.24	0.41%	104.36	2,003,712.00	0.00	2,003,712.00	1.15%
CENTENE CORP DEL	COMMON		10,600.00	75.94	804,952.34	0.59%	100.88	1,069,328.00	0.00	1,069,328.00	0.61%
EXPRESS SCRIPTS HLDG	COMMON		31,116.00	61.49	1,913,285.30	1.41%	74.64	2,322,498.24	0.00	2,322,498.24	1.33%
GILEAD SCIENCES INC	COMMON		14,900.00	66.26	987,233.77	0.73%	71.64	1,067,436.00	0.00	1,067,436.00	0.61%
HUMANA INC	COMMON		4,400.00	179.37	789,221.84	0.58%	248.07	1,091,508.00	1,760.00	1,093,268.00	0.63%
LANNETT CO INC	COM		8,600.00	32.96	283,448.00	0.21%	23.20	199,520.00	0.00	199,520.00	0.11%
MEDNAX INC	COMMON		17,500.00	59.98	1,049,637.27	0.77%	53.44	935,200.00	0.00	935,200.00	0.54%

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Health Care											
MYRIAD GENETICS INC	COMMON		10,100.00	25.82	260,799.43	0.19%	34.35	346,884.50	0.00	346,884.50	0.20%
PRESTIGE BRANDS HLDG	COMMON		8,700.00	9.51	82,775.10	0.06%	44.41	386,367.00	0.00	386,367.00	0.22%
SUPERNUS PHARMACEU	COMMON		9,900.00	17.78	176,013.09	0.13%	39.85	394,515.00	0.00	394,515.00	0.23%
Industrials											
CHART INDS INC	COMMON		8,600.00	35.81	307,969.88	0.23%	46.86	402,996.00	0.00	402,996.00	0.23%
DEERE & CO	COMMON		10,300.00	84.27	868,006.06	0.64%	156.51	1,612,053.00	6,180.00	1,618,233.00	0.93%
DOVER CORP	COMMON		12,500.00	33.12	414,044.28	0.31%	100.99	1,262,375.00	0.00	1,262,375.00	0.72%
FORWARD AIR CORP	COMMON		7,450.00	20.48	152,564.36	0.11%	57.44	427,928.00	0.00	427,928.00	0.25%
GENERAL ELECTRIC CO	COMMON		84,500.00	14.89	1,258,333.82	0.93%	17.45	1,474,525.00	10,140.00	1,484,665.00	0.85%
HONEYWELL INTL INC	COMMON		18,300.00	50.92	931,918.22	0.69%	153.36	2,806,488.00	0.00	2,806,488.00	1.61%
KENNAMETAL INC	COMMON		29,200.00	37.22	1,086,819.66	0.80%	48.41	1,413,572.00	0.00	1,413,572.00	0.81%
LINDSAY CORP	COMMON		4,100.00	56.06	229,848.63	0.17%	88.20	361,620.00	0.00	361,620.00	0.21%
NORFOLK SOUTHERN	COMMON		10,800.00	39.67	428,487.03	0.32%	144.90	1,564,920.00	0.00	1,564,920.00	0.90%
SUN HYDRAULICS CORP	COMMON		6,750.00	12.14	81,917.58	0.06%	64.69	436,657.50	0.00	436,657.50	0.25%
3M COMPANY	COMMON		6,000.00	80.95	485,705.04	0.36%	235.37	1,412,220.00	0.00	1,412,220.00	0.81%
TORO CO	COMMON		10,100.00	10.17	102,744.75	0.08%	65.23	658,823.00	2,020.00	660,843.00	0.38%
Information Technology											
ALPHABET INC	CLASS C		2,307.00	566.99	1,308,056.73	0.97%	1,046.40	2,414,044.80	0.00	2,414,044.80	1.39%
ALPHABET INC	CLASS A		1,800.00	439.89	791,808.87	0.58%	1,053.40	1,896,120.00	0.00	1,896,120.00	1.09%
APPLE INC	COMMON		23,500.00	69.84	1,641,332.36	1.21%	169.23	3,976,905.00	0.00	3,976,905.00	2.28%
AXCELIS TECHNOLOGIES	COM USD0.001		8,500.00	18.02	153,178.50	0.11%	28.70	243,950.00	0.00	243,950.00	0.14%
BENCHMARK ELECTRS	COMMON		9,400.00	21.00	197,438.83	0.15%	29.10	273,540.00	0.00	273,540.00	0.16%
CISCO SYSTEMS INC	COMMON		41,500.00	17.44	723,872.83	0.53%	38.30	1,589,450.00	0.00	1,589,450.00	0.91%
DELL TECHNOLOGIES	COM CL V		16,810.00	79.33	1,333,543.80	0.98%	81.28	1,366,316.80	0.00	1,366,316.80	0.78%

Position Detail - at 12/31/2017

94300

Description	*Issue*	*Rating*	*Shares*	*Unit Cost*	*Total Cost*	*Weight at Cost*	*Market Price*	*Market Value*	*Accrued Income*	*Total Value*	*Weight at Market*
Information Technology											
EPAM SYS INC	COMMON		4,100.00	40.08	164,322.62	0.12%	107.43	440,463.00	0.00	440,463.00	0.25%
FACEBOOK INC	CLASS A		9,300.00	181.29	1,686,029.55	1.24%	176.46	1,641,078.00	0.00	1,641,078.00	0.94%
F5 NETWORKS INC	COMMON		11,600.00	114.11	1,323,693.43	0.98%	131.22	1,522,152.00	0.00	1,522,152.00	0.87%
INTEL CORP	COMMON		65,500.00	22.48	1,472,226.48	1.09%	46.16	3,023,480.00	0.00	3,023,480.00	1.74%
MICROSOFT CORP	COMMON		46,200.00	21.35	986,503.45	0.73%	85.54	3,951,948.00	0.00	3,951,948.00	2.27%
NETSCOUT SYS INC	COMMON		6,000.00	36.11	216,642.61	0.16%	30.45	182,700.00	0.00	182,700.00	0.10%
ORACLE CORP	COMMON		27,900.00	28.89	805,978.74	0.60%	47.28	1,319,112.00	0.00	1,319,112.00	0.76%
PAYPAL HLDGS INC	COM USD0.0001		21,500.00	18.93	407,094.25	0.30%	73.62	1,582,830.00	0.00	1,582,830.00	0.91%
SEMTECH CORP	COMMON		14,000.00	21.66	303,203.82	0.22%	34.20	478,800.00	0.00	478,800.00	0.27%
SYNAPTICS INC	COMMON		7,000.00	33.54	234,749.74	0.17%	39.94	279,580.00	0.00	279,580.00	0.16%
TTM TECHNOLOGIES IN	COMMON		16,300.00	10.17	165,714.00	0.12%	15.67	255,421.00	0.00	255,421.00	0.15%
VERINT SYS INC	COMMON		6,800.00	39.83	270,813.74	0.20%	41.85	284,580.00	0.00	284,580.00	0.16%
Materials											
CALGON CARBON	COMMON		15,900.00	15.29	243,105.18	0.18%	21.30	338,670.00	0.00	338,670.00	0.19%
MONSANTO CO	COMMON		10,700.00	81.37	870,632.80	0.64%	116.78	1,249,546.00	0.00	1,249,546.00	0.72%
NEENAH INC	COMMON		3,300.00	61.72	203,661.45	0.15%	90.65	299,145.00	0.00	299,145.00	0.17%
Telecommunication Services											
AT&T INC	COMMON		26,956.00	34.32	925,129.92	0.68%	38.88	1,048,049.28	0.00	1,048,049.28	0.60%
Utilities											
PUBLIC SVC ENTERPR	COMMON		20,000.00	25.53	510,623.00	0.38%	51.50	1,030,000.00	0.00	1,030,000.00	0.59%
Total Domestic Equity					$54,848,360.79	40.49%		$91,102,810.72	$70,095.40	**$91,172,906.12**	**52.34%**

International Mutual Funds

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
INTERNATIONAL EQUITY FUNDS											
ADVISORS INNER CIRCL	MCKEE INTL EQT		1,371,834.58	12.12	16,620,364.26	12.27%	13.87	19,027,345.56	0.00	19,027,345.56	10.92%
Total International Mutual Funds					$16,620,364.26	12.27%		$19,027,345.56	$0.00	**$19,027,345.56**	**10.92%**

Fixed Income

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Asset Backed Securities											
AMERICREDIT AUTO REC	2.580 SEP 08 20	AAA	116,000.00	1.01	117,305.00	0.09%	100.31	116,359.60	199.52	116,559.12	0.07%
AMERICREDIT AUTO REC	1.980 DEC 20 21	Aaa	118,000.00	1.00	117,980.91	0.09%	99.61	117,533.90	90.86	117,624.76	0.07%
AMERICREDIT AUTO REC	2.110 JAN 08 21	AAA	148,000.00	1.00	148,341.09	0.11%	99.95	147,921.56	208.19	148,129.75	0.09%
AMERICREDIT AUTO REC	2.300 MAR 08 21	AAA	263,000.00	1.00	263,698.59	0.19%	100.13	263,334.01	403.27	263,737.28	0.15%
CCG RECV TR 2017-1	1.840 NOV 14 23	AAA	563,000.00	1.00	562,972.36	0.42%	99.64	560,950.68	517.96	561,468.64	0.32%
CAPITAL ONE CC TR	2.009 FEB 15 22	AAA	245,000.00	1.00	245,000.00	0.18%	100.47	246,161.30	222.95	246,384.25	0.14%
CAPITAL ONE CC TR	1.990 JUL 17 23	AAA	229,000.00	1.00	228,982.30	0.17%	99.37	227,552.72	215.20	227,767.92	0.13%
ENTERPRISE FLEET FNC	1.740 FEB 22 22	AAA	214,735.07	1.00	214,720.79	0.16%	99.80	214,309.89	124.55	214,434.44	0.12%
GREAT AMER LEASE REC	1.720 APR 22 19	AAA	203,163.87	1.00	203,179.85	0.15%	99.92	202,993.21	116.48	203,109.69	0.12%
NISSAN AUTO LEASE TR	1.910 APR 15 20	Aaa	149,000.00	1.00	148,973.28	0.11%	99.64	148,465.09	134.39	148,599.48	0.09%
OSCAR US FD TR VI	2.820 JUN 10 21	Aaa	260,000.00	1.00	259,953.02	0.19%	100.30	260,771.88	448.07	261,219.94	0.15%
VERIZON OWNER TR	1.680 MAY 20 21	AAA	250,000.00	1.00	249,974.08	0.18%	99.32	248,290.00	140.00	248,430.00	0.14%
VERIZON OWNER TR	2.060 SEP 20 21	AAA	600,000.00	1.00	599,890.50	0.44%	99.75	598,494.00	412.00	598,906.00	0.34%
VERIZON OWNER TR	2.450 SEP 20 21	AA	411,000.00	1.00	410,939.67	0.30%	100.03	411,139.74	335.65	411,475.39	0.24%
VOLVO FINL EQUP LLC	2.059 NOV 15 22	Aaa	200,000.00	1.00	200,000.00	0.15%	100.28	200,568.00	194.46	200,762.46	0.12%
CMO											
FNMA REMIC TRUST	4.000 FEB 25 40	AA+	50,588.82	1.04	52,749.49	0.04%	102.18	51,689.63	174.25	51,863.88	0.03%
FNMA REMIC TRUST	3.000 MAR 25 39	AA+	33,084.77	1.03	34,056.64	0.03%	100.32	33,189.65	85.47	33,275.12	0.02%

CS McKee INVESTMENT MANAGERS

Lackawanna County Employees' Retirement Fund

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
CMO											
FNMA REMIC TRUST	2.000 OCT 25 40	AA+	118,909.59	0.98	116,359.54	0.09%	98.01	116,539.72	0.00	116,539.72	0.07%
FHLMC REMIC SERIES	4.000 NOV 15 39	AA+	266,658.73	1.07	286,072.38	0.21%	103.26	275,341.14	918.49	276,259.63	0.16%
FHLMC REMIC SERIES	2.750 APR 15 41	AA+	268,444.08	1.01	272,357.07	0.20%	100.05	268,586.36	635.69	269,222.05	0.15%
FHLMC REMIC SERIES	1.500 MAY 15 27	AA+	440,194.80	0.99	435,517.73	0.32%	97.08	427,332.31	568.58	427,900.89	0.25%
FHLMC REMIC SERIES	3.000 NOV 15 32	AA+	105,360.59	1.04	109,805.49	0.08%	101.79	107,244.44	272.18	107,516.62	0.06%
FNMA REMIC TRUST	4.000 NOV 25 40	AA+	72,013.42	1.06	76,176.70	0.06%	103.52	74,546.13	248.05	74,794.18	0.04%
GNMA REMIC TRUST	3.500 JAN 20 38	AA+	36,182.73	1.04	37,786.92	0.03%	100.48	36,355.68	109.05	36,464.73	0.02%
GNMA REMIC TRUST	4.000 APR 20 39	AA+	269,344.30	1.02	275,025.78	0.20%	102.39	275,793.83	0.00	275,793.83	0.16%
GNMA REMIC TRUST	3.000 OCT 20 39	AA+	191,560.28	1.03	197,516.61	0.15%	100.54	192,600.45	494.86	193,095.32	0.11%
GNMA REMIC TRUST	5.000 AUG 16 39	AA+	119,521.27	1.09	129,736.75	0.10%	103.03	123,146.35	514.61	123,660.96	0.07%
GNMA REMIC TRUST	2.750 JAN 20 38	AA+	74,098.43	1.02	75,788.80	0.06%	101.07	74,892.77	175.47	75,068.23	0.04%
GNMA REMIC TRUST	3.500 APR 16 43	AA+	154,724.01	1.05	161,710.77	0.12%	102.43	158,480.71	466.32	158,947.03	0.09%
Commercial MBS											
COMM MTG TR	2.928 FEB 12 47	Aaa	268,304.88	1.03	276,351.03	0.20%	100.67	270,105.21	676.49	270,781.69	0.16%
COMM MTG TR	2.976 JUL 10 48	Aaa	309,000.00	1.03	318,259.20	0.23%	101.23	312,797.61	791.86	313,589.47	0.18%
COMM MTG TR 2015-PC1	3.902 JUL 12 50	Aaa	271,000.00	1.03	279,129.35	0.21%	105.35	285,495.79	910.58	286,406.37	0.16%
COMM MTG TR	4.230 JUL 12 45	AAA	532,000.00	1.06	561,457.29	0.41%	107.11	569,846.48	1,961.05	571,807.53	0.33%
DBUBS MTG TR	3.452 OCT 12 34	AAA	400,000.00	1.03	411,980.78	0.30%	102.17	408,676.00	1,189.02	409,865.02	0.24%
GNMA REMIC TRUST	2.170 APR 16 41	AA+	88,145.73	1.00	88,338.55	0.07%	99.37	87,589.53	164.71	87,754.24	0.05%
GNMA REMIC TRUST	2.200 AUG 16 47	AA+	397,977.05	1.00	396,344.72	0.29%	98.08	390,331.91	753.95	391,085.86	0.22%
JPMCC COML MTG SEC T	2.822 AUG 17 49	Aaa	109,000.00	1.03	112,269.56	0.08%	97.92	106,734.98	264.86	106,999.84	0.06%
MORGAN STAN CAP I	3.809 DEC 17 48	Aaa	119,000.00	1.03	122,565.20	0.09%	105.10	125,065.43	390.32	125,455.75	0.07%
MORGAN STAN CAP I	3.596 DEC 17 49	Aaa	410,000.00	1.03	422,266.75	0.31%	103.65	424,969.10	1,269.59	426,238.69	0.24%
MORGAN STAN CAP I	3.594 MAR 17 49	Aaa	173,000.00	1.03	178,177.53	0.13%	103.48	179,025.59	535.41	179,561.00	0.10%
UBS-BARCLY COML MTG	3.525 MAY 11 63	Aaa	180,000.00	1.03	185,876.04	0.14%	103.28	185,907.60	546.38	186,453.98	0.11%

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Commercial MBS											
UBS-BARCLY COML MTG	2.533 DEC 12 45	AAA	91,238.74	1.02	93,519.50	0.07%	100.10	91,332.72	198.99	91,531.71	0.05%
VNDO MTG TR	2.996 NOV 15 30	AAA	125,000.00	1.02	128,124.48	0.09%	100.92	126,151.25	322.44	126,473.69	0.07%
WF-RBS COML MTG TR	4.869 FEB 18 44	Aaa	415,835.44	1.11	462,181.60	0.34%	105.95	440,585.97	1,743.49	442,329.46	0.25%
WFRBS COML MTG TR	3.198 MAR 17 48	AAA	143,000.00	1.03	147,287.14	0.11%	102.03	145,904.33	393.80	146,298.13	0.08%
WELLS FARGO COML TR	2.931 JUL 17 48	Aaa	180,000.00	1.03	185,398.56	0.14%	98.81	177,859.80	454.31	178,314.11	0.10%
WELLS FARGO COML TR	2.918 NOV 18 49	Aaa	377,000.00	1.03	388,292.66	0.29%	98.62	371,808.71	947.30	372,756.01	0.21%
WELLS FARGO COML TR	3.635 MAR 17 50	Aaa	353,000.00	1.03	363,576.59	0.27%	103.92	366,834.07	1,104.94	367,939.01	0.21%
Corporates											
ANZ NEW ZEALAND INTL	2.875 JAN 25 22	AA-	214,000.00	1.00	213,090.50	0.16%	100.26	214,560.68	2,666.08	217,226.76	0.12%
AT&T INC	3.400 MAY 15 25	BBB+	124,000.00	0.99	122,945.14	0.09%	98.32	121,910.60	550.42	122,461.02	0.07%
AT&T INC	4.250 MAR 01 27	BBB+	44,000.00	1.03	45,364.44	0.03%	101.94	44,854.48	628.53	45,483.01	0.03%
AMER AIRLINE 16-3 AA	3.000 OCT 15 28	AA+	125,437.84	1.00	125,437.84	0.09%	97.87	122,766.01	806.39	123,572.40	0.07%
AMERICAN EXPRESS CR	2.600 SEP 14 20	A-	114,000.00	1.03	117,146.40	0.09%	100.51	114,576.84	889.20	115,466.04	0.07%
APPLE INC	2.400 MAY 03 23	AA+	307,000.00	0.95	292,267.07	0.22%	98.97	303,840.97	1,207.53	305,048.50	0.18%
BP CAP MKTS P L C	2.750 MAY 10 23	A-	269,000.00	1.02	274,815.78	0.20%	100.04	269,110.29	1,047.98	270,158.27	0.16%
BNSF RAILWAY CO 2006	5.720 JAN 15 24	AA	97,243.84	1.20	117,002.30	0.09%	108.60	105,606.81	2,564.86	108,171.67	0.06%
BNSF RAILWAY CO	3.442 JUN 16 28	AA	195,688.96	1.06	206,882.37	0.15%	101.86	199,328.77	299.36	199,628.14	0.11%
BANK AMER CORP	2.369 JUL 21 21	A-	185,000.00	1.00	185,000.00	0.14%	99.83	184,676.25	1,960.02	186,636.27	0.11%
BANK AMER CORP	3.004 DEC 20 23	A-	259,000.00	1.01	261,634.17	0.19%	100.26	259,665.63	259.35	259,924.98	0.15%
BANK OF MONTREAL	2.350 SEP 11 22	A+	208,000.00	0.99	206,308.96	0.15%	98.37	204,607.52	1,493.56	206,101.08	0.12%
BANK NEW YORK MTN BK	2.100 JAN 15 19	A	214,000.00	1.00	214,257.98	0.16%	99.97	213,927.24	2,084.72	216,011.96	0.12%
BANK OF NOVA SCOTIA	1.650 JUN 14 19	A+	281,000.00	1.00	280,983.14	0.21%	99.22	278,799.77	218.95	279,018.72	0.16%
BANK OF NOVA SCOTIA	2.700 MAR 07 22	A+	190,000.00	1.00	189,656.10	0.14%	100.00	189,998.10	1,638.75	191,636.85	0.11%
BERKSHIRE HATHAWAY I	2.750 MAR 15 23	AA	271,000.00	1.00	271,400.08	0.20%	100.65	272,772.34	2,215.05	274,987.39	0.16%
CSX TRANS INC 2007-1	6.251 JAN 15 23	A+	227,171.24	1.00	227,171.24	0.17%	112.62	255,837.98	6,587.44	262,425.42	0.15%

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Corporates											
CAPITAL ONE FINL COR	2.500 MAY 12 20	BBB	103,000.00	1.00	102,837.26	0.08%	99.88	102,871.25	357.64	103,228.89	0.06%
CATERPILLAR FINL SVC	1.700 AUG 09 21	A	120,000.00	1.00	119,754.00	0.09%	97.53	117,031.20	804.67	117,835.87	0.07%
CHEVRON CORP NEW	2.355 DEC 05 22	AA-	551,000.00	0.98	539,762.72	0.40%	99.21	546,630.57	973.20	547,603.77	0.31%
CHEVRON CORP NEW	2.954 MAY 16 26	AA-	82,000.00	1.00	82,319.99	0.06%	99.97	81,973.76	309.51	82,283.27	0.05%
CISCO SYS INC	2.200 FEB 28 21	AA-	186,000.00	1.00	185,642.88	0.14%	99.68	185,410.38	1,409.47	186,819.85	0.11%
COMCAST CORP NEW	3.600 MAR 01 24	A-	335,000.00	1.03	345,743.45	0.26%	104.25	349,237.50	4,053.50	353,291.00	0.20%
DISNEY WALT CO MTNS	1.850 JUL 30 26	A+	190,000.00	0.91	173,606.00	0.13%	91.58	174,000.10	1,474.35	175,474.45	0.10%
DU PONT E I DE NEMOU	2.200 MAY 01 20	A-	85,000.00	1.00	84,906.50	0.06%	99.91	84,925.20	316.86	85,242.06	0.05%
EXPRESS SCRIPTS HLDG	2.600 NOV 30 20	BBB+	168,000.00	1.00	167,961.36	0.12%	99.91	167,845.44	376.13	168,221.57	0.10%
EXXON MOBIL CORP	2.222 MAR 01 21	AA+	278,000.00	1.02	282,684.30	0.21%	99.78	277,377.28	2,076.21	279,453.49	0.16%
FEDERAL EXPRESS PASS	6.720 JUL 15 23	BBB+	160,466.80	1.15	184,130.15	0.14%	106.94	171,606.41	5,002.29	176,608.69	0.10%
FEDERAL EXPRESS PASS	7.650 JUL 15 24	BBB+	85,050.10	1.22	103,761.12	0.08%	110.93	94,346.08	3,271.24	97,617.32	0.06%
FEDERATION CAISSES D	2.250 OCT 30 20	A+	600,000.00	1.00	599,790.00	0.44%	99.44	596,628.00	2,287.50	598,915.50	0.34%
FORD MTR CO DEL	4.346 DEC 08 26	BBB	265,000.00	1.00	266,306.45	0.20%	104.26	276,283.70	767.79	277,051.49	0.16%
GENERAL ELECTRIC CO	2.700 OCT 09 22	A	238,000.00	0.98	233,445.91	0.17%	99.85	237,635.86	1,481.55	239,117.41	0.14%
GENERAL MTRS FINL CO	3.200 JUL 06 21	BBB	353,000.00	1.00	354,334.70	0.26%	100.98	356,445.28	5,522.49	361,967.77	0.21%
GEORGE WASHINGTON UN	3.485 SEP 15 22	A+	254,000.00	1.01	256,025.89	0.19%	102.33	259,915.66	2,630.98	262,546.64	0.15%
GOLDMAN SACHS GROUP	4.000 MAR 03 24	BBB+	87,000.00	1.07	92,732.43	0.07%	104.91	91,275.18	1,150.33	92,425.51	0.05%
GOLDMAN SACHS GROUP	3.272 SEP 29 25	BBB+	285,000.00	1.00	284,713.55	0.21%	99.60	283,851.45	2,409.01	286,260.46	0.16%
HOME DEPOT INC	2.625 JUN 01 22	A	264,000.00	1.01	267,413.52	0.20%	100.56	265,473.12	596.75	266,069.87	0.15%
HONEYWELL INTL INC	2.500 NOV 01 26	A	46,000.00	0.96	44,051.90	0.03%	96.72	44,491.66	194.86	44,686.52	0.03%
HYUNDAI CAP AMER INC	1.750 SEP 27 19	A-	222,000.00	0.98	218,010.41	0.16%	98.10	217,770.90	1,025.21	218,796.11	0.13%
JPMORGAN CHASE & CO	4.400 JUL 22 20	A-	458,000.00	1.09	500,723.38	0.37%	105.05	481,147.32	8,956.44	490,103.76	0.28%
JPMORGAN CHASE & CO	3.250 SEP 23 22	A-	375,000.00	1.02	383,925.00	0.28%	102.39	383,943.75	3,351.56	387,295.31	0.22%
JPMORGAN CHASE & CO	2.750 JUN 23 20	A-	63,000.00	1.02	64,191.96	0.05%	100.87	63,549.99	43.31	63,593.30	0.04%

CSMcKee INVESTMENT MANAGERS

Lackawanna County Employees' Retirement Fund

Position Detail - at 12/31/2017

94300

Description	*Issue*	*Rating*	*Shares*	*Unit Cost*	*Total Cost*	*Weight at Cost*	*Market Price*	*Market Value*	*Accrued Income*	*Total Value*	*Weight at Market*
Corporates											
KEYBANK NATIONAL ASS	2.350 MAR 08 19	A-	298,000.00	1.00	297,853.98	0.22%	100.18	298,545.34	2,217.62	300,762.96	0.17%
KRAFT HEINZ FOODS CO	2.800 JUL 02 20	BBB-	233,000.00	1.02	237,131.09	0.18%	100.58	234,344.41	3,262.00	237,606.41	0.14%
KROGER CO	3.300 JAN 15 21	BBB	178,000.00	1.03	182,998.24	0.14%	101.99	181,535.08	2,724.88	184,259.96	0.11%
LLOYDS BANKING GROUP	2.907 NOV 07 23	BBB+	241,000.00	1.00	241,000.00	0.18%	99.14	238,934.63	1,050.88	239,985.51	0.14%
LOCKHEED MARTIN CORP	3.550 JAN 15 26	BBB+	124,000.00	1.00	123,449.44	0.09%	103.84	128,759.12	2,042.04	130,801.16	0.08%
MERCK & CO INC	2.750 FEB 10 25	AA	240,000.00	1.00	240,000.00	0.18%	99.60	239,028.00	2,603.33	241,631.33	0.14%
MICROSOFT CORP	2.875 FEB 06 24	AAA	327,000.00	1.01	331,405.47	0.24%	101.45	331,734.96	3,812.73	335,547.69	0.19%
MID-AMERICA APTS LP	3.600 JUN 01 27	BBB+	65,000.00	1.00	64,727.00	0.05%	100.17	65,111.15	201.50	65,312.65	0.04%
MORGAN STANLEY	2.500 APR 21 21	BBB+	349,000.00	1.00	349,536.07	0.26%	99.83	348,417.17	1,720.76	350,137.93	0.20%
NATIONAL RURAL UTILS	2.300 NOV 15 19	A	195,000.00	1.00	194,734.80	0.14%	100.28	195,538.20	585.54	196,123.74	0.11%
NISSAN MTR ACCEP COR	FLTG MAR 08 19	A	352,000.00	1.00	352,000.00	0.26%	100.79	354,780.80	594.32	355,375.12	0.20%
ORACLE CORP	2.400 SEP 15 23	AA-	238,000.00	1.00	237,959.54	0.18%	98.75	235,022.62	1,697.73	236,720.35	0.14%
PNC FUNDING CORP	3.300 MAR 08 22	A-	186,000.00	1.03	190,875.20	0.14%	102.67	190,973.64	1,943.70	192,917.34	0.11%
PACIFIC GAS & ELEC C	3.300 DEC 01 27	A-	390,000.00	1.00	389,405.25	0.29%	99.07	386,353.50	1,179.75	387,533.25	0.22%
PACIFICORP	3.850 JUN 15 21	A+	72,000.00	1.06	76,116.24	0.06%	104.48	75,223.44	130.90	75,354.34	0.04%
PACIFICORP	2.950 FEB 01 22	A+	395,000.00	1.04	410,018.23	0.30%	101.56	401,177.80	4,887.58	406,065.38	0.23%
PETROLEOS MEXICANOS	6.875 AUG 04 26	BBB+	421,000.00	1.08	454,319.10	0.34%	113.38	477,308.75	11,818.70	489,127.45	0.28%
PHILIP MORRIS INTL I	2.375 AUG 17 22	A	244,000.00	1.00	242,870.28	0.18%	98.53	240,418.08	2,173.13	242,591.21	0.14%
PRICELINE GRP INC	2.750 MAR 15 23	BBB+	120,000.00	1.00	119,824.80	0.09%	99.64	119,566.80	1,255.83	120,822.63	0.07%
ROYAL BANK OF CANADA	1.875 FEB 05 21	Aaa	502,000.00	1.00	501,929.72	0.37%	99.17	497,838.42	3,817.29	501,655.71	0.29%
SHELL INTERNATIONAL	3.250 MAY 11 25	A+	116,000.00	1.02	118,726.39	0.09%	102.77	119,212.04	523.61	119,735.65	0.07%
SIMON PPTY GROUP LP	3.375 DEC 01 27	A	66,000.00	0.99	65,481.24	0.05%	100.46	66,305.58	129.94	66,435.52	0.04%
STATE STR CORP	2.653 MAY 15 23	A	83,000.00	1.00	83,000.00	0.06%	100.03	83,024.07	287.48	83,311.55	0.05%
STATOIL ASA	2.450 JAN 17 23	A+	133,000.00	0.98	130,385.47	0.10%	99.41	132,209.98	1,484.43	133,694.41	0.08%
SWEDBANK AB	2.800 MAR 14 22	AA-	230,000.00	1.00	229,903.40	0.17%	100.40	230,924.60	233.78	231,158.38	0.13%

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Corporates											
TIME WARNER INC	3.600 JUL 15 25	BBB	256,000.00	1.00	255,385.60	0.19%	100.22	256,573.44	4,275.20	260,848.64	0.15%
TORONTO DOMINION BAN	1.950 JAN 22 19	AA-	78,000.00	1.00	78,067.86	0.06%	99.89	77,917.32	671.78	78,589.10	0.05%
TOYOTA MOTOR CREDIT	2.125 JUL 18 19	AA-	339,000.00	1.00	338,074.53	0.25%	100.00	339,010.17	3,281.71	342,291.88	0.20%
TOYOTA MOTOR CREDIT	1.900 APR 08 21	AA-	227,000.00	1.00	226,317.94	0.17%	98.56	223,731.20	1,006.37	224,737.57	0.13%
21ST CENTY FOX AMER	4.500 FEB 15 21	BBB+	247,000.00	1.08	266,804.46	0.20%	105.69	261,059.24	4,229.88	265,289.12	0.15%
UNITED AIRLINES PT C	3.100 JAN 07 30	Aa3	223,000.00	1.00	223,318.75	0.16%	99.75	222,442.50	3,360.49	225,802.99	0.13%
U S BANCORP MTNS BK	3.000 MAR 15 22	A+	191,000.00	1.02	195,693.67	0.14%	101.99	194,808.54	1,703.08	196,511.62	0.11%
U S BANCORP MTNS BK	3.600 SEP 11 24	A-	201,000.00	1.00	200,210.07	0.15%	103.59	208,219.92	2,231.10	210,451.02	0.12%
VERIZON COMMUNICATIO	5.150 SEP 15 23	BBB+	400,000.00	1.12	447,096.00	0.33%	111.26	445,056.00	6,122.78	451,178.78	0.26%
WELLS FARGO CO NEW	2.100 JUL 26 21	A	238,000.00	1.00	237,776.28	0.18%	98.33	234,015.88	2,165.80	236,181.68	0.14%
WELLS FARGO CO MTN B	2.150 JAN 30 20	A	372,000.00	1.00	371,494.08	0.27%	99.78	371,185.32	3,354.72	374,540.04	0.22%
WESTPAC BKG CORP	2.750 JAN 11 23	AA-	128,000.00	1.00	127,870.72	0.09%	99.80	127,738.88	205.33	127,944.21	0.07%
Mortgage Backed Securities											
FHLMC PC GOL D98711	4.500 JUL 01 31	AA+	264,823.24	1.07	282,698.81	0.21%	106.66	282,449.87	1,026.19	283,476.07	0.16%
FHLMC PC GOL G04632	5.000 NOV 01 36	AA+	105,487.48	1.08	114,256.13	0.08%	108.45	114,395.90	454.18	114,850.08	0.07%
FHLMC PC GOL G06933	5.000 JUL 01 41	AA+	119,914.83	1.11	133,555.14	0.10%	109.70	131,542.97	516.30	132,059.27	0.08%
FHLMC PC GOL G15191	4.000 NOV 01 28	AA+	115,066.81	1.07	123,193.40	0.09%	104.11	119,796.06	396.34	120,192.40	0.07%
FHLMC PC GOL G16043	3.500 AUG 01 30	AA+	271,563.32	1.05	285,353.64	0.21%	103.87	282,080.97	818.46	282,899.43	0.16%
FHLMC PC GOL G16330	3.500 AUG 01 32	AA+	726,849.13	1.04	754,333.11	0.56%	103.55	752,637.74	2,190.64	754,828.38	0.43%
FHLMC PC GOL G08737	3.000 DEC 01 46	AA+	397,880.36	1.00	399,807.59	0.30%	100.10	398,286.20	1,027.86	399,314.06	0.23%
FHLMC PC GOL C91370	4.500 MAY 01 31	AA+	59,449.23	1.08	63,945.08	0.05%	106.66	63,406.17	230.37	63,636.54	0.04%
FHLMC PC GOL C91881	3.500 JUL 01 36	AA+	194,403.11	1.04	202,482.99	0.15%	103.71	201,613.52	585.91	202,199.43	0.12%
FHLMC PC GOL A96413	4.000 JAN 01 41	AA+	200,980.75	1.03	206,555.69	0.15%	104.99	211,009.69	692.27	211,701.96	0.12%
FHLMC PC GOL Q13086	3.000 NOV 01 42	AA+	45,759.11	1.05	47,968.42	0.04%	100.56	46,013.53	118.21	46,131.74	0.03%
FNMA PASSTHRU AH0257	4.000 DEC 01 40	AA+	28,803.72	0.97	28,049.87	0.02%	105.05	30,257.44	99.21	30,356.66	0.02%

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Mortgage Backed Securities											
FNMA PASSTHRU AH0942	4.000 DEC 01 40	AA+	60,986.52	1.10	67,047.06	0.05%	106.25	64,795.13	210.06	65,005.19	0.04%
FNMA PASSTHRU AH1030	4.500 DEC 01 40	AA+	64,816.62	1.03	66,710.48	0.05%	107.17	69,465.92	251.16	69,717.08	0.04%
FNMA PASSTHRU AH3586	4.000 JAN 01 41	AA+	79,768.87	1.01	80,622.64	0.06%	105.05	83,800.39	274.76	84,075.15	0.05%
FNMA PASSTHRU AH3394	4.000 JAN 01 41	AA+	38,753.52	1.03	39,970.62	0.03%	105.05	40,711.74	133.48	40,845.22	0.02%
FNMA PASSTHRU AH3986	4.000 FEB 01 41	AA+	85,902.32	1.03	88,694.15	0.07%	105.01	90,203.45	295.89	90,499.34	0.05%
FNMA PASSTHRU AH8954	4.000 APR 01 41	AA+	90,601.03	1.02	92,129.92	0.07%	105.00	95,133.80	312.07	95,445.87	0.05%
FNMA PASSTHRU AJ5336	3.000 NOV 01 26	AA+	72,763.41	1.04	75,628.47	0.06%	102.13	74,314.73	187.97	74,502.70	0.04%
FNMA PASSTHRU AK4940	3.500 MAR 01 42	AA+	71,258.25	1.03	73,638.16	0.05%	103.26	73,582.69	214.76	73,797.46	0.04%
FNMA PASSTHRU AL0957	4.000 JUL 01 21	AA+	127,894.42	1.06	135,745.72	0.10%	102.92	131,623.82	440.53	132,064.35	0.08%
FNMA PASSTHRU AL3645	3.500 MAY 01 28	AA+	277,200.44	1.03	286,079.52	0.21%	103.56	287,079.86	0.00	287,079.86	0.16%
FNMA PASSTHRU AL5521	4.500 JAN 01 40	AA+	275,298.69	1.09	298,871.14	0.22%	106.94	294,396.16	1,066.78	295,462.94	0.17%
FNMA PASSTHRU AL6345	4.000 NOV 01 28	AA+	139,717.99	1.07	149,498.25	0.11%	104.18	145,551.22	481.25	146,032.47	0.08%
FNMA PASSTHRU AL9772	3.000 SEP 01 26	AA+	145,480.83	1.02	149,049.66	0.11%	101.94	148,307.52	375.83	148,683.35	0.09%
FNMA PASSTHRU AL9742	4.000 JUL 01 29	AA+	251,419.29	1.05	263,744.73	0.19%	103.85	261,103.96	866.00	261,969.96	0.15%
FNMA PASSTHRU AL8600	3.500 APR 01 31	AA+	319,874.71	1.04	333,669.31	0.25%	103.30	330,430.58	964.07	331,394.64	0.19%
FNMA PASSTHRU AO8044	3.500 JUL 01 42	AA+	27,497.15	1.07	29,490.69	0.02%	103.34	28,415.28	82.87	28,498.15	0.02%
FNMA PASSTHRU AP3108	3.500 OCT 01 42	AA+	82,924.60	1.07	88,560.88	0.07%	103.23	85,599.75	249.93	85,849.67	0.05%
FNMA PASSTHRU AP6752	3.000 SEP 01 27	AA+	34,942.54	1.02	35,498.23	0.03%	101.95	35,622.17	90.27	35,712.44	0.02%
FNMA PASSTHRU AP7553	3.000 SEP 01 42	AA+	79,024.99	1.05	82,618.16	0.06%	100.54	79,451.72	204.15	79,655.87	0.05%
FNMA PASSTHRU AR7391	3.000 JUN 01 43	AA+	178,373.76	1.02	181,178.61	0.13%	100.52	179,306.65	460.80	179,767.45	0.10%
FNMA PASSTHRU AS0765	3.500 OCT 01 28	AA+	146,111.04	1.05	153,119.80	0.11%	103.75	151,588.74	440.36	152,029.11	0.09%
FNMA PASSTHRU AS7348	3.500 JUN 01 46	AA+	578,220.44	1.03	595,567.05	0.44%	102.73	593,988.51	1,742.69	595,731.20	0.34%
FNMA PASSTHRU AS7388	3.500 JUN 01 46	AA+	573,960.83	1.03	589,027.30	0.43%	102.73	589,612.74	1,729.85	591,342.60	0.34%
FNMA PASSTHRU BC1158	3.500 FEB 01 46	AA+	908,502.37	1.02	931,144.14	0.69%	102.73	933,277.23	2,738.13	936,015.35	0.54%
FNMA PASSTHRU BC6009	3.500 MAY 01 46	AA+	1,152,418.67	1.03	1,187,136.44	0.88%	102.73	1,183,845.13	3,473.26	1,187,318.39	0.68%

CSMcKee INVESTMENT MANAGERS

Lackawanna County Employees' Retirement Fund

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Mortgage Backed Securities											
FNMA PASSTHRU BM1023	2.500 MAY 01 26	AA+	351,944.35	1.02	357,278.51	0.26%	100.56	353,915.24	757.66	354,672.90	0.20%
FNMA PASSTHRU 932389	4.500 JAN 01 40	AA+	59,792.45	1.01	60,100.76	0.04%	107.21	64,101.09	231.70	64,332.79	0.04%
FNMA PASSTHRU AA5223	4.000 MAR 01 39	AA+	39,202.75	1.04	40,617.72	0.03%	105.23	41,252.27	135.03	41,387.30	0.02%
FNMA PASSTHRU AB1475	4.500 SEP 01 40	AA+	28,200.06	1.04	29,405.17	0.02%	107.17	30,222.00	109.28	30,331.28	0.02%
FNMA PASSTHRU AB3865	3.500 NOV 01 41	AA+	70,374.69	1.02	72,046.09	0.05%	103.46	72,810.36	212.10	73,022.46	0.04%
FNMA PASSTHRU MA0203	4.000 OCT 01 19	AA+	43,545.75	1.06	46,253.75	0.03%	102.92	44,815.54	149.99	44,965.54	0.03%
FNMA PASSTHRU MA0514	4.000 SEP 01 40	AA+	31,363.60	1.05	32,792.11	0.02%	105.05	32,948.40	108.03	33,056.43	0.02%
FNMA PASSTHRU MA0575	4.500 NOV 01 30	AA+	266,882.21	1.10	292,728.48	0.22%	106.73	284,832.71	1,034.17	285,866.88	0.16%
FNMA PASSTHRU MA0706	4.500 APR 01 31	AA+	135,676.46	1.08	146,509.38	0.11%	106.72	144,799.35	525.75	145,325.09	0.08%
FNMA PASSTHRU MA0907	4.000 NOV 01 41	AA+	65,081.02	1.04	67,887.64	0.05%	105.03	68,351.34	224.17	68,575.51	0.04%
FNMA PASSTHRU MA1029	3.500 APR 01 32	AA+	51,507.44	1.06	54,839.33	0.04%	104.06	53,596.07	155.24	53,751.30	0.03%
FNMA PASSTHRU MA1608	3.500 OCT 01 33	AA+	389,510.34	1.04	403,204.06	0.30%	104.06	405,308.88	0.00	405,308.88	0.23%
FNMA PASSTHRU MA2683	4.000 JUL 01 46	AA+	555,181.89	1.04	578,300.01	0.43%	104.66	581,070.02	1,912.29	582,982.31	0.33%
FNMA PASSTHRU MA1922	4.000 JUN 01 34	AA+	388,987.43	1.06	412,829.80	0.30%	105.55	410,580.12	1,339.85	411,919.97	0.24%
FNMA PASSTHRU MA1982	3.500 AUG 01 34	AA+	120,516.65	1.06	127,314.54	0.09%	104.04	125,390.34	363.22	125,753.57	0.07%
FNMA PASSTHRU AD6960	4.500 JUL 01 40	AA+	45,266.05	1.03	46,510.87	0.03%	107.12	48,490.35	175.41	48,665.76	0.03%
FNMA PASSTHRU AD8268	4.500 SEP 01 40	AA+	138,906.68	1.05	146,480.12	0.11%	107.07	148,721.83	538.26	149,260.09	0.09%
FNMA PASSTHRU AE7582	4.500 NOV 01 40	AA+	86,741.82	1.05	90,731.86	0.07%	106.71	92,558.73	336.12	92,894.85	0.05%
GNMA PASSTHRU AU4920	3.020 SEP 15 41	AA+	234,077.12	1.02	238,392.92	0.18%	97.52	228,261.77	608.73	228,870.50	0.13%
GNMA PASSTHRU 005228	3.500 NOV 20 26	AA+	85,761.27	1.06	90,987.35	0.07%	103.48	88,742.33	258.47	89,000.81	0.05%
GNMA PASSTHRU 782973	5.500 NOV 15 35	AA+	165,704.87	1.11	183,595.82	0.14%	111.05	184,020.23	784.80	184,805.03	0.11%
GNMA PASSTHRU 696467	6.500 AUG 15 38	AA+	5,322.13	1.02	5,440.21	0.00%	110.94	5,904.42	29.79	5,934.21	0.00%
Other Government											
FLORIDA HURRICANE CA	2.107 JUL 01 18	AA	270,000.00	1.01	273,263.24	0.20%	100.04	270,094.50	2,860.25	272,954.75	0.16%
MANITOBA PROV	2.050 NOV 30 20	A+	249,000.00	1.00	247,822.23	0.18%	99.12	246,796.35	439.55	247,235.90	0.14%

Position Detail - at 12/31/2017

94300

Description	Issue	Rating	Shares	Unit Cost	Total Cost	Weight at Cost	Market Price	Market Value	Accrued Income	Total Value	Weight at Market
Other Government											
ONTARIO PROV CDA	2.400 FEB 08 22	A+	182,000.00	1.00	181,548.64	0.13%	99.68	181,413.96	1,747.20	183,161.16	0.11%
SAUDI ARABIA (KINGDO	2.375 OCT 26 21	A1	385,000.00	0.99	381,176.95	0.28%	97.55	375,552.10	440.22	375,992.32	0.22%
SAUDI ARABIA (KINGDO	3.625 MAR 04 28	AA+	200,000.00	0.99	197,662.00	0.15%	99.10	198,200.00	1,752.08	199,952.08	0.11%
US Agencies											
AMERICAN EXP FED SVG	2.250 MAY 24 21	AA+	890,000.00	1.00	885,772.50	0.65%	98.38	875,582.00	2,101.66	877,683.66	0.50%
AMERICAN EXPRESS CEN	2.300 APR 05 21	AA+	1,190,000.00	1.00	1,184,347.50	0.87%	98.62	1,173,589.90	6,598.79	1,180,188.69	0.68%
CAPITAL ONE BK USA N	2.250 APR 19 21	AA+	225,000.00	1.00	223,931.25	0.17%	98.45	221,508.00	1,026.37	222,534.37	0.13%
CAPITAL ONE BK USA N	1.700 SEP 28 21	AA+	475,000.00	0.99	472,031.25	0.35%	96.07	456,346.75	2,101.71	458,448.46	0.26%
CAPITAL ONE NATL ASS	2.000 OCT 07 19	AA+	248,000.00	1.00	246,760.00	0.18%	99.12	245,812.64	1,168.66	246,981.30	0.14%
CAPITAL ONE NATL ASS	2.250 MAY 24 21	AA+	642,000.00	1.00	638,950.50	0.47%	98.38	631,599.60	1,503.86	633,103.46	0.36%
FEDERAL HOME LOAN BA	1.500 NOV 22 22 SU	AA+	690,000.00	1.00	690,000.00	0.51%	99.70	687,930.00	1,150.00	689,080.00	0.40%
FEDERAL FARM CR BKS	2.700 DEC 19 24	AA+	289,000.00	1.00	288,277.50	0.21%	99.14	286,508.82	281.78	286,790.60	0.16%
FEDERAL FARM CR BKS	2.840 MAR 26 26	AA+	229,000.00	1.00	228,828.25	0.17%	98.97	226,643.59	1,734.29	228,377.88	0.13%
FEDERAL FARM CR BKS	2.800 JUL 24 25	AA+	309,000.00	1.00	307,455.00	0.23%	98.89	305,573.19	3,797.27	309,370.46	0.18%
FEDERAL HOME LN MTG	1.625 AUG 25 21 SU	AA+	528,000.00	1.00	526,152.00	0.39%	99.00	522,720.00	3,026.83	525,746.83	0.30%
FEDERAL NTL MTG ASSN	2.000 JAN 05 22	AA+	536,000.00	0.99	531,846.00	0.39%	99.03	530,822.24	5,270.67	536,092.91	0.31%
FEDERAL HOME LN MTG	2.375 JAN 13 22	AA+	519,000.00	1.01	522,669.33	0.39%	100.46	521,408.16	5,786.49	527,194.65	0.30%
GOLDMAN SACHS BK USA	2.250 SEP 30 20	AA+	889,000.00	0.99	883,443.75	0.65%	98.98	879,941.09	5,096.53	885,037.62	0.51%
HSBC BANK USA NA	1.625 DEC 09 20	AA+	246,000.00	1.00	245,170.22	0.18%	99.70	245,262.00	251.90	245,513.90	0.14%
WELLS FARGO BK N A	1.750 JUN 17 21	AA+	245,000.00	1.00	244,081.25	0.18%	96.70	236,902.75	176.20	237,078.95	0.14%
WELLS FARGO BANK NAT	2.250 MAR 29 21	AA+	449,000.00	1.00	447,765.25	0.33%	98.51	442,291.94	83.03	442,374.97	0.25%
US Treasuries											
UNITED STATES TREAS	1.500 AUG 15 26	AA+	971,000.00	0.95	917,952.49	0.68%	93.04	903,408.69	5,501.45	908,910.14	0.52%
UNITED STATES TREAS	1.875 JUL 31 22	AA+	1,271,000.00	0.99	1,261,099.95	0.93%	98.65	1,253,777.95	9,972.86	1,263,750.81	0.73%

Position Detail - at 12/31/2017

94300

Description	*Issue*	*Rating*	*Shares*	*Unit Cost*	*Total Cost*	*Weight at Cost*	*Market Price*	*Market Value*	*Accrued Income*	*Total Value*	*Weight at Market*
US Treasuries											
UNITED STATES TREAS	2.250 AUG 15 27	AA+	318,000.00	1.00	318,847.43	0.24%	98.59	313,528.92	2,702.57	316,231.49	0.18%
UNITED STATES TREAS	2.250 OCT 31 24	AA+	110,000.00	1.00	110,148.86	0.08%	99.54	109,492.90	423.90	109,916.80	0.06%
UNITED STATES TREAS	2.250 NOV 15 27	AA+	107,000.00	0.98	105,380.62	0.08%	98.59	105,491.30	312.58	105,803.88	0.06%
UNITED STATES TREAS	0.125 APR 15 20	AA+	314,942.68	1.00	313,717.30	0.23%	99.80	314,297.05	84.36	314,381.41	0.18%
UNITED STATES TREAS	1.875 OCT 31 22	AA+	1,138,000.00	0.99	1,131,081.72	0.84%	98.55	1,121,464.86	3,654.49	1,125,119.35	0.65%
UNITED STATES TREAS	0.625 JAN 15 26	AA+	1,461,672.96	1.02	1,486,548.57	1.10%	101.60	1,485,074.34	4,220.18	1,489,294.53	0.86%
UNITED STATES TREAS	0.625 APR 30 18	AA+	302,000.00	1.00	301,026.68	0.22%	99.74	301,220.84	323.27	301,544.11	0.17%
UNITED STATES TREAS	0.375 JAN 15 27	AA+	1,683,876.35	0.99	1,672,494.23	1.23%	99.28	1,671,735.60	2,917.04	1,674,652.64	0.96%
UNITED STATES TREAS	1.750 APR 30 22	AA+	1,013,000.00	0.99	1,000,407.30	0.74%	98.28	995,546.01	3,036.20	998,582.21	0.57%
UNITED STATES TREAS	2.000 JUN 30 24	AA+	954,000.00	0.99	946,987.39	0.70%	98.09	935,740.44	52.71	935,793.15	0.54%
Total Fixed Income					$61,133,402.54	45.13%		$60,818,831.55	$303,024.62	**$61,121,856.16**	**35.09%**
CASH	CASH		2,854,877.19	1.00	2,854,877.19	2.11%	1.00	$2,854,877.19	$0.00	$2,854,877.19	1.64%
Total Portfolio					$135,457,004.78	100.00%		$173,803,865.02	$373,120.02	**$174,176,985.04**	**100.00%**

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Sales

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Proceeds	Gain/Loss
Sales							
PACIFICORP	2.950 FEB 01 22	695114CP1	10/03/2017	72,000	102.75	74,356.88	-758.22
BANK OF NEW YORK MEL	COMMON	064058100	10/04/2017	3,200	53.87	172,286.16	84,835.17
BORG WARNER INC	COMMON	099724106	10/04/2017	3,200	52.35	167,420.66	42,573.33
CENTENE CORP DEL	COMMON	15135B101	10/04/2017	1,800	96.78	174,140.26	37,450.24
DEERE & CO	COMMON	244199105	10/04/2017	1,800	127.90	230,161.16	78,470.78
MARATHON PETROLEUM	COMMON	56585A102	10/04/2017	2,400	56.49	135,491.68	33,017.32
PAYPAL HLDGS INC	COM USD0.0001	70450Y103	10/04/2017	2,600	64.15	166,714.34	117,484.34
DISNEY WALT CO MTNS	2.950 JUN 15 27	25468PDV5	10/04/2017	40,000	100.02	40,402.14	157.20
UNITED STATES TREAS	1.750 APR 30 22	912828WZ9	10/04/2017	153,000	99.40	153,235.95	949.10
DISNEY WALT CO MTNS	2.950 JUN 15 27	25468PDV5	10/05/2017	114,000	100.00	115,154.95	419.52
UNITED STATES TREAS	1.500 AUG 15 26	9128282A7	10/06/2017	774,000	93.42	724,853.37	-9,275.66
MORGAN STANLEY	3.875 APR 29 24	61746BDQ6	10/18/2017	202,000	105.15	216,121.06	5,651.96
MORGAN STANLEY	3.875 APR 29 24	61746BDQ6	10/18/2017	37,000	105.14	39,582.09	1,030.82
CITIGROUP INC	1.800 FEB 05 18	172967JH5	10/24/2017	247,000	100.03	248,071.98	259.35
FEDERAL HOME LN MTG	1.500 JUN 30 21 SU	3134G9H26	10/25/2017	298,000	99.30	297,354.34	-1,444.12
UNITED STATES TREAS	1.375 SEP 30 23	912828T26	10/25/2017	1,117,000	95.54	1,068,268.39	-15,282.58
DISNEY WALT CO MTNS	2.950 JUN 15 27	25468PDV5	10/26/2017	43,000	99.17	43,150.07	-197.80
DISNEY WALT CO MTNS	2.950 JUN 15 27	25468PDV5	10/27/2017	132,000	99.40	132,776.42	-302.28
FEDERAL HOME LOAN BA	2.625 MAY 30 24	3130ABHB5	10/27/2017	540,000	99.45	542,941.65	-2,856.60
SHELL INTERNATIONAL	3.250 MAY 11 25	822582BD3	10/30/2017	45,000	102.83	46,963.68	215.40
DELL TECHNOLOGIES	COM CL V	24703L103	11/01/2017	11,000	82.66	908,868.37	36,234.11
SHELL INTERNATIONAL	3.250 MAY 11 25	822582BD3	11/01/2017	37,000	102.96	38,671.20	227.06

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Description	*Issue*	*CUSIP*	*Trade Date*	*Shares*	*Average Price*	*Total Proceeds*	*Gain/Loss*
Sales							
ABBOTT LABS	COMMON	002824100	11/02/2017	3,500	54.56	190,859.23	82,184.02
KENNAMETAL INC	COMMON	489170100	11/02/2017	3,000	47.80	143,311.97	31,652.42
MICROSOFT CORP	COMMON	594918104	11/02/2017	3,800	83.63	317,678.39	236,537.41
TIME WARNER INC	COMMON	887317303	11/02/2017	1,800	92.88	167,118.97	32,624.77
WAL MART STORES INC	COMMON	931142103	11/02/2017	1,500	88.46	132,643.75	56,093.34
WELLS FARGO & CO	COMMON	949746101	11/02/2017	3,000	55.86	167,493.54	80,069.64
SHELL INTERNATIONAL	3.250 MAY 11 25	822582BD3	11/07/2017	156,000	103.21	163,517.56	1,344.20
UNITED STATES TREAS	2.250 AUG 15 27	9128282R0	11/07/2017	561,000	99.50	561,144.82	-4,952.76
AMERICREDIT AUTO REC	1.820 JUL 08 20	03065LAE9	11/08/2017	386,000	100.04	386,174.73	-603.12
FEDERAL FARM CR BKS	2.500 NOV 30 23	3133EHKU6	11/10/2017	598,000	99.35	600,888.00	-4,180.02
APPLE INC	COMMON	037833100	11/15/2017	5,400	169.34	914,260.43	537,103.21
FEDERATED INVS INC	CLASS B	314211103	11/15/2017	26,800	30.85	826,007.82	118,774.58
ORACLE CORP	2.950 NOV 15 24	68389XBS3	11/22/2017	87,000	100.71	87,749.50	758.64
ORACLE CORP	2.950 NOV 15 24	68389XBS3	11/24/2017	29,000	100.79	29,275.12	275.79
FNMA PASSTHRU AS1632	3.000 FEB 01 29	3138WAY68	11/29/2017	539,840	102.15	552,742.76	-3,584.88
QUEBEC PROV	3.500 JUL 29 20	748148RU9	11/29/2017	249,000	103.57	260,832.75	-3,215.66
PEPSICO INC	3.000 OCT 15 27	713448DY1	11/30/2017	115,000	99.11	114,495.15	-696.90
AMERN INTL GROUP INC	COMMON	026874784	12/01/2017	2,000	59.64	119,223.24	42,252.44
DELL TECHNOLOGIES	COM CL V	24703L103	12/01/2017	3,200	79.59	254,582.91	725.67
HUMANA INC	COMMON	444859102	12/01/2017	600	256.60	153,938.44	46,317.28
MARATHON PETROLEUM	COMMON	56585A102	12/01/2017	1,200	62.70	75,206.70	23,969.52
MARRIOTT INTL INC	CLASS A	571903202	12/01/2017	1,700	126.34	214,724.75	92,259.30

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Sales

Sales

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Proceeds	Gain/Loss
T ROWE PRICE GRP	COMMON	74144T108	12/01/2017	2,500	102.14	255,269.10	49,559.85
PUBLIC SVC ENTERPR	COMMON	744573106	12/01/2017	2,100	52.89	111,010.36	57,394.95
3M COMPANY	COMMON	88579Y101	12/01/2017	1,100	241.05	265,116.09	176,070.17
WAL MART STORES INC	COMMON	931142103	12/01/2017	1,700	97.42	165,565.97	78,808.84
UNITED STATES TREAS	1.875 JUL 31 22	9128282P4	12/04/2017	112,000	98.84	111,435.06	-445.19
GOLDMAN SACHS GROUP	4.000 MAR 03 24	38141GVM3	12/12/2017	83,000	105.01	88,086.43	-1,313.89
PEPSICO INC	3.000 OCT 15 27	713448DY1	12/12/2017	46,000	99.44	45,987.74	-127.42
CAPITAL ONE BK USA N	1.700 SEP 28 21	140420G61	12/19/2017	525,000	96.48	508,570.53	-15,177.75
WELLS FARGO BK N A	1.750 JUN 17 21	9497485W3	12/19/2017	55,000	97.00	53,359.01	-1,442.65
AT&T INC	COMMON	00206R102	12/20/2017	2,600	38.56	100,184.78	10,952.78
ABBOTT LABS	COMMON	002824100	12/20/2017	3,000	57.00	170,915.04	77,764.86
ALPHABET INC	CLASS A	02079K305	12/20/2017	300	1,073.39	322,000.56	190,032.42
APPLE INC	COMMON	037833100	12/20/2017	3,000	174.58	523,638.20	314,106.41
CENTENE CORP DEL	COMMON	15135B101	12/20/2017	1,200	103.26	123,873.25	32,746.57
CHEVRON CORP	COMMON	166764100	12/20/2017	1,200	121.20	145,397.28	75,509.37
CISCO SYSTEMS INC	COMMON	17275R102	12/20/2017	11,000	38.66	424,967.47	233,097.56
WALT DISNEY CO	COMMON	254687106	12/20/2017	2,100	110.68	232,349.13	185,329.07
HONEYWELL INTL INC	COMMON	438516106	12/20/2017	2,100	154.89	325,190.08	218,248.65
JPMORGAN CHASE & CO	COMMON	46625H100	12/20/2017	3,500	106.40	372,296.89	251,029.29
MARRIOTT INTL INC	CLASS A	571903202	12/20/2017	1,100	134.17	147,554.00	68,311.65
MICROSOFT CORP	COMMON	594918104	12/20/2017	2,500	85.37	213,332.57	159,950.35
WAL MART STORES INC	COMMON	931142103	12/20/2017	1,000	98.74	98,707.81	47,674.20

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Sales

Description	*Issue*	*CUSIP*	*Trade Date*	*Shares*	*Average Price*	*Total Proceeds*	*Gain/Loss*
Sales							
FEDERAL FARM CR BKS	2.870 SEP 01 26	3133EHXD0	12/20/2017	292,000	98.50	290,180.68	-4,380.00
GENERAL MTRS FINL CO	4.350 JAN 17 27	37045XBT2	12/28/2017	62,000	103.86	65,629.32	728.50
		Total Sales				**17,331,474.68**	**3,978,995.92**
Principal Payments							
COMM MTG TR	2.928 FEB 12 47	12591RAX8	10/01/2017	15,074	100.00	15,073.94	-452.05
FHLMC PC GOL D98711	4.500 JUL 01 31	3128E5VC0	10/01/2017	2,809	100.00	2,808.54	-189.58
FHLMC PC GOL G04632	5.000 NOV 01 36	3128M6PR3	10/01/2017	2,443	100.00	2,443.34	-203.10
FHLMC PC GOL G06933	5.000 JUL 01 41	3128M9BA9	10/01/2017	828	100.00	827.84	-94.17
FHLMC PC GOL G15191	4.000 NOV 01 28	3128MD7C1	10/01/2017	2,079	100.00	2,079.12	-146.84
FHLMC PC GOL G16043	3.500 AUG 01 30	3128ME5C1	10/01/2017	2,031	100.00	2,030.68	-103.12
FHLMC PC GOL G08737	3.000 DEC 01 46	3128MJZB9	10/01/2017	2,874	100.00	2,874.32	-13.92
FHLMC PC GOL C91370	4.500 MAY 01 31	3128P7QX4	10/01/2017	1,094	100.00	1,094.48	-82.77
FHLMC PC GOL A96413	4.000 JAN 01 41	312945DS4	10/01/2017	2,700	100.00	2,699.77	-74.89
FHLMC PC GOL Q13086	3.000 NOV 01 42	3132HPNB6	10/01/2017	328	100.00	327.68	-15.82
FNMA REMIC TRUST	4.000 FEB 25 40	3136A0P27	10/01/2017	1,906	100.00	1,905.51	-81.39
FNMA REMIC TRUST	3.000 MAR 25 39	3136A1JT3	10/01/2017	5,591	100.00	5,590.82	-164.23
FHLMC REMIC SERIES	4.000 NOV 15 39	3137A3ZF9	10/01/2017	6,474	100.00	6,474.07	-471.33
FHLMC REMIC SERIES	2.750 APR 15 41	3137ANQF5	10/01/2017	5,880	100.00	5,880.13	-85.71
FHLMC REMIC SERIES	1.500 MAY 15 27	3137AQPV4	10/01/2017	6,355	100.00	6,354.77	67.52
FHLMC REMIC SERIES	3.000 NOV 15 32	3137B9BY0	10/01/2017	2,790	100.00	2,789.92	-117.70

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Sales

Description	*Issue*	*CUSIP*	*Trade Date*	*Shares*	*Average Price*	*Total Proceeds*	*Gain/Loss*
Principal Payments							
FNMA PASSTHRU AH0257	4.000 DEC 01 40	3138A1JB8	10/01/2017	73	100.00	72.80	1.91
FNMA PASSTHRU AH0942	4.000 DEC 01 40	3138A2BL2	10/01/2017	639	100.00	638.96	-63.50
FNMA PASSTHRU AH1030	4.500 DEC 01 40	3138A2EC9	10/01/2017	153	100.00	153.26	-4.48
FNMA PASSTHRU AH3586	4.000 JAN 01 41	3138A46Y6	10/01/2017	1,028	100.00	1,028.35	-11.01
FNMA PASSTHRU AH3394	4.000 JAN 01 41	3138A4XY6	10/01/2017	551	100.00	551.13	-17.31
FNMA PASSTHRU AH3986	4.000 FEB 01 41	3138A5NC2	10/01/2017	1,774	100.00	1,773.52	-57.64
FNMA PASSTHRU AH8954	4.000 APR 01 41	3138AA5Q0	10/01/2017	1,587	100.00	1,587.07	-26.78
FNMA PASSTHRU AJ5336	3.000 NOV 01 26	3138AW4W0	10/01/2017	1,417	100.00	1,417.29	-55.81
FNMA PASSTHRU AK4940	3.500 MAR 01 42	3138E9P20	10/01/2017	418	100.00	417.84	-13.96
FNMA PASSTHRU AL0957	4.000 JUL 01 21	3138EHB35	10/01/2017	6,209	100.00	6,209.41	-381.19
FNMA PASSTHRU AL5521	4.500 JAN 01 40	3138END30	10/01/2017	3,235	100.00	3,235.17	-277.01
FNMA PASSTHRU AL6345	4.000 NOV 01 28	3138EPBP8	10/01/2017	2,749	100.00	2,749.30	-192.45
FNMA PASSTHRU AL9772	3.000 SEP 01 26	3138ER2E9	10/01/2017	3,884	100.00	3,884.10	-95.28
FNMA PASSTHRU AL9742	4.000 JUL 01 29	3138ERZG8	10/01/2017	5,784	100.00	5,784.07	-283.55
FNMA PASSTHRU AL8600	3.500 APR 01 31	3138ETRW8	10/01/2017	8,851	100.00	8,850.99	-381.70
FNMA PASSTHRU AO8044	3.500 JUL 01 42	3138LY5E3	10/01/2017	437	100.00	436.84	-31.67
FNMA PASSTHRU AP3108	3.500 OCT 01 42	3138M6N29	10/01/2017	1,320	100.00	1,320.09	-89.72
FNMA PASSTHRU AP6752	3.000 SEP 01 27	3138MAQE1	10/01/2017	257	100.00	256.74	-4.08
FNMA PASSTHRU AP7553	3.000 SEP 01 42	3138MBMB9	10/01/2017	700	100.00	699.57	-31.81
FNMA PASSTHRU AR7391	3.000 JUN 01 43	3138W5F94	10/01/2017	958	100.00	958.33	-27.70
FNMA PASSTHRU AS0765	3.500 OCT 01 28	3138W9Z78	10/01/2017	2,106	100.00	2,105.87	-101.02
FNMA PASSTHRU AS1632	3.000 FEB 01 29	3138WAY68	10/01/2017	8,406	100.00	8,405.62	-236.41

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Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Proceeds	Gain/Loss
Principal Payments							
FNMA PASSTHRU AS7348	3.500 JUN 01 46	3138WHEW8	10/01/2017	10,335	100.00	10,335.41	-310.06
FNMA PASSTHRU AS7388	3.500 JUN 01 46	3138WHF64	10/01/2017	7,342	100.00	7,342.03	-192.73
FNMA REMIC TRUST	4.000 NOV 25 40	31397SZ23	10/01/2017	1,262	100.00	1,262.33	-72.98
FNMA PASSTHRU BC1158	3.500 FEB 01 46	3140EVJC2	10/01/2017	9,211	100.00	9,210.81	-229.55
FNMA PASSTHRU BC6009	3.500 MAY 01 46	3140F1VB5	10/01/2017	30,758	100.00	30,758.33	-926.63
FNMA PASSTHRU BM1023	2.500 MAY 01 26	3140J5D55	10/01/2017	7,005	100.00	7,004.61	-106.16
FNMA PASSTHRU 932389	4.500 JAN 01 40	31412Q2W8	10/01/2017	1,296	100.00	1,296.20	-6.68
FNMA PASSTHRU AA5223	4.000 MAR 01 39	31416NYV8	10/01/2017	140	100.00	140.20	-5.06
FNMA PASSTHRU AB1475	4.500 SEP 01 40	31416WT93	10/01/2017	1,077	100.00	1,077.02	-46.03
FNMA PASSTHRU AB3865	3.500 NOV 01 41	31417AJK6	10/01/2017	865	100.00	865.20	-20.55
FNMA PASSTHRU MA0203	4.000 OCT 01 19	31417YGM3	10/01/2017	3,913	100.00	3,912.56	-243.31
FNMA PASSTHRU MA0514	4.000 SEP 01 40	31417YSC2	10/01/2017	415	100.00	415.24	-18.91
FNMA PASSTHRU MA0575	4.500 NOV 01 30	31417YT98	10/01/2017	4,717	100.00	4,717.33	-456.85
FNMA PASSTHRU MA0706	4.500 APR 01 31	31417YYC5	10/01/2017	3,338	100.00	3,338.23	-266.54
FNMA PASSTHRU MA0907	4.000 NOV 01 41	31418AAH1	10/01/2017	1,665	100.00	1,665.20	-71.81
FNMA PASSTHRU MA1029	3.500 APR 01 32	31418AEB0	10/01/2017	742	100.00	741.52	-47.97
FNMA PASSTHRU MA2683	4.000 JUL 01 46	31418B6V3	10/01/2017	8,419	100.00	8,418.84	-350.57
FNMA PASSTHRU MA1922	4.000 JUN 01 34	31418BD45	10/01/2017	7,626	100.00	7,626.38	-467.45
FNMA PASSTHRU MA1982	3.500 AUG 01 34	31418BFY7	10/01/2017	2,175	100.00	2,174.77	-122.67
FNMA PASSTHRU AD6960	4.500 JUL 01 40	31418UWW0	10/01/2017	650	100.00	649.87	-17.87
FNMA PASSTHRU AD8268	4.500 SEP 01 40	31418WFJ4	10/01/2017	3,014	100.00	3,014.20	-164.34
FNMA PASSTHRU AE7582	4.500 NOV 01 40	31419JM88	10/01/2017	5,161	100.00	5,161.27	-237.41

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Principal Payments

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Proceeds	Gain/Loss
GNMA PASSTHRU AU4920	3.020 SEP 15 41	36194SPD4	10/01/2017	536	100.00	535.52	-9.87
GNMA PASSTHRU 005228	3.500 NOV 20 26	36202FYZ3	10/01/2017	1,349	100.00	1,349.43	-82.23
GNMA PASSTHRU 782973	5.500 NOV 15 35	36241LJS6	10/01/2017	4,861	100.00	4,860.58	-524.79
GNMA PASSTHRU 696467	6.500 AUG 15 38	36296NW44	10/01/2017	19	100.00	19.43	-0.43
GNMA REMIC TRUST	3.500 JAN 20 38	38374YWD1	10/01/2017	2,627	100.00	2,627.07	-116.47
GNMA REMIC TRUST	3.000 OCT 20 39	38377JZ48	10/01/2017	5,700	100.00	5,700.42	-177.25
GNMA REMIC TRUST	5.000 AUG 16 39	38377UR34	10/01/2017	11,568	100.00	11,568.13	-988.73
GNMA REMIC TRUST	2.170 APR 16 41	38378BRT8	10/01/2017	435	100.00	434.55	-0.95
GNMA REMIC TRUST	2.750 JAN 20 38	38378CQF7	10/01/2017	3,944	100.00	3,944.32	-89.98
GNMA REMIC TRUST	3.500 APR 16 43	38378YYK9	10/01/2017	4,262	100.00	4,262.07	-192.46
GNMA REMIC TRUST	2.200 AUG 16 47	38379R6A6	10/01/2017	672	100.00	672.37	2.76
AMER AIRLINE 16-3 AA	3.000 OCT 15 28	023771R91	10/15/2017	3,562	100.00	3,562.16	0.00
ENTERPRISE FLEET FNC	1.740 FEB 22 22	29372EBS6	10/20/2017	9,820	100.00	9,820.25	0.65
COMM MTG TR	2.928 FEB 12 47	12591RAX8	11/01/2017	775	100.00	774.73	-23.23
FHLMC PC GOL D98711	4.500 JUL 01 31	3128E5VC0	11/01/2017	4,763	100.00	4,762.73	-321.48
FHLMC PC GOL G04632	5.000 NOV 01 36	3128M6PR3	11/01/2017	2,494	100.00	2,494.32	-207.34
FHLMC PC GOL G06933	5.000 JUL 01 41	3128M9BA9	11/01/2017	1,980	100.00	1,980.32	-225.26
FHLMC PC GOL G15191	4.000 NOV 01 28	3128MD7C1	11/01/2017	2,231	100.00	2,230.64	-157.54
FHLMC PC GOL G16043	3.500 AUG 01 30	3128ME5C1	11/01/2017	5,561	100.00	5,561.02	-282.40
FHLMC PC GOL G08737	3.000 DEC 01 46	3128MJZB9	11/01/2017	2,841	100.00	2,841.11	-13.76
FHLMC PC GOL C91370	4.500 MAY 01 31	3128P7QX4	11/01/2017	759	100.00	759.41	-57.43
FHLMC PC GOL C91881	3.500 JUL 01 36	3128P8CS8	11/01/2017	1,683	100.00	1,682.54	-69.93

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Sales

Description	*Issue*	*CUSIP*	*Trade Date*	*Shares*	*Average Price*	*Total Proceeds*	*Gain/Loss*
Principal Payments							
FHLMC PC GOL A96413	4.000 JAN 01 41	312945DS4	11/01/2017	2,893	100.00	2,892.86	-80.24
FHLMC PC GOL Q13086	3.000 NOV 01 42	3132HPNB6	11/01/2017	628	100.00	628.18	-30.33
FNMA REMIC TRUST	4.000 FEB 25 40	3136A0P27	11/01/2017	2,104	100.00	2,104.37	-89.88
FNMA REMIC TRUST	3.000 MAR 25 39	3136A1JT3	11/01/2017	6,583	100.00	6,582.76	-193.37
FHLMC REMIC SERIES	4.000 NOV 15 39	3137A3ZF9	11/01/2017	6,370	100.00	6,369.83	-463.74
FHLMC REMIC SERIES	2.750 APR 15 41	3137ANQF5	11/01/2017	5,387	100.00	5,387.22	-78.53
FHLMC REMIC SERIES	1.500 MAY 15 27	3137AQPV4	11/01/2017	5,931	100.00	5,931.15	63.02
FHLMC REMIC SERIES	3.000 NOV 15 32	3137B9BY0	11/01/2017	2,980	100.00	2,980.31	-125.73
FNMA PASSTHRU AH0257	4.000 DEC 01 40	3138A1JB8	11/01/2017	994	100.00	994.06	26.02
FNMA PASSTHRU AH0942	4.000 DEC 01 40	3138A2BL2	11/01/2017	1,357	100.00	1,357.43	-134.89
FNMA PASSTHRU AH1030	4.500 DEC 01 40	3138A2EC9	11/01/2017	154	100.00	153.60	-4.49
FNMA PASSTHRU AH3586	4.000 JAN 01 41	3138A46Y6	11/01/2017	996	100.00	996.34	-10.66
FNMA PASSTHRU AH3394	4.000 JAN 01 41	3138A4XY6	11/01/2017	555	100.00	554.70	-17.42
FNMA PASSTHRU AH3986	4.000 FEB 01 41	3138A5NC2	11/01/2017	3,403	100.00	3,403.42	-110.61
FNMA PASSTHRU AH8954	4.000 APR 01 41	3138AA5Q0	11/01/2017	586	100.00	586.07	-9.89
FNMA PASSTHRU AJ5336	3.000 NOV 01 26	3138AW4W0	11/01/2017	1,644	100.00	1,644.14	-64.74
FNMA PASSTHRU AK4940	3.500 MAR 01 42	3138E9P20	11/01/2017	787	100.00	787.31	-26.29
FNMA PASSTHRU AL0957	4.000 JUL 01 21	3138EHB35	11/01/2017	5,361	100.00	5,360.67	-329.09
FNMA PASSTHRU AL5521	4.500 JAN 01 40	3138END30	11/01/2017	4,194	100.00	4,194.01	-359.11
FNMA PASSTHRU AL6345	4.000 NOV 01 28	3138EPBP8	11/01/2017	3,326	100.00	3,325.71	-232.80
FNMA PASSTHRU AL9772	3.000 SEP 01 26	3138ER2E9	11/01/2017	2,702	100.00	2,701.52	-66.27
FNMA PASSTHRU AL9742	4.000 JUL 01 29	3138ERZG8	11/01/2017	6,315	100.00	6,315.44	-309.60

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Sales

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Proceeds	Gain/Loss
Principal Payments							
FNMA PASSTHRU AL8600	3.500 APR 01 31	3138ETRW8	11/01/2017	6,653	100.00	6,652.76	-286.90
FNMA PASSTHRU AO8044	3.500 JUL 01 42	3138LY5E3	11/01/2017	264	100.00	263.75	-19.12
FNMA PASSTHRU AP3108	3.500 OCT 01 42	3138M6N29	11/01/2017	201	100.00	201.49	-13.70
FNMA PASSTHRU AP6752	3.000 SEP 01 27	3138MAQE1	11/01/2017	267	100.00	267.49	-4.25
FNMA PASSTHRU AP7553	3.000 SEP 01 42	3138MBMB9	11/01/2017	665	100.00	665.07	-30.24
FNMA PASSTHRU AR7391	3.000 JUN 01 43	3138W5F94	11/01/2017	1,517	100.00	1,517.31	-23.86
FNMA PASSTHRU AS0765	3.500 OCT 01 28	3138W9Z78	11/01/2017	2,272	100.00	2,271.65	-108.97
FNMA PASSTHRU AS1632	3.000 FEB 01 29	3138WAY68	11/01/2017	7,872	100.00	7,871.93	-221.40
FNMA PASSTHRU AS7348	3.500 JUN 01 46	3138WHEW8	11/01/2017	11,656	100.00	11,655.97	-349.68
FNMA PASSTHRU AS7388	3.500 JUN 01 46	3138WHF64	11/01/2017	5,822	100.00	5,822.07	-152.83
FNMA REMIC TRUST	4.000 NOV 25 40	31397SZ23	11/01/2017	1,688	100.00	1,687.91	-97.58
FNMA PASSTHRU BC1158	3.500 FEB 01 46	3140EVJC2	11/01/2017	10,194	100.00	10,194.12	-254.06
FNMA PASSTHRU BC6009	3.500 MAY 01 46	3140F1VB5	11/01/2017	25,885	100.00	25,885.17	-779.82
FNMA PASSTHRU BM1023	2.500 MAY 01 26	3140J5D55	11/01/2017	5,054	100.00	5,054.26	-76.60
FNMA PASSTHRU 932389	4.500 JAN 01 40	31412Q2W8	11/01/2017	1,041	100.00	1,040.89	-5.37
FNMA PASSTHRU AA5223	4.000 MAR 01 39	31416NYV8	11/01/2017	117	100.00	117.29	-4.23
FNMA PASSTHRU AB1475	4.500 SEP 01 40	31416WT93	11/01/2017	74	100.00	74.04	-3.16
FNMA PASSTHRU AB3865	3.500 NOV 01 41	31417AJK6	11/01/2017	291	100.00	290.93	-6.91
FNMA PASSTHRU MA0203	4.000 OCT 01 19	31417YGM3	11/01/2017	3,059	100.00	3,058.83	-190.22
FNMA PASSTHRU MA0514	4.000 SEP 01 40	31417YSC2	11/01/2017	642	100.00	642.10	-29.25
FNMA PASSTHRU MA0575	4.500 NOV 01 30	31417YT98	11/01/2017	5,359	100.00	5,358.51	-518.95
FNMA PASSTHRU MA0706	4.500 APR 01 31	31417YYC5	11/01/2017	2,449	100.00	2,449.08	-195.54

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Sales

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Proceeds	Gain/Loss
Principal Payments							
FNMA PASSTHRU MA0907	4.000 NOV 01 41	31418AAH1	11/01/2017	666	100.00	665.80	-28.71
FNMA PASSTHRU MA1029	3.500 APR 01 32	31418AEB0	11/01/2017	689	100.00	689.43	-44.60
FNMA PASSTHRU MA2683	4.000 JUL 01 46	31418B6V3	11/01/2017	15,080	100.00	15,079.73	-627.93
FNMA PASSTHRU MA1922	4.000 JUN 01 34	31418BD45	11/01/2017	7,506	100.00	7,505.98	-460.07
FNMA PASSTHRU MA1982	3.500 AUG 01 34	31418BFY7	11/01/2017	1,789	100.00	1,788.70	-100.89
FNMA PASSTHRU AD6960	4.500 JUL 01 40	31418UWW0	11/01/2017	982	100.00	981.77	-27.00
FNMA PASSTHRU AD8268	4.500 SEP 01 40	31418WFJ4	11/01/2017	4,149	100.00	4,149.03	-226.21
FNMA PASSTHRU AE7582	4.500 NOV 01 40	31419JM88	11/01/2017	289	100.00	289.49	-13.32
GNMA PASSTHRU AU4920	3.020 SEP 15 41	36194SPD4	11/01/2017	537	100.00	537.01	-9.90
GNMA PASSTHRU 005228	3.500 NOV 20 26	36202FYZ3	11/01/2017	1,917	100.00	1,916.76	-116.80
GNMA PASSTHRU 782973	5.500 NOV 15 35	36241LJS6	11/01/2017	2,813	100.00	2,813.49	-303.77
GNMA PASSTHRU 696467	6.500 AUG 15 38	36296NW44	11/01/2017	13	100.00	13.19	-0.29
GNMA REMIC TRUST	3.500 JAN 20 38	38374YWD1	11/01/2017	2,312	100.00	2,312.01	-102.51
GNMA REMIC TRUST	3.000 OCT 20 39	38377JZ48	11/01/2017	5,756	100.00	5,756.48	-178.99
GNMA REMIC TRUST	5.000 AUG 16 39	38377UR34	11/01/2017	3,152	100.00	3,151.58	-269.37
GNMA REMIC TRUST	2.170 APR 16 41	38378BRT8	11/01/2017	436	100.00	435.85	-0.95
GNMA REMIC TRUST	2.750 JAN 20 38	38378CQF7	11/01/2017	4,271	100.00	4,271.21	-97.44
GNMA REMIC TRUST	3.500 APR 16 43	38378YYK9	11/01/2017	3,517	100.00	3,517.35	-158.83
GNMA REMIC TRUST	2.200 AUG 16 47	38379R6A6	11/01/2017	674	100.00	674.31	2.77
ENTERPRISE FLEET FNC	1.740 FEB 22 22	29372EBS6	11/20/2017	12,054	100.00	12,053.72	0.80
GREAT AMER LEASE REC	1.720 APR 22 19	39154TAH1	11/20/2017	2	100.00	1.73	0.00
COMM MTG TR	2.928 FEB 12 47	12591RAX8	12/01/2017	846	100.00	846.45	-25.38

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Principal Payments

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Proceeds	Gain/Loss
FHLMC PC GOL D98711	4.500 JUL 01 31	3128E5VC0	12/01/2017	2,645	100.00	2,645.40	-178.56
FHLMC PC GOL G04632	5.000 NOV 01 36	3128M6PR3	12/01/2017	2,086	100.00	2,085.60	-173.37
FHLMC PC GOL G06933	5.000 JUL 01 41	3128M9BA9	12/01/2017	1,914	100.00	1,914.34	-217.76
FHLMC PC GOL G15191	4.000 NOV 01 28	3128MD7C1	12/01/2017	3,605	100.00	3,604.54	-254.57
FHLMC PC GOL G16043	3.500 AUG 01 30	3128ME5C1	12/01/2017	6,325	100.00	6,325.00	-321.19
FHLMC PC GOL G16330	3.500 AUG 01 32	3128MFHF8	12/01/2017	8,223	100.00	8,222.78	-310.92
FHLMC PC GOL G08737	3.000 DEC 01 46	3128MJZB9	12/01/2017	2,828	100.00	2,828.31	-13.70
FHLMC PC GOL C91370	4.500 MAY 01 31	3128P7QX4	12/01/2017	824	100.00	823.69	-62.29
FHLMC PC GOL C91881	3.500 JUL 01 36	3128P8CS8	12/01/2017	2,874	100.00	2,874.34	-119.46
FHLMC PC GOL A96413	4.000 JAN 01 41	312945DS4	12/01/2017	2,657	100.00	2,656.57	-73.69
FHLMC PC GOL Q13086	3.000 NOV 01 42	3132HPNB6	12/01/2017	157	100.00	156.88	-7.57
FNMA REMIC TRUST	4.000 FEB 25 40	3136A0P27	12/01/2017	2,234	100.00	2,234.30	-95.43
FNMA REMIC TRUST	3.000 MAR 25 39	3136A1JT3	12/01/2017	6,301	100.00	6,300.76	-185.08
FHLMC REMIC SERIES	4.000 NOV 15 39	3137A3ZF9	12/01/2017	6,267	100.00	6,267.23	-456.28
FHLMC REMIC SERIES	2.750 APR 15 41	3137ANQF5	12/01/2017	1,040	100.00	1,040.13	-15.16
FHLMC REMIC SERIES	1.500 MAY 15 27	3137AQPV4	12/01/2017	6,297	100.00	6,296.77	66.90
FHLMC REMIC SERIES	3.000 NOV 15 32	3137B9BY0	12/01/2017	1,512	100.00	1,512.26	-63.80
FNMA PASSTHRU AH0257	4.000 DEC 01 40	3138A1JB8	12/01/2017	71	100.00	70.50	1.85
FNMA PASSTHRU AH0942	4.000 DEC 01 40	3138A2BL2	12/01/2017	802	100.00	802.35	-79.73
FNMA PASSTHRU AH1030	4.500 DEC 01 40	3138A2EC9	12/01/2017	154	100.00	153.93	-4.50
FNMA PASSTHRU AH3586	4.000 JAN 01 41	3138A46Y6	12/01/2017	1,326	100.00	1,326.11	-14.19
FNMA PASSTHRU AH3394	4.000 JAN 01 41	3138A4XY6	12/01/2017	446	100.00	446.32	-14.02

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Sales

Description	*Issue*	*CUSIP*	*Trade Date*	*Shares*	*Average Price*	*Total Proceeds*	*Gain/Loss*
Principal Payments							
FNMA PASSTHRU AH3986	4.000 FEB 01 41	3138A5NC2	12/01/2017	1,720	100.00	1,720.19	-55.91
FNMA PASSTHRU AH8954	4.000 APR 01 41	3138AA5Q0	12/01/2017	2,964	100.00	2,963.93	-50.02
FNMA PASSTHRU AJ5336	3.000 NOV 01 26	3138AW4W0	12/01/2017	1,420	100.00	1,419.80	-55.90
FNMA PASSTHRU AK4940	3.500 MAR 01 42	3138E9P20	12/01/2017	168	100.00	167.57	-5.60
FNMA PASSTHRU AL0957	4.000 JUL 01 21	3138EHB35	12/01/2017	5,460	100.00	5,459.84	-335.17
FNMA PASSTHRU AL5521	4.500 JAN 01 40	3138END30	12/01/2017	3,255	100.00	3,254.50	-278.67
FNMA PASSTHRU AL6345	4.000 NOV 01 28	3138EPBP8	12/01/2017	2,531	100.00	2,531.17	-177.18
FNMA PASSTHRU AL9772	3.000 SEP 01 26	3138ER2E9	12/01/2017	1,834	100.00	1,833.81	-44.99
FNMA PASSTHRU AL9742	4.000 JUL 01 29	3138ERZG8	12/01/2017	6,264	100.00	6,264.03	-307.08
FNMA PASSTHRU AL8600	3.500 APR 01 31	3138ETRW8	12/01/2017	6,376	100.00	6,375.96	-274.96
FNMA PASSTHRU AO8044	3.500 JUL 01 42	3138LY5E3	12/01/2017	331	100.00	330.86	-23.99
FNMA PASSTHRU AP3108	3.500 OCT 01 42	3138M6N29	12/01/2017	210	100.00	209.78	-14.26
FNMA PASSTHRU AP6752	3.000 SEP 01 27	3138MAQE1	12/01/2017	268	100.00	268.26	-4.27
FNMA PASSTHRU AP7553	3.000 SEP 01 42	3138MBMB9	12/01/2017	567	100.00	566.87	-25.77
FNMA PASSTHRU AR7391	3.000 JUN 01 43	3138W5F94	12/01/2017	3,150	100.00	3,149.95	-49.53
FNMA PASSTHRU AS0765	3.500 OCT 01 28	3138W9Z78	12/01/2017	1,391	100.00	1,391.10	-66.73
FNMA PASSTHRU AS7348	3.500 JUN 01 46	3138WHEW8	12/01/2017	5,528	100.00	5,528.11	-165.84
FNMA PASSTHRU AS7388	3.500 JUN 01 46	3138WHF64	12/01/2017	9,018	100.00	9,018.02	-236.72
FNMA REMIC TRUST	4.000 NOV 25 40	31397SZ23	12/01/2017	1,738	100.00	1,738.19	-100.49
FNMA PASSTHRU BC1158	3.500 FEB 01 46	3140EVJC2	12/01/2017	10,512	100.00	10,512.18	-261.99
FNMA PASSTHRU BC6009	3.500 MAY 01 46	3140F1VB5	12/01/2017	24,269	100.00	24,269.38	-731.14
FNMA PASSTHRU BM1023	2.500 MAY 01 26	3140J5D55	12/01/2017	9,907	100.00	9,906.97	-150.15

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Sales

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Proceeds	Gain/Loss
Principal Payments							
FNMA PASSTHRU 932389	4.500 JAN 01 40	31412Q2W8	12/01/2017	179	100.00	179.47	-0.93
FNMA PASSTHRU AA5223	4.000 MAR 01 39	31416NYV8	12/01/2017	153	100.00	153.17	-5.53
FNMA PASSTHRU AB1475	4.500 SEP 01 40	31416WT93	12/01/2017	859	100.00	858.95	-36.71
FNMA PASSTHRU AB3865	3.500 NOV 01 41	31417AJK6	12/01/2017	1,083	100.00	1,082.80	-25.72
FNMA PASSTHRU MA0203	4.000 OCT 01 19	31417YGM3	12/01/2017	3,586	100.00	3,586.00	-223.00
FNMA PASSTHRU MA0514	4.000 SEP 01 40	31417YSC2	12/01/2017	781	100.00	781.23	-35.58
FNMA PASSTHRU MA0575	4.500 NOV 01 30	31417YT98	12/01/2017	5,593	100.00	5,592.95	-541.65
FNMA PASSTHRU MA0706	4.500 APR 01 31	31417YYC5	12/01/2017	3,051	100.00	3,050.93	-243.60
FNMA PASSTHRU MA0907	4.000 NOV 01 41	31418AAH1	12/01/2017	744	100.00	743.73	-32.07
FNMA PASSTHRU MA1029	3.500 APR 01 32	31418AEB0	12/01/2017	702	100.00	702.21	-45.42
FNMA PASSTHRU MA2683	4.000 JUL 01 46	31418B6V3	12/01/2017	2,150	100.00	2,149.74	-89.52
FNMA PASSTHRU MA1922	4.000 JUN 01 34	31418BD45	12/01/2017	5,905	100.00	5,905.23	-361.95
FNMA PASSTHRU MA1982	3.500 AUG 01 34	31418BFY7	12/01/2017	2,118	100.00	2,117.80	-119.46
FNMA PASSTHRU AD6960	4.500 JUL 01 40	31418UWW0	12/01/2017	819	100.00	818.68	-22.51
FNMA PASSTHRU AD8268	4.500 SEP 01 40	31418WFJ4	12/01/2017	3,577	100.00	3,577.45	-195.05
FNMA PASSTHRU AE7582	4.500 NOV 01 40	31419JM88	12/01/2017	5,445	100.00	5,444.80	-250.46
GNMA PASSTHRU AU4920	3.020 SEP 15 41	36194SPD4	12/01/2017	539	100.00	538.50	-9.93
GNMA PASSTHRU 005228	3.500 NOV 20 26	36202FYZ3	12/01/2017	1,677	100.00	1,676.56	-102.17
GNMA PASSTHRU 782973	5.500 NOV 15 35	36241LJS6	12/01/2017	1,652	100.00	1,651.71	-178.33
GNMA PASSTHRU 696467	6.500 AUG 15 38	36296NW44	12/01/2017	12	100.00	12.13	-0.27
GNMA REMIC TRUST	3.500 JAN 20 38	38374YWD1	12/01/2017	3,111	100.00	3,110.56	-137.91
GNMA REMIC TRUST	3.000 OCT 20 39	38377JZ48	12/01/2017	5,932	100.00	5,932.15	-184.45

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Sales

Description	*Issue*	*CUSIP*	*Trade Date*	*Shares*	*Average Price*	*Total Proceeds*	*Gain/Loss*
Principal Payments							
GNMA REMIC TRUST	5.000 AUG 16 39	38377UR34	12/01/2017	3,017	100.00	3,017.07	-257.87
GNMA REMIC TRUST	2.170 APR 16 41	38378BRT8	12/01/2017	437	100.00	437.13	-0.96
GNMA REMIC TRUST	2.750 JAN 20 38	38378CQF7	12/01/2017	3,910	100.00	3,910.07	-89.20
GNMA REMIC TRUST	3.500 APR 16 43	38378YYK9	12/01/2017	4,134	100.00	4,133.56	-186.66
GNMA REMIC TRUST	2.200 AUG 16 47	38379R6A6	12/01/2017	676	100.00	676.27	2.77
UBS-BARCLY COML MTG	2.533 DEC 12 45	90270RBC7	12/01/2017	7,761	100.00	7,761.26	-194.01
WF-RBS COML MTG TR	4.869 FEB 18 44	92935JBC8	12/01/2017	4,165	100.00	4,164.56	-464.15
BNSF RAILWAY CO	3.442 JUN 16 28	05581JAA2	12/16/2017	4,062	100.00	4,062.24	-232.36
ENTERPRISE FLEET FNC	1.740 FEB 22 22	29372EBS6	12/20/2017	10,964	100.00	10,963.54	0.73
GREAT AMER LEASE REC	1.720 APR 22 19	39154TAH1	12/20/2017	21,834	100.00	21,834.40	-1.72
		Total Principal Payments				**795,202.14**	**-31,616.72**
		Total Sales and Principal Payments				**18,126,676.82**	**3,947,379.20**

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Purchases

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Cost
Purchases						
PACIFICORP	3.850 JUN 15 21	695114CM8	10/03/2017	72,000	105.72	-76,963.24
CAPITAL ONE CC TR	1.990 JUL 17 23	14041NFN6	10/04/2017	229,000	99.99	-228,982.30
UNITED STATES TREAS	2.250 AUG 15 27	9128282R0	10/04/2017	39,000	99.33	-38,861.96
PEPSICO INC	3.000 OCT 15 27	713448DY1	10/05/2017	161,000	99.72	-160,544.37
DBUBS MTG TR	3.452 OCT 12 34	23305JAA0	10/12/2017	400,000	103.00	-412,901.32
GOLDMAN SACHS GROUP	3.272 SEP 29 25	38141GWQ3	10/18/2017	202,000	99.95	-202,282.53
UNITED STATES TREAS	1.875 JUL 31 22	9128282P4	10/18/2017	53,000	99.50	-52,951.66
UNITED STATES TREAS	0.625 APR 30 18	912828UZ1	10/19/2017	289,000	99.68	-288,926.87
FEDERATION CAISSES D	2.250 OCT 30 20	31429KAB9	10/24/2017	600,000	99.97	-599,790.00
UNITED STATES TREAS	1.875 JUL 31 22	9128282P4	10/25/2017	1,271,000	99.24	-1,267,017.33
DISNEY WALT CO MTNS	1.850 JUL 30 26	25468PDM5	10/26/2017	47,000	91.21	-43,084.20
MERCK & CO INC	2.750 FEB 10 25	58933YAR6	10/26/2017	240,000	100.00	-241,466.67
DISNEY WALT CO MTNS	1.850 JUL 30 26	25468PDM5	10/27/2017	143,000	91.43	-131,400.55
FEDERAL HOME LOAN BA	1.500 NOV 22 22 SU	3130ACR22	10/27/2017	690,000	100.00	-690,000.00
CHEVRON CORP NEW	2.954 MAY 16 26	166764BL3	10/30/2017	45,000	100.40	-45,787.91
FNMA PASSTHRU AR7391	3.000 JUN 01 43	3138W5F94	10/31/2017	111,092	100.72	-112,168.58
LLOYDS BANKING GROUP	2.907 NOV 07 23	539439AP4	10/31/2017	241,000	100.00	-241,000.00
FACEBOOK INC	CLASS A	30303M102	11/01/2017	9,300	181.26	-1,686,029.55
CHEVRON CORP NEW	2.954 MAY 16 26	166764BL3	11/01/2017	37,000	100.38	-37,648.36
VOLVO FINL EQUP LLC	2.059 NOV 15 22	92887MAA4	11/03/2017	200,000	100.00	-200,000.00
ORACLE CORP	2.950 NOV 15 24	68389XBS3	11/07/2017	116,000	99.84	-115,816.72

Transaction Detail - 10/1/2017 through 12/31/2017

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Purchases

Description	*Issue*	*CUSIP*	*Trade Date*	*Shares*	*Average Price*	*Total Cost*
Purchases						
UNITED STATES TREAS	1.875 OCT 31 22	912828M49	11/07/2017	1,090,000	99.43	-1,084,291.70
FEDERAL FARM CR BKS	2.700 DEC 19 24	3133EHNF6	11/13/2017	289,000	99.75	-291,420.38
FEDERAL FARM CR BKS	2.800 JUL 24 25	3133EHRW5	11/13/2017	309,000	99.50	-310,098.67
BAKER HUGHES A GE CO	CL A COMMON STOCK	05722G100	11/15/2017	6,500	30.54	-198,690.05
OCCIDENTAL PETE CORP	COMMON	674599105	11/15/2017	11,700	66.80	-781,872.39
BERKSHIRE HATHAWAY I	2.750 MAR 15 23	084670BR8	11/20/2017	80,000	100.81	-81,060.65
EXPRESS SCRIPTS HLDG	2.600 NOV 30 20	30219GAR9	11/20/2017	168,000	99.98	-167,961.36
UNITED STATES TREAS	2.250 OCT 31 24	9128283D0	11/22/2017	84,000	100.17	-84,266.40
UNITED STATES TREAS	2.250 OCT 31 24	9128283D0	11/24/2017	19,000	100.19	-19,068.70
PACIFIC GAS & ELEC C	3.300 DEC 01 27	694308HV2	11/27/2017	195,000	99.70	-194,422.80
PACIFIC GAS & ELEC C	3.300 DEC 01 27	694308HV2	11/27/2017	195,000	99.99	-194,982.45
FHLMC PC GOL G16330	3.500 AUG 01 32	3128MFHF8	11/29/2017	735,072	103.78	-764,939.32
MANITOBA PROV	2.050 NOV 30 20	563469UH6	11/29/2017	249,000	99.53	-247,836.41
SIMON PPTY GROUP LP	3.375 DEC 01 27	828807DE4	11/30/2017	66,000	99.21	-65,481.24
UNITED STATES TREAS	1.500 AUG 15 26	9128282A7	11/30/2017	18,000	92.95	-16,810.87
UNITED STATES TREAS	1.875 JUL 31 22	9128282P4	11/30/2017	27,000	98.86	-26,862.39
UNITED STATES TREAS	2.250 AUG 15 27	9128282R0	11/30/2017	7,000	98.42	-6,935.78
UNITED STATES TREAS	2.250 OCT 31 24	9128283D0	11/30/2017	7,000	99.60	-6,985.63
UNITED STATES TREAS	0.125 APR 15 20	912828K33	11/30/2017	2,108	99.57	-2,099.15
UNITED STATES TREAS	1.875 OCT 31 22	912828M49	11/30/2017	22,000	98.76	-21,762.97
UNITED STATES TREAS	0.625 JAN 15 26	912828N71	11/30/2017	20,775	100.73	-20,975.06

Transaction Detail - 10/1/2017 through 12/31/2017

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Purchases

Description	*Issue*	*CUSIP*	*Trade Date*	*Shares*	*Average Price*	*Total Cost*
Purchases						
UNITED STATES TREAS	0.625 APR 30 18	912828UZ1	11/30/2017	6,000	99.70	-5,985.18
UNITED STATES TREAS	0.375 JAN 15 27	912828V49	11/30/2017	32,697	98.20	-32,153.01
UNITED STATES TREAS	1.750 APR 30 22	912828WZ9	11/30/2017	12,000	98.53	-11,841.30
UNITED STATES TREAS	2.000 JUN 30 24	912828XX3	11/30/2017	20,000	98.18	-19,804.19
WESTPAC BKG CORP	2.750 JAN 11 23	961214DS9	12/04/2017	128,000	99.90	-127,870.72
UNITED STATES TREAS	2.000 JUN 30 24	912828XX3	12/05/2017	24,000	98.24	-23,786.83
GOLDMAN SACHS GROUP	3.272 SEP 29 25	38141GWQ3	12/12/2017	83,000	99.78	-83,382.36
UNITED STATES TREAS	2.250 NOV 15 27	9128283F5	12/12/2017	48,000	98.55	-47,389.02
FNMA PASSTHRU AL3645	3.500 MAY 01 28	3138ELBP7	12/18/2017	277,200	103.20	-286,510.72
ADVISORS INNER CIRCL	MCKEE INTL EQT	00758M188	12/20/2017	115,274	13.88	-1,600,000.00
GENERAL ELECTRIC CO	COMMON	369604103	12/20/2017	30,800	17.42	-537,460.00
MADDEN STEVEN LTD	COM	556269108	12/20/2017	2,400	46.03	-110,532.00
MATADOR RESOURCES	COMMON	576485205	12/20/2017	2,100	28.36	-59,608.50
FEDERAL NTL MTG ASSN	2.000 JAN 05 22	3135G0S38	12/20/2017	536,000	99.23	-536,789.11
FEDERAL HOME LN MTG	2.375 JAN 13 22	3137EADB2	12/20/2017	519,000	100.71	-528,079.19
ADVISORS INNER CIRCL	MCKEE INTL EQT	00758M188	12/21/2017	15,312	13.88	-212,530.47
ADVISORS INNER CIRCL	MCKEE INTL EQT	00758M188	12/21/2017	360	13.88	-5,002.15
UNITED STATES TREAS	1.500 AUG 15 26	9128282A7	12/21/2017	23,000	92.56	-21,409.51
UNITED STATES TREAS	1.875 JUL 31 22	9128282P4	12/21/2017	32,000	98.45	-31,739.89
UNITED STATES TREAS	2.250 AUG 15 27	9128282R0	12/21/2017	10,000	98.06	-9,884.38
UNITED STATES TREAS	0.125 APR 15 20	912828K33	12/21/2017	7,375	99.58	-7,345.56

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Purchases

Description	Issue	CUSIP	Trade Date	Shares	Average Price	Total Cost
Purchases						
UNITED STATES TREAS	1.875 OCT 31 22	912828M49	12/21/2017	26,000	98.35	-25,640.51
UNITED STATES TREAS	0.625 JAN 15 26	912828N71	12/21/2017	39,456	100.80	-39,877.57
UNITED STATES TREAS	0.625 APR 30 18	912828UZ1	12/21/2017	7,000	99.74	-6,987.98
UNITED STATES TREAS	0.375 JAN 15 27	912828V49	12/21/2017	43,918	98.39	-43,284.32
UNITED STATES TREAS	1.750 APR 30 22	912828WZ9	12/21/2017	28,000	98.13	-27,546.58
UNITED STATES TREAS	2.000 JUN 30 24	912828XX3	12/21/2017	23,000	97.73	-22,695.95
FNMA PASSTHRU MA1608	3.500 OCT 01 33	31418AYE2	12/22/2017	389,510	103.52	-403,582.75
UNITED STATES TREAS	2.250 NOV 15 27	9128283F5	12/28/2017	59,000	98.44	-58,254.15
ADVISORS INNER CIRCL	MCKEE INTL EQT	00758M188	12/29/2017	20,851	13.82	-288,164.74
FNMA REMIC TRUST	2.000 OCT 25 40	3136A8V64	12/29/2017	118,910	97.86	-116,379.35
GNMA REMIC TRUST	4.000 APR 20 39	38376Y3M1	12/29/2017	269,344	102.11	-275,115.57
		Total Purchases				**-$17,069,082.05**
		Total Purchases and Principal Payups				**-$17,069,082.05**

Transaction Detail - 10/1/2017 through 12/31/2017

Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
COMM MTG TR	2.928 FEB 12 47	12591RAX8	10/01/2017	861.41
COMM MTG TR	2.976 JUL 10 48	12593FBA1	10/01/2017	766.32
COMM MTG TR 2015-PC1	3.902 JUL 12 50	12593GAF9	10/01/2017	881.20
COMM MTG TR	4.230 JUL 12 45	12625UBF9	10/01/2017	1,883.07
FHLMC PC GOL D98711	4.500 JUL 01 31	3128E5VC0	10/01/2017	1,031.40
FHLMC PC GOL G04632	5.000 NOV 01 36	3128M6PR3	10/01/2017	468.79
FHLMC PC GOL G06933	5.000 JUL 01 41	3128M9BA9	10/01/2017	519.32
FHLMC PC GOL G15191	4.000 NOV 01 28	3128MD7C1	10/01/2017	409.94
FHLMC PC GOL G16043	3.500 AUG 01 30	3128ME5C1	10/01/2017	832.65
FHLMC PC GOL G08737	3.000 DEC 01 46	3128MJZB9	10/01/2017	1,016.06
FHLMC PC GOL C91370	4.500 MAY 01 31	3128P7QX4	10/01/2017	232.98
FHLMC PC GOL A96413	4.000 JAN 01 41	312945DS4	10/01/2017	697.43
FHLMC PC GOL Q13086	3.000 NOV 01 42	3132HPNB6	10/01/2017	117.18
FNMA REMIC TRUST	4.000 FEB 25 40	3136A0P27	10/01/2017	189.44
FNMA REMIC TRUST	3.000 MAR 25 39	3136A1JT3	10/01/2017	128.90
FHLMC REMIC SERIES	4.000 NOV 15 39	3137A3ZF9	10/01/2017	952.57
FHLMC REMIC SERIES	2.750 APR 15 41	3137ANQF5	10/01/2017	643.39
FHLMC REMIC SERIES	1.500 MAY 15 27	3137AQPV4	10/01/2017	573.47
FHLMC REMIC SERIES	3.000 NOV 15 32	3137B9BY0	10/01/2017	281.61
FNMA PASSTHRU AH0257	4.000 DEC 01 40	3138A1JB8	10/01/2017	99.80
FNMA PASSTHRU AH0942	4.000 DEC 01 40	3138A2BL2	10/01/2017	212.62
FNMA PASSTHRU AH1030	4.500 DEC 01 40	3138A2EC9	10/01/2017	244.79
FNMA PASSTHRU AH3586	4.000 JAN 01 41	3138A46Y6	10/01/2017	277.07
FNMA PASSTHRU AH3394	4.000 JAN 01 41	3138A4XY6	10/01/2017	134.35
FNMA PASSTHRU AH3986	4.000 FEB 01 41	3138A5NC2	10/01/2017	309.33
FNMA PASSTHRU AH8954	4.000 APR 01 41	3138AA5Q0	10/01/2017	319.13

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Income

Description	Issue	CUSIP	Pay Date	Proceeds
FNMA PASSTHRU AJ5336	3.000 NOV 01 26	3138AW4W0	10/01/2017	193.11
FNMA PASSTHRU AK4940	3.500 MAR 01 42	3138E9P20	10/01/2017	211.84
FNMA PASSTHRU AL0957	4.000 JUL 01 21	3138EHB35	10/01/2017	483.08
FNMA PASSTHRU AL5521	4.500 JAN 01 40	3138END30	10/01/2017	1,072.43
FNMA PASSTHRU AL6345	4.000 NOV 01 28	3138EPBP8	10/01/2017	494.41
FNMA PASSTHRU AL9772	3.000 SEP 01 26	3138ER2E9	10/01/2017	384.75
FNMA PASSTHRU AL9742	4.000 JUL 01 29	3138ERZG8	10/01/2017	899.28
FNMA PASSTHRU AL8600	3.500 APR 01 31	3138ETRW8	10/01/2017	996.78
FNMA PASSTHRU AO8044	3.500 JUL 01 42	3138LY5E3	10/01/2017	83.21
FNMA PASSTHRU AP3108	3.500 OCT 01 42	3138M6N29	10/01/2017	246.91
FNMA PASSTHRU AP6752	3.000 SEP 01 27	3138MAQE1	10/01/2017	89.34
FNMA PASSTHRU AP7553	3.000 SEP 01 42	3138MBMB9	10/01/2017	202.39
FNMA PASSTHRU AR7391	3.000 JUN 01 43	3138W5F94	10/01/2017	182.27
FNMA PASSTHRU AS0765	3.500 OCT 01 28	3138W9Z78	10/01/2017	442.98
FNMA PASSTHRU AS1632	3.000 FEB 01 29	3138WAY68	10/01/2017	1,390.29
FNMA PASSTHRU AS7348	3.500 JUN 01 46	3138WHEW8	10/01/2017	1,766.74
FNMA PASSTHRU AS7388	3.500 JUN 01 46	3138WHF64	10/01/2017	1,738.75
FNMA REMIC TRUST	4.000 NOV 25 40	31397SZ23	10/01/2017	255.67
FNMA PASSTHRU BC1158	3.500 FEB 01 46	3140EVJC2	10/01/2017	2,737.06
FNMA PASSTHRU BC6009	3.500 MAY 01 46	3140F1VB5	10/01/2017	3,597.22
FNMA PASSTHRU BM1023	2.500 MAY 01 26	3140J5D55	10/01/2017	778.98
FNMA PASSTHRU 932389	4.500 JAN 01 40	31412Q2W8	10/01/2017	233.66
FNMA PASSTHRU AA5223	4.000 MAR 01 39	31416NYV8	10/01/2017	132.04
FNMA PASSTHRU AB1475	4.500 SEP 01 40	31416WT93	10/01/2017	113.29
FNMA PASSTHRU AB3865	3.500 NOV 01 41	31417AJK6	10/01/2017	211.79
FNMA PASSTHRU MA0203	4.000 OCT 01 19	31417YGM3	10/01/2017	180.34

Transaction Detail - 10/1/2017 through 12/31/2017

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
FNMA PASSTHRU MA0514	4.000 SEP 01 40	31417YSC2	10/01/2017	110.67
FNMA PASSTHRU MA0575	4.500 NOV 01 30	31417YT98	10/01/2017	1,059.57
FNMA PASSTHRU MA0706	4.500 APR 01 31	31417YYC5	10/01/2017	541.93
FNMA PASSTHRU MA0907	4.000 NOV 01 41	31418AAH1	10/01/2017	227.19
FNMA PASSTHRU MA1029	3.500 APR 01 32	31418AEB0	10/01/2017	156.45
FNMA PASSTHRU MA2683	4.000 JUL 01 46	31418B6V3	10/01/2017	1,936.10
FNMA PASSTHRU MA1922	4.000 JUN 01 34	31418BD45	10/01/2017	1,366.75
FNMA PASSTHRU MA1982	3.500 AUG 01 34	31418BFY7	10/01/2017	369.24
FNMA PASSTHRU AD6960	4.500 JUL 01 40	31418UWW0	10/01/2017	178.94
FNMA PASSTHRU AD8268	4.500 SEP 01 40	31418WFJ4	10/01/2017	561.18
FNMA PASSTHRU AE7582	4.500 NOV 01 40	31419JM88	10/01/2017	366.14
GNMA PASSTHRU AU4920	3.020 SEP 15 41	36194SPD4	10/01/2017	593.15
GNMA PASSTHRU 005228	3.500 NOV 20 26	36202FYZ3	10/01/2017	264.55
GNMA PASSTHRU 782973	5.500 NOV 15 35	36241LJS6	10/01/2017	802.22
GNMA PASSTHRU 696467	6.500 AUG 15 38	36296NW44	10/01/2017	29.07
GNMA REMIC TRUST	3.500 JAN 20 38	38374YWD1	10/01/2017	129.01
GNMA REMIC TRUST	3.000 OCT 20 39	38377JZ48	10/01/2017	522.37
GNMA REMIC TRUST	5.000 AUG 16 39	38377UR34	10/01/2017	571.91
GNMA REMIC TRUST	2.170 APR 16 41	38378BRT8	10/01/2017	161.76
GNMA REMIC TRUST	2.750 JAN 20 38	38378CQF7	10/01/2017	197.60
GNMA REMIC TRUST	3.500 APR 16 43	38378YYK9	10/01/2017	486.02
GNMA REMIC TRUST	2.200 AUG 16 47	38379R6A6	10/01/2017	733.33
JPMCC COML MTG SEC T	2.822 AUG 17 49	46590MAR1	10/01/2017	256.31
MORGAN STAN CAP I	3.809 DEC 17 48	61691ABL6	10/01/2017	377.73
MORGAN STAN CAP I	3.596 DEC 17 49	61691EBA2	10/01/2017	1,228.63
MORGAN STAN CAP I	3.594 MAR 17 49	61766CAE9	10/01/2017	518.14

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
UBS-BARCLY COML MTG	3.525 MAY 11 63	90269CAD2	10/01/2017	528.75
UBS-BARCLY COML MTG	2.533 DEC 12 45	90270RBC7	10/01/2017	208.96
VNDO MTG TR	2.996 NOV 15 30	91830CAA6	10/01/2017	312.04
WF-RBS COML MTG TR	4.869 FEB 18 44	92935JBC8	10/01/2017	1,704.15
WFRBS COML MTG TR	3.198 MAR 17 48	92937FAD3	10/01/2017	381.10
WELLS FARGO COML TR	2.931 JUL 17 48	95000FAT3	10/01/2017	439.65
WELLS FARGO COML TR	2.918 NOV 18 49	95000KBB0	10/01/2017	916.74
WELLS FARGO COML TR	3.635 MAR 17 50	95000TBS4	10/01/2017	1,069.30
AMERICAN EXPRESS CEN	2.300 APR 05 21	02587DN20	10/05/2017	13,685.00
CASH	CASH	CASH	10/06/2017	829.17
CAPITAL ONE NATL ASS	2.000 OCT 07 19	14042RAN1	10/07/2017	2,480.00
AMERICREDIT AUTO REC	2.580 SEP 08 20	03062AAF3	10/08/2017	249.40
AMERICREDIT AUTO REC	1.820 JUL 08 20	03065LAE9	10/08/2017	585.43
AMERICREDIT AUTO REC	2.110 JAN 08 21	03065MAE7	10/08/2017	260.23
AMERICREDIT AUTO REC	2.300 MAR 08 21	03065VAE7	10/08/2017	504.08
TOYOTA MOTOR CREDIT	1.900 APR 08 21	89236TCZ6	10/08/2017	2,156.50
GENERAL ELECTRIC CO	2.700 OCT 09 22	369604BD4	10/09/2017	3,213.00
OSCAR US FD TR VI	2.820 JUN 10 21	687846AD7	10/10/2017	611.00
TORO CO	COMMON	891092108	10/12/2017	1,767.50
BANCFIRST CORP	COMMON	05945F103	10/13/2017	1,134.00
CCG RECV TR 2017-1	1.840 NOV 14 23	12508UAB1	10/14/2017	863.27
AMER AIRLINE 16-3 AA	3.000 OCT 15 28	023771R91	10/15/2017	1,935.00
CAPITAL ONE CC TR	2.009 FEB 15 22	14041NFC0	10/15/2017	355.25
NISSAN AUTO LEASE TR	1.910 APR 15 20	65479AAD4	10/15/2017	237.16
UNITED STATES TREAS	0.125 APR 15 20	912828K33	10/15/2017	189.71
OCCIDENTAL PETE CORP	COMMON	674599105	10/16/2017	10,087.00

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Income

Description	Issue	CUSIP	Pay Date	Proceeds
WELLS FARGO BK N A	1.750 JUN 17 21	9497485W3	10/17/2017	437.50
AMERICREDIT AUTO REC	1.980 DEC 20 21	03065GAD2	10/18/2017	194.70
CAPITAL ONE BK USA N	2.250 APR 19 21	1404202B5	10/19/2017	2,531.25
SUN HYDRAULICS CORP	COMMON	866942105	10/20/2017	607.50
ENTERPRISE FLEET FNC	1.740 FEB 22 22	29372EBS6	10/20/2017	358.98
FEDERAL HOME LN MTG	1.500 APR 20 22 SU	3134GBDQ2	10/20/2017	2,047.50
GREAT AMER LEASE REC	1.720 APR 22 19	39154TAH1	10/20/2017	322.50
VERIZON OWNER TR	1.680 MAY 20 21	92348MAA7	10/20/2017	350.00
VERIZON OWNER TR	2.060 SEP 20 21	92348NAA5	10/20/2017	1,030.00
VERIZON OWNER TR	2.450 SEP 20 21	92348NAB3	10/20/2017	839.13
MORGAN STANLEY	2.500 APR 21 21	61746BEA0	10/21/2017	4,362.50
CISCO SYSTEMS INC	COMMON	17275R102	10/25/2017	15,225.00
GENERAL ELECTRIC CO	COMMON	369604103	10/25/2017	12,888.00
ORACLE CORP	COMMON	68389X105	10/25/2017	5,301.00
SAUDI ARABIA (KINGDO	2.375 OCT 26 21	80413TAA7	10/26/2017	4,571.88
HUMANA INC	COMMON	444859102	10/27/2017	2,000.00
MONSANTO CO	COMMON	61166W101	10/27/2017	5,778.00
CASH	CASH	CASH	10/27/2017	638.66
COMM MTG TR	4.230 JUL 12 45	12625UBF9	10/27/2017	20.86
CAPITAL ONE BK USA N	1.700 SEP 28 21	140420G61	10/27/2017	69.87
WELLS FARGO BANK NAT	2.250 MAR 29 21	949763FW1	10/29/2017	841.88
EOG RESOURCES INC	COMMON	26875P101	10/31/2017	2,713.50
JPMORGAN CHASE & CO	COMMON	46625H100	10/31/2017	12,040.00
MVC CAPITAL	COMMON	553829102	10/31/2017	1,200.00
UNITED STATES TREAS	0.625 APR 30 18	912828UZ1	10/31/2017	903.13
UNITED STATES TREAS	1.750 APR 30 22	912828WZ9	10/31/2017	8,513.75

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
AT&T INC	COMMON	00206R102	11/01/2017	14,482.44
DEERE & CO	COMMON	244199105	11/01/2017	7,260.00
TIME WARNER INC	COMMON	887317303	11/01/2017	6,721.75
COMM MTG TR	2.928 FEB 12 47	12591RAX8	11/01/2017	658.62
COMM MTG TR	2.976 JUL 10 48	12593FBA1	11/01/2017	766.32
COMM MTG TR 2015-PC1	3.902 JUL 12 50	12593GAF9	11/01/2017	881.20
COMM MTG TR	4.230 JUL 12 45	12625UBF9	11/01/2017	1,927.20
DBUBS MTG TR	3.452 OCT 12 34	23305JAA0	11/01/2017	1,150.67
DU PONT E I DE NEMOU	2.200 MAY 01 20	263534CL1	11/01/2017	929.81
FHLMC PC GOL D98711	4.500 JUL 01 31	3128E5VC0	11/01/2017	1,020.87
FHLMC PC GOL G04632	5.000 NOV 01 36	3128M6PR3	11/01/2017	458.61
FHLMC PC GOL G06933	5.000 JUL 01 41	3128M9BA9	11/01/2017	515.87
FHLMC PC GOL G15191	4.000 NOV 01 28	3128MD7C1	11/01/2017	403.01
FHLMC PC GOL G16043	3.500 AUG 01 30	3128ME5C1	11/01/2017	826.73
FHLMC PC GOL G08737	3.000 DEC 01 46	3128MJZB9	11/01/2017	1,008.87
FHLMC PC GOL C91370	4.500 MAY 01 31	3128P7QX4	11/01/2017	228.87
FHLMC PC GOL C91881	3.500 JUL 01 36	3128P8CS8	11/01/2017	580.30
FHLMC PC GOL A96413	4.000 JAN 01 41	312945DS4	11/01/2017	688.43
FHLMC PC GOL Q13086	3.000 NOV 01 42	3132HPNB6	11/01/2017	116.36
FNMA REMIC TRUST	4.000 FEB 25 40	3136A0P27	11/01/2017	183.09
FNMA REMIC TRUST	3.000 MAR 25 39	3136A1JT3	11/01/2017	114.92
FHLMC REMIC SERIES	4.000 NOV 15 39	3137A3ZF9	11/01/2017	930.99
FHLMC REMIC SERIES	2.750 APR 15 41	3137ANQF5	11/01/2017	629.91
FHLMC REMIC SERIES	1.500 MAY 15 27	3137AQPV4	11/01/2017	565.53
FHLMC REMIC SERIES	3.000 NOV 15 32	3137B9BY0	11/01/2017	274.63
FNMA PASSTHRU AH0257	4.000 DEC 01 40	3138A1JB8	11/01/2017	99.56

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
FNMA PASSTHRU AH0942	4.000 DEC 01 40	3138A2BL2	11/01/2017	210.49
FNMA PASSTHRU AH1030	4.500 DEC 01 40	3138A2EC9	11/01/2017	244.22
FNMA PASSTHRU AH3586	4.000 JAN 01 41	3138A46Y6	11/01/2017	273.64
FNMA PASSTHRU AH3394	4.000 JAN 01 41	3138A4XY6	11/01/2017	132.52
FNMA PASSTHRU AH3986	4.000 FEB 01 41	3138A5NC2	11/01/2017	303.42
FNMA PASSTHRU AH8954	4.000 APR 01 41	3138AA5Q0	11/01/2017	313.84
FNMA PASSTHRU AJ5336	3.000 NOV 01 26	3138AW4W0	11/01/2017	189.57
FNMA PASSTHRU AK4940	3.500 MAR 01 42	3138E9P20	11/01/2017	210.62
FNMA PASSTHRU AL0957	4.000 JUL 01 21	3138EHB35	11/01/2017	462.38
FNMA PASSTHRU AL5521	4.500 JAN 01 40	3138END30	11/01/2017	1,060.30
FNMA PASSTHRU AL6345	4.000 NOV 01 28	3138EPBP8	11/01/2017	485.25
FNMA PASSTHRU AL9772	3.000 SEP 01 26	3138ER2E9	11/01/2017	375.04
FNMA PASSTHRU AL9742	4.000 JUL 01 29	3138ERZG8	11/01/2017	880.00
FNMA PASSTHRU AL8600	3.500 APR 01 31	3138ETRW8	11/01/2017	970.97
FNMA PASSTHRU AO8044	3.500 JUL 01 42	3138LY5E3	11/01/2017	81.93
FNMA PASSTHRU AP3108	3.500 OCT 01 42	3138M6N29	11/01/2017	243.06
FNMA PASSTHRU AP6752	3.000 SEP 01 27	3138MAQE1	11/01/2017	88.70
FNMA PASSTHRU AP7553	3.000 SEP 01 42	3138MBMB9	11/01/2017	200.64
FNMA PASSTHRU AR7391	3.000 JUN 01 43	3138W5F94	11/01/2017	457.60
FNMA PASSTHRU AS0765	3.500 OCT 01 28	3138W9Z78	11/01/2017	436.84
FNMA PASSTHRU AS1632	3.000 FEB 01 29	3138WAY68	11/01/2017	1,369.28
FNMA PASSTHRU AS7348	3.500 JUN 01 46	3138WHEW8	11/01/2017	1,736.60
FNMA PASSTHRU AS7388	3.500 JUN 01 46	3138WHF64	11/01/2017	1,717.34
FNMA REMIC TRUST	4.000 NOV 25 40	31397SZ23	11/01/2017	251.47
FNMA PASSTHRU BC1158	3.500 FEB 01 46	3140EVJC2	11/01/2017	2,710.19
FNMA PASSTHRU BC6009	3.500 MAY 01 46	3140F1VB5	11/01/2017	3,507.51

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Income

Description	Issue	CUSIP	Pay Date	Proceeds
FNMA PASSTHRU BM1023	2.500 MAY 01 26	3140J5D55	11/01/2017	764.39
FNMA PASSTHRU 932389	4.500 JAN 01 40	31412Q2W8	11/01/2017	228.80
FNMA PASSTHRU AA5223	4.000 MAR 01 39	31416NYV8	11/01/2017	131.58
FNMA PASSTHRU AB1475	4.500 SEP 01 40	31416WT93	11/01/2017	109.25
FNMA PASSTHRU AB3865	3.500 NOV 01 41	31417AJK6	11/01/2017	209.27
FNMA PASSTHRU MA0203	4.000 OCT 01 19	31417YGM3	11/01/2017	167.30
FNMA PASSTHRU MA0514	4.000 SEP 01 40	31417YSC2	11/01/2017	109.29
FNMA PASSTHRU MA0575	4.500 NOV 01 30	31417YT98	11/01/2017	1,041.88
FNMA PASSTHRU MA0706	4.500 APR 01 31	31417YYC5	11/01/2017	529.41
FNMA PASSTHRU MA0907	4.000 NOV 01 41	31418AAH1	11/01/2017	221.64
FNMA PASSTHRU MA1029	3.500 APR 01 32	31418AEB0	11/01/2017	154.29
FNMA PASSTHRU MA2683	4.000 JUL 01 46	31418B6V3	11/01/2017	1,908.04
FNMA PASSTHRU MA1922	4.000 JUN 01 34	31418BD45	11/01/2017	1,341.33
FNMA PASSTHRU MA1982	3.500 AUG 01 34	31418BFY7	11/01/2017	362.90
FNMA PASSTHRU AD6960	4.500 JUL 01 40	31418UWW0	11/01/2017	176.50
FNMA PASSTHRU AD8268	4.500 SEP 01 40	31418WFJ4	11/01/2017	549.87
FNMA PASSTHRU AE7582	4.500 NOV 01 40	31419JM88	11/01/2017	346.79
GNMA PASSTHRU AU4920	3.020 SEP 15 41	36194SPD4	11/01/2017	591.80
GNMA PASSTHRU 005228	3.500 NOV 20 26	36202FYZ3	11/01/2017	260.62
GNMA PASSTHRU 782973	5.500 NOV 15 35	36241LJS6	11/01/2017	779.95
GNMA PASSTHRU 696467	6.500 AUG 15 38	36296NW44	11/01/2017	28.97
GNMA REMIC TRUST	3.500 JAN 20 38	38374YWD1	11/01/2017	121.35
GNMA REMIC TRUST	3.000 OCT 20 39	38377JZ48	11/01/2017	508.12
GNMA REMIC TRUST	5.000 AUG 16 39	38377UR34	11/01/2017	523.71
GNMA REMIC TRUST	2.170 APR 16 41	38378BRT8	11/01/2017	160.98
GNMA REMIC TRUST	2.750 JAN 20 38	38378CQF7	11/01/2017	188.56

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
GNMA REMIC TRUST	3.500 APR 16 43	38378YYK9	11/01/2017	473.59
GNMA REMIC TRUST	2.200 AUG 16 47	38379R6A6	11/01/2017	732.10
HONEYWELL INTL INC	2.500 NOV 01 26	438516BL9	11/01/2017	575.00
JPMCC COML MTG SEC T	2.822 AUG 17 49	46590MAR1	11/01/2017	256.31
MORGAN STAN CAP I	3.809 DEC 17 48	61691ABL6	11/01/2017	377.73
MORGAN STAN CAP I	3.596 DEC 17 49	61691EBA2	11/01/2017	1,228.63
MORGAN STAN CAP I	3.594 MAR 17 49	61766CAE9	11/01/2017	518.14
UBS-BARCLY COML MTG	3.525 MAY 11 63	90269CAD2	11/01/2017	528.75
UBS-BARCLY COML MTG	2.533 DEC 12 45	90270RBC7	11/01/2017	208.96
VNDO MTG TR	2.996 NOV 15 30	91830CAA6	11/01/2017	312.04
WF-RBS COML MTG TR	4.869 FEB 18 44	92935JBC8	11/01/2017	1,704.15
WFRBS COML MTG TR	3.198 MAR 17 48	92937FAD3	11/01/2017	381.10
WELLS FARGO COML TR	2.931 JUL 17 48	95000FAT3	11/01/2017	439.65
WELLS FARGO COML TR	2.918 NOV 18 49	95000KBB0	11/01/2017	916.74
WELLS FARGO COML TR	3.635 MAR 17 50	95000TBS4	11/01/2017	1,069.30
APPLE INC	2.400 MAY 03 23	037833AK6	11/03/2017	3,684.00
CASH	CASH	CASH	11/06/2017	361.70
LAKELAND FINL CORP	COMMON	511656100	11/06/2017	1,848.00
CASH	CASH	CASH	11/06/2017	581.69
AMERICAN EXPRESS CEN	2.300 APR 05 21	02587DN20	11/06/2017	37.48
GOLDMAN SACHS BK USA	2.250 SEP 30 20	38148JP88	11/06/2017	82.20
AMERICREDIT AUTO REC	2.580 SEP 08 20	03062AAF3	11/08/2017	249.40
AMERICREDIT AUTO REC	1.820 JUL 08 20	03065LAE9	11/08/2017	585.43
AMERICREDIT AUTO REC	2.110 JAN 08 21	03065MAE7	11/08/2017	260.23
AMERICREDIT AUTO REC	2.300 MAR 08 21	03065VAE7	11/08/2017	504.08
BANK OF NEW YORK MEL	COMMON	064058100	11/09/2017	6,720.00

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Income

Description	Issue	CUSIP	Pay Date	Proceeds
BP CAP MKTS P L C	2.750 MAY 10 23	05565QCD8	11/10/2017	3,698.75
CATERPILLAR INC DEL	7.900 DEC 15 18	149123BQ3	11/10/2017	17,659.77
OSCAR US FD TR VI	2.820 JUN 10 21	687846AD7	11/10/2017	611.00
SHELL INTERNATIONAL	3.250 MAY 11 25	822582BD3	11/11/2017	1,885.00
CAPITAL ONE FINL COR	2.500 MAY 12 20	14040HBP9	11/12/2017	1,287.50
FIRST INTST BANCSYS	CLASS A	32055Y201	11/13/2017	1,896.00
NAVIOS MARITIME MIDS	LP COM UNIT LTD	Y62134104	11/14/2017	6,844.50
CCG RECV TR 2017-1	1.840 NOV 14 23	12508UAB1	11/14/2017	863.27
ABBOTT LABS	COMMON	002824100	11/15/2017	7,340.50
FEDERATED INVS INC	CLASS B	314211103	11/15/2017	6,700.00
FEDERATED INVS INC	CLASS B	314211103	11/15/2017	2,525.00
AT&T INC	3.400 MAY 15 25	00206RCN0	11/15/2017	2,108.00
CAPITAL ONE CC TR	2.009 FEB 15 22	14041NFC0	11/15/2017	346.30
CAPITAL ONE CC TR	1.990 JUL 17 23	14041NFN6	11/15/2017	443.05
NATIONAL RURAL UTILS	2.300 NOV 15 19	637432NB7	11/15/2017	2,242.50
NISSAN AUTO LEASE TR	1.910 APR 15 20	65479AAD4	11/15/2017	237.16
STATE STR CORP	2.653 MAY 15 23	857477AZ6	11/15/2017	1,101.00
APPLE INC	COMMON	037833100	11/16/2017	20,097.00
CHEVRON CORP NEW	2.954 MAY 16 26	166764BL3	11/16/2017	1,211.14
WELLS FARGO BK N A	1.750 JUN 17 21	9497485W3	11/17/2017	445.88
CASH	CASH	CASH	11/17/2017	370.81
AMERICREDIT AUTO REC	1.980 DEC 20 21	03065GAD2	11/18/2017	194.70
ENTERPRISE FLEET FNC	1.740 FEB 22 22	29372EBS6	11/20/2017	344.74
GREAT AMER LEASE REC	1.720 APR 22 19	39154TAH1	11/20/2017	322.50
VERIZON OWNER TR	1.680 MAY 20 21	92348MAA7	11/20/2017	350.00
VERIZON OWNER TR	2.060 SEP 20 21	92348NAA5	11/20/2017	1,030.00

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
VERIZON OWNER TR	2.450 SEP 20 21	92348NAB3	11/20/2017	839.13
BAKER HUGHES A GE CO	CL A COMMON STOCK	05722G100	11/22/2017	4,518.00
AMERICAN EXP FED SVG	2.250 MAY 24 21	02587CFF2	11/24/2017	10,093.49
CAPITAL ONE NATL ASS	2.250 MAY 24 21	14042RFV8	11/24/2017	7,283.49
CHEESECAKE FACTORY	COMMON	163072101	11/28/2017	1,798.00
KENNAMETAL INC	COMMON	489170100	11/29/2017	5,840.00
WELLS FARGO BANK NAT	2.250 MAR 29 21	949763FW1	11/29/2017	856.84
LINDSAY CORP	COMMON	535555106	11/30/2017	1,230.00
INTEL CORP	COMMON	458140100	12/01/2017	17,848.75
STARBUCKS CORP	COMMON	855244109	12/01/2017	8,130.00
WELLS FARGO & CO	COMMON	949746101	12/01/2017	10,023.00
BANK AMER CORP	7.625 JUN 01 19	06051GDZ9	12/01/2017	9,150.00
COMM MTG TR	2.928 FEB 12 47	12591RAX8	12/01/2017	656.73
COMM MTG TR	2.976 JUL 10 48	12593FBA1	12/01/2017	766.32
COMM MTG TR 2015-PC1	3.902 JUL 12 50	12593GAF9	12/01/2017	881.20
COMM MTG TR	4.230 JUL 12 45	12625UBF9	12/01/2017	1,887.80
DBUBS MTG TR	3.452 OCT 12 34	23305JAA0	12/01/2017	1,150.67
FHLMC PC GOL D98711	4.500 JUL 01 31	3128E5VC0	12/01/2017	1,003.01
FHLMC PC GOL G04632	5.000 NOV 01 36	3128M6PR3	12/01/2017	448.22
FHLMC PC GOL G06933	5.000 JUL 01 41	3128M9BA9	12/01/2017	507.62
FHLMC PC GOL G15191	4.000 NOV 01 28	3128MD7C1	12/01/2017	395.57
FHLMC PC GOL G16043	3.500 AUG 01 30	3128ME5C1	12/01/2017	810.51
FHLMC PC GOL G16330	3.500 AUG 01 32	3128MFHF8	12/01/2017	2,143.96
FHLMC PC GOL G08737	3.000 DEC 01 46	3128MJZB9	12/01/2017	1,001.77
FHLMC PC GOL C91370	4.500 MAY 01 31	3128P7QX4	12/01/2017	226.02
FHLMC PC GOL C91881	3.500 JUL 01 36	3128P8CS8	12/01/2017	575.39

Transaction Detail - 10/1/2017 through 12/31/2017

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
FHLMC PC GOL A96413	4.000 JAN 01 41	312945DS4	12/01/2017	678.79
FHLMC PC GOL Q13086	3.000 NOV 01 42	3132HPNB6	12/01/2017	114.79
FNMA REMIC TRUST	4.000 FEB 25 40	3136A0P27	12/01/2017	176.08
FNMA REMIC TRUST	3.000 MAR 25 39	3136A1JT3	12/01/2017	98.46
FHLMC REMIC SERIES	4.000 NOV 15 39	3137A3ZF9	12/01/2017	909.75
FHLMC REMIC SERIES	2.750 APR 15 41	3137ANQF5	12/01/2017	617.57
FHLMC REMIC SERIES	1.500 MAY 15 27	3137AQPV4	12/01/2017	558.11
FHLMC REMIC SERIES	3.000 NOV 15 32	3137B9BY0	12/01/2017	267.18
FNMA PASSTHRU AH0257	4.000 DEC 01 40	3138A1JB8	12/01/2017	96.25
FNMA PASSTHRU AH0942	4.000 DEC 01 40	3138A2BL2	12/01/2017	205.96
FNMA PASSTHRU AH1030	4.500 DEC 01 40	3138A2EC9	12/01/2017	243.64
FNMA PASSTHRU AH3586	4.000 JAN 01 41	3138A46Y6	12/01/2017	270.32
FNMA PASSTHRU AH3394	4.000 JAN 01 41	3138A4XY6	12/01/2017	130.67
FNMA PASSTHRU AH3986	4.000 FEB 01 41	3138A5NC2	12/01/2017	292.08
FNMA PASSTHRU AH8954	4.000 APR 01 41	3138AA5Q0	12/01/2017	311.88
FNMA PASSTHRU AJ5336	3.000 NOV 01 26	3138AW4W0	12/01/2017	185.46
FNMA PASSTHRU AK4940	3.500 MAR 01 42	3138E9P20	12/01/2017	208.33
FNMA PASSTHRU AL0957	4.000 JUL 01 21	3138EHB35	12/01/2017	444.51
FNMA PASSTHRU AL5521	4.500 JAN 01 40	3138END30	12/01/2017	1,044.57
FNMA PASSTHRU AL6345	4.000 NOV 01 28	3138EPBP8	12/01/2017	474.16
FNMA PASSTHRU AL9772	3.000 SEP 01 26	3138ER2E9	12/01/2017	368.29
FNMA PASSTHRU AL9742	4.000 JUL 01 29	3138ERZG8	12/01/2017	858.94
FNMA PASSTHRU AL8600	3.500 APR 01 31	3138ETRW8	12/01/2017	951.56
FNMA PASSTHRU AO8044	3.500 JUL 01 42	3138LY5E3	12/01/2017	81.17
FNMA PASSTHRU AP3108	3.500 OCT 01 42	3138M6N29	12/01/2017	242.48
FNMA PASSTHRU AP6752	3.000 SEP 01 27	3138MAQE1	12/01/2017	88.03

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Income

Description	Issue	CUSIP	Pay Date	Proceeds
FNMA PASSTHRU AP7553	3.000 SEP 01 42	3138MBMB9	12/01/2017	198.98
FNMA PASSTHRU AR7391	3.000 JUN 01 43	3138W5F94	12/01/2017	453.81
FNMA PASSTHRU AS0765	3.500 OCT 01 28	3138W9Z78	12/01/2017	430.21
FNMA PASSTHRU AS7348	3.500 JUN 01 46	3138WHEW8	12/01/2017	1,702.60
FNMA PASSTHRU AS7388	3.500 JUN 01 46	3138WHF64	12/01/2017	1,700.35
FNMA REMIC TRUST	4.000 NOV 25 40	31397SZ23	12/01/2017	245.84
FNMA PASSTHRU BC1158	3.500 FEB 01 46	3140EVJC2	12/01/2017	2,680.46
FNMA PASSTHRU BC6009	3.500 MAY 01 46	3140F1VB5	12/01/2017	3,432.01
FNMA PASSTHRU BM1023	2.500 MAY 01 26	3140J5D55	12/01/2017	753.86
FNMA PASSTHRU 932389	4.500 JAN 01 40	31412Q2W8	12/01/2017	224.89
FNMA PASSTHRU AA5223	4.000 MAR 01 39	31416NYV8	12/01/2017	131.19
FNMA PASSTHRU AB1475	4.500 SEP 01 40	31416WT93	12/01/2017	108.97
FNMA PASSTHRU AB3865	3.500 NOV 01 41	31417AJK6	12/01/2017	208.42
FNMA PASSTHRU MA0203	4.000 OCT 01 19	31417YGM3	12/01/2017	157.11
FNMA PASSTHRU MA0514	4.000 SEP 01 40	31417YSC2	12/01/2017	107.15
FNMA PASSTHRU MA0575	4.500 NOV 01 30	31417YT98	12/01/2017	1,021.78
FNMA PASSTHRU MA0706	4.500 APR 01 31	31417YYC5	12/01/2017	520.23
FNMA PASSTHRU MA0907	4.000 NOV 01 41	31418AAH1	12/01/2017	219.42
FNMA PASSTHRU MA1029	3.500 APR 01 32	31418AEB0	12/01/2017	152.28
FNMA PASSTHRU MA2683	4.000 JUL 01 46	31418B6V3	12/01/2017	1,857.77
FNMA PASSTHRU MA1922	4.000 JUN 01 34	31418BD45	12/01/2017	1,316.31
FNMA PASSTHRU MA1982	3.500 AUG 01 34	31418BFY7	12/01/2017	357.68
FNMA PASSTHRU AD6960	4.500 JUL 01 40	31418UWW0	12/01/2017	172.82
FNMA PASSTHRU AD8268	4.500 SEP 01 40	31418WFJ4	12/01/2017	534.32
FNMA PASSTHRU AE7582	4.500 NOV 01 40	31419JM88	12/01/2017	345.70
GNMA PASSTHRU AU4920	3.020 SEP 15 41	36194SPD4	12/01/2017	590.45

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
GNMA PASSTHRU 005228	3.500 NOV 20 26	36202FYZ3	12/01/2017	255.03
GNMA PASSTHRU 782973	5.500 NOV 15 35	36241LJS6	12/01/2017	767.05
GNMA PASSTHRU 696467	6.500 AUG 15 38	36296NW44	12/01/2017	28.89
GNMA REMIC TRUST	3.500 JAN 20 38	38374YWD1	12/01/2017	114.61
GNMA REMIC TRUST	3.000 OCT 20 39	38377JZ48	12/01/2017	493.73
GNMA REMIC TRUST	5.000 AUG 16 39	38377UR34	12/01/2017	510.58
GNMA REMIC TRUST	2.170 APR 16 41	38378BRT8	12/01/2017	160.19
GNMA REMIC TRUST	2.750 JAN 20 38	38378CQF7	12/01/2017	178.77
GNMA REMIC TRUST	3.500 APR 16 43	38378YYK9	12/01/2017	463.33
GNMA REMIC TRUST	2.200 AUG 16 47	38379R6A6	12/01/2017	730.86
HOME DEPOT INC	2.625 JUN 01 22	437076BG6	12/01/2017	3,465.00
JPMCC COML MTG SEC T	2.822 AUG 17 49	46590MAR1	12/01/2017	256.31
MID-AMERICA APTS LP	3.600 JUN 01 27	59523UAN7	12/01/2017	1,313.00
MORGAN STAN CAP I	3.809 DEC 17 48	61691ABL6	12/01/2017	377.73
MORGAN STAN CAP I	3.596 DEC 17 49	61691EBA2	12/01/2017	1,228.63
MORGAN STAN CAP I	3.594 MAR 17 49	61766CAE9	12/01/2017	518.14
UBS-BARCLY COML MTG	3.525 MAY 11 63	90269CAD2	12/01/2017	528.75
UBS-BARCLY COML MTG	2.533 DEC 12 45	90270RBC7	12/01/2017	208.96
VNDO MTG TR	2.996 NOV 15 30	91830CAA6	12/01/2017	312.04
WF-RBS COML MTG TR	4.869 FEB 18 44	92935JBC8	12/01/2017	1,704.15
WFRBS COML MTG TR	3.198 MAR 17 48	92937FAD3	12/01/2017	381.10
WELLS FARGO COML TR	2.931 JUL 17 48	95000FAT3	12/01/2017	439.65
WELLS FARGO COML TR	2.918 NOV 18 49	95000KBB0	12/01/2017	916.74
WELLS FARGO COML TR	3.635 MAR 17 50	95000TBS4	12/01/2017	1,069.30
NEENAH INC	COMMON	640079109	12/04/2017	1,221.00
CASH	CASH	CASH	12/05/2017	738.68

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Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
CHEVRON CORP NEW	2.355 DEC 05 22	166764AB6	12/05/2017	6,488.03
DISCOVER FINL SVCS	COMMON	254709108	12/07/2017	7,175.00
EXPEDIA INC	COMMON	30212P303	12/07/2017	2,460.00
HONEYWELL INTL INC	COMMON	438516106	12/08/2017	15,198.00
FORWARD AIR CORP	COMMON	349853101	12/08/2017	1,117.50
AMERICREDIT AUTO REC	2.580 SEP 08 20	03062AAF3	12/08/2017	249.40
AMERICREDIT AUTO REC	2.110 JAN 08 21	03065MAE7	12/08/2017	260.23
AMERICREDIT AUTO REC	2.300 MAR 08 21	03065VAE7	12/08/2017	504.08
FORD MTR CO DEL	4.346 DEC 08 26	345370CR9	12/08/2017	5,758.45
NISSAN MTR ACCEP COR	FLTG MAR 08 19	654740AM1	12/08/2017	2,070.71
CASH	CASH	CASH	12/08/2017	1,397.24
HSBC BANK USA NA	1.625 DEC 09 20	40434AE62	12/09/2017	1,998.75
OSCAR US FD TR VI	2.820 JUN 10 21	687846AD7	12/10/2017	611.00
CHEVRON CORP	COMMON	166764100	12/11/2017	9,396.00
MARATHON PETROLEUM	COMMON	56585A102	12/11/2017	7,760.00
NORFOLK SOUTHERN	COMMON	655844108	12/11/2017	6,588.00
3M COMPANY	COMMON	88579Y101	12/12/2017	8,342.50
WALGREENS BOOTS ALNC	COMMON	931427108	12/12/2017	9,960.00
MICROSOFT CORP	COMMON	594918104	12/14/2017	20,454.00
BANK OF NOVA SCOTIA	1.650 JUN 14 19	064159HT6	12/14/2017	2,318.25
CCG RECV TR 2017-1	1.840 NOV 14 23	12508UAB1	12/14/2017	863.27
BORG WARNER INC	COMMON	099724106	12/15/2017	4,199.00
DOVER CORP	COMMON	260003108	12/15/2017	5,875.00
CALGON CARBON	COMMON	129603106	12/15/2017	795.00
HANCOCK HLDG CO	COMMON	410120109	12/15/2017	1,227.36
NAVIGATORS GROUP INC	COMMON	638904102	12/15/2017	432.00

Transaction Detail - 10/1/2017 through 12/31/2017

94300

Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
CAPITAL ONE CC TR	2.009 FEB 15 22	14041NFC0	12/15/2017	347.14
CAPITAL ONE CC TR	1.990 JUL 17 23	14041NFN6	12/15/2017	379.76
NISSAN AUTO LEASE TR	1.910 APR 15 20	65479AAD4	12/15/2017	237.16
PACIFICORP	3.850 JUN 15 21	695114CM8	12/15/2017	1,386.00
VOLVO FINL EQUP LLC	2.059 NOV 15 22	92887MAA4	12/15/2017	284.12
BNSF RAILWAY CO	3.442 JUN 16 28	05581JAA2	12/16/2017	3,437.72
WELLS FARGO BK N A	1.750 JUN 17 21	9497485W3	12/17/2017	437.50
AMERICREDIT AUTO REC	1.980 DEC 20 21	03065GAD2	12/18/2017	194.70
FEDERAL FARM CR BKS	2.700 DEC 19 24	3133EHNF6	12/19/2017	3,901.50
BANK AMER CORP	7.625 JUN 01 19	06051GDZ9	12/20/2017	965.83
ENTERPRISE FLEET FNC	1.740 FEB 22 22	29372EBS6	12/20/2017	327.26
GREAT AMER LEASE REC	1.720 APR 22 19	39154TAH1	12/20/2017	322.50
VERIZON OWNER TR	1.680 MAY 20 21	92348MAA7	12/20/2017	350.00
VERIZON OWNER TR	2.060 SEP 20 21	92348NAA5	12/20/2017	1,030.00
VERIZON OWNER TR	2.450 SEP 20 21	92348NAB3	12/20/2017	839.13
ADVISORS INNER CIRCL	MCKEE INTL EQT	00758M188	12/21/2017	212,530.47
ADVISORS INNER CIRCL	MCKEE INTL EQT	00758M188	12/21/2017	5,002.15
AMERN INTL GROUP INC	COMMON	026874784	12/22/2017	7,584.00
JPMORGAN CHASE & CO	2.750 JUN 23 20	46625HLW8	12/23/2017	866.25
GILEAD SCIENCES INC	COMMON	375558103	12/28/2017	7,748.00
GOLDMAN SACHS GROUP	COMMON	38141G104	12/28/2017	4,500.00
T ROWE PRICE GRP	COMMON	74144T108	12/28/2017	8,037.00
ADVISORS INNER CIRCL	MCKEE INTL EQT	00758M188	12/29/2017	288,164.74
DICKS SPORTING GOODS	COMMON	253393102	12/29/2017	6,715.00
MARRIOTT INTL INC	CLASS A	571903202	12/29/2017	4,653.00
PUBLIC SVC ENTERPR	COMMON	744573106	12/29/2017	8,600.00

Transaction Detail - 10/1/2017 through 12/31/2017

94300

Income

Description	*Issue*	*CUSIP*	*Pay Date*	*Proceeds*
WELLS FARGO BANK NAT	2.250 MAR 29 21	949763FW1	12/29/2017	830.28
UNITED STATES TREAS	2.000 JUN 30 24	912828XX3	12/31/2017	9,540.00
		Total Income		**$1,200,787.64**

Transaction Detail - 10/1/2017 through 12/31/2017

94300

Other

Description	*Issue*	*CUSIP*	*Transaction Type*	*Trade Date*	*Shares*	*Average Price*	*Proceeds/ Distributions*	*Gain/Loss*
FEDERAL HOME LN MTG	1.500 APR 20 22 SU	3134GBDQ2	Maturity	10/20/2017	273,000	100.00	273,000.00	0.00
CASH	CASH	CASH	Cash Withdrawal	10/31/2017	573,908	1.00	-573,908.31	0.00
CATERPILLAR INC DEL	7.900 DEC 15 18	149123BQ3	Maturity	11/10/2017	555,000	106.43	590,692.05	-94,511.92
CASH	CASH	CASH	Cash Withdrawal	11/30/2017	1,150,000	1.00	-1,150,000.00	0.00
CASH	CASH	CASH	Cash Withdrawal	11/30/2017	768,978	1.00	-768,978.14	0.00
CASH	CASH	CASH	Cash Deposit	11/30/2017	1,150,000	1.00	1,150,000.00	0.00
CASH	CASH	CASH	Cash Withdrawal	12/20/2017	1,600,000	1.00	-1,600,000.00	0.00
BANK AMER CORP	7.625 JUN 01 19	06051GDZ9	Share Exchange	12/20/2017	240,000	109.01	261,634.17	-1,117.83
BANK AMER CORP	3.004 DEC 20 23	06051GGV5	Share Exchange	12/20/2017	259,000	101.02	-261,634.17	0.00
CASH	CASH	CASH	Cash Deposit	12/20/2017	1,600,000	1.00	1,600,000.00	0.00
CASH	CASH	CASH	Cash Deposit	12/20/2017	152	1.00	152.00	0.00
CASH	CASH	CASH	Cash Withdrawal	12/29/2017	341,319	1.00	-341,319.46	0.00
		Total Other					**-820,361.86**	**-95,629.75**

January 2018

Five Minutes *with* C.S. McKee

CS McKee
INVESTMENT MANAGERS

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Conflicting Signals

Healthcare reform failed in 2017. Tax reform is being digested as I write. Political disputes between and within both major parties were ceaseless, with 2018 balances in the U.S. House and Senate at stake. Global tensions were highly visible. Terrorist events and natural disasters were distressingly common. U.S. government debt floats around 105% of GDP, and is rising.

Tough on the markets, right? The S&P 500 was up 21.8%; the smaller-cap Russell 2000, up 14.7%; the Bloomberg/Barclays Aggregate index, up 3.5%; and EAFE, up 25.0%. Gold is around $1,312 an ounce, and a bitcoin is worth whatever a bitcoin is worth. Home prices were generally strong. Financial market volatility has been subdued.

The extraordinary monetary stimulus from central banks worldwide following the 2008 panic underlies the historically unusual correlation among stocks, bonds, and other asset classes. The resulting—and continuing—low interest rates support what otherwise might seem rich valuations. Yet glimmers of good economic news also support the run and hint at more potential for stocks. The 45 economies in the world that the OECD tracks *all* grew in 2017, the first time in a decade for such synchrony. Earnings for the S&P 500 in 2018 are estimated at $145 a share, for a price multiple of roughly 19. Not unreasonable in the context of low rates. So while the grand stimulus experiment awaits final judgment, there have been positive relative results.

Closely correlated diverse asset classes mean someone will be wrong

Yet conflicting signals from the bond market might give pause. And closely correlated diverse asset classes mean someone will be wrong.

Although we are beginning to see some pressure, it is difficult to anticipate much of an increase in inflation or *longer-term* rates soon. U.S. yields are low by post-1980 standards, but they are justified by the low inflation. And the credit markets seem to be agreeing that low yields/low inflation will continue for a while. The Fed has begun to reduce its balance sheet, decreasing the market effect of a big buyer, and has begun to push short rates higher. Central banks in Europe, Japan, England, and elsewhere are considering reductions to their protracted stimulus. But this cautious approach will remain a tactical impediment to rising U.S. rates. Demand for longer Treasuries remains strong, and the spread between the 10-year and the 2-year hovered around 55 basis points at year end as the curve has flattened—a spread *sometimes* presaging economic weakness (though distortions from the years of quantitative easing have reduced the signaling power of the yield curve). "Normalization" is likely to be gradual as domestic and global growth awaits more traction. The break-even for Treasury Inflation Protected Securities has been widening, reflecting a pickup in inflationary expectations. Still, inflation now faces the cumulative pressures from internet commerce (seems anyone can find a better deal), changing dynamics in the energy markets (fracking, natural gas, alternatives), an aging population (slower money velocity), and corporate business models (more on that below).

The year ahead should tell whether or not the business practices favored by investors last year—think Amazon, Facebook, Tesla, and Netflix—are sustainable. These practices include re-channeling cash into the business and focusing on market

Conflicting Signals *(continued)*

share and innovation over profits and shareholder rewards such as dividends. This model make sense in a low-yield, low-inflation world, since profits gained further in the future become more valuable when discounted to today. Investors have rewarded firms with disruptive models that they believe are positioned to benefit further from technology in a connected global economy.

The scorecard? Growth has out-performed value by 16.6 percentage points since January 2017. Amazon is twice the value of Wal-Mart, Apple is twice that of Exxon, Facebook and Google are 20x that of CBS. Uber is valued higher than all the auto rental companies combined. Tesla is valued as an equal to GM and Ford. Certainly these valuations reflect changing technology and consumer adaptation. It is worth remembering, though, that most things critical to daily life (food, energy, buildings) are still physical, not virtual. Another point: significant tech innovation has been directed at social media and gaming—contributing to innovative marketing but perhaps a distraction from and drag on corporate productivity. Traditional conglomerates such as GE, and box stores such as Macys, have struggled to remain competitive and maintain investor interest and confidence. But they may not be terminal yet as they revamp their own business models.

As unprecedented as the experiment of global monetary stimulus has been, unwinding it will be just as unprecedented

Similarities to the dotcom days? The dotcom bust did not occur because the associated technology was *not* transformative. It was. Rather, investors were lured in as fundamental valuations and business practices (debt management, compensation, productivity) strayed from reality (like bitcoin?). At McKee we have always believed that fundamentals matter. The Fed's intent to raise short rates and let long rates follow if they can—that seems real. The interest rate curve faces constraints: still-low inflation and modest GDP; tepid but slightly increasing wage growth: and remaining global stimulus and competition. The short-term effect of higher domestic debt is unclear, but rising rates will challenge corporate America (higher financing cost *and* the limited deduction for interest on debt), as well as main street.

Unsurprisingly, the signals conflict, demanding expertise and focused attention. The bond market is telling us that economic conditions perhaps aren't as rosy as equity valuations indicate. Tax reform coupled with the continuing low-rate environment seems to favor stocks, perhaps boosted by repatriation. We believe some life remains in the U.S bond market. Higher quality in stocks and bonds might permit a better night's sleep, especially since we don't see a repeat of 2017's lack of volatility. As unprecedented as the experiment of global monetary stimulus has been, unwinding it will be just as unprecedented.

We are profoundly grateful for your trust in us to navigate the financial markets on your behalf. I am pleased to report that through the consistent application of our disciplines in the face of the challenges evident in 2017, three of our five marketed equity strategies and seven of our ten marketed fixed income strategies out-performed their respective benchmarks. We welcome any questions.

Gene Natali
Chief Executive Officer